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At Board Meeting, WAPA Talks Plan to Reduce Bill Guesstimating to Below 2 Percent, Expresses Concern at Rising Cost of Propane

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The Virgin Islands Water and Power Authority's governing board discussed what was said to be a "major push" at the authority to lower bill guesstimating — which sees WAPA estimating the utility bills of its customers instead of getting an accurate reading — to below two percent per billing cycle. The authority also spoke of the rising cost of propane as a concern.

The pledge to diminish the practice of guessing customers' bills to below two percent follows the U.S. Dept. of Housing and Urban Development's [decision to withhold millions in funding to WAPA](#) until the authority can meet multiple criteria. The percentage stood at 11 percent of all

WAPA customers in July 2020.

WAPA Interim CEO Noel Hodge told board members that the authority is hiring temporary meter readers to reduce the levels. "While the current rate of estimated bills is steadily on a decline and is in fact significantly lower when compared to last summer, the current rate of 8 percent is not acceptable," he said.

Hodge said the goal is to continue to reduce that percentage each month. "We will bring on additional meter readers to physically read an increased number of meters, estimate less accounts and complete a billing cycle within 30 days. The addition of more meter reading staff is really a stop gap measure until we complete our evaluation of the automated metering systems that we intend to fully restore," he said.

Once that and other milestones are achieved, additional federal funding earmarked for various mitigation projects that comprise the authority's strategic transformation plan, will be released, WAPA said.

Also at the meeting, board members voted to extend lines of credit with First Bank, defer debt service payment on a water system loan and to approve all annual insurance policies except for windstorm coverage.

WAPA said seven members present approved a deferral of a \$1.3 million debt service payment on a federal loan for the water system. FEMA has agreed to WAPA's request to delay the payment until July.

The board also approved a 90-day extension on existing lines of credit with First Bank. The credit lines, now extended to July 31, include \$10 million and \$4.8 million for the electric system, \$1.1 and \$2 million for the water systems and a \$50 million overdraft credit facility.

WAPA's annual insurance renewals were approved except for windstorm coverage. Board members discussed, but took no action on, adopting a windstorm insurance policy at Thursday's meeting. Representatives of insurance consultant Willis Towers Watson told board members that securing windstorm coverage for WAPA is challenging because of losses sustained during the hurricanes of 2017 and pending litigation stemming from those claims. Board members are considering an alternative policy that would provide \$10 million in coverage should a major hurricane impact the territory.

During executive session, board members discussed legal and personnel matters and voted unanimously to begin interviews for the general counsel position at WAPA. Attorney Dionne Sinclair is currently serving as acting general counsel, WAPA said.

In his monthly executive director's report, Hodge told board members that a close watch is being maintained on the rising cost of propane fuel. "While we have been exceeding the established benchmarks for the ratio of propane fuel to oil used for electrical generation, the rising cost of propane is a concern."

Board Chairman Anthony Thomas told the interim executive director that the board stands squarely behind WAPA's efforts and "the board will do its part to ensure that the goals are realized."

Both Thomas and Hodge encouraged persons seeking employment in a temporary or permanent capacity to visit the WAPA website, www.viwapa.vi/about-us/career-opportunities

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