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Composite Pole Installation Completion on St. Croix Delayed to Dec. 2023; WAPA's Container Port Undergrounding Project Sees \$345,000 Cost Increase

WAPA / **Published On September 16, 2021 04:56 PM /**

Kyle Murphy **September 16, 2021**

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Composite pole installation on the east end of St. Croix. By. ERNICE GILBERT/VI CONSORTIUM

The Water and Power Authority Governing Board approved its Fiscal Year 2022 Electric System Operating Budget, Electric System Capital Budget, Water System Capital Budget along with other action items during an emergency board meeting on Thursday — the first meeting under a new structure required by law.

Debra Gottlieb, WAPA interim chief financial officer, presented the budgets to the governing body.

The board approved WAPA's \$279,216,404 Electric System Operating Budget for fiscal year 2022. This includes \$267,754,745 for operating expenses, \$11,460,659 for operating income loss, \$32,682,018 for other operating expenses and a negative balance of \$21,211,359 from net income loss before taxes and grants. This results in a net income of \$271,862,605, according to Ms. Gottlieb.

Among the items discussed were two projects on St. Croix being delayed: one because of material shortage and the other because of rising costs.

Cordell Jacobs, design and construction manager in the Transmission and Distribution Division at WAPA, announced an increase of \$345,034.59 and a time extension of 250 days for contract SC-22-21 — the Container Port Underground Project on St. Croix. Mr. Jacobs said the increase was tied to "a significant increase in the cost of PVC," which is used in conduits.

Mr. Jacobs also announced a 1-year, 9-month extension for the composite pole installation contract on St. Croix. The completion date now runs through Dec. 31, 2023. He said the extension was caused by manufacturing delays being experienced by both composite pole suppliers, which has affected completion timelines.

The St. Thomas and St. John contracts will not be affected, according to Mr. Jacobs.

W.A.P.A. board chairman Kyle Fleming sought to learn whether there was a progress update relative to the installation of composite poles across all three islands.

Vernon Alexander, director of project management at WAPA, estimated that on St. Thomas and St. John the project was about 39 percent complete, while on St. Croix the project was about 45 percent done. He said the quantity of poles that need to be installed on St. Croix was twice the amount needed in the St. Thomas-St. John District.

WAPA FY 2022 Budget

The capital budget for the Electric System is \$300,979,449 for fiscal year 2022. This budget is comprised of \$27,380,000 in anticipated grant funding, \$9,955,485 for internally funded capital projects, \$30,000 for line loss funds, \$1.3 million for LPG funds and \$262,313,964 through an infusion of grant funding from the Federal Emergency Management Agency and the U.S. Dept. of Housing and Urban Development, or HUD.

Mr. Fleming asked one of the burning questions residents have long sought an answer to. He asked whether there was "any part of the budget that speaks to corrective actions related to reliability and improved reliability."

Ashley Bryan, WAPA director of transmission and distribution, responded, "Our capital budget surely does speak to all methods of improving the [transmission and distribution] system to foster reliability...we have a host of projects that we included, not just our standard projects."

The proposed fiscal year 2022 Water System Capital Budget was \$20,347,003. Ms. Gottlieb said the operating budget amount for the water system was approved at a previous meeting.

The board also approved two other items that required action during the meeting: an amendment to increase the BDO contract by \$85,000 to fund the Fiscal Year audit of 2019. Additionally, the board approved the renewal of WAPA employee benefits for 2022.

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