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WAPA, Currently on Taxpayer-Funded Life Support, Hosts Christmas Party at Castle and Won't Reveal Cost

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The Castle of St. Croix. By. LUXATIC

The Government of the Virgin Islands continues to subsidize the V.I. Water and Power Authority by providing the authority \$4 million every month, without which CEO Andrew Smith has said [WAPA would essentially fall apart](#). Even so, WAPA leadership has greenlighted one of the most luxurious and costly locations to hold a Christmas party on St. Croix: the Castle of St. Croix.

The Christmas Party is being held on Dec. 17, according to WAPA Director of Corporate Communication Shanelle Petersen. Asked why a government-owned utility in WAPA's financial condition would choose one of the most luxurious locations for its event, and whether the authority had considered the optics of this decision, Ms. Petersen said the authority wanted to treat

its employees as WAPA's last Christmas party was held prior to the year 2020 — when the Covid-19 pandemic impacted the world.

"Those things were taken into consideration; the team have not had a holiday party in over three years and so they wanted to, because of Covid, they wanted to give them this opportunity," Ms. Petersen told the Consortium Tuesday.



The interior of the Castle of St. Croix. (Credit: John Foster Real Estate/Christie's International Real Estate)

She also said that WAPA had searched extensively to find a location but chose the castle after determining there were no other suitable locations available for Dec. 17. "There was no other

venue on St. Croix that could host over 200 people unfortunately for the day that we needed, and so they tried extensively to find another venue that was less elaborate but unfortunately that was really the only venue that was available," she said.

Asked to reveal the price WAPA paid to rent the castle, Ms. Petersen said because WAPA received "a hefty discount," the managers of the castle "didn't want that to influence other events that they have at the castle."

In October, WAPA told lawmakers that [the authority remained in "survival mode"](#) and would run out of cash without the government's financial help. Its total debt as of October was at a sky-high \$223 million, \$150 million of which is owed to Vitol while other vendors are owed in excess of \$40 million.

"We're in survival mode now," Mr. Smith, the WAPA CEO, said when asked during the hearing about the company's integrated resource plan that would allow it to begin to stabilize its operations. "We will return to a longer-term planning process," he said, but in the meantime without the subsidy from the government the company would "run out of cash."

WAPA's financial crisis was exacerbated by Vitol, its propane supplier, which [suspended delivery](#) of the fuel mid-November over the amount of WAPA's capital lease obligation, or costs for the propane infrastructure that Vitol built at WAPA facilities. WAPA warned that the suspension could lead to rotating blackouts if a solution was not found.

A week ago, WAPA said it had [remedied the situation](#) and that the territory would not see rotating blackouts after the authority successfully arranged a shipment of diesel, enabling normal power production at the St. Croix and St. Thomas power plants. However, the authority warned that due to the shift of operations to 100 percent diesel, "there will be sole reliance on the older generation units which may result in a reduction in reliability." Diesel is also significantly more costly than propane, which means the authority had to expend more funds to secure the shipment.

The authority further stated that the Aggrekos and Wartsilas, the newer generators, would not be in operation due to their need for propane.

Two days later, on Wed. Nov. 30, WAPA's board authorized the utility's purchase of fuel from a supplier untied from Vitol and extended a lease with Aggreko LLC for use of its propane operating units. It was not clear when the propane from the new supplier — either Carib LPG, Rubis, Antilles/Parkland or Polaris — would be made available, however the board approved WAPA's request of an amount not to exceed \$500,000 per day.

Correction: Dec. 7, 2022 at 6:57 a.m.

A previous version of this story, because of a text error, incorrectly stated that diesel is "significantly cheaper" than propane, when the opposite is true: Diesel is significantly more costly. We've updated the story to reflect the correct information.