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WAPA Now Says St. Croix Castle For Christmas Party Was 'Donated'

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The Castle of St. Croix. By. JOHN FOSTER REAL ESTATE/CHRISTIE'S INTERNATIONAL REAL ESTATE

The V.I. Water and Power Authority has issued a statement in an attempt to calm the controversy stemming from [its decision to host its Christmas party](#) at one of the most expensive venues on St. Croix: the Castle of St. Croix.

WAPA announced on Wednesday that the venue was donated to the authority by the facility's management after WAPA's efforts to secure other locations were unsuccessful. The financially strapped utility, whose CEO has repeatedly said that WAPA wouldn't survive without monthly government cash infusion of millions of dollars, had told the Consortium that it was not at liberty to reveal the price it paid to host the event because it was given "a hefty discount" and that

managers of the castle "didn't want that to influence other events that they have at the castle."

The December 17 party is being held at the opulent location because, according to WAPA Director of Corporate Communication Shanelle Petersen, 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.

"...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," she told the Consortium Tuesday.

The event will feature DJ Avalanche — one of the top deejays in the USVI — and Big Kat Sounds. Dress code is formal and there will be raffle prizes, according to a flyer of the party seen by the Consortium.

In its Wednesday evening statement WAPA provided further clarification, stating that the event was not funded through taxpayer dollars as an autonomous governmental instrumentality. Furthermore, much of the funding was provided through Wellness Funds contributed to WAPA by CIGNA, WAPA's healthcare insurer, for employee wellness/welfare events, the authority said. The out-of-pocket cost to the Authority for both its St. Thomas/St. John and St. Croix events was approximately \$12,000 in total.

WAPA CEO Andrew Smith stated, "As we continue our commitment to prioritize team building and improve employee morale and recruit and retain our highly talented workforce, I believe it is critical to acknowledge and celebrate the WAPA Family, many of whom spend significant time away from loved ones in order to serve the community, often in hazardous duty.

"I truly believe that our employees have earned these celebrations as a result of the dedication they have displayed." The decision to select the Castle came after extensive efforts to locate a venue capable of accommodating 200+ individuals on the selected date. It was decided to proceed with the Castle after the Castle management graciously donated the venue in support of the hardworking employees here at the Authority. The Authority is humbled and grateful for the contributions from the community that are helping provide employees with their first holiday party in four years."

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 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.

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