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Ocean Point Wants To Avoid Resuming Water Distribution Program While Appeal is Pending

Business / **Published On August 10, 2023 06:12 AM /**

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An aerial shot of the refinery on St. Croix's south shore. By. V.I. CONSORTIUM

Ocean Point Terminals does not want to abide by the court's ruling that it provides residents covered under a pending class action lawsuit with potable drinking water.

The company, which was known as Limetree Bay Ventures, LLC before [changing its name](#) following the collapse of Limetree Bay Refinery and its subsequent sale to new owners, had been ordered by Judge Wilma Lewis to establish a program to supply bottled drinking water to plaintiffs and other potential members of the affected class.

The issue stems from the ill-fated restart of refinery operations in February 2021. Three days after the restart, a flaring incident misted fine droplets of oil over fenceline communities, coating

homes, cars, kitchen gardens, and cisterns with petroleum distillates. Refinery officials reported to the Environmental Protection Agency that almost 200 residences were affected by this incident.

In April, the refinery began exceeding regulatory limits for hydrogen sulfide emissions, an incident which was repeated the following month. On May 12, 2021 another flaring incident sent more oil misting over communities as far as Enfield Green. The refinery closed, the EPA issued an emergency shutdown order, and subsequently Limetree Bay Refining declared bankruptcy. The facility was since sold to Port Hamilton Refining and Transportation, who is waging its own legal battle to be able to restart refinery operations.

Before May was over, the class action lawsuits had been filed – at least [three of them](#) – claiming negligence on the part of Limetree in causing these hazardous occurrences. While bankruptcy proceedings were ongoing and the civil suits were stalled, a water distribution program was established for residents in Frederiksted, and areas in north central, south central, and southwest St. Croix. That program ended in September 2022, and the class action plaintiffs petitioned the court to order that Limetree Bay Ventures/Ocean Point Terminals continue the program until the lawsuit was resolved.

Judge Lewis ruled, in April of this year, that the water program [should continue](#) for the plaintiffs and putative class members who are unable to afford to purchase water on their own without having to forego other basic necessities.

Now, Ocean Point Terminals has asked Judge Lewis to stay her orders regarding the establishment of the water program because it intends to appeal the preliminary injunctions. In the memorandum of law submitted to support the motion to stay, attorneys for Ocean Point argue that it is unfair for the company to be required to pay millions of dollars per year (one reportedly conservative estimate puts the cost at just under \$7 million annually in water costs alone) when it was not the owner or operator of the company that caused the harm that the plaintiffs are alleging. Because Limetree Bay Refinery and Limetree Bay Terminals were related, but separate companies, the Terminals entity should not be liable or responsible for any harms caused by the Refinery, Ocean Point argues.

Ocean Point is also arguing that the water distribution program, if it continues as ordered, might mislead the public into believing that widespread water contamination exists, when it claims that there is no evidence of such. “Speculation is at the heart of Plaintiffs’ allegations in this litigation,” Ocean Point contends, and objects to being subject to judicial orders based on said speculation.

For this reason, the company is seeking a stay of all orders surrounding the water distribution program until an appeal can be heard in the Third Circuit Court of Appeals.