

VIRGIN ISLANDS WASTE MANAGEMENT AUTHORITY AND THE WATER AND POWER AUTHORITY SHARES STATUS WITH COMMITTEE MEMBERS

Date : March 1, 2019



ST. THOMAS- Members of the Government Operations Consumer and Veterans Affairs, chaired by Sen. Athneil “Bobby” Thomas, convened in a meeting at the Capitol Building on Friday, to receive testimony on the status from the Virgin Islands Waste Management Authority (VIWMA), the Water and Power Authority (WAPA), and the Bureau of Motor Vehicles (BMV).

One of the significant challenges facing VIWMA is the lack of funding. Three major components are adversely impacting the finances annually or bi-annually. The Anguilla Landfill on St. Croix in which the solid waste bale production and placement operations require five million every year. Compliance with the Landfill Consent Decree to close the Anguilla and Bovoni Landfills estimated at \$60 million bi-annually. Lastly, the revenue loss of \$10.2 million over the past five years because of the lack of monies appropriated in FY 2013. The Authority is anticipating a budget shortfall of an

estimated \$44 million for FY 2019. External and internal damages further impacted limited funding to VIWMA sustained by Hurricanes Irma and Maria. There is a \$12.2 million increase to account payables presently totaling \$28.2 million.

VIWMA has an outstanding payment of \$5.3 million owed to contracted haulers. Lack of payment delays trash collection services from bin sites public receptacles and house to house collections. Moreover, VIWMA submitted to the Legislature \$30 million bond authorization bill to assist with capital projects associated with court-mandated schedules of the Consent Decree to bring landfills up to par with the U.S. Environmental Protection Agency standards. Similarly, Wastewater Consent Decree requirements are achievable with additional funding. VIWMA proactively apply for grants for financial assistance.

VIWMA does not have adequate members serving on the Authority's Governing Board. As a result, there is a lack of quorum during meetings which hinders decisions on operations, approval of capital improvement projects, and addressing challenges of the consent decree. Sen. Thomas stated that it is essential to have a full board; then inquired about what makes a full complement of board members. VIWMA Interim Executive Director Adrian Taylor noted that seven members are required. To date, there are only four board members.

Similarly, the Authority is understaffed specifically with critical vacancies. In total there are thirty-three funded vacancies. Job openings are difficult to fill because of uncompetitive salary offers. Sen. Javan James recommended that VIWMA recruit former employees of HOVENSA. VIWMA Chief Financial Officer Heather Daley noted that there were many workers hired upon closure of the refinery, but eventually many of them relocated to the mainland.

Separately, the update on WAPA is as follows: The status of Restoration/Mitigation projects for the WAPA Composite Pole Mitigation Project and the T&D Undergrounding Mitigation Project is scheduled for completion as early as March 2019 to October 2020. The benefits of both projects are that underground electric service facilities will prevent extended outages in the occurrence of a natural disaster. To date, the Government of the Virgin Islands (GVI) owes over \$31 million for water and electricity services. Out of the \$31 million, \$23.2 million GVI hospitals owe that amount.

WAPA purchased three LPG-fueled generating units from Wartsila North America Inc, for an estimated \$40 million, through an Engineering, Procurement, and Construction Agreement on March 2017. WAPA used the Fuel Tax Fund to make a down payment of \$7 million and issued an additional \$14,765,000 with the Electric System Revenue Bond Anticipation Notes, Series 2017 to finance a portion of the purchase. Currently, the Authority is in the process of funding of the balance of \$20 million by utilizing the Fuel Tax Fund and will owe \$19 million upon completion of the project in March 2019. The purpose is to switch from fuel to LPG as the primary fuel source to provide efficient power generation. If the use of Fuel Tax revenues is repealed one option is to petition the Public Service Commission (PSC) to increase further rates paid by consumers which will provide financial means to complete the project.

Separately, there are two phases for the Aggreko Project. Phase I is the installation of the 20-megawatt new generation, and Phase II focuses on the capacity of the new generation. Post Hurricanes Irma and Maria, WAPA had irregular dissemination of bills to customers. Currently, consumers receive an invoice every 30 days. There were damages to the Advanced Metering Infrastructure System after the storms. Presently, the towers are fully functioning, collectors are in place, and meter readability will be fully operational by June 2019.

In addition to VIWMA and WAPA the BMV shared an update. Presently, BMV is in the process curtailing long lines by offering online services to customers to make payments, renew vehicles that are six years old by mail with a cashier's check or money order and hiring staff to work in the processing center on St. Croix. Presently, BMV is working diligently to overcome obstacles for the Real ID and ID System to reduce the 30 days for the issuance process. BMV is also in the process of remodeling the office buildings on St. Thomas and St. Croix that sustained damages after the storms. VITEMA from the FEMA Public Assistance Program approved BMV's ten project worksheets.



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