



SEVEN SEAS WATER GROUP
Water-as-a-Service®

November 1, 2023

Senator Novelle E. Francis, Jr.
Senate President, 35th Legislature of the Virgin Islands
Chairperson, Committee of the Whole Hearing
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**Prepared Statement of Henry J. Charrabé,
Chief Executive Officer, Seven Seas Water Corporation
to the Committee of the Whole Hearing
of the 35th Legislature of the Virgin Islands**

November 3, 2023

Greetings

Good day Honorable Senator Novelle E. Francis, Jr., Chairperson of the Committee of the Whole Hearing of the 35th Legislature of the Virgin Islands (the “Committee”), Honorable Members of the Committee, other Honorable Senators present, and the listening and viewing audiences.

My name is Henry Charrabé, and I am the Chief Executive Officer of Seven Seas Water Corporation (“Seven Seas”). I am providing this testimony on behalf of Seven Seas concerning the subjects in your letter dated October 26, 2023, including findings of elevated lead and copper levels in the St. Croix district’s potable water system and discolored water. Thank you very much for providing Seven Seas with the opportunity to submit testimony on these critical issues.

Seven Seas Overview

I have been the Chief Executive Officer of Seven Seas since September 2021. Before joining Seven Seas, I served as the Managing Director and CEO of Fluence Corporation until November 2020. Prior to the establishment of Fluence, I was the founding President and CEO of RWL Water from 2010 to 2017, until RWL Water merged with Emefcy to form Fluence

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Corporation in July 2017. During my 10 years at RWL Water and Fluence Corporation, I led the creation of one of the leading companies in the world focusing on the decentralized water and wastewater treatment industries. I have two decades of experience in developing water treatment solutions, including desalination technologies, wastewater management solutions, and investment solutions. I hold a Bachelor's Degree from Freie Universität in Berlin, Germany, a Master of Arts in Political Science from Brandeis University, a Master of Arts in International Economics and Finance from Brandeis University, and a Master of Arts in Public Administration from the John F. Kennedy School of Government at Harvard University.

Seven Seas is a leading provider of “Water-as-a-Service®” (“WAAS”) treatment solutions to various governmental, municipal, industrial, and hospitality clients throughout the Western Hemisphere, with a particular focus on countries in the Caribbean.¹ Our overarching priority is to provide safe, reliable, and cost-effective water and wastewater treatment solutions to our partners and customers by addressing water management challenges through our engineering experience, operational excellence, and financial resources. To further this goal, we design, build, acquire, refurbish, and operate our plants to perform at maximum efficiency in order to guarantee reasonable price, exceptional water quality, and adequate quantity.

Seven Seas’ U.S. Virgin Islands Desalination Operations

Seven Seas operates two water desalination facilities—the Randolph Harley Generation Plant (the “Harley Plant”) on the island of St. Thomas and the Richmond Generation Plant (the “Richmond Plant”) on the island of St. Croix—that apply our engineering know-how to saltwater to produce desalinated water that is safe to drink. Seven Seas sells that desalinated water to the USVI’s Water and Power Authority (“WAPA”), a USVI-based utility company that is a semi-autonomous agency of the USVI government responsible for taking Seven Seas’ safe, desalinated water and preparing it for distribution to residential and commercial customers in the USVI through the local water distribution system that is owned, operated, and controlled by WAPA.

Seven Seas’ Contracts with WAPA

The sale of desalinated water by Seven Seas to WAPA is governed by two Water Purchase Agreements for the Harley Plant and the Richmond Plant, respectively (together, the “WPAs”). Pursuant to the WPAs, Seven Seas operates the Harley Plant and Richmond Plant on land leased from WAPA, produces desalinated water, and then sells that desalinated water to WAPA for

¹ Seven Seas operates in the U.S. Virgin Islands (“USVI”), the Bahamas, Turks and Caicos, the British Virgin Islands, Anguilla, Sint Maarten, and Trinidad and Tobago, as well as in Panama, Peru and the United States.



distribution. Seven Seas' desalinated water that is sold to WAPA "meet[s] the quality standards set forth in the Safe Drinking Water Act."²

Seven Seas' Desalinated Water Is Safe to Drink

Seven Seas has always met its obligations as set forth in the WPAs—most importantly with respect to the water quality we deliver to WAPA. WAPA's Chief Executive Officer, Andrew Smith, confirmed during a press conference on October 24, 2023, in respect of the leaching of copper and lead in certain test samples of potable water on St. Croix that the desalinated water produced by Seven Seas continues to meet all standards under the federal Safe Drinking Water Act and that there is no history of any lead or copper leaching in the desalinated water produced by Seven Seas.³

During that same press briefing, Mr. Smith also put forth WAPA's and the Virgin Islands Department of Planning and Natural Resources' ("VIDPNR") assessment that the source of the elevated copper and lead levels recently detected in samples of drinking water on St. Croix by the Environmental Protection Agency's ("EPA") supplemental water quality testing likely stems from WAPA's aging distribution infrastructure, combined with water that has sat unused in that infrastructure for an extended period of time, confirming that any issues with the water produced are not caused by the delivery of desalinated water by Seven Seas to WAPA. Seven Seas concurs with WAPA's and VIDPNR's assessment, and their conclusion is supported by our water quality test data.

Conclusion

Seven Seas is a leading international water and wastewater treatment solutions company and treats its obligations under its contracts with the utmost importance. Accordingly, Seven Seas is focused on maintaining the availability and continuous supply of safe and clean water to the USVI and to all our customers wherever we operate. Consistent with that, we have cooperated, and intend to continue cooperating, with WAPA and other parties during the pendency of the ongoing potable water investigation on St. Croix. To that end, we have provided the relevant authorities with information and technical data as to our operations at our Plants, including water quality test data. Seven Seas remains committed to assisting the authorities with their investigation going forward, because public health is of paramount importance in our industry, and we take the findings of the EPA's quality testing very seriously.

² See Richmond Plant WPA § 4.3; Harley Plant WPA § 4.3.

³ Available at <https://fb.watch/nTNbJ3ZFtP/?mibextid=i8LeHn>.



We greatly value the opportunity that the Committee has created for discussion of these important issues. Thank you once again, and I am available to address any questions you might have.