



Virgin Islands Water & Power Authority – Committee of the Whole

November 3rd, 2023

Good Afternoon Honorable Senate President Novelle E. Francis, and all distinguished members of the Committee of the Whole and the 35th Legislature present here today. My name is Kyle Fleming, Director of the Virgin Islands Energy Office and Chairman of the WAPA Governing Board. The Governing Board is focused on the drastic and holistic improvement of the utility. Our strategic purpose is leading WAPA towards a more sustainable, efficient, and customer-centric future while addressing the challenges of high rates, power outages, solvency issues, personnel concerns, and safety matters. The board's oversight plays a pivotal role in driving the company's transformation while ensuring the entire leadership team is equipped to navigate the operational & financial challenges inherent to a remote island utility.

Throughout my four year and half year term the construct of the board has changed dramatically relative to members and organizational structure. However, the current iteration of the board is well poised to amplify the strategic support we render to WAPA's leadership team. I would be remiss, if I did not take this moment to commend the 35th Legislature for their favorable consideration of Director Lionel E. Selwood in August of this year. Director Selwood's expansive and successful track record of guiding leadership within the energy and engineering industry has already proven invaluable especially as the authority has been forced to navigate multiple unexpected technical challenges over the course of the last two months.

However, no other challenge transcends the current priority the governing board has placed on bringing the water emergency on St. Croix to near, medium, and long term resolution. The longstanding infrastructure challenges across the water system are not unknown to the Governing Board. During my tenure the governing board has systematically reviewed and approved millions of dollars' worth of federally funded water rehabilitation design & installation projects, water service territory expansion, and water infrastructure repair

projects. Most recently, in September of 2023 the governing board unanimously approved a \$6.45 Million contract to design the Northside Rd Waterline Rehabilitation project. This project will significantly improve the water quality for the customers along the northside community of St. Croix and reduce line loss due to pre-existing ductile iron pipeline.

The Governing Boards' continued support for water service improvement has been further bolstered in recent weeks as the WAPA family works tirelessly to resolve the recent water quality emergency on St. Croix. Earlier this week an emergency Board Meeting was called, and the board of directors unanimously voted to increase CEO Andrew Smith's financial delegation of authority from \$750,000 to \$5 million to address the ongoing water quality emergency on St. Croix. The Board recognizes the financial expediency and nimbleness required to address this emergency. As a result, the governing board found it prudent to proactively mitigate hindrances to the CEO's ability to make critical decisions in a timely manner. We have communicated to WAPA's Leadership that it is imperative that funds expended under this specific DOA continue to be managed transparently, with a focus on delivering rapid & effective solutions to the water quality emergency.

As Board Chairman, I am confident that with the Governing Boards' unwavering support of CEO Smith's leadership and his willingness to equip the WAPA team with the necessary tools to identify the root cause and leverage the technical resources required to materialize the immediate need for relief and resolution.

This concludes my testimony today, thank you for the opportunity and I am open to any questions you may have.

Sincerely

A handwritten signature in black ink, appearing to read "Kyle D Fleming". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Kyle D Fleming

Chairman, Governing Board, Virgin Islands Water & Power Authority