VIRGIN ISLANDS WATER AND POWER AUTHORITY

UNITED STATES, VIRGIN ISLANDS

VIRGIN ISLANDS WAPA AND POWER AUTHORITY
GOVERNING BOARD

EMERGENCY BOARD MEETING

January 21, 2021

9:44 a.m. - 10:00 a.m.

MEMBERS PRESENT:

Anthony Thomas, Chair
Jed John-Hope, Vice Chair
Juanita R. Young, Secretary
Noel Loftus, Member
Cheryl Boynes-Jackson, Member
Joel Lee, Member
Kyle Fleming, Member

ALSO PRESENT:

Lawrence Kupfer, Chief Executive Officer
Clinton Hedrington, Chief Operating Officer
Sharnelle Samuel, General Counsel

Hill's Reporting Services
P.O Box 307501
St. Thomas, Virgin Islands 00803
(340) 777-6466
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THE CHAIR: I would like to bring the emergency board meeting to order. Ms. Young, can you do a roll call, please, to make sure we have everyone.

MS. YOUNG: Yes. Commissioner Thomas?

THE CHAIR: Here.

MS. YOUNG: Ms. Jackson?

MS. JACKSON: Present.

MS. YOUNG: Mr. John-Hope?

MR. JOHN-HOPE: Present.

MS. YOUNG: Mr. Loftus?

MR. LOFTUS: Present.

MS. YOUNG: Mr. Turnbull is absent.

Ms. Armstrong is absent.

Director Lee?

MR. LEE: Present.

MS. YOUNG: Director Fleming is absent.

Ms. Young, present. We have six members, we have a quorum.

THE CHAIR: Thank you very much, Ms. Young. Can I have a motion to accept the agenda?

MS. YOUNG: So moved.

MS. JACKSON: Second.
MR. LOFTUS: Second.
The CHAIR: Roll call.
MS. YOUNG: Mr. Loftus?
MR. LOFTUS: Yes.
MS. YOUNG: Mr. John-Hope?
MR. JOHN-HOPE: Yes.
MS. YOUNG: Ms. Jackson?
MS. JACKSON: Yes.
MS. YOUNG: Commissioner Thomas?
The CHAIR: Yes.
MS. YOUNG: Director Lee?
MR. LEE: Yes.
MS. YOUNG: Ms. Young, yes. The agenda is approved as presented.
The CHAIR: Thank you very much,
Ms. Young.
Mr. Kupfer?
MR. KUPFER: Sure. The first item, amendment to BBC contract SC-02-18. I'll turn it over to Clinton and his team shortly but I just wanted to introduce the topic. And just first at the Finance and Audit Committee meeting last week we were asked to give an update on the FEMA audit that was completed and we were notified in December of some findings in that audit. So, in
Novus, I've uploaded a VAGO audit update. If everyone could open that. I'm not going to go through it in detail. Akeyla presented it at the committee meetings, but I will summarize what's in it and turn it over to discuss this particular item.

VAGO stands for verify as you go, and these are audits that FEMA does after money has been reimbursed to look at the documentation and what's in the file, and they make a determination if the documentation is correct or if they need additional information. So, that finding identified $97 million worth of reimbursements that they needed additional documentation for and we've been working with Office of Disaster Recovery, Ernst & Young and the WAPA staff to pull that documentation together. 20 million of that 97 million relates to an issue with BBC, that their agreement was modified during the restoration; however, the Board did not approve that amendment. It was approved for Haugland but BBC was missed. So we're bringing it forth today to correct that deficiency. ODR wants us to wrap this up by the end of the month. That's what made it somewhat of an urgent matter to present today.
So with that, I'll turn it over to -- I think Vernon is going to cover it, but Vernon, are you on?

MR. HEDRINGTON: I'll will do it.

MR. KUPFER: Go ahead, Clinton.

MR. HEDRINGTON: Morning, everyone. Can you hear me well? So, as Mr. Kupfer explained, we did -- so let me go back. In 2017 when we were responding to the storms, we were actually really competing with Puerto Rico. These contracts that we had let with Haugland and BBC were time and material contracts. So, we were kind of, you know, losing guys to Puerto Rico because they were paying double time for all hours and working like 16-hour days, et cetera. So, in order to keep the manpower here in the V.I., we opted not to go to $60, but we're sure we were paying the double time, and we had that approved by the Board for Haugland. And I think we did start to enter it into the Novus system for BBC. I just really can't remember exactly why it wasn't acted on, but I do remember making sure that we tried to get it approved by the Board, but that was missed. And, you know, we now -- but at the end, the funds were paid. The
invoices were paid for through VITEMA, paid to
BBC for these charges. It's just that now FEMA
wants to make sure that we followed our
procurement process, or we retroactively document
that amendment to show that it was approved to
pay these invoices through our normal procurement
process. So the request is to draft that
amendment retroactively to support the payments
as per the audit that was done by FEMA. Again,
it was done for all the rest of the agencies, the
contractors that we did, including Haugland, and
we just missed BBC, and we wish to have that
amendment approved by the Board.

   THE CHAIR: And you say this is for
$20 million in payouts, right?

   MR. HEDRINGTON: You about. Pretty close
to the $20 million is correct.

   THE CHAIR: I just want to put some
clarity. I did speak with ODR yesterday as well
to find out about this. This is not, I think,
uncommon. I would have liked it if we had acted
on it first, but I could understand the issues
with disaster recovery. So, Mr. Kupfer, that's
one thing that we got to make sure that we stay
on top of so that we could have better clarity on
why things are being requested. I know
operationally things are tight, but when it comes
to that FEMA reimbursement, I would rather we act
on it quickly so that we could pay them out and
get our monies from them so that they could pay
or bills rather than it looks like we're not
paying our bills. I have no questions. I
understand the process. So, again, my policy,
too, question, response time, and then we move
on. I have no more questions. Anyone else?
Hearing none, Ms. Young, can I have a motion,
please?

MS. YOUNG: I move we approve adjustment
of rates for BBC Electric to double time for all
hours work under SC-02-18 from December 4, 2017
until March 31, 2018.

MS. JACKSON: Second.

THE CHAIR: Roll call, Ms. Young.

MS. YOUNG: Mr. Loftus?

MR. LOFTUS: Yes.

MS. YOUNG: Ms. Jackson?

MS. JACKSON: Yes.

MS. YOUNG: Mr. John-Hope?

MR. JOHN-HOPE: Yes.

MS. YOUNG: Commissioner Thomas?
THE CHAIR: Yes.

MS. YOUNG: Director Lee?

MR. LEE: Yes.

MS. YOUNG: Ms. Young, yes. Motion is approved.

THE CHAIR: Thank you very much. Ms. Young, can I have a motion to go into executive session, please.

MS. YOUNG: I move that we go into executive session.

MS. JACKSON: Second.

THE CHAIR: Roll call.

MS. YOUNG: Ms. Jackson?

MS. JACKSON: Yes.

MS. YOUNG: Mr. John-Hope?

MR. JOHN-HOPE: Yes.

MS. YOUNG: Mr. Loftus?

MR. LOFTUS: Yes.

MS. YOUNG: Commissioner Thomas?

THE CHAIR: Yes.

MS. YOUNG: Director Lee?

MR. LEE: Yes.

MS. YOUNG: Ms. Young, yes. We are now in executive session.

[Executive session under separate cover.]
[Regular session resumed.]

THE CHAIR: Thank you very much. Renee, can you let us know when everyone has joined again?

MS. SOMME: Yes, Sir.

THE CHAIR: Ms. Young, can you report out?

MS. YOUNG: Yes. In executive session we discussed legal issues and took action on a pending litigation matter.

THE CHAIR: Thank you very much. Can I have a motion to end the general -- emergency board meeting? Adjourn, please.

MS. YOUNG: I move that we adjourn.

MR. JOHN-HOPE: Second.

THE CHAIR: Roll call, please, Ms. Young.

MS. YOUNG: Director Fleming?

MR. FLEMING: Yes.

MS. YOUNG: Director Lee?

MR. LEE: Yes.

MS. YOUNG: Commissioner Thomas?

THE CHAIR: Yes.

MS. YOUNG: Mr. Loftus?

MR. LOFTUS: Yes.

THE CHAIR: Mr. John-Hope?
MR. JOHN-HOPE: Yes.

MS. YOUNG: Ms. Jackson?

MS. JACKSON: Yes.

MS. YOUNG: Ms. Young, yes. We are now adjourned.

THE CHAIR: Thank you very much, everyone. Please have a good day.

[Meeting adjourned at 10:00 a.m.]

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REPORTER’S CERTIFICATE

Certified to be a true and accurate representation of the emergency board meeting held January 21, 2021.

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Desiree D. Hill, RMR