TESTIMONY

Committee on Disaster Recovery and Infrastructure
Legislature of the Virgin Islands
Block 2: Virgin Islands Waste Management Authority
Good afternoon Senator Janelle K. Sarauw, Chairwoman of the 34th Legislature's Committee on Disaster Recovery and Infrastructure, other members of the Committee, fellow testifiers, and the listening and viewing audience. I am Adrienne L. Williams-Octalien, Director of the Virgin Islands Office of Disaster Recovery and I am joined today by Deputy Director of Finance and Compliance, Artra Watlington-Francis. Thank you for the opportunity to provide updates on the Virgin Islands Waste Management Authority's disaster recovery projects.

The Office of Disaster Recovery (ODR) has been providing centralized oversight of federal disaster recovery funds across all governmental departments, semiautonomous agencies, and private non-profit entities since its inception in February of 2019, and has been diligent in its responsibilities to Get Access to Recovery Funds, Spend those Funds and of course to Spend those Funds Correctly to avoid any clawbacks by federal funders.

As of March 31st, $3.9B in recovery funds have been obligated to projects within the Territory representing 49% of the anticipated $8B in obligations across various disaster recovery funded programs. Of these obligated funds, $1.79B or 22% have been expended to date.

The storms of 2017 significantly devastated the Territory and did not spare the V.I. Waste Management Authority's infrastructure. The Waste Management Authority (VIWMA) suffered damages to its wastewater treatment facilities, water and sewer lines, pump stations, landfills and
operational facilities, causing losses in excess of $40.9M. To accomplish the restoration and hardening of VIWMA's infrastructure, project applications have been developed to utilize federal funds from FEMA-Public Assistance (PA), FEMA-Hazard Mitigation Grant Program (HMGP), and HUD's Community Development Block Grant-Disaster Recovery Program (CDBG-DR).

**FEMA - Public Assistance (PA)**

The Office of Disaster Recovery works closely with the VIWMA team to ensure that funding for disaster recovery projects is received and expended. In the PA Program alone, the VIWMA has a total of 72 projects. To date, sixteen are moving through FEMA's PA approval process. Eleven are awaiting obligation and five are under review pending a request for additional funds from FEMA.

Currently, VIWMA has $31.5M obligated across 56 projects, with $13.9M expended. The obligated funds address four core areas: emergency work to reduce and eliminate any immediate threat after the storms, debris clearance and the disposal of green and white waste, the completion of permanent projects to harden the infrastructure, and the funding of management costs. Of the $31.5M obligated in FEMA Public Assistance funds, $12.3M is allocated to emergency work, $9.9M will be utilized to address all permanent projects, $8.4M is assigned to debris clearance and $783K is for management costs.
The funding of ten projects to repair the Territory’s wastewater infrastructure is the furthest delayed and lags far behind the progress of other utility projects. This is due to the critical state of the wastewater system, difficulties in identifying and tying damages to the function it serves, and its underlying connection to every other disaster recovery project across health, housing, education, Tourism and Transportation/Roads.

The initial step in accessing Public Assistance funding is the identification of storm-related damages. This phase has been plagued with several challenges. Specifically, the traditional subsurface CCTV sewer damage assessment was costed at $144M. This evaluation method was exorbitant, with no options for reimbursement and infeasible for many locations since most pipes are in poor condition and will not withstand the necessary pre-CCTV cleaning. All these issues, combined with the lack of pre-storm data essential to determining storm-related damages, which is the basis of any Public Assistance Project, have resulted in years of funding delays.

With assistance from Witt O’Brien’s, VIWMA and ODR have spent a significant amount of time and effort to understand the best method to approach the FEMA application process. VIWMA began submitting several Damage, Descriptions & Dimensions (DDD’s) for the wastewater infrastructure. The DDD’s included evidence of the spike in Noncompliance Events (NCEs) and was developed with a technical team in which FEMA responded with requests for additional photos and documentation identifying the storm-related damages.

As testified before this body, the Bipartisan Budget Act allows for the restoration of a facility or system to industry standards or, if prudent enough - a replacement without regard to pre-disaster
condition or damages. With the assistance of the WOB team, the VIWMA developed industry standards for the wastewater infrastructure, which FEMA approved on November 1, 2019.

It is here where a potential solution lies. Understanding the criticality of this issue, the Office of Disaster Recovery convened a Wastewater Taskforce comprised of VIWMA, FEMA, EPA, DPW, WAPA, DPNR and CDBG-DR that has prioritized developing a comprehensive plan of action.

This collaboration yielded a methodology leveraging both policy and post-storm event data collected from wastewater treatment plants, sewer lines and pump stations to assess the feasibility of a complete replacement of the Territory's underground wastewater infrastructure and its supporting facilities. An official prudent replacement request for both the St. Croix and St. Thomas/St. John Districts were submitted to FEMA on January 8, 2021, and February 26, 2021, respectively.

FEMA's local leadership along with policy officials from FEMA Region II, are currently reviewing an issue paper in support of this replacement request. If approved, these opportunities will allow for the replacement of aged and broken pipes damaged before and resulting from Hurricanes Irma & Maria and upgrades to manholes, their supporting pump stations and treatment plants. Approval of this request would allow the eligibility of approximately $2B in funding to upgrade the Territory's wastewater infrastructure. ODR continues to advocate strongly with FEMA and other federal partners on this issue, given the impact of wastewater projects on the health and safety of our communities and the execution of projects across multiple sectors of the recovery.
FEMA - Hazard Mitigation Grant Program (HMGP)

The Waste Management Authority has one project awarded and one in development via the Hazard Mitigation Grant Program (HMGP). The Lagoon Street Force Main Project is a $6M project. To date, $472K has been obligated to develop an architecture and engineering design to address the current limitations on the system that is exasperated during storms and heavy seasonal rains. This will eliminate sewer back-ups, overflows and uncontrolled sewer releases. To date, no funds have been expended as this project and application are currently on hold pending FEMA’s decision on the Territory’s Prudent Replacement Request submitted through the Public Assistance Program. If approved, a decision will be made on the possible reallocation of funding toward other projects as the work intended would be funded via the systemwide replacement opportunity leveraged by the BBA Policy.

Community Development Block Grant- Disaster Recovery (CDBG-DR)

There are currently three projects identified by VIWMA for the use of CDBG-DR funds. These projects include the development of convenience centers across the Territory and the Bovoni and Anguilla landfills. The development and upgrade of the convenience centers is one of Governor Bryan’s Top 100 projects and the ODR is working closely with VIWMA to support their progress. The Waste Management Authority is currently revising previously submitted applications to the Virgin Islands Housing Finance Authority for the development of five priority convenience centers across selected areas on all three islands to address solid waste disposal issues. These convenience centers will be located in Smith Bay-Margaritaville and Red Hook-on St. Thomas, Susannaberg on St. John and Concordia and Mon Bijou on St. Croix totaling over $7M in CDBG-DR Tranche II funding.
VIHFA has completed both compliance and monitoring reviews, and a legal review is currently underway for these projects. Additional revisions are being developed by VIWMA for resubmission and once requested documentation has been reviewed, VIHFA will confirm site ownership/control of the convenience center locations to finalize costs. Once completed, a cost reasonableness analysis will be conducted, and the project agreement signed. A Notice to Proceed for design solicitation is expected within six weeks of submitting the final application, with a completion timeline of 12 months once the construction Notice to Proceed has been issued.

Due to the lack of funding available for all of Waste Management's projects within CDBG-DR Tranche 2, applications for the design and construction of the Bovoni Landfill closure and new landfill, as well as the design and construction of the Anguilla Landfill closure and Estate Pearl Landfill opening have been moved to CDBG-MIT or Tranche 3. The review of these additional project applications by VIHFA will begin once HUD has approved the CDBG-MIT Action Plan.

**Challenges**

As the overarching entity for recovery management, one of the most significant concerns related to our infrastructure is the lack of funding for the repair of wastewater lines. The VIWMA has no funding approved to address its infrastructure outside of the Christiansted sewer rehab project. One of the concerns emanating out of the utility coordination meetings is the alignment of projects since the wastewater lines sit the lowest in the trenches. Additionally, the lines are in such disrepair that, at this point, it is not quantifiable. Thus, any trenching work done by other utilities causes great risk to the current lines. It is most prudent that there is a synchronization of all infrastructure projects for any given area. As an example, the Northside Road Project on St. Croix, which is
currently being evaluated, requires the identification of critical funding for the replacement wastewater lines along this road to ensure the effectiveness of the Territory's "one-dig policy" and remains a barrier to the successful execution and construction of this road project. Since the availability of federal funding is scattered, this is a task of exponential difficulty and most likely will require utilization of local funds to ensure the coordination of project schedules for related projects by WAPA, DPW and other utility companies.

A strong partnership between ODR and VIWMA is critical to ensuring the Territory has the capacity to effectively respond in a post-disaster scenario. To support these efforts, the ODR continues to provide support to the Authority on the Territory's Debris Management Plan. The successful implementation of this plan is critical to the post-storm recovery effort and the movement of emergency services and supplies throughout each community.

The VIWMA team is dedicated to moving its recovery projects forward, and the ODR stays ready to assist in identifying funding for any unmet needs and coordinating efforts to better position the Territory to manage its waste infrastructure as we continue to "build a legacy of resilience."

Madam Chair, thank you for the opportunity to testify today. This concludes ODR's update on the status of VIWMA's recovery projects. My team and I are available to answer any questions you may have.