Good day Honorable Senator Milton Potter, Chairperson of the Committee on Rules and the Judiciary, members of the Committee, non-member Senators present, testifiers and the listening and viewing audience. My name is Noel Hodge, and I am the Interim Executive Director of the Virgin Islands Water and Power Authority. I thank you for your invitation today to discuss Bill No. 34-0026 (the “Bill”), sponsored by the Honorable Janelle K. Sarauw along with the Honorable Alma Francis Heyliger. If enacted, the Bill would reduce the number of the members of the Authority’s Governing Board from nine (9) to seven (7), would provide automatic membership for the Director of the Virgin Islands Energy Office, would reduce the number of cabinet level executive department appointments by the Governor from three (3) appointees to one (1) and would permit four (4) members, a majority, to reside away from the Territory. A quorum of the Board would now require only four (4) members instead of five (5). The Bill further goes on to require that the sole government member, the Director of the Virgin Islands Energy Office, not be paid compensation in addition to his or her regular salary by reason of service on the Board, and also that Board members have a background in the field of Engineering, Power Generation, Energy, Natural Resources Conservation, Economics, Accounting, Finance, Public Affairs, Law or Computer Technology Systems. Finally, the Bill seeks to ensure that members of the Governing Board remain unaffiliated with entities doing business with the Authority for a determined period of time. This legislation was, in pertinent part, previously proposed under vetoed Bill 33-0210 heard on February 27, 2020. The Authority reiterates some of the points previously made and specifically notes that the current makeup of the Board has served WAPA well. We believe that the Board should remain diversified in the various fields of discipline represented and unified in its knowledge,
relationship and commitment to the people of the Virgin Islands and the success of the Authority as the Territory’s sole energy provider.

The Authority believes it more appropriate that the members of the Board, as represented by the Board Chair, Commissioner Anthony Thomas, speak on matters addressing Board member qualifications. However, we must note for the record that WAPA has had Board members over the years who, despite their fields of expertise, have served well. WAPA Board members have frequently been comprised of individuals who were engineers, lawyers, representatives of large and small businesses in the community, and members with government service. We believe that our Board members, whatever their backgrounds, were dedicated and committed to the people of the Territory. Government appointees have also made valuable contributions to our Board, sharing their expertise in areas such as taxation, licensing, energy, finance, environmental affairs, permitting, and procurement, to facilitate the projects of the Authority. It is of some concern that the proposed changes reserve four (4) out of the seven (7) Board memberships for non-residents. This abdication of self-governance could very well lead to outside control. Indeed, with the new quorum also set at four (4), the proposed structure could enable complete control of WAPA by those with no relation to the Territory whatsoever.

With respect to the prohibition of government members being paid any compensation beyond their regular salary by reason of service on the Board, to be clear, please note for the record that WAPA does not, and has never, compensated its government members for their time spent in service on the Board. The revision to the statute in this regard is not opposed.

As to the prohibition of affiliations between the Governing Board members and those entities contracting or subcontracting with the Authority, the revision in this regard is also not opposed. Though the Authority must note that it would seem equally prudent, if not more so,
to ensure that such ties are not present while serving on the Board rather than simply following such service.

The Authority would again like to thank you for the invitation herein. I am here to answer any questions you may have on this matter.