

COMMITTEE OF ENERGY AND ENVIRONMENTAL PROTECTION  
31<sup>st</sup> Legislature of the Government of the Virgin Islands

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Chair Governing Board of VIWAPA

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Good morning Chairman Samuel Sanes and other Honorable Members of the Committee on Energy and Environmental Protection of the 31st Legislature. My name is Gerry Groner. I am the Chair of the Board of Governors of the Virgin Islands Water and Power Authority and I have been invited here to testify on the WAPA Management Audit Report prepared by Vantage Energy Consulting LLC.

The Governing Board welcomed the Management Audit. Although it is sometimes uncomfortable to have a stranger examine your organization's strengths and weaknesses, the Board determined that Management and the Board should treat this Management Audit as a productive learning experience.

It is useful to have another set of eyes looking at WAPA's challenges and its efforts to meet those challenges. That outsider's perspective can sometimes see problems and possible solutions that are not readily seen by Management and the Board. Sometimes the suggestions are right on point and sometimes they miss the point. The trick is to be able to recognize the difference.

Vantage's Management Audit came up with a series of recommendations. WAPA's Management had an opportunity to review those recommendations and determine whether it accepted or rejected them and, with regard to the accepted recommendations, to set forth a implementation plan.

Vantage presented its Management Audit to the WAPA Governing Board and we had an opportunity to discuss the Audit with a Vantage representative. The WAPA Governing Board reviewed and approved Management's response and implementation plan. The Audit and WAPA's response was presented to the Public Service Commission and the Commission had an opportunity to question a Vantage representative and Executive Director Hodge with regard to the package. This Committee has received the Audit and WAPA's response and implementation plan.

The Management Audit makes a number of recommendations. The most important Audit recommendation that is directed to the WAPA Governing Board is the recommendation that the Board and Management

develop a new Strategic Plan. I will direct my testimony to that recommendation.

The Audit correctly notes that the last Strategic Plan was done in 2002 and that the 2010 efforts to make a new Strategic Plan were not completed.

The Board fully accepts this Strategic Plan recommendation. Elizabeth Armstrong, the Chair of WAPA's Planning and Economic Development Committee has agreed to lead the strategic planning effort. In June of this year Juanita Young, the WAPA Board Vice-Chair, and I attended a strategic planning seminar at the American Public Power Planning Association and brought back materials to share with the Board. The Vantage Audit and the APPA seminar recommend that a strategic planning consultant be retained to guide and facilitate the process. WAPA has issued an RFP for a strategic planning consultant and the proposals have been received and are being evaluated. We expect to receive the evaluation committee's recommendations shortly and then proceed to hire the consultant.

The process of developing a useful Strategic Plan is lengthy and requires the commitment of a lot of time from Board Members, from Management and from many other WAPA employees. This work is in addition to all the other work being done by Management and WAPA employees. I ask that you be patient. A good Strategic Plan takes time to complete.

It is also important to understand what to expect from a good Strategic Plan. The presenters at the strategic planning seminar that I attended had a wonderful quote from *Alice in Wonderland* to demonstrate the importance of strategic planning:

“If you don't know where you are going, any road will get you there”.

Although WAPA does not have a current Strategic Plan, this quote does *not* apply to WAPA. We have clearly known where we are going. Our goals have been and continue to be:

To reliably deliver power and water to the Virgin Islands ratepayers at the lowest price possible, to integrate the maximum feasible amount of renewable resources onto a computer driven smart grid and to do all this in compliance with applicable DPNR and EPA regulations.

I have little doubt that the new Strategic Plan will produce goals that are similar to or some variation on these goals. If that was all we will get from a Strategic Plan, it would not be worth the time and effort required to produce it.

What a good Strategic Plan does is identify *which* roads are the most likely to get us to our chosen goals. This is done by identifying objectives that serve the goals and action plans to meet those objectives. The action plans need to set out specific steps, time frames, benchmarks and deliverables. Each task must be assigned to the appropriate personnel.

But even a great Strategic Plan which does all that, does no one any good if it gathers dust on a shelf. The trickiest part of strategic planning is to make sure that the organization lives the plan, consistently focuses on the plan objectives and consistently reviews and revises the plan as circumstances change.

The Board and Management accept the Management Audit's recommendation that WAPA prepare a new Strategic Plan, we understand what makes a good Strategic Plan and we are committed to produce a good Strategic Plan.

Thank-you for giving me the opportunity to testify today.