



WATER AND POWER AUTHORITY SHARES THE FY 2017 BUDGET OVERVIEW

ST. THOMAS – The Committee on Finance, chaired by Sen. Clifford Graham, met with officials from the Water and Power Authority (WAPA) during the FY 2017 Budget Overview at a meeting held at the Capitol Building on Monday.

Julio Rhymer, Sr. Interim Executive Director of WAPA said, “For FY 2017 the electric system is projected to earn sales of revenues of \$265.9 million, \$3.1 million from other revenues for a total operation revenue of \$269 million. Operating expenses and deductions are budgeted at \$267.5 million which results in net income of \$1.5 million.” Rhymer continued, “The water system performance is an estimated net income of \$1.7 million. The system earned operating revenues of \$24.9 million and incurred operating expenses and deduction totaling \$23.2 million.”

“Why is the net income of the water performance system higher than the electric system?” asked Sen. Kurt Violet. In response Rhymer said, “The water system is doing better because WAPA receives more grants for it and less grants for the electric system.” Then Sen. Violet asked, “How much is WAPA worth on the open market?” Rhymer said, “Currently, due to the downgrade of bonds, WAPA’s worth would be in the negative. Moody Downgrades means that WAPA’s credit is bad and there is an inability to borrow. There will be difficulty finding investors.”

Sen. Positive Nelson said, “Can you identify the total cost of building new plants for the St. Croix District and the St. Thomas-St. John District?” In response Rhymer said, “Roughly it will cost \$300 million because an overhaul of the entire infrastructure is needed to revamp the piping system, portable water system and the electrical system.”

Sen. Graham asked, “In terms of the \$300 million, will it be a public private partnership?” Rhymer stated that both entities will assist with the overall process. Sen. Graham suggested that if both entities assist in changing the units, a portion can be saved and then the capitol can be reimbursed.

Sen. Marvin Blyden asked, “Has there been any offers from the public private partnerships?” Rhymer said, “Yes.”

Separately, Sen. Tregenza Roach said, “There is \$21.3 million in unfunded capital improvement projects.” He asked, “Can you be specific in the terms of what types of projects the funds will be used for?” Rhymer stated that the monies will cover major maintenance projects at WAPA.

Sen. Graham asked, “Did the Advance Metering Infrastructure (AMI) assist with reducing the line loss?” Rhymer stated that since the installation of AMI, there has been a lot less theft of WAPA services. AMI makes it a lot harder for people to tamper with the equipment.

In addition to receiving testimony from WAPA, the Virgin Islands Housing Authority also shared their current revenues and expenditures.

Robert Graham, Executive Director of the Virgin Islands Housing Authority said, “For FY 2016 budget for the AMPs total projected revenues are \$26.6 million, with HUD accounting for the majority at \$22.1 million. The rental contribution is projected to continue at \$3.8 million and Other Income and the Capital Grant Fund is \$660,000.”

The expenditures include \$7.8 million for Maintenance, \$7.4 million for Administrative Expenses, \$7 million for Utilities, \$1.1 million Insurance and \$1.7 million Energy Performance Contract, according to Graham.

Separately, lawmakers considered, voted and approved the following:

Request for Appropriation Transfer No. 2016-7 Bureau of Motor Vehicles requests the transfer of the Sum of \$98,215.07 from Operating Expenses & Utilities to Personnel & Fringe Benefits.

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