



COMMITTEE of the Whole

35TH LEGISLATURE

LED BY KEVIN MCCURDY

COMMISSIONER OF THE DEPARTMENT OF
FINANCE

OCTOBER 16, 2024

EARL B. OTTLEY LEGISLATIVE
BUILDING

ST. THOMAS, USVI

GOOD AFTERNOON, HONORABLE NOVELLE E. FRANCIS JR., SENATE PRESIDENT, OTHER SENATORS OF THE 35TH LEGISLATURE, AND THE LISTENING AND VIEWING AUDIENCE.

I AM KEVIN MCCURDY, COMMISSIONER OF THE DEPARTMENT OF FINANCE. PURSUANT TO YOUR INVITATION, I APPEAR BEFORE YOU TODAY WITH KARL KNIGHT, CEO OF THE WATER AND POWER AUTHORITY, HURBERT TURNBULL CHAIRMAN OF THE WAPA BOARD, STEVE DEBLASIO, ASSISTANT DIRECTOR OF THE VIRGIN ISLAND TERRITORIAL EMERGENCY MANAGEMENT AUTHORITY, AND KIMIKA WOODS, DEPUTY DIRECTOR OF THE OFFICE OF MANAGEMENT AND BUDGET TO DISCUSS BILL NO. 35-0340. “AN ACT RENEWING AND EXTENDING THE STATE OF EMERGENCY IN THE VIRGIN ISLANDS FOR AN ADDITIONAL 60 DAYS FROM SEPTEMBER 20, 2024, THROUGH NOVEMBER 19, 2024”.

PREVIOUS ACCOMPLISHMENTS

OVER THE PAST 30 DAYS, WE HAVE SUCCESSFULLY ACHIEVED SEVERAL KEY OBJECTIVES, INCLUDING:

- **ENHANCING CASH FLOW:** WE HAVE SUPPORTED WAPA IN IMPROVING ITS CASH FLOW AND REDUCING ITS LIQUIDITY GAP TO ENSURE TIMELY PAYMENTS.
- **VENDOR PAYMENTS:** WE ASSISTED WAPA IN PRIORITIZING VENDOR PAYMENTS TO MAINTAIN CRITICAL SERVICES, PARTICULARLY FOR FUEL, ELECTRIC, WATER GENERATION, AND OPERATIONS AND MAINTENANCE (O&M).

- **HARLEY PLANT COMMISSIONING:** SIGNIFICANT PROGRESS HAS BEEN MADE TOWARDS COMMISSIONING FOUR UNITS (9 MW PEAK CAPACITY EACH) AT THE WAPA HARLEY PLANT ON LPG BY DECEMBER 2024.
- **HURRICANE PREPAREDNESS:** WAPA HAS PLACED \$1 MILLION IN ESCROW TO SECURE ESSENTIAL ITEMS FOR THE UPCOMING HURRICANE SEASON.
- **REVENUE COLLECTION:** OUR INCIDENT COMMAND TEAM HAS HELPED WAPA MAXIMIZE REVENUE COLLECTION BY ADDRESSING OVERDUE ACCOUNTS FROM MAJOR CUSTOMERS, INCLUDING SEVERAL GOVERNMENT ENTITIES, TO ENSURE TIMELY BILL PAYMENTS.
- **RENEWABLE ENERGY AND SUSTAINABILITY MILESTONES:** WE ACHIEVED SIGNIFICANT MILESTONES IN RENEWABLE ENERGY INITIATIVES, ST. JOHN POWER SUSTAINABILITY, AND ADDRESSING DEFERRED MAINTENANCE.

THESE ACCOMPLISHMENTS REFLECT OUR COMMITMENT TO ENHANCING WAPA'S OPERATIONAL EFFECTIVENESS AND ENSURING RELIABLE SERVICE DELIVERY.

OBJECTIVES FOR THE NEXT 60 DAYS

OUR OBJECTIVES FOR THE NEXT 60 DAYS INCLUDE:

- **WEEKLY LIQUIDITY MONITORING:** WE WILL CLOSELY MONITOR WAPA'S LIQUIDITY POSITION ON A WEEKLY BASIS TO ENSURE FINANCIAL STABILITY.
- **CRITICAL VENDOR PAYMENTS:** WE WILL PRIORITIZE TIMELY PAYMENTS

TO CRITICAL VENDORS TO MAINTAIN ESSENTIAL SERVICES.

- **HURRICANE PREPAREDNESS PROCUREMENT:** WE AIM TO SECURE PURCHASE ORDERS TO SUPPORT HURRICANE PREPARATIONS, INCLUDING:
 - \$600K FOR POWER UTILITY OPERATIONS
 - \$150K FOR WATER UTILITY OPERATIONS
 - \$250K FOR GARAGE AND WAREHOUSE INVENTORY
- **WÄRTSILÄ PROJECT OVERSIGHT:** WE WILL TRACK WEEKLY PROGRESS ON THE WÄRTSILÄ PROJECT, WITH THE GOAL OF COMPLETING ALL LIGHT FUEL OIL (LFO) COMMISSIONING AND COMMENCING LIQUEFIED PETROLEUM GAS (LPG) PRE-COMMISSIONING ACTIVITIES THIS OCTOBER.
- **REVENUE COLLECTION MONITORING:** WE WILL OVERSEE REVENUE COLLECTION EFFORTS FOR PAST DUE ACCOUNTS RECEIVABLE FROM UTILITY SERVICES OWED BY THE GOVERNMENT OF THE GVI, ENSURING ALL BILLS ARE PAID PROMPTLY EACH MONTH.
- **RENEWABLE ENERGY AND SUSTAINABILITY MONITORING:** WE WILL CONTINUE TO MONITOR DEVELOPMENTS IN RENEWABLE ENERGY, ST. JOHN POWER SUSTAINABILITY, AND ADDRESS DEFERRED MAINTENANCE ISSUES.

FINANCIAL UPDATE

AS OF OCTOBER 15, 2024, THE DEPARTMENT OF FINANCE AND OFFICE OF MANAGEMENT AND BUDGET HAS PAID A TOTAL OF \$15,141,968.22 FROM THE BUDGET STABILIZATION FUND AND \$2,670,402.22 FROM THE GENERAL FUND TO ASSIST WITH WAPA'S FINANCIAL NEEDS.

REASON FOR EXTENSION

THE CHALLENGES AT WAPA HAVE BEEN PERSISTENT AND WILL NEED FOCUSED AND DELIBERATE EFFORTS TO BRING ABOUT IMPROVEMENT, EVEN IF IT'S GRADUAL. THE INCIDENT COMMAND (IC) PROVIDES A STRUCTURED AND SYSTEMATIC APPROACH, IN A FRAMEWORK THAT ALLOWS FOR THE GVI AND WAPA TO TAKE IMMEDIATE ACTIONS DAILY TO ENSURE THE SAFETY AND HEALTH OF OUR RESIDENTS. FAILING TO EXTEND THE STATE OF EMERGENCY (SOE) CAN LEAD TO DELAYED FUEL PAYMENTS, WHICH IN TURN CAN CAUSE A RESURGENCE OF ROLLING POWER OUTAGES. ALSO, CONTINUING THE STATE OF EMERGENCY REINFORCES TO OUR FEDERAL AND LOCAL PARTNERS, THE SERIOUSNESS OF THE CHALLENGES THE TERRITORY IS FACING.

MISTER PRESIDENT, THIS CONCLUDES MY TESTIMONY. I AM AVAILABLE TO RESPOND TO QUESTIONS FROM THE MEMBERS OF THIS BODY.