



TESTIMONY

COMMITTEE ON Disaster Recovery & Infrastructure

35th Legislature of the Virgin Islands

PRESENTED BY:

ADRIENNE L. WILLIAMS-OCTALIEN

DIRECTOR

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Good Morning, Honorable Senator Milton E. Potter, Chairman of the 35th Legislature's Committee on Disaster Recovery, Infrastructure and Planning, distinguished members of the committee, as well as fellow testifiers and audience. I am Adrienne L. Williams-Octalien, Director of the Virgin Islands Office of Disaster Recovery (ODR). I am accompanied by Artra S. Watlington-Francis, Deputy Director of Finance and Compliance, Malinda K. Vigilant-Messer, Territorial Public Assistance Officer, and Graciela Rivera, Territorial Hazard Mitigation Officer. It is my honor to present an update on the status of disaster recovery initiatives in the US Virgin Islands.

Since our establishment in February of 2019, ODR has been the central hub for coordinating federal disaster recovery funds across all governmental departments, semi-autonomous agencies, and private non-profit entities. Our office is committed to efficiently managing and distributing these resources to ensure the resilient restoration of critical infrastructure and community assets. We provide a comprehensive approach to disaster recovery funding, certifying that every aspect of the recovery process is in full compliance with federal regulations. Our primary focus areas are obtaining funds, allocating funds, and ensuring proper expenditure with an emphasis on transparency and accountability. Simply put, we get the funds, spend the funds and spend them correctly.

In the wake of the devastating 2017 hurricanes, the Virgin Islands has been anticipating significant recovery funding to aid in the rebuilding process. Through the life of the recovery, the ODR has overseen more than \$2.9 billion in expenditures for completed and in-progress projects. So far, the Territory has been obligated \$5.8 billion of the anticipated \$10 billion of federal recovery funds with the potential to increase to \$12 billion. This potential increase reflects expected obligations for the prudent replacement of wastewater and potable water lines.

In 2022 alone, the territory expended over \$460 million in recovery funding, demonstrating a considerable investment in the recovery efforts with the completion of over 35 projects. In 2023, ODR anticipates an increase in expenditures with the completion of 44 additional projects and the start of over \$930 million in recovery projects this year. For FY 2023 over \$22.9 M in gross receipt taxes are anticipated from disaster recovery projects.

FUNDING

The anticipated \$10 billion is mainly split amongst four major funding sources, FEMA's Public Assistance (PA) and Hazard Mitigation Grant Program (HMGP), the Department of Transportation's Federal Highway Emergency Relief Program (FHWA-ER) and the Housing and Urban Development (HUD) Community Development Block Grant Program – Disaster Recovery Program (CDBG-DR). To be clear, the \$10 billion is a projection. These funds are not sitting in an account failing to be utilized. Federal funding must first be allocated, which means that the funds are reserved for projects or jurisdictions; then obligated, meaning that those funds are now available for use; and then expended, or spent for the intended purpose.

FEMA's Public Assistance Program is the principal source of funding for our recovery efforts. To date, PA has received \$4.4 billion of the predicted \$7 billion. This program provides an opportunity for local governments and eligible nonprofit organizations to submit damages for emergency and permanent repairs. PA projects require a 10% match.

FEMA's Hazard Mitigation Grant Program has received \$138.4 million out of an expected \$845 million to date. These funds do not have a match and are granted at 100% of the project cost. HMGP requires that monies are utilized to implement mitigation measures aimed at reducing the risk of loss of life and property that may result from future disasters.

The Department of Transportation's Federal Highway Emergency Relief Program (FHWA-ER), administered locally by the Department of Public Works, has obligated \$65.7 million out of the allocated \$80.5 million earmarked for the Territory to carry out the much-needed repairs to roads and bridges.

The Housing and Urban Development Community Development Block Grant Program – Disaster Recovery Program, administered by the Virgin Islands Housing Finance Authority, has received \$1.1 billion, out of the \$1.9 billion expected to be received through five tranches to include mitigation and electric grid.

There are also other disaster-related funds from various federal entities, including the Department of Health and Human Services (DHHS), US Department of Agriculture (USDA), Department of Education (DOE), and Department of Commerce, amounting to an estimated \$212 million that has been made available to the territory.

We are working diligently with our federal partners and local agencies to ensure that all additional eligible funding is received by the Territory. It is important to note that these federal programs have a detailed process for allocating and disbursing funds, which has proven to be administratively burdensome at times.

PUBLIC ASSISTANCE PROGRAM (PA)

Notably, FEMA PA has a 19-step process for obligating projects, which includes agreeing to the damages and repair costs. This results in many projects being debated back and forth before funding can be obligated.

To facilitate an amicable agreement, ODR has regularly scheduled meetings with FEMA local leadership and other necessary stakeholders to determine the best course of action for resolving these issues.

If not accomplished in a timely manner, the Territory would be subject to FEMA's discretion to grant extensions on a project-by-project basis. We have been engaging in bi-weekly coordination meetings with FEMA personnel, key agencies, with the support of Witt O'Brien's (WOB) representatives to review and address cross-cutting issues and receive updates from FEMA sector leads on the status of key projects within each sector.

HAZARD MITIGATION GRANT PROGRAM (HMGP)

To date, FEMA has approved 93 Hazard Mitigation projects that have been obligated for a total of \$138.4 million. Projects include wind retrofits of several critical facilities and housing communities as well as funding for community safe rooms with back-up power. Additional projects include support for telecommunications for the VI Police Department, the Bureau of Information Technology and VI Next Generation Network. There are also several projects with the Department of Public Works and private/non-profits to provide improvements for drainage and minimize flooding in different areas in the Territory and the retrofitting of multiple fire stations.

COVID

ODR is also tracking funding received by the Territory to address the COVID-19 pandemic, through FEMA, the CARES Act and other non- ARPA sources. The effort entails coordinating closely with various agencies including the Office of Management and Budget (OMB), Virgin Islands Territorial Emergency Management Agency (VITEMA) and FEMA to ensure funds are allocated and appropriately expended within the identified period of performance while avoiding duplication of benefits.

Currently, over \$909 million of funding has been made available to the Territory due to COVID. Of that amount, \$752 million has been expended to date.

PROJECTS

As we continue to advance our recovery efforts, Governor Albert Bryan, Jr. has identified five critical areas based on the projects' impact on the community, the level of urgency in delivering the services, and the readiness of the project. These priority areas are Health & Hospitals, Schools, Housing, Utilities, and Roads.

SCHOOLS

We are pleased to report that the long-awaited rebuild of the Arthur Richards PK-8 School on the island of St. Croix has commenced, with a groundbreaking ceremony in February 2023. This marks the first major rebuild of the territory's damaged schools. This critical project represents a significant investment in the education infrastructure of the Territory, providing modern and safe facilities that will support the growth and development of our young students. The project is anticipated to be completed in 2025.

Plans are also underway to commence demolition of the Charlotte Amalie High School (CAHS) on St. Thomas this year. Asbestos abatement is currently ongoing in preparation for demolition. The combined Design-Build solicitation is currently underway for CAHS, Central High and Bertha C. Boschulte Schools with bids due to close on April 11. Construction is anticipated to commence for all three sites in 2024.

Plans for the demolition of Guy Benjamin are in progress to make way for a community center and park installation. Demolition is anticipated to commence in the third quarter of 2023. The historic building currently on the site will be preserved and repurposed for educational and cultural program use.

Lastly, the Department of Education continues repairs of several buildings at the Gladys Abraham Elementary School. Partial repairs are anticipated to be completed by August 2023.

The Department plans to relocate its skills center to that site, which will offer career, technical and training programs for both adults and students.

One of the known challenges for the Territory has been the availability of shelters in the event of a disaster. VIDE through funding by HMGP has multiple projects that will strengthen their gymnasiums to the required safe room standards. This will allow these sites to be used for short and long-term sheltering without impacting students or disrupting the school calendar. They include Central High, Educational Complex and Arthur Richards on St. Croix, Julius Sprauve on St. John, and Charlotte Amalie and E. Benjamin Oliver schools on St. Thomas.

Health, Hospitals & Human Services

Hospital projects are also making great strides, starting with ribbon cutting ceremony for the Governor Juan F. Luis Hospital & Medical Center's temporary hardened structure known as JFL North. The completion of this critical project represents a major step forward in ensuring that residents have access to essential and quality healthcare services utilizing state of the art medical equipment, some the first of its kind here within the Territory. Following the successful transition to JFL North, the Territorial Hospital Redevelopment Team (THRT) plans to support the construction of both an administration building and parking lot to be completed in a phased approach.

On St. Thomas, the selective demolition of Charlotte Kimelman Cancer Institute (CKCI) will be closed out March 2023. The THRT plans to issue a solicitation for a construction contractor in April 2023. Both the Schneider Regional Hospital and Myrah Keating Health Center are currently pending FEMA obligations. Once obligated, both projects will enter the design phase. The Department of Health has made great strides towards starting and completing their disaster recovery projects. The agency completed the design process for the new Charles Harwood

Medical Center and issued the notice to proceed for the demolition in January 2023. Following the required abatement, the building demolition is anticipated to commence in the 2nd quarter of 2023 and finish in early 2024.

In addition, we are excited to report that the Department of Health is making significant progress on a new office for Women, Infant and Children (WIC) at the Knud Hansen Complex on the island of St. Thomas and repairs to the WIC office in Frederiksted are already in progress. Both projects should be finished in August of 2023.

The Queen Louise Home for the Aged facility incurred serious damages from the 2017 storms. FEMA approved the prudent replacement in September 2021, and awarded the Department of Human Services \$65.7M in September 2022 for a new permanent facility to be re-located and built. Concurrently, design is also in progress to repair the existing Queen Louise Facility, where residents will remain temporarily until the new permanent facility is built. Designs are anticipated to be completed by June of 2023, at which time DHS will solicit for construction repairs.

The Department of Human Services is also working on the solicitation and contract execution for the demolition and new build of seven Head Start facilities across the Territory. With three facilities on St. Croix: Charles Emmanuel, Concordia and Anna's Hope, three on St. Thomas: Lindbergh Bay, Bolongo Bay and Minetta Mitchell, and one on St. John in Cruz Bay. Active demolition is anticipated to commence on all sites before the end of 2023. Once complete, these new facilities will provide a space where children are able to grow and learn in a safe, secure and nurturing environment for decades to come.

The department also completed projects to install new playground equipment at Head Start facilities in Savan and Sugar Estate on St. Thomas and Richmond, Annas Hope, Frederiksted and Kingshill on St. Croix.

HOUSING

The Virgin Islands Housing Authority (VIHA) remains committed to its redevelopment portfolio and strategies aimed at renovating and rebuilding 1500 aging housing units across the Territory. In 2022, VIHA completed the Estate Tutu Hi-Rise Projects Demolition and set in motion the Authority's long-term plan with the groundbreaking of Walter IM Hodge Pavilion in June of that same year. Phase I of the \$116.1 million Walter IM Hodge project funded through a combination of FEMA Public Assistance, FEMA Hazard Mitigation Grant Program, HUD Community Development Block Grant-Disaster Recovery and Low-Income Housing Tax Credits, is anticipated to be completed in September 2023, with 82 units being brought online. Full completion of the project is set for Summer 2024 and will add 248 units to the Territory's housing stock.

VIHA has several additional projects in the pipeline for 2023. Currently, the demolition of Estate Tutu Apartments Phase I & II is out for bid and solicitation for Oswald Harris Court is expected to be released in the coming months. General contractor solicitations for the D. Hamilton Jackson Terrace & Alphonso "Piggy" Gerard Complex Revitalization closed this month, and VIHA is moving forward with contractor selection. Construction on the \$118 million project is expected to begin this year.

UTILITIES

The Virgin Islands Water and Power Authority (WAPA) has developed a multifaceted resiliency plan funded by FEMA and HUD with over \$742 million in mitigation projects. The plan includes the installation of composite poles, increased undergrounding capacity, the hardening of infrastructure, and the purchase of emergency backup generators.

WAPA has made significant headway in its ambitious goal of transitioning 50% of customers to underground power. On St. John, work on undergrounding in the town of Cruz Bay began in July 2021. Secondary work for Cruz Bay to bring the project to full completion is awaiting approval from FEMA.

On St. Croix, the undergrounding projects in Container Port and Golden Grove have been completed, and Midland is expected to be finished in May 2023. Looking ahead, the Virgin Islands can expect solicitations to be released for additional undergrounding projects by the end of the year, to include Feeder 9A & 5A on St. Thomas and on St. Croix, Queen Mary Highway and Hannah's Rest.

WAPA continues their plan to leverage composite poles for the remaining above-ground installations that cannot be undergrounded. Thus far, WAPA has installed close to 7,000 poles, delivering world-class infrastructure solutions to the Virgin Islands. On St. Croix, approximately 75% of the 4,116 expected composite poles have been installed. In the St. Thomas/St. John district, installation is at 85% with 1,999 of 2,344 poles installed on St. Thomas and 1,662 poles of 1,960 installed thus far on St. John. Completion of the installation of 8,620 poles territory-wide is expected for later this year.

In line with its resiliency plan, WAPA advances its goal to increase generation capacity through the Randolph Harley Service Expansion project. The \$75 million project, funded by CDBG-DR, will provide more reliable and efficient electrical service for the St. Thomas/St. John district through the installation of new generators and BESS (Battery Energy Storage System) technology. These efforts serve to set the foundation for a future of energy sustainability in the Territory.

The Territory is also set to see critical improvements to its solid waste infrastructure through allocated CDBG-DR funding of \$7.5 million. The Waste Management Authority plans to

construct and operate convenience centers throughout the territory are underway with the release of the design-build RFP for the first site, Mon Bijou. Additional design-build RFPs for staffed convenience centers to aid in the proper management of solid waste disposal are anticipated for later this year. The sites include Estate Concordia and Cotton Valley on St. Croix, Estate Bournefield, Smith Bay-Margaritaville, and Red Hook on St. Thomas, and Susannaberg on St. John.

ROADS AND TRANSPORTATION

The Department of Public Works continues to make significant strides with several notable projects. The installation of light poles along Melvin Evans highway has commenced, and by Summer 2023, motorists in St. Croix can look forward to a traversing on a well-lit highway. Another exciting project scheduled for completion in Summer 2023 is the Clifton Hill Connector Road Project. Contracted with Grace Civil, this project will improve traffic flow by constructing road and drainage systems and widening the southern shoulder to allow for additional turning lanes.

Through the Federal Highway Administration – Emergency Relief Program, the design/build projects for the St. Thomas/St. John District and the St. Croix District are underway. The projects span fourteen sites on St. Thomas, five sites on St. John, and sixteen roadway sites on St. Croix. We are pleased to state that several sites have been completed, including Weymouth Rhymer Road, Bordeaux Mountain Road, and Gallows Bay Road. Still to come is work on Altona Lagoon Bridge, which was awarded to VI Paving Inc and is expected to begin construction in Summer 2023.

On St. John, work on the Great Cruz Bay watershed began in September 2022 and currently stands at almost 50% completion. DPW anticipates work on this watershed, along with Coral

Bay, Maho Bay Fish Bay and Water Island's Watershed project to all be completed in 2023. On St. Thomas, construction is expected to continue in 2023 at watershed sites to include Botany Bay, Perseverance Bay, Red Hook Bay, Jersey Bay, Smith Bay and Frenchman's Bay.

To ensure the incorporation of proper drainage in future road projects to augment the effectiveness of roadways in the Territory, DPW continues to leverage FEMA's Hazard Mitigation Grant Program. 2021 saw the execution of contracts for the Mahogany Road Drainage Improvement project and design is at 30%. The Smith Bay Stormwater Project on St. Thomas and the Hannah's Rest Drainage Improvement & Acquisition Projects on St. Croix are also in the design phase pending discussions with FEMA.

The Cyril E. King Airport Transportation Center Project, facilitated by the Virgin Islands Port Authority on St. Thomas, is also making progress, with Phase 1 anticipated for completion in Summer of 2023 and final completion slated for 2nd Quarter 2024. Following that, Phase 3 will begin, with the entire project expected to conclude by October 2023.

PUBLIC BUILDINGS

The Department of Sports, Parks, and Recreation continues to work diligently to complete their many disaster-related recovery projects. The reconstruction of the Cramer's Park Pavilions is currently in progress and is projected to be completed in the summer of 2023. The Reinholdt Jackson Complex known as Whim Ballpark, is progressing through the procurement process and is anticipated to commence in the next ninety days. The highly discussed Frederiksted Waterfront lighting issue on St. Croix, will soon be resolved. The contract for this locally funded project is underway and is expected to commence by early summer 2023.

We are also making significant progress in rehabilitating our parks. The Department of Planning and Natural Resources is making considerable progress towards completing the five

public libraries throughout the territory. Sprauve Library on St. John is substantially completed and should reopen in April. The Florence A. Williams Library on St. Croix is in construction and projected to be completed in June of this year. The Athalie M. Petersen Library, also on St. Croix is advancing through the procurement process and construction is anticipated to commence in July 2023. The Enid M. Baa and Charles W. Turnbull Libraries located on St. Thomas are currently in solicitation with construction projected to start by the end of summer 2023. The progress on these projects demonstrates the positive impact of continued investment in the revitalization of the territory, and we remain committed to this critical work.

CHALLENGES

Honorable Senators, as we move forward with our mission to restore and rebuild our Territory, we face a series of significant challenges that demand our attention and resources. These challenges include a range of factors, such as inflationary pressures that have impacted the cost of living and the cost of goods and services, supply chain disruptions that have impeded the timely delivery of materials and resources, local match shortfalls that have limited the availability of funding for critical projects, capacity limitations that have strained our ability to meet the demands of the recovery process, and increasing construction costs that have made it more difficult to execute projects within budget.

Concerns regarding retaining a reliable pool of qualified laborers, disaster management professionals and affordable housing for an expected transient workforce remains a high priority. Needs for subject matter expertise continuously evolve, as different facilities have distinct requirements that are not applicable across the total population of projects. This labor shortage has directly impacted getting projects off the ground. High rental prices coupled with limited housing opportunities create difficulties for temporary workers to find suitable lodging.

From February 13-14, 2023, the Office of Disaster Recovery (ODR) hosted a summit for Recovery Leaders on St. Thomas. The summit convened government leaders to align internally to formulate solutions that would expedite the ongoing recovery efforts. The Summit brought challenges to the forefront, facilitated extensive discussions, and generated several solution-oriented ideas.

Some ideas generated during the summit included implementing communication strategies aimed at improving collaboration among recovery partners and informing the public about construction project impacts. Additionally, there was a proposal to establish a GIS office as a central repository to map and track all projects on each island, develop a multi-modal transportation plan after conducting a traffic study, and create program specifications and guidelines for the disposal of demolition debris.

The ODR currently facilitates bi-weekly utility coordination meetings with almost every public and private utility company in the territory. The team has made great progress over the last few months as we ensure that priority projects are funded, work with individual agencies to re-prioritize and accelerate efforts to synchronize project schedules. We are working with FEMA to consolidate and receive additional funding for paving efforts for all multi-agency utility project neighborhoods which will support “one dig” efforts. This allows for final paving to be overseen by the Department of Public Works and will include opportunities to improve sidewalk and accessibility infrastructure, allow for consistent quality assurance and quality control of repaved roads, and the creation of a utility coordination office for ongoing project management and coordination support.

It was very clear that without this collaboration and oversight, the utilities would be conducting singular projects resulting in multi-year construction in the same neighborhoods and even on

the same streets, multiple contractors stumbling over one another to achieve their individual goals and even the most minor delays having not just a solitary impact but a domino effect.

Honorable Senators, we have come to the end of this critical testimony, and we want to express our sincere gratitude for your time and attention. The progress we have made so far is commendable, but there is still much work to be done. As we continue to work tirelessly towards the full recovery and rebuilding of the Virgin Islands, we remain committed to deploying these funds effectively, efficiently and transparently.

I would like to thank the hard-working men and women of the Office of Disaster Recovery and our partners across the government for their commitment to this mission.

I encourage you to visit our website regularly, review our recently released 2022 annual report and contact us at any time with your questions or concerns.

We remain committed to building a stronger, more resilient, and prosperous territory, and with your support we will continue to “*Build a Legacy of Resilience.*”
