

AMENDMENT NO. 2

SUBRECIPIENT AGREEMENT

between

**The VIRGIN ISLANDS HOUSING FINANCE AUTHORITY
and
the VIRGIN ISLANDS WATER AND POWER AUTHORITY**

This Addendum ("Addendum") is made this 22nd day of July, 2020 by and between the Virgin Islands Housing Finance Authority ("VIHFA") and the Virgin Islands Water and Power Authority ("VIWAPA").

WHEREAS, on July 19, 2019, the Virgin Islands Housing Finance Authority ("VIHFA") and the Virgin Islands Water and Power Authority ("VIWAPA") entered into a Subrecipient Agreement for the Electrical Power Systems Enhancement & Improvement Program (Subrecipient Agreement No.: SA-DR(WAPA)-003-2019) funded through the Community Development Block Grant Disaster Recovery ("CDBG-DR") Grant; and

WHEREAS, via letter dated June 12, 2020, the U.S. Department of Housing and Urban Development (HUD) proposed additional Special Conditions to be added to the Subrecipient Agreement, which letter is attached hereto as Exhibit I; and

WHEREAS, after review of the June 12, 2020 letter and to ensure conformity with other Subrecipient Agreements executed subsequent to the WAPA Subrecipient Agreement, VIHFA also added additional Special conditions.

NOW THEREFORE, in consideration of the mutual covenants herein contained and intending to be legally bound by this Agreement, the parties hereto do covenant and agree as follows:

Section 1: Appendix C: Special Conditions: The Special Conditions are amended to add the following additional conditions:

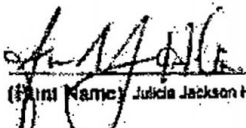
- (j) Notwithstanding all the terms and conditions of the Subrecipient Agreement, Project Agreement and preceding Special Conditions, VIHFA should not pay any invoices under the Subrecipient Agreement and/or Project Agreement, until VIWAPA has submitted its 2018 audited Financial Statements to VIHFA. Within 90 days after receipt of the audit report, VIWAPA should provide any corrective actions in response to any findings in the audit report.
- (k) Notwithstanding all the terms and conditions of the Subrecipient Agreement, Project Agreement and preceding Special Conditions, if VIWAPA fails to submit the 2019 Financial Statements to VIHFA by February 12, 2021 then VIHFA should suspend VIWAPA's CDBG-DR funding until such time as the 2019 audited Financial Statements are submitted to VIHFA. Within 90 days after receipt of the audit report, VIWAPA should provide any corrective actions in response to any findings in the audit report.

- (l) VIWAPA must reduce its reliance on estimated billing to less than 2% of electric accounts by December 31, 2020.
- (m) VIWAPA must issue bills to customers at the end of each 30-day billing cycle within five (5) days of meter reading. VIWAPA must have implemented this practice by December 31, 2020.
- (n) VIWAPA must reduce the amount of uncompensated power generation, including improving meter function, data collection, and processing and must provide a plan to reach this goal, or have implemented this practice, by December 31, 2020;
- (o) VIWAPA must complete the monthly 30-day billing cycle on time. VIWAPA must have implemented this practice by December 31, 2020.
- (p) Must attend and participate in a mandatory HUD OIG training provided by HUD's Office of the Inspector General.
- (q) Provide VIHFA with a timely notification, of all procurement events and share all procurement documents for review to ensure compliance with CDBG-DR funded projects.

Section 2: This Amendment may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

Section 3: All other requirement and provisions of the Subrecipient Agreement between the VIHFA and VIWAPA shall remain in full force and effect.

WITNESS:



(Print Name) Lucia Jackson Hilans

DATE: 7/10/2020

**VIRGIN ISLANDS WATER &
POWER AUTHORITY**



Lawrence J. Kupfer, Executive Director *ej*

7/10/2020

DATE: 7/10/2020

WITNESS:

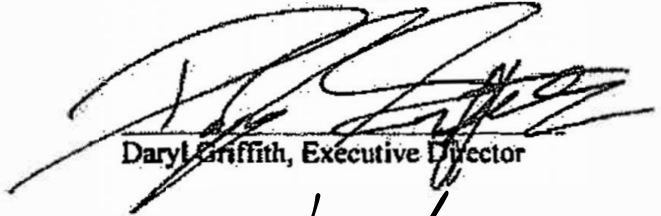


(Print Name) Basil Balyo

DATE: 7/10/2020

Reviewed for Legal Sufficiency:
Denise Rhymer, Esq.
Denise Rhymer
Dated: 10th day of July, 2020

VIRGIN ISLANDS HOUSING
FINANCE AUTHORITY



Daryl Griffith, Executive Director

DATE: 7/22/2020

WITNESS:
Claudia Arson

(Print Name)

DATE: 7/22/2020

WITNESS:
Dorothy Armstrong

(Print Name)
(Dorothy Armstrong)
DATE: 07-23-2020