



THE VIRGIN ISLANDS WATER & POWER AUTHORITY
CORPORATE COMMUNICATIONS
NEWS RELEASE

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WAPA Governing Board Unanimously Approves Major Infrastructure Projects to Strengthen Reliability, Resilience, and Service for Customers

U.S. VIRGIN ISLANDS (October 23, 2025)— The Virgin Islands Water and Power Authority (“WAPA” or “the Authority”) Governing Board unanimously approved several infrastructure initiatives aimed at improving reliability, resilience, and efficiency across the Territory’s power system. These investments strengthen the grid and bring lasting benefits to Virgin Islands residents and businesses.

“These approvals are part of WAPA’s ongoing commitment to deliver reliable, affordable, and sustainable power to every community we serve,” said WAPA Chief Executive Officer/Executive Director Karl Knight. “Each project contributes to building a modern and resilient utility system—one that better withstands storms, operates more efficiently, and provides better service to our customers.”

Feeder 9A Underground Project – St. Thomas

The Board approved a new contract with Haugland Virgin Islands LLC (HVI) in an amount not to exceed \$12.8 million for the Feeder 9A Underground Electrical Construction Project on St. Thomas. Funded 98% by FEMA with a 2% local match provided by the Office of Disaster Recovery (ODR) through the HUD Community Development Block Grant (CDBG) program, this project represents a major initiative to move vulnerable overhead lines underground from the Randolph Harley Substation to Strand Gade. By placing power lines underground in downtown Charlotte Amalie, WAPA is improving safety, reducing storm-related outages, and helping local businesses recover more quickly after severe weather.

Composite Pole and Debris Removal Expansion – Territory-Wide

The Board also approved a \$10 million increase and contract extension through June 2026 for Haugland VI’s Disaster Debris Removal and Disposal Services (Contract SC-38-19).

This change order ensures WAPA can continue replacing older wooden poles with strong, durable composite poles and dispose of old materials in compliance with federal and local environmental regulations. To date, 9,949 composite poles have been installed across the Territory — 4,849 on St. Croix, 3,202 on St. Thomas, 1,711 on St. John, and 187 on Water Island.

Successful Negotiations for the 2026 Employee Health Insurance Benefits

The Authority's management, supported by Ghering Group, negotiated the proposed insurance rate down from an initial 17.5% increase to 6%, achieving significant savings for the organization and its employees. The Board unanimously approved the 6% increase in WAPA's 2026 employee benefits plan following successful negotiations with CIGNA and New York Life. Most notably as part of the negotiations, retirees will have an additional opportunity to participate in open enrollment for life insurance.

"This outcome reflects strong collaboration and a disciplined approach to fiscal management," said WAPA CEO/Executive Director, Karl Knight. "We are grateful to our partners and employees for working together to secure cost savings while maintaining the level of care our team deserves."

CEO Report Out Notes Monthly Shortfall Reduction & Request for Appropriate PSC Accounting of Deferred Fuel

During the executive report, the CEO provided updates on regulatory and operational matters, including steps taken to address deferred fuel balance accounting and current proceedings before the Public Services Commission (PSC). Knight also commended team members for their participation in recent hearings and disaster recovery updates presented to the Legislature.

Additional reports highlighted continued financial improvements, with monthly shortfalls reduced from approximately \$8 million to \$1 million, thanks to payment arrangements with vendors and improved cash flow management with key strategic actions. The Authority also continues to invest in rebuilding its vehicle fleet, including plans for the acquisition of additional hybrid bucket trucks.

The Virgin Islands Water and Power Authority Communication's Department is committed to reaching, informing, and connecting with the youngest members of the community to the eldest, through meaningful, transparent and effective communication.

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