



THE VIRGIN ISLANDS WATER & POWER AUTHORITY
CORPORATE COMMUNICATIONS
NEWS RELEASE

(340) 774-3552 • communications@viwapa.vi / www.viwapa.vi

WAPA Brings a Message of Accountability, Progress and Continued Work to Legislative
Budget Hearing

U.S. VIRGIN ISLANDS (August 12, 2026) — When the Virgin Islands Water and Power Authority (“WAPA” or “the Authority”) appears before the 36th Legislature today for its Fiscal Year 2027 budget hearing, the message will be straightforward. WAPA is not where it was a year ago, and the work is increasingly moving from planning to execution.

Across the territory, projects that once lived largely on planning documents are now moving into construction, implementation and execution. Underground feeder work, transmission improvements, water system upgrades, generation improvements, solar and battery projects, disaster recovery investments and other critical infrastructure initiatives are advancing from plans to physical improvements that customers can see, and ultimately, benefit from.

That progress matters because WAPA is working to address years of deferred maintenance and aging infrastructure while building a more reliable utility for the future. The Authority's FY2027 budget reflects that focus, prioritizing preventive maintenance, equipment repairs, workforce development and operational reliability. The proposed electric system budget includes approximately \$275.8 million in expenditures, down from \$287.5 million in FY2026. The proposed water system budget includes approximately \$34.9 million in expenditures.

The Feeder 13 Bypass Project on St. Thomas is a good example of infrastructure being replaced this year. The project is designed to reduce the vulnerability associated with the aging underground Feeder 13 and improve the resiliency and redundancy of the electric system. But completing that work requires outages, traffic impacts, crews working near homes and businesses, and other inconveniences. WAPA understands that customers do not experience these projects as lines on a project schedule. They experience them as a road closure, an overnight outage, a detour or a disruption to their daily lives.

“We understand that it is difficult to ask customers for patience while we are asking them to live through the disruption that comes with rebuilding critical infrastructure,” said WAPA CEO and Executive Director Karl Knight. “But we also know that continuing to defer this work is

not an option. Our responsibility is to do the work, communicate consistently about what it means for our customers, and make sure the inconvenience today leads to a stronger and more reliable utility tomorrow.”

That same approach is reflected throughout WAPA's FY2027 priorities supported by the Governing Board. The Authority is investing in the maintenance of its generating assets, strengthening its internal workforce and expanding technical support where specialized expertise is needed. WAPA is also continuing to leverage federal funding to offset eligible costs and expects new solar generation to provide additional savings and capacity during FY2027.

The benefits of this work extend beyond any single project. Better-maintained generation means greater reliability. Stronger transmission and distribution infrastructure means fewer vulnerabilities. Additional renewable generation can reduce reliance on more expensive fossil fuels. Better water infrastructure supports dependable service and resilience. Investments in employees build the institutional knowledge WAPA needs to maintain its systems for years to come.

WAPA does not receive an operating subsidy from the Government of the Virgin Islands and is not requesting one as part of the FY2027 Executive Budget. The Authority is funded primarily through the rates and fees paid by its customers for electric and water service.

WAPA is also bringing legislative proposals intended to address structural issues that affect the Authority's ability to operate efficiently and sustainably. These include changes related to billing and meter-reading requirements, customer charges for the water system, procurement thresholds and other statutory provisions that can help the Authority operate more effectively.

One of the most important structural issues remains street lighting.

Street lighting is a public service that supports safety and quality of life throughout the territory, but the cost of providing that service has not consistently been fully reimbursed to WAPA. In FY2025, for example, WAPA invoiced approximately \$7.4 million for street lighting services but received approximately \$4.7 million, leaving a significant gap. That persistent underfunding contributes directly to the Authority's structural deficit.

WAPA believes the solution is not to continue carrying that gap on the backs of utility customers. The Authority is advocating for a fiscally sustainable mechanism that ensures the cost of street lighting is fully and consistently funded by the government entity responsible for the service.

This is ultimately what WAPA hopes the public takes away from today's hearing: the Authority is doing the work.

There is still much to fix. WAPA continues to face financial pressures, aging infrastructure, workforce vacancies and the consequences of years of deferred maintenance. Those realities should not be minimized. At the same time, the territory is beginning to see the results of sustained investment and planning. Projects are breaking ground. Equipment is being repaired. Infrastructure is being replaced. New generation resources are being procured and shipped. Employees are being trained and developed. And systems that have been vulnerable for years are being strengthened.

The work is not always easy. It is not always convenient. And it is not always visible immediately. But it is happening.

WAPA extends its sincere appreciation to the men and women of the Authority who are doing this work every day, often in difficult conditions and with the knowledge that customers are counting on them. From the many employees working behind the scenes, their commitment is what turns a budget into action and a plan into progress.

As WAPA continues its appearance before the Legislature, the Authority remains committed to being transparent about where it stands, accountable for where it must improve and focused on where it is going.

The goal is not simply to keep the lights and water running today. The goal is to build a utility that can serve the Virgin Islands reliably for generations to come.

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.

###

About WAPA: The Virgin Islands Water and Power Authority is an autonomous agency of the Virgin Islands Government which produces and distributes electricity and drinking water to residential and commercial customers in the territory. WAPA was created by the Fifth Legislature of the Virgin Islands in 1964 through Act No. 1248. Today, WAPA generates electrical power at production plants on St. Thomas and St. Croix and distributes electrical service through smart grids to customers on St. Thomas, St. Croix, St. John, Hassel Island, and Water Island. Potable water is distributed to almost 13,000 customers through water lines and standpipes. WAPA also has the responsibility of installing and maintaining streetlights.