



THE VIRGIN ISLANDS WATER & POWER AUTHORITY
CORPORATE COMMUNICATIONS
NEWS RELEASE

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WAPA Board Receives Generation Update, Advances FY2027 Budget Discussions During Special Meeting

U.S. Virgin Islands (June 26, 2026) – The Governing Board of the Virgin Islands Water and Power Authority ("WAPA" or "the Authority") convened a special meeting yesterday to review the Authority's proposed Fiscal Year 2027 budget.

During the meeting, WAPA Chief Executive Officer and Executive Director Karl Knight provided Board members with an update on generation capacity and ongoing efforts to restore stability to the electric system in the St. Thomas-St. John district. Knight reported that the Authority is currently one generating unit short of meeting its desired generation capacity and continues to prioritize the repairs needed to return the unit to service.

"We are pushing urgency into every step of the process," said CEO Knight. "Our teams have worked diligently to secure the necessary parts, expediting the process at each step, with plans to end the current rotations by Sunday once repairs are completed."

Knight advised the Board that the required parts are anticipated to arrive on Saturday, allowing crews to move into the final stages of repairs. Based on current projections, and barring any unforeseen operational challenges, scheduled rotational outages are expected to conclude by Sunday.

The Board also received a presentation on the proposed Fiscal Year 2027 Electric and Water System Budgets. The proposed electric budget reflects a reduction from the Fiscal Year 2026 budget of \$287.5 million to \$275.8 million through the strategic use of available federal funding for eligible maintenance activities and anticipated savings from solar farms expected to come online during FY2027. These measures allow the Authority to address critical operational needs without increasing costs. Despite rising costs and inflation, the proposed water budget has also been reduced from \$38 million to \$35.7 million.

The proposed FY2027 budget prioritizes preventive maintenance, equipment repairs, workforce development, and operational reliability improvements across both utility systems. The water budget fully funds maintenance, equipment, materials, and repair needs, while the electric budget continues investments in routine and proactive maintenance designed to improve system performance and reliability.

The budget also expands WAPA's partnership with Wärtsilä through a new Phase II Operations and Maintenance (O&M) agreement. The collaboration has improved equipment reliability and maintenance performance through on-site technical support. At the same time, WAPA continues to strengthen its internal workforce and capabilities, with plans to assume greater responsibility for routine maintenance of Phase I generating units while utilizing Wärtsilä for major overhauls and specialized support.

Following executive session discussions regarding legal and personnel matters, the Board returned to open session and reported that action had been taken on both matters. The Board subsequently approved the proposed FY2027 budget unanimously, with conditions requiring quarterly reporting and performance reviews as part of the approval.

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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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.