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## WAPA Yet to Pay \$2.8M Owed to PSC, Says It May Seek Senate Help for Funds

**CEO Karl Knight told lawmakers WAPA hasn't paid assessments for 2024 or 2025, but is open to lobbying the Legislature for financial assistance to meet its obligations to the Public Services Commission.**

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Nelcia Charlemagne **March 25, 2025**

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**Aerial shot of WAPA's Richmond plant on St. Croix. By. ERNICE GILBERT, V.I. CONSORTIUM**

The V.I. Water and Power Authority has failed to pay its 2024 assessment fee to the Public Services Commission, a contribution owed to the PSC by each entity that it regulates. In addition to its arrears from 2024, the authority has made no contributions towards its 2025 assessment, PSC Executive Director Sandra Setorie told lawmakers on the Committee on Government Operations, Veterans Affairs, and Consumer Protection on Monday.

“WAPA has presented no legal argument and filed no petitions for reconsideration. WAPA simply asserts that it is too financially strained to date,” Ms. Setorie testified.

The Water and Power Authority, which continues to grapple with crippling debt, has been making steady inroads to reduce monthly operating deficits and is adding more renewable energy options to its portfolio. Though a full slate of recommendations from WAPA’s turnaround company, Ernst and Young, is still outstanding, Ms. Setorie asserted that the authority will soon be in a better position to pay its dues.

“WAPA’s rate for the second quarter of 2025, April through June, should allow it to begin reducing its accounts payable,” she told lawmakers. “The Commission expects WAPA to make the necessary payments for the assessments owed.”

However, WAPA's chief executive officer Karl Knight did not share similar sentiments. Instead, he told members of the committee that it could take as many as three years to break even. Notwithstanding, Senator Angel Bolques Jr. wanted to know what steps WAPA intends to take to pay the PSC what they are owed.

“Our priority at the end of the day is providing water and power to the people of the Virgin Islands, and that takes priority over paying assessments to the PSC,” Mr. Knight declared. Mr. Knight assured that he understands the PSC’s position, and is open to lobbying the Legislature “for the funds that they need or to pay our portion of those assessments.” However, these seem to be the extent of WAPA’s plans at the moment.

“If I have a million dollars in the bank, it goes towards critical vendors, deferred maintenance, fuel, [and] other essential obligations,” Mr. Knight said. “It's a really hard decision for me to take that, short the critical obligations that I have, and provide it to the PSC.”

He told Senator Bolques that he “hates owing people” and is doing the authority’s “best to meet our obligations.” Still, he said that a conundrum exists where “as a government instrumentality...I'm asked to pay another government agency instead of taking care of the obligations that I have to provide the service that I exist to provide.”

Feeling uneasy over WAPA’s failure to pay their PSC assessment, Senate President Milton Potter questioned how the relationship between the Authority, the Commission, and the Government of the Virgin Islands could be “improved to enable more effective regulation.”

“I owe the PSC \$2.8 million you know,” Mr. Knight told Mr. Potter, though a direct correlation to the question was not clear. “That's \$2.8 [million] on top of the \$379 million that EY in their assessment [is] saying we're probably on the hook for...Some decisions, hard decisions, as a government have, to be made in that regard.”

Ms. Setorie, for her part, informed lawmakers of the resumption of a “monthly management meeting with the Water and Power Authority.” According to Ms. Setorie, “For the previous two years there was a lag in us being able to meet with them, but we have, in fact, resumed those meetings.” She, like Potter, hopes that these regular interactions will bode well for the relationship between the two entities.

“I think that's a key to improve outcomes,” the lawmaker said. There is no word, yet, on when or if the Water and Power Authority will make its obligatory contributions to the Commission, funding that is crucial for its operation. Last June, Ms. Setorie told lawmakers that WAPA's arrearage [created a \\$1.3 million shortfall](#) in the PSC's budget, which was \$2.275 million in FY 2024.

