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WAPA Approves \$2.8M Metering Increase to Cut Timeline, \$58K Monthly Lease, and FirstBank Credit Extension

Board actions accelerate advanced meter installation by 6 months through a \$2.8M increase to the \$23.15M Itron contract, approve a \$58,000 monthly Four Winds Plaza lease for office consolidation, and extend FirstBank credit facilities totaling nearly \$20M

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An aerial shot of WAPA's Richmond power plant. By. ODR.

On Thursday, the V.I. Water and Power Authority Governing Board approved a series of capital project adjustments and facility consolidations designed to optimize infrastructure deployment and reduce long-term operational expenditures. The authorizations address the acceleration of a new metering system installation, the resolution of unforeseen geological challenges in underground electrical projects, and the centralization of corporate offices.

The board approved a \$2.8 million cost increase for the Itron Advanced Metering Infrastructure contract, bringing the total contract value to approximately \$23.15 million. The increase is intended to reduce the project's installation timeline by six months. Management noted that the revised schedule shifts from a sequential rollout to a concurrent model, where crews will operate on St. Thomas and St. Croix simultaneously.

The dual operation requires doubling labor forces and establishing additional warehousing and networking infrastructure on each island. WAPA CEO Karl Knight justified the expedited schedule as a strategic hedge against external risks. "The conversations that are taking place about the [U.S. Dept. Homeland Security] shutdown and its impacts on FEMA could potentially delay the project, which, to me, only emphasizes why we ought to try and truncate the schedule," he told board members. Meter deployment is projected to commence in August or September of this year, following performance testing on St. John.

The board also authorized a \$234,155.50 cost increase for the Feeder 5A underground electrical project on St. Thomas, raising the final contract amount to \$4.96 million. Mechanical Engineer Star Matthew reported that the adjustment was primarily driven by the excavation of 758 cubic yards of rock, exceeding the original 500-yard allowance. "This is Rock City, so you should expect a lot of rock," board chair Maurice Muia quipped.

The project further incurred costs from road restoration and the installation of a new riser pole and submarine cable bank after it was discovered that only one of three existing cables was energized. Despite the cost variation, the project, which is 95% funded by FEMA, maintains a scheduled completion date of March 12.

In a move toward corporate centralization, WAPA approved an amended lease for Four Winds Plaza, increasing its monthly commitment from \$50,000 to \$58,000. The amendment secures the full "Bravo" space, a 14,000-square-foot facility that will house all customer-facing functions, including customer service and meter reading.

WAPA Chief Administrative Officer Anthony Thomas identified seven fragmented locations for consolidation, including Petros Plaza and various warehouses. The authority projects that centralizing these operations will reduce annual costs from \$1.16 million to \$696,000. Knight noted the operational benefits of the dual-space configuration: "We can create an atmosphere for our customers that is different than the atmosphere we create on the other side for our employees and segregate those entrances and exits between those two groups".

Finally, the board ratified a one-month extension of credit facilities with First Bank through February 27, 2026. These facilities include a \$4.875 million note for capital projects and a \$15 million maximum overdraft agreement. WAPA Chief Financial Officer Lorraine Kelly stated that the extension was necessary as "the authority is not in a position to repay these facilities at this time."