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WMA Now Owes PSC Over \$1.4 Million, Placing Commission's Ability to Operate in Jeopardy

Executive director appeals to Senate for resolution of WMA's \$1.4 million debt

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Public Services Commission Executive Director Sandra Setorie. By. V.I. LEGISLATURE

Public Services Commission Executive Director, Sandra Setorie, on Tuesday called on lawmakers to help the PSC “cure” a longstanding financial battle with the Waste Management Authority.

Ms. Setorie, testifying before the Senate Committee on Government Operations, Veterans Affairs & Consumer Protection, complained that WMA’s [failure to pay](#) its PSC assessments since 2021 “now imperils the commission's operations.” The agency’s current outstanding assessments stand at just over \$896,000, with the total balance owed topping \$1.4 million, according to Ms. Setorie.

The PSC is “entirely funded by the entities that are regulated by or appear before the commission,” she explained. Despite the commission ensuring that spending remained “judicious” to preserve its reserve funds, the WMA's failure to meet its obligations is affecting PSC's rainy-day considerations.

Ms. Setorie reminded lawmakers that the current impact of WMA's chronic inability to pay was predicted before its establishment as a standalone entity. She noted that the PSC had warned of “the potential issue with the inclusion of the Waste Management Authority as a utility and its continued subsidization by the government of the Virgin Islands.” Nevertheless, she stated that WMA and the PSC had agreed on an assessment calculation that was indeed adhered to “from 2007 until 2021.”

In 2021, WMA asked the PSC for leeway to make its required payments every quarter instead of annually; something that is only allowed for WAPA, according to statute. However, Ms. Setorie said that as a courtesy, the PSC granted WMA's request in 2020 and again in 2021. “However, the Waste Management Authority only made the first quarter payment and has made no payments since that time,” she revealed.

This inability to collect assessment payments from WMA is “the most critical challenge” currently facing the PSC, said its newly confirmed executive director. Ms. Setorie suggested to lawmakers that “the appropriate resolution is for the funds to be included in the budget appropriation to the Waste Management Authority, with clear direction to pay the assessments in full.”

The longer the WMA assessment remains unpaid, the more “it reduces the capacity and capability for the Public Services Commission to function and operate,” explained Ms. Setorie. By way of response to Senator Alma Francis Heyliger's line of questioning, the PSC executive director noted that “it impacts the regulatory impact that we have on all of the utilities” and not just the WMA. In response, Ms. Francis Heyliger described the matter as “a serious issue.”

WMA's nonpayment impact on the PSC's operational capabilities has been shared with the authority's leadership, said the PSC team, which supplied lawmakers with a copy of correspondence to that effect that was sent to WMA.

Boyd Sprehn, the commission's general counsel, told senators that “we have been in contact with Waste Management every few months to ask when they are going to make payments.” However, WMA officials have studiously “ignored all of our previous comments about what's appropriate,” he said.

The Waste Management Authority, Mr. Sprehn explained, is disputing the revenue figure being used to determine their assessment. He noted that WMA wants only a “small sum” to be used as the determinant, but said that the figure the authority believes is more appropriate is not accurate. “We are aware that they collect a wastewater user fee. The wastewater user fee alone should produce a couple of million dollars a year in revenue. That's not listed in there,” Mr. Sprehn told the committee.

“We're not very far along in having any kind of settlement agreements,” he admitted. Committee chair Senator Carla Joseph predicted an “impasse between your numbers and [how] they have determined that they should be assessed.”

The vexing issue is expected to be discussed in more detail during the PSC's upcoming meeting in February.

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