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# Outgoing WMA Director Criticizes PSC's Revenue Calculations

**The WMA's outgoing executive director contests the Public Services Commission's calculation methods during a FY2025 budget hearing**

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**Vacuum or septic truck used for waste management operations** By. GETTY IMAGES

In perhaps the most passionate part of his FY2025 budget defense on Tuesday, Roger Merritt, [outgoing](#) executive director of the Waste Management Authority, fired back at [assertions by the Public Services Commission](#) relating to the WMA's failure to pay their annual assessments for several years. The exchange is the latest salvo in the dispute between WMA and PSC, which has been brewing since at least 2020.?

It is the payment of these assessments which keeps the PSC operational, something that officials have noted on more than one occasion. The assessments are calculated based on revenue earned by major utilities and public services. The territory's most troubled utilities – WMA and the V.I. Water and Power Authority – are [currently in arrears](#) of approximately \$2.6 million altogether, PSC Executive Director Sandra Setorie told the Senate Committee on Budget, Finance and Appropriations when she was before them last week. Ms. Setorie went as far as accusing the WMA of being “in violation of the law,” as no assessment payments have been made since FY2021. It's an accusation that the WMA is currently contesting.?

Though noting PSC's disappointment with not receiving debts owed to them was warranted, Senator Donna Frett-Gregory observed that the figures used to calculate WMA's annual assessments may be incorrect. According to Mr. Merritt, the PSC is not correct in basing assessments on the authority's total annual budget, which is made up almost entirely of general fund appropriations, which are “not considered revenue for the authority,” he told lawmakers.

“[The] PSC calculated the Waste Management Authority's assessment incorrectly, using non-operating revenue from government appropriations and special allocations instead of operating revenue,” Mr. Merritt explained on Wednesday. He used FY2021 as an example, where revenue collections totaled \$2,933,536.80. Instead, he explained, the PSC “estimated the authority's 2021 gross operating revenue to be \$46 million,” a figure representative of government and special allocations.

?Instead, Mr. Merritt argued that the PSC should be basing the annual assessment on WMA's revenues, earned through tipping fees, sewer taxes and wastewater fees. To this end, the agency has “sent audited financial and internal financial documents that confirm the authority has been overcharged by the PSC for FY2019 to FY2024, and prior years.” Mr. Merritt has urged the PSC to “reconsider its order” for FY2021 to FY2023, figures that sum up to over \$1.3 million.

?“The correct fee for FY2023, based on actual operating revenues, will be less than \$28,000 and not the \$362,000 they claim we owe,” Mr. Merritt claimed. The WMA had completed its own calculations. “As soon as a PSC corrects this error, the authority will immediately pay any remaining balance, which there will not be any.”?

Confident that WMA is not in breach of the law, Mr. Merritt called on the PSC to make every effort to be “correct, realistic and in support of our mandate and based solely on rate setting fees reviewed and approved by them.”