

PSC Could Run Out of Money for Payroll by End of August as WAPA, WMA Assessments Remain Outstanding

The PSC says it could run out of money for payroll by the end of August as WAPA and WMA remain behind on statutory assessment payments, leaving reserves at about \$490,000 and threatening the commission's ability to pay consultants and regulate utilities.

Government / **Published On July 10, 2026 05:40 AM /**

Nelcia Charlemagne **July 10, 2026**

Image not found or type unknown



WAPA's Richmond Powerplant. The authority owes the PSC more than \$4.1 million in unpaid assessments, contributing to a funding crisis that could leave the commission unable to meet payroll by late August. By. ERNICE GILBERT, V.I. CONSORTIUM.

The V.I. Public Services Commission could run out of funding to meet its payroll obligations as early as the end of August, with its reserves reduced to approximately \$490,000 amid millions of dollars in unpaid assessment fees from regulated utilities.

PSC Executive Director Sandra Setorie placed the warning on the record Thursday during testimony before the Senate Committee on Budget, Appropriations, and Finance.

She said the commission's "current financial challenges" stem from the "failure of certain regulated utilities to remit the statutory assessments they are legally obligated to pay, despite having been authorized to recover those costs through customer rates."

The Waste Management Authority owes five years of assessment fees totaling \$1,656,495.42. The Water and Power Authority has not paid its assessments for 2024, 2025 and 2026, totaling \$4,136,287.71.

"That number is just growing exponentially, and no one is making any effort to pay it down," said Senator Hubert Frederick, an ex officio member of the PSC.

WAPA has paid \$300,000 toward a \$1 million assessment for 2026. Ms. Setorie said the PSC has been promised another payment "by next week."

The assessment fees are intended to finance much of the commission's operations. Without the payments, however, the PSC is facing increasing difficulty meeting its financial and regulatory obligations.

Ms. Setorie said the commission's reserves have "significantly depleted, and our ability to continue performing critical statutory functions is now in jeopardy."

The continued nonpayment of assessments "disrupts Commission operations and materially impairs the PSC's ability to satisfy outstanding invoices..." she testified.

The commission is also "increasingly unable to perform its regulatory functions, as it is unable to pay its existing consultants..."

As of June, the PSC's reserves stood at approximately \$490,000.

The financial constraints have already affected the commission's oversight responsibilities. Because WAPA has "failed to timely satisfy its statutory assessment obligations," Ms. Setorie said the PSC has been unable to continue an investigation into the authority's "financial condition."

The commission has collected \$622,889.72 against its fiscal year 2026 budget of \$2,079,292.52.

"That leaves us with a shortfall of just over \$1.3 million in unpaid assessments," PSC attorney Boyd Sphren said.

"We are on fumes," the attorney declared.

For fiscal year 2027, the commission is requesting \$2,395,128.59 in General Fund support.

Ms. Setorie reminded lawmakers that the PSC has "consistently exercised sound fiscal stewardship" and "has never exceeded its approved budget and has never sought a supplemental appropriation from the Legislature."

Fiscal year 2025 was the only time a General Fund appropriation became necessary “because of utility nonpayment,” she said. The commission could face a similar situation in fiscal year 2027.

According to Ms. Setorie, the PSC is structured to ensure that it “operates independently from the GVI Treasury.”

WAPA and WMA are scheduled to appear before the budget committee on July 21 and August 6, respectively. Ms. Setorie urged lawmakers to scrutinize the information presented regarding their assessment payments.

She also proposed that the Legislature “require that the portions of the assessment that are supposed to come to the PSC are withdrawn directly from the utilities...and deposited directly into the PSC accounts.”

Ms. Setorie told Senator Ray Fonseca that such a change would “help tremendously.”

While the proposal could assist the PSC with collecting future assessments, it would not resolve the commission’s immediate financial difficulties.