

The Virgin Islands Consortium

WMA Wants To Charge \$56 In Yearly Waste-Hauling Fees, Tie Tire Disposal Charge To Vehicle Registration

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ST. CROIX -- Following testimony on Friday, April 11 before the Senate Committee on Housing, Public Works and Waste Management at the Fritz Lawetz Conference Room in Frederiksted, officials of the Virgin Islands Waste Management Authority (WMA), at a Public Service Commission (PSC) hearing on Wednesday, revealed that it would cost residents of the territory \$56 yearly in new fees to haul waste.

At the meeting, hearing examiner Dolace McLean also heard testimony from residents who said that while the fee is minimal, the added burden to already struggling households is not welcomed. WMA first filed its petition with the PSC to implement the new fee last August.

According to WMA Chief Operating Officer Steve Aubain, the fee would apply to solid waste, some of which includes scrap metal, vehicles, fluorescent bulbs and scrap tires.

But aside from the \$56 yearly charge, two days ago WMA proposed to tie a tire disposal fee to vehicle registration, a move that would see residents paying more every time they visit the Bureau of Motor Vehicle (BMV) to register their vehicles.

The proposal stems from a challenge filed against WMA last year by the owner of Rodriguez Auto Parts, Enrique Rodriguez, who said the proposed fees would not cover tire disposal, forcing auto retailers to charge customers twice -- a move that would see residents finding alternative sources to purchase new tires -- which in turn would hurt local businesses. The new charge was revealed by attorney Maria Tankenson-Hodge, who is representing Rodriguez in his suit against WMA.

No decision has been made by the PSC, however, and it remains to be seen what the commission's final decision will be.

At Friday's Senate hearing, Aubain told senators that the government's recent budget cuts, which rippled through various agencies including WMA, has handicapped the department's efforts and forced delayed payments to contractors who haul waste from the territory's homes and businesses. Aubain said while WMA's partners have continued to provide required services, "this trend is not sustainable for the long term."

The director went on to explain the challenges faced by WMA, including two federal consent decrees to shutdown the Anguilla and Bovoni landfills on St. Croix and St. Thomas. Aubain said WMA developed a \$75.4 million plan in June of 2014 that would see both landfills being completely shuttered in a 5-year period. However no funds have been made available for the execution thereof.

Further into his testimony, Aubain spoke of future operating revenue and capital fund generation strategies for WMA, which he said "are paramount to the authority's survival and success going forward."

The director was calling attention to WMA's plan to start charging fees to residents and businesses for the hauling of waste, and a plan to increase the wastewater removal service user fee, which recently saw an increase of 50 percent, or \$110.77, to an even higher amount. Aubain said the further increase was needed because WMA's wastewater budget is \$13.2 million, however current sewer fund appropriations is \$3 million annually.

WMA's combined annual budget is \$47.9 million, and it's been historically funded by the Government of the Virgin Islands (GVI), federal grants and Public Finance Authority (PFA) bonds. But with the government being unable to provide adequate funding, Aubain said the decision was made within WMA to find new ways of generating revenue.

"The authority has the ability to access and charge fees to become self-sufficient in the long term," Aubain said. "Going forward the authority will introduce several new solid waste collection and disposal fees, and also increasing the existing wastewater user fee rates as well as introduce minor fees for other ancillary services."

Once approved and implemented by the Public Finance Authority (PFA), Aubain said WMA's dependency on the GVI appropriations will be reduced.

"To summarize, the authority will generate revenue for its various services, receive an appropriation for services rendered to the GVI, and receive capital funds from grant programs and bond proceeds — whether those be PFA or actual WMA bonds," Aubain said.

As for families who are unable to pay fees, the director said WMA will utilize a subsidy program for qualified residents.

Aubain said discussions are currently being held with the Office of the Tax Assessor in regards to a memorandum of agreement relative to the wastewater fees to determine "fair and reasonable rates" for customers. This would be done by granting Waste Management "timely access to pertinent financial data and customer information to effectively manage routine assessment, payment, collection and penalty assessments and tax lien on properties," Aubain said.