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WAPA is 9 Pay Periods Behind On GERS Contributions, Owing \$3.1 Million; Authority Says Funds Are Tight

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Government Employees' Retirement System Administrator Austin Nibbs said Thursday that the Water and Power Authority was nine pay periods behind on employer contributions, with an outstanding balance of \$3.1 million.

The matter drew attention during G.E.R.S.'s meeting Thursday, with board members discussing possible courses of action if WAPA fails to come current within 60 days. Mr. Nibbs said he would negotiate a payment plan with the authority, and said that if an agreement for payment fails, G.E.R.S. would pursue legal action.

The administrator read a letter from Noel Hodge, WAPA interim executive director, which said WAPA was “working to secure the necessary funds to pay the authority’s outstanding employer contributions.”

The letter cited unexpectedly "high fuel cost and a longstanding unfavorable regulatory and political environment" as reasons why WAPA has not “realized sufficient revenues in the past 10 months to fund some essential expenses. As a result the authority was unable to remain current with it’s bi-weekly G.E.R.S. contributions.”

According to the letter, WAPA was awaiting a "supplemental appropriation," and the authority promised to pay as soon as it secures the funding.

G.E.R.S. Board Trustee Andre Dorsey, after hearing WAPA's explanation, made a motion to seek relief in court. “They have shown that they have the monies; they recently [publicly promoted individuals](#) internally, so they have monies at the highest levels of the system," he said, lending support to his motion. "They have been receiving millions of dollars from federal monies as well as the local government.”

Board Trustee Ronald Russell sought further discussion on the motion before it could be adopted, and Trustee Leona Smith sought Mr. Nibbs's opinion. Mr. Nibbs said he had been in constant communication with WAPA on the matter. “I think we should continue to work with them, understanding their situation... I think we should work with them to see how we can get a payment plan together first," he said.

Mr. Russell proposed that the initial motion be amended “to give the negotiation a 60 or 90-day” timeframe. If WAPA fails to come current by the end of the grace period, "then we pursue litigation," Mr. Russell said.

Mr. Dorsey said WAPA should only be given 30 days. "This is an independent authority and they definitely have the money... I don’t know why we want to play around; the system needs money. Again, if we want to do sixty days we can. I think we should just do thirty days with a letter.”

Mr. Dorsey asked Mr. Russell what was the justification for providing WAPA with a 60-day window. "The justification for 60 days is that negotiations sometimes involve timing and we have to give our administrator some time to put things together.”

Mr. Nibbs then explained that the initial letter that he read into the record was a response by Mr. Hodge to a letter from G.E.R.S. He said what he gathered from Mr. Hodge is that the authority wanted to make a full payment, however if that outcome was not feasible, G.E.R.S. would settle for a payment plan.

The final motion, proposed by Mr. Russell, gave WAPA 60 days to pay the \$3.1 million balance. The motion also calls for legal action if WAPA fails the honor the would-be covenant. The motion passed with six yes votes and one absent.