

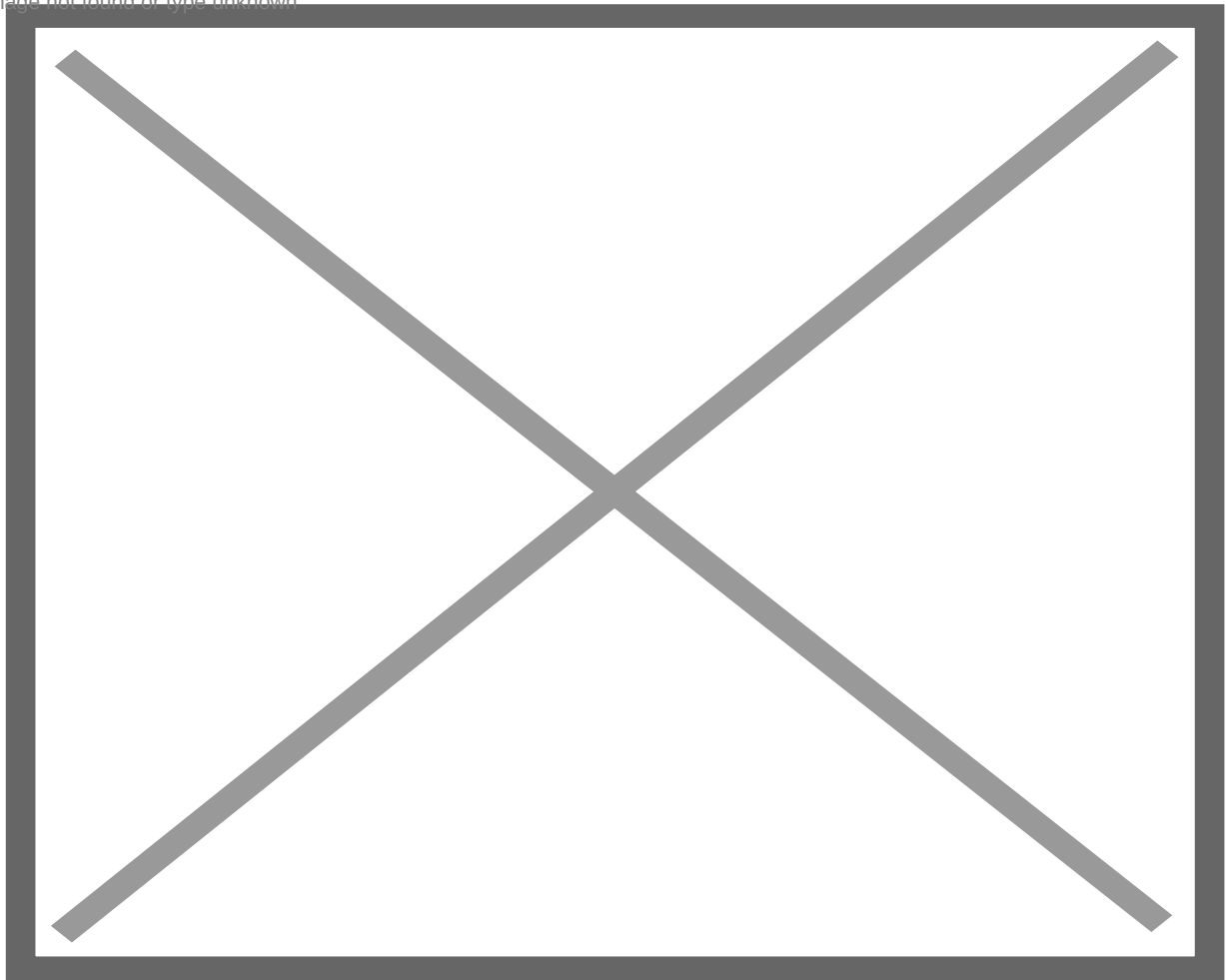
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Waste Management Authority Asks Senate For \$28 Million to Pay Debt Owed to Waste Haulers, Other Contractors

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A crane that belongs to Marco St. Croix blocks the entry to the Anguilla Landfill as the four major waste haulers on St. Croix on Wed. July 6, 2022 took their most aggressive action to receive millions owed to them by the V.I. government. By. ERNICE GILBERT/V.I. CONSORTIUM

Officials of the V.I. Waste Management Authority came before the Legislature on Tuesday seeking \$28 million in funding to pay for outstanding debts that it could not generate from its collected revenue.

The authority owes the Water and Power Authority \$3 million in addition to an outstanding balance of \$28 million owed to local contractors for work performed from 2017 to 2022.

WMA has asked for a onetime appropriation of \$28 million to pay all the contractors who helped the authority provide solid waste and wastewater collection, treatment, and disposal services during and after the hurricanes of 2017 and during the Covid-19 pandemic. The injection of funds, WMA's Executive Director Roger Merritt said in his testimony, would "turn around the financial picture of the Authority."

The amount requested is in addition to the government's recommended \$35 million appropriation for fiscal year 2023. In 2020, the Legislature increased WMA's general fund budget by \$10 million but the amount is not nearly enough, as Mr. Merritt said \$60 million is needed annually to run operations, nearly \$40 million of which is to provide solid waste and wastewater collection, disposal and treatment services.

He therefore lobbied for an increase in allotted government funds, recognizing that the one-time payment, on its own, would not be sufficient to sustain its operations. "Even if we have the one-time appropriation – that's going to help us, we're going to get everyone paid – but then we're going to start the same cycle all over again because we're underfunded."

He added, "So, we're at \$36 million, and the true cost to operate the authority is \$60 [million], by the end of this year, we're going to be right back where we started."

As a result, WMA has submitted a supplemental budget to the Office of Management and Budget (OMB) for an additional \$24 million per year, which the executive director said is based on a thorough review of solid waste/wastewater operations.

While it awaits approval, the authority is expecting to use monies from the 2023 appropriated budget as well as profits from the collection of tipping fees to reduce its debts. The tipping fee which was implemented on January 10, 2022 has so far raised nearly \$1 million (\$971,300.38) in revenue. WMA is also collaborating with the Tax Assessor's Office to identify and collect outstanding fees.

Senator Franklin Johnson called the authority's current financial outlook "a recipe for failure" while Senator Donna Frett-Gregory blamed the mismanagement on the authority's board.

"We don't make money but we have a responsibility to figure out how to generate revenues and there is a board of the Waste Management Authority and that board has to take responsibility for this authority. Otherwise, they're not truly deserving to serve on the board," she said.

Ms. Frett-Gregory accused the authority of slacking off and sacrificing waste haulers by not paying them but instead giving increases to top level officials. "So why are we sacrificing our waste haulers or our vendors overall but we're doing everything else. Giving salary increases to top level officials but sacrificing our waste haulers," she questioned.

Ms. Frett-Gregory added, "I'm not going to participate in that. It's wrong."

Looking ahead to future savings, WMA is looking to close a 30-year consent decree with Veolia which operates the Harold A. Thompson and Pedro A. Francois Wastewater Treatment Plants. That contract expires in 2027.

According to Mr. Merritt, the authority has started to identify staff for training needed to operate both plants upon expiration of the contract and release from the consent decree. “This will result in a potential annual savings of approximately \$3.5 million,” he noted.

Also, in an effort to generate additional revenue on the wastewater side, a Wastewater Septage Disposal Fee (a subset of the EUF), will be assessed to permitted septage waste haulers who deliver septage to the authority’s septage receiving facilities (similar to the tipping fees).

Meanwhile, WMA has carded several major grant-funded projects for 2023, totaling \$37.3 million which will be used for pump station upgrades, sewer lines repair, wastewater treatment plant upgrades and specialty equipment.

Current WMA CWSRF Major Projects:

- VIWMA has issued notice to proceed to contractor Marco St. Croix for the Christiansted Sewer Line Rehabilitation. This project funding covers several fiscal years; 2014 through 2018 and has an estimated budget of \$11,204,755.20.
- VIWMA received approval of final plans and design from DPNR for the Krause Lagoon Wastewater Treatment Plant/Interceptor. This project funding covers fiscal years 2013, 2014, 2016 and 2017 and has an estimated budget of \$4,962,868.00.

Major Projects Funding Plan:

- Mangrove Wastewater Treatment Plant intended use of the funding to upgrade phases 3, 4, 5 and 6 of the treatment plant. This project has an estimated budget of \$3,311,650.00.
- Anna’s Retreat Collection System intended use of the funding to rehabilitate and upgrade the sewer line and manholes. This project has an estimated budget of \$10,613,884.80.

Small Projects Funding Plan:

- Airport Force Main Rehabilitation and Relocation intended use of the funding to rehabilitate sewer line. This project has an estimated budget of \$800,000.00.
- George Simmonds Wastewater Treatment Plant intended use of the funding to upgrade the facility. This project has an estimated budget of \$385,500.00.
- Brassview Wastewater Treatment Plant intended use of the funding is to finalize the remaining upgrade to the treatment plant. The remaining project balance is \$121,556.00.
- Chinaman Hill Sewer Line replacement intended use of the funding is to replace and rehabilitate sewer lines. This project has an estimated budget of \$400,000.00.
- Equipment Purchase intended use of the funding to purchase four generators for pump stations. The remaining project balance is \$176,743.07.
- Southwest Interceptor project is 100% completed. Project remaining balance is \$91,178.80. Final invoice of \$82,149.80 for contractor is pending payment.