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Subpoena Demands WMA Director's Appearance to Address \$900,000 Debt to PSC

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Waste Management Authority Executive Director Roger Merritt Jr. By. V.I. LEGISLATURE

At the end of Tuesday's monthly meeting of the Public Services Commission, members voted 2 to 1 to issue a subpoena compelling the director of the Waste Management Authority to appear before the PSC at its next meeting.

Today's meeting began with a question by PSC Commissioner Raymond Williams about any outstanding payments owed to the PSC by the various utilities it regulates. Brenda Connor, the commission's account maintenance officer, said that WMA had a balance of \$896,070.31 which had accumulated over the past three years – no payments or communication have been

forthcoming in that timeframe. All other utilities are current: Viya and the ferry are both up-to-date, and the Water and Power Authority's fourth quarter payment is due in June, said Ms. Connor.

Mr. Williams followed up with a question about what could be done in regards to debt collection. "We have the ability to sue but frankly trying to collect on a government agency would be extraordinarily difficult," responded attorney Boyd Sprehn, legal counsel for the PSC. He recommended making representation to the commission's ex-officio members in the Senate – Carla Joseph and Marise James in the 35th Legislature – to see what assistance can be provided by lawmakers.

The PSC moved on to other agenda items, hearing updates from other utilities including Viya and WAPA, before noting that once again, representatives of WMA had asked to be excused from this meeting on short notice. Attorney Sprehn noted that this was the fourth or fifth time in the past six months WMA had been placed on the PSC agenda to provide updates on their rate and fee structure.

He reminded commissioners that a law had been enacted that placed the Waste Management Authority "squarely within the regulatory responsibilities of this Commission." However, the PSC is barred from fining WMA, as the latter is a government agency. "The Commission could recommend a contempt-type proceeding by the Attorney General's Office; I do not regard that as an effective tool."

What Mr. Sprehn did recommend, and in fact asserted was a responsibility of the PSC, was to open a rate investigation into WMA to look at what it is charging, "and what its plans are for those operations and how reasonable those rates are." Mr. Sprehn also urged commissioners to take a proactive approach to looking into WMA's rate structure. "It's not a punitive matter, we have an obligation to do so," he said. "Historically we have let utilities drive the bus...by asking them to file a petition for rates. That's not a requirement by any stretch of the imagination," he said. "The responsibility and authority lies with this Commission."

The PSC is mandated to review rates every five years, although it has been much longer than that since the Waste Management Authority came under scrutiny. The commissioners seemed to come to a consensus on opening a rate investigation at the PSC's next meeting. "I have every confidence that Waste Management will show up next month," quipped PSC Chair David Hughes, responding to the audible chuckles by saying that had spoken with WMA Director Roger Merritt, who "pledges...a renewed enthusiasm for regulation by the Public Services Commission."

"And we'll see if that happens," Mr. Hughes continued. "But I don't see another practical way other than issuing a subpoena to make him show up, which we can do."

A motion promptly came to subpoena Mr. Merritt to appear before the PSC at the body's next meeting. The motion passed despite the chair's "no" vote, following which Mr. Sprehn was instructed to draft the instrument for signature, pursuant to the information requested in a letter that had previously been written to the agency. The meeting adjourned shortly thereafter.