

Citizens Advisory Council of Prichard (CACP)
John E. McConnell Civic Center, Chickasaw
Summary of Meeting
January 18, 2024

FACILITATING: John Young, Jr., Court-Appointed Receiver
Prichard Water Works and Sewer Board (PWWSB)

ATTENDING: Mayor Jimmie Gardner, Prichard
Serveria Morris, United Concerned Citizens of Prichard
Jessica James, the City of Chickasaw (Representing Mayor Barry Broadhead)
Dr. Beatrice Morse, District 97
Pastor Chris Williams, County Commission
Rusty Murdaugh, District 98
Carletta Davis, President, We Matter
Katie Davis, District 2
Clifford Bryant

ABSENT: Alison Walker, District 33

PWWSB Financial and Operational Update

The 2024 PWWSB budget, created by the Board, was developed for the Fiscal Year (FY) of October 2023 through September 2024. The Receiver reviewed the first quarter results (ending December 31, 2023) with the Citizens Advisory Council of Prichard (CACP). Unfortunately, revenues were 19% below budget. While additional investigation needs to be completed, it appears that the Board's November 22% rate increase did not generate the anticipated income, and collection rates may have been hampered by the collection protocol required in the Receiver Order.

First quarter operating costs were substantially above budget due to increased purchased water costs, legal fees, and maintenance expenditures. Additionally, the funds derived from the hydrant settlement were well below budgeted amounts.

Sanitary sewer overflows, non-revenue water (primarily caused by leakage and water theft) and high maintenance costs will continue to be a significant problem until capital funds are available to improve the deteriorated infrastructure. The Receiver is continuing to solicit grant funds from the County, USEPA, Alabama Department of Environmental Management (ADEM), and other sources.

Proposed ADEM Consent Order

In late December 2023, ADEM sent PWWSB a draft Consent Order for the Prichard water system. The Order was issued to PWWSB for failure to respond to:

- EPA Inspection Report recommendations
- ADEM Sanitary Survey recommendations
- A Request to submit an adequate Asset Management Plan
- The Completion of financial audits

ADEM also expressed concerns regarding the technical, management and financial capacity of PWWSB.

A Draft Consent Order was presented to the CACP. The Consent Order requires several actions by PWWSB, including but not limited to:

- Step one includes a hydraulic analysis of the system to determine which of the system's five tanks should be retained. Once completed, significant maintenance must be completed on the appropriate tanks. Additionally, improvements are required for the cross-connection program, standard operating procedures, and maintaining chlorine residuals throughout the system.
- Step two involves the completion of a viable Asset Management Plan, which will assess the condition of the vertical and buried assets of the systems and indicate what improvements are required. The Asset Management Plan will also include a 20-year Capital Improvement Program.
- Step three includes the development of a System Alternative Analysis. The System Alternative Analysis will determine the most cost-effective and feasible long-term ownership and/or operational structure solution for the utility to properly serve its customers.
- Step four involves undertaking a Technical, Management and Financial Capacity Analysis for the recommended alternative. This analysis will include a regulatory compliance plan that includes the actions needed to ensure that the selected long-term solution meets all ADEM standards.

The Receiver will continue to negotiate the conditions of the Consent Order and attempt to identify funding for the required tasks and system improvements.

Asset Management/ Source of Supply Study

The Receiver reviewed the proposed scope of work for the development of an Asset Management Plan and a source of supply investigation. A proposal was solicited from Hazen and Sawyer, who have successfully completed several projects for PWWSB. The scope of Asset Management work includes the following for both the water and wastewater systems:

- Infrastructure Asset Evaluation
- System Hydraulic Evaluation
- Leakage and Infiltration/Inflow Assessment
- 20-year Capital Program development

The source of supply study will develop the feasibility and cost of replacing the MAWSS supply with either groundwater or surface water supply. Capital and operating costs will be developed for both of these supply options, and the information will be used in the System Alternative Analysis.

Affordability Study

At the December 2023 CACP meeting, the Receiver stated he had solicited and received a proposal for an affordability analysis and low-income program development. Eric Rothstein, MA, CPA, of the Galardi Rothstein Group, made an in-person presentation to CACP. The presentation outlined the scope of work his firm would be undertaking, including Project Orientation/Stakeholder Engagement, Water Affordability/Financial Capability Assessment, and Customer Assistance Program Design. Mr. Rothstein identified issues and trends related to affordability, citing water service cost trends, the five pillars of affordability (Manny Teodoro, May 31, 2023), water bill affordability measurements, and customer assistance programs. Mr. Rothstein also addressed U.S. Census data on Prichard and Chickasaw. Mr. Rothstein's group will continue to conduct meetings with the CACP, local community organizations, and the PWWSB employees to solicit input for the Affordability Study. A draft affordability study report is scheduled to be received by March 15, 2024.

Communication Plan

FixPrichardWater.com has been launched. The Receiver will continue to add information and updates regarding the progress and accomplishments.

An appeal was also made to contact the Receiver (jyoung@prichardwater.com) if you would like for him to come to your community group and share information about the work that is going on to fix PWWSB.

Action Items

- Provide the CACP with first quarter financial results.
- Review past ADEM findings and actions leading to the Consent Order.
- Investigate customer water conservation programs.
- Water loss due Absentee Landlords

Next Meeting

The next CAPC meeting will be on February 15, 2024, at 2 P.M.

The meeting location is the A.J. Cooper Municipal Complex, 216 E. Prichard Ave, Prichard, AL 36610

We are grateful to Mayor Jimmie Gardner for making this available.