

Citizens Advisory Council of Prichard (CACP) Meeting Summary
March 21, 2024, 2 P.M. to 4 P.M.
A.J. Cooper Municipal Complex
216 E. Prichard Ave, Prichard, AL 36610

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

Jim Gilliland, JG Communication Group LLC

ATTENDING: Mayor Jimmie Gardner, City of Prichard
Severia Morris, United Concerned Citizens of Prichard
Pastor Chris Williams, County Commission
Rusty Murdaugh, District 98
Dr. Beatrice Morse, District 97
Carletta Davis, President, We Matter
Katie Davis, District 2
Clifford Bryant

ABSENT: Mayoral Representative, City of Chickasaw

Action Item from the February 2024 CACP Meeting

In the February 2024 meeting, the CACP requested feedback from the Receiver on the right to file an insurance claim for the misappropriation/theft of funds by Nia Bradley and others. The policy has a \$50,000 claim limit associated with a single event. The policy requires immediate notification of the claim and numerous other actions by PWWSB. Unfortunately, the Board did not file any notice of claim. Therefore, recovery of any claim under the Public Employee Dishonesty Policy is not possible at this time.

Backflow Prevention

A significant PWWSB deficiency identified in ADEM and EPA inspections and the recent ADEM Consent Order was the lack of a backflow prevention/cross-connection program. All water utilities require these programs to ensure that water from an untreated source does not flow back and mix with treated, potable water before consumption. While all residential services in Alabama require check valves to prevent water from a house from discharging back to the distribution pipes, special backflow prevention consideration is required for commercial, industrial, and irrigation services.

The CACP reviewed the Backflow Prevention Policy. All commercial, industrial, and irrigation customers will receive annual letters and test forms. Certified backflow device testers are required to verify that these devices are properly working and protect public health. ADEM has reviewed and approved the recently implemented program.

Alabama Department of Environmental Management (ADEM) Grant Funds

The Receiver of PWWSB has been working to obtain grant funding from ADEM for several months. At the February CACP meeting, a preliminary list of projects that were reviewed with ADEM was presented. In late February, a formal “pre-application” and Preliminary Engineering Reports (PERs) were submitted to ADEM to secure the first phase of grant funding. Projects were prioritized based on their contribution to Consent Order compliance, leakage reduction, and operating efficiency.

The CACP reviewed both the Drinking Water (DW) and Clean Water (CW) PERs. The DW projects include improvements to four (4) water storage tanks in the system and removal of the Office Standpipe. Other DW projects include replacing the Lovejoy Loop pipeline (approx. 9 miles of pipe) and improving monitoring and control of the water operations.

The Clean Water (CW) projects include improvements to a portion of the Morris Wastewater Treatment Plant (WWTP) and better monitoring and control at the thirty (30) wastewater pumping stations.

On March 18, ADEM provided \$5.8M of 2024 funding to initiate all of the projects. These funds will allow:

1. The completion of the design, bidding, and construction of the tank improvement project
2. Design and bidding of the Lovejoy Loop pipeline
3. Design and bidding of the water and wastewater SCADA (Supervisory Control and Data Acquisition)
4. Design and bidding of the Morris WWTP improvements
5. Completing three future financial audits

Future grant funding will allow Projects 2 through 4 to be completed by the end of 2026.

The ADEM press release and contract structure were handed out and reviewed with the CACP.

4-Month Progress Report

The Receiver made a presentation (see slides below) focusing on the progress made to date toward improving operations, regulatory compliance, financial sustainability, legal, and communications. Additionally, the scope and approach that will be used to complete the Alternative Analysis and TMF Capacity study was reviewed with the Council. The Receiver’s monthly report #4 includes a detailed discussion of the presentation.

The Receiver's Duties

Administer and operate the utility to create a viable, sustainable, and efficient system that protects public health and the environment.

- Comply with regulations and Consent Orders
- Identify system deficiencies and initiate corrective action
- Solicit technical and financial support
- Establish proper and affordable rates
- Recommend the long-term utility structure and investment needs
- Maintain transparency with stakeholders

OPERATIONAL UPDATE

4-Month Progress

- Staff has been encouraged to recruit candidates for all open positions to strengthen customer service and improve system reliability
- Financial controls & contracts are being modified to reflect the new management structure
- Awarded a contract to ASTERRA (funded through an ADEM grant) for leak detection
- Identified potential cost savings through procurement and contract modifications
- Collected data during the Asset Management fieldwork for a proper Maintenance Management system

OPERATIONAL UPDATE

4-Month Progress

Contracts Authorized by the Receiver

| | Contractor | Scope | Funding Source |
|---|----------------------------|---|------------------|
| 1 | Asterra | Leak Detection | ADEM Grant |
| 2 | Hazen & Sawyer | Storage Tanks -Design & Improvement | ADEM Grant |
| 3 | Hazen & Sawyer | Asset Management/ Source of Supply | Bond Funds |
| 4 | Hazen & Sawyer | Preliminary Engineering Report | ADEM Grant |
| 5 | Communities Unlimited | Operating Procedures and Training | No Cost |
| 6 | Galardi Rothstein Group | Affordability/Customer Financial Assistance | Bond Funds |
| 7 | Baker Donelson | Legal Support | Operating budget |
| 8 | Southern View Media | Website Support & Livestream Services | Operating budget |
| 9 | JG Communication Group LLC | Communication & Community Engagement | Operating budget |
| | | | |

REGULATORY UPDATE

4-Month Progress

- Met the requirements of the first phase of ADEM’s Water Consent Order
 - Completed hydraulic analysis
 - Developed a water tank improvement program
 - Developed backflow prevention program.
- Contracted w/Communities Unlimited-provide operating procedures & training
- Asset Management Study fieldwork completed; Final report in May 2024

REGULATORY UPDATE

4-Month Progress *(cont.)*

- ADEM-funded projects prioritized based on Consent Order; water leakage reduction, and operating efficiency and effectiveness.
- Design proposals solicited:
 - Water tank improvements
 - Morris WWTP improvements
 - Lovejoy Loop pipeline replacement
 - SCADA (Supervisory Control and Data Acquisition) project

FINANCIAL UPDATE

4-Month Progress

- The Asset Management Study will provide a 20 -year capital investment program for long-term planning.
- Revised FY2024 budget – Over \$5 million budget deficit.
- Submitted “pre-application” and Preliminary Engineering Report to ADEM
- \$5.8 million in grant funds awarded by ADEM
- Anticipate more grant funds in 2025/2026
- Initiated An Affordability Study with a Customer Financial Assistance Program

LEGAL UPDATE

4-Month Progress

- Identified owners of about 500 properties in Alabama Village; half the properties are privately owned
- All legal matters transitioned to the Receiver's legal counsel

ALTERNATIVES ANALYSIS

Looking forward to July 31, 2024

- A Source of Supply Study initiated to determine the feasibility of replacing MAWSS-purchased water supply with groundwater or a surface water supply
- Continuing discussions with the "Concession" team
- Preliminary discussions with MAWSS on possible long-term role
- Working w/Moonshot Missions to assist with the Alternatives Analysis evaluation

ALTERNATIVES ANALYSIS

Looking forward to July 31, 2024

| OWNERSHIP | GOVERNANCE | OPERATIONS | WATER SUPPLY |
|-------------|------------------------|-----------------------|---------------------|
| City | Board (existing) | Independent | MAWSS/MAWSS |
| Independent | New "Public Authority" | Contract (Concession) | Groundwater/MAWSS |
| MAWSS | MAWSS Board | Contract (MAWSS) | Surface Water/MAWSS |
| Private | Investor-Owned | Contract | |

RECEIVER TRANSPARENCY

4-Month Progress

- Conducted 4 monthly meetings - Citizens Advisory Council of Prichard (CACP)
- Prepare and distribute CACP monthly meeting summaries and post on the website
- Post monthly Receiver Reports to the Court on the website
- Launched a website (www.fixprichardwater.com)
- Post proposals, agreements, studies and analyses, and legal filings to the website

RECEIVER TRANSPARENCY

4-Month Progress *(cont.)*

- The website used by the public to ask questions and identify issues
- Continually request opportunities to meet with neighborhood groups, community organizations, and church groups.
- The Receiver also follows up directly with customer inquiries from the website
- The Receiver is accessible and responsive to members of the CACP
- Accessible and responsive to the press

Action Items

None

Next Meeting

The next CAPC meeting will be on April 18, 2024, at 2 P.M. The meeting location is at the A.J. Cooper Municipal Complex, 216 E. Prichard Ave, Prichard, AL 36610