



FACT SHEET

System Ownership

The Prichard Water Works & Sewer Board (PWWSB) owns the water and wastewater systems serving Prichard, Alabama, and the water system serving Chickasaw, Alabama.

PWWSB Issued 2019 Bonds, Bond Default, and Receiver Appointment

- In 2019, PWWSB issued \$55,780,000 in water and sewer revenue bonds (“2019 Bonds”) to refinance previous bonds and fund capital improvements.
- Synovus Corporate Trust is the “Trustee” under the 2019 Bond Indenture.
- Due to multiple defaults by PWWSB, the Trustee filed suit seeking the emergency appointment of a receiver over the System.
- On November 10, 2023, John S. Young, Jr. LLC was appointed as Receiver to take control of and operate the System due to the Board's defaults, System mismanagement, and financial irresponsibility.

Status of Bond Debt as of July 31, 2024

- The Series 2019 Bonds are secured solely by revenues from the System. - Total Bond Debt: \$54,772,596.88

Court-Ordered Requirements for the Receiver and ADEM Water Consent Order

- The Court required the Receiver to submit a Draft Master Plan by July 31, 2024, to address system stabilization, capital improvements, and compliance with Bond Rate Covenants.
- The Receiver and ADEM entered a Water Consent Order in January 2024, which required the Receiver to submit an Alternatives Analysis for the recommended long-term ownership of the System to coincide with the submission of the Draft Master Plan.

Receiver’s Recommended Solution

- The Receiver recommends transferring PWWSB assets and liabilities to the Mobile Area Water & Sewer System (MAWSS) due to operational efficiency, lower capital costs, and prospects for Bond Debt repayment.
- The next required steps are to confirm the feasibility of ownership and governance by MAWSS, including financial modeling and a detailed Technical, Managerial, and Financial Capacity (TMF) analysis.
- The TMF capacity analysis and Final Master Plan will detail timelines and budgets for repairs, replacements, capital improvements, and Bond Debt repayment.

PWWSB System’s Current Condition

- The System was found to be in a dilapidated state due to years of neglect, fraud, and abuse under the Board's administration.
- The Receiver took immediate steps to assess and begin addressing environmental compliance issues with the EPA and ADEM.
- More than 60% of water loss is due to leaks and water theft.
- System revenues were substantially below operating cost, and funds were not available to support a capital investment program



Receiver's Actions and Current Progress

- Initial meetings with ADEM and other agencies to secure technical and financial assistance.
- Conducted public meetings with the Citizens Advisory Council from Dec. 2023 to July 2024.
- Launched a public website (FixPrichardWater.com) for updates and community engagement.
- Identified and corrected budget discrepancies, uncovering a \$5 million deficit.
- Secured \$5.8 million in ADEM grants for critical projects.
- Authorized major contracts for leak detection, asset management, affordability, customer assistance, source of supply, and hydraulic analysis.

Long-Term Ownership and Governance Alternatives Evaluated by the Receiver

1. Transfer PWWSB assets and liabilities to the MAWSS.
2. Retain PWWSB ownership with governance and operation under a long-term concession agreement.
3. Transfer PWWSB ownership to the City of Prichard, with governance and operation under a long-term concession agreement.
4. Transfer ownership of PWWSB assets in Prichard to the City, with the Chickasaw system transferred to MAWSS.
5. The Court-established Citizens Advisory Group proposed the Receiver consider a new, independent state-appointed authority to govern the PWWSB system.

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For more information, please visit FixPrichardWater.com.

About Prichard Water Works & Sewer Board

The Prichard Water Works & Sewer Board is dedicated to delivering high-quality water and wastewater services to the communities of Prichard, AL, and Chickasaw, AL. Faced with significant challenges, the Receiver is actively working toward solutions.

About the Receiver for PWWSB

On November 10, 2023, the Mobile County Circuit Court issued an order appointing John S. Young, Jr. LLC as the Receiver for the Prichard Water Works & Sewer Board to oversee its current financial and operational management and identify a long-term solution to recent challenges.