



## AlaFile E-Notice

02-CV-2023-901332.00

Judge: MICHAEL A YOUNGPETER

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# NOTICE OF ELECTRONIC FILING

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IN THE CIRCUIT COURT OF MOBILE COUNTY, ALABAMA

SYNOVUS CORPORATE TRUST V. WATER WORKS AND SEWER BOARD OF CITY OF PRIC  
02-CV-2023-901332.00

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MOBILE COUNTY, ALABAMA  
CIRCUIT CIVIL DIVISION  
205 GOVERNMENT STREET 9TH FLOOR, N TOWER  
MOBILE, AL, 36644

251-574-8420



**IN THE CIRCUIT COURT OF MOBILE COUNTY, ALABAMA**

SYNOVUS BANK,	)	
	)	
Plaintiff,	)	
	)	CIVIL ACTION NO.
v.	)	
	)	CV-2023-901332
THE WATER WORKS AND SEWER	)	
BOARD OF THE CITY OF PRICHARD,	)	
	)	
Defendant.	)	

**ORDER APPROVING DRAFT MASTER PLAN AND  
AMENDING ORDER APPOINTING RECEIVER**

This matter is before the Court pursuant to the Draft Master Plan filed on July 31, 2024 (the “DMP”), by the Receiver for the Prichard Water Works & Sewer Board (“PWWSB”), John S. Young, Jr., LLC (the “Receiver”), as well as the Statement of Trustee in Response to Receiver’s Draft Master Plan filed by Plaintiff Synovus Bank (the “Trustee”). Upon consideration of the DMP and the Trustee’s statement in response thereto, and the Court being generally apprised of all material facts, the Court states and **ORDERS** as follows:

1. The Court acknowledges and commends the significant progress made by the Receiver in undertaking the obligations set forth under the Court’s Order Appointing Receiver dated November 10, 2023. The Court finds all actions taken by the Receiver described by the DMP to have been necessary and prudent and inuring to the benefit of PWWSB and its customers, and the Court approves the same.

2. The Court further recognizes that in the interim between the entry of the Order Appointing Receiver and the Receiver’s filing of the DMP, the Receiver and the Alabama Department of Environmental Management (“ADEM”) negotiated and entered Consent Order No. 24-037-CDW dated January 25, 2024, related to PWWSB’s water utility system (the “Consent

Order”). The Court recognizes that the Consent Order imposes requirements beyond those contemplated under the Order Appointing Receiver, which must be accounted for and become part of the Receiver’s Final Master Plan for the continued operation and ownership of PWWSB assets.

3. Based on the Receiver’s report as set forth in the DMP, the Court acknowledges a continuing need for the Receiver to exercise control over PWWSB to address ongoing issues, including, but not limited to, reducing water loss and non-revenue water within the System, addressing PWWSB’s ongoing revenue shortfall, and securing additional capital to fund necessary infrastructure improvements and upgrades. The Court remains of the opinion that the Receiver is uniquely suited to address each of the foregoing issues, and therefore, the Receiver’s appointment remains merited and appropriate.

4. As noted in the Trustee’s Statement in response to the DMP filed with the Court, the Receiver’s DMP does not address each of the items set forth in Paragraph 10 of the Order Appointing Receiver. The Receiver affirmatively addressed this issue in the DMP, providing that “[t]he Receiver is not currently able to provide the Court with a blueprint in this Draft Master Plan that ensures ‘compliance with the Rate Covenant’ through the term of the Bonds[.]” and that such plan can only be finalized after: (1) stakeholders agree on the appropriate solution for the long-term ownership and operational structure of the System; and (2) a detailed Technical, Managerial, and Financial (“TMF”) analysis can be undertaken based on such proposed structure. *See* DMP at 10. As stated by the Receiver, “[i]t is anticipated that the TMF Capacity analysis will be a key component of the Final Master Plan that is ultimately filed with the Court.” *Id.*

5. Based on the foregoing, the Court hereby modifies the Order Appointing Receiver to extend the deadline for the Receiver to comply with Paragraph 10 of such Order until January 31, 2025. On such date, the Receiver shall file a supplement to the DMP setting forth: (1) all

actions and progress made by the Receiver between July 31, 2024, and January 31, 2025; (2) providing the results of and/or a status update regarding the TMF Capacity analysis related to the Receiver's preliminary recommendation regarding future ownership of PWWSB assets (transfer of PWWSB assets and liabilities to the Mobile Area Water & Sewer System ("MAWSS")); and (3) setting forth preliminary conclusions and/or proposed action steps regarding all outstanding questions and issues identified under Paragraph 10 of the Order Appointing Receiver. The supplement to the DMP due January 31, 2025, is not intended to represent the Receiver's Final Master Plan, but rather, is designed to ensure the Court and all interested parties that the Receiver is making adequate progress towards complying with all obligations set forth under Paragraph 10 of the Order Appointing Receiver. A Final Master Plan addressing all items set forth under Paragraph 10 of the Order Appointing Receiver will be filed with the Court at a later date to be set by Order of this Court following the Court's review of the Receiver's supplement to the DMP.

6. The Court preliminarily approves and adopts the Receiver's recommendation that the assets and liabilities of PWWSB be transferred to MAWSS. The Court finds that such recommendation is reasonable, prudent, and adequately supported by the DMP and exhibits thereto. The Court acknowledges that the feasibility of the Receiver's recommendation is contingent upon decisions outside the scope of this Court's jurisdiction, namely: (1) an independent decision by the MAWSS Board to assume the assets and liabilities of PWWSB; and (2) fulfillment of legislative and electoral prerequisites to effectuate such transfer, as set forth in the DMP. *See* DMP at 40-42. The Court further acknowledges that the desirability of the Receiver's recommendation is contingent upon the conclusions of the TMF analysis, and that the Receiver's recommendation could change based upon such findings.

7. With respect to legislative and electoral prerequisites to effectuate a transfer of PWWSB assets and liabilities to MAWSS, the Court notes such efforts will take considerable time and effort on the part of local legislators. The Court encourages local legislators and other key stakeholders to move forward with proposing legislation necessary to effectuate the Receiver's recommendation to allow for a public vote on the issue as quickly as possible. Time is of the essence.

8. Paragraphs 3 and 9(f) of the Order Appointing Receiver are hereby modified as follows. The Citizens Advisory Council ("CAC") will remain intact, at least until the Receiver files the supplement to the DMP on January 31, 2025. The Receiver shall provide periodic updates to the CAC regarding actions taken by the Receiver in furtherance of the Receiver's obligations under the Order Appointing Receiver and the Consent Order(s). The Receiver is not required to hold monthly meetings with the CAC; however, the Receiver has the authority to schedule and hold meetings with the CAC and/or community meetings as the Receiver deems merited and appropriate. The Court will reassess the role of the CAC following the filing of the Receiver's supplement to the DMP on January 31, 2025.

9. To the extent this Order modifies or is inconsistent with the Order Appointing Receiver, the provisions of this Order shall govern. In all other respects, the Order Appointing Receiver is hereby restated and ratified, as if set forth fully herein verbatim.

DONE this 28<sup>th</sup> day of August 2024.




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MICHAEL A YOUNGPETER  
CIRCUIT JUDGE