

# FOR IMMEDIATE RELEASE

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# FACT SHEET Supplemental Report to the Draft Master Plan

Issued by the Court-Appointed Receiver

### The Receiver's Recommendation

Transfer all Prichard Water Works & Sewer Board (PWWSB) assets and liabilities to the Mobile Area Water & Sewer System (MAWSS).

As stated in the *Supplemental Report to the Draft Master Plan* released on March 31, 2025, the recommendation is based on a thorough Technical, Management, and Financial (TMF) Capacity Analysis confirming this transfer is the most viable long-term solution to ensure the customers in Prichard and Chickasaw will have safe, affordable and reliable water and wastewater service. Importantly, the transfer must have no negative rate or service impact on the current customers of MAWSS.

# Why This Matters

Years of mismanagement, political interference, and underinvestment have created a potential public health and environmental emergency in Prichard and Chickasaw, AL affecting over 10,000 customers representing an estimated 24,000 people. The *Supplemental Report to the Draft Master Plan* confirms the best technical, management, and financial alternative for the customers in Prichard and Chickasaw, AL, is for MAWSS to assume ownership and operation of the PWWSB system.

# **Justifications for Transferring PWWSB to MAWSS**

- 1. MAWSS Offers Stability and Sustainability: MAWSS has a proven record of efficient management and operations, affordable rates, and regulatory compliance. Under the MAWSS solution, projected rate increases would average 3% per year, which is consistent with historical rate increases for all MAWSS customers. This means MAWSS customers will not be adversely affected by an integration with the PWWSB system, However, the MAWSS solution requires significant additional State and Federal grant funding which MAWSS and the Receiver can access and PWWSB cannot.
- 2. Infrastructure Is Failing: Over 60% of water is lost due to PWWSB's deteriorating pipes. Wastewater regularly overflows into neighborhoods. PWWSB is under regulatory consent orders from ADEM. The recently completed Asset Management Plan has identified needed infrastructure projects valued at \$400 million.

- 3. **PWWSB Is Financially Challenged:** PWWSB cannot pay its debts or qualify for loans. Without MAWSS, rates would need to increase by over 140% (from \$92 to \$225/month) in just four years. PWWSB has no capital reserves and struggles to sustain operations and make timely repairs.
- 4. **Systemic Mismanagement and Lack of Expertise:** The governance of PWWSB has not been effective for decades. PWWSB's politically appointed board members have not had the professional water utility experience necessary to properly direct the utility. For years, the system has operated without strategic planning, asset management, or trained staff.
- **5.** A Private Concession Is Not the Solution for PWWSB: The proposed private concession has to guarantee investors a profit without considering affordability for the customers. Realworld examples (Bayonne, NJ; Middletown, PA) show massive rate increases under such agreements.
- 6. **Progress Under the Receiver (Since Nov. 2023):** Secured \$5.8 million in grants; applied for \$49M more. Stabilized operations and finances. Re-engaged with state regulators at ADEM. Over 500 Prichard residents signed a petition supporting the MAWSS transfer. Fixed major leaks and initiated long-overdue repairs.

# The Path Forward

**To complete the transfer:** Up to \$50 million in additional grants must be secured which the Receiver is aggressively seeking with grant applications to state and federal agencies. MAWSS Board approval and legislative action (constitutional amendment + referendum) are required to complete the asset transfer. The Receiver should remain in place through the transfer.

### What's at Stake Without Immediate Action:

- Water rates will continue to increase to cover operating costs, loan debt, and capital investment.
- Water quality and reliability will steadily deteriorate.
- The potential for economic development and job creation will continue to stagnate.
- Prichard risks becoming the next Flint, MI or Jackson, MS.

## Conclusion

PWWSB's systems are nearing complete failure. The *Supplemental Report to the Draft Master Plan confirms* the MAWSS solution is the most practical, affordable, and sustainable way to protect the public, restore essential infrastructure, and ensure clean, reliable water and wastewater service for generations.