

Mobile Area Water & Sewer System (MAWSS)

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MOBILE, Sept. 2, 2014--A recently approved \$32.8 million management contract, financial shortfalls and regulatory deficiencies are some of the reasons Mobile Area Water and Sewer System (MAWSS) will not be taking control of the Water Works and Sewer Board of the City of Prichard.

“It is with much regret we announce today that the Mobile Area Water and Sewer System cannot take over the Prichard Water Works due to a number of issues beyond MAWSS’ control,” said Maynard Odom, Chair of the MAWSS Board. “This decision was reached after an intense assessment of the system’s current contractual obligations, financial stability and its capital needs.”

Odom said the decision by the Prichard Water Board to approve a multi-million dollar five-year management contract with Severn Trent Services (STS), just a week before a county-wide vote to merge the two entities, has made it virtually impossible for MAWSS to assume responsibility for the system.

A review of financial information from late June showed Prichard three months behind in payments to Severn Trent, owing more than \$1.2 million. Yet during the same fiscal year, the Prichard Board entered into numerous new contracts with an engineering firm, lobbyists, a public relations firm and a consultant. Paying for those services and trying to meet its other financial obligations left the Prichard system with a severe cash flow problem. Simply put, expenses exceeded revenues.

In addition, Odom said Prichard was due to receive a new permit from the Alabama Department of Environmental Management for the Morris Wastewater Treatment Plant, which is likely to require construction of a \$4 million outfall project to bring into it into regulatory compliance.

In MAWSS’ opinion the Prichard Board was not acting in the best interest of its customers when they renewed the Severn Trent contract and neglected to address other issues facing the troubled system.

“We applaud Senator Vivian Davis-Figures, Rep. Napoleon Bracy, the Concerned Citizens of Prichard and the voters in Mobile County who voted to allow MAWSS to manage the system. But after assessing the impact of the STS contract and other issues, we just could not make the transfer work favorably without raising the rates of Prichard customers and no one wants to see that happen.”

“MAWSS wanted to bring more cost effective service to Prichard,” said MAWSS Director Charles Hyland. “This would have been a win-win for Prichard and would have also aided economic development in the region. But that’s not possible if we are paying a management company to do what we do on a daily basis.”

Hyland said MAWSS offered in 2009 to manage the Prichard system at a lower cost and offered to assist Prichard within the last year. The Prichard Board instead signed a five year renewal with Severn Trent, a commitment their customers can’t afford.

The Severn Trent contract represents approximately 65 percent of the total revenues taken in by Prichard. If MAWSS took over the system, it could perform the same services offered under the management contract at a lower cost to the Prichard customers.