

2021

REPORT

MAWSS

Mobile Area Water & Sewer System

POPULAR ANNUAL
FINANCIAL

For the Year Ended December 31, 2021

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About the Report

We are pleased to present the Mobile Area Water and Sewer System (MAWSS) Popular Annual Financial Report (PAFR) as part of our continuous effort to focus on providing excellent Customer Service and transparency to our customers. At MAWSS, we take pride in being good stewards of the funds derived and collected from the citizens of Mobile, Alabama.

The information contained in the PAFR was derived from our Annual Comprehensive Financial Report (ACFR) but presented in an easier-to-read format. The ACFR was prepared in conformance with generally accepted accounting principles (GAAP) and include financial statements audited by Jackson Thornton. Copies of the ACFR are available on our website at www.mawss.com/about/financial-reports/, and the PAFR is available at our office at 4725 Moffett Rd. Mobile, AL 36618, as well as on our website.

Thank you for being interested in MAWSS. We hope you stay connected with us on all social media outlets and track our capital projects' progress in 2022 by visiting our website at www.mawss.com/projects/projects-overview/.

Sincerely,



Van Shepard, CPA
Comptroller
Mobile Area Water and Sewer System

Mission, Vision, Core Values

Our Mission:

MAWSS will protect and enhance the health, safety and economic well being of our community through responsible management of water resources, while providing superior customer service.

Our Vision:

MAWSS will become a model utility to create and protect resources for future generations. We will lead our industry and provide services to accommodate regional economic development and growth.

Our Values:

Environment: We are guardians of the environment and honor this great responsibility by ensuring that our actions reflect our resolve to protect the health of the environment.

Customer Service: We are servants of the community and make every effort to fulfill this privilege by placing our customers first in all that we do.

Trust: Trust is the foundation of relationships. We strive to understand and rely on each other as we build strong teams and partnerships.

Employees: We acknowledge, respect, and promote the well-being and professional development of our employees because they are the heart of our organization.

Integrity: We weave virtue, honesty, sincerity, and acceptance of duty into our daily efforts so that integrity is the banner of our commitment.

Continuous Improvement: We always seek to improve our organization and ourselves because the community deserves the best we can offer.





The System

HISTORY OF THE SYSTEM

Mobile Water & Sewer System began on October 1, 1952, when the Board of Water and Sewer Commissioners entered into a contract with the City of Mobile to purchase the water and sanitary sewer systems on behalf of the city. Raw water was purchased from the City Water Works Board from 1952 to 1968. On January 1, 1968, the two Boards were merged, with the Board of Water and Sewer Commissioners taking over the raw water system.

Today, water is delivered from the 3,600-acre lake and pumping station by pipes to two reservoirs, where it is diverted either to domestic or industrial use. The reservoirs are at 220 feet, and industrial water is delivered by gravity to the industry at about 25 feet. Pumps at Big Creek Lake provide treated water to Mobile and untreated water to local industries.

Board of Commissioners



MAWSS is operated by the Board of Water and Sewer Commissioners under a deed of trust from the City of Mobile issued in 1951. Our seven commissioners are appointed to staggered six-year terms by members of the Mobile City Council.

Front (left to right) Maria Gonzalez, Commissioner, Sheri Weber, Chair, Linda St. John, Commissioner, Barbara Drummond, Commissioner

Back (left to right) Thomas Zoghby, Vice-Chair, Kenneth Nichols, Commissioner, Raymond Bell, Jr., Secretary-Treasurer

Board of Water and Sewer Commissioners of the City of Mobile Ten Largest Customers

2020

User	Total Consumption	% of Total Treated Water Sold
Prichard Water and Sewer	1,336,005,800	11.60%
Spanish Fort Water	329,090,900	2.86%
Huls America.Degussa/Evonik	289,287,800	2.51%
Alabama State Docks	276,803,900	2.40%
Mitsubishi Polysilicon	203,359,900	1.77%
Phenolchemie Inc.	200,200,000	1.74%
Alabama Power	187,084,200	1.62%
Kimberly Clark Corp.	117,016,000	1.02%
Holcim (US) Inc.	87,100,200	0.76%
Praxair	81,185,900	0.70%

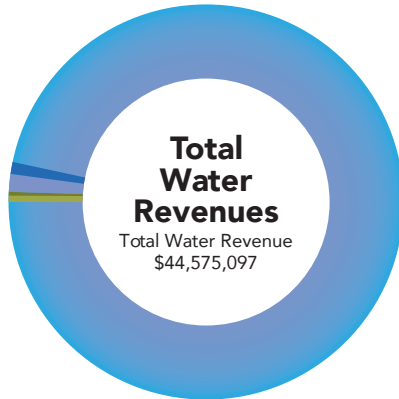
2021

User	Total Consumption	% of Total Treated Water Sold
Prichard Water and Sewer	1,471,640,000	13.18%
Spanish Fort Water	264,246,000	2.37%
Huls America.Degussa/Evonik	257,772,000	2.31%
Mitsubishi Polysilicon	201,477,000	1.80%
Alabama Power	177,602,000	1.59%
Alabama State Docks	177,485,800	1.59%
Phenolchemie Inc.	165,491,000	1.48%
Kimberly Clark Corp.	134,802,000	1.21%
Holcim (US) Inc.	90,382,000	0.81%
Mobile Infirmary	73,488,900	0.66%

Revenue by Type

\$40,902,868	Potable Water System Sales
\$413,788	Water Connection (service line) Fees
\$178,890	Water Connection (capacity) Fees
\$1,848,970	Miscellaneous Water Income
\$1,230,581	Water Supply System Sales (industrial)

\$67,323,009	Sewer System Charges
\$348,712	Sewer Connection (service line) Fees
\$492,340	Sewer Connection (capacity) Fees
\$1,078,049	Miscellaneous Sewer Income
\$792,069	Pre-treatment Fees



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\$ 504,755	Investment Earnings
-	Grant Proceeds
-	FEMA Reimbursements
\$1,014,502	Miscellaneous Rentals and Sale of Property

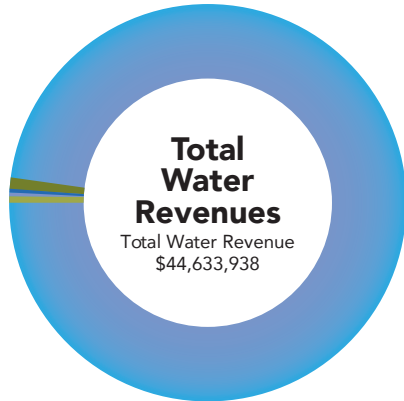
2020



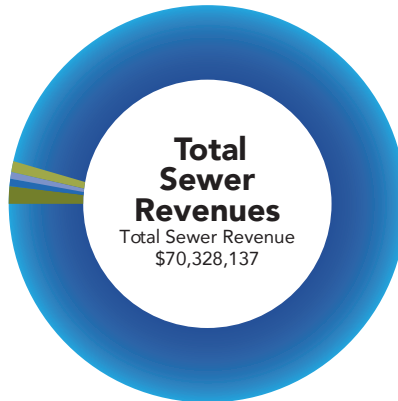
Revenue by Type

\$40,025,427	Potable Water System Sales
\$234,992	Water Connection (service line) Fees
\$115,150	Water Connection (capacity) Fees
\$2,777,858	Miscellaneous Water Income
\$1,480,511	Water Supply System Sales (industrial)

\$67,576,205	Sewer System Charges
\$304,820	Sewer Connection (service line) Fees
\$329,890	Sewer Connection (capacity) Fees
\$1,508,329	Miscellaneous Sewer Income
\$608,893	Pre-treatment Fees



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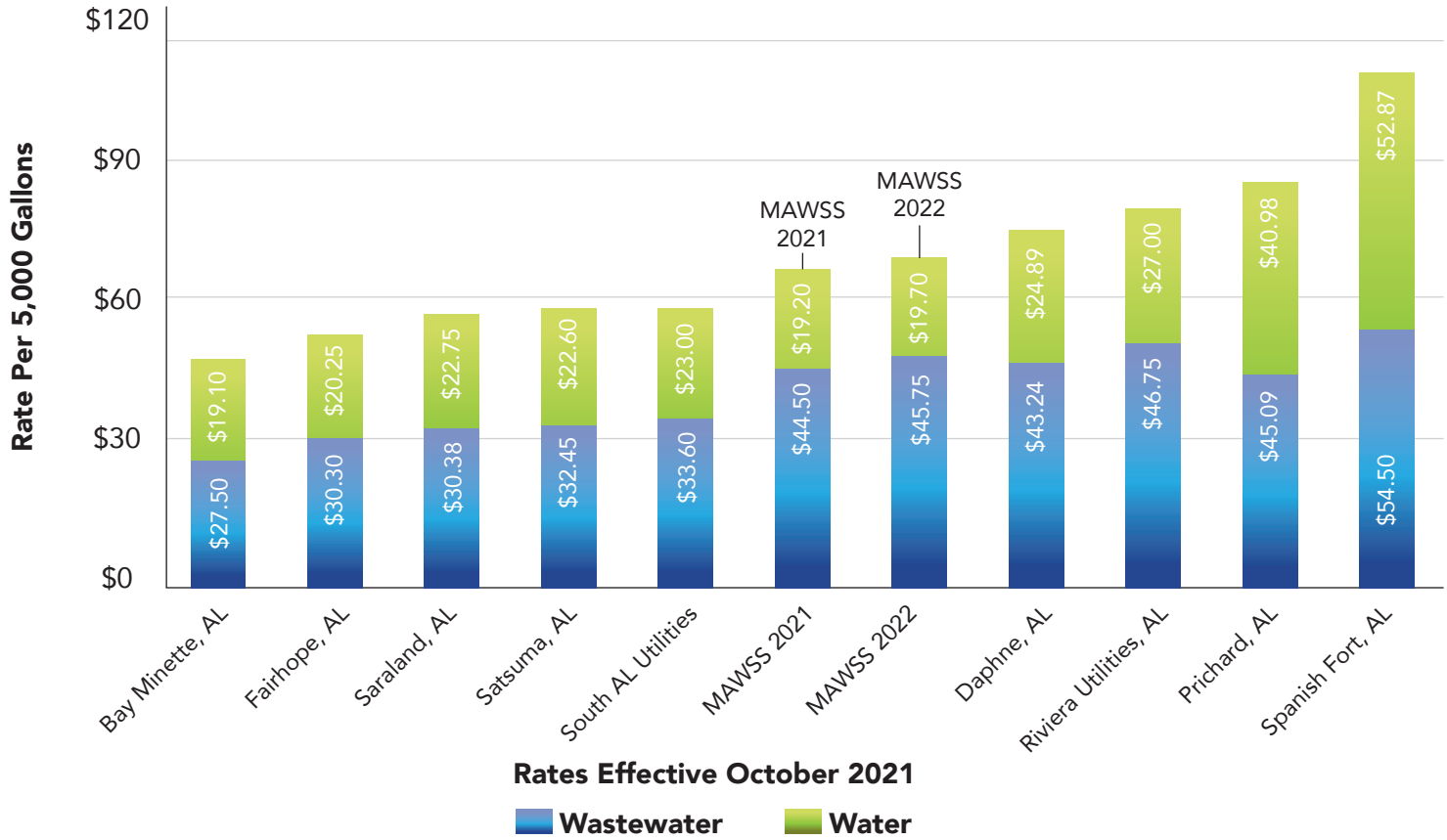


\$ (51,027)	Investment Earnings
-	Grant Proceeds
\$213,844	FEMA Reimbursements
\$1,646,619	Miscellaneous Rentals and Sale of Property

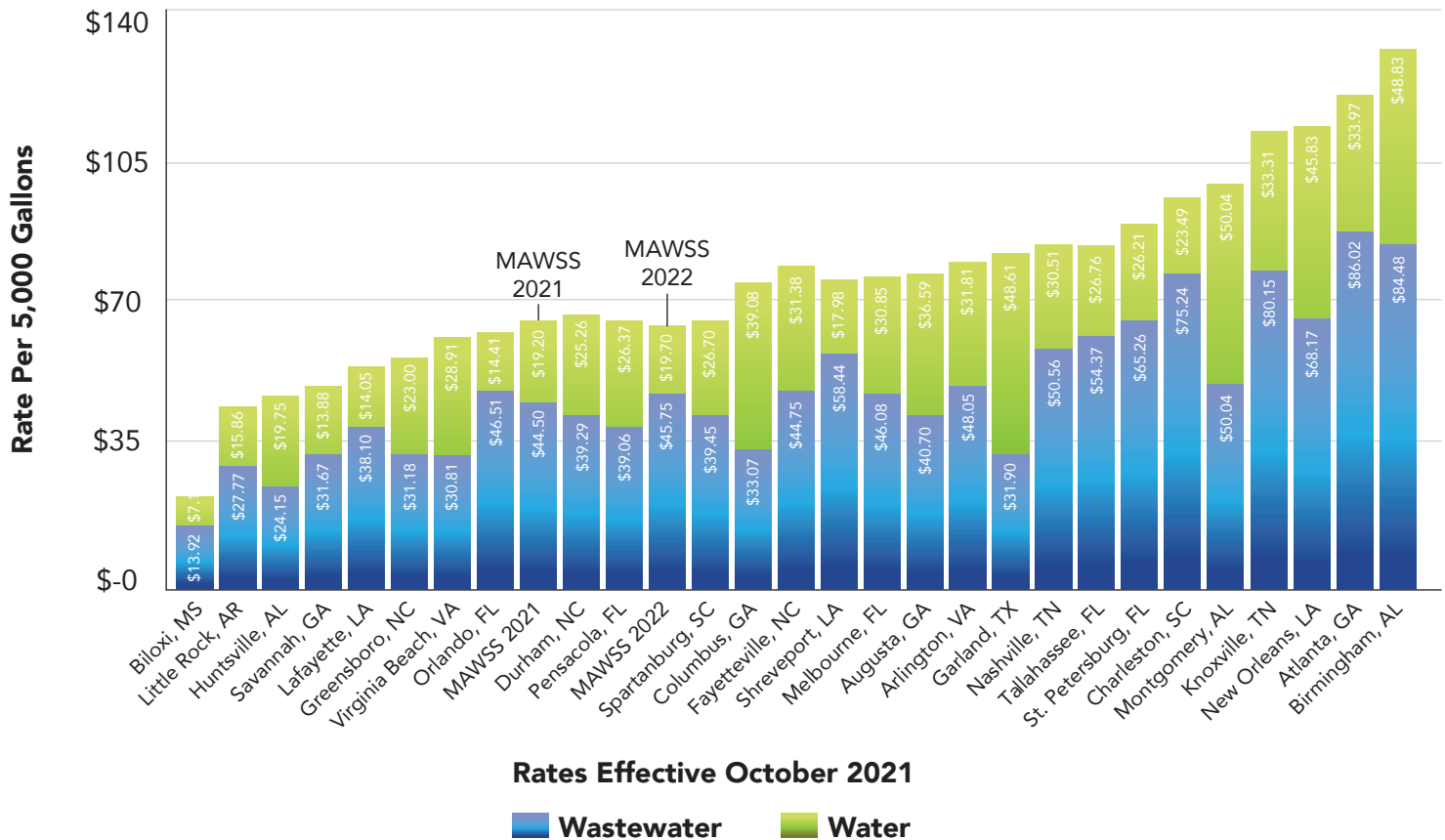
2021

2021 saw an increase of \$.3 million, or .3%, in operating revenues. This was the result of a 3% rate increase, offset by an increase to the allowance for doubtful accounts. Total water pumped and sold were basically even from current year compared to prior year. Non-operating revenues increased by approximately \$.3 million as well. Although our investment earnings were down due to market instability, they were offset by receiving FEMA reimbursements and the sale of property/equipment.

Local Utilities Water and Wastewater Rate Comparison



Southeast Region Utilities Water and Wastewater Rate Comparison



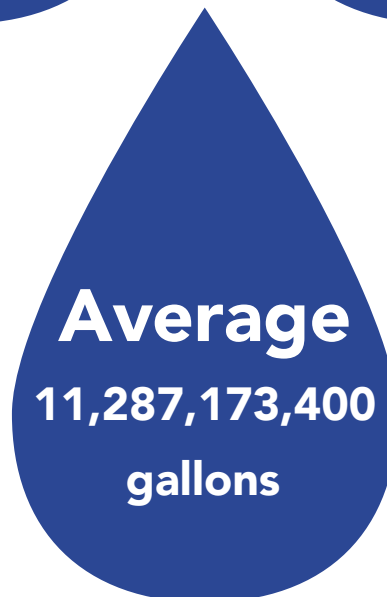
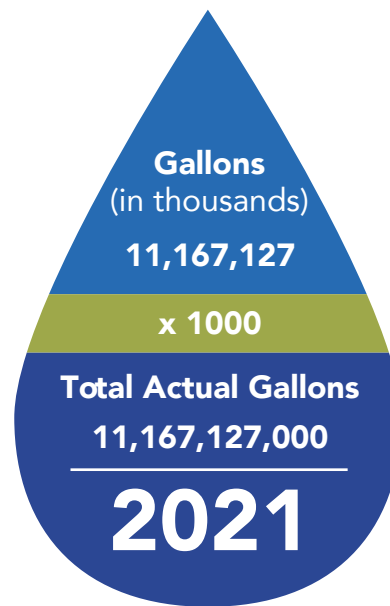
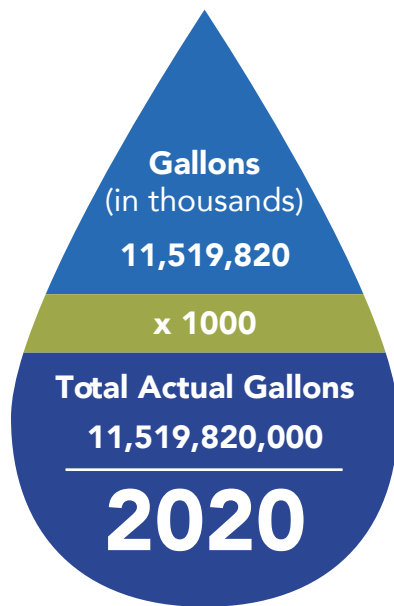
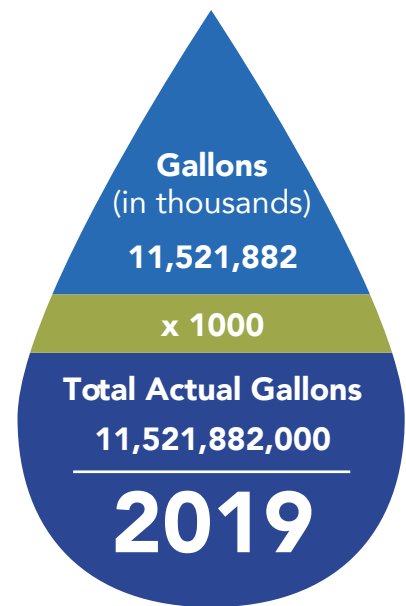
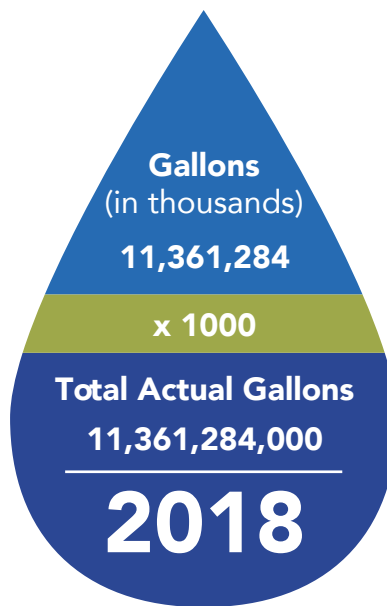
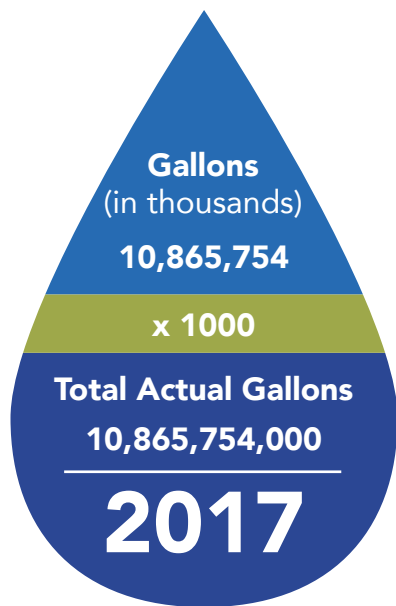
Operation Expenses

	2021	2020
Labor Cost	\$20,197,975	\$21,768,556
Payroll Taxes	\$1,521,536	\$1,625,604
Fringe Benefits	\$10,298,161	\$8,457,387
Administrative Expenses	\$2,017,524	\$2,244,580
Electricity and Natural Gas	\$4,803,640	\$4,384,725
Maintenance and Repairs	\$2,500,552	\$2,099,631
Misc Outside Services	\$12,073,391	\$11,496,201
Chemicals	\$2,958,745	\$2,718,162
Office Supplies and Expenses	\$91,226	\$96,927
Operating Supplies and Materials	\$3,045,834	\$3,522,284
Vehicle and Equipment Expense	\$2,959,937	\$2,532,866
Total	\$62,468,521	\$60,946,923

Operating expenses increased by \$1.5 million, or 2.5% in 2021. While we did have a reduction in labor costs, there was still a big increase in Fringe Benefits, Electricity, Maintenance & Repairs, Outside Services, Chemicals, and Vehicle & Equipment Expense. A combination of these changes resulted in the increase of operating expenses.



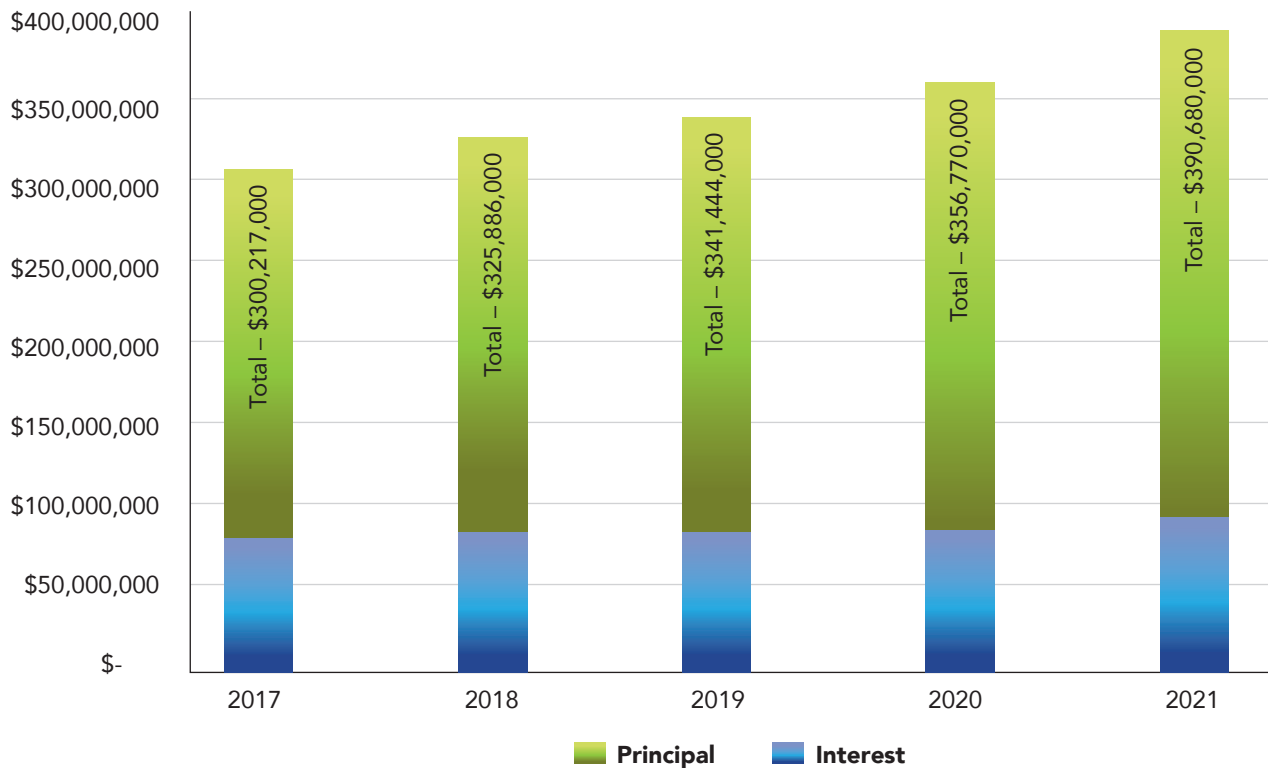
Water Consumed Over the Past 5 Years



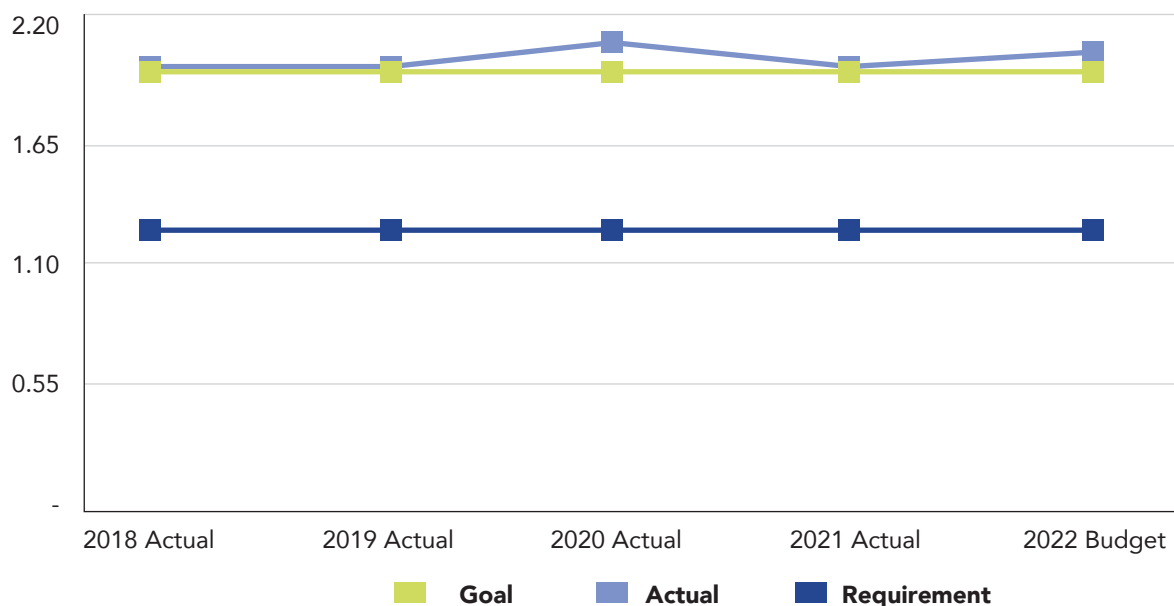
Debt Service

The Board currently holds an Aa3 rating with Moody's Investments. This is one of the highest ratings an entity can receive.

MAWSS Total Debt Over the Last 5 Years



Debt Coverage Ratio



The Debt Coverage Ratio is an indicator that is used to measure the financial stability of an organization to pay back its debt. The ratio is calculated by subtracting operating expenses from operating revenue, this will determine your net operating income. Then you take the Net Operating Income and divide by your annual debt service payment. MAWSS is required to maintain a 1.25 per our trust indenture but we have set an internal benchmark of 1.5 but try to maintain a 2.0.

Reinvestment Back Into the System 2021 Capital Project Expenditures

Water Projects

Project Number	Project	Amount
3492200	Theodore Water Booster Pumping Station	\$50,093
10164554	Stickney Finished Water Piping Improvements	\$514,387
10170707	Myers Solids Handling Improvements	\$582,746
10194727	Stickney WTP Filter Waste Pipe Fittings Replacement	\$14,322
10195981	Stickney Reservoir Improvements	\$30,024
10199152	Stickney Electrical Upgrade	\$438,213
10315599	Underground Storage Tank Replacement	\$50,622
175668273	Big Creek Lake Dam Hoist and Gate Automation	\$3,065,286
5614.ALU	Craft Highway 20" Water Main	\$466,340
M5712-2640	Large Water Line Valves Replacement	\$690,564
M5712-2673	Mobile River 16" Waterline Replacement	\$44,521
M5712-2699	Phenol Chemie 12" Water Replacement Meter 2022 Annual Contract for Water Service Line Identification Under Previous	\$76,676
M5712-2705/A	Surfaces	\$15,824
M5712-2710	Large Waterline Valve Replacement	\$15,225
M5712-2711	Theodore Dawes Road Waterline Improvement Highway 90 to Skyline Drive	\$69,118
M5712-2715	Big Creek Lake Boat Wash Facilities	\$49,271
VARIOUS	Miscellaneous Water Projects	\$29,215
		\$6,202,447

Other Projects

Project Number	Project	Amount
3180700	Scada Hardware Standards and Software Selection	\$18,841
50108991	Duncan Avenue Water and Sewer Replacement	\$987,624
2011-202-10	Ann Street Water and Sewer Replacement	\$159,230
2018-3005-18	Texas Street Rehabilitation from Ann Street to Broad Street	\$700,000
5603.ALU	St. Louis Street Development	\$29,915
AMOB2100991	MAWSS Lab Renovation	\$16,361
M0042-4123	Widening Ziegler Boulevard from Athey Road to Forrest Hill Drive	\$33,384
M5712-2313	Briley Collins Sewer Replacement and Waterline Improvement	\$127,348
M5712-2353	Schillinger Road Water and Sewer Relocation for Mobile County	\$432,342
M5712-2559	Utility Relocation from Snow Road to Ziegler Boulevard City Project for Right-of-Way Restoration North McGregor Avenue	\$22,363
M5712-2683	Reconstruction Water and Sewer Replacement	\$13,074
M5712-2691	Truck Wash Facility	\$84,026
M5712-2716	Williams Wastewater Treatment Facility High Bay Garage Roof Replacement	\$5,046
M5712-2720	Roof Replacement at Big Creek Pumping Station	\$8,774
NS.15466.000	Widening McGregor Avenue from Airport Boulevard to Dauphin Street	\$59,105
NS.15593.000	McDonald Avenue Waterline Improvements	\$111,746
VARIOUS	Miscellaneous Other Projects	\$11,143
		\$2,820,322

Wastewater Projects

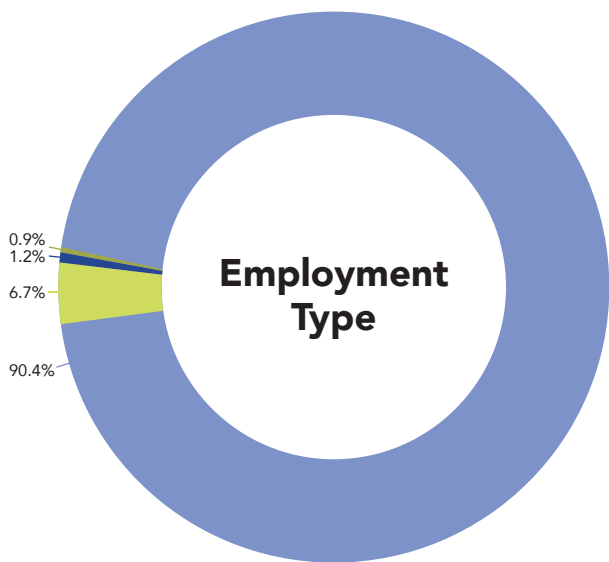
Project Number	Project	Amount
5610.190	August Lift Station Force Main	\$107,915
5611.190	C.C. Williams Digester Cleaning	\$90,083
19008	Halls Mill Creek Sewer Abandonment	\$77,749
19051	Manhole Installation	\$225,162
20019	Florida Street Sewer Rehabilitation-Phase 1	\$270,061
21068	2021 Various Sewer Repairs	\$184,612
50175	Halls Mill Trunk Sewer Extension	\$103,128
100316.32	B051A01 System Rehab Phase -II	\$477,375
100316.35	B051A01 System Rehabilitation-Phase 2	\$25,294
674299	Three Mile Creek Severe Weather Attenuation Basin	\$1,187,707
3123300	C C Williams WWTP Process Modeling and Alternative Analysis	\$38,013
3180900	Collection System Hydraulic Model	\$5,991
3197100	Smith WWTP Headworks	\$6,537,220
3226100	C C Williams Dewatering Facility and Other Improvements	\$1,642,395
3385400	Three Mile Creek Severe Weather Attenuation Tank Rehabilitation	\$2,269,165
3424000	Norton Lane Severe Weather Attenuation Tank and Lift Station	\$517,421
2016-202-17	Baltimore Street Development	\$1,152,728
2019-3005-14	Roundabout Installation at Canal Street and Broad Street	\$156,250
395044DR	Dog River Lift Station Relocation	\$367,609
5613.ALU	Magnolia Grove Lift Station and Force Main	\$64,882
5617.ALU	C C Williams P3 Digester Dome Removal	\$82,097
5619.ALU	C C Williams P3 Digester Dome Repair	\$324,699
CMOB160039	Three Mile Creek Trunk Sewer Upgrades	\$1,908,694
CMOB190299	Eslava Creek Trunk Sewer Upgrades	\$344,818
CMOB190300	Crenshaw Street Lift Station and Sewer Force Main Improvements	\$346,035
CMOB190336	Halls Mill and Eslava Creek Lift Stations Valve Replacement	\$87,050
M5712-2609B-3	2018 Annual Contract-Manhole Rehabilitation Year 3	\$17,953
M5712-2610-3	2019 Annual Contract-Manhole Frame and Cover Replacement Year 3	\$194,289
M5712-2614-3	2018 Access Road Annual Contract Year 3	\$6,486
M5712-2640	Large Water Valve Replacement-Phase V	\$19,467
M5712-2643-3	2020 Annual Contract for Cured-In-Place Pipe for Sanitary Sewer Rehab Year	\$210,170
M5712-2650	Eslava Creek Force Main Replacement	\$531,951
M5712-2650 PH-2	Eslava Creek Force Main Replacement-Phase 2	\$8,083,005
M5712-2650 PH-3	Eslava Creek Force Main Replacement-Phase 3	\$3,459,892
M5712-2690	2021 Annual Contract-Access Roads and Easement Maintenance Year 1	\$1,515,922
M5712-2692	2021 Annual Contract-Manhole Frame and Cover Replacement Year 1	\$55,554
M5712-2694	2021 Annual Contract-CIPP Rehabilitation Public Laterals Year 1	\$99,316
M5712-2695A	2021 Annual Contract-Manhole Rehabilitation Year 1	\$118,183
M5712-2695B	2021 Annual Contract-Manhole Rehabilitation Year 1	\$109,251
M5712-2696	2021 Annual Contract-CIPP Rehabilitation Large Diameter Sewer Mains Year 1	\$334,413
M5712-2697	2021 Annual Contract To Install And Replace Sewer Laterals Year 1	\$67,453
M5712-2700	Perch Creek Sanitary Sewer Trunk Line CIPP	\$461,150
M5712-2712	Emergency Depressed Sewer Replacement Halls Mill Creek	\$1,897,590
M5712-2714	2022 Annual Contract-CIPP Small Diameter Sanitary Sewer Rehabilitation	\$9,698
VARIOUS	Miscellaneous Wastewater Projects	\$32,412

\$35,818,307

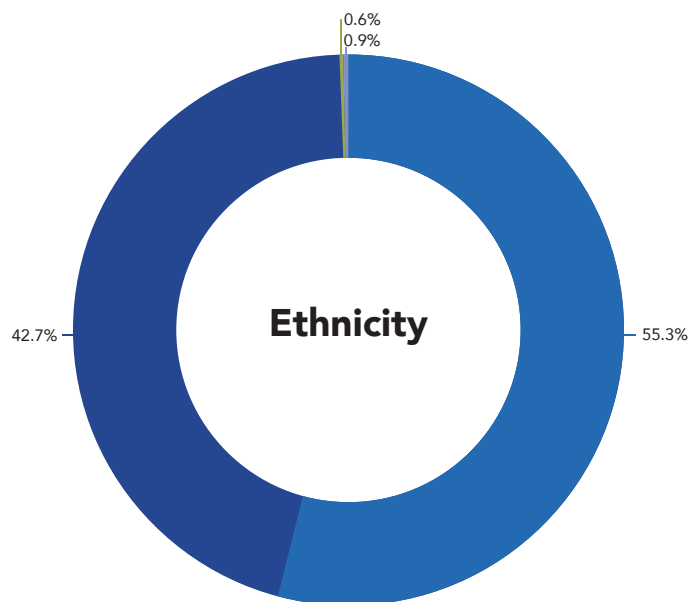
Total

\$44,841,072

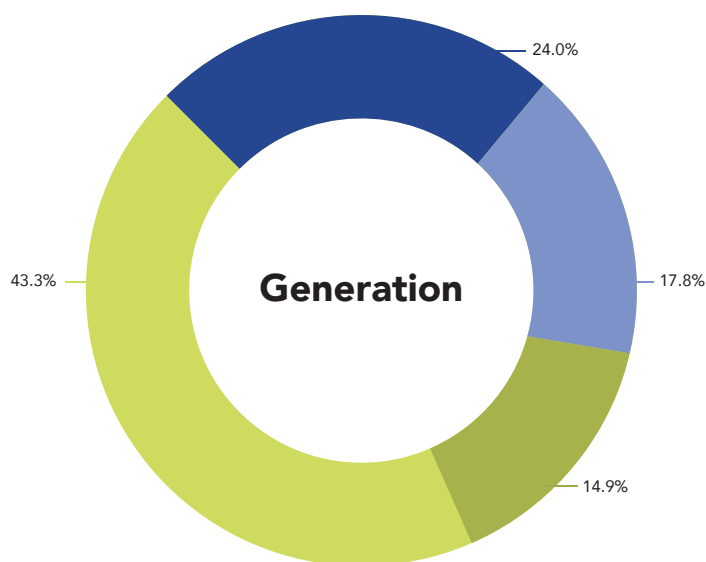
Demographics



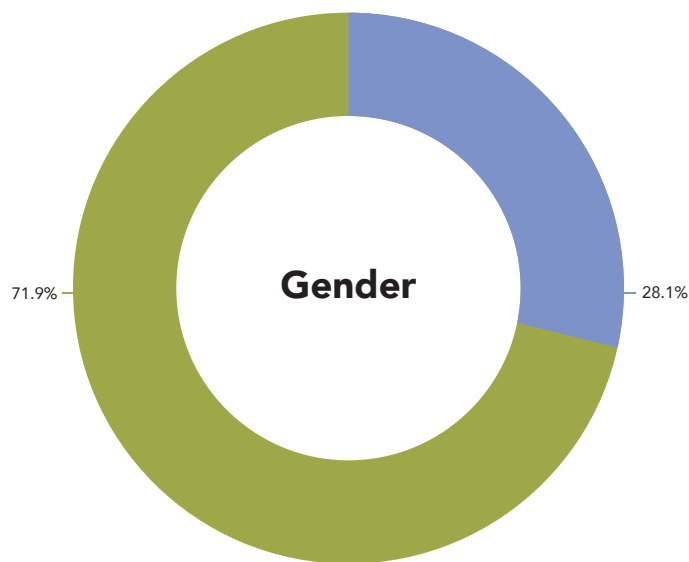
- Permanent
- Temporary Unskilled Labor
- Perm-Part Time
- Perm-Part Time Retired w/ Benefits PT
- Supernumerary



- Black
- White
- Asian
- Two or More Races
- American Indian/Alaskan Native



- Generation X
- Millennials
- Baby Boomers
- Generation Z



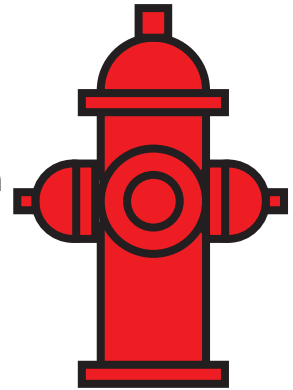
- Male
- Female

Fun Facts

Raw Water Systems

- Big Creek Lake
- Big Creek Lake Dam
- Big Creek Lake Spillway
- Gaillard Pumping Station (Big Creek Lake)
- Buck's Pumping Station (Mobile River System)
- Saraland Reservoir and Pumping Station (Mobile River System)
- 56 miles of Pipeline (Both Big Creek Lake and Mobile River Systems)

**We Own
and Maintain
12,402 Fire
Hydrants.**



Potable Water Systems

- Stickney WTP
- Myers WTP
- 1600 Miles of Pipeline
- 13 Booster Stations
- 5 Ground Storage Tanks
- 9 Elevated Water Storage Tanks
- 3 Reservoirs
- 32,915 Valves
- 12,402 Fire Hydrants

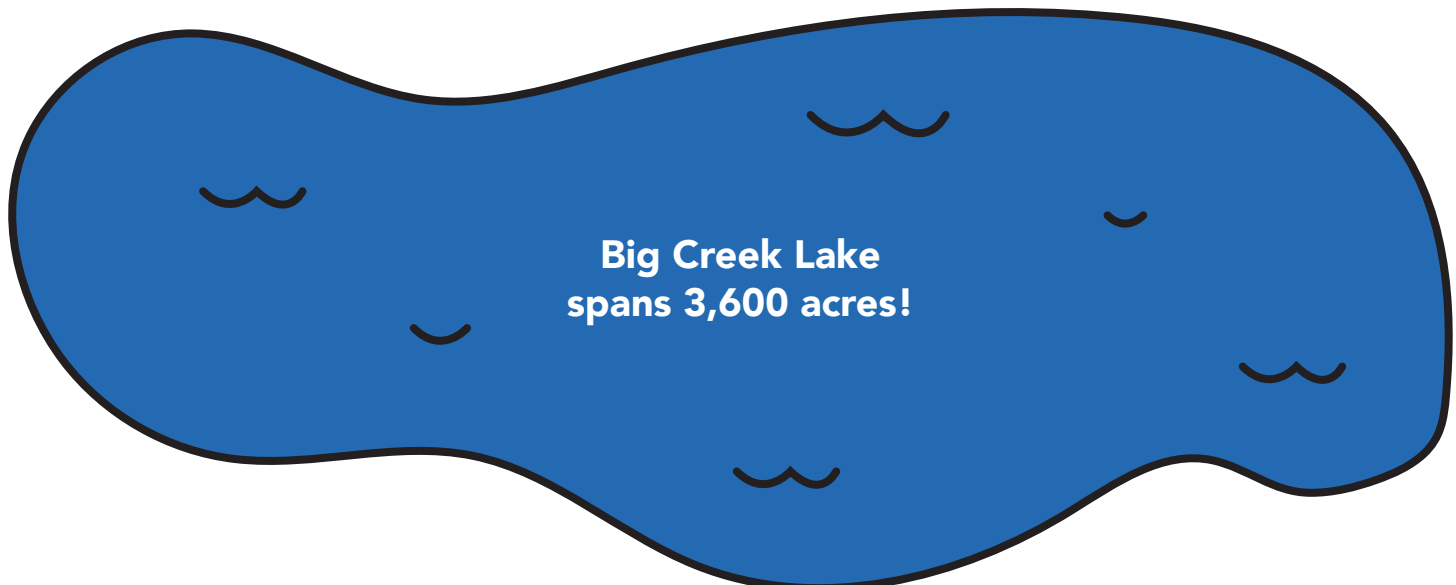
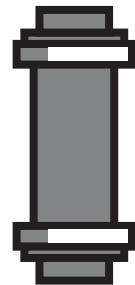
**1600 miles of water
pipes would stretch
from Mobile to
Ontario, Canada.**



Wastewater Systems

- C.C. Williams WWTP
- Wright Smith WWTP
- 194 Lift Stations
- 1488 Miles of Sewer Lines
- 28,930 Manholes
- 98,808 Service Laterals
- 3 Severe Weather Attenuation Tanks (SWAT)
- 1 Severe Weather Attenuation Basin (SWAB)
- 3 Decentralized Treatment Systems

**1,488 miles of sewer
lines would stretch
from Mobile, AL to
Cheyenne, WY.**





mawss

MOBILE AREA WATER & SEWER SYSTEM

Stay in Touch

mawss.com

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Mobile, AL 36618

Accounting Department

Mobile Area Water & Sewer System

