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## **PRESS RELEASE**

**For Immediate Release**

### **PRICHARD WATER AND SEWER BOARD CONSIDERS PROPOSED FY2024 OPERATING BUDGET AND RATE ADJUSTMENT**

**Prichard, Al (September 12, 2023)** – Prichard Water Works & Sewer Board will consider its' FY2024 Proposed Operating Budget and Rate Adjustment at its next board meeting on September 12, 2023 at 3:30 at 125 E. Clarke Avenue, Prichard, Alabama.

In FY2023, PWWSB faced financial challenges. PWWSB is committed to restoring the systems financial stability; therefore, it prepared the FY2024 Operating Budget to fully fund: 1) bond debt service payments, 2) replenish debt service reserve fund, 3) pay increased cost of water, 4) water, sewer and tank improvements, 5) engineering program and system improvements, 6) professional services to manage, improve, and stabilize financial operations, 7) legal cost related to Synovus Bank seeking the appointment of a receiver over the water and sewer system and related legal issues, and 8) overall improvement of water system. 74% of the budget is used to fund: 1) salaries and benefits (14%), 2) cost of water (25%), 3) debt service (24%), and 4) depreciation (11%). The remaining 26% funds repair and maintenance, utilities, engineering services, professional services, legal fees, utilities, and other operating expenses.

The FY2024 budget totals \$16,021,441; requires a 22% increase in the base (minimum) charge, flat rate fees, and fire hydrant fees; and a 3% increase in the volumetric rate. If approved this increase will be effective November 1, 2023 and will provide the funding necessary for the system to stabilize its financial condition and improve operations.

According to Chairman Russell Heidelberg, “The Board considers this increase as necessary to stabilize the systems financial condition, replenish the debt service reserve fund, and allow the system to start making some needed improvements. We will focus on repairing leaks, and reducing water loss which should reduce the cost of water since it accounts for 25% of the operating budget. We look forward to continuing to serve our customers and the communities we serve.”