



COMMONWEALTH OF PENNSYLVANIA  
GOVERNOR'S OFFICE OF GENERAL COUNSEL

September 10, 2018

Francis J. Catania, Esquire  
Cantania & Parker, L.L.P.  
230 N. Monroe St., 2<sup>nd</sup> Fl  
P.O. Box 2029  
Media, Pennsylvania 19063

Dear Mr. Catania:

I am in receipt of your letter dated August 15, 2018, regarding the City of Chester – Final Recovery Plan (the “Letter”).

While I appreciate your concerns as solicitor to the Chester Water Authority (the “Authority”), it should be noted that the City of Chester Act 47 Exit Plan filed on August 20, 2018 (the “Plan”) by Econsult Solutions, Inc. (the “Act 47 Coordinator”) contains a series of recommendations made by the Act 47 Coordinator to the City of Chester, one of which is that the City retain qualified financial and legal advisors to help the City formulate its positions with respect to the potential monetization of the water system. The Coordinator did not take a position on what the City’s course of action should be. We suggest that you seek the advice of qualified bond counsel as to whether this recommendation warrants disclosure to your bondholders at the present time.

In the Letter, you posed a question concerning DCED’s obligations of indemnification to the Act 47 Coordinator. DCED is an executive agency of the Commonwealth and as such is accorded sovereign immunity under the Constitution of the Commonwealth of Pennsylvania and furthermore does not indemnify any party.

In answer to your final inquiry, DCED does not receive a certificate of insurance from Act 47 Coordinators but does require in its contracts that the Act 47 Coordinators maintain professional liability insurance, insuring the interests of the parties to said contract.

I trust this letter is responsive to your inquiry.

Sincerely,

A handwritten signature in blue ink, appearing to read "J. Michael Adams, Jr.", written over the printed name.

J. Michael Adams, Jr.

Chief Counsel