

STEPHEN E. BARRAR, MEMBER
160TH LEGISLATIVE DISTRICT

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House of Representatives
Commonwealth of Pennsylvania
Harrisburg

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April 26, 2020

Department of Community and Economic Development
Secretary Dennis Davin
Commonwealth Keystone Building
400 North St, 4th Floor
Harrisburg, PA 17120

Re: Chester Water Authority

Dear Secretary Davin:

We write to express our serious and immediate concerns about recent and proposed actions regarding Chester Water Authority in light of Governor Wolf's Declaration of Fiscal Emergency for the City of Chester.

Governor Wolf's April 13 City of Chester Declaration is the latest in a series of state actions regarding the City dating back over twenty-five years. Of particular concern is a statement made in the "Concise Statement of Facts Supporting the Determination of Fiscal Emergency In The City of Chester" referenced in Governor Wolf's recent declaration, which states in part:

"The City [of Chester] has two significant business-type assets, the water system owned by the Chester Water Authority and the parking system owned by the City. The City considered a potential sale of the utility assets of the Authority, which if consummated, could generate millions of dollars...The City has been engaged in multiple lawsuits related to the sale of the Authority...defeat would result in the loss of a huge source of potential revenue for the City."

By stating "The City has two significant business-type assets...", the administration validates the absurd position that the City of Chester has an ownership claim over utility assets that clearly belong to CWA. As you are aware, the City of Chester has repeatedly attempted to "sell" or "monetize" assets of Chester Water Authority. In fact, the City has scheduled a meeting later today to issue a Resolution to "Commence Bid Process Negotiations for CWA Assets."

Chester Water Authority is an independent municipal authority with its own governing board and decades of service to over 200,000 ratepayers across two counties. The suggestion that the City of Chester owns assets belonging to CWA is ludicrous. As stated, previous attempts by the City to claim ownership are currently under litigation in Delaware County Orphans court. We recognize the City of Chester has significant fiscal issues. These long-standing issues have been exacerbated in part by the COVID-19 health crisis and the Governor's shutdown of Harrah's casino (which in normal times pays approximately \$6 million in annual revenue to the City.) These fiscal issues are real and must be addressed, but not by sacrificing the independent integrity of Chester Water Authority on the altar of the City's decades-long fiscal mismanagement.

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Very candidly, we are concerned that DCED may attempt, under the guise of the Fiscal Emergency, to step in and order a sale of CWA. This would be a gross abuse of power under any circumstance, but particularly egregious at a time when the public is rightfully distracted with COVID-19 pandemic. We have heard from numerous constituents who share these concerns.

With that in mind, we ask you directly - In your view, does DCED or a Receiver appointed by DCED have authority to order a sale of Chester Water Authority? Has such an action been contemplated by DCED or its agents? What conversations have occurred between DCED and potential buyers of CWA?

In the strongest terms possible, we urge you, and Governor Wolf to immediately and publicly commit to Chester Water Authority's continued existence as an independent municipal water authority, to protect public access to the Octoraro Reservoir, and to advocate for the best interest of over 200,000 Chester Water Authority ratepayers.

Respecting that the vast challenges facing the Commonwealth in light of the COVID-19 pandemic, yet in light of the immediacy of the situation, we ask for your rapid response on this pressing matter.

Sincerely,

A handwritten signature in black ink that reads "Stephen E. Barrar".

STEPHEN E. BARRAR
State Representative
160th Legislative District

SEB/rlm