RECENT CORRESPONDENCE BETWEEN CHESTER MAYOR AND CWA CHAIRPERSON

The following provides the correspondence between the Mayor of the City of Chester and the response by CWA's Chairperson regarding ongoing negotiations.

- **June 11, 2019 letter from Mayor Thaddeus Kirkland to CWA Chairperson Cynthia Leitzell.**
- **June 12, 2019 response letter from CWA Chairperson to Mayor Kirkland**
- **June 12, 2019 City of Chester Council Meeting Agenda**

June 11, 2019

via hand delivery

Cynthia Leitzell, Chairperson
Chester Water Authority
415 Welsh Street
Chester, Pennsylvania 19013

Re: Negotiations and Upcoming RFP

Dear Chairperson Leitzell,

More than two years ago we were both surprised to receive an unsolicited offer to purchase Chester Water Authority's assets in the aftermath of Act 12. While the Authority's board at the time determined that it was not the right path forward, we have together, directly and through our counsel, tried to resolve whether to monetize the assets while ensuring quality service.

I am sorry to say, as I suspect you have heard from your counsel, that we are no closer to a resolution now than we were last fall. The City has consistently had a very few but critical deal points, and those deal points have not been met. Instead the Authority's negotiation team seems committed to a trust structure and agreement terms that might preclude the City from seeing the benefit of its bargain.

Very recently, my team and I hoped to complete a settlement with the Authority. My administration and City Council worked hard on a proposed settlement, explored all the elements, and even worked with our partners on the Commonwealth's Act 47 team, believing that a quick resolution with the Authority was an optimal outcome. We were disappointed when Aqua's litigation was filed, which made clear the process would slow down, and were bitterly disappointed when your negotiation team continued to reject our specific and focused concerns.

Through its negotiation and litigation strategy, the Authority has unfortunately continued its practice of treating the City as a passenger in this process, despite my explicit attention to that

to issue a request for proposals from the marketplace so we get a sense of all possible alternatives.

Thank you for your work to date. Always mindful of the fact that I, City Council, and CWA are here to serve our constituents, I hope we can find a way to resolve all of these issues in a cooperative manner and in a way that benefits the City, its residents, and its neighbors served by CWA.

Respectfully,

Thaddeus Kirkland
Mayor

cc: Francis J. Catania, Esq.
Catania & Parker, LLP
230 N. Monroe Street, 2nd fl.
Media, Pennsylvania 19063

Chester Water Authority
P.O. Box 467
Chester, Pennsylvania 19016-0467
Tel: (610) 876-8185

June 12, 2019

VIA ELECTRONIC MAIL &
FACSIMILE at
tkirkland@chestercity.com
Fax. No. 610-447-7735
The Honorable Thaddeus Kirkland
Mayor, City of Chester
City Hall
1 Fourth Street
Chester, PA 19013

RE: Chester Water Authority
Your letter of June 11, 2019

Dear Mayor Kirkland:

As Chairperson for the Board of Directors of the Chester Water Authority (the "Authority"), I write to respond to your letter of yesterday. Your letter was circulated to all nine members of the Board of Directors and discussed at the June 12 Special Board Meeting. As I indicated in our telephone call the Board would like to meet with you before you take any action as you outlined in your letter. Would you please let me know when you are available to meet (with or without attorneys attending), at your option?

The Board was only able to discuss Mr. Greenberg's May 22 economic proposal today and we can further discuss when we meet but I think we are very close to getting this resolved.

There is a court response due in the Trust case on Wednesday, June 19. The Authority has no objection to allowing additional time for the City to formulate its response and we hope we can conclude our settlement discussions before any response is due.

I dictated this letter before I called you. As I indicated an Aqua representative arrived late at our Board Meeting today and asked a departing CWA person if we were sending someone to the "meeting tonight". I called you and you indicated to me in our

call that there was no item on the City Council agenda tonight concerning the Chester Water Authority but that Council would be discussing the "RFP".

I look forward to hearing from you about our meeting.

Very truly yours,

Cynthia F. Leitzell
Chairperson, Chester Water Authority

cc: CWA Board Members
Paul Andriole, Vice Chairman, Chester Water Authority
Francis J. Catania, Solicitor, Chester Water Authority
Denise Stanback

AGENDA
June 12, 2019

Prayer

Pledge of Allegiance

Roll Call

Approval of Minutes

Public comment on actions items, only

Announcement – Council met in Executive Session on June 10, 2019 at 2:30 PM, to discuss Employee matters.

Resolution–

1. Authorize to approve Handicap Parking Zones;
2. Authorize to approve Fire Escrow Refund;
3. Authorize to approve Fire Escrow Refund;
4. Authorize to approve Appointment of Employees for Memorial Park Pool;
5. Authorize to approve Appointment of Laborer in Parks Department;
6. Authorize to approve Appointment of Driver in Parks Department;
7. Authorize to approve Ratifying Appointment of Employee in Accounts & Finance;
8. Authorize to approve Ratifying Appointment of Employee in Accounts & Finance;
9. Authorize to approve Ratifying Appointment of Employee in Accounts & Finance;
10. Authorize to approve Ratifying Appointment of Employee in Parks Department;
11. Authorize to approve Ratifying Appointment of Employee in Parks Department;
12. Authorize to approve Amendment of Resolution Passed on May 22, 2019;
13. Authorize to approve Temporary Work Space & Access Agreement;
14. Authorize to approve Ratifying Application Submission for Municipalities Financial Grant;
15. Authorize to approve Request for Proposals for Valuation of Assets;
16. Authorize to approve Expenditure List;

Dedication
Presentations

Public Comments
Adjournment