UPDATE NO. 5

Sent to: To the Honorable Members of the Pennsylvania Senate and House of Representatives that represent ratepayers in the Chester Water Authority service area

To the Elected Officials in the Townships and Boroughs that represent ratepayers in the Chester Water Authority service area

To the Honorable Council of Delaware County and Commissioners in Chester County because you represent ratepayers in the Chester Water Authority service area

Date Sent: April 22, 2020

TITLE: Letter of Support from Reps. Lawrence and Cutler

Attachment to Update No. 5

1. Letter of Support dated April 22, 2020 from State Representative John Lawrence and State Representative Bryan Cutler to PA Department of Community and Economic Development

RE: Chester Water Authority ("CWA") Update No. 5
April 22, 2020

TITLE: Letter of Support from Reps. Lawrence and Cutler

To the Honorable Members of the Pennsylvania Senate and House of Representatives that represent ratepayers in the Chester Water Authority service area

Because of the rapid developments that will occur concerning the Chester Water Authority and the effect the developments will have on many of your constituents, CWA will provide you with updates on the situation involving the CWA as the developments occur. Please feel free to inform your constituents as you wish.
This is Update No. 5.

CWA expects DCED to release its Emergency Action Plan tomorrow and is aware that DCED and the Governor's office have been aggressively recruiting Receiver candidates. The battle continues.

Attached is a copy of a letter that State Representatives John Lawrence and Bryan Cutler sent earlier today to Secretary Dennis Davin of the DCED.

Representative Lawrence represents many of the Chester Water Authority ratepayers in Southern Chester County and Representative Cutler's legislative area borders CWA's Octoraro Reservoir.

CWA is thankful for the support from Representative Lawrence and Representative Cutler.

CWA will immediately share a copy of every letter of support that it receives from any of the recipients of these updates.

Any questions or comments should be directed to Francis J. Catania, Solicitor, Chester Water Authority. During the pandemic it is best to communicate with CWA via email, info@chesterwater.com.

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JOHN A. LAWRENCE
STATE REPRESENTATIVE
13TH LEGISLATIVE DISTRICT

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

Re: Chester Water Authority

April 22, 2020

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.

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,

John Lawrence
State Representative
Commonwealth of Pennsylvania
13th Legislative District

Bryan Cutler
State Representative
Commonwealth of Pennsylvania
100th Legislative District

cc: Interested Parties