

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

**RE: Chester Water Authority (“CWA”)
Special Alert - October 26, 2021
DCED’s latest Confession**

We have listened to the Act 47 and DCED Teams for 25+ years and look at what they have allowed to happen.

The Receiver’s City of Chester Municipal Financial Recovery Advisory Committee met this afternoon. Most of the meeting concerned the Receiver’s recent status update in which the Receiver disclosed that the City has been significantly over-paying pension benefits for decades. This slide from the meeting is a good summary:

Presentation Overview



- Yesterday, the Receiver issued an order to the City of Chester’s Pension Board to change the way that it has calculated pensions for police retirees hired before February 1, 2017, and to investigate and adjust the pension benefits for police retirees hired after January 1, 1988 and prior to February 1, 2017, who retired on a normal retirement.
- Based on the Receiver team’s analysis, certain police retirees have been receiving a pension benefit greater than what they were entitled to under their collective bargaining agreements. This appears to have been happening for years.
- Specifically, certain police retirees’ pensions were incorrectly calculated using the final pay over the retirees’ last 12 months of employment rather than the average of the last 3 years. The incorrect calculation allows police officers to artificially “spike” pensions
 - This does not apply to police officers hired after February 1, 2017 or those hired prior to January 1, 1988 who retired on a normal retirement
- The presentation explains why the Receiver issued this order and provides the rationale supporting that decision

This error in the pension calculation went on for decades. Was it undetected? Or was it purposefully ignored by everyone at DCED and the Act 47 team? At today's video session DCED's Kim Bracey acknowledged during the live-stream that DCED/Act 47 team totally missed this.

(watch video of meeting here: https://www.facebook.com/watch/live/?ref=watch_permalink&v=359815395895562)

With all of his consultants why did it take the Receiver 18 months to detect this?

For at least ten years, the principal financial problem for the City has been underfunded pensions. How could this only be detected now?

Again we ask, we have listened to the Act 47 and DCED Teams for 25 + years and look at what they have allowed to happen.

Why should we be listening to them now about selling CWA?

Any questions or comments should be directed to Chester Water Authority. It is best to communicate with CWA via email, info@chesterwater.com