

**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”) Update No. 17  
January 27, 2022**

**TITLE: Proof that the Governor’s Office was behind a statewide program to sell off the water and sewer authorities of municipalities with distressed pension plans**

The attached emails (heavily redacted by DCED) are from a RTKL production by DCED to CWA. Pay careful attention to the identities of the senders and receivers of the emails.

The emails provide clear evidence of the Governor’s office involvement (during the height of the Covid-19 pandemic) in a statewide program to sell off the water and sewer authorities of municipalities with distressed pension plans. All Authorities in your district should be warned and shown copies of the emails. Please feel free to share the emails with your colleagues in other parts of the state.

It is apparent that the Commonwealth has been implementing a behind closed doors effort to privatize publicly controlled water and sewer systems for the benefit of investor

owned utilities in order to distract from the Commonwealth's failures in its control of Act 47 communities.

This state effort is undoubtedly why the DCED (later with Aqua's assistance in the form of a lawsuit) derailed the settlement discussions between CWA and the City of Chester in 2019 and why Aqua sued both CWA and the City. The lawsuit is still pending and has been used to block CWA and the City from engaging in direct settlement negotiations.

The DCED through its appointed City Receiver and his team, with the backing of the Governor's office, has been waging a war of words (and now lawsuits) with the duly elected government of the people of the City of Chester to try and force the City to sell the Chester Water Authority. Is this what the legislature intended with the failed DCED Act 47 program?

The City has real fiscal problems that need to be solved. DCED, after more than a quarter century of visiting the City's struggles, is only interested in engineering the greatest wealth transfer in the history of the region, one billion dollars per generation from the Chester Water Authority ratepayers to Aqua shareholders and the Canadian pension fund. How does this solve the City's structural financial problems? The sale should be stopped.

DCED and the Receiver have no plan for the City other than selling CWA. It's about time for DCED and the Receiver to

go home before they do any more damage to the residents of the City and all of CWA's customers.

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

**To:** Sheaf, Andrew[[asheaf@pa.gov](mailto:asheaf@pa.gov)]; Martin, Theodore[[theomartin@pa.gov](mailto:theomartin@pa.gov)]  
**From:** Bracey, C Kim[/O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=A38B741DE1B941CE87180D3417693E9F-CBRACEY]  
**Sent:** Thur 10/1/2020 4:12:35 PM (UTC-04:00)  
**Subject:** RE: [REDACTED]

Thank you very much for this!

I will keep you posted.

Kim

**C. Kim Bracey** | Executive Director  
PA Department of Community & Economic Development  
Governor's Center for Local Government Services  
Commonwealth Keystone Building  
400 North Street, 4<sup>th</sup> Floor | Harrisburg, PA 17120-0225  
Phone: 717-787-4140 | [ckbracey@pa.gov](mailto:ckbracey@pa.gov)  
[dced.pa.gov](http://dced.pa.gov) | [www.visitPA.com](http://www.visitPA.com)

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**From:** Sheaf, Andrew <[asheaf@pa.gov](mailto:asheaf@pa.gov)>  
**Sent:** Thursday, October 1, 2020 4:03 PM  
**To:** Bracey, C Kim <[cckbracey@pa.gov](mailto:cckbracey@pa.gov)>; Martin, Theodore <[theomartin@pa.gov](mailto:theomartin@pa.gov)>  
**Subject:** RE: [REDACTED]

Kim,

Please see attached.

Lower Frederick Township and Penn Hills Township seem to fit. Penn Hills Township owns two plants, and is the sole user at one of them.

Two quick notes on them:

- Both of those municipalities saw improvement in their pensions since we last ran the numbers (LF went from 72% to 76%, PH went from 57% to 86%)
- Both municipalities are still showing signs of distress in their debt load

Andrew

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**From:** Bracey, C Kim <[cckbracey@pa.gov](mailto:cckbracey@pa.gov)>  
**Sent:** Thursday, October 1, 2020 2:27 PM  
**To:** Sheaf, Andrew <[asheaf@pa.gov](mailto:asheaf@pa.gov)>; Martin, Theodore <[theomartin@pa.gov](mailto:theomartin@pa.gov)>  
**Subject:** Re: [REDACTED]

Andrew:

Rick is also trying through his connections too. Please ask Brandyn to maybe check a couple of these or again as you stated a Policy Specialist to assist. If we don't have anything tomorrow morning, I will report we are working to obtain the information.

Please get me posted.

Thank you kindly.

Kim

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**From:** Sheaf, Andrew <[asheaf@pa.gov](mailto:asheaf@pa.gov)>  
**Sent:** Thursday, October 1, 2020 1:37 PM  
**To:** Bracey, C Kim; Martin, Theodore  
**Subject:** RE: [REDACTED]

Kim,

Brandyn, or Policy Specialists in the region, could help call these municipalities and ask if they solely own their water and sewer systems and if they are the sole user on that system. [REDACTED]

Andrew

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**From:** Bracey, C Kim <[cckbracey@pa.gov](mailto:cckbracey@pa.gov)>  
**Sent:** Thursday, October 1, 2020 1:06 PM  
**To:** Sheaf, Andrew <[asheaf@pa.gov](mailto:asheaf@pa.gov)>; Martin, Theodore <[theomartin@pa.gov](mailto:theomartin@pa.gov)>  
**Subject:** FW: [REDACTED]

**Importance:** High

Hi Andrew:

010771

[REDACTED]

If possible asap. We have an 8:30a.m. meeting with Neil tomorrow.

It might mean calling the municipality, or perhaps DEP.

Let me ask Rick if he has a contact at DEP that can give us either the answer or a contact at these municipalities.

Sorry, I am thinking as I am typing this...we just got off a call with Elena and others from the Governor's office who are still trying to make this work.

Thanks.

Kim

**C. Kim Bracey** | Executive Director  
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[dced.pa.gov](http://dced.pa.gov) | [www.visitPA.com](http://www.visitPA.com)

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**From:** Sheaf, Andrew <[asheaf@pa.gov](mailto:asheaf@pa.gov)>

**Sent:** Wednesday, September 16, 2020 4:15 PM

**To:** Bracey, C Kim <[ckbracey@pa.gov](mailto:ckbracey@pa.gov)>; Martin, Theodore <[theomartin@pa.gov](mailto:theomartin@pa.gov)>

**Subject:** RE: [REDACTED]

Kim,

My biggest concern about this is [REDACTED]

Attached is analysis I did this past February for this question. All of these municipalities:

1. Showed signs of distress in their pension (below 73% funded)
2. Showed signs of distress in one of their debt indicators (liquidity, debt over revenue)
3. Reported Wastewater / Sewage revenues on their Annual Financial Report (our best guess if they owned water / sewer)

You'll see that we ruled out West Chester and Easton, although they met the criteria. This was done with 2017 audit data. [REDACTED]

[REDACTED]. While all reported wastewater / sewer revenues in their audit, I can't guarantee it's revenue from owning a plant.

Andrew

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**From:** Bracey, C Kim <[ckbracey@pa.gov](mailto:ckbracey@pa.gov)>

**Sent:** Wednesday, September 16, 2020 2:30 PM

**To:** Martin, Theodore <[theomartin@pa.gov](mailto:theomartin@pa.gov)>; Sheaf, Andrew <[asheaf@pa.gov](mailto:asheaf@pa.gov)>

**Subject:** FW: [REDACTED]

Ted & Andrew:

Please see the below and attached.

[REDACTED]

[REDACTED] Let me know your thoughts perhaps by noon tomorrow.

Thanks.

Kim

**C. Kim Bracey** | Executive Director  
PA Department of Community & Economic Development  
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[dced.pa.gov](http://dced.pa.gov) | [www.visitPA.com](http://www.visitPA.com)

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**From:** Weaver, Neil

**Sent:** Wednesday, September 16, 2020 2:15 PM

**To:** Vilello, Richard <[rvilello@pa.gov](mailto:rvilello@pa.gov)>; Dowear, Michael <[mdowear@pa.gov](mailto:mdowear@pa.gov)>; Bracey, C Kim <[ckbracey@pa.gov](mailto:ckbracey@pa.gov)>; Adams Jr., J.

Michael (Mike) <[jeroadams@pa.gov](mailto:jeroadams@pa.gov)>

**Subject:** FW: [REDACTED]

**Neil R. Weaver** | Executive Deputy Secretary  
PA Department of Community & Economic Development  
Commonwealth Keystone Building  
400 North Street, 4<sup>th</sup> Floor | Harrisburg, PA 17120-0225  
Phone: 717-720-1370 | [neweaver@pa.gov](mailto:neweaver@pa.gov)

**From:** Smith, Erin

**Sent:** Wednesday, September 16, 2020 2:13 PM

**To:** Cross, Elena <[elecros@pa.gov](mailto:elecros@pa.gov)>; Weaver, Neil <[neweaver@pa.gov](mailto:neweaver@pa.gov)>; Perez, Theron (GC) <[tperez@pa.gov](mailto:tperez@pa.gov)>; Akers, Rodney (GC) <[roakers@pa.gov](mailto:roakers@pa.gov)>; Adams Jr., J. Michael (Mike) <[jeroadams@pa.gov](mailto:jeroadams@pa.gov)>; Swails, Jen <[jswails@pa.gov](mailto:jswails@pa.gov)>; Thall, Gregory <[gthall@pa.gov](mailto:gthall@pa.gov)>; Snead, Meg <[msnead@pa.gov](mailto:msnead@pa.gov)>

**Subject:** RE: [REDACTED]

Attached is the memo I did last year. We had determined that the ongoing litigation specifically related to who owns the water authority didn't make it a good fit for a pilot program. [REDACTED].

**From:** Cross, Elena <[elecros@pa.gov](mailto:elecros@pa.gov)>

**Sent:** Wednesday, September 16, 2020 1:59 PM

**To:** Weaver, Neil <[neweaver@pa.gov](mailto:neweaver@pa.gov)>; Perez, Theron (GC) <[tperez@pa.gov](mailto:tperez@pa.gov)>; Akers, Rodney (GC) <[roakers@pa.gov](mailto:roakers@pa.gov)>; Adams Jr., J. Michael (Mike) <[jeroadams@pa.gov](mailto:jeroadams@pa.gov)>; Swails, Jen <[jswails@pa.gov](mailto:jswails@pa.gov)>; Thall, Gregory <[gthall@pa.gov](mailto:gthall@pa.gov)>; Snead, Meg <[msnead@pa.gov](mailto:msnead@pa.gov)>; Smith, Erin <[serin@pa.gov](mailto:serin@pa.gov)>

**Subject:** RE: [REDACTED]

Thanks – having Rick and Kim's thoughts would be helpful, as well as Mike/OGC's.

Thanks Neil.

**From:** Weaver, Neil <[neweaver@pa.gov](mailto:neweaver@pa.gov)>

**Sent:** Wednesday, September 16, 2020 1:53 PM

**To:** Cross, Elena <[elecros@pa.gov](mailto:elecros@pa.gov)>; Perez, Theron (GC) <[tperez@pa.gov](mailto:tperez@pa.gov)>; Akers, Rodney (GC) <[roakers@pa.gov](mailto:roakers@pa.gov)>; Adams Jr., J. Michael (Mike) <[jeroadams@pa.gov](mailto:jeroadams@pa.gov)>; Swails, Jen <[jswails@pa.gov](mailto:jswails@pa.gov)>; Thall, Gregory <[gthall@pa.gov](mailto:gthall@pa.gov)>; Snead, Meg <[msnead@pa.gov](mailto:msnead@pa.gov)>; Smith, Erin <[serin@pa.gov](mailto:serin@pa.gov)>

**Subject:** RE: [REDACTED]

I can ask Rick V/Kim B where we are and their reaction to the questions below.

For the legal side of things...will defer to Mike A and OGC.

Thanks

**Neil R. Weaver** | Executive Deputy Secretary  
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[dced.pa.gov](http://dced.pa.gov) | [www.visitPA.com](http://www.visitPA.com)

**From:** Cross, Elena

**Sent:** Wednesday, September 16, 2020 1:52 PM

**To:** Perez, Theron (GC) <[tperez@pa.gov](mailto:tperez@pa.gov)>; Akers, Rodney (GC) <[roakers@pa.gov](mailto:roakers@pa.gov)>; Weaver, Neil <[neweaver@pa.gov](mailto:neweaver@pa.gov)>; Adams Jr., J. Michael (Mike) <[jeroadams@pa.gov](mailto:jeroadams@pa.gov)>; Swails, Jen <[jswails@pa.gov](mailto:jswails@pa.gov)>; Thall, Gregory <[gthall@pa.gov](mailto:gthall@pa.gov)>; Snead, Meg <[msnead@pa.gov](mailto:msnead@pa.gov)>; Smith, Erin <[serin@pa.gov](mailto:serin@pa.gov)>

**Subject:** [REDACTED]

Thanks.

**Elena Cross** | Deputy Chief of Staff  
Office of Governor Tom Wolf  
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