

From: Mullin, Stephen
To: [Santucci, Adam](#); [Sheaf, Andrew](#); [Unkovic, David](#); [Connelly, Dan](#); [Queenan, Brooke](#); [Chapman, Frederick](#); [Forman, Brittany](#)
Subject: [External] RE: Attorney Client Privileged RE: Aqua dues to block Chester/CWA deal
Date: Friday, April 5, 2019 2:50:58 PM
Attachments: [image001.png](#)

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Thnx Adam

--very interesting, and Mayor Kirkland told us this AM that Ken and others were meeting and he would advise us of the status soon.

With Regards,

Stephen P. Mullin

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From: Santucci, Adam <ASantucci@mcneeslaw.com>

Sent: Friday, April 5, 2019 1:25 PM

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Subject: Attorney Client Privileged RE: Aqua dues to block Chester/CWA deal

Attorney Client Privileged and Confidential

All,

Attached is a copy of the complaint discussed in the Philly.com article, which is available at the link below. As you will see, Aqua filed suit against the City of Chester and the Chester Water Authority seeking to block the settlement agreement between the parties. There are essentially two arguments in the complaint, (1) the deal violates the Municipal Authorities Act (MAA) because it would establish an unreasonable rate; and (2) the deal would violate the MAA because it the CWA is prohibited from using its funds for the settlement payment.

The complaint is interesting for a number of reasons. One argument of note is that Aqua believes it is inappropriate for the non-City ratepayers to pay for the financing of the settlement payment. However, under Pennsylvania law that is exactly what Aqua would have done if it had the right to purchase the system, it would have spread the cost around to its other ratepayers.

Presumably, the City's special counsel will enter an appearance and defend the complaint in conjunction with the CWA. We will monitor the case and provide appropriate updates. We will attempt to work with the City to understand their proposed response and offer assistance as 0007.82A