

RESOLUTION

WHEREAS, in about 1939, the City of Chester organized the Chester Municipal Authority under the Municipality Authorities Act, which entity is now known as the Chester Water Authority; and

WHEREAS, litigation is ongoing regarding to the City's interest in the water system assets and the City is committed to understanding the right course of action for the City as soon as the legal dispute over the rights of the City under the Municipality Authorities Act is finally resolved; and

WHEREAS, the City has determined it is in its best interest to explore whether to follow the process established by the General Assembly to potentially monetize assets of the Chester Water Authority; and

WHEREAS, a request for proposal was issued on June 12, 2019, after an action of this Council but, due to litigation and out of an abundance of caution, all six proposals received were recently returned to the offerors without having been opened, other than to identify the person to whom they should be returned; and

WHEREAS, the Delaware County Court of Common Pleas on February 3, 2020, entered an order that permits the issuance of a request for proposals and the City to undertake a bid process, provided that, after such process, any agreement or other transaction, if any, is subject to resolution of the Common Pleas matter before a transaction can finally close; and

WHEREAS, the City has requested the cooperation of the Chester Water Authority in this process, and the Chester Water Authority has not provided any of the requested information and assistance;

NOW, THEREFORE, intending to be legally bound, the City Council of the City of Chester resolves as follows:

RESOLVED, the City determines that its interests include the City's financial stability, securing a healthy and affordable water supply for its residents, neighbors and businesses, and reasonably protecting the interests of other critical stakeholders, such as the men and women who do the hard work at the Chester Water Authority; and be it further

RESOLVED, the City should explore the possible conveyance of the project of the Chester Water Authority, termination of the Chester Water Authority, and/or the sale of the assets of such authority; and be it further

RESOLVED, that the City should pursue a final legal resolution of its rights under the Municipality Authorities Act before the Common Pleas Court, and in compliance with the order of February 3, before this the City would close on any final transfer or plan to transfer, if any; and be it further

RESOLVED, that the expression of intent in this resolution is intended to be short of, and shall not constitute, an expression of a desire to finally transfer the assets to the City within the meaning of Section 22(a) of the Municipality Authorities Act, 53 Pa. C.S. § 5622(a); and be it further

RESOLVED, that in the interest of understanding its rights and whether it is in the interest of the City and relevant stakeholders that the City pursue a conveyance, the City should issue a request for proposal for the water system assets; and be it further

RESOLVED, that the Mayor shall promulgate, or shall cause City personnel to promulgate, a request for proposals in a form that he determines is appropriate; and be it further

RESOLVED, that, following the receipt of proposals, the Mayor shall be authorized to pursue such a transaction to the extent he deems appropriate, provided that any transaction be returned to the Council for approval of any agreement or other plan that establishes the final disposition of such assets.

WE HEREBY CERTIFY that this Resolution passed Council this 12th day of February, A.D. 2020.

MAYOR

Attest: _____
CITY CLERK