

Buchanan

John F. Povilaitis
717 237 4825
john.povilaitis@bipc.com

409 North Second Street
Suite 500
Harrisburg, PA 17101-1357
T 717 237 4800
F 717 233 0852

June 15, 2026

VIA E-FILING

Matthew L. Homsher, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

Re: Application of Aqua Pennsylvania Wastewater, Inc. pursuant to Sections 507, 1102 and 1329 of the Public Utility Code for Approval of its Acquisition of the Wastewater System Assets of the Delaware County Regional Water Quality Control Authority, Docket No. A-2019-3015173

Dear Secretary Homsher:

Aqua Pennsylvania Wastewater, Inc. (“Aqua”) files and serves this Eleventh Status Report in connection with the above-captioned proceeding, as directed by the Presiding Officer, Administrative Law Judge F. Joseph Brady, in his Interim Order Granting Joint Motion for Stay (“Order Granting Stay”) dated February 6, 2023. The Order Granting Stay was based on the City of Chester’s request in its bankruptcy proceeding at Case No. 22-13032 for a stay of Aqua’s Application proceeding at Docket A-2019-3015173, and DELCORA’s Complaint for Declaratory Judgment against Aqua and Delaware County before the Delaware Court of Common Pleas at Docket No. CV-2023-000494. Accordingly, Aqua reports on the status of these proceedings.

In re: City of Chester, Pennsylvania, Debtor, Case No. 22-13032

Consistent with Bankruptcy Judge Ashely M. Chan’s Order of March 7, 2023, Aqua participated in the sixty (60) day period of discussions on the City of Chester’s (“City”) claimed reversionary interests in certain assets constituting a small portion of the DELCORA wastewater system. Judge Chan conducted a hearing on May 15, 2023, at which time the City of Chester, Aqua and DELCORA reported to the Court on the status of the Parties’ efforts toward identifying and reaching an agreement regarding identification of any assets subject to the claimed reversionary interest. At the hearing, Aqua identified assets it believed may be subject to the reversionary interest. Aqua also committed to recognize a Reversionary Interest with respect to any assets that are ultimately identified as subject to that interest. On May 23, 2023, the

Bankruptcy Court issued an order staying Aqua's DELCORA Application before the Pennsylvania Public Utility Commission ("PUC"). Aqua subsequently appealed that order to the United States District Court for the Eastern District of Pennsylvania. On April 16, 2026, the District Court issued an order affirming the Bankruptcy Court's May 23, 2023 order. The District Court concluded that the Bankruptcy Court correctly enforced the automatic stay against Aqua's continued prosecution of the PUC Proceedings. On April 24, 2026, Aqua filed a notice of appeal to the United States Court of Appeals for the Third Circuit. A briefing schedule has not yet been issued.

In a related matter, on February 6, 2026, the City commenced an Adversary Proceeding in the E.D. Pa. Bankruptcy Court, Case No. 26-00110-amc, against DELCORA and Aqua, seeking, *inter alia*: (a) a declaratory judgment that the assets included in the Reversionary Provision are all assets of DELCORA necessary for the City to operate a sewer system within the City (excluding only the Treatment Plant and certain other specifically described facilities in the collection system); (b) an injunction prohibiting DELCORA from transferring the assets subject to the Reversionary Provision to Aqua; (c) a declaratory judgment against DELCORA and Aqua that the assignment of the 1973 Agreement under the Asset Purchase Agreement between Aqua and DELCORA ("APA") would violate the Anti-Assignment Provision of the 1973 Agreement; (d) an injunction prohibiting DELCORA from assigning the 1973 Agreement to Aqua without the City's consent; (e) a declaratory judgment that the failure of the APA to provide for the payment of a revenue stream violates an easement owned by DELCORA; (f) an injunction prohibiting DELCORA from assigning the easement to Aqua; (g) a declaratory judgment against DELCORA that DELCORA has anticipatorily breached the 1973 Agreement; and (h) an injunction prohibiting DELCORA from consummating the transactions contemplated by the APA. On April 17, 2026, Aqua filed an Amended Answer, Affirmative Defenses and a Counterclaim against the City. In the Amended Answer, Aqua opposed all of the City's requested relief. In the Counterclaim, Aqua sought, *inter alia*: (a) a declaratory judgment that the consummation of the sale to a private utility such as Aqua under the APA does not violate the prohibitory conditions subsequent to which the Reversionary Provision is subject and therefore the sale is permissible; (b) a declaratory judgment that the assets included in the Reversionary Provision are assets that were owned by the City prior to the 1973 Agreement, that were conveyed to DELCORA pursuant to the 1973 Agreement, that remain in existence on the date that the conditions of the Reversionary Provision are satisfied, and were not excluded by the terms of the 1973 Agreement; (c) a declaratory judgment that the Gannett Fleming Report produced by Aqua in 2023 identified the assets subject to the Reversionary Provision; (d) a declaratory judgment that the easement amended the 1973 Agreement to permit assignment of the assets subject to the Reversionary Provision; and (e) a declaratory judgment that the provisions of the APA effectuating an assignment of the easement by DELCORA to Aqua are valid and enforceable. On May 1, 2026, the City filed a Motion to Dismiss Aqua's Counterclaim, arguing that Aqua's Counterclaim should be dismissed as a matter of law. On May 22, 2026, Aqua responded to the City's Motion, arguing why Aqua's Counterclaim was legally sufficient. On June 4, 2026, the City filed a Reply in further support of its Motion to Dismiss. The Motion to Dismiss currently remains pending before the Court.

On August 26, 2024, the Receiver of the City filed with the U.S. Bankruptcy Court a Plan of Adjustment which indicated his intent to proceed with a process to monetize water assets, which included assets owned by the Chester Water Authority, the Stormwater Authority of the City of Chester, and the City's reversionary interests in certain of the sewer assets of DELCORA. On November 20, 2024, a Request for Qualifications ("RFQ") was issued by the City's Receiver for

interested parties to submit a response to the RFQ by January 15, 2025. A Request for Proposals (“RFP”) was issued on May 2, 2025. On December 12, 2025, the Receiver extended the time to respond to the RFP to April 3, 2026.

However, by decision entered on January 21, 2026, the Pennsylvania Supreme Court reversed the prior September 16, 2021 decision of the Commonwealth Court of Pennsylvania, which had held that the City of Chester had the unilateral power to take back the assets/projects of the Chester Water Authority. The Supreme Court held, to the contrary, that the power to take back those assets/projects is instead within the power of the nine-member Chester Water Authority Board, on which the City of Chester, Chester County, and Delaware County have equal representation. Thus, without the cooperation of a majority of the Chester Water Authority Board, the Receiver of the City cannot proceed with a process to monetize the assets of the Chester Water Authority. Following the Supreme Court's decision, the Receiver for the City suspended the RFP.

The City's claimed reversionary interest in certain of the sewer assets of DELCORA is not affected by the Supreme Court's January 21 Decision, and the Bankruptcy Court's order staying Aqua's DELCORA Application before the PUC remains in effect for this reason as well.

DELCORA Complaint for Declaratory Judgment against Aqua and Delaware County before the Delaware Court of Common Pleas, Docket No. CV-2023-000494

In this proceeding, Aqua filed preliminary objections to DELCORA's Complaint. Delaware County filed an Answer to DELCORA's Complaint. The court scheduled a hearing on Aqua's preliminary objections for October 12, 2023. However, prior to the scheduled hearing, the Delaware County Court notified the parties that the hearing was canceled and that the preliminary objections would be re-listed after the parties receive the benefit of a Commonwealth Court's decision on Delaware County's appeal of the Delaware County Court's September 13, 2022, Remand Order.


On June 4, 2024, the Commonwealth Court issued its Opinion in Delaware County's appeal from the September 13, 2022 Remand Order, affirming the Remand Order to the extent it granted Delaware County mandamus relief, dismissing Delaware County's Trust-related claims as moot, and acknowledging DELCORA's ability under the Municipal Authorities Act to execute the Asset Purchase Agreement with Aqua. None of the parties pursued an appeal to the Supreme Court of Pennsylvania, and as a result the June 4, 2024, Commonwealth Court Order is final.

On December 3, 2024, the Delaware County Court of Common Pleas issued an order that sustained Aqua's preliminary objections and dismissed DELCORA's complaint. In dismissing DELCORA's complaint, Judge Dozor's Opinion stated that "... this Court finds that there is no uncertainty, case or controversy as a matter of law, and therefore declaratory relief is unnecessary and inappropriate." Judge Dozor also stated that "as a result of prior decisions of this Court and the Commonwealth Court, the issues that Delcora asked this Court to decide have already been fully litigated and decided, no uncertainty remains, and those issues cannot be relitigated in this case", and that "[i]t is important to note, that this Court has always confirmed the authority of the Pennsylvania Public Utility Commissions scope of the review, authority and approval."

Because more than thirty days have elapsed since the December 3, 2024 Order without DELCORA seeking to amend its Complaint or filing an appeal challenging the dismissal of its Complaint, the December 3, 2024 Order has become final and unappealable.

Copies of this Status Report have been served on Parties to this proceeding, as indicated in the attached Certificate of Service.

Very truly yours,



John F. Povilaitis

JFP/psm

cc: Certificate of Service
The Honorable F. Joseph Brady

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Application of Aqua Pennsylvania Wastewater, :
Inc. pursuant to Sections 507, 110 and 1329 of :
the Public Utility Code for Approval of its : Docket No. A-2019-3015173
Acquisition of the Wastewater System Assets :
of the Delaware County Regional Water Quality :
Control Authority :

CERTIFICATE OF SERVICE

I hereby certify that this day I served a copy of the foregoing document upon the persons listed below in the manner indicated in accordance with the requirements of 52 Pa. Code § 1.54.

Via Email:

Kenneth Kynett, Esquire
Petrikin Wellman Damico Brown & Petrosa
The William Penn Building
109 Chesley Drive
Media, PA 19063
kdk@petrikin.com
Counsel to Edgmont Township
NO CONFIDENTIAL MATERIALS

Allison C. Kaster, Esquire
Bureau of Investigation and Enforcement
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
P.O. Box 3265
Harrisburg, PA 17105-3265
akaster@pa.gov

Melanie Joy El Atieh, Esquire
Harrison W. Breitman, Esquire
Office of Consumer Advocate
555 Walnut Street, Forum Place, 5th Floor
Harrisburg, PA 17101
melatieh@paoca.org
hbreitman@paoca.org
OCADelcora@paoca.org

Alexander R. Stahl, Esquire
Aqua Pennsylvania, Inc.
762 W. Lancaster Avenue
Bryn Mawr, PA 19010
astahl@aquaamerica.com

Steven Gray, Esquire
Office of Small Business Advocate
300 North Second Street, Suite 1102
Harrisburg, PA 17101
sgray@pa.gov

Michael P. Clarke, Esquire
Clarke Gallagher Barbiero Amuso
& Glassman Law
1300 Virginia Avenue, Suite 405
Fort Washington, PA 19034
mclarke@cgbaglaw.com
*Counsel to Delaware County Regional Water
Quality Control Authority*

Cynthia Pantages
C&L Rental Properties, LLC
30 S. Lake Drive
P.O. Box 516
Lake Harmony, PA 18624
cyndipantages@gmail.com

Joseph L. Vullo, Esquire
Burke Vullo Reilly Roberts
1460 Wyoming Avenue
Forty Fort, PA 18704
jlvullo@bvrirlaw.com
*Counsel to Southwest Delaware County
Municipal Authority*

Thomas J. Sniscak, Esquire
Whitney E. Snyder, Esquire
Kevin J. McKeon, Esquire
Melissa A. Chapaska, Esquire
Hawke McKeon & Sniscak LLP
100 North Tenth Street
Harrisburg, PA 17101
TJSniscak@hmslegal.com
WESnyder@hmslegal.com
KJMckeon@hmslegal.com
machapaska@hmslegal.com
*Counsel to Energy Transfer Marketing
& Terminals, L.P.*

Adeolu A. Bakare, Esquire
Kenneth R. Stark, Esquire
Victoria Geddis, Esquire
McNees Wallace & Nurick, LLC
100 Pine Street
P.O. Box 1166
Harrisburg, PA 17108-1166
abakare@mcneeslaw.com
kstark@mcneeslaw.com
vgeddis@mcneeslaw.com
*Counsel to the County of Delaware,
Pennsylvania*

Edward L. Clark, Jr., General Manager
Treasure Lake Property Owners Association
13 Treasure Lake
DuBois, PA 15801
gm@treasurelake.us

Robert W. Scott, Esquire
Law Offices of Robert W. Scott, P.C.
205 North Monroe Street
P.O. Box 468
Media, PA 19063
rscott@robertwscottpc.com
Counsel for Borough of Swarthmore

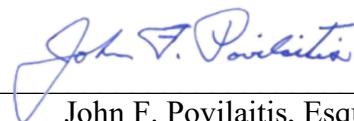
Lawrence and Susan Potts
11 Chestnut Street
P.O. Box 522
Lake Harmony, PA 18624
Susie01213@aol.com

Ross F. Schmucki
218 Rutgers Avenue
Swarthmore, PA 19081
rschmucki@gmail.com

Patricia A. Kozel
15 Hazzard Run Road
Lake Harmony, PA 18624
Pattyk6@icloud.com

Peter Ginopolas
P.O. Box 197
Lake Harmony, PA 18624
pete@kiddertax.com

Dated: June 15, 2026



John F. Povilaitis, Esquire