

SUPREME COURT OF PENNSYLVANIA

In re: Chester Water Authority Trust; Petition of Chester Water Authority; City of Chester v. Chester Water Authority

Chester Water Authority · No. 519, 520, 521, 522, 569, 570, 571, and 572 MAL 2021 · Decided April 11, 2022

SUMMARY

The Supreme Court of Pennsylvania granted petitions and cross-petitions for allowance of appeal in consolidated matters concerning the City of Chester's authority to seize and transfer Chester Water Authority assets under the Municipal Authorities Act. The court identified issues involving statutory authority, the representational rights of Delaware and Chester Counties, and whether municipalities subject to mandatory board-appointment provisions have the same property-conveyance rights as municipalities that voluntarily join a joint authority.

CASE DETAILS

COURT	Supreme Court of Pennsylvania
WRITING FOR THE COURT	Per Curiam
JURISDICTION	Pennsylvania
DECIDED	April 11, 2022
DOCKET	519, 520, 521, 522, 569, 570, 571, and 572 MAL 2021
DISPOSITION	other
PROCEDURAL POSTURE	The Supreme Court of Pennsylvania granted consolidated petitions for allowance of appeal and cross-petitions from an order of the Commonwealth Court.
PRECEDENTIAL VALUE	precedential
PARTIES	Chester Water Authority, Chester County v. City of Chester, Chester Water Authority Trust, Nicole Whitaker, Wanda Mann, Michelle Conte, Tyler Therriault, Esquire, Kathryn A. Townsend, Victor S. Mantegna, James D. Neary, Diane and James Bohr, Wolf Equity, L.P.

TOPICS

appellate procedure

municipal law

statutory interpretation

PRACTICE AREAS

QUESTIONS PRESENTED

1. Whether the City of Chester may seize and sell Chester Water Authority assets under section 5622(a) of the Municipal Authorities Act to address its own unrelated financial distress while overriding representational rights granted to Delaware and Chester Counties under Act 73 of 2012.
2. Whether the Commonwealth Court erred by failing to follow *Burke v. N. Huntingdon Twp. Mun. Auth.*, 136 A.2d 310 (Pa. 1957), concerning whether only an authority may authorize a transfer under the predecessor to section 5622(a).
3. Whether, when a municipality is statutorily mandated to appoint members to a water or sewer authority board under section 5610(a.1) of the Municipal Authorities Act, the municipality has the same rights to convey authority property as a municipality that voluntarily joins a joint authority under section 5610(a) (2).

KEY QUOTATIONS

“These appeals are consolidated for purposes of argument and disposition.” (order at 2-3)

FACTUAL BACKGROUND

The dispute concerns whether the City of Chester may seize and sell Chester Water Authority assets to address the City's unrelated financial distress. It also concerns the statutory rights of Delaware and Chester Counties to appoint representatives to the authority and whether those rights affect the conveyance of authority property.

PROCEDURAL HISTORY

Chester Water Authority and Chester County sought allowance of appeal from a Commonwealth Court order arising from a dispute concerning the City of Chester's authority to transfer or seize Chester Water Authority assets and the counties' statutory representational rights. The Supreme Court granted the petitions at 519-522 MAL 2021 and the cross-petitions at 569-572 MAL 2021, consolidated the appeals for argument and disposition, and denied moot applications for leave to file amicus briefs.

DISPOSITION

other

REMAND INSTRUCTIONS

The appeals were consolidated for purposes of argument and disposition. The order did not resolve the merits of the stated issues.

CASES CITED

- *Burke v. N. Huntingdon Twp. Mun. Auth.*, 136 A.2d 310, 313-14 (Pa. 1957)

OPINION

PER CURIAM.

IN THE SUPREME COURT OF PENNSYLVANIA MIDDLE DISTRICT IN RE: CHESTER WATER AUTHORITY: No. 519 MAL 2021 TRUST:: Petition for Allowance of Appeal from PETITION OF: CHESTER WATER: the Order of the Commonwealth AUTHORITY: Court IN RE: CHESTER WATER AUTHORITY: No. 520 MAL 2021 TRUST:: Petition for Allowance of Appeal from PETITION OF: CHESTER WATER: the Order of the Commonwealth AUTHORITY: Court CITY OF CHESTER: No. 521 MAL 2021 v.: Petition for Allowance of Appeal from: the Order of the Commonwealth: Court CHESTER WATER AUTHORITY NICOLE: WHITAKER, WANDA MANN, MICHELLE: CONTE, TYLER THERRIAULT, ESQUIRE,; KATHRYN A. TOWNSEND, VICTOR S.: MANTEGNA, JAMES D. NEARY, DIANE: AND JAMES BOHR AND WOLF EQUITY,; L.P.: PETITION OF: CHESTER WATER: AUTHORITY: IN RE: CHESTER WATER AUTHORITY: No. 522 MAL 2021 TRUST:: Petition for Allowance of Appeal from PETITION OF: CHESTER WATER: the Order of the Commonwealth AUTHORITY: Court IN RE: CHESTER WATER AUTHORITY: No. 569 MAL 2021 TRUST:: Petition for Allowance of Appeal from CROSS PETITION OF: CHESTER: the Order of the Commonwealth COUNTY: Court IN RE: CHESTER WATER AUTHORITY: No. 570 MAL 2021 TRUST:: Petition for Allowance of Appeal from CROSS PETITION OF: CHESTER: the Order of the Commonwealth COUNTY: Court CITY OF CHESTER: No. 571 MAL 2021 v.: Petition for Allowance of Appeal from: the Order of the Commonwealth: Court CHESTER WATER AUTHORITY NICOLE: WHITAKER, WANDA MANN, MICHELLE: CONTE, TYLER THERRIAULT, ESQUIRE,; KATHRYN A. TOWNSEND, VICTOR S.: MANTEGNA, JAMES D. NEARY, DIANE: AND JAMES BOHR AND WOLF EQUITY,; L.P.: CROSS PETITION OF: CHESTER: COUNTY IN RE: CHESTER WATER AUTHORITY: No. 572 MAL 2021 TRUST:: Petition for Allowance of Appeal from CROSS PETITION OF: CHESTER: the Order of the Commonwealth COUNTY: Court ORDER PER CURIAM AND NOW, this 11TH day of April, 2022, the Petition for Allowance of Appeal at 519-522 MAL 2021 is GRANTED.

The issues, as stated by Petitioner, are:

522 MAL 2021 AND 569-572 MAL 2021, J.

- 2 (1) Does the City of Chester have the right to seize the assets of Chester Water Authority pursuant to Section 5622(a) of the Municipal Authorities Act, 53 Pa.C.S. § 5622(a), and sell those assets to address its own unrelated financial distress, while overriding the representational rights granted by Act 73 of 2012, 53 Pa.C.S. §§ 5610(a.1), 5612(a.1), to Delaware and Chester Counties?

(2) Did the Commonwealth Court commit reversible error by failing to follow *Burke v. N. Huntingdon Twp. Mun. Auth.*, 136 A.2d 310, 313- 14 (Pa. 1957), which is controlling precedent

that only an authority can authorize transfer under the predecessor to Section 5622(a)? Speaker of the House of Pennsylvania Representatives Bryan Cutler and State Representative John Lawrence's Application for Leave to File Amicus Curiae Brief in Support of Petition for Allowance of Appeal, and Application for Leave to File Responses in Further Support of Application for Leave to File Amicus Curiae Brief are DENIED as moot.

The Cross-Petition for Allowance of Appeal at 569-572 MAL 2021 is GRANTED. The issue, as stated by Cross-Petitioner, is: When a municipality is statutorily mandated to appoint members to a water or sewer authority board pursuant to Section 5610(a.1) of the Municipal Authorities Act, does the Act provide such a municipality with the same rights to convey authority property as a municipality who voluntarily joins a joint authority pursuant to Section 5610(a)(2)?

Food and Water Watch's Application for Leave to File Amicus Curiae Brief is DENIED as moot. These appeals are consolidated for purposes of argument and disposition. Justice Brobson did not participate in the consideration or decision of this matter

522 MAL 2021 AND 569-572 MAL 2021, J.

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