

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF PENNSYLVANIA**

IN RE	:	Chapter 9
	:	
CITY OF CHESTER,	:	
	:	Bankruptcy No. 22-13032-AMC
DEBTOR	:	
	:	

ORDER

AND NOW, this 23rd day of October 2025, upon consideration of the “Motion (I) to Enforce Order Entered Pursuant to Rule 2004 of the Federal Rules of Bankruptcy Procedure, (II) for the Imposition of Sanctions, and (III) for Certain Access to CWA Property” (“Motion to Enforce”) filed by the debtor, City of Chester (the “City”)¹; “Objection to Debtor’s Motion (I) to Enforce Order Entered Pursuant to Rule 2004 of the Federal Rules of Bankruptcy Procedure, (II) for the Imposition of Sanctions, and (III) for Certain Access to CWA Property” (“CWA Objection”) filed by the Chester Water Authority (“CWA”)²; “Report with Respect to CWA’s Compliance with the 2004 Order and the City’s Request for Sanctions” (“City Report”) filed by the City³; and “Chester Water Authority’s Response to Status Report Filed by the Debtor” (“CWA Report Response”)⁴; and after hearings held on July 23, 2025 and September 3, 2025, the Court hereby finds as follows:

1. The CWA currently maintains certain water source rights, raw water conveyance, treatment, treated water conveyance, storage and distribution systems, including, but not limited to, the Octoraro water reservoir located in southeastern Lancaster County, water treatment plants, transportation and distribution facilities, pipes, plumbing stations,

¹ Case No. 22-13032 ECF 837

² Case No. 22-13032 ECF 841

³ Case No. 22-13032 ECF 866

⁴ Case No. 22-13032 ECF 872

storage tanks, real property interests, personal property, tangible and intangible assets, good will and all system related authorizations, permits, plans, licenses and related approvals (“Water Assets”). Case No. 22-13032 ECF 6 Kapoor First Day Decl. (hereafter referred to as “Kapoor First Day Decl.”) ¶ 33; ECF 583 Plan Art. I ¶ 132. The relevant background relating to the City’s dispute with the CWA over the City’s efforts to monetize the Water Assets is recounted in detail in the Court’s order entered February 13, 2025 granting in part the City’s motion for entry of order requiring the CWA to produce documents pursuant to Federal Rule of Bankruptcy Procedure 2004 (“2004 Order”), and is fully incorporated herein. *See* Case No. 22-13032 ECF 688.

2. On December 4, 2024, the City filed a motion to compel the CWA to produce, pursuant to Federal Rule of Bankruptcy Procedure 2004 (“Rule 2004”), 54 categories of documents to assist with valuing the Water Assets (“2004 Motion”). *Id.* at ECF 633, Ex. B. The 2004 Motion also sought authorization for the City and potential third-party bidders on the Water Assets to access the CWA’s facilities to inspect the Water Assets and authorization for the City to share documents received pursuant to Rule 2004 with third-party bidders subject to execution of a confidentiality agreement. *Id.* at ECF 633. The CWA subsequently filed an objection to the 2004 Motion. *Id.* at ECF 643.
3. On January 29, 2025, the City filed a reply in response to the CWA’s objection (“2004 Reply”). *Id.* at ECF 676. In the 2004 Reply, the City raised concerns about certain requests sent out by the CWA to potential bidders on the Water Assets pursuant to Pennsylvania’s Right to Know Law (“Right to Know Requests”) and sought to supplement its 2004 Motion to include an additional five categories of documents related to those Right to Know Requests. *Id.* at Ex. 1.

4. On February 12, 2025, the Court held a hearing on the 2004 Motion. *Id.* at ECF 707 Hrg. Tr., Feb. 12, 2025 (“Feb. Tr.”).

5. At the conclusion of the hearing, the Court instructed:

I’m granting the 2004 motion. And I guess the argument that I’m just trying to get you to focus on for me is, generally speaking, when courts grant 2004 motions, are there or are there not restrictions on the use of those documents, especially when an NDA would be signed by any other party? So if you find that there’s case law out there – so I don’t need to hear about the purpose of the discovery right. The purpose of the discovery, in your mind, is to talk about the annihilation of CWA. What I want you to focus on is are there other courts out there that say, when people obtain an order granting a 2004 motion, is the party who is the movant under that motion allowed to share those documents with anyone, right, or not? And I just want to know the answer to that question.

And I kind of suspect that the answer would be that, as long as it’s not confidential, they probably could share it. And especially if they signed an NDA, they could share it. But I want to give you an opportunity to convince me otherwise. Okay?

So do you guys want to put together a brief about that? So I’m going to grant the motion. But as to whether or not you can share the documents with third parties...do you want to file something

...

So I’m just going to say, in two weeks the City is going to file a brief in support of its request to share documents that are seized under the 2004 motion with third parties.

And then I’ll give you guys two weeks from that date. So two weeks they’ll have to respond to that. And then whenever the next available court hearing.

Feb. Tr. 42:22-44:8.

6. On February 13, 2025, the Court entered the 2004 Order compelling the CWA to produce within fourteen days the documents requested in connection with the 2004 Motion and

2004 Reply, as well as produce any relevant supplemental documentation upon reasonable request of the City. Case No. 22-13032 ECF 688.

7. On February 27, 2025, counsel for the CWA sent a letter (“February CWA Letter”) to counsel for the City stating: “[t]oday CWA is making an electronic production that comprises CWA0001 through CWA4986. To the extent that documents within this production contain certain material that is subject to privilege or protection, CWA has either redacted that information and/or marked the entire record as confidential.” *Id.* at ECF 837 Ex. A. The February CWA Letter also states “CWA made a number of productions to the Debtor through the course of a Confidential Mediation, including documents bates labeled CWA MedPro0001 through CWAMedPro0877. These documents are already within the Debtor’s possession and are responsive to the 2004 Requests.” *Id.* Finally, the February CWA Letter explains:

[b]etween today’s production and the documents produced over the course of the Confidential Mediation, CWA has made a substantial production of responsive records to the Debtor and has worked diligently and in good faith to do so. This being said, and as I explained on our call yesterday, CWA has not been able to collect the totality of responsive documents for production within this very short time-frame due, in large part, to the breadth of the requests, storage of the records and health and staffing issues within the agency. Outstanding categories include, primarily, those related to real estate/infrastructure and permits and authorizations.

CWA continues to work on collecting the responsive records and expects to be able to produce them within two (2) weeks...We will make supplemental production(s) as the records become available.

Id.

8. Meanwhile, on April 11, 2025, in response to supplemental briefing regarding the permitted usage of documents produced pursuant to the 2004 Order, the Court entered an order (“2004 Usage Order”) authorizing the City “to utilize the produced documents in

connection with the RFP Process described in the Plan, subject to any reviewing third-party's entry into a non-disclosure agreement or other confidentiality agreement with the City to access non-public information[.]" explaining, in part, that "[w]hile the CWA asserts that it has obligations under state law to maintain the privacy and confidentiality of certain documents, the CWA Memo does not identify those documents for the Court and in fact...it appears that the CWA has only identified to the City a very limited number of documents as confidential." *Id.* at ECF 782.

9. On May 9, 2025, having received no further production from the CWA, counsel for the City sent a letter ("May City Letter") to counsel for the CWA to request that the CWA produce further documents to the City in connection with the 2004 Order by May 23, 2025. *Id.* at ECF 837 Ex. B. Aside from seven entirely new requests, the attachment to the May City Letter identifying the requested documents mostly follows up on 15 original requests which remained outstanding at the time of the letter. *Compare* Case No. 22-13032 ECF 633 Ex. B to ECF 837 Ex. B.
10. On May 27, 2025, counsel for the CWA sent counsel for the City a letter ("May CWA Letter") arguing that "a unilaterally imposed fourteen (14) day deadline to compile and review the volume and type of documentation recently requested is far from reasonable, and CWA will require further time to be in a position to substantively address your requests." Case No. 22-13032 ECF 837 Ex. C.
11. By way of further explanation, the May CWA Letter states:

[i]n accordance with its statutory obligations, CWA must analyze the supplemental requests, locate/collate potentially responsive documentation and review that material for confidential security information, privilege and protection. Furthermore, and as a direct result of the Court's April 11, 2025 Order, CWA is also consulting with appropriate state and federal oversight agencies with regard its obligations and those of the Receiver

under, *inter alia*, the Public Utility Confidential Security Information Disclosure Protection Act, 35 P.S. §§ 2141.1-2141.6 (the ‘CSI Act’). The CSI Act was enacted ‘to create mechanisms for the safeguarding of [CSI] of public utilities that is provided to various state agencies...from disclosure that may compromise security against sabotage or criminal or terrorist acts.’ *Energy Transfer v. Friedman*, 265 A.3d 421, 430 (Pa. 2021).

Id.

12. Subsequently, on June 18, 2025, the City filed the Motion to Enforce seeking entry of an order compelling CWA to produce all responsive documents to the City’s outstanding Rule 2004 document requests within seven days of entry of an enforcement order; imposing sanctions upon CWA’s counsel pursuant to § 105(a)/the Court’s inherent powers for CWA’s failure to comply with the 2004 Order by not timely producing certain responsive documents and by refusing to supplement production upon the City’s reasonable request; and authorizing a third-party engineer to access CWA’s facilities to compile an inventory of the Water Assets for review by interested bidders in advance of the September 2, 2025 bid deadline⁵ for the Water Assets as the City represents is customary for sales of utilities. Case No. 22-13032 ECF 837.

13. On July 2, 2025, the CWA filed the CWA Objection, disputing that the CWA has acted in bad faith in connection with the 2004 Order, arguing that it has demonstrated good faith efforts to comply with the 2004 Order as apparent from the CWA’s significant production to date and its continuing review of responsive documents for confidential security information to designate it, segregate it, and make it available to the City, as the CSI Act entitles it to do. *Id.* at ECF 841. The CWA Objection further explains that:

since the issuance of the [2004 Order], CWA has worked diligently to identify and collect documents responsive to Debtor’s many 2004 Requests and engage in the review necessary to designate those containing CSI in accordance with its obligations under section 2141.3 of the CSI

⁵ The deadline has since been extended.

Act. CWA has produced more than 5,000 pages and has close to 12,000 additional pages nearly ready to produce. But with more than twenty additional requests issued in May 2025, the CWA has had to return to the drawing board again to identify and collect responsive documents and engage in its statutory review for, *inter alia*, CSI.

Id.

14. The CWA Objection also noted concerns about the absence of information regarding any protocols in place on the City's end to ensure confidential and sensitive information produced by CWA would remain secure. *Id.*

15. Meanwhile, on July 7, 2025, the City published a deliberative agenda seeking to “authorize establishing procedures and adopting policies to address the receipt, retention, requests, responses, and dissemination of information containing confidential security information received by the City of Chester by a public utility” via resolution at a forthcoming public meeting. *Id.* at ECF 844 Ex. A of Ex. B. Resolution 84, attached to the deliberative agenda, proposes:

establish[ing] procedures for public utilities to follow when filing records with the City of Chester containing confidential security information under Act 156 (Act 156), and procedures to address challenges by members of the public to a public utility's designation of confidential security information or requests to examine records containing confidential security information in both adversarial and non-adversarial proceedings pending before the City of Chester or a court of competent jurisdiction.

Id. at ECF 844 Ex. B of Ex. B.

16. On July 23, 2025, the day of the hearing on the Motion to Enforce, CWA produced an additional approximately 12,000 documents to the City. Case No. 22-13032 ECF 856, ECF 890 Tr. 20:23-24, Sept. 3, 2025 (“Sept. Tr.”).

17. Later that day, the Court held the hearing on the Motion to Enforce. At the hearing, the Court expressed that:

I did feel a little dismay when the CWA pointed out that, you know, that their concerns [sic] is confidentiality. You don't want your materials being dispersed to anyone. We have had bad actors out there. We have to be really careful, so I did see that recently that the City has taken steps to try to make the information that they receive from the CWA, and they tried to protect it.

So I guess I was a little concerned, on CWA's behalf, you know, that these measures weren't already in place, and while I think that this is an issue that should be best addressed by the District Court, I did want to inquire as to the security of the information that's being received by the CWA...

Case No. 22-13032 ECF 857 Tr. 6:18-7:5, July 23, 2025 ("July Tr.").

18. In response to the Court's concerns, the City's counsel explained that only three attorneys at Ballard Spahr and two professionals at HRG have ever had access to the documents produced by the CWA and that Resolution 84 passed the morning of the hearing. *Id.* at 7:8-21, 8:7-11, 8:18-9:15. The CWA responded that it had only learned the week prior to the hearing who had access to those documents. *Id.* at 11:24-12:3.

19. After the City addressed the Court's concerns respecting the confidentiality of the documents produced by the CWA, the Court explained that the City is entitled to the documents the City requested pursuant to the 2004 Order and instructed that the City put together a filing respecting what sanctions it seeks in connection with the Motion to Enforce so that the CWA can adequately respond prior to a continued hearing on that aspect of the Motion to Enforce. *Id.* at 27:5-29:13.

20. On July 31, 2025, the Court entered the order proposed jointly by the City and CWA ("Joint Order") providing, in pertinent part, that:

2. Within fourteen (14) days following entry of this Order, CWA will produce to the City all remaining documents requested in (1) Exhibit B to the 2004 Motion; (2) Exhibit 1 to the City's Reply in support of the 2004 Motion [Dkt. No. 852]; and (3) Exhibit A to the May 9 Letter as defined in the Motion.

...

4. The City is permitted access to CWA's premises as reasonably necessary for a qualified third-party engineer to inspect the Water Assets (the 'Inspection') for the purpose of producing an inventory and condition report of the Water Assets (the 'Inspection Report'). The Inspection Report will be furnished to CWA upon completion. This paragraph is without prejudice to any party's rights or obligations pursuant to the Public Utility Confidential Security Information Disclosure Protection Act, 35 P.S. §§ 2141.1-2141.6 or the Pennsylvania Right to Know Law, 65 P.S. §§67.101-67.3104, or any party's right to challenge the assertion of a right or obligation thereunder.

5. The City and CWA will confer in good faith on a reasonable time, place, and manner for the Inspection to occur.

6. By August 6, 2025, the City shall file a report (the 'City's Report') regarding (i) the status of document production by CWA...and (iii) redacted invoices reflecting the costs and expenses incurred by the City in prosecuting the Motion and other such evidence in support of the City's request for sanctions.

7. By August 20, 2025, CWA shall file any response to the City's Report (the 'CWA's Report').

8. On September 3, 2025 at 12:30 p.m., the Court shall hold a hearing with respect to the Motion, this Order, the City's Report, and the CWA's Report, and to determine whether any sanctions are warranted and, if so, the amount of sanctions, if any, to be imposed upon CWA due to its failure to comply with the 2004 Order, necessitating the filing of the Motion.

Case No. 22-13032 ECF 858, 859.

21. On August 5, 2025, the CWA re-produced certain documents to the City after resolving certain technical issues with the marking of certain documents which the City had brought to the CWA's attention. *Id.* at ECF 872 CWA Resp. 14. On August 6, 2025, the CWA produced an additional 1,355 pages of documents. *Id.*

22. In the City Report filed by the City on August 6, 2025, the City requested \$138,130.00 in fees and costs for the period beginning May 1, 2025 through July 31, 2025 in connection with the Motion to Enforce and related pleadings and discovery, excluding preparation of the May City Letter. *Id.* at ECF 866 City Report ¶ 5. The City Report attaches supporting invoices. *Id.* at Ex. A.

23. On August 8, 2025, the CWA produced an additional 886 pages of documents responsive to the May City Letter. *Id.* at ECF 872 CWA Resp. 14; Sept. Tr. 21:5-7. In total, CWA produced 21,249 pages of documents in connection with the 2004 Order and May City Letter. Case No. 22-13032 ECF 872 CWA Resp. 14.
24. On August 20, 2025, the CWA filed its response to the City Report, updating the Court that it had completed production and arguing that the Court should not impose sanctions for the delayed production because the CWA has at all times acted in good faith. Case No. 22-13032 ECF 872 CWA Resp.
25. On September 3, 2025, the Court held a continued hearing on the Motion to Enforce where the Court expressed serious concerns respecting CWA's good faith in document production in connection with the 2004 Order and related supplemental requests and questioned whether the CWA would have produced a single additional document after the February CWA Letter in the absence of the Motion to Enforce. Sept. Tr. 10:11-11:8, 16:14-21, 17:17-18:5. At the conclusion of the hearing, the Court took the matter under advisement. *Id.* at 26:16-19.
26. Having already entered the Joint Order directing the completion of document production and the arrangement of an on-site inspection of the Water Assets by an engineer, the Court now considers the City's request for sanctions against CWA's counsel for deficiencies in production pursuant to the Court's inherent powers through § 105(a) of the Bankruptcy Code. Case No. 22-13032 ECF 837 Mot. ¶¶ 30, 31.
27. Bankruptcy courts, like other federal courts, have inherent powers to impose sanctions for improper conduct that is abusive to the judicial system. *See, e.g., Fellheimer, Eichen & Braverman, P.C. v. Charter Tech., Inc.*, 57 F.3d 1215, 1224 (3d Cir.1995) ("The

imposition of sanctions . . . transcends a court's equitable power concerning relations between the parties and reaches a court's inherent power to police itself”) (quoting *Chambers v. Nasco, Inc.*, 501 U.S. 32, 45-46, 111 S.Ct. 2123, 115 L.Ed.2d 27 (1991)). Bankruptcy courts exercise this inherent power pursuant to § 105(a) of the Bankruptcy Code. *In re Bailey*, 321 B.R. 169, 178 (Bankr. E.D. Pa. 2005).

28. Under § 105(a), bankruptcy courts may “issue any order . . . necessary or appropriate to carry out the provisions” of Title 11 or to take any action or make any “determination necessary or appropriate to enforce or implement court orders or rules, or to prevent an abuse of process.” 11 U.S.C. § 105(a). This broad power is intended to be exercised to prevent abuse of bankruptcy procedure. *Ettinger & Assocs. LLC v. Miller (In re Miller)*, 529 B.R. 73, 85 (Bankr. E.D. Pa. 2015) (citing *In re Volpert*, 110 F.3d 494, 500 (7th Cir.1997)); *In re Coquico, Inc.*, 508 B.R. 929, 940 (Bankr. E.D. Pa. 2014).
29. To sanction under the court’s inherent power, the court must make an explicit finding that the party against whom sanctions are to be imposed “acted in bad faith, vexatiously, wantonly, or for oppressive reasons.” *In re Prudential Ins. Co. Am. Sales Practice Litig. Actions*, 278 F.3d 175, 181 (3d Cir. 2002); *Ettinger*, 529 B.R. at 91 (quoting *Chambers v. Nasco, Inc.*, 501 U.S. 32, 45-46, 111 S.Ct. 2123, 115 L.Ed.2d 27 (1991)). A bankruptcy court is “not required to apply available statutes and procedural rules in a piecemeal fashion where only a broader source of authority is adequate to justify all the necessary sanctions.” *In re Rimsat, Ltd.*, 212 F.3d 1039, 1049 (7th Cir. 2000).
30. CWA’s conduct in the production of documents pursuant to the 2004 Order greatly troubled the Court. Despite initially producing some requested documents, the CWA omitted several thousand more pages of documents from over a dozen categories and

blatantly ignored its own self-imposed two-week deadline set forth in the February CWA Letter for completing production. Not only did the CWA ignore its unilaterally proposed deadline which would have made production due in mid-March, but it went *months* without a word to the City about production until confronted with the May City Letter. Even then, production was not forthcoming, even on a rolling basis, until the day of the hearing on the Motion to Enforce when faced with the threat of sanctions. The Court recognizes that production took longer than anticipated due to the process of going through the documents to identify and appropriately designate any confidential security information. But the CWA never once followed up with the City to explain the basis for the delay prior to the City sending the May City Letter, and never produced documents on a rolling basis as it had proposed in the February CWA Letter. These circumstances support the Court's inference that CWA's conduct was intended to hinder and obstruct discovery in bad faith as part of its efforts to interfere with the RFP Process it has vehemently opposed since the Plan proposed it. The Court sincerely doubts that CWA would have ever made further production without the pressure applied by the Motion to Enforce, justifying the Court exercising its inherent power to sanction counsel for CWA in this matter.⁶

31. Under *Goodyear Tire & Rubber Co. v. Haeger*, 137 S. Ct. 1178 (2017), the complaining party can “recover ‘only the portion of his fees that he would not have paid but for’ the misconduct.” *Goodyear*, 137 S. Ct. at 1187. Such an order must be compensatory, not

⁶ Under the federal court's inherent power and § 105(a), a court may award sanctions against both attorneys and litigants. *Ettinger & Assocs. LLC v. Miller (In re Miller)*, 529 B.R. 73, 85 (Bankr. E.D. Pa. 2015); *In re Antonelli*, 2012 WL 280722, at *13 (Bankr. D. N.J. Jan. 30, 2012); *In re Bailey*, 321 B.R. 169, 178 (Bankr. E.D. Pa. 2005). There has been no suggestion that the CWA's conduct in discovery was directed by anyone besides counsel. *See e.g.*, Sept. Tr. 18:13-19.

punitive, requiring the court to “establish a causal link – between the litigant’s misbehavior and legal fees paid by the opposing party.” *Id.* Thus, under § 105(a), courts may impose remedial sanctions aimed at compensating an aggrieved party for damage caused by the misconduct, including reimbursement for legal fees and expenses incurred. *Crawford v. Margabandhu (In re Maya Restaurants, Inc.)*, 585 B.R. 761, 776 (Bankr. W.D. Pa. 2018).

32. The lodestar method, which multiplies hours worked by the attorney’s hourly billing rate, is generally presumed to result in a reasonable fee. *Maldonado v. Houstoun*, 256 F.3d 181, 184 (3d Cir. 2001); *River Light V, L.P. v. Lin & J Int’l, Inc.*, No. 13cv3669 (DLC), 2015 U.S. Dist. LEXIS 82940, at *29 (S.D. N.Y. June 25, 2015); *Tangible Value, LLC v. Town Sports Intern. Holdings*, No. 10-1453-MAS-TJB, 2014 WL 6485972, at *4 (D. N.J. Nov. 19, 2014). However, the opposing party may object on the basis that an adjustment is warranted, and courts have broad discretion to determine the number of hours reasonably expended. *In re Crystal Cathedral Ministries*, 2020 Bankr. LEXIS 851, at *198-99 (Bankr. C.D. Cal. March 31, 2020); *Endurance Am. Spec. Ins. Co. v. Hospitality Supp. Sys. LLC*, Civ. Act. No. 17-3983, 2018 WL 3861808, at *5 (E.D. Pa. Aug. 14, 2018); *Tangible Value, LLC*, 2014 WL 6485972, at *5. The party requesting fees bears the initial burden of demonstrating the reasonableness of the requested fees by submitting evidence supporting the hours worked and rates claimed. *River Light V, L.P.*, 2015 U.S. Dist. LEXIS 82940, at *29; *Blakey v. Continental Airlines, Inc.*, 2 F. Supp. 2d 598, 602 (D. N.J. 1998) (“The party requesting fees bears the burden of proving that the request is reasonable.”).

33. Courts may also deduct hours that are inadequately documented, and the presentation of billable hours should include sufficient detail to permit the court to determine how the hours were divided. *Id.* “[A] bankruptcy judge’s experience with fee petitions and his or her expert judgment pertaining to appropriate billing practices, founded on an understanding of the legal profession,” will inform any analysis. *In re Busy Beaver Bldg. Ctrs.*, 19 F.3d 833, 854 (3d Cir. 1994). All that said, the essential goal in fee shifting is to do “rough justice,” not to achieve “auditing perfection.” *Goodyear*, 137 S.Ct. at 1187. Therefore, a court may take into account its sense of a suit, use estimates in calculating an attorney’s time, and decide that all or only a percentage of a category of expenses were incurred solely because of the sanctioned party’s misconduct. *Id.*
34. The City requests expenses incurred in connection with bringing the Motion to Enforce and subsequent pleadings and discovery in the amount of \$138,130.00 for the period of May 1, 2025 through July 31, 2025, excluding expenses incurred preparing the May City Letter. Case No. 22-13032 ECF 866 Rep. ¶ 5, Ex. A. In support of the reasonableness of the fees and costs sought, the City submitted the invoices and timesheets of its counsel, Ballard Spahr, detailing the hours worked, tasks performed, the attorney performing the task, and cost of each of the tasks performed. *Id.* at Ex. A.
35. CWA objects to the reasonableness of the fees requested on the basis that Debtor seeks reimbursement for work not directly tied to the CWA’s bad faith conduct. *Id.* at ECF 872 Resp. 29. The Court does agree that some entries detailed in footnote 7 reflect tasks which are not sufficiently connected to the Motion to Enforce.⁷ The Court will adjust the award downward in the amount of \$2,555.00 to account for that.

⁷ On May 13, 2025, A. Ivanov billed \$630 to “[d]raft second Rule 2004 motion to CWA and proposed order[.]” but at that point, CWA still had time to respond to the May City Letter. For all the City knew, the CWA

36. For the foregoing reasons, it is hereby ORDERED:

- a. The City is awarded reasonable attorneys' fees in the amount of \$135,575.00⁸ to be paid by CWA's counsel by transmittal of funds to the City's counsel within thirty (30) days;
- b. The City is authorized to take all actions necessary to effectuate the relief granted in this Order;
- c. Nothing herein is intended to, shall constitute, or shall be deemed to constitute the City's consent pursuant to § 904 of the Bankruptcy Code to this Court's interference with (a) any of the political or governmental powers of the City, (b)

could have responded by producing the remaining discovery by the deadline in the May City Letter, which would have rendered a motion seeking enforcement of the 2004 Order unnecessary. Case No. 22-13032 ECF 866 Status Rep. Ex. A. For those reasons, the Court will disallow this entry.

On May 14, 2025, A. Ivanov billed \$540 to "[r]evis second Rule 2004 motion to CWA, proposed order, and notice of hearing re same." *Id.* The Court will disallow this entry for the same reasons as for the above-mentioned May 13 entry.

On June 3, 2025, T.M. Daluz billed \$170 to "review CWA production." *Id.* The City may be compensated for efforts to secure discovery, but not for reviewing documents it would have reviewed irrespective of the dispute, even if those documents were the subject of the discovery dispute. *Mosaid Techs. Inc. v. Samsung Elecs. Co.*, 224 F.R.D. 595, 598 (D. N.J. 2004). Shifted expenses shall not include costs which would have been incurred anyway. *E.M. Sergeant Pulp & Chem. Co. v. Travelers Indem. Co.*, 2015 US Dist LEXIS 170497, at *20 (D. N.J. Dec. 22, 2015). The City did not incur the expense of reviewing discovery because of the CWA's delayed production. Although the CWA should have produced discovery far earlier, the fact that the discovery was subsequently produced does not mean that the City should be reimbursed for reviewing the discovery. The City incurred this expense because it needed the information for the RFP Process. Therefore, the Court will disallow this entry.

On June 3, 2025, M.A. Vesper billed \$90 to "[e]-mail T. Daluz re: CWA production." Case No. 22-13032 ECF 866 Status Rep. Ex. A. Again, the City's counsel would have had to correspond respecting CWA's production regardless of the dispute with CWA. For that reason, the Court will disallow this entry.

On July 9, 2025, M.A. Vesper billed \$405 to "[a]ttend meeting with T. Daluz, M. Summers, L. Roglen, and N. Brannick re: CWA litigation." *Id.* At this point in time, the Motion to Enforce was not the only litigation that the CWA was involved in with the City, therefore, this description is simply too vague to confirm for the Court that the meeting solely related to the Motion to Enforce. Consequently, the Court will disallow this entry.

On July 9, 2025, N. J. Brannick billed \$405 for an "[i]nternal conference call to discuss various CWA matters." *Id.* The Court will disallow this entry for the same reason as discussed in connection with the above-referenced July 9 entry by M.A. Vesper.

On July 16, 2025, E.L. Williamson billed \$315 to "[c]onfer w/ N. Brannick and research CWA activity." *Id.* The Court cannot conceive of what this entry refers to, and therefore, will disallow it since it cannot confirm that it relates solely to the Motion to Enforce.

⁸ This amount reflects the vehement defense that CWA put forth, as it was entitled to, involving complex issues of state law, discovery requested by both parties in connection with the Motion to Enforce and CWA's objection to it, disputes over that discovery, and multiple hearings.

any of the property or revenues of the City, or (c) the City's use or enjoyment of income-producing property; and

- d. This Court shall retain jurisdiction with respect to any and all matters arising from or related to the implementation or interpretation of this Order.



Ashely M. Chan
United States Bankruptcy Judge