

MINUTES
FINANCE COMMITTEE MEETING
MAY 13, 2020 (VIRTUAL)

Attendants: Messrs. Boland, Cherico, DiSantis, Garner, Kester, Knapp, Lucas, Monaghan, Mullen, Pileggi, Pisani, Willert, Zidek, Mesdames Amadio, Bonnett, Caulk, and Sage.

The following were present: Tom Wyatt of Obermayer. There were no other members of the public present. There were no public comments.

1. ROLL CALL: Nine members of the DELCORA Board of Directors were present constituting a quorum.
2. PLEDGE OF ALLEGIANCE: The Pledge of Allegiance was recited by all parties present.
3. MONTHLY FINANCIAL REVIEW: Mr. John Pileggi, Chief Financial Officer, provided the Board with a written summary report of the April Interim Statements and highlighted items contained in the written report. Regarding Revenue and Expenses, Mr. Pileggi stated that approximately \$11.5 million is budgeted of revenue over expenses and it is expected that we will come out at budget by the end of the year. Regarding retail collections, we collected less in the first four months of 2020 compared to the first four months of 2019 due to the current COVID-19 situation. There are no delinquency notices being sent out and there are no water shut-off notices being posted, per state mandate. Also, the bills were sent out two weeks later in 2020 than in 2019. We will be able to make a better comparison when the bills come due on May 21st as to how much we are behind in collections. All other non-retail customer classes were 100% collected in the first quarter with the exception of Linen & Company in Chester who is chronically delinquent. The second quarter bills were sent out in the beginning of April and are due by the end of May, at which time we will have a better idea of collections for the second quarter.

Mr. Willert suggested increasing the budget and/or expanding the qualifying criteria for the Customer Assistance Program due to the current level of unemployment caused by the COVID-19 pandemic and the state mandate to close certain businesses in mid-March and the stay at home directive. Mr. Pileggi stated the program began in 2019 and, to date, \$9,000 has been given to thirty-six customers. There were approximately seventy applications received and thirty-six qualified to receive assistance. Mr. Garner stated that the last time the program was advertised was about eight months ago and it would be a good idea to advertise it again given the current unemployment situation. The Community Action Agency receives the applications and reviews them for eligibility. Right now, their office is closed so applicants need to apply electronically. General discussion followed concerning expanding the program guidelines, increasing the program funds, and how to advertise it. Mr. Willert, Mr. Pileggi and Mr. Garner will meet to discuss this further. This item will be added to the Board agenda for further discussion and program options will be presented to the Board.

4. EDGMONT TOWNSHIP – TROTTERS COURT PHASE V DEVELOPMENT – AUTHORIZATION TO RELEASE ESCROW FUNDS IN THE AMOUNT OF \$97,335.25 TO THE DEVELOPER AND TO AUTHORIZE THE EXECUTIVE DIRECTOR TO EXECUTE THE “CERTIFICATION FOR RELEASE OF IMPROVEMENT SECURITY FUNDS” FORM: Mr. Pileggi stated that these are funds held in escrow until a development is completed and inspected. It was the recommendation of our solicitor to release these funds back to the developer and have the Executive Director execute the Certification for Release of Improvement Security Funds form.

Following discussion, it was the consensus of the Committee to recommend Board approval of the above. This item will be placed on the agenda for approval at the May 19th Board meeting.

5. REVISED RATE RESOLUTIONS FOR ESTABLISHING SEWER SERVICE CHARGES FOR THE YEAR 2020 FOR THE FOLLOWING:

- Rate Resolution 2020-06 For Chester City Users – Adds Ridley Mills Section Of Ridley Township And A Portion Of Upper Chichester Township (Rescinds Res. No. 2019-15)
- Rate Resolution 2020-07 For Wholesale Industrial Users – Adds Monroe Process (Rescinds Res. No. 2019-24)
- Rate Resolution 2020-08 For Upland Borough Users – Adds A Portion Of Brookhaven Borough (Rescinds Res. No. 2019-16)
- Rate Resolution 2020-09 For Parkside Borough Users – Adds A Portion Of Brookhaven Borough (Rescinds Res. No. 2019-17)
- Rate Resolution 2020-10 For Trainer Borough Users – Adds A Portion Of Upper Chichester Township (Rescinds Res. No. 2019-19)
- Rate Resolution 2020-11 For Western Wholesale Users – Adds Subaru Park [Soccer Stadium] (Rescinds Res. No. 2019-21)

Mr. Pileggi explained the rate resolutions are routinely approved in November and the service areas listed therein are general in nature. Upon reviewing the application submitted to the PUC, the PUC requested that the service areas in the above municipal rate resolutions be defined in more detail to be more inclusive. The wholesale rate resolutions add customers that were not a part of the original resolution in order to be more encompassing of that particular rate class.

Following discussion, it was the consensus of the Committee to recommend Board approval of the above revised rate resolutions. These items will be placed on the agenda for approval at the May 19th Board meeting.

ADJOURNMENT: It was moved by Mr. Lucas, seconded by Ms. Sage, and unanimously carried to adjourn the regular meeting at 3:52 p.m.



Inter - Office Memorandum

To: Robert Willert, Executive Director
From: John J. Pileggi, Chief Financial Officer / Mike Cherico, Accounting Manager
Subject: Monthly Finance Report – APRIL 2020
Date: May 13, 2020

I will be offering written comments as highlights to the financial information that you and the Finance Committee are receiving for April 2020.

1. Revenue and Expenses

Approximately \$11.5 million is budgeted for a combined Reserve for Capital Replacement and Reserve for the LTCP. As of April 30, we are projecting to meet our budget. The funds would go toward the capital plan and LTCP expenses planned for 2020 and beyond.

DELCORA did receive \$375,000 in tapping fees due to development throughout the county. Tapping fees, by their nature, are not anticipated and are not budgeted.

In 2020, DELCORA collected \$2,291,411 over the first four months. Over the same time period in 2019, DELCORA collected \$2,550,988, an unfavorable difference of \$259,576. During the pandemic, DELCORA is not charging late fees or penalties. Also, we are not sending out delinquency notices or shutting off any water for nonpayment. We are also not collecting payments at the office's lobby window. In 2019, we took in \$1.7 million at the window. In the four months of 2020, we took in \$347,000 (\$0 in April).

Also, the 2Q 2020 bills went out in late April and are due on May 21. The 2Q 2019 bills went out in early April. We will have a clearer picture in the Finance Committee reports for May and June.

2. Operations during the Pandemic

The Finance Department is operating on a reduced schedule with reduced staffing. The basic functions of the department are still being done. Employees and vendors are getting paid. Bills are being sent out. Sewer fees are being collected and deposited. Financial reporting is still being done,

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