

DELAWARE COUNTY REGIONAL
WATER QUALITY CONTROL AUTHORITY
100 EAST FIFTH STREET
CHESTER, PENNSYLVANIA 19013

SPECIAL MEETING MINUTES

MAY 26, 2020 (VIRTUAL MEETING)

A Special Meeting of the Delaware County Regional Water Quality Control Authority was held on Tuesday, May 26, 2020, at 8:30 A.M. The meeting was held virtually via Zoom.com. SPECIAL MEETING

Messrs. Boland, Knapp, Lucas, Monaghan, Mullen, Pisani, Zidek, and Madam Sage, Board Members, constituting a quorum were present. ROLL CALL

Messrs. DiSantis, Hurst, Lenton, McNichol, Pileggi, Willert, Mesdames Amadio, Bonnett, Carrero-Papi, Caulk, and Cummings were also present.

PUBLIC ATTENDANCE: The following were present: Tom Wyatt of Obermayer and others as shown on Zoom.com were: Cathy Wilt, John & Carol, Matt Olesh, Chingy Chee, Wyatt Rees, and several other participants with no names identified. PUBLIC

Mr. Boland, Vice Chairman, called the meeting to Order.

ORDER OF BUSINESS

PLEDGE OF ALLEGIANCE: The Pledge of Allegiance was recited by all parties present. PLEDGE OF ALLEGIANCE

COMMENTS FROM THE PUBLIC: Ms. Amadio stated that one emailed comment/question was received. Mr. Willert stated that this will be addressed at the end of this meeting. PUBLIC COMMENTS

NEW BUSINESS: NEW BUSINESS

1. Discuss Recently Filed Litigation: Mr. McNichol stated that the County initiated two acts against DELCORA; one is a lawsuit challenging the Rate Stabilization Fund and the other is a proposed Ordinance to dissolve the Authority. Last year, DELCORA retained the legal services of Obermayer to represent the Authority in matters pertaining to the Asset Purchase Agreement (APA) with Aqua PA and any ancillary matters. Mr. McNichol recommended that the Board make a motion authorizing Obermayer to take any and all action necessary on behalf of DELCORA in regard to litigation filed by Delaware County. He also recommended a second motion further authorizing Obermayer to take any and all action necessary on behalf of the Authority in regard to the proposed Ordinance of Delaware County Litigation

Delaware County Council. He also stated that both motions include authorizing the Executive Director to take any action upon consultation with the attorneys to proceed and that these legal services would continue under the same rates and terms as Obermayer's previous representation.

It was moved by Mr. Knapp, seconded by Mr. Monaghan, and carried with Mr. Zidek abstaining due to a real or perceived conflict of interest, to retain the legal services of Obermayer, under the same rates and terms, to represent DELCORA regarding all matters related to litigation filed by Delaware County and to authorize the Executive Director to consult with Obermayer to take any and all action necessary related to this issue.

2. Discuss County's Intent To Dissolve Authority: This item was discussed under Item No. 1.

Delaware
County
Ordinance

It was moved by Mr. Pisani, seconded by Ms. Sage, and carried with Mr. Zidek abstaining due to a real or perceived conflict of interest, to retain the legal services of Obermayer, under the same rates and terms, to represent DELCORA regarding all matters related to the proposed Ordinance of the Delaware County Council to dissolve the Authority and to authorize the Executive Director to consult with Obermayer to take any and all action necessary related to this issue.

COMMENTS FROM THE PUBLIC: Ms. Amadio read the emailed comment and question as follows:

PUBLIC
COMMENTS

Comment from John Butler of 208 Laurel Lane, Broomall, PA: He states that there had been a commitment from the March meeting that reports from committee meetings would be posted online. He cannot find them.

Ms. Amadio stated that all of the committee meeting minutes and Board minutes are posted on the DELCORA website under the "About Us" - "Meeting Minutes" link and the meetings schedule for the year can also be found there.

In response to Mr. Zidek's comment, Ms. Bonnett clarified that all of the written reports are attached to the monthly committee meeting minutes that are posted online.

Question from Mr. Butler concerning the Customer Trust Fund:
"What is to prevent Aqua to make use of this pot of money to help pay for other operations outside of our area like they did at their last rate increase where some users complained about shifting costs? Also, when the pot is gone, rate payers will see an increase of 50% to 60 % at one time."

Mr. Wyatt responded that the Trust, as it has been established for the rate payers who built the system, can only be used for the beneficiaries and the beneficiaries are only the people who are in the DELCORA existing footprint at the time of closing. There are strict controls around the calculation agent in pairing all of the bills that are submitted by Aqua and ensuring that every single beneficiary gets the benefit and no other person or business gets the benefit of the Trust.

Addressing the second part of Mr. Butler's question, Mr. Wyatt stated that DELCORA is facing \$1.2 billion of costs in capital no matter what. If nothing is done, then rates would increase by double digits for a decade or if we do what's been intended in terms of the validly existing Trust, we will augment and offset the costs of putting the new plant expansion in place by approximately \$200 million. In terms of predicting what rates will be in ten to twelve years from now, Mr. Wyatt stated that the PUC will govern what those rates will be and that once the plant expansion is in place and once the remedial actions have taken place, we do project a leveling of capital costs and needs, and that implies a leveling of rates for a period of time. He concluded by stating the Trust is meant to return the assets to the people who built the system and to help them weather the storm of future dramatic rate increases. Mr. Willert confirmed that the Trust fund is for the beneficiaries only and Aqua does not have the ability to direct the Trust to do anything else.

Ms. Amadio stated that there were no other comments or questions received.

EXECUTIVE SESSION. There was no Executive Session.

EXECUTIVE
SESSION

ADJOURNMENT: It was moved by Mr. Lucas, seconded by Mr. Pisani, and unanimously carried to adjourn the meeting at 8:45 A.M.

ADJOURNMENT

ATTEST
Secretary