

MINUTES
FINANCE COMMITTEE MEETING
AUGUST 12, 2020 (VIRTUAL)

Attendants: Messrs. Boland, Cherico, DiSantis, Kern, Knapp, Lucas, Monaghan, Mullen, Pileggi, Pisani, Willert, Mesdames Amadio, Caulk, Cummings, Nichols, and Sage.

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 July Interim Statements and highlighted items contained in his written report. Mr. Pileggi noted that there is an unfavorable difference in collections year to year. The due date of the Q3 billing cycle is August 18th. Mr. Pileggi feels that the numbers will be more favorable at the end of August. We will review at the September meeting. Mr. Willert stated that due to COVID-19, DELCORA did not issue any shut off notices or penalties which could also be a factor in the unfavorable collection number. Mr. Willert stated that they are expecting to open the lobby doors at the end of August which will bring in more foot traffic with customers paying their bills. Mr. Knapp asked how the customer service assistance program is going. Mr. Pileggi stated that it is being utilized by customers. Mr. Pileggi will give an update at the September meeting. Mr. Pileggi had no additional comments to the written report. The Committee had no other questions on the written report.
4. AUTHORIZATION FOR PROFESSIONAL SERVICES:
 - NEWGEN STRATEGIES & SOLUTIONS – PROVIDE RATE MODEL UPDATE FOR 2021 RATES – TOTAL AMOUNT NOT TO EXCEED \$9,570.00 (OPERATING FUNDS)

Mr. Kern asked that since DELCORA's bylaws state that the budget is approved by October 1st, would the NEWGEN agenda item delay that occurring. Mr. Pileggi stated that there would be no delay in the budget being approved in November as has been the practice for several years. Ms. Nichols asked if the NEWGEN work was for an anticipated rate increase in 2021. Mr. Pileggi stated that the NEWGEN work consists of setting up the 2021 rate model. The model is used for DELCORA to input the estimated flow and expenses for 2021 for DELCORA to draw up an estimated budget rate for 2021. Mr. Pileggi invited the newer Board members to meet with him so he can further explain financial items.

Following discussion, it was the consensus of the Committee to recommend Board approval of the above proposal. This item will be placed on the agenda for the August 18th Board meeting.

ADJOURNMENT: It was moved by Mr. Lucas, seconded by Mrs. Sage, and unanimously carried to adjourn the regular meeting at 3:43 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 – JULY 2020
Date: August 12, 2020

I will be offering written comments as highlights to the financial information that you and the Finance Committee are receiving for July 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 July 31, 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 \$4,264,244 over the first seven months. Over the same time period in 2019, DELCORA collected \$4,790,026 an unfavorable difference of \$525,781.

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

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,

JJP:mc