

**MINUTES**  
**FINANCE COMMITTEE MEETING**  
**SEPTEMBER 09, 2020 (VIRTUAL)**

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Attendants: Messrs. Boland, Cherico, DiSantis, Garner, Hurst, 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 August Interim Statements and highlighted items contained in his written report. Mr. Pileggi stated that as of August 31, DELCORA is projected to meet the budget. Mr. Pileggi noted that there is an unfavorable difference in collections year to year. Mr. Pileggi stated that this may be due to the pandemic COVID-19, DELCORA did not issue any shut off notices or penalties which could also be a factor in the unfavorable collection number. Mr. Kern asked why there was an additional one million dollars added to the pension funds. Mr. Pileggi stated that this was added to close the gap to have a fully funded pension plan. Mr. Pileggi had nothing further to add to his report. The Board had no additional questions.
4. UPDATE ON THE DELCORA CUSTOMER ASSISTANCE PROGRAM – SHEP GARNER: Mr. Garner reported to the Board on the Customer Assistance Programs offered by DELCORA. Mr. Garner stated that there are two different programs offered to customers. The first one is a program where DELCORA partners with Community Action. Community Action filters the requests and once it is verified that they meet the criteria the customer is approved and processed. This program allows customers to pay half of their bill and DELCORA will meet pay the other half of the bill up to \$500.00. Mr. Garner stated that currently there are forty customers in that program which started in 2019. Mr. Garner stated that since the Pandemic there has been a lack of communication with Community Action most likely due to COVID-19. Mr. Garner stated that since COVID-19 the DELCORA Board approved a program to help customers that have experienced a loss due to COVID-19 such as a job loss, DELCORA will credit an account \$250.00 for qualifying customers. Mr. Garner stated that currently there are 20 customers using that option and DELCORA has spent around \$5,000.00 into customers' accounts. Mr. Garner stated that they are still trying to reach customers about this program they have done mailers and contacted customers regarding this program. Mrs. Nichols asked how the programs compare to overall deliquescences and if the lack of communication with Community Action is since they are not open currently due to COVID-19. Mrs. Nichols also asked if Mr. Garner thinks that customers are not using the COVID-19 Program due to there not being any shut offs currently. Mr. Garner stated that it certainly may influence the program since they are not shutting off services, but also, he thinks that there would be more customers utilizing this program since it is offering free money to customers. Mr. Garner also stated that he was under the impression that Community Action was open and that DELCORA has not received any information from them in the last month. Mrs. Nichols asked about the delinquencies what is the capacity of the programs offered and how many customers could utilize these programs. Mr. Garner stated that he will get that information. Mr. Garner had nothing further to add. The Board had no further questions.

5. CLOSING OF BANK ACCOUNT WITH BRYN MAWR TRUST: Mr. Pileggi reported that this account was opened to patronize a local bank. DELCORA use to keep an account there to hold Escrow Funds however those funds have been moved to TD Bank. Currently, the last account is being used at Bryn Mawr Trust is a fines account. This is for any Pretreatment Industries that violate regulations EPA states DELCORA is to fine the company. Mr. Pileggi stated that he plans to close this account and move it to a general Operating account since the account has been dormant for a few months. Following discussion, it was the consensus of the Committee to recommend authorization to close the bank account with Bryn Mawr Trust. This item will be placed on the agenda for the September 15<sup>th</sup> Board meeting.

6. APPROVAL OF AGREEMENT FOR CALCULATION AGENT SERVICES WITH PFM FINANCIAL ADVISORS LLC FOR THE IRREVOCABLE TRUST FOR A QUARTERLY FEE OF \$11,500.00: Following a brief discussion, it was the consensus of the Committee to recommend authorization to Approve the Agreement for Calculation Agent Services with PFM Financial Advisors LLC for the Irrevocable Trust for a Quarterly Fee of \$11,500.00. This item will be placed on the agenda for the September 15<sup>th</sup> Board meeting.

7. RESOLUTION NO. 2020-14 – RATIFYING EXECUTION OF INFORMATION SHARING MEMORANDUM OF UNDERSTANDING AND ALL PRIOR ACTS AND ALL OTHER AGREEMENTS RELATED TO ASSET SALE TO AQUA PENNSYLVANIA WASTEWATER, INC. AND RATE STABILIZATION FUND TRUST AGREEMENT: Following a brief discussion, it was the consensus of the Committee to recommend approval of Resolution No. 2020-14. This item will be placed on the agenda for the September 15<sup>th</sup> Board meeting.

ADJOURNMENT: It was moved by Mr. Lucas, seconded by Mrs. Sage, and unanimously carried to adjourn the regular meeting at 3:45 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 – AUGUST 2020

**DATE:** September 9, 2020

I will be offering written comments as highlights to the financial information that you and the Finance Committee are receiving for August 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 August 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 \$400,000 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 \$5,729,214 over the first eight months. Over the same time period in 2019, DELCORA collected \$5,912,141 an unfavorable difference of \$182,927.

During the pandemic, DELCORA is not sending out delinquency notices, charging penalty or interest for nonpayment or shutting off any water for nonpayment. In the period March 17, 2019 to August 31, 2019, Delcra earned approximately \$130,000 in penalties and interest. DELCORA has not charged penalties and interest in 2020 due to the pandemic

*We will begin collecting payments at the office's lobby window on September 8, 2020.*

### 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  
cc: File