

MINUTES
FINANCE COMMITTEE MEETING
APRIL 14, 2021 (VIRTUAL)

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

The following were present: Michael McCabe and Mandi Culhane from GRB Law. There were no other members of the public present.

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 March Interim Statements and highlighted items contained in the written report. Regarding Revenue and Expenses, Mr. Pileggi stated that there was little to report since we are only three months into 2021 and there were no variances between budget and actual. Mr. Pileggi had no additional comments to the written report. The Committee had no questions on the written report.
4. REVIEW OF THE 2020 AUDITED FINANCIAL STATEMENTS: Mr. Pileggi provided a copy of the 2020 audit. Mr. Pileggi highlighted certain items found in the Audit such as the Long-Term Control Plan, Pending Sale to Aqua, Tunnel out of Philadelphia, and the Covid-19 Pandemic. Mr. Knapp asked if there have been changes in the Audit over the years. Mr. Pileggi stated that besides the certain items he mentioned there is no difference between the previous audits and this year's audit. Mr. Nagle asked if there was mention of any unfunded mandates. Mr. Pileggi stated that usually they put aside money for unfunded mandates; however, with the pending sale to Aqua, those funds have been moved. Mr. Pileggi had no additional comments on the audit. The Committee had no additional questions on the audit. Pension matters were discussed as well.

Following discussion, it was the consensus of the Committee to recommend Board approval of the 2020 Audit. This item will be placed on the agenda for approval at the April 20th Board meeting.

5. GRB LAW – PROPOSAL DATED MARCH 10, 2021 – FOR COLLECTION SERVICES – TOTAL COST WILL BE DETERMINED BY NUMBER OF ACCOUNTS AND LEVEL OF LEGAL ACTIVITY IN THE COLLECTION EFFORT (OPERATING FUNDS): Mr. Pileggi provided a detailed explanation of the previous process for recovering delinquent accounts per state regulations (i.e. 30-day notice sent first, then 10-day notice posted to front door of impending water-off, then water shut-off notice sent to Chester Water Authority to shut off the water; processing liens, staking out illegal

water turn-ons) prior to the COVID-19 virus restrictions and the moratorium on water shut-offs. Mr. Nagel stated that he was under the assumption that the State had lifted restrictions on water turn offs. Mr. Pileggi stated that yes, the state has lifted the moratorium; however, Chester Water Authority is still not allowing water to be turned off. With those restrictions in place, Mr. Pileggi stated that the delinquent accounts have gone unpaid and has requested the assistance of GRB Law to aid in collecting past bills. Mr. McCabe from GRB Law presented to the Board the process that GRB would take to collect unpaid bills. Mr. McCabe stated that the first step is to provide an opportunity for customers to pay their bills by sending a series of letters to those costumers offering a payment plan or an option to pay in full instead of putting a lien on their property. Mr. McCabe stated that the fee for GRB is based off the collections that are paid to DELCORA. He stated that there is no cost to DELCORA unless a lien process is needed. Mrs. Nichols asked if those fees are due upfront. Mr. McCabe stated that, yes, those fees are requested upfront; however, when the tax payer makes a payment, those costs are refunded to DELCORA first. Mrs. Nichols asked what the determination process is to decide when to put a lien on a property. Mr. Pileggi stated that in the past, they have waited until the end of the year and when there is a year-end balance, they then decide to put a lien on a property. However, since the pandemic, DELCORA has not put any liens on properties.

Following discussion, it was the consensus of the committee to recommend Board approval for GRB Law to provide Collection Services. This item will be placed on the agenda for approval at the April 20th 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.