

MINUTES
FINANCE COMMITTEE MEETING
JULY 14, 2021 (VIRTUAL)

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

There were no 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 June Interim Statements and highlighted items contained in the written report. Regarding Revenue and Expenses, Mr. Pileggi stated that revenue was about the same as last month and a slight favorable outcome is expected by the end of the year. He also reported that collections are doing well as there was approximately \$275,000 more collected in the first six months of 2021 compared to the same time period in 2020. Mr. Pileggi had no additional comments to the written report. The Committee had no questions on the written report.
4. PWD RATES FOR 2021-2022: Mr. Pileggi stated that the current Philadelphia Water Department (PWD) Agreement was executed in 2013 and expires in 2028. That agreement included the costs of what DELCORA would be paying over the length of the agreement and it was those costs that led to DELCORA's decision to build a tunnel to direct all flow to the Western Regional Treatment Plant. In late 2020/early 2021, DELCORA's expected share to pay for the PWD's Long Term Control Plan (LTCP) was \$880,000; however, in a letter just received from the PWD, that rate, effective October 2021 for the next twelve months, will be \$2.4 million, and that amount is anticipated to be increased in subsequent years. Discussion followed concerning our current annual PWD treatment costs and how these new PWD LTCP costs will substantially increase the rates we charge our customers in 2022. Mr. DiSantis stated that the tunnel project is expected to be completed in the fall of 2027 with a total disconnect from PWD in April 2028. Ms. Nichols asked that a list of planned PWD projects be requested to justify their LTCP rate increase. In response to a request from Mr. Knapp, Mr. DiSantis stated that Buchanan Public Relations will issue a press release explaining this latest PWD development and its impact on DELCORA customers.
5. STATUS OF DELCORA POLICY REGARDING DELINQUENT ACCOUNTS: Mr. Pileggi stated that since the beginning of the COVID-19 pandemic in March of 2020, DELCORA has not been issuing penalties or water shut-offs or charging interest on delinquent accounts. Currently, the Chester Water Authority (CWA) does not issue their own water shut-offs but we expect that they will honor any requested by DELCORA. Mr. Pileggi is requesting the Board re-institute the pre-pandemic policy to allow the issuance

of penalties and water shut-offs, and to charge interest on delinquent accounts. In response to a question from Ms. Nichols about the Customer Assistance Program, Mr. Willert requested that Mr. Pileggi provide an update on the program at the Board meeting.

Following discussion, it was the consensus of the Committee to recommend Board approval to re-institute the Delinquent Accounts Policy to pre-pandemic status. This item will be placed on the agenda for the July 20th Board meeting.

6. RESOLUTION NO. 2021-07 – RESOLUTION AUTHORIZING ORDER OF APPLICATION OF PARTIAL / INSTALLMENT PAYMENTS OF DELINQUENT ACCOUNTS: Mr. Pileggi stated this resolution will authorize how delinquent payments are applied to overdue accounts. For example, if the full amount due is \$1,000 and the customer submits a partial payment of \$500, then \$100 would be applied to legal fees, \$100 would be applied to interest, \$100 would be applied to penalties, and the remaining \$200 would be applied to the actual sewer fee. This resolution would provide legal protection for the Authority.

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

ADJOURNMENT: It was moved by Mr. Lucas, seconded by Ms. Sage, and unanimously carried to adjourn the regular meeting at 3:51 p.m.