

MINUTES
FINANCE COMMITTEE MEETING
NOVEMBER 10, 2021 (VIRTUAL)

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

There were no members of the public present.

1. ROLL CALL: Eight 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 October Interim Statements. He highlighted items contained in the written report. Regarding Revenue and Expenses, he noted that it is anticipated that we will have a favorable balance in the 2021 budget of \$575,000. Those funds will go towards capital needs. Concerning Revenue Collections, Mr. Pileggi stated that collections continue to do very well in the ten months of 2021 with a favorable difference of about \$650,000 compared to the same time last year. This is mainly due to last year's pandemic restrictions while this year's activity and amount collected is higher. In response to a question from Ms. Nichols regarding the collection of sewer fees from large housing developments, Mr. Pileggi stated that the firm of GRB Law has been engaged to pursue these large delinquent accounts through legal procedures. Threat of water shut-off is not an option since the Chester Water Authority still continues with their decision to not issue water shut-offs; however, property owners could be forced to sell the property to pay off debt. Mr. Pileggi had no additional comments to the written report. The Committee had no other questions on the written report.

4. DISCUSSION OF 2022 BUDGET AND RECOMMENDATION FOR APPROVAL AT THE NOVEMBER BOARD MEETING: Mr. Pileggi stated that this item was discussed at the October meeting. A draft of the 2022 Budget was provided to all Board members. Mr. Pileggi stated that the 2022 total revenue will be \$84 million and total expenses are almost \$65 million with \$19.5 million of that provided by rates and operations to go towards capital plan needs. The remainder will be obtained from cash reserves. In response to a request from Mr. Kern, Mr. Pileggi will prepare a fact sheet for the Board explaining the capital budget, plant equipment needs, sources of revenue, and rate increase.

Following discussion, it was the consensus of the Committee to recommend Board approval of the 2022 Budget. This item will be placed on the agenda for the November 16th Board meeting.

5. DISCUSSION OF RATE RESOLUTIONS – FOR ESTABLISHING SEWER SERVICE FOR THE YEAR 2022

- Rate Resolution 2021-15 - For Chester City Users
- Rate Resolution 2021-16 - For Upland Borough Users
- Rate Resolution 2021-17 - For Parkside Borough Users
- Rate Resolution 2021-18 - For Chester Township Users
- Rate Resolution 2021-19 - For Trainer Borough Users
- Rate Resolution 2021-20 - For Marcus Hook Borough Users
- Rate Resolution 2021-21 - For Western Wholesale Users
- Rate Resolution 2021-22 - For EDU Wholesale Users
- Rate Resolution 2021-23 - For Retail Industrial Users
- Rate Resolution 2021-24 - For Wholesale Industrial Users
- Rate Resolution 2021-25 - For Eastern Wholesale Users
- Rate Resolution 2021-26 - For Pocopson-Riverside-Chadds Ford Users
- Rate Resolution 2021-27 - For Pocopson-Preserve-Chadds Ford Users
- Rate Resolution 2021-28 - For Rose Valley Borough Users
- Rate Resolution 2021-29 - For Edgmont Township Users
- Rate Resolution 2021-30 - For SWDCMA Users
- Rate Resolution 2021-31 - For Middletown Twp. Sewer Authority Users
- Rate Resolution 2021-32 - For Springhill Farms WWTF Users

Mr. Pileggi stated that the 2022 budget has the projected flows and total revenue dollars for each customer class. The rate model was used to calculate total revenue. The rates for each customer class are in the rate resolutions. A copy of the rate resolutions will be included in the Board meeting package.

Following discussion, it was the consensus of the Committee to recommend Board approval of all the above rate resolutions for 2022. These items will be placed on the agenda for the November 16th Board meeting.

6. LEITZELL & ECONOMIDIS, PC – CONTINGENT APPROVAL AS AUDITOR FOR YEAR 2021 DUE TO PRELIMINARY WORK IN DECEMBER 2021. Mr. Pileggi advised the Committee that the auditor comes in every year in December to start preliminary work for the annual audit with the post fiscal year work done in January and February. Mr. Pileggi requested approval of the auditor to begin audit work in December.

Following discussion, it was the consensus of the Committee to recommend Board approval of the appointment of Leitzell & Economidis, PC as auditor for fiscal year 2021. This item will be placed on the agenda for the November 16th Board meeting.

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Mr. DiSantis commented that additional outreach work is being done to make the public more aware of the Customer Assistance Program and that the Chester Environmental Partnership sent out information on the program via email to those on their contact list. Mrs. Amadio will also upload that information to DELCORA's Facebook page.

ADJOURNMENT: It was moved by Mr. Lucas, seconded by Mr. Monaghan, and unanimously carried to adjourn the regular meeting at 3:50 p.m.