

MINUTES
FINANCE COMMITTEE MEETING
JANUARY 12, 2022 (VIRTUAL)

Attendants: Messrs. Cherico, DiSantis, Garner, Hurst, Kern, Knapp, Monaghan, Moss, Mullen, Nagle, Willert, Mesdames Billings, Bonnett, Caulk, Cummings, and Sage.

The following was present: Ms. Traci Confer of Energy Justice Network. There were no other 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 REPORT: Mr. Mike Cherico, Accounting Manager, provided the Board with a written summary report of the December Interim Statements. Under Revenue and Expenses, he noted that the report indicates that about \$14 million was budgeted for replacing capital assets and reserve for future Long Term Control Plan expenses. There is a projected favorable variance of approximately \$1.6 million. Although the flow and operating expenses are not finalized, it is expected that a credit will be given to the municipal authorities. Operating revenue was offset by about a \$1.1 million positive variance in sludge revenue and also about \$500,000 in collected tapping fees. Overall, revenues were about \$3.2 million under budget; however, this was offset by the favorable variance in operating expenses, particularly the lower costs for Philadelphia treatment due to flow being under budget, netting about \$1.6 million ahead of budget going to reserves for capital assets. Mr. Cherico had no additional comments to the written report. The Committee had no questions on the written report.

Regarding the Residential Accounts Receivables, Mr. Garner reported that in the month of December, there was an unfavorable difference of about \$88,000, basically due to timing. However, comparing collections in 2020 to 2021, there was a favorable difference of about \$669,000. He also provided an update on the highest delinquent accounts. PF Hillside, which owes the most money, will be used by GRB Law as the pilot case to ensure that the collection process goes smoothly. Internally, other major delinquent owners have been contacted; five have made full payments and three have made payment arrangements. For the benefit of the new Board members, Mr. Garner explained the Customer Assistance Program (CAP). There are actually two Customer Assistance Programs; one was instituted during the COVID-19 pandemic and the other is income-based. For the income-based CAP, DELCORA partners with the Community Action Agency (CAA) to do the intake and once the application is approved by the CAA, the customer pays half of the bill and DELCORA pays the other half up to \$500. It is a matching grant program. The other CAP is for customers who have had a financial impact due to COVID-19 pandemic restrictions. The customer must provide proof of loss of income and, if approved, DELCORA will credit their account up to \$500. To date,

there are 130 customers in both CAP programs and about \$53,000 has been spent. Mr. Garner also stated that the 1st Quarter 2022 bills will be sent out next week. Mr. Garner had no additional comments to the written report. The Committee had no questions on the written report.

4. UPDATE ON ANNUAL AUDIT: Mr. Cherico stated that the auditors began preliminary work on internal control in December; all went well and no issues were found. The auditors will be back in February to complete work on the general ledger. A final audit is expected for the April 2022 Board meeting.

ADJOURNMENT: It was moved by Ms. Sage, seconded by Mr. Mullen, and unanimously carried to adjourn the regular meeting at 3:40 p.m.