

MINUTES
FINANCE COMMITTEE MEETING
APRIL 13, 2022 (VIRTUAL)

Attendants: Messrs. Cherico, Garner, Hurst, Kern, Knapp, Monaghan, Moss, Nagle, Willert, Mesdames Amadio, Billings, Caulk, 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. Mike Cherico, Chief Financial Officer, provided the Board with a written summary report of the March Interim Statements and highlighted items contained in the written report. Mr. Cherico stated that we are still expecting to generate about \$19.5 million to be used for reserve and replacing capital assets. Mr. Cherico reported that there are a few variances he would like to report on some positive and some negative. Regarding a positive, on the income side we continue to receive tapping fees from Edgmont which totals \$180,000. Also, the interest rates on the cash which we have available to invest have increased which total around \$50,000. In Expense, the utilities are higher than expected due to the increase in kw per hour increase. Chemicals are also increasing in price. When the bid went out for Chlorine, the bid came in higher than expected. It is totaled \$200,000 negative balance in utilities for the year and \$300,000 negative balance for chemicals for the year. Regarding favorable expense, the healthcare system within Delaware County gave a credit for favorable experience ratings the last few years. Over the last twelve months, the cash balance has decreased by \$7.5 million; however, we used \$29 million for our capital projects, therefore we generated from operations \$21.7 million. Mr. Cherico had no additional comments to the written report. The Committee had no questions on the written report.

Regarding Residential Accounts Receivables, Mr. Garner, Accounting & Customer Service Manager, reported that about \$380,000 was collected in March 2022 compared to about \$872,00.00 in March 2021 indicating an unfavorable difference of approximately \$491,000. Year-to-date, cash collected from customers is about \$563,000 higher than 2021. Bills have been sent out to all of customers besides Chester City and Springhill Farm which will be sent out later this week for the second quarter of billing. Mr. Garner had no additional comments to the written report. The Committee had no questions on the written report.

Regarding the 2021 Audit, Mr. Cherico stated that the auditors completed all their field work and have not found any issues. Due to staffing issues, the Audit was not ready for the April meeting but should be completed by the May meeting.

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Mr. Nagle asked if there is an Audit Committee for the Board. Mr. Cherico responded that there is not an Audit Committee. Mr. Nagle suggested that the Board look into this next month as it gives the Board an option to talk to the Auditors without any staff being present.

Prior to adjournment there was a brief discussion regarding the upcoming meeting and presentation with the County Council about possible borrowing of money.

ADJOURNMENT: It was moved by Mr. Nagle, seconded by Ms. Billings, and unanimously carried to adjourn the regular meeting at 3:52 p.m.