

MINUTES
FINANCE COMMITTEE MEETING
JULY 13, 2022 (VIRTUAL)

Attendants: Messrs. Cherico, DiSantis, Garner, Kern, Knapp, Monaghan, Moss, Nagle, Willert, Mesdames Amadio, Billings, Bonnett, 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 June Interim Statements and highlighted items contained in the written report. Regarding Revenue and Expenses, Mr. Cherico stated that through the first six months of the year, we continue to be on target to reach our reserve for replacing capital assets of about \$19.5 million. There are similar variances as stated last month with some positives in tapping fees and interest, and employee benefits offsetting some of the negative variances in utilities and chemicals. More detail is provided in the monthly interim report. Regarding Cash Generated in Prior 12 Months, Mr. Cherico stated that cash generated from operations continues at about \$22 million in a twelve month period and we spent about \$33 million on capital projects in that same time frame. The overall net decrease in cash has been about \$10 million so we continue to generate enough cash from operations to cover a sufficient amount of our capital projects. Mr. Cherico had no additional comments to the written report. The Committee had no questions on the written report.

Regarding Residential Accounts Receivables, Mr. Shep Garner, Accounting & Customer Service Manager, reported that about \$303,000 was collected in June 2022 compared to about \$223,000 collected in June 2021, indicating a favorable difference of approximately \$79,000. Year-to-date collections are doing very well at about \$703,000 higher than 2021. Concerning a request made last month for an update on the Customer Assistance Programs, Mr. Garner reported that a few are external such as the LIHWAP (Low Income Housing Water Assistance Program) having 84 customers with a fund contribution of about \$47,000. The internal DELCORA Pandemic fund has 93 customers with a fund contribution of \$46,500. The Income Based CAP (Customer Assistance Program) has 63 customers with a fund contribution of \$23,111.73 and the external DELCORA ERA program has 80 customers with a fund contribution of \$37,916.00. In response to a question from Mr. Willert about duplicate applicants, Mr. Garner stated that there could be duplicate applicants on these programs and that we have no control over the external assistance programs. He estimated that with a total of about 320 applicants, there could be approximately 20 duplicates in these programs. He also stated that these assistance programs continue to grow.

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Ms. Nichols asked if the increased collections for 2022 of about \$700,000 could be attributed to any specific collection activities in 2022. Mr. Garner replied that he believes it is due to getting back to normalcy from the pandemic and to the fact that people are paying more due to the recent rate increase, and adding that it is a combination of a variety of factors. Mr. Garner had no additional comments to the written report. The Committee had no other questions on the written report.

General discussion followed concerning funding options for future capital projects. More detail will be provided by legal counsel in Executive Session following the Board meeting on July 19th.

ADJOURNMENT: It was moved by Mr. Nagle, seconded by Mr. Monaghan, and unanimously carried to adjourn the regular meeting at 3:41 p.m.