

MINUTES
FINANCE COMMITTEE MEETING
MARCH 13, 2024 (VIRTUAL)

Attendants: Messrs. Cartafalsa, Cherico, Garner, Kern, Martin, Moss, Nagle, Schuster, Willert, Mesdames Amadio, Billings, Bonnett, Caulk, B. Garner, Keffer, and Nichols.

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. CHIEF FINANCIAL OFFICER REPORT: Mr. Mike Cherico, Chief Financial Officer, provided the Board with a written summary report of the February Interim Statements and highlighted items contained in the written report. Regarding Revenue and Expenses, Mr. Cherico stated that after two months we still expect to be on target to hit our budget goals of about \$6.6 million flowing to the reserve for replacing capital assets and also our budget goal of reserving \$12 million to be set aside for future Long Term Control Plan costs. He stated that it is too early in the year to report on any variances in the budget. Variances will be reported starting in April or May. Mr. Cherico reported that we continue to generate about \$21 million of operating cash, some of which will be used towards capital projects. In response to a request from Ms. Billings to explain the report in more detail at next week's luncheon meeting, Mr. Cherico stated that he will be presenting projections for the next five and ten years covering expenses for the Long Term Control Plan and some other projects, and if there would be a need to borrow money and how that might affect rates which we should be able to keep any increases at 3% or 4% over the next ten years if everything goes as planned. He also mentioned the ammonia removal regulations that may be imposed by the EPA and PADEP would affect any projections. The following topics will also be reviewed at next week's luncheon meeting: how is capital generated, how it is decided what are capital costs and what are operating costs, and how it is decided if there is a need to borrow money. Mr. Cherico had no additional comments to the written report. The Committee had no other questions on the written report.

Regarding Residential Accounts Receivables, Mr. Garner, Accounting & Customer Service Manager, reported that about \$2.1 million was collected in February 2024 compared to about \$1.7 million in February 2023 indicating a favorable difference of approximately \$401,000. Year-to-date collections are up about \$506,000. He also stated that bills will be sent out in April and the delinquency process will be starting shortly for the first quarter. In the next few days, 30 day notices will be sent out and that is expected to generate a good amount from those notices. Mr. Garner had no additional comments to the written report. The Committee had no questions or comments on the written report.

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ADJOURNMENT: It was moved by Mr. Schuster, seconded by Ms. Keffer, and unanimously carried to adjourn the regular meeting at 3:37 p.m.