

**MINUTES**  
**FINANCE COMMITTEE MEETING**  
**SEPTEMBER 11, 2024 (VIRTUAL)**

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

The following was present: Mike Ewall. 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 REVIEW: In Mr. Cherico's absence, Ms. Lindsey Amadio, Controller, provided the Board with a written summary report of the August Interim Statements and highlighted items contained in the written report. Regarding Revenue and Expenses, Ms. Amadio stated that we are on target for the budget as it relates to the reserve for replacing capital assets, as well as the Long Term Control Plan. The sludge revenue is above budget for the year mostly because of the increase that we added in January so we are showing a favorable bottom line for the budget there. She stated that some unexpected repairs and maintenance, and minor equipment and supplies appear to be trending slightly over budget; however, each year this can vary significantly depending upon what needs to be fixed. Our interest rates are still trending on the high side so we are above budget on that. As of August 31<sup>st</sup>, we expect total expenses to be slightly below budget. Ms. Amadio noted that we are in a good financial position overall. Ms. Amadio 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 \$1.7 million was collected in August 2024 compared to about \$2.2 million collected in August 2023, indicating an unfavorable difference of approximately \$262,000. Year-to-date collections in 2024 are lower than 2023 by about \$963,000. Mr. Garner noted that there was a huge effort in collections in prior years and this month was a rebound month compared to last month in that we are closer to what we collected in 2023. He stated that 30-day notices will be sent out in September so he is expecting good collection results from that. Mr. Willert asked Mr. Garner to address a question that was asked last month about why the bills were sent out late. Mr. Garner explained that our bills are based on water consumption and we get that data from the Chester Water Authority (CWA). Sometimes, their meter reading cycles occur later than when we need that information so that can delay our billing. Ms. Billings asked if the collections amounts could be expressed as a percentage of budget. Mr. Garner responded that he could calculate that but he

estimated that it would be very close to pre-Covid numbers. He stated that he will provide a comparison of amounts and percentages for pre-Covid and post-Covid months. Ms. Keffer asked, "What is the breakdown between regular collections and delinquent collections, and does DELCORA bill quarterly or monthly?" Mr. Garner responded that we bill on a quarterly basis in January, April, July, and October. He also stated the following billing process: bills are sent, reminder notices are sent after the due date including a penalty, 30-day notices are sent, 10-day notices are sent, then the shut-off process begins. He noted that we are still working on the shut-off process with the Chester Water Authority. We can't turn off our sewer lines. We can only have the water service turned off by CWA. He stated that a Shut-off Agreement is currently under review with CWA. Mr. Garner had no additional comments to his written report. The Committee had no other questions on the written report.

4. Resolution No. 2024-10 – Authorizing The Minimum Municipal Obligation Budget For 2025 – Pension Fund: Ms. Amadio stated that the Minimum Municipal Obligation (MMO) is based on a valuation that is done every two years. The last one completed was in January of 2023 so the MMO we are paying is based on those numbers. At that time, we were not fully funded like we are right now so our MMO seems somewhat higher than it has been; however, we expect the MMO to decrease for 2026 and 2027 when the next valuation is done in January 2025. That is not a definite but it is trending that way. Ms. Billings also noted that a slight increase in the MMO was expected due to some recent changes made to the Pension Plan, i.e. the death benefit, and she said that the actuary did state that the MMO could increase because of that. Ms. Billings asked if employees contribute to the Pension Plan. Ms. Amadio responded that the employees never directly contribute to the Pension Plan. The topic of whether or not the state contributes to our Pension Plan was addressed. The state does not contribute to DELCORA's Pension Plan.

Following discussion, it was the consensus of the Committee to recommend Board approval of the above resolution. This item will be placed on the agenda for the September 17<sup>th</sup> Board meeting.

**ADJOURNMENT:** It was moved by Mr. Martin, seconded by Mr. Moss, and unanimously carried to adjourn the regular meeting at 3:43 p.m.