

MINUTES
FINANCE COMMITTEE MEETING
DECEMBER 11, 2024 (VIRTUAL)

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

There were no members of the public present.

1. ROLL CALL: Seven 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: On behalf of Mr. Mike Cherico, Mrs. Amadio, Controller, provided the Board with a written summary report of the November Interim Statements and highlighted items contained in the written report. Regarding Revenue and Expenses, Mrs. Amadio stated that approximately \$6.4 million was budgeted for 2024 for the reserve for replacing Capital Assets. In addition, \$12 million was budgeted to be set aside for future Long-Term Control Plan costs. We expect to be on target for both of these. She also spoke on some of the variances that stood out for the month of November. Regarding residual waste income, as stated before, there was a price increase that was not anticipated at the beginning of the year, however, there was a favorable variance of \$3.7 million. Interest rates continue to run high so we should expect interest income to be at least \$1.3 million over budget. Mrs. Amadio also reported that there has been an unfavorable difference in overtime and unplanned events like the Rt. 420 force main break that have contributed to the unfavorable difference; however, salaries and wages make up for this unfavorable difference due to several open positions and employees being out on disability throughout the year. Regarding repairs and maintenance, and minor equipment and supplies, Mrs. Amadio reported that these costs can vary from year to year depending on what repairs are needed. Mrs. Amadio reported that a higher expense was budgeted for solicitor, consulting and engineering because of the potential costs associated with AQUA and the Chester Bankruptcy case. Through November, these expenses have run below budget, and we expect that to continue. Lastly, Mrs. Amadio reported that by the end of the year, we expect total expenses to be on or slightly below budget. Mrs. Amadio had no additional comments to the written report. The Committee had no questions on the written report.

Regarding Residential Accounts Receivables, on behalf of Mr. Shep Garner, Mrs. Amadio reported that about \$1,555,756 was collected in November 2024 compared to about \$1,495,396 in November 2023, indicating a favorable difference of approximately \$60,360. Year-to-date collections are lower in 2024 compared to 2023 by \$597,090. March of 2023 is when collection efforts began after being stopped for three years. There were collections of several significant delinquent accounts in 2023 which is causing the unfavorable variance in collections in 2024 compared to 2023. Collections

of prior years' delinquent accounts will be much less significant in 2024 than they were in 2023. Mrs. Amadio had no additional comments to the written report.

Mr. Kern asked if there were any specific pages the Board should pay close attention to in the Interim Statements because there is a lot of information in the package. Mr. Cherico replied that the Revenue and Expense analysis would be the most important factor to pay attention to. Mr. Cherico added that we have paid down on capital and our cash balance has gone up \$2 million.

Mr. Martin asked if all rates reflected a 4% increase. Mr. Cherico answered 'yes'. Ms. Billings also asked Mr. Cherico if he planned on paying down more of our debt since we have a higher cash balance. Mr. Cherico replied that he wasn't planning on paying down more of the debt because of the capital budget planned for 2025. The Committee had no other questions regarding the written report.

4. RATE RESOLUTIONS – ADOPTION OF RATE RESOLUTIONS FOR ESTABLISHING SEWER SERVICE FOR THE YEAR 2025

- Rate Resolution 2024-11 - For Chester City Users
- Rate Resolution 2024-12 - For Upland Borough Users
- Rate Resolution 2024-13 - For Parkside Borough Users
- Rate Resolution 2024-14 - For Chester Township Users
- Rate Resolution 2024-15 - For Trainer Borough Users
- Rate Resolution 2024-16 - For Marcus Hook Borough Users
- Rate Resolution 2024-17 - For Western Wholesale Users
- Rate Resolution 2024-18 - For EDU Wholesale Users
- Rate Resolution 2024-19 - For Retail Industrial Users
- Rate Resolution 2024-20 - For Wholesale Industrial Users
- Rate Resolution 2024-21 - For Eastern Wholesale Users
- Rate Resolution 2024-22 - For Pocopson-Riverside-Chadds Ford Users
- Rate Resolution 2024-23 - For Pocopson-Preserve-Chadds Ford Users
- Rate Resolution 2024-24 - For Rose Valley Borough Users
- Rate Resolution 2024-25 - For Edgmont Township Users
- Rate Resolution 2024-26 - For SWDCMA Users
- Rate Resolution 2024-27 - For Middletown Twp. Sewer Authority Users
- Rate Resolution 2024-28 - For Springhill Farms WWTF Users

A copy of the rate resolutions was provided to all Board members for their review.

It was the consensus of the Committee to recommend Board approval of all the above rate resolutions for 2025. These items will be placed on the agenda for the December 17th Board meeting.

5. ADJOURNMENT: It was moved by Mr. Martin, seconded by Ms. Nichols and unanimously carried to adjourn the regular meeting at 3:45 p.m.