

MINUTES
FINANCE COMMITTEE MEETING
JUNE 12, 2024 (VIRTUAL)

Attendants: Messrs. Cartafalsa, Cherico, DiSantis, Garner, Hurst, Kern, Martin, Mullen, Nagle, Schuster, Willert, Mesdames Billings, 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. Cherico provided the Board with a written summary report of the May Interim Statements and highlighted items contained in the written report. Regarding Revenue and Expenses, Mr. Cherico stated that we still expect to be on target to hit our budget goal 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. There were a few variances in the budget. We continue to be favorable on Residual Waste Revenue of about \$2,000,000. We also continue to be favorable in Interest Income of about \$500,000. Regarding expense variances, Repairs and Maintenance have an unfavorable variance of \$300,000. This variance can vary significantly from year to year, depending on what repairs are needed. There are some positive expense variances in Soliciting, Consulting, and Engineering because a higher expense was budgeted in 2020 for the legal deal with AQUA. Mr. Cherico also reported that as cash balances have increased in recent months, and capital requisitions have been relatively low, we paid down \$5 million of the debt that we borrowed on May 1, 2023. The balance on the loan after this payment is approximately \$7.1 million. Mr. Cherico had no additional comments to the written report.

Mr. Kern asked if we are paying a variable rate on the loan. Mr. Cherico answered that yes, we are paying a little over 6%.

Regarding Residential Accounts Receivables, Mr. Garner, Accounting & Customer Service Manager, reported that about \$1,836,980 was collected in May 2024 compared to about \$1,481,078 in May 2023 indicating a favorable difference of \$355,901. Year-to-date collections are lower in 2024 compared to 2023 by \$321,700. He also stated that April of 2023 is when collection efforts began for delinquent accounts which led to higher overall collections in 2023. Lastly, Mr. Garner reported that the 10-day notice process has begun, and 3rd quarter bills will be going out in July. 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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4. ADJOURNMENT: It was moved by Mr. Mullen, seconded by Mr. Martin, and unanimously carried to adjourn the regular meeting at 3:37 p.m.