BETHLEHEM AUTHORITY

Minutes of the Regular Meeting
Of the Board of Directors
June 11, 2026

The regular meeting of the Board of Directors of the Bethlehem Authority ("BA") was held on June 11, 2026, in the Conference Room B504 at City Hall, Bethlehem, PA and remotely via Microsoft "Teams". The meeting was called to order at 3:30PM by Ms. Sharon Zondag, Chair.

Also in attendance were:

Mr. Carlos A. Almeida, Vice Chair
Mr. Ronald Donchez, Treasurer
Mr. Ian van Halem, Secretary
Mr. Dennis Domchek, Assistant Secretary/Treasurer
Mr. James Broughal, Esq., Broughal & DeVito
Mr. John Filipos, CPA, Buckno Lisicky & Company
Mr. Stephen Repasch, Executive Director
Ms. Sandra Zapf, Director of Administration
Mr. Ed Boscola, City of Bethlehem, Director of Water and Sewer Resources

APPROVAL OF MINUTES
D. Domchek motioned and C. Almeida seconded to approve the May 14, 2026, Regular Minutes. Motion passed unanimously.

RECOGNITION OF VISITORS
Mr. Steve Antalics, Private Citizen

COURTESY OF THE FLOOR
There were no comments during Courtesy of the Floor.

CHAIR
S. Zondag thanked S. Repasch for presenting at the Environmental Advisory Council (EAC) last week on carbon credits. S. Repasch started his presentation by asking the EAC who was familiar with the BA and no one was able to raise their hand. S. Zondag was astonished that the BA manages 22,500 acres on behalf of The City and they were not aware. She thinks it's great that S. Repasch is out in the community talking and educating the EAC about the BA. They were very receptive but it was a little difficult because some members wanted the specifics on the model for assessing carbon credits, but it is proprietary and we are not able to provide further information.

S. Zondag also mentioned that there are two staff anniversaries: Officer J. Fritz's 4-year anniversary and will be receiving a recognition letter from The Board. S. Zondag noted that the average longevity of our officers is 6+ years. And our Executive Director, S. Repasch is celebrating 20 years with the BA and The Board thanked him for his experience, wisdom and background continuing to benefit the BA and everything we do.

PROPERTY & INFRASTRUCTURE COMMITTEE

Watershed Management:

GIS Project. I. van Halem reported that very good progress is being made on completing all the lease information to the GIS system with just a few minor additions. S. Repasch reported that there is one lease still pending because that boundary could change. The Kettle Creek Hunting Club is unhappy that there is a fire lane that goes through the property, and the BA allows the public to travel through that fire lane to get to other parts of BA's property. E. Yeakel devised a boundary line adjustment that will avoid that issue, and doesn't take any acres away from the lease, so we are waiting to hear back from Kettle Creek. I. van Halem expressed that the next step is to have all the easements mapped as well, but that is a monumental task and could take years to complete, but the overall idea is that the BA will have a good view of how the land is being encumbered. S. Zondag requested a presentation of the GIS to The Board at a future meeting and I. van Halem agreed that would be ideal and will plan for it.

Solar Project. S. Repasch read a statement dated June 4th from Exact, the solar developer, for the proposed project: "As this project has evolved from solar only to solar plus storage, we have ended up with several opportunities to create additional value for battery operation including capacity reduction, demand management and participation of PGM programs such as frequency regulation. After researching a number of firms, Exact formally engaged with STEM to perform the detailed analysis. They are currently evaluating the project and battery operating strategies and will provide Bethlehem specific projections in less than two weeks." S. Repasch expects to hear from them next week about a new cash flow projection and an agreement to review. D. Domchek expressed concern that this project seems to becoming too complicated and is concerned with the risk. He states that it has grown from simply putting a solar system in there with a battery backup but the more that gets added, the more complicated it gets with potential issues downstream and The City will have to focus more on the contract. S. Zondag expressed that the battery backup was added but she feels it is an important addition and making the project more viable. R. Donchez added that the battery storage's technology has really been advancing recently and becoming more cost effective. C. Almeida mentioned that from a timing standpoint there are two moving targets: technology is improving every year so waiting is maybe not a bad thing and how quickly will power costs rise. Both variables are difficult to quantify but electricity is not going to get cheaper. I. van Halem stated that ultimately whether to proceed with the project is a City decision, as the BA has only the ability to lease the property for the project.

Forestry. S. Repasch reported that the herbicide treatment for the stands D, E, F and G in the Wild Creek area was completed in two days and in the Police Report there are before and after pictures. Timbering in that same area should be starting in the next few days and will go on for most of the summer. R. Smith, our forester, is also marking another timber stand in Long Pond for Fall or Winter for around 150 acres for an estimated sale of $20,000.00 in revenue.

Carbon Credit. S. Repasch reported that the quarterly meeting with Anew took place a week or two ago and presented to The Board the updated brochure. The Credit Inventory Update shows the volumes for 2022, 2023 and 2024 are listed and are all pending. Anew did have an agreement to sell the 2022 and 2023 credits to a company, but since that time the

process for evaluating carbon projects has grown even more intense and it's going to take a lot longer to get this project rated and verified, the company couldn't wait any longer and backed out of the purchase. So, all carbon credits of 52,193, 40,698 and 39,985, respectively, are all up in the air. The footnote states that credit projections are estimates only and likely to be reduced once the project baseline is adjusted. Apparently, the baseline growth assumptions used for the current model are no longer valid from a scientific standpoint, meaning that the whole project must be re-assessed and re-rated which will take some time.
S. Repasch doesn't expect any progress on revenue until the end of this year, at a minimum.

FINANCE COMMITTEE
Investment Summary. R. Donchez presented the Investment Summary as of June 1, 2026. In the MRF, the balance is $2,458,523.00; the BRIF balance is $5,453,844.00; and the DSRF balance is $1,353,304.00. A total trust investment of $9,275,671.00, and adding the Capital Reserve and Operating Reserve accounts gives total investments of $10,429,182.00. On the right-hand side is a summary of the breakout of investments which are a combination of time deposit CDs, Money Market Funds and US Government Securities. All investments are in policy compliance.

Bond Document Review. R. Donchez stated that the Finance Committee received a memo from our Bond Counsel which was then sent to The City for their review. The reason is to get consistency between the contract and the lease. S. Repasch noted that he and J. Filipos, our Controller, met with City staff this morning and they didn't have any problems with the changes. It will however require a City Water Fund budget amendment which will need City Council approval. Due to the Council meeting schedule, it is unlikely that compliance with a June 30 timetable will be possible. However, it is not considered to be a major issue.

Controller. J. Filipos' report for the month of May 31, 2026, was circulated and filed with regular interest and expenses recorded. In the Capital Expense Account received $50,000.00 from Capital Reserve Account; BRIF Account received $36,193.95 from the DSRF and $154,704.80 from the 2022 DSF, both amounts represent the 5% lease coverage from The City; Debt Payments of $3,155,000.00 for '98 CABS and $662,975.00 for 2022 Water Bonds were paid from The City; and The City took a credit of $36,193.95.

J. Filipos also mentioned that the 2025 DCED Report is due June 30th. The Finance Committee will meet with himself, S. Repasch and S. Zapf before that time to review the report and then it will be submitted before deadline.

2Q26 Income and Expense Projections. S. Repasch presented the report showing regular revenue and expenses through May 31, 2026. Revenue is at 22% of budget or $246,391.00; In the Professional Services, 37% of budget or $32,523.00 and notes that all expenses for the consulting engineer's Annual Report and Insurance and Budget Certifications will be 100% complete; Security & Property is at 22% of budget or $13,717.00, Silviculture expense of $11,040.00 is for the herbicide treatment at D, E, F and G stands; Administration is at 41% of budget or $136,937.00. Total Operating Expenses is 38% of budget or $183,177.00. Anticipated Cash on Hand as of 6/30/26 is $79,629.00. In the Capital Account, 5% of budget or $2,230.00 noting that $4,000.00 projected expenses for equipment added to UTV that was not included when purchased. Projected Funds for all accounts at the end of 6/30/26 is $1,281,642.00.

Resolution #524 – Approval of Expenses. S. Zondag presented Resolution #524 to the Board for expenses through June 11, 2026, from the General and Reserve Accounts totaling $47,913.70.

R. Donchez motioned and D. Domchek seconded to approve Resolution #524. Motion passed unanimously.

GOVERNANCE & HR COMMITTEE

D. Domchek reported on three items for review on the Governance Documents. The Record Retention and Gift Policy documents he has reviewed and believes they are ok but requests The Board review and comment on. The Finance Committee will be working with J. Filipos to update the Accounting Controls Policy for this year.

SOLICITOR

J. Broughal reported that the PA Supreme Court decided on a case about a month ago stating that stormwater fees are not fees but taxes, at least in the Borough of West Chester. Since most of the stormwater fee ordinances were developed based on impervious cover, he believes that most of the ordinances that are in effect today will equally become unconstitutional. The questions then become do we request refunds already paid for stormwater fees? And what does the BA do when they keep receiving stormwater bills? J. Broughal's opinion is to write a letter requesting a refund and to not pay any future bills. It was then remembered that letters were sent to the municipalities from our Solicitor stating that the BA is not required to pay fees, taxes, etc. under the Authorities Act which exempts payment of fees, taxes, etc. It was decided not to make any further action at this time, and continue not paying invoices as they are received.

CONSULTING ENGINEER

Consulting Engineer had no report.

SPECIAL POLICE

Police report for the month of June 2026 was circulated and filed.

WATER REPORT

The water report for the month of May is as filed and shows the reservoir levels are starting to level off again and is a little concerning. The precipitation is about the same as last year but are in this two-year cycle of where they start to recover and then flatten out and then they drop down. If it continues to follow the pattern of the last two years, we will be back down to the watch area again either in the Fall or coming Winter.

CITY OF BETHLEHEM DIRECTOR OF WATER AND SEWER RESOURCES

E. Boscola filed two Director's Report: A revised April 2026 and May 2026 based on a collaboration with C. Almeida and the Finance Committee. All numbers are in thousands. The Revenue numbers are based on accrual (the value of the bills that go out that month, so in May, $2M and year-to- date $8.8M) but the Expenditures are recorded in cash (so in May, $657,000.00 and year-to- date $8.8M). Year-to-date billings minus cash outlays year-to-date is $119,000.00. Capital Appropriations year-to-date is $1.6M. The cash balance is reconciled to show the actual cash in the bank at the end of the month after adjusting for accrual vs. cash basis.

On the Capital side, the beginning of May cash balance was $2.8M; adding the capital appropriations and other income, and deducting expenses of $725,000.00 leaves a cash balance of $2.4M at the end of May. The Expenditure Status Report lists the expenses by category and matches the disbursement amount.

E. Boscola gave some updates:

- The filtration plant roof is substantially complete. Just some flashing and punch list items to complete and final inspection needs to be done, which should happen next week. Next month will show a big expenditure for this work.
- 800 feet of new water main on Garrison Street was completed
- Freemansburg's main street 600 feet extension was completed
- The interconnects with LCA are currently out to bid. Bids are due the end of June.
- Security – still getting proposals for 2,000 feet of fence at Wild Creek. Hoping to get that completed this year. And still getting some clarity of proposals for cameras and access controls at all the sites and the goal is to include that in the 2027 Capital Budget.
- The 2M gallon reservoir replacement – there was a kick-off meeting about a month ago; site work will be done this year and the bulk of the other work will be in 2027.

OTHER BUSINESS
There was no other business to report.

COURTESY OF THE FLOOR
Mr. Antalics questioned if the BA was subject to the Sunshine Act. S. Zondag assured him that they were subject and adhere to the Sunshine Act.

NEXT MEETING
The next Regular Meeting is scheduled for July 9, 2026, at 3:30pm.

ADJOURNMENT
I. van Halem motioned and C. Almeida seconded to adjourn the meeting at 4:36pm. Motion passed unanimously.

Ian van Halem
Secretary