

BETHLEHEM AUTHORITY

Minutes of the Regular Meeting Of the Board of Directors January 8, 2026

The regular meeting of the Board of Directors of the Bethlehem Authority (“BA”) was held on January 8, 2026, in Conference Room B504 at City Hall, Bethlehem, PA and remotely via Microsoft “Teams”. The meeting was called to order at 3:35PM 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 V. Filipos, CPA, Buckno Lisicky & Company
Mr. Ron Madison, PE, Colliers Engineering & Design
Mr. Stephen Repasch, Executive Director
Ms. Sandra Zapf, Director of Administration
Mr. Eric Yeakel, Police Officer-In-Charge
Mr. Ed Boscola, City of Bethlehem, Director of Water and Sewer Resources

CHAIR

S. Zondag thanked D. Domchek for his 3-term tenure as Chair and listed some of his accomplishments achieved under this leadership:

Oversaw steady and reliable financial footing that was largely made possible by the 2022 Bond issue and the refinancing of the 2014 Bond, which freed up \$2.5 Million and created \$10 Million of Capital for Maintenance and Improvement of the water system. The BA anticipated a shortfall this year of \$4.5 Million and that did not happen. The BA is in good financial footing.

In forestry, we had the TNC Dynamic Restoration Grant in 2024 and a 50-year resilience plan that is part of the TNC Management Plan.

With GIS and R. Madison and I. van Halem’s help, tremendous progress has been made mapping the watershed fire lanes, hiking lanes and more.

In Infrastructure, steady progress in replacement of meters and lead services lines; the interconnection initiative, which has come along nicely; Security progress including the fencing at Pohopoco in 2023; Receiving quarterly loss water reports; Have explored solar projects and kept the wind project going in the courts; has worked tirelessly to secure carbon credits; and 13,820 feet of pipeline was installed or replaced.

At Pohopoco, we have a new garage and UTV.

And on a larger scale, established the Governance Structure and Committee which added significantly to the functioning of BA and certainly the introduction to new members of which we had two during D. Domchek’s tenure.

APPROVAL OF MINUTES

I. van Halem motioned and C. Almeida seconded to approve the December 11, 2025, 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.

PROPERTY & INFRASTRUCTURE COMMITTEE

It was established that the Property & Infrastructure Committee will consist of Ian van Halem as Chair, Ron Donchez and S. Repasch.

Watershed Management:

Solar Project. I. van Halem reported that S. Repasch and himself met with Wilson Engineering and the City on Tuesday, January 6, 2026, to review the most updated analysis for the solar project at the water treatment plant. The really big question that keeps coming up is what are prices going to be for generation going forward. A question that can't be answered accurately but all have a hunch that the prices will most likely increase, and some suggest dramatically. This solar project starts to make sense if you consider that prices continue to go up and can lock in a rate for the next 30 years, but not having the specifics of how much rates go up or down makes that decision somewhat difficult. Wilson was looking at some additional items for the City, i.e., battery storage for use at peak demand, so we are waiting for a few more pieces of information for the City to make its final decision.

GIS Project. I van Halem reported that the trails map has been changed from being embedded in the Storymap to the home page with its own tab which makes it easier for users to access the map. He will be compiling a priority list for more maps and information for the Board to review but he sees the first priority is for Colliers to work on the tax parcels that the BA owns. S. Repasch stated that the ultimate goal is to integrate the City's GIS system with ours so that either can view each other's system at any given time

Forestry. S. Repasch reported that in the last quarter of 2025, very little forestry activity was conducted due to hunting season, but that will pick up now that our forester is getting back to his inventory work. The BA's forester will be at the February's board meeting to give a presentation on prior year activity and proposed activity going forward for the next couple of years.

S. Repasch also reported that on December 19, 2025, members of the Watershed Coalition of the Lehigh Valley (WCLV) visited our watershed. We started at the Wild Creek office, spent a half hour explaining to them what the BA does and they presented us with a really nice watershed map that the WCLV produced. We then traveled to the 3 o'clock Spring, where the source water comes from; Penn Forest Reservoir and Bonn Place Larch Planting site and then the folks from the WCLV took a long hike. S. Zondag, E. Yeakel and S. Repasch then visited the Chestnut planting site.

Carbon Revenue. S. Repasch reported that nothing has changed since the last meeting with ANEW but an updated report for the first quarter will be coming in February or March.

FINANCE COMMITTEE

It was established that the Finance Committee will consist of Ron Donchez as Chair, Carlos Almeida and S. Repasch.

Investment Summary. C. Almeida presented the Investment Summary as of January 1, 2026, and reported no new CD activity for the month. All investments are within policy limits. There is a total of \$10 Million in Investments, and the Construction Fund is at zero. The statements were sent to John Rogers to calculate the amount for arbitrage and for filing. After the payment is made for arbitrage, any excess earnings will be transferred to the BRIF.

C. Almeida also mentioned that there are two Reserve Funds that will unwind as we pay down the Bonds. The MRF has a balance of \$2.4 Million that will unwind when the 2022 Bonds represents at least 75% of total bonds outstanding, somewhere between May and November 2027; the DSRF, which had a balance of \$1.35 Million, will also unwind when the '98 CABS are paid in November of 2028. The balances of those funds will transfer to the BRIF for general purposes.

Controller. J. Filipos' report for the month of December 31, 2025, was circulated and filed with regular interest and expenses recorded. The Operating Account received \$20,000.00 from the PLGIT Reserve and then transferred \$60,000.00 to Capital Reserve and \$10,000.00 to Capital Expense. In the Capital Expense, invoices for Garage Pole Building of \$15,121.00 and \$8,135.22 for Engineering was paid. BRIF account received \$1,386.73 from the Construction Fund for the balance of interest to close out the Construction Fund.

4Q25 Income and Expense Projections. S. Repasch presented the report showing regular revenue and expenses through December 31, 2025. Revenue ended at 49% of budget or \$509,898.00, but no carbon credit funds were received, which would have brought it closer to 75% or 80% of expected revenue; Anticipated revenue for 1st Qtr. is \$130,113.00, which includes \$91,250.00 from the City for Operating. In the Professional Services, we expensed \$63,727.00 or 74% of budget; Security & Property is at \$50,118.00 or 74% of budget; Administration is at \$468,495.00 or 52% of budget; we had budgeted close to \$600,000.00 to be transferred if we had received the carbon revenue. Total Operating Budget is \$582,340.00 or 55% of budget. Cash on Hand as of 3/31/26 is \$45,381.00. In the Capital Account, expenses were \$85,962.00 or 93% of budget. The largest overage was legal fees for the wind energy court proceedings, but it's very difficult to budget because you don't know what the court schedule will be and when you need to react when that comes up. Still waiting on the courts to schedule arguments on the wind energy project zoning issue.

#519

Resolution #519 – Approval of Expenses. S. Zondag presented Resolution #518 to the Board for expenses through January 8, 2026, from the General and Reserve Accounts totaling \$48,988.08.

C. Almeida motioned and R. Donchez seconded to approve Resolution #519. Motion passed unanimously.

GOVERNANCE & HR COMMITTEE

It was established that the Governance & HR Committee will consist of Dennis Domchek as Chair, S. Zondag and S. Repasch.

D. Domchek reported that he reviewed the schedule for updates to the Governance documents and the only updates that can be posted is the Authority's Operating and Capital Budget and The City's Capital Budget. S. Repasch also noted that the Forest Management Plan should be updated shortly and can then also be posted. C. Almeida noted that the Investment Policy and Accounting Controls documents will be updated in the first quarter.

SOLICITOR

Solicitor had no report.

CONSULTING ENGINEER

R. Madison reported they submitted their Insurance Certificate as part of their scope of work for the year and will be doing the Financial Certificate shortly now that all the budgets are done.

SPECIAL POLICE

Police report for the month of January 2026 was circulated and filed. E. Yeakel also mentioned that the Game Commission called yesterday afternoon to let us know that they were out baiting for the snowshoe hares. So next week they will start putting traps out and start the bulk of the research project.

WATER REPORT

The water report for the month of December is as filed. E. Boscola reports the reservoir level continues to drop; it is very much mimicking what happened last year including the precipitation amounts. Will continue to watch.

CITY OF BETHLEHEM DIRECTOR OF WATER AND SEWER RESOURCES

The Director's Report was filed and circulated reflecting financial status through December 31, 2025. Revenue is exceeding the projections by 4% and expenditures below projections, taking into consideration that Debt Service and Capital Appropriations not shown here, is around 5% below. This realizes a positive net cash flow for the year and that just adds to the cash balance in the water fund. Ending the year with \$14 Million which will help going forward. On the Capital Side, ended the year with \$4 Million and that gets carried over to next year and have another appropriation of \$4 Million in cash and will spend that down first before touching the BA's funds. Total expenditures for the year were \$5.8 Million, which is about average for the last couple of years.

E. Boscola listed the big-ticket items for year 2026 are continuing with the meter replacement project, water treatment plant roof, 2-Million-Gallon reservoir replacement, Interconnects with LCA, cameras at the filtration plant and finishing the gate at Wild Creek.

OTHER BUSINESS

There was no other business.

COURTESY OF THE FLOOR

There were no comments during Courtesy of the Floor.

NEXT MEETING

The next Regular Meeting is scheduled for February 12, 2026, at 3:30pm.

ADJOURNMENT

R. Donchez motioned and C. Almeida seconded to adjourn the meeting at 4:22pm. Motion passed unanimously.

Ian van Halem

Secretary

