

BETHLEHEM AUTHORITY

Minutes of the Regular Meeting Of the Board of Directors November 13, 2025

The regular meeting of the Board of Directors of the Bethlehem Authority ("BA") was held on November 13, 2025, 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 Mr. Dennis Domchek, Chair remotely via "Teams".

Also in attendance were:

Ms. Sharon J. Zondag, Vice Chair
Mr. Carlos A. Almeida, Treasurer
Mr. Ian van Halem, Secretary
Mr. Ronald Donchez, Asst. Secretary/Treasurer
Mr. James Broughal, Esq., Broughal & DeVito via "Teams"
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

The Chair wanted to express on behalf of himself and the Board condolences to Ron Madison on the loss of his father. Ron's father was a very accomplished engineer and academic, a dedicated family man and in retirement became an author of children's books. A varied and accomplished life and we're all sorry for Ron's loss.

D. Domchek turned the meeting over to S. Zondag, vice chair, to chair the meeting.

APPROVAL OF MINUTES

R. Donchez motioned and C. Almeida seconded to approve the October 9, 2025, Minutes. Motion passed unanimously.

RECOGNITION OF VISITORS

Mr. Steve Antalics, Private Citizen

COURTESY OF THE FLOOR

S. Antalics also wanted to express his condolences to R. Madison on the loss of his father.

PROPERTY & INFRASTRUCTURE COMMITTEE

Watershed Management:

GIS Project. I. van Halem presented on the conference room's large screen TV the GIS mapping of the public access routes that appears on our website. This is a great resource for the public to use when they are out on the watershed property. Right now, the maps are embedded in the Storymap section but I. van Halem is working on creating a specific "map tab" that will be easier to find on the website.

Solar Project. S. Repasch stated that four proposals were received and reviewed and then narrowed down to two firms. The two firms were met with individually and asked for more information which they both provided. On Wednesday, November 12th, a meeting with City staff and their broker for power purchasing took place. The City's consultant is now reviewing all the information and within a week or so a recommendation should be received on which firm to deal with. E. Boscola agreed that both proposals were very similar in scope of product and terms but would probably not go in front of City Council for approval until 1st quarter of 2026. I. van Halem mentioned that there is a pre-application process from the distributed energy resource group that would be evaluating this project. There is a nominal fee and could take a few weeks for approval but it would give an estimate on how much the interconnections would cost plus would save some time to hopefully take advantage of the subsidies that expire July 1, 2026.

Watershed Tour. S. Repasch reported that he met with representatives of the Lehigh Valley Watershed Association and the Tunkhannock/Tobyhanna Creek Watershed Association on BA property; they took a hike and talked for about an hour. They liked the idea that BA is the custodian of the property, especially in the Long Pond area. One of the representatives is also the President of the Aquashicola Water Association which is closer to Wild Creek. They requested a tour of the Wild Creek area on December 9, 2025, and S. Repasch welcomes any board member interested in attending to let him know.

Garage. S. Repasch also reported that the building permit for construction of the garage has been finally obtained. The construction is scheduled for December 16th; we have an electrical contract of \$3,900.00 for that work and we will be purchasing a new UTV that will be stored in the new garage.

Carbon Revenue. S. Repasch reported that a meeting with ANEW and the Infrastructure Committee is scheduled for November 24th to discuss the revenue that is due to the BA and when we should be receiving it.

Snowshoe Hare Study. S. Repasch reported that he had some discussions with the Game Commission. They are resuming the snowshoe hare study on BA property this winter using Game Commission personnel only as opposed to the graduate students from Penn State during the first phase of the study previously held. Tentatively they are scheduled to make a presentation of their study proposal at our next board meeting in December.

FINANCE COMMITTEE

Investment Summary. C. Almeida presented the Investment Summary as of November 1, 2025. Two CDs matured at the end of October in the MRF for roughly \$425,000.00 and were reinvested in new CDs and will report on them at the next meeting. No issues with investment policy compliance. In the Construction Fund there is a balance of \$243,916.00 and that will be used up in today's Resolution #517. This will leave a few funds from interest at the end of November but the Construction Fund is coming to an end.

S. Repasch mentioned he will follow up at the end of December with the arbitrage consultant to get that calculation done so we know what needs to be paid for arbitrage

Controller. J. Filipos' report for the month of October 31, 2025, was circulated and filed with regular interest and expenses recorded. In the Operating Account, a deposit of \$91,250.00 was received from the COB for the 4th Qtr. Operating Expenses and in the Construction Fund a payment of \$80,554.35 was made to COB for Water Capital Invoices.

J. Filipos also reported that the Audit Letter for 2024 was received. It stated that the "Financial Statement presented fairly in all material respects" which means we got a clean opinion. C. Almeida stated that the Audit was months ahead of last years which is nice progress to see. S. Repasch noted that our Financial Advisor will be posting the Audit letter and the DCED Report on EMMA (Electronic Municipal Marketing Access) that is required from all Authorities and Municipalities so that all bond holders have access to them.

D. Domchek motioned and C. Almeida seconded to accept the letter from the auditors to the BA essentially saying the City got a clean opinion. BA is part of the City's financials as a blended component unit of the Water Fund. "There were no findings related to the Authority and there were no management letter comments provided to the City in relation to the Authority." Motion passed unanimously.

In November, Bank of New York sends a calculation for the Debt Service Payment showing the credits the City can take from BA earnings. The Debt Service payment is \$5,032,624.00 with the 5% coverage, the City will send a check net the credits of \$36,481.91 due on November 15, 2025.

4Q25 Income and Expense Projections. S. Repasch presented the report showing regular revenue and expenses through October 31, 2025. Revenue is at 46% of budget or \$482,044.00, which includes payment from TNC for \$4,980.00 for the grant money to do some inventory work on our watershed properties; Professional Services expenses are at 59% of budget or \$50,627.00 and note some financial advisor fees will be due in the next couple of months related to posting of audit letter and DCED report on EMMA; Security and Property expenses are at 59% or \$40,123.00; Administrative expenses are 39% or \$348,028.00 noting that transfers will be coming up in the next month or so. Total expenses are 42% or \$438,778.00 of budget. Operating Cash on Hand projected for 12/31/2025 is \$4,645.00. On the Capital Reserve, 39% of budget or \$35,651.00 noting there will be expenses for the UTV and garage; Total Capital Cash on Hand is \$1,530.00. Projected Fund Totals for all Funds for December 31, 2025, is \$1,267,346.00.

Resolution #517 – Approval of Expenses. S. Zondag presented Resolution #517 to the Board for expenses through November 13, 2025, from the General and Reserve Accounts totaling \$64,573.50 and from the Construction Fund totaling \$243,916.00.

C. Almeida motioned and R. Donchez seconded to approve Resolution #517. Motion passed unanimously.

2026 Budget. S. Repasch reported that the budget for 2026 was sent out to the Finance Committee who reviewed it and sent comments back to S. Repasch with no material changes. Next week the budget will be updated showing current numbers through the end of October 2025 and S. Repasch will then send out to the rest of the Board for review. Then at the next board meeting in December, S. Repasch will present the 2026 budget for approval,

GOVERNANCE & HR COMMITTEE

S. Zondag reported that the performance reviews of the staff have been completed. There will be salary increases in next year's budget. The City's budget for personnel increases is 3% so that is the foundation against which we begin. The audit will be updated to the website and the Investment Policy will be updated next quarter.

SOLICITOR

Solicitor had no report.

CONSULTING ENGINEER

R. Madison reported he prepared his requisition letter for the Water Capital Invoices for November and the tours of the water systems for the Annual Report has concluded.

SPECIAL POLICE

Police report for the month of November 2025 was circulated and filed.

WATER REPORT

The water report for the month of October is as filed. E. Boscola reports that Penn Forest continues to go down and continues to be a watch area. S. Zondag asked why Nazareth is conserving water already and when would COB move to conservation measures to let the public know they should conserve water. E. Boscola states that it is probably a pro-active action based on wells in that area. There is no official drought notice in our County; there are several Counties in Northern/Western PA under a drought watch. S. Repasch stated that Carbon and most of Lehigh and Northampton are under a moderate drought watch. E. Boscola stated that they follow the DEP policies. One of the first things that is noticed would be the wells drying up in East Allen Twp. but that has not happened yet.

CITY OF BETHLEHEM DIRECTOR OF WATER AND SEWER RESOURCES

The Director's Report was filed and circulated reflecting financial status through October 31, 2025. Revenue is exceeding the projections by 3% and expenditures below projections of the overall budget. The Debt Service payment will occur November 15th, and there is \$17 Million in the bank. The Mayor released his 2026 Budget a couple weeks ago; the budget hearing for the Water Department was on Monday, November 10th. The 2026 Water Capital Fund is roughly \$12 Million and budgeting \$2.7 Million from the BRIF, \$400,000.00 from

the MRF and an additional \$2.5 Million from cash balance. This should avoid new borrowing till late 2027/2028.

E. Boscola reported on some big-ticket items on the budget: Metering, Water Mains, Water Treatment Plant Roof, and 2-Million Gallon Reservoir.

E. Boscola reported that as of October 2025, 22,000 meters were replaced to the AMI system, which is 60% of the total to be replaced. As long as the goal of 4,000 meters per year is continued after the next three years, the City should be 95% complete. S. Zondag asked about an "App" that was mentioned before and E. Boscola stated they are vetting some software program that will allow more convenient bill payment options and give customers the ability to track their usage, look at their meter, data, set alerts, etc.

E. Boscola reported on the 2024 and 2025 Unaccounted-For-Water Reports showing the usage going up in the first two quarters and going down in the last two quarters, which is the same trend for both years. S. Zondag did some looking around and found that according to Bluefield Research, who does water research, the average loss of water nationally is 14% to 18% and in smaller systems the average loss is over 20%. In 2024, the City's average loss was 19.41%. S. Zondag requested E. Boscola to provide a report from 2016 to present and chart the lost water that is reported as part of the Annual Report.

OTHER BUSINESS

There was no other business.

COURTESY OF THE FLOOR

Mr. Antalics asked if there has even been an evaluation of the exact value of the watershed in terms of dollars. S. Repasch answered that some property appraisals on large tracts have been done but not the whole watershed.

NEXT MEETING

The next regular meeting is scheduled for December 11, 2025, at 3:30pm.

ADJOURNMENT

C. Almeida motioned and I. van Halem seconded to adjourn the meeting at 4:27pm. Motion passed unanimously.

Ian van Halem

Secretary