

BETHLEHEM AUTHORITY

Minutes of the Regular Meeting Of the Board of Directors September 12, 2024

The regular meeting of the Board of Directors of the Bethlehem Authority (“BA”) was held on September 12, 2024, 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.

Also in attendance were:

Ms. Sharon J. Zondag, Vice Chair
Mr. Carlos Almeida, Treasurer
Mr. John Tallarico, Assistant Secretary/Treasurer
Mr. Ian van Halem, Board Member
Mr. James Broughal, Esq., Broughal & DeVito
Mr. John Filipos, CPA, Buckno Lisicky & Company
Mr. Ron Madison, Colliers Engineering & Design
Mr. Stephen Repasch, Executive Director
Ms. Sandra Zapf, Administrative Assistant
Mr. Eric Yeakel, Officer-In-Charge

CHAIR

D. Domchek requested a moment of silence to remember T. Donchez who passed away on August 28th, 2024. The Board made a donation of \$100.00 to the Boys and Girls Club which was very important to Tom.

D. Domchek reported that on September 3rd, The City Council approved Ian van Halem’s appointment to the BA Board and he will be joining the Property and Infrastructure Committee which is chaired by J. Tallarico.

I. van Halem introduced himself and gave a brief description of his background and experiences and how he looks forward to working with the BA.

APPROVAL OF MINUTES

C. Almeida motioned and S. Zondag seconded to approve the August 8, 2024, minutes of the Regular Meeting. Motion passed unanimously.

RECOGNITION OF VISITORS

Ms. Michele Liberto, City of Bethlehem, Deputy Controller

COURTESY OF THE FLOOR

There were no comments during Courtesy of the Floor.

PROPERTY & INFRASTRUCTURE COMMITTEE

Watershed Management:

Carbon Markets and ANEW. S. Repasch reported that a remote meeting took place with a representative from ANEW, our carbon marketer, and talked at length regarding our revenues being delayed from years 2022 & 2023 and there being an issue of them not getting the project verified. ANEW stated the market is volatile but improving; buyers want a lot more information and they are in the process of preparing a four-page description of our product for future sales. S. Repasch mentioned that ANEW did say they are under contract with a buyer for our carbon for 2022 & 2023 but the BA will not see any revenue until after the verification takes place and the carbon is put into the registry at VERRA so at the earliest maybe next summer to receive the revenue.

Timber Sale. The red pine timber sale is still going well; some weather and minor equipment delays but the stockpile of logs had started to go down. The hardwood is going to a mill in Canada.

Monroe County Tax Exempt Hearing. S. Repasch reported that he attended the tax-exempt hearing for the 1-acre property in Tunkhannock Twp. that the BA purchased in 2023. The tax exemption was granted for next year, 2025, but we are trying to get it retroactive for 2024. J. Broughal stated that he does not think Monroe County has been granted the power to retroact a school tax but he will check. Resolution #503 for today's meeting includes the 2024 school tax payment of \$545.13 for approval and it would cost more to fight it.

TNC Presentation. S. Repasch reported that at the October meeting, TNC will give a presentation and a short video on the Dynamic Forest Restoration Block program that we entered into with them where we will receive the grant money through the National Fish and Wildlife Federation. S. Repasch will send the video out to The Board to review before the next meeting so they will have more of a background on the program.

FINANCE COMMITTEE

Investment Summary. C. Almeida presented the Investment Summary as of September 1, 2024, showing an investment that matured on August 31, 2024. It has since been reinvested early September in two separate CDs for \$250,000.00 each at a rate of 4.25% and 4.15% respectively. All investments fall within policy limits.

Arbitrage Calculation/Report. C. Almeida reported that he and S. Repasch had a phone call with John Rogers for some clarifications on a few items on the arbitrage report. J. Rogers will do some recalculations so comments will be made on the current report.

Controller. J. Filipos' report for the month of August 31, 2024, was circulated and filed with regular interest and expenses recorded. In the Construction Fund, \$488,936.30 was paid for COB Water Capital invoices. Next Debt Service payments are in November.

3Q24 Income and Expense Projections. S. Repasch presented the report showing regular revenue and expenses through August 31, 2024. Revenue is at 53% of budget or

\$378,166.00 with no carbon credit received or expected by the end of the year. Professional Services expenses are at 49% of budget or \$46,185.00, which includes \$750.00 for the Arbitrage Report; Security and Property expenses are at 47% or \$28,186.00, which includes the School Tax for 2024 for Tunkhannock Twp. property; Administrative expenses are 34% or \$189,055.00. Total expenses are 37% or \$263,426.00 of budget. Operating Cash on Hand projected for 9/30/2024 is \$97,118.00. On the Capital Reserve budget, expenses to date are 64% or \$79,508.00 which includes \$4,029.00 for outfitting the police vehicle with emergency equipment, a bit higher than budgeted. Total projected cash on hand as of September 30, 2024, is \$84,047.00. Total projected cash on hand for all funds as of September 30, 2024, is \$1,259,006.00.

2023 Audit. S. Repasch reported he was told that the audit for The City was done and the budget director expected it to be released by the middle of September. But knowing historically, it always drags a little longer than that. Our audit comes along with The City's so ours will be received when The City's is released.

2025 Budget. S. Repasch reported that the budget work is in progress and anticipate having a draft budget to our finance committee by the end of September.

Resolution #503 – Approval of Expenses. D. Domchek presented Resolution #503 to the Board for expenses through September 12, 2024, from the General and Reserve Accounts totaling \$33,525.59 and \$494,347.70 from the Construction Fund for Water Capital Expenses.

C Almeida motioned and S, Zondag seconded to approve Resolution #503. Motion passed unanimously.

GOVERNANCE & HR COMMITTEE

S. Zondag reports that the 2024 annual reviews are well underway. S. Repasch has completed his reviews and the Board has reviewed S. Repasch's self-evaluation, which was as expected. D. Domchek and S. Repasch are meeting next Thursday, September 19th. After they meet, The Board will get a report back from D. Domchek and the reviews can inform this year's budget. S. Zondag reports that the review process is on schedule and will be finished by October 1st instead of starting October 1st, which was more typically the case.

SOLICITOR

J. Broughal emphasized that the BA is tax-exempt meaning the BA pays no real estate property taxes except we give a contribution less than what we would probably be assessed at.

CONSULTING ENGINEER

R. Madison reported that he did the requisition recommendation letter for COB Water Capital Invoices for September 12, 2024, Resolution #503.

R. Madison also mentioned that with S. Repasch we will start scheduling dates for the annual tour at the end of September or early October. He also stated that he submitted the professional services proposal for 2025 to S. Repasch on September 6th for his review.

Preliminary date for the first day of tour is scheduled for Tuesday, October 1st.

SPECIAL POLICE

Police report for the month of September was circulated and filed.

WATER REPORT

The water report for the month of September is as filed. Penn Forest Reservoir is down to 75%. However, keep in mind that 75% of 6 billion gallons of water is still a lot of water and the Wild Creek Reservoir is full at approximately 4 billion gallons.

CITY OF BETHLEHEM DIRECTOR OF WATER AND SEWER RESOURCES

The Director's Report was filed and circulated reflecting financial status through August 31, 2024.

Some highlights as reported by S. Repasch for E. Boscola:

- Water main replacements in Freemansburg and Bethlehem Twp. are 98% complete, hence you will see large expenditures in the 77005 line item.
- Meter replacement project continues; on pace to complete 4,000 meters by November.
- YTD capital spent is \$4.7 Million with another \$2.5 Million encumbered.
- Currently in budget prep for 2025; goal is to budget all remaining construction fund dollars for draw down by end of year 2025.

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 October 10, 2024, at 3:30pm.

ADJOURNMENT

J. Tallarico motioned and S. Zondag seconded to adjourn the meeting at 4:28pm. Motion passed unanimously.

John J. Tallarico

Assistant Secretary/Treasurer