

BETHLEHEM AUTHORITY

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

The regular meeting of the Board of Directors of the Bethlehem Authority ("BA") was held on February 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.

Also in attendance were:

Ms. Sharon J. Zondag, Vice Chair
Mr. Carlos Almeida, Treasurer
Mr. Ian van Halem, Secretary
Mr. James Broughal, Esq., Broughal & DeVito via teleconference
Mr. John Filipos, CPA, Buckno Lisicky & Company
Mr. Ron Madison, Colliers Engineering & Design
Mr. Stephen Repasch, Executive Director via "Teams"
Ms. Sandra Zapf, Director of Administration
Mr. Eric Yeakel, Officer-In-Charge
Mr. Ed Boscola, COB Director of Water and Sewer Resources

APPROVAL OF MINUTES

S. Zondag motioned and C. Almeida seconded to approve the January 16, 2025, Re-Organization Minutes. Motion passed unanimously. S. Zondag motioned and I. van Halem seconded to approve the January 16, 2025, Regular Meeting. Motion passed unanimously.

RECOGNITION OF VISITORS

Mr. Rankin Smith, Forester, Highlands Forest Mgmt., LLC
Mr. Ron Donchez, Private Citizen

COURTESY OF THE FLOOR

R. Donchez thanked the board for being considered to re-join the Board of Directors having already been on the Board from 1988 to 2001. He stated that he was born and raised in Bethlehem and was in banking for 49 years but just retired. His career spanned a complete cross section of banking from small business lending to overseeing larger corporations for the bank. He looks forward to being a part of the BA again and contributing in any way he can, assuming he will be approved by City Council. D. Domchek stated that the BA is very eager to have R. Donchez join the board and feels his history will provide some continuity to BA and financial background will be very beneficial

CHAIR

D. Domchek reported that an Executive Session will be held after this meeting to discuss a personnel matter but no action will be taken.

PROPERTY & INFRASTRUCTURE COMMITTEE

Watershed Management:

Forester's Report. S. Repasch introduced R. Smith, the Forester for BA. R. Smith provided a slideshow to recap the forestry activity for the 2024 year:

- Two timber sales were completed this year, Clearview and Osprey. Clearview was sold in 2022 but not completed until 2024 and the Osprey sale was sold and completed in 2024.
- Sprayed for invasives in Osprey area prior to timber sale starting.
- Inventory in Compartment M was completed. There are no invasives in that area.
- Third year of monitoring the spongy moth in Monroe and Carbon counties. No issues on BA property but other parts of Monroe County are getting hit very hard.

Some Initiatives for 2025:

- Continue to monitor for spongy moth and other invasives.
- Huckleberry Road area that was clear cut a couple of years ago and 450 trees per acre were planted, has lots of natural regeneration and exceeding expectations. Will do one more survival check in Fall 2025 and then it will be considered "free to grow" and "established".
- Continue with rolling inventory – roughly 10% done every year
- Completed the operations portion of the Forest Management Plan (FMP). It states what BA will do as part of BA's FMP which The Nature Conservancy (TNC) is updating, and will continue to revise as work on inventory continues. TNC is making a few more tweaks to the FMP. S. Zondag requested a copy of the Management/Operations Plan for review. R. Smith will send a draft copy to S. Repasch who in turn will pass on to the Board.
- Writing aa herbicide plan, which is required to be part of the Forest Stewardship Council certification, stating areas to be treated, what herbicide will be used, updating what herbicides have been used and what we plan to do.
- Continue working with TNC on the Dynamic Forest Restoration Block (DFRB) in the Tunkhannock area which will include bird habitat work and endangered or less resilient forest types due to climate change. The plan is to make the BA forest resilient enough to withstand the changing characteristic of the forest going out 50 years or more to withstand the changing climate.

Proposals for 2025:

- Inventory for Compartments F, G, P, Q11 and Q12, which are near the gates around Lovett Road.
- The Carbon Verification site visit was completed on February 11. All the Tier 1 plots were verified, which were required, and some Tier 2 areas were also completed since they were in the area.
- Spray herbicide for areas 2Q8, 130, 140, 16D, 1E, 2E, 3E and Clearview sale.
- Chestnut planting brush clearing was just completed last week. The Chestnut trees are doing ok but some were hit pretty hard; estimate a 50% survival rate so far. Oak trees planting at the same time are doing very good and even natural regeneration of oak trees is taking place. S. Zondag suggested reaching out to the Chestnut Foundation regarding the planting data and see if they would be interested in a site visit. R. Smith agreed to reach out to them and report back to the Board.

- Stands D, E, F and G sale of 65 acres maybe direct bid to Justick & Justick because they did a fantastic job on the Osprey Sale.
- Continue to do survival checks for 11C3, 12C3 and 15C3 in October 2025.

Carbon Credits. S. Repasch reported that there was a kick off meeting on Monday, February 10th that lasted about ½ hour. R. Smith and helper, Logan, three people from ANEW and three third-party verifiers and S. Repasch were present. The meeting went very well and the verifiers got out in the field right away and were able to finish in two days instead of four that were scheduled. S. Repasch reported that he has a virtual meeting scheduled for Tuesday, February 18th so he will have more information about the verification and the prospect of selling the 2024 carbon.

Carbon County Court Order. S Repasch reported that the appeal to the judge's decision to rule against the BA on the zoning issue for the proposed wind energy project was filed on January 29th.

GIS Project. S. Repasch reported that he spoke with E. Boscola regarding a presentation from the City's GIS consultant, Colliers, who is mapping out all the facilities and utilities throughout the City. Colliers is also the consultant for the BA GIS project. E. Boscola will reach out and coordinate with Colliers. I. van Halem agreed a presentation would be helpful to understand how the project is going in terms of what progress has been made to date, from a percentage standpoint, and what is left to go through and expected completion. I. van Halem also requested a quarterly progress update be provided to the Board.

In a related matter, I. van Halem wanted to start a discussion about having a BA property inventory project mapped on the GIS System to help the BA track all their properties which would allow them to track licenses, easements, evaluate the best use of their properties, etc. S. Repasch has already started putting a property list together with parcel id number, County and Township, acreage and current use. I. van Halem stated that with that information, our consultant should very easily be able to update the current platform.

Wild Creek COB Staffing Changes. E. Boscola reported that the City is changing the staffing at Wild Creek and the Filtration Plant to better utilize the supervision between these facilities. Due to the distance between all of the City's facilities, the Superintendent will be spending half his time between his office in the City and at Wild Creek; they will be creating a maintenance supervisor for both facilities and a new assistant supervisor to assist both Filtration Plant and Wild Creek. This should create more flexibility of supervision at both sites.

FINANCE COMMITTEE

Investment Summary. C. Almeida presented the Investment Summary as of February 1, 2025. In the BRIF account, two CDs matured in January earning 4.75% and 5.05% and were rolled over into a Treasury Bill at 4.25% and a CD with W. Alliance Bank at 4.25%. All investments fall within policy limits.

C. Almeida stated that a transfer will take place in the next couple of weeks of roughly \$92,600.00 from the Construction Fund to the Excess Investment Earnings Fund related to arbitrage liability that has incurred to date on the 2022 bonds.

Controller. J. Filipos' report for the month of January 31, 2025, was circulated and filed with regular interest and expenses recorded. In the Operating Account, \$90,000.00 was transferred to the Capital Reserve Account.

1Q25 Income and Expense Projections. S. Repasch presented the report showing regular revenue and expenses through January 31, 2025. Revenue is at 1% of budget or \$13,099.00, we did not receive the Operating Funds from the City until this week so that will show up next month. Kettle Creek Hunting Club is one month behind on their rent due to membership problems and will keep the Board abreast of the situation. Professional Services expenses are at 6% of budget or \$4,828.00; Security and Property expenses are at 5% or \$3,226.00 and S. Repasch mentioned that there is an on-going issue with the 2020 truck and there will be some large expense from the dealer; Administrative expenses are 9% or \$30,775.00 mostly that being payroll. Total expenses are 8% or \$38,829.00 of budget. Operating Cash on Hand projected for 3/31/2025 is \$86,708.00. On the Capital Reserve budget, no expenses in January, however in February we will have attorney fees for the appeal. Total Capital Account projected cash on hand as of 3/31/25 is \$80,599.00. Total projected cash on hand for all funds as of March 31, 2025, is \$1,324,798.00.

Resolution #508 – Approval of Expenses. D. Domchek presented Resolution #508 to the Board for expenses through February 13, 2025, from the General and Reserve Accounts totaling \$36,487.30 and \$51,704.81 from the Construction Fund for COB Water Capital Invoices.

C. Almeida motioned and I. van Halem seconded to approve Resolution #508. Motion passed unanimously.

GOVERNANCE & HR COMMITTEE

S. Zondag reported that updates to the Governing Documents were inserted; specifically the 2023 Audit Letter, 2025 Adopted Budget, 2023 Consulting Engineer's Report. The Investment Policy is up for review in the first quarter and was sent to C. Almeida.

Updates to some personnel policies as they relate to S. Zapf's new role and wording for the Ex. Dir.'s and Director of Administration job descriptions are being updated and will be completed by the next meeting.

SOLICITOR

J. Broughal had no report.

CONSULTING ENGINEER

R. Madison reported he prepared his requisition letter for the Water Capital Invoices and based on last month's discussion, provided a first draft of the revised recommendations in which he re-prioritized as immediate and high-priority recommendations, and then a section for long-term priority recommendations; also made some tweaks to the language and combined prior recommendation and re-sorted them. Hoping to have the City's financials by

the end of February in order to do the final edits on the annual report. Any recommendations from the Board are welcomed and will implement them and move the report forward.

SPECIAL POLICE

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

WATER REPORT

The water report for the month of January is as filed. The reservoir level continues to drop but hopefully we're bending the curve although it's still dry. We are still in a drought watch and keeping a close eye on it.

CITY OF BETHLEHEM DIRECTOR OF WATER AND SEWER RESOURCES

The Director's Report was filed and circulated reflecting financial status estimate for first month of 2025, January 31, 2025. Showing annual budget and starting off with a favorable amount of cash in the bank. On the capital side, there were no expenses in January because we are going through a transition with a new Business Manager, although \$2.8 Million are encumbered, meaning contracts are in place for new metering (to start again April), 2 Million Gallon Reservoir Tank Replacement and other capital projects.

C. Almeida asked E. Boscola about having a discussion when the 10-year plan is being created in terms of the funding. E. Boscola hoped to have a preliminary 10-year plan for the next meeting so C. Almeida suggested meeting before March's meeting. S. Repasch will coordinate.

D. Domchek requested a brief breakdown of work associated with the \$200,000.00 Security Enhancements listed on the budget. E. Boscola replied:

Finish the automatic gate at Wild Creek

Other passive (non-electronic) security measures, i.e. fence, gates, etc.

S. Zondag requested a list of all the "low-hanging fruit" in terms of security items from Collier's 2022 Security Report showing items that were completed and when the outstanding items are projected to be completed. E. Boscola will prepare a list.

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 13, 2025, at 3:30pm.

ADJOURNMENT

I. van Halem motioned and S. Zondag seconded to adjourn the meeting at 4:40pm and move into Executive Session. Motion passed unanimously.

Ian van Halem
Secretary

