

## **BETHLEHEM AUTHORITY**

### **Minutes of the Regular Meeting Of the Board of Directors January 16, 2025**

The regular meeting of the Board of Directors of the Bethlehem Authority (“BA”) was held on January 16, 2025, in the Conference Room B504 at City Hall, Bethlehem, PA and remotely via Microsoft “Teams”. The meeting was called to order at 12:04pm 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  
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  
Mr. Ed Boscola, COB Director of Water and Sewer Resources

#### **APPROVAL OF MINUTES**

S. Zondag motioned and C. Almeida seconded to approve the December 12, 2024, minutes of the Regular Meeting. Motion passed unanimously.

#### **RECOGNITION OF VISITORS**

None

#### **COURTESY OF THE FLOOR**

There were no comments during Courtesy of the Floor.

#### **CHAIR**

D. Domchek reported that an Executive Session was held prior to this meeting to discuss a legal matter that will be further discussed during the property and infrastructure committee report.

#### **PROPERTY & INFRASTRUCTURE COMMITTEE**

##### **Watershed Management:**

I. van Halem thanked S. Repasch and E. Yeakel for the Watershed tour on Monday, December 27<sup>th</sup>. Visiting the office, two dams, and spray valve helped him put into prospective some of the items talked about at the meetings.

**Carbon County Court Order.** S Repasch reported that a decision by the Carbon County Court, which took 14 months to decide since it was last argued, was discussed in Executive Session prior to this meeting. The BA's solicitor recommends appealing the Judge's decision.

S. Zondag motioned and I. van Halem seconded to have S. Repasch direct Counsel to appeal the decision of the PA Appellate Court. Motioned passed unanimously.

**Carbon Credits.** S. Repasch reported that the verification of carbon credits is scheduled for February 10<sup>th</sup> through the 14<sup>th</sup>.

**Prescribed Fire Schedule.** S. Repasch reported that a meeting with The Nature Conservancy (TNC) and PA Game Commission is being scheduled for some time in February to go over the prescribed fire schedule for 2025. D. Domchek questioned if there was a plan, i.e., chain of command, regarding fire risk. S. Repasch indicated that TNC in conjunction with the PA Game Commission is responsible for the controlled fire burns. E. Yeakel commented that the process of a natural fire usually starts with a call to the county dispatch reporting a fire; then dispatch notifies the local fire department, and then DCNR is notified if assistance is needed. D. Domchek requested a copy of any emergency fire plan from TNC, PGC and/or DCNR.

## **FINANCE COMMITTEE**

**Investment Summary.** C. Almeida presented the Investment Summary as of January 1, 2025. A CD matured at the end of December and was rolled over into a Treasury Bill at 4.1%. All investments fall within policy limits.

C. Almeida mentioned the Construction Fund has \$4.2 Million and with arbitrage at roughly \$92,000.00 as of August 2024, a transfer to the Excess Investment Earnings Fund from the Construction Fund still needs to be discussed.

**Controller.** J. Filipos' report for the month of December 31, 2024, was circulated and filed with regular interest and expenses recorded. In the Operating Account, \$30,000.00 was received from the Capital Expense Account; In the Construction Fund, \$102,518.00 was paid for COB Water Capital invoices; and one CD matured in the BRIF account and reinvested.

J. Filipos' also mentioned that the Audit for 2023 by MaherDuessel was completed and another Engagement Letter from them was received for years 2024, 2025 and 2026 with an increase in cost. J. Filipos recommends acceptance of the Engagement letter because the fee does not appear to be unreasonable, quality of the report is good and he believes that other auditing firms would charge double or triple; MaherDuessel conducts the audit for the COB and therefore a lot of the work is duplicated and integrated into The City's audit.

D. Domchek motioned and C. Almeida seconded to approve the Engagement Letter by MaherDuessel. Motioned passed unanimously.

**4Q24 Income and Expense Projections.** S. Repasch presented the report showing regular revenue and expenses through December 31, 2024. Revenue is at 75% of budget or \$538,518.00 with the big whole of \$175,000.00 for carbon credit that was not received. Professional Services expenses are at 82% of budget or \$77,468.00. S. Repasch mentioned that our Financial Advisor was little used in 2024, although an invoice for November's work was just received for around \$2,400; Security and Property expenses are at 69% or \$41,405.00; Administrative expenses are 55% or \$307,070.00, which reflects not transferring funds to Capital Reserves that were budgeted. Total expenses are 60% or \$425,943.00 of budget. Operating Cash on Hand projected for 12/31/2024 is \$97,600.00. On the Capital Reserve budget, expenses to date are 65% or \$80,668.00. Total projected cash on hand as of 12/31/24 is \$82,918.00. Total projected cash on hand for all funds as of December 31, 2024, is \$1,244,320.00.

**Resolution #507 – Approval of Expenses.** D. Domchek presented Resolution #507 to the Board for expenses through January 16, 2025, from the General and Reserve Accounts totaling \$131,315.34 and no funds requested for COB Water Capital Invoices.

C. Almeida motioned and S. Zondag seconded to approve Resolution #507. Motion passed unanimously.

#### **GOVERNANCE & HR COMMITTEE**

S. Zondag reported that D. Domchek and S. Repasch met with Ron Donchez as a potential candidate to replace J. Tallarico's position. The meeting went well and R. Donchez is definitely interested. The nomination is awaiting the Mayor's appointment and S. Repasch will follow up on the progress.

S. Zondag also mentioned that the Board should always be prepared if an opening occurs and have a backup plan. There is a 10-12 person list of viable candidates now but if anyone knows of anyone who they think would be a good candidate, please mention to the BA for addition to the list.

#### **SOLICITOR**

J. Broughal had no report.

#### **CONSULTING ENGINEER**

R. Madison reported that early January he submitted the Fiscal Certification and Insurance Certificate per Bond Indenture requirements. All the necessary tours for the annual report have taken place and he is now waiting to receive the final year-end numbers from The City to complete the tables in the report.

A workshop meeting to discuss the format of the report and requested changes to prioritization did not take place prior to this meeting but The Board was prepared to discuss those items at this board meeting. D. Domchek requested prioritization is absolutely important and more emphasis on security and a real focus on what should get done.

C. Almeida pointed out that the provisions of the Indenture and Lease Agreement require The City to hire a Consulting Engineer but somehow along the way it shifted to the BA

hiring the Consulting Engineer to satisfy the Bond Holder's protection over the life of the Bond. Even with that, the request for the Consulting Engineer tends to be a very short-term focus on the system basically for the next year. C. Almeida doesn't believe that what we have been requesting from the Consulting Engineer is actually in his engagement letter. R. Madison commented that the main purpose of the Annual Report is to assure the bond holders that the system is being operating and maintained sufficiently for their investment. The format of the report has really been an evolution of his predecessors and what the current board has asked the Consulting Engineer to focus on.

S. Zondag recapped that the BA wants to see the security recommendations as separate line items in order to support the efforts and expenses and recognize that the bigger issue might be manpower and planning and putting together the expectations for the year. The BA's goal is to be a better partner with the City, specifically with regards to security, and tackling the engineer's recommendations systematically to accomplish those goals. R. Madison will make the requested changes to the report for the Board's review.

(It is noted that board member, Ian van Halem left the meeting at 1:07pm)

#### **SPECIAL POLICE**

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

#### **WATER REPORT**

The water report for the month of December is as filed. Penn Forest is still down by about 25 ft. of fill line but the graph shows the curve starting to bend in the other direction.

#### **CITY OF BETHLEHEM DIRECTOR OF WATER AND SEWER RESOURCES**

The Director's Report was filed and circulated reflecting financial status estimate for December 31, 2024, as the year-end reconciliation report has not been done yet, but E. Boscola reports The City ended in decent shape with over \$13 Million of cash in the bank; Operating revenue exceeded 5% over projections and expenses below target which is the norm because The City budgets conservatively. On the Capital side, the year ended by spending roughly \$6.7 Million and about \$790,000.00 in encumbrances that will be carried forward. Next year's Capital budget is \$11 Million and projected that the rest of the Construction Fund will be spent down as much as possible by the end of 2025.

#### **Major projects for the Year 2025:**

- Continue replacing 30-year old water meters, spending \$2 Million per year. Roughly 20,000 out of 37,000 have already been replaced and estimate replacing 4,000 per year. The Unaccounted-For-Water 4<sup>th</sup> Quarter Estimated Report shows a significant drop, but we need to wait and see how the final year end calculation compares to the quarterly estimate.
- Security – Implement Consulting Engineer's recommendations with emphasis on more fencing and bollards but also on an electronic system specific to each facility.

#### **OTHER BUSINESS**

S. Zondag informed the board of an article in the paper about discussions with the City of Easton and their water authority and D. Domchek questioned what were the issues and is this

an opportunity for the BA to help. E. Boscola inferred that the issue seems to be more that the City of Easton is requesting more funds from the water authority.

S. Zondag asked E. Boscola to update the BA on the sink hole that occurred last week in Hanover Twp. E. Boscola commented that right now The City is experiencing about one water main break per day due to the cold weather. The geology in certain areas in the Lehigh Valley are prone to sink holes and in the case of the recent sink hole, water traveled both ways of the curbs on both sides of the street and opened up some sink holes.

#### **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.

S. Repasch announced that the August meeting time was corrected in the advertisement for this year's meetings. It was originally changed to meet early at 9:00am due to Musicfest but changed back to 3:30pm because Musicfest will be over before the August 13th meeting.

#### **ADJOURNMENT**

C. Almeida motioned and S. Zondag seconded to adjourn the meeting at 1:42pm. Motion passed unanimously.

*Jan van Halem*  
Secretary

