

## **BETHLEHEM AUTHORITY**

### **Minutes of the Regular Meeting Of the Board of Directors November 14, 2024**

The regular meeting of the Board of Directors of the Bethlehem Authority (“BA”) was held on November 14, 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  
Mr. Ed Boscola, City of Bethlehem, Director of Water & Sewer Resources

#### **APPROVAL OF MINUTES**

J. Tallarico motioned and S. Zondag seconded to approve the October 10, 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 had no report but did mention an Executive Session will immediately follow the conclusion of the Regular Meeting.

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

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

**Timber Sale.** S. Repasch reported that the Osprey timber sale with Justick & Justick is complete and last week they pulled out the last of their equipment. They did a nice job and the project went very well with the BA receiving slightly more revenue than anticipated.

**Tree Planting.** S. Repasch reported that in the of Spring 2023, the BA contracted with a company to plant 15,000 larch trees in the Tunkhannock Twp. watershed near Long Pond. Immediately after planting there was a prolonged dry spell and the State declared a severe drought watch. In the Fall of 2023, our Forester did a survival count which indicated that overall, probably less than 50% would survive. However, our Forester conducted another survival count in October of this year and reported that many of the trees have come back and areas that were decimated started to fill in with seeds from the previous larch plantation. Between the Larch and Lob-Lobby pine trees planted, the survival rate is estimated around 75 to 80%.

**Carbon Markets & ANEW.** S. Repasch reported that this morning he, R. Smith, our Forester, and ANEW had a “Teams” meeting regarding the verification process. ANEW has a contract with verifiers and they have started the desk verification process and are working on scheduling for a 2 to 3-day field verification in the second or third week in December or perhaps the second week in January 2025. This verification process will include vintage 2022 and 2023 and current year 2024. The 2022 and 2023 carbon capture has already been marketed and under contract, but S. Repasch does not anticipate receiving that revenue until much later this year or in 2025.

S. Repasch commented on ANEW’S’ recent brochure that markets the BA carbon project and thought it was very attractive and informative and our Forester remarked on the very accurate description of the property and how the BA is managing the property. TNC listed the Long Pond area as one of the last 100 great places on earth due to its unique flora and fauna that are found nowhere else on earth.

**Ag Lease.** S. Repasch reports that the current lease holder for the property adjacent to the water filtration plant regrettably has to let go of the lease by the end of this harvest season. There is another farmer in the area who is looking to lease some space and she is asking if the BA would be willing to lease to this other farmer. The Board did not have any objections. S. Repasch will prepare a new lease with the new farmer, with similar language as before, at a rate of \$50.00 per acre for 35 acres and present at the next board meeting. The new farmer would like to pay the \$1,750.00 up front instead of two payments that was in the previous lease.

## **FINANCE COMMITTEE**

**Investment Summary.** C. Almeida presented the Investment Summary as of November 1, 2024. In the MRF, two CDs matured and two CDs were called early, so four new CDs were obtained at rates ranging from 4.00% to 4.35%. All investments fall within policy limits.

C. Almeida reported that there is only one callable CD left in the BRIF and will mature in January 2025 so it is not expected to be called early. S. Repasch mentioned that he received a list of treasuries that are being offered in the 4.3% range and might want to consider them in the future.

**Controller.** J. Filipos’ report for the month of October 31, 2024, was circulated and filed with regular interest and expenses recorded. In the Operating Account, timber sales received

in October totaled \$10,615.80 and the COB 4<sup>th</sup> Qtr. Operating Funds of \$91,250.00 was also received. In the Construction Fund, \$617,485.00 was paid for COB Water Capital invoices.

J. Filipos noted that the debt calculation for the '98 and '22 Bonds was reviewed and approved, and then received notification from The City that the Debt Service payment due on November 15<sup>th</sup> were made to the BONY Mellon on November 12<sup>th</sup>.

**2023 Audit.** A meeting took place last week with D. Domchek, C. Almeida, S. Repasch, S. Zapf and J. Filipos to go over The City's 2023 audit, which the BA is a blended component of the City's. We reviewed our specific section of the audit in which the auditor did not have any findings or management comments.

C. Almeida motioned and J. Tallarico seconded to accept the 2023 Financial Audit. Motioned passed unanimously.

**4Q24 Income and Expense Projections.** S. Repasch presented the report showing regular revenue and expenses through October 31, 2024. Revenue is at 71% of budget or \$505,351.00. Professional Services expenses are at 61% of budget or \$57,472.00; Security and Property expenses are at 54% or \$32,316.00; Administrative expenses are 42% or \$235,633.00. Total expenses are 45% or \$325,421.00 of budget. Operating Cash on Hand projected for 12/31/2024 is \$111,948. 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 \$82,908.00. Total projected cash on hand for all funds as of December 31, 2024, is \$1,280,886.00.

**PMRS (Pension).** S. Repasch presented the Minimum Municipal Obligation (MMO) Worksheet for 2025 stating the plans expected financial obligation of \$12,755.00 to ensure 100% funding of the BA's pension fund.

S. Zondag motioned and C. Almeida seconded to approve the MMO Memo. Motioned passed unanimously.

**2025 Budget.** S. Repasch reported that the Finance Committee met last week to review the draft budget and this morning S. Repasch forwarded the draft budget to the Board for review and asks for any comments or questions before the next board meeting. C. Almeida indicated that several items stand out, especially an estimated \$500,000 revenue from carbon credit sales. C. Almeida created an analysis that shows the major factors that increase year after year and specifically what are the expenses above say 3-1/2% inflationary increase and quantifies some items. Some items are unknown like legal fees, health insurance, PRAG fees, and a decision on storm water fees that has not yet been made. Overall, this provides a reasonable approach to budgeting. S. Repasch anticipates bringing the 2025 budget for approval at the next board meeting in December.

**Resolution #505 – Approval of Expenses.** D. Domchek presented Resolution #505 to the Board for expenses through November 14, 2024, from the General and Reserve Accounts totaling \$58,381.19 and \$83,490.00 from the Construction Fund for Water Capital Expenses.

S. Zondag motioned and C. Almeida seconded to approve Resolution #505. Motion passed unanimously.

**GOVERNANCE & HR COMMITTEE**

S. Zondag stated that items to be discussed will happen in Executive Session after the regular meeting with no action to be taken.

**SOLICITOR**

J. Broughal had no report.

**CONSULTING ENGINEER**

R. Madison reported that he submitted the recommendation letter for the COB Capital Water requisitions. A site visit to the Water Filtration Plant will take place tomorrow, November 15<sup>th</sup> which will conclude his inspection site visits for the Annual Report.

**SPECIAL POLICE**

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

**WATER REPORT**

The water report for the month of October is as filed. Water levels continue to drop; combined level of two reservoirs at the end of October was 79.40%, but two weeks later it is down to 60%; last time it was this low was 2017. We are officially in a drought watch which means voluntary conservation measures. In a related matter, complaints are being received regarding odor and taste in the drinking water. E. Boscola explains that it is a combination of things: every Spring and Fall the reservoirs turn over which stirs up the bottom layers of the reservoirs. In most years it is not noticeable but this Fall it is more noticeable to more people and it seems to be lasting longer than in the past.

**Lead Service Lines.** E. Boscola reported that The City sent out a letter this week to all customers regarding the status of their water service lines. The letters are part of The City's efforts to comply with updated Federal EPA regulations. It is an attempt to identify all "unknown" lines into "known" lines and have an inventory of all lines by 2027 and all lead lines replaced by 2037.

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

The Director's Report was filed and circulated reflecting financial status through October 31, 2024. Revenues are slightly above projections and expenses a slightly below. There is \$16 Million in the bank with no problem meeting the debt service payment in November. On the Capital Side to date, roughly \$6.4 Million spent with \$1.2 Million encumbered.

E. Boscola presented the 2025 Proposed Water Capital Fund Budget of \$11,073,238.00 which includes the \$1.2 Million encumbered.

**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 December 12, 2024, at 3:30pm.

**ADJOURNMENT**

C. Almeida motioned and S. Zondag seconded to adjourn the meeting at 4:38pm and move into Executive Meeting. Motion passed unanimously.

*John J. Fallarico*  
Assistant Secretary/Treasurer