

BETHLEHEM AUTHORITY

Minutes of the Regular Meeting Of the Board of Directors October 9, 2025

The regular meeting of the Board of Directors of the Bethlehem Authority ("BA") was held on October 9, 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. Ronald Donchez, Asst. Secretary/Treasurer
Mr. James Broughal, Esq., Broughal & DeVito
Mr. John Filipos, CPA, Buckno Lisicky & Company
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

APPROVAL OF MINUTES

R. Donchez motioned and C. Almeida seconded to approve the September 11, 2025, Minutes. Motion passed unanimously.

RECOGNITION OF VISITORS

Mr. Steve Antalics, Private Citizen
Mr. Ron Madison, PE, Colliers Engineering & Design
Mr. Nate Eachus, Private Citizen via "Teams"

COURTESY OF THE FLOOR

N. Eachus stated that he represents one of the eight national legal teams handling the PFAS settlement case and wanted to inform the board of this legal case. E. Boscola stated that the City does not have PFAS in their water and has already hired legal representation in this matter.

D. Domchek requested Mr. Eachus send a summary to S. Repasch, Ex. Director, of what opportunities there may be; what his concerns are and how he might be able to help. D. Domchek stated that the Board will be happy to take a look at the information and provide him with feedback if they think there is a fit.

CHAIR

The Chair had no report.

PROPERTY & INFRASTRUCTURE COMMITTEE

Watershed Management:

TNC Memorandum of Agreement. S. Repasch presented a Memorandum of Agreement (MoA) with The Nature Conservancy (TNC). This is part of an arrangement with TNC to develop a forest management plan and assures that our watershed forests are operated according to Forest Stewardship Council (FSC) standards. The MoA is an outline of the terms of that arrangement; we have to renew this Agreement every five years to keep in the program with TNC and the umbrella organization for the group certification that we have with FSC. J. Broughal has reviewed this document and S. Repasch requested approval.

S. Zondag motioned and R. Donchez seconded to approve TNC Agreement. Motion passed unanimously.

Solar Project. S. Repasch reported that 10 or 12 Requests for Proposal (RFP) were sent out to various solar firms from around the country and there was a fair amount of interest in the project. S. Repasch spoke to several firms and had a site visit yesterday with two firms that will be submitting proposals and another firm visited the filtration plant today. S. Repasch just recently learned that PP&L has requested from the PUC to change the net metering rules which reduces the value of selling back excess energy back to the grid. So alternate RFP's will be to just provide 100% power for the filtration plant's needs. After comparison of the proposals and how the PP&L case plays out, more discussions will take place.

GIS Project. S. Repasch reported that I. van Halem requested that his presentation scheduled for today be postponed until next meeting in reference to the trails that E. Yeakel mapped out and Colliers put into the format with ESRI and GIS format.

Herbicide Treatment. S. Repasch reported that this past month our forester, R. Smith, has been doing a fair amount of herbicide work on his own in various sections to try to control the barberry and stilt grass. He will also be meeting with a contractor tomorrow to get a proposal on areas that he can't treat due to the need of special machinery and other large-scale equipment to try to eradicate the barberry in certain sections of the Wild Creek watershed.

Watershed Activity. S. Repasch reported that tomorrow there is a Source Water Protection meeting with the COB and the Authority at our Wild Creek Office. In attendance will be personnel from the DEP, PA Rural Water Association, EPA, The City, E. Yeakel and myself. This is an annual meeting to go over the source water protection plan and any changes that get incorporated into the updated plan for this year. S. Repasch will report on this at the next board meeting.

S. Repasch also reported that next Tuesday, October 14th is the Lehigh Valley Watershed Conference at the Ben Franklin Institute at Lehigh University. BA is a sponsor and will have a table there and he will report on the event at the next board meeting.

S. Repasch also mentioned that he has an introductory meeting scheduled for next Thursday, October 16th, with some folks from Penn Forest Township. They have a committee that is interested in trying to incorporate some of our trails into their trail system. S. Repasch thinks it's a good opportunity to get back in touch with the Penn Forest Township.

Consulting Engineer Search. S. Repasch reported that several weeks ago Requests for Qualifications were sent out to seven or eight firms. Qualifications from five firms were received. The Property & Infrastructure Committee along with E. Boscola reviewed the Qualifications and decided on three firms to interview: Keystone Consulting Engineer, Rettew Associates and Colliers Engineering, our current consulting engineering firm. After the interviews, two firms were narrowed down and proposals were requested from them. After review of the proposals, including a matrix of objective scoring that was applied to the process, the Committee is making the recommendation to retain Colliers Engineering and asking for board approval.

D. Domchek added that the Board would like Colliers Engineering to think about where you could add additional value with opportunities to be more pro-active beyond the normal requirements associated with the Trust Indenture. In turn, the BA will put together a list what they think the areas are where they might be able to help beyond the legal requirements.

C. Almeida motioned and R. Donchez seconded to retain Colliers Engineering as Consulting Engineer. Motioned passed unanimously.

FINANCE COMMITTEE

Investment Summary. C. Almeida presented the Investment Summary as of October 1, 2025. There were no new activities in terms of investments in September and all investments are within policy limits. In the Construction Fund at the end of September, funds were down to \$322,000.00 and there is another payment of around \$80,000.00 being made today. So, the level in the Construction Fund is close to where we want it to be.

Arbitrage Calculation Proposal.

C. Almeida reported that the 3rd year arbitrage calculation was done and reviewed by himself, R. Madison and S. Repasch and they are satisfied with the summary report that was produced which shows a liability of \$110,000.00 as of August 25, 2025. This shows that we earned more than the statutory rate in investments that were not excluded by investing in SLGS. The Excess/Arbitrage Fund now shows \$130,000.00 after a transfer of \$80,000.00 was made from the BRIF. To conclude the arbitrage calculation, the Construction Fund must be zero. Once that is done, our arbitrage consultant will do a final calculation from the end of August 2025 to the end of the spending in the Construction Fund. Once the final calculation amount is known, establishing the final liability with the IRS, J. Rogers, our arbitrage consultant, will file a tax return for us and we will make the payment.

C. Almeida presented a proposal from Arbitrage Rebate Counselors for \$1,000.00 to perform the final arbitrage calculation and prepare IRS tax return for approval.

S. Zondag motioned and R. Donchez seconded to approve proposal for final arbitrage work. Motioned passed unanimously.

Controller. J. Filipos' report for the month of September 30, 2025, was circulated and filed with regular interest and expenses recorded. In the Construction Fund, a Water Capital payment of \$304,028.00 was made; In the MRF, two CDs will mature in October; and in November, Debt Service Payments will be due.

3Q25 Income and Expense Projections. S. Repasch presented the report showing regular revenue and expenses through September 30, 2025. Revenue is at 36% of budget or \$377,769.00; we did recently receive the 4th Qtr. Operating Funds from The City; Professional Services expenses are at 55% of budget or \$47,351.00 and there will be some more expenses from our Consulting Engineer for the Annual Report and Inspections; Security and Property expenses are at 56% or \$37,798.00; Administrative expenses are 36% or \$321,186.00. Note: Towards the end of the year, we always budget to transfer our Operational Reserves to the Capital Reserves and S. Repasch is estimating \$90,000.00 although he believes it might be more than that at the end of the year. Total expenses are 39% or \$406,335.00 of budget. Operating Cash on Hand projected for the end of the year, 12/31/2025, is \$38,591.00. On the Capital Reserve, an expense of \$3,000.00 is shown for an electrical drawing that needed to be certified for the garage in the watershed. We have submitted all the documents to the Township Zoning Enforcement Officer and are still waiting to hear back from him on our permit. 35% of budget or \$32,651.00; Total Capital Cash on Hand is \$48,024.00. Projected Fund Totals for all Funds for December 31, 2025, is \$1,243,393.00.

S. Repasch mentioned the considerable amount of funds in the Reserves and to think about what we might want to do with them.

Resolution #516 – Approval of Expenses. D. Domchek presented Resolution #516 to the Board for expenses through October 9, 2025, from the General and Reserve Accounts totaling \$38,127.93 and from the Construction Fund totaling \$80,554.35.

C. Almeida motioned and S. Zondag seconded to approve Resolution #516. Motion passed unanimously.

GOVERNANCE & HR COMMITTEE

S. Zondag reported that the Governance Handbook is updated and has review dates in all sections and is in fine shape for next year. S. Zondag also mentioned that starting in January, service letters for all individuals that work for BA recognizing their length of service. The average length of service right now is 5.5 years; when S. Repasch is put into the equation, because he has been with the BA for almost 20 years, the average is 8.8 years. S. Zondag says it speaks to the quality and integrity of the work that's being accomplished.

S. Zondag stated that the performance evaluation process has been completed and went well and reviews were productive. The reviews will inform the potential salary adjustments during the budget process. Also, every year a tabletop exercise is conducted for imagine succession planning for Executive Director to know what the steps would be to look for a qualified replacement. S. Repasch was extremely helpful in this process and there is at least a roadmap in the event it is needed.

SOLICIT

J. Broughal mentioned some news regarding the American Water, Community Utilities Westgate deal. There was a public hearing at the Nancy Run Fire Company and only three people showed up including an associate from the Solicitor's office. And he was there for two reasons: After American Water got their rate increase, they said they would be doing improvements to the system and they haven't been completed as yet. The disparity in rates was also an issue that was mentioned. However, after the meeting, American Water did say they would attend a Township meeting for any supervisor questions, which J. Broughal thought was a good political move. The City's PUC attorney didn't think this deal would be approved until near the end of the first quarter of 2026.

CONSULTING ENGINEER

R. Madison thanked the board for the re-appointment and looks forward to serving the BA in the future.

SPECIAL POLICE

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

WATER REPORT

The water report for the month of September is as filed. E. Boscola reports the same trend of the reservoirs levels as last year and remains a concern. The rainfall amount is basically the same as last year so we'll see what happens.

CITY OF BETHLEHEM DIRECTOR OF WATER AND SEWER RESOURCES

The Director's Report was filed and circulated reflecting financial status through September 30, 2025, and Revenues and Expenses are in good shape and on target and \$16 Million in the bank.

E. Boscola recapped some highlights for the year:

- Have completed almost 4,000 water meter replacements this year. The total to date is about 21,000 customers on automatic metering program out of 37,000. The goal is to perform another 4,000 next year.
- Have completed replacing roughly 3,000 ft. of water main this year
- The 2026 capital budget is being worked on and some big-ticket items are 4,000 more water meters; roof replacement on filtration plant; replacement of 2-million gallon reservoir with a 1-million gallon reservoir; and interconnects with LCA.
- The City will be applying for a rate case with the PUC; the last one was in 2021.
- Regarding security for 2026: finish the gates; cameras in and around the filtration plant and start fencing along with sides of the property at Wild Creek.
- E. Boscola also mentioned that a Project Manager has been hired for both the Water & Sewer Department. Her name is Kayla Virgone and will be working on special projects like the lead service lines inventory and software initiatives to be implemented. K. Virgone reports directly to E. Boscola and she will eventually be part of the Capital Planning process. C. Almeida stated they would welcome the opportunity to talk with her regarding the capital funding.

OTHER BUSINESS

S. Repasch mentioned that he is Chair of the Environment Committee at the Lehigh Valley Planning Commission and last month they reviewed the LCA Capital Plan. On their City division plan, they have 4 miles of water main replacement program from 2025 up to and including 2028, one mile per year. On the Suburban side, a new project is a leak detection program which involves the installation of leak loggers and pressure sensors in strategic locations throughout the LCA's suburban water system to improve leak detection monitoring capabilities.

S. Zondag requested a tour of the watershed and the other facilities this Fall and perhaps join R. Madison on his tour for the annual report. Dates will be sent out and coordinated.

COURTESY OF THE FLOOR

Mr. Antalics asked if there is an estimate timeframe of when the installation of the new smart water meters will pay for themselves? E. Boscola stated that it is very difficult to analyze due to too many factors. E. Boscola did mention that sometime in 2026 Lehigh University wants to use a portion of the City's water system as a research project using some sort of AI platform to monitor water usage and water loss and measure water pressure focusing on the campus area.

NEXT MEETING

The next regular meeting is scheduled for November 13, 2025, at 3:30pm.

ADJOURNMENT

R. Donchez motioned and S. Zondag seconded to adjourn the meeting at 4:32pm. Motion passed unanimously.

Ronald J. Donchez

Assistant Secretary