

BETHLEHEM AUTHORITY
Minutes of the Regular Meeting
Of the Board of Directors
October 14, 2021

The regular meeting of the Board of Directors of the Bethlehem Authority ("BA") was held on October 14, 2021, in the Conference Room B504 at City Hall, Bethlehem, PA and remotely via "GoToMeeting". The meeting was called to order at 3:30 PM by Mr. Thomas Donchez, Chair.

Also in attendance were:

Mr. John Tallarico, Vice Chair
Mr. Dennis Domchek, Treasurer
Ms. Sharon Zondag, Secretary
Mr. Carlos Almeida, Assistant Secretary/Treasurer
Mr. James Broughal, Esq., Broughal & DeVito
Mr. Ron Madison, PE, Colliers Engineering & Design
Mr. Stephen Repasch, Executive Director
Ms. Sandra Zapf, Administrative Assistant
Mr. Eric Yeakel, Police Officer-In-Charge

APPROVAL OF MINUTES

D. Domchek moved and J. Tallarico seconded to approve the minutes of the September 9, 2021, Regular Meeting. Motion passed unanimously.

RECOGNITION OF VISITORS

Ms. Michele Liberto, City of Bethlehem, Deputy Controller
Mr. Ed Boscola, Director of Water and Sewer Resources

COURTESY OF THE FLOOR

There were no comments during courtesy of the floor.

CHAIR

T. Donchez announced that V. Gower had resigned his post on September 10th as Assistant Secretary/Treasurer after 14-1/2 years. His expertise, knowledge and patience were great assets to the BA and he will be truly missed. A plaque was presented to Mr. Gower in recognition of an outstanding tenure with the BA.

T. Donchez introduced Carlos Almeida as the new Assistant Secretary/Treasurer. C. Almeida brings a wealth of financing knowledge from a long career with Air Products Inc.

Sky Lanterns. T. Donchez reported that the Pocono Raceway held its "Sky Lantern" Festival on September 11th & 12th and approximately 20,000 lanterns were launched. This event brings much apprehension and grief in the form of potential forest fires and litter. E. Yeakel surveyed the area on the Sunday and Monday mornings after the events to see how many lanterns landed

on BA property and reported that there was a lot of litter. And even after the organizers picked up a lot of the lanterns, there was still many more that were not.

A letter was sent out to all State Representatives from Lehigh, Northampton, Carbon and Monroe counties requesting co-sponsorship or support of House Bill 93, which would ban the untethered use of these devices in PA.

EXECUTIVE DIRECTOR

Forestry Management. S. Repasch reported Wagner Millwork, who had purchased a timber sale from us in December 2020, would not be able to complete the sale by March 2022 as agreed and asked for an extension of time. After some discussion, it was agreed that a six-month extension at a cost of \$500.00 to Wagner is warranted. J. Tallarico motioned and D. Domchek seconded to approve the timber sale extension. Motion passed unanimously.

A hand written bid for the sale of two timber stands was received from K. Walters. & Sons. One area is 28 acres in the Tunkhannock area for \$8,275.00 and the other is 53 acres in the Wild Creek area for \$7,921.00. S. Repasch is requesting approval from the Board to accept this bid, conditioned upon formal standard contracts as reviewed and approved by the BA Solicitor and himself. J. Tallarico motioned and C. Almeida seconded to approve the bid upon approval of standard timber sale contracts. Motion passed unanimously.

Williams Pipeline. Williams/Transco and our Solicitor are still working on the language in the agreement; the issues have to do with us giving consent to access the property and to give us notice if/when they sell the pipeline to another party. It is hoped that a final license right-of-way agreement will be available to the Board for action at the next board meeting.

Lehigh Township R-O-W. J. Broughal has not heard back from the developer's attorney regarding the R-O-W agreement for a water line extension and meter pit at the Water Filtration Plant but believes it is only because they are busy.

Interconnection Evaluation. S. Repasch reported that the final draft was received from AECOM and he distributed the Executive Summary to our infrastructure committee, J. Tallarico and T. Donchez. The summary of the report gives a global view of what needs to be done at a cost of around \$15 Million dollars. Once the report is finalized, it will be shared with the adjacent utilities and open discussions on funding.

3Q21 Income and Expense Projections. S. Repasch presented the report showing regular revenue and expenses through September 30, 2021. Revenue is at 72% of the budget, projection in 4th Qtr. includes \$175,000.00 for Carbon Credit, which is under third party review. S. Repasch also mentioned that he just received a letter from Sprint that they would like to end the cell tower William St. property lease; he will be contacting them to learn more details; Professional Services is at 59%; Security & Property is at 66% of budget, which includes \$1,500.00 for maintenance on fire lanes and access roads; Administrative is at 78% of budget. Total expenses are at 74% of the budget which is right on target for the year. Total projected cash on hand on October 31st, is \$1.432 Million dollars.

2022 Budget. S. Repasch stated that the 2022 Operating Budget is being developed and should have a draft to send to the Finance Committee, which will now be D. Domchek and C. Almeida, next week for their review and input.

TREASURER

Investment Summary. The Investment Summary as of October 1, 2021, is as reported. D. Domchek reported that it is essentially the same as last month with no material changes. Investments are consistent with parameters of the policy except for the ADM money market fund which continues to grow due to accumulated interest. Saxon was contacted but declined to lower their fees but is working on some other investment options for us.

Capital Financing. D. Domchek reports that P.R.A.G. continues to monitor the market but indicates no significant change. It was agreed to proceed with the current plan, barring any unforeseen changes, to refinance the 2014 bonds in August 2022 along with any new money to support the City's capital plan.

D. Domchek stated the next step to the refinancing plan is to get the team together early next year and layout a time line. A critical part will be an updated capital plan from E. Boscola.

Controller. J. Filipos' report for the month of September 30, 2021, was circulated and filed with regular interest and expenses recorded. November will have the next debt service payments.

Resolution 464 – Approval of Expenses. T. Donchez presented Resolution 464 to the Board for expenses through October 14, 2021, from the General and Reserve accounts totaling \$35,469.30 and the BRIF account of \$118,350.00 for Water Capital Expenses.

D. Domchek motioned and J. Tallarico seconded to approve Resolution 464 as presented. Motion passed unanimously.

SOLICITOR

J. Broughal had no report.

CONSULTING ENGINEER/WATER SYSTEM SECURITY

R. Madison gave an update on the work that's been done on the feasibility study. All the facilities on the list have been visited and a very productive meeting with a cooperative team attitude was held with the City's Emergency Response Manager, Assistant Chief of Police and the IT Department responsible for the security cards and camera system. It appears that it will be possible to build on the City's existing system instead of starting from scratch. R. Madison expects to have the final draft of the feasibility study to present to the board, which will include recommendations, prioritization and cost estimates for each facility, by the end of the year.

SPECIAL POLICE

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

WATER REPORT

The Water Report for the month of September, 2021, was created and filed by E. Boscola. The reservoirs are at a combined capacity of 101.53% due to a lot of rain the last couple of weeks.

CITY OF BETHLEHEM DIRECTOR OF WATER AND SEWER RESOURCES

The Director's Report was filed and circulated reflecting through September 30, 2021. Revenue and expenses reflect a cash balance of \$12.79 Million in the Operating Fund and E. Boscola sees no problem making November's debt service payments. On the Capital side, a cash balance shows approximately \$1.85 Million.

E. Boscola reports that work on the 2022 Budget has started. Revenue will show the water rate increase implemented this year which will give a good amount of capital appropriations which in turn will affect the Capital Plan, 10-year Plan and refinancing of bonds and be in very decent shape going into next year.

OTHER BUSINESS

T. Donchez talked about the critical items listed in the 2020 Annual Engineering Report that have not been addressed yet and suggested working on that list to prioritize the items. One item in particular is the unaccounted for water (UFW) which continues to grow and is now close to 30%. S. Zondag requested a line item for UFW be added to the Water Report for help in tracking this item and E. Boscola said he would add one but it would be more accurate to report this on a quarterly rather than monthly basis. E. Boscola also said that this was a concern to the City as well and the 2022 budget will have a line item for a consultant to help determine what is going on with the water loss.

COURTESY OF THE FLOOR

No comments during Courtesy of the Floor.

NEXT MEETING

The next regular meeting is scheduled for November 11, 2021, at 3:30pm.

ADJOURNMENT

J. Tallarico moved and S. Zondag seconded to adjourn the meeting at 4:25pm and go into Executive Session to discuss a matter of potential litigation.

Sharon J. Zondag

Board Secretary