

**BETHLEHEM AUTHORITY**  
**Minutes of the Regular Meeting**  
**Of the Board of Directors**  
**August 8, 2024**

The regular meeting of the Board of Directors of the Bethlehem Authority (“BA”) was held on August 8, 2024, in the Conference Room B504 at City Hall, Bethlehem, PA and remotely via Microsoft “Teams”. The meeting was called to order at 9:00 AM 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. 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, Office-In-Charge  
Mr. Ed Boscola, City of Bethlehem, Director of Water & Sewer Resources

**APPROVAL OF MINUTES**

C. Almeida moved and J. Tallarico seconded to approve the July 11, 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**

The Chair had no report except to mention that there is one item under the Property and Infrastructure Committee, ANEW Carbon Marketing issue, that involves the agreement and will be discussed under Executive Session.

**EXECUTIVE SESSION**

Regular Meeting is suspended and moved into Executive Session at 9:01am.

Regular Meeting resumed at 9:28am.

## **PROPERTY & INFRASTRUCTURE COMMITTEE**

### **Watershed Management.**

**Timber Sale.** S. Repasch reported that the red pine timber sale is going well, about 15% complete, but might need to shut down for a few days until the roads dry out due to recent rains.

S. Repasch also reported that he spent half a day on Tuesday with our Forester touring various prospective timber sale stands to get an idea of what we are looking at over the next three years and received a lot of information of why certain stands are scheduled and not others. R. Smith will be preparing a budget for the next three years of timbering and also invasive plant controls. He noted that there are some areas in the watershed, although not a lot, that are starting to get overrun with invasives, particularly barberries and stilt grass, and will advocate spending some funds for spraying of herbicides.

**Property Sale.** S. Repasch reported that the property on Buttonwood Road in Allen Township was approved by City Council on July 16<sup>th</sup>. The property was sold and funds of \$75,710.25 was received and put into the Revenue Fund. Those funds were then transferred to the BRIF Account. S. Repasch checked with L. Kurtz, our Bond Counsel, who stated that the process per the Trust Indenture of any funds from sale of property must go into the Revenue Fund, after which then can transfer to the BRIF.

**Right To Know.** S. Repasch stated that he has been working with our Solicitor's office regarding an appeal filed from an objector of the wind energy project in Penn Forest Township that the Authority didn't supply the financial information requested. We replied that the information wasn't specific about what was requested. The OOR, Office of Open Records, reviewed the appeal, making a ruling that denied our reasoning for not supplying the information, but they did extend the time that we can respond which we will do. A copy of the 2022 DCED Financial Report was eventually sent to the OOR and the objector which we believe will satisfy the request.

**Storm Water Fees:** S. Repasch stated that letters from our solicitor were sent to COB, Bethlehem Township's Municipal Stormwater Authority, and the Borough of Fountain Hill Stormwater Authority several months ago stating that stormwater fees are exempt for Municipal Authorities.

We received a notice from the Bethlehem Twp.'s collection agency, Keystone Collections, for late fees for non-payment. S Repasch submitted directly to them the letter that our solicitor prepared, and it looks like the late fees will be waived. J. Broughal stated that the Supreme Court of PA has not yet made a decision on the stormwater issue as to "is it a fee" or "is it a tax". If the decision is that "it is a tax", then all the fees will be eliminated.

S. Repasch also mentioned that the Borough of Fountain Hill also sent a late fee notice and again he sent the letter from our solicitor and within a week we received a check for reimbursement of stormwater fees paid to the Borough of Fountain Hill. No word from the COB has been received.

## **FINANCE COMMITTEE**

**Investment Summary.** C. Almeida presented the Investment Summary as of August 1, 2024. He stated that there were no investments that matured during the month of July. An overall of the big picture in the Construction Fund, balance is at \$5.9 Million which includes the original construction money, less withdrawals and interest accumulated to date. There is roughly \$300,000.00 in accumulated interest. The arbitrage calculation and report should be completed in September, then at that point the arbitrage money that is due will be transferred to a separate account which can be used for this purpose. At a later time, C. Almeida suggested discussing what to do with the interest accumulated in the Construction Fun not subject to arbitrage.

S. Repasch noted that he had a discussion with L. Kurtz, our bond counsel, regarding the Board's inquiry about doing a complete redo of the Bond Trust Indenture rather than just a supplement the next time we do a bond issue, and L. Kurtz stated that it cannot be done until all the Bonds are satisfied. S. Repasch also asked if a complete Sales and Lease Agreement could be issued instead of another Supplement, but he hasn't heard back from L. Kurtz as yet.

C. Almeida mentioned that two months ago, a CD was called early; it was paying 5.7% interest, which was a nice healthy premium. A look at the portfolio showed another four callable CDs provisions and if they were all called a quick calculation resulted in a loss of roughly \$4,000.00 which is not a significant loss. This prompted the question given today's volatility whether to lock into a CD without the callable provision.

S. Repasch mentioned that the engagement letter from P.R.A.G. was received as a disclosure that is required from Financial Advisors given their position with the Authority.

**Controller.** J. Filipos' report for the month of July 31, 2024, was circulated and filed with regular interest and expenses recorded. In the Construction Fund, \$338,686.00 was paid for COB Water Capital invoices. In the Operating Checking Account, 3<sup>rd</sup> Qtr. Operating Funds of \$91,250.00 from the COB was received. Funds from the sale of property in the amount of \$75,710.25 went to the Revenue Fund and then transferred to the BRIF.

S. Repasch noted that the City's Finance Director resigned a couple weeks ago and the COB is looking for a replacement. We will have to work with that individual when the time comes to make the next debt service payment in November.

**3Q24 Income and Expense Projections.** S. Repasch presented the report showing regular revenue and expenses through July 31, 2024. Revenue is at 50% of budget or \$357,908.00 but it is doubtful that we will reach 100% given the carbon credit issue. The budget included \$175,00.00 for carbon credit revenue which will likely not be realized. In Silviculture, \$15,000.00 is anticipated over the next couple of months from the Red Pine sale and in the Miscellaneous category, \$9,728.00 is for the Fountain Hill stormwater reimbursement. Professional Services expenses are at 44% of budget or \$41,779.00; Security and Property

expenses are at 44% of budget or \$26,320.00 with anticipated expenses of \$12,000.00 once the herbicide treatment is done in September on the Clearview Timber sale; Administrative expenses are 32% or \$162,801.00. Total expenses of 32% or \$230,900.00 of budget. Due to lack of carbon credit revenue, it is unlikely that we will be transferring money to the BRIF or Capital Reserves, or at least not as much as budgeted. On the Capital Reserve budget, expenses to date are 59% or \$73,236.00 which includes \$4,000.00 for transfer of emergency equipment for our old vehicle to the new vehicle. Total projected cash on hand as of September 30, 2024, is \$90,298.00. Total project cash on hand for all funds as of September 30, 2024, is \$1,262,805.00.

**Resolution #502 – Approval of Expenses.** D. Domchek presented Resolution #502 to the Board for expenses through August 8, 2024, from the General and reserve accounts totaling \$41,507.00 and \$488,253.30 from the Construction Fund for Water Capital Expenses.

S. Zondag motioned and C. Almeida seconded to approve Resolution #502. Motion passed unanimously.

### **GOVERNANCE & HR COMMITTEE**

S. Zondag reported that the annual reviews are underway; the self-evaluation form went to S. Repasch ten days ago and staff has the month of August to complete that part of the process. In September the Board will start their review of staff performance and goals for the years looking forward.

### **SOLICITOR**

J. Broughal had no report.

### **CONSULTING ENGINEER**

R. Madison reported that he did the requisition recommendation letter that action was just taken on and also did a certification for the sale of the property in Allen Township basically stating that it is not strategic to the water system and is suitable for sale.

### **SPECIAL POLICE**

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

### **WATER REPORT**

The water report for the month of July is as filed. Penn Forest Reservoir is still down but suspects that after this week's rain it will start going back up.

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

The Director's Report was filed and circulated reflecting financial status through July 31, 2024. Water Fund is still in good shape and still on target for revenue and expenses are going well also. Capital expenditures to date are \$4 Million with and an additional \$2.8 Million encumbered for projects that are either underway or under contract and ready to go. So, in theory, \$7 Million could be spent, which is a little higher than average.

E. Boscola reported on some highlights:

- Meter replacement still on schedule for 4,000 this year which should wrap up this fall.
- Freemansburg water main replacement should wrap up end of this week and work-around bridge has started.

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

**ADJOURNMENT**

C. Almeida motioned and S. Zondag seconded to adjoint the meeting at 10:00am. Motion passed unanimously.

*John J. Tallarico*  
Assistant Secretary/Treasurer