

BETHLEHEM AUTHORITY

**Minutes of the Regular Meeting
Of the Board of Directors
July 11, 2024**

The regular meeting of the Board of Directors of the Bethlehem Authority (“BA”) was held on July 11, 2024, in the Conference Room B504 at City Hall, Bethlehem, PA and remotely via Microsoft “Teams”. The meeting was called to order at 3:30 PM 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. Leo DeVito, Esq., Broughal & DeVito
Mr. John Filipos, CPA, Buckno Lisicky & Company
Mr. Stephen Repasch, Executive Director
Ms. Sandra Zapf, Administrative Assistant
Mr. Eric Yeakel, Office-In-Charge

APPROVAL OF MINUTES

J. Tallarico moved and C. Almeida seconded to approve the June 13, 2024, minutes of the Regular Meeting. Motion passed unanimously.

RECOGNITION OF VISITORS

Mr. Ed Boscola, City of Bethlehem, Director of Water & Sewer Resources
Mr. Ian von Halem, Private Citizen

COURTESY OF THE FLOOR

There were no comments during Courtesy of the Floor.

CHAIR

The Chair had no report except to note there will be a brief executive session after the regular meeting to discuss a personnel matter but no action will be taken.

PROPERTY & INFRASTRUCTURE COMMITTEE

Watershed Management.

Timber Sale. S. Repasch reported the contractor is bringing in equipment next week and starting to timber the red pine stand at the Osprey Gate soon thereafter.

Grant with Rough Grouse Society. S. Repasch reported that our forester, R. Smith, applied for a several thousand-dollar grant with the Rough Grouse Society to do some habitat work for

rough grouse on several different stands in the watershed. S. Repasch will report further if the grant is approved.

Interconnection Design Agreement. S. Repasch reported that the City of Allentown's solicitor stated that Allentown's City Council does not need to approve the interconnection design agreement. Since the City of Bethlehem, BA and LCA have already approved the agreement, the only thing needed is the Mayor of Allentown to sign the agreement. This agreement is for design work of three interconnects in Allentown only. E. Boscola noted that he did budget \$300,000.00 for design work for both LCA and Eastern Suburban interconnection improvements and hopes that the effort from LCA will prompt Eastern Suburban to take action.

Renewable Energy. S. Repasch reported that he spoke with a renewable energy company, EXUS, who is possibly interested in picking up the wind turbine project in Carbon County. They have asked for some information regarding our legal issues that attorney Preston was handling for us and asked for documentation related to the Assignment of Rights from Atlantic Wind to the BA for the project. They will get back to S. Repasch on thoughts on how to move forward if the Board is so inclined. D. Domchek asked S. Repasch about the status of the noise decibel zoning issue and S. Repasch responded that it is still on the Judge's desk in Carbon County since January.

S Repasch also reported that after he had that conversation with the Governor's office regarding renewable energy projects, he re-connected with Rentricity, whom the BA worked with for many years to try to develop a project using the dynamics of the water line coming down from Wild Creek to the water filtration plant and the difference in elevation and pressure to use with turbines inside the waterline to generate electricity. This proposed project was active for many years but there were issues related to PP&L and some of their net metering requirements; where the energy was going to be used that was generated there; it had to be used by a facility within two miles from where the generators were, etc. At that time Rentricity saw that they could not justify the project financially anymore. Now with the Governor's office fully onboard with some of the infrastructure money that has been handed down, they are very interested in funding projects just like this. Rentricity will be getting back to S. Repasch after they review the project's financials and design issues and hopefully this project can be restarted.

Property Sale. S. Repasch reported that the property sale on Buttonwood Road in Allen Township, that the BA approved in June, is on the City Council's Agenda for their Meeting on Tuesday, July 16th. Once we get the Council's approval, the sale can take place. It is unclear where the proceeds from the property sale will be deposited and S. Repasch will contact our Trustee and Bond Counsel to determine which trust account can be used.

TNC Grant. S. Repasch presented a Grant Sub-Award Agreement with TNC for \$15,000.00 with a matching \$15,000.00 from the BA for approval. The herbicide contract that the board previously approved and our Forester's time working on the Forest Management Plan (FMP) is eligible for our match toward the grant.

S. Zondag motioned and C. Almeida seconded to approve the Grant Sub-Award Agreement with TNC. Motion passed unanimously.

S. Repasch also had a meeting with TNC two weeks ago related to the FMP that is being updated. TNC stated that they/we are embarking on a plan for a DFRB, Dynamic Forest Restoration Block, for all our properties and TNC's properties in the Long Pond, Tunkhannock Twp. watershed areas. It's like a subset of a FMP and takes into account certain tracts and stands of forests in that area and combines it into this DFRB; these areas will all be treated the same way for flora and fauna habitat improvement.

FINANCE COMMITTEE

Investment Summary. C. Almeida presented the Investment Summary as of July 1, 2024. Not a lot of activity in June except for one CD that was renewed in the MRF. It was decided to renew at a longer term of 24 months for 5.05% which seemed prudent since the money is locked in till 2027 and the risk of interest rates going up vs. going down favored the decision of going longer. Construction Fund is still being drawn down paying Water Capital invoices and currently have \$6.2 Million remaining. All investments fall within policy limits.

Controller. J. Filipos' report for the month of June 30, 2024, was circulated and filed with regular interest and expenses recorded. In the Construction Fund, \$133,595.42 was paid for COB Water Capital invoices. J. Filipos also reported that the DCED report was filed in June but is considered "incomplete" until the City's audit is done.

2Q24 Income and Expense Projections. S. Repasch presented the report showing regular revenue and expenses through June 30, 2024. Revenue is at 36% of budget or \$257,509.00; we still have carbon credit revenue outstanding which is the bulk of our budgeted revenue. Hopefully will receive the carbon credit by the end of the year. Professional Service expenses are at 38% or \$35,917.00; Security and Property expenses are at 41% or \$24,711.00; Administrative expenses are at 25% or \$139,756.00; our budget includes our typical transfers at the end of the year, which is why we are only at 25% of budget because we won't be transferring to our Capital Reserve or BRIF accounts until close to the end of the year after we get our carbon credit. The projected expense in the office equipment account is \$1,200.00, which is \$700.00 over what was budgeted, for a new replacement backup laptop computer. Total expenses are 28% or \$200,384.00 and projected Operating Cash on hand as of September 30, 2024, is \$96,323.00. On the Capital Reserve budget, expenses to date are 59% or \$73,236.00; an error in the Property Improvements/Purchases category shows projected expense of \$11,700.00 which was a carry-over from last month and should not be there. Total projected cash on hand as of September 30, 2024, is \$101,984.00. Total projected cash on hand as of September 30, 2024, for all funds is \$1,267,846.00.

Resolution #500– Approval of Expenses. D. Domchek presented Resolution #500 to the Board for expenses through July 11, 2024, from the General and Reserve accounts totaling 37,354.83 and \$338,686.00 from the Construction Fund for Water Capital Expenses.

C. Almeida motioned and S. Zondag seconded to approve Resolution #500. Motion passed unanimously.

GOVERNANCE & HR COMMITTEE

S. Zondag had no report but mentioned that the start of self-evaluations will start in August and then in September the Board will go through the reviews and complete their part of the process. The Committee will have a recommendation for salary adjustments for fiscal year 2025 in place in time for the budget. In October, we will have a preliminary budget so we will have our work accomplished to make that recommendation.

SOLICITOR

L. DeVito had no report.

CONSULTING ENGINEER

S. Repasch mentioned that R. Madison did sign the authorization for the Water Capital Expenses.

SPECIAL POLICE

Police report for the month of July was circulated and filed. S. Zondag questioned E. Yeakel about the repairs to chambers along the transmission line. E. Yeakel stated that the concrete is all broken up and The City will be making the repairs; all work is above ground.

WATER REPORT

The Water Report for the month of May and June are as filed. At the end of June, Penn Forest Reservoir is down by a couple of feet; June was a fairly dry month and water levels will continue to be monitored.

CITY OF BETHLEHEM DIRECTOR OF WATER AND SEWER RESOURCES

The Director's Report was filed and circulated reflecting financial status through June 30, 2024, and right on target for revenue for the Water Fund and expenditures are under budget. Revenue and expenses are fairly predictable year-to-year in the operating fund, but some one-time expenses will bring the -17% projection down to likely -5%. On the Capital side, the expenditures year-to-date of \$3.4 Million with roughly \$3.5 Million encumbered, we are well on our way to spending the rest of the Construction Fund by the end of next year.

E. Boscola reported on some highlights:

- About 1/3 complete on the meter replacement project for this year; about 1,600 meters completed out of 4,000
- Main Street in Freemansburg is closed for water main replacement.
- Market Street in Bethlehem - a geotechnical evaluation of the street, following a water main break last year, needs to be done by an engineer which should happen this summer.

Unaccounted For Water. E. Boscola presented the second quarter of 2024 tracking and shows a little above 25%. E. Boscola stresses that these are rough estimates. We will do this tracking every quarter and then once we do the full year, it will give us a good idea of how accurate our estimates are.

D. Domchek asked about the GIS project status. E. Boscola stated that a consultant is working on mapping water, storm water and sanitary sewer with a lot of "behind the scenes" work being done.

OTHER BUSINESS

D. Domchek mentioned that the August board meeting on 8th falls right in the middle of MusikFest and creates a parking problem. It was decided, just like last year, to move the meeting time to 9:00 A.M. on August 8th at this same location. Time change will be advertised.

S. Zondag motioned and C. Almeida seconded to change the time to 9:00 A.M. for the August 8th, 2024, board meeting. Motion passed unanimously.

COURTESY OF THE FLOOR

I. von Halem asked if the TNC grant was mostly for herbicide treatment and S. Repasch responded yes, and we'll be using FSC approved herbicide.

I. von Halem asked if the interconnection contract with LCA is new or existing and E. Boscola responded there is a contract in place for to improve three waterline interconnections. There will be more complex metering and valving chambers and larger pipes to increase the capacity. No pumps will be installed but hydrants and connections to temporarily pump if needed. Those existing interconnections haven't been opened for approx. 30 years and we don't even know if they currently work.

NEXT MEETING

The next regular meeting is scheduled for August 8, 2024, at 9:00am.

ADJOURNMENT

J. Tallarico motioned and C. Almeida seconded to adjourn the meeting at 4:27pm and move into Executive Session. Motion passed unanimously.

EXECUTIVE SESSION

An Executive Session was held to discuss a personnel matter and concluded at 4:48 P.M. No action was taken.

John J. Tallarico
Assistant Secretary/Treasurer