

BETHLEHEM AUTHORITY

**Minutes of the Regular Meeting
Of the Board of Directors
October 13, 2022**

The regular meeting of the Board of Directors of the Bethlehem Authority (“BA”) was held on October 13, 2022, 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. John Tallarico, Chair.

Also in attendance were:

- Mr. Thomas Donchez, Secretary
- Mr. Dennis Domchek, Treasurer
- Mr. Carlos Almeida, Assistant Sec./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

C. Almeida moved and T. Donchez seconded to approve the minutes of the September 8, 2022, Regular Meeting. Motion passed unanimously.

RECOGNITION OF VISITORS

Dr. Wandalyn Enix, Council Women, City of Bethlehem

COURTESY OF THE FLOOR

There were no comments during Courtesy of the Floor.

CHAIR

The Chair reported that an Executive Session with the Board was held on Wednesday, October 5th at 10:00am for informational purposes regarding a project.

EXECUTIVE DIRECTOR

Watershed Management. S. Repasch presented a new agreement from ANEW Energy for Carbon Development and Marketing but not in its final form. J. Broughal made a few changes and corrections to the Agreement. Specifically, the language of Article 4, Section 4.3, regarding the difference between “development period” and “term” of the contract; and Article 15, Section 15.2, specifying any litigation would be under the laws of the Commonwealth of PA and the jurisdiction shall be the Court of Common Pleas of Northampton County, PA. The revised agreement was sent to ANEW for their review and we are awaiting their response.

S. Repasch suggested conditional approval of revised agreement subject to review and approval from J. Broughal, J. Tallarico, T. Donchez and himself.

C. Almeida moved and T. Donchez seconded approval of ANEW Energy Agreement upon approval of revised agreement. Motion passed unanimously.

Forestry Management.

Timber Sale. S. Repasch reported that the Stony Hollow sale was completed today.

FSC Audit. The FSC audit took place two weeks ago. TNC's preliminary response was that the audit went well and without any significant issues. The final report and results should be received within the next several months.

Wind Energy. S. Repasch presented an engagement letter from Riley Riper Hollin & Colagreco to represent the BA as council for the noise ordinance issue at the next phase of the zoning board hearings in Penn Forest Twp. This firm represented Atlantic Wind and has the expertise regarding the noise ordinance standards and methodology. In order to preserve the rights to put wind turbines in Penn Forest Twp, BA needs to continue to litigate this issue.

C. Almeida moved and D. Domchek seconded approval of engagement letter. Motion passed unanimously.

3Q22 Income and Expense Projections. S. Repasch presented the report showing regular revenue and expenses through September 30, 2022. Revenue is at 89%. On Monday, S. Repasch signed a deed of representation for the 2021 carbon credits and anticipates receiving those funds before the end of the year. Revenue is expected to exceed the \$175,000.00 projected, and possibly in the \$200,000.00 range. Professional Services is at 64%. Colliers Engineering will be starting their annual inspection tours and anticipated expenses for that are noted; Security & Property is at 57%; Administrative is at 79%. Total expenses are at 75% of the budget and projected Operating cash on hand is \$284,489.00. On the Capital Reserve, there is a projected cost of \$1,000.00 for legal fees on the Wind Energy Project. Total Capital cash on hand is \$155,377.00. Total projected cash on hand on October 31, 2022, is \$1.262 Million Dollars.

TREASURER

Investment Policy. D. Domchek presented an amended Investment Policy for Board approval. This policy is reviewed annually by the Finance Committee and P.R.A.G. This amended policy has changes suggested by P.R.A.G. to align with the 2022 Bond Trust Indenture and provides a wider range of investment options. P.R.A.G. suggested allowing money market funds in one institution go up from 20% to 50%, D. Domchek and C. Almeida recommended it be capped at 35%.

T. Donchez moved and C. Almeida seconded to approve the Investment Policy as amended. Motion passed unanimously.

Investment Summary. The Investment Summary as of October 1, 2022, is as reported. The new Construction Fund has roughly \$9.9 Million to support that Capital Plan and about 60% of

that is invested in T-Bills at a rate of 3.7%; the other 40% is invested in a money market account for maximum liquidity. All investments are within policy parameters. D. Domchek mentioned that the DSRF went down to approximately \$1.3 Million due to partially terminating the FDA, which was all part of the new bond issue.

Controller. J. Filipos' report for the month of September 30, 2022, was circulated and filed with regular interest and expenses recorded. C. Almeida recommended a footnote on the last page of the report which shows BA's total outstanding debt. The 2014 Revenue Bonds will be redeemed on November 15, 2022, thereby reducing the total debt by an estimated \$28.5 Million.

Resolution 478 – Approval of Expenses. J. Tallarico presented Resolution 478 to the Board for expenses through October 13, 2022, from the General and Reserve accounts totaling \$30,779.95.

D. Domchek motioned and C. Almeida seconded to approve Resolution 478 as presented. Motion passed unanimously.

SOLICITOR

J. Broughal presented a Waterline License Agreement between BA and Lehigh Township Municipal Authority for a land development project known as Hilltop Center. This agreement permits them to run a water line across a portion of BA's property to serve that development.

C. Almeida moved and T. Donchez seconded to approve the Waterline License Agreement. Motion passed unanimously.

CONSULTING ENGINEER

S. Repasch presented Colliers Engineering 2022-2023 Professional proposal for Board's approval. It is basically the same as last year with a few notable differences: Certification of Water System Insurance went up from \$500.00 to \$2,000.00; Certification of Water System Revenues went down from \$1,500.00 to \$500.00; Annual Report fees went up from \$10,000.00 to \$12,000.00. These changes reflect the actual time the engineers anticipate spending on the various above-mentioned tasks and are not-to-exceed amounts.

J. Tallarico moved and C. Almeida seconded to approve Colliers' Engineering proposal. Motion passed unanimously.

SPECIAL POLICE

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

WATER REPORT

The Water Report for the month of September 2022, was created and filed by E. Boscola. The reservoirs are at a combined capacity of 90.90%. Wild Creek reservoir level was lowered in September to perform some work on the spillway. It is currently in the process of being refilled.

CITY OF BETHLEHEM DIRECTOR OF WATER AND SEWER RESOURCES

The Director's Report was filed and circulated reflecting financial status through September 30, 2022. Some highlights:

- 2023 water fund and capital budgets are almost finished. Water fund budget approx. \$23 million; minimal change overall from last year. Capital expenditures approx. \$10 million. I budgeted \$3 million from the new construction fund; the rest from BRIF carryover (no additional funds), grants, and capital appropriation from the operating fund. About half of the capital budget (\$5 million +/-) is for projects already encumbered that will carry over to next year.
- Major projects planned for 2023:
 - Meter replacements/AMI upgrade – \$2 million (1st year of multi-year effort to replace 25,000 residential meters)
 - Water mains - \$3 million
 - Lead services (carry over) - \$2 million
 - East Allen Gardens conversion - \$500K
 - WTP projects - \$250K
 - Security - \$450K (carryover)
- Lead Service Lines replaced to date is 88; this project will continue until the money runs out.
- Shady Lane well system Manganese treatment will be placed in service after we receive DEP operating permit.

OLD BUSINESS

- **Sky Lanterns Legislation.** The Sky Lantern Festival took place on September 17 & 18, 2022. The organizer's representative informed E. Yeakel that they made changes to the lanterns to limit how far they can travel. E. Yeakel agreed that it did seem to help; there was minimal clean up required on BA property. S. Repasch questioned the Board about pursuing the legislation issue of not allowing the use of untethered lanterns; it was agreed that not much can be done right now given the political party in power.
- **Palmerton F&HA.** Nothing new to report.
- **Water System Security.** The City awarded contract for fencing/gate at the Pohopoco Road frontage at Wild Creek.
- **Interconnection Evaluation.** S. Repasch reported that he is in the process of scheduling a meeting with E. Boscola and Easton Suburban Water Authority.

OTHER BUSINESS

S. Repasch announced a tentative date of Wednesday October 19th for the BA's field trip to the watershed to view possible locations for the wind turbines and where you could view them from. It should be a very good time to experience the fall colors on Authority lands as well.

COURTESY OF THE FLOOR

There were no comments during Courtesy of the Floor.

NEXT MEETING

The next regular meeting is scheduled for November 10, 2022, at 3:30pm.

ADJOURNMENT

C. Almeida moved and T. Donchez seconded to adjourn the meeting at 4:23pm and go into Executive Session to discuss a real estate matter. Motion passed unanimously.

Thomas Donchez
Board Secretary