

BETHLEHEM AUTHORITY

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

The regular meeting of the Board of Directors of the Bethlehem Authority (“BA”) was held on April 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. Thomas Donchez, Secretary

Mr. Carlos Almeida, Treasurer

Mr. John Tallarico, Assistant Secretary/Treasurer

Mr. James Broughal, Esq., Broughal & DeVito via teleconference

Mr. Ron Madison, P.E., Colliers Engineering & Design

Mr. Stephen Repasch, Executive Director

Ms. Sandra Zapf, Administrative Assistant

APPROVAL OF MINUTES

C. Almeida moved and T. Donchez seconded to approve the March 14, 2024, minutes of the Regular Meeting. Motion passed unanimously.

RECOGNITION OF VISITORS

Mr. Ed Boscola, City of Bethlehem, Director of Water & Sewer Resources

Ms. Jessica Stallberger, ANEW via teleconference

Mr. Steven Antalics, Private Citizen

COURTESY OF THE FLOOR

There were no comments during Courtesy of the Floor.

CHAIR

The Chair had no report except to mention that there will be a brief executive session meeting after the regular meeting to discuss a real estate matter.

PROPERTY & INFRASTRUCTURE COMMITTEE

Carbon Markets and ANEW/EPOCH. S. Repasch introduced Jessica Stallberger from ANEW who provided an update on carbon markets and ANEW’s new program EPOCH and how it might impact the BA’s project. EPOCH is a tool that ANEW is using to add credibility to the carbon projects ANEW is marketing and they wanted to let us know that they are doing this because it may add value to our carbon credits. But after hearing about EPOCH, it was determined that this program is not completely relatable to BA projects periodic since

adjustments are already occurring. It may apply more directly in the future however if conditions warrant.

Watershed Management. S. Repasch reported that the scheduled field trip with the Forest Stewardship Council (FSC) and The Nature Conservancy occurred on March 27th. The group consisted mostly of Foresters from TNC owned properties from six different states, GA, MI, ME, VT, MD and VA and a forester from the Albany, NY Water Department that manages 6,500 acres. S. Repasch prepared an article with pictures which is posted on the BA's website. He also shared it with PMAA who may be publishing it in the June edition of the magazine.

Representative Susan Wild's Visit. S. Repasch mentioned that the site field visit with U.S. Representative Susan Wild is scheduled for May 28th and several board members were enthusiastic in attending. There is a pre-meeting schedule for April 22nd to discuss the itinerary and S. Repasch will forward a summary to the Board.

Timber Sale. The contractor at the Clearview site in Tunkhannock Twp. had stopped working due to receiving over 3+ inches of rain, but has recently started back up and is roughly 85% complete.

S. Repasch also mentioned that he had a telephone conversation with Wagner Lumber who is working with two foresters and a contractor to do some forestry work on Palmerton Fishing & Hunting Association property and they need access from our property to get there. If the Board is so inclined to permit access, S. Repasch believes this might offer an opportunity to negotiate harvesting of the red pine timber sale that is close by that BA has been trying to sell.

Demolition Contract. S. Repasch reported that last month a proposal from Zacharias Contracting for \$10,000.00 to demolish an old cement block garage/barn in Long Pond was approved pending negotiations on the removal of debris from the property to a facility in lieu of burying the block on the property. After discussions with Zacharias Contracting regarding hauling the cement block to a recycling facility in Bath, Zacharias requested an additional \$4,000.00; when asked about crushing the block on site instead with a front-end loader and use it to stabilize our roads, Zacharias said that would be an additional \$2000.00. S. Repasch received another proposal from E.F. Possinger & Sons for \$11,700.00 and shared it with J. Broughal, who found it acceptable, pending receiving Certificate of Insurance (COI) naming BA as additional insured. S. Zondag also requested that the proposal read "barn demolition and removal" and J. Tallarico requested clarification as to asbestos remediation inspection.

S. Zondag motioned and J. Tallarico seconded to approve the authorization for S. Repasch to enter into a demolition contract with E.F. Possinger & Sons contingent upon COI, and clarification on material removal and potential asbestos inspection.

FINANCE COMMITTEE

Investment Summary. C. Almeida presented the Investment Summary as of April 1, 2024. In March, three CDs in the MRF matured and were reinvested at rates of 5.10% and 5.25%, for between 12 and 15 months, all at or below the \$250,000.00 threshold for FDIC coverage. Two payments were made for COB Water Capital invoices: \$163,922.44 from the BRIF Account and \$313,759.85 from the Construction Fund. All investments fall within policy parameters.

S. Repasch mentioned that on April 18th, the Federal Gov't Treasury in the Construction Fund will be maturing and a discussion will be needed as to what to do with those funds.

Capital Financing. C. Almeida reported there was a meeting today with the Finance Committee and E. Boscola to review the near-term and 10-year Capital Plan. Information will be shared with the board either with a special meeting or at the next board meeting, whichever the board prefers. In the near-term, 2024-2025, we are in good shape and can accommodate all the spending in the plan using the existing sources of funds. Looking at 2026, there is a \$2 Million short fall in terms of funding which could be met two different ways. One is by going to the financing markets and start borrowing, which we would like to avoid, or looking at additional sources that the BA has in Reserve accounts and additional operating cash from The City's Water Fund so that we can drawdown and delay financing until 2027 to cover the period of 2027 through 2029. In 2028, two milestones will occur: the 1998 CAB's will be fully paid which will reduce the total amount of financing below 75% which will allow the release of the Maintenance Reserve of \$2 Million and \$1.3 Million in the Debt Service Reserve. E. Boscola thanked the Board's input on the Capital Plan and helping the pieces fit together in terms of the financing.

2023 Audit Control Document. C. Almeida presented a revised governance document that describes the financial controls associated with internal financial transactions of the BA. The auditors require this document be updated annually to represent current procedures.

J. Tallarico motioned and S. Zondag seconded to approve the Internal Accounting Controls document. Motion passed unanimously.

Controller. J. Filipos' report for the month of March 31, 2024, was circulated and filed with regular interest and expenses recorded. In the Construction Fund, \$313,759.85 was used to pay Water Capital Invoices and \$163,922.44 from the BRIF.

1Q24 Income and Expense Projections. S. Repasch presented the report showing regular revenue and expenses through the end of March 31, 2024. Revenue is at 17% of budget or \$122,753. Professional Service expenses are at 19% or \$17,464, our forester has been very busy with forestry activity and inventory work; Security & Property expenses are at 22% or \$13,407; Administrative expenses are at 12% or \$68,754. Total expenses are 14% or \$99,625 and Operating Cash on hand as of June 30, 2024 is \$91,593. On the Capital Reserve budget, expenses to date are 43% or \$53,193. Total projected Capital Cash on hand as of June 30, 2024 is \$110,300; Total projected cash on hand as of June 30, 2024 for all funds is \$1,259,119.00

Resolution 497– Approval of Expenses. D. Domchek presented Resolution 497 to the Board for expenses through April 11, 2024, from the General and Reserve accounts totaling \$38,074.26 and \$222,013.59 from the Construction Fund for Water Capital Expenses.

C. Almeida motioned and T. Donchez seconded to approve Resolution 497. Motion passed unanimously.

GOVERNANCE & HR COMMITTEE

S. Zondag had no report.

SOLICITOR

J. Broughal reported that a letter was sent out from his office regarding BA’s exemption from fire tax from Lehigh Township, and although he hasn’t received an official response, he did speak to their solicitor and it appears they will not contest our claim. Similar letters regarding exemption from storm water fees were also sent out to Fountain Hill and the City of Bethlehem and he hasn’t heard anything from them yet. Also, a letter regarding storm water fees will be sent to Bethlehem Township. As soon as he hears anything, he will report to S. Repasch.

CONSULTING ENGINEER

R. Madison reported that S. Pallone will have his information completed by the end of this week and then the first draft of the annual report will be ready for review prior to the May board meeting.

C. Almeida asked R. Madison if he could give an explanation about an item in an article that appeared in the local newspaper regarding the rating of a “D” for PA’s water infrastructure. R. Madison explained that the American Society of Civil Engineers (ASCE) came up with an idea of issuing an infrastructure Report Card to help guide legislation in Washington, DC and State capitals to help better fund infrastructure investment. Most East Coast states infrastructure averages over 100 years old and the reinvestment has not kept up.

SPECIAL POLICE

Police report for the month of April was circulated and filed. S. Zondag questioned about the trail camera being inoperable at the time of the graffiti incident. S. Repasch explained that a woodpecker had damaged the cover lens; the officers knew of the damaged camera but didn’t have a replacement. More trail cameras will be purchased. S. Zondag was also concerned about the accuracy of the property markers that the PA Game Commission (PGC) will remove so they can trim in the Long Pond area and then replace. S. Repasch explained that the property line is also their property line and it will be monitored and checked.

WATER REPORT

The Water Report for the month of March was not available but E. Boscola confirmed that the reservoirs are full.

CITY OF BETHLEHEM DIRECTOR OF WATER AND SEWER RESOURCES

The Director’s Report was filed and circulated reflecting financial status through March 2024. Revenues are on track and expenditures are ok and good amount of money in the bank. In the

Water Capital Fund, balance of \$4.4 Million in cash and investments and based on discussions earlier today and last month, we will be drawing down the Construction Fund as much as possible by the end of next year.

E. Boscola reported on some highlights:

- A final tally of 413 lead service lines were replaced; project is basically done; just cleaning up some paperwork and closing out the PennVest account.
- One big project that is out for bid is the Walnut Street water main in Bethlehem Township as part of a big storm water project that the Township is doing.
- Freemansburg Main Street project is going out to bid shortly.
- On March 19th there was a Public Works Committee Meeting at City Council with the focus on metering and billing accuracy and E. Boscola did a presentation to explain the metering system.
- E. Boscola also mentioned that there was a State Committee Meeting on April 2nd with Jeanne McNeill, local State Representative, and the Democratic House Policy Committee which met locally to receive testimony on a proposed house bill that would basically require utilities to alert customers of high usage that is 50% higher of their monthly average. There was a comment from one customer and two utility representatives; one representative from LCA speaking on behalf of PMAA and one representative from PA American Water giving feedback on what could and couldn't work on monitoring of high usage.
- Unaccounted-for-water – The trend continues to go down; 2023's number is about 24% (it was as high as 29% in 2020). E. Boscola explains that it's a complicated calculation with a lot of moving parts and he feels they are doing better at identifying unmetered accounted-for-water such as hydrant flushing, draining tanks, main breaks, etc. S. Zondag asked E. Boscola if it was possible to get this reporting on a quarterly basis and he thought it might be too labor intensive but would look into it.
- J. Tallarico asked E. Boscola if they had to test for PFAS, also known as forever chemicals. E. Boscola replied that it's been an evolving regulatory issue. The PA DEP has limits that went into effect this year, January 1st on only two chemicals. The Federal EPA started doing a program called Unregulated Contaminated Monitoring Report (UCMR) so those are requests by the EPA to monitor for contaminants that are unregulated and The City started monitoring on 27 or 28 PFAS chemicals. The good news is that the water supply samples measured as "non-Detectable" for these types of chemicals.

OTHER BUSINESS

No other business.

COURTESY OF THE FLOOR

Mr. Antalics commented on the metering accuracy issue and was upset with the term "perfect" when describing the meters and requests that the City just think about the possibility the meters could fail.

NEXT MEETING

The next regular meeting is scheduled for May 9, 2024, at 3:30pm.

ADJOURNMENT

J. Tallarico motioned and T. Donchez seconded to adjourn the meeting at 5:09pm and move into Executive Session. Motion passed unanimously.

Thomas Donchez
Board Secretary