

BETHLEHEM AUTHORITY

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

The regular meeting of the Board of Directors of the Bethlehem Authority (“BA”) was held on January 11, 2024, in the Conference Room B504 at City Hall, Bethlehem, PA and remotely via Microsoft “Teams”. The meeting was called to order at 3:34 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
Mr. John Filipos, CPA, Buckno Lisicky & Co.
Mr. Ron Madison, Colliers Engineering & Design
Mr. Stephen Repasch, Executive Director
Ms. Sandra Zapf, Administrative Assistant
Mr. Eric Yeakel, Officer-In-Charge

APPROVAL OF MINUTES

C. Almeida moved and J. Tallarico seconded to approve the minutes of the December 14, 2023, Regular Meeting. Motion passed unanimously.

RECOGNITION OF VISITORS

Mr. Ed Boscola, City of Bethlehem, Director of Water & Sewer Resources
Mr. Rankin Smith, Highlands Forest Management, LLC

COURTESY OF THE FLOOR

There were no comments during Courtesy of the Floor.

CHAIR

The Chair reported that at the last meeting the board requested R. Madison provide an update at the next meeting on the GIS system as to where we are now and where we would like to be in the future. There are several items that will be covered in today’s meeting and in order to give adequate time to R. Madison’s report it was decided to defer this item until the February meeting.

PROPERTY & INFRASTRUCTURE COMMITTEE

Watershed Management. S. Repasch introduced R. Smith from Forest Management Systems, LLC so he could give his annual update on forest and water management activity for the past year and looking forward to the next couple of years.

R. Smith presented a draft copy of the Operational Plan that provides the update for the 10-year Forest Management Plan (FMP). With TNC providing additional support, the updated FMP will be provided to the Board for review.

R. Smith walked through his Power Point presentation recapping the activity of 2023 and planning for 2024:

One timber sale was sold but not yet started; three timber sales were completed in 2023; the Carbon Inventory was completed with 228 plots re-measured and six new plots installed; Inventory of property has found numerous spots of localized invasive stilt grass and barberry infestations.

Initiatives for 2024 and beyond include continued monitoring of invasives and spongy moth threat; Potential BioChar sale and two timber sales; Inventory for Compartment M; Chestnut planting brushing; herbicide spraying in needed areas; Continue with Inventory and Management plan updates and to assist with GIS update. R. Smith also provided his 2024 Forest Management Budget for review.

FINANCE COMMITTEE

Investment Summary. C. Almeida presented the Investment Summary as of January 1, 2024. In December, two CDs matured and were reinvested at rates of 5.50% and 5.30% although the trend is starting to dip below 5%. So far most of these earnings are shielded from arbitrage but that will start to kick in so the strategy of using the Construction Fund as soon as possible will allow the other funds to grow. All investments fall within the guidelines of the investment policy.

Controller. J. Filipos' report for the month of December 31, 2023, was circulated and filed with regular interest and expenses recorded. In the Operating Account, \$100,000.00 was transferred to the Capital Reserve Account; \$150,000.00 was transferred from the Capital Operating Account to the BRIF Account and in the Construction Fund \$183,058.38 was used to pay Water Capital Invoices for December.

4Q23 Income and Expense Projections. S. Repasch presented the report showing regular revenue and expenses through the end of the year, December 31, 2023. Revenue is at 116% of budget or \$804,606, which reflects the difference of budgeting in Carbon Credits of \$175,000.00 but actually receiving \$230,876.00. Professional Service expenses are at 86% or \$82,098 and anticipate \$18,435.00 for 1st Qtr. 2024; Security & Property expenses are at 69% or \$43,868 which reflects a favorable year for equipment maintenance and repairs; Administrative expenses are at 102% or \$546,876.00. Total expenses are 97% or \$672,842.00. On the Capital Reserve

budget, total expenses through December 31, 2023, are at 98% or \$63,554 with most of the expenses shown for legal fees for the Wind Energy project and Palmerton Fishing and Hunting Club and in addition the purchase of the 1-acre property in Long Pond area. Total projected Operating Cash on hand \$68,234.00 and Capital Reserve cash on hand \$316,482.00 as of March 31, 2024; Total projected cash on hand on March 31, 2024, is \$1,429,737.00.

Resolution 494 – Approval of Expenses. D. Domchek presented Resolution 494 to the Board for expenses through January 11, 2024, from the General and Reserve accounts totaling \$294,627.01 and \$8,008.98 from the Construction Fund for Water Capital Expenses.

C. Almeida motioned and T. Donchez seconded to approve Resolution 494 as presented. Motion passed unanimously.

GOVERNANCE & HR COMMITTEE

S. Zondag had no report.

SOLICITOR

J. Broughal had no report.

CONSULTING ENGINEER

R. Madison reported that he submitted the Fiscal Certification but S. Repasch noticed an omission. R. Madison will correct the report and re-submit to S. Repasch for forwarding to the Bond Holder. R. Madison also mentioned that Sue Zitzman will be at the next meeting to give a presentation on GIS.

SPECIAL POLICE

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

WATER REPORT

The Water Report for the month of December 31, 2023, was created and filed by E. Boscola. The reservoirs are at a combined capacity of 96.74% which does not include recent rainfall; a lot of water is going over the spillway.

CITY OF BETHLEHEM DIRECTOR OF WATER AND SEWER RESOURCES

The Director's Report was filed and circulated reflecting financial status through end of the Year, December 31, 2023. In the Water Operating Fund, revenues are up from projections by 6% and expenditures are below by 11% and start 2024 with \$11.4 Million in cash and investments.

In the Water Capital Fund, \$6.3 Million was spent in capital expenses. Roughly 50% of that was for underground utilities such as water mains, service lines, lead service lines; 25% on meters and 25% for everything else such as tanks, pumps, security, filtration plant and misc. items.

E. Boscola presented an "After-Action Report" from the Bethlehem Water Dept.'s Tabletop Exercise that was conducted on October 18, 2023. It is recommended in the industry and regulators that utilities test their Emergency Response Plan (ERP) on a routine basis. It was facilitated by a third party and there were 10 members of the department's staff involved.

Basically, the exercise is a hypothetical scenario that is created to test the plan. On paper, the ERP is a 4 to 5" thick binder and meant to be a resource for the department to use for what to do in case of an emergency in the water system: who to call, critical contacts, how the system works, how to respond to the emergencies, list of contractors, parts, vendors, critical facilities, etc. After the plan is tested, an "After-Action Report" is created to analyze the strength and weaknesses. With this scenario, the strengths were that the Dept.'s staff were very knowledgeable and knew a lot about the system, who to call, what contractors to call, and how to respond. Some short-comings and things to look at for improvement was the "incident command structure" listing who's in charge, delegating authority and to include outside emergency resources from other Departments and the County and also the "communication command" piece as well – who talks to the media, what roll does the Mayor, Director, Council, Counties, Police have, etc.

OTHER BUSINESS

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 February 8, 2024, at 3:30pm.

EXECUTIVE SESSION

Regular Meeting is suspended and moved into Executive Session at 4:24pm.

The Executive Session concluded at 5:30pm and the Regular Meeting resumed at 5:32pm. Following discussion, the following motions were made:

1. S. Zondag moved and T. Donchez seconded to not appeal the recent Carbon County Court decision denying the Authority's Motion for Post Trial Relief with regard to the Palmerton Fishing & Hunting Association boundary issue. Motion passed unanimously.
2. J. Tallarico moved and C. Almeida seconded to table further discussion related to a Biochar project proposal. Motion passed unanimously.
3. S. Zondag moved and J. Tallarico seconded to commence with the sale of Authority property on Buttonwood Road in Allen Township and authorize staff to begin marketing the property. Motion passed unanimously.

ADJOURNMENT

The meeting was adjourned with unanimous approval at 5:40pm.

Thomas Donchez
Board Secretary