

BETHLEHEM AUTHORITY

**Minutes of the Regular Meeting
Of the Board of Directors
March 14, 2024**

The regular meeting of the Board of Directors of the Bethlehem Authority (“BA”) was held on March 14, 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 via teleconference
- 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, P.E., Colliers Engineering & Design
- Mr. Stephen Repasch, Executive Director
- Ms. Sandra Zapf, Administrative Assistant
- Mr. Eric Yeakel, Police Office-In-Charge via teleconference

APPROVAL OF MINUTES

S. Zondag moved and C. Almeida seconded to approve the February 8, 2024, minutes of the Regular Meeting. Motion passed unanimously.

RECOGNITION OF VISITORS

- Mr. Ed Boscola, City of Bethlehem, Director of Water & Sewer Resources
- Ms. Michele Liberto, City of Bethlehem, Deputy Controller
- 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 for noting that there were six action items on the agenda.

PROPERTY & INFRASTRUCTURE COMMITTEE

Carbon Verification. S. Repasch reported that he received a letter from ANEW, the BA’s carbon marketing partner, regarding a new program called EPOCH which is designed to deal with the volatility and transparency in today’s carbon market. The letter briefly explains the increased scrutiny in the verification process and how it may impact our carbon revenue this year. S. Repasch believes that due to this new program, and that there will be a field audit this

year, carbon credits for 2022 and 2023 will be combined into one payment and will probably not be received until closer to the end of the year. D. Domchek requested a meeting with ANEW so they could explain the new EPOCH platform and how it works.

Watershed Management. S. Repasch reminded the board that the Forest Stewardship Council (FSC) and The Nature Conservancy is planning a site visit on March 27th to tour our property and to see how the BA, as one of their members, is conducting business on a certified FSC forest. There will be about 20 people, some from Georgia, Michigan and other states from the East. S. Repasch has an itinerary and will send out to the Board if they are interested in attending.

Timber Sale. The Clearview timber sale is still going on; trees were still being cut but the skidding was halted due to wet weather. It should resume when the ground dries out.

S. Repasch reported that BA and TNC will be working on a research project to see if there are any infestations of Pine Bark beetles in the Tunkhannock Watershed. TNC is concerned that the beetles are working their way up from the South; they are now in New Jersey so they are interested in forested properties in Monroe and Northampton Counties and will be setting up traps to see what level of infestation is reaching those counties.

Property Sale. The 1.04 acre lot on Buttonwood Road in Allen Township, that was previously part of the East Allen Township water system, was advertised for sale in the Express Times and Lehigh Valley Live but received no calls or offers. In discussion with our Infrastructure & Property Committee, it was decided that the next step would be to get a realtor to market the property. Linda Dietrick, who did the appraisal for us, recommended Fox & Roach Realtors who sent a proposal to enter into a Listing Contract listing the property at \$125,000.00; their fee is 5% for a term of 180 days with a crawl back term of one year. There are several other communication documents that our solicitor needs to review, but S. Repasch is asking for approval to approve the Listing Contract and related documents, conditioned upon our Solicitor's review and approval. S. Repasch also mentioned that final approval of the sale of the property is contingent on the approval of City Council.

J. Tallarico motioned and C. Almeida seconded to approve the Listing Contract contingent upon J. Broughal's review and approval of the additional documents. Motion passed unanimously.

New Vehicle Purchase. S. Repasch presented the final invoice for the purchase of a new vehicle for the watershed patrols that was approval as part of the 2024 budget. With the trade-in of the 2015 GMC truck of \$8,000.00, the total price is \$51,890.00.

S. Zondag motioned and C. Almeida seconded to approval the new vehicle purchase. Motion passed unanimously.

Demolition Contract. S. Repasch reported that an old cement block garage/barn on a property in Long Pond that was used by the farmer who had leased the property is now an eye-sore and a liability. Pocono Organics, who is now leasing the same property, has no use for the building. S. Repasch received one proposal for \$11,700.00 and is expecting another quote from Zacharias Contracting for \$10,000.00 to demolish the barn. This demolition cost was approved as part of

the 2024 budget and, therefore, S. Repasch requests approval from the Board to enter into a contract with Zacharias Contracting contingent upon review of the contract with our solicitor.

C. Almeida motioned and J. Tallarico seconded to approve the authorization for S. Repasch to enter into a demolition contract contingent upon solicitor's approval of contract and negotiations with respect to the removal of debris from the property. Motion passed unanimously.

FINANCE COMMITTEE

Investment Summary. C. Almeida presented the Investment Summary as of March 1, 2024. In February, two CDs in the MRF matured and were reinvested at rates of 5.00% and 5.15% for 12 months for roughly \$400,000.00; there was also a draw from the Construction Fund for \$439,848.02 for COB Water Capital invoices. All investments fall within the guidelines of the investment policy.

C. Almeida reported on the status of the arbitrage debit or credit situation; his quick estimation as of now shows an estimate of around \$50,000.00 that is owed in arbitrage after using the \$25,000.00 credit as of August 2023, so a good amount of arbitrage has accumulated. C. Almeida is recommending waiting for the August 2024 arbitrage calculation and then transfer funds to the Investment/Arbitrage Fund. The only funds that are subject to arbitrage are in the Construction Fund and again recommends preferentially using withdrawals from this fund before using the BRIF account.

Controller. J. Filipos' report for the month of February 29, 2024, was circulated and filed with regular interest and expenses recorded. In the Construction Fund, \$439,848.02 was used to pay Water Capital Invoices for February. J. Filipos is working on the DCED report due in May and will report when filed.

Investment Policy Revision. C. Almeida reported that a Finance Committee meeting with P.R.A.G. took place to add language that describes the SLGSs (State and Local Government Securities) as an investment option and clarify where it falls in terms of our parameters. Another clarification is under the primary investment objective of how to best maximize yield; in the case of funds subject to arbitrage, yield maximization maybe less than market rate but it is still after taxes.

S. Zondag motioned and C. Almeida seconded to approve changes to Investment Policy. Motion passed unanimously.

2023 Audit Engagement Letter. C. Almeida presented MaherDuessel's audit proposal for 2023 for \$4,000.00.

J. Tallarico motioned and C. Almeida seconded to approve the audit proposal for 2023. Motion passed unanimously.

1Q24 Income and Expense Projections. S. Repasch presented the report showing regular revenue and expenses through the end of February 29, 2024. Revenue is at 16% of budget or \$113,065. Professional Service expenses are at 14% or \$13,601; Security & Property expenses are at 17% or \$10,221; Administrative expenses are at 8% or \$45,294. Total expenses are 10%

or \$69,116 and Operating Cash on hand as of March 31, 2024 of \$56,442. On the Capital Reserve budget, expenses to date are 1% or \$1,048. Total projected Capital Cash on hand as of March 31, 2024 is \$162,427; Total projected cash on hand as of March 31, 2024 for all funds is \$1,267,870.00

Resolution 496 Revised– Approval of Expenses. D. Domchek presented Resolution 496 to the Board for expenses through March 14, 2024, from the General and Reserve accounts totaling \$85,425.09 and \$144,769.12 from the Construction Fund and \$163,922.44 from the BRIF for Water Capital Expenses.

R. Madison requested that an invoice for \$168,990.73 for the Willow Brook Road water main relocation be added to the Construction Fund which was inadvertently missed. It was agreed to be added. New total for the Construction Fund is \$313,759.85.

S. Zondag motioned and C. Almeida seconded to approve the Revised Resolution 496 which includes the added invoice of \$168,990.73 to the Construction Fund. Motion passed unanimously.

There were some invoices originally included in Resolution 496 for fees related to storm water and fire tax fees from other governments but were removed based on the recommendation of the solicitor, pending review of the fees as they relate to the PA Municipal Authorities Act.

GOVERNANCE & HR COMMITTEE

S. Zondag reported that review of the Governance documents discovered that we were behind schedule in a few areas: the Personnel Handbook, Gift Policy and the Investment Policy. The Investment Policy was approved earlier. The Gift Policy was reviewed by the HR Committee and made some addendums, which are highlighted in yellow, that clarify the policy. The one major clarification is that a “gift” will be understood to be a payment, gratuity, discount, subscription, cash, food, drink or service conveyed to any Authority employee or Board member; no more than \$100.00 and only one per calendar year.

C. Almeida motioned and S. Zondag seconded for approval of the amended Gift Policy. Motion passed unanimously.

The Employee Handbook was also reviewed by the HR Committee and made some addendums which are also highlighted in yellow. Clarification to the police uniforms section that they are provided by the Authority and are to be properly maintained by the employee; reporting of harassment or discrimination may also be reported to the solicitor; the pension calculation is included to illustrate how it is calculated. A review of the calculation, to determine if it should more closely align with the City’s, will be included as part of the BA’s annual review of salary and benefits in the fall, prior to budget review. Bereavement Leave time was updated to include an additional four (4) days to be used up until six (6) months from the date of death.

C. Almeida motioned and T. Donchez seconded for approval of the amended Employee Handbook. Motion passed unanimously.

SOLICITOR

J. Broughal had no report.

CONSULTING ENGINEER

R. Madison reported that S. Pallone expects to have year-end data to him by April 1st and if that happens, R. Madison hopes to have a first draft of the annual report for the April board meeting.

SPECIAL POLICE

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

WATER REPORT

The Water Report for the months of January and February are as filed and show reservoirs are full.

CITY OF BETHLEHEM DIRECTOR OF WATER AND SEWER RESOURCES

The Director's Report was filed and circulated reflecting financial status through February 2024. Revenues are on target and expenses are as expected. Over \$13 Million in cash and investments. In the Water Capital Fund, balance of \$4.8 Million in cash and investments.

E. Boscola reported on some highlights:

- Lead service line project is basically done; just cleaning up some paperwork and closing out the PennVest account. Roughly 400 lines replaced. Another list will be put together and then will apply to PennVest for more funds.
- The relocation of the 36" transmission main on Willowbrook Road, Allen Twp., in support of the County's effort to replace a bridge, is basically complete.
- Second year meter replacement to start in April; 4,000 meters were replaced in 2023 and goal is to replace another 4,000 in 2024.
- City Council scheduled a Public Works Committee Meeting on March 19th, 6:00pm to discuss issues related to metering and billing. E. Boscola will be doing a presentation to explain the metering system. E. Boscola also mentioned that Jeanne McNeill, local State Representative who is on PA House's Public Works Committee, is looking at legislation to require water utilities to notify customers of high usage. She is trying to schedule a hearing in our area in April.

OTHER BUSINESS

No other business.

COURTESY OF THE FLOOR

No comments during Courtesy of the Floor.

NEXT MEETING

The next regular meeting is scheduled for April 11, 2024, at 3:30pm.

ADJOURNMENT

J. Tallarico motioned and S. Zondag seconded to adjourn the meeting at 4:40pm. Motion passed unanimously.

Thomas Donchez
Board Secretary