

BETHLEHEM AUTHORITY
Minutes of the Regular Meeting
Of the Board of Directors
May 11, 2023

The regular meeting of the Board of Directors of the Bethlehem Authority (“BA”) was held on May 11, 2023, in the Conference Room B504 at City Hall, Bethlehem, PA and remotely via “GoToMeeting”. The meeting was called to order at 3:30PM 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 Sec./Treasurer
Mr. James Broughal, Esq., Broughal & DeVito via teleconference
Mr. John Filipos, CPA, Buckno Lisicky & Company
Mr. Stephen Repasch, Executive Director
Ms. Sandra Zapf, Administrative Assistant
Mr. Eric Yeakel, Police Officer In-Charge

APPROVAL OF MINUTES

S. Zondag moved and T. Donchez seconded to approve the minutes of the April 13, 2023, Regular Meeting. Motion passed unanimously.

RECOGNITION OF VISITORS

Ms. Wandalyn Enix, City of Bethlehem, Council Liaison
Mr. Steven Antalics, Private Citizen

COURTESY OF THE FLOOR

S. Antalics strongly suggested that this Board, which he believes to be the strongest board in a long time, pursue becoming an independent authority and believes the benefits far out way the disadvantages.

CHAIR

D. Domchek reported that the HR Committee met two weeks ago to follow up on the PMAA training session to discuss an outline for an Operating Manual. D. Domchek prepared a straw model for S. Zondag and S. Repasch as a starting point with the idea in mind that this document could be used for orientation for new board members, a guide for present board members and an overall compendium of the operations of the Authority. After some initial additions and revisions from S. Zondag and S. Repasch, S. Zondag presented to the Board the preliminary outline of the Operating Manual and welcomed any suggestions. S. Repasch recommended that the by-laws be updated, last update was 2018, and Ms. Zondag believes the mission statement

could be expanded. The HR Committee will continue meeting to update documents and prepare the next draft and will keep the Board informed of the progress.

EXECUTIVE DIRECTOR

Watershed Management. S. Repasch reported that he had some discussions with ANEW regarding the 2021 carbon revenue. ANEW still hasn't received the payment from the buyer but did confirm that 30,808 tons of carbon at \$11.00/ton were sold. It is anticipated that the Authority should net between \$200,000 and \$220,000, after third party expenses are deducted. There are still 656 credits left to sell. It was noted that carbon credit prices are on the rise so any carbon sold for 2022 and 2023 should produce more revenue

S. Repasch reported that timber sales are wrapping up; Penn Forest is basically complete and turned out fairly well. Expected revenue was \$22,000.00 but have received around \$30,000.00 to date. The Turnpike sale is roughly half done with the contractor coming and going as weather permits.

S. Repasch also mentioned that he will be making a presentation on the Authority and its Forest Management program at the Northeast Mid-Atlantic Forest and Water Forum in Edison, NJ next week. The Northeast Mid-Atlantic Forest and Water Association has membership from Maine down to West Virginia.

Williams/Transco Pipeline. S. Repasch reported that clearing activity of trees and shrubs and clean up activity continues, with construction scheduled to begin in early June on our portion of the ROW.

UGI License Agreement. UGI hired a contractor to repave Broadway from Fountain Hill down into Bethlehem following their gas line installations over the last two years. S. Repasch presented to the Board for approval a License Agreement, reviewed by J. Broughal, for storage of paving equipment on 1455 Mountain Drive (This Agreement is virtually identical to the agreement last year for the Star Property).

J. Tallarico motioned and T. Donchez seconded to approve the UGI License Agreement. Motioned passed unanimously.

2Q23 Income and Expense Projections. S. Repasch presented the report showing regular revenue and expenses through April 30, 2023. Revenue is at 40% or \$277,145.00 and projected income for the 2nd Quarter is \$228,902.00 which includes anticipated Carbon Revenue at a minimum of \$200,000.00. Professional Service expenses are at 36% or \$34,628.00 and projected expenses of \$10,200.00; Security & Property expenses are at 20% or \$12,771; Administrative expenses are at 18% or \$94,114. Total expenses are 20% or \$141,513.00. Projected Operating cash on hand for June 30, 2023 is \$307,324.00. On the Capital Reserve side, total expenses through April 30, 2023, are at 63% or \$40,948.00 which includes \$26,013.00 for property purchase in January. Anticipated expenses are mostly for wind energy legal fees and Palmerton F&H boundary issue legal fees. Total projected Capital Reserve cash on hand as of June 30, 2023, is \$107,391.00 and Total projected cash on hand on June 30, 2023, is \$1,326,988.00.

TREASURER

Investment Summary. C. Almeida presented the Investment Summary as of May 1, 2023. Three CDs were redeemed and reinvested with Dreyfus Treasury MM fund which is currently earning about 4.6%. In addition to that, there was the first withdrawal of \$351,405.49 from the Construction Fund for COB Water Capital invoices. All investments fall within the guidelines of the investment policy.

Controller. J. Filipos' report for the month of April 30, 2023, was circulated and filed with regular interest and expenses recorded. In the Operating account, the second quarter COB Operating Funds were received and in the Construction Fund \$351,405.49 was paid for Water Capital Invoices.

J. Filipos also reported that the DCED report is almost complete and will be filed by the June 30th deadline.

S. Repasch reported that the City made the May Debt Service Payment this week.

Investment Policy. C. Almeida reported that the Investment Policy calls for an annual review by the Board to see if there are any updates required. Last review was October 22nd, 2022, so this review is early but due to current banking systems and demise of several regional banks, the Board asked P.R.A.G. to take a look at the Investment Policy to see if there were any concerns that needed to be addressed by changing investment options. P.R.A.G. had only one suggestion regarding Act 72 investments by increasing the collateral market value from 101% to 102%. Currently we do not have any Act 72 investments. C. Almeida presented the updated Investment Policy for approval.

T. Donchez motioned and S. Zondag seconded to approve the updated Investment Policy. Motioned passed unanimously.

Resolution 486 – Approval of Expenses. C. Almeida presented Resolution 486 to the Board for expenses through May 11, 2023, from the General and Reserve accounts totaling \$49,8500.04, \$210,440.00 from the Construction Fund for Water Capital Expenses and \$64,761.25 from the BRIF for Water Capital Expenses.

S. Zondag motioned and C. Almeida seconded to approve Resolution 486 as presented. Motion passed unanimously.

SOLICITOR

J. Broughal reported that Act 73 has ended and the Municipal Authorities Act is now the governing Act for Municipal Authorities again. Act 73 was implemented due to COVID-19 stating that board members may vote virtually. Now that Act 73 has ended, board members may participate virtually but cannot vote virtually; in order to achieve a quorum, the voting board members must be present at the board meeting.

CONSULTING ENGINEER

S. Repasch reported that R. Madison was at a conference and not able to make the meeting today. He apologizes to the Board for being late with his annual report draft but will have the

report for S. Repasch and the City staff to review by the end of May and to the Board hopefully by the end of June or early.

SPECIAL POLICE

Police report for the month of May was circulated and filed. The PA Fish and Boat Commission conducted their annual rattlesnake survey yesterday and E. Yeakel will report on their findings at the next board meeting.

WATER REPORT

The Water Report for the month of April 2023, was created and filed by E. Boscola. The reservoirs are at a combined capacity of 99.28%.

CITY OF BETHLEHEM DIRECTOR OF WATER AND SEWER RESOURCES

The Director's Report was filed and circulated reflecting financial status through April 30, 2023. E. Boscola reports that revenues and expenses are on target and around \$12 Million of cash in the bank.

Major capital expenditures for April include:

- a. payment for the S New Street water main extension
- b. ongoing Lead Service Line replacement project
- c. an initial purchase of meters for the 2023 meter replacement project.

\$4.6M is presently encumbered for planned and ongoing capital projects.

The fence at Wild Creek along Pohopoco is scheduled to be installed the week of June 12.

Also, per request from the board at last meeting, E. Boscola submitted the current schedule of rates and miscellaneous fees that are charged for services.

OLD BUSINESS

- **Sky Lantern Legislation** – Nothing new to report.
- **Palmerton F&HA** – Nothing new to report.
- **Water System Security** – Fencing at Pohopoco is scheduled to start in June.
- **Interconnection Evaluation.** E. Boscola and S. Repasch had virtual meetings with Lehigh County Authority (LCA) and Eastern Suburban last week. The Meeting with LCA included Chris Curran from AECOM. E. Boscola has asked AECOM for a proposal to do the design work on the next phase of the project, which would be enhancing some of the interconnections with LCA. E. Boscola plans to put the design work into the Capital Budget for next year with construction of the interconnection improvements for 2025.

OTHER BUSINESS

S. Zondag commented on how nice the BA's website is, that it is current, and how well it reflects on the Authority.

COURTESY OF THE FLOOR

There were no comments during Courtesy of the Floor.

NEXT MEETING

The next regular meeting is scheduled for June 8, 2023, at 3:30pm.

ADJOURNMENT

C. Almeida motioned and J. Tallarico seconded to adjourn the meeting at 4:12pm. Motion passed unanimously.

Thomas Donchez
Board Secretary

