

BETHLEHEM AUTHORITY
Minutes of the Regular Meeting
Of the Board of Directors
July 13, 2023

The regular meeting of the Board of Directors of the Bethlehem Authority (“BA”) was held on July 13, 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
Mr. John Filipos, CPA, Buckno Lisicky & Company
Mr. Stephen Repasch, Executive Director via teleconference
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 June 8, 2023, Regular Meeting. Motion passed unanimously.

RECOGNITION OF VISITORS

Mr. Ed Boscola, City of Bethlehem, Director of Water and Sewer Resources
Ms. Amy Heindel, Colliers Engineering & Design
Mr. Steven Antalics, Private Citizen

COURTESY OF THE FLOOR

There were no comments during Courtesy of the Floor.

CHAIR

D. Domchek reported that the By-Laws have been updated again to clean up some of the wording as it relates to bonding, financial malfeasance and amendments. The Board members are insured up to \$50,000.00 and Authority’s employees, Executive Director and Administrative Assistant, are insured up to \$100,000.00. Item #18, Amendments, was changed from “the amendments could be updated with 30-days’ notice” to “the Board can amend with 24-hour public notifications”. D. Domchek also remarked that these By-Laws will be reviewed on a regular basis.

C. Almeida motioned and S. Zondag seconded to approve the By-Laws as amended. Motioned passed unanimously.

D. Domchek also reported that the HR Committee met again and made three modifications to the Governance Documents and S. Zondag stated that it is pretty much completed. The Mission Statement was updated, a section was added to summarize the insurance policies and “links” to actual documents will be added. D. Domchek also suggested a short summary of the responsibilities of each of the committees: Infrastructure; Finance and HR be added. Document will be presented and discussed at next meeting.

EXECUTIVE DIRECTOR

Watershed Management. S. Repasch reported that the PA Turnpike timber sale with G&R Timber is 65% complete and the revenue has exceeded the expectations.

The BA’s Forester, R. Smith, along with his intern, have completed measuring the Wild Creek and Penn Forest permanent plots and R. and C. Wildermuth completed measuring the Tunkhannock permanent plots for the carbon project. Once all the measurements and data are reviewed, R. Smith will share this information with ANEW to make sure they are on-board with the new measurements.

S. Repasch reported on a survival study that R. Smith conducted on the 15,000 pitch loblolly trees planted in the Tunkhannock Twp. site that was clear cut. After the planting in April, a dry spell of over a month occurred and the news is not good. Of the three main areas of the study, 5.4 acres had a 52% survival rate; 8 acres had 42% survival rate and 13.7 acres had 75% survival rate. R. Smith will conduct another study in the Fall and S. Zondag then asked if more seedlings will be planted in these areas. S. Repasch said that there will be a new forest established just not as thick as preferred and the Authority can decide what they would like to do.

Williams/Transco Pipeline. S. Repasch reported that pipe is being install and other activity is on-going.

2Q23 Income and Expense Projections. S. Repasch presented the report showing regular revenue and expenses through June 30, 2023. Revenue is at 46% or \$318,029.00 and projected income for the 3rd Quarter is \$322,620.00 which includes anticipated Carbon Revenue at a minimum of \$200,000.00. S. Repasch spoke with ANEW and they reported that the invoice they sent to the buyer had some errors in it and they have to redo it. ANEW claims once they receive their revenue, then we will receive ours. The Infrastructure Committee requested S. Repasch to set up a meeting with ANEW to discuss the process of carbon credit payments and to ask why the 2021 payment is so delayed. Professional Service expenses are at 42% or \$39,674.00; Security & Property expenses are at 41% or \$26,307.00; Administrative expenses are at 26% or \$138,657.00. Total expenses are 30% or \$204,638.00. Projected Operating cash on hand at the end of September 30, 2023 is \$353,867.00. On the Capital Reserve side, total expenses through June 30, 2023, are at 78% or \$50,912.00, which comprises of legal fees for PFH&F and property purchase; Total projected Capital Reserve cash on hand as of September 30, 2023, is \$97,453.00 and Total projected cash on hand on September 30, 2023, is \$1,374,030.00.

TREASURER

Investment Summary. C. Almeida presented the Investment Summary as of July 1, 2023. All investments fall within the guidelines of the investment policy. After August, the arbitrage auditor will do a first pass on the potential liability related to the Construction Fund and at that point we will have an indication on how much we should be setting aside to meet the tax liability for some time in the future. S. Repasch also mentioned that by August 19, the arbitrage auditor will also do the 5-year calculations on the 1998 Bonds.

Controller. J. Filipos’ report for the month of June 30, 2023, was circulated and filed with regular interest and expenses recorded. J. Filipos also mentioned that the required filing in June of the DCED report was electronically filed on June 28th and accepted but will not be finalized until the 2022 Audit is obtained from the City and sent in, which is the normal procedure.

Resolution 488 – Approval of Expenses. C. Almeida presented Resolution 488 to the Board for expenses through July 13, 2023, from the General and Reserve accounts totaling \$37,476.90 and \$260,469.69 from the Construction Fund for Water Capital Expenses.

T. Donchez motioned and S. Zondag seconded to approve Resolution 488 as presented. Motion passed unanimously.

SOLICITOR

J. Broughal had no report.

CONSULTING ENGINEER

D. Domchek noted that the Annual Report was distributed prior to the meeting but not all board members had time to review it, therefore, no action will be made at the meeting. C. Almeida had a few items that he will put into an e-mail for R. Madison to review and clarify. D. Domchek suggested that after all board members have reviewed the report, any comments be directed to S. Repasch, R. Madison, A. Heindel, and E. Boscola.

T. Donchez asked about having a separate list showing the highest priority be at the top of the list and E Boscola stated that although that is the eventual goal, it is difficult at this time to prioritize importance of items.

SPECIAL POLICE

Police report for the month of July was circulated and filed. E. Yeakel elaborated on the last item on his report regarding the trees that were deliberately damaged. The process used to damage the trees is called “hack and squirt”, essentially using a hatchet to make cuts into the bark and then spray some type of vegetation killer; the marks are not new and only the red maple trees were targeted, the trees will not survive. Unclear why this was conducted but the trees are located in the carbon plots and may impact the carbon revenue.

WATER REPORT

The Water Report for the month of June 2023, was created and filed by E. Boscola. The reservoirs are at a combined capacity of 98.04% with Penn Forest about 2 feet below max.

elevation. The rain fall amount is 1/3 behind from this time last year and the State is still in a draught watch which calls for voluntary restrictions.

CITY OF BETHLEHEM DIRECTOR OF WATER AND SEWER RESOURCES

The Director's Report was filed and circulated reflecting financial status through June 30, 2023. E. Boscola reports the Operating Fund is decent shape as revenues are a little above 50% and expenses are under control with a lot of expenses showing up at the second half of the year. \$11 Million of cash in the bank, split roughly 50/50 between cash and CDs

Major capital expenditures for June include:

- a. Replaced to-date over 250 lead service lines and 300 test digs and this will continue until the funds run out.
- b. Meter replacement project will start next week with already 800 scheduled appointments targeting South Side, Fountain Hill and Freemansburg area.
- c. Security fence at the Wild Creek road frontage is close to completion

OLD BUSINESS

- **Sky Lantern Legislation** – Nothing new to report. S. Repasch reports that another event sometime in September is likely and if they weigh the lanterns down, like they did last year, very few will land on the BA property.
- **Palmerton F&HA** – Nothing new to report. Still waiting on judge's decision.
- **Water System Security** – Fencing at Pohopoco Drive is nearing completion and fencing plan at the Water Filtration Plant is in and needs to be procured and scheduled.
- **Interconnection Evaluation**. Draft agreements to move forward with the projects were sent to Eastern Suburban and LCA, who are reviewing them and are still waiting on some cost projections from AECOM

OTHER BUSINESS

S. Repasch reported that we received a Court Order from Carbon County Court an on our appeal to the wind project and the noise ordinance issue. The court has scheduled arguments to be heard on September 25th and briefs must be filed by the end of July. One potential positive outcome is that the County has assigned a different Judge to hear the arguments.

COURTESY OF THE FLOOR

S. Antalics asked if the BA was sympathetic or need to get involved with the landfill issue in Easton, PA. D. Domchek commented that he didn't think the Authority had any standing and J. Tallarico commented that we do not conduct any business in that area.

NEXT MEETING

The next regular meeting is scheduled for August 10, 2023, at 9:00am.

ADJOURNMENT

S. Zondag motioned and T. Donchez seconded to adjourn the meeting at 4:36pm. Motion passed unanimously.

Thomas Donchez
Board Secretary