

BETHLEHEM AUTHORITY

**Minutes of the Regular Meeting
Of the Board of Directors
June 13, 2024**

The regular meeting of the Board of Directors of the Bethlehem Authority (“BA”) was held on June 13, 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. 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, Office-In-Charge
Mr. Rankin Smith, Forester, Highlands Forest Management LLC

APPROVAL OF MINUTES

J. Tallarico moved and C. Almeida seconded to approve the May 9, 2024, minutes of the Regular Meeting. Motion passed unanimously.

RECOGNITION OF VISITORS

Mr. Steven Antalics, Private Citizen

COURTESY OF THE FLOOR

There were no comments during Courtesy of the Floor.

CHAIR

The Chair stated there were several action items on the agenda and that there will be an executive session to discuss a personnel matter after the regular meeting.

The Chair reported about the 1-1/2 hour long visit on May 28th from Congresswoman Susan Wild and her district manager, Megan Beste, to the BA’s watershed property. The visit started at the Wild Creek office where S. Repasch provided an overview and pointed out on the map where they were and where they would be visiting. The visit started with the Penn Forest Dam and then a visit to the Chestnut Tree planting site, which was planted five years ago. Congresswoman Wild seemed very interested and supportive of the very visible efforts that are underway to maintain the watershed. There was an opportunity to discuss some of the BA’s

priorities, mainly security and the interconnection work, as it was indicated there could be some opportunities for funding a couple of years down the road, assuming the money is still available to potentially support projects for the water system. Also in attendance on this visit was Authority Vice Chair Sharon Zondag, Authority Executive Director Steve Repasch, PA's PennVest Project Manager Rebecca Hayden, TNC's PA Director of Land Management Kevin Yoder, TNC's PA Federal Policy Manager Michelle Giles, TNC Forester Ben Chase, City of Bethlehem Director of Water and Sewer Resources Ed Boscola, City of Bethlehem Superintendent of Water Supply and Treatment Steve Pallone, and Authority Forestry Consultant, Rankin Smith of Highland Forestry Management.

As a follow up to this visit, S. Repasch contacted Megan Beste to follow up on the process for applying for the funds, i.e., what information is needed and when. M. Beste sent a narrative template that LCA used for their funding request, which was successful, and S. Repasch will follow up again with M. Beste for other documentation that might be needed. Based on the criteria and rating that is used, the focus will be for the interconnections' development. Early next year is the review of requests but the funds are not available immediately, but Congresswoman Wild indicated that regardless of who holds her office that this project would be continuum.

S. Zondag wanted to acknowledge TNC's work in making this visit possible, which started in November and took a while for it happen.

S. Repasch also reported that in his discussion with M. Beste he mentioned the wind energy project and several other efforts for renewable energy in the watershed. M. Beste put S. Repasch in touch with the Governor's office and he now has a meeting tomorrow with the Governor's office and E. Boscola to talk about support for a potential renewable energy project. S. Repasch will report on that meeting at the next board meeting.

PROPERTY & INFRASTRUCTURE COMMITTEE

Watershed Management. S. Repasch reported that on June 26th a meeting is scheduled with TNC staff, himself, E. Yeakel and R. Smith, our forester, for planning on our Forest Management Plan, which is being updated and revised. S. Repasch will report on that meeting at the next board meeting.

S. Repasch also reported that after the last TNC's FSC visit to the watershed about a month ago, a couple of the water suppliers who are also FSC certified, Albany, NY City Water and Harrisburg Capital Water, are interested in promoting our forest management plan under the auspices of the TNC/FSC umbrella certification to bring public awareness. They have the resources to do the promotion and S. Repasch said BA would be interested in joining their effort.

Timber Sale. S. Repasch presented two timber sales for approval, Osprey Gate 1 and 2, and although both sales are basically in the same area, they are split up because of the different species of trees involved and where they are going after market. The red pine trees have been something we have tried to market for a long time and have finally found a timber contractor

who is interested and has a market for it. S. Repasch and R. Smith, our forester, met with their forester and they are anxious to get started. S. Repasch noted that this is the first time the FSC certification has made the difference in terms of priority in selling timber, and hopefully more to follow over the years as FSC certification becomes more important and relevant in our general area.

S. Zondag motioned and C. Almeida seconded approval of both Osprey Gate 1 and 2 timber sales. Motion passed unanimously.

Herbicide Spraying. S. Repasch presented a contract with Forest Regeneration Services, Inc. (FRS) for herbicide spraying in the area where timbering just finished, the Clearview Timber Sale, in Tunkhannock Township's Long Pond area. R. Smith, our forester, spoke as to why spraying of this area now would provide the best opportunity to eliminate ferns and invasives and allow space for red maple and black cherry to grow from natural regeneration. FRS's price for spraying is \$200.00 per acre for roughly 60 acres.

C. Almeida motioned and J. Tallarico seconded to approve the herbicide spraying contract with FRS. Motion passed unanimously.

Property Sale. S. Repasch presented a Standard Agreement of Sale for 1.04 acres of BA property in Allen Township with Michael & Pamela Eisenreich, who are the next-door neighbors to the BA property, for \$81,000.00; with the fees to be paid, the BA would net approximately \$75,000.00. J. Tallarico noted that this property was first marketed by the BA, after which a realtor was engaged. If this sale is approved by the BA Board it still needs to be approved by Bethlehem City Council and the sale is contingent upon their approval.

J. Tallarico motioned and C. Almeida seconded approval of Agreement of Sale. Motion passed unanimously.

Interconnection Water Design Agreement. S. Repasch reported that last month the Board approved the Intermunicipal Water Service Agreement for design of three interconnection projects. Since that time, both the Lehigh County Authority Board and City of Bethlehem Council have approved the agreement. Still waiting for the City of Allentown's approval.

Annual Engineer's Report. D. Domchek reported that there was a meeting today to review the Annual Engineer's Report that was distributed to the Board a month ago to answer any questions or requested revisions. S. Repasch then presented the Annual Engineer's Report and recommends accepting report.

S. Zondag motioned and C. Almeida seconded to accept the Annual Engineer's Report. Motion passed unanimously.

FINANCE COMMITTEE

Investment Summary. C. Almeida presented the Investment Summary as of June 1, 2024. In the Maintenance Reserve Fund in May, one CD matured and re-invested at 5.30% for 12 mos. We keep seeing a nice trend of decrease in the Construction Fund for Capital projects, which is a good thing; the balance is roughly down to \$6.4 Million. All investments fall within policy limits.

Regarding the credit of roughly \$36,000.00 used by The City for debt service payments, there was accrued interest in the DSRF that The City can use, with BA approval, towards debt service payments. The City pays 100% of the two series of Bond's debt payment plus 5%, which is a requirement, and then applies the credit. The remaining funds go into the BRIF.

Capital Financing. C. Almeida had no report.

Controller. J. Filipos' report for the month of May 31, 2024, was circulated and filed with regular interest and expenses recorded. In the Construction Fund, \$490,830.44 was used to pay Water Capital Invoices. In the BRIF, \$189,898.75 was transferred from the 2022 DSF; In the DSRF, \$36,115.89 was transferred to the '98 DSF. In the 2022 DSF, received \$3,951,357.29 from The City, of which \$3,098,902.23 was transferred to the '98 DSF for May's debt payment and the remaining amount of \$662,975.00 paid the May's 2022 Bond debt payment.

Next debt service payments will occur in November 2024.

2024 Income and Expense Projections. S. Repasch presented the report showing regular revenue and expenses through the end of May 31, 2024. Revenue is at 34% of budget or \$245,063.00 and is made up of monthly rentals, leases and interest; Professional Service expenses are at 29% or \$26,929.00; Security & Property expenses are at 32% or \$19,066.00, in the equipment expense, a couple of trail cameras were purchased to replace some defective ones and they are in use now; Administrative expenses are at 21% or \$116,520.00. Total expenses are 23% or \$162,515.00 and Operating Cash on hand as of June 30, 2024 is \$91,682.00. On the Capital Reserve budget, expenses to date are 49% or \$61,536.00, we did spend \$11,700.00 for garage demolition in the Long Pond area, which came out of the Reserve Account. Total projected Capital Cash on hand as of June 30, 2024 is \$104,198.00; Total projected cash on hand as of June 30, 2024 for all funds is \$1,257,073.00, which does not include the revenue from the property sale because we do not know when The City will approve that and when the funds will actually be received; S. Repasch anticipates sometime in July.

D. Domchek asked S. Repasch when the carbon credit revenue might be received. S. Repasch reported that with his last conversation with ANEW, our carbon marketing firm, it was indicated by the end of the year, and that it will include both the 2022 and 2023 revenue streams. Estimated combination revenue of \$325,000.00.

Resolution 499– Approval of Expenses. D. Domchek presented Resolution 499 to the Board for expenses through June 13, 2024, from the General and Reserve accounts totaling \$52,534.48 and \$133,595.42 from the Construction Fund for Water Capital Expenses.

C. Almeida motioned and J. Tallarico seconded to approve Resolution 499. Motion passed unanimously.

GOVERNANCE & HR COMMITTEE

S. Zondag had no report but D. Domchek noted that the annual evaluations cycle will start in August.

SOLICITOR

J. Broughal had no report.

CONSULTING ENGINEER

R. Madison had no report.

SPECIAL POLICE

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

WATER REPORT

The Water Report for the month of April are as filed and show 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 May 31, 2024 and showing roughly \$12 Million in the bank. On the Capital side to-date, \$2.7 Million was disbursed and the goal is to use as much of the Construction Fund as possible to meet our goal of spending that down by the end of next year.

E. Boscola reported on some highlights:

- The water meter replacement program is continuing and being concentrated on the Southside of the City, and once completed there, probably the middle of the summer, they will move to the West side.
- Water main replacement at Walnut Street in Bethlehem Township was awarded and water main replacement at Main Street in Freemansburg is on Council's agenda for approval this Tuesday, June 18th.
- Water main installations are projected in East Allen Township for a large single-family home development.

Unaccounted For Water. E. Boscola presented the first quarter of 2024 tracking at the request from the Board and will try to report on a quarterly basis. This 1Q24 report is based on some assumptions and estimates, but should get us in the ballpark as compared to the final annual report and can be used as a tracking mechanism. In the first quarter of 2024, the number shows 21% as compared to the 2023 annual number of 23%. After all quarters for 2024 are tracked and compared to annual 2024 reporting, some adjustments may need to be made going forward.

OTHER BUSINESS

No other business.

COURTESY OF THE FLOOR

S. Antalics asked if the BA had any idea of the total value of all the trees for timbering in the watershed. S. Repasch responded that they do not and it would not be cost effective to try to achieve that value for these reasons: trees are more valuable to the BA standing then cutting timber and market values change.

NEXT MEETING

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

EXECUTIVE SESSION

Regular Meeting is suspended and moved into Executive Session at 4:22pm to discuss a personnel issue. The Session concluded at 4:40 P.M. and the Regular Meeting was adjourned at 4:41 P.M. with no action taken.

John J. Tallarico
Assistant Secretary/Treasurer