

BETHLEHEM AUTHORITY

Minutes of the Regular Meeting Of the Board of Directors May 8, 2025

The regular meeting of the Board of Directors of the Bethlehem Authority ("BA") was held on May 8, 2025, in the Conference Room B504 at City Hall, Bethlehem, PA and remotely via Microsoft "Teams". 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. Carlos Almeida, Treasurer
Mr. Ian van Halem, Secretary
Mr. Ronald Donchez, Asst. Secretary/Treasurer
Mr. James Broughal, Esq., Broughal & DeVito (Participated Remotely)
Mr. John Filipos, CPA, Buckno Lisicky & Company
Mr. Ron Madison, PE, Colliers Engineering & Design
Mr. Stephen Repasch, Executive Director
Ms. Sandra Zapf, Director of Administration
Mr. Eric Yeakel, Police Officer-In-Charge
Mr. Ed Boscola, City of Bethlehem, Director of Water and Sewer Resources

APPROVAL OF MINUTES

S. Zondag motioned and C. Almeida seconded to approve the April 10, 2025, Minutes. Motion passed unanimously.

RECOGNITION OF VISITORS

Mr. Steve Antalics, Private Citizen

COURTESY OF THE FLOOR

There were no comments during Courtesy of the Floor.

CHAIR

D. Domchek reported that prior to this meeting, a quick discussion took place regarding the insurance coverage for risks that was raised at the PMAA board training. It was left with S. Repasch contacting PMAA and other Authorities in the Lehigh Valley to understand what types of insurance is available, what types of risks are they concerned about and what does their coverage look like. Once that information is obtained, we can proceed from there.

PROPERTY & INFRASTRUCTURE COMMITTEE

Watershed Management:

GIS Project. I. van Halem reported that he and S. Repasch met with Colliers Engineering on April 11th and spent over an hour going over the general plan and putting together a wish list for this year and beyond. Some of the items will include easement mapping, boundary mapping, lands associated with transmission lines up North, and remote sensing for carbon clarifications which could include satellite imaging of trees and forests to identify tree types, age, etc. for augmenting the auditing process. One of the first items of this project would be fire lane mapping, which is a health and safety issue in case of a forest fire, but can also identify needed maintenance and can be continually updated. It can also provide an easy way for the public to know where they can go and have easy access to the property once published on the website. I. van Halem will put together a list of items, prioritizing them and a timeframe for discussion.

Carbon Credits. S. Repasch reported that the meeting with ANEW was cancelled but some information was obtained. ANEW is still marketing our project and the verification process is going relatively smoothly and expects issuance of our carbon credits for 2022 and 2023 by early Fall and payment certainly by the end of the year in the range between \$500,000.00 and \$600,000.00.

Solar Project. S. Repasch and E. Boscola met with The City's Sustainability Manager last week and talked about the solar proposal the BA received. The next step is that Lehigh University, with a grant funded by the Dept. of Energy, will be doing an audit in June at the Water Filtration Plant to gather data on the facilities efficiencies and give ideas for energy savings, in lighting, HVAC, process controls, etc. This program was already done for the Waste Water Plant because that is the biggest energy user for The City. The Board requested a presentation from the City's Sustainability Manager, or others involved in the project analyses, to present and discuss data received from the audit and a path forward.

Forestry Activity. S. Repasch, E. Yeakel and R. Smith, The BA's forester, recently toured the DEFG Timber sale. R. Smith strongly believes that prior to cutting that area, a herbicide contractor should be hired to treat the extraordinary amount of barberry that is up in those tracts near Wild Creek Reservoir. S. Repasch will obtain quotes and present to the Board at the next meeting.

Garage Addition. S. Repasch presented five proposals for construction of a pole building with crushed stone floor and recommend the Pioneer proposal, even though they are slightly higher than the proposal from Extreme. Pioneer's proposal includes two garage doors and Extreme proposal the has only one door. Proposals for electric work will be sought under a separate contract once the building is completed.

C. Almeida motioned and R. Donchez seconded to approve the proposal from Pioneer. Motion passed unanimously.

Timber Sale. S. Repasch presented an Agreement with Justick and Justick for a timber sale labeled DEFG Sale located in Penn Forest Twp. Our Solicitor has reviewed the agreement

and is satisfied with its language and terms. The contractor will have until November 2026 to get this work completed for several reasons. The work is scheduled for late summer or fall so that the ground will be as dry as possible, but if conditions are not favorable, they'll have another year to get it completed. Also, Justick and Justick will monitor the markets and if it doesn't look profitable, he will not cut it this year.

I. van Halem motioned and R. Donchez seconded to approve the Timber Sale with Justick and Justick. Motioned passed unanimously.

Consulting Engineer's Annual Report. S. Repasch presented Colliers Engineering's Annual Report for approval. This report was revised following last month's draft based on Board's comments. S. Zondag questioned the wording in Recommendation No. 7 of the Intermediate Priority Recommendations as a highly aspirational goal of 2%, when this is not even remotely achievable to replace all water system water mains in 50 years, which would require an investment of \$12M to \$15M per year. The City's 10-Year Water Capital Plan only allocates \$1M for 2025. She requested this be rewritten to reflect a more reasonable representation of an aspirational goal of 1% of replacement of water mains per year. D. Domchek and R. Donchez suggested the revised language could include recognition that the American Water Works Association (AWWA) recommends 1% and the American Society of Civil Engineers (ASCE) recommends 2% and that the BA and The City seek to move toward these objectives.

S. Zondag motioned and R. Donchez seconded to accept the Annual Report conditioned upon the suggested revisions to the Intermediate Priority section, Recommendation No 7. Motion passed unanimously.

FINANCE COMMITTEE

Investment Summary. C. Almeida presented the Investment Summary as of May 1, 2025. One CD was purchased for \$250,000.00 in the MRF at 4.15% rate for 12 mos. All investments fall within policy limits. In the Construction Fund for the first four months of the year, roughly \$360,000.00 was spent on the \$9M budgeted for the year.

Controller. J. Filipos' report for the month of April 30, 2025, was circulated and filed with regular interest and expenses recorded. In the Operating Account, BA did receive the 2nd Quarter Operating Funds check from The City of \$91,250.00.

On May 15, 2025, the Debt Service Payments for the '98 CAB's of \$3,145,000.00 and 2022 Water Bonds of \$662,975.00 are due. The BONY does a calculation, J. Filipos reviews and the City takes a credit for our investments of \$35,261.00. The Audit for 2024 for the City and for the BA has started and the DCED Report is due June 30, 2025.

2Q25 Income and Expense Projections. S. Repasch presented the report showing regular revenue and expenses through April 30, 2025. Revenue is at 22% of budget or \$228,909.00 and a note that Pocono Organics lease payment due in March was received today; Professional Services expenses are at 21% of budget or \$18,495.00 most of April's expenses were for the Engineer's Report and Forestry work; Security and Property expenses are at

21% or \$14,306.00 with the bulk of that being for new tires for truck. Administrative expenses are 22% or \$198,390.00. Total expenses are 22% or \$231,191.00 of budget. Operating Cash on Hand projected for 6/30/2025 is \$67,528.00. On the Capital Reserve, 3% of budget or \$3,028.00 for legal fees for the Wind Project appeal and anticipating more expenses throughout the year for that until the appeal is finalized. Total Capital Account projected cash on hand as of 6/30/25 is \$77,607.00. Total projected cash on hand for all funds as of June 30, 2025, is \$1,313,576.00.

Resolution #511 – Approval of Expenses. D. Domchek presented Resolution #511 to the Board for expenses through May 8, 2025, from the General and Reserve Accounts totaling \$44,028.01 and from the Construction Fund totaling \$19,450.00

C. Almeida motioned and I. van Halem seconded to approve Resolution #511. Motion passed unanimously.

GOVERNANCE & HR COMMITTEE

S. Zondag reported that the flurry of e-mails regarding the Governance Document was due to the discovery that access to all the files was not available by some Board Members. This was corrected. Some updates to the Governance Documents did occur, specifically the Employee Handbook, COB 10-year Capital Plan and the COB 2025 Water Capital Budget.

SOLICITOR

Solicitor had no report.

CONSULTING ENGINEER

R. Madison mentioned that Colliers will be a sponsor again at the Pennsylvania Municipal Authority Association's Annual Conference being held this year at Wind Creek from September 7th through the 10th and will look for social opportunities for BA. Also, the 10th Annual Lehigh Valley Watershed Conference will be held at Lehigh University on October 14th in which the BA and Colliers will be sponsors for that event.

SPECIAL POLICE

Police report for the month of May 2025 was circulated and filed.

WATER REPORT

The water report for the month of April is as filed. E. Boscola reports that Penn Forest is slowly recovering. Year-to-date rainfall this year is much lower than year-to-date last year so we are still behind in rainfall.

CITY OF BETHLEHEM DIRECTOR OF WATER AND SEWER RESOURCES

The Director's Report was filed and circulated reflecting financial status through April 30, 2025. A little below projections in Revenue and Expenses but not concerned because these items seem to catch up through the year

On the Capital side:

This year things are a little slow getting out of the gate but \$4Million is encumbered and will be spent this year and more to come with other Capital projects coming up: Freemansburg Avenue bridge, Eaton Avenue and Garrison Street service line replacements. Meter replacement project started in April.

OTHER BUSINESS

There was 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 June 12, 2025, at 3:30pm.

ADJOURNMENT

S. Zondag motioned and I. van Halem seconded to adjourn the meeting at 4:37pm. Motion passed unanimously.

Ian van Halem

Secretary