BETHLEHEM AUTHORITY

Minutes of the Regular Meeting
Of the Board of Directors
July 9, 2026

The regular meeting of the Board of Directors of the Bethlehem Authority ("BA") was held on July 9, 2026, 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 Ms. Sharon Zondag, Chair.

Also in attendance were:

Mr. Carlos A. Almeida, Vice Chair
Mr. Ian van Halem, Secretary
Mr. Dennis Domchek, Assistant Secretary/Treasurer
Mr. James Broughal, Esq., Broughal & DeVito
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
D. Domchek motioned and I. van Halem seconded to approve the June 11, 2026, Regular Minutes. Motion passed unanimously.

RECOGNITION OF VISITORS
Michael Miller via "Teams"

COURTESY OF THE FLOOR
There were no comments during Courtesy of the Floor.

CHAIR
S. Zondag reported that The City's Auditor reached out to her to discuss our Audit. He had two questions: Was she aware of any fraud? And was there anything the BA would like them to look at for us? S. Zondag answered no to both questions and that was all he needed. So that part of The Boards participation in the Audit is complete.

PROPERTY & INFRASTRUCTURE COMMITTEE
Watershed Management:
GIS Project. I. van Halem reported that a meeting is being scheduled for the end of July with Colliers to review some short-term lease work to wrap up and to work on a long-term plan. This updated plan for 2027 and beyond will be presented to The Board sometime in the Fall highlighting specific projects, costs, and what will be prioritized.

Solar Project. I. van Halem reported that there is a meeting set for next Tuesday, July 14th, to review the results of the latest project proposal from Exact Solar with The City. More to follow after the meeting.

Water Line Easement: I. van Halem presented an Easement Agreement with Bethlehem Township Municipal Authority for emergency work needed for a waterline easement as shown on Exhibit "A" in the attached documents packet. The terms of this Agreement are standard and I. van Halem requested approval.

I. van Halem motioned and C. Almeida seconded to approve the Water Line Easement. Motion passed unanimously

Wetland Study: S. Repasch reported that he received a letter from a company, Mad Scientists & Associates, that was hired by the US EPA to do a wetland study nationally and there is a section in the Long Pond watershed area that they have identified as something they would like to take a closer look at. So, they are asking for access later this year for 3 to 4 people to enter the property for a full day to do their wetland study work. S. Repasch is requesting from The Board authorization to work with our Solicitor on an Access and Indemnification Agreement to allow access.

D. Domchek motioned and I. van Halem seconded to approve the drafting of the Access and Indemnification Agreement. Motion passed unanimously.

Forestry. S. Repasch mentioned again that a FSC Audit will occur around September/October this year but has some updated information. The FSC recently came out with new standards for their certification process and the BA will need to add them to our Forest Management Plan. However, because these are very new standards unfamiliar to most, the audit will be conducted using the old standards. The BA has already been through two audits using the old standards so there should not be any issues.

S. Repasch also reported that he had a meeting on Tuesday with a gentleman from the North Pocono Watershed Association (NPWA); their association covers the upper regions of the Lehigh River. This gentleman was in touch with the Aquashicola Watershed Group, that we entertained previously on our property for a tour, and he would like to expand that to include other watershed groups and inviting the public that might be interested in touring various watershed properties and he would like to include the BA's. S. Repasch and Eric Yeakel will work with NPWA for tours around September; one at Wild Creek and one at Tunkhannock. He believes it is great for public educational outreach which it is part of the FSC's criteria that they use when they evaluate the project. It's also good for the carbon project that we can add that to our portfolio to make it more attractive to perspective carbon credit buyers. The watershed groups want to get the word out as much as possible of what they do and what good stewards of their property do.

Timber Project. S Repasch reports that the current timber project is going well and that we should start to see revenue coming in shortly.

PA Game Commission. S. Repasch reported that the PA Game Commission reached out to him and will be meeting with them later this month. They are interested in entering into a Habitat Management Agreement with the BA on several of our properties that are adjacent to theirs in the Long Pond area. This is very preliminary but they do have agreements with other property owners that they will share with us prior to any agreement with us. More to come following the meeting.

FINANCE COMMITTEE

Investment Summary. C. Almeida presented the Investment Summary as of July 1, 2026. The balance in the MRF is $2,478,589.00 and all investments will mature prior to the May 2027 debt service payment in order to transfer funds, probably into the BRIF. In the BRIF account, the balance is $5,467,528.00. It was reported that there were no new investments in June but after checking, there was a CD that matured at the end of May and was reinvested at the beginning of June. In the DSRF, the balance is $1,353,312.00 and is constant until maturity of the '98 Bonds. All investments are within policy guidelines.

Bond Compliance. S. Repasch reported that last month a memo was sent to The City regarding the compliance items that our bond council reviewed. Just yesterday, a reply from The City was received and was very favorable in terms of going forward with the process; it is just a matter of agreeing on the terms. Another meeting with The City will be scheduled soon to discuss this further and move toward agreement on a process moving forward.

Controller. The Controller's Report for the month of June 30, 2026 was circulated and filed with regular interest and expenses recorded.

The DCED Report was filed after review by the Finance Committee and C. Almeida is requesting acceptance from the Board noting that this is not finalized until the City's Financials are done.

D. Domchek motioned and C. Almeida seconded to accept the filing of the DCED Report. Motion passed unanimously.

2Q26 Income and Expense Projections. S. Repasch presented the report showing regular revenue and expenses through June 30, 2026. Revenue is at 22% of budget or $254,618.00 and next quarter expecting a certain amount from the timbering project. S. Zondag asked about a certain point when carbon credit revenue will stop being budgeted because the last time carbon credit revenue was received was 2022. S. Repasch added that after the next few meetings with ANEW he should have a better handle on when/if revenue will be forthcoming. A third-party rating agency rated the BA project a "C" with an unclear reason. The proposed buyer of the carbon credits for 2023/2024 backed out due to that rating. There is a meeting coming up and ANEW indicated that there are some new standards out there for companies that are wishing to get to net zero on their carbon output and ANEW believes that given that new standards our project might have a better chance of selling. D. Domchek asked about looking at alternative companies to ANEW to see how other companies do things and what the market is and he feels we could learn a lot about the process. S. Repasch stated he has looked around for alternative companies but there are not a lot out there. C. Almeida mentioned that we do have a contract with ANEW for exclusive marketing rights but also the BA does have rights on legitimate credits in terms of how many tons there are. So, he suggests taking the value out of the carbon credits on the budget and just document how may carbon credits the BA has to keep the claim alive as a footnote. On the expense side, Professional Services are at 41% of budget or $36,289.00 with $9,200.00 coming due next quarter mostly for Bond Council fees; Security and Property is 43% of budget or $27,037.00; coming due next quarter are new tires for a truck and fuel charges of $1,445.00 for 1st quarter of 2026; gas prices went from $2.30 in Jan; $2.51 in Feb; $2.89 in March so unsure what the price of fuel will be for 2nd quarter. Administrative Expenses are at 49% of budget or $161,328.00. Total expenses are 46% of budget or $224,654.00. Capital budget is at 12% of budget or $6,030.00. Total projected Funds are: Operating Account $88,568.00; Capital Account $48,707.00 and Reserve Accounts $1,156,388.00 for a total Cash On-Hand Balance of $1,293,663.00

Resolution #525 – Approval of Expenses. S. Zondag presented Resolution #525 to the Board for expenses through July 9, 2026, from the General and Reserve Accounts totaling $45,798.68.

C. Almeida motioned and I. van Halem seconded to approve Resolution #525. Motion passed unanimously.

GOVERNANCE & HR COMMITTEE

D. Domchek reported that the Gift Policy and Document Retention and Destruction Policy were up for review every few years and the Board has looked at the documents and there were no recommendations or suggestions for changes, so just a note in the Governance Documents that the next review will be in 2029.

D. Domchek also reported that the Finance Committee and J. Filipos have made very minor modifications to the Internal Accounting Controls and requests approval from the Board to be placed into the Governance Documents.

C. Almeida motioned and D. Domchek seconded the approval of the updated Internal Accounting Controls. Motion passed unanimously.

D. Domchek also mentioned that S. Zondag will be initiating the performance evaluation process starting the first of August. The objective is to have that wrapped up by mid-September.

SOLICITOR

The Solicitor had no report.

CONSULTING ENGINEER

Consulting Engineer had no report.

SPECIAL POLICE

Police report for the month of July 2026 was circulated and filed.

WATER REPORT

The water report for the month of June is as filed and reservoir elevation still remains a watch area. Year-to-date precipitation is just a little below last year.

CITY OF BETHLEHEM DIRECTOR OF WATER AND SEWER RESOURCES

The Director's Report was filed and circulated reflecting financial status through June 2026. E. Boscola reports that the Operating Fund is in decent shape with YTD Revenue at $11M and Expenses at $9.3M and Cash Balance is $14.8M.

S. Zondag asked E. Boscola to review the "Security" section. E. Boscola reported that he just made an award to Promax for $80,000.00 for 2,000 ft. of fencing for East side of property and should be mobilizing within a month or so and there will be no more expenses for "Security" this year. Still waiting on prices from our access control e-card camera consultant on the effort to add that level of security to various facilities in keeping with the plan. Once we get that scope and fee, we are going to roll that into the 2027 budget.

E. Boscola also reported that the final inspection of the roof at the filtration plant happened today; there are some punch list items but is 99% complete and looks good and will end up with a 30-year warranty.

E. Boscola also mentioned he got bids in for the interconnects with LCA There are three interconnects and each of them are around $300,000.00 which was much higher than expected, so only one will be done this year. The other two will happen either both next year or one next year and the other the next year. It is a 50/50 split with LCA but The City holds the contract so must pay up front and get reimbursed from LCA. Construction costs are high and next year the interconnects will have to be bid again and costs will go up so S. Zondag questioned about doing all three at the same time to save on the escalation cost. E. Boscola stated that the budget is very tight and does not have a lot of wiggle room.

The service line inventory project is making good progress. 37,000 services lines identified, 25,000 of unknows, which doesn't sound good but internally is good. But we need to get the unknow number down as low as possible by November 2027 because starting next November we have to switch gears and start excavating, replacing and identifying unknown services every year for the next ten years. The government has allowed hiring of predicted modeling companies to help drive the number down, but a lot of work needs to be done by November.

OTHER BUSINESS

There was no other business to report.

COURTESY OF THE FLOOR

There were no comments during Courtesy of the Floor.

NEXT MEETING

The next Regular Meeting is scheduled for August 13, 2026, at 3:30pm.

ADJOURNMENT

I. van Halem motioned and C. Almeida seconded to adjourn the meeting at 4:31pm. Motion passed unanimously.

Ian van Halem
Secretary