BETHLEHEM AUTHORITY

Minutes of the Regular Meeting
Of the Board of Directors
September 10, 2026

The regular meeting of the Board of Directors of the Bethlehem Authority ("BA") was held on September 10, 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 Mr. Carlos Almeida, Vice Chair.

Also in attendance were:
Mr. Ronald Donchez, Treasurer
Mr. Ian van Halem, Secretary
Mr. Dennis Domchek, Assistant Secretary/Treasurer
Mr. James Broughal, Esq., Broughal & DeVito
Mr. Ronald Madison, PE, Colliers Engineering
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 R. Donchez seconded to approve the August 13, 2026, Regular Minutes. Motion passed unanimously.

RECOGNITION OF VISITORS

Mr. Rankin Smith, Forester, Highlands Forest Mgmt. (participated remotely)
Mr. Steve Antalics, Private Citizen

COURTESY OF THE FLOOR

There were no comments during Courtesy of the Floor.

CHAIR

C. Almeida mentioned that S. Zondag would like a discussion regarding dates for a watershed tour. She is available October 6th and 20th and wondered if those dates were good for everyone else. The board members will check their calendars and then a date will be confirmed.

PROPERTY & INFRASTRUCTURE COMMITTEE

Solar Project. I. van Halem stated that the new proposal from Exact Solar is being reviewed by Wilson Engineering (The City's consultant). As a summary, the annual utility bills will still be reduced (with the solar system they are changing calculations slightly on how they are coming to those numbers), but the bigger item is guaranteeing capacity reduction. Wilson Engineering will be reaching out to the BA and the City early next week on their evaluation of the new proposal.

GIS Project. I. van Halem reported that a meeting was held last week with Colliers at the BA's office at which time Colliers reviewed some of the easement documents to ascertain the effort needed to assimilate them into the GIS platform. The GIS presentation to outline the road map for the Board will be scheduled for the November Board meeting.

Consulting Engineer. S. Repasch presented Colliers Engineering & Design's annual proposal service agreement. There has been an increase in their fees since last year. R. Madison stated that the agreement is the same scope of work as last year but noted that they held last year's fees and rates the same as in 2024 but cannot hold that two consecutive years in a row.

I. van Halem motioned and R. Donchez seconded to approve Colliers Engineering service agreement for 2027. Motion passed unanimously.

Timber Sale. R. Smith reported that five prospectuses for the Hypsie Gap project were sent out but received only two proposals back: Elite Timber for $41,363.00 and Justick & Justick for $17,050.00. Since there was big difference in the amounts, R. Smith did call Elite Timber to confirm his pricing, and Elite stated it was correct. S. Repasch mentioned that BA has worked with Elite in the past and recommends awarding the bid to Elite Timber Company.

I. van Halem motioned and D. Domchek seconded to approve Elite Timber Company's sale agreement. Motioned passed unanimously.

S. Repasch also mentioned that every timber sale requires a PNDI (Pennsylvania Natural Diversity Inventory) search. One gentleman from the DEP reviewed the area that will be timbered and came up with 10 to 12 plants that could be problematic and might require an additional botanical study on them. There are some questions about whether the study is required or just suggested and will have to have a definite answer before timbering can proceed.

Wild Creek/Penn Forest Dam EAP. S. Repasch presented the updated Emergency Action Plans (EAP) from Van Cleef Engineering Associates that is required every five years. The letter states that were no significant changes to the previous plans. D. Domchek asked what the actual plan is and E. Boscola explained that it is a plan that provides for first responders the elicit actions in case something catastrophic happens regarding the dam, i.e., failure of the dam, dam breach, flooding, etc. It involves emergency management, including different departments, and a list of contacts and who would need to be contacted.

Watershed Management:

Timber Sale. S. Repasch stated that the DEFG timber sale is 85 to 90% complete. There were several neighbors that questioned the trucking traffic and removal of trees and expressed concern that this was for a data center installation. R. Smith assured them that there are no plans for a data center.

FSC Audit. S. Repasch stated that the FSC Audit is September 21st and there is a pre-meeting with TNC on September 11th to go over what is expected from us so we can be ready for the Audit.

Northeast Forest and Watershed Partnership Workshop. S. Repasch stated he will be attending this meeting in Williamsport on September 24th. This is a large group of forest and watershed groups and utilities that have watershed properties from nine different states.

Carbon Credit Quarterly Meeting. S. Repasch stated that the quarterly meeting is scheduled for September 28th and read an excerpt from an email from ANEW: "The project is still being remodeled, and team is working to assess it compared to the updated protocol requirements. It continues to go slow but we should have better understanding of the next steps in the next month. So, until we know more about the future credit inventory based on the remodeling, there isn't much in the way of sales opportunities to report at this time".

D. Domchek suggested looking again at alternative opportunities to get a realistic assessment of whether we can create revenue from this watershed and, if so, how much. S. Repasch mentioned he had a telephone call just before the meeting from Land Yield, who is marketing carbon credits also. S. Repasch has a telephone meeting with them tomorrow.

FINANCE COMMITTEE

Investment Summary. R. Donchez presented the Investment Summary as of September 1, 2026. The balance in the MRF is $2,495,830.00. In the BRIF account, the balance is $5,501,373.00. In the DSRF, the balance is $1,353,375.00. Construction Fund and Water Revenue Fund have zero balances. Total trust investment is $9,350,528.00. Adding Capital and Operating Reserves gives a total investment of $10,513,009.00. Right-hand side of report breaks out the summary of where the investments are, and all investments are within policy guidelines.

Bond Compliance. S. Repasch stated that a meeting was held again with The City and Bond Council, and all agree to move forward with an additional lease payment next year, which will be part of The City's Water Capital Budget in 2027.

Controller. The Controller's Report for the month of August 31, 2026, was circulated and filed with regular interest and expenses recorded.

3Q26 Income and Expense Projections. S. Repasch presented the report showing regular revenue and expenses through August 31, 2026. Revenue is 33% of budget or $377,231.00, we have collected $12,500.00 and Wild Creek timber stand and are anticipating another $10,000.00. On the expense side, Professional Services are at 56% of budget or $49,624.00 and will have some expenses from bond council following their recent work for us; Security and Property is 53% of budget or $33,629.00, new tires for truck in September were $1,200.00; Administrative Expenses are at 65% of budget or $215,464.00. Total expenses are 62% of budget or $298,717.00. Operating Cash on Hand as of September 30th is $100,123.00. Capital budget: There are no expenses for August but will be incurring expenses for counsel fees for the wind energy project zoning appeal. Oral arguments are

scheduled for September 17th, at 9:00am at Lehigh County Courthouse. Total projected Funds for September 30, 2026, are Operating Account $100,123.00; Capital Account $48,235.00 and Reserve Accounts $1,162,481.00 for a total Cash On-Hand Balance of $1,310,839.00

2027 Pension Plan MMO. S. Repasch presented the 2027 Minimum Municipal Obligation for the 2027 Pension Plan and is required to have board approval. The obligation is $8.00 and the plan is currently 102% funded.

R. Donchez motioned and D. Domchek seconded to approve the 2027 MMO. Motion passed unanimously.

Resolution #527 – Approval of Expenses. C. Almeida presented Resolution #527 to the Board for expenses through September 10, 2026, from the General and Reserve Accounts , totaling $39,587.21.

D. Domchek motioned and R. Donchez seconded to approve Resolution #527. Motion passed unanimously.

GOVERNANCE & HR COMMITTEE

D. Domchek reported that the annual employee performance evaluations were completed on time

SOLICITOR

The Solicitor had no report.

CONSULTING ENGINEER

R. Madison thanked the Board for approval of the 2027 service agreement with Colliers.

SPECIAL POLICE

Police report for the month of September 2026 was circulated and filed. E. Yeakel also added that Mad Scientists Inc., a firm hired by the EPA to do wetland studies, did their evaluation of a wetland on BA property in Long Pond. It took them about 9 nine hours to complete due to the amount of plant diversity that needed to be cataloged.

WATER REPORT

The water report for the month of August is as filed; Reservoirs continue to be a watch area. Precipitation in August is a little bit more than August last year.

CITY OF BETHLEHEM DIRECTOR OF WATER AND SEWER RESOURCES

The Director's Report was filed and circulated reflecting financial status through August 31, 2026. E. Boscola reported that usually going through the year, the billings start to catch up and this report projects revenue at -3% for the year and is expected to catch up in the next few months. Year-To-Date Cash on hand is $16.3M. In the Capital Fund, billing was a slow month with only $73,545.00, total expenses for the year are $4.88M and $5.8M encumbered.

E. Boscola reported that site work has started on the 2 MG SW Reservoir replacement tank site. The goal is to clear the site and get pad ready this year and then resume construction in the Spring for completion later in the year.

C. Almeida asked what happens with the remaining Capital funds for this year, roughly $4M? E. Boscola replied that there will be more booked expenses this year and whatever outstanding encumbrances are left in December will be carried over next year in addition to what is budgeted for next year. The numbers will become clearer as the budget comes together in the next month or so.

Unaccounted-For-Water (U-F-W). E. Boscola presented two water tracking reports: one for three quarters of 2025 and one for the first two quarters of 2026. The U-F-W numbers are higher than last year but have no easy explanation as to why. The only difference is produced numbers from the plant went up in comparison to what was billed. E. Boscola believes that the problem exists with trying to compare a 42" venturi meter to measure to the nearest gallon which is difficult and trying to compare that against the consumption of 37,000 customer meters. E. Boscola stated that this is continually looked at but has asked their engineering group to take a closer look at the numbers. We know there is a discrepancy between the venturi meter outlet at Wild Creek Dam, the venturi meter at the inlet to the filtration plant and a venturi at the outlet at the filtration plant. In theory, all numbers should be exactly the same, assuming there is no leakage, but those numbers do not agree and never have and probably never will. The main problem is access to the system and possibly shutting off the water temporarily. D. Domchek asked if there were any non-disruptive alternatives that could be considered that would not require invading the pipes in question. E. Boscola replied that there are strap-on ultra-sonic meters, but you need a straight length of pipe, and one pipe is 20 ft. below grade. There might be other alternatives, but it's not cost effective. R. Madison explained that this is not a unique problem to The City. Every old system has the problem of meeting the target of 20% or less water loss.

Security. E. Boscola reported that he got pricing for the access control readers and cameras for the system and it was not as expensive as was anticipated. These will be installed based on the list of priorities. The first being the Filtration Plant and Wild Creek office areas to be done in 2027; the second would be all the distribution networks scattered around The City in 2028 and then the lowest priority would be up at the dam's intake buildings at Wild Creek, Penn Forest and Tunkhannock in 2029. The fence at the east side of Wild Creek is being installed now and the west side is scheduled for next year. The BA would like to participate in the 2027 budget process to further define this schedule.

OTHER BUSINESS

There was no other business to report.

COURTESY OF THE FLOOR

Mr. Antalics lamented that The City's council meetings are a fiasco. He believes this is the best time for the BA to be totally independent and take total control of the water system. He feels that council might be in a position to agree to this and could override the mayor.

NEXT MEETING

The next Regular Meeting is scheduled for October 8, 2026, at 3:30pm.

ADJOURNMENT

R. Donchez motioned and D. Domchek seconded to adjourn the meeting at 4:52pm. Motion passed unanimously.

Ian van Halem
Secretary