

BETHLEHEM AUTHORITY

Minutes of the Regular Meeting Of the Board of Directors May 14, 2026

The regular meeting of the Board of Directors of the Bethlehem Authority (“BA”) was held on May 14, 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. Ronald Donchez, Treasurer
Mr. Dennis Domchek, Assistant Secretary/Treasurer
Mr. James Broughal, Esq., Broughal & DeVito (participated remotely)
Mr. John Filipos, CPA, Buckno Lisicky & Company
Mr. Stephen Repasch, Executive Director
Ms. Sandra Zapf, Director of Administration
Mr. Eric Yeakel, Police Officer-In-Charge
Mr. Ron Madison, P.E., Colliers Engineering
Mr. Ed Boscola, City of Bethlehem, Director of Water and Sewer Resources

APPROVAL OF MINUTES

C. Almeida motioned and D. Domchek seconded to approve the April 9, 2026, Regular 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

S. Zondag reported that The Board received the Consulting Engineer’s Annual Report about a month ago and spent several weeks reviewing. She commented that this is probably the best report Collier’s has produced in her tenure and thanks R. Madison for his continued efforts of The Board’s multiple requests and changing targets. This report has been evolving for many years and with dedicated board members’ time and feedback, and E. Boscola’s input, this report has become incredibly effective.

S. Zondag also wanted to thank E. Boscola for providing the water main history with regards to the breaks, vis-a-vie the age of the mains; it was very illuminating and she appreciates the data sets that he has been sharing.

S. Zondag also mentioned that there are two staff anniversaries: Officer K. Conrad’s 5-year anniversary and Officer S. Meixell’s 8-year anniversary. Both will be receiving letters from

The Board. S. Zondag noted that the average longevity of our officers is 6+ years and is a testament to the kind of work that we are able to accomplish at the watershed with that kind of longevity.

PROPERTY & INFRASTRUCTURE COMMITTEE

Watershed Management:

Solar Project. S. Repasch reported that they received some information from the developer just this past week but have not gotten a new proposal yet; we are still working on an option that could provide added benefits to The City. Assuming they go with a battery backup, the PJM grid offers an incentive program that pays between \$15,000.00 and \$25,000.00 annually if they can rely on the battery backup during peak loads on the grid.

E. Boscola mentioned that forecasting energy costs is a little volatile right now because of what's going on in the world, inflation and that the contract with The City's supplier, Constellation Energy, is expiring this year. This contract is in negotiations and may affect the rate The City pays per kilowatt hour. Long term, it looks like The City may see an increase in the 5% range for 2027 compared to 2026, which will also impact the water filtration plant.

GIS Project. S. Repasch reported that work is progressing with Colliers getting the lease parcels in the watershed into the GIS layer. E. Yeakel has a meeting tomorrow to go over the work with Colliers. The hunting and agricultural leases should be added to the GIS within the next few weeks.

Forestry. S. Repasch reported that Rankin Smith, BA's Forester, informed him that the herbicide treatment for the stands D, E, F and G in the Wild Creek area will be starting the end of May and should be completed by early June. After that, the timber contractor will be timbering that same area. R. Smith will start marketing another stand in the Long Pond/Hypsie Gap area as well.

Carbon Credit. S. Repasch reported that he had some discussions with our carbon marketer, Anew, and presented the new marketing brochure put together by them to hopefully sell the outstanding carbon credits that are available. The next regular quarterly meeting is scheduled for May 27th with Anew to discuss the status of carbon project given what's been sold and haven't received revenue yet, and any new marketing going forward.

Annual Consulting Engineer's Report. S. Repasch reiterated that the Annual Consulting Engineer's Report on the operation of the water system in 2025 by the City of Bethlehem and the budget financing outlook for 2026 was received several weeks ago and reviewed. There was significant progress getting the report into a shape that all are comfortable with and he recommends The Board take action on accepting the report for 2025.

D. Domchek moved and C. Almeida seconded to approve the Annual Consulting Engineer's Report for 2025. Motioned passed unanimously.

S. Repasch also mentioned that the current 10-year Capital Plan will be added to the report's appendices before it is sent to the Trustee.

FINANCE COMMITTEE

Investment Summary. R. Donchez presented the Investment Summary as of May 1, 2026. In the MRF, the balance is \$2,465,426.00; the BRIF balance is \$5,247,285.00; and the DSRF balance is \$1,353,796.00. A total trust investment of \$9,066,507.00, and adding the Capital Reserve and Operating Reserve accounts gives total investments of \$10,266,812.00. On the right-hand side is a summary of the breakout of investments which are a combination of time deposit CDs and Money Market accounts. All investments are in policy compliance.

Investment Policy Revision. D. Domchek stated that the Governance Documents require the Investment Policy be reviewed every year. Our Financial Advisor, P.R.A.G., was engaged to do that and the modifications are very minor. D. Domchek recommends The Board take action on accepting the changes to the Investment Policy.

R. Donchez motioned and C. Almeida seconded to approve the Revised Investment Policy. Motioned passed unanimously.

Bond Document Review. S. Repasch reported that the Finance Committee met with Bond Counsel yesterday. Whenever a Bond is issued, the documents are reviewed and usually there is something that needs to be changed. And since the last bond issue in 2022, a few issues regarding the sales and lease agreement with The City and the Trust Indenture don't match up in several areas. There are inconsistencies, there are a few that are relatively significant that we are trying to get cleared up, which was the focus of yesterday's meeting. Progress is being made on that issue and we expect to hear more from Bond Counsel within the next few weeks and likely bring it to The Board in the near future.

Controller. J. Filipos' report for the month of April 30, 2026, was circulated and filed with regular interest and expenses recorded. In the Operating Account, received \$91,250.00 from The City for 2nd Qtr. operating expenses; On May 15th, debt service payments totaling \$3,817,975.00 will be due from The City plus \$190,898.75 for the 5% coverage; they have plenty of cash per their report. Also, The City takes a credit on our investments of roughly \$36,000.00 to be deducted from the Debt Service payment. S. Repasch reported that the bond payment was made on May 13th.

J. Filipos also mentioned that the 2025 DCED Report is due June 30th and the work is in progress. C. Almeida requested the report be submitted to the Finance Committee for review prior to distribution to the Board and subsequent filing.

2026 Income and Expense Projections. S. Repasch presented the report showing regular revenue and expenses through April 30, 2026. Revenue is at 21% of budget or \$234,297.00, which includes two quarterly payments from The City. In the Professional Services, 19% of budget or \$16,473.00 and notes that includes expenses for consulting engineer for Annual Report and GIS work and also anticipated legal fees for Bond Counsel work and Solicitor's review work; Security & Property is at 17% of budget or \$10,659.00, no fuel expenses have been paid to date but anticipate higher costs for gasoline consumption; Administration is at 34% of budget or \$111,856.00. Total Operating Expenses is 29% of budget or \$138,988.00. Anticipated Cash on Hand as of 6/30/26 is \$82,383.00. In the Capital Account, there were no expenses to date but projected expenses for final bill to the electrician for work at the new

garage and also some capital equipment for the new UTV should be added in the next few months. There is a deficit in our cash projections, if those expenses come to fruition, but we plan to transfer funds from our Reserve Account to the checking account within the next week or so. Projected Funds for all accounts at the end of 6/30/26 is \$1,287,417.00.

Resolution #523 – Approval of Expenses. S. Zondag presented Resolution #523 to the Board for expenses through May 14, 2026, from the General and Reserve Accounts totaling \$49,461.05.

R. Donchez motioned and C. Almeida seconded to approve Resolution #523. Motion passed unanimously.

GOVERNANCE & HR COMMITTEE

D. Domchek had no report.

SOLICITOR

J. Broughal reported on the ruling from the PA Supreme Court on the issue of stormwater fees. He stated that in 2016, the Borough of West Chester enacted an ordinance similar to other municipalities that were effectively storm water fees. West Chester University appealed that decision. In 2023, the Commonwealth Court made a decision that the fee was not a fee but a tax and unconstitutional for Commonwealth entities, such as State Universities and agencies, and should be immune from paying them. In 2024, the Borough and other municipalities filed an appeal to the State Supreme Court. On April 30, 2026, the PA State Supreme Court confirmed the Commonwealth Court's decision on a 4 to 3 decision saying that the fees are taxes. In their conclusion they stated "Where a municipality is duty bound to provide a service for the public benefit, and in the absence of a voluntary, contractual relationship between itself and those receiving the service, the associated charge is a tax."

J. Broughal recommends writing a letter requesting a refund for the fees that were paid to the City and to Bethlehem Township based on the court's decision. S. Repasch noted that this was not listed as an action item and cannot be acted on today. It was decided to add it to the agenda as an action item at the June board meeting.

CONSULTING ENGINEER

R. Madison thanked The Board for their support on the Annual Report and happy to finalize it.

SPECIAL POLICE

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

WATER REPORT

The water report for the month of April is as filed. Penn Forest Reservoir continues to recover but slowly. Precipitation in April 2026 is higher than last year but the watershed could still use some more rain.

CITY OF BETHLEHEM DIRECTOR OF WATER AND SEWER RESOURCES

The Director's Report was filed and circulated reflecting financial status through April 2026. E. Boscola re-tooled the monthly financial report based on some feedback from the Finance

Committee so that all the numbers are in thousands. It's important to note that the Revenue numbers are based on accrual (the value of the bills that go out that month) but the Expenditures are recorded in cash. So, in some respect it's comparing apples and oranges. April shows a net operating loss and that's because we had some one-time expenses in April for General Fund charges, i.e., health insurance, pension costs, etc. that occur every quarter or every six months, which is why it's high for April. But overall, the fund is still in good shape with almost \$17 Million in cash.

On the Capital side, we booked almost \$800,000.00 in expenses in April and still have \$7 Million encumbered for the year. E. Boscola gave some updates:

- Continue with meter replacements; the goal is 4,000 replacement meters in 2026 with approximately 1,000 already completed
- Roof replacement at the filtration plant is in progress; hopefully complete in the next month.
- Kick-off meeting for the 2 mg reservoir replacement is May 15th and will get an idea on scope and schedule when the project will start.
- A contractor was hired to do some miscellaneous water main work; a couple of water mains are being replaced on Garrison Street and should be finished in a couple of weeks.
- The design for the Interconnects between LCA (Allentown) and The City (Bethlehem) is complete and will be going out for bids soon.
- Getting some numbers for the security fencing up at Wild Creek from Pohopoco running north towards the reservoir; hoping to do some of that work this year.
- Also getting some numbers for cameras and access controls for Wild Creek, Filtration Plant and other facilities around the distribution system.

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 June 11, 2026, at 3:30pm.

ADJOURNMENT

C. Almeida motioned and R. Donchez seconded to adjourn the meeting at 4:19pm. Motion passed unanimously.

Dennis A. Domchek
Assistant Secretary/Treasurer