

**MINUTES OF THE REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
OF THE BETHLEHEM AUTHORITY**

**JANUARY 11, 2018**

The regular meeting of the Board of Directors of the Bethlehem Authority (Authority) was held on Thursday, January 11, 2018 in Room B504 of the City Administration Building, 10 E. Church Street, Bethlehem, PA. The meeting was called to order at 3:45 PM by Mr. John Tallarico, Chairman. Also in attendance were:

- Ms. Sharon Zondag, Vice Chair
- Mr. Thomas Donchez, Secretary
- Mr. Dennis Domchek, Treasurer
- Mr. Vaughn Gower, Assistant Secretary-Treasurer
- Mr. James Broughal, Esq., Solicitor
- Mr. John Filipos, CPA, Controller
- Mr. Stephen Repasch, Executive Director
- Ms. Sandra Reppert, Administrative Assistant
- Mr. Daniel Meixell, Special Police Officer

**APPROVAL OF MINUTES**

V. Gower moved and T. Donchez seconded to approve the minutes of the December 14, 2017 regular meeting. Motion passed unanimously.

**RECOGNITION OF VISITORS**

- Mr. Nate Jastremski, Bethlehem Press
- Mr. Robin Wildermuth, Woodland Management Services and Authority Forester
- Mr. Ron Madison, Maser Consulting and Authority Consulting Engineer
- Mr. Ed Boscola, City of Bethlehem Director of Water and Sewer Resources

*There were no comments during Courtesy of the Floor.*

**CHAIRMAN**

**PennEast Pipeline.** J. Tallarico announced that an Executive Session will be held to discuss on-going PennEast Pipeline contract negotiations and personnel issues.

**EXECUTIVE DIRECTOR**

S. Repasch thanked the Board for their continued confidence in him as Executive Director.

**Forest Management.** R. Wildermuth presented the Authority's 2017 timbering and forest management activities, 2018 planned projects, possible opportunities and science-based projects.

**2017 Recap:**

- The Tunkhannock Stand 1C2 final release harvest was successful and a new forest has been established. This was the only project completed in 2017. Other 2017 revenue was final payment on a 2016 harvest.

- Prep work was completed for most of the remaining thinning and salvage projects. The projects could not be accomplished due to quota restrictions on loggers in the pulpwood market. Markets appear to have stabilized somewhat and projects should be able to move forward this year.
- 905 acres were sprayed in the spring for gypsy moths (other areas were sprayed in 2015 and 2016). The moths have collapsed, the outbreak appears to be under control, and the spray program helped protect the health of the forest. Any (oak) trees killed by the moths are worth saw log value for one to two years, then begin to deteriorate but are good for firewood up to five years. Beyond that amount of time, there is no value except for wildlife habitat.
- The FSC and Carbon audits were successfully completed.

### **2018 Budget:**

- The 2017 thinning and salvage projects will be done in 2018. A larch plantation thinning has been prepped. He and S. Repasch will be meeting with a logger tomorrow on the Wild Creek thinning projects.
- 2017 green tons total 900 and are very much below the annual allowable cut of 7,900 tons (the target amount for harvesting). We are so far below that we will get another carbon data point. When harvests go down, carbon goes up. By thinning pulpwood and smaller distressed trees and leaving the saw timber, the value of the forest and carbon tonnage increases.
- Projects that were scheduled for 2018 have been moved to 2019.

### **2018 focus:**

- Work to get commitments from contractors in the pulp markets to meet harvest goals.
- Broaden markets and continue pursuit for buyers of FSC (Forest Stewardship Council) certified wood. There were discussions with Hercules Cement Co. in the past on using FSC certified woodchips to co-fire with coal to meet environmental restrictions.
- Continue monitoring forest health, particularly Gypsy Moths.
- Complete the FSC and carbon audits. We learned more about the mechanics of the carbon modeling last year. 10% of the carbon plots will be re-measured and the carbon model will be re-calibrated. Carbon should measure higher this year.

### **Initiatives:**

- The PA Game Commission (PGC) Voluntary Public Access (VPA) Habitat Incentives Program. The Authority is enrolled in the VPA program and is seeking grants from the PGC for help with herbicide treatments and prescribed burns for oak management. Pollinator plantings and warm season grass plantings have already been accomplished through the grant program.
- Natural Resources Conservation Service (NRCS) Program for Golden-Winged Warbler. The NRCS has grants available to manage the forest for the bird that is in decline. If the Authority qualifies, it will be good alignment with forest management practices, good public relations for wildlife management, and will not be a financial drain.

- Technology. The Authority's UAV has been used to survey the gypsy moth blocks and some other forestry work. The ArcGIS database work is being done by Maser and we need to build more forestry activities into the database.

**Science-based Projects:**

- American Chestnut Restoration Study. There have been positive discussions with the American Chestnut Foundation to obtain disease-resistant seedlings. A harvested plantation would be set aside and three acres would be fenced. The chestnut seedlings would be planted along with other trees and nuts and would be monitored. The American Chestnut is a great, fast-growing species.
- The FSC and TNC have a project involving DNA analysis and fiber testing of trees from around the world. They want to build a database that will verify where products come from. Leaf, twig and cookie samples would be taken from trees harvested from a timber sale.

J. Tallarico questioned about the Spotted Lantern Fly. R. Wildermuth responded that the species is focused on fruit trees and susceptible to cold temperatures, so it probably would be too cold on the plateau. If quarantining is unsuccessful, the species could have an impact.

**Wind Energy Project.** S. Repasch reported that on December 29, Carbon County's Judge Serfass ruled against the Penn Forest Township Zoning Hearing Board and the deemed approval was ordered appropriate. The Authority Solicitor explained that there is now a 30-day appeal period for any other parties to that litigation, including the township, but not the zoning board. If appealed, it could take six months in Commonwealth Court. If not, Atlantic Wind can move ahead with its site plan to the township supervisors.

**Solar Energy Project.** S. Repasch reported that grant money is available through the Commonwealth Financing Authority (CFA) to develop solar projects. The grant submission deadline is January 18 and the Authority is not in a position to commit to a project by then. The two companies interested in developing a project at the Water Filtration Plant (WFP) have indicated they would like to use the WFP as a potential project in their grant applications without any obligation from the Authority or the City. There does not appear to be a downside, but it is not known if the economics will work for the City.

**William Street Cell Tower Lease.** S. Repasch reported that the marked-up lease proposal and comments by the Authority Solicitor have been sent back to Crown Castle. There has been no response for several weeks.

**Emergency Water Supply Study.** S. Repasch reported that he, J. Tallarico and T. Donchez met with AECOM last Friday morning. The group toured the WFP, the Penn Forest and Wild Creek dams, and then planned the next steps. A letter under S. Repasch's signature will be sent to the surrounding municipalities with interconnections about meeting and discussing their interests in working with the Authority. Westgate Water will also be contacted because of its well supply. E. Boscola said AECOM met with Water Department staff yesterday to review the hydraulic modelling. AECOM requested and was provided with information on the reservoirs, interconnects, transmission mains, valves, wells, water quality, Beltzville Lake, Lehigh River and everything else pertinent to the study.

**Warke's Acres Proposal.** S. Repasch reported that the Authority received a request from Warke's Acres, a private development in the Tunkhannock watershed, to use an Authority road for access into the development in wintertime only. The only entrance road into the development is a steep hill and during the winter it is difficult to maintain. The Authority's road is ~20 yards south of the development's entrance along an existing PPL right-of-way, ~100 yards long, there is no grade, and since it is a dirt road, the development will handle the road maintenance. The Authority Solicitor will draft a license agreement for use of the road as described. The Board is agreeable to this request.

**1Q18 Income/Expense Projections.** S. Repasch reviewed the 1Q18 Income and Expense Projections as circulated and filed. He said that this is the sixth year of license agreement with Atlantic Win, and they are obligated to pay \$100,000 per year after the fifth year. Since the wind project has not yet developed, there will most likely be discussions to renegotiate the license fee.

**Expense Budget Comparative.** S. Repasch reviewed the Expense Budget Comparative for the 12 months ended December 31, 2017:

- Revenues – 83% including the transfer of carbon revenue back into operating fund.
- Professional Services – 89%.
- Security and Property Expenses – 97%.
- Administrative Expenses – 61%. Since the carbon revenue was less than half the amount anticipated, the budgeted transfer to the City Water Capital Fund did not occur.
- Pipeline Escrow Fund – \$47,590 total has been expensed over escrow monies received.
- Capital Expenses – 45%

## **TREASURER**

**Investment Summary.** D. Domchek reported that the investments are substantially the same as last month.

**Controller.** J. Filipos thanked the Board for the reappointment of himself and his firm. His report for the month of December, 2017 was circulated and filed. The City paid the Authority its 4Q17 operating funds and \$78,586 was moved from the reserve account to operating administrative account.

**Resolution 415 – Approval of Expenses.** J. Tallarico presented Resolution 415 to the Board for the payment of expenses and transfers from the General and Capital Reserve accounts totaling \$110,817.97. T. Donchez moved and V. Gower seconded to approve Resolution 415 as presented. Motion passed unanimously.

## **SOLICITOR**

J. Broughal thanked the Board for the reappointment of himself and his firm.

## **CONSULTING ENGINEER**

R. Madison thanked the Board for his reappointment. He reported that the fiscal and insurance certifications will be issued by the end of January. He mentioned that Pure Technologies will be doing a large project for LCA. If interested, Board members and City staff are welcome to witness the in-situ testing.

### **SPECIAL POLICE**

D. Meixell thanked the Board for his reappointment. His report for the month of January 2018 was circulated and filed.

### **WATER REPORT**

The Water Report for the month of December 2017 was circulated and filed. The reservoirs are at an average combined capacity of 77.46%. E. Boscola said the reservoirs are trending downward a bit below average, similar to last year, and remain under watch. He provided a precipitation chart dating back to 1945 that shows an up and down trend. He has been told that snow pack and spring run-off are more important for regenerating the reservoirs. There was not much snow last year or this year to date.

### **CITY OF BETHLEHEM DIRECTOR OF WATER AND SEWER RESOURCES**

E. Boscola's report on the Water Fund as of December 2017 and status of Major Initiatives was circulated and filed.

**Water Fund.** The Water Fund ended the year above budget for revenues and expenses and with \$2.8 million cash on hand. It is not known if any money will be transferred to the Water Capital Fund. Capital appropriations are built into the budget and separate from the Water Fund.

#### **Major Initiatives:**

- The DSIC will be submitted to PUC.
- The Demand Study depends on the AMR technology and is anticipated to be implemented in 2Q18.
- A Water Information Management System (WIMS) will be implemented to improve the water and wastewater data management and lab analyses.
- The 5MG southwest storage tank is exhibiting corrosion and needs internal inspection.
- The DEP is requiring studies to be updated on the Wild Creek and Penn Forest dams. The studies are breach analysis, inundation mapping, emergency action plans, and a ten-year inspection work plan. Proposals are being solicited for the work.

**Construction Projects.** The boiler, flocculators and valve actuators are scheduled to be replaced at the WFP.

#### **Distribution system:**

- New installs for the Willowbrook Road Bypass and Route 512 Extension. Work is being done by the developers.
- Water main replacements on Troxell Street in Hanover Township, Lehigh County and the Hecktown Road Bridge over Route 22 that will be coordinated with PennDOT.
- The South Side pump station project should be completed in May.

T. Donchez questioned the amount of money tied up in major construction projects. E. Boscola responded that ~\$500,000 is anticipated for the work at the WFP. The plant was built in 1994 and replacement capital costs have been historically low. Now some components are nearing the end of their useful life. J. Tallarico and T. Donchez both complimented the WFP staff on the cleanliness of the plant and how well things are handled.

J. Tallarico questioned the timing on full build-out of the AMR technology. E. Boscola responded 36,000 meters will take five to ten years to replace. In-house, ~1,000 meters can be replaced per year so much of the work will have to be contracted out. It is a time-consuming and expensive effort, ~\$10 million for the entire system. For the past two to three years, the main focus has been on replacing large meters for commercial, industrial and institutional customers. A steady increase in consumption has been seen that is felt to be directly related to meter replacement.

T. Donchez questioned the average influent to the WFP versus how much is being sold. Response was an unaccounted for water report is required by the end of February or March. Improvements the City has made over the years include a leak detection program and improved metering, since metering is always suspected.

***There was no Other Business or comments for Courtesy of the Floor.***

**NEXT MEETING**

The next regular meeting is scheduled for February 8, 2018.

**ADJOURNMENT**

J. Tallarico moved and T. Donchez seconded to adjourn the regular meeting at 4:55 PM and convene an Executive session to discuss real estate contract negotiations and personnel matters. Motion passed unanimously.

*Thomas F. Donchez*  
Board Secretary