

BETHLEHEM AUTHORITY

Minutes of the Regular Meeting Of the Board of Directors January 10, 2019

The regular meeting of the Board of Directors of the Bethlehem Authority (“Authority”) was held on January 10, 2019, in Room B504, City Administration Building, 10 E. Church Street, Bethlehem, PA. The meeting was called to order at 3:37 PM by Ms. Sharon Zondag, Authority Chairperson. Also in attendance were:

Mr. Thomas Donchez, Vice Chairperson
Mr. Vaughn Gower, Secretary
Mr. Dennis Domchek, Treasurer
Mr. John Tallarico, Assistant Secretary/Treasurer
Mr. James Broughal, Esq., Solicitor
Mr. John Filipos, CPA, Controller
Mr. Stephen Repasch, Executive Director
Ms. Sandra Zapf, Administrative Assistant
Mr. Steve Mertz, Officer/Ranger

It was noted that prior to the regular meeting, at 3:30 P.M. the Authority’s Reorganization Meeting was held and the Authority’s 2018 Officers were re-appointed for 2019. Authority staff and consultants from 2018 were also re-appointed for 2019.

APPROVAL OF MINUTES

V. Gower moved and J. Tallarico seconded to approve the minutes of the December 13, 2018, regular meeting. Motion passed unanimously 5-0.

RECOGNITION OF VISITORS

- Mr. Stephen Antalics, private citizen
- Mr. Ron Madison, PE, Maser Consulting and Authority Consulting Engineer
- Mr. Ed Boscola, City of Bethlehem Director of Water and Sewer Resources

COURTESY OF THE FLOOR

There were no comments during Courtesy of the Floor.

CHAIR

S. Zondag reported that the personnel committee continues to meet to continue work on a Personnel Policy Handbook but have already incorporated the board approved changes into the personnel policy regarding compensation and benefits in which employer and employee will share the cost of health benefits. A few minor issues regarding the short and long term disability

policy still needs to be addressed but S. Zondag stated that the handbook should be completed shortly and will present to the Board to review and approve shortly. S. Zondag wanted to thank D. Domchek, S. Repasch and Michelle Sciortino for the many hours of meetings to produce this Handbook.

EXECUTIVE DIRECTOR

Security Transition. S. Repasch reported that S. Mertz would like to postpone the transition of assuming more of D. Meixell's responsibilities due to issues relating to his pension with the Pocono Regional Police Department. D. Meixell was scheduled to retire on February 11th, 2019, but has agreed to postpone that until February 11, 2020. S. Repasch noted that this would allow for a smoother transition especially in regards to the 911 switchover because D. Meixell's son will be involved in the BA's tie-in to the City's 911 system. V. Gower motioned and T. Donchez seconded the postponement of D. Meixell's retirement from February 11, 2019 to February 11, 2020. Motion passed unanimously 5-0.

Wind Energy Project. S. Repasch reported that he spoke to Atlantic Wind's representative, Jason Du Terroil, to see how they plan to proceed since the second application was disallowed at the Penn Forest Twp. Zoning Board meeting on December 17th. The planning commission has 45 days to write their decision and then Atlantic Wind or BA has 30 days to appeal. S. Repasch got the feeling that Atlantic Wind is going to wait to see what happens in mid-February when the Carbon County judge will announce his decision on the "deemed approval" on the first appeal.

Forestry Management. S. Repasch reported that the timbering project is progressing but still slow due to the weather. R. Wildermuth will be attending the next board meeting on February 14th and will give a presentation on the timbering that was done this year and plans for 2019 and 2020.

S. Repasch and R. Wildermuth gave a presentation to the Lehigh Valley Sustainability Network at the Bethlehem Brew Works on January 9th. About 25 to 30 people attended and all seemed to enjoy the information that was shared.

S. Repasch reported that an agreement of sale was sent to a potential buyer from Florida regarding the sale of the fire tower but haven't heard back from him. S. Repasch will reach out to him and to other potential buyers. S. Zondag wanted it noted that PP&L still has not disconnected the power to the fire tower which was requested months ago.

Emergency Water Supply Study. S. Repasch, T. Donchez, J. Tallarico and E. Boscola met to review the proposal information received from AECOM. AECOM's proposal is to do inspections with the water being shut off. It was decided to go out for proposals to inspect tunnels, entrances and exits, in "active" circumstances not in a dry tunnel because the water cannot be shut off for long periods of time.

1Q19 Income and Expense Projections. S. Repasch reviewed the 1Q19 Income/Expense Projections as circulated and filed.

Expense Budget Comparative. S. Repasch reviewed the Year End Expense Budget Comparative through December 31, 2018, as circulated and filed. Overall, operating revenues are 102%; Professional Services are 121% of budget, which is mostly due to survey work by Art Swallow on the hunting club boundary issue and Michele Sciortino on the benefit's review process, that were not budgeted in 2018 but are in the budget for 2019. The Pipeline Escrow & Expenses is basically a dead issue and will not appear next year. Security & Property is at 106% of budget which includes the addition of three new part-time security personnel and their uniforms. Administrative is at 53% of budget which reflects the retirement of D. Meixell and S. Reppert leaving but also we anticipated transferring \$100,000.00 to BRIF and \$50,570.00 to Capital Reserves in 2018 but that didn't happen until January 2019. Total expenses are 70%. Capital & Reserve Expenses are 132% which reflects \$15,983.00 in the 3rd Qtr. and \$7,236.00 in the 4th Qtr. respectively for legal fees that we anticipate reimbursement from Atlantic Wind. Funding is 97%.

S. Repasch thanked the Board for their re-appointment and continued confidence in him as Executive Director.

TREASURER

Financial Planning. D. Domchek, V. Gower and S. Repasch will be meeting on Friday, January 11th with E. Boscola, Ron Sidack and Scott Shearer, PFM financial advisors for the City of Bethlehem, to look at the next refinement of the financing plan that will support the capital improvement plan that E. Boscola developed. In addition to that, we asked them to development an outline to support that plan. D. Domchek anticipates having these documents to share and review with the board at the next board meeting.

Investment Summary. D. Domchek reported that there were no changes to the investment summary from last month. In February, four CD's will be maturing but not until after the next board meeting so will report on them in March.

Controller. J. Filipos's report for the month of December 2018 was circulated and filed and just wanted to note that the revenue went up substantially due to the Carbon Credit received of \$261,700.00 and \$75,000.00 received from the City of Bethlehem for the fourth quarter.

J. Filipos thanked the Board for their re-appointment of himself and his firm.

Resolution 428 – Approval of Expenses. S. Zondag presented Resolution 428 to the Board for the payment of expenses and transfers from the General and Reserve accounts totaling \$25,355.53.

V. Gower moved and T. Donchez seconded to approve Resolution 428 as presented. Motion passed unanimously 5-0.

SOLICITOR

J. Broughal thanked the Board for their re-appointment of himself and his firm.

CONSULTING ENGINEER

R. Madison reported that the annual inspection tour is tentatively scheduled for Wednesday, January 16th. He also would like to thank the Board for their re-appointment of himself and his firm.

SPECIAL POLICE

Officer S. Mertz's report for the month of January was circulated and filed. He wanted to thank the Board for their re-appointment of him.

The fire tower has had a lot of trespassing activity since the start of deer hunting season. Several vehicles and groups of people have been observed by camera but not clear enough to make a positive identification. A new camera is being purchased that will send "real time" alerts to a cell phone in hope of catching them in the tower. Concern that the fire tower still has electricity and recent increased trespassing activity, it was agreed upon to obtain proposals for demolishing the tower immediately so that if the sale of the tower does not take place in the next few months, the board will be ready to discuss the dis-mantling of the tower.

S. Mertz reported that on patrol it was discovered that one property has placed a shed on Authority land and D. Meixell thinks it has been there for some time, possibly eight years, and two other properties that border the Authorities lines have possibility placed sheds, fencing and other structures onto Authority property.

S. Zondag suggested that J. Tallarico and T. Donchez work with S. Repasch and S. Mertz to first establish how "permanent" these structures are and then a strategy of handling these issues can be discussed. Another item is whether the boundary lines need to be marked more clearly.

WATER REPORT

The Water Report for the month of December, 2018, was created and filed and E. Boscola noted that 2018 was the highest measured rainfall since the reservoirs were created in the 1940's. The reservoirs are at a combined capacity of 101.20%.

CITY OF BETHLEHEM DIRECTOR OF WATER AND SEWER RESOURCES

The Director's Report was circulated with no discussion. Highlights of the report include:

- Based on completed 12 months, revenues have exceeded expenses by 1% leaving over \$4 million in cash.
- On the Capital Fund as of December, a little over \$3 Million was spent and that is the amount budgeted for 2019.
- Discussions are ongoing with financial advisors on options for taking on new debt to fund water capital for next 10 years.
- Advanced metering project is ongoing.

COURTESY OF THE FLOOR

There were no comments during Courtesy of the Floor

NEXT MEETING

The next regular meeting is scheduled for February 14, 2019, at 3:30pm.

ADJOURNMENT

T. Donchez moved and J. Tallarico seconded to adjourn the meeting at 4:43pm and go into Executive Session to discuss a matter with potential litigation.

Vaughn C. Gower

Board Secretary