

BETHLEHEM AUTHORITY
Minutes of the Regular Meeting
Of the Board of Directors
August 8, 2019

The regular meeting of the Board of Directors of the Bethlehem Authority ("Authority") was held on August 8, 2019, in Room B504, City Administration Building, 10 E. Church Street, Bethlehem, PA. The meeting was called to order at 3:30 PM by Ms. Sharon Zondag, Authority Chair. Also in attendance were:

Mr. Thomas Donchez, Vice Chair
Mr. Vaughn Gower, Secretary
Mr. Dennis Domchek, Treasurer
Mr. James Broughal, Esq., Solicitor
Mr. John Filipos, Controller
Mr. Stephen Repasch, Executive Director
Ms. Sandra Zapf, Administrative Assistant

APPROVAL OF MINUTES

V. Gower moved and T. Donchez seconded to approve the minutes of the July 11, 2019, regular meeting. Motion passed unanimously.

RECOGNITION OF VISITORS

Mr. Ron Madison, PE, Maser Consulting and Authority Consulting Engineer

COURTESY OF THE FLOOR

There were no comments during Courtesy of the Floor.

CHAIR

S. Zondag stated that recording of meetings and posting on website is postponed until the City of Bethlehem website upgrade is completed.

EXECUTIVE DIRECTOR

Forestry Management. S. Repasch reported that FSC will be conducting a field audit of the forest watershed properties sometime in October to make sure that BA is in compliance with FSC certification processes.

S. Zondag inquired if work had started on the four timber stands at the Wild Creek and Tunkhannock Creek areas. S. Repasch informed the Board that work has not started because it is hard to find a contractor willing to do the work given that the global market for timber is down

mostly due to the trade war and tariffs. It's been decided to go out for bid on the largest timber stand to see what the market price could be.

R. Wildermuth reported to S. Repasch that the Chestnut trees planted on Earth Day are doing extremely well with a 91% survival rate and very good growth.

The BA received an invitation to attend Bud Cook's 40th anniversary at TNC (The Nature Conservancy) on September 11th from 4 to 6pm at the Cherry Valley Natural Wildlife Refuge near Saylorsburg, PA. S. Repasch stated he would be attending.

S. Repasch presented the new Prescribed Fire Agreement with the TNC to the Board for approval. D. Domchek moved and V. Gower seconded to approve agreement. Motion passed unanimously.

Daley Property. Discussions on whether to purchase the Daley property on 410 Hatchery Road lead to many different topics. S. Repasch reported that the Penn Forest Hunting Club expressed interest in leasing the Daley property and that lead to what to charge the hunting club. S. Repasch suggested \$5,000.00 per year, which would include a house and 150 acres. The club, which currently leases approximately 230 acres, thought that was too high. It was decided to continue negotiations with the club to try to reach mutually agreeable terms. Hunting club lease fees in general will be discussed at a later date. J. Broughal warned that a reasonable rate needs to be factored in order to keep a "non-profit" status. A discussion about an inspection of the house prior to purchase was also discussed. J. Broughal's concern about asbestos was the reason for the inspection or Phase I Environmental Assessment, and the purchase agreement would reflect a contingency that if asbestos was found the purchase price would be reduced for the amount to remediate.

T. Donchez moved and D. Domchek seconded to proceed on the purchase of the Daley Property for \$135,360.00. Motion passed unanimously.

Property Adjoiner. S. Repasch presented a preliminary list of priorities of adjoiner properties for discussion. V. Gower requested a more descriptive explanation of items listed for clarification. S. Repasch will relay to R. & C. Wildermuth and mentioned that R. & C. Wildermuth will be attending next month's board meeting and will present the project's capabilities including more descriptive language for the priority projects.

Pension Plan. The State of PA is going through their files and updating all pension plans with current information. The BA's plan had limited information so the State sent a plan to update. The only change was the final monthly compensation is based on the last five years of service instead of the last five highest salaries of the most recent 10 years.

D. Domchek moved and V. Gower seconded approving Resolution 436, the updated pension plan. Motion passed unanimously.

Fire Tower Sale. S. Repasch stated that the buyer from Florida has not fulfilled his agreement to remove the fire tower by July 31st. S. Repasch has spoken to another very interested party

from the Scranton area, who has already contacted a crane company but needs to find a crew. S. Repasch will follow up and report back.

The seven Harlam Camp individuals that climbed the fire tower have completed their community service by picking up trash on Hatchery and Hell Hollow Roads. S. Repasch expressed how great it was to work with the personnel from Harlam Camp and really appreciated all their cooperation. S. Repasch talked with the Camp about working together on other mutual projects.

Wind Energy Project. S. Repasch reported that our Solicitor's office is proceeding with filing a complaint in Federal Court against Penn Forest Township for their denial of the Atlantic Wind project based on a recent Supreme Court decision

Solar Energy Project. The PPA (Power Purchase Agreement) has been reviewed and commented on by the City of Bethlehem and our Solicitor's office and sent back to the developer. The land lease agreement has not been received yet but it was expressed that a "Removal" bond will have to be included in the agreement.

2020 Budget/Vehicle Purchase. S. Repasch informed the Board that he is preparing a 2020 budget and including the purchase of a new vehicle in 2020 to replace a 2010 truck. In order to purchase a new vehicle in 2020, it should be ordered as soon as possible for delivery in 2020. If delivery is taken in 2019, the 2019 budget will be amended to reflect the purchase.

3Q19 Income and Expense Projections. S. Repasch presented the report showing revenue and expenses for the first half of the year and projections for the 3rd Qtr. 2019. The Operating Revenue is at 50% and that we received COB's third quarter operating funds earlier than expected. The Carbon Credit Revenue process is moving forward with Blue Source having almost finished the documentation. S. Repasch anticipates receiving the credit by early September and closer to last year's amount of \$261,000.00. On the Operating Expense side, the Financial Advisor is incurring fees (approximately \$12,000 billed to date) with analysis and recommendations for the next financing that the COB and BA plan to do. Under Other Consulting Services, the costs are for appraisal easements for the City on water line repair on Hecktown Rd. On Security & Property Expenses, the trailer was purchased last week to haul ATV/UTV. Projected Operating Cash on Hand as of 9/30/19 is \$163,692.00. The Capital Reserve Expenses shows projection of \$142,000.00 for the purchase of the Daley property and for work on fire lanes and access roads in Long Pond that the COB is not maintaining. On the Funding side, Atlantic Wind has still not paid consulting fees for the 4th Qtr. of 2018, the 1st and 2nd Qtrs. of 2019 and the License Fee of \$35,000.00. S. Repasch will follow up again with a stronger demand for payment.

TREASURER

Financial Planning. D. Domchek reports that we did receive an updated analysis and plan from S. Shearer in response to S. Goldfield's latest recommendations and that there were several differences from the prior plan. D. Domchek states that the next step is for E. Boscola to give the BA an updated Capital Plan and really focus on the spending requirements for the next

couple of years. The belief is that it may be possible to avoid borrowing for several years and possibly avoid refunding of the 98 Bonds. After receipt of this information and a revised analysis, D. Domchek suggested a special meeting of the Board in order to spend an appropriate amount of time on this matter. This approach was agreed upon.

Resolution 437. S. Repasch presented this resolution that will allow the Authority to be reimbursed from the next bond financing for analysis costs currently being conducted by our Financial Advisor.

D. Domchek moved and V. Gower seconded to approve Resolution 437. Motion passed unanimously.

Investment Summary. D. Domchek reported that the investment summary is basically the same as last month with noting of the two CD's maturing this month in the Maintenance Reserve Fund. We will be going out for bids for reinvestment. S. Repasch also mentioned that he had a conversation with Freedom Capital who has a product similar to Saxon and will be setting up a meeting with D. Domchek, himself and Freedom Capital to learn more.

Controller. J. Filipos' report for the month of July, 2019, was circulated and filed. J. Filipos noted that \$5,000.00 was transferred from People's Money Market to Capital Reserve Account in order to avoid an "inactivity" fee of \$5.00 per month.

Resolution 435 – Approval of Expenses. S. Zondag presented Resolution 435 to the Board for the payment of expenses and transfers from the General and Reserve accounts totaling \$45,506.50.

T. Donchez moved and V. Gower seconded to approve Resolution 435 as presented. Motion passed unanimously.

SOLICITOR

The 39 re-assessment appeals will be filed tomorrow with Monroe County.

CONSULTING ENGINEER

R. Madison reported that a meeting at City Hall with E. Boscola, J. Andrews, S. Repasch and D. Smith from Pure Technologies took place to discuss transmission line inspections and tunnel inspections. Another site meeting to view portal accesses will be set up and R. Madison will report back with the findings in order to proceed on a plan.

SPECIAL POLICE

Officer S. Mertz's report for the month of August was circulated and filed.

WATER REPORT

The Water Report for the month of July, 2019, was created and filed by E. Boscola. The reservoirs are at a combined capacity of 100.10%.

CITY OF BETHLEHEM DIRECTOR OF WATER AND SEWER RESOURCES

The Director's Report was filed and circulated.

Highlights of the report include:

- Half-way through the year and still on target for year-end projection goals.
- The cash balance in the Operating Fund is about \$7.6 Million as of July 31, 2019.
- A two year chart showing action that was or would be taken depending on water levels in reservoirs.

COURTESY OF THE FLOOR

There were no comments during Courtesy of the Floor.

NEXT MEETING

The next regular meeting is scheduled for September 12, 2019, at 3:30pm.

ADJOURNMENT

T. Donchez moved and D. Domchek seconded to adjourn the meeting at 4:51pm and go into Executive Session to discuss a matter of litigation.

REGULAR MEETING RECONVENED

The Executive Session was adjourned at 5:04 pm and the Regular Meeting was reconvened at 5:05 pm.

ADJOURNMENT

The meeting was adjourned by Chair Zondag at 5:06 pm.

Vaughn C. Gower

Secretary