

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

**OCTOBER 12, 2017**

The regular meeting of the Board of Directors of the Bethlehem Authority (Authority) was held on Thursday, October 12, 2017 in Room B-504 of the City Administration Building, 10 E. Church Street, Bethlehem, PA and called to order at 3:30 PM by Mr. John Tallarico, Chairman. Also in attendance were:

- Mr. Vaughn Gower, Vice Chairman
- Ms. Sharon Zondag, Secretary
- Mr. Dennis Domchek, Treasurer
- Mr. Thomas Donchez, 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 S. Zondag seconded to approve the minutes of the September 14, 2017 regular meeting. Motion passed unanimously.

**RECOGNITION OF VISITORS**

- Ms. Linda Christman, from Save Carbon County, an anti-PennEast Pipeline group
- Mr. Stephen Antalics, private citizen
- Mr. Gene Auman, City of Bethlehem Deputy Controller
- Mr. Ron Madison, Maser Consulting and Authority Consulting Engineer
- Ms. Sue Zitzman, Maser Consulting
- Mr. Ed Boscola, City of Bethlehem Director of Water and Sewer Resources

**COURTESY OF THE FLOOR**

Ms. Linda Christman: She stated she has been attending Authority meetings for over two years and knows the Board is not happy about a high-pressure gas line passing through the pristine and preserved watershed. Following up on a memo she sent to the Board, she is asking the Board to raise its voice to the DRBC. The DRBC is about to consider the PennEast pipeline and has no way of knowing the concerns raised in the Maser report: the threat to the water, quality of water and provision of the water through the main system. The Authority does not need this threat, even if it is a small threat. Secondly, the DRBC has the authority to stop tree cutting and earth movement until all of the permits are received from both PA and NJ. She honestly believes that NJ is not going to approve this pipeline. If she is right, PennEast will cut down trees in advance of getting its permits, which it can do and has been done before. If NJ does not approve this pipeline, it goes away but the watershed has already been ruined. She urged the Authority to use its authority to stop all tree cutting until PennEast receive all permits. Her group thinks PennEast did not receive FERC's approval at the September 20 meeting because PennEast is controversial with 4,000+ interveners and that FERC will consider approval when it has five members. Chairman Tallarico thanked Ms. Christman for her letter and comments.

Mr. Stephen Antalics: He stated that the concerns he raised at last month's Authority meeting about the fire hydrants he also raised at the City Council meeting. The fire chief informed him hydrants are checked on a regular basis. This was confirmed after visiting the water department. He learned that at one time, the Fountain Hill volunteer fire department checked the hydrants in the borough but then the City told it to cease. There were two incidents in Fountain Hill recently involving fire hydrants. He questioned who is inspecting the hydrants in Fountain Hill, extrapolating the thought that if there was a third incident and a fatality, one could almost claim negligence. E. Boscola responded that all hydrants are the property of the Authority as part of the water system, there are approximately 3,500 hydrants in the entire water system and they are inspected and tested on a rotating basis every three years by the City water department. If there is a problem, the water department corrects it. Hydrants are flushed from spring through fall to flush the system, not to test the hydrant. The City fire department assists in flushing activities in the city.

### **CHAIRMAN**

**UAV/GIS Update and Presentation.** Ms. Sue Zitzman, GIS department head from Maser Consulting and manager of the Authority's UAV and GIS project, attended today's meeting to provide an overview of the project and demonstrate some of the project's attributes:

#### UAV Accomplishments:

- Obtained license to fly the UAV.
- Approved for day and night time flying.
- Basic staff training and standard operating procedures (SOP).

#### GIS Accomplishments:

- Standardized existing county GIS data, such as parcels and boundaries of service area.
- Set up web environment and applications.
- Interactive forestry map to view existing data, such as gypsy moth spraying.
- Security incident tracking map.

#### Future Goals:

- Creating an SOP manual for the UAV program and emergency responses.
- Advanced on-site staff training for those who will fly UAV.
- Integration of photos and videos to the GIS website.
- On-call services for UAV and GIS services for training new staff.

The Authority's data is stored and maintained in Maser's GIS commercial cloud and is password protected. Maser is looking to help the Authority establish its own ESRI account to control user access and investigating if Authority data can be accessed by the City's GIS.

S. Repasch presented video from the UAV that depicted trees damaged from gypsy moths in an area known to be infected two years ago and was sprayed. However, the defoliation was too far gone and the trees did not recover like the rest of the trees in the sprayed area. Another video from the UAV showed the Wild Creek intake building, reservoir and dam.

The Board thanked Ms. Zitzman for her presentation and information about the program.

**PennEast Pipeline.** J. Tallarico reported that communications from PennEast will be discussed in an Executive Session, since the matter is related to on-going property negotiations and potential litigation.

**City Gift Policy.** Following up on last month's discussion about the City's new gift policy, J. Tallarico reported that the Board decided it will keep the Authority's established gift policy in place.

#### **EXECUTIVE DIRECTOR**

**Wind Energy Project.** S. Repasch reported there has been no word from the Carbon County judge on the deemed approval of Atlantic Wind's zoning application. He, T. Donchez and S. Zondag toured the Shenandoah/Locust Ridge Wind Farm two weeks ago. T. Donchez said he has a good understanding on how the wind farm is managed mechanically and believes Atlantic Wind is a very capable company. S. Zondag said she got a good sense of proportion as to the size of the wind towers and the land required to bring in and maintain the towers.

**Emergency Water Supply Study.** S. Repasch reported that he, E. Boscola, T. Donchez and J. Tallarico will interview GHD, AECOM and the team of D'Huy/Borton Lawson on October 19. The results of the interviews will be shared with the Board, with the focus on one firm to enter into a contract with by the November meeting.

**Microwave Tower Proposal.** S. Repasch reported that he has no updates concerning the microwave tower proposal since McKay Brothers was put in contact with TNC.

**2016 Authority Audit Opinion Letter.** S. Repasch reported that the audit opinion letter from Maher Duessel on the Authority's financial activities for 2016, and circulated to the Board, indicated a clean audit. J. Filipos said he is waiting for a response from the auditor concerning one entry related to the Authority that was part of the City's audit. He credited the staff for keeping the Authority's financial activities very transparent. D. Domchek moved and V. Gower seconded to accept the Authority's 2016 audit opinion letter. Motion passed unanimously.

**2018 Authority Budget.** S. Repasch reported work on the 2018 Authority budget has begun. He provided some assumptions to the Board via email today and will have a draft budget for discussion by the November meeting.

**4Q17 Income/Expense Projections.** S. Repasch reviewed the 4Q17 Income and Expense Projections report that was circulated and filed. He noted:

- \$98,920 was received in October for the 2016 carbon credits sold to Disney. The money was transferred to the Capital Reserve account until the Board decides if some or all will be given to the City's Water Capital Fund.
- Timbering revenues are lagging but some projects are expected to commence in the next few months.
- Wind project reimbursements are anticipated by the end of the year for attorney expenses incurred.

**Expense Budget Comparative.** S. Repasch reviewed the Expense Budget Comparative report for the 9 months ended September 30, 2017 that was circulated and filed. He noted:

- Hunting club lease fees are current, with one more club payment expected by December.
- \$40,562 has been expended beyond the original escrow funds received from PennEast and hoped to be recouped through negotiations.
- Total operating expenses are 51% of budget.
- Total capital reserve expenses are 35% of budget.

## **TREASURER**

**Investment Summary.** D. Domchek reported investments and allocations are the same as last month. The government notes investment of ~\$2.5 million in the DSRF matures in November and is currently earning the highest yield of ~2.6%. There are CDs maturing in November that will be discussed at that time.

**Controller.** J. Filipos's report for the month ending September 30, 2017 was circulated and filed. There were no comments. J. Tallarico inquired about the City's bond deal. S. Repasch responded PFM's estimated savings was conservative, but the City realized even greater savings with the bond rating upgrade.

**Resolution 411 – Approval of Expenses.** J. Tallarico presented Resolution 411 to the Board for the payment of expenses and transfers from the General and Capital Reserve accounts totaling \$50,535.68. S. Zondag moved and V. Gower seconded to approve Resolution 411. Motion passed unanimously.

*The Solicitor had no report.*

## **CONSULTING ENGINEER**

R. Madison reported that he submitted a certification that all of the 2014 Bond money (Construction Fund) was spent.

## **SPECIAL POLICE**

Officer D. Meixell's report for the month of October, 2017 was circulated and filed. He noted:

- September was busier than usual and ATV activity is increasing.
- There have been at least six arrests using trail cams.
- The tires found dumped in a field are believed to involve a commercial garage.
- Homeland Security visited the watershed recently and will file its report to E. Boscola.

## **WATER REPORT**

The Water Report for the month of September, 2017 was circulated and filed. The reservoirs are at an average combined capacity of 87.48%. E. Boscola said the levels and trend are the same as last year and continue to be monitored as they approach the "watch area."

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

E. Boscola's report on the Water Fund and Major Initiatives for the month of September, 2017 was circulated and filed. He noted:

- The Water Fund is performing well with enough money to cover the debt service payment in November.
- 2018 Water Fund (Operating) Budget. The history of the Water Fund is such that growth has been flat in the last five to seven years which requires a watch on expenses. There will be enough net operating income in 2017 to contribute to the Water Capital Fund.
- 2018 Water Capital Fund Budget. The Water Capital budget is anticipated to total \$4.3 million with the funding coming from \$2 million cash on hand; \$1 million from the BRIF and \$1.3 million in available appropriations. The main focus in 2018 is distribution system main replacements, the AMR project, and the Southside pump station.

S. Repasch questioned about the conversion to a new disinfection system at the water filtration plant. E. Boscola said that chlorine gas is currently used at the water and wastewater facilities. Chlorine is the cheapest form of disinfection but chlorine gas is probably the least safe, and suppliers are looking to get out of that business. There are mechanical safeguards in place to

prevent the loss of gas into the atmosphere. This is not a regulatory mandate. The City will look at alternative technologies for disinfection such as sodium hypo-chlorite, ultra-violet and ozone, all of which are more costly than the current process.

J. Tallarico questioned if there has been an increase in revenue from the new industrial water meters. E. Boscola responded that 60-70% of revenue is residential, which has been flat for many years due to no new houses being built in the service territories and households buying bottled water and installing low flow fixtures. The City concentrated meter replacement with commercial and industrial customers because that sector is growing.

***There was no Other Business.***

**COURTESY OF THE FLOOR**

Mr. Stephen Antalics: He questioned the best alternative to chlorine gas. E. Boscola responded he cannot say if there is a best, but he would say Ozone.

**NEXT MEETING**

The next regular meeting is scheduled for November 9, 2017 at 3:30 PM.

**ADJOURNMENT**

V. Gower moved and D. Domchek seconded to adjourn the regular meeting at 4:30 PM and convene an Executive Session to discuss real estate negotiations and potential litigation matters.

*Sharon J. Zondag*  
Board Secretary