

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

SEPTEMBER 10, 2015

The regular meeting of the Board of Directors of the Bethlehem Authority (Authority) was held on Thursday, September 10, 2015 in Room B504, City Administration Building, 10 E. Church Street, Bethlehem, PA. The meeting was called to order at 4:00 PM by Mr. John Tallarico, Chairman. Also in attendance were:

- Ms. Laurie Hackett, Vice Chairwoman
- Mr. Vaughn Gower, Secretary
- Mr. Mark Jobes, Treasurer
- Mr. James Broughal, Esq., Solicitor
- Mr. John Filipos, CPA, Controller
- Ms. Sandra Reppert, Administrative Assistant
- Mr. Daniel Meixell, Special Police Officer

J. Tallarico acknowledged the absence of S. Repasch, Executive Director, and J. Abel, Board member, due to personal matters.

APPROVAL OF MINUTES

V. Gower moved and J. Tallarico seconded to approve the minutes from the August 13, 2015 regular meeting. Motion passed unanimously.

RECOGNITION OF VISITORS

- Mr. Stephen Antalics, private citizen.
- Ms. Linda Christman, Member of Save Carbon County, a group opposed to the PennEast Pipeline, and interested to know if PennEast will give the Maser report any attention.
- Mr. George Yasso, City of Bethlehem Controller.

COURTESY OF THE FLOOR

Ms. Christman said she reads everything regarding the PennEast pipeline. She said the following: The Maser report was mentioned in a PennEast progress report – other than that, it received no attention; many groups are trying to slow down PennEast’s formal application filing with FERC, which is expected at the end of September; once filed, the chances of PennEast changing the route are slim to none as FERC would have to direct the change, which she does not believe will happen either; she opined that it is very important to put the pressure on PennEast now.

CHAIRMAN

Gift Policy. J. Tallarico said he believes it is good idea for the Authority to align itself with the City and adopt a Gift Policy. The City's policy restricts the acceptance of gifts such as meals, concert tickets, and other goods or services and covers all elected officials, appointees and employees of the City. There was a considerable discussion concerning how to accomplish this and to possibly incorporate a minimal dollar amount threshold.

J. Broughal said the Authority is not an agency of the City and not covered by City's policy. However, it can use the same document and edit it as necessary to suit the Authority's purposes. After a policy is drafted and circulated to the Board for review and comment, it can be presented at a later meeting for adoption.

(Mr. Eric Evans, City Councilman, and Mr. Nate Jastremski, Bethlehem Press, entered the meeting at 4:15 PM)

EXECUTIVE DIRECTOR

Forest Management Activities. J. Tallarico reported that the Authority Forester has more work to do on the gypsy moth study for 2016 in order to develop a spray plan. If spraying takes place, a 500' buffer will be kept around the reservoirs.

PennEast Gas Pipeline. J. Tallarico reported that the Authority has not heard from PennEast and they have not responded to us regarding the Maser report. A meeting is scheduled for September 22 with S. Repasch, Congressman Charlie Dent and Mayor Donchez to discuss the issues related to the pipeline and its impact on the water facilities. The Authority is the largest landowner PennEast must deal with, and they cannot lay the pipeline without an easement from the Authority.

Solar Project. J. Tallarico reported that Solar City was selected as the company to develop the solar project planned at the water filtration plant. The Board supports the project, power purchase agreement and land lease. The Authority will own the project and the City will have to consent to and operate it. The City's Director of Water and Sewer Resources fully endorses this project.

V. Gower moved and L. Hackett seconded to approve moving forward with the agreements with Solar City for the solar project at the water filtration plant as outlined in the materials provided. Motion passed unanimously.

BNY Mellon/PLGIT Issue. J. Tallarico reported updates from the Authority Bond Counsel are anticipated soon.

3rd Quarter 2015 Income and Expense Projections. S. Reppert presented the 3rd Quarter Income and Expense Projections as circulated and filed. The carbon credits revenue totaling \$150,910 was received from Blue Source, which was sent to BNY Mellon and deposited into the Construction Fund to be used for water capital expenses.

Expense Budget Comparative. S. Reppert presented the Expense Budget Comparative for the eight months ended August 31, 2015 as circulated and filed. Insurance expense was high in August due to the auto, package and workers compensation insurance policy renewals. Reimbursement to the General Account from the Escrow Fund was made for the pipeline expenses paid prior to receiving the escrow funds.

CONTROLLER

J. Filipos's report for the month of August, 2015 was circulated and filed. He informed the Board that the final payment on the Hirko bonds will be made October 1. The debt will then be retired.

Resolution 382 – Approval of Expenses. S. Reppert presented Resolution 382 to the Board for approval. The resolution totals \$198,753.03 for the payment of water capital expenses from the Construction Fund and administrative, professional and security expenses from the General and Capital/Reserve Accounts.

L. Hackett moved and V. Gower seconded to approve Resolution 382 as presented. Motion passed unanimously.

Pension Plan Obligation. S. Reppert provided a memo to the Board informing them, as required by law, that the 2016 Minimum Municipal Obligation (MMO) for the Authority's pension plan totals \$10,441. This amount will be included in the Authority's 2016 budget.

The Solicitor had nothing to report.

There was no Consulting Engineer report filed.

SPECIAL POLICE

Officer D. Meixell's report for the month of September, 2015 was circulated and filed. He mentioned that there is another gas pipeline coming from the north toward Long Pond Road by the racetrack. He does not know who the company is, but the work has been very disruptive to the area. It clearly depicts what would happen to the Authority's property should PennEast's route cut through the watershed. Ms. Christman said the pipeline being referred to is the Transco Pipeline that already exists. A loop is being installed, which allows gas to be stored in the loop to expand the capacity of the existing pipeline.

Officer Meixell mentioned there was a homicide body recovery in Penn Forest Township this past Sunday. He does not have all the details but it appears the body was on Authority property. He will have more information to report next month.

L. Hackett queried if the security concerns discussed with the City are being worked out. Officer Meixell responded he and S. Repasch are pushing the City as best as they can to get the roads opened and are hoping City management will resolve the issue.

WATER REPORT

The Water Report indicates the reservoirs are at 100.74% capacity at the end of August, 2015.

OTHER BUSINESS

L. Hackett reported that S. Repasch will be part of a panel presenting on the issues surrounding the PennEast pipeline at the Lehigh Valley Chamber of Commerce Energy and Environment Expo, October 14 at the Mack Truck Center from 3:00 to 5:00 PM. The DEP Secretary will also be present. She felt this was worthy to share with the Board, especially for those who might want to attend to support S. Repasch's efforts.

COURTESY OF THE FLOOR

Mr. Antalics commented on the newspaper article about the City going "green." He did not appreciate the City's Director of Parks and Public Property taking all the credit. The Authority and Board members should have gotten credit for the (solar, wind and turbine) projects mentioned in the article. J. Tallarico said the Board has always been very environmentally conscious and thanked him for the comment.

Ms. Christman commented again about PennEast's failure to acknowledge the Maser report except for one mention in its communications. She said: They have ignored the best interests of 115,000 water customers; they are endangering critical infrastructure and could care less; they never asked for a map of the infrastructure. Do not count on PennEast knowing anything that they are not explicitly told. She wished the Authority the best of luck. M. Jobes said that at some point, there will be a meeting with PennEast because they still need to deal with the Authority to get what they want, i.e. an easement.

NEXT MEETING

J. Tallarico discussed changing the next meeting to October 15. There did not seem to be any conflicts. Once all Board members confirm attendance, the change will be advertised and posted to the Authority's web page.

ADJOURNMENT

L. Hackett moved and M. Jobes seconded to adjourn the meeting at 4:55 PM. Motion passed unanimously.

Vaughn C. Gower, Secretary