

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

**APRIL 13, 2017**

The regular meeting of the Board of Directors of the Bethlehem Authority (Authority) was held on Thursday, April 13, 2017 in Room B504, City Administration Building, 10 E. Church Street, Bethlehem, PA and called to order 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, Asst. Secretary/Treasurer
- Ms. Wendy Nicolosi, Esq. from Broughal & DeVito, filling in for Mr. James Broughal
- Mr. Steve 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 from the March 9, 2017 regular meeting. Motion passed unanimously.

**RECOGNITION OF VISITORS**

- Mr. Stephen Antalics, private citizen
- Ms. Linda Christman, Carbon County
- Ms. Sandra Wolferman, Carbon County
- Mr. Phil Kilner, Carbon County
- Mr. Ed Boscola, City of Bethlehem Director of Water and Sewer Resources
- Mr. Ron Madison, Maser Consulting and Authority Consulting Engineer
- Mr. Phil Guaffreau, Maser Consulting
- Mr. Gene Auman, City of Bethlehem Deputy Controller

**COURTESY OF THE FLOOR**

Ms. Linda Christman: Ms. Christman provided the Board with a timeline she prepared for Save Carbon County on the proposed PennEast project. She pointed out that if the Authority wants to make a plea about moving the pipeline off its property, the DRBC is the only major agency that still has a say about the project. Also, FERC currently does not have a quorum, so that might delay the project 2 to 3 months.

Ms. Sandra Wolferman: Ms. Wolferman provided a copy of images from a 3D flyover of the proposed pipeline route in the vicinity of Beltsville Lake. She said the images show how the steepness of the terrain could cause erosion problems and deposit sediments into the creeks and streams that feed the reservoir. She said the link to the website where the

flyover video is posted is noted along with the images. J. Tallarico thanked her and indicated the images and link will be provided to the Board.

Mr. Phil Kilner: Mr. Kilner resides next the water transmission main. If the proposed pipeline is moved off Authority property, it will come through his. He is very interested in knowing the Authority's stance on the PennEast project, and who proposed the use of HDD, which is not as accurate as it is claimed to be. This is a major concern. J. Tallarico responded the Board is extremely concerned about the pipeline's proximity to the Authority's infrastructure and its utmost concern is protecting 115,000 customers. It is doubtful we can stop PennEast. We have to prepare for how we will handle all the work they will do. We can control certain things. We have hired a very good engineering firm to help us with best practices and oversight on work that PennEast has done and will do on Authority property. PennEast recommended the use of HDD in response to our concerns and it would only be done in a certain area.

### **CHAIRMAN**

**PennEast Pipeline.** FERC has approved the final EIS on the pipeline. There are still a lot of concerns that need to be addressed.

### **EXECUTIVE DIRECTOR**

#### **Forestry Management.**

**Gypsy Moth Spraying.** S. Repasch reported that 3 bids were received for the gypsy moth spraying. The lowest bid was from Rebecca Lynn Flying Services in the amount of \$38,851.65. The gypsy moth spraying contract with RLFS has been reviewed and approved by the Authority Solicitor. He presented it to the Board for approval.

T. Donchez moved and V. Gower seconded to approve the gypsy moth spraying contract with Rebecca Lynn Flying Services in the amount of \$38,851.65. Motion passed unanimously.

**PA Game Commission Projects.** S. Repasch reported that the following projects through the PGC grant program are tied to best management practices for improving the property and forest. The only cost to the Authority for these projects is the Authority Forester's time:

- 30 to 40 acres will be removed from the lease with farmer Altemose to allow for the planting of warm season grasses for wildlife. The PGC will bid and award the contract, and planting will happen within the next several months.
- Controlled burns will be undertaken in specific areas in the Wild Creek Watershed. The Authority Forester is working with the PGC and its subcontractor on these forest management projects.

**Wild Creek Timbering Project.** Elite Timbering has completed the Wild Creek timbering project that commenced in summer, 2016. The roads have been regraded and damaged areas have been seeded. The sale was closed as of yesterday

**Wind Energy Project.** S. Repasch reported that the Carbon County Commissioners recently rejected Atlantic Wind's request to hold the zoning hearings at the court house. Atlantic Wind will not attend any more zoning meetings that are held in the fire hall, which is where the next meeting is likely to be scheduled. The project is now on hold. This will be discussed in Executive Session due to some litigation issues that could arise.

**2017 Income/Expense Projections.** The 2017 Income and Expense Projections report was circulated and filed. S. Repasch reported that the significant items included in the 2017 projected operating and capital expenses are the gypsy moth spraying contract, the purchase of the UAV, pipeline engineering overview and a small renovation of one of the restrooms in the Wild Creek office building.

**Expense Budget Comparative.** The Expense Budget Comparative through March, 2017 was circulated and filed. S. Repasch reported operating revenues of 17% and overall expenses of 14%. The \$10,000 license fee was received from Atlantic Wind and PennEast expenses total \$26,725 in excess of the escrow funds received.

S. Repasch informed the Board that the Authority Controller sent him an email just before the meeting that he could not attend. The email included a draft of the 2016 financial report, but he did not have enough time to review it.

## **TREASURER**

**Investment Summary.** D. Domchek reported that the March, 2017 investment summary is substantially the same as February. The types of securities and the amounts invested are all within policy guidelines. Next month the government notes in the DSRF mature. That particular investment is handled through the Trustee; the Board is not involved. In November, ~\$2 million in Act 72 investments mature. Saxon Securities provided some information about a money market product. He and S. Repasch will review and report on it at the May meeting.

**Controller.** The Controller's report for March, 2017 was circulated and filed.

**Resolution 405 – Approval of Expenses.** J. Tallarico presented Resolution 405 to the Board for approval. The resolution totals \$43,531.85 for administrative, professional, security/property and capital/reserve expenses.

D. Domchek moved and T. Donchez seconded to approve Resolution 405 as presented. Motion passed unanimously.

## **SOLICITOR**

W. Nicolosi stated there will be an Executive Session following the meeting and Atty. James Broughal will attend via conference call.

### **SPECIAL POLICE**

D. Meixell's report for the month of April, 2017 was circulated and filed. He is busy learning how to operate the UAV and hopes to have it flying next month. The UAV has a 4 mile range, a high clarity camera and an external hard drive for video storage. D. Domchek questioned if there is an implementation plan in effect. D. Meixell responded that initially, the UAV will be used to patrol the watershed. An aerial view can greatly help track ATV activity during joint patrols with the PGC. The biggest problem area where the UAV could help greatly is the northwest corner of Penn Forest where the proposed pipeline would parallel the current gas and power lines. There are more uses than initially realized, such as monitoring forest fires and should prove very helpful with the security and health of the watershed.

### **WATER REPORT**

The Water Report for the month of March, 2017 was circulated and filed and indicated the reservoirs were at 71.64% combined capacity. E. Boscola reported that the March snow and recent rains have allowed Penn Forest reservoir to recover nicely. The City had also been withdrawing more than normal amounts of water from Tunkhannock to help fill Penn Forest. We are officially above the drought watch line, and levels continue to be monitored.

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

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

- The Water Fund is doing well with a healthy cash balance. Cash is transferred into the Water Capital Fund on a routine basis.
- Discussions continue with developers in Allen & East Allen Townships. That is where a lot of residential and commercial growth will occur.
- Lower Saucon Township is officially no longer on the honor system. This has been a long-standing issue with the PUC because of the City's inability to measure the flow. 3 master meter stations have been installed. It is not yet known if there will be an increase in water revenues from Lower Saucon.
- The Goepp Street water main replacement was bid and awarded to Joao & Bradley. The replacement extends from New Street east to Maple Street. This main is old and undersized with restricted fire flows.
- The Southside Pump Station Upgrade bids are due May 5.
- The Shady Lane Pump House should be operational in the beginning of May.
- The Penn Forest SCADA System Replacement began this week.

S. Repasch questioned if there is resolution yet with Upper Saucon Township. E. Boscola responded that they are still negotiating with Sacred Heart Senior Living facility, which is expanding and tapping fees are being negotiated.

## **CONSULTING ENGINEER**

R. Madison's report on Consulting Engineer activities through April, 2017 was circulated and filed. He noted the following:

- Inspections took place in September and October, 2016.
- Met with City staff to review financials and budgets in December, 2016.
- The fiscal and insurance certifications were issued in January, 2017.
- The Annual Report is being reformatted to remove redundancies and make it more readable. A final draft will be issued next month for Board review.
- The trust indenture is mostly concerned that the operation and fiscal responsibility of maintaining the Bethlehem water system is being upheld, and it is. In general, the Authority and the City have the financial resources to continue the proper operation and maintenance of the water system.

## **COURTESY OF THE FLOOR**

Mr. Stephen Antalics: Mr. Antalics questioned if the City lost money on the honor system with Lower Saucon Township, if the Authority's UAV will be able to communicate with the Executive Director one-to-one in real time, and if there are laws and regulations that dictate the Authority, a municipal authority-nonprofit, must use the lowest bidder and what can the Authority do if it does not want to accept the lowest bid. Respectively, E. Boscola responded he cannot say because the water was never measured, D. Meixell responded there is still a lot to learn, but he suspects the UAV will have real time capability, and W. Nicolosi responded that the Authority must use the lowest responsible bidder. The lowest bidder could be disregarded if there is something about them that would raise a red flag.

Ms. Sandra Wolferman: Ms. Wolferman stated for the record that she is opposed to gypsy moth spraying. She believes the spraying is toxic to wildlife, including beneficial insects, pollinators and migratory songbirds. She believes the gypsy moth has been highly exaggerated in Carbon County and spraying benefits the sprayers more than the forests. She encourages the Authority to reconsider the need for yearly gypsy moth spraying and to further investigate the impacts of spraying on plants and animals. She is aware that the Authority uses a biological agent and not chemical; however, Penn State studies that she has read indicate there is evidence the biological agent does have negative impacts on non-target species. J. Tallarico responded that there are different kinds of sprays – not everyone uses the same type. The Authority uses Bt, which reacts quickly and is very specific. It is the safest to use since we have water to protect. He has been on this Board since 2004 and the Authority only sprayed last year and now this year. V. Gower added that we rely on our Forester, who is an expert. There is no question that we mitigated damage from the moths and we saw benefits from the spraying. When the cycle diminishes, there will be no more spraying. That would have been the case this year, but we know there are locations that will be decimated again if they are not attacked at the right time in the right way. S. Zondag also added that the area being sprayed this year is a different area. She had specifically asked about the effects of Bt on pollinators because she is a 4<sup>th</sup> generation beekeeper. She was reassured by the answers given by our Forester.

Ms. Wolferman stated that as a resident of Carbon County and Penn Forest Township, she is also exposed to the spraying agents. J. Tallarico responded that the spray is not harmful to humans and wildlife. We are spraying an entirely forested area.

Mr. Stephen Antalics: Mr. Antalics commented that both sides make very good and valid points. He thinks it would be wise for the Forester to make public the chemical breakdown of the spray so anyone can independently look it. S. Repasch indicated he can provide the information about the spray (Foray 48B) that was included in the bid to anyone who requests it. The spray is not toxic and is used at a rate of 96 ounces per acre.

Mr. Phil Kilner: Mr. Kilner stated that he lives where the water transmission main and the proposed pipeline will be close together. He is deeply concerned about how PennEast will protect the pipeline from terrorism. He had asked PennEast why it is not mandatory for the pipeline to be clearly marked and PennEast answered they don't want it known because of terrorism. S. Repasch told Mr. Kilner that his concerns are the Authority's concerns. It is why we are still negotiating with PennEast about the project. We are not comfortable until all our questions are answered.

**NEXT MEETING**

The next meeting is scheduled for May 11, 2017.

**EXECUTIVE SESSION**

V. Gower moved and S. Zondag seconded to adjourn the regular meeting and convene an Executive Session at 4:20 PM to discuss real estate negotiations.

*Sharon J. Zondag*

Secretary