

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

**AUGUST 11, 2016**

The regular meeting of the Board of Directors of the Bethlehem Authority (Authority) was held on Thursday, August 11, 2016 in Room B504, 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. Dennis Domchek, 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

**RECOGNITION OF VISITORS**

- Mr. Stephen Antalics, private citizen
- Mr. Ben Jones, PA Game Commission, presenting Snowshoe Hare Study
- Mr. Ron Madison, Authority Consulting Engineer
- Mr. Ed Boscola, City of Bethlehem Director of Water and Sewer Resources
- Mr. Gene Auman, City of Bethlehem Deputy Controller

***There were no comments during Courtesy of the Floor.***

*Ms. Laurie Hackett, Vice Chairwoman entered the meeting at 3:32 PM.*

**APPROVAL OF MINUTES**

J. Tallarico moved and D. Domchek seconded to approve the minutes from the July 14, 2016 regular meeting. Motion passed unanimously.

**CHAIRMAN**

**PennEast Pipeline.** J. Tallarico reported that he, S. Repasch and J. Broughal met last Thursday with representatives from PennEast. The parties agree on some issues but other issues need to be resolved, the most important being protection of the water supply. There will be an Executive Session at the end of today's meeting to discuss the status of the negotiations. FERC released its first Draft Environmental Impact Statement (DEIS) for the pipeline route. There was little to no mention of any issues or potential impacts to the water supply and infrastructure in the area of the pipeline or dams. The Authority plans to offer written comments to FERC during the comment period, which ends September 5. FERC is holding a public comment meeting on the DEIS on August 15<sup>th</sup>, 6:00 PM at the Best Western Hotel in Bethlehem. A conference call with PennEast is planned for next week to discuss any outstanding items related to technical proposals.

## **EXECUTIVE DIRECTOR**

**PA Game Commission Snowshoe Hare Study Presentation.** S. Repasch reported the Authority entered into a prescribed burn program with TNC and PGC approximately 5 years ago to restore the flora and fauna in the overgrown scrub oak habitat on some of the Authority's property in Long Pond. Part of that program was to study the snowshoe hare's reaction to the different habitat.

Mr. Ben Jones, PA Game Commission Chief of Habitat Planning and Development, presented to the Board the basis and results of a Snowshoe Hare Study through partnership with the PGC, TNC, the Authority, USGS and a master's degree student from Penn State. The study was funded by the PGC through Federal grants and USGS.

### Basis:

- Pitch pine/scrub oak ecosystems are fire dependent and globally threatened.
- Most snowshoe hare studies have been done in boreal forests in Alaska and Canada.
- The PGC was interested in the hare's response to habitat restoration in PA, since it is the southern extent of the hare's range.
- Hare populations are on a steep decline due to habitat fragmentation from development and fire suppression.
- The study period was from January, 2014 to June, 2015. 70 hares were captured and GPS collars were placed on 42.
- 10 locations per day were tracked and overlaid on a map to develop home ranges, determine habitat use, reproduction and survival.

### Results:

- PA hares were larger than previous studies, the home ranges were larger than Alaska, and the annual survival on BA land was .32% and higher than most reported estimates.
- The hares preferred mature scrub oak and pine, high canopies, and high understory density, as opposed to open areas in both winter and summer. Some hares had coats of brown and white. It is not known whether it is genetic or environmental because of the variable winter snows and temperatures in PA given the changing climate.

Mr. Jones said the next steps are long-term monitoring of the burn areas to determine burn rotation or other experimental treatments. Another hare study could be done through track surveys in the future. The results of this study are being shared with peer review publications and wildlife professionals around the world. He concluded that the PGC values its relationship with the Authority and appreciated its cooperation with this study. The Board thanked Mr. Jones for his time and presentation.

**Watershed Management.** S. Repasch reported that 70-80 acres in Wild Creek remain to be timbered under the current contract with Elite Timber Co. and an additional 6 new stands of conifer plantations will be thinned. Contracts for the new stands will be available for Board consideration by or before the September meeting. Also, it was recently learned

that the FSC's annual audit of the TNC Working Woodlands sites will include PA this year. The Authority Forester has completed most of the reporting required for the audit.

**Investment Options.** S. Repasch presented the following investment approved by the Board via email for ratification:

- ESSA Bank, \$251,503.23 @ .75% APY for 6 months.

D. Domchek moved and L. Hackett seconded to ratify the email approval of ESSA Bank CD investment. Motion passed unanimously.

S. Repasch previously circulated information to the Board about OPIC (Overseas Private Investment Corp.), a Federal government-backed program being marketed by BNY Mellon. The current OPIC yield is .43% and variable, but much better than the current savings yield. He recommended that the Board approve investing DSRF monies amounting to slightly over \$2 million in OPIC for several months to test how well it performs. The monies are liquid, there are no terms or fees, it would minimize our investment in CDs and diversify our portfolio. The account is handled through BNY Mellon, and most importantly, meets BNY Mellon and Trust Indenture requirements.

D. Domchek moved and L. Hackett seconded to approve the DSRF investment in the OPIC Program through BNY Mellon as discussed. Motion passed unanimously.

**Wind Energy Project.** S. Repasch reported the Penn Forest Township Zoning hearing on the wind energy project has been continued to August 25<sup>th</sup>. There have been no communications with Iberdrola since the last hearing.

**Cell Tower Leases.** S. Repasch reported he was contacted by a firm that is looking to buy out our current cell tower leases with T-Mobile and Sprint. They estimated an up-front payment could be between \$500,000 - \$700,000. The leases are worth \$975,000 to the Authority through 2035. The Authority was approached several years ago on selling its leases and the Board was not interested at that time. He will provide more information to the Board when received.

Since the City has numerous cell tower leases, G. Auman suggested contacting the City's budget analyst for information on leases that may have been taken over by another provider or company.

**3Q16 Income/Expense Projections.** S. Repasch reviewed the 3Q16 Income and Expense Projections as circulated and file. The carbon credits revenue is anticipated to be received next week. Reimbursement for legal costs incurred related to wind project zoning issues are anticipated to be received by the end of the quarter.

**Expense Budget Comparative.** S. Repasch reviewed the Expense Budget Comparative for the 7 months ended July 31, 2016 as circulated and filed.

## **CONTROLLER**

J. Filipos's report for the month of July, 2016 was circulated and filed. He has no issues with the OPIC program previously discussed.

**Resolution 395 – Approval of Expenses.** J. Tallarico presented Resolution 395 to the Board for approval. The resolution totals \$387,830.01 for the payment of water capital expenses from the Construction Fund and administrative, professional and security/property expenses from the General and Reserve Accounts.

L. Hackett moved and D. Domchek seconded to approve Resolution 395 as presented. Motion passed unanimously.

*There were no Solicitor or Consulting Engineer Reports.*

## **SPECIAL POLICE**

D. Meixell's report for the month of August, 2016 was circulated and filed. He has been busy accommodating those needing property access for pipeline and wind project studies. Bat studies have been ongoing every night since July 19<sup>th</sup>. State and Federal species of threatened bats have been caught. Information from the bat studies will be provided to Iberdrola, who will provide it to US Fish and Wildlife and PA Game Commissions.

S. Repasch reported that there was an attempted break-in at the 2 MG South Mountain reservoir, below the Bethlehem Star. The two-compartment concrete structure had only one compartment full of water. E. Boscola continued on to say it appears a sledge hammer was taken to the valve door of the empty compartment. Bethlehem and Lower Saucon Township Police were notified and reports were filed. Lower Saucon was asked to increase its patrols in the area. It is believed the structure and water were not compromised. The City is looking to increase security by installing temporary trail or security cameras in that area since it is very remote.

## **WATER REPORT**

The Water Report for the month of July, 2016 indicates that the reservoirs are at 96% capacity.

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

E. Boscola's report on the Water Fund and major initiatives for the month of July, 2016 was circulated and filed:

- The Water Fund is performing well in anticipation of the November debt service payment, and major projects are on-going.
- The City's Financial Advisor ran a comparison analysis on a Pennvest loan versus a bond issue for \$5 million. The Pennvest option is more favorable and will most likely be pursued for the Route 512 water main extension (\$3 million), along with some other smaller projects throughout the water system.

- The DSIC funding being pursued can only be used towards projects funded by the City. In the initial years, the DSIC money will be modest and only recover funds already spent.

D. Domchek questioned if the almost \$300,000 yearly debt service on the Pennvest loan can be handled within the City's existing 5 year capital budget. E. Boscola responded yes, and without seeking a PUC rate increase.

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

### **COURTESY OF THE FLOOR**

Mr. Stephen Antalics: He questioned if the break-in was reported to the press, if there are any theories on motive, if the full water tank was compromised, and what the worst case scenario is, if any. E. Boscola responded the event was not reported to the press, it is not known when the event happened, water sampling and analysis were performed and the vandalism did not compromise the integrity of the water itself. If someone purposely wanted to attack the water supply (poison) the facility would have to be isolated, but the City would know almost immediately if the water is compromised through monitors and parameters in place.

Mr. Antalics opined if the time between an event (e.g. poison) and detection is a long period of time, he assumes the City would have some type of major detection/active alert system installed because the public's welfare is at stake. Some things (e.g. bacteria) can be put in water that cannot be detected by analytical methods and in low concentration can be very dangerous. There are serious possibilities and he is quite concerned about this event, as should the City more so than him. E. Boscola responded this incident is being addressed. Security measures currently in place are being evaluated for the other storage facilities in the system and police departments have been alerted.

Mr. Ron Madison: After 911, the DEP ran workshops for vulnerability assessments. Vandalism, interruption of service and loss of pressure are problems, but contamination is difficult logistically and considered to be a very low risk.

Ms. Linda Christman: She assumed that the Authority has the DEIS from FERC and hopes the Authority will refile the Maser report because that will require a response in FERC's final EIS. The Authority has good points about relocating the pipeline. Thank you.

### **NEXT MEETING**

The next meeting is scheduled for September 8, 2016 at 3:30 PM.

### **ADJOURNMENT**

L. Hackett moved and D. Domchek seconded for adjournment of the regular meeting at 4:45 PM and to convene an Executive Session to discuss real estate negotiations. Motion passed unanimously.

*Laurie G. Hackett, Assistant Secretary*