

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

**NOVEMBER 10, 2016**

The regular meeting of the Board of Directors of the Bethlehem Authority (Authority) was held on Thursday, November 10, 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:

- Ms. Laurie Hackett, Vice Chairwoman, Assistant Secretary/Treasurer
- Mr. Vaughn Gower, Secretary
- Mr. Dennis Domchek, Treasurer
- Ms. Sharon Zondag, Member
- 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 L. Hackett seconded to approve the minutes of the October 13, 2016 regular meeting. Motion passed unanimously.

**RECOGNITION OF VISITORS**

- Mr. Stephen Antalics, private citizen
- Mr. Gene Auman, City of Bethlehem Deputy Controller
- Mr. Nate Jastremski, Bethlehem Press
- Mr. Ed Boscola, City of Bethlehem Director of Water and Sewer Resources
- Mr. Ron Madison, Authority Consulting Engineer

**CHAIRMAN**

**PennEast Pipeline.** J. Tallarico reported that he, S. Repasch, V. Gower, J. Broughal and R. Madison will meet next Monday with PennEast representatives to discuss on-going negotiations.

**EXECUTIVE DIRECTOR**

**Wind Energy Project.** S. Repasch reported that a Carbon County judge set a date of December 20<sup>th</sup> to hear arguments for Atlantic Wind's request to have the Penn Forest Township Zoning Board hearing venue moved and to have the courts render a decision. The Authority Solicitor opined there is no law he is aware of that supports or allows a zoning board to be removed from its processes.

S. Repasch also mentioned that he was invited by Lehigh University to give a presentation on the proposed wind project to a political science class studying local zoning laws this past Tuesday. He said it was a very worthwhile experience for himself and the class.

**Upper Saucon Township Agreement.** S. Repasch reported that this topic has been pulled from the agenda. He deferred to E. Boscola, who explained that Saucon Creek Assisted Living facility plans to expand its campus. This particular area is to be supplied by Upper Saucon Township, but the developer wants Bethlehem water since the water main is closer. This conflict may change the wording in the agreement and territory map, so it is prudent to wait until it is resolved.

**RR Crossing Resolution.** S. Repasch presented a resolution prepared by the Authority Solicitor to the Board for approval. The City desires to extend the water line north along Route 512 into Bath, and the line must pass under Norfolk Southern railroad tracks. The resolution approves a license agreement developed with Norfolk Southern which was reviewed by the Authority Solicitor, who continued on to say it is imperative that the City's insurance coverage is proper and adequate enough for what Norfolk Southern is requiring, or the City shall obtain such insurance. He suggested the Board approve the resolution conditioned upon confirming the City has adequate insurance coverage.

V. Gower moved and S. Zondag seconded to approve the railroad crossing resolution conditioned upon the City having or obtaining the adequate insurance coverage. Motion passed unanimously.

**2017 Authority Budget.** S. Repasch reported that there will be no action on the 2017 Authority budget today. It will be placed on the December agenda.

**4Q16 Income and Expense Projections.** S. Repasch reviewed the 4<sup>th</sup> Quarter Income and Expense Projections as circulated and filed. The new driveway at the Security Office has been completed.

**Expense Budget Comparative.** S. Repasch reviewed the Expense Budget Comparative for the 10 months ended October 31, 2016 as circulated and filed.

**Announcements.** S. Repasch announced the following:

- Lehigh Valley Planning Commission – Future LV Regional Comprehensive Plan presentation will be held Friday, December 2<sup>nd</sup> at the Sands Event Center. This half-day event begins at 8:00 AM and is free to attend.
- Renew Lehigh Valley – Smart Growth Annual Summit will be held Friday, December 9<sup>th</sup> at the Renaissance Hotel in Allentown. The event is from 7:30 AM to 3:30 PM and the cost is \$70.

If anyone would like to attend either of these events, please let him know.

## **TREASURER REPORT**

This new agenda item now includes all investment and financial issues that are regularly discussed at Authority meetings.

**Investment Summary.** D. Domchek reported that he and S. Repasch organized the Authority's investments by type instead of by fund on the new Investment Summary Report. The Authority Financial Advisor provided input on the risks associated with each type of investment. The major risks for Act 72 are bank failure or the collateral is not available; however, the side agreements between the Authority and the banks minimize the collateral risk. There is never zero risk. From their perspective, they see no need for significant changes in the current environment. V. Gower suggested including a brief description of each investment type and to somehow integrate the two different investment summaries into one summary.

S. Repasch reported that interest rates are currently being solicited from local banks on the Act 72 time deposits that mature next week. Depending on the yield, it is possible that the recommendation may be to invest some of the monies in the Saxon program or to invest for a term longer than 12 months.

**Controller.** J. Filipos's report for the month of October, 2016 was circulated and filed. With regard to the audit opinion presented last month, he indicated the opinion was clean and the auditors approve of the Authority's procedures since there was no management letter provided to the City. Also, the City has sent the monies for the November 15<sup>th</sup> debt service payment to the Trustee.

**Resolution 399 – Approval of Expenses.** J. Tallarico presented Resolution 399 to the Board for approval. The resolution totals \$192,382.12 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 V. Gower seconded to approve Resolution 399 as presented. Motion passed unanimously.

***There was no Solicitor Report.***

## **CONSULTING ENGINEER**

R. Madison reported that S. Repasch accompanied him on the water system facilities inspections, which have been completed. He has begun work on the Annual Report.

## **SPECIAL POLICE**

D. Meixell's report for the month of November, 2016 was circulated and filed. Deer and bear archery hunting will be ending next week. Rifle deer hunting begins the Monday following Thanksgiving. There will be a lot of activity in the watershed till shortly before Christmas.

**Security Concern.** L. Hackett requested more information about the security concern noted in the Police Report. D. Meixell explained digital photos were captured on a trail camera of a group of individuals crawling out of the reservoir in the area of the Wild Creek dam. These photos were provided to the City's watershed supervisor and mechanic by the owner of the camera, who wished to remain anonymous. Even though he was on patrol that day, he cannot answer why he was not immediately contacted. He only received the photos via email. Several inquiries to obtain the information were not answered for about 2 weeks. E. Boscola said he did speak to his men about this incident and they claim to know who the individuals are. It is generally understood that City workers in the watershed handle operations and maintenance issues, while the Authority handles security issues. S. Repasch added that Water Control protocol is to contact the City supervisor if an issue is operations related and the Authority officer if an issue is security related. We have requested that both be called if unsure of an issue, regardless of the situation.

The Board stated that security is of high importance and that withholding the information is not acceptable. E. Boscola indicated that the information about this incident will be turned over to Officer Meixell tomorrow. Since generally understood procedures and protocol are the issue, a written SOP should be developed. The Authority will take the necessary steps to see that proper procedures will be followed if something like this happens again.

## **WATER REPORT**

The Water Report for the month of October, 2016 indicates the reservoirs are at 81.78% capacity. E. Boscola noted that Penn Forest Reservoir continues to drop but is still within normal range for this time of year. The State issued a drought warning for Lehigh, Northampton, Carbon and Monroe Counties; however, the City has its own drought response plan due to the ample water supply. If the trend continues with little or no precipitation, the City will likely be at the watch level by February, 2017.

**Water Main Break.** D. Domchek queried if there is an assessment of the costs regarding the water main repairs on New Street. E. Boscola responded that the activities to repair the water main and restore the roadway have been substantial. New Street is anticipated to re-open before Thanksgiving. The City's portion of the costs to complete the repair project is estimated to be ~\$300,000. Future legal action is unknown at this time.

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

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

- The Water Fund is in good standing. The November debt service and lease rental payment was sent to the Trustee yesterday.
- The PUC approved the Long Term Infrastructure Improvement Plan at the end of October. The DSIC application can now be submitted to the PUC.
- The department is attempting to finish as many projects as possible by end of the year.

**Route 512 Extension.** Current work on the Route 512 extension is design and DEP permits for railroad and stream crossings. The plan is to follow development as it occurs, and the first is expected to be the Toll Bros. age-restricted community that could break ground in 2017. Toll Bros. will also pay for the first 2,000' of the 16" main. The value to eventually create a loop in the water system from Routes 512 and 329 to Howertown Road is that entire area will be developed in another generation, according to Allen and East Allen Townships. Best practices are to be able to supply water from multiple directions.

**Lead Testing.** J. Tallarico queried if the City was satisfied with the lead testing results. E. Boscola responded that because of the Flint, Michigan issue, the focus for the City's lead testing was on homes with known lead service lines, lead-based solder or homes built within a certain time period. It is hard to get samples because the program is voluntary. However, 51 samples were obtained, the results were very good and the City is satisfied. Only 2 homes tested higher than the action level. There was follow-up sampling and advice provided on options to correct the problem.

*There was no Other Business or comments during the second Courtesy of the Floor.*

**NEXT MEETING**

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

**ADJOURNMENT**

J. Tallarico moved and L. Hackett seconded for adjournment of the regular meeting at 4:30 PM and to convene an Executive Session to discuss real estate negotiations.

*Vaughn C. Gower, Secretary*