

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

The regular meeting of the Board of Directors of the Bethlehem Authority (Authority) was held on Thursday, November 13, 2014 in Room B504, City Administration Building, 10 E. Church Street, Bethlehem, PA and called to order at 4:00 PM by Mr. Vaughn Gower, Chairman. Also in attendance were:

- Mr. John Tallarico, Vice Chairman
- Ms. Laurie Hackett, Secretary
- Mr. Jack Abel, 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**

J. Tallarico moved and L. Hackett seconded to approve the minutes from the regular meeting held October 9, 2014. Motion passed unanimously.

**RECOGNITION OF VISITORS**

- Mr. Nate Jastremski, Bethlehem Press
- Mr. Gene Auman, City of Bethlehem Deputy Controller
- Mr. Ed Boscola, City of Bethlehem Director of Water and Sewer Resources

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

**CHAIRMAN**

No report.

**EXECUTIVE DIRECTOR**

**Proposed Gas Pipeline Project Update.** S. Repasch reported that there has been no contact from PennEast since representatives attended last month's meeting. Since the Authority will need consultants for guidance through this process, he has a conference call scheduled next week with Dayhill Group and Carroll Engineering, a company said to be expert with high pressure gas and other utility pipelines. He will be attending a public meeting being held by State Rep. Doyle Heffley of Penn Forest Township, who would like input from property owners in his district. PennEast has been holding public information meetings and E. Boscola attended the open house in Hanover Township. The questions raised were mostly about the route, design, operation, and safety of the pipeline. Bethlehem's infrastructure is not near the proposed route along the Route 33 corridor. The major concern is the Wild Creek area and the water transmission mains.

***(M. Jobes entered the meeting at 4:05 PM.)***

**Carbon Credits.** The 2013 carbon credits in the amount of \$105,940 were received at the end of October and deposited into the Construction Fund. The 2014 carbon credits are expected to be received in the second quarter of 2015.

**Forest Management Update.** The Authority's Forester has discovered some gypsy moth infestation. There are two or three areas where considerable defoliation could occur next year based on the egg mass count. This situation will be closely monitored and updates will be provided.

**Emmaus Loan Account.** Since the Emmaus loan was paid off as part of the debt restructuring, ~\$46,000 was remaining that will transfer to the Construction Fund. In addition, excess money in the Revenue Fund due to budgeted City payments for the Emmaus loan exceeding the actual monthly interest amount (because of the variable interest rate) will be transferred to the Construction Fund.

**Arbitrage Calculation Proposal.** S. Repasch presented a proposal from BNY Mellon for the final arbitrage calculations on the Series 2004 Bonds (August 18 to November 15, 2014) and Series 2010 Bonds (March 16, 2010 to November 15, 2014). The proposal totals \$5,200 for both calculations and is a 20% reduction from the original amount quoted.

J. Abel moved and M. Jobes seconded to authorize the contract with BNY Mellon to complete the arbitrage calculations as presented and discussed. Motion passed unanimously.

**East Allen Township Tax Assessment Appeals.** S. Repasch attended the Northampton County tax assessment appeal hearing on October 14. The East Allen Township Water System properties are now tax exempt.

**Renewable Energy Projects Update.**

**Rentricity.** Rentricity is still working with PPL and the PUC to resolve some issues. The project is on hold.

**Solar.** S. Repasch, E. Boscola and other City personnel will be visiting the Aqua PA water plant near West Chester next Wednesday. The company has an on-site solar facility that powers the plant. If the Authority was to do a solar project at its water treatment plant, there would be no zoning issues as long as it owns the project and uses all of the electricity. Representatives from ConEnergy and Green Energy might attend the December meeting to provide more information.

**Wind.** The LIDAR units were recently refueled and will likely be on site until next spring.

**4<sup>th</sup> Quarter 2014 Income and Expense Projections.** The 4<sup>th</sup> Quarter Income and Expense Projections report was presented as circulated and filed.

**Expense Budget Comparative.** The Budget Expense Comparative for the ten months ended October 31, 2014 was presented as circulated and filed. With regard to physical security expenses, no fencing will be erected until security issues in general are resolved.

**2015 Operating Budget.** S. Repasch presented the 2015 Operating Budget to the Board for approval. The revenues and expenses total \$557,135.

**Revenue.** The City's contribution is \$275,000 and higher than 2014, mostly due to the decrease in timbering revenues anticipated for 2015; carbon credits are anticipated to be \$135,000.

**Professional Services.** Total \$104,300 with typical expenditures anticipated.

**Administrative Expenses.** Total \$425,045. There is a salary increase of 3%, which was felt to be appropriate even though it was questioned why the increase was less than the City's 3.5% increase; there is a health insurance increase of 20%, including the deductible increasing to \$3,000 even with joining an insurance trust; \$135,000 is the carbon credits that will be contributed toward the City's Water Capital expenses.

**Security/Property Expenses.** \$27,790 with typical expenditures anticipated.

**Capital Budget.** Expenses total \$19,430 and the source of funds as indicated. The expenses are for an alarm system, walkway and driveway improvements and signage at the security office. The signage might still be completed this year.

J. Abel moved and J. Tallarico seconded to approve the Authority's 2015 Operating and Capital Budgets as presented and discussed. Motion passed unanimously.

**Non-Agenda Items.** S. Repasch reported he attended a two-day Delaware River Watershed Conference at the Hotel Bethlehem last month. He, V. Gower and L. Hackett will be attending the Lehigh Valley Smart Growth Summit presented by Envision Lehigh Valley on December 5. The City's Water and Sewer Funds budget hearing is tonight.

## **CONTROLLER**

J. Filipos's report for the month of October, 2014 was presented as circulated and filed. He noted the following:

- The \$12+ million decrease in BRIF was to payoff Emmaus loan;
- Series 2004 and Series 2010 Bonds will be paid in full and retired on November 17;
- Carbon credits revenue was received and deposited into the Construction Fund.
- The \$5.4+ million due from the City for the Series 2014 Bonds debt service payment was sent to the Trustee.

- The Authority's 2013 audited financials were submitted to the reporting agencies as required and confirmed by same.

**Resolution 371.** S. Reppert presented Resolution 371 to the Board for approval. The resolution totals \$229,575.74 for the payment of water capital expenses from the Construction Fund and administrative and professional expenses from the General Account.

The BRIF will continue to grow as the Construction Fund is used for water capital projects over the next two years. With regard to the North Street road reconstruction project, the expenses on the invoice are only for the new water lines related to the project.

L. Hackett moved and M. Jobs seconded to approve Resolution 371 as presented. Motion passed unanimously.

#### **SOLICITOR**

No report.

#### **CONSULTING ENGINEER**

The Consulting Engineer's report was received late today. It indicated that the inspections have been completed for the 2014 annual report. J. Abel went along for one day of inspections, took pictures of some of the facilities which he will make available to the Executive Director.

S. Repasch is scheduling a tour of the water filtration plant for Board members who have not yet been there.

#### **SPECIAL POLICE**

Officer D. Meixell's report for the month of November, 2014 was circulated and filed. Bear hunting season opens next week.

#### **WATER**

The reservoirs are at 90%

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

E. Boscola's report on the Water Fund and Water Capital projects was circulated and filed. He noted the following:

- The agreement between Easton Suburban Water Authority and the City for the City to serve the ProLogis development should be finalized in the next two months.
- A draft agreement between Northampton Borough Municipal Authority and the City for the City to service the FedEx development has been circulated.
- There is a meeting next week with Calpine, an 1,100 MW power plant and the City's largest customer. The company is requesting more water and a larger supply line may need to be installed.

- The City's proposed 2015 Water Fund budget is intended to stay in line with the 5-year plan that was recently developed in conjunction with the debt restructuring and refinancing.

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

**NEXT MEETING**

The next Board meeting is scheduled for December 11, 2014.

**ADJOURNMENT**

J. Tallarico moved and M. Jobs seconded to adjourn the regular meeting. Motion passed unanimously and the meeting adjourned at 5:10 PM.

***Laurie G. Hackett, Secretary***