

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

March 14, 2013

The regular meeting of the Board of Directors of the Bethlehem Authority (Authority) was held on March 14, 2013 in Room B-504, City Administration Building, 10 E. Church Street, Bethlehem, PA and called to order at 3:30 PM by Chairman Vaughn Gower. The following were also in attendance:

- Mr. John Tallarico, Vice Chairman
- Mr. Richard Master, Secretary
- Mr. Mark Jobes, Treasurer
- Ms. Laura Burtner, 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 OF FEBRUARY 14, 2013**

V. Gower presented the minutes of the regular meeting held February 14, 2013. J. Tallarico moved for approval. L. Burtner seconded. Motion passed unanimously.

**RECOGNITION OF VISITORS/COURTESY OF THE FLOOR**

V. Gower recognized and welcomed the following visitors:

- Mr. David Brong, City of Bethlehem Director of Water and Sewer Resources
- Ms. Cindy Wildermuth, Woodland Management Services
- Mr. Robin Wildermuth, Woodland Management Services
- Mr. Michael Recchiuti, City of Bethlehem Councilman
- Mr. Stephen Antalics, Citizen
- Press

## **CHAIRMAN**

**Wind Energy Project.** V. Gower reported that City Council approved the agreement with Atlantic Wind (Iberdrola). The agreement is in the process of being signed. S. Repasch added there are escrow and termination agreements to be reviewed by Iberdrola. Iberdrola is currently going through the permit process for the installation of the met towers and the township's zoning ordinance will require a special exception. Also, he and Officer Meixell met with residents of Beltzville Lake Estates to address their questions and concerns about the wind turbines after they read about the project in the newspaper.

**Operating Authority.** V. Gower reported there will be another workshop on the draft white paper before the April meeting. There are a lot of things to consider and the work is tedious.

## **EXECUTIVE DIRECTOR**

**Carbon Credits Update.** S. Repasch reported that Blue Source satisfied all issues with the Rain Forest Alliance auditor. Now, a model auditor has some questions on the growth scenario. R. Wildermuth said he and Blue Source are addressing those questions. The Authority's continuous forest inventory from 1991 has become very valuable and was used when comparing to 2012's data. This will help assure the model predictions are fairly accurate.

**Forest Management Update.** R. Wildermuth provided the Board with a summary review of 2012/13 accomplishments to date, which included:

- Harvesting Stand 50
- Thinning Stand 53
- The final release of the Hypsy Gap stands
- Salvaging blown down trees from Hurricane Sandy
- The prescribed fire program with The Nature Conservancy
- Boundary line and carbon project support

Revenue from the timber sales in 2012 exceeded what was anticipated and budgeted.

Activities planned in 2013 are as follows:

- Harvesting Stands 24 and 25 (Smith property), and Stands 31, 33 and 39
- Thinning plantations in Wild Creek Compartment G.
- Working to establish permanent forest inventory plots for carbon project accounting
- Learning how to implement FSC procedures
- Anticipating an FSC field audit

The Authority's forest management has been very progressive compared to 10 years ago. The Board attributed this progress to Robin and his team and is very thankful.

**Timber Sale Agreement.** S. Repasch and R. Wildermuth discussed the agreement for the Wild Creek plantations (1G and 3G) timber sale to salvage and thin two plantations that contain spruce, red pine and larch trees. The agreement has already been reviewed by J. Broughal. The agreement is with Elite Timber Harvesting and they have the specialized equipment (cut-to-length) which is important for this sale. The rates are:

- \$4/ton for soft pulpwood and firewood
- \$2/ton for hardwood (pulp),
- \$18/ton spruce sawlogs,
- \$7/ton for pine and larch sawlogs

Telephone pole markets for the red pine are also being explored. If better markets become available, the agreement can be amended. All timber is FSC certified.

R. Master moved to authorize the Executive Director to execute the 1G/3G Wild Creek Plantations timber sale agreement with Elite Timber Harvesting as discussed. M. Jobes seconded. Motion passed unanimously.

**East Allen Township.** S. Repasch reported the City is very close to a water service agreement with Bath Borough Authority, which is key to closing on the acquisition of the East Allen Township Municipal Authority (EATMA) system. Once that agreement is signed, which is anticipated to be next week, final closing can take place between the City and EATMA.

**Landfill Debt Refinancing.** S. Repasch mentioned that the closing date for the City's refinancing of the landfill debt is anticipated to be either April 9 or April 10. The necessary documents required from the Authority will be signed prior to the closing date.

**1<sup>st</sup> Quarter 2013 Income-Expense Projection.** S. Repasch reported the following:

Operating Funds

- Cash on Hand, Beginning of Period -- \$153,830
- Projected Receivables -- \$81,885
- Projected Expenses -- \$98,855
- Total Projected Cash on Hand, End of Period -- \$153,020

The \$35,000 City of Bethlehem revenue line item represents the City's contribution to the Authority's operating expenses for the first quarter.

### Capital Reserve Funds

- Cash on Hand, Beginning of Period -- \$326,580
- Projected Receivables -- \$150
- Projected Expenses -- \$20,935
- Total Projected Cash on Hand, End of Period -- \$315,965
  
- Total Cash on Hand, All Funds -- \$468,985

*(It is noted that Mr. Eric Evans, City Council President, entered the meeting at 4:10 PM.)*

**Operating Expense Budget Comparative.** S. Repasch reported the following for the month ended February 28, 2013:

- Professional Services – 15% of budget.
- Security and Property Expenses – 6% of budget.
- Administrative Expenses – 13% of budget
- Overall – 12% of budget.

### **CONTROLLER**

J. Filipos' report for the month ended February 28, 2013 was circulated and filed. He noted that \$122,376 from the Wachovia class action settlement and \$50,000 from the City for the EATMA Pennvest loan payoff was deposited into the BRIF. \$312,340 was expended from the BRIF to pay Requisition 335 for water capital expenses.

**Resolution 349.** S. Reppert presented Resolution 349 to the Board in the total amount of \$201,996.05 for payment of the following:

- Water capital expense Requisition 336 in the amount of \$145,215.05 from the BRIF.
- Professional and administrative expenses in the amount of \$56,781.00 from the general and reserve checking accounts.

S. Repasch noted that the City began replacing the commercial water meters due to degradation. They are also notorious for under-recording small volumes of water, which results in loss of revenues. These types of meters have to be sized correctly for their use and some may have been oversized. Cost recovery after replacing the meters should be fairly quick. D. Brong added the elevated level of spending will be for several years as the meters are replaced, after which any costs would be repair-oriented.

R. Master moved to approve Resolution 349 as presented. L. Burtner seconded. Motion passed unanimously.

## **SOLICITOR**

None.

## **CONSULTING ENGINEER**

The Consulting Engineer's report for the month of March 2013 was circulated and filed. S. Repasch said that Neal Kern met with the City's distribution team yesterday. The City is moving forward with the 5<sup>th</sup> & William Streets pump station project, which will be bid shortly. The annual report should be completed for approval in April. The DEP has changed their formulas for reporting water usage and unaccounted for water. It has made it difficult for the City's IT department to implement the changes in the system for reporting purposes.

## **SPECIAL POLICE**

Officer Meixell's report for the month of March 2013 was circulated and filed.

## **WATER REPORT**

The Water Report for the month of February 2013 was circulated and filed. It indicated that the reservoirs are at 100% capacity.

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

D. Brong reported that he returned from trips to North Carolina and Malvern, PA, where he visited two facilities chosen for potentially taking over water invoice printing and mailing, which eliminates a non-core City function. It is a completely electronic interface and appears the City could save ~\$150,000 on all its large mailings.

## **OTHER BUSINESS**

None.

## **COURTESY OF THE FLOOR**

Mr. Stephen Antalics commented about the water volumes passing through the industrial meters. A scientific evaluation device known as a wheatstone bridge detects imbalances. D. Brong said that is exactly how high-flow, low-flow meters work. The majority of industrial meters are this type, but they are aged and it is time to replace them.

**NEXT MEETING**

V. Gower announced the next meeting is April 11, 2013.

**ADJOURNMENT**

M. Jobs moved and J. Tallarico seconded to adjourn the meeting at 4:25 PM. Motion passed unanimously.

*Richard L. Master, Secretary*