

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

March 13, 2014

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

- Mr. John Tallarico, Vice Chairman
- Ms. Laurie Hackett, Secretary
- Mr. John 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. Abel moved and J. Tallarico seconded to ratify the email approval of the minutes from reorganization and regular meetings held January 9, 2014. Motion passed unanimously.

J. Abel moved and J. Tallarico seconded to approve the minutes from the regular meeting held February 20, 2014. Motion passed unanimously.

**RECOGNITION OF VISITORS**

V. Gower recognized and welcomed the following visitors:

- Mr. Pete Sussenbach, PA Game Commission
- Mr. Pat McElhenny, The Nature Conservancy
- Mr. Stephen Antalics, Bethlehem resident
- Bethlehem Press
- Mr. Jeff Andrews, City of Bethlehem Superintendent of Water Supply and Treatment
- Mr. Gene Auman, City of Bethlehem Deputy Controller

## **COURTESY OF THE FLOOR**

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

Mr. Antalics raised concerns about the City sub-letting Illicks Mill, which is owned by the Authority, to the Illicks Mill Foundation. The Foundation's website states that it is an educational and environmental center, but it can also be rented for parties, banquets, weddings, etc. He is concerned the Authority would be culpable for liability if alcohol was served at a function at the Mill and there was an incident. J. Broughal responded he contacted the City's legal bureau and there is a sub-lease with Illicks Mill Foundation, Inc. dated May 2, 2000. Sub-letting is allowed under the Authority's lease (of the water system) to the City. The sub-lease appears to be fine, and City ordinance prevents alcohol at the Mill. His concerns are that the City's sub-lease to entity that is not a 501c(3) or other type of non-profit would affect the Authority's tax exempt status and if alcohol was served on site, the Authority would have host liability. He will address those concerns in a letter to the City and make certain that the Illicks Mill Foundation, Inc. is a 501c(3) or other type of non-profit entity, and that alcohol is not permitted on site. The Board supports the action.

## **CHAIRMAN**

No report.

## **EXECUTIVE DIRECTOR**

**Prescribed Fire Plan for 2014.** S. Repasch welcomed Mr. Sussenbach and Mr. McElhenny, who summarized the history of the prescribed fire plan in Long Pond and presented the plans for 2014. To date, 732 acres have been burned safely and those areas are regenerating. A moth study has been done, and a snowshoe hare study is currently underway. Support from the communities has been excellent. Expanding the roads and fire breaks on Authority land has been of great benefit. Three additional units are planned for burning this year in Long Pond. Mowing is underway and the units should be burned by the end of July. There will also be 50 acres burned in the Wild Creek area north of Penn Forest reservoir. This burn would benefit oak regeneration. The plan has been submitted to DEP and the Department of Forestry. They explained all the procedures required by the State and all precautions taken when performing a prescribed burn. The Board thanked them for coming to the meeting.

**Forest Management Update.** S. Repasch reported that timber sale agreement with Elite Timber Harvesting for the thinning of the Hyspie Gap stand has been signed. This stand is adjacent to one of the burn areas. Timbering should begin at the end of this month.

**Wind Energy Project.** S. Repasch reported that the \$10,000 license fee for 2014 was received from Iberdrola this month. The met towers are still collecting data. The earliest the data will be analyzed is the end of the summer.

**PPL R-O-W Agreement.** S. Repasch reported that he received notice yesterday that PPL has agreed to pay the Authority \$1,000 for the right-of-way along Long Pond Road to change out 30 utility poles.

**PUC Water Rate Hearing.** S. Repasch reported that on March 19 at 6 PM, there will be a PUC water rate hearing at Northampton Community College. It is the first public hearing that the City has had on a rate increase in over 20 years. J. Andrews said that since the second week of December, the City has answered 260 multi-part data requests. The requests are for revenues and expenses. The process to gather this information has been the most tedious and time consuming of all rate requests filed by the City in recent memory. The hearing is specifically for customers outside of the City because they fall under PUC jurisdiction. There will be a PUC (administrative law) judge and court recorder present. City representatives will be present but will not speak during the hearing. At another time after this hearing, all advocates will meet to negotiate a settlement.

**BNY Mellon Trustee Fees.** S. Repasch reported that the Authority was recently notified that BNY Mellon is raising its administrative fees for this year for all the bond issues it services. The total increase amounts to \$2,500, which was not budgeted. He informed BNY Mellon that the short notice of the increase was not appreciated or appropriate, and the Board agreed. Since the relationship with BNY Mellon has been problematic for some time, the Board discussed seeking another Trustee through the RFP process. A smaller, more local bank would be preferable and would allow for a better relationship.

**2014 Refinancing.** S. Repasch reported that the 2004 Bonds can be refinanced this August 15 at the earliest. He has had discussions with the Authority's Financial Advisor, who will evaluate the markets and the City's five-year capital plan to work up some refinancing scenarios. The City will have to refinance its line of credit this year as well. In response to J. Abel's query about PA law 2012-73 that forbids the transfer of funds between an authority and a municipality, V. Gower said that if the question is in connection with the Maximus Study, the data supports the City's charges. The study is scrutinized every year by the Authority's Controller.

**1Q14 Income/Expense Projections.** The 1<sup>st</sup> Quarter 2014 Income/Expense Projections report was circulated and filed. The recent repairs on the patrol truck have been made and were mostly covered by insurance. This truck will be used by the Authority's part-time officer. The new patrol truck will be picked up tomorrow.

**Expense Budget Comparative.** The Expense Budget Comparative for the month ended February 28, 2014 was circulated and filed. The final expense has been paid with regard to the arbitrage issue and the remaining arbitrage funds will be transferred back to the Trustee.

**CONTROLLER**

J. Filipos's report for the month of February, 2014 was circulated and filed. He reported on the Authority's PMRS defined benefit pension plan financial statement for 2013 and noted that the plan is fully funded.

**Resolution 363 – Approval of Expenses.** S. Reppert presented Resolution 363 to the Board in the total amount of \$132,915.93 for the payment of administrative, professional, capital reserve and water capital expenses. This will be the last draw against the BRIF since the balance has now reached the \$2.2 million threshold.

M. Jobes moved and J. Abel seconded to approve Resolution 363 as presented. Motion passed unanimously.

**SOLICITOR**

No report.

**CONSULTING ENGINEER**

No report.

**BETHLEHEM AUTHORITY SPECIAL POLICE**

D. Meixell's report for the month of March, 2014 was circulated and filed. A pair of eagles is nesting near one of the reservoir lookouts. March is breeding and nesting season, and the birds can be seen by the naked eye.

**WATER REPORT**

The Water report for the month of February, 2014 indicated the reservoirs are nearly at 100% capacity.

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

E. Boscola's report on the Water System was circulated and filed. In response to M. Jobes query about the costs related to the sinkholes, S. Repasch said that ¶ 2 of the report mentions the City is working up cost estimates on this year's water line breaks to show the financial impact on the Water Fund. Costs probably total twice as much as those from the past three to four years.

**OTHER BUSINESS**

None.

**COURTESY OF THE FLOOR**

None.

**NEXT MEETING**

The next Board meeting is scheduled for April 10, 2014.

**ADJOURNMENT**

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

*Laurie G. Hackett, Secretary*