

**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 July 10, 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. Mark Jobes, Treasurer
- 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

APPROVAL OF MINUTES

J. Abel moved and J. Tallarico seconded to approve the minutes from the regular meeting held on June 12, 2014. Motion passed unanimously.

RECOGNITION OF VISITORS

- Mr. Stephen Antalics, Bethlehem citizen
- Mr. Steve Goldfield, Authority Financial Advisor
- Ms. Linnea Lazarchak, City of Bethlehem Director of Financial Services
- Mr. Gene Auman, City of Bethlehem Deputy Controller
- Mr. Mark Sivak, City of Bethlehem Director of Budget and Finance
- Mr. David Brong, City of Bethlehem Business Administrator
- Mr. Scott Shearer, PFM, City of Bethlehem Financial Advisor
- Mr. Ed Boscola, City of Bethlehem Director of Water and Sewer Resources

There were no comments during Courtesy of the Floor.

CHAIRMAN

Financial and Refinancing Issues. V. Gower reported discussions were held and will continue on refinancing and restructuring the Water System debt. There will most likely be action required at the August meeting to authorize the refinancing.

EXECUTIVE DIRECTOR

Forest Management. S. Repasch commented that the article that appeared in the Society of American Foresters magazine on the Working Woodlands program and carbon project was well written and had national exposure. He also said that the Morning Call will be doing a similar article near the end of July.

The timber thinning project in Hyspie Gap in Long Pond has been completed. Upcoming projects include a plantation thinning in Wild Creek and a regeneration cut in Long Pond. Over the next few years, timbering revenues will be lean as the focus will be on thinnings, which are small-scale projects that are not as lucrative as hardwood projects.

Wind Energy Project. S. Repasch reported he met and toured the wind energy project sites with Iberdrola representatives. Iberdrola may be giving their Pennsylvania projects more attention since their projects in Ohio have been halted due to legislation changes. Iberdrola will begin looking at the collected wind data in the fall.

P3 Towers. Based upon last month's suggestion to negotiate a more favorable agreement with P3 Towers to market cell tower sites on Authority property, S. Repasch reported that P3 offered more upfront revenues to the Authority if it would take reduced revenues from additional cellular providers added to the towers. He and the Authority Solicitor felt this was not in the Authority's favor. The Authority will contact cellular providers to find out if there is any need for service coverage in or around Authority property.

3rd Quarter Income and Expense Projections. The 3rd Quarter Income and Expense Projections report was circulated and filed.

Expense Budget Comparative. The Expense Budget Comparative for the six months ended June 30, 2014 was circulated and filed.

CONTROLLER

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

- The increase in the Authority's administrative account was due to quarterly operating funds from the City (\$59,000) and timbering revenues (\$82,000).
- The 2011 Leaseback Bonds interest payment of \$524,000+ was paid.
- The DCED report for 2013 was submitted before the June 30 deadline, along with a letter stating the Authority's audit will be provided when completed.

Resolution 367. V. Gower presented Resolution 367 to the Board in the total amount of \$39,183.71 for the payment of administrative and professional expenses. The July water capital expenses are being paid from the City's line of credit.

L. Hackett moved and J. Abel seconded to approve Resolution 367 as presented. Motion passed unanimously.

SOLICITOR

J. Broughal reported that he testified before the Northampton County Grand Jury on the Illicks Mill lease matter. He verified the lease agreements between the Authority and City.

There were no Consulting Engineer or Water Reports filed.

SPECIAL POLICE

D. Meixell's report for the month of June, 2014 was circulated and filed.

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. The PUC approved the rate increase this week. The City received an increase of ~5%, versus the 15% filed for. Adjustments to expenses have been ongoing in anticipation of a lesser increase. The projects listed are all in progress or out for bid. He and S. Repasch will be making a presentation tonight to the Salisbury Township Supervisors on the Weil Street booster pump station project that will address the very low water pressure problems in that area.

J. Abel queried the status of the proposed FedEx project. E. Boscola responded the parties have met and discussions are ongoing.

There was no Other Business.

COURTESY OF THE FLOOR

S. Antalics queried if the redesign of wind turbines will affect the turbines planned to be erected in the watershed. S. Repasch responded not that he's aware of. Turbine manufacturers are continually trying to improve their products. He will provide Mr. Antalics with some information on the subject.

NEXT MEETING

The next Board meeting is scheduled for August 14, 2014.

V. Gower announced the Board will hold an Executive Session to discuss contract negotiations.

ADJOURNMENT

J. Tallarico moved and L. Hackett seconded to adjourn the regular meeting. Motion passed unanimously and the meeting adjourned at 4:25 PM.

Laurie Hackett, Secretary