

Bethlehem Authority plans to raise millions from its massive watershed

By Matt Assad, OF THE MORNING CALL

Saddled with a \$110 million in debt, Bethlehem Authority has a plan to make money selling the only thing it really has: nature. For decades, the authority has used its two dams, surrounded by 23,000 acres of watershed in the Poconos, to provide water to more than 115,000 people in the Bethlehem area. But with the arrival of the green revolution, it has a plan that could one day net the authority more than \$600,000 a year. Its long-term plan includes everything from timbering the forest to selling carbon credits to installing several farms that could produce wind, solar and switch grass that can be turned into biofuels.

The Green Age has arrived, and authority Executive Director Steve Repasch says it's a good time to cash in. "Protecting the watershed has always been our primary goal," Repasch said. "If we can get paid to do that, why not do it? The timing is right." Every dollar will help an authority that pays roughly \$9 million a year on a \$110 million debt load that ballooned in 1998 when it borrowed \$65 million to replace the Penn Forest Dam. Since then, that debt has helped prompt three rate hikes and Repasch likes the idea of pushing the next increase off as far as possible.

The next step in its plan comes Tuesday, when City Council's Finance Committee will review the authority's Working Woodlands program. Under a proposed 60-year deal with the Nature Conservancy, the authority would agree not to develop roughly 21,000 acres of its watershed. In return, the conservancy — an international nonprofit organization dedicated to preserving the environment — will inventory the forest and have it certified by the Forest Stewardship Council. That certification not only enables the timber to be sold at a higher price, but allows the authority to sell carbon credits on the Carbon Credit Exchange in Chicago. On that market, corporate polluters around the globe buy credits to offset the tons of carbon dioxide they release into the environment. The authority would get 70 percent of the proceeds from those sales — with the conservancy getting the rest — netting the authority \$500,000 to \$1 million over the next decade, beginning as early as next year, Repasch said. "The forest management plan we're getting from this is key," said authority board Chairman Mark Jobes. "But the income we could get is icing on the cake. There's a lot of potential there." In addition to the forest maintenance timbering program that already sells wood from cut trees for \$20,000 to \$30,000 a year, the authority is also negotiating a deal to install as many as 70 wind turbines on several ridges in Penn Forest and Lower Towamensing townships, Carbon County. The deal, being negotiated with Call Mountain Wind, would generate electricity that could be sold onto the electricity grid, netting the authority roughly \$250,000 a year, and maybe much more. It has the potential to be the authority's most lucrative venture, though board members say even if a deal is struck, it could be more than three years before any money starts rolling in.

In the meantime, the authority is developing a pilot project to grow switch grass on a 700-acre farm it owns in Chestnuthill Township. The program is in its infancy and will take at least three years to mature, but those rolling hills of switch grass could be sold to make ethanol as early as 2014, garnering the authority \$50,000 to \$100,000 a year, Repasch said. Switch grass is a fast-growing

plant that can reach taller than 10 feet, with blades measuring thicker and stronger than a typical pencil. Once established, switch grass is remarkably resilient, adapts well to many North American environments and has become a growing player in the effort to use green initiatives to produce biofuels.

Switch grass first took center stage in 2006, when [President George W. Bush](#) mentioned it in his State of the Union address as an up-and-coming source to produce ethanol and even electricity. "I planted in June, but it's been a terrible summer for rain," said Bill Altemose, the farmer running the pilot project for the authority. "It starts slow, but once it gets going it really grows. Give it two or three years and I think we'll really have something here." Lastly, Repasch is exploring installing a solar farm at the authority's Lehigh Township filtration plant. Repasch said he's hoping several acres of solar panels would generate enough electricity to cover the filtration plant's \$85,000 annual bill and maybe even generate some excess to be sold onto the grid — but no estimates have been made yet. There will be plenty of studies, public meetings and environmental studies in the coming years, but if all works as planned, sometime not too far off, Bethlehem Authority will be producing a lot more than water.

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