

A meeting of the Board of Directors of the Municipal Authority of the Borough of Portage was held on Thursday, November 4, 2016, at 7:00 p.m., in the Conference Room at 606 Cambria Street.

Those in attendance were:

Dave Miorelli, Vice Chairman  
Mark Castel  
Steve Koval  
Jerome Yetsko

Also present were: Ron Cadwallader, Supervisor; Joe Beyer, The EADS Group; Ron Portash, Mainline Newspapers.

**I. CALL TO ORDER**

Mr. Miorelli, Vice Chairman, called the meeting to order at 7:00 p.m., which was followed by the Pledge of Allegiance and Roll Call.

**II. RECOGNITION OF GUESTS**

Mr. Miorelli recognized Mr. Portash, Mainline Newspapers.

**III. CORRESPONDENCE**

Mr. Miorelli noted that the following correspondence was received:

- Thank you card from the John Morgan family for the remembrances on the recent loss of his mother.
- Duke Energy Land Owner Management Program to be held on November 15 from 11:00 a.m. – 1:00 p.m. Anyone interested should contact Mary Callan at 886-6062.

**IV. APPROVAL OF MINUTES**

ON MOTION OF MR. YETSKO, SECONDED BY MR. CASTEL, THE BOARD UNANIMOUSLY AGREED TO DISPENSE WITH THE READING OF THE OCTOBER 6, 2016 MINUTES BEING THAT THEY WERE DISTRIBUTED IN WRITTEN FORM AND UNANIMOUSLY ACCEPTED THE MINUTES AS PRESENTED. BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. MIORELLI, MR. CASTEL, MR. KOVAL, AND MR. YETSKO.

**V. AGENT'S EXPENDITURES**

No Agent's expenditures to be presented.

**VI. INVOICES**

American Water Works Assoc.	\$ 345.00
Borough of Portage	446.95
Cambria Mailing Services, Inc.	76.82
CMPA	1,000.00
Country Hearts & Flowers	50.00
Diversified Technology	1,480.00
Environmental Service Laboratories, Inc.	200.00

FWF Insurance Agency, Inc.	2,195.00
Groff Tractor & Equipment	108.19
Hach	1,937.70
Helsel Excavating	588.24
Hines Equipment	293.16
John Gartland	50.00
L/B Water Service, Inc.	4,251.75
Laurel Sand and Stone	485.30
Link Computer Corporation	1,672.51
Long's Outpost, Inc.	38.45
Ludwig Electric LLC	434.89
Mark Castel	50.00
Mary L. Elchin	144.00
New Enterprise Stone & Lime Co Inc.	572.73
Portage Auto Parts	83.25
Portage Service Center	576.80
Portage Township	974.40
Pristow's Sales & Service Inc	29.98
Ray's Lawnmower	284.59
Ray Oil & Gas Co	840.64
RDM Johnstown LLC	136.00
Ronald J Cadwallader, Jr	20.00
Sharon Squillario	50.00
Stager's Store	120.42
Stephen F Koval	50.00
United Graphics	3,523.50
Verizon Wireless	150.70
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	\$23,260.97

#### **Paid Bills**

Comcast	\$ 291.05
PA One Call System, Inc.	43.18
Penelec	1,667.58
Highmark Blue Shield	7,312.08
PA Rural Water Association	170.00
REA Energy Cooperative Inc.	896.64
Corey Ross	100.00
Lowe's	33.25
Pro Disposal, Inc.	142.00
Sheetz Fleet Service	88.82
Verizon	434.88
Aflac	226.22
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	\$11,405.70

ON MOTION OF MR. KOVAL, SECONDED BY MR. YETSKO, THE BOARD UNANIMOUSLY AGREED TO ACCEPT AND PAY INVOICES IN THE AMOUNT OF \$60,122.58 (REGULAR BILLS, \$23,260.97; PAID BILLS, \$11,405.70; PennVEST, \$3,896.36 AND \$5,508.55; USDA, \$16,051.00). BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. MIORELLI, MR. CASTEL, MR. KOVAL, AND MR. YETSKO.



## **VII. TREASURER'S REPORT**

ON MOTION OF MR. KOVAL, SECONDED BY MR. YETSKO, THE BOARD UNANIMOUSLY AGREED TO DISPENSE WITH THE READING OF THE OCTOBER 2016 TREASURER'S REPORT AS IT WAS PREVIOUSLY DISTRIBUTED IN WRITTEN FORM AND UNANIMOUSLY ACCEPTED THE REPORT WITH A BALANCE OF: BEGINNING CASH, \$1,498,418.34; CASH IN, \$225,839.98; CASH OUT, (\$216,908.96); ADJUSTMENT (INTEREST/MISC.), \$0; ENDING CASH, \$1,507,349.36. BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. MIORELLI, MR. CASTEL, MR. KOVAL, AND MR. YETSKO.

## **VIII. SUPERINTENDENT'S REPORT**

Mr. Miorelli noted that Mr. Cadwallader's report was distributed to the Board members prior to the meeting; and he asked the Board if there were any questions regarding the report.

Mr. Cadwallader reported that the line is in near Koban's and it is chlorinated. Staff will pull the first bacteria sample on Monday, and the second sample on Tuesday. We will then be able to bore across the road and hook in the Koban and Kunko residences. Mr. Cadwallader informed the Board that the bore for Kunko was completed in four hours. For Koban, we will push the casing under the road so that we do not have to damage the blacktop in Koban's driveway. Mr. Cadwallader noted that he talked to both Koban and Kunko relative to their pressure reducers; and once they both install those, we should be good to go. Mr. Cadwallader indicated that Mr. Koban has 32 pounds of pressure now.

Concerning the Cemetery Road project, Mr. Cadwallader apprised the Board that DEP has completed the inspection and has issued the Permit of Completion. Mr. Yetsko questioned if DEP approved the area with Kunko included, to which Mr. Cadwallader replied affirmatively.

Mr. Cadwallader informed the Board that he, his wife and Mrs. Ringler attended the recent PMRS pension meeting last Saturday and received some very beneficial information. He indicated that he talked to the Secretary of PMRS, who stated that PMRS would be willing to come in and talk with the Board. Mr. Cadwallader stated that he did find out at the meeting that the current contribution being made by the Authority is 1% and not 3% as previously thought. The Sewer Authority is also currently contributing 1% to their plan; and Mr. Cadwallader does not know what the Borough or the Township is contributing. He indicated that the employees are currently contributing 3%. Mr. Cadwallader noted that the Authority's contribution can be raised to 2% or 2.5%. The employees' contribution is mandatory at 3%, but the employees' contribution can be increased up to 17%. He indicated that some other authorities are contributing 2% and up to 2.5%.

Mr. Cadwallader questioned if the Board wanted he and Mrs. Ringler to talk with PMRS or whether the entire Board wanted to meet with PMRS. He pointed out that there are some options that can be added to the current plan; i.e., a one lump sum payment at the time of retirement. This option is available to the Sewer Authority employees but not currently for the Water Authority employees. Mr. Cadwallader explained that, since the implementation of the Authority's current pension plan with PMRS, there have been some changes made and options available that we were not aware of. When he spoke with the PMRS representatives, they indicated that there would need to be some questions clarified before they could present options; i.e., what is it that you want to get out of the plan, what percentage the Authority would want to increase to for their contribution, etc. Mr. Cadwallader pointed out that the current plan



is up to par where it should be; however, the Secretary of PMRS is willing to come and speak to the Authority on how the plan exactly works.

Mr. Cadwallader indicated that the current plan is 98% secure. It is a pay out over the life span of the employee, spouse and beneficiary. He pointed out that the options would be: 1) single annuity; 2) 100% payment for the employee or spouse; or 3) down to 50% for the surviving spouse. If the surviving spouse would pass away, what is left in the employee's plan would go to the named beneficiary. With the current plan, Mr. Cadwallader indicated, an employee can retire at the age of 60; however, over the average period of life, if the employee would retire at age 60, they would see a decrease in the payments because the employee would be extending the payments over more of their life span. Mr. Cadwallader informed the Board that the conference was very beneficial with 120 people attending.

Mr. Miorelli commented that perhaps a meeting with PMRS and the employees should take place, to which Mr. Cadwallader replied that the Secretary of PMRS stated that it would be more beneficial to talk with the members of the Board first to determine what changes to the plan the Board would want to make before the various options were presented to the employees. For example, if the Board would decide to increase their contribution from 1% to 2%, PMRS would be able to project what that would look like in the plan. Mr. Cadwallader noted that, at the conference, it was explained what is taxed and what is not taxed. It was also explained that what the Authority contributes to the plan goes into a pool; and those monies are what is used to pay benefits to employees that retire. Mr. Castel questioned if the Sewer Authority raised their contribution to 2%, to which Mr. Cadwallader replied negatively, stating that the Sewer Authority made some option changes and raised the contribution percentage for the employees.

Mr. Koval commented that the Board will be holding a budget workshop soon; and this is one item that can be discussed at that time. Mr. Castel agreed stating that we would need to determine what funds were available in the budget before making any decisions. Mr. Miorelli pointed out that he was glad that Mr. Cadwallader was able to receive some answers to questions and some clarifications at the conference. Mr. Cadwallader stated that PMRS does have a retirement specialist that will come in and talk with an employee who is planning on retiring; and they would be able to do a budget for the employee to show them what they would be receiving from the plan and giving the employee the various options available.

Mr. Cadwallader reminded the Board of the action taken at the last meeting relative to Section 7 (G and L) of the Personnel Policy relative to the use of an employee's personal vehicle for Authority related matters. Presented for approval at this evening's meeting, Mr. Cadwallader noted, was a revision to Section 7(K) to delete the words "worker's compensation" at the end of the sentence. Mr. Koval questioned what the concern was with an employee using their own vehicle. He commented that, if we are short a vehicle for whatever reason, and there is some type of emergency, what are we to do. Mr. Miorelli indicated that, if an employee would use their own vehicle and they are injured in an accident, they would not be covered, to which Mr. Koval interjected that they would be covered if they were doing Authority business. Mr. Miorelli stated that, if we want it that way, and an employee gets injured and Worker's Compensation says the employee is not covered, we should state that the employee cannot come back to the Board. Mr. Miorelli noted that an employee may go somewhere in their vehicle to do company business and decide to do something personal at the same time and this is where the concern lies. Mr. Koval pointed out that, as it stands now, the employees are under the Authority's Worker's Compensation and insurance, so he does not understand the concern. Mr. Miorelli commented that the insurance may come in and cover, but Worker's Compensation may not if it was not Authority business. Mr. Cadwallader explained that it was originally set up this way to cover the meter readers who used their own personal vehicle; and the Authority insured those



employees at that time. Mr. Koval commented that he realizes an employee may not have to use their own personal vehicle very often, but there may be times when this is necessary in the event of an emergency. Mr. Miorelli indicated that the Solicitor agreed at the last meeting that the changes be made to the Personnel Policy that an employee be prohibited from using their personal vehicle for Authority business. Mr. Cadwallader noted that the only change to what was presented at the last meeting would be the deletion of the words "worker's compensation" at the end Section 7(k). Mr. Koval questioned if the employees would be covered under any insurance, to which Mr. Cadwallader replied that the employees would only be covered if they were in a company vehicle. Mr. Koval pointed out that his concern is that, if Mrs. Ringler, for example, has to be somewhere and there is no company vehicle is available, she would have to wait until there is a company vehicle available for her to use. He noted that he cannot state a specific example of this, but there may be instances such as this that may come up. Mr. Yetsko commented that the changes to the Personnel Policy were made at the last meeting on the advice of the Authority's Solicitor.

Mr. Miorelli indicated that, what he was told relative to Worker's Compensation, if it takes you 15 minutes from your residence to work in your own vehicle, you would be covered under Worker's Compensation for those 15 minutes; and if you arrive at work and take a company vehicle, you would be covered beyond those 15 minutes. Mr. Koval indicated that he understands those times when an employee takes a company vehicle and does things other than company business, but he does not understand if the employee is doing company business. Mr. Miorelli noted that changing the policy now would take care of this. Mr. Castel noted that, at his place of employment, if using a company vehicle you would be covered; however, there would be major concerns if there was a situation and you were not conducting company business. Mr. Koval pointed out that it is his feeling that, if an employee is on company business, they should be covered; however, if they are not on company business, they should not be covered. Mr. Yetsko again noted that the change was made at the last meeting on the advice of the Solicitor.

ON MOTION OF MR. YETSKO, SECONDED BY MR. CASTEL, THE BOARD APPROVED THE CHANGE TO SECTION 7(K) OF THE PERSONNEL POLICY TO REMOVE THE WORDS "WORKER'S COMPENSATION." BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. MIORELLI, MR. CASTEL AND MR. YETSKO. MR. KOVAL CAST A DISSENTING VOTE.

Mr. Cadwallader informed the Board that we need to schedule a budget meeting. He stated that included in the Board's information for the meeting was a proposed budget as prepared by him and Mrs. Ringler. There are some items that could not be included because they would require action by the Board before any proposals could be presented; i.e., rate increases and wage decisions. Mr. Cadwallader noted that there are also items not proposed because they would be affected by any rate increase. He commented that, in addition, there were some budget accounts that were either increased or decreased based on actual results to date. Mr. Cadwallader also explained that we had budgeted an 11% increase in income this year; however, we only realized a 6.6% increase because consumption was down (for example, due to the loss of the Amfire business). Following discussion, the Board agreed to hold a budget workshop on November 9 at 6:00 p.m.

As it relates to the health insurance, Mr. Cadwallader apprised the Board that he provided the employees with a copy of the information that was shared with the Board at the last meeting which included what the current plan was (\$250 deductible) and the other options available; i.e., same plan with a \$750 deductible or another option with co-pays and a \$1,500 deductible. After the employees reviewed the information, they did indicate that they are content with the current plan. Mr. Koval questioned if he was correct in understanding that there was an 11.7% increase



in the premium this year, to which Mr. Cadwallader replied affirmatively. The old rate was \$7,227.40; and the new rate will be \$8,071.18. Mr. Miorelli questioned if this can be discussed in the budget meeting, to which Mr. Cadwallader replied affirmatively. However, we will need action taken by the Board at this meeting to extend the current plan another month under the current rate, as was done in previous years, which will extend it into January when the new plan will start.

ON MOTION OF MR. KOVAL, SECONDED BY MR. CASTEL, THE BOARD UNANIMOUSLY APPROVED THE EXTENSION OF THE CURRENT HEALTH INSURANCE PLAN FOR AN ADDITIONAL MONTH. BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. MIORELLI, MR. CASTEL, MR. KOVAL AND MR. YETSKO.

Mr. Miorelli indicated that discussion took place at the last meeting relative to the Game Commission offering a reduced hunting license fee to hunt on the property. Mr. Cadwallader indicated that, being that we are the property owner, we would be offered a reduced license fee. He explained that this offer would only be made to the Water Authority as the property owner and not everyone requesting a license. Mr. Cadwallader commented that we do not have to participate; however, if anyone is interested, the reduced fee would be \$11.47. It was felt by the Board that this is not something we should take advantage of. Mr. Cadwallader noted that he did order the trees from the Game Commission as discussed at the last meeting.

#### **IX. ENGINEER'S REPORT**

Mr. Beyer commented that a copy of the Engineer's Report was distributed to the Board prior to the meeting.

Mr. Beyer informed the Board that he did receive an email that Farren Street did not meet the criteria for the CDBG funds. He noted that last month Mr. Cadwallader and Mrs. Ringler sent letters to the residents on Mountain Avenue; and it appears that Mountain Avenue would meet the criteria for the CDBG funds. Mr. Beyer questioned the Board if they would like him to contact Larry Custer to see if we could use the Mountain Avenue results for the funding request. Mr. Koval commented that we should definitely contact Mr. Custer to see if the project would be eligible. Mr. Beyer noted that the way the residents responded, we are over the required 51%.

Mr. Beyer reported that he distributed prior to the meeting the study for the Martindale reservoir. As the Board felt it did not want to breach the dam because the water is needed, the most economical thing to do would be to keep the existing spillway the same size, fix the middle section, raise the height of the reservoir up two feet not to exceed 50% and then put down articulating concrete blocks over the rest of it to meet the PMF. The cost of this would be roughly \$2M currently; however, the cost would probably increase 2% each year. The Authority does not have this type of funding now, so it would have to be a project to be budgeted over the coming years. The Authority could start budgeting now or just wait for a consent order. Mr. Beyer pointed out that the whole idea behind the study was to see what the cost would be; and it would be up to the Board to decide how it wanted to budget for the project. He commented that these repairs do not have to be completed immediately. The Authority could possibly go 10 years before DEP approaches the Authority; however, DEP could approach the Authority next year and indicate that repairs will need made. Mr. Cadwallader indicated that, if the Authority receives a consent order and if there is funding, the Authority would probably be the first to receive the funding; however, there is no guarantee that any funding would be available. Mr. Beyer explained that, if DEP tells the Authority that the repairs have to be made, they would give a timeline where you would have to start construction within a year; and the Authority would

be held to the designated timeline. Mr. Cadwallader commented that last year, the Board had looked at earmarking \$70,000 for capital improvements for this project. Mr. Koval indicated that we are going to have to budget a certain amount of money per year. Mr. Beyer noted that this is why the Board needs to look at this now; and this is why the study was prepared so that the Board had a basic idea of what it is going to cost.

Mr. Beyer informed the Board that he submitted the grant application for Mountain Avenue. To date, there is no indication on when any grants will be awarded. Mr. Cadwallader commented that with the 15% the Authority is committed to if we are awarded the grant, we are going to have to budget the \$75,000 for the project.

Mr. Beyer reported that, as requested, he did submit the retainer agreement from The EADS Group to Attorney Barbin. There are no increases in the fees from last year.

#### **X. SOLICITOR'S REPORT**

Mr. Miorelli commented that Attorney Barbin was not present at the meeting; however, he had submitted a copy of his report prior to the meeting.

Mr. Cadwallader stated that the only item he wanted to bring to the Board's attention in Attorney Barbin's report is relative to the purchase of the Cooney property. The next step if we purchase the property is to have the subdivision taken of. If everyone is in favor of the purchase, Mr. Cadwallader will talk to Attorney Barbin and start the process. He indicated that we do have the mapping of the property already. The Board felt Mr. Cadwallader should move forward.

#### **XI. FORESTER'S REPORT**

Mr. Barton was not present.

#### **XII. UNFINISHED BUSINESS**

- Employee Issues

No employee issues to be presented to the Board.

- Cemetery Road Project

Discussed earlier in the meeting. Project is 99.9% complete

- Blue Knob Poker Run

Mr. Cadwallader commented that he has heard nothing further since the last meeting.

- Small Water Systems Grant

Discussed earlier in the meeting.

- Retirement Plan for Employees

Discussed earlier in the meeting.



- Health Insurance Renewal

Discussed earlier in the meeting.

- Budget Meeting

Discussed earlier in the meeting.

- Changes to Personnel Policy

Discussed earlier in the meeting.

- Pipe at the Martindale Plant

As it relates to the discussion at the last meeting on the pipe at the Martindale plant, Mr. Miorelli questioned if this cost was included in the proposed budget, to which Mr. Cadwallader replied negatively. Mr. Miorelli questioned if we would have that cost information available for review at the budget meeting, to which Mr. Cadwallader replied that, if you look at the proposed budget, as of right now there is \$19,102 that is available in free funds. Mr. Miorelli commented that we really need this matter addressed. Mr. Koval stated that we will have to earmark the funds. Mr. Cadwallader pointed out that the reason he went with another company is that the previous company wanted seven days to make the repairs; and we would not be able to take that long. There is no way to create a bypass because all of the reservoir water and well water comes through the plant. Mr. Miorelli questioned if there is any thought to putting in a bypass, to which Mr. Cadwallader replied that, if we do, we would be required to file for certain permits. He stated that there used to be a bypass previously but it was done away with. With a bypass you do not have the ability to treat with what you have. By running the well into that, which is a more stable water, you would probably triple the number of samplings you would have to do. Mr. Beyer emphasized that, every time you do any type of modification at the plant, you have to obtain a permit. Mr. Cadwallader stated that we had to get a permit for the Cemetery Road project because we moved up to a 6" pipe.

Mr. Cadwallader stated that the new company he is looking at said that they could get everything together and have everything pre-made. They would come in ahead of time and put up the new braces. They would then come in one day, shut the plant down, remove the old and replace with the new. The company guaranteed us that we would have at least two filters on if not all three. With the two filters we could take care of what we need to take care of. Mr. Miorelli questioned if we would have a warranty on the work, to which Mr. Cadwallader replied that he would get this information for the Board. Mr. Cadwallader noted that it is all schedule 80 pipe and is all phalanged so it is easily replaceable. They would glue in the ports for the soda ash and chlorine. Mr. Miorelli questioned if it will be away from the electrical boxes, to which Mr. Cadwallader replied affirmatively. Mr. Cadwallader indicated that he would find out how long the quote is good for as well as the warranty information so that this can be discussed at the budget meeting.

### **XIII. NEW BUSINESS**

No New Business to be presented.



**XIV. GOOD OF THE ORDER**

- Annual Christmas Party

Mr. Miorelli noted that the annual Borough Christmas party will be held on December 16 at Rimini's. Doors open at 6:00 p.m., with dinner being served between 7:00 – 7:30 p.m.. RSVPs must be received by November 25.

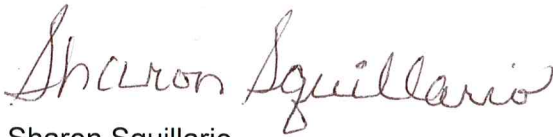
**XV. ADJOURNMENT**

THERE BEING NO FURTHER BUSINESS, ON MOTION OF MR. KOVAL, SECONDED BY MR. YETSKO, THE BOARD ADJOURNED THE MEETING AT 7:54 P.M. BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. MIORELLI, MR. CASTEL, MR. KOVAL AND MR. YETSKO.

**XVI. NEXT MEETING**

The next meeting will be held on Thursday, December 1, 2016 at 7:00 p.m.

Respectfully submitted,



Sharon Squillario  
Recording Secretary