

A meeting of the Board of Directors of the Municipal Authority of the Borough of Portage was held on Thursday, April 6, 2017, at 7:00 p.m., in the Conference Room at 606 Cambria Street.

Those in attendance were:

Dave Miorelli, Chairman
Craig Castel
Mark Castel
Jerome Yetsko

Also present were: Ron Cadwallader, Supervisor; Joe Beyer, The EADS Group; Ron Portash, Mainline Newspapers; Mike Jubina and Tom McNally, Residents.

I. CALL TO ORDER

Mr. Miorelli, 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, and Mr. Jubina. Mr. Jubina commented that he was merely at the meeting to observe.

III. CORRESPONDENCE

Mr. Miorelli noted that the correspondence was received relative to the PMAA Spring Management Workshops and the PMAA Region 6 Spring Meeting. Any Board members interested in attending either program was asked to contact Mr. Cadwallader.

IV. APPROVAL OF MINUTES

As it relates to the minutes of the last meeting, Mr. Cadwallader stated that he wanted to clarify the capital improvements account that was mentioned at the last meeting. He explained that, when the revenue monies come in from the meters, those funds are deposited into the money market account. The 2% is then taken out of money market account and placed into the savings account, which is basically the capital improvement fund. As it relates to the monies that come in from the junk meters, those monies are placed in whatever account the Board specifies. In the past, the Board had designated that these monies would be placed into the savings account. Mr. Mark Castel questioned where the junk meters are taken to, to which Mr. Cadwallader replied that they are taken to company in Altoona who pays the most for the junk meters.

ON MOTION OF MR. YETSKO, SECONDED BY MR. CRAIG CASTEL, THE BOARD UNANIMOUSLY AGREED TO DISPENSE WITH THE READING OF THE MARCH 2, 2017 MINUTES BEING THAT THEY WERE DISTRIBUTED IN WRITTEN FORM AND UNANIMOUSLY ACCEPTED THE MINUTES AS PRESENTED. BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. MIORELLI, MR. CRAIG CASTEL, MR. MARK CASTEL, AND MR. YETSKO.

V. AGENT'S EXPENDITURES

ON MOTION OF MR. YETSKO, SECONDED BY MR. CRAIG CASTEL, THE BOARD UNANIMOUSLY APPROVED THE AGENT'S EXPENDITURES FOR THE PERIOD JANUARY 1 TO MARCH 31, 2017 IN THE AMOUNT OF \$145.26.

BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. MIORELLI, MR. CRAIG CASTEL, MR. MARK CASTEL, AND MR. YETSKO.

VI. INVOICES

1 st Summit Bank	\$ 194.00
Borough of Portage	361.94
Business Records Management LLC	50.00
Cambria Mailing Services, Inc.	154.98
Cintas	66.96
Craig Castel	50.00
FWF Insurance Agency, Inc.	2,195.00
John Gartland	50.00
L/B Water Service, Inc.	679.20
Link Computer Corporation	1,252.50
Ludwig Electric LLC	176.90
Mark Castel	50.00
Mary L Elchin	260.00
Mountain Research, LLC	97.50
New Pig	118.42
Portage Auto Parts	105.63
Portage Service Center	558.40
PRWA	360.00
Ray's Lawnmower	26.97
Ray Oil & Gas Co.	2,677.58
RDM Johnstown LLC	1,084.00
Ronald J Cadwallader, Jr	20.00
Sharon Squillario	50.00
Stager's Store	152.90
Univar USA, Inc.	4,162.83
Verizon Wireless	150.64
William G. Barbin, esq.	650.00
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	\$15,756.35

Paid Bills

Michael Barton	\$ 291.50
Aflac	226.22
Comcast	292.79
Highmark Blue Shield	7,942.03
Kaza Fire Equipment, LLC	53.48
National Road Utility Supply Inc.	1,665.00
PA One Call System, Inc.	21.59
Penelec	1,665.76
Peoples Natural Gas Company	351.37
REA Energy Cooperative Inc.	1,159.20
Lowe's	83.60
Pro Disposal, Inc.	142.00
Sheetz Fleet Service	46.00
Staples	81.98
Verizon	450.31
WB Mason Co, Inc.	41.98
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	\$14,514.81

ON MOTION OF MR. CRAIG CASTEL, SECONDED BY MR. YETSKO, THE BOARD UNANIMOUSLY AGREED TO ACCEPT AND PAY INVOICES IN THE AMOUNT OF \$55,727.07 (REGULAR BILLS, \$15,756.35; PAID BILLS, \$14,514.81; PennVEST, \$3,896.36 AND \$5,508.55; USDA, \$16,051.00). BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. MIORELLI, MR. CRAIG CASTEL, MR. MARK CASTEL, AND MR. YETSKO.

VII. TREASURER'S REPORT

ON MOTION OF MR. YETSKO, SECONDED BY MR. CRAIG CASTEL, THE BOARD UNANIMOUSLY AGREED TO DISPENSE WITH THE READING OF THE MARCH 2017 TREASURER'S REPORT AS IT WAS PREVIOUSLY DISTRIBUTED IN WRITTEN FORM AND UNANIMOUSLY ACCEPTED THE REPORT WITH A BALANCE OF: BEGINNING CASH, \$1,454,854.80; CASH IN, \$237,741.99; CASH OUT, (\$215,792.63); ADJUSTMENT, \$0.00; ENDING CASH, \$1,476,804.16. BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. MIORELLI, MR. CRAIG CASTEL, MR. MARK CASTEL, AND MR. YETSKO.

VIII. RECOGNITION OF GUESTS

Mr. Tom McNally joined the meeting at this time.

Mr. McNally informed the Board that his brother had given him some shares of stock for the Portage Township Water Company, which were purchased in 1960 by Mr. McNally's father and brother. He pointed out that the Municipal Authority purchased the Portage Township Water Company (Jamestown/Benscreek dam); and he is curious as to how the Municipal Authority acquired it; i.e., what is given to the Authority or did the Authority purchase it. Mr. Cadwallader replied that the Municipal Authority did acquire it. He clarified that the Benscreek Water Authority was a separate authority and the Jamestown Water Authority was a separate authority at the time; and both were purchased through the Municipal Authority. Mr. McNally questioned when the purchase took place, to which Mr. Cadwallader replied that, when Mr. McNally had approached him at an earlier date, he did do some research; and there is information relative to the purchase but no paperwork that he can locate relative to the stock. Mr. McNally emphasized that there was a transfer of money and there is a particular date that it happened. What he is questioning is the amount of money that was transferred and who the money was given to. Mr. McNally pointed out that the stockholders at the time should have been notified and should have had a share in the funds.

Mr. Miorelli commented that this is a matter that should be taken up with the Authority's Solicitor relative to who is liable. Mr. McNally indicated that he is not saying the Authority is liable; he is merely attempting to find out the history of what happened at the time. Someone at the time received money; and he would like to know who was paid. Mr. McNally pointed out that at the time, someone received a check for the purchase; and if the stockholders did not, he wonders who the monies went to. Mr. Miorelli stated that, as the Board does not want to give Mr. McNally false information, he requested that Mr. Cadwallader obtain the necessary information from the written records available and give it to the Solicitor to review for the Board. Mr. McNally commented that he is not requesting anything from the Authority. He merely wants to know the history as there may have been others that held stock at the time as well. Mr. McNally indicated that if someone made a purchase, the Authority should have a record of it; and he would like to know who received what from the beginning of the Municipal Authority. Mr. Miorelli indicated that Mr. Cadwallader will pull any information available and have the Solicitor review

same. Mr. Miorelli requested that Mr. McNally attend the May meeting when the Solicitor will be present to explain what he found following his review.

Mr. McNally thanked the Board and departed from the meeting at this time.

Mr. Cadwallader apprised the Board that, when he did his previous research, he found that the only piece that was not purchased in the past was the Cassandra Water Authority, which was given to the Municipal Authority. The Jamestown and Benscreek Water Authorities were purchased. Mr. Cadwallader indicated that he would pull all information available and give it to Attorney Barbin to review. Mr. Miorelli questioned if Mr. Cadwallader questioned the Army Corps of Engineers, to which Mr. Cadwallader replied that the Army Corps of Engineers worked with Cassandra at the time being that it was a low income area and there was failing infrastructure.

IX. 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.

Concerning the pipe yard, Mr. Cadwallader informed the Board that all of the trees have been removed so we can now begin leveling the property. Before we could proceed, Mr. Cadwallader noted, we had to have an erosion and sedimentation control plan in place, which Mr. Beyer did address and which will require Board approval. Mr. Yetsko questioned what was done with the trees, to which Mr. Cadwallader replied that they are still lying in the area. He offered the wood to the employees; however, there was no one interested.

As it relates to the discussion at the last meeting relative to the pension plan, and the Board's request that the only way the Board would agree to the 1% additional contribution is that if all employees agree to contribute the 1% individually as well, Mr. Cadwallader reported that this request was placed before the employees; and all employees were in agreement. Mr. Cadwallader is awaiting the proper wording of the Resolution from the pension actuary for the Board's consideration. Mr. Miorelli commented that, when this was discussed at the last meeting, it was agreed that this was going to be pre-tax. He questioned if this would only be on the 1%, to which Mr. Cadwallader replied affirmatively. Mr. Yetsko questioned if this would only be for one year, to which Mr. Cadwallader replied affirmatively. Mr. Yetsko questioned if the employees would then be able to do this again next year, to which Mr. Cadwallader replied affirmatively.

Mr. Cadwallader reported that all of the turn-offs took place on April 3. There were seven residents that were shut off; and there are still six of them that are still shut off, amounting to approximately \$2,500 that is outstanding. Four of these homes are individuals that just moved out and did not pay their bill. Mr. Miorelli questioned if we can go after those that abandoned the property without paying the bill, to which Mr. Cadwallader replied that after a certain period of time, these individuals will go on a write-off list; and if they request water service again, these charges, plus interest, would have to be paid before service is turned on.

Mr. Cadwallader reported that flushing of lines will take place on April 17. He also noted that the Hough property has been taken care of and the deed has been filed.

Relative to the dam report as mentioned at an earlier meeting, Mr. Cadwallader indicated that a matter to be considered at budget time is a video inspection of the intake tower and all of the gates and pipes.

Mr. Cadwallader indicated that Mr. Barton has requested three loads of limestone that is needed for the creek crossings. He requested of the Board permission to purchase the stone. Mr. Cadwallader explained that some of the stone that was placed previously has sunk and Mr. Barton wants to build it back up again. Mr. Castel questioned if this is for when the ATV runs are held, to which Mr. Cadwallader replied that this is really to our benefit for when anyone crosses through the creek. He noted that the ATVs on the runs are not riding in this area any longer; however, if anyone does cross the creek it prevents the water from getting as dirty as it was before. Mr. Cadwallader informed the Board that it is being rumored that the Authority blocked all of the trails. He explained that the only trails that were blocked were those around the plant. The reason this was done was to adhere to comments from DEP. Under the Authority's synthetic organic compounds (SOC) permit, we cannot have all of the ATV traffic around the reservoir. Blocking the trails with the rocks around the plant has satisfied DEP. Mr. Cadwallader noted that the riders have to go out and around now, but they can still get through.

ON MOTION OF MR. CRAIG CASTEL, SECONDED BY MR. MARK CASTEL, THE BOARD UNANIMOUSLY AGREED TO THE PURCHASE OF THE LIMESTONE AS REQUESTED BY MR. BARTON AND AS NOTED ABOVE. BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. MIORELLI, MR. CRAIG CASTEL, MR. MARK CASTEL, AND MR. YETSKO.

Mr. Cadwallader apprised the Board that he received a request from Mr. Denny Beck relative to Earth Day. Mr. Beck was requesting, if the Authority is willing, to allow tours of the plant, as well as sending a dump truck to the Park for gathering leaves, etc. Earth Day will be held on April 21 from 12:00 – 2:30 p.m. It will also be requested to have tours of the Sewer Plant as well. Mr. Yetzko questioned the feelings of the plant employees relative to giving tours at the plant, to which Mr. Cadwallader replied that he did not talk with the plant employees; however, the plant employees have not given tours at the plant on Earth Day for the last two years. He noted that he would recommend not approving this request because of the sensitivity of the area.

THE BOARD AGREED THAT THE AUTHORITY PROVIDE A DUMP TRUCK AT THE PARK FOR EARTH DAY TO ASSIST IN THE CLEAN-UP BUT TO DENY THE REQUEST FOR TOURS OF THE PLANT. MR. CADWALLADER NOTED THAT HE WOULD INFORM MR. BECK OF THE BOARD'S DECISION.

Mr. Cadwallader informed the Board that the SCBA packs for both plants were taken to KAZA to be flow tested; and they were found to be obsolete. Mr. Cadwallader provided a letter and quote from KAZA Fire Equipment for new air packs. We would need one pack at each plant, at a cost of \$1,800 each. The new packs are carbon fiber bottles; and as long as they pass the flow test, they never go bad. If they do not pass the flow test, you merely replace the bottles. Mr. Cadwallader explained that the packs are used if there is a chlorine leak. Mr. Yetzko questioned the last time the packs were checked, to which Mr. Cadwallader replied that the packs are checked every year. He reported that the current packs were purchased in 1989; and they are an aluminum bottle with what they call a composite with a fiberglass weave around them. Each time you use the air and refill them, it stresses the aluminum. Mr. Yetzko questioned if there is money in the budget for the purchase of the new packs, to which Mr. Cadwallader replied that we could use funds out of Accounts 455-1A and 455-2A, which are the general accounts for the plants, but the purchase will be capitalized. Mr. Cadwallader informed the Board that he has obtained two loaner packs to be used at the plants until we replace the current packs.

ON MOTION OF MR. MARK CASTEL, SECONDED BY MR. YETSKO, THE BOARD UNANIMOUSLY AGREED TO THE PURCHASE OF THE PACKS AS OUTLINED ABOVE AT A COST OF \$1,800 EACH (ACCOUNTS 455-1A AND 455-2A). BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. MIORELLI, MR. CRAIG CASTEL, MR. MARK CASTEL, AND MR. YETSKO.

As it relates to summer help, Mr. Cadwaller informed the Board that he received applications for the summer help positions. He received three applications; however, one applicant is not from the area. The other two applicants are Tyler Thomas and Nathan Teno. Mr. Cadwallader commented that Tyler Thomas has worked for the Authority before in the summer so he would be familiar with the work that will need done. Mr. Thomas will be able to start work on May 15; and Mr. Teno would be available after graduation. Mr. Miorelli questioned if this is a joint service with the Sewer Authority, to which Mr. Cadwallader replied that it is not but that the Water Authority summer help does assist the Sewer Authority when needed.

THE BOARD AGREED TO THE HIRING OF MR. TYLER THOMAS AND MR. NATHAN TENO AS NOTED ABOVE.

Mr. Cadwallader noted that he wanted to discuss with the Board the sewer lines at the Authority Office and the Martindale plant. The taps are present; however, Mr. Cadwallader needs to know how far the Board wants to go with this subject. Under the Borough Code, he questions whether the Authority can just tap in without coming into the building and tie in what is currently present or do we have to do everything. Mr. Beyer noted that he believes we could just go the the foundation and intercept it, balloon both ends, and test. Mr. Cadwallader commented that the Board can make a decision at a later time. Mr. Morielli indicated that, we are not selling the building, so we should not worry about it. Mr. Cadwallader indicated that he brought this subject up because we just had a couple of problems with the sewer at the Authority building (some of the pipes are terra cotta and some are plastic). Mr. Castel questioned who will do the work, to which Mr. Cadwallader replied that the Authority staff will do the work in-house. He stated that, with the pipe at the plant, we will also do the work in-house but will work with the Sewer Authority to camera where it comes out because he is not sure (need to camera it to determine the fall).

Mr. Cadwallader reported that he did receive additional chlorine system quotes. He noted that the original quote received from Heritage Environmental at the time the budget was being prepared totaled \$3,540; however, Heritage has indicated that there has been a price increase. The total quote now is for \$4,250, an increase of \$710 from the original quote because of the price going up on pieces and parts. Another quote was received from Tri-State Instruments in the amount of \$4,598.50; and the third quote was from Environmental Service and Equipment Company in the amount of \$5,012, but this quote only covered the equipment. Environmental Service and Equipment Company also included a charge of \$105 per hour to come in and set it up. Mr. Cadwallader noted that he did discuss this with the plant employees; and they were very comfortable with Heritage; and they noted that Heritage is located in Windber and is close if there is a concern.

ON MOTION OF MR. MARK CASTEL, SECONDED BY MR. CRAIG CASTEL, THE BOARD UNANIMOUSLY ACCEPTED THE QUOTE RECEIVED FROM HERITAGE AS NOTED ABOVE IN THE AMOUNT OF \$4,250. BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. MIORELLI, MR. CRAIG CASTEL, MR. MARK CASTEL, AND MR. YETSKO.

Mr. Cadwallader questioned if the Board was in agreement with the erosion and sedimentation control plan relative to the pipe yard, to which the Board noted that they were in agreement. Mr. Cadwallader indicated that he would then proceed with the pipe yard project.

X. ENGINEER'S REPORT

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

As it relates to the Mountain Avenue project, Mr. Beyer stated that he spoke with Mr. Custer. Mr. Custer indicated that, in the near future, there is no grant funding available for the Mountain Avenue project. However, the Authority would be able to apply for the 2018 allocation. The 2018 allocation is \$600,000 for the entire County. Mr. Custer also noted that he has not received monies in the last two years because of the budget situation; therefore, the monies that he has withheld in the past are being used for operations. Mr. Custer questioned Mr. Beyer if the permits were finalized and the project was ready to bid, and Mr. Beyer replied that everything was in place.

Concerning the water treatment plant in Benscreek, the permit was sent in the middle of March. Christine from DEP called this week and needed Module 12 completed. Mr. Cadwallader indicated that Module 12 has been completed. Cliff was to review the permit today. Mr. Beyer noted that DEP will send a letter when the permit is approved; and we will not be able to do anything until the official letter is received. Cliff indicated that he would like to visit and take a look at the plant before moving forward. Cliff will probably sign off on the permit after his visit.

Relative to the CDBG project for Mountain Avenue, Mr. Cadwallader questioned, since this matter is basically on hold, would we be able to keep this matter on the agenda as a tabled matter until the 2018 CDBG allocation comes through, to which the Board agreed. Mr. Beyer noted that the only thing we would need to do is update the permits when they are due. Mr. Cadwallader noted that, if we put the project on hold, we would not have to go through the process of refiling everything and would only have to request an extension.

As it relates to the H₂O grant that the Authority had budgeted \$75,000 as the Authority's portion (15% of the total grant request), Mr. Cadwallader stated that the Authority did not receive the grant. Mr. Beyer noted that there was \$170M in requests received and only \$22M awarded.

XI. FORESTER'S REPORT

No report as Mr. Barton was not present.

XII. SOLICITOR'S REPORT

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

Mr. Miorelli reminded Mr. Cadwallader to forward to Attorney Barbin any information requested by Mr. McNally earlier in the meeting, to which Mr. Cadwallader replied that he would.

XIII. UNFINISHED BUSINESS

- Employee Issues

Mr. Cadwallader noted that he met with all of the employees and there were no matters brought forth.

- Blue Knob Poker Run

Discussed earlier in the meeting

- Small Water Systems Grant

Discussed earlier in the meeting.

- Retirement Plan for Employees

Discussed earlier in the meeting.

XIV. NEW BUSINESS

- Audit Report

ON MOTION OF MR. YETSKO, SECONDED BY MR. CRAIG CASTEL, THE BOARD UNANIMOUSLY ACCEPTED THE AUDIT REPORT AS PRESENTED PRIOR TO THE MEETING. BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. MIORELLI, MR. CRAIG CASTEL, MR. MARK CASTEL, AND MR. YETSKO.

- KAZA Quote

Discussed earlier in the meeting.

- Chlorine System Quote

Discussed earlier in the meeting.

- Quads Running on Borough Streets

In-depth discussion ensued relative to the recent concerns and requests concerning quads running on Borough streets/avenues. Mr. Yetsko indicated that this matter was really a dead issue at the Borough Council level as the motion died due to the lack of a second.

ON MOTION OF MR. MARK CASTEL, SECONDED BY MR. CRAIG CASTEL, THE BOARD UNANIMOUSLY AGREED TO BACK THE DECISION OF THE PORTAGE BOROUGH COUNCIL RELATED TO THE RUNNING OF QUADS ON BOROUGH STREETS. BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. MIORELLI, MR. CRAIG CASTEL, MR. MARK CASTEL, AND MR. YETSKO.

XV. GOOD OF THE ORDER

- Summer Help

Discussed earlier in the meeting.

- Duke Energy Check and Liquid Fuels Tax Check

ON MOTION OF MR. CRAIG CASTEL, SECONDED BY MR. YETSKO, THE BOARD UNANIMOUSLY AGREED THAT THE DUKE ENERGY CHECK AND THE LIQUID FUELS TAX CHECK RECEIVED WOULD BE DEPOSITED INTO THE CAPITAL IMPROVEMENT FUND. BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. MIORELLI, MR. CRAIG CASTEL, MR. MARK CASTEL, AND MR. YETSKO.

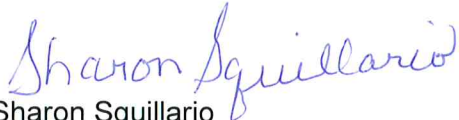
XVI. ADJOURNMENT

ON MOTION OF MR. YETSKO, SECONDED BY MR. MARK CASTEL, THE BOARD ADJOURNED THE MEETING AT 7:53 P.M. BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. MIORELLI, MR. CRAIG CASTEL, MR. MARK CASTEL, AND MR. YETSKO.

XVII. NEXT MEETING

The next meeting will be held on Thursday, May 4, 2017 at 7:00 p.m.

Respectfully submitted,



Sharon Squillario
Recording Secretary

