

A meeting of the Board of Directors of the Municipal Authority of the Borough of Portage was held on Thursday, May 3, 2018, at 7:00 p.m., in the Conference Room at 606 Cambria Street.

Those in attendance were:

Mark Castel, Chairman
Craig Castel
John Gartland
Brent Kinley
Jerome Yetsko

Also present were: Ron Cadwallader, Supervisor; Attorney William Barbin, Solicitor; Joe Beyer, The EADS Group; Ron Portash, Mainline Newspapers; Mike Jubina, Rick and Kari Alexander, Residents.

I. CALL TO ORDER

Mr. Mark Castel, 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. Mark Castel recognized Mr. Portash, Mainline Newspapers.

Mr. Mark Castel then recognized Mr. Jubina. Mr. Jubina noted that he had nothing to address.

Mr. Mark Castel recognized Mr. and Mrs. Alexander. Mrs. Alexander noted that she was present requesting permission to conduct an ATV run; and part of the run would enter on the Authority's property. Mr. Cadwallader noted that Mrs. Alexander would be running the Toys for Tots run that the Rod and Gun Club usually holds regularly. Mr. Jubina indicated that Mrs. Alexander's sister has cancer and this would be a benefit run for her. Mr. Cadwallader informed the Board that he has already talked with Mrs. Alexander and explained all of the conditions and requirements, the need to clean-up following the run, etc. Attorney Barbin stated that the Authority would request as well that the group have the necessary help at the run to ensure that all of the riders stay on the designated path. Mrs. Alexander commented that they would; and she provided a copy of a map of the proposed run. Mr. Cadwallader noted that if additional help is needed, members of the Fire Company can assist as well. Mr. Jubina stated that Blue Knob will be having their run prior to the June 2 run, to which Mr. Cadwallader replied that Blue Knob does have their run in a different area. Mr. Cadwallader stated that once the required form is signed and notarized (which will be in Mrs. Alexander's name), a copy will be provided to Mrs. Alexander.

ON MOTION OF MR. YETSKO, SECONDED BY MR. CRAIG CASTEL, THE BOARD UNANIMOUSLY APPROVED A LICENSE FOR MRS. ALEXANDER TO CONDUCT AN ATV BENEFIT RUN ON JUNE 2. BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. CRAIG CASTEL, MR. MARK CASTEL, MR. KINLEY, MR. GARTLAND, AND MR. YETSKO.

Mr. and Mrs. Alexander departed from the meeting at this time.

III. CORRESPONDENCE

Mr. Mark Castel noted that there was no correspondence to be presented.

IV. APPROVAL OF MINUTES

ON MOTION OF MR. KINLEY, SECONDED BY MR. YETSKO, THE BOARD UNANIMOUSLY AGREED TO DISPENSE WITH THE READING OF THE APRIL 2018 MINUTES BEING THAT THEY WERE DISTRIBUTED IN WRITTEN FORM AND UNANIMOUSLY ACCEPTED THE MINUTES AS PRESENTED. BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. CRAIG CASTEL, MR. MARK CASTEL, MR. KINLEY, MR. GARTLAND, AND MR. YETSKO.

V. AGENT'S EXPENDITURES

No Agent's Expenditures to be presented.

VI. INVOICES

American Water Works Assoc.	\$ 50.00
Brent Kinley	50.00
Cambria Mailing Services, Inc.	78.24
Cintas	64.11
CMPA	1,000.00
Craig Castel	50.00
Cummins Bridgeway, LLC	648.00
EADs Group	2,495.70
FWF Insurance Agency, Inc.	2,238.00
Hite Company	31.18
John Gartland	50.00
Kaza Fire Equipment LLC	167.49
L/B Water Service, Inc.	432.90
Link Computer Corporation	1,779.26
Mainline Newspaper	125.00
Mark Castel	50.00
Mary L Elchin	260.00
Michelle Kostan	225.00
Mountain Research, LLC	156.00
Peoples Natural Gas Company	216.09
Portage Auto Parts	71.99
Portage Post Office	150.00
Portage Service Center	775.00
Ray Oil & Gas Co	3,053.85
RDM-Johnstown, LLC	236.00
Ronald J Cadwallader Jr	20.00
Sharon Squillario	50.00
Sheetz Fleet Service	47.10
Stager's Store	391.38
Verizon Wireless	149.90
Visa – 1 st Summit	347.73
WB Mason Co. Inc.	37.28
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	\$15,497.20

Paid Bills

Lisa Vivis	\$ 100.00
Visa – 1 st Summit	165.89
Aflac	226.22
Comcast	310.46
Highmark Blue Shield	8,364.52
Lowe's	394.47
Luann Dividock	100.00
PA One Call System, Inc.	30.10
Penelec	1,414.44
Staples	116.98
JC Ehrlich Co. Inc.	172.00
Pro Disposal, Inc.	150.00
REA Energy Cooperative Inc.	1,222.64
Verizon	445.82
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	\$13,213.54

ON MOTION OF MR. CRAIG CASTEL, SECONDED BY MR. GRTLAND, THE BOARD UNANIMOUSLY AGREED TO ACCEPT AND PAY INVOICES IN THE AMOUNT OF \$54,166.65 (REGULAR BILLS, \$15,497.20; PAID BILLS, \$13,213.54; PennVEST, \$3,896.36 AND \$5,508.55; USDA, \$16,051.00). BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. CRAIG CASTEL, MR. MARK CASTEL, MR. GARTLAND, MR. KINLEY, 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 APRIL 2018 TREASURER'S REPORT AS IT WAS PREVIOUSLY DISTRIBUTED IN WRITTEN FORM AND UNANIMOUSLY ACCEPTED THE REPORT WITH A BALANCE OF: BEGINNING CASH, \$1,488,995.12; CASH IN, \$248,566.53; CASH OUT, (\$218,336.32); ADJUSTMENT, \$0.00; ENDING CASH, \$1,519,225.33. BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. CRAIG CASTEL, MR. MARK CASTEL, MR. GARTLAND, MR. KINLEY, AND MR. YETSKO.

VIII. SUPERINTENDENT'S REPORT

Mr. Mark Castel 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 informed the Board that there has been some comments recently on Facebook criticizing the Water Authority relative to the bricks on Lee Street. Mr. Cadwallader noted that he wanted the Board to understand that the Water Authority was merely assisting the Sewer Authority with this project and that is the only involvement. The Sewer Authority needed assistance with some digging for a line extension because there were two laterals that came through other people's property and the main had to be extended. Mr. Cadwallader explained that the Sewer Authority just hired two new employees who were working on the project and were not aware of some things, so the Water Authority employees were assisting. There were some residents that saw the Water Authority employees in the area and this is where the misunderstanding occurred. Mr. Cadwallader indicated that he spoke to two people

that had made the comments on Facebook and explained the situation; and the comments relative to the Water Authority have been removed. Mr. Cadwallader stated that the bricks that were removed were made available to the Historical Society; and the remaining bricks have been placed at the pipe yard and the Historical Society will get them from there.

Mr. Cadwallader apprised the Board that the Benscreek project has been completed. The 4" line was cut and some residents were re-tapped onto the 6" line. The area has been top soiled and seeded. Mr. Cadwallader indicated that an old hydrant was removed and replaced with a new hydrant.

Mr. Cadwallader noted that we are working on a project now in Cassandra for a resident that was experiencing a freeze-up; and once this project is completed, the resident will be off of the freeze-up list. Next week, Mr. Cadwallader commented, we will move to the Groggin Lane project, then move to Frazier and back over to Meadow Lane. Mr. Jubina questioned if a new hydrant could be placed as well, to which Mr. Cadwallader replied that he has a new hydrant that can be installed.

Mr. Cadwallader stated that we have received 165 northern red oak seedlings from the Game Commission. Mr. Beck, with the assistance of some high school students, will be planting these on the watershed property.

Mr. Cadwallader stated that, during the Benscreek project, the Authority's tapping machine broke. The new parts have been ordered; however, we will not be able to do any live taps until the parts are received. The new parts will cost \$798 (ordered from Pipelines, Inc. in Johnstown). Mr. Cadwallader explained that this tapping machine was purchased in 1971. Mr. Mark Castel questioned what a new machine would cost, to which Mr. Cadwallader replied that it would cost \$5,000. Mr. Cadwallader pointed out that the new machine is basically the same machine as we currently have but it is called a different name (101B). Mr. Kinley questioned what the difference is between the two pieces of equipment, to which Mr. Cadwallader noted that it is merely some updated items. Attorney Barbin questioned if there is enough difference between the two machines that would warrant purchasing a new one, to which Mr. Cadwallader replied negatively. He explained that there are some differences, but it is not enough that would warrant purchasing a new machine. Mr. Yetsko questioned if a rock was hit when the cutting was being done, to which Mr. Cadwallader replied negatively. He explained that when you start cutting on cast iron and ductile the machine just basically wears out.

ON MOTION OF MR. KINLEY, SECONDED BY MR. GARTLAND, THE BOARD UNANIMOUSLY APPROVED THE PURCHASE OF THE NEW PARTS FOR THE TAPPING MACHINE AT A COST OF \$798 AS NOTED ABOVE, THE COST OF WHICH WOULD COME OUT OF ACCOUNT #477. BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. CRAIG CASTEL, MR. MARK CASTEL, MR. GARTLAND, MR. KINLEY, AND MR. YETSKO.

Mr. Cadwallader apprised the Board that we currently have a resident that is undergoing bankruptcy proceedings and does owe a delinquent bill to the Authority. He questioned Attorney Barbin, while this individual is in bankruptcy, are we able to shut her water off. Attorney Barbin explained that the Authority is unable to do anything about the pre-bankruptcy debt; however, the Authority can send the resident a notice that a new account can be set up and we can then bill the resident as a new client. If the resident does not pay under the new account, we can then shut the water off if the account is delinquent. Attorney Barbin pointed

out that we cannot do anything to collect any debt that occurred prior to the resident filing for the bankruptcy. Mr. Mark Castel questioned what we would do if the resident does not come in to set up a new account, to which Attorney Barbin replied that we could then shut the water off. Mr. Cadwallader questioned how the resident can sign up for a new account if the bankruptcy is in the resident's name. Attorney Barbin pointed out that, in reviewing the documentation, the resident filed for Chapter 7 bankruptcy on March 2, 2018. For anything prior to March 2, 2018, in line with the bankruptcy laws, we cannot do anything that would interfere or cause problems to the resident for debt prior to that date.

Mr. Cadwallader explained that, when we have a resident come in and they have a previous delinquency, we do not allow a resident to sign up for water services until that previous delinquency is paid. Attorney Barbin indicated that this would be in violation of the bankruptcy laws in that you cannot impede residents in any way for pre-bankruptcy debt. Attorney Barbin pointed out that some individuals file for bankruptcy and they keep their regular utilities paid. Mr. Craig Castel noted that, with this resident, since the resident has not been paying and we have been billing the resident, and the resident will now come in and set up a new account with a new deposit, is the Authority unable to back-bill, to which Attorney Barbin replied that this is correct. Attorney Barbin explained that the Authority can only take action on any delinquent bill the resident had after March 2, 2018 when the bankruptcy was filed. Attorney Barbin commented that we can only enforce the Authority's policy on the current amount of the resident's delinquency, which is \$50.62. He questioned Mr. Cadwallader if this amount is enough to have the water shut off, to which Mr. Cadwallader replied that the policy only states that we can shut off the water if an account is delinquent, but it does not state an amount. Attorney Barbin noted that we cannot, therefore, treat this resident any differently. He stated that we would have to notify the resident that the water would be shut off, to which Mr. Cadwallader interjected that Monday is the turn off day and we have already handed out the hangers. Attorney Barbin noted that he would contact the resident's attorney tomorrow, explain the situation, and inform the attorney of the Authority's action and that he should advise his client to pay the delinquency so that no further action is taken.

Mr. Yetsko questioned how many residents there are that owe a large amount of money, to which Mr. Cadwallader replied that currently, there are a few residents that owe \$300 - \$400. During the last shut off, there was one resident that owed over \$3,000. Mr. Cadwallader commented that, since the last shut off in April, there are still two residents that are shut off. He indicated that we have also had to shut the water off to residents that have been missing their payments under their payment plan.

Mr. Cadwallader presented one adjustment for the Board's consideration. The resident at 1017 Main Street had a hot water tank pipe that had broken and has since been repaired. The amount billed was \$207.95; average, \$79.78; adjusted bill, \$105.41. The consumption was 19,900 gallons, with the average consumption being 6,400 gallons. Mr. Cadwallader pointed out that the entire building runs through one meter; therefore, this would be the adjustment for the resident for the entire building for the next three years.

ON MOTION OF MR. CRAIG CASTEL, SECONDED BY MR. GARTLAND, THE BOARD UNANIMOUSLY APPROVED THE ABOVE REQUEST FOR ADJUSTMENT AS PRESENTED. BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. CRAIG CASTEL, MR. MARK CASTEL, MR. GARTLAND, MR. KINLEY, AND MR. YETSKO.

As it relates to the profit/loss budget vs. actual budget information that was provided to the Board for review prior to the meeting, Mr. Craig Castel noted that the pension figures are at

78% of the budgeted amount. He questioned if this is taken care of earlier in the year, to which Mr. Cadwallader replied affirmatively. Mr. Craig Castel questioned what leases the Authority is currently paying as noted in the budget information as it is at 52% currently, to which Mr. Cadwallader replied that these would include the leases with the railroad, PennDOT, etc.; and it increased because of the increase of the railroad lease. Mr. Craig Castel commented that gasoline is currently at 42%; and he questioned what the price difference is at Ray Oil & Gas, Portage Service Station and Sheetz. Mr. Cadwallader replied that we only purchase diesel at Ray Oil & Gas; and he does not know the current difference in the gas prices at Sheetz and Portage Service Center. Mr. Mark Castel questioned if the charges at Portage Service Center are for both fuel and repairs, to which Mr. Cadwallader replied affirmatively. Mr. Mark Castel asked if Mr. Cadwallader would do a comparison of the gas prices for the three locations for the Board's review. Mr. Cadwallader noted that he would do this and send the information to the Board tomorrow.

Mr. Cadwallader informed the Board that, in follow-up of the discussion at the last meeting regarding the summer workers, one of the individuals has indicated that he will not be able to accept the position because he will be taking a college course that is required. Mr. Cadwallader indicated that, if any Board member is aware of an individual that is 18 years or older and is looking for summer work, they should forward the information to him. He stated that he did contact Career Link; and summer help through Career Link would not be available until June 14. Mr. Mark Castel questioned if the individuals have to be 18 years old, to which Attorney Barbin replied affirmatively because below 18 years of age they would be under the child labor laws. However, they can be 17-1/2 years old and have reached their academic potential. Mr. Cadwallader noted that he has talked with Mr. Zelenko relative to any potential students that might be interested.

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 talk with the Board at the last meeting relative to the Emergency Action Plan. He noted that the aerial imagery maps for the Emergency Action Plan as requested by DEP (needed by PEMA as these will be placed online) were submitted; however, DEP is requesting different maps. In addition, Mr. Beyer noted, DEP questioned, what would be done if the dam was breached in an accident; and they are requesting that a dam breach analysis be done as well. This would require that the bridges be surveyed coming down through town, which could cost \$10,000 for this survey to be done. Mr. Beyer noted that the Authority does not currently have the monies budgeted to do this. He questioned what would happen if we put this on hold and DEP requests that it has to be done, to which Attorney Barbin replied that we cannot ignore a request of DEP as it may result in a fine. Attorney Barbin pointed out that what DEP is basically requesting under the bridge calculation is what would be the effect on the residents if there was a dam breach, which is a relevant factor. Attorney Barbin pointed out that the State's rule on the dam is, if you own the dam, and you created the hazard, you are responsible.

Attorney Barbin emphasized that those affected by the breach are relevant; and you must ask yourself how people would evacuate if a bridge would be washed out. Mr. Beyer pointed out that we have been sending the same type of maps for several years; and this year they requested an aerial imagery map, which we provided. Now, Mr. Beyer stated, it is being requested that the maps be placed on a PennDOT map, along with other requests such as the dam breach analysis. Attorney Barbin pointed out that they just recently restaffed the Dam

Safety Authority because several people retired. Mr. Beyer noted that they want to know what houses would be affected in the event of a breach, we would have to do elevation surveys, etc. Mr. Beyer noted that he knows the Authority did not budget for such an analysis. Attorney Barbin commented that there would be consequences if we ignored the request. He emphasized that we are dealing with the safety of the public, which must always come first.

Mr. Beyer pointed out that it would cost roughly \$10,000 for EADS to do the survey work, the calculations, the maps, etc. Mr. Mark Castel questioned if we have all of the needed information, to which Mr. Beyer replied that we have some of the information but it is more extensive now. Mr. Beyer stated that he would have an agreement developed to do the work. Attorney Barbin stated that Mr. Beyer can bring a proposal to a future meeting for the Board to review and make a decision. Mr. Kinley questioned if it would be possible to find out if the work EADS will be doing will address the requests, to which Attorney Barbin replied that it may be beneficial for Mr. Beyer to have a telephone conversation with DEP. Mr. Beyer noted that Ryan Knarr did provide him with some information but he will check into it further.

Mr. Beyer informed the Board that there is a grant program that is being set up with the \$12.6M that was paid in penalties for E&S violations during the construction of the Sunoco Mariner East 2 pipeline. The grants will be made available to the 85 municipalities along the length of the pipeline corridor, of which Munster Township is one. Mr. Beyer pointed out that it is for townships, however, any municipality can apply for the grant. The grant requirements state that it is for projects to eliminate pollution and protect the public for unsafe dams. Attorney Barbin questioned if we currently have customers in Munster, to which Mr. Cadwallader replied that we do have the potential to go the whole way to the top of Munster with the water line. Mr. Beyer pointed out that the Authority's long range plan when finalized could state that one of the projects would be to extend the water line to Munster Road.

Mr. Beyer noted that the grant forms will come out on May 7; and applications will be due by June 20. He stated that he does not know what the overall guidelines for the grant would be; however, he questioned if he could obtain the information on the guidelines for the grant and have Mr. Cadwallader send it to the Board for review. Attorney Barbin indicated that the Board could pass a motion authorizing an application to be submitted and then action could be taken on a formal Resolution at the next meeting. Mr. Cadwallader pointed out that he did find out that it does not have to be a shovel-ready project; and the grant monies could then be used for the Emergency Action Plan and the dam project.

Mr. Yetsko questioned who is on the Committee that should be working towards finalization of the long range plan, to which Mr. Beyer replied that he did meet with the Board and discussed various projects that should be included in the plan and the matter was tabled. Mr. Beyer pointed out that it is important that the Board have a plan of future potential projects that needed completed or items that need upgraded. He stated that there is nothing that needs done immediately, but in five years there may be things that need to be looked at. Attorney Barbin stated that we would not be looking at large projects until after the PennVEST loans are paid off. Mr. Beyer emphasized that it usually takes 1-1/2 years of preparation before a project is actually ready to be kicked off. Mr. Cadwallader noted that what we have in place right now is a feasibility study for the dam, which basically outlines what steps we could take to address the concerns. Mr. Mark Castel noted that the Board had developed a list of projects which were prioritized. Attorney Barbin requested that Mr. Cadwallader bring a draft of the long range plan to the next meeting for the Board to review. Mr. Kinley stated that we should include in the plan the extension of the water line to the Munster area. Mr. Cadwallader agreed indicating that a new water tank on Munster Road could be included in

this. Attorney Barbin stated that we could ask Munster Township for a resolution of support for the grant as well. Mr. Beyer noted that the grant fees will be approximately \$100.

ON MOTION OF MR. CRAIG CASTEL, SECONDED BY MR. KINLEY, THE BOARD UNANIMOUSLY AUTHORIZED MR. BEYER TO PROCEED WITH THE GRANT APPLICATION AS DISCUSSED ABOVE. BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. CRAIG CASTEL, MR. MARK CASTEL, MR. GARTLAND, MR. KINLEY, AND MR. YETSKO.

As it relates to the PA Small Water and Sewer Grant, Mr. Beyer stated that he was notified by Sandra Orr (DCED analyst from Harrisburg that reviews the projects) that the attorney fees were combined with the engineering fees because they did not need to be broken out. He noted that he just wanted to make Attorney Barbin aware of this fact.

X. SOLICITOR'S REPORT

Mr. Mark Castel commented that Attorney Barbin submitted his report prior to the meeting; and he questioned if any Board member had any questions on the report.

Attorney Barbin noted that he had nothing further to present other than what was included in his report.

XI. FORESTER'S REPORT

No report.

XII. UNFINISHED BUSINESS

- Employee Issues

No employee issues to be presented. Discussion took place relative to the number of hours left in the established donated time bank, which will be tabled until a later time.

XIII. NEW BUSINESS

- Duke Energy Lease Payment

The Board agreed that the lease payment received from Duke Energy be deposited into the Capital Reserve Fund, #106.5.

- Donated Pool

Discussed under Employee Issues.

- Poker Run – June 2

Discussed earlier in the meeting.

Mr. Mark Castel questioned the status of the repairs to be done by Blue Knob, to which Mr. Cadwallader replied that there are a few things that need fixed. Mr. Cadwalader noted that he did inform Blue Knob that we cannot wait a year after the run is over to have all of the repairs completed.

XIV. GOOD OF THE ORDER

- Request for Adjustment

Discussed under Superintendent's Report.

XV. ADJOURNMENT

THERE BEING NO FURTHER BUSINESS, ON MOTION OF MR. KINLEY, SECONDED BY MR. YETSKO, THE BOARD ADJOURNED THE MEETING AT 8:00 P.M. BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. CRAIG CASTEL, MR. MARK CASTEL, MR. GARTLAND, MR. KINLEY, AND MR. YETSKO.

XVI. NEXT MEETING

The next meeting will be held on Thursday, June 7, 2018 at 7:00 p.m.

Respectfully submitted,



Sharon Squillario
Recording Secretary