

A meeting of the Board of Directors of the Municipal Authority of the Borough of Portage was held on Thursday, December 10, 2020, at 7:00 p.m., via conference call.

Those in attendance were:

Brent Kinley, Chairman
Craig Castel
Mark Castel
John Morgan

Also present were: Ron Cadwallader, Supervisor; Attorney Michael Emerick, Solicitor; Joe Beyer, The EADS Group; Tony Thompson; Jennifer Flowers; Caryn Ondesko CPA; Auditor; Ron Portash.

I. CALL TO ORDER

Mr. Kinley, Chairman, called the meeting to order at 7:00 p.m.

II. CORRESPONDENCE

Mr. Kinley noted that the following correspondence was received:

- Letter received from the Sewer Authority requesting to meet with the Water Authority Board pertaining to the Main Street project.
- Letter received from the Portage Area Joint Recreation Commission (PAJRC) relative to water usage for 2021, which was tabled by the Board at the November meeting.

III. APPROVAL OF MINUTES

No action taken on the minutes from the November 2020 meeting.

IV. AGENT'S EXPENDITURES

There were no Agent's Expenditures to be presented.

V. INVOICES

Allegheny Supply	\$ 183.83
American Water Works Assoc.	50.00
Brent Kinley	45.00
Cambria Mailing Services, Inc.	76.88
Cambria Systems, Inc.	385.76
CMPA	1,000.00
Craig Castel	45.00
Diversified Technology	2,700.00
EAD's Group	1,235.50
Fairway Laboratories Inc.	194.50
Foster F Wineland, Inc.	144.87
John C. Morgan, Jr	45.00
Mark Castel	45.00
Mary L. Elchin	325.00
New Enterprise Stone & Lime	350.38
Penelec	792.73

Peoples Natural Gas Company	122.36
Portage Auto Parts	216.42
Portage Post Office	165.00
Portage Power Wash Inc.	67.00
Portage Service Center	473.00
Ray Oil & Gas Co.	980.02
RDM-Johnstown, LLC	327.00
Ronald J. Cadwallader, Jr	20.00
Sharon Squillario	50.00
Sheetz Fleet Service	48.00
Stagers Store	158.70
Univar USA, Inc.	186.00
Verizon Wireless	93.13
Visa – 1 st Summit	294.02
	<u>\$10,820.10</u>

Paid Bills

Comcast	\$ 309.15
Commonwealth of Pennsylvania	1,000.00
Lowe's	230.60
Verizon	485.02
1 st Summit Bank	1,108.00
Aflac	139.84
REA Energy Cooperative Inc.	1,143.28
Tribune-Democrat	376.22
UPMC Health Plan	<u>12,668.47</u>
	\$17,460.58

Late Bills

Aflac	\$ 139.84
Borough of Portage	44.50
Cintas	120.96
Comcast	309.15
Fairway Laboratories Inc.	194.50
Hilltop Office Supply Inc.	210.36
Link Computer Corporation	1,312.50
Mainline Newspaper	30.32
Michael S. Emerick, ESQ	825.00
Mosholder Insurance Agency	3,405.00
Niper's Auto Repair	57.55
PA One Call Systems, Inc.	41.40
Penelec	173.56
Pro Disposal, Inc.	161.00
Ray Oil & Gas Co.	<u>461.30</u>
	\$7,486.94

ON MOTION OF MR. MORGAN, SECONDED BY MR. MARK CASTEL, THE BOARD UNANIMOUSLY AGREED TO ACCEPT AND PAY INVOICES IN THE AMOUNT OF \$62,331.53 (REGULAR BILLS, \$10,820.10; PAID BILLS, \$17,460.58; LATE BILLS, 7,486.94; PennVEST, \$3,896.36 AND \$5,508.55; USDA, \$16,051.00; 1ST SUMMIT, \$1,108.00). BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. CRAIG CASTEL, MR. MARK CASTEL, MR. KINLEY, AND MR. MORGAN.

VI. TREASURER'S REPORT

ON MOTION OF MR. MARK CASTEL, SECONDED BY MR. MORGAN, THE BOARD UNANIMOUSLY AGREED TO DISPENSE WITH THE READING OF THE NOVEMBER 2020 TREASURER'S REPORT AS IT WAS PREVIOUSLY DISTRIBUTED IN WRITTEN FORM AND UNANIMOUSLY ACCEPTED THE REPORT WITH A BALANCE OF: BEGINNING CASH, \$1,643,515.36; CASH IN, \$237,251.27; CASH OUT, (\$270,234.04); ADJUSTMENT, \$0; ENDING CASH, \$1,610,532.59. BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. CRAIG CASTEL, MR. MARK CASTEL, MR. KINLEY AND MR. MORGAN.

VII. SUPERINTENDENT'S REPORT

Mr. Cadwallader informed the Board that the Borough would like to become a user of the Authority's swift reach all call system. The annual cost to the Authority is \$1,225.00; and the charge for connected minute call outs is \$0.10 per connected minute. Discussion took place relative to the Borough paying one-half of the annual fee, which would be \$612.50 per year, as well as paying for the connected minutes for their call outs.

ON MOTION OF MR. MARK CASTEL, SECONDED BY MR. CRAIG CASTEL, THE BOARD UNANIMOUSLY AGREED TO ALLOW THE BOROUGH TO BECOME A USER ON THE AUTHORITY'S SWIFT REACH ALL CALL SYSTEM AND TO PAY ONE-HALF OF THE ANNUAL FEE IN THE AMOUNT OF \$612.50, ALONG WITH PAYMENT BY THE BOROUGH OF THEIR CONNECTED MINUTES FOR ALL OF THEIR CALLS. ATTORNEY EMERICK WILL DRAW UP AN AGREEMENT BETWEEN THE AUTHORITY AND THE BOROUGH. BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. CRAIG CASTEL, MR. MARK CASTEL, MR. KINLEY, AND MR. MORGAN.

Mr. Cadwallader informed the Board that Mr. Kennedy is still off ill; and as of December 2, 2020, he will have used his 80 hours and all sick and vacation time. Discussion ensued relative to the matter, with the following action being taken.

ON MOTION OF MR. CRAIG CASTEL, SECONDED BY MR. MORGAN, THE BOARD UNANIMOUSLY AGREED TO ALLOW MR. KENNEDY TO CARRY OVER HIS SICK TIME FOR 2021 TO COVER HIS CURRENT TIME OFF SICK, WITH THE STIPULATION THAT MR. KENNEDY WILL NOT ACCUMULATE ANY SICK TIME UNTIL IT IS PAID BACK, AT WHICH TIME HE CAN AGAIN ACCUMULATE SICK TIME. ATTORNEY EMERICK WILL DRAW UP AN AGREEMENT BETWEEN THE AUTHORITY AND MR. KENNEDY RELATIVE TO THE ABOVE, TO BE SIGNED BY THE CHAIRMAN AND SECRETARY OF THE AUTHORITY. ANY FUTURE ACTION SIMILAR TO THE ABOVE WILL BE DONE ON A CASE-BY-CASE BASIS. BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. CRAIG CASTEL, MR. MARK CASTEL, MR. KINLEY, AND MR. MORGAN.

ON MOTION OF MR. MORGAN, SECONDED BY MR. CRAIG CASTEL, THE BOARD UNANIMOUSLY AGREED TO APPROVE THE SHUT OFF DATES FOR 2021 AS PRESENTED. BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. CRAIG CASTEL, MR. MARK CASTEL, MR. KINLEY, AND MR. MORGAN.

ON MOTION OF MR. MORGAN, SECONDED BY MR. CRAIG CASTEL, THE BOARD UNANIMOUSLY APPROVED THE MEETING DATES FOR 2021; I.E., JANUARY 7, FEBRUARY 4, MARCH 4, APRIL 8, MAY 6, JUNE 3, JULY 8, AUGUST 5, SEPTEMBER 2, OCTOBER 7, NOVEMBER 4 AND DECEMBER 2. BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. CRAIG CASTEL, MR. MARK CASTEL, MR. KINLEY, AND MR. MORGAN.

Discussion ensued relative to changing future meeting start times from 7:00 p.m. to 6:00 p.m., beginning with the January 2021 meeting.

ON MOTION OF MR. CRAIG CASTEL, SECONDED BY MR. MORGAN, THE BOARD UNANIMOUSLY AGREED TO MOVE THE MEETING START TIME, STARTING WITH THE JANUARY 2021 MEETING, TO 6:00 P.M. RATHER THAN 7:00 P.M. BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. CRAIG CASTEL, MR. MARK CASTEL, MR. KINLEY, AND MR. MORGAN.

ON MOTION OF MR. MARK CASTEL, SECONDED BY MR. MORGAN, THE BOARD UNANIMOUSLY APPROVED THE REQUESTS FOR ADJUSTMENTS RECEIVED FROM THE RESIDENTS AT 903 JEFFERSON AVENUE AND 110 BIRCH STREET. BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. CRAIG CASTEL, MR. MARK CASTEL, MR. KINLEY, AND MR. MORGAN.

Mr. Cadwallader informed the Board that the scrap metal was sold at Johnstown Scrap Metal, with receipt of \$151.00.

ON MOTION OF MR. MARK CASTEL, SECONDED BY MR. MORGAN, THE BOARD UNANIMOUSLY AGREED TO DEPOSIT THE SCRAP METAL CHECK, IN THE AMOUNT OF \$151, INTO THE CAPITAL IMPROVEMENTS ACCOUNT. BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. CRAIG CASTEL, MR. MARK CASTEL, MR. KINLEY, AND MR. MORGAN.

VIII. ENGINEER'S REPORT

A copy of the Engineer's Report was distributed to the Board prior to the meeting.

Mr. Beyer noted that there was no new information relative to the emergency action plan.

Mr. Beyer questioned Attorney Emerick if he had reviewed the agreement that was sent to him on the Benscreek impoundment, to which Attorney Emerick replied that he did not. Attorney Emerick questioned when the agreement needs to be submitted, to which Mr. Beyer replied that another month or two would not be an issue. Attorney Emerick pointed out that the Board can decide to tentatively approve the execution of the agreement pending his and Mr. Beyer's approval.

ON MOTION OF MR. MORGAN, SECONDED BY MR. CRAIG CASTEL, THE BOARD UNANIMOUSLY TENTATIVELY APPROVED THE BENSCREEK IMPOUNDMENT AGREEMENT PENDING REVIEW BY ATTORNEY EMERICK AND MR. BEYER. BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. CRAIG CASTEL, MR. MARK CASTEL, MR. KINLEY, AND MR. MORGAN.

Mr. Morgan commented that it might be easier to work on this project over the winter because in the spring the creek will turn to mud and it will be difficult to enter the area. Mr. Beyer agreed; however, the only concern is that the project would have to be bid out and construction could not start until late spring or early summer. Mr. Cadwallader questioned if Mr. Craig Castel was able to do the e-sign, to which Mr. Craig Castel replied affirmatively. Mr. Kinley noted that he completed the requirements also.

Mr. Beyer questioned the status of the tube settlers, to which Mr. Cadwallader replied that they have been installed. Pictures will be sent to Renee Diehl and it will be completed. Mr. Beyer requested that pictures be sent to him as well.

Concerning the Main Street project, Mr. Beyer noted that the Authority will need to send documentation to PennDOT for payment.

Mr. Beyer informed the Board that the EADS engineering fees for attendance at monthly meetings, as well as the annual dam inspection report, will remain the same for 2021 (\$65 per meeting and \$950 for the annual dam inspection report.) In addition, other engineering fees as requested by the Authority will be billed on an hourly rate. A separate agreement will be provided for any large projects, which will outline the engineering costs and services.

IX. SOLICITOR'S REPORT

Attorney Emerick noted that a copy of his report was provided to the Board prior to the meeting.

As it relates to the Treasurer's Bond, Attorney Emerick reminded the Board that it was decided by the Board that this matter would be tabled until the January meeting when new officers are elected.

Concerning the discounted water rates for charitable organizations, Attorney Emerick noted that this matter was also tabled by the Board until the January meeting.

As it relates to the Mutual Road Agreement, Attorney Emerick commented that he would need to meet with the Forester relative to additional information on deeds and property owners, after which he would have the information needed to submit to everyone involved for signatures. Attorney Emerick will meet with Mr. Barton relative to this matter. Attorney Emerick reminded the Board that there were reservations in some of the deeds for certain property owners that would have access to the roadway. The roadway will not be a public roadway; and it will be for the people who are the subject of the agreement who have reservations in their deeds. Attorney Emerick pointed out that the Authority could make it a business road; however, he would not think the Board would want to do that.

Attorney Emerick informed the Board that he had forwarded a Resolution relative to the discussion at the last meeting concerning the carryover of two weeks of vacation time into 2021 by the employees. This would be a one-time occurrence; and at the end of 2021, it would go back to "use it or lose it" as it is currently.

ON MOTION OF MR. MORGAN, SECONDED BY MR. CRAIG CASTEL, THE BOARD UNANIMOUSLY APPROVED THE RESOLUTION AS PRESENTED. BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. CRAIG CASTEL, MR. MARK CASTEL, MR. KINLEY, AND MR. MORGAN.

X. FORESTER'S REPORT

No report.

XI. UNFINISHED BUSINESS

- Treasurer's Bond

Tabled until the January 2021 meeting.

- Food Pantry/Historical Society Letters – Non-Profits

Tabled until the January 2021 meeting.

XII. NEW BUSINESS

- Mark Kennedy

Discussed earlier in the meeting.

- Christmas Bonus

Mr. Kinley questioned if the Christmas bonus or rate increase were included in the budget, to which Mr. Cadwallader replied that they were not, commenting that the Christmas bonuses would come out of this year's budget, and the rate increase and wage increases would be whatever the Board agreed to for the 2021 budget.

As it relates to the bonus, Mr. Morgan stated the bonuses came out to be so much in past years because Mr. Yetsko donated his Board payment to this. He stated that he was thinking to perhaps grant the bonus based on years of service. He does feel that someone with 30 years of service should receive more than someone with two years of service because it is a bonus. Mr. Morgan does not feel the Authority has \$1,200 to distribute the way it used to. He questioned if can be a cash bonus, to which Attorney Emerick replied that it really should be run through payroll. Mr. Cadwallader noted that, when run through payroll, it falls under the taxes for local and Federal taxes; and, when a bonus of \$300 was given, it would come down to approximately \$200. Mr. Morgan suggested an option of 30+ years, \$200; 20-29 years, \$150; 10-19 years, \$100; 0-10 years, \$50. He commented that the Board could always consider keeping the Christmas bonus the same for this year and then consider it again next year because of the exceptional job that was done on the Main Street project. Mr. Kinley commented that he would agree that the bonus should be kept the same this year and then consider it for next year.

ON MOTION OF MR. MORGAN, SECONDED BY MR. MARK CASTEL, THE BOARD UNANIMOUSLY AGREED, DUE TO THE EXCEPTIONAL JOB THE EMPLOYEES DID ON THE MAIN STREET PROJECT, TO KEEP THE CHRISTMAS BONUS THE SAME AS WAS DONE LAST YEAR AND RECONSIDER THIS NEXT YEAR. BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. CRAIG CASTEL, MR. MARK CASTEL, MR. KINLEY, AND MR. MORGAN.

- Budget 2021

As it relates to the budget for 2021, Ms. Kotzan explained that the budgeted revenue numbers that she assisted Mr. Cadwallader with are based off of what the Authority is billing because the financials are on an accrual basis. The actual 2020 through November of 91.6% is what it should be, and this was taken times 1.02, figuring on a 2% increase only for metered commercial, metered industrial and metered public. For metered domestic, Ms. Kotzan commented, she would recommend a 1% increase in the budgeted revenue because, for the past couple of years, the Authority has been losing more in consumption than what the increase in the rate was. She explained to the Board that for 2020 through November, the Authority is down in consumption 1.6%; and the rates were increased last year by 2%. Ms. Kotzan pointed out that the Authority is not increasing its revenues by 2% because of the decrease in consumption.

Ms. Kotzan pointed out that on the front page of what was presented for the projected budget for net revenue, operating expenses and interest expense, the net income/loss number is \$345,786, which does not include principal payments or depreciation. Her recommendation would be, since the financial statements are on an accrual basis, that the Authority consider doing the entire budget on an accrual basis. Ms. Kotzan noted that the revenues and expenses are on an accrual basis; however, depreciation is not included in the net income/loss number. If the Authority would include depreciation, the net income/loss number would be \$786. Ms. Kotzan pointed out that this is important because the Authority needs to know this number as well as the PennVEST cover number. You need the debt covenant for PennVEST, which would mean you could take the \$786, and you are allowed to buy back your depreciation of \$330, and then subtract the principal payments of \$206,237, which gives you a true accounting for PennVEST of \$139,449. By doing it this way, Ms. Kotzan pointed out, the Authority would be meeting its PennVEST covenant by doing that calculation. If you take the \$345,786, take out the principal payments and depreciation, the net loss would now be \$205,551. Ms. Kotzan pointed out that, for comparison purposes, if you look at 2020 actual versus 2020 budget, it looks skewed because depreciation is not included in the budget. Depreciation is not a cash item; however, comparing to the financial statements, it would be good to have in the budget and to know that estimated number for the PennVEST covenant calculation.

Attorney Emerick questioned Ms. Kotzan, if there was to be a rate increase, what that percentage of increase should be, to which Ms. Kotzan replied that this would be hard to determine because consumption keeps decreasing. Last year, she noted, consumption decreased 5%. Two large consumers, Saycore and Rosebud, had major decreases in their consumption, which affected the Authority's revenue. Ms. Kotzan commented that she is assuming that hopefully consumption will only decrease 1% and that is why budgeted revenue in the proposed budget was only decreased 1% instead of 2%. Ms. Kotzan pointed out that, if the Authority is considering a 2% rate increase, the Authority is still meeting its PennVEST cover by \$139,449. She explained that, if you take the \$345,786 minus the principal payments and depreciation, it puts the Authority at a loss of \$205,551. If the Authority considers a 2% rate increase, it would cover the Authority for PennVEST in that respect, unless consumption decreases 4% again. Ms. Kotzan commented that she did not look at the operating expenses closely, but they are close to what the 2020 budget was. She pointed out that 2020 did come in over budget, but some of that could have been from labor expenses from the Main Street project, to which Mr. Cadwallader interjected that this was the case. Ms. Kotzan noted that if the proposed budgeted expenses stay around the \$902,000, it would be fine; however, you cannot control consumption so you would not want to put the entire 2% in one line item. Ms. Kotzan indicated that she was reading in the minutes regarding discounted water rates as well; and the above needs to be kept in mind when considering discounted water rates.

Attorney Emerick questioned if Ms. Kotzan was saying that a 2% rate increase is a safe increase to cover the costs and also to cover the PennVEST allocation, to which Ms. Kotzan replied affirmatively, based on the assumed decrease in consumption of 1%. The decrease in consumption could be more, but Ms. Kotzan is hopeful that it is not. Ms. Kotzan stated that the biggest hit last year was the decrease in consumption from Saycore and Rosebud; and hopefully, this will slow down so we do not have a continued decrease in consumption. Mr. Cadwallader pointed out that the only other decrease in consumption we may see is from the schools because the students are not in class. Ms. Kotzan agreed, stating as well that with the restaurants shutting down again to only takeout, this could be a factor as well. Mr. Kinley questioned if a 2% rate increase is a safe number, to which Ms. Kotzan replied affirmatively, stating that she would not suggest going lower than 2%. Mr. Cadwallader pointed out that a 2% rate increase would be a \$.50 increase (\$25.05 currently to \$25.55), which would put the Authority in the ballpark with other local authorities. He noted that a 2% increase for January through February would be a \$21,899 revenue increase. Mr. Morgan indicated, with the above discussion, he would think that it should be a 2% rate increase.

Mr. Cadwallader commented to the Board that, last year, the revenues from the 2% rate increase went directly to capital improvements. He questioned if 1% should go directly to revenue and 1% to capital improvements, or keep it at as last year with 2% going directly to capital improvements. Mr. Craig Castel questioned if splitting the 2% would be an option, to which Ms. Kotzan replied that this would be up to the Board to decide. Mr. Morgan questioned what is included in the capital improvement budget currently, to which Mr. Cadwallader replied that the balance is approximately \$300,000. Ms. Kotzan questioned what the cost of the second portion of the Main Street project will be, to which Mr. Cadwallader replied that it should be only labor costs because enough pipe was purchased prior to starting the project to complete the project entirely. Mr. Cadwallader noted that everything is stored; and if the project does not continue, the pipe can be returned. Ms. Kotzan questioned if the monies for the first part of the project were taken out of the general fund, to which Mr. Cadwallader replied that there is a line of credit that was used, but the monies came out of the general account. He explained that a line of credit was taken out, and the monies would need to be placed back into the general account. Ms. Kotzan questioned if the monies would be drawn out and then the line of credit closed, to which Mr. Cadwallader replied affirmatively.

Mr. Morgan questioned if the depreciation over the last two years was what caused the loss, to which Mr. Cadwallader replied that what the Authority lost was really a decrease in consumption which caused the change in revenue, and Ms. Kotzan agreed. Mr. Cadwallader explained to the Board that Rosebud is now using pond water with a pump that goes to their building, which then goes to their truck wash. They are still using the Authority's water when loading trains, sprinkler systems, etc.; however, they decreased water usage off of the truck wash by using the pond. Mr. Morgan commented that when he was employed by the Authority, the truck wash was used heavily, to which Mr. Cadwallader agreed. Mr. Cadwallader commented that, as it relates to Saycore, their production is definitely down as to what it was previously.

Mr. Kinley questioned if the Board wanted to consider the 2% rate increase to go towards capital improvements or split between capital improvements and revenue. Mr. Mark Castel questioned if the monies in capital improvements can be used for anything, to which Mr. Cadwallader replied affirmatively, stating that they could be directed to the Martindale dam spillway or any other project that comes up. Mr. Mark Castel suggested that perhaps we should split the 2% between capital improvements and revenue.

ON MOTION OF MR. MARK CASTEL, SECONDED BY MR. MORGAN, THE BOARD UNANIMOUSLY APPROVED A 2% RATE INCREASE FOR 2021, WHICH WOULD BE SPLIT 1% REVENUE AND 1% CAPITAL IMPROVEMENTS. BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. CRAIG CASTEL, MR. MARK CASTEL, MR. KINLEY, AND MR. MORGAN.

Attorney Emerick pointed out to the Board that, with the rate increase, there is a Schedule of Rates that is within the Authority's Rates Rules and Regulations and Conditions of Service for the Authority that will have to be updated. He noted that he will prepare a Resolution for the Chairman to sign that will update the Schedule of Rates to reflect the 2% increase.

Ms. Kotzan reminded the Board that, the net income/loss number on the front, even though the Authority has the capital improvements listed in the back, they might not need to pay for capital purchases; and this is not included in the number so the Board needs to remember that whatever it needs on its capital purchases will be cash and will not actually be coming off of the budget (the net income/loss number). Discussion ensued regarding a line item concerning the settlers, which Mr. Cadwallader noted that he would confirm the amount and it can be discussed by the Board at the next meeting.

Mr. Cadwallader informed the Board that the main items included in the budget are the following:

- Tank inspections: If the tanks are dirty inside, they will have to be cleaned. We would be looking at either doing one tank per year over the next five years or one tank this year and two tanks next year. The quote received through NexGen includes the tanks not having to be taken out of service to do this. NexGen will do an ROV inspection and an ROV clean if it needs to be done; and the price would be \$7,300 per tank which would include the cleaning but would be less if the tank does not have to be cleaned. Mr. Morgan questioned what the cost would be if the cleaning is not done, to which Mr. Cadwallader replied that he would obtain this information. Mr. Cadwallader recommended that the inspections of the filters be done on a scheduled basis so that everything could be done in Benscreek and that the only thing that would have to be done would be one filter in Martindale.
- Hawk Mountain to have the filter media tested, which is a DEP requirement. They would inspect the filter media. One has already been done in Benscreek and one in Martindale (three cells in filter A). Mr. Morgan questioned what had been done in the past, to which Mr. Cadwallader replied that we had to redo filter B because the filter media came back that it was failing because some sand got into the samples. The samples were pulled again and everything was fine. Mr. Morgan commented that he would confirm this with the plant employees.
- Tires for Unit 2 and tires for dump truck: quotes received as follows:
 - Unit 2: The Tire Shop, \$512; Portage Service Center, \$660.
 - Dump truck: The Tire Shop, \$828; Tredrite, \$750; Portage Service Center, \$930 (there are six tires on the truck).

Mr. Morgan questioned where the monies for the tires would come from, to which Mr. Cadwallader replied that this would be under the general fund/vehicle expenses. Mr. Morgan pointed out that he feels this should be a decision that Mr. Cadwallader should make and that he does not think we need to budget for a tire for a vehicle. If Mr. Cadwallader knows that a tire is bad on a vehicle, it should be replaced to ensure employee safety. Mr. Cadwallader agreed, pointing out that the tires on Unit 2 will be worn out completely by the spring and will need to be replaced. Ms. Kotzan questioned if the capitalization is included in the budget, to which Mr.

Cadwallader replied that these were just brought up for purchase but were not included in the budget. Mr. Morgan noted that perhaps next year we could budget a certain amount per truck, to which Mr. Cadwallader agreed.

- Mr. Cadwallader commented that, as it concerns the turbidity meters, he and Mr. Thompson discussed this, and they feel that we should hold back on these. The meters are working fine currently; and if there are any concerns, he will bring this to the Board's attention.

Mr. Kinley questioned if there was anything else that should be considered for the budget. Mr. Morgan commented that he wanted to bring up to the Board a potential incentive relative to the new secretary, Jenifer Flowers, as it relates to vacation hours and sick hours (i.e., 20 hours vacation and 20 hours vacation). Attorney Emerick questioned if there is a probationary period that needs to be considered. Ms. Flowers noted that she was only questioning this in the event that, as a new employee, she needed to request time off due to the weather or if she had to come in late due to the weather as she lives one hour away. She noted that she would just appreciate whatever the Board could do. Mr. Mark Castel indicated that consideration could be considered if it was needed by Mr. Flowers. Mr. Craig Castel questioned, if Ms. Flowers does not use the vacation hours, is it something she could carry over until next year, to which Mr. Morgan replied that he would recommend that the hours be included under sick time rather than vacation time so that, if she has to come in late, she has the hours in the bank so that she has no concerns.

Attorney Emerick commented that, according to the Personnel Policies, there is a section that specifically indicates that probationary employees will not receive any fringe benefits, sick time or vacation time. Mr. Morgan pointed out that Ms. Flowers' probationary period will not end until February, and perhaps consideration should be given to providing 20 hours due to her travel time during the winter time. Ms. Flowers noted that if it is not in the policy, she can understand that; and if she is late coming in, it would be off of her time. Attorney Emerick noted that he would understand this, but he would have to review what was included in the policy. He questioned Ms. Flowers if this is something that the Board could review after any occurrence, to which Ms. Flower replied affirmatively. Attorney Emerick commented that we would not want to violate the personnel policies but we could look at emergencies such as a weather events. He noted that the 90-day probationary period is to be considered for habitual issues; and, in Ms. Flowers case, this could be looked at. Attorney Emerick noted that, as it relates to Mr. Morgan's question, he is not sure the Board could agree to allocate an amount of time to Ms. Flowers because it would be contrary to what is included in the personnel policies. Mr. Flowers noted that she appreciated the consideration. Mr. Cadwallader questioned if he understood correctly that there would be no repercussions to Ms. Flowers if she was late until after her 90 days were in, to which Mr. Morgan replied affirmatively, commenting that any other concerns could be brought to the Board for consideration.

Discussion ensued relative to various line items in the budget on projects being considered. Mr. Cadwallader noted that he would bring all projects to the Board's attention to determine if the projects could be done in-house prior to bidding any projects.

ON MOTION OF MR. CRAIG CASTEL, SECONDED BY MR. MARK CASTEL, THE BOARD UNANIMOUSLY APPROVED THE PROPOSED BUDGET FOR 2021 TO INCLUDE THE RATE INCREASE AS DISCUSSED ABOVE. BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. CRAIG CASTEL, MR. MARK CASTEL, MR. KINLEY, AND MR. MORGAN.

- Wage Increases

Mr. Morgan questioned if we have the projection in the budget with the salaries included, to which Mr. Cadwallader replied affirmatively, noting that it is an average of December.

Mr. Mark Castel questioned Mr. Cadwallader as to who did the majority of the digging on the Main Street project, to which Mr. Cadwallader replied that Ron Davis, from the Sewer Authority, did most of the digging and the Sewer Authority's machine was backfilling. Mr. Cadwallader explained that the Authority employees were needed in the ditch. Mr. Mark Castel commented that Mr. Gouse has more responsibilities, to which Mr. Cadwallader agreed. He explained that Mr. Gouse does most of the digging on other projects; however, for the Main Street project, his help was needed in the ditch.

Mr. Morgan questioned if employee evaluations are completed each year, to which Mr. Cadwallader replied affirmatively; however, he has not completed the evaluations for this year as yet. Mr. Morgan commented that he would need to see the evaluations prior to considering any wage increase. He pointed out as well that we would need to consider the major increase in the insurance premiums when looking at a wage increase. Attorney Emerick questioned if there is a wage increase included in the budget, to which Mr. Cadwallader replied that there is not because this would have to be determined by the Board. Attorney Emerick commented that, since there is no wage increase included in the budget, then no action is required by the Board. Mr. Mark Castel commented that increases in the insurance premium would affect wage increases this year, to which Mr. Morgan agreed, stating that the Board really needs to base their decision on the increase in the health insurance premiums.

Following discussion, the Board agreed that, due to the increase in the insurance premiums for 2021 and other factors, there would be no wage increases granted for 2021.

XIII. GOOD OF THE ORDER

- General Discussion

Mr. Kinley questioned what action he should take relative to event that occurred following the last Board meeting concerning another Board member that approached him following the last meeting, to which Attorney Emerick stated that Mr. Kinley could submit a statement that he would like to make the Board aware of that could be included as part of the minutes from the last meeting, which could be included as a written statement or a verbal statement. Mr. Morgan commented that the meeting was adjourned and the discussion took place outside of the Authority building on the sidewalk. Attorney Emerick stated that what he thought was being asked was whether there was something that could be done relative to this matter and whether a written statement could be submitted concerning the events that took place that could be made part of the record of the last meeting or if a verbal submission should be made to be part of the minutes of this meeting, Mr. Kinley noted that he would handle this. Mr. Morgan stated that Messrs. Craig Castel and Mr. Mark Castel were present when the event took place outside following the last meeting; and he does not feel the discussion should be included as part of the meeting. Mr. Morgan noted that he had not made threats; and he is concerned that Mr. Kinley brought his up.

Mr. Kinley stated that it was great working with everyone on the Board; and he wished his good luck to everyone as he has submitted his resignation from the Board. He noted that he would definitely come back in the future to assist.

XIV. ADJOURNMENT

THERE BEING NO FURTHER BUSINESS, ON MOTION OF MR. CRAIG CASTEL, SECONDED BY MR. MORGAN, THE BOARD ADJOURNED THE MEETING AT 9:15 P.M. BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. CRAIG CASTEL, MR. MARK CASTEL, MR. KINLEY, AND MR. MORGAN.

XV. NEXT MEETING

The next meeting will be held on Thursday, January 7, 2021, at 6:00 p.m.

Respectfully submitted,

Sharon Squillario
Recording Secretary