

A meeting of the Board of Directors of the Municipal Authority of the Borough of Portage was held on Thursday, April 3, 2014, at 7:00 p.m., in the Conference Room at 606 Cambria Street.

Those in attendance were:

Ray Bowman, Chairman
Tom Hodgkinson
Steve Koval
Jerome Yetsko

Also present were: Ron Cadwallader, Jr., Superintendent; Attorney Bill Barbin, Solicitor; Joe Beyer, The EADS Group; and residents, Don Benton, Troy Layo, Jay Roberts, Mark Sease, Randy Sease and Mike Jubina.

I. CALL TO ORDER

Mr. Bowman, 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. Bowman recognized Messrs. Benton, Layo, Roberts, Sease, and Sease. As spokesperson for the group, Mr. Benton commented that all of the residents present live along Cemetery Road. Personally, Mr. Benton noted, he has lived in that area for 34 years and has been experiencing low water pressure for most of that time. However, in that last few weeks, the water pressure is so low that it is even difficult to take a shower. He commented that the residents were present at the meeting to inquire of the Board if anything could be done to address this concern.

Mr. Bowman stated that, in a good sense, the Authority is very close to this area now with the high pressure water available on West Westley Avenue. However, the Authority is unable to feed that water into town because it works on gravity, and the Spring Hill tank only has so much that can come out of it per day and still remain full on gravity. Mr. Bowman noted that it is a flow proportion situation. He indicated that if the Authority could find a way to stop it at the development, it could probably pull it off and handle the development, but not much more than that. Mr. Bowman stated that the only solution that has been discussed by some would be to install a spur line running on Cemetery Road only. The line would not replace the original line because the original line is part of a loop system covering the development and is needed to keep the dirty water down. The spur line would be a dead end line, which would mean that the last residents on the end of the line may experience dirty water. Mr. Bowman explained that installing the spur line would mean that the residents would be required to retap into the line (not a retap fee per se), which may require the residents to dig their current line in a different area or direction. Mr. Benton questioned if this would mean that the homeowners would have to take on the expense to upgrade their own systems, to which Attorney Barbin explained that, if the Authority would run a line for the residents in order to provide more water pressure, the residents would need to reconnect to the new line and may have to absorb a cost to reconnect to the new line that is installed (not a tap fee, but running of lines).

Mr. Sease commented that when the Authority did the project on Blair Street, that is when he began experiencing low water pressure and sometimes he has no water at all, to which Mr. Cadwallader interjected that Mr. Sease is actually less than what the reservoir is in elevation. Mr. Benton questioned if the Authority has had any complaints from the residents of the development, to which Mr. Bowman replied negatively noting that the residents bordering Cemetery Road (higher end of the development) have some problems, but further into the development they do not.

Mr. Cadwallader shared with the residents a map outlining where the current line runs and how the water runs, as well as and where the proposed spur line would run. Mr. Benton questioned if the

residents would have an expense, to which Mr. Cadwallader replied that, when the new line is run, if the residents want to change their line it would be fine, but what the residents would be looking at is 160-170 pound pressure, which would mean the residents would have to install pressure reducers. Mr. Bowman commented that, if the Authority undertakes this project as proposed, it may mean that the residents could have the opposite concern. Mr. Cadwallader emphasized that the residents need to understand that this will be a dead end line, and DEP does not like dead ends. The residents may experience dirty water unless a blow off is installed to release the water. Mr. Benton questioned if he was correct that the residents would have more water pressure but may experience dirty water. Mr. Cadwallader explained that the water would not be dirty all of the time, but there will be a silt buildup that will occur which would cause the dirty water. He commented that the Authority does flush the lines twice a year, but in between the flushings, there may be sediment that would build up in the lines. Mr. Hodgkinson questioned if there would be anything that could be done to reduce this happening, to which Mr. Cadwallader replied that a blow off could be installed if there are problems in the future, or the Authority could open the line. Mr. Sease questioned what the homeowners would then need to do if they experience the dirty water, to which Mr. Cadwallader replied that if the problem keeps occurring, the blow off could be installed or the line could be opened.

Mr. Roberts questioned if there is a timeline for the project, to which Mr. Bowman replied that this is the first time the Board discussed this matter. Mr. Roberts commented, that in reference to the Spring Hill plant, there are probably 12 homes that are affected by this concern. Mr. Cadwallader indicated that the higher up the hill the residents are, the worse the problem will be. Mr. Bowman noted that there was one resident that approached the Board in the past regarding a similar concern but was not willing to invest the monies to address the concerns. Mr. Bowman commented that Bob Koban is also experiencing a similar concern and may have to run his line in a different direction toward Cemetery Road to address the concern. Mr. Benton noted that, speaking for himself, he will foot the expense in order to obtain the water pressure. Mr. Roberts stated that the Authority does a tremendous job; however, not only are the residents concerned about the water pressure in their homes, but there is a concern with the water pressure in the event of a fire in the area. Mr. Koval questioned if there is a hydrant in that area, to which Mr. Cadwallader replied affirmatively. Attorney Barbin stated that the hydrant being affected as well would be a concern. Mr. Cadwallader interjected that DEP requirements for residents is that the Authority provide 20 pounds of pressure, and the residents are at approximately 25 pounds of pressure currently. Mr. Sease commented that the loop is where the problem started because water does not run uphill. Mr. Cadwallader noted that there is actually two loops in that area.

Mr. Benton questioned if the Board is going to do this project, to which Mr. Bowman replied that the matter will be discussed and considered further by the Board. Mr. Benton questioned if it would then be up to the homeowners to determine what the expense would be to come through their property in a different direction to tap into the new line, to which Mr. Bowman replied affirmatively. Attorney Barbin questioned if the original line would be removed, to which Mr. Cadwallader replied negatively indicating that the new line would be run parallel to the current line. Attorney Barbin questioned if residents that do not want to tap into the new line can stay on the current line, to which Mr. Beyer replied affirmatively. Attorney Barbin further questioned if residents did not want to expend any monies to change their line they would not have to make any changes, to which Mr. Beyer replied affirmatively. Mr. Bowman noted that you would not want to disconnect because you would break the loop that has already been established. He noted that going further down Cemetery Road, the Authority is unable to cross-connect the high pressure system into town because there would be a pressure gain that would be going against the Mountain Avenue tank; and you would not be able to keep any water in the Spring Hill tank because of the excess pressure concern.

Mr. Benton thanked the Board for their consideration. Mr. Bowman stated that the Authority strives to improve the water system in any way it can. Messrs. Benton, Layo, Roberts, Sease, and Sease departed from the meeting at this time.

Mr. Bowman recognized Mr. Jubina. Mr. Jubina noted that he was merely present to observe the meeting and had no concerns to bring before the Board.

III. CORRESPONDENCE

Mr. Bowman stated that the following correspondence was received:

- PMA Spring Management Workshop to be held April 8. Any Board member interested was asked to contact Mr. Cadwallader.
- WWOAP continuing education program to be held on April 4 in York, Pennsylvania.
- Letter from Trout Run Watershed Association indicating that the Trout Run Water Association, in conjunction with the Portage Area School District, will be conducting a clean-up day in honor of Earth Week on April 25 from 12:00 – 2:00 and asked the Authority's participation as done in the past in providing a dump truck. Mr. Cadwallader noted that the Authority has provided the dump truck in the past and has also provided tours of the plant.

ON MOTION OF MR. HODGKINSON, SECONDED BY MR. YETSKO, THE BOARD UNANIMOUSLY APPROVED THE REQUEST RECEIVED FROM THE TROUT RUN WATER ASSOCIATION FOR THE AUTHORITY'S PARTICIPATION AS REQUESTED IN THE CLEAN-UP DAY ON APRIL 25 AS HAS BEEN DONE IN PREVIOUS YEARS. BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. BOWMAN, MR. HODGKINSON, MR. KOVAL, AND MR. YETSKO.

IV. APPROVAL OF MINUTES

ON MOTION OF MR. KOVAL, SECONDED BY MR. HODGKINSON, THE BOARD UNANIMOUSLY AGREED TO DISPENSE WITH THE READING OF THE MARCH 6, 2014 MINUTES BEING THAT THEY WERE DISTRIBUTED IN WRITTEN FORM AND UNANIMOUSLY ACCEPTED THE MINUTES AS PRESENTED. BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. BOWMAN, MR. HODGKINSON, MR. KOVAL, AND MR. YETSKO.

V. AGENT'S EXPENDITURES

ON MOTION OF MR. KOVAL, SECONDED BY MR. HODGKINSON, THE BOARD UNANIMOUSLY APPROVED THE AGENT'S EXPENDITURES AS PRESENTED IN THE AMOUNT OF \$225.19. BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. BOWMAN, MR. HODGKINSON, MR. KOVAL, AND MR. YETSKO.

VI. INVOICES

1 st Summit Bank	\$ 14.32
Brian Cadwallader	2,000.00
Cambria Mailing Services Inc	76.58
Capital Region Benefits Inc	84.71
CMPA	1,000.00
EADS Group	3,295.05
Ebensburg Office Supply	231.89
Environmental Service Labs	144.00
Hach	1,190.00
Hiesel Excavating	378.24
Hines Equipment	1,727.28
Hite Co.	619.05
Kline Kimlin	6,550.00
L/B Water Service Inc	6,126.18

Laurel Sand & Stone	312.05
Link Computer Corp	1,192.50
Long Barn Inc II	165.00
Mary L Elchin	144.00
National Road Utility Supply	489.13
New Enterprise Stone & Lime Co	1,091.96
Niper's Auto Repair	100.00
PennCredit	23.27
Portage Auto Parts	59.66
Portage Post Office	147.00
Portage Service Center	744.65
Ray Oil & Gas	5,058.61
Raymond G Bowman	50.00
RDM – Johnstown LLC	670.00
Ronald J Cadwallader, Jr	20.00
Sharon Squillario	50.00
Sheetz Fleet Service	509.20
Stager's Store	408.38
Stephen F Koval	50.00
Thomas Hodgkinson	50.00
Thomas Kunko	50.00
Truck Trailer Parts Inc	60.01
Univar USA Inc	8,238.47
Visa – 1 st Summit	92.72
	<u>\$43,213.91</u>

Paid Bills

PA One Call System	\$ 58.10
Comcast	211.92
Health America	5,172.24
Penelec	1,643.33
Peoples Natural Gas	592.00
REA Energy Cooperative	1,438.24
Ryan Nadolsky	49.68
Aflac	153.38
FWF Insurance Agency	2,066.00
Pro Disposal	142.00
Staples Credit Plan	49.80
Verizon	340.94
Verizon Wireless	178.73
Vincent Crum	100.00
Vermeer Sales & Service	13,406.00
	<u>\$25,602.36</u>

ON MOTION OF MR. KOVAL, SECONDED BY MR. HODGKINSON, THE BOARD UNANIMOUSLY AGREED TO ACCEPT AND PAY INVOICES IN THE AMOUNT OF \$78,221.18 (REGULAR BILLS, \$43,213.91; PAID BILLS, \$25,602.36; PennVEST, \$3,896.36 AND \$5,508.55). BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. BOWMAN, MR. HODGKINSON, MR. KOVAL, AND MR. YETSKO.

VII. TREASURER'S REPORT

ON MOTION OF MR. HODGKINSON, SECONDED BY MR. KOVAL, THE BOARD UNANIMOUSLY AGREED TO DISPENSE WITH THE READING OF THE MARCH 2014 TREASURER'S REPORT AS IT WAS PREVIOUSLY DISTRIBUTED IN WRITTEN FORM AND UNANIMOUSLY ACCEPTED THE REPORT WITH A BALANCE OF: BEGINNING CASH, \$1,432,789.23; CASH IN, \$218,915.67; CASH OUT, (\$240,841.78); ADJUSTMENT (INTEREST), \$0; ENDING CASH, \$1,410,863.12. BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. BOWMAN, MR. HODGKINSON, MR. KOVAL, AND MR. YETSKO.

VIII. SUPERINTENDENT'S REPORT

Mr. Bowman 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.

As it relates to the Front Avenue/Plane Road project, Mr. Cadwallader informed the Board that all of the pipe has been laid down to Front Avenue. The completion date for this project is April 11; and the contractor feels everything should be completed by that time.

Concerning the CDBG project, Mr. Cadwallader reported that everything has been completed with the exception of some on Spring Hill, which the contractor will come back to. The contractor will then begin the clean-up, patching the roads, etc. Mr. Bowman questioned if the restoration should be started prior to the next meeting, to which Mr. Cadwallader replied affirmatively, with the exception of the blacktop.

Mr. Cadwallader apprised the Board that the generator is very close to being fired up. Ray Oil & Gas has installed the regulator; and the gas line is run. He commented that the heaters will be hung soon. Once the rain stops, we will then transfer the well. Mr. Cadwallader noted that on April 18, Cummins Bridgeway will come in to fire up the generator. Mr. Bowman questioned if the warranty on the generator will begin at that time, to which Mr. Cadwallader replied affirmatively. Mr. Hodgkinson questioned if it will be propane, to which Mr. Cadwallader replied affirmatively. Mr. Cadwallader noted that the quote from Ray Oil & Gas was submitted at this meeting for approval under the invoices. He commented that it is still not equal to the original quote, but it is close.

Mr. Cadwallader reported that the project at Amfire as discussed at the last meeting has been completed. He noted that Amfire was impressed with the outcome. Mr. Bowman commented that he was extremely impressed with the boring machine that was used for this project. He noted that this was a beneficial purchase that the Board approved at the last meeting.

Mr. Cadwallader informed the Board that there was a problem yesterday with the pressure tank at the Martindale plant which will be fixed tomorrow. Mr. Bowman explained that the pressure system we have at the Martindale plant covers one resident in the rear of the plant and three other residents on Salt Block Road. Because of the levels of the homes, these residents would have no pressure, so they are on the pressure circuit from the plant.

Mr. Yetksko questioned the status of the Dulancey Drive/Main Street project, to which Mr. Cadwallader replied that he is looking at starting this project the last week of April. He commented that he is trying to complete all of the taps before this project is started. Mr. Cadwallader reported that the Authority was granted the 75% as long as the project is completed by May 27, which is the deadline. He explained that when the project is started, three employees will work on that project (two from the distribution crew and one from the plant), Mr. Cadwallader will be at the office to address any concerns, Mr. Moore will be doing the readings, and the remaining plant employees will take care of

the plants. Mr. Bowman noted that the Borough and Sewer Authority employees will also be available to assist with the project as well.

Mr. Hodgkinson questioned when the restoration will be completed on Grant Street and Johnson Avenue, to which Mr. Cadwallader replied that restoration on Johnson Avenue has started; however, as soon as everything dries out, the contractor will return to complete the restoration.

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 noted that Mr. Cadwallader has already discussed the water system improvement project.

As it relates to the annual tank inspection at the end of the warranty, Mr. Beyer stated that Mid Atlantic would like to empty the tank in order to thoroughly inspect the inside of the tank as well. Mr. Cadwallader commented that he would like to see this done in order to ensure that there are no defects on the inside of the tank in that the warranty would be ending. Mr. Koval questioned if the residents would be notified before the tank is emptied because they will notice a change in pressure, etc., to which Mr. Cadwallader replied affirmatively. Mr. Beyer indicated that, ultimately, if nothing is wrong, Mid Atlantic can disinfect and then the tank would only be down two days. Mr. Cadwallader stated that this is only if all of the samples come back satisfactory. Mr. Cadwallader questioned if Mid Atlantic has to physically go inside the tank, to which Mr. Beyer replied affirmatively. Mr. Cadwallader commented that if Mid Atlantic does not have to physically go inside the tank and only pops open the hatch, technically we would not have to do any testing because Mid Atlantic would then not be contaminating the tank. Mr. Hodgkinson questioned if any cameras could be used, to which Mr. Cadwallader replied that there are other ways of doing it; i.e., diving or using remote cameras but you would be adding to the expense. Mr. Bowman stated that it may be a substantial inconvenience. Mr. Beyer noted that it is in the Authority's best interest to get the best inspection possible since the warranty will be ending. Mr. Cadwallader questioned if an option would be to run a remote camera, to which Attorney Barbin replied that it may be best to check into this in order to avoid technical contamination. Mr. Cadwallader noted that we would also need to ensure that there would be no additional cost to the Authority if the remote cameras are used. Mr. Yetsko questioned if the residents on Spring Hill will be without water, to which Mr. Cadwallader replied negatively noting that they would only experience lower pressure. Mr. Beyer noted that he would speak with Mid Atlantic.

Mr. Beyer commented that Mr. Cadwallader had already discussed the CDBG project and the Main Street intersection project.

Mr. Cadwallader informed the Board that Attorney Barbin had forwarded information relative to the announcement of the availability of a DCED grant. This is the same grant that the Authority discussed previously relative to the Mountain Avenue project (\$37,000 which was rejected by the Authority in that the grant was not in the amount originally requested and would not benefit the Mountain Avenue project). Mr. Beyer commented that the maximum grant amount would be \$150,000. He indicated that he did prepare for the Board, if the Authority applied again for the DCED grant, pricing to complete Groggin Lane, Meadow Lane and the loop toward Twin Lakes. The cost for Groggin and Meadow Lanes would be \$113,000; and if you loop it toward Twin Lakes, the cost would be \$168,000. Mr. Beyer pointed out that the \$168,000 cost does not fall in the \$150,000; however, there are a lot of contingencies built into the quote. Mr. Beyer stated that he did contact DCED; and DCED indicated that they would check because it was not clear in the grant application if the Authority would be able to put more monies toward the project over the \$150,000 or if the project cost has to be within the \$150,000. If it has to be within the \$150,000, Mr. Beyer pointed out, the contingencies could be removed. Mr. Cadwallader commented that he is hopeful that there will not be any ill effect on the Authority for rejecting the previous grant.

Mr. Hodgkinson questioned if the above proposal has anything to do with the Jamestown project, to which Attorney Barbin replied that it would improve the loop and would make for a better system. Attorney Barbin questioned if the grant monies could perhaps be used to address the concerns on Cemetery Road as discussed earlier in the meeting. Mr. Bowman commented that, after talking with Mr. Cadwallader, he had concluded three options for the use of the grant monies; i.e., Martindale/Frazier Avenue, increasing the pressure on Cemetery Road, or the Twin Lakes area; and Mr. Beyer had prepared a quote for the Twin Lakes area. Mr. Koval commented that, after hearing the concerns of the residents earlier in the meeting, he would recommend we look at requesting the grant monies for the Cemetery Road area. Mr. Hodgkinson questioned when a decision needs to be made by, to which Mr. Beyer replied that the deadline for the grant application is May 15. The process would be the same as was done with the grant application for the Mountain Avenue project; i.e., letters from community members, etc. Mr. Cadwallader commented that he could request letters of support from the residents that were present at tonight's meeting. Mr. Cadwallader questioned if the current grant application is similar to the last one where we have to show that the project would create jobs, to which Mr. Beyer replied that the current grant application is not as detailed as the last one. Mr. Hodgkinson indicated that he is sure the residents present at tonight's meeting would provide letters, to which Attorney Barbin agreed.

Mr. Cadwallader stated that the grant awards range from \$50,000 - \$150,000. Mr. Koval questioned the cost of doing the Cemetery Road project and whether the project could be looped. Mr. Beyer noted that he could provide an estimate for the project. Mr. Cadwallader pointed out that you can only tie into similar pressure. Mr. Koval stated that, if that is the case, we could then add the blow-off. Mr. Bowman commented that, either that or add a hydrant.

Mr. Cadwallader questioned what the footage was for the Jamestown project, to which Mr. Beyer replied that it was 3,000 feet and the cost was \$170,000. Mr. Cadwallader indicated that this project, however, had a lot more taps and bores than the Cemetery Road project would have. Mr. Koval stated that he would think the Cemetery Road project would fall within the \$150,000. Mr. Hodgkinson agreed that the Cemetery Road project should be considered for the grant monies. Attorney Barbin agreed indicating that this is definitely an immediate concern. Mr. Cadwallader stated that, on the previous grant application, we had only requested one project; and he questioned if perhaps we should include the three projects as noted by Mr. Bowman. Mr. Beyer noted that there would be a \$100 fee for each grant application. Attorney Barbin indicated that he does not believe you can file for multiple projects; but if the Authority does, he believes the Authority will be asked which project it wants to address. Mr. Beyer pointed out that DCED is only giving away \$3M in grants. Mr. Bowman commented that he would agree that the Authority should concentrate on the Cemetery Road project. Mr. Beyer stated that it may be good if the project is below the \$150,000 threshold; and if the amount is something smaller, it would still be to the Authority's advantage. Mr. Bowman stated that we could also consider a spur down Koban Lane to perhaps get closer to the \$150,000. Mr. Cadwallader indicated that if the Authority is granted the \$150,000, we could put a pressure reducing station in and tie it back in. The Board discussed those residents that would be included if the Cemetery Road project is considered. Attorney Barbin stated that, if you increase pressure to these residents, they will have to be informed of the DEP standards being that it will be a dead end area. Mr. Cadwallader indicated that the way it will be set up is that there will be a pressure reducer meter and dual check valve. Mr. Bowman asked that we get as close to the \$150,000 for this project without going over; and if the Authority does not receive the total amount, we can then do the core of the area.

ON MOTION OF MR. KOVAL, SECONDED BY MR. HODGKINSON, THE BOARD UNANIMOUSLY AGREED THAT THE AUTHORITY REQUEST A PA SMALL WATER AND SEWER PROGRAM GRANT OF \$150,000 FROM THE COMMONWEALTH FINANCING AUTHORITY TO BE USED TO INCREASE WATER PRESSURE TO RESIDENTS OF THE CEMETERY ROAD AREA. IT WAS FURTHER AGREED THAT THE AUTHORITY CHAIRMAN AND SECRETARY BE AUTHORIZED TO EXECUTE

ALL DOCUMENTS AND AGREEMENTS BETWEEN THE AUTHORITY AND THE COMMONWEALTH FINANCING AUTHORITY TO FACILITATE AND ASSIST IN OBTAINING THE REQUESTED GRANT. BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. BOWMAN, MR. HODGKINSON, MR. KOVAL AND MR. YETSKO.

Mr. Bowman questioned if Mr. Cadwallader and Mr. Beyer should contact the residents involved in order to request letters of support, to which Attorney Barbin replied affirmatively. Attorney Barbin commented that, since the resolution was approved, the application for the grant can be submitted when it is finalized. Mr. Beyer noted that he will also need a \$100 check from the Authority to submit with the grant application. Mr. Bowman asked that he be advised what the core price is. Mr. Beyer stated that it would probably be around \$100 per foot. Mr. Cadwallader stated that he has been informed that the cost of pipe will be going up enormously in the next couple of weeks; and the cost of a valve has also increased tremendously.

X. SOLICITOR'S REPORT

Attorney Barbin stated that he did submit his report prior to the meeting for the Board's review.

Attorney Barbin apprised the Board that the Bond Counsel submitted the note and resolution (standard USDA documents), stating that the Authority promises to pay the project debt for 40 years. Attorney Barbin explained that the resolution would authorize the closing out of the bank loans; and USDA would pay off S&T and Somerset Trust.

ON MOTION OF MR. HODGKINSON, SECONDED BY MR. KOVAL, THE BOARD UNANIMOUSLY APPROVED THE RESOLUTION AND NOTE AS PRESENTED. BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. BOWMAN, MR. HODGKINSON, MR. KOVAL AND MR. YETSKO.

Mr. Hodgkinson questioned when the payments would start, to which Mr. Bowman replied that the way it is written in the repayment agreement is that the Authority would be on payments every six months. Mr. Bowman questioned Attorney Barbin if this could be converted to a monthly payment, to which Attorney Barbin replied that, as long as the USDA does not sell the note to a private financier, they will bill the Authority monthly. Attorney Barbin explained that the way the agreement is written is that USDA could sell the note to anyone at any time.

Attorney Barbin noted that he included in his report information relative to the watershed and the gas wells. He explained that the Authority controls the 2,000 acres it owns and can keep the gas companies off of that area. However, on the Long tract (866 acres), the Authority does not own the gas rights and would be unable to keep the gas companies out of that area. Under the Supreme Court ruling, Attorney Barbin noted, if they have the gas rights, the companies have the right to enter the land for drilling. This is not the same as the transmission line. He commented that the Johnstown Water Authority has the same type of issue with the Norfolk watershed. No one is planning on drilling currently, but they are looking at getting the plot of the fractures just in case it is needed. Attorney Barbin noted that the Pennsylvania Supreme Court has ruled that gas companies can come onto the property and take the necessary steps in a reasonable way to harvest the gas, but the landowner can say where they want the lines placed if you have reason to do that. The Johnstown Water Authority received a quote of \$11,000 to do a fracture tract report on their acreage; and it would probably cost the Portage Water Authority approximately \$8,000 to do the same on its acreage. Attorney Barbin commented that the future says there will be gas wells everywhere, so to have this type of information would be beneficial to the Authority. If the Authority is interested, Attorney Barbin recommended that Jim Castleberry be contacted. Mr. Hodgkinson questioned if it would cost the Authority anything to obtain a quote, to which Attorney Barbin replied negatively.

ON MOTION OF MR. HODGKINSON, SECONDED BY MR. KOVAL, THE BOARD UNANIMOUSLY AGREED TO OBTAIN A QUOTE TO PERFORM A FRACTURE TRACE ANALYSIS FOR THE WATERSHED TO IDENTIFY SENSITIVE AREAS IN THE EVENT OF DRILLING IN THE FUTURE. BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. BOWMAN, MR. HODGKINSON, MR. KOVAL AND MR. YETSKO.

Mr. Koval commented that once a quote is received, it is something the Authority could consider building into the budget next year.

XI. FORESTER'S REPORT

No report.

XII. UNFINISHED BUSINESS

- Front Avenue and Plane Road Project

Discussed earlier in the meeting. Project ongoing.

- CDBG Project

Discussed earlier in the meeting. Project ongoing.

- Employee Issues

Mr. Bowman noted that he met with the employees recently; and there were no issues identified to be discussed.

- 2013 Audit

Mr. Bowman requested a motion to approve the audit as presented at the last meeting.

ON MOTION OF MR. HODGKINSON, SECONDED BY MR. KOVAL, THE BOARD UNANIMOUSLY APPROVED THE AUDIT AS PRESENTED AT THE MARCH 2014 MEETING. BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. BOWMAN, MR. HODGKINSON, MR. KOVAL AND MR. YETSKO.

XIII. NEW BUSINESS

- Act 205

Mr. Bowman stated that the actuarial accounting of the pension plan has been completed and is ready for submission once reviewed and approved by the Board. Mr. Cadwallader noted that the auditors do provide the information as requested by PMRS.

ON MOTION OF MR. KOVAL, SECONDED BY MR. HODGKINSON, THE BOARD UNANIMOUSLY APPROVED ACTUARIAL ACCOUNTING OF THE PENSION PLAN AS PRESENTED AND APPROVED ITS SUBMISSION. BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. BOWMAN, MR. HODGKINSON, MR. KOVAL AND MR. YETSKO.

- Line of Credit Payment

Mr. Bowman stated that it was agreed that a line of credit be utilized for the purchase of the boring machine in the amount of \$13,406. He stated that information was provided to the Board prior to the meeting; and the Board needs to decide on a term for the payback.

ON MOTION OF MR. HODGKINSON, SECONDED BY MR. YETSKO, THE BOARD UNANIMOUSLY AGREED TO A THREE YEAR TERM FOR THE LINE OF CREDIT RELATIVE TO THE PURCHASE OF THE BORING MACHINE IN THE AMOUNT OF \$13,406. BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. BOWMAN, MR. HODGKINSON, MR. KOVAL AND MR. YETSKO.

- PA Small Water & Sewer Grant

Discussed earlier in the meeting.

XIV. GOOD OF THE ORDER

- Requests for Adjustments

Mr. Bowman presented the following requests received for adjustments:

- 1008 Hopher Avenue – leak under trailer. Consumption, 678,000 gallons; average consumption, 300 gallons. Bill received, \$451.44; adjusted bill, \$105.44.
- 915 Gillespie Avenue – broken pipe under sink. Consumption, 18,600 gallons. Bill received, \$140.49; adjusted bill \$42.37.

ON MOTION OF MR. KOVAL, SECONDED BY MR. YETSKO, THE BOARD UNANIMOUSLY APPROVED THE ABOVE REQUESTS FOR ADJUSTMENT AS PRESENTED. BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. BOWMAN, MR. HODGKINSON, MR. KOVAL, AND MR. YETSKO.

Mr. Bowman apprised the Board that a request for adjustment was received from the Portage Area School District. A pipe broke under the floor. At the time of the break, the Authority's policy was a once in a lifetime adjustment, and the School District did not want to use their once in a lifetime adjustment at that time. The School District has now resubmitted their request for an adjustment. At the time of the break, the total consumption was 223,300 gallons, with an average consumption of 62,000 gallons; and the adjusted bill would be \$674. Mr. Bowman explained that the break was under a slab portion of the building; and it occurred in the Spring of 2013. Attorney Barbin commented that this is a special case; and there is a legitimate cause to treat the School District differently than a private customer. Mr. Bowman indicated that the School District has already paid this bill; so if the adjustment is approved, the Authority would provide credit to the School District's future billing. Mr. Hodgkinson pointed out his concern that the Authority may be setting a precedent, to which Attorney Barbin replied that this is a special case and did not feel a precedent would be set.

ON MOTION OF MR. KOVAL, SECONDED BY MR. HODGKINSON, THE BOARD UNANIMOUSLY APPROVED THE ABOVE REQUEST FOR ADJUSTMENT AS PRESENTED, WITH THE STIPULATION THAT THE THREE-YEAR PERIOD FOR AN ADJUSTMENT REQUEST BE RETROACTIVE TO WHEN THE SCHOOL DISTRICT'S ACTUAL LEAK OCCURRED, AND THAT A CREDIT TO THE SCHOOL DISTRICT'S FUTURE BILLING WOULD BE PROVIDED. BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. BOWMAN, MR. HODGKINSON, MR. KOVAL, AND MR. YETSKO.

- Freeze-Ups

As it relates to the freeze-ups discussed earlier in the meeting, Mr. Hodgkinson questioned if all freeze-ups have been addressed, to which Mr. Cadwallader replied that there are only seven residents on Spring Hill that need addressed; all others have been addressed.

- Pipe Yard

Mr. Hodgkinson questioned the status of the pipe yard, to which Mr. Cadwallader replied that we have been unable to identify a location to date.

XV. ADJOURNMENT

ON MOTION OF MR. KOVAL, SECONDED BY MR. HODGKINSON, THE MEETING WAS ADJOURNED AT 8:15 P.M. BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. BOWMAN, MR. HODGKINSON, MR. KOVAL, AND MR. YETSKO.

XVI. NEXT MEETING

The next meeting will be held on Thursday, May 1, 2014 at 7:00 p.m.

Respectfully submitted,



Sharon Squillario
Recording Secretary