

A meeting of the Board of Directors of the Municipal Authority of the Borough of Portage was held on Thursday, July 10, 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  
Tom Kunko  
Jerome Yetsko

Also present were: Ron Cadwallader, Jr., Superintendent; Attorney Bill Barbin, Solicitor; Joe Beyer, The EADS Group; Mike Barton, Forester; and Reporter, Mainline Newspapers.

**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 the representative from Mainline Newspapers.

**III. CORRESPONDENCE**

Mr. Bowman stated that the following correspondence was received:

- Letter received from Mackerel Cove Capital who purchases wind turbine ground lease payments for long-term investment. A lump sum payment is provided in return for collecting the future lease payments. The Board stated that there was no interest.
- Update received from USDA. USDA requires quarterly reports from the Authority because the Authority has the financing with USDA. Copies of the reports required by USDA were shared with the Board. Mr. Koval questioned who would be completing the reports, to which Mr. Bowman replied that Mrs. Ringler would complete the reports. Mr. Bowman pointed out that the data can be sent directly through QuickBooks.
- Information received relative to the PRWA golf outing to be held on Thursday, July 24, 2014 at Toftrees. Breakfast and registration to begin at 8:30 a.m.

**IV. APPROVAL OF MINUTES**

ON MOTION OF MR. HODGKINSON, SECONDED BY MR. KOVAL, THE BOARD UNANIMOUSLY AGREED TO DISPENSE WITH THE READING OF THE JUNE 4, 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, MR. KUNKO, AND MR. YETSKO.

**V. AGENT'S EXPENDITURES**

ON MOTION OF MR. KOVAL, SECONDED BY MR. KUNKO, THE BOARD UNANIMOUSLY APPROVED THE AGENT'S EXPENDITURES IN THE AMOUNT OF \$114.65. BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. BOWMAN, MR. HODGKINSON, MR. KOVAL, MR. KUNKO, AND MR. YETSKO.

**VI. INVOICES**

Barry Billings Locksmithing	\$ 30.00
Cambria Mailing Services, Inc	75.74
Capital Region Benefits, Inc	84.71
CMPA	1,000.00
Commonwealth of PA	150.00
Conemaugh Valley Memorial Hospital	132.00
Ebensburg Office Supply	9.99
Environmental Service Labs	144.00
Foster F. Wineland, Inc	27.12
Galeton	25.99
Hach	1,380.11
John P Place, Inc	714.16
Kaza Fire Equipment	137.88
L/B Water Service, Inc	1,687.18
Link Computer Corp	1,389.38
Mary L Elchin	144.00
Portage Post Office	147.00
Portage Service Center	1,477.45
Ray Oil & Gas	517.82
Raymond G Bowman	50.00
RDM – Johnstown LLC	1,200.00
Ronald J Cadwallader, Jr	20.00
Ross Valve MFG Co.	397.91
Sharon Squillario	50.00
Stagers's Store	137.79
Stephen F Koval	50.00
Thomas Hodgkinson	50.00
Thomas Kunko	50.00
United Graphics	1,229.03
Visa – 1 <sup>st</sup> Summit	473.78
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	\$12,983.04

Paid Bills

Aflac	\$ 153.38
Cobra Sewer & Drain Cleaning	820.00
Comcast	236.95
Kaza Fire Equipment	46.52
Matt Randall	100.00
Mrs. David Miorelli	632.90
PA One Call System	33.80
Penelec	1,515.41
Peoples Natural Gas	84.02
Pro Disposal	142.00
Ray's Lawnmower	18.96
REA Energy Cooperative	1,066.72
Stager's Store	295.56
Health American	5,172.24
Rebecca Cannonie	100.00
Sheetz Fleet Service	148.30
U.S. Municipal	63.57

Verizon	344.45
Verizon Wireless	177.56
Water System Solutions	465.00
1 <sup>st</sup> Summit Bank	391.34
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	\$12,008.68

ON MOTION OF MR. HODGKINSON, SECONDED BY MR. YETSKO, THE BOARD UNANIMOUSLY AGREED TO ACCEPT AND PAY INVOICES IN THE AMOUNT OF \$34,396.63 (REGULAR BILLS, \$12,983.04; PAID BILLS, \$12,008.68; PennVEST, \$3,896.36 AND \$5,508.55). BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. BOWMAN, MR. HODGKINSON, MR. KOVAL, MR. KUNKO, AND MR. YETSKO.

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

ON MOTION OF MR. KOVAL, SECONDED BY MR. KUNKO, THE BOARD UNANIMOUSLY AGREED TO DISPENSE WITH THE READING OF THE JUNE 2014 TREASURER'S REPORT AS IT WAS PREVIOUSLY DISTRIBUTED IN WRITTEN FORM AND UNANIMOUSLY ACCEPTED THE REPORT WITH A BALANCE OF: BEGINNING CASH, \$1,397,521.47; CASH IN, \$335,732.67; CASH OUT, (\$244,226.57); ADJUSTMENT (INTEREST), \$0; ENDING CASH, \$1,489,027.57. BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. BOWMAN, MR. HODGKINSON, MR. KOVAL, MR. KUNKO, 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 tank, Mr. Cadwallader reported that we got the regs back from Ross; there were some concerns that were addressed. He noted that there was a bill received from Ross which was paid by the Authority; however, Ross did void the check and credited the Authority's account. This was done because the project was still under warranty so there should not have been a charge from Ross. Mr. Cadwallader stated that we will start draining the tank next week, the work will be completed, and the tank will then be put back on line.

Mr. Cadwallader apprised the Board that Lumadue is finishing up the work on the punch list, which should be completed within the next week.

Mr. Cadwallader noted that one complaint was received from a resident in Jamestown, which was addressed today.

Concerning the CDBG project, Mr. Cadwallader reported that the contractor is waiting for a one call to be completed on the time limit. He will then do the last bore on Spring Hill and then the project should be completed.

Mr. Cadwallader noted that once the staff has addressed the water leak on Munster Road, they will then start in Benscreek. Mr. Cadwallader commented that he would like to meet with the residents in Benscreek to explain to them what will take place with the project. Some of the residents will have to renew their lines and bring them out the front of their properties. Mr. Cadwallader indicated that any Board member is welcome to be present when he meets with the residents. Mr. Koval commented that he would attend. Mr. Cadwallader noted that he is going to try to meet with the residents during the day, but he may have to schedule the meeting in the evening. Mr. Hodgkinson indicated that if the meeting is held in the evening perhaps we could use the Benscreek Club for the meeting. Mr.

Cadwallader stated that he would talk with the residents tomorrow to determine their availability for a meeting.

Relative to the Dulancey Drive intersection project, Mr. Cadwallader noted that the project is complete except for the blacktop, which will be addressed through the next phase of the project.

Concerning the Mountain Avenue project, Mr. Cadwallader reported that everything has been replaced. He noted that he did not address anything below Sacred Heart Church. Mr. Bowman commented that perhaps Mr. Cadwallader should review the areas below Sacred Heart Church as well because it is his understanding that it is the Borough's intention to finish that area under a separate agreement.

Mr. Cadwallader apprised the Board that the Blazer is due for an inspection at the end of the month; and it will not pass inspection with the current tires. He obtained a quote from Portage Service Center for four tires at a cost of \$540.

ON MOTION OF MR. HODGKINSON, SECONDED BY MR. KOVAL, THE BOARD UNANIMOUSLY APPROVED THE PURCHASE OF FOUR TIRES FROM PORTAGE SERVICE CENTER AT A COST OF \$540. BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. BOWMAN, MR. HODGKINSON, MR. KOVAL, MR. KUNKO, AND MR. YETSKO.

Mr. Kunko questioned the status of the sludge situation in Benscreek, to which Mr. Cadwallader replied that with the heat, the water level has been going down and, thus the sludge is decreasing as well. Mr. Cadwallader noted that the next time the sludge is pumped it will be pumped in smaller quantities so that it dries quicker.

#### **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 commented that, as it relates to the water system improvement project and the concern at the Yarosh property, the Authority did pay the bills and Diehl was to reimburse the Authority. Mr. Cadwallader noted that we have not received any response from Diehl. Attorney Barbin stated that we cannot go against the bond because it is past that point, but the Authority can sue Diehl because the contractor did not do a workman-like job. If the Board provides authorization, Attorney Barbin can take the matter before the Magistrate. Mr. Koval questioned what the Board would need to do to start legal action, to which Attorney Barbin replied that the Board would merely have to authorize him to take action. Attorney Barbin pointed out, however, that he would prefer a motion by the Board to bar Diehl from any future contracts with the Authority, as well as authorization to take legal action to collect the monies that the Authority paid relative to this matter.

ON MOTION OF MR. KOVAL, SECONDED BY MR. HODGKINSON, THE BOARD UNANIMOUSLY AGREED TO BAR DIEHL FROM ANY OTHER FUTURE CONTRACTS WITH PORTAGE WATER AUTHORITY AND AUTHORIZED ATTORNEY BARBIN TO TAKE LEGAL ACTION TO COLLECT THE MONIES THAT THE AUTHORITY PAID RELATIVE TO THIS MATTER. BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. BOWMAN, MR. HODGKINSON, MR. KOVAL, MR. KUNKO, AND MR. YETSKO.

Attorney Barbin pointed out that before he takes action before the Magistrate, he will send one final letter to Diehl informing the contractor of the Board's action.

As it relates to the CDBG project, Mr. Beyer apprised the Board that he and Mr. Cadwallader met with Larry Custer. Mr. Custer has suggested that, with the available money left over (approximately \$100,000), the Authority should use the monies toward the Mountain Avenue project because it would be easier for Mr. Custer to obtain State approval due to Portage Borough now being considered low income poverty with the new census (Portage Township and Cassandra are not). Mr. Koval questioned if all of the freeze-ups have been addressed, to which Mr. Beyer replied affirmatively. Mr. Beyer commented that the original cost of the project when discussed previously was approximately \$187,000 to do from just below the school down to Main Street; therefore, we could probably do about one-half of the area with the \$100,000, depending upon if we want to have hydrants, etc. Mr. Cadwallader commented that most of the hydrants in that area are newer. He noted that we would be putting a 10" main in to obtain the flow from the tank down into town so it could be properly utilized. Mr. Beyer pointed out that all Mr. Custer needs currently would be that the Board is agreeable to doing this project. Mr. Custer would then put the project through public hearings; and Mr. Beyer could obtain for the Board the EADS fees, legal fees, etc., all of which would be needed to include in the cost of the project. Mr. Cadwallader noted that, if this project is agreed to by the Board this evening, Mr. Custer would be able to include it in the public hearings taking place next Thursday.

ON MOTION OF MR. KOVAL, SECONDED BY MR. KUNKO, THE BOARD UNANIMOUSLY AGREED TO DEDICATE THE REMAINING CDBG MONIES (APPROXIMATELY \$100,000) TO THE MOUNTAIN AVENUE PROJECT. BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. BOWMAN, MR. HODGKINSON, MR. KOVAL, MR. KUNKO, AND MR. YETSKO.

Concerning the Cemetery Road project, Mr. Beyer informed the Board that there was to be a meeting on Tuesday to award the PA Small Water and Sewer Grants; however, the meeting was cancelled and will not be held until September 9. If the Authority would bid the project now and start construction, Mr. Beyer pointed out, the Authority may not be eligible for the grant. Mr. Koval commented that we would not want to start the project until the grant monies are available. Mr. Beyer stated that in the past they rescheduled meetings several times; and he was not sure if the Authority wanted to hold off that long. Mr. Hodgkinson commented that he believes we should wait, to which Mr. Bowman agreed. Mr. Beyer questioned if easements have been prepared for this project, to which Attorney Barbin stated that he would mail them to Mr. Beyer. Mr. Cadwallader questioned, once the easements have been received, should we proceed or hold off. Attorney Barbin stated that we need to have the easements whenever we move forward, so we will have them on file when we are ready to move forward.

Mr. Beyer commented that EADS will be doing the dam inspection tomorrow, to which Mr. Cadwallader interjected that this will be done next week.

## **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 on June 12 the USDA bond closed. The process went very smooth due to the efforts of Attorney Lynch, the Bond Counsel. Attorney Lynch did everything to make the process as easy and efficient as possible.

Attorney Barbin commented that he did provide an opinion letter to the Board today relative to a request of an employee of the Authority, which can be discussed in Executive Session at the end of the meeting. Attorney Barbin came to the conclusion relative to this matter that there is nothing legally binding that creates a right to sue for a promise. Mr. Koval commented that this matter should become part of the minutes at some point. Attorney Barbin stated that, concerning the employee claim that he is entitled to back pay, in reviewing the minutes of past meetings, there was nothing in any past minutes that showed a commitment by the Board to do anything. There was a discussion about doing something, but it was only by one Board member. There were probably discussions with

the employee outside the Board meeting, but the Board only acts at a business meeting; and any discussions outside a Board meeting do not represent a legal obligation. Attorney Barbin stated that this matter should be discussed further in an Executive Session.

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

Mr. Barton informed the Board that the State cut the trees along Route 164 which were reported to them last fall.

Mr. Barton has started to mark the timber on County Line Road. He will finish the marking by the next meeting so that it can be presented to the Board to sell the timber to Sean Claar.

Mr. Barton stated that he has started to finish the work on the trails so that he can meet with Shawn Hesel next week on the trail maintenance program.

#### **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 an Executive Session will be held at the end of the meeting to discuss an employee issue.

- PA Small Water and Sewer Grant

Discussed earlier in the meeting.

- Health Care Renewal

Mr. Bowman stated that the Board should schedule a workshop within the next couple of weeks to discuss the health care renewal. Mr. Koval commented that this should take place before the next Board meeting. After discussion, the Board agreed to hold a workshop on Wednesday, July 16, 2014 at 6:30 p.m. Mr. Bowman asked that Mr. Hesel, the insurance broker, be present at the meeting as well, to which Mr. Cadwallader agreed to contact him.

#### **XIII. NEW BUSINESS**

Nothing to be presented under New Business.

#### **XIV. GOOD OF THE ORDER**

- Allegheny Ridge Farm Check

Mr. Bowman apprised the Board that the 2014 megawatt payment has been received from Allegheny Ridge Farm in the amount of \$54,573. He recommended that this check be deposited into Account #106.5 Savings.

ON MOTION OF MR. KOVAL, SECONDED BY MR. YETSKO, THE BOARD UNANIMOUSLY AGREED THAT THE CHECK RECEIVED FROM ALLEGHENY WIND FARM IN THE AMOUNT OF \$54,573 FOR THE 2014 MEGAWATT PAYMENT BE DEPOSITED INTO ACCOUNT #106.5 SAVINGS. BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. BOWMAN, MR. HODGKINSON, MR. KOVAL, MR. KUNKO, AND MR. YETSKO.

- FWF Insurance Renewal of Property, Auto, etc.

Mr. Bowman informed the Board that renewal of the property, auto, etc. insurance will be due in September. He questioned the Board if we should request new quotes. Mr. Koval commented that he believes we should request new quotes so that we can compare what is available. Mr. Bowman asked that Mr. Beyer prepare a schedule of current values of the tank, plants, etc. Attorney Barbin stated that USDA also has a coinsurance requirement. Mr. Cadwallader noted that he has already prepared a schedule of current values. Mr. Hodgkinson questioned if we should do the same for the Authority's equipment, to which Mr. Bowman replied that this would be pretty standard based on the depreciation schedule.

- USDA Payments

Mr. Bowman apprised the Board that the first USDA payment is due on December 12, 2014; and the second payment will be due on June 12, 2015. After the June 12 payment, payments can be set up monthly. Mr. Bowman questioned the Board if we should put money into the account now to prepare for the December 12 payment. He noted that we could make a deposit each month to prepare, or we could deposit the amount for the six month payment all at once. Attorney Barbin recommended that a monthly deposit be made. Mr. Bowman commented that we would then make a monthly deposit in July. The Board agreed to make monthly deposits in preparation for the payment that would be due on December 12, 2014.

- Request for Adjustment

Mr. Bowman apprised the Board that a request for an adjustment was received from the resident at 927 Conemaugh Avenue. Total consumption was 16,400 gallons; and the average consumption is 2,100 gallons. The amount billed was \$126.59; average bill is \$18.67; and the adjusted bill is \$40.25. Mr. Bowman commented that the request was made due to a hot water tank leaking at the residence.

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

#### **XV. EXECUTIVE SESSION**

At 7:39 p.m., the Board went into Executive Session to discuss personnel matters.

#### **XVI. RECONVENING OF MEETING**

The Board reconvened into Regular Session at 8:15 p.m.

Discussion was held in Executive Session regarding compensation of the Plant Manager. The Board determined that it will consider any adjustment to be made during budget preparation; however, no retroactive increase would be considered.

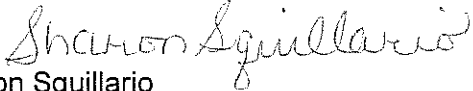
**XVII. ADJOURNMENT**

THERE BEING NO FURTHER BUSINESS, ON MOTION OF MR. KOVAL, SECONDED BY MR. HODGKINSON, THE BOARD ADJOURNED THE MEETING AT 8:20 P.M. BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. BOWMAN, MR. HODGKINSON, MR. KOVAL, MR. KUNKO AND MR. YETSKO.

**XVIII. NEXT MEETING**

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

Respectfully submitted,



Sharon Squillario  
Recording Secretary