

A meeting of the Board of Directors of the Municipal Authority of the Borough of Portage was held on Thursday, November 6, 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; Michael Barton, Forester; Joe Beyer, The EADS Group; Joe Kisic, Resident; Dennis Beck, Resident.

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 Mr. Kisic. Mr. Kisic stated that he was present at tonight's meeting representing his mother, Joanne Kisic, who resides at 1523 Twin Lakes Road. He stated that he was present to try to put everything to closure relating to his mother's connection to the water main which was installed over a year ago. Mr. Kisic commented that the Board should be aware of what has progressed over the past year concerning the granting of easements, condemnation of property, not condemning the property, abandonment of the service line placed on the property, etc.

Mr. Kisic pointed out that through the process, the decision of the Board was that his mother was not required to pay the tap fee because the original idea was that it was a water line not a service line to a single family home. Mr. Kisic stated that as it relates to the neighboring property, which is his uncle's, at the time the flags were handed out, his uncle placed his flag on the other side of his driveway, so there was never any intention to use the joint water line to be split between the two properties. Mr. Kisic commented that his mother granted the easement because there was a stance taken by the Board that it was within 150 feet. Mr. Kisic emphasized that, as a result of the easement, his mother cannot build anything because the ground underneath the easement is the property of the Authority. When Mr. Kisic called the Authority office for confirmation to connect at the end of the easement, he was told that he would have to connect at the curb line; and Mr. Kisic stated at that time that he could not do that because it was not his mother's water line.

Mr. Kisic informed the Board that the Authority Solicitor sent him a letter last fall stating that his mother was not obligated to connect, his mother would not receive a water bill, and the line would be abandoned. Mr. Kisic commented that his family moved forward from there because it was their intention to connect. He emphasized that his mother is on a fixed income and is basically living on what is left from his deceased father's savings. He noted that his mother was always intending to connect; therefore, he came and paid for a tap that was provided but, in his opinion, was in error because the line was actually abandoned. Mr. Kisic pointed out that, to his knowledge, there is no ordinance or regulation requiring a time frame to not tap after paying the tap fee. He indicated that his mother then received notification that she would have to tap within 90 days (by the end of July). His mother then received a water bill for a minimum charge. Mr. Kisic then sent an email to the Authority's Solicitor; and after no response, he sent a letter to the Authority questioning why his mother received the water bill when she was told she would not. Mr. Kisic then received a letter from the Authority returning the check his mother had sent for the tap fee; and the letter stated that if his mother did not have to connect and that the check could be sent when she did decide to connect. Mr. Kisic then sent another letter back to the Authority along with the check for the tap fee, stating in the letter that his mother did want to pay the tap fee, and, when she could financially afford it, take other

steps to connect into the house. Mr. Kistic stated that he worked it out in steps so that his mother could do it when she had the finances available. Mr. Kistic did approach a local attorney regarding this matter; and the attorney told him that his mother basically was "putting this money in the bank" for a connection sometime down the road. Mr. Kistic commented that, unless there are some rules or regulations is he unaware of at the time of payment stating that his mother could not do this, this is what he is trying to find out. Mr. Kistic stated that this is why he wanted to talk to the Board. He stated that some people might have thought that he was stepping on some toes for asking questions and following up on the questions he was asking in the past; however, this was not his intent. He noted that he is trying to find out the reason for returning the tap fee that was paid and what the issue is to continue to move forward to eventually connect to the main.

Mr. Bowman commented that the Board had turned this matter over to the Solicitor. Attorney Barbin pointed out that the timing of the situation as pointed out by Mr. Kistic is different from Attorney Barbin's records. Attorney Barbin explained that the flags on the side do not get handed out until the project is under construction. At the time the flags were handed out, the engineer had already laid out the lines and placed the project. After the Authority had started condemnation, Mrs. Kistic decided that she did not want the line to go through, and she granted the easement. The line was then put in. Attorney Barbin pointed out that what he was not aware of, and what the Board had not discussed at the time, was that the line that was put in, because Mr. Kistic's uncle said he did not want to use the joint line and wanted to use the line on the other side, the Authority cancelled out the larger line that was going in and, instead, left a smaller line. With the thin line, Attorney Barbin pointed out, the rule that the Authority applied to everyone in the system is that, if there is a thin line, the meter is placed at the road so that the Authority can access it. Attorney Barbin noted that Mr. Kistic then pointed out at the time that he would be responsible if anything happens to that line, and even though a piece of line was placed to get within 150 feet, the Authority is not responsible because it would be his line from the meter in. It was Attorney Barbin's thought at the time that the Board would not take exception to such a small technical matter because we were technically within 150 feet; and Attorney Barbin talked with Mr. Cadwallader at the time and it was agreed that the Authority would not argue this point.

Attorney Barbin stated that it was then Mr. Kistic's statement that he wanted the easement back; and Attorney Barbin approached the Board at that time. Mr. Kistic then stated that he wanted to hold on to his tap fee because he understood the tap fees would be going up. Attorney Barbin emphasized that the Authority has a policy, which he does not know if it is in writing or not, that the Authority only allows residents to purchase taps when they are connecting to the system. The Authority does not allow a resident to purchase a tap now and then connect sometime in the future. Attorney Barbin noted that, when Mrs. Kistic paid for the tap, she was to be a customer of the system; she received a mandatory tap connection; and there was a pipe located within 150 feet. At the time, Mr. Kistic approached the Authority and said that he did not think the pipe was good enough to be 150 feet. Attorney Barbin noted that perhaps the Authority at that time should have required that the Kistic's tap in at that time and pay a bill as other residents, not considering Mrs. Kistic's financial condition. Attorney Barbin emphasized that the Board did not do that. The customer is responsible from the point of the meter; and for the Kistic's, that would have been more than 150 feet. To get around that, because Mr. Kistic's uncle moved the tap to the other side and because we got rid of the main line, they substituted with a smaller diameter pipe.

Attorney Barbin explained to the Board that the Authority has done everything Mr. Kistic has asked for his mother; i.e., the Authority rescinded the mandatory tap, gave the Kistic's back their easement, filed to cancel the easement, etc. However, Attorney Barbin pointed out, Mr. Kistic wants to be in the position that no other customer in the Portage Water Authority has been, which is to be able to hold on to a tap and decide when the Kistic's want to connect and hold the tap fee to what it was at the time it was originally paid. Attorney Barbin noted that the Kistic's actually sent the check back; and Mr. Kistic was sent a letter indicating that if the check is sent back again, action would be taken. The Authority has no obligation to accept the tap fee, even though Mr. Kistic may have gotten an attorney to say that the Authority had to accept it. Attorney Barbin noted that he believes that the Authority is on very strong ground to deny accepting the check; however, the final decision would be up to the

Board. If the Board wants to allow residents to pay tap fees ahead of time, that would be up to the Board to decide. Attorney Barbin sent letters to Mrs. Kistic and followed actions to implement what the Authority has done in the past and what the law requires. The decision of whether to keep the tap or not would be up to the Board to decide.

Mr. Koval questioned if the Authority has a policy with regard to this matter, to which Attorney Barbin replied affirmatively, pointing out that the past policy is not in writing. Attorney Barbin pointed out that the Board has the right to set the policy, and Mr. Kistic does not have the right to say that because the policy is not in writing, the Authority has to accept the tap fee payment. If the Board chooses to say that they would not allow Mrs. Kistic to pay the tap fee, Attorney Barbin noted that he could easily defend that.

Mr. Kistic pointed out that what Attorney Barbin has stated does not match his recollection of the matter 100%, but he was not present at the meeting to argue. He commented that the main question is the condemnation process about the joint water main between the properties. When that is done, it splits the property – ½ on one of the properties getting the service, and ½ on the other property. In this case, Mr. Kistic noted, it was total condemnation of his mother's property. When the original condemnation came through, he pointed out, it was 300 feet away from his uncle's driveway. He then asked the engineer if it could be placed in another location because the water service would have to go underneath and across his mother's driveway, his uncle's service has to go 150-200 feet across his mother's property to get to his uncle's property, and then go across his uncle's driveway. Mr. Kistic emphasized that this is where the original condemnation was and this is what the documentation states. At the time, in order to get within 150 feet in order to condemn, Mr. Kistic agreed to the easement and the tap, but at the time he knew something was not right. Financially, Mr. Kistic stated, his mother was ready last fall and he was going to schedule time off from work to do the work that needed to be done. The tap fee was paid; and his family was moving forward to regroup in the summer of 2014, but then they started to receive notifications of being billed.

Mr. Kistic commented that he would like to ask the Authority if there was not already a tap fee paid since his mother is receiving a water bill. Mr. Koval explained that residents that did not grant an easement were paying a tap fee; and those who did grant the easement were receiving a reduced bill. If a resident paid a tap fee and chose not to connect, they would receive a minimum water bill. Mr. Koval questioned if Mr. Kistic's mother is receiving a minimum water bill, to which Attorney Barbin replied that initially Mrs. Kistic was but then the Authority stopped sending the minimum bill because there was not strong argument on the 150 feet question. Discussion ensued between Attorney Barbin and Mr. Kistic relative to the movement of the pipe. Attorney Barbin noted that Mr. Kistic was not told that he had to connect at the curb; the meter was at the curb. Mr. Kistic noted that he cannot use the line at the curb because it is not his line and it is in the Authority's easement. Attorney Barbin explained that Mr. Kistic cannot place a garage over the easement area, but he can dig around the easement area so long as it does not interfere with the line itself. Mr. Koval commented that the Authority would have put the meter in, to which Mr. Cadwallader noted that the Authority put in the meters but the homeowners purchased the pits.

Attorney Barbin pointed out that the past position of the Authority has been that you can purchase a tap fee if you are going to tap; and if not, you cannot tap. Mr. Koval asked what the consideration of the Board should be, to which Attorney Barbin replied that the question is solely whether to allow a resident to keep a tap fee without an immediate connection. Mr. Koval commented that this has not been the practice of the Authority in the past. Attorney Barbin commented that the Authority has done everything Mrs. Kistic has asked except to keep the tap fee and keep it on hold temporarily. Mr. Kistic questioned if the tap was provided, to which Attorney Barbin replied that the tap fee is basically a right to use the system and it does not relate to the physical connection as it does to the right to take water from the system. It is a capacity fee being charged. Attorney Barbin pointed out that the position he has taken so far is that we need to maintain things the same way the Authority has done in the past with other customers.

Mr. Kistic questioned if the Board could review the letter sent to his mother from Attorney Barbin over a year ago where his mother would not be charged a water bill. Attorney Barbin stated that the letter stated that Mrs. Kistic would not be charged a water bill because Mrs. Kistic was not within the 150 feet; Mrs. Kistic would not be required to tap because the main was not within 150 feet of the property. Attorney Barbin noted that this was stated in the October 2013 letter sent to Mrs. Kistic. The letter further stated that Mrs. Kistic could, however, connect in the future at her discretion upon payment of the fee and in compliance with all rules for the tap. Attorney Barbin noted that if you are going the 150 feet, anyone can tap in, they make arrangements with Mr. Cadwallader, and they pay the tap fee. Attorney Barbin noted that the letter to Mrs. Kistic further stated that the Authority will release the easement because it was no longer needed and that he would prepare and record the document and provide Mrs. Kistic with a copy. The letter went on to state that Mrs. Kistic could cut off and bury the portion of the line that extends above the ground; and if she decides to connect in the future, she can utilize that line provided she conforms with all rules including providing a meter pit adjacent to the main line at the road. Mr. Koval questioned if the Kistic's have to get the line within 150 feet once the tap fee is paid, to which Attorney Barbin noted that, at the current time, the Kistic's would have to put in a meter pit because it is a long line as opposed to the Borough where the lines are close.

Mr. Kistic commented that he wanted to lay all of the information before the Board so that they had a better understanding of what has happened over the past year. He indicated that his plan was to move forward and pay the tap fee. Mr. Koval explained that Mr. Kistic cannot pay the tap fee now and then use it at some indefinite time in the future. Mr. Kistic noted that he is aware of two residents that have paid a tap fee, have not provided for the tap and are not receiving a monthly bill. Mr. Cadwallader stated if a tap is not in, the resident will not receive a bill. He further stated that, if a tap is put in and you do you use it within five years and there is no structure built, it is considered an abandoned tap and the resident would lose the tap. Mr. Bowman noted that once a tap is abandoned, a new tap fee has to be paid if a resident wants to use that tap. Mr. Kistic commented that five years have not transpired. Mr. Koval commented that there has been an increase in the tap fees from when Mrs. Kistic originally paid the tap until now. Mr. Kistic indicated that his family will have to regroup, save more money for his mother, have a contractor complete the needed work inside and outside his mother's house, and perhaps he, himself, could do some of the required work. He indicated that he does not want the Board to think that he was not going to tap into the water system; and he and his family went through a number of steps to apply for grants and other funds in order for his mother to have the line installed, but they were denied. Mr. Kistic commented that he was told by the attorney that there was nothing in writing to require tapping. The attorney asked previously if Mrs. Kistic received a bill, and Mr. Kistic told the attorney at that time that his mother would be receiving a bill for a minimum payment. Mr. Kistic noted that the attorney told him that there was no requirement for tapping once the tap fee is paid as it relates to when everything has to be installed.

Attorney Barbin indicated that this information was not in the letter that was sent to Mrs. Kistic. Attorney Barbin commented that the 90 days came into play when the Authority believed Mrs. Kistic was subject to the mandatory tap because a line was placed within 150 feet. The Authority sent the letter regarding the mandatory tap within 90 days. Mr. Kistic pointed out that the tap fee was paid after the abandonment of the easement. Mr. Koval commented that the question is not the check for payment of the tap fee, but the question is the length of time the Kistic's want to put a tap in and there is a requirement. This has been a past practice of the Authority for a long time; and the Authority did not change the rule just to cause concerns for Mrs. Kistic. Mr. Bowman noted that he has been associated with the Authority for 12 years; and he cannot speak to every tap that the Authority has sold. However, he can speak to the projects the Authority has done where new lines have been placed. Mr. Bowman emphasized that every customer who has received new water service in front of their house, the Authority has been very harsh when it comes to the 90 days requirement. He noted that there were customers in several projects that paid a water bill for one year until they were able to tap in so that they could keep their tap viable. Mr. Bowman noted that he cannot speak for every tap that has been sold, but he can say in the three projects he has been involved in, the Board has held their stance relative to the 90 days from the time the line goes live in front of the residence. He pointed out that there are currently two customers that are paying a water bill in order to keep their tap

viable. Mr. Hodgkinson commented that Mrs. Kistic could have been receiving a water bill as well. Mr. Kistic noted that if his mother would not have received the refund of the tap fee, the amount of the water bill that was being charged was matching the water usage of a minimum of a sewer. The minimum charge was \$23; and Mrs. Kistic was being billed \$46-\$48. Mr. Bowman noted that the sewer charge was probably not adjusted properly. He commented that those customers that were on a well were paying a minimum bill of \$48; and the Sewer Authority was calling it a flat rate for the sewer charge. Therefore, even if the Authority was charging \$17 on top of that, it would have still be lopsided because the sewer charge should have been adjusted to the water usage.

Mr. Koval noted that the Board will take into consideration Mr. Kistic's concerns and would be in touch with him. Mr. Kistic questioned if he should just hold on to the check. Attorney Barbin commented that he sent a letter in September stating that if the check was returned again, the Authority would send it to the Commonwealth of Pennsylvania as abandoned property because the Authority was not accepting the check because of no tap. If the Board feels otherwise, Attorney Barbin noted, this can be overruled. Mr. Bowman commented that the Board will get back to Mr. Kistic before the December meeting with a decision.

Mr. Bowman next recognized Mr. Beck; and Mr. Beck indicated that he was merely present at the meeting to observe. Mr. Beck commented that he did want to thank Mr. Cadwallader for his help at the Puritan Treatment System and his help with Earth Day as well. Mr. Cadwallader indicated that all of the Authority employees assisted on Earth Day. Mr. Beck commented that there were approximately 320 high school students in various locations.

III. CORRESPONDENCE

Mr. Bowman noted that information was received regarding the Pennsylvania Infrastructure Expo to be conducted by the Pennsylvania AWWA, November 18-19, 2014, in Grantville. Three DEP contact hours can be obtained. Mr. Bowman stated that anyone interested should contact Mr. Cadwallader.

IV. APPROVAL OF MINUTES

ON MOTION OF MR. KOVAL, SECONDED BY MR. HODGKINSON, THE BOARD UNANIMOUSLY AGREED TO DISPENSE WITH THE READING OF THE OCTOBER 2, 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

No Agent's expenditures to be presented.

VI. INVOICES

American Water Works Assoc	\$ 339.00
Billings Lumber Co	6.00
Borough of Portage	570.00
Cambria Mailing Services, Inc	79.78
Cambria Systems, Inc	891.50
Capital Region Benefits, Inc	84.71
CMPA	1,000.00
Damin Printing	90.00
EADs Group	11,164.13
Ebensburg Office Supply	414.75
Environmental Service Labs	144.00

FWF Insurance Agency, Inc	3,168.00
Grannas Bros. Stone & Asphalt	1,742.22
Hach	2,581.91
The Hite Co	54.54
J.C. Ehrlich Co, Inc	147.55
Kline Kimlin	2,650.00
L/B Water Service Inc	605.08
Laurel Sand & Stone	330.07
Mary L. Elchin	144.00
Niper's Auto Repair	88.77
Peoples Natural Gas	59.68
Portage Auto Parts	23.23
Portage Post Office	147.00
Portage Service Center	740.00
Ray's Lawnmower	3.23
Ray Oil & Gas	1,158.96
Raymond Bowman	50.00
RDM-Johnstown	1,166.00
Ronald Cadwallader, Jr	20.00
Sharon Squillario	50.00
Stager's Store	61.82
Stephen Koval	50.00
Thomas Hodgkinson	50.00
Thomas Kunko	50.00
Trevor Yardley MD	131.69
Tri-State Instruments	969.40
Verizon Wireless	176.86
WM G Barbin	2,409.48
	<u>2,409.48</u>
	\$33,613.39

Paid Bills

Cambria County Recorder	\$ 402.00
Comcast	287.67
Cresson Feed Mill, Inc	110.00
PA Once Call System	29.90
Penelec	1,530.41
Pro Disposal	142.00
Connie Markus	100.00
Lowe's	161.42
Mario Dasilva	100.00
Melissa (Abbotts) Rakar	100.00
REA Energy Cooperative	1,026.55
Safeguard	264.39
Verizon	342.30
Diversified Technology	1,480.00
Health America	4,718.01
1 st Summit Bank	391.34
Aflac	226.22
Jean and Ray Offman	100.00
Sheetz Fleet Service	188.70
	<u>188.70</u>
	\$11,700.91

ON MOTION OF MR. YETSKO, SECONDED BY MR. HODGKINSON, THE BOARD UNANIMOUSLY AGREED TO ACCEPT AND PAY INVOICES IN THE AMOUNT OF \$54,719.18 (REGULAR BILLS, \$33,613.36; PAID BILLS, \$11,700.91; 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 OCTOBER 2014 TREASURER'S REPORT AS IT WAS PREVIOUSLY DISTRIBUTED IN WRITTEN FORM AND UNANIMOUSLY ACCEPTED THE REPORT WITH A BALANCE OF: BEGINNING CASH, \$1,593,593.99; CASH IN, \$212,069.91; CASH OUT, (\$202,104.67); ADJUSTMENT (INTEREST), \$0; ENDING CASH, \$1,603,559.23. 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.

Mr. Cadwallader noted that the plant employees have stated that they have some bad stirs at the plant. The cost is \$95 a piece (three for each plant). Mr. Bowman noted that, rather than having a separate motion for this purchase, the Board had discussed at the budget meeting items to be purchased out of funds left over at the end of the year; and this purchase (\$622) could be added to that list of purchases.

Mr. Cadwallader reported that the Dulancey Drive project is a little bit more than $\frac{3}{4}$ complete. The project is coming out of Kirby Road now; so the line will be tied in and samples will be obtained. Mr. Cadwallader further noted that all of the information has been sent in as well regarding this project; and an email was received from Joe Franco noting that all of the paperwork was accepted. Mr. Franco commented in the email that the paperwork was excellent as submitted.

Mr. Cadwallader stated that the hydrant is out of service on Shady Springs Road. It has been bagged and tagged and will be replaced. There are two other hydrants readily available in that area if needed. Mr. Hodgkinson questioned if we have hydrants available in stock for the replacement, to which Mr. Cadwallader replied affirmatively. Mr. Cadwallader commented that there will also be one hydrant eliminated on Dulancey, so it can be moved to another location.

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 he has talked to the contractor regarding the as-builts. The as-builts are needed so that Mr. Beyer can get the CDBG project closed out in order to begin the Mountain Avenue project. Mr. Koval questioned if we are going to be doing any of the Mountain Avenue work yet, to which Mr. Beyer replied that we will probably wait until the spring. He commented that we will have to close the Alliance Avenue and freeze-up work before we can move ahead with the Mountain Avenue work. Mr. Cadwallader commented that, if we start the work now, it is going to be difficult for plowing and the buses will have difficulty as well. He noted that the contractor has one of his co-partners working on the paperwork that is needed by Mr. Beyer. Mr. Beyer pointed out that all of the permits have been received for the Mountain Avenue project. He noted that he hand-delivered the CDBG information to

Mr. Custer to finish Mountain Avenue; and he provided a copy of the information to the Authority office as well.

As it relates to the Cemetery Road project, Mr. Beyer informed the Board that there are currently no grants available for this project. He commented that perhaps after the election is over, we can inquire again.

X. SOLICITOR'S REPORT

Attorney Barbin noted that he had submitted a copy of his report prior to the meeting.

Attorney Barbin informed the Board that the hearing with Diehl Construction was held. Diehl did not really provide any evidence or information at the hearing. Mr. Diehl did admit at the hearing that he did not want to come down to look at the damage; and his attorney did make some arguments as well. Mr. Sewalk, as Hearing Officer, did put together the facts as presented, a copy of which was provided to the Board prior to the meeting; and the Board is being requested to adopt Mr. Sewalk's findings. Attorney Barbin presented the following Resolution for adoption by the Board:

"BE IT RESOLVED, that the findings, facts and conclusions of Steven M. Sewalk, as the previously appointed Hearing Officer for the Authority in the matter involving the debarment of Diehl Contracting, LLC of 54 Cooper Avenue, Glen Hope, Pennsylvania, as attached hereto, are adopted in their totality.

IT IS FURTHER RESOLVED by the Authority, based upon the Board-adopted findings of the Hearing Officer, that Diehl Contracting, LLC is hereby barred from any further participation in contracts placed for bid by the Municipal Authority of the Borough of Portage."

Mr. Hodgkinson questioned regarding the payment of the amount owed, to which Attorney Barbin replied that Diehl turned it over to his insurance company but he did not provide sufficient information. Mr. Bowman noted that the insurance company was asking Attorney Barbin to provide information that Diehl should have been providing. Attorney Barbin did state to the insurance company that Diehl did have the information that should be provided. Mr. Koval questioned if the Board can approve the Resolution and then withdraw it later, to which Attorney Barbin replied affirmatively.

ON MOTION OF MR. KOVAL, SECONDED BY MR. YETSKO, THE BOARD UNANIMOUSLY AGREED TO ADOPT THE ABOVE RESOLUTION AS PRESENTED. BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. BOWMAN, MR. HODGKINSON, MR. KOVAL, AND MR. YETSKO.

XI. FORESTER'S REPORT

Mr. Barton informed the Board that Mr. Claar bought a piece of timber from an adjacent land owner on Chicota's Curve. Mr. Claar questioned if he could use an old landing adjacent to the Authority's property (road that provides access to Bob Herman's camp). Mr. Barton pointed out that, normally, if Mr. Claar had to create a landing, he would have been reluctant, but since there is a landing already there, he does not see why the Authority should have a concern in granting the request. In the past, Mr. Barton pointed out, when we paid for landings on adjacent properties, we would ask for a fee of \$250; and when the request is received from Mr. Claar, the Board could request something similar to this. Mr. Bowman requested that the Board approve having Mr. Barton acting as the Board's agent relative to this matter.

ON MOTION OF MR. HODGKINSON, SECONDED BY MR. KOVAL, THE BOARD UNANIMOUSLY APPROVED THE USE OF THE LANDING AS OUTLINED ABOVE AT A COST OF \$250, AND THAT MR. BARTON ACT AS THE AUTHORITY'S AGENT

IN THIS REGARD. BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. BOWMAN, MR. HODGKINSON, MR. KOVAL, AND MR. YETSKO.

Mr. Barton informed the Board that he has not had an opportunity to mark the timber as discussed in the past on County Line Road. He will attempt to have this done by the next meeting and prepare a price for approval by the Board.

Mr. Barton noted that he will be meeting with Mr. Helsel next week relative to the work that will need done on the trail.

Mr. Barton stated that Mr. Claar has paid for the extension as discussed at the last meeting; and Mr. Claar asked Mr. Barton to thank the Board for that consideration.

Mr. Barton indicated that he has been working to attempt to get the education center built as discussed with the Board in the past. He has a meeting scheduled with Larry Raptosh in this regard. Mr. Barton pointed out that he thought the agreement that he had with the Authority was in effect until February of 2015; however, the agreement did expire in February 2014. He requested that the Board consider an extension of the agreement until February 2016; and if the project is not completed by that time, Mr. Barton will abandon it.

ON MOTION OF MR. HODGKINSON, SECONDED BY MR. KOVAL, THE BOARD UNANIMOUSLY AGREED TO EXTEND THE AGREEMENT MR. BARTON HAS WITH THE AUTHORITY RELATIVE TO THE EDUCATION CENTER AND INSTRUCTED ATTORNEY BARBIN TO DEVELOP THE EXTENSION AGREEMENT FOR SIGNATURE BY ALL PARTIES. BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. BOWMAN, MR. HODGKINSON, MR. KOVAL, AND MR. YETSKO.

XII. UNFINISHED BUSINESS

- CDBG Project

Discussed earlier in the meeting. Project ongoing.

- Employee Issues

- Work Week

Mr. Bowman noted that one of the items that has been discussed has been a change to the work week from 12:01 a.m. Monday, to Sunday at 12:00 midnight. This would put both weekend days on a single work week. This change will not change the overtime. Mr. Koval questioned how it was before, to which Mr. Bowman replied that it split on Saturday. Mr. Cadwallader explained that some employees received their Saturday work on one pay and their Sunday work on another pay. Mr. Bowman noted that, in speaking with Andrew and some of the employees, this seems to be a better way to address this situation.

- Personnel Policy Changes

Mr. Bowman noted that there are some changes being recommended to the Personnel Policies (Sections D, F and H). Mr. Hodgkinson questioned if the changes would be implemented on January 1, to which Mr. Bowman replied that some of the changes will have to be implemented immediately; i.e., the overtime rule.

- Performance Evaluations: Mr. Bowman commented that is being recommended to remove the requirement of Performance Evaluations. Mr. Koval questioned why we would want to eliminate the Performance Evaluations, to which Mr. Bowman replied that typically the Performance Evaluations have not been very rewarding. In the past, there have been

some employees that did not agree with what the evaluation stated. Mr. Bowman indicated that the employees feel that, since they are being evaluated, they should be able to evaluate Mr. Cadwallader as well as the Board. Mr. Hodgkinson commented that, if this is the case, the employees should be evaluated as well. Attorney Barbin noted that the Authority is the employer; it is good for the employees to have input, but the bottom line is that the Authority is the employer. After discussion, the Board agreed that the requirement for Performance Evaluations would remain in effect.

- Overtime: Mr. Bowman noted that some amendments were made to the verbiage to comply with wage and hour obligations. He pointed out that Ms. Ringler shared the amendment with Andrew and he basically approved it. Mr. Bowman pointed out that the amendments stated that the compensation time will be accrued at 1-1/2 times and is strictly optional. Attorney Barbin commented that this would be whether it be compensation time or overtime. Mr. Bowman noted that the Board needs to adopt the concept itself, but can change the verbiage if it desires. Mr. Koval commented that, based on what the Board was told before, Mr. Cadwallader is no longer considered a salaried employee. Mr. Bowman explained that Mr. Cadwallader would be considered a salaried employee, except the week that he goes on call.
- Time Clocks: Mr. Bowman commented that this section is an addition being that there was no previous information contained in the Personnel Policies relating to time clocks. This deals with the start and finish time, which will allow for appropriate documentation for the Authority.
- Holiday Leave: Mr. Bowman pointed out that this section states that holiday compensation, vacation days and sick days do not count toward the 40 hours for computation of overtime. Mr. Bowman noted that he would like to change this slightly as it relates to holiday compensation. He noted that if an employee has to work on a holiday for some reason, he does not want this to affect anything being that no employee wants to work a holiday. Mr. Hodgkinson questioned if the holidays would be counted toward the 40 hours, to which Mr. Bowman replied affirmatively. Attorney Barbin explained that holidays do not count toward overtime under the law, but the Authority can state, if it desires, that the holidays do count because you want to be fair to the employees.
- Compensatory: Mr. Bowman noted that this section was adjusted to make sure that it is voluntary. We want to set a hard limit of 240 hours worked, which is 160 hours times 1-1/2. Mr. Koval commented that this section states that the 240 hours must be taken within the year. He questioned if this is the calendar year or within 12 months from when the hours were accumulated. Mr. Yetsko commented that he would think it should be within the calendar year. The Board agreed to add the word "calendar" to the language. In this way, all employees would start fresh in January and it would be more feasible for budget planning.

ON MOTION OF MR. KOVAL, SECONDED BY MR. HODGKINSON, THE BOARD UNANIMOUSLY APPROVED THE ABOVE CHANGES TO THE PERSONNEL POLICIES, WITH THE EXCEPTION OF ITEM D RELATING TO PERFORMANCE EVALUATIONS (THIS SECTION WILL REMAIN AS A STANDING POLICY), AS WELL AS THE CHANGE IN THE WORK WEEK AS NOTED ABOVE. BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. BOWMAN, MR. HODGKINSON, MR. KOVAL, AND MR. YETSKO.

Mr. Koval commented that we need to ensure that the employees receive a copy of the changes to the Personnel Policies once the above changes are made.

➤ Wage and Hour Audit Findings

Mr. Bowman noted that the Board members were previously provided a copy of the findings of the U.S. Department of Labor Wage and Hour Division. He requested an approval by the Board of the audit findings and to pay the back wages as outlined in the report.

ON MOTION OF MR. HODGKINSON, SECONDED BY MR. KOVAL, THE BOARD UNANIMOUSLY APPROVED THE FINDINGS OF THE UNITED STATES DEPARTMENT OF LABOR WAGE AND HOUR DIVISION AUDIT AND AGREED TO PAY BACK WAGES AS OUTLINED IN THE AUDIT. BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. BOWMAN, MR. HODGKINSON, MR. KOVAL, AND MR. YETSKO.

➤ Health Insurance

Mr. Bowman pointed out that the health insurance plan that the Board agreed to at the workshop was the UPMC HMO Platinum Low Cap. The previous cost was \$6,709; however, adjustments will be made for one employee who will come off of the coverage and a change in age adjustment for one employee. Mr. Koval questioned, since this is an HMO, if the employees are aware that they will require referrals now, to which Mr. Bowman replied affirmatively.

ON MOTION OF MR. HODGKINSON, SECONDED BY MR. KOVAL, THE BOARD UNANIMOUSLY APPROVED THE UPMC HMO PLATINUM LOW CAP PLAN FOR EMPLOYEE HEALTH INSURANCE AS PRESENTED. BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. BOWMAN, MR. HODGKINSON, MR. KOVAL, AND MR. YETSKO.

Mr. Cadwallader questioned if we will be dealing with a broker on this plan or if we would be dealing directly with UPMC. Mr. Bowman noted that we did deal directly with UPMC on this plan. He commented that Bill wants to know if he will still be the broker of record, and Bill implied that there may be difficulty the next time the Authority is looking at the insurance products. Mr. Bowman questioned, if the Authority decides to have Mrs. Ringler contact all of the companies individually, would they be able to respond to Mrs. Ringler as they would a separate broker, to which Attorney Barbin replied affirmatively. Attorney Barbin noted that he does not believe a broker has any special skill other than a better understanding of the various plans. Discussion took place relative to the meetings that were held with Bill as well as the representative from UPMC. Mr. Koval questioned how much the premium would go up if we utilize a broker, to which Mr. Bowman noted that it would probably be \$35 - \$45 per month. Mr. Hodgkinson questioned, if we decide not to retain the broker this year, can the Board reconsider it next year, to which Attorney Barbin replied affirmatively.

ON MOTION OF MR. HODGKINSON, SECONDED BY MR. KOVAL, THE BOARD UNANIMOUSLY AGREED TO PURCHASE THE ABOVE HEALTH INSURANCE PLAN DIRECTLY FROM UPMC. BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. BOWMAN, MR. HODGKINSON, MR. KOVAL, AND MR. YETSKO.

➤ 2014 CDBG Grant

Mr. Cadwallader commented that we have been instructed to apply for the 2014 CDBG grant. Mr. Koval questioned for what project this would be used, to which Mr. Cadwallader replied that we would use the monies to continue the Mountain Avenue project.

XIII. NEW BUSINESS

- CD

Mr. Bowman apprised the Board that we do have a CD that will be maturing on December 3, 2014. The new rates at Summit Bank for a five year CD are currently at 1.81%, subject to daily adjustments. Mr. Bowman noted that the current rate is 1.81% and is subject to daily adjustments, but once we purchase the CD the rate will be fixed. Mr. Koval recommended that we renew the CD for five years. Mr. Bowman noted that the current balance of the CD is \$101,596.97. He noted that we could reinvest \$100,000 and harvest the interest of \$1,596.97.

ON MOTION OF MR. KOVAL, SECONDED BY MR. HODGKINSON, THE BOARD UNANIMOUSLY AGREED TO RENEW THE CD FOR \$101,596.97 PLUS THE ADDITIONAL INTEREST (FIVE YEAR TERM, 1.81% INTEREST RATE SUBJECT TO DAILY ADJUSTMENTS). BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. BOWMAN, MR. HODGKINSON, MR. KOVAL, AND MR. YETSKO.

- Small Tools Purchases

Mr. Bowman stated that the total cost for the purchase of small tools is \$1,526.36. If you add the stirrs as discussed earlier in the meeting (\$622.79), the total would be \$2,149.15.

ON MOTION OF MR. HODGKINSON, SECONDED BY MR. YETSKO, THE BOARD UNANIMOUSLY APPROVED THE PURCHASE OF THE SMALL TOOLS AT A TOTAL COST OF \$2,149.15 (TO BE PURCHASED FROM UNUSED FUNDS FROM THIS YEAR'S BUDGET). BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. BOWMAN, MR. HODGKINSON, MR. KOVAL, AND MR. YETSKO.

- Brentwood Process Tube Settlers

Mr. Bowman informed the Board that it is being recommended that we purchase the Brentwood process tube settlers at a cost of \$11,459.50 instead of the Benscreek flow meter originally budgeted for 2014 capital improvements.

ON MOTION OF MR. HODGKINSON, SECONDED BY MR. YETSKO, THE BOARD UNANIMOUSLY APPROVED THE PURCHASE OF BRENTWOOD PROCESS TUBE SETTLERS AT A COST OF \$11,459.50 (INSTEAD OF THE BENSCREEK FLOW METER AS CONTAINED IN THE 2014 CAPITAL IMPROVEMENTS BUDGET). BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. BOWMAN, MR. HODGKINSON, MR. KOVAL, AND MR. YETSKO.

- Computer Tower

Mr. Bowman informed the Board that a quote was received from Cambria Systems for a new computer tower for the Benscreek plant. He noted that this is the alarm computer that alerts us to any problems at the plant. Mr. Cadwallader indicated that this is the Scada system that monitors the plant. Mr. Bowman noted that the cost would be \$1,500 for the computer itself, and \$2,700 for labor up to two days to set up the new computer, for a total of \$4,200. Mr. Cadwallader noted that the cost would be less if it would take only one day to set up the new computer (\$1,000 less). Mr. Bowman noted that Mr. Cadwallader had alerted us to the need for the new computer, but we did not have the \$2,700 included for the set-up. Mr. Cadwallader commented that, when he spoke to the representative from Cambria Systems, he said that he did not want to have to come back and ask for additional monies; therefore, this is why he included the two-day set-up in the quote. Mr. Hodgkinson questioned the need, to which Mr. Bowman replied that this is needed immediately.

ON MOTION OF MR. HODGKINSON, SECONDED BY MR. KOVAL, THE BOARD UNANIMOUSLY APPROVED THE PURCHASE OF THE NEW COMPUTER TOWER FOR THE BENS CREEK PLANT AT A TOTAL COST OF \$4,200 (MAY BE LESS DEPENDING ON THE COST FOR SET-UP). BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. BOWMAN, MR. HODGKINSON, MR. KOVAL, AND MR. YETSKO.

- Easement Agreement – Portage Sewer Authority

Mr. Bowman informed the Board that the Authority is in receipt of an Easement Agreement from the Portage Sewer Authority relating to the Martindale sewer project. He indicated that in the future this may require the payment of a tap fee, but the Board is only being asked to approve the Easement Agreement at this time.

ON MOTION OF MR. KOVAL, SECONDED BY MR. HODGKINSON, THE BOARD UNANIMOUSLY APPROVED THE EASEMENT AGREEMENT BETWEEN THE PORTAGE WATER AUTHORITY AND THE PORTAGE SEWER AUTHORITY AS PRESENTED. BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. BOWMAN, MR. HODGKINSON, MR. KOVAL, AND MR. YETSKO.

- 2015 Budget

Mr. Bowman requested approval of the Board of the 2015 budget as discussed in the recent workshop, to include adjustments for employee wages.

ON MOTION OF MR. KOVAL, SECONDED BY MR. HODGKINSON, THE BOARD UNANIMOUSLY APPROVED THE 2015 BUDGET, WITH THE ADJUSTMENTS FOR EMPLOYEE WAGES. BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. BOWMAN, MR. HODGKINSON, MR. KOVAL, AND MR. YETSKO.

Mr. Hodgkinson questioned if the budget would take effect on January 1, 2015, to which Mr. Bowman replied affirmatively. Mr. Hodgkinson noted that he wanted to discuss something that was not related to the budget, but because of the length of the meeting, he will hold off the discussion until the next meeting. Mr. Yetzko questioned if we could label the budget as a tentative budget, to which Mr. Bowman commented that we will need to provide a copy of the budget to USDA. Attorney Barbin noted that there are no restrictions in the Municipal Authorities Act that would prevent the Board from amending the budget in February if there is a need to do so.

XIV. GOOD OF THE ORDER

- Shawn Claar Logging

Mr. Bowman pointed out that, as mentioned earlier in the meeting by Mr. Barton, Shawn Claar has submitted a check in the amount of \$2,000 for the extension granted by the Board. Mr. Bowman recommended that the check be deposited into Account 106.5.

ON MOTION OF MR. KOVAL, SECONDED BY MR. HODGKINSON, THE BOARD UNANIMOUSLY AGREED THAT THE CHECK RECEIVED FROM SHAWN CLAAR LOGGING BE DEPOSITED INTO ACCOUNT 106.5. BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. BOWMAN, MR. HODGKINSON, MR. KOVAL, AND MR. YETSKO.

- Requests for Adjustments

Mr. Bowman apprised the Board that the following requests for adjustments were received:

1. 1401 Conemaugh Avenue #4 – hot water tank burst; was replaced. Consumption, 48,500 gallons; average consumption, 4,100 gallons. Amount billed, \$329.50; average bill, \$35.75; subtotal, \$293.75; 20%, \$58.75; total adjusted bill, \$94.50.
2. 144 Mangus Court – two toilets leaking. Consumption, 15,800 gallons; average consumption, 1,800 gallons. Amount billed, \$122.80; average bill, \$17.82; subtotal, \$104.98; 20%, \$21.00; total adjusted bill, \$38.82.

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

- Sale of Property

Mr. Bowman informed the Board that the Charlie Chappell residence is coming up as a tax sale. He noted that this would be a nice piece of property that could be considered as an in-town storage yard. Mr. Bowman commented that Mr. Cadwallader will be reviewing the area and bringing additional information back to the Board. Mr. Koval questioned if there is easy access to the property, to which Mr. Bowman replied affirmatively.

XV. EXECUTIVE SESSION

At 8:25 p.m., the Board went into Executive Session to discuss personnel matters.

XVI. RECONVENING OF MEETING

The Board reconvened into Regular Session at 8:30 p.m.


XVII. ADJOURNMENT

THERE BEING NO FURTHER BUSINESS, ON MOTION OF MR. YETSKO, SECONDED BY MR. HODGKINSON, THE BOARD ADJOURNED THE MEETING AT 8:31 P.M. BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. BOWMAN, MR. HODGKINSON, MR. KOVAL, AND MR. YETSKO.

XVIII. NEXT MEETING

The next meeting will be held on Thursday, December 5, 2014 at 7:00 p.m.

Respectfully submitted,


Sharon Squillario
Recording Secretary