

**JOINT MEETING – Somerset Borough Council & Municipal Authority of the Borough of Somerset
September 19th, 2022 - 5:00 p.m.**

JOINT MEETING AGENDA

1. Joint Meeting Called to Order:

- a) Borough Council Meeting Called to Order – *President Ream*
- b) Municipal Authority Meeting Called to Order – *Chairman Flower*

2. Pledge of Allegiance

3. Roll Call:

- a) Borough Council Members present: *Pam Ream; Lee Hoffman; Ruby Miller; Sue Opp; Steve Shaulis; Jim Clark and Ian Mandichak.*
- b) Mayor: *Fred Rosemeyer* also present.
- c) Also present were the following: *Borough Manager, Michele Enos; Director of Finance, Brett Peters; Administrative Assistant, Roger Bailey; Solicitor, James Cascio and Consulting Engineers, Tom Reilly and Jake Bolby.*

Roll Call:

- a) Municipal Authority Members present: *Ruby Miller; Jessica Sizemore and Ben Flower.*

Public Attendance:

- a) *Gerald Walker and Becca Mull.*

4. New Business – Joint Discussions:

- a) Property Resale Ordinance – *Discussion concerning the property resale ordinance for sanitary sewer lateral testing.*

Ms. Enos stated that this subject has been discussed over the last several months between the Municipal Authority Board and the Council members. Council and the Authority both agreed that they would like to see a draft of an Ordinance, to include the following: The lateral will be tested upon the sale of every residential and commercial structure. If the testing should fail, the property owner shall have up to 6 months to complete a lateral replacement. Once a property has completed the construction and successful pressure or water test, that property will not be tested for a period of 10 years. If the property is transferred within that 10 year period, they will not be required to re-test until the term of 10 years has expired.

Motion Unanimously Carried
(Motion includes all Municipal
Authority & Borough Council Members)

b) Status of Projects – Update from our Engineer on the Status of Projects.

The Engineer's Report was given by Jake Bolby and a copy of that has been provided to the Borough Council and Municipal Authority Board. Also, a copy of this report is on file at the Borough office.

MUNICIPAL AUTHORITY MEETING AGENDA

1. Approval of Minutes of Previous Meeting(s):

a) August 15th, 2022 – Municipal Authority Meeting Minutes.

Motion:

Mrs. Sizemore moved, Mrs. Miller seconded, to approve the August 15th, 2022 Municipal Authority Meeting Minutes.

Motion Unanimously Carried

b) Approval of Agenda – Consider approving the agenda as presented.

Motion:

Mrs. Miller moved, Mr. Flower seconded, to approve the September 19th, 2022 Agenda.

Motion Unanimously Carried

2. New Business:

a) Resolution No. 2022-05 – Consider approving the “Resolution to Borrow” associated with our Capital Water Project. This resolution replaces the word “grant” with the revised phrase of “principle forgiveness”.

Ms. Enos stated that the Resolution does not change the amount of loan or grant but simply the use of the word “grant” will be changed to “principle forgiveness”. This was a request from PennVEST to comply with their required language in the documents for funding purposes.

Motion:

Mrs. Sizemore moved, Mr. Flower seconded, to approve the “Resolution to Borrow” associated with our Capital Water Project. This resolution replaces the word “grant” with the revised phrase of “principle forgiveness”.

Motion Unanimously Carried

RESOLUTION NO 2022-05

FUNDING RECIPIENT - LOAN NUMBER 82402

RESOLUTION TO BORROW

AUTHORIZING THE SECURING OF FUNDING FROM THE PENNSYLVANIA INFRASTRUCTURE INVESTMENT AUTHORITY ("PENNVEST") IN THE MAXIMUM PRINCIPAL AMOUNT OF \$14,595,231.00 AND THE ACCEPTANCE OF A PRINCIPAL FORGIVENESS LOAN FROM THE AUTHORITY IN THE MAXIMUM PRINCIPAL AMOUNT OF \$5,404,769.00 FOR THE PURPOSE OF PROVIDING FUNDS TO FINANCE THE COST OF THE IMPROVEMENT OF THE PUBLIC DRINKING WATER SYSTEM, OF THE FUNDING RECIPIENT, TO PAY COSTS AND EXPENSES OF SECURING SUCH FUNDING; AUTHORIZING THE EXECUTION AND DELIVERY OF A PLEDGE OF THE FULL FAITH AND CREDIT AND OF THE GROSS REVENUES AND RECEIPTS; APPROVING THE FORM, TERMS AND CONDITIONS OF THE FUNDING DOCUMENTS; AUTHORIZING THE EXECUTION OF THE FUNDING DOCUMENTS AND PROVIDING FOR THE AUTHENTICATION AND DELIVERY THEREOF; AND AUTHORIZING THE DISPOSITION OF THE FUNDING PROCEEDS RECEIVED OR TO BE RECEIVED FROM PENNVEST.

WHEREAS, THE MUNICIPAL AUTHORITY OF THE BOROUGH OF SOMERSET, created and existing under the laws of the Commonwealth of Pennsylvania, has determined that it is necessary and in its best interests to improve (the "Project") that certain public drinking water system (the "System"); and

WHEREAS, in order to finance the cost of the Project, the MUNICIPAL AUTHORITY OF THE BOROUGH OF SOMERSET intends to secure a loan in the maximum principal amount of \$14,595,231.00, from PENNVEST to be evidenced by a debt obligation (the "Debt Obligation") and a principal forgiveness loan in the maximum principal amount of \$5,404,769.00 (the "PENNVEST Funding"), secured by a pledge of the full faith and credit and the gross receipts and revenues of the Funding Recipient (the "Project Collateral") and other agreements granting and creating security interests, all as more particularly set forth in the funding agreement between THE MUNICIPAL AUTHORITY OF THE BOROUGH OF SOMERSET and PENNVEST (the "Funding Agreement") and the funding offer from PENNVEST dated October 20, 2021 (the Debt Obligation, Project Collateral, other security agreements, funding offer, the Funding Agreement and all other agreements, documents, certificates and instruments described in or contemplated by the Funding Agreement are collectively referred to as the "Funding Documents"); and

WHEREAS, THE MUNICIPAL AUTHORITY OF THE BOROUGH OF SOMERSET desires and intends to take all necessary and proper actions and to execute all documents required by PENNVEST to be executed to obtain the PENNVEST Funding and assure its proper repayment.

NOW, THEREFORE, THE MUNICIPAL AUTHORITY OF THE BOROUGH OF SOMERSET hereby resolves as follows:

Section 1. For the purpose of providing funds to finance the cost of the Project and to pay costs and expenses in connection with the PENNVEST Funding, the MUNICIPAL AUTHORITY

OF THE BOROUGH OF SOMERSET hereby authorizes the execution of all Funding Documents and the taking of all actions necessary and required by PENNVEST to obtain the PENNVEST Funding in the maximum principal amount of \$14,595,231.00 pursuant to the provisions of the Pennsylvania Municipality Authorities Act of May 2, 1945, P.L. 382, as amended and the Funding Documents.

Section 2. The PENNVEST Funding shall be secured by the Funding Documents from THE MUNICIPAL AUTHORITY OF THE BOROUGH OF SOMERSET to PENNVEST, and to the extent and in the manner therein set forth, the Project Collateral and other agreements granting and creating certain security interests in favor of PENNVEST, as well as a pledge of all other revenues and receipts of THE MUNICIPAL AUTHORITY OF THE BOROUGH OF SOMERSET for the payment of costs of THE MUNICIPAL AUTHORITY OF THE BOROUGH OF SOMERSET, and for the payment of principal of, and interest on, the Debt Obligation. In addition, THE MUNICIPAL AUTHORITY OF THE BOROUGH OF SOMERSET shall accept the Debt Obligation as a special revenue obligation and pledge its water revenues toward the repayment of the Debt Obligation.

The Funding Documents shall not in any manner pledge the full faith and credit or taxing power of the Commonwealth of Pennsylvania, nor shall it be deemed to be an obligation of the Commonwealth of Pennsylvania, nor shall the Commonwealth be liable for the payment of the principal of, or interest on, such obligation, but it shall be secured upon and payable from the gross revenues and receipts of THE MUNICIPAL AUTHORITY OF THE BOROUGH OF SOMERSET derived from the System and from such other moneys as may be made available for the purpose of repaying the Debt Obligation.

Section 3. The form, terms and conditions of the Funding Documents prepared by counsel for THE MUNICIPAL AUTHORITY OF THE BOROUGH OF SOMERSET and PENNVEST, to be substantially in the form as submitted to this meeting are hereby approved. The Chairman and Secretary of THE MUNICIPAL AUTHORITY OF THE BOROUGH OF SOMERSET are hereby authorized to execute the Funding Documents in such form on behalf of THE MUNICIPAL AUTHORITY OF THE BOROUGH OF SOMERSET, subject to such changes and modifications, if any, as may be approved by such Chairman and Secretary, the execution of the Funding Documents to be conclusive evidence of such approval, and the Secretary is hereby authorized to cause the corporate seal of THE MUNICIPAL AUTHORITY OF THE BOROUGH OF SOMERSET to be affixed thereto and to attest the same. The Chairman of THE MUNICIPAL AUTHORITY OF THE BOROUGH OF SOMERSET is further authorized to acknowledge the same on behalf of THE MUNICIPAL AUTHORITY OF THE BOROUGH OF SOMERSET and to deliver said Funding Documents to PENNVEST.

Section 4. The PENNVEST Funding shall be repaid in the amounts and on certain dates, all as set forth in the Funding Documents as submitted to this meeting. The PENNVEST Funding is also subject to early repayment as provided in the Funding Documents.

Section 5. The application for the PENNVEST Funding ("Application") in the form submitted at this meeting is hereby approved with such subsequent, necessary and appropriate variations, omissions and insertions, if any, as may be approved by the Chairman and Secretary of THE MUNICIPAL AUTHORITY OF THE BOROUGH OF SOMERSET, and the Chairman and Secretary are hereby authorized to sign said Application, amended as aforesaid, on behalf of THE MUNICIPAL AUTHORITY OF THE BOROUGH OF SOMERSET. The review of the

Application and any amendments by PENNVEST, as well as any investigation required by PENNVEST in connection with the PENNVEST Funding, are hereby authorized.

Section 6. Upon receipt, the proceeds from the PENNVEST Funding authorized to be secured in this Resolution, shall be applied by THE MUNICIPAL AUTHORITY OF THE BOROUGH OF SOMERSET under the terms and conditions set forth in the Funding Documents.

Section 7. The proper officers of THE MUNICIPAL AUTHORITY OF THE BOROUGH OF SOMERSET are hereby authorized, empowered and directed on behalf of THE MUNICIPAL AUTHORITY OF THE BOROUGH OF SOMERSET to execute any and all papers and documents to do and cause to be done any and all acts and things necessary or proper for the execution or carrying out of this Resolution, of the Funding Documents and in the Application and securing of the PENNVEST Funding.

Section 8. All resolutions or parts of resolutions inconsistent herewith shall be, and the same are, hereby rescinded, cancelled and annulled.

b) Resolution No. 2022-06 – Consider approving the Resolution to reduce the amount of land we lease to Sodiaal North America Corporation near Ruby Tuesday restaurant for the expansion of our North End Pump Station. This is part of our Capital Water Project improvements.

Ms. Enos stated that as part of a lease agreement, we are required to give notice of our intent to use our property for expansion purposes with the current lease holder. We will be expanding the use of our existing property as part of the Capital Water Project. This will be for our North End Pumping Station. Our Solicitor has reviewed this agreement and has given us the direction to move forward.

Motion:

Mrs. Miller moved, Mr. Flower seconded, to approve the Resolution to reduce the amount of land we lease to Sodiaal North America Corporation near Ruby Tuesday restaurant for the expansion of our North End Pump Station. This is part of our Capital Water Project improvements.

Motion Unanimously Carried

**THE MUNICIPAL AUTHORITY OF THE BOROUGH OF SOMERSET, SOMERSET COUNTY,
PENNSYLVANIA**

RESOLUTION NO. 2022-06

A RESOLUTION OF THE MUNICIPAL AUTHORITY OF THE BOROUGH OF SOMERSET TO REDUCE AVAILABLE PROPERTY FOR USE BY LESSEE AND TO CONSTRUCT PUBLIC WATER SYSTEM FACILITIES FOR THE PUBLIC GOOD

WHEREAS, the Municipal Authority Borough of Somerset, Somerset County, PA (“Authority”) is a Pennsylvania municipal corporation at 347 West Union Street, Somerset, PA 15501; and

WHEREAS, the Borough of Somerset is the owner of property 135 Waterworks Road, Somerset, PA 15501 (“Property”) on record at the Somerset County Recorder of Deeds Office as Parcel Map Number S41-021-011-03, Deed Book 912 and Page 474; and

WHEREAS, the Property contains the North End Pumping Station, underground water lines, underground natural gas lines, water line appurtenances, and overhead electrical lines all a part of the public water system; and

WHEREAS, the Borough along with the Municipal Authority of the Borough of Somerset leased certain portions of said Property under separate agreements (“Lease Agreements”) to SODIAAL NORTH AMERICA CORPORATION and TURNPIKE CREAMERY PARTNERS, LLC (“Lessee”); and

WHEREAS, the Authority is exercising its rights under terms of the Lease Agreements specifically permitting the Authority to reduce the land area leased for the construction of public water facilities.

NOW, THEREFORE, BE IT RESOLVED AND ENACTED by the Authority:

Article One – Construction Activities: The Authority and its Contractors shall construct a permanent electrical generator adjacent to the North End Pumping Station and shall install new water lines, valves, and appurtenances (the “Work”). The Authority and its Contractors shall occupy the areas of the Property necessary to perform the Work and from time to time restrict Lessee’s access to the Property to perform the Work. The Authority and its Contractors will restore all disturbed surfaces (paved and unpaved) to conditions existing prior to construction.

Article Two – Reduced Lease Area: The Authority shall reduce the leased area north of the existing North End Pumping Station to install a permanent electrical generator. The leased area

shall be reduced by approximately 500 square feet. The reduced leased area is shown on Exhibit A, attached and made part hereof.

ACCEPTED AND APPROVED this 19th day of September 2022.

3. Payment of Bills/Requisitions:

a) *None*

4. ADJOURNMENT

Motion:

Mrs. Sizemore moved to adjourn, seconded by Mr. Flower.

Motion Unanimously Carried
5:28 p.m.

BOROUGH COUNCIL MEETING AGENDA

1. Approval of Minutes of Previous Meeting(s):

a) *August 22nd, 2022 – Borough Council Meeting Minutes.*

Motion:

Mr. Mandichak moved, Mrs. Opp seconded, to approve the August 22nd, 2022 Borough Council Meeting Minutes.

Motion Unanimously Carried

b) *Approval of Agenda – Consider approving the agenda as presented.*

Motion:

Mrs. Opp moved, Mr. Hoffman seconded, to approve the September 19th, 2022 Agenda.

Motion Unanimously Carried

2. Opening of Bids:

a) *None*

3. General Public Comments:

a) *Becca Mull & Commissioner Gerald Walker – Presentation of the Red Ribbon Week Proclamation.*

Mayor Rosemeyer presented a Proclamation declaring October 23-31, 2022 as Red Ribbon Week in the Borough of Somerset.

Proclamation

Red Ribbon Week – October 23 through 31, 2022

WHEREAS, Communities across our nation have been plagued by the numerous problems associated with substance use; and

WHEREAS, Substance abuse is specifically damaging to one of our most valuable resources, our children; and

WHEREAS, Every year, 22,000 Pennsylvanians die from smoking and smoking-related disease; and

WHEREAS, The Red Ribbon Campaign is the oldest and largest drug prevention program in the nation, reaching millions of young people during Red Ribbon Week; and

WHEREAS, Red Ribbon Week will be celebrated in every community from October 23 through October 31, 2022; and

WHEREAS, UPMC Western Behavioral Health at Twin Lakes, and Somerset County Drug-Free Communities, and Adagio Health are sponsoring the Red Ribbon Week Campaign, whose mission is to present a unified and visible commitment toward the creation of a drug- and nicotine-free America, and

WHEREAS, The Red Ribbon symbolizes a personal commitment to a drug- and tobacco-free lifestyle; and

WHEREAS, Citizens of Somerset Borough are encouraged to join these efforts and unite to take a visible stand against drugs and nicotine by wearing a red ribbon and committing to quit or refusing to start using tobacco products; and

NOW, Therefore, be it resolved that we, the Council and Mayor of the Borough of Somerset, in unison with the Somerset County Drug and Alcohol prevention providers, do hereby proclaim the week of October 23 through 31, 2022 as Red Ribbon Week and encourage its citizens to participate in drug and tobacco education and prevention activities to make a visible show of support for our strong commitment to a tobacco-free community.

Be it further resolved that the Borough of Somerset encourages all citizens to pledge: The Choice For Me, Drug and Tobacco Free!

4. Administrative Business:

a) Communications (None)

b) Payment of Bills for the month of September 2022.

Motion:

Mrs. Opp moved, Mr. Shaulis seconded, to approve the payment of bills for the month of September 2022 numbered 38826 - 38953 totaling \$756,928.67.

Motion Unanimously Carried

c) Department Reports – Consider approving the Departmental Reports for the Month of August 2022.

Motion:

Mrs. Opp moved, Mr. Mandichak seconded, to approve the Departmental Reports for the month of August 2022.

Motion Unanimously Carried

5. Policy Agenda:

Old Business:

a) None

New Business:

a) Resolution No. 2022-08 – Consider approving the Resolution to reduce the amount of land we lease to Sodiaal North America Corporation near Ruby Tuesday Restaurant for the expansion of our North End Pump Station. This is part of our Capital Water Project improvements.

Ms. Enos stated that as part of a lease agreement, we are required to give notice of our intent to use our property for expansion purposes with the current lease holder. We will be expanding the use of our existing property as part of the Capital Water Project. This will be for our North End Pumping Station. Our Solicitor has reviewed this agreement and has given us the direction to move forward.

Motion:

Mr. Mandichak moved, Mrs. Opp seconded, to approve the Resolution to reduce the amount of land we lease to Sodiaal North America Corporation near Ruby Tuesday restaurant for the expansion of our North End Pump Station. This is part of our Capital Water Project improvements.

Motion Unanimously Carried

THE BOROUGH OF SOMERSET, SOMERSET COUNTY, PENNSYLVANIA
RESOLUTION NO. 2022-08

A RESOLUTION OF THE BOROUGH OF SOMERSET TO REDUCE AVAILABLE PROPERTY FOR USE BY LESSEE AND TO CONSTRUCT PUBLIC WATER SYSTEM FACILITIES FOR THE PUBLIC GOOD

WHEREAS, the Borough of Somerset, Somerset County, PA ("Borough") is a Pennsylvania municipal corporation at 347 West Union Street, Somerset, PA 15501; and

WHEREAS, the Borough is the owner of property 135 Waterworks Road, Somerset, PA 15501 ("Property") on record at the Somerset County Recorder of Deeds Office as Parcel Map Number S41- 021- 011-03, Deed Book 912 and Page 474; and

WHEREAS, the Property contains the North End Pumping Station, underground water lines, underground natural gas lines, water line appurtenances, and overhead electrical lines all a part of the public water system; and

WHEREAS, the Borough has leased certain portions of the Property under separate agreements ("Lease Agreements") to SODIAAL NORTH AMERICA CORPORATION and TURNPIKE CREAMERY PARTNERS, LLC ("Lessee"); and

WHEREAS, the Borough is exercising its rights under the terms of the Lease Agreements to reduce the property area leased for constructing public water facilities.

NOW, THEREFORE, BE IT RESOLVED AND ENACTED by the Borough:

Article One – Construction Activities: The Borough and its Contractors shall construct a permanent electrical generator adjacent to the North End Pumping Station and shall install new water lines, valves, and appurtenances (the “Work”). The Borough and its Contractors shall occupy all parts of the Property to perform the Work and occasionally restrict occupation of the Property by the Lessee to perform the Work. The Borough and its Contractors shall restore all disturbed surfaces (paved and unpaved) to the conditions which existed before construction.

Article Two – Reduced Lease Area: The Borough shall reduce the leased area north of the existing North End Pumping Station to install a permanent electrical generator. The leased area shall be reduced by approximately 500 square feet. The reduced leased area is shown on Exhibit A, attached and made part hereof.

ACCEPTED AND APPROVED this 19th day of September 2022.

b) Somerset Inc./Donation Request – *Somerset Inc. is requesting a donation of \$5,000.00 as a partnership in the demolition cost associated with Blight Remediation to the Jacob’s Property across from Cascio’s Fruit Market.*

After discussion among Council, it was decided that they would make a donation to Somerset, Inc. for the purpose of demolition of a blighted property in the Borough; however, upon the future sale of the property, Somerset, Inc. would be required to set aside the \$5,000 contribution towards the next demolition of a property in Somerset Borough.

Motion:

Mr. Clark moved, Mrs. Miller seconded, to approve the donation request of Somerset Inc. for \$5,000.00 as a partnership in the demolition cost associated with Blight Remediation to the Jacob’s Property across from Cascio’s Fruit Market. The motion is to also include that upon resale of that property, Somerset, Inc. would be required to set aside the \$5,000 original contribution and use that toward a future demolition in Somerset Borough.

Motion Unanimously Carried

c) Somerset Vol. Fire Dept./Donation Request – *They are requesting a \$100.00 donation to sponsor a hole-in-one for their annual Golf Tournament Fundraising Event.*

Ms. Enos stated that this is a request that can be funded and the Borough has approved a donation for this event in the past.

Motion:

Mrs. Ream moved, Mr. Hoffman seconded, to approve the \$100.00 donation request of Somerset Vol. Fire Dept. to sponsor a hole-in-one for their annual Golf Tournament Fundraising Event.

Motion Unanimously Carried

Committee, Administration, Special Reports

a) Manager's Report - (Enos)

Ms. Enos stated that all Council received their monthly reports for each department for the month. After they have had time to look over it, they can feel free to contact her with any concerns or questions.

b) President's Report – (Ream)

Mrs. Ream shared her report with Borough Council.

c) Finance Report – (Peters)

Mr. Peters provided Borough Council with the Year-to-Date Financial Report through the month of August 2022. He added that we are 8/12th or 66.67% of the way through the year.

General Fund:

Revenues – 84.90%

Expenses – 69.08%

Water Fund:

Revenues – 62.11%

Expenses – 67.25%

Sewer Fund:

Revenues – 69.69%

Expenses – 52.32%

d) Engineer's Report - (Bolby/Reilly)

Mr. Bolby discussed the following changes and updates with the Authority and Borough Council.

e) Somerset Inc. Representative – (Hoffman)

Mr. Hoffman gave updates about the projects that are taking place at the Brinker Building and he updated Council about the upcoming events Somerset Inc is planning for this fall.

f) Fire Department Representative - (Clark)

Mr. Clark presented the fire department report and disclosed the amount of calls the department responded to and the nature of those calls. A copy of this report is on file at the Borough Office

g) PSAB Representative – (Rosemeyer)

Mr. Rosemeyer mentioned that the fall conference will be held in October for PSAB. He also encouraged Borough Council to attend the upcoming Somerset County Borough's Association dinner to be held at the Somerset Country Club on September 29th.

h) Solicitor's Report – (Casco)

Solicitor Casco had nothing additional.

i) Mayor's Report – (Rosemeyer)

Mr. Rosemeyer submitted his monthly report to Borough Council and a copy of this report is on file at the Borough Office.

6. **Executive Session** – None requested.

7. **ADJOURNMENT**

Motion:

Mrs. Opp moved to adjourn, seconded by Mr. Shaulis.

Motion Unanimously Carried
6:00 p.m.

Michele A. Enos, Borough Manager/ Secretary