

Borough of Somerset Committee of the Whole September 10, 2018 5:00 p.m.

Meeting was called to order by President Ruby Miller, opening with recitation of the Pledge of Allegiance to the Flag.

Roll Call:

Council Members present: Ruby Miller; Judy Pyle; Pam Ream; Sue Opp and Steve Shaulis. Mayor Scott Walker also present.

Absent were Council Members: Fred Rosemeyer and Gary Thomas.

Also present were the following: Borough Manager, Michele Enos; Director of Finance, Brett Peters; Solicitor James Cascio and Consulting Engineers, Tom Reilly and Jake Bolby.

Announcements:

(a) None

Approval of Minutes of Previous Meeting:

(a) All minutes are approved at the regular Council Meeting.

General Public Comments:

(a) None Registered

Policy Agenda:

Old Business:

(a) None

New Business:

(a) Request form submitted by Manager Enos:

1. State Hospital Tank– Review Inspection Report.

Ms. Enos explained that, as part of the 2018 Budget, an inspection of the State Hospital Tank was to be done to find out what repairs were needed to be made. EADS Group prepared a drawing of the tank and performed the inspection. Ms. Enos brought out that there is going to be an increase in cost of \$25,000.00.

Mr. Bolby explained that they expected to have the inspection done a little earlier. He brought out that they believed that the painting of the tank itself was within the budget for this year.

Mr. Peters brought out that the inspection and painting completed this year totaled approximately \$50,000.00.

Mr. Bolby stated because of the rollover into next year, and because EADS is recommending some repairs, they have updated the cost a little higher. He brought out that construction will extend into the 2019 year.

Mr. Bolby stated that they recommend getting the bid document pulled together now, so we can get scheduled, and on the list, to have a good chance of having a competitive bid this year so it can be started in 2019.

Ms. Enos explained that they will be preparing the bid specifications and bidding early. She stated that the construction of all of this will not take place until the spring of 2019.

2. Water Distribution Equipment – Review of the equipment requested based upon the 2018 Capital Budget.

Ms. Enos brought out that the Water Distribution Equipment is tied in with our Leak Detection Program. She explained that it is a portable vacuum unit that will make the job a lot easier for our Water Distribution Crew.

Ms. Enos stated that there are issues with the labor just to get the valves cleaned, which is costing a lot. She brought out that we have a vactor truck, but it is used primarily for our sewage.

Ms. Enos mentioned that the Water Distribution Equipment is something that she and Mr. Suder have discussed to include in the 2019 budget.

She stated that after speaking to Mr. Bolby, and planning for the State Hospital Tank budget, we knew that the tank's project wasn't going to take place until 2019.

Ms. Enos mentioned that one of the opportunities we now have with the Water Distribution Equipment, is that it can currently be purchased under the Commonwealth's Co-Stars Cooperative Purchasing Program, which is a much better price. The Commonwealth does the bidding, and their contract with Co-Stars will be expiring in 2019.

Ms. Enos brought out that we also have the opportunity to utilize what was previously budgeted for the State Hospital Tank. She expressed that we can move the funding for the tank over into 2019, when the construction is to begin.

Ms. Enos stated that we received an estimate from Bain Enterprises for \$64,375.00. She said that the Water Distribution Equipment will reduce a lot of man power time, and help with safety.

Ms. Enos asked Borough Council how they felt about using the funding that was allocated for the State Hospital Tank this year, for the Water Distribution Equipment. She stated that we will make sure that the State Hospital Tank is budgeted for in 2019.

Ms. Enos asked if Borough Council had any questions regarding the Water Distribution Equipment. No further questions were asked at this time.

This will be considered at the next Council Meeting for approval.

3. Mary S. Biesecker Public Library – Requesting to re-appoint Mr. G. Henry Cook, Mr. Benedict G. Vinzani, Jr., and Reverend Matt Deal to its Board of Directors. (3-year terms)

Ms. Enos explained that this request is typical when the Library's Board of Director's are expiring.

She mentioned that this will also appear on the next Council Meetings Agenda for consideration and approval.

4. Long Range Water Projects – Review of our financing options.

Ms. Enos mentioned that at a previous Committee of the Whole Meeting, discussion was held about long range plans for Water Projects, Sewage Projects and Storm Water Projects.

She stated that the Water Projects tie into our Water Allocation Permit, and the 4-year process to reduce our water loss from 40% to 20%. This includes searching for 50% of our water loss. Ms. Enos stated that this is the reason the Borough created the Leak Detection Program, and the Leak Detection Crew, assigned to handle this problem.

She stated that in order to do this, we're going to have to look at infrastructure improvements and replacing lines in the Distribution System. This includes "loop" systems at dead-end lines, because "pressure changes" also have an effect on the lines.

Ms. Enos stated that Mr. Suder is trying to map out areas where leaks are being found. Upon finding leaks, they are being fixed. She stated that we are just putting a "Band-Aid" on what needs to be replaced.

Discussion was held among Council regarding possible financing options along with possible grant options.

Ms. Enos mentioned that Mr. Bolby reached out to PENNVEST and talked to one of the gentlemen there about financing, eligibility, and what the Borough's options are, so that we could communicate this information with Borough Council.

Mr. Bolby distributed information to Borough Council and explained its contents. He stated that some of the disclosed information was previously presented to Borough Council back in May 2018. Updates were added to the information upon finding out the recommendations from PENNVEST. Information also included what Projects would likely be funded through PENNVEST.

Mr. Bolby stated that, when speaking with PENNVEST, an explanation was given to them about the current situation that the Borough is in, and the Capital Improvement Plan for all the projects.

Mr. Bolby stated that a range of capital improvements were presented, and a plan over a long period of time, to go forward with those Capital improvements.

PENNVEST was asked the best way to come to them for funding options, with the potential to receive incentives. Mr. Bolby stated that these incentives are what PENNVEST refers to as their variables and interest rates, term lengths and grant money. They are all under different levels of incentives that come through PENNVEST.

Mr. Bolby explained that whenever a package is submitted to PENNVEST for consideration, they evaluate what the entity can afford. Afterwards, the entity can become eligible for different levels of incentives. Mr. Bolby mentioned that *the first offer*, through PENNVEST, would be 1% through the life of the loan, which is typically for 20 years. In order to make the same project more affordable, *the second offer* is to extend the life of the loan to 30 years in order to reduce the annual payment. *The third offer* would be to consider a grant.

Mr. Bolby stated that previously EADS recommended to look at moving forward with a \$10-million-dollar project range. He mentioned that this is going to do two things. *First*, it is going to look at improvements with the Water Treatment Systems at Laurel Hill and Laurel Hill Dam. *Second*, which is the larger project, would be to replace the Water Distribution Lines to start working on the “unaccounted for” water loss number.

Mr. Bolby explained that PENNVEST looks at the finances of the Borough based on “old numbers” submitted for the Hickory Hill Tank Project. He stated that at this point in time, in very rough numbers, PENNVEST is saying that the Borough is able to afford up to \$10 million dollars. At *greater than* \$10 million dollars, the Borough would start to be eligible for incentives.

Mr. Bolby explained that nothing is “set in stone” until you get an actual offer from PENNVEST. In order to get an offer, the Borough has to submit for an application, which would include permits for any design projects that you’d want to do, and then PENNVEST would come back with an offer.

Mr. Bolby stated that with the information from PENNVEST, EADS has adjusted the recommendation to the largest amount that is available through PENNVEST. He stated that the Borough is only eligible for the largest amount, because they are serving multiple Municipalities including Jefferson and Somerset Townships. He explained that if the Borough was just confined to serving Somerset Borough, it would be eligible up to \$10 million dollars. He explained that if the Borough was to go forward with an application that was up to \$20 million dollars, you would have the best chance to get the best interest rate term, and a possibility of being considered for grant funds.

Mr. Bolby explained that the PENNVEST levels, with no incentives, is at 1% for 5 years. If the Borough would qualify for the next incentive through PENNVEST, it is 1%

“across the board.” The next PENNVEST level is 30 years for 1%. The fourth level would be grant eligible.

Mr. Bolby mentioned that in Somerset County right now, 6-20 years is at 1.731%.

Ms. Enos mentioned that one of the options is that if we make a \$20-million-dollar request from PENNVEST, and they *are not* going to give us grant funding, we don't have to follow through with the \$20-million-dollar request. Instead, she suggested going back to the \$10-million-dollar request so it is affordable for the Borough. Ms. Enos stated that if we request \$20 million dollars, and *do* obtain grant funding, we can still have the same rate for Borough residents for \$20 million dollars' worth of work, as compared to \$10 or \$15 million dollars. Ms. Enos brought out that we won't know that, officially, until we receive an offer from PENNVEST. She stated that if we do make a \$20-million-dollar request, we will have to design for \$20 million dollars' worth of work.

Mr. Reilly stated that PENNVEST is offering these incentives in a different way than they have done so in the past. They are evaluating the *rate increase* to the Borough customers rather than just the *overall rate* to Borough customers. What they have historically done, is calculate an affordable yearly rate. He stated that this is not what they are doing now. Mr. Reilly stated that they are rewarding the municipalities that are undercharging, because they are taking into account the *rate increase* to the customers rather than just solely *the rate* to the customers. He stated that this hasn't been the way PENNVEST evaluated these financing packages in the past.

Ms. Enos mentioned that she, Mr. Bolby, Mr. Reilly and Mr. Peters met to discuss these options. She stated that for \$20 million dollars of financing, and if the Borough gets incentives, we are almost equally matched for \$10 million dollars' more worth of work.

Mr. Bolby stated that in the early preliminary stages of Capital Planning, they had a range of \$9 - \$44 million dollars. Now that Mr. Suder is getting into his leak detection efforts, we are going to start to see how often these lines have broken over the years, and where they need replaced.

Ms. Enos stated that infrastructure will make a difference in costs. She stated that a number of things, like the replacement of residential and commercial meters, have been found to be in need of replacement because of water loss.

Ms. Enos stated that they wanted to bring all this information to Council to see how they felt about moving forward with it.

Ms. Enos stated that we are not committed to PENNVEST'S offer. She stated that we if do request \$20 million dollars, we will be committed to design \$20 million dollars in projects. She stated that even if PENNVEST comes back with no offer, we will have already had EADS design the projects. She stated that we will be able to use those designs even if we go for \$10 million dollars. Ms. Enos stated that we will know what our next design project is, because it will already have been designed by EADS. It will not be lost.

Ms. Enos stated that the next step is giving EADS the authorization to design those necessary projects, and if Council wants to authorize EADS to design a \$20-million-dollar project.

Discussion was held among Council regarding how the Water Fund, Sewer Fund and General Fund are separate from each other. Also discussed was how Borough projects, equipment and employee wages are apportioned out from these separate funds.

Mr. Shaulis asked a question regarding a future plan for the sewer issues the Borough is having.

Mr. Bolby stated that over the past couple of months, a Corrective Action Plan has been pulled together regarding the sewer issues. He brought out that this was in response to the Notice of Violation that DEP submitted. Mr. Bolby said that DEP has to approve that Corrective Action Plan in order for us to proceed with it. He mentioned that they asked DEP for a “generous” schedule to correct the sewer issue. DEP’s initial response was to “shorten” the schedule. Mr. Bolby mentioned that Ms. Enos has requested a meeting to sit down and go through the details with DEP, to “hone in” on what they are looking for, and possibly have some negotiations on that schedule.

Mr. Shaulis asked if we were putting all “our eggs in one nest” right now by concentrating on just the water issues.

In answer, Ms. Enos stated that PENNVEST had told us to make a Water Application separate from a Sewer Application or, as PENNVEST indicated, we would be competing against our own request. PENNVEST also said to submit these applications in two separate years. Ms. Enos added that we are presently not prepared to do the sewer, because we do not know what DEP is going to accept.

Mr. Reilly mentioned that we have the Flow Meters installed, and that this is the key step. He stated that they have to get the results from the meters.

Ms. Enos stated that DEP has been helpful with the knowledge of the Flow Meters. She mentioned that the meters will be kept in a full season to get a full year of data. She stated that this will help to guide us as to what improvements we need to make in that system.

Ms. Enos stated that this is where we need to focus our attention right now, because we have the information to move forward, and we have a 4-year deadline to make those improvements.

Ms. Enos expressed that they would like to authorize EADS to start with design of the \$20-million-dollar project for the Borough. She mentioned that if the Borough gets an offer from PENNVEST, and we are uncomfortable with the terms, we do not

have to accept it. Ms. Enos stated that this will be further discussed at the next Council Meeting for Borough Council's consideration.

5. Donation Request – Somerset County Humane Society – Request for 2019 Funding.

Ms. Enos mentioned that we received this normal request a little early, but noted that the Humane Society asked in their request letter that they were asking for a consideration in the 2019 budget. Ms. Enos stated that we will consider this request during our budget process for 2019.

Ms. Enos mentioned that Shaffer Run Pump went down at the Laurel Hill Plant, so a call went out for replacement of the pump. Authorization was able to be done under the Borough Code for replacement of the pump. Ms. Enos stated that it was going to be down for over a week. She brought out that the estimated cost for the pump and its installation, is \$23,951.00. In the meantime, extra water is being purchased from the Quemahoning System.

Ms. Enos stated that she received a phone call from Mr. Ron Aldom from the Chamber of Commerce. Mr. Aldom mentioned that he was approached by Mr. Rosemeyer asking him to save a spot for the Somerset County Leadership Course for the Borough's new "director". Ms. Enos explained to Mr. Aldom that this would require Council's approval. Ms. Enos disclosed that it is \$900.00 to send someone to the Somerset County Leadership Course, which starts this month. Ms. Enos mentioned that if Mr. Rosemeyer meant for Mr. Roger Bailey to attend this course, she said that she would not be opposed to sending him to this course in the future. Presently, he is still in training for his current role. And, in an effort to save General Fund costs, Ms. Enos stated that her recommendation is to postpone the course for this year. All of Council unanimously agreed.

(b) Year to Date Financial Report – Provided through the month of August 2018.

Mr. Peters distributed the Year-to-Date Financial Statements, through August 2018, to members of Borough Council. He mentioned that we are 8/12ths, or 66.67% of the way through the year.

General Fund:

Revenues – 79.04%

Expenses – 65.36%

Water Fund:

Revenues – 66.00%

Expenses – 55.69%

Sewer Fund:

Revenues – 64.12%

Expenses – 46.38%

Mr. Peters stated that all of the details were in the information distributed to Borough Council, and if there were any questions, he would do his best to answer them.

(c) Manager's Report – Reports distributed to Council for all departments for the Month of August 2018.

Ms. Enos stated that if anyone had any questions concerning the information received by Borough Council now, or at a later time, feel free to call her.

(d) President's Report - Given by Ruby Miller.

Mrs. Miller thanked the Engineers for the water pictures of the reservoir.

She also asked Ms. Enos the status of the NIMS Training Program for Elected Officials.

Ms. Enos explained to Council that NIMS Training is required training for Elected Officials. She stated that she reached out to NIMS about a clarification with FEMA concerning if *all* elected Members of Borough Council had to attend this training, or just those Members who have a role in the Emergency Plan that the Borough has in place. She stated that she is still waiting for a confirmation. She stated that she would let all of Council know when she received an answer from NIMS.

Mrs. Miller also thanked Mrs. Ream for the food she provided for the Council Meeting.

Mrs. Miller also reminded Council of the PSAB Meeting being held in October 2018 at Seven Springs.

(e) Somerset Inc. Report - Given by Judy Pyle.

Mrs. Pyle mentioned that Somerset Inc.'s meeting was tomorrow morning, so she had nothing to report at this time.

(f) PSAB Report – Given by Fred Rosemeyer.

(Mr. Fred Rosemeyer was absent. No PSAB Report given)

(g) Somerset Volunteer Fire Department Report - Given by Steve Shaulis.

Mr. Shaulis mentioned that the Fire Department had 26 fire calls during the month of August 2018.

He mentioned that the golf tournament is September 21, 2018.

Mr. Shaulis expressed his concern with still having major man power issues at the Fire Department. He stated that they recently had a residential fire, and only one individual showed up. He stated that they recently had a commercial fire alarm at a warehouse, and only two individuals showed up for that. He expressed that he hopes

the Recruitment Program with the younger ones will help out in the future, but for right now, it doesn't help their present problem.

Mr. Shaulis also talked about another residential fire they recently had. He stated that between five Fire Departments, they only had a total of 18 individuals at the scene.

He mentioned that the present Fire Crew is getting older. He stated that he doesn't know what the answer is.

(h) Engineer's Report -

(Engineer's report already discussed under "Long Range Water Projects")

(i) Mayor's Report – Given by Mayor Walker

Mayor Walker mentioned that since his last report, the "Night Out" Event was held. He stated that there was a large crowd at the event until it rained. He expressed that the rain put quite a damper on the evening.

He also brought out that we had two Uptown Events since the last meeting. Mayor Walker stated that from a traffic control perspective, and Police enforcement prospective, they went very well. He stated that the key element is that the Chief and Police Department have a good working relationship with Ms. Regina Coughenour of Somerset Inc. He brought out that they work upon each other's knowledge.

Mayor Walker mentioned that the Lead Program continues to help drug addicts get into rehab when they reach out to the Police Department. He stated that quite a few people have walked into the Police Department asking for help.

Mrs. Ream stated that the SCA provides the funding to help these individuals get into rehab. She also explained the agreement the hospital has with the SCA to help individuals who come into the Emergency Room from a drug overdose. She explained that SCA is immediately called, and a Certified Recovery Specialist comes into the hospital to talk to the individual to try to encourage them to agree to go into treatment.

Mrs. Ream also mentioned that Somerset Hospital has a new program that they are working on to help reach out to drug addicts.

Additional discussion was held about what is being done about drug de-contamination issues.

Executive Session – None requested.

ADJOURNMENT

Motion

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

Motion Unanimously Carried

6:18 p.m.

Michele A. Enos, Borough Secretary