



POCONO TOWNSHIP PLANNING COMMISSION

AGENDA

March 9, 2026 6:00 p.m.

205 Old Mill Rd | Tannersville, PA 18372

<https://us06web.zoom.us/j/89730541449>

Meeting ID: 897 3054 1449

Security Passcode: 055778

CALL TO ORDER

PLEDGE OF ALLEGIANCE

Re-Organization: Chair and Vice Chair

ROLL CALL

PUBLIC COMMENT

Public Comment Policy has changed. For public comment at the beginning of a meeting you will be permitted 3 minutes on agenda and non-agenda items only. For action items, you may speak at the podium and be permitted 1 minute for your comments during that agenda item.

ANNOUNCEMENTS

CORRESPONDENCE

OLD BUSINESS

- Motion to approve the minutes of the February 9, 2026 meeting of the Pocono Township Planning Commission. **(Action Item)**

NEW BUSINESS

PRESENTATIONS:

Act 537 Plan Update – PAWC – Penn Estates – **(Possible Action Item)**

Sanofi Pasteur-Request for rezoning of parcel 12.1.6.12-2 – **(Possible Action Item)**

SEWAGE PLANNING MODULES:

SPECIAL EXCEPTIONS:

WAIVERS OF LAND DEVELOPMENT:

SKETCH PLANS

NEW PLANS

FINAL PLANS UNDER CONSIDERATION

PRELIMINARY PLANS UNDER CONSIDERATION – (Possible Action Items)

- Members 1st Federal Credit Union – LDP 1446 Plans were administratively accepted at the 10/14/25 P.C. meeting. Approval deadline of May 17, 2026 ***Deadline for P.C. consideration is 4/13/26 (Possible Action Item)***

Motion to table the following plans (Action Items):

- Alaska Pete’s Roadhouse Grille (173 Camelback Road) Land Development Plan (LDP# 1387) – Plans were administratively accepted at the 4/10/23 P.C. meeting. Extension request received with approval deadline of December 31, 2026. ***Deadline for P.C. consideration is 12/8/26***

SPECIAL EXCEPTIONS, CONDITIONAL USE, ET AL, APPLICATIONS

PRIORITY LIST

UNFINISHED BUSINESS

NEW BUSINESS

- Joint Work session between Pocono Township Planning Commission and the Pocono Township Board of Commissioners. (Highlights of the proposed zoning updates, draft #2 of the zoning ordinance updates, draft zoning map and overlay maps, draft #2 of the SALDO amendments.)
- Joint Work session between PC and BOC Zoning Ordinance, Zoning Map, SALDO Amendments to be held on March 10, 2026 at 5:00 PM

ADJOURNMENT



Michael E. Gable
Pocono Township Planning Commission
112 Township Drive
Tannersville, PA 18372

January 19, 2026

Re: Pocono and Stroud Township Act 537 Sewage Facilities Plan Update

Dear Mr. Gable:

On behalf of Pennsylvania American Water Company (PAWC), and in compliance with PADEP Act 537 guidelines, we are hereby transmitting the attached Act 537 Plan Update (Plan) for review.

The Pennsylvania Code, Title 25, Chapter 71.31 (b) required municipalities/municipal authorities to forward proposed official plans to the appropriate planning agencies for review and comment. We kindly request your review of the Plan.

Please find enclosed one (1) copy of the following materials for the above reference project:

1. Act 537 Sewage Facilities Plan Update – Pocono and Stroud Township

In addition to a physical copy being sent to the Planning Commission's office located at 112 Township Drive, Tannersville PA 18372, a digital copy (via sharefile link) will be sent to your email address (MGable@tandmassociates.com) on January 19, 2026.

Please address any comments to:

Reilly Associates
49 South Main Street, Suite 200
Pittston, PA 18640
ATTN: Jake Shemo
RE: Pocono and Stroud Township Act 537 Sewage Facilities Plan Update

If no comments are received within sixty (60) days of receipt of this Plan, the requirements of the Pennsylvania Code, Title 25, Chapter 71.31 (b) will be considered satisfied. Should you have any questions, please do not hesitate to contact me directly at 570-472-2523, or jshemo@reillyengineering.com.

Sincerely,

REILLY ASSOCIATES

Jake Shemo

Jake Shemo, E.I.T.
Engineering Associate

**Engineering
Environmental
Surveying**

DRAFT

**ACT 537
SEWAGE FACILITIES
PLAN UPDATE**

**POCONO AND STROUD
TOWNSHIP**

MONROE COUNTY, PENNSYLVANIA

**PENNSYLVANIA AMERICAN WATER
COMPANY
ACQUISITION OF THE NEXUS WATER
GROUP PENN ESTATES SANITARY
SEWER SYSTEM**

January 2026

Prepared By:

Reilly Associates

49 South Main Street, Suite 200
Pittston, PA 18640
(570) 654-2473

RA # 25046.00



ENGINEERING / ENVIRONMENTAL / SURVEYING

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ACT 537 - PLAN UPDATE
POCONO AND STROUD TOWNSHIP

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ACT 537 - PLAN UPDATE
POCONO AND STROUD TOWNSHIP

Act 537 Plan Checklist

Please refer to the attached Private-to-Private Wastewater Disposal System Transfers Act 537 Planning Requirements.



PRIVATE-TO-PRIVATE WASTEWATER DISPOSAL SYSTEM TRANSFERS ACT 537 PLANNING REQUIREMENTS

This document outlines Act 537 planning requirements applicable to situations where a private entity purchases or intends to purchase a privately-owned and operated wastewater collection, conveyance or treatment system.

Section 71.12(a) of the Sewage Facilities Planning regulations provides that “[m]unicipalities shall review and revise their official plans whenever the municipality or the Department determines that the plan is inadequate to meet the existing or future sewage disposal needs of the municipality or portion thereof.” In addition, section 71.13(a) of the regulations states that “[t]he Department will require a municipality to revise its official plan when it determines that . . . the plan, or its parts, is inadequate to meet the sewage needs of the municipality, its residents or property owners because of newly discovered facts, conditions or circumstances which make the plan inadequate.”

The purchase of an existing privately-owned wastewater facility by a private entity presents new facts and issues which are not addressed in an existing Act 537 plan which covers the previously privately-owned wastewater disposal system. This necessitates Act 537 planning in order to ensure that the purchase and management of the facility adequately meets the existing and future sewage disposal needs of the residents of the areas served by the wastewater treatment facility being purchased. The planning should, among other things, address any changes in the areas served and the responsibilities of the previous private owner and the purchasing entity with respect to the operation and maintenance of the facility.

The scenario is that a private entity plans to purchase a privately owned and operated wastewater collection, conveyance or treatment system. In addition, the following items are assumed in the scenario:

- Existing sewage needs identified in the municipality’s current Official Sewage Facilities Plan (Act 537 Plan) are resolved, or the existing needs have been identified and resolutions have been provided in the existing Act 537 Plan.
- There are no ongoing Municipal Wasteload Management (Chapter 94) issues with respect to the collection, conveyance, or treatment components of the existing system, or the issues are in the process of being resolved through an executed Consent Order and Agreement (CO&A).
- There are no ongoing Combined Sewer Overflow (CSO) compliance issues that have not been addressed with the Department or the U.S. Environmental Protection Agency (EPA).
- There are no major compliance issues with the Department or EPA that require structural or administrative improvements that would require the completion of sewage planning, under the Sewage Facilities Act (Act 537), that has not yet been accomplished.

The following sewage facilities plan outline is the framework for the planning effort to cover the assumed scenario. The original private owner and purchasing entity should contact the Regional Act 537 Planning staff as early as possible during the transaction process to schedule a pre- application meeting to discuss and finalize the content of any required Plan. If any of the above assumptions do not match the actual situation, the specific details of the situation can be discussed at

the meeting and the regional planning staff can adjust the outline to ensure that all applicable planning requirements will be addressed. The outline is not set in stone. If there are valid reasons to include additional items on the planning checklist or remove items listed based on a specific situation, the regional staff should use its discretion to revise the outline.

Municipalities are required to develop and implement comprehensive official plans which provide for the resolution of existing sewage disposal problems and provide for the resolution of future sewage disposal needs of the municipality. The current Official Act 537 Plan of the municipality must be revised through official action to acknowledge the private acquisition of the PrOTW. The Plan Update or Special Study must reflect the changed ownership of the sewage facilities to ensure that current and future sewage disposal needs of the municipality will be met. The Planning will ensure the previous owner and the private entity will cooperate to address any current and future sewage disposal needs.

Sewage Facilities Plan Outline

Part 1 – General Information Form

Part 2 – Administrative Completeness Checklist

- I. Table of Contents
- II. Plan Summary – The summary should provide the sewage planning staff with a synopsis of the contents of the Act 537 Plan. Items A-E should be addressed in the Plan Summary.
 - A. Identify the facilities being acquired. Please include a listing of the assets and areas and municipalities that will be provided sewage services as well as any other municipalities being provided with sewage service via the system as evaluated in the plan. (Reference - 25 Pa. Code §71.21(a)(7)(i)).
 - B. Identify any institutional arrangements necessary to implement the chosen alternative of acquisition of the system. Necessary institutional arrangements refers to new agreements, modifications to existing agreements, action by the PUC or other necessary legal actions necessary to implement the alternative (Reference - 25 Pa. Code §71.21(a)(7)(ii)).
 - C. Present the proposed purchase price and any costs of implementing the proposed acquisition. (Reference - 25 Pa. Code §71.21(a)(7)(ii)).
 - D. Identify the previous owner and purchasing entity commitments necessary to implement the Plan. (Reference - 25 Pa. Code §71.21(a)(7)(iii)).
 - E. Provide a schedule of implementation for the project that identifies the major milestones with dates necessary to accomplish the project to the point of operational status. (Reference - 25 Pa. Code §71.21(a)(7)(iv)).
- III. Municipal Adoption: Original, signed and sealed Resolution of Adoption by the municipality which contains, at a minimum, alternatives chosen and a commitment to implement the Plan in

accordance with the implementation schedule. Municipalities that are tributary to the sewage facilities of the municipality performing the sewage planning, that wish to maintain the current method of sewage disposal into the municipal system being purchased will be required to adopt the plan by resolution. (Reference - 25 Pa. Code §71.31(f)) Section V.F. of the Planning Guide.

- IV. Planning Commission / County Health Department Comments: Evidence that the municipality has requested, reviewed and considered comments by appropriate official planning agencies of the municipality, planning agencies of the county, planning agencies with area wide jurisdiction (where applicable), and any existing county or joint county departments of health. (Reference - 25 Pa. Code §71.31(b)) Section V.E.1 of the Planning Guide.
- V. Publication: Proof of Public Notice which documents the proposed plan adoption, plan summary, and the establishment and conduction of a 30-day comment period. (Reference - 25 Pa. Code §71.31(c)) Section V.E.2 of the Planning Guide.
- VI. Comments and Responses: Copies of all written comments received and municipal response to each comment in relation to the proposed plan. (Reference - 25 Pa. Code §71.31(c)) Section V.E.2 of the Planning Guide.
- VII. Implementation Schedule: A complete implementation schedule with milestone dates specific to the necessary step to complete the acquisition. (Reference - 25 Pa. Code §71.31(d)) Section V.F. of the Planning Guide. If the planning indicated that additional planning effort(s) are required to address sewage needs or future sewage needs, then the schedule must include these future efforts. (Reference - 25 Pa. Code §71.21(c)).

Part 3 – General Plan Content Checklist

- I. Previous Wastewater Planning – This section should provide a brief description of previous planning efforts. The goal is to establish the background and understanding of the municipality’s obligations under the existing Act 537 Plan. Sections of the Plan following this section will establish the commitment by the purchasing entity, to address any existing sewage needs or future unmet sewage needs that may require extension and/or upgrade of the existing collection, conveyance, or treatment system to be purchased.
 - A. Identify, describe and briefly analyze all past wastewater planning for its impact on the current planning effort. This should cover planning:
 - 1. Previously undertaken under the Pennsylvania Sewage Facilities Act (Act). (Reference - Act 537, 35 P.S. §750.5(d)(1)).
 - 2. That has not been carried out according to an approved implementation schedule contained in the plans. (Reference - 25 Pa. Code §71.21(a)(5)(i)(A-D)). Section V.F of the Planning Guide.

3. That is anticipated or planned by applicable sewer authorities or approved under a Chapter 94 Corrective Action Plan. (Reference - 25 Pa. Code §71.21(a)(5)(i)(A&B)). Section V.D. of the Planning Guide.
 4. Through planning modules for new land development, planning “exemptions” and addenda. (Reference - 25 Pa. Code §71.21(a)(5)(i)(A)).
- II. Physical Analysis of Municipality or municipalities served by purchasing entity utilizing written description and mapping - Section should provide an understanding of the physical layout of the municipality. (This information may be covered in previous planning efforts. If so, reference to the section in the previous planning effort will be sufficient.)
- A. Identification of planning area(s), municipal boundaries, Sewer Authority/Management Agency service area boundaries. (Reference – 25 Pa. Code §71.21(a)(1)(i)).
 - B. Identification of physical characteristics (streams, lakes, impoundments, natural conveyance, channels, drainage basins in the planning area). (Reference - 25 Pa. Code §71.21(a)(1)(ii)).
- III. Existing Sewage Facilities in the Planning Area - Identifying the Existing Needs
- Identify, map and describe municipal sewerage systems in the planning area including:
- A. Location, size and ownership of treatment facilities, main intercepting lines, pumping stations and force mains including their size, capacity, point of discharge. Also include the name of the receiving stream, drainage basin, and the facility’s effluent discharge requirements. (Reference - 25 Pa. Code §71.21(a)(2)(i)(A)).
 - B. A narrative and schematic diagram of the facility’s basic treatment processes including the facility’s National Pollutant Discharge Elimination System (NPDES) permitted capacity, and the Clean Streams Law permit number. (Reference - 25 Pa. Code §71.21(a)(2)(i)(A)).
 - C. A description of problems with existing facilities (collection, conveyance and/or treatment), including existing or projected overload under 25 Pa. Code Chapter 94 (relating to municipal wasteload management) or violations of the NPDES permit, Clean Streams Law permit, or other permit, rule or regulation of DEP. (Reference - 25 Pa. Code §71.21(a)(2)(i)(B)).
 - D. Details of scheduled or in-progress upgrading or expansion of treatment facilities and the anticipated completion date of the improvements. (Reference - 25 Pa. Code §71.21(a)(4)(i & ii)).
 - E. Disposal areas, if other than stream discharge, and any applicable groundwater limitations. (Reference - 25 Pa. Code §71.21(a)(4)(i & ii)).
- IV. Future Growth and Land Development

The sewage planning anticipated, if any, to provide adequate wastewater treatment for 5-year and 10-year future planning periods based on projected growth of existing and proposed wastewater collection and treatment facilities. (Reference – 25 Pa. Code §71.21(a)(3)(v)).

V. Identify Alternatives to Provide New or Improved Wastewater Disposal Facilities

Establishes that the private entity purchasing the wastewater disposal system has addressed any unmet sewage needs established in previous planning as well as establishing the intent of ownership and O&M of the private system to be purchased. Essentially, existing sewage needs that have been planned to be met with the private collection, conveyance and/or treatment system to be acquired will be met by the private entity that is purchasing the system.

VI. Evaluation of Alternatives

- A. Evaluate alternatives identified in Section V of this checklist with respect to applicable water quality standards, effluent limitations or other technical, legislative or legal requirements. (Reference - 25 Pa. Code §71.21(a)(5)(iii)). – Establishes the commitment of the private entity purchasing the system to the municipality to address any unmet sewage needs established in previous planning as well as establishing the intent of ownership and responsibilities for O&M of the private system to be purchased. Essentially, existing sewage needs that have been planned to be met with the municipal collection, conveyance and/or treatment system to be acquired will be met by the private entity purchasing the system.
- B. Present the proposed purchase price and any costs of implementing the proposed acquisition.
- C. Analyze the need for immediate or phased implementation of each alternative proposed in Section V of this checklist including: (Reference - 25 Pa. Code §71.21(a)(5)(vi)).
 - 1. A description of the advantages, if any, in phasing construction of the facilities or implementation of an SMP justifying time schedules for each phase. (Reference - 25 Pa. Code §71.21(a)(5)(vi)(B)).
- D. Evaluate administrative organizations and legal authority necessary for plan implementation. (Reference - 25 Pa. Code §71.21(a)(5)(vi)(D)).

VII. Institutional Evaluation

- A. Provide an analysis and description of the various institutional alternatives necessary to implement the proposed technical alternatives including:
 - 1. Need for new municipal departments or municipal authorities. (Reference - 25 Pa. Code §71.61(d)(2)).
 - 2. Functions of existing and proposed organizations (sewer authorities, onlot maintenance agencies, etc.). (Reference - 25 Pa. Code §71.61(d)(2)).
 - 3. Cost of administration, implementability, and the capability of the authority/agency to react to future needs. (Reference - 25 Pa. Code §71.61(d)(2)).

- B. Describe all necessary administrative and legal activities to be completed and adopted to ensure the implementation of the recommended institutional alternative including:
1. Incorporation of authorities or agencies. (Reference - 25 Pa. Code §71.61(d)(2)).
 2. Development of all required ordinances, regulations, standards, agreements and inter-municipal agreements. (Reference - 25 Pa. Code §71.61(d)(2)). – The municipality has obligations under Act 537 and Chapter 94. These obligations include providing for sewage needs of areas of failed or malfunctioning onlot systems, planning and providing sewage facilities for new land development, and addressing projected or existing hydraulic overloads for collection, conveyance, and treatment facilities. The agreement between the current, private owner and the purchasing entity must provide assurances that the obligations of the private owner will still be able to be met by the purchasing entity even after the private owner relinquishes control of the sewage facilities. The agreement must establish the role of the purchasing entity in the implementation of the existing Act 537 Plan and future Act 537 Plans. The agreement must establish that both the private owner and the purchasing entity will work together to provide for these needs. The Agreement must establish a process to work out any disagreements to ensure that sewage needs are met.
 3. Description of activities to provide rights-of-way, easements and land transfers. (Reference - 25 Pa. Code §71.61(d)(2)).
 4. Adoption of other municipal sewage facilities plans. (Reference - 25 Pa. Code §71.61(d)(2)).
 5. Any other legal documents. (Reference - 25 Pa. Code §71.61(d)(2)).
 6. Dates or timeframes for items 1-5 above on the project's implementation schedule.
- C. Identify the proposed institutional alternative for implementing the chosen technical wastewater disposal alternative. Provide justification for choosing the specific institutional alternative considering administrative issues, organizational needs and enabling legal authority. (Reference - 25 Pa. Code §71.61(d)(2)).

VIII. Implementation Schedule and Justification for Selected Technical & Institutional Alternatives

- A. Identify the technical wastewater disposal alternative which best meets the wastewater treatment needs. Justify the choice by providing documentation which shows that it is the best alternative based on:
1. Existing wastewater disposal needs. (Reference - 25 Pa. Code §71.21(a)(6)).
 2. Future wastewater disposal needs. (5 and 10 year growth areas). (Reference - 25 Pa. Code §71.21(a)(6)).
 3. O & M considerations. (Reference - 25 Pa. Code §71.21(a)(6)).

4. Available management and administrative systems. (Reference - 25 *Pa. Code* §71.21(a)(6)).
 5. Environmental soundness and compliance with natural resource planning and preservation programs. (Reference - 25 *Pa. Code* §71.21(a)(6)).
- B. Designate and describe the implementation schedule for the recommended alternative, including justification for any proposed phasing of implementation. (Reference – 25 *Pa. Code* §71.31(d))

Plan Summary

This Act 537 Plan Update has been developed for Stroud and Pocono Township, Monroe County, in accordance with the Pennsylvania Sewage Facilities Act (Act 537 of 1968) and the requirements outlined in Chapters 71, 72, and 73 of the Pennsylvania Code. The Update evaluates both the current and future sewage disposal needs of the Townships, as identified and required by the Pennsylvania Department of Environmental Protection (PADEP).

- A. *Identify the facilities being acquired. Please include a listing of the assets and area and municipalities that will be provided sewage services as well as any other municipalities being provided with sewage service via the system as evaluated in the plan. (Reference – 25 Pa. Code §71.21(a)(7)(i)).***

The Nexus Water Group currently owns, and Community Utilities of Pennsylvania Inc. operates, a sanitary sewer collection, conveyance, and treatment system that serves approximately 1,700 residential and commercial customers, or Equivalent Dwelling Units (EDUs), within Stroud and Pocono Township.

This Act 537 Plan Update examines the institutional requirements associated with Pennsylvania American Water Company's (PAWC) acquisition of the Penn Estates wastewater system. The assets included in this acquisition consist of the Penn Estates wastewater treatment plant (WWTP), National Pollutant Discharge Elimination System (NPDES) Permit No. PA-0060283, pump stations, force mains, low pressure mains, gravity sewer mains, manholes, and individual service laterals from the mains to the property lines.

- B. *Identify any institutional arrangements necessary to implement the chose alternative of acquisition of the system. Necessary institutional arrangements refers to new agreements, modifications of existing agreements, actions by the PUC or other necessary legal actions necessary to implement the alternative. (Reference – 25 Pa. Code §71.21(a)(7)(ii)).***

This Plan Update documents the acquisition of the Penn Estates collection, conveyance, and treatment system by Pennsylvania American Water Company (PAWC). PAWC's experienced management and administrative teams are fully capable of operating and maintaining the sanitary sewer



system. To complete the acquisition, all customers, agreements, easements, properties, Public Utility Commission (PUC) service territories, and permits previously held by Penn Estates for its collection, conveyance, and treatment system will be formally transferred to PAWC. Additionally, PAWC will be required to enter into a revised consent order agreement with the PADEP.

C. Present the proposed purchase price and any costs of implements the proposed acquisition. (Reference – 25 Pa. Code §71.21(a)(7)(ii)).

Because the acquisition is structured as a stock and merger purchase of the entire Nexus Water Group at PAWC's parent company level, American Water Works Company, the purchase price was not determined by this particular system asset and therefore is not available by system.

Currently, PAWC anticipates the transaction to close in April-May 2026. The cost of implementing the proposed acquisition cannot be determined at this time as PAWC is in the preliminary stages of developing a transition plan. This planned investment includes costs associated with completing the acquisition, such as legal fees, PUC filing costs, title work, and other transaction-related expenses, as well as future operation and maintenance projects. These projects will focus on equipment replacement, collection system upgrades, and improvements to system safety, security, and SCADA infrastructure.

D. Identify the previous owner and purchasing entity commitments necessary to implement the Plan. (Reference – 25 Pa. Code §71.21(a)(7)(iii)).

As the acquiring entity, PAWC assumes full responsibility for all tasks and obligations necessary to own, operate, and maintain the Penn Estates wastewater facilities. These responsibilities include ensuring compliance with all applicable environmental regulations, investing in and maintaining system infrastructure, investigating and responding to any reported sewer overflows, fulfilling all required reporting obligations, and reviewing and approving planning modules for new connections with respect to available collection, conveyance, and treatment capacity.

The current residential customer rate for Penn Estates wastewater service is \$39.90 per month per household, as established in the compliance tariff approved by the PUC. [Community Utilities of Pennsylvania | Rates & Tariffs](#)



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POCONO AND STROUD TOWNSHIP

As part of the purchase agreement, PAWC has committed not to seek a rate increase for a period of two years and to limit the magnitude of any subsequent proposed increases. The acquisition will have no immediate rate impact on CUPA's existing customers because PAWC will adopt CUPA's rates applicable to CUPA's existing customers. PAWC will apply its fees, rules, and regulations to the newly acquired CUPA customers upon close of the acquisition.

E. Provide a schedule of implementation for the project that identifies the major milestones with dates necessary to accomplish the project to the point of operational status. (Reference – 25 Pa. Code §71.21(a)(7)(iv)).

The following implementation schedule is provided for the selected alternative.

Task(s)	Date(s)
Submit Plan for Review by Planning Commissions (Up to 60 days for review) <ul style="list-style-type: none"> Pocono Township, Stroud Township and Monroe County 	January 20, 2026 – March 20, 2026
Address comments received by Planning Commissions	March 20, 2026 – March 25, 2026
Submit Advertisement for 30 Day Public Comment Period	March 25, 2026 – April 25, 2026
Address comments received by Review by Public Comment	April 25, 2026 – April 30, 2026
Adopt Act 537 Plan by Resolution <ul style="list-style-type: none"> Pocono Township and Stroud Township 	May 2026
Submit Act 537 Plan for PADEP Approval (Up to 180 days)	June 1, 2026 – December 1, 2026
Receive Approval of Act 537 Plan from PADEP	December 1, 2026

Upon completion of the merger, Pennsylvania American Water Company (PAWC) will succeed to and assume all wastewater service responsibilities previously held by CUPA, and wastewater service to the Penn Estates service area will be provided by PAWC.



ACT 537 - PLAN UPDATE
POCONO AND STROUD TOWNSHIP

Municipal Adopting Resolutions

Please refer to the attached Resolutions adopted by Pocono Township and Stroud Township.

(Original, signed and sealed Resolution of Adoption by Municipalities to be included at a later date. Draft resolutions attached.)



RESOLUTION NO. _____

**A RESOLUTION OF POCONO TOWNSHIP
ADOPTING AN UPDATE TO THE ACT 537 SEWAGE FACILITIES PLAN OF
POCONO TOWNSHIP,
MONROE COUNTY, PENNSYLVANIA (hereinafter "the municipality")**

WHEREAS, Section 5 of the Act of January 24, 1996, P.L. 1535 No. 537, known as the "Pennsylvania Sewage Facilities Act", as amended, and the Rules and Regulations of the Pennsylvania Department of Environmental Protection (Department) adopted thereunder, Chapter 71 of Title 25 of the Pennsylvania Code, requires the Municipality to adopt an Official Sewage Facilities Plan (Act 537 Plan) providing for wastewater treatment and disposal services adequate to prevent contamination of waters and/or environmental health hazards with sewage wastes, and to revise said plan whenever it is necessary to meet the wastewater disposal needs of the municipality, and

WHEREAS, Reilly Associates has prepared an Act 537 Plan Update which provides an updated plan for sewage facilities in portions of Pocono and Stroud Township, and

WHEREAS, this Plan Update is to document the purchase of the Penn Estates sanitary sewer collection, conveyance and treatment system owned by Nexus Water Group. The sanitary sewer collection, conveyance and treatment system will be purchased by the Pennsylvania American Water Company.

WHEREAS, Pocono Township finds that the Plan described above conforms to applicable zoning, subdivision, other municipal ordinances and plans, and to a comprehensive program of pollution control and water quality management.

NOW, THEREFORE, BE IT RESOLVED AND ENACTED by Pocono Township hereby adopt and submit to the Department of Environmental Protection for its approval the above reference Facility Plan. The municipality hereby assures the Department of the complete and timely implementation of the said plan as required by law. (Section 5, Pennsylvania Facilities Act as amended).

Resolved and enacted this ___ day of _____, _____.

ATTEST

POCONO TOWNSHIP

Secretary

Chairman

RESOLUTION NO. _____

**A RESOLUTION OF STROUD TOWNSHIP
ADOPTING AN UPDATE TO THE ACT 537 SEWAGE FACILITIES PLAN OF
STROUD TOWNSHIP,
MONROE COUNTY, PENNSYLVANIA (hereinafter "the municipality")**

WHEREAS, Section 5 of the Act of January 24, 1996, P.L. 1535 No. 537, known as the "Pennsylvania Sewage Facilities Act", as amended, and the Rules and Regulations of the Pennsylvania Department of Environmental Protection (Department) adopted thereunder, Chapter 71 of Title 25 of the Pennsylvania Code, requires the Municipality to adopt an Official Sewage Facilities Plan (Act 537 Plan) providing for wastewater treatment and disposal services adequate to prevent contamination of waters and/or environmental health hazards with sewage wastes, and to revise said plan whenever it is necessary to meet the wastewater disposal needs of the municipality, and

WHEREAS, Reilly Associates has prepared an Act 537 Plan Update which provides an updated plan for sewage facilities in portions of Pocono and Stroud Township, and

WHEREAS, this Plan Update is to document the purchase of the Penn Estates sanitary sewer collection, conveyance and treatment system owned by Nexus Water Group. The sanitary sewer collection, conveyance and treatment system will be purchased by the Pennsylvania American Water Company.

WHEREAS, Stroud Township finds that the Plan described above conforms to applicable zoning, subdivision, other municipal ordinances and plans, and to a comprehensive program of pollution control and water quality management.

NOW, THEREFORE, BE IT RESOLVED AND ENACTED by Stroud Township hereby adopt and submit to the Department of Environmental Protection for its approval the above reference Facility Plan. The municipality hereby assures the Department of the complete and timely implementation of the said plan as required by law. (Section 5, Pennsylvania Facilities Act as amended).

Resolved and enacted this ___ day of _____, _____.

ATTEST

STROUD TOWNSHIP

Secretary

Chairman

ACT 537 - PLAN UPDATE
POCONO AND STROUD TOWNSHIP

Planning Agency Correspondence

This Act 537 Plan Update has been prepared for Stroud and Pocono Township, Monroe County, pursuant to the Pennsylvania Sewage Facilities Act (Act 537 of 1968 and the Pennsylvania Code, Chapters 71, 72, and 73). This plan has been submitted to all official Planning Agencies of Stroud and Pocono Township and Monroe County for review and comment.

Stroud Township

This Act 537 Plan Update was delivered on xxxx xx, xxxx (To be updated at a later date)

Pocono Township

This Act 537 Plan Update was delivered on xxxx xx, xxxx (To be updated at a later date)

Monroe County

This Act 537 Plan Update was delivered on xxxx xx, xxxx (To be updated at a later date)

(Comments to be attached and addressed at a late date)



ACT 537 - PLAN UPDATE
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Public Notice

The following is to be updated at a later date:

The following was published in the xxx newspaper on xxxx xx, xxxx:

In accordance with the requirements of Pennsylvania's Sewage Facilities Act (Act 537), Pennsylvania American Water Company (PAWC) intends to submit an Act 537 Sewage Facilities Plan Update to the Pennsylvania Department of Environmental Protection (PADEP). The purpose of this public notice is to inform residents and provide an opportunity for review and comment on the proposed Plan Update.

This Plan Update documents PAWC's proposed acquisition of the collection, conveyance, and treatment facilities currently owned by Nexus Water Group and operated by Community Utilities of PA., which serves the Penn Estates Development located in Stroud and Pocono Township, Monroe County. The planning area lies within the State Water Plan Watershed 1-E, with treated effluent discharging to the Unnamed Tributary to Brodhead Creek #04929 "Cranberry Run" – A high-quality cold-water fishes designated stream that eventually flows into the Delaware River.

The purchase of the Penn Estates sanitary sewer system will be funded directly by PAWC. The current residential customer rate for Penn Estates wastewater service is \$39.90 per month, per household – as established in the compliance tariff approved by the PUC. PAWC has committed not to seek a rate increase for two years after acquisition.

A 30-day public review and comment period will be open from xxxx xx, xxxx through xxxx xx, xxxx. During this period, the proposed Plan Update may be reviewed at either the Pocono Township Municipal Building located at 205 Old Mill Road, Tannersville, PA 18372 – Monday through Friday from 8:00 a.m. to 4:30 p.m. or the Stroud Township Municipal Building located at 1211 North 5th Street, Stroudsburg, PA 18360 – Monday through Friday from 8:00 a.m. to 5:00 p.m.

Written comments may be submitted to Lorenzo Marcolin, Reilly Associates, 49 S Main St. Ste 200, Pittston, PA 18640. All comments must be received before the close of the public comment period. Reilly Associates will review and address all written comments prior to submitting the final Plan Update to PADEP.



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Comments and Responses

The following written public comments have been received to the proposed plan:

(To be added at a later date)



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Implementation Schedule

The following implementation schedule is provided for the selected alternative:

Task(s)	Date(s)
Submit Plan for Review by Planning Commissions (Up to 60 days for review) <ul style="list-style-type: none"> <i>Pocono Township, Stroud Township and Monroe County</i> 	January 20, 2026 – March 20, 2026
Address comments received by Planning Commissions	March 20, 2026 – March 25, 2026
Submit Advertisement for 30 Day Public Comment Period	March 25, 2026 – April 25, 2026
Address comments received by Review by Public Comment	April 25, 2026 – April 30, 2026
Adopt Act 537 Plan by Resolution <ul style="list-style-type: none"> <i>Pocono Township and Stroud Township</i> 	May 2026
Submit Act 537 Plan for PADEP Approval (Up to 180 days)	June 1, 2026 – December 1, 2026
Receive Approval of Act 537 Plan from PADEP	December 1, 2026



I. Previous Wastewater Planning

A. *Identify, describe and briefly analyze all past wastewater planning for its impact on the current planning effort. This should cover planning:*

1. *Previously undertaken under the Pennsylvania Sewage Facilities Act (Act). (Reference – Act 537, 35 P.S. §750.5(d)(1)).*

Reilly Associates conducted a file review at the PADEP Northeast Regional Office to examine previous Act 537 Plans for Penn Estates. A summary of the plans relevant to the Penn Estates Service Area is provided below.

January 1975: A residential component 2 was submitted and accepted by DEP for the land development of Penn Estates. The project proposed the creation of 1600 EDUs over 1150 acres of land. The development was anticipated to produce 560,000 gpd of sewage flows. To accommodate this, the construction of sanitary sewers and a wastewater treatment plant were proposed in the scope of work.

February 1988: A residential component 2 was submitted and accepted by DEP for the addition of section A. This section included 12 EDUs with a projected sewage flow of 2,415 gallons per day. A new sewer collection zone and sanitary sewer extension were required to connect the new homes into the system. The planning projected the average treatment plant flow to be 0.081 MGD and a peak of 0.162 MGD in five years.

July 1988: A residential component 2 was submitted and accepted by DEP for the addition of section G. This section included 15 EDUs with a projected sewage flow of 1,650 gallons per day. A new sewer collection zone and sanitary sewer extension were required to connect the new homes into the system. The planning projected the average treatment plant flow to be 0.072 MGD and a peak of 0.144 MGD in five years.



July 1988: A residential component 2 was submitted and accepted by DEP for the addition of section C. This section included 14 EDUs with a projected sewage flow of 1,540 gallons per day. A new sewer collection zone and sanitary sewer extension were required to connect the new homes into the system. The planning projected the average treatment plant flow to be 0.083 MGD and a peak of 0.166 MGD in five years.

September 1988: A residential component 2 was submitted and accepted by DEP for the addition of section C. This section included 14 EDUs with a projected sewage flow of 1,540 gallons per day. A new sewer collection zone was required to connect the new homes into the system.

June 1989: A residential component 2 was submitted and accepted by DEP for the addition of lot 222 in Section D. This lot included 1 EDU with a projected sewage flow of 400 gallons per day. A new sewer collection zone and sanitary sewer extension were required to connect the new homes into the system. The planning projected the average treatment plant flow to be 0.142 MGD and a peak of 0.158 MGD in five years.

October 1989: A residential component 2 was submitted and accepted by DEP for the addition of section C-2. This section included 15 EDUs with a projected sewage flow of 3020 gallons per day. A sanitary sewer extension was required to connect the new homes into the system. The planning projected the average treatment plant flow to be 0.085 MGD and a peak of 0.169 MGD in five years.

2. *That has not been carried out according to an approved implementation schedule contained in the plans. (Reference – 25 Pa. Code §71.21(a)(5)(i)(A-D)). Section V.F. of the Planning Guide.*

PAWC and CUPA are unaware of any previous wastewater planning that has not been carried out according to an approved implementation schedule contained in the plans.



3. *That is anticipated or planned by the applicable sewer authorities or approved under a Chapter 94 Corrective Action Plan. (Reference – 25 Pa. Code §71.21(a)(5)(i)(A&B)). Section V.D. of the Planning Guide.*

There are no anticipated, planned, or approved Chapter 94 Corrective Action Plans.

4. *Through planning modules for new land development, planning “exemptions” and addenda. (Reference – 25 Pa. Code §71.21(a)(5)(i)(A).*

A search of the PADEP eFACTS database for historical planning modules identified land development sewage planning within the Penn Estates service area. A residential component 2 application was issued on July 29, 2011 for the Pasquin Subdivision under authorization ID 887888. This approval demonstrates that current conditions are the result of earlier planning decisions.

An Act 537 Base Plan Application Update Revision, special study was issued November 3, 2000 for Stroud Township. It can be assumed that Penn Estate’s wastewater system was incorporated into the area of this plan, and current conditions are the result of this ACT 537 report.



II. Physical Description

A. Planning Area Boundaries

Identification of planning area(s), municipal boundaries, Sewer Authority/Management Agency service area boundaries. (Reference – 25 Pa. Code §71.21(a)(1)(i)).

The purpose of this Plan is to document Pennsylvania American Water Company's (PAWC) acquisition of Penn Estate's collection, conveyance, and treatment system currently owned by Nexus Water Group and located within Stroud and Pocono Township, Monroe County.

Penn Estates is a census-designated place (CDP) and private gated residential community located primarily in Stroud Township, with a small portion extending into Pocono Township, Monroe County, Pennsylvania. It has a total area of approximately 2.06 square miles, of which 2.02 square miles is land and 0.04 square miles is water. Penn Estates is bounded on the west by Pocono Township, on the south by Stroud Township, and on the east by Stroud Township and the Borough of East Stroudsburg. To the north, it is bordered by Jackson Township. The community offers central water and sewer service along with recreational amenities such as pools, courts, and parks. According to the 2020 U.S. Census, Penn Estates has a population of about 4,500 residents.

The planning area is within low density residential (R-1) for both Stroud and Pocono Township. The planning area consists mostly of residential homes. Also included in the planning area is Care 2 Shine Mobile Detailing, Penn Estates Welcome Center, Pocono Rental Cabins, Archies Convenience Store, Edwin Mobile Mechanic, multiple vacation home rental agencies and hotels, Upper Level Construction Inc, Personal Painting Company and the Highland Lake Recreation Center.

It is important to note that the planning area and service area are identical.

Refer to Appendix A and Appendix B for mapping of the planning area location, municipal boundaries and service area boundaries.



B. Physical Characteristics

Identification of physical characteristics (streams, lakes, impoundments, natural conveyance, channels, drainage basins in the planning area). (Reference – 25 Pa. Code §71.21(a)(1)(ii)).

According to DEP Chapter 93 Existing Use Streams GIS Data, published on July 28, 2016, the following waterbodies are located near Penn Estates as described below:

- Wigwam Run – A High Quality Cold Water Fishes Designated stream that originates just north of Kenwood Terrace on Somerset Drive and eventually discharges into Pocono Creek just south of Interstate 80 along Shafers School House Rd.
- Unnamed Tributary to Brodhead Creek – A 2024 reported good condition stream that originates at the end of Turner Rd and discharges in Broadhead creek near the intersection of Pinebrook Rd and Route 191.
- Unnamed Tributary to Brodhead Creek #04929 “Cranberry Run” – A High Quality Cold Water Fishes Designated stream that originates at a small wetland behind Sandlewood Drive and discharges in Broadhead creek near the intersection of Pinebrook Rd and Route 191. This stream accepts discharge from the Penn Estates wastewater treatment plant at outfall No. 001.
- Broadhead Creek – A High Quality Cold Water Fishes Designated Stream that originates at the intersection of Leavitt Branch, Middle Brand Broadhead creek and Buck Hill creek in Canadensis. The stream eventually discharges into the Delaware River along route 80 near Old Mine Rd.
- Cranberry Creek – A High Quality Cold Water Fishes Designated Stream that originates from an unnamed tributary to cranberry creek and discharges into Pocono Creek just north of Interstate 80 near Rocky Run.

Physical Characteristics within and near the planning area can be seen on Appendix A.



III. Existing Sewage Facilities in the Planning Area

- A. *Location, size and ownership of treatment facilities, main intercepting lines, pumping stations and force mains including their size, capacity, point of discharge. Also include the name of the receiving stream, drainage basin, and the facility's effluent discharge requirements. (Reference – 25 Pa. Code §71.21(a)(2)(i)(A)).*

Existing sewage infrastructure located within Penn Estate's community includes a collection system comprised of various low pressure and gravity-flow pipes, force mains, laterals, manholes, and lift stations. There are approximately 1,700 sewer connections in Penn Estates. The sewage flows to the wastewater treatment plant on Hallet Rd. The overall limit of the collection and treatment system is shown in Appendix A. The existing wastewater infrastructure is currently owned by Nexus Water Group and operated by the Community Utilities of Pennsylvania Inc.

Penn Estates Wastewater Treatment Plant

The Penn Estates wastewater treatment plant (WWTP) owned by Nexus Water Group is located at 353 Hallet Rd, East Stroudsburg, PA 18301. It provides treatment for municipal sewage generated by the residential users of the Penn Estates Communities. The Penn Estates WWTP is authorized to discharge treated wastewater to an unnamed tributary #04929 to Broadhead Creek "Cranberry Run" in accordance with the effluent limits and other conditions specified in NPDES Permit No. PA0060283 and the DRBC Docket No. D1999-020 CP-4. The unnamed tributary #04929 to Brodhead Creek is located within State Water Plan Watershed 1-E and is classified as a high quality (HQ) water and a cold-water fishery (CWF). It is also located within the drainage area to the Middle Delaware Special Protection Waters (SPWs) area. The Penn Estates WWTP is currently permitted for a hydraulic capacity of 0.56 MGD. The Penn Estates WWTP has been in service for more than 40 years and has undergone several upgrades and/or expansions. The effluent discharge requirements per the NPDES permit renewed on February 1, 2021 and expiring January 31, 2026 are listed in table 1. The NPDES permit is in the process of being renewed and a draft was received by DEP on July 29, 2025. The status of its renewal is "pending" per the DEP eFACTS database.



Table 1 – NPDES Discharge Effluent Limitations

Parameter	Average Monthly (lbs/day)	Average Monthly (mg/L)	Instant Maximum (mg/L)
pH	-	-	6.0 Min 9.0 Max
Total Residual Chlorine	-	0.02	0.02
Dissolved Oxygen	-	-	7.0 min
CBOD5	46.7	10.0	20.0
Total Suspended Solids	46.7	10.0	20.0
Fecal Coliform (CFU/100ml) Oct. 1 – Apr. 30	-	2,000 Geo Mean	10,000
Fecal Coliform (CFU/100ml) May 1 – Sep 30	-	200 Geo Mean	1,000
Ammonia – Nitrogen Nov. 1 – Apr. 30	14.0	4.5	9.0
Ammonia – Nitrogen May 1 – Oct. 31	4.67	1.5	3.0
Total Dissolved Solids	-	1,000	2,000
Nitrate-Nitrite as N	60.7	13.0	26.0
Total Nitrogen	Report	Report	-
Total Kjeldahl Nitrogen	Report	Report	-
Total Phosphorus	9.3	2.0	4.0

Additionally, NPDES Permit No. PA0060283 has a requirement for Toxicity, Chronic Ceriodaphnia and Pimephales (Tuc) of 1.3 mg/L daily maximum.

Collection and Conveyance System

The Penn Estates sewer collection and conveyance system consists of gravity sewer mains, three (3) lift stations, and low-pressure force mains. The estimated total length of the collection system is approximately 140,400 ft, constructed primarily of 2-inch low-pressure mains and 6-inch and 8-inch



gravity mains. A summary of lift station improvements is outlined in Table 2 below.

Table 2 – Pump Station Information

Lift Station	Improvements
LS No.1	Upgraded in 2021
LS No.2	Upgrade in Spring 2026
LS No.3	Needs upgrade within next 10 years

Upon acquisition, PAWC will update the Geographical Information System (GIS) with field verified data to accurately display all assets of the collection and conveyance system. PAWC will continue to update the database as more information becomes available.

Please refer to Appendix A for a map of the Penn Estates wastewater collection and conveyance system.

Water Quality Management (WQM) Permits

Part II WQM permits for the collection and conveyance system were obtained for the sewer service area. This includes:



Table 3 – Water Quality Management Permits

WQM PERMIT NO.	ISSUE DATE	PROJECT
4577406	October 1977	Pump Stations, Sewers, Appurtenances, Stream Crossing
4577407	April 1978	0.05 MGD Sewage Treatment Plant
4588995	February 1989	Sanitary Sewer Extension
4598410	March 1999	Pump Station
4598407	June 1999	WWTP Upgrade to 0.56 MGD
4507405	May 2008	0.2 MGD Nitrification Tank
4598410 Amendment No.1	2019	Hallet Rd EQ transfer Pump Upgrade
4598410 Amendment No.2	January 2020	Refurbish Pump Station #1 by installing non-clog submersible pumps
4598410 Amendment No. 3	January 2021	Clarifier Distribution Box, Polymer Feed, Chemical Feed Refurbishments
4598410 Amendment No. 4	April 2025	Denitrification Pumps, Blowers, etc..., Emergency Repair Aeration Equipment

B. A narrative and schematic diagram of the facility’s basin treatment processes including the facility’s National Pollutant Discharge Elimination System (NPDES) permitted capacity, and the Clean Streams Law permit number. (Reference – 25 Pa. Code §71.21(a)(2)(i)(A)).

The treatment sequence is described as follows:

Screening / Preliminary Treatment:

Flow to the treatment plant first passes through a vertical drum screen to remove large debris. Soda ash is added for pH adjustment.

Flow Equalization:



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Five (5) equalization tanks with a combined capacity of 203,000 gallons are used to buffer flow fluctuations. One of the equalization basins is equipped with a grit chamber to remove grit and settleable solids. EQ tank number 5 has a VFD duplex EQ Pumping station for transfer of flow to a distribution box.

Biological Treatment:

Flow is directed from the EQ basins into two bioreactors with a combined capacity of 572,500 gallons where biological treatment occurs. Within these bioreactors, timed aeration and anoxic mixing cycles are used for nitrogen removal (nitrification + denitrification).

Clarification and Solids Separation:

Wastewater flows into two clarifiers with a combined capacity of 130,000 gallons where biomass (sludge) settles. A coagulant, Polyaluminum chloride is added upstream of the clarifiers for phosphorus removal.

Denitrification:

Clarifier effluent flows to 4 filters. Filter No. 1 is a combined tube settler/sand media filter. Filters No. 2,3,4 are denitrification filters where methanol is fed as a carbon source. Backwash from the filters is fed back to head of the plant at the EQ tanks.

Disinfection and De-chlorination:

The filtered effluent flows to a chlorine contact tank with an effective volume of 11,670 gallons where sodium hypochlorite is used for disinfection. After disinfection, sodium bisulfite is added in a 6,700 gallon aerated tank to dechlorinate effluent before discharge.

Sludge Handling / Solids Management:

Sludge is either returned to the aeration basins as return activated sludge or sent to an aerobic digester with a capacity of 141,000 gallons. Wasted sludge is hauled off-site for disposal.

Auxiliary / Supporting Features:



The plant is equipped with standby power / generator to meet SPW (Special Protection Waters) requirements. The plant also has a remote alarm / monitoring system for continuous oversight.

See Appendix C for a schematic of the WWTP process flow diagram.

In 2023, DEP collaborated with Penn Estates wastewater operators and staff to conduct a denitrification study. The Denitrification Study was conducted through PADEP's Wastewater Optimization Program to address ongoing issues with elevated nitrate in the effluent and inconsistent biological nitrogen removal performance. The plant had historically relied on multiple nitrate filters to meet total nitrogen limits, but operational challenges limited in-tank denitrification. These challenges include detritus accumulation, ineffective aeration equipment, and poor dissolved oxygen (DO) control. The investigation involved on-site DO profiling of the aeration basins, review of operational data, and observation of process conditions to determine where anoxic zones could be better established. The study team recommended low-cost, operational improvements rather than capital-intensive upgrades, including implementing intermittent aeration using timers on the blowers to alternate between aerobic (nitrification) and anoxic (denitrification) phases, and using submersible mixers or chopper pumps to maintain solids suspension during non-aerated periods. These process adjustments led to marked reductions in nitrate ($\text{NO}_3\text{-N}$) concentrations, reportedly below 10 mg/L, and near non-detectable ammonia ($\text{NH}_4\text{-N}$) levels, significantly improving nitrogen removal and reducing reliance on costly chemical nitrate filters. Moving forward, the study recommended refining the intermittent aeration timing based on real-time DO control, repairing or replacing degraded aeration diffusers, removing accumulated solids from tanks, and addressing ongoing inflow and infiltration (I/I) in the collection system to prevent hydraulic surges that disrupt treatment. It also emphasized the importance of continued monitoring, operator training, and long-term asset management to sustain these gains. Overall, the study demonstrated that with process optimization and better operational control, the Penn Estates WWTP could achieve reliable biological nutrient removal without immediate large-scale capital expansion.

C. A description of problems with existing facilities (collection, conveyance and/or treatment), including existing or projected overload under 25 Pa.



Code Chapter 94 (relating to municipal wasteload management) or violations of the NPDES permit, Clean Streams Law permit, or other permit, rule or regulation of DEP. (Reference – 25 Pa. Code §71.21(a)(2)(i)(B)).

The wastewater system is currently under a Consent Order and Agreement (COA) with PADEP and several deficiencies are in the process of being corrected. The collection system continues to experience inflow and infiltration (I&I) and rehabilitation of the gravity mains remains ongoing in accordance with Section 3.c of the COA, with full completion anticipated in 2026. Lift Station No. 2 is scheduled for an upgrade beginning in Spring 2026 and finishing by Summer 2026, while Lift Station No. 1 was upgraded in 2021 and is operating without issues. Lift Station No. 3 is not currently included in the upgrade schedule, though it is expected to require rehabilitation within the next decade and presently lacks both an emergency generator and a call-out alarm system. In addition, significant portions of the wastewater treatment plant infrastructure require rehabilitation, and these improvements are still underway and not yet complete as outlined in Section 3.d of the COA.

Collection and Conveyance System

The collection system, built in the 70s, is primarily composed of 2-inch low-pressure mains and 6-inch and 8-inch gravity mains. The system contains no combined sewers or authorized overflow points. The plant experiences frequent overflows of the equalization basins during heavy precipitation events. 22 sanitary sewer overflows (SSO's) were documented by DEP from 2019-2024 (7 in 2019; 7 in 2020; 3 in 2021; 2 in 2022; 1 in 2023; 2 in 2024). This sharp influx of water during heavy rain is a direct symptom of I&I (Infiltration and Inflow) issues. It is important to note that less overflows have occurred in recent years due to actions taken under the consent order and agreement between CUPA and PADEP.

Wastewater Treatment Plant

Discharge Monitoring Reports (DMRs) are required to be submitted to PADEP every month to project, plan and manage hydraulic and pollutant violations for each WWTP within the Commonwealth of Pennsylvania. The DMR reports for the Penn Estates WWTP were reviewed with respect to the current



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wastewater flows experienced at the WWTP in comparison to the permitted hydraulic flow rate and organic effluent loading. The annual average flows, organic discharge and ammonia for the past 5 years were summarized and presented in the following table.

Table 4 – Wastewater Flows and Effluent Organic Loading

Year	2020	2021	2022	2023	2024	Average	NPDES Violations
Annual Average Flow (mgd)	0.285	0.283	0.229	0.252	0.250	0.260	-
Maximum Month Average Flow (mgd)	0.345	0.384	0.290	0.347	0.371	0.347	-
Maximum Day flow (mgd)	0.57	0.59	0.54	0.58	0.57	0.57	7
Annual average effluent CBOD5 (lbs/day)	8.72	13.97	21.50	4.98	5.24	10.88	3
Average Ammonia (as N) Nov 1 – Apr 30 (lbs/d)	6.01	11.05	6.20	3.62	4.77	6.33	1
Average Ammonia (as N) May 1 – Oct 31 (lbs/d)	1.81	1.07	4.20	1.48	1.68	2.05	6

Reference: EPA ECHO Database

As previously stated, the WWTP has a hydraulic design capacity of 0.56 MGD. On average, the existing sanitary sewer and treatment system operates at 46% of the permitted capacity. Overflows occur intermittently due to I&I issues in the collection system. There is no noticeable trend in flow increase over the past five years. This shows the current capacity of the plant is sufficient for years to come, if I&I issues are solved.

The WWTP has a discharge requirement for organics (CBOD5) of 46.7 lbs/day on an average monthly basis. The average discharge of CBOD5 over the last 5 years was 10.88 lbs/day, which is less than 23% of its permitted value. There were 3 NPDES violations for this parameter over the last 5 years. CBOD5 is also regulated by its concentration in mg/L, in which there were additional violations over the past five years.

The WWTP has a discharge requirement for Ammonia of 14 lbs/day, November – April and 4.67 lbs/day, May – October on an average monthly basis. The average discharge of Ammonia over the last 5 years was 6.33



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lbs/day, in November – April and 2.05 lbs/day, in May – October. There were 6 May - October NPDES violations for this parameter and 1 November – April NPDES violation over the last 5 years. Ammonia is also regulated by its concentration in mg/L, in which there were additional violations over the past five years.

According to the last 5 years of e-DMR reporting, there were multiple instances of discharge limit exceedance for various NPDES parameters. DEP recorded 34 exceedances of permitted effluent limits from 2020-2024. Most exceedances were for the effluent mass loading (lbs/d) and concentration (mg/L) of CBOD5 and ammonia.

The unnamed tributary #04929 to Brodhead Creek “Cranberry Run” has had water quality issues for some time now. The “aquatic life” stream impairment was first determined in the late 1990s (per DEP Biologist), an updated Water Quality Assessment was completed by Sherrill Leap on 1/31/2011 reporting “ongoing impairment” to the benthic macroinvertebrate community downstream of the WWTP discharge, but not above it. The NPDES permit contains the following condition: “The regulated discharge is impacting the receiving stream’s aquatic life. The Department reserves the right to impose more stringent limits or additional permit conditions in the event that the stream impairment does not improve or worsens, or in the event that additional monitoring/investigation identifies the exact cause of the stream impairment, or in the event that the future Stream TMDL (Total Maximum Daily Load) analysis sets forth Waste Load Allocations (WLAs) for the WWTP or other requirements, or in the event that WET Testing and/or other monitoring showing that additional action is required to address public nuisance or environmental harm.”

On October 22nd 2020, Penn Estates (Community Utilities of PA) entered into a consent order with PADEP to address ongoing violations and non-compliance. The violations constituted unlawful conduct under Section 611 of the Clean Streams Law and statutory nuisance under Section 601 of the Clean Streams Law. Penn Estates was subject to civil penalty liability under Section 605 of the Clean Streams Law. To avoid litigation, PADEP and Penn Estates mutually agreed on the following.



Part 3 Corrective Action:

- a. Penn Estates will install and render operational a new facility generator of sufficient capacity and an automatic transfer switch capable of maintaining wastewater treatment plant operational capability if primary energy source is interrupted. As of the date of this consent order and Agreement, Penn Estates has completed the Corrective Action measure.
- b. On, or before January 31, 2021, Penn Estates shall submit a conditional assessment report (Manhole Report) and phased manhole rehabilitation (Manhole Plan) containing an implementation schedule which will be submitted to the Department for review and acceptance, and which schedule is to be an additional term of this consent order and agreement. The manhole report shall include an evaluation of 100% of the manholes contained in the collection system with the Manhole Plan addressing manholes from highest to lowest priority.
- c. On, or before January 31, 2021, Penn Estates shall submit a conditional assessment report (Gravity Report) and phased gravity collection main rehabilitation plan (Gravity Plan) containing an implementation schedule which will be submitted to the department for review and acceptance, and which schedule is to be an additional term of this consent order and agreement. The Gravity Report shall include 100% of the gravity collection system including inspection reports, mapping and condition rating with the Gravity Plan addressing defects from highest to lowest priority.
- d. On, or before January 31, 2021, Penn Estates shall submit a conditional assessment report (Structure Report) and phased wastewater treatment plant structure rehabilitation plan (Structure Plan) containing an implementation schedule which will be submitted to the department for review and acceptance, and which schedule is to be an additional term of this consent order and agreement. The Structure Report shall include an evaluation of all treatment units comprising the wastewater treatment plant with the structure plan addressing treatment units from highest to lowest risk of failure.



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- e. On or before January 31, 2021, Penn Estates shall install a wastewater treatment plant SCADA system, or similar, capable of monitoring and controlling operational data and functions such as, poly-aluminum chloride, chlorination, methanol, sodium bisulfate feed rates and/or concentrations, to ensure the plant effluent maintains compliance. As of the date of this consent order and agreement, Penn Estates has installed the SCADA system at its WWTP, but rendering the SCADA system operational will require Penn Estates to obtain a permit for the installation of a new upgraded methanol pump and sodium bisulfate pump that is SCADA compatible.
- f. Penn Estates shall submit written progress reports to the Department on a semi-annual basis that document its progress on the completion of the corrective actions in Paragraphs a-e. The reports are due on or before the fifteenth (15th) day of the month following the end of each semi-annual calendar period. i.e., July 15 and January 15. The first progress report is due on or before January 15, 2021.

Part 4 Civil Penalty Settlement:

Upon signing this Consent Order and Agreement, Penn Estates shall pay a civil penalty of twenty-five thousand dollars (\$25,000). This payment is in settlement of the Department's claim for civil penalties for the violations and dates set forth in Paragraphs F, I, L, N, T, V, Y, BB and GG in the consent order document. The payment shall be made by corporate check or the like made payable to the "Commonwealth of Pennsylvania – Clean Water Fund" and sent to Patrick Musinksi, Environmental Group Manager, Pennsylvania Department of Environmental Protection, Clean Water Program, 2 Public Square, Wilkes Barre, PA 18701-1915.

Further language encompassing the stipulated civil penalties, additional remedies, reservation of rights, liability of operator, etc. can be reviewed in the formal consent order and agreement document.

An update of the status of the Consent Order and Agreement (COA) with PADEP is as follows:

- Part 3.a has been completed, and PADEP has formally acknowledged its completion by letter.



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- Part 3.b has also been completed, and CUPA is awaiting PADEP’s written acknowledgement.
- Parts 3.c and 3.d remain in progress and are not yet complete.
- Part 3.e has been finished and acknowledged by PADEP.
- Part 3.f is ongoing.
- Part 4 of the COA has been fully completed.
- DMR exceedances and sanitary sewer overflows (SSOs) have occurred during the term of the COA, and corresponding fines have been paid in accordance with Parts 5.b and 5.c as they arise.

In 2023, a revised and renegotiated corrective action schedule was implemented. This schedule is as follows:

Table 5 – 2023 Updated Implementation Schedule

Structure	Location	Year Start/Completion
Design and Construction of Filter 4 Rehab Phase I (1)(2)	Filter Building	2/2022-3/2023
Implementation of Denitrification Study WQM (1)(2)	WWTP	8/2023-12/2025
Design and Permitting of Filters 1-3 Replacement Phase II (1)(2)	Filter Building	7/2025-12/2027
Design and Permitting of Secondary Treatment Rehabilitation III (1)(2)	WWTP	2/2027-12/2029
Design and Construction of EQ Tank Rehabilitation Phase IV (1)(2)	WWTP	6/2030-6/2032

D. Details of scheduled or in-progress upgrading or expansion of treatment facilities and the anticipated completion date of the improvements. (Reference – 25 Pa. Code §71.21(a)(4)(i&ii)).

CUPA recently completed an upgrade to the WWTP aeration system, including installation of new aeration piping and blowers to support the treatment process identified during the DEP pilot study. The WQM permit closeout is expected to be finalized before the end of the year.

Future capacity and maintenance upgrades at the WWTP include the following:

1. Installation of an AquaDisk filter and removal of Filters 1–3, as required under the COA (design is currently underway; construction is scheduled for 2026–2027).
2. Rehabilitation of the aeration basin, including sandblasting, steel repairs, and repainting (scheduled under the COA for 2027–2029).



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3. Rehabilitation of the equalization basins, including sandblasting, steel repairs, and repainting (scheduled under the COA for 2030–2032).

E. Disposal areas, if other than stream discharge, and any applicable groundwater limitations. (Reference – 25 Pa. Code §71.21(a)(4)(i&ii)).

The WWTP is a stream discharge.



IV. Future Growth and Land Development

A. Planning Based on Growth

The sewage planning anticipated, if any, to provide adequate wastewater treatment for 5-year and 10-year future planning periods based on projected growth of existing and proposed wastewater collection and treatment facilities.

Since 2010, the population at Penn Estates has been steady. Records show that Penn Estates has seen a population decrease of 500 people since 2020. There are only about 1-5 vacant lots in Penn Estates that could be potential future sewer connections.

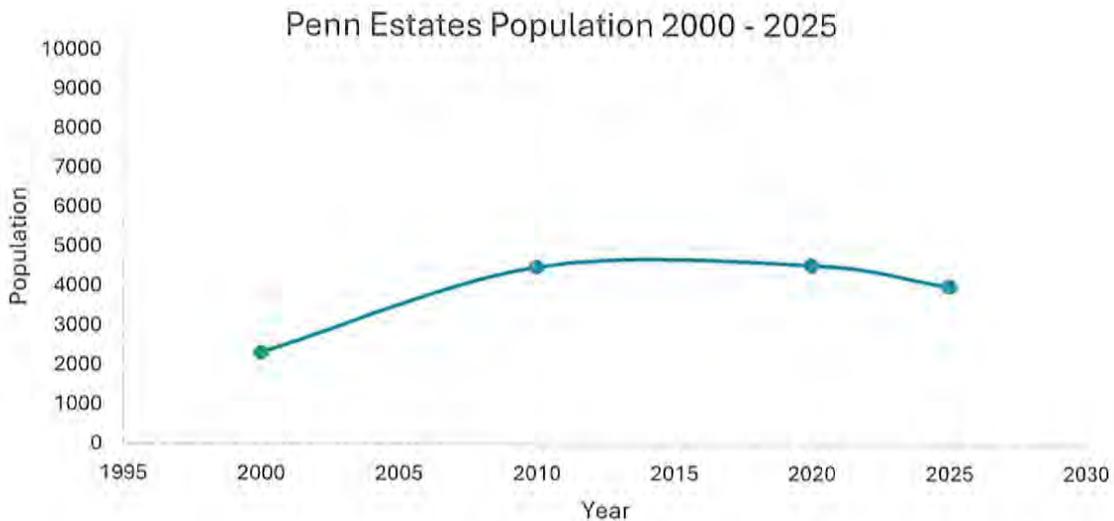


Figure 1 Ref. US Census Records

Based on the small population and limited growth expected in this area, and the existing hydraulic capacity of 0.56 MGD, there is adequate capacity at the WWTP for the 5 and 10-year future planning periods. System acquisition by PAWC, which allows broader access to capital funding, promises improved capabilities to meet all current and future wastewater needs as they arise.



V. Alternatives to Provide New or Improved Wastewater Disposal Facilities

Establishes that the private entity purchasing the wastewater disposal system has addressed any unmet sewage needs established in previous planning as well as establishing the intent of ownership and O&M of the private system to be purchased. Essentially, existing sewage needs that have been planned to be met with the private collection, conveyance and/or treatment system to be acquired will be met by the private entity that is purchasing the system.

This Plan Update documents Pennsylvania American Water Company's (PAWC) acquisition of the Penn Estates sanitary sewer system previously owned by Nexus Water Group. As outlined in Section III, there are deficiencies in the collection, conveyance, and treatment systems. PAWC shall implement strategies to further reduce SSOs and better compliance with NPDES effluent limits. PAWC shall be proactive in engineering alternatives to maximize environmental compliance.

Continued investment in the Penn Estates wastewater facilities is necessary to ensure the ongoing provision of safe, reliable, and adequate wastewater conveyance and treatment services. Nexus Water Group has determined that selling its wastewater facilities to PAWC serves the long-term best interests of its customers. Additionally, PAWC has listed items it is planning to improve. This includes but is not limited to improvements with: GIS Survey, safety, security, SCADA, electrical, treatment chemical feed, treatment instrumentation, lift station 2 rehab, pilot study, filter 1-3 replacement, secondary treatment rehab and a collection system replacement.

PAWC and Nexus Water Group have entered into a merger agreement for PAWC to purchase the facilities. Following the acquisition, PAWC will assume ownership, operation, and maintenance of Penn Estate's wastewater treatment plant (WWTP) and the associated collection and conveyance infrastructure within the existing PUC-approved service territory. PAWC will address the unresolved issues at Penn Estates in a reasonable time frame.



VI. Evaluation of Alternatives

A. Applicable Water Quality Standards

Evaluate alternatives identified in Section V of this checklist with respect to applicable water quality standards, effluent limitations or other technical, legislative or legal requirements. (Reference – 25 Pa. Code §71.21 (a)(5)(iii)). – Established the commitment of the private entity purchasing the system to the municipality to address any unmet sewage needs established in the previous planning as well as establishing the intent of ownership and responsibilities for O&M of the private system to be purchased. Essentially, existing sewage needs that have been planned to be met with the municipal collection, conveyance and/or treatment system to be acquired will be met by the private entity purchasing the system.

All current and future sewage needs within Penn Estate's collection, conveyance, and treatment systems will be addressed by Pennsylvania American Water Company (PAWC) as part of the system acquisition. Upon completion of the transfer, PAWC will assume full ownership of Penn Estate's wastewater infrastructure and will be solely responsible for its operation, maintenance, and long-term performance.

Because previous planning efforts identified unmet sewage needs, additional alternatives are necessary. These measures are designed to ensure compliance with applicable water quality standards, effluent limitations, and other technical, legislative, and regulatory requirements.

The proposed alternatives are as follows:

1. Infiltration and Inflow (I&I) Investigation and Remediation:
PAWC will initiate comprehensive I&I studies to identify and address sources of excess water entering the system during wet weather events. Leveraging their access to capital, PAWC will implement corrective measures in a prioritized manner. Potential methods include home inspections to detect illegal sewer connections, dye and smoke testing, closed-circuit television (CCTV) monitoring of sewer mains, and targeted sewer main rehabilitation or replacement.
2. Ammonia Removal:
PAWC's engineering and water quality teams will perform a detailed



evaluation of the plant's nitrification process, with emphasis on aeration efficiency, dissolved oxygen control, and solids retention time. In addition, the existing nitrogen filters will be inspected to determine whether rehabilitation or replacement is necessary to restore full treatment performance. Based on these findings, PAWC will collaborate with regulators and process experts to optimize aeration basin performance, enhance biological nitrification capacity, and adjust operating parameters such as alkalinity supplementation and temperature control where needed. These combined measures will strengthen the plant's ability to consistently oxidize ammonia to nitrate, maintain permit compliance, and reduce the risk of future violations.

3. CBOD Removal:

PAWC's engineering and water quality teams will conduct a comprehensive evaluation of the treatment plant's ability to reduce carbonaceous biochemical oxygen demand (CBOD₅). This review will focus on primary and secondary treatment performance, including influent screening, settling efficiency, and aeration basin operation. Based on the findings, PAWC will collaborate with regulators and process specialists to optimize aeration intensity, improve mixing and dissolved oxygen distribution, and adjust solids retention times to promote effective carbon oxidation. Rehabilitation or replacement of the existing nitrogen filters will also be considered for their role in polishing effluent CBOD. These measures will enhance organic matter removal, ensure consistent compliance with CBOD₅ limits, and reduce the likelihood of future permit exceedances.

In addition to these alternatives, PAWC will work to prevent all NPDES effluent violations.

B. Purchase Price

Present the proposed purchase price and any costs of implementing the proposed acquisition.

Because the acquisition is structured as a stock and merger purchase of the entire Nexus Water Group at PAWC's parent company level, American Water Works Company, the purchase price was not determined by this particular system asset and therefore is not available by system.



Currently, PAWC anticipates the transaction to close in April-May 2026. The cost of implementing the proposed acquisition cannot be determined at this time as PAWC is in the preliminary stages of developing a transition plan. This planned investment includes costs associated with completing the acquisition, such as legal fees, PUC filing costs, title work, and other transaction-related expenses, as well as future operation and maintenance projects. These projects will focus on equipment replacement, collection system upgrades, and improvements to system safety, security, and SCADA infrastructure.

C. Immediate or Phased Implementation Alternative

Analyze the need for immediate or phased implementation of each alternative proposed in Section V of this checklist including: (Reference – 25 Pa. Code §71.21(a)(5)(vi)).

- 1. A description of the advantages, if any, in phasing construction of the facilities or implementation of an SMP justifying time schedules for each phase. (Reference – 25 Pa. Code §71.21(a)(5)(vi)(B)).*

It is important for PAWC to make immediate strides to revitalize the current wastewater situation at Penn Estates. Although there is not a need for a phased implementation schedule, PAWC will be timely in their efforts to enhance sewage operations and infrastructure. PAWC, a company very passionate about their environmental responsibilities, will work diligently to reduce permit violations and restore good water quality to Cranberry Run.

D. Administrative Organizations and Legal Authority

Evaluate administrative organizations and legal authority necessary for plan implementation. (Reference – 25 Pa. Code §71.21(a)(5)(vi)(B)).

Penn Estates and PAWC hold the responsibility and legal authority to implement the selected alternative and complete the transfer of the sanitary sewer system assets. Community Utilities of Pennsylvania has executed an agreement to finalize the sale of its wastewater facilities to PAWC.



ACT 537 - PLAN UPDATE
POCONO AND STROUD TOWNSHIP

Approval of this Act 537 Plan by Resolution of Stroud Township and Pocono Township will fulfill PADEP's planning requirements. Following the acquisition, PAWC will assume the existing certificated service territory corresponding to the Planning Area, as depicted in Appendix A, in full compliance with all applicable PUC rules and regulations.



VII. Institutional Evaluation

A. Institutional Alternatives

Provide an analysis and description of the various institutional alternatives necessary to implement the proposed technical alternatives including:

1. Need for new municipal departments or municipal authorities. (Reference – 25 Pa. Code §71.61(d)(2)).

Pennsylvania American Water Company (PAWC) is a regulated public utility under the jurisdiction of the Pennsylvania Public Utility Commission (PUC). PAWC currently provides water and wastewater services to more than 400 communities across Pennsylvania and operates 27 wastewater treatment plants (WWTPs) throughout the Commonwealth.

As one of Pennsylvania's leading wastewater service providers, PAWC offers extensive technical expertise and proven experience in upgrading, operating, and maintaining wastewater infrastructure. With decades of service in the region, PAWC is recognized for delivering reliable, high-quality water and wastewater services and possesses a deep understanding of local needs.

Following the acquisition of Penn Estate's collection, conveyance, and treatment system, PAWC will assume ownership and operation of the facilities. As a result, there will be no need to establish new municipal departments or authorities to manage the system.

2. Functions of existing and proposed organizations (sewer authorities, on-lot maintenance agencies, etc.). (Reference – 25 Pa. Code §71.61(d)(2)).

Pennsylvania American Water Company (PAWC) possesses the authority to acquire, hold, construct, improve, maintain, operate, own, and lease sewer systems, interceptor lines, wastewater treatment facilities, and other works necessary for the treatment and disposal of wastewater throughout the Commonwealth of Pennsylvania.



As such, PAWC has the legal authority to:

- a) Implement wastewater planning recommendations,
- b) Conduct system-wide operation and maintenance activities,
- c) Establish user fees through its wastewater tariff, subject to approval by the Pennsylvania Public Utility Commission (PUC),
- d) Enforce rules and regulations, including actions against ordinance violators,
- e) Negotiate and execute agreements with other parties, and
- f) Secure funding to support the construction, operation, and maintenance of wastewater facilities.

Following the acquisition of the Penn Estates wastewater facilities, PAWC will own, operate, and maintain the public sewage collection and treatment systems within the Penn Estates Service Area. All existing Community Utilities of Pennsylvania Inc. sewer customers will become direct customers of PAWC upon completion of the acquisition.

3. *Cost of administration, implementability, and the capability of the authority/agency to react to future needs. (Reference – 25 Pa. Code §71.61(d)(2)).*

PAWC will be responsible for all costs associated with administering and implementing system upgrades necessary to address future needs, in compliance with all applicable PUC rules and regulations. Stroud and Pocono Township will continue to exercise their authority over sewage facility planning in accordance with Title 25, Chapter 71 of the Pennsylvania Code.

PAWC has a proven commitment to investing in and maintaining infrastructure, supported by a long history of successfully managing large-scale capital projects to ensure the continued delivery of reliable service. PAWC's ongoing capital investment program systematically replaces aging assets and adds new pipelines, treatment facilities, pumping stations, and other critical water and



wastewater infrastructure. This proactive approach helps to minimize customer disruption caused by equipment failures and service interruptions.

Capital planning is performed by PAWC's in-house engineering and operations teams, who evaluate capacity requirements, regulatory compliance, service adequacy, and system reliability. These teams also analyze project costs, evaluate alternatives, and assess risk to prioritize investments. Comprehensive oversight of system assets provides PAWC with an accurate and objective understanding of infrastructure needs and potential solutions.

PAWC has a strong track record of delivering large, complex water and wastewater capital improvement projects. Over the past five years, the company has invested more than \$1 billion in capital construction and expects to spend between \$275 million and \$300 million annually over the next five years.

PAWC is uniquely positioned to own and operate the wastewater system and implement the necessary capital improvements in full compliance with regulatory requirements. With access to equity markets, a robust balance sheet, and strong credit ratings, PAWC is better equipped than Community Utilities of PA to meet all financial obligations associated with both current operations and future system enhancements. PAWC holds a Moody's credit rating of A3, maintains an available \$400 million line of credit, and has access to plentiful capital resources.

This acquisition will provide significant public benefit to Penn Estate's system customers by integrating them into PAWC's larger customer base. PAWC currently serves approximately 696,787 water customers and 116,382 wastewater customers across more than 400 communities in Pennsylvania, representing a combined population of roughly 2.4 million people. By leveraging its scale, expertise, and operational efficiencies, PAWC can reduce operating costs for the Penn Estates wastewater system and invest in necessary system improvements. These efficiencies and capital



enhancements will help keep rates lower than they would be if the Penn Estates system remained owned by Nexus Water Group.

B. Administrative and Legal Activities

Describe all necessary administrative and legal activities to be completed and adopted to ensure the implementation of the recommended institutional alternative including:

1. *Incorporation of authorities or agencies. (Reference – 25 Pa. Code §71.61(d)(2)).*

There is no current need for the incorporation of new authorities or agencies.

2. *Development of all required ordinances, regulations, standards, agreements and inter-municipal agreements. (Reference – 25 Pa. Code §71.61(d)(2)). – The municipality has obligations under Act 537 and Chapter 94. These obligations include providing sewage needs of areas of failed or malfunctioning on-let systems, planning and providing sewage facilities for new land development, and addressing projected or existing hydraulic overloads for collection, conveyance, and treatment facilities. The agreement between the current, private owner and the purchasing entity must provide assurances that the obligations of the private owner will still be able to be met by the purchasing entity even after the private owner relinquishes control of the sewage facilities. The agreement must establish the role of the purchasing entity in the implementation of the existing Act 537 Plan and future Act 537 Plans. The agreement must establish that both the private owner and the purchasing entity will work together to provide for these needs. The agreement must establish a process to work out any disagreements to ensure that sewage needs are met.*

Pennsylvania American Water Company (PAWC) will be responsible for preparing all annual reports and managing other wastewater system permits and obligations, including industrial discharge



ACT 537 - PLAN UPDATE
POCONO AND STROUD TOWNSHIP

permitting and sanitary sewer overflow notifications. PAWC will also review planning modules for new connections to ensure adequate collection, conveyance, and treatment capacity. Specifically, PAWC will serve as the “Responsible Agent” for Section J, Chapter 94 Consistency Determinations of Sewage Facilities Planning Modules. Section J evaluates the capacity of collection, conveyance, and treatment facilities to confirm that proposed developments will not result in hydraulic overloads in collection, conveyance or treatment systems within five years.

Stroud and Pocono Township will retain responsibility for sewage facilities planning under Act 537 and will have final approval authority over all sewage planning modules.

Customer complaints regarding the public sewer system will be directed to PAWC, with the option to contact Stroud and Pocono Township if issues are not adequately addressed.

Following the acquisition, PAWC may negotiate agreements and inter-municipal arrangements with other sewer authorities or municipalities. For proposed new development or redevelopment, PAWC will collaborate with Stroud and Pocono Township in reviewing and approving sewage facility planning modules. PAWC will accept, convey, and treat all domestic sewage flows from such projects within the certificated service area, consistent with PAWC’s Tariff.

Stroud and Pocono Township will maintain authority to enforce the plumbing code, including requirements for grease traps, sump pumps, and lateral inspections, in coordination with PAWC.

The Township is also expected to update, amend, maintain, and enforce ordinances that:

1. Prohibit or regulate the discharge of fats, oils, grease, acids, and other prohibited substances into the sewage system, consistent with wastewater system regulations consolidated in the PAWC Industrial Pretreatment Program (IPP) required by PADEP; and



2. Prohibit the discharge of surface or groundwater into any sanitary sewer.

PAWC will work with Stroud and Pocono Township to ensure ordinances are updated as needed.

3. ***Description of activities to provide right-of-way, easements and land transfers. (Reference – 25 Pa. Code §71.61(d)(2)).***

Nexus Water Group will transfer to PAWC all rights to the real and personal property comprising the wastewater system, including fee-owned property, easements, and rights-of-way associated with the system's collection, conveyance, and discharge facilities. As a PUC-regulated public utility, PAWC is authorized to obtain rights-of-way within municipal streets and highways for the installation and maintenance of underground water and wastewater infrastructure.

When acquisition of easements or other property rights from private owners is necessary, PAWC will seek to negotiate mutually agreeable terms wherever feasible. If required, as a PUC-regulated entity, PAWC may exercise the authority of eminent domain to acquire easements or property in accordance with the provisions of the Eminent Domain Code.

4. ***Adoption of other municipal sewage facilities plans. (Reference – 25 Pa. Code §71.61(d)(2)).***

The adoption of other municipal sewage facilities plans is not required to implement this plan. Stroud and Pocono Township will remain responsible for adopting any municipal sewage facilities plans that affect the sewage disposal needs within the Penn Estates area. PAWC, as the owner and operator of the wastewater system, will provide stakeholder input and participate in the planning process as needed.

5. ***Any other legal documents. (Reference – 25 Pa. Code §71.61(d)(2)).***



The National Pollutant Discharge Elimination System Part I and Water Quality Management Part II permits, issued by DEP, will be transferred to PAWC.

6. *Dates or time frames for items 1-5 above on the project's implementation schedule.*

All necessary administrative and legal activities required will occur prior to acquisition.

C. Proposed Institutional Alternative

Identify the proposed institutional alternative for implementing the chosen technical wastewater disposal alternative. Provide justification for choosing the specific institutional alternative considering administrative issues, organizational needs and enabling legal authority. (Reference – 25 Pa. Code §71.61(d)(2)).

PAWC will acquire Penn Estate's sanitary sewer system within Stroud and Pocono Township. PAWC owns and operates numerous wastewater systems across Pennsylvania and has demonstrated the capability to effectively manage, maintain, and operate such systems in compliance with EPA and PADEP standards.

Nexus Water Group has executed an agreement to transfer its wastewater facility to PAWC. Approval of this Act 537 Plan by resolution of Stroud and Pocono Township will satisfy PADEP's planning requirements for the acquisition. Upon completion of the acquisition, PAWC will assume the existing certificated service territory corresponding to the Planning Area, as shown in Appendix A, in full accordance with all PUC rules and regulations.

PAWC is well-positioned to own and operate the wastewater system and to carry out the necessary capital improvements in compliance with all applicable regulatory requirements, as described in Section VI-D above.



VIII. Implementation Schedule and Justification for Selected Technical & Institutional Alternatives

A. Identified Alternative

Identify the technical wastewater disposal alternative which best meets the wastewater treatment needs. Justify the choice by providing documentation which shows that it is best alternative based on:

As noted above, the chosen alternative consists of the sale of Penn Estate's sewage system to PAWC, making PAWC the owner and operator of all wastewater system assets within the designated service territory. The responsibilities for carrying out components of the Act 537 Plan will be assigned as previously outlined.

***1. Existing wastewater disposal needs. (0 to 5 year growth areas)
(Reference – 25 Pa. Code §71.21(a)(6)).***

The selected alternative ensures that all existing wastewater needs will be addressed by a technically proficient, financially stable, and well-resourced public utility with extensive industry experience and strong access to capital. The current hydraulic capacity of Penn Estate's wastewater treatment plant (0.56 MGD) is sufficient to accommodate projected wastewater flows over the next five years, given average flows of approximately 0.25 MGD over the last 5 years. Likewise, the existing wastewater collection and conveyance infrastructure has adequate capacity to meet needs for the same planning period. At present, no significant land development projects are proposed within the Penn Estate's service area.

***2. Future wastewater disposal needs. (5 and 10 year growth areas).
(Reference – 25 Pa. Code §71.21(a)(6)).***

The Penn Estates wastewater treatment plant, with a hydraulic capacity of 0.56 MGD, is sufficient to meet projected wastewater treatment demands for the next 5 to 10 years, given the anticipated minimal growth and available treatment capacity. Similarly, the existing wastewater collection and conveyance infrastructure has adequate capacity for the same planning horizon. The selected



alternative ensures that future wastewater disposal needs will be met. Acquisition of the system by PAWC, with its greater access to capital resources, will enhance the system's ability to continue meeting all future wastewater requirements effectively.

3. *O&M considerations. (Reference – 25 Pa. Code §71.21(a)(6)).*

The selected alternative establishes a framework to sustain and enhance the operation and maintenance of Penn Estate's wastewater facilities. PAWC's advanced computerized preventive and predictive maintenance programs, combined with the technical expertise of its engineering and operations staff, will introduce modern methods, best practices, and updated technologies to the system. Through its shared services platform, PAWC can provide cost-effective and efficient staffing support. In addition, PAWC's centralized procurement practices for critical supplies, such as chemicals and other key commodities, allow for advantageous market pricing and contract negotiations. With its extensive experience and resources, PAWC is well equipped to effectively operate and maintain the collection, conveyance and treatment systems.

4. *Available management and administrative systems. (Reference – 25 Pa. Code §71.21(a)(6)).*

PAWC has long been recognized as a leader in the sustainable management of water and wastewater systems. Under the selected alternative, PAWC will apply its state-of-the-art predictive and preventive maintenance programs, advanced system automation and monitoring capabilities, and the expertise of its seasoned engineering and operations management team. In addition, PAWC's well-established capital investment and system improvement programs will ensure continued reliability and long-term system performance.

5. *Environmental soundness and compliance with natural resource planning and preservation programs. (Reference – 25 Pa. Code §71.21(a)(6)).*



ACT 537 - PLAN UPDATE
 POCONO AND STROUD TOWNSHIP

Under the selected alternative, PAWC will operate the Penn Estates wastewater facilities in full compliance with all applicable environmental regulations, including the Pennsylvania Clean Streams Law and the federal Clean Water Act. No significant impacts or changes are anticipated regarding the system’s alignment with natural resource planning or preservation programs. This Plan Update does not propose any alternative wastewater disposal methods.

B. Implementation Schedule

Designate and describe the implementation schedule for the recommended alternative, including justification for any proposed phasing of implementation. (Reference – 25 Pa. Code §71.31(d)).

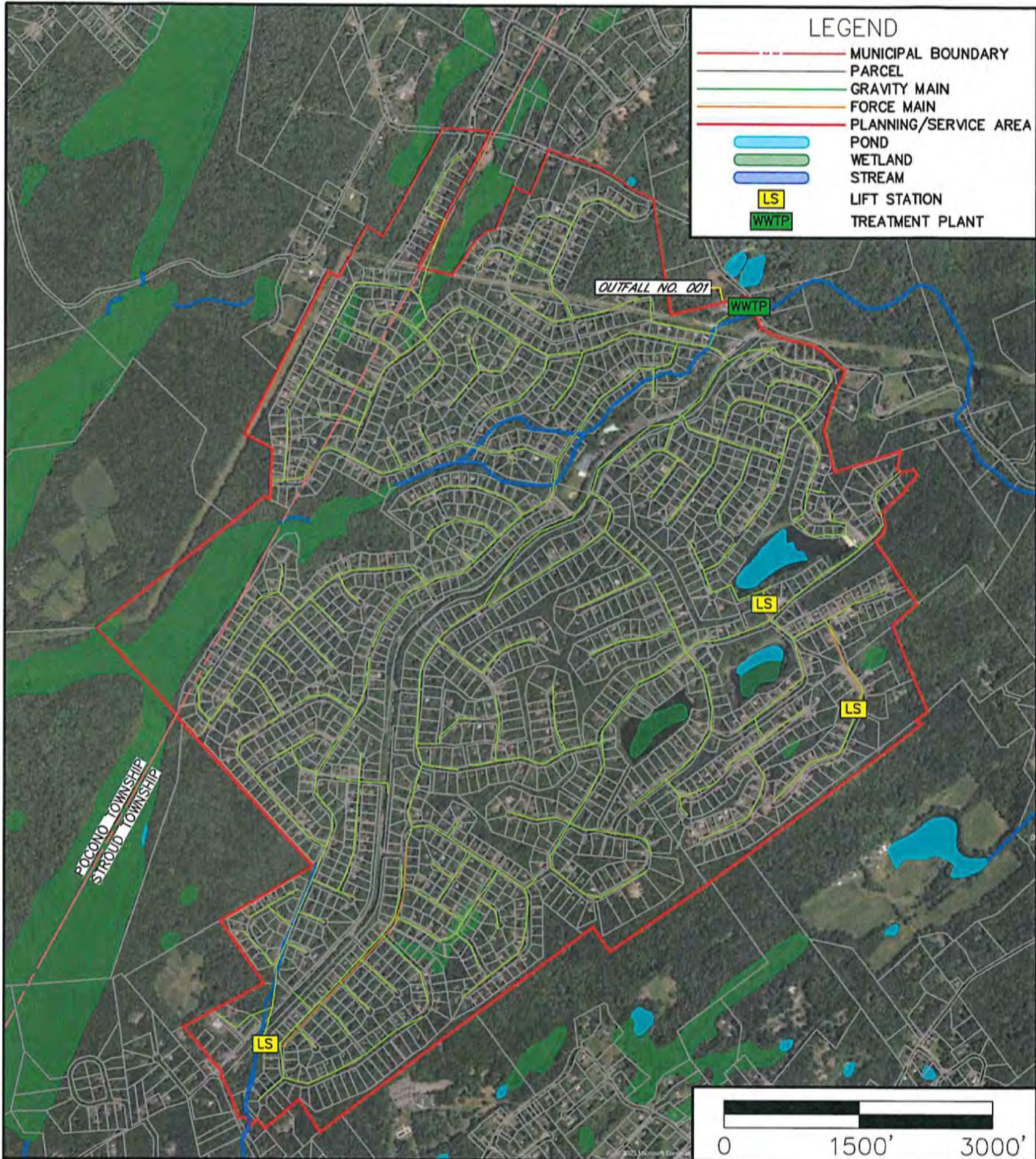
The following implementation schedule is provided for the selected alternative.

Task(s)	Date(s)
Submit Plan for Review by Planning Commissions (Up to 60 days for review) <ul style="list-style-type: none"> Pocono Township, Stroud Township and Monroe County 	January 20, 2026 – March 20, 2026
Address comments received by Planning Commissions	March 20, 2026 – March 25, 2026
Submit Advertisement for 30 Day Public Comment Period	March 25, 2026 – April 25, 2026
Address comments received by Review by Public Comment	April 25, 2026 – April 30, 2026
Adopt Act 537 Plan by Resolution <ul style="list-style-type: none"> Pocono Township and Stroud Township 	May 2026
Submit Act 537 Plan for PADEP Approval (Up to 180 days)	June 1, 2026 – December 1, 2026
Receive Approval of Act 537 Plan from PADEP	December 1, 2026



Appendix A
Planning Area Map





APPENDIX A: PLANNING AREA MAP
PENNSYLVANIA AMERICAN WATER COMPANY
PENN ESTATES SEWER SYSTEM
POCONO & STROUD TWP, MONROE COUNTY, PENNSYLVANIA

Date:
 10-14-2025
 Scale:
 1"=1500'
 Project No.
 25047.00



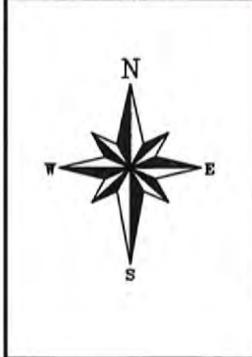
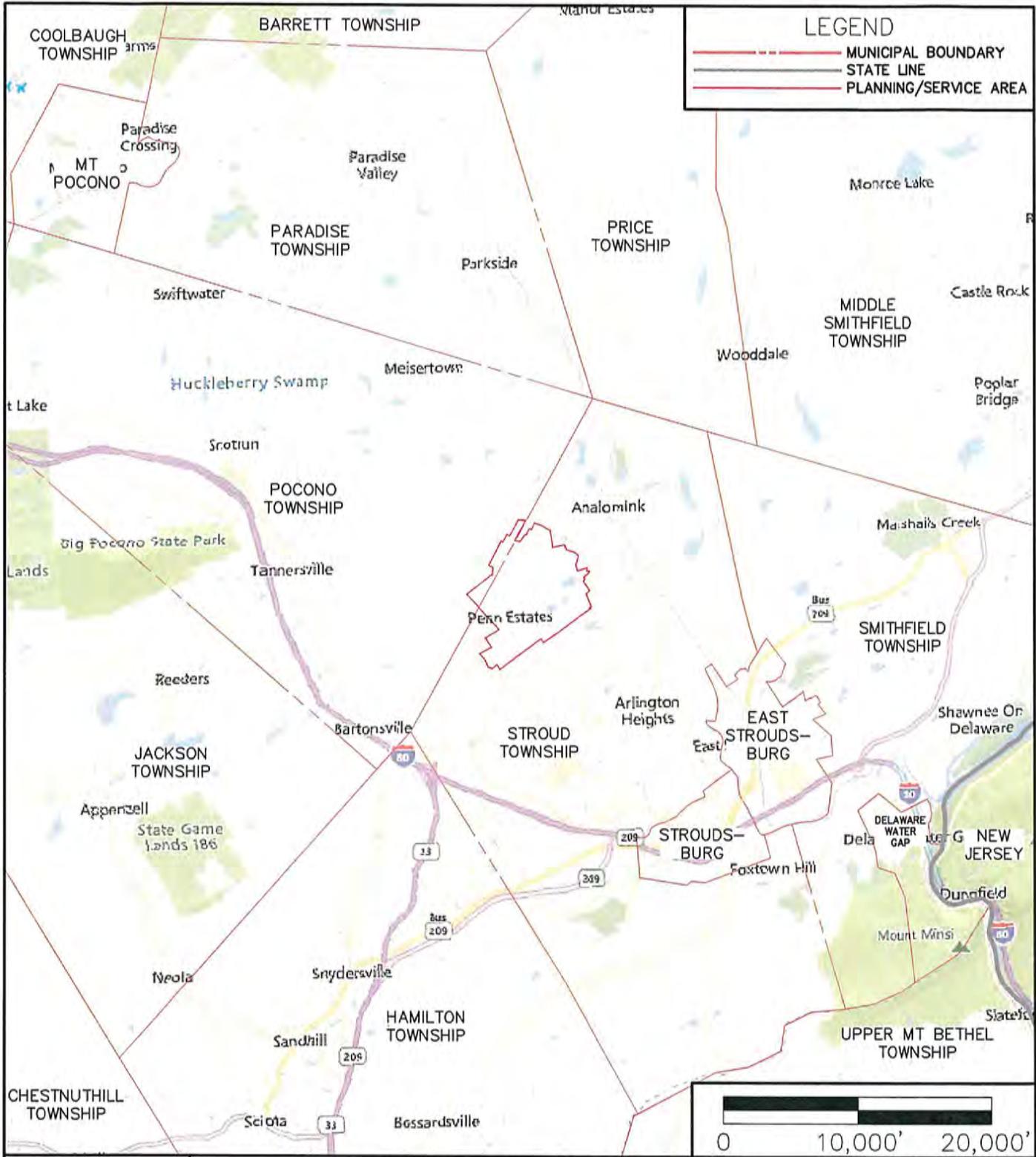
DATA CREDITS:
 PARCEL: MONROE COUNTY 2008
 MUNICIPAL BOUNDARY: PA COMMONWEALTH OPEN PORTAL DATA
 WETLANDS AND STREAMS: NATIONAL WETLAND INVENTORY

Reilly
 ASSOCIATES SINCE 1930
 ENGINEERING / ENVIRONMENTAL / SURVEYING

49 South Main Street
 Suite 200
 Piltston, PA 18640
 tel: 570.654.2473
 fax: 570.654.6880
 www.reillyengineering.com

Appendix B Regional Mapping





APPENDIX B: REGIONAL MAPPING
PENNSYLVANIA AMERICAN WATER COMPANY
PENN ESTATES SEWER SYSTEM
POCONO & STROUD TWP, MONROE COUNTY, PENNSYLVANIA

Date:	10-14-2025
Scale:	1"=1500'
Project No.	25047.00

DATA CREDITS:
 PARCEL: MONROE COUNTY 2008
 MUNICIPAL BOUNDARY: PA COMMONWEALTH OPEN PORTAL DATA
 WETLANDS AND STREAMS: NATIONAL WETLAND INVENTORY



49 South Main Street
 Suite 200
 Pittston, PA 18640
 tel: 570.654.2473
 fax: 570.654.6880
www.reillyengineering.com

Appendix C

WWTP Process Flow Diagram





YOUR GOALS. OUR MISSION.

March 3, 2026

Jerrod Belvin, Township Manager
Pocono Township
205 Old Mill Road
Tannersville, PA 18372

**SUBJECT: POCONO AND STROUD TOWNSHIP
ACT 537 SEWAGE FACILITIES PLAN UPDATE – PENN ESTATES
SPECIAL STUDY REVIEW
POCONO TOWNSHIP, MONROE COUNTY, PENNSYLVANIA
T&M PROJECT NO. POCS-00041**

Dear Mr. Belvin:

Reilly Associates has prepared and submitted to Pocono Township, on behalf of Pennsylvania American Water Company (PAWC), a Special Act 537 Plan for the purpose of a Private-to-Private transfer of the sewer system servicing Penn Estates located in Stoud and Pocono Townships. PAWC, in compliance with PADEP Act 537 guidelines, has submitted an Act 537 Plan Update (Plan) for review. The Pennsylvania Code, Title 25, Chapter 71.31 (b) requires municipalities/municipal authorities to forward proposed official plans to the appropriate planning agencies for review and comment.

The Plan submitted for review to our office on January 19, 2026, is entitled “Act 537 Sewage Facilities Plan Update Pocono and Stroud Township Monroe County, Pennsylvania, Pennsylvania American Water Company Acquisition of the Nexus Water Group Penn Estates Sanitary Sewer System” dated January 2026.

In review of that plan, we note the following:

- A. The plan, as submitted and as required by Chapter 71, outlines capacity, operations, and management of the sewer system once transferred to PAWC. Nexus Water Group currently owns, and Community Utilities of Pennsylvania Inc. operates, a sanitary sewer collection, conveyance, and treatment system that serves approximately 1,700 residential and commercial customers. PAWC is acquiring both of these entities and their respective assets.
- B. The current user fee for Penn Estates wastewater service is \$39.90 per month per EDU (\$478.80/year) established by a PUC Tariff for the system. As part of the purchase agreement, PAWC has committed to not to increase rates for a period of two years and to limit the magnitude of any subsequent proposed increases. It is noted that the statewide sewer rate for PAWC is \$110.00 monthly established by its statewide Tariff. In comparison, Pocono Township’s rate is \$82.50 per month. Rate increases for



utility providers regulated under the Public Utility Commission (PUC) are strictly regulated and require filings with the PUC, including public hearings when appropriate. PAWC is not permitted to arbitrarily establish user fees and the user fees are based on actual expected operational and maintenance cost with an allowable margin for profit.

- C. The Wastewater Treatment Plant (WWTP) is permitted under NPDES Permit No. PA0060283 and DRBC Docket No. D1999-020 CP-4. The collection system consists of gravity and low-pressure sewer collection systems with three sewage pumping stations.
- D. The plan outlines operational concerns for elevated nitrogen in its wastewater effluent. The wastewater collection system is currently under a Consent Order and Agreement (COA) with PADEP. The plan identifies a total of 22 Sanitary Sewer Overflows from 2019 through 2024.
- E. The plan contains a section that states:

“The Township is also expected to update, amend, maintain, and enforce ordinances that:

1. Prohibit or regulate the discharge of fats, oils, grease, acids, and other prohibited substances into the sewage system, consistent with wastewater system regulations consolidated in the PAWC Industrial Pretreatment Program (IPP) required by PADEP;”

Based on our review of the plan, we offer the following:

- 1. The Consent Order Agreement with the PADEP, and any subsequent updates, must be provided to Pocono Township.
- 2. The status of corrective actions should be expanded to include more detail on the completed work. This information must be provided within the Plan.
- 3. The Pocono Township’s ordinances and rules and regulations currently only regulate discharges to the Township’s sewer system, not private sewer systems. If PADEP’s expectations are for the Township to regulate discharges in private systems, the Township will need to globally update its ordinances to extend the Township’s sewer system Rules and Regulations governing the Township’s sewer system to all sewer systems in the Township. The Township would need to adopt ordinance(s) expanding the regulatory authority of the Rules and Regulations governing the sewer system to private facilities and expand the pending Grease Trap maintenance ordinance to govern all such facilities in Pocono Township.
- 4. PAWC shall provide Pocono Township with all monthly DMR reports when submitted to the PADEP.
- 5. Pocono Township shall be provided with the completed I&I report once completed by PAWC.

With the inclusion of the above items into the Plan, the Township can adopt the Resolution of approval provided in the Plan.



Mr. Jerrod Belvin
Penn Estates Act 537 Plan Review
March 3, 2026
Page 3 of 3

If you should have any questions regarding the above comments, feel free to contact our office.

Sincerely,

Michael E. Gable, P.E.
Sanitary Sewer Engineer

MEG/kas

cc: Leo DeVito, Esq. – Township Solicitor
Lisa Pereira, Esq. – Broughal & DeVito, LLP
Amy R. Montgomery, P.E. – T&M Associates
Patrick Briegel, Director of Public Works

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March 5, 2026

Pocono Township Planning Commission
205 Old Mill Road
Tannersville, PA 18372

Re: Request for Consideration of Rezoning – Parcel 12.6.1.12-2

Dear Members of the Pocono Township Planning Commission,

On behalf of Sanofi Pasteur, we respectfully submit this letter requesting the Planning Commission's consideration of a zoning map amendment to rezone **Parcel 12.6.1.12-2**, located immediately south of Sanofi Pasteur's existing campus, from **R-1 Residential** to **I Industrial**.

Sanofi Pasteur has maintained a long-standing presence within Pocono Township and remains committed to responsible development, environmental stewardship, and continued partnership with the Township and surrounding community. The existing Sanofi Pasteur campus is nearly built out, with very limited remaining area available for future expansion. As the organization continues to evaluate its long-term operational needs, it is prudent to explore options that provide flexibility for potential future development in close proximity to the existing campus.

At this time, Sanofi Pasteur does not have a specific or immediate development proposal for Parcel 12.6.1.12-2. However, rezoning the property to an Industrial classification would allow the company to thoughtfully evaluate potential future uses that are compatible with the existing campus and consistent with the Township's long-range planning objectives. Securing appropriate zoning at this stage would provide a framework for future planning and informed decision-making should a need arise.

Sanofi Pasteur also recognizes that **Pocono Township is currently evaluating potential amendments to its zoning ordinance** and appreciates the Township's proactive approach to long-range land use planning. In that context, we understand that **industrially zoned parcels within the Township are limited**, and that careful consideration of existing and future industrial land needs is an important component of the Township's planning efforts. The requested rezoning is intended to be part of that broader discussion and to support orderly, well-planned development adjacent to an established industrial campus.

For the Planning Commission's reference, **enclosed exhibits are provided** to illustrate the request and highlight Parcel 12.6.1.12-2, the subject property proposed for rezoning along with the other parcels owned by Sanofi Pastuer, that are currently zoned industrial. These exhibits are intended to provide geographic context and demonstrate how the requested rezoning would align with the established industrial footprint of the Sanofi Pasteur campus.

Sanofi Pasteur respectfully requests the opportunity to be present at the **March 9, 2026 Planning Commission meeting** to introduce this request and engage in an initial discussion

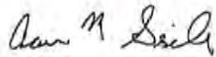
Request for Consideration of Rezoning – Parcel 12.6.1.12-2
032.000004492
March 5, 2026

with the Commission. Additionally, we would welcome participation in future Planning Commission meetings and any joint work sessions with the Board of Supervisors to further review, discuss, and refine this request as appropriate.

We appreciate the Planning Commission's time and consideration of this matter and look forward to working collaboratively with the Township throughout this process. Please do not hesitate to contact us should additional information be required in advance of the March 9 meeting.

Sincerely,

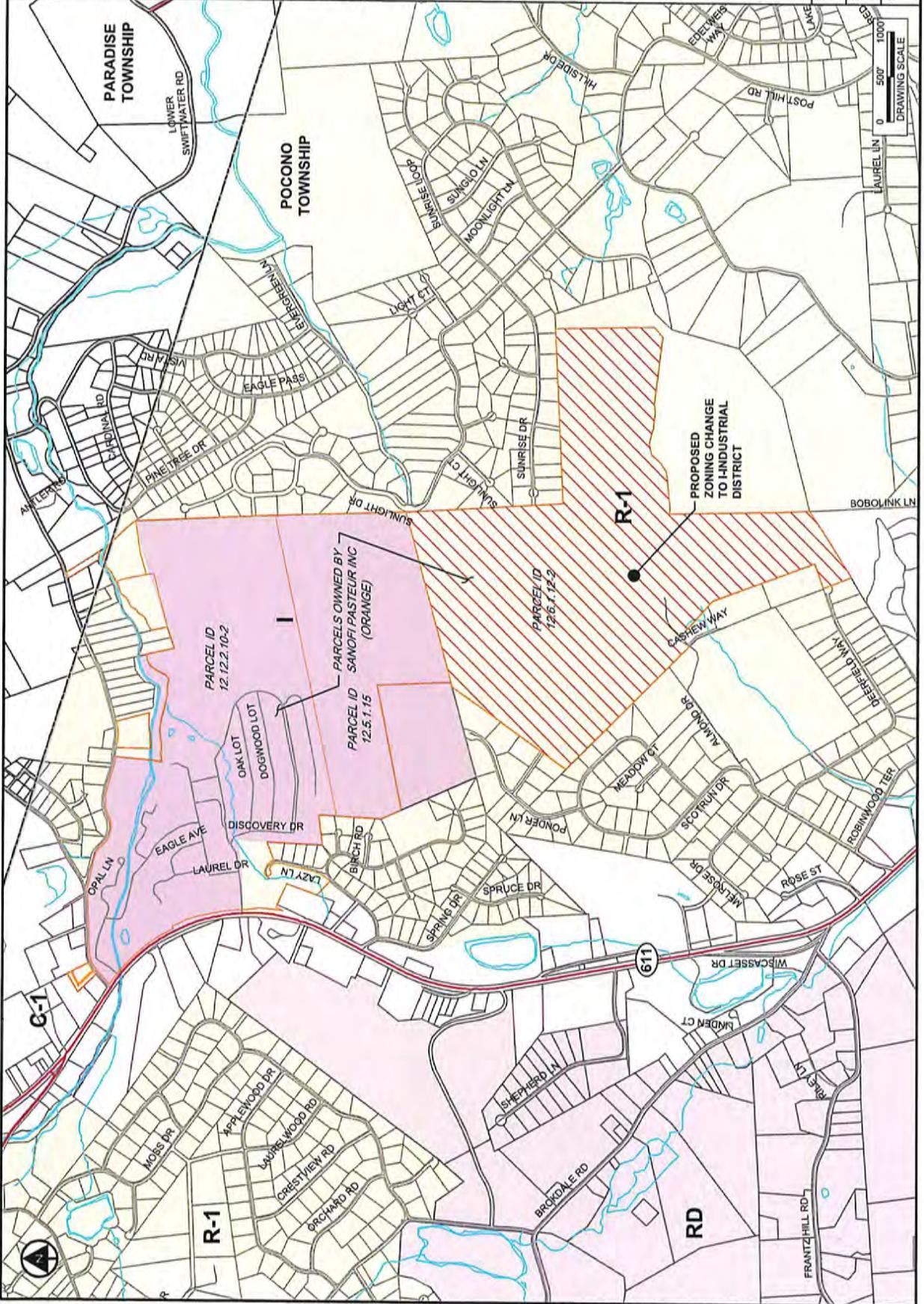
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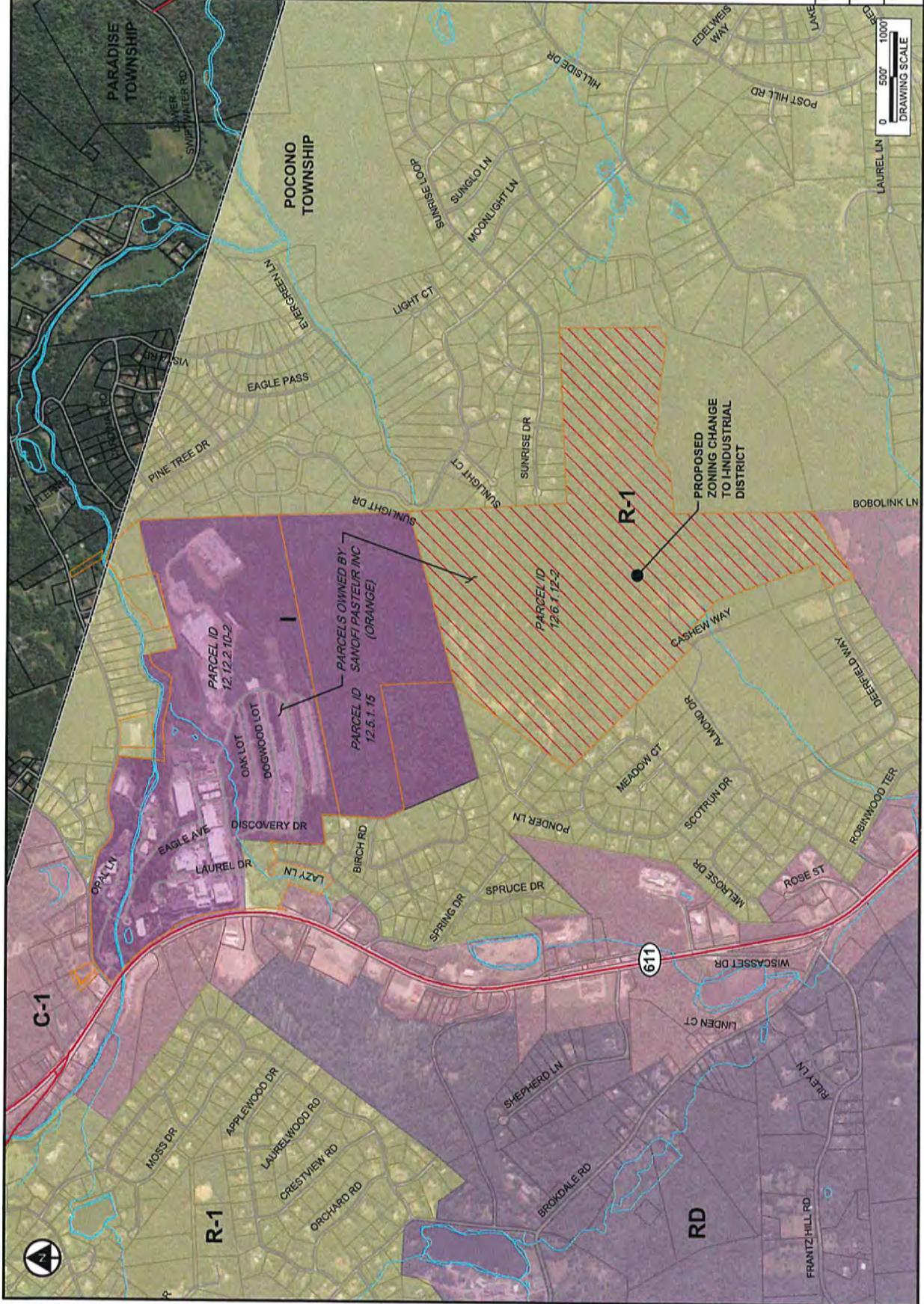


Aaron M. Sisler, P.E.
Senior Project Manager
asisler@verdantas.com

cc Sanofi Pasteur







SHEET 2 OF 3

SCALE 1:1000

DATE 03/05/2026

POCONO TOWNSHIP-MONROE COUNTY-PENNSYLVANIA
SANOFI PASTEUR INC
PARCEL MAP
 PARCEL 12.6.1.12-2 REZONING EXHIBIT

DESIGNED BY	MRB
DRAWN BY	MRB
CHECKED BY	AMS
PROJECT NO.	32.000044922



3897 ADLER PLACE - BLDG C
 BETHLEHEM, PA 18017
 TEL. 484-821-0470

DESIGNED BY	MRB
DRAWN BY	MRB
CHECKED BY	AMS
PROJECT NO.	32.000044922

POCONO TOWNSHIP-MONROE COUNTY-PENNSYLVANIA
SANOFI PASTEUR INC
PARCEL MAP
 PARCEL 12.6.1.12-2-REZONING EXHIBIT

DATE	09/05/2026
SCALE	1:1000
SHEET	3 OF 3

