



**POCONO TOWNSHIP COMMISSIONERS  
SEWER COMMITTEE AGENDA  
November 5, 2018 6:00 p.m.**

**Open Meeting**

**Pledge of Allegiance**

**Roll Call**

**Public Comments**

*Comments are for any issue. Please limit individual comments to 5 minutes to allow time for others wishing to speak and direct all questions and comments to the President.*

**Announcements**

Sewer Committee meetings will be held the first Monday of each month at 6pm prior to the regular Board of Commissioners' meeting

**Hearings**

Ordinance 2018-17 – Ordinance authorizing and securing a guaranteed sewer revenue note, in the maximum principal amount of \$4,593,000.00 to refund the outstanding balance of the sewer revenue note, Series A of 2014 (action item\*)

**Presentations**

**OLD BUSINESS**

1. Motion to approve the minutes of the October 1, 2018 sewer committee meeting (action item\*)
2. Vasilios Kotretsos - 312 Learn Road - request for reduction in EDU's
3. Jimmy Schlier EDU purchase answer
4. Resolution update committee report – workshop date to discuss

**NEW BUSINESS**

**1. Financial Transactions**

- a. Motion to approve the final payment to Keystone Engineering Group in the amount of \$1000.00 which was the retainage held until the completion of the

(Action Item\*)

\*A matter listed as an "Action Item" on the Agenda is a matter that the Board of Commissioners will discuss and may deliberate or take official action on. A matter listed on the Agenda as an "Action Item" does not require the Board of Commissioners to deliberate or take official action on that matter.

\*\* Change to agenda versus draft posted on website

- b. SCADA project, as recommended by Boucher & James and Patrick Briegel (action item\*)
- c. Motion to approve the quote from the Milnes Company for \$14,880.00 for new connections and wiring at Pump Station #5 for bypass pumping and pressure transducer as recommended by Boucher & James and Patrick Briegel (action item\*)
- d. Motion to approve the work recommended by Keystone following their initial analysis of electrical and control diagrams at all pump stations to address concerns as outlined in executive summary prepared by Boucher & James in the amount of approximately \$85,388.33 for Keystone Engineering and \$22,750.00 for Brennan Electric as recommended by Boucher & James and Patrick Briegel (action item\*)

2. **Appeals**

- a. Gateway equities – 2185 Route 611 – denial of reduction in EDU's

**REPORTS**

- 1. Administration
- 2. Engineer/Sewer Consultant
  - a. Update Status Report on Sewer Redesign
  - b. Update on Route 611 Sewer Line Relocation Work Update
  - c. Update on Sanofi Sanitary Sewer Easement
  - d. Update – Pump Station #5 Enclosure – was ordered awaiting delivery
  - e. Update – Sewer EAP
  - f. Update – BCRA committee to develop Valve Station #2 action plan
  - g. Update – BCRA access to SCADA system
  - h. Update - Act 537
- 3. Solicitor
  - a. Update on Fencing at Valve Station #1 – Stroud updating their ordinance
  - b. Update on request from MHC Outdoor to reserve additional EDU's

**Public Comment**

*Please limit individual comments to 5 minutes to allow time for others wishing to speak and direct all questions and comments to the President.*

Executive Session – if necessary

Adjournment

(Action Item\*)

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\*\* Change to agenda versus draft posted on website

# Pocono Township

## *Bank Loan Sale Document* *Guaranteed Sewer Revenue Note* *Series of 2018*

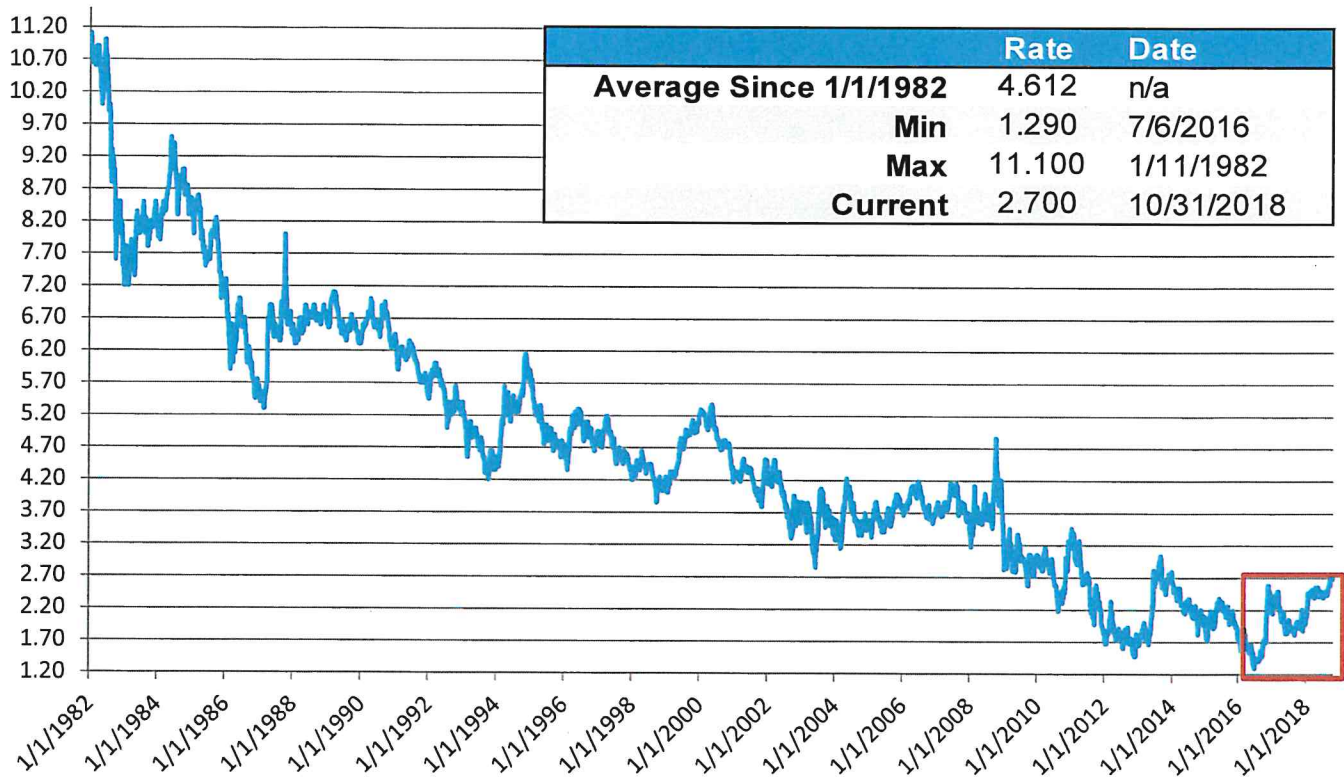
**November 5, 2018**

***Prepared by:***  
**Scott Shearer**  
Managing Director  
&  
**Zach Williard**  
*Director*  
&  
**Wes Hall**  
*Senior Analyst*

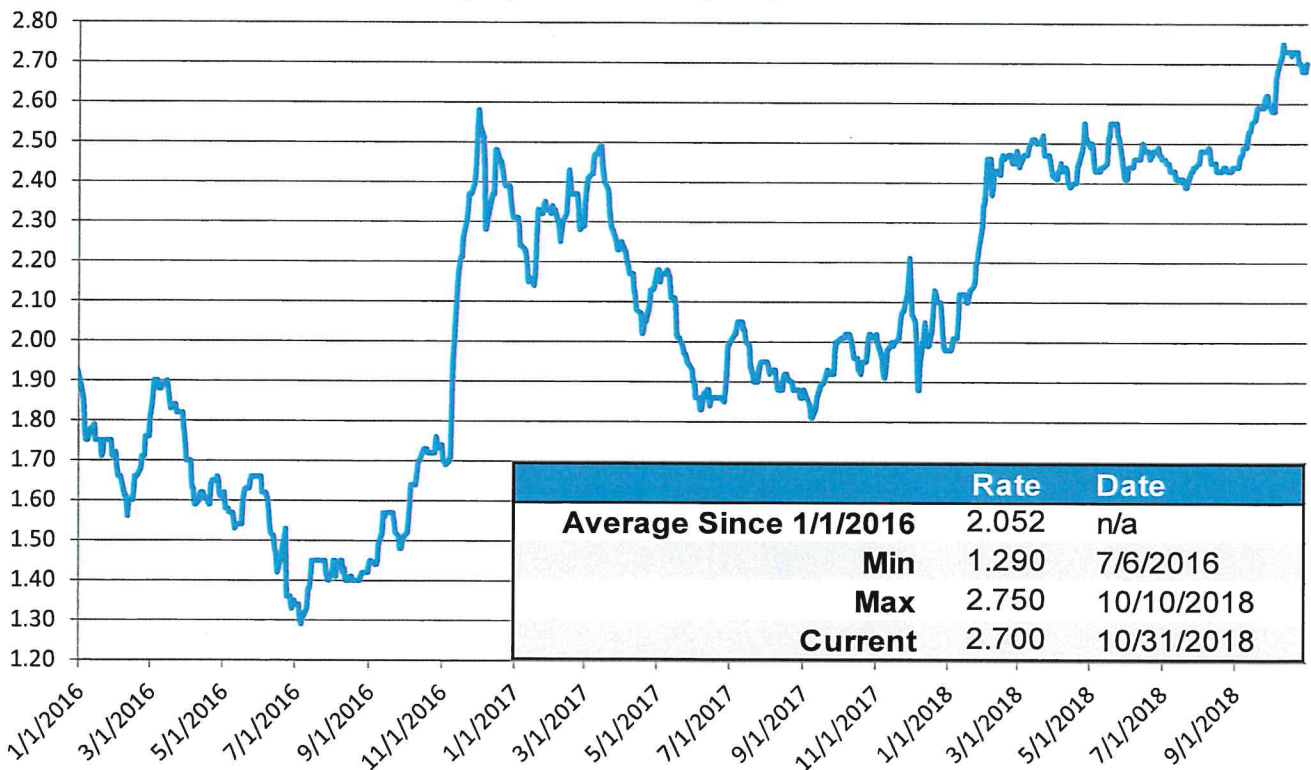


**PFM Financial Advisors LLC**  
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Harrisburg, PA 17101  
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[www.pfm.com](http://www.pfm.com)

# 10 Year MMD (AAA Fixed Rate Bond Rates) 1/1/1982 - 10/31/2018



## 10 Year MMD (AAA Fixed Rate Bond Rates) 1/1/2016 - 10/31/2018





**Series of 2018:**  
***Current Refunds the***  
***Series A of 2014***

**POCONO TOWNSHIP**  
G.S.R. NOTE, SERIES A OF 2014

|                                                                                        | 1         | 2                | 3        | 4                   | 5                   | 6                   |
|----------------------------------------------------------------------------------------|-----------|------------------|----------|---------------------|---------------------|---------------------|
|                                                                                        |           |                  |          |                     | Semi-Annual         | Fiscal Year         |
|                                                                                        | Date      | Principal        | Rate [1] | Interest            | Debt Service        | Debt Service        |
| <b>Assumes Township will make regularly schedule 12/1/2018 payment of \$444,503.40</b> |           |                  |          |                     |                     |                     |
|                                                                                        | 6/1/2019  |                  | 1.720    | 56,192.40           | 56,192.40           |                     |
|                                                                                        | 12/1/2019 | 392,000          | 1.720    | 56,192.40           | 448,192.40          | 504,384.80          |
|                                                                                        | 6/1/2020  |                  | 4.500    | 138,195.00          | 138,195.00          |                     |
|                                                                                        | 12/1/2020 | 275,000          | 4.500    | 138,195.00          | 413,195.00          | 551,390.00          |
|                                                                                        | 6/1/2021  |                  | 4.500    | 132,007.50          | 132,007.50          |                     |
|                                                                                        | 12/1/2021 | 287,000          | 4.500    | 132,007.50          | 419,007.50          | 551,015.00          |
|                                                                                        | 6/1/2022  |                  | 4.500    | 125,550.00          | 125,550.00          |                     |
|                                                                                        | 12/1/2022 | 299,000          | 4.500    | 125,550.00          | 424,550.00          | 550,100.00          |
|                                                                                        | 6/1/2023  |                  | 4.500    | 118,822.50          | 118,822.50          |                     |
|                                                                                        | 12/1/2023 | 312,000          | 4.500    | 118,822.50          | 430,822.50          | 549,645.00          |
|                                                                                        | 6/1/2024  |                  | 4.500    | 111,802.50          | 111,802.50          |                     |
|                                                                                        | 12/1/2024 | 326,000          | 4.500    | 111,802.50          | 437,802.50          | 549,605.00          |
|                                                                                        | 6/1/2025  |                  | 4.500    | 104,467.50          | 104,467.50          |                     |
|                                                                                        | 12/1/2025 | 341,000          | 4.500    | 104,467.50          | 445,467.50          | 549,935.00          |
|                                                                                        | 6/1/2026  |                  | 4.500    | 96,795.00           | 96,795.00           |                     |
|                                                                                        | 12/1/2026 | 357,000          | 4.500    | 96,795.00           | 453,795.00          | 550,590.00          |
|                                                                                        | 6/1/2027  |                  | 4.500    | 88,762.50           | 88,762.50           |                     |
|                                                                                        | 12/1/2027 | 372,000          | 4.500    | 88,762.50           | 460,762.50          | 549,525.00          |
|                                                                                        | 6/1/2028  |                  | 4.500    | 80,392.50           | 80,392.50           |                     |
|                                                                                        | 12/1/2028 | 390,000          | 4.500    | 80,392.50           | 470,392.50          | 550,785.00          |
|                                                                                        | 6/1/2029  |                  | 4.500    | 71,617.50           | 71,617.50           |                     |
|                                                                                        | 12/1/2029 | 407,000          | 4.500    | 71,617.50           | 478,617.50          | 550,235.00          |
|                                                                                        | 6/1/2030  |                  | 4.500    | 62,460.00           | 62,460.00           |                     |
|                                                                                        | 12/1/2030 | 422,000          | 4.500    | 62,460.00           | 484,460.00          | 546,920.00          |
|                                                                                        | 6/1/2031  |                  | 4.500    | 52,965.00           | 52,965.00           |                     |
|                                                                                        | 12/1/2031 | 434,000          | 4.500    | 52,965.00           | 486,965.00          | 539,930.00          |
|                                                                                        | 6/1/2032  |                  | 4.500    | 43,200.00           | 43,200.00           |                     |
|                                                                                        | 12/1/2032 | 449,000          | 4.500    | 43,200.00           | 492,200.00          | 535,400.00          |
|                                                                                        | 6/1/2033  |                  | 4.500    | 33,097.50           | 33,097.50           |                     |
|                                                                                        | 12/1/2033 | 468,000          | 4.500    | 33,097.50           | 501,097.50          | 534,195.00          |
|                                                                                        | 6/1/2034  |                  | 4.500    | 22,567.50           | 22,567.50           |                     |
|                                                                                        | 12/1/2034 | 490,000          | 4.500    | 22,567.50           | 512,567.50          | 535,135.00          |
|                                                                                        | 6/1/2035  |                  | 4.500    | 11,542.50           | 11,542.50           |                     |
|                                                                                        | 12/1/2035 | 513,000          | 4.500    | 11,542.50           | 524,542.50          | 536,085.00          |
| <b>TOTALS</b>                                                                          |           | <b>6,534,000</b> |          | <b>2,700,874.80</b> | <b>9,234,874.80</b> | <b>9,234,874.80</b> |

[1] Assumes Township budgets a 1.72% fixed rate through December 1, 2019, cap rate of 4.50% thereafter. Actual rate is variable at 67% WSJ Prime (currently 3.52%)

|                       |  |        |           |
|-----------------------|--|--------|-----------|
| POCONO TOWNSHIP       |  |        |           |
| REQUIRED TO CALL NOTE |  |        |           |
|                       |  | SETTLE | 12/6/2018 |

|   |   |   |   |
|---|---|---|---|
| 1 | 2 | 3 | 4 |
|---|---|---|---|

|                                      |
|--------------------------------------|
| <b>G.S.R. NOTE, SERIES A OF 2014</b> |
|--------------------------------------|

| <u>Date</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-------------|------------------|-----------------|--------------|
| 12/6/2018   | 6,534,000.00     | 1,560.90        | 6,535,560.90 |
| <hr/>       |                  |                 |              |
| TOTALS      | 6,534,000.00     | 1,560.90        | 6,535,560.90 |
| <hr/>       |                  |                 |              |

|                                           |  |  |  |  |        |           |  |
|-------------------------------------------|--|--|--|--|--------|-----------|--|
| <b>POCONO TOWNSHIP</b>                    |  |  |  |  |        |           |  |
| SERIES OF 2018                            |  |  |  |  | Settle | 12/6/2018 |  |
| REFUNDS THE G.S.R. NOTE, SERIES A OF 2014 |  |  |  |  | Dated  | 12/6/2018 |  |

| 1             | 2                | 3               | 4                   | 5                                   | 6                                   | 7                                | 8                            |
|---------------|------------------|-----------------|---------------------|-------------------------------------|-------------------------------------|----------------------------------|------------------------------|
| <u>Date</u>   | <u>Principal</u> | <u>Rate [1]</u> | <u>Interest</u>     | <u>Semi-Annual<br/>Debt Service</u> | <u>Fiscal Year<br/>Debt Service</u> | <u>Existing<br/>Debt Service</u> | <u>Savings to<br/>Budget</u> |
| 6/1/2019      |                  | 3.490           | 77,921.52           | 77,921.52                           |                                     |                                  |                              |
| 12/1/2019     | 345,000          | 3.490           | 80,147.85           | 425,147.85                          | 503,069.37                          | 504,384.80                       | 1,315.43                     |
| 6/1/2020      |                  | 3.490           | 74,127.60           | 74,127.60                           |                                     |                                  |                              |
| 12/1/2020     | 311,000          | 3.490           | 74,127.60           | 385,127.60                          | 459,255.20                          | 551,390.00                       | 92,134.80                    |
| 6/1/2021      |                  | 3.490           | 68,700.65           | 68,700.65                           |                                     |                                  |                              |
| 12/1/2021     | 322,000          | 3.490           | 68,700.65           | 390,700.65                          | 459,401.30                          | 551,015.00                       | 91,613.70                    |
| 6/1/2022      |                  | 3.490           | 63,081.75           | 63,081.75                           |                                     |                                  |                              |
| 12/1/2022     | 332,000          | 3.490           | 63,081.75           | 395,081.75                          | 458,163.50                          | 550,100.00                       | 91,936.50                    |
| 6/1/2023      |                  | 3.490           | 57,288.35           | 57,288.35                           |                                     |                                  |                              |
| 12/1/2023     | 343,000          | 3.490           | 57,288.35           | 400,288.35                          | 457,576.70                          | 549,645.00                       | 92,068.30                    |
| 6/1/2024      |                  | 3.490           | 51,303.00           | 51,303.00                           |                                     |                                  |                              |
| 12/1/2024     | 355,000          | 3.490           | 51,303.00           | 406,303.00                          | 457,606.00                          | 549,605.00                       | 91,999.00                    |
| 6/1/2025      |                  | 3.490           | 45,108.25           | 45,108.25                           |                                     |                                  |                              |
| 12/1/2025     | 368,000          | 3.490           | 45,108.25           | 413,108.25                          | 458,216.50                          | 549,935.00                       | 91,718.50                    |
| 6/1/2026      |                  | 4.500           | 49,882.50           | 49,882.50                           |                                     |                                  |                              |
| 12/1/2026     | 359,000          | 4.500           | 49,882.50           | 408,882.50                          | 458,765.00                          | 550,590.00                       | 91,825.00                    |
| 6/1/2027      |                  | 4.500           | 41,805.00           | 41,805.00                           |                                     |                                  |                              |
| 12/1/2027     | 374,000          | 4.500           | 41,805.00           | 415,805.00                          | 457,610.00                          | 549,525.00                       | 91,915.00                    |
| 6/1/2028      |                  | 4.500           | 33,390.00           | 33,390.00                           |                                     |                                  |                              |
| 12/1/2028     | 392,000          | 4.500           | 33,390.00           | 425,390.00                          | 458,780.00                          | 550,785.00                       | 92,005.00                    |
| 6/1/2029      |                  | 4.500           | 24,570.00           | 24,570.00                           |                                     |                                  |                              |
| 12/1/2029     | 409,000          | 4.500           | 24,570.00           | 433,570.00                          | 458,140.00                          | 550,235.00                       | 92,095.00                    |
| 6/1/2030      |                  | 4.500           | 15,367.50           | 15,367.50                           |                                     |                                  |                              |
| 12/1/2030     | 425,000          | 4.500           | 15,367.50           | 440,367.50                          | 455,735.00                          | 546,920.00                       | 91,185.00                    |
| 6/1/2031      |                  | 4.500           | 5,805.00            | 5,805.00                            |                                     |                                  |                              |
| 12/1/2031     | 258,000          | 4.500           | 5,805.00            | 263,805.00                          | 269,610.00                          | 539,930.00                       | 270,320.00                   |
| 6/1/2032      |                  |                 |                     |                                     |                                     |                                  |                              |
| 12/1/2032     |                  |                 |                     |                                     |                                     | 535,400.00                       | 535,400.00                   |
| 6/1/2033      |                  |                 |                     |                                     |                                     |                                  |                              |
| 12/1/2033     |                  |                 |                     |                                     |                                     | 534,195.00                       | 534,195.00                   |
| 6/1/2034      |                  |                 |                     |                                     |                                     |                                  |                              |
| 12/1/2034     |                  |                 |                     |                                     |                                     | 535,135.00                       | 535,135.00                   |
| 6/1/2035      |                  |                 |                     |                                     |                                     |                                  |                              |
| 12/1/2035     |                  |                 |                     |                                     |                                     | 536,085.00                       | 536,085.00                   |
| 6/1/2036      |                  |                 |                     |                                     |                                     |                                  |                              |
| <b>TOTALS</b> | <b>4,593,000</b> |                 | <b>1,218,928.57</b> | <b>5,811,928.57</b>                 | <b>5,811,928.57</b>                 | <b>9,234,874.80</b>              | <b>3,422,946.23</b>          |

[1] Assumes a 3.490% fixed rate through 12/1/2025, variable thereafter at 65% of WSJ Prime with a cap rate of 4.500%

[2] The Township has instructed PFM to apply \$2 million of Township cash at settlement to pay down debt

|                                |                       |
|--------------------------------|-----------------------|
| <b>Less: Cash Contribution</b> | <b>(2,000,000.00)</b> |
| <b>Net Savings</b>             | <b>1,422,946.23</b>   |

|                                       |               |
|---------------------------------------|---------------|
| <b>Savings as a % of Refunded Par</b> | <b>21.78%</b> |
|---------------------------------------|---------------|

|                                                                                  |
|----------------------------------------------------------------------------------|
| <b>POCONO TOWNSHIP</b><br>SERIES OF 2018<br>Composition of the Issue - Estimated |
|----------------------------------------------------------------------------------|

**SOURCES:**

|                            |                     |
|----------------------------|---------------------|
| Note                       | 4,593,000.00        |
| Township Cash Contribution | <u>2,000,000.00</u> |
| Total                      | 6,593,000.00        |

**USES:**

|                                 |                 |
|---------------------------------|-----------------|
| Required to Call Bonds          | 6,535,560.90    |
| Legal Fees                      | 25,000.00       |
| Financial Advisor               | 25,000.00       |
| Self-Liquidating Debt Report    | 2,500.00        |
| Bank Fee (Peoples Security)     | 1,500.00        |
| Miscellaneous Expenses/Rounding | <u>3,439.10</u> |
| Total                           | 6,593,000.00    |

Dated Date 12/6/2018

Settlement Date 12/6/2018

|                    |          |
|--------------------|----------|
| Yield of the Issue | 3.687293 |
|--------------------|----------|

**POCONO TOWNSHIP  
SUMMARY OF OUTSTANDING INDEBTEDNESS**

**Sewer Related Debt Service Requirements**

| 1                       | 2                                                        | 3                                                                              | 4                                                           | 5                                                                        | 6                                                                   | 7                                     | 8                                                          | 9                        |
|-------------------------|----------------------------------------------------------|--------------------------------------------------------------------------------|-------------------------------------------------------------|--------------------------------------------------------------------------|---------------------------------------------------------------------|---------------------------------------|------------------------------------------------------------|--------------------------|
| Fiscal<br>Year<br>Ended | <i>Estimated</i><br>Pocono Twp<br>PENNVEST<br>#71374 [1] | <i>First Keystone<br/>Comm. Bank</i><br>G.S.R. Note<br>Series A of<br>2014 [2] | <i>Wayne Bank</i><br>G.S.R. Bond<br>Series B of<br>2014 [3] | <i>ESSA Bank<br/>&amp; Trust</i><br>G.S.R. Note<br>Series of<br>2015 [4] | <i>Peoples<br/>Security</i><br>G.S.R. Note<br>Series of<br>2018 [5] | Sub-Total<br>Township<br>Debt Service | <i>Estimated</i><br>BCRA Portion<br>PENNVEST<br>#77016 [6] | Total<br>Debt<br>Service |
| 12/31/2018              | 457,984                                                  | 504,007                                                                        | 267,923                                                     | 214,500                                                                  |                                                                     | 1,444,413                             | 340,056                                                    | 1,784,469                |
| 12/31/2019              | 457,984                                                  |                                                                                | 268,390                                                     | 207,400                                                                  | 503,069                                                             | 1,436,842                             | 340,056                                                    | 1,776,898                |
| 12/31/2020              | 457,984                                                  |                                                                                | 267,782                                                     | 207,375                                                                  | 459,255                                                             | 1,392,396                             | 340,056                                                    | 1,732,452                |
| 12/31/2021              | 457,984                                                  |                                                                                | 268,119                                                     | 206,250                                                                  | 459,401                                                             | 1,391,754                             | 340,056                                                    | 1,731,810                |
| 12/31/2022              | 457,984                                                  |                                                                                | 337,740                                                     | 205,050                                                                  | 458,164                                                             | 1,458,937                             | 340,056                                                    | 1,798,993                |
| 12/31/2023              | 457,984                                                  |                                                                                | 338,370                                                     | 204,775                                                                  | 457,577                                                             | 1,458,705                             | 340,056                                                    | 1,798,761                |
| 12/31/2024              | 457,984                                                  |                                                                                | 337,595                                                     | 204,400                                                                  | 457,606                                                             | 1,457,585                             | 340,056                                                    | 1,797,641                |
| 12/31/2025              | 457,984                                                  |                                                                                | 338,460                                                     | 202,925                                                                  | 458,217                                                             | 1,457,585                             | 340,056                                                    | 1,797,641                |
| 12/31/2026              | 457,984                                                  |                                                                                | 337,875                                                     | 168,563                                                                  | 458,765                                                             | 1,423,186                             | 340,056                                                    | 1,763,242                |
| 12/31/2027              | 457,984                                                  |                                                                                | 334,885                                                     | 168,163                                                                  | 457,610                                                             | 1,418,641                             | 340,056                                                    | 1,758,697                |
| 12/31/2028              | 457,984                                                  |                                                                                | 331,580                                                     | 169,575                                                                  | 458,780                                                             | 1,417,919                             | 340,056                                                    | 1,757,975                |
| 12/31/2029              | 457,984                                                  |                                                                                | 328,960                                                     | 169,725                                                                  | 458,140                                                             | 1,414,809                             | 340,056                                                    | 1,754,865                |
| 12/31/2030              | 457,984                                                  |                                                                                | 326,980                                                     | 45,650                                                                   | 455,735                                                             | 1,286,349                             | 340,056                                                    | 1,626,405                |
| 12/31/2031              | 457,984                                                  |                                                                                | 322,595                                                     |                                                                          | 269,610                                                             | 1,050,189                             | 340,056                                                    | 1,390,245                |
| 12/31/2032              | 457,984                                                  |                                                                                | 319,895                                                     |                                                                          |                                                                     | 777,879                               | 340,056                                                    | 1,117,935                |
| 12/31/2033              | 457,984                                                  |                                                                                | 316,790                                                     |                                                                          |                                                                     | 774,774                               | 283,380                                                    | 1,058,154                |
| 12/31/2034              | 152,661                                                  |                                                                                | 314,280                                                     |                                                                          |                                                                     | 466,941                               |                                                            | 466,941                  |
| 12/31/2035              |                                                          |                                                                                | 309,320                                                     |                                                                          |                                                                     | 309,320                               |                                                            | 309,320                  |
| <b>Totals</b>           | <b>7,480,399</b>                                         | <b>504,007</b>                                                                 | <b>5,667,539</b>                                            | <b>2,374,350</b>                                                         | <b>5,811,929</b>                                                    | <b>21,838,223</b>                     | <b>5,384,220</b>                                           | <b>27,222,443</b>        |
| <b>Principal*</b>       | <b>6,361,280</b>                                         | <b>385,000</b>                                                                 | <b>4,158,000</b>                                            | <b>2,020,000</b>                                                         | <b>4,593,000</b>                                                    | <b>17,517,280</b>                     | <b>4,561,153</b>                                           | <b>22,078,433</b>        |

**Call Date:** Anytime Anytime Anytime Anytime Anytime Anytime

**Purpose:** New Money Ref 2010A Ref 2010B Ref 2010 Taxable RZEDB Ref 2014A New Money

**Cap Rate:** 1.51% (Fixed) 4.50% (Cap) 4.50% (Cap) 4.75% (Cap) 4.50% (Cap) 1.51% (Fixed)



\* Outstanding as of October 31, 2018

[1] Assumes a 1.00% interest rate through 5/1/2017, 1.51% thereafter until 4/1/2032. Assumes principal payments begin on 5/1/2014

[2] Assumes a fixed rate of 1.72% through 12/1/2019, variable thereafter at 67% of WSJ Prime (assumes the 4.50% cap rate above)

[3] Assumes a fixed rate of 1.85% through 12/1/2021, variable thereafter at 66% of WSJ Prime (assumes the 4.50% cap rate above)

[4] Assumes a fixed rate of 2.50% through 12/1/2025, variable thereafter at 60% of WSJ Prime (assumes the 3.75% cap rate above)

[5] Assumes a fixed rate of 3.49% through 12/1/2025, variable thereafter at 65% of WSJ Prime (assumes the 4.50% cap rate above)

[6] BCRA Portion ONLY. Assumes a 1.00% interest rate through 10/1/2016, 1.51% thereafter until 10/1/2031. Assumes principal payments begin on 10/1/2013

PFM Financial Advisors LLC 10/31/2018



# ***Peoples Security Bank and Trust Company Proposal***



**Peoples  
Security**  
Bank & Trust Est. 1905  
**FORM OF LOAN PROPOSAL**

**Pocono Township, Monroe County, Pennsylvania**  
**Guaranteed Sewer Revenue Note, Series of 2018**

The undersigned Bank (the "Bank" or "Lender") hereby agrees to purchase the Guaranteed Sewer Revenue Note, Series of 2018 (the "Note"), to be issued by Pocono Township, Monroe County, Pennsylvania (the "Township") in the approximate principal amount of \$6,750,000, subject to the terms and conditions set forth in the term sheet dated September 19, 2018 (the "Term Sheet"), which is attached hereto and incorporated hereby by this reference. The Township reserves the right to adjust the annual amortization and size of the Note based upon the proposals received. The Bank agrees to be legally bound to such terms from the date of the Form of Proposal to at least the Closing Date of the Note.

**Interest Rate.** The Township shall only consider Loan Proposals which clearly express the rate of interest and/or the method of setting such rate of interest, and accept the maximum rate of (variable) interest to be charged during the term of the Note.

**I. Fixed Rate of Interest**

A fixed rate of interest for the entire term of the Note equal to 3.99 % per annum.

or

**II. Variable Rate of Interest** - (5 Year Fixed Rate, Variable Rate Thereafter)

**Initial Interest Rate:** The initial interest rate on the Note shall be 3.39 % for a period of approximately five years, ending December 1, 2023.

**Interest Rate Reset:** After the initial fixed interest rate period, the rate shall be reset annually on December 1 at 65 % of the Prime Rate for the following 12 month period.

**Maximum Cap Interest Rate:** In no instance shall the interest rate ever exceed 4.50 %.

or

**III. Variable Rate of Interest** - (7 Year Fixed Rate, Variable Rate Thereafter)

**Initial Interest Rate:** The initial interest rate on the Note shall be 3.49 % for a period of approximately seven years, ending December 1, 2025.

**Interest Rate Reset:** After the initial fixed interest rate period, the rate shall be reset annually on December 1 at 65 % of the Prime Rate for the following 12 month period.

**Maximum Cap Interest Rate:** In no instance shall the interest rate ever exceed 4.50 %.

or

IV. **Variable Rate of Interest** - (10 Year Fixed Rate, Variable Rate Thereafter)

Initial Interest Rate: The initial interest rate on the Note shall be 3.69 % for a period of approximately ten years, ending December 1, 2028.

Interest Rate Reset: After the initial fixed interest rate period, the rate shall be reset annually on December 1 at 65 % of the Prime Rate for the following 12 month period.

**Maximum Cap Interest Rate:** In no instance shall the interest rate ever exceed 4.50 %.

II. **Cost & Expenses.**

The Bank shall request the reimbursement of its fees, including Bank Counsel, subject to a maximum of \$ 1,500 .

The note shall be prepayable in whole or in part on any date without payment of a penalty or premium.

The Bank acknowledges that the Township reserves the right to reject any and all proposals received in connection with this request for proposals.

Subject to Pocono Township establishing a deposit relationship with the Bank.

Peoples Security Bank and Trust 570 346-7741 ext 2347; Fax -570 963-1712

Name of Bank

Phone and Fax Number

150 N. Washington Avenue Scranton PA 18503

Address

  
Authorized Officer

10-9-2018

Date

Approved by:  
Pocono Township

\_\_\_\_\_  
Authorized Officer

\_\_\_\_\_  
Date

September 19, 2018

***Request for Proposals***  
***Pocono Township***  
***Monroe County, Pennsylvania***  
***Guaranteed Sewer Revenue Note, Series of 2018***

Pocono Township, Monroe County, Pennsylvania (the "Township"), is seeking proposals for a bank loan in the total approximate principal amount of **\$6,750,000**, the proceeds of which will be used towards refinancing all of the Township's outstanding Guaranteed Sewer Revenue Note, Series A of 2014 ("2014A Note") and to pay the costs of issuing the Note. Depending on the interest rates received, the Township reserves the right to reject any or all of the loan proposals. The Township's FY 2015, 2016 and 2017 Audited Financial Statements and 2018 Budget will be provided which will include relevant sewer system financial information.

**Type:** Bank Term Loan

**Principal Amount:** Approximately \$6,750,000

**Purpose:** Refinancing all of the outstanding Series A of 2014 Note for interest rate savings. See proposed amortization schedule and existing 2014A Note interest rates in Appendix A.

**Tax Status:** Tax-Exempt, Bank Qualified

**New Debt Type:** Guaranteed Sewer Revenue Note, Series of 2018

**Rate:** Please provide a rate(s) per the Form of Proposal.

**Interest:** 30/360 day count preferred. Please describe interest calculation method. Interest payable semi-annually on June 1 and December 1 beginning on June 1, 2019.

**Commitment Fee:** Provide any commitment or other fee the Bank may charge on a not to exceed basis and any fee Bank Counsel (if applicable) may charge on a not to exceed basis.

**Prepayment:** Prepayment without penalty at any time is required.

**Structure:** Principal payable annually on December 1, amortizing approximately as shown in Appendix A

**Security:** The note will be issued as a guaranteed sewer revenue note of the Township and will have the pledge of the Township's sanitary sewer system revenues as well as the pledge of the full faith, credit, and taxing power of the Township. The sewer revenue lien will be on parity first basis with the Township's other existing sewer lenders, which will be embodied in an Intercreditor Agreement. A schedule

illustrating the Township's existing parity sewer revenue debt, including the 2014A Note, is included with this request.

**Professional Fees:** The costs of the Township's professionals (Financial Advisor, Bond Counsel and Solicitor), shall be paid by the Township out of the loan proceeds.

**Settlement:** On or about December 6, 2018 ("Closing Date").

**Deadline:** **Proposals due by 11:00 am on October 10, 2018. Loan proposals should be submitted via email to:**  
Donna Asure – [dasure@poconopa.gov](mailto:dasure@poconopa.gov)  
**CC:**  
Zach Williard – [williardz@pfm.com](mailto:williardz@pfm.com)  
Wes Hall – [hallw@pfm.com](mailto:hallw@pfm.com)

**Documentation:** The Township's Bond Counsel (Eckert Seamans Cherin & Mellott, LLC) will draft all loan documentation as well as provide the tax exempt opinion for the loan. Closing documentation shall include approved debt proceedings of the Township under the Pennsylvania Local Government Unit Debt Act.

The Township reserves the right to reject any or all loan proposals, to waive any informality, mistake, error or omission in any proposal, and to enter into individual negotiation concerning any proposal.

**NOTE:** Should you have any questions relating to any of the information provided in this Request for Proposals, please do not hesitate to contact Zach Williard or Wes Hall.

**Contacts:** Zach Williard, PFM Financial Advisors LLC [williardz@pfm.com](mailto:williardz@pfm.com)  
Wes Hall, PFM Financial Advisors LLC [hallw@pfm.com](mailto:hallw@pfm.com)  
Telephone: (717) 232-2723

Appendix A  
Estimated Principal Amortization Schedule\*

| Date          | Principal        |
|---------------|------------------|
| 12/1/2019     | 275,000          |
| 12/1/2020     | 325,000          |
| 12/1/2021     | 335,000          |
| 12/1/2022     | 340,000          |
| 12/1/2023     | 350,000          |
| 12/1/2024     | 360,000          |
| 12/1/2025     | 370,000          |
| 12/1/2026     | 385,000          |
| 12/1/2027     | 395,000          |
| 12/1/2028     | 410,000          |
| 12/1/2029     | 420,000          |
| 12/1/2030     | 435,000          |
| 12/1/2031     | 440,000          |
| 12/1/2032     | 455,000          |
| 12/1/2033     | 465,000          |
| 12/1/2034     | 485,000          |
| 12/1/2035     | 505,000          |
| <b>TOTAL:</b> | <b>6,750,000</b> |

The current Series A of 2014 Note has a fixed rate of 1.72% through 12/1/2019, variable thereafter at 67% of WSJ Prime with a 4.50% cap rate.

\*The Township reserves the right to resize all principal payments prior to settlement.\*



**PEOPLES SECURITY BANK AND TRUST COMPANY**

**PROPOSAL**

***Prepared For***

**Pocono Township  
112 Township Drive  
Tannersville, PA 18372**

***Prepared By***

**Nereida Santiago  
AVP Mount Pocono Branch Manager  
Peoples Security Bank and Trust Company  
1322 Pocono Blvd.  
Mount Pocono, PA 18344  
570.839.8732**



October 19, 2018

Pocono Township  
112 Township Drive  
Tannersville, PA 18372

Dear Sirs:

Thank you for the opportunity to submit a proposal to Pocono Township for banking services. As a community bank, we value the relationship we have with local municipalities and their employees. Additionally, we realize not only the importance of the role that our municipalities and boroughs play in our present local economy, but also in the future growth of Northeastern Pennsylvania.

Established in 1905, Peoples Security Bank and Trust Company is one of the largest community banks headquartered in eastern Pennsylvania. We serve customers from 27 offices in a footprint extending from New York through the Endless Mountains into the greater Scranton area, the Poconos, the Lehigh Valley and the greater Delaware Valley.

Our Branch Managers and our Business Development Officers take great pride in the personal relationships they establish with their customers. No request is too small; no question goes unanswered.

As you will see outlined in the attached response, Peoples Security Bank is able to offer many products and services that can meet your everyday banking needs. They include:

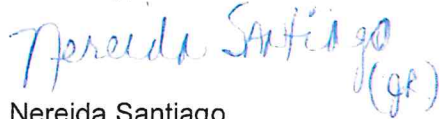
- **Super Municipal NOW checking account** – We are pleased to offer Pocono Township a **special rate and Annual Percentage Yield (APY) of 1.50%** on balances of \$1,000 or greater. There are no monthly service charges, no minimum balance service charges, and no per item transaction charges with our Super Muni NOW checking account.
- **Remote Deposit Checking account** – offers the convenience and security of banking electronically 24 hours a day, 7 days a week. The equipment and software are provided by the bank at no cost to you.
- **ACH Services** – including ACH Direct Deposit Payroll and Credit and Debit originations. ACH is a fast and reliable way to disburse funds and/or collect payments in a secure manner.

You will also find additional information on many of the products and services that we can offer to Pocono Township in this packet. I hope that you will find this information useful and informative.

Pocono Township  
October 19, 2018  
Page 2.

If you have any questions, please call me at (570) 839-8732. I look forward to hearing from you so that we may further discuss the benefits of banking with Peoples Security Bank and Trust Company.

Sincerely,



Nereida Santiago  
AVP, Branch Manager  
Peoples Security Bank and Trust Company  
1322 Pocono Boulevard  
Mount Pocono, PA 18344

## GENERAL ACCOUNT INFORMATION

The requested Checking Accounts may be opened as a:

### **Super Municipal NOW Checking Account:**

- An Interest bearing checking account.
- **A special Interest Rate and APY of 1.50%** paid on any balance of \$1,000 or greater is being offered to Pocono Township
- There is **no monthly service charge, no minimum balance service charge, and no per item charge for checks cashed or deposits made** to the account.

### **Remote Deposit Checking:**

- Our Remote Deposit checking is a non-interest bearing account that allows you the convenience and security of banking electronically 24 hours a day, 7 days a week, including weekends.
- Business deposits are memo posted to the account as soon as the file is received by the Bank which may allow quicker access to your funds.
- Additionally, **we will waive the cost of the scanner and software used with the product** and we will install the software for you, at your request.
- A minimum daily balance of \$25,000 maintained in this account or in a combination of accounts may waive the monthly service charge of \$50.
- There is **no per item charge for checks cashed or deposits made** to the account

## ADDITIONAL SERVICES

### **Online Banking:**

- You may also retrieve your account activity at any time during the month through Online Banking. The activity posted on Online Banking is in REAL TIME, meaning that you are able to view transactions on the same day that they are presented. Account activity is reflected in the account balance throughout the day, not just at the end of the day. This allows you to better manage your account, as you have access to your available balances throughout the day.
- **Funds may be transferred, at any time, without incurring a fee**, from one PSBT account to another PSBT account through our Online Banking service. Additionally, our Online Banking service also allows you to **transfer funds from an account at our bank to an account at another bank without any fee.**
- View current month account statement and previous month statements.
- Pay bills through recurring or one time bill payment setup.

### **Merchant Services Including MC/Visa/Amex/Discover:**

- Our pricing is quoted on an individual basis after an analysis of your statement
- We offer next day funding for all card types
- Unlike many of our competitors, we DO NOT have a term to our processing
- Our representatives are available to visit your business and talk with you at your convenience

**Cash Management:**

- As a Cash Management customer, we are able to offer the following services to you;
  - **ACH Services** – Peoples Security Bank offers ACH Direct Deposit Payroll, Credit and Debit originations. ACH is a fast and reliable way to disburse funds and collect payments in a secure manner.
    - **The monthly Cash Management \$15 ACH fee will be waived for Pocono Township**
    - The following fees will apply:
      - ACH Batch Fee per Batch \$5.00
      - ACH per item \$0.12
  - **Wire Transfers** - Wire transfer setup requires additional account information to be on file in our Wire Transfer Department.
    - **Wire Transfers within the United States**
      - Incoming Transfer: \$17.00 per wire
      - Outgoing Transfer: \$27.00 per wire
      - Wires initiated through Cash Management in Online Banking - \$17
    - **Wire Transfers Foreign**
      - Incoming Transfer: \$17 per wire
      - Outgoing Transfer: \$60 per wire
      - Wires initiated through Cash Management in Online Banking - \$40

## BRANCH HOURS

**Mount Pocono Office** 1322 Pocono Blvd  
Mt. Pocono, PA 18344  
570.839.8732 | Fax 570.839-7165  
**Contact:** Nereida Santiago, AVP, Branch Manager  
Linda Happe, Assistant Manager  
Approximate Distance 7.2 miles

| Hours of Operation | Lobby       | Drive Thru  |
|--------------------|-------------|-------------|
| Mon – Thurs        | 9:00 - 5:00 | 8:30 - 5:00 |
| Fri                | 9:00 - 6:00 | 8:30 - 6:00 |
| Sat                | 9:00 – 1:00 | 8:30 - 1:00 |

**TOWNSHIP OF POCONO,  
Monroe County, Pennsylvania**

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**ORDINANCE NO. 2018-17**

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**OF THE TOWNSHIP OF POCONO, AUTHORIZING AND SECURING A GUARANTEED SEWER REVENUE NOTE, IN THE MAXIMUM PRINCIPAL AMOUNT OF \$4,593,000, PURSUANT TO THE PENNSYLVANIA LOCAL GOVERNMENT UNIT DEBT ACT, TO CURRENTLY REFUND THE OUTSTANDING BALANCE OF THE TOWNSHIP'S GUARANTEED SEWER REVENUE NOTE, SERIES A OF 2014, AND PAY RELATED EXPENSES; ACCEPTING A BANK LOAN PROPOSAL FOR THE NOTE, PLEDGING SEWER SYSTEM REVENUES OF THIS TOWNSHIP TO REPAY THE NOTE, AND PLEDGING THE TOWNSHIP'S FULL FAITH, CREDIT AND TAXING POWER TO GUARANTY SUCH PAYMENTS; CREATING A SINKING FUND AND APPOINTING A SINKING FUND DEPOSITORY FOR THE NOTE; SETTING FORTH THE SUBSTANTIAL FORM AND TERMS OF THE NOTE; AND APPROVING DOCUMENTS AND ACTIONS RELATED TO THE NOTE.**

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**BE IT ENACTED AND ORDAINED,** by the Township of Pocono (the "Township"), located in Monroe County, Pennsylvania (the "County"), as follows:

## **ARTICLE I**

### **The Project**

**SECTION 1.01.** The Board of Commissioners of this Township (the “Board”) hereby authorizes and secures the issuance of a guaranteed sewer revenue note of this Township, as contemplated by the Act of the General Assembly of the Commonwealth of Pennsylvania (the “Commonwealth”), known as the Local Government Unit Debt Act, 53 Pa.C.S. Chs. 80-82 (the “Debt Act”), pursuant to this Ordinance (the “Ordinance”, which term, unless the context clearly otherwise requires, shall include, as of any time, this Ordinance and all ordinances which shall constitute amendments and/or supplements hereto, which may be enacted, from time to time, by this Township in accordance with provisions hereof and of the Debt Act, and which term sometimes may be referred to in this Ordinance by the use of such terms as “hereto”, “hereby”, “hereof” and/or “hereunder” or other descriptive terms or phrases having similar import), as described in Article II hereof, to currently refund the outstanding principal balance of the \$7,674,000 original maximum principal amount Guaranteed Sewer Revenue Note, Series A of 2014, dated November 6, 2014 (the “2014A Note”), issued by the Township to First Keystone Community Bank, and pay related expenses (the “Refunding Project”).

**SECTION 1.02.** The Board, by Township Ordinance No. 2014-13 duly authorized and secured the issuance of the 2014A Note to currently refund the outstanding balance of the Township’s Guaranteed Sewer Revenue Bond, Series A of 2010 (the “2010A Bond”, which financed in part the construction of sanitary sewage system facilities of this Township (the “Sewer System”). The Department of Community and Economic Development (the “Department”) of the Commonwealth approved the proceedings of this Township related to the 2014A Note under

Approval No. GRN-141105-02, dated November 5, 2014, and the 2014A Note was issued to First Keystone Community Bank on November 6, 2014.

**SECTION 1.03.** The realistic, estimated, remaining useful lives of the Sewer System facilities originally constructed with the proceeds of the 2010A Bond (and refunded by the 2014A Note), are at least eighteen (18) years. The Refunding Project is authorized by Section 8241(b)(1) of the Debt Act (relating to the reduction of debt service over the life of the refunded 2014A Note).

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## **ARTICLE II**

### **The 2018 Note**

**SECTION 2.01.** This Township hereby authorizes: (1) the application of \$2,000,000 of its Sewer System reserves, and (2) the issuance of its “Guaranteed Sewer Revenue Note, Series of 2018”, in the maximum principal amount of \$4,593,000 (the “Note”), to Peoples Security Bank and Trust Company (the “Bank”), in accordance with the Debt Act, in order to fund the Refunding Project. The debt to be incurred hereby, and evidenced by the Note, shall be nonelectoral debt of this Township.

**SECTION 2.02.** This Township covenants to and with the Bank and any other holders, from time to time, of the Note and this Township does pledge, for the lawful security and benefit of its obligations under this Ordinance, including the obligations under the Note, all right, title and interest of this Township in and to all receipts, revenues and money derived from the ownership or operation of the Sewer System, after (and net of) the payment of costs to operate the Sewer System, including contractual obligations for the payment of sewage treatment services rendered by the Brodhead Creek Regional Authority (hereafter referred to as the “Sewer Revenues”).

The Note, when issued, will be secured on a parity, pro-rata basis with other obligations described in an Intercreditor Agreement (the “Intercreditor Agreement”), to be executed by this Township, the Bank and other lenders, to confirm the parity lien securing the Note.

The Note constitutes an “Additional Obligation” originally contemplated by Township Ordinance No. 153.

**SECTION 2.03.** This Township hereby unconditionally guarantees the full payment of the principal of and interest on the Note issued and outstanding hereunder and in

furtherance thereof covenants and agrees with the Bank and such other holder of the Note that if the Sewer Revenues pledged hereunder shall be insufficient to pay the full amount of the principal of and interest on the Note when the same shall become due and payable, at the times and places, under the conditions and in the manner prescribed in the Note, this Township will pay the full amount of such principal and interest to the Bank or such other holder, from time to time, of the Note from its tax and other general revenues, this covenant herein being referred to as the "Guaranty."

This Township covenants to and with the Bank and such other holders of the Note, pursuant to and under this Ordinance, that this Township: (i) shall include the amount of the debt service, or the amounts payable in respect of the Guaranty contained in this Section 2.03, for each fiscal year of this Township in which such sums are payable, in its budget for that fiscal year; (ii) shall appropriate such amounts from its Sewer Revenues and, in respect of the Guaranty contained in this Section 2.03, from its tax and other general revenues, for the payment of such debt service and said Guaranty, respectively; and (iii) shall duly and punctually pay or cause to be paid from the Sinking Fund (hereinafter defined), or any other of its receipts, revenues and money pledged hereunder, or, in respect of the Guaranty, from its tax and other general revenues, the principal of and interest on the Note, at the dates and place and in the manner stated therein, according to the true intent and meaning thereof; and, for such budgeting, appropriation and payment of the Guaranty, this Township pledges, irrevocably, its full faith, credit and taxing power. The foregoing covenant of this Township shall be enforceable specifically.

**SECTION 2.04.** The Note, when issued, will be a guaranteed sewer revenue note under the Debt Act, of this Township, and the Guaranty will constitute a general obligation of this Township.

This Township hereby accepts the proposal of the Bank, dated October 9, 2018 (the "Proposal"), to purchase the Note. The Note is awarded to the Bank in accordance with the terms and conditions of the Proposal, in a private sale by negotiation, which this Township finds to be in its best financial interest.

**SECTION 2.05.** The payment of principal due on the Note will begin within two (2) years of its issuance date.

**SECTION 2.06.** The form of the Note shall be substantially as set forth in Exhibit "A", which is attached hereto and made part hereof, with appropriate insertions and variations. Interest on the outstanding principal balance of the Note shall be payable semiannually until maturity of the Note, or until any earlier date upon which the principal amount of the note is repaid in full. The maximum principal amounts due in each fiscal year of this Township under the Note are illustrated in the attached Exhibit "B".

**SECTION 2.07.** The Note shall be executed in the name of and on behalf of this Township by the President or Vice President of the Board of Commissioners of the Township, and the official seal of this Township shall be affixed thereto and the Secretary or Assistant Secretary of this Township shall attest the Note.

**SECTION 2.08.** There is created, pursuant to the Debt Act, a sinking fund for the Note (the "Sinking Fund"), which shall be administered in accordance with the Debt Act. This Township appoints the Bank, having an office in Scranton, Pennsylvania, as the sinking fund depository for the Sinking Fund. The officers or agents of this Township are authorized to contract with the Bank for its services as sinking fund depository in connection with the Sinking Fund.

**SECTION 2.09.** This Township covenants to make payments from the Sewer Revenues or, in respect of the Guaranty, out of the Sinking Fund or any other of its revenues or funds, at such times and in such annual amounts as shall be sufficient for prompt and full payment of all obligations of the Note when due.

**SECTION 2.10.** The President or Vice President of the Board of Commissioners and the Secretary or Assistant Secretary, respectively, of this Township, which shall include their duly qualified successors in office, if applicable, are authorized and directed, as required, necessary and/or appropriate with respect to the Note: (a) to prepare, to certify and to file with the Department of Community and Economic Development of the Commonwealth (the "Department") the debt statement required by the Debt Act; (b) to prepare and to file with the Department any statements required by the Debt Act that are necessary to qualify all or any portion of the debt of this Township, which is subject to exclusion as self-liquidating debt, for exclusion from the appropriate debt limit of this Township as self-liquidating debt; (c) to prepare and to file the application with the Department, together with a complete and accurate transcript of the proceedings for the required approval relating to the debt, of which debt the Note, upon issuance, and the Guaranty, will be evidence, as required by the Debt Act; (d) to pay or to cause to be paid to the Department all proper filing fees required in connection with the foregoing; and (e) to take other required, necessary and/or appropriate action. The Township authorizes and directs that a borrowing base certificate be prepared for filing with the Department as required by the Debt Act.

**SECTION 2.11.** It is declared that the debt to be incurred hereby, together with any other indebtedness of this Township, is not in excess of any limitation imposed by the Debt Act upon the incurring of debt by this Township.

**SECTION 2.12.** The officials and agents of this Township are authorized and directed to apply \$2,000,000 of Sewer System reserves, to deliver the Note and to authorize payment of all costs and expenses associated with issuance of the Note, but only after the Department has certified its approval pursuant to the Debt Act or at such time when the filing authorized to be submitted to the Department pursuant to Section 2.10 hereof shall be deemed to have been approved pursuant to the Debt Act.

**SECTION 2.13.** This Township covenants to and with holders of the Note that it will make no use of the proceeds of such issue that will cause the Note to be or become an “arbitrage bond” within the meaning of Section 103(b)(2) and Section 148 of the Internal Revenue Code of 1986, as amended (the “Code”), and the regulations implementing said Sections that duly have been published in the Federal Register or with any other regulations implementing said Sections, and this Township further covenants to comply with all other requirements of the Code if and to the extent applicable.

This Township determines that it does not reasonably expect to issue tax-exempt obligations, together with all tax-exempt obligations reasonably expected to be issued by “all subordinate entities” (within the meaning of Section 265(b)(3)(E) of the Code) of this Township, which, in the aggregate, exceed or will exceed Ten Million Dollars (\$10,000,000) during the 2018 calendar year (excluding certain credits permitted by the Code) and, accordingly, this Township hereby designates, or deems designated, the Note as a “qualified tax-exempt obligations”, as defined in Section 265(b)(3)(B) of the Code, for the purposes and effect contemplated by Section 265 of the Code.

### **ARTICLE III**

#### **The Loan Documents**

**SECTION 3.01.** This Township hereby authorizes the execution and delivery of all agreements, resolutions, documents, certificates and instruments which are necessary and appropriate to be executed and delivered concurrently with issuance of the Note (collectively the "Loan Documents"), and authorizes the taking of all actions necessary and required to issue and deliver the Note.

**SECTION 3.02.** This Ordinance shall be deemed to constitute a Security Agreement between this Township and the Bank under the Pennsylvania Uniform Commercial Code for the purpose of creating a security interest in favor of the Bank, on a parity, pro-rata basis with the obligations and lenders described in the Intercreditor Agreement, as amended, in and to the Sewer Revenues.

**SECTION 3.03.** The forms, terms and conditions of the Loan Documents are hereby approved. The President or Vice President of the Board of Commissioners of the Township is hereby authorized to execute the Loan Documents on behalf of this Township, subject to such changes and modifications, if any, as may be approved by such officers, the execution of the Loan Documents to constitute conclusive evidence of such approval, and the Secretary or Assistant Secretary of this Township is hereby authorized to cause the official seal of this Township to be affixed thereto and to attest the same. Officers and agents of this Township are further authorized to acknowledge the same, as appropriate, on behalf of this Township and to deliver the applicable Loan Documents to the Bank.

**SECTION 3.04.** The Note shall be repaid in the amounts and on certain dates, all as set forth herein and in the Loan Documents. The Note is also subject to early repayment as provided in the Loan Documents.

**SECTION 3.05.** Upon receipt, the proceeds of the Note shall be applied under the terms of the Loan Documents.

**SECTION 3.06.** Officers of this Township are hereby authorized, empowered and directed on behalf of this Township to execute any and all papers and documents and to do or cause to be done any and all acts and things necessary or proper for the execution or carrying out of this Ordinance and the Loan Documents, including the redemption in full of the 2014A Note.

**SECTION 3.07.** All ordinances or parts of ordinances inconsistent herewith shall be and the same are hereby rescinded, canceled and annulled.

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## **ARTICLE IV**

### **Discharge of the Pledge of this Ordinance**

**SECTION 4.01.** The pledge and related security interest arising under this Ordinance or the Loan Documents may be terminated, wholly or partially, by this Township:

- (a) Retiring, by maturity or by redemption, the Note issued and outstanding hereunder; or
- (b) Having set aside funds sufficient to retire the same prior to the date due, to the extent permitted by the Bank, and the Loan Documents; or
- (c) Having “refunded” the Note so outstanding hereunder, under and as provided by the Debt Act.

**SECTION 4.02.** The Note shall be “outstanding” hereunder as, when and if issued hereunder and until such time as (a) paid; or (b) money for payment of the same has been deposited in the Sinking Fund; or (c) the Note no longer is “outstanding,” as contemplated by the Debt Act.

---

DULY ENACTED AND ORDAINED, by the Board of Commissioners of this  
Township, in lawful session duly assembled, this 5<sup>th</sup> day of November, 2018.

TOWNSHIP OF POCONO,  
Monroe County, Pennsylvania

By: \_\_\_\_\_  
(Vice) President of the Board  
of Commissioners

ATTEST:

\_\_\_\_\_  
Township Secretary

(SEAL)

**EXHIBIT "A"**

[FORM OF NOTE]

**TOWNSHIP OF POCONO,  
Monroe County, Pennsylvania**

**GUARANTEED SEWER REVENUE NOTE, SERIES OF 2018**

THE TOWNSHIP OF POCONO, in Monroe County, Pennsylvania (the "Township"), a political subdivision of the Commonwealth of Pennsylvania (the "Commonwealth"), promises to pay to the order of PEOPLES SECURITY BANK AND TRUST COMPANY (the "Bank"), or registered assigns, on December 1, 2031 (the "Maturity Date"), unless this Guaranteed Sewer Revenue Note, Series of 2018 (the "Note") shall have been duly called for previous redemption and payment of the redemption price shall have been made or provided for, the principal sum of \_\_\_\_\_ Dollars (\$\_\_\_\_\_), or such lesser particular sum as shall represent the unpaid balance of such principal sum, and to pay interest as described below on the principal amount hereof which, from time to time, shall be outstanding and shall remain unpaid. The initial rate of interest applicable to this Note shall be fixed at Three and Forty-nine Hundredths percent (3.49%), per annum (the "Initial Fixed Rate"), for a period beginning on the date of this Note and ending on December 1, 2025. On December 2, 2025, and on December 1 of each year thereafter (each a "Rate Reset Date"), the interest rate payable hereon shall be adjusted to equal 65% of the Prime Rate (hereinafter defined), as of such Rate Reset Date (the "Reset Rate"), not to exceed at any time Four and Fifty Hundredths percent (4.50%), per annum. The Initial Fixed Rate and each Reset Rate are collectively referred to as the "Tax-exempt Rate". A Reset Rate shall become effective on the applicable Rate Reset Date whether or not it is a Business Day. The principal outstanding on

this Note shall be repaid in annual installments on December 1 of each year, beginning on December 1, 2019, in accordance with the attached schedule. Interest accrued at the applicable rate(s) on the principal balance of the Note shall be paid semiannually, on June 1 and December 1 of each year, beginning on June 1, 2019.

The Wall Street Journal Prime Rate shall mean the per annum interest rate published from time to time in the "Money Rates" section of The Wall Street Journal as the "Prime Rate". If The Wall Street Journal ceases to be published, or if it no longer publishes such "Prime Rate," the phrase "Wall Street Journal Prime Rate" shall mean such other national index of the rates charged by large money-center commercial banks to their best customers for unsecured loans, as published by any successor to The Wall Street Journal or by such other publicly available source as may be designated by the Bank in good faith.

Interest accruing on this Note for any period shall be determined by multiplying the outstanding principal balance hereof, from time to time, by the applicable rate of interest and multiplying the product thereof by a factor equal to the actual number of days in such period divided by three hundred sixty (360).

Notwithstanding the prepayment or repayment of this Note, the Township also promises to pay, within fifteen (15) days after written notice from the Bank (but only out of the sources hereinafter set forth) (i) additional interest, if any, in an amount which, together with interest actually received for the period commencing upon an Event of Taxability and ending on the date of Determination of Taxability, shall equal interest calculated on the various outstanding monthly principal balances under this Note during such period at the Taxable Rate, (ii) any deficiency (as defined in Section 6211 of the Internal Revenue Code of 1986, as amended, and

regulations promulgated or adopted pursuant thereto, hereinafter collectively referred to as the “Code”) assessed by the Internal Revenue Service by the issuance of a statutory notice under Section 6212 of the Code alleging that all or some part of the interest paid or payable with respect to this Note is not exempt from income taxation under Section 103(a) of the Code (plus statutory interest and penalties due thereon) on account of such Event of Taxability, and (iii) all other charges, costs, fees, penalties or assessments paid or payable by the Bank as a result of a Determination of Taxability. Neither the Township nor the Bank shall have any obligation to contest a Determination of Taxability. Any notice from the Bank to the Township shall be conclusive as to the occurrence of a Determination of Taxability or an Event of Taxability specified therein and as to the correctness of the amount of additional payments therein, absent manifest error.

The definitions set forth below shall have the meanings for purposes of this Note as follows:

The term “Determination of Taxability” means:

(1) the issuance by the Internal Revenue Service to the Bank or other holder of this Note of a letter proposing to assess a deficiency with respect to the interest on this Note (a “30 Day Letter”), the receipt of which shall establish that an Event of Taxability with respect to the Note has occurred; or

(2) the delivery of written notice to the Township by the Bank or other holder of this Note declaring that an Event of Taxability has occurred on a specified date (other than by reason of the event described in paragraph (1) above.

The term “Event of Taxability” means (i) a change in law or fact (or the interpretation thereof), (ii) the occurrence or recognition of a fact, circumstance or situation, (iii) a determination, regulation, ruling or decision issued or made in regard to Sections 103, 141 through 150, and/or 265 of the Code by any court or judicial or quasi-judicial body or by the Commissioner or any District Director of the Internal Revenue Service, or (iv) the enactment of any legislation, which, with respect to any of the foregoing clauses (i), (ii), (iii), and (iv), recognized bond counsel selected by the Bank (which counsel may be the Bank’s counsel), is of the opinion requires the interest payable on this Note to be includable in the gross income of any person (other than a person who is a “substantial user” or “related person” as such terms are defined in the Code and the regulations thereunder as then in effect), or that the Note has ceased or will cease to constitute a qualified tax-exempt obligation for purposes of Section 265(b)(3) of the Code with the result that the Note would have to be taken into account by “financial institutions” (as defined in Section 265 of the Code) for purposes of determining the allocation of interest expense to tax-exempt interest under Sections 265(b)(1) and (2) of the Code.

The term “Taxable Rate” shall mean the Tax-exempt Rate at any time, divided by Sixty-five percent (65%).

This Note is subject to redemption prior to maturity, at the option of the Township, as a whole or in part, on any date, upon payment of the principal amount hereof, together with accrued interest to the date fixed for redemption. If the principal of this Note shall have been called for redemption in full, this Note shall cease to be entitled to any benefit or security under the Ordinance (hereinafter defined) authorizing issuance of this Note, and the registered owner of this

Note shall have no rights with respect to this Note except to receive payment of the principal of and accrued interest to the redemption date.

The Township shall comply with the terms and conditions set forth in the Loan Agreement, of even date with this Note, between the Township and the Bank, which are incorporated herein by this reference just as if the same was reproduced and republished at length herein.

This Note is issued in accordance with provisions of the Act of the General Assembly of the Commonwealth known as the Local Government Unit Debt Act, 53 Pa.C.S. Chs. 80-82 (the "Debt Act"), and by virtue of Ordinance No. 2018-17 (the "Ordinance") of the Township. The Debt Act, as such shall have been in effect when this Note was authorized, and the Ordinance shall constitute a contract between the Township and the registered owner or registered owners, from time to time, of this Note.

It hereby is certified that: (i) all acts, conditions and things required to be done, to happen or to be performed as conditions precedent to and in issuance of this Note or in creation of the debt of which this Note is evidence have been done, have happened or have been performed in due and regular form and manner, as required by law; and (ii) the debt represented by this Note, together with any other indebtedness of the Township, is not in excess of any applicable limitation imposed by the Debt Act upon the incurring of the debt of the Township which is evidenced by this Note.

The Note is secured by a pledge of, and security interest in, the Township's Sewer Revenues, as that phrase is defined in the Ordinance. The Township has guaranteed the principal and interest due on the Note, and in support of such Guaranty has covenanted, in the Ordinance, to

and with registered owners, from time to time, of the Note that shall be outstanding, from time to time, pursuant to the Ordinance, that the Township shall: (i) include the amount of the principal and interest due on the Note, for each fiscal year of the Township in which such sums are payable, in its budget for that year, (ii) appropriate those amounts from its general revenues for the payment of such debt service, and (iii) duly and punctually pay or cause to be paid from the sinking fund established under the Ordinance or any other of its revenues or funds the principal of and interest on the Note at the dates and place and in the manner stated therein, according to the true intent and meaning thereof; and, for such budgeting, appropriation and payment, the Township has pledged and does pledge, irrevocably, its full faith, credit and taxing power.

The Township, in the Ordinance, has established a sinking fund with the Bank, as the sinking fund depository, into which funds for the payment of the principal of and the interest on this Note shall be deposited not later than the date fixed for the disbursement thereof. The Township has covenanted, in the Ordinance, to make payments out of such sinking fund or out of any other of its revenues or funds, at such times in such annual amounts as shall be sufficient for prompt and full payment of all obligations of this Note.

*This Note has been designated, or deemed designated, by the Township as a "qualified tax-exempt obligation", as defined in Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended (the "Code"), for purposes and effect contemplated by Section 265 of the Code (relating to expenses and interest relating to tax-exempt income of certain financial institutions).*

This Note is transferable by the Bank, or by any subsequent registered owner in person or by his attorney duly authorized, in writing, at the principal office or at any branch office of the Bank, but only upon notation of such registration hereon and on the records of the Township

to be kept for that purpose at the principal office or at any branch office of the Bank by a duly authorized representative of the Bank acting in behalf of the Township. The Township and the Bank may deem and treat the person, from time to time, in whose name this Note shall be registered as the absolute owner hereof for the purpose of receiving payment hereof and of interest due hereon, for the purpose of redemption hereof prior to maturity and for all other purposes.

IN WITNESS WHEREOF, the TOWNSHIP OF POCONO, in Monroe County, Pennsylvania, as provided by the Debt Act and in the Ordinance, has caused this Note to be executed in its name and on its behalf by the President or Vice President of the Board of Commissioners of the Township and the official seal of the Township to be affixed hereto and attested by the Secretary of the Township, all as of the \_\_\_\_\_ day of \_\_\_\_\_, 2018.

TOWNSHIP OF POCONO,  
Monroe County, Pennsylvania

By: \_\_\_\_\_  
(Vice) President of the Board of  
Commissioners of the Township

ATTEST:

\_\_\_\_\_  
Township Secretary

(SEAL)

\_\_\_\_\_

REGISTRATION RECORD

NOTHING TO BE WRITTEN HERE EXCEPT BY A DULY AUTHORIZED REPRESENTATIVE OF PEOPLES SECURITY BANK AND TRUST COMPANY, THE PAYING AGENT, OR OF ANY SUCCESSOR PAYING AGENT, ACTING AS REGISTRAR, ON BEHALF OF THE TOWNSHIP OF POCONO, IN MONROE COUNTY, PENNSYLVANIA

| Date of<br>Registry | Name of Registered Owner | Registrar<br>(Authorized Representative) |
|---------------------|--------------------------|------------------------------------------|
| _____, 2018         |                          |                                          |
|                     |                          |                                          |
|                     |                          |                                          |
|                     |                          |                                          |
|                     |                          |                                          |
|                     |                          |                                          |

**Principal Payment Schedule**

| <b><u>Payment Date</u></b> | <b><u>Principal Due</u></b> |
|----------------------------|-----------------------------|
| December 1, 2019           | \$345,000                   |
| December 1, 2020           | \$311,000                   |
| December 1, 2021           | \$322,000                   |
| December 1, 2022           | \$332,000                   |
| December 1, 2023           | \$343,000                   |
| December 1, 2024           | \$355,000                   |
| December 1, 2025           | \$368,000                   |
| December 1, 2026           | \$359,000                   |
| December 1, 2027           | \$374,000                   |
| December 1, 2028           | \$392,000                   |
| December 1, 2029           | \$409,000                   |
| December 1, 2030           | \$425,000                   |
| December 1, 2031           | \$258,000                   |

**EXHIBIT "B"**

TOWNSHIP OF POCONO,  
Monroe County, Pennsylvania  
\$4,750,000 Maximum Principal Amount  
Guaranteed Sewer Revenue Note, Series of 2018

**Principal Payment Schedule**

| <b><u>Payment Date</u></b> | <b><u>Principal Due</u></b> |
|----------------------------|-----------------------------|
| December 1, 2019           | \$345,000                   |
| December 1, 2020           | \$311,000                   |
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| December 1, 2026           | \$359,000                   |
| December 1, 2027           | \$374,000                   |
| December 1, 2028           | \$392,000                   |
| December 1, 2029           | \$409,000                   |
| December 1, 2030           | \$425,000                   |
| December 1, 2031           | \$258,000                   |

CERTIFICATE

I, the undersigned, Secretary of the Township of Pocono, in Monroe County, Pennsylvania (the "Township"), certify that: the foregoing is a true and correct copy of an Ordinance which duly was enacted by affirmative vote of a majority of all members of the Board of Commissioners of the Township, in accordance with law, at a meeting duly held on November 5, 2018, at which meeting a quorum was present; said Ordinance has been certified and recorded by me, as Secretary of the Township, in the book provided for the purpose of such recording; said Ordinance, upon enactment, as aforesaid, was assigned Ordinance No. 2018-17; the total number of members of the Board of Commissioners of the Township is currently four (4); the vote of the members of the Board of Commissioners of the Township, upon enactment of said Ordinance, the yeas and nays having been called, duly was recorded by me, as Secretary, as follows:

|                     |   |   |
|---------------------|---|---|
| Jerrold Belvin      | - |   |
| Gerald Lastowski    | - |   |
| Harold Werkheiser   | - |   |
| Richard Wielebinski | - | ; |

a notice with respect to the intent to enact said Ordinance has been advertised, as required by law, in a newspaper of general circulation in the Township; said Ordinance was available for inspection by any interested citizen requesting the same, in accordance with the Pennsylvania Local Government Unit Debt Act and such notice; and said Ordinance has not been amended, altered or repealed as of the date of this Certificate.

I further certify that the Board of Commissioners of the Township met the advance notice and public comment requirements of the Sunshine Act, 65 Pa.C.S. Ch. 7, by advertising said meeting, by posting prominently a notice of said meeting at the principal office of the Township or at the public building in which said meeting was held, and by providing a reasonable opportunity for public comment at said meeting, all in accordance with such Act.

IN WITNESS WHEREOF, I set my hand and affix the official seal of the Township, this 5<sup>th</sup> day of November, 2018.

(SEAL)

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Secretary

POCONO TOWNSHIP BOARD OF COMMISSIONERS  
SEWER MEETING MINUTES  
OCTOBER 1st, 2018

DRAFT

The Sewer meeting of the Pocono Township Commissioners was held on Monday, 10/01/2018 at the Pocono Township Municipal Building, Tannersville, PA, and was opened by President Gerald Lastowski at 6:00 p.m., followed by the Pledge of Allegiance.

**ROLL CALL:** Gerald J. Lastowski, present; Robert M. DeYoung, absent; Harold Werkheiser, absent; Richard Wielebinski, present; and Jerrod Belvin, present.

**IN ATTENDANCE:**

Leo DeVito, Twp. Solicitor, Broughal & DeVito; Jon Tresslar, Twp. Engineer, Boucher & James, Inc.; Patrick Briegel, Sewer Consultant; Donna Asure, Township Manager; and Pamela Tripus, Township Secretary, were present.

**PUBLIC COMMENT:** None

**ANNOUNCEMENTS:**

The Sewer Committee meetings will be held on the first Monday of each month at 6:00 p.m. prior to the regular Board of Commissioners' meeting.

**OLD BUSINESS:**

Minutes:

J. Belvin made a motion, seconded by R. Wielebinski, to approve the minutes of the 09/04/2018 sewer committee meeting. Roll call vote: R. Wielebinski, yes; G. Lastowski, yes; and J. Belvin, yes. Motion carried.

Vasilios Kotretsos - 312 Learn Road - request for reduction in EDUs - No action taken.

Jimmy Schlier EDU purchase answer - No action taken.

Resolution update committee report - workshop date to discuss - No action taken.

**NEW BUSINESS**

Financial Transactions - D. Asure, Twp. Manager, explained the funds were for previous years insurance payments.

1) Sewer Operating Fund to General Fund

G. Lastowski made a motion, seconded by R. Wielebinski, to move \$61,560.75 from the sewer operating fund to the general fund to reimburse for property and pollution insurance from 2014-2018. Roll call vote: R. Wielebinski, yes; G. Lastowski, yes; and J. Belvin, yes. Motion carried.

2) Pump Station No.4 - repair and purchase of pump - Patrick Briegel, Sewer Consultant, explained the pump was damaged by a rock. Once the pump is repaired, the second pump will be pulled to inspect and a new pump will be ordered. D. Asure, Twp. Manager, noted a new pump may take up to six weeks to obtain. Discussion followed. J. Belvin questioned if the damage could be turned into the insurance company. Discussion followed. The Board directed the Twp. Manager to contact the insurance agency. P. Briegel will provide the board with photos and notes on the damage.

G. Lastowski made a motion, seconded by J. Belvin, to approve the repair of one pump and purchase of a spare pump at Pump Station No. 3 & 4 from Gayle Corporation-Environmental Equipment Sales and Service for approximately \$31,200.00. R. Wielebinski questioned the total cost. Briegel explained the cost breakdown. Roll call vote: R. Wielebinski, yes; G. Lastowski, yes; and J. Belvin, yes. Motion carried.

Appeals

- 1) Gateway equities - 2185 Rt. 611 - denial of reduction in EDUs. - No action taken.

**REPORTS:**

Administration:

- 1) Low User Fee. D. Asure, Twp. Manager, explained De Minimus users have been contacted concerning the new rates.

Engineer/Sewer Consultant

- 1) Update Status Report on Sewer Redesign- J. Tresslar, Twp. Engineer, noted everything is complete except for the fence. L. DeVito, Twp. Solicitor, explained the Stroud fence ordinance should be completed by the end of the month.
- 2) Update on Route 611 Sewer Line Relocation Work Update
- 3) Update on Sanofi Sewer Easement - No report.
- 4) Update - Pump Station #5 Enclosure - J. Tresslar, Twp. Engineer, explained Patrick Briegel found a suitable cover for \$2,299.00, plus costs to install, heat tapes and blankets. P. Briegel, Sewer Consultant, explained it will cover the pit area with heat tape for the pump. R. Wielebinski explained he is in favor of a cover due to safety concerns of workers, but he requested to meet on site before he votes for the purchase. G. Lastowski noted it is a safety issue for workers at the Pump Station in the winter and time is limited to complete the work before winter. Discussion followed on options and timing of purchase and installation of a cover. An on-site meeting will be held on Wednesday morning.  
G. Lastowski made a motion, seconded by J. Belvin, to purchase a Sheltertube and to purchase and install new heat tape and blankets at Pump Station #5 not to exceed \$5,000.00. Roll call vote: R. Wielebinski, no; G. Lastowski, yes; and J. Belvin, yes. Motion carried.
- 5) Update on Sewer EAP - J. Tresslar, Twp. Engineer, noted a meeting with J. Belvin and P. Briegel to discussed additional FEMA regulation. The EAP (Emergency Action Plan) should be completed by the end of the week. J. Belvin explained Michael Gable and J. Tresslar are preparing a risk assessment to be used with the County emergency operation plan.

- 6) Update BCRA Committee to develop Valve Station #2 Action Plan - No report
- 7) Update access to SCADA System P. Briegel, Sewer Consultant, explained BCRA is discussing the SCADA system and have not made a decision on accessing the system

Township Solicitor

- 1) Update on Fencing at Valve Station #1 - Stroud updating their ordinance - Discussed under Twp. Engineer's report.
- 2) Request from MHC Outdoor to reserve additional EDUs. - L. DeVito, Twp. Solicitor, explained he has been in contact with MHC concerning additional EDUs. Discussion followed on reservation of EDUs.

PUBLIC COMMENT: None

ADJOURNMENT:

G. Lastowski made a motion, seconded by R. Wielebinski, to adjourn the meeting at 6:55 p.m. Roll call vote: R. Wielebinski, yes; G. Lastowski, yes; and J. Belvin, yes. Motion carried.



**Boucher & James, Inc.**  
CONSULTING ENGINEERS

AN EMPLOYEE OWNED COMPANY

INNOVATIVE ENGINEERING

Fountainville Professional Building  
1456 Ferry Road, Building 500  
Doylestown, PA 18901  
215-345-9400  
Fax 215-345-9401

2756 Rimrock Drive  
Stroudsburg, PA 18360  
570-629-0300  
Fax 570-629-0306

Mailing:  
P.O. Box 699  
Barlonsville, PA 18321

559 Main Street, Suite 230  
Bethlehem, PA 18018  
610-419-9407  
Fax 610-419-9408

[www.bjengineers.com](http://www.bjengineers.com)

October 19, 2018

Ms. Donna Asure, Manager  
Pocono Township  
112 Township Drive  
Tannersville, PA 18372

**SUBJECT: KEYSTONE ENGINEERING GROUP-INVOICE NO. 6  
SCADA UPGRADE-INVOICE NO. 1801014  
POCONO TOWNSHIP  
PROJECT NO. 1631006C**

Dear Ms. Asure:

We previously reviewed Invoice No. 6 from Keystone Engineering Group for services associated with the newly installed control and monitoring systems. As part of our recommendation for payment, we requested withholding \$1,000.00 until we received the operating narratives, programming key codes, and user license agreements for the system.

Keystone has now provided the additional services; therefore we recommend the balance of the invoice, \$1,000.00, be paid to the Consultant.

Sincerely,

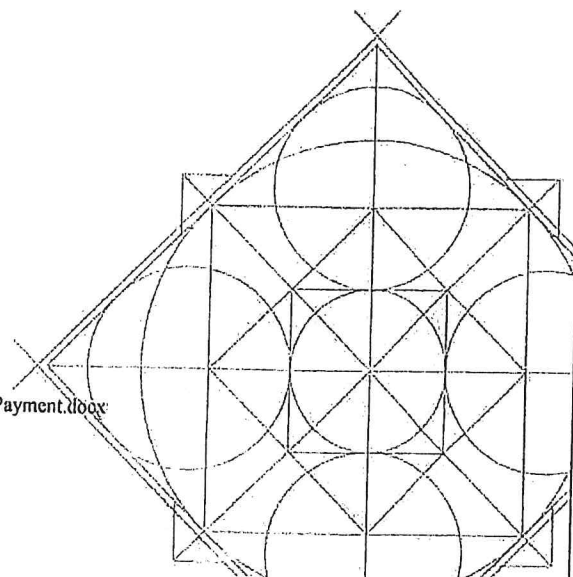
Jon S. Tresslar, P.E., P.L.S.  
Township Engineer

JST/MG/clg

Enclosure

cc: Pat Briegel, Pocono Township

S:\2016\1631006C\Documents\SCADA\Keystone Invoices\Keystone Invoice 1801014 Final Payment.docx





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Bartonsville, PA 18321

559 Main Street, Suite 230  
Bethlehem, PA 18018  
610-419-9407  
Fax 610-419-9408

[www.bjengineers.com](http://www.bjengineers.com)

October 22, 2018

Ms. Donna Asure, Manager  
Pocono Township  
112 Township Drive  
Tannersville, PA 18372

**SUBJECT: PUMP STATION 5 BYPASS PUMPING AND PRESSURE TRANSDUCER  
MILNES INSTALLATION QUOTATION  
POCONO TOWNSHIP SEWER SYSTEM  
PROJECT NO. 1731013**

Dear Ms. Asure:

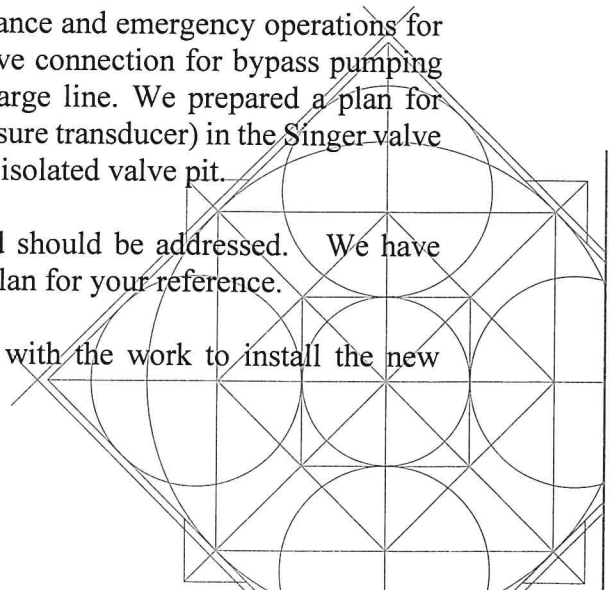
I am writing in support of a repair to Pump Station 5 to perform piping revisions to the Singer valve pit.

The system, as originally designed and installed, has both normal operations and emergency operations limitations. As part of our work with the preparation of the Emergency Action Plan for operating the sewage conveyance system during emergencies, we learned that Pump Station 5's bypass system's configuration does not allow for direct bypass operation in the event of a valve failure in the valve pit at the pump station. The connection for the bypass pump system is located upslope of the flow meter and various fittings and valves. In the event of a failure of the fittings in the valve pit, the bypass system would become inoperable. Further, the current configuration does not allow for the removal of the flow meter or the pressure transducer's iso-ring for servicing (In conjunction with this, and of a more immediate concern, we have learned that the pressure transducer at Pump Station 5 has failed. The iso-ring may have been compromised and cannot be removed for servicing).

The current configuration presents a concern for both maintenance and emergency operations for the pump station. As a result, we have developed an alternative connection for bypass pumping and for the pressure monitoring on the pump station's discharge line. We prepared a plan for connecting the bypass pumping and a new iso-ring (for the pressure transducer) in the Singer valve pit located on the discharge line of the pump station in its own isolated valve pit.

We feel that the current condition is a critical deficiency and should be addressed. We have attached a quote from Milnes and the mechanical installation plan for your reference.

We recommend that Milnes be authorized to move forward with the work to install the new connections and fittings in the amount of \$14,880.00.



Ms. Donna Asure, Manager  
PS 5 Bypass Pumping and Pressure Transducer  
October 22, 2018  
Page 2 of 2

Please contact me if you have any questions during your review.

Sincerely,

A handwritten signature in black ink, appearing to read "Jon S. Tresslar". The signature is fluid and cursive, with the first name "Jon" being more prominent.

Jon S. Tresslar, P.E., P.L.S.  
Township Engineer

Enclosure

JST/cg

cc: Pat Briegel, Pocono Township

S:\2017\1731013\Documents\Correspondence\Milnes Installation Quote.docx



12 Frear Hill Road  
Tunkhannock, PA 18657  
Tel: 570•836•2145  
Fax: 570•836•6510  
[www.milnescompanies.com](http://www.milnescompanies.com)

June 21, 2018

Boucher & James, Inc.  
Consulting Engineers  
559 Main Street, Suite 230  
Bethlehem, PA 18018  
610-419-9407 PH  
610-419-9408 FX

Re: Pocono Township Force Main Control Valve Replacement Project

Dear Mike Gable P.E.,

The Milnes Co., Inc. submits a price quote of \$14,880 (fourteen thousand eight hundred eighty dollars) to perform the piping revisions at the Singer valve pit near Pump Station #5 as shown on the attached drawing.

Milnes includes the necessary labor, supervision, material & equipment to add the new 6"x4" reducing tee, 6" plug valve, 6" Onyx iso ring, 6" quick connect coupling and 4" pipe spool. The electrical and air connections to the Singer valve will be adjusted as needed. New cable for the future pressure transmitter is included.

Milnes will work with the plant operator to help isolate, relieve line pressure and drain the small section of force main.

No prevailing wage rates have been assumed. No permits have been included. No standby pump truck or bypass pumping is included.

Please note that our scope assumes that the spare conduit visible inside the valve pit can be used for the new cable from a pressure transmitter (by others) back to the existing control panel (terminations by others).

Please contact me at 570-836-2145 or [rharvey@milnescompanies.com](mailto:rharvey@milnescompanies.com) with any questions.

Yours truly,

Bob Harvey  
Project Manager  
The Milnes Co.  
cc: Project File

Above accepted this \_\_\_\_ day of \_\_\_\_\_, 2018

By: \_\_\_\_\_



**Boucher & James, Inc.**  
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[www.bjengineers.com](http://www.bjengineers.com)

October 19, 2018

Ms. Donna Asure, Manager  
Pocono Township  
112 Township Drive  
Tannersville, PA 18372

**SUBJECT: PROPOSALS  
FLOAT REPLACEMENT, CONTROL LOGIC UPGRADE AND WIRING CORRECTION  
PUMP STATIONS CONTROL SYSTEMS  
POCONO TOWNSHIP, MONROE COUNTY, PENNSYLVANIA  
PROJECT NO. 1831019**

Dear Ms. Asure:

Please find attached:

1. Boucher & James, Inc. Executive Summary of Keystone Investigative Report dated May 2018.
2. Control System Investigation Report prepared by Keystone Engineering Group dated May, 2018.
3. A proposal from Keystone Engineering Group to implement recommended changes.
4. A proposal from Paul Brennan to install mechanical floats at Pump Stations 1-5.

We request the Board review the attached information and award contract to Keystone Engineering Group and Paul Brennan to make the required improvements to Pump Stations 1 through 5.

Sincerely,

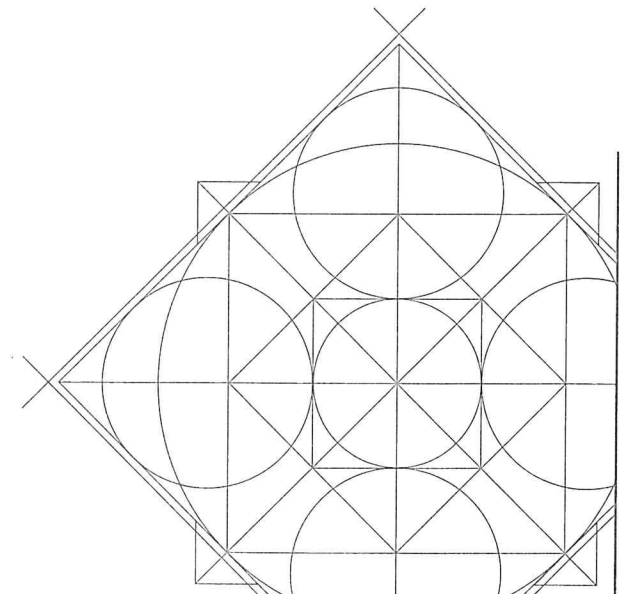
Jon S. Tresslar, P.E., P.L.S.  
Township Engineer

JST/cg

Enclosures

cc: Pat Briegel  
Michael Gable, P.E.

S:\2018\1831019\Reports\Cover letter.Control System Proposals Review.docx





**Boucher & James, Inc.**

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October 19, 2018

Ms. Donna Asure, Manager  
Pocono Township  
112 Township Drive  
Tannersville, PA 18372

**SUBJECT: EXECUTIVE SUMMARY  
PUMP STATION CONTROL SYSTEMS REVIEW  
PROJECT NO. 1831019**

Dear Ms. Asure:

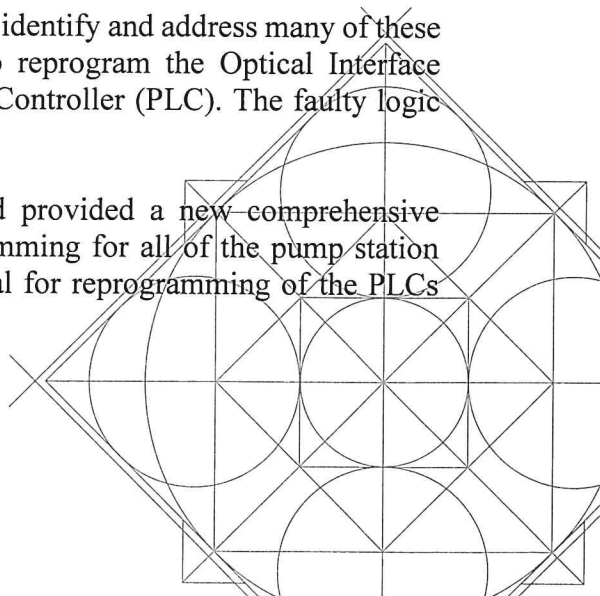
The Township engaged Keystone Engineering Group to analyze the system logic and prepare electrical and control diagrams of the control systems at Pump Stations 1 through 5. Keystone has completed its work and provided a report of findings. We have reviewed the report and prepared this letter as an Executive Summary. The noted concerns are generally as follows:

1. Programming:

The system programming contains both redundant and unexplained logic. Critical operational information is not included in the programming. The original Operational Manuals (OM) provided by the installation contractor were reviewed. Significant differences in program logic and system functioning from that described in the OM was found. As a result, the system does not operate as described in the OM. In truth, the system could not be programmed to operate as described in the OM. The previous operator and/or the installation contractor manipulated the hard-wired controls and the program to "trick" the system into operating. As a result, the system sometimes operates in an unpredictable or unreliable fashion.

During the Valve Replacement project, we were able to identify and address many of these concerns. However, the scope of that project was to reprogram the Optical Interface Terminal (OIT), not to reprogram the Program Logic Controller (PLC). The faulty logic noted above resides in the PLCs.

In order to address these concerns, we prepared and provided a new comprehensive Program Logic Narrative to Keystone for new programming for all of the pump station PLCs. We have requested Keystone provide a proposal for reprogramming of the PLCs based on this new logic.



## 2. Alarm and Monitoring System Wiring

The wiring in the panels was manipulated to “trick” the system into operating and needs to be corrected. This work will be accomplished along with the above-mentioned reprogramming. Additionally, the vast majority of the pump system status indicators and alarms were either not wired correctly or not wired at all to the system. These are critical to provide the operator with the appropriate information to effectively operate the system without repeated system failures. The proposal provided by Keystone will include corrections to the wiring for these indicators and alarms.

## 3. Alarm and Monitoring System Programming

There was limited logic programmed into the system to provide monitoring and direction for various alarm situations at the pump stations. We have provided Keystone with logic to program the system to activate alarms together with direction for the PLC to take in the event of an alarm condition. These alarms and PLC corrective actions are critical to keep the system operational in the event of a failure of a system component.

## 4. System Floats

We had previously discussed with the Commissioners our concerns with the floats for the system and recommended their replacement. The Keystone report identified more concerns regarding the float installation. In addition to the poor installation of the floats in the wet wells, the floats are incorrectly wired and controlled. The purpose of these floats is to provide a back up to the wet well level transducer. The transducer is utilized to monitor wet well levels and signals the PLC when to turn the pumps and wet well level alarms on and off. Transducers and PLCs are electronic systems which are susceptible to failures due to power surges, brown out conditions and lightning strikes. As a result, they need a backup system. Keystone confirmed floats are mostly non-functional and incorrectly wired, and will not operate the system in the event of a transducer failure or PLC Failure. This is a critical system deficiency and must be corrected. We have provided new float alarm control logic in our overall control logic narrative provided to Keystone. We have secured a price from Paul Brennan to install new floats at all of the pump stations. Keystone has included in its scope of work costs to reprogram and rewire the control panel for the new floats including replacing wrong duplex float operated alternators in triplex pump stations.

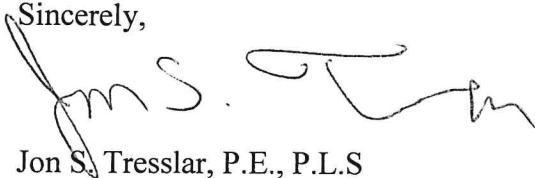
Based on our review of its report we believe the recommendations by Keystone should be implemented immediately. Failure to do so could result in pump station failure resulting in a Sewage Systems Overflow event(s) or damage to sewage pumping systems.

When we first learned of the problems with the control systems and wiring we indicated to the Board that the cost for the repairs would likely be in the order of \$25,000.00. This budgetary cost was prepared without the benefit of knowledge of the actual condition of the system wiring and PLC logic. As a result, the costs are significantly higher than we had anticipated. Still, we

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Control System Investigation Report  
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recommend the attached proposals from Keystone Engineering Group in the amount of \$85,388.33 and \$22,750.00 from Brennan Electric be authorized.

Sincerely,

A handwritten signature in black ink, appearing to read "Jon S. Tresslar". The signature is fluid and cursive, with a large initial "J" and "S" followed by a stylized "Tresslar".

Jon S. Tresslar, P.E., P.L.S  
Township Engineer

JST/MEG/cg

cc: Pat Briegel, Pocono Township

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