

Exhibit B

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

In Re: Application of PL Utilities for approval to offer, render, furnish or supply wastewater service to the public in the Commonwealth of Pennsylvania

Docket No: A- _____
(will be filled-in by the Commission)

1. Public utility code: _____
(will be filled-in by the Commission)

2. Name of Company: PL UTILITIES

3. Company Address:

Street name & number: 61 West 62nd Street, #22 E
Post office box: _____
City: New York
State: New York
Zip Code: 10023
Main Telephone Number: 973-279-2050
Email Address: Jacob@empire-industries.com
Website Address: N/A
Fax number: 973-279-8987

4. Point of Contact for this Application:

Name: Jacob Goren
Title: Managing Director
Street name & number: 40 Warren Street
Post office box: _____
City: Paterson
State: New Jersey
Zip code: 07524
Telephone Number.: 973-279-2050
Email address: Jacob@empire-industries.com
Fax number: 973-279-8987

5. Attorney (if retained):

Name: Mark J. Shaw
Street name & number: 100 State Street, Suite 700
Post office box: _____
City: Erie
State: Pennsylvania
Zip code: 16506
Telephone Number: 814-870-7607
Email address: mshaw@mijb.com

6. Attach a copy of the business plan required by the Department of Environmental Protection (DEP) in 25 Pa. Code § 109.503(a)(3) (relating to public water system construction permits). Label this document as Attachment A.

N/A as this is for a wastewater system.

The following additional information/documents, if not included in the business plan, shall also be included and labeled as Attachment A-1, A-2, etc.:

PL Utilities, LLC ("PLU") is a Pennsylvania Limited Liability Company, whose sole member is Jacob Goren. See Certificate of Organization and current Subsistence Certificate for PLU, attached as Attachments A and A-1, respectively. The business plan for PLU is to get an operational and functional wastewater system that will support the development to be undertaken by the related development company, Pocono Lakefront, LLC, ("Pocono") as well as provide improved and continued wastewater service to the existing customers. Jacob Goren will oversee PLU and will act as its Managing Director.

The initial stage of the plan is to get the approval of the Pennsylvania Public Utility Commission ("PUC"), the Pennsylvania Department of Environmental Protection ("PaDEP") and the Delaware River Basin Commission ("DRBC") for PLU to own and operate the Wastewater Treatment System in Palmyra Township, including the new wastewater treatment plant that has been constructed.

With respect to the Act 537 process, on December 8, 2014, the PaDEP approved an Act 537 Amendment contemplating the construction of the new treatment plant and the development that would ultimately accompany it. See Attachment B. However, the Department also is requiring PLU to obtain an Act 537 Amendment approving the transfer of the sewer system from Deer Haven, L.L.C. ("Deer Haven") to PLU. Consequently, PLU, in conjunction with Palmyra Township has a proposed Act 537 Amendment seeking approval of the transfer that will be published in the local newspaper on the date this Application is filed and will go through a 30-day public comment period. See Attachment C for the advertisement. The County and Township Planning Commission have already approved. See Attachments D and E. Once the public comment period is over, the Township will pass a resolution approving and then it goes to PaDEP for review and approval.

Once all of the approvals are received, all the necessary documents will be executed, the new treatment plant will be connected to the sewer collection system and will be ready to operate under the Certificate of Public Convenience. The timing of these issues will be critical to have as smooth and timely transition as possible.

PLU intends to use qualified third-party providers to operate the wastewater treatment system on a day-to-day basis in compliance with all regulatory requirements. See the Proposed Agreement with Environmental Services Corporation of Pennsylvania (ESC) under which ESC will operate the wastewater system upon approval of the transfer by the PUC and the issuance of the permits from the Pennsylvania Department of Environmental Protection and the DRBC, attached hereto as Attachment F. ESC has more than 50 years combined experience in waste removal and water management, offering both certified wastewater and water operators to oversee, operate and management their client's facilities. Attached as Attachment G is promotional material from ESC outlining the services they provide.

With respect to the administrative aspect of owning and operating a wastewater treatment plant, such as billings and communications with customers, PLU will enter into an agreement with a related company, Empire Industries, to provide those administrative services, attached hereto as Attachment H is the proposed Agreement between PLU and Empire Industries.

Empire Industries, founded in 1976, is a national company, with distribution centers in New Jersey and California and a manufacturing facility in New Jersey. It manufactures and sells a variety of kitchen and bathroom vanities, closets and medicine cabinets to meet the needs of high end showrooms and new construction projects. It also has operations in four Asian and three European countries. Empire has a management team and more than 50 employees. Jacob Goren is the President of Empire Industries. Empire Industries has the personnel qualified to perform the types of administrative services that are needed for PLU.

Once the development has been completed, PLU may explore options to transfer the system to a more traditional utility company.

(1) *Plant in service.*

(i) Proposed utilities shall provide:

(A) A full description of the proposed waterworks or wastewater collection, treatment and disposal facilities and the manner, including the timing, in which the proposed service area and utility will be constructed.

Deer Haven owns and operates all of the existing wastewater collection system, most of which is located west of Route 507, between Route 507 and Lake Wallenpaupack. In 2014, Deer Haven had an agreement with Pocono Lakefront to transfer the existing wastewater collection system to either Pocono Lakefront or another entity formed for the purpose of operating the sewer system (in this case, PLU) once the PUC (1) allows the transfer of the system , (2) allows Deer Haven to abandon the system, and (3) allows PLU to obtain a Certificate of Public Convenience over the system. For various reasons the transfer never occurred. Pocono is a Pennsylvania Limited Liability Company formed to develop property that is located within the service territory. The sole member of Pocono is a trust formed by Jacob Goren. See Certificate of Organization and current Subsistence Certificate for Pocono, attached as Exhibit I and I-1, respectively.

As a result of a settlement of a lawsuit in New Jersey, the parties are now moving forward with the transaction with PLU being the sewer utility and are seeking PaPUC approval. PLU is the owner of the new wastewater collection lines that are located on both sides of Route 507 that were installed in connection with the construction of the new wastewater treatment plant to enable the connections with the existing wastewater collection system. The new collection system also includes pump stations to pump wastewater to the new treatment plant.

The existing Wastewater Treatment Plant in the planning area, which located west of Route 507 near Lake Wallenpaupack, is owned and operated by Deer Haven. The treatment plant consists of a comminutor with bar screen, two aeration tanks, two settling tanks, a chemical feed unit, a gravity filter, a chemical waste tank, two aerated sludge holding tanks, and a chlorine contact tank. Treated effluent discharges to Lake Wallenpaupack via Outfall No.001. The existing wastewater treatment plant will be demolished once the new plant is fully operational. The current wastewater

treatment plant currently operates under NPDES No. PA-0041912 with a rated hydraulic capacity of 70,000 gpd. The Permit's Effluent Criteria for are shown in the table below.

PARAMETER	LIMIT
pH(Standard Units	6 to 9 at all times
Total Suspended Solids	30 mg/l
Dissolved Oxygen	6.0 mg/l minimum
CBOD5m(at 20 C)	10 mg/l
Ammonia Nitrogen (5-1 to 10-31)	3.0 mg/l
Ammonia Nitrogen (11-1 to 4-30)	9.0 mg/l
Fecal Coliform (5-1 to 9-30)	200 colonies per 100 ml as a geometric average
Fecal Coliform (10-1 to 4-30)	2,000 colonies per 100 ml as a geometric average
Phosphorous	0.5 mg/l average

A new Wastewater Treatment Plant in the service area was constructed under Water Quality Management Permit No. 5215401 issued by PADEP on November 3, 2015. The Permit approved the construction/operation of sewage facilities consisting of a wastewater treatment plant with a design capacity of 70,000 gpd, sewage conveyance system and three (3) pump stations with design capacities of 42, 120 and 13 GPM, respectively. The construction of the plant is nearly completed with only the connections to the existing plant to be made and miscellaneous punch list items. Once the PUC approves the transfer, PADEP transfers the NPDES permit to the new Wastewater Treatment Plant, and the DRBC issues a permit covering the new Plant, the connection can be made to the existing collection system and the existing system shut down and the new system started up.

PLU is the owner of the new wastewater treatment plant. The construction of the new plant was funded by the members of PLU, which is evidenced by a loan of the necessary funds from the members to PLU to be paid back in accordance with the terms of the loan. A copy of the loan documentation is attached hereto as Attachment J.

The new wastewater treatment plant process diagram is attached hereto as Attachment K. The following is a description of the new treatment plant process:

The wastewater first enters the treatment plant and passes through the inlet bar screen. This step removes large debris and solid objects to prevent damage to downstream equipment.

After screening, the wastewater flows into the Equalization Tank (EQ Tank). Two EQ pumps help to regulate the flow of wastewater into the tank, ensuring uniform distribution and preventing overload or shock to subsequent treatment processes.

From the EQ tank, the wastewater moves into two exterior aeration tanks. Here, aerobic bacteria are encouraged to grow by pumping air into the tanks. These bacteria help in breaking down organic pollutants through activated sludge treatment.

The partially treated wastewater then enters two clarifiers. In these tanks, the activated sludge settles to the bottom while clearer water rises to the top. This separation process allows for the removal of suspended solids and particulate matter from the water.

After clarification, the water undergoes further settling in two secondary settling tanks. This step facilitates the separation of remaining sludge from the treated water before it proceeds to advanced treatment stages.

The pre-treated water then enters three (3) pressure tertiary filters. These filters capture smaller particles and impurities that may have escaped previous treatment steps, ensuring a higher level of water purity.

After filtration, the water undergoes UV disinfection in four (4) UV disinfection tanks. Ultraviolet light is used to kill or inactivate harmful microorganisms present in the water, ensuring it meets safety standards for discharge into the environment or for reuse purposes.

See also Attachment L, Excerpts from Design Engineer's Report.

Please note that much of the wastewater collection system and the existing and new wastewater treatment plant are located on property owned by Pocono. As a result, Pocono is willing to enter into an easement agreement with PLU to allow PLU to operate the collection system and treatment plant. The Proposed Easement Agreement is attached hereto as Attachment M

- (B) A breakdown of the cost of construction, by major plant category, including the sources of funds used to construct the facilities.

The new WWTP and associated collection system construction cost will be \$2,608,630.75 broken down as follows:

Construction costs	\$1,923,128.00
Purestream Equipment	\$ 599,656.00
E&W Equipment	<u>\$ 85,846.75</u>
TOTAL	\$2,608,630.75

The funds used to construct the new WWTP came from Jacob Goren, a member of PLU, that will be repaid under the terms of the Loan Agreement referenced above.

- (ii) Utilities that have been providing service shall provide:
 - (A) The original cost, by year and major plant category, of used and useful plant in service and related accrued depreciation calculations.

See the Plant In Service spreadsheet produced for the combined Wastewater Treatment System, attached hereto as Attachment N

- (B) A breakdown of the sources of funds used to finance the construction of the facilities.

The funds used to finance the construction of the treatment plant and accompanying collection system components were funded by Jacob Goren, who is a member of PLU.

(2) *Map of service area.* A map or plan of suitable scale highlighting the boundaries of the proposed service area, including:

See Attachment O, Sewer Service Area Map prepared by Kiley Associates LLC, which includes a listing of all lots within the service area and accompanying Tax Map ID #s.

(i) A courses and distances or metes and bounds description.

See Attachment O, Sewer Service Area Map prepared by Kiley Associates LLC, which includes a line and table that provides course and distances.

(ii) The location or route of the proposed waterworks or wastewater collection, treatment or disposal facilities.

See Attachment L, Excerpts from Design Engineer's Report, attached hereto.

(iii) The approximate time schedule for installation of the various component facilities.

The new treatment facility has been completed and is awaiting approval from the PUC, PADEP and the DRNC to make the connections to begin operation. The pump stations for the existing customers have been installed and are similarly awaiting connection to begin service to those existing customers. The sewer lines and accompanying equipment for the proposed development have not been installed and the installation of those lines is to be determined.

(iv) The elevations of major facilities and service areas.

See Attachment L, Excerpts from Design Engineer's Report, attached hereto.

(v) The DEP permitted productive or treatment capacity of sources or treatment facility and the pipe sizes and material used for construction for all transmission and distribution or collection facilities.

See Attachment L, Excerpts from Design Engineer's Report, attached hereto.

(vi) A copy of the county comprehensive plan, municipal comprehensive plan and applicable zoning designations, if requested.

(3) *Customers.*

(i) Proposed utilities shall provide an estimate of the number of customer connections by class in the first, fifth and tenth years, and completed development anticipated, as well as estimated water usage or gallons of wastewater treated in each of those years.

Year 1: 61 customers -- Estimated flow - 23,000 gpd

Year 5: Approximately 283 customers -- Estimated Flow - 70,000 gpd

Year 10: Approximately 283 customers -- Estimated Flow - 70,000 gpd

(ii) Utilities that have been providing service shall submit the actual number of customers by class and related consumption or gallons treated in the current calendar year and future number of connections anticipated for the next 10 years.

See above.

(iii) Each utility shall demonstrate its ability to provide adequate water supply, treatment, storage and distribution or adequate wastewater collection, treatment or disposal capacity to meet present and future customer demands.

The design capacity of the new wastewater treatment system is 70,000 gpd, which meets the projected future five (5) and ten (10) year usage. See Attachment L, Excerpts from Design Engineer's Report, attached hereto.

(4) *Rates.*

(i) Proposed utilities shall provide a proposed initial tariff which includes rates, proposed rules, and conditions of service in the format specified by the Commission (classified rate schedule). NOTE: sample tariffs are located on the Commission's website at

See Proposed Tariff, attached hereto as Attachment P.

(ii) Utilities which have been providing service shall provide a proposed initial tariff which includes rates, proposed rules, and conditions of service. The utility shall notify the customers of the utility of the filing of the application and the rates filed.

(5) *Cost of service.*

(i) Proposed utilities shall provide a 1, 5 and 10-year estimate of operating revenues, operation and maintenance expenses, annual depreciation and taxes. If operating income reflects a loss, proposed utilities shall provide a detailed explanation of the source of funds to be used to subsidize the estimated losses in support of future viability.

See Statement of Revenues and Statements of Income attached here to as Attachments Q and R.

(ii) Utilities that have been providing service shall file the two most recent Federal Income Tax Returns (corporation) or related Schedule C forms (partnership or individual). If tax returns reflect an operating loss, utilities shall describe in detail how the operating losses are subsidized, supported by an analysis of the future viability of the utility.

N/A. This utility has not been providing utility service previously.

(6) *Proof of compliance.* Proof of compliance with applicable design, construction and operation standards of DEP or of the county health department, or both, including:

(i) Copies of public water supply/water quality management or National Pollution Discharge Elimination System (NPDES) permits if applicable.

See the WQM Permit No. 5215401 for the construction of the new wastewater treatment plant, attached hereto as Attachment S. PLU is presently working with PADEP regarding the issuance and transfer of the NPDES Permit for the existing facility to the new facility.

(ii) Valid certified operators' certificates appropriate to the facilities being operated.

See the certified operator's certificates of the operator hired to operate the new wastewater treatment plant, attached hereto as Attachment T.

(iii) A 5-year compliance history with DEP with an explanation of each violation for utilities that have been providing service.

N/A

(iv) A DEP 5-year compliance history of other utilities owned or operated, or both, by the applicant, including affiliates, and their officers and parent corporations with regard to the provision of utility service.

N/A.

7. *Additional documentation.* In addition to a copy of the documents submitted under paragraph 6, subsections (1)—(6) above, the applicant shall submit a letter (labeled as Attachment __) addressing all the applicable requirements or mandates of the following governmental entities. The letter must also append copies of certification issued by the following governmental entities confirming that the applicant does or does not meet all the applicable requirements or mandates of the following:

(i) DEP.

The Applicant is working with PADEP on a proposed Consent Order and Agreement to be entered into by Deer Haven and PLU. A letter from DEP will be provided when received.

(ii) The Delaware River Basin Commission, the Susquehanna River Basin Commission, the Ohio River Basin Commission and the Great Lakes Commission.

The DRBC is the only entity impacted by this application. The affiliated development company, Pocono, obtained a permit from the DRBC on December 10, 2014 authorizing the construction and operation of the new treatment plant that has been constructed. Unfortunately, that permit expired on June 30, 2022. PLU will need to obtain a permit from the DRBC. A letter from DRBC will be provided when received.

(iii) The requirements of any Statewide water plan, including any local watershed areas.

N/A

(iv) The requirements of any officially adopted county comprehensive plans, municipal comprehensive plans, and applicable zoning designations, including any necessary amendments.

As described above, County Planning and the Township Planning Commission have approved the Act 537 amendments (See Attachments D and E), and the Township will be approving after the public comment period closes. No other local approvals are needed.

8. *Affected persons.* List below the identity of public utilities, municipalities, municipal authorities, cooperatives and associations which provide public water supply service or wastewater collection, treatment or disposal service within each municipality, or a municipality directly adjacent to the municipalities, in which the applicant seeks to provide service that abuts or is situated within 1 mile of the applicant's proposed facilities:

We have reviewed the PADEP E-facts database for lists of sewage facilities in both Palmyra Township, Pike County and Paupack Township, Wayne County and then utilized maps and coordinate information available from the USEPA Envirofacts database to identify their physical location. We did not identify any public wastewater collection, treatment or disposal service within a 1-mile radius of the permit location (which is approximately 1/4 mile west of Pinecrest Marina). Wallenpaupack Lake Estates has a wastewater discharge approximately 1.9 miles west across the lake. There is also an NPDES wastewater discharge permit location at a PennDOT Rest Area along I-84 about 2 miles southeast of the permit location. There is also an NPDES wastewater discharge permit for Escape Property Owners Association about 2-3 miles southwest of the location. Those are nearest NPDES discharge points.

9. *Other requirements.* Demonstrate compliance with DEP regulations in 25 Pa. Code § 109.503(a)(3) or section 5 of the Pennsylvania Sewage Facilities Act requirements (35 P. S. § 750.5), whichever is applicable; or whether the applicant has contacted each public water supplier or wastewater collection, treatment or disposal supplier in paragraph (8), and one of the following applies:

As described above, there is a pending Act 537 Plan amendment that will be presented to the Township and the PaDEP to allow the transfer of the sewer system from Deer Haven to PLU.

- (i) Whether a supplier is willing and able to serve the area which the applicant seeks to serve either directly or through the bulk sale of water to the applicant, or treatment of wastewater to the applicant.

There are no suppliers of wastewater service within one (1) mile of the Deer Haven Sewer system.

- (ii) If one or more supplier is willing to serve the area (either directly or through the bulk sale of water to applicant), the applicant should demonstrate that, when considering both the cost of service and the quality of service, the ultimate consumer would be better served by the applicant than by the other water suppliers.

N/A

10. *Verification.* A verification that the water sources and customers are metered in accordance with 52 Pa. Code § 65.7 (relating to metered service). If unmetered water service is currently provided, the applicant shall provide a metering plan to the Commission.

N/A

11. *Additional considerations.* Provide evidence demonstrating the utility's compliance with municipal and county comprehensive plans, multi-municipal plans, zoning ordinances and joint municipal zoning ordinances, consistent with the authority in sections 619.2 and 1105 of the Municipalities Planning Code (53 P. S. §§ 10619.2 and 11105), when reviewing applications for a certificate of public convenience as a public water supplier or wastewater collection, treatment or disposal provider.

The area of the Sewer System is zoned Community Commercial.