

South Granville Water And Sewer Authority

Executive Director's Monthly Project Update Report

June 2026

To: SGWASA Board Members

From: Scott N. Schroyer, Executive Director *SNS*

Topic: Topics Update Report for June 2026

Date: Report Issue Date 7/2/2026

Executive Summary

SGWASA continued to make progress across major capital projects, regulatory programs, and operational initiatives during June 2026 while remaining fully compliant with state and federal requirements. This report now includes a streamlined Board Status Summary designed to give Board members a quick view of each project's current status, June update, and any items requiring Board attention.

Projects Requiring Ongoing Board Awareness: The PFAS Advanced Water Treatment project remains on schedule, with the 60% design milestone completed June 23, the Phase II pilot kickoff held June 30, and additional DWI funding identified. Board attention should remain focused on the overall funding strategy, permitting coordination, USDA application preparation, and pilot startup. The Water Meter Replacement Program is 55% complete and has been moved to a modified schedule status, with a revised completion target of December 1, 2026. The Water Valve Replacement project remains on hold pending 2026 public bidding in coordination with the updated CIP.

Major Capital Projects On Schedule: I-85 Sewer Upgrade Construction Packages #1 and #2 remain on schedule and within budget. CP#1 July activities include E. Lyon Station Road, Joe Peed Road, and pump station construction. CP#2 July activities include the Central Avenue/A Street closure, railroad crossing work, and directional bore under NC Highway 85. The Water Treatment Master Plan also remains on schedule, with McGill's contracted divers completing internal and external inspection of the water intake structure in mid-June.

Completed and Closeout Items: The Filter Media Replacement project is complete for all five filters, with performance trends showing longer filter run times, lower turbidity, and reduced ferric usage. The AIA water and wastewater infrastructure assessment projects are substantially complete, with McGill final reports anticipated in July. These items are now presented in the Board Status Summary as closeout or monitoring items rather than full dashboard-level updates.

Operational and Compliance Programs: The Lead & Copper Rule program remains on schedule, with annual notices completed and service-line identification work continuing. Water Quality Improvements also remain on schedule, with Hazen & Sawyer continuing hydraulic modeling, flushing program

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development, booster station assessments, and distribution control evaluations toward late-2026 deliverables.

Items on Hold or Schedule Modified: The Unidirectional Hydrant Flushing Pilot remains on hold after June valve and hydrant exercising because hot weather and localized drought conditions postponed scheduled flushing. Staff will continue monitoring Lake Holt water levels before determining when flushing can proceed. The Board Status Summary identifies this item, along with the Water Valve Replacement project and the modified meter replacement schedule, for continued monitoring.

Board Status Summary Format: The former detailed Project Dashboard has been replaced with a shorter Board Status Summary using four columns: Project / Program, Status, June Update, and Board Attention. Detailed budget, schedule, and next-step information remains in the project narratives, allowing the summary table to function as a quick governance-focused reference for Board members.

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Board Status Summary

Project / Program	Status	June Update	Board Attention
PFAS Mitigation	● On Schedule	60% AWT design completed June 23; Phase II pilot kickoff held June 30; additional DWI funding identified.	Monitor funding strategy, permitting, USDA application, and pilot startup.
I-85 Sewer Upgrade – CP#1	● On Schedule	Haren Construction continues work on schedule and within budget; July work includes E. Lyon Station Road, Joe Peed Road, and pump stations.	No action; continue monitoring schedule and budget.
I-85 Sewer Upgrade – CP#2	● On Schedule	Park Construction continues work on schedule and within budget; July work includes Central Avenue/A Street closure, railroad crossing work, and directional bore under NC Hwy. 85.	Future Board discussion on Northern Interceptor funding when scheduled.
Lead & Copper Rule	● On Schedule	Annual notices completed; service-line identification pilot remains underway.	No action; continue required compliance verifications and notifications.
Water Meter Replacement	● Schedule Modified	Creedmoor meter replacements are 55% complete; revised completion target is December 1, 2026.	Monitor revised schedule and monthly replacement progress.
Filter Media Replacement	✓ Complete	All five filters are complete; performance trends show longer run times, lower turbidity, and reduced ferric usage.	Closeout/monitoring; no Board action required.

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Project / Program	Status	June Update	Board Attention
AIA Infrastructure Assessments	● Substantially Complete	Water and wastewater assessment projects are substantially complete; McGill final reports are anticipated in July.	Closeout pending final reports and grant deliverables.
Water Valve Replacement	● On Hold	Design is 100% complete; probable construction cost is \$710,000; project remains on hold pending 2026 public bidding with updated CIP.	Future bid timing and CIP coordination.
Water Quality Improvements	● On Schedule	Hazen & Sawyer continues hydraulic modeling, flushing program development, booster station assessments, and distribution control evaluations.	No action; monitor late-2026 deliverables.
Unidirectional Hydrant Flushing Pilot	● On Hold	Valve and hydrant exercising occurred in June; flushing postponed due to hot weather and localized drought conditions.	Monitor Lake Holt levels and determine when flushing can proceed.
Water Treatment Master Plan	● On Schedule	McGill's contracted divers completed internal and external inspection of the water intake structure in mid-June.	Continue inspections, asset evaluation, and master planning toward March 2027 completion.

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Project Narratives

1) PFAS Mitigation Strategies Program

- a) **Background:** PFAS ("forever chemicals") were detected in SGWASA's source water. On April 10, 2024, EPA finalized enforceable drinking water standards for six PFAS compounds with MCLs as low as 4 ppt and introduced a Hazard Index for PFAS mixtures. SGWASA is required to complete initial PFAS monitoring by 2027, implement corrective actions by April 2029 if MCLs are exceeded, and provide public notification for violations beginning in 2029.

PFAS Treatment Options & Costs: PFAS removal can be achieved using Granular Activated Carbon (GAC), Reverse Osmosis (RO), or Ion Exchange (IX). Estimated treatment cost is \$2–\$4 per gallon per day of capacity. For SGWASA's 7.5 MGD water plant, the investment is projected at \$15–\$30 million. The current construction cost estimate for the project, at the 60% design process, is \$30.3M.

b) Summary of PFAS Compliance Action Plan

Project Progress & Schedule

- Drawings and specifications for the PFAS Advanced Water Treatment (AWT) facility met the 60% completion milestone on June 23, 2026.
 - SGWASA staff reviewed the drawings and specifications in late June and then provided CDM Smith with comments.
- A distribution system corrosion control report is under review as a part of the PFAS advanced water treatment facility project; a workshop is planned for June 30, 2026.

Permitting

- CDM Smith sent updated AWT concepts plans to Butner on 6/15/26.
- Coordination is ongoing with the Town of Butner regarding special use permits and other special exemptions.
 - SGWASA and CDM Smith will submit applications to the Town of Butner for an August Planning Board meeting to review the permits related to the project.
- NPDES permit renewal application is being prepared.

Funding & Financial Planning

- USDA Funding Application: Target submittal date is October 14, 2026, subject to USDA review timelines.
- Coordination with the USDA is underway.
- SGWASA is looking at commercial lending terms, per USDA's request. Additionally, SGWASA is evaluating CIP and other financial factors internally.

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- SGWASA's executive management team is preparing financial data for the USDA and preparing funding scenarios for the SGWASA Finance Committee to evaluate at an upcoming meeting.
- SRF Funding: Environmental documentation is in progress, and a Categorical Exclusion is anticipated, yet has not been received to date.
- State Appropriations: Awaiting final approval of submitted funding form.

Pilot Testing (Phase II PFAS)

- Planning is underway for an expanded AquaPRS pilot system to gather improved operational data.
- Pilot will evaluate advanced membrane treatment (ceramic ultrafiltration) as a potential alternative to conventional filtration.
- Electrical connections for the pilot are expected to be funded through project contingency.
- Kickoff meeting for Phase II pilot occurred on 6/30/26.
 - The kickoff meeting included schedule information for the project.
 - In summary, the start up and commissioning of the pilot project is scheduled for 8/17/26. The pilot project will operate for 90 days, targeting completion by 12/31/26.
 - Data analysis will follow with a final report expected to be provided to SGWASA staff by April 2027.
 - SGWASA staff anticipates providing a Board presentation within 30 day of receiving the final project report.

c) Funding Secured to Date:

- SGWASA received a \$5 million State Budget Grant, with approximately \$4.925 million available after administrative adjustments.
- To date, the \$4.925 grant has provided funding for a Board approved (October 2025) engineering design task order with CDM Smith in the amount of \$3,209,800. Leaving a balance of \$1,715,200.
- In March 2026, the North Carolina State Water Infrastructure Authority (SWIA) approved a total of \$10,658,880 in funding for SGWASA's \$25M-\$30M PFAS reduction water project. The award consists of a combination of loan and grant programs administered through the NC Department of Environmental Quality's Division of Water Infrastructure (NCDEQ). The summary of how much SGWASA will receive is found below:
 - \$6,658,880 in grant funding (principal forgiveness)
 - \$4,000,000 in repayable loans

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- In June 2026, SGWASA was notified by the Division of Water Infrastructure that, due to a legislative correction in S.L. 2025-4, SGWASA will receive an additional \$3,000,000 in funding under S.L. 2023-134. In addition, SGWASA has been offered an additional \$500,000 in IIJA DWSRF Emerging Contaminants (EC) principal forgiveness funding.
- This financial assistance package reduces the amount of long-term debt SGWASA must issue for this project and represents a substantial financial benefit to our customers while allowing us to remain on schedule to meet the EPA's April 2029 PFAS compliance deadline. Staff continues to evaluate how this confirmed loan and grant mix fits within SGWASA's overall draft funding strategy, which also includes coordination with USDA financing assistance, yet to be determined.
- Overall Status:**
 - Engineering design is underway, and the installation of PFAS AWT systems is scheduled to meet the federal EPA compliance deadline. The design and construction schedule is shown below. The next Milestone relates to SGWASA receiving the 90% design for review and comments.

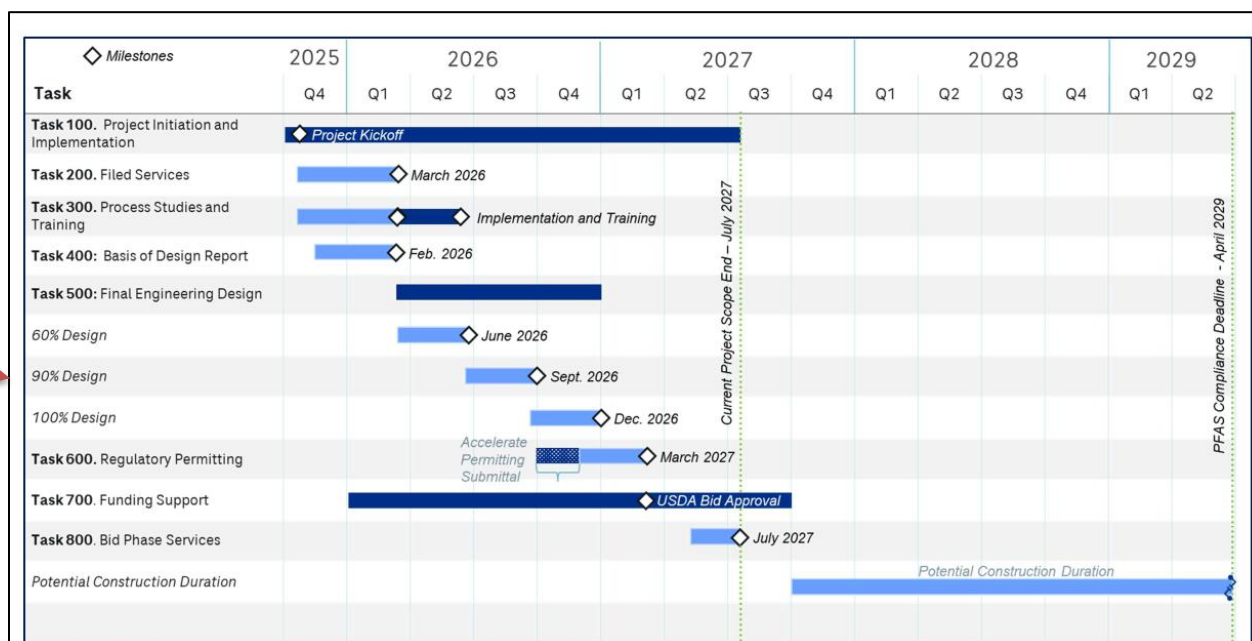


FIGURE 1: PFAS Treatment System Design and Construction Schedule

Note: The schedule was estimated from similar past projects, and ENGINEER does not control permitting or construction timelines.

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2) I-85 Sanitary Sewer System Improvement Project

- a) **Background:** SGWASA serves southern Granville County, including Creedmoor, Butner, and Stem. Due to maxed-out wastewater system capacity, a development moratorium was enacted in 2018 for parts of Creedmoor and Butner. From 2019–2025, SGWASA collaborated with partners to design and fund a solution. CDM-Smith completed engineering plans and split the project into two construction packages: CP#1: Bid in July 2024; contract awarded to Haren Construction for \$34.8M in December 2024. CP#2: Bid in May–June 2025. Total estimated project cost: \$75 million.

Note: Due to the proposed costs and budget constraints associated with the proposed work associated with CP#2, only the construction of the Southern Interceptor Sewer will be completed at this time. On February 27, 2026, The Finance Committee reviewed the \$8M cost for the Northern Interceptor and considered funding recommendations from staff. Further discussion is planned with the SGWASA Board of Directors at an upcoming meeting, yet to be officially scheduled.

- b) **CP#1 Status:** (In Progress/On Schedule): CP#1 includes the construction of two new sewer pump stations and the installation of new sewer pipe (gravity and force main). Haren Construction started construction on 4/1/25. Construction remains on schedule and within budget.

Looking ahead, July's work will include the following items:

- Pipe installation crossing on E. Lyon Station Rd. at E. Middleton Rd.
- Pipe installations along E. Lyon Station Rd. as well as on Joe Peed Rd.
- Construction activities at both the new Joe Peed pump station and the E. Middleton Rd. pump station.

- c) **CP#2 Status:** (In Progress/On Schedule): CP#2 includes the installation of new sewer pipe (gravity and force main), with a major pipeline crossing under I-85. Park Construction, NC, Inc. started construction on 11/1/25. Construction remains on schedule and within budget. A project timeline is shown below.

Looking ahead, July's work will include the following items:

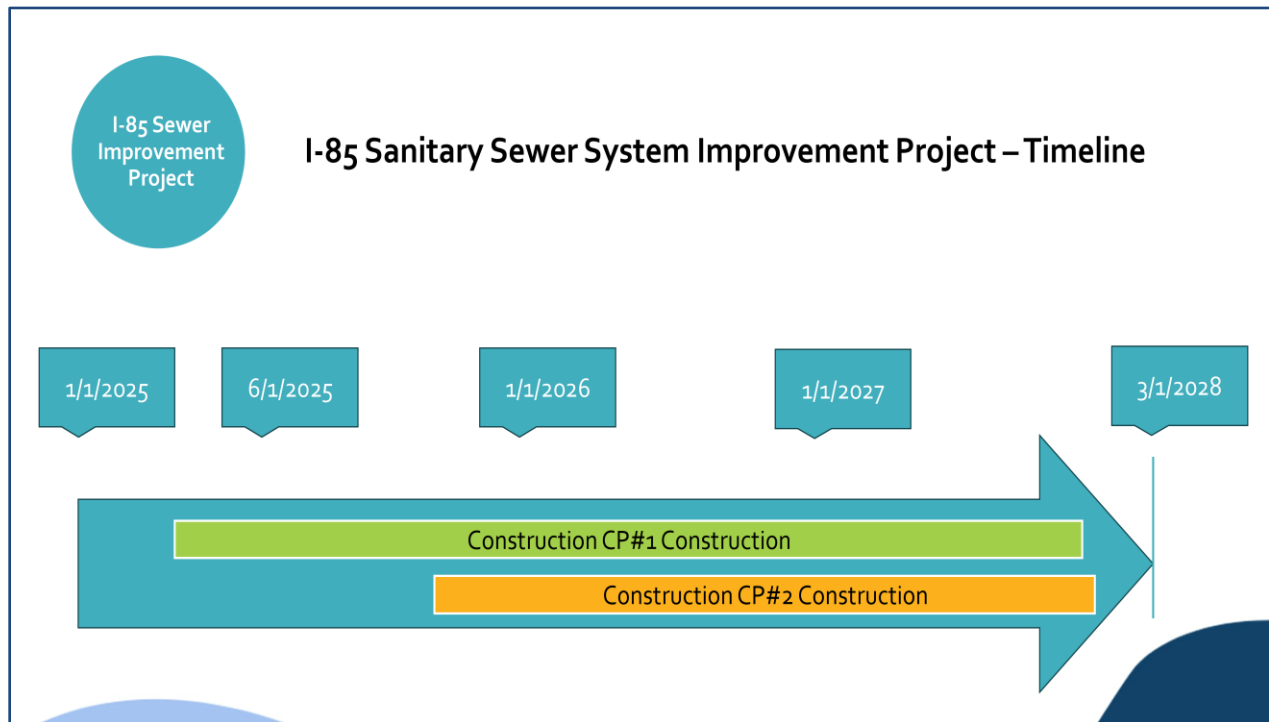
- Central Ave. & A Street in Butner for pipe installation. The street intersection will be closed for 30 days. Detour signs will be posted.
- Pipe installation crossing at the Norfolk Southern railroad tracks at the northern end of A. Street.
- Pipe installation directionally bored under NC HWY. 85.

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The I-85 Sanitary Sewer Improvement Project Timeline is found below.



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3) USEPA Lead & Copper Program Update Creates Mandatory Compliance Activities for All Water Service Providers.

- a) Background:** The U.S. Environmental Protection Agency's (EPA's) Lead and Copper Rule Revisions went into effect December 16, 2021. The EPA's new Lead and Copper Rule better protects children and communities from the risks of lead exposure by better protecting children at schools and childcare facilities, getting the lead out of our nation's drinking water, and empowering communities through information. Please read more about this program below by clicking on the Fact Sheet.

EPA Lead & Copper Program [Fact Sheet](#)

- b) Status (In Progress/On Schedule):** Since 2022, SGWASA has been working with Hazen & Sawyer to manage this program. Staff is also working with a local service provider to establish a pilot program to identify service line materials.

[Click here to take the personal reporting survey.](#)

The final rule focuses on key areas that will protect our communities

 Achieving Lead Pipe Replacement Within 10 years	 Locating Legacy Lead Pipes
 Improving Tap Sampling	 Lowering the Lead Action Level to 10 µg/L
 Strengthening Protections to Reduce Exposure	 Communicating Transparently and Frequently

For more information, see <https://www.epa.gov/dwreginfo/lead-and-copper-rule>

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4) SGWASA - City of Creedmoor Service Area Water Meter Replacement Program

- a) **Background:** SGWASA operates about 6,600 water meters systemwide, including roughly 2,200 older meters in the Creedmoor service area that are no longer performing optimally. To improve accuracy and modernize the system, SGWASA contracted a specialized firm to replace these aging meters. This work is included in the Capital Improvement Plan (Project ID# 102-05) with a total budget of \$1,000,000.
- b) **Status (In Progress/Schedule Modified):** The water meter replacement project began in January 2026 and is expected to be completed by December 1, 2026. The contractor is replacing several hundred water meters per month. To date, 55% of the water meters have been replaced.

For more information on this project, please visit

<https://www.sgwasa.org/post/creedmoor-water-meter-replacement-program>



Image: Example of the new water meter that SGWASA will be installing during this project.

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5) Water Treatment Plant Filter Analysis: Filter Media Replacement Project

- a) **Background:** In 2024, SGWASA experienced water production issues at the water treatment plant related to aging filter media and underdrain nozzles. After evaluating the system, Hazen recommended replacement of the filter media and rehabilitation of the filters to restore performance and reliability. The Board awarded the construction contract in August 2025.
- b) **Status (Complete):** The filter media and nozzle replacement project for all five filters has now been completed. The work restored critical treatment capacity and was delivered within the authorized construction budget of \$987,528. The final cost of the project was \$881,146.60. SGWASA hired Hazen professional engineers to perform water quality testing of the filter media replacement.

Water Quality Report: The filter media replacement project has been completed, and the system is fully operational. Key performance highlights to date Include:

- Filter run times have increased, indicating improved operational efficiency and longer treatment cycles.
- Treated water turbidity (see definition below) has decreased, reflecting enhanced water quality performance.
- Chemical (ferric) usage has decreased, demonstrating more effective treatment with lower demand.

Overall Impact: These measurable improvements confirm the effectiveness of the rehabilitation work and reflect the continued optimization efforts of our operations team. The system is currently operating more reliably and is better positioned to maintain regulatory compliance and deliver high-quality drinking water to our customers.

Next Steps: Staff will continue to monitor performance trends and optimize operations as needed. Additional updates will be provided as more data becomes available.

Definition(s): Turbidity is a measure of how clear or cloudy water is. What it Means in Practice

- Turbidity is caused by tiny particles suspended in the water—such as silt, clay, algae, or organic matter.
- The more particles present, the cloudier the water appears.
- Low turbidity = clear water
- High turbidity = cloudy water

This work represents SGWASA's ongoing commitment to proactive infrastructure investment, operational excellence, and the delivery of safe, high-quality water service to our community.

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6) AIA Grant Project for Water Infrastructure Assessment

- a) **Background:** The NCDEQ AIA Grant Program provides up to \$150,000 over three years to help utilities improve system management and asset planning. SGWASA received a \$150,000 AIA grant in 2021 for the Water Distribution System; because it was funded with ARPA dollars, no local match was required. Working with McGill Associates, SGWASA completed the grant application, scope of services, and task order. The project includes system inventory updates, master planning, hydraulic modeling, a water audit, asset management planning, CIP updates, work order system recommendations, and preparation of the final report.
- b) **Status** (Substantially Complete): SGWASA is awaiting the final report from McGill Associates for this project. The final report is anticipated in July.

7) AIA Grant Project for Wastewater Infrastructure Assessment

- a) **Background:** NCDEQ administers the AIA Grant Program to help water and wastewater utilities improve asset management and long-term financial planning. Eligible activities include asset inventories and condition assessments. SGWASA applied for the program in September 2022 and received a \$200,000 AIA grant in March 2023 for the Wastewater Collection System; because it was funded with state ARPA dollars, no local match was required. SGWASA worked with McGill Associates to prepare the grant application and develop the scope of services submitted to NCDEQ for review.
- b) **Status** (Substantially Complete): SGWASA is awaiting the final report from McGill Associates on this project. The final report is anticipated in July.

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8) CIP# 101-10 Water Valve Replacement Project at the Water Treatment Plant – Design & Construction

- a) **Background:** SGWASA has experienced recurring leaks and valve failures along the water main between the clear well and finished pumps, highlighting erosion issues and the need for better bypass options and system redundancy. Hazen and Sawyer is evaluating repair alternatives and preparing final design, permitting, and bid documents. The evaluation and design cost is \$155,980, with construction costs to be finalized once the preferred repair option is selected.
- b) **Status (On Hold):** Hazen & Sawyer's design work is 100% complete. The probable construction cost is \$710,000, and due to its size, the project will move to public bidding in 2026 in coordination with the updated CIP.



Images: SGWASA Water Treatment Plant – Valve Replacement Project Area.

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9) CIP# 102-10 Water Quality Improvements

- a) **Background:** SGWASA has expressed concerns with the following items related to the water distribution network:
- The system does not currently have a hydrant flushing program to proactively help prevent water quality issues.
 - Water quality and chlorine residual issues at booster stations throughout the distribution system.
 - The lack of water tower control within the distribution system.

For this project, Hazen and Sawyer will be conducting a preliminary investigation and will perform the following tasks:

- Data collection and data review.
- Water hydraulic model update and calibration
- Developing hydraulic model simulations of water age in the distribution system.
- Developing a hydrant flushing program.
- Performing assessments of the water booster pump stations.
- Evaluating the water distribution system control network and then developing improvements based on the data.

Project deliverables include:

- Unidirectional Hydrant Flushing Program (see more information on this project below)
- Draft and Final Booster Pump Station Assessment TM
- Draft and Final Distribution System Control Assessment TM
- Updated hydraulic model

The total cost for the project is \$227,340.00.

- b) **Status** (In Progress/On Schedule): This project is being performed by Hazen & Sawyer. The project was initiated in the fall of 2024. The goal is to complete this project in late 2026.

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10) Unidirectional Hydrant Flushing Pilot Project – City of Creedmoor SGWASA Service Area

- a) **Background:** SGWASA has developed a pilot unidirectional flushing program in the Golden Pond subdivision in Creedmoor to improve water quality and system operations. The pilot covers about 5.3 miles of water main and includes model updates, a flushing plan, field support, and customer communication. The \$45,000 cost is funded through the FY 2025–2026 engineering projects budget.
- b) **Status (On Hold):** Utility crews performed valve and hydrant exercising in June. Due to hot weather and localized drought conditions, the June flushing schedule was postponed. SGWASA is monitoring Lake Holt water levels and will determine when the scheduled flushing can occur.

11) CIP# 101-01 Water Treatment Master Plan: AIA Grant Funded

- a) **Background:** SGWASA was awarded a \$150,000 NCDEQ grant to complete a Water Treatment Plant Master Plan and is partnering with McGill Associates. SGWASA will provide the required 20% match (\$30,000). The project includes updating asset inventories, evaluating critical infrastructure condition, and advancing long-term asset management planning.
- b) **Status (In Progress/On Schedule):** The Board approved grant acceptance in October 2025 and the McGill task order in November 2025. The project began in December 2025. As a part of this project, in mid-June, underwater divers, contracted by McGill Associates, completed the internal and external inspection of the water intake structure. This inspection was just one of the many infrastructure inspections being performed as a part of this project. The project is scheduled for completion in March 2027.

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Board Actions (Past 90 Days)

Board Meeting Month/Year	Topic	Status
April 2026	Oath of Office: Mayor Pro-Tem Archer Wilkins, City of Creedmoor Commissioner	Administered by Attorney Wrenn
April 2026	Proposed FY2026-27 Budget Review	Board members reviewed and commented. They will continue discussion on this topic at the May Board meeting.
April 2026	Public Hearing -Proposed Fiscal Year 2026-2027	The Board held the required public hearing.
April 2026	PFAS Pilot 2 DEQ Resolution of Acceptance	The Board approved this item.
April 2026	PFAS Pilot 2 CDM Smith Scope and Fee Approval	The Board approved this item.
April 2026	Arbitrage Award of Contract	The Board approved this item.
April 2026	Budget Amendments #11 & #12	The Board approved these items.
May 2026	National Public Works Week Proclamation	The Board approved this item.
May 2026	Proposed FY2026-27 Budget Review	The Board approved the FY2026-27 Budget
May 2026	Write off of Accounts Receivable	The Board approved this item.
May 2026	FY2025-26 3rd Quarter Financial Review	The Board approved this item.
June 2026	SGWASA I-85 Sanitary Sewer Improvement Project Update Presentation	No Board action required.
June 2026	FY2025-26 Year-End Auditing Services – Award of Contract	The Board approved this item.
June 2026	Fiscal Year 2025-2026 4th Quarter Internally Approved Budget Amendments & Fiscal Year 2025-2026 Budget Amendment #13	The Board approved this item.
June 2026	Position Classification Plan Update Based on Approved FY2026-27 Budget	The Board approved this item.
June 2026	SGWASA Employee Benefits - Contract Renewals for FY2026-27	The Board approved this item.

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Utility Operations Highlights

Water Distribution System Topics

- 1) None.

Wastewater Collection System Topics

- 1) Sanitary Sewer Overflows (SSO's):
 - a) None.
- 2) Other Topics: None

Water Treatment Plant Topics

- 1) None.

Wastewater Treatment Plant Topics

- 1) None.

Utility Customer Service/Administration Topics

- 1) No operating issues.

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Staffing Summary

The FY25-26 Budget authorized 52 full-time employees. The current staffing level is above 98%. The following is a breakdown of the status of several vacancies.

Vacant Positions – Currently Advertising and/or Interviewing

None

Vacant Positions – Final Candidate Selected/Pending Background Checks

None

Recent New Hires

Utility Maintenance Mechanic (1)

Wastewater Treatment Operator (1)

Recent Internal Promotions

None

(End of Report)