

South Granville Water And Sewer Authority

Executive Director's Monthly Project Update Report

October 2025

To: SGWASA Board Members

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

Topic: Topics Update Report for October 2025

Date: Report Issue Date 11/4/25

Executive Summary

This report provides a comprehensive overview of SGWASA's 12 active capital projects, all currently on schedule. It includes a high-level dashboard and detailed narratives that outline project milestones, funding status, regulatory compliance efforts, and operational highlights. Key developments this month include PFAS pilot testing progress, major contract awards, and strategic coordination with state and federal agencies. Staffing updates and recent Board actions are also summarized.

Portfolio Overview

SGWASA is currently managing 12 active capital projects, all of which are progressing on schedule. Highlights from October include:

- PFAS Mitigation: Phase 1 pilot testing nearing completion; Phase 2 grant awarded; engineering design underway with CDM Smith.
- Filter Media Replacement: Contract awarded; materials ordered; construction start scheduled for November.
- I-85 Sewer Upgrade: CP#1 construction progressing; CP#2 contract awarded to Park Construction; interim financing secured with Truist Bank amid USDA delays.
- Water Meter Replacement: All hardware in stock; trial replacements scheduled for November; full rollout in January 2026.

Funding Snapshot

- \$5M State Grant received for PFAS removal project.
- \$500K NCDEQ Grant received for PFAS Pilot Testing.
- \$26M NCDEQ Grant Request submitted for PFAS construction; decision expected spring 2026.
- CP#2 Sewer Upgrade: USDA loan delayed due to federal government shutdown; interim financing secured with Truist Bank.

Additional Highlights for Board Members:

- PFAS Phase 2 Pilot Testing Grant: \$500K awarded in September 2025; engineering design contract approved for \$3.2M.

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- **USDA Funding Delay:** Federal shutdown has delayed CP#2 loan closing; interim financing secured with Truist Bank.
- **Lead & Copper Rule Compliance:** Annual notification letters to be mailed by mid-December 2025; customer survey active.
- **Financial Software Upgrade:** Payroll module launching November 2025; timesheet automation begins this month.
- **Staffing Update:** SGWASA operating at 96% staffing capacity; three positions in final hiring stages; four new hires made.

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Project Dashboard

Project ID	Page #	Project Name	Status	Budget	Timeline	Key Update	Next Steps
1	6	PFAS Mitigation	● On Schedule	\$25M-\$30M	2024–2029	Phase 1 pilot testing underway; Phase 2 grant awarded and starting late 2025; CDM Smith began engineering design funded by \$5M grant.	Continue Phase 1 pilot testing through December 2025; initiate Phase 2 in early 2026; complete engineering design with CDM Smith; await NCDEQ decision on \$26M grant in spring 2026; prepare for construction phase.
2	13	I-85 Sewer Upgrade – CP#1	● On Schedule	\$34M	2025–2028	Construction started April 2025; two new pump stations and sewer pipe installation progressing on schedule and budget.	Continue concrete work and pump station construction; monitor progress to ensure on-schedule delivery.
2	13	I-85 Sewer Upgrade – CP#2	● At Risk	\$30M	2025–2028	Contract awarded to Park Construction for Southern Interceptor; interim financing secured with Truist; USDA loan delayed	Finalize interim financing with Truist Bank; monitor USDA shutdown impact; prepare for construction start; continue evaluating Northern

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Project ID	Page #	Project Name	Status	Budget	Timeline	Key Update	Next Steps
						due to federal shutdown.	Interceptor funding options.
3	15	Lead & Copper Rule	● On Schedule	TBD	2022–2026	Pilot program active; annual notification letters to be mailed mid-December 2025; customer survey supports service line material identification.	Mail annual service line material notification letters by mid-December 2025; collect customer responses; continue pilot program and material identification.
4	16	Water Meter Replacement	● On Schedule	\$1M	2024–2025	All meters and hardware in stock; trial replacements and data transfer test scheduled for November 2025; full rollout in January 2026.	Conduct trial meter replacement and data transfer test in November 2025; full-scale replacements to begin January 2026.
5	17	Financial Software Upgrade	● On Schedule	N/A	2023–2025	Tyler Technologies software implemented; payroll module tested and launched November 2025; timesheet automation	Launch payroll module in November 2025; begin timesheet automation project; communicate paycheck date changes internally.

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Project ID	Page #	Project Name	Status	Budget	Timeline	Key Update	Next Steps
						begins this month.	
6	18	Filter Media Replacement	● On Schedule	\$245K (design). Estimated \$700k construction.	2025–2026	Contract awarded August 2025; filter media ordered; construction to begin November 2025 and complete by spring 2026.	Begin construction in November 2025 upon material delivery; complete project by spring 2026.
7	22	AIA Grant Project for Water Infrastructure Assessment	● On Schedule	\$150k Grant; The AIA grant was funded from state ARPA money; thus, no local funding match is required.	2023–2026	McGill Associates conducting water system inventory, hydraulic modeling, and asset management planning; project on track for January 2026 completion.	Complete asset management plan and CIP projections; complete report by January 2026.
8	24	AIA Grant Project for Wastewater Infrastructure Assessment	● On Schedule	\$200k Grant; The AIA grant was funded from state ARPA money; thus, no local funding match is required.	2024–2026	McGill Associates performing wastewater system assessment; project progressing on schedule with final report due January 2026.	Continue assessment work with McGill Associates; complete report by January 2026.

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Project ID	Page #	Project Name	Status	Budget	Timeline	Key Update	Next Steps
9	26	CIP# 101-10 Water Valve Replacement Project at the Water Treatment Plant – Design & Construction	● On Schedule	\$155,980.00 for design work.	Fall 2024-Fall 2025	Design complete; construction cost estimated at \$710K; project on hold until filter media replacement is finished.	Hold project until filter media replacement is complete; schedule public bidding in 2026.
10	28	CIP# 102-10 Water Quality Improvements	● On Schedule	\$227,340.00.	Fall 2024-early 2026	Hazen & Sawyer updating hydraulic model and developing flushing program; booster station and control assessments underway.	Continue hydraulic modeling and flushing program development; complete assessments and deliverables by early 2026.
11	29	CIP# 101-01 Water Treatment Master Plan: AIA Grant Funded	● On Schedule	\$150K grant from the NCDEQ; SGWASA to pay 20% funding match of \$30k.	Late 2025-January 2027.	Grant paperwork in progress; project kickoff expected late 2025; builds on prior AIA work for asset inventory and condition assessment.	Complete NCDEQ paperwork; initiate project in late 2025; target completion by January 2027.

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Project ID	Page #	Project Name	Status	Budget	Timeline	Key Update	Next Steps
12	30	CIP# 108-01 Facility Needs Study	● On Schedule	\$43,718.00.	November 2024-Fall 2025	McGill Associates evaluating Butner Stem Elementary building for SGWASA use; final layout and report expected fall 2025.	Finalize comprehensive layout of Butner Stem Elementary building; present final report to Board in fall 2025.

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Project Narratives

1) PFAS Mitigation Strategies Program

- a) Background:** PFAS, or “forever chemicals,” are persistent environmental contaminants found in many everyday products. Water utilities like SGWASA do not produce PFAS but SGWASA detected them in the source water.

On April 10, 2024, the EPA finalized enforceable drinking water standards for six PFAS compounds, including PFOA and PFOS, with Maximum Contaminant Levels (MCLs) as low as 4 parts per trillion. A Hazard Index was also introduced for PFAS mixtures.

Key Requirements

- Water systems must complete initial PFAS monitoring by 2027.
- If MCLs are exceeded, corrective actions must be implemented by April 2029.
- Public notification is required for any violations starting in 2029.
- For more details, visit the EPA PFAS website.

PFAS Reduction Technologies

PFAS can be reduced using Granular Activated Carbon (GAC), Reverse Osmosis (RO), or Ion Exchange (IX), with treatment costs ranging from \$2–\$4 per gallon. For SGWASA’s permitted capacity of 7.5 million gallons/day, this equates to an investment of \$15–\$30 million.

In 2022, NCDEQ tested SGWASA’s water for PFAS as part of a statewide assessment. In 2023, SGWASA partnered with CDM-Smith to:

1. Launch a PFAS Pilot Testing Program.
2. Fall 2023 - Submitted two NCDEQ SRF grant applications:
 - \$500,000 for pilot testing.
 - \$22 million for design and construction.
3. Spring 2025 - Submitted the following two NCDEQ SRF grant applications:
 - \$500,000 for additional pilot testing/engineering.
 1. SGWASA was notified in September 2025 by NCDEQ that SGWASA was awarded a \$500,000 grant (SRF-D-EC-0011) for additional pilot testing and engineering services for PFAS removal technologies. The Board of Directors will review and possibly approve additional grant funding documents (Resolution of Acceptance) at the November 12, 2025 Board

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meeting. SGWASA and CDM Smith will start this program following the NCDEQ's approval.

- \$26 million for design and construction.
 - 1. SGWASA was not successful in obtaining any funding or loans for the program.
- 4. Fall 2025 – SGWASA submitted one NCDEQ SRF Grant/Loan application:
 - \$26 million for PFAS reduction technology engineering design and construction.
 - 1. NCDEQ will announce grant/loan recipients in the spring of 2026.

b) What are SGWASA's next steps in moving to compliance with the new Rule for PFAS?

SGWASA has prepared the following approach to meet the April 26, 2029, deadline, as shown in the following table:

Item #	Item	Status	Comments
1	Design a PFAS Pilot Testing Program to determine the most cost-effective PFAS removal techniques for SGWASA's water system.	The Pilot Testing design was initiated and completed in late 2023.	The PFAS pilot testing (phase 1) started in October 2024 and will commence in December 2025. The results of these tests are being used to determine the PFAS removal technologies to be installed at the SGWASA water treatment plant.
2	In 2023 SGWASA applied for NCDEQ State Revolving Fund (SRF) financing/grant for the maximum grant amount of \$500,000 for the PFAS pilot testing, and \$22,000,000 for PFAS mitigation engineering design and construction.	SGWASA received a \$500,000 grant from the NCDEQ to perform the PFAS Pilot Testing program. SGWASA was not awarded funding for the design and construction.	SGWASA has been successful in obtaining grant funding for PFAS pilot studies, however SGWASA has not been successful obtaining grant funding for the PFAS removal design and construction. SGWASA will continue to apply for NCDEQ grant funding for the \$26M design and construction for PFAS removal.

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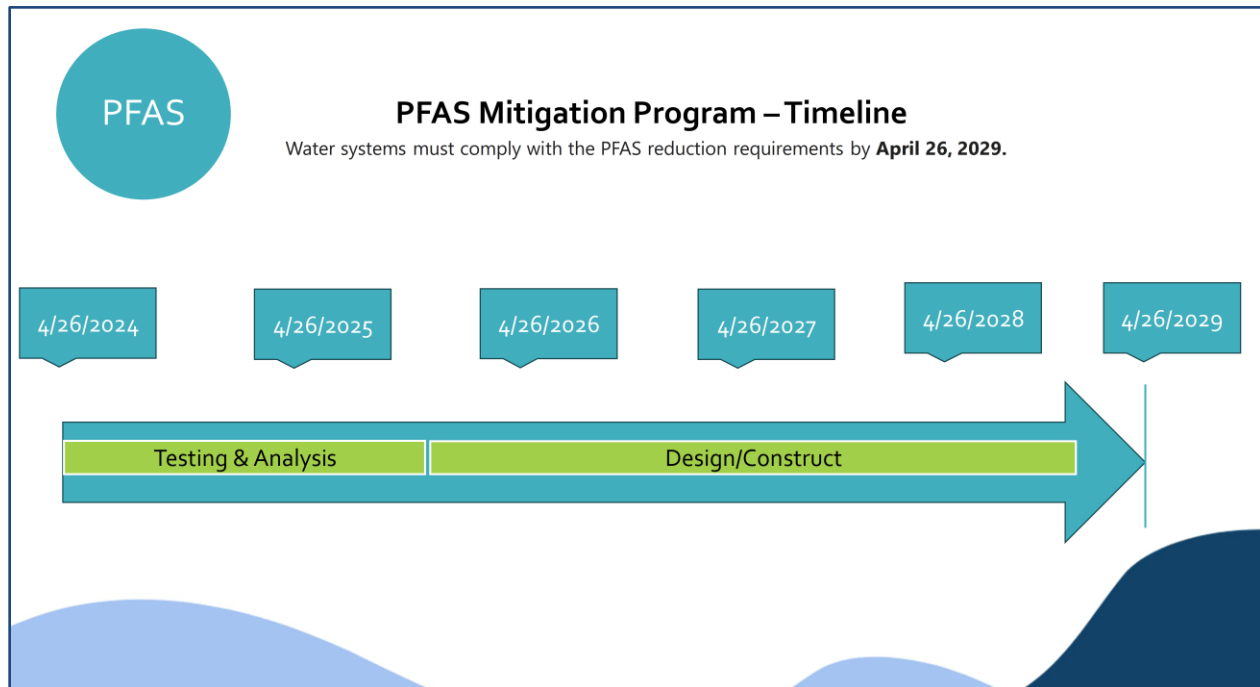
Item #	Item	Status	Comments
3	In 2023, SGWASA received a \$5M grant from the state budget for water/sewer infrastructure improvements. NCDEQ 1.5% grant administration fee = \$4.925M to spend. SRP-D-134-0236	At the October 14, 2025 Board of Directors meeting, the Board members approved a not-to-exceed scope of work and fee for \$3,209,800 for the design and bidding of the PFAS removal project.	CDM Smith and SGWASA are actively working on the design and bidding documents for this project.
4	Conduct PFAS Pilot Testing October 2024 to October 2025.	In progress.	A Summer 2025 PFAS Pilot Project update was provide to the Board of Directors at their August Board meeting. The PFAS Pilot Project (Phase 1) will conclude in December 2025. A second PFAS Pilot Project (Phase 2) grant was received by SGWASA in September 2025. Phase 2 will start in late 2025, early 2026.
5	Seek additional grant funding/SRF loan funding for estimated cost of PFAS removal construction of \$26M+	Ongoing.	If grant(s) cannot be obtained, then SGWASA will decide what financing sources will be used to fund the project. SGWASA submitted a Fall 2025 Grant/SRF Funding request application to the NCDEQ for the project.
6	Construct the PFAS removal process equipment.	Planned.	Goal to complete the PFAS removal project ahead of the required compliance date in April, 2029.
7	Place the new PFAS removal process equipment into	Planned.	Additional annual operating costs will be associated with the new operation. These costs will be factored into the annual operating budget.

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Item #	Item	Status	Comments
	operation prior to 4/26/29. *		* Note: As of May 2025, EPA is considering a 2-year extension to the compliance deadline, thus 4/26/31.

Status (■ In Progress/On Schedule): CDM Smith will conclude the PFAS Pilot Testing Program (Phase 1) in December 2025. A second PFAS Pilot Testing Program (Phase 2) was approved and funded by the NCDEQ for \$500,000 in September 2025. Phase 2 will begin in late 2025/early 2026.

At the October 14, 2025, Board meeting, Board members approved the CDM Smith Scope of Work and associated cost estimate for the project. The approved engineering design budget approved was \$3,209,800. This project is funded by the \$5,000,000 grant received. The engineering design work for the PFAS reduction technology has started yet will take many months to complete. I will keep the Board of Directors updated on our progress.



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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.
- 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. Haren Construction started construction on 4/1/25. Construction is on schedule and on budget.
- c) CP#2 Status:** ■ In Progress): CP#2 was bid in May 2025, but only one bid was received, prompting an extension to June 12. Park Construction NC, Inc., submitted the sole proposal, which exceeded the project budget. SGWASA and CDM Smith conducted value engineering to reduce costs on the Southern Interceptor sewer and evaluated whether the North Interceptor sewer project could be modified or deferred. A recommendation of contract award to Park Construction for the Southern Interceptor Sewer construction occurred at the October 14, 2025, Board of Directors meeting. The Board of Directors approved a contract with Park Construction NC, Inc., in the not-to exceed amount of \$30,238,282. The project is funded in part by the United States of Agriculture (USDA). A project timeline is shown below.

USDA Funding & NC Local Government Commission Status: In August and September 2025, SGWASA worked with the NC Local Government Commission (NCLGC) and bond counsel to secure interim financing for CP#2 construction. A bank loan is needed during construction before USDA finalizes its funding.

- On September 9, the Board approved a resolution for NCLGC to pursue interim financing.
- NCLGC approved the request on October 7 and issued an RFP.
- SGWASA selected Truist Bank's financing terms.
- On October 14, the Board approved the Series Resolution for bond and note financing.

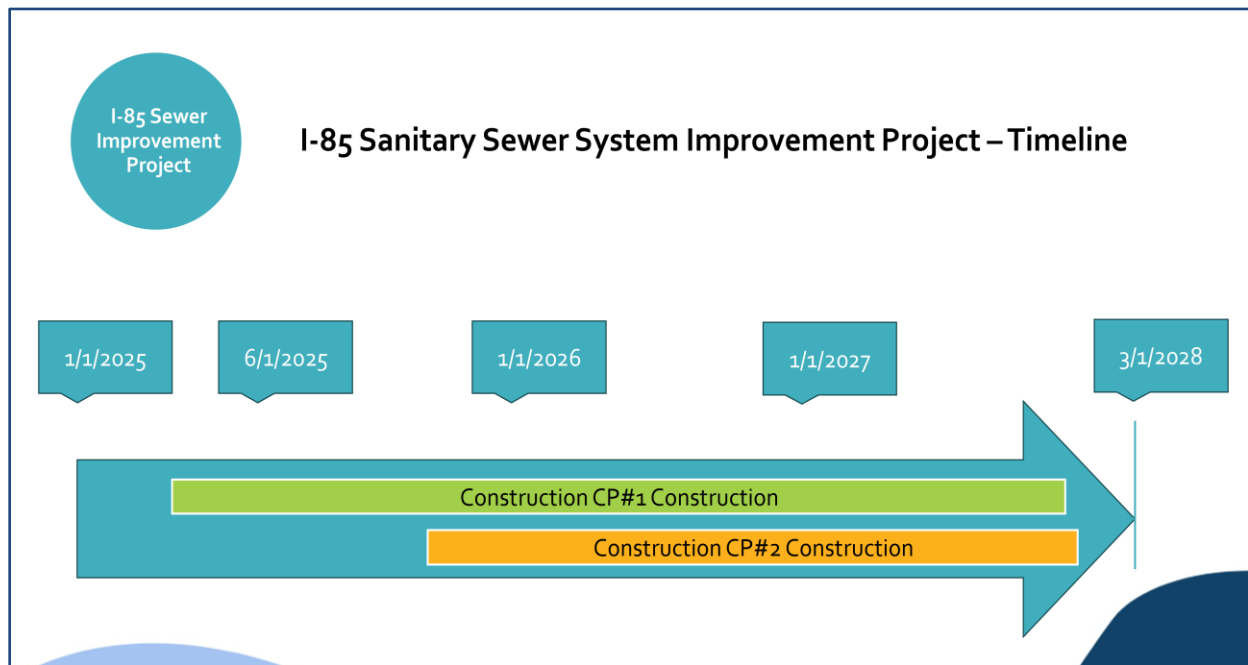
Due to the ongoing federal government shutdown, USDA cannot sign required documents, delaying the loan closing. SGWASA has locked in the interest rate with Truist through mid-December 2025 and aims to finalize financing by then.

Separately, on September 5, the Finance Committee reviewed the \$8M cost for the Northern Interceptor but made no funding decisions. Further discussion is planned.

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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 on the management of the program. SGWASA staff is working with a local service provider to set up a pilot program to identify service line materials.

A part of this project requires SGWASA to notify select customers annually to advise them that SGWASA has not yet determined the material composition of their water service line to their property. This program was initiated in 2024. This program will continue for SGWASA if we have unidentified material service lines. SGWASA continues to The 2025 letters will be mailed to select customers before mid-December 2025.

The specific set of customers who will receive the letter are asked to identify the service line material. The responses will be used for the sole purpose of verifying water service line material as required by the U.S. Environmental Protection Agency's Safe Drinking Water Act, 2021 Lead and Copper Rule Revision.

A service line is the water pipe that connects your home to the public water main. The service line conveys water from the main to the faucets, toilets, and other fixtures within your house and can typically be seen where it enters your home in the basement.

To complete this short 5-minute survey, please have the following available:

- Magnet (a refrigerator magnet works well)
- Penny or a key
- Smart phone or digital camera
- Internet access to upload information

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

Please see the information below for more about this special mailing.

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Under the EPA's Lead and Copper Rule Revisions (LCRR) and Lead and Copper Rule Improvements (LCRI), public water systems like SGWASA are required to send annual notification letters to customers whose service lines are classified as:

- Lead
- Galvanized Requiring Replacement (GRR)
- Lead Status Unknown

Annual Notification Requirements

Who Must Be Notified?

- All people served by the water system at the affected service connection.
- This includes property owners, tenants, and building occupants.
- If tenants are not billed directly, landlords must receive the notice and post it in common areas.

When Must Notices Be Sent?

- Annually by December 31st until the service line is confirmed to be non-lead.
- New customers must receive the notice at the time-of-service initiation (e.g., when a new account is created).

How Must Notices Be Delivered?

- Mail or hand delivery is required.
- Some states allow email or posting in common areas (e.g., schools, nursing homes), but SGWASA must follow NCDEQ's approved methods.

What Must the Notice Include?

Each notice must contain:

- A clear statement that the service line is lead, GRR, or unknown but may be lead.
- Health effects of lead (this language is required and cannot be altered).
- Steps to reduce exposure, such as flushing taps or using filters.
- Information about:
 - Replacement programs (for lead and GRR lines).
 - Verification opportunities (for unknown lines).
 - Testing children for lead exposure.

Discontinuing Notifications

- SGWASA may stop sending notices only when the entire service line is verified as non-lead.

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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 manages approximately 6,600 water meters across its entire service area. In recent years, the utility identified a need to modernize its metering infrastructure by replacing outdated meters with newer, more accurate models. This effort includes the SGWASA/City of Creedmoor service area, which contains about 2,200 meters, many of which are aging and no longer performing optimally. To address this efficiently and cost-effectively, SGWASA opted to contract a specialized firm with expertise in water meter replacement and system upgrades. This initiative is part of SGWASA's Capital Improvement Plan (CIP), listed as Project ID# 102-05, with a total project budget of \$1,000,000.
- b) **Status** (■ In Progress/On Schedule): All new water meters and associated hardware are currently in stock at SGWASA and ready for installation. Due to a financial software upgrade project in 2025, SGWASA staff decided to start the water meter replacement program following the software upgrade. This approach prevents the meter upgrade database from being split between two software systems. Consequently, the water meter replacement project is now scheduled to begin a trial meter replacement data transfer test in late November 2025. Based on the outcome of the trial meter replacement program, full scale meter replacements should start in January 2026.



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

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5) SGWASA – Financial Software Upgrade

- a) **Background:** To modernize SGWASA's financial business and utility billing software to better service its customers, in mid-2024, SGWASA started the process of implementing the new Tyler Technology software. The ongoing implementation is nearing completion and is scheduled for completion in 2026.
- b) **Status** (☒ In Progress/On Schedule): The initial implementation process for the new financial software was completed as of June 30, 2025. An additional module for the new software included payroll processing and time-keeping automation. The payroll module was tested successfully in October 2025 and is scheduled to be fully operational for the November 2025 payroll. Scheduled next for implementation will be timesheet automation. The timesheet automation project kicks off in November 2025. To fully leverage the new computer-based timesheets and payroll processing, SGWASA will be making an important change to the day of the month when paychecks will be deposited. The internal communications for this project are scheduled for release during the week of November 3, 2025. Changes to the paycheck date will occur in February 2026.

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6) Water Treatment Plant Filter Analysis: Filter Media Replacement Needed

a) Background: Between May and September 2024, SGWASA encountered water production issues at the water treatment facility related to the water filtering process. The five water filters struggled to maintain their normal production levels, unable to keep up with the heightened demand that resulted from the higher-than-normal temperatures. To investigate the issues with the water filter system, SGWASA contracted Hazen, one of its on-call professional engineering firms, to conduct a detailed examination. Hazen completed their detailed investigation and recommended the following improvements and optimizations for the filter operations at the SGWASA Water Treatment Plant (WTP):

- **Filter media replacement:** The existing filter media is 22 years old, which exceeds the industry standard for media life of 10-15 years and should be replaced immediately.
- **Rehabilitation of SGWASA Filters:** The underdrain nozzles in the filter vessels should be further inspected and any failed or broken nozzles should be replaced.
- **Consider Replacing Backwash Supply Pump:** The existing backwash pump is not capable of achieving the needed filter media expansion of 30% to provide proper removal of solids
- **Monitor Media Depths.** Plant Operations should plan to monitor media depths annually to track media loss.
- **Source Water Algae Monitoring Program.** Since algae enumerations indicated the presence of known filter clogging species, a routine algal monitoring program beginning in 2025 is recommended.
- **Modify the backwash procedure.** To combat solids retention, it is recommended that the backwash procedure be modified to increase the duration of the high-rate portion of the water backwash.

Based on the recommendations contained in the technical report, SGWASA asked Hazen to develop a scope and fee for the filter media replacement project.

b) Status ( In Progress): The Board of Directors awarded a construction contract to State Utility Contractor at the August 12, 2025 Board of Directors meeting. The filter media material was ordered following Board approval. The filter media will take several months to be produced/delivered. Based on the filter media delivery date, construction on the project will start in November and be completed in the spring of 2026.

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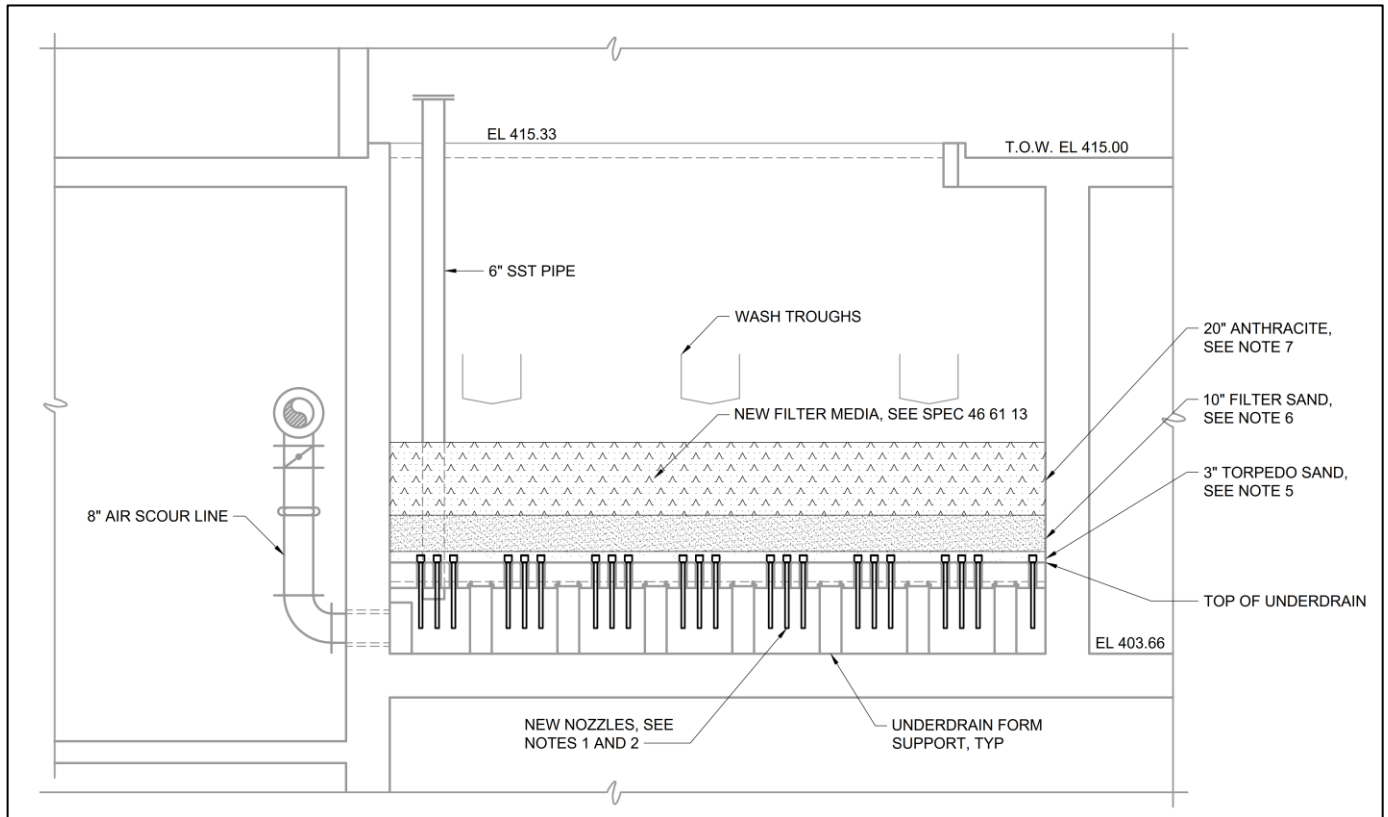


Image: Water Treatment Plant Filter Bed Diagram showing 1 filter bed and the media and nozzles to be replaced.

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7) AIA Grant Project for Water Infrastructure Assessment

- a) **Background:** The North Carolina Department of Environmental Quality (NCDEQ) manages an Asset Inventory Assessment (AIA) Grant program to encourage water and wastewater utilities to become more viable and more initiative-taking in the management and financing of their systems. Grants are limited to \$150,000 from the Wastewater Reserve or the Drinking Water Reserve and may be used over a period of three years. A local match is required based on Local Government Unit indicators, such as percent population change and median household income, compared with the state benchmarks. Awarded grant funds may be used for asset inventory, condition assessment of critical assets, or components of critical assets.

In September 2021, SGWASA applied for and ultimately received approval for an AIA grant in the amount of \$150,000 for use in the Water Distribution System. The AIA grant was funded from state ARPA money; thus, no local funding match is required. SGWASA worked with McGill Associates, SGWASA's contracted consulting engineering firm to complete the application for submittal to NCDEQ for consideration and ultimately approval for an AIA Grant. SGWASA also worked with McGill Associates to develop a scope of services, which was submitted to NCDEQ for review in September 2022. McGill Associates has provided a task order to SGWASA to provide the services as submitted to NCDEQ. The scope of work in the AIA task includes the following:

- Water System Inventory Updates
- Water Plan Assessment and Master Planning
- Water Distribution System Analysis (hydraulic modeling)
- Water Audit
- Asset Management Plan and Updated CIP
- Updated Work Order System Recommendations
- Final Report

- b) **Status** ( In Progress/On Schedule): This project is being performed by McGill Associates. The project is scheduled for completion by 1/1/26.

(See project images on following page)

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AIA Grant Project for Water Infrastructure Assessment Project

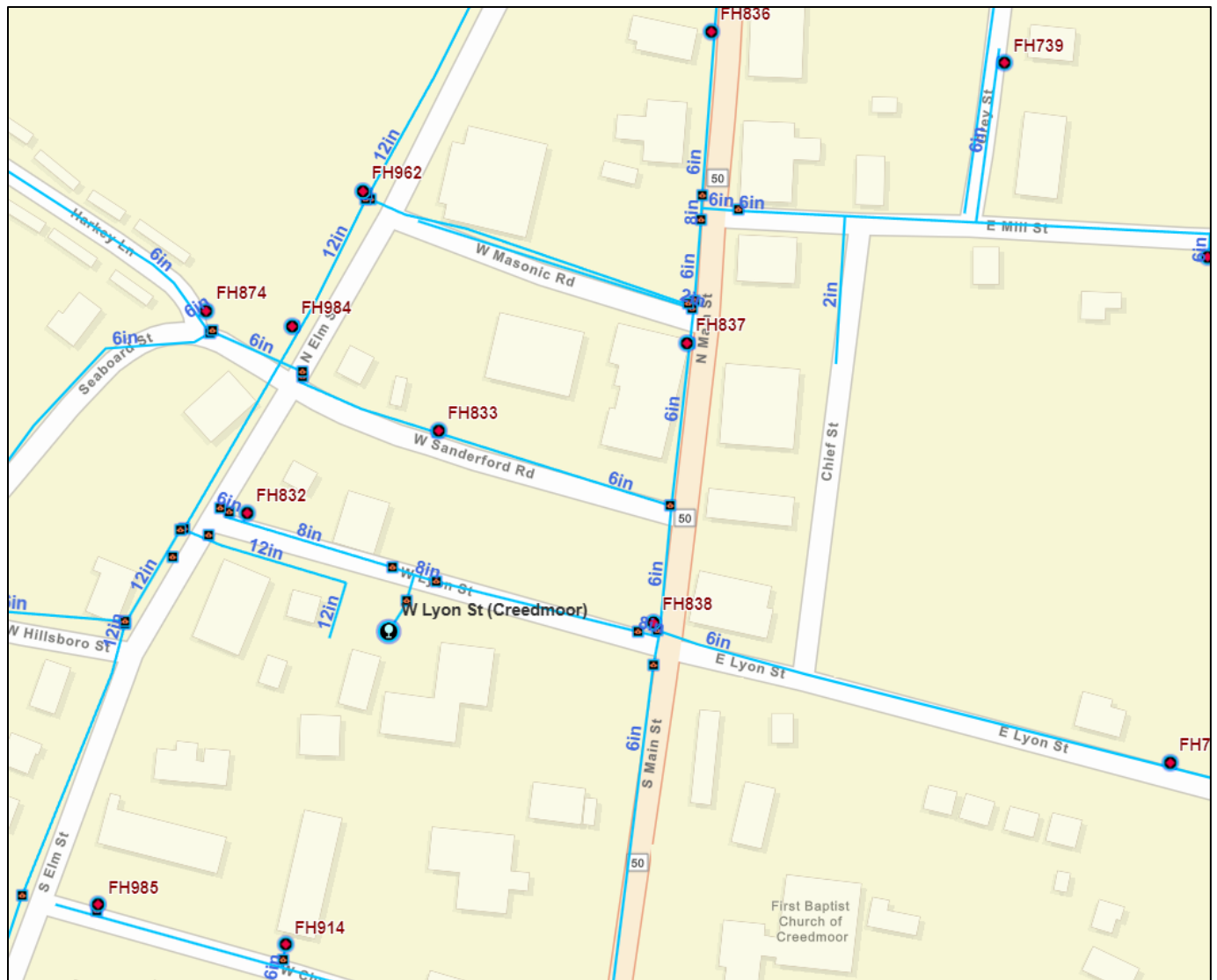


Image: Example of water distribution system network data that is being analyzed as part of the AIA Project.

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8) AIA Grant Project for Wastewater Infrastructure Assessment

- a) **Background:** The North Carolina Department of Environmental Quality (NCDEQ) manages an Asset Inventory Assessment (AIA) Grant program to encourage water and wastewater utilities to become more viable and more initiative-taking in the management and financing of their systems. Grants are paid from the Wastewater Reserve Fund or the Drinking Water Reserve Fund. A local match is required based on Local Government Unit indicators. Awarded grant funds may be used for asset inventory, condition assessment of critical assets, or components of critical assets. In September 2022, SGWASA applied for and received approval in March 2023 for an AIA grant in the amount of \$200,000 for use in the Wastewater Collection System. The AIA Sewer grant was funded from state ARPA money; thus, no local funding match is required.

SGWASA worked with McGill Associates, SGWASA's contracted consulting engineering firm to complete the AIA Sewer Grant application for submittal to NCDEQ. SGWASA also worked with McGill Associates to develop a scope of services for the AIA Sewer Grant which was submitted to NCDEQ for review in September 2022.

- b) **Status** ( In Progress/On Schedule): This project is being performed by McGill Associates. The project is scheduled for completion by 1/1/26.

(See project image on following page)

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AIA Grant Project for Wastewater Infrastructure Assessment Project

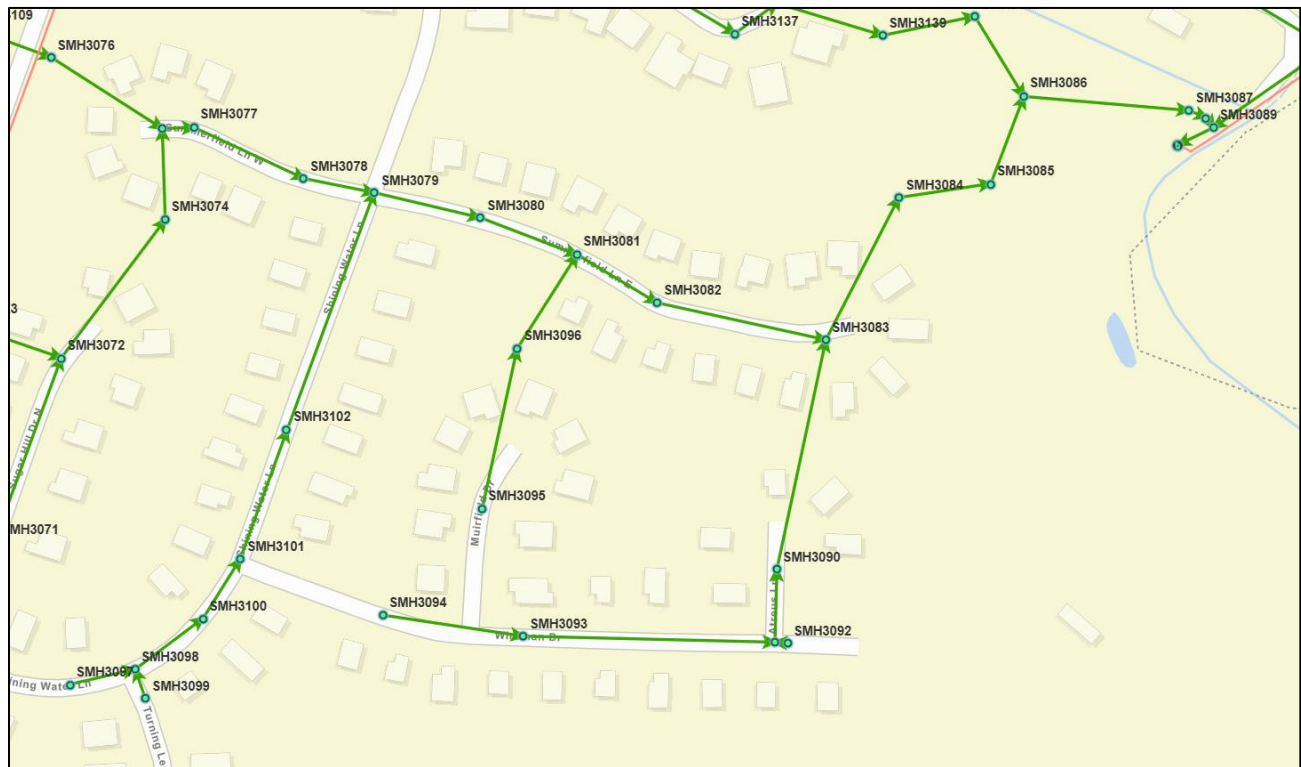


Image: Example of wastewater distribution system network data that is being analyzed as part of the AIA Project.

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

- a) **Background:** Following a main break at the Butner WTP, SGWASA has experienced recurring leaks and valve failures along the water main between the clear well and finished water pumps. These issues have caused erosion and highlighted the lack of bypass options and redundancy in the system.

For this project, Hazen and Sawyer is evaluating valve repair alternatives, followed by final design, permitting, and bidding for the selected solution. Construction-related services may be added later via amendment. The total cost for the project evaluation and design is \$155,980.00. The probable cost of construction will be developed when final repair alternatives are selected.

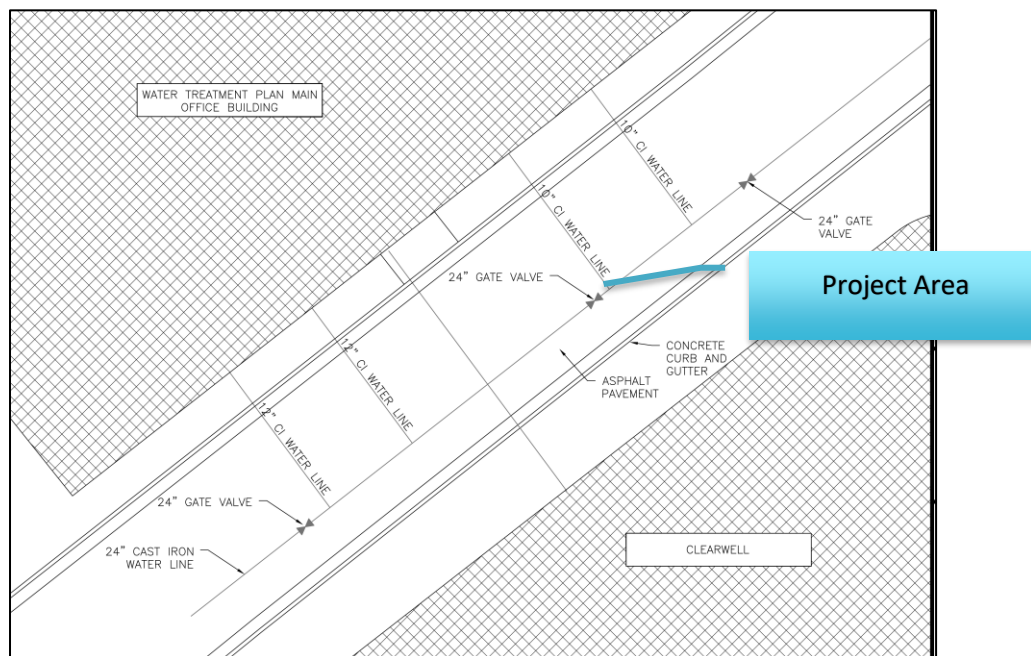
- b) **Status** (🟡On Hold): This project is being performed by Hazen & Sawyer. The project design is 100% complete. The probable cost of construction has been determined at \$710,000.00. Due to the cost of the project, the project will be considered for public bidding and construction in 2026.

(See project images on following page)

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

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10) CIP# 102-10 Water Quality Improvements

- a) **Background:** SGWASA has expressed concerns with the following items related to the water distribution network:
- Lack of hydrant flushing program to keep SGWASA initiative-taking in preventing 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:

- Hydrant Flushing Program
- 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 early 2026.

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

- a) **Background:** SGWASA applied for and received a \$150K grant from the NCDEQ for this project. SGWASA is working with McGill Associates on this project. This project is just in its initial stages of working through all the required grant paperwork submittals and authorization. SGWASA will add the required 20% funding match of \$30K for this project.

In summary, the South Granville Water and Sewer Authority (SGWASA) intends to conduct an Asset Inventory and Assessment study of the Authority's water treatment plant in a project described as the Water Plant Master Plan. This project will build upon previous water system AIA work and will include tasks such as an update of asset inventories, condition assessment of critical assets, and other components of an asset management plan.

- b) **Status** ■ In Progress): The Board of Directors approved a Resolution of Acceptance of the grant award at their October 14, 2025, Board of Directors meeting. The NCDEQ required Resolution stipulated that SGWASA will abide by the terms and conditions of the grant funding. This project will commence in late 2025 and is scheduled for completion by January 2027.



Image: SGWASA Water Treatment Plant

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12) CIP# 108-01 Facility Needs Study

- a) **Background:** The organizational-wide facility needs study evaluates SGWASA's current facilities and determines future facility needs for the next 30 years. This study focuses on several operating departments, such as administration, located in the Butner Town Hall, the wastewater treatment plant, and the water/sewer utilities operations. As separate AIA study is being performed for the water treatment facility master plan. McGill Associates is performing both studies. The cost for the Facility Needs study is \$43,718.00. The Board of Directors will be provided with a final report/overview in the fall of 2025.

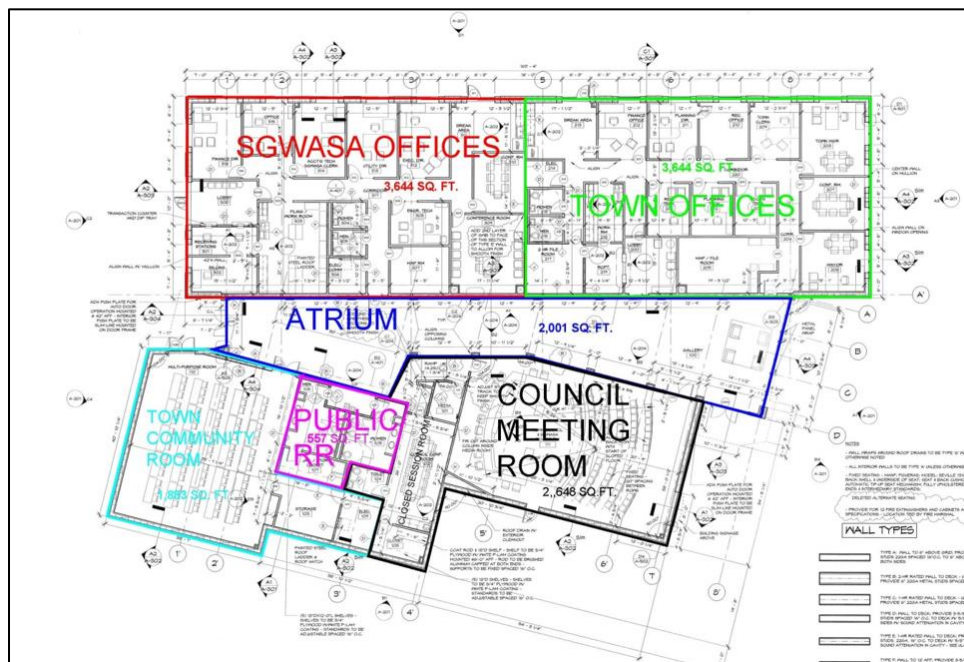
Leased Space Information: Presently, SGWASA has a 20-year lease with the Town of Butner. The lease originated in 2011. A summary of the lease is found below.

- **Premises:** 416B Central Avenue, Butner, NC — approx. 3,644 sq ft. SGWASA also has access to:
 - Atrium: approx. 2,001 sq ft
 - Council & Closed Session Rooms: approx. 2,648 sq ft
 - Public Restrooms: approx. 557 sq ft
 - Shared parking and common areas (excluding Town Community Room)
- **Initial Term:** 20 years.
- **Rent for Initial 20-year period:**
 - Base Annual: \$60,000
 - Base Monthly: \$5,000
 - Total Annual: Base Rent
- **Rent for two consecutive 10-Year Leases, following Initial 20-year period:**
 - Base Annual: \$43,718.00
 - Base Monthly: \$3,643.17

- b) **Status** (■ In Progress): This project started in November 2024 and is scheduled for completion in the fall of 2025. In September, certain SGWASA team members and the McGill project team members toured one of the vacant buildings at the Butner Stem Elementary School campus to determine if the vacant building would be suitable for certain SGWASA administration functions. The McGill project team is presently working to provide a high-level comprehensive layout/plan of the facility and the existing property to better understand if the property is suitable for SGWASA's needs. The Board of Directors will be updated on this topic at an upcoming Board meeting.

(See project images on following page)

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Images: Butner Town Hall - SGWASA leases office space from Butner

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Board Actions (Past 90 Days)

Board Meeting Month/Year	Topic	Status
August 2025	Purchase of one new 2026 Ram 1500 for Engineering Department	Approved by the Board of Directors. Item ordered following the Board meeting.
August 2025	Purchase of two (2) new 2026 Ford F350 trucks with service bodies and cranes for the Utilities Department Team	Approved by the Board of Directors. Item ordered following the Board meeting.
August 2025	Purchase of one new 2025 Ford Ranger for Wastewater Treatment Plant Team	Approved by the Board of Directors. Item ordered following the Board meeting.
August 2025	Internal Control Policy Related to Receiving American Rescue Plan Act (ARPA) Funds	Approved by the Board of Directors. Item sent to NCDEQ for their review. NCDEQ acknowledged that we are now in full compliance with the ARPA requirements.
August 2025	Water Treatment Plant Filter Media Replacement Project Award of Contract	Approved by the Board of Directors. Contracts being signed. Contractor establishing a start construction date based on material delivery.
August 2025	Fiscal Year 2025-2026 Budget Amendment #2	Approved by the Board of Directors.
August 2025	Fiscal Year 2025-2026 Budget Amendment #3	Approved by the Board of Directors.
August 2025	SGWASA PFAS Pilot Study Update- Summer 2025	Presentation Only – No Board action required.
September 2025	Award of Contract to Vision NC, LLC for Sewer Cleaning and Televising	Approved by the Board of Directors.
September 2025	Resolution for FY24-25 Local Government Commission (NCLGC) Application for USDA Bond Issuance	Approved by the Board of Directors.
September 2025	Fiscal Year 2025-2026 Budget Amendment #4	Approved by the Board of Directors.
October 2025	Series Resolution, authorizing the financing terms for and the issuance of a Water and Sewer System Revenue Bond Anticipation Note, Series 2025 (the "BAN") for the I-85 Sanitary Sewer Improvement Project	Approved by the Board of Directors.

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Board Meeting Month/Year	Topic	Status
October 2025	Contract Award for I-85 Sanitary Sewer Improvements, Construction Package 2	Approved by the Board of Directors.
October 2025	Post Filter PFAS Treatment System Directed Projects Grant \$5M Resolution by Governing Body of Recipient & Agreement Between the South Granville Water And Sewer Authority and CDM Smith for Preliminary and Final Design of a Post Filter PFAS Treatment System at the SGWASA Water Treatment Plant in an amount not to exceed \$3,209,800	Approved by the Board of Directors.
October 2025	North Carolina Department of Environmental Quality (NCDEQ) Water Treatment Plant Master Plan Asset Inventory Assessment (AIA) Program Grant – Resolution of Acceptance	Approved by the Board of Directors.
October 2025	Purchase Valve Exercise Machine for Utilities Department	Approved by the Board of Directors.
October 2025	Request to Purchase Two New Sanitary Sewer Bypass Pump from Sunbelt Rentals, Inc of Wake Forest, NC.	Approved by the Board of Directors.
October 2025	Request to Purchase Sewer Jet Vac Machine for Sewerline Maintenance Department	Approved by the Board of Directors.
October 2025	Purchase of 2025 Caterpillar 304 Mini Excavator for Utilities Department	Approved by the Board of Directors.
October 2025	Sewer Line Extension for Elbert Street in Creedmoor, NC	Approved by the Board of Directors.
October 2025	Fiscal Year 2025-2026 Budget Amendment #5, 6, 7, 8	Approved by the Board of Directors.
October 2025	Collection System Upgrades: Capital Project Ordinance Amendment #3	Approved by the Board of Directors.
October 2025	SGWASA Board of Directors 2026 Meeting Schedule	Approved by the Board of Directors.
October 2025	Proposed 2026 SGWASA Holiday Schedule	Tabled until the November 2025 Board meeting.

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Utility Operations Highlights

Water Distribution System Topics

1. Utility crews continued working in coordination with the water treatment plant staff to flush hydrants and collect samples of water to analyze the iron and manganese throughout the water distribution area.

Wastewater Collection System Topics

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

Water Treatment Plant Topics

- 1) No water processing/operating issues. Team working with the Utilities team on water sample collection and analysis.

Wastewater Treatment Plant Topics

- 1) No operating issues.

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 at 96%. The following is a breakdown of the status of several vacancies.

Vacant Positions – Currently Advertising and/or Interviewing

Utility Maintenance Mechanic (1)

Wastewater Pump Station Mechanic (1)

Vacant Positions – Final Candidate Selected/Pending Background Checks

Utility Maintenance Mechanic (1)

Recent New Hires

Customer Service Representative (1)

Wastewater Pump Station Mechanic (1)

Utility Maintenance Mechanic (1)

Recent Internal Promotions

None

(End of Report)