

South Granville Water And Sewer Authority

Executive Director's Monthly Project Update Report

September 2025

To: SGWASA Board Members

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

Topic: Topics Update Report for September 2025

Date: Report Issue Date 10/6/25

Executive Summary

This report provides an overview of SGWASA's ongoing projects, combining a high-level dashboard with detailed narratives. It highlights progress, challenges, and next steps for each major initiative, along with staffing updates and recent Board actions. I will respond to any questions you may have following your review of the information contained below.

Portfolio Overview

SGWASA is currently managing 12 active capital projects, all of which are on schedule. Significant progress was made this month across several initiatives, including:

- Completion of PFAS Pilot Testing results, guiding the next phase of engineering design.
- Award of the Filter Media Replacement contract following a successful bid process.
- Continued construction of I-85 Sewer Upgrade CP#1 and value engineering for CP#2.
- Coordination with vendors to finalize the Water Meter Replacement start date.

Funding Snapshot

- \$5M State Grant for PFAS removal project.
- \$500K NCDEQ Grant received for PFAS Pilot Testing.
- Additional \$26M Grant Request submitted for PFAS construction; decision expected spring 2026.
- CP#2 Sewer Upgrade under review for USDA funding.
- The SGWASA Finance Committee met on September 5, 2025, to review funding strategies for major infrastructure projects, including PFAS and sewer upgrades.

Upcoming Board Actions

- October 2025:
 - AIA Grant Resolution for Water Treatment Plant Master Plan Study.
 - Purchase of various pieces of utility equipment, as approved in the FY25-26 Budget.

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- Various budget amendments to support the legislative items included on the meeting agenda.
- Capital Project Ordinance Amendment
- 2025 Holiday and Board meeting schedules.
- Contract recommendation for CP#2 construction.
- Fall 2025: Final report on Facility Needs Study.

Project Dashboard

Project ID	Page #	Project Name	Status	Budget	Timeline	Key Update	Next Steps
1	6	PFAS Mitigation	● On Schedule	\$25M-\$30M	2024–2029	Pilot Testing results provided clear direction on the PFAS reduction materials to be used.	CDM-Smith developed the Scope of Work, including cost estimate for the PFAS reduction design. This item will be reviewed by the Board at their October meeting.
2	13	I-85 Sewer Upgrade – CP#1	● On Schedule	\$34M	2025–2028	New Joe Peed Pump station and E. Middleton Rd. pump stations are under construction.	Concrete work on the new facilities continued during September.
2	13	I-85 Sewer Upgrade – CP#2	● At Risk	\$30M	2025–2028	Project Bid over budget by \$8M. Evaluating alternate design and bidding for the Northern Interceptor	Still determining how best to proceed with the Northern Interceptor project due to the cost of the project.

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						sewer portion. SGWASA is moving forward with Southern Interceptor of Project.	Considering re-bidding the project.
3	15	Lead & Copper Rule	● On Schedule	TBD	2022–2026	Pilot program in place	Material ID pilot underway.
4	16	Water Meter Replacement	● On Schedule	\$1M	2024–2025	Contractor starting test work in October 2025. Test work includes changing out a small sample of meters and ensuring the technology transfer works accurately.	Following a small sample set of meter replacements, the vendor will schedule a start date to perform the work.
5	17	Financial Software Upgrade	● On Schedule	N/A	2023–2025	Key billing and financial components installed and operational starting FY25–26.	SGWASA team is initiating the new payroll software components in November 2025.
6	18	Filter Media Replacement	● On Schedule	\$245K (design). Estimated \$700k construction.	2025–2026	Board of Directors awarded a contract to State Utility	State Utility Contractors will start the project in November based on the

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Project ID	Page #	Project Name	Status	Budget	Timeline	Key Update	Next Steps
						Contractors at the August 12 TH Board meeting at a cost of \$897,753.00.	filter media material delivery date.
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	Project in progress and on schedule.	Consultant completing updated asset management plan and Capital Improvement Plan projections.
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	Project in progress and on schedule.	Consultant completing updated asset management plan and Capital Improvement Plan projections.
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 work and probable cost of construction completed. Will bid work in 2026.	The project design is 100% complete. The probable cost of construction is \$710,000. This project will be scheduled for bidding once the water filter material project is completed.

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Project ID	Page #	Project Name	Status	Budget	Timeline	Key Update	Next Steps
10	28	CIP# 102-10 Water Quality Improvements	● On Schedule	\$227,340.00	Fall 2024-early 2026	Updating the hydraulic model.	Developing the hydrant flushing program.
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.	This project is just in its initial stages of working through all the required grant paperwork submittals and authorization.	Completing required NCDEQ forms.
12	30	CIP# 108-01 Facility Needs Study	● On Schedule	\$43,718.00	November 2024-Fall 2025	Working on facility master planning and evaluating some potential buildings for SGWASA's use.	The Board of Directors will be provided with a final report/overview in the fall of 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 two NCDEQ SRF grant applications:
 - \$500,000 for additional pilot testing/engineering.
 - 1. SGWASA was notified in late September by NCDEQ that SGWASA has been awarded an additional \$500,000 grant for continued pilot testing of new PFAS removal technologies, and engineering services.

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2. Additional information about this topic along with the required funding documents will be presented to the Board of Directors at future Board meetings.
 - \$26 million for design and construction.
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	Cost
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.	None.	SGWASA spent \$45,485 on this task.
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 will continue to apply for NCDEQ grant funding for the \$26M design and construction for PFAS removal.	SGWASA spent \$15,985 on this task.

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Item #	Item	Status	Comments	Cost
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	In January 2025, SGWASA and CDM Smith submitted to the NCDEQ a Request for Funding for the engineering design, bidding services, and construction for the PFAS removal project.	SGWASA received information from the NCDEQ in March 2025 regarding a Notice of Intent to Fund the work associated to the PFAS removal project. SGWASA and CDM Smith completed the engineering Scope of Work, including cost for this project. The CDM Smith Scope of Work and associated cost will be presented to the Board of Directors for their review/approval at the October 12, 2025 Board Meeting.	SGWASA will pay \$75,000 for 1.5% grant administration fee. The cost associated to the Scope of Work = \$3,209800.00
4	Conduct PFAS Pilot Testing October 2024 to October 2025.	In progress.	The July 2025 PFAS Pilot Testing results provided for the criteria for engineering design and construction. A Summer 2025 PFAS Pilot Project update was provided to the Board of Directors at their August Board meeting.	SGWASA received a \$500,000 grant from the NCDEQ to perform the PFAS Pilot Testing program.
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 determine 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.	TBD

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Item #	Item	Status	Comments	Cost
6	Construct the PFAS removal process equipment.	Planned.	Goal to complete the PFAS removal project ahead of the required compliance date.	TBD
7	Place the new PFAS removal process equipment into operation prior to 4/26/29. *	Planned.	Additional annual operating costs will be associated with the new operation. These costs will be factored into the annual operating budget. * Note: As of May 2025, EPA is considering a 2-year extension to the compliance deadline, thus 4/26/31.	TBD

Status (In Progress/On Schedule): CDM Smith will conclude the PFAS Pilot Testing Program in October 2025. At the August 12, 2025 Board meeting, staff provided the Board members with an update on the most recent test results, including a recommendation from CDM Smith on which PFAS removal technologies will be best for SGWASA to design and install. A summary of the technical information provided by CDM Smith is found below.

CDM Smith and SGWASA have completed the draft engineering design Scope of Work and related cost estimate, which is the next phase of this project. The Board of Directors will be reviewing the proposed Scope of Work and associated cost estimate at their October 2025 Board meeting. If the proposal is approved by the Board of Directors, then the engineering design work for the PFAS reduction technology will start.

Additionally, in September 2025, SGWASA and CDM Smith submitted another NCDEQ Funding request for future PFAS reduction construction.

Lastly, the SGWASA Finance Committee met on 9/5/25 at 9:00am at the Butner Town Hall to review various topics, including the cost associated with debt financing a \$26M PFAS construction project.

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PFAS Pilot Update – Summer 2025

Overview: The PFAS (per- and polyfluoroalkyl substances) pilot program at the South Granville Water and Sewer Authority (SGWASA) Water Treatment Plant has been successfully operating for over nine months. The pilot evaluated three treatment media:

- **Calgon F-400 Granular Activated Carbon (GAC)**
- **DuPont Amberlite PSR2+ Anionic Exchange Resin (AER)**
- **Fluorosorb 200 Novel Sorbent (NS)**

All media have effectively removed PFAS compounds, with no breakthrough observed (i.e., no PFAS detected above EPA's Maximum Contaminant Levels [MCLs]).

Key Findings:

- **PFAS Removal Performance:** All tested media consistently reduced PFOA and PFOS concentrations below EPA MCLs. SGWASA's current powdered activated carbon (PAC) system helps reduce PFAS but is insufficient alone for compliance.
- **Priority Compounds:** PFOA and PFOS are the primary PFAS compounds in SGWASA's raw water and should be the focus of initial treatment efforts.
- **Design Flexibility:** A pressure vessel contactor system is recommended to allow future media changes in response to evolving regulations and technologies.

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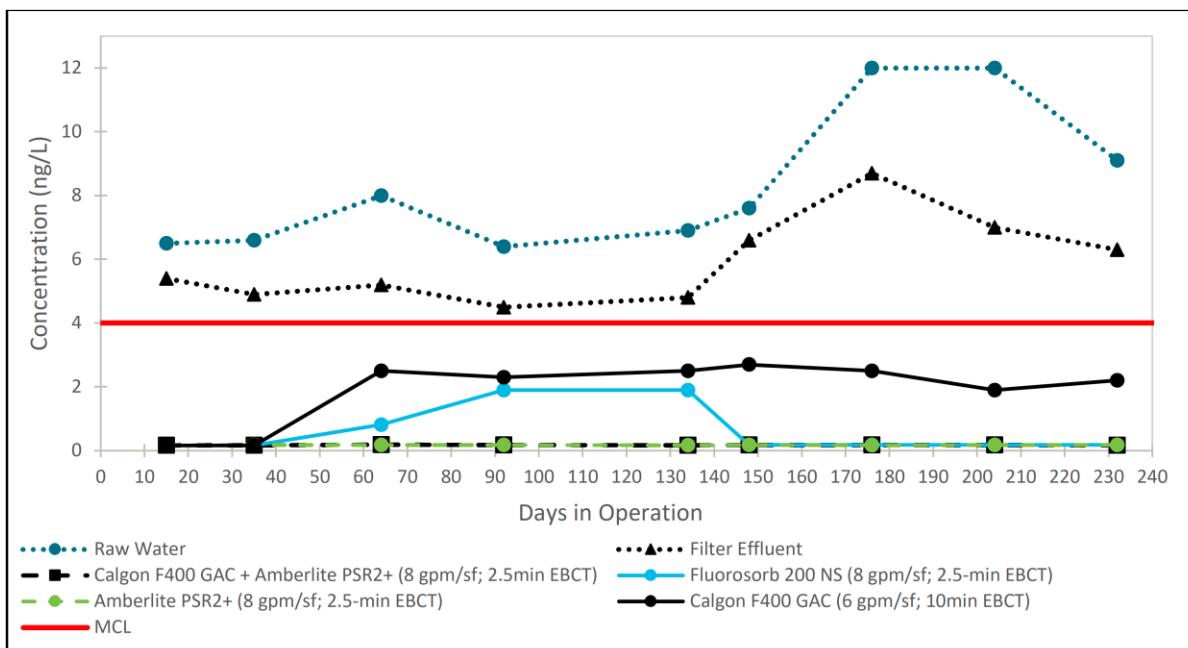


Figure 1. PFOA Concentration vs. Days of Operation

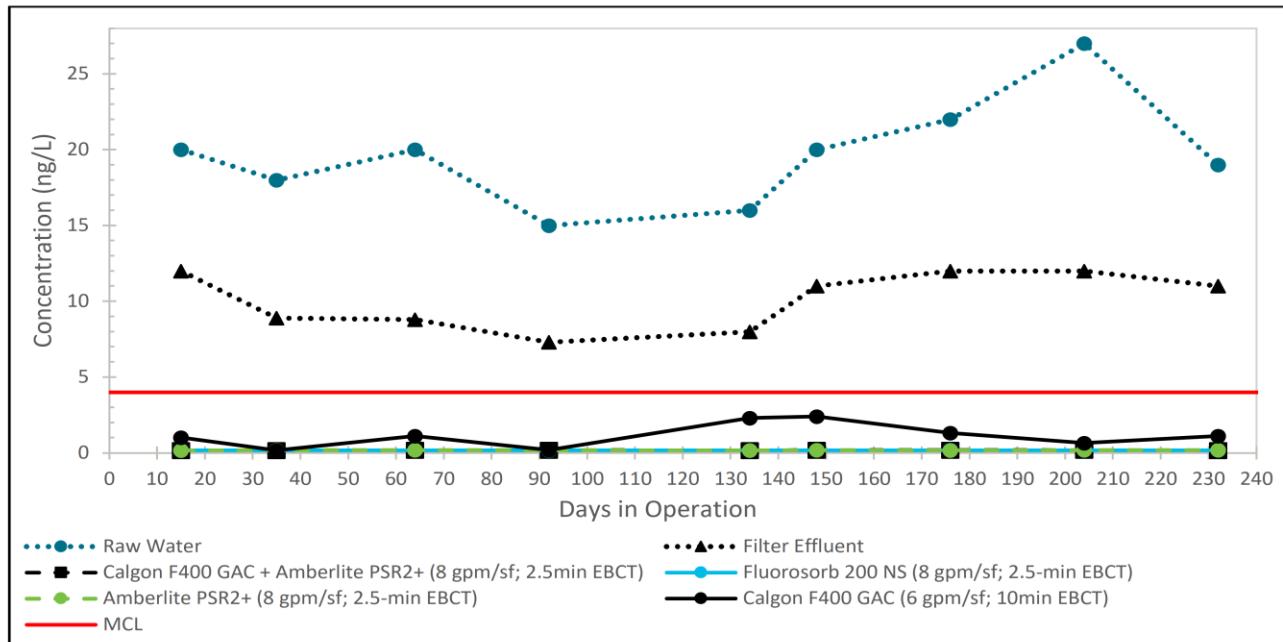


Figure 2. PFOS Concentration vs. Days of Operation

Recommendations:

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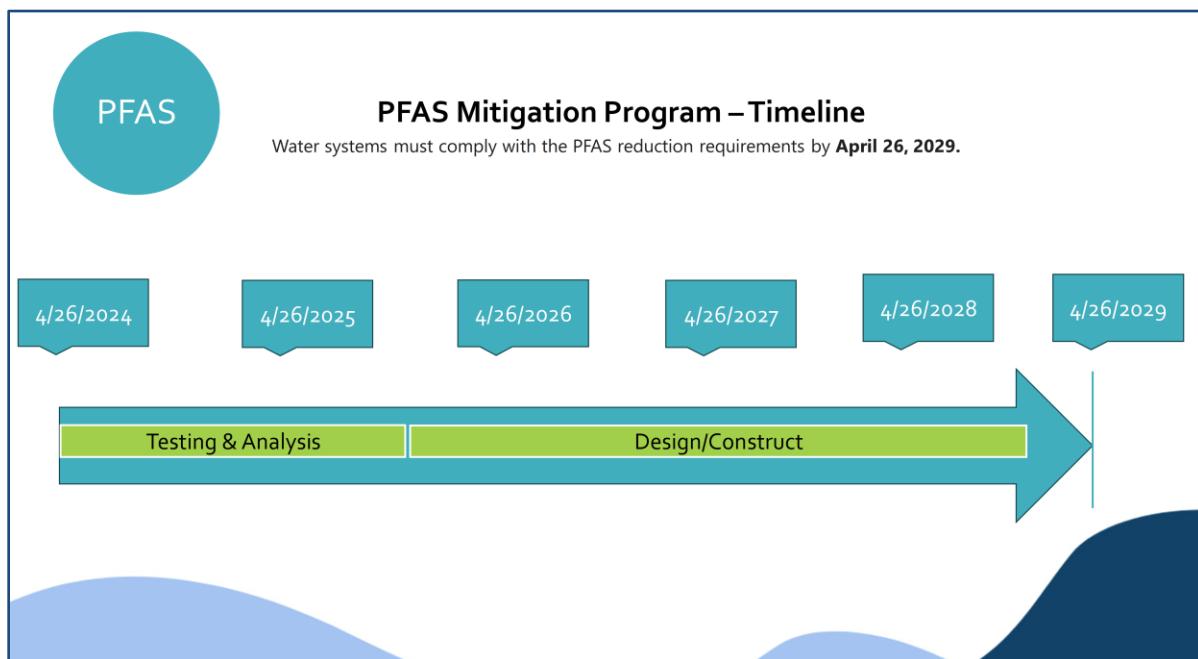
- Proceed with Full-Scale Design:** Begin detailed design of a system that can accommodate any of the three tested media, ensuring flexibility and regulatory compliance.
- Extend Pilot Duration:** From 10 to 12 months to potentially observe media breakthrough and gather more data for lifecycle cost analysis.

Project Schedule Highlights:

The project team has executed the project on time as defined by the schedule in Task Order No. 1, PFAS Pilot Testing, and the subsequent project kickoff meeting. The following table provides a new schedule for pilot testing and reporting, and design development.

Table 1. Completed Milestones

Milestone	Target Delivery	Date Delivered	On Schedule
Pilot Startup and Commissioning	Mid-October 2024	10/14/2024	Yes
Progress Update – 90-day	End of January 2025	01/30/2025	Yes
Progress Update – Pilot Midpoint	April/May 2025	04/08/2025	Yes
Progress Update – Design Recommendations	Mid July	07/10/2025	Yes



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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 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 can be modified or deferred. A recommendation of contract award to Park Construction for the Southern Interceptor Sewer construction is anticipated to occur in October 2025. The project timeline is shown below.

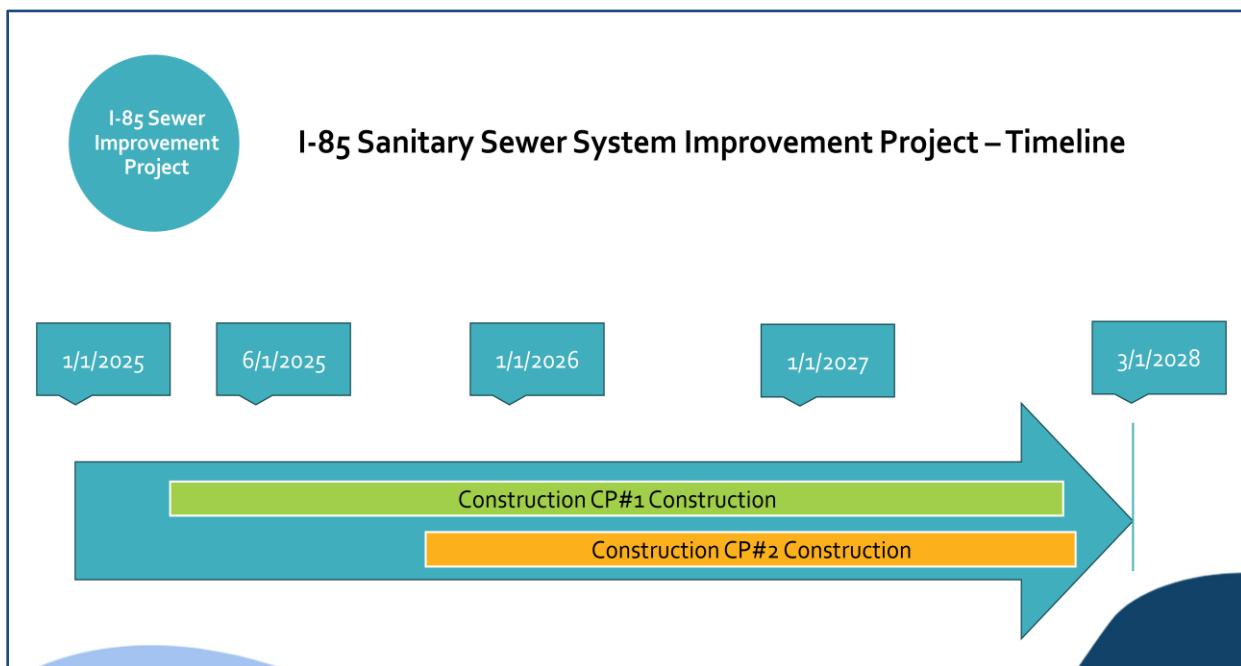
USDA Funding & NC Local Government Commission Status: Throughout August and September, 2025, SGWASA staff met with the NC Local Government Commission (NCLGC) to discuss the construction loan application/approval process for CP#2. A bank loan is necessary during construction, prior to the USDA providing the final loan for the completed project. SGWASA staff also met with SGWASA's bond counsel to determine the next steps forward in the funding process. A Board Resolution for the NCLGC funding application was presented at the September Board of Directors meeting, in preparation for the NCLGC's meeting in October. The Resolution allowed the NCLGC to seek/obtain interim funding during construction. Two proposals were received from the interim financing. The NCLGC is scheduled to review/approve SGWASA's funding request at their 10/7/25 meeting. A Series Resolution for the Bond and Note financing will be presented to the Board of Directors at the October 2025 Board meeting. Following the Board's approval of the Series Resolution, SGWASA will close on the financing and be in position to award the construction contract to Park Construction.

Lastly, the SGWASA Finance Committee will meet on 9/5/25 at 9:00am at the Butner Town Hall to review various topics, including the cost associated with debt financing the Northern Interceptor pipe project at \$8M. No funding decisions were made by the Finance Committee for the project. A future Finance Committee meeting will discuss the project funding scenarios and determine a path forward.

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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.

Note: On 10/8/24, Hazen & Sawyer provided the SGWASA Board of Directors with a Lead and Copper Program status update presentation. The presentation begins around the 7-minute mark in the meeting video. The YouTube video link is found below.

<https://www.youtube.com/watch?v=F1aXIKAAebQ>

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



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

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 November 2025. Based on the outcome of the trial meter replacement program, full scale meter replacements could start as soon as December, yet, due to the holidays, will most likely 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:** Since 2006, SGWASA has relied on Harris Computer's ICS software as its primary system for financial, billing, and customer service operations. Despite periodic upgrades and enhancements, it was determined in 2022 that the Harris ICS platform no longer met SGWASA's evolving needs. Consequently, SGWASA's executive management team decided to seek proposals for new financial software.

In August 2023, SGWASA staff issued a Request for Proposals (RFP) for new financial software and implementation services. At the January 9, 2024, Board of Directors meeting, the Board approved a contract with Tyler Technologies for the new financial software and implementation services.

b) **Status (■ In Progress/On Schedule):** The initial implementation process for the new financial software was completed as of June 30, 2025. SGWASA and Tyler are completing the final implementation and testing of the new payroll module. The payroll module is being tested in October and is scheduled to be operational in November 2025.

c) **Customer Service Utility Bill Payment Information:** SGWASA's customer portal houses all utility account information. Creating a profile provides important access to account details, utility usage information, and payment data for customer account(s). <https://www.sgwasa.org/payment>

A convenience fee is charged to process all credit and debit card payments. Customers can avoid paying the additional fee by selecting one of the following payment options:

Option 1: Phone (Automated) - Pay by phone at (833-510-6338) with your account number and

Option 2: Bank Bill Pay (Online) - Pay electronically using your bank's online bill payment option.

Option 3: SGWASA's Welcome Center - Visit SGWASA's Welcome Center located at 415 Central Avenue, Suite B in Butner, NC from 9 AM to 4 PM Monday through Friday to make payment by cash, check, cashier's check, credit card, or debit card.

Option 4: Drop Box - Customers may submit payment by check in the drop box located in the SGWASA parking lot. Enclose the payment in an envelope labeled the customer's name and service address.

Option 5: Bank Draft - Complete the required authorization form ([linked here](#)) to preauthorized debits directly from your bank account.

Option 6: Postal Mail - Check payments can be submitted via postal mail to SGWASA at 415 Central Avenue in Butner, NC 27509.

Option 7: Text to Pay – Coming Soon.

[VISIT PAYMENT PORTAL](#)

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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 began their work in mid-July 2024 and completed their investigation, along with a final technical memo, in December 2024. Based on their observations and data analyses, Hazen 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, in December 2024, SGWASA staff asked Hazen to draft a scope of work (including fees) for further analysis, design, bidding, and construction project management for the water filter media replacement. In January 2025, SGWASA received the draft scope of work. The scope of work was estimated to take 6 months at a cost of \$318,900. This cost did not include the actual cost for the filter replacement, which could range between \$650,000-\$750,000.

Based on the draft scope of work, primarily focusing on the amount of time to complete the work and the cost of the professional services, less the actual construction cost, SGWASA staff decided to seek cost estimates from several filter media replacement vendors to evaluate the total estimated cost for the entire project. Following this evaluation in February, SGWASA determined that scope modifications were needed, and returned to working with Hazen to modify their scope of work.

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On March 11, 2025, SGWASA staff requested the Board of Directors review/approve the scope of work provided by Hazen for the project, at a total cost of \$222,800. Furthermore, SGWASA staff requested a 10% contingency for the work, bringing the total project cost to \$245,080. The Board of Directors approved the scope of work and the contingency.

b) **Status** (In Progress/On Schedule): The project schedule is as follows:

Submittal	Due Date	Status
90% Design Submittal (drawings, specifications, and cost opinion.)	3 months from Notice to Proceed – by July 1, 2025.	Completed ahead of schedule.
Bid-Ready Submittal	2 weeks following resolution of all permitting/submittal comments – By August 1, 2025.	Completed ahead of schedule.
Bid Project	TBD	Project bid on July 7, 2025. Due to one bid being received, bid was readvertised with bid opening on 8/5/25. 8/5/25 Bid results: Only one bid was received. The bid was from State Utility Contractors in the total amount of \$897,753.00. The total bid amount included a \$100,000 allowance for concrete repairs in the five basins.
Bid Award by Board of Directors	TBD	August 12, 2025.
Construct Project	TBD	November 2025 start

Financial: This project was not previously identified in the SGWASA FY24-35 CIP since it was an unplanned project that came to SGWASA's attention late last fall. Due to this project not being included in the 10-Year SGWASA CIP, and SGWASA's financial commitment to current capital improvement projects related to the water and sanitary sewer systems, the Executive Director and the Finance Director recommended this project be funded via Operating Fund Balance.

Staff presented this item to the Board of Directors for consideration of award at the August 12, 2025 Board of Directors meeting. The Board of Directors approved the contract award. Filter media material was ordered following Board approval. The filter media will take several months

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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.

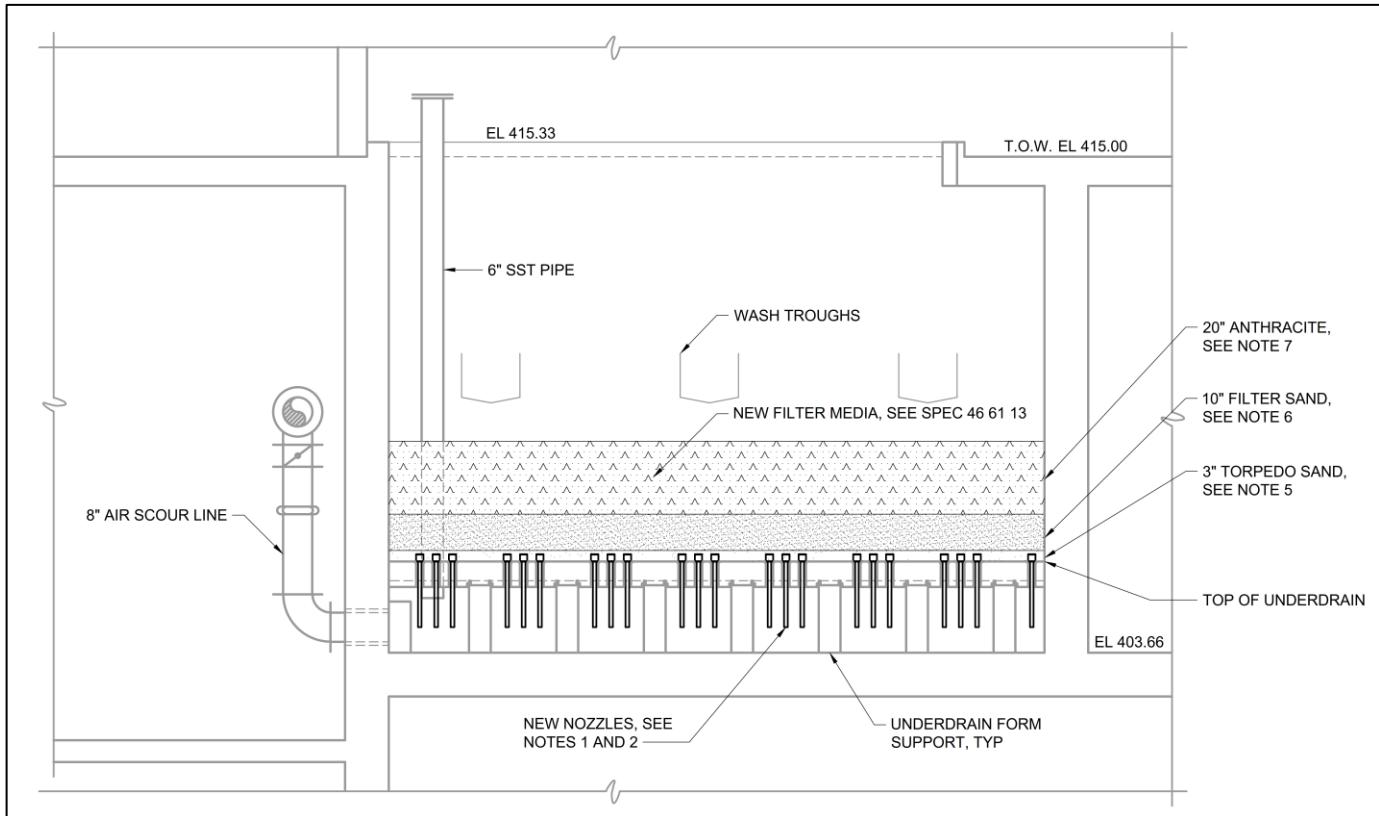


Image: Water Treatment Plant Filter Bed Diagram showing 1 filter bed and the media and nozzles to be replaced.

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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 will be completed prior to 1/1/26.

(See project images on following page)

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AIA Grant Project for Water Infrastructure Assessment Project

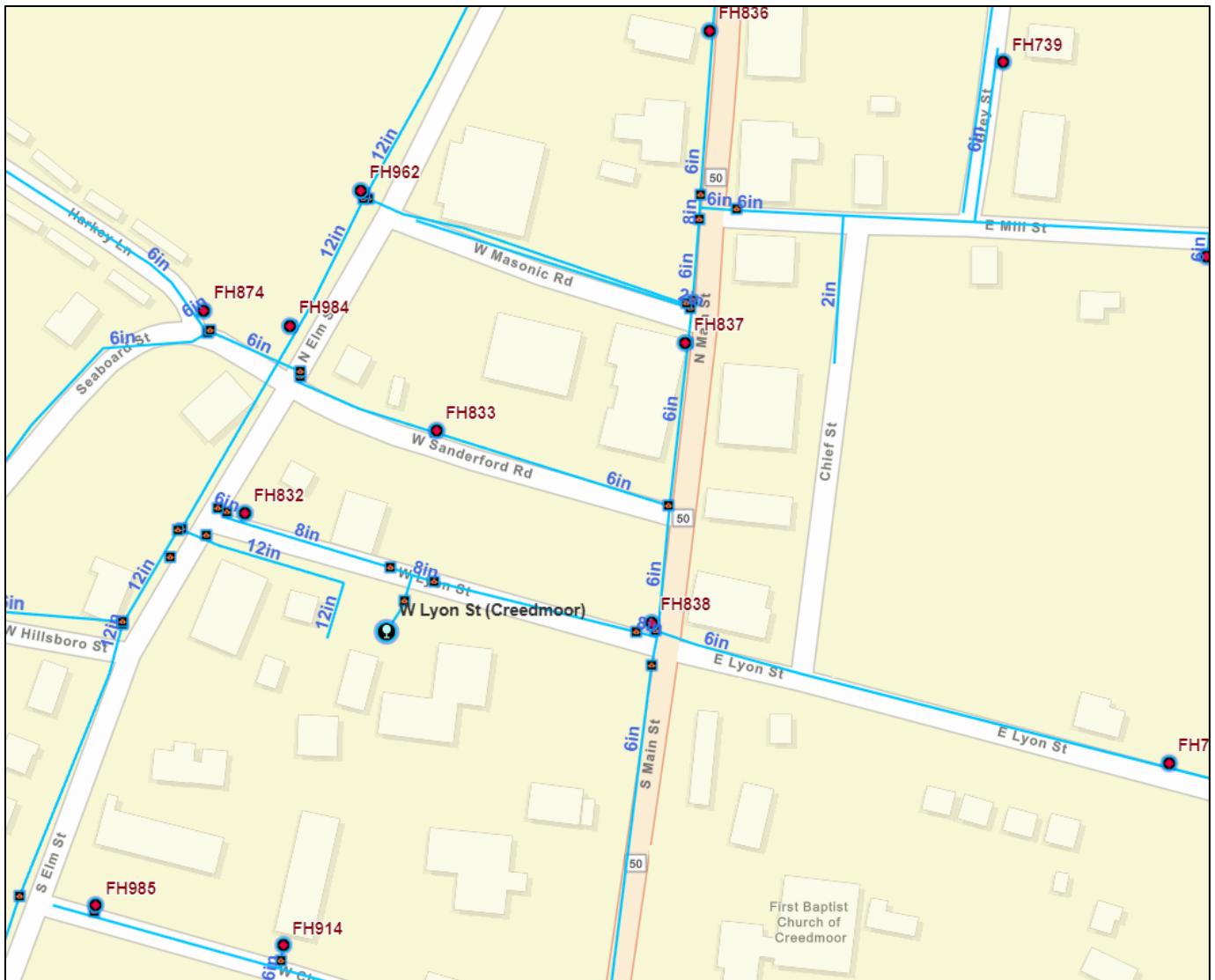


Image: Example of water distribution system network data that is being analyzed as part of the AIA Project.

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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 will be completed prior to 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.

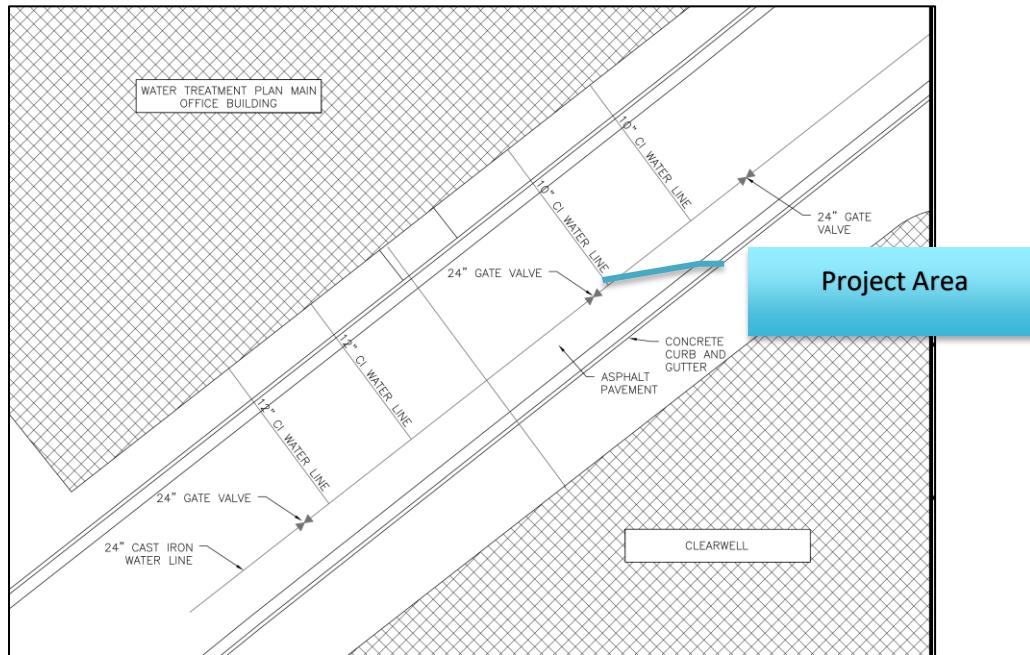
b) **Status** (■ In Progress/On Schedule): This project is being performed by Hazen & Sawyer. The project design is 100% complete. The probable cost of construction has been determined at \$710,000.00. Due to the cost of the project, the project will be advertised for public bidding and construction 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 will be presented with a Resolution at the October 2025 Board of Directors meeting. The NCDEQ required Resolution stipulates 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 will focus 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. 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

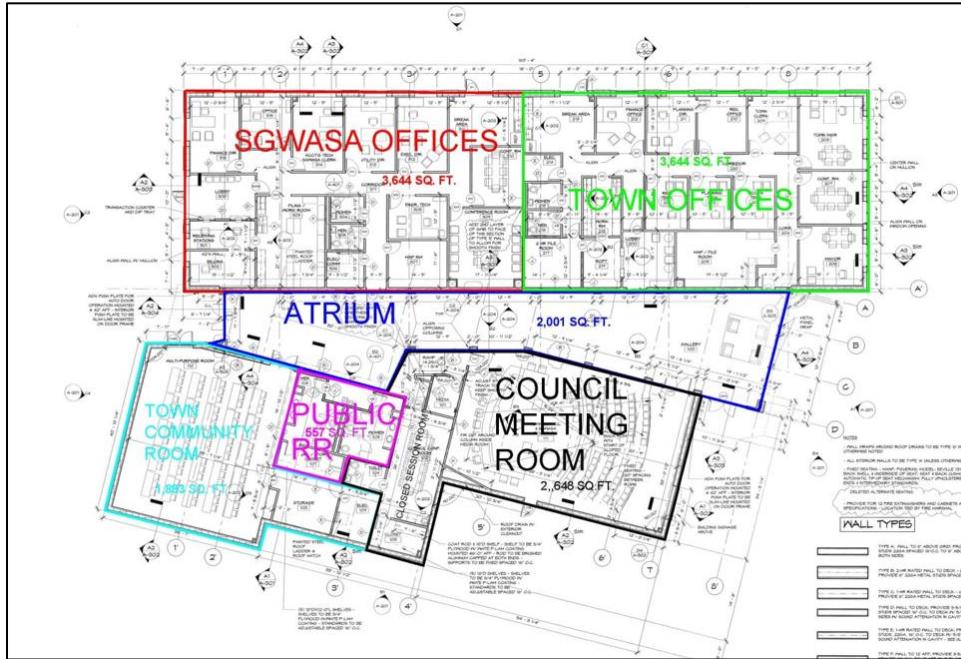
b) **Status (■ In Progress):** This project started in November 2024 and is scheduled for completion in the fall of 2025. In September, certain SGWASA team members and the McGill project team members toured one of the vacant buildings at the Butner Stem Elementary School campus to determine if the vacant 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
July 2025	Amendment of Capital Reserve Fund for System Development Fees	Approved by the Board of Directors.
July 2025	FY24-25 Fiscal Year-End Capital Improvement Fund Designation	Approved by the Board of Directors.
July 2025	Fiscal Year 2025-2026 Budget Amendment #1	Approved by the Board of Directors.
July 2025	SGWASA Employee Benefits - Contract Renewals for FY25-26	Approved by the Board of Directors.
July 2025	Authorization to Purchase a new Heating, Ventilating, Air Conditioning unit for the Water Treatment Plant.	Approved by the Board of Directors. Item ordered following the Board meeting. Delivery/installation date pending.
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.

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Board Meeting Month/Year	Topic	Status
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.

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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 (2)

Vacant Positions – Final Candidate Selected/Pending Background Checks

Wastewater Pump Station Mechanic (1)

Utility Maintenance Mechanic (1)

Recent New Hires

Customer Service Representative (1)

Wastewater Pump Station Mechanic (1)

Utility Maintenance Mechanic (2)

Recent Internal Promotions

Utility Inspector (1)

(End of Report)