

South Granville Water And Sewer Authority

Executive Director's Monthly Project Update Report

December 2025

To: SGWASA Board Members

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

Topic: Topics Update Report for December 2025

Date: Report Issue Date 1/9/25

Executive Summary

This report provides a comprehensive overview of SGWASA's capital improvement program, grant-funded initiatives, and key operational activities as of December 2025. Overall, projects remain on schedule, with several key milestones achieved during the reporting period and no material operational disruptions.

Major highlights include the successful completion of Phase 1 PFAS pilot testing, initiation of engineering design for a long-term PFAS treatment system using \$5 million in state grant funding, and continued progress on the I-85 Sanitary Sewer Improvements. Construction on CP#1 remains on schedule and within budget, while CP#2 (Southern Interceptor) began construction in November 2025 with interim financing in place to mitigate USDA loan delays.

Mandatory compliance efforts under the EPA Lead & Copper Rule Revisions remain on track. Annual customer notification letters for unidentified service lines were successfully mailed in December 2025, and the service line material survey continues to generate customer responses to support future compliance determinations.

Operationally, the Water Meter Replacement Program is fully mobilized, with all meters in inventory and systemwide replacement activities scheduled from January through June 2026. The financial software upgrade reached another major milestone with the payroll module fully live and timesheet automation underway, supporting a planned paycheck date transition in February 2026.

At the Water Treatment Plant, filter media replacement construction remains actively underway, with one filter basin already returned to service and full project completion anticipated by Spring 2026. Grant-funded Asset Inventory Assessment (AIA) projects for both water and wastewater systems continue to progress toward planned completion in Spring 2026.

The Facility Needs Study was completed in December 2025, with a formal Board update forthcoming. SGWASA remains in a strong financial and operational position, supported by recent grant awards, stable staffing at 98% capacity, and proactive planning for regulatory and infrastructure challenges ahead.

South Granville Water And Sewer Authority

Executive Director's Monthly Project Update Report

December 2025

Project Dashboard

Project ID	Page #	Project Name	Status	Budget	Timeline	Key Update	Next Steps
1	4	PFAS Mitigation	● On Schedule	\$25M-\$30M	2024–2029	Phase 1 pilot testing completed Dec 2025; Phase 2 grant awarded; design underway.	Begin Phase 2; await SRF decision
2	7	I-85 Sewer Upgrade – CP#1	● On Schedule	\$34M	2025–2028	Construction ongoing since April 2025	Continue construction; monitor schedule/budget
2	7	I-85 Sewer Upgrade — CP#2 (Southern Interceptor)	● In Progress (funding risk noted)	\$30.24M (NTE award)	2025–2028	Construction started Nov 2025; interim financing in place	Finalize USDA financing; reassess Northern Interceptor.
3	9	Lead & Copper Rule	● On Schedule	TBD	2022–2026	Annual notifications mailed Dec 2025; survey active	Continue surveys and annual notices.
4	12	Water Meter Replacement	● On Schedule	\$1M	2024–2025	All meters in stock; mobilized	Begin replacements Jan 2026.
5	15	Financial Software Upgrade	● On Schedule	N/A	2023–2025	Payroll live; timesheets underway	Paycheck date transition Feb 2026.
6	16	Filter Media Replacement	● On Schedule	~\$700K construction (plus \$245K design)	2025–Spring 2026	First basin restored; construction ongoing	Complete remaining filters.
7	17	AIA Grant Project for Water Infrastructure Assessment	● On Schedule	\$150K grant (no match)	2023–Jan 2026	Inventory and modeling underway	Deliver final reports.
8	19	AIA Grant Project for	● On Schedule	\$200K grant (no match)	2024–Jan 2026	Assessment progressing	Complete final report.

South Granville Water And Sewer Authority

Executive Director's Monthly Project Update Report

December 2025

Project ID	Page #	Project Name	Status	Budget	Timeline	Key Update	Next Steps
		Wastewater Infrastructure Assessment					
9	21	CIP# 101-10 Water Valve Replacement Project at the Water Treatment Plant – Design & Construction	● On Hold	\$155,980.00 for design work.	2024–2026	Design 98% complete; paused.	Bid and construct in 2026.
10	23	CIP# 102-10 Water Quality Improvements	● On Schedule	\$227,340.00.	Fall 2024–early 2026	Modeling and assessments underway.	Complete deliverables mid-2026.
11	24	CIP# 101-01 Water Treatment Master Plan: AIA Grant Funded	● On Schedule	\$150K grant + \$30K match	Late 2025–Jan 2027	Project initiated Dec 2025	Continue master planning.
12	25	CIP# 108-01 Facility Needs Study	● Completed	\$43,718.00.	Nov 2024–Fall 2025	Study completed Dec 2026	Present to Board at future date.

South Granville Water And Sewer Authority

Executive Director's Monthly Project Update Report

December 2025

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

South Granville Water And Sewer Authority

Executive Director's Monthly Project Update Report

December 2025

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 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.

South Granville Water And Sewer Authority

Executive Director's Monthly Project Update Report

December 2025

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 December 2025.	Completed	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) concluded in December 2025. A second PFAS Pilot Project (Phase 2) grant was received by SGWASA in September 2025. Phase 2 will start in 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 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.

South Granville Water And Sewer Authority

Executive Director's Monthly Project Update Report

December 2025

Status (■ In Progress/On Schedule): CDM Smith concluded the PFAS Pilot Testing Program (Phase 1) in December 2025. The final report is anticipated in early January 2026. A second PFAS Pilot Testing Program (Phase 2) was approved and funded by the NCDEQ for \$500,000 in September 2025. Phase 2 is in process.

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. The design and construction schedule is shown below.

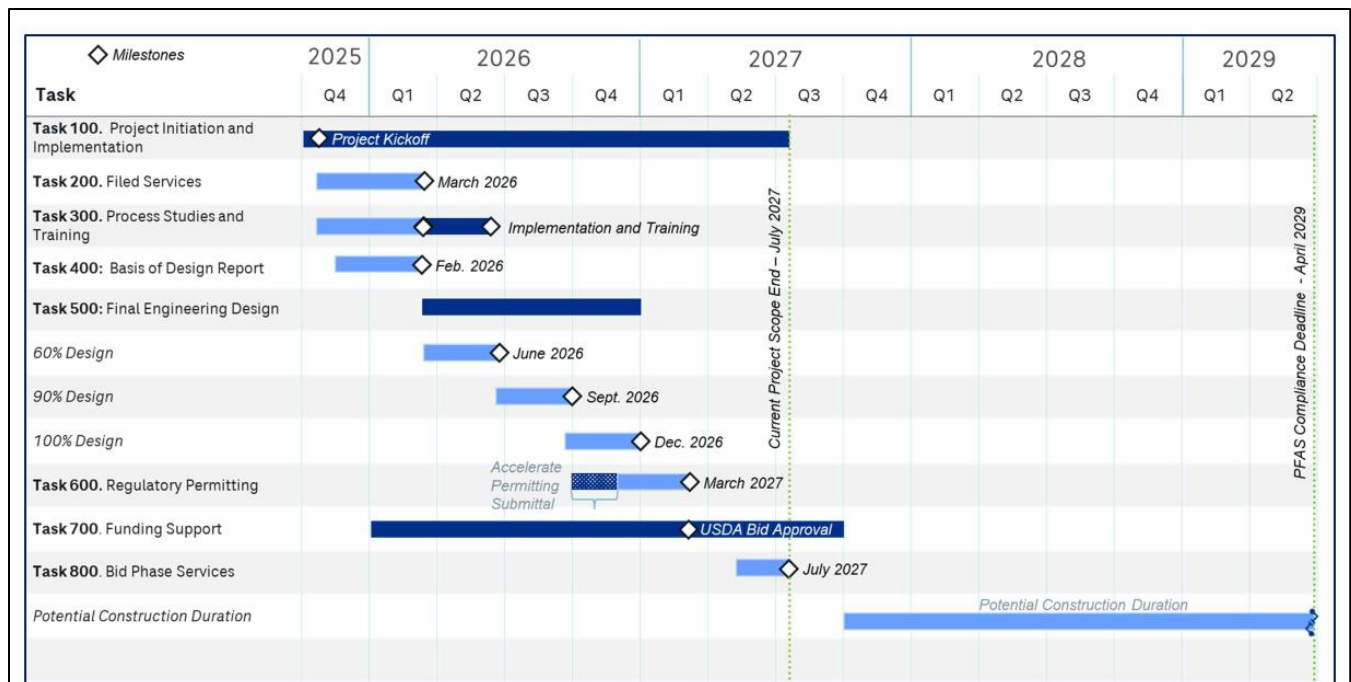


FIGURE 1: PFAS Treatment System Design and Construction Schedule

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

South Granville Water And Sewer Authority

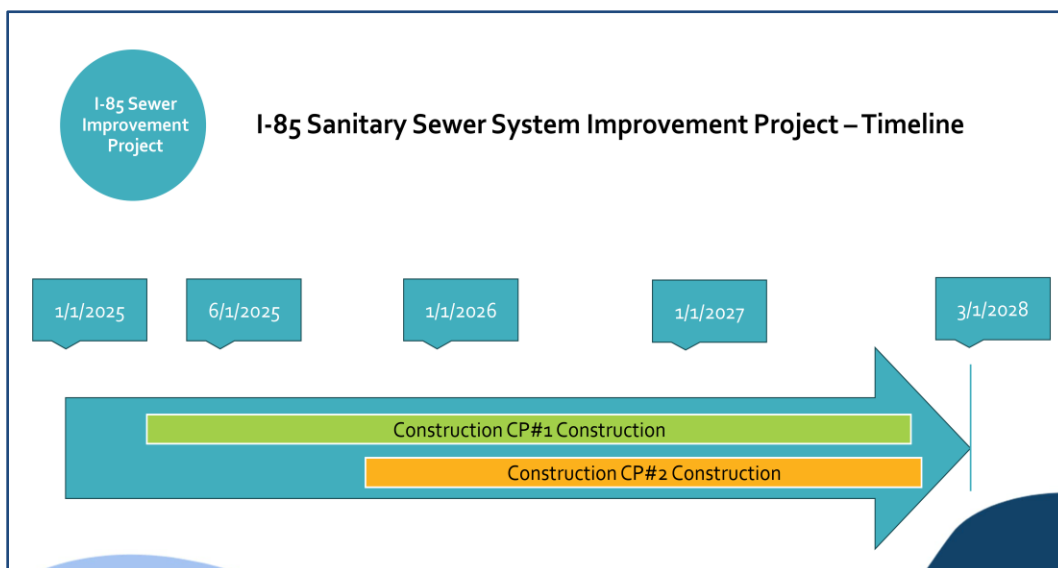
Executive Director's Monthly Project Update Report

December 2025

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 (gravity and force main). Haren Construction started construction on 4/1/25. Construction is on schedule and on budget.
- c) CP#2 Status:** (■ In Progress): 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). Construction for CP#2 started in November. A project timeline is shown below.

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 September 5, the Finance Committee reviewed the \$8M cost for the Northern Interceptor but made no funding decisions. Further discussion is planned by the Finance Committee at their upcoming meeting(s) .



South Granville Water And Sewer Authority

Executive Director's Monthly Project Update Report

December 2025

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. The 2025 letters were mailed to select customers in December 2025.

The specific set of customers who received 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.

South Granville Water And Sewer Authority

Executive Director's Monthly Project Update Report

December 2025

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.

South Granville Water And Sewer Authority

Executive Director's Monthly Project Update Report

December 2025

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>

South Granville Water And Sewer Authority Executive Director's Monthly Project Update Report December 2025

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. The water meter replacement project will begin in January 2026 and be completed before July 2026.




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

South Granville Water And Sewer Authority

Executive Director's Monthly Project Update Report

December 2025

5) SGWASA – Financial Software Upgrade

- a) **Background:** In mid-2024, to better service its customers, SGWASA started the process of implementing Tyler Technology software to modernize SGWASA's financial business and utility billing software. The lengthy implementation process is nearing completion and is scheduled for completion in mid-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 fully operational as of the November 2025 payroll cycle.

The current Tyler Technology module being implemented at SGWASA is the timesheet module. The timesheet automation project kicked off in November 2025. To fully leverage the new computer-based timesheets and payroll processing, SGWASA is required to make an important change to the day of the month when paychecks are deposited into employees bank accounts. The internal communications broadcast to employees for this project started in November 2025 and will be rebroadcast each month through January 2026. Priscilla Adcock, HR Manager, continues to hold on-site meetings/workshops with the employees to ensure SGWASA employees are prepared for the paycheck date changes, which occurs in February 2026. The paycheck transition schedule is shown below.

South Granville Water And Sewer Authority

Executive Director's Monthly Project Update Report

December 2025

Paycheck Transition Schedule:

Table 1 below shows the paycheck transition schedule:

Table 1

Month	Paycheck Type	Paycheck Date
January 2026	Regular – Final prepaid paycheck.	January 30, 2026
February 2026	Special - Includes 80-hour transition bonus + all earned overtime, call-in pay, standby pay, holiday premiums, and shift premiums earned in January.	February 13–15, 2026
March 2026	First post-paid paycheck for February, based on hours from all prior months: including all earned overtime, call-in pay, standby pay, etc.	13th–15th of each month
April 2026	Post-paid paycheck based on work hours for March 2026.	13th–15th of each month
May 2026	Post-paid paycheck based on work hours for April 2026.	13th–15th of each month
This schedule continues monthly.		

South Granville Water And Sewer Authority

Executive Director's Monthly Project Update Report


December 2025

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 construction on the project started in November. The first water filter basin was taken out of service in December and will be put back into service in early January. The project will be completed in the spring of 2026.

South Granville Water And Sewer Authority

Executive Director's Monthly Project Update Report

December 2025

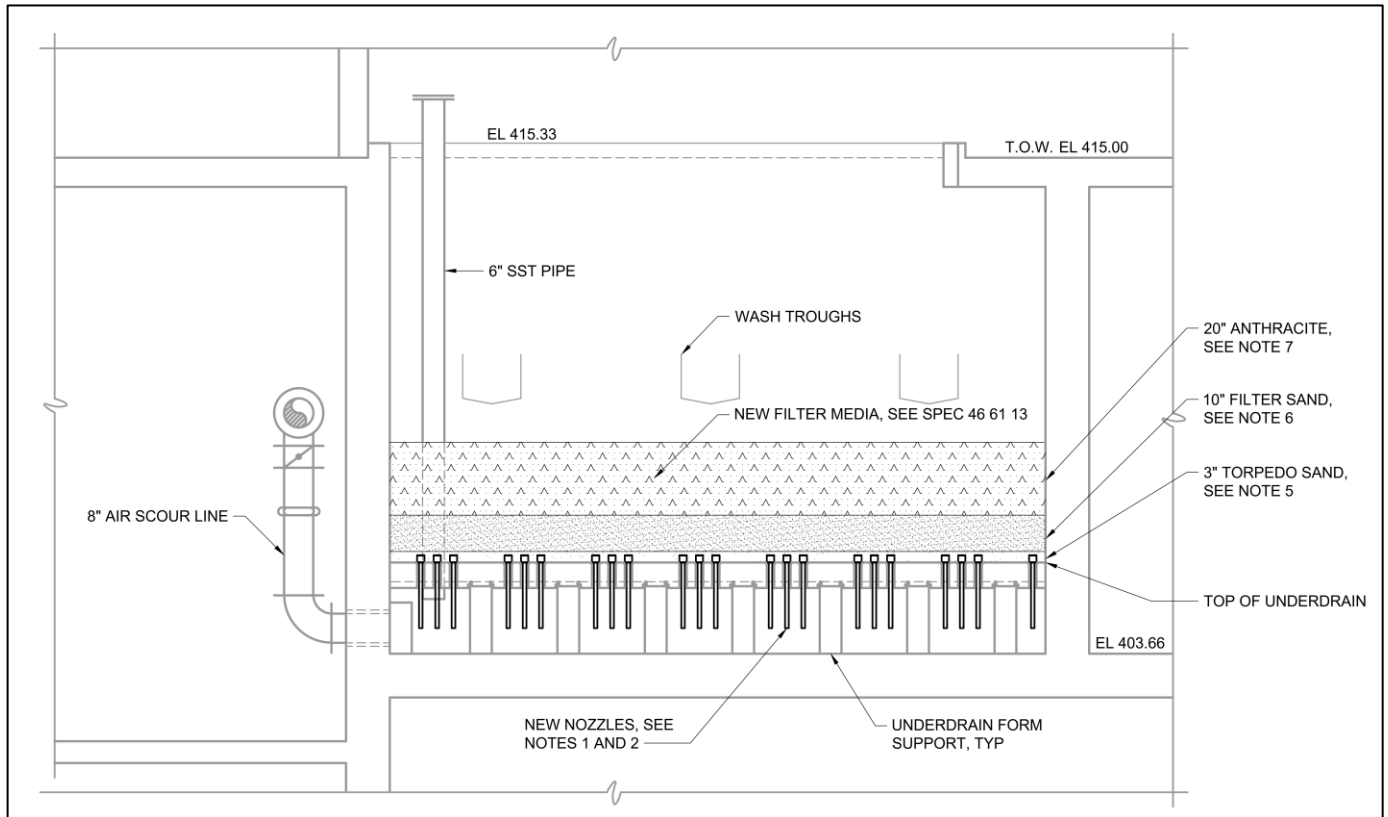


Image: Water Treatment Plant Filter Bed Diagram showing 1 filter bed and the media and nozzles to be replaced.

South Granville Water And Sewer Authority

Executive Director's Monthly Project Update Report


December 2025

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 5/1/26.

(See project images on following page)

South Granville Water And Sewer Authority

Executive Director's Monthly Project Update Report

December 2025

AIA Grant Project for Water Infrastructure Assessment Project

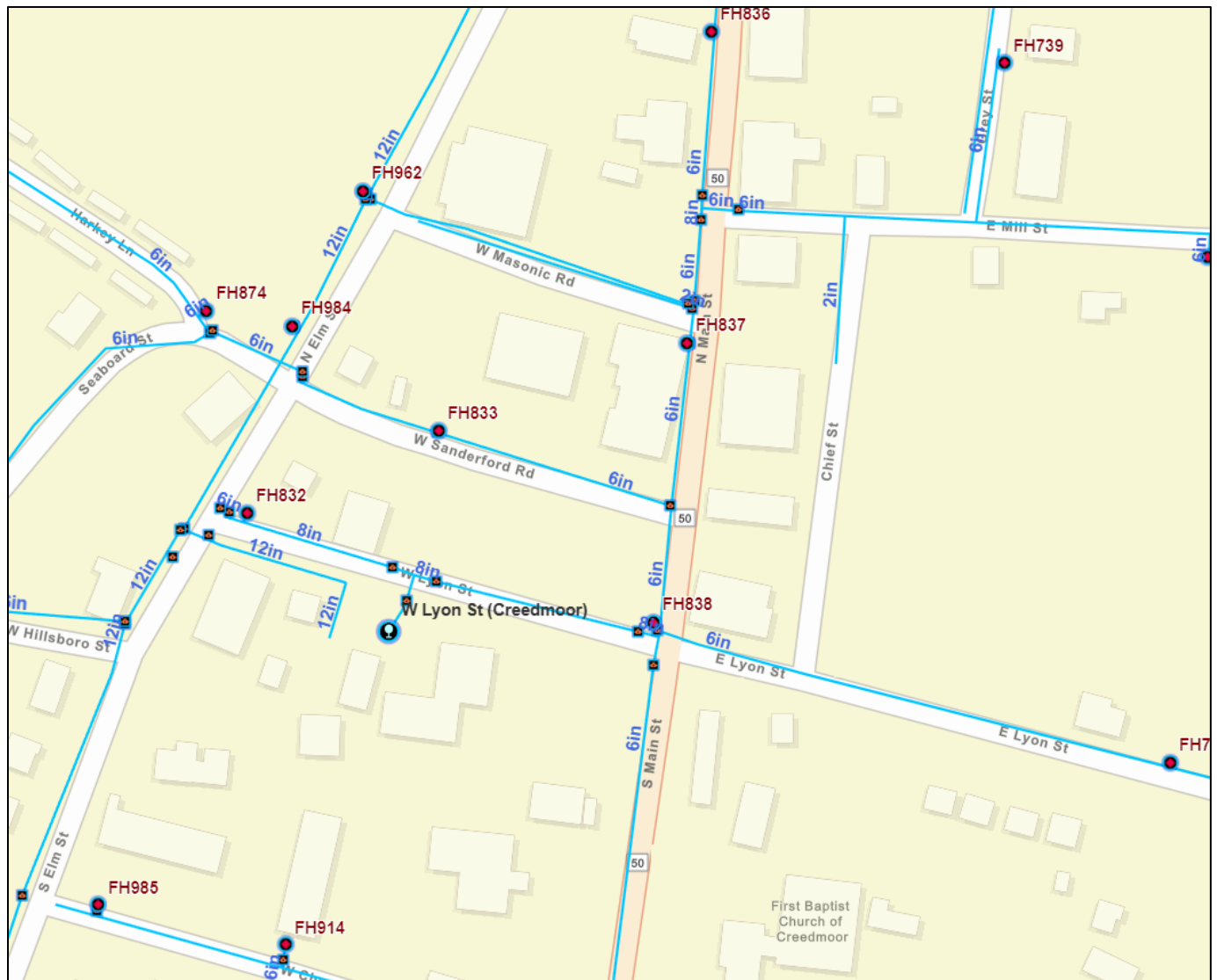


Image: Example of water distribution system network data that is being analyzed as part of the AIA Project.

South Granville Water And Sewer Authority


Executive Director's Monthly Project Update Report

December 2025

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 5/1/26.

(See project image on following page)

South Granville Water And Sewer Authority

Executive Director's Monthly Project Update Report

December 2025

AIA Grant Project for Wastewater Infrastructure Assessment Project

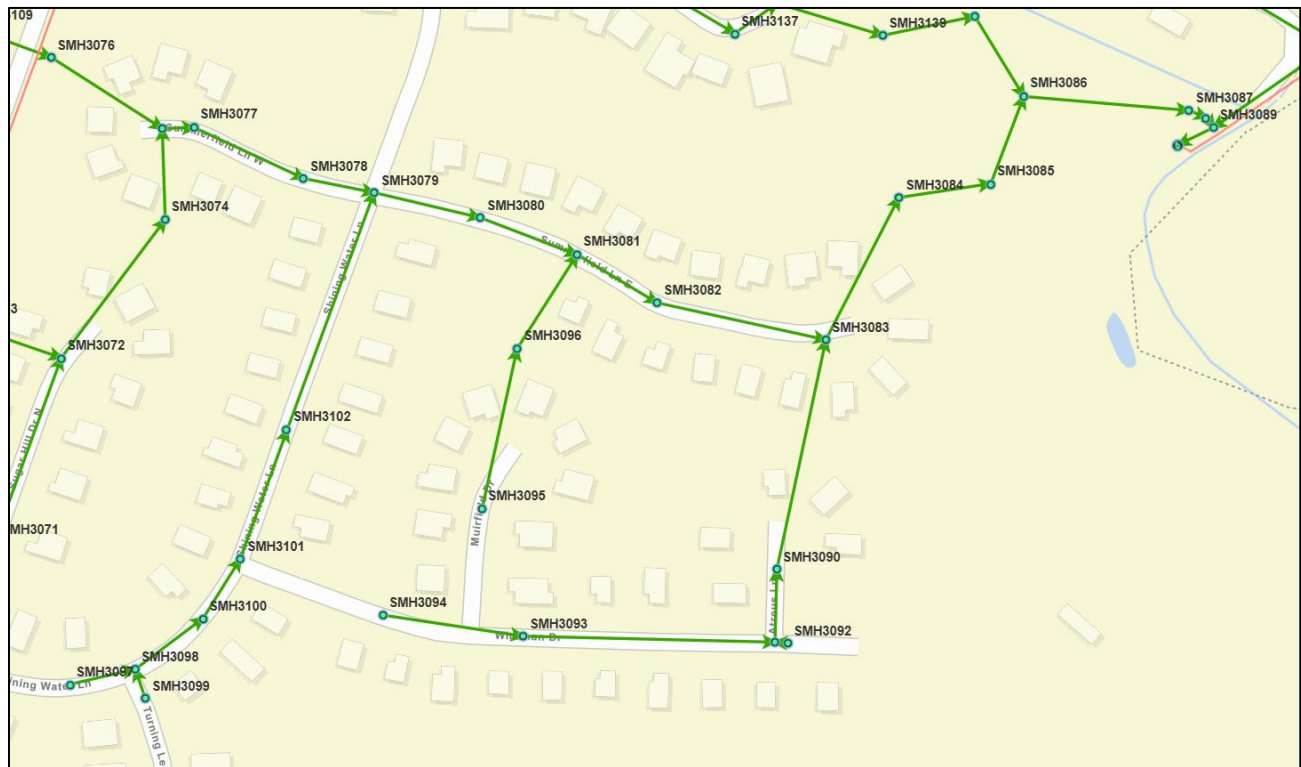


Image: Example of wastewater distribution system network data that is being analyzed as part of the AIA Project.

South Granville Water And Sewer Authority

Executive Director's Monthly Project Update Report

December 2025

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

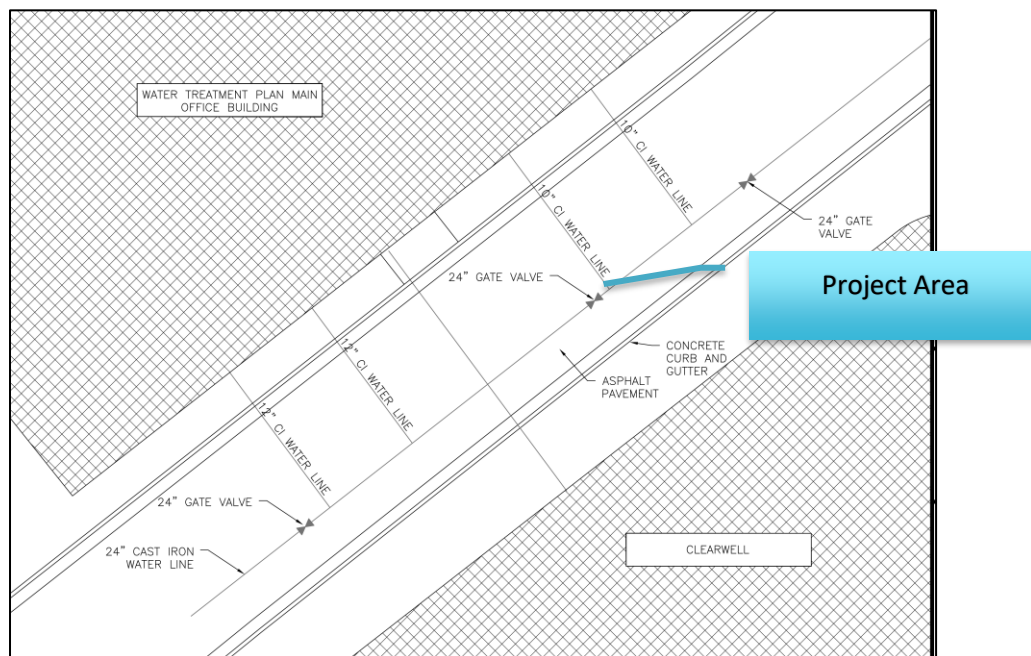
- a) **Background:** Following a main break at the Butner WTP, SGWASA has experienced recurring leaks and valve failures along the water main between the clear well and finished water pumps. These issues have caused erosion and highlighted the lack of bypass options and redundancy in the system.

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 98% complete. In November, Hazen and SGWASA staff met at the WTP to review some additional pipe replacement work to ensure a successful valve installation. The outcome of this review caused some additional engineering design work to be performed. The additional engineering design work should be completed in December 2025. 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)

South Granville Water And Sewer Authority Executive Director's Monthly Project Update Report December 2025



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

South Granville Water And Sewer Authority

Executive Director's Monthly Project Update Report

December 2025

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 mid-2026.

South Granville Water And Sewer Authority Executive Director's Monthly Project Update Report December 2025

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. Furthermore, the Board approved the McGill Associates task order for this project at the November 12, 2025, Board meeting. This project commenced in December 2025 and is scheduled for completion by January 2027.



Image: SGWASA Water Treatment Plant

South Granville Water And Sewer Authority

Executive Director's Monthly Project Update Report

December 2025

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.

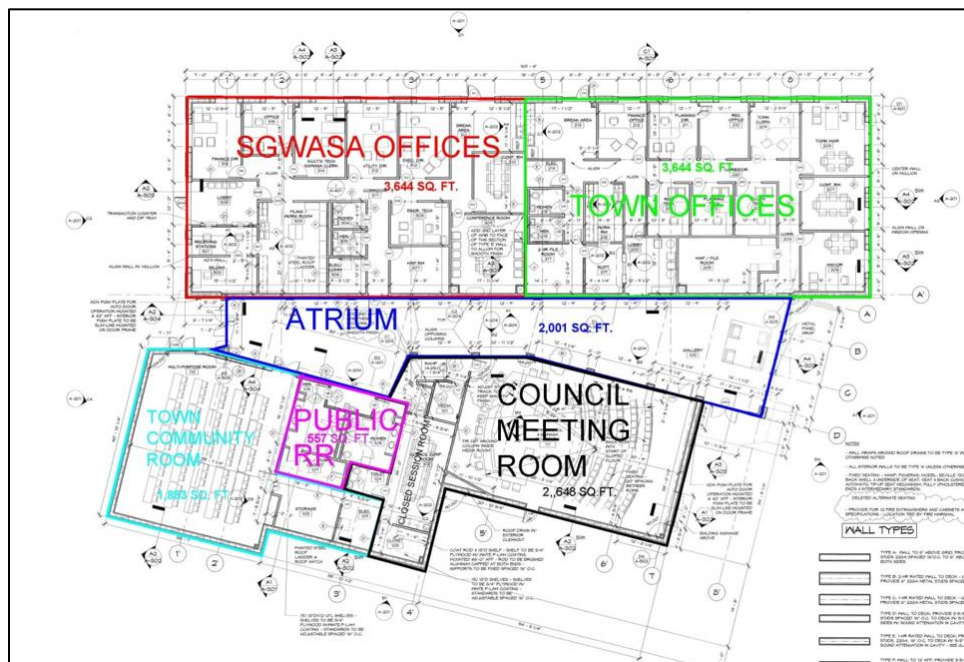
Leased Space Information: Presently, SGWASA has a 20-year lease with the Town of Butner. The lease originated in 2011. A summary of the lease is found below.

- **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** (■ Completed): This project started in November 2024 and was completed in December 2025. The Board of Directors will be updated on this topic at an upcoming Board meeting.

(See project images on following page)

South Granville Water And Sewer Authority Executive Director's Monthly Project Update Report December 2025



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

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Executive Director's Monthly Project Update Report

December 2025

Board Actions (Past 90 Days)

Board Meeting Month/Year	Topic	Status
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.
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.

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Executive Director's Monthly Project Update Report

December 2025

Board Meeting Month/Year	Topic	Status
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.
November 2025	Proposed 2026 SGWASA Holiday Schedule	Approved by the Board of Directors.
November 2025	North Carolina Department of Environmental Quality (NCDEQ) Water Treatment Plant Master Plan Asset Inventory Assessment (AIA) Program Grant – McGill Associates Task Order for Scope of Services.	Approved by the Board of Directors.
November 2025	Brame's Crossing Phase II Water and Sewer Extensions in Creedmoor, NC	Tabled until the December 2025 Board meeting.
November 2025	FY25-26 1st Quarter Financial Review - Presentation	Information Only
November 2025	FY25 Audit Update	Information Only
November 2025	Fiscal Year 2025-2026 Budget Amendment #9	Fiscal Year 2025-2026 Budget Amendment #9
December 2025	Brame's Crossing Phase II Water and Sewer Extensions in Creedmoor, NC	Approved by the Board of Directors.
December 2025	Request to Purchase One Generator for Lake Holt Raw Water Pump Station from Atlantic Power in Bear Creek, NC	Approved by the Board of Directors. Item ordered.

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Executive Director's Monthly Project Update Report

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Utility Operations Highlights

Water Distribution System Topics

1. Utility crews responded to various water main breaks in Butner. The Utility crew was able to minimize the water interruption due to the repair. The water was returned to service within a few hours following the initial main break.

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.

Wastewater Treatment Plant Topics

- 1) No operating issues.

Utility Customer Service/Administration Topics

- 1) No operating issues.

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December 2025

Staffing Summary

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

Vacant Positions – Currently Advertising and/or Interviewing

Utility Maintenance Mechanic (1)

Vacant Positions – Final Candidate Selected/Pending Background Checks

None

Recent New Hires

None

Recent Internal Promotions

None

(End of Report)