SOUTH GRANVILLE WATER AND SEWER AUTHORITY

BOARD OF DIRECTORS REGULAR MEETING

November 10, 2026

MEETING START TIME: 6:00 P.M.

LOCATION: Butner Town Hall Council Chambers

THIS PUBLIC MEETING IS NOT AVAILABLE REMOTELY.
THE MEETING WILL BE RECORDED AND MADE AVAILABLE
TO THE PUBLIC ON THE SGWASA WEBSITE WITHIN
SEVERAL DAYS FOLLOWING THE MEETING.

Board of Directors Regular Meeting – November 10, 2026 6:00 pm
Meeting Agenda

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Agenda Item-1

Call to Order/Welcome - Kenneth McLamb, Stem Commissioner, SGWASA Chair

Agenda Item-2

SGWASA Board of Directors – Oath of Office for Select Board Members

SGWASA's attorney will perform the swearing-in of the newly appointed and/or re-appointed Board Members.

Background: The following Board members have been appointed to the SGWASA Board for the following terms:

- Granville County Commissioner Russ May
  - (3-year term starting November 2026 and ending October 2029)
- City of Creedmoor Commissioner Georgana Kicinski, SGWASA Vice-Chair
  - (3-year term starting November 2026 and ending October 2029)

Oath:

§ 11-7. Oath or affirmation to support Constitutions; all officers to take.
Every member of the General Assembly and every person elected or appointed to hold any office of trust or profit in the State shall, before taking office or entering upon the execution of the office, take and subscribe to the following oath:

I, _____, do solemnly and sincerely affirm that I will support the Constitution and laws of the United States; that I will be faithful and bear true allegiance to the State of North Carolina, and to the constitutional powers and authorities which are or may be established for the government thereof; that I will endeavor to support, maintain and defend the Constitution and laws of said State, not inconsistent with the Constitution of the United States, to the best of my knowledge and ability; and that I will faithfully discharge the duties of my office as a SGWASA Board Member, so help me God.

Agenda Item-3

Roll Call - Krystle Lee, Board Secretary

Agenda Item-4

Invocation - Russ May, Granville County Commissioner

Agenda Item-5

Pledge of Allegiance - Thomas Lane, Butner Councilperson

Agenda Item-6

Conflict of Interest Declarations

If any Board member has a direct or indirect interest in any matter that comes before the Board, the member shall disclose the nature of the interest to the other members on the record during the meeting, and the disclosure shall be entered into the minutes. The member having such an interest shall not participate in any discussion, deliberation, or vote on the matter for which the conflict exists. If an objection is raised at or prior to the discussion, hearing, or vote concerning a member's participation and that member does not voluntarily recuse himself or herself, the remaining disinterested members of the Board shall, by majority vote, determine whether the member shall be excused from participation.

The decision of the remaining members shall be final and shall be recorded in the minutes.

Agenda Item-7

Adjustments/Approval of the Meeting Agenda

This item provides the Board an opportunity to request additions, deletions, or reordering of agenda items prior to conducting business. Any requested changes should be limited to matters appropriate for Board consideration, and time-sensitive items not listed should be added only when necessary and clearly stated for the record.

Following discussion, the Chair will entertain a motion to approve the agenda as presented or as amended; approval establishes the order of business for the meeting.

Agenda Item 8 - Review & Approval of Minutes

South Granville Water and Sewer Authority
Regular Monthly Board of Directors Meeting
October 13, 2026 at 6:00 p.m.

Meeting Minutes

1. Call to Order and Welcome

The regular meeting of the SGWASA Board of Directors was called to order at 6:00 pm by Commissioner Kenneth McLamb, Chair.

2. Roll Call

Board Members Present: Stem Commissioner Kenneth McLamb, Chair, Creedmoor Commissioner Georgana Kicinski, Vice-Chair, Butner Councilperson Thomas Lane, Butner Mayor Pro Tem Vicky Daniels, Creedmoor Mayor Pro Tem Archer Wilkins, Granville County Commissioner Jimmy Gooch, Granville County Commissioner Russ May

Officials Present: Scott N. Schroyer, Executive Director, Assistant Executive Director Chris Summerlin, Finance Director Richard Balmer, Public Information Officer/Board Secretary Krystle Lee, Attorney James Wrenn

3. Invocation

Commissioner Georgana Kicinski rendered invocation to begin the session.

4. Pledge of Allegiance

Commissioner Jimmy Gooch led the Pledge of Allegiance.

5. Conflict of Interest Declarations

No conflict-of-interest declarations were made by the Board.

6. Meeting Agenda Adjustments & Approval

The Board proceeded with the meeting agenda, as presented. No changes were requested.

Board Action: Councilperson Thomas Lane motioned to approve the minutes, as presented. Mayor Pro Tem Archer Wilkins seconded the motion. The motion carried unanimously.

7. Review & Approval of Minutes

The Board reviewed the September 2026 Board meeting minutes.

Board Action: Commissioner Georgana Kicinski, Vice-Chair motioned to approve the minutes, as presented. Councilperson Thomas Lane seconded the motion. The motion carried unanimously.

8. Public Comments

Diane Johnson of Butner, NC expressed construction related disruption on 8th Street, including access, mail, waste services, dust, and communication access concerns.

Dora Plummer of Butner, NC reported I-85 SSI Project related concerns, including water backing up into her yard, and questioned construction schedules.

Ed Gleason of Creedmoor, NC requested details on the hydrant tagging and painting process in Creedmoor.

9. Board Discussion Items

Chair Kenneth McLamb: None
Commissioner Russ May: None
Councilperson Thomas Lane: None
Mayor Pro Tem Archer Wilkins: None
Vice-Chair Georgana Kicinski: None
Commissioner Jimmy Gooch: None
Mayor Pro Tem Vicky Daniels: None

10. Approval of the Water System Asset Inventory and Assessment Report, Asset Management Plan, and 10-Year Capital Improvement Plan

Brief Description: Executive Director Scott N. Schroyer introduced the Water System Asset Inventory and Assessment (AIA) Report, Asset Management Plan, and 10-Year Capital Improvement Plan. The assessment was funded through a $150,000 North Carolina Department of Environmental Quality (NCDEQ) grant with no local matching funds required.

Robert Miller, P.E., of McGill Associates, presented the findings of the Water and Sewer System AIA projects. The presentation addressed infrastructure inventories, condition assessments, hydraulic modeling, asset risk evaluations, and recommended capital improvements. Mr. Miller explained that the assessments establish a framework for prioritizing infrastructure maintenance, rehabilitation, replacement, and long-term financial planning.

Board discussion addressed infrastructure conditions, project prioritization, anticipated costs, funding opportunities, and the impact of existing PFAS-related obligations on future capital investments. Mr. Miller clarified that the proposed 10-Year Capital Improvement Plans serve as planning tools and do not authorize or obligate SGWASA to undertake individual projects. Future projects would require separate consideration and funding decisions.

Mr. Schroyer recommended approval of the resolution adopting the completed Water System Asset Inventory and Assessment Report, Asset Management Plan, and 10-Year Capital Improvement Plan.

Board Action: Mayor Pro Tem Vicky Daniels motioned to approve the presented Water System Asset Inventory and Assessment and Asset Management Plan Approval Resolution, thereby adopting the completed Water System Asset Inventory and Assessment Report, Asset Management Plan, and 10-Year Capital Improvement Plan. Councilperson Thomas Lane seconded the motion. The motion carried unanimously.

11. Approval of the Sewer System Asset Inventory and Assessment Report, Asset Management Plan, and 10-Year Capital Improvement Plan

Brief Description: Executive Director Scott N. Schroyer introduced the Sewer System Asset Inventory and Assessment (AIA) Report, Asset Management Plan, and 10-Year Capital Improvement Plan, following the joint Water and Sewer AIA presentation by Robert Miller, P.E., of McGill Associates.

The sewer system assessment included evaluations of wastewater collection infrastructure, force mains, lift stations, and wastewater treatment facilities. The findings identified infrastructure conditions, associated risks, and recommended improvements to support long-term system reliability and capital planning.

Board discussion during the joint presentation addressed the prioritization of sewer infrastructure improvements, including concerns regarding the condition of the Sotheby's lift station. Mr. Miller acknowledged the concerns and indicated that additional evaluation would be necessary to determine the underlying conditions. The discussion also addressed financial limitations, regulatory obligations, and the importance of prioritizing future investments.

Mr. Schroyer recommended approval of the resolution adopting the completed Sewer System Asset Inventory and Assessment Report, Asset Management Plan, and 10-Year Capital Improvement Plan.

Board Action: Mayor Pro Tem Vicky Daniels motioned to approve the attached Sewer System Asset Inventory and Assessment and Asset Management Plan Approval Resolution, thereby adopting the completed Sewer System Asset Inventory and Assessment Report, Asset Management Plan, and 10-Year Capital Improvement Plan. Mayor Pro Tem Archer Wilkins seconded the motion. The motion carried unanimously.

12. FY2026-27 Sanitary Sewer Cleaning and Televising Services Contract Award

Assistant Executive Director Chris Summerlin presented the proposed FY2026–2027 Sanitary Sewer Cleaning and Televising Services contract award. He outlined SGWASA’s annual regulatory requirement to clean and inspect at least 10% of its wastewater collection system and the Authority’s continued reliance on contracted services to meet this requirement.

SGWASA received six proposals in response to its July 17, 2026, Request for Proposals. Total Environmental Services, Inc. submitted the lowest proposal at $138,600, compared to the program's approved budget of $175,100.

Staff recommended awarding the contract to Total Environmental Services, Inc. for an amount not to exceed $138,600, with authorization for the Executive Director to approve change orders totaling up to $36,500, provided the total program cost does not exceed $175,100. The proposed contract covers one year, with any future extension subject to Board approval.

The program requires a corresponding budget amendment to transfer funding from the Capital Improvement Plan to the operating budget, as addressed under a subsequent agenda item.

Board Action: Mayor Pro Tem Vicky Daniels motioned to: (i) approve a unit-cost contract with Total Environmental Services, Inc. for the FY2026-27 Sanitary Sewer Cleaning and Televising Program in an amount not to exceed $138,600; (ii) authorize the Executive Director to approve change orders for unexpected conditions totaling no more than $36,500, provided the total program cost does not exceed the FY2026-27 budget of $175,100, without further Board approval; and (iii) authorize SGWASA staff to finalize and execute the contract. The motion was seconded by Commissioner Georgana Kicinski, Vice-Chair. The motion carried unanimously.

13. Fiscal Year 2026-2027 Budget Amendment #3

Finance Director Richard Balmer presented FY2026–2027 Budget Amendment #3, requesting an appropriation of $175,100 for the annual Sanitary Sewer Cleaning and Televising Services Program, as addressed under the preceding agenda item.

The amendment provides for a $175,100 increase in operating revenues through a transfer from designated fund balance and a corresponding $175,100 increase in expenditures for sewer line maintenance. The amendment transfers the program's budget allocation from the Capital Improvement Plan to the operating budget.

Budget Amendment #3

Be it ordained, the FY 2026-2027 Annual Budget Ordinance is hereby amended as follows:

Revenues: Increase / (Decrease)		Amendment/Change		
Transfer from Fund Balance	$	175,100		
Total Revenues			$	**175,100**
Expenditures: Increase / (Decrease)				
Utilities: Sewerline Maintenance	$	175,100		
Total Expenditures			$	**175,100**

Board Action: Commissioner Jimmy Gooch motioned to approve Fiscal Year 26/27 Budget Amendment #3. The motion was seconded by Commissioner Russ May. The motion carried unanimously.

14. Record Retention Policy for ARP/CSLFRF Funding

Executive Director Scott N. Schroyer and Finance Director Richard Balmer presented the proposed Record Retention Policy for American Rescue Plan (ARP)/Coronavirus State and Local Fiscal Recovery Funds (CSLFRF).

The proposed policy establishes federal record retention requirements for approximately $35.35 million in ARP funding associated with the I-85 Sanitary Sewer Project and the Water and Sewer Asset Inventory and Assessment (AIA) grants. Adoption is required to satisfy U.S. Department of the

Treasury compliance standards and complete grant closeout reporting with the North Carolina Department of Environmental Quality (NCDEQ) by December 31, 2026.

The proposed policy will serve as Addendum 1 to SGWASA's existing Record Retention Policy, adopted July 12, 2016, which will otherwise remain in effect. The amendment has no additional financial impact. View Online: https://www.sgwasa.org/policies/retention-policy

Board Action: Commissioner Russ May motioned to amend the current Record Retention Policy with Addendum 1 that is pursuant to the ARP/CSLFRF Award Policy, as presented. The motion was seconded by Commissioner Jimmy Gooch.

15. SGWASA Board of Directors 2027 Meeting Schedule

Executive Director Scott N. Schroyer presented the proposed 2027 SGWASA Board of Directors Regular Meeting Schedule for review and approval.

The proposed schedule maintains the Board's regular meetings on the second Tuesday of each month at 6:00 pm in the Town of Butner Council Chambers, located at 415 Central Avenue, Butner, North Carolina.

Board Action: Commissioner Jimmy Gooch motioned to approve the 2027 Board Meeting Schedule as shown in Exhibit A. The motion was seconded by Mayor Pro Tem Archer Wilkins. The motion carried unanimously.

Exhibit A: 2027 Board of Directors Meeting Schedule

SGWASA

South Granville Water and Sewer Authority

2027 Board Meeting Schedule

MEETING	DATE
January Board Meeting	January 12, 2027
February Board Meeting*	February 9, 2027
March Board Meeting	March 9, 2027
April Board Meeting	April 13, 2027
May Board Meeting	May 11, 2027
June Board Meeting	June 8, 2027
July Board Meeting	July 13, 2027
August Board Meeting	August 10, 2027
September Board Meeting	September 14, 2027
October Board Meeting	October 12, 2027
November Board Meeting	November 9, 2027
December Board Meeting	December 14, 2027

** Annual Meeting for the Election of Officers: Chair, Vice-Chair, Secretary, and Treasurer*

SGWASA Board Meetings are held at 415 Central Avenue in Butner, NC 27509 within the Town of Butner Council Chambers. Meetings begin promptly at 6:00 pm (unless otherwise listed). Check sgwasa.org for meeting updates.

South Granville Water & Sewer Authority
(919) 575-3367
(919) 575-4547
www.sgwasa.org
customerservice@sgwasa.org
415 Central Ave, Ste B
Butner, NC 27509

16. 2027 Holiday Schedule for Employees

Executive Director Scott N. Schroyer presented the 2027 SGWASA Employee Holiday Schedule for informational purposes.

The proposed schedule maintains SGWASA's existing holiday observances, consistent with the 2026 schedule and guidance from the North Carolina Office of State Human Resources. The schedule was previously discussed during the September 14, 2026, Finance Committee meeting.

Board Action: This item was presented for informational purposes only. No Board action was required.

Exhibit A.: Proposed 2027 SGWASA Holiday Schedule

2027 SGWASA Holiday Schedule		
Holiday	Observance Date	Day of Week
New Year's Day	January 1, 2027	Friday
Martin Luther King, Jr's Birthday	January 18, 2027	Monday
Good Friday	March 26, 2027	Friday
Memorial Day	May 31, 2027	Monday
Juneteenth National Independence Day	June 18, 2027	Friday
Independence Day	July 5, 2027	Monday
Labor Day	September 6, 2027	Monday
Veteran's Day	November 11, 2027	Thursday
Thanksgiving	November 25 & 26, 2027	Thursday & Friday
Christmas	December 23, 24 & 27, 2027	Thursday, Friday, Monday

17. Executive Director's Report

Brief Description: Executive Director Scott N. Schroyer provided updates on ongoing capital projects, utility operations, water quality improvements, policy development, and organizational planning.

I-85 Sanitary Sewer Improvement Project: Mr. Schroyer addressed public concerns regarding construction activities along 8th Street in Butner. He reported that pipe installation resumed, following delays associated with rock conditions and nearby utilities. Staff anticipated completing construction and initial paving along 8th Street by Thanksgiving, with restoration efforts continuing as necessary. Construction Package 1 was projected for completion by December 2026, while substantial completion of Construction Package 2 was anticipated in spring 2027. Overall project completion was expected ahead of schedule.

Utility Service, Capacity Management, and Infrastructure Extension Policy: The Executive Director reported that Board comments on the proposed policy were under review. Staff anticipated presenting responses, recommendations, and potential policy options at the November 10, 2026, Board meeting. Additional revisions and Board consideration may continue into December.

Finance Committee Update: Mr. Schroyer summarized the September 14, 2026, Finance Committee meeting, which addressed PFAS funding and future rates, the Water and Sewer Asset Inventory and Assessment (AIA) Program results, and funding and construction timing for the I-85 Northern Interceptor project. The next Finance Committee meeting was scheduled for December 7, 2026.

Water Filter Media Replacement Project: Assistant Executive Director Chris Summerlin presented findings from Hazen and Sawyer's Filter Media Project, post-construction water quality analysis. Results demonstrated improvements in filtration efficiency, including a 16% increase in filter run times, a 42% reduction in backwash water usage, and measurable reductions in turbidity, total organic carbon, iron, manganese, and color. In response to Board questions, staff discussed the expected longevity of the improvements, ongoing water quality monitoring, and customer complaints. Staff indicated that historical complaint trends had not been formally compared and that periodic filter media assessments would guide future replacements. Mr. Schroyer emphasized that the improvements also support SGWASA's future PFAS treatment initiatives.

Unidirectional Flushing Pilot Program: Mr. Summerlin reported on the successful September 22–23, 2026, pilot program conducted in the Golden Pond subdivision in Creedmoor, NC. The program improved water clarity and removed accumulated sediment from distribution lines. In response to Board questions, staff discussed the influence of pipe conditions, hydraulic modeling, and flushing procedures on program effectiveness. Mr. Schroyer outlined plans to expand the program throughout SGWASA's service area through a systematic, engineering-based approach, subject to future planning and funding.

Proposed Annual Report: The Executive Director discussed a proposal from Raftelis Consultants to develop an organizational annual report at an estimated cost of $24,800, noting that the expense was not included in the FY2026–2027 budget. Board discussion reflected support for the report, highlighting SGWASA's operational progress.

Strategic Plan Update: Mr. Schroyer reported that SGWASA's current five-year Strategic Plan expires in late 2026 and that a preliminary scope and fee proposal from Raftelis Consultants remained under review. Board members discussed the importance of evaluating accomplishments and completing major project milestones before initiating the next planning cycle. Following discussion,

staff discussed updating the existing Strategic Plan, including progress toward established goals, for presentation and Board discussion and review.

18. Attorney's Report

Brief Description: The SGWASA Attorney reported that there were no items for Board consideration at this meeting.

Board Action: No Board action was requested.

19. Board Member Comments

Brief Description: Board members were offered an opportunity to comment.

Councilperson Thomas Lane: Hearing from our folks down on Eighth Street, I remember riding through there before any work began; and I saw all the pipe in everyone's yard and I thought then, this is going to be a tough period for our folks. And I really felt sorry for them. I think, in the long run hopefully, we can clean everything up and get back to normalcy for all you folks, because I have ridden down that street many of times. A couple of times it was during a rainstorm.

So, I understand where you are coming from and appreciate your dealing with it, day in and day out. But it is sounding great that we are coming to some resolution. And I will be there to celebrate with you when it is all over. I know it has been tough on you folks. The delay just made it even worse. So that is pretty much my comments, tonight.

Mayor Pro Tem Vicky Daniels: I was just going to say, too, I am on Seventh Street. Every time I go by on D, I look that way to see what is happening, because I can hear it from afar.

Councilperson Tom Lane: Not very far.

Mayor Pro Tem Vicky Daniels: Not very far. That is right. But I do remember seeing huge pipes. But we are making progress. We do appreciate the patience. And before you know it, you will be telling a story about it. It will be over with. But I know right now it does not make you feel much better. Just hang in there with us. We appreciate your patience. We appreciate you coming here for your comments.

Mayor Pro Tem Archer Wilkins: You know, to piggyback on what they just said, I am glad you gave some kind of a timeline when it would be finished. One caveat, though, please, somebody look into the water backing up on this driveway, otherwise, going to hear about it every Sunday in Sunday school. So please, please do that.

Executive Director Scott N. Schroyer: I appreciate that. We will follow up on that.

Mayor Pro Tem Archer Wilkins: Thank you. And the last thing, please follow up on Commissioner Gleason's questions about the hydrant testing, whether they have been painted and tagged.

Commissioner Jimmy Gooch: I have just got a couple of things. The county voted unanimously to appoint Russ May to a three-year term with SGWASA. So you all are going to be stuck with Russ for a while to come. And I also want to thank the Creedmoor Board for reappointing Georgana Kicinski for another three-year term. And I want to especially thank Commissioner Moss and Mayor Pro Tem Wilkins for making the motion and the second; and for a unanimous decision by the Board. Thank you

for your recognition for recognizing the value she brings to Creedmoor through her work here with SGWASA. And I want to thank you guys for recognizing that, and the unanimous vote. Thank you.

Commissioner Russ May: I am going to do this in hopes that I do not get boo'd out of the room. I think Mr. Wilkins has been on the Board before- so I am, really, the newest member. But I think it always good for us to go back in history.

I could not help, tonight when I saw some of these reports. I am going to read a section of the reports. Just bear with me; because I think it is that we remind the residents of where we came from.

Reading: Relevant utility issues, known issues. Much of SGWASA's known infrastructure was constructed in the 1940's by the federal government as part of Camp Butner, a military training facility. It was later turned over to the State of North Carolina, leaving behind both a water treatment plant and a wastewater treatment plant. The State built John Umstead Hospital, and both water and wastewater facilities were operated by the State Department of Health and Human Services; and as part of the hospital, NCDHHS wanted to end their involvement in the utility business and the wastewater system properties were deeded over to SGWASA.

SGWASA consolidated the independent system from Butner and Creedmoor and Stem into one unified water-sewer utility. The merging of these systems has created significant maintenance and upgrade challenges for SGWASA, which means our customer base. As many of the existing assets have exceeded their expected useful lifespans, over the past few years, SGWASA has been implementing measures to address inherited deficiencies within the water system and establish long-term sustainable water management practices.

I am going to take a moment, after reading this and looking at the host of items, to applaud what I have seen since my period on this Board, some of the real advances that are being made to improve the water and sewer capabilities of SGWASA; and the efforts that have gone into it.
I really hope these will be a part of something that can be read.

Click to view the SGWASA History page of the official website)
Click to learn more about the water and wastewater treatment process at SGWASA
(Click to view SGWASA Infrastructure Guide featured at SGWASA Connect Information Expo)

Again, if we do not tell our story, if you do not tell your story, someone else will tell it for you.

Is it perfect? No, but I am telling you- we are moving in the right direction. We are making a difference. And I think that is important.

Commissioner Jimmy Gooch: What is the timeframe for that? Do you have a date on that?

Commissioner Russ May: Yes, it is September 1, 2026. This comes from the Water Assessment Inventory Asset Management Plan, and that is the synopsis that we have made.

And that is why we have this, click to view CIP, and page after page after page of dollars amount.
(Click to view Infrastructure Investment Discussion from the SGWASA Connect Expo: https://youtu.be/ibeAJVwYLXU)

So, again, I am sorry that the user has to take on this, but there is no cavalry coming to help us. We have got a lot of help from the state legislature, but it is not easy. And we are thankful for what we

have gotten. So, it is very important that we continue to advocate on behalf of this Board to those legislators; but ultimately, you took a system that was built during the beginning of World War II, you cobbled it together, you added multiple municipalities onto it, and none of those pipes got newer.

I think it is important to go back and look at that, because this board has taken a lot of criticism from the past. And of course, I will take criticism for these statements tonight. It is coming. I know where I am going to get it from, but you know what? Sometimes you have to recognize efforts by, not just the Board, but more importantly, by the Director, the employees of SGWASA. They are doing an outstanding job. Thank you.

Commissioner Georgana Kicinski, Vice Chair: Good evening. Jimmy, thank you so much for your positive comments; and I am grateful to share that at the October meeting of Creedmoor's Board of Commissioners', Commissioner Moss made a motion Mayor Pro Tem seconded it, and I was unanimously re-appointed to represent Creedmoor on the SGWASA Board going forward.

I am truly honored by that trust and support of all the Board members in Creedmoor; and I will continue working hard for Creedmoor citizens and its rate payers by serving on the Finance Committee, as well.

I was asked about an achievement, while I was on the SGWASA Board, for the last seven years. The one thing that came to mind was, when I ran for office, all heard about was rates, rates, rates, rates, rates. Tim Karan asked me to join the Finance Committee, and I did, because he was a committee of one- and I joined it. The first question I asked was, why do we not have commercial and residential rates? Why is there no separation? Scott, with help from Richard, they hired a consulting firm to review the rates. The one thing that we came up with, I am sure that a lot of people in this room might not remember the 2,000-gallon minimum that everybody was being charged for water and sewer. So many people are single residents, and they were paying for 2,000 gallons of water and sewer that they were not using. And the first thing we did was get rid of the minimum; and it dropped the bills, if I remember and I went back to look at my notes, about $34 and seventy-some-odd cents- right away. I am pretty proud of that happening, and I am really glad that I pushed that as hard as I did and that we could accomplish that.

As I said earlier, the PFAS project and the volume of cost that it is going to be, and all the conversation that people have had about PFAS, PFAS, PFAS, PFAS. We have been as strategic as we can. On the Finance Committee, which Vicky is the Chair for, to try and find the best way to get that project done. We have gotten some grants, thank God, so we could do the pilot testing.

In the pilot testing, some of the values were not as bad as we thought they were; but it goes up and down, and it might be seasonal. There is no science behind all of it, but the systems have never been developed to get the PFAS down to 4 parts per trillion, when the order came down from Washington.

So, it has been a challenge, finding a company that could make it. Finding a company that would make it. Finding out what is best for us, for you. And trying to keep the cost from being absolutely absorbent. This is a project.

At our Finance Committee Meeting (https://youtu.be/C4gwxcLCQQ0) the number was $41,000,000, right now for that project. And it can go up, we pray it will go down, but it could go up. So, that is why there is a lot of infrastructure that has not been addressed, because we are putting all our money to try and make sure we do not kill our rate payers with this.

I am going to thank SGWASA and the staff for getting the new fire hydrant on Pitch Pine Drive, which was a problem for our fire department. Once I made mention of it, it did not take long at all to get it done; and I was told today that the paving has been done on that street.

Hydrant flushing- I do not know the answer to that. I know we did hire two new people to perform fire hydrant maintenance, and I have not seen a lot of hydrants flushing, except the ones I saw in Golden Pond. The tags, I am told Commissioner Gleason, are all done. All the new tags are on. The old ones have been removed, and the paintings I have asked for could not be done because of temperature issues. It was too hot to paint them, but now that it is cooling down I assume we are going to get back on track

I do not think we expected it to be as long as it is on your street. There has just been so many other issues that have come up that we did not anticipate, and I apologize. Will put their mailboxes back, won't we? Or the contractor will?

Executive Director Scott N. Schroyer: The mailboxes have not left. It's just been an issue where it is very challenging for the mail delivery service to get up and down the street just based on a construction on a daily basis. That has been the challenge.

Commissioner Georgana Kicinski, Vice-Chair: Okay.

Executive Director Scott N. Schroyer: We will address that first thing tomorrow morning as well as some of the other topics that we've mentioned.

Commissioner Georgana Kicinski, Vice-Chair: Just think you will not have anything to do if you do not have to run to the mail post office very soon.

But I do apologize. I am so sorry. I am hoping this is not going to happen anywhere else in the city, but you never know what might happen. That gas line was a surprise to us, from what I understand. And that's all I have. Thank you again for coming. Thank you again for always coming. Thank you.

Commissioner Kenneth McLamb, Chair: And my comments are going to be short. I have been on this Board a long time, and I want to say I have been on this board probably 10 to 12 years. From where we came from to where we are at today, we were a laughingstock 10 to 12 years ago. And where we are at today is a huge difference. So, I know the prices get high with the PFAS coming, they are going to get higher. Be aware of that.

Just thank you. And I am sorry that you do have the issues are having; and I hope that finishes up quickly. Thank y'all. Thank y'all for coming.

Commissioner Russ May: I am going to say this: You will not find a Board that is going to work any harder, with the legislature, than this board to try to- And I remember when we were told that we would not get any money to help, with the projects we got going out. I literally was told more than once: not going to get a dime, quit asking.

We did not stop asking, we did not stop working. And we will not stop. And I will tell you that I am convinced that we will get some help. It will not be immediate, but it will come.

20. Closed Session

None.

21. Adjournment

Brief Action: Mayor Pro Tem Archer Wilkins made a motion to adjourn, which was seconded by Mayor Pro Tem Vicky Daniels. The motion carried unanimously, and the meeting adjourned at 7:49 PM.

Submitted by: Krystle Lee, Public Information Officer and Board Secretary

Approved by the Board at the November 10, 2026 Board Meeting

_____

Kenneth McLamb, Stem Commissioner/SGWASA Chair Date

Agenda Item–9

Public Comments

South Granville Water and Sewer Authority (SGWASA)

Public Comment Procedures

The members of the South Granville Water and Sewer Authority (SGWASA) are committed to allowing members of the public an opportunity to offer comments and suggestions regarding efficient and effective administration of the regional utility. In addition to public hearings, a special time is set aside for the purpose of receiving such comments and suggestions. All comments addressed to the SGWASA members (the "Board") during the Public Comment period shall be subject to the following procedures:

1. **Public Comments - General:**
   a. The Public Comment period will be held at the beginning of the Board meeting. The comment period will be limited to a maximum of thirty (30) minutes. Based on the total number of Public Comments - Request to Speak Information Cards submitted, the Board may agree by majority vote to extend the Public Comment period or hold an additional Public Comment period at the end of the Board meeting.
   b. Public Comment speakers should not expect Board action, deliberation, and/or comment on subject matter brought up during the Public Comment section unless and until it has been scheduled as an item on a future meeting Agenda.
   c. Public Comment is not intended to require the Board to answer any impromptu questions. Speakers will address all comments to the Board as a whole.
   d. Discussions between speaker and members of the audience are not allowed.
   e. Action on items brought up during the Public Comment period will be at the discretion of the Board.
   f. Speakers must be respectful and courteous in their remarks and must refrain from personal attacks or accusations, the use of profanity, and inappropriate gestures.
   g. Only one speaker will be acknowledged at a time. If the time runs out before all persons who have signed up have an opportunity speak, those names will be carried over to the next Public Comment period.
   h. Any applause will be held until the end of the Public Comment period.
   i. Speakers who have prepared written remarks or supporting documents shall leave a copy of such remarks and documents with the Board Secretary.
   j. Speakers shall not discuss matters concerning the candidacy of any person seeking public office, including the candidacy of the person addressing the Board, except to the extent that the comments directly address issues pertinent to SGWASA.
   k. Comments must relate to matters that are within the authority or jurisdiction of the Board.
   l. Topics requiring further investigation will be referred to the appropriate SGWASA official, Board Committee or agency, and may, if in order, be scheduled for a future meeting Agenda.

1. Approved 2-14-23

Public Comments (cont.)

South Granville Water and Sewer Authority (SGWASA)

Public Comment Procedures

m. The Board requests that complaints relative to specific SGWASA employees be directed to the Executive Director, other than at a Board meeting. Individual personnel issues are confidential by law and will not be discussed by the Board in open session.

2. Public Comments - Procedures:

a. Persons who wish to address the Board during the Public Comment period shall complete a Public Comments-Request to Speak Information Card prior to the start of the Board Meeting. Public Comments – Request to Speak Information cards will be available thirty minutes before the start of the meeting.

b. On the Public Comments – Request to Speak Information card, speaker shall provide their contact information (full name, full address, email, and telephone number) and the topic of their comments.

c. Speakers will be called to the podium by the Board Chair when it is their turn to speak. Speakers will address the Board from the podium at the front of the room and begin their remarks by stating their full name and address for the record.

d. Each speaker will have **three (3) minutes** to make remarks and will only be entitled to the time allotted.

e. Those persons who desire to submit their public comments to the Board without directly addressing the Board during the Public Comment period may do so, yet they shall provide a legible document to the Board Secretary by 3:00 pm on the day of the Board Meeting. The legible document shall include their contact information (full name, full address, email, and telephone number) and the topic of their comments. The public comments will not be read aloud during the Board Meeting, yet they will be attached to the record copy of the meeting minutes.

2. Approved 2-14-23

Agenda Item-10

Board Discussion Items

Brief Explanation: Prior to each month's regularly scheduled Board meeting, the Board Secretary surveys the South Granville Water and Sewer Authority (SGWASA) Board members to see if they have any discussion topics for the upcoming Board meeting. The following are the responses received regarding discussion items for this Board meeting.

Thomas Lane, Town of Butner Councilperson: None

Vicky Daniels, Town of Butner Mayor Pro Tem: None

Archer Wilkins, Mayor Pro Tem, City of Creedmoor Commissioner:

- Based on comments made during last Monday night's Granville County Board of Commissioners meeting, where, according to social media, four commissioners seemingly expressed support for data centers, please discuss the potential impact of a data center on SGWASA and what the implications would be for a large data center in our county.

Jimmy Gooch, Granville County Commissioner: None

Russ May, Granville County Commissioner: None

Georgana Kicinski, City of Creedmoor Commissioner/SGWASA Vice Chair:

- Lake Holt

Kenneth McLamb, Town of Stem Commissioner, Chair: None

Agenda Item-11

Topic: Unidirectional Flushing Program Presentation

Requested Action: Informational Only - No Board Action Required

Presenter: Chris Summerlin, Assistant Executive Director; Chris Evans, Hazen and Sawyer

Background:

The SGWASA Board approved a task order at the January 13, 2026, Board meeting with Hazen and Sawyer for a Unidirectional Flushing Pilot Program in the Golden Pond Subdivision in the City of Creedmoor.

This program was performed September 22-23, 2026, and it went very well.
Chris Evans with Hazen and Sawyer is here this evening to do a presentation on the benefits of Unidirectional Flushing (UDF) and give a summary of what it took to implement the UDF program.

Attachment(s):

- Unidirectional Flushing Program Presentation by Hazen and Sawyer

Strategic Plan Alignment

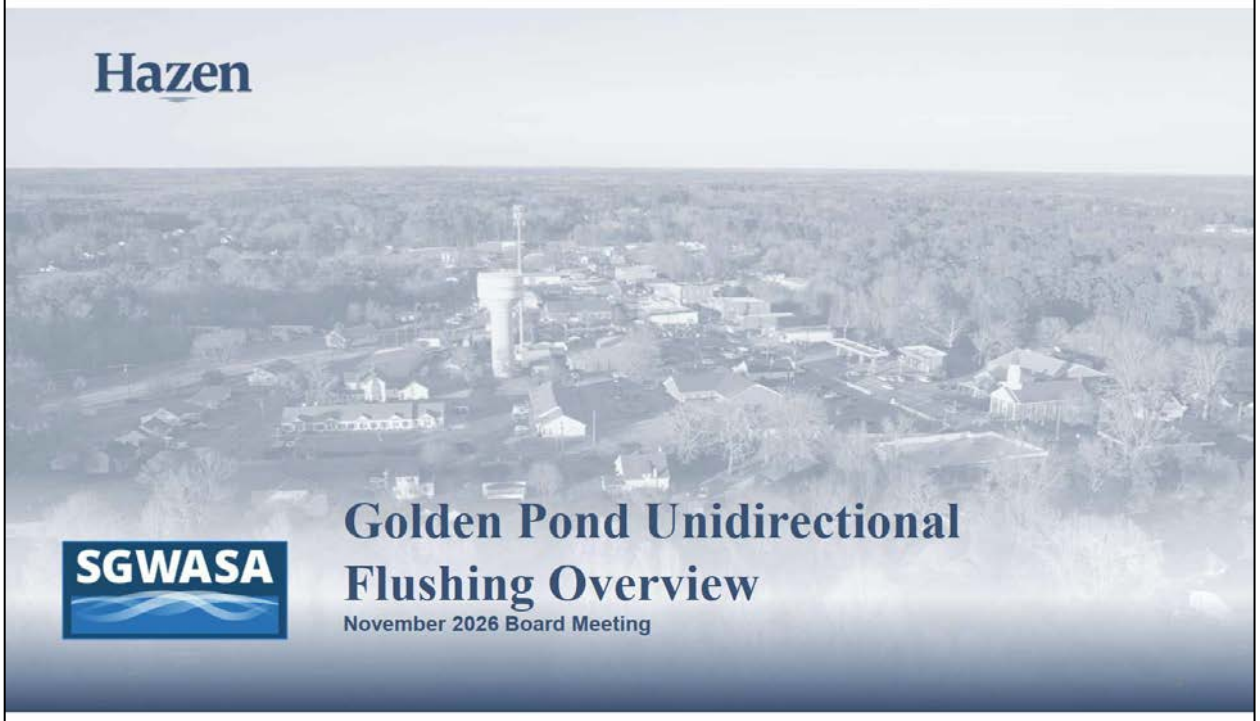
Focus Area #1 – Safe, Reliable and Sustainable Water System

- **Objective #2:** Enhance financial and operational components of the water system to support capital investments and efficient operations

Executive Director's Recommendation:

This item is Informational Only - no Board action is required.

Hazen



SGWASA

Golden Pond Unidirectional Flushing Overview

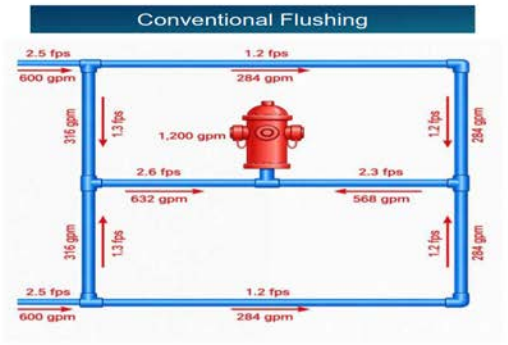
November 2026 Board Meeting

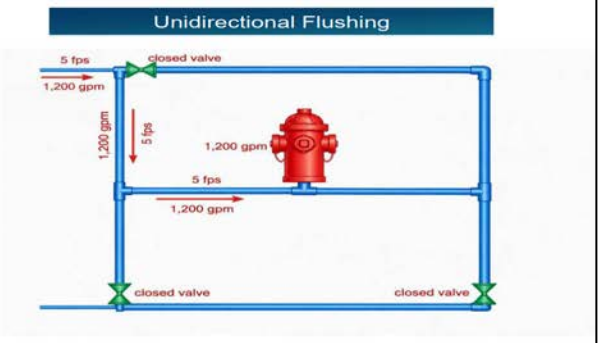
Unidirectional Flushing (UDF)

- **Purpose:** remove sediments, corrosion byproducts, and biofilm associated with them (but not tuberculation!)
- Routes water from supply sources to flowing hydrants only through previously flushed pipes
- Target velocity is each pipe segment is 5-6 fps for scouring
- **Uses much less water than conventional flushing**
- Labor intensive:
  - Locate hydrants and valves initially
  - Operate hundreds of valves and hydrants



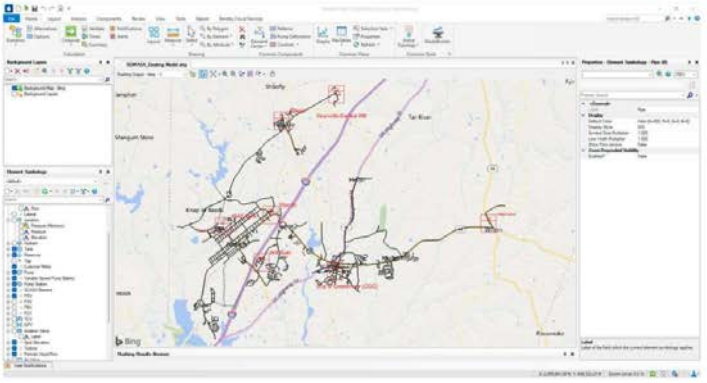
UDF uses valves to route water to induce higher velocities





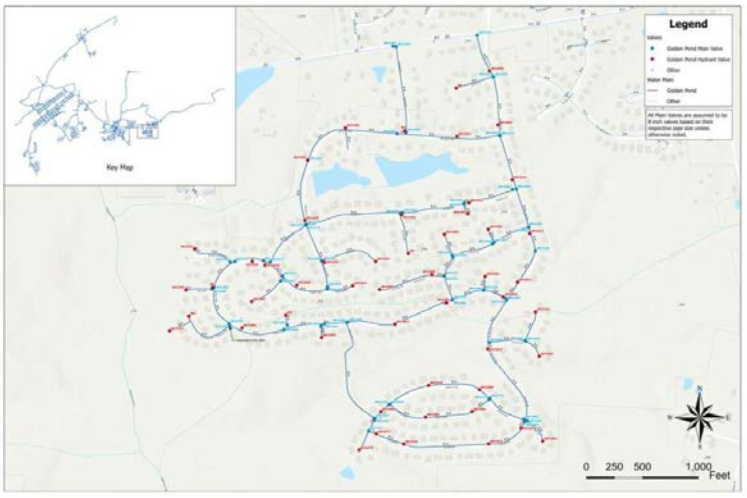
How does Hazen fit into SGWASA Unidirectional Flushing?

- Hazen used the existing model provided by SGWASA to develop the UDF plan
- The model is being updated as part of the Distribution Water Quality Evaluation project
- The model was live calibrated on Day 1 to improve UDF results



How does the model guide unidirectional flushing?

- Hazen used the model to evaluate system pressures and velocities for each UDF sequence
- Flow rates were adjusted based on system impacts while still maintaining productive flushing velocities
- The software combines all the planned sequences into a useable journal

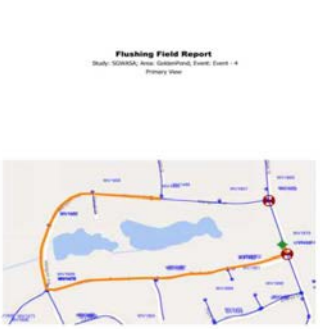


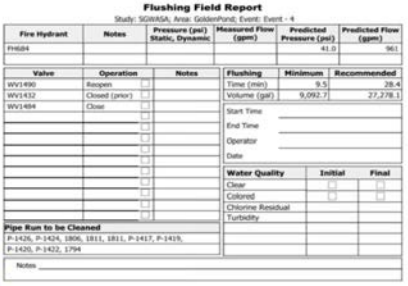
What comes in the UDF journal?

UDF plan tailored to the distribution system

- Overview of each flushing sequence
- Report table for each sequence including:
  - Valve operations
  - Expected pressures
  - Flow rate
  - Flow duration and volume

Reusable in the future!





Key Success Factor: SGWASA staff assessed valves before UDF

- Valves may be inoperable, difficult to locate, or missing entirely
- SGWASA staff assessed every Golden Pond valve for operability and accessibility
- UDF sequences could proceed without valve related issues

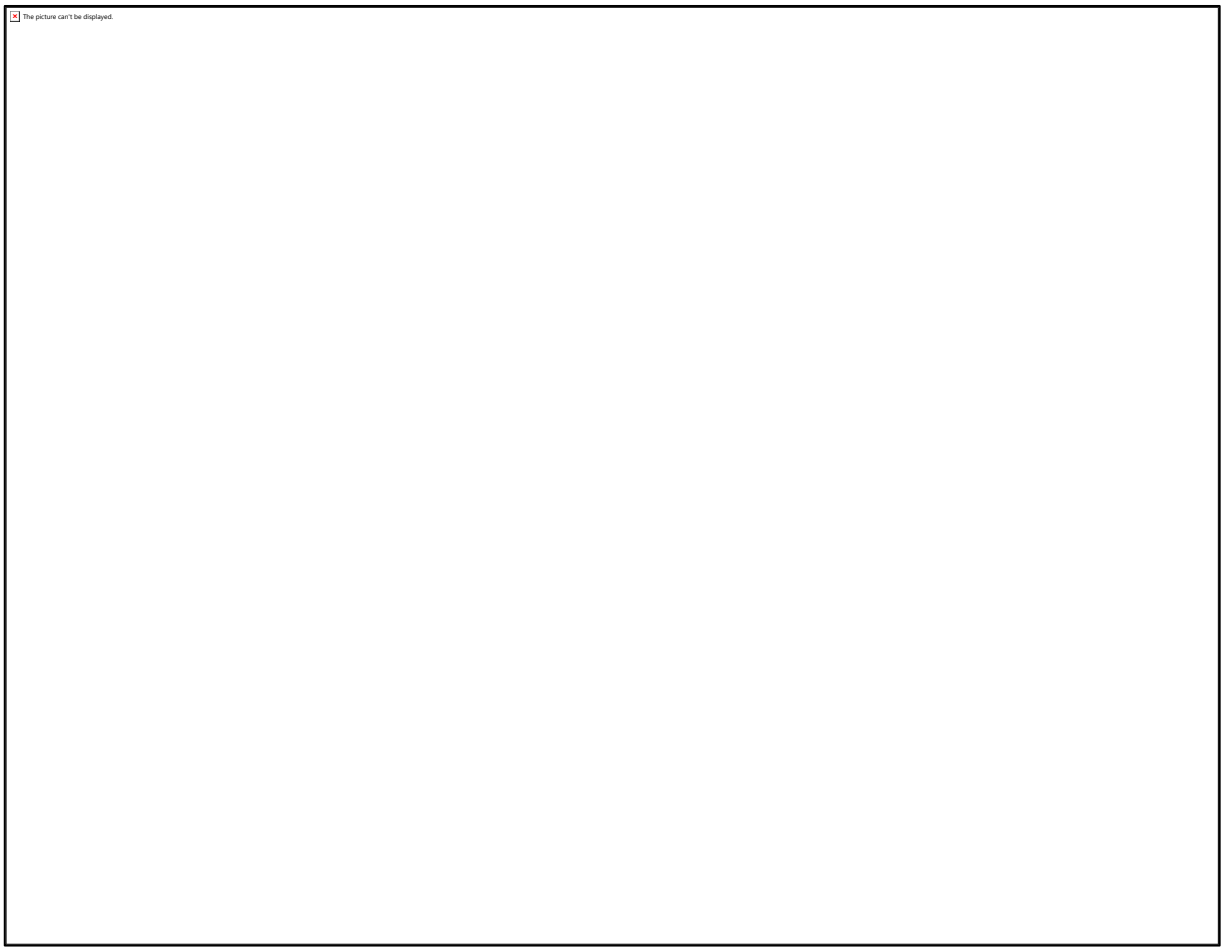


What did Golden Pond UDF look like?





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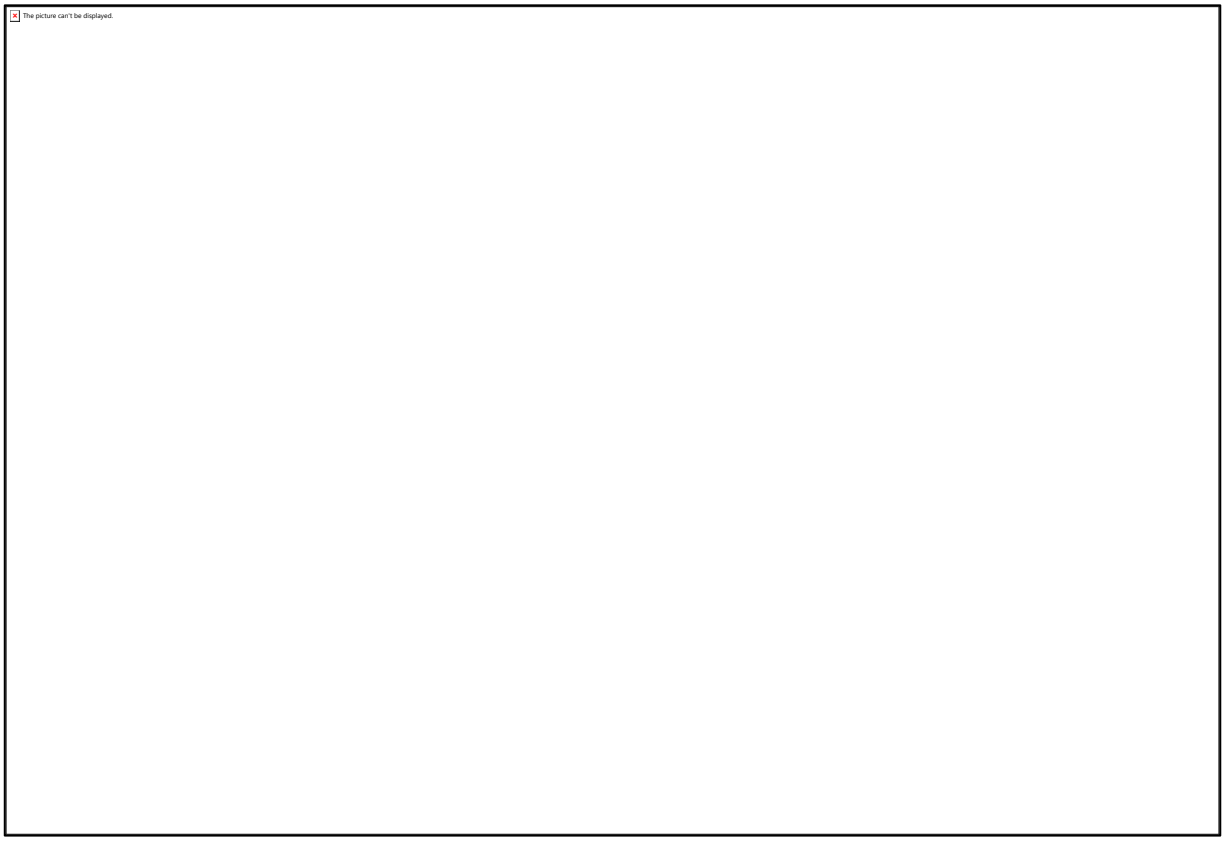
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Agenda Item-12

Topic: FY2026-27 Emergency Wastewater Hauling Program: Award of Contract

Requested Action: Award of Contract to Vision NC, LLC for Emergency Sewer Pumping

Presenter: Chris Summerlin, Assistant Executive Director

Executive Summary:

SGWASA staff requests Board approval to award a contract to Vision NC, LLC for the FY26-27 Emergency Wastewater Hauling (Sanitary Sewer Pumping) Program, not to exceed $70,000, the amount available in the approved budget. The July 2026 RFP on BeaconBid.com drew no bids, so staff solicited six area haulers directly and received two proposals and one no-bid response. Vision NC bid $475 per hour for regular hours and $525 for after hours. Double Deuce Septic bid $400 and $600. Vision NC offers lower after-hours pricing and longer regular hours, and it carries the required hazardous materials insurance, which Double Deuce Septic lacks. Staff therefore recommends Vision NC and asks that the Executive Director, SGWASA Attorney and Finance Director be authorized to finalize and execute the contract.

Background:

The FY26-27 Budget included $120,000 for emergency wastewater hauling services. The South Granville Water and Sewer Authority (SGWASA) Utilities department requires the services of qualified contractors to provide all necessary labor, materials and equipment to remove, transport and unload wastewater from lift stations and manholes in the SGWASA sewer collection system on an "as-needed basis" 24 hours per day, 365 days per year.

Analysis:

During the past several years, Vision NC has been the primary provider to SGWASA for emergency wastewater hauling services.

On July 17, 2026, SGWASA issued a Request for Proposals (RFP) for emergency wastewater hauling services through BeaconBid.com. The bid window closed on 8/7/2026 and no bids were received.

Since no bids were received through BeaconBid.com, the RFP package was solicited to 6 septic and wastewater haulers around the area and 3 responses were received, with one being a no bid. The following two vendors provided proposals for the scope of work outlined in the RFP, as well as one vendor provided a no-bid email.

Company	Price per hour	Price per hour
Vision NC	$475 regular hours	$525 after hours
Double Deuce Septic	$400 regular hours	$600 after hours
Clean Septic	No Bid	No Bid

Rate Changes: When compared to the previous 3-year contract for these services, starting 1/1/2023, Vision NC's unit cost per hour for both regular hours service and after-hour service has increased by $50 per hour.

The complete bid tabulation is attached as Exhibit A.

Recommendation:

Vision NC charges more than Double Deuce Septic during regular hours (7am-5pm) but less after-hours. Its longer regular-hours window offsets the higher regular-hours rate by reducing the need for after-hours service. Double Deuce Septic charges less during regular hours (7am-3pm) but more after-hours

Based on the bids received and the information provided, SGWASA staff recommends awarding the FY26-27 Emergency Sanitary Sewer Pumping contract to Vision NC, LLC at the proposed unit costs.

Schedule:

Following Board approval, SGWASA will execute the necessary contract documents and schedule the work.

Financial:

The approved FY26-27 Budget includes $120,000 for sanitary sewer pumping. $77,000 is currently unencumbered and available for the new contract.

Attachment(s):

Exhibit A: Sanitary Sewer Pumping Bid Tabulation

Strategic Plan Alignment

Focus Area #2 – Reliable and Sustainable Sanitary Sewer System

- **Objective #1:** Provide for upgrades and ongoing maintenance of the sewer system infrastructure through regular assessments of capital assets and the inclusion of needed projects in the Authority's Capital Improvement Plan (CIP).

Executive Director's Recommendation:

The SGWASA Board (i) approve a contract with Vision, NC LLC for the FY26-27 Sanitary Sewer Emergency pumping program for the not-to-exceed amount of $70,000; (ii) allow the Executive Director, SGWASA Attorney, and Finance Director to finalize and execute a contract with Vision NC, LLC.

Exhibit A.: Sanitary Sewer Cleaning and Television Bid Tabulation.



Agenda Item-13

Topic: Requesting authorization to issue a $39,070.68 purchase order to Huber Technology for Wastewater Treatment Plant stair screen repairs.

Requested Action: Authorize the Executive Director to issue a purchase order in the amount of $39,070.68 with Huber Technology for the repair of the stair screen at the SGWASA Wastewater Treatment Plant.

Presenter: Chris Summerlin, Assistant Executive Director

Executive Summary:

Staff requests Board authorization for the Executive Director to issue a $39,070.68 purchase order to Huber Technology to repair a stair screen at the SGWASA Wastewater Treatment Plant (WWTP). The repair will restore screening needed to remove debris, protect downstream equipment, and maintain treatment efficiency. Huber Technology is the manufacturer and is identified as the sole qualified repair provider. Funding is available in the approved FY2026-27 WWTP repairs and maintenance budget; no budget amendment is needed. Upon approval, staff will issue the purchase order and schedule the work.

Background:

The SGWASA Wastewater Treatment Plant is equipped with two (2) mechanical stair screens that help filter out debris items in the wastewater stream that come from the collection system. Stair screens ensure that solids are removed from the treatment process, thus ensuring treatment efficiency, while also reducing premature wear on the items related to the treatment process.

Analysis:

The stair screens are located at the headworks treatment area at the WWTP and are manufactured by Huber Technology. Huber Technology is only qualified company to work on these stair screens; this service is sole-sourced which doesn't require SGWASA to bid repair projects.

The stair screen is a vital part of the process at the WWTP and needs repair to ensure that solids and other foreign materials can be taken out of the waste stream before it proceeds through treatment.

SGWASA has a quote from Huber Technologies to repair and replace parts on the stair screen to make it operational.

SGWASA's purchasing policy regulates that all contracts in excess of $30,000 resulting from informal bids must be awarded by the Board. Since this repair is over $30,000, Board approval is required to move forward with issuing a purchase order for this repair.

Recommendation:

Huber Technology is the manufacturer and only qualified company to work on the stair screens at the WWTP.

SGWASA staff recommends the Board give the Executive Director the ability to issue a purchase order for the repair of the stair screens with Huber Technology.

Schedule:

Following Board approval, SGWASA will execute the purchase order for Huber Technology and schedule the work.

Financial:

The repair of the stair screen is $39,070.68, including parts, labor and startup. The approved FY2026-27 Budget for the WWTP includes funds in the repairs and maintenance line for the repair; no budget amendment is needed to issue a purchase order. Staff is also recommending a 10% contingency of $3,900 be added to the purchased price, for unexpected conditions. Total estimated project cost, including the contingency equals $42,970.68

Attachment(s):

Exhibit A: Pictures of stair screen at WWTP
Exhibit B: Quote for repair from Huber Technology
Exhibit C: Sole Source Letter from Huber Technology

Strategic Plan Alignment

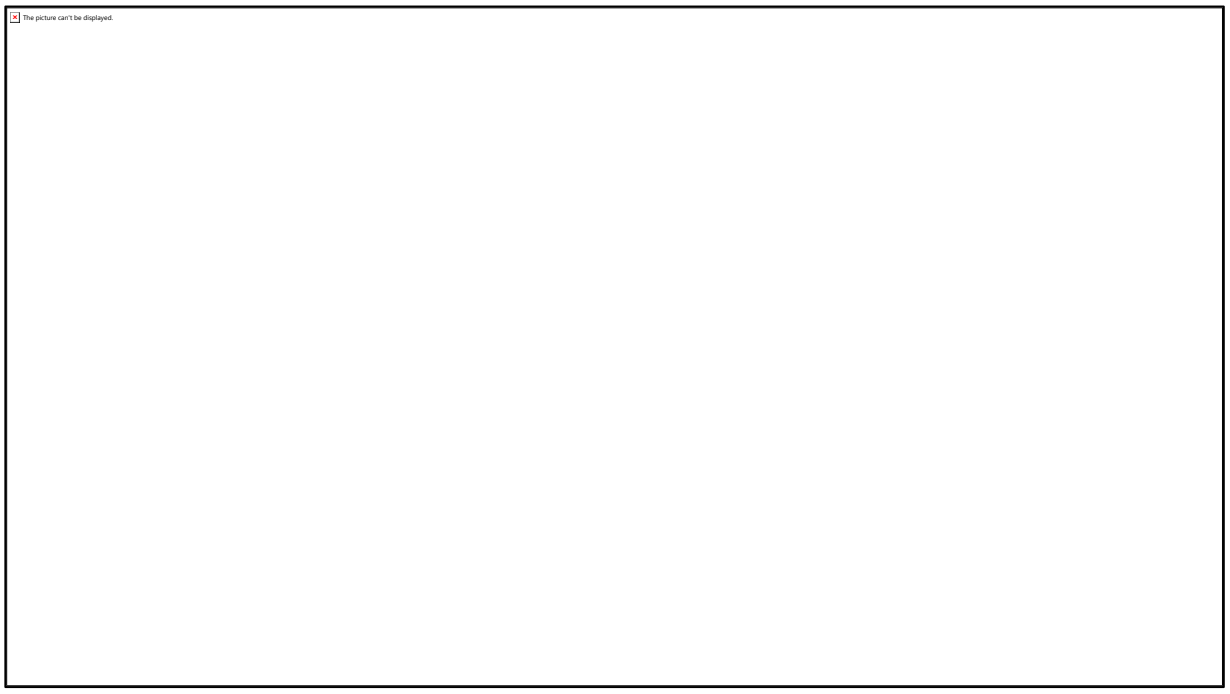
Focus Area #2 – Reliable and Sustainable Sanitary Sewer System

- **Objective #1:** Provide for upgrades and ongoing maintenance of the sewer system infrastructure through regular assessments of capital assets and the inclusion of needed projects in the Authority's Capital Improvement Plan (CIP).

Executive Director's Recommendation:

The SGWASA Board (i) authorizes the Executive Director to issue a purchase order in the amount of $39,070.68 with Huber Technology for the repair of the stair screen at the SGWASA Wastewater Treatment Plant, and the Executive Director is given the authority to review and approve change orders relating to unexpected conditions in an amount not to exceed a 10% contingency of $3,900 without further Board approval.

Exhibit A.: Pictures of Stair Screen



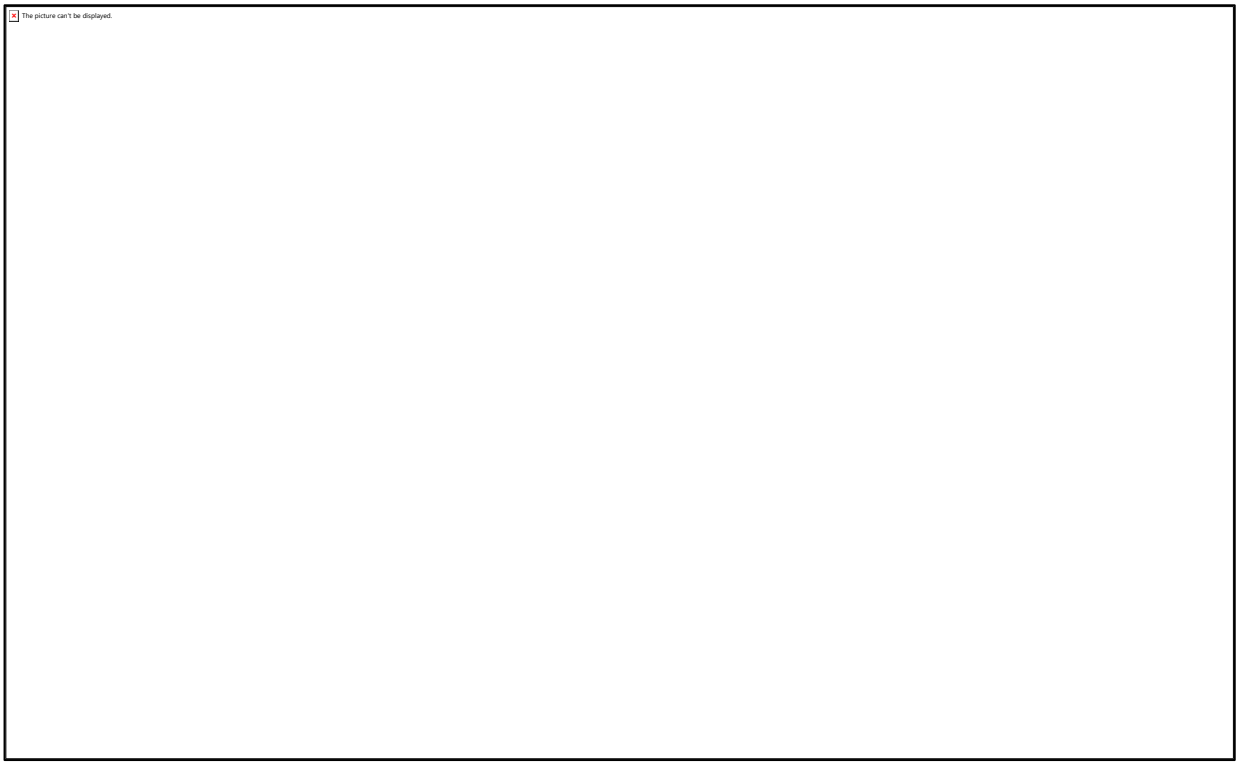
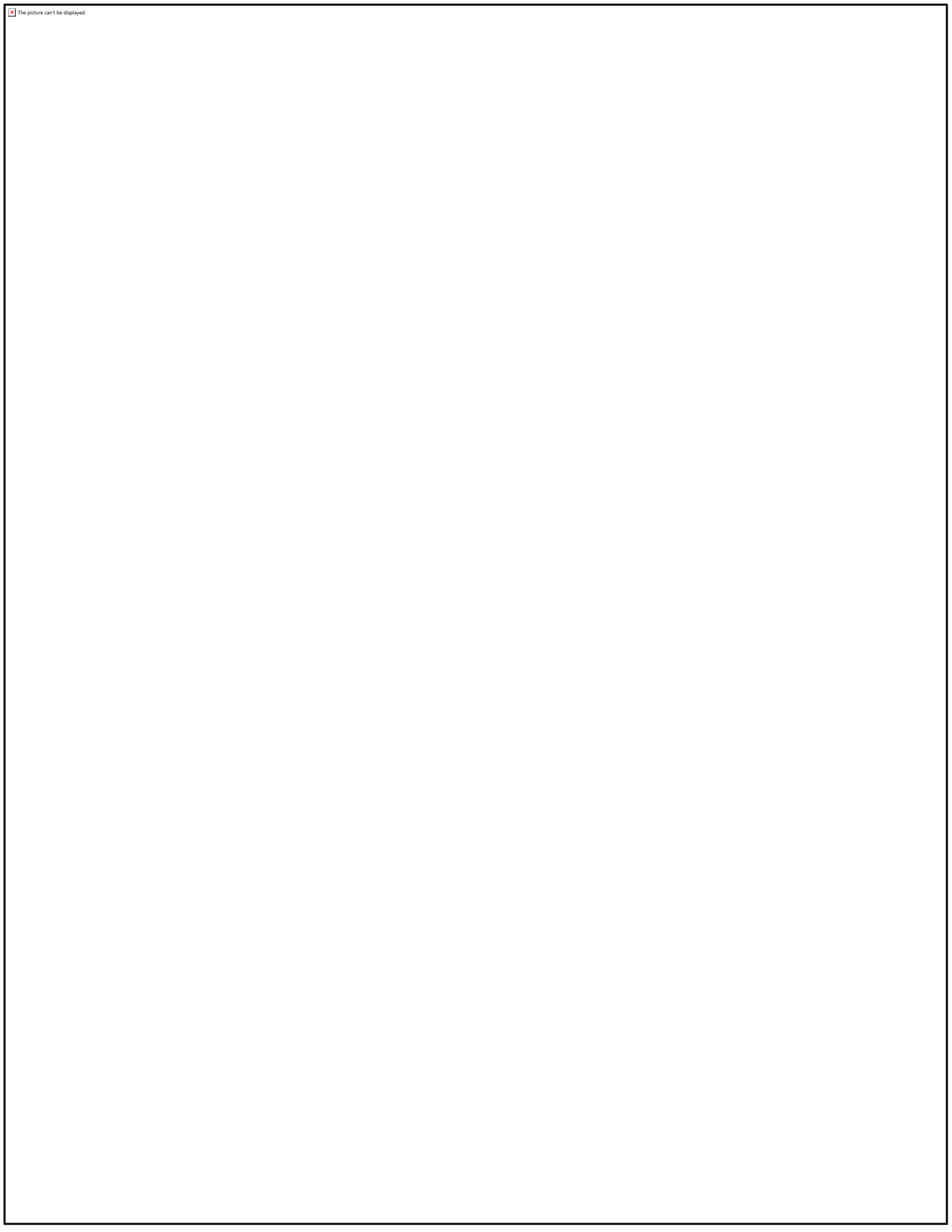


Exhibit B: Quote for Repair



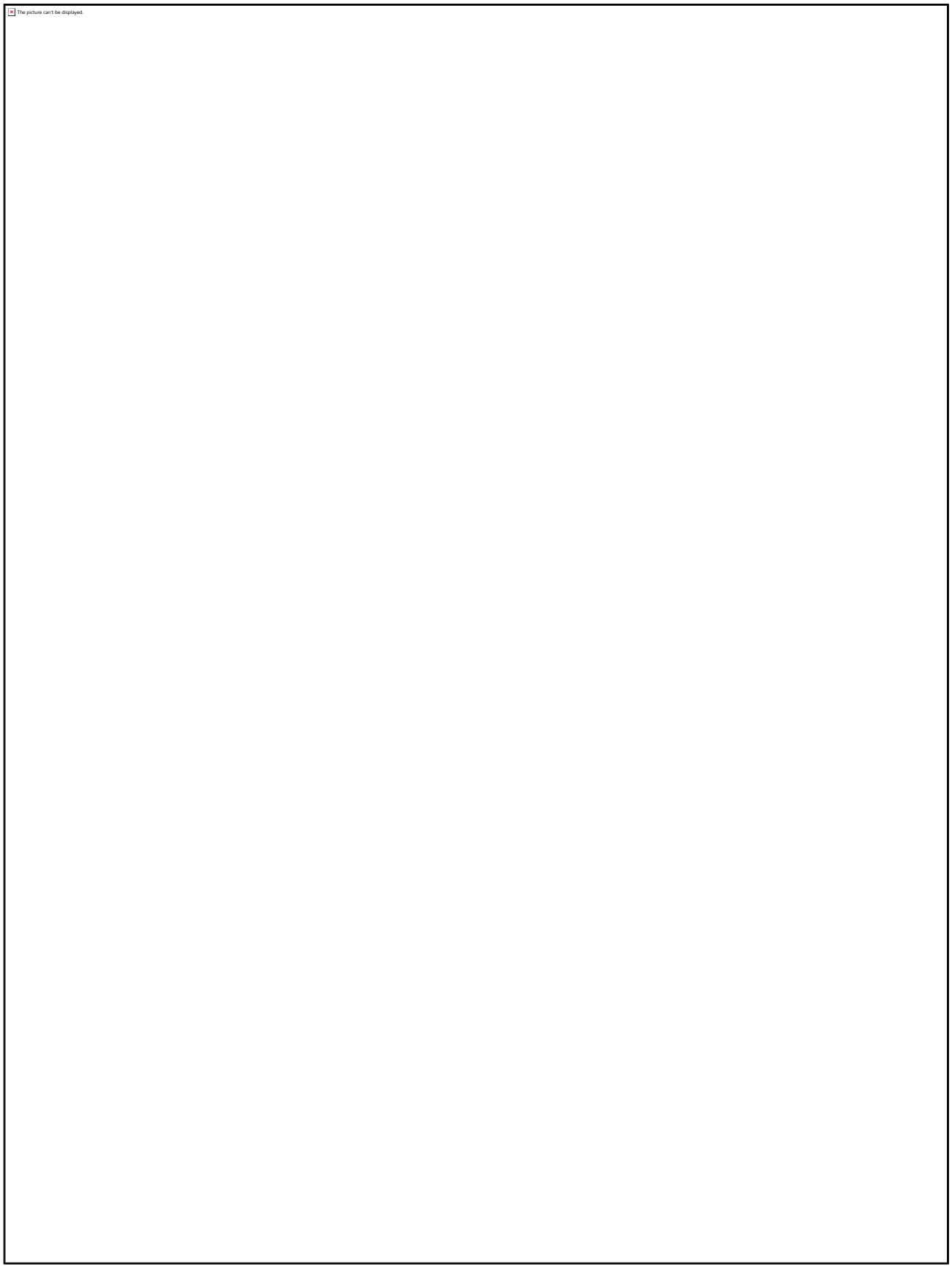

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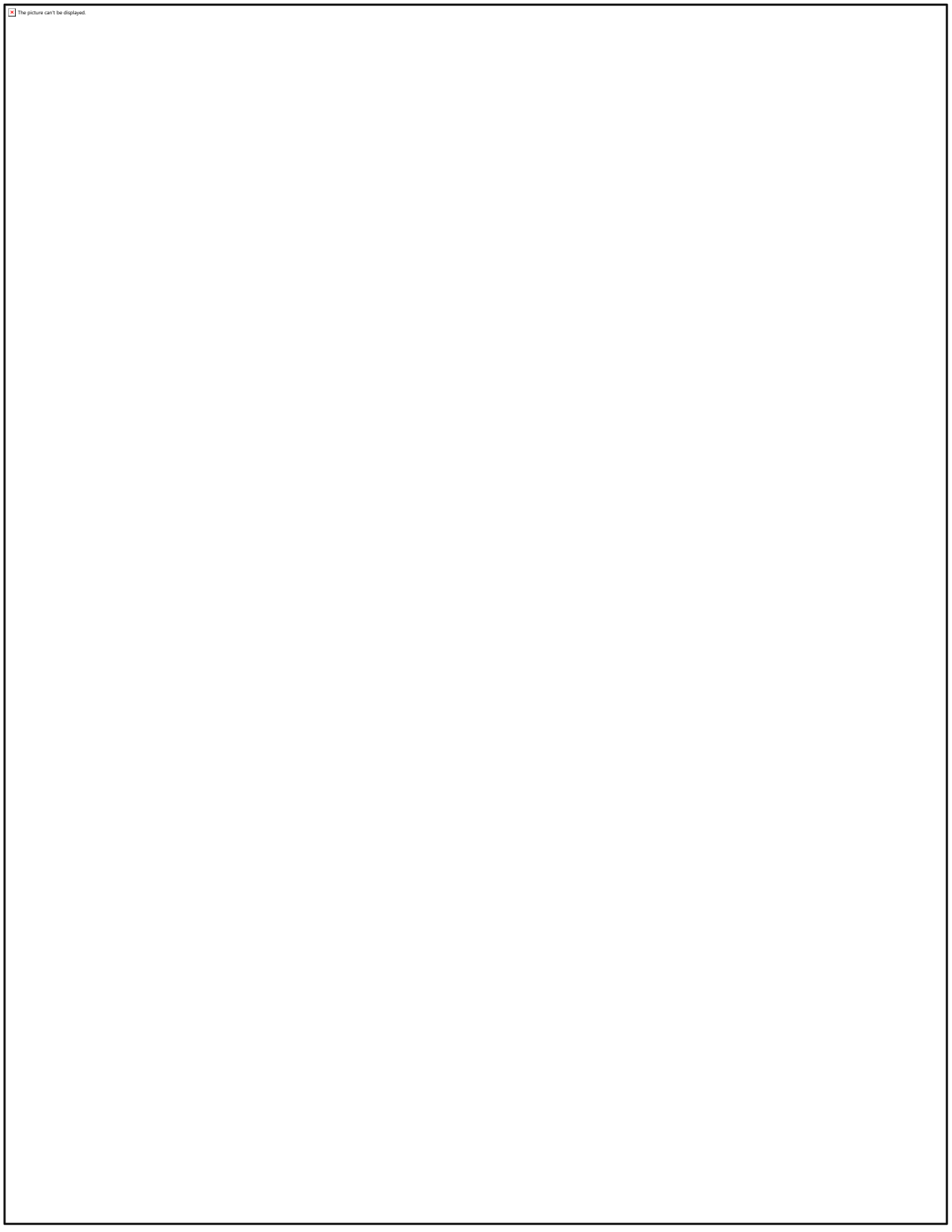
Exhibit C: Sole Source Letter



Agenda Item-14

Topic: FY2026-27 1st Quarter Financial Review - Presentation

Requested Action: Item is informational only. No Board action is required.

Presenter(s): Richard Balmer, Finance Director

Background:

One of the tasks initiated to foster improved financial awareness across the organization includes quarterly financial reporting to the Board. Throughout FY26-27 Richard Balmer, Finance Director, will provide quarterly financial updates to the Board during their regularly scheduled Board meetings. The Quarterly Financial updates will be presented as follows:

- Quarter 1 (July-Sept.) – November Board Meeting
- Quarter 2 (Oct.-Dec.) – February Board Meeting
- Quarter 3 (Jan.-Mar.) – May Board Meeting
- Quarter 4 (Apr.-Jun.) – Annual Auditor Presentation in Fall 2027

Analysis:

- **Cumulative billing revenue** for the year is trending slightly above expectations.
- **Cumulative non-billing revenue (fees)** for the year is trending slightly lower than expectations due to lagging connect (tap) fee revenue.
- **Interest income** for the year is trending higher than expected. Interest rates have not declined as projected and cash balances committed for I-85 project expenses have not been expended as rapidly as forecasted.
- **Operating fund balance** appropriations for the year are nominal with the exception of re-appropriations related to ongoing capital projects.
- **Designated CIP fund balance** appropriations for the fiscal year did not occur during the first quarter.
- **Fund Balance (available cash)** was expended significantly during the first quarter for the I-85 USDA-required owner contribution.
- **Departmental expenses** overall are materially comparable to amended budget.

Next Steps:

Continue to monitor financial activities for the remainder of the fiscal year.

Attachments:

Exhibit 1: FY2026-27 1st Quarter Financial Review Presentation.

Strategic Plan Goal & Objective Alignment:

Focus Area #1 – Safe, Reliable and Sustainable Water System

- Objective #4: Enhance financial and operational components of the water system to support capital investments and efficient operations.

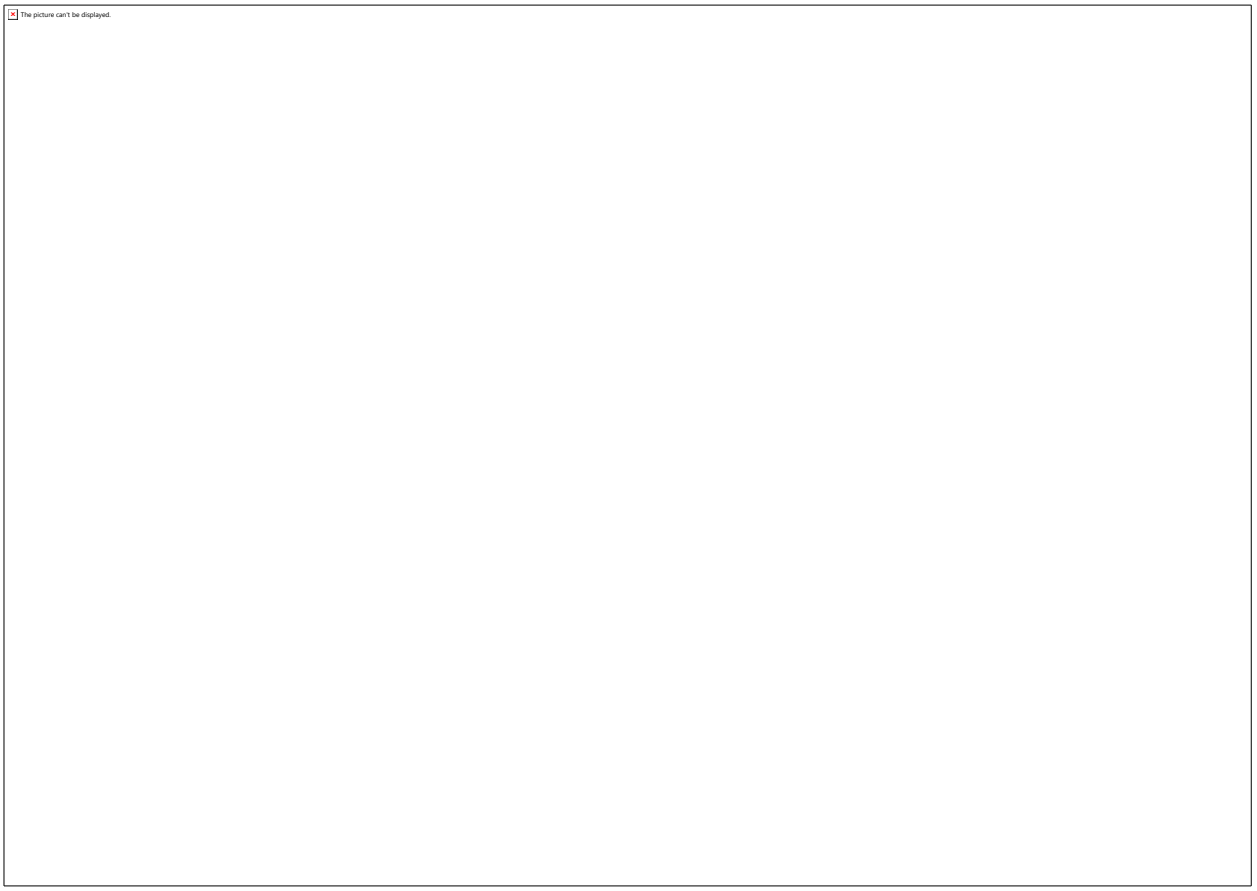
Focus Area #2 – Reliable and Sustainable Sanitary Sewer System

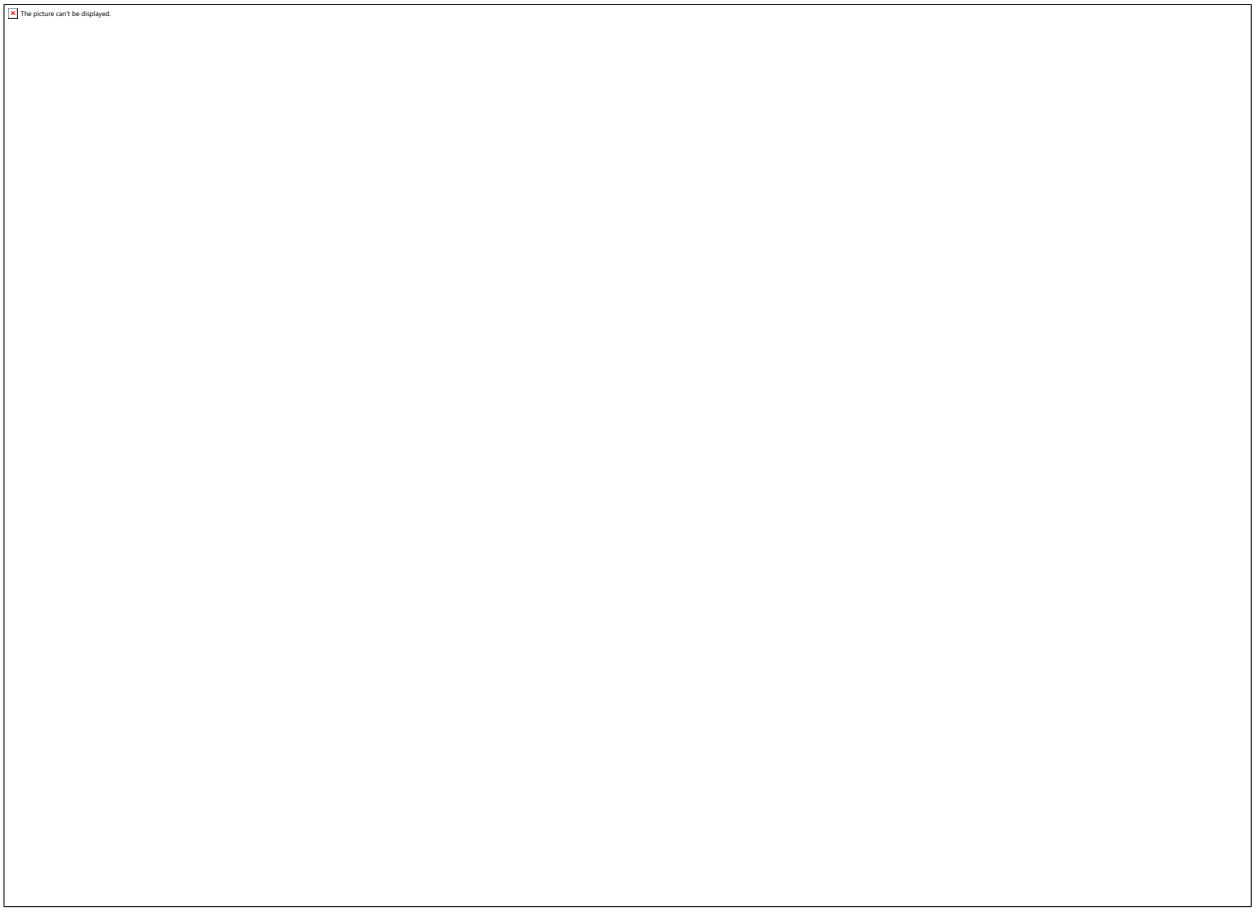
- Objective #3: Enhance financial and operational components of the sanitary sewer system to support capital investments and efficient operations.

Executive Director's Recommendation:

This item is informational only and does not require Board action.

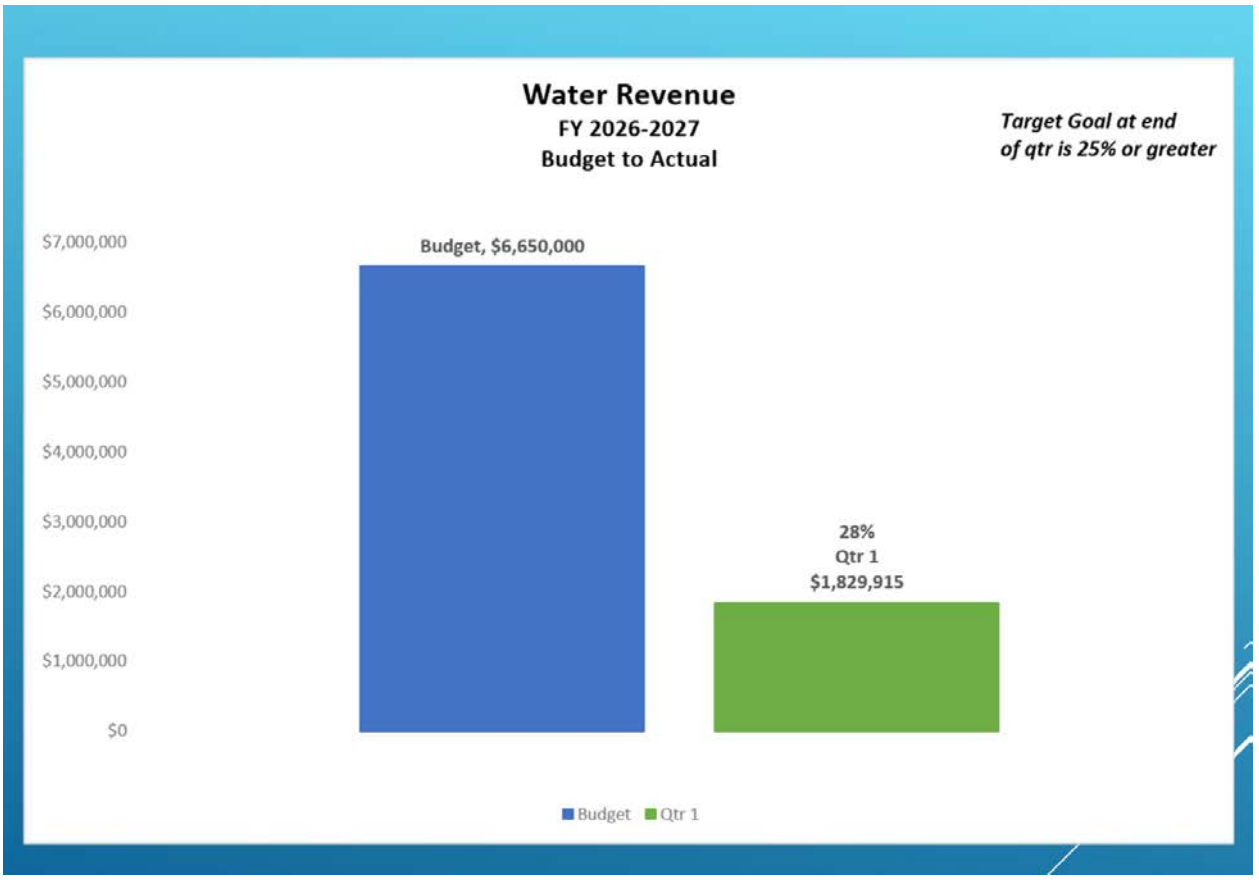
Exhibit 1: FY 26-27 1st Quarter Financial Review Presentation

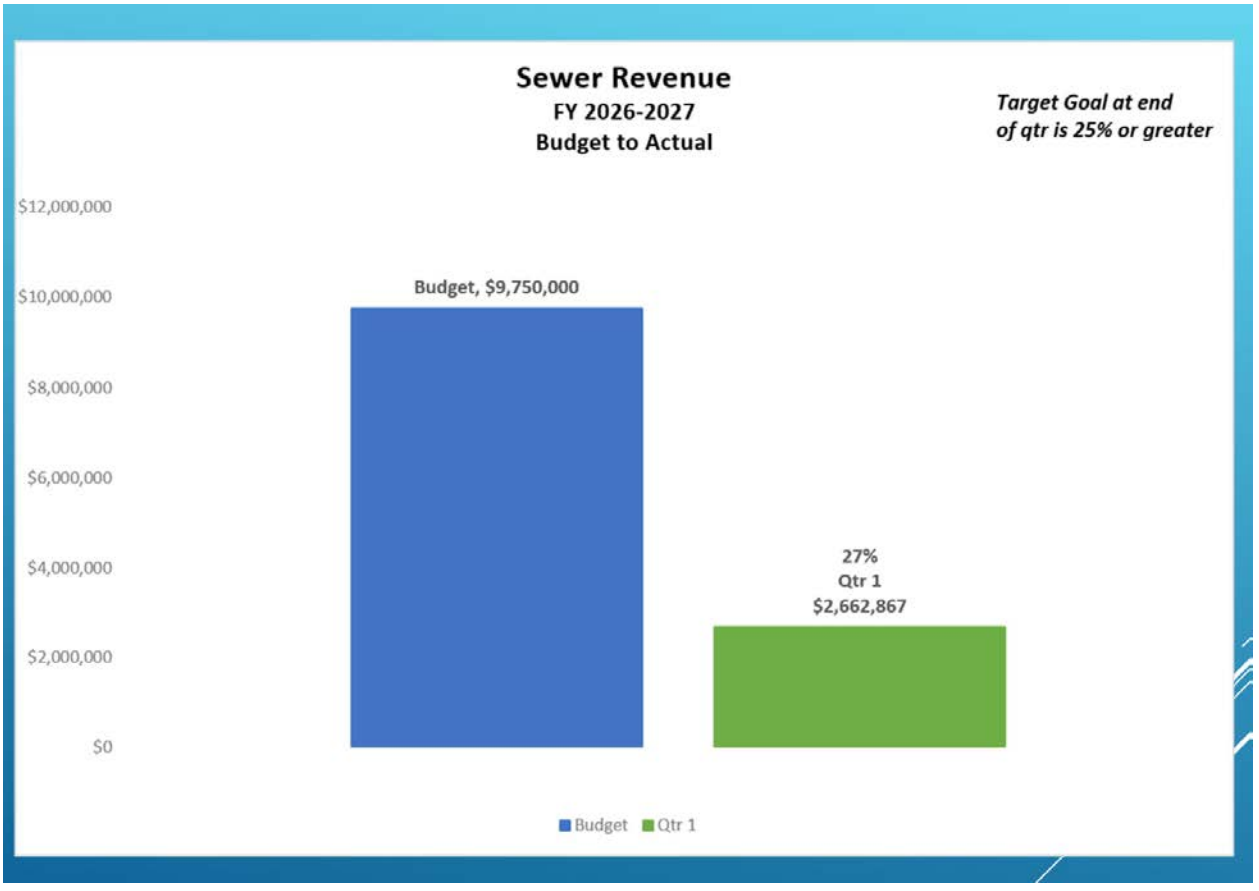


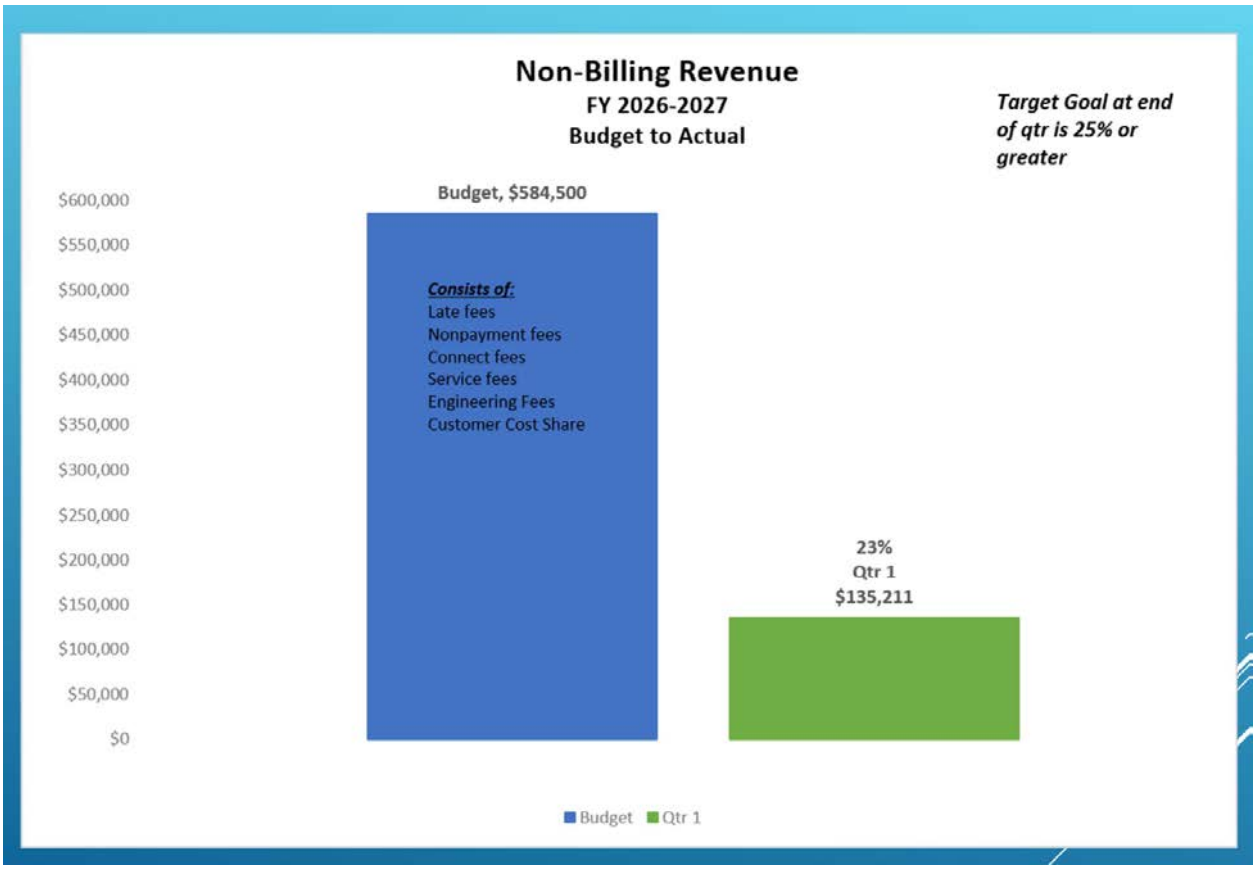


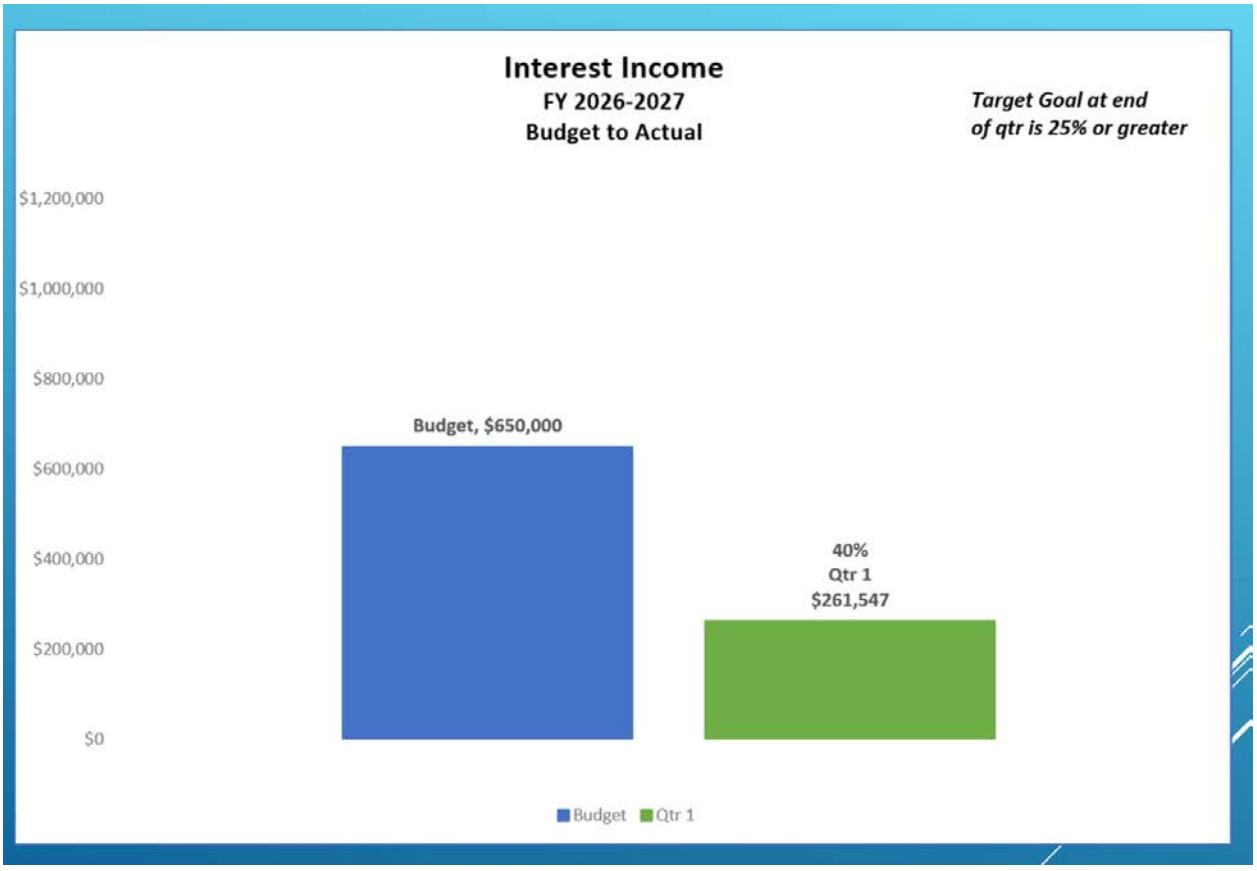


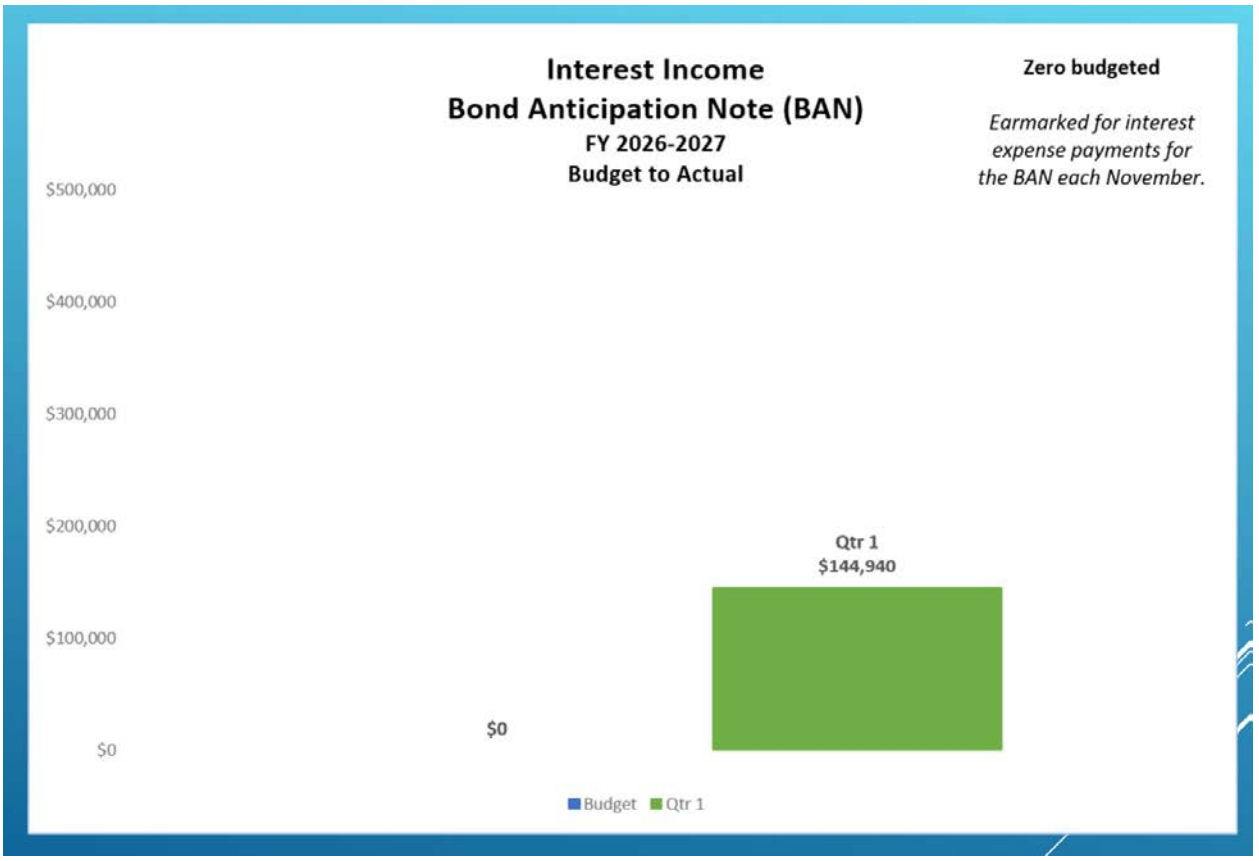
EXPENDITURES:	**Dept:**	
Administration	7110	$855,516
Finance	7112	$546,680
Human Resources	7114	$159,089
Public Information Officer	7116	$134,242
Engineering	7118	$520,563
Billing/Collections	7120	$511,874
Water Treatment Plant	7133	$2,376,701
Wastewater Treatment	7145	$2,827,420
Utilities		
Meter Reading	7136	$175,772
Water Line Maintenance	7139	$1,095,048
Sewer Line Maintenance	7140	$1,109,227
Pump Stations/Towers	8000	$948,383
Depreciation/Board/Other	7200	$3,206,361
Projects & Studies	7300	$3,500
Debt Service	7500	$3,415,635
Total Expenditures		$17,886,011

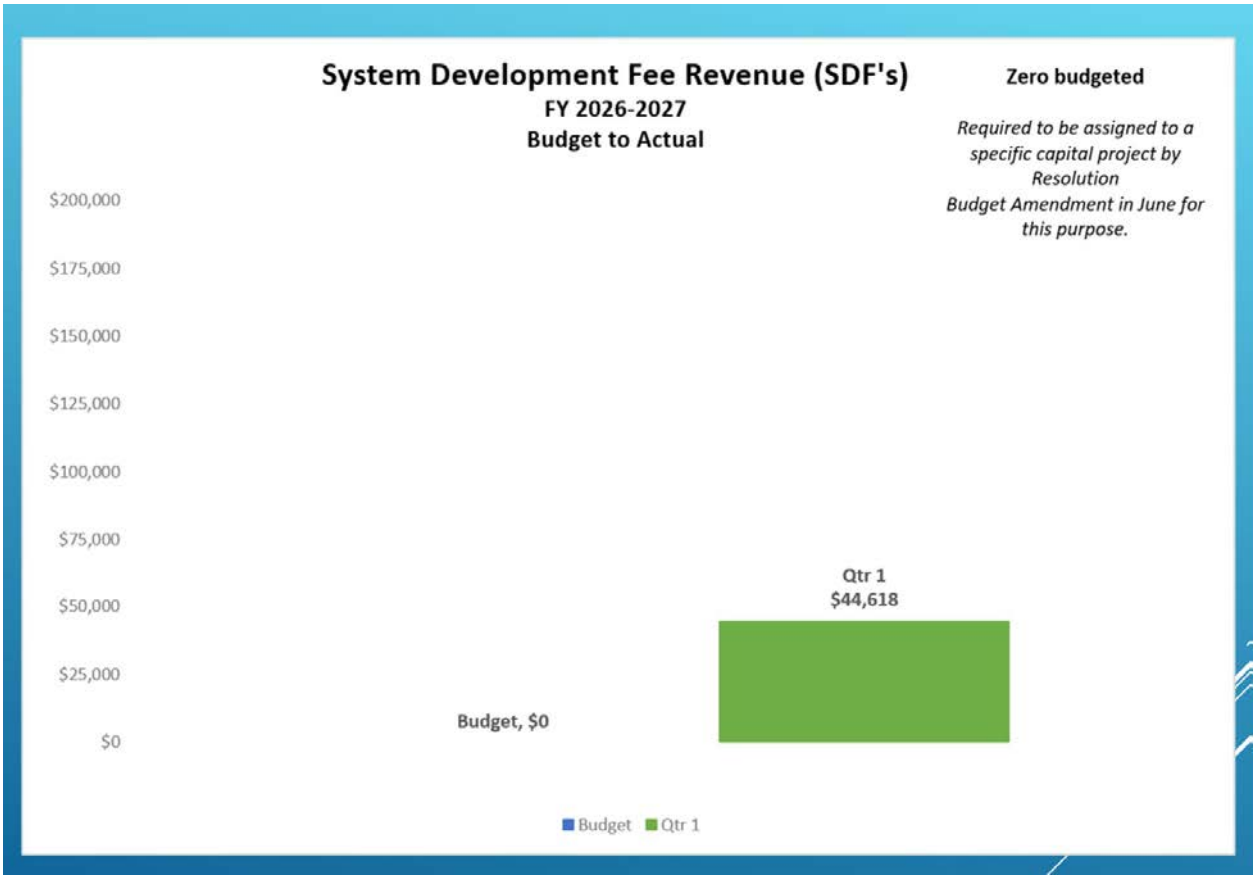

Water Revenue
FY 2026-2027
Budget to Actual
Target Goal at end of qtr is 25% or greater
$7,000,000
$6,000,000
$5,000,000
$4,000,000
$3,000,000
$2,000,000
$1,000,000
$0
Budget, $6,650,000
28%
Qtr 1
$1,829,915
Budget
Qtr 1

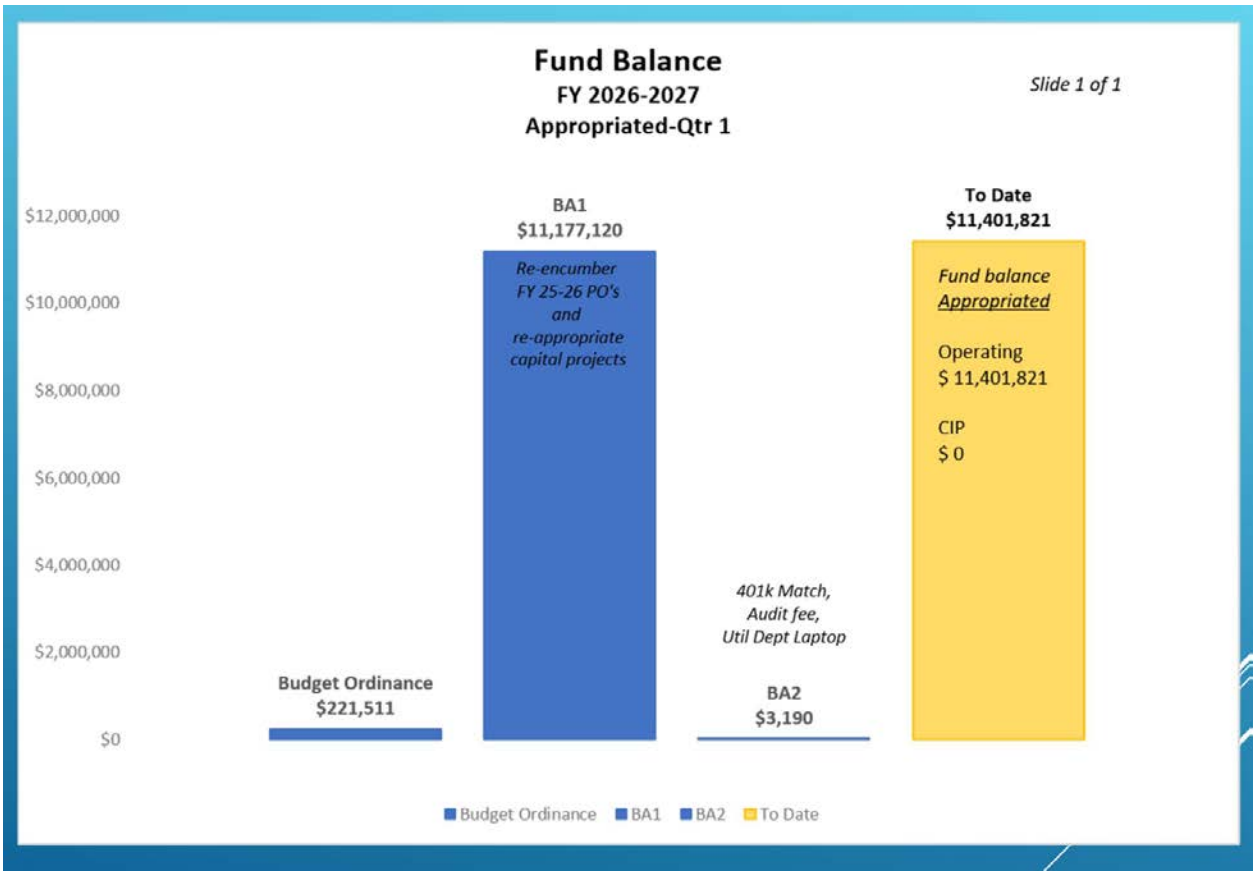

Sewer Revenue
FY 2026-2027
Budget to Actual
Target Goal at end of qtr is 25% or greater
$12,000,000
$10,000,000
$8,000,000
$6,000,000
$4,000,000
$2,000,000
$0
Budget, $9,750,000
27%
Qtr 1
$2,662,867
Budget
Qtr 1


Non-Billing Revenue
FY 2026-2027
Budget to Actual
Target Goal at end of qtr is 25% or greater
$600,000
$550,000
$500,000
$450,000
$400,000
$350,000
$300,000
$250,000
$200,000
$150,000
$100,000
$50,000
$0
Budget, $584,500
Consists of:
Late fees
Nonpayment fees
Connect fees
Service fees
Engineering Fees
Customer Cost Share
23%
Qtr 1
$135,211
Budget
Qtr 1


Interest Income
FY 2026-2027
Budget to Actual
Target Goal at end of qtr is 25% or greater
$1,200,000
$1,000,000
$800,000
$600,000
$400,000
$200,000
$0
Budget, $650,000
40%
Qtr 1
$261,547
Budget
Qtr 1

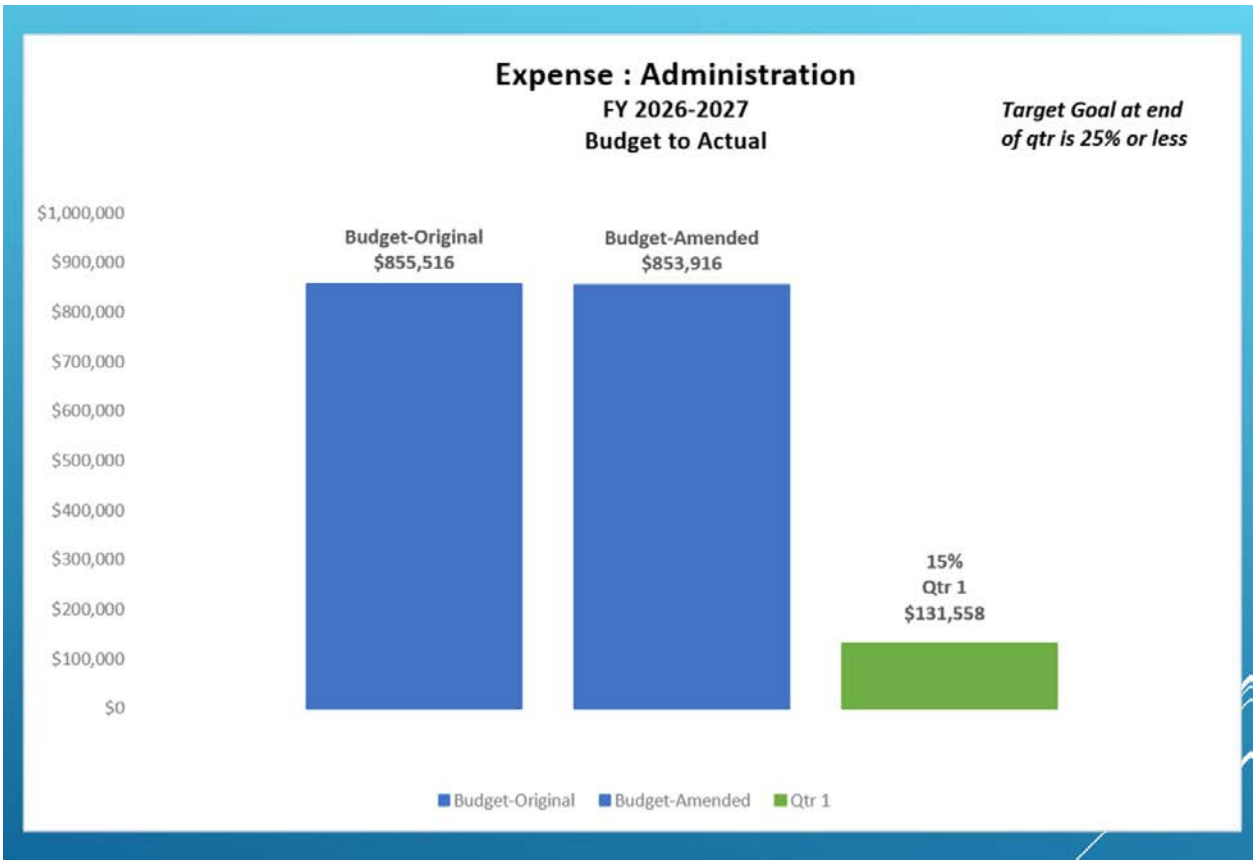

Interest Income
Bond Anticipation Note (BAN)
FY 2026-2027
Budget to Actual
Zero budgeted
Earmarked for interest expense payments for the BAN each November.
$500,000
$400,000
$300,000
$200,000
$100,000
$0
Qtr 1
$144,940
$0
Budget
Qtr 1

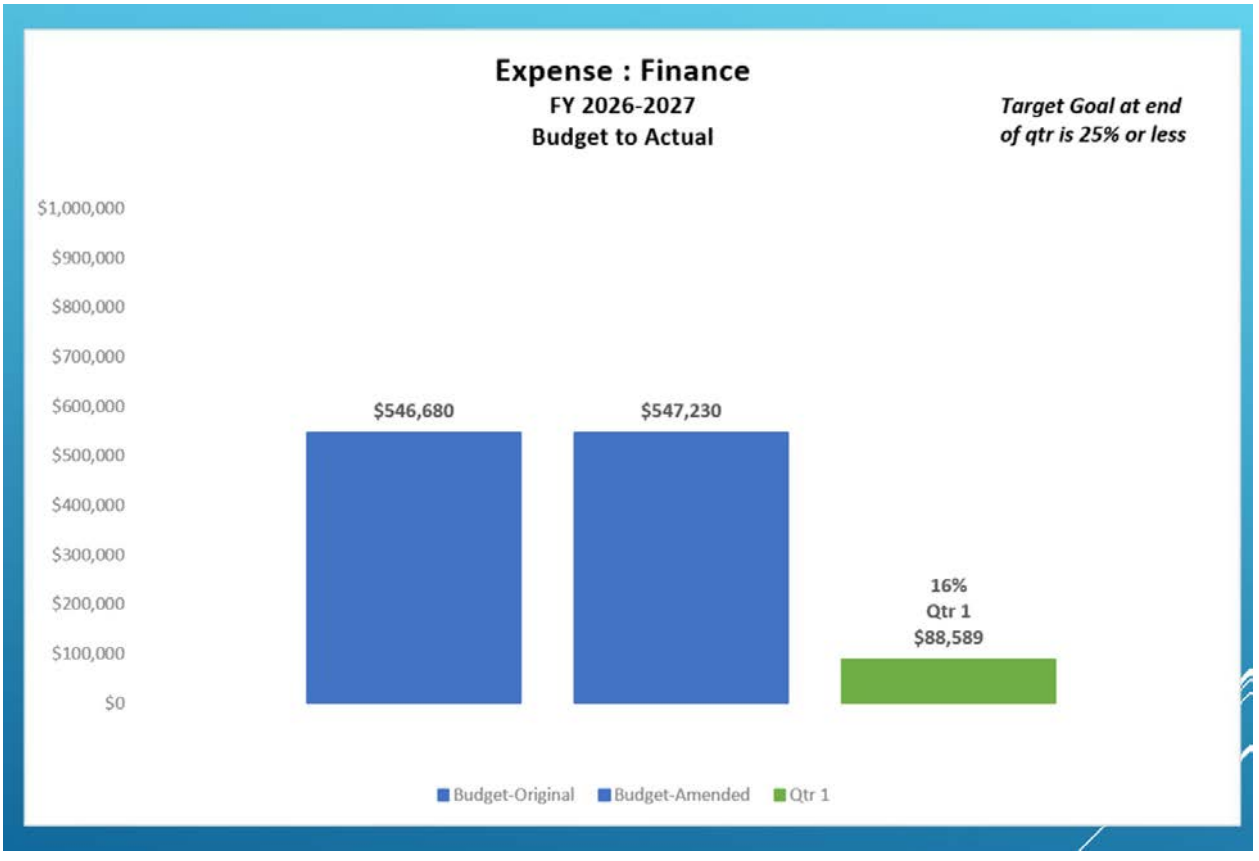

System Development Fee Revenue (SDF's)
FY 2026-2027
Budget to Actual
Zero budgeted
Required to be assigned to a specific capital project by Resolution
Budget Amendment in June for this purpose.
$200,000
$175,000
$150,000
$125,000
$100,000
$75,000
$50,000
$25,000
$0
Qtr 1
$44,618
Budget, $0
Budget
Qtr 1

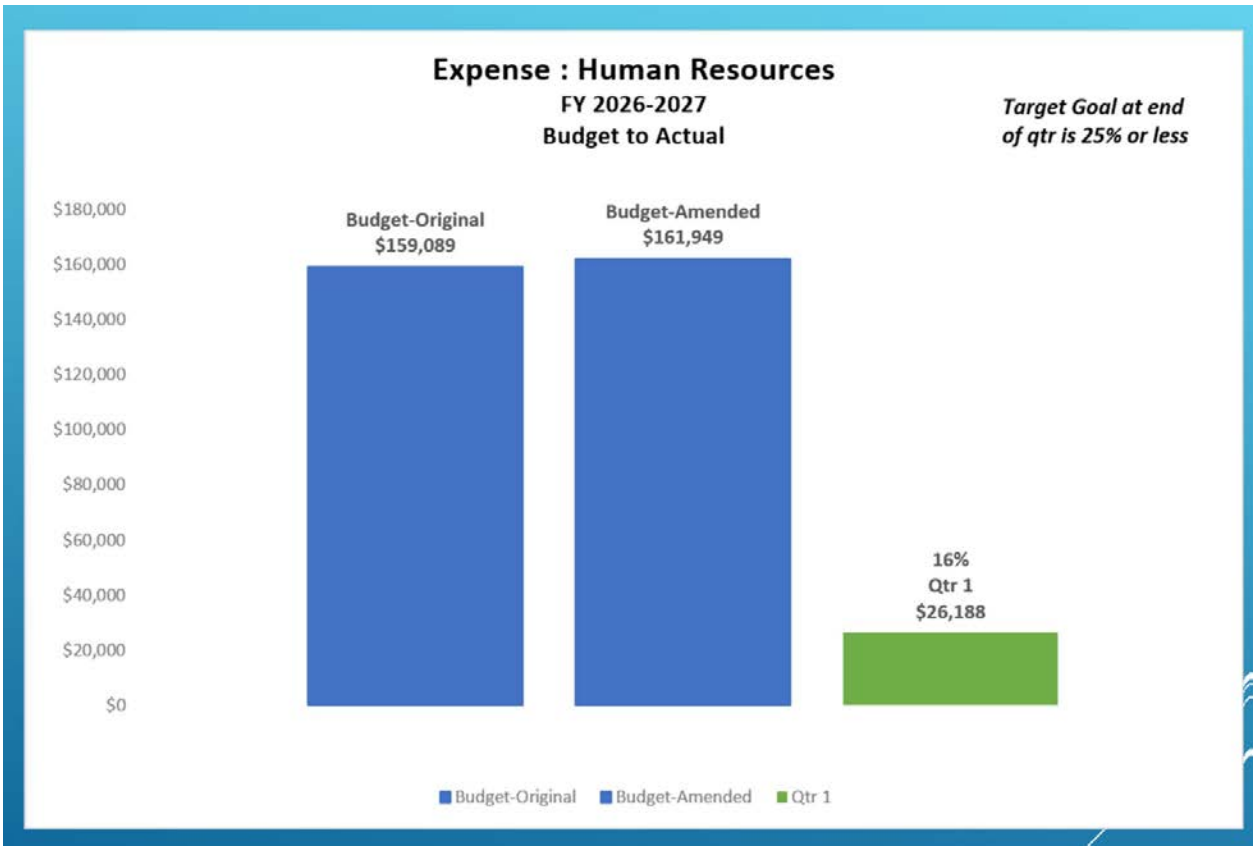

Fund Balance
FY 2026-2027
Appropriated-Qtr 1
Slide 1 of 1
$12,000,000
$10,000,000
$8,000,000
$6,000,000
$4,000,000
$2,000,000
$0
Budget Ordinance
$221,511
BA1
$11,177,120
Re-encumber FY 25-26 PO's and re-appropriate capital projects
401k Match, Audit fee, Util Dept Laptop
BA2
$3,190
To Date
$11,401,821
Fund balance Appropriated
Operating
$ 11,401,821
CIP
$ 0
Budget Ordinance
BA1
BA2
To Date

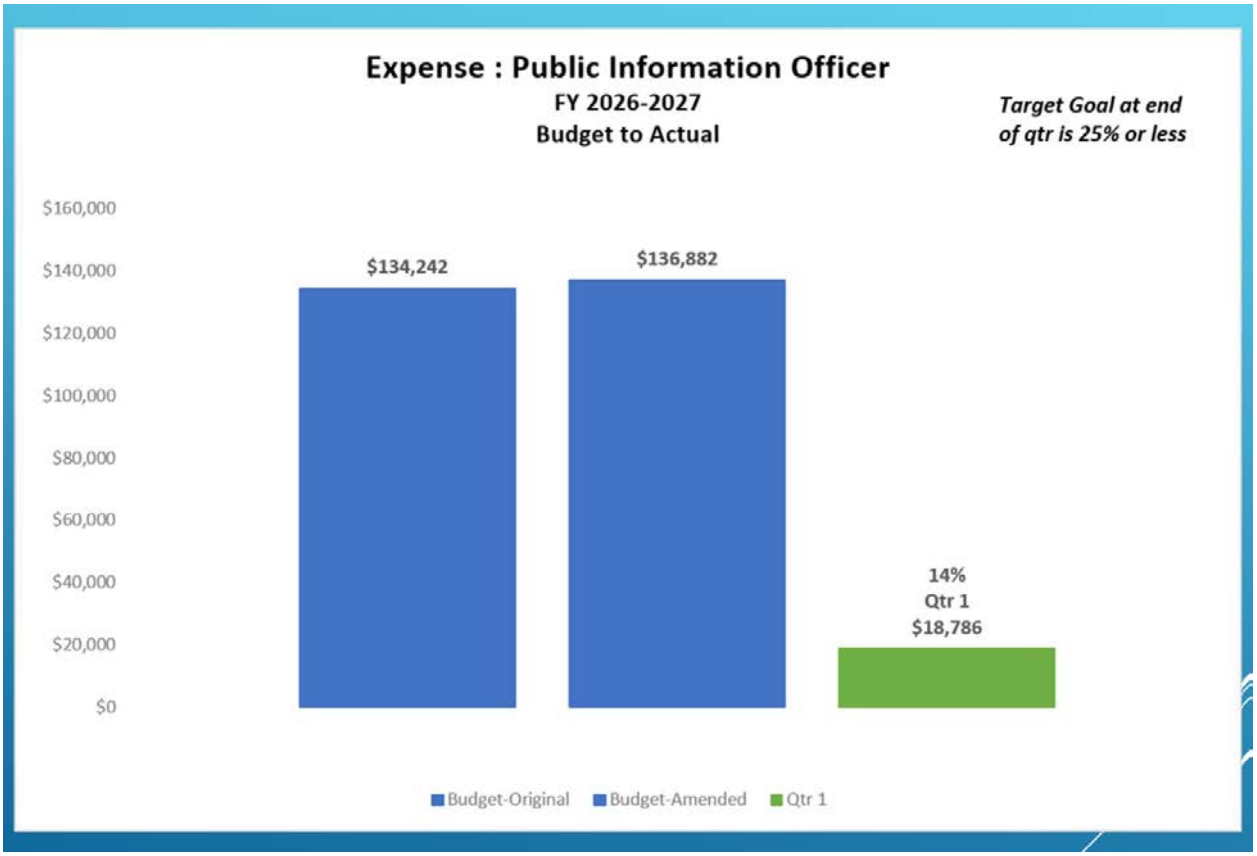
FY 26-27
Internal Budget Amendments
Approved by Executive Director
(For Reference Only)

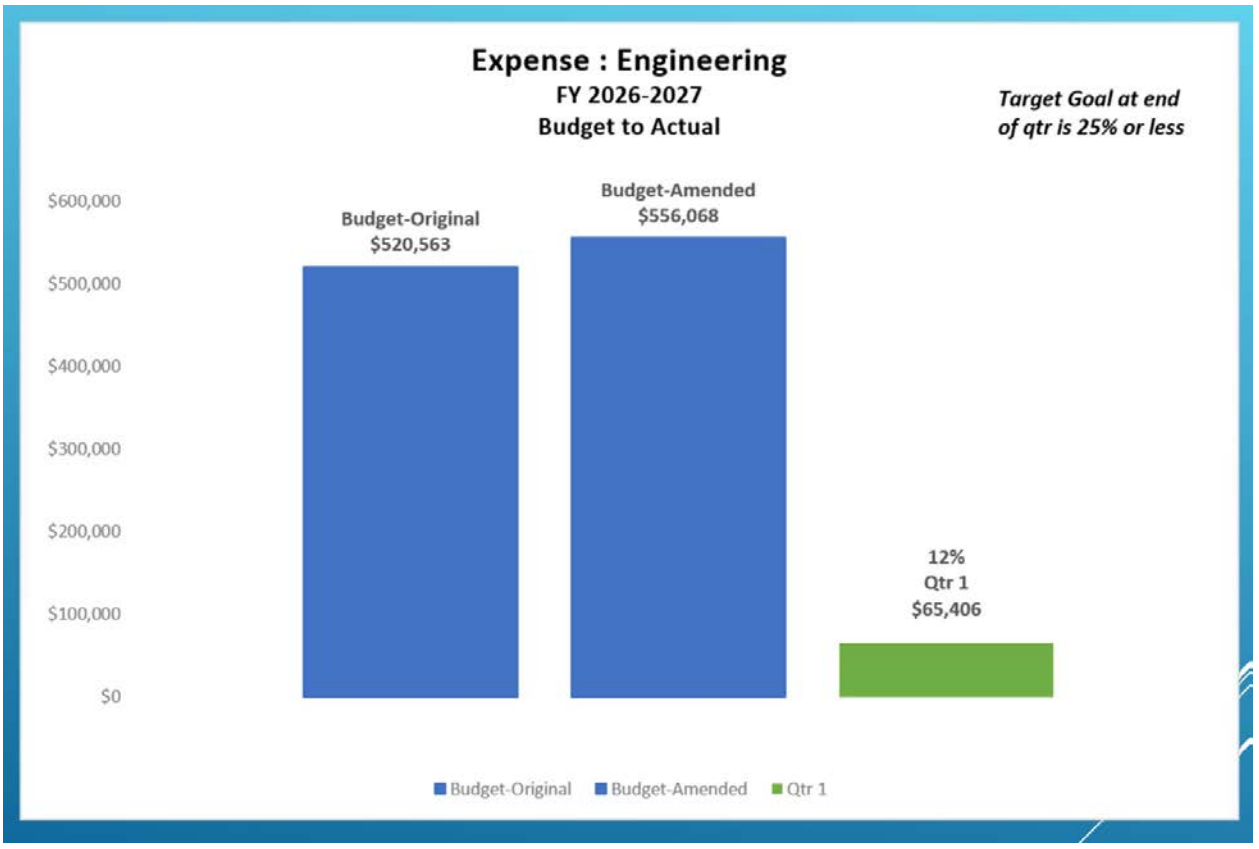
		Amendment / Change	Budget after Change
Qtr 1			
Administration			
61-7110-1990	Professional Services (Other)	$ 1,500	$ 57,500
61-7110-4990	Miscellaneous Expense	$ (1,500)	$ 18,500
	To reallocate discretionary funds for Raftelis Strategic Planning Services	*0*	
	Approved 7/22/2026		
Water Treatment Plant			
61-7133-5200	Capital Outlay	$ 9,500	$ 9,500
61-7133-3510	Repairs and Maintenance	$ (9,500)	$ 162,500
	To reallocate funds for Lake Holt Level Monitor	*0*	
	Approved 7/23/2026		
61-7133-5100	Capital Outlay < $5000	$ 1,300	$ 1,300
61-7133-2600	Office Supplies	$ 1,000	$ 3,500
61-7133-3510	Repairs and Maintenance	$ (2,300)	$ 160,200
	To reallocate funds for Computer Replacement & General Office Supplies	*0*	
	Approved 8/4/2026		
Utilities - Sewerline Maintenance			
61-7140-4300	Rental of Other Equipment	$ 7,966	$ 9,966
61-7140-3510	Repairs and Maintenance	$ (7,966)	$ 25,034
	To reallocate funds for Bypass Pump Rental @ Joe Peed Pump Station	*0*	
	Approved 8/4/2026		
Wastewater Treatment Plant			
61-7145-3810	Software & I.T.	$ 1,050	$ 60,850
61-7145-2000	Supplies and Materials	$ (1,050)	$ 19,950
	To reallocate funds for WWTP Wifi Installation	*0*	
	Approved 7/29/2026		
61-7145-5100	Capital Outlay < $5,000	$ 3,510	$ 4,710
61-7145-3510	Repairs & Maintenance	$ (3,510)	$ 196,490
	To reallocate funds for Belt Alignment Tool & Clamp Meter	*0*	
	Approved 7/29/2026		

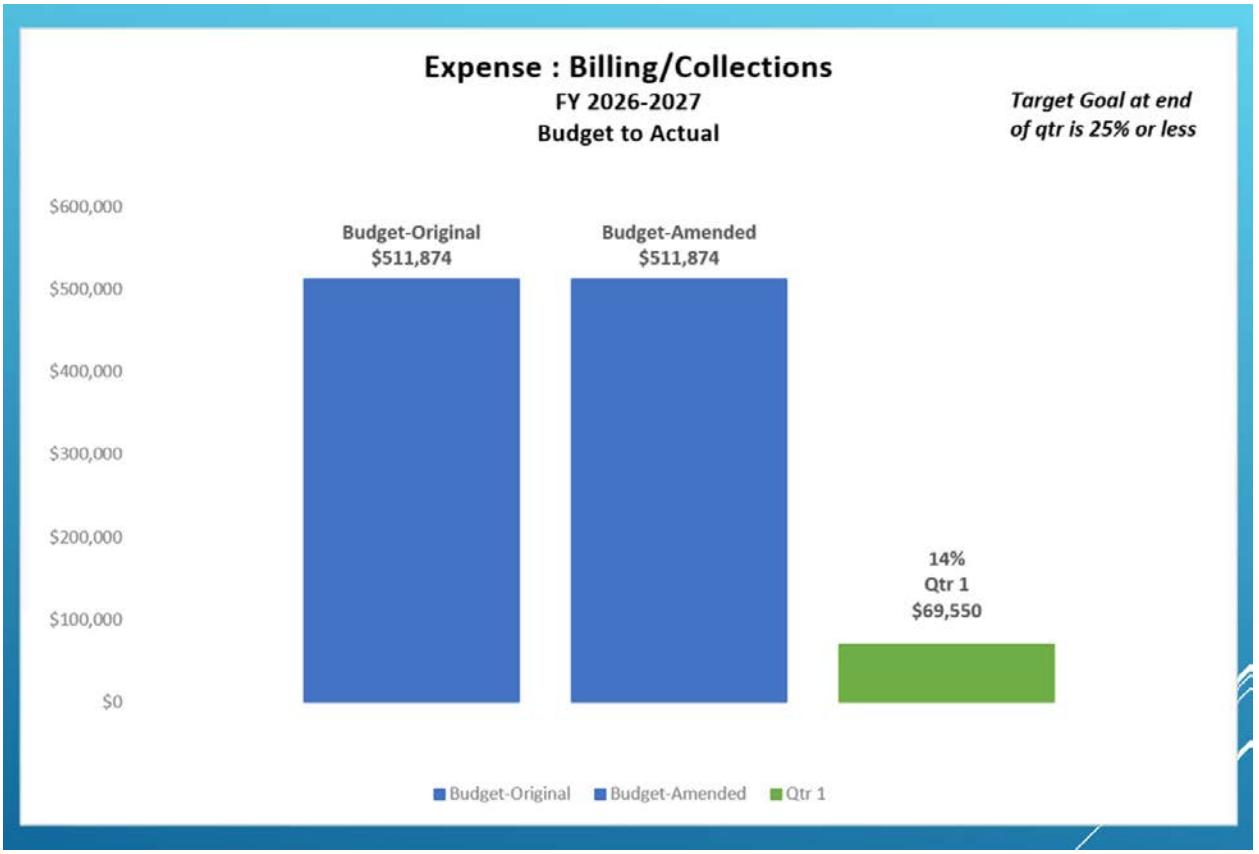

Expense : Administration
FY 2026-2027
Budget to Actual
Target Goal at end of qtr is 25% or less
$1,000,000
$900,000
$800,000
$700,000
$600,000
$500,000
$400,000
$300,000
$200,000
$100,000
$0
Budget-Original
$855,516
Budget-Amended
$853,916
15%
Qtr 1
$131,558
Budget-Original
Budget-Amended
Qtr 1

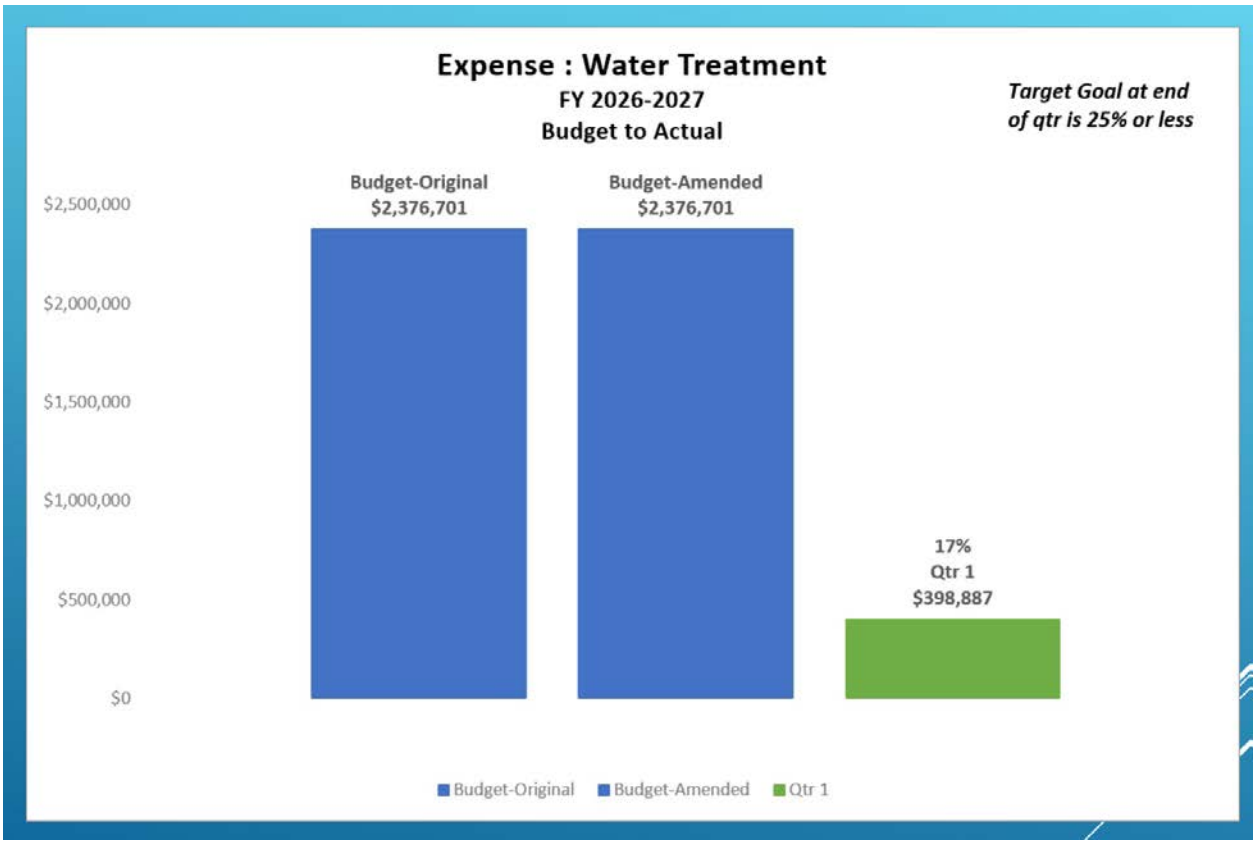

Expense : Finance
FY 2026-2027
Budget to Actual
Target Goal at end of qtr is 25% or less
$1,000,000
$900,000
$800,000
$700,000
$600,000
$500,000
$400,000
$300,000
$200,000
$100,000
$0
$546,680
$547,230
16%
Qtr 1
$88,589
Budget-Original
Budget-Amended
Qtr 1

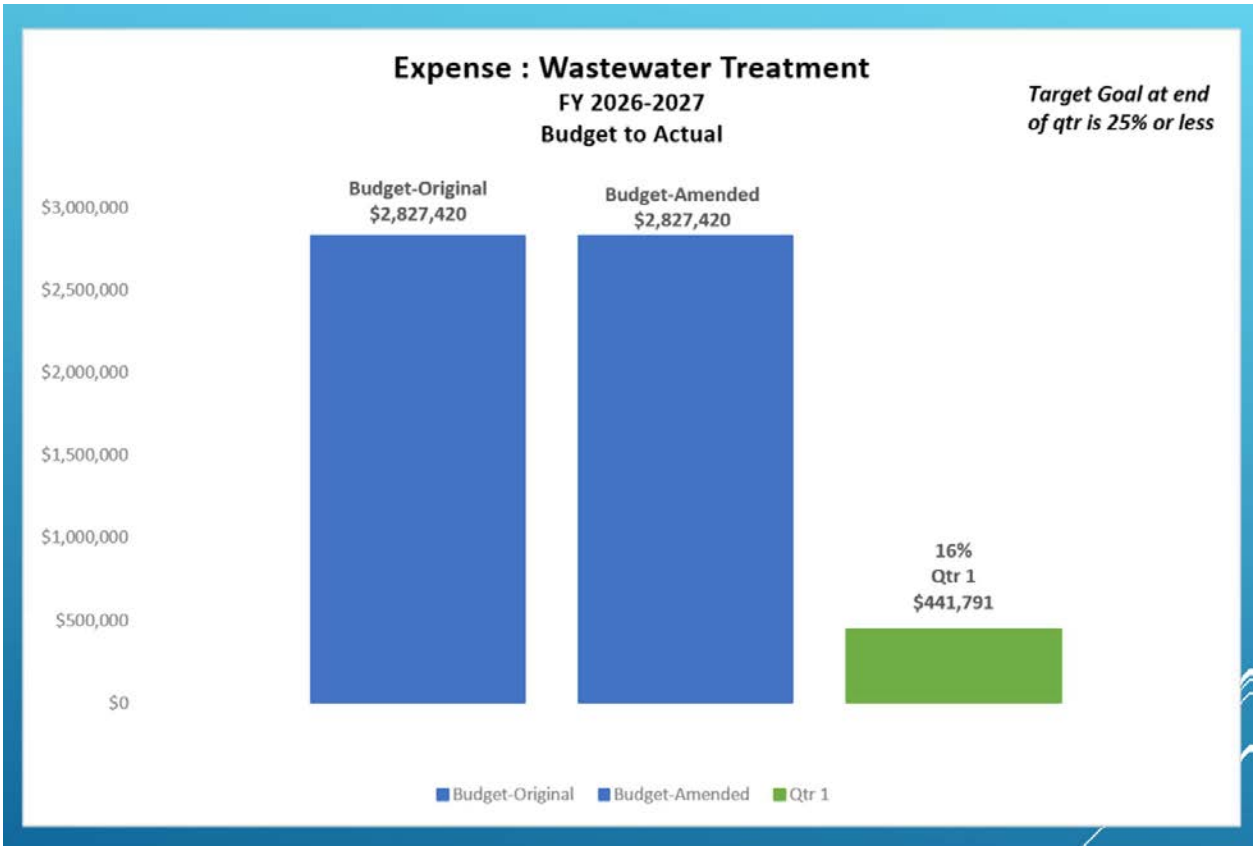

Expense : Human Resources
FY 2026-2027
Budget to Actual
Target Goal at end of qtr is 25% or less
$180,000
$160,000
$140,000
$120,000
$100,000
$80,000
$60,000
$40,000
$20,000
$0
Budget-Original $159,089
Budget-Amended $161,949
16% Qtr 1 $26,188
Budget-Original
Budget-Amended
Qtr 1

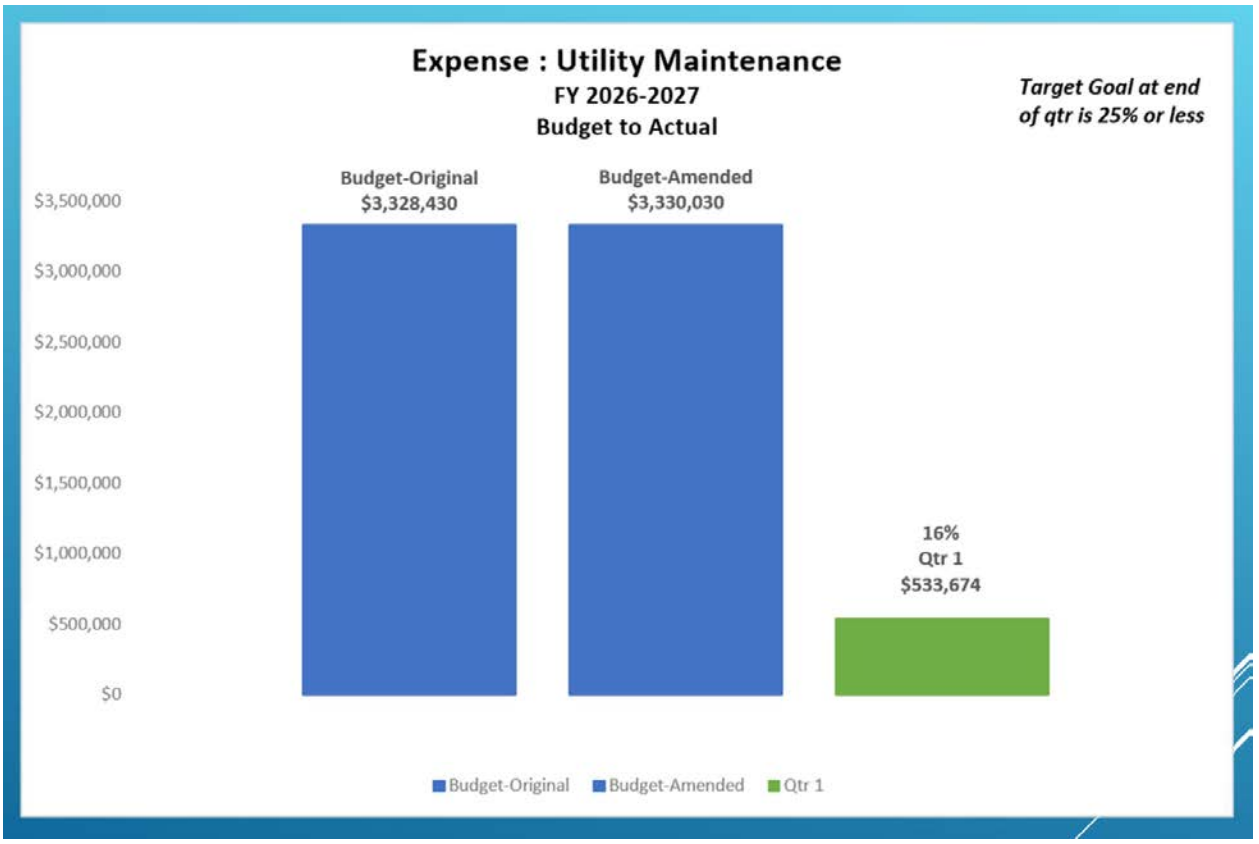

Expense : Public Information Officer
FY 2026-2027
Budget to Actual
Target Goal at end of qtr is 25% or less
$160,000
$140,000
$120,000
$100,000
$80,000
$60,000
$40,000
$20,000
$0
$134,242
$136,882
14% Qtr 1 $18,786
Budget-Original
Budget-Amended
Qtr 1

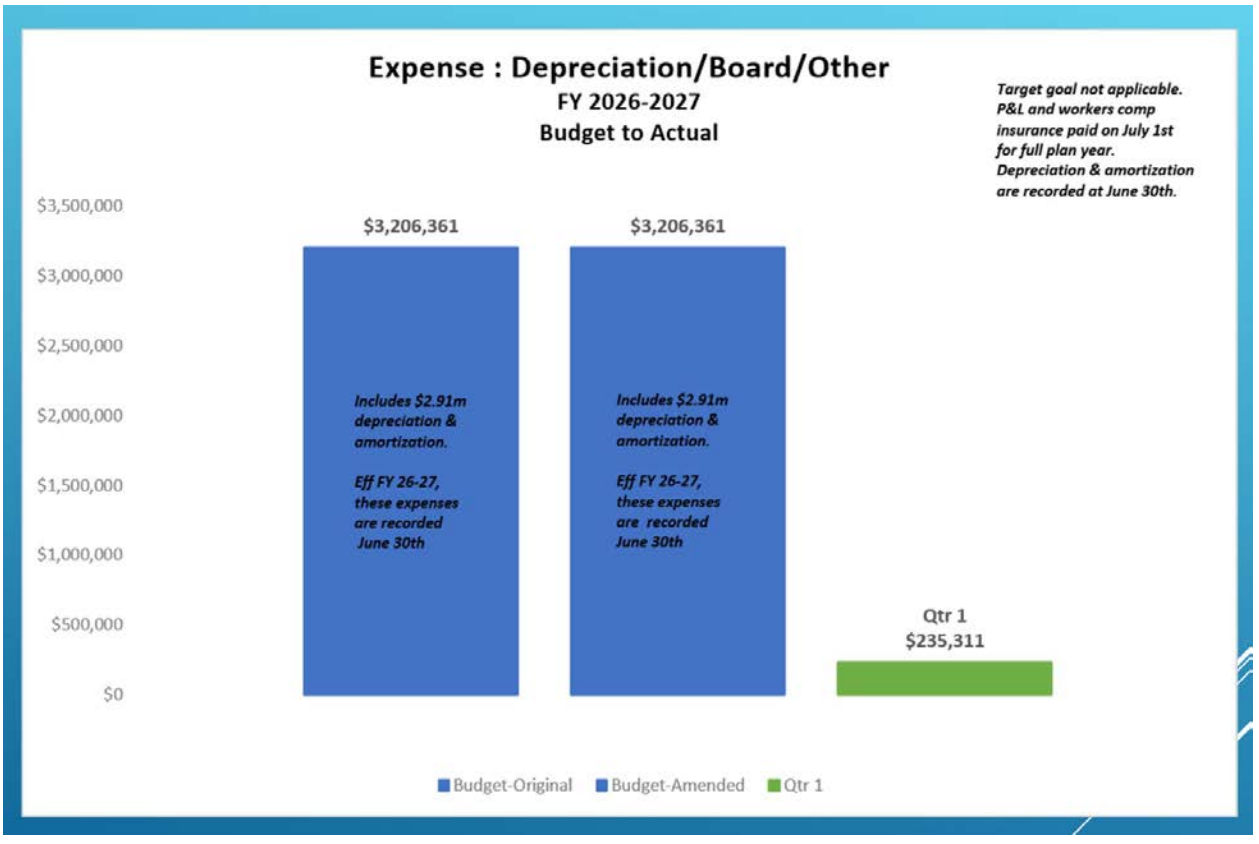

Expense : Engineering
FY 2026-2027
Budget to Actual
Target Goal at end of qtr is 25% or less
$600,000
$500,000
$400,000
$300,000
$200,000
$100,000
$0
Budget-Original
$520,563
Budget-Amended
$556,068
12%
Qtr 1
$65,406
Budget-Original
Budget-Amended
Qtr 1

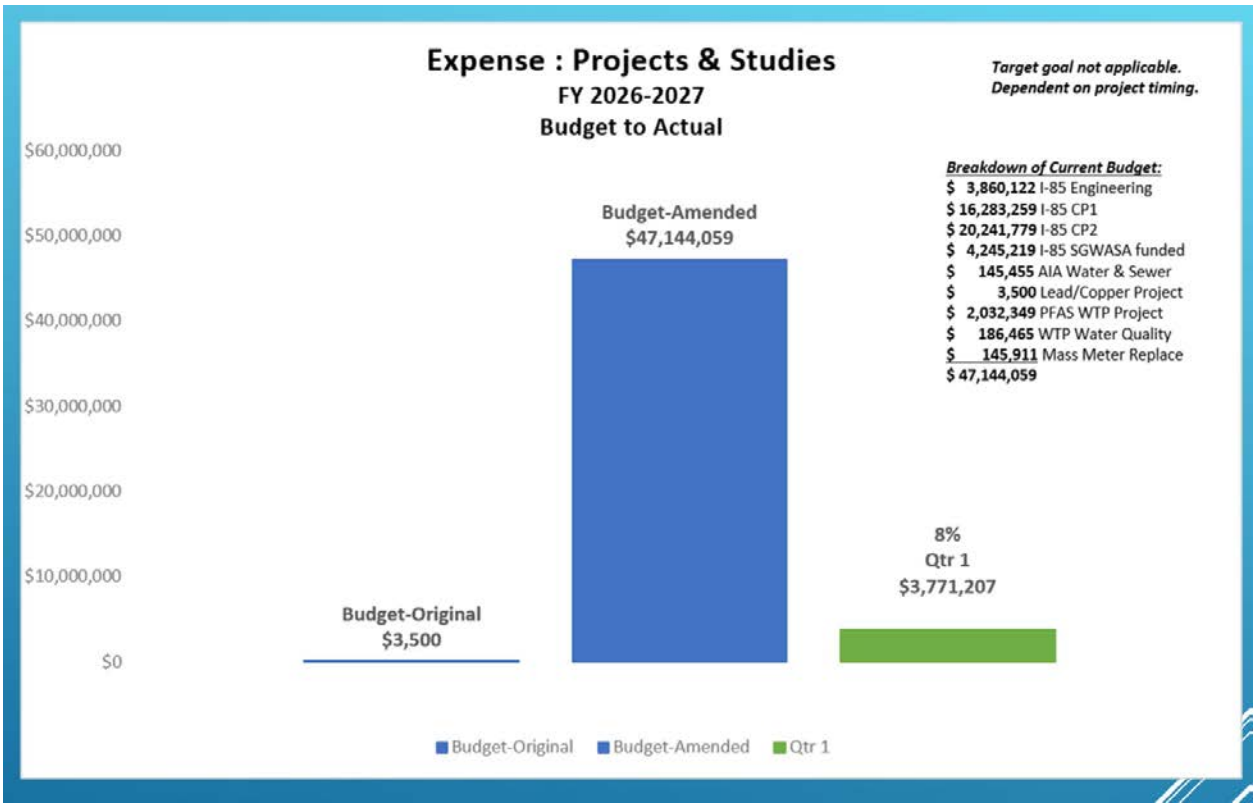

Expense : Billing/Collections
FY 2026-2027
Budget to Actual
Target Goal at end of qtr is 25% or less
$600,000
$500,000
$400,000
$300,000
$200,000
$100,000
$0
Budget-Original
$511,874
Budget-Amended
$511,874
14%
Qtr 1
$69,550
Budget-Original
Budget-Amended
Qtr 1

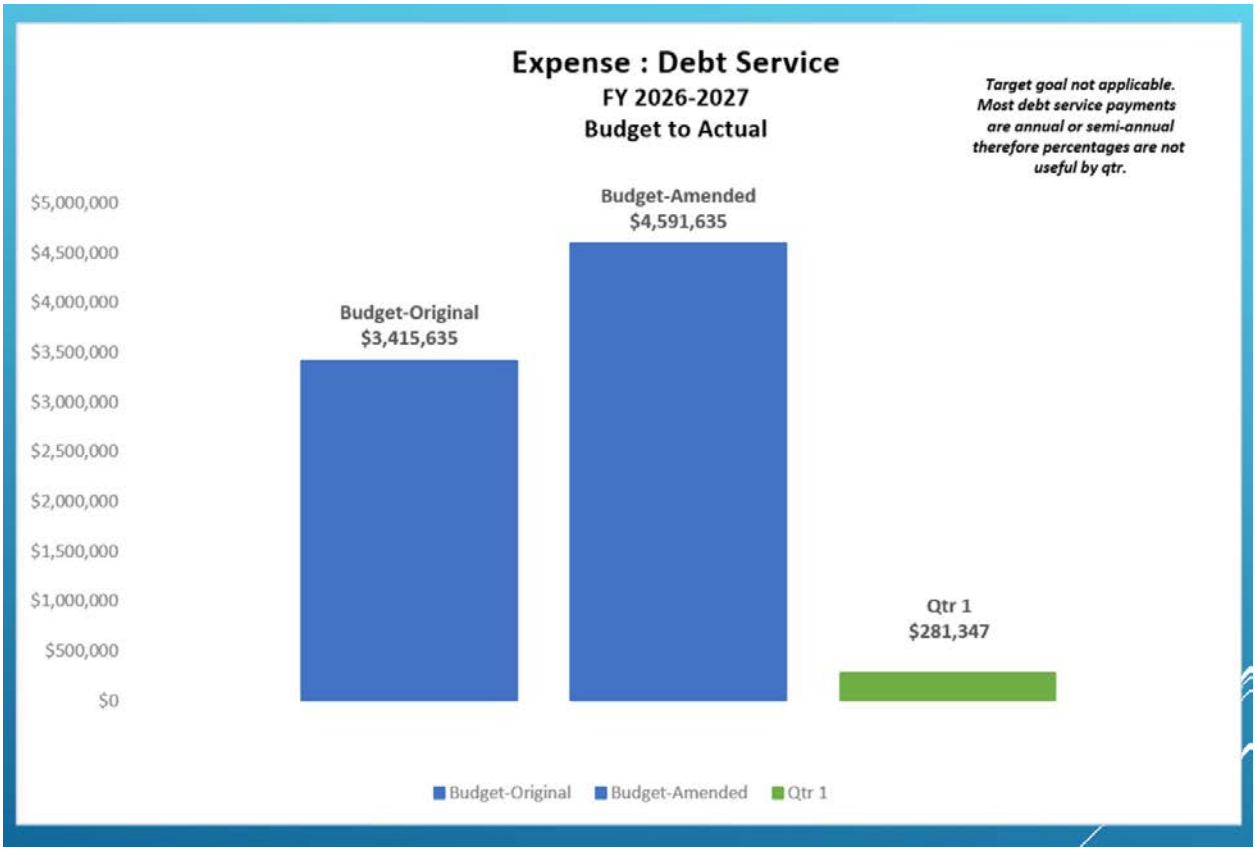

Expense : Water Treatment
FY 2026-2027
Budget to Actual
Target Goal at end of qtr is 25% or less
Budget-Original $2,376,701
Budget-Amended $2,376,701
17% Qtr 1 $398,887
$2,500,000
$2,000,000
$1,500,000
$1,000,000
$500,000
$0
Budget-Original
Budget-Amended
Qtr 1

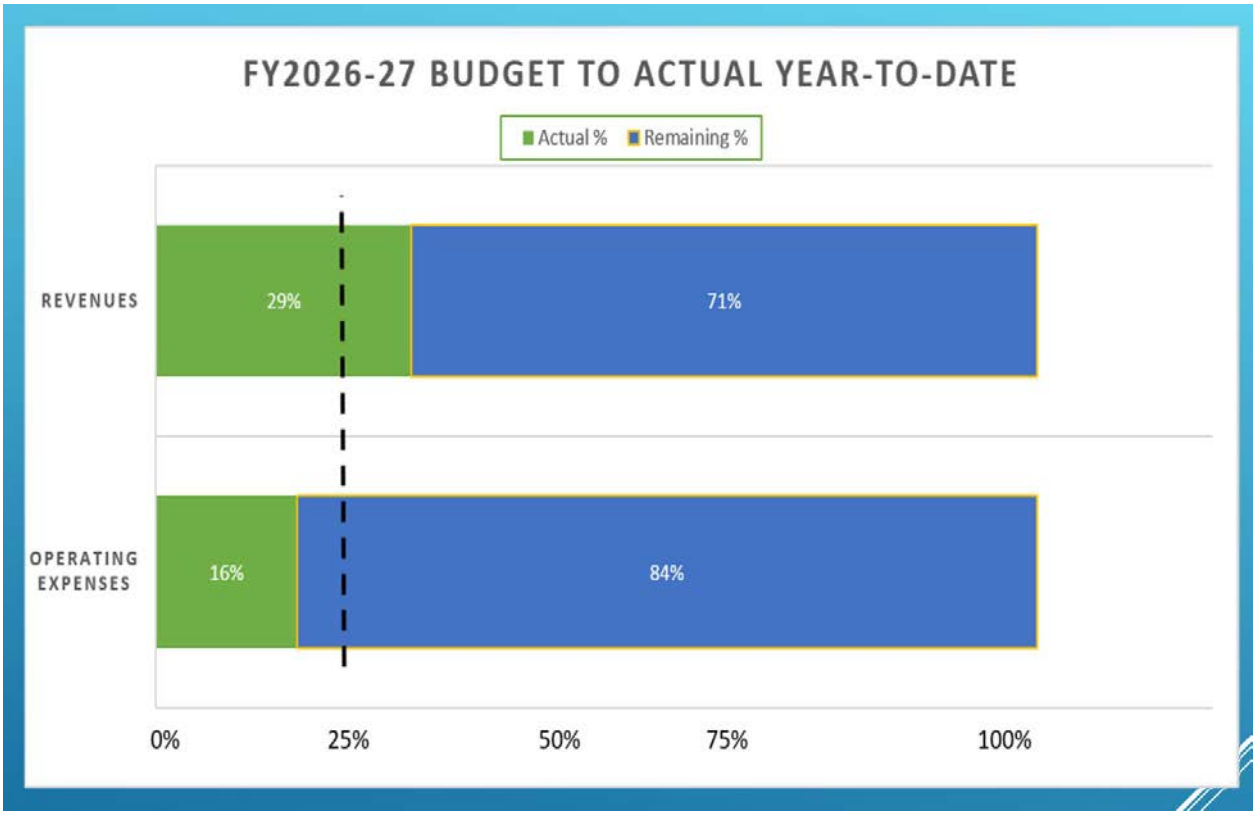

Expense : Wastewater Treatment
FY 2026-2027
Budget to Actual
Target Goal at end of qtr is 25% or less
Budget-Original $2,827,420
Budget-Amended $2,827,420
16% Qtr 1 $441,791
$3,000,000
$2,500,000
$2,000,000
$1,500,000
$1,000,000
$500,000
$0
Budget-Original
Budget-Amended
Qtr 1


Expense : Utility Maintenance
FY 2026-2027
Budget to Actual
Target Goal at end of qtr is 25% or less
Budget-Original
$3,328,430
Budget-Amended
$3,330,030
16%
Qtr 1
$533,674
$3,500,000
$3,000,000
$2,500,000
$2,000,000
$1,500,000
$1,000,000
$500,000
$0
Budget-Original
Budget-Amended
Qtr 1


Expense : Depreciation/Board/Other
FY 2026-2027
Budget to Actual
Target goal not applicable. P&L and workers comp insurance paid on July 1st for full plan year. Depreciation & amortization are recorded at June 30th.
$3,206,361
$3,206,361
Includes $2.91m depreciation & amortization.
Eff FY 26-27, these expenses are recorded June 30th
Includes $2.91m depreciation & amortization.
Eff FY 26-27, these expenses are recorded June 30th
Qtr 1
$235,311
$3,500,000
$3,000,000
$2,500,000
$2,000,000
$1,500,000
$1,000,000
$500,000
$0
Budget-Original
Budget-Amended
Qtr 1


Expense : Projects & Studies
FY 2026-2027
Budget to Actual
Target goal not applicable.
Dependent on project timing.
Breakdown of Current Budget:
$ 3,860,122 I-85 Engineering
$ 16,283,259 I-85 CP1
$ 20,241,779 I-85 CP2
$ 4,245,219 I-85 SGWASA funded
$ 145,455 AIA Water & Sewer
$ 3,500 Lead/Copper Project
$ 2,032,349 PFAS WTP Project
$ 186,465 WTP Water Quality
$ 145,911 Mass Meter Replace
$ 47,144,059
$60,000,000
$50,000,000
$40,000,000
$30,000,000
$20,000,000
$10,000,000
$0
Budget-Original
$3,500
Budget-Amended
$47,144,059
8%
Qtr 1
$3,771,207
Budget-Original
Budget-Amended
Qtr 1


Expense : Debt Service
FY 2026-2027
Budget to Actual
Target goal not applicable.
Most debt service payments
are annual or semi-annual
therefore percentages are not
useful by qtr.
$5,000,000
$4,500,000
$4,000,000
$3,500,000
$3,000,000
$2,500,000
$2,000,000
$1,500,000
$1,000,000
$500,000
$0
Budget-Original
$3,415,635
Budget-Amended
$4,591,635
Qtr 1
$281,347
Budget-Original
Budget-Amended
Qtr 1



FINANCIAL SUMMARY

FISCAL YEAR 2026-2027

QUARTER 1

Cumulative billing revenue for the year is trending slightly above expectations.

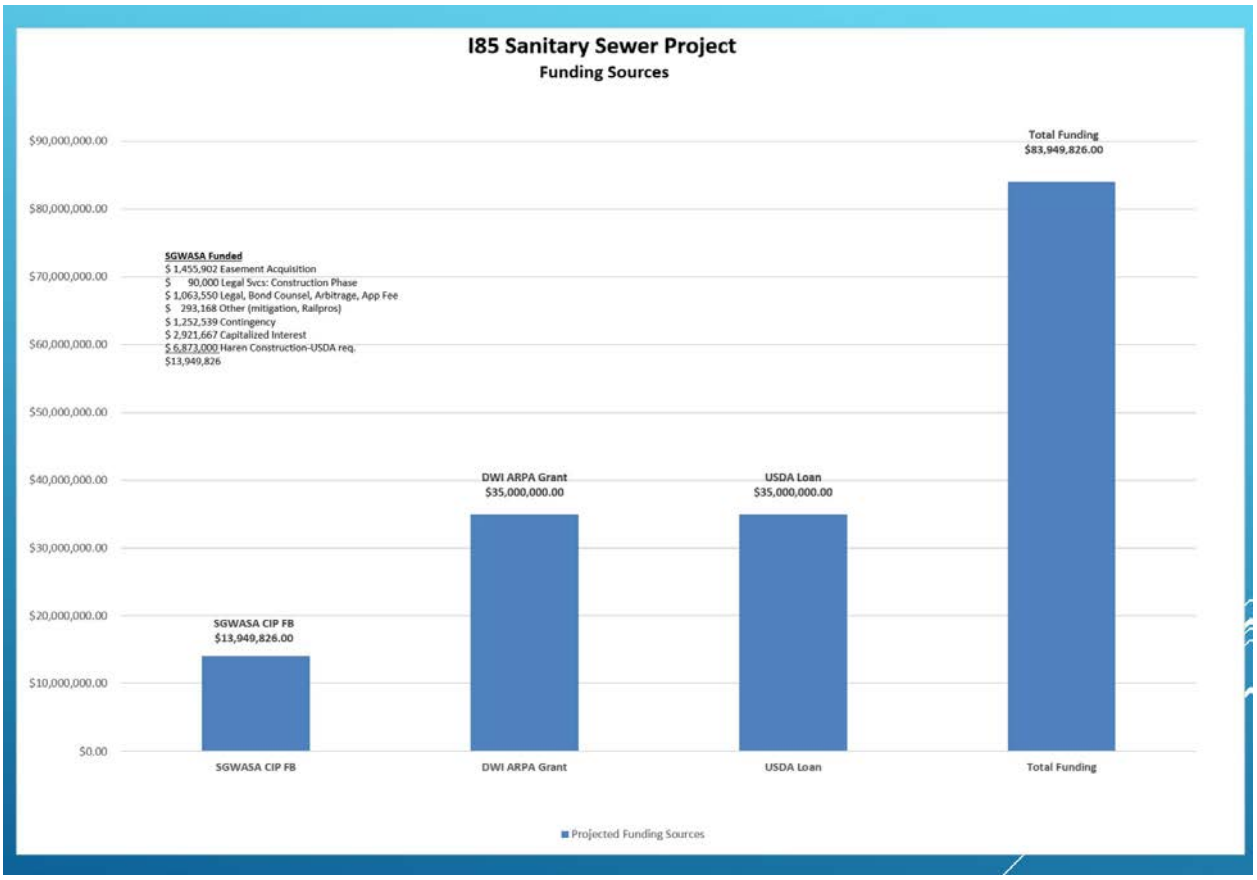
Cumulative non-billing (fee) revenue for the year is trending slightly lower than expectations due to lagging connect fee revenue.

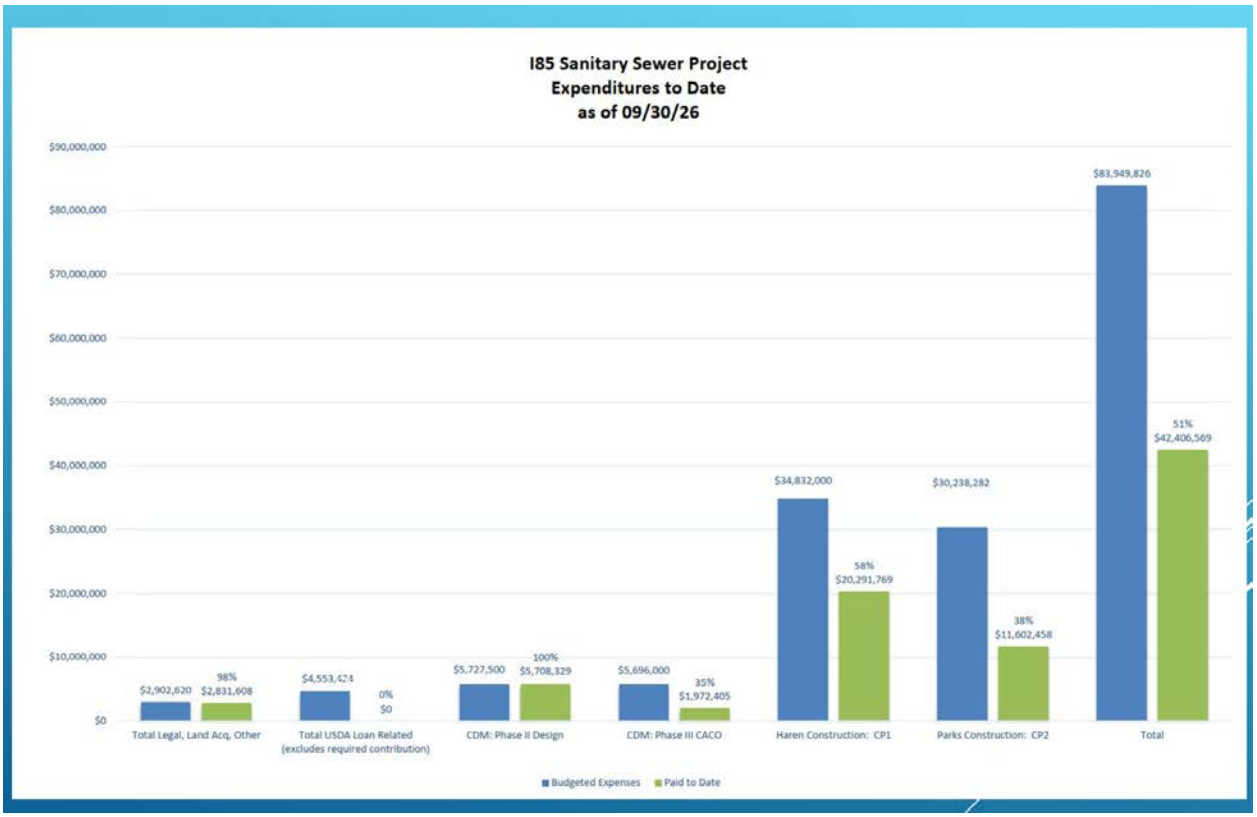
Interest income for the year is trending higher than expected. Interest rates have not declined as projected.

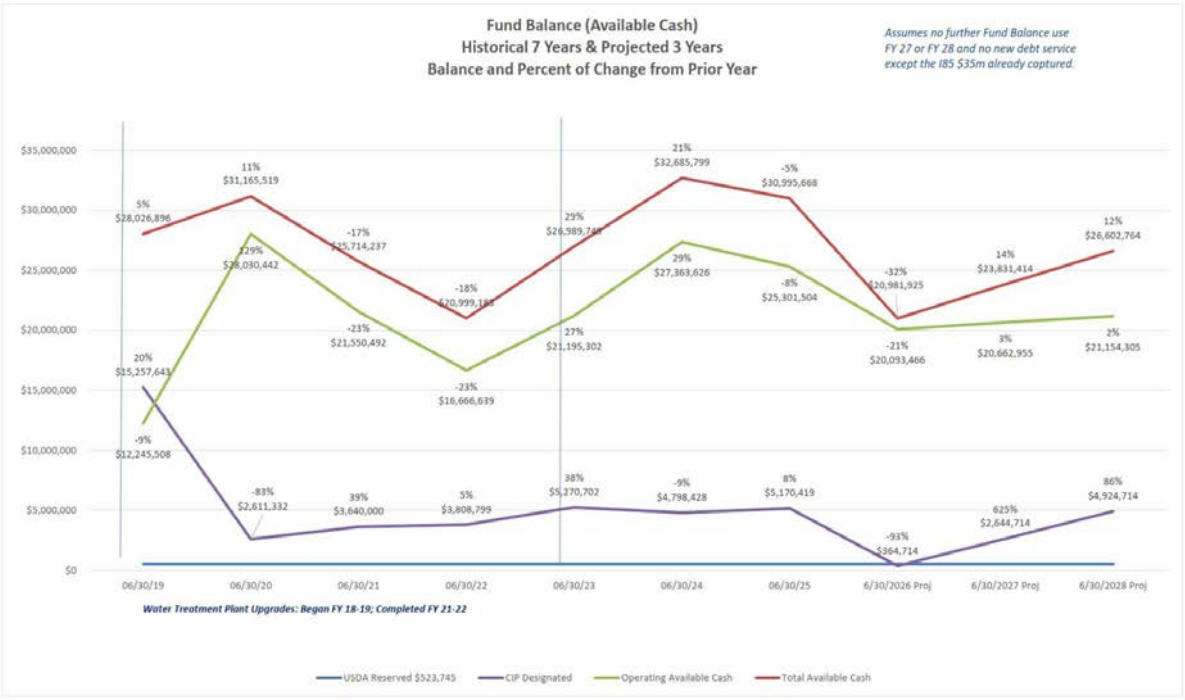
Operating fund balance appropriations for the year are nominal with the exception of re-appropriations related to ongoing capital projects.

Fund Balance (Available cash) was expended significantly during the first quarter for the I85 USDA-required owner contribution.

Departmental expenses overall are materially comparable to budget.


I85 Sanitary Sewer Project
Funding Sources
$90,000,000.00
$80,000,000.00
$70,000,000.00
$60,000,000.00
$50,000,000.00
$40,000,000.00
$30,000,000.00
$20,000,000.00
$10,000,000.00
$0.00
SGWASA Funded
$ 1,455,902 Easement Acquisition
$ 90,000 Legal Svcs: Construction Phase
$ 1,063,550 Legal, Bond Counsel, Arbitrage, App Fee
$ 293,168 Other (mitigation, Railpros)
$ 1,252,539 Contingency
$ 2,921,667 Capitalized Interest
$ 6,873,000 Haren Construction-USDA req.
$13,949,826
SGWASA CIP FB
$13,949,826.00
DWI ARPA Grant
$35,000,000.00
USDA Loan
$35,000,000.00
Total Funding
$83,949,826.00
SGWASA CIP FB
DWI ARPA Grant
USDA Loan
Total Funding
Projected Funding Sources


I85 Sanitary Sewer Project
Expenditures to Date
as of 09/30/26
$90,000,000
$80,000,000
$70,000,000
$60,000,000
$50,000,000
$40,000,000
$30,000,000
$20,000,000
$10,000,000
$0
$2,902,620
98%
$2,831,608
$4,553,424
0%
$0
$5,727,500
100%
$5,708,329
$5,696,000
35%
$1,972,405
$34,832,000
58%
$20,291,769
$30,238,282
38%
$11,602,458
$83,949,826
51%
$42,406,569
Total Legal, Land Acq, Other
Total USDA Loan Related (excludes required contribution)
CDM: Phase II Design
CDM: Phase III CACO
Haren Construction: CP1
Parks Construction: CP2
Total
Budgeted Expenses
Paid to Date



For purposes of the projection, I85 project commitments have been deducted. Related costs may not be incurred or funds expended within this fiscal year; however committments have been included to identify available (uncommitted) cash.

QUESTIONS?

Agenda Item-15

Topic: Fiscal Year 2026-2027 Budget Amendment #4

Requested Action: Seeking the Board of Directors approval of Budget Amendment #4

Presenter(s): Richard Balmer, Finance Director

Background:

FY2026-2027 Budget Amendment #4 reallocates budget within the Human Resources Department for professional human resources (HR) services, appropriates additional budget for communication services related to a Frontier price increase, reallocates budget for medical insurance based on current enrollment, and reallocates budget for an update to the lead and copper inventory project.

Board Approved FY 2026-2027 Budget Amendments to Date: Effect on Fund Balance

Item	Operating	CIP	Total Amount
Original Budget Ordinance	($ 221,511)	$ 0	($ 221,511)
Budget Amendment #1 (August 2026)	($ 11,177,120)	$ 0	($ 11,177,120)
Budget Amendment #2 (August 2026)	($ 3,190)	$ 0	($ 3,190)
Budget Amendment #3 (October 2026)	$ 0	($ 175,100)	($ 175,100)
Total	($ 11,401,821)	($ 175,100)	($ 11,576,921)

Budget Amendment #4

Be it ordained, the FY 2026-2027 Annual Budget Ordinance is hereby amended as follows:

Revenues: Increase / (Decrease)	Amendment/Change		
Transfer from Fund Balance	$ 3,250		
Total Revenues		$	**3,250**
Expenditures: Increase / (Decrease)			
Finance	$ 2,000		
Engineering	$ (14,845)		
Billing and Collections	$ (2,000)		
Water Treatment Plant	$ 1,500		
Utilities: Sewerline Maintenance	$ 250		
Wastewater Treatment	$ 1,500		
Projects & Studies	$ 14,845		
Total Expenditures		$	**3,250**

Strategic Plan Alignment:

Focus Area #1 – Safe, Reliable and Sustainable Water System

- Objective #4: Enhance financial and operational components of the water system to support capital investments and efficient operations.

Focus Area #2 – Reliable and Sustainable Sanitary Sewer System

- Objective #3: Enhance financial and operational components of the sanitary sewer system to support capital investments and efficient operations.

Attachments:

BA4 Supporting Documentation

Executive Director's Recommendation:

The SGWASA Board of Directors approve Budget Amendment #4.

Budget Amendment #4 Supporting Documentation

BA #4 Supporting Documentation
(For Reference Only)

			Amendment / Change		Budget after Change
Human Resources					
61-7114-1210	Salaries and Wages	$	(51,000)	$	24,260
61-7114-1810	FICA	$	(4,000)		1,788
61-7114-1820	Retirement	$	(7,000)		4,493
61-7114-1830	Medical/Vision Insurance	$	(8,000)		4,475
61-7114-1990	Professional Svcs (Benefit Admin_Other)	$	70,000	$	76,000
	Reallocate budget for consulting/professional HR services		0		
Various					
61-7133-3210	Telephone/Internet	$	1,500	$	15,620
61-7140-3210	Telephone/Internet	$	250	$	10,040
61-7145-3210	Telephone/Internet	$	1,500	$	12,514
61-4000-0000	Transfer to/from Fund Balance	$	(3,250)	$	(11,580,171)
	Appropriate budget for Frontier centrex line rate increases		0		
Various					
61-7112-1830	Medical/Vision Insurance	$	2,000	$	39,424
61-7120-1830	Medical/Vision Insurance	$	(2,000)	$	65,474
	Reallocate budget for medical insurance enrollment		0		
Various					
61-7300-8520	Project: Lead & Copper	$	14,845	$	18,345
61-7118-1950	Professional Svcs (Engineering)	$	(14,845)	$	212,660
	Reallocate budget for lead & copper inventory update		0		

			Operating		CIP	Total
	Transfer to (from) FB-original budget	$	(221,511)	$	0	($221,511)
	Budget Amendment #1	$	(11,177,120)	$	0	($11,177,120)
	Budget Amendment #2	$	(3,190)	$	0	($3,190)
	Budget Amendment #3	$	0	$	(175,100)	($175,100)
	Budget Amendment #4	$	(3,250)	$	0	($3,250)
	Transfer to (from) FB-amended budget	$	**($11,405,071)**	$	**($175,100)**	**($11,580,171)**

Agenda Item- 16

Topic: Utility Service, Capacity Management, and Infrastructure Extension Policy.

Requested Action: Receive an update on the draft Utility Service, Capacity Management, and Infrastructure Extension Policy, review the compiled written comments and staff responses from Board members, and discuss the next steps for final policy consideration.

Presenter(s): Scott N. Schroyer, Executive Director

Executive Summary:

SGWASA is advancing a comprehensive policy framework to guide decisions related to utility service requests, capacity allocation, and infrastructure extensions. Following the initial presentation of the draft policy to the Board in September 2026, Board members were asked to provide written comments. Staff has compiled these comments, prepared responses, and is now presenting them to the full Board at the November 10, 2026, meeting to ensure the policy protects existing customers, manages limited resources responsibly, and supports orderly growth.

Background:

SGWASA historically evaluated utility service and infrastructure extension requests through standard engineering reviews and case-by-case Board considerations. The proposed policy establishes a unified framework to improve consistency, transparency, and long-term utility sustainability. Capacity is treated as a finite public resource that must safeguard existing ratepayers. In September 2026, staff introduced the draft policy framework to the Board and requested formal written feedback from members.

Analysis:

The proposed policy rests on five core principles: treating utility capacity as a limited public resource, directing growth to municipalities and designated growth areas, protecting existing ratepayers from growth-related costs, avoiding stranded infrastructure, and preserving Board flexibility for major economic development opportunities. Reviewing the written feedback provided by Board members following the September rollout has allowed staff to refine considerations regarding residential service boundaries, annexation commitments, public purpose exceptions, and infrastructure extension evaluations.

Next Steps:

Following discussion at the November 10, 2026, Board meeting, staff will incorporate any final Board direction into the policy and prepare the documents for formal adoption.

Staff Recommendation:

Staff recommends that the Board receive the update, review the compiled Board comments and staff responses, and provide final direction on the draft Utility Service, Capacity Management, and Infrastructure Extension Policy.

Schedule:

Discussion and feedback are scheduled for the November 10, 2026, Board meeting, leading toward final implementation steps.

Financial:

The policy ensures growth-related infrastructure costs are born primarily by development rather than existing ratepayers, protecting long-term financial sustainability. No direct budget amendment is required.

Attachments:

- Exhibit A: Consolidated Board Response Brief: SGWASA Utility Service, Capacity Management, and Infrastructure Extension Policy
- Exhibit B: Draft – Utility Service, Capacity Management, and Infrastructure Extension Policy.

Strategic Plan Goal & Objective Alignment:

This item aligns with objectives related to safe, reliable, sustainable utility service; responsible infrastructure planning; financial stewardship; and orderly growth.

Focus Areas 1 & 2: Provide a Safe, Reliable and Sustainable Water & Wastewater System

- Support a safe, reliable, and sustainable utility system by managing utility capacity, promoting efficient infrastructure investments, and protecting long-term system reliability.

Executive Director's Recommendation:

The SGWASA Board of Directors is requested to receive the update, review the Board member comments and staff responses regarding the Utility Service, Capacity Management, and Infrastructure Extension Policy, and provide final direction to staff for formal policy adoption.

Exhibit A: Executive Overview Memo for Draft Policy – Utility Service, Capacity Management, and Infrastructure Extension Policy.

Consolidated Board Response Brief: SGWASA Utility Service, Capacity Management, and Infrastructure Extension Policy

Executive Director's Recommendations for Addressing Commissioner Feedback and Policy Clarifications

Addressing Feedback, Questions, and Policy Clarifications from Commissioner Archer Wilkins and Commissioner Georgana Kicinski

Board Briefing: To protect existing ratepayers, align with municipal growth tracks, and codify capacity boundaries, the Board should focus its upcoming discussion on five core decisions:

- Which projects must receive Board review?
- How should municipal plans influence decisions when capacity is constrained?
- Should SGWASA authorize or further evaluate a proposed system-wide capacity modeling tool, estimated to cost $250,000 or more, subject to confirmation of scope and cost?
- What safeguards should apply to low-density extensions and other long-term liabilities?
- Are the proposed appeal, reporting, and policy-review procedures acceptable?

The detailed commissioner questions, staff responses, technical benchmarks, and proposed implementation language that follow provide the supporting record for those discussions.

Executive Summary & Policy Alignment Matrix

The commissioners' questions converge on four policy areas requiring Board direction: municipal plan integration, the boundary between Executive Director authority and Board oversight, appeals and due process, and capacity allocation and availability tracking.

The matrix below consolidates the overlapping questions, identifies the related decision points, and summarizes the proposed policy response for each area. Unless explicitly noted, all recommendations, thresholds, and administrative procedures outlined herein are submitted for Board review and have not yet been formally adopted.

Policy Topic	Commissioner Feedback	Proposed Policy Resolution
Municipal Plan Integration	Decision Point 2 & Appendix B: Asks how municipal growth plans are weighed when capacity is limited. Items 1, 7, & 9: Questions referencing County plans without explicit inclusion of Creedmoor 2040, Butner Strategic, and Stem 2040 Plans.	Incorporates an Explicit Reliance Clause for member plans, requires a Municipal Plan Consistency Form, and establishes Appendix B (Member Plan Inventory).
Executive Director Authority vs. Board Oversight	Decision Point 1: Requests clear boundaries between administrative approvals and mandatory Board review. Items 4 & 8: Expresses concern that sole Executive Director approval authority bypasses municipal oversight and SGWASA Bylaws.	Establishes a 3-Tier Decision Framework with objective numerical triggers (e.g., extensions LF, new pump stations, capacity thresholds).
Appeals Process & Due Process	Decision Point 8: Requests formal submittal and distribution timelines for Board appeals. Item 4: Notes the absence of a formal administrative appeal process in the policy draft.	Codifies explicit days for appeal process.
Capacity Allocation & Availability Tracking	Decision Point 4 & System Development Fees: Proposes capacity metrics, 3-stage billing notices, and a Hydraulic Model Tool. Items 2, 3, & 5: Requests clarity on "allocation," "will serve" assurances, and continuous capacity tracking.	Clarifies SDF dynamic project-level allocation vs. block reserves, implements 3-stage written pre-verifications, and defines hydraulic modeling reporting options.

Board Discussion and Direction Requested:

Parameters requiring resolution: The proposed framework does not yet specify the Board-adopted percentage of remaining available capacity that triggers review. The pumping/storage benchmark also refers to a capacity cutoff, while the mandatory-review list covers any new wastewater lift station, booster pump station, elevated storage facility, treatment plant upgrade, or major transmission/collection facility. The reporting provisions describe the 80% interim-update threshold differently. These parameters require a single, consistent formulation before the framework can be applied uniformly.

1. Confirm the proposed three-tier framework and the objective triggers for mandatory Board review.

2. Confirm that adopted municipal plans will inform project evaluation without creating fixed municipal capacity guarantees.

3. Decide whether to authorize, decline, or defer further evaluation of the proposed Capacity Assurance Hydraulic Model Reporting Tool.

4. Confirm that applicants will fund growth-related infrastructure unless the Board expressly approves a lawful public or system benefit.

5. Review the proposed stranded-asset benchmarks, including extension length, pumping and storage facilities, utilization targets, infrastructure density, and supplemental O&M safeguards.

6. Direct legal counsel to review the confidentiality and public-record provisions.

7. Confirm the proposed appeal process days, supporting deadlines, semi-annual capacity reporting, and biennial policy review.

Supporting Detail: The following sections preserve the complete commissioner questions, staff responses, proposed technical benchmarks, and implementation examples. They are provided for reference after the Board reviews the consolidated policy matrix and the Board Discussion and Direction Requested section above.

Supporting Detail I: Commissioner Wilkins Questions and Staff Responses

Item 1: Board Authority versus Administrative Authority

- **Question:** Can the final policy establish objective thresholds for what constitutes a "routine request," a "major extension," and a "significant policy matter" to keep the boundary between Executive Director approval and required Board review clear and consistently applied?
- **Staff Response:** Yes. The policy can be strengthened by pairing discretionary classification language with the proposed 3-Tier Decision Framework and 5-Step Gateway Analysis detailed below.

Proposed 3-Tier Administrative & Board Review Framework

- **Tier 1 — Routine Administrative Review:** Executive Director (or designee) approval. Applies when capacity is clearly available, the request is within an adopted service or growth framework, and no major infrastructure, policy exception, reimbursement, or material operational risk is involved.
- **Tier 2 — Administrative Approval with Technical Findings:** Executive Director approval with written administrative findings and optional Board notification. Applies when the request is consistent with policy but involves measurable operational impacts, conditions, phasing, moderate extension length, capacity reservation, or documented technical assumptions.
- **Tier 3 — Mandatory Board Review:** Board of Directors approval required. Applies when the request involves major infrastructure, constrained capacity, public funding or reimbursement, policy exceptions, residential service outside municipal growth areas, economic-development discretion, stranded-asset risks, or formal administrative appeals.

Mandatory Board-Review Triggers

Board review is automatically triggered if any one of the following criteria applies:

1. Requires a Section 6 public-purpose finding for residential development outside municipal limits.
2. Requires a water or sewer main extension exceeding 1,500 linear feet.
3. Requires a new wastewater lift station, booster pump station, elevated storage facility, treatment plant upgrade, or major transmission/collection facility.
4. Consumes more than a Board-adopted percentage of remaining available system capacity or affects capacity reserved for regulatory compliance or planned municipal growth.
5. Requests SGWASA reimbursement, oversizing credits, fee incentives, or financial cost participation.
6. Creates potential stranded-infrastructure liabilities or isolated service areas.
7. Involves a policy variance request or formal administrative appeal.

Item 2: Municipalities and Designated Growth Areas

- **Question:** How will an adopted municipal growth plan, annexation plan, or other formally identified growth area be weighed when competing requests seek limited system capacity?
- **Staff Response:** Location within a municipality or designated growth area serves as an important planning and infrastructure-efficiency factor but does not constitute an automatic paper entitlement or guaranteed volume reserve. When capacity is constrained, requests are evaluated using a multi-factor framework, including municipal plan alignment, hydraulic efficiency, annexation status or commitments, compliance with SGWASA's adopted System Development Fee Policy and the timing requirements of N.C.G.S. § 162A-213, public health protection, available capacity, and long-term operational and financial impacts.

Implementation Provisions to Strengthen this in the draft policy include, for example:

- **Explicit Reliance Clause:** Policy text affirming that utility capacity evaluations will directly rely upon host municipal comprehensive plans, zoning maps, annexation plans, and interlocal agreements.
- **Applicant Verification Requirement:** Requires applicants to submit an **Applicant Certificate of Consistency** (signed Municipal Plan Consistency Form from the host municipality's Planning Director) to verify local plan alignment prior to technical review.

Item 3: Protection of Existing Customers & Operational Benchmarks

- **Question:** Can the final policy clarify that protecting existing customers includes treatment/wastewater capacity, pressure, reliability, infrastructure condition, regulatory obligations, and rate protection?
- **Staff Response:** Yes. Protecting existing ratepayers includes operational reliability, system pressures, permit compliance, asset longevity, and protection from growth-induced capital liabilities—not only direct utility billing. The proposed Appendix A, "Technical Benchmarks & Operational Indicators," illustrates how these protections could be expressed in the policy.

Appendix A: Technical Benchmarks & Operational Indicators

- **Water Distribution System:** Maintenance of minimum residual operating pressures (psi normal; psi peak hour/fire flow), 24-hour finished water storage reserves, raw water yield reliability, and main conveyance constraints.
- **Wastewater Collection & Treatment:** Permitted treatment plant reserve capacity, peak wet-weather Inflow & Infiltration (I&I) limits, collection system bottleneck thresholds, and pump station firm capacity (redundancy).
- **Regulatory & Capital Planning:** NCDEQ permit compliance margins and direct alignment with SGWASA's adopted 5-Year Capital Improvement Program (CIP).

Item 4: Capacity Measurement, Allocation, and Hydraulic Modeling

- **Question:** What capacity measurements will staff use, how frequently will they be updated, and what information concerning committed versus available capacity will be provided to the Board?
- **Staff Response:** Individual development requests are currently evaluated through mandatory, **developer-funded Project-Specific Hydraulic Model Analyses** that measure localized and

system-wide effects on pressure zones, storage, pumping, and collection networks. The Board may choose to supplement this established process by funding a Capacity Assurance Hydraulic Model Reporting Tool for continuous, system-wide capacity tracking and reporting.

Capacity Assurance Hydraulic Model Reporting Tool

- Scope & Cost: Staff has proposed supplementing project-by-project modeling with a system-wide capacity-tracking tool. Before the Board relies on a stated scope, cost, or description of existing developer-funded modeling requirements, staff should confirm those matters through the applicable engineering proposal and current SGWASA procedures. Unless otherwise directed by the Board, any system-wide tool would supplement rather than replace project-specific analyses.
- **Board Decision Required:** Determine whether the benefit of system-wide, continuously updated capacity information justifies authorizing more than $250,000 in capital funding for the Capacity Assurance Hydraulic Model Reporting Tool. If the Board does not authorize the investment, staff will continue using developer-funded, project-specific hydraulic analyses and current operational records.
- **Reporting Cadence:** If funded and deployed, staff will provide semi-annual Capacity Management & Extension Dashboards to the Board detailing baseline demand, committed capacity, pending modeling requests, and remaining available capacity by sub-basin. Staff will also provide an interim update whenever used or committed capacity in a sub-basin reaches 80% of the applicable available-capacity baseline.

Item 5: Developer-Funded Infrastructure & Financial Participation

- **Question:** Under what circumstances could SGWASA or existing ratepayers participate in growth-related infrastructure costs, and will exceptions require Board approval?
- **Staff Response:** Section 11 establishes that applicants bear 100% of growth-related infrastructure costs (engineering, permitting, easements, construction, inspection, testing, and capacity upgrades). SGWASA or ratepayer cost participation (e.g., line oversizing credits or reimbursement agreements) occurs only when authorized by law, demonstrated to serve a clear public/system benefit, and granted prior express written approval by the Board of Directors before construction.
- To qualify for any SGWASA cost-sharing or oversizing participation, the infrastructure must provide demonstrable, quantifiable hydraulic benefits to existing regional infrastructure beyond the immediate needs of the requested development.

Item 6: Economic-Development Exceptions & Evaluation

- **Question:** Should economic-development evaluations weigh job creation and tax-base expansion against capacity consumed, long-term O&M obligations, and municipal growth impacts?
- **Staff Response:** Economic development potential does not override hydraulic capacity limitations, operational reliability, or ratepayer protection. A coordinated three-part Economic Development Review could be created. For example:

Coordinated Three-Part Economic Development Review

- **County Economic Metric Verification:** The Granville County Economic Development Director evaluates macro-economic data (projected capital investment, direct/indirect job creation, average wages, and regional tax-base impacts) using standardized methodologies.
- **Local Land Use & Service Concurrence:** The host municipality (Creedmoor, Butner, or Stem) reviews and signs off on local land-use consistency, municipal tax-base impacts, and local planning concurrence.
- **Utility Impact Quantification:** SGWASA staff quantifies exact utility impacts (GPD demand, peak flows, required infrastructure, and long-term O&M burdens) in a formal **Economic Development Review Memo** submitted to the Board.

Item 7: Confidentiality & Public Record Protocol

- **Question:** How will confidential economic-development information be handled to ensure Board decisions remain transparent?
- **Staff Response:** Records submitted to SGWASA shall be maintained, disclosed, withheld, or redacted in accordance with Chapter 132 of the North Carolina General Statutes and other applicable law. Information claimed to constitute a trade secret, or otherwise confidential information shall be treated as confidential only to the extent the applicable statutory requirements are satisfied. Legal counsel should review any standardized redaction and disclosure protocol before implementation.
- Consider codifying the proposed new **Section 9.6.1 (Confidentiality and Public Record Protocol)** into the policy. For example:
    - **Public Summary Memo:** Staff prepares a standardized, non-confidential summary detailing requested capacity (GPD), infrastructure cost responsibilities, and target investment/job brackets without disclosing trade secrets protected under N.C.G.S. § 132-1.2.
    - **Closed Session Review:** The Board may enter closed session only to the extent authorized by an applicable provision of the North Carolina Open Meetings Law and upon compliance with the required motion and procedural requirements. Formal actions shall be taken in open session as required by law.
    - **Public Disclosure:** Project records shall be disclosed, withheld, or redacted in accordance with Chapter 132 and other applicable law. Any temporary withholding of economic-development records ends at the time and in the manner prescribed by law; execution of a utility agreement is not necessarily the controlling statutory event.

Item 8: Avoiding Stranded Assets & Financial Safeguards

- **Question:** What measurable criteria will determine whether an extension creates an unacceptable underutilized facility or maintenance burden?
- **Staff Response:** Staff recommends specific, objective numerical benchmarks for inclusion in administrative policy guidelines. For example:

Metric	Objective Policy Benchmark	Policy Purpose & Technical Rationale
Main Extension Limit	Board review required if extension lineafeet .	Extensions LF may cross property boundaries, impact pressure zones, or extend into unserved corridors.
Pumping / Storage Trigger	Mandatory Board review for any new lift station or booster pump beyond a specific capacity.	Lift stations introduce perpetual electrical, mechanical, monitoring, and replacement liabilities.
Capacity Utilization Target	within 3 years; within 7 years of acceptance.	Prevents stagnant water quality in distribution lines and septic conditions in sewer mains.
Infrastructure Density Target	ERUs per lineafeet of main extension.	Ensures rate revenue covers routine line flushing, jetting, and long-term pipe rehabilitation.
Infrastructure Utilization and Main Extension Return-on-Investment (ROI) Thresholds.	For water or sewer main extensions serving low-density developments that fall below established hydraulic/economic return thresholds (e.g., fewer than [X] equivalent residential units per linear foot of main), may require execution of a formal development agreement or other binding agreement is required prior to project approval. Such an agreement may incorporate structural performance guarantees (pursuant to standard subdivision and utility extension authorities) or a legally binding guaranteed minimum revenue/capacity allocation agreement to cover long-term system demand stability to the extent legally permitted.	Protects SGWASA's existing ratepayer base from unfairly subsidizing the capital and long-term operational upkeep of oversized or underutilized infrastructure. Ensuring that low-density or out-of-sequence extensions carry their own proportionate economic and operational weight aligns with sound utility planning principles and prevents the creation of stranded assets or premature maintenance burdens on the public system, utilizing binding private contract mechanisms rather than unauthorized administrative fees.

Item 9: Communication of System Development Fee (SDF) Limitations

- **Question:** How will SGWASA communicate to applicants that fee payment does not automatically guarantee utility service?
- **Staff Response:** The proposed 3-Stage Written Notice Workflow would communicate SDF limitations at application intake, billing, and capacity authorization. Integrated disclosures at each stage would explain what has been verified, what fee payment satisfies, and which written conditions still govern utility service.
    1. **Stage 1 — Application Intake:** Application forms explicitly state that technical capacity availability must be verified by SGWASA staff prior to application approval or invoice generation.
    2. **Stage 2 — Billing Disclosures:** Invoices should state that, under SGWASA's adopted System Development Fee Policy, SGWASA will not reserve or allocate capacity to new development until the applicable SDF has been paid. SDFs must be assessed and

collected in accordance with Article 8 of Chapter 162A, including the timing requirements of N.C.G.S. § 162A-213. Payment does not authorize unapproved infrastructure extensions or service modifications.

3. **Stage 3 — Capacity Authorization Letter:** Approval notices specify that fee payment commits allocated capacity contingent upon fulfilling all engineering, permitting, and performance conditions within established timelines.

Item 10: Appeals & Due Process Timelines

- **Question:** Will all parties receive the same administrative record during a Board appeal, and what procedural timelines should govern the review?
- **Staff Response:** Yes, all parties will have access to the same non-privileged record. Staff recommends strengthening Section 14 by codifying the following proposed submittal deadlines:
    - Appeals of administrative capacity determinations must be filed in writing within **30 calendar days** of the decision, with final appellate review and determination vested solely in the Board of Directors.
    - **Administrative Record Transmission:** Executive Director transmits the complete record to the Board, appellant, and property owner within **30 business days** of receiving a written notice of appeal.
    - **Appellant Supplemental Submittals:** Appellant submits supplemental briefs, expert reports, or engineering evidence at least **30 business days** prior to the appeal meeting.
    - **Staff Response & Legal Review:** Staff and legal counsel submit written evaluations to the appellant and Board at least **15 business days** prior to the meeting.
    - **Board Agenda Packet Distribution:** Complete appeal packets are distributed to Board members at least **10 business days** before the scheduled appeal hearing.
    - The timelines outlined herein may be extended by the Executive Director or Board Chair for good cause shown, or by mutual written consent of the Authority and the appellant.

Item 11: Periodic Policy Review Interval

- **Question:** What review interval and off-cycle triggers should be established for policy maintenance?
- **Staff Response:** Staff recommends a hybrid review framework combining a **fixed biennial (2-year) baseline review** with mandatory off-cycle triggers. For example:
    - **Capacity Triggers:** Wastewater treatment inflow reaching 80% of permitted capacity or water supply allocations reaching 85% of firm yield.
    - **Regulatory Triggers:** Major modifications to NCDEQ NPDES discharge permits, water withdrawal authorizations, or state water supply mandates.
    - **Capital & Boundary Triggers:** Adoption of major 5-Year CIP updates, master plan revisions, or material amendments to municipal growth boundaries and interlocal service agreements.

Item 12: Regular Board Capacity Reporting

- **Question:** What frequency, format, and content should be used for regular capacity reporting to the Board?
- **Staff Response:** The following frequencies could be used. For example:
    - **Frequency:** Proposed semi-annual reporting (every 6 months), with interim updates tied to a sub-basin planning threshold. This item describes an update when available capacity drops below 80%; Wilkins Item 4 describes an update when used or committed capacity reaches 80% of the applicable available-capacity baseline. The Board direction must identify the intended measure and baseline so the same trigger governs both provisions.
    - **Responsible Officer:** Executive Director (or designee).
    - **Format:** Standardized **Capacity Management & Extension Dashboard** submitted as an Information Item in the regular monthly Board packet detailing approved allocations, active extensions, committed vs. unconnected capacity, net remaining plant headroom, and expiring capacity reservations.

Supporting Detail II: Commissioner Kicinski Questions and Staff Responses

Item 1: Reference to Municipal Strategic & Comprehensive Plans

- **Question / Concern:** Purpose, Authority, and Legislative Findings (Item 7) references the Granville County Comprehensive Plan and North Falls Lake Area Study, but omits Creedmoor's 2040 Plan, Butner's Strategic Plan (FY25–FY30), and Stem's Town Plan 2040. Why are these municipal objectives not considered?
- **Staff Response:** While member plans were encompassed under the broad heading of "regional planning objectives," the text of Section 1, Item 7 could be updated to read:

  "Ensure alignment with adopted local and regional planning instruments—including member municipal strategic plans, comprehensive land-use plans, and zoning ordinances, as well as the Granville County Comprehensive Plan and the North Falls Lake Area Study."

Item 2: Capacity "Allocation" & Municipal Volume Guarantees

- **Question / Concern:** The word "allocation" is used throughout the draft, but there is no municipal allocation policy. What will Creedmoor's allocation be, and where is the guarantee of water and sewer availability for future development?
- **Staff Response:**
    - Terminology in the source draft: This comment identifies two uses of "allocation" in Section 10, System Development Fees, and states that the term does not appear elsewhere in that draft. It proposes replacing those uses with "reservation." That terminology proposal concerns the source draft, not the frequency of the term in this consolidated response brief.
  - **SDF Policy Governance:** Capacity allocation is governed by SGWASA's adopted System Development Fee (SDF) Policy pursuant to N.C.G.S. Chapter 162A, Article 8. The policy operates on a dynamic, project-specific model rather than assigning static gallon-per-day block quotas or volume reservations to member municipalities.
  - **Unified Regional System:** SGWASA manages water and wastewater resources for southern Granville County as a single, unified regional grid. It does not parcel out bulk capacity pools to individual jurisdictions.
  - **Statutory Commitment Milestones:** Capacity is formally allocated and committed to a project only when technical capacity is pre-verified and System Development Fees are paid. Under Section 9.5 of the draft Infrastructure Extension Policy, projects inside Creedmoor's municipal limits or designated growth areas receive **priority evaluation** during constrained capacity conditions, but priority status does not constitute an unearned paper reservation.

Item 3: Early Development Knowledge & "Will Serve" Letters

- **Question / Concern:** There is no provision for early development knowledge or "will serve letters," leaving developers with only verbal understandings and no assurance that utility needs can be met.

- **Staff Response:** Informal verbal promises or "honor system" commitments are prohibited. SGWASA provides early development clarity through a structured, multi-factor evaluation framework during the pre-application phase:
    1. **Municipal Plan & Boundary Alignment:** Highest priority weighting is granted to projects within municipal limits or adopted growth boundaries (e.g., Creedmoor 2040 Plan, subject to available capacity, infrastructure efficiency, financial sustainability, regulatory requirements, and other applicable utility considerations.
    2. **Infrastructure & Hydraulic Modeling:** Engineering staff evaluates hydraulic model runs to confirm line capacity and operating pressures before commitments are made.
    3. **Statutory Readiness Milestones:** Capacity availability is formally confirmed in writing via a 3-Stage Written Notice Workflow (Intake Verification, SDF Invoice Disclosures, and Formal Capacity Authorization Letters) as projects reach regulatory milestones under N.C.G.S. § 162A-213.

Item 4: Executive Director Authority, Bylaws, and Lack of Appeal Process

- **Question / Concern:** Granting sole approval/denial authority to the Executive Director violates SGWASA Bylaws, and the draft policy lacks an appeal process.
- **Staff Response:**
    - **Compliance with SGWASA Bylaws:** Delegating routine administrative approvals to professional staff complies with Article III.A (*"Determine SGWASA's policies"* and *"Direct employees in carrying out policies"*) and Article V.A (*"Select and retain competent management"*) of the SGWASA Bylaws. Adopting the policy establishes the governing rules; staff merely executes those Board-approved standards.
    - **Board Review Triggers & Appeal Code:** The proposed 3-Tier Decision Framework would define the boundary between Executive Director approval and mandatory Board review, as described in "Supporting Detail I: Commissioner Wilkins Questions and Staff Responses," Item 1. The proposed 30-Day Administrative Appeal Procedure in Section 14 would provide applicants a formal process to appeal staff determinations directly to the Board of Directors.

Item 5: Continuous Capacity Availability Tracking ("Honor System")

- **Question / Concern:** "Honor system commitments will be a good system if there is a continuous document showing availability as developments or industry develops".
- **Staff Response:** Staff concurs that informal commitments must be replaced by continuous, verifiable accounting. Capacity tracking is managed through two operational pillars:
    1. **Current Operational Accounting Baseline:** Staff evaluates requests against active operational records, tracking permitted plant capacities, average/peak metered flows, pump station firm capacity, and legally committed SDF allocations.
    2. **Potential Capacity Assurance Modeling Tool:** As detailed in "Supporting Detail I: Commissioner Wilkins Questions and Staff Responses," Item 4, an engineering consultant has proposed a scope of work for a dynamic Capacity Assurance Hydraulic Model Reporting Tool at an estimated cost of $250,000+. The proposed scope includes automated real-time sub-basin tracking and semi-annual dashboard reporting. Deployment depends on Board authorization and funding.

Item 6: Tiered User Rates & System Infrastructure Policy

- **Question / Concern:** Will there be tiered rates for larger system use versus smaller system use?
- **Staff Response:**
    - **Separation of Rate Schedules and Extension Policy:** The proposed Infrastructure Extension Policy governs physical utility connections and asset acceptance; it does not set monthly user rates. Monthly rates and fee schedules are adopted separately by the Board under N.C.G.S. § 162A-9 via the annual *Schedule of Rates, Fees, and Charges*.
        - **FY 2025–26 Rate Structure — Reference Schedule, Separate from the Proposed Infrastructure Extension Policy:**
        - *Residential Water (Tiered for Conservation):* Tier 1 (0 – 4,000 gal) at **$8.38 / 1,000 gal**; Tier 2 (gal) at **$12.57 / 1,000 gal**.
        - *Non-Residential Water (Non-Tiered):* Uniform volume rate of **$9.13 / 1,000 gal**.
        - *Sewer Volume Rate:* **$14.45 / 1,000 gal** metered discharge plus monthly meter base charges.
    - **Ratepayer Protection & SDFs:** Accepting new development infrastructure may increase long-term capital and maintenance obligations. SDFs must be calculated and updated only in accordance with Article 8 of Chapter 162A and the supporting statutory analysis. Future capital improvements necessitated by and attributable to new development, as well as the allocable costs of existing facilities that serve new development, may be taken into account in calculating SDFs to the extent permitted by Article 8 and supported by the required analysis. Current SDFs are $1,800 for water and $4,574 for sewer. SDFs are periodically updated in accordance with applicable law.

Item 7: Decision Standards & Land-Use vs. Utility Authority (Section 9)

- **Question / Concern:** Section 9.1–9.3 lacks specific administrative guidelines for staff decisions. Approving developments within a municipality is the statutory authority of municipal/county planning departments; if zoning ordinances interfere with utility service, the municipality and utility should work it out together.
- **Staff Response:**
    - **Clear Division of Statutory Authority:** SGWASA fully concurs that land-use planning, zoning, density, and site approvals are the sole statutory authority of member municipalities and Granville County under N.C.G.S. Chapter 160D. SGWASA does not dictate municipal land policy.
    - **Utility Stewardship:** SGWASA does not exercise zoning or general land-use approval authority. Its decisions concern utility service and infrastructure management, including engineering, capacity, operational, financial, regulatory, infrastructure-planning, and other legitimate utility considerations.
    - **Parallel Coordination Framework:** The proposed policy would require early conceptual review and an Applicant Certificate of Consistency signed by municipal planning staff. These requirements would coordinate utility and land-use review and require verification that SGWASA utility approvals do not conflict with local zoning or land-use ordinances.

Item 8: Municipal Board Involvement in Development Approvals (Section 14)

- **Question / Concern:** Creedmoor's Board has always been involved in approving new development. Leaving approvals to the Executive Director creates controversy, and SGWASA might act inconsistently with municipal ordinances, forcing the municipality to "just live with it".
- **Staff Response:**
    - **Preservation of Municipal Sovereignty:** SGWASA utility approval does **not** override municipal land-use authority. A developer cannot break ground without full site plan and zoning approval from Creedmoor's Board of Commissioners.
    - **Preventing Unilateral Utility Decisions:** The policy incorporates mandatory municipal consistency verifications and direct staff-to-staff coordination during plan reviews.
    - **Routine vs. Policy Approvals:** Objective engineering approvals for fully compliant projects are processed administratively to prevent development backlogs. However, any project requiring policy variances, service outside growth boundaries, or major financial participation is automatically elevated to the **SGWASA Board of Directors**—where Creedmoor's appointed commissioners actively evaluate and vote on the request.

Item 9: Reiteration of Municipal Plan Consideration (Section 15)

- **Question / Concern:** Section 15 again references only the Granville County Plan and North Falls Lake Area Study. Where is the consideration of Creedmoor's 2040 Plan, Butner's Strategic Plan, or Stem's Town Plan 2040?
- **Staff Response:** Refer to the response in **Section II, Item 1**. The policy text across Section 1, Section 9, and Section 15 suggests to uniformly update text to explicitly reference all adopted member municipal comprehensive plans, strategic plans, and zoning frameworks alongside regional planning studies. This was already addressed in the draft in several places by reference to "municipal growth plans" but can be stated more explicitly.

Section 13: Conclusion & Immediate Next Steps

Executive Summary: The policy recommendations, proposed 3-tier framework, and administrative safeguards detailed in this consolidated response provide a balanced, legal framework for governing utility service, infrastructure extensions, and capacity allocations. Objective criteria will help SGWASA protect existing ratepayers from stranded assets, maintain strict compliance with state law, and establish a predictable, transparent framework for developers and municipal partners alike.

Board Action Requested: Staff recommends that the Board of Directors review these consolidated responses, provide final directional consensus on outstanding policy items, and direct the Executive Director to prepare the final adopted policy resolution for formal action at the upcoming regular meeting.

Exhibit B: Draft – Utility Service, Capacity Management, and Infrastructure Extension Policy.

SGWASA UTILITY SERVICE, CAPACITY MANAGEMENT, AND INFRASTRUCTURE EXTENSION POLICY

1. Purpose, Authority, and Legislative Findings

The South Granville Water and Sewer Authority ("SGWASA") is responsible for managing finite water supply, treatment, transmission, storage, collection, and wastewater treatment resources in a manner that protects public health, promotes orderly growth, supports economic development, and ensures the long-term financial and operational sustainability of the utility system. This Policy is intended to guide the management of available water and wastewater resources, the management of available capacity and the provision of utility service, and the extension of utility infrastructure in a manner that advances legitimate utility purposes and protects the interests of existing and future customers.

This Policy is adopted pursuant to the powers granted to SGWASA under Article 1 of Chapter 162A of the North Carolina General Statutes and, with respect to System Development Fees, Article 8 of Chapter 162A, Article 21 of Chapter 143, applicable water supply planning requirements, and all other applicable federal and state laws and regulations governing public water and wastewater systems. The Board of Directors ("Board") intends that this Policy be interpreted and administered consistently with those authorities and with SGWASA's obligations to operate and maintain its systems in a financially responsible, reliable, and sustainable manner.

The purposes of this Policy are to:

1. Manage available water and wastewater capacity and provide utility service in an efficient and equitable manner;
2. Promote the cost-effective operation, maintenance, repair, replacement, and expansion of SGWASA facilities;
3. Encourage orderly residential, commercial, institutional, industrial, and governmental development patterns;
4. Direct utility-supported growth toward incorporated municipalities and designated growth areas;
5. Support economic development opportunities that provide substantial public benefit;
6. Protect existing customers from bearing the costs of growth-related infrastructure improvements;
7. Ensure consistency with regional planning objectives, including the Granville County Comprehensive Plan and the North Falls Lake Area Study;
8. Preserve SGWASA's ability to provide reliable utility service to existing and future customers; and
9. Promote the efficient use of public utility infrastructure and avoid unnecessary infrastructure expansion that imposes long-term operational and maintenance burdens on the utility system.

The Board further finds that this Policy is adopted for utility management, infrastructure planning, fiscal stewardship, and utility service delivery purposes and not for the purpose of regulating land use, zoning, subdivision design, annexation, or other development approvals. Any effect this Policy may have on development patterns is incidental to SGWASA's obligation to manage utility resources, infrastructure investments, and system capacity in a prudent, efficient, reliable, and sustainable manner.

The Board finds that the efficient provision of water and wastewater infrastructure is a critical component of sound land use planning, environmental stewardship, economic development, and utility management.

The Board further finds that the efficient management of water and wastewater capacity, the avoidance of stranded utility infrastructure, the concentration of urban-scale development within municipalities and designated growth areas, and the protection of existing ratepayers from unnecessary infrastructure costs constitute legitimate utility purposes directly related to SGWASA's statutory responsibilities and the long-term sustainability of its water and wastewater systems.

Consistent with the Granville County Comprehensive Plan and the North Falls Lake Area Study, SGWASA seeks to direct urban-scale development toward municipalities and designated growth areas where public infrastructure can be operated, maintained, repaired, and expanded in a cost-effective and sustainable manner.

The Board further finds that indiscriminate extension of utility infrastructure into rural areas may increase operational costs, adversely affect long-term system efficiency, encourage scattered development patterns, create future public expenditures that are not supported by corresponding public benefits, and impair SGWASA's ability to efficiently maintain, rehabilitate, and replace infrastructure over time.

Accordingly, available water and wastewater resources, utility infrastructure investments, utility service extensions, and system capacity should be managed in a manner that promotes orderly growth, protects existing ratepayers, supports municipal development objectives, advances economic development, and preserves SGWASA's ability to provide reliable utility service to future residential, commercial, industrial, institutional, and governmental customers.

Consistent with SGWASA’s System Development Fee Policy, SGWASA does not evaluate the intrinsic merit or desirability of any particular development project. Rather, SGWASA evaluates requests for utility service based solely upon utility management considerations, including available capacity, infrastructure efficiency, financial sustainability, service area planning, operational impacts, and other legitimate utility purposes.

2. Definitions

As used in this Policy, the following terms shall have the meanings set forth below:

"Applicant" means any person, entity, developer, property owner, or other party requesting water service, wastewater service, utility service authorization, or utility extension from SGWASA.

"Board" means the Board of Directors of the South Granville Water and Sewer Authority.

"Capacity" means the ability of SGWASA's water supply, water treatment, water transmission, water storage, wastewater collection, and wastewater treatment facilities to provide service, measured in terms of volume, flow rate, or other appropriate engineering units.

"Designated Growth Area" means an area identified by a municipality or Granville County as appropriate for future urban-scale development and utility service, including areas identified in the Granville County Comprehensive Plan, the North Falls Lake Area Study, or municipal growth plans.

"Development" means any construction, land disturbance, subdivision, building, or improvement that requires or may require water service, wastewater service, or additional utility capacity.

"Executive Director" means the Executive Director of SGWASA, or such person's designee.

"Major Utility Extension" means a utility extension that requires substantial public or private infrastructure investment, affects regional or system-wide capacity, requires new pump stations, storage, treatment, major transmission or collection facilities, requires Board approval under this Policy, or otherwise presents significant operational, financial, legal, planning, or policy considerations as determined by the Executive Director.

"Minor Utility Extension" is a Utility Extension other than a Major Utility Extension.

"New Development" is defined at N.C. Gen. Stat. § 162A-201(6).

"Policy" means this SGWASA Utility Service, Capacity Management, and Infrastructure Extension Policy, as amended from time to time.

"Participating Political Subdivisions" means Granville County, the Town of Butner, the Town of Stem, and the City of Creedmoor, each of which is a member of SGWASA.

"SGWASA" means the South Granville Water and Sewer Authority.

"Stranded Infrastructure" means utility infrastructure that is underutilized, isolated, or located in areas where anticipated development has not occurred or is unlikely to occur, resulting in inefficient use of utility resources and increased operational and maintenance costs.

"System Development Fee" or "SDF" is defined at N.C. Gen. Stat. § 162A-201(9). Terms relating to System Development Fees not otherwise defined in this Policy shall have the meanings ascribed to them in SGWASA's System Development Fee Policy and applicable North Carolina law.

"Utility Service Authorization" means approval by SGWASA to provide water service, wastewater service, or utility infrastructure necessary to serve a project subject to applicable conditions, fees, and capacity availability.

"Utility Extension" means the construction, installation, or expansion of water mains, sewer mains, pump stations, storage facilities, treatment facilities, or other infrastructure necessary to provide water or wastewater service to areas not currently served by SGWASA.

"Utility Extension Agreement" means a written agreement approved by SGWASA establishing the terms, conditions, obligations, capacity commitments, infrastructure requirements, cost responsibilities, deadlines, inspections, dedications, warranties, reimbursement provisions, if any, and other requirements applicable to a utility extension or related service approval.

3. Applicability

This Policy applies to all requests for:

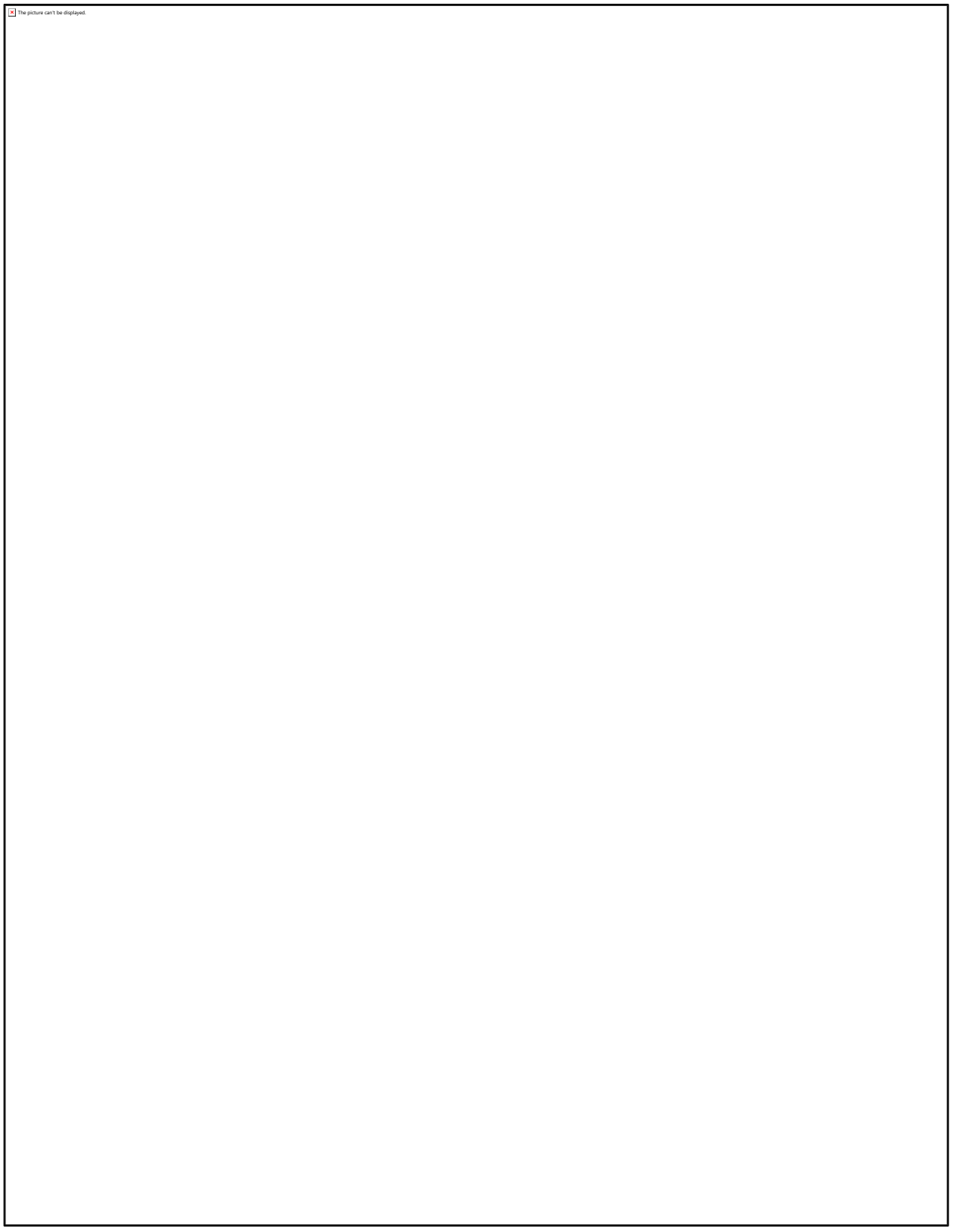
- New water or wastewater service connections;
- Utility extensions, including utility main extensions;
- Requests for increased service demands;
- Development projects requiring water or wastewater service; and
- Any other request determined by SGWASA to materially affect available system capacity.

Nothing in this Policy shall be construed as creating a vested right to utility service, utility capacity, utility infrastructure extensions, or future utility system expansions absent formal approval by SGWASA and satisfaction of all applicable conditions.

4. Application and Submittal Requirements

Applicants shall submit such information as SGWASA determines is necessary to evaluate the request under this Policy. At a minimum, applications for utility service, increased demand, or utility extension may be required to include a project description, parcel and location information, proposed use, development schedule, projected water and wastewater demands, requested capacity, phasing plan, conceptual utility layout, required infrastructure improvements, cost estimates, easement requirements, permitting status, annexation or municipal growth area information where applicable, and evidence of the applicant's ability to proceed within a reasonable timeframe.

SGWASA may decline to process, defer action on, or deny any request that lacks sufficient information to determine consistency with this Policy, available system capacity, infrastructure requirements, cost responsibility, or the long-term operational, financial, regulatory, environmental, or planning interests of SGWASA.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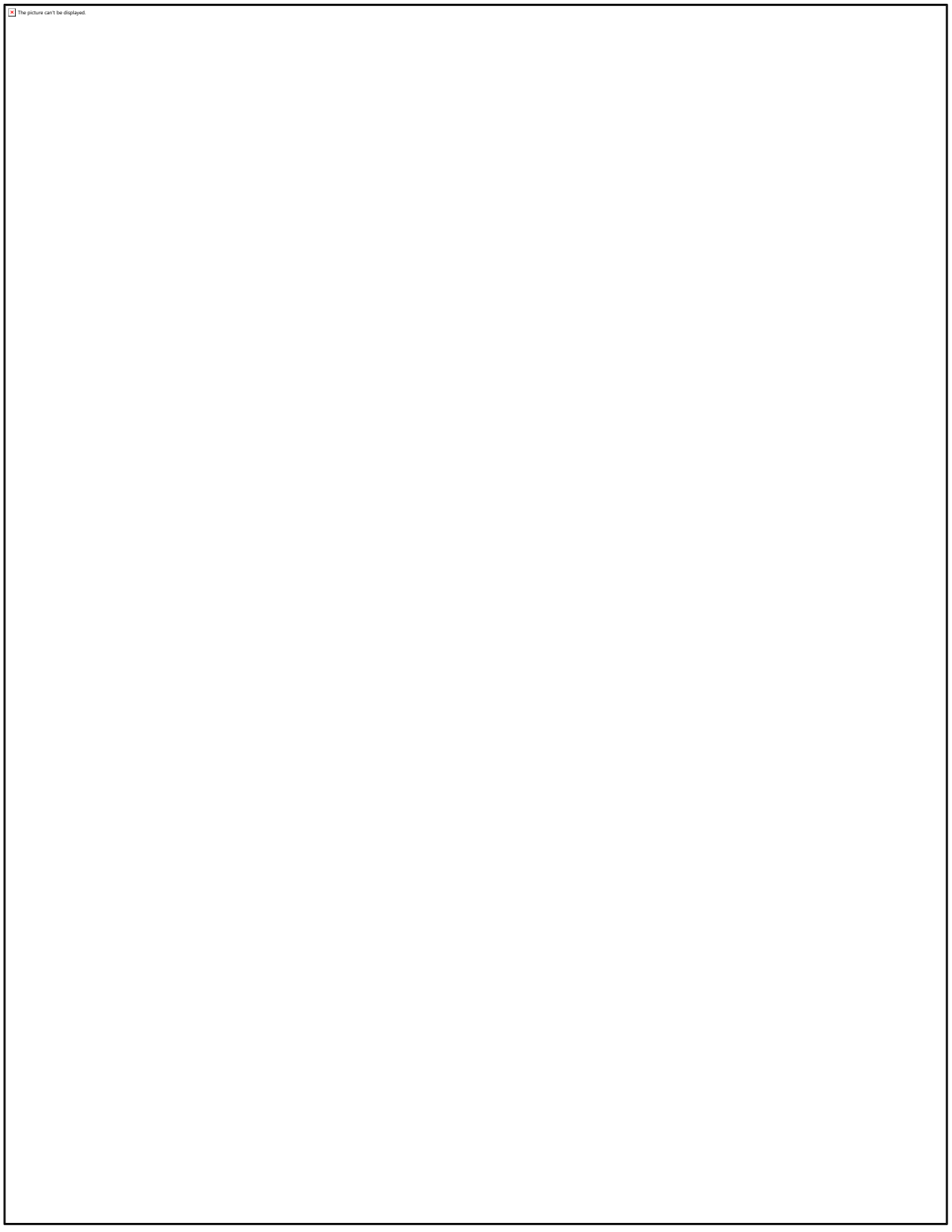
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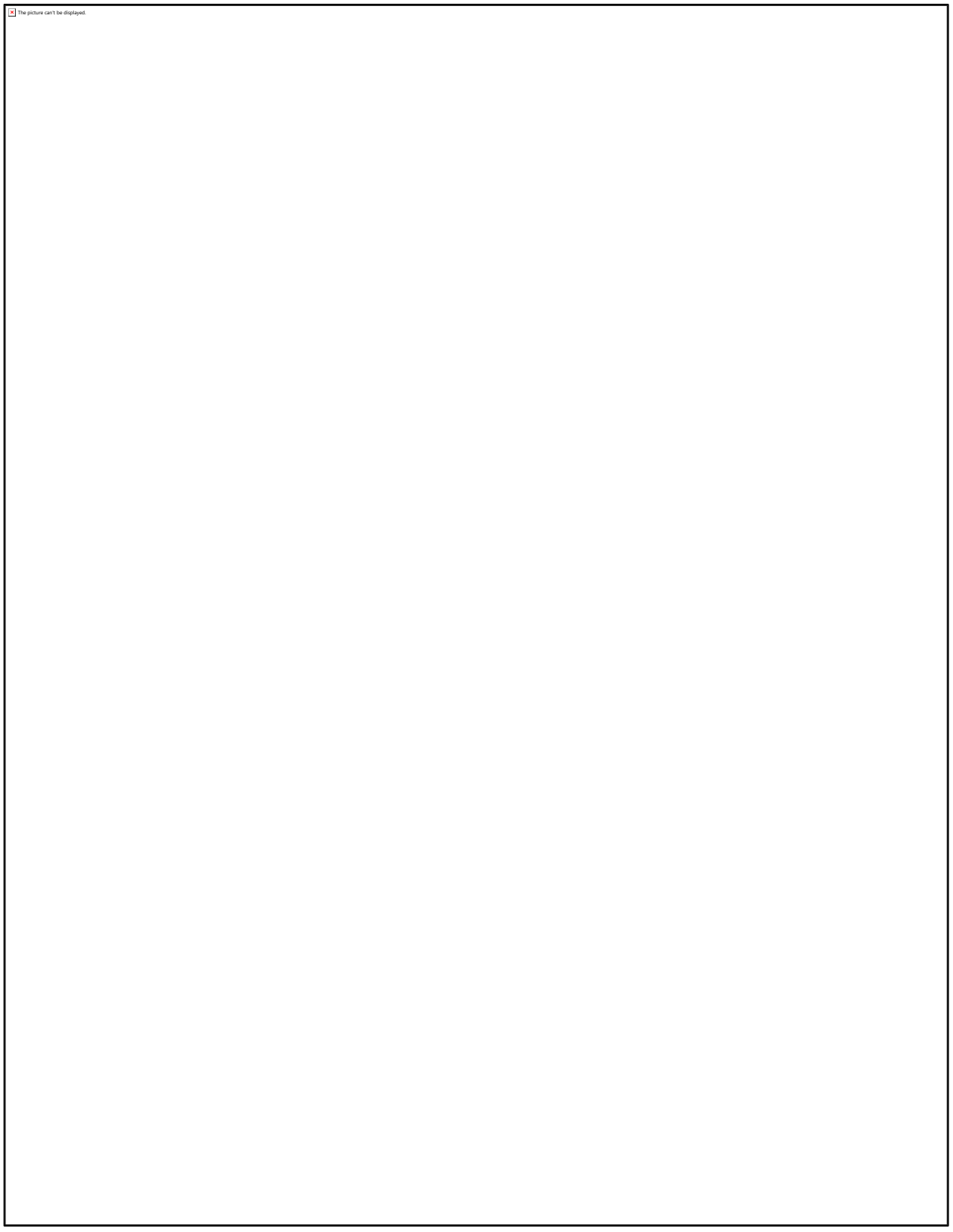
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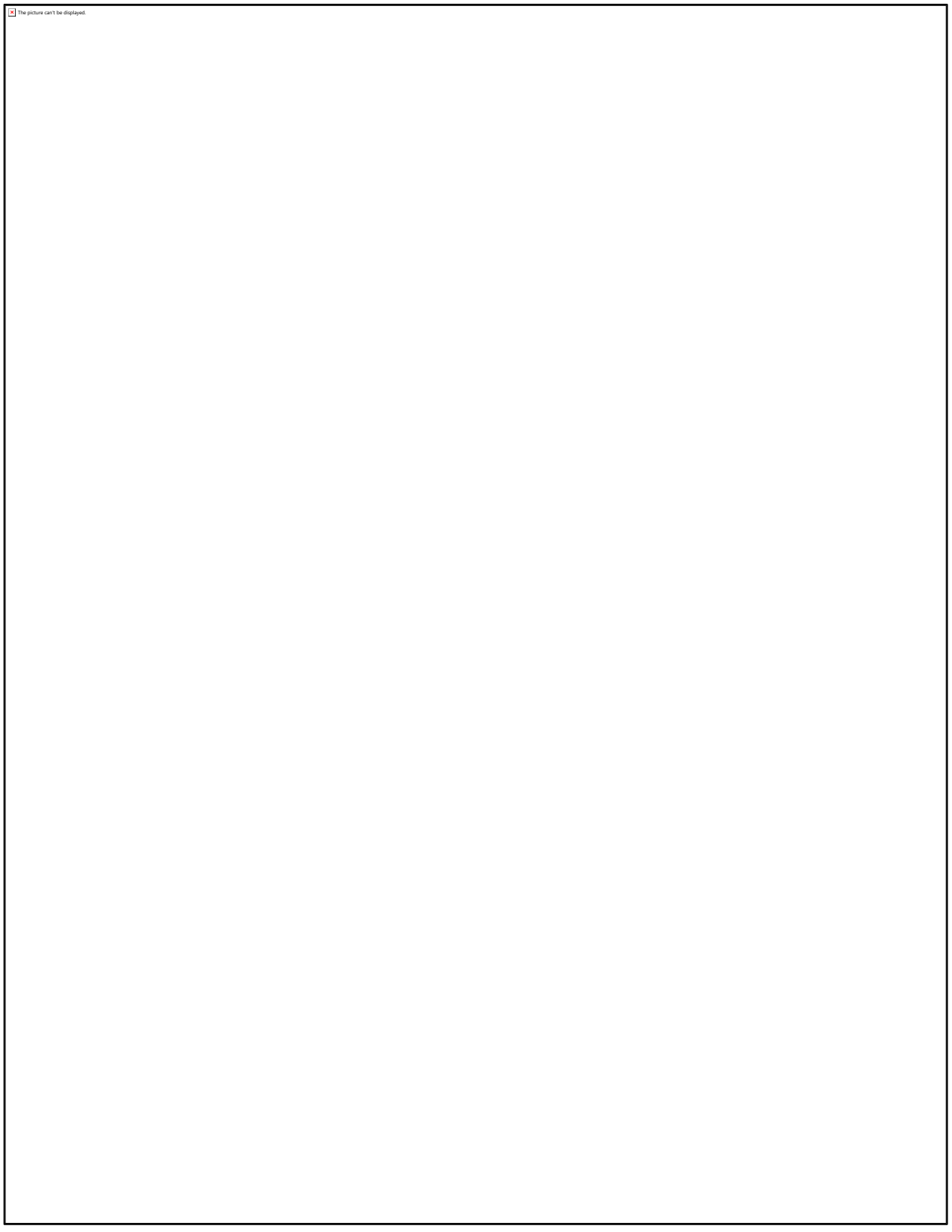
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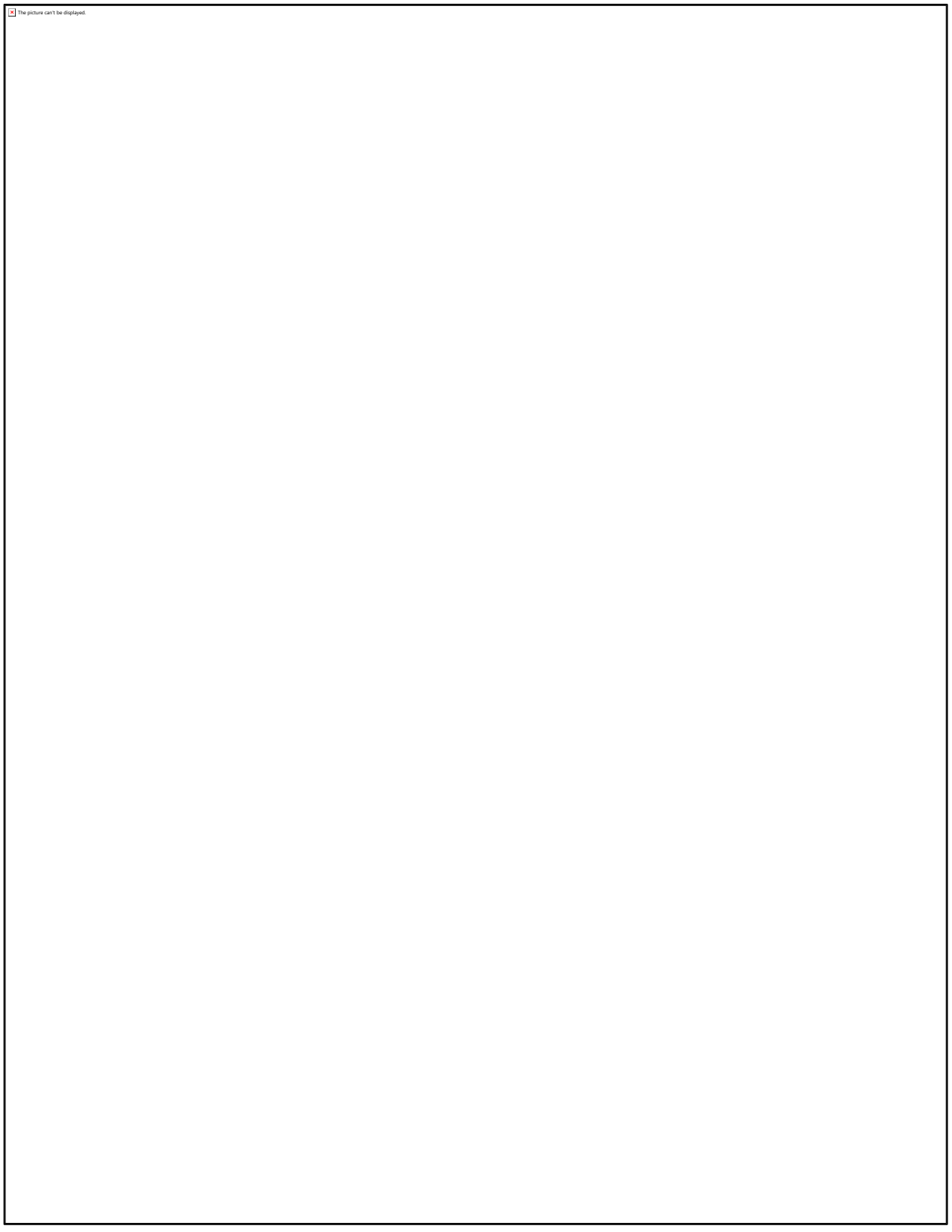
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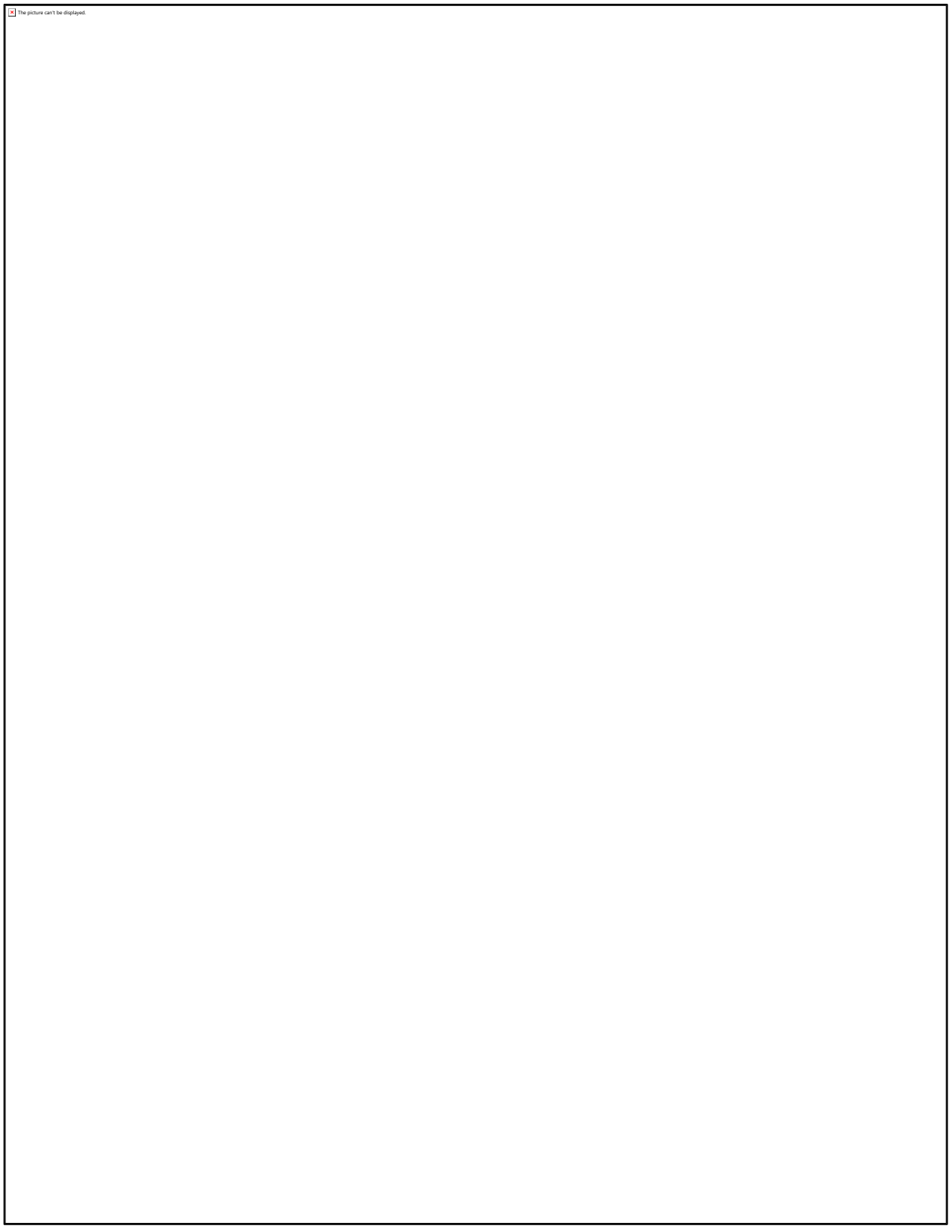
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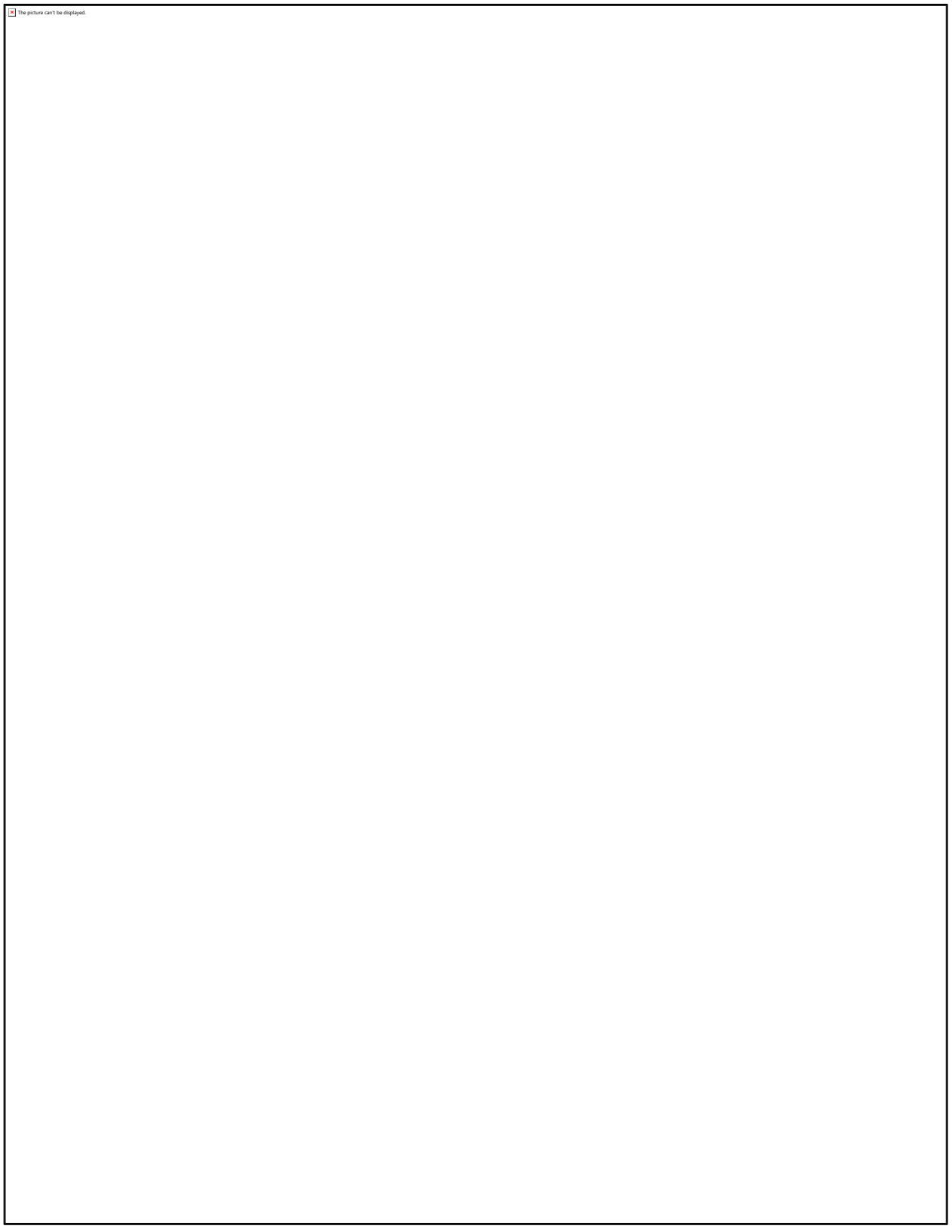
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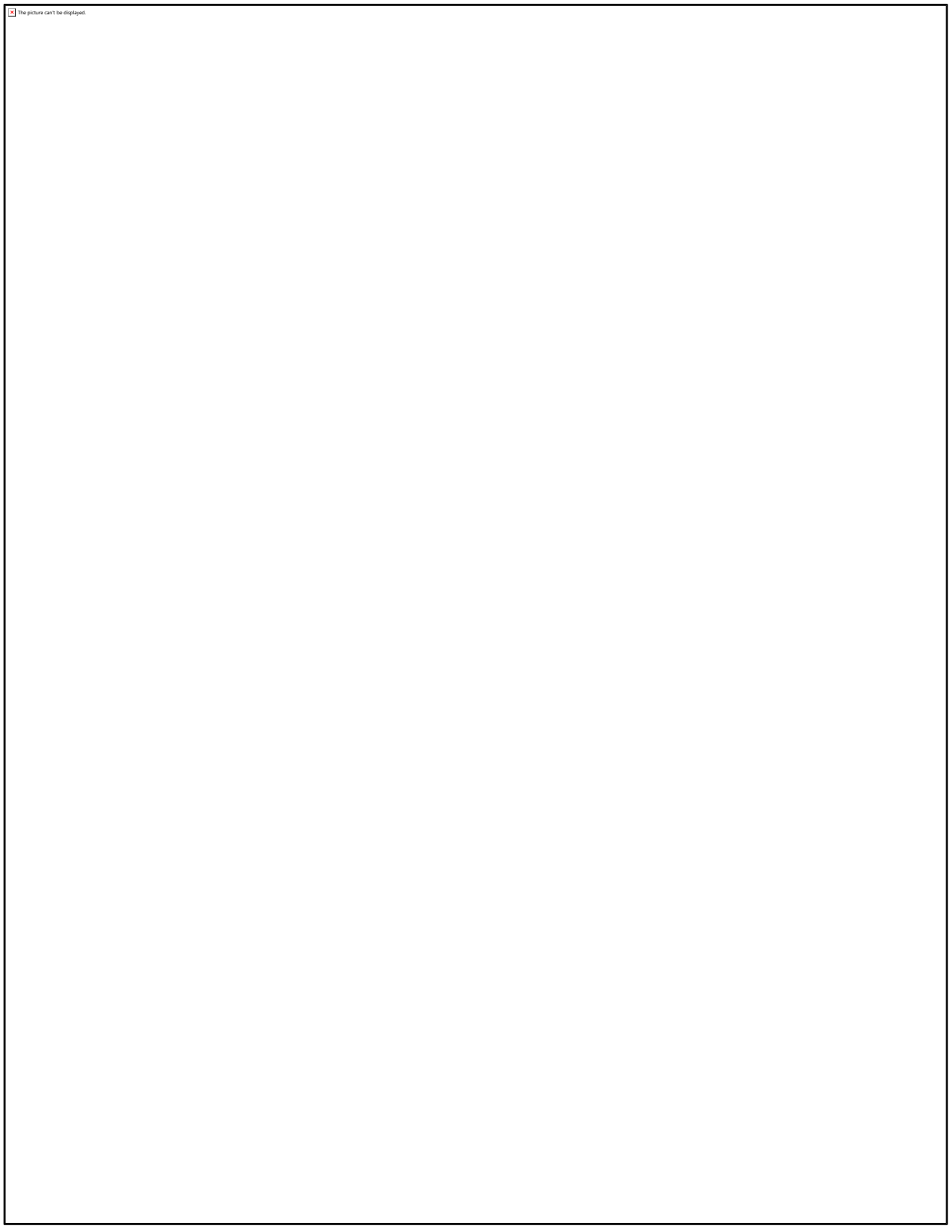
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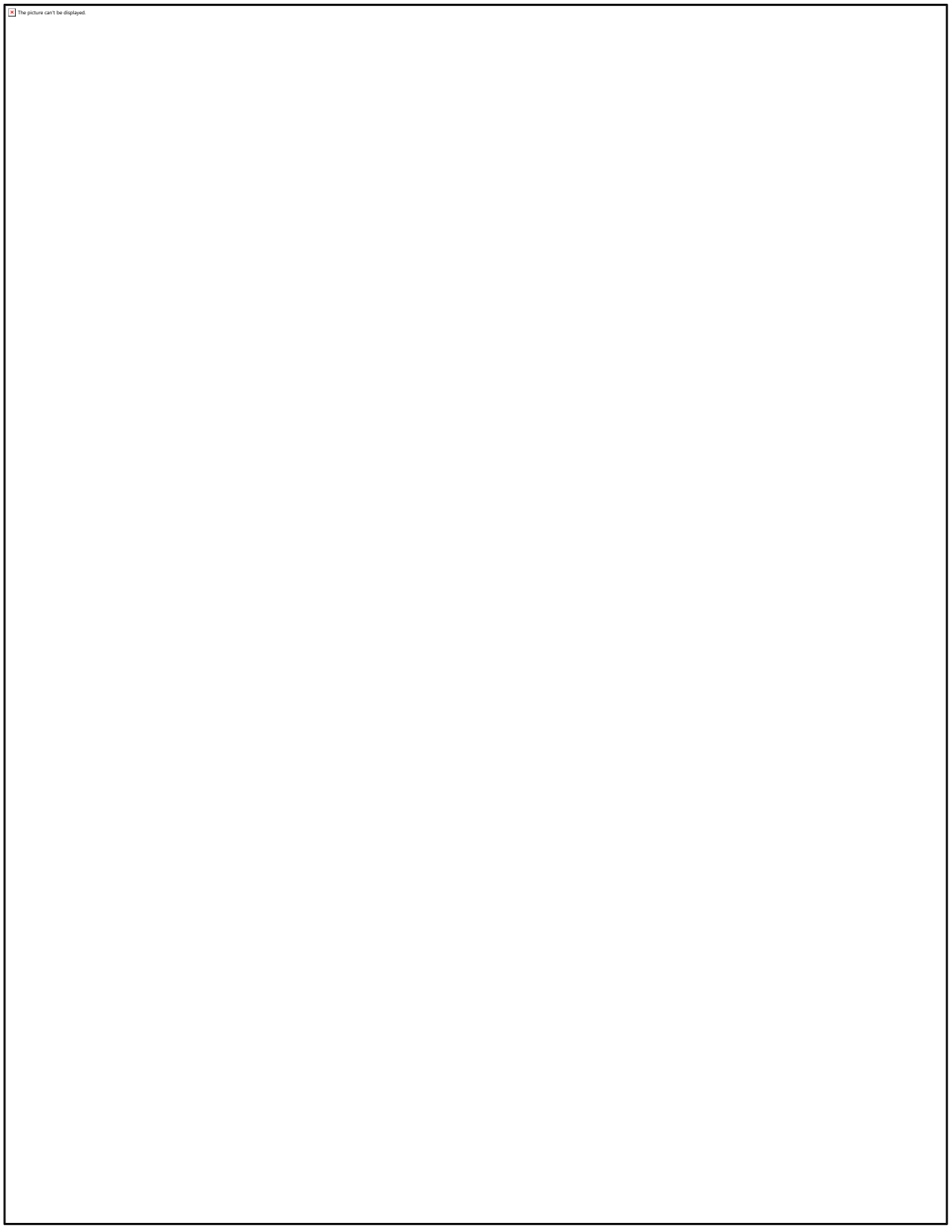
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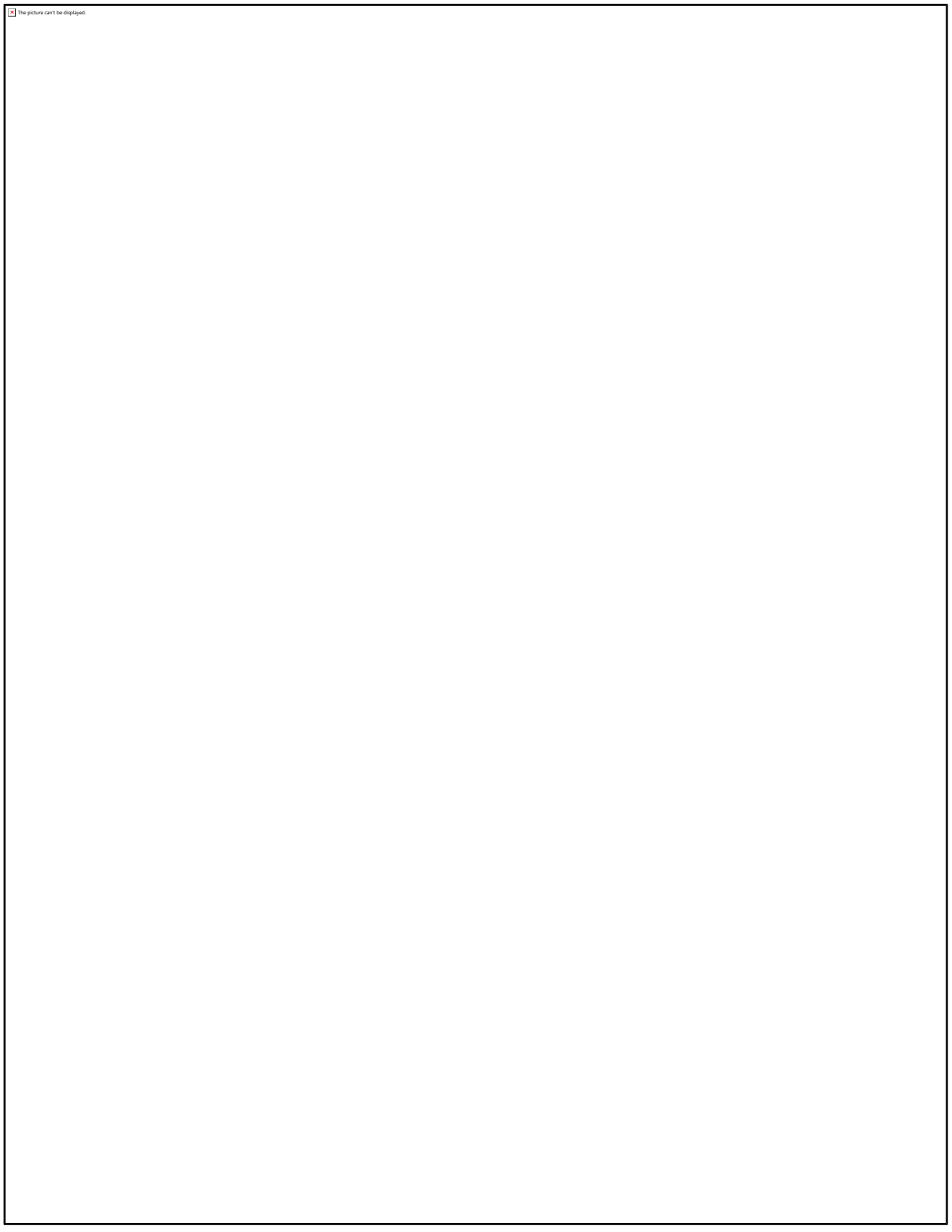
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Agenda Item- 17

Comments from the Executive Director

Agenda Item-18

Comments from the SGWASA Attorney

SGWASA's attorney will provide the Board with comments and any special items for the Board of Directors.

Agenda Item-19

Comments from Board Members

Thomas Lane, Town of Butner Councilperson

Vicky Daniels, Town of Butner Mayor Pro Tem

Archer Wilkins, Mayor Pro-Tem, City of Creedmoor Commissioner

Jimmy Gooch, Granville County Commissioner

Russ May, Granville County Commissioner

Georgana Kicinski, City of Creedmoor Commissioner/SGWASA Vice Chair

Kenneth McLamb, Town of Stem Commissioner/SGWASA Chair

Agenda Item-20

Closed Session (as needed)

Agenda Item-21

Adjournment