



SOUTH GRANVILLE WATER AND SEWER AUTHORITY

BOARD OF DIRECTORS SPECIAL MEETING

September 8, 2026

MEETING START TIME: 5:00 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 Special Meeting – September 8, 2026 5:00 pm
Meeting Agenda

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Agenda Item-1

Call to Order/Welcome

Kenneth McLamb, Stem Commissioner, SGWASA Chair

Agenda Item-2

Roll Call

Krystle Lee, Board Secretary

Agenda Item-3

Invocation

Kenneth McLamb, Town of Stem Commissioner/SGWASA Board Chair

Agenda Item-4

Pledge of Allegiance

Vicky Daniels, Butner Mayor Pro Tem

Agenda Item-5

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-6

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. After 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 7 - Review & Approval of Minutes



**South Granville Water and Sewer Authority
Regular Monthly Board of Directors Meeting
August 11, 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: Commissioner Kenneth McLamb, Chair, Councilperson Thomas Lane, Mayor Pro Tem Vicky Daniels, Mayor Pro Tem Archer Wilkins, Commissioner Jimmy Gooch, Commissioner Russ May, Commissioner Georgana Kicinski, Vice-Chair

Officials Present: Executive Director Scott Schroyer, Assistant Executive Director Chris Summerlin, Finance Director Richard Balmer, Public Information Officer/Board Secretary Krystle Lee, Human Resources Manager Priscilla Adcock, Attorney James Wrenn

3. Invocation

Mayor Pro Tem Archer Wilkins followed with prayer.

4. Pledge of Allegiance

Commissioner Russ May lead the Pledge of Allegiance.

5. Conflict of Interest Declarations

No conflict of interest declarations were made by the Board.

6. Meeting Agenda Adjustments & Approval

Commissioner Georgana Kicinski, Vice-Chair requested to add a closed session to the meeting agenda.

Board Action: Commissioner Georgana Kicinski, Vice-Chair made a motion to approve the adjustment. Mayor Pro Tem Archer Wilkins seconded the motion. The motion passed unanimously.

7. Review & Approval of Minutes

The Board unanimously approved the July 14, 2026 Board meeting minutes.

Board Action: Mayor Pro Tem Vicky Daniels moved to approve the minutes, as presented. Councilperson Thomas Lane seconded the motion. The motion passed unanimously.

8. Public Comments

Ed Gleason of Creedmoor, NC acknowledged SGWASA's progress under its current leadership. Addressing the Board, Mr. Gleason compared the idea of distributing personal water filters without ongoing financial provisions for required maintenance to providing someone with a vehicle they cannot afford to maintain; a responsible approach would not place the recurring cost of replacement cartridges on customers. Gleason expressed concern that improperly maintained filters could create financial burdens and potential health risks.

Diane Johnson from Butner, NC submitted written comments to the Board Secretary ahead of the meeting regarding the [I-85 SSI project construction](#). Ms. Johnson's public comments are [Submitted to record within the August 2026 archive](#).

9. Board Discussion Items

Councilperson Thomas Lane: None

Vice Chair Georgana Kicinski: None

Commissioner Jimmy Gooch: None

Chair Kenneth McLamb: None

Mayor Pro Tem Vicky Daniels: None

Commissioner Russ May: None

Mayor Pro Tem Archer Wilkins: Creedmoor customer concerns

10. Fiscal Year 2026-2027 Budget Amendment #1

Brief Description: Finance Director Richard Balmer presented the FY 2026–2027 Budget Amendment No. 1, which appropriated \$48,354,924 for the November 1, 2026, Bond Anticipation Note (BAN) interest payment and reappropriated unexpended funding for capital projects that remained in progress at the close of FY 2025–2026. The BAN interest expense of \$1,176,000 had been intentionally excluded from the adopted operating budget to avoid overstating operating expenditures because it was funded through capital improvement funds. Related interest revenue from the BAN proceeds will be budgeted later in the fiscal year once the amount can be determined.

The amendment also carried forward funding for grant-supported water, sewer, PFAS and Water Treatment Plant planning projects; water-quality and unidirectional flushing initiatives; the mass meter replacement and timekeeping implementation projects; and ongoing I-85 Sanitary Sewer Improvement Project construction, engineering, legal, bond counsel and arbitrage services. Discussion arose surrounding two mass meter replacement entries that separately represented the remaining Vanguard Utility Service purchase order and unexpended funding for meters and related supplies.

Board Action: Mayor Pro Tem Vicky Daniels made a motion to approve FY26-27 Budget Amendment #1. Councilperson Thomas Lane seconded the motion. The motion carried unanimously.

Budget Amendment #1

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

Revenues: Increase / (Decrease)		Amendment/Change
Other Financing Sources	\$	37,177,804
Transfer from Fund Balance	\$	11,177,120
Total Revenues	\$	48,354,924
Expenditures: Increase / (Decrease)		
Human Resources	\$	2,860
Engineering	\$	35,505
Projects & Studies	\$	47,140,559
Debt Service	\$	1,176,000
Total Expenditures	\$	48,354,924

11. Fiscal Year 2026-2027 Budget Amendment #2

Brief Description: Finance Director Richard Balmer presented FY 2026–2027 Budget Amendment No. 2, which appropriated additional funding for the FY 2025–2026 audit contract awarded by the Board on June 9, 2026. The amendment also made budget allocations for employer 401(k) participation correction and reallocated funding within the Utility Division for a laptop to support automated timekeeping.

The amendment increased the use of fund balance by \$3,190. Departmental adjustments included a \$1,600 reduction in Administration, a \$550 increase in Finance for the audit contract, a \$2,640 increase for the Public Information Office and a \$1,600 increase for Utilities Water Distribution and Maintenance.

Board Action: Mayor Pro Tem Vicky Daniels made a motion to approve FY26-27 Budget Amendment #2. Mayor Pro Tem Archer Wilkins seconded the motion. The motion passed unanimously.

Budget Amendment #2

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

Revenues: Increase / (Decrease)	Amendment/Change	
Transfer from Fund Balance	\$	3,190
Total Revenues	\$	3,190
Expenditures: Increase / (Decrease)		
Administration	\$	(1,600)
Finance	\$	550
Public Information Officer	\$	2,640
Utilities: Waterline Maintenance	\$	1,600
Total Expenditures	\$	3,190

12. Executive Director's Report

Brief Description: The Executive Director thanked staff for the budget amendment presentations, welcomed Board Secretary Krystle Lee back, and noted that his July report had been distributed for Board review.

The Executive Director reported that I-85 SSI Project work near 8th and D streets remained delayed due to sewer depth, rock conditions, and proximity to an existing gas line. SGWASA, the engineer, contractor, and gas company continued evaluating solutions, with gas-line relocation appearing preferable to redesigning the sewer alignment.

Other I-85 SSI work continued to progress: the Central Avenue crossing reopened ahead of school, construction advanced beyond Newton Instruments, a railroad crossing was expected within 30 days, and I-85 micro tunneling remained on schedule.

Commissioner Kicinski expressed concern about the delay and suggested seeking assistance from the North Carolina Utilities Commission. Attorney James Wrenn and the Executive Director agreed to discuss possible coordination with the gas company.

The Executive Director also previewed a Utility Service, Capacity Management, and Infrastructure Extension Policy, with a draft expected before the September Board meeting.

He also reported additional AFFF PFAS settlement funding to support the PFAS treatment project and emphasized SGWASA's continued pursuit of grants and other funding opportunities.

Board Action: No Board action was required.

13. 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 required.

14. Board Member Comments

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

Councilperson Thomas Lane: In his last comments here, he talked about the long-range systems planning. I am glad to see that because one of the one of my concerns is beginning to look at increasing our water supply. I think the potential for increasing the size of our lake is out there. In fact, Mr. Holt had actually designed a way to expand the lake at the time he designed the lake, originally; and so with that land being owned by the state, I think we are in a fairly good position to move forward with that-at the appropriate time. Requesting that we be able to expand the lake into that area that Mr. Holt had designed in the project. I feel good about that as a possibility. That is pretty much it for me, tonight.

Mayor Pro Tem Vicky Daniels: Thank you, Mr. Chair. I did share at our Butner Town meeting, this past Thursday night, about the funding that we received; and noted that it was in 2022 that you applied. I think people appreciated that because it showed a lot of insight and you looking for different grants and funding to help lower the cost of PFAS. I think that is very important to all of us. We appreciate that so much, and I think, like you said, it is nice to see Krystle here tonight, back in her seat.

Public Information Officer Krystle Lee, Board Secretary: Thank you.

Mayor Pro Tem Vicky Daniels: We appreciate you so much. Those are my comments.

Mayor Pro Tem Archer Wilkins: No, I do not want to incur any more wrath, so I will pass it on.

Commissioner Jimmy Gooch: Well, thank you. I just want to give everybody a little history on me. I moved here around 2010, 2011; and I moved here to be closer to my daughter and grandchildren. I wanted to see them grow up. I had no fear of the water, here. And after I got here, I started getting the notice of violations. But due to my background, it was easy to look at the NOV and see what the MCL was, and see what the level was, and see how close it was; and it was like they were missing by just a little bit, not a lot, just a little bit.

It was like every few months you would get where they missed in a certain section, and if I had any fear of the water then, I certainly would have moved and I would have made sure that my daughter and grandkids went with me and my grandkids were not raised here. That kind of prompted me to run for Town Council, because I ran on water issues; and it was not that we need to throw everything out and start over. It was that we needed to improve.

And by the time I was elected and got here to SGWASA in December of 2017, we had. It was already in the process. It just had not come through, and in fact, the third quarter of 2017, the test results were so low, so far below the MCL, that it not only brought that into compliance... By, December, the fourth quarter readings brought it into compliance not only with the MCLs but also with the running annual average. And we have been compliant ever since.

That was not my doing. It was already done when I came here. And I also remember one of the first things I asked Lindsay Mize, our Executive Director at that time, "How many complaints do you get?" And he said, "Well, I'll get it together and let you know", and he and he was nice enough to call me back. He said "we have got 110 complaints" and I said, "well, you know, based on social media and what I see there, that does not sound bad for a month." He said, "Oh no, that is for a year. We had 110 complaints the past 12 months."

And there has always been that disconnect between what you read on social media and what is actually going on, here. It has been that way ever since I ran for Town Council. I ran based on what I was reading on social media. The first thing I found out when I got to SGWASA was, wait a minute, social media is not correct. Whoever is posting that stuff on social media is blowing it out of proportion and making it look worse than it is; and is causing the mistrust. It is not the not the transparency on the part of SGWASA. It is the shade that is being thrown at them. And we have been battling that for years. I just see it as an ongoing problem, and we make great leaps and bounds, especially since Krystle has been a Public Information Officer. Any kind of information you want is available on the [website](#). You have you have a [water quality portal](#) that you can go in, and you can tell what your problem is, the date you had it, approximate time; and it gives SGWASA a chance to go there, look at it, look at what is going on within the system at that time, see what the problem is, and correct it.

And quite often, I would say 99% of the time you do correct it, or it has already been corrected before you find it. And most times, it is a valve, that was not fully closed, or there was some backflow of some type. We have got a ways to go. We have come a long way. We have got a ways to go, but it is not nearly as bleak as some people try to make it sound. And that is the extent of my comments tonight.

Commissioner Russ May: I am appreciative of all the members and what they have done. I think every member of this Board has served either more than once or been involved with SGWASA for a significant period of time, other than me. I remember first hearing about the water issues, digging in, asking questions, and I have had a number of meetings with Mr. Schroyer prior to becoming an elected official, and really focused on my time of working with legislatures and congressional delegations in seeking funding; because I realize that the ratepayers, the users- there is a small number to overcome large deficits of needs and cobbling together a 1940 water system that was in desperate need of upgrades, changes, and so forth. So, I am appreciative of all that has occurred.

Tonight, we talked about the survey from Creedmoor. I am not going to belittle any effort anyone makes towards seeking a way to better something for their community. That is not how I operate. I do not think that is how anyone on the board operates. It is not how we should operate. But, I have attended a number of meetings- Commissioner Kicinski and Commissioner Wilkins, when this was the topic of conversation to the Board. And I stepped back after the results of the Board. I sat here and I pondered, and I engaged in some conversation earlier, and I was reflective of what I was saying, and then I took a pause again because it is a lot of information out there.

I was going, what are we really saying? And so, I am going to try to make this simple for me. What was the purpose of a survey? What is any purpose of a survey? Was the purpose to identify that there was a water quality issue? If so, what kind? Was the purpose to identify that we had PFAS to which we knew we had PFAS? To which we this Board was aggressively working to seek fundings and models and do all the things they have to do to improve upon that? So, I do remember that the City of Creedmoor, and please correct me- it is important that I get this right. You came up with what you called a water quality policy, and that water quality policy was very important.

Well, I think SGWASA has a water quality policy; and that is where the effective change can occur, within SGWASA, the water utility. And then, I think the purpose of the survey was to identify what kind of problems people were having with their water. Was it turbidity? Was it smell? And they were to give a response back as to what that was. Am I correct? Okay, and so now my next question is then: from that we had a significantly low return. I mean, 11% on that 3%. What is the 3%?

Commissioner Kenneth McLamb, Chair: Three and a half percent was completely filled out.

Commissioner Russ May: So, three percent is what you got, the best of a survey. Eleven percent were people initiated at least partial return of the survey. Now, I do not want to say that means that people care, or there is mistrust, or what; but it makes it difficult for a governing body or utility body to react to those type of numbers when you hear what you are hearing within the print media or the social media. I do not want to be dismissing any of it. I believe that there is mistrust, but I cannot tell you why. Because since I have been in this community, I have seen efforts made by this Board to improve the water quality. I believe there are some personalities within our community that there is nothing we will do to overcome that, overcome their disgust, and their disdain for SGWASA; and it is evident every week. But I also know there are people that have real concern about the water, so not ignoring that. I do not know how we get there, but I would like somehow for this Board to sit down and talk about, at some point, how we get to that place to where we have something online that everyone is satisfied with that the entire community- and maybe exists right now. Maybe in what you have right now, but I would like at least peel that onion, just another slice, just to make sure that we have what we have on there. But, we have the conveyance existing to get at least information from the public, if they truly want to provide it to us. And it does not ask them how much they make. It does not ask them any personal questions. It simply asks about water.

And so, I am hoping that in weeks and months to come, there can be more thought on this Board collectively on how we kind of get to that point where we can collectively come together. It does not do any good when we have only one community pushing something, and it is not a collective effort. So, it needs to be a collective effort. I am not ridiculing Creedmoor from pushing it, but I think it is better to work collectively as this governing Board, and then it also works better when we are working with the utility that actually is going to have to make the changes that need to be made to better the system. I would like to make another point, Mr. Chairman, where there be further discussion on how we overcome the distrust that some- and Commissioner Gooch laid it out pretty well. It is not new. And then, do we have what we need in information on that conveyance that is bringing the value to SGWASA to help them further improve the system.

Does that make sense? I hope it did.

I want to appreciate the fact that Mr. Gleason comes to every meeting. We are not always on the same wavelength, but when it comes to what he believes, in regard to the water and the issues, he comes every meeting and he says what he means and means what he says. And you have got to appreciate that. So, thank you Mr. Gleason.

Commissioner Georgana Kicinski, Vice Chair: So, I commend Mayor Pro Tem Wilkins for pushing to try to get that survey done for Creedmoor. I know it was an effort to try and resolve the issues with the water, but I also understand that we got to get the people to start answering the [customer water quality questionnaires](#), so that we can absolutely get a handle on it. The distrust for SGWASA, that they are not going to do anything about it. That is not true. If we did not have this directive from the federal government on PFAS, we would not be sidelining millions of dollars to get the [PFAS project](#) done on time. We would have moved faster on what we needed for our system, for the [water filter media](#), and every single thing that we have had to push on the side because we have got a deadline and we have got to meet it and we have got to come up with this money. And God bless the grants that we have gotten and all the people that have applied for those grants. Commissioner Wilkins will tell you; I am the queen of grants. They are sick of hearing the word when it comes out.

If you have an immediate need for your water to get fixed, please call SGWASA- an immediate need call; but fill out the [questionnaire](#) also to get the information in the database. When I first met Scott in 2019, before I got sworn in, he said there is no database of all the service calls that we have made. If we have made it on this block in this neighborhood, and this block in this neighborhood- and then we had to go back to a house two doors down from this block, there was no record keeping; so, there was no way to say ‘we have got a problem in this area’, and ‘we have got a problem in this area’- and that is what he started. He started a database that was not pencil and paper records. I could not believe it. I looked at him- I am like, "Do you need a computer? What do you need?" But he has changed that. We did not have a functioning website, and he hired somebody who was brilliant at creating this website and making it so user friendly that even I can do it. And that says a lot.

But, we need to stop believing everything other people say. Speak for yourself. Do not listen to what other people say and do it. Speak for yourself. We want to fix these problems. We want to help you. We want you to trust your water, and we are trying as hard as we can, but if we do not know that you have a problem, we cannot fix it. And as Commissioner Gleason said, a water filter is not going to fix the system problems that are out there. And filters have to be changed. And what do you do with it when you get rid of it?

We had the PFAS lady at our meeting the last time, and she said, "What do you do with that filter that has collected PFAS? Where do you dispose of that? If you throw it in the garbage and it goes to a landfill, it is back in the groundwater." So, it is a serious issue. It is a deeper issue, and if the government did not switch on us and make us do this PFAS thing, we would have had more money to do other things.

The other thing I wanted to bring up is... This gas company- I hope that you guys can get this fixed, because I really do feel for the people that are being totally inconvenienced for that. And, I do not want to see our costs go up because this gas company is not doing what they are supposed to be doing, and I have a feeling that it is going to cost us a lot more money to get this gas line moved, and it was not budgeted. So, we will be listening to Richard say there is another budget amendment coming. I hope not. That is all I got.

Commissioner Kenneth McLamb, Chair: There is one thing that I want to bring up. Mr. Gleason brought up earlier this evening, filters. Scott and I have sat down and discussed this several times. We spent \$900,000 on a [media system](#), which is basically a filter, so that everybody's water was filtered. It is not filtered for PFAS. We know we have PFAS issues. We are working to solve that, but every home got the same thing and the same filter. Just want to pass that along. So, when Butner, Creedmoor, Stem, the County brings up, we need filters, or whoever brings up filters, they already got them. That is all I got to say. Thank you.

15. Closed Session

Action: Commissioner Georgana Kicinski, Vice-Chair made a motion to enter closed session to discuss a personnel matter. Commissioner Kenneth McLamb seconded the motion. The motioned carried unanimously and the Board entered closed session at 7:20 p.m. Following discussion, Councilperson Thomas Lane motioned to adjourn the closed meeting. Commissioner Wilkins seconded the motion. The motion carried unanimously.

Board Action: Commissioner Wilkins made a motion to approve a 4% performance-based lump sum bonus for the Executive Director. The motion was seconded by Councilperson Thomas Lane. The motion passed unanimously.

The Board returned to open session at 8:00 p.m.

16. Adjournment

Brief Description: Commissioner Wilkins made a motion to adjourn the meeting, seconded by Councilperson Thomas Lane. The motion carried unanimously, and the meeting adjourned at 8:05 PM.

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

Approved by the Board at the September 8, 2026 Board Meeting

Kenneth McLamb, Stem Commissioner/SGWASA Chair

Date

Agenda Item–8

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.

Agenda Item-9

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: Board Member Actions

Jimmy Gooch, Granville County Commissioner: None

Russ May, Granville County Commissioner: None

Georgana Kicinski, City of Creedmoor Commissioner/SGWASA Vice Chair: None

Kenneth McLamb, Town of Stem Commissioner, Chair: None

Agenda Item-10

Topic: Surplus Personal Property

Requested Action: This item is information only. No action is required.

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

Executive Summary:

The Executive Director has determined minimum bid values for all surplus items and will coordinate with the Finance Director to schedule a public auction on GovDeals. Should a surplus item fail to obtain a qualified bidder during the first auction, the Executive Director will determine if the value of the surplus item justifies a second auction or if another form of disposition such as discarding the item is reasonable in the case of small items that may be deemed “junk” or “scrap.”

Background:

On February 10, 2009, the South Granville Water and Sewer Authority (SGWASA) Board passed a Resolution authorizing the Authority to enter into a Seller’s Agreement with GovDeals for disposal of surplus personal property via the vendor’s online auction software. A copy of the Resolution is included for reference. At that same meeting, the Board approved an Administrative Procedure entitled “Disposal of Surplus Personal Property.” A copy of the Administrative Procedure is included for reference.

Annually, SGWASA staff identifies surplus equipment and holds an online auction if an adequate amount of items have been marked as surplus. The most recent online auction for surplus equipment was held in May 2024.

Analysis:

In accordance with the provisions of the Board-approved Administrative Procedure governing the disposal of property, the Executive Director has identified several items, vehicles, and other assets that are being declared surplus. The list of the surplus property is attached.

Next Steps:

The Executive Director and Finance Director will coordinate to schedule a public auction of all surplus items in accordance with the Disposal of Surplus Personal Property Policy.

Staff Recommendation:

There is no staff recommendation for this item. This item is for informational purposes only.

Schedule:

The Executive Director has determined minimum bid values for all surplus items and will coordinate with the Finance Director to schedule a public auction on GovDeals. Should a surplus item fail to obtain a qualified bidder during the first auction, the Executive Director will determine if the value of

the surplus item justifies a second auction or if another form of disposition such as discarding the item is reasonable in the case of small items that may be deemed “junk” or “scrap.”

Financial:

Proceeds from sold items will be collected and accounted for by the Finance Director, or his designee, according to policy.

Attachments:

1. Resolution Authorizing Agreement with GovDeals for Internet Auction of Government Surplus Items.
2. Administrative Procedure: Disposal of Surplus Personal Property.
3. List of Surplus Property.

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:

Per the Board-approved Disposal of Surplus Personal Property Procedure, no formal action is required by the Board.

Exhibit 1: Resolution Authorizing Agreement with GovDeals for Internet Auction of Government Surplus Items.

Resolution Authorizing Agreement with GovDeals for Internet Auction of Government Surplus Items

WHEREAS, South Granville Water and Sewer Authority ("SGWASA") has surplus property consisting of vehicles, apparatus, desks, furniture, computers and miscellaneous items, which from time to time will be sold; and

WHEREAS, South Granville Water and Sewer Authority wishes to maximize revenue from the sale of surplus property; and

WHEREAS, an on-line auction service known as GovDeals has been developed and is specifically designed to assist municipal and county governments in the sale of its surplus property; and

WHEREAS, South Granville Water and Sewer Authority can reserve the right to reject all bids;

WHEREAS, North Carolina General Statute §160A-270(b) provides an expeditious procedure for selling surplus personal property and N.C. Gen. Stat. §160A-270(c) provides for the use of public electronic auction services; and

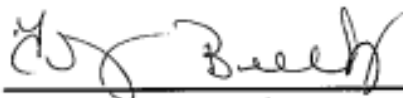
NOW, THEREFORE BE IT RESOLVED, that the Executive Director of SGWASA is hereby authorized to enter into the Seller's Agreement with GovDeals and is further authorized to sell surplus property of SGWASA through on-line auction as it becomes available. The terms of the sale shall be for cash to the highest bidder. The authorization given herein is in furtherance of the policy governing the Disposal of Surplus Property adopted this day.

Adopted by the South Granville Water and Sewer Authority, this the 10th day of February, 2009.



Ron Alligood, Chair

ATTEST



Terry Bullock, Clerk

Exhibit 2: Administrative Procedure: Disposal of Surplus Personal Property.



South Granville Water and Sewer Authority **ADMINISTRATIVE PROCEDURE** *Disposal of Surplus Personal Property*

PURPOSE

The purpose of this document is to provide guidelines for disposing of surplus, worn out, or obsolete personal property belonging to SGWASA.

SCOPE

1. These procedures are governed by Article 12, Chapter 160A of the North Carolina General Statutes which covers the disposal of all surplus personal property.
2. On February 10, 2009 the Board authorized the Executive Director to dispose of surplus personal property by electronic means and GovDeals.com was chosen to provide on-line auction services to SGWASA.

POLICY

1. The SGWASA Board permits the Executive Director or his/her designee to declare surplus personal property worth less than \$1,000 for a single item or group of similar items; to set the property's fair market value, and to convey title to the property. Prior to disposition, the Executive Director or his/her designee must make a finding that the property is no longer necessary or desirable for SGWASA use. An informational report will be made to the Board when such action is taken by the Executive Director or his/her designee, but may be made after the actual disposition is complete. See N.C. Gen. Stat. §160A-266(c).
2. The Executive Director or his/her designee may declare surplus any personal property worth \$1,000 to \$29,999.99 after making a finding that the property is no longer necessary or desirable for SGWASA use. The Executive Director will report to the Board all such property declared surplus and inform the Board of how he or she intends to dispose of it. Such recommended method of disposition must be designed to obtain fair market value for the property in the most efficient and economical manner possible. No formal action of the Board will be necessary to allow such disposition. The Board, however, may direct the Executive Director to take such additional or different actions as it may specify in a resolution adopted by the Board. After informing the Board of his or her intentions and if the Board adopts no resolution to the contrary, the Executive Director shall undertake disposition of the surplus personal property in accordance with Article 12, Chapter 160A of the North Carolina General Statutes.
3. Personal property worth \$30,000 or more must be declared surplus by the Board and will be disposed of pursuant to the requirement of Article 12, Chapter 160A of the North Carolina General Statutes.

4. Pursuant to N.C. Gen. Stat. 160A-266(d), personal property may be discarded when (a) it has no value; (b) remains unsold after applicable sale procedures have been exhausted; or (c) poses a potential threat to the public health or safety.

NO ITEMS MAY BE THROWN AWAY WITHOUT PRIOR APPROVAL FROM THE EXECUTIVE DIRECTOR.

5. The sale of Authority surplus personal property to employees is prohibited except at public auction. While SGWASA employees are allowed to participate in auctions, they are prohibited from doing so while on duty.

PROCEDURE

1. Personal property may be declared surplus at any point in the year in accordance with the above policy and Article 12, Chapter 160A of the North Carolina General Statutes when such property is no longer necessary or desirable for SGWASA use. Items may be disposed of as they become surplus as determined by the Executive Director or the Board in accordance with the above policy and applicable law. SGWASA intends to dispose of the majority of its surplus personal property by on-line auction although other methods of disposition may be used in accordance with this policy and applicable law. Auctioned items may be disposed of singly or grouped. SGWASA's goal is to reduce the amount of storage space required for surplus items and also to dispose of them while they are in good condition so that SGWASA will receive the maximum value possible for its surplus personal property.
2. The Executive Director shall decide in the best interest of SGWASA, with the aid and advice of the Utilities Director/Finance Officer and in accordance with the above policy and applicable law, whether the surplus items shall be sold, traded in, transferred to another office/department, or discarded.
3. Surplus vehicles/equipment shall be turned in to the Executive Director prior to or shortly after receiving a replacement vehicle. Tags shall be turned in to the appropriate authority and the vehicle shall be removed from the insurance policy while adding its replacement as appropriate.
4. If public inspection of an item is required by applicable law or to facilitate its sale or disposal, the Executive Director will make every effort to minimize disruption caused by such inspection and to place the item in a safe, easily accessible place. The Executive Director or his/her designee will work with the buyer to have items removed within 5 business days or as soon after the completion of the sale or auction as is reasonably possible.
5. The Executive Director or his/her designee will also forward information on all items sold or otherwise disposed of to the Finance Officer or Accounting Technician in charge of Fixed Assets. These items will then be removed from the Fixed Asset Listing/System.
6. If a department has items that it no longer needs but are in such condition that they may be used by another department, the department head or his designee should contact the Executive Director or his/her designee to facilitate transferring or storage of these items.

7. Items that SGWASA is disposing of on GovDeals may be viewed by going to the website (www.sgwasas.org) and clicking on the GovDeals icon. Items may be withdrawn from auction at the Authority's discretion up until the closing date and time set for the auction.
8. Questions about this policy and procedure or requests for additional information, should be directed to the Executive Director or Finance Officer.

IMPLEMENTATION

The Executive Director, or his/her designee, shall be responsible for implementation and interpretation of this policy, and is authorized to exercise on behalf of SGWASA the discretionary determination as to the applicability of this policy in the various circumstances involving disposal of surplus personal property as set out herein and in accordance with Article 12, Chapter 160A of the North Carolina General Statutes.

Exhibit 3: List of Surplus Property.

SGWASA Surplus Declared					
Declared Surplus by Executive Director; Presented to the Board 09/08/26					
Description	Physical Condition of Asset	Estimated		Disposal Code	Location
		Age	Salvage		
Computers/Electronics					
HP Designjet 510 Mapping Printer (Model #CH337A)	As Is - For Parts	17	-	GovDeals Auction	Admin - Engineering
Epson Receipt Printer TM-H6000IV	Fair	>10 yrs	-	GovDeals Auction	Admin - Billing & Coll
Furniture					
Vehicles					
2010 Ford Explorer XLT Sport Utility	Fair	16	\$ 4,000.00	GovDeals Auction	Admin - Engineering
2009 Ford F350 4x4 w/60" option (Dept 7139 U-3)	Fair	17	\$ 6,000.00	GovDeals Auction	Utilities
2010 Ford F250 4x4 w/utility body & ladder rack (Dept 7	Fair	16	\$ 5,000.00	GovDeals Auction	Utilities
2017 Ford F250 Truck w/Util Bed & Lift Gate (Dept 7140	Fair	9	\$ 7,000.00	GovDeals Auction	Utilities
2008 Ford Ranger	Low Miles - Fair	18	\$ 2,870.00	GovDeals Auction	WWTP
Equipment & Lab Equipment					
Scag Mower	Poor - Does not Run	19	-	GovDeals Auction	WTP
21" Commercial X-Mark Lawn Mower	Poor - Does not Run	13	-	GovDeals Auction	WTP
Commercial X Mark Lawn Mower	Poor - Does not Run	10	-	GovDeals Auction	WTP
Clinical Centrifuge (Contributed by Other Govt)	Works - Fair	N/A	-	GovDeals Auction	WWTP
Mettler Toledo XS204 Analytical Balance	Works - Fair	24	-	GovDeals Auction	WWTP
Fisher Scientific Dessicator	Works - Fair	36	-	GovDeals Auction	WWTP
Gravity Convection Oven	Works - Fair	12	-	GovDeals Auction	WWTP
Eagle Microsystems WT-3600 Modular Ton Scales	Works & Good/Fair	10	\$ 200.00	GovDeals Auction	WWTP
Appliances & Scrap					
Scrap Metal Lot (~ 12 Tons)	Scrap	N/A	\$ 1,600.00	GovDeals Auction	Utilities
Tap Pan Refrigerator	Broken, Scrap Metal	31	-	GovDeals Auction	WWTP
Scrap Metal: pumps, motors, pipe, valves, etc.	Scrap Metal		-	GovDeals Auction	WWTP
Trash/Recycle/Destroy					

Agenda Item-11

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

Requested Action: Receive the draft policy overview, discuss the proposed policy framework, and provide Board direction regarding the Utility Service, Capacity Management, and Infrastructure Extension Policy Draft.

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

Executive Summary:

SGWASA is considering a comprehensive policy framework to guide decisions related to utility service requests, capacity allocation, and infrastructure extensions. The proposed policy is intended to protect existing customers, manage limited water and wastewater capacity responsibly, support economic development, encourage orderly growth, promote efficient infrastructure investments, and protect SGWASA's long-term financial sustainability. The Board is being asked to review the policy concepts and provide direction before the draft policy is finalized for Board consideration.

Background:

SGWASA currently evaluates utility service requests, capacity allocations, and infrastructure extension requests through existing practices, engineering review, and Board consideration when appropriate. The proposed policy would establish a single, comprehensive framework to guide these decisions and improve consistency, transparency, and long-term utility sustainability. The policy recognizes that water treatment, wastewater treatment, storage, transmission, pumping, and collection system capacity are finite public resources that must be managed to protect existing customers and support the long-term reliability of SGWASA's utility systems.

Analysis:

The proposed policy is founded on five principles: managing 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. Residential service would generally be limited to municipalities and designated growth areas with annexation commitments. Service outside those areas would require a demonstrated public purpose or Board finding. Infrastructure extensions would be evaluated for planning consistency, efficient asset utilization, operational sustainability, and avoidance of stranded infrastructure.

Next Steps:

Following Board discussion, staff will incorporate Board direction into the draft policy and prepare the policy for formal Board consideration as part of the September 8, 2026 Board meeting materials.

Staff Recommendation:

Staff recommends that the Board receive the overview, discuss the key policy questions, and provide direction on whether the draft policy appropriately balances capacity management, responsible growth, ratepayer protection, economic development flexibility, infrastructure sustainability, Board oversight, and administrative decision-making.

Schedule:

Board discussion and direction are anticipated at the September 8, 2026 Board meeting. After receiving Board direction, staff will finalize the draft policy and any related administrative procedures for subsequent implementation.

Financial:

The proposed policy is intended to protect SGWASA's long-term financial sustainability by ensuring that growth-related infrastructure costs are generally borne by development rather than existing ratepayers. No direct budget amendment is requested as part of this agenda item.

Attachments:

Exhibit A: Executive Overview Memo for Draft Policy – 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 overview, discuss the proposed Utility Service, Capacity Management, and Infrastructure Extension Policy, and provide direction to staff regarding preparation of the draft policy for formal consideration.



**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.

SGWASA UTILITY SERVICE, CAPACITY MANAGEMENT, AND INFRASTRUCTURE EXTENSION POLICY

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.

SGWASA UTILITY SERVICE, CAPACITY MANAGEMENT, AND INFRASTRUCTURE EXTENSION POLICY

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.

SGWASA UTILITY SERVICE, CAPACITY MANAGEMENT, AND INFRASTRUCTURE EXTENSION POLICY

“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.

SGWASA UTILITY SERVICE, CAPACITY MANAGEMENT, AND INFRASTRUCTURE EXTENSION POLICY

5. Utility Service and Capacity Management Goals

In implementing this Policy, SGWASA shall seek to achieve the following goals:

A. Promote Efficient Utility Operations

Available water and wastewater capacity shall be managed in a manner that promotes efficient operation, maintenance, repair, replacement, and expansion of the utility system and minimizes unnecessary capital expenditures and long-term operational costs.

B. Encourage Orderly Development

Water and wastewater resources should be used to facilitate orderly development patterns consistent with adopted local and regional planning objectives and to avoid scattered development requiring inefficient utility infrastructure extensions.

C. Support Municipal Growth and Service Delivery

SGWASA recognizes that municipal service areas generally provide the most efficient and sustainable framework for utility-supported growth and development.

Municipal development patterns typically permit more efficient extension, operation, maintenance, replacement, and expansion of water and wastewater infrastructure while facilitating coordinated land use planning, transportation planning, public safety services, and other governmental services.

Accordingly, SGWASA may consider municipal location, municipal growth area designation, annexation status, infrastructure efficiency, and long-term utility planning objectives when evaluating requests for utility service and infrastructure extensions.

D. Support Economic Development

SGWASA may provide utility service and allocate capacity to commercial, industrial, institutional, governmental, or other projects that advance economic development objectives, create employment opportunities, expand the tax base, strengthen the regional economy, or otherwise provide significant public benefits.

6. Annexation and Residential Development Policy

SGWASA finds that the extension of utility service to development located within municipalities, municipal growth areas, and areas expected to become subject to municipal jurisdiction generally promotes the efficient, coordinated, and financially sustainable provision of water and wastewater infrastructure. Such development patterns typically facilitate efficient utility operations and maintenance, and support coordinated planning for transportation, public safety, and other public services.

SGWASA UTILITY SERVICE, CAPACITY MANAGEMENT, AND INFRASTRUCTURE EXTENSION POLICY

For purposes of this Policy, SGWASA may rely upon municipal growth plans, adopted land use plans, utility agreements, interlocal agreements, annexation agreements, resolutions adopted by participating political subdivisions, and other information deemed reliable by SGWASA in determining whether property is located within a municipal growth area or is reasonably expected to become subject to municipal jurisdiction. Evidence that a municipality has agreed to annex property may include an annexation petition accepted for processing, a municipal resolution, an annexation or development agreement, a utility agreement, or other written municipal commitment acceptable to SGWASA. Any approval may specify the time by which annexation, or another required municipal action must occur and may expire or be revoked if that condition is not timely satisfied.

Residential subdivisions, multifamily developments, mixed-use developments containing residential units, and similar residential projects shall generally be eligible for water and wastewater service only when:

1. The property is located within the corporate limits of a municipality; or
2. The property is located within an area designated for municipal growth and the applicable municipality has provided written evidence, acceptable to SGWASA, of its commitment to annex the property in accordance with applicable law and within the time specified in the approval.

SGWASA finds that municipal service is generally the most efficient mechanism for providing long-term utility service to residential development and supporting coordinated growth management.

Residential development located outside municipal boundaries or areas designated for municipal growth and subject to a planned annexation shall generally not receive utility service unless the Board determines that service is necessary to address public health concerns, environmental compliance issues, public safety considerations, or another substantial public purpose.

SGWASA may approve service to residential development located outside municipal boundaries only upon a finding that:

1. Extension of service is necessary to address documented public health concerns;
2. Existing water supplies or wastewater disposal systems present substantial health or environmental risks;
3. Service is necessary to address public safety concerns;
4. Service is required to address environmental compliance issues;
5. The project serves a governmental or public purpose; or
6. Other exceptional circumstances exist that significantly advance an identified public purpose.

Nothing in this section shall require SGWASA to provide service or allocate capacity where adequate system capacity does not exist or where the proposed extension would be inconsistent with this Policy.

SGWASA UTILITY SERVICE, CAPACITY MANAGEMENT, AND INFRASTRUCTURE EXTENSION POLICY

7. Infrastructure Extension Principles

Requests for utility extensions shall be evaluated based upon their effect on the long-term efficiency, reliability, maintainability, and financial sustainability of the utility system.

SGWASA shall generally avoid approving extensions that would:

1. Create stranded infrastructure;
2. Require service to isolated areas disconnected from existing or planned service areas;
3. Result in remote facilities that are difficult or costly to operate and maintain;
4. Create disproportionate future replacement or rehabilitation obligations;
5. Require significant future public expenditures without corresponding public benefit;
6. Fragment planned utility service areas;
7. Reduce the efficient utilization of existing utility infrastructure; or
8. Increase long-term operational burdens on SGWASA without corresponding public benefits.

SGWASA may approve such extensions where necessary to:

1. Protect public health or safety;
2. Serve a governmental facility or public project;
3. Facilitate a significant economic development project;
4. Address environmental compliance concerns;
5. Implement an adopted public infrastructure initiative; or
6. Advance another identified public purpose determined by the Board to warrant approval.

The Executive Director may approve utility extensions consistent with this Policy and administrative procedures adopted by SGWASA. Requests involving significant extensions, major capital improvements, substantial policy questions, or deviations from this Policy shall be submitted to the Board for consideration.

8. Utility Service Evaluation Factors

In determining whether a request for utility service or an infrastructure extension is consistent with the efficient and sustainable operation of the utility system, SGWASA may consider whether the proposed project:

- Is located within the corporate limits of a municipality;
- Is located within a designated municipal growth area;
- Is expected to become subject to municipal jurisdiction through annexation;
- Promotes the efficient use of existing utility infrastructure;
- Advances adopted utility planning objectives;
- Supports significant economic development objectives;
- Addresses an identified public health, environmental, public safety, or governmental need.

SGWASA UTILITY SERVICE, CAPACITY MANAGEMENT, AND INFRASTRUCTURE EXTENSION POLICY

Nothing in this Policy shall require SGWASA to give preference to any category of project where doing so would be inconsistent with available capacity, financial sustainability, utility planning objectives, or the best interests of the utility system.

9. Utility Service and Capacity Management Criteria

In evaluating requests for utility service and/or service extensions, SGWASA may consider any relevant factors, including:

1. Available water treatment capacity;
2. Available wastewater treatment capacity;
3. Available transmission, storage, pumping, and collection system capacity;
4. Consistency with adopted local water supply plans;
5. Consistency with adopted wastewater planning documents;
6. Consistency with the Granville County Comprehensive Plan;
7. Consistency with the North Falls Lake Area Study;
8. Consistency with municipal land use plans and growth objectives;
9. Consistency with this Policy;
10. Consistency with SGWASA's adopted Capital Improvement Program;
11. Consistency with SGWASA's asset management plans;
12. Consistency with SGWASA's utility master plans, water supply plans, and wastewater planning documents;
13. Infrastructure requirements and associated costs;
14. Public health and safety considerations;
15. Environmental considerations;
16. Economic development benefits;
17. Ability of the applicant to proceed within a reasonable timeframe;
18. Long-term operational and maintenance impacts on the utility system; and
19. The extent to which the proposed project advances the development pattern contemplated by the Granville County Comprehensive Plan, the North Falls Lake Area Study, municipal land use plans, and other adopted planning documents.

SGWASA may consider any additional factor it determines to be relevant to the efficient, sustainable, and cost-effective management of SGWASA's utility resources and the provision of utility service.

9.1 Decision Standards and Written Findings

Denials, conditional approvals imposing material conditions, deferrals, and policy exceptions shall be supported by written findings. The Executive Director or Board may also issue written findings for routine approvals where determined appropriate. Such findings may address available capacity, consistency with this Policy, consistency with adopted utility plans and capital improvement plans, infrastructure efficiency, financial impact on SGWASA and existing customers, long-term operation and maintenance obligations, public health and safety, environmental or regulatory considerations, governmental or economic development benefits, and whether the request would create stranded infrastructure or inefficient service patterns.

SGWASA UTILITY SERVICE, CAPACITY MANAGEMENT, AND INFRASTRUCTURE EXTENSION POLICY

9.2 Classification of Requests

For administrative purposes, SGWASA may classify requests as routine service connections, minor utility extensions, major utility extensions, increased demand requests, residential development outside municipal limits, economic development projects, policy exception requests, or other categories established by administrative procedure. SGWASA may identify which categories may be approved administratively and which categories require Board review. Any administrative procedure establishing such classifications shall use reasonably objective criteria, which may include estimated project cost, type and size of facilities, requested capacity, geographic extent, consistency with adopted plans, and anticipated operational, financial, legal, or policy impacts.

9.3 Administrative Review by Staff

The Executive Director shall administer this Policy and may approve requests for utility service, utility extensions, increased service demands, and related matters that are consistent with this Policy and administrative procedures adopted by SGWASA.

The Executive Director may require additional engineering information, planning information, cost estimates, utility analyses, or other information reasonably necessary to evaluate a request. The Executive Director may impose reasonable conditions necessary to ensure compliance with this Policy.

Conditions of approval may include payment of fees, execution of a utility extension agreement, completion of required infrastructure, dedication of easements, compliance with SGWASA design and construction standards, annexation or municipal confirmation where applicable, construction deadlines, phasing limitations, inspection and testing requirements, warranty obligations, and any other condition reasonably related to the request. Unless a different period is stated in the approval or a utility extension agreement, this approval shall expire twelve (12) months after issuance if the applicant has not satisfied all conditions precedent and commenced substantial construction. This expiration applies only to SGWASA's approval and shall not be construed to establish, extend, shorten, or otherwise modify the duration of any state or federal permit, including NCDEQ water or sewer permits, which shall remain governed by their respective terms and conditions.

SGWASA may extend an approval for good cause upon written request filed before expiration. Each approval is limited to the applicant, property, project, use, demand, and phasing expressly approved. No approval may be assigned, transferred, expanded, or materially modified without SGWASA's prior written approval. SGWASA may reevaluate conditions of approval upon any material change in ownership, project scope, use, demand, phasing, or schedule.

9.4 Board Review

Requests shall be referred to the Board whenever:

1. The request requires a finding under Section 6;
2. The request involves a major infrastructure extension;

SGWASA UTILITY SERVICE, CAPACITY MANAGEMENT, AND INFRASTRUCTURE EXTENSION POLICY

3. The request deviates from this Policy;
4. The request raises substantial policy considerations;
5. The Executive Director determines Board review is appropriate; or
6. The Board has reserved authority over the category of request.

9.5 Service Extension Priorities

SGWASA may prioritize service decisions in a manner that protects existing customers, regulatory compliance, and the long-term integrity of the utility system. Priority may be given to existing customers and system reliability needs; public health, safety, and environmental compliance needs; valid previously approved connections; governmental and public facilities; projects located within municipalities or designated growth areas; projects consistent with adopted utility capital plans; significant economic development projects; and other projects that satisfy the criteria of this Policy.

9.6 Economic Development Evaluation Criteria

In determining whether a project constitutes a significant economic development project or provides substantial public benefit, SGWASA may consider job creation, capital investment, tax base expansion, consistency with local or regional economic development priorities, strategic utility system benefit, location within planned service areas, cost recovery, availability of capacity, infrastructure efficiency, and whether the project would create long-term utility inefficiencies or undue operational burdens. In making such decisions, SGWASA may give substantial weight to information provided by the Granville County Economic Development Director or municipal officials who are familiar with the project requesting service.

10. System Development Fees

All applicable System Development Fees shall be assessed, credited, and collected at the time and in the manner required by SGWASA's adopted System Development Fee Policy and applicable North Carolina law. No allocation, reservation, commitment, approval, or authorization of water or wastewater capacity or utility service shall become effective until all applicable System Development Fees have been paid in full in accordance with SGWASA's adopted System Development Fee Policy and applicable North Carolina law.

Payment of a System Development Fee shall be a prerequisite to the vesting of any capacity allocation or utility service authorization and shall not, by itself, guarantee utility service, project approval, or infrastructure extensions.

Payment of a System Development Fee shall not create a vested right to utility service or capacity beyond that expressly approved by SGWASA.

Nothing in this Policy shall modify, limit, expand, or supersede the eligibility requirements, fee obligations, or procedural requirements established by SGWASA's System Development Fee Policy or applicable System Development Fee law.

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11. Developer-Funded Improvements

Applicants shall be responsible for all costs associated with providing service to a development, including planning, engineering, permitting, easement acquisition, legal review, administrative costs, construction, inspection, testing, record drawings, utility relocations, capacity improvements, and any other infrastructure required to design, construct, dedicate, and place required infrastructure into service, unless otherwise approved in writing by the Board.

The Board may require oversized facilities where necessary to accommodate projected future growth and shall provide any credit required by N.C. Gen. Stat. § 162A-207 or other applicable law. The Board may also establish reimbursement or cost-participation arrangements to the extent authorized by law and approved in writing before construction.

The Executive Director may determine the scope of developer-funded improvements subject to Board review where required by SGWASA policy.

All developer-funded improvements shall be designed, permitted, constructed, inspected, tested, accepted, and dedicated in accordance with SGWASA standards and any applicable utility extension agreement. SGWASA may require warranties, performance security, maintenance security, record drawings, operating documentation, and other assurances before accepting infrastructure for ownership, operation, or maintenance.

No applicant shall be entitled to reimbursement, cost participation, or recovery of costs for oversized facilities or other improvements unless such reimbursement or participation is expressly approved in writing by the Board before construction and is authorized by applicable law; provided, however, that nothing in this sentence shall limit any credit required by N.C. Gen. Stat. § 162A-207 or other applicable law.

11.1 Utility Extension Agreements

SGWASA may require a utility extension agreement before any major utility extension, developer-funded improvement, reimbursement arrangement, phased development approval, or other request that SGWASA determines requires written terms to protect the utility system. The agreement may address the scope of improvements, design and construction obligations, cost responsibility, conditions precedent to service, deadlines, inspections, testing, dedication and acceptance, warranties, default, expiration, reimbursement if applicable, and any other terms deemed necessary by SGWASA.

12. No Obligation to Extend Service

Nothing in this Policy shall require SGWASA to:

1. Extend water or wastewater infrastructure to any property;
2. Provide utility service to any applicant;
3. Approve development inconsistent with this Policy;
4. Construct facilities where adequate funding is unavailable;

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5. Provide service beyond available system capacity; or
6. Take any action that the Board determines would adversely affect the long-term operational, financial, environmental, or regulatory interests of SGWASA.

All decisions regarding utility service, infrastructure extensions, and related approvals shall be administered in accordance with this Policy. Authority may be exercised by the Executive Director or the Board as provided herein.

SGWASA reserves the right to defer, condition, or deny requests for utility service or infrastructure extensions whenever such action is necessary to protect the long-term operational, financial, regulatory, environmental, or infrastructure interests of the utility system and its customers.

13. No Development Entitlement Created

Utility service decisions, utility service authorizations, infrastructure approvals, and other actions taken pursuant to this Policy are discretionary utility management decisions intended to promote the efficient, sustainable, and cost-effective operation of SGWASA's water and wastewater systems.

Neither this Policy nor any utility service authorization, infrastructure approval, or extension decision made under this Policy shall constitute:

1. A zoning approval;
2. A subdivision approval;
3. A site plan approval;
4. A building permit;
5. A vested right;
6. A development agreement;
7. A land use entitlement; or
8. Any other authorization to develop property under applicable local, state, or federal law.

An applicant shall remain responsible for obtaining all approvals, permits, and authorizations required by law.

Approval of utility service or utility infrastructure shall not obligate SGWASA to provide additional service or capacity beyond that expressly authorized and shall not create any continuing right to future service, future extensions, or future system expansions.

Utility service decisions made pursuant to this Policy constitute discretionary utility management and infrastructure planning decisions and shall not be construed as approvals or disapprovals of land use, zoning, subdivision, annexation, or development matters that are subject to the jurisdiction of other governmental entities.

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14. Administrative Review

The Executive Director shall issue the initial decision on applications subject to this Policy unless Board approval is otherwise required.

Any applicant aggrieved by a decision of the Executive Director may appeal the matter to the Board by filing a written request within thirty (30) days of the date of written notice of the decision.

The appeal shall state the specific grounds for appeal and shall include any additional information the Applicant believes supports reversal or modification of the decision. The Executive Director shall transmit to the Board the application, decision, supporting materials, and other portions of the administrative record reasonably relevant to the appeal.

The Board shall review the matter de novo and may consider the administrative record and additional relevant information submitted by the applicant, the Executive Director, or SGWASA staff. The Board may affirm, modify, reverse, or remand the decision and may impose any condition authorized by this Policy. The Board's decision on any appeal shall be final and shall not be subject to further administrative review.

Nothing in this section shall limit the authority of the Executive Director or the Board to deny, condition, or approve any request for utility service or utility extension based upon the criteria set forth in this Policy.

15. Periodic Review

This Policy shall be reviewed periodically and amended as necessary to reflect changes in:

- Applicable law;
- Utility planning requirements;
- Water supply conditions;
- Wastewater treatment capacity;
- Growth patterns;
- Economic development objectives; and
- SGWASA's long-term operational and financial needs.

The Board intends that this Policy remain consistent with the Granville County Comprehensive Plan, the North Falls Lake Area Study, applicable utility planning documents, and evolving best practices regarding utility service, utility resource management, infrastructure planning, fiscal stewardship, and sustainable utility operations.

The Board may amend this Policy at any regular or special meeting upon such notice as may be required by law.

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16. Severability

If any section, subsection, sentence, clause, phrase, or portion of this Policy is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision, and such holding shall not affect the validity of the remaining portions of this Policy.

17. Conflicts

Applicable federal and state law and binding regulatory requirements shall control over any inconsistent provision of this Policy. In the event of any conflict between this Policy and any other policy, rule, regulation, or procedure adopted by SGWASA, the provisions of this Policy shall govern with respect to matters relating to utility service, capacity management, and utility extensions, unless the Board expressly provides otherwise.

18. Effective Date and Adoption

This Policy was adopted by the SGWASA Board of Directors on _____, 20____, and shall become effective upon adoption.

Upon its effective date, this Policy supersedes all prior policies, resolutions, procedures, and practices of SGWASA to the extent they are inconsistent with this Policy.

ADOPTED this ____ day of _____, 20____.

SOUTH GRANVILLE WATER AND SEWER AUTHORITY

By: _____

Name: _____

Title: Chair, Board of Directors

ATTEST:

Secretary

Agenda Item-12

Comments from the Executive Director

Scott N. Schroyer, Executive Director, will provide the Board with comments and any special items for the Board of Directors.

- **Upcoming Finance Committee** meeting scheduled for Monday, September 14, 2026, 9:00 a.m., at the Butner Town Hall meeting room.
 - Topics tentatively scheduled for the meeting include:
 - PFAS funding and future rates
 - AIA Water & Sewer Program Results – Presentation by McGill Associates
 - I-85 Sanitary Sewer Improvement Project – Northern Interceptor sewer construction funding and timing
- **Unidirectional Flushing Pilot Program** will run September 22-23 in the Golden Pond subdivision in the City of Creedmoor. If needed, the program will continue the following Tuesday.
- **Water Filter Media Replacement Project – Post Construction Water Analysis & Reporting.**
 - Hazen & Sawyer, the professional engineering company that managed the filter media replacement project has provided SGWASA with a final project report demonstrating the water quality improvements that were achieved from the filter media replacement project. Chris Summerlin, Asst. Executive Director, will provide a brief presentation on this topic to the Board.
- **Proposed Annual Report – Cost of Service Estimate.**
 - The Executive Director recently contacted Raftelis Consultants to discuss a draft scope of work and cost to develop an annual report. The estimated cost for the professional services and resulting document is \$24,800. This item was not included in the FY26-27 Budget. The Executive Director seeks Board member input on this item in terms of how they would like to proceed on this item.
- **Strategic Plan Update – Professional Services Sought for Assistance with this Project.**
 - SGWASA's 5-year Strategic Plan expires 1/1/2027. The Executive Director met recently with Raftelis Consultants to discuss a draft scope of work and strategies to update the Strategic Plan for the next five years. A draft scope of work and associated cost for services is expected within the next few weeks. The Executive Director will bring this item back to the Board for additional discussion once a draft scope and fee has been reviewed.

Agenda Item-13

Comments from the SGWASA Attorney

Attorney James Wrenn will provide the Board with comments and any special items for the Board of Directors.

Agenda Item-14

Comments from Board Members

Thomas Lane, Town of Butner Council Person

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-15

Closed Session (as needed)

Agenda Item-16

Adjournment