



**SOUTH GRANVILLE WATER AND SEWER AUTHORITY**

# **BOARD OF DIRECTORS MEETING**

**May 12, 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 Meeting – May 12, 2026 6:00 pm**  
**Meeting Agenda**

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## **Agenda Item-1**

### **Call to Order/Welcome**

Kenneth McLamb, Town of Stem Commissioner/SGWASA Board Chair

## **Agenda Item-2**

### **Roll Call**

Krystle Lee, Board Secretary/PIO

## **Agenda Item-3**

### **Invocation**

Russ May, Granville County Commissioner

## **Agenda Item-4**

### **Pledge of Allegiance**

Mayor Pro-Tem Archer Wilkins, City of Creedmoor Commissioner

## **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  
April 14, 2026 at 6:00 p.m.**

### **Meeting Minutes**

#### **1. Call to Order and Welcome**

Commissioner Kenneth McLamb, SGWASA Chair, called the meeting to order at 6:00 pm.

#### **2. Oath of Office**

The SGWASA Board of Directors welcomed Mayor Pro-Tem Archer Wilkins, City of Creedmoor Commissioner, back to the SGWASA Board. Attorney James Wrenn administered the oath of office. Mayor Pro-Tem Wilkins was appointed by the City of Creedmoor Board of Commissioners on April 7, 2026, to fulfill the unexpired SGWASA Board term previously held by Commissioner Robert Way. The term expires on November 30, 2028.

This action restored Creedmoor's appointed representation on the SGWASA Board following Commissioner Way's resignation from the Board after the March 10, 2026 meeting.

#### **3. Roll Call**

Krystle Lee, Board Secretary/PIO

#### **Board Members Present:**

**Granville County:** Commissioner Jimmy Gooch, Commissioner Russ May

**City of Creedmoor:** Mayor Pro-Tem Archer Wilkins, Commissioner, Commissioner Georgana Kicinski, Vice Chair

**Town of Butner:** Councilperson Tom Lane, Councilperson Vicky Daniels

**Town of Stem:** Commissioner Kenneth McLamb, Chair

#### **Officials Present:**

Scott N. Schroyer, Executive Director

Chris Summerlin, Assistant Executive Director

Richard Balmer, Finance Director/Treasurer

Krystle Lee, Public Information Officer/Board Secretary

Priscilla Adcock, Human Resources Manager

James Wrenn, Attorney

#### **4. Pledge of Allegiance**

Councilperson Tom Lane

#### **5. Invocation**

Councilperson Vicky Daniels

## **6. Conflict of Interest Declarations**

None.

## **7. Review & Approval of Minutes**

**Brief Description:** Commissioner Kenneth McLamb, Chair asked Board members if there were any adjustments to the [March 2026 Meeting Minutes](#). No adjustments were requested.

**Board Action:** A motion to approve the March 2026 Regular Board Meeting Minutes was made by Commissioner Georgana Kicinski, Vice Chair and seconded by Commissioner Russ May. The motion passed unanimously (7 Voted Yes - 0 Voted No).

## **8. Public Comments**

**Angie Bailey, Butner, NC:** Communicated concern surrounding I-85 SSI project blasting and seismic activity. She stated a request for more safety barriers and impact transparency.

## **9. Board Discussion Items**

**Brief Description:** Prior to each month's regularly scheduled Board meeting, the Board Secretary surveys the Board members to inquire if they have any discussion topics for the upcoming Board meeting. The following are the responses received for discussion items.

**Councilperson Tom Lane:** None.

**Commissioner Georgana Kicinski, Vice-Chair:** Discuss the Unidirectional Hydrant Flushing project. Requesting project update and timeline, according to the original schedule.

**Commissioner Jimmy Gooch:** None.

**Commissioner Kenneth McLamb, Chair:** Statement regarding the recently approved City of Creedmoor Water Quality Policy

**Councilperson Vicky Daniels:** None.

**Commissioner Russ May:** None.

**SGWASA Staff Response to Commissioner Kicinski's Topic:** The Unidirectional Hydrant Flushing Pilot Project remains in progress. The pilot will begin in the Golden Pond subdivision service area and will cover approximately 5.3 miles of water distribution mains. The project is designed to help SGWASA establish a structured, repeatable flushing program to strengthen water quality and system operations.

Current pre-flushing work includes hydraulic model adjustments, development of the flushing plan, valve and hydrant evaluations, and customer messaging. SGWASA staff will directly implement the pilot using newly purchased valve exercising equipment, with support and project coordination from Hazen and Sawyer.

**Commissioner McLamb's Statement on Creedmoor Water Quality Policy:** This is not from the Board of Directors, because the Board of Directors have not read this letter that I am going to read. It is a statement to the City of Creedmoor for their water quality policy.

**Text read into the record:**

Good evening,

I would like to share a brief statement on behalf of the Board Chair regarding the City of Creedmoor's recently adopted water quality policy.

The South Granville Water and Sewer Authority Chair values the City of Creedmoor's interest in supporting residents on water quality matters and appreciates that the City continues to take an active role in community education and outreach. That partnership is important to us.

At this time, it is important to maintain clarity around the governance structure that has been in place since the City of Creedmoor sold and transferred its utility system to SGWASA, many years ago. With the transfer, SGWASA became the sole governmental entity responsible for the operation, maintenance, data management, regulatory recording, and overall stewardship of the water and sewer system.

Because of this structure, the City does not hold legal authority to direct, manage, or independently collect or distribute operational data related to the utility system. All system management and compliance functions shall remain under SGWASA's authority to ensure accuracy, regulatory consistency, and system-wide coordination.

We remain fully committed to collaborating with all of the member communities, especially in areas such as communication, alignment, grant support, and resident engagement, as long as those efforts respect the established governance rules of each organization.

SGWASA will continue to work constructively with our member communities to ensure our customers receive clear, accurate, and consistent information about their water service.

And that is all I have with the [Creedmoor water quality policy](#).

**10. Proposed FY2026-27 Budget Review**

The Board of Directors reviewed and discussed the proposed Fiscal Year 2026-2027 Budget. Staff reported that the proposed budget was reviewed by the SGWASA Finance Committee during recent public meetings. The Finance Committee voted unanimously to advance the proposed budget to the required budget public hearing.

The proposed budget is balanced, maintains current customer rates, supports annual operating and debt service obligations, and reflects the Board's priorities of financial stewardship, service reliability, transparency, and organizational readiness.

The Board discussed future financial planning related to per- and polyfluoroalkyl substances treatment, long-term capital needs, and system maintenance. Staff stated that future measured, multi-year rate adjustments may be recommended in later budget cycles to support regulatory compliance, capital improvement needs, and long-term financial resiliency.

The Board reviewed proposed organizational and staffing adjustments. Staff described the addition of one full-time accountant position, the continued need for stronger customer service oversight, and the creation of standalone finance and public information officer departments to improve finance management processes, transparency, and funding access.

Review of the proposed organizational chart for Fiscal Year 2026-2027 included confirmation of the two utility technician positions previously approved by the Board being filled.

**Executive Director's Recommendation:** If the Board of Directors makes adjustments to the proposed FY2026-27 Budget, staff will incorporate those changes and prepare an updated version for presentation at the May 12, 2026 Board meeting.

**Board Action:** The Board of Directors reviewed and discussed the proposed FY26–27 Budget. Budget discussion and required public hearing procedures will continue in accordance with the FY26–27 budget adoption process.

[Click to view Proposed FY26/27 Budget](#)

## **11. Proposed FY26/27 Public Hearing**

**Commissioner Kenneth McLamb, Chair called the Public Hearing to Order at 6:52 PM.**

**Background:** In accordance with N.C.G.S § 159-12 Filing and Publication of the Budget, (b) Before adopting the Budget Ordinance, the Board shall hold a public hearing at which time any persons who wishes to be heard on the budget may appear.

The Public Hearing for the proposed Fiscal Year 2026-2027 Budget has been publicly noticed on the SGWASA website (April 2, 2026) and in the Ledger News (April 2, 2026, and April 9, 2026).

The Proposed FY26/27 Budget Overview was submitted and read into the record by Board Public Information Officer Krystle Lee via publicly posted YouTube video: <https://youtu.be/yOUVj44KAhE>

**The Public Comment period was opened to those desiring to speak.**

During the public hearing for the proposed Fiscal Year 2026-2027 Budget, members of the public provided comments and questions regarding proposed fees, payment processing, employee health insurance contributions, long-term financial planning, engineering support, and staffing.

1. Linda Bailey of Butner commented on the proposed fee adjustments and raised concern about the timing of SGWASA payment drop box collections. She stated that the payment drop box appeared to be checked early in the morning and asked whether customers could be assessed a late fee if payments were placed in the box before the stated deadline.

Executive Director Scott N. Schroyer asked Finance Director and Board Treasurer Richard Balmer to clarify SGWASA's late fee process and payment drop box collection procedure for the record. Mr. Balmer stated that the deadline for late fees is 5:00 pm. SGWSA staff checks the payment drop box when staff arrive in the morning, throughout the day, and again shortly after 5:00 pm on late fee days. He stated that any payment placed in the box by 5:00 pm receives credit and is not assessed a late fee.

2. **Ed Gleason** of Creedmoor commented on the proposed budget and stated that while maintaining current rates was positive, SGWASA should continue planning carefully for future costs. He referenced future PFAS treatment needs, interest income assumptions, fund balance use, and the importance of long-term planning to continue providing clean water.
3. **Angie Bailey** of Butner asked about SGWASA's need for certain utility roles while also using outside engineering consultants. She commented on SGWASA's employee health insurance

contribution structure and questioned whether the level of support was appropriate for the budget.

The Executive Director stated that SGWASA has discussed the need for an engineer on staff for several years and that the organization must balance internal staffing with the use of outside experts. He explained that SGWASA relies on engineering firms for specialized support and must determine what services are most cost-effective to maintain internally and what services are best sourced externally.

The Human Resources Manager provided information about SGWASA's employee health insurance structure. She stated that a large percentage of SGWASA employees earn \$47,000 or less annually and that family health insurance coverage can exceed \$1,000 per month.

Board members and staff clarified that the \$500 monthly cap discussed during the meeting applies to certain dependent or family coverage tiers, not to every employee; and the benefit does not apply to dental or vision coverage and that only a small number of employees use the family coverage tier.

**Commissioner McLamb adjourned the Public Hearing at 7:20 pm, returning to open session.**

## **12. Tractor Purchase Request**

Assistant Executive Director Chris Summerlin presented a request for Board approval to purchase one New Holland Workmaster 75 tractor with front-end loader.

The tractor would support essential sewer line maintenance operations, including servicing sewer outfalls and easements, preventing tree growth in easement areas, loading gravel, and assisting with other operational needs.

The Board discussed comparing different tractor brands from various vendors. Staff explained that SGWASA requested pricing based on equipment specifications, including horsepower and front-end loader requirements, and considered vendors using North Carolina State contract or North Carolina Sheriff's Association contract pricing, when available. This approach allows SGWASA to compare equipment that meets the same operational need while considering budget requirements.

**Executive Director's Recommendation:** The SGWASA Board of Directors approve the purchase of one new tractor with front-end loader from Premier Equipment Company of Rocky Mount, NC, for a not to exceed amount of \$54,500, excluding local taxes and be given authority to authorize up to a 5% contingency of \$2,725.00 without further board approval.

**Board Action:** A motion to approve the purchase of one new tractor with front-end loader from Premier Equipment Company of Rocky Mount, NC, for a not to exceed amount of \$54,500, excluding local taxes and be given authority to authorize up to a 5% contingency of \$2,725.00 without further board approval was made by Councilperson Vicky Daniels and seconded by Mayor Pro-Tem Archer Wilkins, Commissioner.

The motion passed unanimously (7 Voted Yes – 0 Voted No).

### **13. NCDEQ Division of Water Resources Grant Funded PFAS Pilot Evaluation and Planning Study Part 2 – Resolution of Acceptance**

Executive Director Scott N. Schroyer presented a request for the Board of Directors to approve a Resolution of Acceptance for grant funding awarded by the North Carolina Department of Environmental Quality, Division of Water Resources. Representatives from CDM Smith presented detailed project progress for SGWASA’s PFAS substances pilot evaluation and planning program, with plans to return to make a formal presentation this summer.

SGWASA received a second \$500,000 grant to continue evaluation and planning for PFAS substances reduction technologies. This funding follows a previous \$500,000 grant awarded in March 2024 and supports SGWASA’s long-term planning for a future advanced water treatment facility.

The first pilot evaluation was completed in 2025 and provided information to support future treatment design. The second grant will allow SGWASA to further evaluate additional treatment technologies. The project scope was prepared by CDM Smith and approved.

The adoption of the Resolution of Acceptance is required to finalize the grant funding and confirm SGWASA’s agreement to follow the grant conditions and assurances. SGWASA will be responsible for the \$10,000 closing fee associated with the project.

**Executive Director’s Recommendation:** The SGWASA Board of Directors approve the Resolution of Acceptance for the PFAS Pilot Evaluation and Planning Study.

**Board Action:** A motion to approve the Resolution of Acceptance for the PFAS Pilot Evaluation and Planning Study was made by Commissioner Russ May and seconded by Councilperson Vicky Daniels.

The motion passed unanimously (7 Voted Yes – 0 Voted No).

### **14. CDM-Smith Contracted Engineering Services for Grant Awarded PFAS Pilot Evaluation and Planning Study Part 2 – Requesting Scope of Work & Fee Approval**

SGWASA presented a request for the Board to approve CDM Smith’s scope of work and fee for the second phase of SGWASA’s grant-funded PFAS substances pilot evaluation and planning study. NCDEQ approved the revised scope of work submitted by CDM Smith in March 2026. Board approval is now requested to authorize CDM Smith to proceed with the project, with SGWASA’s local responsibility limited to the required \$10,000 NCDEQ grant closing fee.

**Executive Director’s Recommendation:** The Board of Directors authorize the Executive Director to execute Task Order No. 02 with CDM Smith for the PFAS Pilot Evaluation and Planning Study, with a total project cost not to exceed \$500,000.

**Board Action:** A motion to authorize the Executive Director to execute Task Order No. 02 with CDM Smith for the PFAS Pilot Evaluation and Planning Study, with a total project cost not to exceed \$500,000 was made by Commissioner Georgana Kicinski, Vice Chair and seconded by Mayor Pro-Tem Archer Wilkins, Commissioner.

The motion passed unanimously (7 Voted Yes – 0 Voted No).

## **15. Bond Anticipation Note (BAN) Arbitrage Services**

Finance Director Richard Balmer presented a request to award a contract for required arbitrage services related to SGWASA's recently issued Bond Anticipation Note. The Bond Anticipation Note supports interim financing for the I-85 Sanitary Collection System Project, while SGWASA continues through the United States Department of Agriculture revenue bond process. The financing was approved by the North Carolina Local Government Commission on October 7, 2025, and closed on November 20, 2025. Based on bond counsel's recommendation, staff requested approval to contract with Bingham Arbitrage Rebate Services, Incorporated.

The proposed cost for the service is not to exceed \$3,300 over the life of the Bond Anticipation Note. Staff noted that the final cost may be lower if SGWASA spends the funds within applicable federal time limits.

**Executive Director's Recommendation:** The Board of Directors approve the Bingham Arbitrage Rebate Services, Inc., for arbitrage services, for the not-to-exceed amount of \$3,300 as presented.

**Board Action:** A motion to approve the Bingham Arbitrage Rebate Services, Inc., for arbitrage services, for the not-to-exceed amount of \$3,300 as presented was made by Mayor Pro-Tem Archer Wilkins, Commissioner and seconded by Councilperson Tom Lane.

The motion passed unanimously (7 Voted Yes – 0 Voted No)

## **16. FY2025/2026 Budget Amendment #11**

Finance Director Richard Balmer presented FY2025/2026 Budget Amendment Number 11 for Board consideration and discussed that the amendment reallocates approved budget funding for the replacement of the Public Information Officer's current computer system and related accessories. The amendment also appropriates funding for arbitrage services connected to the I-85 SSI Project Bond Anticipation Note, which was discussed under an earlier agenda item.

**Board Approved FY 2025-2026 Budget Amendments to Date: Effect on Fund Balance**

Item	Operating	CIP	Total Amount
Original Budget Ordinance	(\$ 1,345,076)	\$ 0	(\$ 1,345,076)
Budget Amendment #1 (July 2025)	(\$ 4,000)	\$ 0	(\$ 4,000)
Budget Amendment #2 (August 2025)	(\$ 145,424)	(\$ 900,012)	(\$ 1,045,436)
Budget Amendment #3 (August 2025)	(\$ 987,528)	\$ 0	(\$ 987,528)
Budget Amendment #4 (September 2025)	(\$ 1,250)	(\$ 170,000)	(\$ 171,250)
Budget Amendment #5 (October 2025)	(\$ 4,164,207)	(\$ 6,873,000)	(\$ 11,038,207)
Budget Amendment #6 (October 2025)	(\$ 32,250)	\$ 0	(\$ 32,250)
Budget Amendment #7 (October 2025)	\$ 0	\$ 0	\$ 0
Budget Amendment #8 (October 2025)	(\$ 8,000)	\$ 0	(\$ 8,000)
Budget Amendment #9 (November 2025)	\$ 0	\$ 0	\$ 0
Budget Amendment #10 (January 2026)	\$ 0	\$ 0	\$ 0
Total	(\$ 6,687,735)	(\$ 7,943,012)	(\$ 14,630,747)

**Budget Amendment #11**

**Be it ordained,** the FY 2025-2026 Annual Budget Ordinance is hereby amended as follows:

<b>Revenues: Increase / (Decrease)</b>		Amendment/Change	
Transfer from Fund Balance	\$	3,300	
<b>Total Revenues</b>			<b>\$ 3,300</b>
<b>Expenditures: Increase / (Decrease)</b>			
Administration	\$	3,900	
Projects & Studies	\$	( 600)	
<b>Total Expenditures</b>			<b>\$ 3,300</b>

**Executive Director’s Recommendation:** The SGWASA Board of Directors approve Budget Amendment #11.

**Board Action:** A motion to approve Budget Amendment #11 was made by Commissioner Georgana Kicinski, Vice Chair and seconded by Mayor Pro-Tem Archer Wilkins, Commissioner.

The motion passed unanimously (7 Voted Yes – 0 Voted No).

**17. Fiscal Year 2025-2026 Budget Amendment #12**

Finance Director Richard Balmer presented Budget Amendment Number 12 for Board consideration.

The requested amendment appropriates \$500,000 in grant funding from the North Carolina Department of Environmental Quality for the second phase of SGWASA’s per- and polyfluoroalkyl substances pilot testing work. The amendment also includes a \$10,000 transfer from fund balance to cover the required two percent administration fee associated with the grant.

The total amendment increases revenues and expenditures by \$510,000 and supports continued evaluation of treatment technologies connected to SGWASA’s long-term water quality and regulatory compliance planning. Following review, the Board approved Fiscal Year 2025-2026 Budget Amendment Number 12.

**Board Approved FY 2025-2026 Budget Amendments to Date: Effect on Fund Balance**

Item	Operating	CIP	Total Amount
Original Budget Ordinance	(\$ 1,345,076)	\$ 0	(\$ 1,345,076)
Budget Amendment #1 (July 2025)	(\$ 4,000)	\$ 0	(\$ 4,000)
Budget Amendment #2 (August 2025)	(\$ 145,424)	(\$ 900,012)	(\$ 1,045,436)
Budget Amendment #3 (August 2025)	(\$ 987,528)	\$ 0	(\$ 987,528)
Budget Amendment #4 (September 2025)	(\$ 1,250)	(\$ 170,000)	(\$ 171,250)
Budget Amendment #5 (October 2025)	(\$ 4,164,207)	(\$ 6,873,000)	(\$ 11,038,207)
Budget Amendment #6 (October 2025)	(\$ 32,250)	\$ 0	(\$ 32,250)
Budget Amendment #7 (October 2025)	\$ 0	\$ 0	\$ 0
Budget Amendment #8 (October 2025)	(\$ 8,000)	\$ 0	(\$ 8,000)
Budget Amendment #9 (November 2025)	\$ 0	\$ 0	\$ 0
Budget Amendment #10 (January 2026)	\$ 0	\$ 0	\$ 0
Budget Amendment #11 (April 2026)	(\$ 3,300)	\$ 0	(\$ 3,300)
Total	(\$ 6,691,035)	(\$ 7,943,012)	(\$ 14,634,047)

**Budget Amendment #12**

**Be it ordained**, the FY 2025-2026 Annual Budget Ordinance is hereby amended as follows:

<b>Revenues: Increase / (Decrease)</b>		Amendment/Change	
Other Financing Sources	\$	500,000	
Transfer from Fund Balance	\$	10,000	
<b>Total Revenues</b>		\$	<b>510,000</b>
<b>Expenditures: Increase / (Decrease)</b>			
Projects & Studies	\$	510,000	
<b>Total Expenditures</b>		\$	<b>510,000</b>

**Executive Director’s Recommendation:** The SGWASA Board of Directors approve Budget Amendment #12.

**Board Action:** A motion to approve Budget Amendment #12 was made by Councilperson Vicky Daniels and seconded by Commissioner Georgana Kicinski, Vice Chair.

The motion passed unanimously (7 Voted Yes – 0 Voted No).

**18. Comments from the Executive Director**

**Executive Director Scott N. Schroyer:** The Executive Director thanked the Board for its support, questions, and direction following a detailed meeting focused heavily on water quality, PFAS, and SGWASA’s long-term regulatory planning.

He reported that the I-85 SSI Project continues to progress well under Construction Package 1 and Construction Package 2. CDM Smith has been asked to provide a future Board presentation, anticipated for the June meeting, to share a project update with photographs and progress details.

The Executive Director addressed public concerns regarding customer service and project responsiveness and offered guidance on official channels of communication. Schroyer expressed that SGWASA remains responsive to customer concerns and encouraged residents to contact staff directly with questions or concerns related to SGWASA projects, especially the I-85 SSI Project and blasting activities.

## **19. Comments from the Attorney**

None.

## **20. Comments from our Board Members**

**Councilperson Tom Lane:** It is just a lot to take in, tonight. I think we have made some good progress; things are moving along. I try to ride the project weekly, or two or three times a week. I try to ride through all the projects and see how they are going, and it is a lot to take in. We have got a lot going. Thank you.

**Councilperson Vicky Daniels:** Well, thank you. I was glad to see the thorough the budget being shared with the public. I really think our staff has done an excellent job. You know Krystle, she puts a lot of work into the way it is presented, and everything is so clear and in detail. I appreciate that, because I think our consumers, our ratepayers, need to know that it's easier for them to understand it. So, I appreciate all the hard work that everyone put into the presentation. Thank you so much.

**Mayor Pro-Tem Archer Wilkins, Commissioner:** Good evening. I want to take a moment to say it is good to be back on this Board again. What I find most important for our community, and that is the responsibility of this organization, to ensure the delivery of clean, safe and reliable water for our approximately 6600 customers. I am excited, after my initial meeting with the Executive Director, that he his staff and this Board also align with that responsibility.

When I reflect on the past period from 2016 to 2019, that record show that many residents experience ongoing concerns regarding water quality. Those concerns include discoloration and odor and resulted in a loss of public confidence, significant enough that some households chose not to consume the water. It was also clear back then that concern raised by residents were heard in public meetings over those multiple years. However, corrective action, including infrastructure upgrades, treatment improvement, and long-term planning did not fully take place. Admittedly, as a former Board member, I did not recognize their concerns, and for that reason, I apologize.

Fast forward to today, to this leadership and this Board has made changes. Projects were initiated and planning was begun and is ongoing for addressing most immediate and emerging challenges. Those actions matter. They should be recognized. The current leadership in this Board over the last several years should be commended for the actions taking place now. Of course, these actions came after years of community concern, rather than ahead of it. Governance is both a collective and individual responsibility. As Board members, we are entrusted with oversight, with asking hard questions and ensuring that our systems are not only functioning, but function in a way that earns and maintains public trust.

As I move forward as a Board member, I want to allow each one of you in being proactive and not reactive. To act at the first time you learn of a concern, not after the problems persist; and above all, to ensure that the people we serve never have a reason to question the safety of something as fundamental as the drinking water. As a Board member, I understand my responsibility to represent SGWASA, my first responsibility, responsibility will always be as an elected official the City of Creedmoor, to represent the constituents that I serve. I believe the citizens of Creedmoor and all of our customer base deserves nothing less.

**Commissioner Jimmy Gooch:** Well, I do not have anything prepared but have a couple things I would like to speak about. When it comes to the blasting, SGWASA is not actually doing the blasting. We have a contractor that is running the project, and we have a subcontractor that is doing the blasting. But, if you have any questions about it or any problems, our Executive Director, Mr. Schroyer, is very

responsive and his staff is very responsive, and they are look into any concerns you have. Now, I have to wonder, did it pick up anything from Sunrock?

**Executive Director Scott N. Schroyer:** Well, actually, I cannot say that it did, but we know that we have to correlate our seismic instruments to coordinate and correlate with the blast that we are doing; and not a blast that is occurring across the street.

So, we are aware of that, we do not want to get false readings from across the street. This equipment is very expensive, so we don't put it out on someone's house and leave it out for two or three weeks. We put the equipment out, we run the blast if we are blasting twice that day, and we pull the equipment back in.

**Commissioner Jimmy Gooch:** Once the blast is done?

**Executive Director Scott N. Schroyer:** That is correct.

**Commissioner Jimmy Gooch:** Okay, thank you.

Also, you know we talk about revenue a lot; and people have some heartburn about future needs. You have to understand that our future needs for revenue- a lot of it will be offset by future development. And we have got several projects set to come online just about the time we finished the I-85 project; and once those projects come online, and others come online, and the area continues to grow... there comes your revenue. I remember when we first discovered the problem with getting wastewater across I-85 through the Joe Peed Road pump station and Joe Peed line that Creedmoor put in, in the late 70s, early 80s. When we first discovered the problem there and later on, we got to looking and found out that it the pump station is down in the 100-year flood zone. Station didn't move. The flood zone did. So, we have all that to contend with.

Edgar Smoak was the Chair then. He and I sat down and went over just the numbers from the proposed projects through the Town of Butner. The proposed projects we had at that time, and the revenue that would be generated by those projects would more than pay for the upgrades needed for what now became the I-85 project. But you cannot count revenue that you do not have. The state will not let you do that. The accountants will not let you do that. It does not pass mustard with the auditors, so you cannot use those numbers to project the revenue for your projects. The revenue will come.

Thinking back to 2018 2019 era- I remember when I first got on the Board in 2017, December. When I sat down and spoke with Lindsay, one of the first things I asked about was, how many complaints do you get about water quality? How many do you get? He came back with a number of 120, and I am thinking- well, 120 a month? That is about right, compared to what I hear on social media. Only thing was, Lindsay corrected me, that was per year. We had had 120 complaints in the previous year, which really amounted to about 10 per month. And you know, we had a problem then, when people were talking about SGWASA, but not talking to SGWASA.

And we have worked very hard over the years, especially since Scott came on-board, we have upgraded our computer system throughout the organization. We have updated our web page. We have kind of come into this century with technology, and it is very easy, very convenient for anyone to find out anything they want to know about SGWASA through the website. We are very transparent. We put the information out there. There should be no should be no worries about water quality, because if you report it, they work on it. It is very simple. And that concludes my statements for tonight. Thank you.

**Commissioner Russ May:** Hey, good evening. I want to thank the HR Director for explaining the 86% workman's comp and putting it into real language. It looks like a big number when in fact, you guys are doing a really good job. So, I appreciate that. And the PFAS study, thank you for what you guys are doing. You are looking ahead- and thank you for bringing the organization here tonight to talk about that. The reality of it, is that you have kind of a lessened my anxiety, if you will, in regard to building something that that all of a sudden, we wake up, and... 'that is not what we really needed. We could have died for this.' But in reality, it is an emerging technology; and so, we are actually ahead of the curve. And when I go back and look, that is 2021.

So, I was disappointed over this last summer, and in prior of being on the Board of hearing all the comments regarding the SGWASA not approaching and looking into and taking, really taking a serious Look into PFAS and the impact that it could have. And not minimizing anybody or anything or not criticizing those who have a legitimate complaint. There is PFAS, but it is not right to demonize an organization or its people who are working very aggressively to solve a problem.

It is so easy to stand out publicly and beat down an organization that is trying. SGWASA is not perfect. No organization is. No person is. I do not know, but one that is, and that is my savior. But what I will say is that I hope we can move beyond and start looking at what we are doing to make things better; and yes, it is going to have an impact on people. And then, eventually it will have an impact on the rates, whether we like it or not, and I do not like that. No one likes that. No one likes a tax increase. No one likes a rate increase, no one likes any of that. No one likes to see it. I am going to say. I am also disappointed, being someone that has worked close to 40 years in public service at, some capacity. You know, I am thankful for our employees here, it is not a glamorous job, by no means, but it is absolutely an essential job, absolutely.

And just as when you go out to that car and you turn the switch of your car and it comes on, you anticipate that you turn that faucet, that water is going to come out. And, if I am a rate payer and the rates are high, you got to really understand why they got so high. And there were a lot of things that happened to a 1940 system to make it get that high. You know, it did not happen overnight, and you do not have so many people that can pay for system, but to degrade employees and people based on what they are doing, it is not appropriate. It is just not appropriate. I do not think any of our employees lost are getting rich, and I do not think any of them are being overcompensated. You might debate with people, this benefit or that benefit, which package will work better for this group of people, which? But anyone that is involved in insurance industry and watch the insurance injury, even including your own home insurance, which has gone up exponentially. You have to understand that there are some things out of control of an organization, but you have to do something to help your people, and you have got to retain employees, or you retain you don't retain those employees.

You are going to wake up and turn that faucet and there is not going to be water. I want to welcome Mr. Wilkins on Board. I am really hoping that we can tone some things down in the community, and we can start focusing on what makes this community great. Why Creedmoor, why Butner, why they are great places to live? And that we hear about the good things that go in our community, and SGWASA is a good thing, because they are doing everything they can to turn around 1940 system into an excellent system that we all can be proud of. Not perfect. It is a good thing to talk about good things, about good people.

You can sell a lot of newspapers. You can even enter a political office by saying a lot of bad things about a lot of people, about a lot of things, whether they are true or not, does not really matter. I really hope this organization and this community will focus on the good things, the good people, and the good future that we have. I and glad I live in Granville County; I am glad that I represent the organizations that I represent. It is not a right; it is a privilege. First of all. But you can expect

everything I said tonight to appear in the newspaper, within a couple weeks. It will be turned one way to another, twisted and turned. Well, what I will tell you is, I am speaking the truth, and the truth is, none of these Board members up here, none of the SGWASA workers ever show up in the morning and go like, I really hope the water stinks today. You know, I really hope I make a decision that is really going to make it hard for the right thing to happen. I really want to stick it to the man and raise the rates. I really want to do that. Gee, that was a great decision. No one does that.

And so, when we get this perception that no one cares because they are not doing what you want them to do, then it is time to educate. It is time to discuss. It is time to talk. It is time to engage- well past that time. So, if we fail as a Board, as since I have been on a prior board organization, to adequately address issues, we need to accept that, and we need to fix it, and I think we are doing that. Hopefully others will think, 'you know what, I can think of 1000 articles out of the newspaper and talk about PFAS up and down the East Coast, United States. I can do that tomorrow. I can find you sites throughout this country. Whether textile, you name it, are just poured with some type of chemical forever chemical. It is just not – I am going to shut down, right there because the bottom line is that - I am done with the negative. If you want to swim in that water and be Mr. or Mrs. Negative. Hey, criticism is good.

You need criticism to make things better. When it is criticism that is directed with a something that can bring about a solution, not something continues to take away and demean, from a community that really is on the cusp of doing some really great things. Whether you agree with growth or don't. It is about bringing about a better and more sustainable water system for the generations that will come to these communities. And I think we are doing that. Thank you.

**Commissioner Georgana Kicinski, Vice-Chair:** The word growth has been brought up several times tonight, and there was an editorial about comments I made about growth in newspaper, so I am going to need Vicki Daniels help. Vicki, you are a real estate agent, correct?

**Councilperson Vicky Daniels:** Yes.

**Commissioner Georgana Kicinski, Vice-Chair:** So, I want to sell my house, and I call you. Do I have to get permission from Creedmoor?

**Councilperson Vicky Daniels:** No.

**Commissioner Georgana Kicinski, Vice-Chair:** Do I have to get permission from Butner?

**Councilperson Vicky Daniels:** No.

**Commissioner Georgana Kicinski, Vice-Chair:** Do I have to get permission from the county?  
**Councilperson Vicky Daniels:** No.

**Commissioner Georgana Kicinski, Vice-Chair:** I sell my house for the price I want to sell it for. Correct?

**Councilperson Vicky Daniels:** Right.

**Commissioner Georgana Kicinski, Vice-Chair:** And again, Jim Wrenn does not have to write me a letter and say it is okay you can do it. I do not need permission from any municipalities, people are selling land and selling houses. They are selling them to developers. They are making money. They are not walking away penniless.

That is where the growth is coming, people. The city commissioners of Creedmoor, Butner, Stem, County- we have no control over what happens. They can do with that land what they want when they sell it, and as long as whoever is buying it follows the ordinances of those municipalities, there is nothing we can do. We can try.

We can set some conditional boundaries, but that is it. So, the municipal leaders are not responsible for the growth. We would like to see it, because you have to grow to produce and if you do not, you become stagnant, and then you just turn into a ghost town. So, that is all I am going to say about that. Krystle, are we ready?

**Board Secretary Krystle Lee:** We are ready.

**Commissioner Georgana Kicinski, Vice-Chair:** All right, so the other thing that came up at our last meeting was “we do not know anything about what is going on at SGWASA”. So, Krystle has done a phenomenal job of updating the SGWASA- We did not have a SGWASA website when you started, did we?

**Executive Director Scott N. Schroyer:** We did.

**Commissioner Georgana Kicinski, Vice-Chair:** It was not this pretty though.

**Commissioner Jimmy Gooch:** We did, but no it was very tough to navigate.

**Commissioner Georgana Kicinski, Vice-Chair:** So, if you want to know what is going on, you scroll down to engineering projects, and then you click on [Engineering Projects](#), and it gives you the updates. It also gives you the monthly reports from your Executive Director, and it tells you where they are and what they are doing. And at this point, you can register for [alerts](#), which I get, and we all get sometimes, five a day, five a week. You can sign up for them or not, but you have the opportunity to learn whatever is going on, and you say that you want to know. And there are the Executive Director's monthly reports on projects.

If you go back to the home page and you click on [water quality](#), you will click on water quality right there. It will take you to a video of how the water treatment process works. Further, it will provide you with a link to submit your water quality questionnaire from this page. This is how SGWASA becomes informed on any good or bad issues that you are having. They will update their database with the information provided in real time, and I will tell you Scott took me on a tour in a video meeting of a neighborhood, because I had a customer who said they flushed my line last month. Well, when we went back and we looked at that house in an overview of the neighborhood, that line had not been flushed since 2021.

So, I was amazed at what the database could do and the information they could get right on the end. When you submit your water quality questionnaire, and SGWASA becomes informed of the good or bad issues, they can address them. They can't address them, if you go out on social media and complain, like Commissioner May said, if you want to complain, give us a solution. Tell us. And I have worked in outside businesses, and we were told, do not come to a meeting complaining about a system unless you have a suggestion for a solution. And we are not saying, ‘tell us how to run SGWASA. We are just saying, complaining is not helping. If you do not send us these reports, we cannot fix the problem. It is the only way the problem gets fixed. And customer service- you heard we are putting people in, two more people in to handle more customer service. We are going to have to add a lot more people after the I-85 project is done, but we are doing everything we can to keep the

rates down, to keep the costs down so it does not affect you. Ms. Bailey came to our first Finance Committee meeting, and she came up to us at the end. She said, thank you for not raising the rates. I know that they are going to have to go up for PFAS.

They are going to have to. It is a \$26 million project, and the money comes from somewhere. We are praying that will fall from the heavens, but and I have put my umbrella away, so that if it does fall, I can catch it. But it is not funny. It is serious, and we need your help and your support and your positive understanding. Not- the word crap, I agree, was very unprofessional. I did not appreciate that word, either. I do not know why. We are not trying to hurt anybody. We are absolutely not trying to hurt our employees. We lost one very good employee, and we learn fast how to fix that problem. And Vicky Daniels is the chair for the Finance Committee, and you are doing a great job.

And I hope everybody appreciates the hard work that every employee at SGWASA Does, from Scott all the way down to utility workers, our HR people, our finance committee, Chris, you have answered questions for me on Saturday mornings when you were supposed to be off, but you have been kind enough to do that, and I appreciate it. These people work. A lot of these people work 24/7, they do not get a day off. Thank you all for coming. Ms. Johnson and Mrs. Bailey. Thank you so much for your continued attendance at these meetings. It means a lot.

**Commissioner Kenneth McLamb, Chair:** So, I want to say thank you. First, to Krystle, for having everything set up and the slideshow that we saw on the Budget. Scott, thank you for everything you do. Chris, for answering questions that we do have that we do not know the answers to. HR, for keeping everybody under control and making sure that we have the correct answers that we need at the right time. Finance everything that you all do, every dollar, every penny that you watch. And I know we have one person on that, that watches every penny.

Our attorney, everybody on this Board. So, when the Finance Committee met the first time, it was three of us in there, and we said we did not want to raise rates.

**Councilperson Vicky Daniels:** That is right.

**Commissioner Kenneth McLamb, Chair:** And all three of us agreed to that right off the get go. So that is what we did. We did not raise rates. We know with the PFAS coming up, we are going to have to raise rates, unless, like you said, it falls from the heavens.

**Commissioner Russ May:** There is hope.

**Commissioner Kenneth McLamb, Chair:** There is hope. We can always get grants to make this happen. I have been on this border for many, many years, and I do not know exactly how many years I have been here. Somebody else can probably answer that. I do not exactly know, for sure. So, when I first started on this Board, we had some water that was not so good. We had some issues, and as we progressed along the years, all of that has been fixed. Do we still have water that has problems at times? We do, but it all meets EPA guidelines 100%. You know, how many times I got letters at my house, back in the day, saying this was wrong, this was wrong, this was wrong?

I also want to bring up a meeting I attended, in between this meeting last month, and this meeting this month. The same water that comes to Stem goes to Creedmoor and goes to Butner and goes to people that live in the county that is hooked on to city water. There is no difference in water. People say that's got different water and Creedmoor and different water and stem. It's the same water. It comes from, the same lines.

The only thing stem has better is we have a newer system. So, we have newer lines. That is the only thing, it is the same water.

I was at that meeting, and somebody that was brought up in the audience, and they yelled out a cuss word, saying, BS, that it is not the same water. It is the same water. And I want that perfectly clear it is the same water.

So that is all I have to say, with this. Thank you all for everybody. Thank you everybody on this Board. I think this Board has really come together as a unity, and that is what I want to see happen for now.

Thank you.

### **21. Adjournment**

Commissioner Kenneth McLamb, Chair asked the Board if there were any other discussion topics to be raised and entertained a motion to return to adjourn.

**Board Action:** A motion to adjourn the April 14, 2026 Board Meeting was made by Commissioner Georgana Kicinski, Vice-Chair and seconded by Councilperson Vicky Daniels. The motion passed unanimously (7 Voted Yes – 0 Voted No).

The meeting officially ended at 8:33 pm.

**Respectfully Submitted by: Krystle Lee, Board Secretary**

**Approved by the Board at the 5/12/26 Board Meeting**

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Commissioner Kenneth McLamb - Chair

Date

## Agenda Item-7

### Public Comments



#### **South Granville Water and Sewer Authority (SGWASA)**

#### **Public Comment Procedures**

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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

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- 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-8**

### **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, Butner Council Person:** None.

**Vicky Daniels, Butner Councilperson:** None.

**Archer Wilkins, Mayor Pro-Tem, City of Creedmoor Commissioner:** None.

**Jimmy Gooch, Granville County Commissioner:** None.

**Russ May, Granville County Commissioner:** None.

**Georgana Kicinski, Creedmoor Commissioner/SGWASA Vice Chair:** None.

**Kenneth McLamb, Town of Stem Commissioner, Chair:** None.

## **Agenda Item-9**

**Topic:** National Public Works Week Proclamation

**Requested Action:** The Board of Directors Recognize the South Granville Water And Sewer Authority Employees by Proclaiming the Week of May 17<sup>th</sup>-23<sup>rd</sup>, 2026 as National Public Works Week.

**Presenter(s):** Kenneth McLamb, Town of Stem Commissioner/SGWASA Board Chair

### **Analysis:**

As we celebrate the 2026 American Public Works Association (APWA) National Public Works Week from May 17<sup>th</sup> to May 23<sup>rd</sup>, it is essential to recognize the invaluable contributions of the South Granville Water & Sewer Authority (SGWASA) employees.

This week serves as a dedicated time to honor the hard work and dedication of public works professionals who ensure the seamless operation of our community's infrastructure. The employees of SGWASA play a critical role in maintaining and improving the water and sewer systems that are fundamental to the health, safety, and quality of life for residents in South Granville County.

Their expertise and commitment to excellence ensure that our water is clean and safe, our sewer systems are efficient, and our environment is protected. By acknowledging their efforts during National Public Works Week, we not only express our gratitude but also highlight the importance of their work in sustaining the well-being of our community. Let us take this opportunity to celebrate the SGWASA employees and their unwavering dedication to public service.

### **Requested Action:**

The Board of Directors Recognize the South Granville Water And Sewer Authority Employees by Proclaiming the Week of May 17<sup>th</sup>-23<sup>rd</sup> , 2026 as National Public Works Week.

### **Attachment:**

National Public Works Week Proclamation

## NATIONAL PUBLIC WORKS WEEK PROCLAMATION

May 17th – 23rd, 2026

“Rooted in Service, Powered by Community”



**WHEREAS**, public works professionals focus on infrastructure, facilities, and services that are of vital importance to sustainable and resilient communities and to public health, high quality of life, and well-being of the customers served by the South Granville Water and Sewer Authority (SGWASA); and,

**WHEREAS**, these infrastructure, facilities, and services could not be provided without the dedicated efforts of public works professionals, who are engineers, managers, and employees at all levels of government and the private sector, who are responsible for rebuilding, improving, and protecting our nation’s transportation, water supply, water treatment and solid waste systems, public buildings, and other structures and facilities essential for our citizens; and,

**WHEREAS**, it is in the public interest for the citizens, civic leaders, and children served by the South Granville Water and Sewer Authority to gain knowledge of and maintain an ongoing interest and understanding of the importance of public works and public works programs in their respective communities; and,

**WHEREAS**, the year 2026 marks the 66th annual National Public Works Week sponsored by the American Public Works Association, be it now,

**RESOLVED**, I, Kenneth McLamb, Town of Stem Commissioner/SGWASA Board Chair do hereby proclaim May 17-23, 2026, as National Public Works Week. I urge all citizens to join with representatives of the American Public Works Association and government agencies in activities, events, and ceremonies designed to pay tribute to our public works professionals, engineers, managers, and employees and to recognize the substantial contributions they make to protecting our national health, safety, and advancing quality of life for all.

**IN WITNESS WHEREOF**, I have hereunto set my hand this 12th day of May 2026.

\_\_\_\_\_  
Kenneth McLamb, Town of Stem Commissioner/SGWASA Board Chair

\_\_\_\_\_  
Krystle Lee, PIO/Board Secretary

## **Agenda Item-10**

**Topic:** Review of Proposed FY2026-27 Budget

**Requested Action:** The Board of Directors review and comment on the proposed FY2026-27 Budget and provide the Executive Director with any changes.

**Presenter(s):** Scott N. Schroyer, Executive Director; Richard Balmer, Finance Director/Board Treasurer

### **Executive Summary:**

The Board is asked to review and comment on SGWASA's proposed FY2026-27 Budget and provide any requested changes to staff. The Finance Committee reviewed the proposed budget on March 13, 2026 and unanimously advanced it to the required public hearing held at the Board's April 14, 2026 meeting; the Board made no changes at that time and requested an additional review in May.

**Executive Director's Recommendation:** The SGWASA Board of Directors approve the proposed FY2026-27 Budget, including the FY26-27 Schedule of Rates, Fees, and Charges, and the FY2026-27 Organizational Chart, as presented.

### **FY2026-27 Budget Executive Summary:**

The FY2026–27 Proposed Budget is balanced, holds current customer rates, and strengthens SGWASA's long-term financial position by funding 84% of depreciation and supporting key operational needs. Rising insurance, benefits, and other costs are managed through modest revenue growth and a one-time \$221,511 use of operating fund balance.

Looking ahead, SGWASA anticipates \$25–\$30 million in PFAS treatment investments. While external funding will be pursued, some local funding will be required, likely necessitating gradual, multi-year rate adjustments.

Overall, the budget reflects the Board's priorities of financial stewardship, reliability, transparency, and readiness for major regulatory and capital needs.

### **Attachment(s):**

Exhibit A: Proposed FY2026-27 Budget Book, including Schedule of Rates, Fees, and Charges.

Exhibit B: Organizational Charts – Current and Proposed.

### **Executive Director's Recommendation:**

The SGWASA Board of Directors approve the proposed FY2026-27 Budget, including the FY26-27 Schedule of Rates, Fees, and Charges, and the FY2026-27 Organizational Chart, as presented.



**South Granville Water  
& Sewer Authority**

**Proposed Budget**



**07/01/26 – 06/30/27**

**SOUTH GRANVILLE WATER AND SEWER AUTHORITY  
PROPOSED BUDGET 2026-2027**



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## **Budget Message**

Executive Summary

**TO:** Board of Directors  
**FROM:** Scott N. Schroyer, Executive Director *SNS*  
**DATE:** May 12, 2026  
**TOPIC:** Fiscal Year 2026-27 Budget - Message

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### EXECUTIVE SUMMARY

The FY2026–27 Budget is balanced, maintains existing customer rates, and strengthens SGWASA’s long-term financial position by funding 84% of annual depreciation and supporting critical organizational and operational needs. Rising insurance costs, employee benefit increases, and other operational pressures are managed through modest revenue growth and a one-time use of \$221,511 in operating fund balance.

To present a clearer view of operational performance, Bond Anticipation Note (BAN)–related revenues and expenses have been removed from the operating budget. The BAN’s net impact of \$651,000 will be funded through designated Capital Improvement Project (CIP) resources, with a formal amendment and CIP update planned for July 2026.

Looking ahead, SGWASA anticipates significant investment in PFAS advanced water treatment facilities, estimated at \$25–\$30 million. While the Authority will pursue grants, SRF, USDA, and other funding opportunities, a portion of the project will still require SGWASA funding. As a result, staff expects to recommend measured, multi-year rate adjustments in future budget cycles to support regulatory compliance and maintain long-term financial resiliency.

This budget reflects the Board’s priorities of financial stewardship, service reliability, transparency, and organizational readiness, and positions SGWASA for emerging regulatory requirements and major long-term capital needs.

### INTRODUCTION

Thank you for your continued support and guidance as SGWASA navigates a period of increasing regulatory requirements, rising operating costs, and significant long-term infrastructure needs. The FY2026–27 Budget responds to these challenges with a disciplined, forward-looking approach that maintains rate stability, reinforces essential operations, and advances the Board’s priorities for financial stewardship, organizational performance, and customer service excellence.

### **FINANCIAL OVERVIEW**

The FY2026–27 Budget is balanced and supports SGWASA’s annual operating and debt service obligations. Maintaining current rates is made possible using \$221,511 in available operating fund balance to cover the unfunded portion of asset depreciation. While asset depreciation funding remains below the 95% target, the Authority continues to make progress toward fully funding 100% of annual depreciation in the near future. A multi-year approach to reaching this goal will be presented to the Board during upcoming budget cycles.

To avoid distorting SGWASA’s operating results, Bond Anticipation Note (BAN)–related revenues and expenses for the I-85 Sanitary Sewer Improvement Project were removed from the operating budget. The BAN’s net impact of \$651,000 will be paid from designated Capital Improvement Project funds, and a corresponding budget amendment and Capital Improvement Project update will be brought to the Board in July 2026.

### **ORGANIZATIONAL & STAFFING ADJUSTMENTS**

To enhance operational efficiency and support SGWASA’s growing financial responsibilities, the FY2026–27 Budget includes one new full-time Accountant I position. This addition allows the Customer Service Supervisor to return full attention to customer-facing responsibilities while strengthening SGWASA’s financial controls and reporting. The position is fully supported within existing revenues.

To strengthen alignment and oversight, the FY2026-27 Budget creates two new general ledger accounts: one for Finance and one for the Public Information Officer (PIO). This change improves accountability and transparency by clarifying responsibilities and strengthening departmental reporting.

### **KEY REVENUE ELEMENTS**

Revenues for FY2026–27 continue the steady growth observed over the past several years. Key revenue highlights include:

- Water revenue increase of \$150,000
- Sewer revenue increase of \$200,000
- \$2.28 million allocated for depreciation (84% of need)
- Reduction of interest income by \$200,000 based on updated projections

The only fee adjustments for FY2026–27 are:

- A \$5.00 increase to the minimum fee for late payment
- A \$25.00 increase to the nonpayment fee

#### **KEY PAYROLL & BENEFIT ELEMENTS**

The FY2026–27 Budget maintains competitive compensation and supports employee retention through:

- Addition of one Accountant I position
- A 2% increase to the Classification & Compensation Schedule
- Up to a 4% merit increase based on performance evaluations
- A mandated 0.75% increase in employer retirement contributions
- Anticipated premium increases: 20% medical, 10% dental, 5% vision
- Continued 4% employer match for 401(k) participants
- Continued \$500/month limit on employee medical out-of-pocket costs

#### **OPERATING EXPENSES & CAPITAL OUTLAY**

The FY2026–27 Budget reflects targeted cost adjustments to sustain efficient service delivery:

Areas with Decreased Costs:

- Capital outlay
- Repairs and maintenance
- Traditional debt service
- Software and technology costs

Insurance-Related Cost Increases:

- 13% increase in property and liability insurance
- 86% increase in workers compensation premiums

Equipment Investments:

- \$75,900 for replacement or procurement of operational equipment

BAN-Related Costs:

- Interest expense: \$1,176,000
- Interest earnings: \$525,000
- Net impact: \$651,000 (funded through CIP)

### LOOKING AHEAD (3-5 YEAR OUTLOOK)

SGWASA faces several strategic priorities over the next five years:

- Advancing CIP planning for:
  - the future water treatment plant
  - administrative facility relocation
- Preparing for evolving regulatory requirements
- Sustaining progress toward 100% depreciation funding
- Maintaining rate stability while addressing long-term capital pressures
- Continuing organizational strengthening through training, technology, and workforce development

#### **PFAS Compliance, Capital Funding, and Rate Planning**

SGWASA's preliminary planning shows that the estimated \$25–\$30 million PFAS advanced treatment facility will require a combination of grants, SRF loans, USDA financing, and SGWASA funding. While external funding will reduce the overall burden, it will not eliminate the need for funding from utility rate payers.

To maintain affordability and financial resiliency, staff anticipates recommending incremental rate adjustments over multiple years as part of a structured rate-smoothing plan. This approach will allow SGWASA to meet federal PFAS standards, manage long-term debt responsibly, and minimize customer impacts by avoiding large one-time increases.

#### **CONCLUSION**

The FY2026–27 Budget reflects SGWASA's disciplined financial stewardship and commitment to reliable service. It maintains rate stability while advancing modernization, continued progress toward full depreciation funding, and early planning for major capital investments.

Looking ahead, federal PFAS requirements and an estimated \$25–\$30 million advanced treatment facility will demand sustained planning, aggressive pursuit of external funding, and a measured multi-year rate strategy to protect affordability and resiliency. This budget positions SGWASA to move into that next phase with clear direction and strong footing.

Thank you for your continued leadership and partnership as we strengthen the long-term reliability and sustainability of SGWASA's water and wastewater systems.



## **Budget Ordinance**



**South Granville Water and Sewer Authority (SGWASA), North Carolina  
Annual Budget Ordinance for Fiscal Year 2026-2027**

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**BE IT ORDAINED by the Board Members of SGWASA, North Carolina**

**Section 1:**

It is estimated that the following revenues will be available in the Water and Sewer Fund for the fiscal period beginning July 1, 2026 and ending June 30, 2027.

In comparison to the approved FY 25-26 Budget, the FY 26-27 water sales and sewer use charges were estimated using a revenue increase of \$150,000 for water, a revenue increase of \$200,000 for sewer, and \$75,900 for capital.

**REVENUES:**

Water Revenues	\$6,650,000
Wastewater Revenues	\$9,750,000
Non-billing revenue	\$614,500
Interest Income	\$650,000
 Transfer from Fund Balance-Appropriate	 \$221,511
 <b>Total revenues &amp; other financing sources</b>	 <u>\$17,886,011</u>

The following amounts are hereby appropriated in the Water and Sewer Enterprise Fund for the fiscal period beginning July 1, 2026 and ending June 30, 2027.

**EXPENDITURES:**

	<b><u>Dept:</u></b>	
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
<b>Total Expenditures</b>		<u>\$17,886,011</u>

**Section 2:**

The grand totals of estimated revenues and other financing sources and expenditures and other financing uses for all funds for the fiscal period beginning July 1, 2026 and ending June 30, 2027 are shown below.

**Grand Totals - All Funds:**

Revenues	\$17,886,011
Expenditures	\$17,886,011

**Section 3:**

The Executive Director shall have the authority to reallocate appropriations between line items, except for salary and benefits, within a department up to a maximum of \$10,000. Such re-appropriations must be recorded like other appropriations and reported quarterly at a Board of Directors meeting after the funds are moved.

All transfers must be in accordance with the North Carolina General Statutes. The Executive Director shall not have any authority to appropriate fund balance or to increase total appropriations.

The Finance Director shall establish and maintain all financial records, which are in accordance with this Ordinance, and in accordance with appropriate state statutes of the State of North Carolina.

Upon introduction of the Ordinance by Board member \_\_\_\_\_

and seconded by Board member \_\_\_\_\_

this ordinance is adopted on this the \_\_\_\_th day of \_\_\_\_\_ 2026.

Ayes:

Nays:

\_\_\_\_\_  
**Kenneth McLamb, Board Chair**

ATTEST:

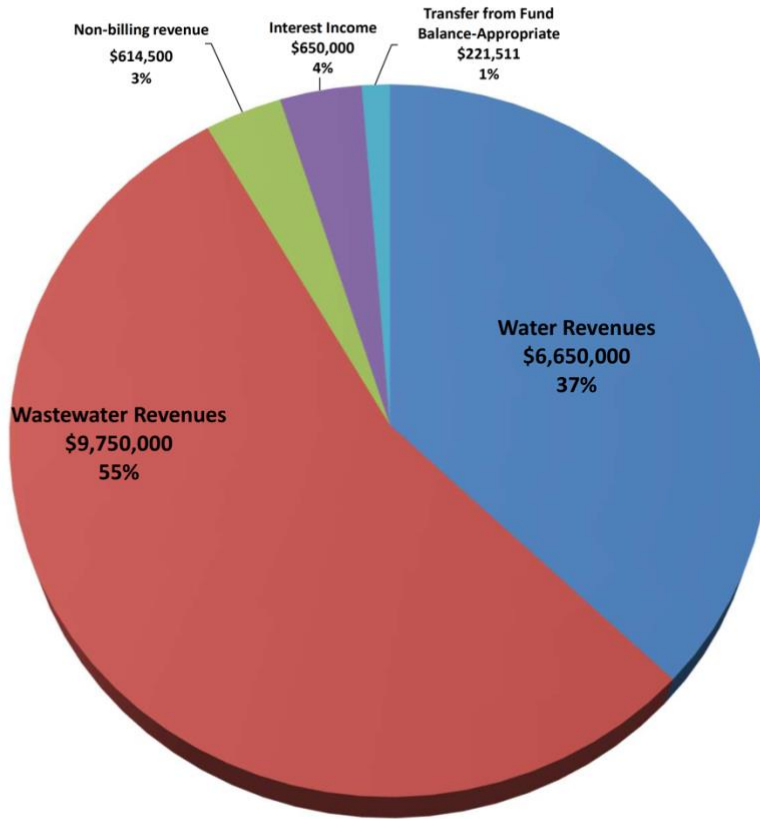
\_\_\_\_\_  
**Krystle Lee, Secretary**



## **Revenue & Expense Charts**

**SOUTH GRANVILLE WATER AND SEWER AUTHORITY  
BUDGET 2026-2027**

**Projected Revenue \$17,886,011**

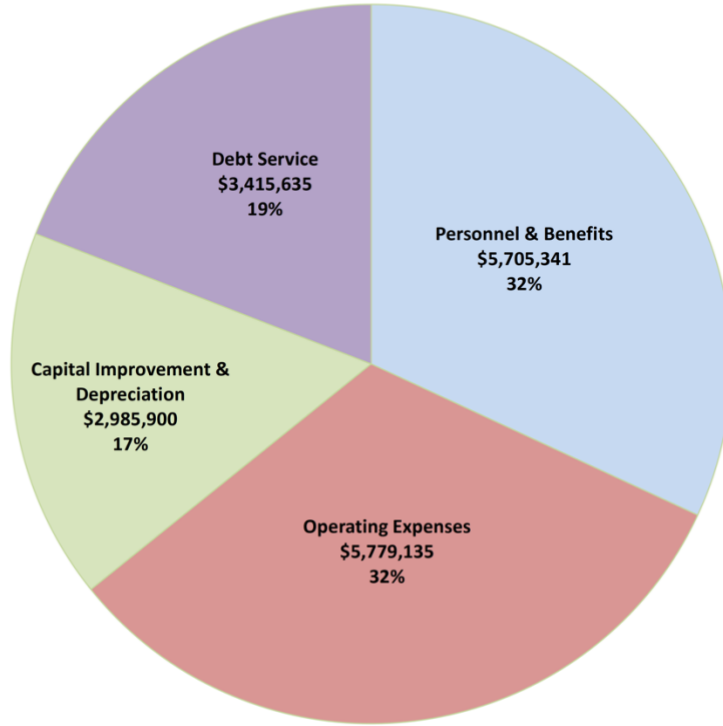


*Non-billing revenue (fees)*

Late Charges	\$ 321,000
Nonpayment	\$ 150,000
Tap fees	\$ 100,000
Svc/Acct fees	\$ 13,500
Cost share	\$ 30,000
<b>Total</b>	<b>\$ 614,500</b>

SOUTH GRANVILLE WATER AND SEWER AUTHORITY  
BUDGET 2026-2027

**Projected Expenses \$17,886,011**





**Repair Projects  
and  
Capital Outlay**

SOUTH GRANVILLE WATER AND SEWER AUTHORITY  
BUDGET 2026-2027

**REPAIRS AND MAINTENANCE (IDENTIFIED)**

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	<b>Budget Acct 3520</b>
<i>7145 Wastewater Treatment Plant</i>	
ASCO Solenoid Valves (3)	\$5,000
Facility Roof Replacements and Repairs on (2) Bldgs	\$30,800
Generator Rehabilitation-Replace Radiator, Gaskets, Seals	<u>\$77,000</u>
	<u>\$112,800</u>
 <i>8000 Pump &amp; Lift Stations, Tanks</i>	
Southerbys Pump Station Rehabilitation	\$31,955
Dutchville Pump Station Rehabilitation	<u>\$31,020</u>
	<u>\$62,975</u>
<b>Grand Totals</b>	<u><u>\$175,775</u></u>

**SOUTH GRANVILLE WATER AND SEWER AUTHORITY  
BUDGET 2026-2027**

**CAPITAL OUTLAY**

	<b>***** BUDGET *****</b>	
	<b><u>Acct 5100</u></b>	<b><u>Acct 5200</u></b>
<i>7118 Engineering</i>		
<b>Replace Project Manager's Laptop</b>	<b>\$2,500</b>	
	<u>\$2,500</u>	<u>\$0</u>
<i>7120 Billing/Collections</i>		
<b>Receipt Printer (2nd of 3 printers)</b>	<b>\$1,500</b>	
	<u>\$1,500</u>	<u>\$0</u>
<i>7139 Waterline Maintenance</i>		
<b>(2) Wanco Automated Flagger Assistance Devices</b>		<b>\$39,000</b>
<b>CAT Hammer B6S Hydraulic Hammer w/Accessories</b>		<b>\$11,700</b>
	<u>\$0</u>	<u>\$50,700</u>
<i>7145 Wastewater Treatment Plant</i>		
<b>Lab Refrigerator Replacement</b>	<b>\$1,200</b>	
<b>Video Surveillance System</b>		<b>\$20,000</b>
	<u>\$1,200</u>	<u>\$20,000</u>
<b>Grand Totals</b>	<b><u>\$5,200</u></b>	<b><u>\$70,700</u></b>



**Schedule of Rates,  
Fees, and Charges**

*Proposed*



South Granville Water and Sewer Authority

# FY26-27 Schedule of Rates, Fees, and Charges

Effective July 1, 2026

## Background and Authorization

In providing essential public water and sewer services to customers in southern Granville County, the South Granville Water and Sewer Authority (SGWASA) incurs substantial operating and capital expenses. As a non-profit public Authority SGWASA has no authority to levy taxes nor does it receive tax revenues from local governments for ongoing operations. SGWASA finances its water sewer and reclaimed water operations and capital improvements almost entirely through customer paid fees and charges.

North Carolina G.S. 162A-9 requires that SGWASA's "rates, fees, and charges shall be fixed and revised so that the revenues of the Authority together with any other available funds will be sufficient at all times" to fund operating and maintenance expenses and to pay the principal and interest on all debt issued or assumed by SGWASA. SGWASA's customers pay for the cost of providing the services and/or facility capacity required to meet customer demand.

The SGWASA Board of Directors has determined that the provisions in this Schedule of Rates Fees and Charges are necessary to adequately sustain SGWASA's utility operations. Revenues generated by these rate adjustments will provide SGWASA with the financial resources necessary to: fund operating costs; maintain existing water sewer and reclaimed water facilities; fully comply with environmental and public health standards; meet debt service requirements; and maintain adequate reserves.

**SOUTH GRANVILLE WATER AND SEWER AUTHORITY**  
**PROPOSED SCHEDULE OF RATES, FEES, AND CHARGES**

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**PROPOSED SCHEDULE OF RATES, FEES, AND CHARGES**

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**SOUTH GRANVILLE WATER AND SEWER AUTHORITY**  
**PROPOSED SCHEDULE OF RATES, FEES, AND CHARGES**

**1. WATER RATES AND FEES**

**1.1. MONTHLY WATER USAGE RATES**

Water usage fees are billed monthly at approximately 30-day intervals. Water usage fees are due upon issuance of the bill. Please refer to the SGWASA website ([www.sgwasa.org](http://www.sgwasa.org)) or your bill to determine delinquent date(s). Monthly water rates consist of two fee components: a monthly base charge, and a volume charge.

**1.2. WATER BASE CHARGE FEES**

This fee recovers certain direct and indirect costs for debt service and capital improvement projects associated with supplying water to the customer's property. The water base charge fee is applicable to all metered water accounts independent of the quantity of water consumed. The monthly base charge fee is based on the water meter size that serves the utility account. SGWASA's water base charge fee includes 0 gallons of water usage.

Monthly water base charge fees for compound water meter installations are calculated based on the largest meter in the compound water meter grouping.

(NOTE: In accordance with state law all new in-ground irrigation systems installed on lots platted and recorded in the office of the register of deeds in the county or counties in which the real property is located after July 1, 2009 and supplied by a public drinking water system are required to have a separate meter to measure the volume of water used through the irrigation system. SGWASA also requires a cross-connection device to be installed with the in-ground irrigation system(s).

*Table 1 Water Meter-Related Base Charges*

WATER METER SIZE - Inches	BASE RATE - \$/month
3/4	\$15.91
1	\$39.77
1-1/2	\$79.55
2	\$127.28
3	\$238.64
4	\$397.74
6	\$795.47
8	\$1,272.75
10	\$1,829.58
12	\$2,465.96

**1.3. WATER VOLUME CHARGE FEES**

This fee recovers the remaining direct and indirect costs associated to water supply, treatment, water distribution, general administration, and capital improvement project costs that are not recovered by the monthly water base charge fee. This fee is applicable to all water accounts based on meter readings of water consumed. Metered monthly consumption will be billed at the approved volume rate reflected below. When no meter reading is available due to an inoperative, damaged, or inaccessible meter, consumption will be estimated based on 12

**SOUTH GRANVILLE WATER AND SEWER AUTHORITY**  
**PROPOSED SCHEDULE OF RATES, FEES, AND CHARGES**

months prior usage for the customer and/or at the location. When a 12-month usage history is not available for a residential customer, consumption will be estimated based on the number of people occupying the residence. The water volume charge fees are divided into two classes: residential and non-residential. The tiered water volume usage structure applies to residential customers. Non-residential customers pay a single volume charge for all water usage (non-tiered structure).

*Table 2. Water Volume Charge Fees*

Item	Fee \$
Volume Charge per thousand gallons or portion thereof.	
Residential Tier 1: 0 – 4000 gallons	\$ 8.38
Residential Tier 2: Above 4000 gallons	\$12.57
Non-Residential	\$ 9.13

**1.4. MULTI-FAMILY MASTER-METERED RESIDENTIAL ACCOUNTS**

Multi-family master-metered residential accounts have one or more SGWASA meter(s) that serve more than one residential dwelling. Examples include apartment complexes, duplexes, and condominiums. Metered monthly consumption is billed using the Residential Tier volume rate as specified in the Water Volume Charge Fee section.

**1.5. WATER IRRIGATION ONLY METER SERVICE CHARGE**

This fee is to recover certain direct and indirect costs for debt service and capital improvement projects associated with supplying water to the customer's property. Irrigation-only meter accounts are subject to a monthly base charge fee and a water volume charge fee. The base charge fee is applicable to all metered water accounts independent of the monthly quantity of water consumed. Metered monthly water consumption will be billed using a volume rate as specified in the Water Volume Charge Fee section.

**1.6. TEMPORARY HYDRANT METER CHARGES AND FEES**

Subject to availability, a utility customer may obtain a temporary hydrant meter from SGWASA for up to 90 days. To use the temporary hydrant meter beyond 90 days, the customer must submit a written request to use the hydrant meter beyond the 90-day period. Granting said request will be subject to hydrant meter availability. Water service via a hydrant meter is subject to interruption when the hydrant is needed for fire protection compliance, with water conservation compliance, and any other applicable laws.

A service charge payable in advance shall be collected for setting, reading, and removing the hydrant meter. The hydrant meter shall remain installed at the site approved and installed by SGWASA staff and shall not be removed by the customer at any time without express written permission from SGWASA's Executive Director or designee. The hydrant meter(s) shall remain onsite and be accessible to SGWASA for monthly meter readings. Removing the meter without permission shall result in the account being closed and denial of future requests for a hydrant meter.

**SOUTH GRANVILLE WATER AND SEWER AUTHORITY**  
**PROPOSED SCHEDULE OF RATES, FEES, AND CHARGES**

*Table 3 Temporary Hydrant Meter Charges and Fees*

Item	Fee \$
Service Initiation Fee:	\$15
Temporary Hydrant Meter Security Deposit:	\$3,500
Hydrant Meter Installation & Removal Fee:	\$200
Monthly Base Charge Based on Hydrant Meter Size:	(See Water Base Charge section of this document).

Monthly billings for temporary hydrant meters consist of two charges: (1) a base charge related to the size of the hydrant meter, and (2) the volume charge including surcharges where applicable based on monthly readings of the meter. When the hydrant meter is returned, the security deposit shall be applied to the final bill and any damages to the meter will be subtracted from the deposit. The Customer is responsible for paying SGWASA for damages that exceed the amount of the Security Deposit. Any credit balance will be refunded within sixty (60) days of the account being closed.

**1.7 BULK WATER SALE FEES**

The purpose of this fee is to recover the labor and administrative costs associated with the supply of bulk quantities of water to tank trucks or trailers from a metering point on SGWASA’s premises. The following fees are applicable to all tank or bulk water sales:

*Table 4. Bulk Water Sale Fees*

Item	Fee \$
Administrative Charge	\$50
Volume Charge per thousand gallons or portion thereof	2x the non-residential water volume rate

Bulk sales are subject to administrative regulations and controls for protection of the water system and efficient operation. Water tank trucks or trailers are only authorized to withdraw water from locations approved by SGWASA and for which adequate usage monitoring measures are provided. Charges for bulk sales are not subject to seasonal adjustments.

SGWASA offers the following two options to customers for bulk water purchases:

1. **Ongoing or Repetitive Purchases:** Customers who anticipate ongoing or repetitive purchases of bulk water may establish an account. Procedures for establishing a customer account are the same as a normal water and sewer account requiring a Service Application, any applicable fees, and a security deposit as outlined in other sections. This option allows customers to establish an account and only be billed during periods when they purchase water. Customers schedule loading bulk water at the SGWASA Water Treatment Facility where they must provide customer verification information. A SGWASA employee will verify that the license plate number of the tanker truck matches SGWASA’s customer billing records to obtain bulk water. Customers with monthly bulk water transactions will be billed a monthly administrative fee and a bulk water volume charge as specified above.
2. **Occasional or Random Purchases:** Customers who anticipate only occasional or random bulk purchases may prefer a pay as you go method. This option allows customers to come to the administrative customer service lobby and prepay for a specific number of gallons at the volume rate specified above in Table 4. The customer is provided with a receipt which must be presented at the SGWASA Water Treatment Facility each time water is loaded. If the customer loses the

**SOUTH GRANVILLE WATER AND SEWER AUTHORITY**  
**PROPOSED SCHEDULE OF RATES, FEES, AND CHARGES**

receipt prior to loading all the water purchased, no subsequent receipt will be issued and the customer defaults on the purchase. Minimum Volume Per Purchase = 3,000 gallons. Customers must haul all the water purchased within (30) thirty days of the purchase receipt or the customer forfeits any remaining unhailed gallons.

**2. SEWER RATES AND FEES**

**2.1. MONTHLY SEWER USAGE RATES**

This fee is applicable to all accounts receiving sewer service (or sewer service availability where applicable) based on the water meter reading, sewer meter reading if applicable, or estimated volume of discharge as determined by SGWASA. Sewer usage fees are due upon issuance of the bill. Please refer to the SGWASA website or your bill to determine delinquent date(s). Monthly sewer rate fees consist of two components: a monthly base charge, and a volume charge.

**2.2. SEWER BASE CHARGE FEES**

This fee is calculated to recover certain direct and indirect costs for debt service and capital improvement projects associated with supplying sewer service to the customer's property. Applicable to all sewer accounts regardless of whether there is a volume charge, the monthly base charge fee is based on the water meter size serving the account. SGWASA's Base Charge Fee includes 0 gallons of usage.

The monthly Sewer Base Charge fee shall apply to all meter(s) used to directly or indirectly measure the volume of wastewater discharged from a customer's premises regardless of whether the water source to the customer is from SGWASA's drinking water and/or reclaimed water system, or a non-SGWASA water source, including but not limited to harvested rainwater or groundwater.

*Table 5. Sewer Base Charge Fees*

WATER METER SIZE - Inches	BASE RATE - \$/month
3/4	\$29.94
1	\$74.86
1-1/2	\$149.72
2	\$239.55
3	\$449.15
4	\$748.59
6	\$1,497.17
8	\$2,395.48
10	\$3,443.50
12	\$4,641.24

**SOUTH GRANVILLE WATER AND SEWER AUTHORITY**  
**PROPOSED SCHEDULE OF RATES, FEES, AND CHARGES**

**2.3. SEWER VOLUME CHARGE FEES**

This fee is calculated to recover certain direct and indirect costs of remaining direct and indirect costs of wastewater treatment and collection, maintenance inspection, customer service and administration, and sewer capital improvement costs not recovered by the monthly Sewer Base Charge. This fee is applicable to all accounts receiving sewer service based on the water meter reading, sewer meter reading if applicable, or estimated volume of discharge as determined by SGWASA. Metered monthly usage charges will be billed at the approved volume rate reflected below.

When no water meter reading is available due to an inoperative, damaged, or inaccessible meter, consumption will be estimated based on 12 months prior usage for the customer and/or at the location. When a 12-month usage history is not available for a residential customer, consumption will be estimated based on the number of people occupying the residence.

*Table 6. Sewer Volume Charge*

Item	Fee \$
Charge per 1,000 gallons or portion thereof	\$14.45

**2.4. MONTHLY RATES FOR SEWER-ONLY ACCOUNTS**

For sewer-only accounts where there is no SGWASA sewer meter to directly measure the volume of wastewater discharged by the customer, the monthly sewer service and volume charges shall be the base fee only, based on the water meter size\* as reflected in the previous section. No usage shall be billed.

*\*Water provided by other water suppliers, etc.*

For sewer-only accounts where there is a SGWASA meter for directly measuring the volume of wastewater discharged by the customer, the monthly Sewer Base Charge fee and Sewer Volume Charge fee shall apply as a standard metered customer unless a specific Contract exists and shall be the **total** of all items below:

- (1) A monthly service charge shall be determined by the meter size as provided in the Sewer Base Charge Fee section.
- (2) A sewer volume charge per 1,000 gallons based on usage from meter readings as defined in the Sewer Volume Charge Fee section.

For special commercial, industrial, and institutional customer classifications where the proportion of water consumed to wastewater discharged is extremely large, a metered sewer account may be approved. Metered sewer accounts must also pay the appropriate monthly sewer base charge based on the sewer meter size.

**3. SERVICE INITIATION FEES AND SECURITY DEPOSITS**

**3.1. SERVICE INITIATION FEES**

The purpose of this fee is to recover the labor and administrative costs associated with the establishment of a water and/or sewer account. This includes establishing service and account records for billing and is applicable to all accounts. This fee must be paid at the time the Application for Service is submitted.

**SOUTH GRANVILLE WATER AND SEWER AUTHORITY**  
**PROPOSED SCHEDULE OF RATES, FEES, AND CHARGES**

Table 7. Service Initiation Fee

Item	Fee \$
Service Initiation Fee	\$15

**3.2. EXISTING SERVICE TRANSFER FEES**

The purpose of this fee is to recover the labor and administrative costs associated with transferring a customer’s service account from one SGWASA service address to another SGWASA service address. This includes transferring the account records for billing and obtaining meter readings at both service addresses to end billing at the previous address and begin billing for the new address. This fee must be paid at the time the *Application for Service Transfer* is submitted.

To transfer services to another service address, the customer must pay all outstanding balances on the existing account. If a security deposit exists on the existing account, the security deposit will automatically stay with the customer’s account at the new service address, thus eliminating the need for an additional security deposit.

SGWASA may temporarily withhold service from a customer, refuse to transfer services for a customer, or refuse service to a customer when such a customer (including but not limited to individuals, corporations, or partnerships), owes SGWASA any past due balance.

Table 8. Service Transfer Fee

Item	Fee \$
Existing Service Transfer Fee	\$25

**3.3. SECURITY DEPOSITS**

The purpose of the security deposit is to minimize bad debt, thereby reducing the overall impact of uncollected revenue to the customer base. SGWASA requires security deposits from customers to ensure payment of the final bill(s). To offset administrative costs in handling these monies, no interest is paid on security deposits.

Security deposits are required on all accounts. All security deposits must be paid at the time application for service is made and in advance of service initiation. Security deposits will be applied to the final bill when a customer’s account is terminated with any remaining balance refunded to the customer. For non-residential customers or meters larger than ¾”, security deposits will be computed as the greater of:

- (1) The monthly combined (water and sewer) base fee,
- or
- (2) The standard account deposit as outlined below.

Table 9. Security Deposits

Security Deposit Item	Fee \$
Residential/Commercial ¾” meters, bulk water accounts.	\$150
Residential when social security number is not provided nor verified.	\$300
Hydrant or Temporary Construction Meters.	\$3,500

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SGWASA **requests** a social security number of each customer with application for service except for accounts being initiated for a governmental institution, corporation, or similar entity where collection against an individual is not allowable. If the social security number is provided, it will be used for identity verification to assist the customer and for debt collection purposes if the customer closes an account and fails to pay the balance due on the account. SGWASA utilizes the NC Debt Setoff Program to seek collection of unpaid balances. If an applicant prefers to not provide a social security number to establish service, the required deposit amount is increased to minimize the risk potential for bad debt.

Any residential customer whose service has been disconnected for non-payment of billed charges twice within a six-month period and for whom SGWASA does not have a security deposit on record will be required to pay a security deposit prior to reconnection of service.

Any residential customer whose service has been disconnected for non-payment of billed charges twice within a six-month period may require additional security deposits until the customer has accumulated a security deposit balance, which will cover an average of three months' billing charges.

**3.4. PROPERTY MANAGER AND LANDLORD STATUS: DEPOSITS/RETAINERS**

The purpose of the security deposit is to minimize bad debt, thereby reducing the overall impact of uncollected revenue to the customer base. SGWASA requires security deposits from customers to ensure payment of the final bill(s). To offset administrative costs in handling these monies, no interest is paid on security deposits.

Security deposits shall be required on all accounts. A designation of "Property Manager" permits landlords and/or property managers that own or manage multiple properties to pay a single deposit that covers multiple service addresses. This expedites the processing of Applications for Service (establishing service or disconnecting service). Qualifying property managers may apply for Property Manager designation with SGWASA by completing a specialized Application for Service and including a list of all properties owned and/or managed in the SGWASA service area. If approved, the security deposit must be paid. Security deposits will be applied to the final bill(s) and unpaid balances if landlord status is terminated with any remaining balance refunded to the customer. Property Manager status may be terminated by SGWASA or at the request of the Property Manager at any time.

*Table 10 Property Manager Deposit/Retainer*

Number of Properties	Fee \$
10 - 50	\$500
51 – 100	\$1,000
101 – 200	\$1,500

Additional Guidelines:

1. For purposes of this Policy, a Property Manager is defined as a landlord or property manager.
2. The Property Manager must own or manage 10 or more residential properties within the SGWASA service area and complete a Special Application for Service listing all properties serviced.
3. The Property Manager must pay the amounts billed on a timely basis. If any account in the Property Manager's name goes into nonpayment or cutoff status, Property Manager status designation may be revoked by SGWASA permanently.

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4. Property Managers and Landlords are charged the "Service Initiation Fee" each time they open, reopen, or change an account in their name.
5. The Property Manager is limited to 1 connection/disconnection for a specific service address in any given billing cycle.
6. During a billing cycle, the minimum bill for a service address will be the SGWASA "base fee" even in instances where service is established for a short period of time. Billing rates for base and usage (volume) are established in Water Charges and Sewer Charges sections
7. Abuse or misuse by the Property Manager may result in the status being revoked by SGWASA. SGWASA may refuse to grant or continue this status at any time.
8. Designated Property Managers may initiate or cancel service at a specific service address via fax or email by submitting the appropriate form(s) signed by an authorized person as specified on the original Property Manager Application.
9. When initiating or closing services at a service address, the Property Manager must specify a "connection" and/or "disconnection" date on the Application, or the form is invalid. No variable dates or criteria are acceptable. The Property Manager should not apply for connection or disconnection until dates are known and can be definitively reflected on the Application form.
10. If the Property Manager provides proper documentation and the service is established accordingly, the account becomes billable even if subsequently closed for any reason.
11. If services are disconnected accordingly, the account cannot be reopened until the billing cycle is complete even if subsequently requested by the Property Manager.
12. If the Property Manager provides incorrect data, including dates, and the work order is completed (work completed), SGWASA may refuse to reverse the action or may impose a fee as allowable within this document. This includes establishing or disconnecting service based on dates provided on the Application for Service that change due to circumstances outside of SGWASA's control.

**3.5. TRANSFER OF CHARGES**

Any unpaid balance from past due charges for water and/or sewer services and/or fees of terminated accounts or Charges for Miscellaneous Services will be transferred to any available active account(s) through which the customer is receiving services. The payment status of the active account through which the customer is receiving service will be determined by the payment status of transferred accounts.

SGWASA may temporarily withhold service from a customer or refuse service to a customer when such a customer (including but not limited to individuals, corporations, or partnerships), owes SGWASA any past due balance.

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**4. SCHEDULE OF SERVICE CHARGES AND FEES**

**4.1. LATE PAYMENT FEES**

The purpose of this fee is to encourage customers to make timely payments, thereby reducing the overall cost of a delinquent account to the customer base. The late payment fee is applied when a customer's account is delinquent.

Payment is due upon issuance of the bill and generally become delinquent on the 5<sup>th</sup> day of the month following the month in which the bill is dated. If the 5<sup>th</sup> falls on a weekend or holiday, the bill becomes delinquent the next business day. Utility bills become delinquent at 5:00 pm on the delinquency date (*not 12:00 midnight*). Delinquency dates are printed on the back of each SGWASA bill and included on the SGWASA website.

*Table 11 - Late Payment Fee Schedule*

Item	Fee \$
Late payment fee on past due balances of more than <del>\$1015.00</del>	1.5%; minimum <del>\$1015</del>

**4.2. NON-PAYMENT FEES FOR DELINQUENT ACCOUNTS**

The purpose of this fee is to offset the costs of special handling of delinquent accounts, which may include, but is not limited to, the disconnection and reconnection of service due to nonpayment of the customer's bill. This charge applies to all accounts scheduled for disconnection for nonpayment and is applicable on or after the specified non-payment date, regardless of whether service was disconnected or not.

Payment is due upon receipt of the bill and generally is deemed to be in non-payment status and eligible for disconnection on the 12<sup>th</sup> day of the month following the month in which the bill became delinquent. If the 12<sup>th</sup> falls on a weekend or holiday, the bill becomes delinquent the next business day. Bills are deemed to be in non-payment status at 5:00 pm on non-payment date (*not 12:00 midnight*). Non-payment dates are printed on the back of each SGWASA bill and included on the SGWASA website. A Non-Payment Fee will be applied to the customer's account when the account is deemed to be in non-payment status.

Reconnection resulting from disconnection due to nonpayment will be made within 24 hours of receipt of full payment of the balance due plus the delinquency charge and applicable security deposit.

*Table 12 - Non-Payment Reconnection Fees*

Non-Payment Fee Item	Fee \$
<del>Non-Payment and/or</del> Reconnection (during SGWASA's normal business hours) resulting from <del>disconnection due to</del> nonpayment	<del>\$75-100</del> per event

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**4.3. RETURNED CHECK CHARGE/REJECTED DRAFT CHARGE**

The purpose of this fee is to recover the labor and administrative costs associated with the handling of a returned check, bank draft, and credit/debit card chargeback and applicable bank charges that SGWASA may incur due to the transaction(s). Checks, automatic bank drafts, and credit/debit card payments made payable to SGWASA are accepted as payment on accounts subject to collection. When a payment is not honored for payment by the bank or other institution on which it is drawn, the applicable Fee will be applied to the customer's account.

*Table 13 - Returned Check/Rejected Draft Fees*

Item	Fee \$
Returned Check Fee	\$35
Dishonored Draft Fee	\$35
Credit/Debit Card Chargeback Fee	\$35

The customer will be notified of the returned check, dishonored draft, or chargeback charge and instructed to pay the amount due and applicable fees immediately. Failure to respond within the time specified will result in disconnection of services and will incur an additional charge for reconnection. The customer may also be required to pay a security deposit or an additional security deposit.

**4.4. MONTHLY TECHNOLOGY FEES**

Reserved for future consideration/use.

**4.5. METER REMOVAL/REINSTALLATION FEES OR TAMPERING FEES**

The purpose of this fee is to recover the labor and administrative costs associated with locking, removing, or reinstalling a meter due to suspected meter tampering or other similar circumstances requiring SGWASA to temporarily remove and reinstall a meter. When a customer closes an account or services are disconnected due to non-payment of an unpaid bill or balance, SGWASA will lock the meter to prevent further water use. If upon subsequent inspection, it appears that the lock has been removed or tampered with, SGWASA staff will remove the meter. To reestablish services, the customer must pay the Meter Reinstallation Charge and any applicable past due balances. If the customer has moved or refuses to pay all past due balances and/or fees, and the landlord or property owner wishes to re-establish service, the landlord must pay the Meter Reinstallation Charge. After the appropriate payment has been received, SGWASA staff will reinstall the meter.

*Table 14 - Meter Removal/Reinstallation/Tampering Fee*

Item	Fee \$
Meter Reinstallation Fee or Tampering Fee	\$250

**4.6. METER REREAD FEES**

The purpose of this fee is to recover the labor and administrative costs associated with providing the customer with a requested meter reading. Upon a customer's written request, SGWASA will conduct a special re-read of the customer's water meter. This fee will be assessed at the time the special reading is performed. There will be no charge for this service if SGWASA staff determine that the meter is malfunctioning or was previously misread resulting in a billing error.

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Table 15 - Meter Re-Read Fee

Item	Fee \$
Meter Re-read Fee <i>(waived if the meter is determined to be defective)</i>	\$25

**4.7. METER REPORT FEES**

The purpose of this fee is to recover the labor and administrative costs associated with providing the customer with a meter usage report (referred to as a Data Logger Report). Upon receipt of the customer’s written request and confirmation by SGWASA staff that the customer’s meter is equipped with technology capable of producing this report, SGWASA will assess this fee to the customer’s account and make the report available to the customer. **This report may not be available for all meter types.** There will be no charge for this service if SGWASA staff determine that the meter is malfunctioning or was previously misread resulting in a billing error. A customer can request one water meter report per calendar year without a charge; however subsequent reports within the calendar year will incur a fee for each report, as shown in the table below..

Table 16 - Meter Report Fee

Item	Fee \$
Meter Report Fee <i>(waived if the meter is determined to be defective by SGWASA)</i>	\$25

**4.8. MULTIPLE TRIP FEES**

The purpose of this fee is to recover the labor and administrative costs associated with multiple trips to a customer’s service address to establish service, terminate service, resolve a customer service complaint, or similar circumstances when multiple trips to the service address is required to accomplish the task because of customer error or because the customer was unavailable onsite. The Multiple Trip Fee will be applied to the customer’s account before returning to the customer’s service address to complete the requested task for a subsequent trip.

Table 17 - Multiple Trip Fee

Item	Fee \$
Multiple Trip Fee	\$25

Examples of when this fee will be charged (but not limited to these examples):

- When establishing service (new, transfer), SGWASA recommends the customer be present at the service address when SGWASA is onsite to establish service. SGWASA attempts to schedule a convenient time window that will accommodate the customer being onsite; however sometimes this is not possible. When the customer cannot be onsite, an apparent leak or fixture left on within the property may result in SGWASA being unable to establish service and leave the water meter on. A subsequent trip to complete the service request becomes necessary.
- A Customer requests to begin service or disconnect service on a specified date. SGWASA staff performs the services on the specified date as requested. Subsequently the customer requests to change the date of the service initiation or disconnection. SGWASA staff returns to the service address to re-establish services or reverse the previous service action.

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**4.9. CUSTOMER-REQUESTED TEMPORARY DISCONNECTION & RECONNECTION FEES**

SGWASA customers may request to have their service temporarily disconnected and subsequently reconnected. In emergency conditions, there will be no charge to the customer for this service; however, for requests to temporarily disconnect and subsequently reconnect service in any situation other than an emergency, the fee will apply.

The purpose of this charge is to recover the cost to temporarily disconnect and subsequently reconnect the water service at the request of a customer. **Honoring a customer's request for temporary disconnection and/or reconnection is at the sole discretion of SGWASA.** Temporary disconnections cannot exceed 30 days without SGWASA's prior written approval. Temporary disconnections are designed for circumstances to allow for plumbing repairs or maintenance or similar circumstances. During temporary disconnection periods, billing continues and is not suspended. This option is not available for temporary situations such as vacations, hospital stays, or other similar circumstances.

*Table 18 - Customer-Requested Temporary Disconnection/Reconnection Fee*

Item	Fee \$
Customer-Requested Temporary Disconnection/Reconnection Fee (during SGWASA's normal business hours).	\$75 per event

**4.10. POOL ADJUSTMENT FEES**

The purpose of this fee is to recover the labor and administrative costs associated with providing the courtesy of a credit adjustment to the sewer billing for a customer who wishes to fill a swimming pool. Although there is no obligation for SGWASA to adjust accounts when the water has been metered properly, it is SGWASA's desire to assist customers with a potential adjustment where metered water did not return to the sewer system due to a pool filling. Pool filling adjustments are only available for pools that are 7,500 gallons or larger.

The Pool Adjustment Fee may be greater than the adjustment available; therefore, the customer should carefully review the Fee and any potential adjustment prior to requesting the adjustment. Customer Service Representatives are available to assist customers with this process. Upon a customer's written request, SGWASA will conduct meter readings before pool filling begins and after it ends (must be within the period specified by SGWASA) for calculating the potential sewer billing adjustment. Once the Work Order is generated and the beginning reading has been obtained by SGWASA staff, the fee will be assessed to the customer's account. The fee will not be reversed or waived once the process has been initiated and administrative costs have been incurred.

*Table 19 - Pool Adjustment Fee*

Item	Fee \$
Pool Adjustment Fee	\$75

Additional Guidelines:

1. The customer must provide SGWASA with a completed Pool Fill Adjustment Request at least 5 business days prior to filling the pool to allow readings to be scheduled.
2. The adjustment shall be calculated using meter readings obtained by SGWASA staff prior to beginning the pool filling and after it has been completed (not greater than 3 days as outlined

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on the Pool Filling Request form). This usage is calculated, divided by 1000, and multiplied by the wastewater volume charge.

3. The adjustment must be reasonable in comparison to any prior year adjustments and based on pool size information provided by the customer.
4. No adjustment shall be made for an amount that exceeds the sewer charge more than the base charge for the period in which the pool was filled. Adjustments shall be limited to \$1000 for single-family individually metered residential locations. The billing period adjustment shall be limited to one (1) billing month and 1 adjustment per calendar year.

**5. SYSTEM DEVELOPMENT FEES**

**5.1. WATER SYSTEM DEVELOPMENT FEES**

Water system development fees are calculated to recover a portion of the capital costs of providing water system facility capacity. The system development fee is applicable to each new connection to a water main regardless of who may have paid for the installation of the water main to which the connection is to be made. The water system development fee is calculated based on the size of the installed water meter(s). A system development fee must be paid for all installed meters (domestic, irrigation and fire protection meters). The System Development Fee amount will be provided to the applicant during the plan review process.

If an existing water meter is removed from service and/or is replaced with a smaller meter SGWASA will not issue any credit or refund to the customer for any previously paid system development fees.

**System Development Fee Per 1 ERU (\$/ERU): Water = \$1,800.00**

- Paid Per Equivalent Residential Unit (ERU)
- The ERU will be determined for meters larger than 12"
- The same fee applies to irrigation-only accounts.

**Water System Development Fees and associated meter sizes are shown below:**

*Table 20 - Water System Development Fees*

Meter Size in Inches	ERU's	Fee \$
3/4	1	\$1,800
1	2.5	\$4,500
1.5	5	\$9,000
2	8	\$14,400
3	15	\$27,000
4	25	\$45,000
6	50	\$90,000
8	80	\$144,000
10	115	\$207,000
12	155	\$279,000

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**5.2. SEWER SYSTEM DEVELOPMENT FEES**

Sewer system development fees are calculated to recover a portion of the capital costs of providing sewer system facility capacity. The system development fee is applicable to each new connection to a water main regardless of who may have paid for the installation of the water main to which the connection is to be made. The sewer system development fee is calculated based on the size of the installed domestic water meter(s). No sewer system development fee will be required for irrigation meters. Sewer System Development Fees and associated meter sizes are shown below.

The System Development Fee amount will be provided to the applicant during the plan review process.

If an existing water or sewer meter upon which consumption is based is removed from service and/or is replaced with a smaller meter SGWASA will not issue any credit or refund to the customer for any previously paid system development fees.

**System Development Fee Per 1 ERU (\$/ERU): Sewer = \$4,574.00**

- Paid Per Equivalent Residential Unit (ERU)
- The ERU will be determined for meters larger than 12"

**Sewer System Development Fees and associated meter sizes are shown below:**

*Table 21 – Sewer System Development Fees*

Meter Size in Inches	ERU's	Fee \$
3/4	1	\$4,574
1	2.5	\$11,435
1.5	5	\$22,870
2	8	\$36,592
3	15	\$68,610
4	25	\$114,350
6	50	\$228,700
8	80	\$365,920
10	115	\$526,010
12	155	\$708,970

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**6. SCHEDULE OF TAP CHARGES AND FEES**

**6.1. WATER SERVICE AND METER INSTALLATION FEES**

This fee is to recover costs of extending service from the SGWASA distribution system to individual properties and includes the installation of a service connection from the water main to the meter and the setting of the meter to serve the customer's premises subject to satisfactory easement being provided by the applicant. Where a suitable SGWASA connection for service has been made and is available, the "meter-only" charge shall apply. Customer requested meter/water service relocations require SGWASA to provide a quote for time and materials. Complete new and/or additional water service installation and meter-only charges are as follows:

*Table 22 - Water Service & Meter Installation Fees*

Service Description	Fee \$
Complete Water Service Installation – Maximum depth of service line = 8 feet. , including the ("3/4" Meter and meter box) – See Notes below.	\$5,200
Complete Water Service Installation – Maximum depth of service line > 8 feet: May require contractor installation and the cost will be determined and paid by the customer.	TBD
3/4" Water Meter Only Installation – See Notes below.	\$365
1" Water Meter Only Installation– See Notes below.	\$500
1-1/2" Water Meter Only Installation– See Notes below.	\$1,050
3/4" Water Meter and Box Installation– See Notes below.	\$900
1" Water Meter and Box Installation– See Notes below.	\$1,050

**Notes:**

1. Water Meter Only Installations require that the water service tap, meter box and setter be installed by a contractor and inspected by SGWASA.
2. Water Meter Only installations of meters 2" and larger will be quoted by SGWASA staff at the request of the customer.
3. Based on location of main, additional cost for traffic control may be charged to applicant.
4. Meter and Box Installation will be used in scenarios such as a commercial building adding meters to serve additional tenants.
5. In some cases, such as water mains with excessive depths (greater than 8 feet), SGWASA may not be able to perform the water service tap. When a contractor is used, the applicant will pay the actual cost plus the water main tap inspection fee and any incidental fees.

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**6.2. WATER MAIN TAP INSPECTION FEES**

This fee is required when a water service tap is installed by a contractor on a project that is not already being charged for Construction Observation Fees. This inspection fee shall be paid in advance of the tapping of the main and a 48-hour advance notice to SGWASA of the tap shall be required so it can be inspected at the time of the installation.

*Table 23- Water Main Tap Inspection Fees*

Item	Fee \$
Water Tap Inspection Fee per each tap connection.	\$60

Note: Water Main Tap Inspection Fees for Residential or Commercial Development Projects are to be included in the Construction Observation Fees.

**6.3. SEWER SERVICE INSTALLATION FEES**

This fee is to recover costs of connecting service to the SGWASA sanitary sewer collection system from individual properties and includes the installation of a service connection from the sewer main to a clean out to be located at the subject property line or satisfactory easement. Sewer service installation charges are as follows:

*Table 24 - Sewer Service Installation Fees*

Item	Fee \$
Complete Sewer Service Installation – Maximum depth of service line = 8 feet.	\$5,200
Complete Sewer Service Installation – Maximum depth greater than 8 feet and/or connecting to an existing sewer manhole.	See Note Below

Note:

1. Sewer service connections greater than 8 feet deep or that require tying to a manhole will be performed by a contractor with the applicant paying for the actual cost plus the sewer main tap inspection fee, and any incidental fees.

**6.4. SEWER MAIN TAP INSPECTION FEES**

This charge is required when a sanitary sewer service tap is installed by a contractor on a project that is not already being charged for Construction Observation Fees. This inspection fee shall be paid in advance of the tapping of the main and a 48-hour advance notice to SGWASA of the tap shall be required so it can be inspected at the time of the installation.

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*Table 25 - Sewer Main Tap Inspection Fees*

Item	Fee \$
Sewer Tap Inspection Fee per each tap connection.	\$60

Note: Sewer Main Tap Fees for Residential or Commercial Development Projects are to be included in the Construction Observation Fees.

**6.5 WATER AND SEWER TAP INCIDENTAL FEES**

Some water and sewer taps may require labor, materials, or equipment beyond what is assumed with the standard installation fees. SGWASA reserves the right to charge additional fees as required for non-typical service taps to the customer. All fees will be provided upfront to the customer on a Fee Summary Sheet prior to any work being performed.

An example of the work associated to incidental fees includes the following:

1. **Traffic Control:** Water or sewer taps located within NCDOT, or municipal rights-of-way may require a temporary lane closure. In most cases, a traffic control subcontractor will be hired by SGWASA to perform the required closure.
2. **Utility Potholing:** In many road shoulders, underground utilities are present and result in potential conflicts when performing water or sewer taps. A subcontractor may be hired by SGWASA to use a vacuum truck to determine the depths of any underground utilities.
3. **Asphalt/Concrete Repair:** Some water or sewer taps may require additional removal and replacement of asphalt pavement, concrete curb and gutter, and concrete sidewalk, which are outside of the scope assumed within the standard installation fees.

The list above does not include all possible incidental fees that can be associated with the installation of water and sewer taps. SGWASA reserves the right to charge additional fees as required for non-typical service taps. However, all fees will be provided upfront on a Fee Summary Sheet and provided to the customer prior to any work being performed.

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**7. SCHEDULE OF ENGINEERING CHARGES AND FEES**

**7.1. UTILITY SERVICE AVAILABILITY REVIEW FEES**

This fee is to recover costs associated with a review of utility availability requests. This fee includes a review of utility service availability, coordination with the applicant and municipality, presentation to SGWASA Board of Directors (if required) and providing approval/disapproval notification to the applicant. Fees are as follows:

*Table 26 - Utility Service Availability Fees*

<b>Utility Availability Request Type</b>	<b>Fee \$</b>
Single Family Residential and Commercial Construction (less than 400 gallons per day)	\$250
Residential Development /Commercial/Industrial Development (greater than 400 gallons per day)	\$500

**7.2. PLAN REVIEW FEES**

This fee recovers the operating cost associated with reviewing construction plans for all types of development that require connection to the SGWASA water distribution and/or sanitary sewer collection systems. The plan review fee is applicable to all projects that include extensions of the public water or sewer systems, requires a Zoning/Development Permit through any municipality (Town of Butner, City of Creedmoor, Town of Stem, or Granville County), or the installation of backflow prevention and/or a grease interceptor.

The plan review fee includes a pre-submittal conference, coordination with applicant, consulting engineer and municipality and up to three plan reviews (original submittal plus two resubmittals). Projects requiring more than three reviews will be subject to additional plan review fees. SGWASA will calculate all plan review fees and the construction observation fees associated with the project when the draft project plans are submitted to SGWASA. Plan reviews are performed by a combination of SGWASA staff and outside consultants. All Plan Review Fees shall be paid in full before the construction drawings are reviewed and approved.

**7.3. WATER AND/OR SEWER MODELING FEES**

This fee covers SGWASA consultant services as required to perform and/or review water and/or sewer modeling for developers. The fee will be obtained from SGWASA's consultant and presented to the developer for payment prior to modeling services being rendered.

**7.4. CONSTRUCTION OBSERVATION FEES**

The purpose of this fee is to recover costs associated with field observations and inspections on projects that tie into the SGWASA water distribution or sanitary sewer collection systems. The construction observation fee is applicable to any project that connects to SGWASA's public water or sewer systems, including the installation of a cross-connection device or a grease interceptor.

Construction observations and inspections may be provided by SGWASA's on-call engineering consultant. Construction observation fees are shown below:

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Table 27 – Construction Observation Fees

Development Type	Fee \$
Water Line Extension	\$2.00/ft
Sewer Line Extension	\$2.00/ft
Minimum Construction Observation Fee Per Utility Connection	\$125

**8. SCHEDULE OF MISCELLANEOUS CHARGES AND FEES**

**8.1. DIRECT SALES OF SUPPLIES**

Applicable to the direct sale of supplies from inventory to municipalities or contractors, the supplies will be billed at the most recent cost plus a handling/delivery charge of 10%.

**8.2. CHARGES FOR MISCELLANEOUS SERVICES**

Charges for miscellaneous services provided by SGWASA shall be on a time and materials basis and include out-of-pocket expenses, cost of materials and services supplied by third parties, and overhead. Typical applications would be for repair of damages to water and sewer lines by outside parties, relocation of mains, services and meters, upsizing or downsizing of a meter, special services for billing information, expenses related to spill containment responses, etc.

**8.3. MISCELLANEOUS PROGRAM SERVICE FEES**

SGWASA partners with many third-party service providers to provide efficient utility services. Often, the service providers charge a nominal transaction fee for services provided. The third-party service provider fees are subject to change. The third-party service provider charges are established and maintained in approved contracts. These fees are typically a direct transaction between the provider(s) and customer(s) thus are not considered SGWASA fees as governed by this Rate and Fee Schedule.

**8.4. INDUSTRIAL PRETREATMENT PROGRAM FEES**

Publicly Owned Treatment Works (POTWs) are required to have a pretreatment program if process wastewater from significant industrial user(s) (SIU) is accepted by the POTW. An Industrial User (IU) is broadly defined to cover any user of a collection system and wastewater treatment plant that conducts commercial and/or industrial scale operations that result in a discharge into the POTW.

These users are not generally defined as a private residence, although some commercial operations at a home may make them an IU. A permit is required where an IU is defined as a significant industrial user. A SIU may be a large facility that discharges industrial process wastewater, a small operation, an operation covered under federal regulations or as something that is not typically considered an industry (such as hospitals or commercial laundries).

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*Table 28 - SIU Fees*

<b>Significant Industrial User (SIU)</b>	<b>Fee \$</b>
New Permit Application or Permit Modification	\$200
Existing Permit Renewal	\$100
Annual Administrative, Sampling, and Inspection	\$300

*Table 29 - Non-SIU Fees*

<b>Non-Significant Industrial User (Non-SIU)</b>	<b>Fee \$</b>
New Permit Application or Permit Modification	\$100
Existing Permit Renewal	\$100
Annual Administrative, Sampling, and Inspection	\$200

**8.5 HYDRAULIC FIRE FLOW TESTING FEES**

This charge is calculated to recover the cost of hydrant fire flow testing of the water distribution system when requested by anyone other than the local fire departments contained within the SGWASA Service Area. Fire flow test results provide data to developers and engineers to determine available flows and pressures in the systems they are designing for new developments.

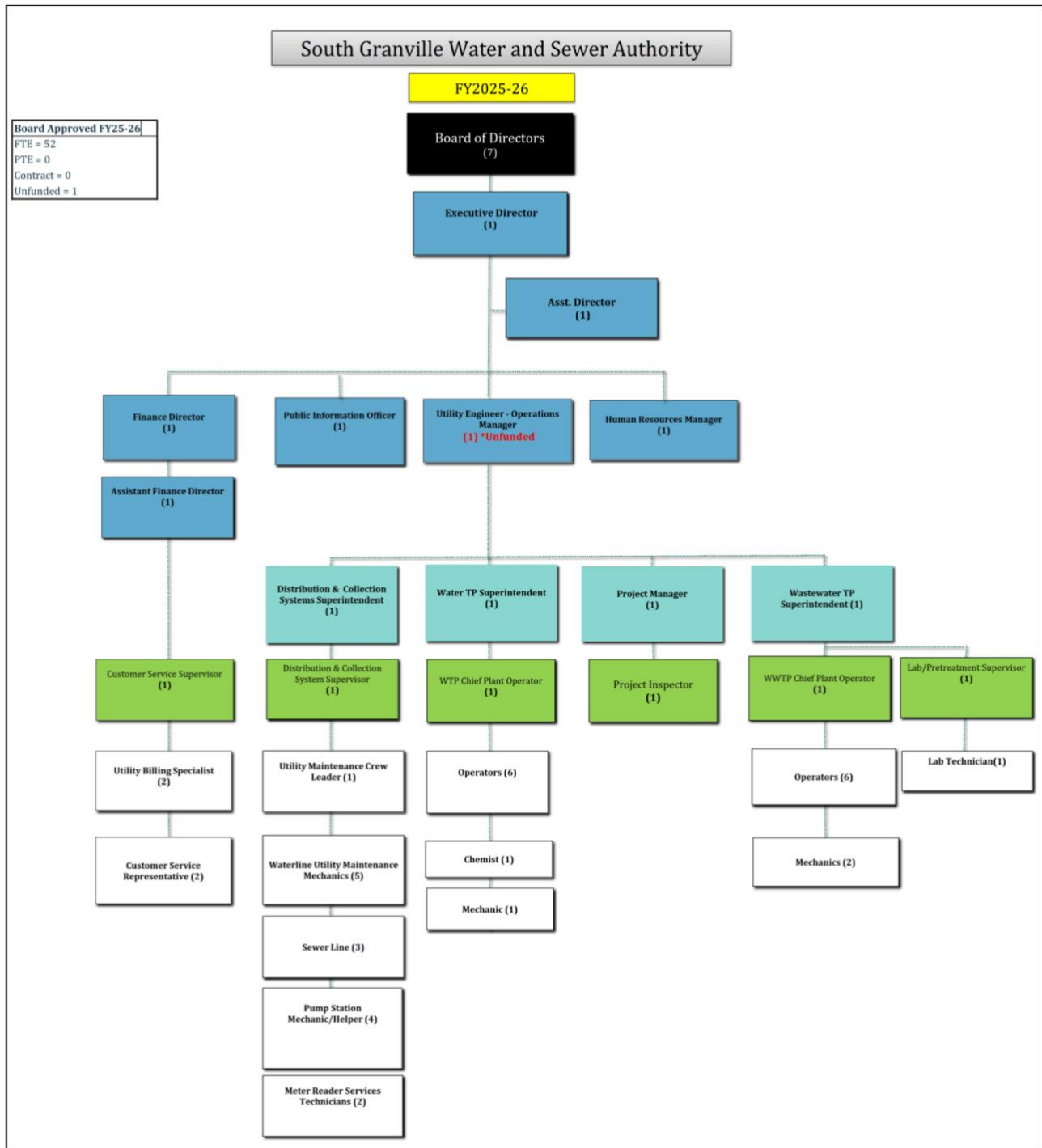
*Table 30 – Hydraulic Fire Flow Testing*

<b>Item</b>	<b>Fee \$</b>
Hydraulic Fire Flow Testing	\$250 per hour

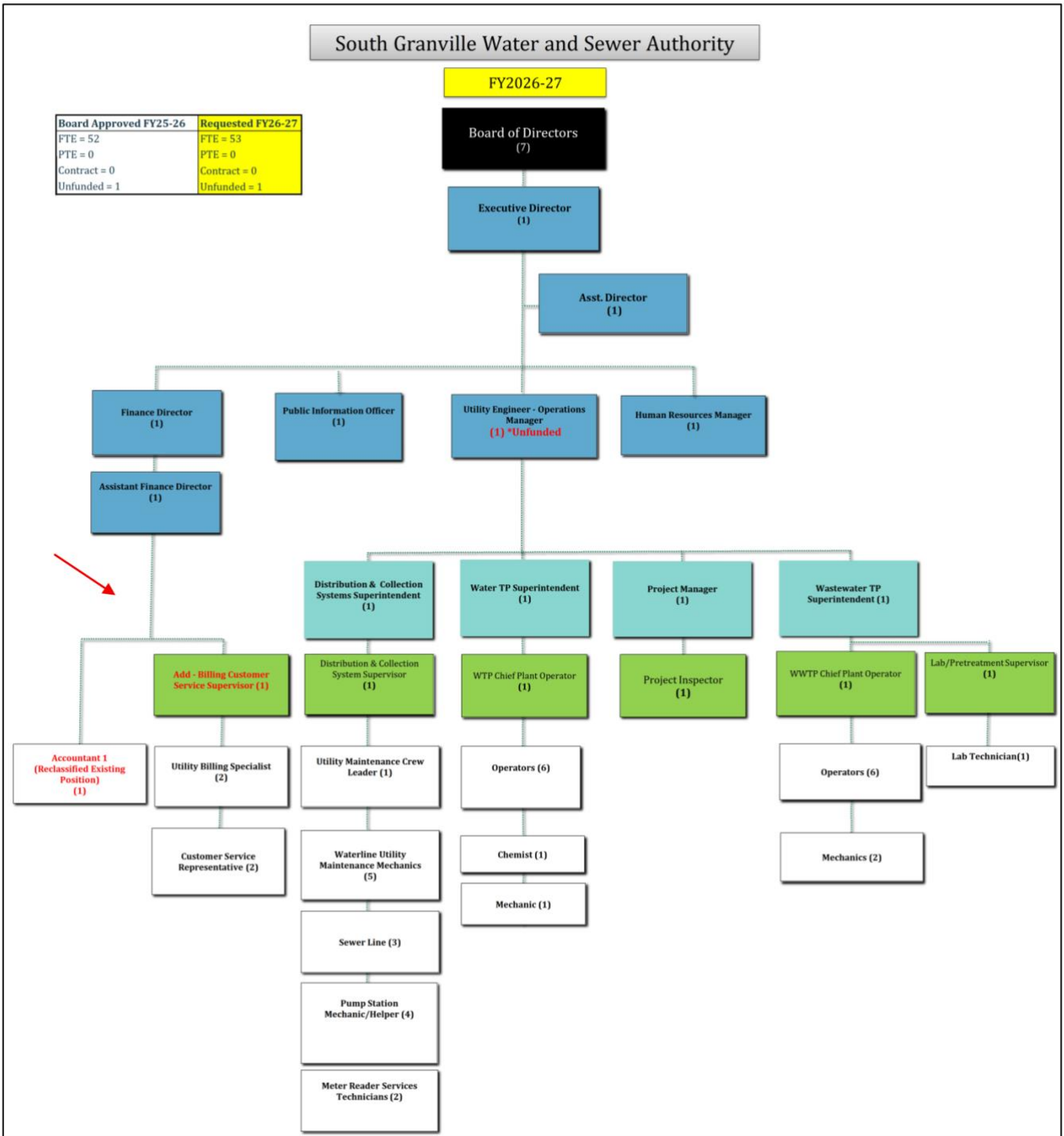
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Exhibit B: Organizational Charts – Current and Proposed.

Approved FY25-26 Organizational Chart



Proposed FY26-27 Organizational Chart



## **Agenda Item-12**

**Topic:** Write off of Accounts Receivable (A/R)

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

**Presenter(s):** Richard Balmer, Finance Director

### **Background:**

South Granville Water and Sewer Authority (SGWASA) is empowered by North Carolina General Statutes 162A-6(a)(9) to: “Fix and revise from time to time, and to collect rates, fees, and other charges for the use of or for the services and facilities furnished by any system operated by the Authority.”

SGWASA utilizes the debt setoff program as permitted by North Carolina General Statutes chapter 105A, Setoff Debt Collection Act and as defined in a Resolution adopted by the SGWASA Board on April 11, 2006. On April 25, 2011 the SGWASA Finance Committee approved a Write-off Procedure to purge uncollectible or de-minimis amounts from the Accounts Receivable. A summary showing the reason for write-off, the number of accounts, and the dollar value will be reported to the Board by the Finance Director during a regular Board meeting.

### **Analysis:**

Although SGWASA has established and implemented procedures to collect and pursue delinquent accounts, some accounts cannot be collected in a timely manner. These accounts will be removed (purged) from Accounts Receivable at the end of each fiscal year. The following criteria is used in determining uncollectible accounts:

- **Bankruptcy:** Account has been discharged through bankruptcy court, and a proper legal notification has been received.
- **Deceased:** Debtor is deceased with no estate, or the cost of collection would exceed recoverable amount.
- **Court refuses judgment:** The debt cannot be substantiated in court.
- **Untraceable:** Customer provided false identification, left the country, or otherwise cannot be located and/or a correct identity cannot be established. This also applies to corporate accounts that cannot be actively pursued using the Debt Setoff program.
- **De-minimis/Immaterial amounts:** Small unpaid balances < \$5.00 for inactive accounts can be deemed immaterial and written off at the discretion of the Finance Director at the end of the fiscal year.

### **Next Steps/Schedule:**

Following Board notification, SGWASA Finance staff will proceed with processing the write-offs as reported for Fiscal Year 2025-2026, ending 06/30/26.

### **Staff Recommendation:**

This item is informational only.

**Financial:**

This process will reduce the Authority’s total accounts receivable balance by \$4,468.85 as reflected below. Due to new financial software implementation, this process was deferred for fiscal year 2024-2025; thus, the presented write off amounts are cumulative for 2 fiscal years of activity.

<b># accts</b>	<b>Category for Write-off</b>	<b>Amount</b>
<b>1</b>	Bankruptcy	\$ 443.94
<b>9</b>	Deceased	\$ 2,353.17
<b>12</b>	Untraceable/commercial	\$ 1,669.67
<b>1</b>	De-minimis/Immaterial	\$ 2.07
		<b>\$ 4,468.85</b>

**Attachments:**

Exhibit 1: Administrative Procedure: Bad Debt and Write-off

**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.

**Executive Director’s Recommendation:**

Item is informational only. No Board action is required.

# BAD DEBT and WRITE-OFF POLICY

## PURPOSE

The purpose of this Policy is to establish uniform guidelines for determining delinquent accounts receivable to be deemed “uncollectible debt” or “write off status” and to establish proper authorization to account for such receivables within SGWASA records.

## SCOPE

- The Authority is empowered by North Carolina General Statutes 162A-6(a)(9) to :
  - “Fix and revise from time to time and to collect rates, fees, and other charges for the use of or for the services and facilities furnished by any system operated by the Authority.”
- Although SGWASA has established and implemented procedures to collect and actively pursue delinquent accounts, some accounts cannot be collected in a timely manner.
- This Policy applies to all water and sewer utility accounts receivable of SGWASA but excludes other receivables governed by other originating agreements.
- SGWASA utilizes the debt setoff program as permitted by North Carolina General Statutes
- chapter 105A, Setoff Debt Collection Act and as defined in the attached Resolution adopted
- by the SGWASA Board on the 11<sup>th</sup> day of April, 2006.
- The statute of limitations for “actively seeking “ collection of unpaid utility charges:
  - a. Water fees : 4 years G.S. 25-2-725(1)
  - b. Sewer fees: 3 years G.S. 1-52(1).

- The following criteria will be used in determining **uncollectible accounts**.

These accounts will be removed from accounts receivable and the software completely using “adjustment”/“credit memo” at the end of each fiscal year.

- **Bankruptcy:** Account has been discharged through bankruptcy court and a proper legal notification has been received.
- **Deceased:** Debtor is deceased with no estate or the cost of collection would exceed recoverable amount.
- **Court refuses judgment:** The debt cannot be substantiated in court.
- **Untraceable:** Customer provided false identification, left the country, or otherwise cannot be located and/or a correct identity cannot be established. This also applies to corporate accounts that cannot be actively pursued using the Debt Setoff program.
- **De-minimis/Immaterial amounts:** Small unpaid balances < \$5.00 for closed accounts can be deemed immaterial and written off at the discretion of the Finance Director at the end of the fiscal year without waiting for the statute to expire.

---

SGWASA Procedure

- The following criteria will be used in determining accounts for **write-off**.

These accounts will be written off the accounts receivable reporting within the software at the end of each fiscal year but remain in the database for future collection should the customer return at a later time to re-establish service. The receivables are never actually removed from collectible status but merely flagged within the software to segregate them from more recent receivables.

- **Unjustifiable cost:** Amount of uncollectible debt is less than \$50 or the cost of collection would exceed recoverable amount. Amounts < \$50 are ineligible for Debt Setoff.
- **Expired statute of limitations:** Debt has exceeded applicable statutory limitation to actively seek collection.

#### **PROCEDURE: Uncollectible Accounts:**

1. At the end of the fiscal year, SGWASA finance staff will review the *Aged Trial Balance* and *Debt Setoff Master File* as part of year end procedures and determine if any of those accounts match the criteria defined in the “Policy” section above. A list of potential uncollectible accounts for the year will be compiled and presented to the Finance Director showing the criteria justifying uncollectible status.
2. The Finance Director will review the list, discuss the accounts with the Billing Clerk and Accounting Technician, and approve the removal of these accounts. Only accounts that have no possibility of collection in the future will be approved based on criteria shown in the “Policy” section of this document.
3. The Billing and Customer Service Supervisor (or delegee) will then remove these balances using the “adjustment/credit memo” options within the software.
4. A summary showing the reason for write-off (as shown in the Policy section 1), the number of accounts, and the dollar value will be reported to the Board by the Executive Director in his comments.

#### **IMPLEMENTATION**

The Finance 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.

## **Agenda Item-13**

**Topic:** FY25-26 3rd 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 FY25-26 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 2026

### **Analysis:**

- **Cumulative billing revenue** for the year is trending as expected.
- **Cumulative non-billing revenue (fees)** for the year is trending as budgeted in total with some fee revenue line items trending higher than expectations and connect (tap) fee revenue trending significantly below expectations.
- **Interest income** for the year is trending higher than expected. Interest rates have not declined as quickly 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 fiscal year are significant due to the Water Treatment Plant Filter Replacement Project and the I-85 Sanitary Sewer Project.
- **Designated CIP fund balance** appropriations for the fiscal year are significant, and the balance is projected to be substantially expended by fiscal year end.
- **Fund Balance (available cash)** has been expended and/or committed significantly during the fiscal year. Approximately 32% of the 06/30/25 audited available cash balance is projected to be expended and/or committed by the end of this fiscal year. Combined with a previous 5% decline for fiscal year 2024-2025, total available cash balance has declined by approximately 37%. These projections include cash that has been committed but may not be expended by the end of the fiscal year.
- **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: FY25-26 3<sup>rd</sup> 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.



Fiscal year 2025-2026  
Quarter 2

October - December 2025

## BOARD FINANCIAL UPDATE

**FY25-26 2nd Quarter Financial Update to the Board**

**Section 1: Revenue – Budget to Actual**

**Section 2: Fund Balance**

**Section 3: Internally Approved Budget Amendments**

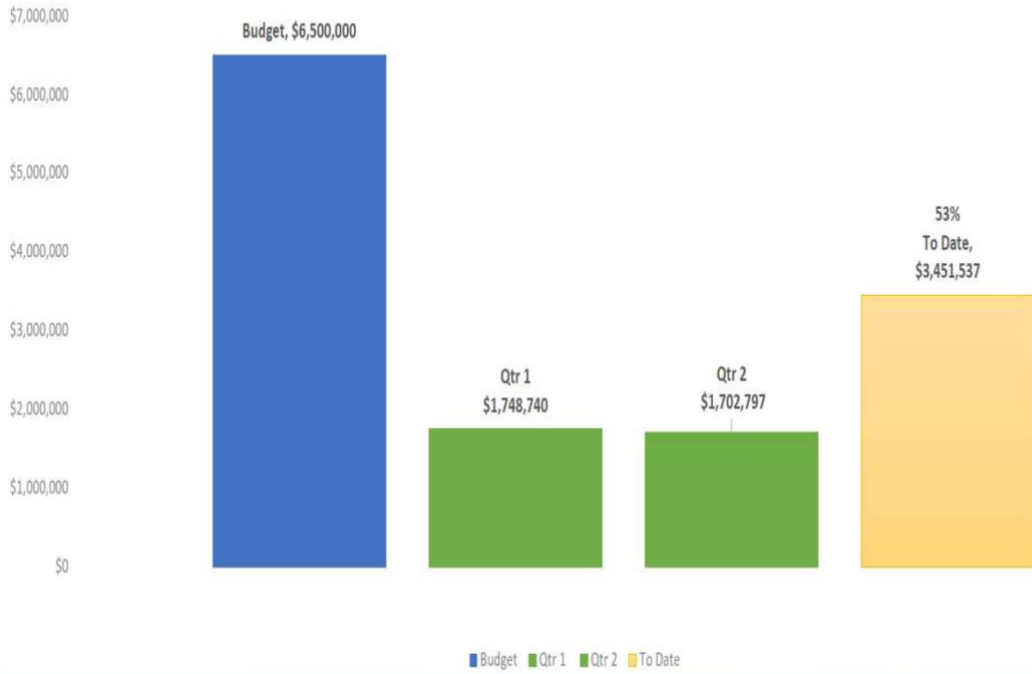
**Section 4: Expenses by Dept – Budget to Actual**

**Section 5: I-85 Collection System Project**

**Section 6: Fund Balance – Available Cash**

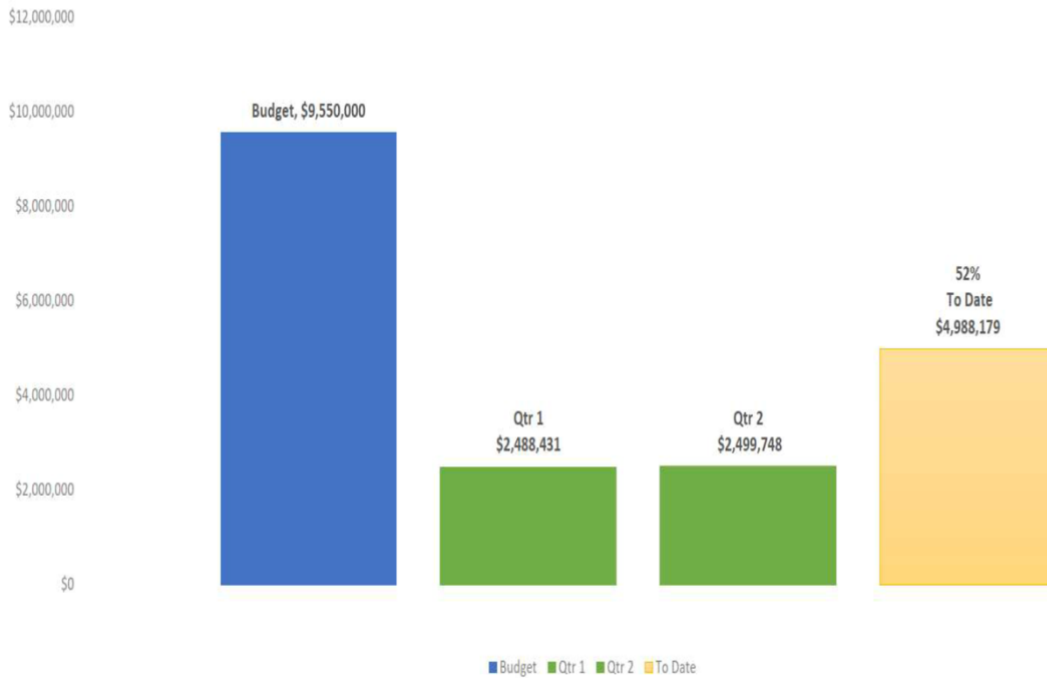
**Water Revenue**  
 FY 2025-2026  
 Budget to Actual

*Target Goal at end  
 of qtr is 50% or greater*



**Sewer Revenue**  
 FY 2025-2026  
 Budget to Actual

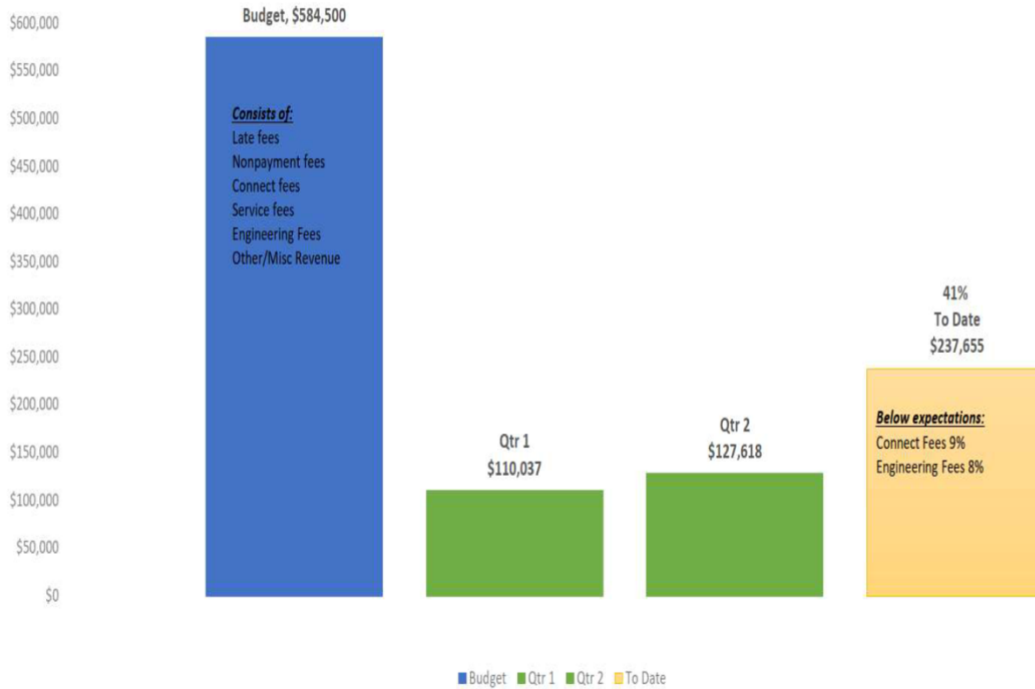
*Target Goal at end  
 of qtr is 50% or greater*



### Non-Billing Revenue

FY 2025-2026  
Budget to Actual

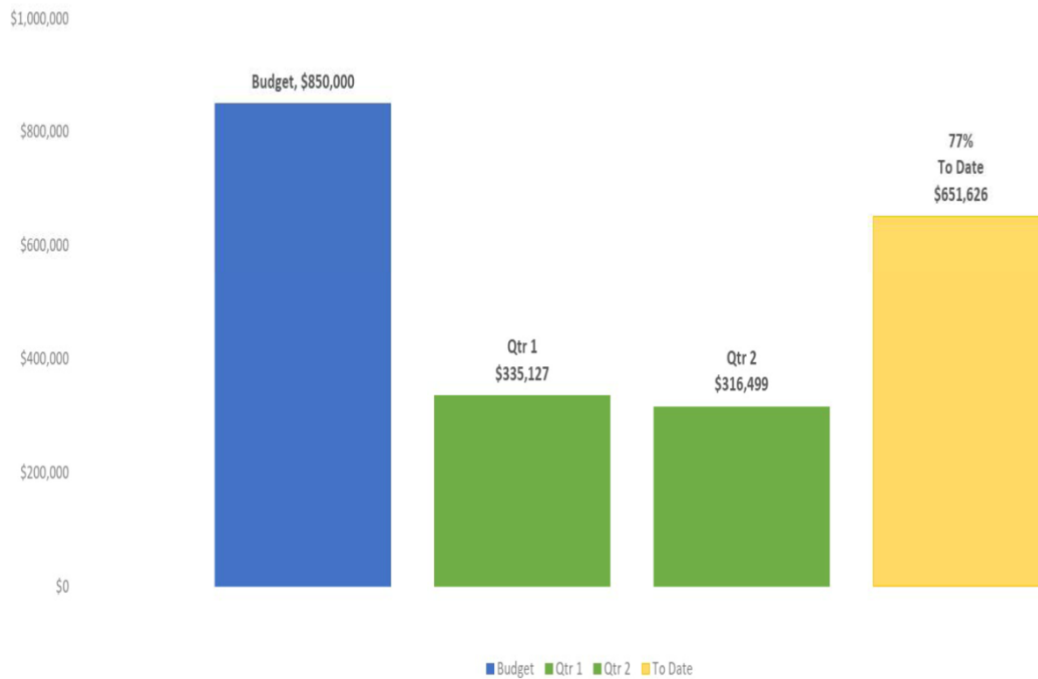
Target Goal at end  
of qtr is 50% or greater



### Interest Income

FY 2025-2026  
Budget to Actual

Target Goal at end  
of qtr is 50% or greater

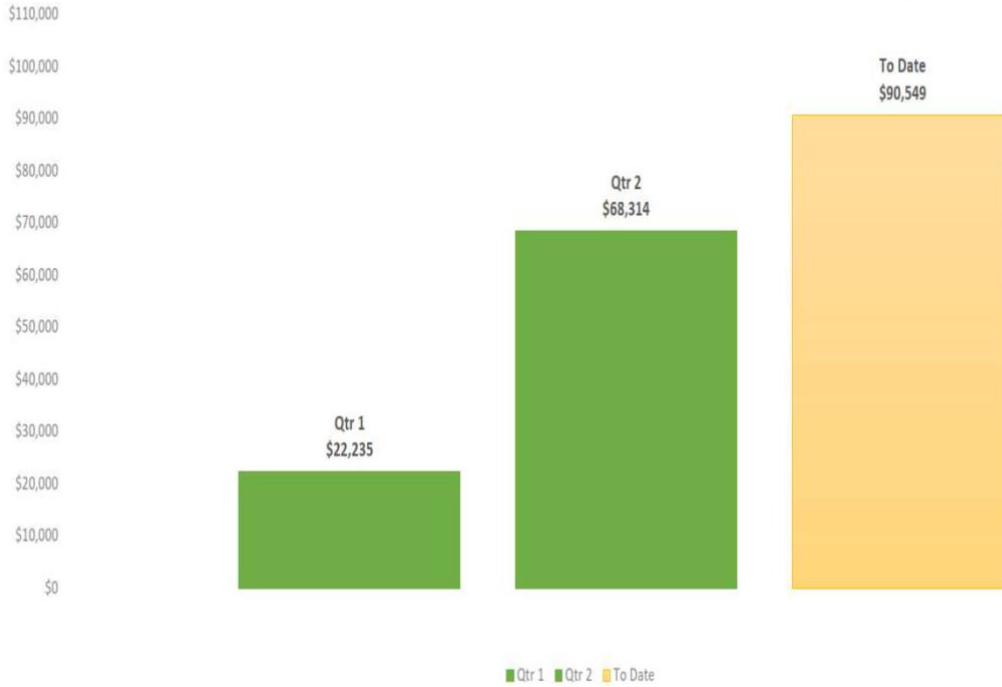


### System Development Fee Revenue (SDF's)

FY 2025-2026  
Budget to Actual

Zero budgeted

Required to be assigned to a specific capital project by Resolution  
Budget Amendment in June for this purpose.

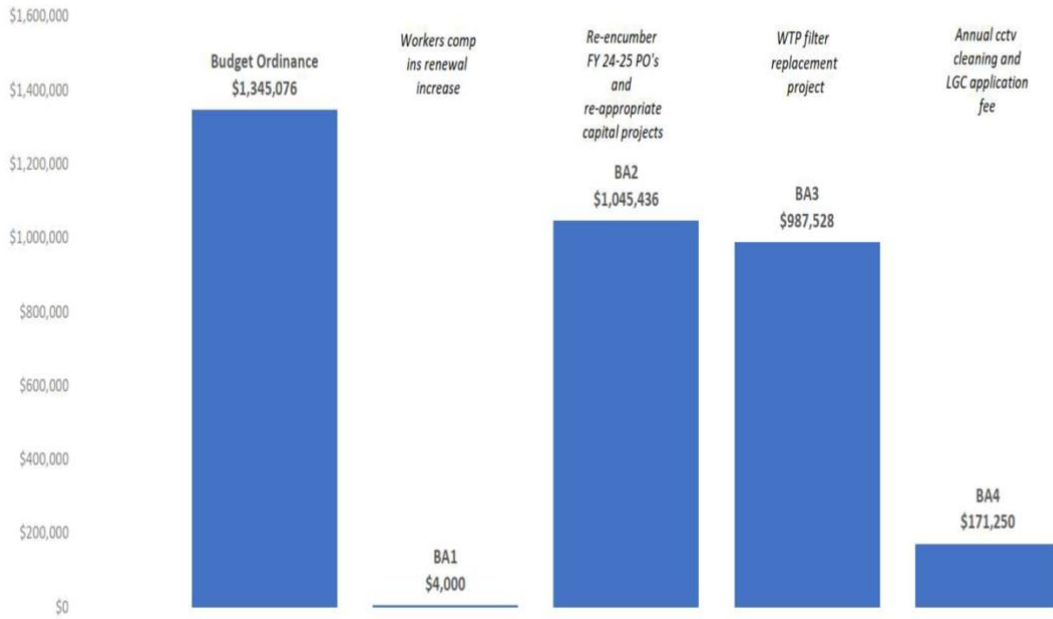


■ Qtr 1 ■ Qtr 2 ■ To Date

### Fund Balance

FY 2025-2026  
Appropriated-Qtr 1

Slide 1 of 2



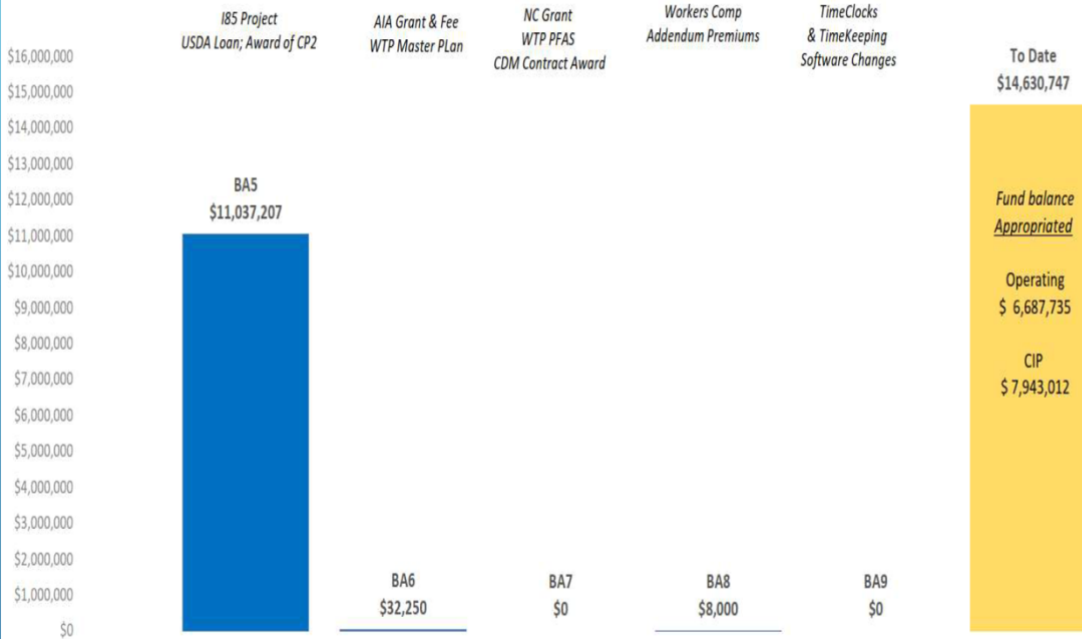
■ Budget Ordinance ■ BA1 ■ BA2 ■ BA3 ■ BA4

## Fund Balance

FY 2025-2026

Appropriated-Qtr 2

Slide 2 of 2



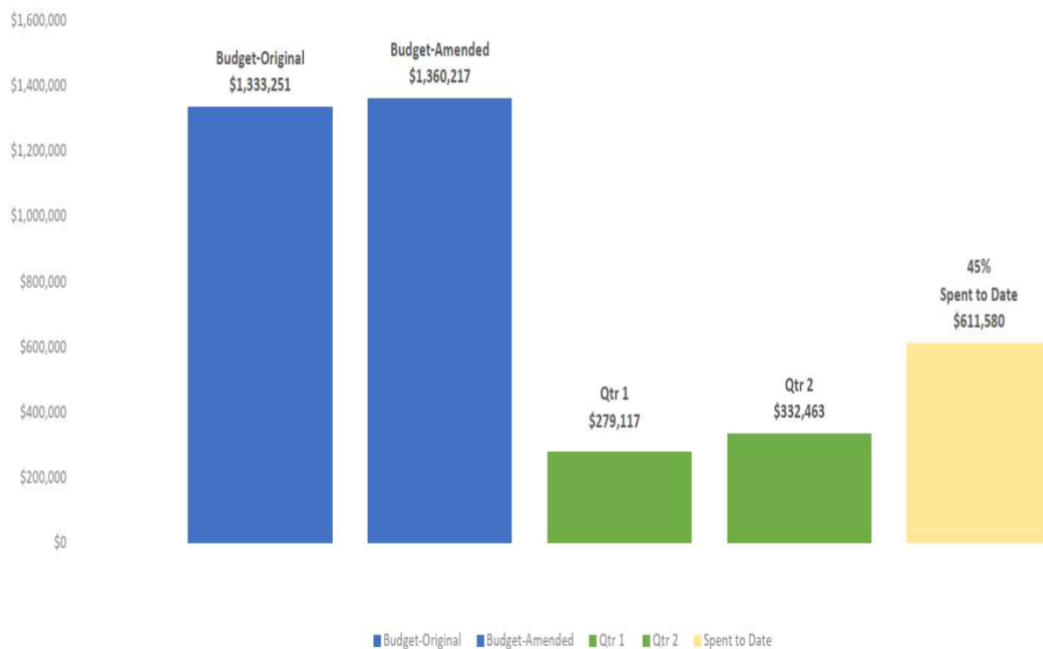
### Internal Budget Amendments Approved by Executive Director (For Reference Only)

		Amendment / Change
<b>Qtr 2</b>		
<b>Engineering</b>		
61-7118-2600	Office Supplies	\$ 2,200
61-7118-5100	Capital Outlay < \$5000	\$ (2,200)
<i>To reallocate funds for Tablets &amp; Computer Accessories for Engineering Dept</i>		0
<i>Approved 10/14/2025</i>		
<b>Billing &amp; Collections</b>		
61-7120-2600	Office Supplies	\$ 600
61-7120-5100	Capital Outlay < \$5000	\$ (600)
<i>To reallocate funds for Laptop Accessories for Beverly</i>		0
<i>Approved 10/27/2025</i>		
<b>Utilities - Meters</b>		
61-7136-2600	Office Supplies	\$ 758
61-7136-5100	Capital Outlay < \$5000	\$ (758)
<i>To reallocate funds for Laptop Mounts for Meter Readers</i>		0
<i>Approved 12/02/2025</i>		
<b>Wastewater Treatment Plant</b>		
61-7145-2500	Vehicles Supplies & Maintenance	\$ 1,300
61-7145-5200	Capital Outlay > \$5000	\$ (1,300)
<i>To reallocate funds for tax/tags on new truck</i>		0
<i>Approved 10/27/2025</i>		
<b>Waterline Maintenance</b>		
61-7139-2500	Vehicles Supplies & Maintenance	\$ 2,500
61-7139-5200	Capital Outlay > \$5000	\$ (2,500)
<i>To reallocate funds for tax/tags on new trailer w/valve exercise machine</i>		0
<b>Sewerline Maintenance</b>		
61-7140-2500	Vehicles Supplies & Maintenance	\$ 3,500
61-7140-5200	Capital Outlay > \$5000	\$ (3,500)
<i>To reallocate funds for tax/tags on (2) new trailers w/sewer backup pumps</i>		0
<b>Engineering</b>		
61-7118-3810	Software & IT	\$ 234
61-7118-2000	Supplies and Materials	\$ (234)
<i>To reallocate funds for Tablets &amp; Computer Accessories for Engineering Dept</i>		0
<i>Approved 10/14/2025</i>		

### Expense : Administration

FY 2025-2026  
Budget to Actual

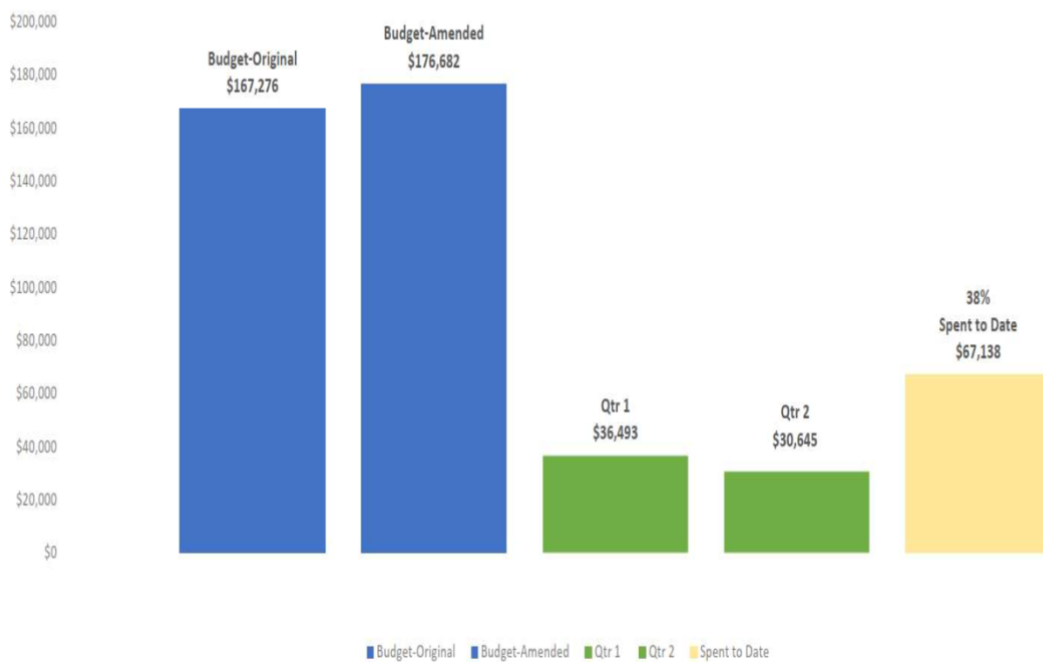
Target Goal at end  
of qtr is 50% or less



### Expense : Human Resources

FY 2025-2026  
Budget to Actual

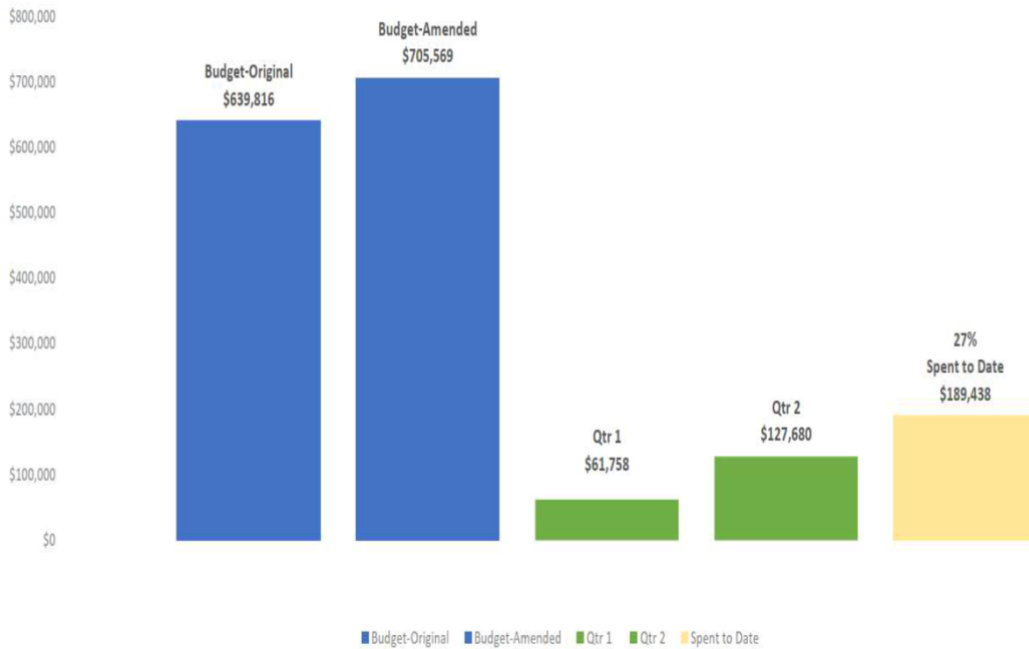
Target Goal at end  
of qtr is 50% or less



### Expense : Engineering

FY 2025-2026  
Budget to Actual

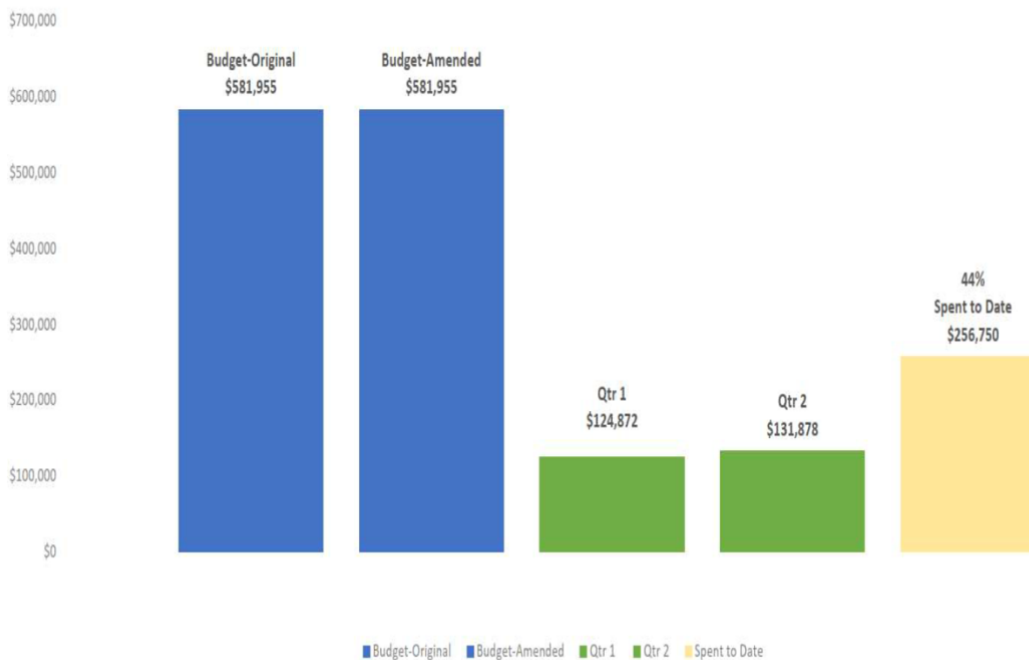
Target Goal at end  
of qtr is 50% or less



### Expense : Billing/Collections

FY 2025-2026  
Budget to Actual

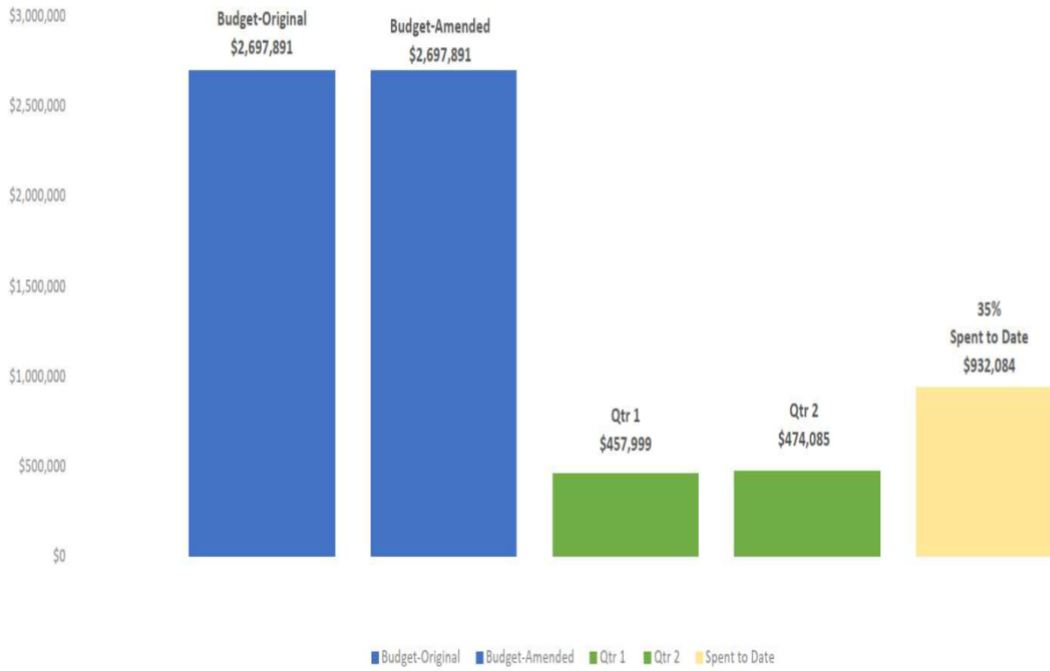
Target Goal at end  
of qtr is 50% or less



### Expense : Water Treatment

FY 2025-2026  
Budget to Actual

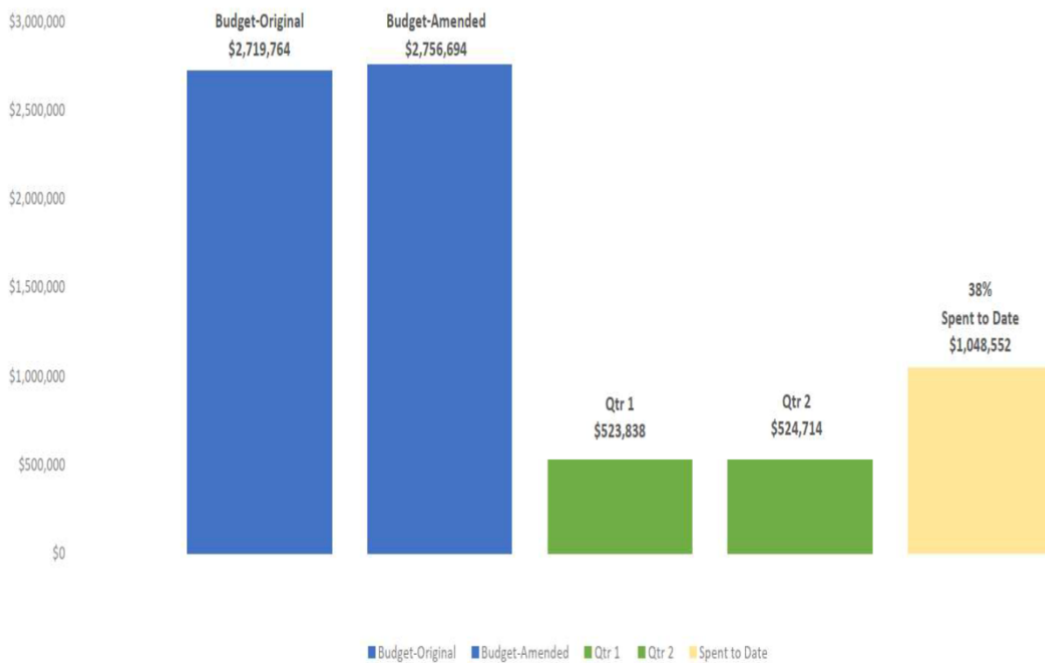
*Target Goal at end  
of qtr is 50% or less*



### Expense : Wastewater Treatment

FY 2025-2026  
Budget to Actual

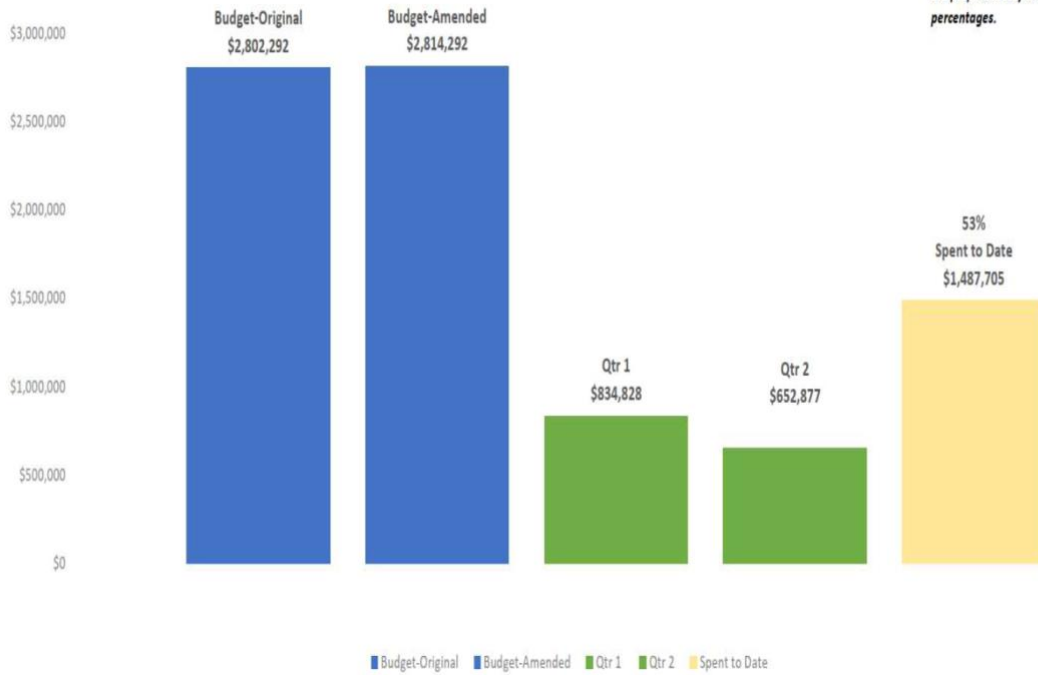
*Target Goal at end  
of qtr is 50% or less*



### Expense : Depreciation/Board/Other

FY 2025-2026  
Budget to Actual

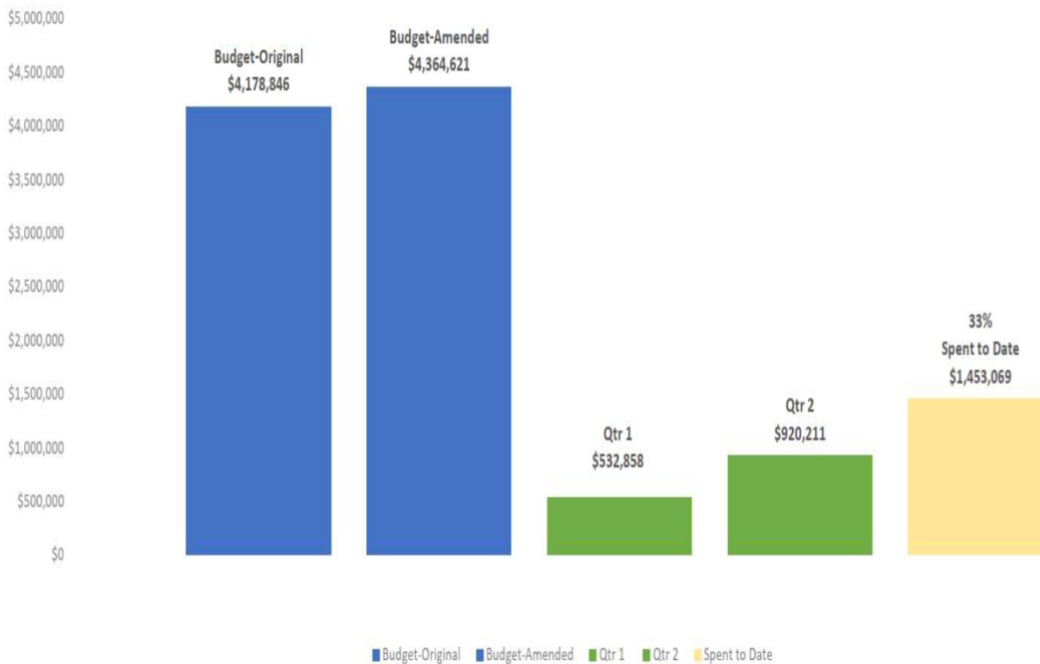
*Target Goal at end of qtr is 50% or less; however insurance premiums are prepaid in July skewing percentages.*



### Expense : Utility Maintenance

FY 2025-2026  
Budget to Actual

*Target Goal at end of qtr is 50% or less*

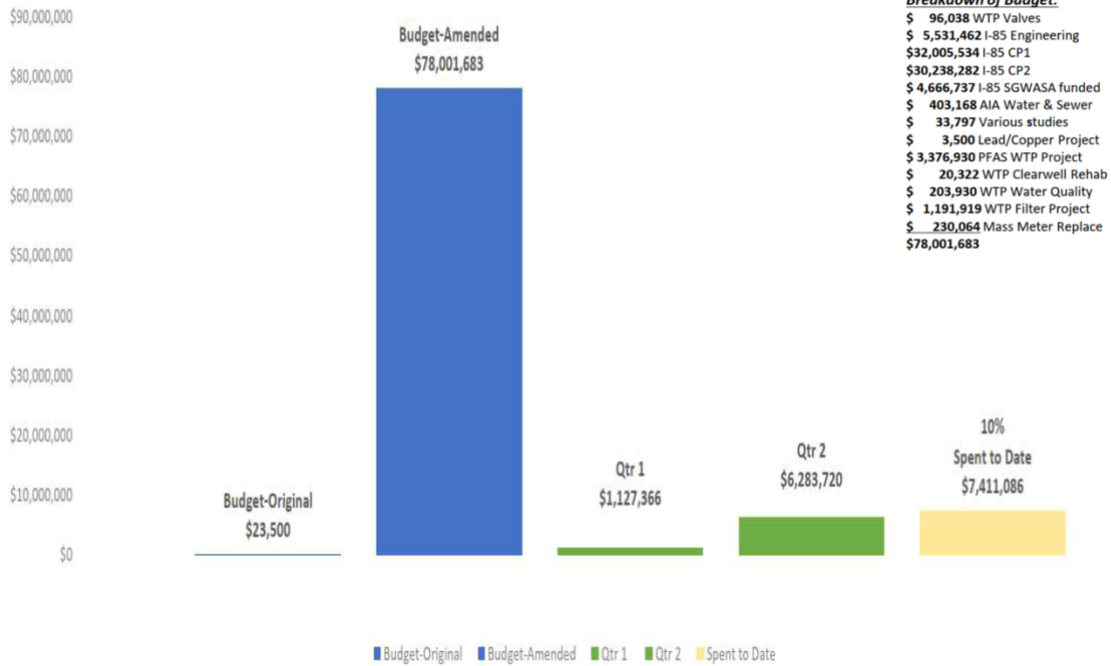


### Expense : Projects & Studies

FY 2025-2026

Budget to Actual

Target goal not applicable.  
Dependent on project timing.

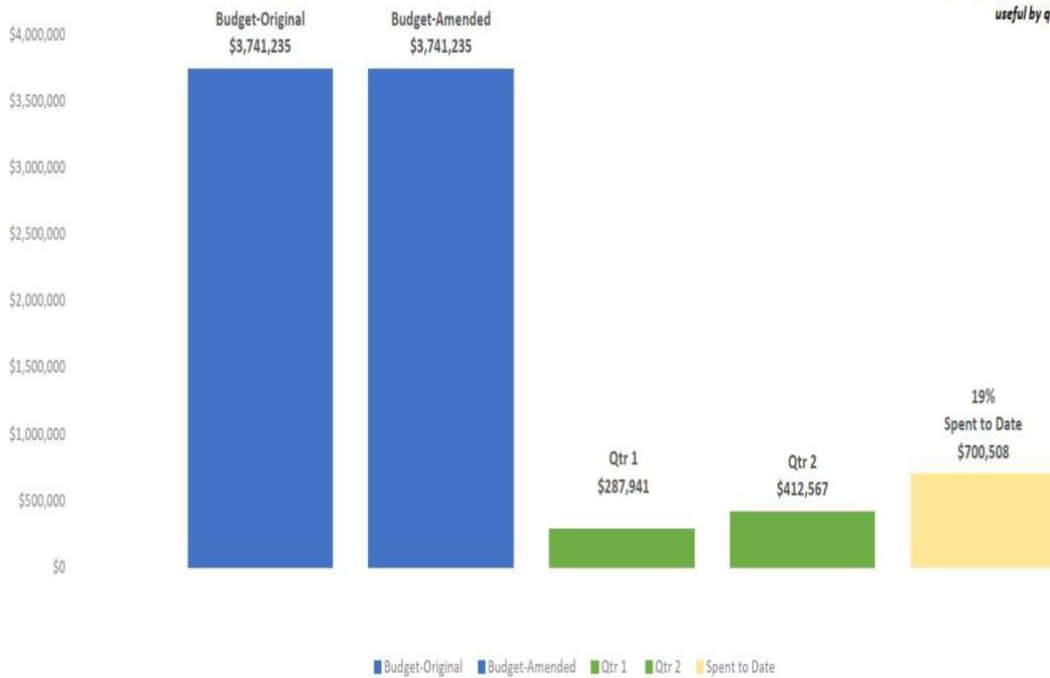


### Expense : Debt Service

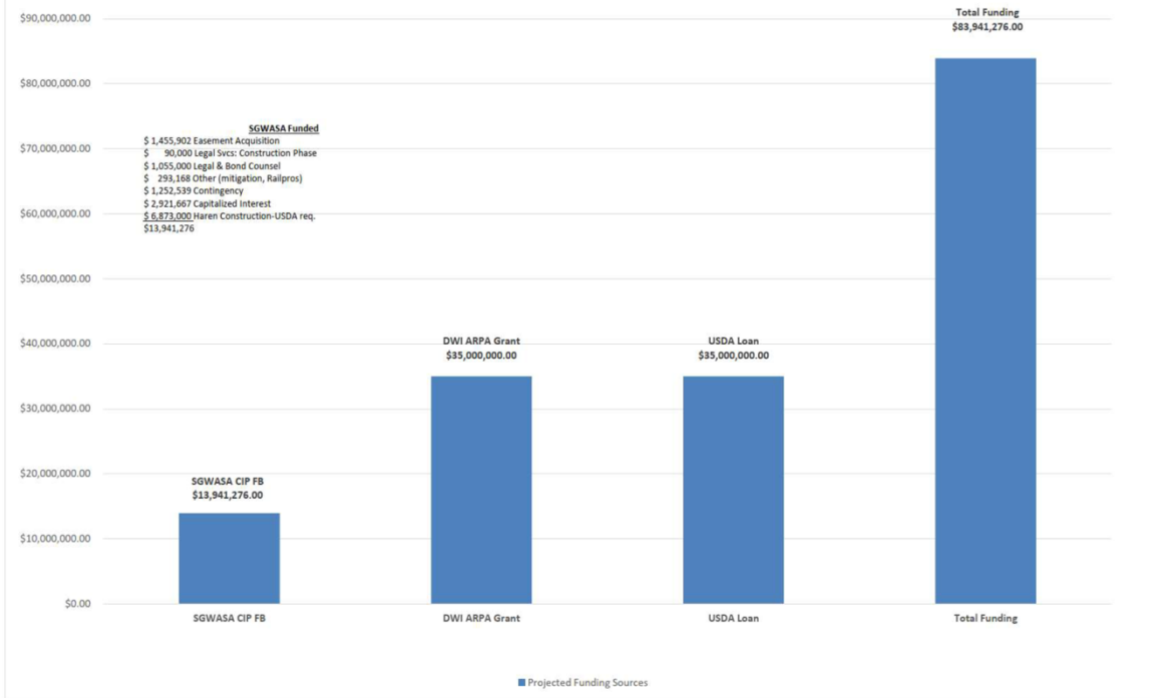
FY 2025-2026

Budget to Actual

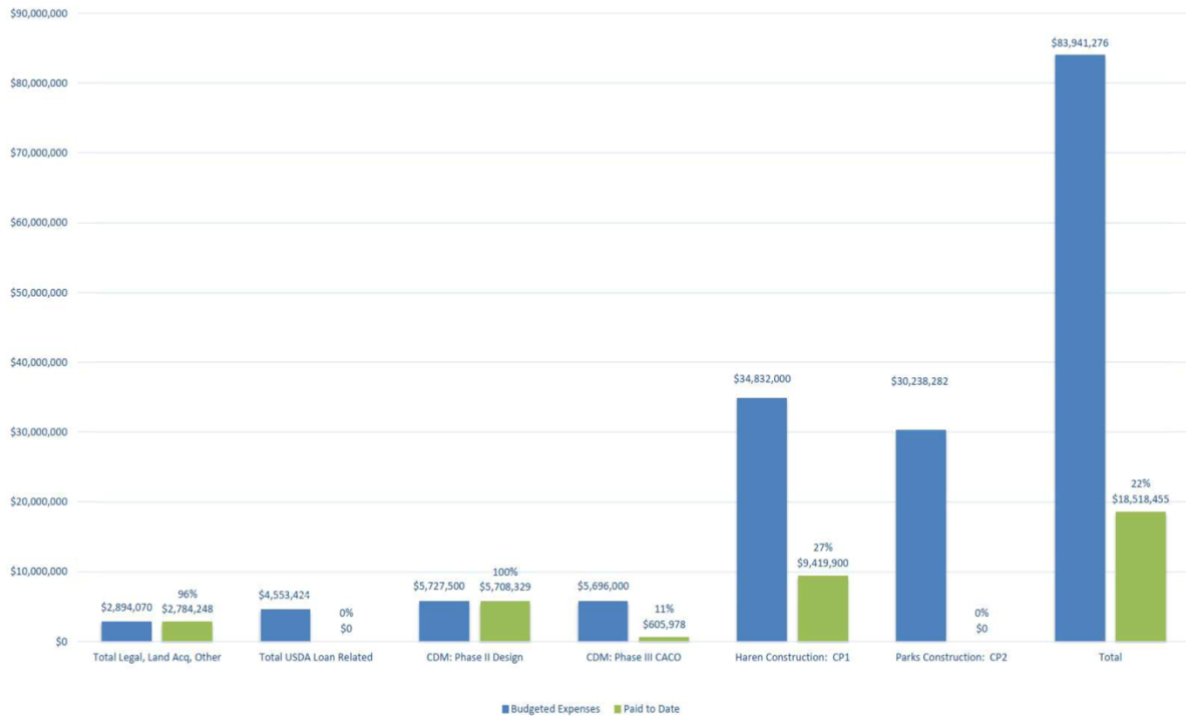
Target goal not applicable.  
Most debt service payments  
are not due monthly/quarterly  
therefore percentages are not  
useful by qtr.

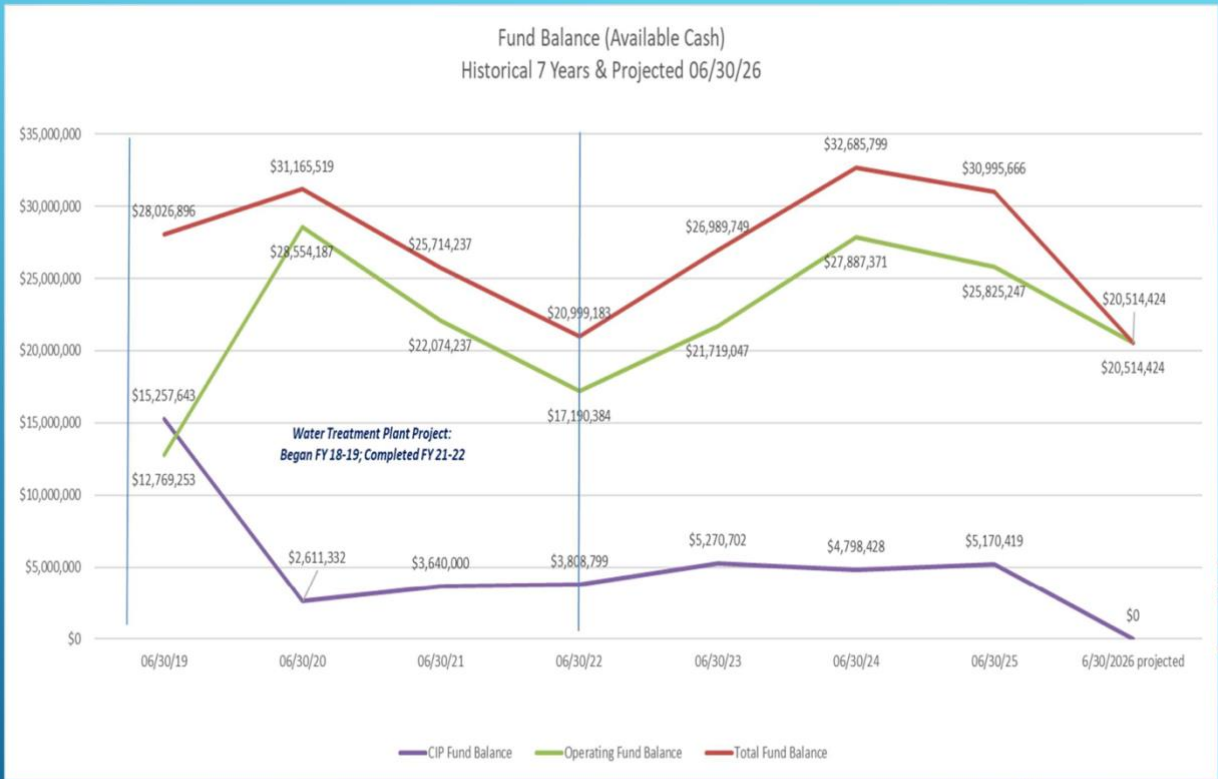


### I85 Sanitary Sewer Project Funding Sources

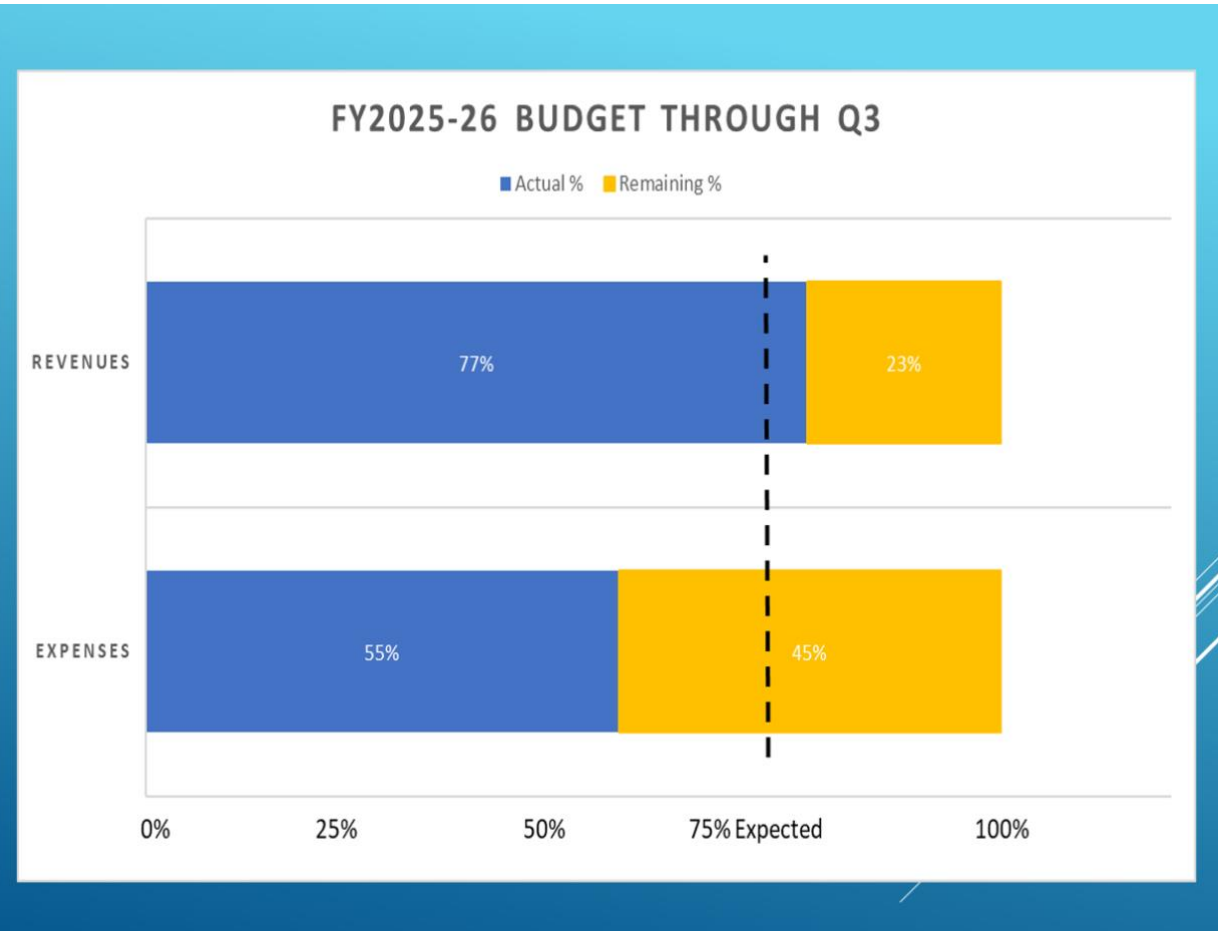


### I85 Sanitary Sewer Project Expenditures





For purposes of the projection, 185 project commitments have been deducted. Related costs may not be incurred or funds expended within this fiscal year; however commitments have been included to identify available (uncommitted) cash.



# FINANCIAL SUMMARY

FISCAL YEAR 2025-2026

QUARTER 2

**Cumulative billing revenue** for the year is trending as expected.

**Cumulative non-billing (fee) revenue** for the year is trending as budgeted in total with some fee revenue line items trending higher than expectations and engineering and tap fee revenue trending significantly below expectations.

**Interest income** for the year is trending higher than expected. Interest rates did not decline as projected. Fund balance spending towards the I-85 project has not begun yet.

**Operating fund balance** appropriations for the fiscal year are significant primarily related to the water treatment plant filter replacement project and I-85 project.

**Designated CIP fund balance** appropriations for the fiscal year are significant and is projected to be fully expended by fiscal year-end.

**Fund Balance (Available cash):** Approximately 33% of the 06/30/25 audited available cash balance is projected to be expended and/or committed by the end of the fiscal year.

**Departmental expenses** overall are materially comparable to amended budget.

## QUESTIONS?

## **Agenda Item-14**

### **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.

## **Agenda Item-15**

### **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-16**

### **Comments from Board Members**

Thomas Lane, Butner Council Person

Vicky Daniels, Butner Councilperson

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

Jimmy Gooch, Granville County Commissioner

Russ May, Granville County Commissioner

Georgana Kicinski, Creedmoor Commissioner/SGWASA Vice Chair

Kenneth McLamb, Town of Stem Commissioner/SGWASA Chair

## **Agenda Item-17**

**Closed Session** (as needed)

## **Agenda Item-18**

**Adjournment**