



SOUTH GRANVILLE WATER AND SEWER AUTHORITY

BOARD OF DIRECTORS MEETING

July 8, 2025

MEETING START TIME: 6:00 P.M.

LOCATION: Butner Town Hall Council Chambers

**THIS PUBLIC MEETING IS NOT AVAILABLE REMOTELY.
HOWEVER, IT WILL BE RECORDED AND AVAILABLE TO
THE PUBLIC VIA THE SGWASA WEBSITE
FOLLOWING THE MEETING.**



**Board of Directors Meeting – July 8, 2025, 6:00 p.m.
Meeting Agenda**

Item	Description	Page Number
1.	Call to Order/Welcome – Jimmy Gooch, Granville County Board Member/SGWASA Board Chair	
2.	Roll Call – Krystle Lee, Board Secretary	
3.	Invocation – Judy Cheek, Butner Councilperson	
4.	Pledge of Allegiance – Jimmy Gooch, Granville County Board Member/SGWASA Board Chair	
5.	Adjustments/Approval of the Meeting Agenda	
6.	Review & Approval of Minutes	3-8
7.	Public Comments	9-10
8.	Board Discussion Items	11
9.	Amendment of Capital Reserve Fund for System Development Fees	12-15
10.	FY24-25 Fiscal Year-End Capital Improvement Fund Designation	16-20
11.	Fiscal Year 2025-2026 Budget Amendment #1	21-22
12.	SGWASA Employee Benefits - Contract Renewals for FY25-26	23-24
13.	Authorization to Purchase a new Heating, Ventilating, Air Conditioning (HVAC) unit to replace the existing non-working HVAC unit at the Water Treatment Plant.	25-26
14.	Comments from the Executive Director	27
15.	Comments from the SGWASA Attorney	27
16.	Comments from Board Members	27
17.	Closed Session (as needed)	27
18.	Adjournment	27

Agenda Item - 6

Review & Approval of Minutes: June 10, 2025 Board Meeting



**South Granville Water and Sewer Authority
Regular Monthly Board of Directors Meeting
June 10, 2025 at 6:00 p.m.**

Meeting Minutes

1. Call to Order and Welcome

Granville County Commissioner Jimmy Gooch, SGWASA Chair, called the meeting into session at 6:00 p.m.

2. Roll Call

Krystle Lee, Board Secretary/PIO

Board Members Present:

Granville County: Commissioner Jimmy Gooch, Chair; Commissioner Tim Karan

Note: Granville County Commissioner Tim Karan was present at the roll call. Granville County Commissioner Tim Karan left the meeting at 6:18pm. Granville County Commissioner Tim Karan was not present for any votes taken after his departure.

City of Creedmoor: Commissioner Georgana Kicinski, Vice-Chair, Commissioner Robert Way

Town of Butner: Councilperson Vicky Daniels

Town of Stem: Commissioner Kenneth McLamb

Board Members Absent: Butner Councilperson Judy Cheek

Officials Present:

Scott N. Schroyer, Executive Director

Chris Summerlin, Assistant Executive Director

Richard Balmer, Finance Director/Board Treasurer

Krystle Lee, Public Information Officer/Board Secretary

Priscilla Adcock, HR Manager

Joel Coats, Project Manager

James Wrenn, Attorney

3. Invocation

Creedmoor Commissioner Georgana Kicinski, Vice-Chair

4. Pledge of Allegiance

Stem Commissioner Kenneth McLamb

5. Adjustments/Approval of the Meeting Agenda

Brief Description: Granville County Commissioner Jimmy Gooch, Chair, asked the Board members if there were any adjustments to the Meeting Agenda as presented. None were presented.

Board Action: A motion to approve the June 10, 2025, Regular Board Meeting Agenda was made by Stem Commissioner Kenneth McLamb and seconded by Creedmoor Commissioner Robert Way. The motion passed unanimously (6 votes in favor).

6. Review & Approval of Minutes from the May 13, 2025, Regular Board Meeting

Brief Description: Granville County Commissioner Jimmy Gooch, Chair asked Board members if there were any adjustments to the May 13, 2025, Meeting Minutes as presented. No adjustments were made.

Board Action: A motion to approve the May 13, 2025, Regular Board Meeting Minutes was made by Creedmoor Commissioner Georgana Kicinski, Vice Chair and seconded by Butner Councilperson Vicky Daniels. The motion passed unanimously (6 votes in favor).

7. Public Comments

None.

8. 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.

Creedmoor Commissioner Robert Way: None.

Stem Commissioner Kenneth McLamb: None.

Butner Councilperson Vicky Daniels: None.

Granville County Commissioner Tim Karan: None.

Butner Councilperson Judy Cheek: None.

Creedmoor Commissioner Georgana Kicinski, Vice-Chair:

1. *Water Test Results in Creedmoor: Manganese levels*
2. *Engineering Standards Upgrade Project – Status Update. Especially as related to preventing dead end pipes and/or requiring hydrant auto flushers.*
3. *Water Treatment Plant: Filter Media Replacement Project – Status Update*

Granville County Commissioner Jimmy Gooch, Chair: None.

9. Fiscal Year 2024-2025 Budget Amendment #16

Budget Amendment #16 is the final amendment for Fiscal Year 2024–2025. It increases the revenue budget to align with current year-to-date projections for water, sewer, and interest revenue, as well as various smaller non-billing revenue sources. The amendment also realigns departmental budgets to reflect actual operational needs. Notable adjustments include increased electricity costs in the Administration, Billing & Collections, and Raw Water departments;

higher credit card collection fees in Billing & Collections; the purchase of lab equipment for the Water Treatment Plant; pump station repair reallocations in Utilities; a shift from software to property and liability insurance expenses under Depreciation/Board/Other; and various pay and benefits adjustments across departments.

This amendment also appropriates an additional fund balance for general legal services and for legal costs related to the I-85 Sanitary Sewer Project. Additional appropriations are included for electricity costs at the water plant reservoir and pump/lift stations, and for amortization and interest expenses to ensure compliance with GASB 96. New budget line items are also established to account for year-end supply inventory accruals, with associated departmental allocations.

Budget Amendment #16

Be it ordained, the FY 2024-2025 Annual Budget Ordinance is hereby amended as follows:

Revenues: Increase / (Decrease)		Amendment/Change
Water Revenues	\$	200,000
Sewer Revenues	\$	575,000
Non-billing Revenues	\$	69,500
Interest Income	\$	975,000
Total Revenues		\$ 1,819,500
Expenditures: Increase / (Decrease)		
Administration	\$	50,000
Engineering	\$	(36,520)
Billing/Collections	\$	7,700
Raw Water	\$	2,500
Water Treatment Plant	\$	50,000
Utilities: Water Line Maintenance	\$	70,000
Utilities: Sewer Line Maintenance	\$	25,000
Wastewater Treatment	\$	25,000
Utilities: Pump Stations/Towers	\$	40,250
Depreciation/Board/Other	\$	44,520
Projects & Studies	\$	90,000
Transfer to Fund Balance	\$	1,451,050
Total Expenditures		\$ 1,819,500

Board Approved FY 2024-2025 Budget Amendments to Date: Effect on Fund Balance

Item	Operating	CIP	Total Amount
Budget Amendment #1 (July 2024)	(\$ 124,900)	\$ 0	(\$ 124,900)
Budget Amendment #2 (August 2024)	(\$ 91,338)	(\$ 3,338,612)	(\$ 3,429,950)
Budget Amendment #3 (August 2024)	\$ 0	\$ 0	\$ 0
Budget Amendment #4 (September 2024)	\$ 0	(\$ 5,958,868)	(\$ 5,958,868)
Budget Amendment #5 (September 2024)	\$ 0	(\$ 672,408)	(\$ 672,408)
Budget Amendment #6 (November 2024)	\$ 0	(\$ 947,075)	(\$ 947,075)
Budget Amendment #7 (November 2024)	(\$ 49,116)	\$ 0	(\$ 49,116)
Budget Amendment #8 (December 2024)	(\$ 82,400)	\$ 5,696,000	\$ 5,613,600
Budget Amendment #9 (December 2024)	\$ 0	(\$ 61,383)	(\$ 61,383)
Budget Amendment #10 (January 2025)	(\$ 113,127)	\$ 12,000	(\$ 101,127)
Budget Amendment #11 (January 2025)	\$ 0	(\$ 80,000)	(\$ 80,000)
Budget Amendment #12 (February 2025)	(\$ 18,679)	\$ 0	(\$ 18,679)
Budget Amendment #13 (March 2025)	\$ 0	(\$,873,000)	(\$ 6,873,000)
Budget Amendment #14 (March 2025)	(\$ 75,000)	(\$ 245,080)	(\$ 320,080)
Budget Amendment #15 (April 2025)	\$ 0	\$ 0	\$ 0
Total	(\$ 554,560)	(\$12,468,426)	(\$ 13,022,986)

Executive Director's Recommendation: The SGWASA Board of Directors approve Budget Amendment #16.

Board Action: A motion to approve Budget Amendment #16 was made by Creedmoor Commissioner Robert Way and seconded by Stem Commissioner Kenneth McLamb. The motion passed unanimously (5 votes in favor).

10. FY25-26 Proposed Budget Review

The Executive Director, Scott N. Schroyer, and the Finance Director, Richard Balmer, presented the proposed Fiscal Year 2025–2026 Budget to the Board for initial review and discussion. Following the presentation, the Board determined that further deliberation is necessary and agreed to continue its review and discussion of the proposed budget during the regularly scheduled Board meeting in June 2025.

SGWASA's proposed FY25–26 Budget is balanced and supports the organization's operational needs, debt obligations, and infrastructure investments. While expenditures and funding needs have increased, the proposed budget includes no rate increases and maintains alignment with SGWASA's financial and operational objectives.

[View FY25-26 Budget.](#)

Executive Director's Recommendation:

The SGWASA Board of Directors approve the FY25-26 Budget, the FY25-26 Schedule of Rates, Fees and Charges; the FY25-26 Organizational Chart; and the FY25-26 Classification Scale, as presented.

Board Action: A motion to approve the FY25-26 Budget, the FY25-26 Schedule of Rates, Fees, and Charges; the FY25-26 Organizational Chart; and the FY25-26 Classification Scale, as presented was made by Creedmoor Commissioner Georgana Kicinski, Vice Chair and seconded by Butner Councilperson Vicky Daniels. The motion passed unanimously (5 votes in favor).

12. Comments from the Executive Director

Executive Director, Scott N Schroyer: Thank you, Mr. Chair, Board members. A couple of items this evening. First, I just want to thank my team for their great input and their assistance in preparing the proposed fiscal year, 25-26 Budget. It is a long process that starts in September of each year to get here to this point this evening. Thank you team for your great input and helping build this budget; that includes our Executive Assistant Executive Director Chris Summerlin, Finance Director Richard Balmer, Assistant Finance Director, Ruben Carden, Priscilla Adcock, HR manager, Robert Jackson, Superintendent of water distribution and wastewater collection, Jonathan Yancey, water treatment superintendent, Cody Norwood, wastewater treatment superintendent, and Joel Coats, Project Manager. I would also like to thank Krystle Lee, our PIO, for all the information that you put together for us and the production work.

I-85 project updates. CP#1 is under construction and going very well. At the new Joe Peed Pump station, they are looking to do some rock blasting this Thursday afternoon. We will post

information on our website and push information out to all our local communities and safety forces regarding this activity, which will be on Thursday afternoon.

In terms of CP#2, this project is currently being advertised for bid. Bids are scheduled to be opened on May 22nd at 2pm. In terms of I-85 project updates, a lot of information is on our website. Very timely information is out there, notifications- so please navigate to our website and sign up for alerts. Those are important, so that you get those email alerts. That is what we use to provide information.

In terms of project updates for the Board. Would you like to have a quarterly presentation by our engineering firm just to give you an overview of the status, the things that we have completed in the last 30-60 days, and what is ahead of us in terms of the next 60-90 days, when we would have our engineer come in and do a formal presentation for you, just to keep you updated? I was suggesting on a quarterly basis, I am not sure if the Board wants a monthly report, we can do that as well, as far as a presentation; but I thought the timing was at least once a quarter for the next two and a half years may be worthwhile to the Board.

So, I look for any input from the Board members regarding that so we can work on a schedule to meet your needs for updates on that project.

That is all I have for this evening. Thank you, Board members.

13. Comments from SGWASA Attorney: None.

14. Comments from Board Members:

Butner Councilperson Vicky Daniels: I wanted to thank Georgana for those questions. The responses I learned from Chris were very informative, and I appreciate it. Sometimes you get questions, and sometimes the responses are more helpful to hear how things works. I appreciate it. Iron and Macanese. To me years ago I was taught that it was a seasonal change, the reason sometimes that you get an increase. So, I have more clarification tonight, so I appreciate it, and thank you to staff for all your hard work. I appreciate it.

Creedmoor Commissioner Robert Way: Mr. Balmer, I just wanted to reach out to the finance department customer service team. I get a nice email on my phone saying when my bills are due, and I press my little button, and I go right there. I type in what I'm paying, and I pay it. It's just that simple and quick and easy, and it takes me a matter of less than a minute. I'm very happy with it. Thank God. I wanted to give you a positive comment where I received a few people that just needed some assistance and how they needed to go about it that I forwarded to you, of course, but I enjoy getting that, and it's a great job. And furthermore, Krystle, I cannot say how great the information is that you're putting out there. Anytime something happens, I get an email, I get a text message, so I know when our crews are working to a break in the system. I know if there's something that's going on, that's taking place. I get an email and a text message, so people, please go out there, sign up on the website. You'll get this information. It's instantaneous, and it's very valuable information to have. You'll know what's going on in your community. That's all I have.

Stem Commissioner Kenneth McLamb: None.

Creedmoor Commissioner Georgana Kicinski, Vice-Chair: I want to thank Chris and Scott for their answers to the questions. These are questions to things that I have been getting, I have

read about, and I have seen everywhere. I know that this is not an easy topic to discuss, because I'm not a scientist, I'm not a chemist, and that's why I'm asking you, because I don't have all the answers to this. I suggested this water testing in the City of Creedmoor to allay the fears of those who kept saying the water was poison and it's not. It may not be exactly what other people want, but it's not poison. PFAS and PFOS, we're working on everything. We're working on filters at the water plant. We're working on getting people to flush the hydrants, if that's what it is that we're needed. And we are going to push that these fire hydrants do get flushed regularly in Creedmoor. And I will leave it up to other municipalities to do whatever they have to do too. But I appreciate your answers and your understanding that these are not only my questions, but these are also coming from others, and I look forward to the day when the noise stops.

Granville County Commissioner Jimmy Gooch, Chair: I Appreciate our entire staff. Everyone has worked hard on this budget, our budget committee has worked extremely hard on this, and I want to thank you for all that you've done. I want to especially thank Scott for putting together a budget that didn't require a rate increase. I greatly appreciate it. Thank you.

Creedmoor Commissioner Georgana Kicinski, Vice-Chair: And Richard did that. Not Scott.

Granville County Commissioner Jimmy Gooch, Chair: I want to thank you all for that and you did this while keeping us in a good financial position, keeping us in, you know, a good position where we have some funds to work on these other projects, we're definitely going to seek grants into where we can but you know, we know that we do have the funds available if we have to use them.

15. Adjournment

Granville County Commissioner Jimmy Gooch, Chair entertained a motion to adjourn and asked the Board if there were any other discussion topics to be raised.

Board Action: A motion to adjourn the June 10, 2025, Board Meeting was made by Stem Commissioner Kenneth McLamb and seconded by Butner Councilperson Vicky Daniels. The motion passed unanimously (5 votes in favor). The meeting officially ended at 6:53 p.m.

Respectfully Submitted by: Krystle Lee, Board Secretary / Public Information Officer

Approved by the Board at the 7/9/25 Board Meeting

Commissioner Jimmy Gooch - Chairman

Date

Agenda Item - 7

Public Comments



South Granville Water and Sewer Authority (SGWASA)

Public Comment Procedures

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

1. Public Comments - General:

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

1. Approved 2-14-23

South Granville Water and Sewer Authority (SGWASA)

Public Comment Procedures

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

2. Public Comments - Procedures:

- a. Persons who wish to address the Board during the Public Comment period shall complete a Public Comments-Request to Speak Information Card prior to the start of the Board Meeting. Public Comments – Request to Speak Information cards will be available thirty minutes before the start of the meeting.
- b. On the Public Comments – Request to Speak Information card, speaker shall provide their contact information (full name, full address, email, and telephone number) and the topic of their comments.
- c. Speakers will be called to the podium by the Board Chair when it is their turn to speak. Speakers will address the Board from the podium at the front of the room and begin their remarks by stating their full name and address for the record.
- d. Each speaker will have **three (3) minutes** to make remarks and will only be entitled to the time allotted.
- e. Those persons who desire to submit their public comments to the Board without directly addressing the Board during the Public Comment period may do so, yet they shall provide a legible document to the Board Secretary by 3:00 pm on the day of the Board Meeting. The legible document shall include their contact information (full name, full address, email, and telephone number) and the topic of their comments. The public comments will not be read aloud during the Board Meeting, yet they will be attached to the record copy of the meeting minutes.

Agenda Item - 8

Board Discussion

Background:

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.

Butner Councilperson Vicky Daniels: None.

Butner Councilperson Judy Cheek: None.

Creedmoor Commissioner Robert Way: None.

Stem Commissioner Kenneth McLamb: None.

Granville County Commissioner Tim Karan: None.

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

Granville County Commissioner Jimmy Gooch - Chair: None.

Agenda Item - 9

Topic: Amendment of Capital Reserve Fund for System Development Fees

Requested Action: The SGWASA Board of Directors approve the amendment to the Capital Reserve Fund Resolution.

Presenter(s): Richard Balmer, Finance Director

Background:

On August 11, 2018 the South Granville Water and Sewer Authority (SGWASA) Board adopted a Resolution establishing a Capital Reserve Fund to account for System Development Fees (SDF). The Resolution specifies which capital project(s) the fees will be used towards.

For fiscal years 07/01/2018 thru 06/30/2021 a cumulative total SDF's of \$2,346,422 were designated for engineering services and construction of the water treatment plant upgrade project. That project was completed and all designated revenues expended towards the project.

For fiscal year 2021-2022, SDF's of \$114,973 were designated for engineering services for the replacement of nine bulk chemical storage tanks at the wastewater treatment facility. During FY24-25, SGWASA completed the replacement of the existing twenty-year-old bulk chemical storage tanks with new fiberglass tanks and associated piping. The total project cost was \$902,000.

For fiscal year 2022-2023, SDF's in the amount of \$92,960 were designated for legal and engineering services associated with the I-85 Sanitary System Improvement Project.

For fiscal year 2024-2025, SDF's in the amount of \$133,164 are being designated for legal and engineering services associated with the I-85 Sanitary System Improvement Project. The project is ongoing.

Analysis:

North Carolina General Statutes (NCGS) 162A, Article 8 requires all system development fee proceeds be accounted for in a Capital Reserve Fund. SGWASA has collected \$133,164 in such fees during fiscal year 2024-2025.

Recommendation:

The SGWASA Executive Director and Finance Director recommend the Board make an amendment to the existing Resolution adopted on August 11, 2018 to include fiscal year 2024-2025 system development fees collected in the amount of \$133,164. It is recommended these funds be used towards the SGWASA-funded costs of the I-85 Sanitary Sewer System Improvement Project.

Financial:

The fiscal year 2024-2025 System Development Fees have been collected and accounted for appropriately in SGWASA's accounting system. If approved, a copy of the amended Resolution will be included in the supporting documentation for the annual audit.

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.

Attachment(s):

Updated Resolution.

Executive Director's Recommendation:

The SGWASA Board of Directors approve the amendment to the Capital Reserve Fund Resolution to designate the collection of \$133,164 from System Development Fees during fiscal year 2024-2025 to be used towards the I-85 Sanitary Sewer System Improvement Project.

**South Granville Water and Sewer Authority (SGWASA)
Capital Reserve Fund Resolution for System Development Fees (SDF)**

WHEREAS, there is a need at South Granville Water and Sewer Authority to provide funds for future capital projects related to its water system and wastewater system, and to make debt service payments on existing debt related to past capital projects for its water and wastewater system;

WHEREAS, NCGS 159-18 authorizes the creation of a capital reserve fund;

WHEREAS, NCGS 162A, Art. 8 require that all system development fee proceeds be accounted for in a capital reserve fund:

NOW, THEREFORE, BE IT RESOLVED, by the Board of the South Granville Water and Sewer Authority.

Section 1. The Governing Board hereby creates a Capital Reserve Fund for System Development Fees for the purpose of funding the following capital projects related to the Authority's water and wastewater system:

Completed: Water Treatment Plant Upgrade: The existing plant on Central Avenue Butner NC was upgraded. The Board appropriated cumulative SDF's collected 07/01/2018 thru 06/30/2021 in the amount of \$2,346,422 towards this project.

Wastewater Plant Chemical Tank Repairs: The wastewater treatment plant currently utilizes nine bulk chemical storage tanks, five of which are for alum and four are for caustic soda. These tanks have been in use for over twenty years and the fiberglass exterior and piping on all units have either failed or are experiencing extensive deterioration. SGWASA plans to remove the nine failing chemical storage tanks and replace them with four new tanks, which will be installed to current design standards. Specifications and design are currently being developed; thus the projected cost for this project is undetermined at this time.

The 2021-2022 appropriation from the budget ordinance to the CRF is \$114,973 in SDF proceeds to fund the engineering design and/or construction required.

Wastewater Collection System Upgrades: The existing wastewater collection system is at maximum capacity to reliably convey flow to the SGWASA Wastewater Treatment Plant (WWTP). SGWASA has initiated a moratorium on any additional development in the area surrounding Creedmoor until additional collection system capacity is achieved. To provide additional capacity, SGWASA partnered with CDM Smith to initiate corrections in the wastewater collection system known as the I-85 Sanitary Sewer System Improvement Project ("Project") at the end of 2020. The first phase (Phase 1) of The Project included hydraulic modeling, development of future flow projections, capacity analysis, improvement alternatives evaluation, identification of preliminary regulatory requirements, preliminary funding assistance, and recommendations for a path forward. Phase 2 of the Project includes final design, permitting, and bidding services. A future Project phase (Phase 3) will include construction, construction administration, observation, and start-up services.

Engineering and construction costs are currently estimated to be \$70 million to be funded with a \$35 million ARPA grant administered by NC DEQ and the remaining

cost funded with a USDA loan. Some costs, including a USDA-required Authority contribution of \$6,873,000, will be funded internally using revenues and/or Fund Balance.

The 2022-2023 appropriation from the budget ordinance to the CRF is \$92,960 in SDF proceeds to fund legal and professional services for the I-85 Sanitary Sewer System Improvement Project that are not funded by the ARPA grant.

The 2023-2024 appropriation from the budget ordinance to the CRF is \$41,796 in SDF proceeds to fund legal and professional services for the I-85 Sanitary Sewer System Improvement Project that are not funded by the ARPA grant.

The 2024-2025 appropriation from the budget ordinance to the CRF is \$133,164 in SDF proceeds to fund legal and professional services for the I-85 Sanitary Sewer System Improvement Project that are not funded by the ARPA grant.

Section 2. This CRF shall remain effective until all the above-listed projects, and any projects added in the future, are completed. The CRF may be amended by the governing board as needed to add additional appropriations, modify or eliminate existing capital projects, and/or add new capital projects.

Section 3. This Resolution shall become effective and binding upon its adoption.

I, Scott N Schroyer, Executive Director of the South Granville Water and Sewer Authority Board of the South Granville Water and Sewer Authority, do hereby certify that the foregoing Resolution is a true and exact copy of the “**Capital Reserve Fund Resolution for System Development Fees (SDF)**” duly adopted by the Board of the South Granville Water and Sewer Authority at the regular meeting thereof duly called and held on July 8, 2025 a quorum being present.

Scott N. Schroyer, Executive Director

WITNESS my hand at Butner, N.C., this 8th day of July, 2025.

Krystle Lee, Board Secretary

Agenda Item - 10

Topic: FY24-25 Fiscal Year-End Capital Improvement Fund Designation

Requested Action: The SGWASA Board designate \$371,991 for designated Capital Improvement Project funds as of June 30, 2025 and authorize the Finance Director to transfer funds as needed without further notification to the Board.

Presenter(s): Richard Balmer, Finance Director

Background:

On June 10, 2008 the South Granville Water and Sewer Authority (SGWASA) Board adopted a Resolution which was subsequently amended by the Board on May 12, 2015. The Resolution delegated certain authority to the Finance Director pertaining to Capital Improvement Project (CIP) funding. SGWASA's independent auditors recommend that the Board be presented with the annual designation for CIP funding. The following information pertains to the CIP fund designation for fiscal year 2024-2025.

Analysis:

The SGWASA Board Resolution dated May 13, 2015 (Attachment 1) in accordance with the powers and duties set forth in NCGS 159-25, delegates certain authority to the SGWASA Finance Director. The Resolution authorizes and instructs the Finance Director to establish, maintain, and manage a designated account for Capital Improvement Project (CIP) funding.

Recommendation:

The SGWASA Executive Director and Finance Director recommend the Board designate \$371,991 for designated Capital Improvement Project funds. This recommendation is the cumulative net effect of funds received, earned, and spent during fiscal year 2024-2025 and/or committed to be spent for various projects as reflected on the schedule provided.

Schedule:

Necessary funds were transferred on 07/01/25 between designated Capital Improvement Project bank account(s) and SGWASA Operating accounts to retain the cumulative uncommitted designated funds in the appropriate Capital Improvement account(s).

Financial:

As reflected on the attached schedule, this action by the Board will result in cumulative net designated capital improvement funds of \$5,170,419 as of June 30, 2025 available for future capital improvement needs. This accounting does not include the remaining ARPA grant funds that have yet to be committed to the I-85 Sanitary Sewer Project or future SGWASA commitments to that project.

Attachments:

Exhibit 1: Board Resolution dated May 12, 2015 delegating authority to the Finance Director
Exhibit 2: Board Designation History
Exhibit 3: CIP Fund Balance Designated Calculation FY 2024-2025

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.

Recommendation:

The Executive Director recommends the SGWASA Board designate \$371,991 for designated Capital Improvement Project funds as of June 30, 2025 and authorize the Finance Director to transfer funds as needed without further notification to the Board.

SOUTH GRANVILLE WATER AND SEWER AUTHORITY

**RESOLUTION OF MEMBERS OF THE SOUTH GRANVILLE WATER
AND SEWER AUTHORITY DELEGATING TO THE FINANCE OFFICER CERTAIN
MANAGEMENT AUTHORITY**

WHEREAS, the South Granville Water and Sewer Authority ("SGWASA") is a water and sewer authority organized under and by virtue of Article 1, Chapter 162A of the North Carolina General Statutes;

WHEREAS, said SGWASA is required pursuant to North Carolina General Statute §159-24 to designate a Finance Officer;

WHEREAS, said Finance Officer has the powers and duties set forth in North Carolina General Statute §159 -25; and

WHEREAS, the Members of SGWASA have determined that the Finance Officer should be given certain guidance concerning the transfer of monies out of the normal operating account into certain designated accounts from time to time.

NOW, THEREFORE, let it be resolved as follows:


The Members of SGWASA hereby authorize and instruct the Finance Officer to establish a designated banking account separate from the normal operating banking account (the "Designated Account"). To the extent allowed by law, the Finance Officer shall observe the following rules in establishing, maintaining, and managing the Designated Account:

- (1) The Designated Account shall be a banking account separate from other SGWASA accounts.
- (2) An amount(s) representing the CIP funding included in the current year rates that remains unused at fiscal yearend (as revenue and funding allow) shall be deposited into the designated account by the end of each budget year.
- (3) All Allocation/Development Fees shall be deposited into the Designated Account.
- (4) Unless otherwise specified by the Members, any unrestricted cash assets received during a system collapse/merger shall be deposited into the Designated Account.
- (5) Funds other than those specified in paragraphs 2, 3, and 4 may be deposited in the Designated Account upon approval by the SGWASA Members.
- (6) Interest earned by the account shall be retained in the Designated Account.
- (7) Deposits into the Designated Account meeting the above criteria shall be approved by the Finance Officer on an "as needed" basis with a report of all deposits made into the account provided to the SGWASA Board Members at the regular monthly meeting following each such deposit.
- (8) Withdrawals from the account shall be made only upon approval by the SGWASA Members and such withdrawals shall be reported to the SGWASA Members at the regular monthly meeting following each such withdrawal.

Adopted by the South Granville Water and Sewer Authority on the 10th day of June, 2008 and amended this the 12th day of May, 2015.



Thomas Lane, Chair
ATTEST:



Beverly Beal, Secretary
{A0114836.DOC}

SGWASA
Board Designation History
6/30/2025

	Current Year Designation	Ending Balance
06/30/08	\$5,180,362	\$5,180,362
06/30/09	\$1,078,435	\$6,258,797
06/30/10	\$680,087	\$6,938,884
06/30/11	\$263,249	\$7,202,133
06/30/12	\$309,030	\$7,511,163
06/30/13	\$1,377,238	\$8,888,401
06/30/14	\$536,426	\$9,424,827
06/30/15	\$618,646	\$10,043,473
06/30/16	\$1,196,397	\$11,239,870
06/30/17	\$1,355,094	\$12,594,964
06/30/18	\$143,902	\$12,738,866
06/30/19	\$2,518,777	\$15,257,643
06/30/20	(\$12,646,311)	\$2,611,332
06/30/21	\$1,028,668	\$3,640,000
06/30/22	\$168,799	\$3,808,799
06/30/23	\$1,461,903	\$5,270,702
06/30/24	(\$472,274)	\$4,798,428
06/30/25	\$371,991	\$5,170,419

Exhibit 3: CIP Fund Balance Designated Calculation

CIP Fund Balance Designated Calculation FY 2024-2025 Current Fiscal Year Activity Summary		
	Designated FB 07/01/24	\$4,798,428
Revenues Recd Current FY for designated projects		
Grants: ARPA NC DWI (\$35m): <i>Reimbursement so no net effect on CIP</i>	\$0	
Grants: AIA Sewer NC DWI (\$200,000): <i>Reimbursement so no net effect on CIP</i>	\$0	
Grants: AIA Water NC DWI (\$150,000): <i>Reimbursement so no net effect on CIP</i>	\$0	
Grants: Legislative \$500,000: PFAS <i>Reimbursement so no net effect on CIP</i>	\$0	
Grants: Legislative \$5m: <i>Not committed; no net effect on CIP</i>	\$0	
Interest/Earnings for year: NCCMT Govt Portfolio (<i>CIP accts only</i>)	\$223,736	
IAIA Stormwater Contributions (Granville Co, Butner, Creedmoor, Stem)	\$152,377	
System Development Fees (SDF): Designated per CRF Resolution	\$133,164	
		\$509,277
Spent/Committed Current FY		
I-85 Collection System: Engineering CACO: <i>DEQ grant; no effect on CIP</i>	\$0	
I-85 Collection System: CP1: <i>DEQ grant & USDA loan; no effect on CIP</i>	\$0	
I-85 Collection System: CP2h: <i>DEQ grant & USDA loan; so no effect on CIP</i>	\$0	
I-85: Easements, legal, & other direct costs per Capital Project Ordinance & BA's	(\$408,770)	
WTP: 16" Valve Replacement Project:	(\$155,980)	
Facility Needs Study	(\$43,718)	
WTP: Filter Media Engineering Assessment	(\$26,500)	
Project: Lead and Copper: Hazen & Sawyer <i>Completed; remainder unencumbered</i>	\$98,128	
WWTP: Chemical Tank Project: <i>Completed less than original encumbrance</i>	\$49,639	
Lake Rd PS Improvements: <i>Completed; less than original encumbrance; includes P&L ins proceeds</i>	\$111,410	
PFAS Services Engineering: <i>DWI grant reimbursement; no net effect on CIP except initial DWI closing fee</i>	(\$10,000)	
WTP: Clearwell Rehab	(\$38,870)	
WTP: Water Quality Study	(\$227,340)	
WTP: Filter Media Engineering Design	(\$245,080)	
Project: Mass meter replacement: Supplies Purchased by Sgwasa	(\$747,628)	
Project: Mass meter replacement: Supplies Purchased by Sgwasa	(\$199,446)	
Water and Sewer Standards	(\$84,900)	
CCTV Services	(\$330,000)	
Utilities LS: Improvements: CIP 106-01	(\$63,231)	
		(\$2,322,286)
Prior Year Adjustments & Current Year CIP Funding		
Depreciation/CIP earned in FY 2024-2025 (\$2.3m funded at 95%)	\$2,185,000	
		\$2,185,000
	Designated FB 06/30/25	\$5,170,419
	To be designated by the Board	\$371,991

Agenda Item - 11

Topic: Fiscal Year 2025-2026 Budget Amendment #1

Requested Action: Seeking the Board of Directors approval of Budget Amendment #1

Presenter(s): Richard Balmer, Finance Director

Background:

Budget Amendment #1 reallocates existing budget from property and liability insurance to workers compensation insurance and appropriates additional budget for workers compensation insurance. The renewal premium for workers compensation insurance for fiscal year 2025-2026 is slightly higher than budgeted as a result of the several employee-based topics, including implementation of the recommendations from the pay study, pay increases, and addition of three new positions.

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

Item	Operating	CIP	Total Amount
Original FY25-25 Budget Ordinance Adoption (Approved by Board of Directors on 6/10/25)	(\$ 1,345,076)	\$ 0	(\$ 1,345,076)
Total	(\$ 1,345,076)	\$ 0	(\$ 1,345,076)

FY25-26 Budget Amendment #1

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

Revenues: Increase / (Decrease)	Amendment/Change
Transfer from Fund Balance	\$ 4,000
Total Revenues	\$ 4,000
Expenditures: Increase / (Decrease)	
Depreciation/Board/Other	\$ 4,000
Total Expenditures	\$ 4,000

Strategic Plan Alignment:

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

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

Focus Area #2 – Reliable and Sustainable Sanitary Sewer System

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

Attachments:

BA1 Supporting Documentation

Executive Director's Recommendation:*The SGWASA Board of Directors approve Budget Amendment #1.**Budget Amendment #1 Supporting Documentation*

BA #1 Supporting Documentation (For Reference Only)			
	Amendment / Change	Budget after Change	
<u>Depreciation/Board/Other</u>			
61-7200-4500 Insurance-Workers Comp	\$ 12,000	\$ 55,000	
61-7200-4510 Insurance-P&L	\$ (8,000)	\$ 146,400	
61-4000-000 Transfer from Fund Balance (operating)	\$ (4,000)	\$ (1,349,076)	
<i>Appropriate additional budget for workers comp ins renewal</i>		0	
<i>Pay study, pay adjustments, 3 added positions approved for FY 25-26</i>			
	Operating	CIP	Total
Transfer to (from) FB-original budget	\$ (1,345,076)	\$ 0	(\$1,345,076)
Budget Amendment #1	\$ (4,000)	\$ 0	(\$4,000)
Transfer to (from) FB-amended budget	\$ (1,349,076)	\$ 0	(\$1,349,076)

Agenda Item - 12

Topic: SGWASA Employee Benefits - Contract Renewals for FY25-26

Requested Action: The SGWASA Board members authorize the Executive Director to execute contract renewals for FY25-26 with Blue Cross Blue Shield and Guardian.

Presenter(s): Priscilla Adcock, HR Manager, Chris Summerlin, Asst. Executive Director

Background:

The South Granville Water and Sewer Authority (SGWASA) approved FY25-26 Budget includes projected expenses related to employee healthcare benefits. SGWASA provides medical insurance, dental insurance, long-term disability insurance, and vision insurance benefits to its employees who desire to participate. The FY25-26 Budget provides for 52 full-time employees.

SGWASA has existing benefits contracts with the following providers:

- **Blue Cross Blue Shield:** Medical Insurance
- **Guardian:** Dental Insurance, Vision Insurance, and Long-Term Disability Insurance

Analysis:

SGWASA staff meets several times throughout the year with its benefit strategy consultants to review existing benefit plans, discuss benefit strategies to create an environment of wellbeing and engagement, to review marketplace perspectives, and to determine a benefits package that is cost-effective for SGWASA.

Upon the conclusion of several meetings held earlier this year with SGWASA's benefit strategy consultant, Gallagher Insurance, the strategist reviewed SGWASA's current benefit plans, evaluated several benefit packages and their associated costs, and then negotiated upon SGWASA's behalf to obtain benefit packages at competitive costs.

For the upcoming renewal period (FY25-26) SGWASA's benefit strategy consultant, Gallagher Insurance, was able to negotiate the medical insurance renewal at a 2.4 % increase, which is less than the SGWASA staff estimate of 8%, as funded in the FY25-26 Budget. For the Guardian-provided benefits, we will see no increases in the dental insurance, long-term disability, and vision programs.

Financial:

The following table summarizes the negotiated benefit rates for FY25-26 based on the number of employees enrolled in each plan area. Although not all SGWASA employees participates in the Benefit program, however, SGWASA determines the annual budget based on full participation:

Benefit Area	Plan Provider	Proposed Benefit Changes to Renewal?	FY24-25 Plan Cost	FY25-26 Employees Enrolled as of 7/1/25.	FY25-26 Proposed Plan Cost	Cost Diff. Year over Year
Medical	Blue Cross Blue Shield	None	\$493,579	44	\$505,424.9	\$11,845.9

Benefit Area	Plan Provider	Proposed Benefit Changes to Renewal?	FY24-25 Plan Cost	FY25-26 Employees Enrolled as of 7/1/25.	FY25-26 Proposed Plan Cost	Cost Diff. Year over Year
Dental	Guardian	None	\$21,379.55	44	\$21,886.25	\$506.70
Long-Term Disability	Guardian	None	\$10,664.88	44	\$10,664.88	\$0
Vision	Guardian	None	\$4,255.08	44	\$4,255.08	\$0
Total			\$529,878.51		\$542,231.11	\$12,352.60

Schedule:

Open enrollment for SGWASA employees was conducted between 5/28/2025 and 6/11/2025. During the open enrollment period, employees used an on-line portal to make benefit selections. The employee benefits platform provides seamless integration with our plan providers, cuts down on paper usage, human errors, and provides a better way to manage and simplify employee benefit enrollment.

Executive Director's Recommendation:

The SGWASA Board of Directors authorize the Executive Director to execute contract renewals for FY25-26 with Blue Cross Blue Shield and Guardian.

Agenda Item – 13

Topic: Authorization to Purchase a new Heating, Ventilating, Air Conditioning (HVAC) unit to replace the existing non-working HVAC unit at the Water Treatment Plant.

Requested Action: The SGWASA Board of Directors approve the purchase and installation of one new HVAC Unit from TriSouth Mechanical, for the not-to exceed amount of \$88,082.45 excluding local/state taxes and be given authority to review and approve change orders relating to unexpected conditions in an amount not to exceed \$4,405.00 without further board approval.

Presenter(s): Chris Summerlin, Asst. Executive Director

Background:

The HVAC (chiller unit type) system at the Water Treatment Plant is non-operational and has had multiple outages and service calls since it was originally installed in 2017. A chiller unit is a machine used to remove heat from a liquid via a vapor-compression or absorption refrigeration cycle. That cooled liquid is then circulated through equipment like air handlers, fan-coil units, or industrial processes to cool air or machinery. The company that repaired this unit previously stated that the unit needed replacement, as it was not reliable. **The purchase of this item was identified in the FY25-26 Budget as a Capital Outlay expense of \$95,000.**

Analysis:

Based on the nature of this work, SGWASA determined that the replacement of the HVAC unit should be performed by a certified HVAC contractor. The contract service shall include furnishing permits, labor, materials, tools and equipment necessary to perform all operations in connection with warranty on both the product and labor.

Procurement:

In accordance with N.C. General Statute 143-131 and the SGWASA Policy pertaining to contracting and bidding, informal bidding procurement methods are permissible for purchases with estimated expenditures between \$30,000-\$90,000. When procuring items using the informal bidding procedures, SGWASA's Policy requires three competitive quotes on vendor letterhead or other acceptable written form.

Quotes for replacement of the HVAC (chiller) system were obtained from three qualified vendors. These vendors included:

- TriSouth Mechanical – \$88,082.45
- All Weather Heating and Cooling - \$95,618.89
- Newcomb and Company - \$95,000

Based on the proposals received, SGWASA determined that TriSouth Mechanical could perform the work at their proposed cost. TriSouth Mechanical's proposed costs are found on the following page.

TriSouth Mechanical's proposed costs are found below:

Item	Description	Unit Cost
1.	Labor and Materials to replace existing with like for like size. Storage tank to be added to give chiller the volume needed to prevent short cycling.	\$75,262.36
2.	Remove and dispose of existing Chiller. Refrigerant will be recovered and recycled per EPA guidelines	
3.	Install new Chiller and storage tank on existing concrete pad. Will fit new chiller up to existing pipe. Will replace the electrical disconnect, whip, thermometers, and pressure gauges.	
4.	Install start/stop signal from existing controls if needed.	
5.	Reuse all existing pipe, line side electrical, controls, pump and valves.	
6.	Warranty: 5 year compressor/1 year parts/ 1 year labor	
7.	Labor and Materials to replace 1 large Fan Coil Unit. Reuse existing water pipe, electrical and controls.	\$12,820.09
8.	Warranty: 1 year parts and materials	
	Total	\$88,082.45

Recommendation:

SGWASA staff recommends the Board approve the purchase of a new HVAC unit to replace the existing non-working HVAC unit from TriSouth Mechanical.

Schedule:

The HVAC chiller unit has a lead time of approximately 14-16 weeks. The work will commence after the chiller is received by TriSouth Mechanical. In the meantime, SGWASA Water Treatment staff is maintaining cooling at the facility via several means, including portable A/C units.

Financial:

The approved Fy25-26 SGWASA Budget includes \$95,000 for HVAC replacement at the water treatment plant. SGWASA staff is requesting the authority to spend a not-to-exceed amount of \$92,487.45 on the replacement of this HVAC unit, which includes a 5% contingency.

Attachments:

None

Executive Director's Recommendation:

The SGWASA Board of Directors approve the purchase and installation one new HVAC Unit from TriSouth Mechanical, for the not-to exceed amount of \$88,082.45 excluding local/state taxes and be given authority to review and approve change orders relating to unexpected conditions in an amount not to exceed \$4,405.00 without further Board approval.

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

Butner Councilperson Judy Cheek

Butner Councilperson Vicky Daniels

Creedmoor Commissioner Robert Way

Granville County Commissioner Tim Karan

Stem Commissioner Kenneth McLamb

Creedmoor Commissioner Georgana Kicinski, Vice-Chair

Granville County Commissioner Jimmy Gooch - Chair

Agenda Item - 17

Closed Session (as needed)

Agenda Item - 18

Meeting Adjournment