



**SOUTH GRANVILLE WATER AND SEWER AUTHORITY**

# **BOARD OF DIRECTORS MEETING**

**April 14, 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 – April 14, 2026 6:00 pm**  
**Meeting Agenda**

<b>Item</b>	<b>Description</b>	<b>Page Number</b>
1.	<b>Call to Order/Welcome</b> Kenneth McLamb, Town of Stem Commissioner/SGWASA Board Chair	
2.	<b>Oath of Office for New Member:</b> (Administered by Attorney Wrenn) Mayor Pro-Tem Archer Wilkins, City of Creedmoor Commissioner	3
3.	<b>Roll Call</b> Krystle Lee, Board Secretary/PIO	
4.	<b>Invocation</b> Vicky Daniels, Butner Councilperson	
5.	<b>Pledge of Allegiance</b> Thomas Lane, Butner Councilperson	
6.	<b>Conflict of Interest Declarations</b>	4
7.	<b>Adjustments/Approval of the Meeting Agenda</b>	
8.	<b>Review and approval of the March 10, 2026 Board Meeting Minutes</b>	5-20
9.	<b>Public Comments</b>	21-22
10.	<b>Board Discussion Items</b>	23
11.	<b>Proposed FY26-27 Budget Review</b>	24-67
12.	<b>Public Hearing-Proposed Fiscal Year 2026-2027</b>	68-71
13.	<b>Request to Purchase One Tractor with Front-End Loader</b>	72-84
14.	<b>PFAS Pilot 2 DEQ Resolution of Acceptance</b>	85-88
15.	<b>PFAS Pilot 2 CDM Smith Scope and Fee Approval</b>	89 -100
16.	<b>Arbitrage Award of Contract</b>	101 -125
17.	<b>Budget Amendment #11</b>	126-128
18.	<b>Budget Amendment #12</b>	129-131
19.	<b>Comments from the Executive Director</b>	132
20.	<b>Comments from the SGWASA Attorney</b>	132
21.	<b>Comments from Board Members</b>	132
22.	<b>Closed Session (as needed)</b>	132
23.	<b>Adjournment</b>	132

## **Agenda Item-2**

**Topic:** SGWASA Board of Directors Oath of Office for Mayor Pro-Tem Archer Wilkins, City of Creedmoor Commissioner, to fulfill the unexpired term of Robert Way, City of Creedmoor Commissioner.

**Oath of Office Administered By:** Attorney Jim Wrenn, Jr.

### **Background:**

#### **Robert Way, City of Creedmoor Commissioner**

- 11/5/25 - At the Regular City of Creedmoor Commissioners meeting, the City Commissioners reappointed Commissioner Robert Way to serve as the City of Creedmoor's representative on the South Granville Water and Sewer Authority (SGWASA) Board for a three-year term beginning December 1, 2025 and expiring November 30, 2028.
- 12/9/25 – At the SGWASA Board of Directors meeting, Commissioner Way was administered his oath of office as a SGWASA Board member.
- 3/10/26 – At the SGWASA Board of Directors meeting, Commissioner Way resigned from the SGWASA Board, effective following the meeting adjournment.

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

- 4/7/26 – At the City of Creedmoor Board of Commissioners meeting, the Board appointed Commissioner Archer Wilkins, Mayor Pro Tem, to the SGWASA Board of Directors for the unexpired term (November 30, 2028) of Commissioner Way.

### **Oath of Office:**

#### ***§ 11-7. Oath or affirmation to support Constitutions; all officers to take.***

*Every member of the General Assembly and every person elected or appointed to hold any office of trust or profit in the State shall, before taking office or entering upon the execution of the office, take and subscribe to the following oath:*

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

## **Agenda Item-6**

### **Conflict of Interest Declarations**

If any Board member has a direct or indirect interest in any matter that comes before the Board, the member shall disclose the nature of the interest to the other members on the record during the meeting, and the disclosure shall be entered into the minutes.

The member having such an interest shall not participate in any discussion, deliberation, or vote on the matter for which the conflict exists. If an objection is raised at or prior to the discussion, hearing, or vote concerning a member's participation and that member does not voluntarily recuse himself or herself, the remaining disinterested members of the Board shall, by majority vote, determine whether the member shall be excused from participation.

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

## **Agenda Item 8 - Review & Approval of Minutes**



**South Granville Water and Sewer Authority  
Regular Monthly Board of Directors Meeting  
March 10, 2026 at 6:00 pm**

### **Meeting Minutes**

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

Commissioner Kenneth McLamb, SGWASA Chair, called the meeting into session at 6:00 pm.

#### **2. Roll Call**

Krystle Lee, Board Secretary/PIO

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

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

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

**City of Creedmoor:** Commissioner Robert Way, Commissioner Georgana Kicinski

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

#### **Officials Present:**

Scott N. Schroyer, Executive Director

Chris Summerlin, Assistant Executive Director

Richard Balmer, Finance Director/Treasurer

Krystle Lee, Public Information Officer/Board Secretary/Webmaster

Jim Wrenn Jr., Attorney

#### **3. Invocation**

Commissioner Kenneth McLamb

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

Commissioner Robert Way

#### **5. Resolution Recognizing Water Professionals Day**

The Board considered a resolution recognizing the essential contributions of water professionals across SGWASA and the critical role each discipline plays in delivering safe, reliable water and wastewater service. The resolution acknowledged the critical role of operations staff, field crews, engineers, laboratory personnel, the communications professional, customer service representatives, compliance staff, and the utility team whose work powers SGWASA.

The statewide observance of Wastewater Professionals Appreciation Day was recognized as the catalyst for the posed resolution, highlighting the important role all water professionals play in protecting public health and the environment. The Board connected that statewide recognition to

SGWASA's broader recognition program. In recognition of those contributions, the Board adopted March 13th as an annual observance of SGWASA Water Professionals Day.

**Board Action:** A motion to accept the Water Professionals Day Resolution was made by Commissioner Georgana Kicinski, Vice-Chair and seconded by Commissioner Robert Way. The motion passed unanimously (7 votes in favor).

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

None.

## **7. Adjustments/Approval of the Meeting Agenda**

**Brief Description:** Commissioner Kenneth McLamb, Chair, asked the Board members if there were any adjustments to the Meeting Agenda as presented. No adjustments were presented.

**Board Action:** A motion to approve the [March 10, 2026 Board of Directors Meeting Agenda](#) was made by Commissioner Georgana Kicinski, Vice-Chair and seconded by Commissioner Jimmy Gooch. The motion passed unanimously (7 votes in favor).

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

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

**Board Action:** A motion to approve the February 2026 Regular Board Meeting Minutes was made by Commissioner Russ May and seconded by Councilperson Tom Lane. The motion passed unanimously (7 votes in favor).

## **9. Public Comments**

**Diane Johnson, Butner, NC:** Expressed concern surrounding project work underway on 8<sup>th</sup> Street in Butner, NC; and expressed concern with having access to the project timeline, residential project questions, and general water quality. Question was raised on rates and the nuances connected with operating with the economy of scale model, highlighting comparison to larger communities.

The Executive Director met with the resident to help connect her with the appropriate team members, and published resources for ongoing support.

**Chet Thompson, Butner, NC:** Communicated that the blasting radius could be expanded beyond the original 500-foot area impact estimation. The resident stated that the effects of blasting can be felt in his home, which is outside the initial estimated radius.

The Board discussed the desire to expand the impact radius communicated by contractors.

## **10. 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:** Provide further details on Church Street issues in Creedmoor and let the residents of that street know why there is unending construction work being done.

**Commissioner Jimmy Gooch:** None.

**Commissioner Robert Way:** None.


**Commissioner Kenneth McLamb, Chair:** None.

**Councilperson Vicky Daniels:** Water Treatment Plant Media Replacement Project updates are requested, including any notable difference in water quality.

**Commissioner Russ May:** None.

Response to Councilperson Daniels' Information Request: Water Treatment Plant Media Replacement Project updates are requested, including any notable difference in water quality.

Staff has provided the following memo related to Council Person Daniels' Discussion Item topic.



**TO:** SGWASA Board Members

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

**TOPIC:** Water Treatment Plant (WTP) Filter Media Replacement Project Update

**DATE:** March 5, 2026

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**Executive Summary**

The WTP Filter Media Replacement Project remains on schedule for spring 2026 completion. Work completed to date has already improved plant performance, increasing production capacity and water quality, especially through enhanced manganese removal.

**Background**

Between May and September 2024, SGWASA experienced significant production limitations when all five filters struggled to maintain normal output during high-temperature periods. Hazen, our on-call engineering firm, investigated the issue and recommended replacing the filter media and upgrading the filter nozzles. SGWASA subsequently issued an RFP for the work.

In August 2025, the Board awarded the construction contract to State Utility Contractor, the lowest responsive, responsible bidder. The total bid amount was \$897,753, consisting of a base bid of \$797,753 and a \$100,000 General Allowance intended for potential concrete repairs in the filter basins.

**Status (In Progress)**

Construction began in November 2025. To date, progress has remained on schedule:

- Basin 1: Completed in December 2025.
- Basin 2: Completed mid-February 2026 after minor weather delays.
- Basin 3: Taken offline in late February 2026; expected back online in March.
- Basins 4 and 5: Will proceed next, potentially concurrently, supporting timely completion in spring 2026.

**South Granville Water & Sewer Authority**

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(919) 575-4547

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[customerservice@sgwasa.org](mailto:customerservice@sgwasa.org)

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Butner, NC 27509

#### Performance Improvements to Date

- Rehabilitation of Filters 1 and 2 has already produced measurable operational benefits:
  - Increased daily water production capacity due to restored filtration efficiency.
  - Reduced head loss across the filter beds.
  - Improved water quality, most notably through enhanced manganese removal.

#### Next Steps

- Complete rehabilitation of Basins 3, 4, and 5 by spring 2026.
- Provide a final project summary and performance report upon completion.
- Report on any utilization of the General Allowance for concrete repairs (if required).

Response to Commissioner Kicinski's Information Request: I would like to discuss the issues on Church Street in Creedmoor and let the residents of that street know why there is unending construction work being done.

*Staff has provided the following memo related to Commissioner Kicinski's Discussion Item topic.*

**To:** Scott Schroyer, Executive Director of SGWASA

**From:** Chris Summerlin, Assistant Executive Director of SGWASA

**Date:** March 5, 2026

**Subject:** Church Street Utility Construction and Abandonments

**Background**

The South Granville Water and Sewer Authority operates and maintains water and sewer lines within the Town limits of Butner, City limits of Creedmoor, Town of Stem and unincorporated areas of Granville County.

On East Church Street, between North Street and Hunters Ridge Dr. in the City of Creedmoor, there are 3 separate waterlines; a 2" waterline that was shown in previous records to have been abandoned, a 4" waterline and a 6" waterline. Both the 2" and 4" waterlines have had continued waterline breaks in the past 11 years that SGWASA has owned the system.

SGWASA has been working to develop a plan to abandon the existing 2" and 4" waterlines and transfer all water services to the 6" waterline. In order to abandon these waterlines, valves must be inserted to determine which services lines are hooked to the 2" and 4" lines.

SGWASA does not have record (as-built) drawings for these waterlines, as the City of Creedmoor did not keep the records. Based on not having the record drawings for this, SGWASA has to determine where the lines are connected and cut valves in, so we can ultimately abandon these old waterlines.

SGWASA has been and will continue to work in the next couple of weeks to abandon the waterlines and move all water services to the 6" waterline. Please see the attached map for the specific area of construction.

Customers in the area may experience loss of pressure or times of no water, due to moving services, but the end result will be better flow and less chance of utility issues long term in this area.

Thank you and please let me know if you have any questions.

Chris Summerlin

Assistant Executive Director- SGWASA

## **11. Bio-Solids Management: Award of Contract**

The Board reviewed a request to continue bio-solids management services through a contract extension with the current provider. Staff presented a general overview of the operational need for continued service, noted that funding for the program had already been incorporated into the approved budget, and advised that the proposed extension would support ongoing treatment plant operations without disruption.

Staff further reported that the proposed renewal terms were evaluated and found to be reasonable based on prior performance, pricing considerations, and overall service continuity. Based on that review, staff recommended approval of the contract extension, and the Board approved the continued agreement for bio-solids management services.

### **Discussion:**

**Councilperson Tom Lane:** On page 26, above table 1, it says unit thinking for sludge hauling-

**Assistant Executive Director Chris Summerlin:** We do a combination of both.

**Councilperson Tom Lane:** Okay, I knew you were doing the Pace.

**Assistant Executive Director:** Correct. The Wastewater Treatment Plant currently utilizes more liquid sludge hauling than it does the cake material. However, staff appropriately, given time, produce more cake. So, we try to get as much production from cake, which is a lower cost per ton.

**Executive Director's Recommendation:** The SGWASA Board of Directors approve the unit-price contract extension for a 3-year term with Granville Farms, Inc. for the bio-solids management program, based on the 12/17/25 proposal.

**Board Action:** A motion to approve the unit-price contract extension for a 3-year term with Granville Farms, Inc. for the bio-solids management program, based on the December 17, 2025 proposal, was made by Commissioner Robert Way and seconded by Councilperson Tom Lane.

The motion passed unanimously (7 votes in favor).

## **12. Generator Preventative Maintenance – Contract Award**

The Board reviewed a request to award a three-year Generator Preventative Maintenance contract, to Clark Power Inc., for generator preventative maintenance services to support SGWASA's emergency power infrastructure. Staff presented an overview of the Authority's need for ongoing maintenance, inspection, repair, and emergency response services for its generator fleet and advised that, due to staffing capacity and operational needs, the work was recommended to continue through contracted services.

Staff further reported that the proposed agreement had been procured through SGWASA's informal bidding process. The recommended contractor had been identified as the lowest responsive bidder. Funding for the work was already included in the approved budget and the contract would represent a continuation of needed services, rather than adding new budgetary impact.

**Executive Director's Recommendation:** The SGWASA Board of Directors approve the Generator Preventative Maintenance contract with Clark Power, utilizing the unit pricing submitted in their proposal. All services performed under this contract will be paid from the funds already appropriated within the approved budget for the applicable fiscal year, and the Board authorizes the Executive Director to finalize and execute the contract.

**Board Action:** A motion to approve the Generator Preventative Maintenance contract with Clark Power, utilizing the unit pricing submitted in their proposal. All services performed under this contract will be paid from the funds already appropriated within the approved budget for the applicable fiscal year, and the Board authorizes the Executive Director to finalize and execute the contract was made by Commissioner Georgana Kicinski, Vice-Chair and seconded by Councilperson Vicky Daniels.

The motion passed unanimously (7 votes in favor).

### **13. Comments from the Executive Director**

**Executive Director Scott N Schroyer:** Thank you, Mr. Chair and board members.

First of all, I just want to thank you for the resolution this evening, recognizing the water professionals and the Water Professionals Day upcoming this Friday. The Board, monthly I would say- every meeting, has nice things to say about our operator staff, especially in the wintertime when they are working on water main breaks and those types of things.

So, this is something that the Board always recognizes our staff for. Again, we greatly appreciate that. Having this full Resolution, I think, is great as well, and we will share that with all of our utility staff, our administrative staff, our finance staff, everybody within the organization, including our PIO- who put some great information together for us about Water Professionals Day.

As I mentioned earlier, the two customers we have during public comments, we will follow up with them to address those issues and their questions. [We have some great information about the sanitary sewer project expansion will be ongoing, for at least the next probably 18 months.](#) That information is on our website ([sgwasa.org/i85](http://sgwasa.org/i85)). There is an opportunity to sign up for not only alerts for the project itself, which is general alerts. Krystle is scrolling to some of that information on screen, here. So again, we have got the I-85 SSI Project SGWASA subscription, which you can get news releases on your email or your phone, which is great as well.

So, the I-85 SSI Project CP#1 and CP#2, are going very well this week, and they have been on schedule and on budget. I would be happy to answer any questions the Board may have about any other projects that we are working on.

We are still fast tracking PFAS. I will mention that, in fact, we had an on-site meeting this morning for a couple of hours with our engineering firm and staff to look at a 30% review of the design for that project.

So, just to keep the board aware, CDM Smith is the design engineer for that contract work, that design with federal EPA due date of April 2029 for the completion of that projects. So, we are moving very quickly in that direction. And then, of late, at the last Finance Committee Meeting almost two weeks ago, we had a great discussion about some opportunities for looking at different options for funding for that project.

And I will say that was great conversation, great direction from the Finance Committee. Want to follow up on that, probably at the next board meeting; and just a reminder that we do have a Finance Committee Meeting this Friday from nine o'clock to noon. We welcome your attendance, if you want to join us. That is all I have for this evening. Thank you.

## **14. Comments from the Attorney**

**None.**

## **15. Comments from SGWASA Board Members**

**Councilperson Tom Lane:** I guess the only comment that I have tonight, is in reference to folks not knowing when the blasting-

Did the second letter go out? And perhaps, maybe we should expand the area that we mailed that letter to, because it had good information in it, with the exact person to contact if we had questions.

**Executive Director Scott N. Schroyer:** Sure, I appreciate you bringing that up for us. As the Board will recall, there was an [initial letter](#) sent out, I think, in January of this year, ahead of the first blasting that was going to occur on 8th Street in the Town of Butner.

[That is currently where the contractor is working, on 8th Street](#), and the process was, and is, to basically go out ahead of the blasting, if you will, and within a certain radius of the blasting where the pipe is going to go: provide the customers with letters introducing the staff, the team, the contact information, and notice of doing a pre-blast survey.

And we found out that the initial letter really was not sufficient, as far as the information that was being provided. So, of course, in not only updating the letter that we put out to residents, we also updated the [contractor information on the website](#). We provide information from the top to the bottom, basically on this, on this letter of information.

So, the contractor goes out, ahead of time, does the letter. They push the letter out to the residents to do the pre-survey, about three to four weeks before they actually are going to do the work. And they do not send a letter out to everybody in the construction area. It is basically just the work that they anticipate that they are going to be doing in the next 30 days. So, for example, a letter was pushed out to and provided to residents on 8th Street, and that is basically the work that is going on. As the contractor gets to a point where they get the pipe installed, they are going to, on their schedule, look at the next section of roadway that they are going to be blasting on.

They will do their blast surveys, ahead of schedule for that. Generate discussion. Whatever questions the customers have, address that. Then, they will start their construction process on that section that we are going to be working. I do not know the exact radius that we are looking at, from the pipe, as far as the blast notifications, but I know that we have also looked at providing additional surveys within a certain distance to customers that are outside the immediate zone, that still request to have a survey done. For example, if you live on the street and you are within that radius- you would get a letter; but somebody on 12th Street, for example, has a question and wants to have a survey done.

We had a customer that came in to us recently that requested that complete a survey at their residence, as well. So, we do have that opportunity. From a customer service standpoint, we are *not* saying, 'If you live outside those bounds, we are not paying attention to you.' That is not the case. We know that there are reverberations from these explosions. We have taken the opportunity to also show some video of what this explosion looks like, so that utility customers can see, what this looks like on a scale of what this is and what happens on the street; and that is on our website as well. We also do daily updates on both projects, CP1, CP2, that are pushed out, [sgwasa.org/i85daily](http://sgwasa.org/i85daily).

The Resident Project Manager communicates with Krystle and I on a daily basis. Krystle takes that information and she publishes that early in the morning, and puts it on our website. But if you also sign up for the subscription service for an email or a text alert, you will get notification that they are going to be blasting, i.e. today at one o'clock or three o'clock or tomorrow, with these times. So, we are doing all that we can to inform customers what is going on.

If you have a customer that lives beyond 8th Street, maybe 12th Street, 14th Street, or even in the Town of Stem that wants to know what is going on- if they sign up for alerts, they would get that information and be aware.

That is how we are addressing that. That is not to say that there are not improvements that we can do, but we are working on that. And then the blasting is very, very tightly controlled, in coordination with the fire marshal, that has to be on site. They also have seismic instruments that they put out at all of these locations to measure the vibrations out a certain distance. To me, it is quite interesting to see how this is working. But, if there are questions from our customers, your residents, we are very open to that. So again, we work on a street, we plan ahead, talk about where we are going to be next, and then we do the surveys, develop that communication, and then we do the construction. And then, on that same letter, we have got contact information so that if a customer says, Hey, I think that I have a crack based following your blasting. We then do follow up surveys that are done.

So, this is all controlled by the contractor, by the subcontractor, and we, SGWASA, as an organization, from myself, all the way down to our project manager pay attention to this and collect this information. Make sure that we are serving our utility customers throughout this project. We are recognizing that we are going to have this concern, if not every day, at least every month, until we finish this project; because of the work that's going on through those areas.

That may be more information than you wanted, but I thought it was a good opportunity to provide that information to the public, at the same time.

**Councilperson Tom Lane:** I would just encourage everyone to sign up for the alerts. I think that is key; and the easiest way to get the information... if you will request the alerts, they will be going out. I think that is a great idea, if we can push it out as far as we can. Thank you.

**Councilperson Vicki Daniels:** Thank you, Mr. Chair. I wanted to add a little bit to that, because I live on Seventh Street, and I do believe the 500 feet is a little short; because I have felt some of the blasting. That is not very far. You are not very far from 8<sup>th</sup> Street. The five hundred feet is just too short. It is good to know that they are measuring, to let them know the seismic measuring as they are blasting; but I would like to also complete a survey.

Are you saying that we are getting asked questions to give them responses, or is the survey the other way around?

**Executive Director Scott N Schroyer:** They come out to your property. They meet with you and actually survey the outside of your home. They look at your foundation, look at existing crafts, anything that you might have, or may not have, document all that ahead of time. Look at your driveway. Look at your pool, if you have a pool- for example. Those type of things. So, they are trying to mark all that at the same time.

**Commissioner Russ May:** So, they do that in advance?

**Executive Director Scott N Schroyer:** They do that in advance.

**Commissioner Russ May:** So, they are actually conducting photography, forensic review of people's property prior to the blast, right?

**Executive Director Scott N Schroyer:** Correct. And then we have also had during the project so far, I think, two, maybe three claims of damage inside of a home from the blasting. And then we coordinate that- Not we, specifically, in my office, but with the contractors, back through the blasting subcontractor, goes back out and talks to the homeowner. They go inside or outside, looks at that and documents that for a claim, as well as a claim processing system in place at the same.

**Councilperson Vicki Daniels:** Do you know how many surveys have been completed?

**Executive Director Scott N Schroyer:** I do not know, as I am sitting here, but we keep a catalog of all the surveys that are done and the responses that we have from customers. Some customers say, I do not want to survey, get off my property.

We note that as well; as we are doing that, but we are keeping a catalog of the surveys we are doing. Again, we are looking at doing additional surveys on demand. If somebody is really outside of the zone, we are taking a look at that with the policies associated, just so that we can be responsive to the customer.

**Councilperson Vicki Daniels:** Sounds good. I just want to offer some other information. Since we had our last finance meeting. We talked about debt service and our expenses and revenues.

We talked about how we might use our fund balance compared to different type loans. So, it is going to be interesting. It was a great overview and very productive for us, as you know, for the first finance meeting to know the items that we need to be focused on. I appreciate all the hard work that Ruben and Chris and Richard and you put into it.

That was well worth it to us to see those stats, or the statistical information that we had there. I know as a committee, we do not want to see any increases, so we are going to be working hard this Friday, looking at that to see what we can do. We still have to address PFAS; and do you have an announcement for us about PFAS?

**Executive Director Scott N Schroyer:** No, I do not have an announcement for you. I think that you are hoping for some type of funding announcement. Yes, I can touch on that.

**Councilperson Vicki Daniels:** I would because we have seen it in the KerrTar Newsletter.

**Executive Director Scott N Schroyer:** I can touch on that briefly. It will be very high level, until I actually have something official from NCDEQ. So, just to remind the Board that a PFAS project is about a \$27,000,000 project. We have been applying to NCDEQ for loans and grants for about the last two years, ever since the announcement about PFAS and what we need to do and looking at that heavy financial lift, basically to complete that project.

And I think this was our third submittal for requesting for funding, and we finally reached the bar as far as having enough points to be able to qualify for some funding. So, we got notification through the state that it is a mix of, possibly, grants and loan funding. It is a mix of that with about \$10.6 million in total; but I do not have the details enough to provide it to the Board, until I get the letter of intent for funding. Which is an official letter that I should get from NCDEQ. So, we are looking forward to that.

I mean, that is part of our financing portfolio that we discussed. So, we will balance that against our existing grants that we received to date; and also at the Finance Committee meeting, we talked about funding, USDA, potentially for that loan for that project as well. So, that financial picture is starting to come into focus. That was the focus of our previous Finance Committee meeting, the meeting this Friday, we can touch on that, if the Finance Committee desires to do that. It is really looking at our draft FY26/27 operating budget as the focus for this week; but we will continue to provide that information as soon as I get official information from DEQ. Of course, I will bring that to the Board to discuss that release and see how we can spend that money. Thank you.

**Councilperson Vicki Daniels:** Sounds great. Thank you.

**Commissioner Russ May:** That is not the only efforts going on either. Vicky, we are also working with some congressional offices as well, in hopes that we can obtain some additional funding and have some assistance from the county on that, as well. So, we are actually turning over every rock we can to see where we can find additional funding to meet this need without it falling upon the ratepayer.

**Councilperson Vicki Daniels:** Awesome, Thank you.

**Commissioner Robert Way:** Mr. Chair, I want to go ahead and let you and members of the board know this is my last SGWASA meeting. I will be stepping down. Most people know that in my personal life and professional life, I am taking on increased responsibility.

I am taking over as interim manager for where I work at right now, due to an absence that requires me to be present more; and also being in charge of a nonprofit fraternal organization, such as the Shriners, in the middle part of North Carolina. I am doing extensive traveling this year. That is going to take me away from being able to be here, especially during the summer, up to two to three months.

And that is not fair to the citizens that I am representing. I would entertain and look forward to returning to this board after the next few months, when my time with the Shriners are done, and hopefully we have new management established where I am working at; but I can tell you, in the little over four years that I have been a member of this board, I have enjoyed the time that I have spent here. I have learned a lot. I feel that we have accomplished a lot for SGWASA as a whole, as far as the fire hydrant maintenance program and water filter replacements and things of that nature and working towards the PFAS and PFOS.

This is not goodbye. It is an I will see you around. And I am thankful for my board members in the City of Creedmoor for giving me the opportunity to serve. Thank you.

**Councilperson Kenneth McLamb, Chair:** Thank you, Commissioner Way. You will be missed.

**Commissioner Jimmy Gooch:** Yes.

**Commissioner Jimmy Gooch:** First of all, sorry to see you step down, Commissioner Way. I really enjoyed working with you. It has been a pleasure, and I hope you come back once everything is straightened out with work and with your other responsibilities.

I would just like to encourage everyone to spend some time on the SGWASA website. It is very informative. You can get a lot of information there, and you can keep up to date on what is going on throughout the system. You can keep updated on all the projects we have going on and get a feel for how busy everybody in the administration at SGWASA is, as well as the employees at SGWASA.

I highly encourage you to sign up for the alerts. I get both email and phone alerts, and that way you do not miss anything. If they are doing blasting, you get notified. If they have a water main break somewhere, you get notified. And you know what is going on throughout the system. It is very informative. And like I said, I highly encourage everyone to sign up for that. It is free. It does not cost you anything. So, with that, that concludes my comment.

**Commissioner Russ May:** Thank you. Commissioner Way, I have only been on the Board a short period of time, but I have always enjoyed working with you; and wish you the very best.

So, in my previous life, I dealt with explosives quite a bit; and in that, granite is a heavy transmitter of shockwave, if you will. I am asking, I do not know what I am talking about in regards to the level of explosion being used. But my question, is that I am taking for granted, not a pun, that they are actually doing all the things you need to do beyond what the fire marshal is requesting- in regards to the radius of the blast. In that with granite rock, you may want to expand your radius greater than a typical blast zone; because it is a heavy conduit or good transmitter of that. So when Mrs. Daniel speaks that she is concerned, I want to just make sure again- I know they are professionals, Mr. Schroyer, I know they are doing their job; but for assurance of the citizens to make sure that the radius of the blast is in fact sufficient, and even if it needed to be... expanded.

We are living in a close proximity neighborhood. I know that they are going to take care of the damages, and all that stuff that goes on with that. It is good to know that they are going out ahead of time and doing the things they are supposed to be doing. Five hundred feet really is not a big distance; it is not overwhelming. I know they have standards that they are looking at. I know they have charts they are looking at. I know they are looking at seismic information, but I am hopeful what they are doing- I will give you hypothetical. If our fire marshals say that for XYZ explosives, the radius should be five hundred feet, and I know the people doing the blasting are certified explosive experts they should be knowing the quantity and so forth and what the potential radius would be. I am just hoping that they are just not taking the basics of what is being provided by the fire marshal, but actually making sure that they are well beyond that, if that is needed.

And that is all I am asking, is that some questions be asked of them in regard to the radius and proximity; because I will tell you that this one on, and I hate to mix communities, but there were some blast scenarios in Durham County that left the neighborhood dysfunctional, and again, it was wells versus what we are on.

I just want to make sure that we are doing all we can, in regard to due diligence, and that the people that we are using are actually and again, I have every reason to believe they are. But it never hurts to ask, particularly when you have a board member and a citizen saying, You know what? That feels a lot closer than what it really needs to feel.

Now, it does not mean, because you feel something, that actually something is happening; but it does bring, I think, a sense of relief that we have gone another step to make sure that we have checked into it to make sure that they are operating under, and I every reason to believe they are, best practices. But when you do say that granite, and we do have granite veins throughout Granville County, that it is an excellent conduit for explosive charges, that is it.

**Executive Director Scott N Schroyer:** So, as I mentioned previously, we are in communication with the project team every day, even weekends. So, what is typical, I would say this evening, is tomorrow's actions will be that we will talk to the project management team about the conversations that have gone on here this evening at this Board meeting, and we will have an opportunity to open up that discussion with them to say, this is our concern. These are the things that we want to evaluate.

We will talk to our project engineering firm CDM Smith and say, reassure us that this is occurring. Provide us with some information and provide me with the update so I can communicate that to the Board- and then we will take it from there. So that is really what happens.

**Commission Russ May:** I have no reason to believe it is not being done correctly, but there are some accurate statements made tonight in regard to granite. So, Mr. Schroyer, here is what happens. Often a community hears us talk, and they want you to do exactly what you are doing. If you are not accepting, on face value, that everything is perfect. You are actually going back and you are evaluating with those people that are experts and so thank you for your response in that regard. [I think when people know that we are actually doing more than just talking about it, and you do that, that further provides credibility to what this Board is doing.](#)

**Executive Director Scott N Schroyer:** Agreed. So, without wasting your time, Mr. Chair, Krystle, just pulled up the [control blasting video](#) that we put together that is on YouTube. And I am not suggesting we play that this evening, but that is at the end. This is an example of the information that we are pushing out there. We wanted to see, on the first blast, what was going on. What this is like, for example, I had no idea what the magnitude of this was. When you say it is a blast, what does that mean? No one had an idea, really, how large or how loud that is. We took the opportunity to do a video and capture the sound of several of these blasts, to understand visually what is the magnitude? How does this look? What has occurred? So that we, also the Board, and the public, can see that, as well. Just to get a sense of that. We do not prohibit anybody from coming down to 8<sup>th</sup> Street during these blasts, but there is a radius that you have to stay back, obviously, while that they are doing this. So, it is a controlled zone. I just wanted to mention that to you, as well. Thank you.

**Commissioner Georgana Kicinski, Vice-Chair:** Thank you. So, just to stay on the same subject. These letters that are going out, they are not from us, they are from the contractor, correct?

**Executive Director Scott N Schroyer:** They are from the contractor, but we have put our stamp on them. We put our letterhead and all our contact information on there so the utility customer can see that this is coming from Park construction, but that it is coming from SGWASA, as well.

**Commissioner Georgana Kicinski, Vice-Chair:** Okay.

**Executive Director Scott N Schroyer:** We want the customer to see the partnership here, not simply to say, contact the contractors.

**Commissioner Georgana Kicinski, Vice-Chair:** And that is what I was getting to. We are not just saying, Do not bother us. Go somewhere else. And I am glad that we are doing it that way.

A couple issues that I would like to address is that [the I-85 project is not so that SGWASA can expand their customer base](#). It is a needed project for environmental purposes, and that is why it is being done, more than anything. It will expand our customer base in the long run, but it is not proper for what we are seeing to come. We will not be able to grow anywhere if we do not expand it, and the pipes that are in the ground are not conducive to what we have right now. We need better.

Like the Joe Peed Pump Station, it does not meet what it needs to meet. Does not meet the needs of today. So, it has to be done, aside from future.

The second thing I wanted to say is, I am really concerned about the blast radius also. If people are feeling it in their homes, and they did not think they would. I mean, Ms. Bailey spoke to us about it the last time, and if we are still getting issues, we need to absolutely address that; and make sure that we do not have any problems going down the road. This project was never meant to injure anybody. It was meant to help our customers, not injure people in their homes, financially or anyway.

So, it was brought up that the Durham water bills were lower than ours, and they are. But the reason that I can tell you for that is, the population in Durham is between 285,000 to 300,000 people. So, their customer base is huge. And are we at 6,000?

**Executive Director Scott N Schroyer:** About 6,600.

**Commissioner Georgana Kicinski, Vice-Chair:** We are only at 6,600. So, that is the only amount of people that we can spread the wealth with. When the growth comes, we are hoping that, that will change that a little bit and provide more service to a bigger group of people.

But as Vicki said in our last Finance Committee meeting, the entire Finance Committee said we are not raising rates this year. We are not raising them. We have to find a way not to raise them. And on Friday, we will have another finance committee meeting here from nine until twelve, and the public is welcome to come and you can hear dollars and cents like I have never heard before in my life.

The SGWASA website- Krystle has been a wonderful asset to this company, and to me personally, and the website is very well organized and managed. As far as texting goes, I receive many texts throughout the day stating that SGWASA is here doing this or SGWASA is there doing that. At times, it can be a bit overwhelming. However, if you want to know what is going on, you need to sign up for these alerts, and you will stay informed. I think that if blasting is a concern in your area, you need to be informed. aware that it is going to happen near your house on that day, so that you can be ready for it.

That is all I have; and you could have given me a heads up. Thank you very much. I am going to miss you, so much.

**Commissioner Kenneth McLamb, Chair:** Thank you, Commissioner Kicinski. Thank you all for everybody coming and everybody that is going to watch this online. Commission Way, this position is not something you learn overnight, and takes one to two years just to get your feet wet, to understand what is going on. And you have been here for a while, so you are far past that. You will be greatly missed. As I told you before this meeting started, I heard that you were going to be stepping down and asked for you to stay on this Board.

Everybody that is having trouble, go online. ([sgwasa.org](http://sgwasa.org))

I believe the Executive Director is going to reach out to both of you all for any problems that you all may have, and thank you all for coming. And I was last told, we do have a Closed Session for attorney client privileges.

## **16. Closed Session**

A motion to exit Open Session and enter Closed Session, following a five-minute recess, was made by Councilperson Tom Lane and seconded by Commissioner Robert Way. Closed session was opened at 7:25 pm.

The Board of Directors raised questions regarding SGWASA's potential liability associated with the land application of PFAS filter media waste.

**17. Adjournment**

Commissioner Kenneth McLamb, Chair asked the Board if there were any other discussion topics to be raised, none were presented. The Chair entertained a motion to return to Open Session and adjourn.

**Board Action:** A motion to exit Closed Session, return to Open Session, and adjourn the March 10, 2026 Board Meeting was made by Commissioner Georgana Kicinski, Vice-Chair and seconded by Councilperson Vicky Daniels. The motion passed unanimously (7 votes in favor). The meeting officially ended at 7:32 pm.

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

**Approved by the Board at the 4/14/26 Board Meeting**

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Commissioner Kenneth McLamb - Chairman

Date

## Agenda Item–9

### 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.

2. Approved 2-14-23

## **Agenda Item-10**

### **Board Discussion Items**

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

**Thomas Lane, Butner Council Person:** None.

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

**Archer Wilkins, Creedmoor Commissioner.** None.

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

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

**Georgana Kicinski, Creedmoor Commissioner/SGWASA Vice Chair:** Discuss the unidirectional hydrant flushing project. Requesting project update and timeline, according to the original schedule.

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

## **Agenda Item-11**

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

**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

### **Background:**

On March 13, 2026, the South Granville Water and Sewer Authority (SGWASA) Finance Committee held a public meeting to review and discuss the proposed Fiscal Year (FY) 2026-27 Budget as presented by the SGWASA Executive Director and the Finance Director.

The SGWASA Finance Committee members include:

- Vicky Daniels, Butner Town Council Person /SGWASA Board Member/Finance Committee Chair
- Georgana Kicinski, City of Creedmoor Commissioner /SGWASA Board Vice-Chair
- Kenneth McLamb, Town of Stem Commissioner /SGWASA Board Chair

During the Finance Committee meeting, the Executive Director, Assistant Executive Director, Finance Director, and Assistant Finance Director provided Committee members with a comprehensive overview of the proposed FY2026-27 Budget. This detailed presentation enabled the Committee to actively contribute to the development of the final draft budget.

At the conclusion of the March 13, 2026 meeting, the Finance Committee voted unanimously to approve the proposed FY2026-27 Budget and advance it to the required Budget Public Hearing scheduled for the April 14, 2026 SGWASA Board meeting.

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

The FY2026–27 Proposed 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, 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 local 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.

**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:**

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.



**South Granville Water  
& Sewer Authority**

**Proposed Budget**



**07/01/26 – 06/30/27**

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



**Table of Content**

<b>1. BUDGET MESSAGE</b>	
Executive Summary.....	<b>1</b>
<b>2. BUDGET ORDINANCE.....</b>	<b>5</b>
<b>3. CHARTS: BUDGET</b>	
Revenues.....	<b>7</b>
Expenses.....	<b>8</b>
<b>4. REPAIRS AND CAPITAL OUTLAY</b>	
Identified Repairs and Maintenance Items.....	<b>9</b>
Capital Outlay.....	<b>10</b>
<b>5. SCHEDULE OF RATES, FEES, AND CHARGES.....</b>	<b>11</b>



## **Budget Message**

Executive Summary

**TO:** Board of Directors  
**FROM:** Scott N. Schroyer, Executive Director *SNS*  
**DATE:** April 14, 2026  
**TOPIC:** Fiscal Year 2026-27 Draft Budget - Message

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### EXECUTIVE SUMMARY

The FY2026–27 Proposed 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, 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 local 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 Proposed 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 Draft 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 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 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 improve departmental alignment and oversight, the FY2026–27 Budget also establishes two standalone departments: Finance and Public Information Officer (PIO). These changes enhance accountability, transparency, and budget management by creating clearer operational boundaries and improved reporting structure.

### **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 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 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 local funding. While external funding will reduce the overall burden, it will not eliminate the need for local contribution.

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 Proposed Budget reflects SGWASA's disciplined financial stewardship, commitment to operational excellence, and readiness for the emerging regulatory and infrastructure challenges that lie ahead. By balancing current operational needs with long-term planning, this budget maintains rate stability today while supporting organizational modernization, continued progress toward full depreciation funding, and the foundational work required for upcoming major capital investments.

As SGWASA prepares for the federal PFAS treatment requirements and the anticipated \$25–\$30 million advanced treatment facility, the coming years will require thoughtful financial planning, pursuit of external funding, and a measured, multi-year rate strategy to ensure affordability and resiliency. This year's budget positions the Authority to enter that next phase with a strong financial footing and clear direction.

Thank you for your continued leadership and partnership as we work to ensure the long-term reliability, sustainability, and resilience 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>	 <hr/> <b>\$17,886,011</b>

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:

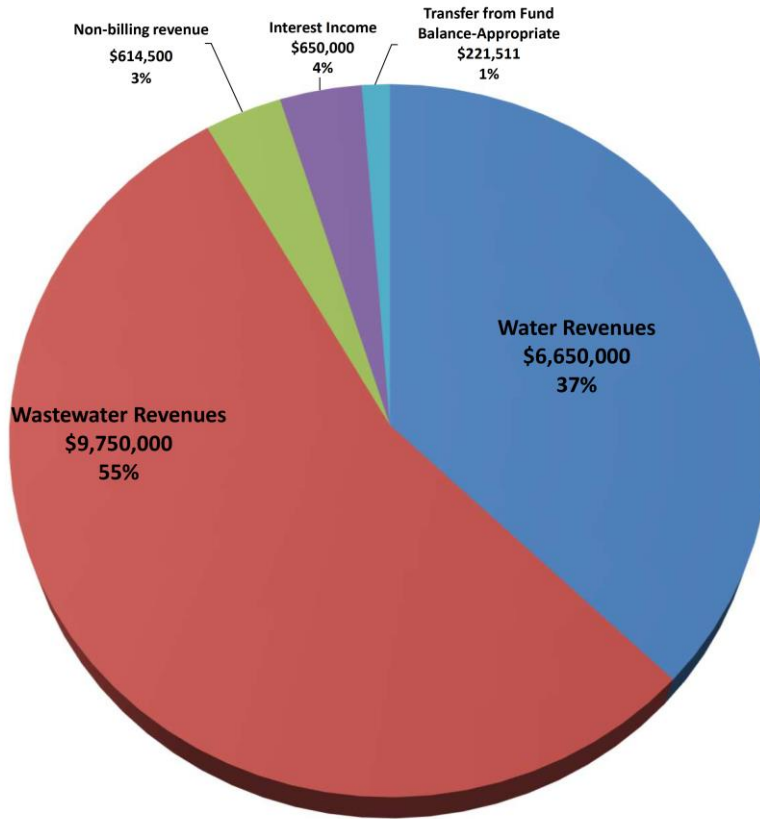
\_\_\_\_\_  
**Krystle Lee, Secretary**



## **Revenue & Expense Charts**

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

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

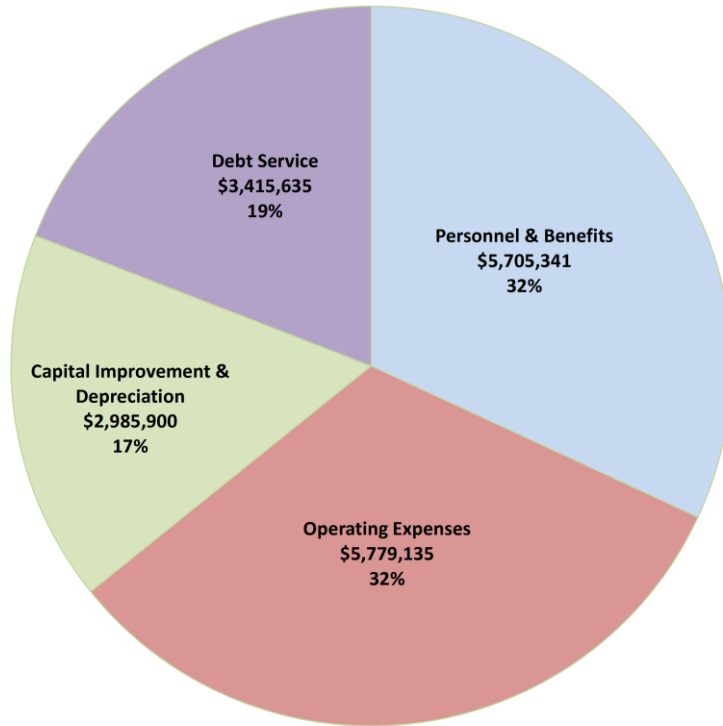


*Non-billing revenue (fees)*

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</b>
	<b><u>Acct 3520</u></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	<b>\$77,000</b>
	<u>\$112,800</u>
<i>8000 Pump &amp; Lift Stations, Tanks</i>	
Southerbys Pump Station Rehabilitation	\$31,955
Dutchville Pump Station Rehabilitation	<b>\$31,020</b>
	<u>\$62,975</u>
<b>Grand Totals</b>	<b><u><u>\$175,775</u></u></b>

**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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**Table of Contents**

<b>1. WATER RATES AND FEES .....</b>	<b>4</b>
1.1. MONTHLY WATER USAGE RATES .....	4
1.2. WATER BASE CHARGE FEES .....	4
1.3. WATER VOLUME CHARGE FEES .....	4
1.4. MULTI-FAMILY MASTER-METERED RESIDENTIAL ACCOUNTS .....	5
1.5. WATER IRRIGATION ONLY METER SERVICE CHARGE .....	5
1.6. TEMPORARY HYDRANT METER CHARGES AND FEES .....	5
1.7. BULK WATER SALE FEES .....	6
<b>2. SEWER RATES AND FEES .....</b>	<b>7</b>
2.1. MONTHLY SEWER USAGE RATES .....	7
2.2. SEWER BASE CHARGE FEES .....	7
2.3. SEWER VOLUME CHARGE FEES .....	8
2.4. MONTHLY RATES FOR SEWER-ONLY ACCOUNTS .....	8
<b>3. SERVICE INITIATION FEES AND SECURITY DEPOSITS .....</b>	<b>8</b>
3.1. SERVICE INITIATION FEES .....	8
3.2. EXISTING SERVICE TRANSFER FEES .....	9
3.3. SECURITY DEPOSITS .....	9
3.4. PROPERTY MANAGER AND LANDLORD STATUS: DEPOSITS/RETAINERS .....	10
3.5. TRANSFER OF CHARGES .....	11
<b>4. SCHEDULE OF SERVICE CHARGES AND FEES .....</b>	<b>12</b>
4.1. LATE PAYMENT FEES .....	12
4.2. NON-PAYMENT FEES FOR DELINQUENT ACCOUNTS .....	12
4.3. RETURNED CHECK CHARGE/REJECTED DRAFT CHARGE .....	13
4.4. MONTHLY TECHNOLOGY FEES .....	13
4.5. METER REMOVAL/REINSTALLATION FEES OR TAMPERING FEES .....	13
4.6. METER REREAD FEES .....	13
4.7. METER REPORT FEES .....	14
4.8. MULTIPLE TRIP FEES .....	14
4.9. CUSTOMER-REQUESTED TEMPORARY DISCONNECTION & RECONNECTION FEES .....	15
4.10. POOL ADJUSTMENT FEES .....	15
<b>5. SYSTEM DEVELOPMENT FEES .....</b>	<b>16</b>
5.1. WATER SYSTEM DEVELOPMENT FEES .....	16
5.2. SEWER SYSTEM DEVELOPMENT FEES .....	17
<b>6. SCHEDULE OF TAP CHARGES AND FEES .....</b>	<b>18</b>
6.1. WATER SERVICE AND METER INSTALLATION FEES .....	18
6.2. WATER MAIN TAP INSPECTION FEES .....	19

FY26-27 Rates, Fees, and Charges Effective: 7/1/26 - Page 2

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

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6.3.	SEWER SERVICE INSTALLATION FEES.....	19
6.4.	SEWER MAIN TAP INSPECTION FEES .....	19
6.5.	WATER AND SEWER TAP INCIDENTAL FEES .....	20
<b>7.</b>	<b>SCHEDULE OF ENGINEERING CHARGES AND FEES .....</b>	<b>21</b>
7.1.	UTILITY SERVICE AVAILABILITY REVIEW FEES .....	21
7.2.	PLAN REVIEW FEES .....	21
7.3.	WATER AND/OR SEWER MODELING FEES.....	21
7.4.	CONSTRUCTION OBSERVATION FEES .....	21
<b>8.</b>	<b>SCHEDULE OF MISCELLANEOUS CHARGES AND FEES .....</b>	<b>22</b>
8.1.	DIRECT SALES OF SUPPLIES.....	22
8.2.	CHARGES FOR MISCELLANEOUS SERVICES.....	22
8.3.	MISCELLANEOUS PROGRAM SERVICE FEES.....	22
8.4.	INDUSTRIAL PRETREATMENT PROGRAM FEES.....	22
8.5.	HYDRAULIC FIRE FLOW TESTING FEES.....	23

**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

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

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.

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

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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.

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

**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

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

**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.

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

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.

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

**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

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

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

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

**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

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

**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.

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

**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.

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

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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.

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

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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:

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

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).

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

*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.

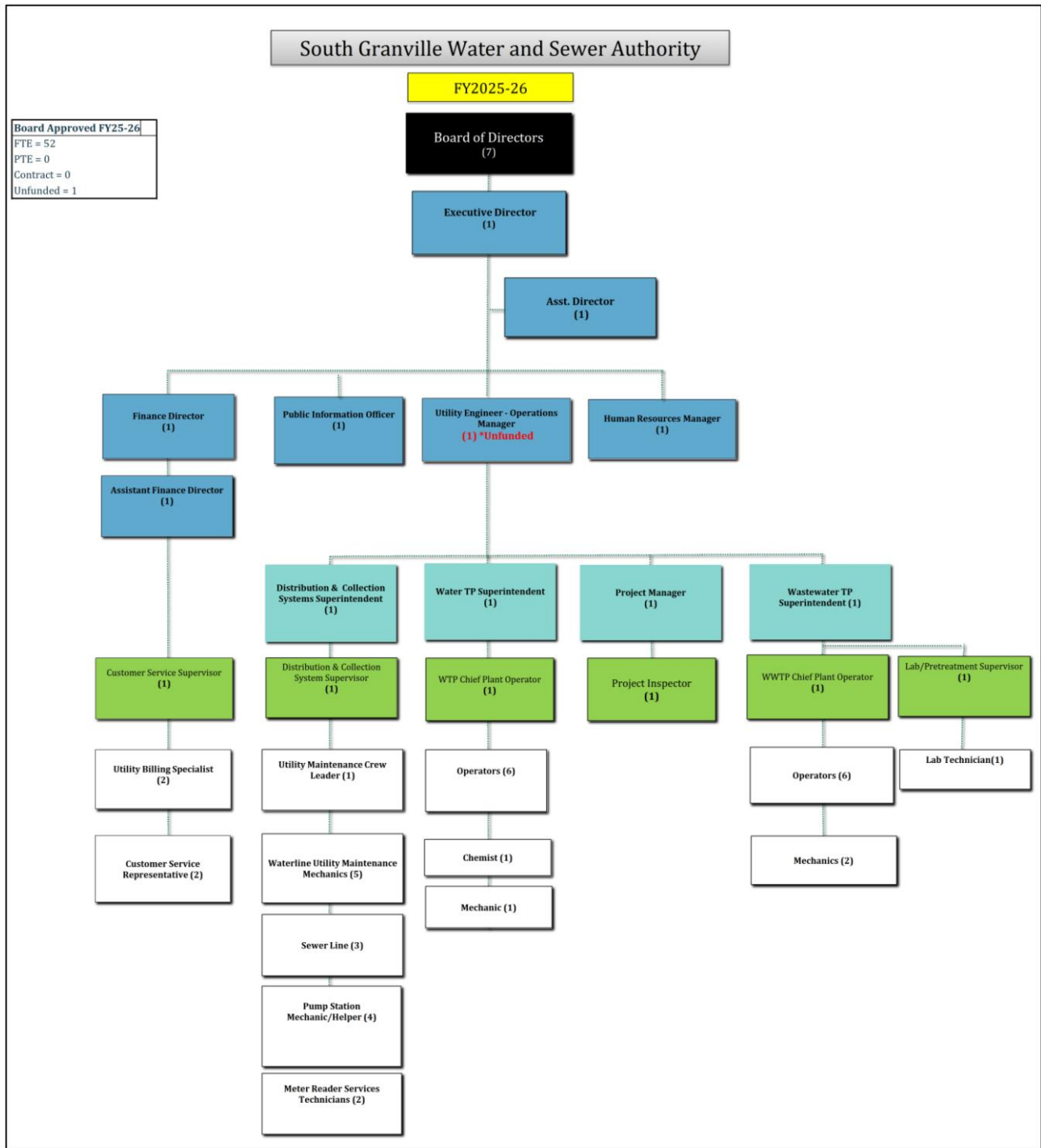
*Table 30 – Hydraulic Fire Flow Testing*

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

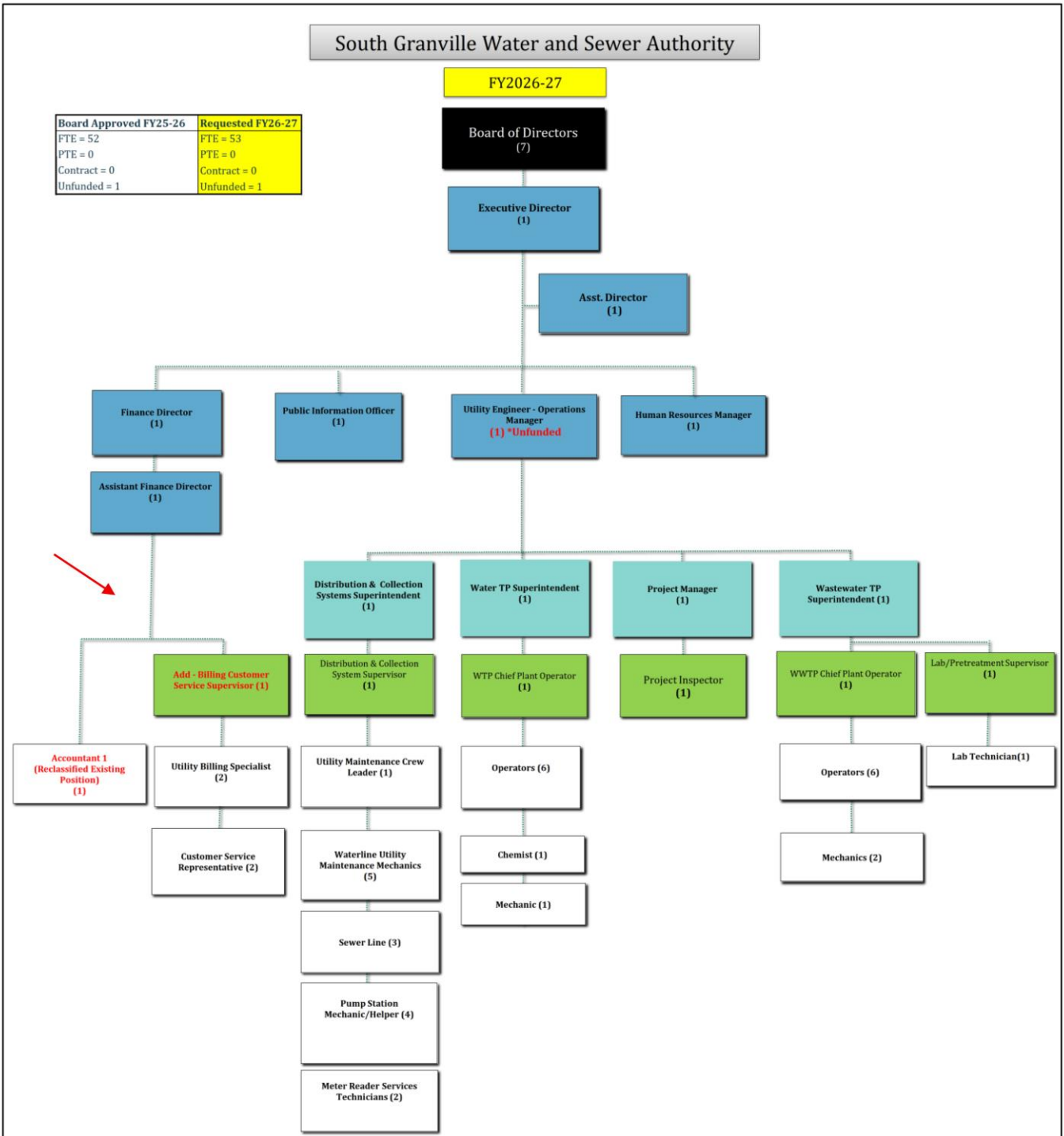
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Exhibit B: Organizational Charts – Current and Proposed.

Approved FY25-26 Organizational Chart



Proposed FY26-27 Organizational Chart



## **Agenda Item-12**

**Topic:** Public Hearing-Proposed Fiscal Year 2026-2027 Budget

**Requested Action:** The Board of Directors approve the Fiscal Year 2026-2027 Budget.

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

### **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).

### **Public Hearing Guidelines:**

All those presenting public comments must abide by the Public Comment Procedures approved by the SGWASA Board of Directors.

### **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.

*(Public Hearing steps are on the following page.)*

**Public Hearing Steps:**

1. The Presiding Officer shall call the Public Hearing to Order.
2. The proposed FY26-27 Budget Ordinance will be read aloud for the record.
3. The Public Comment period opens. Each speaker will have three (3) minutes to make remarks and will only be entitled to the time allotted.
4. Those who have completed the Request to Speak cards prior to the Public Hearing will be called by the Presiding Officer to the podium.
5. The Presiding Officer shall adjourn the Public Hearing when either the allotted time expires or when all speakers are heard.

**Next Steps:**

The Executive Director requests the SGWASA Board members adopt the Fiscal Year 2026-2027 Budget prior to midnight on June 30, 2026.

**Attachments:**

1. Proposed Fiscal Year 2026-2027 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>	<b>\$17,886,011</b>

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.

<b><u>EXPENDITURES:</u></b>	<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**

## **Agenda Item-13**

**Topic:** Request to Purchase One Tractor with Front-End Loader from Premier Equipment Company.

**Requested Action:** Seeking Board of Directors approval to Purchase One Tractor with Front-End Loader from Premier Equipment Company in Rocky Mount, NC, for the total cost of \$57,225.00

**Presenter(s):** Chris Summerlin, Assistant Executive Director; Robert Jackson, Utilities Superintendent

### **Executive Summary:**

SGWASA staff request Board approval to purchase one New Holland Workmaster 75 tractor with front-end loader from Premier Equipment Company, the lowest bidder, to support essential Sewerline Maintenance operations. The FY2025–2026 budget includes \$79,500 for this purchase, and staff recommend proceeding with a not-to-exceed amount of \$57,225 including contingency.

### **Background:**

The South Granville Water and Sewer Authority (SGWASA) FY2025-2026 Approved Budget includes \$79,500 to purchase one tractor for the Sewerline Maintenance department.

The SGWASA Sewerline Maintenance Department uses tractors to mow sewer outfalls in our collection system, as well as load gravel for dump trucks and any other essential functions we might have.

### **Analysis:**

This new tractor with front-end loader is essential to SGWASA’s infrastructure, as we have to maintain water and sewer outfalls by mowing and keeping trees from growing in the easements.

### **Procurement:**

SGWASA purchases equipment and vehicles from dealerships that provide North Carolina State and NC Sheriff’s Association Contract prices and terms. In times where there are not three vendors on NC State or NC Sheriff’s Association Contract, SGWASA reaches out to other vendors to provide pricing. As such, SGWASA received quotes from Premier Equipment Company, James River Equipment and Barnes Equipment.

### **Contract Award:**

The contract award will be based on the best proposal, most advantageous to SGWASA as determined by consideration of:

1. Price
2. General reputation and performance capabilities of Contractor
3. Conformity with intent of specifications

Premier Equipment Company of Rocky Mount, NC was the lowest respective bidder. The following table provides information about the equipment that SGWASA recommends for purchase.

Equipment	Vendor	Quantity	Unit Price	Total Price
New Holland Workmaster 75 Tractor with Front End Loader	Premier Equipment Co.	1	\$54,500.00	\$54,500.00
Kubota M7060 Tractor with Front End Loader	Barnes Equipment Inc.	1	\$62,400.00	\$62,400.00
John Deere 5075 M Tractor with Front End Loader	James River Equipment	1	\$83,344.12	\$83,344.12

**Next Steps:**

Following Board Approval, a purchase order will be approved and SGWASA staff will move forward in getting this unit purchased.

**Recommendation:**

SGWASA staff recommends the purchase of the New Holland Workmaster 75 with Front End Loader from Premier Equipment of Rocky Mount, NC

**Schedule:**

SGWASA staff anticipates the purchase and acquisition of this within 60 days of Board Approval

**Financial:**

The SGWASA FY 2025-2026 Approved Budget includes \$79,500 for the purchase of one new tractor. SGWASA staff are requesting the purchase of one New Holland Workmaster 75 Tractor with Front End Loader from Premier Equipment Company of Rocky Mount, for a cost of \$54,500.00, plus a 5% contingency of \$2,725.00, for a not to exceed amount of \$57,225.00

**Attachments:**

Exhibit A: Picture of Tractor,

Exhibit B: Quote from Premier Equipment Company, Quote from James River Equipment and Quote from Barnes Equipment.

Exhibit C: Capital Outlay FY25-26 Designation

**Strategic Plan Goal & Objective Alignment:**

**Focus Area #1- Safe, Reliable and Sustainable Sanitary Sewer System**

**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.*

*Exhibit A:*

*Picture of New Holland Workmaster 75 Tractor*



Exhibit B: Quotes from Premier Equipment Company, James River Equipment and Barnes Equipment

Quote
Date <span style="float: right;">March 16, 2026</span>



**Premier Equipment**

Rocky Mount, NC. Ayden, NC. Winston, NC.  
 Enfield, NC. Washington, NC.

**Prepared For**

JACKSON ROBERT  
 415 CENTRAL AVE.  
 BUTNER NC 27509

**Deliver To**

**Prepared By**

Nick Bellamy  
 252-702-9285

Purchase Order	Tax Number	Shipped Via	Valid Through April 29, 2026
----------------	------------	-------------	---------------------------------

Qty	Description	Each	Extended
-----	-------------	------	----------

UNITS QUOTED



| Unit#: F37388 | Make: NH | Model: WORKMASTER 75 | Description: | S/N: ELRT4S75VRAX01390 | Specifications: 4WD 75 HP- 60 PTO 12X12 SHUTTTLR,R1 550LU 2425# F/LDR-72"BKT

**\$54,500.00**

Subtotal **\$54,500.00**

**SPECS**

THIS TRACTOR COMES WITH LOADER.

The pricing and information provided within this quote is accurate and applicable only for the current month the quote was provided in. Please note that details may change afterward, so consider this a time-sensitive disclaimer!

By signing below the Purchaser agrees to the terms of this quote.

Purchaser Name (Print): \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Thank you for the giving us the opportunity to gain your business.

<b>TOTAL</b>
<b>* \$54,500.00</b>

Machine data

P.I.N. : ELRT4S75ERAX01055  
 Commercial model : WORKMASTER 75 T4A  
 VAN : 0019262209

Machine details

FDP description in dealer language	Technical type	FDP english description	FDP code
WORKMASTERFARMALLA TIER4 F	696033416	WORKMASTERFARMALLA TIER4 F	-T1NN
<b>Build date</b>			
2024-05-07			

SAP end customer

No data available for this machine.

Group serial number

Description	Serial
BASE UNIT - VEHICLE SERIAL NUMBER	ELRT4S75ERAX01055
ENGINE	658865
9-Digit Derivative PIN	ERAX01055

SAP option details

Configuration characteristic description	Configuration characteristic value	Configuration value description
BRAND	NHAG	New Holland Ag
FRONT PTO	344279	Front Bolster with Pass Thru
WORK LAMPS	335769	2 Front/2 Rear Work Lights-Cab
CLIMATE CONTROL	330641	Cab with AC and Heater
EMISSIONS	T4A	TIER 4A
ENGINE	X0361XX	3-Cylinder Engine
FRONT BALLAST	390215	Less Front Carrier and Weights
REAR WHEELS AND TIRES	8355304	16.9x30 6PR R1 Rear Tire
3 POINT HITCH CONTROL	391035	Less 3-pt External Control
ROAD LIGHTS	390760	Head Beam Light
OPERATOR MANUAL (SE	330980	English Operators Manual
VERSION	CAB	Cab
ENGINE POWER	75HP	75 HP

FUEL COOLER	X1019XX	No Choice
CLUTCH	XT2500X	Standard Clutch
FRONT AXLE	335541	4WD Axle w/Limited Slip -1 cyl
ROTARY BEACON	343780	Beacon Light Ready
MAIN HARNESS	393003	4WD Wire Harness EH 4WD Engage
OPERATORS MANUAL	XT9802X	Less Add Operator Manual
SET OF TOOLS	XT9923X	Standard Less Set of Tools
PTO	743565	540 RPM PTO
OPERATOR STRUCTURE #1	344727	Cab High-Vis Panel (Opaque)
LICENSE PLATE	335984	SMV
REGION	NAFTA	NAFTA
SPEED	337280	25MPH/40KPH Max Ground Speed
REAR DIFF LOCK	759319	Mech Diff-Lock/Elec Hyd 4WD
LOADER BRACKETS	344739	Loader, Non-Self Level (SSL)
SEAT	342240	Fabric Seat - Air Suspension
DRAWBAR AND 3 POINT HITCH	334316	3-pt Lower Links (flexible)
COUNTRY CONFIGURATI	391007	NAR Package_
TRACTION	4WD	MFD
COMMERCIAL MODEL	WORKMASTER 75 T4A	WORKMASTER 75 T4A
ENGINE EXHAUST	390466	A- Pillar Exhaust
AIR CLEANER	330200	Air Filter With Dust Ejector
REAR REMOTES	335413	2 Remote Valves (Open Center)
MID-MOUNT VALVES	336125	2F Mid-Mount Valve & Joystick
RADIO	342174	Radio With Bluetooth
RR MIRRORS	390879	2 External Mirrors_
PACKAGES	X0590XX	Standard Cab Fast Pick
TRANSMISSION	759318	Power Shuttle
FRONT WHEELS AND TIRES	8232304	11.2x24 R1 Front Tire
REAR BALLAST	XT4961X	Less Rear Weights
BATTERY	330740	12 Volt Battery
HITCH	390831	Draft Control Top-Link Sensing
FRONT FENDERS	390860	Less Front Fenders
REAR HITCHES/DRAWBAR	392905	Swinging Drawbar Less Clevis
LINKAGE DRAWBAR	XT8902X	Less Linkage Drawbar
FRENCH OPERATOR MANUAL	XT9803X	Less French Operator Manual
CREEPER or Interlock	391111	Less Creeper Speeds
BUCKET	336748	72" Bucket
INSTRUCTIONAL SEAT	332865	Instructor Seat
FRONT&REAR WIPER	334402	Windshield Wiper_ Front/Rear



**ALL PURCHASE ORDERS MUST BE MADE OUT TO (VENDOR):**

James River Equipment  
2421 US Hwy 64 East  
Asheboro, NC 27203 null

**ALL PURCHASE ORDERS MUST BE SENT TO DELIVERING DEALER:**

Ian Kubinak  
James River Equipment  
2421 US Hwy 64 East Asheboro, NC 27203

**Prepared For**

SOUTH GRANVILLE WATER & SEWER AUTHORITY SGWASA  
415B CENTRAL AVE  
BUTNER, NC 275091915  
(919) 575-4068

**Prepared By**

Ian Kubinak  
James River Equipment  
2421 US Hwy 64 East  
Asheboro, NC 27203  
919-772-2121  
ian.kubinak@jamesriverequipment.com

**Quote Id** 1618830

**Creation Date** 12-Feb-2026

**Expiration Date** 12-Mar-2026

**Quote Summary**

Equipment Summary	Suggested List	Selling Price	QTY In Group	Extended
<b>5075M Utility Tractor- based on Sourcewell Contract #082923-DAC</b>	\$97,140.00	\$75,769.20	1	\$75,769.20
<small>Contract: Sourcewell Ag 082923-DAC (PG BA CG 76) Price Effective Date: 11-Feb-2026</small>				
<b>540M Loader - based on Sourcewell Contract #082923-DAC</b>	\$9,967.00	\$7,574.92	1	\$7,574.92
<small>Contract: Sourcewell Ag 082923-DAC (PG BA CG 76) Price Effective Date: 11-Feb-2026</small>				
<b>Equipment Total</b>				<b>\$83,344.12</b>
<b>Quote Summary</b>				
Total Selling Price				\$83,344.12
<b>Sub-total</b>				<b>\$83,344.12</b>
<b>Balance Due</b>				<b>\$83,344.12</b>

Salesperson : X \_\_\_\_\_

Accepted By : X \_\_\_\_\_



## Selling Equipment

Quote # 1618830  
 Customer SOUTH GRANVILLE WATER & SEWER AUTHORITY SGWASA

<b>5075M Utility Tractor- based on Sourcewell Contract #082923-DAC</b>		QTY In Group : 1
Hours	---	Suggested List
Serial Number	---	\$97,140.00
Stock Number	---	Selling Price
Contract	Sourcewell Ag 082923-DAC (PG BA CG 76)	\$75,769.20
Price Effective Date	11-Feb-2026	Discount Amount
PUK Parent Serial #		(\$21,370.80)

### Equipment Summary

Code	Description	Qty	List Price	Discount %	Discount \$	Adjusted Selling Price
251GPY	5075M Utility Tractor	1	\$73,747.00	22.0%	(\$16,224.34)	\$57,522.66

### Base / Options

Code	Description	Qty	List Price	Discount %	Discount \$	Adjusted Selling Price
0202	United States	1	\$0.00	22.0%	\$0.00	\$0.00
0409	English Operators Manual	1	\$0.00	22.0%	\$0.00	\$0.00
0500	Less Package	1	\$0.00	22.0%	\$0.00	\$0.00
182A	Less AutoTrac™ /Less ISOBUS	1	\$0.00	22.0%	\$0.00	\$0.00
1950	Less Application	1	\$0.00	22.0%	\$0.00	\$0.00
183N	JDLINK™ Modem	1	\$0.00	22.0%	\$0.00	\$0.00
2055	Standard Cab	1	\$16,038.00	22.0%	(\$3,528.36)	\$12,509.64
2511	Mirror Telescopic LH & RH	1	\$407.00	22.0%	(\$89.54)	\$317.46
2120	Air Suspension seat	1	\$1,133.00	22.0%	(\$249.26)	\$883.74
2410	Instructional Seat with Seat-belt	1	\$747.00	22.0%	(\$164.34)	\$582.66
1380	PowrReverser™ 16F/16R 40 km/h	1	\$0.00	22.0%	\$0.00	\$0.00
3820	Two Speed PTO - 540/540E	1	\$0.00	22.0%	\$0.00	\$0.00
4310	Basic Drawbar	1	\$0.00	22.0%	\$0.00	\$0.00

4030	Electronic Hitch Control with Remote Control on LH Fender	1	\$635.00	22.0%	(\$139.70)	\$495.30
4110	Telescoping Draft Links with Ball End - Category 2	1	\$0.00	22.0%	\$0.00	\$0.00
4210	Mechanical Center Link with Ball Ends - Category 2	1	\$0.00	22.0%	\$0.00	\$0.00
4420	LH & RH Stabilizer Bar	1	\$0.00	22.0%	\$0.00	\$0.00
4155	LH and RH Adjustable Lift Links	1	\$118.00	22.0%	(\$25.96)	\$92.04
4000	Less Front Attachment	1	\$0.00	22.0%	\$0.00	\$0.00
3325	2 Mechanical Stackable Rear SCV	1	\$0.00	22.0%	\$0.00	\$0.00
3420	2 Stackable Mid SCVs with Mechanical Joystick control	1	\$0.00	22.0%	\$0.00	\$0.00
6040	MFWD Front Axle	1	\$0.00	22.0%	\$0.00	\$0.00
5010	Flange Axle	1	\$0.00	22.0%	\$0.00	\$0.00
5090	Steel Rear Wheels	1	\$0.00	22.0%	\$0.00	\$0.00
5133	460/85R30 (18.4 R30) R1W Radial	1	\$0.00	22.0%	\$0.00	\$0.00
6203	320/85R24 (12.4 R24) R1W Radial	1	\$0.00	22.0%	\$0.00	\$0.00
5999	No Tire Brand Preference	1	\$0.00	22.0%	\$0.00	\$0.00
1725	Loader Prep Package	1	\$2,305.00	22.0%	(\$507.10)	\$1,797.90
3025	Corner Post Deluxe Exhaust	1	\$805.00	22.0%	(\$177.10)	\$627.90
8280	Rear Window Wiper	1	\$379.00	22.0%	(\$83.38)	\$295.62
8386	PTO Remote Control on LH and RH Fenders	1	\$82.00	22.0%	(\$18.04)	\$63.96
8734	Two Front + Two Rear + Two Side Working Lights	1	\$303.00	22.0%	(\$66.66)	\$236.34
8020	Rear Fender Extensions	1	\$322.00	22.0%	(\$70.84)	\$251.16
8300	Cold Weather package - Coolant heater	1	\$119.00	22.0%	(\$26.18)	\$92.82



<b>Total Base / Options</b>	<b>\$97,140.00</b>	<b>(\$21,370.80)</b>	<b>\$75,769.20</b>
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**Technology Options**

<b>Code</b>	<b>Description</b>	<b>Qty</b>	<b>List Price</b>	<b>Discount %</b>	<b>Discount \$</b>	<b>Adjusted Selling Price</b>
1900	Less Display	1	\$0.00	22.0%	\$0.00	\$0.00
1880	Less Receiver	1	\$0.00	22.0%	\$0.00	\$0.00
<b>Total Technology Options</b>			<b>\$0.00</b>		<b>\$0.00</b>	<b>\$0.00</b>
<b>Selling Price Subtotal</b>						<b>\$75,769.20</b>
<b>Total Selling Price</b>		<b>\$97,140.00</b>		<b>(\$21,370.80)</b>		<b>\$75,769.20</b>



5412 NC 42 W.  
Wilson, NC 27893

# BARNES EQUIPMENT INC.

252-237-1066  
barnesequip.com

Purchaser Name: Robert Jackson Date: 3-17-26

Address: South Granville water & sewer

Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Quantity	Description	Price
1	Kubota M7060 HOC12 Cab, 4 wheel Drive, 12 speed trans, with Kubota LA1154A Loader & Bucket	62,400.00
	Government Discounts applied	
	No DEF Fuil but it Does Region	
	Cash Price Plus 6.75% sales Tax needs adding IF Applicable	
	availability should be by end of April	

Salesman: *[Signature]*

Business goes where it is invited  
and stays where it is well treated

Sub-Total	
Shipping & Handling	
Deposit	
<b>TOTAL SALE</b>	

## M60 SERIES

## M6060/M7060

### \*\*\* EQUIPMENT IN STANDARD MACHINE & SPECIFICATIONS \*\*\*

#### DIESEL ENGINE

Kubota V3307 Direct Injection  
3.3L (203 cu. in.) 4 Cyl  
EPA Tier 4 Emission Certified  
Common Rail Electronic Fuel Injection  
Electronic Engine Management  
Constant RPM Management  
Turbocharged  
45 Amp Alternator - ROPS  
60 Amp Alternator - Cab  
12V 700 CCA Battery

#### EXHAUST EMISSION CONTROL TYPE

DPF System (Diesel Particulate Filter)

#### HYDRAULICS / HITCH / DRAWBAR

Open Center Gear Pump  
Max. Flow @ Rated Engine Speed: 2600 RPM  
Power Steering: 6.1 gpm  
Impl. Flow: 11.0 gpm  
Impl. Flow, 12 Speed: 16.2 gpm  
Total Flow: 17.1 gpm  
Total Flow, 12 Speed: 22.3 gpm

#### REMOTE VALVES

(1) SCD (Self Canceling Detent)

#### 3 POINT HITCH & DRAWBAR

Cat III 3-Point Hitch  
@ Lift Points: 4190 lbs  
(ASAE)@24" Behind: 3307 lbs  
Telescoping Lower Links  
Telescoping Stabilizers  
Swinging Drawbar - Straight

#### POWER TAKE OFF

Live-Independent Hyd. PTO  
SAE 1 3/8" Six Spline  
540 RPM @ 2295 Eng. RPM  
540/540E Economy PTO Optional (12 Speed Standard)  
Provides 540 PTO @ 1942 Eng. RPM

#### TRANSMISSION

Fully Synchronized Transmission  
8F/8R or 12F/12R Hydraulic-Shuttle  
Planetary Final Drives  
Rear Differential Lock

#### FRONT AXLE

Hydrostatic Power Steering  
2WD: Tubular Steel Beam Telescoping  
4WD: Cast Iron, Bevel Gear 55 Deg

#### FLUID CAPACITY

Fuel Tank Capacity ROPS: 18.5 gal  
Fuel Tank Capacity Cab: 23.8 gal  
Cooling System: 8.5 qts  
Crankcase: 11.6 qts  
Hydraulics/Trans: 59.2 qts  
Front Axle 4WD: 5.8 qts

#### INSTRUMENTS

Tachometer/Hour meter  
Oil Pressure  
Fuel Gauge  
Coolant Temperature

#### TIRES AND WHEELS

2WD: Front 9.5L x 15 F2  
Rear 16.9 x 28 R1  
4WD: Front 9.5 x 24 R1  
Rear 16.9 x 28 R1

#### OPERATOR PLATFORM

Semi-Flat Deck with Hanging Pedals  
High Back Seat with Adjustable  
Suspension  
Color Coded Controls  
Cup Holder

#### Cab (Ultra Grand Cab)

Integral factory ROPS Certified  
Flat Deck  
Suspension Seat w/ Retractable  
Seat Belt and Armrests  
Dual Level Air Conditioning & Heater  
Front Wiper w/ Washer - 2 Speed  
Radio Ready, includes 2 Speakers  
Antenna and Wiring Harness  
2 Doors, Frameless all glass  
Left & Right Side Steps  
Sun Visor  
Tilt Steering Wheel  
Interior Dome Light  
Accessory Plug 12V -15 Amp  
Cup Holder  
Ashtray  
Horn

#### LIGHTING

2 Headlights - Tail lights  
2 Hazard Flasher Lights w/  
Turn Signals

#### CAB LIGHTING

2 Front Work Lights  
2 Rear Work Lights

#### SAFETY EQUIPMENT

2 Post, ROPS Certified  
Retractable Seat Belt  
Flip-Up PTO Shield  
Safety Start Switches:  
Shuttle Lever Neutral  
PTO - OPC Alarm 10 Sec.  
Electric Key Shut Off  
Parking Brake  
Turn Signals  
SMV Sign

#### Model Specifications

M6060	M7060
SAE Gross HP: 66.4	SAE Gross HP: 72.1
Engine Net HP: 64.1	Engine Net HP: 71.9
Max. PTO HP: 56	Max. PTO HP: 62

SOUTH GRANVILLE WATER AND SEWER AUTHORITY  
BUDGET 2025-2026

**CAPITAL OUTLAY**

		**** BUDGET ****	
		<u>Acct 510</u>	<u>Acct 520</u>
<i>7140 Sewerline Maintenance</i>			
Replace 2017 Ford F250 with Ford F350 with Crane			\$124,000
Replace 2017 Ford F250 with Ford F350 with Crane			\$124,000
<b>John Deere 5075M Tractor</b>			<b>\$79,500</b>
John Deere RC8M Bushhog			\$8,000
Pioneer 88S12-PPI-02-D Sewer Bypass Pump			\$122,000
Back Pack Leaf Blower	\$572		
Replace Sewer Line Jet Vac with Harben DTK750 ET180			\$82,000
	<u>\$572</u>		<u>\$539,500</u>
 <i>7145 Wastewater Treatment Plant</i>			
Replace 2008 Ford Ranger with 2025 F250 Super Duty			\$36,000
GRACE LoneWorker System-Advance Safety Monitoring System			\$25,000
Lab Analytical Balance			\$9,000
Hydrover Hydrant Buddy Valve EX			\$6,500
Electric Chain Hoist	\$3,700		
Vibration Tool	\$1,200		
Infrared Camera	\$4,100		
Multi Gas Detector	\$1,000		
Drying Oven	\$3,000		
Centrifuge	\$3,200		
Dessicator	\$1,500		
Tablets	\$1,600		
	<u>\$19,300</u>		<u>\$76,500</u>
 <i>8000 Pump &amp; Lift Stations, Tanks</i>			
Little School St Generator			\$76,930
		<u>\$0</u>	<u>\$76,930</u>
<b>Grand Totals</b>		<u><b>\$41,248</b></u>	<u><b>\$1,228,553</b></u>

## **Agenda Item-14**

**Topic:** North Carolina Department of Environmental Quality Division of Water Resources Grant Funded PFAS Pilot Evaluation and Planning Study Part 2 – Resolution of Acceptance

**Requested Action:** NCDEQ Approval of Resolution of Acceptance

**Presenter:** Scott N. Schroyer, Executive Director

### **Executive Summary:**

SGWASA received two NCDEQ grants totaling \$1,000,000 to support its PFAS Pilot Evaluation and Planning Study, with the first awarded in March 2024 and the second in October 2025 to expand evaluation of PFAS-reduction technologies. CDM Smith submitted and revised the project scope between December 2025 and January 2026, and NCDEQ approved the scope in March 2026. This project supports SGWASA’s long-term PFAS treatment strategy for the future advanced water treatment plant. Adoption of a Resolution of Acceptance is required by NCDEQ to finalize funding, and staff recommends Board approval.

### **Background:**

SGWASA applied to NCDEQ in fall 2023 for \$500,000 to conduct a PFAS Pilot Evaluation and Planning Study, and the funding was awarded in March 2024. The initial pilot was completed in 2025 and provided key information for the design of SGWASA’s future advanced water treatment facility.

To further evaluate additional PFAS-reduction technologies, SGWASA applied for a second \$500,000 grant in May 2025. NCDEQ awarded this funding in October 2025. CDM Smith submitted the required scope of work in December 2025, revised it in January 2026, and NCDEQ approved the final scope in March 2026. Board approval of the Resolution of Acceptance is now required to finalize this funding.

### **Analysis:**

NCDEQ-funded project recipients are required to provide assurance to the NCDEQ that any Conditions and Assurances contained in the Award Offer will be adhered to. As such, the NCDEQ requires the governing body to approve a Resolution of Acceptance. The required Resolution of Acceptance is shown in Exhibit A.

### **Staff Recommendation:**

The Board of Directors approve the Resolution of Acceptance.

### **Schedule:**

Following Board approval, within the next 10 business days, staff will provide the NCDEQ with a copy of the Resolution of Acceptance and process all remaining items necessary to start this project.

<b><u>Milestone</u></b>	<b><u>Date</u></b>
Completion of Scope of Work & Submittal of Final Deliverable	January 30, 2027

**Financial:**

The total project cost for the Pilot Evaluation and Planning Study is \$500,000. The NCDEQ will provide a grant of \$500,000 for this project. SGWASA will pay the \$10,000 (2%) closing fee associated with this project. Staff included the \$10,000 closing fee in the Budget Amendment that is found later in the meeting agenda.

**Attachments:**

Exhibit A: Resolution of Acceptance.

Exhibit B: NCDEQ Conditions and Assurances

**Focus Area 1: Safe, Reliable and Sustainable Water System**

- **Objective #1:** Ensure excellent water is provided to all Authority customers and is regularly validated by a quality review program.
- **Objective #2:** Provide for upgrades and ongoing maintenance of the water system infrastructure through regular assessments of capital assets and inclusion of needed projects in the Authority’s Capital Improvement Plan (CIP).

**Executive Director’s Recommendation:**

*The SGWASA Board of Directors approve the Resolution of Acceptance for the PFAS Pilot Evaluation and Planning Study.*



**South Granville Water and Sewer Authority**

**RESOLUTION BY GOVERNING BODY OF RECIPIENT**

**WHEREAS,** the Infrastructure Investment and jobs Act (IIJA) of 2021 and North Carolina General Statute (NCGS) 159G have authorized the making of principal forgiveness loans to aid eligible, drinking-water system owners in financing pre-construction activities and planning efforts associated with the removal of per- and polyfluoroalkyl substances (PFAS); and

**WHEREAS,** the North Carolina Department of Environmental Quality has offered a Drinking Water State Revolving Fund – Emerging Contaminants (DWSRF-EC) loan with principal forgiveness in the amount of \$500,000 to conduct PFAS Pilot Evaluation and Planning Study, hereafter referred to as the “Project”; and

**WHEREAS,** the South Granville Water and Sewer Authority intends to perform said Project in accordance with the agreed scope of work that was approved by the North Carolina Division of Water Infrastructure,

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SOUTH GRANVILLE WATER AND SEWER AUTHORITY:**

That the South Granville Water and Sewer Authority does hereby accept the DWSRF-EC principal forgiveness loan offer in the amount of \$500,000; and

That the South Granville Water and Sewer Authority does hereby give assurance to the North Carolina Department of Environmental Quality that they will adhere to all applicable items specified in the standard “Conditions” and “Assurances” of the Department’s funding offer, awarded in the form of a DWSRF-EC principal forgiveness loan; and

That Scott N. Schroyer, Executive Director, and successors so titled, is hereby authorized and directed to furnish such information, as the appropriate State agency may request, in connection with such application or the Project; to make the Assurances as contained above; and to execute such other documents as may be required in connection with the application; and

That the South Granville Water and Sewer Authority has complied substantially or will comply substantially with all Federal, State, and local laws, rules, regulations, and ordinances applicable to the Project, and to Federal and State grants and loans pertaining thereto.

Adopted this the 14<sup>th</sup> day of April 2026 at Butner, North Carolina

\_\_\_\_\_  
Commissioner Kenneth McLamb - Chair      Date

\_\_\_\_\_  
Attest: Krystle Lee - Board Secretary      Date

DocuSign Envelope ID: AA145AA4-B589-4B89-BC44-5681A608A2F4

*\*Note: Condition 1 does not require anything to be submitted. Details on all of these conditions can be found in the EPA Cross-Cutter handbook.*

**ASSURANCES**

**Project Applicant:** South Granville Water and Sewer Authority

**Project Number:** SRF-D-EC-0011

1. The Subrecipient acknowledges that no disbursements will be made until the 2.0% closing fee has been received by the Division of Water Infrastructure (Division).
2. The Subrecipient acknowledges that no disbursements will be made until applicable service agreements or contracts are submitted. The description of work listed on invoices must be included in the scope of work shown on the agreements or contracts.
3. All projects must comply with North Carolina General Statute 143-64.31, Article 3D Procurement of Architectural, Engineering, and Surveying Services. Any services provided that were not selected in compliance with state requirements will be ineligible for disbursement.
4. The Subrecipient intends to complete the project in accordance with the application for financial assistance approved by the Division. The Subrecipient acknowledges that in the event a milestone contained in the most recent IJJA DWSRF-EC Fund Intended Use Plan and/or the Letter of Intent to Fund is missed, the Department of Environmental Quality may rescind this Funding Offer.
5. The Subrecipient is responsible for paying for the costs ineligible for IJJA DWSRF-EC funding.
6. All aspects of the project, including the letting of contracts in connection therewith, conform to the applicable requirements of State and local laws and ordinances.
7. The Subrecipient will provide and maintain adequate engineering supervision and inspection.
8. The Subrecipient agrees to establish and maintain a financial management system that adequately accounts for revenues and expenditures. Adequate accounting and fiscal records will be maintained during the course of the project and these records will be retained and made available for a period of at least three years following completion of the project.
9. Subrecipients with a network or information system connected to the US Environmental Protection Agency's (EPA) network for purposes of transferring data to the EPA are required to obtain an Interconnection Service Agreement with EPA if the Subrecipient uses any system other than the Environmental Information Exchange Network or EPA's Central Data Exchange. Contact the EPA Project Officer, Jacob Netemeyer at [netemeyer.jacob@epa.gov](mailto:netemeyer.jacob@epa.gov) if an Interconnection Service Agreement is required.
10. All IJJA DWSRF-EC funds provided shall be expended solely for carrying out the approved project, and an audit shall be performed in accordance with G.S. 159-34. Partial disbursements on this Award will be made promptly upon request, subject to adequate documentation of incurred eligible costs, and subject to the Recipient's compliance with the Standard Conditions of this Award. The Subrecipient agrees to make prompt payment to its contractor, and to retain only such amount as allowed by North Carolina General Statute.
11. The Subrecipient will expend all of the requisitioned funds for the purpose of paying the costs of the project within three (3) banking days following the receipt of the funds from the State. Please note that the State is not a party to the construction contract(s) and the Subrecipient is expected to uphold its contract obligations regarding timely payment.
12. The Subrecipient must provide to the Division a digital copy of the final deliverable in a universally readable format. The Subrecipient must provide an executive level summary of the work performed, any conclusions made, and the next steps to be taken as a result of this work.
13. A maximum of 90% of the Award will be paid prior to receipt of the documentation described in Assurance No. 12. After receipt of this documentation, the final disbursement request will be processed.

## **Agenda Item-15**

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

**Requested Action:** Approval of CDM Smith Project Scope of Work & Fee

**Presenter:** Scott N. Schroyer, Executive Director

### **Executive Summary:**

SGWASA received two NCDEQ grants totaling \$1,000,000 to complete an expanded PFAS Pilot Evaluation and Planning Study, building on the initial 2025 pilot. NCDEQ approved CDM Smith's revised scope of work in March 2026, and Board approval is now needed to authorize the firm to proceed, with SGWASA responsible only for the NCDEQ Grant \$10,000 closing fee.

### **Background:**

SGWASA applied to NCDEQ in fall 2023 for \$500,000 to conduct a PFAS Pilot Evaluation and Planning Study, and the funding was awarded in March 2024. The initial pilot was completed in 2025 and provided key information for the design of SGWASA's future advanced water treatment facility.

To further evaluate additional PFAS-reduction technologies, SGWASA applied for a second \$500,000 grant in May 2025. NCDEQ awarded this funding in October 2025. CDM Smith submitted the required scope of work in December 2025, revised it in January 2026, and NCDEQ approved the final scope in March 2026. Board approval of the CDM Smith Scope & Fee is now required to initiate the project.

### **Project Description:**

SGWASA is undertaking a second phase of PFAS pilot testing to evaluate additional emerging PFAS-removal and destruction technologies in preparation for meeting EPA's newly established Maximum Contaminant Levels for six PFAS compounds. The Phase 2 Pilot builds on the Phase 1 Pilot that began in 2024 and concludes in early 2026, which tested GAC, anion exchange resin, and a novel sorbent and demonstrated successful treatment performance.

Under this expanded Phase 2 effort, CDM Smith will pilot two additional advanced technologies—Invicta Water's foam fractionation and photocatalytic destruction system, and Aqua-Aerobics' AquaPRS micro sorbent and ceramic membrane system—to assess long-term viability, treatment effectiveness, and life-cycle costs for SGWASA's future PFAS treatment strategy. These results will inform planning and design of the Authority's future advanced water treatment facility.

### **Analysis:**

Based on the cost associated with this project, the Board of Directors must approve the CDM-Smith Scope & Fee for this project. CDM-Smith provided SGWASA with a Scope of Work for this project (attached as Exhibit A.).

**Next Steps:**

Following Board approval of this item, SGWASA’s staff will complete all required forms and submit them back to the NCDEQ for their review and approval. Following NCDEQ’s approval, SGWASA will issue CDM-Smith a notice to proceed with the work.

**Staff Recommendation:**

SGWASA staff recommends the Board of Directors approve the CDM-Smith Engineering Services Scope of Work associated with this project.

**Schedule:**

Following Board approval, within the next 10 business days, staff will process all remaining items necessary to start this project.

<u>Milestone</u>	<u>Date</u>
Completion of Scope of Work & Submittal of Final Deliverable	January 30, 2027

**Financial:**

The total project cost by CDM Smith for the Pilot Evaluation and Planning Study is \$500,000. The NCDEQ will provide a grant of \$500,000 for this project. SGWASA will pay the (2%) \$10,000 closing fee associated with this project.

Staff included the \$10,000 closing fee in the Budget Amendment that is found later in the meeting agenda.

**Attachments:**

Exhibit A: CDM-Smith Scope of Work for the Pilot Evaluation and Planning Study Part 2.

**Strategic Plan Goal & Objective Alignment:**

**Focus Area 1: Safe, Reliable and Sustainable Water System**

- **Objective #1:** Ensure excellent water is provided to all Authority customers and is regularly validated by a quality review program.
- **Objective #2:** Provide for upgrades and ongoing maintenance of the water system infrastructure through regular assessments of capital assets and inclusion of needed projects in the Authority’s Capital Improvement Plan (CIP).

**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.*

**TASK ORDER NO. 02**  
**TO CONSULTING SERVICES AGREEMENT**  
**BETWEEN OWNER AND ENGINEER**

**PHASE 2 PFAS PILOT TESTING**  
**SOUTH GRANVILLE WATER AND SEWER AUTHORITY**

**DECEMBER 29, 2025**

This Task Order No. 02 attached to and made part of the Consulting Services Agreement dated November 15, 2023, between the South Granville Water and Sewer Authority (SGWASA) and CDM Smith Inc. (ENGINEER) for professional services. ENGINEER will provide the basic services defined herein for the PROJECT.

**PART 1.0 PROJECT DESCRIPTION**

In April 2024, the United States (US) Environmental Protection Agency (EPA) released a National Primary Drinking Water Regulation (NPDWR) to establish legally enforceable levels, called Maximum Contaminant Levels (MCLs), for six per- and polyfluoroalkyl substances (PFAS) in drinking water. SGWASA engaged ENGINEER to perform a pilot study at the SGWASA Water Treatment Plant (WTP) to evaluate treatment technologies for the removal of PFAS from drinking water so that SGWASA is prepared to achieve compliance with future PFAS MCLs. That pilot (referred to herein as Phase 1 Pilot) began in October 2024 and will be completed Q1 2026. Phase 1 Pilot is evaluating one granular activated carbon (GAC) product, one anion exchange resin (AER), and one novel sorbent product. The results of this pilot have demonstrated successful treatment of the PFAS compounds, and SGWASA has authorized CDM Smith to begin the design (under a separate Task Order) of a PFAS removal system that may employ a treatment process using GAC and/or AER adsorptive media.

Under this Task Order, SGWASA will pilot (Phase 2 Pilot) additional future-looking PFAS removal and destruction technologies to evaluate their effectiveness and life cycle costs. This information will be used by SGWASA in long-term planning for PFAS treatment at the WTP site. The technologies that are included in this Phase 2 Pilot are:

1. Invicta Water – proprietary treatment and destruction system using foam fractionation (FF) and photocatalytic destruction (PCD).
2. Aqua-Aerobics Systems, Inc. (AASI) – AquaPRS system using a proprietary micro sorbent and ceramic membrane separation technique.

**PART 2.0 BASIC SERVICES**

SGWASA desires the ENGINEER to provide the following basic services to perform screening level pilot testing of the treatment technologies listed above.

- Task 100. PROJECT Initiation, Implementation, & Management
- Task 200. Analytical and Equipment Expenses
- Task 300. Pilot Testing Support
- Task 400. Pilot Report Development
- Task 500. Additional Allowances

**TASK 100 PROJECT INITIATION, IMPLEMENTATION, & MANAGEMENT**

**101 PROJECT Schedule**

A detailed schedule will be developed for pilot testing with major activities associated with each task. The initial schedule will be reviewed with SGWASA and finalized, with electronic copies sent to SGWASA.

### **102 PROJECT Initiation and Work Plan**

A PROJECT kick-off meeting will be held with SGWASA to discuss PROJECT schedule, administrative procedures, respective responsibilities, communications with SGWASA contacts, SGWASA expectations, progress reporting, data collection and other PROJECT matters as appropriate. Key stakeholders from SGWASA and ENGINEER's PROJECT team are expected to attend.

### **103 PROJECT Meetings**

The ENGINEER has included the following PROJECT management meetings for the development of Tasks 200 through 400. The ENGINEER will prepare meeting minutes summarizing and documenting major points of discussion, decisions made and action items for future meetings and coordination calls. The meeting schedule is as follows:

- PROJECT Kickoff Meeting. It is anticipated this will occur at SGWASA's office or the ENGINEER's office for a duration of 2 hours.
- Equipment Setup Site Meeting. It is anticipated there will be a 2-hour site visit to the WTP to discuss and mark off acceptable areas for the pilot plant.
- Six (6) virtual PROJECT Management meetings. It is anticipated these meetings will occur virtually and be 60 minutes in duration. The purpose of these meetings is to communicate pilot progress and interim results monthly, provide PROJECT status updates, and collaborate with SGWASA on important action items and planning decisions.
- One (1) meeting to review the DRAFT pilot report, which will include pilot results. It is anticipated this will occur at SGWASA's office or the ENGINEER's office for a duration of 2 hours.
- One (1) meeting to present FINAL pilot findings to SGWASA's board. It is anticipated this will occur at the Town of Butner Town Hall for a duration of 2 hours.

### **104 Quality Control**

ENGINEER will undertake quality control activities in accordance with the ENGINEER's Quality Management System (QMS) that includes monthly reviews and PROJECT status reporting, communication plans, and independent specialist reviews. Two independent technical reviewers on the ENGINEER'S staff will review the Pilot Test Plan and Pilot Report.

#### **Deliverables**

1. PROJECT Schedule
2. PROJECT Meeting Agendas and Minutes
3. Monthly PROJECT Invoices and Progress Reports.

## **TASK 200 Analytical and Equipment Expenses**

### **201 Laboratory Analytical Expenses**

The ENGINEER will collect, package, and ship water samples to a North Carolina State Certified laboratory. The sample parameters, quantity, and frequency of sample collection will be determined

during development of the Pilot Test Plan. This scope was developed based on the following parameters and collection frequencies:

- PFAS (per EPA Method 533) on the raw water, filtered water, and pilot effluent twice a month.
- Major water quality parameters (such as total organic carbon, hardness, alkalinity, chlorides, and sulfates) on the filtered water and pilot effluent twice during each pilot duration.
- Total organic fluoride (or halides) four times during the Invicta pilot only.

If additional sampling or analysis services are required, ENGINEER shall develop a fee estimate for authorized use of a portion of the Contingency Allowance. Labor for sample collection is included in Task 300.

## **202 Pilot Equipment Procurement and Assembly**

The ENGINEER will provide pilot equipment at SGWASA's WTP (PROJECT site). Equipment from Invicta Water and AASI will be delivered, installed, started up, and removed by the vendors under the supervision of the ENGINEER. ENGINEER will provide a pump to feed the two pilot units from the plant's filtered water. The vendors will dismantle, collect, and remove pilot equipment from the PROJECT site.

The following major pilot equipment are anticipated:

- Invicta Water "Small Pilot System" – 10FT x 14FT x 8FT (height)
- AASI AquaPRA PT2 Pilot System – 2.5FT x 3.7FT x 6.5FT (height)

ENGINEER will provide the following items/services required for assembly of the working pilot system:

- Plumbing, and other miscellaneous mechanical construction tasks needed to connect the vendor supplied pilot systems to feed water, electrical, and waste/discharge.
- Tools, hardware, and materials required for construction.

Assumptions:

- Invicta Water and AASI pilot will not require feed tanks. They require a small (less than 1 ½") pipe connection.
- Invicta Water pilot requires a single 120V 20A service fed by extension cord from an existing receptacle.
- AASI pilot requires one 120V 20A service fed by extension cord from an existing receptacle.

## **Task 300 – Pilot Testing Support**

### **301 Pilot Test Plan**

ENGINEER will prepare a pilot test plan detailing testing and sampling methods for the selected technologies. The Pilot Test Plan will include the following:

- Pilot purpose and objectives.
- A summary of historical filtered water quality.
- Methods to be used for testing each of the PFAS treatment technologies.
- Sampling and analysis plan.

The ENGINEER shall prepare a DRAFT Pilot Test Plan and perform an internal quality control review of it prior to submitting it to SGWASA for review and comments. The ENGINEER shall meet with SGWASA to review DRAFT Pilot Test Plan comments in real time and provide responses. Final agreeable responses

shall be addressed in the FINAL Pilot Test Plan. Both the DRAFT and FINAL Pilot Test Plan will be delivered in electronic (PDF) format.

### **Deliverables**

1. DRAFT Pilot Test Plan
2. FINAL Pilot Test Plan

### **302 Start Up and Commissioning**

Following the completion of Task 202, the ENGINEER will oversee the startup of the vendor-supplied pilot units. Startup activities for the vendor-supplied equipment will be done by vendor staff.

It is assumed the water source for media contactors is the existing filters effluent sump. SGWASA is responsible for providing access to the sump for pump installation. The ENGINEER will provide a water pump to meet pilot test conditions. It is assumed SGWASA will provide power to pumps using plant power via the same receptacle used for the Phase 1 Pilot.

The ENGINEER will test feed water for free chlorine residual to confirm dechlorination effectiveness. Facility drains will be used to discharge flushing water and other water produced during start up and pilot activities.

Assumptions:

- The two vendor-supplied pilots will be started up at different dates, within approximately one month of each other.
- Vendor pilot startup durations are anticipated to be 3 days per pilot, during which ENGINEER will provide one staff member on site.
- The responsibility for shipping, offloading, and setting up the vendor-supplied equipment shall be the vendors.

### **303 Routine Pilot Testing**

Following commissioning, the ENGINEER will operate, maintain, and perform the pilot testing for the following durations:

- Invicta Water – 3 months
- AASI – 3 months

Routine operation and maintenance of the pilot systems assume the ENGINEER will perform the following tasks:

- One (1) site visit per week, 3 hours each for pilot operation and routine maintenance activities.
- Up to five (5) half day site visits for unplanned maintenance, media backwash, media loading, or other events that require pilot system repair.
- Collect, package, and ship water samples for analytical analysis. (Shipping and laboratory analytical costs are covered in Task 200).

ENGINEER may adjust valves and pumps to maintain desired flow rate. Should a condition arise which hampers testing at the design test conditions, the ENGINEER will document this condition and evaluate

means to restore desired test conditions. ENGINEER will have limited ability to adjust the vendor-supplied pilot equipment. ENGINEER will communicate with vendors to adjust as necessary.

The ENGINEER will prepare field notes (collected during weekly visits) and record data and laboratory analytical results in digital format. The ENGINEER will summarize field data and testing results and review data to provide pilot system adjustments as required.

It is assumed SGWASA will collect operations field data at the pilot plant three (3) times per week on Mondays, Wednesdays, and Fridays. Operations data will consist of:

- Flows and pressures of filter effluent and at both pilot treatment trains.
- Chlorine residual of filter effluent and downstream of dechlorination points.
- Temperature of filter effluent and finished water

SGWASA will also collect the following data at the intervals specified:

- Test pH values once per week for filter effluent and treatment trains.
- Test filter effluent turbidity values biweekly.

SGWASA's pilot operators will attend biweekly meetings with the ENGINEER's pilot manager and process technical lead to review collected field data, pilot operation, sample collection, and interim pilot results.

#### **Task 400 – Pilot Report**

The ENGINEER will prepare a technical report to document the results of the pilot study and present conceptual comparison of the piloted treatment technologies. The draft report will include the following elements:

- Summary of pilot testing methods and any deviations from the Pilot Testing Plan
- Pilot results and data analysis (including a documentation of inlet and outlet water quality, with an emphasis on PFAS, TOC, pH, major ions, and alkalinity.
- Class 5 (AACE, +50%/-30% level of accuracy) capital and life cycle (20 year) cost estimates.
  - One capital and one life cycle cost estimate will be prepared for each of the pilot technologies (four technologies in total).
  - All cost estimates will be based on a single treatment capacity. This is assumed to be 7.5 MGD.
  - Capital cost estimates will include construction of process equipment, buildings, site improvements, utilities and piping, electrical upgrades, and instrumentation and controls.
  - Life cycle cost estimates will include power consumption, media/chemical/consumable materials, and continued service agreements with equipment vendors (if required).
- Embedded figures for each of the piloted technology:
  - Approximate building/structure footprint on site.
  - Process flow diagram.
- Assessment of each of the piloted technologies based on:

- Treatment of currently regulated PFAS.
- Treatment of non-regulated PFAS.
- Holistic water quality considerations.
- Estimated cost.
- A narrative description of the design considerations required to implement each of the piloted technologies, including the modifications required to the pressure contactor-based PFAS treatment design currently underway to incorporate the piloted technology.
  - Design considerations

The ENGINEER shall prepare the DRAFT Pilot Report and perform an internal quality control review of it prior to submitting it to SGWASA for review and comments. The ENGINEER shall meet with SGWASA to review the DRAFT Pilot Report comments in real time and provide responses. Final agreeable responses shall be addressed in the FINAL Pilot Report. Electronic (PDF) delivery of the DRAFT and FINAL Pilot Report is assumed.

The ENGINEER shall prepare and deliver a presentation to the SGWASA Board to provide an overview of the technologies and present the pilot test results.

**Deliverables**

1. DRAFT Pilot Report
2. FINAL Pilot Report
3. SGWASA Board Presentation (PowerPoint format)

**Task 500 – ADDITIONAL ALLOWANCES**

An allowance of \$44,300 has been included in the Agreement for additional services to be used if authorized in writing by SGWASA. Potential additional services identified in this Agreement include, but are not limited to:

- Analytical services not identified herein
- Extension of pilot durations beyond those stated herein

**PART 3.0 ADDITIONAL SERVICES (NOT BUDGETED AT THIS TIME)**

ENGINEER agrees to perform additional services as requested and authorized by SGWASA and as may be determined throughout the life of this PROJECT. If the need for such services is identified, ENGINEER will prepare a request to use funds under Additional Allowances, an amendment to this Agreement, or a new Agreement that will include scope, fee, and schedule and will submit to SGWASA for approval. If approved, the Additional Services will be performed upon receipt of written authorization from SGWASA. Additional services may include, but are not limited to, the following:

- Extended pilot durations.
- Piloting additional technologies or test conditions not identified herein.
- Preliminary designs of any of the pilot technologies.

#### **PART 4.0 ASSUMPTIONS AND EXCLUSIONS**

The following is a list of assumptions and exclusions made when developing the scope of work:

- Services extending beyond the scope of work described in Tasks 100 to 400, herein, and the timeframe described in Part 6.0 of this document are excluded from the scope of work.
- It is assumed that local and state permitting and coordination is not required for Pilot Testing and is excluded from the scope of work. This assumption is predicted on the Phase 1 Piloting.
- It is assumed the PROJECT will be funded by a state revolving fund (SRF) grant. A Major Engineer Report or an Environmental Information Document are not required to release PROJECT funds and are not included in the scope. The FINAL Pilot Test Plan and the FINAL Pilot Test Report can be made available to the funding agency at their request and with SGWASA's approval.
- It is assumed that the vendor is responsible for the pilot system assembly and maintenance. Upon completion of pilot testing, the vendor will disassemble the pilot equipment and remove it from site. Pilot equipment is to be returned to the vendor(s).
- It is assumed the ENGINEER is responsible for sample collection and laboratory analysis at a state certified analytical laboratory.
- It is assumed that the duration of pilot testing stated herein is sufficient to test the pilot equipment for treatment efficacy. If treatment efficiency cannot be established within the allotted time, additional time can be added by amendment to this scope.
- It is understood that vendor-supplied pilot equipment lead time may change between the time this scope is authored and notice to proceed. If lead times dictate a change in pilot equipment availability that extends the overall duration of the PROJECT by more than two weeks, the ENGINEER will notify SGWASA of schedule impacts and any potential impacts to PROJECT cost in a requested amendment to this scope.
- Test conditions are subject to change based on available information regarding industry practice.
- Pilot facilities can be installed outside of foot traffic areas and will not require trip protection.
- Secondary containment for chemical drums is not required.
- SGWASA will not charge ENGINEER for water or electricity used.

#### **PART 5.0 SGWASA RESPONSIBILITIES**

The responsibilities of SGWASA as described in this scope are as follows:

- Provide the ENGINEER with plant operation data, survey information, records, record drawings, operations manual, etc. as required to support pilot testing.
- Provide site access as necessary Monday through Friday, 8AM to 6PM.
- Provide review comments on PROJECT deliverables within 2 weeks.
- Prompt scheduling and attendance at monthly meetings, design workshops, and virtual meetings.
- Provide access to the effluent filter water sump for the installation of a pump by the ENGINEER.
- Relocate the corrosion inhibitor injection point to a location that will not interfere with pilot testing.
- Provide the necessary 120-volt electrical receptacles for pilot equipment.
- Visually observe the pilot plant operation daily and contact the ENGINEER if the pilot plant is not functioning within pilot plant parameters.
- Allow discharge of pilot effluent water to drains located in the filter gallery for the media columns.

- Provide the ENGINEER with a minimum of 72 hours’ notice before any planned event which may:
  - Stop water flow to the pilot facilities, such as a maintenance shutdown, or
  - Substantially alter the filtered or finished water chemistry fed to the pilot, such as a seasonal change in primary disinfectant type
- Allow the ENGINEER to use on-site facilities for storage and assembly of pilot equipment.
- SGWASA shall be responsible for, and ENGINEER may rely upon, the accuracy and completeness of all requirements, programs, instructions, reports, data, and other information furnished by SGWASA to ENGINEER pursuant to this Agreement. ENGINEER may use such requirements, programs, instructions, reports, data, and information in performing or furnishing services under this Agreement. ENGINEER’s scope of work does not include verifying SGWASA Provided Information for accuracy or completeness. SGWASA may request an independent review of SGWASA Provided Information by ENGINEER pursuant to a mutually agreed amendment to this Agreement. ENGINEER shall be entitled to an adjustment in price and schedule to the extent that any corrective action in ENGINEER’s Services arises out of inaccurate SGWASA Provided Information.

**PART 6.0 TIME OF PERFORMANCE**

The PROJECT will start within two (2) weeks of receipt of the notice to proceed (NTP) and the estimated schedule is 36 weeks from NTP as described below. ENGINEER will prepare an updated detailed schedule for the kickoff meeting.

Task	Description	Start (Weeks from NTP)	Completion (weeks from NTP)
<b>100</b>	<b>PROJECT Initiation, Implementation, and Meetings</b>	2	36
<b>200</b>	<b>Analytical Sampling and Equipment Allowances</b>		
	Procurement of Equipment*	2	10
<b>300</b>	<b>Pilot Testing</b>		
	Submit DRAFT Pilot Test Plan	NA	6
	Submit FINAL Pilot Test Plan	NA	9
	Start up and Commissioning*	10	14
	Routine Pilot Testing – Invicta	14	26
	Routine Pilot Testing – AquaPRS*	14	26
<b>400</b>	<b>Pilot Report Development</b>		
	Submit DRAFT Pilot Report	NA	32
	Submit FINAL Pilot Report	NA	36

\*Procurement of equipment duration does not include lead time of vendor-supplied pilot equipment. Start date of vendor-supplied pilots is subject to vendor equipment lead time.

**PART 7.0 PAYMENTS AND COMPENSATION**

As complete compensation for the engineering services described in this Agreement (Tasks 100 – 400), the ENGINEER will be paid a lump sum fee of \$455,700. Partial payments shall be made by SGWASA monthly based on invoices submitted by ENGINEER in proportion to the percentage of work completed and the balance of payment made when the work is completed. For invoicing purposes only, the value of each task is listed on the table below:

<b>Task</b>	<b>Description</b>	<b>Value</b>
<b>100</b>	PROJECT Initiation, Implementation, and Meetings	\$75,000
<b>200</b>	Analytical Sampling and Equipment Allowances	\$157,800
<b>300</b>	Pilot Testing	\$143,800
<b>400</b>	Pilot Report Development	\$79,100
<b>Total Lump Sum Value:</b>		<b>\$455,700</b>
<b>Task 500 – Additional Allowances</b>		<b>\$44,300</b>

**PART 8.0 TERMS AND CONDITIONS**

The terms and conditions of the Agreement referred to above shall apply to this Task Order except to the extent expressly modified herein. In the event of any such modification, the modification shall be set forth below and the Article of the Agreement to be modified shall be specifically referenced.

If the provisions set forth in the Agreement conflict with the provisions set forth in this Task Order, the provisions of this Task Order shall govern.

Acceptance of the terms of this Task Order is acknowledged by the following authorized signatures of the parties to the Agreement:

**OWNER:**

**ENGINEER:**

\_\_\_\_\_

\_\_\_\_\_

BY: Scott N. Schroyer

BY: Reed Barton

TITLE: Executive Director

TITLE: Vice President

ADDRESS FOR GIVING NOTICES:

ADDRESS FOR GIVING NOTICES:

SGWASA

CDM Smith

415 Central Ave, Suite B

4130 Parklake Ave., Suite 350,

Butner, NC 27509

Raleigh, NC 27612

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.

\_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

## **Agenda Item-16**

**Topic:** Bond Anticipation Note (BAN) Arbitrage Services

**Requested Action:** Seeking the Board of Directors award of contract for arbitrage services

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

### **Executive Summary:**

SGWASA management recommends awarding a contract to Bingham Arbitrage Rebate Services, Inc. to perform the required arbitrage calculations and IRS reporting for the Authority's recently issued Bond Anticipation Note (BAN), which was approved by the LGC on October 7, 2025, and closed on November 20, 2025. Based on bond counsel's recommendation and a formal proposal, the services will not exceed \$3,300 over the life of the BAN, with the potential for lower costs if IRS spending exceptions apply. A budget amendment allocates the necessary funds for these compliance requirements.

### **Background:**

At the regular South Granville Water And Sewer Authority (SGWASA) Board of Directors meeting held on October 11, 2022, the Board authorized SGWASA management to apply for a USDA loan in the amount of \$35 million to fund a portion of the I-85 Sanitary Collection System Project that exceeds the available \$35 million DEQ ARPA grant.

At the regular SGWASA Board of Directors meeting held on September 12, 2023, the Board selected the firm of McGuire Woods LLP as bond counsel associated with the USDA funding and revenue bonds.

At the regular SGWASA Board of Directors meeting held on September 9, 2025, the Board adopted a Resolution for Application to the Local Government Commission (LGC) for USDA Revenue Bonds and the related Bond Anticipation Note (BAN).

On October 7, 2025 at their monthly meeting the Local Government Commission approved the Authority's USDA Revenue Bond and associated Truist BAN.

On November 20, 2025 Richard Balmer, SGWASA Finance Director, in collaboration with Connor Crews, Bond Counsel - McGuire Woods LLP closed on the Truist BAN.

### **Analysis:**

BAN funding requires specialized arbitrage calculations and IRS reporting. As such, Richard Balmer, SGWASA Finance Director, contacted Bond Counsel for recommendations related to arbitrage services. Bond Counsel recommended Bingham Arbitrage Rebate Services. After an initial meeting between SGWASA Finance Team members and Jeffrey Moore of Bingham Arbitrage Rebate Services Inc. earlier this month, a Proposal was provided to assist SGWASA with BAN arbitrage services for the expected term of the BAN and ensure compliance with all federal regulations. The costs for these services are outlined on page 20 of the Proposal for a not-to-exceed amount of \$3,300 over the term of the BAN (until all BAN proceeds are expended). Should SGWASA expend the funds within IRS specified time limits, an exception to arbitrage may be applicable resulting in costs less than \$3,300.

**Next Steps/Schedule:**

If the Board approves the award of services to Bingham Arbitrage Rebate Services Inc, the SGWASA Finance Director will execute the Agreement to begin the arbitrage services.

**Staff Recommendation:**

The Executive Director and Finance Director recommend approving Bingham Arbitrage Rebate Services, Inc for arbitrage services as presented.

**Financial:**

Budget Amendment #11 is on the Agenda tonight which appropriates \$3,300 for these services. This amount covers services for the approximate life of the BAN proceeds with the first accounting occurring in May 2026. Unexpended budget at the end of the fiscal year will be appropriated into subsequent fiscal years as a cost of the capital project with a Budget Amendment brought to the Board in August 2026.

**Attachments:**

Exhibit 1: Bingham Arbitrage Rebate Services Proposal

**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:**

*The Board members approve the Bingham Arbitrage Rebate Services, Inc., for arbitrage services, for the not-to-exceed amount of \$3,300 as presented.*

**BINGHAM** / ARBITRAGE  
REBATE  
SERVICES

March 17, 2026

**VIA EMAIL TRANSMISSION**

Mr. Richard Balmer, Finance Director  
South Granville Water & Sewer Authority  
415 Central Avenue, Suite B  
Butner, North Carolina 27509

RE: First Installment Period Arbitrage Rebate Compliance

\$35,000,000  
South Granville Water and Sewer Authority  
Water and Sewer System Revenue Bond Anticipation Note  
Series 2025

Dear Richard,

Bingham Arbitrage Rebate Services, Inc. ("Bingham"), a woman-owned, nationally accredited small business, is pleased to submit this proposal for arbitrage rebate services on the above-referenced tax-exempt issue. This proposal confirms the nature and scope of the services Bingham will provide, the terms and conditions under which Bingham will provide such services and the associated fees.

**NATURE AND SCOPE OF SERVICES**

The U. S. Congress has long considered the use of tax-exempt bond proceeds to invest in higher yielding taxable obligations to be abusive. In enacting Section 148 of the Internal Revenue Code of 1986 (the "Tax Code"), Congress adopted an approach to controlling the abuse. Section 148(a) generally prohibits the investment of tax-exempt bond proceeds in taxable obligations with a yield materially higher than the bond yield. Section 148(f) requires the "rebate" to the United States Treasury of any allowable arbitrage profits. There are, of course, certain specific exceptions to both the yield restriction and the rebate requirements.

Within 45 – 60 days following the next ensuing computation date for the Bonds or on such other day as we may mutually agree, Bingham will prepare and provide the following:

1. A written report (the "Report") setting forth a calculation of any arbitrage rebate and yield reduction payments and any related interest or penalties due to the United States Treasury with respect to the Bonds in compliance with Section 148 of the Internal Revenue Code of 1986 (the "Tax Code"); and
2. Form 8038-T for filing with the Internal Revenue Service ("IRS"), if the Report indicates that amounts are owed to the United States Treasury.

The Report and the Form 8038-T (if required) will cover the period from November 20, 2025 through May 1, 2028.

In the preparation of the Report and, if required, the Form 8038-T, Bingham will among other things determine the amount of the gross proceeds of the Bonds (including the investment proceeds) and the dates and amounts of the expenditures of such gross proceeds and assess whether such gross proceeds may qualify for the spending and other exceptions to the rebate and yield restriction requirements of Section 148 of the Tax Code.

(804) 288-5312 / 1506 West Main Street / Richmond, VA 23220 / bingham-ars.com

**Please note that you will have the ultimate responsibility for obtaining the signature of an authorized representative of the Issuer on the Form 8038-T and ensuring it is filed with the Internal Revenue Service by the date specified in the Report, along with the required payment.**

**CLIENT RESPONSIBILITIES**

For Bingham to provide you with the highest level of service, we must rely on you to provide, in a timely manner, the transcript of the financing documents and closing certificates for the Bonds, including the tax or arbitrage certificate and the IRS Form 8038, 8038-G or 8038-GC, any amendments to or modifications of such documents and certificates and the information regarding the investment and expenditure of the gross proceeds of the Bonds that we may request. You may have to obtain, or arrange for Bingham to obtain, such information from your bond counsel, the trustee for the Bonds or other professionals.

For the report, we will need all the bank/trust statement history from November 20, 2025 through current date. For future statements, please ask the bank to set Bingham up for online access. The documentation and information requested for the arbitrage rebate calculations should cover the entire history of the Bonds. Any investment changes that occurred during our review period would be considered necessary.

We will not audit or otherwise independently verify the correctness of the information you provide. However, we may ask you to clarify any of the information.

**PERIOD OF THE ENGAGEMENT**

We expect to begin the preparation of your Report and Form 8038-T (if required) upon receipt of a signed copy of this proposal and all of the documents and information requested.

Our services will conclude upon our delivery to you of the Report and 8038-T (if required) in a form suitable for execution by your authorized representative and filing with the IRS. You are responsible for reviewing the accuracy of Form 8038-T and any accompanying schedules and statements prior to filing.

Having worked with a wide variety of issues, our firm already understands the accounting practices and debt structure to be utilized. Our project team stands ready to begin this engagement without delay. We welcome the opportunity to serve your office in this important tax compliance requirement. Please do not hesitate to contact me at (804) 864-9564 if you have any questions.

Sincerely,



Kim A. Hoyt  
President

**BINGHAM**

**Arbitrage Rebate Compliance Services Proposal for  
South Granville Water and Sewer Authority**

<u>TABLE OF CONTENTS</u>	<u>PAGE</u>
1. Bingham Qualifications and Experience .....	4 - 12
2. Bingham's Work Plan .....	13 - 18
3. Partial Client List – North Carolina Clients .....	19
4. Evaluation Date and Bingham's Fee Schedule.....	20 - 21
5. Acknowledgment.....	22
6. Signatures.....	23

**Past and Current Accomplishments**

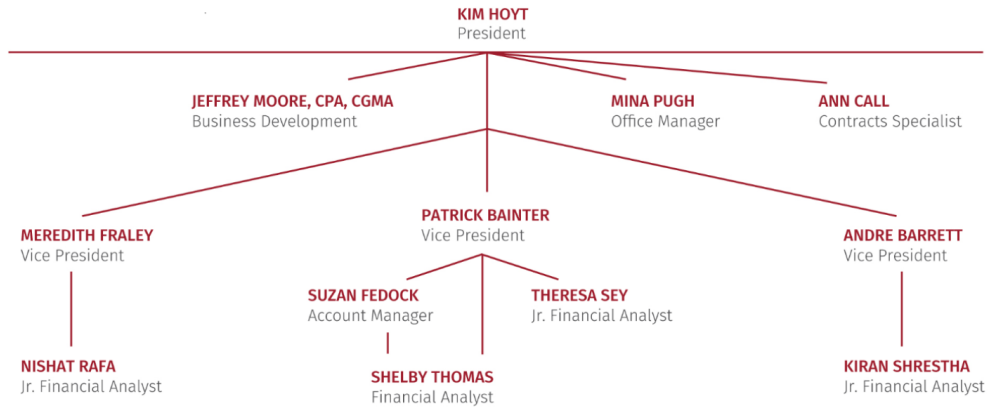
<p><b>Company History and Woman Owned (Minority) Firm</b></p>	<p><b>Bingham has provided arbitrage rebate and related compliance services for 38 years.</b></p> <ul style="list-style-type: none"> <li>➤ 1985 - Bingham &amp; Company Capital Markets, Inc. of St. Louis and Kansas City, Missouri established.</li> <li>➤ 1988 -Arbitrage Rebate Service Division added to the St. Louis office.</li> <li>➤ 1989 -Arbitrage Rebate Service Division transferred to Richmond, Virginia.</li> <li>➤ 1995 -Division incorporated as Bingham Arbitrage Rebate Services, Inc. ("Bingham"), a wholly owned subsidiary, with Kim A. Hoyt as President.</li> <li>➤ 1996 -Ms. Hoyt purchased the firm from Bingham &amp; Company Capital Markets, Inc.</li> <li>➤ 1997 - Virginia Women's Business Enterprise (VWBE) Certified</li> <li>➤ 2005 - Small, Women and Minority (SWaM) Certified</li> <li>➤ 2018 - National Women's Business Enterprise Certification (WBENC)</li> </ul> <p><b>Since Ms. Hoyt's acquisition of Bingham in 1996, Bingham has been and remains a certified woman-owned minority firm.</b> Bingham has chosen to remain an independent firm, with the same ownership, organizational structure, and name, rather than merge with other firms. This strategy has allowed Bingham to experience deliberate, steady growth and earn a national reputation for expertise and excellence in arbitrage rebate services.</p>
<p><b>Calculation Savings for Clients</b></p>	<p>There are various instances of arbitrage rebate savings for Bingham's clients.</p> <p>For Variable Rate Issues only, the Bond Year Method can be applied which allows annual bond years with the bond yield and arbitrage liability being calculated separately for each bond year. By utilizing the Bond Year Method, the fluctuation of the yield and arbitrage liability is eliminated. Bingham has been able to save millions of dollars for clients by knowing how to properly apply this method under Variable Rate Issues.</p> <p>Bingham has worked with numerous clients on Requests for Recovery of Overpayments (Tax Form 8038-R) with total refunds exceeding \$2,900,000. In all cases, overpayments were due to errors from previous provider calculations, errors resulting from in-house calculations, installment period payment refunds when final calculation results in overpayment from earlier installment periods.</p>
<p><b>Professional Affiliations</b></p>	<p>Bingham is a member of the National Government Finance Officers' Association (GFOA). Additionally, Bingham is a member of the GFOA within the states of North Carolina, Virginia, Georgia, and Louisiana.</p> <p>Bingham is a member of the National Association of Bond Lawyers.</p>
<p><b>Legal and Other Professional Resources</b></p>	<p>Bingham not only brings highly experienced and expert staff to every client transaction, but we also work closely with</p> <ul style="list-style-type: none"> <li>➤ A bond attorney who is a nationally recognized specialist in arbitrage rebate and tax compliance</li> <li>➤ The attorney/CPA who developed Bingham's proprietary software</li> <li>➤ Bond counsel for your transaction.</li> </ul> <p>The combination of Bingham staff experience and expertise, coupled with the assistance of these other experts, guarantees delivery of the most timely and accurate arbitrage rebate compliance reports to every client.</p> <p>Please note: The attorney and attorney/CPA mentioned above serve our firm in an advisory capacity and they are not subcontractors on Bingham contracts.</p>

**Past and Current Accomplishments**

<p><b>IRS Experience</b></p>	<p>IRS inquiries by their very nature produce stress. Bingham is readily available to our clients and has experience dealing with IRS inquiries, audits, questionnaires, past due rebate liability, refund requests due to overpayment, and issuers that have gone before the IRS Voluntary Closing Agreement Program. We're here to help you with the IRS. <b>Best of all, Bingham's calculations and reports have never been challenged by the IRS in any way, but rather have been accepted by the IRS and bond counsel as definitive.</b></p> <ul style="list-style-type: none"> <li>a) <u>IRS Audits/Examinations</u> – In each instance, upon client request Bingham sent information to client or IRS. In each instance, the client received an IRS letter stating, "No further action needed, and audit closed." There have never been any adverse findings by the IRS with any of Bingham's calculations or reports.</li> <li>b) <u>Overpayment Refunds</u> – As noted on the previous page, Bingham has worked with several clients on overpayment refund requests for arbitrage rebate, and excess investment yield, calculations exceeding \$2,900,000. Our office has worked with multiple IRS agents for all refund requests. None of Bingham's refund requests have resulted in further examinations or adverse findings.</li> <li>c) <u>Voluntary Closing Agreement Program (VCAP) and other IRS Interactions</u> – Bingham has assisted clients through the Voluntary Closing Agreement Program. VCAP factors have included missed 0% State and Local Government Securities (SLGs) within Escrow Funds, restructuring of Escrow Funds and errors from previous provider calculations.</li> <li>d) <u>Other IRS Interactions</u> - Many times Bingham is hired after the installment due date. If a payment is due, late penalties may accrue. In order for the IRS to waive an additional penalty equal to 50%, or 100%, the issuer must submit a detailed letter explaining why the payment is late and not due to willful neglect. The rebate payment and late penalties must be made within 180 days of discovering the failure to pay rebate on time. Bingham has assisted Bond Counsel and clients in the preparation of waiver of penalty letters. In all instances, the clients never heard further from the IRS and did not have to pay the additional 50% or 100% penalty.</li> </ul>
<p><b>Proprietary Software</b></p>	<p>A key component of Bingham's reliable and efficient service is our data processing capability and proprietary software developed by an attorney and CPA. The software has been closely reviewed and validated by our firm's CPAs to ensure compliance with Treasury Regulations and the Internal Revenue Code, as well as generally accepted accounting principles. Additionally, our software can be easily updated to comply with new amendments to laws and accompanying regulations as needed. For some specific client needs, our software has been customized and updated.</p>
<p><b>Data Management and Security</b></p>	<p>Bingham recommends to all clients that records related to arbitrage rebate calculations, reports, and payments (if any) be kept for six years after the final maturity date of the bonds. Upon request, Bingham can assist your office with developing and maintaining appropriate recordkeeping systems. Bingham recommends that all clients maintain bond closing documents, transaction activity, arbitrage rebate reports and related documentation. Bingham can provide your office with electronic back-up of all data and reports generated for a period extending at least six years after the redemption date or last maturity date of an issue. Bingham's electronic back-up is created and moved off-site daily to a secured location.</p>

**Organization**

Bingham is a small, highly experienced firm with twelve full-time employees located in Richmond, Virginia. Having one location allows Bingham to provide the most efficient, accurate and client-responsive post-issuance compliance services in the arbitrage rebate industry.



Key Personnel

Meredith Fraley  
Vice President



Expertise:

Transferred Proceeds  
Parity Reserve Funds  
Uncommingling/  
Pro Rata Allocations  
Pooled Bond Issues  
Refund Requests  
Client Training

**With over three decades of experience in arbitrage rebate services, Meredith Fraley specializes in Municipal, Not-for-Profit [501(c)(3)s], University, and Multi-Family issues.**

Meredith performs the financial calculations necessary for the arbitrage rebate requirement and interprets corresponding Treasury Regulations, consistently ensuring compliance. Since 2012, she has produced over 2,500 comprehensive reports for complex arbitrage rebate calculations. Since 2005, she has successfully processed refund requests for over \$2 million dollars.

Meredith has been an integral part of Bingham's growth and client retention since the early years of the company. Clients trust and rely on her knowledge and support. As a result, she has numerous faithful clients who have consistently relied on her services for over eleven years, including cities, counties, authorities, and universities. She is skilled at adapting and working with varying data formats the client provides — from Excel files or PDFs to a wide variety of bank statements. Meredith is not only a dedicated member of our team, but a dedicated team player with every client.

A recognized arbitrage specialist, Meredith leads instructional sessions at various financial conferences, providing clients and other professionals accurate, essential information on arbitrage rebate compliance. She also has led sessions at CPE accredited courses, *Issuing Debt and Debt Management*, conducted by the Virginia Government Finance Officers' Association.

Professional Memberships:

GFOA - Virginia, Georgia, Louisiana, North Carolina  
National Association of Bond Lawyers  
Women in Public Finance (National and Virginia Chapter)

B.S. Finance - Virginia Polytechnic Institute and State University

Key Personnel

Patrick Bainter  
Vice President



Expertise:

Parity Debt Service  
Reserve Funds &  
Commingled Funds  
Transferred Proceeds  
Interest Rate Swap  
Transactions  
Universal Cap Analysis  
P3 Projects

**With over 27 years of experience at Bingham, Patrick Bainter handles complex arbitrage rebate and comprehensive verification services. He specializes in municipal, university, assisted living facility, industrial development authority, public private partnerships (P3), and not-for-profit [501(c)(3)s] issues.**

Patrick has consistently been at the forefront of Bingham's development and progress. Patrick leads Bingham's verification services. In 2012, he initiated and developed Bingham's verification analysis models with support from Bingham's CPA. For pre-bond closing transactions, Patrick provides verification services for refunding escrow funds and cash defeasance transactions, ensuring mathematical accuracy. With proven expertise and using customized software programs, he confirms the adequacy of cash, escrow yield, and securities placed in escrow for the retirement of the bond issue(s).

Patrick and his team have provided over 800 verification reports for a wide variety of clients, including a regional Authority, six international airports, over thirty universities/colleges, and major transportation projects. In 2022, Patrick led in the completion of two of Bingham's largest verification reports; transportation projects with par amounts of \$1 billion and \$638MM.

Since 2015, Patrick has completed over 2,700 complex arbitrage rebate calculations, always paying close attention to the potential to reduce rebate liability. He has significant experience providing both arbitrage rebate and verification services to P3 (public private partnership) projects.

Professional Memberships:

GFOA - Virginia, Georgia, Louisiana, North Carolina  
Louisiana Association of School Business Officials

B.B.A. Finance - Radford University

**Key Personnel**

Andre Barrett  
Vice President



Expertise:

Transferred Proceeds  
Parity Reserve Funds  
Uncommingling/  
Pro Rata Allocations  
Pooled Bond Issues  
Refund Requests

**With over 14 years of experience at Bingham, an extensive background in banking, and in-depth knowledge of the complexities of IRS arbitrage rebate tax compliance, Andre specializes in arbitrage rebate and verification services for municipalities and educational institutions, as well as hospitals, retirement homes, and housing.**

Proficient in all areas of arbitrage rebate account management, Andre has performed over 1,500 calculations with a total par value of over \$17 million since 2015. His strong expertise in municipal debt has resulted in exceptional arbitrage services for over 82 municipalities. He regularly assists clients with IRS Schedule K (Form 990) completion and consistently pays close attention to the potential to reduce rebate liability.

With solid financial experience, he is a valued resource in Bingham verification reporting. Andre assisted in verification reports for two of Bingham's largest verification reports; transportation projects with par amounts of \$1 billion and \$638MM.

Andre often represents Bingham at local and state financial conferences, contributing up-to-date information regarding arbitrage rebate, verification, and IRS Schedule K (Form 990) services.

Professional Memberships:

GFOA - Virginia, Georgia, Louisiana, North Carolina  
Louisiana Association of School Business Officials

B.S. Finance - Virginia Commonwealth University

Key Personnel

Suzan Fedock  
Account Manager



Expertise:  
Transferred Proceeds  
Parity Reserve Funds  
Uncommingling/  
Pro Rata Allocations

**With 10 years of experience at Bingham and a solid understanding of the complexities of arbitrage rebate compliance, Suzan is proficient in preparing post issuance reports that ensure compliance with the IRS Tax Code and Regulations.**

Suzan works in collaboration with the Bingham team to evaluate, assess, calculate, and complete arbitrage rebate compliance reports on a mandated schedule. She analyzes client account bond documents, account financials, reports, providing thorough assessment of calculations, timely evaluations, and quality reporting.

Suzan specializes in arbitrage rebate and verification services for municipalities, school districts, higher education institutions, hospitals, and retirement homes. Additionally, she supports clients with the completion of their IRS Schedule K (Form 990).

B.S. Business Administration/Finance – Duquesne University

Key Personnel

Kim A. Hoyt  
President



Expertise:  
IRS and U.S. Treasury  
Regulations

Post-Issuance  
Compliance:  
Bond Yield  
Arbitrage Rebate  
Calculations  
Yield Reduction

Training

**As President and owner of Bingham since 1996, Kim is a recognized expert in the arbitrage compliance field. With an extensive accountant and analyst background in the banking industry, Kim provides the leadership that has earned Bingham a reputation for expertise and excellence in arbitrage rebate services.**

Kim has in-depth knowledge of all current IRS arbitrage rebate tax rules and regulations. With the evolution of U.S. Treasury regulations, she has effectively guided Bingham's account managers and staff through the resulting changes to post-issuance compliance. She maintains strong relationships with corporate trust banks, bond attorneys, and financial advisors to provide quality consultation on matters relating to verification service, post-issuance compliance, arbitrage rebate, and related IRS forms.

Kim provides oversight and support to the Bingham team in verification of calculations and reports. Her close scrutiny of the complex details associated with arbitrage rebate ensures regulatory compliance and precision reporting for every client.

As an active participant in financial conferences and seminars nationwide, Kim conducts specialized training and seminars for clients and the public finance industry on post-issuance compliance topics such as bond yield, arbitrage rebate calculations, yield reduction, and recordkeeping. She has presented sessions with representatives from the IRS Tax-Exempt Bond (TEB) compliance group, as well as nationally recognized bond attorneys.

Kim maintains a Preparer Tax Identification Number in order to sign IRS Tax Forms 8038-T for payments and 8038-R for overpayment refunds.

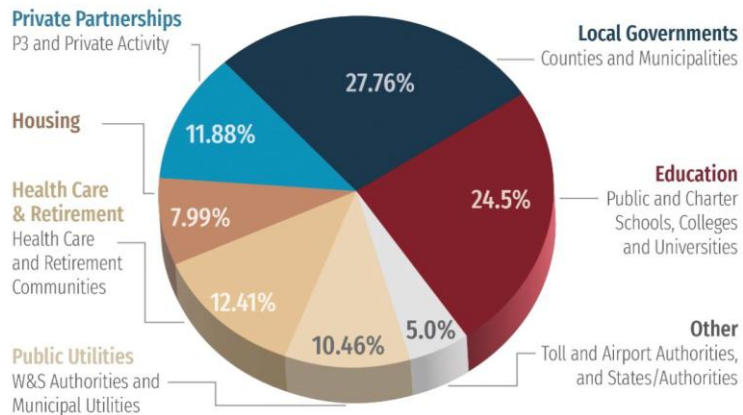
Professional Memberships:

GFOA - National, Georgia, Louisiana, North Carolina, Virginia  
National Association of Bond Lawyers  
Women in Public Finance (National, Virginia and Louisiana Chapter)

B.S. Accounting - Pennsylvania State University

### Client Composition

**Bingham has provided arbitrage rebate compliance and related services for 38 years.** From its humble beginnings in 1988, Bingham has completed arbitrage rebate calculations on more than 6,500 bond issues throughout the United States. Bingham now has clients in forty-six states and the District of Columbia; and has successfully completed calculations amounting to more than \$140 billion in combined bond proceeds. Included among our clients are Municipalities, Counties, School Districts, Academic Institutions, Water and Sewer Authorities, Universities, Non-Profit Organizations, Foundations, Industrial Development Authorities, Transportation Authorities, Retirement Facilities, Housing Authorities, Hospitals, Airports and other Private Activity issuers.



Bingham has completed arbitrage rebate compliance reviews applying Section 148 of the Internal Revenue Code, as well as applying each of the various versions of the U.S. Treasury Regulations.

Bingham has provided arbitrage rebate services including

- complex pooled financings involving multiple participants
- ongoing services for many large municipal and development authority debt issuers who have contracted with us for more than twenty years
- analysis of more than 300 swaps, swap termination and/or similar complex investment hedging arrangements.

Bingham has also served as verification agent on more than 750 refunding transactions in the past fourteen years.

The following steps are a detailed account of Bingham's process to provide arbitrage rebate calculation services for the South Granville Water and Sewer Authority.

**Step 1: Setup and maintain an arbitrage compliance summary for the issue.**

Bingham will review the closing documents and investment activity to determine which funds will need to be evaluated for arbitrage rebate compliance. Bingham will collect data from your office and confirm the Bond Year and relevant IRS filing dates. Bingham will set up and maintain an arbitrage rebate compliance summary for the issue, to monitor ongoing compliance requirements.

**Step 2: Standard documentation and information provided to Bingham for these compliance reports:**

- a) IRS Form 8038-G
- b) Tax Compliance Certificate
- c) Official Statement
- d) Closing Memorandum
- e) Index to closing transcript
- f) All bank/trust statements from November 20, 2025 to current date

The statements and documents noted above are necessary documents for our review. The actual length of time needed for completion of the review, analysis, calculations, and documentation is contingent upon the availability of the statements and documents listed above.

**Step 3: Perform up-to-date arbitrage rebate compliance report and provide updated report on arbitrage issues, including:**

- a) Computation summary and analysis of relevant dates and assumptions
- b) Sources and Uses of funds
- c) Arbitrage yield and yield restriction requirements
- d) Rebate liability by fund and aggregate liability for the issue
- e) Arbitrage/Investment Yield Comparison
- f) Rebate Calculation by Fund
- g) Outstanding Investments Summary.

Bingham will account for all gross proceeds to confirm the Sources and Uses of the proceeds and determine the arbitrage rebate calculation requirements.

**Bingham's Work Plan (continued)**

Bingham will initially test for an exception and special elections, as indicated in the bond documents. In order to meet one of the IRS' spending exceptions, the following rules must apply:

<p><b>Small Issuer Exception</b></p>	<p>Issues less than \$5,000,000 in tax-exempt debt in one calendar year. Legislative changes increased the exception as follows:</p> <ul style="list-style-type: none"> <li>Up to \$15,000,000, with at least \$10 million of the \$15 million used to finance public schools for bonds issued after December 31, 2001.</li> </ul>								
<p><b>Six-Month Spending Exception</b></p>	<p>Proceeds spent within Six Months of Closing 100%</p> <ul style="list-style-type: none"> <li>Under certain conditions, the Six-Month Exception can be extended to one year for governmental or 501(c)(3) bonds.</li> </ul>								
<p><b>Eighteen-Month Spending Exception</b></p>	<p>Proceeds spent:</p> <table border="0"> <tr> <td>within Six Months of Closing</td> <td>15%</td> </tr> <tr> <td>within Twelve Months of Closing</td> <td>60%</td> </tr> <tr> <td>within Eighteen Months of Closing</td> <td>100%</td> </tr> </table> <ul style="list-style-type: none"> <li>Issues delivered after June 30, 1993</li> <li>A 5% retainage is allowed at eighteen months as long as the proceeds are fully expended by thirty months.</li> </ul>	within Six Months of Closing	15%	within Twelve Months of Closing	60%	within Eighteen Months of Closing	100%		
within Six Months of Closing	15%								
within Twelve Months of Closing	60%								
within Eighteen Months of Closing	100%								
<p><b>Two-Year Construction Spending Exception</b></p>	<p>Proceeds spent:</p> <table border="0"> <tr> <td>within Six Months of Closing</td> <td>10%</td> </tr> <tr> <td>within Twelve Months of Closing</td> <td>45%</td> </tr> <tr> <td>within Eighteen Months of Closing</td> <td>75%</td> </tr> <tr> <td>within Twenty-Four Months of Closing</td> <td>100%</td> </tr> </table> <ul style="list-style-type: none"> <li>Issues delivered after December 20, 1989</li> <li>Qualifying issuers only</li> <li>A 5% retainage is allowed at twenty-four months as long as the proceeds are fully expended by thirty-six months.</li> </ul>	within Six Months of Closing	10%	within Twelve Months of Closing	45%	within Eighteen Months of Closing	75%	within Twenty-Four Months of Closing	100%
within Six Months of Closing	10%								
within Twelve Months of Closing	45%								
within Eighteen Months of Closing	75%								
within Twenty-Four Months of Closing	100%								

**If a spending exception is missed, the arbitrage rebate calculation is required on all funds. If an issue maintains a funded Debt Service Reserve Fund, the arbitrage rebate calculation will be required for the life of the issue.**

**Bingham's Work Plan (continued)**

If the issue requires an arbitrage rebate calculation, Bingham will determine the evaluation date, and calculate the issue's arbitrage yield and, if applicable, the excess investment yield. As part of our analysis, Bingham will analyze the best calculation methodology to provide the lowest and most accurate arbitrage rebate liability for the issue.

<b>Bond Yield</b>	Bingham calculates the exact yield on the bonds, using a 30/360-day model and semi-annual compounding, taking the exact dates of receipts and disbursements as shown in statement summaries. For these purposes, the yield under the arbitrage regulations is that rate of interest which, when used to discount all future payments on the Bonds, produces a present value equal to the initial offering price to the public.
<b>Rebate Calculation</b>	<ul style="list-style-type: none"> <li>• All the moneys on deposit and any interest income earned on the date of evaluation (the last day upon which any interest or principal on the bonds is paid) are treated as a receipt on that date.</li> <li>• All receipts and disbursements occurring on or prior to the date of evaluation and the calculated receipts are future-valued to the date of evaluation using the yield on the bonds. The calculation is made using a 30/360-day model and semi-annual compounding, taking the dates of receipts and disbursements as shown in statement summaries.</li> <li>• The future value of the receipts and disbursements is subtracted from the future value of the earnings with the resulting balance being the amount to be rebated.</li> </ul>
<b>Yield Restriction Calculation</b>	<p><b>Capital Projects (if applicable)</b> The Regulations require that any Project investment held beyond the three-year temporary period must be yield restricted to the bond yield, plus .125%. Any amount earned over the limit must be paid to the Internal Revenue Service in the form of a "yield reduction payment." Such payment is similar to an arbitrage rebate payment and is paid in the same manner and with the same frequency as arbitrage rebate; within 60 days of the fifth bond year [U.S. Treasury Regulations Section 1.148 5(c)(1) &amp; (2)]. If a factor, only one payment is made to the Internal Revenue Service, either an arbitrage rebate payment or a yield reduction payment, whichever amount is higher. Bingham will test for and run the excess investment yield calculation, if applicable.</p> <p><b>Replacement Proceeds (if applicable)</b> The U.S. Treasury Regulations require that replacement proceeds held beyond the respective temporary period must be yield restricted to the bond yield, plus .001%. Any amount earned over the limit must be paid to the Internal Revenue Service in the form of a "yield reduction payment." Such payment is similar to an arbitrage rebate payment and is paid in the same manner and with the same frequency as arbitrage rebate; within 60 days of the fifth bond year [U.S. Treasury Regulations Section 1.148-5(c)(1) &amp; (2)]. If a factor, only one payment is made to the Internal Revenue Service, either an arbitrage rebate payment or a yield reduction payment, whichever amount is higher.</p>

### Bingham's Reports

**All Bingham reports include comprehensive detailed calculations, a thorough report, executive summary, and our professional opinion that all calculations were performed in compliance with federal tax law.** Bingham's calculations, reports, computation summary and analysis of relevant dates and assumptions will be completed annually, as of the anniversary of the Bond Year or such other date as specified in the bond documents.

Bingham's reports provide both summary and detail of every aspect of the analysis we undertake and support the conclusions reached. As applicable, all Bingham reports and schedules will include the sources and uses of funds, the arbitrage yield, spending exception reports, arbitrage rebate calculations, excess investment yield calculations and yield restriction requirements, expiration dates for temporary and spend down periods, the next calculation date, and the rebate liability of any accruing arbitrage by fund. Our reports also provide a summary of outstanding investments. **All Bingham reports exceed the industry standard and are comprehensive, mathematically accurate and consistent with Section 148(f) of the Internal Revenue Code.**

Bingham has implemented a "Green Initiative," and all compliance reports are now sent to your office electronically. However, if you prefer an original hard copy of the installment date report, please let us know. We are happy to place one in the mail upon request.

#### RECORD RETENTION

Bingham's policy is to return to you any information you transmit to us in original form or in hard copy as, or when, we complete this engagement. We ask that you pick up the originals or hard copies within 30 days after we notify you of their availability. After 30 days, you agree that we may return your information to you at your last known address via U.S. Mail or 2-day delivery service at your request. Our responsibility for your originals and hard copies ends when you pick them up or we deposit them in the U.S. Mail or with the 2-day delivery service.

Bingham's current policy is to keep our records related to this engagement in electronic format for six years from the end of this engagement.

#### USE OF THE INTERNET AND CLOUD SERVICES

To facilitate the provision of our services to you, we may send data over the Internet, store electronic data via computer software applications hosted remotely on the Internet or allow access to data through third party vendors' secured portals or clouds. Your electronic data may be transmitted or stored using these methods. We may use third party service providers to store or transmit this data. In using these data transmission and storage methods, Bingham employs reasonable measures designed to maintain data security and we require our third-party vendors to do the same.

You acknowledge and agree that Bingham has no control over the unauthorized interception or breach of any communications or data once it has been sent or has been subject to unauthorized access, notwithstanding all reasonable security measures employed by us or our third-party vendors. You consent to our use of these electronic devices and applications and submission of confidential client information to third party service providers during this engagement.

**Step 4: Identify all gross and transferred proceeds allocated to the issues.**

In addition to the analysis detailed above, Bingham will analyze any other impacts on the arbitrage rebate calculation, including transferred proceeds or commingled funds. If at any time an issue is refunded and prior issue proceeds remain, transferred proceeds would result, and it may be necessary to uncommingle the fund.

**Step 5: Compare allowable arbitrage earnings to actual earnings to determine cumulative arbitrage liability. Prepare IRS Form 8038-T and filing instructions, as needed.**

Bingham compares the bond yield to the investment yield (arbitrage earnings to actual earnings) to determine cumulative arbitrage rebate liability.

Bingham will provide one electronic PDF copy of our report to your office, with copies to the trustee, if required. The installment period report will be a comprehensive summary of the years within the installment period. If an arbitrage rebate payment is due, Bingham will include a fully prepared IRS Form 8038-T for your signature. Bingham will provide filing instructions and any assistance needed to your office to submit the IRS form and payment.

**Step 6: Review and consider application of alternative regulatory provision that may improve the arbitrage liability.**

Internal Revenue Service regulations pertinent to arbitrage rebate were initially enacted as part of the Internal Revenue Code of 1986 (IRC 1986). Multiple amendments to IRC 1986 have each impacted the manner in which arbitrage rebate liability is evaluated and computed. Bingham's President and Vice Presidents have each completed many arbitrage rebate calculations that required professional judgment to determine which version of the U.S. Treasury Regulations applies. For the issue, Bingham will determine which version of the U.S. Treasury Regulations applies and will also evaluate any other alternative computation methods that may reduce the arbitrage rebate liability.

**Step 7: Maintain up-to-date understanding of the rebate regulations, court decisions and other events that may affect arbitrage compliance requirements.**

For every client, Bingham employs a rigorous internal review to confirm the accuracy and completeness of our judgments before ever issuing a report. Throughout our many years of extensive experience, keeping current with the complex Tax Code rules and regulations remains an essential priority at Bingham. Remaining fully informed of Tax Code rules and regulation changes and varying interpretations translates into arbitrage rebate savings for our clients.

The IRS has continuing education and training for debt issuers. To maintain excellence in arbitrage rebate compliance, Bingham Account Managers and Analysts participate in ongoing programs of continuing education related to the IRS rulings and regulations that define and govern arbitrage rebate compliance, including participation in IRS Tax Exempt Bonds (TEB) Webinars and Telephone Forums. Our team has also participated in the Council of Development Finance Agencies' Advanced Bond Course.

## Bingham's Work Plan (continued)

Bingham's team regularly attends and participates in a variety of seminars and professional education conferences. Events are selected to engage with other individuals in public finance, to remain fully informed of industry trends and to remain current on specific arbitrage-related topics. Additionally, Bingham's team participates in the following conferences:

North Carolina GFOA	University of North Carolina Systems Conference
Louisiana GFOA	North Carolina Association for Public Charter Schools
Virginia GFOA	Georgia Accounting Information Network Support, Inc. (GAINS)
Georgia GFOA	Louisiana Association of School Business Officials (LASBO)
Maryland GFOA	
National GFOA	

Bingham also receives periodic updates from the National Association of Bond Lawyers on matters relevant to public finance, including regulatory changes and court decisions that impact arbitrage rebate compliance.

### **Step 8: Assist and defend calculations in the event of an audit.**

Bingham has extensive experience assisting our clients and defending our calculations during IRS audits. Bingham is readily available to your office in the event of an IRS audit. Bingham has experience dealing with IRS inquiries, audits, questionnaires, past due rebate liability, refund requests due to overpayment, and issuers that have gone before the IRS Voluntary Closing Agreement Program. Best of all, Bingham's calculations and reports have never been challenged by the IRS in any way, but rather have been accepted by the IRS and bond counsel as definitive.

**Partial Client List – North Carolina Clients**

Alamance County	City of High Point
Town of Apex	Town of Hillsborough
Appalachian State University	Hoke County
City of Asheville	Town of Holly Springs
Beaufort County	Town of Huntersville
Bertie County	Town of Indian Trail
Brunswick County	Iredell County
Buncombe County	City of Kannapolis
Caldwell County	Town of Kernersville
Town of Carolina Beach	Lee County
Town of Carrboro	City of Lexington
Carteret County	Lincoln County
Town of Cary	Macon County
Catawba County	Martin County
City of Cherryville	City of Mebane
Town of Clayton	Moore County
Clayton State University	Town of Mooresville
Columbus Regional Healthcare System	Town of Morrisville
City of Concord	Town of Nags Head
Town of Cornelius	Nash County
Cumberland County	City of New Bern
Currituck County	City of Newton
Davidson County	North Carolina Central University
Davie County	North Carolina State University
East Carolina University	North Carolina Dept. of Adult Corrections
City of Fayetteville	Onslow County
Fayetteville PWC	Onslow Water & Sewer Authority
Forsyth County	Orange County
Franklin County	Orange County Water and Sewer Authority
Town of Fuquay-Varina	Pender County
Town of Garner	Pitt County
Gaston County	Raleigh-Durham Airport
City of Gastonia	Randolph County
City of Goldsboro	Rockingham County
Granville County	City of Salisbury
City of Greensboro	City of Shelby
Greenville Utilities Commission	Union County
Guilford County	University of North Carolina at Chapel Hill
Harnett County	Wake County
Haywood County	Watauga County
Henderson County	Wayne County
City of Hendersonville	Wilkes County
City of Hickory	City of Winston-Salem

## Evaluation Date

**May 1**, with the first installment, and final, period ending May 1, 2028. Bingham will provide annual reports beginning with the May 1, 2026 evaluation date and each May 1 thereafter through the first installment date, May 1, 2028, or once gross proceeds are spent in full whichever occurs first.

## Fee Schedule

These schedules only apply to the referenced bond issue. Our annual fee will apply even for a partial year of investment activity. If at any time bond proceeds are mixed with non-proceeds, it may be necessary to uncommingle the fund.

### FEES

Scenario A or Scenario B will apply, not both.

Scenario A: Arbitrage Rebate Exception Report Services	Fees
Small Issuer Exception	N/A
Six-Month Exception	\$800
Eighteen-Month Spending Exception <sup>1</sup>	\$675 per semi-annual period
Two-Year Spending Exception <sup>1</sup>	\$675 per semi-annual period

<sup>1</sup> The fee stops once gross proceeds are spent in full.

OR

Scenario B: Arbitrage Rebate Calculation Services	Fees <sup>2</sup>
Year 1 (short first year)	\$1,100
Year 2	\$1,350
Final / Year 3	\$850
<b>Total Base Fee (only if all 5 years have investment activity)</b>	<b>\$3,300</b>

<sup>2</sup> The fee stops once gross proceeds are spent in full.

**FEES (continued)**

Additional Fees That May Apply <sup>3</sup>	Fees
Uncommingling and/or Transferred Proceeds Fee <sup>4</sup>	\$350 per year
G/L's and/or Non-Trustee/Bank statements	\$350 per year
Excess Yield Calculation (Years 4 – 5) <sup>5</sup>	N/A
Reviews for interim periods	\$350 (less than 2 hours)
	\$680 (more than 2 hours/ up to 4 hours)
	\$185 per hour (after 4 hours)

<sup>3</sup> Additional fees will only be added if applicable.

<sup>4</sup> If at any time bond proceeds are mixed with non-proceeds, it may be necessary to uncommingle the fund.

<sup>5</sup> If gross proceeds remain outstanding beyond the Three-Year temporary period, the EYC calculation will apply.

## Acknowledgment

### INVOICING AND PAYMENT

Invoices will be sent digitally along with our reports. Payment is expected within 30 days of the invoice date.

Bingham may withdraw or renegotiate this contract if our involvement is greater than originally anticipated. Examples of Bingham's increased time commitment include research into missing investment activity, gross proceeds remain outstanding longer than the quoted period, or bond proceeds are mixed with other non-proceeds funds.

### EXPIRATION

If Bingham has not received a signed copy of this proposal and all of the documents and information requested on page 13 – *Bingham's Work Plan, Step 2*, within 90 days after the date hereof, we will assume you no longer need or want our services. We may withdraw from this engagement without completing or delivering the Reports or Form 8038-T's to you. Such withdrawal will terminate our engagement.

### SEVERABILITY

If any term of this engagement letter is to any extent invalid, illegal or unenforceable, such term shall be excluded to the extent that it is invalid, illegal or unenforceable. All other terms shall remain in full force and effect.

### ENTIRE AGREEMENT

This engagement letter constitutes the entire agreement between Bingham and you regarding the calculation of any arbitrage rebate and yield reduction payments and any related interest or penalties due to the United States Treasury with respect to the Bonds. You acknowledge that there are no other agreements (either oral or written) with Bingham regarding such matters. No additional terms, or modification or waiver of any previously agreed-upon terms, are valid unless agreed to in writing by both Bingham and you.

### FINANCIAL ADVISOR DISCLAIMER

By engaging Bingham to provide the services described in this document, the South Granville Water and Sewer Authority acknowledges that Bingham (1) is not recommending actions or providing advice to the South Granville Water and Sewer Authority, and (2) does not owe a fiduciary duty to the South Granville Water and Sewer Authority, as described by Section 15B of the Securities Exchange Act of 1934. The South Granville Water and Sewer Authority should consult with the appropriate transaction professionals for legal and financial advice.

The documentation and information requested for the arbitrage rebate calculations should cover the entire history of the Bonds. Any investment changes that occurred during our review period would be considered necessary.

### Please provide the following details for billing and payment purposes:

AP Contact Name: \_\_\_\_\_  
Email Address: \_\_\_\_\_  
Phone Number: \_\_\_\_\_

**Additionally, please let us know in advance if the party responsible for payment is separate from the organization of the signer.**

**BINGHAM**

**Signatures**

**Bond Issue:**

\$35,000,000  
South Granville Water and Sewer Authority  
Water and Sewer System Revenue Bond Anticipation Note  
Series 2025

**Bingham Arbitrage Rebate Services, Inc.**

**South Granville Water and Sewer Authority**

*Kim A. Hoyt*  
\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

Kim A. Hoyt  
\_\_\_\_\_  
(Name Printed)

\_\_\_\_\_  
(Name Printed)

President  
\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

March 17, 2026  
\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

## Agenda Item-17

**Topic:** Fiscal Year 2025-2026 Budget Amendment #11

**Requested Action:** Seeking the Board of Directors approval of Budget Amendment #11

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

### Background:

Budget Amendment #11 reallocates budget for replacement of a laptop for the Public Information Officer (PIO) and related accessories and appropriates budget for arbitrage services related to the I-85 Project Bond Anticipation Note (BAN) as presented in an earlier Agenda item tonight.

### 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>

**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:**

BA11 Supporting Documentation

**Executive Director’s Recommendation:**

*The SGWASA Board of Directors approve Budget Amendment #11.*

Budget Amendment #11 Supporting Documentation

**BA #11 Supporting Documentation  
(For Reference Only)**

	<i>Amendment / Change</i>	<i>Budget after Change</i>
<b><u>Administration, Projects</u></b>		
61-7110-5100 Capital Outlay < \$5000	\$ 3,600	\$ 5,600
61-7110-2600 Office Supplies	\$ 300	\$ 6,300
61-7300-8500 Projects and Studies	\$ (3,900)	\$ 28,697
<i>Reallocate discretionary budget for PIO MacBook &amp; accessories</i>	<i>0</i>	
<b><u>Projects and Studies</u></b>		
61-7300-8430 Project: Sewer I-85 East SGWASA Funded	\$ 3,300	\$ 4,670,037
61-4000-0000 Fund Balance	\$ (3,300)	\$ (14,634,047)
<i>Appropriate budget for BAN arbitrage svcs related to the I-85 Proj. Bingham Arbitrage Rebate Services Inc; extends thru term of BAN</i>	<i>0</i>	

	<b>Operating</b>	<b>CIP</b>	<b>Total</b>
Transfer to (from) FB-original budget	\$ (1,345,076)	\$ 0	\$ (\$1,345,076)
Budget Amendment #1	\$ (4,000)	\$ 0	\$ (\$4,000)
Budget Amendment #2	\$ (145,424)	\$ (900,012)	\$ (\$1,045,436)
Budget Amendment #3	\$ (987,528)	\$ 0	\$ (\$987,528)
Budget Amendment #4	\$ (1,250)	\$ (170,000)	\$ (\$171,250)
Budget Amendment #5	\$ (4,164,207)	\$ (6,873,000)	\$ (\$11,037,207)
Budget Amendment #6	\$ (32,250)	\$ 0	\$ (\$32,250)
Budget Amendment #7	\$ 0	\$ 0	\$ 0
Budget Amendment #8	\$ (8,000)	\$ 0	\$ (\$8,000)
Budget Amendment #9	\$ 0	\$ 0	\$ 0
Budget Amendment #10	\$ 0	\$ 0	\$ 0
Budget Amendment #11	\$ (3,300)	\$ 0	\$ (\$3,300)
<b>Transfer to (from) FB-amended budget</b>	<b>\$ (\$6,691,035)</b>	<b>\$ (\$7,943,012)</b>	<b>\$ (\$14,634,047)</b>

## Agenda Item-18

**Topic:** Fiscal Year 2025-2026 Budget Amendment #12

**Requested Action:** Seeking the Board of Directors approval of Budget Amendment #12

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

### Background:

Budget Amendment #12 appropriates budget for a DEQ grant of \$500,000 and the associated 2% administration fee for PFAS pilot testing phase 2 as presented earlier in the Agenda.

### 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>

**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:**

BA12 Supporting Documentation

**Executive Director's Recommendation:**

*The SGWASA Board of Directors approve Budget Amendment #12.*

**BA #12 Supporting Documentation  
(For Reference Only)**

	<i>Amendment / Change</i>	<i>Budget after Change</i>
<b><i>Projects and Studies</i></b>		
61-7300-8620 Project: PFAS WTP Upgrades	\$ 510,000	\$ 3,886,930
61-3998-0000 Other Financing Sources	\$ (500,000)	\$ (65,529,342)
61-4000-0000 Fund Balance	\$ (10,000)	\$ (14,644,047)
<i>Appropriate expenses for CDM Smith PFAS Pilot Test II</i>	<i>0</i>	
<i>Appropriate portion of \$500,000 DEQ grant for PFAS pilot testing II</i>		
<i>Appropriate 10% Grant Fee; Sgwasa funded</i>		

	<b>Operating</b>	<b>CIP</b>	<b>Total</b>
Transfer to (from) FB-original budget	\$ (1,345,076)	\$ 0	(\$1,345,076)
Budget Amendment #1	\$ (4,000)	\$ 0	(\$4,000)
Budget Amendment #2	\$ (145,424)	\$ (900,012)	(\$1,045,436)
Budget Amendment #3	\$ (987,528)	\$ 0	(\$987,528)
Budget Amendment #4	\$ (1,250)	\$ (170,000)	(\$171,250)
Budget Amendment #5	\$ (4,164,207)	\$ (6,873,000)	(\$11,037,207)
Budget Amendment #6	\$ (32,250)	\$ 0	(\$32,250)
Budget Amendment #7	\$ 0	\$ 0	\$0
Budget Amendment #8	\$ (8,000)	\$ 0	(\$8,000)
Budget Amendment #9	\$ 0	\$ 0	\$0
Budget Amendment #10	\$ 0	\$ 0	\$0
Budget Amendment #11	\$ (3,300)	\$ 0	(\$3,300)
Budget Amendment #12	\$ 0	\$ (10,000)	(\$10,000)
<b>Transfer to (from) FB-amended budget</b>	<b>\$ (\$6,691,035)</b>	<b>\$ (\$7,953,012)</b>	<b>(\$14,644,047)</b>

## **Agenda Item-19**

### **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-20**

### **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-21**

### **Comments from Board Members**

Thomas Lane, Butner Council Person

Vicky Daniels, Butner Councilperson

Mayor Pro-Tem Archer Wilkins, 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 Board Chair

## **Agenda Item-22**

**Closed Session** (as needed)

## **Agenda Item-23**

**Adjournment**