



SOUTH GRANVILLE WATER AND SEWER AUTHORITY

BOARD OF DIRECTORS MEETING

August 12, 2025

MEETING START TIME: 6:00 P.M.

LOCATION: Butner Town Hall Council Chambers

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



Board of Directors Meeting – August 12, 2025, 6:00 p.m.
Meeting Agenda

Item	Description	Page Number
1.	Call to Order/Welcome – Jimmy Gooch, Granville County Board Member/SGWASA Board Chair (<i>Board Vacancy Announcement</i>)	
2.	Roll Call – Krystle Lee, Board Secretary	
3.	Invocation – Kenneth McLamb, Town of Stem Commissioner	
4.	Pledge of Allegiance – Vicky Daniels, Butner Councilperson	
5.	Adjustments/Approval of the Meeting Agenda	
6.	Review & Approval of Minutes	3-14
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9.	Purchase of one new 2026 Ram 1500 for Engineering Department	18-21
10.	Purchase of two (2) new 2026 Ford F350 trucks with service bodies and cranes for the Utilities Department Team	22-25
11.	Purchase of one new 2025 Ford Ranger for Wastewater Treatment Plant Team	26-30
12.	Internal Control Policy Related to Receiving American Rescue Plan Act (ARPA) Funds	31-51
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21.	Adjournment	67

Agenda Item - 6

Review & Approval of Minutes: July 8, 2025 Board Meeting



**South Granville Water and Sewer Authority
Regular Monthly Board of Directors Meeting
July 08, 2025 at 6:00 p.m.**

Meeting Minutes

1. Call to Order and Welcome

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

2. Roll Call

Krystle Lee, Board Secretary/PIO

Board Members Present:

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

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

Town of Butner: Councilperson Vicky Daniels, Councilperson Judy Cheek

Town of Stem: Commissioner Kenneth McLamb

Officials Present:

Scott N. Schroyer, Executive Director

Chris Summerlin, Assistant Executive Director

Richard Balmer, Finance Director/Board Treasurer

Krystle Lee, Public Information Officer/Board Secretary

Priscilla Adcock, HR Manager

Joel Coats, Project Manager

James Wrenn, Attorney

3. Invocation

Councilperson Judy Cheek

4. Pledge of Allegiance

Commissioner Jimmy Gooch

5. Adjustments/Approval of the Meeting Agenda

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

Board Action: A motion to approve the July 8, 2025, Regular Board Meeting Agenda was made by Commissioner Kenneth McLamb and seconded by Commissioner Georgana Kicinski, Vice-Chair. The motion passed unanimously (7 votes in favor).

6. Review & Approval of Minutes

Brief Description: Commissioner Jimmy Gooch, Chair asked Board members if there were any adjustments to the [June 10, 2025, Meeting Minutes](#) as presented. Commissioner Georgana Kicinski requested inclusion of discussion presentation details. No adjustments were made to the minutes.

Discussion:

Commissioner Georgiana Kicinski, Vice-Chair: Under the discussion items that I presented, I am not seeing our Assistant Executive Director's presentation. He responded to all those, but I do not see them in these Minutes where he explains about the test results. Do we not put them in the minutes?

Executive Director Scott N. Schroyer: Commissioner, would you like the attachment that he was reading from included?

Commissioner Georgana Kicinski, Vice-Chair: Yes, that will be great.

Commissioner Jimmy Gooch, Chair: Is your question is resolved?

Commissioner Georgana Kicinski, Vice-Chair: My question is resolved.

Board Action: A motion to approve the June 10, 2025, Regular Board Meeting Minutes was made by Commissioner Robert Way and seconded by Councilperson Vicky Daniels. The motion passed unanimously (7 votes in favor).

7. Public Comments

Ms. Ayanna Jones of Raleigh, NC: Ms. Jones submitted a written comment regarding employee working conditions at SGWASA's 801 Central Avenue facility. She reported that air conditioning has not been functional since early 2024, resulting in high indoor temperatures exceeding 90°F during current heat waves. Ms. Jones expressed concern for staff comfort and safety, noting that excessive heat has at times limited the use of standard protective uniforms. She requested that SGWASA review and address these conditions promptly to support a safe and healthy work environment for employees.

Mrs. Phyllis Mack Horton of Creedmoor, NC: Ms. Phyllis Mack Horton expressed concerns regarding safety, damage reporting, and construction communication questions related to the I-85 Sanitary Sewer Project. Ms. Horton noted damage to her mailbox and discussed project work occurring during early morning and late evening hours. Ms. Horton requested contact via the phone number provided as a point of contact.

Discussion:

Commissioner Jimmy Gooch, Chair: Director Schroyer, will you look into this for us?

Executive Director Scott N. Schroyer: Sure. I will continue to investigate this further. I did provide the Board with some information earlier today on the background of this situation, and

I have information from here in construction that they are going to reach out again to over there to Mrs. Horton regarding the mailbox damage, I will make sure that occurs.

8. Board Discussion Items

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

Commissioner Robert Way: None.

Commissioner Kenneth McLamb: None.

Councilperson Vicky Daniels: None.

Commissioner Tim Karan: None.

Councilperson Judy Cheek: None.

Commissioner Georgana Kicinski, Vice-Chair: None.

Commissioner Jimmy Gooch, Chair: None.

9. Amendment of Capital Reserve Fund for System Development Fees

On August 11, 2018, the SGWASA Board adopted a Resolution establishing a Capital Reserve Fund dedicated to tracking and allocating System Development Fees (SDFs) for major capital improvements. Since its inception, designated SDF allocations have funded the Water Treatment Plant Upgrade Project.

For FY2024–2025, SGWASA has collected \$133,164 in SDF revenues. These funds are proposed for continued legal and engineering services in support of the I-85 Sanitary Sewer System Improvement Project, a multi-phase initiative designed to enhance system capacity, rehabilitate aging infrastructure, and address future development needs along the I-85 corridor.

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

Discussion:

Commissioner Georgana Kicinski, Vice-Chair: Jim, I think this is for you. Back in 2015 when this was done, they were not called System Development Fees. It was called Allocation Fees. I believe we just started calling System Development Fees. So, shouldn't this resolution state that they were called by a different name at that time so that any reference back to 2015 can be made?

Attorney Jim Wrenn: I can look at it from that standpoint.

Finance Director Richard Balmer: Just a clarification- we started designating these in 2018, not 2015.

Attorney Jim Wrenn: 2018 is the year the general statute started. That is what I am looking at now. Does this one reference 2015 or 2018?

Finance Director Richard Balmer: 2018.

Commissioner Georgana Kicinski, Vice-Chair: Okay, I thought it said 2015. Sorry.

Board Action: A motion to approve the amendment to the Capital Reserve Fund Resolution to designate the collection of \$133,164 from System Development Fees during fiscal year 2024-2025 to be used towards the I-85 Sanitary Sewer System Improvement Project was made

by Councilperson Vicky Daniels and seconded by Commissioner Tim Karan. The motion passed unanimously (7 votes in favor).

10. FY24-25 Fiscal Year-End Capital Improvement Fund Designation

On June 10, 2008, the SGWASA Board adopted a Resolution establishing procedures for the designation and management of Capital Improvement Project (CIP) funds, later amended on May 12, 2015. This Resolution delegates authority to the Finance Director, under the provisions of NCGS 159-25, to establish, maintain, and manage designated CIP accounts. SGWASA's independent auditors have recommended that the Board annually review and formally designate CIP funds to ensure transparent financial stewardship.

For fiscal year 2024–2025, staff has prepared a reconciliation of funds received, earned, spent, and committed toward active and planned capital improvement projects. As of June 30, 2025, SGWASA has a cumulative net designated balance of \$5,170,419 available for future capital improvement needs, exclusive of remaining ARPA grant funds and other future commitments to the I-85 Sanitary Sewer System Improvement Project. A schedule has been provided to detail the allocation of these funds.

On July 1, 2025, necessary transfers were executed between SGWASA's designated Capital Improvement bank accounts and operating accounts to ensure that all uncommitted funds totaling \$371,991 were retained in the appropriate CIP accounts in accordance with Board policy.

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

Board Action: A motion to approve the designation of \$371,991 for designated Capital Improvement Project funds as of June 30, 2025, and authorized the Finance Director to transfer funds as needed without further notification to the Board was made by Commissioner Kenneth McLamb and seconded by Commissioner Robert Way. The motion passed unanimously (7 votes in favor).

11. Fiscal Year 2025-2026 Budget Amendment #1

Budget Amendment #1 reallocates funds from property and liability insurance to workers' compensation insurance and appropriates additional funds to cover increased premium costs for fiscal year 2025–2026.

The higher renewal premium is primarily driven by employee-related factors, including the implementation of pay study recommendations, approved salary adjustments, and the addition of three new positions.

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

**BA #1 Supporting Documentation
(For Reference Only)**

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

	Operating	CIP	Total
Transfer to (from) FB-original budget	\$ (1,345,076)	\$ 0	(\$1,345,076)
Budget Amendment #1	\$ (4,000)	\$ 0	(\$4,000)
Transfer to (from) FB-amended budget	\$ (1,349,076)	\$ 0	(\$1,349,076)

Discussion:

Commissioner Robert Way: I am also feeling a little better because the benefit costs are significantly less than what we forecasted, as well.

Finance Director Richard Balmer: Yes, the medical insurance is coming up later.

Board Action: A motion to approve Budget Amendment #1 was made by Commissioner Kenneth McLamb and seconded by Councilperson Vicky Daniels. The motion passed unanimously (7 votes in favor).

12. SGWASA Employee Benefits - Contract Renewals for FY25-26

The approved FY25–26 Budget includes funding for employee healthcare benefits covering 52 full-time employees. Following a review of existing plans and negotiations led by SGWASA’s benefits consultant, Gallagher Insurance, staff recommends renewing contracts with current providers. The negotiated medical insurance premium reflects a 2.4% increase, significantly below the 8% budgeted projection, while Guardian-provided benefits remain unchanged in cost.

Open enrollment was conducted from May 28 – June 11, 2025, via SGWASA’s online benefits portal to ensure accurate and streamlined employee selections.

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

Discussion:

Commissioner Georgana Kicinski, Vice-Chair: Did you say May 28 to June 11?

Human Resources Manager Priscilla Adcock: Yes.

Board Action: A motion to authorize the Executive Director to execute contract renewals for FY25-26 with Blue Cross Blue Shield and Guardian was made by Councilperson Vicky Daniels and seconded by Commissioner Robert Way. The motion passed unanimously (7 votes in favor).

13. Authorization to Purchase a New Heating, Ventilating, Air Conditioning (HVAC) Unit

The Board reviewed a request to authorize the purchase and installation of a new HVAC unit to replace the existing non-operational system at the Water Treatment Plant. The current chiller-type unit, installed in 2017, has experienced repeated outages and was deemed unreliable for continued use. Funding for this replacement was included in the FY25–26 Capital Outlay budget at \$95,000.

In accordance with SGWASA’s procurement policy and N.C. General Statute 143-131, three informal quotes were obtained: TriSouth Mechanical (\$88,082.45), All Weather Heating and Cooling (\$95,618.89), and Newcomb and Company (\$95,000).

TriSouth Mechanical is recommended to perform the work, including all permits, labor, materials, and warranties. Staff requested Board approval to proceed with the purchase and installation for an amount not to exceed \$88,082.45, excluding taxes, and to authorize limited approval of change orders up to \$4,405 without further Board action.

TriSouth Mechanical’s proposed costs are found below:

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

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

Discussion:

Commissioner Georgana Kicinski, Vice-Chair: Where are the three competitive bids on letterhead that should be attached in this agenda. Where are they?

Assistant Executive Director Chris Summerlin: I have them right [here](#).

Commissioner Georgana Kicinski, Vice-Chair: Well, we should be having copies in this Agenda.

How in the world has the air conditioner been out in the water treatment plant for months and nobody brought it up to this Board? Our May agenda had one item on it, the budget ordinance. Our June agenda had one item on it, the budget ordinance, why in the world are we subjecting workers to 100-degree conditions and all the equipment down there that could possibly overheat and break? This is absolutely unacceptable to me and if I was working here, I would have put a call into the Department of Labor. This is unacceptable. This is absolutely unacceptable. We, on this Board at our budget meetings- we work our butts off to help our employees. 401K matching, better benefits. This, that, and everything else... but working conditions? We are not running a Chinese sweatshop here.

I want to know who made the decision, and now, 15 to 16 more weeks? That is the fall. What in the world? Who's in charge of this? Who let this slip? I want to know. I have got an executive director, an assistant executive director, a project manager, and an HR supervisor, and how in the world is this happening?

We got an email today about the air conditioning at the water lack of air conditioning at the water treatment plant. This is not acceptable. And I am getting tired- it was put off. It was put off until the budget was approved. You we could have had an emergency meeting about this. This is not acceptable. This is not the way I want to be remembered for treating employees at the treatment plan. So, somebody needs to start explaining.

Executive Director Scott N. Schroyer: I will be happy to. As we said in the memo, we have had problems with this unit for years, and we have had repairmen come in and work on this unit. We had some of these same issues last fall with the same unit. Our public utilities superintendent for the water plant basically said, "We are going to try to fix this unit, but I think it is time to replace the unit."

So, I agreed that we continue to repair it. Make sure that it works. Make sure we have the heat for the wintertime and let us determine what we need to do in terms of cooling while we are working through this. Is there any opportunity to get the portable coolers, which we did, out there in the water plant for the cooling function, because we had some of that last fall as well. We were not ignoring it. We are simply saying, okay, so we have got this issue limping along, which we have been doing for a couple of years, unfortunately with this relatively new unit.

We are getting some portable cooling system to make sure that we were meeting the needs of our employees for HVAC means. And this topic came up during our budget process, and we asked the question of the superintendent. We said- are we are going to be able to lift it along? Should we just put this in our budget for the next fiscal year close to \$100,000? And the response was- yes.

We did ask the questions. We looked into this. We did. I was not presented with information that said I need to do something today and request a budget amendment and emergency authorization to get an air conditioning in February/March. It was not presented to me that way. Nor did we think that we are going to have 105-degree temperatures, in May and June.

So, would we have done it differently if we had known that, or knew quickly? Sure, we sure would. But were not and are not stalling. We are not dragging our feet on this topic- at all. We reacted to the information we were presented and thought it was appropriate to get this in the budget, as we did to get a new unit installed, and that is what we worked on. So, when the budget

was passed- and it has been in the budget (as far as our capital improvement items) we quickly got our quotes together and moved in this direction.

Commissioner Georgana Kicinski, Vice-Chair: But the bottom line is that we have employees working in unsavory conditions, in my opinion.

Commissioner Robert Way: When working with the contractor, and they came up with, I see that it was installed in 2017. I would assume be something of this large of a nature, would have more of a shelf life then what we are dealing with, right now. Do we know what has caused the catastrophic failure in the system?

Assistant Executive Director Chris Summerlin: What I have been told is that there is an additional water tank that should have gone with the unit, initially, that did not come with it. That is one of the reasons it failed.

Commissioner Robert Way: So, is it something that should have been included? I do not mean to put you on the spot. I guess we need to research and find out if it was something that was left off, or we were supposed to have it and it did not get installed; because that may go back to warranty issues or an issue on the part of the company that installed it to begin with that did not put on pieces that should have been there.

Assistant Executive Director Chris Summerlin: I can look into that if you would like it to as far as the unit is. it's not reliable for a couple of different reasons, but this being one of them, it didn't have, It did not have the water tanker. It was not properly sized. So, it led to a failure.

Commissioner Robert Way: Yeah, that is just surprising. You know, being installed in '17 and here we are in '25 and we have to replace a chiller. I mean, these are things that last for 20 plus years, most of the time.

Commissioner Georgana Kicinski, Vice-Chair: When did we know the water tank was missing?

Assistant Executive Director Chris Summerlin: I do not have the records on that. What I have been told is that, last time or the time before they came out to service it, this was one of the recommendations that they installed a larger water tank for the new chiller unit.

Executive Director Scott N. Schroyer: I appreciate the comments by the commissioners and the Board, and we will do a better job of apprising the Board of these types of critical assets. I think that we have done an excellent job over the last five years advising the Board on critical assets, replacements, and emergency POs. We have a pretty good record on doing our replacements, whether it be emergency or regularly scheduled- when you look at our project load, everything that we are accomplishing.

I just would like to just ask the Board to keep that in mind, as well. Again, I think we could have done a better job on the HVAC unit, and we will do all that we can to ensure the employees are occupying those air conditioned spaces at the water plant and using those portable units as we work through this very hot summer.

Commissioner Georgana Kicinski, Vice-Chair: Does temperature affect the water quality?

Assistant Executive Director Chris Summerlin: No. Ma'am, temperature in the building is different from water temperature.

Board Action: A motion to approve the purchase and installation one new HVAC Unit from TriSouth Mechanical, for the not-to exceed amount of \$88,082.45 excluding local/state taxes and be given authority to review and approve change orders relating to unexpected conditions in an amount not to exceed \$4,405.00 without further Board approval was made by Commissioner Kenneth McLamb and seconded by Commissioner Robert Way. The motion passed unanimously (7 votes in favor).

14. Comments from the Executive Director

Executive Director, Scott N Schroyer: Thank you, Mr. Chair and Board members. I would just like to update you on a couple of projects ongoing. One is our water [Filter Media Project](#). This is the Water Treatment Plant Filter Analysis and Filter Media Replacement Project that we brought to the Board several months ago. I just want to let you know that the project was advertised publicly bid yesterday afternoon, for a two-week period.

This will be opened here in mid-July. The goal is to award the contract at the August 12, 2025 Board of Directors meeting so that we can get under construction in September. Our estimated cost for that project is \$660,000. To date, we have had interest just in the last 24 hours from about 10 vendors and contractors for that project. So we are encouraged with that, that we're going to get some good prices here and be able to move on that project. That project information is found in the monthly [project update report](#) that I provide to the Board, if you want some more information on that.

Additionally, I would like to speak towards the [PFAS](#) project, [the pilot study](#). This is the project that is ongoing with CDM Smith. They are currently performing the PFAS pilot testing program. I am scheduled to meet with CDM Smith and their team on July 10, this week, to review the most recent test results, thus providing SGWASA with additional information on which PFAS removal technology or combination of technologies that will be best to design and install. This program is scheduled to wrap-up and be completed with the final report in October of 2025.

This upcoming meeting is kind of our critical meeting, after a lot of testing. We started our testing last October. As the Board may remember from the presentation, that there are opportunities throughout the quarter to look at this analysis and the results, and it is pointing us in a direction on looking towards which technology will help us meet the PFAS regulations. So, there are presently about three different technologies in use.

I look forward to this meeting this week and then coming to the Board eventually with a recommendation on the technology we are going to use; and then moving forward with that.

Additionally, as you may recall, in May of 2025, just a couple months ago- we submitted our second NCDEQ grant request to fund the \$26 million, plus, post filter PFAS Reduction Construction Project. Normally, it takes about six months for us to hear back from DEQ. So, we anticipate hearing something from NCDEQ in October or November, 2025, regarding our grant request.

Discussion:

Commissioner Kenneth McLamb: When are we supposed to hear back from the possible grant?

Executive Director Scott N. Schroyer: Normally, it is October or November.

Commissioner Georgana Kicinski, Vice-Chair: The filter media project, it was in design phase, and now it has gone out for bid. So, how much longer is it? Do we know how long this whole project is going to take and when we can expect it?

Executive Director Scott N. Schroyer: Our next project, or portion of the task, would be the bid Award- which is right on schedule for August of 2025 coming up; and then construction will start right after that, aiming for a September 2025 start. I will have to go back and look at the actual time for the installation. But we are only changing out five filters, and we do not believe it is going to take that long. In fact, the sequence that we must do for this is we cannot take them all out of service at the same time. Part of the bid specifications require one or two of the filters, I do not recall right now, being taken out of service immediately and refreshed and reinstalled before they would move to three, four and five.

We will see some immediate results for some large quality by having those first two filters changed out immediately. All its schedule is available for you, as far as construction timeline, whether that be 60 days, 75 days or 90 days, so that we know what we're aiming for here, for completion. I think we are planning for late fall by the end of this calendar year.

Commissioner Georgana Kicinski, Vice-Chair: We are just changing the filter media, we are not changing the filters? Or are we changing them, too?

Executive Director Scott N. Schroyer: No, the filters are fixed units. So, in addition to the media that we have, part of the contract also calls for any physical repairs to the metal or the containers themselves, so they can do it once they take the media out. Within each filter basin, there are recharge nozzles, or nozzles that push water back up into the media material. Basically as a back flush. We are accounting for replacing 95 to 100% of those nozzles at the same time. The idea is that we go in, remove the media, inspect the chamber, fix anything that is in the chamber, reinstall the media, and basically put it back into service.

Now, that will be this project that we have this fall. One of the things that we discussed early, I think it was back in March when we presented this project to the Board, was the fact that, I think that the filters had not been changed in 22 years. The standard media life is about 10 to 15 years. What we will be doing in our capital improvement project is, when we finish this project, we will start to schedule the filter surveillance and analysis about every four and a half to five years, so we can determine what those filters look like. And then we will get them scheduled- probably sequentially, maybe not all at the same time in the future, so we get past this once every 20 years or 25-year look; but actually be monitoring this along the way, which is what it should have been done with these filters for the last 25 years and was not done. We'll be on a better maintenance path, if you will, for this. And this has the result of affecting the water quality in a positive way throughout all the service areas that we have.

15. Comments from SGWASA Attorney: None.

16. Comments from Board Members:

Councilperson Judy Cheek: Thank everybody for coming.

Councilperson Vicky Daniels: None.

Commissioner Robert Way: Scott, thank you for the update on those items I had asked you for earlier, I appreciate that. Definitely excited to get this off the ground, get those filters changed out, especially since it has been 22 years, and get that moving- hopefully have it done by the fall. So, thank you.

Commissioner Tim Karan: Just to put it out there for next month's meeting as a discussion item, we can come around run Robin to add things to next month's agenda. We can see us take a look at a model similar to like Franklin County for our allocations for residential building lots. I believe they have got a 50-lot threshold per development. I cannot quote that. I think with the advent of all the residential growth and development, if you have got a 500 lot subdivision, and they step it forward and say, give me 500 lots. It is kind of put out there, at least in other water systems in our region that they do have a slight limiting factor. Give them an opportunity to:

- A. Spread the wealth amongst other developers who may be coming forward.
- B. To allow local governments the opportunity to take on that growth and development.

The other thing I would like to look towards is not necessarily set aside, but giving priority to commercial and industrial growth with a dissimilar cap for the residential- if that makes any sense; not necessarily incentivized, but to throttle residential growth and development and encourage commercial industrial. It is something to think about, something to kind of just put the idea out there for next month. I know other agency similar to ours in our region use these tools to have equitable distribution of assets.

Executive Director Scott N. Schroyer: It is a good topic. It is a challenge. I mean, it is a good discussion for the Board, considering that the utility serves four areas. So, it is not like a single county or single city that is setting up these allocations or proportions for utilities they are controlling. So, we will talk about that. Let me think about and have discussion with the Board chair and our attorney, how best to workshop that or have that discussion.

Commissioner Tim Karan: Right. I just figured I would use this platform to put it out there for next month's discussion.

Commissioner Kenneth McLamb: None.

Commissioner Georgana Kicinski, Vice-Chair: So, I have noticed that some fire hydrants in Creedmoor are getting painted. And I am assuming that they are painting the ones as they repair them. Is that, is that what is going on? Because we have got like five in our neighborhood, two are painted, the other three are not. I am just wondering, what is the game plan here?

Executive Director Scott N. Schroyer: I cannot answer that specifically- which hydrants have been painted, but I know that we have been aggressively working towards the fire hydrant maintenance list in coordination with the Creedmoor Volunteer Fire Department to address their needs; and working through the City Manager and staff on blocked hydrants and fences and things like that. I cannot comment on that maintenance, but I will comment on the fact that the Board did approve an expansion program for hydrant maintenance and flushing. We have positions advertised currently for those two positions the Board approved, as well as the Project Inspector. I forgot to mention that, but we are moving in that direction. We know that is a priority, but we also have existing staff working on that at the same time chipping away at that list.

Commissioner Jimmy Gooch, Chair: And you know, a lot of times things get pushed aside because of tight budgets and such. When I retired, my coworkers and I were dealing with filter media that was, at that time, 26 years old and it was not in the budget to be replaced. And due to tight budgets, things like this get pushed to the side.

I know when our we hired Scott several years ago, there were a lot of things that got pushed to the side over the years due to budget problems, you know, lack of money. So, you tackle the must haves and the must do's first; and finally, we kind of turned the corner where we managed to get funding, now, through grants and such. That has freed up some money where we can start to tackle the needs. We are getting past the must haves, we are getting to the needs, and it is a slow process, but I can see it, Hopefully, it is going to accelerate in years to come. And you know, things like air conditions that are problematic and you are trying to piece it together, patch it, work through, get to the next budget year... that is part of operations, unfortunately, because the employees are trying just as hard to save money as the Board and the Executive Director and his team. It is a team effort all the way down. And sometimes these things, like this air conditioning at the water plant, it happens. It is unfortunate. You do not want it to happen. You bring in, I guess you guys are working with the big air condition units that you run water through, and the fan blows, and it is like a mist? Yeah, I have worked with them too in the past when we were in emergency situations where you did not have air condition. It is a problem. And hopefully we are turning the corner where we will address these in a more timely manner in years to come.

17. Adjournment

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

Board Action: A motion to adjourn the June 10, 2025, Board Meeting was made by Councilperson Vicky Daniels and seconded by Commissioner Robert Way. The motion passed unanimously (7 votes in favor). The meeting officially ended at 6:50 p.m.

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

Approved by the Board at the 8/12/25 Board Meeting

Commissioner Jimmy Gooch - Chairman

Date

Agenda Item - 7

Public Comments



South Granville Water and Sewer Authority (SGWASA)

Public Comment Procedures

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

1. Public Comments - General:

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

1. Approved 2-14-23

South Granville Water and Sewer Authority (SGWASA)

Public Comment Procedures

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

2. Public Comments - Procedures:

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

Agenda Item - 8

Board Discussion

Background:

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

Butner Councilperson Vicky Daniels: None.

Creedmoor Commissioner Robert Way: None.

Stem Commissioner Kenneth McLamb: None.

Granville County Commissioner Tim Karan: None.

Georgana Kicinski, Creedmoor Commissioner/SGWASA Vice Chair: Not present.

Granville County Commissioner Jimmy Gooch - Chair: None.

Agenda Item - 9

Topic: Purchase of one new 2026 Ram 1500 for Engineering Department

Requested Action: The Board of Directors approve the purchase of a new 2026 Ram 1500 from Ilderton Ram of High Point, NC

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

Background:

The South Granville Water and Sewer Authority (SGWASA) FY2025-2026 Approved Budget includes \$46,866 to replace the 2010 Ford Explorer Asset #27 with a new Ram 1500 Crew Cab for the Engineering Department.

Analysis:

SGWASA is replacing asset #27 in the fleet due to age (15 years), mileage (169,500) and overall condition (poor- having issues with vehicle draining battery and not starting). The proposed new vehicle will be used primarily for engineering operations, including daily construction inspection activities.

Procurement:

SGWASA purchases vehicles from dealerships that provide North Carolina State Contract prices and terms. SGWASA staff sought to replace the existing Ford Explorer with a new pickup truck with a crew cab due to the nature of the work associated with the vehicle. SGWASA staff evaluated the availability of a new pickup truck with a crew cab at dealerships offering State Contract pricing. SGWASA staff found the best new vehicle option, including vehicle availability, at Ilderton Ram of High Point, NC.

SGWASA has purchased many vehicles from NC State Contract vendors and has experienced favorable outcomes with these vendors. The following table provides information about the vehicle that SGWASA recommends for purchase.

Vehicle ID #	Vehicle	Vendor	Quantity	Unit Price	Total Price
27	New Medium-Duty (2026 Ram 1500 Crew Cab)	Ilderton Ram, High Point, NC	1	\$43,905	\$43,905

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 2026 Ram 1500. This new truck will be white to match the existing fleet color. SGWASA staff will upfit the truck to include emblems, GPS, etc.

Schedule:

Following Board approval, a purchase order will be approved, and the vehicle will be acquired from Ilderton Ram of High Point, NC.

Financial:

The SGWASA FY 2025-2026 Approved Budget includes \$46,866 for the purchase of a new Ram 1500. SGWASA staff are requesting to spend \$43,905.00 for the purchase of the new Ram 1500.

Attachments:

1. Quote from Ilderton Ram in High Point
2. Capital Outlay FY25-26 Designation

Strategic Plan Goal & Objective Alignment:

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

Focus Area 2: Reliable and Sustainable Sanitary Sewer System

Executive Director's Recommendation:

The SGWASA Board of Directors approve the purchase of one new 2026 Ram 1500 from Ilderton Ram of High Point, NC for a not-to-exceed amount of \$43,905.00 excluding taxes and tags.



ILDERTON

DODGE

CHRYSLER

Jeep

RAM



701-712 South Main Street
High Point, NC 27260
(336) 841-6100

BUSINESS LINK

7/8/2025

Buyer:	SOUTH GRANVILLE WATER & SEWER	Cell:	
Phone:		Phone:	
E-Mail:	jcoats@sgwasa.org	Fax:	

		TRADE	
VEHICLE	RAM 1500 TRADESMAN CREW CAB 4X4	Make:	
Year:	2026	Model:	
Color:	WHITE	Year:	
Engine:	3.6L V6 24V VVT eTORQUE	Color:	
Drive	8-SPD AUTO 850RE	VIN:	
Mileage:		Stock #:	
		ACV:	

MSRP

Sale Price	NC STATE CONTRACT	\$41,515.00
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DT6L98

2510A

Options Included		
PARKVIEW REAR CAMERA		VINYL FLOOR
HD VINYL FRONT BUCKET SEATS & REAR BENCH SEAT	\$0	5 FOOT 7 IN BED
SPECIAL SERVICES PREP GROUP (SEE ATTACHED)	\$795	CLASS IV RECEIVER HITCH
18" STEEL WHEELS		UCONNECT 5 W/ 8.4" DISPLAY
4 MICROPULSE AMBER/WHITE LIGHTS ON TOGGLE	\$1,300	BLIND SPOT CROSS PATH DETECTION
PARKSENSE PARK ASSIST		FULL SIZE SPARE TIRE
PUSHBUTTON START/REMOTE START		BLACK BUMPERS AND GRILL SURROUND
REMOTE KEYLESS ENTRY/POWER WINDOWS & LOCKS		
TRAILER BRAKE CONTROL	\$295	
Options Total		\$2,390.00

Sub Total	\$43,905.00
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UNITS	1

BALANCE DUE	\$43,905.00
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Manager Kim Tuttle Customer _____
DIRECTOR OF FLEET SALES AUTHORIZED PERSONEL

**SOUTH GRANVILLE WATER AND SEWER AUTHORITY
BUDGET 2025-2026**

CAPITAL OUTLAY

	***** BUDGET *****	
	<u>Acct 510</u>	<u>Acct 520</u>
<u>7110 Administration</u>		
Laptop Replacement: Finance Director	\$2,000	
	<u>\$2,000</u>	<u>\$0</u>
<u>7114 Human Resources</u>		
Laptop Replacement: Human Resources Manager	\$2,000	
	<u>\$2,000</u>	<u>\$0</u>
<u>7118 Engineering</u>		
Replace 2010 Ford Explorer with Dodge Ram 1500 SSV		\$46,866
Laptop: Inspector (new position)	\$2,000	
Tablet: Inspector (new position)	\$1,200	
HP DesignJet XL950 36" Printer		\$5,517
(2) Sub-Surface ML-3 Shot Magnetic Locators	\$2,046	
(4) Pressure Data Logger 0-150 PSI	\$2,320	
(2) Flow Testing Diffuser 2.5"	\$1,275	
	<u>\$8,841</u>	<u>\$52,383</u>
<u>7120 Billing/Collections</u>		
Laptop Replacement: Customer Service Supervisor	\$2,000	
Epson Receipt Printer Replacement	\$1,000	
	<u>\$3,000</u>	<u>\$0</u>
<u>7133 Water Treatment Plant</u>		
Replace Lake Holt Generator		\$133,855
Replace AC System		\$95,000
	<u>\$0</u>	<u>\$228,855</u>
<u>7136 Meter Readers</u>		
(2) Laptops for Trucks	\$4,000	
	<u>\$4,000</u>	<u>\$0</u>
<u>7139 Waterline Maintenance</u>		
Mini Excavator Caterpillar 304C		\$95,285
TowMaster T-20LP Trailer for Mini Excavator		\$36,900
Grundomat 75P Horizontal Boring Tool		\$8,245
K970 Ring Saw 17" with (3) Blades		\$6,977
Portacool Utility Warehouse Evaporative Cooler		\$5,528
Replace Jack Hammer	\$1,535	
Replace Portable Valve Turning Key		\$9,450
Portable Valve Exercise Machine - Trailer Mount		\$92,000
	<u>\$1,535</u>	<u>\$254,385</u>

Agenda Item - 10

Topic: Purchase of two (2) new 2026 Ford F350 trucks with service bodies and cranes for the Utilities Department Team

Requested Item: The Board of Directors approve the purchase of two (2) new 2026 Ford F350 trucks with service bodies and cranes from Piedmont Truck Center in Greensboro, NC

Presenter: Chris Summerlin, Asst. Executive Director

Background:

The South Granville Water and Sewer Authority (SGWASA) FY2025-2026 Approved Budget includes \$248,000 to replace the 2017 Ford F250 (Asset #3210) and the 2017 Ford F250 (Asset #3211) with new Ford F350 trucks with service bodies and cranes for the Utilities Department - Sewer line group. The existing vehicles, although being replaced with new, will be repurposed for the two (2) utility maintenance technicians who will focus on fire hydrant and valve maintenance. The two 2017 Ford F-250 vehicles will be retired from service based on a combination of age, condition, and mileage.

Analysis:

These new vehicles will be used for operational needs of the department (cranes for lifting pumps and heavy parts). The repurposed vehicles (#3210 and #3211) are in good condition and will move to waterline maintenance for use in the hydrant and valve maintenance program.

Procurement:

SGWASA purchases vehicles from automobile dealerships that provide North Carolina State Contract prices and terms. SGWASA staff contacted Performance Truck Center of Greensboro, NC, which offers NC Contract pricing and terms.

SGWASA has purchased many vehicles from NC State Contract and has had good luck with the services previously. The following table provides information about the vehicles that SGWASA recommends for purchase.

SGWASA Vehicle ID #'s	Vehicle	Vendor	Quantity	Unit Price	Total Price
3210 & 3211	Ford F350 with Service Body and Crane	Piedmont Truck Center, Greensboro, NC	2	\$112,660.40	\$225,320.80

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 two (2) Ford F350 trucks. These new trucks will be white to match the existing fleet color. SGWASA staff will upfit the truck to include emblems, GPS, etc.

Schedule:

Following Board approval, a purchase order will be approved, and the vehicle will be acquired from Piedmont Truck Center in Greensboro, NC.

Financial:

The SGWASA FY 2025-2026 Approved Budget includes \$248,000 for the purchase of (2) new Ford F350 trucks with service bodies and cranes. SGWASA staff are requesting to spend \$225,320.80 for the purchase of the (2) new Ford F350 trucks, excluding taxes and tags.

Attachments:

1. Quote from Piedmont Truck Center for (2) F350 trucks
2. Capital Outlay FY25-26 Designation

Strategic Plan Goal & Objective Alignment:

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

Focus Area 2: Reliable and Sustainable Sanitary Sewer System

Executive Director's Recommendation:

The SGWASA Board of Directors approve the purchase of two new 2026 Ford F350 trucks with service bodies and cranes from Piedmont Truck Center in Greensboro, NC, for a total not to exceed amount of \$225,320.80, excluding taxes and tags.



PIEDMONT TRUCKS



2024-2029 STATE OF NORTH CAROLINA TERM CONTRACT #2510A-Fleet Vehicles-All Types

OPTIONS LIST-CATEGORY G - F350 Cab and Chassis-DRW

BID NO. DPC-704600681-BJ

STANDARD ITEMS

14,000lb GVWR, Exterior Color: Oxford White, XL Trim Package, 7.3L V8 gasoline engine, 10-speed automatic transmission, 3.73 regular rear axle, LT245 17" BSW All season tires, Power Equipment Group, Cruise Control, PTO Provision, Air conditioning, AM/FM/MP3 radio with SYNC Bluetooth, Tilt steering wheel, (2) keys, 40/20/40 Vinyl seats-Gray, Vinyl flooring

CAB CHASSIS CONFIGURATION	BODY CODE	BASE BID PRICE	
2026 Ford F350 Regular cab 4x4 Dual rear wheel-145wb 60CA	F3H-640A		\$50,505.00
	OPTION	MSRP	STATE PRICING 6% Discount

POWERTRAIN

Limited Slip w/4.30 Axle Ratio	X4L	\$385.00	\$361.90
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WHEELS/TIRES

Tires: LT245/75Rx17E BSW A/T	TBM	\$165.00	\$155.10
Spare Tire, Wheel & Jack	512	\$350.00	\$329.00

OTHER OPTIONS

High Mount Stop Lamp	59H	\$100.00	\$94.00
Trailer Brake Controller (incl. Smart Trailer Tow Connector)	52B	\$300.00	\$282.00
Heavy-Service Front Suspension Package - Includes heavy-service front springs	67H	\$125.00	\$117.50
Dual 78 AH Battery	86M	\$210.00	\$197.40
410 Amp Alternator	67B	\$115.00	\$108.10
Platform Running Boards-REGULAR CAB ONLY	18B	\$320.00	\$300.80
Rear View Camera & Prep Kit	872	\$515.00	\$484.10
110V/400W Outlet - Includes 1 in-dash mounted outlet	43C	\$175.00	\$164.50

UPFIT OPTIONS

Knapheide 6108D54J 9' dual rear wheel service body, fits 60"CA, painted to match cab, Receiver hitch, 7-pin trailer plug, back up alarm, Cab Guard, LED compartment lights	6108D54J	\$15,305.32	\$14,387.00
Stellar EC3200 crane with boom support, spring build up, crane reinforcement to rear curbside	SEC3200	\$34,898.94	\$32,805.00
TommyGate 1600lb liftgate, 49x42+7 treadplate platform, LED light kit, Bumperettes on each side of liftgate, spray lined	TG16	\$9,312.77	\$8,754.00
Spray liner for cargo area & compartment tops	SLC	\$1,765.96	\$1,660.00
(4) corner LED lights, (2) front grille mounted & (2) rear mounted, wired to factory upfitter switches in cab *Amber/White*	4CLED	\$2,079.79	\$1,955.00

Total for chassis & options	Date: 7.28.2025	\$112,660.40
quote#SGWASAF3HG9SBCLG-72825		x2 units
		\$225,320.80

South Granville Water & Sewer Authority
Robert Jackson
919.603.4109cell rjackson@sgwasa.org

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
John Deere 5075M Tractor		\$79,500
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 & Lift Stations, Tanks</i>		
Little School St Generator		\$76,930
	<u>\$0</u>	<u>\$76,930</u>
Grand Totals	<u>\$41,248</u>	<u>\$1,228,553</u>

Agenda Item - 11

Topic: Purchase of one new 2025 Ford Ranger for Wastewater Treatment Plant Team

Requested Item: The Board of Directors approve the purchase of one new 2025 Ford Ranger from Deacon Jones Ford of Clinton, NC

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

Background

The South Granville Water and Sewer Authority (SGWASA) FY2025-2026 Approved Budget includes \$36,000 to replace the 2008 Ford Ranger Asset #1004 with a new Ford Ranger at the Wastewater Treatment Plant (WWTP) department. Due to overall conditions and some mechanical problems over the last couple of years, we diligently planned to replace the vehicle by submitting it into our last budget.

Analysis:

We are replacing this asset (#1004) in our fleet due to age (17 years) and overall condition (Fair). This new vehicle will be reliable and be used for operational needs.

Procurement:

SGWASA purchases vehicles from dealerships that provide North Carolina State Contract prices and terms. SGWASA staff contacted Deacon Jones Ford of Clinton, NC, which offers NC Contract pricing and terms.

SGWASA has purchased many vehicles from NC State Contract and has had good luck with the services previously. The following table provides information about the vehicle that SGWASA recommends for purchase.

Vehicle ID #	Vehicle	Vendor	Quantity	Unit Price	Total Price
1004	Light Duty (2025 Ford Ranger 4x4)	Deacon Jones Ford- Clinton, NC	1	\$34,675	\$34,675

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 2025 Ford Ranger. This new truck will be white to match the existing fleet color. SGWASA staff will upfit the truck to include emblems, GPS, etc.

Schedule:

Following Board approval, a purchase order will be approved, and the vehicle will be acquired from Ilderton Ram of High Point, NC.

Financial:

The SGWASA FY 2025-2026 Approved Budget includes \$36,000 for the purchase of a new Ford Ranger. SGWASA staff are requesting to spend \$34,675 for the purchase of the 2025 Ford Ranger.

Attachments:

1. Quote from Deacon Jones for 2025 Ford Ranger
2. Capital outlay FY25-26 Designation

Strategic Plan Goal & Objective Alignment:

Focus Area 2: Reliable and Sustainable Sanitary Sewer System

Executive Director's Recommendation:

The SGWASA Board of Directors approve the purchase of one 2025 Ford Ranger from Deacon Jones Ford in Clinton, NC for a total not-to-exceed of \$34,675.00, excluding taxes and tags.



Deacon Jones
AUTO GROUP FLEET SALES

Deacon Jones Ford of Clinton



2025 Ford Ranger - Crew Cab XL Trim

North Carolina Statewide Vehicle Contract NC2510A

Contract Term Dates: Feb 1, 2024 - Jan 31, 2029

South Granville Water and Sewer Authority

Available Drivetrain Configurations

2.3L Gas	<input type="checkbox"/>	R4B-100A	2025 Ford Ranger CREW CAB, 2wd, XL Trim, 5' Bed	\$ 30,786.77
Engine	<input checked="" type="checkbox"/>	R4P-100A	2025 Ford Ranger CREW CAB, 4wd, XL Trim, 5' Bed	\$ 34,209.67

NC2510A Base Vehicle Configuration

Base Body Configuration

128	128" Wheel Base, 5 ft Bed Configuration	Base
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Base Powertrain Configuration

99H	2.3 Liter Ecoboost Engine	Base
44T	10 Speed Automatic Transmission	Base

Base Interior Configuration

YZ	Oxford White Color	Base
B	Cloth Bucket Seats, 8 Way Manual Adjust Driver, 6 way passenger	Base
H	Ebony Interior	Base

Base Package / Options

B4A	Fleet Invoice Structure	Base
153	Front License Plate Bracket	Base

Ford Ranger Factory Options

Code	Please Consult Ranger Order Guide for Add'l Options	MSRP	6% Disc
<input checked="" type="checkbox"/> 76F	STX Appearance Package (Standard on XL)	Standard	Standard
<input checked="" type="checkbox"/> 153	Front License Plate Bracket	N/C	N/C
<input type="checkbox"/> 67J	Ford Co Pilot 360	\$ 625	\$ 587.50
<input checked="" type="checkbox"/> 53R	Trailer Tow Package (Class IV Receiver Hitch, 4/7 Way Plug)	\$ 495	\$ 465.30
<input type="checkbox"/> 16E	Carpet with Floor Mats	\$ 145	\$ 136.30
<input type="checkbox"/> 17C	Tray Style Floor Mats with Carpet Mats (Requires 16E)	\$ 200	\$ 188.00
<input type="checkbox"/> X73	Electronic Locking Differential	\$ 420	\$ 394.80
<input type="checkbox"/> 18D	Running Boards - Black	\$ 695	\$ 653.30
<input type="checkbox"/> 17B	Splash Guards/Mud Flaps Front & Rear	\$ 130	\$ 122.20
<input type="checkbox"/> 94B	Pick Up Bed Extender	\$ 320	\$ 300.80
<input type="checkbox"/> 86S	Spray In Bedliner	\$ 495	\$ 465.30
<input type="checkbox"/> 94E	Hard Folding Tonneau Bed Cover	\$ 1,180	\$ 1,109.20
<input type="checkbox"/> 94J	Retractable Tonneau Bed Cover	\$ 2,200	\$ 2,068.00
<input type="checkbox"/> TGX	LT 255/70 R17 OWL Tires (White Letter Tires)	\$ 275	\$ 258.50
<input type="checkbox"/> 41H	Engine Block Heater	\$ 190	\$ 178.60
<input type="checkbox"/> 60B	In-Vehicle Safe (Under Rear Seat) N/A 60E	\$ 330	\$ 310.20
<input type="checkbox"/> 60E	In Vehicle Safe (Center Console) N/A 60B	\$ 520	\$ 488.80
<input type="checkbox"/> 55J	120V/400W In-Cab and In-Bed Power Outlets, LED Bedlighting	\$ 225	\$ 211.50
<input type="checkbox"/> 65D	Daytime Running Lights (Non Configurable)	\$ 45	\$ 42.30
<input type="checkbox"/> 60H	Exterior Back Up Alarm (Includes Trailer Tow Pkg 53R)	\$ 680	\$ 639.20
<input type="checkbox"/> 47G	Integrated Box Side Step	\$ 215	\$ 202.10

Standard Colors:			Quantity
<input type="checkbox"/>	M7	Carbonized Gray Metallic	
<input type="checkbox"/>	T9	Marsh Gray	
<input checked="" type="checkbox"/>	YZ	Oxford White	1.00
<input type="checkbox"/>	G1	Shadow Black	
<input type="checkbox"/>	VA	Desert Sand	
<input type="checkbox"/>	E7	Velocity Blue Metallic	

Emergency Equipment/Lighting Upfit			
<input type="checkbox"/>			
<input type="checkbox"/>			
<input type="checkbox"/>			

Option Availability and Compatibility Vary
USE THIS FORM AS A GUIDE
 Please Return to your Performance Representative For Confirmation

Total Price Per Vehicle:	\$ 34,674.97
Number Units This Spec:	1.00
Total this Order: \$	34,674.97

Notes & Instructions:	Quote Date: 7/21/2025
7/10/2025	
Revised 7-21-2025 to add trailer tow package.	
2025 Ranger is currently open for new orders, but this window is expected to close soon.	

Agency Information:

Agency Name: South Granville Water and Sewer Authority

Contact: _____

Position: _____

Address 1: _____


Address 2: _____

City, State, Zip: _____

Office Phone: _____

Cell Phone: _____

Email: cnorwood@sgwasa.org

Quoting Salesperson:	
Name: Gene Daniel	
Phone: _____	
Email: _____	
605 Warsaw Road, Clinton North Carolina 28328	

**SOUTH GRANVILLE WATER AND SEWER AUTHORITY
BUDGET 2025-2026**

CAPITAL OUTLAY

***** BUDGET *****		
	<u>Acct 510</u>	<u>Acct 520</u>
<u>7140 Sewerline Maintenance</u>		
Replace 2017 Ford F250 with Ford F350 with Crane		\$124,000
Replace 2017 Ford F250 with Ford F350 with Crane		\$124,000
John Deere 5075M Tractor		\$79,500
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>
<u>7145 Wastewater Treatment Plant</u>		
Replace 2008 Ford Ranger with 2025 Ford Ranger		\$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>
<u>8000 Pump & Lift Stations, Tanks</u>		
Little School St Generator		\$76,930
	<u>\$0</u>	<u>\$76,930</u>
Grand Totals	<u><u>\$41,248</u></u>	<u><u>\$1,228,553</u></u>

Agenda Item - 12

Topic: Internal Control Policy Related to Receiving American Rescue Plan Act (ARPA) Funds

Requested Action: The Board of Directors approve the Internal Control Policy

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

Background:

In alignment with federal requirements tied to the American Rescue Plan Act (ARPA) and the Coronavirus State and Local Fiscal Recovery Fund (CSLFRF), in 2022, SGWASA conducted a comprehensive policy compliance review to ensure compliance with receiving ARPA funding for the I-85 Sanitary Sewer Reconstruction Project. The review identified both the need to update existing policies and to adopt new ones to ensure full compliance with federal guidelines. Non-compliance could result in disqualification or forfeiture of funding.

On April 12, 2022, the SGWASA Board of Directors unanimously approved the following policies in a single motion:

- Non-Discrimination Policy
- Property Management Policy
- Eligible Project Policy
- Allowable Costs and Cost Principles Policy
- Program Income Policy
- Uniform Guidance Procurement Policy

These policies are now part of SGWASA's formal compliance framework for ARPA/CSLFRF funding.

Analysis:

During an on-site funding compliance visit by the North Carolina Department of Environmental Quality (NCDEQ). The compliance manager noted that SGWASA had many financial control policies in place, yet SGWASA did not have a specific Internal Control Policy for administering ARPA Funds. Therefore, the compliance manager's recommendation was for SGWASA to create an Internal Control Policy for ARPA funds.

Policy Overview:

The proposed policy establishes SGWASA's internal control framework for managing and expending funds received under the American Rescue Plan Act (ARPA), specifically the Coronavirus State and Local Fiscal Recovery Funds (CSLFRF). It ensures compliance with federal regulations, including the Uniform Guidance (2 CFR Part 200), and aligns with the U.S. Treasury's compliance directives.

In summary, this policy provides a comprehensive internal control system to ensure SGWASA's ARPA funds are used effectively, transparently, and in full compliance with federal requirements. It supports responsible stewardship of public resources and reinforces SGWASA's commitment to accountability and good governance. Note: SGWASA's attorney reviewed and approved the draft policy as presented.

The key components and responsibilities of the proposed policy include:

1. Control Environment

- Emphasizes ethical leadership, staff training, and policy adoption.
- Promotes a culture of compliance and accountability.

2. Risk Assessment

- Identifies operational, reporting, and compliance risks.
- Evaluates risks related to fraud, staffing changes, new technologies, and regulatory shifts.
- Includes risk response strategies: accept, reduce, or avoid.

3. Control Activities

- Implements preventive and detective controls such as:
 - Segregation of duties
 - Written procedures
 - IT and physical security
 - Staff training

4. Information & Communication

- Ensures internal and external transparency.
- Uses websites, meetings, and public comment periods to inform stakeholders.
- Requires timely reporting of internal control deficiencies.

5. Monitoring

- Ongoing internal reviews and external audits.
- Regular testing of control effectiveness.

The compliance areas covered in the proposed policy include:

1. Financial Management (2 CFR § 200.302)

- Accurate tracking of obligations and expenditures.
- Quarterly reporting and monthly reconciliations.

2. Eligibility

- Ensures projects align with ARPA's four eligible use categories.
- Uses an internal eligibility worksheet and documentation process.

3. Allowable Costs (2 CFR § 200.400–476)

- Reviews cost allowability and applies consistent accounting practices.
- Maintains documentation through 2031.

4. Period of Performance

- Funds must be obligated by Dec 31, 2024, and spent by Dec 31, 2026.

5. Procurement (2 CFR §§ 200.317–327)

- Follows federal and state procurement rules.
- Requires documentation, segregation of duties, and contract monitoring.

6. Property Management (2 CFR §§ 200.310–316)

- Maintains inventory, safeguards assets, and ensures proper use and disposition.

7. Subrecipient Monitoring

- Not applicable; SGWASA is directly administering all funds.

8. Program Income (2 CFR § 200.307)

- Tracks and reinvests income earned from ARPA-funded activities.

Next Steps:

Should the Board of Directors approve the Internal Controls Policy, then SGWASA staff will provide a copy of the approved policy to the NCDEQ.

Staff Recommendation:

SGWASA staff recommends the Board of Directors approve the attached policy as written.

Financial:

N/A.

Attachments:

Exhibit A. Internal Controls Policy

Strategic Plan Goal & Objective Alignment:

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 SGWASA Board of Directors approve the Internal Controls Policy as presented in Exhibit A.

South Granville Water And Sewer Authority Internal Control Policy: Coronavirus State and Local Fiscal Recovery Funds

Policy Overview and Purpose

This Policy identifies internal control activities and compliance requirements for the expenditure of Coronavirus State and Local Fiscal Recovery Funds under the American Rescue Plan Act (“ARP/CSLFRF award”). The Final Rule 13.15 describes the Uniform Guidance (UG) compliance requirements of each ARP/CSLFRF project expenditure category. Internal control is a process affected by an entity’s oversight body, management and other personnel that provides reasonable assurance that the objectives of an entity will be achieved. This Internal Control Policy (“Policy”) outlines the internal control process established by the South Granville Water And Sewer Authority, hereinafter the Authority, to provide reasonable assurances that the Authority will expend ARP/CSLFRF award funds in compliance with governing laws and regulations. This document is adopted in accordance with the following directive from U.S. Treasury’s Compliance and Reporting Guidance: “Per 2 CFR Part 200.303, your organization must develop and implement effective internal controls to ensure that funding decisions under the ARP/CSLFRF award constitute eligible uses of funds, and document determinations.”

Internal Control Framework

The Authority’s internal controls are modeled after the internal control framework set forth in the Government Accountability Office’s Standards for Internal Control in the Federal Government (the “Green Book”). As described in the Green Book, Management is responsible for establishing and maintaining the internal control system in compliance with the duties outlined in this Policy. The Oversight Body’s primary role is to ensure management performs its internal control responsibilities. However, every employee bears some responsibility over the internal control process.

Definitions

- Management refers to employees who have direct responsibility for the day-to-day operations of the entity, including the implementation of internal controls. For the purposes of this Policy, “management” includes managers, department heads, finance officer, or other finance personnel.
- Oversight Body, as referenced in the Government Accountability Office’s Standards for Internal Control in the Federal Government, refers to an appointed body designated to perform oversight at the direction of the governing board.

South Granville Water And Sewer Authority Internal Control Policy: Coronavirus State and Local Fiscal Recovery Funds

The Green Book Recognizes Five Components of Internal Control: Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring

The Authority understands that each component must be present and function for the internal control process to operate at the optimal level. The responsibilities tied to each of the components are discussed below.

Control Environment

The control environment is the foundation for all other components of internal control, providing discipline and structure. Management values integrity, ethics, and competence in all operations, including the administration of federal awards. Management communicates and reinforces its expectations throughout the organization. Examples of management's commitment to internal controls over expenditure of ARP/CSLFRF funds include, but are not limited to, the following:

- Management demonstrates a commitment to integrity and ethical values through its leadership, communications, personnel practices, and daily actions.
- Management conducts ongoing risk assessments to identify internal control weaknesses that may negatively impact on the proper administration of the ARP/CSLFRF award.
- Management is committed to educating itself and staff on the compliance requirements tied to the administration of the ARP/CSLFRF award.
- Management adopts policies necessary to ensure compliance with the Uniform Guidance and the ARP/CSLFRF award terms and conditions.

Risk Assessment

Management is committed to identifying and managing the risks that may arise during the administration of the ARP/CSLFRF award. The risk assessment component of internal control involves management evaluating the risks the entity faces that could negatively impact its ability to achieve its objectives. These objectives include:

- Operational Objectives: All assets are appropriately safeguarded against risks of fraud, theft, loss, or abuse.
- Reporting Objectives: Finance systems and processes produce accurate and reliable financial reporting for federal award expenditures. The Authority's Schedule of Expenditures of Federal Awards (SEFA) is complete and accurate.

South Granville Water And Sewer Authority Internal Control Policy: Coronavirus State and Local Fiscal Recovery Funds

- Compliance Objectives: Ensure ARP/CSLFRF awards funds are expended in compliance with the award terms and conditions, federal and state law, and U.S. Treasury guidance.

Risk Identification

Management shall identify risks that may impair the Authority's ability to achieve its objectives. Management shall focus its risk assessment on areas of opportunity for employees to commit fraud. Specific areas and types of risk include:

- changes in personnel,
- rapid growth in operations,
- organizational restructuring, such as centralizing or decentralizing,
- new activities or service areas,
- new or revised information systems,
- new technologies in service delivery or information systems,
- changes in the operating or regulatory environment, and
- new or updated accounting and/or financial reporting practices.

Uniform Guidance Compliance & Risk Identification

There are specific risks that arise in the administration of a grant award. Management will identify areas of risk that may impair the Authority's ability to comply with the ARP/CSLFRF award's terms and conditions and/or applicable state and federal law and regulations. Specifically, the Authority will evaluate risks of noncompliance in the following compliance areas:

- Eligibility,
- Allowable Costs/Cost Principles,
- Period of Performance,
- Financial Management,
- Property Management,
- Procurement,
- Sub-recipient Monitoring, and
- Program Income

Risk Analysis

Management shall determine the potential severity of liabilities associated with the risks identified by weighing the likelihood of occurrence against the degree of impact.

South Granville Water And Sewer Authority Internal Control Policy: Coronavirus State and Local Fiscal Recovery Funds

Risk Response

Management shall review the results of the risk analysis and determine whether to implement control activities to mitigate risks. Management will respond to identified risks in one of three ways:

- accept the risk,
- reduce the risk by implementing control activities to help prevent or detect issues, or
- avoid the risk by not pursuing certain activities

Management shall consider the relative cost of implementing controls versus the benefit(s) offered in deciding whether to mitigate risk(s) through the implementation of control activities. When possible, control activities will be implemented to mitigate risks that rate “High” or “Very High” on the Likelihood/Impact scale.

Control Activities

Control activities are the actions taken by management to respond to risks that may prevent the entity from achieving its objectives. The internal control activities are either preventative or detective. The Authority uses a variety of control activities that support strong internal controls, including, but not limited to the following:

- written policies and procedures,
- segregation of duties: separating authorization, custody, record-keeping, and reconciliation functions,
- authorizations to undertake projects/programs/expenditure,
- reconciliation of accounts and records,
- documentation and record-keeping,
- physical controls, including locks, physical barriers, and security systems to protect physical assets,
- IT controls, including passwords, access logs, and firewalls to protect sensitive data and restrict access to electronic data files,
- staff training, or
- a combination of the above.

South Granville Water And Sewer Authority Internal Control Policy: Coronavirus State and Local Fiscal Recovery Funds

Information and Communication

The Authority communicates accurate and quality information to internal staff and personnel and to external stakeholders and community members. Communication plays an integral role in the internal control system by helping to promote transparency regarding the use of public funds. Management shall be responsible for communicating internal control processes to those employees directly involved in finance and/or grant administration. Management will communicate its policies, procedures, and internal controls through various handbooks, programs, training, and electronic communication.

Information regarding pertinent policies, processes, and control activities will flow down, across, and up the organizational structure. Internal control deficiencies should be reported upstream, with serious matters reported immediately to top-level management and/or to the governing board. Employees are required to report any critical issues within the internal control system to management as soon as possible after the discovery.

To ensure transparency regarding the use of ARP/CSLFRF funds, the Authority shall communicate quality information to community members and external stakeholders. The communication channels may include:

- The Authority maintains a website and articles are posted in the Municipal news and announcements section.
- Governing board members and management are willing to engage directly with community members and answer questions via email and/or provide updates during regularly scheduled meetings.
- We allow public comment time during the monthly Board of Directors' meeting.

Monitoring

The Authority shall conduct ongoing monitoring of the internal control system to identify its strengths and weaknesses. Internal and external audits will be conducted pursuant to federal and state law. These audit processes will test the effectiveness of internal controls over federal and state awards.

**South Granville Water And Sewer Authority Internal Control Policy:
Coronavirus State and Local Fiscal Recovery Funds**

**Internal Controls & Uniform Guidance Compliance Financial Management,
2 CFR § 200.302**

Overview:

Each Unit must have a financial management system in place to satisfy the requirements set forth in 2 CFR § 200.302. A unit may rely on existing accounting processes and procedures, provided such processes adequately track the obligations and expenditures of ARP/CSLFRF funds.

Objectives:

Ensure compliance with the following requirements set forth in 2 CFR § 200.302, as follows:

1. Track all federal awards received and related expenditures separately for each federal program.
2. Provide accurate, current, and complete financial data to enable disclosure of the results of each federal award.
3. Identify the source and application of funds (i.e., the system must be able to track authorizations, obligations, and disbursements, and tie any expenditures to eligible uses of ARP/CSLFRF funds.
4. Maintain control over, and accountability for, all funds, property, and other assets.
5. Compare budgeted amounts with actual expenditures.
6. Expenditures must be supported by the Authority's written procedures for determining the allowability, reasonableness, and allocation of costs.

Control Activities:

- A recommended practice is to set up a grant project ordinance to separately account for and track expenditures of ARP/CSLFRF funds.
- Utilize a financial management system that meets the standards outlined in 2 CFR § 200.302. Segregation of Duties:

Duties and functions related to financial reporting are segregated to ensure no one person has control over all parts of a financial transaction.

South Granville Water And Sewer Authority Internal Control Policy: Coronavirus State and Local Fiscal Recovery Funds

Documentation:

Documentation of financial transactions is complete and accurate and facilitates tracing the transaction from authorization and initiation through disbursement.

- The Finance Director shall ensure that, at a minimum, accounting records evidencing authorizations, obligations, and expenditures of ARP/CSLFRF funds are created and retained according to record retention requirements.
- Source documentation is retained, including paid invoices, payrolls, time and attendance records, contracts, and sub-award documents.

Reporting:

The Finance Director shall distribute quarterly reports for the governing board that includes updates for grant project expenditures and a comparison of budget to actual's.

Reconciliation:

Although the general ledger and subsidiary ledgers used to account for the receipt and disbursements of ARP/CSLFRF funds are reconciled monthly against account balances by Finance Department team members who also perform some of the record- keeping/booking functions, controls are in place to ensure accuracy and compliance with reconciliation procedures.

Communication & Monitoring:

The Finance Director is responsible for communicating the financial management requirements and associated control activities to the appropriate personnel. All employees within the finance office have responsibility for internal controls, including the ongoing assessment of the effectiveness of internal control activities over the financial management system.

South Granville Water And Sewer Authority Internal Control Policy: Coronavirus State and Local Fiscal Recovery Funds

Eligibility (See Award Terms & Conditions for ARP/CSLFRF Eligibility Requirements)

Overview:

The Authority is responsible for ensuring ARP/CSLFRF funds are expended on eligible projects and programs. The process for making eligibility determinations is described in the Authority's Eligible Project Policy.

Objectives:

- Ensure the supported projects and programs under the ARP/CSLFRF are eligible under one of the expenditure categories. (Eligible uses include projects identified in the Final Rule that fit within one of the four eligible use categories: COVID-19/Negative Economic Impacts, Revenue Replacement, Premium Pay, Investment in Necessary Broadband and Water/Sewer Infrastructure.)
- Document eligibility review and project determinations.
- Establish processes to ensure funds are not expended on ineligible uses. (Prohibited uses include: bulk deposits into pension funds, debt services, replenishing financial reserves, the satisfaction of settlements and judgments, support for programs that undermine the effort to stop the spread of COVID-19, and any use that would violate state or local law.)

Control Activities:

- Eligible Project Policy: The Authority has adopted an ARP/CSLFRF Eligible Project Policy that explains the eligible uses of ARP/CSLFRF award funds and includes the Authority's process for reviewing and documenting eligibility determinations.
- Authorization: The Finance Director and the appropriate Finance Department staff have reviewed applicable Treasury guidance, including the Final Rule, and has trained staff to conduct initial eligibility reviews for all project or program requests.
- The Finance Director and the appropriate Finance Department staff are responsible for overseeing compliance with documentation and record retention requirements.

**South Granville Water And Sewer Authority Internal Control Policy:
Coronavirus State and Local Fiscal Recovery Funds**

Communication & Monitoring:

Management will communicate eligibility requirements and project determinations internally to staff and externally to community members and stakeholders. Management will periodically review a sample of eligibility determinations to ensure that documentation is being maintained and that the supported projects are eligible.

**South Granville Water And Sewer Authority Internal Control Policy:
Coronavirus State and Local Fiscal Recovery Funds**

Allowable Costs/Cost Principles, 2 CFR § 200.400 to 200.476

Overview:

The Uniform Guidance Cost Principles provide guidance on how to charge specific items of cost to a federal award. A written Allowable Cost/Cost Principles policy is required for compliance with 2 CFR 200 § 202. Cost items charged using Revenue Replacement ARP/CSLFRF funds are subject to an allowable cost review. Cost items charged under the COVID-19/Negative Economic Impacts and Infrastructure Investment categories are subject to additional compliance requirements, including the Selected Item of Cost review. See Final Rule FAQ 13.15.

Objectives:

1. Ensure all costs charged to the federal award are allowable as defined in the Uniform Guidance, Subpart E – Cost Principles.
2. Consistently apply local policies to both federally financed and non-federally financed activities.
3. Treat costs consistently as direct or indirect costs.
4. Adequately document evidence of allowable cost review and other compliance requirements, as necessary.
5. When applicable, appropriately charge indirect costs using either the Negotiated Independent Cost Rate Agreement (NICRA) or the de minimis rate of 10 percent.

Control Activities:

Policy: The Authority has adopted an Allowable Cost/Cost Principles Policy, as required by 2 CFR §200.302.

- Segregation of duties: When possible, duties are segregated between those who initiate, approve, and record financial transactions.
- Training: Management trains staff to conduct an allowable cost review in compliance with the UG Cost Principles.
- Documentation: Finance Director shall ensure that documentation evidencing compliance with Cost Principles is created and maintained through December 31, 2031. At a minimum, cost items will be reviewed for allowability prior to being charged to the federal award.

South Granville Water And Sewer Authority Internal Control Policy: Coronavirus State and Local Fiscal Recovery Funds

Communication & Monitoring:

Management shall ensure that staff is adequately trained to recognize allowable costs and associated compliance requirements for each eligibility category. Management shall periodically test the control activities by reviewing a sample of cost items charged to the ARP/CSLFRF award for allowability. Management will also test whether costs are charged to the proper project codes within the grant project ordinance.

Period of Performance

Overview:

The Period of Performance covers the period of time the Authority may obligate and expend ARP/CSLFRF funds. ARP/CSLFRF funds must be used for costs incurred between March 3, 2021, and December 31, 2024. For the cost to be incurred, the funds must be obligated (e.g., contract executed/pre-audit stage). All obligated funds must be expended by December 31, 2026. Any unspent funds must be returned to the Treasury.

Objective:

Ensure that all obligations and expenditures are incurred during the ARP/CSLFRF award's period of performance.

Control Activities:

- Management reviews obligation dates to ensure that all obligations are made for costs incurred between March 3, 2021, and December 31, 2024.
- Management trains staff to review obligation and expenditure dates on contracts, or when performing eligibility and allowable cost reviews.

Communication & Monitoring:

Management shall communicate pertinent dates, including the period of performance, to any staff responsible for obligating or expending federal award funds.

**South Granville Water And Sewer Authority Internal Control Policy:
Coronavirus State and Local Fiscal Recovery Funds**

Procurement, Suspension & Debarment, 2 CFR §§ 200.317 to 200.327

Overview:

Expenditures of ARP/CSLFRF funds under the revenue replacement category are exempt from federal procurement. When expending ARP/CSLFRF funds in other expenditure categories, the Authority is required to adopt written procurement procedures and follow all federal procurement rules outlined in the Uniform Guidance (2 CFR §§ 200.318-200.327) as well as its own internal policies. Where established local or state rules are more strict than federal rules, the recipient must follow the most restrictive rule. Objectives:

The Authority's Management Team recognizes it must satisfy the minimum federal procurement requirements, as follows:

1. Adopt a written procurement policy that considers the procurement standards in § 200.318, which includes bidding contracts in compliance with federal bidding thresholds, oversight of contractors' performance, and maintaining records to document the history of procurements.
2. Provide full and open competition in conducting procurements, consistent with the standards outlined in § 200.319 and § 200.320, which allow for non-competitive procurements only in limited circumstances.
3. Comply with the requirements of § 200.320 (a) when using the micro-purchase and small purchase methods of procurement.
4. Use the sealed bids method for procurement contracts exceeding the simplified threshold. Utilizing the competitive proposals method when sealed bidding is not possible.
5. Ensure noncompetitive procurement methods meet the conditions set forth under § 200.320 (c).
6. Perform a cost or price analysis for every procurement action in excess of the simplified acquisitions threshold, including contract modifications.
7. Pursuant to 2 CFR 200.319(b), if a firm assists in the development or drafting of specifications, statements of work, or bids or RFP's, the firm must be excluded from competing for the procurement.
8. Ensure that all contracts include the applicable contract provisions required by § 200.327 and described in Appendix II of 2 CFR 200.

South Granville Water And Sewer Authority Internal Control Policy: Coronavirus State and Local Fiscal Recovery Funds

9. Verify that a contractor is eligible by reviewing the suspended and debarred list on SAM.gov.
10. Restrict access to sensitive contractor information, such as Social Security numbers or federal tax ID numbers.

General Procurement Control Activities:

- Purchasing Policy and Procedures: The Authority maintains documented procurement procedures that are consistent with the standards outlined in §§ 200.317 through 200.327. This policy contains detailed processes and control activities for procurements made with federal funds.
- The Board of Directors must approve contracts under state formal bidding procedure G.S. 143-129 and Uniform Guidance sealed bid procedure 2 CFR § 200.320(c) per our Purchasing Policy and Procedures.
- Authority department employees responsible for administering the contract is responsible for monitoring and documenting the performance of a contract for compliance with contract terms, conditions, and other specifications.
- Contracts are encumbered by pre-numbered purchase order or pre-numbered contract entry in the financial management software.
- A pre-audit certificate that is signed by the Finance Director is attached to all purchase orders and contract obligations. Ensure approved purchase orders or contracts are distributed to the vendor.
- Cost items shall be reviewed for allowability pursuant to the review process set forth in the Allowable Cost/Cost Principles Policy.
- The requesting department shall verify that contractors are not on the suspended or debarred list.

Access to sensitive contractor information, such as Social Security numbers or federal tax ID numbers, is restricted.

Segregation of Duties:

- Duties are segregated between authorization, custody, record-keeping, and reconciliation.
- Reconciliations are performed by an employee who does not have record-keeping duties.

South Granville Water And Sewer Authority Internal Control Policy: Coronavirus State and Local Fiscal Recovery Funds

- Invoices and other supporting documentation are thoroughly reviewed prior to the invoice being approved. Invoices are approved by the Department Head or authorized designee via workflow approval in the financial management software.

Documentation:

All Authority request personnel shall be trained on documentation and record retention policies within their specific scope of work responsibilities related to ARP/CSLFRF projects .

- Bid documents shall reflect all steps in the procurement process, including:
 - bid specifications and proof of advertisement (if required),
 - rationale for the selected method of procurement,
 - bid submissions,
 - evaluation criteria,
 - basis for contractor selection or rejection,
 - justification for lack of competition, when applicable,
 - basis for award cost or price, and
 - contract agreement, including required Uniform Guidance contract clauses.
- Source documentation relating to procurements must be retained and should include sufficient details to support the transaction including:
 - cost and quantity of items purchased,
 - model numbers,
 - purchase orders or signed contracts with the pre-audit certificates, and
 - personnel who authorized the sale, if applicable.
- All records shall be maintained for a period of five (5) years after the ARP/CSLFRF period of performance (through December 31, 2031).

Communication & Monitoring:

Management shall ensure requesting department and finance staff understand federal procurement laws. Additional training shall be provided, as necessary. Management will periodically review purchase orders and contracts to ensure that all charges are accounted for in the period in which the cost occurred and fall within the period of performance.

**South Granville Water And Sewer Authority Internal Control Policy:
Coronavirus State and Local Fiscal Recovery Funds**

Property Management, 2 CFR §§ 200.310 to 200.316

Overview:

Except for property, supplies, or equipment acquired using revenue replacement funds, the Authority must follow the applicable provisions of the Uniform Guidance regarding property standards (2 CFR § 200.310-316), subject to the requirements set forth in the Final Rule FAQ 13.16.

Per Final Rule FAQ 13.16, during the period of performance, the Authority may use property, supplies, or equipment purchased with ARP/CSLFRF funds for a purpose other than the purpose for which the initial purchase was made, provided the new use is consistent with another eligible use. After the period of performance, the Authority is more limited in how it may use the property purchased with ARP/CSLFRF funds.

Objectives:

1. Ensure real property, personal property, supplies, and equipment are used in compliance with the UG property standards (2 CFR 200.310-316), and subject to the requirements set out in FAQ 13.16.
2. Ensure documentation is maintained to substantiate any determination on whether the use of an asset is authorized for a particular purpose during and after the award period of performance.
3. Establish adequate safeguards to prevent loss, damage, or theft of property.
4. Follow adequate maintenance procedures to keep equipment in good condition.
5. Ensure proper disposition of real property and equipment in accordance with § 200.311 (d) and § 200.313 (e).

Control Activities:

- **Insurance Coverage:** Purchase equivalent insurance coverage for real property and equipment as is provided to other property owned by the Authority. 2 CFR § 200.310.
- **Property Management:** The Authority has procedures for managing property.
- **Real Property Reporting:** The Finance Director shall oversee the annual reporting requirements for any real property or personal property acquired with federal awards funds. Standard Form 429 shall be used to report real property, and the Standard Form 428 shall be used to report tangible personal property, including equipment.

South Granville Water And Sewer Authority Internal Control Policy: Coronavirus State and Local Fiscal Recovery Funds

- **Equipment Management:** The Authority has procedures for managing equipment, whether acquired in whole or in part under a federal award, until disposition takes place. The Authority, at a minimum, meet the following requirements:
 1. Maintain equipment records that include a description of equipment, serial number/ model number, source of funding, acquisition date, location and condition of equipment, unit acquisition cost, and final data, including date of disposal, sales price, and method used to determine fair market value. § 200.313(d).
 2. Ensure adequate safeguards to prevent loss, damage, or theft of property. Such safeguards may include attaching property tags to federally owned equipment that includes the Federal Award Identification Number (FAIN).
Any loss, damage, or theft will be investigated. § 200.313(d).
 3. Regular maintenance will be performed to keep the property in good condition.
 4. A physical inventory of equipment will be performed, and the results reconciled with the property records, at least once every two years.
 5. If the Authority is authorized or required to sell equipment, proper sales procedures will be used to ensure the highest possible return.

Communication & Monitoring:

Management will train employees to understand the various compliance requirements set forth in the Uniform Guidance property management standards. Periodic testing of established controls shall be performed to ensure that all reporting and property management requirements are satisfied for both real property and equipment.

**South Granville Water And Sewer Authority Internal Control Policy:
Coronavirus State and Local Fiscal Recovery Funds**

Subrecipient Monitoring and Management, 2 CFR §§ 200.331 to 200.333

Overview:

Expenditures of revenue replacement funds are exempt from compliance with this section per Final Rule FAQ 13.15. When selecting a sub-recipient, the Authority, as the pass-through entity, must ensure that the sub-recipient can carry out the project as required. The key internal controls for this section is the adoption and implementation of a Subrecipient Policy.

The Authority has elected to expend all ARP/CSLFRF funds directly. Therefore, a Subrecipient Policy is not required.

Program Income, 2 CFR § 200.307

Overview:

Program income relates to gross income earned from expenditures of federal awards, such as income from fees for services performed, the use or rental of property acquired with program funds, the sale of items fabricated under the program. Program income is only triggered when income will be earned under the COVID-19/Economic Impacts Category or for income earned on a water/wastewater infrastructure project. When program income is earned, it is added back to the total ARP/CSLFRF award allocation.

Objectives:

1. Separately track and account for program income during the ARP/CSLFRF award's period of performance.
2. Expend program income on eligible projects and programs during the period of performance (program income is added to the total ARP/CSLFRF award).

Control Activities:

- On a monthly basis, recorded program income is reconciled with supporting documentation, such as loan ledgers and other accounting records.
- Program income is separately tracked and accounted for within the grant project ordinance.
- Management ensures program income is added to the total ARP/CSLFRF award and used to support eligible projects and programs.

**South Granville Water And Sewer Authority Internal Control Policy:
Coronavirus State and Local Fiscal Recovery Funds**

- Individuals who collect cash or other receipts are different from those who deposit receipts, generate invoices, record general ledger activity, and reconcile bank statements.

Communication & Monitoring:

Management shall identify program income requirements and communicate compliance requirements to staff. Management shall periodically review accounting records to ensure program income is separately accounted for during the award period of performance.

Adopted by the South Granville Water And Sewer Authority on the 12th day of August, 2025.

Jimmy Gooch, Granville County Board Member/SGWASA Board Chair

Attest:

Krystle Lee, PIO/Board Secretary

Agenda Item – 13

Topic: Water Treatment Plant Filter Media Replacement Project Award of Contract

Requested Action:- Award of Contract to State Utility Contractors for Water Treatment Plant Media Replacement

Presenter: Chris Summerlin, Assistant Executive Director

Background:

The South Granville Water and Sewer Authority utilizes a Water Treatment Plant with traditional treatment technologies. SGWASA's water treatment plant is rated for 7.5 Million Gallons Per Day (MGD) and consists of a rapid mix basin, 2- stage flocculation, 5 sedimentation basins with inclined plate settlers, 5 dual-cell granular media filters, a chlorine contact basin, clearwell storage and finished water pumping.

The 5 dual-cell granular media filters help to filter out sediment, impurities, manganese and iron, reduce turbidity and ensures compliance with State and Federal regulations for water quality. Water filter media has a general life expectancy of 10-15 years. SGWASA's filter media is now over 20 years old and needs replacement.

In March 2025, Hazen and Sawyer, one of SGWASA's on-call engineering consultants, was authorized to provide the required analysis, design, bidding, and construction administration and inspection for the Filter Media Replacement project at the Water Treatment Plant. The cost for professional engineering services was \$245,080 and was performed under a task order that was approved March 2025 Board Meeting.

Analysis:

In July 2025, at the conclusion of the Water Treatment Plant Filter Media design, Hazen and Sawyer provided a probable cost of construction and released the work for public bidding. The probable cost of construction was \$660,000.00, not including any structural repair costs needed for the filter basins.

At the bid opening on July 23, 2025, SGWASA received one (1) bid. As such, the project had to be rebid for an additional 7 days. On August 5, 2025, one (1) bid was received by State Utility Contractors. State Utility Contractors is licensed in NC to perform the work, and they have successfully completed projects of a similar scope throughout the state. State Utility Contractors has also performed work for SGWASA, including non-emergency work and emergency work.

In summary, State Utility Contractors, was the lowest responsive, responsible bidder with a total bid amount of **\$897,753.00**, which includes a base bid of **\$797,753.00** and a **\$100,000.00** General Allowance. The Base Bid includes removal and replacement of the filter media material, permitting, bacteriological samples and nozzle replacement. The General Allowance was placed in the bid to provide for concrete and structural repairs to the filter basins, if needed.

Staff Recommendation:

SGWASA staff recommends the construction contract be awarded to State Utility Contractors, the lowest responsive, responsible bidder.

Schedule:

Following Board approval, the contract will be finalized with State Utility Contractors. A Notice to Proceed will be issued and an on-site meeting will be held accordingly prior to construction.

Financial:

This project was not previously identified in the SGWASA FY24-35 CIP since it was an unplanned project that came to SGWASA's attention late last fall. Due to this project not being included in the 10-Year SGWASA CIP, and SGWASA's financial commitment to current capital improvement projects related to the water and sanitary sewer systems, the Executive Director and the Finance Director recommended this project be funded via Operating Fund Balance.

Although staff will do their best to manage this project within the scope of work, change orders for this project may occur, therefore, staff is recommending that a 10% contingency to the construction project be included to allow for these change orders, which brings the total construction budget to **\$987,528**. (base bid of \$797,753.00 + \$100,000.00 General Allowance, + 10% contingency of \$89,775).

A FY25-26 Budget Amendment is needed for this transaction, and the Budget Amendment is included in tonight's Board Meeting Agenda to support this item.

Financial Summary:

Project Low Bid: Base bid of \$797,753.00 + \$100,000.00 General Allowance = **\$897,753.00**

Contingency at 10% on base bid = **\$89,775.00**

Total Project cost: **\$987,528.00**

Attachment:

Exhibit A.: Recommendation of Award

Strategic Plan Alignment:

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

- 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 approve a contract with State Utility Contractors, for the replacement of the water treatment plant filter media, for a not to exceed amount of \$987,528, including a base bid of \$797,753, a General Allowance of \$100,000 and a contingency of 10% in the amount of \$89,775, based on their 8/5/2025 bid proposal shown in Exhibit A.

Exhibit A.: Recommendation of Award



Hazen and Sawyer
4011 WestChase Blvd, Suite 500, Raleigh, NC 27607

August 7, 2025

Mr. Scott N. Shroyer, PE
Executive Director
South Granville Water and Sewer Authority
415 Central Avenue, Suite B
Butner, NC 27509

Re: Recommendation of Award
SGWASA WTP Filter Media Replacement
Hazen & Sawyer Project No. 31664-007

Mr. Schroyer:

On August 5th, 2025, the South Granville Water and Sewer Authority (SGWASA) received and opened one bid for the SGWASA WTP Filter Media Replacement Project. The bid is believed to be both responsive and competitive as set forth in the attached Bid Tabulation. The lowest responsive bid was submitted by State Utility Contractors in the amount of \$897,753. This amount includes the General Allowance amount of \$100,000.

Hazen has reviewed the bid documentation submitted by State Utility Contractors and has personal knowledge of their capacity to perform. Based on this, Hazen recommends that SGWASA awards the project to State Utility Contractors in the amount of \$897,753. If you have any questions or require additional information, please do not hesitate to contact us.

Sincerely,

HAZEN AND SAWYER

A handwritten signature in blue ink, appearing to read "Lamya Badr".

Lamya Badr, P.E., ENV SP
Associate

CC: David Briley, Hazen and Sawyer
Chris Summerlin, SGWASA

**BID TABULATION
SGWASA FILTER MEDIA REPLACEMENT
SINGLE PRIME CONTRACT**

					STATE UTILITY CONTRACTORS
Bid Bond					5%
Addenda Acknowledged					1-3
NC License No.					17793
LUMP SUM BID ITEMS					
No.	Description	Unit	QTY	Unit Price	Extended Total
1	All work for the SGWASA Filter Media Replacement Project	LS	-	-	\$797,753
ALLOWANCE					
2	General Allowance				\$100,000
TOTAL LUMP SUM BASE BID					\$897,753

Notes:

In accordance with Specification Section 00100 Paragraph 8.2, in the case of conflict between the price in words and the equivalent shown in numerals, the words will take precedence.

CERTIFICATION

The Bids tabulated herein were opened and read aloud at 2:00 p.m., on the 5th day of August 2025 in the Butner Town Hall Meeting Room, 415 Central Avenue, Butner, North Carolina. The tabulation is correct in that it contains the Bid prices as presented on the original Bid Form of each Bidder based upon the Bidder's sum of the extended amounts for each Lump Sum Bid Item as required by Section 00300.

Hazen



Hazen and Sawyer
4011 WestChase Blvd.
Raleigh, NC 27607
540-998-9500
Lamya Badr P.E.

Agenda Item - 14

Topic: Fiscal Year 2025-2026 Budget Amendment #2

Requested Action: Seeking the Board of Directors approval of Budget Amendment #2

Presenter(s): Richard Balmer, Finance Director

Background:

Budget Amendment #2 reallocates and re-appropriates budget for Purchase Orders and capital projects for goods and/or services that were not received and/or completed prior to June 30, 2025, as summarized below.

Operating Purchase Orders re-appropriated into FY 25-26 include:

- Tyler Software: Implementation (fixed assets, personnel, and payroll)
- CDM Smith: Review and revision of SGWASA Water and Sewer Standards
- John Deere: Repairs to tractor
- Core & Main: Repair parts
- Clearwater Inc: Rebuild of Fairbanks VTSH at WWTP
- Tencarva Machinery: Parts and supplies

Projects and associated grants re-appropriated into FY 25-26 include:

- McGill Associates: AIA water; AIA sewer; grant funding
- I-85 Sanitary Project:
 - CDM Smith: Engineering services
 - Haren Construction: CP1 construction
 - Smith Law: Legal services
 - McGuireWoods LLP: Bond counsel services
- CDM Smith: PFAS WTP upgrades
- Hazen & Sawyer: WTP bypass valves; WTP clearwell rehabilitation; WTP water quality; WTP filtration upgrades
- McGill Associates: Facility needs study
- Vanguard Utility: Mass meter replacements

Budget amendment #2 reallocates budget within the waterline and sewerline maintenance Departments into repairs and maintenance to conform with historical budgetary practice. Original budget had the budget reallocated into other line items.

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)
Total	(\$ 1,349,076)	\$ 0	(\$ 1,349,076)

Budget Amendment #2

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

Revenues: Increase / (Decrease)		Amendment/Change
Other Financing Sources	\$	37,925,044
Transfer from Fund Balance	\$	1,045,436
Total Revenues	\$	38,970,480
Expenditures: Increase / (Decrease)		
Administration	\$	27,434
Engineering	\$	65,285
Utilities: Sewerline Maintenance	\$	6,450
Wastewater Treatment	\$	36,930
Utilities: Pump Stations/Towers	\$	9,325
Projects and Studies	\$	38,825,056
Total Expenditures	\$	38,970,480

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:

BA2 Supporting Documentation

Executive Director's Recommendation:

The SGWASA Board of Directors approve Budget Amendment #2.

Budget Amendment #2 Supporting Documentation

BA #2 Supporting Documentation (For Reference Only)			
		Amendment / Change	Budget after Change
<u>Administration</u>			
61-7110-5200	Capital Outlay	\$ 27,434	\$ 27,434
61-4000-0000	Fund Balance	\$ (27,434)	\$ (1,376,510)
	<i>Re-appropriate PO 8706 Tyler Software implementation</i>	<i>(0)</i>	
<u>Engineering</u>			
61-7118-1990	Professional Services (Other)	\$ 65,285	\$ 95,285
61-4000-0000	Fund Balance	\$ (65,285)	\$ (1,441,795)
	<i>Re-appropriate PO 9118 CDM Smith Water & Sewer Standards</i>	<i>0</i>	
<u>Utilities: Waterline Maintenance</u>			
61-7139-3510	Repairs and Maintenance	\$ 90,000	\$ 90,000
61-7139-2500	Vehicle Supplies and Maintenance	\$ (30,000)	\$ 15,000
61-7139-2910	Contract Labor/Services	\$ (60,000)	\$ 45,000
	<i>Reallocate R&M budget back to historical line item; moved in original budget</i>	<i>0</i>	
<u>Utilities: Sewerline Maintenance</u>			
61-7140-3510	Repairs and Maintenance	\$ 33,000	\$ 33,000
61-7140-2000	Supplies and Materials	\$ (15,000)	\$ 40,000
61-7140-2500	Vehicle Supplies and Maintenance	\$ (2,000)	\$ 8,000
61-7140-2910	Contract Labor/Services	\$ (10,000)	\$ 120,000
61-7140-4300	Rental of Other Equipment	\$ (6,000)	\$ 2,000
	<i>Reallocate R&M budget back to historical line item; moved in original budget</i>	<i>0</i>	
61-7140-3510	Repairs and Maintenance	\$ 6,450	\$ 39,450
61-4000-0000	Fund Balance	\$ (6,450)	\$ (1,448,245)
	<i>Re-appropriate PO 10021 John Deere tractor repairs</i>	<i>0</i>	
<u>Wastewater Treatment</u>			
61-7145-3510	Repairs and Maintenance	\$ 3,926	\$ 196,426
61-4000-0000	Fund Balance	\$ (3,926)	\$ (1,452,171)
	<i>Re-appropriate PO 9259 Core & Main valve repair parts</i>	<i>0</i>	
61-7145-3510	Repairs and Maintenance	\$ 33,004	\$ 229,430
61-4000-0000	Fund Balance	\$ (33,004)	\$ (1,485,175)
	<i>Re-appropriate PO 9269 Clearwater rebuild Fairbanks VTSH</i>	<i>0</i>	
<u>Utilities: Pump stations/Towers</u>			
61-8000-6004	Repairs/Maintenance-Master Acct	\$ 8,052	\$ 298,827
61-4000-0000	Fund Balance	\$ (8,052)	\$ (1,493,227)
	<i>Re-appropriate PO 10024 Tencarva repair supplies & parts</i>	<i>0</i>	
61-8000-6003	Supplies/Materials-Master Acct	\$ 1,273	\$ 61,273
61-4000-0000	Fund Balance	\$ (1,273)	\$ (1,494,500)
	<i>Re-appropriate balance of PO 9196 Tencarva impeller</i>	<i>0</i>	

Revenue & Projects & Studies

61-7300-8450	Project: AIA Water DEQ Grant	\$	78,809	\$	78,809
61-7300-8450	Project: AIA Sewer DEQ Grant	\$	142,109	\$	220,918
61-3998-0000	Other Financing Sources	\$	(220,918)	\$	220,918
	<i>Reappropriate AIA Water Grant; balance of PO 8598 McGill Assoc.</i>		0		
	<i>Reappropriate AIA Sewer Grant; balance of PO 8599 McGill Assoc.</i>				

Projects and Studies

61-7300-8400	Project: Sewer I-85 East Engineering - Design	\$	44,997	\$	44,997
61-7300-8400	Project: Sewer I-85 East Engineering - CACO	\$	5,486,465	\$	5,531,462
61-7300-8410	Project: Sewer I-85 CP1 Construction	\$	32,005,534	\$	32,005,534
61-7300-8430	Project: Sewer I-85 East SGWASA Funded - Legal Svcs	\$	82,064	\$	82,064
61-7300-8430	Project: Sewer I-85 East SGWASA Funded - Bond Counsel	\$	40,000	\$	122,064
61-3998-0000	Other Financing Sources	\$	(37,536,996)	\$	37,757,914
61-4000-0000	Fund Balance	\$	(122,064)	\$	(1,616,564)
	<i>Re-appropriate Cap Proj Ordinance for Collection System Upgrade Project</i>		0		
	<i>Re-appropriate balance of CDM Smith Contracts & ARPA Funding</i>				
	<i>Re-appropriate balance of Smith-Law scope of \$90,000 for legal svcs</i>				
	<i>Re-appropriate balance of PO 8549; McGuire Woods bond counsel svcs</i>				
61-7300-8620	Project: PFAS WTP Upgrades	\$	167,130	\$	167,130
61-3998-0000	Other Financing Sources	\$	(167,130)	\$	37,925,044
	<i>Reappropriate PFAS \$500k Grant; balance of PO 8966 CDM Smith</i>				
61-7300-8270	Project: WTP Bypass Valve(s)	\$	96,038	\$	96,038
61-4000-0000	Fund Balance	\$	(96,038)	\$	(1,712,602)
	<i>Reappropriate balance of PO 8986 Hazen & Sawyer wtp bypass valves</i>		0		
61-7300-8500	Studies & Consultations-Variou	\$	23,203	\$	43,203
61-4000-0000	Fund Balance	\$	(23,203)	\$	(1,735,805)
	<i>Re-appropriate balance of PO 8989 McGill Assoc facility needs study</i>		0		
61-7300-8640	Project: WTP Cleawell Rehab	\$	20,322	\$	20,322
61-4000-0000	Fund Balance	\$	(20,322)	\$	(1,756,127)
	<i>Re-appropriate balance of PO 8990 Hazen & Sawyer WTP clearwell rehab</i>		0		
61-7300-8660	Project: WTP Water Quality	\$	203,930	\$	203,930
61-4000-0000	Fund Balance	\$	(203,930)	\$	(1,960,057)
	<i>Re-appropriate balance of PO 8991 Hazen & Sawyer WTP water quality</i>		0		
61-7300-8700	Project: Mass Meter Replacement	\$	199,447	\$	199,447
61-7300-8700	Project: Mass Meter Replacement	\$	30,617	\$	230,064
61-4000-0000	Fund Balance	\$	(230,064)	\$	(2,190,121)
	<i>Re-appropriate balance of PO 9057 Vanguard Utility mass meter replacements</i>		0		
	<i>Re-appropriate balance of budget for Sgwasa purchase of supplies for project</i>				
61-7300-8670	Project: WTP Filtration	\$	204,391	\$	204,391
61-4000-0000	Fund Balance	\$	(204,391)	\$	(2,394,512)
	<i>Re-appropriate balance of PO 9198 Hazen & Sawyer wtp filter replacements</i>		0		

		Operating		CIP	Total
	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)
	Transfer to (from) FB-amended budget	\$	(\$1,494,500)	\$	(\$900,012) (\$2,394,512)

Agenda Item - 15

Topic: Fiscal Year 2025-2026 Budget Amendment #3

Requested Action: Seeking the Board of Directors approval of Budget Amendment #3

Presenter(s): Richard Balmer, Finance Director

Background:

Budget Amendment #3 appropriates operating fund balance for the award of the WTP Filter Media Project as presented by the Executive Director in a previous item on tonight's Agenda. This Amendment is funded from operating fund balance due to the lack of funding available in CIP fund balance.

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)
Total	(\$ 1,494,500)	(\$ 900,012)	(\$ 2,394,512)

Budget Amendment #3

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

Revenues: Increase / (Decrease)	Amendment/Change	
Transfer from Fund Balance	\$ 987,528	
Total Revenues		\$ 987,528
Expenditures: Increase / (Decrease)		
Projects and Studies	\$ 987,528	
Total Expenditures		\$ 987,528

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.

Attachments: BA3 Supporting Documentation

Executive Director's Recommendation:

The SGWASA Board of Directors approve Budget Amendment #3.

Budget Amendment #3 Supporting Documentation

**BA #3 Supporting Documentation
(For Reference Only)**

		<i>Amendment / Change</i>	<i>Budget after Change</i>
<i>Projects and Studies</i>			
61-7300-8670	Project: WTP Water Filtration Project	\$ 987,528	\$ 1,191,919
61-4000-0000	Fund Balance	\$ (987,528)	\$ (3,382,040)
	<i>Appropriate budget for WTP Filter Project award</i>	0	
	<i>Using operating FB due to CIP FB being depleted/committed</i>		

		Operating	CIP	Total
	Transfer to (from) FB-original budget	\$ (1,345,076)	\$ 0	(\$1,345,076)
	Budget Amendment #1	\$ (4,000)	\$ 0	(\$4,000)
	Budget Amendment #2	\$ (145,424)	\$ (900,012)	(\$1,045,436)
	Budget Amendment #3	\$ (987,528)	\$ 0	(\$987,528)
	Transfer to (from) FB-amended budget	\$ (\$2,482,028)	\$ (\$900,012)	(\$3,382,040)

Agenda Item - 16

Topic: SGWASA PFAS Pilot Study Update- Summer 2025

Requested Action: Informational only - No Board action necessary.

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

Background:

On April 10, 2024, the U.S. EPA finalized the National Primary Drinking Water Regulation (NPDWR) for six PFAS, setting enforceable Maximum Contaminant Levels (MCLs). Public water systems must comply by April 26, 2029, if PFAS levels exceed these limits.

PFAS, often called “forever chemicals,” persist in the environment and are found in everyday products like lotions, cleaning supplies, non-stick cookware, and dental floss. Water utilities like SGWASA are passive receivers of PFAS, which enter source waters before treatment.

To address the new regulations, SGWASA hired engineering firm CDM Smith in July 2023 to develop a PFAS Pilot Testing Program (CIP ID# 101-07, FY23–33). The \$500,000 project, funded by a grant from NCDEQ, started in October 2024 and will conclude in 2025. Results from the PFAS Pilot Testing program will guide future engineering design and construction.

Analysis:

To keep the SGWASA Board and customers updated on the PFAS Pilot Testing Program, the Executive Director requested periodic status reports from CDM Smith, which recently provided the following update. Please see the following page for the status report.

PFAS Pilot Update – Summer 2025

Overview: The PFAS (per- and polyfluoroalkyl substances) pilot program at the South Granville Water and Sewer Authority (SGWASA) Water Treatment Plant has been successfully operating for over nine months. The pilot evaluated three treatment media:

- Calgon F-400 Granular Activated Carbon (GAC)
- DuPont Amberlite PSR2+ Anionic Exchange Resin (AER)
- Fluorosorb 200 Novel Sorbent (NS)

All media have effectively removed PFAS compounds, with no breakthrough observed (i.e., no PFAS detected above EPA's Maximum Contaminant Levels [MCLs]).

Key Findings:

- **PFAS Removal Performance:** All tested media consistently reduced PFOA and PFOS concentrations below EPA MCLs. SGWASA's current powdered activated carbon (PAC) system helps reduce PFAS but is insufficient alone for compliance. See figures 1 and 2 below.
- **Design Flexibility:** A pressure vessel contactor system is recommended to allow future media changes in response to evolving regulations and technologies.

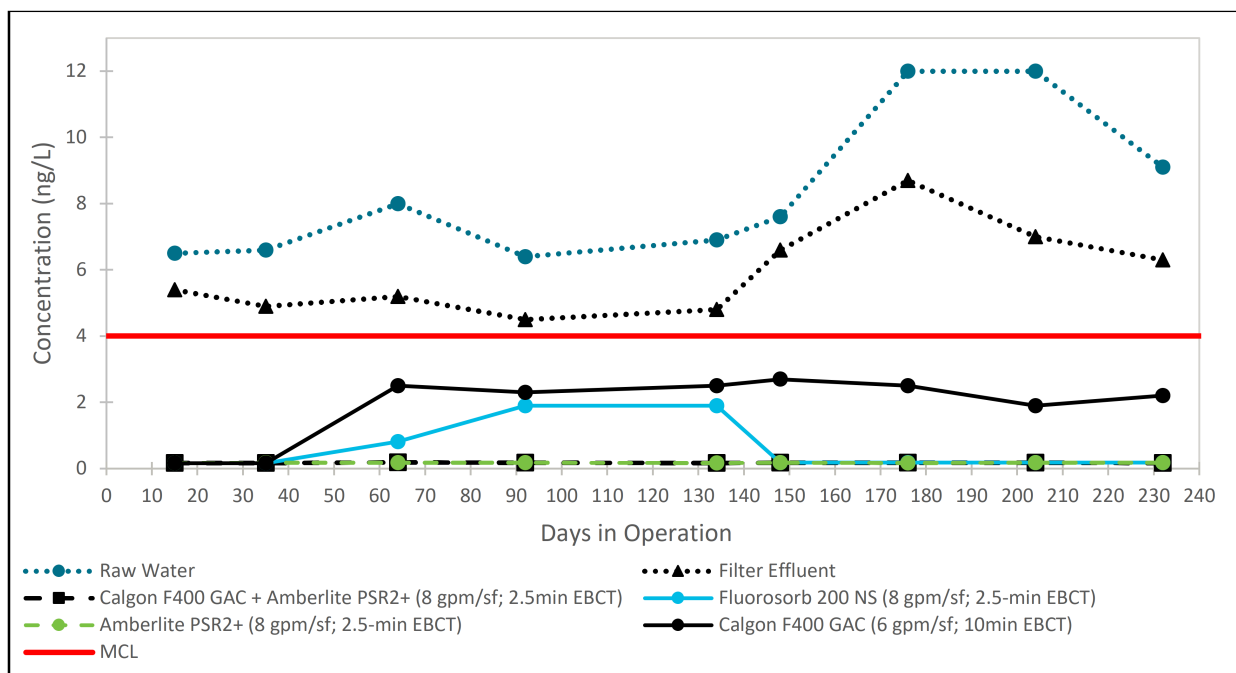


Figure 1. PFOA Concentration vs. Days of Operation

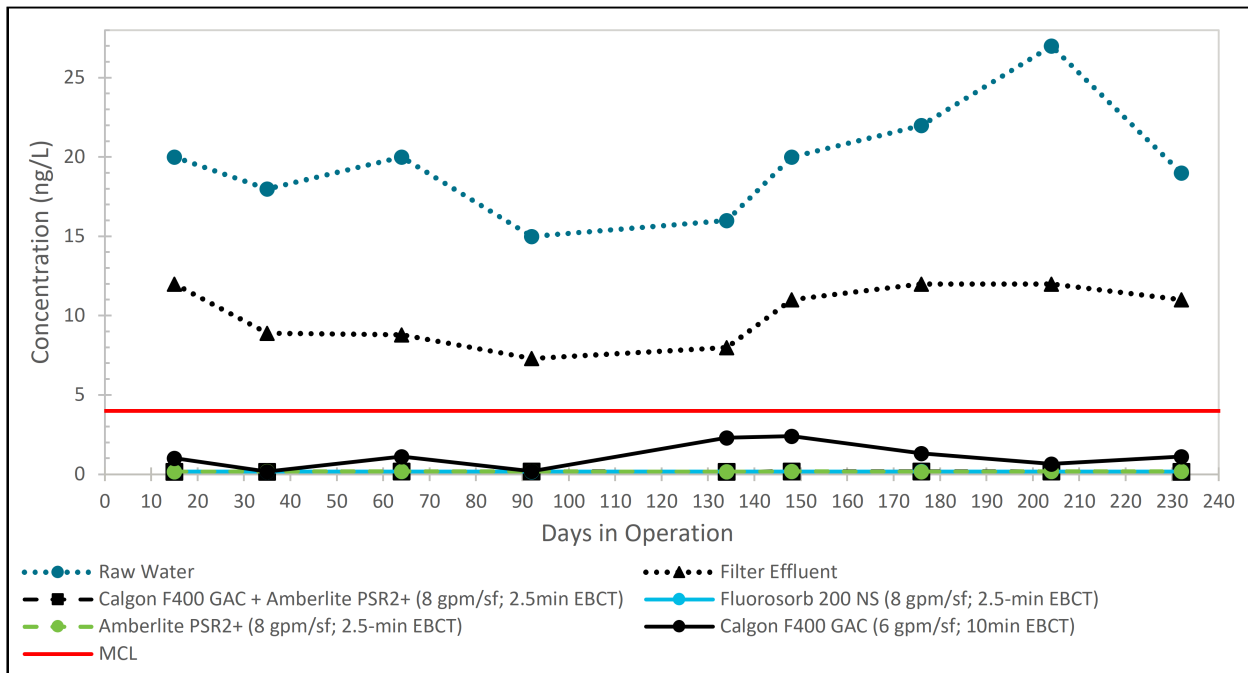


Figure 2. PFOS Concentration vs. Days of Operation

Recommendations:

1. **Extend Pilot Duration:** From 10 to 12 months to potentially observe media breakthrough and gather more data for lifecycle cost analysis.
2. **Proceed with Full-Scale Design:** Begin detailed design of a system that can accommodate any of the three tested media, ensuring flexibility and regulatory compliance.

Project Schedule Highlights:

The project team has executed the project on time as defined by the schedule in Task Order No. 1, PFAS Pilot Testing, and the subsequent project kickoff meeting.

Table 1. Completed Milestones

Milestone	Target Delivery	Date Delivered	On Schedule
Pilot Startup and Commissioning	Mid-October 2024	10/14/2024	Yes
Progress Update – 90-day	End of January 2025	01/30/2025	Yes
Progress Update – Pilot Midpoint	April/May 2025	04/08/2025	Yes
Progress Update – Design Recommendations	Mid July	07/10/2025	Yes

The tested media have performed above initial expectations. As a result, CDM Smith recommends proceeding with detailed design and extending the pilot duration from 10 months to 12 months.

Extending the pilot will yield more data for media profiling and detailed design, and potentially observing breakthrough, enabling a more accurate life cycle cost analysis for media comparisons.

The following table provides a new schedule for pilot testing and reporting, and design development.

Table 2. Forthcoming Milestones

Milestone	Original Target	New Target
Pilot Conclusion	August 2025	October 2025
Begin Design Phase	October 2025	October 2025 (unchanged)
Draft Pilot Report	October 2025	December 2025
Board Presentation on Pilot Results	November 2025	January 2025

Strategic Plan 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.

Focus Area #4 – Environmental Character

- Objective #1: Ensure that the Authority minimizes environmental impacts by complying with all regulatory standards.

Attachments:

None.

Executive Director's Recommendation:

Informational only - No Board action necessary.

Agenda Item - 17

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 - 18

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 - 19

Comments from Board Members

Butner Councilperson Vicky Daniels

Creedmoor Commissioner Robert Way

Granville County Commissioner Tim Karan

Stem Commissioner Kenneth McLamb

Creedmoor Commissioner Georgana Kicinski, Vice-Chair (*Not present*)

Granville County Commissioner Jimmy Gooch - Chair

Agenda Item - 20

Closed Session (as needed)

Agenda Item - 21

Meeting Adjournment