



COMMISSION MEETING MINUTES
July 31, 2018

<u>No.</u>	<u>Topic</u>	<u>Page</u>
1.	<u>Awards and Recognition</u>	3-5
a.	<u>Service Award</u>	3-4
b.	<u>United Way Awards</u>	4
c.	<u>U.S. Water Prize Award</u>	5
2.	<u>Consent Agenda</u>	6
a.	<u>Approval of Minutes</u>	6
b.	<u>Contract Awards</u>	6
c.	<u>Task Orders</u>	6
d.	<u>Contract Change Orders</u>	6
e.	<u>Sole Source</u>	6
f.	<u>HRSD Use of Existing Competitively Awarded Contract Vehicle</u>	6
3.	<u>Atlantic Treatment Plant Access Road Extension Initial Appropriation and Task Order Award</u>	7
4.	<u>Ferebee Avenue Pump Station Replacement Acquisition of Real Property – 2900 Bainbridge Boulevard, Chesapeake, Virginia</u>	8
5.	<u>King William County Service Agreement (includes Billing Services Agreement 10/18/18)</u>	9
6.	<u>Lafayette Norview-Estabrook Pump Station Replacements Initial Appropriation and Contract Award</u>	10-11
7.	<u>Orcutt Avenue and Mercury Boulevard Gravity Sewer Improvements Additional Appropriation, Contract Award and Task Order</u>	12-13
8.	<u>SWIFT Program Management Initial Appropriation and Contract Award</u>	14-16
9.	<u>SWIFT Facility – Williamsburg Initial Appropriation and Task Order</u>	17-18



COMMISSION MEETING MINUTES
July 31, 2018

<u>No.</u>	<u>Topic</u>	<u>Page</u>
10.	<u>SWIFT Well Services Initial Appropriation and Contract Change Order</u>	19-20
11.	<u>Water Quality Department Instrumentation and Monitoring Equipment Initial Appropriation</u>	21
12.	<u>Capital Improvement Program (CIP) Quarterly Update</u>	22
13.	<u>Finance Committee Appointment for Fiscal Year 2019</u>	23
14.	<u>Freedom of Information Act Policy Update</u>	24
15.	<u>Unfinished Business</u>	25
16.	<u>New Business</u>	25
17.	<u>Commissioner Comments</u>	25
18.	<u>Public Comments Not Related to Agenda</u>	25
19.	<u>Informational Items</u>	25
	a. <u>Management Reports</u>	25
	b. <u>Strategic Planning Metrics Summary</u>	25
	c. <u>Effluent Summary</u>	25
	d. <u>Air Summary</u>	25
20.	<u>Work Session – Freedom of Information Refresher</u>	26

Attachments (9)



COMMISSION MEETING MINUTES
July 31, 2018

Todd has been heavily involved with many facets of HRSD his entire tenure and can always be counted on to do whatever it takes to meet the needs of the organization.

b. Other Awards

Mr. Henifin introduced the HRSD United Way Committee present at the meeting: Mary Strong, North Shore Electrical Materials Coordinator (Co-Chair); Ann Copeland, North Shore Engineering Project Manager (Co-chair); Tiffany Elston, Engineering Data Analyst; Bobbi Hermans, Customer Care Administrative Coordinator; Shawn Maxfield, Pretreatment and Pollution Prevention Specialist.

- (1) The United Way of the Virginia Peninsula recently honored HRSD with our first “*Community Builder*” award which was accepted by Ann Copeland, Project Manager in the Design and Construction Division, on behalf of the HRSD United Way Committee. The Community Builder award is given to companies and organizations that increase their workplace campaign not just by a dollar amount, but through participation, and through volunteering their time and employee talents throughout the community. P3 Specialist Shawn Maxfield is recognized for her contributions in helping HRSD earn this recognition.
- (2) This year also marks the eighth consecutive year that HRSD has received recognition by the United Way of South Hampton Roads for our employees’ efforts in supporting non-profit agencies working to improve the quality of life in Hampton Roads. This year HRSD earned the “*Bronze Trailblazer Award*” during a June 7 luncheon attended by key campaign volunteers and Commission members. The team members, whose efforts helped HRSD earn this award, are Mary Strong, North Shore Electrical Materials Coordinator; Ann Copeland, North Shore Engineering Project Manager and Tiffany Elston, Engineering Data Analyst.

Three awards are presented at the annual event - the Bronze Trailblazer (meets one criterion), the Silver Trailblazer (meets two criteria) and the Gold Trailblazer (meets three criteria). The criteria to receive an award are:

- All must meet a minimum of \$5,000 contribution and 5 pledges
- 60 percent of company pledges
- Per capita gift minimum of \$75 per person or higher
- Average contribution of \$150 or more per person

HRSD had an average of \$352.95 per contribution and received 126 pledges with 15 percent of employees contributing.



COMMISSION MEETING MINUTES
July 31, 2018

- (3) HRSD has earned the “Oscar” of the water industry, receiving the U.S. Water Prize in the public sector for SWIFT. The U.S. Water Alliance awarded HRSD with the prize on July 10 during the One Water Summit 2018 held in Minneapolis, MN. The U.S. Water Prize celebrates outstanding achievement in the advancement of sustainable, integrated, and inclusive solutions to water challenges and is considered the preeminent national recognition program for exemplary efforts to secure a sustainable water future for all. Commission Chair Rick Elofson, together with Jamie Mitchell, Chief of Technical Services; Germano Salazar-Benites, SWIFT Project Manager, and Ramola Vaidya, Water Technology and Research Intern accepted the award on behalf of all of HRSD.

Attachment #1: [Photos](#)

Public Comment: None



COMMISSION MEETING MINUTES
July 31, 2018

2. **CONSENT AGENDA**

Action: Approve the items listed in the Consent Agenda.

Moved: Vishnu Lakdawala **Ayes:** 7
Seconded: Stephen Rodriguez **Nays:** 0

Brief:

- a. Approval of minutes from previous meeting.
- b. Contract Awards
 - 1. [Wastewater Process Tank Cleaning Services](#) \$500,000
- c. Task Orders
 - 1. [Treatment Plant Dewatering Replacement Phase I](#) \$340,862
 - 2. [Williamsburg Treatment Plant Generator and Switchgear Replacement](#) \$737,191
- d. Contract Change Orders
 - 1. [Long-Term Stability of Partial Nitrification in Stratified Aerobic Granules and Development of Mainstream Anammox Research Studies](#) \$0 / 145 Day extension
- e. Sole Source
 - 1. [Clearwater Sales, Inc. DBA Clearwater, Inc. InsiteIG® Sensors and Replacement Parts](#)
 - 2. [Downey Ridge Environmental Company Greasezilla® Grease Separating Unit](#)
 - 3. [JWC Environmental LLC Muffin Monster Inline Sewage Grinders and Replacement Cartridges](#)
- f. HRSD Use of Existing Competitively Awarded Contract Vehicle
 - 1. [Manhole and Wet Well Rehabilitation](#) \$345,000

Item(s) Removed for Discussion: None
Attachment #2: [Consent Agenda](#)
Public Comment: None



COMMISSION MEETING MINUTES
July 31, 2018

3. ATLANTIC TREATMENT PLANT ACCESS ROAD EXTENSION
INITIAL APPROPRIATION AND TASK ORDER AWARD (>\$200,000)

Actions:

- a. Appropriate total project funding in the amount of \$4,543,700.
- b. Approve a task order with HDR Engineering, Inc. under the General Engineering Services contract in the amount of \$204,394.

<u>Moved:</u>	Stephen Rodriguez	<u>Ayes:</u>	7
<u>Seconded:</u>	Vishnu Lakdawala	<u>Nays:</u>	0

CIP Project: AT012920

Project Description: This project will provide a second vehicle [access road](#) into the Atlantic Treatment Plant.

Funding Description: The initial appropriation is based on a Class 5 cost estimate with an estimated construction cost of \$3,830,700.

Task Order Description and Analysis of Cost: This task order will provide preliminary design and permitting determination services. Rerouting increased construction related traffic from the residential streets adjacent to the Atlantic Treatment Plant will improve public safety and limit impacts to the adjacent neighborhood and Ocean Lakes High School. A meeting was held to discuss the project and scope of services. A fee of \$204,394 was negotiated which is based on hourly rates in HDR’s annual services contract. This fee is 6.7 percent of the estimated construction cost which is reasonable when compared to other transportation related projects.

<u>Schedule:</u>	PER	August 2018
	Design	July 2020
	Bid	April 2022
	Construction	July 2022
	Project Completion	July 2023

Discussion Summary: Determination of whether this will be a limited access road will be addressed during the design and permitting phase. The Navy may want use of the road as a second access to Dam Neck base.

Attachment #3: [Map](#)

Public Comment: None



COMMISSION MEETING MINUTES
July 31, 2018

4. **FEREBEE AVENUE PUMP STATION REPLACEMENT ACQUISITION OF REAL PROPERTY – 2900 BAINBRIDGE BOULEVARD, CHESAPEAKE, VIRGINIA**

Actions:

- a. **Approve the purchase of 2900 Bainbridge Boulevard for \$450,000 in accordance with the terms and conditions of the Purchase and Sale Agreement and forthcoming Deed with John W. and Catherine M. Chappell, owners of subject property in Chesapeake, Virginia.**
- b. **Authorize the General Manager to execute same, substantially as presented, together with such changes, modifications and deletions as the General Manager may deem necessary.**

<u>Moved:</u>	Maurice Lynch	<u>Ayes:</u>	7
<u>Seconded:</u>	Ann Templeman	<u>Nays:</u>	0

CIP Project: VP014010

Budget:	\$5,852,747
Previous Expenditures and Encumbrances:	<u>(\$167,265)</u>
Available Balance:	\$5,685,482

Project Description: After several preliminary engineering, location, and cost evaluations, HRSD staff and engineering consultants selected five potential properties that were deemed to be suitable sites to relocate the existing Ferebee Pump Station. HRSD reached out to the five property owners and three of the five owners were willing to sell. Because 2900 Bainbridge Boulevard is immediately adjacent to the existing pump station, and several other Engineering, logistical and cost factors, it was determined to be the best option for the pump station replacement.

Attachments: The attached [Purchase and Sale Agreement](#) was reviewed by HRSD staff and legal counsel. The Deed is forthcoming and will also be reviewed by HRSD staff and legal counsel before execution. A facilities orientation [map](#) is provided for clarification purposes.

Analysis of Cost: HRSD will purchase the property for the negotiated price of \$260,000, which is reflective of sales of single family homes and current listings in the area, plus \$190,000 for moving and relocation costs (totaling \$450,000).

Discussion Summary: The pump station structure will be designed to blend into the existing community.

Attachment #4: [Purchase and Sale Agreement and Map](#)

Public Comment: None



COMMISSION MEETING MINUTES
July 31, 2018

5. **KING WILLIAM COUNTY SERVICE AGREEMENT**

Action: Approve the terms and conditions of the Service Agreement with King William County and authorize the General Manager to execute same, substantially as presented, together with such changes, modifications and deletions as the General Manager may deem necessary.

Moved: Maurice Lynch **Ayes:** 6 (lost remote connection with Mr. Glenn)
Seconded: Ann Templeman **Nays:** 0

Background: HRSD entered an agreement in June 1999 with King William County to own and operate the sewer system in the County. The agreement with King William was executed at the time HRSD territory was expanded to include the Middle Peninsula communities. Due to a number of issues with the various properties that were to be conveyed to HRSD at the time, an addendum was entered into in October 1999 whereby the County agreed to lease the sewer system to HRSD until such time as the property issues could be resolved. That arrangement has continued for the past 18 years. HRSD has been maintaining a sewer system that we did not own.

More than two-years ago we began the process of resolving this issue. We finally are ready to execute an [agreement](#) that transfers all the [real property](#) and the entire sewer system to HRSD.

As we have done with other small systems, the property is conveyed to HRSD at no cost to HRSD. We agree to provide interceptor sewers including necessary treatment capacity to within two miles of any sewer service area in the County provided it is in accordance with the County's Comprehensive Plan and the County water system is extended to serve the area.

The County may terminate this agreement with three years notice to HRSD. Any property conveyed to HRSD by the County would be returned to the County at no cost to the County. As the County is giving up all capacity to convey and treat sewage with this agreement, HRSD can only terminate with consent of the County.

We have been operating King William facilities for the past 18 years as if we owned those facilities. Execution of this agreement will finally officially memorialize our current operations as envisioned in 1999 and as has been done in all other small communities.

Attachment #5: [Agreement \(includes Deed of Transfer and Billing Services Agreement\)](#)

Public Comment: None



COMMISSION MEETING MINUTES
July 31, 2018

6. **LAFAYETTE NORVIEW-ESTABROOK PUMP STATION REPLACEMENTS
INITIAL APPROPRIATION AND CONTRACT AWARD (>\$200,000)**

Actions:

- a. **Appropriate total project funding in the amount of \$18,495,895.**
- b. **Award a contract to Hazen and Sawyer, P.C. in the amount of \$665,468.**

Moved: Stephen Rodriguez **Ayes:** 6 (remote connection not re-established)
Seconded: Vishnu Lakdawala **Nays:** 0

CIP Project: VP015400

Type of Procurement: Competitive Negotiation

Proposers	Technical Points	Recommended Selection Ranking
Hazen and Sawyer, P.C.	91	1
Whitman Requardt and Associates, LLP	89	2
Dewberry	87	

Contract Description: A Public Notice was issued on March 25, 2018. Eight firms submitted proposals on April 24, 2018, and all firms were determined to be responsive and deemed fully qualified, responsible and suitable to the requirements in the Request for Proposals. Three firms were short listed, interviewed and technically ranked as listed above. The Professional Services Selection Committee selected Hazen and Sawyer, P.C. whose professional qualifications and proposed services will best serve the interest of HRSD. The initial contract is for Preliminary Engineering Report (PER) services. Additional phases of work will be negotiated once the PER is complete.

Project Description: This project is to rehabilitate and/or replace four pump stations, and their associated force mains, in the Lafayette-Norview-Estabrook areas of the City of Norfolk (City Park Pump Station #106, Chesapeake Boulevard Pump Station #105, Luxembourg Avenue Pump Station #113, and Ashland Circle Pump Station #102).

Funding Description and Analysis of Cost: The initial appropriation is based on a Class 5 cost estimate with an estimated construction cost of \$14,310,400. This project is part of the work to be completed in the Rehabilitation Plan – Phase 2 program as approved by the U.S. EPA as part of the Consent Decree. The scope and fee were negotiated, and a fee of \$665,468 was considered to be appropriate for the PER. This fee is 4.7 percent of the estimated construction cost which is reasonable when compared to similar projects.



COMMISSION MEETING MINUTES
July 31, 2018

Schedule: PER August 2018
 Design May 2019
 Bid March 2020
 Construction July 2020
 Project Completion May 2024

Attachment: None

Public Comment: None



COMMISSION MEETING MINUTES
July 31, 2018

7. **ORCUTT AVENUE AND MERCURY BOULEVARD GRAVITY SEWER IMPROVEMENTS
ADDITIONAL APPROPRIATION, CONTRACT AWARD (>\$200,000) AND
TASK ORDER (>\$200,000)**

Actions:

- a. **Appropriate additional funding in the amount of \$2,797,686.**
- b. **Award a contract to Basic Construction Company in the amount of \$7,763,169.**
- c. **Approve a task order with Johnson, Mirmiran & Thompson (JMT) in the amount of \$526,357.**

Moved: Ann Templeman **Ayes:** 7
Seconded: Elizabeth Taraski **Nays:** 0

CIP Project: BH015000

Budget	\$6,655,000
Previous Expenditures and Encumbrances	(\$663,160)
Available Balance	\$5,991,840
Proposed Contract Award to Basic Construction Co.	(\$7,763,169)
Proposed Task Order to JMT	(\$526,357)
Proposed Contingency	(\$500,000)
Project Shortage/Requested Additional Funding	(\$2,797,686)
Revised Total Project Authorized Funding	\$9,452,686

Type of Procurement: Competitive Bid

Bidder	Bid Amount
Basic Construction Company, LLC	\$7,763,168.60
S J Louis Construction, LLC	\$8,282,000.00
Tidewater Utility Construction, Inc.	\$8,474,571.00
Henry S. Branscome, LLC	\$8,629,288.00
TA Sheets General Contractors, Inc.	\$9,449,100.00
Gaston Brothers Utilities, LLC	\$10,035,043.21

HRSD/Engineer Estimate: \$8,191,050

Contract Description: This contract is for the Orcutt Avenue and Mercury Boulevard Gravity Sewer Improvements project. In accordance with HRSD's competitive sealed bidding procedures, the Engineering Department advertised and solicited bids directly from potential bidders on June 8, 2018. Six bids were received on July 10, 2018 and evaluated based upon the requirements for the invitation for bid. Basic Construction Company is the apparent low bidder with a bid amount of \$7,763,169.



COMMISSION MEETING MINUTES
July 31, 2018

Project Description: This project includes the rehabilitation and/or replacement of approximately 16,620 linear feet of 15 and 18-inch gravity sewer pipe and 81 manholes on Orcutt Avenue and Mercury Boulevard in Hampton. This scope of work also includes replacement of approximately 325 linear feet of 18-inch gravity sewer with 30-inch gravity sewer along Mercury Boulevard, and approximately 120 linear feet of 24-inch gravity sewer with 36-inch gravity sewer across the intersection of Orcutt Avenue and Mercury Boulevard. A Cost Sharing Agreement was approved by the Commission during the November 24, 2015 meeting for the City of Hampton's cost for sanitary sewer rehabilitation work, which is included in this project (approximately \$250,000).

Funding Description and Analysis of Cost: The total cost estimate for this project is approximately \$9.4 million. The estimate includes \$1.2 million in engineering costs, \$7.7 million in construction costs, and a 6.4 percent contingency of \$500,000. The contingency amount is to accommodate any potential unforeseen conditions. The original CIP project estimate did not anticipate a two-year bid delay from March 2016 to April 2018. The lowest bid amount of \$7.7 million exceeds the balance available for this CIP project. Therefore, this project requires approximately \$2.8 million in additional funding.

Task Order Description: This task order will provide construction phase services for this project. A fee of \$526,357 was negotiated with JMT and was based upon anticipated construction administration and inspection hours required for this effort. This cost for construction phase services is roughly seven percent of the total construction cost and is comparable with projects of similar size and complexity. This project will require significant night work to avoid potential impacts to businesses in the vicinity.

<u>Schedule:</u>	Construction	August 2018
	Project Completion	February 2020

Attachment: None

Public Comment: None



COMMISSION MEETING MINUTES
July 31, 2018

8. **SWIFT PROGRAM MANAGEMENT
INITIAL APPROPRIATION AND CONTRACT AWARD (>\$200,000)**

Actions:

- a. **Appropriate total project funding in the amount of \$80,000,000.**
- b. **Award a contract to AECOM in the amount of \$5,264,440.**

Moved: Stephen Rodriguez **Ayes:** 7
Seconded: Maurice Lynch **Nays:** 0

CIP Project: GN016320

Type of Procurement: Competitive Negotiation

Proposers	Technical Points	Recommended Selection Ranking
AECOM / Hazen & Sawyer	88	1
Brown and Caldwell	84	2
HDR Engineering, Inc.	81	3
Black & Veatch Corporation	70	4

Contract Description: This contract is for professional engineering services to provide program management of the SWIFT Full Scale Implementation Program. A Public Notice and Request for Proposals Phase One was issued on March 18, 2018. Five firms submitted Phase One Proposals on April 11, 2018 and all firms were determined to be responsive and deemed fully qualified, responsible and suitable to the requirements in the Request for Proposals. Four firms were short listed. A Request For Proposals Phase Two was issued to the four short listed firms on April 30, 2018. All four firms submitted Phase Two Proposals on May 15, 2018. Interviews were held with all four firms on May 25, 2018. A final technical ranking was calculated based on a technical evaluation of the Phase One and Phase Two Proposals, subsequent discussions during interviews, and the evaluation criteria. The proposal submitted by AECOM, with Hazen & Sawyer as a major sub consultant, was ranked by technical points to be highest qualified.

Project Description: The SWIFT Full Scale Implementation Program Management team will manage the delivery of the advanced water treatment facilities to take HRSD's already highly treated wastewater and produce SWIFT water. The Program Management team may also deliver conveyance, wastewater treatment plant improvements, and other such projects to support full scale SWIFT implementation. The Program Management team will implement the processes, procedures, and systems needed to design, procure, construct, permit, manage, and integrate the new SWIFT related assets.



COMMISSION MEETING MINUTES
July 31, 2018

Analysis of Cost: The professional engineering services contract includes the scope and fee for the first year of the program (FY 2019). It is intended that subsequent program management services scopes and fees will be negotiated annually. The negotiated rates for the first year are slightly less than the rates charged by HRSD's General Engineering Services firms. The activities and number of hours associated with each task are considered to be a reasonable estimate of the effort required. Therefore, the proposed fee for year one of program management services is considered to be reasonable. Compensation for program management services will be reimbursed on a time and materials basis.

Schedule: Study August 2018 to June 2019

Discussion Summary: The program management team will use its facilities for staffing. HRSD staff may use their office space when necessary. The program management team will help us with public relations and communications of the project-specific aspects, such as public notices, public hearings and city council meeting requirements. The HRSD Communications Department will continue to provide public relations and communications for the overall SWIFT program.

Recharge and sampling wells will be at various locations to analyze the effect of the recharge on the aquifer. The monitoring will be done to a lesser degree than what is being done now at the SWIFT Research Center.

Mr. Henifin said the feedback we are getting from the EPA Underground Injection Control staff on the aquifer replenishment/recharge program, the permitting entity for SWIFT, has been positive. They are in support of putting clean water into the drinking water aquifer.

Commissioner Rodriguez expressed concern that we remain cognizant of safety and have safeguards in place to react to any issue. Mr. Henifin explained we are using the same hazard analysis and control point technology that is used in food, medicine and other manufacturing processes to constantly monitor for certain parameters at multiple locations throughout the process. At any time, before the water is put into the ground it can be diverted back to the SWIFT facility for additional treatment. The water that is replenishing the aquifer goes into a balloon-like space. If necessary, we can reverse the process and pump the water out of the aquifer. SWIFT Water is not going directly into drinking water pipes that will be used by consumers in the near future. It will actually show up in 100 years. We have time to react to changes in the environment as they occur. Our efforts are focused on not putting anything into the ground that we would not want in our bodies. Our Information Technology department has upgraded network security for the extensive automation controls needed for SWIFT.

Mr. Henifin explained the project timeline constraints in relation to federal regulations. There are a number of circumstances surrounding the project that require us to move quickly. Groundwater withdrawal permits are issued to large industrial users for a 10-year period. The renewal process will begin for these users around 2025 for the renewals due in 2027. If



COMMISSION MEETING MINUTES
July 31, 2018

we are not able to show that we are making a difference with SWIFT, the amount of groundwater withdrawals potentially could be reduced again for the region, which would have a negative economic impact for all of eastern Virginia. The Chesapeake Bay TMDL requires significant investments in nutrient and sediment removal by 2025. The EPA Consent Decree requires certain work to be accomplished by 2030. If this project is not completed by then, we will be funding all work at the same time, potentially magnifying costs to ratepayers.

On-going research and operational experience will inform the design of the full-scale SWIFT facilities. The proposed plan for full-scale facilities will be a dynamic and challenging process and involve multiple concurrent projects. The facilities to accommodate the Boat Harbor flow at Nansemond Treatment Plant may be the most demanding due to the challenge of crossing the Hampton Roads.. The SWIFT facilities at the Virginia Initiative Plant (VIP) will need to be the largest to encompass flow from both VIP and the Army Base Treatment Plant.

Attachment #6: [Presentation](#)

Public Comment: None



COMMISSION MEETING MINUTES
July 31, 2018

9. **SWIFT FACILITY - WILLIAMSBURG
INITIAL APPROPRIATION AND TASK ORDER (>\$200,000)**

Actions:

- a. **Appropriate total project funding in the amount of \$124,574,928.**
- b. **Approve a task order with AECOM under the SWIFT Full Scale Implementation Program Management contract in the amount of \$3,928,376.**

Moved: Vishnu Lakdawala **Ayes:** 7
Seconded: Maurice Lynch **Nays:** 0

CIP Project: GN016350

Contract Status:	Amount
Original Contract with AECOM	\$0
Total Value of Previous Task Orders	\$0
Requested Task Order	\$3,928,376
Total Value of All Task Orders	\$3,928,376
Revised Contract Value	\$0
Engineering Services as % of Construction	2.7%

Project Description: The Williamsburg SWIFT Facilities project will provide advanced water treatment facilities needed to produce SWIFT Water at the Williamsburg Treatment Plant (WBTP). The scope includes advanced water treatment facilities, recharge wells, and modifications to the non-potable water system. The scope does not include improvements to the existing wastewater treatment process to improve the quality of the secondary effluent, to be compatible with the SWIFT facilities. The scope does not include modifications to the existing outfall system.

Task Order Description: This task order will provide design development services required to support the design, procurement, and construction of the WBTP SWIFT advanced water treatment facilities. AECOM will confirm feasibility of the concept level 10 Percent Design Report and advance the design effort by developing a 30 Percent Design, resulting in a Basis of Design Report (BODR). The BODR will used for procurement of the next phase of work. Only design development services are being requested at this time.

Analysis of Cost: The cost for this task order is based on a detailed negotiated scope of work for design development services. The raw average labor rate for this project is \$47.58/hour, which is reflective of the participation of subject area experts that will be involved in this design development effort. Overall, the total cost for this task order was compared to PER efforts for large treatment plant projects. This task order has a higher engineering fee to construction cost ratio as this project will develop the initial design



COMMISSION MEETING MINUTES
July 31, 2018

framework and specifications that become a platform for future SWIFT facility development. Compensation for design development services will be on a lump sum basis.

<u>Schedule:</u>	PER	August 2018
	Design	December 2019
	Construction	September 2020
	Project Completion	June 2024

Attachment: None

Public Comment: None



COMMISSION MEETING MINUTES
July 31, 2018

10. **SWIFT WELL SERVICES
INITIAL APPROPRIATION AND CONTRACT CHANGE ORDER (>25% OR \$25,000)**

Actions:

- a. **Appropriate total project funding in the amount of \$2,500,000.**
- b. **Approve a change order to the contract with A.C. Shultes of Maryland, Inc. in the amount of \$2,069,000.**

Moved: Stephen Rodriguez **Ayes:** 7
Seconded: Maurice Lynch **Nays:** 0

CIP Project: GN016330

Project Description: The SWIFT Well Services project will provide for the construction of test wells, services for the development, logging, testing and conditioning of wells, and related monitoring equipment and appurtenances. All well services will be provided as part of this new project GN016330. Prior well services, conducted to support the early development phases of SWIFT, were part of GN015700 – Aquifer Replenishment System Concept Feasibility Evaluation, which has been completed.

Funding Description: The well drilling and testing project costs are billed on a per-unit basis and the estimated remaining work to be completed is \$2,500,000.

Change Order Description and Analysis of Cost: HRSD has an existing, competitively bid contract with A.C. Shultes of Maryland for well services. A per-unit cost was negotiated at the time of award. A.C. Shultes is reaching the end of their previously assigned scope of work. This change order request is to continue test well drilling and injection testing activities needed to support SWIFT at Williamsburg and James River Treatment Plants under a new CIP Project GN016330.

Contract Status	Amount	Cumulative % of Contract
Original Contract for A.C. Schultes of Maryland, Inc.	\$5,187,370	
Total Value of Previous Change Orders	(\$2,074,944)	(40%)
Requested Change Order	\$2,069,000	
Total Value of All Change Orders	(\$5,944)	(0.1%)
Revised Contract Value	\$5,181,426	



COMMISSION MEETING MINUTES
July 31, 2018

Schedule: Construction August 2018
 Project Completion July 2019

Attachment: None

Public Comment: None



COMMISSION MEETING MINUTES
July 31, 2018

11. **WATER QUALITY DEPARTMENT INSTRUMENTATION AND MONITORING EQUIPMENT
INITIAL APPROPRIATION**

Action: Appropriate total project funding in the amount of \$313,500.

Moved:	Vishnu Lakdawala	Ayes:	7
Seconded:	Ann Templeman	Nays:	0

CIP Project: GN017000

Project Description: This project will provide specialized analytical and field instrumentation to support multiple initiatives including SWIFT and water quality monitoring in the James River watershed. Purchase of the analytical instrumentation will reduce HRSD's reliance on contract services for analyses and improve data turnaround time.

Attachment: None

Public Comment: None



COMMISSION MEETING MINUTES
July 31, 2018

12. **CAPITAL IMPROVEMENT PROGRAM (CIP)
QUARTERLY UPDATE**

Action: No action required.

Brief: Implementing the CIP continues to be a significant challenge as we address numerous regulatory requirements, SWIFT Program implementation and the need to replace aging infrastructure. Staff will provide a briefing describing the status of the CIP, financial projections, projects of significance and other issues affecting the program.

Discussion Summary: During the discussion of Water Quality Improvement Fund (WQIF) Program grants, staff explained these grants are state funded. The only Federal funding is for loans received from the Virginia Revolving Loan Fund (VRLF).

Future quarterly updates on the firms used for Engineering and Construction projects will include the duration of the contract.

Staff explained construction delays have not impacted regulatory deadlines on any projects.

In response to a question about infiltration due to recent heavy rains, staff said we have a tremendous amount of flow and groundwater level data from rain gauges, flow meters, pressure gauges and monitoring wells throughout the service area. Our Data Analysis group continually monitors these regularly and reports are generated after every rain event. These reports are shared with the Operations Department to determine if any changes need to be made.

Attachment #7: [Presentation](#)

Public Comment: None



COMMISSION MEETING MINUTES
July 31, 2018

13. **FINANCE COMMITTEE APPOINTMENT FOR FISCAL YEAR 2019**

Action: Chairman Elofson appointed Stephen Rodriguez and Maurice Lynch to the Finance Committee for Fiscal Year 2019. Commissioner Rodriguez will serve as the Committee Chair.

Brief: In accordance with the HRSD Commission Governance Guidelines (adopted October 2013), the Commission maintains two standing committees: (1) Finance and (2) Operations and Nominations. These committees report as needed to the full Commission.

The Finance Committee meets periodically to review HRSD's financing activities, budgets and annual audits. Two members of the Commission are appointed each year by the Chair to serve on the Finance Committee for a one-year term beginning July 1. The Finance Committee will meet as follows for FY-2019:

- Comprehensive Annual Financial Report (CAFR) review Sep/Oct 2018
- Commissioner budget work session (after regular meeting) January 22, 2019
- First CIP review and prioritization meeting TBD March 2019
- Commissioner budget work session (after regular meeting) March 26, 2019
- Final CIP review meeting TBD March 2019
- Preliminary annual operating budget review March/April 2019
- Other financial issues As needed

All meetings of the Finance Committee are public meetings subject to the Virginia Freedom of Information Act (FOIA) requirements. Committee members serve at the pleasure of the Chair without limitation as to the number of one-year terms. Committee members continue serving until a replacement is appointed by the Chair.

Attachment: None

Public Comment: None



COMMISSION MEETING MINUTES
July 31, 2018

14. **FREEDOM OF INFORMATION ACT
COMMISSION ADOPTED POLICY**

Action: Approve changes to the HRSD Freedom of Information Act (FOIA) Policy.

Moved:	Vishnu Lakdawala	Ayes:	7
Seconded:	Stephen Rodriguez	Nays:	0

Brief: The Virginia General Assembly passed bills which clarified the definition of a public record and access to public records. In discussions with staff at the Virginia Freedom of Information Advisory Council, they recommended we further clarify “records held by others.” The attached revised [HRSD FOIA Policy](#) includes these updates along with a few housekeeping changes related to coordination of responses by key HRSD staff.

Also attached is HRSD’s “plain English” explanation of the rights of a requester under FOIA, the procedures to obtain public records from HRSD, and HRSD’s responsibilities in complying with FOIA. FOIA requires that this document, “[FOIA Rights and Responsibilities: The Rights of Requesters and the Responsibilities of HRSD](#)” be posted on HRSD’s website along with our policy.

Attachment #8: [Commission Adopted Policy](#)

Public Comment: None



COMMISSION MEETING MINUTES
July 31, 2018

15. **UNFINISHED BUSINESS – None**

16. **NEW BUSINESS**

Mr. Henifin discussed the circumstances around billing issues for approximately 2,700 accounts dating back to January 2018. When there is an anomaly in the information we receive from the jurisdiction, the bill is “kicked-out” of the system and not sent to the customer. Examples of this include when a meter is changed and the meter number doesn’t match, the meter reading is out of range or an adjustment is due. These bills require manual review to correct. Staff from the Customer Care Division and Information Technology Department are working together to develop automation to help reduce the amount of manual review required to correct these issues in the system. In the future, when bill kick-out occurs, customers will receive notice of the issue and an estimated bill until the correction can be made. We are also developing data standards for information to be submitted to us from the jurisdictions. Bills from this time period may be written off if deemed uncollectable due to age and lack of timely notice. Staff will make every attempt to minimize the write off and return to normal billing of all accounts in the near future.

17. **COMMISSIONER COMMENTS**

Commissioner Taraski recently organized a tour of the SWIFT Research Center for a group of individuals, business and community leaders, and foundation and government representatives. She thanked staff for the outstanding and comprehensive information provided during the two-hour tour. She has received very positive feedback from the participants.

Commissioner Elofson thanked staff for creating the opportunity for the homeowners near the Bridge Street Pump Station to attend an open house of the facility. He believes it was well received and there was a lot of interest from the community.

18. **PUBLIC COMMENTS NOT RELATED TO AGENDA – None**

19. **INFORMATIONAL ITEMS**

Action: No action required.

Brief: The items listed below were presented for information.

- a. [Management Reports](#)
- b. [Strategic Planning Metrics Summary](#)
- c. [Effluent Summary](#)
- d. [Air Summary](#)

Attachment #9: [Informational Items](#)

Public Comment: None



COMMISSION MEETING MINUTES
July 31, 2018

20. **WORK SESSION – FREEDOM OF INFORMATION REFRESHER**

Action: No action required.

Brief: Mr. Alan Gernhardt, the Executive Director of the Virginia Freedom of Information (FOIA) Advisory Council, provided an overview of the laws that must be followed by public servants as related to meetings. The presentation included an explanation of what constitutes a meeting, access to and disclosure of public records, and the appropriate use of emails by Commission members.

Mr. Gernhardt is the executive director of the Virginia Freedom of Information Advisory Council. He began working with the Council as a staff attorney in 2004, was promoted to senior attorney in 2008, and became executive director of the Council in 2017. He earned a B.S. from Indiana University and a J.D. from the University of Richmond, T.C. Williams School of Law. The Council issues formal and informal advisory opinions, publishes educational materials, provides training presentations, and serves as a legislative forum regarding access to public records and meetings under the Virginia Freedom of Information Act.

Attachment: None

Public Comment: None

Next Commission Meeting Date: August 28, 2018 at the HRSD South Shore Operations Complex, 1434 Air Rail Avenue, Virginia Beach, VA 23455

Meeting Adjourned: 11:46 a.m.

SUBMITTED:

Jennifer L. Cascio

Jennifer L. Cascio
Secretary

APPROVED:

Maurice P. Lynch

Maurice P. Lynch, PhD
Vice-Chair

HRSD COMMISSION MEETING MINUTES
July 31, 2018

ATTACHMENT #1

AGENDA ITEM 1. – Awards and Recognition – U.S. Water Prize Award photos



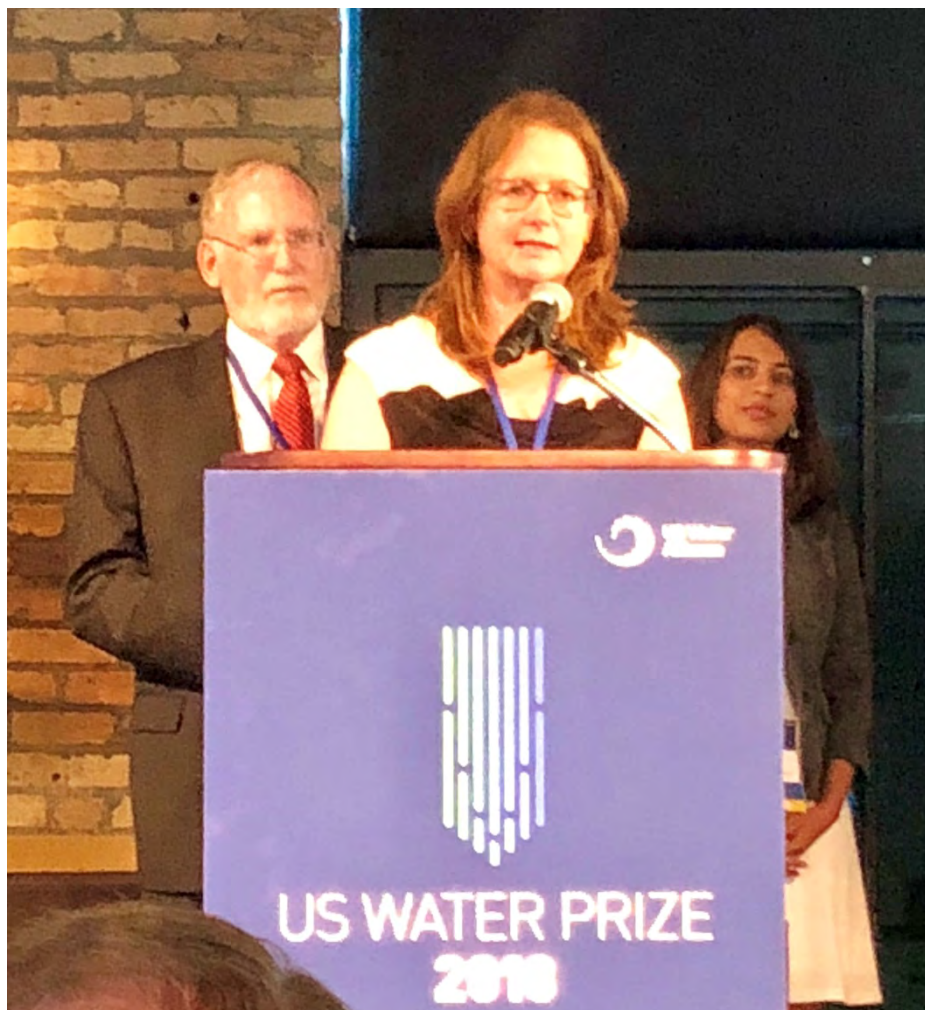
U.S. Water Prize

July 31, 2018













HRSD COMMISSION MEETING MINUTES
July 31, 2018

ATTACHMENT #2

AGENDA ITEM 2. Consent Agenda

b. Contract Awards

1. [Wastewater Process Tank Cleaning Services](#) \$500,000

c. Task Orders

1. [Treatment Plant Dewatering Replacement Phase I](#) \$340,862
2. [Williamsburg Treatment Plant Generator and Switchgear Replacement](#) \$737,191

d. Contract Change Orders

1. [Long-Term Stability of Partial Nitrification in Stratified Aerobic Granules and Development of Mainstream Anammox Research Studies](#) \$0 / 145 Day extension

e. Sole Source

1. [Clearwater Sales, Inc. DBA Clearwater, Inc. InsitelG[®] Sensors and Replacement Parts](#)
2. [Downey Ridge Environmental Company Greasezilla[®] Grease Separating Unit](#)
3. [JWC Environmental LLC Muffin Monster Inline Sewage Grinders and Replacement Cartridges](#)

f. HRSD Use of Existing Competitively Awarded Contract Vehicle

1. [Manhole and Wet Well Rehabilitation](#) \$345,000

CONSENT AGENDA ITEM 2.b.1. – July 31, 2018

Subject: Wastewater Process Tank Cleaning Services
Contract Award (>\$200,000)

Recommended Action: Award a contract for wastewater process tank cleaning services to HEPACO, LLC in the estimated amount of \$100,000 for year one with four annual renewal options and an estimated cumulative value in the amount of \$500,000.

Type of Procurement: Competitive Negotiation

Proposers	Technical Points	Recommended Selection Ranking
HEPACO, LLC	88	1
Atlantic Heating and Cooling	81	2

HRSD Estimate:

\$100,000/year

Contract Description: This contract is an agreement for the cleaning services of various wastewater process tanks at HRSD. A Public Notice was issued on April 5, 2018. Two firms submitted proposals on May 3, 2018 and both firms were determined to be responsive and deemed fully qualified, responsible and suitable to the requirements in the Request for Proposals. Both firms were technically ranked. The proposal submitted by HEPACO, LLC was ranked by technical points to be the highest qualified.

Wastewater Process Tank cleaning services is a critical step in maintaining system operations. Services include vacuuming, removing or otherwise cleaning and disposing of solid materials at the bottom of various process tanks. Tanks include, but not limited to, Primary and Secondary Clarifiers, Aeration and Grit tanks at multiple treatment plants that vary in size and location.

HEPACO, LLC has extensive knowledge of all HRSD facilities and its components and provided a clear understanding of the requirements based off experience with our current contract and similar types of contracts outside of HRSD. HEPACO has a large fleet of trucks to take care of HRSD's needs without sacrificing any of the services being offered. The size and experience of the field staff is extensive in comparison to the other proposal received.

CONSENT AGENDA ITEM 2.c.1. – July 31, 2018

Subject: Treatment Plant Dewatering Replacement Phase I
Task Order (>\$200,000)

Recommended Action: Approve a task order with HDR Engineering, Inc. in the amount of \$340,862.

CIP Project: GN016400

Budget	\$1,680,000
Previous Expenditures and Encumbrances	(\$135,955)
Available Balance	\$1,544,045

Contract Status:	Amount
Original Contract with HDR	\$135,955
Total Value of Previous Task Orders	\$0
Requested Task Order	\$340,862
Total Value of All Task Orders	\$340,862
Revised Contract Value	\$476,817
Engineering Services as % of Construction	22%

Project Description: This project will install a fourth centrifuge at Atlantic Treatment Plant to improve the reliability of the aging dewatering equipment. The fourth centrifuge will also increase the dewatering capacity that will be needed when the Chesapeake Elizabeth Treatment Plant closes.

Task Order Description and Analysis of Cost: This task order will provide design of a fourth centrifuge in the Dewatering Building at Atlantic Treatment Plant. Design will include modifications to the centrate, odor control, and electrical to the feed pumps and poly pumps. The task order is based on negotiated hours at hourly rates established in the General Engineering Services contract. The design fee is 13 percent of the estimated construction cost which is reasonable when compared to other similar projects.

<u>Schedule:</u>	Design	August 2018
	Bid	February 2019
	Construction	May 2019
	Project Completion	September 2020

CONSENT AGENDA ITEM 2.c.2. – July 31, 2018

Subject: Williamsburg Treatment Plant Generator and Switchgear Replacement Task Order (>\$200,000)

Recommended Action: Approve a task order with HDR Engineering, Inc. in the amount of \$737,191.

CIP Project: WB012400

Budget	\$4,760,460
Previous Expenditures and Encumbrances	(\$74,681)
Available Balance	\$4,685,779

Contract Status:	Amount
Original Contract with HDR Inc.	\$74,681
Total Value of Previous Task Orders	\$0
Requested Task Order	\$737,191
Total Value of All Task Orders	\$737,191
Revised Contract Value	\$811,872
Engineering Services as % of Construction	15%

Project Description: This project includes the replacement of the treatment plant main switchgear, generator, generator switchgear, controls and appurtenances. A new building will be required to accommodate this equipment. The design will also include provisions for the reliable operation of the existing plant and accommodate future equipment associated with the proposed SWIFT facility.

Task Order Description and Analysis of Cost: This task order will provide for the design and pre-construction phase services to construct a building to accommodate the main switchgear, generator, generator switchgear, controls and appurtenances to address electrical reliability issues at the plant.

The cost for this task order was negotiated between HDR and HRSD. The current CIP construction cost estimate for this project is \$5,350,000. The ratio of Engineering Services to Construction cost is approximately 15 percent and is comparable to other projects of similar complexity.

Schedule:	Design	August	2018
	Bid	April	2019
	Construction	June	2019
	Project Completion	October	2020

CONSENT AGENDA ITEM 2.d.1. – July 31, 2018

Subject: Long-Term Stability of Partial Nitrification in Stratified Aerobic Granules and Development of Mainstream Anammox Research Studies
Contract Change Order (>25% or \$50,000)

Recommended Action: Approve a change order with Virginia Polytechnic Institute and State University for a no cost time extension.

Contract Status:	Amount	Cumulative % of Contract
Original Contract with Virginia Polytechnic Institute and State University	\$34,548	
Total Value of Previous Change Orders	\$0.00	0%
Requested Change Order No. 1	\$0.00	
Total Value of All Change Orders	\$0.00	0%
Revised Contract Value	\$34,548	

Time (Additional Calendar Days)		145
---------------------------------	--	-----

Contract Status:	Amount	Cumulative % of Contract
Original Contract with Virginia Polytechnic Institute and State University	\$50,000	
Total Value of Previous Change Orders	\$0.00	0%
Requested Change Order No. 1	\$0.00	
Total Value of All Change Orders	\$0.00	0%
Revised Contract Value	\$50,000	

Time (Additional Calendar Days)		145
---------------------------------	--	-----

Project Description: The Virginia Polytechnic Institute and State University is conducting an experimental and modeling study through Dr. Wang which aims to verify the stability of AOB predominance over NOB within stratified aerobic granules. Findings will be presented and discussed for journal publication.

Virginia Polytechnic Institute and State University is also conducting an experimental and modeling study through Dr. Zhen which aims to develop a mainstream anammox system for domestic wastewater treatment. Kinetic characteristics such as growth and decay rates of anammox bacteria will have significant impacts on the design and operation of anammox processes.

Change Order Description: This change order includes a change from the original term of this study for a one-year period. Water Research and Technology has requested the study continue beyond the initial 12 months until the end of the 2018 calendar year due to the need for additional data. There is no cost associated with this extension.

CONSENT AGENDA ITEM 2.e.1. – July 31, 2018

Subject: Clearwater Sales, Inc. DBA Clearwater, Inc.
InsitelG[®] Sensors and Replacement Parts
Sole Source (>\$10,000)

Recommended Action: Approve InsitelG[®] Sensors and Replacement Parts for use at HRSD.

Sole Source Justification:

- Compatibility with existing equipment or systems is required
- Support of a special program in which the product or service has unique characteristics essential to the needs of the program
- Product or service is covered by a patent or copyright
- Product or service is part of standardization program to minimize training for maintenance and operation, and parts inventory
- Only known source

Details: Product includes InsitelG[®] water and wastewater sensors to monitor dissolved oxygen (DO) which is unique in its analytical method for DO measurement. The DO sensor incorporates optical florescent technology, solid state electronics and a unique side mount element. The sensor allows aggressive air cleaning that does not damage sensing element and allows less frequent maintenance. Compared to other optical and galvanic DO sensors on the market, this DO sensor provides lower life cycle costs. The sensing element requires less frequent replacement as other DO sensors and does not require consumable parts which remove the expenses related to an annual service contract.

Clearwater Sales, Inc. DBA Clearwater, Inc. is currently the only authorized distributor for InsitelG[®] Equipment in Virginia.

CONSENT AGENDA ITEM 2.e.2. – July 31, 2018

Subject: Downey Ridge Environmental Company
Greasezilla[®] Grease Separating Unit
Sole Source (>\$10,000)

Recommended Action: Approve Downey Ridge Environmental Company as the provider of the Greasezilla[®] Grease Separating Unit for use at the Nansemond Treatment Plant.

CIP Project: GN013300

Sole Source Justification:

- Compatibility with existing equipment or systems is required
- Support of a special program in which the product or service has unique characteristics essential to the needs of the program
- Product or service is covered by a patent or copyright
- Product or service is part of standardization program to minimize training for maintenance and operation, and parts inventory
- Only known source

Details: Product includes the Greasezilla[®] grease separation unit that removes water, debris, and food waste and produces a rich biofuel which can be used as a substitute for #6 fuel. This system runs entirely on the biofuel it harvests from grease trap waste and eliminates fuel costs while using zero fossil fuels. This makes it the most cost-efficient and ecologically responsible brown grease separator available.

This purchase will be part of the new grease handling facility planned installation at the Nansemond Treatment Plant as part of the capital improvement project. The proposed facility will process Fats, Oils, and Grease (FOG), also referred to as trap grease, which is discharged from indirect haulers. Currently there is no planned beneficial use of digester biogas or utilization of grease in the digester system as a feedstock. The goal of managing the FOG will be to remove debris and extract grease capable of being marketed and sold as a commodity.

Downey Ridge Environmental Company is the direct manufacturer of the Greasezilla[®] Grease Separating Unit.

CONSENT AGENDA ITEM 2.e.3. – July 31, 2018

Subject: JWC Environmental LLC
Muffin Monster Inline Sewage Grinders and Replacement Cartridges
Sole Source (>\$10,000)

Recommended Action: Approve JWC Environmental, LLC (JWC) as a provider for Muffin Monster Inline Sewage Grinders and replacement cartridges for use at HRSD.

Sole Source Justification:

- Compatibility with existing equipment or systems is required
- Support of a special program in which the product has unique characteristics essential to the needs of the program
- Product is covered by a patent or copyright
- Product is part of standardization program to minimize training for maintenance and operation, and parts inventory
- Only known source

Details: Product includes Muffin Monster Inline Sewage Grinders that allows for the reuse of the existing piping, control panel, and electrical components. In addition, JWC offers a cartridge exchange program that allows for discounted pricing on return and replacement purchases of the grinder cartridges.

JWC Environmental LLC is the direct manufacturer of the Muffin Monster Inline Sewage Grinders.

The Commission previously approved limited sole source authority for Muffin Monster Inline Sewage Grinders. This action supersedes previous actions and expands the scope to cover all HRSD applications of Muffin Monster Inline Sewage Grinders.

CONSENT AGENDA ITEM 2.f.1. – July 31, 2018

Subject: Manhole and Wet Well Rehabilitation
HRSD Use of Existing Competitively Awarded Contract Vehicle (>\$200,000)

Recommended Action: Approve the use of the James City County Contract #12-12008 for Manhole and Wet Well Rehabilitation and Related Services with Progressive Environmental Services, LLC and Lyttle Utilities, Inc. in the estimated amount of \$345,000.

CIP Project: GN012130

Budget	\$2,834,000
Previous Expenditures and Encumbrances	<u>(\$629,810)</u>
Available Balance	\$2,204,189

Contract Description: Work includes all labor, materials and equipment necessary to perform manhole rehabilitation to the identified areas. Rehabilitation efforts required include blasting, grout and mastic repairs, frame and cover replacements and surface preparation and coating as needed.

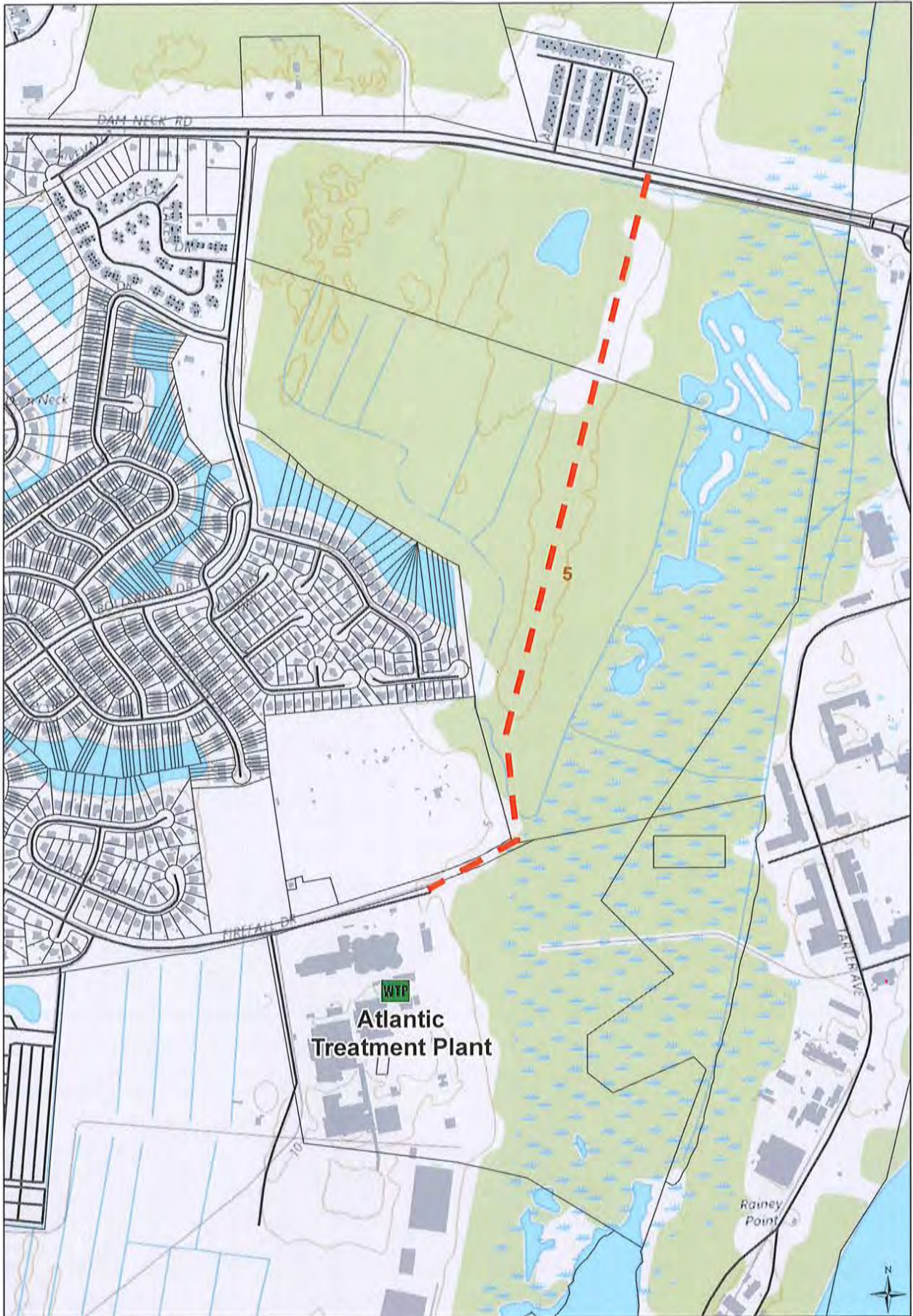
An original contract award was given to Progressive Environmental Services (PES) for a small number of manholes as part of a pilot performance. This was not presented to Commission based on an award under \$200,000. Work is proving to be successful so a significant amount of manholes are being added for rehabilitation. In order to maintain the timeline for completion of this capital improvement project, HRSD will be issuing a second contract award to Lyttle Utilities who are also listed within the JCC cooperative contract for the same scope of work to occur in parallel with PES.

Project Description: This project includes engineering services associated with rehabilitation of numerous manholes and several siphon chambers identified as having material risk of failure or significant inflow/infiltration (I/I) during condition assessment activities. These manholes and siphon chambers have isolated issues with respect to the surrounding system and are not currently known to be included in any existing capital improvement projects for rehabilitation or replacement.

HRSD COMMISSION MEETING MINUTES
July 31, 2018

ATTACHMENT #3

AGENDA ITEM 3. – Atlantic Treatment Plant Access Road Extension Map



Atlantic Treatment Plant Proposed Access Road

-  Streets
-  Parcels
-  Building Footprints
-  Proposed Road

HRSD COMMISSION MEETING MINUTES
July 31, 2018

ATTACHMENT #4

AGENDA ITEM 4. – Ferebee Avenue Pump Station Replacement

- [Purchase and Sale Agreement](#)
- [Map](#)

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (this "Agreement") made this 20 day of July, 2018, by and JOHN W. CHAPPELL and CATHERINE M. CHAPPELL, (husband and wife), hereinafter referred to as Seller, and HAMPTON ROADS SANITATION DISTRICT, a political subdivision of the Commonwealth of Virginia ("HRSD"), Purchaser.

RECITALS

- A. Seller is the owner in fee simple absolute of a certain parcel of property approximately 65,340 square feet/1.5 acres in area (more or less), located at 2900 Bainbridge Boulevard in the City of Chesapeake, such property being more particularly described in Exhibit A which is attached to and made a part of this Agreement (the "Property").
- B. HRSD desires to purchase the Property from the Seller for the purpose of the Ferebee Pump Station Replacement Project.
- C. Seller is willing to sell the Property to HRSD subject to the terms and conditions set forth in this Agreement.
- D. These recitals are incorporated by this reference into this Agreement.

NOW, THEREFORE, in consideration of the purchase price and the mutual promises contained in this Agreement, the parties agree as follows:

1. SALE. Seller agrees to sell and HRSD agrees to purchase the Property, together with all rights and appurtenances thereto, including all right, title and interest of Seller in and to any land lying in the bed of any highway, street, road, or avenue, open or proposed, in front of or abutting, or adjoining such tract or piece of land and any riparian rights, if any, and any rights, easements, and appurtenances pertaining thereto, and any building and other property situated thereon, (excluding personal property except to the extent that Seller chooses to leave on premises upon vacation) attached or appurtenant to, located in or on, or used in connection with the real property, if any. The real property and the personal property are called "the Property".
2. PURCHASE PRICE. HRSD agree to pay the purchase price (the Purchase Price) for the Property in the amount of FOUR HUNDRED FIFTY THOUSAND AND 00/100 DOLLARS (\$450,000.00) and the Purchase Price shall be paid to the Seller by certified check or wired funds at closing.

3. CONVEYANCE.

- a. At the Closing, Seller shall convey title to the Property in fee simple, by general warranty deed, free and clear of any and all liens, mortgages, deeds of trust, security interests, leases, covenants, conditions, restrictions, easements, rights-of-way, licenses, encroachments, judgments or encumbrances of any kind, except for the following permitted exceptions: (a) the lien of real estate taxes not yet due and payable; (b) zoning and building restrictions and other laws, ordinances, and regulations of governmental bodies having jurisdiction over the Property; and (c) matters of record affecting title to the property, as reviewed and approved (or deemed approved) by HRSD in accordance with this Agreement. Except as expressly stated in this Agreement, the Property shall be conveyed in "AS IS" condition, and with all defects.

- b. Title to the Property shall be good and marketable and, if HRSD chooses to obtain title insurance, insurable by a nationally recognized ALTA title insurance company of HRSD's choice at or below normal rates. In the event that a title examination discloses defects of title or other matters unsatisfactory to HRSD, HRSD shall notify Seller in writing (an "Objection Notice"), within 15 days of the Effective Date, of such title defects or other matters to which HRSD objects. Seller covenants that it shall cure all monetary encumbrances and all title objections which may be cured by execution of a document requiring the signature of no party other than Seller (including any affidavits which may reasonably be required by the title insurer). Seller may notify HRSD in writing (an "Objection Response"), within ten (10) business days after receiving an Objection Notice if it believes that the Objection Notice makes reference to any title defect or other matter that Seller cannot or elects not to cure. Upon receipt of an Objection Response from Seller, HRSD shall have the option either to (i) terminate this Agreement by notice to Seller given within ten (10) business days of the Objection Response or (ii) accept the defects, exceptions or other matters referenced in such Objection Response and proceed to Closing hereunder with no reduction of the Purchase Price. Seller shall have the period until the Closing date within which to correct all defects, exceptions or other matters that it is required or elects to cure. Seller shall provide such documents (including evidence of authority), affidavits, and other

instruments that may be reasonably required for the issuance of a title insurance policy to HRSD.

- c. Possession of the Property will be given to HRSD at Closing, per attached Possession Agreement (attached as Exhibit B) except that HRSD will have access to the Property for the purposes specified herein.
 - d. Seller agrees to pay proration of real estate taxes and storm water fees and agrees to deliver possession of the Property to HRSD at settlement, or as per Exhibit B. HRSD will pay all other fees charged in connection with preparation and recordation of the deed, including grantor's tax and other applicable closing costs.
 - e. Seller and HRSD agree that the attorney selected by HRSD shall act as the Settlement Agent at HRSD's expense. The Settlement Agent shall prepare the settlement statement, update and record the deed, collect and disburse settlement funds in accordance with this Agreement and the settlement statement, and file any required state and federal tax forms or other certifications.
4. RIGHT OF ENTRY. HRSD and HRSD's authorized representatives may at any reasonable time and after giving reasonable notice to Seller, enter upon the Property for the purpose of making inspections, appraisals, surveys, including the cutting of survey lines and putting up markers and driving stubs and stakes, site analysis, engineering studies, core sampling for engineering reports, and locating existing rights of way, easements, and utilities. HRSD will exercise this right of entry in such a way so as to not cause unreasonable damage to the Property. HRSD agrees to indemnify and save harmless the Seller from all claims of liability for any personal injury or property damage or otherwise to any person or property caused by any action or omission of HRSD or its agents on the Property before or after Closing.
5. CONDITIONS.
- a. HRSD's obligations are expressly conditioned upon the waiver or satisfaction of each of the following conditions in the sole determination of HRSD. If any one of the following conditions cannot be met within 15 days after the Effective Date (the Effective Date being defined as the date the contract is endorsed by both HRSD and Seller), HRSD may unilaterally terminate this Agreement:

- i. Receipt of a satisfactory title commitment with all unacceptable title exceptions, encumbrances, and conditions as deemed by HRSD removed or cured at Seller's cost; however, if Seller chooses not to remove or cure any such title exception, HRSD's sole remedy shall be to terminate this Agreement;
 - ii. Satisfaction by the Seller of all of its obligations under this Agreement.
 - b. Seller's obligations are expressly conditioned upon the completion of all title and "due diligence" by HRSD, however, in no event shall any mortgage, deed of trust, security agreement or monetary lien against the Property be deemed waived objections and the Seller agrees that the same shall be removed and released as liens on the Property on or before Closing.
 - c. This Agreement is contingent on the review and approval of the Hampton Roads Sanitation District Commission and upon such Commission granting authorization to the General Manager to proceed under the terms of this Agreement.
6. REPRESENTATIONS AND WARRANTIES BY SELLER. Seller represents and warrants as of the date of this Agreement and as of the date of Closing that: Seller has the right, title, and authority to enter into this Agreement and to perform its obligations hereunder.

Seller further represents and warrants and shall deliver to HRSD at or prior to the Settlement, an Affidavit prepared by HRSD evidencing the following facts:

- (i) Other than this Agreement, there are no other contracts for sale or options involving the Property now in effect;
- (ii) To the best of Seller's knowledge, no other party has any right, title or interest in the Property; other than deeds of trust or other documents of record.
- (iii) There are no unrecorded leases, options, licenses or easements existing in connection with the property to which the Seller has knowledge;

- (iv) There are no adverse government notifications or proceedings and there is no pending or threatened litigation or any other potentially adverse claims affecting the property to which the Seller has knowledge.
 - (v) Foreign Status. Seller is not a foreign corporation, person or entity and is a "United States Corporations, Person or Entity" as such terms is defined in Section 1445 and in Section 7701 (a)(30) of the Internal Revenue Code of 1986, as amended (the "Code") and shall deliver to HRSD at or prior to the Settlement an Affidavit prepared by HRSD evidencing such fact and such other documents as may be required under the Code.
 - (vi) From and after the date of this Agreement, Seller shall not transfer any interest in, or grant any easements or enter into any contractual agreement or understanding, written or oral, with respect to the Property or any portion thereof or make any changes at all that require recordation and therefore modifications to title, without the prior written consent of HRSD.
8. NOTICES. All notices to the parties hereto will be delivered by hand, via certified mail return receipt requested, or via facsimile and all be deemed effective upon delivery if by hand and upon confirmation of receipt if by other means, to the following address until the address is changed by notice in writing to the other party:

HRSD: Edward G. Henifin, P.E.
General Manager
P.O. Box 5911
Virginia Beach, Virginia 23471-0911

Copy to: William A. Cox, III, Esq.
Janice Pickrell Anderson, Esq.
Kellam, Pickrell, Cox & Anderson, PC
403 Boush Street, Suite 300
Norfolk, VA 23510

Seller: John and Catherine Chappell
2900 Bainbridge Boulevard
Chesapeake, VA 23324

9. CLOSING. Unless this Agreement is terminated pursuant to its terms or by mutual agreement of the parties, Closing will be made at the offices of the Settlement Agent on or about August 1, 2018.
10. SURVIVAL. The provisions contained in this Agreement will be true as of the date of this Agreement and as of the date of Closing.
11. PRORATIONS. All rents, interest, taxes, insurance premiums, utility bills, and fuel oil, if any, will be prorated as of the date of Closing.
12. RISK OF LOSS. All risk of loss or damage to the Property by fire, windstorm, casualty, or other cause is assumed by Seller until Closing. In the event of substantial loss or damage to the Property before Closing, HRSD will have the option of either:
 - a. Terminating this Agreement, or
 - b. Affirming this Agreement and proceeding to Closing.
13. FUTURE SALE BY HRSD. In the event that HRSD shall determine to sell all or a portion of the property for private development within two (2) years of the Settlement Date, it agrees to notify Seller and give Seller first opportunity to purchase the property on such terms as the parties shall mutually agree. Such notice shall be writing addressed in accordance with the provisions of Section 8 herein or such other address provided to HRSD by the Seller and shall provide Seller with at least thirty (30) calendar days to present HRSD with an offer to purchase the property.
14. BROKERS. Seller and HRSD both represent and warrant to the other that it has not hired, engaged, or consulted with any broker or agent in regard to this transaction.
15. CONDEMNATION. Seller covenants and warrants that Seller has not heretofore received any notice of any condemnation proceeding or other proceeding in the nature of eminent domain in connection with the Property. If prior to Settlement any such proceeding is commenced or any change is made, or proposed to be made, to the current means of ingress and egress to the Property or to the roads or driveways adjoining the Property, or to change such ingress or egress or to change the grade thereof, Seller agrees immediately to notify HRSD thereof. HRSD then shall have the right, at HRSD's option, to terminate this Agreement by giving written notice to Seller within thirty (30) days after receipt of such notice.

16. DEFAULT AND REMEDIES.

- a. If the sale and purchase contemplated by this Agreement is not consummated because of Seller's or HRSD's default, the non-defaulting party may elect to:
 - i Terminate this Agreement;
 - ii Seek and obtain specific performance of this Agreement; or
 - iii Pursue all other rights or remedies available at law or in equity, including an action for damages.
- b. If either Seller or HRSD defaults under this Agreement, the defaulting party will be liable for any expenses incurred by the non-defaulting party in connection with the enforcement of its rights under this Agreement.
- c. These remedies are cumulative and non-exclusive and may be pursued at the option of the non-defaulting party without a requirement of election of remedies.

17. ENTIRE AGREEMENT. This Agreement contains the entire agreement of the parties and will supersede the terms and conditions of all prior written and oral agreements, if any, concerning the matters it covers. The parties acknowledge there are no oral agreements, understandings, representations, or warranties that supplement or explain the terms and conditions contained in this Agreement. This Agreement may not be modified except by an agreement in writing signed by the parties.

18. WAIVER. Failure to insist upon strict compliance with any of the terms, covenants, or conditions hereof will not be deemed a waiver of the term, covenant, or condition, nor will any waiver or relinquishment of any right or power at any one time or more times be deemed a waiver or relinquishment of the right or power at any other time or times.

19. SEVERABILITY. This Agreement will be construed in its entirety and will not be divisible, except that the invalidity or unenforceability of any provision hereof will in no way affect the validity or enforceability of any other provision.

20. CAPTIONS. Captions are used in this Agreement for convenience only and will not be used to interpret this Agreement or any part of it.
21. GOVERNING LAW. This Agreement is to be construed in accordance with the laws of the Commonwealth of Virginia.
22. CHOICE OF FORUM/JURISDICTION. The parties hereby consent to the jurisdiction and venue of the courts of the Commonwealth of Virginia, specifically to the courts of the City of Chesapeake, Virginia, and to the jurisdiction and venue of the United States District Court for the Eastern District of Virginia in connection with any action, suit, or proceeding arising out of or relating to this Agreement and further waive and agree not to assert in any action, suit, or proceeding brought in the City of Chesapeake, Virginia, or the Eastern District of Virginia that the parties are not personally subject to the jurisdiction of these courts, that the action, suit, or proceeding is brought in an inconvenient forum or that venue is improper.
23. WAIVER OF TRIAL BY JURY. THE PARTIES WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM BROUGHT BY EITHER PARTY AGAINST THE OTHER ON ANY MATTER WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS AGREEMENT OR ANY RELATED AGREEMENTS OR INSTRUMENTS AND THE ENFORCEMENT THEREOF, INCLUDING ANY CLAIM OF INJURY OR DAMAGE TO ANY PARTY OR THE PROPERTY OF ANY PARTY.
24. SUCCESSOR/ASSIGNMENT. This Agreement will be binding upon and the obligations and benefits hereof will accrue to the parties hereto, their heirs, personal representatives, successors, and assigns. This Agreement is assignable by HRSD only upon written consent of the Seller, which consent will not be unreasonably withheld. If this Agreement is assigned by HRSD with Seller's consent, HRSD will nevertheless remain fully liable for its performance.
25. COUNTERPARTS. This Agreement may be executed in any number of counterparts, each will be considered an original, and together they will constitute one Agreement.
26. FACSIMILE SIGNATURES. Facsimile signatures will be considered original signatures for the purpose of execution and enforcement of the rights delineated in this Agreement.

SELLER:

John W. Chappell
John W. Chappell (signature)

Catherine M. Chappell
Catherine M. Chappell (signature)

COMMONWEALTH OF VIRGINIA
CITY OF Virginia Beach, to-wit:

I, Christina E. Meier, a Notary Public in and for the City of Virginia Beach, in the Commonwealth of Virginia, whose term of office expires on 9/30/18, do hereby certify that John W. and Catherine M. Chappell, Seller herein, whose name is signed to the foregoing Purchase and Sale Agreement, has acknowledged the same before me in my City and State aforesaid.

Given under my hand this 20 day of July, 2018.

[Signature]

Notary Public

My Commission Expires: 9/30/18

Registration Number: 214055




IN WITNESS WHEREOF, the Hampton Roads Sanitation District Commission has caused this Agreement to be signed on its behalf by its General Manager in accordance with authorization granted at its regular meeting held on July 31, 2018. This Agreement is expressly subject to approval by the HRSD Commission.

HAMPTON ROADS SANITATION DISTRICT

By: 
Edward G. Henifin, P.E.
General Manager

COMMONWEALTH OF VIRGINIA
CITY OF VIRGINIA BEACH, to-wit:

The foregoing Purchase and Sale Agreement was acknowledged before me this 31st day of July, 2018, by Edward G. Henifin, P.E., General Manager, Hampton Roads Sanitation District.


Notary Public

My Commission Expires: _____

Registration No.: _____

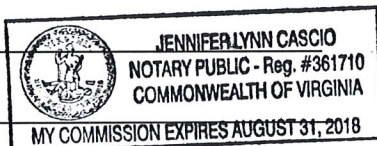
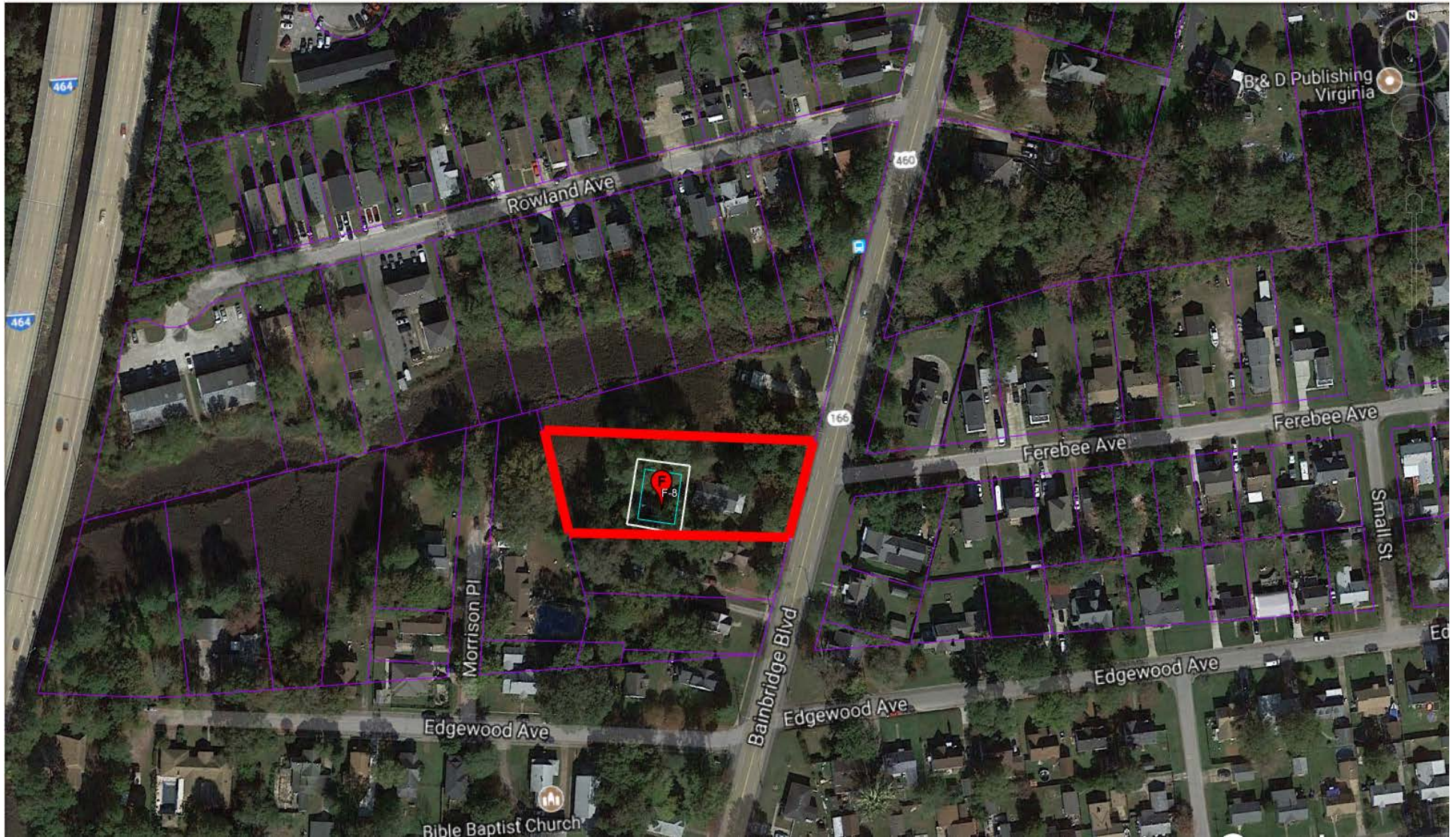


Exhibit "A"

Formal Legal Description

(forthcoming)

Facilities Orientation Map
Proposed Ferebee PS Site – 2900 Bainbridge Blvd., Chesapeake, VA



EXEMPT from State and Local Grantee
taxes pursuant to Section 58.1-811(A)(3)
Code of Virginia, 1950, as amended

JOHN W. CHAPPELL
and
CATHERINE M. CHAPPELL,
husband and wife

to

DEED OF BARGAIN AND SALE

HAMPTON ROADS SANITATION DISTRICT,
a political subdivision of the
Commonwealth of Virginia

THIS DEED, made this 30th day of July, 2018, by and between, JOHN W. CHAPPELL
and CATHERINE M. CHAPPELL, husband and wife, **GRANTORS**, and HAMPTON ROADS
SANITATION DISTRICT, a political subdivision of the Commonwealth of Virginia, **GRANTEE**,
whose mailing address is: Post Office Box 5911, Virginia Beach, VA 23471-0911.

WITNESSETH:

That for and in consideration of the sum of ten (\$10.00) dollars, and other good and
valuable consideration, the receipt of which is hereby acknowledged, the said Grantors do
grant, bargain, sell, assign and convey, with GENERAL WARRANTY and with ENGLISH
COVENANTS OF TITLE unto the said HAMPTON ROADS SANITATION DISTRICT, a political
subdivision of the Commonwealth of Virginia, Grantee, the following described property,
to-wit:

KELLAM, PICKRELL,
COX & ANDERSON
A PROFESSIONAL CORPORATION
ATTORNEYS AT LAW

Prepared by and Return to:
Janice Pickrell Anderson VA State Bar #36930
KELLAM, PICKRELL, COX & ANDERSON, P.C.
Consideration: \$450,000.00; Assessment: \$139,000.00
Tax No.: 145000000970
Title Insurance: Stewart Title Guaranty Company

ALL THAT certain parcel of land situate in the Washington Magisterial District, City of Chesapeake and State of Virginia, being known and designated as follows:

Situate in Washington Magisterial District, in the City of Chesapeake, on the Great Bridge Boulevard, also known as Bainbridge Boulevard, and being described as follows, to-wit:

Beginning at a stake in the center of a cove, on the western side of said Boulevard also known as Bainbridge Boulevard, at the southeastern corner of the tract of land known as Rowland Heights; and extending along the western side of said Boulevard, S. 23° 49' W. 279.8 feet to a stake; thence N. 66° 11' W. 291.88 feet to a stake in T. O. Morrison's line; thence N. 5° 51' W. 104.47 feet to the center of the marsh in the line of Rowland Heights; thence along the last mentioned line N. 85° E. 393.15 feet, more or less, to the point of beginning.

LESS AND EXCEPT that parcel of land conveyed in Deed Book 1055 at page 86 to the City of South Norfolk.


IT BEING the same property conveyed to John W. Chappell and Catherine M. Chappell, husband and wife as tenants by the entirety with right of survivorship from John W. Chappell by deed dated November 20, 2002 and recorded February 26, 2003 in the Clerk's Office of the Circuit Court of the City of Chesapeake, Virginia in Deed Book 4847 at page 17.

The above property is conveyed subject to the conditions, restrictions, reservations covenants and easements of record in the chain of title, if any, constituting constructive notice.

WITNESS the following signature and seal:



JOHN W. CHAPPELL (SEAL)



CATHERINE M. CHAPPELL (SEAL)

COMMONWEALTH OF VIRGINIA
CITY OF Virginia Beach, to-wit:

I, the undersigned, a Notary Public in and for the City and State aforesaid, do hereby certify that JOHN W. CHAPPELL and CATHERINE M. CHAPPELL, whose names are signed to the foregoing instrument, have each acknowledged the same before me in my City and State aforesaid this 31 day of July, 2018.



[Signature]
Notary Public

Registration No. 214055

My Commission expires: 7/31/18
9/30/18 (a)

INSTRUMENT # 180020556
RECORDED CHESAPEAKE CIRCUIT COURT CLERK'S OFFICE
Aug 02, 2018 AT 08:55 am
ALAN P. KRASNOFF, CLERK by MRW
\$450.00 GRANTOR TAX WAS PAID
AS REQUIRED BY SEC 58.102 OF THE VA. CODE
STATE: \$225.00 LOCAL: \$225.00



Alan P. Krasnoff
City of Chesapeake Clerk of Circuit Court
 307 Albemarle Dr.
 Suite 300A
 Chesapeake, VA 23322

Received Of : KELLAM, PICKRELL, COX & ANDERSON
Cashier : MRW

Instrument Type : DBS	Receipt # : 2018-170789
Instrument # : 20556	Date : 08/02/2018 08:55am
Book/Page : 09939 / 1388-01390 Pages : 3	Document : 1 of 1
1st Grantor : CHAPPELL, JOHN W	Ex : N
1st Grantee : HAMPTON ROADS SANITATION DISTRICT	Ex : Y
Description:	
Consideration: 450,000.00 Assumed Value: 139,000.00	Pct : 100.00%
	1st City: Y

Item #	Description	Qty	Unit Cost	Extended
038	Tax Grantor/State	1	225.00	225.00
220	Tax Grantor/Local	1	225.00	225.00
035	VOF	1	1.00	1.00
301	Clerk 1-10 Pages	1	14.50	14.50
145	VSLA	1	1.50	1.50
212	Tran	1	1.00	1.00
106	TTF	1	5.00	5.00
423	Paper Recording Fee	1	5.00	5.00
	Document 1			478.00
	Grand Total			478.00
	Check 9995			-478.00
	Balance			0.00

Exhibit "B"

Post-Closing Agreement

(forthcoming)

POST-CLOSING POSSESSION AGREEMENT

BUYER: **HAMPTON ROAD SANITATION DISTRICT**

SELLER: **JOHN W. CHAPPELL and CATHERINE M. CHAPPELL**

PROPERTY: **2900 Bainbridge Boulevard, Chesapeake, VA 23324**

DATE OF TERMINATION: Up to Two (2) months from the Effective Date but no later than September 30, 2018

WHEREAS, the Seller has entered into a contract for the purchase of the above captioned property from the Buyer, which contract is dated 7/20/18; and

WHEREAS, the Seller wishes to possess and occupy the property after the closing.

NOW, THEREFORE, in consideration of the mutual promises of the parties, the parties agree as follows:

1. The Seller agrees to procure and maintain in effect a policy or policies of insurance adequately covering the subject property and insuring against any public liability which may arise out of or by virtue of the use and occupancy of the subject property by the Seller.
2. The Seller hereby agrees to indemnify and hold the Buyer harmless from any and all claims, demands, actions, causes of action, damages, expenses, losses, attorneys' fees or liabilities arising in any way from or out of this occupancy, use or enjoyment of the subject property after the closing.
3. The Sellers accept the subject property "as is" as of the Date of Possession, and will take no action to damage the property during Seller's tenancy. In case there is damage to the property, or any deterioration which is beyond reasonable wear and tear, the Seller shall remediate the property immediately, at their expense.
4. The Seller and Buyer agree that the post possession will be rent free.
5. The Seller agrees to pay all expenses in connection with their occupancy of the subject property, including, but not limited to, utilities and fuel during possession, but not real estate taxes.
6. This agreement may be executed in counterparts.
7. Time is of the essence regarding Date of Termination.

IN WITNESS WHEREOF, the parties have caused their hands and seals to be affixed this 20 day of July, 2018 (the "Effective Date").

Seller:

John W. Chappell (SEAL)
JOHN W. CHAPPELL

Catherine M. Chappell (SEAL)
CATHERINE M. CHAPPELL

Buyer:

HAMPTON ROADS SANITATION DISTRICT

BY Ayanna R. Welles, RE. Mng'r.

HRSD COMMISSION MEETING MINUTES
July 31, 2018

ATTACHMENT #5

AGENDA ITEM 5. – King William County Service Agreement

KING WILLIAM SERVICE AGREEMENT

This AGREEMENT, made on this 10th day of September, 2018 by and between the County of King William, a political subdivision of the Commonwealth of Virginia, hereinafter referred to as the "COUNTY", and the Hampton Roads Sanitation District, a political subdivision of the Commonwealth of Virginia, hereinafter referred to as "HRSD."

WITNESSETH

WHEREAS, HRSD has operated the wastewater system serving portions of the COUNTY for a number of years, and

WHEREAS, COUNTY has determined that it would be in the best interests of the citizens of the COUNTY to request that HRSD assume ownership and operation of the wastewater system and HRSD has indicated a willingness to do so under certain terms and conditions;

NOW THEREFOR, for and in consideration of the mutual covenants contained herein and the sum of Ten Dollars (\$10.00) cash in hand, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows;

1. The COUNTY agrees at no expense to HRSD to convey by deed with general warranty, and HRSD agrees to accept all real property, with improvements thereon and fixtures thereto attached owned by King William County, as of the date of this Agreement, including but not limited to the King William Wastewater Treatment Plant, the Mount Olive Area 1 Wastewater Treatment Facility, the Mount Olive Area 2 Wastewater Treatment Facility and all associated wastewater collection systems, pumping stations and appurtenances. The COUNTY also agrees to transfer all of COUNTY'S rights to existing engineering/design data, record drawings/as-built data, operations and maintenance manuals associated

therewith. The COUNTY further agrees to transfer all agreements and easements, highway permits and all rights including rights for installation, operation, maintenance, repair, relocation, renewal of, and access to, gravity sewers and force mains that lie either within or without public streets or public places of rights of way. An instrument of transfer (attached as Appendix 1) satisfactory to HRSD has been executed by COUNTY and will be delivered to HRSD upon execution of this Agreement by COUNTY and HRSD. All of the foregoing properties, real and personal, are referred to herein as the "FACILITIES".

2. Title to the FACILITIES shall be free and clear of any lien or encumbrance which, in the judgment of HRSD, has a materially adverse effect upon the right of HRSD to use such lands or property in the performance of the functions of HRSD. COUNTY agrees that should any material adverse claim, lien or encumbrance existing at the time of transfer to HRSD be discovered at any time, COUNTY will defend the right and title of HRSD against such claim at COUNTY'S expense and shall bear any costs associated with resolving or removing such claim, lien, or encumbrance.

3. Any easements or other properties wherein water utility facilities are currently located shall be available without additional compensation for continued use by the COUNTY for the operation and maintenance of the COUNTY'S water utility facilities. If any easements or other properties have been previously conveyed to the County for combined water and sewer utility purposes and no water facilities have been constructed as of the date of recordation of the deed of conveyance to HRSD, then such easements or properties shall be available without additional compensation for use by the COUNTY for water utility facilities only with the written approval of HRSD provided that HRSD shall not unreasonably withhold approval if HRSD's use and enjoyment of the easement is not negatively impacted by the proposed COUNTY water facilities and appropriate separation

can be maintained between water and sanitary sewer facilities within the same easement.

4. In addition to the operating responsibilities outlined in paragraph 6 below, HRSD agrees to provide interceptor and sewer treatment services, at HRSD cost, to all areas of the COUNTY designated from time to time by the COUNTY as "Sewer Service Areas" in accordance with the COUNTY's Comprehensive Plan and implementing ordinances.
 - a. HRSD shall, at its expense, provide "interceptor" (sewers for the conveyance of sewage from a collection system to a treatment plant) sewers to within two-miles of "Sewer Service Areas" at the time a COUNTY water system is made available to a "Sewer Service Area" and when approved by resolution of the COUNTY Board of Supervisors. HRSD may agree to extend interceptor sewers further than required herein provided suitable cost sharing of additional treatment capacity and interceptor construction cost is agreed to in writing between the COUNTY and HRSD.
 - b. HRSD agrees to provide adequate capacity to treat all sewage generated within all "Sewer Service Areas" within the COUNTY in accordance with all applicable laws and regulations at HRSD cost.
 - c. Adequate capacity will be reasonably anticipated and based upon future land uses as adopted in the COUNTY Comprehensive Plan. COUNTY agrees to consult with HRSD prior to any proposed future changes in Comprehensive Plan land use designations.
5. The COUNTY shall be responsible for managing the construction and financing of new sewer collection systems and/or extensions of existing collection systems. COUNTY may enter into agreements with third parties for such purposes and

may impose and collect connection and other fees for such costs in addition to any charges that may be imposed and collected by HRSD. Charges and/or connection fees due to COUNTY resulting from agreements between COUNTY and third parties existing on the date of this Agreement shall continue to be collected by the COUNTY and HRSD shall have no rights or responsibilities related to such charges.

- a. Collection systems shall be built to HRSD standards and connected to HRSD "interceptor" facilities at the expense of COUNTY or others in accordance with HRSD requirements. No connection shall be made without HRSD approval.
 - b. Upon meeting final inspection requirements and before being placed in service, sewer collection systems and all attendant easements and agreements shall be conveyed to HRSD in accordance with the terms and conditions as prescribed in Paragraphs 1 and 2 herein or in such other manner as may be agreed to by HRSD
6. HRSD shall own, operate, maintain, repair, and replace the sewer collection system, interceptor system and all treatment facilities as necessary in accordance with all applicable laws and regulations. Local ordinances shall not cause HRSD to suffer unreasonable costs or unusual operational restrictions. HRSD will strive to meet the following levels of service:
 - a. Treatment Facilities: Permit compliance for 99 percent of all permit parameters in a calendar year.
 - b. Interceptor System Facilities: Investigation into system failures and/or overflows within 2 hours of notification. Corrective action to remediate as soon as possible thereafter.

- c. Collection System Facilities: Investigation into system failures and/or overflows within 4 hours of notification. Corrective action to remediate as soon as possible thereafter.
 - d. System Odors: Investigation into source and or cause of odor complaints within 2 days of notification. Corrective action to remediate as soon as possible thereafter.
7. The COUNTY shall assist and support HRSD in the planning, scheduling, locating and constructing of new or replacement facilities required for HRSD's services as follows:
- a. COUNTY shall promptly notify HRSD of any proposed changes to the COUNTY's Comprehensive Plan as well as any proposed developments in accordance with the existing Comprehensive Plan with potential to add sewer flow to HRSD facilities. Failure to provide adequate notice and coordination may delay HRSD's ability to serve new or expanded service areas.
 - i. Additional treatment capacity, beyond current permitted capacity, requires a minimum of 2 years advance notice.
 - ii. Extension of interceptor service requires a minimum of 1 year of advance notice.
 - b. COUNTY owned real property required for new or expanding HRSD facilities, including easements and fee simple title transfers shall be provided to HRSD at no cost to HRSD.

8. Any relocation of HRSD facilities at the request of the COUNTY shall not be at the cost of HRSD including facilities on COUNTY owned land or within public rights-of way.
9. All sewer customers shall be HRSD customers and billed for services in accordance with the current HRSD Rate Schedule and applicable policies.
 - a. Customers shall be billed in accordance with HRSD Model 3 Billing Agreement (Appendix 2) attached hereto. The Billing Agreement may be modified from time to time to meet changing needs upon mutual consent of the County Administrator and the General Manager.
 - b. COUNTY agrees to cut off water service to delinquent accounts upon request from HRSD in accordance with the Model 3 Billing Agreement and restore service upon payment. HRSD shall reimburse the COUNTY for the costs incurred to provide this service.
 - c. If requested by HRSD, COUNTY agrees to assist HRSD's wastewater debt collection efforts within the COUNTY and not to interfere with such efforts.
10. HRSD, at its sole discretion, may self-perform or contract for provision of any or all services required to fulfill HRSD's obligations under this Agreement.
11. At such time as HRSD shall determine that any real property portion of the FACILITIES is no longer useful in the performance by HRSD in its function or to fulfill any obligations under this Agreement, HRSD shall offer to convey to the COUNTY at no cost to the COUNTY, said portion of real property.
12. This AGREEMENT and Appendices attached hereto, represent the full agreement and understanding of the parties hereto. All previous agreements

between COUNTY AND HRSD are superseded by this AGREEMENT. There are no additional agreements written, oral or otherwise. COUNTY and HRSD represent and warrant that there are no agreements of which it is a part which would interfere with COUNTY's or HRSD's fulfillment of this AGREEMENT.

13. This AGREEMENT may be amended only with written approval signed by both of the parties hereto.
14. This AGREEMENT may be terminated by the COUNTY with three years written notice. COUNTY shall reimburse HRSD for all facilities constructed by HRSD based on current depreciated value as carried on HRSD's last Comprehensive Annual Financial Report. Upon termination, unless otherwise agreed, the COUNTY shall assume all regulatory liability for all sewer facilities within the COUNTY. All Facilities previously conveyed to HRSD hereunder shall be re-conveyed to County at no cost.
15. This AGREEMENT may be not be terminated by HRSD without the express written consent of the COUNTY.
16. HRSD may transfer this AGREEMENT in whole or in part after consultation with the COUNTY.
17. The parties warrant they have the permission and authority derived under general law to execute this AGREEMENT and that all necessary actions of the parties' governing bodies to allow execution of this AGREEMENT have been completed.
18. Any notices required pursuant to the terms of this AGREEMENT shall be deemed effective when delivered to:
 - a. For the COUNTY: County Administrator, King William County, 180 Horse Landing Road #4, King William, VA 23086

b. For HRSD: General Manager, HRSD, PO Box 5911, Virginia Beach, VA
23471

IN WITNESS WHEREOF, this Agreement has been signed by Bobbie H. Tassinari, County Administrator, on behalf of the County of King William, she having been authorized to so act on behalf of the County by a resolution duly adopted by the Board of Supervisors of said County at a regular meeting held on August 27, 2018, and is in a form approved by Daniel M. Stuck, County Attorney for said County.

Approved as to form:



County Attorney

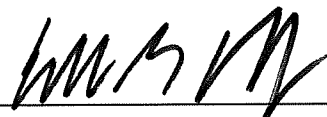
County of King William

By 

Bobbie H. Tassinari, County Administrator

IN WITNESS WHEREOF, this Agreement has been signed by Edward G. Henifin, P.E., General Manager, on behalf of the Hampton Roads Sanitation District, he having been authorized to so act on behalf of the District by action of the Commission at its regular meeting held on July 31, 2018.

HAMPTON ROADS SANITATION DISTRICT,
a political subdivision of the
Commonwealth of Virginia

By 

Edward G. Henifin, P.E., General Manager

Appendix 1

180002021

TAX MAP NOS. 52-53(part), 28-8-A, 22-11-1,
21-11-3, 34-21, 44-101, 28-51A(part),
28-51K(part), 28-62(part)

Prepared by /Return to:
Daniel M. Stuck
VSB # 18110
King William County Attorney
P. O. Box 858
Gloucester, VA 23061

Name of Title Insurance Company: None

This deed is exempt from the recordation
taxes imposed by §§58.1-801 and 58.1-
803 of the Code of Virginia, 1950,
pursuant to §58.1-811(A)3; Exempt from
TTF pursuant to 17.1-279

DEED

THIS DEED, made this 10TH day of September, 2018, by and between the COUNTY OF KING WILLIAM, VIRGINIA, a political subdivision of the Commonwealth of Virginia, acting through its duly elected Board of Supervisors, hereinafter referred to as County, GRANTOR, and the HAMPTON ROADS SANITATION DISTRICT, a political subdivision of the Commonwealth of Virginia, hereinafter referred to as HRSD, GRANTEE, whose mailing address is: Post Office Box 5911, Virginia Beach, Virginia 23471.

WHEREAS, for a number of years HRSD has operated the County wastewater system serving portions of King William County; and

WHEREAS, the Board of Supervisors of King William County has determined that it is in the best interests of the citizens of the County to request that HRSD assume both ownership and operation of the County wastewater system and HRSD has agreed to do so under certain terms and conditions, all as set forth in that certain Agreement between the parties hereto dated September 10, 2018; and

WHEREAS, in furtherance of the terms of the aforesaid Agreement, and after advertising and conducting a public hearing as required by law, the Board of Supervisors has directed the County Administrator to execute this Deed on behalf of the County, NOW THEREFORE,

WITNESSETH:

That for and in consideration of the mutual covenants contained in the aforesaid Agreement and the sum of Ten Dollars (\$10.00) cash in hand, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the County does hereby grant and convey with General Warranty and English Covenants of Title to HRSD and its successors and assigns forever the following property:

PARCEL ONE:

All that certain parcel of land comprising 5.49863 acres, more or less, and located in the Acquinton District, King William County, Virginia, and described as Parcel A on a plat entitled, "Plat Showing Parcel 'A' a Portion of the Property of Fontainebleau Farm, Inc. dated September 4, 1997, by Michael W. Hoover, Land Surveyor, Dewberry & Davis, Architects, Engineers, Planners, Surveyors," which plat is incorporated herein by reference and recorded in Plat Book 16, page 221 among the land records of the Circuit Court of King William County.

TOGETHER WITH the following parcel in permanent buffer easement:

All that certain of land located in the Acquinton District, King William County, Virginia, and described as "200 Foot Buffer" on a plat entitled, "Plat Showing Parcel 'A' a Portion of the Property of Fontainebleau Farm, Inc. dated September 4, 1997, by Michael W. Hoover, Land Surveyor, Dewberry & Davis, Architects, Engineers, Planners, surveyors," recorded in the aforesaid Plat Book at the aforesaid page subject to the rights of Fontainebleau Farm, Inc., its successors and assigns, to make any use of the Buffer area which is otherwise legal except for any use, activity or structure involving high human occupancy or food preparation.

BEING the same property conveyed to the County of King William, Virginia, by deed from Fontainebleau Farm, Inc., dated March 10, 1998 and recorded May 26, 1998 in the Clerk's Office of the Circuit Court of King William County, Virginia in Deed Book 282 at page 308.

PARCEL TWO:

All that certain lot, piece or parcel of land with the improvements thereon and the appurtenances thereto belonging, lying, and being in West Point District, King

William County, Virginia, containing 15 acres, more or less, and being the same tract of land as shown on the plat of survey made by Resource International, Ltd., dated August 9, 2004, entitled "PLAT OF 15± ACRES OF LAND LYING ON THE EAST LINE OF STATE ROUTE 632" to which plat reference is hereby made for a more particular description of the property, a copy of which plat is attached to the Certificate of Take, recorded in the Clerk's Office of the Circuit Court of King William County, Virginia on January 26, 2005 as Instrument No. 050000331.

PARCEL THREE

All that certain lot, piece or parcel of land with the improvements thereon and the appurtenances thereto belonging, lying, and being in West Point District, King William County, Virginia containing 4.002 acres, more or less, as shown on a plat of survey made by Resource International Ltd., dated July 15, 2004, entitled "PLAT OF 4.002 ACRES OF LAND LYING NORTH OF ROUTE 632" a copy of which is attached to the Certificate of Take dated January 11, 2005, and recorded in the Clerk's office of the Circuit Court of King William County, Virginia on January 26, 2005 as Instrument No. 050000330.

PARCEL FOUR

All that certain piece or parcel of land said to contain 1.529 acres, more or less, located in the Acquinton District, King William County, Virginia, as shown on that certain plat of survey entitled "KENNINGTON, Section 1" dated March 17, 2006, prepared by Lari J. Ketchum, L.S. of Timmons Group, recorded in the Circuit Court Clerk's Office of King William County, Virginia, in Plat Book 20 page 66, as Pump Station Lot, to which reference is hereby made for a more accurate description of the property herein conveyed.

TOGETHER WITH that certain access easement said to be twenty (20) feet in width, being ten (10) feet in width on either side of the lot line between Lots 39 and 40 as shown on the above referenced plat, to which reference is hereby made for a more accurate description of the easement herein conveyed.

BEING the same property conveyed to the Board of Supervisors of the County of King William, Virginia, by deed from Kennington Place, LLC, dated August 6, 2008 and recorded August 21, 2008 in the aforesaid Clerk's Office as Instrument No. 080002633.

PARCEL FIVE

ALL that certain lot or parcel lying in Acquinton Magisterial District of King William County, Virginia containing 0.120 acres. Labeled "PUMP STATION", on a certain plat of survey made by Timmons Group., titled "Plat Showing, Section 1 'Central Crossing' King William County, Virginia", dated November 13, 2006, a copy of which is recorded in the Circuit Court Clerk's Office of King William County, Virginia in Plat Book 20 at page 142 on January 11, 2007 and to which plat reference is made for a more particular description.

TOGETHER with that certain variable within access easement as shown on the above described plat of survey leading from Central Crossing Terrace to the PUMP STATION herein conveyed to which plat reference is made for a more particular description.

BEING the same property conveyed to the Board of Supervisors of the County of King William, Virginia, by deed from Central Crossing, LLC, dated August 6, 2008 and recorded August 21, 2008 in the aforesaid Clerk's Office as Instrument No. 080002632.

PARCEL SIX

All that certain lot or parcel of land lying on Acquinton Magisterial District of King William County, Virginia containing 0.228 acres, more or less, labeled "SEWAGE PUMP STATION LOT", on a certain plat of survey made by Ronald R. Green, L.S., Balzer and Associates, Inc., titled "McCauley Park, Section 3, Acquinton District, King William County, Virginia", dated February 14, 2006 and recorded August 16, 2006 in the Circuit Court Clerk's Office of King William County, Virginia in Plat Book 20 at page 53 and to which plat reference is made for a more particular description.

TOGETHER with that certain variable width access easement as shown on that certain plat entitled "A VARIABLE WIDTH ACCESS & UTILITY EASEMENT ACROSS LOTS 14 & 15, SECTION '3', McCAULEY PARK" prepared by Ronald R. Green, L.S. of Balzer and Associates, Inc. dated December 5, 2006 and recorded October 27, 2008 in the aforesaid Clerk's Office as Instrument No. 080003290 and to which plat reference is hereby made for a more particular description of the easement herein conveyed.

BEING the same property conveyed to the Board of Supervisors of the County of King William, Virginia, by deed from McCauley Park, LLC, dated August 7, 2008 and recorded October 27, 2008 in the aforesaid Clerk's Office as Instrument No. 080003290.

PARCEL SEVEN

All that certain lot, piece or parcel of land, lying and being in Acquinton Magisterial District, King William County, Virginia, and shown as "AREA OF 10087 SQ FT OR 0.232 ACRES" on a plat entitled "PLAT OF UTILITY EASEMENT ACROSS KING WILLIAM BUSINESS PARK", prepared by Resource International, Ltd., dated January 18, 2001, a copy of which is recorded in the Clerk's Office of the Circuit Court of King William County, Virginia in Deed Book 324 at page 1457, reference to which plat is hereby made for a more particular description of the property.

BEING the same property conveyed to the Board of Supervisors of the County of King William, Virginia, by deed from Bailey & Bailey, Inc., dated November 1, 2001 and recorded May 2, 2002 in the aforesaid Clerk's Office in Deed Book 324 at page 656.

PARCEL EIGHT

All that certain piece or parcel of land said to contain 0.141 acres, more or less, located in the Acquinton District, King William County, Virginia, as shown on that certain plat of survey entitled "Plat showing 0.141 Acres to be Conveyed to King William County, a Permanent Utility Easement and an Access Easement Across Property of the County School Board of King William" dated April 5, 2018, prepared by Dewberry Engineers, Inc. and recorded June 25, 2018 in the Circuit Court Clerk's Office of King William County, Virginia as Instrument No.

180001339, and to which plat reference is hereby made for a more accurate description of the property herein conveyed.

TOGETHER WITH that certain access easement and that certain permanent utility easement, both twenty (20) feet in width, as shown on the above referenced plat, to which reference is hereby made for a more accurate description of the easements herein conveyed.

BEING the same property conveyed to the Board of Supervisors of the County of King William, Virginia, by deed from the County School Board of King William County, dated May 15, 2018 and recorded June 25, 2018 in the aforesaid Clerk's Office as Instrument No. 180001339.

ADDITIONAL PROPERTY

The County also, for the above stated consideration, grants, conveys, and transfers to HRSD all of the County's wastewater utility lines, pumps, pump houses, grinders, conduits, pipes and other facilities connected therewith, together with County's right and title in all easements, licenses, or permits related thereto and all of County's rights to existing engineering/design data, record drawings/as-built data, and operations and maintenance manuals associated therewith. Such grant and transfer specifically includes all highway permits and rights for installation, operation, maintenance, repair, relocation, renewal of, and access to, gravity sewers and force mains that lie either within or without public streets or public places of rights of way. This conveyance specifically includes, but without limitation or exclusion as to other properties intended to be hereby conveyed, the following:

All wastewater utility lines, pumps, pump houses, grinders, conduits, pipes and other facilities connected therewith, together with Grantors' right and title in any easements, licenses, or permits related thereto, running along, beneath, upon, and over the right-of-way of Richmond Tappahannock Highway (U.S. Route 360), King William Road (U.S. Route 30) and the subdivisions known as Central Crossing Section 1, McCauley Park Section 3, Kennington Townhomes and strips of land adjacent or connecting thereto, as the case may be, and more particularly described on the drawings and plans titled "Kennington Well House and Sewage Pump Station", made by Timmons Group and dated September 16, 2005, "McCauley Park Pump Station Plans and Specifications", made by Balzer & Associates and dated April 2, 2003, "McCAULEY PARK SECTION 3," made by Balzer & Associates and dated February 14, 2006, recorded as Instrument #060003046, "KENNINGTON SECTION 1," made by Timmons Group and dated March 17, 2006, recorded as Instrument #60003127, "CENTRAL CROSSING SECTION 1," made by Timmons Group and dated November 13, 2006, and recorded as Instrument #07000110, and "KENNINGTON TOWNHOMES," made by Balzer & Associates and dated June 26, 2007, and recorded as Instrument #070003651. All of which documents are on file with the King William County Department of Community Development or recorded as indicated above, and to which plans reference is hereby made for a more particular description of the property and facilities hereby conveyed.

BEING the same property conveyed to the County of King William, Virginia, by deed from Central Crossing, LLC et al. dated August 24, 2015 and recorded September 22, 2015 in the aforesaid Clerk's Office as Instrument #150001951.

The conveyances and transfers made by this Deed are subject to the following reservation: Any easements and other properties wherein water utility facilities are currently located shall be available without additional compensation for continued use by the COUNTY for the operation and maintenance of water utility facilities. If any easements or other properties have been previously conveyed to the County for combined water and sewer utility purposes and no water facilities have been constructed as of the date of this conveyance, then such easements or properties shall be available without additional compensation for use by the COUNTY for water utility facilities only with the written approval of HRSD provided that HRSD shall not unreasonably withhold approval if HRSD's use and enjoyment of the easement is not negatively impacted by the proposed COUNTY water facilities and appropriate separation can be maintained between water and sanitary sewer facilities within the same easement.

In compliance with the provisions of Section 15.2-1803 of the Code of Virginia, 1950, as amended, this deed is in a form approved by Daniel M. Stuck, County Attorney for the County of King William, Virginia, and conveyance is made by Bobbie H. Tassinari, County Administrator, on behalf of the County of King William, she having been authorized to so act on behalf of the County by a resolution duly adopted by the Board of Supervisors of said County at a regular meeting held on August 27, 2018.

REMAINDER OF PAGE INTENTIONALLY BLANK

WITNESS the following signature and seal:

Bobbie H. Tassinari (SEAL)
Bobbie H. Tassinari
County Administrator
King William County

Approved as to form

Daniel M. Stuck
Daniel M. Stuck
County Attorney

STATE OF VIRGINIA
CITY/COUNTY OF King William, to-wit:

The foregoing instrument was acknowledged before me this 10th day of September, 2018 by Bobbie H. Tassinari, County Administrator of King William County, Virginia.

D. Dish
NOTARY PUBLIC

My commission expires: 3/31/2021.



INSTRUMENT 180002021
RECORDED IN THE CLERK'S OFFICE OF
COUNTY OF KING WILLIAM CIRCUIT COURT ON
September 24, 2018 AT 11:57 AM
PATRICIA M. NORMAN, CLERK
RECORDED BY: PMN PMN

APPENDIX 2

BILLING SERVICES AGREEMENT

Model 3

between

Hampton Roads Sanitation District

and

King William County

TABLE OF CONTENTS

	<u>Page</u>
Article 1: Definitions	1
Article 2: Billing Services	3
2.1 Services Provided by HRSD.....	3
2.2 Locality Billing Data	3
2.3 Transmission of Billing Data	3
2.4 HRSD Billing Functions.....	4
2.5 Online Billing (e-Bill)	4
2.6 Auto Pay (EZ-Pay)	4
2.7 Modes of Payment	5
2.8 Late Payment Charges.....	5
2.9 Allocation of Partial Payments by Customers	6
2.10 Correction of Billing Errors	6
2.11 Customer Appeal Procedures.....	6
2.12 Additional Charges	6
2.13 HRSD Billing Charges to Locality.....	6
2.14 Disputed Amounts.....	7
2.15 Payment Schedules	7
2.16 Third Party Collections	7
2.17 Writeoffs.....	8
2.18 Service Disconnections.....	8
2.19 Service Terminations at Request of Customer	9
2.20 Service Restorations	9
2.21 HRSD Call Center Hours of Operation	9

2.22 Performance Standard	9
2.23 Funds Transfers Between Parties.....	10
2.24 Report Generation from HRSD Billing Systems	10
2.25 Systems Security.....	10
2.26 Procedures in the Event of a Security Breach	11
2.27 Security of Personal Information	11
2.28 Authorized Employees.....	12
Article 3: Term	13
3.1 Term: Termination.....	13
3.2 Termination for Convenience.....	13
3.3 Termination for Non-Performance.....	13
3.4 Actions Upon Expiration or Termination.....	14
3.5 Amendment.....	14
Article 4: Representations	14
4.1 Representations	14
4.2 Reliance and Survival.....	14
Article 5: General	15
5.1 Liabilities.....	15
5.2 Internal Control Audits	15
5.3 Inspection of Books & Records.....	15
5.4 Records Management	15
5.5 Taxes.....	16
5.6 No Effect on Other Obligations	16
5.7 Insurance	16
5.8 Disputes; Governing Law; Jurisdiction; Venue	16

5.9 Force Majeure	16
5.10 Notices.....	17
5.11 Headings	17
5.12 No Waiver.....	17
5.13 Counterparts	18
5.14 Severability.....	18
5.15 Complete Agreement	18
5.16 Compliance with Laws.....	18
5.17 Assignment: Subcontracting.....	18
5.18 Further Assurances.....	18
5.19 No Partnership.....	18
5.20 No Third Party Beneficiaries.....	18
5.21 Publicity: Freedom of Information	18

BILLING SERVICES AGREEMENT
[Model 3]

THIS BILLING SERVICES AGREEMENT (this “Agreement”), effective as of September 10, 2017, is entered into between Hampton Roads Sanitation District (“HRSD”) and King William County, Virginia (“Locality”), collectively the “Parties”, individually “Party,” each a political subdivision of the Commonwealth of Virginia.

RECITALS

A. HRSD provides centralized wastewater collection, interception and treatment services within Hampton Roads and outlying areas (Service Area) including such services for Locality.

B. The Parties agree that centralized billing and collection and related services by HRSD for wastewater Customers within Locality and other utility Customers provides for efficiencies therein; is in the best interests of the Customers of the Parties; and is in the interests of the Parties. HRSD may in its discretion continue to use the existing Hampton Roads Utility Billing System for such centralized billing and collection.

C. The Parties currently work together and participate in such a system for centralized billing and related services, and the Agreement reflects and memorializes those current practices, and establishes a more explicit framework therefor. Consistent with the above, the Parties’ intent is that the Parties will use their existing systems, unless inconsistent hereunder, and provide the services and functions accommodated thereunder.

D. Nothing in this Agreement alters or supersedes any rights or obligations of either Party under Virginia law or otherwise under their organizing documents.

NOW, THEREFOR, for valuable consideration, the receipt and sufficiency of which is acknowledged, the Parties agree as follows.

Article I
Definitions

1.1 Authorized Employees shall mean a Party’s utility operations and management employees who have a need to know or otherwise access Personal Information and data in the HRSD Billing System to enable the Party to perform its obligations under the Agreement.

1.2 Billing Data shall mean water and any other meter readings, including the readings for any HRSD-approved Customer sewer meters, Customer identifying information, and other data and information necessary for billing and collection and customer service purposes, including the opening of new Customer accounts and the closing of accounts.

1.3 Customer shall mean a person, corporation or other entity who is the recipient of water, sewer or other utility services by one or both of the Parties.

1.4 Early Termination Charges shall mean a Party's reasonable and necessary interim costs for continuation of billing, collection and Customer billing services in the event of termination by the other Party under section 3.2 herein.

1.5 Effective Date shall mean the date first stated above.

1.6 Facilities Charges shall mean charges for new service connections and other services beyond standard water and wastewater service and the other Locality standard utility services.

1.7 Highly Sensitive Personal Information shall mean Customer social security numbers, other government-issued identification numbers, passwords or PINs, credit card or debit or financial account numbers, credit report information, answers to security questions, and comparable information.

1.8 HRSD Billing System shall mean HRSD's information technology and other systems for utility services billings, collections and Customer service including the service and billing system that operates under the trade name Hampton Roads Utility Billing System or "HRUBS."

1.9 Locality Customer Account Information shall mean a Customer's identifying information, billing information and history, and information concerning the utility services affecting the Customer, including Personal Information.

1.10 Other Utility Charges shall mean Locality charges for water, trash collection and any other utility services or any Locality utility taxes for a Customer.

1.11 Personal Information shall mean information provided to a Party by or at the direction of a Customer in the course of the Parties' performance under this Agreement and the performance of the Parties' utility operations and functions that (a) identifies or can be used to identify an individual or entity, including without limitation names, signatures, addresses, telephone numbers, email addresses, and other unique identifiers, or (b) that can be used to authenticate an individual or entity, including without limitation Highly Sensitive Personal Information.

1.12 Security Breach shall mean any act or omission that materially compromises the security, confidentiality or integrity of (a) Personal Information, other information in the HRSD Billing System, or Locality Customer Account Information; or (b) the physical, technical, administrative or organizational safeguards put in place by a Party that relate to the protection of Personal Information, other information in the HRSD Billing System, or Locality Customer Account Information.

1.14 Security Officer shall mean each Party's primary security contact in regard to its obligations under the Agreement.

Article 2 Billing Services

2.1 Services Provided by HRSD. HRSD agrees to provide the following services:

- (a) Billing and collection for HRSD sewer charges.
- (b) Billing and collection for Other Utility Charges.
- (c) Operations of the HRUBS Customer service center.
- (d) Billing and collection of late payment charges for the Other Utility Charges.
- (e) Customer payment schedules for Other Utility Charges.
- (f) Arrangements for third-party collection efforts for delinquent Other Utility Charges, Commonwealth of Virginia state income tax refund intercept services therefor, and real property liens therefor.

2.2 Locality Billing Data. Locality shall be responsible for all required readings of Locality owned meters and the development, recording and initial management of all other Billing Data necessary or convenient to allow HRSD to bill the Customers in the manner provided in this Agreement.

2.3 Transmission of Billing Data. The Billing Data shall be provided to HRSD by Locality electronically, directly to the HRSD Billing System.

- (a) Billing Data shall be provided bi-monthly for each Customer, and shall be provided to HRSD on a continuous or daily basis as developed by Locality, or as close thereto as practicable.
- (b) The correction of Customer Billing Data and the response to and decisions concerning Customer exceptions and complaints concerning their Billing Data shall be the responsibility of Locality.

2.4 HRSD Billing Functions.

- (a) HRSD shall develop the Customer bills on a bi-monthly frequency for Locality's Customers. The bills shall include HRSD wastewater treatment charges, collection system operation and maintenance charges, and may include Locality potable water service and supply charges, wastewater collection and the Other Utility Charges as requested by the Locality. Locality's provision of data pursuant to section 2.2 shall be a prerequisite to HRSD's obligations under this subsection 2.4(a).
- (b) The monetary rates for the billed services shall be as otherwise provided by the Party furnishing services.
- (c) The Customer bills shall be provided bi-monthly by U.S. Mail, or as otherwise provided below.

(d) HRSD's billing practices shall provide for special billings and special billing arrangements that differ from the billing that applies generally for Locality-provided utility services at the reasonable request of Locality, and to the extent consistent with HRSD's Billing System.

(e) Bills shall be payable directly to HRSD or HRUBS, except as provided below.

(f) The HRSD Billing System shall incorporate late payment charges as defined further herein, and shall apply such charges to Customer bills.

2.5 Online Billing (e-Bill).

(a) At the option of individual Customers, HRSD shall provide Customer bills by email or other electronic means through its e-Bill service. HRSD shall periodically notify Customers in its discretion of the Customers' option to elect e-Bill service. HRSD shall provide for Customer e-Bill sign up and withdrawal in a standard online format and through other means at the discretion of HRSD.

(b) For those Customers who elect e-Bill service, HRSD shall provide data and information concerning Utility Charges and such other information as provided in billings provided to Customers by mail. Such billing and other information shall be available for download and Customer printing.

(c) Historical billing information shall be available to Customers who elect to establish e-Bill accounts for a minimum of 12 months preceding the then-current billings.

(d) Online Customer access to their accounts shall be on a 24 hour a day, 365 days per year basis, with the exception of reasonable system maintenance periods and force majeure outages.

2.6 Auto Pay (EZ-Pay).

(a) HRSD's Billing System shall use and incorporate a Customer Auto Pay (EZ-Pay) option, in which the Customer agrees to automatic payment of utility charges after an e-Bill notice period. Such automatic charges shall be from the Customer's bank account, credit or debit card, or other source of funds acceptable to the HRSD and its Billing System; and such charges shall be accessed unless the Customer responds within the stated e-Bill notice period and places a hold thereon.

(b) Where a Customer uses EZ-Pay his utility billing inquiries, corrections and other provisions may be made to HRSD or to Locality by either email, other written correspondence or telephone.

(c) A Customer may terminate his EZ-Pay authorization at any time by notice properly provided in the manner specified by HRSD.

2.7 Modes of Payment. Acceptable modes of payment for utility billings, whether billings are by mail or e-Bill, shall be the following.

- (a) Payment by mail by check, ACH, money order using a money order provider authorized by HRSD, or credit or debit card authorization.
- (b) Walk in payment at one or more centralized HRSD Customer service offices or at locations provided by one or more third-party retail entities, if HRSD in its discretion provides for such third-party walk in payment options. Acceptable forms of payment shall be as provided in subsection (a) above or by cash.
- (c) Locality may in its discretion provide for walk in payments by its jurisdictional Customers at one or more centralized Locality Customer service offices or at locations provided by one or more third-party retail entities. Acceptable forms of payment shall be as specified by Locality.
- (d) In the event of a Customer payment in the form of credit or debit card, HRSD shall pay the credit/debit card company service charge for both HRSD and Locality charges. HRSD reserves the right to administratively set a maximum consumption (volume) or monetary amount Customer may charge on a credit or debit card to pay a bill issued by HRSD.

2.8 Late Payment Charges.

- (a) Bills shall be defined as late and delinquent if not paid by the stated due date, irrespective of the manner in which such bill is provided to the Customer. In the case of any delinquent bill, notification thereof shall be provided to the Customer in the manner in which bills are provided. HRSD shall implement a system of escalated delinquent payment notification and warning notices that shall include (i) escalating response to continued non-payment and (ii) notice of applicable appeal and correction procedures.
- (b) Late payment charges for HRSD's charges may be added to the remaining unpaid amounts from the previous Customer bill. The amount, calculation and rate shall be determined no less than annually by the HRSD Commission. The principal amount upon which such interest is calculated shall include any prior unpaid interest charges.
- (c) Late payment charges for Locality's charges may be imposed by Locality, and any such charges shall be identified to HRSD as provided in section 2.3.

2.9 Allocation of Partial Payments by Customers.

- (a) When a Customer makes a partial payment on a bill, whether the payment is made directly to HRSD or to the Locality, the allocation of such partial payment shall be as follows. Such partial payments shall be credited *pro rata* with respect to the individual HRSD and Locality service components of the bill including any late payment charges included therein. By way of example, if a customer billing includes HRSD wastewater service charges as 30% of the total amount of the bill (including any late payment charges), 30% as Locality charges for

Locality service “A” (including any late payment charges), and 40% for Locality service “B” (including any late payment charges), the partial payment shall be allocated 30% to HRSD and 70% to Locality.

(b) Neither HRSD nor Locality shall permit a Customer to designate allocation of a partial payment in any way that conflicts with subsection (a) immediately above.

2.10 Correction of Billing Errors. Because the correction of Customer Billing Data and the response to and decisions concerning Customer exceptions and complaints concerning their Billing Data are the responsibility of Locality, HRSD shall inform Customers who state such issues and complaints that they should contact Locality directly for resolution.

2.11 Customer Appeal Procedures. The design and use of any internal administrative appeal procedure shall be the responsibility of the individual Parties as to Customer charges billed for services provided by each Party.

2.12 Additional Charges. HRSD reserves the right to bill Customers directly for various service charges. These charges and their amount shall be determined and set no less than annually by the HRSD Commission. These charges may include, but are not limited to, delinquent bill charges, water service cutoff, water and wastewater restoration services, returned payment charges, and new wastewater connection services.

2.13 HRSD Billing Charges to Locality.

(a) There shall be no HRSD billing service charges to Locality for billings and/or for associated standard, generic services.

2.14 Disputed Amounts.

(a) Notwithstanding anything to the contrary herein, if a good faith dispute arises between the Parties concerning any billings or allocations of funds, that portion of the funds that are not in dispute shall be due and payable on the otherwise applicable due date; and when the dispute is resolved, the remaining portion of the payments if any shall be paid promptly with interest at a rate of one and one-half percent (1 ½ %) per month, compounded monthly, from the date that the amount should have been paid had there been no dispute.

(b) Moreover, if the resolution of any dispute determines that one Party has overpaid the other, then such overpaid amount shall be refunded promptly with interest accruing as provided in subsection (a) immediately above.

(c) In regard to this section 2.14, prompt payment shall mean payment within no more than 30 days of notice and substantiation of the matter for which payment is due.

(d) All billings and requests for payments between the Parties shall be conclusively presumed to be final and accurate unless objected to in writing within six (6) months after such billings and requests.

2.15 Payment Schedules.

HRSD shall not provide Customer payment schedules except as follows. If Locality wishes to provide for Customer payments schedules, and if HRSD agrees thereto, the Parties shall define by separate memorandum the conditions under which such payment schedules shall be, on a Customer's request, offered to a Customer or declined for a Customer, and the terms of any such offered payment schedules. In the event of any Customer payment schedule, Late Payment Charges under section 2.8 shall continue to apply.

2.16 Third Party Collections.

- (a) HRSD may use an established third-party service provider for collections of delinquent Customer HRSD and HRUBS billings.
- (b) HRSD may alternatively or in addition use the Commonwealth of Virginia's Debt Set Off program for collections of delinquent Customer HRSD billings.
- (c) If Locality has by ordinance provided for a lien on the real property served by water and any other authorized utility services provided by Locality and sewer service provided by HRSD, HRSD may also alternately or in addition utilize, perfect and recover thereon in accordance with Virginia law such liens for delinquent Customer HRSD billings.
- (d) If Locality so chooses, HRSD shall refer delinquent Customer Locality billings to the same service provider for collections and/or use the Commonwealth of Virginia's Debt Set Off program on behalf of Locality and the real property lien rights referred to immediately above at the time of referral of the HRSD billings. In any such case, Locality shall be responsible for its *pro rata* share of third-party charges or any charges specific to its accounts.
- (e) The *pro rata* payment provisions of section 2.9 shall not apply in the event of third party collections where Locality does not authorize the collection efforts.

2.17 Writeoffs. Writeoffs of delinquent Customer accounts shall be addressed as follows.

- (a) Uncollected Customer account balances shall be written off for financial reporting purposes at one (1) year of age.
- (b) Notwithstanding subsection (a) immediately above, HRSD shall maintain delinquent accounts for a total of ten (10) years, and may continue third-party collection efforts.
- (c) Each Party shall absorb the loss for its unpaid bills in the event of a writeoff. In the event of a partial writeoff each Party shall absorb an amount for its unpaid bills *pro rata* in the proportion of its unpaid bills (including any late payment charges) to the total amount of the partial writeoff.

2.18 Service Disconnections. Utility service disconnections shall be handled as follows.

(a) Prior to making utility service disconnections, HRSD shall use its reasonable efforts to allow delinquent Customers to bring their accounts into full payment. The requirements for reasonable efforts by HRSD shall be deemed satisfied by at least two notices to the Customer of their payment delinquency and opportunity to bring the account into full payment, such notices delivered either by U.S. mail to their standard billing address, telephone call to phone number of record or in the manner the Customer has elected for service of HRSD bills.

(b) The physical disconnection of Customer water service for non-payment shall be by the Locality.

2.19 Service Terminations at Request of Customer. Water and wastewater service terminations shall be handled by the Locality.

2.20 Service Restorations. In the event of restoration of water and wastewater service after the Customer has paid the outstanding amounts for the Utility Charges, or made arrangements therefore acceptable pursuant to the protocols provided in the Agreement, the Locality shall make the service restoration as soon as practicable during normal business hours.

2.21 HRSD Call Center Hours of Operations.

(a) The hours of HRSD's call center operations shall be no less than HRSD's normal business hours.

(b) During the times specified in subsection (a) immediately above the call center shall handle billing inquiries and other Utility service requests.

(c) Notwithstanding the provisions of subsection (a) above, the call center shall be available on a 24 hour, 365 day per year basis for emergency Utility service calls (with the exception of force majeure outages), which shall include at a minimum safety inquiries and safety emergencies relating to Utility services, water or wastewater spills and line breakages, and Utility service outages not the result of non-payment of Utility bills.

2.22 Performance Standard. In the performance of their respective duties under this Agreement the Parties shall conform to the following performance standards.

(a) General. In their performance under the Agreement the Parties shall exercise due care, and accepted management practices, including but not limited to the selection, training and retention of their personnel who implement the Agreement.

(b) Timeliness and Accuracy of Customer Data and Billing Data. In their performance under the Agreement the Parties shall exercise due care and accepted management practices to maintain the accuracy of Billing Data and Personal Information, and in the timeliness of their management thereof. Parties will designate specific contacts for timely response to inquiries between parties.

(c) Timely Resolution of Disputes. Both Parties shall exercise accepted management practices to achieve the timely resolution of Customer complaints and disputes. They shall endeavor to

resolve most typical Customer complaints and disputes on the initial phone call or exchange of correspondence relating thereto; provide for and identify for the Customer a specific contact individual; and endeavor to promptly follow up with the Customer in those cases where followup by the Party is needed. The Parties shall keep records adequate to evaluate their consistency with these standards.

(d) Emergency and Weather Events. The Parties shall exercise accepted management practices in their handling of the functions addressed by this Agreement during and after emergency and extreme weather events. The Parties shall develop and implement emergency and disaster plans therefor in the handling of the functions addressed by this Agreement.

2.23 Funds Transfers Between Parties. Both Parties shall provide for and implement the timely and routine electronic transfer of funds to the other as their respective rights to such funds appear. For standard billing receipts such transfers shall occur no less frequently than daily Monday through Friday, and shall transfer no less than the amounts due to the receiving Party that have accrued to the sending Party as of close-of-business on the preceding calendar day. For Facilities Charges such transfers shall occur no less frequently than weekly.

2.24 Report Generation from HRSD Billing System.

(a) The HRSD Billing System shall provide for direct Locality access to and generation of a standard package of reports on Locality billings, receipts and other data. That standard package shall be no less than the reports available on the Effective Date.

(b) Locality requests for reports outside of the standard reporting package shall be submitted in writing to HRSD. HRSD shall promptly respond with a determination of practicable available scope of additional reporting, and the cost therefor. If Locality elects to obtain such additional reporting, HRSD shall provide the additional reporting at the cost of Locality.

2.25 Systems Security. The Parties agree that information technology and facilities systems security is paramount in the proper implementation of the Agreement, and they agree that those systems shall be subject to routine upgrades as indicated by good business and information technology practices and the availability of additional security features and provisions. Not by way of limitation, the Parties agree that they shall:

(a) Implement and maintain all appropriate technical, physical and organizational security and confidentiality measures to protect against unauthorized or unlawful access to data;

(b) Implement and maintain all appropriate technical, physical and organizational security and confidentiality measures to guard against accidental or other loss, destruction, misuse or damage to data;

(c) Take all reasonable steps to ensure the reliability of their Authorized Employees and other staff and agents;

(d) Process data only as necessary to carry out the responsibilities of the Parties under this Agreement; and

(e) Comply with all applicable law.

2.26 Procedures in the Event of a Security Breach.

(a) Each Party shall provide the other Party with the name and contact information of its Security Officer and his/her backup who shall serve as the Party's primary security contact and who shall be available to assist the other Party in effecting and resolving obligations in the event of a Security Breach.

(b) Each Party shall notify the other of any Security Breaches by telephone and email with a read receipt, and with a copy by email to the other Party's primary business contact, as soon as practicable. In any such event the Parties shall coordinate with each other to investigate the Security Breach and both agree to fully cooperate with the other in addressing the Security Breach, including, without limitation assisting with any investigation.

(c) Each Party shall take reasonable steps and use best efforts to immediately remedy any Security Breach and prevent any further Security Breach at its own expense in accordance with applicable privacy rights, laws, regulations, and standards. Notwithstanding the above, each Party shall reimburse the other for actual, reasonable costs incurred by it in responding to, and mitigating damages caused by any Security Breach within the first Party's systems, including all costs of notice and/or remediation.

(d) Both Parties agree that they shall not make any public release of information concerning any Security Breach without first coordinating and agreeing upon a response to the Security Breach, except as may be required by federal or Virginia law. The Parties shall agree on the contents of any notice of a Security Breach, including the effects thereof on any Customers and the nature and extent of any remediation.

(e) Both Parties agree to fully and reasonably cooperate with each other in any litigation or other formal action resulting from a Security Breach, including to protect their rights and obligations relating to the use, disclosure, protection and maintenance of Personal Information.

2.27 Security of Personal Information.

(a) The Parties acknowledge and agree that, in the course of their performance under the Agreement, they will receive and have access to Personal Information. Each Party shall comply with the terms and conditions set forth in this Agreement in its collection, receipt, transmission, storage, disposal, use and disclosure of such Personal Information and shall be responsible for the unauthorized collection, receipt, transmission, storage, disposal, use and disclosure of such Personal Information under its control or in the possession of its employees or agents. Each Party shall be responsible for and remain liable to the other Party for the actions and omissions of its employees and agents taken in the course of and in furtherance of their work

responsibilities concerning the treatment of Personnel Information as if they were the Party's own actions or omissions.

(b) In recognition of the forgoing each Party agrees that it shall (i) keep and maintain all Personal Information in strict confidence, using such degree of care as is appropriate to avoid unauthorized access, use or disclosure; (ii) use and disclose Personal Information solely and exclusively for the purposes for which the Personal Information or access to it is provided pursuant to this Agreement, and not use, sell rent, transfer, distribute, or otherwise disclose or make available Personal Information for any other purposes or for the benefit of anyone other than the Customer, in each case without Customer's prior written consent; and (iii) not directly or indirectly disclose Personal Information to any person other than its Authorized Employees or its agents without the express written consent of the Customer, unless expressly required by applicable law. In any case in which such disclosure is required by applicable law, the Party so disclosing shall make best efforts to notify the Customer before or as soon after disclosure as practicable, and require to the extent allowable by law the person receiving such Personal Information to execute a written agreement agreeing to comply with the confidentiality provisions herein.

(c) The Parties represent and warrant that their collection, access, use, storage, disposal and disclosure of Personal Information shall comply with all applicable federal and Virginia law.

(d) Without limiting the Parties' obligations under subsection (c) immediately above, each Party shall implement and require that its agents implement administrative, physical and technical safeguards to protect Personal Information that are consistent with accepted industry practices. Such safeguards shall include in regard to credit, debit and other payment cardholder information compliance with the Payment Card Industry Data Security Standard requirements.

(e) At a minimum, each Party's safeguards for the protection of Personal Information shall include (i) limiting access to Authorized Employees; (ii) securing information technology and business facilities, data centers, paper files, servers, backup systems and computing equipment, including mobile devices and other equipment with information storage capability; (iii) implementing security for the forgoing; (iv) implementing authentication and access controls; (v) encrypting Highly Sensitive Personal Information stored on any mobile media or transmitted over public or wireless networks; (vi) implementing appropriate personnel security and integrity procedures and practices, including without limitation conducting background checks consistent with applicable law; and (vii) providing appropriate privacy and information security training to its employees.

(f) Return or Destruction of Personal Information. If at any time a Party requests that the other Party return or destroy Personal Information relating to any Customer or prior Customer of such Party which is no longer necessary for the purposes provided in this Agreement, the other Party shall promptly return all copies, whether in written, electronic or other form or media, of Personal Information in its possession, or securely dispose of all such copies, and certify in writing to the Party that such Personal Information has been returned or disposed of securely.

2.28 Authorized Employees.

- (a) Each Party shall limit its Authorized Employees to only those employees who have a specific need to know or need to access Personal Information, and those employees with supervisory responsibilities over such employees.
- (b) Each Party shall implement within its personnel hiring and retention system appropriate personnel integrity and security procedures, which shall include a process for evaluating new, promoted and reclassified employees and persons applying for such status, which shall include criminal background checks.
- (c) Each Party shall at all times cause each of its Authorized Employees to strictly abide by the Party's obligations under the Agreement and the Party's policies and procedures implementing the Agreement.
- (d) The Parties further agree that each shall maintain and implement a disciplinary process to address any unauthorized access, use or disclosure of any Personal Information or data from or associated with the Customer billing systems and Customer data of either Party. On the request of a Party the other Party shall provide the procedures and standards of its disciplinary process.
- (e) On a Party's written request, the other Party shall promptly identify in writing all of its Authorized Employees as of the date of the request.

Article 3 Term

3.1 Term; Termination.

- (a) Initial Term. The initial term of this Agreement shall be five (5) years from the Effective Date.
- (b) Extension Terms. The term of the Agreement shall be automatically extended for two (2) sequential five (5) year extension terms at the end of the Initial Term and the first extension term, unless a Party provides written notice to the other Party of its intent to not extend, no later than twelve months prior to the next expiration date.

3.2 Termination for Convenience. Either Party may terminate the Agreement for its own convenience by giving the other Party no less than six (6) months written notice prior to its desired termination date. In any case of such termination for convenience, the terminating Party shall pay to the non-terminating Party no later the date of termination the Early Termination Charges.

3.3 Termination for Non-Performance.

(a) In the event of any material failure of a Party to perform its obligations under this Agreement, the other Party may provide written notice to the non-performing Party, specifying with particularity the failures to perform. In any such event the non-performing Party shall be allowed a cure period of 30 days to correct the non-performance, or if the non-performing party proceeds with diligence to cure but the cure will necessarily take longer than 30 days, a maximum of 90 days.

(b) In the event that the non-performing Party does not cure and resume acceptable performance by the end of the cure period provided in subsection (a) immediately above, the other Party may (but is not obligated to) by written notice terminate the Agreement.

3.4 Actions Upon Expiration or Termination. In the event of expiration or termination of the Agreement the Parties shall have no further obligations thereunder, except that obligations and liabilities that accrue prior to the expiration or termination shall survive, and the confidentiality and security obligations pursuant to sections 2.25 through 2.28 shall survive to each of the Parties in regard to retained data that concern the other Party.

3.5 Amendment. This Agreement may only be amended by a writing duly executed by both Parties.

Article 4 Representations

4.1 Representations. The Parties each represent and warrant as of the Effective Date as follows:

(a) Existence. It has the power and lawful authority to enter into and perform its obligations under this Agreement and any other documents required by this Agreement.

(b) Authorization. The execution, delivery, and performance by, of and under this Agreement and any related agreements have been duly authorized by all necessary action on its behalf, and do not and will not violate any provision of its organizational documents or result in a material breach of or constitute a material default under any agreement, indenture, or instrument of which it is a party or by which it or its properties may be bound or affected.

(c) Litigation. To the best of the Party's knowledge, there are no actions, suits, or proceedings pending or threatened against it or any of its properties before any court or governmental department, commission, board, bureau, agency, or instrumentality that, if determined adversely to it, would have a material adverse effect on the transactions contemplated by this Agreement.

(d) Execution. The Party has duly executed and delivered this Agreement, and (assuming due authorization, execution and delivery by the other Party) this Agreement constitutes a legal, valid and binding obligation of the Party enforceable against it in accordance with its terms.

4.2 Reliance and Survival. Each Party acknowledges that its representations and warranties as set forth above will be relied upon by the other in entering into and performing under this Agreement.

Article 5 General

5.1 Liabilities.

(a) The Parties understand and agree that each is responsible for and liable to the extent allowed by law in the event of damage to the other Party for their respective responsibilities and duties under the Agreement.

(b) Nothing herein shall constitute a waiver of sovereign immunity by either Party.

5.2 Internal Control Audits.

(a) At least once every three (3) years HRSD, at its expense, shall cause a qualified third party to conduct an Internal Control Audit of its Customer billing information technology and information security controls for all of its facilities used in complying with its obligations under this Agreement. Such Internal Control Audit shall be based on recognized industry best practices and shall consider infrastructure and operations security; identity and access management; vulnerability management; business continuity planning; disaster recovery planning; and training. Audit reports shall be provided to Locality, and Locality shall treat such audit reports as confidential information and not further release such reports to the extent allowable under law. Any exceptions noted in the audit report shall be promptly addressed by HRSD through the development and implementation of a corrective action plan.

(b) Locality may at any time request an Internal Control Audit by HRSD, which shall be performed by a qualified third party selected by Locality, and subject to the reasonable approval of HRSD. The cost of such audit shall be borne by Locality.

5.3 Inspection of Books & Records.

(a) During the term, and including any extension term(s), and for a period of three (3) years thereafter each Party shall keep and maintain complete and accurate records and all other data required by each of them for the purposes of proper administration of this Agreement.

(b) Subsection (a) immediately above shall not supersede other provisions herein establishing a specific retention period for Billing Data, Personal Information or other data.

(c) Each Party shall have the right, at its sole cost and expense during normal business hours, to examine the other Party's records to the extent necessary to verify the accuracy of any matters pursuant to this Agreement.

5.4 Records Management.

(a) The Parties shall each develop and maintain procedures for the management of billing, payment, and Customer records which shall be adequate for its responsibilities under this Agreement, and which shall include records retention and disposition schedules.

(b) The Parties shall each comply with the Library of Virginia Regulations Governing the Destruction of Public Records Containing Social Security Numbers, 17 VAC 15-120.

5.5 Taxes. Each Party shall be solely responsible for any taxes imposed on its own activities related to or pursuant to this Agreement.

5.6 No Effect on Other Obligations. The Parties' obligations and rights under this Agreement shall have no effect on any utility or other obligations and rights not specifically addressed herein.

5.7 Insurance. The Parties shall each maintain all risk, general liability, employer's liability/workers compensation, automobile insurance, and any other insurance coverage adequate and customary in the business of utility services, and covering and applicable to its responsibilities under this Agreement.

5.8 Disputes; Governing Law; Jurisdiction; Venue.

(a) In the event of any dispute concerning this Agreement the Parties shall engage in non-binding and informal discussions in an effort to resolve the dispute.

(b) If the procedures of subsection (a) immediately above do not resolve the dispute, either Party may by written notice as provided in section 5.10 herein elevate the dispute to the level of the Chief Financial Officers or Directors of Utilities of the Parties who shall attempt to resolve the matter. The procedure of this subsection (b) shall be a mandatory prerequisite to further action by either Party concerning the dispute.

(c) In the event that the Parties do not resolve a dispute under the provisions immediately above, they shall retain all of their legal rights thereto.

(d) The Parties agree that any legal action between the Parties concerning the Agreement or their duties and responsibilities thereunder shall be in either Circuit Court for the City of Virginia Beach or the Circuit Court serving Locality. In any such legal action the Parties shall each bear their own attorney and other costs.

(e) The Parties acknowledge that any breach of this Agreement or failure to perform thereunder may cause the other Party irreparable harm for which monetary damages would not be adequate compensation. The Parties agree that in any such case they are entitled to seek equitable relief, including injunctive relief and specific performance, from the court. Such remedies shall not be deemed to be exclusive, but shall be in addition to all other remedies available at law or in equity.

5.9 Force Majeure. Neither Party shall be liable to the other for delays or failures in performance resulting from causes beyond the reasonable control of the non-performing Party, including but not limited to acts of God, labor disputes or disturbances, material shortages or

rationing, riots, acts of war, governmental regulations (other than those of the non-performing Party), or communications or utility failures (other than those of the non-performing Party).

5.10 Notices. All notices or other communications required or permitted under this Agreement shall be in writing and may be given by depositing the same in the United States mail, addressed to the Party to be notified, postage prepaid and registered or certified with return receipt requested, by overnight courier or by delivering the same in person to such Party. Notice shall be deemed given and effective the day personally delivered or the day after being sent by overnight courier, subject to signature verification. Any Party may change the address for notice by notifying the other Party of such change in accordance with this section. Such notice shall be addressed as follows:

If to HRSD:

Attn: _____

with a copy to:

If to Locality:

Attn: _____

with a copy to:

5.11 Headings. Headings are for convenience and reference only, and shall not be used to define or modify the meaning of any term or provision.

5.12 No Waiver. Failure by either Party to enforce any provision of this Agreement shall not be deemed a waiver of future enforcement of that or any other provision. Any waiver, amendment, variation or other modification of any provision of this Agreement shall be effective only if in writing and signed by the Parties.

5.13 Counterparts. This Agreement may be executed by the Parties in counterparts, and any such execution shall constitute a complete and effective Agreement.

5.14 Severability. If any term or provision of this Agreement shall be held to be illegal or unenforceable by a court of competent jurisdiction, the remaining terms and provisions shall remain in full force and effect.

5.15 Complete Agreement. This Agreement is the complete agreement between the Parties concerning the subject matter of this Agreement and replaces any prior oral or written communications between the Parties. Notwithstanding Recital D, there are no conditions, understandings, agreements, representations or warranties expressed or implied that are not specified herein.

5.16 Compliance with Laws. The Parties agree to, in their implementation of this Agreement, comply with all applicable law.

5.17 Assignment; Subcontracting.

(a) Unless otherwise expressly provided under this Agreement, neither Party may assign this Agreement or assign its rights or delegate its obligations hereunder, either in whole or in part, whether by operation of law or otherwise, without the prior written consent of the other. Any attempted or purported assignment or delegation without the other Party's written consent shall be void.

(b) If a Party subcontracts any of its responsibilities under this Agreement, it shall notify the other Party of that subcontracting. In any such event the subcontracting Party's obligations hereunder shall remain unchanged, including its obligations under sections 2.22 through 2.27. The subcontracting Party shall further ensure that its subcontractor maintains employee policies no less stringent than those of section 2.28.

5.18 Further Assurances. Both Parties agree to provide such further assurances, documents and documentation as may be reasonably necessary to assist the other Party in its implementation of the Agreement.

5.19 No Partnership. The Parties are independent governmental entities, their relationship hereunder is solely by contract, and there is no partnership or comparable legal relationship established by or under this Agreement.

5.20 No Third Party Beneficiaries. This Agreement is solely for the benefit of the specific Parties hereto, there are no third party beneficiaries, and no other person has a right to rely on any term or provision hereof.

5.21 Publicity; Freedom of Information. (a) Neither party shall publish this Agreement or make any public statement concerning the Agreement other than to acknowledge its existence, without first notifying the other Party and conferring concerning the appropriate scope of publication and/or statement.

(b) The Parties acknowledge that they are subject to the Freedom of Information provisions of the Virginia Code. However, they confirm that the provisions of sections 2.15 through 2.18, Personal Information, financial information, and Internal Control Audit reports may be exempt from Freedom of Information disclosure, and they agree to assert any reasonably available exemption and in the event of the applicability of an exemption not release such section, the text thereof, information or report except as may be ordered by a court of competent jurisdiction. In the event of any third party proceeding in court to obtain such sections or parts thereof, the Party to whom the request was submitted or against whom suit was filed shall notify the other Party as soon as practicable thereof. In any such event, the Party to whom the request was submitted or against whom suit was filed shall allow the other Party as much time as practicable to respond and shall not oppose such other Party's intervention in the suit.

IN WITNESS WHEREOF, HRSD and Locality have executed this Agreement to be effective as of the Effective Date.


HRSD:

Locality:

Approved as to form:

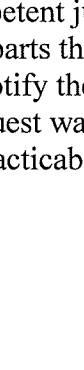
Approved as to form:


By: _____
Name: _____
Title: _____
Date Signed: _____, 2018

By: 
Name: Daniel M. Stuck
Title: County Attorney
Date Signed: SEPTEMBER 10, 2018

Execution:

Execution:

By: 
Name: EDWARD G. MORRISON
Title: GENERAL MANAGER
Date Signed: 9/10, 2018

By: 
Name: Bobbie Tassinari
Title: County Administrator
Date Signed: 9/10/18, 2018



County of King William, Virginia

Board of Supervisors

RESOLUTION 18-37

A RESOLUTION APPROVING THE TRANSFER OF THE KING WILLIAM COUNTY WASTE WATER SYSTEM TO THE HAMPTON ROADS SANITATION DISTRICT AND APPROVING THE EXECUTION BY THE COUNTY ADMINISTRATOR ON BEHALF OF THE BOARD OF THE TRANSFER AGREEMENT, THE DEED OF CONVEYANCE, AND ANY OTHER DOCUMENTS NECESSARY TO EFFECT THE TRANSFER OF THE SYSTEM

WHEREAS, the Hampton Roads Sanitation District (HRSD) has operated the wastewater system serving portions of King William County for a number of years; and

WHEREAS, the Board initiated a request a number of years ago that HRSD give consideration to assuming ownership and operation of the wastewater system and HRSD indicated a willingness to do so under certain terms and conditions provided certain prerequisites were satisfied, to include the elimination of debt on the system; and

WHEREAS, all prerequisites have now been met and the Board and HRSD have negotiated an agreement setting forth the terms of the transfer of the wastewater system to HRSD and have agreed on the form of a deed conveying title to the system, including the associated real estate; and

WHEREAS, the Board has conducted a duly advertised public hearing on August 27, 2018 to receive comment on the conveyance, and after such hearing has concluded that the transfer of the wastewater system to HRSD is in the best interests of King William County;

NOW, THEREFORE, BE IT RESOLVED, this 27th day of August, 2018, that the Board of Supervisors of King William County hereby approves the system transfer agreement and the deed of transfer in substantially the forms presented to the Board this day, subject only to minor changes deemed necessary that do not change the purpose or intent of the transaction and that are approved by the County Attorney, and authorizes the County Administrator, Bobbie H. Tassinari, to execute the Agreement and deed and any supporting related documents, on behalf of King William County.

Adopted this 27th day of August, 2018.

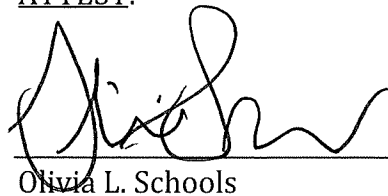
The vote on the foregoing was as follows:

Supervisor, Third District: Stephen K. Greenwood	Aye
Supervisor, Fourth District: David E. Hansen	Aye
Supervisor, Fifth District: Robert W. Ehrhart II - Vice Chairman	Aye
Supervisor, Second District: Travis J. Moskalski	Aye
Supervisor, First District: William L. Hodges - Chairman	Aye

ATTEST:



William L. Hodges, Chairman
King William County Board of Supervisors

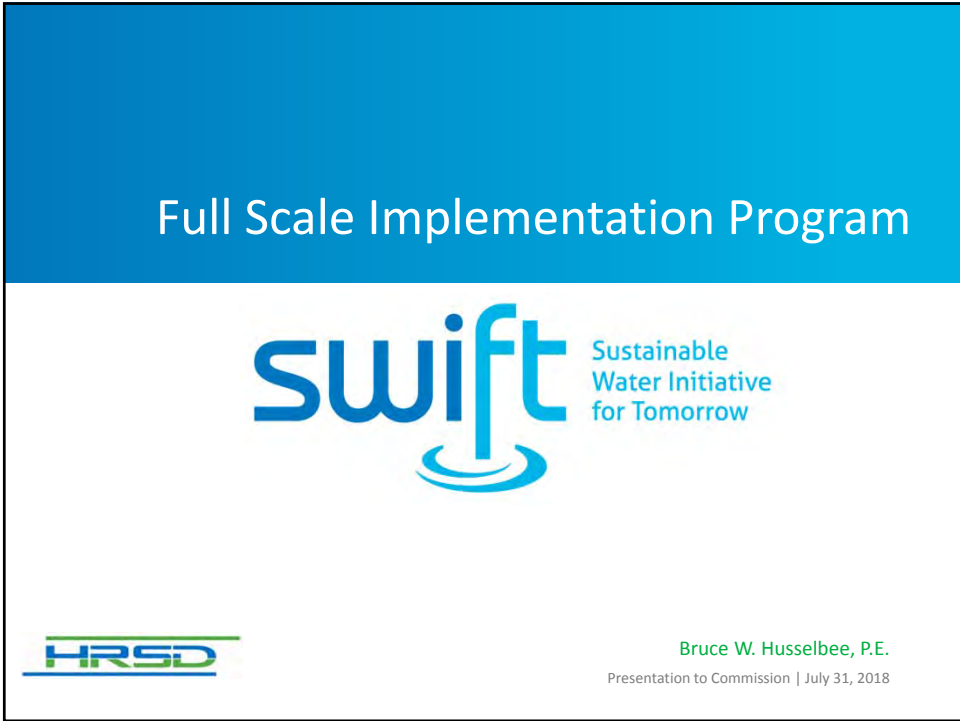


Olivia L. Schools
Deputy Clerk of the Board of Supervisors

HRSD COMMISSION MEETING MINUTES
July 31, 2018

ATTACHMENT #6

AGENDA ITEM 8. – SWIFT Program Management Presentation



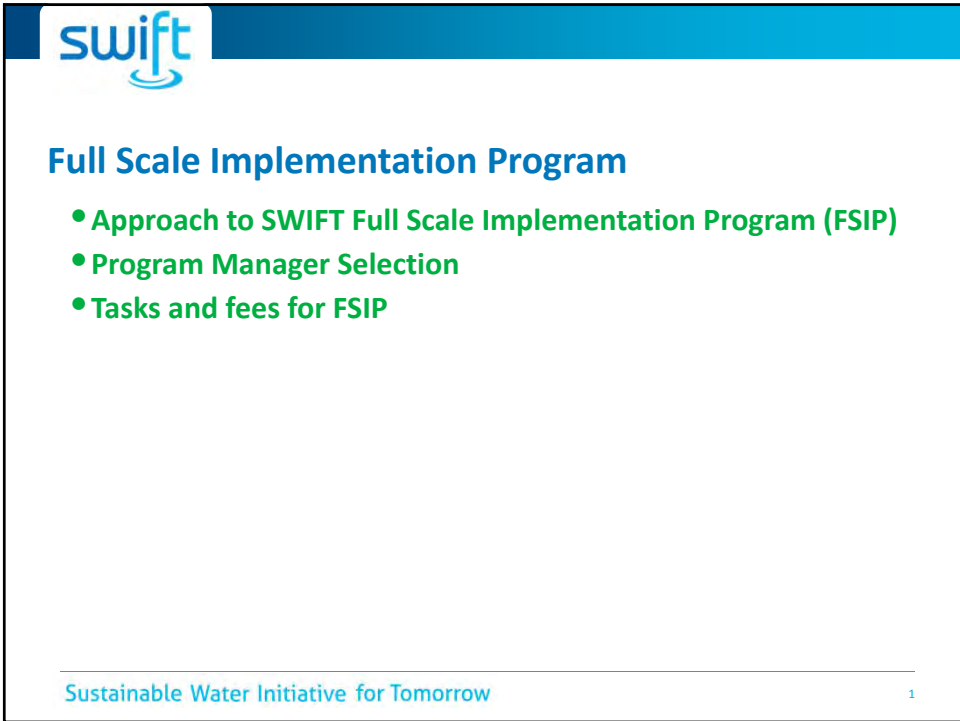
Full Scale Implementation Program

swift Sustainable Water Initiative for Tomorrow

HRSD

Bruce W. Husselbee, P.E.
Presentation to Commission | July 31, 2018

This slide features a blue header with the title "Full Scale Implementation Program". Below the header is the "swift" logo, which includes the word "swift" in a blue sans-serif font and a blue wave icon underneath. To the right of the logo is the text "Sustainable Water Initiative for Tomorrow". In the bottom left corner is the "HRSD" logo, and in the bottom right corner is the name "Bruce W. Husselbee, P.E." and the text "Presentation to Commission | July 31, 2018".



swift

Full Scale Implementation Program

- Approach to SWIFT Full Scale Implementation Program (FSIP)
- Program Manager Selection
- Tasks and fees for FSIP

Sustainable Water Initiative for Tomorrow 1

This slide has a blue header with the "swift" logo. Below the header is the title "Full Scale Implementation Program" in bold blue text. Underneath the title is a bulleted list with three items: "Approach to SWIFT Full Scale Implementation Program (FSIP)", "Program Manager Selection", and "Tasks and fees for FSIP". At the bottom of the slide, there is a horizontal line, followed by the text "Sustainable Water Initiative for Tomorrow" on the left and the number "1" on the right.

swift

Early planning and development phases support implementation of full scale SWIFT facilities

- Phase 1 – Concept Feasibility 2014 - 2015
- Phase 2 – Concept Development & Pilot Testing 2016 - 2017
- Phase 3 – Concept Demonstration 2016 - 2019
- Phase 4 – Facility Plan Development 2016 - 2019
- Phase 5 – Implementation Plan 2017 - 2021
- **Phase 6 – Full-Scale Facility Implementation 2018 - 2030**

A horizontal timeline from 2014 to 2030. Above the timeline, green circles with numbers 1, 2, 4, and 6 are connected by brackets to specific years: 1 (2014-2015), 2 (2016-2017), 4 (2016-2019), and 6 (2018-2030). Below the timeline, green circles with numbers 3 and 5 are connected by brackets to specific years: 3 (2016-2019) and 5 (2017-2021). The years 2014-2015 are shaded with a grid pattern.

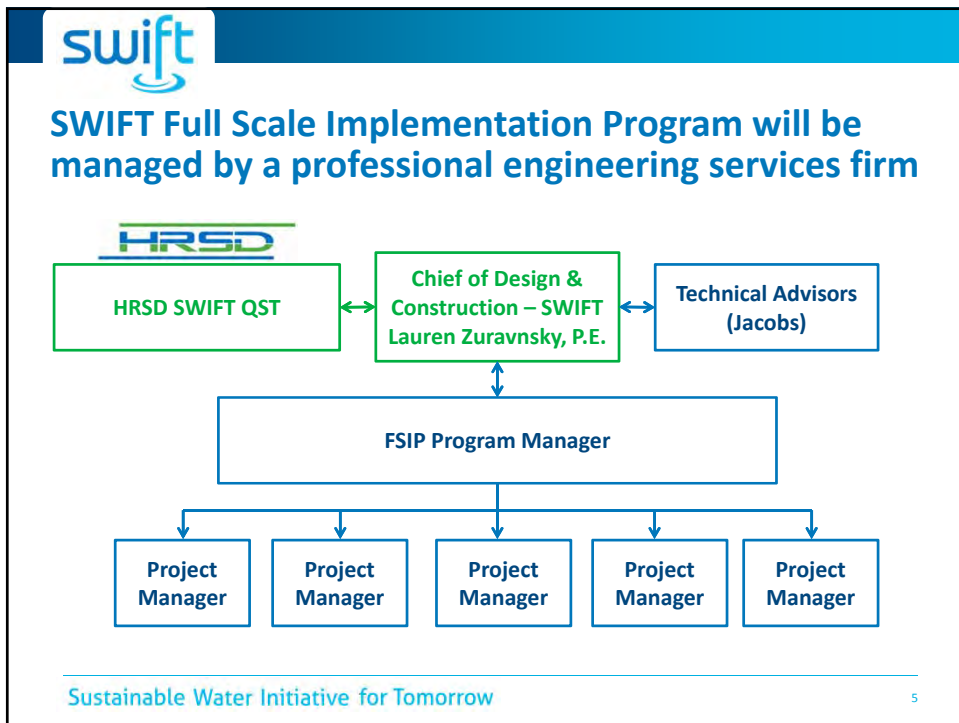
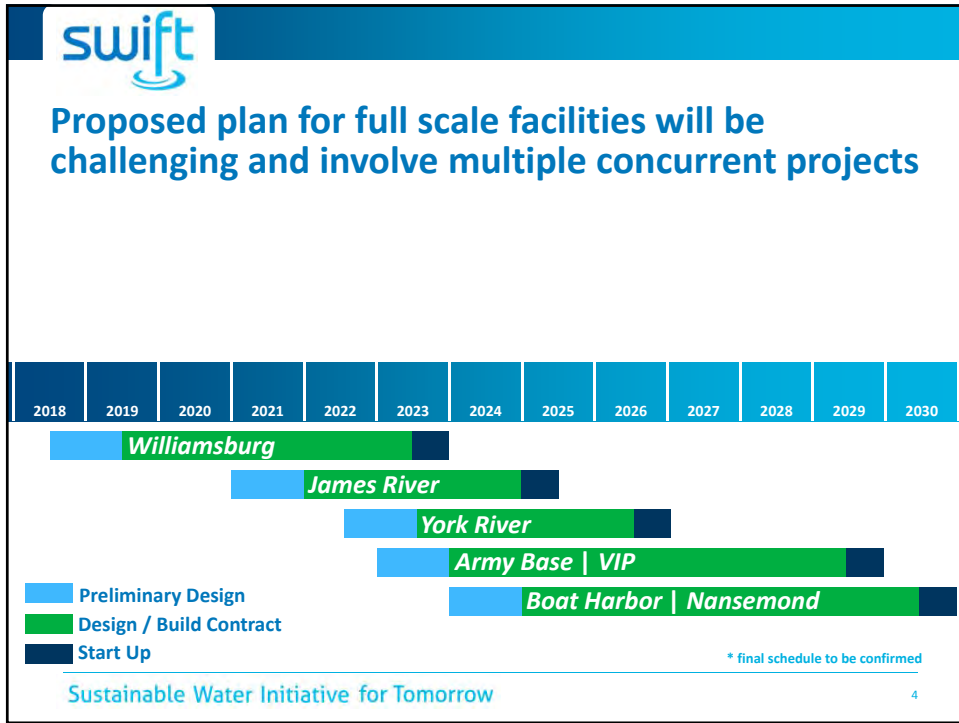
Sustainable Water Initiative for Tomorrow 2

swift

On-going research and operational experience will inform design of the full scale SWIFT facilities

A collage of six images illustrating research and facility development. Top left: A hand holding a glass of water with a 'swift' logo on the glass, labeled with a green circle '3'. Top middle: Laboratory equipment with glass tubes and machinery, labeled with a green circle '3'. Top right: A tall drilling rig on a truck, labeled with a green circle '4'. Middle left: A modern building with 'swift' branding, labeled with a green circle '3'. Middle right: A large industrial structure, labeled with a green circle '5'. Bottom right: A technical site plan diagram with various labeled areas, labeled with a green circle '5'. The word 'Hazen' is visible in the bottom right corner of the building image.

Sustainable Water Initiative for Tomorrow 3





Selection for professional engineering services was in accordance with HRSD Procurement Policy

Selection Committee


- Bruce Husselbee Director of Engineering (*Chair*)
- Lauren Zuravnsky Chief of Design & Construction - SWIFT
- Charles Bott Director of Water Technology and Research
- Steve de Mik Director of Operations
- Jim Pletl Director of Water Quality
- Andy Nelson Operations Project Manager
- Jay Bernas Director of Finance (*non-voting*)
- Raja Arokiaraj IT Enterprise Architect (*non-voting*)



Selection committee used a two-phase approach to evaluate interested firms

Request for
Proposals
Phase 1
3/18 – 4/11

Request for
Proposals
Phase 2
4/23 – 5/15



Five firms submitted a qualifications based proposal


Request for Proposals Phase 1
3/18 – 4/11

→ **Demonstrate experience of firm and personnel with:**

- ✓ Management of similar programs
- ✓ Relevant technical areas (advanced treatment, etc.)
- ✓ Alternative delivery methods

Received Proposals from:
AECOM | Black & Veatch | Brown and Caldwell | CDM Smith | HDR

Sustainable Water Initiative for Tomorrow 8



Four firms were shortlisted and evaluated on their technical approach proposal and interview

Request for Proposals Phase 1
3/18 – 4/11

Request for Proposals Phase 2
4/23 – 5/15

Interviews
5/25

→ **Describe approach to Program Management, including:**

- ✓ Partnership with HRSD
- ✓ Proposed Work Plan
- ✓ Communication and Information
- ✓ Design and Innovation
- ✓ Construction, Start Up, and Training

Received Proposals from:
AECOM | Black & Veatch | Brown and Caldwell | HDR

Sustainable Water Initiative for Tomorrow 9

swift

Selection was supported by positive feedback from reference checks

```
graph LR; A[Request for Proposals Phase 1  
3/18 - 4/11] --> B[Request for Proposals Phase 2  
4/23 - 5/15]; B --> C[Interviews  
5/25]; C --> D[Reference Checks  
6/5 - 6/10]; D --> E[DC Water*  
San Francisco*  
Dekalb County, GA  
Town of Davie, FL];
```

** Owner plus engineer and contractor*

Sustainable Water Initiative for Tomorrow 10

swift

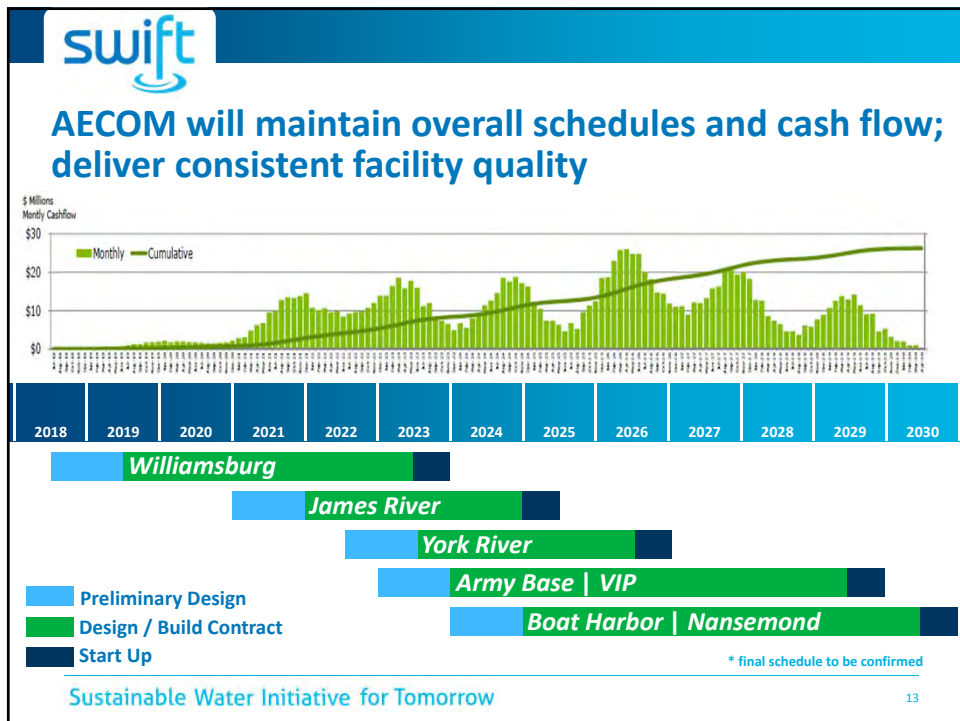
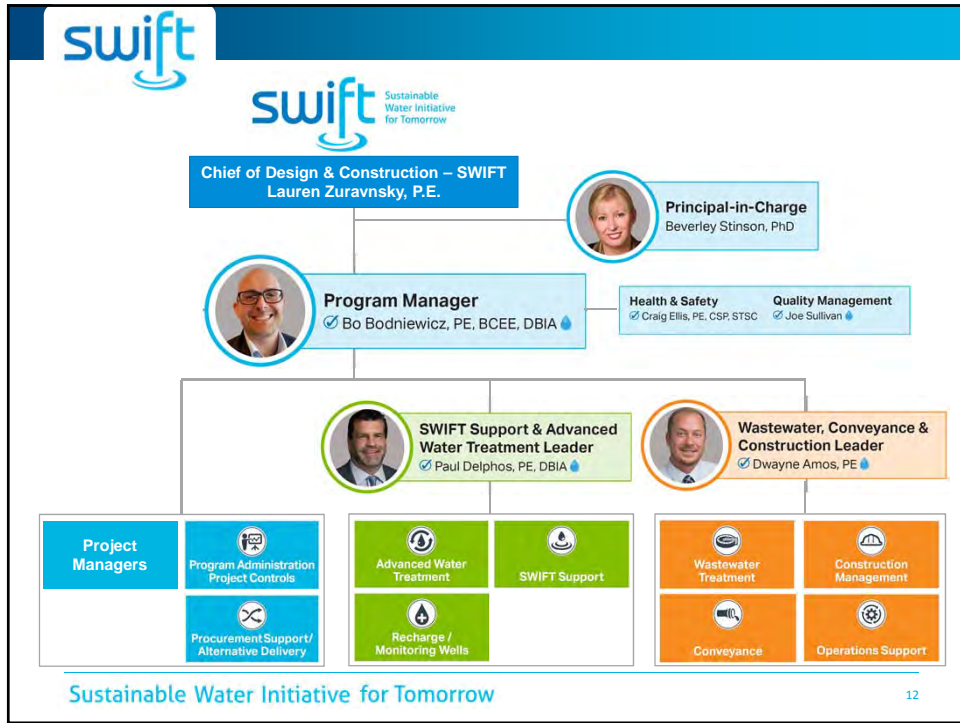
Committee recommends award of professional engineering services contract to AECOM

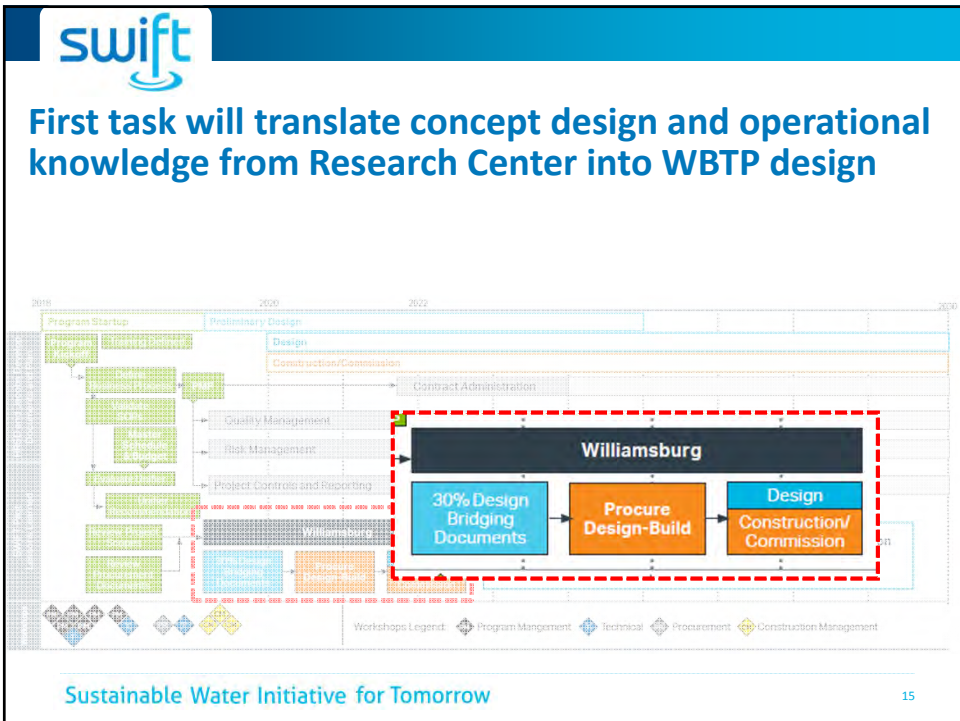
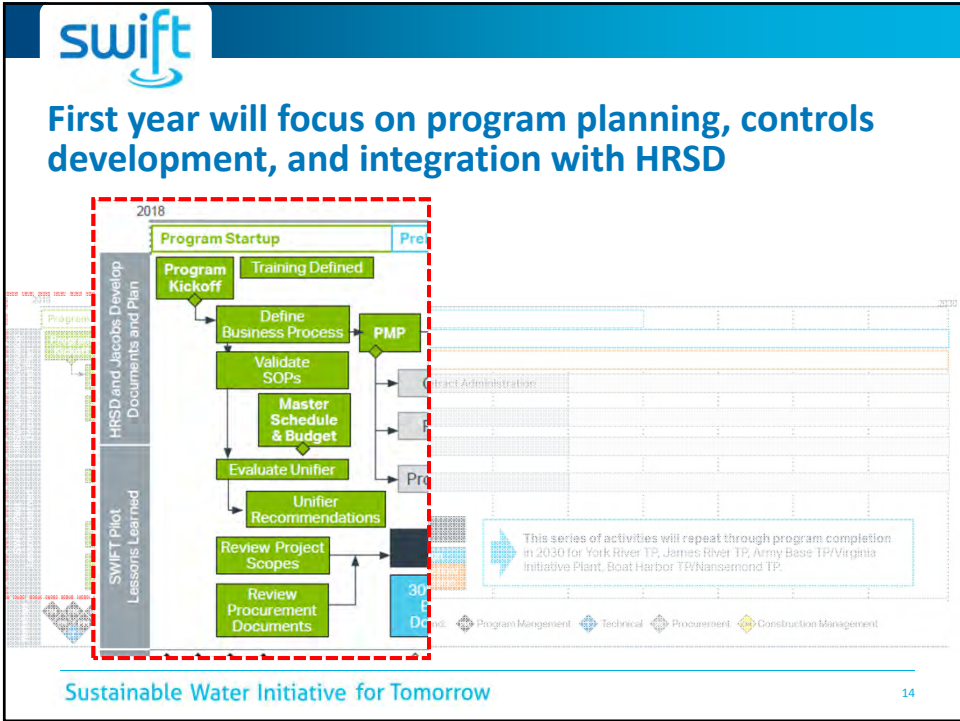
```
graph LR; A[Request for Proposals Phase 1  
3/18 - 4/11] --> B[Request for Proposals Phase 2  
4/23 - 5/15]; B --> C[Interviews  
5/25]; C --> D[Reference Checks  
6/5 - 6/10]; D --> E[Selection & Negotiation  
6/11 - 7/19];
```

AECOM Hazen

AECOM –
#1 Program Management Firm
#1 Environmental Firm

Sustainable Water Initiative for Tomorrow 11







Williamsburg Treatment Plant site

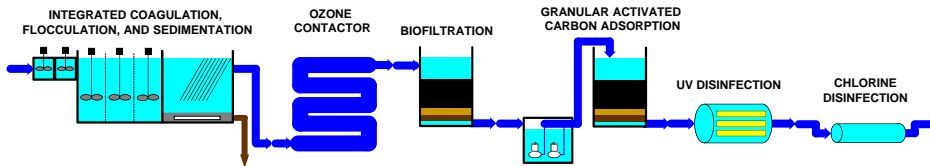
- 9 MGD SWIFT Facility
- Equalization of Secondary Clarifier Effluent
- Wastewater treatment upgrades expected
- Outfall modifications may be required



Sustainable Water Initiative for Tomorrow



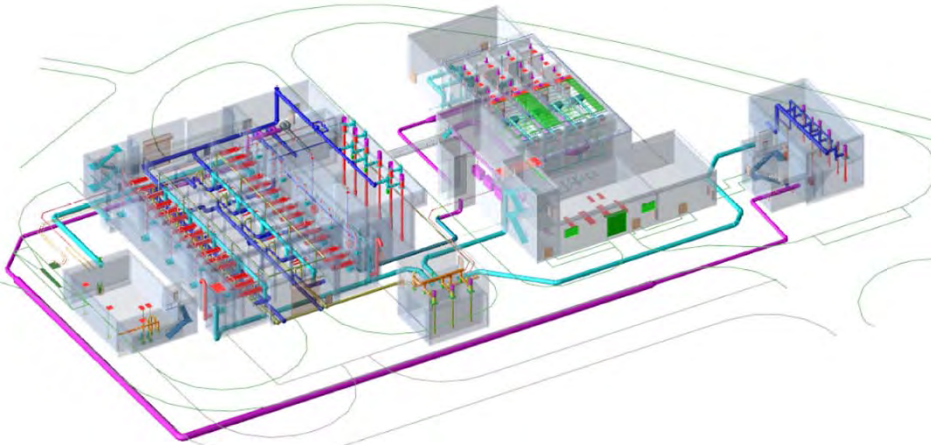
Treatment processes are similar to Research Center; will apply design and operation lessons learned



Sustainable Water Initiative for Tomorrow

swift

Have concept level design for WBTP; AECOM will further develop the design for procurement

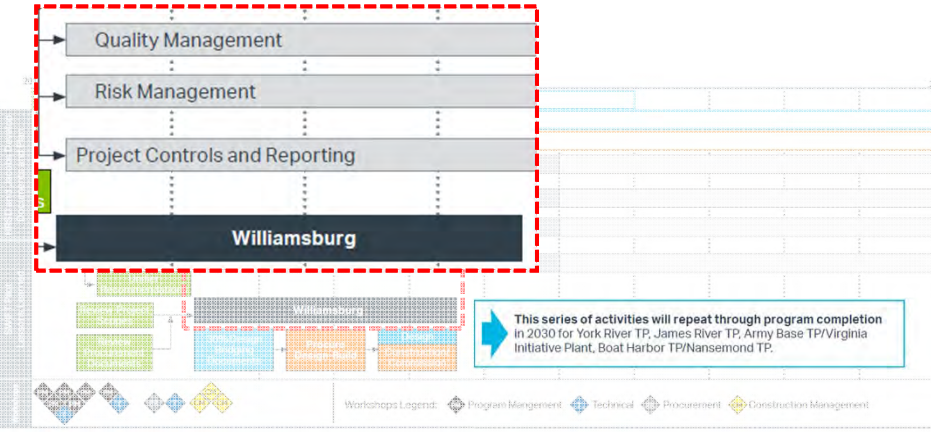


Sustainable Water Initiative for Tomorrow

18

swift

Coordinated delivery will maintain program controls, management processes, and consistent design



This series of activities will repeat through program completion in 2030 for York River TP, James River TP, Army Base TP/Virginia Initiative Plant, Boat Harbor TP/Nansemond TP.

Workshops Legend: Program Management, Technical, Procurement, Construction Management

Sustainable Water Initiative for Tomorrow

19



Proposed professional services fees are consistent with CIP estimates for both efforts.

SWIFT (FSIP) Program Management – GN016320

- \$ 80,000,000 – Total Project Appropriations
- \$ 6,154,000 – Annual budget for PM services
- \$ 5,264,440 – Requested for Year One PM services

Williamsburg SWIFT Facility – GN016350

- \$ 124,574,928 – Total Project Appropriations
- \$ 3,737,248 – Estimated for PER phase
- \$ 3,928,376 – Requested for 30% Design Development (PER)
very detailed scope definition; within 5% of estimate

Full Scale Implementation Program



Questions?
Thank you

HRSD COMMISSION MEETING MINUTES
July 31, 2018

ATTACHMENT #7

AGENDA ITEM 12. – Capital Improvement Program Update Presentation



Capital Improvement Program Commission Briefing

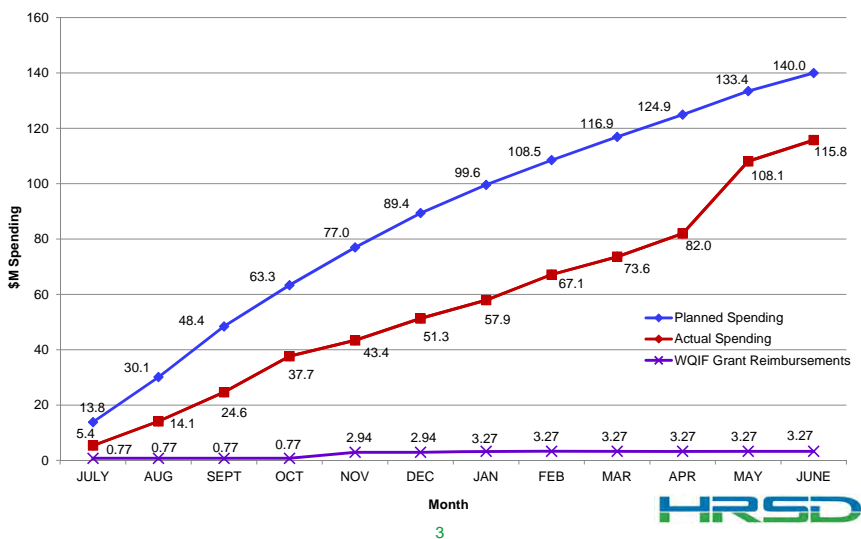
July 31, 2018

Outline

- CIP Expenditures for FY-2018
- CIP Performance Metrics
- Water Quality Improvement Fund (WQIF)
Program Update
- Consent Decree/SSO Reduction Project Updates
- Firms Used for Engineering and Construction
- Project Focus: Bridge Street Pump Station
Replacement

CIP Expenditures for FY-2018

Cumulative Monthly Expenditures & Reimbursements



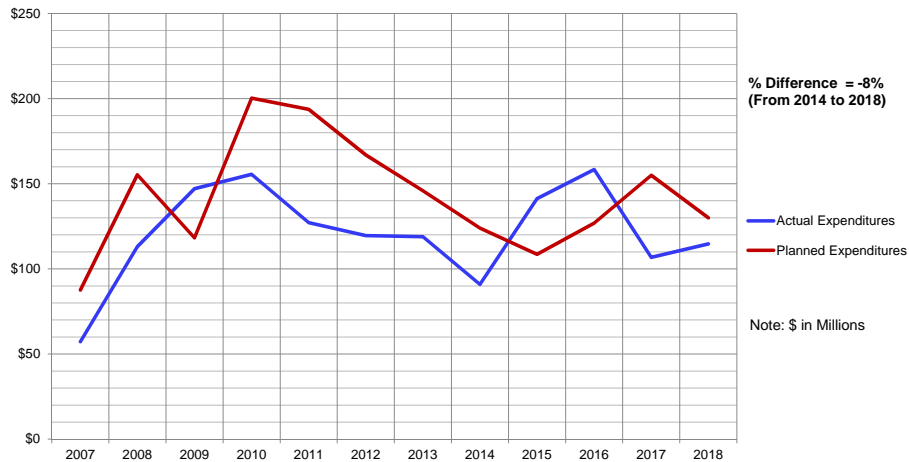
CIP Expenditures for FY-2018

Large CIP Project Spending Projections:

Project Name	Planned Spending for FY	Spent to Date	Differential
Sustainable Water Phase 3 – Demonstration Facility	\$19,622,000	\$19,875,500	\$253,500
Virginia Initiative Plant Nutrient Reduction Improvements – Phase 3	\$19,182,000	\$14,613,000	-\$4,569,000
Aquifer Replenishment System Concept Feasibility Evaluation	\$8,449,000	\$3,368,100	-\$5,080,900
Atlantic Treatment Plant Thermal Hydrolysis Process (CAMBI)	\$6,890,000	\$7,079,900	\$189,900
Interceptor Systems Pump Station Control and SCADA Upgrades	\$6,188,000	\$2,569,800	-\$3,618,200
Bridge Street Pump Station Replacement	\$5,529,000	\$4,834,400	-\$694,600
Regional Hydraulic Model & Other Consent Order Requirements	\$4,131,000	\$3,386,500	-\$744,500
			-\$14,263,800

CIP Expenditures for FY-2018 (cont.)

Planned vs. Actual Spending



5



CIP Performance Metrics

CIP Projects Completed in FY-2018:

Projects Planned to be Completed = 30

Projects Actually Completed = 22

% of Projects Completed = 73%

Past Performance:

	% Complete by End of FY	% Complete by End of FY-2018
FY-2013	46%	100%
FY-2014	66%	97%
FY-2015	70%	95%
FY-2016	75%	97%
FY-2017	71%	93%

6



CIP Performance Metrics (cont.)

CIP Projects Not Completed in FY-2018:

<u>Reasons for Projects Completed Late</u>	<u># of Projects</u>
Construction related delays	3
Duration of work effort took longer than anticipated	2
Added scope to project	1
Design related delays	1
Intentionally Delayed Project	1

7



Water Quality Improvement Fund (WQIF) Program

- In 2007, the General Assembly approved the disbursement of grants for the design and installation of nutrient removal technologies at publicly owned treatment works...
- The WQIF reimburses for upgrades to treatment works related to nutrient removal technologies. Numerous requirements were included as part of the program including:
 - Significant dischargers only
 - Financial need (range 35% to 100%)
 - ↳ 60% for HRSD projects
 - Twenty year compliance program

8



WQIF Program (cont.)

Project Name	Total Project Cost	Total WQIF Grant Amount	% of Project Grant Funded	WQIF Grant Amount Received to Date
Active Projects:				
Army Base Treatment Plant Improvements Phase III	\$122.0	\$39.5	32%	\$39.5
James River Treatment Plant Improvement Phase I	\$32.6	\$17.1	52%	\$17.1
King William Treatment Plant Expansion Phase I	\$3.5	\$0.8	23%	\$0.8
Nansemond Treatment Plant Nutrient Reduction Improvements	\$42.8	\$21.9	51%	\$21.9
York River Treatment Plant Expansion Phase I – Contract A	\$60.4	\$28.6	47%	\$28.6
Virginia Initiative Plant Nutrient Reduction Improvements	\$161.4	\$46.8	29%	\$44.5

9



Consent Decree/SSO Reduction Project Updates

- 33 CIP projects were included in the original Federal Consent Decree.
- 18 CIP projects were added to the Federal Consent Decree as part of the negotiation to consider regionalization of the sanitary sewer system.
- These projects involve improvements to the interceptor sewer system and numerous pump stations.
- HRSD has until **February 23, 2018** to complete these projects.
- 2 CIP projects were added to the Federal Consent Decree as part of the final negotiation to implement the Regional Wet Weather Program. HRSD has until **Dec. 31, 2018** to complete these projects.

10



Ref No.	Project Title	Consent Decree Estimate	Authorized/ Completed	Status
52	Virginia Initiative Plant Nutrient Reduction Improvements, Contract A	\$18,000,000	\$18,343,768	Complete
53	Virginia Initiative Plant Nutrient Reduction Improvements, Contract B	\$125,000,000	\$135,284,000	Construction
		\$143,000,000	\$153,627,768	


11

Firms Used for Engineering and Construction

Engineering Services – Annual Contracts:

Contract	Firm	# Task Orders	Active Contract Value
A/M/E	Guernsey Tingle*	6	\$243,522
Corrosion	Pond	2	\$114,808
Environmental	Kimley Horn	8	\$618,865
GES	Jacobs	15	\$3,693,911
	HDR	16	\$1,555,574
	Hazen & Sawyer	7	\$1,253,261
Interceptor Systems	AECOM	3	\$209,311
	Whitman Requardt	13	\$835,616
Land Surveying	PMI*	13	\$155,098
Real Estate	JMT	10	\$95,868
Structural	Collins*	14	\$171,945

12



Firms Used for Engineering and Construction (cont.)

Engineering Services – Individual Contracts:

Firm	# of Contracts	Active Contract Value
AECOM	7	\$5,775,340
Bowman	3	\$423,963
Brown & Caldwell	1	\$53,784,143
CDM Smith	1	\$28,936,224
Dewberry	1	\$373,494
Gannett Fleming	3	\$484,740
Hazen & Sawyer	1	\$2,045,557
HDR Engineering	7	\$66,317,846
Johnson, Mirmiran & Thompson (JMT)	1	\$641,068
Kimley Horn	19	\$8,679,859

13



Firms Used for Engineering and Construction (cont.)

Engineering Services – Individual Contracts (cont.):

Firm	# of Contracts	Active Contract Value
Michael Baker	3	\$5,426,385
Rummel Klepper and Kahl (RK&K)	4	\$1,413,974
Westin	2	\$4,978,462
Whitman Requardt	1	\$689,216
Woolpert	1	\$224,116

14



Firms Used for Engineering and Construction (cont.)

Construction Services – Annual Contracts:

Contract	Firm	# Task Orders	Active Contract Value
Force Main Inspections – Phase 2	T.A. Sheets*	1	\$2,000,996

Firms Used for Engineering and Construction (cont.)

Design-Build and Construction Services – Individual Contracts:

Firm	# of Contracts	Active Contract Value
Archer Western	1	\$90,346,538
Basic Construction*	5	\$17,170,210
Branscome	1	\$3,657,372
Conrad Brothers*	1	\$2,445,410
Corman Construction	1	\$15,047,183
Crowder Construction	2	\$73,986,495

Firms Used for Engineering and Construction (cont.)

Design-Build and Construction Services – Individual Contracts:

Firm	# of Contracts	Active Contract Value
MEB General Contractors	5	\$139,181,373
Prism Contractors*	1	\$1,235,985
REW Corporation*	3	\$25,009,912
Shaw Construction*	3	\$4,651,844
T.A. Sheets General Contractors*	10	\$32,268,148
Tidewater Utility Construction*	4	\$9,868,224
Ulliman Schutte	1	\$358,340

*SWAM Firms

17



Bridge Street Pump Station Replacement

Project Description:

This project replaces the existing Bridge Street Pump Station with a new pump station located one block north of the existing site in Hampton. The project includes relocating the existing gravity sewer and force main to the new pump station. Some of the drivers causing the replacement of the pump station include:

- Improve hydraulic capacity and eliminate an existing sewer overflow. Project is included in the federal consent decree as an Interim System Improvement.
- Replace this antiquated pump station originally built in 1945. New automation, controls and SCADA system provided in the new pump station.
- Installation of improved odor control system to address odor complaints.

18



Bridge Street Pump Station Replacement (cont.)

Engineer: HDR Engineering

Contractor: MEB General Contractors

19



Bridge Street Pump Station Replacement (cont.)

Financial Summary:

Study, Design & Construction Inspection (HDR Engineering)	\$1,844,037 (16.7% of construction)
Construction (MEB General Contractors)	\$10,647,000
Approved Change Orders	\$376,452
Pending Change Order	\$800,000 (11% of original contract cost)
Miscellaneous Costs	\$809,637
Total Project Cost:	\$13,677,126

20



Bridge Street Pump Station Replacement (cont.)

Schedule Summary:

Study Phase	Sept. 2014 – Feb. 2015
Design Phase	Mar. 2015 – Apr. 2016
Construction	May 2016 – July 2018
Time Extensions – Construction	90 Days
Substantial Completion Date	June 25, 2018
Neighborhood Open House	July 28, 2018

21

HRSD

Bridge Street Pump Station Replacement (cont.)



22

HRSD

Bridge Street Pump Station Replacement (cont.)



23



Bridge Street Pump Station Replacement (cont.)



24



Questions?

HRSD COMMISSION MEETING MINUTES
July 31, 2018

ATTACHMENT #8

AGENDA ITEM 14. – Freedom of Information Act Policy Update

1.0 Purpose and Need

HRSD is occasionally requested to provide information in accordance with the Freedom of Information Act (FOIA) Code of Virginia 2.2-3700 through 2.2-3714. Information can be requested verbally, in writing, over the phone, by fax or email. While not required to do so, HRSD will make every attempt to obtain records prepared by consultants, contractors, suppliers and vendors working directly for HRSD as part of a specific project or contract and share this information in response to a FOIA request, except in such cases where said records are protected as trade secrets or proprietary information of consultants, contractors, suppliers and vendors in accordance with Code of Virginia §2.2-4342.F. While we will make every attempt to obtain records requested of consultants, contractors, suppliers and vendors within the same response time as HRSD, they are not legally bound to meet the same time restrictions.

2.0 Definitions

- 2.1 ***Public Records*** – all writings and recordings that consist of letters, words or numbers, or their equivalent, set down by handwriting, typewriting, printing, photostating, photography, magnetic impulse, optical or magneto-optical form, mechanical or electronic recording or other form of data compilation, however stored, and regardless of physical form or characteristics, prepared or owned by, or in the possession of a public body or its officers, employees or agents in the transaction of public business.
- 2.2 ***Records Held by Others*** – records consisting of studies, reports, plans, specifications and other project-related information prepared by consultants, contractors, suppliers and vendors working directly for HRSD as part of a specific project or service contract.
- 2.3 ***Working Papers*** – records prepared by or for a public official for their personal or deliberative use.

3.0 Guiding Principles

Code of Virginia, [Chapter 37 of Title 2.2 The Virginia Freedom of Information Act](#), the [Virginia Freedom of Information Advisory Council](#) and the [Virginia Coalition for Open Government](#).

4.0 Procedures

Any requests for information should be immediately forwarded to the FOIA Officer (Commission Secretary), who will log when and by whom the request was received. The FOIA Officer will provide the General Manager with a copy of each request and seek his guidance on obtaining legal counsel, if necessary, and determining who should respond. The FOIA Officer will coordinate the response and assure the request is acted upon in the prescribed amount of time, logging the response date. The Director of Communications will serve as backup FOIA Officer when necessary.

Public Records Maintained by HRSD will be provided under the following limitations:

- 4.1 Labor for production of documents will be charged to the requestor at the actual wage cost.
- 4.2 Costs for copies will be based on prices established in HRSD's copier contracts and paper costs. Larger drawings and blueprints will be done by outside contractors and charged at their usual rate. Postage and other material fees will be charged at their actual costs. Costs for providing electronic records will be charged at the usual rate for the staff person responding to the request.
- 4.3 Time necessary to locate, retrieve and/or reproduce documents or records will be charged at the usual rate for the staff person responding to the request. Documents can be provided on digital media, if requested.
- 4.4 Only documents that exist will be made available. It is not the responsibility of HRSD to create any documents.
- 4.5 There will be no mark-up or profit charged to the above-mentioned costs.
- 4.6 HRSD will provide the material requested within five working days or notify the requestor within five working days that an additional seven days is required and the reason. Additional time may be negotiated for large requests.
- 4.7 If the cost is expected to exceed \$200, HRSD may require payment of the estimated cost in advance. The time required to fill the request stops until the payment is made. The requestor may request an estimate of charges in advance.
- 4.8 All public records shall be open to the citizens of the Commonwealth, representatives of newspapers and magazines with circulation in the Commonwealth, and representatives of radio and television stations broadcasting in or into the Commonwealth during HRSD's regular office hours. Access to such records shall be provided by the FOIA Officer by inspection or by

COMMISSION ADOPTED POLICY
Freedom of Information Act



Adopted: December 21, 2004

Revised: July 31, 2018

Page 3 of 3

providing copies of the requested records, at the option of the requestor. HRSD may require the requester to provide their name and legal address. The FOIA Officer shall take all necessary precautions for preservation and safekeeping of the records.


- 4.9 If an exemption is applicable then the exemption may be exercised.
- 4.10 Email is subject to the FOIA.
- 4.11 Only HRSD employees will access electronic information. No direct access to electronic files will be granted to requesting parties.
- 4.12 All working papers of the General Manager are exempt from FOIA.
- 4.13 The FOIA Officer shall be trained annually by legal counsel or the Virginia Freedom of Information Advisory Council.

5.0 Responsibility and Authority

In an effort to increase awareness of the public's right to information, Virginia now requires all public agencies to make their FOIA compliance doctrine available on their websites. The compliance doctrine entitled "[FOIA Rights and Responsibilities: The Rights of the Requesters and the Responsibilities of HRSD](#)" is available on HRSD.com and includes the following:

- A "plain English" explanation of the rights of the requestor under FOIA, the procedure to obtain records and the responsibilities of the agency in complying with FOIA;
- Information on how to reach the agency's designated FOIA contact person; and
- The agency's policy on records it routinely withholds as permitted by FOIA.

Approved:



Frederick N. Elofson
Commission Chair

7/31/18

Date

Attest:



Jennifer L. Cascio
Commission Secretary

7/31/18

Date

**FOIA Rights and Responsibilities:
The Rights of Requesters and the Responsibilities of HRSD**

Adopted: June 28, 2016

The Virginia Freedom of Information Act (FOIA), found in § 2.2-3700 et seq. of the *Code of Virginia*, guarantees citizens of the Commonwealth and representatives of the media access to public records held by public bodies, public officials and public employees.

A public record is any writing or recording -- regardless of whether it is a paper record, electronic file, audio or video recording, or any other format -- that is prepared by, owned by, or in the possession of a public body or its officers, employees or agents in the transaction of public business. All public records are presumed to be open, and may only be withheld if a specific, statutory exemption applies.

The purpose of FOIA is to promote an increased awareness by all persons of governmental activities. In furthering this policy, FOIA requires that the law be interpreted liberally, in favor of access, and that any exemption allowing public records to be withheld be interpreted narrowly.

Your FOIA Rights

You have the right to request to inspect and/or receive copies of public records.

You have the right to request that any charges for the requested records be estimated in advance.

If you believe that your FOIA rights have been violated, you may file a petition in district or circuit court to compel compliance with FOIA. Alternatively, you may contact the Virginia FOIA Council for a nonbinding advisory opinion.

Making a Request for Records from HRSD

You may request records by U.S. Mail, fax, email, in person or over the phone. FOIA does not require that your request be in writing, nor must you specifically state that you are requesting records under FOIA. From a practical perspective, written requests are preferred; they provide us with a clear statement of what records you are requesting and allow you to create a record of your request. However, we cannot refuse to respond to your FOIA request if you elect to not submit it in writing.

Your request must identify the records you are seeking with "reasonable specificity." This is a common-sense standard. It does not refer to or limit the volume or number of records that you are requesting; instead, it requires you to be specific enough to allow us to identify and locate the records that you are seeking.

You may only request existing records or documents. FOIA gives you a right to inspect or copy **records**; it does not apply to a situation where you are asking general questions about the work of HRSD, nor does it require HRSD to create a record that does not exist.

You may choose to receive electronic records in any format used by HRSD in the regular course of business. For example, if you are requesting records maintained in an Excel spreadsheet, you may elect to receive those records electronically, via email, on a computer disk or to receive a printed copy of those records

If we have questions about your request, please cooperate with staff's efforts to clarify the type of records that you are seeking, or to attempt to reach a reasonable agreement about a response to a large request. Making a FOIA request is not an adversarial process, but we may need to discuss your request with you to ensure that we understand what records you are seeking.

To request records from HRSD or ask questions about requesting records, you may contact the designated FOIA officer:

Jennifer Cascio
Commission Secretary
HRSD
PO Box 5911
Virginia Beach, Virginia, 23471-0911
757.460.7003
jcascio@hrsd.com

If you wish to make your request in person, you may do so at: 1434 Air Rail Avenue, Virginia Beach, Virginia.

In addition, the Freedom of Information Advisory Council is available to answer any questions you may have about FOIA. The Council may be contacted by email at foiacouncil@dls.virginia.gov, or by phone at 804.225.3056 or [toll free] 866.448.4100.

HRSD's Responsibilities in Responding to Your Request

HRSD must respond within five working days of receiving your request. "Day One" is considered the day after your request is received. The five-day period does not include weekends or state holidays.

The reason behind your request for public records from HRSD is irrelevant, and you are not obligated to state why you want the records before we respond to your request. FOIA does, however, allow HRSD to require you to provide your name and legal address.

FOIA requires HRSD to make one of the following responses to your request within the five-day time period:

- (1) We provide you with the requested records in their entirety.
- (2) We withhold all of the requested records because they are subject to a specific statutory exemption. If all of the records are being withheld, we must send you a written response identifying the volume and subject matter of the records being withheld and stating the specific section of the *Code of Virginia* that allows us to withhold them.

- (3) We provide some of the requested records, but withhold other records. We cannot withhold an entire record if only a portion of it is subject to an exemption. In this instance, we may redact the portion of the record that may be withheld and provide you with the remainder of the record. We must provide you with a written response stating the specific section of the *Code of Virginia* that allows portions of the requested records to be withheld.
- (4) We inform you in writing that the requested records cannot be found or do not exist. However, if we know that another public body has the requested records, we must include contact information for the other public body in our response.
- (5) If it is practically impossible for HRSD to respond to your request within the five-day period, we must state this in writing and explain the conditions that make the response impossible. This will grant us seven additional working days, for a total of 12 working days, to respond to your request.

If you make a request for a very large number of records, and we believe that we cannot provide the records to you within 12 working days without disrupting our other organizational responsibilities, we may petition the court for additional time to respond to your request. However, FOIA requires that we make a reasonable effort to reach an agreement with you concerning the production of the records before we petition the court for additional time.

Costs

A public body may make reasonable charges not to exceed its actual cost incurred in accessing, duplicating, supplying, or searching for the requested records. No public body shall impose any extraneous, intermediary, or surplus fees or expenses to recoup the general costs associated with creating or maintaining records or transacting the general business of the public body. Any duplicating fee charged by a public body shall not exceed the actual cost of duplication. All charges for the supplying of requested records shall be estimated in advance at the request of the citizen as set forth in subsection F of § 2.2-3704 of the Code of Virginia.

Costs for copies will be \$0.10 per sheet for photo-copied or printed 8" x 11" sheets. Larger drawings and blueprints will be done by outside contractors and charged at their usual rate. Postage and other material fees will be charged at their actual costs. Costs for providing electronic records will be charged at the usual rate for the staff person responding to the request.

If we estimate that it will cost more than \$200 to respond to your request, we may require you to pay a deposit, not to exceed the amount of the estimate, before proceeding with your request. The five working days that we are granted to respond to your request do not include the time between when we ask for a deposit and when you respond.

You may ask that we estimate in advance the charges for supplying the requested records. This will inform you of charges upfront and/or give you the opportunity to modify your request in an attempt to lower the estimated costs. The statutory time limits provided by FOIA do not begin until you grant HRSD the permission to proceed by approving the estimate or paying the deposit as required above.

All deposits shall be paid by check or money order to HRSD and delivered to HRSD's office at 1434 Air Rail Avenue in Virginia Beach. Checks and money orders will only be deposited once the FOIA request is complete. Any outstanding balance due must be paid before or as the responding records are released. Any balance remaining from the deposit shall be returned to the requester.

If you owe HRSD money from a previous FOIA request that has remained unpaid for more than 30 days, we may require payment of the past-due bill before responding to your new FOIA request.

Types of Records

Records maintained by HRSD include personnel records, record drawings and contracts into which HRSD has entered. If you are unsure whether HRSD has the record(s) you seek, please contact the HRSD FOIA officer directly.

Commonly Used Exemptions

The *Code of Virginia* allows any public body to withhold certain records from public disclosure. Exemptions HRSD may use include, but are not limited to, the following:

- Personnel records § **2.2-3705.1(1)**
- Records subject to attorney-client privilege § **2.2-3705.1(2)**
- Vendor proprietary information § **2.2-3705.1 (6)**
- Appraisals and cost estimates of real property subject to a proposed purchase, sale or lease, prior to the completion of such purchase, sale or lease § **2.2-3705.1 (8)**
- Negotiation and award of a contract, prior to a contract being awarded § **2.2-3705.1 (12)**
- The portions of records that contain account numbers or routing information for any credit card, debit card or any other account with a financial institution of any person or public body § **2.2-3705.1(13)**
- General Manager's working papers § **2.2-3705.7(2)**
- Information, such as social security numbers, made confidential under other laws.

For a full list of exemptions, see the *Code of Virginia* § 2.2-3705.1 et seq.

Policy Regarding the Use of Exemptions

It is HRSD's policy to exempt any and all records that are allowed to be exempted, redacted or excluded from production by law.

1.0 Purpose and Need

HRSD is occasionally requested to provide information in accordance with the Freedom of Information Act (FOIA) Code of Virginia 2.2-3700 through 2.2-3714. Information can be requested verbally, in writing, over the phone, by fax or email. While not required to do so, HRSD will make every attempt to obtain records prepared by consultants, contractors, suppliers and vendors working directly for HRSD as part of a specific project or contract and share this information in response to a FOIA request, except in such cases where said records are protected as trade secrets or proprietary information of consultants, contractors, suppliers and vendors in accordance with Code of Virginia §2.2-4342.F. While we will make every attempt to obtain records requested of consultants, contractors, suppliers and vendors within the same response time as HRSD, they are not legally bound to meet the same time restrictions.

2.0 Definitions

- 2.1 ***Public Records*** – all writings and recordings that consist of letters, words or numbers, or their equivalent, set down by handwriting, typewriting, printing, photostating, photography, magnetic impulse, optical or magneto-optical form, mechanical or electronic recording or other form of data compilation, however stored, and regardless of physical form or characteristics, prepared or owned by, or in the possession of a public body or its officers, employees or agents in the transaction of public business.
- 2.2 ***Records Held by Others*** – records consisting of studies, reports, plans, specifications and other project-related information prepared by consultants, contractors, suppliers and vendors working directly for HRSD as part of a specific project or service contract.
- 2.3 ***Working Papers*** – records prepared by or for a public official for their personal or deliberative use.

3.0 Guiding Principles

Code of Virginia, [Chapter 37 of Title 2.2 The Virginia Freedom of Information Act](#), the [Virginia Freedom of Information Advisory Council](#) and the [Virginia Coalition for Open Government](#).

4.0 Procedures

Any requests for information should be immediately forwarded to the FOIA Officer (Commission Secretary), who will log when and by whom the request was received. The FOIA Officer will provide the General Manager with a copy of each request and seek his guidance on obtaining legal counsel, if necessary, and determining who should respond. The FOIA Officer will coordinate the response and assure the request is acted upon in the prescribed amount of time, logging the response date. The Director of Communications will serve as backup FOIA Officer when necessary.

Public Records Maintained by HRSD will be provided under the following limitations:

- 4.1 Labor for production of documents will be charged to the requestor at the actual wage cost.
- 4.2 Costs for copies will be based on prices established in HRSD's copier contracts and paper costs. Larger drawings and blueprints will be done by outside contractors and charged at their usual rate. Postage and other material fees will be charged at their actual costs. Costs for providing electronic records will be charged at the usual rate for the staff person responding to the request.
- 4.3 Time necessary to locate, retrieve and/or reproduce documents or records will be charged at the usual rate for the staff person responding to the request. Documents can be provided on digital media, if requested.
- 4.4 Only documents that exist will be made available. It is not the responsibility of HRSD to create any documents.
- 4.5 There will be no mark-up or profit charged to the above-mentioned costs.
- 4.6 HRSD will provide the material requested within five working days or notify the requestor within five working days that an additional seven days is required and the reason. Additional time may be negotiated for large requests.
- 4.7 If the cost is expected to exceed \$200, HRSD may require payment of the estimated cost in advance. The time required to fill the request stops until the payment is made. The requestor may request an estimate of charges in advance.
- 4.8 All public records shall be open to the citizens of the Commonwealth, representatives of newspapers and magazines with circulation in the Commonwealth, and representatives of radio and television stations broadcasting in or into the Commonwealth during HRSD's regular office hours. Access to such records shall be provided by the FOIA Officer by inspection or by

COMMISSION ADOPTED POLICY
Freedom of Information Act



Adopted: December 21, 2004

Revised: July 31, 2018

Page 3 of 3

providing copies of the requested records, at the option of the requestor. HRSD may require the requester to provide their name and legal address. The FOIA Officer shall take all necessary precautions for preservation and safekeeping of the records.

- 4.9 If an exemption is applicable then the exemption may be exercised.
- 4.10 Email is subject to the FOIA.
- 4.11 Only HRSD employees will access electronic information. No direct access to electronic files will be granted to requesting parties.
- 4.12 All working papers of the General Manager are exempt from FOIA.
- 4.13 The FOIA Officer shall be trained annually by legal counsel or the Virginia Freedom of Information Advisory Council.

5.0 Responsibility and Authority

In an effort to increase awareness of the public's right to information, Virginia now requires all public agencies to make their FOIA compliance doctrine available on their websites. The compliance doctrine entitled "[FOIA Rights and Responsibilities: The Rights of the Requesters and the Responsibilities of HRSD](#)" is available on HRSD.com and includes the following:

- A "plain English" explanation of the rights of the requestor under FOIA, the procedure to obtain records and the responsibilities of the agency in complying with FOIA;
- Information on how to reach the agency's designated FOIA contact person; and
- The agency's policy on records it routinely withholds as permitted by FOIA.

Approved:

Frederick N. Elofson
Commission Chair

Date

Attest:

Jennifer L. Cascio
Commission Secretary

Date

HRSD COMMISSION MEETING MINUTES
July 31, 2018

ATTACHMENT #9

AGENDA ITEM 19. – Informational Items

a. Management Reports

- (1) [General Manager](#)
- (2) [Communications](#)
- (3) [Engineering](#)
- (4) [Finance](#)
- (5) [Information Technology](#)
- (6) [Operations](#)
- (7) [Special Assistant for Compliance Assurance](#)
- (8) [Talent Management](#)
- (9) [Water Quality](#)
- (10) [Report of Internal Audit Activities](#)
- (11) [Internal Audit Report – Corporate Governance: Ethics Functions](#)

b. [Strategic Planning Metrics Summary](#)

c. [Effluent Summary](#)

d. [Air Summary](#)



July 20, 2018

Re: General Manager's Report

Dear Commissioners:

For the majority of our facilities, June was an uneventful month which in our business is a very good thing. The Small Communities Division, however, was hit with a significant rain event that created a number of issues on the Middle Peninsula. The staff there did a great job managing the many challenges caused by over 3.4 inches of rain received in less than 15 hours. Intense rain events are becoming more frequent within our service area and across the globe as the impacts of climate change are felt everywhere. Small systems are particularly susceptible to challenges created by these storms, as there is little reserve capacity in those systems that can accommodate prolonged peak flow conditions.

With a total combined capacity of less than one million gallons per day and fewer than 3,000 accounts, it is easy to minimize the impact of the Small Communities. However, these accounts require significant attention; and the seven small plants that treat their wastewater are often more challenging to operate than our nine large plants.

This is not unique to HRSD. Across the nation, the wastewater sector is focused on the challenges posed by small systems. There are over 15,000 wastewater systems in the United States, with 55 percent of those systems serving less than 500 customers. Regional solutions are being explored by US EPA, the US Water Alliance, WEF, NACWA and many states. HRSD provides a great case study for how a large regional system can provide benefits to small systems through single-tariff rate structures (spreading costs across a larger rate base), shared support services, technical support and related services. Bigger is not always better, but if done correctly, a regional approach can significantly benefit public health and the environment. Expect to read more on this issue in our industry in the years ahead.

The highlights of June's activities are detailed in the attached monthly reports.

- A. **Treatment Compliance and System Operations:** All treatment plants met permit requirements. Highlights of the month are included in the Operations Director's report.

PO Box 5911, Virginia Beach, VA 23471-0911 • 757.460.7003

Commissioners: Frederick N. Elofson, CPA, Chair • Maurice P. Lynch, PhD, Vice-Chair • Vishnu K. Lakdawala, PhD
Michael E. Glenn • Stephen C. Rodriguez • Willie Levenston, Jr. • Ann W. Templeman • Elizabeth A. Taraski, PhD
www.hrsd.com

B. Internal Communications: I participated in the following meetings/activities with HRSD personnel:

1. One new employee orientation session
2. A meeting to discuss property acquisition options related to the Newport News Transportation Center
3. Several calls to develop response to DOJ/EPA questions related to the integrated plan submittal
4. A meeting to review the Williamsburg emergency generator project and impact on full-scale SWIFT planning
5. A meeting to discuss internal coordination of SWIFT with the Program Management firm
6. A meeting to review siting options for the Oceana off-line storage tank
7. A meeting on-site to review property options for replacement of the Ferebee Pump Station
8. Two length of service breakfast celebrations
9. A meeting to discuss project risk assessment methodology related to completing CIP projects on time and within budget
10. A meeting to review the options to provide service to Surry long-term
11. An internal meeting to review Middlesex County future sewer needs

C. External Communications: I participated in the following meetings/activities:

1. The June 28th meeting of the Norfolk City Council where the rezoning of the Lamberts Point Golf Course was approved
2. A briefing and tour of SWIFT RC with Charles Bott for the Chesapeake Bay Bridge Tunnel Commission construction committee
3. A meeting with WM Jordan staff to discuss repairs to 1434 to resolve leaks above the window wall sections
4. The quarterly meeting of Virginia Forever
5. The quarterly membership meeting of the Virginia Association of Municipal Wastewater Agencies (VAMWA)
6. Co-convened a two-day US Water Alliance discussion on utility consolidation with a selected group of stakeholders
7. A conference call with the US EPA Environmental Financial Advisory Board
8. A conference call with staff from Jefferson Labs regarding the nutrient trading agreement
9. The annual P3 award luncheon
10. A meeting of the NACWA Awards Committee via conference call

11. The meeting of the Virginia General Assembly's Joint Committee on Recurrent Flooding where I provided an update on SWIFT
12. A briefing at Brookings where a water workforce study was released as a result of work I have been doing with a select group of utility leaders across the US
13. A meeting with the US EPA Region 3 Administrator and his Chief of Staff arranged by NACWA with staff from Baltimore, the Washington Sanitary Sewer Commission and the City of Philadelphia

The leadership and support you provide are the keys to our success as an organization. Thanks for your continued dedicated service to HRSD, the Hampton Roads region, the Commonwealth and the environment. **I look forward to seeing you on Tuesday, July 31, in Newport News.**

Respectfully submitted,

Ted Henifin

Ted Henifin, P.E.
General Manager

TO: General Manager
FROM: Director of Communications
SUBJECT: Monthly Report for June 2018
DATE: July 17, 2018

A. Publicity and Promotion

1. **“New water treatment plant in Suffolk combats sea level rise”** | June 3, 2018 | Cape Charles Mirror <http://www.capecharlesmirror.com/news/new-water-treatment-plant-in-suffolk-combats-sea-level-rise/>
2. **Surry’s Franklin resigns** | June 11, 2018 | The Smithfield Times <https://smithfieldtimes.com/index.php/news/all-news/2819-surry-s-franklin-resigns> (Requires paid subscription for full access)
Summary: County Administrator Tyrone Franklin resigned at the Surry’s June Board of Supervisors meeting following a closed session. HRSD is mentioned as one of the changes Franklin initiated to enhance the county.
3. **Envisioning IW’s future: Staff sorting out public’s comments** | June 13, 2018 | The Smithfield Times <https://www.smithfieldtimes.com/index.php/news/all-news/2820-envisioning-iw-s-future> (Requires paid subscription for full access)
Summary: Isle of Wight County planning staff shared several scenarios for future land use on May 30 when the comprehensive plan task force met to evaluate public input and review results of several public meetings and surveys as the county updates its 2008 comprehensive plan. HRSD’s expansion of service in Lawne’s Point is mentioned in the story as lending viability to a village center scenario for Rushmere with mixed business and residential uses.
4. **HRSD proposes to cross James River with sewer line** | June 20, 2018 | Smithfield Times <https://smithfieldtimes.com/index.php/news/all-news/2836-hrsd-proposes-to-cross-james-river-with-sewer-line> (Requires paid subscription for full access)
Summary: Story details HRSD’s plans to send wastewater flow from Town and County of Surry to Williamsburg Treatment Plant by way of a sewer line under the James River. Writer Diana McFarland spoke with HRSD General Manager Ted Henifin, who explained that the total estimated project cost of \$16.5 million is the most cost-effective solution. The project will not impact previously projected rate increases. The proposed route for the sewer line would be along Route 31, but there has been no determination of the exact

river crossing location. Directional drilling will be used to place the line. HRSD has previous experience with line crossings under the York and Elizabeth rivers. A preliminary engineering report is expected by end of summer. HRSD's goal is to have Town of Surry sanitary sewer flow going to Williamsburg by late 2020; County of Surry, by the end of 2021.

5. **Canon's Gloucester facility recognized by HRSD** | June 27, 2018 | Gloucester-Mathews Gazette-Journal
http://www.gazettejournal.net/index.php/business/business_article/canons_gloucester_facility_recognized_by_hrsd
6. **Hampton Roads Sanitation District Recognizes Businesses for Environmental Efforts** | June 27, 2018 | Inside Business
https://pilotonline.com/inside-business/news/environmental-utilities/article_b0ebacd4-7a32-11e8-ac6b-6f82f0a9f7ee.html

B. Social Media and Online Engagement

1. Facebook Reach: 9,827
2. Twitter: 13,900 impressions
3. SWIFT website visits: 767
4. LinkedIn Impressions: 724
5. Construction Project Page Hits: 193* (several pages not measured with new website; continuing to fine-tune analytics)

C. News Releases, Advisories, Advertisements, Project Notices, Community Meetings and Project Websites

1. News Releases/Traffic Advisories: 1
2. Advertisements: 0
3. Project Notices: 8
 - a. Hampton: [Chesapeake Avenue](#)
 - b. James City County: Carters Grove (citizen meetings)
 - c. Newport News: Chesapeake Avenue; Center Avenue/Rivermont Pipeline; Warwick-Thorncliff to Lucas Creek (project page updates)
 - d. Town of West Point in King William: project introductory notices distributed
 - e. Virginia Beach: Providence Road Pressure Reducing Station (citizen meetings); Condition assessment, Shore Drive (citizen meetings)
4. Project/Community Meetings: 0

5. New Project Web Pages/Blogs/Videos: 1
Town of West Point in King William - [Lee Street Pipeline Replacement](#)

D. Special Projects and Highlights

1. The Director of Communications attended the National Association of Clean Water Agencies (NACWA) Strategic Communications Conference in Chicago, IL.
2. Director participated in the Department of Environmental Quality (DEQ) Communications Stakeholder meeting in Richmond, VA
3. Director and staff attended the Pretreatment Excellence and Pollution Prevention Awards luncheon.
4. Director and staff participated in the Hampton City Schools Environmental Literacy Fair.
5. Staff joined Commissioners at the United Way Awards Luncheon.

E. Internal Communications

1. Director participated in the following internal meetings:
 - a. MOM Review workshops
 - b. New employee orientation meetings
 - c. SWIFT leadership coordination meeting
 - d. Planning meetings for a Bridge Street Pump Station neighborhood open house
 - e. Candidate interviews for Community Education and Outreach Specialist position
2. Director conducted bi-weekly communications department status meetings, monthly social media content development meetings and project update meetings with staff.

F. Metrics

1. Educational and Outreach Activities: 4
 - a. SWIFT RC Tour, Homeschool Group 6/19
 - b. SWIFT RC Tour, Envirobase, Session 1 6/20
 - c. SWIFT RC Tour, Envirobase Session 2, 6/27
 - d. SWIFT RC Tour, Brewer's Group, 6/28

2. Number of Community Partners: 2
 - a. Portsmouth Public Schools
 - b. Hampton City Schools

3. Additional Activities Coordinated by Department: 3
 - a. Unitarian Church in Norfolk, What Not To Flush, 6/1
 - b. NASA Langley Research Center Safety and Health Expo, 6/7
 - c. REECH Foundation STEAM Camp, 6/16

4. Monthly Metrics Summary

Item #	Strategic Planning Measure	Unit	June 2018
M-1.4a	Total Training Hours per Full Time Employee (2) - Current Month	Hours / #FTE	16.5
M-1.4b	Total Training Hours per Full Time Employee (2) - Cumulative Fiscal Year-to-Date	Hours / #FTE	120.5
M-5.2	Educational and Outreach Events	Number	4
M-5.3	Number of Community Partners	Number	2

5. Annual Metrics Summary

Item #	Strategic Planning Measure	Unit	FY-2018
M-5.1	Name Recognition (Survey Results)	Percentage	*

*Will be reported upon completion of survey

Respectfully,

Leila Rice, APR
 Director of Communications

TO: General Manager

FROM: Director of Engineering

SUBJECT: Engineering Monthly Report for June 2018

DATE: July 18, 2018

A. General

1. Capital Improvement Program (CIP) spending for the eleventh month of Fiscal Year (FY) 2018 exceeded the planned spending target. A large single payment of \$15M made to the City of Norfolk to acquire the property adjacent to the VIP Treatment Plant for the future SWIFT facility accounted for much of the increase for the month.

CIP Spending (\$M):

	Current Period	FYTD
Actual	26.10	108.08
Plan	8.49	133.43

No Water Quality Improvement Fund Grant reimbursements were received in the month of June.

2. Staff conducted discussions with two public utilities during the month on the subject of CIP best practices. Discussions were held with both the Milwaukee Metropolitan Sewerage District and Louisville Water on their approaches to program and project management. Each utility has unique drivers resulting in differing ways to staff and fund their respective programs. A future meeting is also being planned with Kansas City Water to discuss their CIP best practices.

B. Asset Management Division

1. The newly formed Asset Management Committee held its first meeting to discuss the roadmap for the project as well as roles and responsibilities. The committee is primarily made up of members of the Operations Department since much of the work will most directly impact their work and the changes being proposed as part of the Asset management Program must have their buy-in to be successful.
2. Staff has begun to coordinate the work associated with the Condition Assessment and Prompt Repair Programs. Work underway includes the Shore Drive Force Main Assessment, the Bowers Hill Force Main Inspection Assessment and the Powhatan Sewer Manhole Rehabilitation

Prompt Repair. Meetings were held during the month to discuss new procedures for designating prompt repairs and tracking the work within the GIS.

C. North Shore, South Shore and SWIFT Design & Construction Divisions

1. The Bridge Street Pump Station Replacement project was accepted and the new pump station was placed into service in June. The contractor is working to complete various items inside the pump station, landscape work outside the station and utility work in Bridge Street. Once this work is completed, Bridge Street will be repaved and the old pump station will be demolished. An event is scheduled in late July to thank the neighborhood for enduring the impacts of the construction efforts while we built this new pump station. This project was one of the Interim System Improvements designated as part of the original Consent Order with the U.S. EPA.
2. The kick-off meeting for the Suffolk Regional Landfill Transmission Force main project was held in June. This phase of the work will identify a preferred route for the new force main, develop a refined project cost estimate, and identify risks and potential stakeholders impacted by this work. Determining pipe alignment is critical to the project design and schedule. Once the alignment is determined, scheduling items such as environmental permitting and land/easement acquisition can begin.
3. The SWIFT Full Scale Implementation Program Manager selection is nearing completion. The team has made a determination of the firm to be recommended and has begun negotiations to finalize the scope and fee needed to begin the work. It is anticipated that this recommendation will be made to the Commission in July. This selection was very competitive with many large consulting engineering firms showing great interest in this program.

D. Planning & Analysis Division

1. Staff has begun developing the plan to implement the Capital Program Management Improvements Phase I effort. The objective of this project is to develop improved CIP management, controls, execution and reporting. Stakeholder meetings are ongoing to gather requirements and to seek buy-in from those affected by the work. A draft Request for Proposals (RFP) has been sent to Procurement for review. The RFP will be advertised in July and selection made in September.

2. Staff has begun an analysis of potential interim system improvements that could be used in the event the proposed Chesapeake-Elizabeth Treatment Plant improvements are not completed by 2021. This analysis will include such options as:
 - Temporary facilities
 - Flow diversions
 - Other potential CIP projects

Each alternative will include a scope, cost and risk avoidance summary. This analysis will be used to assist the project team in decision making as the various projects move from concept into final design and ultimately, construction.

E. Strategic Planning Metrics Summary

1. Educational and Outreach Events: 5
 - a. Staff provided an overview of HRSD and our upcoming projects to the Unitarian Church of Norfolk on June 1.
 - b. Staff assisted with the Annual Clean the Bay Day Sponsored by the Chesapeake Bay Foundation (CBF) on June 2.
 - c. Staff held a conference call with Louisville Water on CIP best practices on June 20.
 - d. Staff held a conference call with Milwaukee Metropolitan Sewerage District on CIP best practices on June 21.
 - e. Staff made a presentation at the Virginia Water Environment Association (VWEA) Operations Conference on Asset Management and HRSD's implementation efforts on June 28.
2. Number of Community Partners: 5
 - a. Unitarian Church of Norfolk
 - b. CBF
 - c. Louisville Water
 - d. Milwaukee Metropolitan Sewerage District
 - e. VWEA

3. Number of Research Partners: 1

Staff is participating in a Water Research Foundation study to develop a web-based decision support tool to assist utilities in determining best delivery methods for projects.

4. Metrics Summary

Item #	Strategic Planning Measure	Unit	June 2018
M-1.4a	Total Training Hours per Full Time Employee (40) - Current Month	Hours / #FTE	0.76
M-1.4b	Total Training Hours per Full Time Employee (40) - Cumulative Fiscal Year-to-Date	Hours / #FTE	37.30
M-5.2	Educational and Outreach Events	Number	5
M-5.3	Number of Community Partners	Number	5
M-5.4	Number of Research Partners	Number	1

5. Annual Metrics

Item #	Strategic Planning Measure	Unit	FY-2018
M-2.1	CIP Delivery – Budget	Percentage	*
M-2.2	CIP Delivery – Schedule	Percentage	*
M-5.4	Number of Research Partners	Number	1

* These metrics will be reported upon completion of the annual financial statements.

Bruce W. Husselbee, P.E.

Bruce W. Husselbee, P.E.

TO: General Manager
FROM: Director of Finance
SUBJECT: Monthly Report for June 2018
DATE: July 11, 2018

A. General

1. The Director of Finance made a presentation on HRSD's Major Initiatives and Financial Forecast to the Virginia Resources Authority's (VRA) Portfolio Risk Committee meeting on June 11. At their full board meeting on June 12, the board approved allowing HRSD to be up to 30 percent of VRA's debt portfolio, which allows us to borrow up to \$150 million more of Virginia Clean Water Revolving Loan Funds (VCWRLF). Aside from grant funds, VCWRLF is our lowest cost of capital as the interest rate is subsidized (reduced borrowing rate) from 1.0 percent up to 1.5 percent, depending on the term.
2. The Federal Reserve raised interest rates on June 13 for the second time this year and signaled that two more may be coming. The Fed's benchmark rate range is 1.75 to 2.00 percent. As a result, HRSD's net yield on our new Liquidity Pool has risen to 2.13 percent as of July 9, 2018. This is much higher than the interest we are paying on our variable rate debt, which was at 1.51 percent at the end of June.
3. Water consumption ended the Fiscal Year (FY) essentially flat (-0.1 percent) compared to FY 2017 and slightly higher than budget (0.7 percent). This led to slightly higher Wastewater revenues (1 percent), which is consistent with FY 2017. Facility Charges ended the year higher than budget, but lower than FY 2017 and close to FY 2016 levels. Interest Income was almost double the conservative budgeted amount as the Federal Reserve aggressively raised interest rates in the last year. Major Repairs expense is significantly lower than budget at this time, and while we anticipate expenditures to increase as payments are processed during the 13th accounting period, we expect the total to remain below budget. Overall, revenues exceeded expenses by a percentage generally consistent with the prior year.
4. Quarterly investment reports for [HRSD's Operating Funds](#) and the [Retiree Health Plan Trust](#) are attached.

B. Interim Financial Report

1. Operating Budget for the Period Ended June 30, 2018

	Amended Budget	Current YTD	Current YTD as % of Budget (100% Budget to Date)	Prior YTD as % of Prior Year Budget
Wastewater	\$ 265,662,693	\$ 267,449,045	101%	101%
Surcharge	1,900,000	1,434,286	75%	118%
Indirect Discharge	2,500,000	2,666,580	107%	108%
Norfolk Sludge	90,000	63,443	70%	79%
Fees	2,935,000	2,816,192	96%	101%
Municipal Assistance	700,000	741,826	106%	78%
Miscellaneous	720,000	861,554	120%	121%
Total Operating Revenue	274,507,693	276,032,926	101%	101%
Non Operating Revenues				
Facility Charge	6,000,000	6,770,990	113%	116%
Interest Income	1,800,000	3,492,374	194%	94%
Build America Bond Subsidy	2,400,000	2,313,642	96%	98%
Other	845,000	1,095,384	130%	92%
Total Non Operating Revenue	11,045,000	13,672,390	124%	107%
Total Revenues	285,552,693	289,705,316	101%	102%
Transfers from Reserves	9,760,286	9,760,286	100%	100%
Total Revenues and Transfers	\$ 295,312,979	\$ 299,465,602	101%	101%
Operating Expenses				
Personal Services	\$ 55,260,327	\$ 54,912,652	99%	96%
Fringe Benefits	25,600,569	25,414,340	99%	99%
Materials & Supplies	7,914,552	7,694,802	97%	106%
Transportation	1,435,474	1,240,594	86%	90%
Utilities	11,973,115	11,698,979	98%	90%
Chemical Purchases	9,219,000	8,677,646	94%	85%
Contractual Services	37,523,915	28,557,474	76%	76%
Major Repairs	10,821,019	5,516,548	51%	68%
Capital Assets	1,716,528	1,630,775	95%	76%
Miscellaneous Expense	2,503,752	2,423,052	97%	75%
Total Operating Expenses	163,968,251	147,766,862	90%	89%
Debt Service and Transfers				
Debt Service	57,314,120	57,171,478	100%	100%
Cost of Issuance Bonds	900,000	869,495	97%	3%
Transfer to CIP	58,802,000	58,802,000	100%	100%
Transfer to General Reserve	14,068,608	14,068,608	100%	0%
Transfer to Risk management	260,000	260,011	100%	100%
Total Debt Service and Transfers	131,344,728	131,171,592	100%	99%
Total Expenses and Transfers	\$ 295,312,979	\$ 278,938,454	94%	93%

2. Notes to Interim Financial Report

The Interim Financial Report summarizes the results of HRSD's operations on a basis of accounting that differs from generally accepted accounting principles. Revenues are recorded on an accrual basis, whereby they are recognized when billed; expenses are generally recorded on a cash basis. No provision is made for non-cash items such as depreciation and bad debt expense.

This interim report does not reflect financial activity for capital projects contained in HRSD's Capital Improvement Program (CIP).

Transfers represent certain budgetary policy designations as follows:

- a. Transfer to CIP: represents current period's cash and investments that are designated to partially fund HRSD's capital improvement program.
- b. Transfers to Reserves: represents the current period's cash and investments that have been set aside to meet HRSD's cash and investments policy objectives.

3. Reserves and Capital Resources (Cash and Investments Activity) for the Period Ended June 30, 2018

	General	Risk Management	Reserve	Capital
Beginning of Period - July 1, 2017	\$ 169,127,728	\$ 3,000,520	\$ 30,760,330	\$ 37,452,225
Add: Current Year Sources of Funds				
Cash Receipts	294,508,518			273,602
Capital Grants				2,946,739
VRA Draws				3,464,615
Bond Proceeds (includes interest)				75,421,274
Transfers In	494,006	260,011		73,802,000
Sources of Funds	<u>295,002,524</u>	<u>260,011</u>	<u>-</u>	<u>155,908,230</u>
Total Funds Available	<u>\$ 464,130,252</u>	<u>\$ 3,260,531</u>	<u>\$ 30,760,330</u>	<u>\$ 193,360,455</u>
Deduct: Current Year Uses of Funds				
Cash Disbursements	211,450,382			117,487,181
Transfers Out	59,062,011		15,494,006	-
Uses of Funds	<u>270,512,393</u>	<u>-</u>	<u>15,494,006</u>	<u>117,487,181</u>
End of Period - June 30, 2018	<u>\$ 193,617,859</u>	<u>\$ 3,260,531</u>	<u>\$ 15,266,324</u>	<u>\$ 75,873,274</u>

4. Capital Improvements Budget and Activity Summary for Active Projects for the Period Ended June 30, 2018

Classification/ Treatment Service Area	Expenditures		Year to Date		Total Expenditures	Outstanding Encumbrances	Available Balance
	Budget	prior to June 30, 2017	Expenditures	FY 2018			
Administration	\$ 62,245,711	\$ 39,641,464	\$ 672,935	\$ 40,314,399	\$ 367,116	\$ 21,564,196	
Army Base	158,584,000	120,527,300	3,517,959	124,045,259	2,611,912	31,926,829	
Atlantic	120,373,620	42,154,292	10,583,883	52,738,175	50,998,289	16,637,156	
Boat Harbor	103,352,008	42,142,558	12,287,858	54,430,416	4,111,461	44,810,131	
Ches-Eliz	148,955,317	6,729,890	3,212,749	9,942,639	5,600,004	133,412,674	
James River	89,151,802	50,821,444	3,910,563	54,732,007	4,101,227	30,318,568	
Middle Peninsula	48,944,866	6,398,032	1,449,611	7,847,643	4,649,110	36,448,113	
Nansemond	82,441,359	33,846,838	4,901,472	38,748,310	3,163,967	40,529,082	
Surry	3,236,000	-	86,708	86,708	271,136	2,878,156	
VIP	272,884,561	229,739,637	18,974,605	248,714,242	8,785,936	15,384,383	
Williamsburg	16,321,843	8,937,934	209,636	9,147,570	1,709,415	5,464,858	
York River	45,537,761	39,366,402	1,410,404	40,776,806	1,174,410	3,586,545	
General	264,202,915	166,626,066	47,216,958	213,843,024	18,685,703	31,674,188	
	<u>\$ 1,416,231,763</u>	<u>\$ 786,931,857</u>	<u>\$ 108,435,341</u>	<u>\$ 895,367,198</u>	<u>\$ 106,229,686</u>	<u>\$ 414,634,879</u>	

5. Debt Management Overview

	Debt Outstanding (\$000's)					
	Principal May 2018	Principal Payments	Principal Draws	Principal FY18 Bonds	Principal June 2018	Interest Payments
Fixed Rate						
Senior	\$332,141	\$ -	\$ -	\$ -	\$332,141	\$ -
Subordinate	436,527	(1,059)	-	-	435,468	(233)
Variable Rate						
Subordinate	50,000	-	-	-	50,000	(59)
Line of Credit	-	-	-	-	-	-
Total	<u>\$818,668</u>	<u>\$ (1,059)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$817,609</u>	<u>\$ (292)</u>

Series 2016 Variable Rate Interest Summary - Variable Rate Debt Benchmark (SIFMA) as of 06/29/18

	SIFMA Index	HRSD	Spread to SIFMA
Maximum	1.81%	1.81%	0.00%
Average	0.34%	0.32%	-0.02%
Minimum	0.01%	0.01%	0.00%
As of 06/29/18	1.51%	1.51%	0.00%

* Since October 20, 2011 HRSD has averaged 32 basis points on Variable Rate Debt

6. Financial Performance Metrics for the Period Ended June 30, 2018

	Current YTD	Policy Minimum
Days Cash on Hand	439 days	270-365 days
Days Cash on Hand (Excl Reserve \$15.3m and Risk Mgmt \$3.2m)	398 days	270-365 days
Risk Management Reserve as % of Projected Claims Costs	25%	25%

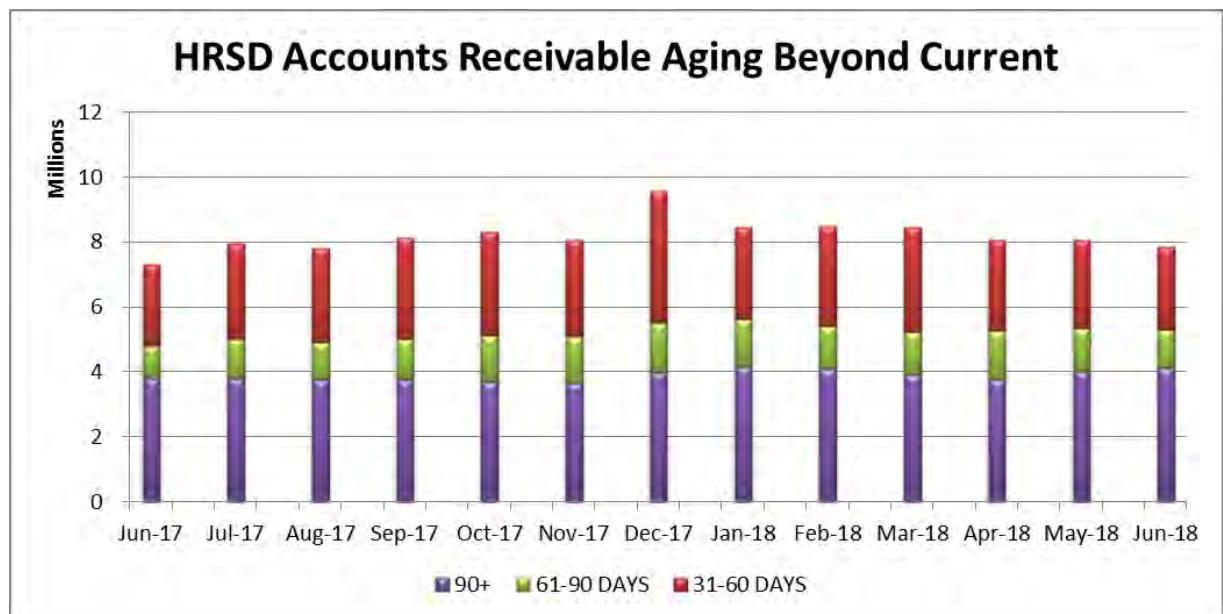
Total Return Strategy						
	Market Value June 30, 2017	YTD Buy/Sell	YTD Change in Market Value	YTD Adjustments	Market Value June 30, 2018	
Investment Activity	123,687,020.20	1,784,828.26	(1,381,933.17)	-	124,089,915.29	
Investment Cash	157,417.80	(18,807.19)			138,610.61	
Investment Interest Receivable	446,743.63		(240.74)		446,502.89	
Unrestricted Reserve Fund	30,760,330.00			(15,494,006.25)	15,266,323.75	
	155,051,511.63	1,766,021.07	(1,382,173.91)	(15,494,006.25)	139,941,352.54	

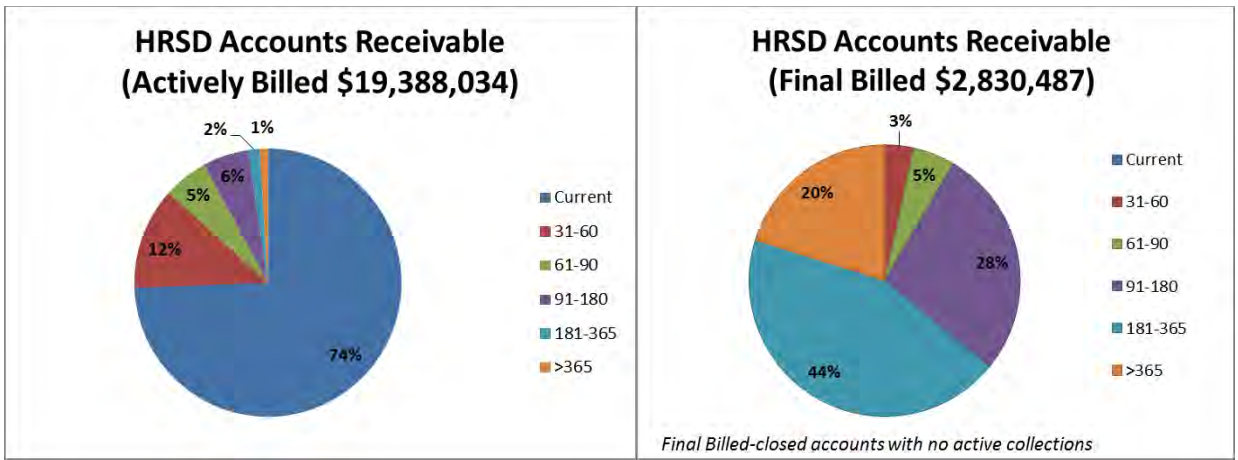
7. Summary of Billed Consumption

Summary of Billed Consumption (,000s ccf)							
			% Difference		% Difference		% Difference
	2018 Cumulative Budget Estimate	2018 Cumulative Actual	From Budget	Cumulative 2017 Actual	From 2017	Cumulative 3 Year Average	From 3 Year Average
July	4,427	4,869	10.0%	4,776	1.9%	4,798	1.5%
Aug	8,850	9,939	12.3%	9,275	7.2%	9,525	4.3%
Sept	13,271	14,632	10.3%	14,227	2.8%	14,215	2.9%
Oct	17,689	19,006	7.4%	19,017	-0.1%	18,999	0.0%
Nov	22,104	23,305	5.4%	23,282	0.1%	23,223	0.4%
Dec	26,516	27,462	3.6%	27,761	-1.1%	27,583	-0.4%
Jan	30,925	31,965	3.4%	32,036	-0.2%	31,959	0.0%
Feb	35,331	36,519	3.4%	36,263	0.7%	35,878	1.8%
March	39,734	40,741	2.5%	40,516	0.6%	40,678	0.2%
Apr	44,135	44,732	1.4%	44,383	0.8%	44,834	-0.2%
May	48,532	49,018	1.0%	48,553	1.0%	49,058	-0.1%
June	52,927	53,298	0.7%	53,373	-0.1%	53,644	-0.6%

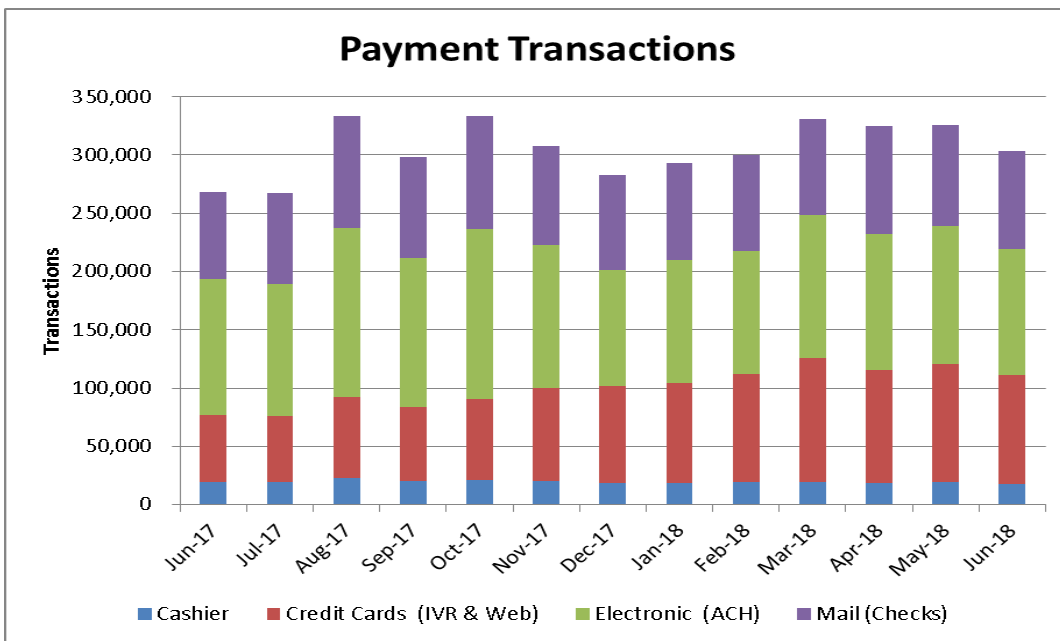
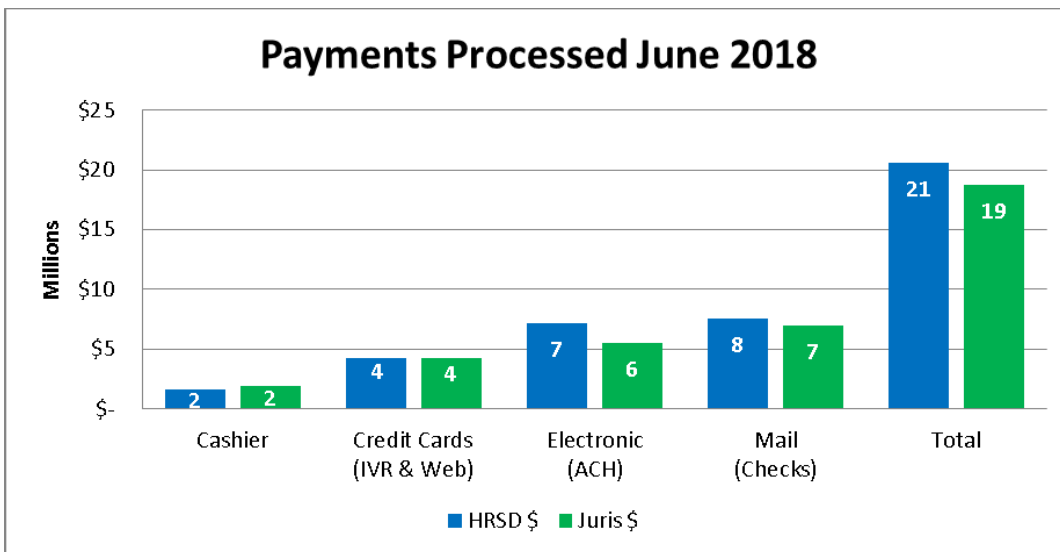
C. Customer Care Center

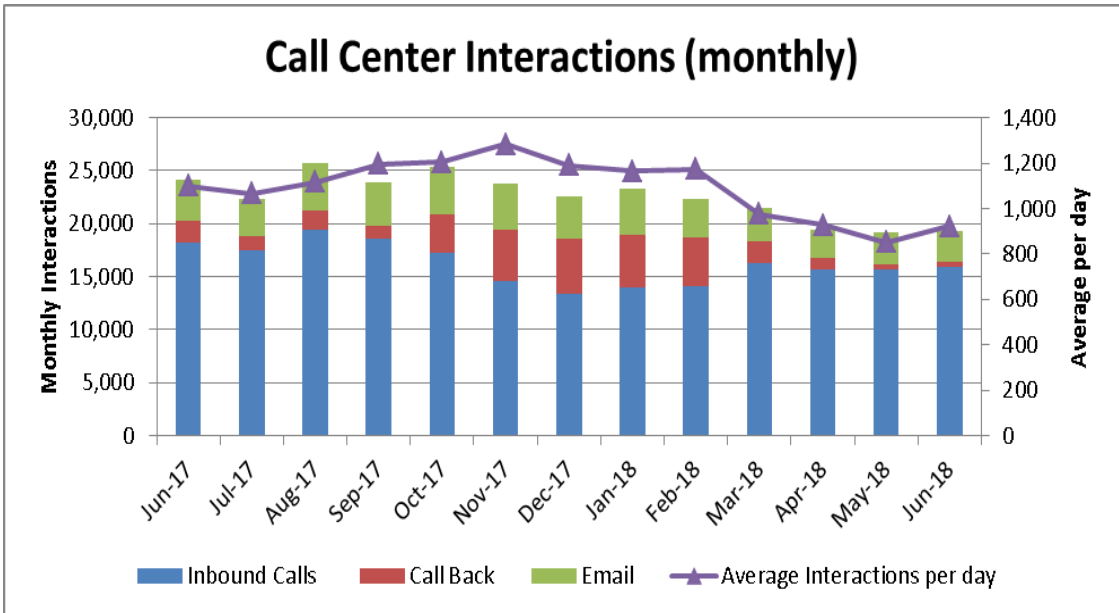
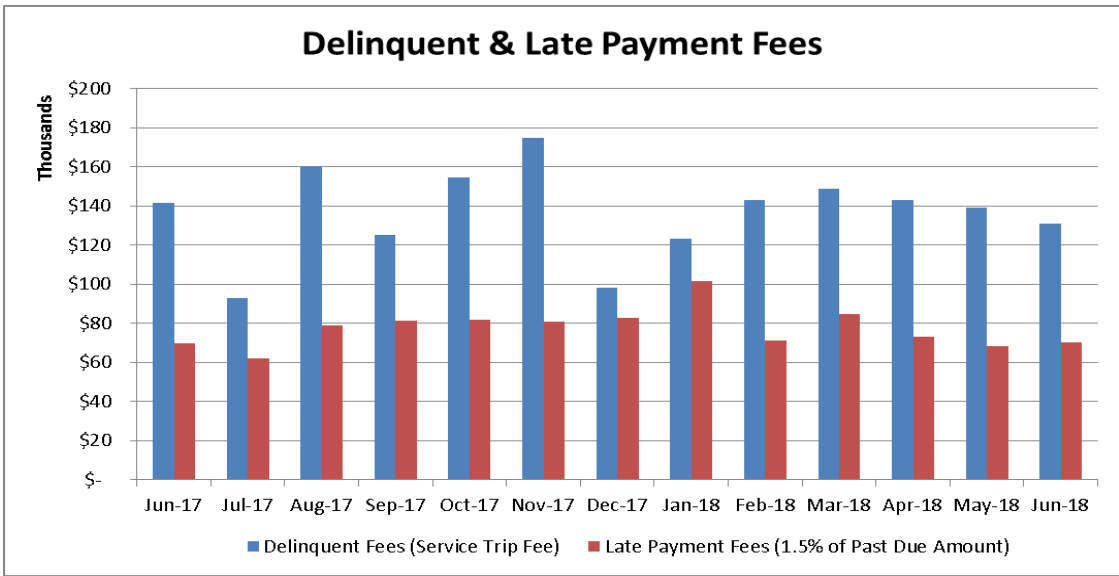
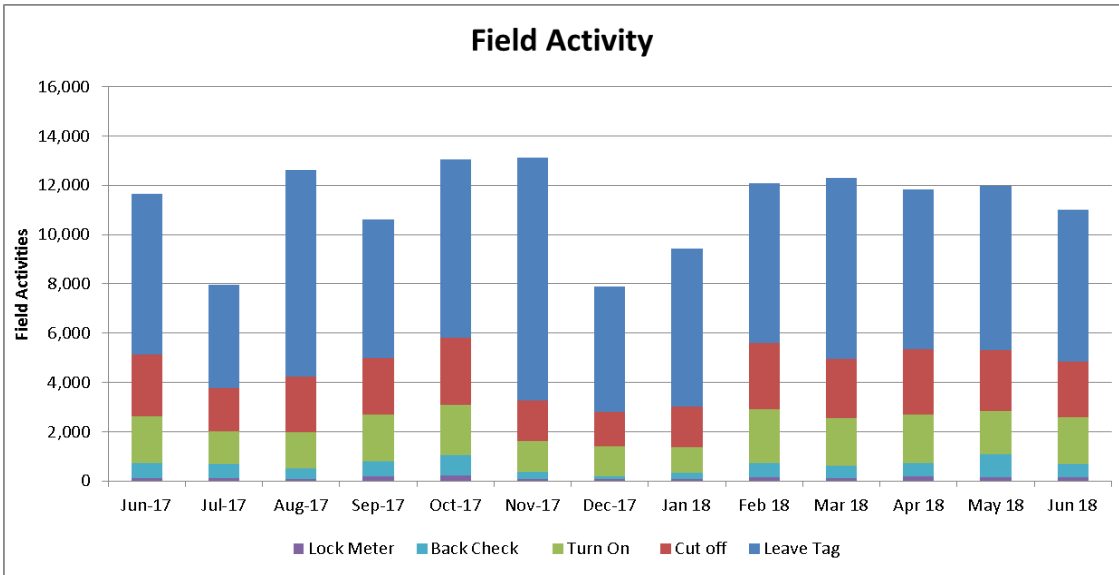
1. Accounts Receivable Overview

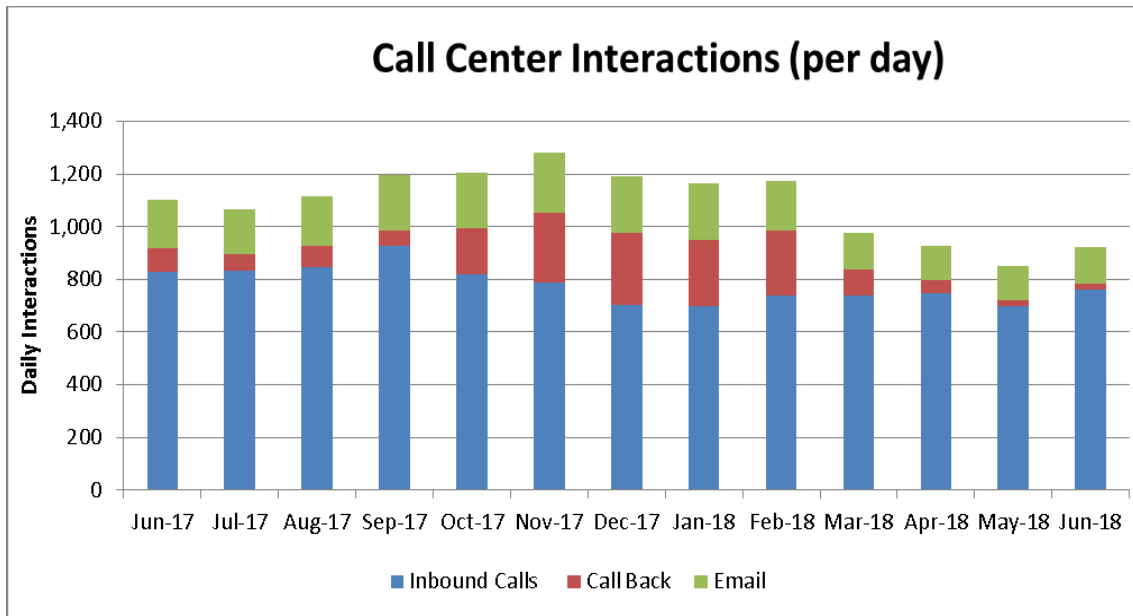




2. Customer Care Center Statistics







Customer Interaction Statistics	Jan	Feb	Mar	Apr	May	June
Calls Answered within 3 minutes	49%	48%	68%	78%	88%	87%
Average Wait Time (minutes)	5:41	5:31	2:51	1:53	1:06	1:09
Calls Abandoned	17%	16%	10%	8%	5%	6%

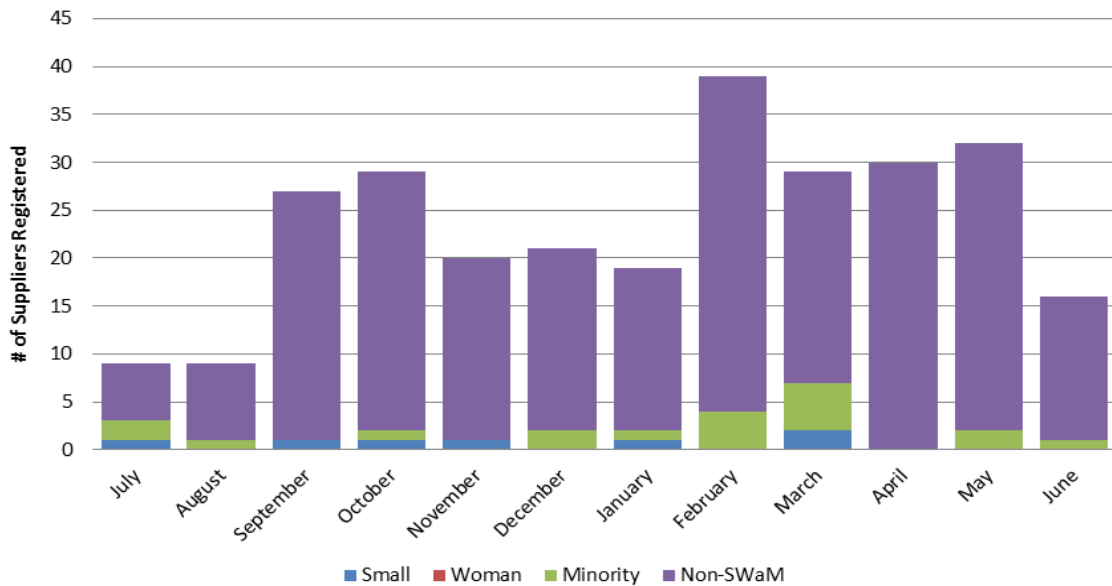
D. Procurement Statistics

Savings	Current Period	FYTD
Competitive Savings ¹	\$142,687	\$1,506,909
Negotiated Savings ²	\$37,172	\$2,206,547
Salvage Revenues	\$4,152	\$49,435
Corporate VISA Card - Estimated Rebate	\$21,489	\$216,623

¹ Competitive savings are those savings obtained through the informal/formal bidding process. All bids received (except for the lowest responsive/responsible bid) added together and averaged. The average cost is subtracted from the apparent low responsive/responsible bidder.

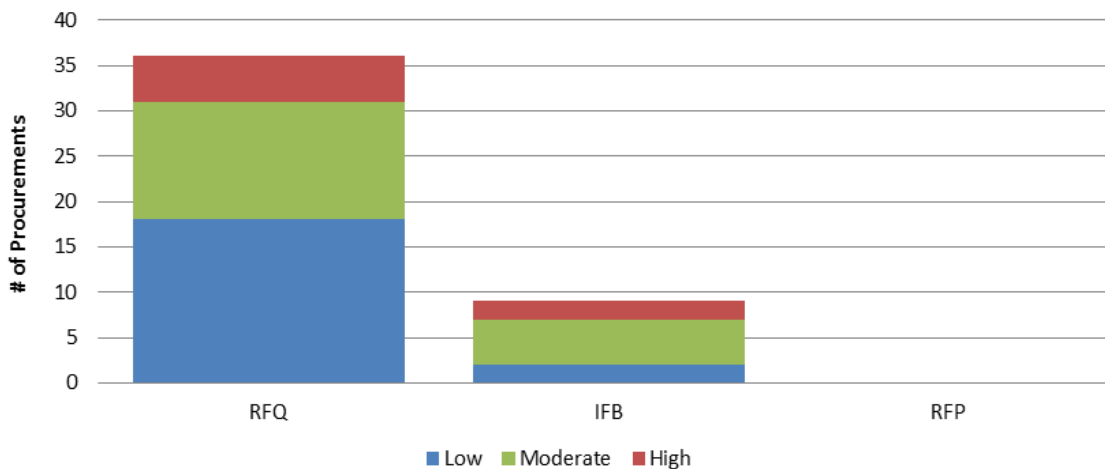
² Negotiated savings are savings obtained during a Request for Proposal process, or if all bids received exceed the budgeted amount, or if only one bid is received.

New Suppliers Registered in ERP

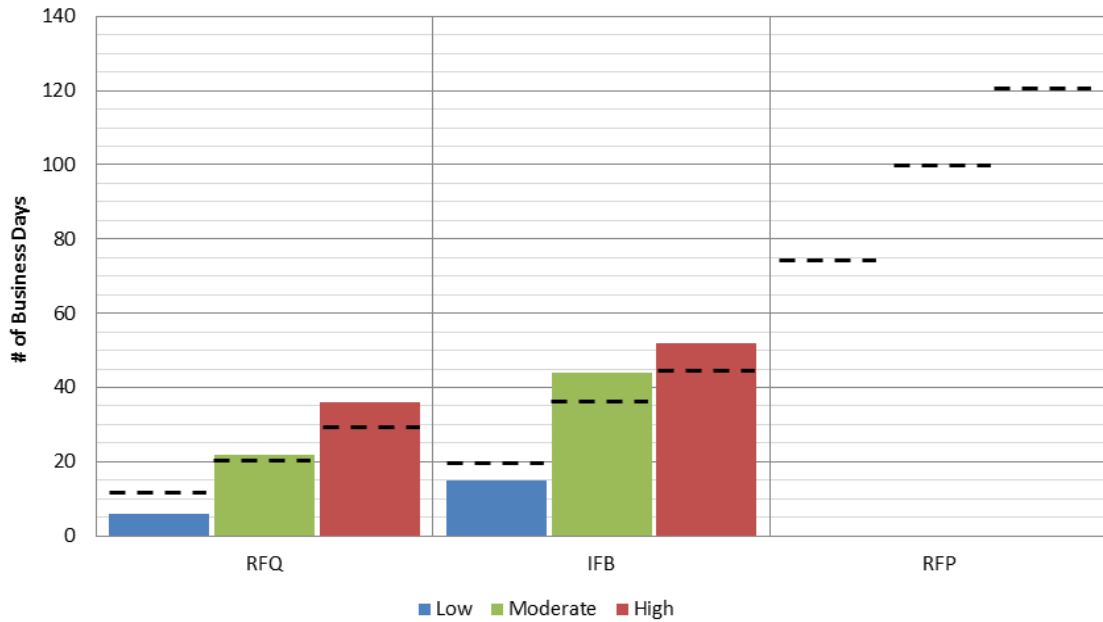


**Increased supplier registration due to supplier outreach at NIGP Forum 8/29/17, Water Jam 9/13/17, VASCUPP® SWaMFest 10/4/17, City of Richmond OMBD and CVMSSDC, Procure Your Business Conference 10/18/17, Virginia Beach Minority Business Council Conference and Expo 11/2/17, CNU SWaM Fair 11/9/17, DGS Forum 11/14/17, CVMSSDC Supplier Development 1/30/18*

Procurements Completed Based on Complexity



Cycle Time per Method of Procurement and Complexity

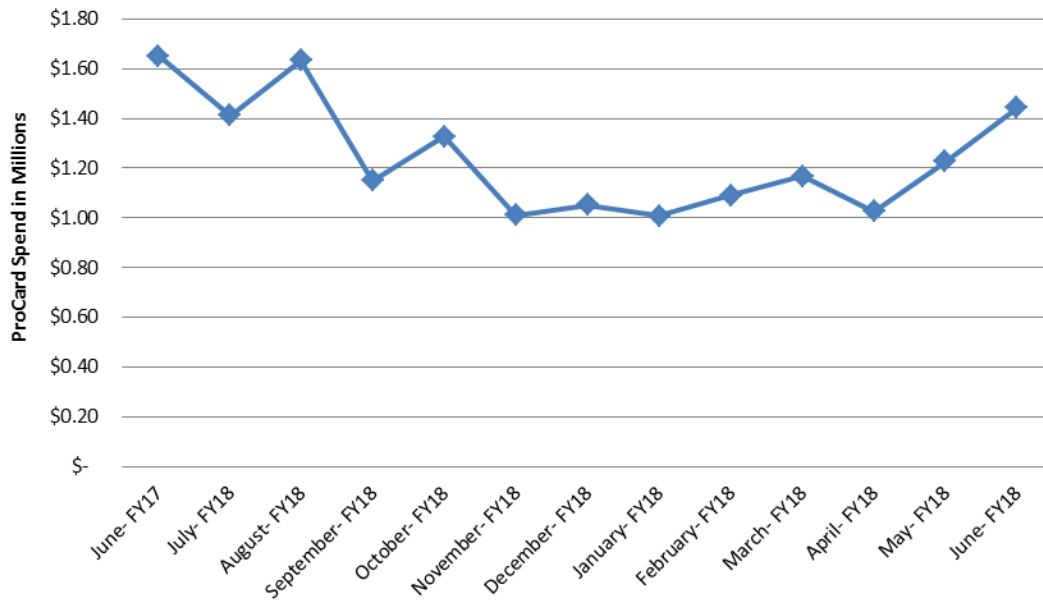


Dashed Line: Target Service Level Cycle Time

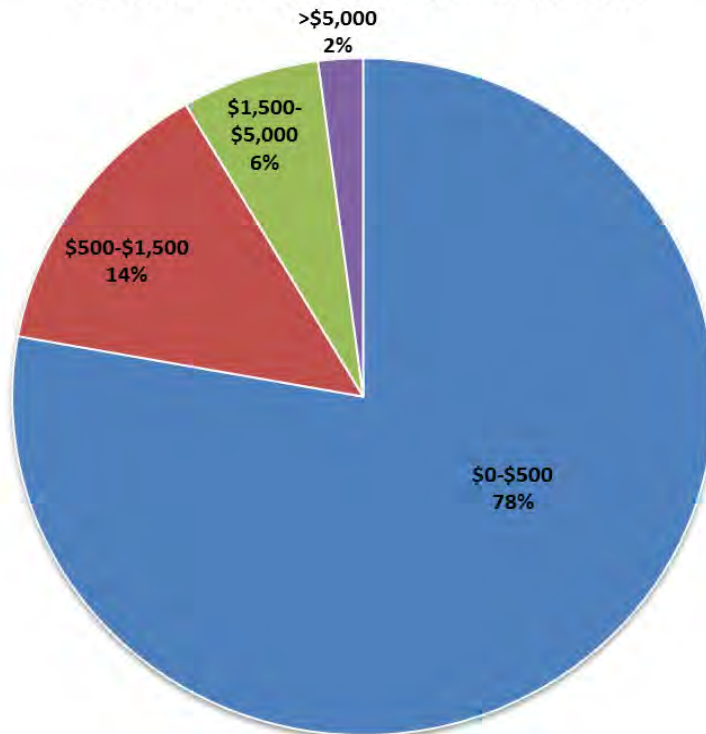
	Low	Moderate	High
RFQ	12	20	30
IFB	20	35	45
RFP	75	100	120

Low: Low technical, quick turnaround, **Moderate:** Technical, routine, **High:** Highly technical, time intensive,

ProCard Spend



ProCard Transaction Dollar Amount



ProCard Fraud	External Fraud Transactions *	Comments
July	4	Caught by Bank immediately
August	6	Caught by Bank immediately
September	2	One caught by cardholder immediately, one caught by Bank immediately
October	0	
November	0	
December	4	Three caught by cardholders immediately, one caught by Bank immediately
January	0	
February	1	Caught by Bank immediately
March	9	Caught by Bank immediately
April	0	
May	0	
June	4	Caught by Bank immediately
Total	30	

***External Fraud:** Fraud from outside HRSD (i.e.: a lost or stolen card, phishing, or identity theft)

Accidental Use, which is anything that is not purchased for use and ownership by HRSD, was at 0.04% of June’s ProCard transactions.

Procurement Client Training		
	Current Period	YTD
ProCard Policy and Process	2	52
Procurement Cycle	4	30
Specification Building Workshop	0	70
Total	6	152

E. Business Intelligence – Enterprise Resource Planning (ERP)

1. ERP Helpdesk currently has 226 open work orders in the following statuses: 3 escalated, 74 in progress, 17 on hold, 129 open, 3 waiting on user. ERP Helpdesk received 256 work orders in June. In June, 196 work orders were closed and 61 were closed within one hour.
2. Staff attended the 2018 Oracle HCM User Group (OHUG) Global Conference
3. ERP staff continues to work with consultants on functionality and improvements to the system.

F. Strategic Planning Metrics Summary

1. Educational and Outreach Events: 0
2. Community Partners: 0
3. Monthly Metrics

Item #	Strategic Planning Measure	Unit	June 2018
M-1.4a	Training During Work Hours Per Full Time Employee (101) – Current Month	Hours / #FTE	1.81
M-1.4b	Total Training During Work Hours Per Full Time Employee (101) – Cumulative Fiscal Year-to-Date	Hours / #FTE	41.59
M-5.2	Educational and Outreach Events	Number	0
M-5.3	Number of Community Partners	Number	0
	Wastewater Revenue	Percentage of budgeted	101%
	General Reserves	Percentage of Operating Budget less Depreciation	119%
	Liquidity	Days Cash on Hand	439 Days
	Accounts Receivable (HRSD)	Dollars	\$22,218,521
	Aging Accounts Receivable	Percentage of receivables greater than 90 days	19%

4. Annual Metrics

Item #	Strategic Planning Measure	Unit	FY-2018
M-2.4	Infrastructure Investment	Percentage of Total Cost of Infrastructure	*
M-4.3	Labor Cost/MGD	Personal Services + Fringe Benefits/365/5-Year Average Daily Flow	*
M-4.4	Affordability	6.5 CCF Monthly Charge/Median Household Income ³	*
M-4.5	Operating Cost/MGD	Total Operating Expense /365/5-Year Average Daily Flow	*
	Billed Flow	Percentage of Total Treated	*
	Senior Debt Coverage	Cash Reserves/ Senior Annual Debt Service	*
	Total Debt Coverage		*

* These metrics will be reported upon completion of the annual financial statements.

Respectfully,
Jay A. Bernas
 Jay A. Bernas, P.E.
 Director of Finance

Attachments:

[HRSD Operating Funds Quarterly Investment Report](#)
[Retiree Health Plan Trust Quarterly Investment Report](#)

³ Median Household Income is based on the American Community Survey (US Census) for Hampton Roads

Hampton Roads Sanitation District – Operating Funds

Investment Report – Quarter Ended June 30, 2018

Portfolio Summary

	Market Value	
	June 30, 2018	March 31, 2018
Operating Liquidity Strategy	\$ 72,203,362	\$ 61,902,839
Total Return Strategy	\$ 139,941,352	\$ 154,548,251
Capital Investment Strategy	\$ 75,874,029	\$ 81,426,020
Total Portfolio	\$ 288,018,743	\$ 297,877,110

Investment Recap and Strategies

- The **Operating Liquidity Strategy** is managed to provide liquidity for day-to-day cash needs and unforeseen events. Currently, the Operating Liquidity Strategy funds are held in an account meeting the requirements of the Security for Public Deposits Act (SPDA) and a local government investment pool (LGIP).
- The **Total Return Strategy** consists of operating funds that will not be a major source of day-to-day disbursement requirements and operational needs. The strategy includes a portfolio invested in longer-term securities in order to generate a higher investment rate of return. The strategy also includes funds designated as a reserve that are invested in an LGIP.
- The **Capital Investment Strategy** is managed to provide liquidity for capital projects. Currently, the Capital Investment Strategy funds are held in LGIPs.

Portfolio Performance Summary

- HRSD maintains sizeable balances in overnight investment vehicles, such as bank deposits and LGIPs. These allocations are carefully managed to allow HRSD to generate the highest rate of return while preserving daily liquidity and operational efficiency. As of June 30, 2018, \$69.0 million was held in the Virginia LGIP, earning 2.03%, compared to \$27.1 million in bank deposits, earning 0.20%. Additionally, HRSD invests its \$67.3 million in bond proceeds in the SNAP Fund, earning 2.17% as of June 30, 2018. The yield on overnight investments is compared to the Merrill Lynch 3-month Treasury Bill's yield, which was 1.92% as of June 30, 2018.
- Performance for the Total Return Strategy is measured on a total return basis, which captures interest income, realized gains/losses, and unrealized gains/losses. This performance calculation methodology is most appropriate for investment portfolios that have longer-term investment horizons. During the quarter, the Total Return Strategy Managed Portfolio generated a total return of 0.32% (1.27% annualized), outperforming the Merrill Lynch 1 - 3 Year U.S. Treasury Index's return of 0.22% (0.89% annualized).

Hampton Roads Sanitation District – Operating Funds

Investment Report – Quarter Ended June 30, 2018

Portfolio Summary *(continued)*

Total Return Strategy Portfolio

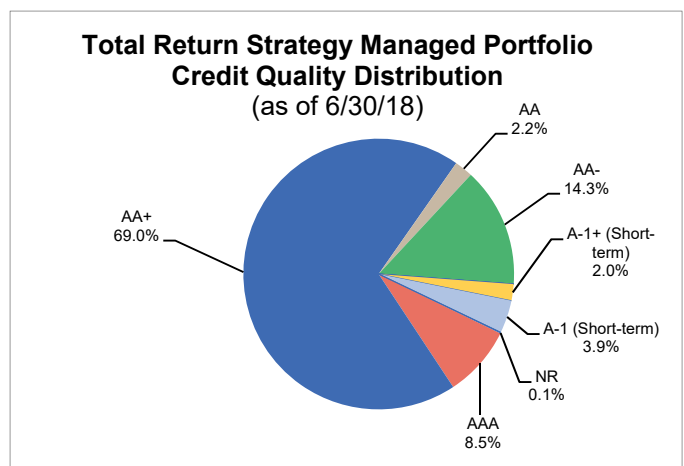
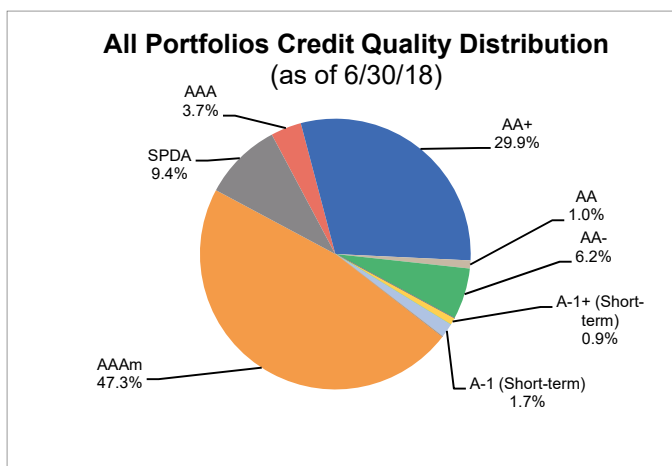
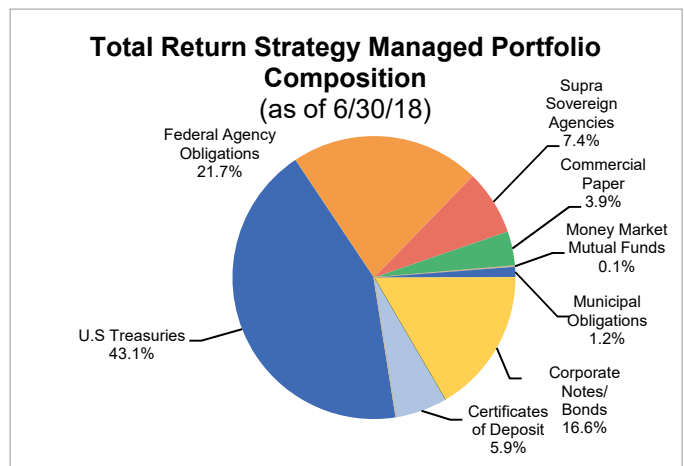
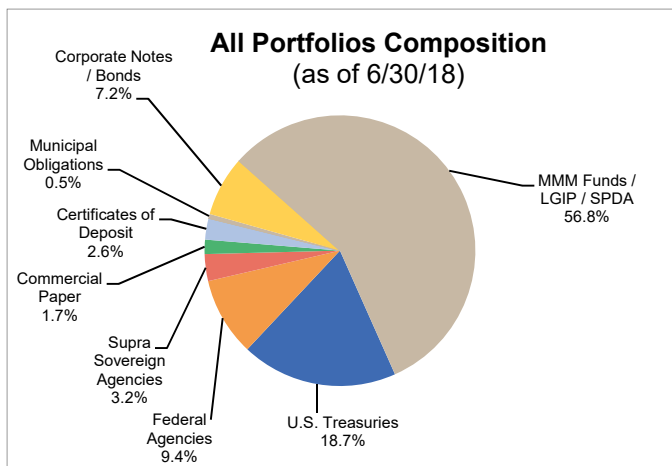
- The Total Return Strategy includes \$125 million invested in the Total Return Strategy Managed Portfolio (the “Managed Portfolio”), an actively-managed diversified portfolio of securities. In addition to this Managed Portfolio, the Total Return Strategy includes \$15.3 million that has been set aside as a reserve available in case HRSD is required to establish a Debt Service Reserve Fund. This reserve is expected to decline annually. The reserve has been invested in the Virginia LGIP in order to protect the funds from any potential market value fluctuations and to provide liquidity if needed.
- The Total Return Strategy Managed Portfolio is well diversified among U.S. Treasury securities, federal agency securities, supra sovereign agencies, certificates of deposit, corporate notes, commercial paper, and high quality money market mutual funds. The Portfolio’s average credit quality is AA+.
- In the second quarter of 2018, the Total Return Strategy Managed Portfolio generated a total return of 0.32% (1.27% annualized), matching the Merrill Lynch 1 - 3 Year U.S. Treasury Index’s return of 0.22% (0.89% annualized). The one-year trailing return for the Total Return Strategy Managed Portfolio was 0.31% compared to the benchmark’s return of 0.08%.
- The Federal Open Market Committee (“the Committee”) decided to raise the target range for the federal funds rate $\frac{1}{4}$ percent to $1\frac{3}{4}$ to 2 percent. The Committee noted that further gradual increases in the target range for the federal funds rate will be consistent with sustained expansion of labor market conditions and inflation near the Committee’s 2 percent objective over the medium term.
- During the quarter, the 2-year U.S. Treasury yield increased from 2.27% to 2.53%. A defensive duration strategy was taken relative to benchmarks to help insulate the managed portfolio from the negative impacts of rising interest rates. As of June 30, 2018, the Managed Portfolio’s duration was 1.68 years compared to the benchmark’s duration of 1.80.
- Corporate notes and certificates of deposits offered attractive yields in comparison to U.S. Treasuries. Allocations to credit improved the managed portfolio’s performance during the quarter in a market in which inflation concerns and trade tensions ran high and contributed to volatility. In April, \$1.46 million in corporate notes were added at a yield of 3.14% and in June \$2.45 million of corporate notes were added at an average yield of 3.17%.

Hampton Roads Sanitation District – Operating Funds

Investment Report – Quarter Ended June 30, 2018

Portfolio Composition

Security Type	June 30, 2018	% of Portfolio	March 31, 2018	% of Portfolio	Permitted by Policy
U.S. Treasuries	\$53,772,655	18.7%	\$46,531,922	15.6%	100%
Federal Agencies	27,011,397	9.4%	31,355,714	10.5%	100%
Supra Sovereign Agencies	9,264,722	3.2%	9,244,492	3.1%	15%
Commercial Paper	4,920,713	1.7%	4,888,137	1.6%	25%
Certificates of Deposit	7,378,046	2.6%	7,379,218	2.5%	25%
Municipal Obligations	1,459,006	0.5%	0	0.0%	15%
Corporate Notes / Bonds	20,729,879	7.2%	24,773,762	8.3%	25%
Money Market Mutual Funds / LGIP / Cash	163,482,325	56.8%	173,703,863	58.3%	100%
Totals	\$288,018,743	100.0%	\$297,877,110	100.0%	

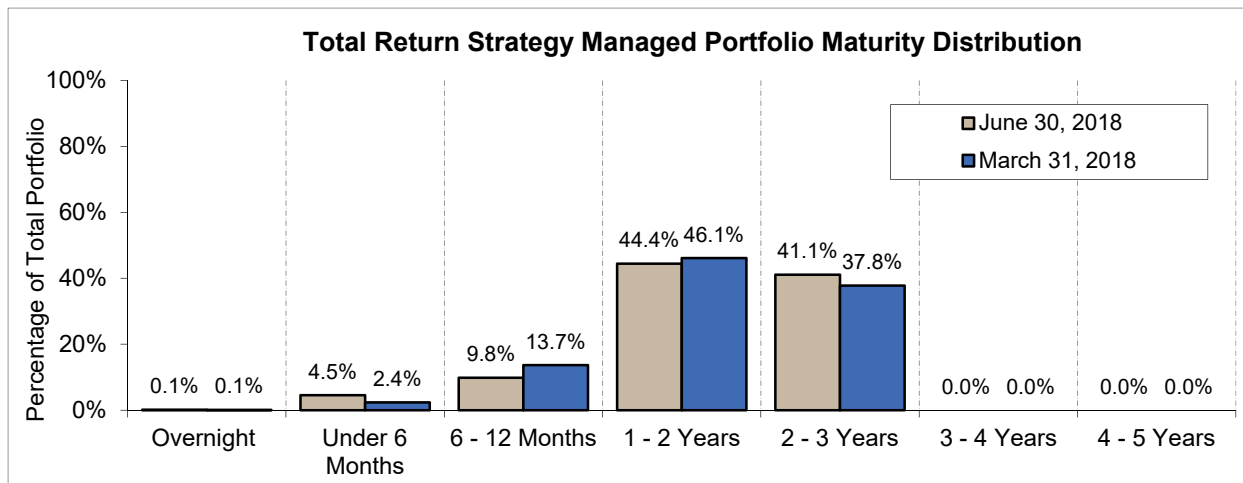
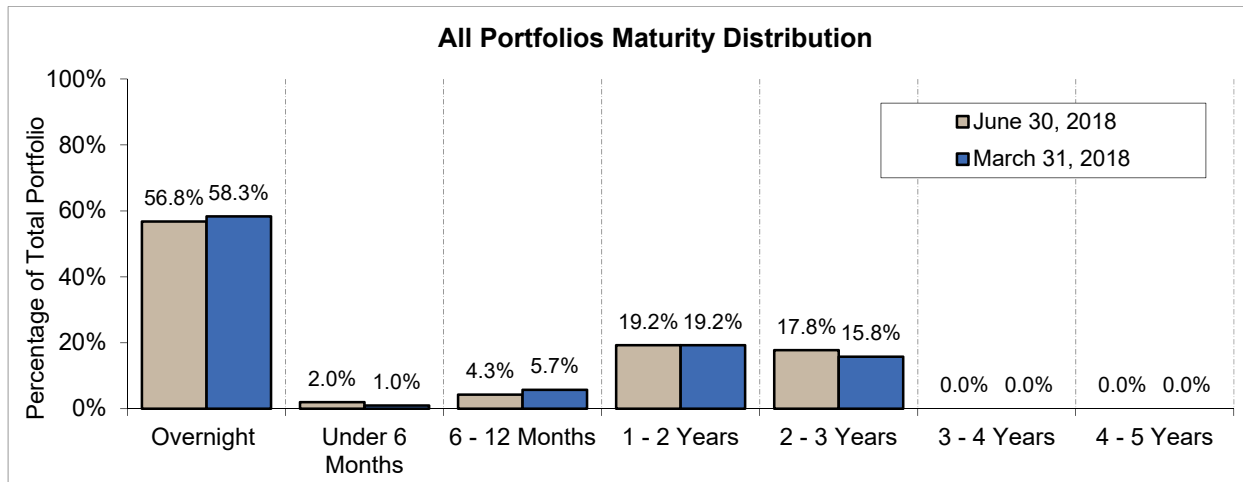


Hampton Roads Sanitation District – Operating Funds

Investment Report – Quarter Ended June 30, 2018

Portfolio Maturity Distribution

Maturity Distribution	June 30, 2018	March 31, 2018
Overnight	163,482,325	173,703,863
Under 6 Months	5,670,691	2,922,639
6 - 12 Months	12,256,047	16,989,494
1 - 2 Years	55,413,991	57,311,123
2 - 3 Years	51,195,689	46,949,990
3 - 4 Years	0	0
4 - 5 Years	0	0
5 Years and Over	0	0
Totals	\$288,018,743	\$297,877,110



Hampton Roads Sanitation District – Operating Funds

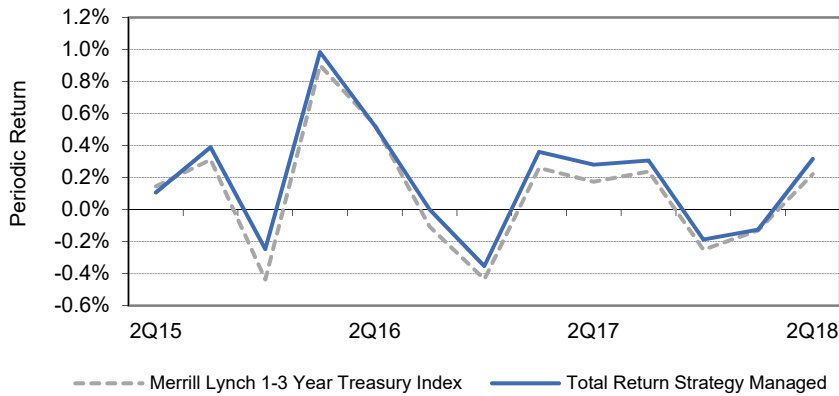
Investment Report

Portfolio Performance

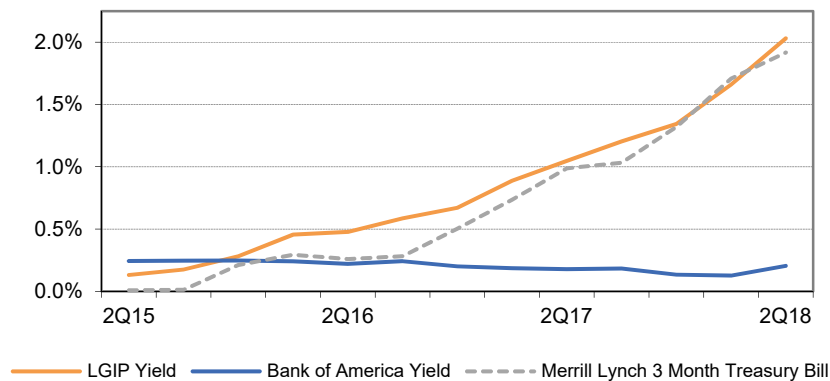
	Quarter Ended June 30, 2018	Annualized Quarterly Return	Last 24 Months	Last 36 Months	Annualized Since Inception*
Total Return Performance					
Total Return Strategy Managed	0.32%	1.27%	0.30%	0.75%	1.02%
Merrill Lynch 1-3 Year Treasury Index	0.22%	0.89%	-0.01%	0.42%	0.83%

	Balance as of June 30, 2018	Yield as of June 30, 2018	Balance as of March 31, 2018	Yield as of March 31, 2018
Other Funds				
Virginia LGIP	\$ 68,984,048	2.03%	\$ 73,595,400	1.66%
Virginia SNAP	\$ 67,277,974	2.17%	\$ 75,049,862	1.78%
Bank of America	\$ 27,081,693	0.20%	\$ 24,949,921	0.13%
Merrill Lynch 3-Month Treasury Bill		1.92%		1.71%

Performance Comparison



Historical Yield Comparison



*Since inception returns are calculated since September 30, 2009 to present. Performance for the Total Return Strategy Managed Portfolio is calculated as the total return, which captures interest income, realized gains/losses, and unrealized gains/losses, on the managed portfolio of short-term fixed income securities. Calculations are based on provided information and are believed to be accurate based upon available data. The yield for the Virginia LGIP is the average monthly yield. The yield for Bank of America is the weighted average yield between the earnings credit rate less a balance based fee assessed by Bank of America and the hard-dollar interest rate at Bank of America, less the balance based fee.

Portfolio Summary

Total Portfolio Value

	<u>June 30, 2018</u>	<u>March 31, 2018</u>
Investment Assets	\$ 47,081,121	\$ 46,436,510
Combined Assets	\$ 47,103,248	\$ 46,509,919

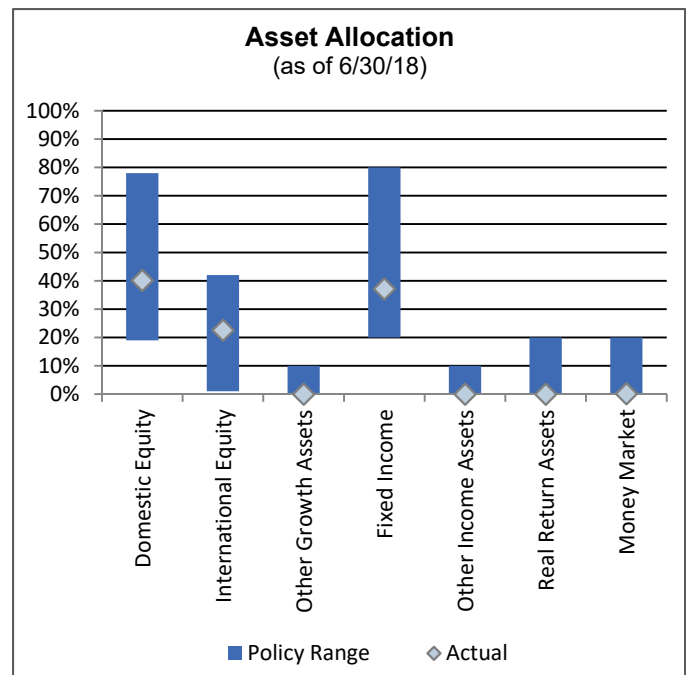
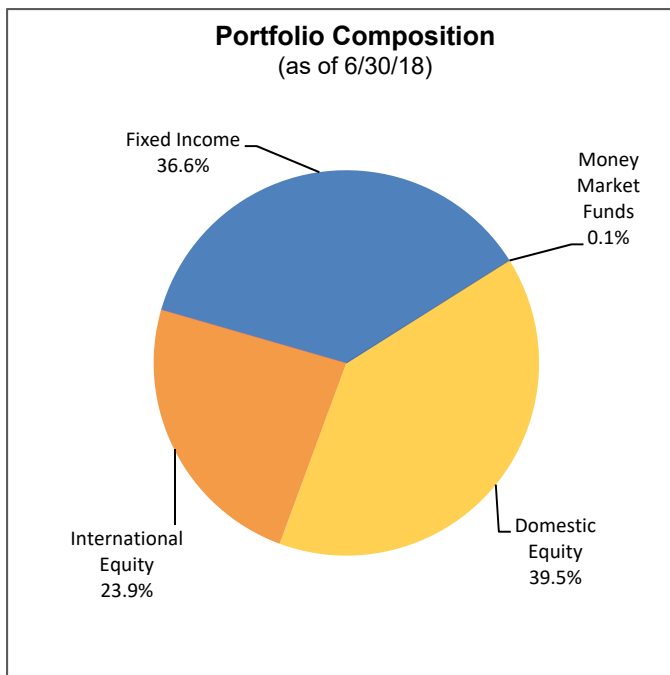
Portfolio Recap & Strategy

- The Retiree Health Plan Trust portfolio returned 1.07% (combined assets) for the quarter ended June 30, 2018, above the 0.90% return of the Blended Benchmark.* The one-year trailing return for the Retiree Health Plan Trust portfolio was 8.10% compared to the Blended Benchmark return of 7.06%. The weighted average credit quality of fixed income holdings for the Retiree Health Plan Trust portfolio is A.
- Domestic Equity markets experienced volatility throughout the second quarter amid uncertainty involving inflation and trade tensions between the U.S. and its international trade allies. While the Federal Reserve remains committed to moving towards a slightly restrictive monetary policy, the change in number of forecasted rate hikes during 2018 and concerns over inflation levels created additional uncertainty in the domestic markets. The U.S. created a spectacle of itself throughout the quarter, as the country engaged in multiple debates of tariff threats between international trade allies and a match of retaliatory trade tariffs with China.
- Despite the headwinds of trade policies and rising interest rates, a robust U.S. economy fueled by the gains from corporate tax cuts and the confidence of business owners and consumers lead the S&P 500 to come out posting a positive return of 3.43% for the quarter. Small-caps (Russell 2000 Index) were the best performers over the quarter, supported by a strengthened dollar and returning 7.75%. Mid-cap stocks (Russell Mid Cap Index) and large-cap stocks (Russell 1000 Index) had more modest positive returns of 2.82% and 3.57% throughout the quarter, respectively.
- Developed markets outside of North America, as measured by the MSCI EAFE Index, fell –1.24% during the second quarter. Like the domestic market, developed markets also experienced volatility among heightened trade tensions and European political uncertainty. Investors watched closely as the full impact of policy decisions, elections, and legislation on the financial stability and volatility of the Eurozone has yet to come into effect.
- Emerging markets (EM), as measured by the MSCI Emerging Markets Index, struggled this quarter as their financial markets were largely vulnerable to negative effects from a rising U.S. dollar and their own political turmoil. This quarter’s negative returns of -7.95% were the lowest the index has seen since the third quarter of 2015. This underperformance poses a stark contrast to recent positive return periods, including returns of 37.28% in calendar year 2017.
- The U.S. bond market, represented by the Bloomberg Barclays US Aggregate Index, returned -0.62% in the second quarter. During the quarter, the U.S. dollar rose sharply against many major currencies and the Federal Reserve continued to raise short term interest rates, flattening the yield curve even further for the period. As of the end of the second quarter, the spread between the 2 year and 10 year U.S. Treasury yields tightened to 0.33%. The 10-year treasury yield reached a seven-year high in May, exceeding 3.00% for the first time since 2014 before being pushed down by trade tariff uncertainty to 2.86% as of June 30. Global bonds, as measured by the Bloomberg Barclays Global Aggregate Index, also struggled this quarter, returning -2.78%.

*Performance is unreconciled. See page 3 for detailed information about the Blended Benchmark.

Portfolio Composition

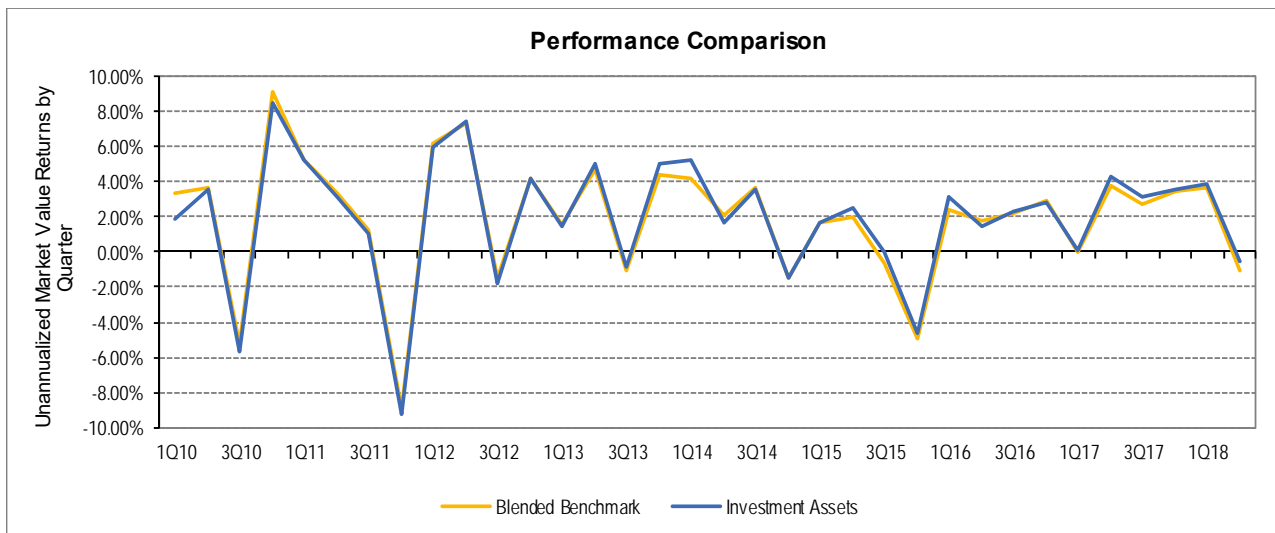
Security Type	June 30, 2018	% of Portfolio	March 31, 2018	% of Portfolio	Permitted by Policy
Domestic Equity	\$ 18,612,269	39.5%	\$ 18,673,774	40.2%	19% - 59%
International Equity	\$ 11,234,852	23.9%	\$ 10,487,246	22.5%	1% - 41%
Other Growth Assets	\$ 0	0.0%	\$ 0	0.0%	0% - 10%
Fixed Income	\$ 17,226,621	36.6%	\$ 17,275,489	37.1%	20% - 60%
Other Income Assets	\$ -	0.0%	\$ -	0.0%	0% - 10%
Real Return Assets	\$ -	0.0%	\$ -	0.0%	0% - 20%
Money Market Funds	\$ 29,506	0.1%	\$ 73,410	0.2%	0% - 20%
Totals	\$ 47,103,248	100.0%	\$ 46,509,919	100.0%	



Portfolio Performance – Investment Assets

Quarter Ended March 31, 2018

Index	Market Values	%	1 Quarter	Year to Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Apr 2013 to Mar 2018*	Since Inception	Inception Date
Domestic Equity										
Vanguard Total Stock Market Index	\$ 17,267,426	37.19%	-0.60%	0.60%	13.85%	10.20%	13.02%	13.02%	14.16%	9/1/2009
Russell 3000 Index			-0.64%	0.64%	13.81%	10.22%	13.03%	13.03%	14.13%	9/1/2009
T. Rowe Price Dividend Growth	\$ 1,406,349	3.03%	-0.73%	0.73%	12.80%	9.96%	12.40%	12.40%	14.62%	12/1/2016
S&P 500			-0.76%	0.76%	13.99%	10.78%	13.31%	13.31%	17.01%	12/1/2016
International Equity										
Vanguard Total International Stock Index Fund	\$ 3,357,367	7.23%	-0.46%	-0.46%	17.05%	6.92%	6.41%	6.41%	15.73%	10/1/2016
MSCI AC World ex USA (Net)			-1.18%	-1.18%	16.53%	6.18%	5.89%	5.89%	15.49%	10/1/2016
Vanguard International Value	\$ 2,197,140	4.73%	-0.63%	-0.63%	17.67%	6.05%	6.76%	6.76%	14.78%	5/1/2016
MSCI AC World ex USA (Net)			-1.18%	-1.18%	16.53%	6.18%	5.89%	5.89%	13.96%	5/1/2016
J. O. Hambro International Select	\$ 2,629,188	5.66%	3.46%	3.46%	17.87%	5.10%	10.71%	10.71%	13.79%	1/1/2016
MSCI AC World ex USA (Net)			-1.18%	-1.18%	16.53%	6.18%	5.89%	5.89%	12.88%	1/1/2016
Oppenheimer International Small Company	\$ 1,257,797	2.71%	2.54%	2.54%	29.64%	15.21%	16.77%	16.77%	15.21%	4/1/2015
MSCI AC World ex USA Small Cap (Net)			-0.74%	-0.74%	19.23%	8.97%	7.90%	7.90%	8.97%	4/1/2015
Hartford Schroders Emerging Markets Equity	\$ 1,045,754	2.25%	2.46%	2.46%	28.29%	10.57%	5.92%	5.92%	-0.53%	3/1/2018
MSCI EM (net)			1.42%	1.42%	24.93%	8.81%	4.99%	4.99%	-1.86%	3/1/2018
Fixed Income										
Baird Core Plus	\$ 5,707,463	12.29%	-1.40%	-1.40%	1.97%	2.05%	2.56%	2.56%	2.87%	5/1/2014
Bloomberg Barclays U.S. Aggregate			-1.46%	-1.46%	1.20%	1.20%	1.82%	1.82%	2.14%	5/1/2014
DoubleLine Core Fixed Income	\$ 2,582,021	5.56%	-0.74%	-0.74%	2.51%	2.20%	2.73%	2.73%	0.22%	8/1/2017
Bloomberg Barclays U.S. Aggregate			-1.46%	-1.46%	1.20%	1.20%	1.82%	1.82%	-0.67%	8/1/2017
Prudential Total Return Bond Fund	\$ 1,729,459	3.72%	-1.36%	-1.36%	3.37%	2.62%	3.15%	3.15%	0.47%	8/1/2017
Bloomberg Barclays U.S. Aggregate			-1.46%	-1.46%	1.20%	1.20%	1.82%	1.82%	-0.67%	8/1/2017
Vanguard Intermediate-Term Investment Grade	\$ 5,706,247	12.29%	-1.82%	-1.82%	1.02%	1.87%	2.41%	2.41%	2.41%	4/1/2013
Bloomberg Barclays Capital U.S. Credit 5 - 10 Yr			-2.29%	-2.29%	1.64%	2.11%	2.75%	2.75%	2.75%	4/1/2013
Vanguard High Yield Corporate	\$ 1,550,299	3.34%	-1.45%	-1.45%	3.26%	4.37%	4.53%	4.53%	7.17%	4/1/2016
Bloomberg Barclays US Corp: High Yield			-0.86%	-0.86%	3.78%	5.17%	4.99%	4.99%	9.90%	4/1/2016
Aggregate										
Retiree Health Plan Trust	\$ 46,436,510		-0.58%	-0.58%	10.33%	6.50%	7.45%	7.45%	8.41%	9/1/2009
Blended Benchmark*			-1.02%	-1.02%	9.01%	5.43%	6.40%	6.40%	8.06%	9/1/2009



*Active Strategy implemented April 1, 2013. Since inception to June 30, 2017, the Blended Benchmark was 33% Russell 3000 / 21% MSCI ACWI ex USA net) / 3% FTSE NAREIT Equity REITs / 3% Bloomberg Commodity TR / 40% Bloomberg Barclays Aggregate. From July 1, 2017 to present, the Blended Benchmark was 39% Russell 3000 / 21% MSCI ACWI ex USA net) / 40% Bloomberg Barclays Aggregate.

TO: General Manager

FROM: Director of Information Technology (IT)

SUBJECT: Information Technology Department Report for June 2018

DATE: July 12, 2018

A. General

1. Staff worked with their counterparts at the city of Chesapeake to ensure the efficient and effective relocation of a secure file transfer server used to process billing files.
2. A site survey for all SCADA platform locations is complete. Installation materials have been ordered in accordance with site-specific requirements identified during the surveys. User accounts are being established while the SCADA hardware and software are readied for deployment later this summer.
3. Network engineers deployed redundant communications links at all treatment plants to ensure minimal operational connectivity in the event of a major data circuit failure. The data circuit linking North Shore Operations and the main data center was upgraded to accommodate current and projected bandwidth utilization.
4. As part of HRSD IT's ongoing security initiatives, an advanced patch management software utility is now used to ensure that network servers are not only monitored for anomalies, but updated to current compatible versions as they are released.

B. Strategic Planning Metrics Summary

1. Educational and Outreach Events: 0
2. Number of Community Partners: 0

C. Monthly Metrics

Item #	Strategic Planning Measure	Unit	June 2018
M-1.4a	Training During Work Hours Per Full Time Employee (50) – Current Month	Total Training Hours / # FTE	2.22
M-1.4b	Total Training During Work Hours Per Full Time Employee (50) – Cumulative Fiscal Year-to-Date	Total Training Hours / # FTE	35.97
M-5.2	Educational and Outreach Events	Number	0
M-5.3	Number of Community Partners	Number	0

Respectfully,
Don Corrado

TO: General Manager
FROM: Director of Operations
SUBJECT: Operations Report for June 2018
DATE: July 3, 2018

A. Interceptor Systems

1. North Shore (NS) Interceptor Systems

- a. There was one Sanitary Sewer Overflow (SSO) when a coupling failed in the Lawne's Point collection system. The overflow resulted in 100 total gallons spilled and 50 gallons lost.
- b. There was one interceptor complaint and six system alarms during the month. The alarms and complaint were fully resolved.
- c. Staff spent a significant amount of time at the Lee Hall Pressure Reducing Station (PRS) preparing for and implementing the disconnection of the station from the force main. Additional disconnects remain and are to be completed in July.
- d. A significant amount of time was dedicated to bringing the new Bridge Street pump station (PS) online. Staff was present for program testing, multiple equipment trainings, bypass system setup and the activation on June 19th.
- e. Staff performed one caustic injection in the Gloucester system, two pump and haul operations of the Town of Surry Treatment Plant, and two pump and haul operations of the Lawnes Point Treatment Plant.

2. South Shore (SS) Interceptor Systems

- a. On June 11, while staff was installing a new sluice gate at the Cedar Lane PS in Portsmouth the bypass pump hose broke resulting in a SSO. Staff was able to stop the overflow within five minutes by closing the emergency pump connection valve. Approximately 42,000 gallons of sewage spilled into Lily Creek, a tributary of the Elizabeth River.

- b. In early June, the City of Suffolk contacted HRSD about high pressures at several of their pump stations. Staff assisted by bleeding several air vents along HRSD's force main over several days.
- c. Staff coordinated with the City of Norfolk on a tie-in of the new Norview Estabrook force main. Due to the wet weather during early June, two attempts were needed before the tie-in was successful.
- d. On June 20, staff responded to a report of a SSO from a City of Portsmouth manhole at the corner of Manor Avenue and Fortune Lane. Staff cleaned up as much of the spill as possible that had collected in the nearby stormwater ditch.
- e. As part of the Chesapeake-Elizabeth Treatment Plant closure projects, staff began using 3D and Virtual Reality models for the design reviews of the pressure reducing stations. This allows staff to provide more accurate and relevant comments to the designers to facilitate the long-term maintenance and operation of these stations.

B. Major Treatment Plant Operations

1. Army Base Treatment Plant (ABTP)

- a. On June 20, a 1" fitting ruptured when staff flushed a non-potable water (NPW) line, resulting in a spill of 30 gallons.
- b. The nitrogen removal system continues to perform exceptionally well. The final effluent total nitrogen average for June was 2.21 mg/L. The plant must average 4.18 mg/L for the rest of the year to meet the annual permit of 5.0 mg/L Total Nitrogen.
- c. Staff repaired collapsed drain lines at the inventory and NPW buildings. This required excavations at both locations.
- d. Staff installed electric actuators on two 24" nitrified recycled (NRCY) valves. The installation of these actuators will allow the valves to be opened or closed in less than 10 minutes. Without the actuators, operating the valves required three people over 30 minutes to open or close each valve. Six more actuators are scheduled for installation later this summer.

2. Atlantic Treatment Plant (ATP)

- a. There were three reportable odor events in June. The first occurred on June 5th when an air conditioning unit for Odor Control Station D grounded causing the building to lose power. The second occurred on June 7th at the same station when a flow meter failed and NPW levels were too low. The third incident occurred on June 20th at Odor Control Station C when hydrogen sulfide (H₂S) levels spiked, exceeding the scrubber's removal capacity. The levels returned to normal shortly thereafter.
- b. Construction of the Thermal Hydrolysis Process (THP) project continues. Contractors have almost finished work on the yard piping that is required before laying the foundation for the THP skids. Work on enlarging the digester gas lines continues. Contractors have started to remove the old digester gas boilers that will be replaced by a new steam boiler for the THP process.
- c. EDS (Enterprise Data Server) system went live on June 1st.

3. Boat Harbor Treatment Plant (BHTP)

- a. Staff continues to optimize nitrification efforts in order to support the lower James River bubble permit. Treatment was good during the month of June with a Total Nitrogen of 12.20 mg/L and Total Phosphors of 0.87 mg/L.
- b. The furnace operation performed very well in that there were no air permit deviations. This is due to the recently completed Distributed Control System (DCS) upgrade for solids handling operations, the conversion of hearth one to a zero hearth/afterburner, and the overall attention to detail by staff.

4. Chesapeake-Elizabeth Treatment Plant (CETP)

Staff replaced the rubber boot on #1 aeration odor scrubber due to deterioration.

5. James River Treatment Plant (JRTP)

- a. On June 30, a NPW leak was located between secondary clarifiers 3 and 4. Approximately 100 gallons were discharged. A sump pump was installed close to the leak and approximately 70 gallons were recovered and returned to plant treatment flow. The remaining 30

gallons flowed into a storm drain leading to the Warwick/James River and could not be recovered. The leaking pipe was scheduled for repair the first week of July

- b. One odor complaint was received this month. The source of the odor complaint may have been manholes open for hydraulic testing or Integrated Fixed Film Activated Solids tanks that were being drained and cleaned to complete modifications to piping.
- c. Staff completed a number of maintenance repairs and projects which included rebuilding four progressive cavity pumps, repairing the #2 NRCY valve on integrated fixed film activated solids tank #9, installing new LED light fixtures and bulbs in the solids handling boiler room, and repairing gas safety valves on the digester heat exchanger.
- d. New cyclones were installed by staff for waste solids thickening testing.
- e. Staff completed work on a project to feed magnesium hydroxide to digested solids. The first delivery of magnesium hydroxide was received.

6. Nansemond Treatment Plant (NTP)

- a. Staff completed modifications on scum baffles for primary clarifiers 3 & 4. These improvements provided more carbon loading to the aeration process, thus reducing the amount of methanol (supplement carbon) needed to lower the Total Nitrogen (TN) level.
- b. The #2 digester was returned to service after completion of the coatings work. Staff used digester #1 to seed and equalize digester #2.

7. Virginia Initiative Plant (VIP)

- a. Staff shut down the main odor control system on June 25 to replace exhaust fan belts and realign the fan motor. The system was out of service for 6 hours and 45 minutes.
- b. Staff completed inspection of the Norfolk Water Solids Holding Tank and assisted contractors with a NPW supply line tie-in. Staff cleaned and inspected two Anaerobic/Anoxic/Aerobic tanks and one

secondary clarifier. Staff worked with a contractor to install a new ferric flash mixer at the VBR reaeration zone.

- c. The nutrient reduction portion of the major construction project is two months from substantial completion. The hydraulic portion of the construction on the project is progressing well. Contractors completed clean water testing of the new influent pumps in late June. Startup and testing of screening equipment will occur in mid-July. The new grit influent box, fermenter tank, odor control system and centrate pumping system are moving forward.
- d. Staff made process control changes in an attempt to overcome an unknown industrial wastewater source that was periodically causing process upsets. Staff configured the AA tanks for three anaerobic cells and four anoxic cells per tank and configured the VBR for two aerobic and two anoxic zones.

8. Williamsburg Treatment Plant (WBTP)

- a. Staff repaired the #2 primary clarifier rake arm truss.
- b. The stationary generator (2,600 kW) at Williamsburg Treatment Plant (WTP) was restored to normal operating condition after sustaining significant damage to the cylinder assembly and engine block caused by a broken connecting rod between one of the pistons and the crank shaft.

9. York River Treatment Plant (YRTP)

- a. Coating efforts continued on the new digester cover.
- b. DCS upgrades were completed by a contractor.

10. Incinerator Operations Event Summary

- a. Chesapeake-Elizabeth required use of the emergency bypass damper/stack for more than one hour on June 6, 2018 due to a plant-wide power outage. E&I reset the electrical breaker to the solids handing building to restore power after which the MHI was placed back into service. The Department of Environmental Quality (DEQ) was notified per Title V permit requirements.

b. Other incinerator operations are summarized as follows:

Condition	Cause	ABTP	BHTP	CETP	VIP	WBTP
Use of Emergency bypass stack	Power anomaly/loss	1	0	2	0	1
Invalid readings	Analyzer failure	0	0	0	0	3
Pressure Drop	Planned Burnout	0	0	1	0	0
THC Monitor Failure	Power anomaly	0	0	1	0	0

C. Small Communities

1. Small Communities - Middle Peninsula

a. SC Treatment:

(1) West Point Treatment Plant (WPTP)

On June 3, heavy rains in excess of 3.4 inches over 15 hours caused one of the secondary clarifiers to surcharge and spill approximately 59,800 gallons. The lined pond was utilized to the extent possible in order to reduce the spill at the plant.

Staff continues to work on the Tertiary Filter, Aerobic Digester aeration upgrade and the pond pumping and mixing upgrade.

(2) Urbanna Treatment Plant (UBTP)

The plant performed exceptionally well during the increased flows/loading from Bethpage Campground and heavy rains this month. The fine bubble diffuser upgrade is a substantial improvement to the biological process.

(3) King William Treatment Plant (KWTP)

Influent flows at the plant remained high due to the heavy rains.

Staff continues the rebuild of train #1 to handle some of the increased flow from rain and new developments in the service area. We anticipate startup of the second train in mid-July.

b. SC Collections:

(1) West Point System

The heavy rains on June 3 caused the collections system to surcharge the gravity mains and manholes in the Pump Station 8 service area. The surcharge caused a manhole and a

cleanout adjacent to the manhole to overflow, spilling approximately 18,930 gallons. All areas were cleaned and neutralized with pelletized lime.

- (2) While grass cutting/bush hogging, a third party hit an HRSD air vent causing sewage to spill. An estimated standing volume of 100 gallons was observed by the HRSD operator before soaking into the ground. The upstream pump station was immediately shutdown, thus no active spill was observed by HRSD. The air vent line and air vent were repaired within a couple of hours. The area was cleaned and neutralized with pelletized lime. Marker signs were placed around the air vent casting to prevent the appurtenance from being hit in future grass cutting operations.

- (3) King William System

Staff performed a hydraulic study of the King William system in FY17 and identified a portion of the Kennington Force main that could be activated with minimal construction work to improve reliability and operability in the system. This month a contractor completed the tie-in allowing activation of that section of the force main.

2. Small Communities – Surry Systems

- a. Sussex Service Authority (SSA) continued contract operations of the Town of Surry TP and the Surry County TP
- b. Town of Surry
 - (1) A loss of disinfection was discovered on June 20. This facility operates two UV disinfection systems, running both UV systems in parallel, with each unit disinfecting half of the plant flow. On June 17, one of those systems lost power. From that day until June 20, approximately half of the plant's flow was discharged to the receiving stream without disinfection. The total volume of flow that was discharged without disinfection was estimated to be 81,903 gallons. The failure was caused by a faulty safety switch that has been bypassed until a replacement can be installed. Despite the UV failure, the plant met all permit requirements for the month.

- (2) At the Town of Surry WWTP, the second drum filter rebuild is still in queue for completion. In the future when both filters are on line, backwash cycle improvements may be made and improved suspended solids removal is likely.

D. Support Systems

1. Automotive

- a. The generator at the new Bridge Street PS was placed into service.
- b. Staff performed load bank tests at Bayshore, Pughsville Road, and Terminal Boulevard PS and the NS and SS Main Operations Complexes. All generators operated as designed and were returned to service.

2. Condition Assessment

- a. Condition Assessment, through use of Closed-Circuit Television (CCTV), inspected 2,130 LF of gravity force main, completing the inspection of lines SG-049 and 145. Staff completed 40 manhole inspections, bringing the total number of inspected manholes this year to 252.
- b. Staff assisted contractors with CCTV inspections at BHTP and NS gravity systems. Staff also assisted with the sonar of the siphon chamber at Suffolk PS.
- c. Staff completed inspection assessments on coatings projects occurring at VIP and the SWIFT Research Center.
- d. Rehabilitation work began on the expansion joints of the secondary clarifiers at ABTP.

3. Facilities Maintenance

- a. Contractors installed a new HVAC system for the Lead Operator office areas at ABTP.
- b. Staff performed preventive maintenance activities at the Central Environmental Lab (CEL) to include replacing a drain box autoclave, replacing a gas valve of the argon system, and rebuilding an in-row cooler pump with new bearings, seals, and gaskets.

- c. Staff continued work on two new office spaces for WPTP and on the Condition Assessment offices at NTP. Staff also constructed a prototype cooler for the Technical Services Division (TSD) and repaired the lintel at Steamboat Creek PS.
- d. Machine Shop staff rebuilt pumps for Ferguson Park PS and rebuilt a chill water pump for the CEL. Staff finished the #2 micro-screen filter at Surry, customized a mixer bracket for King William Treatment Plant, fabricated 20 shear pins for the SWIFT Research Center, made flight shafts for ABTP and mixer shafts for NTP, fixed and bored wall bearings for YRTP, and fabricated a meter cutoff tool for Customer Care.

E. Electrical and Energy Management (EEM)

1. Staff continues to support the major upgrade at VIP. The team worked with contractors to start-up the new Preliminary Treatment Facility (PTF). This required systematic testing prior to the application of power and component testing as the system was energized. Setting protective devices and sequencing breakers with large transformers and loads must be tested to properly support connecting major equipment to, and disconnecting from, the utility grid and DG system. Additionally, the raw wastewater influent (RWI) variable frequency drives (VFD's) and motors were also tested. Minor issues were resolved and equipment operated satisfactorily.
2. A contractor installed approximately 150 feet of conduit for the new heating, ventilation and air conditioning (HVAC) at ABTP.
3. Staff uses infrared technologies to identify potential electrical problems before they escalate into failures. It is an overarching program that provides a window into the health of HRSD's electrical systems. EEM management held an annual meeting with the vendor to discuss this year's work center statistics and overall statistics, as well as next year's infrared inspection schedule and opportunities to improve the inspections, analyses and reporting for next year.
4. EIS Project Team responded to a loss of power and a communication failure at Master Metering Program Site (MMPS) 178, Washington District Pump Station (PS). A lightning strike corrupted the automatic functionality of the transfer switch and a communication modem. The team replaced a circuit board in the transfer switch and a modem, which restored the station to normal operation.

5. Staff found bad transformer oil samples in the transformer providing power to the aeration blowers at VIP. Another oil analysis will be performed to verify these results before seeking alternatives for repair.
6. Staff replaced the main circuit breaker at Woodland Road PS due to a heat anomaly found during an infrared inspection.
7. Staff continues to install alarms for critical basement sump pumps at ATP. The alarms will be displayed on the distributed control system (DCS) to warn Operators of problems with system pumping or high water levels in the basements.
8. Staff assisted with troubleshooting the total organic carbon analyzer at the SWIFT Research Center (RC). The analyzer was unable to run samples and a technician was brought on site for further training and troubleshooting. The technician will continue to monitor the analyzer.
9. Staff replaced the main transformer, automatic transfer switch and associated equipment as part of an electrical upgrade for the incinerator control room at WTP. Additionally, the team installed an uninterrupted power supply (UPS) and disconnect.
10. Staff continues to support start-up of the new Bridge Street PS. Work this month included: alarm installation, testing and activation; back-up battery installation; central processing unit (CPU) replacement and related reprogramming; access control entry (ACE) and station application updates to the network; and assistance to the contractor with flow meter troubleshooting.
11. Staff continues to remove and replace obsolete third generation (3G) modems with fourth generation long-term evolution (4G LTE) modems at several MMPs. Several issues have been resolved as the modem firmware is upgraded.

F. Water Technology and Research

The Director of Water Technology and Research briefed the HRSD Commission in April 2018 on an emerging secondary clarifier technology known as the Hydrograv® Adapt Variable Clarifier Inlet. This technology has not yet been tested in the US and has been installed primarily in Germany over about the last eight years. Hydrograv is a variable height inlet structure that is designed to significantly decrease clarifier effluent turbidity and maintain low turbidity during high flow events. This is achieved by feeding the secondary clarifier within the solids blanket during dry weather conditions, and lifting the inlet structure under

wet weather flow conditions to feed above and to avoid disrupting the solids blanket.

This project involves a demonstration test of the technology on a single secondary clarifier at the Nansemond Treatment Plant in parallel with an existing unit, with the potential for installation at other HRSD Treatment Plants. If the clarifier inlet meets performance expectations, the remaining four clarifiers at Nansemond will be upgraded, and the SWIFT Research Center (SWIFTRC) will be modified to potentially bypass the sedimentation process. The SWIFTRC will then be tested in a “direct filtration” mode to evaluate unit filter run volumes and filter effluent turbidity. If testing is successful, this technology would result in a significant decrease in the capital and operating costs for the full-scale SWIFT installations. This includes a decrease in the need for sedimentation tankage and equipment. Future design, fabrication, and installation of the clarifier inlet on secondary clarifiers would potentially be incorporated into the SWIFT program, translating into significant cost savings for HRSD.

At this stage, HDR and the Hydrograv team from Germany are working with HRSD staff to adapt the technology for flat-bottom, suction header-style secondary clarifiers which are HRSD’s preference and standard practice in the US. German and European-style secondary clarifiers tend to be very different from practice in North America, and this means a significant redesign of the technology and modification of our existing clarifier mechanism. Although HRSD is participating in this design process, the cost of this effort will be covered by the vendor as part of their development of the US market. While this will not be an easy or straightforward design effort, HRSD staff is encouraged to be an active part of the process to offer ideas and to help evaluate various alternative arrangements. Construction and startup of an upgraded clarifier is expected in early 2019.

G. MOM Reporting numbers

MOM Reporting #	Measure Name	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
2.7	# of PS Annual PMs Performed (NS)	2	4	4	2	2	1	9	3	3	3	2	1
2.7	# of PS Annual PMs Performed (SS)	5	5	6	5	3	2	3	3	4	5	0	0
2.7	# of Backup Generator PMs Performed (Target is 4.6)	9	10	10	12	7	9	12	11	12	9	7	8
2.8	# of FM Air Release Valve PMs Performed (NS)	108	36	186	204	256	203	130	36	185	267	226	172
2.8	# of FM Air Release Valve PMs Performed (SS)	79	153	115	409	140	210	153	271	263	252	251	114
2.9	# of Linear Feet of Gravity Clean (NS) (Target is 2,417 for HRSD)	11,560	5,608	3,872	3,807	1,837	4,294	1,198	2,732	2,608	4,690	2,360	1,228
2.9	# of Linear Feet of Gravity Clean (SS) (Target is 2,417 for HRSD)	5,838	8,330	3,354	0	12,580	5,071	0	1,987	11,777	9,319	9,857	11,532
2.9	# of Linear Feet of Gravity CCTV Inspection (HRSD Target 3,300 LF)	9,186	5,796	4,017	2,717	2,019	655	1,057	3,611.9	3,816	4,286	961.7	2,130

H. Strategic Measurement Data

1. Education and Outreach Events: 13

- a. Tour of Nansemond and SWIFT for VWEA staff
- b. Tour of SWIFT for Homeschool group
- c. Tour of SWIFT for Bold Mariner group
- d. Charles Bott and Andrew Newbold provided a SWIFT Overview – podium presentation at AWWA ACE conference
- e. Stephanie Klaus gave a podium presentation at WEF Nutrient Conference
- f. Lindsey Ferguson gave a podium presentation at WEF Nutrient Conference
- g. Cody Campolong gave a podium presentation at WEF Nutrient Conference
- h. Charles Bott and Ted Henifin gave a SWIFT Overview for the Chesapeake Bay Bridge Tunnel Board
- i. The NS Electrical Manager attended the Achievable Dream Academy Career Fair on June 7.
- j. The NS Electrical Manager attended the CHROME annual recognition picnic on June 9.
- k. NS Operations personnel attended the Achievable Dream Academy Career Fair 2018.
- l. SS Operations personnel attend the Norfolk State University Don Carey STEAM Day
- m. Staff participated in Clean the Bay Day

2. Community Partners: 6

- a. Chesapeake Bay Foundation – oyster cage maintenance at BHTP for oyster gardening program
- b. Virginia Institute of Marine Science
- c. Old Dominion University
- d. Norfolk State University
- e. Achievable Dream Academy
- f. CHROME

Item #	Strategic Planning Measure	Unit	June 2018
M-1.4a	Training During Work Hours per Full Time Employee (FTE) (510) – Current Month	Hours / FTE	2.65

Item #	Strategic Planning Measure	Unit	June 2018
M-1.4b	Total Training During Work Hours per FTE (510) – Cumulative Year-to-Date	Hours / FTE	38.84
M-2.3a	Planned Maintenance Total Maintenance Hours	Total Recorded Maintenance Labor Hours	29,066.50
M-2.3b	Planned Maintenance – Preventive and Condition Based	% of Total Maintenance Hours	51.25%
M-2.3c	Planned Maintenance - Corrective Maintenance	% of Total Maintenance Hours	17.24%
M-2.3d	Planned Maintenance - Projects	% of Total Maintenance Hours	31.51%
M- 4.1a	Energy Use: Treatment *reported for May 2018	kWh/MG	2,290
M-4.1b	Energy Use: Pump Stations *reported for May 2018	kWh/MG	162
M-4.1c	Energy Use: Office Building *reported for May 2018	kWh/MG	85
M-5.2	Educational and Outreach Events	Number	13
M-5.3	Number of Community Partners	Number	6

3. Annual Metrics

Item #	Strategic Planning Measure	Unit	FY-2018
M-2.3a	Planned Maintenance Total Maintenance Hours	Total Recorded Maintenance Labor Hours(average)	28,371.77
M-2.3b	Planned Maintenance – Preventive and Condition Based	% of Total Maintenance Hours (average)	43.97%

M-2.3c	Planned Maintenance-Corrective Maintenance	% of Total Maintenance Hours (average)	23.95%
M-2.3d	Planned Maintenance-Projects	% of Total Maintenance Hours (average)	32.08%
M-3.6	Alternate Energy	Total KWH	5,862,256
M- 4.1a	Energy Use: Treatment	kWh/MG	*
M-4.1b	Energy Use: Pump Stations	kWh/MG	*
M-4.1c	Energy Use: Office Building	kWh/MG	*

* These metrics will be reported next month.

Respectfully submitted,

Steve de Mik
Director of Operations

TO: General Manager

FROM: Special Assistant for Compliance Assurance

SUBJECT: Monthly Report for June 2018

DATE: July 6, 2018

A. Submittals Completed in June 2018 – The annual update to the Sanitary Sewer Overflow (SSO) Response Plan was submitted to the EPA and DEQ on **June 29**.

B. Activities

1. **Phase 6 – Rehabilitation Plan.** Ongoing system rehabilitation work associated with Prompt Repairs or other items in the Sewer Repair (SR) contract is as follows:
 - SR 037 – Bayshore Lane: Addressing final warranty manhole repair issues prior to closing out project.
 - SR 040 – Woodland Avenue: Construction nearly complete to replace sections of gravity sewer and rehabilitate manholes.
 - SR 069 – Powhatan: Work order ready for construction.
2. **Phase 7 – Regional Wet Weather Management Plan.** Several rounds of comments and requests for additional information have been exchanged with the EPA on the Integrated Plan/Regional Wet Weather Management Plan, mainly regarding HRSD's financial capability. The latest response was provided on March 23 regarding use of the financial model. A new letter was received June 4 from the Department of Justice and the comments are being addressed.
3. **Phase 8 – EPA Consent Decree Services.** HRSD continues sharing information with the localities through the regional SharePoint site and flow, pressure and rainfall data portal. A new SharePoint site has been established on HRSD's servers and data has been transferred to the new site.
4. **Phase 9 – Supplemental Services.** Management, Operations and Maintenance (MOM) Program elements are ongoing, including the Hydrogen Sulfide (H₂S) Monitoring Program and implementation of a Business Intelligence (BI) system for the Small Communities Division (SCD). This includes a MOM update manual guidance document for use on the next major update. A final MOM Update review workshop was held on **June 4** with North and South Shore staff to review Section 4 (Improvement Areas) updates. Work continued in June on updating the MOM Program document. A final draft was sent to HRSD staff for review on **June 13**.

The Flow, Pressure and Rainfall (FPR) monitoring program continued in June with data collection and analysis being performed as part of the MOM Program.

Condition assessment work under Phase II of the Force Main Condition Assessment (FMP2) program progressed in June. Force main inspection work order (WO) status is as follows:

- FMP2 039 Bowers Hill: Work is scheduled to resume in July.
- FMP2 049 Shore Drive (Reservoir Group): All inspection work has been completed. Minor site restoration issues remain.

Field work planning continued in June under the Gravity Sewer Inspection Phase II Program. The gravity inspection work order status is as follows:

- GMP2 056 Jefferson Avenue Closed Circuit Television (CCTV) – The inspection work is anticipated to continue through July.
- GMP2 059 NS Siphons FY18 - This WO was completed in June.
- GMP2 060 SS Siphon FY18 - This WO was completed in June.
- The following Small Communities Division (SCD) work orders in King William have been signed and work in this area is anticipated to start in FY19:
 - GMP2 SCD 026 Main Pump Station
 - GMP2 SCD 027 Commerce Pump Station
 - GMP2 SCD 028 Central Crossing
 - GMP2 SCD 029 McCauley Park Pump Station
 - GMP2 SCD 030 Kennington Pump Station
 - GMP2 SCD 033 School Pump Station
- Additional work orders are under development:
 - GMP2 SCD 031 Urbanna Manholes
 - GMP2 SCD 032 King William Manholes
 - GMP2 SCD 034 Matthews

The Fiscal Year 2017 Condition Assessment Annual Report, with inspection data from FY2013 – FY2017, was submitted on **June 29** to North and South Shore staff.

C. Next Submittals

Annual Report – November 1, 2018

D. Program Budget Status

The overall program budget is \$130,151,133, excluding the Master Metering Program. A summary of appropriations and expenses is attached.

E. Strategic Planning Metrics Summary

1. Educational and Outreach Events: Presented “*Pumping Station Design: Do’s and Don’ts*” at the Virginia Water Environment Association (VWEA) Educational Conference in Roanoke, VA.
2. Number of Community Partners: 0

Item #	Strategic Planning Measure	Unit	June 2018
M-1.4a	Total Training Hours Per Full Time Employee (1) – Current Month	Total Training Hours / # FTE	8
M-1.4b	Total Training Hours Per Full Time Employee (1) – Cumulative Fiscal Year to Date	Total Training Hours / # FTE	48
M-5.2	Educational and Outreach Events	Number	1
M-5.3	Number of Community Partners	Number	0

Respectfully submitted,

Phil Hubbard, P.E.

Attachments: [Consent Order State & EPA Expenditures](#)

Consent Order State & EPA Expenditures

	Total Appropriation	June 2018 Obligations	Available Balance
Regional Consent Order and Other Consent Order Requirements			
Regional Hydraulic Model	\$109,541,497	\$109,051,147	\$490,350
Locality System Monitoring and Condition Assessment	\$20,609,636	\$20,294,563	\$315,073
Subtotal - In progress	\$130,151,133	\$129,345,710	\$805,423

Completed Work

Regional Consent Order and Other Consent Order Requirements	(Included in subtotal above)
Master Metering Program III	\$2,005,140
Master Metering Program IV	\$13,628,635
Total	\$144,979,485

TO: General Manager
FROM: Director of Talent Management
SUBJECT: Monthly Report for June 2018
DATE: July 13, 2018

A. Human Resources (HR)

1. Recruitment

a. Recruitment Summary

New Recruitment Campaigns	15
Job Offers Accepted – Internal Selections	4
Job Offers Accepted – External Selections	17
Internal Applications	46
External Applications	394
Average Days to Fill Position	74

2. Enterprise Resource Planning (ERP)

a. HRSD worked with the Managed Services consultant on:

- (1) Benefit program setup
- (2) Benefit interface updates
- (3) Appraisal reminder notifications

b. Fiscal Year 2019 (FY19) position updates were completed.

c. The HR Business Analyst attended the Oracle Human Capital Management Users group meeting to obtain information and provide feedback on HR applications.

d. Training on Learning Management functionality was provided to Procurement staff

3. Benefits and Compensation

- a. Staff worked with the benefit consultant on:
 - (1) Benefit enrollment for the new plan year based on employee selections made during open enrollment.
 - (2) Finalizing contract and scope for health advocate and second opinion services
- b. Staff finished compiling organization information to conduct a custom and market-based compensation study in July.
- c. The quarterly Employee Assistance Program (EAP) review meeting was held. EAP staff and the Wellness Specialist will conduct on-site meetings to provide information on offerings to promote well-being.
- d. The Compensation and Classification team evaluated new positions for FY19.

4. Wellness

a. Participation Activities

Year Six Participation Activities	Unit	June 2018	Year to Date (March 2018–February 2019)
Biometric Screenings	Number	2	5
Preventive Health Exams	Number	3	10
Preventive Health Assessments	Number	13	70
Coaching Calls	Number		0
On-Line Health Improvement Programs	Number	49	151
Web-MD Online Health Tracking	Number	138	572
Challenges Completed	Number	0	0
Fit-Bit Promotion	Number	18	47

- b. The Wellness Specialist provided four presentations as part of Learning Week
- c. HR and Optima staff began evaluating the potential impact of regulatory changes to the wellness program.

d. The initial draft of the quarterly newsletter was completed.

5. Workers Compensation

Six new cases were opened with 10 cases remaining active.

6. Employee Relations

a. Staff continued to partner with work center supervisors and employees to support employee relations and address HR issues. Specialists participated on interview panels for Finance and Operations work centers and assisted with operations and Engineering job descriptions.

b. An HR Specialist participated in a “ride along” with Condition Assessment staff.

7. General

a. The Director of Finance presented an overview of HRSD’s Financial Plan and Policies at the quarterly Talent Management (TM) staff meeting.

b. Re-organization of HR file room and storage areas continued, including storage of Wellness Program items.

c. Staff participated in the following HRSD activities:

(1) Pretreatment and Pollution Prevention Awards Luncheon

d. Staff participated in the following training:

(1) Health Advocate *Train the Trainer* webcast

(2) Learning Week

(3) Society of Human Resources Management’s (SHRM) Annual Conference

(4) *Your Role in Quality* training as an instructor

B. Organization Development and Training (OD&T)

1. Training

- a. Learning Week 2018, "Bring Your 'A' Game" was successfully conducted. Fifteen sessions were provided at various locations and included presentations on nutrition, exercise, personal care, finances, cyber security, career building, goal setting, public speaking and document retention as well as SWIFT facility tours.
- b. Catherine Sawyer, Laboratory Specialist, was selected by the *Your Role in Quality (YRIQ)* class to present her project to the QST. The project, a lab cart handle to increase height and leverage for pushing the cart, was designed to prevent back injuries.
- c. Leadership Facilitators continued revising the Leadership and Management Program to review content for relevancy and to enhance skills in alignment with the current workforce.

2. Apprenticeship Program

- a. Planning for new initiatives continued:
 - (1) A summer orientation to include administering the math placement exam
 - (2) An Instructor Program and Appreciation Luncheon
 - (3) Communication and distribution of Apprenticeship Manual revisions
- b. Staff continued to enter historical training and apprenticeship program information into ERP and scan historical records.
- c. Recruitment began to fill several instructor vacancies.
- d. The Training Superintendent performed the following in relation to Apprenticeship courses:
 - (1) Evaluated *Wastewater Analysis and Wastewater Laboratory* course for conversion to an online format and revision of the Laboratory component to align with Plant Operator functions
 - (2) Evaluated Condition Assessment Technician Trade curriculum

4. General

- a. Staff continued to plan an *Operations Workforce of the Future Workshop* in November. Several pre-workshop *Lunch and Learn* sessions were scheduled.
- b. Staff continued cross-training to improve e-learning skills. A follow-up presentation of the *Refresh, Renew and Remember* workshop was developed in Storyline Articulate. Staff worked through technical issues to allow participants to view training.
- c. Staff participated in the following training:
 - (1) Mentor Coach *Intensive Individual Coaching Skills* and *Coaching Positive Leaders*
 - (2) SHRM National Conference

C. Safety

1. Mishaps and Work Related Injuries

- a. HRSD-Wide Injury Mishap Status to Date (OSHA Recordable)

	<u>2017</u>	<u>2018</u>
Mishaps	42	22
Lost Time Mishaps	10	4
<i>Numbers subject to change pending HR review of each case.</i>		

- b. MOM Program Year Performance Measure Work Related Injuries

June 2018 Injuries For Operations	June 2018 Injuries for Other HRSD Departments	Total Lost Time Injuries Since July 2017	Total HRSD Injuries Since July 2017
6	1	12	44

- c. Follow-up investigations were performed on seven reported work-related injuries and three auto accidents.

2. HRSD Safety Training

Strategic Planning Measure	Unit	June 2018
Total Safety Training Hours per Full Time Employee (830) All HRSD – June 2018	472 Hours / 830 FTE	0.57
Total Safety Training Hours Per Full Time Employee (830) – Cumulative July 2017	4145.41 Hours / 830 FTE	5.00

3. In addition to regularly scheduled safety training and medical monitoring, the following sessions were conducted:

- a. Eight external briefings for contractors working at Treatment Plants (TP) and pump stations
- b. Daily hot work permits for a Bridge Street Pump Station contractor
- c. Several hot work permits for a Shippo Corner Pump Station contractor
- d. Aerial Lift safety training for Chesapeake-Elizabeth TP employees
- e. Fire Safety Training for Pretreatment and Pollution Prevention employees
- f. Two sessions of annual pulmonary function, respirator fit and annual audiometric testing for Small Communities Division employees
- g. Several make-up sessions of annual pulmonary and respirator fit testing for employees
- h. Sulfuric Acid Safe Work practice training for Water Research and Technology employees

4. Safety Inspections, Testing and Monitoring

- a. Weekly on-site inspections of the following construction sites:
 - (1) Army Base TP
 - (2) Atlantic TP

- (3) James River TP
 - (4) Rodman Pump Station
 - (5) Virginia Initiative Plant (VIP)
 - (6) York River TP
- b. Quarterly safety inspections of the following work centers:
- (1) Atlantic TP
 - (2) Chesapeake-Elizabeth TP
 - (3) James River TP
 - (4) Lawnes Point TP
 - (5) Small Communities TPs and Pump Stations
 - (6) South Shore Carpentry, Machine, Automotive and Electrical Shops
 - (7) South Shore Interceptor Systems
 - (8) Surry TPs
 - (9) Williamsburg TP
- c. Monitoring and testing for the following:
- (1) Monthly velocity tests on CEL and Technical Services Division (TSD) lab hoods
 - (2) Velocity test on a VIP lab hood
 - (3) Air sampling during Ostara Pilot start-up at Nansemond TP
 - (4) Incinerator ash sampling for radiation testing at several facilities
 - (5) Collection of Atlantic TP stack bulk samples for asbestos testing
- d. Safety walk-throughs and evaluations:
- (1) Final safety walk-through of the Bridge Street Pump station
 - (2) Final safety walk-through of VIP preliminary treatment facility, influent pump room and equalization tanks
 - (3) A workspace within the SWIFT facility electrical room
 - (4) Escorted a Fire Protection vendor throughout Air Rail Avenue facilities for annual fire extinguisher inspections and service
- e. The Safety Technician inspected ladders, emergency lighting, eyewashes and showers for the new Bridge Street Pump station.
- f. An Industrial Hygienist evaluated arc flash labels for Chesapeake-Elizabeth TP Maintenance Operators.

5. Safety Programs

- a. A meeting was held to discuss updates to Nansemond TP emergency response procedures to include SWIFT processes.
- b. Employee pulmonary function and respirator fit testing results were compiled as part of the Respiratory Protection Program.
- c. Prescription Safety Glasses program policies and procedures were completed. Staff met with Procurement to finalize pricing. Several on-site meetings with the vendor were planned for employees to order prescription safety glasses.
- d. Safety Shoe guidelines were updated and distributed.
- e. The Safety Manager continued to work with the Nansemond TP Process Engineer to develop safety procedures for the Nansemond TP Ostara facility pilot study. A meeting was held with *Potomac Environmental* to discuss emergency response and clean-up procedures for chemicals in use at the pilot.
- f. An Industrial Hygienist investigated an unsafe work condition report involving a Rodman pump station contractor.
- g. The Safety Coordinator continued maintaining the Operations Safety Accident Tracking report.
- h. The Safety intern developed hood inspection and testing instructions.

6. General

- a. Activities continued for on-line implementation of the Material Safety Data Sheet system. Staff entered Safety Data Sheet information and clarified Hazardous Communication program requirements.
- b. The Safety Manager met with the Director of Water Research and Technology to discuss current and future safety needs.
- c. The Safety Manager participated on a conference call with Director of Operations and a potential insurance carrier to provide information related to condition of facilities and regulatory and emergency response procedures.

- d. Staff attended the following training:
 - (1) City of Virginia Beach Police Department Customer Service training
- e. Staff participated in the following HRSD activities:
 - (1) HRSD Uniform Committee
 - (2) SharePoint Governance team meeting

D. Monthly Strategic Planning Metrics Summary

- 1. Education and Outreach Events: (5)
 - a. City of Suffolk Local Emergency Planning meeting
 - b. Former Nansemond Ordinance Depot committee meeting
 - c. City of Norfolk Workforce Development Career Fair
 - d. Water Environment Federation Utility Management's Workforce Sustainability Bridging the Operations/HR Gap sub-committee meeting
 - e. International Public Managements Association's Benchmarking Committee meeting
- 2. Community Partners: (3)
 - a. City of Suffolk Local Emergency Planning Commission
 - b. Former Nansemond Ordinance Depot Committee
 - c. City of Norfolk Workforce Development Center

3. Monthly Metrics

Item #	Strategic Planning Measure	Unit	June 2018
M-1.1a	Employee Turnover Rate (Total)	Percentage	0.51
M-1.1b	Employee Turnover due to Service Retirements	Percentage	0.10
M-1.4a	Total Training Hours Per Full Time Employee (15) – Current Month	Total Training Hours/ FTE	7.00
M-1.4b	Total Training During Work Hours Per Full Time Employee (15) – Cumulative Fiscal Year-to-Date	Hours / #FTE	56.89
M-5.2	Educational and Outreach Events	Number	5
M-5.3	Community Partners	Number	3

4. Annual Metrics

Item #	Strategic Planning Measure	Unit	FY-2018
M-1.1a	Employee Turnover Rate (Total)	Percentage	9.99
M-1.1b	Employee Turnover due to Service Retirements	Percentage	1.90
M-1.1c	Employee Turnover Rate within Probationary Period	Percentage	1.01
M-1.2	Internal Employee Promotion Eligible	Percentage	85%
M-1.3	Average Time to Fill a Position	Calendar Days	67
M-1.5a	Safety OSHA 300 Incidence Rate Total Cases	# per 100 Employees	5.7
M-1.5b	Safety OSHA 300 Incidence Rate Cases with Days Away	# per 100 Employees	1.1
M-1.5c	Safety OSHA 300 Incidence Rate Cases with Restriction, etc.	# per 100 Employees	2.8

Respectfully submitted,
Paula A. Hogg
 Director of Talent Management

TO: General Manager
FROM: Director of Water Quality (WQ)
SUBJECT: Monthly Report for June 2018
DATE: July 12, 2018

A. General

1. Pretreatment and Pollution Prevention (P3) division staff assessed one civil penalty this month.

An Enforcement Order was issued to Service Metal Fabricators in June 2018 for administrative and technical violations that occurred between November 2017 and April 2018. The Order contained an invoice totaling \$4,000 in Civil Penalties. The technical violations included a zinc permit limit exceedance in November 2017 and failure to analyze for silver during the July through December 2017 reporting period. Two administrative violations were issued for failure to respond to Notices of Violation in January and April 2018. A Show Cause Meeting was held in April 2018. The permittee has been unable to identify the source of the zinc causing limit exceedance. The other violations were attributed to administrative oversight from staff turnover and inadequate internal communication. The permittee has indicated an additional representative will be assigned to monitor HRSD permit requirements. The Enforcement Order was accepted and the Civil Penalty was paid in July 2018.

2. The 25th Annual Pretreatment Excellence and Pollution Prevention Awards Ceremony and Luncheon was held on June 14 at the Hampton Roads Convention Center in Hampton, Virginia. Two industries were honored for their outstanding multi-media pollution prevention efforts. Pretreatment Excellence Awards were presented to 96 permitted facilities who achieved perfect compliance for at least the full calendar year of 2017. Fifteen of those industries were recognized for 10 or more consecutive years of perfect compliance and 24 were recognized for five to nine consecutive years of perfect compliance.

B. Quality Improvement and Strategic Activities

1. The Sustainability Advocacy Group (SAG) did not report activity for the month of June.
2. The WQ Communication Team continues monitoring and measuring inter-divisional communication issues within the WQ Department.

C. Municipal Assistance

1. HRSD provided sampling and analytical services to the City of Virginia Beach to support their water quality monitoring program for Lake Trashmore.
2. The [Municipal Assistance Billed Reimbursements](#) per service collected between April 1 and June 30, 2018 are attached.
3. The [Municipal Assistance Invoice Summary](#) for the second quarter of the 2018 calendar year is attached.

D. Strategic Planning Metrics Summary

1. Educational and Outreach Events: 4
 - a. CEL (Central Environmental Laboratory) staff conducted a laboratory tour for HRSD employees.
 - b. P3 staff participated in the Safety Expo at NASA Langley Research Center.
 - c. CEL and P3 staff and WQ Director participated in a Career Day event for Jacox Elementary School.
 - d. P3 staff participated in the Clean the Bay Day event.
2. Community Partners: 11
 - a. City of Norfolk
 - b. City of Newport News
 - c. Virginia Department of Health Division of Shellfish Sanitation
 - d. Virginia Department of Environmental Quality
 - e. Lynnhaven River NOW
 - f. Virginia Institute of Marine Science
 - g. City of Suffolk
 - h. Elizabeth River Project

- i. Virginia Department of Health Office of Epidemiology
- j. City of Virginia Beach
- k. Hampton Roads Planning District Commission

3. Odor Complaint

- a. On June 13, 2018 the Atlantic Plant received an odor complaint from a neighbor in Ocean Lakes. Operations and TSD (Technical Services Division) determined the carbon media in the odor control system installed on the solids storage tank is exhausted. Temporary ferric addition to the tank was initiated and will operate until new carbon can be installed. No further complaints have been received.
- b. On June 22, 2018 the James River Plant received an odor complaint from a neighbor in Denbigh Plantation. The neighbor stated they had noticed a rotten egg odor a couple of times in the past few months. He stated there was no odor currently. He wanted to know if we were doing anything differently. The neighbor was told the plant had some manholes open for a hydraulic study. He was also told the manholes were recently closed and the Odor Control System (OCS) was operating normally. The manholes were closed. It is difficult to determine the actual cause of the odors since the neighbor did not call when the odor was present. During the past 2 months the plant crew had been working in the anoxic zones of IFAS (Integrated Fixed-Film Activated Sludge) tanks 7, 8 and 9. No further complaints have been received.

4. Monthly Metrics

Item #	Strategic Planning Measure	Unit	June 2018
M-1.4a	Training During Work Hours Per Full Time Employee (109) (Current Month)	Total Hours / # FTE	4.52
M-1.4b	Total Training During Work Hours Per Full Time Employee (109) (Cumulative Fiscal Year-to-Date)	Total Hours / # FTE	54.55
M-2.5	North Shore/South Shore Capacity Related Overflows	# within Level of Service	0

Item #	Strategic Planning Measure	Unit	June 2018
M-3.1	Permit Compliance	# of Exceedances: # of Permitted Parameters	9:58,338
M-3.2	Odor Complaints	#	2
M-3.4	Pollutant Removal	Total Pounds Removed	190,536,910
M-3.5	Pollutant Discharge	% Pounds Discharged/ Pounds Permitted	18%
M-5.2	Educational and Outreach Events	#	4
M-5.3	Community Partners	#	11
	Average Daily Flow	Total MGD for all Treatment Plants	149.73
	Industrial Waste Related System Issues	#	0

5. Annual Metrics

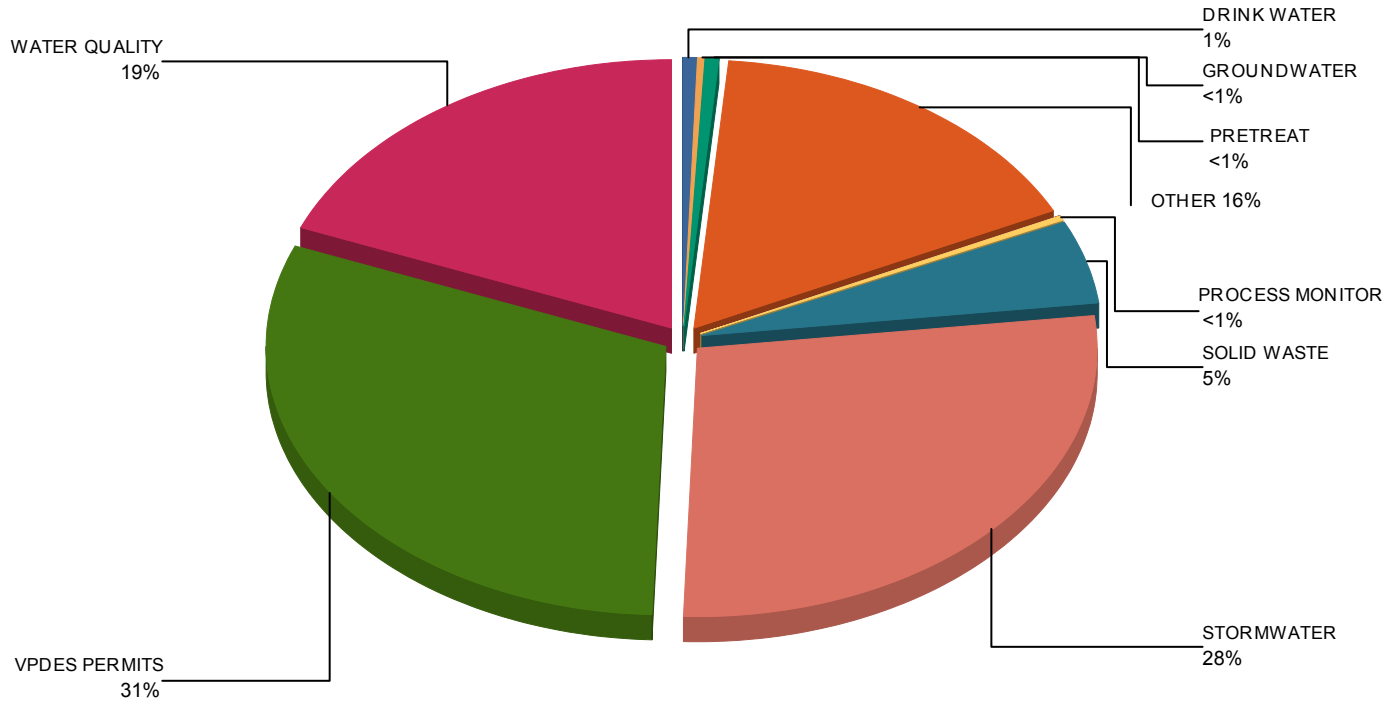
Item #	Strategic Planning Measure	Unit	FY-2018
M-3.3	Carbon Footprint	Tons per MG	*
M-4.2	R & D Budget	Percentage of Total Revenue	*%
M-5.4	Value of Research	Number	*
M-5.5	Number of Research Partners	Number	*
	Rolling 5 Year Average Daily Flow	MGD	152.8
	Rainfall reported at Norfolk International Airport	Inches	49.24

*These metrics will be reported upon closeout of fiscal year financials.

Respectfully submitted,
James Plett, PhD
 Director of Water Quality

Municipal Assistance Billed Reimbursements per Service From 04/01/2018 to 06/30/2018

Attachment 1



Notes: Other = Equipment purchase, consultation, validation studies, boater pump-out program, etc.

Municipal Assistance Invoice Summary

From 04/01/2018 - 06/30/2018

Municipality	Reimbursements	Reimbursements Fiscal Year 2017
Accomack County	\$2,185.47	\$11,611.50
Arlington County DES	\$665.61	\$665.61
Bedford County PSA	\$2,577.09	\$27,639.44
Buckingham County	\$567.06	\$2,638.35
City of Chesapeake	\$1,570.86	\$8,733.28
City of Emporia	\$485.57	\$1,248.95
City of Franklin	\$0.00	\$1,596.29
City of Fredericksburg	\$0.00	\$12,991.05
City of Lynchburg	\$17,620.35	\$27,504.29
City of Norfolk	\$8,789.18	\$29,273.73
City of Portsmouth	\$10,325.93	\$19,984.63
City of Richmond	\$0.00	\$13,524.70
City of Suffolk	\$8,655.90	\$30,646.83
City of Virginia Beach	\$42,809.82	\$68,613.69
Dept of Corrections	\$961.45	\$1,789.24
HRPDC	\$61,883.73	\$224,558.80
Hanover County	\$754.23	\$8,315.46
Hopewell RWTF	\$0.00	\$5,009.40
James City County Service Authority	\$0.00	\$1,064.25
King George County	\$0.00	\$11,094.84
New Kent County	\$9,822.63	\$35,260.46
Newport News Oil & Grease	\$2,385.11	\$2,385.11
Northampton County WWTP	\$1,409.41	\$3,621.28
Northumberland Co. - Callao WWTP	\$2,370.03	\$21,991.91
Prince William County	\$26,037.59	\$26,037.59
Spotsylvania County	\$0.00	\$628.68
Stafford County	\$5,988.61	\$11,891.84
Town of Blackstone	\$0.00	\$10,753.43
Town of Cape Charles	\$5,905.73	\$23,938.77
Town of Lawrenceville	\$0.00	\$1,888.22
Town of South Hill	\$0.00	\$4,599.38
Upper Occoquan Service Authority	\$15,157.88	\$16,629.56
Virginia Department of Health	\$16,583.52	\$54,716.66
Warsaw WWTP	\$0.00	\$1,321.42
Western VA Water Authority	\$5,728.85	\$14,609.47
Westmoreland County	\$1,251.38	\$4,151.46
Totals:	<u>\$252,492.99</u>	<u>\$742,929.57</u>



Expertise that Works

Internal Audit

Corporate Governance: Ethics Function

Hampton Roads Sanitation District

March 21, 2018

Table of Contents

I. Executive Summary.....	1
Background	1
Objectives	2
Scope	2
Methodology and Approach.....	2
Summary of Work.....	4
II. Detailed Observations and Recommendations.....	5
Observation 1	5
Observation 2	7
Observation 3	10
III. Appendix A- Policy Considerations	12
IV. Appendix B- Gifts Comparison	14

I. Executive Summary

Background

SC&H conducted an internal audit of the administrative procedures related to the application of Hampton Roads Sanitation District's (HRSD) Ethics Policy (policy).

HRSD maintains the Ethics Policy as part of its comprehensive package of organization-wide policies and procedures¹. The Ethics Policy details the HRSD guidelines regarding expected ethical employee conduct, the acceptance of gifts, and procedures for required annual disclosures. On an annual basis, the policy is reviewed to ensure that it is in compliance with the laws established by the Code of Virginia. The HRSD Commission and Executive Secretary (Commission Secretary) is responsible for monitoring regulatory changes and updating the policy accordingly.

Once updated, the Commission Secretary provides the revised policy to the Operations and Nominations Committee (Nominations Committee) for review. The Nominations Committee is a group of HRSD Commissioners who are responsible for appointing new Commission members and reviewing and approving new corporate policies. Following this review, the Nominations Committee holds a meeting with the Commission Secretary and the General Manager to discuss any questions or concerns noted. The Commission Secretary then incorporates edits and the updated policy is provided to the full HRSD Commission, including external legal counsel, for final approval. The final, approved policy is then signed by the Commission Chair and Commission Secretary.

On an annual basis, all Commission members and HRSD employees who hold a Position of Trust, as defined in the Ethics Policy, must file all financial disclosures specified within the Code of Virginia. Employees holding Positions of Trust are members of upper management, typically Division heads, who have authority over a large group of HRSD employees. Commissioners complete the Financial Disclosure Statement pursuant to Virginia Code § 2.2-3118 and employees in Positions of Trust complete the State and Local Statement of Economic Interests pursuant to Virginia Code § 2.2-3117 (herein referred to collectively as disclosure forms). Disclosures are reported for the prior twelve months beginning January 1 and ending December 31.

Individuals complete the appropriate disclosure form and provide the original signed copy to the Commission Secretary. Forms cannot be dated earlier than January 1 of the current year and must be submitted before February 1. The Commission Secretary performs an initial review of the forms to ensure that they have completed and signed by the Commissioner or employee.

If a staff member or commissioner fails to submit the required forms by the established due date, the Commission Secretary submits his/ her name to the Commonwealth Attorney's Office. Representatives of the Commonwealth Attorney's Office then contact and penalize the individual,

¹ A comprehensive listing of Commission adopted policies can be found on the HRSD website at the following link: <http://www.hrsd.com/CommissionPolicies.shtml>

as appropriate. The individual is required to pay a mandatory fine of \$250 and may face additional disciplinary action if it is deemed necessary by the Commonwealth Attorney's Office.

HRSD staff are informed of the contents and expectations of the Ethics Policy through the New Employee Orientation (NEO) training administered to personnel during the on-boarding process. The NEO training consists of a presentation detailing all pertinent information that employees must be aware of in order to effectively complete their daily administrative duties. The Ethics Policy is discussed at a summarized level during this training and a link to the HR Manual, which details the full policy, is provided. It is the responsibility of the employee to review the manual and ensure that he/ she is in compliance with all guidelines put forth by HRSD. Once employees complete the NEO training, they complete an Acknowledgement Form stating they attended the training and understand all of the material that was presented. Evidence of training attendance is the employee's signature on the form. Forms are maintained by Human Resources in the employee's personnel file.

Objectives

The following audit objectives were established based on the internal audit's planning procedures.

- A. Evaluate the Ethics Policy for inclusion of regulatory guidance and perform a comparison against peer organizations to identify policy common practices.
- B. Review the communication and training procedures for disseminating and enforcing the Ethics Policy.
- C. Perform an analysis of the Ethics enforcement function through process inquiry and testing of disclosure forms.

Scope

The internal audit was initiated in November 2017 and fieldwork procedures were completed in January 2018. The internal audit focused on the policies and procedures in place at the time of this review with samples selected from program inception (FY15) to date (FY17).

Methodology and Approach

In order to achieve the objectives, SC&H performed the following procedures.

Process Walkthrough and Narrative Creation

SC&H obtained and reviewed current policy and process documentation from HRSD contacts at the outset of this review. SC&H then met with HRSD staff tasked with Ethics Policy administration to conduct detailed walkthrough discussions of their procedures. These discussions focused on process flow, risks, required approval, program monitoring, and other control points. Based on these discussions and review of the policy and procedural documentation, SC&H created a process narrative to document the overall functions. The processes identified and documented include:

- Annual Policy Updates

- Annual Disclosures
- Ethics Training

Audit Program Creation

Based upon the review of the processes, risks, and related controls, SC&H developed an audit program to achieve the objectives described above. This program included detailed steps to address each objective with the goal of assessing risk and identifying opportunities for improvement, where necessary.

Audit Program Execution

SC&H executed the audit program by completing the following tasks:

- Inspected pertinent process documentation and reports
- Examined compliance of policy with state law through detailed document review and comparison
- Researched and reviewed comparable agency policies to benchmark HRSD’s Ethics Policy and identify common components
- Inquired about current training and communication procedures to help facilitate an understanding of program requirements
- Reviewed a sample of disclosure forms for Commissioners and employees in Positions of Trust from the Ethics Policy’s inception to date (December 31, 2017) for completeness and timely submittal
- Met with external legal counsel to discuss the appropriateness and sufficiency of policy components

Policy Considerations Creation

Based upon the review of the Ethics Policy, additional research into similar organizations, and review of the Code of Virginia, SC&H developed policy considerations for HRSD’s review. These considerations detail specific areas where the policy may be updated at the discretion of HRSD. These considerations may be found in **Section III. Appendix A- Policy Considerations.**

Gifts Policy Comparison

Based upon the review of the Ethics Policy, additional research into similar organizations, and review of the Code of Virginia, SC&H developed a comparison of gifts policies implemented at similar organizations for HRSD’s review. These comparisons summarize the language related to the gifts policies utilized at each organization. Comparisons may be found in **Section IV. Appendix B- Gifts Comparison.**

Summary of Work

After reviewing the processes in place and evaluating the current control environment, SC&H concludes that the established Ethics Policy is sufficiently documented and administered in compliance with the Code of Virginia. However, there are improvement opportunities with regard to the policy and the associated administration functions which can help reduce risk and increase process efficiency and effectiveness.

The following section provides detailed observations and recommendations regarding three separate topics.

We appreciate the assistance and cooperation of the management and staff involved in HRSD's Ethics Policy administration. Please contact us if you have any questions or comments regarding any of the information contained in the internal audit report.

SC&H Group, Inc.



Matthew Simons, CPA, CIA, CGAP
Principal

II. Detailed Observations and Recommendations

Observation 1

A formal process has not been established regarding appropriate review, monitoring, and escalation over disclosure forms submitted by Commissioners and employees in Positions of Trust.

Observation Detail

When disclosure forms are received by the Commission Secretary, a review of the document is performed to ensure that all sections have been completed. However, the form is not reviewed in a consistent, defined level of detail to identify disclosures that may need to be communicated to other key internal stakeholders in the organization. If a disclosure is identified that requires additional information from the individual who completed the form, follow-up may be performed on an as needed basis. In the event that a conflict is identified, formalized procedures are not currently in place to report and mitigate the concern.

Through review of the Code of Virginia and discussion with HRSD's external legal counsel, SC&H did not note a specific requirement that HRSD should perform a detailed review of disclosure forms or have a process in place to implement safeguards against identified conflicts. Additionally, the burden of completeness and accuracy is placed upon the individual filing the disclosure form through their signature on the document.

Risk

HRSD's current ethics structure satisfies the communication and procedural compliance of the Code of Virginia, but it stops short of ensuring that conflicts are appropriately identified and addressed when noted. A lack of defined review and due diligence procedures increases the risk of unknowingly entering into contracts with outside parties who hold a conflict of interest with the organization. Entering into such contracts could result in legal action being brought against individuals or the organization as a whole. This may result in a financial and reputational impact to HRSD.

Recommendation 1.1

HRSD should established formal guidelines for the appropriate level of review and follow-up when obtaining completed disclosure forms. These procedures should include the necessary actions to take when a conflict of interest or pertinent disclosure that should be communicated to key internal stakeholders has been identified. This will help to mitigate the risk of disclosure forms being inadequately completed. It will also help to mitigate the risk of the organization unintentionally entering into contracts that could create a conflict of interest based on the disclosures noted by Commissioners and employees in Positions of Trust.

Management's Action Plan and Implementation Date

HRSD will establish formal guidelines for review of completed disclosure forms by legal counsel to include follow-up and necessary actions to communicate potential conflict of interest with internal stakeholders. The General Manager will work with legal counsel to draft this guidelines. The draft guidelines will be shared with the Commissioners by November 1, 2018. The final guidelines will be ready by December 1, 2018 for use in reviewing the disclosure forms due for the period ending December 31, 2018.

Observation 2

Procedures are not in place to ensure the understanding of, and compliance with, Ethics Policy requirements by all HRSD staff.

Observation Detail

The HRSD Ethics Policy applies to all employees of HRSD as well as Commissioners. Current training for general HRSD employees (non-Commissioner/ Position of Trust) is communicated via New Employee Orientation (NEO) training. A slide is included in the NEO presentation stating the overarching principles of the policy and providing links to applicable information. Per discussion with the Commission Secretary, it is the responsibility of each employee to independently access and review the material after completing orientation. The evidence of completion is a signed acknowledgment form stating the employee completed NEO training and understood all of the material that was presented.

Currently, there is no process in place to periodically re-certify employee understanding of the Ethics Policy. The Commission Secretary communicates the Ethics Policy to the entire organization via email following each update, however employees do not need to acknowledge review or confirm their understanding.

Further, HRSD employees who are not Commissioners or do not hold a Position of Trust are not required to complete annual ethics disclosures. At widely attended events, these employees are permitted to receive gifts or meals that are given to them by an external party per the Ethics Policy. Various scenarios may occur, resulting in an employee accepting a gift at a widely attended event. They are:

- Scenario 1: Commissioners and/ or employees in a Position of Trust may be present at a widely attended event and accept a gift with a monetary value less than \$100. No disclosure of the gift is required.
- Scenario 2: Employees who are not Commissioners or do not hold a Position of Trust may be present at a widely attended event and accept a gift with a monetary value less than \$100. No disclosure of the gift is required.
- Scenario 3: Commissioner and/ or employees in Positions of Trust may be present at a widely attended event and accept a gift in excess of \$100. Disclosure of the gift is required and may be included in the annual disclosure forms.
- Scenario 4: Employees who are not Commissioners or do not hold a Position of Trust may be present at a widely attended event and accept a gift in excess of \$100. Disclosure of the gift is required.

Currently, there is no form or process in place for general HRSD staff to properly communicate gifts received in Scenario 4. Additionally, the requirement for general staff to disclose such gifts is not noted in the NEO training presentation.

Risk

HRSD's current employees hired prior to the Ethics Policy implementation in 2015 may be unaware of its contents and requirements as their NEO training would not have included the ethics component. Additionally, all employees may not be aware of annual updates made to the Ethics Policy. This elevates the risk of non-compliance with state regulations and could lead to financial, reputational, or legal ramifications for any employees who are not in compliance.

Additionally, a lack of a disclosure form or process for employees who do not hold Positions of Trust may result in the inappropriate acceptance or insufficient communication of gifts in excess of \$100, as noted in the Ethics Policy. This could result in regulatory non-compliance or legal ramifications against the organization or individual.

Recommendation 2.1

HRSD should establish a formal certification process with respect to the Ethics Policy. Employees should be presented with a copy of the policy when they first begin employment with HRSD. This policy should be read by each employee and they should sign a document specifically stating that they have read the policy and understand the requirements for compliance. On a periodic basis, employees should be required to re-certify their understanding of the Ethics Policy. Re-certification should be performed with each update to the policy and at regular intervals determined to be appropriate by management.

Management's Action Plan and Implementation Date

The General Manager, working with the Director of Talent Management, will develop an orientation course with a certification statement for new employees. A recertification will be performed on a biannual basis for all employees in conjunction with the requirements established by the Code of Virginia for Commissioners and Positions of Trust.

This orientation course and related biannual recertification training will be developed for implementation beginning with employees hired after January 1, 2019.

Recommendation 2.2

HRSD should consider developing a disclosure form to be used by employees who do not hold Positions of Trust in the event that they receive a gift from a client or outside stakeholder. The form should include areas where the employee can detail who the gift was from, the nature of the gift, and justification for whether the gift was returned or kept. This form should be provided to the Commission Secretary and maintained with other disclosure forms for the period of time detailed in the Code of Virginia. This will help to mitigate the risk of employees receiving gifts that are in violation of HRSD policies or the Code of Virginia without the knowledge of upper management.

Management's Action Plan and Implementation Date

A simple disclosure form for gifts will be developed and implemented with the orientation and recertification training for all employees to begin in January 2019.

Observation 3

Ethics training procedures have not been established and administered to Commissioners and employees in Positions of Trust.

Observation Detail

At the time of testing, HRSD did not have an established training policy in place regarding ethics.

The Code of Virginia sets various guidelines that an agency must comply with regarding disclosures that must be made and the types and monetary value of gifts that can be accepted. In order to ensure that employees are adhering to the state regulations, Article 8 Section § 2.2-3128 of Chapter 31 the Code of Virginia states that “each state agency shall offer at least semiannually to each of its state filers an orientation course on this chapter, on ethics in public contracting pursuant to Article 6 (§ 2.2-4367 et seq.) of Chapter 43 of this title, if applicable to the filer, and on any other applicable regulations that govern the official conduct of state officers and employees.”

The Code of Virginia further requires attendance of ethics training “for a person who becomes a state filer with the agency after January 1, 2004, within two months after he or she becomes a state filer and at least once during each consecutive period of two calendar years commencing on the first odd-numbered year thereafter.” Additionally, “each state agency shall maintain records indicating the specific attendees, each attendee's job title, and dates of their attendance for each orientation course offered pursuant to § 2.2-3128 for a period of not less than five years after each course is given.”

During the performance of the review, the Commission Secretary identified the training requirement and brought it to the attention of the audit team. Per discussion with the Commission Secretary, HRSD had been previously unaware of the requirement to complete the state training. Upon further review, SC&H confirmed the requirement in the Code of Virginia stating the need to offer semiannual ethics training to be completed by Commissioners and employees in Positions of Trust.

Risk

If Commissioners and employees in Positions of Trust do not complete the ethics training at least once every two years, they are not in compliance with state regulations. In turn, this could result in fines or legal implications, adversely affecting the reputation of HRSD. If Commissioners and Positions of Trust are viewed as being non-compliant with state regulations, additional scrutiny can be placed on the organization, impacting operations. Additionally, overall awareness of ethics and disclosure requirements may be impacted.

Recommendation 3.1

HRSD should implement, at minimum, mandatory biannual ethics training for Commissioners and employees in Positions of Trust. Sufficient completion of this training should be documented and

provided to the Commission Secretary to be maintained with annual ethics disclosure forms for five years, as required by the Code of Virginia. This will ensure that all necessary individuals are in compliance state ethics training requirements. This will also help to mitigate the risk of non-compliance, reduce reputational risk, and enhance overall awareness of Ethics policy requirements.

Management’s Action Plan and Implementation Date

Training was required and accomplished by all Commissioners and employees in Positions of Trust for the disclosure period that ended December 31, 2017. The policy will be revised to include this requirement for biannual training, per the Code of Virginia.

Policy revisions will be drafted and presented to the Commission prior to the October 2018 Commission meeting.

Recommendation 3.2

In conjunction with Recommendation 3.1, HRSD should consider making the biannual training available to all HRSD employees, not just those who are Commissioners or hold a Position of Trust. An assessment should be made to determine if certain members of general staff should be required to complete the training along with those already required. This will ensure that all employees are able to receive adequate training regarding the ethics policy, expectations, and required disclosures. This will further help to mitigate the risk of non-compliance, reduce reputational risk, and enhance overall awareness of Ethics Policy requirements.

Management’s Action Plan and Implementation Date

Agreed and included in action plan for Recommendation 2.1 above.

III. Appendix A- Policy Considerations

During the performance of this audit, SC&H reviewed the Code of Virginia to ensure that regulations have been appropriately considered and incorporated into the HRSD Ethics Policy and associated processes. Additionally, SC&H researched and reviewed conflict of interest and ethics policies of other agencies and localities in the state of Virginia with the purpose of identifying commonly included policy components and performing a comparison against HRSD. SC&H has noted that HRSD’s policy appears to have been appropriately prepared to address the requirements of the Code of Virginia and includes many of the components present in other policies. While SC&H does not consider HRSD’s policy deficient, we did identify potential areas that may be included to enhance the policy based on this exercise, as well through the overall performance of the audit. The following table includes topics, descriptions, and benefits that HRSD should consider for incorporation into the Ethics Policy.

Ref	Topic	Description	Benefit
A	Training	This section describes the training requirements for Commissioners and Positions of Trust as described by the Code of Virginia. It may include frequency, attendance reporting, and the definition of satisfactory completion. Additional detail regarding these requirements and the applicable sections of the Code of Virginia are noted in Observation 3 .	This will provide applicable individuals with expectations necessary for compliance with the Code of Virginia, increasing clarity over the training program and encouraging participation.
B	Penalties	The Penalties section described the consequences of non-compliance with various aspects of the Ethics Policy and the Code of Virginia. Includes: <ul style="list-style-type: none"> • Late filing of disclosure forms • Penalties for acts unethical as described by Code of Virginia • Ramifications for general non-compliance with the Code of Virginia 	A description of penalties reinforces the importance placed on ethics by the Code of Virginia. This section describes the results of unethical action by HRSD staff or Commissioners. In addition, it clearly notes the requirement for timely filing of disclosures and the potential of financial penalty for late submittal.
C	Disclosures of General Employees	This section describes the necessary disclosures and method of communication for employees who are not Commissioners or in Positions of Trust. This policy component may be incorporated in	Providing this guidance establishes procedures and expectations for general HRSD staff who receive gifts in excess of \$100 at widely attended events.

		response to the condition and recommendations noted in Observation 2 .	Additionally, this assists in ensuring compliance with the Code of Virginia and provides greater clarity to the effected parties.
--	--	---	---

IV. Appendix B- Gifts Comparison

During the performance of this audit, SC&H researched and reviewed conflict of interest and ethics policies of other agencies and localities in the state of Virginia with the purpose of identifying commonly included policy components and performing a comparison against HRSD. HRSD's policy currently includes a gift policy that appears in line with the other Virginia agencies and counties reviewed, as well as the Code of Virginia. This section has been included to provide additional context and reference for HRSD as it relates to gift policies. Four peer agencies are noted below for reference; two in Virginia and two in the DC area. Both Virginia agency policies directly cite the Code of Virginia.

- Richmond DPU: No specific dollar value has been set, solicitation of gifts prohibited; directly cites Code of Virginia. May not receive “services or anything of more than nominal or minimal value, present or promised, unless consideration of substantially equal or greater value is exchanged.”
- Prince William County Service Authority: No specific dollar value has been set, solicitation of gifts is prohibited; directly cites Code of Virginia. May not receive “services or anything of more than nominal or minimal value present or promised, unless consideration of substantially equal or greater value is exchanged. (Code of Virginia § 2.2-4371).”
- DC Water: “In the event an employee, officer, or agent is offered or receives any benefit or any other thing having more than a monetary value of \$25.00 (twenty five dollars) the employee shall report the matter to the General Manager or designee who shall determine the disposition of the benefit.”
- Washington Suburban Sanitary Commission: Includes a very detailed gift policy, including description of illegal kickbacks. Allows for the acceptance of gifts/ meals under \$50. Receipts of over \$50 must be disclosed in employee's financial disclosure statement. Additional details apply to specific scenarios of gift acceptance.
- County Government Policies: SC&H reviewed six Virginia city/ county government ethics policies, including Arlington, Fredericksburg, Fauquier, Goochland, Prince George, and Winchester. All contain the same restrictive language as the VA agencies noted, with no specific dollar values set. The gift policies appear to be designed to align with the Code of Virginia.



The following Internal Audit Status document has been prepared by SC&H for the HRSD Commission. Below is a summary of projects in process, upcoming projects, and the status of current management action plan (MAP) monitoring.

I. Projects in Process

Corporate Governance: Ethics Function

- **Tasks Completed (June 2018)**
 - Received and reviewed updated Ethics Policy
 - Finalized Report

- **Upcoming Tasks (July 2018)**
 - Submit final report to Commission for review; no additional tasks required

Treatment Plant Operations

- **Tasks Completed (June 2018)**
 - Completed fieldwork tasks
 - Drafted final report
 - Conducted exit discussion
 - Submitted draft final report to Operations for review

- **Upcoming Tasks (July 2018)**
 - Obtain and review management action plans
 - Finalize report

Business Continuity and Disaster Recovery

- **Tasks Completed (June 2018)**
 - Reviewed documentation and conducted walkthrough discussions
 - Documented process understanding
 - Developed audit plan and objectives
 - Performed best practices research and comparison to current practice
 - Developed and communicated documentation requests listing

- **Upcoming Tasks (July 2018)**
 - Conduct fieldwork testing procedures
 - Document and discuss findings
 - Prepare best practices recommendations
 - Begin drafting report

II. Upcoming Projects (FY2018)

All FY18 audits have been started at this time. The first FY19 audit is scheduled to begin in July 2018. The subject of this audit will be determined and communicated prior to commencement.

III. Management Action Plan (MAP) Monitoring

SC&H is performing on-going MAP monitoring for internal audits previously conducted for HRSD. SC&H begins MAP follow-up approximately one year following the completion of each audit and will assess bi-annually.



For each recommendation noted in an audit report, SC&H gains an understanding of the steps performed to address the action plan and obtains evidence to confirm implementation, when available.

The following describes the current project monitoring status.

Audit	Report Date	Next Follow-up	Recommendations		
			Closed	Open	Total
D&C: CIP Project Management	5/11/2016	Dec-18	11	2	13
Biosolids Recycling	10/8/2016	Q4 2018- Pending Permit	7	1	8
HR Benefits	11/22/2016	Dec-18	15 (3 pending final verification)	0	15
Inventory	4/20/2017	Oct-18	1	4	5

Annual Metrics												
Item	Strategic Planning Measure	Unit	Target	FY-10	FY-11	FY-12	FY-13	FY-14	FY-15	FY-16	FY-17	FY-18
M-1.1a	Employee Turnover Rate (Total)	Percentage	< 8%	5.63%	4.09%	6.64%	7.62%	8.22%	9.97%	6.75%	6.66%	9.99%
M-1.1b	Employee Turnover Rate within Probationary Period		0%		2.22%	8.16%	14.58%	9.68%	0.66%	0.13%	0.90%	1.01%
M-1.2	Internal Employee Promotion Eligible	Percentage	100%		59%	80%	69.57%	71.43%	64.00%	69.00%	68.00%	85.00%
M-1.3	Average Time to Fill a Position	Calendar Days	< 30		70	60	52	43.76	51	56	67	67
M-1.4	Training Hours per Employee - cumulative fiscal year-to-date	Hours	> 40		30.0	43.8	37.5	35.9	42.8	49.0	48.4	41.1
M-1.5a	Safety OSHA 300 Incidence Rate Total Cases	# per 100 Employees	< 3.5	6.57	6.15	5.8	11.2	5.07	3.87	7	5.5	5.7
M-1.5b	Safety OSHA 300 Incidence Rate Cases with Days Away	# per 100 Employees	< 1.1	0.74	1.13	1.33	0.96	1.4	0.82	1.9	1	1.1
M-1.5c	Safety OSHA 300 Incidence Rate Cases with Restriction, etc.	# per 100 Employees	< 0.8	3.72	4.27	2.55	4.5	2	1.76	3.6	2.8	2.8
M-2.1	CIP Delivery - Budget	Percentage			113%	96%	124%	149%	160%	151%	156%	*
M-2.2	CIP Delivery - Schedule	Percentage			169%	169%	161%	150%	190%	172%	173%	*
M-2.3a	Total Maintenance Hours	Total Available Mtc Labor Hours Monthly Avg			16,495	22,347	27,615	30,863	35,431	34,168	28,786	28,372
M-2.3b	Planned Maintenance	Percentage of Total Mtc Hours Monthly Avg			20%	27%	70%	73%	48%	41%	43%	44%
M-2.3c	Corrective Maintenance	Percentage of Total Mtc Hours Monthly Avg			63%	51%	12%	10%	18%	25%	25%	24%
M-2.3d	Projects	Percentage of Total Mtc Hours Monthly Avg			18%	22%	20%	18%	32%	34%	32%	32%
M-2.4	Infrastructure Investment	Percentage of Total Cost of Infrastructure	2%		8.18%	6%	6%	4%	7%	7%	5%	*
M-3.3	Carbon Footprint	Tons per MG Annual Total			1.61	1.57	1.47	1.46	1.44	1.45	1.58	*
M-3.6	Alternate Energy	Total KWH			0	0	0	5,911,289	6,123,399	6,555,096	6,052,142	5,862,256
M-4.1a	Energy Use: Treatment	kWh/MG Monthly Avg			2,473	2,571	2,229	2,189	2,176	2,205	2,294	*
M-4.1b	Energy Use: Pump Stations	kWh/MG Monthly Avg			197	173	152	159	168	163	173	*
M-4.1c	Energy Use: Office Buildings	kWh/MG Monthly Avg			84	77	102	96	104	97	104	*
M-4.2	R&D Budget	Percentage of Total Revenue	> 0.5%		1.0%	1.4%	1.0%	1.3%	1.0%	0.8%	1.3%	*
M-4.3	Total Labor Cost/MGD	Personal Services + Fringe Benefits/365/5-Year Average Daily Flow		\$1,028	\$1,095	\$1,174	\$1,232	\$1,249	\$1,279	\$1,246	\$1,285	*
M-4.4	Affordability	8 CCF Monthly Charge/ Median Household Income	< 0.5%		0.48%	0.48%	0.41%	0.43%	0.53%	0.55%	0.59%	*
M-4.5	Total Operating Cost/MGD	Total Operating Expense/ 365/5-Year Average Daily Flow		\$2,741	\$2,970	\$3,262	\$3,316	\$3,305	\$3,526	\$3,434	\$3,592	*
M-5.1	Name Recognition	Percentage (Survey Result)	100%	67%	71%	N/A	62%	N/A	60%	N/A	N/A	*
M-5.4	Value of Research	Percentage - Total Value/HRSD Investment			129%	235%	177%	149%	181%	178%	143%	*
M-5.5	Number of Research Partners	Annual Total Number			42	36	31	33	28	35	15	*
	Rolling 5 Year Average Daily Flow	MGD		157.8	155.3	152	154.36	155.2	151.51	153.09	154.24	152.8
	Rainfall	Annual Total Inches		66.9	44.21	56.21	46.65	46.52	51.95	54.14	66.66	49.24
	Billed Flow	Annual Percentage of Total Treated		71.9%	82.6%	78%	71%	73%	72%	73%		*
	Senior Debt Coverage	Net Revenue/Senior Annual Debt Service	> 1.5	2.51%	2.30%	2.07%	1.88%	1.72%	1.90%	2.56%	3.10%	*
	Total Debt Coverage	Net Revenue/Total Annual Debt	> 1.4	1.67%	1.67%	1.46%	1.45%	1.32%	1.46%	1.77%	1.93%	*

* To be reported upon completion of the annual financial statements.

Monthly Updated Metrics													FY-18	FY-18
Item	Strategic Planning Measure	Unit	Target	FY-10	FY-11	FY-12	FY-13	FY-14	FY-15	FY-16	FY-17	FY-18	May-18	Jun-18
	Average Daily Flow	MGD at the Plants	< 249		136	146.5	158.7	156.3	153.5	155.8	153.5	145.8	153.9	149.7
	Industrial Waste Related System Issues	Number	0		3	6	6	6	2	4	7	4	0	0
	Wastewater Revenue	Percentage of budgeted	100%		97%	96%	98%	107%	102%	104%	103%	103%	101%	101%
	General Reserves	Percentage of Operating and Improvement Budget	75% - 100%		72%	82%	84%	92%	94%	95%	104%	112%	115%	119%
	Accounts Receivable (HRSD)	Dollars (Monthly Avg)			\$17,013,784	\$17,359,488	\$18,795,475	\$20,524,316	\$20,758,439	\$22,444,273	\$22,572,788	\$22,243,447	\$20,227,098	\$22,218,521
	Aging Accounts Receivable	Percentage of receivables greater than 90 days			21%	20%	18%	19%	21%	20%	18%	18%	20%	19%
M-2.5	Capacity Related Overflows	Number within Level of Service	0		25	1	30	5	11	16	6	10	0	0
M-3.1	Permit Compliance	# of Exceedances to # of Permitted Parameters	0		12:55,045	1:51995	2:52491	1:52491	2:52491	2:52,491	9:53236	9:58338	9:53477	9:58338
M-3.2	Odor Complaints	Number	0		6	2	7	11	5	9	7	6	0	2
M-3.4	Pollutant Removal (total)	Total Pounds Removed			178,163,629	171,247,526	176,102,248	185,677,185	180,168,546	193,247,790	189,765,922	190,536,910	174,790,253	190,536,910
M-3.5	Pollutant Discharge (% of permitted)	Pounds Discharged/Pounds Removed	< 40%		25%	22%	25%	22%	22%	20%	22%	17%	18%	18%
M-5.2	Educational and Outreach Events	Number			302	184	238	322	334	443	502	432	26	34
M-5.3	Number of Community Partners	Number			280	289	286	297	321	354	345	381	26	31

EFFLUENT SUMMARY FOR JUNE 2018

PLANT	FLOW mgd	% of Design	BOD mg/l	TSS mg/l	FC #/UBI	ENTERO #/UBI	TP mg/l	TP CY Avg	TN mg/l	TN CY Avg	TKN mg/l	NH3 mg/l	CONTACT TANK EX
ARMY BASE	11.36	63%	1	2.8	7	1	0.49	0.57	2.2	5.8	NA	NA	17
ATLANTIC	27.98	52%	12	6.5	3	2	NA	NA	NA	NA	NA	NA	3
BOAT HARBOR	14.13	57%	4	5.1	4	<1	0.87	0.51	12	14	NA	NA	1
CENT. MIDDLESEX	0.014	57%	<2	1.7	<1	<1	NA	NA	NA	NA	NA	NA	NA
CHES-ELIZ	17.90	75%	11	11	23	3	0.86	0.82	31	30	NA	NA	3
JAMES RIVER	12.81	64%	0	2.0	4	1	0.44	0.39	7.0	8.5	NA	NA	2
KING WILLIAM	0.051	51%	<2	<1.0	NA	1	0.020	0.057	0.25	0.92	<0.50	NA	NA
NANSEMOND	16.59	55%	5	2.7	3	2	1.3	1.2	4.0	4.4	NA	NA	6
SURRY, COUNTY	0.058	89%	1	<1.0	NA	2	NA	NA	NA	NA	0.24	<0.10	0
SURRY, TOWN	0.053	88%	4	12	NA	36	NA	NA	NA	NA	0.55	0.26	NA
URBANNA	0.060	60%	3	7.0	5	4	2.8	3.6	7.2	21	NA	0.05	NA
VIP	28.51	71%	3	3.6	2	1	1.1	0.69	3.6	7.2	NA	NA	2
WEST POINT	0.541	90%	16	15	10	17	2.4	2.7	15	18	NA	7.9	0
WILLIAMSBURG	7.97	35%	1	2.1	5	2	0.62	0.50	2.9	3.1	NA	NA	3
YORK RIVER	11.71	78%	4	2.0	1	1	0.49	0.33	5.1	3.7	NA	NA	0
	<u>149.73</u>												

	% of Capacity
North Shore	57%
South Shore	62%
Small Communities	78%

Tributaries	Tributary Summary					
	Annual Total Nitrogen			Annual Total Phosphorus		
	Discharged	Operational		Discharged	Operational	
	YTD	Projection CY18		YTD	Projection CY18	
	%	Lbs	%	%	Lbs	%
James River	42%	3,791,803	83%	38%	282,275	89%
York River	30%	236,092	82%	43%	16,455	85%
Rappahannock	103%	NA	NA	260%	NA	NA

Permit Exceedances: Total Possible Exceedances, FY18 to Date: 9:58,338
Pounds of Pollutants Removed in FY18 to Date: 190,536,910
Pollutant Lbs Discharged/Permitted Discharge FY18 to Date: 18%

	Rainfall (inch)		
	<u>North Shore (PHF)</u>	<u>South Shore (ORF)</u>	<u>Small Communities (FYJ)</u>
Month	3.56"	4.96"	6.94"
Normal for Month	4.48"	4.96"	4.97"
Year to Date Total	22.51"	25.17"	27.13"
Normal for YTD	22.67"	21.44"	23.03"

AIR EMISSIONS SUMMARY FOR JUNE 2018

MHI PLANT	No. of Permit Deviations below 129 SSI Rule Minimum Operating Parameters								Part 503e Limits		
	BZ Temp	Venturi(s) PD	Precooler Flow	Spray Flow	Venturi Flow	Tray/PBs Flow	Scrubber	Any	THC	THC	BZ Temp
	12 hr ave	12 hr ave	12 hr ave	12 hr ave	12 hr ave	12 hr ave	pH	Bypass	Mo. Ave	DC	Daily Ave
(F)	(in. WC)	(GPM)	(GPM)	(GPM)	(GPM)	(GPM)	3 hr ave	Stack Use	(PPM)	(%)	Days >Max
ARMY BASE	0	0	0	0	0	0	0	1	39		100
BOAT HARBOR	0	0	0	n/a	0	0	0	0	13		100
CHES-ELIZ	0	1	0	0	0	0	0	3	23		99
VIP	0	0	0	n/a	0	0	0	0	69		100
WILLIAMSBURG	0	0	0	n/a	0	0	0	1	10		87

ALL OPERATIONS

DEQ Reportable Air Incidents:	1
DEQ Request for Corrective Action (RCA):	0
DEQ Warning Letter:	0
DEQ Notice of Violation (NOV):	0
Other Air Permit Deviations:	0
Odor Complaints Received:	2
HRSD Odor Scrubber H2S Exceptions:	2