

MINUTES
OF THE WORK SESSION OF THE
HAMPTON ROADS SANITATION DISTRICT COMMISSION
1424 AIR RAIL AVENUE, VIRGINIA BEACH, VIRGINIA
APRIL 24, 2007

PRESENT:

Name	Title
Bland, Tyler R.	Commission Chairman
Conti, Richard C.	Commissioner
Davis, Anne	Commissioner
Elofson, Frederick N.	Commissioner
Johnson, Gerald S.	Commissioner
Miller, Douglas E.	Commissioner

ABSENT: Parris Carson and Vishnu Lakdawala

The individuals listed above as present were in attendance for the entire meeting unless otherwise indicated.

Prior to the start of the agenda, Chairman Bland introduced HRSD's newest Commissioner, Mr. Gerald S. Johnson of Chesapeake. Mr. Johnson retired from Norfolk Naval Shipyard with more than 38 years of service. His work as a Nuclear Engineering Technician included planning and scheduling nuclear overhauls and refueling. He has extensive experience in developing project management control systems and providing program support. A life-long resident of Chesapeake, Mr. Johnson is a graduate of Oscar Smith High School and the Norfolk Naval Shipyard Apprenticeship Program. He has served his community through participation in the Chesapeake Council of Civic Organizations, South Norfolk Leadership Council, South Norfolk Civic League, Chesapeake Restoration Council and Chesapeake Planning Advisory Team. He also has been involved in community activities such as the Chesapeake Care Free Clinic, Festival of Trees and July 4th Celebration at Lakeside Park.

Mr. Ted Henifin, General Manager, introduced Ms. Amy Seron, the Public Information Coordinator. Ms. Seron will be supporting the General Manager, Chief of Communications, and Commission Secretary.

1. Mr. Ted Henifin, General Manager, said the goal of this Work Session was to develop financial policy guidelines that will be used in long range financial planning for HRSD. The policy guidelines will be presented for approval and adoption at the May meeting of the Commission.
2. Mr. Henifin introduced Mr. Darrell Hill, Senior Vice President of BB&T Capital Markets. Mr. Hill discussed HRSD's existing debt service, summarized the Capital Improvements Program, described key ratios and medians, and provided projected rate increase scenarios.

3. Mr. Henifin explained that financial planning is more critical than ever due to the aging infrastructure, increased Chesapeake Bay Clean-up requirements, construction cost escalations, and SSO enforcement action. Historically, HRSD averaged approximately \$28 million per year for capital improvements. The projected program averages \$100 million per year for the next 15 years. He then discussed current and projected debts and rates. The proposed policy guidelines will ensure long term financial sustainability, maintain strong bond rating while minimizing cost of borrowing, and provide a basis for rate setting.
4. The work session concluded at 10:15 am.

SUBMITTED:

APPROVED:

Jennifer L. Heilman
Secretary

R. Tyler Bland, III
Chairman