

## **HRSD Commission Governance Guidelines**

**Adopted May 22, 2007**

**Revised September 24, 2024**

The Commission is charged with managing and controlling the functions and affairs of Hampton Roads Sanitation District (HRSD). HRSD's operations are accomplished by its employees under the supervision of the General Manager/CEO.

These governance guidelines are intended to support the Commission in its oversight role, which is set forth in the Acts of Assembly 1960, as amended (the Enabling Act). Some additional Commission responsibilities are specified in HRSD's Trust Agreements or required by federal or state laws.

The Commission and HRSD's management recognize that the interests of HRSD are advanced by responsibly addressing the concerns of constituencies, including employees, customers and the communities in which HRSD provides services. The Commission will review these Guidelines regularly in its continuing effort to achieve this goal.

### **SECTION 1. ROLE AND FUNCTION OF THE COMMISSION**

#### **A. Composition**

1. The Commission consists of eight members appointed by the Governor of Virginia to four-year terms.
2. At the time of their appointment and throughout their term of appointment, Commissioners must reside in the territory within the District from which they were appointed. Moving from this territory terminates that Commissioner's appointment.
3. Unless otherwise terminated in accordance with the Enabling Act, a Commissioner's term continues until the successor is appointed. Any person appointed to fill a vacancy shall serve for the unexpired term.
4. Commissioners are eligible for reappointment without limitation to the number of terms. Members may be suspended or removed at the Governor's pleasure.
5. Commissioners receive no salary but are compensated for travel and expenses associated with meeting attendance or while otherwise engaged in the discharge of their duties at the rate paid to members of the Commonwealth Transportation Board.
6. Each Commissioner shall be covered by a public official's liability policy paid for by HRSD.

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### **B. Commissioner Principles**

1. Commissioners are expected to devote as much time and attention as necessary to discharge their duties. This includes attending monthly Commission meetings and the meetings of any committees on which they may serve. Commissioners should notify the Commission Secretary whenever they are unable to attend a scheduled meeting. Commissioners may participate remotely in accordance with the Remote Participation Policy. Commissioners must notify the Chair of their desire to participate remotely prior to the meeting. Commissioners also may be asked to participate in special events and to represent HRSD at public meetings.
2. Commissioners shall be mindful of the best interest of the HRSD service area at large as opposed to those of the localities in which they reside.
3. Individual Commissioners may serve as liaisons to officials in the communities in which they reside or other localities within HRSD's service area.
4. Commissioners are expected to recuse themselves from discussion and abstain from voting on matters in which they may have a personal or professional conflict, and to announce the recusal or abstention in advance.

### **C. Structure**

1. The Commission shall annually elect one of its members as Chair and another as Vice-Chair.
2. The Commission's advisory committees are (1) Finance and (2) Operations and Nominations (O&N). These committees report to the Commission as needed. The Commission may elect to form a new standing or special committee or to disband an existing committee. The Commission Chair annually appoints the members and chairs of these committees. Committees are composed of three Commissioners and two are required for a quorum. All Commissioners are invited to participate in Committee meetings.
3. Committee meetings shall be scheduled as needed. The Commission Chair shall be an ex-officio member of all committees, with voice and vote. However, the Commission Chair shall not be counted in determining the number required for a Committee quorum or in determining whether or not a quorum is present.

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**a. The Finance Committee shall:**

- Review the financial forecast, annual operating and capital budgets, and rate schedules and report to the Commission prior to adoption
- Select both internal and external auditors
- Review the work plan and receive reports from the internal auditor
- Ensure the audit of the financial statements is completed and receive the audit report from the external auditor
- Receive the Annual Comprehensive Financial Report; and
- Review other financial related matters as may be referred to the Finance Committee by the Commission Chair.

**b. The O&N Committee shall:**

- Nominate officers for consideration annually and
- Review Commission policies as required or directed by the Commission, including, but not limited to:
  - (1) Commission Governance Guidelines
  - (2) Ethics Policy
  - (3) Virginia Freedom of Information Act Policy
  - (4) Remote Participation Policy

### **D. Operation**

1. The Commission has the authority to adopt bylaws and to make rules and regulations for the management of its affairs and the conduct of its business.
2. Unless otherwise announced, the Commission meets on the fourth Tuesday of each month January through October and on the third Tuesday of November and December. Special meetings are held when necessary. The General Manager/CEO sets the meeting agendas with advice from the Division Chiefs and the Chair. Agendas, with any relevant accompanying information or reports, are distributed to the Commissioners prior to meetings for review. When circumstances require, items may be added to the agenda after it has been distributed.
3. Four members shall constitute a quorum and the affirmative vote of four members shall be necessary for any action taken by the Commission. No vacancy in the membership of the Commission shall impair the right of a quorum to exercise all the rights and perform all the duties of the Commission.

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4. The rules contained in the current edition of ***Rosenberg's Rules of Order*** shall govern the Commission in all cases to which they are applicable and in which they are not inconsistent with state law or any special rules of order the Commission may adopt.
5. All meetings of the Commission, including Committee Meetings and Workshops, are public meetings and shall be held in conformance with the Virginia Freedom of Information Act. Remote participation in meetings shall be in accordance with the Remote Participation policy.
6. Workshops shall be scheduled as needed to allow informal dialogue on a topic or narrow range of topics. Appropriate staff shall be available to brief and facilitate as well as provide subject matter expertise. No official actions shall be taken during workshops.

### **E. Enabling Act Authorizations**

The Acts of Assembly authorize and empower the Commission to perform a variety of specified acts by means of its own officers, agents and employees or by contracts with any persons. Some of the most significant authorizations are:

1. To construct, improve, extend, enlarge, reconstruct, maintain, equip, repair and operate a sewage disposal system or systems, with or without associated water systems.
2. To issue revenue bonds, notes or other obligations.
3. To fix and collect rates, fees and other charges for HRSD services and facilities.
4. To acquire land, structures, property, rights, rights-of-way, easements, and other property interests by purchase, lease, grant or the exercise of the right of eminent domain in connection with sewage disposal systems or associated water systems.
5. To employ, at its discretion, consulting engineers, attorneys, accountants, construction and financial experts, managers and other such officers, employees and agents as may be necessary, and to fix their compensation.
6. To sue and to be sued.

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7. To prevent any person, jurisdiction or corporation from discharging into District waters any sewage, industrial wastes or other refuse that would pollute these waters.
8. To seek civil penalties or civil charges against owners in violation of pretreatment standards in permits or other requirements of HRSD's approved industrial waste control program.
9. To make and enter into all contracts and agreements necessary or incidental to the performance of its duties and execution of its powers.
10. The Commission does not have the power to mortgage, pledge, encumber or otherwise dispose of any part of the sewerage system or associated water systems except that which may no longer be necessary or useful for the Commission's purposes.

### **SECTION 2. HRSD MANAGEMENT AND THE COMMISSION**

Newly appointed Commissioners will receive a briefing from the General Manager/CEO and Division Chiefs regarding matters related to HRSD's mission and core services. At a minimum, Commissioners are briefed on Commission adopted policies, operations, financial matters and strategic directions. The Commission Secretary will provide information related to the Virginia [Freedom of Information Act](#) and Commission membership. In addition, new Commissioners may tour HRSD facilities as their schedules permit and be introduced to the chief elected officials of their localities as appropriate and practical to facilitate effective working relationships.

Commissioners have complete access to the General Manager/CEO and the Deputy General Manager, who each may refer them to Division Chiefs or other appropriate resources for assistance. The Secretary and Assistant Secretary of the Commission shall assist Commissioners with matters related to scheduling, expense reimbursement, access to information and meeting attendance.

#### **A. Staff Relations**

1. The Commission appoints a General Manager/CEO, who serves at the pleasure of the Commission. As the chief executive officer, the Commission delegates day-to-day operations to the General Manager/CEO within the broad framework of Commission established policies, budget and strategies. The Commission shall review the General Manager/CEO's performance and set compensation at least annually.

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2. The Commission appoints a Secretary, Assistant Secretary and a Treasurer who serve in these roles at the pleasure of the Commission. These appointments are made from existing staff positions. The Commission fixes their compensation through the annual budget process as these positions are in the HRSD position classification and compensation system.
3. The Commission periodically reviews and assesses the compensation paid to all HRSD employees as part of the annual budget process.
4. The Commission has delegated to the General Manager/CEO the responsibility to establish and maintain appropriate human resource policies.

### **B. Financial Oversight**

1. The Commission approves HRSD's Financial Policy.
2. The Commission approves the Annual Operating and Capital Budgets, Capital Improvement Program (CIP), Financial Forecast and Rate Schedules. HRSD's CIP is the result of significant work by all the departments in evaluating and recommending Capital Improvement Projects that ensure regulatory compliance, provide for adequate infrastructure reinvestment and meet the future growth needs of Hamptons Roads.
3. The Finance Committee meets as required to perform their financial oversight duties, including overseeing its auditors, and reports to the Commission regarding these activities.

### **C. Signatory Authorization**

Documents requiring the signature of HRSD shall be signed by such officer or officers as the Commission may from time to time designate. If signature is authorized by a vote of the Commission, the authorization should also include the identification of the officer, or officers permitted to sign the approved document on behalf of HRSD. The General Manager/CEO and the Deputy General Manager/CFO are authorized to sign on behalf of HRSD in the ordinary course of business any and all documents not requiring specific Commission approval. Additionally, the Commission has authorized the General Manager/CEO to delegate formal signatory authority to Senior Management and their staff as necessary for the effective operations of HRSD.

The Commission Secretary shall maintain a record of all specific signatory authorizations.

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### **SECTION 3. COMMISSION MEETINGS**

#### **A. Commission Meeting Agenda**

1. The Commission shall approve policies that govern HRSD business processes, significant financial practices, or service to localities except for those policies specifically delegated to the General Manager/CEO.
2. The Commission Meeting agenda shall be structured to ensure efficient and effective use of Commissioner's time and expertise.
3. The Commission Meeting agenda shall be prepared by the General Manager/CEO and distributed to the Commission typically five calendar days prior to the meeting date. Public notice of the meeting and posting of the agenda shall be in accordance with the Virginia Freedom of Information Act (§ 2.2-3700 et. Seq. of the Code of Virginia). The General Manager/CEO shall review the agenda with the Commission Chair prior to the meeting.
4. The Commission Meeting agenda is comprised of Regular Agenda, Consent Agenda and Informational Items.
  - Regular Agenda Items each require an individual vote by the Commission.
  - Consent Agenda Items generally reflect more routine business items and are grouped and may be voted on by the Commission in a singular vote. Consent Agenda items shall be limited to items meeting the requirements for Commission approval as detailed herein but not typically warranting a full briefing due to the nature of the action or previous communication with the Commission. Any item may be moved from the Consent Agenda to the Full Agenda when determined by the General Manager/CEO or any Commission member to be significant or warrant a discussion.
  - Informational Items are for information purposes and do not require an action by the Commission.

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### B. Commission Meeting Format

Item	Regular Agenda	Consent Agenda	No Action Required/ Informational/ Recognition
Agreements*	<ul style="list-style-type: none"> <li>• Design or Construction &gt;\$50,000</li> <li>• Real property - Permanent use of</li> <li>• Real property - Temporary use of &gt;1 year</li> <li>• HRSD Assets use of &gt;\$200,000</li> <li>• Multiple years and &gt;\$200,000</li> <li>• Obligates financial or personnel resources &gt;\$200,000</li> <li>• Cost Sharing or Reimbursement Agreements &gt; \$200,000</li> <li>• Intellectual Property Rights, Royalties and Licenses</li> <li>• Service Area Expansion</li> <li>• Sewer Service Agreements</li> <li>• Transfer of Assets to other entity</li> <li>• Transfer of Assets to HRSD</li> </ul>		
Agreements – Grants or contributions of value (Receipt and Award)*	>\$200,000	<\$200,000 if required by granting agency	
Agreements – Nutrient Trading Agreements*	>\$200,000 per year		
Agreements – Purchasing* <ul style="list-style-type: none"> <li>• Contract Awards</li> <li>• Purchase Orders</li> <li>• Task Orders</li> </ul>		>\$200,000 or initial award when future awards are expected to exceed \$200,000	
Change Orders		>25% of original contract value or \$50,000, or whichever is greater	
Alternative Project Delivery Methods	<ul style="list-style-type: none"> <li>• Use of Delivery Method</li> <li>• Comprehensive Agreement</li> <li>• Guaranteed Maximum Price</li> <li>• Stipulated Price</li> <li>• Vendor Proposal Compensation &gt;\$200,000 (Approval and Payment)</li> </ul>		
Audit Reports and Updates			✓
Awards and Recognition Earned or Granted			✓

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Budget	<ul style="list-style-type: none"> <li>• Operating Budget</li> <li>• Capital Budget</li> <li>• Capital Improvement Program – 10-year program without authorization of specific projects</li> <li>• Financial Forecast</li> <li>• Rate Schedule</li> </ul>		
Capital Improvement Project – <b>Non-Regulatory</b>	<ul style="list-style-type: none"> <li>• New CIP</li> <li>• Initial Appropriation</li> <li>• Additional Appropriation <math>\geq \\$1,000,000</math></li> <li>• Reduction in Scope and/or Appropriation <math>&gt;25\%</math></li> </ul>	Additional Appropriation $< \$1,000,000$	
Capital Improvement Project – <b>Regulatory</b>	<ul style="list-style-type: none"> <li>• New CIP</li> <li>• Initial Appropriation <math>\geq \\$10,000,000</math></li> <li>• Additional Appropriation <math>\geq \\$10,000,000</math></li> <li>• Reduction in Scope and/or Appropriation <math>&gt;25\%</math></li> </ul>	Initial or Additional Appropriation $< \$10,000,000$	
Debarment of a Vendor	✓		
Emergency Declaration			✓
Monthly Reports			✓
Personnel	<ul style="list-style-type: none"> <li>• Selection of General Manager/CEO, Secretary, Treasurer</li> </ul>		<ul style="list-style-type: none"> <li>• Employee length of service <math>\geq 20</math> years</li> <li>• Employee promotion (E1, L3, L4, P4, P5)</li> <li>• New employee (E1, L3, L4, P4, P5)</li> </ul>
Policies – New, Modified, Amended or Reissued	✓		
Real Property	<ul style="list-style-type: none"> <li>• Public Hearing for Acquisition by Condemnation or other means</li> <li>• Easement Acquisition, Dedication or Disposition <math>&gt; \\$50,000</math></li> </ul>	Vacation of Easement	
Real Property – Sale, Lease or Conveyance of HRSD property	✓		
Regulations	<ul style="list-style-type: none"> <li>• HRSD Enforcement Response Plan</li> <li>• HRSD Industrial Wastewater Discharge Regulations</li> </ul>		
Rejection of Bids	$> \$200,000$		
Selection of Commission Consultants	<ul style="list-style-type: none"> <li>• Auditors</li> <li>• Legal Counsel</li> </ul>		

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\* Addendums or other changes where the Commission has authorized the General Manager/CEO to execute same, substantially as presented, together with such changes, modifications and deletions as the General Manager/CEO may deem necessary will not be presented for Commission approval unless recommended by legal counsel.

### SECTION 4. ANNUAL CALENDAR OF COMMISSION TOPICS

Topic	Schedule	Frequency
EPA Consent Decree Update and Public Meeting	January	Annually
Capital Improvement Program Update	January	Quarterly
Evaluate General Manager/CEO's Performance	January	Annually
Commission Work Session to review Budget	February	Annually
Finance Committee Meeting to review CIP	March	Annually
Commission Work Session to review Budget	March	Annually
Capital Improvement Program Update	April	Quarterly
Finance Committee Meeting to review Budget	April	Annually
Receive Finance Committee report on Budget	April	Annually
Appoint Operations & Nominations (O&N) Committee	May	Annually
Approve Annual Operating and Capital Budgets, Capital Improvement Program, Financial Forecast and Rate Schedules	May	Annually
O&N Committee Meeting after Regular Meeting	May	Annually
O&N Committee Meeting before Regular Meeting	June	Annually
Election of Officers	June	Annually
Appoint Finance Committee	June-July	Annually
Capital Improvement Program Update	July	Quarterly
Commission Work Session – Ethics, FOIA and Governance Guidelines Training	August	Annually
Water Technology and Research Update	August	Annually
Finance Committee Meeting to Review Annual Comprehensive Financial Report (ACFR)	October	Annually
Capital Improvement Program Update	October	Quarterly
Diversity Procurement Report	October	Annually
Accept Finance Committee's Report on ACFR	October	Annually

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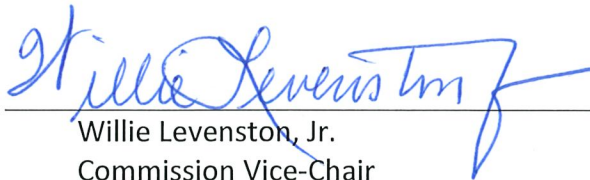
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SECTION 5. ADVISORY ROLE OF FORMER COMMISSIONERS

So as not to lose the benefit of the insights gained during their years of service, former Commissioners may be asked to serve in an advisory role following the end of their term. Equipment required to facilitate communications with the General Manager/CEO and Commission officers may be provided to those serving in an advisory role.

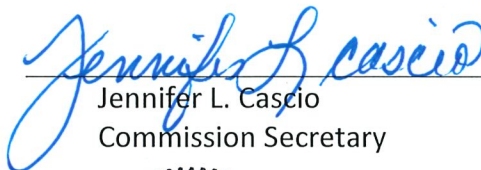
Approved:

  
Willie Levenston, Jr.  
Commission Vice-Chair

9/24/2024

Date

Attest:

  
Jennifer L. Cascio  
Commission Secretary

9.24.2024

Date

Commission Seal

