Commission Governance Guidelines
Adopted May 22, 2007
Effective August 1, 2026

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 shall be eligible for reappointment without limitation to the number of terms. Members may be suspended or removed at the Governor's pleasure.

5. Commissioners shall receive no salary but shall be 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.

B. Commissioner Principles

1. Commissioners shall 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 must notify the Commission Secretary whenever they are unable to attend a scheduled meeting. Commissioners may participate remotely in accordance with the Policy on Remote Participation and All-Virtual Meetings. 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 shall 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.

   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;
        (3) Virginia Freedom of Information Act compliance; and
        (4) Remote Participation and All-Virtual Meetings.

D. Operation

1. The Commission is authorized 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 shall meet on the fourth Tuesday of each month, January through October, and on the third Tuesday of November and December. Special meetings shall be held when necessary. The General Manager/CEO shall set the meeting agenda 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. However, in accordance with VA Code §2.2-3707(G), no final action may be taken on items added to the agenda after the meeting commences unless they are time-sensitive or are the subject of a closed meeting properly identified in a motion in accordance with VA Code §2.2-3711.

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.

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. The Commission reserves the right to place time limits on public comments. Reservations to make public comments must be received by noon one business day prior to the meeting at which public comment will be made.

6. Reservations are required to receive a link to attend a meeting virtually (except for all-virtual meetings), address the Commission, submit

written comments to be read into the minutes, or request accommodations to attend a meeting in-person. Reservations, other than requests for reasonable accommodation under the Americans with Disabilities Act, must be submitted by noon one business day prior to the meeting.

7. 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 public meetings shall be in accordance with the Policy on Remote Participation and All-Virtual Meetings.

8. 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 person. 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;

7. To prevent any person, jurisdiction, or corporation from discharging into District waters any sewage, industrial waste, 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; and

9. To make and enter into all contracts and agreements necessary or incidental to the performance of its duties and execution of its powers.

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 shall 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 must be 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 shall 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, if an Assistant is appointed, 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 shall appoint 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.

2. The Commission shall appoint a Secretary who may or may not be a member of the Commission and who serves in this role at the pleasure of the Commission. The Commission shall also appoint a Treasurer who shall not be a member of the Commission and who serves at the pleasure of the Commission. The Commission shall fix their compensation through the annual budget process.

3. The Commission shall periodically review and assess 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 shall approve HRSD's Financial Policy.

2. The Commission shall approve 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 Hampton Roads.

3. The Finance Committee shall meet as required to perform their financial oversight duties, including overseeing Commission 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 shall 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.

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 Commissioners' time and expertise.

3. The Commission meeting agenda shall be prepared by the General Manager/CEO and distributed to the Commission three business days prior to the meeting. Public notice of the meeting shall be provided 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 the 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 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 any action by the Commission.

B. Commission Meeting Format

Item (In alphabetical order)	Regular Agenda	Consent Agenda	No Action Required/ Informational/ Recognition
Agreements*	• Design or Construction >$50,000 • Real property - Permanent use of • Real property - Temporary use of >1 year • HRSD Assets use of >$200,000 • Multiple years and >$200,000 • Obligates financial or personnel resources >$200,000 • Intellectual Property Rights, Royalties, and Licenses • Service Area Expansion • Sewer Service Agreements • Transfer of Assets to other entity • Transfer of Assets to HRSD		
Agreements*	• Cost Sharing or Reimbursement Agreements > $200,000	<$200,000 if required by other party	
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* • Contract Awards • Task Orders		>$200,000 or initial award when future awards are expected to exceed $200,000	

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Item (In alphabetical order)	Regular Agenda	Consent Agenda	No Action Required/ Informational/ Recognition
Change Orders		>25% of original contract value or $50,000, whichever is greater	
Alternative Project Delivery Methods	• Use of Delivery Method • Comprehensive Agreement • Guaranteed Maximum Price • Stipulated Price • Proposal Compensation >$200,000 (Approval and Payment)		
Audit Reports and Updates			✓
Awards and Recognition Earned or Granted			✓
Budget	• Operating Budget • Capital Budget • Capital Improvement Program – 10-year program without authorization of specific projects • Financial Forecast • Rate Schedule		
Capital Improvement Project – **Non-Regulatory**	• New CIP • Initial Appropriation • Additional Appropriation ≥$1,000,000 • Reduction in Scope and/or Appropriation >25%	Additional Appropriation <$1,000,000	
Capital Improvement Project – **Regulatory**	• New CIP • Initial Appropriation ≥$10,000,000 • Additional Appropriation ≥$10,000,000 • Reduction in Scope and/or Appropriation >25%	Initial or Additional Appropriation <$10,000,000	
Debarment of a Vendor	✓		
Emergency Declaration			✓

Item (In alphabetical order)	Regular Agenda	Consent Agenda	No Action Required/ Informational/ Recognition
Monthly Reports			✓
Personnel	• Selection of General Manager/CEO, Secretary, Treasurer		• Employee length of service ≥20 years • Employee promotion (E1, L3, L4, P4, P5) • New employee (E1, L3, L4, P4, P5)
Policies – New, Modified, Amended or Reissued	✓		
Real Property	• Public Hearing for Acquisition by Condemnation or other means • Easement Acquisition, Dedication or Disposition >$50,000	Vacation of Easement	
Real Property – Sale, Lease or Conveyance of HRSD property	✓		
Regulations	• HRSD Enforcement Response Plan • HRSD Industrial Wastewater Discharge Regulations		
Rejection of Bids	>$200,000		
Selection of Commission Consultants	• Auditors • Legal Counsel		

* 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 (As needed)

Topic	Schedule	Frequency
EPA Consent Decree Update	January	Annually
Capital Improvement Program Update	January	Quarterly
Evaluation of 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
Appointment of 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
Receive Finance Committee's Report on ACFR	October	Annually

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: ______________________ 7/28/26
Stephen C. Rodriguez — Date
Commission Chair

Attest: ______________________ 07/28/26
Elizabeth I. Scott — Date
Commission Secretary

Commission Seal