



COMMISSION MEETING MINUTES
February 28, 2017

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b. Commending Resolution

As the Commission welcomed its newest member, it also expressed its gratitude and best wishes to Ms. Susan M. Rotkis of Hampton, who served with distinction from August 2014 until January 2017. Susy brought invaluable insights to the Commission developed during a successful legal career and extensive public service. As a committed consumer advocate, she demonstrated a keen interest in customer service matters and quickly earned the respect of her fellow Commissioners and HRSD staff. The [attached resolution](#) commending Ms. Rotkis for her outstanding service as a member of the Commission was presented and unanimously approved.

c. Commemorative Book Presentation – SCADA Towers

Mr. Len Forkas, President and Chief Executive Officer of Milestone Communications, presented a book commemorating the Public-Private Telecommunications Partnership with HRSD to build 12 Supervisory Control and Data Acquisition (SCADA) towers.

d. Service Award

Chair Elofson presented a service award to Tamera Casey-Baldwin. Tami marked her 30th year of service with HRSD on February 4, 2017. Tami was hired in March 1986 as a part-time Utility Clerk with the Customer Care Center and became a full-time Account Representative in February 1987. In September of 1995 she transferred to the Collections section of Customer Care, and worked in that position until April of 1998, when she transferred to the Virginia Initiative Plant as a Plant Clerk. Today she continues as a Plant Clerk serving the Chesapeake-Elizabeth Treatment Plant, a position she has held since April 2003. Tami has been the Norfolk area Zone Captain for several years during HRSD's participation in Clean the Bay Day. In addition, she supports Virginia's state parks by helping to maintain an assigned area along the Appalachian Trail. Tami also is involved in the Norfolk Public Library's Storytime Program, where she reads to school children.



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e. Other Awards

- (1) HRSD was pleased to receive the following four **2016 National Environmental Achievement Awards (NEAA)** during a ceremony at the National Association of Clean Water Agencies' Winter Conference:
 - Operations and Environmental Performance category—*Molecular Tools for Environmental Management*
 - Research and Technology category—*An International Collaboration: The InDENSE® Process*
 - Public Information & Education, Education Program category—*Living the Legacy*
 - Water Resources Utility of the Future category—*Sustainable Water Initiative for Tomorrow (SWIFT)*

- (2) Commissioners Elofson, Lakdawala, Levenston, Lynch and Rodriguez, along with staff, represented the organization on January 26 when HRSD was recognized by the Elizabeth River Project for **Sustained Distinguished Performance as a Model Level River Star Business.**

Attachment #1: [Resolution \(item b\)](#)

Public Comment: None



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2. **CONSENT AGENDA**

Action: Approve the items listed in the Consent Agenda.

Moved: Willie Levenston **Ayes:** 7
Seconded: Maurice Lynch **Nays:** 0

Brief:

- a. Approval of minutes from previous meeting.
- b. Contract Awards
 - 1. [Army Base Treatment Plant Improvements Phase III](#) \$275,009
 - 2. [Nansemond Treatment Plant Motor Control Center \(MCC\) Upgrade](#) \$376,231
 - 3. [Sodium Hydroxide](#) \$8,612,540
- c. Task Orders
 - 1. [Army Base Treatment Plant Improvements Phase III](#) \$474,409
- d. Change Orders
 - 1. [Aquifer Replenishment System Concept Feasibility Evaluation Analytical Services](#) \$300,000
- e. Sole Source
 - 1. [Atlantic Treatment Plant Thermal Hydrolysis Process and Fats, Oil & Grease \(FOG\) Receiving Station](#)

Item(s) Removed for Discussion: [Army Base Treatment Plant Improvements Phase III Contract Award](#)

Action: Approve the items listed in the Consent Agenda.

Moved: Maurice Lynch **Ayes:** 7
Seconded: Michael Glenn **Nays:** 0



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Discussion Summary: Commissioners expressed concern over the significant price difference between the HRSD estimate and the low bid. HRSD's estimate was based on similar work performed in the region. Staff met with representatives of Eastern Waterproofing and Restoration of VA, LLC onsite and reviewed the specifications. The price for this type of work is based more on labor costs than material costs. The contractor, who specializes in coatings, will not be utilizing subcontractors. References were checked, a performance bond was issued and the low bidder was deemed responsive and responsible.

Attachment #2: [Consent Agenda](#)

Public Comment: None



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Contract Description: The construction project advertised for bid on January 15, 2017. Two bids were submitted through HRSD's Online Oracle ERP system at the designated time on February 7, 2017. Immediately after the bid opening, four potential bidders notified HRSD that they had tried to submit bids online but were unsuccessful. HRSD's Information Technology Department confirmed that the HRSD network was fully functional at bid time.

Staff recommends rejection of all bids because two-thirds of potential bidders could not get their electronic bids submitted. The plan is to analyze how the original solicitation was created and released in ERP, make any needed changes to the bid documents and re-advertise the project for competitive bid.

<u>Schedule:</u>	PER	February 2013
	Design	November 2014
	Bid	March 2017
	Construction	April 2017
	Project Completion	June 2018

Discussion Summary: Staff explained the procedures of submitting an electronic bid. The bids must be submitted by the time specified in the advertisement and are only accepted electronically. Paper submission of bids is not an option. Allowances would be made to allow all bidders sufficient time to submit a bid if there was an issue with the system. In this case, the system was operating correctly.

Mr. Morgan Wells, President of Conrad Brothers of Virginia, thanked the Commission for the opportunity to speak at today's meeting. He asked the Commission to reconsider rejecting all bids and award the contract to Conrad Brothers. He stated his company is the low bidder and provided a price that was 15 percent below HRSD's budget. Mr. Wells said he planned ahead, did his due diligence and respected HRSD's process by submitting his bid on time. Mr. Wells said he personally worked on the bid for two days prior to the bid date to ensure they did everything correctly. He stated he even called the HRSD Helpdesk to ensure they followed the procurement rules. He quoted the second paragraph of the *Instructions to Bidders* in the Invitation to Bid "failure to submit a bid through HRSD's online Oracle ERP system prior to the due date will be a cause for rejection by HRSD." He stated the other bidders had the opportunity get prepared and to bid on time and did not. He explained there was an opportunity to enter the bid information days before the bid, which he took advantage of. The bid can be edited until the last minute.



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Mr. Wells again asked the Commission to award the contract to Conrad Brothers. He stated his goal remains the same today as it was on bid day "to give HRSD a good partner for your building."

The Commission discussed the options available and asked staff a number of questions about the bidding process. After a lengthy discussion, the general consensus was that bidders had the opportunity to submit bids before the established time for receipt of bids. The fact that four bidders did not was not cause for rejection of bids for the two that did submit in time.

Attachment: None

Public Comment: None



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4. **CHESAPEAKE CAMPGROUND NUTRIENT OFFSET AGREEMENT**

Action: Approve the terms and conditions of the agreement with Chesapeake Campground for a nutrient offset for a new wastewater treatment facility 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: Willie Levenston **Ayes:** 7
Seconded: Maurice Lynch **Nays:** 0

Brief: The Chesapeake Campground is a privately owned campground in southern Chesapeake, outside of the area in which public sewer is available. Prompted by failing drainfields, the campground is installing a wastewater treatment system with a capacity to treat 10,000 gallons of waste per day. As a new discharger to the Chesapeake Bay watershed, the treatment system will be required to meet a total nitrogen (TN) limit of 3 mg/L and a total phosphorus (TP) limit of 1 mg/L. Since the facility was not discharging as of the implementation of the first General Permit for Total Nitrogen and Total Phosphorus Discharges and Nutrient Trading in the Chesapeake Watershed (“General Permit”), the facility must acquire a nutrient allocation to offset its annual nutrient loading. At the recommendation of the Virginia Department of Environmental Quality, the campground’s consultant approached HRSD to discuss the potential for acquisition of offset credit. This facility will require an annual offset of TN for 92 lbs. and of TP for 32 lbs.

Existing dischargers with a treatment capacity of less than 40,000 gallons per day generally fall outside of coverage of the General Permit and do not require a nutrient allocation. New dischargers, however, are required to completely offset nutrient discharges, regardless of size. This is the second facility to approach HRSD within the last year to request offset credits for discharge, the first associated with the Lawnes Point facility. In evaluating whether HRSD should charge a fee for providing credit offset for dischargers within the HRSD service area but outside of an area with public sewer access, HRSD staff proposes a de minimis approach wherein small dischargers (design capacity < 40,000 GPD) are provided offset credit at no cost. These small dischargers will require a maximum annual offset of 365 lbs. of TN and 121 lbs. of TP. Larger discharges in the HRSD service area that



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are outside of an area served by public sewer will be charged for offset credits consistent with the value assigned by the Virginia Nutrient Credit Exchange. For both small and large dischargers, the general terms of the credit offset agreement as outlined below will remain consistent.

- 10-year term on agreement; after 10 years, review and modify as needed
- Requires connection if sewer service is made available to the area being served by the new treatment facility
- Requesting entity to pay attorney fees for drafting of agreement
- Credit reverts back to HRSD if the discharger no longer needs it
- In order to protect water quality, it is important that the treatment facility meet all of its permitted limitations. If the facility is consistently violating permit conditions, HRSD reserves the right to withdraw its provision of credit.

In each of these situations, HRSD will evaluate the request carefully and determine the best possible approach to serve HRSD ratepayers and protect local water quality in the HRSD service area.

The attached [agreement](#) was prepared by legal counsel.

Attachment #3: [Agreement](#)

Public Comment: None



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5. **HAMPTON ROADS WATER QUALITY CREDIT AGREEMENT FOR CHESAPEAKE BAY RESTORATION**

Action: Approve the terms and conditions of the agreement with the City of Hampton for provision of nutrient and sediment credits generated by SWIFT to meet the City of Hampton’s MS4 Chesapeake Bay TMDL reduction requirements and authorize the Chair or his designee to execute same, substantially as presented, together with such changes, modifications and deletions as the General Manager may deem necessary.

Moved:	Maurice Lynch	Ayes:	8
Seconded:	Willie Levenston	Nays:	0

Brief: At the August 23, 2016 meeting, the Commission approved the concept of providing nutrient and sediment credits to Hampton Roads localities to meet their Chesapeake Bay Total Maximum Daily Load (TMDL) reduction mandates. The Chesapeake Bay TMDL requires local governments to develop action plans to reduce nutrient and sediment discharges from stormwater sources to the Chesapeake Bay.

In accordance with the Virginia Watershed Improvement Plan (WIP), permitted stormwater systems are required to reduce discharged loads by 5 percent during the current permit cycle (2016-2021 for Phase I MS4 systems), 35 percent in the second cycle (2021-2026) and the remaining 65 percent in the third cycle ending 2031. The cost to meet this requirement in Hampton Roads has been estimated to be as much as \$1.8 billion.

HRSD has been subject to nutrient load limits since 2006. The original Waste Load Allocations (WLA) were revised with the Chesapeake Bay TMDL, with the WIP requiring a reduction to meet interim loads in 2017 and final loads by 2023. HRSD’s WLAs were established based upon the design flows of HRSD’s treatment plants. Currently HRSD treatment plants operate well below design flows, as those were established to ensure capacity to support regional population projections in 2040 and beyond. Annual average flows in 2015 were approximately 60 percent of design flows.



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HRSD has been working to install nutrient removal technologies at HRSD treatment facilities since 2007. Using a phased approach, HRSD has consistently been able to discharge below permitted WLAs using basin aggregate loads (bubble permit) for the James and York Rivers. HRSD's one Rappahannock discharge currently meets load requirements through nutrient credit purchase, the most cost effective approach for that small facility.

As a result of plant flows well below design flows in combination with significant investment in nutrient removal technologies, HRSD currently discharges nutrients and sediment (TSS) significantly below permitted limits and is projected to do so for the foreseeable future. The difference between permitted mass load limits and current performance provides ample capacity to absorb load reductions required from stormwater dischargers in Hampton Roads as an interim solution through 2036.

HRSD is pursuing its Sustainable Water Initiative for Tomorrow (SWIFT), which when fully implemented will reduce HRSD loads to a small fraction of HRSD's current WLA. SWIFT will reduce HRSD loads well beyond what is required to permanently offset Hampton Roads' stormwater nutrient and sediment load reductions.

As a result, an [agreement](#) has been developed between the City of Hampton and HRSD that will serve as the template for agreements with other Hampton Roads localities. The basic terms are as follows:

- HRSD will provide term credits (on an annual basis) to meet 95 percent of the nutrient and sediment load reductions as calculated in accordance with the terms of Hampton's Municipal Separate Storm Sewer System (MS4) permit as of the effective date of the agreement.
- Term credits will transition to a permanent offset once SWIFT is proven at scale, no later than December 31, 2025.
- Credits can only be used to meet TMDL requirements.
- Regulatory changes or other related issues that impact the credits available from HRSD or required by the City of Hampton shall be addressed through an amendment of this agreement if possible. If HRSD is unable to meet the City's credit demand, the City is solely responsible for meeting its own permit obligations.



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Discussion Summary: If the regulatory requirements are changed the agreements would be cancelled and terms would be renegotiated. After the process is developed with City of Hampton, agreements will be prepared with other localities. The current bay TMDL is based on the model load, which includes HRSD's loadings pre-SWIFT. The loads will change once SWIFT is operational and discharges are removed from the bay. These trading agreements will satisfy the localities' TMDL requirements they are currently obligated to meet and will save the region and estimated \$1.8 billion.

Attachment #4: [Agreement](#)

Public Comment: None



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9. **SURRY SERVICE AGREEMENTS**

Actions:

- a. **Approve the terms and conditions of the agreement with [Surry County](#) for transfer of assets and HRSD service 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.**
- b. **Authorize the General Manager to execute an agreement with the [Town of Surry](#) consistent with the terms and conditions of the Surry County agreement upon approval of the agreement by the Council of the Town of Surry.**

Moved: Willie Levenston

Ayes: 7

Seconded: Maurice Lynch

Nays: 0

Brief: At the December 15, 2015 meeting, the Commission authorized the General Manager to enter discussions with Surry County about becoming part of the District and HRSD assuming ownership and responsibility for provision of sewer services. As a result of those discussions an order was filed with the Surry County Circuit Court in accordance with HRSD's Enabling Act. On October 5, 2016, there was a public hearing at the Surry County Circuit Court regarding the County of Surry's (herein after "County") request to become part of HRSD. With only the Town of Claremont objecting, the order was revised to remove Claremont and the judge entered the revised order on October 5, 2016.

While the court order added Surry County to the territory included within the Hampton Roads Sanitation District, it did not require HRSD to own and or operate existing sewer systems within the County nor did it require Surry County (or any other entity) to convey their facilities to HRSD. HRSD has been working with the County to develop an agreement to establish the terms and conditions under which HRSD will accept the existing sanitary sewer facilities and assume operations and the associated environmental liabilities for such systems.



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The [attached agreement](#) between HRSD and the County, outlines the terms and conditions for HRSD to own and operate all sanitary sewer facilities currently owned and operated by the County. The County approved the attached agreement at their meeting on February 2, 2017. This agreement does not include the Town of Surry, which will require a separate agreement.

The key points of the agreement:

- Transfer clear title of all real property related to the County's wastewater system including but not limited to treatment plants, pump stations, pipelines and easements.
- HRSD assumes no County debt.
- HRSD services begin upon transfer of all required property.
- HRSD agrees to provide adequate capacity to treat all sewage generated within sewer services areas within the County.
- The County is responsible for construction of new and/or expanded sewer collection systems which shall be built to HRSD standards and conveyed to HRSD upon meeting HRSD final inspection.
- The County's customers are subject to HRSD's published Rate Schedule and billing processes, including collection procedures.
- The County can terminate the agreement with 12 months written notice, but HRSD cannot terminate the agreement without approval of the County.

The Town of Surry is considering an agreement with terms identical to the agreement approved by the Surry County Board of Supervisors. The attached [draft agreement](#) is under consideration by the Council of the Town of Surry. Approval is anticipated as early as the first week of March 2017.

Discussion Summary: Staff discussed transfer of property and assets and connection to HRSD facilities.

Attachment #8: [Agreement](#)

Public Comment: None



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10. **SURRY RATE SCHEDULE**

Action: Approve an amendment to the Rate Schedule to include Surry County and all towns with the exception of Claremont to be effective when HRSD assumes ownership and operational responsibility for their respective systems upon transfer of property in accordance with the Service Agreement.

Moved: Vishnu Lakdawala **Ayes:** 7
Seconded: Willie Levenston **Nays:** 0

Brief: The Surry County Circuit Court entered an order on October 5, 2016 adding the County and all towns within the county with the exception of the Town of Claremont to the territory included within the Hampton Roads Sanitation District. While Surry County and the Town of Surry are negotiating with HRSD to have HRSD assume ownership and operational responsibility for sewer within their respective jurisdictions, the Service Agreements will not become effective until all sewer system related real and personal property transfers to HRSD. The exact date of that transfer is not known but could occur prior to the end of Fiscal Year-2017.

In anticipation of that possibility and in accordance with the Enabling Act, an amended [Rate Schedule](#) that includes the County of Surry and the Town of Surry rates must be advertised in a newspaper of general circulation within the District for four consecutive weeks.

HRSD will be responsible for the wastewater collection, interception and treatment needs of the County, which is similar to the services provided to the Middle Peninsula. The proposed interception and treatment rate is \$6.03 per thousand gallons, which is consistent across all of HRSD. The proposed collection rate is \$5.34 per thousand gallons, which is consistent with the other Middle Peninsula communities where HRSD is responsible for operating and maintaining the wastewater collection system. In sum, the proposed Total Wastewater Rate per 1,000 gallons will be \$11.37. Additionally, consistent with the Middle Peninsula communities, a monthly minimum of 3,000 gallons will be applicable, which results in a minimum monthly charge of \$34.11 for Surry County and all towns within the County with the exception of Claremont.

Attachment #9: [Rate Schedule](#)

Public Comment: None



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11. **UNFINISHED BUSINESS**

Mr. Henifin informed the Commission of the passing of SB1311 in the 2017 General Assembly session, which added Surry to the HRSD Enabling Act.

Mr. Henifin thanked Commissioner Rodriguez for meeting with Delegate Chris Jones regarding the budget amendment, which added \$1.35 million for the extensometer project at the Nansemond Treatment Plant.

12. **NEW BUSINESS – None**

13. **COMMISSIONER COMMENTS**

Commissioner Rodriguez stated the General Assembly was well acquainted with the SWIFT project and the potential benefits to the region.

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

15. **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 #10: [Informational Items](#)

Public Comment: None



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16. **ANNOUNCEMENTS**

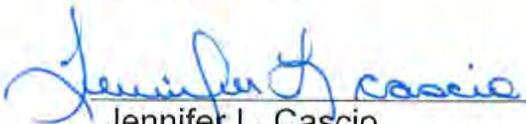
- a. We hope all Commissioners will be available to join The Honorable Terry McAuliffe, Governor of Virginia, at the Groundbreaking for the SWIFT Research Center on Friday, March 31, 2017 at the Nansemond Treatment Plant.
- b. The Finance Committee will meet 10 minutes following adjournment of today's meeting to review internal audit reports, financial and revenue policies.
- c. The Finance Committee will also meet on March 7, in Virginia Beach, to review the DRAFT Capital Improvement Program (CIP).

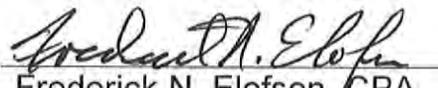
Next Commission Meeting Date: March 28, 2017 at the HRSD South Shore Operations Complex, 1434 Air Rail Avenue, Virginia Beach, VA 23455

Meeting Adjourned: 10:06 a.m.

SUBMITTED:

APPROVED:


Jennifer L. Cascio
Secretary


Frederick N. Elofson, CPA
Chair

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ATTACHMENT #1

AGENDA ITEM 1. – Awards and Recognition - Commending Resolution



RESOLUTION

Commending the Service of Commissioner Susan M. Rotkis

WHEREAS, Susan M. Rotkis was appointed to the HRSD Commission on August 8, 2014, and served with distinction until 2017;

WHEREAS, she brought to this position invaluable insights developed during a successful legal career and extensive public service;

WHEREAS, she provided leadership and guidance as a member of the Commission's Operations and Nominations Committee;

WHEREAS, as a committed consumer advocate, she demonstrated a keen interest in customer service matters;

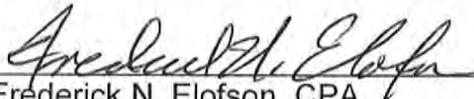
WHEREAS, she was unwavering in her dedication to the environment, the Hampton Roads Region and the Commonwealth of Virginia; and

WHEREAS, she discharged her duties with diligence, earning the respect of her colleagues and the HRSD staff; now, therefore, be it

RESOLVED by the HRSD Commission that it hereby commend Susan M. Rotkis for her outstanding service as a Commissioner and, be it

RESOLVED FURTHER, that the Secretary of the HRSD Commission prepare a copy of this resolution for presentation to Susan M. Rotkis as an expression of the Commission's appreciation, esteem and best wishes.

Adopted by the HRSD Commission on the twenty-eighth day of February, 2017


Frederick N. Elofson, CPA
HRSD Commission Chair



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ATTACHMENT #2

AGENDA ITEM 2. – Consent Agenda

CONSENT AGENDA ITEM 2.b.1. – February 28, 2017

Subject: Army Base Treatment Plant Improvements – Phase III
Contract Award (>\$200,000)

Recommended Action: Award a contract to Eastern Waterproofing and Restoration of VA LLC in the amount of \$275,009.

CIP Project: AB010100

Budget	\$124,521,000
Previous Expenditures and Encumbrances	(\$119,005,075)
Available Balance	<u>\$5,515,925</u>

Type of Procurement: Competitive Bid

Bidder	Bid Amount
Eastern Waterproofing And Restoration of VA LLC	\$275,009
M and M Contractors, Inc.	\$732,282
P. G. Harris Construction Co.	\$835,117

HRSD Estimate: \$1,500,000

Project Description: This project will provide for biological nutrient removal (BNR) to meet recently adopted regulatory requirements. The treatment process will be designed to meet an annual average of 5.0 mg/L total nitrogen concentration and a 1.0 mg/L total phosphorus concentration in the effluent discharge. Improvements to existing facilities will also be needed to address the BNR process upgrades including the installation of a distributed control system, grit removal improvements and generator/switchgear upgrades. A number of other site improvements will also be needed on this relatively small and fully utilized site. The improvement project will also include a number of existing CIP projects already scheduled to move ahead. These projects include: Aeration Tank Influent Pipe Replacement, Primary Clarifier Influent Pipe Replacement and Foreign Biosolids Facility Improvements.

Contract Description: This contract is to rehabilitate all interior wall surfaces, repair cracks and provide coating of concrete and replacement of columns on Primary Clarifiers #2, #3 and #4 at the Army Base Treatment Plant.

Schedule: Project Completion June 2018

CONSENT AGENDA ITEM 2.b.2. – February 28, 2017

Subject: Nansemond Treatment Plant Motor Control Center (MCC) Upgrade
Contract Award (>\$200,000)

Recommended Action: Award a contract to EG Middleton, Inc. in the amount of \$376,231.

Type of Procurement: Competitive Bid

Bidder	Bid Amount
EG Middleton, Inc.	\$376,231
REW Corporation	\$399,300
Systems East, Inc.	\$399,792
JC Driskill, Inc.	\$437,014

HRSD Estimate: \$284,150

Contract Description: This contract is to upgrade the Motor Control Centers (MCC) MCC600 & MCC800 at the Nansemond Treatment Plant. The work will be completed in four phases as follows: Phase One – Visual and Mechanical Inspection; Phase Two – Short Circuit, Coordination and Arc Flash Studies; Phase Three – Bus Bracing Upgrade; and Phase Four – MCC Breaker Retrofills Modifications/Upgrades.

CONSENT AGENDA ITEM 2.b.3. – February 28, 2017

Subject: Sodium Hydroxide
Contract Award (>\$200,000)

Recommended Action: Award a blanket contract for sodium hydroxide, 50 percent solution to Univar USA, Inc. in the estimated amount of \$1,722,508 for year one with four annual renewal options and an estimated cumulative value in the amount of \$8,612,540.

Type of Procurement: Competitive Bid

Bidder	Bid Amount
Univar USA, Inc.	\$1,722,508
Suffolk Sales and Services Corp.	\$1,802,440

HRSD Estimate: \$1,730,842

Contract Description: This contract is an agreement to supply and deliver Sodium Hydroxide, 50 percent solution. Sodium Hydroxide is used at the treatment plants for odor and pH control.

CONSENT AGENDA ITEM 2.c.1. – February 28, 2017

Subject: Army Base Treatment Plant Improvements Phase III
Task Order (>\$200,000)

Recommended Action: Approve a task order with HDR Engineering, Inc. in the amount of \$474,409.

CIP Project: AB010100

Budget	\$124,521,000
Previous Expenditures and Encumbrances	(\$119,005,075)
Available Balance	<u>\$5,515,925</u>

Contract Status:	Amount
Original Contract with HDR	\$1,174,500
Total Value of Previous Task Orders	\$20,642,636
Requested Task Order	\$474,409
Total Value of All Task Orders	\$21,117,045
Revised Contract Value	\$22,291,545
Engineering Services as % of Construction	24.8%

Project Description: This project will provide for biological nutrient removal (BNR) to meet regulatory requirements. The treatment process upgrades were designed to meet an annual average of 5.0 mg/L total nitrogen concentration and a 1.0 mg/L total phosphorus concentration in the effluent discharge. Improvements to existing facilities included the installation of a distributed control system, grit removal improvements and generator/switchgear upgrades.

Task Order Description: This action includes design phase services, construction contract administration, field engineering and inspection services provided by HDR Engineering, Inc. for miscellaneous work needed to supplement the recently completed project.

Analysis of Cost: The fee is reasonable based on an hours-per-task evaluation. The labor rates match those used in the original agreement.

Schedule: Project Completion June 2018

CONSENT AGENDA ITEM 2.d.1. – February 28, 2017

Subject: Aquifer Replenishment System Concept Feasibility Evaluation
Analytical Services
Contract Change Order (>25% or \$50,000)

Recommended Action: Approve a change order with Eurofins Eaton Analytical, Inc. in the amount of \$300,000.

CIP Project: GN015700

Budget	\$7,540,000
Previous Expenditures and Encumbrances	(\$7,041,704)
Available Balance	<u>\$498,296</u>

Contract Status:	Amount	Cumulative % of Contract
Original Contract for Eurofins Eaton Analytical, Inc.	\$221,215	
Total Value of Previous Change Orders	\$55,000	25%
Requested Change Order No. 2	\$300,000	
Total Value of All Change Orders	\$355,000	160%
Revised Contract Value	\$576,215	

Project Description: This study will evaluate the feasibility of reusing highly treated wastewater for aquifer replenishment to protect groundwater supplies as well as accomplish wastewater treatment objectives and enhance the region's total groundwater supply.

Change Order Description: This change order is for additional ongoing analytical services required to complete the study for the Aquifer Replenishment System Concept Feasibility Evaluation for the Central Environmental Laboratory. The original agreement was created prior to commissioning of the pilots and the sampling plan was adapted to respond to a need for additional information on pilot performance and additional data needed to support the design of the SWIFT Demonstration Facility at the Nansemond Treatment Plant.

Schedule: Project Completion June 2017

CONSENT AGENDA ITEM 2.e.1. – February 28, 2017

Subject: Atlantic Treatment Plant (ATP) Thermal Hydrolysis Process (THP) and Fats, Oil & Grease (FOG) Receiving Station
SNF Flomix Polymer Mixer, Cummins Switchgear and KAI Controls
Sole Source (>\$10,000)

Recommended Action: Approve SNF Flomix in-line polymer mixers, Cummins switchgear and KAI Controls control panels for use in the Atlantic Treatment Plant Thermal Hydrolysis Process and FOG Receiving Station project.

CIP Project: AT013500/AT012910

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: This action requests sole-source approval specific to the Atlantic Treatment Plant THP and FOG Receiving Station project for SNF Flomix, Cummins, and KAI Controls.

Dewatering Building In-Line Polymer Mixer: Three high speed, in-line polymer mixers have been added to the design at the existing dewatering building as part of the THP project. The implementation of the THP will provide an increase in the percent solids concentration in the feed to the existing centrifuges. The mixers will be installed in-line on the discharge piping of Centrifuge Feed Pump Nos. 1 - 3. The mixers have been shown to lower polymer consumption, while maintaining the same cake dry solids concentration, especially when dewatering solids at higher percent solids concentrations. Polymer optimization for dewatering thermally hydrolyzed solids (THS) is a relatively new practice, with utilities in the UK being the most experienced. These mixers are currently installed in wastewater treatment plants that have implemented THP in the United Kingdom. To date, SNF Holding Company is the only manufacturer with equipment that has been installed and successfully tested to achieve the performance required to reduce polymer consumption when dewatering THS. The

SNF Flomix will meet the needs outlined by HRSD for polymer usage, space requirements and cost limitations.

Medium Voltage Metal-Clad Switchgear Modifications: The existing main plant 4160V switchgear located in the blower/electrical building of the ATP was previously provided as an integrated, synchronizing switchgear, which includes protective functions for the 5kV plant distribution as well as paralleling controls with the existing Combined Heat & Power (CHP) system. The switchgear and related controls were originally provided by Cummins. The ATP THP and FOG Receiving Station Project requires that this equipment be further modified with the addition of two new switchgear sections (inclusive of Square-D breakers), configuration of new control and protective devices, and testing of protective and paralleling functions. It is not recommended that a third-party modify equipment of this nature due to its critical functionality and safety concerns. Cummins will supply components and provide field modification and testing services on a sole-source basis.

KAI Controls: New control panels are needed for two existing centrifuges, one currently located at Nansemond Treatment Plant and one at James River Treatment Plant. These two centrifuges will be relocated to the ATP to serve in a pre-dewatering capacity. The existing control panels for these machines are outdated, and are not fully compatible with the distributed control system at the ATP. The panels require replacement for the relocated centrifuges to operate as intended. The final dewatering centrifuges currently installed at the ATP are KAI panels. This action requests sole source approval for KAI to supply panels for the relocated centrifuges to be consistent with the other equipment onsite, so that all the centrifuge control panels at the ATP will be KAI panels, and so that the panels will be fully compatible with the ATP Distributive Control System (DCS).

HRSD COMMISSION MEETING MINUTES
February 28, 2017

ATTACHMENT #3

AGENDA ITEM 4. – Chesapeake Campground Nutrient Offset Agreement

CHESAPEAKE BAY NUTRIENT OFFSET AGREEMENT

THIS CHESAPEAKE BAY NUTRIENT OFFSET AGREEMENT (this “Agreement”) made this 18th day of March, 2017, by and between the Hampton Roads Sanitation District (“HRSD”) and Chesapeake Campground (“CC”) (each a “Party” and jointly the “Parties”).

BACKGROUND

A. HRSD provides wastewater treatment services for municipal wastewater generated within Chesapeake, whose territory is embraced by and included within such district.

B. CC owns and operates a campground and event venue located at 693 George Washington Highway South, Chesapeake, Virginia 23323 and plans to install a new treatment system for domestic waste to remedy failing septic drainfields and thereby improve water quality and protect public health. CC is in the process of obtaining a VPDES Permit to authorize discharges based on a design flow rate of 10,000 gpd (“CC Treatment System”) into New Mill Creek, a tributary of the Elizabeth River watershed.

C. HRSD facilities are, and CC Treatment System if constructed would be, subject to the General Virginia Pollutant Discharge Elimination System Watershed Permit Regulation for Total Nitrogen (“TN”) and Total Phosphorus (“TP”) Discharges and Nutrient Trading in the Chesapeake Bay Watershed in Virginia, 9 VAC 25-820, issued by the State Water Control Board and the Virginia Department of Environmental Quality (jointly, “DEQ”) effective February 8, 2017, as hereafter modified or reissued from time to time (the “Watershed General Permit”).

D. HRSD owns and operates seven major wastewater treatment plants that are authorized to discharge TN and TP to the same major Chesapeake Bay tributary system as the CC Treatment System (the “HRSD James River Basin Plants”). The HRSD James River Basin Plants have been assigned TN and TP waste load allocations under the Water Quality Management Planning Regulation, 9 VAC 25-720, under the Chesapeake Bay TMDL and Virginia Watershed Implementation Plan, and the Watershed General Permit (the “HRSD James River Basin Allocations”).

E. The HRSD James River Basin Plants currently discharge less TN and TP than currently allowed under the HRSD James River Basin Allocations and, therefore, HRSD currently has the ability to provide TN and TP offsets on a temporary basis sufficient to meet the offset requirement applicable to the CC Treatment System. In addition, pursuant to Code of Virginia section 62.1-44.19;12 *et seq.*, 9 VAC 25-720-40 A, and 9 VAC 25-820-70, Part II B 1 a, HRSD is authorized to transfer in its discretion, and CC is authorized to acquire, a portion of the HRSD James River Basin Allocations to satisfy CC’s offset obligation under the Watershed General Permit.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and conditions herein, and for good and valuable consideration, the receipt and sufficiency of which the Parties acknowledge, the Parties agree as follows.

1. Transfer of Offset Allocations. Beginning for the compliance year which starts January 1, 2017 and for each compliance year thereafter through and including compliance year 2026, HRSD hereby transfers from its HRSD James River Basin Allocations to CC, and CC hereby accepts, a temporary allocation of 92 pounds per year (“lbs/yr”) of TN and 32 lbs/yr of TP (the “Offset Allocations”). HRSD shall have no obligation to extend the availability of the Offset Allocations beyond December 31, 2026, but may elect to do so in its discretion following a request for such an extension from CC. Any such extension shall be in writing as an amendment to this Agreement pursuant to Paragraph 20 below. Notwithstanding the other provisions of this Paragraph 1, this Agreement and the Offset Allocations transfer are expressly contingent upon the continued ability of HRSD to provide the Offset Allocations under current operating conditions and current laws and regulations including without limitation the HRSD James River Basin Allocations. If, by any order, law, regulation or changes thereto, such ability ceases, HRSD’s obligation to provide the Offset Allocations shall cease and this Agreement shall be renegotiated pursuant to Paragraph 19.

2. No Monetary Cost for Offset Allocations. In consideration of the unique circumstances described above in addition to the mutual covenants and conditions set forth herein, there shall be no monetary cost charged by HRSD to CC for the Offset Allocations supplied under this Agreement.

3. Limitation on Use of Offset Allocations. CC agrees that its sole and limited use of the Offset Allocations shall be for CC Treatment System discharges under the Watershed General Permit and that it shall not transfer any portion of the Offset Allocations to any other person or entity. In the event that CC Treatment System operations for any compliance year generate nutrient credits as a result of discharging less TN or TP than the Offset Allocations, CC shall, upon request of HRSD, transfer such credits to HRSD for HRSD’s use or exchange for that compliance year.

4. CC’s Watershed General Permit Registration. As soon as practicable for HRSD following execution of this Agreement, HRSD on behalf of CC shall file a registration statement signed by CC for the CC Treatment System with DEQ under the provisions of the Watershed General Permit and submit to DEQ an offset plan consistent with the provisions of this Agreement including but not limited to the temporary nature of the Offset Allocations.

5. HRSD’s Exchange Compliance Plan Modification Request. HRSD is a member of the Virginia Nutrient Credit Exchange Association, Inc. (the “Nutrient Exchange”) and a participant in the Exchange Compliance Plan previously submitted by the Nutrient Exchange to DEQ pursuant to the Watershed General Permit. During the next annual update of the Exchange Compliance Plan due to DEQ on or before February 1, 2018, HRSD shall request that the Nutrient Exchange modify such plan with respect to the HRSD James River Basin Allocations to

make appropriate revisions consistent with the temporary Offset Allocations provided under this Agreement.

6. Sewer Connection. CC agrees to connect its system and property to a public sanitary sewer system if and when such service becomes available at the property. If CC connects its system or property to the sanitary sewer system, CC shall request that DEQ terminate the CC Treatment System's VDPEs discharge permits and the temporary Offset Allocations shall automatically terminate at the time of connection.

7. CC Treatment System Regulatory Compliance. Recognizing the importance of complying with all applicable VPDES discharge permit requirements and of HRSD's mission to prevent discharges contributing to water pollution in the Hampton Roads region, CC agrees that HRSD shall have the right to terminate this agreement if in its sole discretion HRSD determines that (a) the CC Treatment System routinely or frequently fails to comply with its VPDES discharge permit and (b) CC is not working or has not worked with DEQ and HRSD in a reasonable and timely manner to correct such failures.

8. Term and Survival. The term of this Agreement shall be ten (10) years unless terminated earlier in the event of connection to a sanitary sewer system (Paragraph 6) or failure of the CC Treatment System to maintain compliance (Paragraph 7). Notwithstanding the preceding sentence, if either Party fails to perform a material obligation hereunder, and fails to cure such failure to perform within sixty (60) days of written notice from the non-defaulting Party, the non-defaulting Party may terminate this Agreement upon written notice to the other Party. Without limiting this Paragraph 8, to the extent the mutual covenants of the Parties under this Agreement create obligations that extend beyond the termination or expiration of this Agreement, the applicable provisions of this Agreement shall be deemed to survive such termination or expiration for the limited purpose of enforcing such covenants and obligations in accordance with the terms hereof.

9. Permits and Approvals. Other than as specifically stated herein, each Party shall be solely responsible for any governmental permits and approvals necessary for the accomplishment or completion of its responsibilities under this Agreement. For clarity, HRSD shall have no responsibility for or as a result of the failure or refusal of DEQ to approve the Offset Allocation transfer contemplated under this Agreement.

10. Mutual Cooperation. The Parties shall continue to cooperate with each other in any manner reasonably necessary to confirm or bring about the transfer of the Offset Allocations as provided herein.

11. Authorization. Each Party represents that its execution, delivery and performance under this Agreement have been duly authorized by all necessary action on its behalf, and do not and will not violate any provision of its charter 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. To each Party's knowledge there are no actions, suits or proceedings, pending or threatened against such Party or any of its properties, before any

court or governmental authority that, if determined adversely to such Party, would have a material adverse effect on the transactions contemplated by this Agreement.

12. No Third Party Beneficiaries. This Agreement is solely for the benefit of the Parties hereto and their permitted successors and assignees and shall not confer any rights or benefits on any other person.

13. No Assignment. CC shall not transfer or assign this Agreement, or its rights or obligations hereunder, without the prior written consent of HRSD, which consent may be withheld in HRSD's sole discretion.

14. Expenses. Each Party shall pay its own fees and expenses, including its own counsel fees, incurred in connection with this Agreement or any transaction contemplated hereby, except that within five (5) days of the date of this Agreement CC shall reimburse HRSD's counsel fees for developing this agreement in the amount of \$1,500 by check made payable to HRSD. Notwithstanding any other provision of this agreement, CC's failure to pay such amount by such deadline shall entitle HRSD to immediately terminate this Agreement in its sole discretion.

15. Brokerage Commissions. The Parties represent and warrant to each other that they have not dealt with any business broker or agent who would be entitled to a brokerage commission or finders fee as a result of this Agreement or any related transactions. Each Party agrees, to the extent permitted under law and without waiving sovereign immunity, to indemnify and hold the other harmless from any and all claims for commissions of broker's or finder's fees claiming by, through or under the indemnifying Party, including any losses related to any such claim.

16. Notices. All notices, requests, demands, claims and other communications hereunder shall be in writing, shall be delivered in person or by mail (first class postage pre-paid), or overnight delivery and shall be deemed given when delivered in person or, if not delivered in person, when received (or delivery is refused) by the Party to whom such notice, request, demand, claim or other communication is directed, at the following address, or at such other address as a Party shall designate by written notice to the other Party:

If to CC:

*Chesapeake Campground
693 S. George Washington Hwy.
Chesapeake, VA 23323*

If to HRSD:

General Manager
Hampton Roads Sanitation District
1436 Air Rail Avenue
Virginia Beach, VA 23455-3002

with a copy to the Director of Water Quality at the same address.

17. Governing Law; Venue; Severability. This Agreement shall be construed in accordance with and governed for all purposes by the laws of the Commonwealth of Virginia. This Agreement is a Virginia contract deemed executed and accepted in the City of Virginia Beach; and all questions with respect to any of its provisions shall be instituted, maintained, and contested in a court of competent jurisdiction in the City of Virginia Beach, Virginia or the U.S. District Court for the Eastern District of Virginia. If any word or provision of this Agreement as applied to any Party or to any circumstance is adjudged by a court to be invalid or unenforceable, the same shall in no way affect any other circumstance or the validity or enforceability of any other word or provision.

18. No Waiver. Neither any failure to exercise or any delay in exercising any right, power or privilege under this Agreement by either Party shall operate as a waiver, nor shall any single or partial exercise of any right, power or privilege hereunder preclude the exercise of any other right, power or privilege. No waiver of any breach of any provision shall be deemed to be a waiver of any preceding or succeeding breach of the same or any other provision, nor shall any waiver be implied from any course of dealing.

19. Change in Law. In the event of any material change in applicable laws or regulations, the Parties shall work together to amend this Agreement to conform to such change, while maintaining as closely as practical the provisions and intent of this Agreement. If in any such event HRSD is unable to transfer the Offset Allocations as provided herein, CC shall be solely responsible for otherwise meeting its offset requirement under the Watershed General Permit.

20. Entire Agreement; Amendments. This Agreement contains the entire agreement between the Parties as to the subject matter hereof and supersedes all previous written and oral negotiations, commitments, proposals and writings. No amendments may be made to this Agreement except by a writing signed by both Parties.

21. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument. The Parties further agree that a facsimile, scanned or electronic signature may substitute for and have the same legal effect as an original signature, and that any copy of this executed Agreement made by photocopy, facsimile or scanner shall be considered an original.

IN WITNESS WHEREOF, the Parties hereto have caused the execution of this Agreement as of the date first written above.

**HAMPTON ROADS SANITATION
DISTRICT**

By:



Edward G. Heniff
General Manager

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

[SIGNATURE PAGE OF CHESAPEAKE BAY NUTRIENT OFFSET AGREEMENT
BY AND BETWEEN HRSD AND CHESAPEAKE CAMPGROUND]

CHESAPEAKE CAMPGROUND

By: Marion Lee Bayler Mackley
Name: Marion Lee Bayler Mackley
Title: Manager

HRSD COMMISSION MEETING MINUTES
February 28, 2017

ATTACHMENT #4

AGENDA ITEM 5. – Hampton Roads Water Quality Credit Agreement for Chesapeake Bay Restoration

HAMPTON ROADS WATER QUALITY CREDIT AGREEMENT FOR CHESAPEAKE BAY RESTORATION

THIS HAMPTON ROADS WATER QUALITY CREDIT AGREEMENT FOR CHESAPEAKE BAY RESTORATION (this “Agreement”) is made this 31st day of March, 2017, by and between the Hampton Roads Sanitation District (“HRSD”) and the City of Hampton (the “City”) (each a “Party” and jointly, the “Parties”).

BACKGROUND

A. The HRSD Plants. HRSD owns and operates various wastewater treatment plants that are authorized to discharge the nutrients total nitrogen (“TN”) and total phosphorus (“TP”) as well as sediment as total suspended solids (“TSS”) to the Chesapeake Bay watershed (the “HRSD Plants”). The HRSD Plants have TN, TP and TSS waste load allocations assigned by the State Water Control Board and the Virginia Department of Environmental Quality (jointly, “DEQ”) pursuant to the Water Quality Management Planning Regulation, 9 VAC 25-720, and by the U.S. Environmental Protection Agency (“EPA”) pursuant to the Chesapeake Bay Total Maximum Daily Load (“TMDL”) and related Virginia Watershed Implementation Plan (“WIP”). The HRSD Plants are subject to the General Virginia Pollutant Discharge Elimination System (“VPDES”) Watershed Permit Regulation for TN and TP Discharges and Nutrient Trading in the Chesapeake Bay Watershed in Virginia, 9 VAC 25-820, most recently reissued by DEQ effective February 8, 2017, as hereafter modified or reissued from time to time (the “Watershed General Permit”). Due to exceptional performance and current operating conditions, the HRSD Plants currently discharge less TN, TP and TSS than they are authorized to discharge under the Watershed General Permit while protecting Chesapeake Bay water quality and, therefore, HRSD has the ability to provide TN, TP and TSS credits on at least a temporary basis.

B. The Locality MS4. The City owns and operates a municipal separate stormwater sewer system (“MS4”) authorized to discharge TN, TP and TSS to the Chesapeake Bay watershed. Like the HRSD Plants, the MS4 is subject to the Chesapeake Bay TMDL as derived from the Virginia WIP and to a VPDES Permit issued to the City by DEQ. Pursuant to the TMDL, WIP and VPDES Permit for the MS4, it is anticipated that the City will reduce MS4-related TN, TP and TSS discharges pursuant to City-developed and DEQ-approved TMDL Action Plans for each of three, five-year permit cycles, which are referred to as the First Bay TMDL Permit Cycle (5% Progress), Second Bay TMDL Permit Cycle (40% Progress), and Third Bay TMDL Permit Cycle (100% Progress). During 2017, the City is in its First Bay TMDL Permit Cycle.

C. The SWIFT Project. HRSD’s Sustainable Water Initiative For Tomorrow (“SWIFT”) Project was conceived with multiple benefits in mind for the Hampton Roads region. Aside from TMDL benefits, this innovative water purification project is designed to enhance the sustainability of the long-term groundwater supply and help address other environmental pressures such as sea level rise and saltwater intrusion. The SWIFT Project is intended to achieve these benefits by taking already-treated wastewater that would otherwise be discharged into the Chesapeake Bay watershed, purifying it through additional rounds of advanced water treatment to meet drinking water standards, and injecting the resulting drinking quality water into the Potomac aquifer deep underground. With respect to TMDL benefits, SWIFT will result in a

significant reduction in the total volume of HRSD discharge to the Chesapeake Bay watershed, to achieve greater environmental benefits with corresponding significant reductions of TN, TP and TSS discharges to the Chesapeake Bay watershed.

D. Legal Authority. Pursuant to Virginia Code § 62.1-44.19:21, the City may acquire and use TN and TP credits for purposes of compliance with the Chesapeake Bay TMDL loading reductions of its MS4 VPDES Permit, including credits generated by the HRSD Plants by discharging less TN or TP than permitted under the Watershed General Permit. Pursuant to Virginia Code § 62.1-44.19:21.1, the City may also acquire and use TSS credits for purposes of compliance with the Chesapeake Bay TMDL loading reductions of its MS4 VPDES Permit, including credits generated by the HRSD Plants by discharging less TSS than allocated under the Chesapeake Bay TMDL, WIP, and Watershed General Permit. With respect to all three parameters, it is recognized that this authority does not limit or otherwise affect the authority of DEQ to establish and enforce more stringent water quality-based effluent limitations in permits where such limitations are necessary to protect local water quality and, further, that the use of water quality credits does not relieve an MS4 permit holder of any requirement to comply with applicable local water quality-based limitations.

E. Redevelopment-Based MS4 TMDL Action Plan. The City expects to achieve its Chesapeake Bay TMDL reduction goals more cost-effectively by utilizing HRSD-generated TN, TP and TSS credits before and during operation of the SWIFT Project in lieu of stormwater retrofit projects on a condensed 10-year schedule (*i.e.*, Second and Third Bay TMDL Permit Cycles) coupled with ongoing stormwater quality improvements from redevelopment projects, which are subject to TP reduction criteria (and associated TN and TSS reductions) under the applicable water quality design requirements of DEQ's Virginia Stormwater Management Program Regulation, 9VAC25-870-63.A.2. By aligning with the normal redevelopment cycle rather than scheduling retrofits prior to redevelopment activity, the City's Chesapeake Bay TMDL Action Plan will also conserve scarce state and local resources for other important water quality projects.

F. Credit Trading Premise of SWIFT. For all of the above reasons and others, the ability to generate TN, TP, and TSS credits through the SWIFT Project and apply those credits as progress under the Hampton Roads localities' MS4 Permits and associated TMDL Action Plans is a fundamental premise for the SWIFT Project. HRSD is proceeding with the SWIFT Project, and the City is supporting it, in large part in reliance on these critical water quality trading-based benefits.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing premises (hereby incorporated as if fully set forth herein), the mutual covenants and conditions herein, and other good and valuable consideration, the receipt and sufficiency of which HRSD and the City acknowledge, the Parties hereby agree as follows.

1. Annual Credit Transfers Prior to SWIFT Feasibility Determination. Prior to HRSD's determination of SWIFT Project feasibility as provided below, HRSD shall annually generate and transfer to the City the quantity of water quality credits needed to meet the City's

compliance requirements under its DEQ-Approved Chesapeake Bay TMDL Action Plan for its MS4, as provided below. This annual transfer shall be made by HRSD's execution and delivery to the City of the Annual Water Quality Credit Transfer Form (Attachment B hereto) on or before May 20 immediately following each calendar year of HRSD's credit generation.

a. Determination of Total Reductions Needed. The City shall determine the total TN, TP and TSS reductions required for its full MS4 implementation of the Chesapeake Bay TMDL and WIP as issued in December 2010, in accordance with the procedures established in its VPDES Permit and DEQ Guidance Memorandum 15-2005, Chesapeake Bay TMDL Special Condition Guidance (May 18, 2015).

b. Credit Demand Minimization Elements. The City shall minimize its calculated reductions by (i) accurately mapping and delineating its existing MS4 service area, (ii) taking full credit for reductions achieved by stormwater projects and regulated redevelopment projects occurring prior to the effective date of the City's VPDES Permit in effect as of the effective date of this Agreement, and (iii) other procedures or accounting measures reasonably available to the City.

c. Credit Transfer Ceilings. HRSD's annual credit transfer obligations to the City shall not exceed the lesser of (i) the City's initial estimate of credit needs, or (ii) 95 percent of the City's total calculated reductions determined in accordance with Subparagraphs 1.a. and 1.b. and set forth in a DEQ-approved Chesapeake Bay TMDL Action Plan, or (iii) the quantity of credits actually needed to meet such total calculated reductions. The City's initial estimate of credit needs as of the effective date of this Agreement is set forth in Section 1 of Attachment A hereto. Following DEQ's approval of the City's Chesapeake Bay TMDL Action Plan and subsequent acceptance of the credit needs by HRSD as consistent with the requirements of this Subparagraph 1.c., HRSD shall issue an update to Attachment A setting forth in Section 2 thereof HRSD's actual annual credit transfer obligation determined in accordance with this Subparagraph 1.c.

d. Term & Termination of Initial Credit Transfers. HRSD's annual credit transfer obligations to the City under this Paragraph 1 shall expire upon (i) conversion to a permanent transfer as provided in Paragraph 2, (ii) termination as specifically authorized by any other provision of this Agreement, or (iii) December 31, 2036, whichever occurs first.

2. Permanent Transfer After SWIFT Feasibility Determination. Upon HRSD's determination that full-scale implementation of the SWIFT Project is feasible, HRSD shall permanently transfer to the City the quantity of credits (or comparable TN, TP and TSS waste load allocations to effect the permanent transfer contemplated by this Agreement) set forth for its MS4 on Attachment A hereto, as updated and issued by HRSD in accordance with Paragraph 1 c.

a. Factors for Feasibility Determination. Feasibility shall be determined in HRSD's sole discretion taking into account (i) whether all required permits and approvals have been acquired in final, non-appealable form acceptable to HRSD including the federal Safe Drinking Water Act Underground Injection Control Permit, (ii) whether the first full-scale HRSD plant upgrade is online and performing as desired, (iii) whether full-scale implementation of the SWIFT Project is technically and financially feasible, and (iv) other material factors.

b. Timing for Feasibility Determination. Without limiting HRSD's discretion to determine whether full-scale SWIFT Project implementation is feasible or when to make such determination, it is the mutual goal of the Parties for HRSD to make such determination as soon as reasonably possible and not later than December 31, 2025, so as to preserve the maximum amount of time prior to the termination date for the City to implement stormwater retrofit projects or other permit compliance measures that might be necessary should it be determined that the SWIFT Project is not feasible.

3. Regulatory Plans & Approvals. In furtherance of the annual credit transfer and, when applicable, the permanent transfer contemplated by this Agreement, the Parties shall collaborate on appropriate submittals to and requests of DEQ, as follows; however, HRSD shall have no responsibility for the failure or refusal of DEQ or other governmental authority to approve such transfers.

a. City's TMDL Action Plan. For purposes of annual and, when applicable, permanent transfers, the City shall each include in its Chesapeake Bay TMDL Action Plan a provision for the receipt and use of TN, TP and TSS credits from the HRSD Plants in the form set forth in Attachment C hereto (or such other form as may be mutually agreeable to the City and HRSD).

b. HRSD Watershed General Permit Registration. For purposes of permanent credit transfers, when applicable, HRSD shall modify its Watershed General Permit Registration to reflect such transfers.

c. Virginia Chesapeake Bay TMDL Phase III WIP. HRSD and the City shall collaborate to seek inclusion in the Phase III WIP of recognition of the SWIFT Project and the annual and, when applicable, permanent transfers contemplated by this Agreement.

4. Authorized Use of Credits. The City agrees that its sole and limited use of the TN, TP, and TSS credits transferred under this Agreement shall be for the purpose of MS4 Permit compliance and Chesapeake Bay TMDL implementation and that it shall not transfer any portion of HRSD-generated credits (or waste load allocations, if applicable) to any other person or entity. In the event that the City no longer requires some or all of the credits (or waste load allocations) for such use, they shall revert to HRSD and HRSD shall update and reissue Attachment A accordingly.

5. Mutual Cooperation. The Parties shall continue to cooperate with each other as reasonably necessary to confirm or bring about the transfers contemplated by this Agreement.

6. Permits & Approvals. If for any reason any federal, state, regional or local government or agency fails to issue any necessary permit, approval or other authorization for the SWIFT Project or the credit transfers contemplated by this Agreement, HRSD shall be excused from its performance hereunder.

7. Force Majeure. The obligations of HRSD, including its credit transfer obligations, shall be suspended while and as long as performance is prevented or impeded by strikes, disturbances, riots, fire, severe weather, acts of war, acts of terrorism, acts of God,

government action (other than by HRSD), major technical, engineering or construction related delays, or any other cause similar or dissimilar to the forgoing that is beyond the reasonable control of and not due to the gross negligence of HRSD.

8. Change in Law. In the event of any material change in applicable laws or regulations, the Parties shall work together to attempt to amend this Agreement to conform to such change, while maintaining as closely as practical the provisions and intent of this Agreement. If in any such event HRSD is unable to transfer credits as provided herein, the City shall be solely responsible for otherwise meeting its TMDL and MS4 Permit obligations.

9. Significant Financial & Budgetary Constraints. Notwithstanding any other provision of this Agreement or any prior determination of feasibility of the SWIFT Project, HRSD reserves the right to terminate or renegotiate this Agreement in the event HRSD experiences significant financial or budgetary challenges which, in HRSD's opinion, would significantly impair its ability to perform its obligations hereunder. In such event, the Parties shall work together to attempt to amend this Agreement to accommodate such challenges, with the goal of providing annual credits to the City (and to other Hampton Roads localities with similar water quality credit agreements) as practical.

10. Credit Supply Constraints. Notwithstanding any other provision of this Agreement, to the extent that HRSD determines in its sole discretion that its available quantity of water quality credits (or allocations) is insufficient to meet the total MS4 Chesapeake Bay TMDL Action Plan compliance requirements of the City and of all other Hampton Roads localities that are party or become party to a similar water quality credit agreement, HRSD's obligations hereunder shall be limited to transferring to the City its pro rata share of HRSD's available credits based on pollutant-specific total credit needs of all Hampton Roads localities. HRSD agrees to provide the City with notice of its ability only to transfer a pro rata share of HRSD's available credits as promptly as possible but no later than 90 days after becoming aware of the event limiting HRSD's ability to meet the total credit needs of all Hampton Roads Localities. For clarity, HRSD shall assume no obligation under this Agreement to install, upgrade, improve, or significantly alter the operation of any portion of its sewerage system or treatment works for purposes of providing water quality credits (or allocations).

11. No Third-Party Beneficiaries. This Agreement is solely for the benefit of the Parties hereto and their permitted successors and assigns and shall not confer any rights or benefits on any other person or entity.

12. No Assignment. This Agreement, and the rights and obligations established hereunder, shall be binding upon and inure to the benefit of any successors of the Parties. However, no Party may transfer or assign this Agreement, or its rights or obligations hereunder, without the prior written consent of the other Party, which consent shall not be unreasonably withheld.

13. Expenses; Commissions. Except as provided herein, each Party shall pay its own fees and expenses, including its own counsel fees, incurred in connection with this Agreement or any transaction contemplated hereby. The Parties represent and warrant to each other that they

have not dealt with any business broker or agent who would be entitled to a brokerage commission or finders fee as a result of this Agreement or any related transactions. .

14. Governing Law; Venue; Severability. This Agreement shall be construed in accordance with and governed for all purposes by the laws of the Commonwealth of Virginia. This Agreement is a Virginia contract deemed executed and accepted in the City of Virginia Beach; and all questions with respect to any of its provisions shall be instituted, maintained, and contested in a court of competent jurisdiction in the City of Virginia Beach, Virginia or the U.S. District Court for the Eastern District of Virginia. If any word or provision of this Agreement as applied to any Party or to any circumstance is adjudged by a court to be invalid or unenforceable, the same shall in no way affect any other circumstance or the validity or enforceability of any other word or provision.

15. No Waiver. Neither any failure to exercise or any delay in exercising any right, power or privilege under this Agreement by either Party shall operate as a waiver, nor shall any single or partial exercise of any right, power or privilege hereunder preclude the exercise of any other right, power or privilege. No waiver of any breach of any provision shall be deemed to be a waiver of any preceding or succeeding breach of the same or any other provision, nor shall any waiver be implied from any course of dealing.

16. Entire Agreement; Amendments. This Agreement contains the entire agreement between the Parties as to the subject matter hereof and supersedes all previous written and oral negotiations, commitments, proposals and writings. No amendments may be made to this Agreement except by a writing signed by both Parties.

17. Counterparts; Signatures; Copies. This Agreement may be executed in counterparts, both of which shall be deemed an original, but all of which together shall constitute one and the same instrument. A facsimile or scanned signature may substitute for and have the same legal effect as an original signature. Any copy of this executed Agreement made by photocopy, facsimile or scanner shall be considered the original for all purposes.

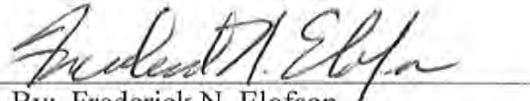
18. Authorization. Each Party represents that its execution, delivery and performance under this Agreement have been duly authorized by all necessary action on its behalf, and do not and will not violate any provision of its charter or enabling legislation or result in a material breach of or constitute 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.

IN WITNESS WHEREOF, the Parties hereto have caused the execution of this Agreement as of the date first written above.

[SIGNATURES BEGIN ON NEXT PAGE]

**SIGNATURE PAGE OF HAMPTON ROADS WATER QUALITY CREDIT
AGREEMENT FOR CHESAPEAKE BAY RESTORATION BY AND BETWEEN
HRSD AND CITY OF HAMPTON**

HAMPTON ROADS SANITATION DISTRICT

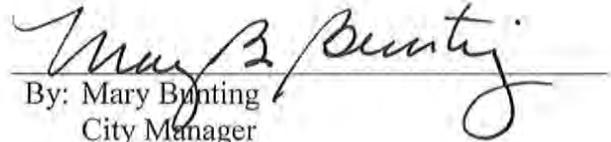


By: Frederick N. Elofson
Commission Chair

CITY OF HAMPTON



By: Donnie R. Tuck
Mayor



By: Mary Bunting
City Manager

**HAMPTON ROADS WATER QUALITY CREDIT AGREEMENT
FOR CHESAPEAKE BAY RESTORATION
ATTACHMENT A**

Water Quality Credit Needs for Second & Third Bay TMDL Permit Cycles

*Section 1: Initial Estimate of Credit Needs (lbs/yr)
[As Estimated by City as of Effective Date of this Agreement]*

Parameter	James River Basin			York River Basin		
	2 nd Permit Cycle	3 rd Permit Cycle	Total Both Cycles	2 nd Permit Cycle	3 rd Permit Cycle	Total Both Cycles
TN	1,386	2,376	3,762	2,326	3,987	6,313
TP	329	564	893	553	947	1,500
TSS	150,688	258,322	409,010	191,183	327,743	518,926

*Section 2: City-Calculated and HRSD-Accepted Credit Needs (lbs/yr)
Under DEQ-Approved TMDL Action Plan and Subparagraph 1.c. of this Agreement
[As Accepted by HRSD After DEQ Approval of City's TMDL Action Plan]*

Parameter	James River Basin			York River Basin		
	2 nd Permit Cycle	3 rd Permit Cycle	Total Both Cycles	2 nd Permit Cycle	3 rd Permit Cycle	Total Both Cycles
TN	TBD	TBD	TBD	TBD	TBD	TBD
TP	TBD	TBD	TBD	TBD	TBD	TBD
TSS	TBD	TBD	TBD	TBD	TBD	TBD

For any credit need noted as “To Be Determined” or “TBD,” please refer to Paragraph 1.c. for process for updating and reissuing this Attachment A.

**HAMPTON ROADS WATER QUALITY CREDIT AGREEMENT
FOR CHESAPEAKE BAY RESTORATION
ATTACHMENT B**

Annual Water Quality Credit Transfer Form

Instructions: To be completed and executed by HRSD and delivered to the City on or before each May 20 immediately following the calendar year of credit generation by HRSD.

By execution and delivery of this Annual Credit Transfer Form, HRSD transfers the following water quality credits in the amounts specified to the City in accordance with, and for the specific and limited purposes of, the Hampton Roads Water Quality Credit Agreement for Chesapeake Bay Restoration.

Transferor: Hampton Roads Sanitation District

Transferee (MS4): City of Hampton, Virginia

Year Credits Generated: _____

Date Credits Transfer: _____

River Basin	TN (lbs/yr)	TP (lbs/yr)	TSS (lbs/yr)
James			
York			

Signed (for HRSD): _____

Name (Print): _____

Title: _____

HAMPTON ROADS WATER QUALITY CREDIT AGREEMENT
FOR CHESAPEAKE BAY RESTORATION
ATTACHMENT C

MS4 TMDL Action Plan Provision for Use of HRSD-Generated Water Quality Credits

The City is implementing a redevelopment-based MS4 TMDL Action Plan consisting of three primary components: (1) Current Stormwater Projects, (2) the HRSD SWIFT Project, and (3) Future Redevelopment Projects. Each of the three components of the plan is further described below.

Current Stormwater Projects. The first component of this plan consists of water quality improvements from current stormwater projects, including recent, ongoing or other near-term projects credited in accordance with the procedures established in MS4 Permit and DEQ Guidance Memorandum 15-2005, Chesapeake Bay TMDL Special Condition Guidance (May 18, 2015). For purposes of the First Bay TMDL Permit Cycle and the associated TMDL Action Plan, this includes creditable projects completed or to be completed prior to the end of the first permit cycle. A schedule of the reduction credits from such projects is set forth herein.

SWIFT Project. The second component of this plan is the generation and use of TN, TP and TSS credits before and during operation of the SWIFT Project in collaboration with HRSD pursuant to the Hampton Roads Water Quality Credit Agreement for Chesapeake Bay Restoration to which the City and HRSD are signatories. This compliance method is in lieu of more traditional stormwater retrofit projects, which may not be feasible to execute on a condensed 10-year schedule (i.e., Second and Third Bay TMDL Permit Cycles). Not only does this method have the advantage of more reliably meeting the MS4 Permit's short deadlines, but it is also beneficial to the public in that it will meet the City's Chesapeake Bay TMDL reduction goals more cost-effectively than otherwise possible. This component of the plan is fully in accordance with Virginia Code §62.1-44.19:21 (TN and TP) and §62.1-44.19:21.1 (TSS). the quantity of reduction credits from the SWIFT Project that are allocated to this TMDL Action Plan for the James River Basin are _____ lbs/yr TN, _____ lbs/yr TP, and _____ lbs/yr TSS and for the York River Basin are _____ lbs/yr TN, _____ lbs/yr TP, and _____ lbs/yr TSS.

Future Redevelopment Projects. The third component of this plan is the City's intent to achieve reductions through additional stormwater quality improvements from redevelopment projects, even though the first two components are expected to fully meet the Chesapeake Bay TMDL requirements of the City's MS4 Permit. The City requires redevelopment projects to comply with TP reduction criteria (and thus to also achieve associated TN and TSS reductions) under the applicable water quality design requirements of DEQ's Virginia Stormwater Management Program Regulation, 9VAC25-870-63.A.2. An additional benefit of aligning this plan with the normal redevelopment cycle (rather than scheduling retrofits prior to redevelopment activity) is the conservation of scarce state and local resources for other important public purposes. As this plan component is not required to meet MS4 Permit requirements, no schedule of reduction credits is provided; however, the City intends to track such reductions for appropriate credit in the future.

HRSD COMMISSION MEETING MINUTES
February 28, 2017

ATTACHMENT #5

AGENDA ITEM 6. – Middlesex County Cost Sharing of Sewer System Projects
Memorandum of Agreement

[* Agreement](#)

[* First Amendment approved at 03/27/18 Commission Meeting](#)

**MEMORANDUM OF AGREEMENT
BETWEEN
THE HAMPTON ROADS SANITATION DISTRICT
AND
MIDDLESEX COUNTY
FOR
COST SHARING OF SEWER SYSTEM PROJECTS**

This Memorandum of Agreement for Cost Sharing of Sewer Collection System Projects defines the responsibilities of the Hampton Roads Sanitation District (HRSD) and Middlesex County (the COUNTY) related to study, design and construction of sanitary sewer collection systems within Middlesex County to be connected to HRSD interceptor and treatment facilities.

BACKGROUND

1. HRSD is a political subdivision of the Commonwealth responsible for the effective treatment and disposal of wastewater in the communities that are within the HRSD service area to protect public health and the waters of the Commonwealth. HRSD is responsible for treatment capacity and piping to "intercept" local collection systems and convey those flows to the HRSD treatment facilities. HRSD owns and operates one treatment facility in Middlesex County that serves the Courthouse and County jail facilities.
2. Middlesex County is within the territory that has been legislatively and court ordered to be within the Hampton Roads Sanitation District. Middlesex County is responsible for determining where sewer service will be provided within the COUNTY and land use designations that determine the potential sewage flow from each area so designated. There are currently no sanitary sewer collection systems within the COUNTY connected to the HRSD system with the exception of the independent Town of Urbanna.
3. The COUNTY is interested in providing sewer service to other areas of the COUNTY. The COUNTY would like to take advantage of the expertise of HRSD to help determine feasibility, design and construct collection systems within the COUNTY.
4. HRSD has previously funded studies that have investigated the feasibility of adding sewer facilities to various parts of the COUNTY. These studies have been accomplished at HRSD's cost and have demonstrated that construction of collection system facilities within the COUNTY was cost prohibitive at that time. As a result the COUNTY has not moved forward on any specific project to date.

FEASIBILITY STUDIES

5. At the request of the COUNTY with appropriate approvals and in consultation with HRSD, HRSD will commission and conduct sewer feasibility studies up to and including development of a Preliminary Engineering Report (PER). Such studies shall be funded by HRSD (subject to funds availability) upon authorization by the COUNTY and completed accordance mutually agreed upon terms, cost and time schedules. Should a project not move forward within 24 months of completion of a study requested and authorized by the COUNTY, the COUNTY shall reimburse HRSD for the agreed cost of the study authorized by the County.

Project Design

6. If upon completion of a feasibility study and PER, the COUNTY desires to move a project through to detailed design and preparation of contract documents, HRSD shall fund (subject to funds availability) and manage that work on behalf of the COUNTY. All costs incurred by HRSD related to the collection system of any such project shall be reimbursed by the project funds once financing is secured by the COUNTY for construction of the collection system. Costs associated with interceptors and treatment facilities shall be HRSD's responsibility.

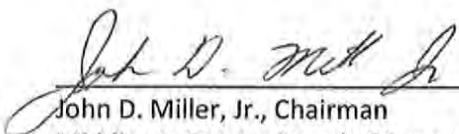
Construction

7. HRSD will manage the bidding process and construction on behalf of the COUNTY for any sanitary sewer project, including collection system projects. All costs associated with construction, inspection and administration related to the collection system portion of the project shall be included in the project cost and reimbursed to HRSD by the County. HRSD shall be responsible for all costs associated with transmission force mains, interceptors and treatment to be provided per HRSD policy.

Reimbursement

8. All payments due under this agreement shall be made within 60 days of demand. HRSD shall provide access to all records and support all payment requests with appropriate documentation (contracts, internal time accounting and hourly rates, etc.) HRSD labor will be reimbursed at the fully burdened labor rate established by HRSD during the applicable fiscal year. Should HRSD terminate the study prior to completion, HRSD forfeits all claims for reimbursement.

Signatures



John D. Miller, Jr., Chairman
Middlesex County Board of Supervisors
Date: 7/11/17



Ted Henifin
Hampton Roads Sanitation District
Date: 7/21/2017

**FIRST AMENDMENT TO MEMORANDUM OF AGREEMENT BETWEEN THE
HAMPTON ROADS SANITATION DISTRICT AND MIDDLESEX COUNTY FOR
COST SHARING OF SEWER SYSTEM PROJECTS**

This First Amendment to Memorandum of Agreement Between the Hampton Roads Sanitation District and Middlesex County For Cost Sharing of Sewer System Projects (hereinafter "MOU"), which was fully executed on July 21, 2017, is effective as of the latter signature date hereof by and between The Board of Supervisors of Middlesex County, Virginia (County) and Hampton Roads Sanitation District (HRSD), sometimes collectively referred herein as "the parties".

WHEREAS, the parties desire to amend the MOU as set forth in this First Amendment.

NOW THEREFORE, in consideration of the foregoing recitals and mutual covenants set forth herein and other good and valuable consideration, the parties hereby agree as follows:

1. The following sentence shall be added to the end of paragraph 5, entitled Feasibility Studies:

However, if the estimated project costs as determined by the Preliminary Engineering Report (PER) (based on the original scope as defined in the task order) are twenty-five (25%) percent higher or more than the initial concept project estimates provided to the County by Bowman Consulting, and if the County decides not to proceed with such project(s), then the parties shall split equally the costs of said studies.

2. All of the other terms and conditions of the MOU not in conflict with the provisions of this First Amendment shall remain in full force and effect.

Signatures:

Middlesex County Board of Supervisors

Date: 3/15/18

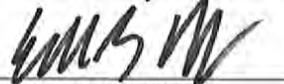
By: 

Name: Mark E. Holt III

Title: Chairman of Middlesex County
Board of Supervisors

HRSD

Date: 3/15/2018

By: 

Name: Ted Henifin

Title:

Approved as to form:


County Attorney

HRSD COMMISSION MEETING MINUTES
February 28, 2017

ATTACHMENT #6

AGENDA ITEM 7. – Norchester Street Pump Station Replacement
Disposition of HRSD Owned Property at 931 and 939 Norchester Avenue

AMENDMENT / ADDENDUM TO PURCHASE AGREEMENT

Disclosure of Pump and Change of Closing Date



This document forms an integral part of the Purchase Agreement ("Agreement") dated 1/31/2017,
 between Realty Ventures, LLC ("Buyer") and
HRSD ("Seller")
 and Keller Williams Elite Town Center ("Selling Firm")
 and AtCoastal Realty ("Listing Firm")
 for all that certain piece, parcel or lot of land described as follows: 931 NORCHESTER Avenue
Norfolk, Va 23504-4023 ("Property").

The undersigned Buyer and Seller hereby agree to the following:

Buyer(s) acknowledge that 931 Norchester Avenue in Norfolk is located directly adjacent to a Hampton Roads Sanitation District pump station.

All parties agree that the sale of both 931 and 939 Norchester Avenue will take place on or before 3/9/2017

Except as expressly set forth above, all of the other terms and conditions of the Agreement not modified above, shall remain unchanged and in full force and effect.

Keller Williams Elite Town Center
(Selling Firm)

By: Deanna Stewart
dotloop verified
02/01/17 3:31PM EST
NJSM-0YW8-9D0B-BN8B
(Date)

AtCoastal Realty
(Listing Firm)

By: Nikki J. Reed 01 / 31 / 2017
(Date)

Buddy Thomas
dotloop verified
02/01/17 3:36PM EST
MELT-BWFW-A712-UYQN

(Buyer) (Date)

Ayanna Williams 01 / 31 / 2017
(Buyer) (Date)

(Seller) HRSD (Date)

(Seller) (Date)

FOR OPTIONAL USE AS PARTIES MAY ELECT

REAL ESTATE INFORMATION NETWORK, INC.
STANDARD PURCHASE AGREEMENT ("AGREEMENT")



THIS AGREEMENT is made this 1/27/17 (date),
between REALTY VENTURES, LLC ("Buyer"),
LRS D ("Seller"),
KELCE WILLIAMS ELITE TOWNCENTER ("Selling Firm") (1106400 MLS Office No.)
and ATLANTIC REALTY ("Listing Firm") (128706) MLS Office No.)

1. AGREEMENT TO SELL PROPERTY: Pursuant to the terms of this Agreement, Buyer agrees to buy and
Seller agrees to sell all that certain piece, parcel or lot of land and all improvements and fixtures on such
land described as follows: LEGAL DESCRIPTION:
SITE 134 LIBERTY PK SEC ONE also known as
931 NORCHESTER ST
NORFOLK, VA 23504 (Street address / City / State / Zip code)
including, but not limited to, those items listed and described in paragraph 15 (collectively, "Property").

2. DEPOSIT: The deposit (the "Deposit") shall be in the amount of
FIVE HUNDRED and 00/100 Dollars (\$ 500.00)
by [X] check or [] other
Purchaser has delivered the Deposit to Selling Firm, receipt of which is acknowledged by Selling Firm. If
Selling Firm is not Escrow Agent, Selling Firm shall deliver the Deposit to Escrow Agent within one (1)
business banking day of the ratification of this Agreement (such one (1) day period shall not be deemed to
extend the five (5) day period referenced in paragraph 5.B.). The Deposit shall apply as credit to Buyer at
settlement.

3. PURCHASE PRICE: The Purchase Price of the Property is as follows:
\$ 100,000.00 (One hundred thousand Dollars)
("Purchase Price") and shall be paid as follows:
\$ Downpayment by cashier's or certified check or wire transfer to
the settlement agent due at settlement;
\$ By loan to be obtained by Buyer;
and
\$ 99,500.00 By cash or other financing terms if applicable;

VA Funding Fee, FHA MIP or Conventional PMI to be financed as applicable. If private party
financing or assumption, then the appropriate addendum is attached and shall become a part of this
Agreement.

This Purchase Agreement was fully ratified and accepted by Buyer and Seller as of
02/01/2017 SIGNATURE: Deanna Stewart
(RATIFICATION DATE) [] LISTING AGENT OR [X] SELLING AGENT
Ratification shall have the meaning as set forth in Par. 5A.

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4. SETTLEMENT EXPENSES: Except as otherwise stated below, Seller shall pay (i) all expenses of deed preparation, the grantor's tax on the deed, appraiser reinspection fees, and all expenses, if any, for removal of title defects and (ii) those fees charged by lender for the specified financing which, by law, Buyer is not permitted to pay. Except as otherwise stated herein, all expenses incurred by Buyer in connection with this purchase, including without limitation, title examination fees and title insurance premiums, survey costs (including elevation certificate if required by lender), insurance premiums, discount points (unless prohibited by law), prepaids, recording costs and fees of Buyer's attorney or settlement agent, shall be paid by Buyer. The amount of seller contributions to Buyer's expenses, if any, shall be inclusive of those fees charged by lender for specified financing which, by law, Buyer is not permitted to pay. Any agreed upon seller contributions to Buyer's expenses shall not include any compensation, commission, fees, charges or other amounts payable to Selling Firm unless such payment is specifically agreed to in writing by Seller in this Agreement.

5. RATIFICATION / DEPOSIT:

- A.** For purposes of this Agreement, ratification shall mean the date of communication of final written acceptance by Buyer and Seller of all the terms of this Agreement, not the date of removal or expiration of any contingencies.
- B.** Escrow Agent shall place the Deposit in an escrow account within five (5) business banking days of the date of ratification of this Agreement, unless otherwise agreed to in writing by the parties. The Deposit shall remain in escrow until settlement or termination. If Escrow Agent is the Listing Firm or Selling Firm, the Deposit shall be held and applied in conformity to the Regulations of the Virginia Real Estate Board. Escrow Agent may place the Deposit in an interest bearing account. All interest, if any, which accrues with respect to the Deposit, shall become the sole and exclusive property of Escrow Agent. Buyer and Seller waive any and all right or entitlement to such interest. Escrow Agent shall hold the Deposit in escrow until (i) the Deposit is credited toward the Purchase Price at settlement; (ii) a court of competent jurisdiction orders disbursement of the Deposit; (iii) Buyer and Seller have agreed in writing as to the disposition of the Deposit; or (iv) the Deposit is disposed of in any other manner authorized by the Virginia Real Estate Board. If the Property is foreclosed upon while this Agreement is pending the terms of Section 54.1-2108.1 of the Code of Virginia shall apply to the disbursement of the Deposit. Foreclosure shall be considered a termination of this Agreement, and, absent a default by Buyer, the Deposit shall be disbursed to Buyer.

6. LOAN APPLICATION / LOAN DENIAL / INTENT TO OCCUPY:

A. LOAN APPLICATION:

- i.** Unless otherwise indicated below, within seven (7) days of ratification of this Agreement, Buyer shall apply for the specified financing from _____ (Name of Lender) and authorize and pay for a credit report, appraisal or other requirements of such lender. If this Agreement is contingent on any inspection of the Property in paragraph 14D, the deadline for Buyer to authorize the lender to order the appraisal is extended to three (3) days after removal of the Property Inspection Contingency. Should Buyer wish to change lenders, Buyer must obtain written permission from Seller.

- ii.** Buyer shall, promptly, diligently and in good faith, undertake each and every action necessary to obtain such financing. Buyer's failure to do so shall constitute a default of this Agreement. Except as otherwise provided in the Agreement, Buyer shall pay all costs associated with obtaining the financing. Buyer's failure to have available for settlement the cash required by this Agreement, including but not limited to downpayment, closing costs, and prepaids, shall constitute a default of this Agreement.

Initials: Buyer LF /
 Seller AM /

Page 2 of 13

91 Buyer has the responsibility to lock in the interest rate and discount points with respect to such
92 loan(s).
93 iii. Buyer authorizes lender to keep Listing Firm and Selling Firm apprised of progress and status of loan
94 approval, including verification that appraisal has been authorized by Buyer and confirmation of receipt
95 of the appraisal. Should the appraisal indicate an appraised value less than the Purchase Price and/or
96 require repairs, Buyer instructs lender to deliver a copy of the appraisal, applicable portions of the
97 appraisal or affidavit as to value and/or repairs, to Listing Firm upon Seller's request.

98 iv. **Buyer's failure to comply with the provisions of paragraph 6A shall constitute a default of this**
99 **Agreement and Seller shall have the right to terminate this Agreement.**

100 **B. LOAN DENIAL:** Buyer authorizes lender to notify Seller, Listing Firm and Selling Firm of
101 loan or assumption denial. If Buyer's loan or assumption application is denied, Buyer shall, within
102 three (3) days of any communication of denial to Buyer, provide written notice of such denial to Seller,
103 Listing Firm and Selling Firm. At Seller's request, Buyer shall provide Seller a copy of the lender's
104 denial notice and any additional documentation confirming the validity of such loan denial as is
105 reasonably requested by Seller. Provided that such denial was not the result of Buyer's default, including
106 Buyer's failure to act in good faith to obtain the financing or failure to have available for settlement the
107 cash required by the terms of this Agreement, either Buyer or Seller shall have the right to terminate this
108 Agreement. In the event of such termination: (i) all parties shall execute the appropriate release
109 agreement; (ii) the Deposit shall be refunded to Buyer in accordance with paragraph 5B of this Agreement;
110 and (iii) no party to this Agreement shall have any further rights against or obligations to any other party to
111 this Agreement. Buyer's failure to send the written notice of denial within such three (3) day time period
112 shall constitute a default under this Agreement. Seller may terminate this Agreement in the event of
113 Buyer's default for failure to send the written notice of denial or in the event that loan denial was the result
114 of Buyer's default. The rights and remedies set forth in this paragraph shall be in addition to the rights and
115 remedies specified in paragraph 18.

116 **C. INTENT TO OCCUPY:** Buyer DOES DOES NOT intend to occupy the Property as Buyer's
117 principal residence.

118 **7. REPRESENTATIONS:**

119 **A.** Unless otherwise specified in this Agreement, Buyer represents that neither this Agreement nor the
120 financing is dependent or contingent on the sale, settlement, lease or refinancing of other real property.

121 **B.** Buyer acknowledges that Seller is relying upon all of Buyer's representations, including, without limitation,
122 the accuracy of the financial information given by Buyer to Seller, Selling Firm or Listing Firm. If Buyer
123 makes any deliberate misrepresentation or material omission which results in Buyer's inability to obtain
124 approved financing then Buyer shall be deemed to be in default. Except as provided in paragraph 6B,
125 Buyer shall notify Seller, Listing Firm and Selling Firm in writing within three (3) days of Buyer's actual
126 notice of the occurrence of any material adverse change in Buyer's financial condition which prevents
127 Buyer from obtaining the specified financing under this Agreement. Buyer's failure to give notice of the
128 material adverse change required above shall constitute a default under the terms of this Agreement.
129 Within three (3) days of receipt of written notice of the material adverse change from Buyer, Seller shall
130 notify Buyer in writing of Seller's election to: (i) proceed to closing based upon a modification to this
131 Agreement acceptable to Seller and Buyer; (ii) require that Buyer deliver an acceptable First Right of
132 Refusal Agreement; or (iii) terminate this Agreement. The rights and remedies set forth in this paragraph
133 shall be in addition to the rights and remedies specified in paragraph 18.

134 **C.** Except as expressly provided below, Seller represents that Seller (i) owns good and marketable fee
135 simple title to the Property, (ii) has the right to transfer the Property without obtaining the consent or
136 approval of any other party, including, without limitation, judgment creditors, lienholders, or other lenders,
137 or any court including bankruptcy court or court having jurisdiction with respect to the distribution of marital
138 property, (iii) if necessary, has or will have sufficient cash or other liquid funds to make any payments
139 required to be made in order to pay all brokerage fees due and transfer the Property without any liens
140 attaching to the Property, and (iv) will be in a position to transfer title to the Property to Buyer free and clear
141 of all liens, leases and tenancies except as expressly provided in this Agreement.

Initials: Buyer

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Seller

AW	
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Exceptions: _____

D. Seller also represents and warrants that (Check appropriate box):

- The Property is not served by an onsite septic system.
- The Property is served by an onsite septic system that is not subject to a waiver.
- The Property is served by an onsite septic system that has been granted a waiver which is not transferable to Buyer. Buyer has received from Seller the Disclosure Regarding Validity of Septic System Operating Permit as required by §32.1-164.1:1 of the Code of Virginia, a copy of which is attached to this Agreement. A copy of the Onsite Sewage (Septic) Addendum is attached and shall become a part of this Agreement.

E. If any representation by Seller is materially untrue, Seller shall be deemed to be in default under the terms of this Agreement and Buyer shall have the right to terminate this Agreement, whereupon the Deposit shall be paid to Buyer, in accordance with paragraph 5B, and Buyer shall have all of its rights as the non-defaulting party under paragraph 18. Additionally, if settlement does not occur as a result of Seller's misrepresentations and Buyer incurs any expense relative to appraisal and property inspection, Seller will be deemed liable for such expense and Buyer may, in addition to its other rights under this Agreement, recover such expense, including reasonable attorney's fees, from Seller.

March 9, 2017

AW BT
02/01/17
3:36PM EST

8. SETTLEMENT / POSSESSION: Settlement to be on or before ~~XXXXXXXXXXXXXXXXXXXX~~ February 27, 2017 ("Settlement Date"). The Settlement Date may be extended by 10 days (if blank, the parties deem the extension to be 10 days) solely for the purpose of:

- i. processing and closing the specified loan in compliance with applicable law and/or
- ii. correcting any defects reported by a title examiner.

The Settlement Date shall be deemed to include any extension ONLY as provided for in (i) or (ii) above. If through no fault of Seller settlement has not occurred by the Settlement Date, then Seller, at Seller's option, may terminate this Agreement by written notice to Buyer. If through no fault of Buyer settlement has not occurred by the Settlement Date, then Buyer, at Buyer's option, may terminate this Agreement by written notice to Seller. Nothing contained herein shall be construed to limit, in any way, any other legal remedy or right Seller, Buyer, Listing Firm and/or Selling Firm may have for either party's failure to close on or before Settlement Date or at any time thereafter. Possession of the Property shall be given at settlement unless otherwise agreed to in writing by Buyer and Seller. At settlement, Seller shall execute and deliver (i) the Deed (defined below), (ii) a mechanic's lien affidavit acceptable to Buyer's title insurance company and (iii) such certificates or agreements as may be required by state and federal authorities for tax and residency purposes.

Choice of Settlement Agent: Chapter 27.3 (§55-525.16 et seq.) of Title 55 of the Code of Virginia provides that the Buyer has the right to select the settlement agent to handle the closing of this transaction. The settlement agent's role in closing this transaction involves the coordination of numerous administrative and clerical functions relating to the collection of documents and the collection and disbursement of funds required to carry out the terms of the contract between the parties. If part of the purchase price is financed, the lender for the Buyer will instruct the settlement agent as to the signing and recording of loan documents and the disbursement of loan proceeds. No settlement agent can provide legal advice to any party to the transaction except a settlement agent who is engaged in the private practice of law in Virginia and who has been retained or engaged by a party to the transaction for the purpose of providing legal services to that party.

Initials: Buyer LT
Seller AW

194 **Variation by agreement:** The provisions of Chapter 27.3 (§ 55-525.16 et seq.) of Title 55 of the Code of
195 Virginia may not be varied by agreement, and rights conferred by this chapter may not be waived. The
196 Seller may not require the use of a particular settlement agent as a condition of the sale of the
197 Property.

198 **Escrow, closing and settlement service guidelines:** The Virginia State Bar issues guidelines to help
199 settlement agents avoid and prevent the unauthorized practice of law in connection with furnishing
200 escrow, settlement or closing services. As a party to a real estate transaction, the Buyer is entitled to
201 receive a copy of these guidelines from the settlement agent, upon request, in accordance with the
202 provisions of Chapter 27.3 (§ 55-525.16 et seq.) of Title 55 of the Code of Virginia.

203 Buyer and Seller each authorize their respective attorneys, and/or the settlement agent, to furnish to Listing
204 Firm and Selling Firm, copies of the draft and final, true and complete settlement statement in connection with
205 this transaction.

206 **9. DEED AND TITLE:** Except as expressly provided in writing, representations and warranties made by Seller
207 herein and all other provisions of this Agreement shall be deemed merged into the deed delivered at
208 settlement and shall not survive settlement, unless otherwise provided herein. Seller shall convey marketable
209 and insurable title to the Property by general warranty deed, unless otherwise specified below, subject to any
210 easements, covenants and restrictions of record, which do not adversely affect the use of the Property for
211 residential purposes. Title to the Property shall be conveyed (i) free and clear of all liens, tenancies and
212 encumbrances of every kind except those stated herein, and (ii) with marketable and insurable access to a
213 publicly dedicated road.
214 _____
215 _____
216 _____
217 _____

218 **10. PRORATIONS / ESCROW:**

- 219 **A.** If new financing, or cash sale, all real property taxes, insurance, rents, interest, and appropriate
220 homeowner's association and/or condominium fees or dues and other reserves and assessments shall
221 be prorated as of Settlement Date.
222 **B.** If an assumption, all real property taxes, all insurance (if allowed), rents, interest, and appropriate
223 homeowner's association and/or condominium fees or dues and other reserves, if any, shall be
224 PRORATED or CURRENT AND TRANSFERRED GRATIS as of Settlement Date.

225 **11. VA/FHA/CONVENTIONAL FINANCING OR CASH CONTINGENCY:** If noted below, Buyer's obligations
226 under this Agreement are conditioned upon the applicable contingency: (Check A, B, C or D, as applicable)

- 227 **A. VA FINANCING:** It is expressly agreed that, notwithstanding any of the provisions of this Agreement,
228 Buyer shall not incur any penalty by forfeiture of earnest money or otherwise be obligated to complete
229 the purchase of the Property described by the Agreement if the agreed purchase price or cost exceeds
230 the reasonable value of the Property established by the Veterans Administration. Buyer shall, however,
231 have the privilege and option of proceeding with the consummation of this Agreement without regard to
232 the amount of the reasonable value established by the Department of Veterans Affairs. The Veteran
233 Buyer certifies that Buyer intends to occupy the Property as Buyer's primary residence.
234 **B. HUD/FHA FINANCING:** It is expressly agreed that, notwithstanding any other provisions of this
235 Agreement, Buyer shall not be obligated to complete the purchase of the Property described herein or
236 to incur any penalty by forfeiture of earnest money deposits or otherwise unless Buyer has been given
237 in accordance with HUD/FHA or VA requirements a written statement issued by the Federal Housing
238 Commissioner, Veterans Administration or a Direct Endorsement Lender setting forth the appraised
239 value of the Property (excluding closing costs) of not less than
240 \$ _____ . Buyer shall, however, have the
241 privilege and option of proceeding with consummation of this Agreement without regard to the amount

Initials: Buyer

LT	
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Seller

AW	
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of the appraised valuation. The appraised valuation is arrived at to determine the maximum mortgage the Department of Housing and Urban Development will insure.

C. CONVENTIONAL FINANCING: It is expressly agreed that, notwithstanding any other provisions of this Agreement, Buyer shall not incur any penalty by forfeiture of the Deposit or otherwise be obligated to complete the purchase of the Property if the Purchase Price exceeds the value established by the appraiser ("Appraised Value") and Seller does not agree to reduce the Purchase Price to the Appraised Value. Buyer shall have the privilege and option of proceeding to settlement without regard to the Appraised Value. In the event the Purchase Price exceeds the Appraised Value and Seller or Listing Firm notifies Buyer or Selling Firm that Seller agrees to reduce the Purchase Price to the Appraised Value, then this Agreement will remain in force and settlement shall occur as specified in paragraph 8 of this Agreement.

D. CASH: Buyer DOES / DOES NOT wish to order an appraisal. If Buyer wishes to order an appraisal, the appraisal must be paid for and ordered within seven (7) days after ratification of this Agreement or three (3) days after removal of the property inspection contingency referenced in paragraph 14D or the appraisal contingency shall be waived by Buyer. Notwithstanding any other provisions in this Agreement, Buyer reserves all rights outlined in paragraph 11C above in the event the Appraised Value is less than the Purchase Price.

12. PROPERTY CONDITION: With the exception of the rights reserved by Buyer pursuant to paragraph 14 and subject to any inspections provided for in paragraph 13, Buyer represents that Buyer has inspected the Property and accepts the Property in its present condition except noted as follows:

AW Buyer agrees this property will be sold as is, with seller making no changes or improvements to the property,

BT
02/01/17
3:36PM EST

Seller shall repair or replace the above noted items, in a workmanlike manner, at Seller's expense prior to the walk through inspection. Buyer acknowledges that Buyer has not relied upon any representation or warranty made by Listing Firm, Selling Firm or Seller not expressly set forth in this Agreement with respect to the condition of the Property. Seller shall deliver the Property at settlement, or as otherwise provided, in substantially the same condition as of the date of this Agreement, free of personal property, debris and trash. Seller assumes, until settlement, all risks of loss or damage to the Property by fire, windstorm, casualty or other hazards.

AW *BT*
02/01/17

13. INSPECTIONS/REPAIRS/TREATMENTS/CAP: Seller shall be responsible for the cost of repairs referenced in this paragraph 13 in a total amount not to exceed 0 % (if blank, the parties deem the amount to be 1%) of the Purchase Price ("the Cap"). Seller will remain obligated to make repairs arising under this paragraph 13A (Appraisal and Required Repairs), B (Wood Destroying Insect Infestation / Moisture / Inspection / Repairs), or C (Drinking Water and Septic) up to the amount of the Cap even if such repair is waived by Buyer as part of the Property Inspection Contingency Removal Addendum. If the total estimated costs of the repairs described in paragraphs 13 A, B, C, and D collectively exceed the Cap, then Buyer alone, or Seller alone, or Buyer and Seller jointly can agree to pay the excess. If neither party agrees to pay the excess amount and an acceptable alternative agreement cannot be reached, then this Agreement shall be terminated, all parties shall execute a release agreement, and the Deposit shall be refunded in full to Buyer.

A. APPRAISAL AND REQUIRED REPAIRS: Subject to the Cap, Seller shall make any repairs required by Lender as a result of the appraisal, or as may be required by governmental agencies, prior to the walk through inspection.

B. WOOD DESTROYING INSECT INFESTATION (WDII) / MOISTURE INSPECTION / REPAIRS:

1. INSPECTION / REPORTS: BUYER / SELLER shall obtain and authorize delivery at BUYER'S / SELLER'S expense, an approved Wood Destroying Insect Infestation Inspection Report and a Moisture Inspection Report, (collectively referred to as the "Reports") and any re-inspection reports if required, from a licensed pest control operator. The Wood Destroying Insect

Initials: Buyer *LT* /
Seller *AW*

295 Infestation Inspection Report shall show whether the Property's principal dwelling, garage, and the
 296 following additional structures _____ are free of visible wood destroying insect
 297 _____ are free of visible wood destroying insect
 298 infestation with no visible unrepaired damage from said infestation. The Moisture Inspection Report
 299 shall show whether readily accessible areas of the foundation and understructure, including crawl
 300 space, sill plates, joists, sub-flooring and substructure support timbers are free of standing water,
 301 visible moisture damage and wood destroying fungi. The Reports must be obtained and delivered to
 302 settlement agent, within _____ (_____) days after ratification of this Agreement. If
 303 new VA financing is involved, Seller shall reimburse Buyer for the cost of the original termite/moisture
 304 inspection, if paid by Buyer.

305 If the Reports are not obtained and delivered within the above time frame, the other party shall have
 306 the right to order the Reports at the expense of the party initially obligated to obtain the Reports. The
 307 obligation to reimburse the cost of obtaining the Reports by the other party shall not exceed
 308 \$ _____.

- 309 2. **TREATMENT:** Treatment, if required, shall be performed by the company issuing the Reports. Cost of
 310 treatment shall be at Seller's expense, subject to the Cap.
- 311 3. **REPAIRS:** Seller shall correct in a workmanlike manner, at Seller's expense, subject to the Cap, all
 312 standing water and damage identified in the Reports prior to the walk through inspection. The selection
 313 of the company to make any repairs, if required, shall be at the Seller's discretion. Buyer reserves the
 314 right to have the required repairs re-inspected at or prior to walk-through to ensure repairs were
 315 completed in a workmanlike manner.

316 **C. DRINKING WATER AND SEPTIC:**

- 317 1. **DRINKING WATER:** The Property is served by (Check One):
 318 **PUBLIC / PRIVATE** utilities supplying drinking water, OR
 319 **WELL / CISTERN** providing potable drinking water.
 320 **BUYER /** **SELLER** shall obtain prior to the walk through inspection at **BUYER'S /** **SELLER'S**
 321 expense, a test confirming the water is safe for human consumption from the appropriate
 322 governmental authority or from an acceptable private company, indicating that the well water is safe
 323 for human consumption. If the water is found unsafe for human consumption, and the property is
 324 not served by another potable water source (i.e. city water line), Seller shall remedy prior to the
 325 walk through inspection all defects and provide a test confirming the water is safe for human
 326 consumption at Seller's expense, subject to the Cap.

- 327 2. **SEPTIC:** **NOT ON SEPTIC**
 328 **SEPTIC ON WAIVER** (See paragraph 7D)
 329 **SEPTIC NOT ON WAIVER**

330 If the Property is served by a septic system **BUYER /** **SELLER** shall obtain prior to the walk
 331 through inspection at **BUYER'S /** **SELLER'S** expense, a certificate addressed to Buyer from the
 332 i) appropriate governmental authority or ii) an acceptable private company based on a physical
 333 inspection, indicating that there is no evidence of malfunction of the septic system. If the septic system
 334 is found defective, Seller shall repair prior to the walk through inspection all defects and provide the
 335 certificate required above at Seller's expense, subject to the Cap.

336 **D. WALK THROUGH INSPECTION:** Buyer reserves the right to have a walk through inspection prior to
 337 settlement to determine the Property is in substantially the same condition as of the date of this
 338 Agreement, and all appliances, heating and cooling equipment, plumbing and electrical systems, and all
 339 other equipment ("Walk Through Items") are in working order at time of settlement or possession,
 340 whichever occurs first. **BUYER /** **SELLER** shall be responsible for providing all utilities required for
 341 such inspection. Subject to the Cap, Seller shall repair all non-working Walk Through Items at Seller's
 342 expense unless waived. Neither Listing Firm nor Selling Firm shall be responsible for determining that the
 343 Walk Through Items are in working order.
 344

Initials: Buyer
 Seller
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345 14. CONTINGENCIES: This Agreement shall be contingent upon the following conditions and those noted in the
346 attached contingency addendum/addenda, if any:

347 A. CONDOMINIUM: Buyer and Seller acknowledge that the Property (check as applicable):

- 348 1. IS NOT in a community subject to the Virginia Condominium Act (the "Condo Act").
- 349 2. IS a resale of a Condominium Unit which currently has mandatory monthly fees
350 of approximately \$ _____ and is subject to the Condo Act and the Condominium
351 Addendum is attached to and shall become part of this Agreement. Buyer's rights under this
352 paragraph may not be waived.
- 353 3. WILL BE in a community subject to the Condo Act.
354 (i) Until delivery to Buyer of a current Public Offering Statement for the Condominium, this
355 Agreement shall constitute a nonbinding reservation agreement only and creates no obligation on
356 the part of Buyer and is subject to cancellation without penalty by Buyer in Buyer's sole discretion
357 in accordance with Section (ii) below.
358 (ii) Upon delivery to Buyer of a current Public Offering Statement, Buyer shall be deemed to have
359 entered into a binding purchase agreement subject to Buyer's right to cancel within ten (10) days
360 after delivery. If Buyer elects to cancel, Buyer may do so by written notice given in accordance
361 with paragraph 22, within the ten (10) day period. Such cancellation shall be without penalty, and
362 the Deposit shall be promptly refunded in its entirety, without interest. Buyer's rights under this
363 paragraph may not be waived.
- 364 4. IS a resale of a condominium unit in a condominium consisting of 3 or fewer units and as
365 such is exempt from the requirements in the Condo Act relating to a resale certificate and/or a
366 public offering statement. Prior to executing this Agreement, Buyer is advised to address all
367 concerns relating to the Property being a condominium unit, including without limitation and by
368 way of explanation, issues related to hazard and liability insurance, current and proposed
369 maintenance and repairs, common expenses, restrictions and agreements contained in the
370 documents creating the condominium and similar items.

371 B. PROPERTY OWNERS' ASSOCIATIONS: Buyer and Seller acknowledge that the Property (check one):

- 372 1. IS NOT in a community subject to the Virginia Property Owners' Association Act (the "POA Act").
- 373 2. IS in a community which currently has mandatory monthly fees of approximately
374 \$ _____ and is subject to the POA Act. The Property Owners' Association Addendum is
375 attached to and shall become part of this Agreement. Buyer's rights under this paragraph may not
376 be waived.

377 C. CO-OPERATIVE:

- 378 1. IS NOT in a community subject to the Virginia Real Estate Cooperative Act (the "Co-Op Act").
- 379 2. IS a Cooperative Unit which currently has mandatory monthly fees of approximately
380 \$ _____ and is subject to the Co-Op Act and the Cooperative Interest Addendum is
381 attached to and shall become part of this Agreement.

382 D. PROPERTY INSPECTIONS: Buyer may request, at Buyer's expense, the following inspections:

- 383 1. PROPERTY INSPECTION: An inspection of the Property at Buyer's cost to determine the condition of
384 the Property. Buyer WAIVES / DESIRES an inspection to be performed on the Property at
385 Buyer's expense. If Buyer desires a property inspection, the REIN Property Inspection Contingency
386 Addendum is attached and shall become part of this Agreement. Should Buyer elect to waive the
387 property inspection, Buyer understands that a home inspector will not be permitted to
388 conduct, or perform a property inspection at Walk-Through beyond the terms of paragraph
389 13D.

Initials: Buyer

Seller

390 **2. EXTERIOR INSULATION AND FINISH SYSTEM (EIFS):** N/A
 391 An inspection and moisture test of the EIFS (Exterior Insulation & Finish System or synthetic
 392 stucco) by a qualified professional with experience in this field provided that, in the event the
 393 property is a condominium unit, the right to inspect may be limited by rights of other unit owners or
 394 the condominium association. Buyer WAIVES / DESIRES an EIFS inspection to be performed
 395 on the Property. If Buyer desires an EIFS inspection, the Property Inspection Contingency Addendum
 396 is attached and shall become part of this Agreement.

397 **3. LEAD-BASED PAINT DISCLOSURE:** N/A – Property was not constructed prior to 1978.
 398 A risk assessment or inspection of the Property to determine the presence of lead-based paint and/or
 399 lead-based paint hazards. The Residential Lead-Based Paint Hazard Reduction Act of 1992 requires
 400 Seller to make disclosures with respect to the presence of lead-based paint and/or lead-based paint
 401 hazards in properties built prior to 1978. This Act does not apply to properties built in 1978 and later.
 402 In the event the Property was built prior to 1978, Seller and Buyer acknowledge that a copy of the
 403 signed Disclosure of Information on Lead-Based Paint and/or Lead-Based Paint Hazards is attached
 404 to this Agreement. Buyer WAIVES / DESIRES a risk assessment or inspection be performed
 405 on the Property. If Buyer desires a risk assessment or inspection of the Property, then a copy of the
 406 Property Inspection Contingency Addendum is attached and shall become a part of this Agreement.

407 **4. OTHER INSPECTIONS:** If Buyer desires Other Inspections, the Property Inspection Contingency
 408 Addendum is attached and shall become a part of this Agreement.

409 **E. OTHER CONTINGENCIES:**
 410 _____
 411 "AS IS"
 412 _____
 413 _____
 414 _____

415 **15. ITEMS TO CONVEY:** All fixtures constituting a part of the "Property" and any personal property which convey as
 416 specifically described in the Agreement or as noted below are included in the Purchase Price and shall be
 417 transferred free of liens:
 418

- | | | |
|--|---|--|
| <p>419 Appliances:</p> <p>420 <input type="checkbox"/> Gas Range</p> <p>421 <input type="checkbox"/> Electric Range</p> <p>422 <input type="checkbox"/> Microwave Oven</p> <p>423 <input type="checkbox"/> Refrigerator(s) # _____</p> <p>424 <input type="checkbox"/> Dishwasher</p> <p>425 <input type="checkbox"/> Ice Maker (Standalone)</p> <p>426 <input type="checkbox"/> Freezer</p> <p>427 <input type="checkbox"/> Clothes Dryer</p> <p>428 <input type="checkbox"/> Clothes Washer</p> <p>429</p> <p>430 Windows:</p> <p>431 <input type="checkbox"/> Blinds</p> <p>432 <input type="checkbox"/> Curtains/Drapes</p> <p>433 <input type="checkbox"/> Hardware</p> | <p>419 Equipment:</p> <p>420 <input type="checkbox"/> Furnace Humidifier</p> <p>421 <input type="checkbox"/> Water Softener</p> <p>422 <input type="checkbox"/> Well Pump & Equipment</p> <p>423 <input type="checkbox"/> Sump Pump</p> <p>424 <input type="checkbox"/> Window A/C Unit(s) # _____</p> <p>425 <input type="checkbox"/> Smoke Detector # _____</p> <p>426 <input type="checkbox"/> Playground Equipment</p> <p>427 <input type="checkbox"/> Ceiling Fan(s) # _____</p> <p>428 <input type="checkbox"/> Satellite Dish & Hardware</p> <p>429</p> <p>430 Other:</p> <p>431 <input type="checkbox"/> # _____ Trash Container(s)</p> <p>432 <input type="checkbox"/> # _____ Recycling Container(s)</p> <p>433 <input type="checkbox"/> Fuel in Tanks (Oil, Propane)</p> | <p>419 Dock, Pool and Hot Tub:</p> <p>420 <input type="checkbox"/> Floating Dock</p> <p>421 <input type="checkbox"/> Boat Lift # _____</p> <p>422 <input type="checkbox"/> Pool Equipment</p> <p>423 <input type="checkbox"/> Pool Cover</p> <p>424 <input type="checkbox"/> Hot Tub Equipment</p> <p>425 <input type="checkbox"/> Hot Tub Cover</p> <p>429</p> <p>430 Fireplace:</p> <p>431 <input type="checkbox"/> Screen</p> <p>432 <input type="checkbox"/> Doors</p> <p>433 <input type="checkbox"/> Equipment / Tools</p> <p>434 <input type="checkbox"/> Gas Logs</p> <p>435 <input type="checkbox"/> Wood Stove</p> |
|--|---|--|

434 **ADDITIONAL ITEMS / NOTES:**
 435 _____
 436 _____
 437 _____
 438 _____
 439 _____
 440 _____

Initials: Buyer
 Seller

490 Residential Property Disclosure Statement, attached hereto, has been provided by Seller to Buyer prior to
491 ratification of this Agreement. If the Property is an exempted property pursuant to § 55-518 of the Act then
492 this paragraph does not apply.

493 **D. AGENCY INTEREST DISCLOSURE:** Except as otherwise disclosed below neither Listing Agent nor
494 Selling Agent, any member of such agent's family, or such agent's firm, any member of such firm, or
495 any entities in which such agent has an ownership interest is acquiring or attempting to acquire, or is
496 selling the Property. Except as disclosed below, neither Seller nor Buyer is a licensed real estate agent.
497
498
499

500 **E. MEGAN'S LAW DISCLOSURE:** Buyer(s) should exercise whatever due diligence they deem necessary
501 with respect to information on any sexual offenders registered under Chapter 23 (§ 19.2-387 et seq.) of
502 Title 19.2 whether the owner proceeds under subdivision 1 or 2 of subsection A of § 55-519. Such
503 information may be obtained by contacting your local police department or the Department of State Police,
504 Central Criminal Records Exchange, at 804-674-2000 or <http://sex-offender.vsp.virginia.gov/sor>.

505 **F. MECHANICS LIEN:** Virginia law (§ 43-1 et seq.) permits persons who have performed labor or furnished
506 materials for the construction, removal, repair or improvement of any building or structure to file a lien
507 against the Property. This lien may be filed at any time after the work is commenced or the material is
508 furnished, but not later than the earlier of (i) ninety (90) days from the last day of the month in which the
509 lienor last performed work or furnished materials or (ii) ninety (90) days from the time the construction,
510 removal, repair or improvement is terminated. Seller warrants that all bills related to any repairs or
511 improvements made to the Property have been paid or will be paid by Seller from the proceeds at
512 settlement. AN EFFECTIVE LIEN FOR WORK PERFORMED PRIOR TO THE DATE OF SETTLEMENT
513 MAY BE FILED AFTER SETTLEMENT. LEGAL COUNSEL SHOULD BE CONSULTED.

514 **G. SQUARE FOOTAGE/ACREAGE AND/OR OTHER PROPERTY MEASUREMENTS:** Any representation
515 of square footage, acreage and/or other property measurements are approximate, subject to variation
516 based on method of measurement, and should be independently confirmed by Buyer. Buyer
517 acknowledges and agrees that Buyer has undertaken any and all investigations Buyer desires with respect
518 to obtaining measurements of the Property, including the square footage of the rooms, the acreage of the
519 lot or the other measurements related to the Property and finds any and all such measurements to be
520 acceptable and shall not use the size, acreage or square footage of the Property as the basis for any
521 termination of this Agreement. Buyer agrees to waive, release and discharge all parties to this Agreement,
522 including REIN, from any and all claims that the square footage, acreage or other measurements of the
523 Property were incorrectly stated in any literature concerning the Property generated by REIN's MLS
524 Systems, including Listing and / or Tax reports.

525 **H. DEFECTIVE DRYWALL:** If a Seller of residential real property has actual knowledge that the real property
526 being sold has "Defective Drywall", Section 55-519.2 of the Code of Virginia requires Seller to provide a
527 written disclosure to Buyer that the Property has "Defective Drywall". "Defective Drywall" is defined in
528 Section 36-156.1 of the Code of Virginia. The Defective Drywall Disclosure Statement is attached to this
529 Agreement as required by §55-519.2 of the Code of Virginia, if applicable.

530 **I. PROPERTY PREVIOUSLY USED TO MANUFACTURE METHAMPHETAMINE:** If a Seller of residential real
531 property has actual knowledge that the Property being sold (1) was previously used to manufacture
532 methamphetamine and (2) has not been cleaned up in accordance with state guidelines, the Seller is required to
533 provide a written disclosure to Buyer in accordance with Section 55-519.4 of the Code of Virginia. Pursuant to
534 Section 32.1-11.7 of the Code of Virginia, the Virginia Board of Health established Guidelines for Cleanup of
535 Residential Property Used to Manufacture Methamphetamine. If applicable, the Disclosure Statement for
536 Residential Property Previously Used to Manufacture Methamphetamine is attached to this Agreement as
537 required by the Code of Virginia.

538 **17. BROKERAGE FEE:** Selling Firm and Listing Firm are intended to be, and are, third party beneficiaries of
539 this Agreement with respect to payment of the brokerage fee and are entitled to payment at settlement as
540 provided by separate agreement(s). The settlement agent shall disburse the brokerage fee to Listing Firm
541 and Selling Firm at settlement.

542 **18. DEFAULT:** Subject to the provisions of paragraph 18 below, if either party defaults under this Agreement, the
543 nondefaulting party may pursue, in such party's discretion, all remedies available to the nondefaulting party at
544 law or in equity. In the event of default, Escrow Agent shall pay the Deposit to the nondefaulting party in

Initials: Buyer
Seller

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443 **16. CONFIRMATIONS AND DISCLOSURES:** Buyer and Seller acknowledge by their initials below receipt of their
444 REIN Consumer Disclosure Information Form prior to entering into this Agreement as well as the following
445 disclosures.

446 **Neither Seller, Real Estate Information Network, Inc. ("REIN"), Listing Firm, Selling Firm, nor their**
447 **employees or agents will be held responsible for Buyer's failure to have investigated and evaluated**
448 **the impact of any of the disclosures made in this Agreement on the Property, including those**
449 **additional disclosures on the Consumer Disclosure Information Form.**

450 **A. CONFIRMATION OF BROKERAGE RELATIONSHIP:** The parties confirm in connection with this
451 transaction that Listing Firm and Selling Firm have represented the party or parties indicated below.
452 Notwithstanding the provisions of paragraph 17 of this Purchase Agreement relating to the payment of
453 brokerage fees, the parties agree that one of the following may apply:
454 **(Check appropriate box.)**

- 455 1. Listing Firm, Selling Firm, and their salesperson(s) represent Seller as their client. Buyer is a
456 customer/ unrepresented party and has signed the Disclosure of Brokerage Relationship to
457 Unrepresented Party form.
- 458 2. Listing Firm and its salesperson(s) represent Seller. Selling Firm and its salesperson(s) represent
459 Buyer.
- 460 3. Listing Firm and its salesperson(s) represent Seller. Selling Firm and its salesperson(s) represent
461 neither Buyer nor Seller.
- 462 4. The Parties confirm that Selling Firm and its salesperson(s) represent Buyer as their client. Seller is a
463 customer/ unrepresented party and has signed the Disclosure of Brokerage Relationship to
464 Unrepresented Party form.
- 465 5. Listing Firm and its salesperson(s) represent both Buyer and Seller as DUAL
466 REPRESENTATIVES, by mutual agreement. **Buyer and Seller have signed the Disclosure of**
467 **Dual Representation Form attached; OR**
- 468 6. Listing Firm and its broker represent both Buyer and Seller as DUAL REPRESENTATIVES, by
469 mutual agreement, but SEPARATE AGENTS of Listing Firm have been designated to represent
470 Buyer and Seller as DESIGNATED REPRESENTATIVES. **Buyer and Seller have signed the**
471 **Disclosure of Designated Representatives Form attached.**
- 472 7. Buyer and Seller acknowledge that no brokerage relationship exists with any agent involved in this
473 transaction. Both Buyer and Seller are unrepresented customers.

476 **B. AIRCRAFT NOISE ZONE / ACCIDENT POTENTIAL ZONE DISCLOSURE:** N/A
477 Aircraft noise and/or accident zones are subject to change. If the Property is located in Southside
478 Hampton Roads, Buyer and Seller hereby acknowledge that as of the date of this Agreement current
479 maps indicate the Property is located in an Aircraft Noise Zone _____
480 and/or Aircraft Accident Potential Zone _____. Noise attenuation
481 measures for new residential construction or modifications to nonconforming structures may be required
482 and height restrictions may have been imposed in accordance with city ordinances. If the Property is
483 located in the City of Hampton, the Property DOES / DOES NOT, either partially or wholly, lie within
484 a Noise Contour District as mandated by the City of Hampton, and may be subject to high noise levels due
485 to its proximity to flight operations. The Real Estate Transfer Disclosure for Properties Located in a Locality
486 in Which a Military Air Installation is Located is attached, as required by § 55-519.1 of the Code of Virginia.

487 **C. VIRGINIA RESIDENTIAL PROPERTY DISCLOSURE ACT:** The Virginia Residential Property Disclosure
488 Act (the "Act") requires sellers of residential real property to disclose to buyers certain information known
489 to the sellers regarding the condition of the property to be purchased. Seller and Buyer acknowledge that a

Initials: Buyer

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Seller

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545 accordance with paragraph 5B and the nondefaulting party shall have the right to pursue such other rights and
546 remedies against the defaulting party as the nondefaulting party may have, both legal and equitable. All of the
547 rights and remedies hereunder are cumulative. The defaulting party shall be liable for the brokerage fee due
548 Listing Firm and Selling Firm. In any action arising from or related to this Agreement, including, but not limited
549 to, any suit to secure the release of the Deposit from escrow, the prevailing party shall be entitled to receive
550 from the non-prevailing party or parties, reasonable attorneys' fees, costs (including expert fees) and expenses
551 incurred by such prevailing party.

552 **19. DISPUTE RESOLUTION:** Prior to initiating any litigation, the parties agree any dispute or claim arising out of, or
553 relating to, this Agreement, the breach of this Agreement or the services provided in connection with this
554 Agreement, shall be submitted to mediation in accordance with, and as described in the REIN Consumer
555 Disclosure Information Form, previously given to the parties as acknowledged by their signatures below, the
556 terms of which relating to mediation are hereby incorporated in this Agreement. Disputes shall include, by way of
557 illustration and not limitation, claims arising from misrepresentations made by the parties to this Agreement in
558 connection with the sale, purchase, financing, condition or other aspects of the Property, including, allegations
559 of concealment, misrepresentation, negligence and/or fraud.

560 The following matters are excluded from mediation under the preceding paragraph: (a) judicial or non-judicial
561 foreclosure or other action or proceeding to enforce a deed of trust, mortgage, or land contract; (b) an unlawful
562 detainer action; (c) the filing or enforcement of a mechanics lien; (d) any matter which is within the jurisdiction
563 of a probate court; or (e) violation of a state's real estate license laws. The filing of a judicial action to enable
564 the recording of a notice of pending action, or other provisional remedies, shall not constitute a waiver of the
565 right to mediate under this provision, nor shall it constitute a breach of the duty to mediate. If the parties
566 cannot reach a mutually agreeable settlement through mediation, they are free to arbitrate or litigate their
567 dispute as if the mediation never took place. The terms and provisions of this paragraph 19 shall survive
568 settlement and conveyance of title to the property for a period of five (5) years from the date of this Agreement
569 pursuant to the terms of § 8.01-246 of the Code of Virginia of 1950, as amended.

570 **20. OTHER PROVISIONS:**

571 _____
572 _____
573 _____
574 _____
575 _____

576 **21. NON ASSIGNMENT:** This Agreement may not be assigned by Buyer without the written consent of Seller.

577 **22. NOTICES:** Except as provided below, all notices required to be sent to Seller under this Agreement shall be
578 sent to Listing Firm and all notices to be sent to Buyer shall be sent to Selling Firm. Except as provided below,
579 all notices required to be sent under this Agreement may be sent by facsimile, by hand delivery or by prepaid
580 U.S. Certified Mail, Return Receipt Requested and shall be effective as of the receipt of the notice if by
581 facsimile or upon delivery if done by person, or on the third day following the date of mailing if mailed
582 by Certified Mail, Return Receipt Requested. Notices given pursuant to the Property Owners' Association
583 Addendum to Purchase Agreement, the Condominium Addendum to Purchase Agreement or the Cooperative
584 Interest Addendum to Purchase Agreement shall be given in accordance with their terms and notices given
585 with respect to disputes concerning disposition of the Deposit shall be given in accordance with VREB
586 regulations. Notices addressed to Selling Firm and Listing Firm shall be sent to the address set forth next to
587 their signature below.

588 **23. MISCELLANEOUS:**

589 Paragraph headings and section headings of this Agreement are inserted for convenience only and shall not be
590 deemed to constitute a part of this Agreement. The term "day" shall be deemed to mean any day of the
591 week, Monday through Sunday, both inclusive regardless of legal or religious holiday. The term
592 "business banking day" shall mean Monday through Friday, except federal holidays. Any changes must
593 be made by written amendment. This Agreement and any exhibits, addenda, modifications or amendments
594 may be executed i) in any number of counterparts and by facsimile or other electronic means, except with
595 respect to digital signatures, and ii) by different parties in separate counterparts, each of which when so executed
596 and delivered shall be deemed original, but all such counterparts shall constitute but one and the same instrument.
597 To the extent any handwritten or typewritten terms in this Agreement conflict with, or are inconsistent with the
598 printed terms of this Agreement, the handwritten or typewritten terms shall control. This Agreement is executed
599 under seal. The terms of this Agreement and the addenda, exhibits, modifications or amendments referenced
600 herein or which reference this Agreement constitute the entire agreement and there are no other agreements

Initials: Buyer

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Seller

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Page 12 of 13

601 between the parties. The waiver by Seller of any terms, conditions, or provisions of this Agreement shall not be
602 construed as a waiver of any other or subsequent term, condition or provision of this Agreement. If any term,
603 condition, or provision of this Agreement is declared illegal or invalid for any reason by a court of competent
604 jurisdiction, the remaining terms, conditions and provisions of the Agreement shall, nevertheless, remain in full
605 force and effect.
606

607 **OPTIONAL-** If both Buyer and Seller initial below, digital signatures are acceptable for use in this
608 transaction. If both Buyer and Seller do not initial below, digital signatures are not acceptable for use in
609 this transaction. The following language is included for the sole purpose of determining the parties'
610 agreement to accept digital signatures and is not required to be completed if the parties do not agree to
611 accept digital signatures.
612

EXPRESS AGREEMENT TO CONDUCT TRANSACTION USING DIGITAL SIGNATURES: IN ACCORDANCE WITH THE UNIFORM ELECTRONIC TRANSACTIONS ACT (§ 59.1-479 ET SEQ. OF THE CODE OF VIRGINIA), BUYER AND SELLER CHOOSE TO ACCEPT DIGITAL SIGNATURES AS ORIGINAL DURING THE COURSE OF THIS TRANSACTION AND UNDERSTAND THAT AGREEING TO ACCEPT DIGITAL SIGNATURES FROM THE OTHER PARTY DOES NOT COMMIT THEM TO USING DIGITAL SIGNATURES EXCLUSIVELY. BY INITIALING BELOW, THE PARTIES AGREE TO USE DIGITAL SIGNATURES:

Buyer: LT

Seller: AW

613 **THIS PROPERTY IS OFFERED WITHOUT RESPECT TO RACE, COLOR, RELIGION, SEX, HANDICAP,**
614 **FAMILIAL STATUS, ELDERLINESS, OR NATIONAL ORIGIN.**

615 **THIS IS A LEGALLY BINDING AGREEMENT; IF NOT UNDERSTOOD, SEEK LEGAL ADVICE.**

616 KELLER WILLIAMS ELITE TOWN CENTER (SELLING FIRM) (FIRM ID#) 100400
[Signature] (BUYER SIGNATURE) 1/27/17 (Date)

617 By: DEANNA STEWART (REIN ID#) 54790 (BUYER SIGNATURE) (Date)

618 By: [Signature] (Agent's Signature) 1/27/17 (Date)

619 Selling Firm Address: _____ Buyer's Address: _____
620
621
622

623 ATTN.: _____

624 AT COASTAL REALTY (LISTING FIRM) (FIRM ID#) 128700
Ayanna Williams (SELLER SIGNATURE) 01/31/2017 (Date)

Ayanna Williams, on Behalf of HRSD

625 By: NIKKI REED (REIN ID#) 52339 (SELLER SIGNATURE) (Date)

626 By: [Signature] (Agent's Signature) 01/31/2017 (Date)

627 Listing Firm Address: _____ Seller's Address: _____
628
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629 ATTN.: _____

RESIDENTIAL PROPERTY DISCLOSURE STATEMENT

NOTICE TO SELLER AND PURCHASER

The Virginia Residential Property Disclosure Act (§ 55-517 et seq. of the Code of Virginia) requires the owner of certain residential real property, whenever the property is to be sold or leased with an option to buy, to furnish this form to the purchaser and to refer the purchaser to a Virginia Real Estate Board website for additional information.

Certain transfers of residential property are excluded from this requirement (see § 55-518).

Property Address/ 931 NORCHESTER ST. NORFOLK, VA 23504
Legal Description: SITE 134 LIBERTY PK SEC ONE

The owner makes no representations with respect to the matters set forth and described at the RESIDENTIAL PROPERTY DISCLOSURES web page. The purchaser is advised to consult the website ([http://www.dpor.virginia.gov/News/Residential Property Disclosures/](http://www.dpor.virginia.gov/News/Residential_Property_Disclosures/)) for important information about the real property.

The undersigned owner(s) represents that there are no pending enforcement actions pursuant to the Uniform Statewide Building Code (§ 36-97 et seq.) that affect the safe, decent, and sanitary living conditions of the real property described above of which the owner has been notified in writing by the locality, nor any pending violation of the local zoning ordinance which the violator has not abated or remedied under the zoning ordinance, within a time period set out in the written notice of violation from the locality or established by a court of competent jurisdiction, except as disclosed on this statement.

The owner(s) acknowledge having carefully examined this statement and further acknowledge that they have been informed of rights and obligations under the Virginia Residential Property Disclosure Act.

Ayanna Williams 01/31/2017
Owner Date Owner Date

The purchaser(s) acknowledge receipt of a copy of this disclosure statement and further acknowledge that they have been informed of their rights and obligations under the Virginia Residential Property Disclosure Act.

[Signature] 1/27/17
Purchaser Date Purchaser Date



REAL ESTATE TRANSFER DISCLOSURE FOR PROPERTIES LOCATED IN A LOCALITY IN WHICH A MILITARY AIR INSTALLATION IS LOCATED

1. As of the date of this Disclosure, the undersigned property owner(s) represent that the real property described below is located in a Noise Zone and/or Accident Potential Zone (APZ), as shown or referenced on the Official Zoning Map designated by the locality in which the property is located.

No (Please sign below) Yes (Please complete the information below)

2. The following are representations made by the property owner(s), as required by Section 55-519.1 of the Code of Virginia:

A. As of the date of this Disclosure the real property located at (Street Address, Locality and Zip Code) _____, Virginia is located within the following Noise Zone and/or Accident Potential Zone (APZ), as shown or referenced on the Official Zoning Map of (Name of Locality) _____:

Noise Zone – (Initial One)

LT AW <65 dB DNL 65-70 dB DNL 70-75 dB DNL >75 dB DNL

Accident Potential Zone (APZ) – (Initial One)

LT AW none (outside APZs) APZ-2 APZ-1 Clear Zone

B. The abbreviation "DNL" refers to a day-night average sound level. The frequency of actual single noise events may vary over time depending on the operational needs of the military. **Single noise events may result in significantly higher noise levels than the average level(s) in any of the Noise Zones listed above.**

C. Noise Zones and Accident Potential Zones are subject to change. For this reason, it should not be assumed that the property will remain in the same Noise Zone and/or Accident Potential Zone.

Additional information may be obtained from the locality.

In the event the owner fails to provide the disclosure required by § 55-519.1, or the owner misrepresents, willfully or otherwise, the information required in such disclosure, except as result of information provided by an officer or employee of the locality in which the property is located, the purchaser may maintain an action to recover his actual damages suffered as the result of such violation. Notwithstanding the provisions of this disclosure, no purchaser of residential real property located in a noise zone designated on the official zoning map of the locality as having a day-night average sound level of less than 65 decibels shall have a right to maintain an action for damages pursuant to this section.

The owner(s) state that they reasonably believe the information contained herein is true and accurate and further acknowledge that they have been informed of their rights and obligations under the Virginia Residential Property Disclosure Act.

Owner Ayanna Williams Date 01 / 31 / 2017

Owner _____ Date _____

Purchaser(s) acknowledge receipt of a copy of this disclosure statement and further acknowledge that they have been informed of their rights and obligations under the Virginia Residential Property Disclosure Act.

Purchaser [Signature], Manager Date 1 / 27 / 17

Purchaser _____ Date _____

11/18/10

REAL ESTATE INFORMATION NETWORK, INC. STANDARD PURCHASE AGREEMENT ("AGREEMENT")



THIS AGREEMENT is made this 1/27/17 (date), between Realty Ventures, LLC ("Buyer"), HRSD ("Seller"), KELLER WILLIAMS ELITE TOWN CENTER ("Selling Firm") (100400 MLS Office No.) and ATCOASTAL REALTY ("Listing Firm") (128700 MLS Office No.)

1. AGREEMENT TO SELL PROPERTY: Pursuant to the terms of this Agreement, Buyer agrees to buy and Seller agrees to sell all that certain piece, parcel or lot of land and all improvements and fixtures on such land described as follows: LEGAL DESCRIPTION:

SITE 135 LIBERTY 7K SEC ONE also known as 939 NORCHESTER ST, NORFOLK, VA. 23504 (Street address / City / State / Zip code)

including, but not limited to, those items listed and described in paragraph 15 (collectively, "Property").

2. DEPOSIT: The deposit (the "Deposit") shall be in the amount of FIVE HUNDRED and 00/100 Dollars (\$ 500.00)

by [X] check or [] other and held by KELLER WILLIAMS ELITE TOWN CENTER ("Escrow Agent").

Purchaser has delivered the Deposit to Selling Firm, receipt of which is acknowledged by Selling Firm. If Selling Firm is not Escrow Agent, Selling Firm shall deliver the Deposit to Escrow Agent within one (1) business banking day of the ratification of this Agreement (such one (1) day period shall not be deemed to extend the five (5) day period referenced in paragraph 5.B.). The Deposit shall apply as credit to Buyer at settlement.

3. PURCHASE PRICE: The Purchase Price of the Property is as follows:

\$ 120,000.00 (One hundred twenty thousand Dollars) ("Purchase Price") and shall be paid as follows:

- \$ Downpayment by cashier's or certified check or wire transfer to the settlement agent due at settlement;
\$ By loan to be obtained by Buyer;
and
\$ 119,500.00 By cash or other financing terms if applicable;

VA Funding Fee, FHA MIP or Conventional PMI to be financed as applicable. If private party financing or assumption, then the appropriate addendum is attached and shall become a part of this Agreement.

This Purchase Agreement was fully ratified and accepted by Buyer and Seller as of: 02/01/2017 SIGNATURE: Deanna Stewart dotloop verified 02/01/17 3:31PM EST TYQ5-UAFG-9IZU-IEPK [] LISTING AGENT OR [] SELLING AGENT Ratification shall have the meaning as set forth in Par. 5A.

Initials: Buyer [L] Seller [AW]

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4. SETTLEMENT EXPENSES: Except as otherwise stated below, Seller shall pay (i) all expenses of deed preparation, the grantor's tax on the deed, appraiser reinspection fees, and all expenses, if any, for removal of title defects and (ii) those fees charged by lender for the specified financing which, by law, Buyer is not permitted to pay. Except as otherwise stated herein, all expenses incurred by Buyer in connection with this purchase, including without limitation, title examination fees and title insurance premiums, survey costs (including elevation certificate if required by lender), insurance premiums, discount points (unless prohibited by law), prepaids, recording costs and fees of Buyer's attorney or settlement agent, shall be paid by Buyer. The amount of seller contributions to Buyer's expenses, if any, shall be inclusive of those fees charged by lender for specified financing which, by law, Buyer is not permitted to pay. Any agreed upon seller contributions to Buyer's expenses shall not include any compensation, commission, fees, charges or other amounts payable to Selling Firm unless such payment is specifically agreed to in writing by Seller in this Agreement.

5. RATIFICATION / DEPOSIT:

- A. For purposes of this Agreement, ratification shall mean the date of communication of final written acceptance by Buyer and Seller of all the terms of this Agreement, not the date of removal or expiration of any contingencies.
- B. Escrow Agent shall place the Deposit in an escrow account within five (5) business banking days of the date of ratification of this Agreement, unless otherwise agreed to in writing by the parties. The Deposit shall remain in escrow until settlement or termination. If Escrow Agent is the Listing Firm or Selling Firm, the Deposit shall be held and applied in conformity to the Regulations of the Virginia Real Estate Board. Escrow Agent may place the Deposit in an interest bearing account. All interest, if any, which accrues with respect to the Deposit, shall become the sole and exclusive property of Escrow Agent. Buyer and Seller waive any and all right or entitlement to such interest. Escrow Agent shall hold the Deposit in escrow until (i) the Deposit is credited toward the Purchase Price at settlement; (ii) a court of competent jurisdiction orders disbursement of the Deposit; (iii) Buyer and Seller have agreed in writing as to the disposition of the Deposit; or (iv) the Deposit is disposed of in any other manner authorized by the Virginia Real Estate Board. If the Property is foreclosed upon while this Agreement is pending the terms of Section 54.1-2108.1 of the Code of Virginia shall apply to the disbursement of the Deposit. Foreclosure shall be considered a termination of this Agreement, and, absent a default by Buyer, the Deposit shall be disbursed to Buyer.

6. LOAN APPLICATION / LOAN DENIAL / INTENT TO OCCUPY:

A. LOAN APPLICATION:

- i. Unless otherwise indicated below, within seven (7) days of ratification of this Agreement, Buyer shall apply for the specified financing from _____ (Name of Lender) and authorize and pay for a credit report, appraisal or other requirements of such lender. If this Agreement is contingent on any inspection of the Property in paragraph 14D, the deadline for Buyer to authorize the lender to order the appraisal is extended to three (3) days after removal of the Property Inspection Contingency. **Should Buyer wish to change lenders, Buyer must obtain written permission from Seller.**
- ii. Buyer shall, promptly, diligently and in good faith, undertake each and every action necessary to obtain such financing. Buyer's failure to do so shall constitute a default of this Agreement. Except as otherwise provided in the Agreement, Buyer shall pay all costs associated with obtaining the financing. Buyer's failure to have available for settlement the cash required by this Agreement, including but not limited to downpayment, closing costs, and prepaids, shall constitute a default of this Agreement.

Initials: Buyer LG
 Seller AW

Page 2 of 13

91 Buyer has the responsibility to lock in the interest rate and discount points with respect to such
 92 loan(s).
 93 iii. Buyer authorizes lender to keep Listing Firm and Selling Firm apprised of progress and status of loan
 94 approval, including verification that appraisal has been authorized by Buyer and confirmation of receipt
 95 of the appraisal. Should the appraisal indicate an appraised value less than the Purchase Price and/or
 96 require repairs, Buyer instructs lender to deliver a copy of the appraisal, applicable portions of the
 97 appraisal or affidavit as to value and/or repairs, to Listing Firm upon Seller's request.
 98 iv. Buyer's failure to comply with the provisions of paragraph 6A shall constitute a default of this
 99 Agreement and Seller shall have the right to terminate this Agreement.

100 **B. LOAN DENIAL:** Buyer authorizes lender to notify Seller, Listing Firm and Selling Firm of
 101 loan or assumption denial. If Buyer's loan or assumption application is denied, Buyer shall, within
 102 three (3) days of any communication of denial to Buyer, provide written notice of such denial to Seller,
 103 Listing Firm and Selling Firm. At Seller's request, Buyer shall provide Seller a copy of the lender's
 104 denial notice and any additional documentation confirming the validity of such loan denial as is
 105 reasonably requested by Seller. Provided that such denial was not the result of Buyer's default, including
 106 Buyer's failure to act in good faith to obtain the financing or failure to have available for settlement the
 107 cash required by the terms of this Agreement, either Buyer or Seller shall have the right to terminate this
 108 Agreement. In the event of such termination: (i) all parties shall execute the appropriate release
 109 agreement; (ii) the Deposit shall be refunded to Buyer in accordance with paragraph 5B of this Agreement;
 110 and (iii) no party to this Agreement shall have any further rights against or obligations to any other party to
 111 this Agreement. Buyer's failure to send the written notice of denial within such three (3) day time period
 112 shall constitute a default under this Agreement. Seller may terminate this Agreement in the event of
 113 Buyer's default for failure to send the written notice of denial or in the event that loan denial was the result
 114 of Buyer's default. The rights and remedies set forth in this paragraph shall be in addition to the rights and
 115 remedies specified in paragraph 18.

116 **C. INTENT TO OCCUPY:** Buyer DOES DOES NOT intend to occupy the Property as Buyer's
 117 principal residence.

118 **7. REPRESENTATIONS:**

119 **A.** Unless otherwise specified in this Agreement, Buyer represents that neither this Agreement nor the
 120 financing is dependent or contingent on the sale, settlement, lease or refinancing of other real property.
 121 **B.** Buyer acknowledges that Seller is relying upon all of Buyer's representations, including, without limitation,
 122 the accuracy of the financial information given by Buyer to Seller, Selling Firm or Listing Firm. If Buyer
 123 makes any deliberate misrepresentation or material omission which results in Buyer's inability to obtain
 124 approved financing then Buyer shall be deemed to be in default. Except as provided in paragraph 6B,
 125 Buyer shall notify Seller, Listing Firm and Selling Firm in writing within three (3) days of Buyer's actual
 126 notice of the occurrence of any material adverse change in Buyer's financial condition which prevents
 127 Buyer from obtaining the specified financing under this Agreement. Buyer's failure to give notice of the
 128 material adverse change required above shall constitute a default under the terms of this Agreement.
 129 Within three (3) days of receipt of written notice of the material adverse change from Buyer, Seller shall
 130 notify Buyer in writing of Seller's election to: (i) proceed to closing based upon a modification to this
 131 Agreement acceptable to Seller and Buyer; (ii) require that Buyer deliver an acceptable First Right of
 132 Refusal Agreement; or (iii) terminate this Agreement. The rights and remedies set forth in this paragraph
 133 shall be in addition to the rights and remedies specified in paragraph 18.
 134 **C.** Except as expressly provided below, Seller represents that Seller (i) owns good and marketable fee
 135 simple title to the Property, (ii) has the right to transfer the Property without obtaining the consent or
 136 approval of any other party, including, without limitation, judgment creditors, lienholders, or other lenders,
 137 or any court including bankruptcy court or court having jurisdiction with respect to the distribution of marital
 138 property, (iii) if necessary, has or will have sufficient cash or other liquid funds to make any payments
 139 required to be made in order to pay all brokerage fees due and transfer the Property without any liens
 140 attaching to the Property, and (iv) will be in a position to transfer title to the Property to Buyer free and clear
 141 of all liens, leases and tenancies except as expressly provided in this Agreement.

Initials: Buyer

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 Seller

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Exceptions: _____

D. Seller also represents and warrants that (Check appropriate box):

- The Property is not served by an onsite septic system.
- The Property is served by an onsite septic system that is not subject to a waiver.
- The Property is served by an onsite septic system that has been granted a waiver which is not transferable to Buyer. Buyer has received from Seller the Disclosure Regarding Validity of Septic System Operating Permit as required by §32.1-164.1:1 of the Code of Virginia, a copy of which is attached to this Agreement. A copy of the Onsite Sewage (Septic) Addendum is attached and shall become a part of this Agreement.

E. If any representation by Seller is materially untrue, Seller shall be deemed to be in default under the terms of this Agreement and Buyer shall have the right to terminate this Agreement, whereupon the Deposit shall be paid to Buyer, in accordance with paragraph 5B, and Buyer shall have all of its rights as the non-defaulting party under paragraph 18. Additionally, if settlement does not occur as a result of Seller's misrepresentations and Buyer incurs any expense relative to appraisal and property inspection, Seller will be deemed liable for such expense and Buyer may, in addition to its other rights under this Agreement, recover such expense, including reasonable attorney's fees, from Seller.

AW

BT
02/01/17
3:36PM EST

March 9, 2017

8. SETTLEMENT / POSSESSION: Settlement to be on or before ~~February 27, 2017~~ March 7, 2017 ("Settlement Date"). The Settlement Date may be extended by 10 days (if blank, the parties deem the extension to be 10 days) solely for the purpose of:

- i. processing and closing the specified loan in compliance with applicable law and/or
- ii. correcting any defects reported by a title examiner.

The Settlement Date shall be deemed to include any extension ONLY as provided for in (i) or (ii) above. If through no fault of Seller settlement has not occurred by the Settlement Date, then Seller, at Seller's option, may terminate this Agreement by written notice to Buyer. If through no fault of Buyer settlement has not occurred by the Settlement Date, then Buyer, at Buyer's option, may terminate this Agreement by written notice to Seller. Nothing contained herein shall be construed to limit, in any way, any other legal remedy or right Seller, Buyer, Listing Firm and/or Selling Firm may have for either party's failure to close on or before Settlement Date or at any time thereafter. Possession of the Property shall be given at settlement unless otherwise agreed to in writing by Buyer and Seller. At settlement, Seller shall execute and deliver (i) the Deed (defined below), (ii) a mechanic's lien affidavit acceptable to Buyer's title insurance company and (iii) such certificates or agreements as may be required by state and federal authorities for tax and residency purposes.

Choice of Settlement Agent: Chapter 27.3 (§55-525.16 et seq.) of Title 55 of the Code of Virginia provides that the Buyer has the right to select the settlement agent to handle the closing of this transaction. The settlement agent's role in closing this transaction involves the coordination of numerous administrative and clerical functions relating to the collection of documents and the collection and disbursement of funds required to carry out the terms of the contract between the parties. If part of the purchase price is financed, the lender for the Buyer will instruct the settlement agent as to the signing and recording of loan documents and the disbursement of loan proceeds. No settlement agent can provide legal advice to any party to the transaction except a settlement agent who is engaged in the private practice of law in Virginia and who has been retained or engaged by a party to the transaction for the purpose of providing legal services to that party.

Initials: Buyer

LT

 Seller

<i>AW</i>

194 **Variation by agreement:** The provisions of Chapter 27.3 (§ 55-525.16 et seq.) of Title 55 of the Code of
195 **Virginia may not be varied by agreement, and rights conferred by this chapter may not be waived. The**
196 **Seller may not require the use of a particular settlement agent as a condition of the sale of the**
197 **Property.**

198 **Escrow, closing and settlement service guidelines:** The Virginia State Bar issues guidelines to help
199 **settlement agents avoid and prevent the unauthorized practice of law in connection with furnishing**
200 **escrow, settlement or closing services. As a party to a real estate transaction, the Buyer is entitled to**
201 **receive a copy of these guidelines from the settlement agent, upon request, in accordance with the**
202 **provisions of Chapter 27.3 (§ 55-525.16 et seq.) of Title 55 of the Code of Virginia.**

203 Buyer and Seller each authorize their respective attorneys, and/or the settlement agent, to furnish to Listing
204 Firm and Selling Firm, copies of the draft and final, true and complete settlement statement in connection with
205 this transaction.

206 **9. DEED AND TITLE:** Except as expressly provided in writing, representations and warranties made by Seller
207 herein and all other provisions of this Agreement shall be deemed merged into the deed delivered at
208 settlement and shall not survive settlement, unless otherwise provided herein. Seller shall convey marketable
209 and insurable title to the Property by general warranty deed, unless otherwise specified below, subject to any
210 easements, covenants and restrictions of record, which do not adversely affect the use of the Property for
211 residential purposes. Title to the Property shall be conveyed (i) free and clear of all liens, tenancies and
212 encumbrances of every kind except those stated herein, and (ii) with marketable and insurable access to a
213 publicly dedicated road.

214 _____
215 _____
216 _____
217 _____

218 **10. PRORATIONS / ESCROW:**

- 219 **A.** If new financing, or cash sale, all real property taxes, insurance, rents, interest, and appropriate
220 homeowner's association and/or condominium fees or dues and other reserves and assessments shall
221 be prorated as of Settlement Date.
222 **B.** If an assumption, all real property taxes, all insurance (if allowed), rents, interest, and appropriate
223 homeowner's association and/or condominium fees or dues and other reserves, if any, shall be
224 **PRORATED** or **CURRENT AND TRANSFERRED GRATIS** as of Settlement Date.

225 **11. VA/FHA/CONVENTIONAL FINANCING OR CASH CONTINGENCY:** If noted below, Buyer's obligations
226 under this Agreement are conditioned upon the applicable contingency: **(Check A, B, C or D, as applicable)**

227 **A. VA FINANCING:** It is expressly agreed that, notwithstanding any of the provisions of this Agreement,
228 Buyer shall not incur any penalty by forfeiture of earnest money or otherwise be obligated to complete
229 the purchase of the Property described by the Agreement if the agreed purchase price or cost exceeds
230 the reasonable value of the Property established by the Veterans Administration. Buyer shall, however,
231 have the privilege and option of proceeding with the consummation of this Agreement without regard to
232 the amount of the reasonable value established by the Department of Veterans Affairs. The Veteran
233 Buyer certifies that Buyer intends to occupy the Property as Buyer's primary residence.

234 **B. HUD/FHA FINANCING:** It is expressly agreed that, notwithstanding any other provisions of this
235 Agreement, Buyer shall not be obligated to complete the purchase of the Property described herein or
236 to incur any penalty by forfeiture of earnest money deposits or otherwise unless Buyer has been given
237 in accordance with HUD/FHA or VA requirements a written statement issued by the Federal Housing
238 Commissioner, Veterans Administration or a Direct Endorsement Lender setting forth the appraised
239 value of the Property (excluding closing costs) of not less than
240 \$ _____ Buyer shall, however, have the
241 privilege and option of proceeding with consummation of this Agreement without regard to the amount

Initials: Buyer

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Seller

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242 of the appraised valuation. The appraised valuation is arrived at to determine the maximum mortgage
243 the Department of Housing and Urban Development will insure.

244 C. CONVENTIONAL FINANCING: It is expressly agreed that, notwithstanding any other provisions of this
245 Agreement, Buyer shall not incur any penalty by forfeiture of the Deposit or otherwise be obligated to
246 complete the purchase of the Property if the Purchase Price exceeds the value established by the
247 appraiser ("Appraised Value") and Seller does not agree to reduce the Purchase Price to the Appraised
248 Value. Buyer shall have the privilege and option of proceeding to settlement without regard to the
249 Appraised Value. In the event the Purchase Price exceeds the Appraised Value and Seller or Listing
250 Firm notifies Buyer or Selling Firm that Seller agrees to reduce the Purchase Price to the Appraised
251 Value, then this Agreement will remain in force and settlement shall occur as specified in paragraph 8 of
252 this Agreement.

253
254 D. CASH: Buyer DOES / DOES NOT wish to order an appraisal. If Buyer wishes to order an
255 appraisal, the appraisal must be paid for and ordered within seven (7) days after ratification of this
256 Agreement or three (3) days after removal of the property inspection contingency referenced in
257 paragraph 14D or the appraisal contingency shall be waived by Buyer. Notwithstanding any other
258 provisions in this Agreement, Buyer reserves all rights outlined in paragraph 11C above in the event the
259 Appraised Value is less than the Purchase Price.

261 12. PROPERTY CONDITION: With the exception of the rights reserved by Buyer pursuant to paragraph 14 and
262 subject to any inspections provided for in paragraph 13, Buyer represents that Buyer has inspected the Property
263 and accepts the Property in its present condition except noted as follows:

264 Buyer to purchase the home as is, with seller making no improvements.

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02/01/17
3:36PM EST

268 Seller shall repair or replace the above noted items, in a workmanlike manner, at Seller's expense prior to the
269 walk through inspection. Buyer acknowledges that Buyer has not relied upon any representation or warranty
270 made by Listing Firm, Selling Firm or Seller not expressly set forth in this Agreement with respect to the
271 condition of the Property. Seller shall deliver the Property at settlement, or as otherwise provided, in
272 substantially the same condition as of the date of this Agreement, free of personal property, debris
273 and trash. Seller assumes, until settlement, all risks of loss or damage to the Property by fire,
274 windstorm, casualty or other hazards.

275 13. INSPECTIONS/REPAIRS/TREATMENTS/CAP: Seller shall be responsible for the cost of repairs
276 referenced in this paragraph 13 in a total amount not to exceed _____% (if blank, the parties deem
277 the amount to be 1%) of the Purchase Price ("the Cap"). Seller will remain obligated to make repairs
278 arising under this paragraph 13A (Appraisal and Required Repairs), B (Wood Destroying Insect
279 Infestation / Moisture / Inspection / Repairs), or C (Drinking Water and Septic) up to the amount of the
280 Cap even if such repair is waived by Buyer as part of the Property Inspection
281 Contingency Removal Addendum. If the total estimated costs of the repairs described in
282 paragraphs 13 A, B, C, and D collectively exceed the Cap, then Buyer alone, or Seller alone, or Buyer and
283 Seller jointly can agree to pay the excess. If neither party agrees to pay the excess amount and an
284 acceptable alternative agreement cannot be reached, then this Agreement shall be terminated,
285 all parties shall execute a release agreement, and the Deposit shall be refunded in full to
286 Buyer.

287 A. APPRAISAL AND REQUIRED REPAIRS: Subject to the Cap, Seller shall make any repairs required by
288 Lender as a result of the appraisal, or as may be required by governmental agencies, prior to the walk
289 through inspection.

290 B. WOOD DESTROYING INSECT INFESTATION (WDI) / MOISTURE INSPECTION / REPAIRS:

291 1. INSPECTION / REPORTS: BUYER / SELLER shall obtain and authorize delivery at BUYER'S /
292 SELLER'S expense, an approved Wood Destroying Insect Infestation Inspection Report and
293 a Moisture Inspection Report, (collectively referred to as the "Reports") and any re-inspection
294 reports if required, from a licensed pest control operator. The Wood Destroying Insect

Initials: Buyer Seller
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295 Infestation Inspection Report shall show whether the Property's principal dwelling, garage, and the
 296 following additional structures _____
 297 _____ are free of visible wood destroying insect
 298 infestation with no visible unrepaired damage from said infestation. The Moisture Inspection Report
 299 shall show whether readily accessible areas of the foundation and understructure, including crawl
 300 space, sill plates, joists, sub-flooring and substructure support timbers are free of standing water,
 301 visible moisture damage and wood destroying fungi. The Reports must be obtained and delivered to
 302 settlement agent, within _____ (_____) days after ratification of this Agreement. If
 303 new VA financing is involved, Seller shall reimburse Buyer for the cost of the original termite/moisture
 304 inspection, if paid by Buyer.

305 If the Reports are not obtained and delivered within the above time frame, the other party shall have
 306 the right to order the Reports at the expense of the party initially obligated to obtain the Reports. The
 307 obligation to reimburse the cost of obtaining the Reports by the other party shall not exceed
 308 \$ _____.

- 309 2. **TREATMENT:** Treatment, if required, shall be performed by the company issuing the Reports. Cost of
 310 treatment shall be at Seller's expense, subject to the Cap.
- 311 3. **REPAIRS:** Seller shall correct in a workmanlike manner, at Seller's expense, subject to the Cap, all
 312 standing water and damage identified in the Reports prior to the walk through inspection. The selection
 313 of the company to make any repairs, if required, shall be at the Seller's discretion. Buyer reserves the
 314 right to have the required repairs re-inspected at or prior to walk-through to ensure repairs were
 315 completed in a workmanlike manner.

316 **C. DRINKING WATER AND SEPTIC:**

- 317 1. **DRINKING WATER:** The Property is served by (Check One):
- 318 **PUBLIC / PRIVATE** utilities supplying drinking water, OR
- 319 **WELL / CISTERN** providing potable drinking water.

320 **BUYER** / **SELLER** shall obtain prior to the walk through inspection at **BUYER'S** / **SELLER'S**
 321 expense, a test confirming the water is safe for human consumption from the appropriate
 322 governmental authority or from an acceptable private company, indicating that the well water is safe
 323 for human consumption. If the water is found unsafe for human consumption, and the property is
 324 not served by another potable water source (i.e. city water line), Seller shall remedy prior to the
 325 walk through inspection all defects and provide a test confirming the water is safe for human
 326 consumption at Seller's expense, subject to the Cap.

- 327 2. **SEPTIC:** **NOT ON SEPTIC**
- 328 **SEPTIC ON WAIVER** (See paragraph 7D)
- 329 **SEPTIC NOT ON WAIVER**

330 If the Property is served by a septic system **BUYER** / **SELLER** shall obtain prior to the walk
 331 through inspection at **BUYER'S** / **SELLER'S** expense, a certificate addressed to Buyer from the
 332 i) appropriate governmental authority or ii) an acceptable private company based on a physical
 333 inspection, indicating that there is no evidence of malfunction of the septic system. If the septic system
 334 is found defective, Seller shall repair prior to the walk through inspection all defects and provide the
 335 certificate required above at Seller's expense, subject to the Cap.

336 **D. WALK THROUGH INSPECTION:** Buyer reserves the right to have a walk through inspection prior to
 337 settlement to determine the Property is in substantially the same condition as of the date of this
 338 Agreement, and all appliances, heating and cooling equipment, plumbing and electrical systems, and all
 339 other equipment ("Walk Through Items") are in working order at time of settlement or possession,
 340 whichever occurs first. **BUYER** / **SELLER** shall be responsible for providing all utilities required for
 341 such inspection. Subject to the Cap, Seller shall repair all non-working Walk Through Items at Seller's
 342 expense unless waived. Neither Listing Firm nor Selling Firm shall be responsible for determining that the
 343 Walk Through Items are in working order.
 344

345 14. **CONTINGENCIES:** This Agreement shall be contingent upon the following conditions and those noted in the
346 attached contingency addendum/addenda, if any:

347 **A. CONDOMINIUM:** Buyer and Seller acknowledge that the Property (check as applicable):

- 348 1. **IS NOT** in a community subject to the Virginia Condominium Act (the "Condo Act").
- 349 2. **IS** a resale of a Condominium Unit which currently has mandatory monthly fees
350 of approximately \$ _____ and is subject to the Condo Act and the Condominium
351 Addendum is attached to and shall become part of this Agreement. **Buyer's rights under this**
352 **paragraph may not be waived.**
- 353 3. **WILL BE** in a community subject to the Condo Act.
 - 354 (i) Until delivery to Buyer of a current Public Offering Statement for the Condominium, this
355 Agreement shall constitute a nonbinding reservation agreement only and creates no obligation on
356 the part of Buyer and is subject to cancellation without penalty by Buyer in Buyer's sole discretion
357 in accordance with Section (ii) below.
 - 358 (ii) Upon delivery to Buyer of a current Public Offering Statement, Buyer shall be deemed to have
359 entered into a binding purchase agreement subject to Buyer's right to cancel within ten (10) days
360 after delivery. If Buyer elects to cancel, Buyer may do so by written notice given in accordance
361 with paragraph 22, within the ten (10) day period. Such cancellation shall be without penalty, and
362 the Deposit shall be promptly refunded in its entirety, without interest. **Buyer's rights under this**
363 **paragraph may not be waived.**
- 364 4. **IS** a resale of a condominium unit in a condominium consisting of 3 or fewer units and as
365 such is exempt from the requirements in the Condo Act relating to a resale certificate and/or a
366 public offering statement. Prior to executing this Agreement, Buyer is advised to address all
367 concerns relating to the Property being a condominium unit, including without limitation and by
368 way of explanation, issues related to hazard and liability insurance, current and proposed
369 maintenance and repairs, common expenses, restrictions and agreements contained in the
370 documents creating the condominium and similar items.

371 **B. PROPERTY OWNERS' ASSOCIATIONS:** Buyer and Seller acknowledge that the Property (check one):

- 372 1. **IS NOT** in a community subject to the Virginia Property Owners' Association Act (the "POA Act").
- 373 2. **IS** in a community which currently has mandatory monthly fees of approximately
374 \$ _____ and is subject to the POA Act. The Property Owners' Association Addendum is
375 attached to and shall become part of this Agreement. **Buyer's rights under this paragraph may not**
376 **be waived.**

377 **C. CO-OPERATIVE:**

- 378 1. **IS NOT** in a community subject to the Virginia Real Estate Cooperative Act (the "Co-Op Act").
- 379 2. **IS** a Cooperative Unit which currently has mandatory monthly fees of approximately
380 \$ _____ and is subject to the Co-Op Act and the Cooperative Interest Addendum is
381 attached to and shall become part of this Agreement.

382 **D. PROPERTY INSPECTIONS:** Buyer may request, at Buyer's expense, the following inspections:

- 383 1. **PROPERTY INSPECTION:** An inspection of the Property at Buyer's cost to determine the condition of
384 the Property. Buyer **WAIVES** / **DESIRES** an inspection to be performed on the Property at
385 Buyer's expense. If Buyer desires a property inspection, the REIN Property Inspection Contingency
386 Addendum is attached and shall become part of this Agreement. **Should Buyer elect to waive the**
387 **property inspection, Buyer understands that a home inspector will not be permitted to**
388 **conduct, or perform a property inspection at Walk-Through beyond the terms of paragraph**
389 **13D.**

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2. EXTERIOR INSULATION AND FINISH SYSTEM (EIFS): N/A

An inspection and moisture test of the EIFS (Exterior Insulation & Finish System or synthetic stucco) by a qualified professional with experience in this field provided that, in the event the property is a condominium unit, the right to inspect may be limited by rights of other unit owners or the condominium association. Buyer WAIVES / DESIRES an EIFS inspection to be performed on the Property. If Buyer desires an EIFS inspection, the Property Inspection Contingency Addendum is attached and shall become part of this Agreement.

3. LEAD-BASED PAINT DISCLOSURE: N/A - Property was not constructed prior to 1978.

A risk assessment or inspection of the Property to determine the presence of lead-based paint and/or lead-based paint hazards. The Residential Lead-Based Paint Hazard Reduction Act of 1992 requires Seller to make disclosures with respect to the presence of lead-based paint and/or lead-based paint hazards in properties built prior to 1978. This Act does not apply to properties built in 1978 and later. In the event the Property was built prior to 1978, Seller and Buyer acknowledge that a copy of the signed Disclosure of Information on Lead-Based Paint and/or Lead-Based Paint Hazards is attached to this Agreement. Buyer WAIVES / DESIRES a risk assessment or inspection be performed on the Property. If Buyer desires a risk assessment or inspection of the Property, then a copy of the Property Inspection Contingency Addendum is attached and shall become a part of this Agreement.

4. OTHER INSPECTIONS: If Buyer desires Other Inspections, the Property Inspection Contingency Addendum is attached and shall become a part of this Agreement.

E. OTHER CONTINGENCIES:

_____ "AS IS" _____

15. ITEMS TO CONVEY: All fixtures constituting a part of the "Property" and any personal property which convey as specifically described in the Agreement or as noted below are included in the Purchase Price and shall be transferred free of liens:

Appliances:

- Gas Range
- Electric Range
- Microwave Oven
- Refrigerator(s) # _____
- Dishwasher
- Ice Maker (Standalone)
- Freezer
- Clothes Dryer
- Clothes Washer

Equipment:

- Furnace/Humidifier
- Water Softener
- Well Pump & Equipment
- Sump Pump
- Window A/C Unit(s) # _____
- Smoke Detector # _____
- Playground Equipment
- Ceiling Fan(s) # _____
- Satellite Dish & Hardware

Dock, Pool and Hot Tub:

- Floating Dock
- Boat Lift # _____
- Pool Equipment
- Pool Cover
- Hot Tub Equipment
- Hot Tub Cover

Fireplace:

- Screen
- Doors
- Equipment / Tools
- Gas Logs
- Wood Stove

Windows:

- Blinds
- Curtains/Drapes
- Hardware

Other:

- # _____ Trash Container(s)
- # _____ Recycling Container(s)
- Fuel in Tanks (Oil, Propane)

ADDITIONAL ITEMS / NOTES:

441
442

443 **16. CONFIRMATIONS AND DISCLOSURES:** Buyer and Seller acknowledge by their initials below receipt of their
444 REIN Consumer Disclosure Information Form prior to entering into this Agreement as well as the following
445 disclosures.

446 **Neither Seller, Real Estate Information Network, Inc. ("REIN"), Listing Firm, Selling Firm, nor their**
447 **employees or agents will be held responsible for Buyer's failure to have investigated and evaluated**
448 **the impact of any of the disclosures made in this Agreement on the Property, including those**
449 **additional disclosures on the Consumer Disclosure Information Form.**

450 **A. CONFIRMATION OF BROKERAGE RELATIONSHIP:** The parties confirm in connection with this
451 transaction that Listing Firm and Selling Firm have represented the party or parties indicated below.
452 Notwithstanding the provisions of paragraph 17 of this Purchase Agreement relating to the payment of
453 brokerage fees, the parties agree that one of the following may apply:
454 **(Check appropriate box.)**

- 455 1. Listing Firm, Selling Firm, and their salesperson(s) represent Seller as their client. Buyer is a
456 customer/ unrepresented party and **has signed the Disclosure of Brokerage Relationship to**
457 **Unrepresented Party form.**
- 458 2. Listing Firm and its salesperson(s) represent Seller. Selling Firm and its salesperson(s) represent
459 Buyer.
- 460 3. Listing Firm and its salesperson(s) represent Seller. Selling Firm and its salesperson(s) represent
461 neither Buyer nor Seller.
- 462 4. The Parties confirm that Selling Firm and its salesperson(s) represent Buyer as their client. Seller is a
463 customer/ unrepresented party and **has signed the Disclosure of Brokerage Relationship to**
464 **Unrepresented Party form.**
- 465 5. Listing Firm and its salesperson(s) represent both Buyer and Seller as DUAL
466 REPRESENTATIVES, by mutual agreement. **Buyer and Seller have signed the Disclosure of**
467 **Dual Representation Form attached; OR**
- 468 6. Listing Firm and its broker represent both Buyer and Seller as DUAL REPRESENTATIVES, by
469 mutual agreement, but SEPARATE AGENTS of Listing Firm have been designated to represent
470 Buyer and Seller as DESIGNATED REPRESENTATIVES. **Buyer and Seller have signed the**
471 **Disclosure of Designated Representatives Form attached.**
- 472 7. Buyer and Seller acknowledge that no brokerage relationship exists with any agent involved in this
473 transaction. Both Buyer and Seller are unrepresented customers.

476 **B. AIRCRAFT NOISE ZONE / ACCIDENT POTENTIAL ZONE DISCLOSURE:** N/A
477 Aircraft noise and/or accident zones are subject to change. If the Property is located in Southside
478 Hampton Roads, Buyer and Seller hereby acknowledge that as of the date of this Agreement current
479 maps indicate the Property is located in an Aircraft Noise Zone 65
480 and/or Aircraft Accident Potential Zone NONE. Noise attenuation
481 measures for new residential construction or modifications to nonconforming structures may be required
482 and height restrictions may have been imposed in accordance with city ordinances. If the Property is
483 located in the City of Hampton, the Property **DOES /** **DOES NOT**, either partially or wholly, lie within
484 a Noise Contour District as mandated by the City of Hampton, and may be subject to high noise levels due
485 to its proximity to flight operations. The Real Estate Transfer Disclosure for Properties Located in a Locality
486 in Which a Military Air Installation is Located is attached, as required by § 55-519.1 of the Code of Virginia.

487 **C. VIRGINIA RESIDENTIAL PROPERTY DISCLOSURE ACT:** The Virginia Residential Property Disclosure
488 Act (the "Act") requires sellers of residential real property to disclose to buyers certain information known
489 to the sellers regarding the condition of the property to be purchased. Seller and Buyer acknowledge that a

Initials: Buyer
Seller

490 Residential Property Disclosure Statement, attached hereto, has been provided by Seller to Buyer prior to
491 ratification of this Agreement. If the Property is an exempted property pursuant to § 55-518 of the Act then
492 this paragraph does not apply.

493 **D. AGENCY INTEREST DISCLOSURE:** Except as otherwise disclosed below neither Listing Agent nor
494 Selling Agent, any member of such agent's family, or such agent's firm, any member of such firm, or
495 any entities in which such agent has an ownership interest is acquiring or attempting to acquire, or is
496 selling the Property. Except as disclosed below, neither Seller nor Buyer is a licensed real estate agent:
497
498
499

500 **E. MEGAN'S LAW DISCLOSURE:** Buyer(s) should exercise whatever due diligence they deem necessary
501 with respect to information on any sexual offenders registered under Chapter 23 (§ 19.2-387 et seq.) of
502 Title 19.2 whether the owner proceeds under subdivision 1 or 2 of subsection A of § 55-519. Such
503 information may be obtained by contacting your local police department or the Department of State Police,
504 Central Criminal Records Exchange, at 804-674-2000 or <http://sex-offender.vsp.virginia.gov/sor>.

505 **F. MECHANICS LIEN:** Virginia law (§ 43-1 et seq.) permits persons who have performed labor or furnished
506 materials for the construction, removal, repair or improvement of any building or structure to file a lien
507 against the Property. This lien may be filed at any time after the work is commenced or the material is
508 furnished, but not later than the earlier of (i) ninety (90) days from the last day of the month in which the
509 lienor last performed work or furnished materials or (ii) ninety (90) days from the time the construction,
510 removal, repair or improvement is terminated. Seller warrants that all bills related to any repairs or
511 improvements made to the Property have been paid or will be paid by Seller from the proceeds at
512 settlement. **AN EFFECTIVE LIEN FOR WORK PERFORMED PRIOR TO THE DATE OF SETTLEMENT**
513 **MAY BE FILED AFTER SETTLEMENT. LEGAL COUNSEL SHOULD BE CONSULTED.**

514 **G. SQUARE FOOTAGE/ACREAGE AND/OR OTHER PROPERTY MEASUREMENTS:** Any representation
515 of square footage, acreage and/or other property measurements are approximate, subject to variation
516 based on method of measurement, and should be independently confirmed by Buyer. Buyer
517 acknowledges and agrees that Buyer has undertaken any and all investigations Buyer desires with respect
518 to obtaining measurements of the Property, including the square footage of the rooms, the acreage of the
519 lot or the other measurements related to the Property and finds any and all such measurements to be
520 acceptable and shall not use the size, acreage or square footage of the Property as the basis for any
521 termination of this Agreement. Buyer agrees to waive, release and discharge all parties to this Agreement,
522 including REIN, from any and all claims that the square footage, acreage or other measurements of the
523 Property were incorrectly stated in any literature concerning the Property generated by REIN's MLS
524 Systems, including Listing and / or Tax reports.

525 **H. DEFECTIVE DRYWALL:** If a Seller of residential real property has actual knowledge that the real property
526 being sold has "Defective Drywall", Section 55-519.2 of the Code of Virginia requires Seller to provide a
527 written disclosure to Buyer that the Property has "Defective Drywall". "Defective Drywall" is defined in
528 Section 36-156.1 of the Code of Virginia. The Defective Drywall Disclosure Statement is attached to this
529 Agreement as required by §55-519.2 of the Code of Virginia, if applicable.

530 **I. PROPERTY PREVIOUSLY USED TO MANUFACTURE METHAMPHETAMINE:** If a Seller of residential real
531 property has actual knowledge that the Property being sold (1) was previously used to manufacture
532 methamphetamine and (2) has not been cleaned up in accordance with state guidelines, the Seller is required to
533 provide a written disclosure to Buyer in accordance with Section 55-519.4 of the Code of Virginia. Pursuant to
534 Section 32.1-11.7 of the Code of Virginia, the Virginia Board of Health established Guidelines for Cleanup of
535 Residential Property Used to Manufacture Methamphetamine. If applicable, the Disclosure Statement for
536 Residential Property Previously Used to Manufacture Methamphetamine is attached to this Agreement as
537 required by the Code of Virginia.

538 **17. BROKERAGE FEE:** Selling Firm and Listing Firm are intended to be, and are, third party beneficiaries of
539 this Agreement with respect to payment of the brokerage fee and are entitled to payment at settlement as
540 provided by separate agreement(s). The settlement agent shall disburse the brokerage fee to Listing Firm
541 and Selling Firm at settlement.

542 **18. DEFAULT:** Subject to the provisions of paragraph 18 below, if either party defaults under this Agreement, the
543 nondefaulting party may pursue, in such party's discretion, all remedies available to the nondefaulting party at
544 law or in equity. In the event of default, Escrow Agent shall pay the Deposit to the nondefaulting party in

Initials: Buyer

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Seller

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545 accordance with paragraph 5B and the nondefaulting party shall have the right to pursue such other rights and
546 remedies against the defaulting party as the nondefaulting party may have, both legal and equitable. All of the
547 rights and remedies hereunder are cumulative. The defaulting party shall be liable for the brokerage fee due
548 Listing Firm and Selling Firm. In any action arising from or related to this Agreement, including, but not limited
549 to, any suit to secure the release of the Deposit from escrow, the prevailing party shall be entitled to receive
550 from the non-prevailing party or parties, reasonable attorneys' fees, costs (including expert fees) and expenses
551 incurred by such prevailing party.

552 **19. DISPUTE RESOLUTION:** Prior to initiating any litigation, the parties agree any dispute or claim arising out of, or
553 relating to, this Agreement, the breach of this Agreement or the services provided in connection with this
554 Agreement, shall be submitted to mediation in accordance with, and as described in the REIN Consumer
555 Disclosure Information Form, previously given to the parties as acknowledged by their signatures below, the
556 terms of which relating to mediation are hereby incorporated in this Agreement. Disputes shall include, by way of
557 illustration and not limitation, claims arising from misrepresentations made by the parties to this Agreement in
558 connection with the sale, purchase, financing, condition or other aspects of the Property, including, allegations
559 of concealment, misrepresentation, negligence and/or fraud.

560 The following matters are excluded from mediation under the preceding paragraph: (a) judicial or non-judicial
561 foreclosure or other action or proceeding to enforce a deed of trust, mortgage, or land contract; (b) an unlawful
562 detainer action; (c) the filing or enforcement of a mechanics lien; (d) any matter which is within the jurisdiction
563 of a probate court; or (e) violation of a state's real estate license laws. The filing of a judicial action to enable
564 the recording of a notice of pending action, or other provisional remedies, shall not constitute a waiver of the
565 right to mediate under this provision, nor shall it constitute a breach of the duty to mediate. If the parties
566 cannot reach a mutually agreeable settlement through mediation, they are free to arbitrate or litigate their
567 dispute as if the mediation never took place. The terms and provisions of this paragraph 19 shall survive
568 settlement and conveyance of title to the property for a period of five (5) years from the date of this Agreement
569 pursuant to the terms of § 8.01-246 of the Code of Virginia of 1950, as amended.

570 **20. OTHER PROVISIONS:**

571 _____
572 _____
573 _____
574 _____
575 _____

576 **21. NON ASSIGNMENT:** This Agreement may not be assigned by Buyer without the written consent of Seller.

577 **22. NOTICES:** Except as provided below, all notices required to be sent to Seller under this Agreement shall be
578 sent to Listing Firm and all notices to be sent to Buyer shall be sent to Selling Firm. Except as provided below,
579 all notices required to be sent under this Agreement may be sent by facsimile, by hand delivery or by prepaid
580 U.S. Certified Mail, Return Receipt Requested and shall be effective as of the receipt of the notice if by
581 facsimile or upon delivery if done by person, or on the third day following the date of mailing if mailed
582 by Certified Mail, Return Receipt Requested. Notices given pursuant to the Property Owners' Association
583 Addendum to Purchase Agreement, the Condominium Addendum to Purchase Agreement or the Cooperative
584 Interest Addendum to Purchase Agreement shall be given in accordance with their terms and notices given
585 with respect to disputes concerning disposition of the Deposit shall be given in accordance with VREB
586 regulations. Notices addressed to Selling Firm and Listing Firm shall be sent to the address set forth next to
587 their signature below.

588 **23. MISCELLANEOUS:**

589 Paragraph headings and section headings of this Agreement are inserted for convenience only and shall not be
590 deemed to constitute a part of this Agreement. **The term "day" shall be deemed to mean any day of the**
591 **week, Monday through Sunday, both inclusive regardless of legal or religious holiday. The term**
592 **"business banking day" shall mean Monday through Friday, except federal holidays.** Any changes must
593 be made by written amendment. This Agreement and any exhibits, addenda, modifications or amendments
594 may be executed i) in any number of counterparts and by facsimile or other electronic means, except with
595 respect to digital signatures, and ii) by different parties in separate counterparts, each of which when so executed
596 and delivered shall be deemed original, but all such counterparts shall constitute but one and the same instrument.
597 To the extent any handwritten or typewritten terms in this Agreement conflict with, or are inconsistent with the
598 printed terms of this Agreement, the handwritten or typewritten terms shall control. This Agreement is executed
599 under seal. The terms of this Agreement and the addenda, exhibits, modifications or amendments referenced
600 herein or which reference this Agreement constitute the entire agreement and there are no other agreements

Initials: Buyer

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Seller

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Page 12 of 13

601 between the parties. The waiver by Seller of any terms, conditions, or provisions of this Agreement shall not be
602 construed as a waiver of any other or subsequent term, condition or provision of this Agreement. If any term,
603 condition, or provision of this Agreement is declared illegal or invalid for any reason by a court of competent
604 jurisdiction, the remaining terms, conditions and provisions of the Agreement shall, nevertheless, remain in full
605 force and effect.
606

607 **OPTIONAL-** If both Buyer and Seller initial below, digital signatures are acceptable for use in this
608 transaction. If both Buyer and Seller do not initial below, digital signatures are not acceptable for use in
609 this transaction. The following language is included for the sole purpose of determining the parties'
610 agreement to accept digital signatures and is not required to be completed if the parties do not agree to
611 accept digital signatures.
612

EXPRESS AGREEMENT TO CONDUCT TRANSACTION USING DIGITAL SIGNATURES: IN
ACCORDANCE WITH THE UNIFORM ELECTRONIC TRANSACTIONS ACT (§ 59.1-479 ET SEQ. OF THE CODE
OF VIRGINIA), BUYER AND SELLER CHOOSE TO ACCEPT DIGITAL SIGNATURES AS ORIGINAL DURING
THE COURSE OF THIS TRANSACTION AND UNDERSTAND THAT AGREEING TO ACCEPT DIGITAL
SIGNATURES FROM THE OTHER PARTY DOES NOT COMMIT THEM TO USING DIGITAL SIGNATURES
EXCLUSIVELY. BY INITIALING BELOW, THE PARTIES AGREE TO USE DIGITAL SIGNATURES:

Buyer: HT Seller: AW

613 **THIS PROPERTY IS OFFERED WITHOUT RESPECT TO RACE, COLOR, RELIGION, SEX, HANDICAP,**
614 **FAMILIAL STATUS, ELDERLINESS, OR NATIONAL ORIGIN.**

615 **THIS IS A LEGALLY BINDING AGREEMENT; IF NOT UNDERSTOOD, SEEK LEGAL ADVICE.**

616 WELER WILLIAMCELITE DUNES CENTER 106400 [Signature] 1/27/17
(SELLING FIRM) (FIRM ID#) (BUYER SIGNATURE) (Date)

617 By: DEANNA STEWART 54790 _____ (Date)
Print or type Agent's name (REIN ID#)(BUYER SIGNATURE)

618 By: [Signature] 1/27/17
Agent's Signature (Date)

619 Selling Firm Address: _____ Buyer's Address: _____
620
621
622

623 ATTN.: _____

624 AT COASTAL REALTY 128700 [Signature] 01/31/2017
(LISTING FIRM) (FIRM ID#) (SELLER SIGNATURE) (Date)

625 By: NIKKI REED 52339 _____ (Date)
Print or type Agent's name (REIN ID#)(SELLER SIGNATURE)

626 By: [Signature] 01/31/2017
Agent's Signature (Date)

627 Listing Firm Address: _____ Seller's Address: _____
628
629 ATTN.: _____



REAL ESTATE TRANSFER DISCLOSURE FOR PROPERTIES LOCATED IN A LOCALITY IN WHICH A MILITARY AIR INSTALLATION IS LOCATED

1. As of the date of this Disclosure, the undersigned property owner(s) represent that the real property described below is located in a Noise Zone and/or Accident Potential Zone (APZ), as shown or referenced on the Official Zoning Map designated by the locality in which the property is located.

No (Please sign below) Yes (Please complete the information below)

2. The following are representations made by the property owner(s), as required by Section 55-519.1 of the Code of Virginia:

A. As of the date of this Disclosure the real property located at (Street Address, Locality and Zip Code) 939 NORCHESTER ST, NORFOLK VA 23509 Virginia is located within the following Noise Zone and/or Accident Potential Zone (APZ), as shown or referenced on the Official Zoning Map of (Name of Locality) _____:

Noise Zone -- (Initial One)

AW <65 dB DNL 65-70 dB DNL 70-75 dB DNL >75 dB DNL

Accident Potential Zone (APZ) -- (Initial One)

AW None (outside APZs) APZ-2 APZ-1 Clear Zone

B. The abbreviation "DNL" refers to a day-night average sound level. The frequency of actual single noise events may vary over time depending on the operational needs of the military. **Single noise events may result in significantly higher noise levels than the average level(s) in any of the Noise Zones listed above.**

C. Noise Zones and Accident Potential Zones are subject to change. For this reason, it should not be assumed that the property will remain in the same Noise Zone and/or Accident Potential Zone.

Additional information may be obtained from the locality.

In the event the owner fails to provide the disclosure required by § 55-519.1, or the owner misrepresents, willfully or otherwise, the information required in such disclosure, except as result of information provided by an officer or employee of the locality in which the property is located, the purchaser may maintain an action to recover his actual damages suffered as the result of such violation. Notwithstanding the provisions of this disclosure, no purchaser of residential real property located in a noise zone designated on the official zoning map of the locality as having a day-night average sound level of less than 65 decibels shall have a right to maintain an action for damages pursuant to this section.

RESIDENTIAL PROPERTY DISCLOSURE STATEMENT

NOTICE TO SELLER AND PURCHASER

The Virginia Residential Property Disclosure Act (§ 55-517 et seq. of the *Code of Virginia*) requires the owner of certain residential real property, whenever the property is to be sold or leased with an option to buy, to furnish this form to the purchaser and to refer the purchaser to a Virginia Real Estate Board website for additional information.

Certain transfers of residential property are excluded from this requirement (see § 55-518).

Property Address/ 939 NORDASTER ST NORFOLK, VA 23504
Legal Description: SITE 135 LIBERTY PK SEC ONE

The owner makes no representations with respect to the matters set forth and described at the RESIDENTIAL PROPERTY DISCLOSURES web page. The purchaser is advised to consult the website (http://www.dpor.virginia.gov/News/Residential_Property_Disclosures/) for important information about the real property.

The undersigned owner(s) represents that there are no pending enforcement actions pursuant to the Uniform Statewide Building Code (§ 36-97 et seq.) that affect the safe, decent, and sanitary living conditions of the real property described above of which the owner has been notified in writing by the locality, nor any pending violation of the local zoning ordinance which the violator has not abated or remedied under the zoning ordinance, within a time period set out in the written notice of violation from the locality or established by a court of competent jurisdiction, except as disclosed on this statement.



The owner(s) acknowledge having carefully examined this statement and further acknowledge that they have been informed of rights and obligations under the Virginia Residential Property Disclosure Act.

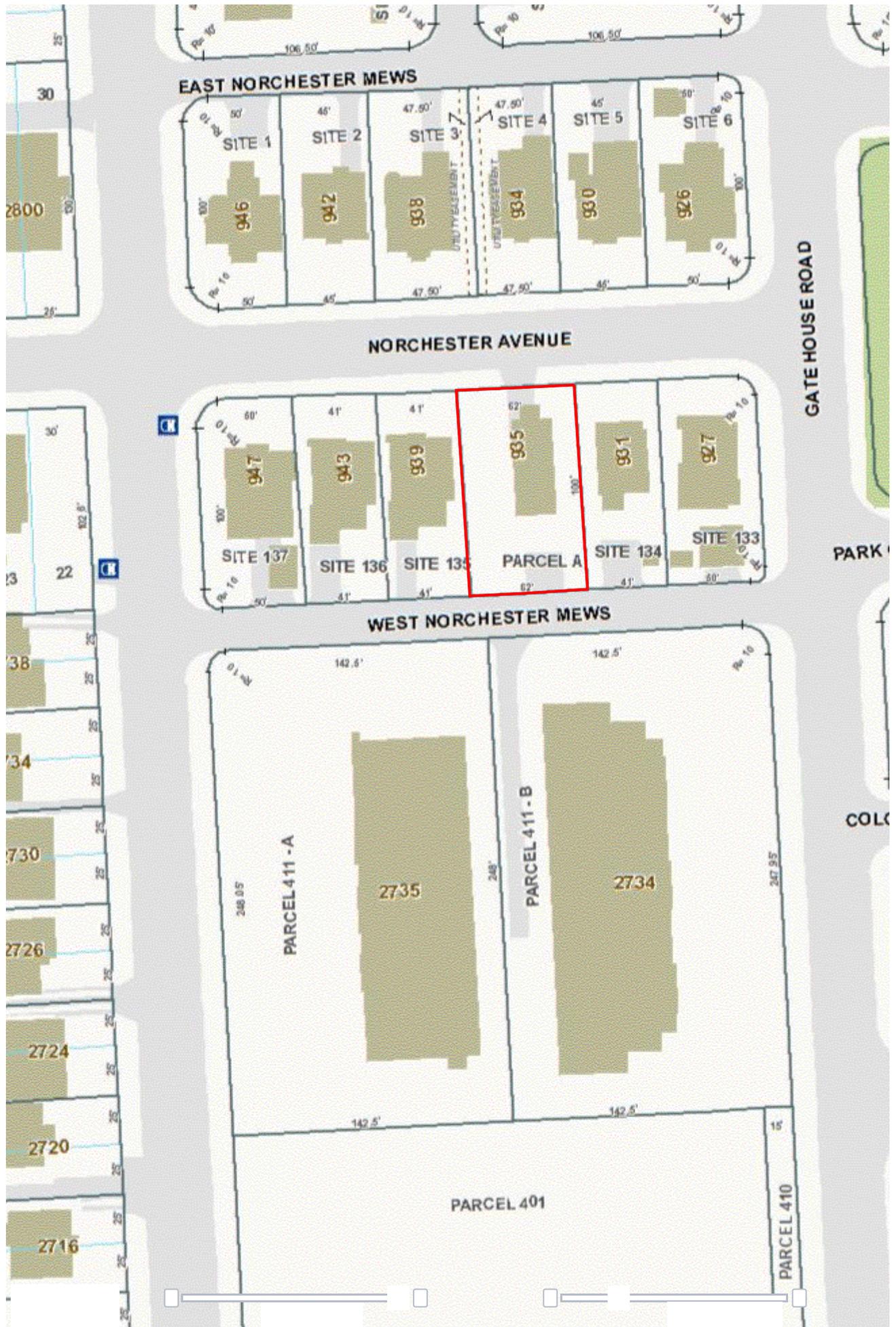
Ayanna Williams 01 / 31 / 2017 _____
Owner Date Owner Date

The purchaser(s) acknowledge receipt of a copy of this disclosure statement and further acknowledge that they have been informed of their rights and obligations under the Virginia Residential Property Disclosure Act.

[Signature] 1/27/17 _____
Purchaser Date Purchaser Date



SEARCH



HRSD COMMISSION MEETING MINUTES
February 28, 2017

ATTACHMENT #7

AGENDA ITEM 8. - Norview-Estabrook Division I 18-Inch Force Main
Replacement Phase II, Section I Agreement

**AGREEMENT FOR PAYMENT OF COSTS OF RELOCATION AND REPLACEMENT
OF
HRSD NORVIEW ESTABROOK DIVISION I, 18-INCH FORCE MAIN
REPLACEMENT PHASE II, SECTION 1 (NORFOLK FAIRMOUNT PARK PHASE
14A)
a/k/a FORCE MAIN SF-066**

THIS AGREEMENT, between the CITY OF NORFOLK (CITY), a municipal corporation of the Commonwealth of Virginia, and the HAMPTON ROADS SANITATION DISTRICT (HRSD), a political subdivision of the Commonwealth of Virginia, entered this 8th day March, 2017.

WITNESSETH:

WHEREAS, HRSD Norview-Estabrook Division I 18-Inch Force Main (a/k/a Force Main SF-066) (referred to as “**Facilities**”), presently an 18” Force Main, is located in whole within the rights-of-way of Pershing Avenue in the City of Norfolk (the “Pershing Avenue City Right-of-Way”); and

WHEREAS, the CITY is constructing its Fairmount Park Phase XIV Project (referred to as “**Project**”) as part of its Capital Improvement Project; and

WHEREAS, the Project includes the replacement of CITY water, sewer and storm drainage facilities within Pershing Avenue; and

WHEREAS, the Project will necessitate changes in location of the HRSD Facilities; and

WHEREAS, HRSD and the CITY agree it is in the best interest of the parties and convenient for the HRSD Facilities as shown on **Exhibit 1** to be constructed concurrently with the CITY Project; and

WHEREAS, the CITY agrees to have such Facilities constructed with the construction costs fully funded by HRSD, in accordance with the description of the Facilities stated and referred to herein and under the terms and conditions hereinafter set forth.

AGREEMENT:

Now, therefore, for and in consideration of the mutual promises set for herein and other good and valuable consideration, the receipt of sufficiency of which are hereby acknowledged, the City and HRSD agree as follows:

I. DESIGN

- A. HRSD will direct Hazen and Sawyer Environmental Engineers and Scientists (“**H&S**” or “**Engineer**”) to design the Facilities which include the relocation and replacement of approximately 1,800 linear feet of sewer force main with all related appurtenances and incidental work, as illustrated in **Exhibit 1** labeled “Existing and Proposed HRSD Facilities”, hereto attached, within Pershing Avenue City Right-of-Way.
- B. HRSD shall cause Engineer to prepare and submit layout drawings to HRSD and CITY for the proposed construction of the Facilities.
- C. HRSD shall cause Engineer to provide HRSD and CITY with approved construction record drawings in accordance with HRSD Standards and Preferences for use in Engineered Construction Projects, latest edition, and CITY’s Public Facilities Manual for restoration work.

II. DESCRIPTION OF FACILITIES

The CITY will construct the replacement portion of HRSD Force Main SF-066, including the replacement and relocation of approximately 1,800 linear feet of 18” cast iron sanitary sewer force main with new 18” ductile iron sewer force main within the Pershing Avenue City Right-of-Way. The approximate location of the new force main is shown on **Exhibit 1** and hereto attached and incorporated by reference. Facilities shall be inclusive of the above described wastewater force main together with all connections, valves, vents, incidental work and related appurtenances thereto.

III. CONSTRUCTION OF FACILITIES

A. Cost of Construction:

The Facilities shall be described in detail in plans and specifications for the work, to be prepared by the Engineer for HRSD. The total cost for the Facilities shall include one hundred percent (100%) of the costs for:

- a) Construction contract costs for the Facilities submitted by the apparent low bidder in the amount of \$ 859,259.00

- b) Miscellaneous costs including, but not limited to, HRSD approved contract Change Orders and cost of permits required for construction of HRSD's Facilities.
- c) This work shall be contracted by the City under its CIP contract. Records of these costs shall be available for review by HRSD at any mutually convenient time.

B. Approval of Facilities Plans, Specifications and Construction Activities:

HRSD and the CITY agree that before any construction work is begun under this Agreement:

- 1. HRSD and CITY will mutually provide written approval of the final plans and specifications for the Facilities.
- 2. The CITY and HRSD shall review and approve the contractor's qualifications prior to award of work.
- 3. Contractor shall be responsible for obtaining all permits and approvals necessary for the Facilities.
- 4. Contractor will remove existing sewer pipe or abandon same in place as set forth in the final plans and specifications.
- 5. The CITY will include HRSD in all scheduled construction meetings during Facilities construction.

C. Ownership, Operation and Maintenance of Facilities:

The Facilities constructed hereunder shall be conveyed to HRSD. HRSD agrees that after accepting ownership of the Facilities, HRSD will operate and maintain the sewer force main constructed under this Agreement at its own expense. No wastewater flow will be accepted through the Facilities until such time as HRSD has accepted ownership.

IV. OBLIGATIONS OF HRSD AND CITY

A. Design, Construction Administration and Construction Inspection

HRSD shall both provide its own design, full-time construction administration and construction inspection of the Facilities at no cost to the CITY. If CITY desires outside inspection of the Facilities, it will obtain the inspection at no cost to HRSD. The HRSD inspector shall have the authority to assure that the Facilities are constructed in accordance with the approved plans and specifications. All inspections shall meet current HRSD standards and practices.

B. Payment of Costs

1. HRSD shall deposit the total actual amount of the bid selected for construction of the Facilities, plus a ten percent (10%) contingency (the "Contract Amount Plus Contingency") into City Account Number _____ within thirty (30) days of the issuance of the notice of intent to award to the low bidder selected pursuant to Section II of this Agreement. The CITY shall notify HRSD when the notice of intent to award is issued.
2. If HRSD fails to deposit the Contract Amount Plus Contingency into the City Account within thirty (30) days of issuance of the notice of intent to award, the CITY shall have the option to reject all bids and cancel the solicitation, and shall provide HRSD with timely notification of any such cancellation.
3. Release of any retainage and final payment shall be made upon inspection and approval of the Facilities by the CITY, H&S, and HRSD, and upon certification of contractor that all of its subcontractors and material suppliers have been paid.
4. If the actual contract cost exceeds the amount deposited, HRSD shall pay the difference by depositing such difference in the City Account. If the construction cost is less than the amount deposited, the CITY shall pay the difference to HRSD, within sixty (60) days of completion of the Facilities.
5. No change order or other cost overage related to the Facilities shall be incurred or binding on the parties unless duly approved by the CITY and HRSD. In the event that any change order or other cost overage is approved by HRSD and the CITY, HRSD shall cause additional funds to be deposited in the aforementioned City bank account prior to proceeding with the change order or other construction associated with such cost overage.

C. Agreement to Accept Ownership

HRSD shall accept ownership of the Facilities described in Section II from the CITY when all conditions of this Agreement have been met.

D. Correction of Construction Defects of Facilities

The CITY shall require the construction contractor to provide a performance and payment bond for the full amount of the construction of the Facilities. The construction contract shall also provide for a Warranty of the Work against construction defects and shall require the contractor to correct defects that are reported by HRSD within one (1) year of the acceptance of the Facilities.

E. Conveyance of Facilities

The CITY shall convey the Facilities to HRSD by virtue of this Agreement and HRSD's acceptance of construction completion. HRSD will operate and maintain the Facilities at its own expense.

V. NOTICES

All notices given between parties shall be in writing and shall be considered properly sent by postage prepaid United States Mail or Country of Origin Mail to the persons identified below:

To HRSD:

If By U.S. Postal Service:
General Manager
P. O. Box 5911
Virginia Beach, VA 23471-0911
Telephone: (757) 460-4242

If By Overnight Mail:
General Manager
1434 Air Rail Avenue
Virginia Beach, VA 23455

To City of Norfolk:

City Manager
City of Norfolk, Virginia
Telephone (757) 664-4240
810 Union Street, Suite 1101
Facsimile: (757) 664-4239
Norfolk, Virginia 23510

With Copy to:

City Attorney
810 Union Street
900 City Hall Building
Norfolk, Virginia 23510

VI. GENERAL

A. Applicable Law and Venue

This Agreement is made in and shall be governed by the laws of the Commonwealth of Virginia. In the event of litigation, venue shall be in the Circuit Court of the City of Norfolk, Virginia.

B. Severability

If any provisions of this Agreement are held to be unenforceable, this Agreement shall be construed without such provisions.

C. Waiver

The failure by a party to exercise any right hereunder shall not operate as a waiver of such party's right to exercise such right or any other right in the future.

D. Changes

This Agreement may only be amended by a written document executed by a duly authorized representative of each of the parties. This Agreement may not be assigned.

IN WITNESS WHEREOF, the Hampton Roads Sanitation District has caused this AGREEMENT to be signed in its behalf by its General Manager in accordance with authorization granted at its regular meeting held on February 28, 2017.

HAMPTON ROADS SANITATION DISTRICT

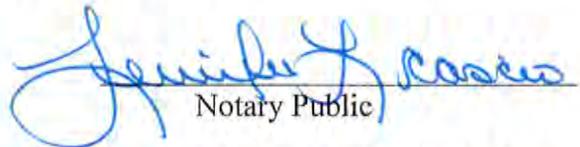
By 
Edward G. Henifin, P.E., General Manager

ATTEST:

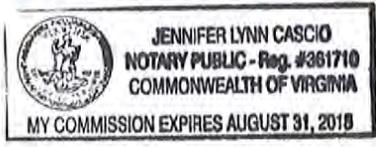

Jennifer Cascio, Secretary

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

The foregoing instrument was acknowledged before me this 8th day of March, 2017, by Edward G. Henifin, P.E., General Manager, Hampton Roads Sanitation District.


Notary Public

My commission expires: 8/31/2018
Registration No.: 361710



This signature page is part of the Agreement for Payment of Costs of Relocation and Replacement of HRSD Norview Estabrook Division I, 18-Inch Force main Replacement Phase II, Section 1 9Norfolk Fairmont Park Phase 14A) a/k/a Force Main SF-066 between HRSD and the City of Norfolk.

CITY OF NORFOLK

Douglas L. Smith
Douglas L. Smith, ~~Interim~~ City Manager

ATTEST:

Breckenridge Daughtrey
City Clerk

STATE OF VIRGINIA
CITY OF NORFOLK, to-wit:

The foregoing Agreement was acknowledged before me this 8 day of Sept, 2017, by Douglas L. Smith, Interim City Manager, and Breckenridge Daughtrey, City Clerk, City of Norfolk, Virginia.

Tracy Cox Hasick
Notary Public



My commission expires: 4/30/18
Registration No.: 7056195

Approved as to Form and Correctness:

Michelle [Signature]
Assistant City Attorney

Approved as to Content:

[Signature]
Director of Utilities

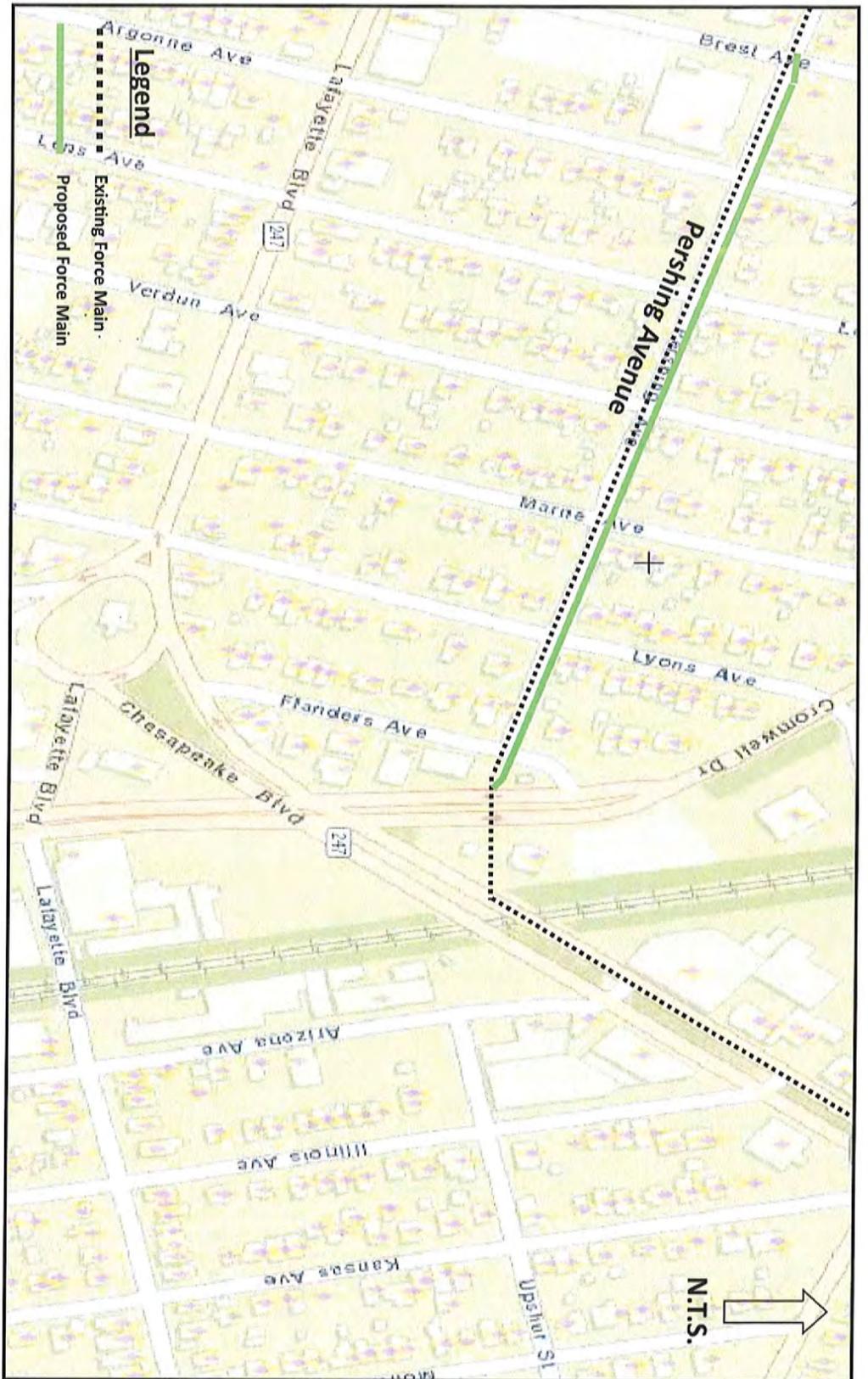
CERTIFICATE OF FUNDING

I hereby certify that the money required for this Agreement is in the City Treasury to the credit of the fund from which is to be drawn and not appropriated for any other purpose.
Facilities Planning & Construction

Account: 5200 34 3082 5582 F417
Amount: 359,259.00
Contract No.: 26832
Vendor Code: HAMPTO 000
Business License No.: _____

ADH

[Signature] 7/31/17
Director of Finance Date
BCM



HRSD NORVIEW ESTABROOK DIVISION I, 18-INCH FORCE MAIN REPLACEMENT

PHASE II, SECTION 1 (NORFOLK FAIRMONT PARK PHASE XIV)

a/k/a FORCE MAIN SF-066

EXHIBIT 1

HRSD COMMISSION MEETING MINUTES
February 28, 2017

ATTACHMENT #8

AGENDA ITEM 9. – Surry Service Agreements

This AGREEMENT, made on this 7th day of Jan., 2017 by and between the COUNTY of Surry, 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

That for and in consideration of Ten and 00/100 Dollars, and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows;

1. The COUNTY agrees to convey by general warranty deed, with English covenants of title, which shall be delivered as herein provided, and HRSD agrees to accept all real property, improvements thereon and fixtures thereto attached owned by Surry County, as of the date of this agreement, including but not limited to the Surry Wastewater Treatment Plant, and all associated wastewater collection systems, pumping stations and appurtenances, together with all 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. All of the foregoing properties, real and personal, are referred to herein as the "FACILITIES". The parties shall agree on a list of specific properties to be transferred, which when created will be added to this Agreement as Appendix 1.
2. Title to the FACILITIES shall be marketable and free and clear of any lien or encumbrance which, in the judgment of HRSD, has a materially adverse affect upon the right of HRSD to use such lands or property in the performance of the functions of HRSD or would preclude HRSD from obtaining owners title insurance on the FACILITIES at reasonable rates.
3. HRSD agrees to provide sewer service, at HRSD cost, beginning on the date of this Agreement or at such time as all of the Facilities are transferred to HRSD, whichever is later, to all areas of the COUNTY currently served by the County's sewer system as well as those which may be designated by the COUNTY in the future as "Sewer Service Area" in the COUNTY's Comprehensive Plan.

- a. HRSD shall provide "interceptor" sewers to within two-miles of future "Sewer Service Areas" at the time a COUNTY water system is made available to "Sewer Service Area" and when approved by resolution of the COUNTY Board of Supervisors. No service will be provided to any area of the COUNTY without an approved resolution of the COUNTY Board of Supervisors authorizing sewer service.
 - b. HRSD agrees to provide adequate capacity to treat all sewage generated within the areas currently served by the County's sewer system and all future "Sewer Service Areas" within the COUNTY in accordance with all applicable laws and regulations at HRSD cost.
 - c. Adequate capacity will be based upon land use as approved in the COUNTY Comprehensive Plan.
4. The COUNTY shall be responsible for the construction of new sewer collection systems and/or extensions of existing collection systems.
- a. Collection systems shall be built to HRSD standards and connected to HRSD "interceptor" facilities in accordance with HRSD requirements.
 - b. Upon meeting final inspection requirements and before being placed in service, sewer collection systems shall be conveyed to HRSD in accordance with the terms and conditions as prescribed in Paragraphs 1 and 2 herein.
5. HRSD shall maintain and operate the sewer collection system, interceptor system and all treatment facilities in accordance with all applicable laws and regulations. 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.
6. The COUNTY shall assist and support HRSD in the planning, scheduling, locating and constructing of new or replacement facilities required for HRSD's services.
- 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 unless waived by HRSD.
 - ii. Extension of interceptor service requires a minimum of 1 year of advance notice unless waived by HRSD.
 - 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.
7. Any relocation of HRSD facilities at the request of the COUNTY shall be at the COUNTY's cost including facilities on COUNTY owned land or within public rights-of way.
8. All sewer customers shall be billed for services in accordance with the current HRSD Rate Schedule and applicable policies.

- a. COUNTY customers shall be billed in accordance with HRSD established billing policies at a frequency established by the County water meter reading schedule.
 - b. COUNTY acknowledges HRSD's authority to cut off water service to delinquent accounts should the COUNTY not cut off water service in accordance with Section 25 of the HRSD Enabling Legislation. Likewise, service shall be restored upon payment.
 - c. COUNTY agrees to assist HRSD in debt collection efforts within the COUNTY's authority.
 - d. COUNTY may, at its discretion, subsidize the sewer rates of the residents of the County under a separate contract with HRSD in accordance with Section 27 of the HRSD Enabling Legislation. Any subsidy will be ratably applied to all HRSD ratepayers within the COUNTY in accordance with Section 22 of the HRSD Enabling Legislation.
9. 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.
 10. 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 and liability to the COUNTY, said portion of real property.
 11. This AGREEMENT and exhibits attached hereto, represent the full AGREEMENT and understanding of the parties hereto. All previous agreements are superseded by this AGREEMENT. There are no additional AGREEMENTS written, oral or otherwise.
 12. This AGREEMENT may be amended only with written approval of both of the parties hereto.
 13. This AGREEMENT may be terminated by the COUNTY with 12 months 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. HRSD will return all of the property transferred by the County to HRSD when this Agreement was executed (the Facilities) at no cost to the County. Upon termination the COUNTY shall assume all regulatory liability for all sewer facilities within the COUNTY.

14. This AGREEMENT may be not be terminated by HRSD without the express written consent of the COUNTY.

15. HRSD may transfer this AGREEMENT in whole or in part after consultation with the COUNTY.

16. The parties warrant they have the permission and authority derived under general law to execute the AGREEMENT and that all necessary actions of the parties' governing bodies to allow execution of the AGREEMENT have been completed.

17. Any notices required pursuant to the terms of this AGREEMENT shall be deemed effective when delivered to:

a. For the COUNTY: County Administrator, Surry County, 45 School Street, Surry, VA 23883

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

IN WITNESS WHEREOF, the parties have caused this AGREEMENT to be signed by their duly authorized officers as of the day, month and year first above written.

County of Surry
BY *Tyrone D. Franklin*

Approved as to form:
Walter R. [Signature]

HRSD
BY *[Signature]* 2/28/2017

This AGREEMENT, made on this 8th day of Aug, 2017 by and between the TOWN of Surry, a political subdivision of the Commonwealth of Virginia, hereinafter referred to as the "TOWN", and the Hampton Roads Sanitation District, a political subdivision of the Commonwealth of Virginia, hereinafter referred to as "HRSD."

WITNESSETH

That for and in consideration of Ten and 00/100 Dollars, and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows;

1. The TOWN agrees to convey by general warranty deed, with English covenants of title, which shall be delivered as herein provided, and HRSD agrees to accept all real property, improvements thereon and fixtures thereto attached owned by the TOWN, as of the date of this agreement, including but not limited to the Surry Wastewater Treatment Plant, and all associated wastewater collection systems, pumping stations and appurtenances, together with all 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. All of the foregoing properties, real and personal, are referred to herein as the "FACILITIES". The parties shall agree on a list of specific properties to be transferred, which when created will be added to this Agreement as Appendix 1.
2. Easements conveyed to HRSD shall be available without additional compensation for use by the Town of Surry for water utility facilities only with the written approval of HRSD. HRSD shall not unreasonably withhold approval provided HRSD's use and enjoyment of the easement is not negatively impacted by the Town water facilities and appropriate separation can be maintained between water and sanitary sewer facilities within the same easement.
3. Title to the FACILITIES shall be marketable and free and clear of any lien or encumbrance which, in the judgment of HRSD, has a materially adverse affect upon the right of HRSD to use such lands or property in the performance of the functions of HRSD or would preclude HRSD from obtaining owners title insurance on the FACILITIES at reasonable rates.

4. HRSD agrees to provide sewer service, at HRSD cost, beginning on the date of this Agreement or at such time as mutually agreed to by the PARTIES, to all areas of the TOWN currently served by the TOWN's sewer system as well as those which may be designated by the TOWN in the future as "Sewer Service Area" in the TOWN's Comprehensive Plan.
 - a. No service will be provided to any area of the TOWN without an approved resolution of the TOWN Council authorizing sewer service.
 - b. HRSD agrees to provide adequate capacity to treat all sewage generated within the areas currently served by the TOWN's sewer system and all future "Sewer Service Areas" within the TOWN in accordance with all applicable laws and regulations at HRSD cost.
 - c. Adequate capacity will be based upon land use as approved in the current TOWN Comprehensive Plan or as amended or modified in the future.
5. The TOWN shall be responsible for the construction of new sewer collection systems and/or extensions of existing collection systems through TOWN agreements with developers or as the TOWN constructs on their own.
 - a. Collection systems shall be built to HRSD standards and connected to HRSD facilities in accordance with HRSD requirements.
 - b. Upon meeting final inspection requirements and before being placed in service, sewer collection systems shall be conveyed to HRSD in accordance with the terms and conditions as prescribed in Paragraphs 1 and 2 herein.
6. HRSD shall maintain and operate the sewer collection system, interceptor system and all treatment facilities in accordance with all applicable laws and regulations. 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 4 hours of notification on regular business hours or as soon as possible after notification during non-business hours. Corrective action to remediate as soon as possible thereafter.
7. The TOWN shall assist and support HRSD in the planning, scheduling, locating and constructing of new or replacement facilities required for HRSD's services.
- a. TOWN shall promptly notify HRSD of any proposed changes to the TOWN'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 as much notice as possible and as soon as practicable after the TOWN becomes aware of the potential need for additional treatment capacity.
 - b. TOWN 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 TOWN shall be at the TOWN's cost including facilities on TOWN owned land or within public rights-of way.

9. All water and sewer customers (including water-only accounts) shall be billed for services in accordance with the current TOWN water rates and the HRSD Rate Schedule and applicable policies.
 - a. TOWN customers shall be billed in accordance with HRSD established billing policies at a frequency established by the TOWN water meter reading schedule.
 - b. TOWN acknowledges HRSD's authority to cut off water service to delinquent accounts should the TOWN not cut off water service in accordance with Section 25 of the HRSD Enabling Legislation. Likewise, service shall be restored upon payment.
 - c. TOWN agrees to not interfere with HRSD's debt collection efforts and remain supportive of HRSD's authority to collect payment for services rendered.
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 TOWN at no cost and liability to the TOWN, said portion of real property.
12. HRSD shall reimburse the TOWN for costs incurred and paid prior to January 1, 2016, related to the planning and design of a replacement wastewater treatment plant. All rights to plans, specifications and studies shall be transferred to HRSD upon reimbursement. Reimbursement shall be based on records of TOWN payments and shall be made within 60 days after transfer of all property per paragraph 1 herein.
13. HRSD agrees to replace, at HRSD expense, all water meters serving residential and small business customers in the TOWN up to ¾ inch meter size. Meter replacement shall be accomplished within two years after transfer of all property per paragraph 1 herein.

14. This AGREEMENT and exhibits attached hereto, represent the full AGREEMENT and understanding of the parties hereto. All previous agreements are superseded by this AGREEMENT. There are no additional AGREEMENTs written, oral or otherwise.
15. This AGREEMENT may be amended only with written approval of both of the parties hereto.
16. This AGREEMENT may be terminated by the TOWN with 12 months written notice. TOWN shall reimburse HRSD for all facilities constructed by HRSD based on current depreciated value as carried on HRSD's last Comprehensive Annual Financial Report. HRSD will return all of the property transferred by the TOWN to HRSD when this Agreement was executed (the Facilities) at no cost to the TOWN. Upon termination the TOWN shall assume all regulatory liability for all sewer facilities within the TOWN.
17. This AGREEMENT may not be terminated by HRSD without the express written consent of the TOWN.
18. HRSD may transfer this AGREEMENT in whole or in part after consultation with the TOWN.
19. The parties warrant they have the permission and authority derived under general law to execute the AGREEMENT and that all necessary actions of the parties' governing bodies to allow execution of the AGREEMENT have been completed.
20. Any notices required pursuant to the terms of this AGREEMENT shall be deemed effective when delivered to:
 - a. For the TOWN: Mayor, Town of Surry, PO Box 314, Surry, VA 23883
 - b. For HRSD: General Manager, HRSD, PO Box 5911, Virginia Beach, VA 23471

IN WITNESS WHEREOF, the parties have caused this AGREEMENT to be signed by their duly authorized officers as of the day, month and year first above written.

Agreement between HRSD and the Town of Surry dated August 8, 2017.

TOWN of Surry

By Will McGathney

HRSD

By Edward G. Henifin
Edward G. Henifin
General Manager

HRSD COMMISSION MEETING MINUTES
February 28, 2017

ATTACHMENT #9

AGENDA ITEM 10. – Surry Rate Schedule

HRSD Rate Schedule Fiscal Year-2017 (July 1, 2016 – June 30, 2017) Amended February 28, 2017

1. WASTEWATER TREATMENT CHARGES (All customers except those on the Middle Peninsula)

Accounts are billed either according to a water meter reading or, in the absence of a water meter, at a flat rate per 30-day period. A minimum charge of \$0.30 per day applies to all accounts.

Customers without a utility-owned water meter (typically well water customers) shall be billed according to their own water meter, which must be installed and maintained in accordance with the requirements of this Rate Schedule (except flat rate accounts).

- a. **Consumption Based Accounts** **\$4.51 per 100 cubic feet** of water or a minimum of \$0.30 per day (whichever is greater)
These are accounts with water meters (wastewater charges are generally based on water meter readings)

- b. **Flat Rate Accounts (Typically limited to Single Family Residential)** **\$29.32 per 30-day period**
These are accounts without water meters or that use a significant amount of water that is not discharged to the sanitary sewer (irrigation, swimming pools, etc.)

2. WASTEWATER TREATMENT AND COLLECTION CHARGES

a. Middle Peninsula Communities

<u>Community</u>	<u>Total Wastewater Rate per 1,000 gallons</u>	<u>Minimum Bill (6,000 gallons bi-monthly water usage)</u>
West Point	\$13.61	\$81.66
Urbanna	13.50	81.00
King William	11.91	71.46

<u>Community</u>	<u>Unit Cost per 1,000 gallons</u>	<u>ERU Usage Rate (12,000 gallons per quarter)</u>
Mathews	\$11.37	\$136.44

The amount charged to Mathews residential customers is a flat rate based on an Equivalent Residential water Usage (ERU) of 12,000 gallons per quarter. All others, including commercial, government and professional customers, are charged based on a schedule of fractions or multiples of the ERU as appropriate for each customer category. This schedule is derived from information supplied by the Mathews Courthouse Sanitary District and may be subject to verification or revision.

All other charges in this Rate Schedule apply to Middle Peninsula accounts.

- b. Surry (the entire County and all towns served with the exception of Claremont)
(Approved 02/28/17)

<u>Total Wastewater Rate per 1,000 gallons</u>	<u>Minimum Bill (3,000 gallons monthly water usage)</u>
\$11.37	\$34.11

All other charges in this Rate Schedule apply to Surry accounts.

3. DELINQUENT FEE

- a. Each customer shall be assessed a delinquent fee of \$15.00 when a shut off notice is generated and the service is scheduled for disconnection.
- b. Each customer shall be assessed a delinquent fee of \$15.00 when a service trip by HRSD to the customer's meter location is required because of non-payment of wastewater treatment or other delinquent fees. When the service trip to the customer's meter location is performed by the water supplier on behalf of HRSD, an additional fee to defray the fee imposed by the water supplier will be applied.

4. METER REMOVAL FEE

When water service has been disconnected for non-payment and it becomes necessary to remove the meter, an additional fee to defray the charge imposed by the water supplier will be applied.

5. DAMAGED LOCK FEE

When it becomes necessary to lock a meter, and the customer deliberately damages the lock in an attempt to resume water service, HRSD will remove the meter. The customer will be charged an additional fee of \$100.00.

6. INACCESSIBLE METER FEE

When it becomes necessary to access a meter, and the customer deliberately blocks access to the meter, the customer will be charged an additional fee of \$50.00.

7. SERVICE RESTORATION FEE

Customers who have made a sufficient payment following disconnection of water service and request to have service restored outside of restoration hours will be assessed a fee of \$100.00.

8. RETURNED PAYMENT FEE

A fee of \$25.00 will be charged each time a financial institution returns a customer's payment. This fee will be refunded upon receipt of satisfactory evidence that the payment was returned solely due to the financial institution's error.

9. ADVANCE SERVICE FEE

In cases of repeated delinquency, the customer will be required to pay an advance service fee. The amount will be based on the customer's previous 12-month billing history. Advance service fees will be refunded or automatically applied upon final billing. A customer whose account has not been delinquent for two years may apply in writing for a refund of an advance service fee.

10. ACCOUNT DOCUMENTATION FEE

A fee of \$10.00 per account, per 12-month period, will be charged each time a customer requests account documentation.

11. LATE PAYMENT FEE

All bills are due and payable when presented. When full payment is not posted to an account by the due date, a late payment fee of 1.5% of the past due amount will be applied.

12. PAYMENT PLAN

A courtesy payment plan may be available for customers temporarily having difficulty managing their bill. All approved payment plans must maintain eligibility requirements. Payment plan eligibility includes maintaining a current account and pay plan scheduled payments without a history of late or returned payments.

13. ACCESS CARD REPLACEMENT FEE

When it becomes necessary to replace an electronic access card for automated entry into a HRSD treatment plant or plants, the customer will be required to pay a fee of \$25.00 per card.

14. METER READING FEE

In the event HRSD must directly obtain a meter reading due to customer's failure to submit required meter readings, the customer will be required to pay a fee of \$75.00.

15. DEDUCTION METER SERVICE FEE

A service fee of \$2.00 will be assessed per deduction meter per month.

16. SERVICES RECEIVED WITHOUT BILLING

Wastewater treatment charges may be assessed for services received but not billed (for any reason) for a period of up to three prior years. The rate in effect in the year wastewater treatment services were provided will be applied. If necessary, at HRSD's sole discretion, payment plans may be established for payment of delayed billing or unbilled previous service.

17. HIGH STRENGTH OR UNUSUAL WASTE

a. Surcharges

<u>Type</u>	<u>In Excess of</u>	<u>Per mg/l per 100 CF</u>	<u>Per 100 pounds</u>
Biochemical Oxygen Demand (BOD)	282 mg/l	\$0.000206	\$ 3.30
Total Suspended Solids (TSS)	261 mg/l	0.000454	7.27
Total Phosphorus (TP)	6 mg/l	0.011642	186.49
Total Kjeldahl Nitrogen (TKN)	47 mg/l	0.001660	26.59

Unusual wastes not covered by this Rate Schedule will be considered separately and may be assigned a special rate.

b. Survey

HRSD may make an initial wastewater monitoring survey of the discharge to determine the applicability of the surcharge. Based on survey results, HRSD may institute the surcharge and/or require the customer to provide such tests and equipment needed to provide adequate basis for the surcharge. When the wastewater discharge is subject to surcharge, the surcharge may be based on the normal characteristics of waste. These will be determined from industrial, chemical, engineering, other appropriate reference or wastewater surveys of discharges from similar operations.

c. Pretreatment

Wastewater discharge limitations may be imposed by HRSD to protect transmission and treatment structures or processes and to ensure compliance with federal and state effluent limitation guidelines. Pretreatment before discharge or elimination of the discharge may be required to meet the above or other guidelines. It also may be necessary to remove any type of waste or alter any manner of discharge determined by HRSD to be detrimental to either transmission and treatment structures or processes.

d. Damage to Facilities

In the event that either transmission or treatment structures or processes are damaged, or the flow through said structures or processes is hampered by a customer's wastewater discharge, HRSD may make or require to be made, at the customer's expense, such repairs as are necessary to restore transmission or treatment structures or processes to normal system operation.

18. HAULED WASTEWATER (INDIRECT DISCHARGE WASTE)

Tank Truck Waste (per gallon) \$0.1366

19. CUSTOMER-OWNED METERS

a. Service Meters

- i. Meters must be purchased, permanently installed and maintained at the customer's expense.
- ii. The customer is required to provide HRSD a meter reading by the 10th day of each month. Charges will be based on this Rate Schedule. If a meter reading is not received by the 10th day of the month, HRSD will bill estimated wastewater treatment charges (and applicable surcharges) based upon consumption determined by HRSD. If the customer fails to provide a meter reading for a third consecutive month, HRSD will read the meter and calculate wastewater treatment charges (and applicable surcharges) based on consumption since the last actual meter reading, less consumption on the estimated billings. A meter reading fee will be assessed.
- iii. All meters installed are subject to periodic inspection and reading by HRSD personnel to ensure the accuracy of billings. Meters may be required, at the customer's expense, to be certified as accurate to manufacturer's specifications. A copy of the certification, if required, must be provided to HRSD. Meters installed after July 1, 1992, must be installed in such a manner to provide one person access as defined in HRSD's Confined Space Entry Program.
- iv. Defective meters must be repaired or replaced at the customer's expense. Billing in the interim will be based on an estimate by HRSD. If necessary, an adjustment will be made based on six months of metered consumption using repaired or replaced meters.

b. Deduction Meters (sub-meters)

Single family residential customers using a significant amount of water that is not discharged into the sanitary sewer system (typically irrigation systems or swimming pools) can establish a non-metered account with HRSD. Alternatively, these customers may have a separate water service installed by their local water provider solely for the uses that do not discharge to the sanitary sewer. This separate service will not be billed wastewater treatment charges by HRSD. Other local water charges may apply. Customers should check with their local water provider for details.

Commercial, industrial, multi-family residential, and customers served by James City Service Authority (JCSA) (as well as other customers with their own deduction meter installed and registered with HRSD prior to July 1, 2009) can meter their own water use that does not discharge to the sanitary sewer system. That meter information must be reported to HRSD for a reduction of billed consumption (wastewater treatment charges only). Customer-owned deduction meters shall be installed, maintained, read and reported to HRSD as follows:

- i. To receive a reduction in wastewater treatment charges, the customer must provide the deduction meter reading to HRSD each billing period. Customers should submit their readings to HRSD five to seven days prior to their scheduled meter-read date to ensure the maximum deduction. The meter-read date can be found on the customer's bill and generally falls on or about the same day of the month for each billing cycle. Deduction meter readings submitted after the stated meter-read date will not be reflected for that billing cycle. If multiple deduction meter readings are submitted within the same bill period, the latest read will be used to calculate the credit.

- ii. After receiving the deduction meter reading HRSD will make the appropriate reduction in billed consumption, which will be reflected on the next bill. **Billed wastewater treatment charges will not be reduced below the minimum charges per this Rate Schedule.**
 - iii. Failure to submit at least one deduction meter reading in a 12-month period will result in permanent termination of deduction meter credits for any single family residential account, with the exception of accounts served by JCSA.
 - iv. All installed meters are subject to HRSD's inspection and verification of submitted readings. HRSD may require that meters be calibrated and their accuracy certified at the customer's expense. A copy of any required certification must be provided to HRSD. Meters installed after July 1, 1992, must be installed in a manner that provides one person access as defined in HRSD's Confined Space Entry Program.
 - v. Defective meters must be repaired or replaced at the customer's expense. Otherwise, no deduction will be allowed.
 - vi. Installation of a meter must have complied with the local water jurisdiction's cross-connection control program (backflow prevention).
 - vii. Customers served by JCSA shall report all deduction meter reading directly to JCSA in accordance with applicable local policies and procedures. JCSA-approved reductions in metered consumption will be applied to HRSD charges accordingly.
- c. Non-Residential Account – Special Meter

For special situations, HRSD may require the installation of sub-meters and/or effluent meters if this is the most practical means of determining the Wastewater Treatment Charge. Installation and charges will be based on the requirements of this Rate Schedule.

20. WASTEWATER FACILITY CHARGE

Wastewater facility charges cover the cost of treatment and conveyance capacity consumed by new development or redevelopment that results in increased wastewater volume or higher strength waste. Facility charges are applied to any sewer or sewer system discharging into HRSD facilities and any increase to existing service. For development occurring at a property previously connected to an existing sanitary sewer tap the applicable facility charge will be waived for equivalent flow capacity. If a property previously served by a septic tank is connected to the sewer system, the applicable facility charge will be waived for equivalent flow capacity.

- a. Volume Based Facility Charges: These charges apply to all connections and are due and payable prior to the issuance of a building permit/sewer permit by the local jurisdiction. The facility charge shall also be due and payable prior to the renewal and/or reissuance of a building permit except in cases where the applicable facility charge was paid when the building permit was originally issued.

<u>Water Meter Size</u>	<u>Facility Charge</u>
5/8-Inch	\$ 1,895
¾-Inch	4,830
1-Inch	8,170
1 ½-Inch	17,260
2-Inch	30,510
3-Inch	70,800
4-Inch	128,660
6-Inch	298,610
8-Inch	542,680
10-Inch	862,550
12-Inch	1,259,520
14-Inch	1,734,700
16-Inch	2,289,010

- b. Special Exceptions

Where an expansion of existing facilities is planned, a facility charge will be paid for the difference in meter size.

In the case of a property use change (redevelopment), where the number and/or size of meters change, the facility charge will be computed on the basis of the difference between the facility charge (at present rates) for the existing facility and the facility charge for the new facilities. In the case of redevelopment where the number and/or size of meters does not change, there will be no facility charge. No refund will be made for decreases in capacity.

Where service by a single master meter is changed to multiple individual meters, no facility charge will be required if aggregate usage remains unchanged.

When oversized water meters are used for fire service, to decrease pressure loss, to provide residential sprinkler systems or other unusual situations, the facility charge will be based on the meter normally sized for the service involved without these special considerations. The sizing required for service will be based on American Water Works Association (AWWA) flow requirements, certified by a Registered Professional Engineer or Architect and approved by HRSD.

For customer-owned deduction meters, when a significant quantity of metered water is not returned to the sewer, the facility charge will be based on one of the following:

- i. The size of the meter supplying water that is returned to the sewer.
- ii. The size of the meter supplying water minus the size of the deduction meter, rounded up to the next available meter size.
- iii. The appropriate water meter size (as determined by HRSD) if effluent metering is the only alternative.

If the usage pattern changes from that originally intended and more flow enters the sewer system, the facility charge will be increased accordingly.

c. Refunds

Because of HRSD's certification and allocation of flow policies, payment of a facility charge will not assure connection to the system at the same cost after one year from date of issuance. The holder of a HRSD facility charge receipt, upon written request, will be eligible for refund when:

- i. Prior to construction, a change is made in the property which would result in a reduced facility charge.
- ii. Building permits are denied or canceled.
- iii. Construction has not or will not begin within one year from date of issuance.
- iv. Collection was made in error.

No refunds will be issued if HRSD has added treatment or conveyance capacity to the Regional Sanitary Sewer System as a result of the proposed construction prior to the request for a refund.

d. Unusual Situations

For unusual connections or where otherwise indicated, HRSD may make or require to be made, at the customer's expense, such investigations as will provide adequate basis for determination of the facility charge.

HRSD COMMISSION MEETING MINUTES
February 28, 2017

ATTACHMENT #10

AGENDA ITEM 15. – 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](#)
- b. [Strategic Planning Metrics Summary](#)
- c. [Effluent Summary](#)
- d. [Air Summary](#)



February 21, 2017

Re: General Manager's Report

Dear Commissioners:

January was filled with challenges in the region that ranged from extremely cold wastewater temperatures at King William to weekend snow removal at our facilities. Challenges experienced in Washington, DC, during the month contributed to some delays in finalizing the minor modification to the Consent Decree. We understand that all U.S. Environmental Protection Agency (EPA) and Department of Justice signatures have been obtained, but the amendment has not been entered by the court. We anticipate this will happen soon.

We wrapped up the recruitment for a Director of Communications in January with Leila Rice accepting the offer. Leila will begin in her new role on March 13, 2017. Leila brings extensive regional communications experience to HRSD and will be a great addition to the HRSD leadership team.

The other significant personnel change in January was the Governor's appointment of Ann Templeman to fill the Commission seat vacated by Susy Rotkis. Susy is splitting time between Arizona and Hampton and found continuing service on the Commission too challenging given her schedule. Her focus on customer service and the financial challenges faced by many of our ratepayers has influenced policy and procedures and promises to be one of the cornerstones of her Commission service legacy.

Ann brings the perspective of another utility, Virginia Natural Gas. We look forward to her contributions as she begins her term at the February meeting

The attached monthly reports review activities throughout the month, with a few items highlighted below:

1. **Treatment, Compliance and System Operations:** There were three Virginia Pollutant Discharge Elimination System (VPDES) exceedances in January; Central Middlesex reported an exceedance for fecal coliform monthly geometric mean and King William reported an exceedance of the TKN weekly maximum concentration and maximum weekly load. All other VPDES and air permit requirements were met during the month.

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 • Arthur C. Bredemeyer • Stephen C. Rodriguez • Willie Levenston, Jr. • Ann W. Templeman
www.hrsd.com

2. **Internal Communications:** I participated in the following meetings/activities with HRSD personnel:
 - a. One length of service breakfast
 - b. A meeting to discuss future potential for the Chesapeake-Elizabeth Treatment Plant
 - c. A meeting to discuss the Chesapeake-Elizabeth Treatment Plant
 - d. closure program communications
 - e. A new employee orientation session
 - f. Final interviews for Director of Communication
 - g. A review of the floor plan for the Sustainable Water Initiative for Tomorrow (SWIFT) Research Center
 - h. A meeting to discuss Dominion Power coal pond discharge plans
 - i. A meeting to discuss nutrient trading options with a campground in southern Chesapeake
 - j. Multiple meetings to review progress and options related to the Supervisory Control and Data Acquisition (SCADA) project
 - k. The senior management annual retreat
 - l. An update on the infiltration and inflow (I/I) program related to the Regional Wet Weather Management Plan (RWWMP)

3. **External Communications:** I participated in the following meetings/ activities:
 - a. A presentation on nutrient trading agreements to the regional city managers and county administrators
 - b. A briefing for the executive director of Lynnhaven NOW
 - c. The Middlesex County Board of Supervisors' January work session to discuss providing sewer service to Deltaville
 - d. A conference call with Surry County in preparation for their February meeting
 - e. A briefing with members of the Nansemond River Preservation Alliance
 - f. A meeting with the County Administrator for James City County
 - g. A conference call to prepare for a presentation to be delivered at the National Association of Clean Water Agencies (NACWA) winter conference
 - h. A conference call for the joint association Utility of the Future recognition committee
 - i. An interview with a WAVY TV-10 reporter about SWIFT
 - j. A conference call regarding the Value of Water campaign
 - k. The VIRGINIAforever legislative reception
 - l. A conference call with the NACWA audit committee
 - m. The EPA Quarterly Briefing required by the Consent Decree

- n. Visits to members of the General Assembly to garner support for budget amendment related to SWIFT
- o. The Chesapeake Bay Foundation legislative reception

Final comments are being incorporated into the first nutrient trading agreement associated with SWIFT. The City of Hampton has been working closely with HRSD to reach agreement on the specific terms of a trading agreement between HRSD and the City for nutrient and sediment credits that will allow the City to meet their Municipal Separate Storm Sewer (MS4) Chesapeake Bay Total Maximum Daily Load (TMDL) reductions at a significant cost savings. This agreement will be the template for other localities in Hampton Roads. The goal is to have individual agreements reached with each locality before October 2017 to allow the agreements to be included in the integrated plan solution for SWIFT and the RWWMP. The trading agreements are estimated to save the region over \$1.5 billion in avoided stormwater costs while attaining the required nutrient and sediment reductions for the Chesapeake Bay in a more cost effective and measurable manner.

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, February 28, 2017 in Virginia Beach.**

Respectfully submitted,

Ted Henifin

Ted Henifin, P.E.
General Manager

TO: General Manager
FROM: Chief of Communications
SUBJECT: Communications Monthly Report for January
2017 DATE: February 6, 2017

A. Publicity and Promotion

1. [January 2, 2017 - Awards and honors \(Inside Business\)](#)
2. [January 17, 2017 - Could treated sewage be a tool against sea-level rise? \(AP News\)](#) *Note: This story was picked up by dozens of newspapers and television websites across the country.*
3. [January 19, 2017 - Deltaville sewer would need county subsidies \(Southside Sentinel\)](#)
4. [January 23, 2017 - Inside Business River Stars Supplement \(pdf\)](#)
5. January 25, 2017 – Sanitation department’s clean water project could help fight sea level rise (WAVY TV-10) <http://wavy.com/2017/01/25/sanitation-departments-clean-water-project-could-help-fight-sea-level-rise/>
6. [January 30, 2017 - River Star Businesses \(Inside Business\)](#)
7. Wrote two articles and edited the annual Regional Wet Weather Management Plan newsletter required by the Consent Decree.
8. Completed final edits of a series of short “Why I Love My Job” videos to support recruitment. <https://www.youtube.com/watch?v=l-BZqW7vYJQ>
9. Prepared a new fact sheet for the Sustainable Water Initiative for Tomorrow (SWIFT) website: Managed Aquifer Recharge—Replenishing eastern Virginia’s primary groundwater supply <http://swiftva.com/wp-content/uploads/2017/01/MAR-Fact-Sheet-SWIFT.pdf>
10. Submitted a “Have you heard about SWIFT?” blog for askHRgreen.
11. Produced four posters to promote the four National Environmental Achievement Awards HRSD will receive from the National Association of Clean Water Agencies during its February conference.

B. Community Engagement

1. Facebook Reach: 7,000
2. Twitter: 4,419 tweet impressions
3. SWIFT website visits: 313
4. Construction Project Page Hits: 6,067

C. News Releases and Project Notices

1. HRSD to host Annual Meeting January 24, 2017
2. HRSD to upgrade billing systems during holiday weekend
3. Weblin Place Rehabilitation Project Notice
4. Hilton Area Sewer Lining Project Notice
5. Elm Avenue Force Main Project Notice
6. Kecoughtan Road Pipeline Project Notice
7. South Trunk G Pipeline Project Notice
8. Holland Road Pipeline Project Notice
9. New Project Web Page: Riverview Parkway

D. Special Projects

Coordinated the production of new signage for the SWIFT pilot project to support tours of the re-designed layout.

E. Internal Communications

1. Updated maps, the website and documents to reflect the addition of Surry County to HRSD's territory.
2. Updated the HRSD Style Guide.
3. Provided Twitter training to Sustainability Advisory Group volunteers who will be Tweeting for HRSD.

F. Metrics

1. Educational and Outreach Events: (6)
 - a. Led a Water Awareness event for Mount Vernon Elementary School Girl Scouts.
 - b. Participated in the Sherwood Forest Elementary School Annual Science Fair.
 - c. Conducted an Amazing Aquifers session for the Southwestern Elementary School Cooperating Hampton Roads Organizations for Minorities in Engineering, Inc. (CHROME) club.
 - d. Exhibited at the Sherwood Forest Elementary School Math and Science Night.
 - e. Attended the Elizabeth River Project's (ERP) annual River Star Business recognition luncheon.
 - f. Provided materials for a Slover Library STEM event.
2. Community Partners: (4)
 - a. Mount Vernon Elementary Girl Scouts
 - b. Southwestern Elementary School CHROME club
 - c. Sherwood Forest Elementary School
 - d. ERP

Item #	Strategic Planning Measure	Unit	January 2016
M-1.4a	Total Training Hours per Full Time Employee (1) - Current Month	Hours / #FTE	0
M-1.4b	Total Training Hours per Full Time Employee (1) - Cumulative Fiscal Year-to-Date	Hours / #FTE	0
M-5.2	Educational and Outreach Events	Number	6
M-5.3	Number of Community Partners	Number	4

Nancy L. Munnikhuisen

Nancy L. Munnikhuisen

TO: General Manager

FROM: Director of Engineering

SUBJECT: Engineering Monthly Report for January 2017

DATE: February 14, 2017

A. General

1. Capital Improvement Program (CIP) spending for the sixth month of Fiscal Year-2017 was \$8.60 million, while the planned expenditure for the month was estimated at \$12.0 million. CIP spending continues to track at only 80 percent of planned spending for the fiscal year. The final Water Quality Improvement Fund (WQIF) grant reimbursement of \$1.97 million was received for the Army Base Treatment Plant Improvements Phase III project.
2. HRSD hosted a workshop to discuss design, construction and operational issues related to the use of equalization storage tanks for raw wastewater applications. HRSD staff and our consultants with prior experience in the design of these tanks participated. Presentations summarized the experiences of other utilities and HRSD's experience with the storage tank constructed as part of the Coliseum Drive Pressure Reducing Station in Hampton. HRSD will construct equalization storage tanks in the near future so this was an opportunity to share information and lessons learned.

B. Asset Management Division

1. Staff prepared an analysis of the cost of ownership for HRSD vehicles, focusing on existing vehicles assigned to the Engineering Department. The analysis included maintenance, fuel consumption, depreciated value and utilization. The total cost of ownership for each vehicle was compared to the mileage reimbursement rate to assess the benefit to the department and HRSD. Some of the vehicles were determined to be underutilized and discussions will be held with the HRSD Automotive Shop to determine the best course forward.
2. The Corrosion Protection Services Consultant, Pond & Company, recently completed a report that evaluated HRSD's Corrosion Control Program including coatings and cathodic protection efforts. The report included a list of recommended improvements to the program that will be used as the budget is prepared for the next fiscal year.

C. North Shore and South Shore Design & Construction Divisions

1. The Interceptor Systems Pump Station Control and Supervisory Control and Data Acquisition (SCADA) Upgrades and Enhancements project continues. Construction efforts are underway at the first 10 sites to receive the new SCADA equipment. This work includes the installation of communication cabinets and antennas at the tower sites. After the first 10 installations are finished, the project team will review the lessons learned before installing the SCADA system at the remaining 130 sites. The Project Team is currently addressing concerns with data collection protocols and the speed of radio transferred data. It has been determined that the UHF radio system specified will not fulfill the data transmission rate required for the project. A test of an alternate UHF radio is underway and early indications suggest that this system will meet the needs for the project.
2. Construction of the Williamsburg Interceptor Force Main Contract A Replacement project is substantially complete. This has been a very challenging project due to the environmental, historical and adjacent property owner concerns. This project, which was started back in 2007, has taken nearly 10 years to design, permit and construct. The replacement pipeline is now in service and restoration work continues. HRSD has been requested to remove, rather than abandon, a section of pipe near the Wareham's Pond Recreation Center. We are working with the contractor to review this request. We are also planning to install two new flow meters on this pipeline to improve flow verification in the Williamsburg area. This effort is also under negotiation with the contractor. We hope to have these two remaining issues resolved in the coming months.

D. Planning & Analysis Division

1. Preparation of the Fiscal Year-2018 CIP continues. Internal coordination meetings with the Operations Department have been held to discuss new projects and update existing efforts. CIP project updates were received in January and the first CIP Review Meeting has been scheduled for March 7. Quality Assurance/Quality Control (QA/QC) of project data is underway and each CIP project has been given an initial prioritization score.
2. The CIP Enhancement Team continues their efforts to consider improvements to the overall program. The list of issues under consideration includes those items suggested in the external audit that was prepared last year. Current efforts are focused on a Document Management Policy, refining the process to prepare project scope/costs, refining the internal QA/QC process and the creation of a project risk management process.

E. Strategic Planning Metrics Summary

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

Item #	Strategic Planning Measure	Unit	January 2017
M-1.4a	Total Training Hours per Full Time Employee (39) - Current Month	Hours / #FTE	1.69
M-1.4b	Total Training Hours per Full Time Employee (39) - Cumulative Fiscal Year-to-Date	Hours / #FTE	22.34
M-5.2	Educational and Outreach Events	Number	0
M-5.3	Number of Community Partners	Number	0
M-5.4	Number of Research Partners	Number	0

Bruce W. Husselbee, P.E.

Bruce W. Husselbee, P.E.

TO: General Manager
FROM: Director of Finance
SUBJECT: Monthly Report for January 2017
DATE: February 15, 2017

A. General

1. The most significant upgrade to our Customer Care and Billing (CC&B) system since the 2008 implementation was successfully completed in January. Special thanks go to the talented project team led by Mary Corby, Enterprise Data Services Chief, and Melissa Josey-White, Customer Care Center Chief. The careful planning and testing and dedicated project team were key elements in the successful implementation.
2. Revenues continue to remain slightly higher than budget due to a steady pace of new connections and flat water consumption relative to last fiscal year. Surcharge revenues are higher than budget primarily due to Total Phosphorus surcharges. We are currently researching this trend. Staffing expenses are in line with budget. Expenses related to Major Repairs and Contractual Services are lower than budget, but expected to finish closer to budget towards the end of the fiscal year. We are not planning a new revenue bond issue this fiscal year so Cost of Issuance will be significantly below budget and only include expenses related to borrowing from the Virginia Clean Water Revolving Loan Fund (VCWRLF).
3. Melissa Josey-White met with senior staff at James City Service Authority (JCSA) to continue to build relationships across the region.

B. Interim Financial Report

1. Operating Budget for the Period Ended January 31, 2017

	Amended Budget	Current YTD	Current YTD as % of Budget (58% Budget to Date)	Prior YTD as % of Prior Year Budget
Operating Revenues				
Wastewater	\$ 242,810,000	\$ 146,920,043	61%	60%
Surcharge	1,500,000	1,105,167	74%	63%
Indirect Discharge	2,500,000	1,564,892	63%	62%
Norfolk Sludge	90,000	43,037	48%	50%
Fees	2,843,000	1,753,329	62%	55%
Municipal Assistance	1,250,000	526,446	42%	55%
Miscellaneous	750,000	553,668	74%	53%
Total Operating Revenue	251,743,000	152,466,582	61%	60%
Non Operating Revenues				
Facility Charge	5,850,000	3,495,865	60%	49%
Interest Income	1,400,000	222,998	16%	63%
Build America Bond Subsidy	2,400,000	1,193,083	50%	51%
Other	840,000	407,085	48%	63%
Total Non Operating Revenue	10,490,000	5,319,031	51%	53%
Total Revenues	262,233,000	157,785,613	60%	60%
Transfers from Reserves	7,901,331	4,609,110	58%	58%
Total Revenues and Transfers	\$ 270,134,331	\$ 162,394,723	60%	60%
Operating Expenses				
Personal Services	\$ 52,521,153	\$ 30,269,339	58%	53%
Fringe Benefits	24,287,503	14,057,111	58%	51%
Materials & Supplies	7,374,956	4,106,434	56%	69%
Transportation	1,448,541	731,754	51%	47%
Utilities	12,286,132	6,378,846	52%	47%
Chemical Purchases	9,360,735	4,605,882	49%	47%
Contractual Services	31,903,100	15,112,386	47%	51%
Major Repairs	9,846,266	3,611,806	37%	29%
Capital Assets	3,519,171	1,559,142	44%	31%
Miscellaneous Expense	2,378,476	1,307,075	55%	48%
Total Operating Expenses	154,926,033	81,739,775	53%	50%
Debt Service and Transfers				
Debt Service	61,947,000	38,685,385	62%	57%
Cost of Issuance Bonds	900,000	2,809	0%	17%
Transfer to CIP	52,101,298	30,392,424	58%	58%
Transfer to Risk management	260,000	151,674	58%	58%
Total Debt Service and Transfers	115,208,298	69,232,292	60%	57%
Total Expenses and Transfers	\$ 270,134,331	\$ 150,972,067	56%	53%

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.

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 January 31, 2017

	General	Risk Management	Reserve	Capital
Beginning of Period - July 1, 2016	\$ 155,644,784	\$ 2,740,508	\$ -	\$ 124,405,496
Add: Current Year Sources of Funds				
Cash Receipts	179,307,664			
Capital Grants				6,491,831
Line of Credit				-
Bond Proceeds (includes interest)				316,347
Transfers In	-	151,674	31,754,250	30,392,424
Sources of Funds	179,307,664	151,674	31,754,250	37,200,602
Total Funds Available	\$ 334,952,448	\$ 2,892,182	\$ 31,754,250	\$ 161,606,098
Deduct: Current Year Uses of Funds				
Cash Disbursements	143,725,978			74,674,597
Transfers Out	30,544,098			31,754,250
Uses of Funds	174,270,076	-	-	106,428,847
End of Period - January 31, 2017	\$ 160,682,372	\$ 2,892,182	\$ 31,754,250	\$ 55,177,251

4. Capital Improvements Budget and Activity Summary for Active Projects the Period Ended January 31, 2017

Classification/ Treatment Service Area	Expenditures		Year to Date		Total Expenditures	Outstanding Encumbrances	Available Balance
	Budget	prior to June 30, 2016	FY 2017 Expenditures				
Administration	\$ 40,961,073	\$ 35,489,810	\$ 1,863,237	\$ 37,353,047	\$ 1,961,855	\$ 1,646,171	
Army Base	156,834,000	117,268,663	938,376	118,207,039	4,216,413	34,410,548	
Atlantic	91,488,147	37,540,037	1,761,203	39,301,240	7,677,519	44,509,388	
Boat Harbor	86,663,081	33,305,878	3,718,503	37,024,381	12,144,291	37,494,409	
Ches-Eliz	30,148,274	4,781,814	886,750	5,668,564	945,748	23,533,962	
James River	74,913,961	36,167,539	5,750,086	41,917,625	11,903,030	21,093,306	
Middle Peninsula	37,394,839	5,170,712	537,321	5,708,033	3,806,328	27,880,478	
Nansemond	74,720,570	24,996,903	6,066,638	31,063,541	5,495,093	38,161,936	
VIP	252,375,811	195,724,686	19,864,609	215,589,295	27,508,225	9,278,291	
Williamsburg	11,396,383	7,646,446	448,943	8,095,389	1,589,914	1,711,080	
York River	45,160,886	30,560,270	4,798,033	35,358,303	4,557,809	5,244,774	
General	231,727,960	141,618,472	10,369,987	151,988,459	50,953,111	28,786,390	
	<u>\$ 1,133,784,985</u>	<u>\$ 670,271,230</u>	<u>\$ 57,003,686</u>	<u>\$ 727,274,916</u>	<u>\$ 132,759,336</u>	<u>\$ 273,750,733</u>	

5. Debt Management Overview

	Debt Outstanding (\$000's)				
	December 2016	Principal Payments	Net Refunding	January 2017	Interest Payments
Fixed Rate					
Senior	\$ 437,218	\$ 2,480	\$ -	\$ 434,738	\$ 4,819
Subordinate	302,744	41	-	302,703	11
Variable Rate					
Subordinate	50,000	-	-	50,000	29
Line of Credit					
	-	-	-	-	-
Total	<u>\$ 789,962</u>	<u>\$ 2,521</u>	<u>\$ -</u>	<u>\$ 787,441</u>	<u>\$ 4,859</u>

Series 2016 Variable Rate Interest Summary - Variable Rate Debt Benchmark (SIFMA) as of 01/27/17

	SIFMA Index	HRSD	Spread to SIFMA
Maximum	0.87%	0.88%	0.01%
Average	0.16%	0.15%	-0.01%
Minimum	0.01%	0.01%	0.00%
As of 01/27/17	0.66%	0.64%	-0.02%

* Since October 20, 2011 HRSD has averaged 15 basis points on Variable Rate Debt

6. Financial Performance Metrics for the Period Ended January 31, 2017

	Current YTD	Policy Minimum
Capital % Cash Funded	40%	15%
General Reserve as % of Operations	104%	75-100%
Risk Management Reserve as % of Projected Claims Costs	25%	25%

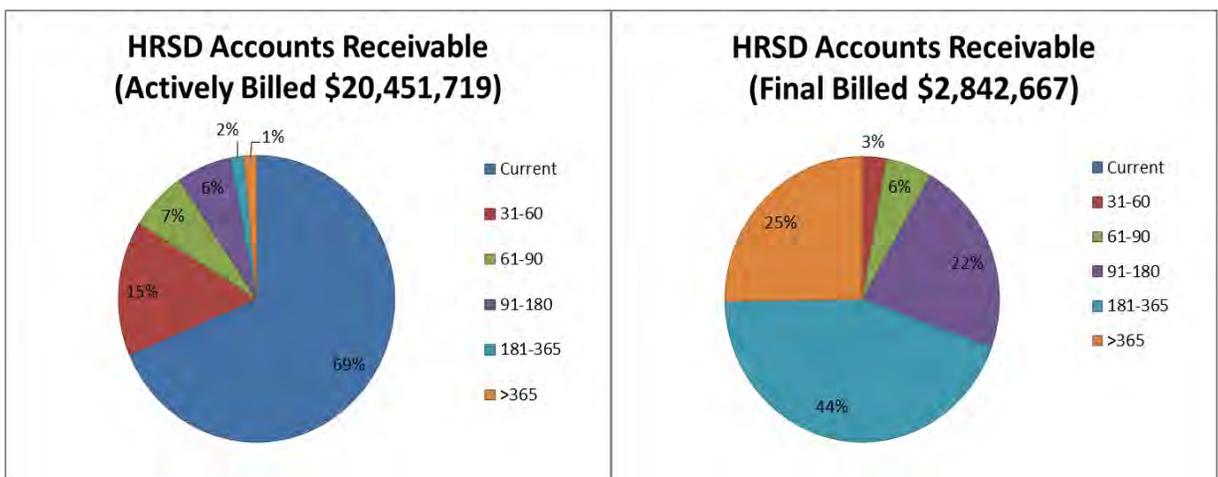
7. Summary of Billed Consumption

Summary of Billed Consumption (ccf)								
Month	2017				% Difference			
	Cumulative 3	Cumulative	Cumulative	2017 Cumulative	From	From	From 3	
	Year Average	2016 Actual	Budget Estimate	Actual	Budget	2016	Year Average	
July	4,902	4,819	4,784	4,776	-0.2%	-0.9%	-2.6%	
Aug	9,774	9,783	9,382	9,275	-1.1%	-5.2%	-5.1%	
Sept	14,337	14,290	13,595	14,227	4.6%	-0.4%	-0.8%	
Oct	19,210	18,976	18,284	19,017	4.0%	0.2%	-1.0%	
Nov	23,362	23,486	22,761	23,282	2.3%	-0.9%	-0.3%	
Dec	27,733	27,627	26,918	27,761	3.1%	0.5%	0.1%	
Jan	31,997	31,844	31,009	32,036	3.3%	0.6%	0.1%	
Feb	36,132	35,960	34,750	-	N/A	N/A	N/A	
March	40,991	40,706	40,257	-	N/A	N/A	N/A	
Apr	45,205	44,834	44,861	-	N/A	N/A	N/A	
May	49,487	49,022	48,879	-	N/A	N/A	N/A	
June	54,069	53,503	52,788	-	N/A	N/A	N/A	

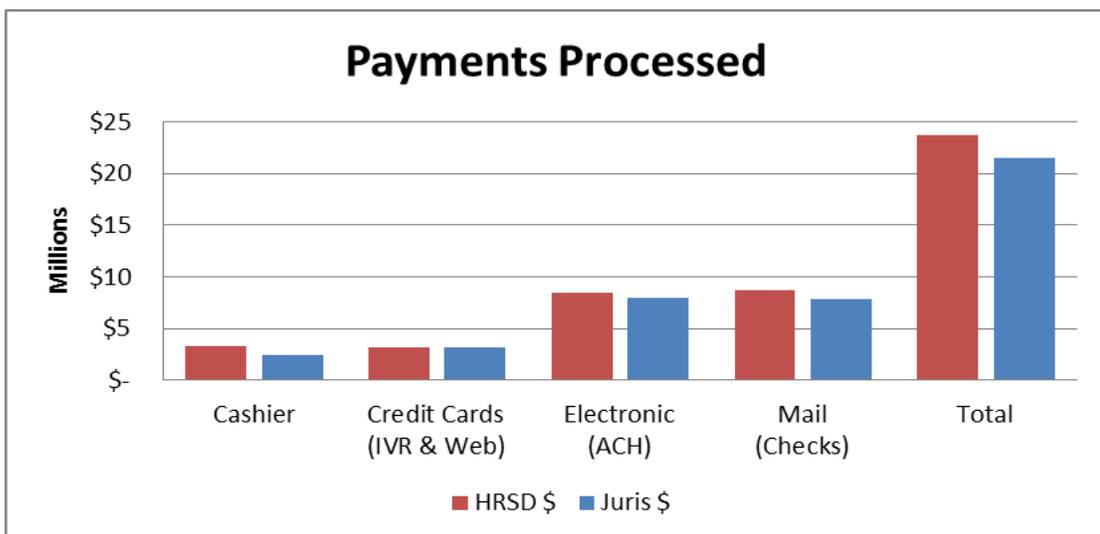
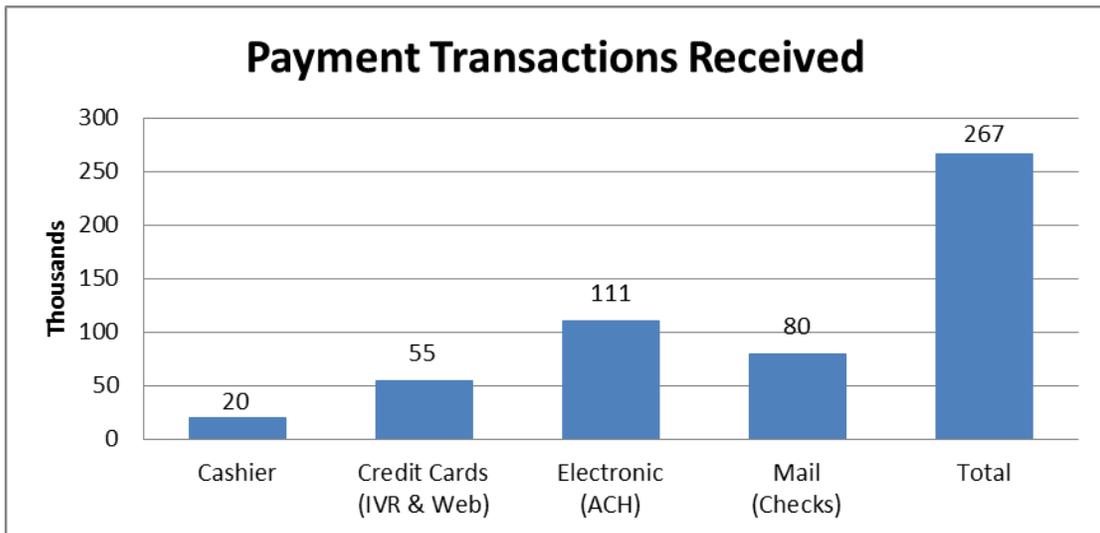
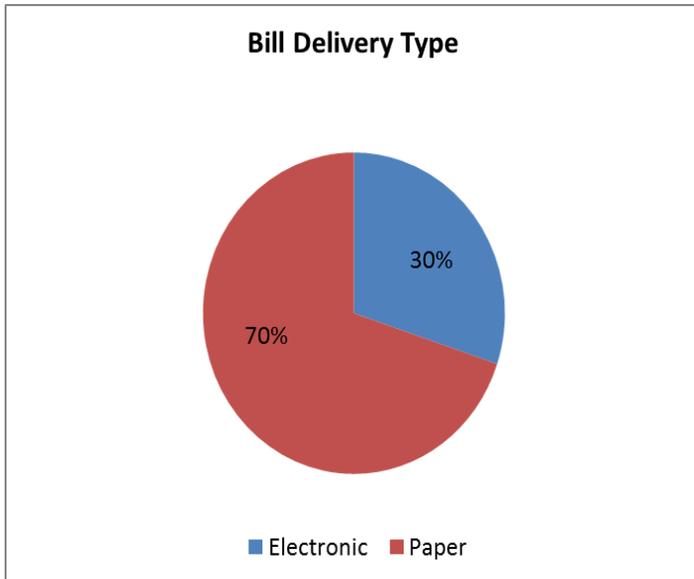
C. Customer Care Center

1. Accounts Receivable Overview

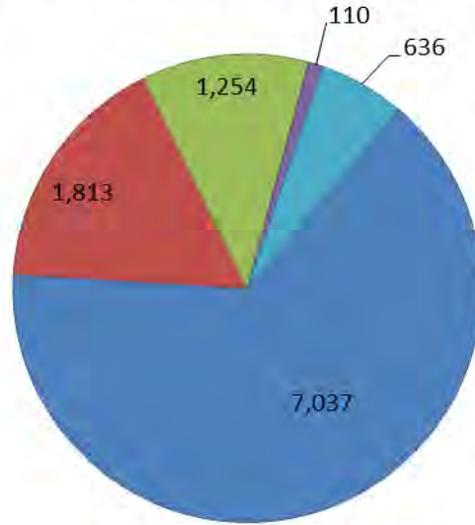
	HRSD	Juris	Total
Roll Forward			
December A/R Balance	\$ 24,049,872	\$ 27,533,924	\$ 51,583,796
Billings	20,845,748	21,528,634	42,374,382
Payments	(22,165,642)	(21,601,285)	(43,766,927)
Delinquency Activity Fees	140,265	-	140,265
Late Payment Charges	96,996	28,310	125,306
Adjustments	482,174	(764,289)	(282,115)
Balances Written Off	(155,027)	(219,326)	(374,353)
January A/R Balance	\$ 23,294,386	\$ 26,505,968	\$ 49,800,354



2. Customer Care Center Statistics for the Period Ended January 31, 2017

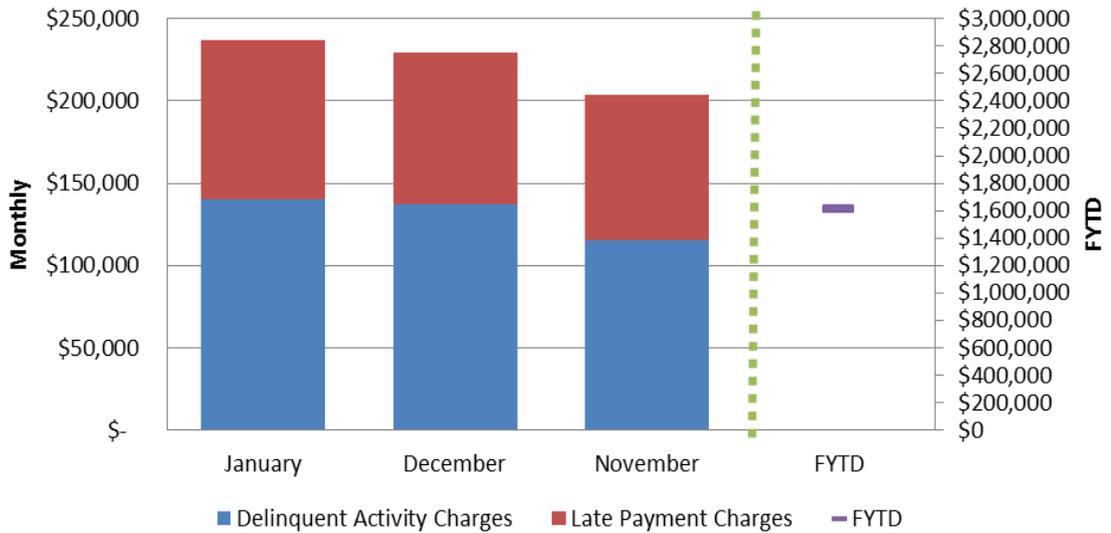


Delinquent Field Activity

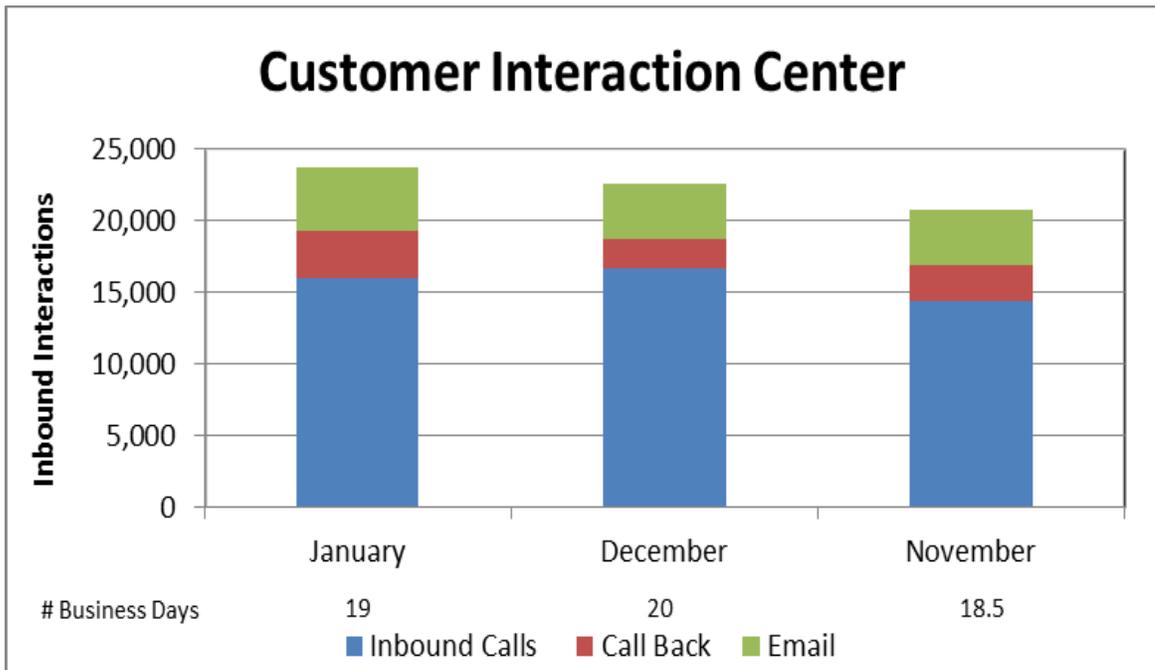


■ Leave Tag
 ■ Cut off
 ■ Turn On
 ■ Lock Meter
 ■ Back Check

Delinquent Fees



■ Delinquent Activity Charges
 ■ Late Payment Charges
 ■ FYTD



Customer Interaction Statistics	January	December	November
Calls Answered within 3 minutes	69%	74%	69%
Average Wait Time	3:03	2:20	2:51
Calls Abandoned	2,550	1,643	1,903

D. Procurement

1. Procurement Statistics

	Current Period	FYTD
Bid Cost Savings	\$ 162,697	\$4,416,854
Negotiated Cost Savings	\$ 19,044	\$ 63,913
Salvage Revenues	\$ 1,242	\$ 18,878
Corporate VISA Card - Estimated Rebate	\$ 16,379	\$ 124,685

Average Cycle Time (Receipt of Requisition to Award)					
Solicitation Types	Award Amounts	Dec-16		Jan-17	
		No. Days	Count	No. Days	Count
RFQs	< \$10,000	54	20	11	10
	\$10,000 - \$50,000	54	20	48	7
IFBs	\$50,000 - \$100,000	39	7	46	3
IFBs/RFPs	>\$100,000	62	6	-	0

Requisition Volume Comparison			
Requisition Amounts	7/1/2015 - 6/30/2016 Requisitions	7/1/2016 - 1/31/2017 Requisitions	Percent Comparison of Past Year
< \$10,000	260	134	52%
\$10,000 – \$50,000	274	130	47%
\$50,000 – \$100,000	47	28	60%
>\$100,000	78	46	59%
Total	659	338	51%

2. Some of the more formal technical competitive bid solicitations for the month included:
 - a. Coatings of Secondary Clarifier Five Effluent Trough at the Nansemond Treatment Plant
 - b. Inspection and Overhaul of Centrifuge No. Three at the Virginia Initiative Plant
 - c. Motor Control Center Upgrade at Nansemond Treatment Plant for North Shore Electrical Division
 - d. Primary Clarifier Column Replacement, Repair and Rehabilitation Coating for South Shore Design and Construction Division
 - e. Aeration Tank Exterior Concrete Crack Rehabilitation for South Shore Design and Construction Division
 - f. Installation of Incinerator Building Scrubber Access Platforms at the Virginia Initiative Plant for South Shore Design and Construction Division
 - g. Emissions Stack Testing Services at multiple Treatment Plants for the Operations Department

E. Business Intelligence – Enterprise Resource Planning (ERP)

1. ERP Helpdesk received 213 work orders. Six are in progress, 35 remain open, two are waiting on user and 170 were closed. Of the 170 work orders that were closed in December, 51 were closed within one hour.
2. The ERP team continued to work with the consultant, Emtech, on Business Intelligence Reports and Benefit Module issues and reconfiguration.
3. ERP staff worked with Accounting to finalize preparations in Hyperion for budget input for the Fiscal Year-2018 budget.
4. The ERP team continued to work with Accounting, Human Resources and Information Technology to review and validate 2016 Affordable Care Act (ACA) reporting.

F. Strategic Planning Metrics Summary

1. Educational and Outreach Events: 0

2. Community Partners: 0

Item #	Strategic Planning Measure	Unit	January 2017
M-1.4a	Training During Work Hours Per Full Time Employee (100) – Current Month	Hours / #FTE	1.21
M-1.4b	Total Training During Work Hours Per Full Time Employee (100) – Cumulative Fiscal Year-to-Date	Hours / #FTE	23.20
M-5.2	Educational and Outreach Events	Number	0
M-5.3	Number of Community Partners	Number	0
	Wastewater Revenue	Percentage of budgeted	103%
	General Reserves	Percentage of Operating Budget less Depreciation	104%
	Accounts Receivable (HRSD)	Dollars	\$23,294,386
	Aging Accounts Receivable	Percentage of receivables greater than 90 days	19%

Respectfully,

Jay A. Bernas

Jay A. Bernas, P.E.

Director of Finance

TO: General Manager

FROM: Director of Information Technology (IT)

SUBJECT: Information Technology Department Report for January 2017

DATE: February 15, 2017

A. General

1. Following extensive preparations and testing, the Customer Care and Billing (CC&B) platform was successfully upgraded from Version 1.5.15 to Version 2.5.
2. In conjunction with the Operations Department and consultants from Emerson Process Management, staff is finalizing a deployment schedule for the installation and configuration of an advanced analytics and reporting tool for treatment processes, Emerson's Enterprise Data Server.
3. Construction of a small-scale data center on the Middle Peninsula began this month. Once complete, the data center will house networking and Supervisory Control and Data Acquisition (SCADA) equipment and also provide on-site, redundant storage plus additional processing capacity.
4. Staff is participating in testing the hardware and software for the SCADA project. The current testing methodology addresses both functionality and projected communications bandwidth requirements necessary to monitor and control infrastructure throughout HRSD's service area.

B. Strategic Planning Metrics Summary

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

Item #	Strategic Planning Measure	Unit	January 2017
M-1.4a	Training During Work Hours Per Full Time Employee (48) – Current Month	Total Training Hours / # FTE	0.29
M-1.4b	Total Training During Work Hours Per Full Time Employee (48) – Cumulative Fiscal Year-to-Date	Total Training Hours / # FTE	8.05
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 January 2017
DATE: February 3, 2017

A. New Nutrient Limits

Significantly reduced new annual nutrient permit limits for both the James River Total Nitrogen (TN) and Total Phosphorus (TP) bubble limits (aggregate waste loading allocations) became effective this month.

For the James River facilities' TP level, we will target an effluent TP level of about 0.7 mg/L for all plants except the Nansemond Treatment Plant (NTP), which we will target 1.2 mg/L, and the Chesapeake-Elizabeth Treatment Plant at 0.9 mg/L. The consequence of this reduction will be a significant increase in ferric sulfate requirements. This increased dosage brings with it other consequences that include increased solids production and potentially increased alkalinity demand (depending on the plant). Several James River facilities currently rely on biological phosphorus removal, and we are improving and optimizing these treatment processes to help offset the increase in chemical and solids production costs.

The decrease in the James River TN aggregate waste load allocation requires improved TN removal at both the Army Base Treatment Plant (ABTP) and the Virginia Initiative Plant (VIP). The ABTP upgrade project was specifically designed to meet a TN level of less than 5 mg/L. This is only achievable with considerable methanol and sodium hydroxide addition. Staff will be optimizing the treatment process to attempt to reduce the demand for both of these chemicals. Work continues at the ABTP to implement more sophisticated methanol feed controls. The VIP upgrade project remains under construction. After the nutrient upgrade portion of the project is complete, with the commissioning of the versatile bioreactors and methanol feed system, the target effluent TN will be less than 5 mg/L. In anticipation that the VIP nutrient upgrade may not be in service until June 2017, there continues to be significant efforts associated with optimizing TN removal at other facilities, including Williamsburg and James River.

B. Interceptor Systems

1. North Shore (NS) Interceptor Systems

- a. Staff responded to one odor complaint and one system alarm during the month.
- b. Work began on the necessary infrastructure and piping to initiate the treatment plan for the pond water at Lawnes Point.
 - 1) Staff performed three pump and haul operations of the Lawnes Point Treatment Plant.
 - 2) Staff completed 24 casting adjustments during the month.

2. South Shore (SS) Interceptor Systems

- a. Staff helped support a variety of condition assessment work in January.
 - 1) Staff removed two sections of cast iron pipe near the Dozier's Corner Pump Station to evaluate the extent of corrosion in the pipeline. The effort was in response to a pipeline failure on September 24, 2016. While investigating, staff found moderate blockages in the sections and used their Vactor trucks to assist in the removal.
 - 2) Staff assisted a consultant in using Ground Penetrating Radar (GPR) and identifying unvented high spots on the pipeline that runs along South Battlefield Boulevard in Chesapeake.
- b. Staff assisted Support Systems with snow removal at the HRSD Main Office complex after the early January snowstorm.

C. Major Treatment Plant Operations

1. ABTP – Staff reported seven air permit regulatory reportable events. There were two total hydrocarbon analyzer (THC) events. Staff replaced the defective THC unit. One regulatory reportable event occurred due to a power anomaly. There were four induced draft fan events attributed to a disruption in the solids feed rates.

Staff reported two non-potable water (NPW) events when pipes froze due to the cold weather. The third event resulted from the removal of a contractor's temporary NPW piping.

On January 9, the plant experienced a caustic spill when the discharge pipe for a recirculation pump dislodged. The spill was contained and recovered. During recovery, sump pumps discharged high alkaline water to the plant influent. The high alkaline water disrupted biological phosphorous removal and caused a solids settling upset. The nitrogen in the solids resulted in a high TN for the day.

On January 22, the plant lost a center column seal in secondary clarifier #2. This caused a low amount of return solids to the aeration tank, which resulted in decreased nitrification. This resulted in a higher than normal TN for the day.

2. Atlantic Treatment Plant (ATP) – Staff received the December lab results from the annual stack tests for the combined heat and power (CHP) engines. CHP Engine #1 passed all three tests. CHP Engine #2 passed only one of the three tests. It appears there were some discrepancies in the sampling procedures used during the test. The engines will be re-tested in February.
3. Boat Harbor Treatment Plant (BHTP) – The plant experienced two power failures resulting in two reportable air permit deviations for use of the emergency bypass stack. The first occurred on January 1, when the bypass stack was used for seven minutes, and the second on January 6, for two minutes.

On January 2, a plant operator neglected to open a return gate while putting a secondary clarifier into service. This resulted in two permit issues at the plant. When the return gate was not opened, the solids that would normally be returned to the aeration process overflowed the contact tank, causing non-potable water (NPW) to become turbid. The turbid NPW caused the strainers in the solids handling area to clog, thus reducing scrubber water flow to an amount less than the permitted 12-hour average. In addition, because of the heavier than normal solids levels in the chlorine contact tank, there was one reportable permit exceedance.

Last month, staff struggled to meet the air permit requirement, incurring 37 deviations for the packed bed differential pressure requirement for the furnace scrubber. At HRSD's request, this month the Virginia Department of Environmental Quality (DEQ) provided significant regulatory relief by approving a waiver of the monitoring requirement as the differential pressure was not an appropriate measure of system performance.

4. Chesapeake-Elizabeth Treatment Plant (CETP) – The plant experienced two air permit deviations. On January 10, the venturi differential pressure dropped below lower limit during a burnout of the incinerator. On January 17, the THC unit failed.
5. James River Treatment Plant (JRTP) – JRTP staff replaced the belt on the #1 gravity belt thickener, installed a new flame arrestor on the digester heat exchanger gas line, replaced a worn out pump on the digester solids recirculation lines and installed three new ammonia probes on the Integrated Fixed Film Activated Sludge (IFAS) tanks.

NS Interceptor Systems staff assisted in repairing a non-potable water line supplying water to solids handling. The pipe was 11 feet below grade, well below the four-foot capabilities of plant equipment and expertise. Staff shut down dewatering operations for three days until the pipe could be excavated and repaired.

6. Nansemond Treatment Plant (NTP) – Process changes implemented last month resulted in the plant returning to complete nitrification and normal operation.

The Sustainable Water Infrastructure for Tomorrow (SWIFT) Demonstration Facility design reached the 50 percent design milestone. The project is on schedule to break ground in March.

The new Enterprise Data Server (EDS) portal has been operational at the plant for over a year. Ultimately, this data management system will replace a highly customized and complex Excel-based program with a stable, web-based system in a standardized format across all treatment plants. The EDS portal integrates with the Distributed Control Systems (DCS) at the plants and the laboratory's Sample Manager System. Deployment of the system at the York River Treatment Plant will begin in March.

7. VIP – An NPW connection broke because of freezing temperatures, causing a 400-gallon spill. Staff recovered 300 gallons of the spill on site, and only 100 gallons flowed into a storm drain.
8. Williamsburg Treatment Plant (WBTP) – Three of the four aeration tanks are now modified and in service to include an anaerobic selector zone for biological phosphorus removal. The third tank was placed in service at the end of the month. The fourth tank will be modified this spring.

9. York River Treatment Plant (YRTP) – Contractors finished final effluent pump modifications to pump #4. The modifications included installing motor base clamps to reduce the natural frequency and problematic pump vibrations. The current schedule calls for the remaining three pumps to be modified in the next couple of months.

D. Small Communities Division (SCD)

1. Three permit exceptions occurred in the SCD treatment plants this month.
 - a. During the week of January 8, due to the severe cold temperatures combined with additional loadings in the middle of January, the King William Treatment Plant (KWTP) suffered a loss of nitrification within the biological process. Staff put the plant in the extended aeration mode to aid in recovery of biological nitrification. However, full recovery was not achieved in time for the weekly composite sample, which resulted in a concentration and loadings maximum weekly exception for TKN. The plant recovered subsequently, with no further exceptions. As a result, nitrogen concentrations were below the annual average concentrations for the permitted monthly value.
 - b. The Central Middlesex Treatment Plant (CMTP) experienced a permit exception for the Fecal Coliform (FC) monthly average value. During the second permitted sample, significantly high colony counts were encountered for both FC and E-coli permitted values (3500 and 2400, respectively). Staff immediately began troubleshooting and diagnosing the cause of the bacterial contamination. Staff performed extensive cleaning of both the tertiary filter tanks/piping upstream of the disinfection system as well as aeration tanks downstream of the disinfection system. Colony numbers fell within normal ranges in subsequent weeks. However, due to the already substantial values previously reported, the final value for FC monthly average equated to 24 N/100 ML, slightly above the permitted value of 20N/100 ML. The E-coli monthly value was within permit requirements.
2. SCD Treatment:
 - a. West Point Treatment Plant (WPTP) – The new sodium hypochlorite chemical system is online and working well. The sodium bisulfite chemical system is undergoing system startup and testing and will be online in the very near future. The mini-bulk program, which SCD now utilizes for chemical containment and storage at WPTP, has

proved to be an excellent resource for operations management in addition to a significant cost savings in treatment.

- b. Urbanna Treatment Plant (UBTP) – The in-house coatings work for train #2 is fully underway and should be completed by mid-February.
- c. KWTP – The King William improvements project is ongoing with a Preliminary Engineering Report kickoff meeting scheduled to occur in mid-February. Due to the extreme cold temperatures encountered at the plant, several process lines and a process valves froze and required replacement. No spills were generated during these occurrences.
- d. CMTP – Sand was replaced in the tertiary filter this month in conjunction with extensive tank cleanings.

3. SCD Collections:

- a. West Point System – On Saturday, January 28, staff responded to an afterhours service call near 13th and Lee Street in the Town of West Point. During the investigation, staff encountered a sink hole in a public alleyway directly over a known gravity main pipeline and immediately upstream of WP Manhole 0312. Further exploration determined that a partial collapse of approximately 8 linear feet of the 8-inch, non-reinforced concrete gravity sewer main had occurred. Staff removed all debris from within the manhole and the collapsed area while also inserting a temporary line to reestablish flow and prevent any further collapsing of the gravity main. Staff will complete Closed Circuit TV investigations in the near future to determine the extent of the damage and plan for a permanent fix.
- b. Urbanna System – The Cross Street Pump Station rehabilitation in-house design effort is approximately 90 percent complete and a competitive bid should be issued in February.
- c. Mathews System – Phase V of the valve replacement in-house design effort is approximately 90 percent complete with a competitive bid issuance anticipated in February/March. The Main Vacuum Pump Station replacement project is progressing slowly; sites for the pump station replacement are under evaluation.

E. Support Systems

1. Automotive

- a. The contractor removed the engine block on the #2 generator at ABTP. Assembly parts have been delivered and repair work progresses.
- b. ATP's CHP generators were returned to service after performing preventative maintenance. The generators are scheduled for testing on February 24.
- c. Staff performed generator load bank tests at Chesapeake Boulevard, Coliseum, Newmarket, Steamboat Creek, and Willard Avenue Pump Stations and both NS and SS operations complexes.

2. Carpentry Shop

The SS Carpenters conducted metal roof inspections of all SS Operations Complex buildings, began constructing cabinetry and shelving units for various work centers to include Technical Services Division (TSD) and the Central Environmental Laboratory (CEL), repaired numerous doors around the SS Complex and removed old flooring in the CEL's Biochemical Oxygen Demand (BOD) room.

3. Coatings and Concrete

- a. Concrete and coating rehabilitation of the exterior walls and roof decks of the BHTP aeration and secondary clarifier tanks progresses. A few exterior walls are now completed.
- b. The contractor completed the preparation and coating of cells C, D, E and F on NTP's #1 aeration tank. Work on cell B began. The concrete and coating rehabilitation of NTP's #1 digester tank is complete. The contractor has completed all coating aside from the outside lid wall. NTP personnel are in the process of filling the tank for the contractor to finish the lid work.
- c. VIP's temporary bypass system for the return grit channel is complete. The contractor will start restoring the concrete February 1.
- d. The contractor completed 98 percent of YRTP's 36-inch pipe rehabilitation on aeration tanks #1 through #6, as well as the coating system restoration of the rake arm assembly on primary clarifier #1.

4. Facilities Maintenance (FM)

- a. Staff continues working with NS Interceptor Systems staff on the removal of the trees on HRSD's property that obstruct the Newport News/Williamsburg International Airport's runway #7.
- b. Work continues on the CEL roof and heating, ventilation, and air conditioning (HVAC) upgrade project.
- c. Work began on the concrete walkway for the main entry plaza of 1434 Air Rail Avenue. The Air Rail Avenue Softscape Project also began. An estimated 5,000 plants and shrubs will be planted as part of this sustainable landscaping initiative. Completion of project is anticipated for the end of February.

F. Electrical and Energy Management

1. Staff worked with an engineering group from North Carolina State University to audit energy use/consumption at ATP. The results of the audit are forthcoming.
2. Five new aeration blowers were installed during the recent upgrade at ABTP. Two of these blowers recently experienced catastrophic failures. Infrared scanning revealed hot spots in the harmonic filters. Staff and consultants inspected the installations to determine reasons for the failures. The manufacturer's representative temporarily set the system to bypass the harmonic filters until a solution is determined.
3. A change in the utility transformer configuration at Morrison Pump Station resulted in power quality problems that caused poor operation of the pump station equipment. Staff worked with Dominion Virginia Power (DVP) to restore the original transformer configuration. The work is complete and the station returned to normal operation.
4. Staff assisted with calibrations of protective relays, transformer preventive maintenance (PM) and collection of transformer oil samples for transformer evaluations at BHTP, NTP and YRTP. Variations in the transformer oil samples can indicate future potential problems with the transformers.
5. Staff responded to several communication problems at King William and West Point this month. The problems were corrected and the equipment returned to service.

6. A vehicular accident destroyed a master metering program site control panel at Little Neck Road. Staff repaired the control panel and returned the site to normal operation.
7. Project Teams completed the installation of the iSense™ power monitor on the incinerator motor control center at WTP.
8. Staff continues to support construction work for the major upgrade at VIP. The team assisted with the installation of two SEL 735 power revenue meters. This work included programming the SEL devices and adding points in the Distributed Control System. Monitoring this information may offer energy conservation opportunities in the future.

G. Water Technology and Research

The National Water Research Institute (NWRI) conducted an independent third-party expert panel review of the SWIFT project that culminated in one and a half days of workshops and meetings at HRSD. The panel provided a verbal debriefing following their private deliberations about the project and will deliver a written report. In addition, HRSD submitted to the panel a list of questions for consideration in their deliberations. The major findings of the panel were:

- Communication: Consider not referring to the project as potable reuse. Consider managed aquifer recharge and a water supply augmentation project. This is not a wastewater disposal project. This is a water supply augmentation project (because current extraction from the aquifer is unsustainable) with many other benefits.
- The panel was in general agreement with the advanced water treatment process design for the SWIFT Demonstration at Nansemond Plant.
- Continuing third party oversight of SWIFT makes sense. The panel will have recommendations on this.
- HRSD should consider private wells in an active manner, but this should not be completely HRSD's responsibility.
- HRSD should assume a monthly average treatment objective for total organic carbon (TOC) of 4 mg/L.
- HRSD should pursue non-specific bioassays, but we can certainly indicate that these approaches are not yet ready for normal use in terms of monitoring and compliance.
- HRSD should be a bit more proactive with respect to industrial source control, but we are definitely headed in this direction, and we can demonstrate that.
- Geochemical compatibility is the biggest risk. HRSD should pursue an adaptive strategy starting with the SWIFT Demonstration at Nansemond Plant, continuing to assess, and adjusting as needed.

- Probably the most critical comment from the panel was to consider designing the advanced water treatment (AWT) processes to meet pathogen log removal value (LRV) specifications similar to California for injection of reclaimed wastewater, including the benefit of soil aquifer treatment (SAT). The implication is that a soil column study, along with a detailed monitoring well program associated with the SWIFT Demonstration at Nansemond Plant, will be required to assess the removal of pathogens through SAT. The panel also suggested some additional benefits of doing the soil column work would be to demonstrate the considerable additional benefit of TOC and emerging contaminant removal.

H. Strategic Measurement Data

- Education and Outreach Events: 2
 - JRTP tour for Boy Scouts from Troop 36 working on the Engineering Merit Badge
 - CETP tour for Boy Scout Troop 480
- Community Partners: 7
 - Chesapeake Bay Foundation – oyster restoration
 - Boy Scout Troop 36
 - Elizabeth River Oyster Project
 - Department of Energy
 - Virginia Institute of Marine Science
 - Old Dominion University
 - Boy Scout Troop 480

Item #	Strategic Planning Measure	Unit	January 2017
M-1.4a	Training During Work Hours per Full Time Employee (FTE) (507) – Current Month-	Hours / FTE	4.32
M-1.4b	Total Training During Work Hours per FTE (507) – Cumulative Year-to-Date	Hours / FTE	25.56
M-2.3a	Planned Maintenance Total Maintenance Hours	Total Recorded Maintenance Labor Hours	26,910.50
M-2.3b	Planned Maintenance – Preventive and Condition Based	% of Total Maintenance Hours	41.53%

Item #	Strategic Planning Measure	Unit	January 2017
M-2.3c	Planned Maintenance - Corrective Maintenance	% of Total Maintenance Hours	28.22%
M-2.3d	Planned Maintenance-Projects	% of Total Maintenance Hours	30.25%
M- 4.1a	Energy Use: Treatment *reported for December 2016	kWh/MG	2,746
M-4.1b	Energy Use: Pump Stations *reported for December 2016	kWh/MG	166
M-4.1c	Energy Use: Office Building *reported for December 2016	kWh/MG	100
M-5.2	Educational and Outreach Events	Number	2
M-5.3	Number of Community Partners	Number	7

Respectfully submitted,

Steve de Mik
Director of Operations

TO: General Manager
FROM: Special Assistant for Compliance Assurance
SUBJECT: Monthly Report for January 2017
DATE: February 8, 2017

A. General

HRSD continues to implement the hybrid regionalized approach to the Regional Wet Weather Management Plan (RWWMP) with the next major Consent Decree milestone, the submittal of the final RWWMP, scheduled for October 1, 2017.

In late December, HRSD received a draft Minor Modification to their Consent Decree from the U.S. Environmental Protection Agency (EPA) and Virginia Department of Environmental Quality (DEQ). After some additional language modification by both HRSD and EPA, this minor change has been agreed to and is in the process of being signed by the Federal government representatives. The requested 308 information will be submitted as part of this Consent Decree modification.

B. Submittals Completed in January 2017 – Annual Public Meeting and Quarterly Briefing with the EPA/DEQ on **January 24**.

C. Activities

1. **Phase 6 – Rehabilitation Plan.** Work continues on Rehab Action Plan projects with the next major milestone on May 5, 2018, for Phase 0.
2. **Phase 7 – RWWMP.** Optimization of the RWWMP solution sets from the Alternatives Analysis Report continued in January, and the final series of optimization workshops will be completed in early February. The Regional Hydraulic Model is being used to test the solutions developed. The Locality Hydraulic Models have been updated and are being tested against the new flow set.

Revisions to the Infiltration and Inflow (I/I) Reduction Program were balanced against capacity improvements to reduce the overall program cost.

Technical coordination team meetings were held on **January 5 and 19** to review overall progress. The HRSD project manager and consultant for the

Chesapeake-Elizabeth Treatment Plant Closure attended the January 19 coordination meeting as part of an ongoing effort to ensure that the closure of this treatment plant is properly modeled and accounted for in the final RWWMP. A meeting was also held on **January 3** to review with HRSD staff how the Ches-Liz Closure Projects interact with the RWWMP.

3. **Phase 8 – EPA Consent Decree Services.** HRSD continues to share information with the Localities through the regional SharePoint site and flow, pressure and rainfall data portal. A Capacity Team Meeting with localities was held on **January 30** to review status of the Consent Decree, RWWMP, and I/I Reduction Program.
4. **Phase 9 – Supplemental Services.** A monthly compliance program meeting was held on **January 4** to review overall progress.

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 expected in 2018.

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

Condition assessment field work is in progress for Work Order FMP2 039 Bowers Hill II. Work Order development is in progress for FMP2 043 Kempsville Road, FMP2 044 Battlefield and FMP2 046 Great Neck Road. These are under Phase II of the Force Main Condition Assessment (FMCA) Program. Field work continued in January under the Gravity Sewer Inspection Phase II Program, which included Work Order GMP2 SCD 013 PS 5 Service Area. Work orders GMP2 039 and GMP2 040 Hickmans Branch, GMP2 041 Shingle Creek, and GMP2 043 FY17 SS MH Inspections are in development to inspect approximately 21,300 linear feet of HRSD gravity pipe and 118 manholes. Work on the Fiscal Year-2016 Condition Assessment Annual Report continued in January.

D. Next Submittals

308 Information Requirement Response – February 15, 2017
Semi-Annual Report – May 1, 2017

E. Program Budget Status

The overall program budget is **\$131,191,858**, excluding the Master Metering Program. A summary of appropriations and expenses is attached.

F. Strategic Planning Metrics Summary

1. Educational and Outreach Events: Attended the Water Environment Federation (WEF) Collection System Mid-Year meeting on January 26 as the Co-Chairman of the Private Inflow and Infiltration sub-committee within the WEF Collection Committee.
2. Number of Community Partners: 0

Item #	Strategic Planning Measure	Unit	January 2017
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	44
M-5.2	Educational and Outreach Events	Number	0
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	January 2017 Obligations	Available Balance
Regional Consent Order and Other Consent Order Requirements			
Regional Hydraulic Model	\$104,248,712	\$108,272,534	-\$4,023,822
Manhole Rehab/Replacement Phase I & North Shore Siphon Chamber	\$2,834,000	\$441,822	\$2,392,178
Pump Station Wet Well Rehabilitation Phase I	\$2,890,000	\$317,920	\$2,572,080
Locality System Monitoring and Condition Assessment	\$21,219,146	\$20,384,092	\$835,054
Subtotal - In progress	\$131,191,858	\$129,416,368	\$1,775,490

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	\$145,050,142

TO: General Manager
FROM: Director of Talent Management
SUBJECT: Monthly Report for January 2017
DATE: February 14, 2017

A. Human Resources

1. Recruitment

a. Summary

New Recruitment Campaigns	4
Job Offers Accepted	
Internal Selections	4
External Selections	5
Internal Applications	19
External Applications	84
Average Days to Fill Position	52

2. Enterprise Resource Planning (ERP)

a. HRSD worked on the following with the managed services vendor:

- (1) Continued to address benefit module issues and reconfiguration
- (2) Continued to review and discuss Cigna interface requirements

b. Accounting, Talent Management and Information Technology staff met to address 2016 Internal Revenue Service Affordable Care Act mandatory reporting requirements and worked on system set up, report configuration and data validation.

c. Service requests related to self-service functionality were addressed with Oracle.

3. Benefits and Compensation

a. HRSD's Benefits consultant presented proposals for Fiscal Year-18 Plan Renewal including projected costs for medical, vision, and dental plans and coverage options.

b. The Compensation and Classification team began evaluating several positions based on Department requests and compensation study outcomes.

4. Wellness

a. Participation Activities

Year 3 Participation Activities	Unit	January 2017	Year to Date (March 2016–February 2017)
Biometric Screenings	Number	114	144
Preventive Health Exams	Number	54	154
Preventive Health Assessments	Number	55	498
Coaching Calls	Number	0	4
On-Line Health Improvement Programs	Number	147	1777
Web-MD Online Health Tracking	Number	7	1724
Challenges Completed	Number	0	1
Fit-Bit Promotion	Number	9	96

- b. Wellness Spirit Week was held January 23- 27. Employees participated in daily health improvement activities including a *Meatless Monday* luncheon at the Virginia Initiative Plant.
- c. The *Maintain Don't Gain Holiday Challenge* was completed by more than fifty participants.
- d. Six on-site biometric screenings were held with 98 employees and spouses participating. On-site screenings will continue through February.

5. Workers Compensation

- a. Three new cases were opened with 13 cases remaining active.
- b. A conference call was held with the carrier to discuss large claim cases to ensure progress, proper administration and communication.
- c. The 2016 Survey of Occupational Injuries and Illnesses was completed and submitted to the Department of Labor and Bureau of Labor Statistics.

6. Employee Relations

- a. Staff continued to partner and meet with work center supervisors to provide guidance. The Employment of Relatives policy was updated and holiday pay policies were clarified. Primary contact roles for work centers were restructured to distribute workloads among Specialists and Coordinators and provide cross-training.
- b. On-line Equal Employment Opportunity Refresher Training was implemented for Operations employees unable to attend previous work center sessions. Employees will complete training and documentation in February.
- c. Staff attended several meetings regarding American with Disabilities Act procedures. Training will be provided to all HRSD supervisors.

7. General

- a. Staff attended the following training:
 - (1) Hyperion Budget Refresher webinar
 - (2) HRSD's *My Success + Your Success = Our Success*
 - (3) Mentor Coach's on-line *Appreciative Inquiry Techniques* class
- b. Staff participated in the following:
 - (1) Water Environment Federation Utility Management Committee's Human Resources and Operations Workgroup
 - (2) HRSD Senior Leadership Retreat

B. Organization Development and Training

1. The following was performed in relation to the HRSD University team:
 - a. The Open Enrollment presentation was forwarded to the vendor for development of the *Employee Benefits* on-line pilot. Sample presentations will be reviewed with Human Resources subject matter experts to select a format.
 - b. The *Introduction to Biological Nutrient Removal* course was recorded and forwarded to the vendor.
2. The first supervisory class, *My Success + Your Success = Our Success* was well attended and received positive feedback. A second class will be held in April.

3. The OD&T Manager assisted with the following:
 - (1) Facilitation of a Strengths Finders workshop for Operations
 - (2) Development of Effective Meetings training for Engineering
4. Staff began reviewing 2016 OD&T activities, courses and feedback to summarize information for presentation to the Quality Steering Team (QST).
5. Apprenticeship Program
 - a. Began review and revision of the Training Superintendent Job description.
 - b. Math skills, placement exams and curricula continued to be evaluated. The Math Evaluation team completed curriculum reviews and found all courses to be appropriate. The team will further evaluate using the Virginia Community College Placement Exam material for testing and incorporation into curricula.
6. Work Center Planning Day documentation was reviewed and parking board items compiled for future QST review.
7. Two members joined the HRSD Quality Facilitator Leadership Team: Eddie Abisaab, North Shore Project Manager, and Mike Ryan, York River Treatment Plant Superintendent.

C. Safety

1. Mishaps and Work Related Injuries
 - a. HRSD-Wide Injury Mishap Status to Date (OSHA Recordable)

	<u>2016</u>	<u>2017</u>
Mishaps	42	3
Lost Time Mishaps	8	1
<i>Numbers subject to change pending HR review of each case.</i>		

b. MOM Program Year Performance Measure Work Related Injuries

January 2017 Injuries For Operations	January 2017 Injuries for Other HRSD Departments	Total Lost Time Injuries Since July 2016	Total HRSD Injuries Since July 2016
3	0	4	24

c. Follow-up investigations were performed on three work related injuries and one auto accident.

2. HRSD Safety Training

Strategic Planning Measure	Unit	January 2017
Total Safety Training Hours per Full Time Employee (814) All HRSD – January 2017	383.25Hours / 814 FTE	0.47
Total Safety Training Hours Per Full Time Employee (814) – Cumulative July 2016	2192.42 Hours / 814 FTE	2.69

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

- a. Three external briefings for contractors working at HRSD treatment plants and pump stations
- b. Respiratory Protection Program training at the following work centers:
 - (1) Nansemond Treatment Plant
 - (2) York River Treatment Plant
 - (3) Williamsburg Treatment Plant
 - (4) South Shore Electrical and Energy Management (EEM)
- c. Forklift Safety training for South Shore Interceptors and EEM employees
- d. Chemical Hygiene Plan training for Virginia Institute of Marine Science and Water Quality employees
- e. Annual safety training for custodial staff

4. Safety Inspections, Testing and Monitoring
 - a. Weekly on-site inspections of the following construction sites:
 - (1) Virginia Initiative Plant
 - (2) York River Treatment Plant
 - (3) James River Treatment Plant
 - (4) Central Environmental Lab (CEL)
 - b. Quarterly safety inspections of the following work centers:
 - (1) North Shore Carpentry, Automotive and Electrical Shops
 - (2) Army Base Treatment Plant
 - (3) Boat Harbor Treatment Plant
 - (4) Nansemond Treatment Plant
 - (5) North Shore Operations Center
 - (6) North Shore Apprenticeship Classrooms
 - (7) North Shore P3
 - c. Monitoring and testing for the following:
 - (1) Air sampling for organic vapors in a CEL section during solvent recovery system operation
 - (2) Monthly hood velocity tests on CEL and Technical Services lab hoods
 - (3) Sampling of Army Base Treatment Plant laboratory and hallway flooring for asbestos containing materials
 - d. The following safety walk-throughs or evaluations were conducted:
 - (1) Escorted Virginia Beach Fire Marshall on inspections of the Water Quality Building, South Shore Automotive and Electrical Shops and the Chesapeake-Elizabeth Treatment Plant
 - (2) Provided a tour of the Chesapeake-Elizabeth Treatment Plant to Virginia Beach Fire Department employees for fire pre-planning
 - e. Staff participated in the Virginia Occupational Safety and Health Administration's (OSHA) Voluntary Compliance inspection of the Virginia Initiative Plant with the contractor.

5. Safety Programs

- a. The Safety Manager worked with Human Resources staff to compile and validate data for completion of the 2016 OSHA 300 Log and Summary of Work Related Injuries and Illnesses. The summary was posted at all work centers by the required deadline.
- b. Fourteen work centers received full recognition for having no OSHA recordable or lost time on the job injuries and no preventable auto or property damage accidents over a six month period. Ten work centers received partial recognition for having reduced on the job injury and incident rates.
- c. Staff met with Army Base, Atlantic, Chesapeake-Elizabeth, James River, Virginia Initiative and Williamsburg Treatment Plant Superintendents to update chemical inventories and response procedures.
- d. Safety and EEM staff met to review final updates to the Electrical Safety Program prior to presentation to the Operations QST.
- e. A confined space permit was updated for York River Treatment Plant.
- f. Hot Work permits were completed for a contactor working at the CEL.
- g. Main Office Emergency Response Procedures were updated and submitted to Customer Care management for review to address emergencies within the cashier area.
- h. Staff began work on Superfund Amendments and Reauthorization Act (SARA) Title III, Tier I and Tier II reports for HRSD facilities.
- i. The Safety Coordinator continued to maintain Operation's Safety Accident Tracking report.

6. General

- a. The HRSD Safety Team met to address the following:
 - (1) Development of a prescription safety eyewear program
 - (2) Updates and training for the Respiratory Protection Program
 - (3) Annual review of the Safety Recognition Program
 - (4) SARA Title III Reports
- b. The Safety Manager attended HRSD's "*My Success + Your Success = Our Success*" training

D. Monthly Strategic Planning Metrics Summary

1. Education and Outreach Events: (0)
2. Community Partners: (0)

Item #	Strategic Planning Measure	Unit	January 2017
M-1.1a	Employee Turnover Rate (Total)	Percentage	0.13%
M-1.1b	Employee Turnover due to Service Retirements	Percentage	0%
M-1.4a	Total Training Hours Per Full Time Employee (15) – Current Month	Total Training Hours/ FTE	1.8
M-1.4b	Total Training Hours Per FTE (15) Cumulative Fiscal Year-to-Date	Total Training Hours/ FTE	32.4
M-5.2	Educational and Outreach Events	Number	0
M-5.3	Community Partners	Number	0

Respectfully submitted,
Paula A. Hogg
Director of Talent Management

TO: General Manager

FROM: Director of Water Quality (WQ)

SUBJECT: Monthly Report for January 2017

DATE: February 15, 2017

A. General

1. There were no Civil Penalties assessed this month.
2. The Director attended a meeting on behalf of HRSD and the National Association of Clean Water Agencies (NACWA) with representatives of several national agricultural interest groups regarding national water quality nutrient challenges. The purpose of the meeting was for NACWA and the agricultural interest groups to understand the perspectives of each group with the hopes of collaboration in addressing surface waters impaired by nutrients. Nutrients are believed to be one of the most significant pollutants contributing to impairment of surface waters in the United States. Wastewater facilities and various agricultural activities make up a large percentage of the sources of nutrients to surface waters but agriculture is generally not regulated to the extent that wastewater facilities are regulated. For example, vegetable and grain farms do not have permits for discharge but they do release nutrients to the environment, and all wastewater facilities have permits and permit limits associated with those respective discharges. However, the cost of controlling nutrients from agricultural sources can be significantly less than that for wastewater facilities. NACWA is attempting to find ways that it can work with the agricultural interests to more efficiently and effectively address nutrient surface water impairments. The meeting was constructive and each group represented agreed that it would be beneficial to continue the dialogue.

B. Quality Improvement and Strategic Activities

1. The Sustainability Advocacy Group (SAG) reported no activities in the month of January.
2. The Pretreatment Information Management System (PIMS) Team reported no activity in the month of January
3. The Technical Services Division (TSD) Technology Team and HRSD's Information Technology Department have completed an evaluation of a digital transformation forms program. The team is in the process of reaching out to other departments to see if this technology will be a benefit to others. A

presentation will be made at the February Operations Department Quality Steering Team meeting to see if this group could benefit from the technology.

4. The WQ Communication Team continues to monitor and measure inter-divisional communication issues within the WQ Department. Quarterly reports will be distributed to the WQ Quality Steering Team (QST).

C. Municipal Assistance

1. HRSD provided sampling and analytical services to Frederick County and the South Central Wastewater Authority to support their Virginia Pollution Discharge Elimination System (VPDES) permit application process.

D. Strategic Planning Metrics Summary

1. Educational and Outreach Events: 1
 - a. Laboratory staff assisted a Davidson College student who is interested in a career in environmental microbiology. The student shadowed analysts performing various types of analysis to learn more about a production type environmental laboratory.
2. Community Partners: 8
 - a. P3 staff participated in an askHRgreen.org (Fats, Oils, Grease) FOG Committee meeting.
 - b. P3 staff participated in the work of the HRSD United Way committee.
 - c. TSD and the Laboratory Division assisted the City of Newport News with a microbial source tracking project at Hilton Beach.
 - d. TSD and the Laboratory Division assisted the City of Virginia Beach in its bacteria study in Mill Dam Creek watershed.
 - e. TSD staff collaborated with the Virginia Department of Health Division of Shellfish Sanitation and the City of Suffolk with a fecal source identification project in the Nansemond River
 - f. TSD and the Laboratory Division provided Chlorophyll Monitoring and Assessment Program support to the Virginia Department of Environmental Quality in monitoring the James River.
 - g. TSD and the Laboratory Division assisted the City of Chesapeake and the Elizabeth River Project with bacterial monitoring and fecal source identification in the Indian River.
 - h. TSD and the Laboratory Division assisted the City of Norfolk with a microbial source tracking project at Knitting Mill Creek.

3. Odor Complaint: 1

North Shore Operations received a complaint on January 19 regarding odors from an unsealed manhole at 5800 Warwick Boulevard in Newport News. Staff immediately responded and sealed the manhole. No further odors from the manhole have been detected nor complaints received.

Item #	Strategic Planning Measure	Unit	January 2017
M-1.4a	Training During Work Hours Per Full Time Employee (105) (Current Month)	Total Hours / # FTE	4.92
M-1.4b	Total Training During Work Hours Per Full Time Employee (105) (Cumulative Fiscal Year-to-Date)	Total Hours / # FTE	37.36
M-2.5	North Shore/South Shore Capacity Related Overflows	# within Level of Service	0
M-3.1	Permit Compliance	# of Exceedances: # of Permitted Parameters	7:30,620
M-3.2	Odor Complaints	#	1
M-3.4	Pollutant Removal	Total Pounds Removed	112,473,345
M-3.5	Pollutant Discharge	% Pounds Discharged/Pounds Permitted	23%
M-5.2	Educational and Outreach Events	#	1
M-5.3	Community Partners	#	8
	Average Daily Flow	Total MGD for all Treatment Plants	167.06
	Industrial Waste Related System Issues	#	0

Respectfully submitted,

James Platt, PhD

Director of Water Quality

TO: General Manager

FROM: Director of Water Quality (WQ)

SUBJECT: Monthly Report for January 2017

DATE: February 15, 2017

A. General

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presentation will be made at the February Operations Department Quality Steering Team meeting to see if this group could benefit from the technology.

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C. Municipal Assistance

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D. Strategic Planning Metrics Summary

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 - d. TSD and the Laboratory Division assisted the City of Virginia Beach in its bacteria study in Mill Dam Creek watershed.
 - e. TSD staff collaborated with the Virginia Department of Health Division of Shellfish Sanitation and the City of Suffolk with a fecal source identification project in the Nansemond River
 - f. TSD and the Laboratory Division provided Chlorophyll Monitoring and Assessment Program support to the Virginia Department of Environmental Quality in monitoring the James River.
 - g. TSD and the Laboratory Division assisted the City of Chesapeake and the Elizabeth River Project with bacterial monitoring and fecal source identification in the Indian River.
 - h. TSD and the Laboratory Division assisted the City of Norfolk with a microbial source tracking project at Knitting Mill Creek.

3. Odor Complaint: 1

North Shore Operations received a complaint on January 19 regarding odors from an unsealed manhole at 5800 Warwick Boulevard in Newport News. Staff immediately responded and sealed the manhole. No further odors from the manhole have been detected nor complaints received.

Item #	Strategic Planning Measure	Unit	January 2017
M-1.4a	Training During Work Hours Per Full Time Employee (105) (Current Month)	Total Hours / # FTE	4.92
M-1.4b	Total Training During Work Hours Per Full Time Employee (105) (Cumulative Fiscal Year-to-Date)	Total Hours / # FTE	37.36
M-2.5	North Shore/South Shore Capacity Related Overflows	# within Level of Service	0
M-3.1	Permit Compliance	# of Exceedances: # of Permitted Parameters	7:30,620
M-3.2	Odor Complaints	#	1
M-3.4	Pollutant Removal	Total Pounds Removed	112,473,345
M-3.5	Pollutant Discharge	% Pounds Discharged/Pounds Permitted	23%
M-5.2	Educational and Outreach Events	#	1
M-5.3	Community Partners	#	8
	Average Daily Flow	Total MGD for all Treatment Plants	167.06
	Industrial Waste Related System Issues	#	0

Respectfully submitted,

James Platt, PhD

Director of Water Quality



Engagement Background

Our team is continuing to progress with the planned internal audit assignments. During January, we conducted the entrance meeting for the Procurement/ P-Card Process Review. This review will focus on procurement cycle procedures and the management of HRSD P-Cards. Additionally, we continued fieldwork procedures for the Inventory Process Review and drafted the audit report.

Our audit process consists of three phases:

- **Planning**: Reviewing relevant background information, gaining an understanding of, and documenting the key areas to be reviewed
- **Fieldwork**: Testing and examining pertinent documents, reports, transactions, and information to confirm the strength of the processes and related controls
- **Reporting**: Discussing the conclusions of our audit work and ultimately issuing a written report with suggestions being provided (if identified)

Project Accomplishment Summary

During the month of January, our team performed the following:

- **Inventory Process Review**:
 - Progressed with audit objectives, evaluating and testing documentation as received
 - Completed internal draft of the audit report
- **Risk Assessment Refresh/ Internal Audit Plan Development**
 - Presented the refreshed risk assessment and projected audit plans to senior management
 - Drafted FY2018 and FY2019 audit plans
- **Procurement/ P-Card Process Review**:
 - Provided initial document request list to process owners
 - Conducted entrance meeting with Procurement and P-Card team
 - Began evaluating documentation received

Projected Tasks for February

During the month of February, our team will:

- **Inventory Process Review**:
 - Discuss findings with the process owners
 - Incorporate management action plans for confirmed observations and finalize deliverables
- **Risk Assessment Refresh/ Internal Audit Plan Development**
 - Present internal audit progress and plans to the HRSD Finance Committee
 - Incorporate edits/ updates as needed and finalize plan
- **Procurement Process Review**:
 - Conduct walkthrough meetings with process owners
 - Prepare process, flowchart, and audit documentation
 - Draft review objectives and audit program

Engagement Notes/ Delays

No delays in our audit process were incurred. The HRSD teams continue to be helpful and supportive of the internal audit function.

Annual Metrics

Item	Strategic Planning Measure	Unit	Target	FY-10	FY-11	FY-12	FY-13	FY-14	FY-15	FY-16
M-1.1a	Employee Turnover Rate (Total)	Percentage	< 8%	5.63%	4.09%	6.64%	7.62%	8.22%	9.97%	6.75%
M-1.1b	Employee Turnover Rate within Probationary Period		0%		2.22%	8.16%	14.58%	9.68%	0.66%	0.13%
M-1.2	Internal Employee Promotion Eligible	Percentage	100%		59%	80%	69.57%	71.43%	64.00%	69.00%
M-1.3	Average Time to Fill a Position	Calendar Days	< 30		70	60	52	43.76	51	56
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
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
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
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
M-2.1	CIP Delivery - Budget	Percentage			113%	96%	124%	149%	160%	151%
M-2.2	CIP Delivery - Schedule	Percentage			169%	169%	161%	150%	190%	172%
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
M-2.3b	Planned Maintenance	Percentage of Total Mtc Hours Monthly Avg			20%	27%	70%	73%	48%	41%
M-2.3c	Corrective Maintenance	Percentage of Total Mtc Hours Monthly Avg			63%	51%	12%	10%	18%	25%
M-2.3d	Projects	Percentage of Total Mtc Hours Monthly Avg			18%	22%	20%	18%	32%	34%
M-2.4	Infrastructure Investment	Percentage of Total Cost of Infrastructure	2%		8.18%	6%	6%	4%	7%	7%
M-3.3	Carbon Footprint	Tons per MG Annual Total			1.61	1.57	1.47	1.46	1.44	1.45
M-3.6	Alternate Energy	Total KWH			0	0	0	5,911,289	6,123,399	6,555,096
M-4.1a	Energy Use: Treatment	kWh/MG Monthly Avg			2,473	2,571	2,229	2,189	2,176	2205
M-4.1b	Energy Use: Pump Stations	kWh/MG Monthly Avg			197	173	152	159	168	163
M-4.1c	Energy Use: Office Buildings	kWh/MG Monthly Avg			84	77	102	96	104	97
M-4.2	R&D Budget	Percentage of Total Revenue	> 0.5%		1.0%	1.4%	1.0%	1.3%	1.0%	0.8%
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
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%
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
M-5.1	Name Recognition	Percentage (Survey Result)	100%	67%	71%	N/A	62%	N/A	60%	N/A
M-5.4	Value of Research	Percentage - Total Value/HRSD Investment			129%	235%	177%	149%	181%	178%
M-5.5	Number of Research Partners	Annual Total Number			42	36	31	33	28	35
	Rolling 5 Year Average Daily Flow	MGD		157.8	155.3	152	154.36	155.2	151.51	153.09
	Rainfall	Annual Total Inches		66.9	44.21	56.21	46.65	46.52	51.95	54.14
	Billed Flow	Annual Percentage of Total Treated		71.9%	82.6%	78%	71%	73%	74%	72%
	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%
	Total Debt Coverage	Net Revenue/Total Annual Debt	>1.4	1.67%	1.67%	1.46%	1.45%	1.32%	1.46%	1.77%

Monthly Updated Metrics

Item	Strategic Planning Measure	Unit	Target	FY-10	FY-11	FY-12	FY-13	FY-14	FY-15	FY-16	Dec-16	Jan-17
	Average Daily Flow	MGD at the Plants	< 249		136	146.5	158.7	156.3	153.5	155.8	135.7	167.1
	Industrial Waste Related System Issues	Number	0		3	6	6	6	2	4	0	0
	Wastewater Revenue	Percentage of budgeted	100%		97%	96%	98%	107%	102%	104%	104%	103%
	General Reserves	Percentage of Operating and Improvement Budget	75% - 100%		72%	82%	84%	92%	94%	95%	104%	104%
	Accounts Receivable (HRSD)	Dollars (Monthly Avg)			\$ 17,013,784	\$ 17,359,488	\$ 18,795,475	\$ 20,524,316	\$ 20,758,439	\$ 22,444,273	\$24,049,872	\$23,294,386
	Aging Accounts Receivable	Percentage of receivables greater than 90 days			21%	20%	18%	19%	21%	20%	18%	19%
M-2.5	Capacity Related Overflows	Number within Level of Service	0		25	1	30	5	11	16	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	4:26246	7:30620
M-3.2	Odor Complaints	Number	0		6	2	7	11	5	9	0	1
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	96,483,209	112,473,345
M-3.5	Pollutant Discharge (% of permitted)	Pounds Discharged/Pounds Removed	< 40%		25%	22%	25%	22%	22%	20%	22%	23%
M-5.2	Educational and Outreach Events	Number			302	184	238	322	334	443	28	23
M-5.3	Number of Community Partners	Number			280	289	286	297	321	354	25	25

EFFLUENT SUMMARY FOR JANUARY 2017

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	10.30	57%	6	4.3	3	2	0.58	0.58	5.2	5.2	NA	NA	11
ATLANTIC	29.28	54%	9	7.9	3	1	NA	NA	NA	NA	NA	NA	3
BOAT HARBOR	18.06	72%	7	8.0	2	1	0.27	0.27	14	14	NA	NA	3
CENT. MIDDLESEX	0.011	46%	4	8.4	24	11	NA	NA	NA	NA	2.6	<0.20	NA
CHES-ELIZ	18.86	79%	14	13	39	3	0.85	0.85	30	30	NA	NA	5
JAMES RIVER	13.37	67%	5	5.9	2	1	0.67	0.67	8.2	8.2	NA	NA	1
KING WILLIAM	0.043	43%	<2	<1.0	NA	<1	0.04	0.04	3.7	3.7	2.6	NA	NA
NANSEMOND	20.06	67%	6	10	1	1	1.0	1.0	10	10	NA	NA	0
URBANNA	0.045	45%	9	16	4	6	4.2	4.2	22	22	NA	5.1	NA
VIP	33.74	84%	7	7.7	7	1	0.63	0.63	8.1	8.1	NA	NA	3
WEST POINT	0.465	78%	24	21	2	4	2.9	2.9	18	18	NA	2.8	0
WILLIAMSBURG	7.96	35%	3	3.8	3	2	0.42	0.42	5.9	5.9	NA	NA	4
YORK RIVER	14.86	99%	4	2.9	2	1	0.22	0.22	3.6	3.6	NA	NA	1
	<u>167.06</u>		<u>8</u>	<u>9</u>									

	% of Capacity
North Shore	66%
South Shore	68%
Mid Peninsula	66%

Tributary Summary						
Tributaries	<u>Annual Total Nitrogen</u>			<u>Annual Total Phosphorus</u>		
	Discharged	Operational		Discharged	Operational	
	YTD	Projection	CY17	YTD	Projection	CY17
	%	Lbs	%	%	Lbs	%
James River	9%	3,885,620	85%	8%	267,155	84%
York River	6%	241,116	84%	6%	14,856	77%
Rappahannock	20%	NA	NA	53%	NA	NA

Permit Exceedances: Total Possible Exceedances, FY17 to Date: 7:30,620
Pounds of Pollutants Removed in FY17 to Date: 112,473,345
Pollutant Lbs Discharged/Permitted Discharge FY17 to Date: 23%

	<u>North Shore (PHF)</u>	<u>South Shore (ORF)</u>	<u>Small Communities (FYJ)</u>
Month	4.39"	4.41"	4.36"
Normal for Month	3.30"	2.98"	3.40"
Year to Date Total	4.39"	4.41"	4.36"
Normal for YTD	3.30"	2.98"	3.40"

AIR EMISSIONS SUMMARY FOR JANUARY 2017

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	1	0	0	0	0	0	3	36	97	0
BOAT HARBOR	0	0	0	n/a	0	0	0	2	42	100	0
CHES-ELIZ	0	1	n/a	0	0	0	0	0	33	99	0
VIP	0	0	0	n/a	0	0	0	0	42	100	0
WILLIAMSBURG	0	0	0	n/a	0	0	0	0	8	100	0

ALL OPERATIONS

DEQ Reportable Air Incidents:	0	No. of Permit Deviations/Possible No. of Permit Deviations (1/17) = 7/2987
DEQ Request for Corrective Action (RCA):	0	No. Permit Deviations/No. Possible Permit Deviations (CY17 to date) = 7/2987
DEQ Notice of Violation (NOV):	0	Total Time on Bypass/Total Time Operating (1/17) = 0.65 hrs/ 3450 hrs Total Time on Bypass/Total Time Operating (CY17 to date) = 0.65 hrs/ 3450 hrs
Other Air Permit Deviations:	0	Dry Tons Solids Processed (1/17) = 2410
Odor Complaints Received:	1	Total Dry Tons Solids Processed (CY17 to date) = 2410 Monthly average Dry Ton per Day (DTD) per MHI unit = 15.8
Odor Scrubber HRSD Exceptions:	1	