



COMMISSION MEETING MINUTES
May 28, 2024

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The Commission Chair called the meeting to order at 9:03 a.m.

Name	Title	Present for Item Nos.
Rodriguez, Stephen C.	Commission Chair	1-20
Elofson, Frederick N.	Commission Vice-Chair	Absent
Glenn, Michael E.	Commissioner	1-20
Lakdawala, Vishnu K.	Commissioner	1-13,15-20
Levenston, Jr., Willie	Commissioner	1-20
Stern, Nancy J.	Commissioner	1-20
Taraski, Elizabeth	Commissioner	1-20
Templeman, Ann	Commissioner	1-20

In accordance with Virginia Code § 2.2-3708.3 (B) and the HRSD Remote Participation Commission Adopted Policy Commissioner Lakdawala requested approval to participate in today's meeting from Plano, TX due to the Commissioner is unable to attend the meeting due to a personal matter.

Moved: Michael Glenn
Seconded: Willie Levenston

Ayes: 6
Nays: 0
(Excludes Remote Participant)

1. **Closed Meeting**

Action: Motion to go into closed meeting to consider the following items as provided for in Code of Virginia §2.2-3711A:

Item a. Purpose Specific Exemption	Remote Access Security Internal Audit Briefing by auditors §2.2-3711.A19
Item b. Purpose Specific Exemptions	Legal matters concerning probable litigation and consultation with legal counsel regarding specific legal matters requiring the provision of legal advice concerning the interpretation of a contract and rights of the parties under the contract Briefing and consultation §2.2-3711.A7 and §2.2-3711.A8

Moved: Willie Leveston
Seconded: Ann Templeman

Ayes: 7
Nays: 0

Exemption Descriptions:

A19. Discussion of plans to protect public safety as it relates to terrorist activity or specific cybersecurity threats or vulnerabilities and briefings by staff members, legal counsel, or law-enforcement or emergency service officials concerning actions taken to respond to such matters or



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a related threat to public safety; discussion of information subject to the exclusion in subdivision 2 or 14 of § 2.2-3705.2, where discussion in an open meeting would jeopardize the safety of any person or the security of any facility, building, structure, information technology system, or software program; or discussion of reports or plans related to the security of any governmental facility, building or structure, or the safety of persons using such facility, building or structure.

A7. Consultation with legal counsel and briefings by staff members or consultants pertaining to probable litigation, where such consultation or briefing in open meeting would adversely affect the negotiating or litigating posture of the public body. For the purposes of this subdivision, "probable litigation" means litigation that has been specifically threatened or on which the public body or its legal counsel has a reasonable basis to believe will be commenced by or against a known party. Nothing in this subdivision shall be construed to permit the closure of a meeting merely because an attorney representing the public body is in attendance or is consulted on a matter.

A8. Consultation with legal counsel employed or retained by a public body regarding specific legal matters requiring the provision of legal advice by such counsel. Nothing in this subdivision shall be construed to permit the closure of a meeting merely because an attorney representing the public body is in attendance or is consulted on a matter.

2. **Reconvened Meeting**

Certification of Proceedings: Pursuant to Section 2.2-3712.D of the Code of Virginia, a roll call vote was conducted to certify that to the best of each Commission member's knowledge: (i) only public business matters lawfully exempted from open meeting requirements under this chapter, and (ii) only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed or considered. Any Commissioner who believes there was a departure from these two requirements shall so state prior to the vote, indicating the substance of the departure.

Roll Call Vote:

Ayes: 7
Nays: 0

Action: No action required.

Public Comment: None



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3. **Awards And Recognition**

Action: No action required.

Brief: HRSD is pleased to announce the following:

a. **Service Awards**

The Commission Chair presented a service award to Kevin Parker who marked his 25th year of service with HRSD on March 1, 2024. Kevin was hired in 1997 as a TSD intern while completing a B.S. degree from Old Dominion University. After completing his degree, he was promoted to a TSD Specialist and then a TSD Supervising Specialist. Following the completion of an environmental science master's degree at CNU, he was promoted to a TSD Environmental Scientist, where he managed water quality monitoring projects, provided oversight to wastewater treatability studies, promoted water reclamation and reuse, and established many other technical programs. During that time, Kevin developed a wastewater 101 class for all HRSD employees, helping employees better understand the treatment process, sampling fundamentals, regulations, and other related topics to this industry. This class remains popular today. To enhance his skills in managing people, finances, and other business aspects at HRSD, Kevin completed his second master's degree in 2016, with an MBA from Regent University. At the end of 2022, Kevin was promoted to Chief of the Technical Services Division and in June, Kevin will be graduating from the Virginia Natural Resources Leadership Institute.

b. **Promotion Announcements**

- Laura Kirkwood was recently promoted to Chief of Design & Construction – South Shore. Laura was hired in 2010 as a Data Analyst in Engineering's Planning and Analysis Division and was later promoted as a Project Manager in the South Shore Design and Construction Division. She was recently tasked with assisting the SWIFT Program as the Deputy Program Manager. Laura is a licensed Professional Engineer with 16 years of Engineering experience, which includes a process and quality engineering role in the cement manufacturing industry prior to joining HRSD. She has 12 years of experience in project and program management. Laura holds a Bachelor's degree in Chemical Engineering from the Georgia Institute of Technology and a Masters degree in Environmental Engineering from Old Dominion University. Laura will be leading her team responsible for providing design and construction services to deliver new facilities and rehabilitate existing facilities. She will be working closely with the Project Managers, Division Chiefs, and other staff to monitor project quality and create meaningful opportunities to collaborate across the organization and across the region. Laura is an active participant in VWEA and the United Way.
- Heather Groundwater was recently promoted to Laboratory Manager. She was hired in December 2020 as a Laboratory Supervising Chemist in the Nutrients section of the Central Environmental Laboratory and was then promoted March 2024. Heather holds a Bachelor of Science degree in Chemistry from Iowa State University and a Master of Science degree in Oceanography from the University of Rhode Island. Heather will be leading the Organics section and will be the laboratory primary contact for P3. Heather is a



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member of the Virginia Water Environmental Association and an active participant of the Laboratory Practices Committee. She also serves as a Wastewater Analysis instructor for the Apprenticeship Program. Heather is a member of the Water Quality Lunch and Learn Planning Team and the Water Quality Communications Team.

c. New Employee Introduction

Michael Echevarria was recently hired as a TSD Environmental Scientist in the Water Quality Department. He has a bachelor's degree in biology and a master's degree in ocean and earth sciences from Old Dominion University. He is writing the dissertation to complete his doctorate in oceanography. Michael has extensive knowledge in estuary science, and will be providing sampling, monitoring, and research expertise on many surface water programs here at HRSD. His knowledge of phytoplankton and other aquatic life, and the relationship to local waterways will be a great asset to the Water Quality Department.

d. Awards – HRSD Environmental Improvement Fund Awards

The winners of the HRSD Environmental Improvement Fund Awards were presented in March of 2024 during the 70th Annual Tidewater Science and Engineering Fair. The following recipients were selected by a team of HRSD scientists led by Water Quality Director Jamie Mitchell. Each teacher received a \$100 honorarium for their role in mentoring the student.

- 2nd Place Junior Division, \$350: Siya Hanjagi for her project, "Reducing Carbon Footprint Starts at Home". Tabb Middle School, Teacher Michael Young.
- 1st Place Junior Division, \$450: Chelsea Li for her project, "Oyster Power: Investigation of the Impact of Oyster Restoration on the Water Quality of the Chesapeake Bay". Old Donation School, Teacher Amanda Klepacz.
- 2nd Place Senior Division, \$450: Meilin Rajan for his project, "Pollution Distribution Confusion: Microplastics". Ocean Lakes High School, Teacher Babette Shoemaker.
- 1st Place Senior Division, \$550: Joshua Barnhart for his project, "How can we reduce nitrogen deposits into local watersheds". Warwick High School, Teacher Benjamin Becouvarkis.

4. **Public Comments Not Related to Agenda – None**



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5. **Consent Agenda**

Action: Approve the items listed in the Consent Agenda.

Moved:	Nancy Stern	Ayes:	7
Seconded:	Michael Glenn	Nays:	0

Brief:

- a. Approval of minutes from previous meeting.
- b. Contract Awards (>\$200,000)
 - 1. [Aluminum Sulfate Blanket Purchase Agreement](#) \$408,380
 - 2. [Bill Printing and Mailing Services](#) \$11,589,830
 - 3. [Canvas Learning Management System](#) \$206,856
 - 4. [Cybersecurity Practice and Procedure Initiative](#) \$279,675
 - 5. [Fleet Management FY-2024 – John Deere Loader with Aerator Attachment](#) \$695,000
- c. Contract Change Orders (>25% of original contract value or \$50,000)
 - 1. [Effingham Vault Removal and Force Main Rehabilitation](#) \$28,752
 - 2. [Treatment Plant Grease Handling Facilities](#) \$49,760
- d. Task Orders (>\$200,000)
 - 1. [Nansemond Treatment Plant Struvite Recovery Facility Improvements](#) \$355,392

Item(s) Removed for Discussion: None

Public Comment: None



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6. **High Priority Inflow and Infiltration Reduction Program
Public Hearing**

Action: Conduct a public hearing in accordance with the Public-Private Education Facilities and Infrastructure Act of 2002 (PPEA).

CIP Project: GN020300

Regulatory Requirement: Integrated Plan - HPP1 (2030 Completion)

Budget	\$1,300,000
Previous Expenditures and Encumbrances	(\$12,184)
Available Balance	\$1,287,816

Project Description: The Program will include professional engineering, construction, and support services necessary to design and construct multiple sanitary sewer rehabilitation and replacement projects within the locality-owned systems, utilizing a design/build delivery method governed by Interim and Comprehensive Agreements awarded under the PPEA.

The goal of this Program is to reduce capacity-related sanitary sewer overflows (SSOs) within the pre-selected Locality catchments through the cost-effective reduction of inflow and infiltration (I&I). Work may be located on locality-owned assets, HRSD-owned assets, and/or private assets/property, and may include the upsizing of gravity pipelines. The Regional Wet Weather Management Plan (RWWMP) identified basins where I&I reduction could be performed to cost-effectively reduce simulated sanitary sewer overflows (SSOs). HRSD will coordinate the identification and reduction of overflows with locality partners.

The total estimated cost for the Program is \$130,000,000, and the work is located in York County, and the Cities of Chesapeake, Newport News, and Norfolk.

The attached [map](#) depicts the Program locations.

Project Justification: This Program is part of HRSD's Consent Decree with EPA for Sanitary Sewer Overflows and has a regulatory deadline of December 31, 2030. The overall goal of the Regional Wet Weather Management Plan (RWWMP) is to reduce the modeled 5-year SSO volume by 69 percent through a combination of I&I reduction projects and capacity improvements by December 31, 2040.

Funding Description: The cost of the Program is based on estimates developed as part of the Integrated Plan/RWWMP.

Schedule:	Interim Agreement	July 2024
	Comprehensive Agreement	July 2025
	Project Completion	December 2030



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Discussion Summary: Staff provided a short [overview](#) for the Commission and the public immediately prior to the Public Hearing.

The Commission Chair then opened the public hearing by asking if there was any member of the public who wished to address the Commission. No member of the public desired to address the Commission. The public hearing was closed.

Public Comment: None



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7. **King William Central Crossing Pump Station Rehabilitation
Rejection of Bid (>\$200,000)**

Action: Approve rejection of the bid submitted for the King William Central Crossing Pump Station Rehabilitation project.

Moved: Michael Glenn
Seconded: Willie Levenston

Ayes: 7
Nays: 0

CIP Project: MP015300

Regulatory Requirement: N/A

Type of Procurement: Competitive Bid

In accordance with HRSD's competitive sealed bidding procedures, the Engineering Department advertised and solicited bids directly from potential bidders. The project was advertised on April 1, 2024, and only one bid was received on April 30, 2024, as listed below:

Bidder	Bid Amount
W.M. Schlosser Company, Inc.	\$3,466,000

Engineer Estimate: \$1,700,000

Because of the single response and the bid amount being more than twice the engineer's estimate, HRSD and RKK staff recommend rejecting the bid and HRSD to self-perform these improvements at the existing station to the extent practical.

Project Description: This project consists of the rehabilitation of the existing Central Crossing Pump Station to include improvements to the pump system and controls, discharge monitoring, force main upsizing, emergency power supply, site improvements, and other ancillary improvements. The attached [map](#) depicts the project location.

Project Justification: Failures have occurred on the pumping rail and connection system as well as the discharge force main with temporary repairs made to both. Additionally, there is no emergency power supply in cases of outages for the station and the current power rack is of timber construction and is also in need of replacement. Currently, operations has no means to isolate the discharge force main from a common pressure pipeline with multiple other pump station connections. There is no emergency bypass connection and no means of monitoring station flows and pressures. This project will correct these deficiencies and bring this facility to current HRSD standards. King William is also experiencing substantial development growth. This station currently has development projects with master site plans that would exceed the capacity of the station. This project will provide for additional station pumping capacity to allow for future development and growth.

Schedule: Construction January 2025
Project Completion January 2026

Public Comment: None



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8. **Fiscal Year 2025 (July 1, 2024 – June 30, 2025) Budgets**

Actions:

- a. Receive the Finance Committee's report for the proposed Fiscal Year 2025 Annual Budget and Capital Improvement Program (CIP).
- b. Approve the [FY 2025 to FY 2044 Financial Forecast](#).
- c. Approve the [Operating Budget for FY 2025](#), which includes the Operating, Debt Service and Transfer Appropriations, and authorize distribution of the Budget in accordance with the Trust Agreement.
- d. Approve the [Capital Budget for FY 2025](#).
- e. Approve the [Capital Improvement Program for FY 2025 to FY 2034](#) (Summary Capital Improvement Program).
- f. Approve the [Rate Schedule](#), effective July 1, 2024 subject to the requirements of the Enabling Act.

<u>Moved:</u>	Nancy Stern	<u>Ayes:</u>	7
<u>Seconded:</u>	Michael Glenn	<u>Nays:</u>	0

Brief: The annual budgeting process includes updating the 20-year Financial Forecast and preparing the Operating Budget, the Capital Budget and the Capital Improvement Program (CIP) as well as the corresponding Rate Schedule to support these budgets. The Commission is required to approve an annual budget in sufficient time to ensure the proposed rates, fees and charges are published in a newspaper of general circulation within the HRSD service area for four consecutive weeks prior to the July 1 effective date.

Finance Committee meetings attended by the Commission and staff were held as follows:

- February 27, 2024 – Review of compensation proposals
- February 29, 2024 – Review FY 2025 - 2034 CIP
- March 26, 2024 – Review operating budget, estimated revenue summary, financial forecast, compensation study results, projected labor and benefit costs, proposed new positions, and external auditor selection recommendation.
- April 23, 2024 – Internal Audit Review and Year Overview, FY 2025 budget including the FY-2025 to FY 2034 Capital Improvement Program (CIP), an updated 20-year financial forecast, and proposed rate changes.

The FY 2025 Capital Budget is \$820 million and represents the first year of an approximate \$3.9 billion, ten-year CIP. Projects in the CIP are individually presented to the Commission for funding authorization specific to each project before the first dollar is spent. Changes to the CIP, which may be required by changing conditions, are presented to the Commission as amendments. The CIP document will be available on the HRSD website upon Commission approval.



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The Financial Forecast provides a holistic forecast of HRSD's financial operations and incorporates changes to major assumptions, such as construction costs, inflationary pressures, operating cost increases, borrowing costs and revenues necessary to ensure fiscal sustainability.

The Rate Schedule contains the rates needed to generate sufficient revenue to cover expenses and reserve requirements for the next fiscal year. HRSD uses a cost accounting process to allocate operating costs to various rates as appropriate.

In HRSD's Small Communities where HRSD owns and operates both the treatment system and the collection system, residents pay the HRSD regional treatment rate, the weighted average sewer collection system rate for the metro area, plus the capital costs (Capital Recovery Rate) of the collection systems, if required.

Preparing this years' various budget proposals were particularly challenging for several reasons to include the uncertainty of and very recent changes to the state budget affecting the CIP and Financial Forecast and the introduction of a refunding bond issue affecting the Operating Budget that was brought to market earlier this month.

The cumulative effect of those changes is beneficial to the ratepayers of Hampton Roads.

Discussion Summary: Staff gave a [presentation](#) summarizing the changes from the April budget proposal and the results of the 2024 refunding bond transaction. The Finance Committee provided their comments to the full Commission.

Public Comment: None



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9. **Expenditure of Tax-Exempt Bond Proceeds
Reimbursement Resolution for Fiscal Year (FY) 2024 - 2025**

Action: Adopt reimbursement resolution.

Moved: Michael Glenn
Seconded: Ann Templeman

Ayes: 7
Nays: 0

Brief: Federal tax law requires that a government officially declare its intent to “reimburse” itself for capital expenditures occurring prior to the availability of tax-exempt debt proceeds. The expenditures to be reimbursed cannot be more than 60 days prior to the date of the [resolution](#).

The reimbursement resolution amount of \$958 million is based on the FY 2025-2034 Capital Improvement Program less amounts that HRSD intends to pay with cash and is a reasonable estimation of the maximum amount of debt proceeds that could be subject to reimbursement. HRSD is currently utilizing a \$100 million Clean Water Revolving Loan Fund (VCWRLF) and has received approval for an additional \$80 million loan that will close in May 2024.

In FY-2025, staff will initially use cash to fund Virginia Clean Water Revolving Loan Fund (VCWRLF) and Water Infrastructure Finance and Innovation Act (WIFIA) projects while we await payment from the Department of Environmental Quality and Environmental Protection Agency. Staff may also use cash to fund capital projects and seek reimbursement from our tax-exempt Line of Credit (LOC) with Bank of America or the Water Quality Improvement Fund (WQIF).

Public Comment: None



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10. **Subordinate Trust Agreement
Exclusion of Certain Locality Improvements from Calculations of Operating Expenses
Resolution**

Action: Adopt the resolution authorizing the exclusion of Locality Improvements from the calculation of Operating Expenses for purposes of the Subordinate Trust Agreement.

Moved: Ann Templeman
Seconded: Elizabeth Taraski

Ayes: 7
Nays: 0

Resolution Description: When staff prepares the Fiscal Year 2024 (FY) Annual Comprehensive Financial Report (ACFR), there is work being performed on nine locality improvement projects with an estimated total project cost of \$175,211,917. A portion of this amount was expended in FY 2024 and needs to be excluded from Operating Expenses as defined in the Subordinate Trust Agreement. The remaining amount is expected to be expended annually up to FY 2030. By excluding these projects from Operating Expenses, staff can calculate the Debt Service Coverage Ratio on an adjusted basis as opposed to a basis consistent with generally accepted accounting principles to ensure our subordinate debt covenants are met.

These projects improved the integrity of the regional wastewater system by rehabilitating aging infrastructure to reduce inflow and infiltration.

An excerpt from the Subordinate Trust agreement is provided below:

“Operating Expenses shall also exclude expenses for improvements that will not be owned by the District but which will, in the reasonable determination of the Commission, as evidenced by a resolution thereof, maintain or improve the integrity of the Wastewater System.”

The attached [resolution](#) was prepared by bond counsel.

Public Comment: None



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11. **2024 Capital Improvement Project (CIP) – Programmatic Funding
Virginia Clean Water Revolving Loan Fund (VCWRLF) Resolution**

Action: Approve the terms and conditions of the resolution authorizing the issuance of a wastewater revenue bond, not to exceed \$80,000,000 in principal amount, for the purpose of providing funds, with other available money, to pay the costs of certain improvements for the 2024 CIP Project program, fixing the principal installment maturity dates, the interest rate, the redemption provisions and certain other details of the bond, directing the authentication and delivery of the bond, and authorizing the execution of a financing agreement with the Virginia Resources Authority.

Moved:	Michael Glenn	Ayes:	7
Seconded:	Willie Levenston	Nays:	0

Agreement Description: The VCWRLF provides subsidized interest rates for local governments for projects that improve water quality or prevent future problems. The Virginia Resources Authority (VRA) manages the loans, and the Department of Environmental Quality (DEQ) administers the program and policy aspects of the fund on behalf of the State Water Control Board (SWCB). On November 30, 2023, the SWCB approved the 2024 CIP Project program to receive subsidized interest rates that vary based on the term. The loan requires adhering to Davis-Bacon wages and the American Iron and Steel act, which increases total project cost, however staff determined that the interest savings far outweigh the potential increased project costs.

DEQ and VRA have budgeted \$500M in Clean Water loans over five years for HRSD project funding. The 2024 CIP Project program will be the third installment of this allocation, the first installment of \$100M was approved by the Commission in March 2020 and was fully dispersed by May 2022. The second installment of \$100M was approved by the Commission in April 2022 and is nearing full disbursement. The 2024 CIP project is made up of 22 individual CIP projects that HRSD can request reimbursement for to drawdown the new loan. A condition of reimbursement from the 2024 Project loan will be the full disbursement of the 2022 Project loan. Commission authorization of the resolution will allow HRSD to close the 2024 Project loan without a gap in reimbursement eligibility once the 2022 Project loan funds are fully disbursed.

The attached [resolution](#) for the 2024 CIP Project program is scheduled to close in May. The loan amount is set at a not-to-exceed amount of \$80,000,000 at a rate not-to-exceed 2.35 percent for 20 years. The rate is based on a 1.5 percent subsidy for a 20-year loan. The interest savings compared to HRSD issuing debt in the open market is estimated at \$11,000,000.

The resolution was prepared by HRSD legal counsel and reviewed by staff.

Public Comment: None



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12. **Nansemond Treatment Plant Digester Capacity Upgrades
Additional Appropriation – Non-Regulatory ≥\$1,000,000 and Task Order (>\$200,000)**

Actions:

- a. **Appropriate additional funding in the amount of \$2,519,329.**
- b. **Approve a task order with HDR in the amount of \$598,770.**

Moved: Ann Templeman **Ayes:** 7
Seconded: Michael Glenn **Nays:** 0

CIP Project: NP014700

Regulatory Requirement: None

Budget	\$35,513,863
Previous Expenditures and Encumbrances	(\$35,451,972)
Available Balance	\$61,891
Proposed Task Order to Engineer/Contractor	(\$598,769)
Proposed Contingency	(\$1,982,451)
Project Shortage/Requested Additional Funding	(\$2,519,329)
Revised Total Project Authorized Funding	\$38,033,192

Contract Status with Task Orders:	Amount
Original Contract with Engineer	\$1,713,060
Total Value of Previous Task Orders	\$188,171
Requested Task Order	\$598,769
Total Value of All Task Orders	\$786,940
Revised Contract Value	\$2,500,000
Engineering Services as % of Construction	17%

Project Description: This project will improve and replace peripheral equipment associated with the Nansemond Treatment Plant (NTP) anaerobic digester process in advance of receiving consolidated wastewater from the Boat Harbor Treatment Plant (BHTP) service area. The following equipment will be evaluated under this CIP for capacity and condition and required upgrades or replacements to meet projected FY2026 loading will be designed and constructed: Digester mixing pumps and piping; Centrifuge feed pumps; Process boilers; Sludge heat exchangers; Digester gas collection, metering, and waste gas burners; Deammonification, WASSTRIP downstream of dCEN, Digestion process instrumentation and controls; Digestion process electrical systems.

Project Justification: Wastewater from the BHTP service area is to be diverted and combined with existing NTP primary influent beginning in first half of FY2026. The additional loading on NTP will require capacity upgrades to the anaerobic digestion process, including the ability of the current digestion systems to treat pre-dewatered primary and waste activated solids up to a concentration of 7% total dry solids. By providing the capability of treating thicker solids in the existing anaerobic digesters, this project alleviates the need to construct additional anaerobic digester volume, which



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reduces overall NTP upgrade costs and reserves limited on-site space for future needs. This project will be designed in parallel with NP013700 (Nansemond Treatment Plant Struvite Recovery Facility Equipment Upgrade) which provides pre-dewatering facilities needed to make beneficial use of the capacity enhancements provided under this project.

Task Order Description: This task order will provide additional Contract Administration Services, Inspection Services, Start-Up and Testing Services and Post Start-Up and Testing Services due to the construction contract time extension and originally estimated quantities for contract administration quantities being exceeded. This includes updated estimated quantities to complete the project based on the current pace of tasks performed to date.

Analysis of Cost: The additional appropriation request includes:

1. Engineering services to include an increase in the estimated number of submittals, requests for information (RFI), work change directives (WCD), change proposal requests (CPR), and change orders (CO) have either been exceeded or are very likely to be exceeded.
2. Known contract upcoming contract changes that have been identified by the contractor based on project documents, including RFIs, field order, etc.
3. Additional contingency based on the duration of the project and unknown conditions of the existing digesters that are a part of the project.

Cost Item	Associated Costs
Engineering Amendment	\$598,769
Contingency Item 1: Known Upcoming Changes	\$982,451
Contingency Item 2: Unknown Additional Costs	\$1,000,000
Total	\$2,581,220

Funding Description: Revenue Bond

Schedule: Project Completion September 2025

Public Comment: None



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13. **Nansemond Treatment Plant Regional Residuals Facility Upgrade
Additional Appropriation – Non-Regulatory ≥\$1,000,000 and Task Order (>\$200,000)**

Actions:

- a. **Appropriate additional funding in the amount of \$1,077,592.**
- b. **Approve a task order with HDR in the amount of \$1,077,592.**

Moved:	Michael Glenn	Ayes:	7
Seconded:	Elizabeth Taraski	Nays:	0

CIP Project: NP014500

Regulatory Requirement: None

Budget	\$2,374,099
Previous Expenditures and Encumbrances	(\$2,124,099)
Available Balance	\$250,000
Proposed Task Order to Engineer/Contractor	(\$1,077,592)
Proposed Contingency	(\$250,000)
Project Shortage/Requested Additional Funding	(\$1,077,592)
Revised Total Project Authorized Funding	\$3,451,691

Contract Status with Task Orders:	Amount
Original Contract with Engineer	\$305,157
Total Value of Previous Task Orders	\$0
Requested Task Order	\$1,077,592
Total Value of All Task Orders	\$1,077,592
Revised Contract Value	\$1,382,749
Engineering Services as % of Construction	17%

Project Description: This project will entail the installation of a new mechanical screen, pump station and Fats Oils & Grease (FOG) separator at the Nansemond Treatment Plant Regional Residuals Facility (RRF). The screen will be installed upstream of the new pump station, which will pump up to the FOG separator where concentrated FOG will be conveyed to a dumpster and the underflow will drain to the RRF's existing pump station. The existing pump station will also be upgraded to handle additional channel, bay and equipment washdown water.

Project Justification: Regional pump station wet well cleaning produces a significant number of truckloads per month that carry primarily grease and water and are light on residuals (grit). The number is significant enough that plant staff has had to dedicate bays at the RRF strictly for grease loads and bays strictly for heavy residual (grit) loads. The heavy grease loads complicate RRF operation, plugging up drains and leading to increased manpower and a greater presence of grease in downstream processes.



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Task Order Description: This task order will provide engineering services that will be utilized across three different projects. NP013700 (NTP Struvite Recovery Facility Improvements), NP014700 (NTP Digester Capacity Upgrades), and NP014500 (NTP Regional Residual Facility Upgrade) are all being performed under one construction contract utilizing shared engineering services for design, construction administration and construction inspection. This task order will allow HDR to provide these services to the combined projects without reaching the annual services cap. By utilizing the engineering fees under NP014500, HRSD will eliminate the need to bring on additional engineering firms, saving rate payer costs.

Analysis of Cost: The cost is based on additional Contract Administration and Inspection services due to the construction contract time extension and originally estimated quantities for contract administration quantities being exceeded. This includes updated estimated quantities to complete the project based on the current pace of tasks performed to date.

For projects NP013700, NP014700 and NP014500 the total construction cost is \$64,040,890 and total engineering fees (include PER, Design, Construction Phase Services and Close-Out Phase Services) is \$10,849,410. The engineering fees for these projects combined are 17% of the construction costs. These fees are reasonable and in line with other projects of similar size and complexity.

Funding Description: Revenue Bond

Schedule: Project Completion September 2025

Public Comment: None



COMMISSION MEETING MINUTES
May 28, 2024

14. **Project Beach Sanitary Sewer
Transfer Agreement**

Action: Approve the terms and conditions of a transfer agreement with the CDP Development, Inc. (Developer) for the relocation of 300 feet of an existing 42-inch HRSD force main and authorize the General Manager to execute the same, substantially as presented, together with such changes, modifications, and deletions as the General Manager may deem necessary.

Moved:	Michael Glenn	Ayes:	6 Lakdawala absent
Seconded:	Willie Levenston	Nays:	0

CIP Project: N/A

Regulatory Requirement: None

Project Description: Construction activities related to the Project Beach development on a property owned by Amazon.com Services LLC in Virginia Beach will require the relocation of approximately 300 feet of HRSD's existing 42-inch force main along Dam Neck Road and the acquisition of an associated permanent sanitary sewer easement.

The attached [map](#) depicts the location of the work.

Project Justification: To facilitate the construction of the Project Beach project, the Developer has requested that HRSD consent to the relocation and realignment of approximately 300 feet of an existing HRSD sanitary sewer force main. The force main relocation will be designed and constructed by the Developer at no cost to HRSD, in accordance with HRSD standards, and by a contractor approved by HRSD (specifically, Bridgeman Civil, Inc.). The Developer will also acquire a deed of permanent easement for the relocated force main at no cost to HRSD.

Agreement Description: The attached [Agreement](#) between HRSD and the Developer is for the relocation of approximately 300 feet of existing HRSD's 42-inch force main along Dam Neck Road and the acquisition of an associated permanent sanitary sewer easement. The agreement has been reviewed by HRSD legal counsel.

Schedule:	Construction	June 2024
	Project Completion	September 2024

Discussion Summary: Staff explained the relocation will be designed and constructed to HRSD's standards. The developer is also using a contractor known to HRSD.

Public Comment: None



COMMISSION MEETING MINUTES
May 28, 2024

15. **Williamsburg Treatment Plant Primary Clarifier Effluent Pipe Replacement
New CIP and Initial Appropriation – Non-Regulatory**

Actions:

- a. **Approve a new CIP project.**
- b. **Appropriate total project funding in the amount of \$1,000,000.**

<u>Moved:</u>	Nancy Stern	<u>Ayes:</u>	7
<u>Seconded:</u>	Michael Glenn	<u>Nays:</u>	0

CIP Project: WB014200

Regulatory Requirement: None

Project Description: This project will replace approximately 200 feet of 36-inch ductile iron (DI) pipe at the Williamsburg Treatment Plant between Primary Clarifier #3 and the Oxidation Tower Splitter Box.

Project Justification: This project will address the replacement activities associated with an emergency declaration that was authorized on May 2, 2024. This emergency was declared due to a pipe failure that occurred immediately following condition assessment activities on April 26, 2024, at the Williamsburg Treatment Plant on the 36-inch DI pipe between Primary Clarifier #3 and the Oxidation Tower Splitter Box.

Follow-up condition assessment activities revealed that the pipe failure was primarily a result of interior pipe wall corrosion. External corrosion of the pipe appeared minimal and is not suspected to be a significant factor in the pipe failure.

Analysis of Cost: The estimated cost of this work is \$1,000,000 and will be funded by the Williamsburg Treatment Plant Primary Clarifier #3 Effluent Pipe Replacement, CIP WB014200. The cost for this is based on high-level, preliminary estimates developed prior to completion of the damage assessment.

Funding Description: Revenue Bond

<u>Schedule:</u>	Emergency Declaration	May 2024
	Construction	June 2024
	Project Completion	August 2024

Discussion Summary: Staff said this [pipe](#) was installed in the 1990s. The cause of the pipe failure is under investigation.

Public Comment: None



COMMISSION MEETING MINUTES
May 28, 2024

16. **Operations & Nominations (O&N) Committee Appointment**

Action: The Commission Chair appointed Commissioners Glenn, Levenston and Stern to the O&N Committee to recommend nominations for Chair and Vice-Chair of the Commission for the coming year and to review certain Commission Adopted Policies.

Brief: The Commission is required by the Enabling Act to elect a chair and vice-chair each year. The election of officers is normally held in June, and the new officers assume their duties in July.

The Chair customarily appoints an O&N Committee to nominate Commission officers for the coming year. The Committee will also review the HRSD Commission Governance Guidelines, Remote Participation, Ethics and Freedom of Information Act policies.

The Committee will hold its first meeting following adjournment of the May 28, 2024 Commission meeting.

Public Comment: None



COMMISSION MEETING MINUTES
May 28, 2024

17. **New Business** – None

18. **Unfinished Business** – None

19. **Commissioner Comments**

The Commission Chairman informed the Commission he will be reaching out to each Commissioner to determine their interest in attending the upcoming Water Environment Technical Exhibition Conference (WEFTEC) and/or the Utility Management Conferences.

20. **Informational Items**

Action: No action required.

Brief: The items listed below were presented for information.

a. Management Reports

- (1) General Manager
- (2) Communications
- (3) Engineering
- (4) Finance
- (5) Information Technology
- (6) Operations
- (7) Talent Management
- (8) Water Quality
- (9) Report of Internal Audit Activities

b. Strategic Measures Summary

c. Emergency Declaration - Williamsburg Treatment Plant Primary Clarifier Effluent Pipe Replacement

Public Comment: None


Next Commission Meeting: June 25, 2024 at the HRSD South Shore Operations Complex, 1434 Air Rail Avenue, Virginia Beach, VA 23455

Meeting Adjourned: 10:56 a.m.

SUBMITTED:


Jennifer L. Cascio
Commission Secretary

APPROVED:


Stephen C. Rodriguez
Commission Chair

HRSD Commission Meeting Minutes
May 28, 2024
Attachment #1

5. Consent Agenda

CONSENT AGENDA ITEM 5.b.1. – May 28, 2024

Subject: Aluminum Sulfate Blanket Purchase Agreement
Contract Award (>\$200,000)

Recommended Action: Award a contract to Univar USA, Inc. in the amount of \$81,676 for one year with four renewal options and an estimated cumulative value of \$408,380.

Regulatory Requirement: None

Type of Procurement: Competitive Bid

In accordance with HRSD's competitive sealed bidding procedures, the Procurement Division advertised and solicited bids directly from potential bidders. The project was advertised on March 28, 2024, and three bids were received on April 15, 2024 as listed below:

Bidder	Bid Amount
Univar USA, Inc.	\$81,676
Chemtrade Chemicals Corporation DBA Chemtrade Chemicals US LLC	\$84,053
Superb Solutions For You, Inc.	\$105,752.59

HRSD Estimate: \$154,209

Contract Description: This contract is for the supply and delivery of Bulk Aluminum Sulfate, approximately 50 percent solution, to multiple treatment plants on an as needed basis. Aluminum Sulfate is used for phosphorus removal at the treatment plants that utilize multiple hearth incinerators.

Analysis of Cost: The HRSD Estimate is based on the annual estimated usage and the FY25 budget prices. The cost is found to be fair and reasonable compared to the competitive bid results.

This work is in accordance with the Commission Adopted Procurement Policy.

CONSENT AGENDA ITEM 5.b.2. – May 28, 2024

Subject: Bill Printing and Mailing Services
Contract Award (>\$200,000)

Recommended Action: Award a contract to InfoSend, Inc. in the amount of \$2,317,966 for one year with four renewal options and an estimated cumulative value of \$11,589,830.

Regulatory Requirement: None

Type of Procurement: Use of Existing Contract Vehicle

Contract Description: This contract is for bill printing and mailing services for HRSD's 497,000 customers. Approximately 287,000 statements and letters are prepared and mailed monthly. HRSD currently serves 20 jurisdictions. The billing information included on the bill is based upon the Billing Model used for each jurisdiction. Custom file interfaces are built to integrate transactions from the Customer Care and Billing (CC&B) system. This contract is in accordance with a cooperative contract competitively solicited by Henrico County.

Upon evaluation of the Henrico County contract #2513A terms and conditions, as a public agency, HRSD is eligible to use the contract awarded to InfoSend, Inc.

Analysis of Cost: This is an estimated use contract. Rates and associated fees were compared to past contract history and cost was determined to be fair and reasonable.

This work is in accordance with the Commission Adopted Procurement Policy.

CONSENT AGENDA ITEM 5.b.3. – May 28, 2024

Subject: Canvas Learning Management System
Contract Award (>\$200,000)

Recommended Action: Award a contract to Instructure Inc. in the amount of \$38,955 for one year with four renewal options and an estimated cumulative value of \$206,856.

Regulatory Requirement: None

Type of Procurement: Use of Existing Contract Vehicle

Contract Description: This contract is for a learning management system for use by the Talent Management Department, Learning and Development Division. This is a web-based learning management system, or LMS. It is used by the HRSD Learning and Development team for apprenticeship students to access and manage online course learning materials and communicate about skill development and learning achievement.

Upon evaluation of the James Madison University contract UCPJMU6098 terms and conditions, as a public agency, HRSD is eligible to use the contract awarded to Instructure, Inc.

Analysis of Cost: This is an estimated use contract. By utilizing the James Madison University contract number UCPJMU6098 for the Canvas Learning Management System, HRSD is receiving approximately five percent cost savings.

This work is in accordance with the Commission Adopted Procurement Policy

CONSENT AGENDA ITEM 5.b.4. – May 28, 2024

Subject: Cybersecurity Practice and Procedure Initiative
Contract Award (>\$200,000)

Recommended Action: Award a contract to CDW LLC DBA CDW Government LLC in the amount of \$55,935 for one year with four renewal options and an estimated cumulative value of \$279,675.

CIP Project: AD012500

Regulatory Requirement: None

Budget	\$15,500,000
Previous Expenditures and Encumbrances	\$8,044,369
Available Balance	<hr/> \$7,455,631

Type of Procurement: Use of Existing Contract Vehicle

Project Description: This project will provide for the development of a sustainable comprehensive framework for secure computing and data management utilizing a variety of hardware, software, and professional contractual services

Project Justification: IT staff has coordinated an IT security and vulnerability assessment. This project will address the assessment's recommendations for minimizing risk exposure.

Contract Description: This contract is for Cybersecurity Professional Services Retainer for assessing our security and vulnerability readiness to mitigate any cyber-attacks on our network and critical systems for use by the Information Technology Department. This retainer is for an estimated 120 hours of professional services that will be used as needed throughout the contract year.

Upon evaluation of the Fairfax County contract terms and conditions, as a public agency, HRSD is eligible to use the contract awarded to CDW LLC DBA CDW Government LLC.

Analysis of Cost: This is an estimated use contract. By utilizing the Fairfax County contract number 4400006325 for Information Technology Hardware, Software, and Related Services, HRSD is receiving approximately seven percent cost savings.

This work is in accordance with the Commission Adopted Procurement Policy.

CONSENT AGENDA ITEM 5.b.5. – May 28, 2024

Subject: Fleet Management FY-2024 – John Deere Loader with Aerator Attachment
Contract Award (>\$200,000)

Recommended Action: Award a contract to Coastal Equipment Corp. in the amount of \$695,000.

CIP Project: GN019300

Regulatory Requirement: None

Type of Procurement: Use of Existing Contract Vehicle

Budget	\$2,670,910
Previous Expenditures and Encumbrances	(\$1,938,839)
Available Balance	<hr/> \$732,071
HRSD Estimate:	\$695,000

Project Description: This project will provide for replacement of aging fleet vehicles and purchase of additional vehicles to meet the needs of the organization. An itemized list of vehicles to be replaced or added is maintained by the Support Systems Division.

Project Justification: Replacement of aging vehicles will result in lower repair costs and the purchase of additional vehicles will provide for increased staff efficiency.

Contract Description: This contract is for the purchase of one John Deere 624 P-Tier Wheel Loader with an aerator attachment for the Atlantic Treatment Plant. This vehicle includes a tool carrier, rear camera, three function hydraulics, and star radial tires.

Upon evaluation of the Sourcewell contract 011723-JDC terms and conditions, as a public agency, HRSD is eligible to use the contract awarded to Coastal Equipment Corp.

Analysis of Cost: By utilizing the cooperative Sourcewell contract 011723-JDC, HRSD is receiving the equipment at a fair and reasonable cost. Sourcewell has provided an additional seven percent discount on all pricing via this cooperative contract.

This work is in accordance with the Commission Adopted Procurement Policy.

CONSENT AGENDA ITEM 5.c.1. – May 28, 2024

Subject: Effingham Vault Removal and Force Main Rehabilitation
Contract Change Order (>25% of original contract value or \$50,000)

Recommended Action: Approve a change order to the contract with Bridgeman Civil, Inc. in the amount of \$28,752.

CIP Project: VP018200

Regulatory Requirement: None

Budget	\$4,609,221
Previous Expenditures and Encumbrances	(\$4,451,883)
Available Balance	\$157,338

Contract Status with Change Orders:	Amount	Cumulative % of Contract
Original Contract with Bridgeman	\$2,179,062	
Total Value of Previous Change Orders	\$1,335,058	62%
Requested Change Order	\$28,752	
Total Value of All Change Orders	\$1,363,810	63%
Revised Contract Value	\$3,542,872	

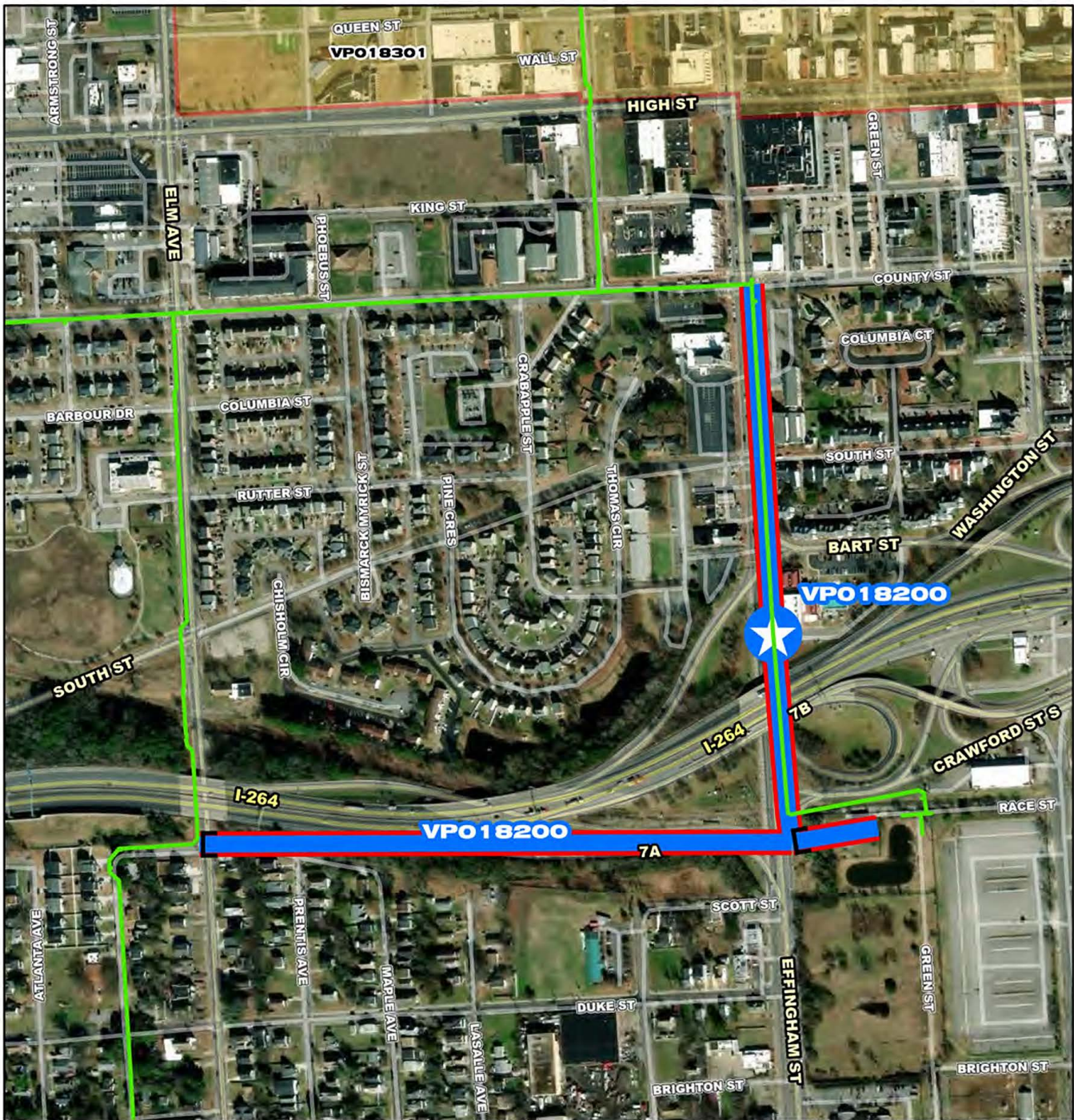
Time (Additional Calendar Days)		60
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Project Description: This project will rehabilitate 1,815 linear feet of existing 36-inch prestressed concrete cylinder pipe (PCCP) interceptor force main with a structural cured-in-place pipe (CIPP) lining and removal of the vaults. The structural lining will extend from a new tee and valve near the Race Street Pump Station northerly toward the intersection of Effingham Street and County Street. The attached [Map](#) depicts the project location.

Project Justification: This project will address an air vent that was discovered to be directly tapped into a reinforced concrete vault. The air vent and vault were installed as part of a Virginia Department of Transportation relocation project in 1956. The condition of the vault is unknown but is suspected to be compromised due to exposure to hydrogen sulfide gas for over 60 years. Due to the location, unknown condition, and Consent Decree requirement to address the air vent, both assets will be removed from the force main system.

Change Order Description and Analysis of Cost: This change order includes the cost of full replacement of pavement along the section of Race Street where the force main construction occurred. The plans originally called for pavement patch in that area. Due to deterioration from potholes, cracking and existing patches, there was not enough asphalt to patch. The contractor removed the existing asphalt and replaced it. The proposed cost is in line with the construction cost index and is comparable to some recent HRSD bid results, and the design engineer recommends approval for the negotiated cost for this work.

Schedule: Construction January 2022
Project Completion June 2024



VPO 18200

- Project Interceptor Line
- Project Interceptor Point
- Project Pump Station Point
- Project Area

Legend

- ★ CIP Interceptor Point
- ☆ CIP Pump Station Point
- CIP Interceptor Line
- CIP Abandonment
- CIP Project Area
- HRSD Interceptor Force Main
- HRSD Interceptor Gravity Main
- HRSD Treatment Plant
- HRSD Pressure Reducing Station
- HRSD Pump Station

0 155 310 620 930 1,240 Feet

VPO 18200

Effingham Vault Removal and Force Main Rehabilitation



CIP Location



CONSENT AGENDA ITEM 5.c.2. – May 28, 2024

Subject: Treatment Plant Grease Handling Facilities
Contract Change Order (>25% of original contract value or \$50,000)

Recommended Action: Approve a change order to the contract with Downey Ridge Environmental Company in the amount of \$49,760.

CIP Project: GN013300

Regulatory Requirement: None

Budget	\$12,528,929
Previous Expenditures and Encumbrances	(\$12,168,755)
Proposed Change Order No. #3 to Contractor	(\$49,760)
Available Balance	<u>\$360,174</u>

Contract Status with Change Orders:	Amount	Cumulative % of Contract
Original Contract with Contractor	\$775,000	
Total Value of Previous Change Orders	\$229,880	30%
Requested Change Order	\$49,760	
Total Value of All Change Orders	\$279,640	36%
Revised Contract Value	\$1,054,640	

Project Description: This project involves installation of a facility at the Nansemond Treatment Plant to receive FOG (Fats, Oils, and Grease) from indirect haulers. The facility will screen, decant, and process the FOG to convert a portion to biofuel using the Greasezilla™ system. The portion of the FOG converted to biofuel will be sold to Greasezilla™ under a separate off-take agreement. The decanted FOG water will be sent to the headworks for normal wastewater treatment, and the remaining processed FOG will be sent to the digesters.

Project Justification: The grease handling facilities will reduce the impact of high biochemical oxygen demand (BOD) loading on the biological system and provide a more stable operation. The new facilities will also reduce the plugging of treatment process piping and equipment caused by the large quantities of grease being discharged over short time periods. This project also addresses the Regional Consent Decree which requires an effective FOG program.

Contract Description: This contract was for the purchase of the Greasezilla™ system which consists of reactor tanks, boilers, FOG storage tanks, and all associated mechanical, structural, and electrical/instrumentation elements. The staff is also responsible for the complete system interconnections and startup for the equipment supplied on site.

Change Order Description: This change order includes the purchase and installation of an automatic valve actuator and associated controls as well as additional site visits for vendor staff and the integration team during water test and commissioning.

Analysis of Cost: The cost for this change is reasonable and in alignment with similar type work completed previously.

Schedule:

PER	April 2015
Design	February 2019
Bid	July 2020
Construction	November 2021
Project Completion	June 2024

CONSENT AGENDA ITEM 5.d.1. – May 28, 2024

Subject: Nansemond Treatment Plant Struvite Recovery Facility Improvements
Task Order (>\$200,000)

Recommended Actions: Approve a task order with HDR in the amount of \$355,392.

CIP Project: NP013700

Regulatory Requirement: None

Budget	\$44,217,814
Previous Expenditures and Encumbrances	(\$42,107,904)
Available Balance	\$2,109,910

Contract Status with Task Orders:	Amount
Original Contract with Engineer	\$1,944,754
Total Value of Previous Task Orders	\$199,853
Requested Task Order	\$355,392
Total Value of All Task Orders	\$555,245
Revised Contract Value	\$2,499,999
Engineering Services as % of Construction	8.2%

Project Description: This project involves the implementation of the Waste Activated Sludge Stripping to Remove Internal Phosphorous (WASSTRIP) process and improvements to the Struvite Recovery Facility (SRF). The WASSTRIP process consists of the storage of thickened Waste Activated Sludge in a tank for a period sufficient to allow phosphorus and magnesium release, followed by post thickening, and transfer of thickened solids to digestion. The thickening filtrate (WASSATE) will be transferred to the SRF separate from the centrate stream. This project also includes the addition of a solids removal step for centrate/WASSATE and a small equalization tank for the WASSATE. The SRF upgrade includes improvement of the chemical system and system controls, additional reactor capacity, and replacement of the struvite product drying equipment. The majority of this project is in design and will be completed as one construction project in unison with the digester improvements effort.

Project Justification: This project will achieve the following improvements for Nansemond Plant: Improve biological phosphorus removal reliability and decrease effluent phosphorus concentrations, which is important for the decrease in the James River waste load allocation; Allow for treatment of all centrate flow through the SRF and overcome capacity limitations that currently require bypassing of some centrate; Provide SRF reactor redundancy to allow for maintenance activities; Improve solids dewatering performance and decrease polymer demand; Nearly double facility production of Crystal Green which increases operating revenue; Decrease the frequency of digester cleaning due to less struvite accumulation; and Decrease operational costs associated with nuisance accumulation of struvite in piping and equipment upstream of the struvite recovery facility.

Task Order Description: This task order will provide additional Contract Administration Services, Inspection Services and Post Start-Up and Testing Services due to the construction contract time extension and originally estimated quantities for contract administration quantities being exceeded.

Analysis of Cost: The cost is based on updated estimated quantities of submittals, requests for information (RFI), work change directives (WCD), change proposal requests (CPR), and change orders (CO) that have either been exceeded or are very likely to be exceeded in order to complete the project based on the current pace of tasks performed to date.

Schedule: Project Completion April 2025

HRSD Commission Meeting Minutes
May 28, 2024
Attachment #2

6. High Priority Inflow and Infiltration Reduction Program
Public Hearing



HRSD

Public Hearing for the
High Priority Inflow and Infiltration
Reduction Program

May 28, 2024

5th Amendment to the Consent Decree



IN THE UNITED STATES DISTRICT COURT FOR THE
EASTERN DISTRICT OF VIRGINIA

UNITED STATES OF AMERICA, and)

COMMONWEALTH OF
VIRGINIA

Plaintiff

v.

HAMPTON ROADS SANITATION
DISTRICT,

Defendant

FIFTH AMENDMENT

WHEREAS, the Court entered its

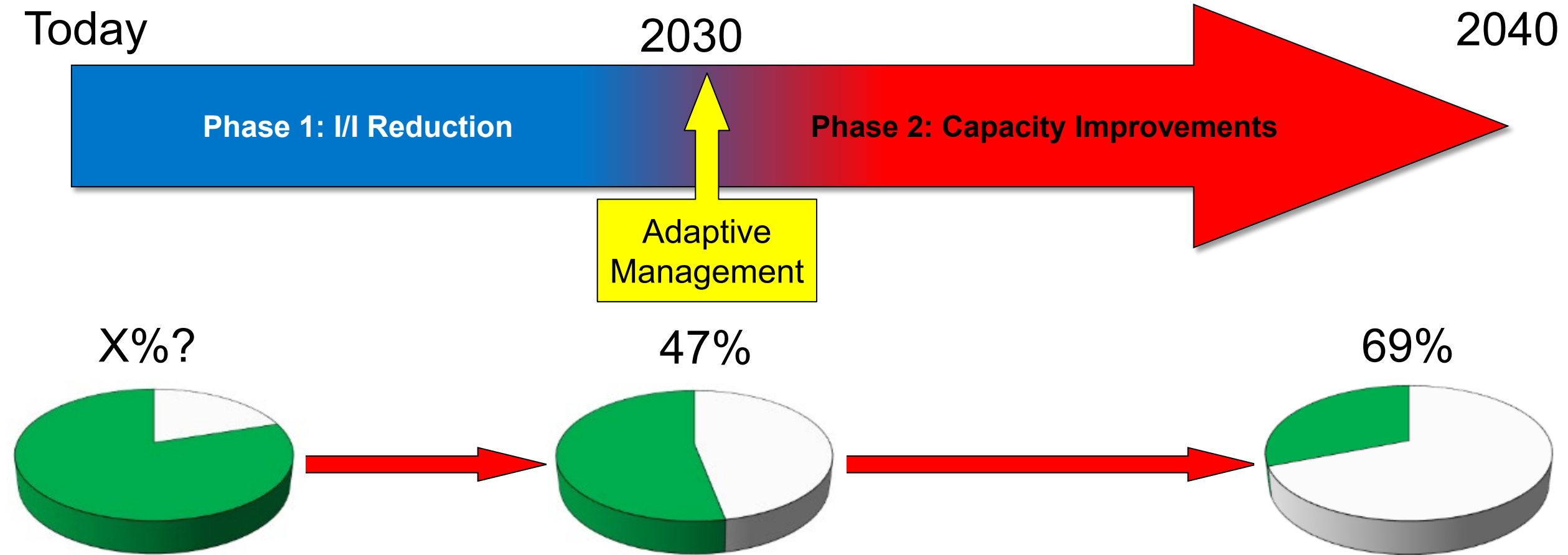
59. HRSD shall implement the projects in the approved RWWMP that HRSD has determined will result in at least a 69 percent reduction in baseline modeled SSO volumes for the 5-year peak flow recurrence event by 2040, as follows:

a. HRSD shall implement Phase I projects to reduce SSOs by 47 percent in baseline modeled SSO volumes for the 5-year peak flow recurrence event. HRSD shall complete the Phase I projects identified in the approved RWWMP in accordance with the schedule therein but no later than December 31, 2030.

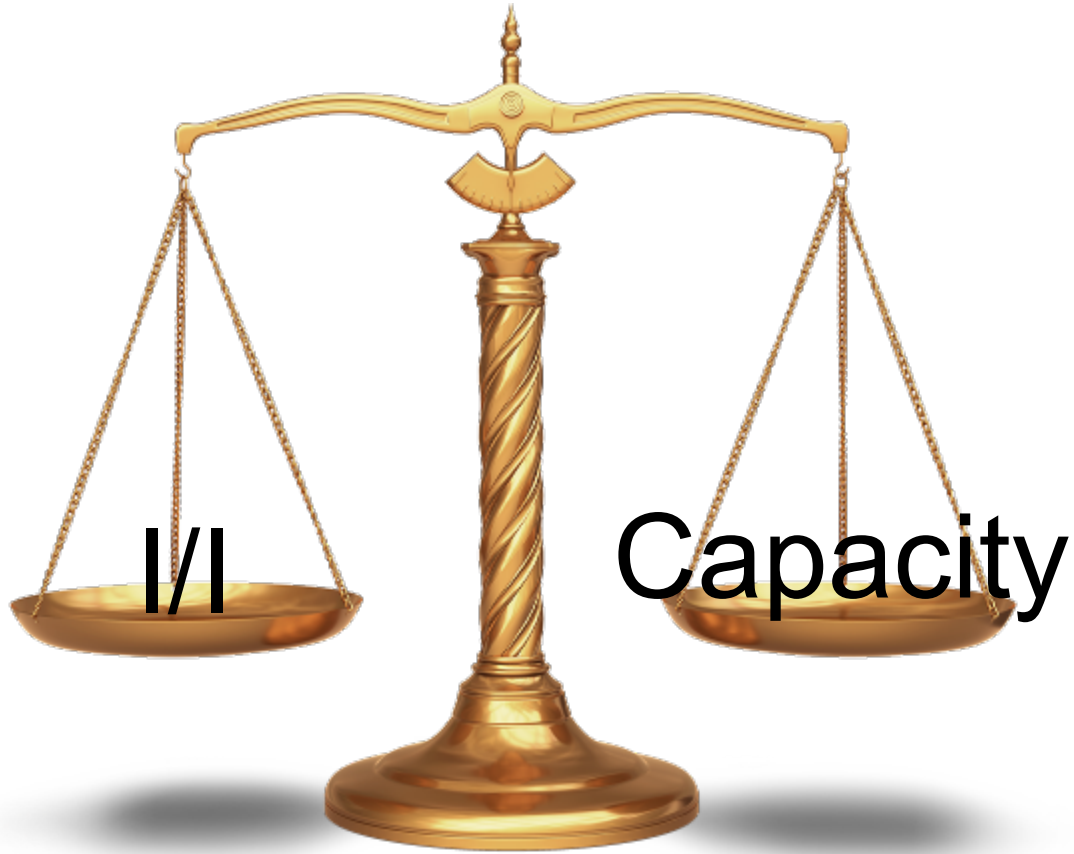
b. HRSD shall implement Phase II projects to reduce SSOs by an additional 22 percent in baseline modeled SSO volumes for the 5-year peak flow recurrence event. HRSD shall complete the Phase II projects identified in the approved RWWMP in accordance with the schedule therein but no later than December 31, 2040.



The Proposed Path to Consent Decree Compliance



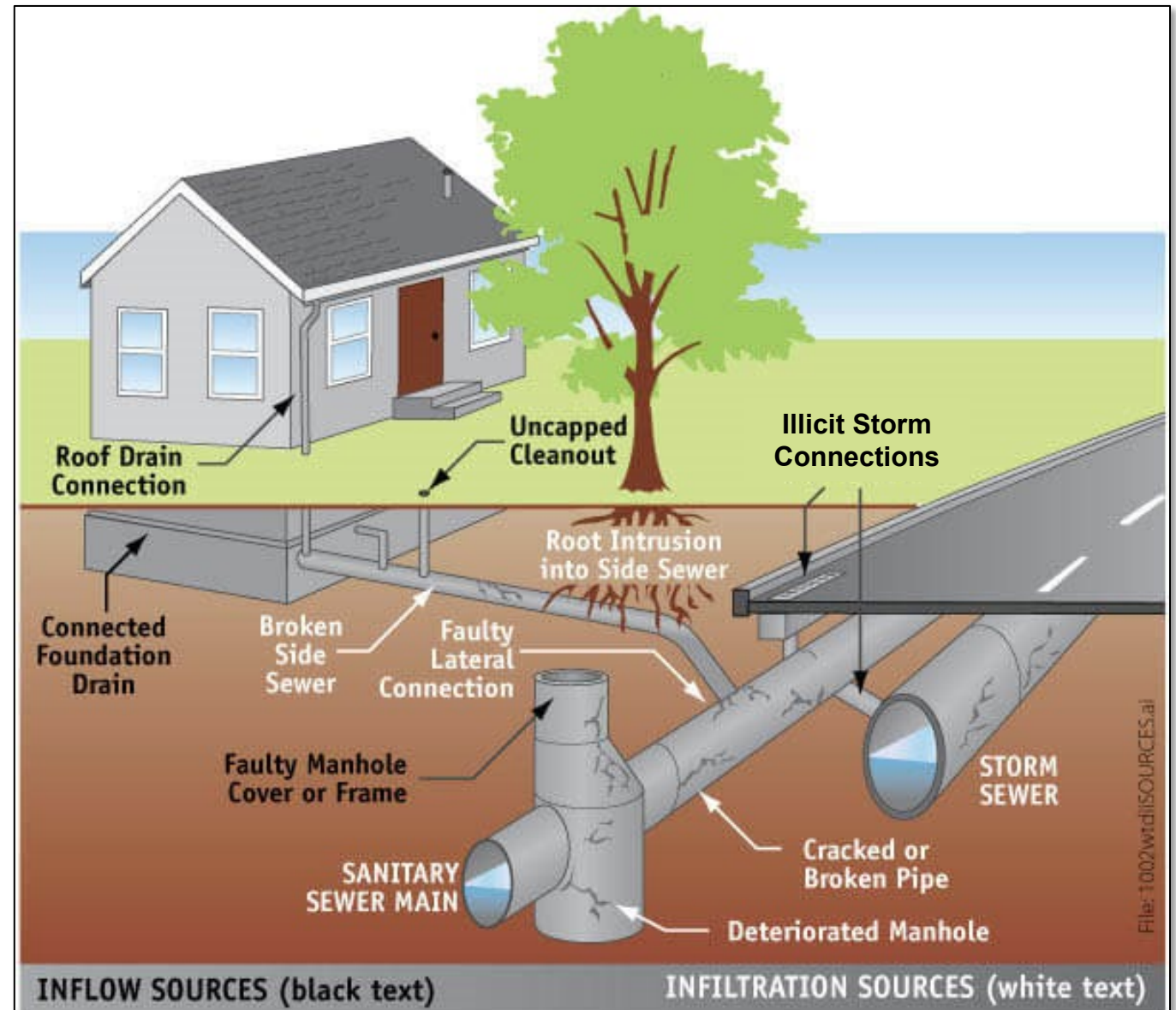
I/I vs. Capacity



Why are I/I Projects Different?

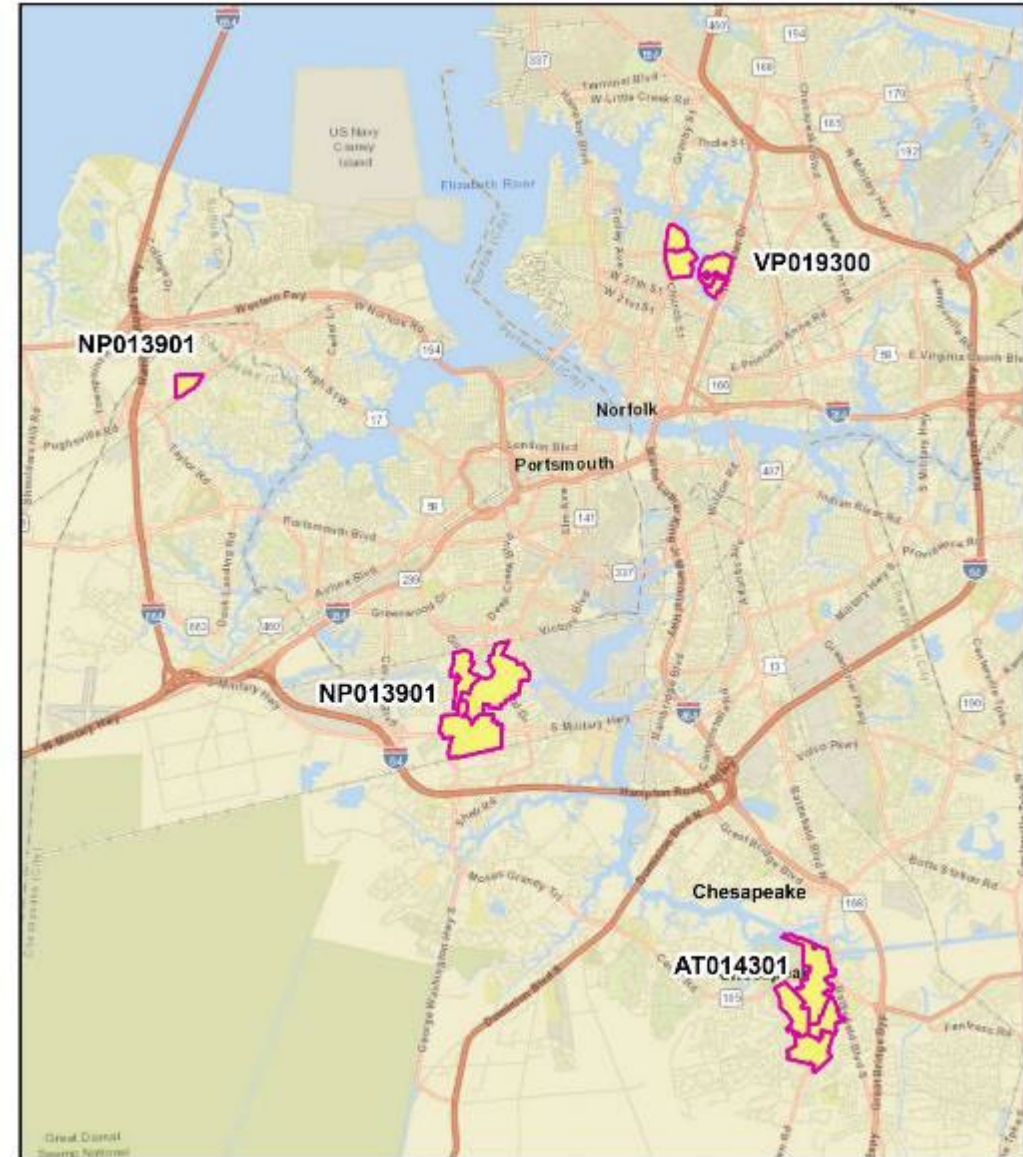
I/I work is unique:

- Location is unknown
- Iterative process
- Takes time
- Results not guaranteed
- Not on HRSD assets



- To reduce capacity-related SSOs through the cost-effective reduction of inflow and infiltration (I&I)
 - The RWWMP identified basins where I&I reduction could be performed to reduce SSOs cost-effectively
 - Work may be located on locality-owned assets, HRSD-owned assets, and/or private assets/property
 - This Program is part of HRSD's Consent Decree with the USEPA for SSOs and has a regulatory deadline of December 31, 2030

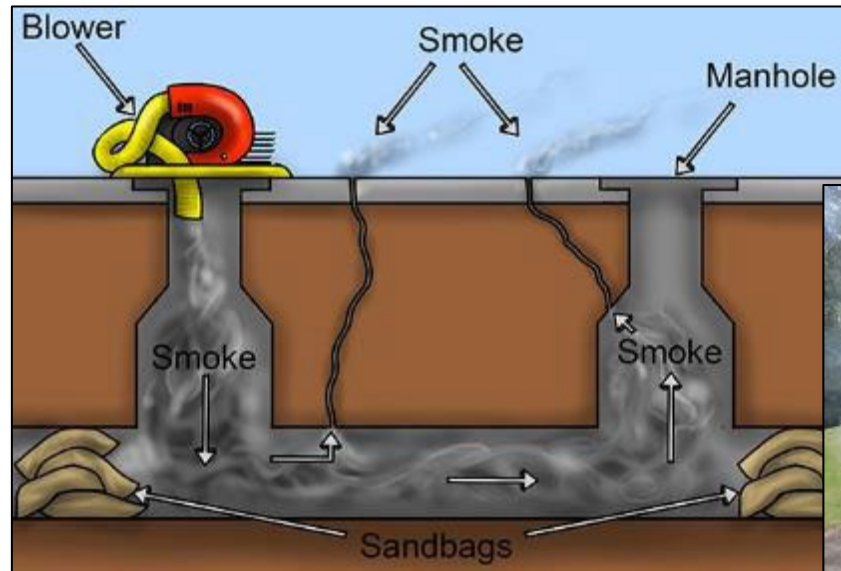
Proposed Location of High Priority I&I Program Work



- Work activities will generally include the following:
 - Data collection and analysis, including flow monitoring and modeling, rainfall, flooding complaints, SSES, etc.
 - Public outreach and communication as required by HRSD and the Localities
 - Engineering design, analysis, and reporting
 - Construction and inspection
 - Post-construction flow monitoring and modeling

Typical Field Investigation Activities

- CCTV
- Flow Monitoring
- Smoke Testing



Typical Construction Activities

- Cured-in-place liners
- Grouting
- Pipe and manhole replacement
- Cleanout caps/inflow dishes



Public-Private Education Facilities and Infrastructure Act of 2002

- AKA: PPEA
- Allows public agencies to form partnerships with the private sector to complete major educational and infrastructure projects
- Code of Virginia Title 56, Chapter 22.1

The screenshot displays the Virginia Law Information System (LIS) website. At the top, the LIS logo is on the left, and navigation links for "VIRGINIA GENERAL ASSEMBLY", "LIVE HELP", "LIS HELP CENTER", and "LIS HOME" are on the right. Below the logo, the text "VIRGINIA LAW" is visible. A search bar on the right contains the text "Code of Virginia" and a search icon. On the left side, there is a sidebar with links: "Code of Virginia", "Popular Names", "2023 Updates", "SECTION LOOK UP" (with a search box containing "ex. 2.2-4007.01" and a "Go" button), "Administrative Code", "Constitution of Virginia", and "Charters". The main content area is titled "Code of Virginia" and includes a "Table of Contents" link and the title "The Public-Private Education Facilities and Infrastructure Act of 2002". Below this, there are links for "Popular Name", "Print", "PDF", and "email". The text of the act is displayed, starting with "§ 56-575.1. Definitions" and "As used in this chapter, unless the context requires a different meaning:". The definition for "Affected jurisdiction" is provided, followed by the definition for "Appropriating body".

VIRGINIA GENERAL ASSEMBLY / LIVE HELP / LIS HELP CENTER / LIS HOME

LIS

VIRGINIA LAW

Code of Virginia

Search

Code of Virginia

Table of Contents » The Public-Private Education Facilities and Infrastructure Act of 2002

← Popular Name → Print PDF email

The Public-Private Education Facilities and Infrastructure Act of 2002

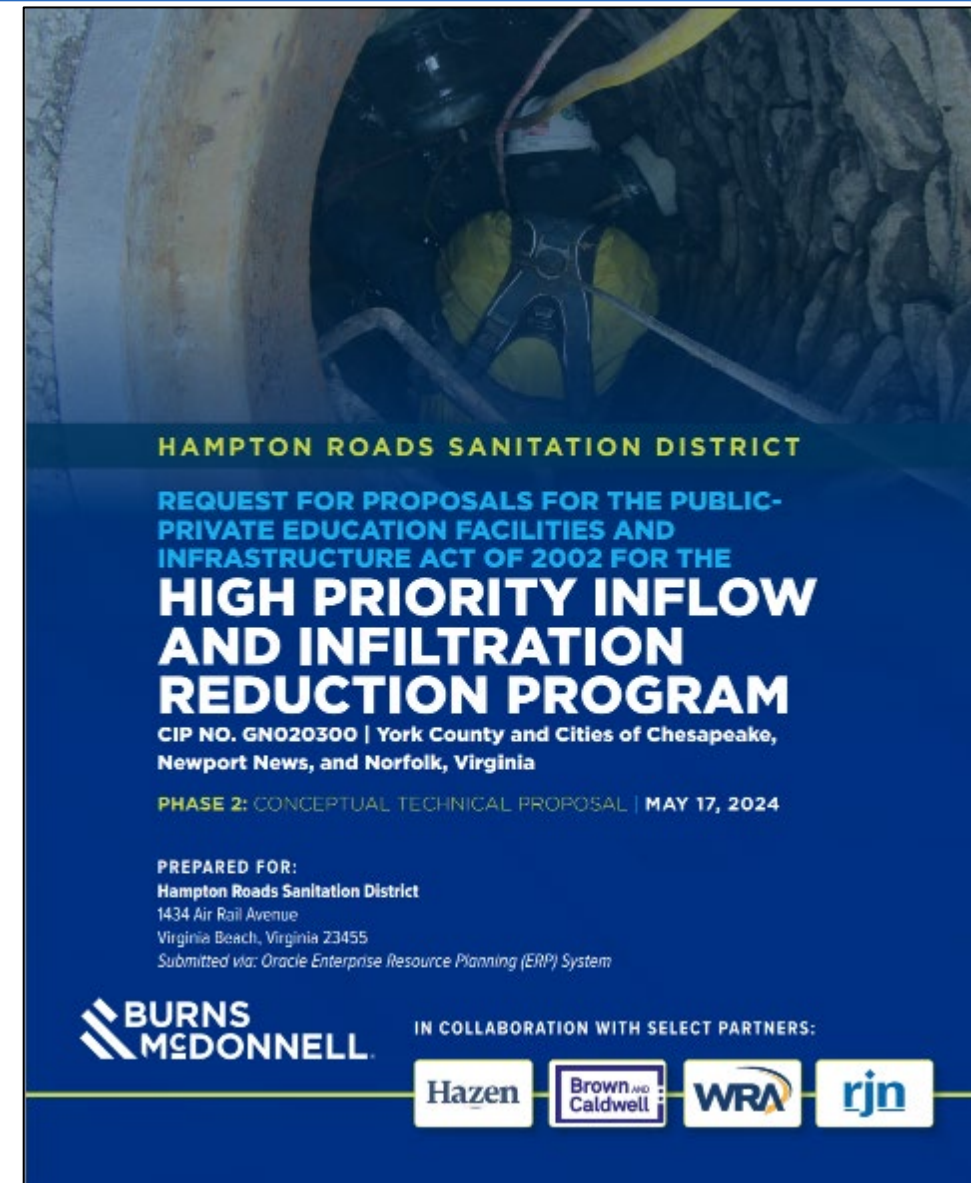
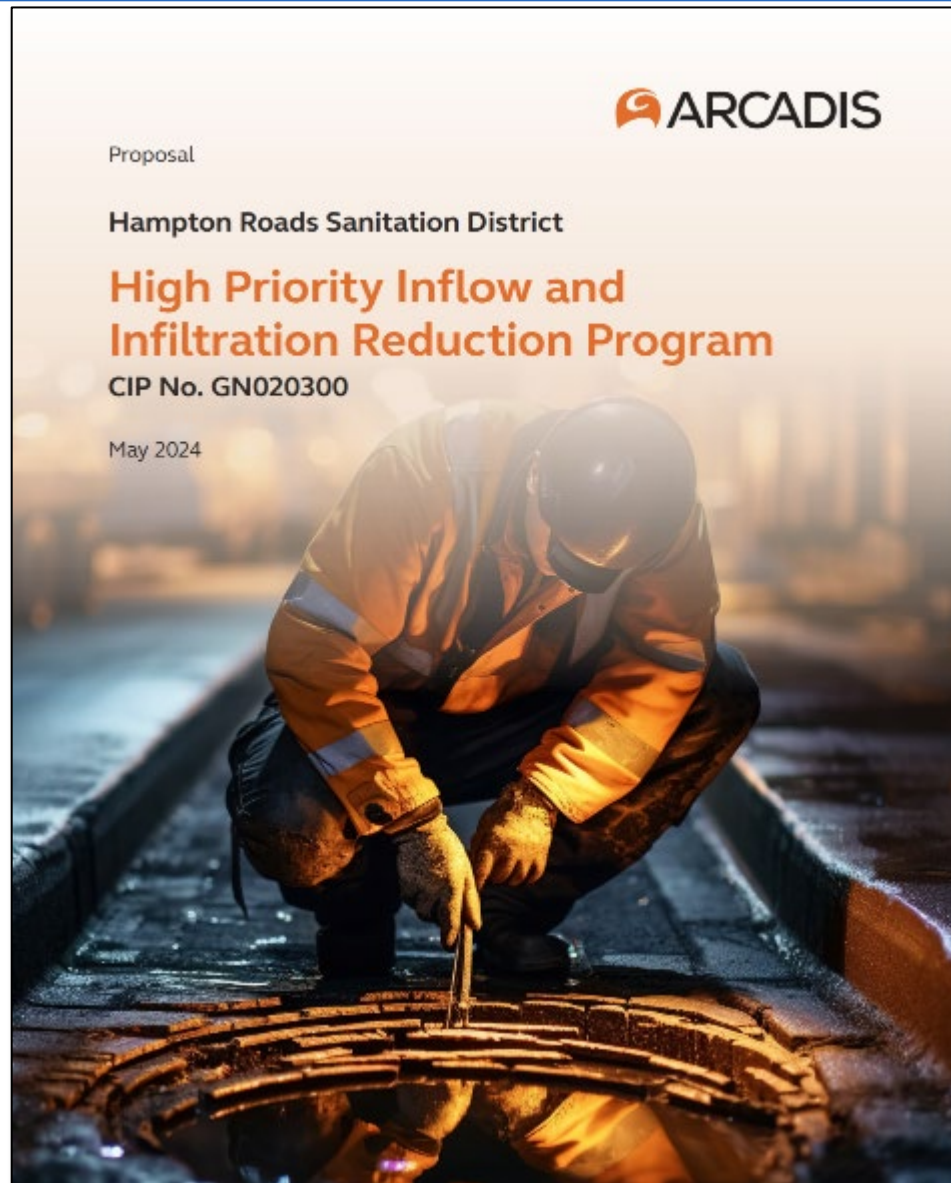
§ 56-575.1. Definitions

As used in this chapter, unless the context requires a different meaning:

"Affected jurisdiction" means any county, city or town in which all or a portion of a qualifying project is located.

"Appropriating body" means the body responsible for appropriating or authorizing funding to pay for a qualifying project.

- Two proposals received on May 17th
- Posted to:
www.hrsd.com/procurementpublicnotices.shtml
- Both proposers determined to be qualified to perform the scope of services requested within the Program

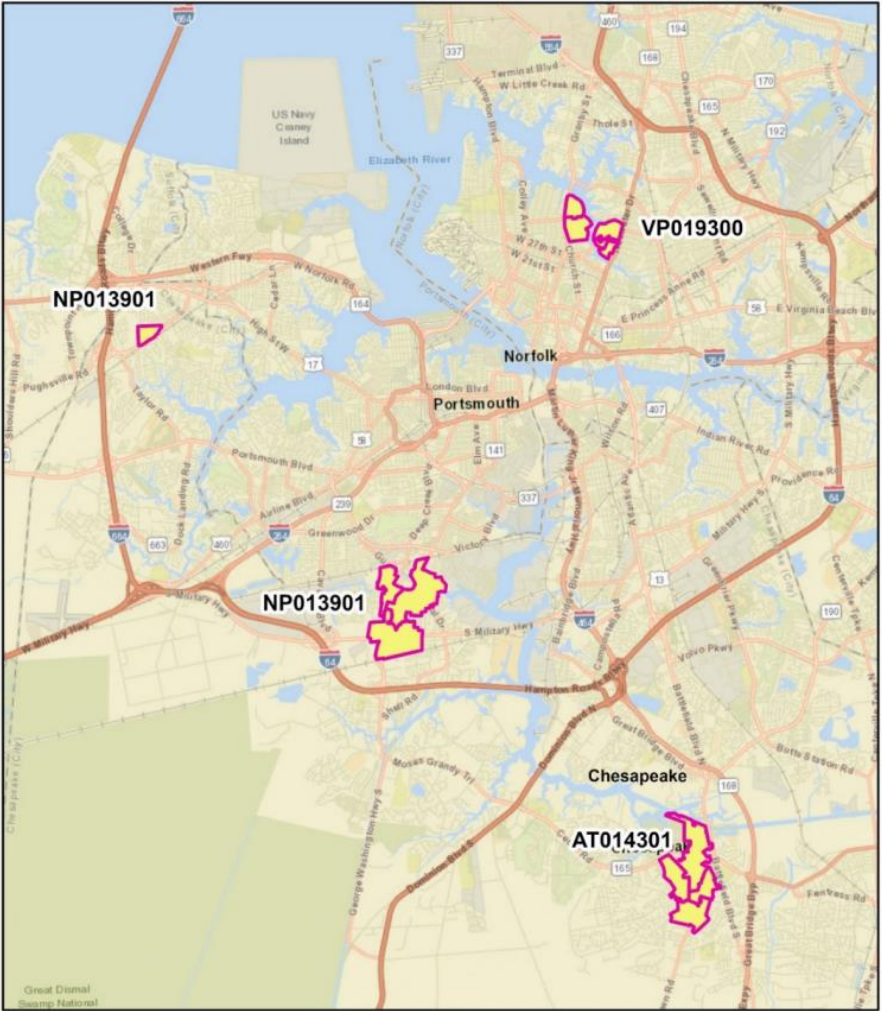
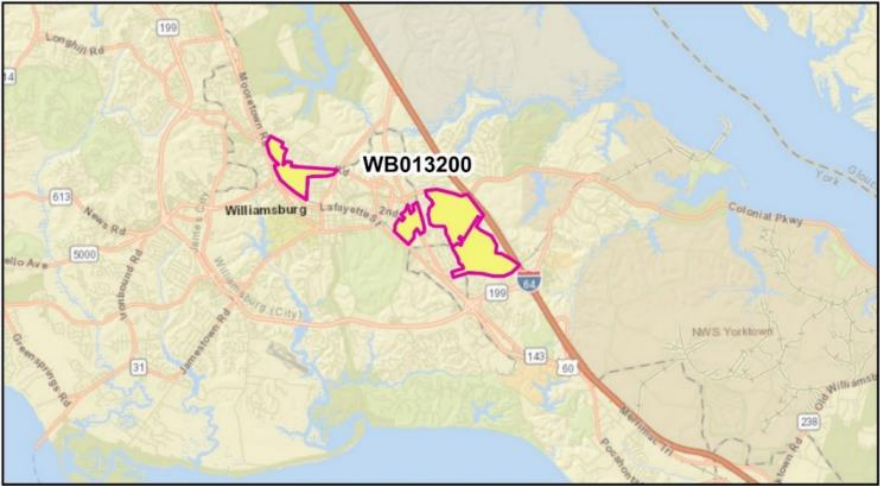


- Today – Public Hearing
- May 30 – Interviews with Proposers
- July 23 – Commission approval of contract award
- Fall 2024 – Begin field investigations
- 2025 to 2030 – Construction activities



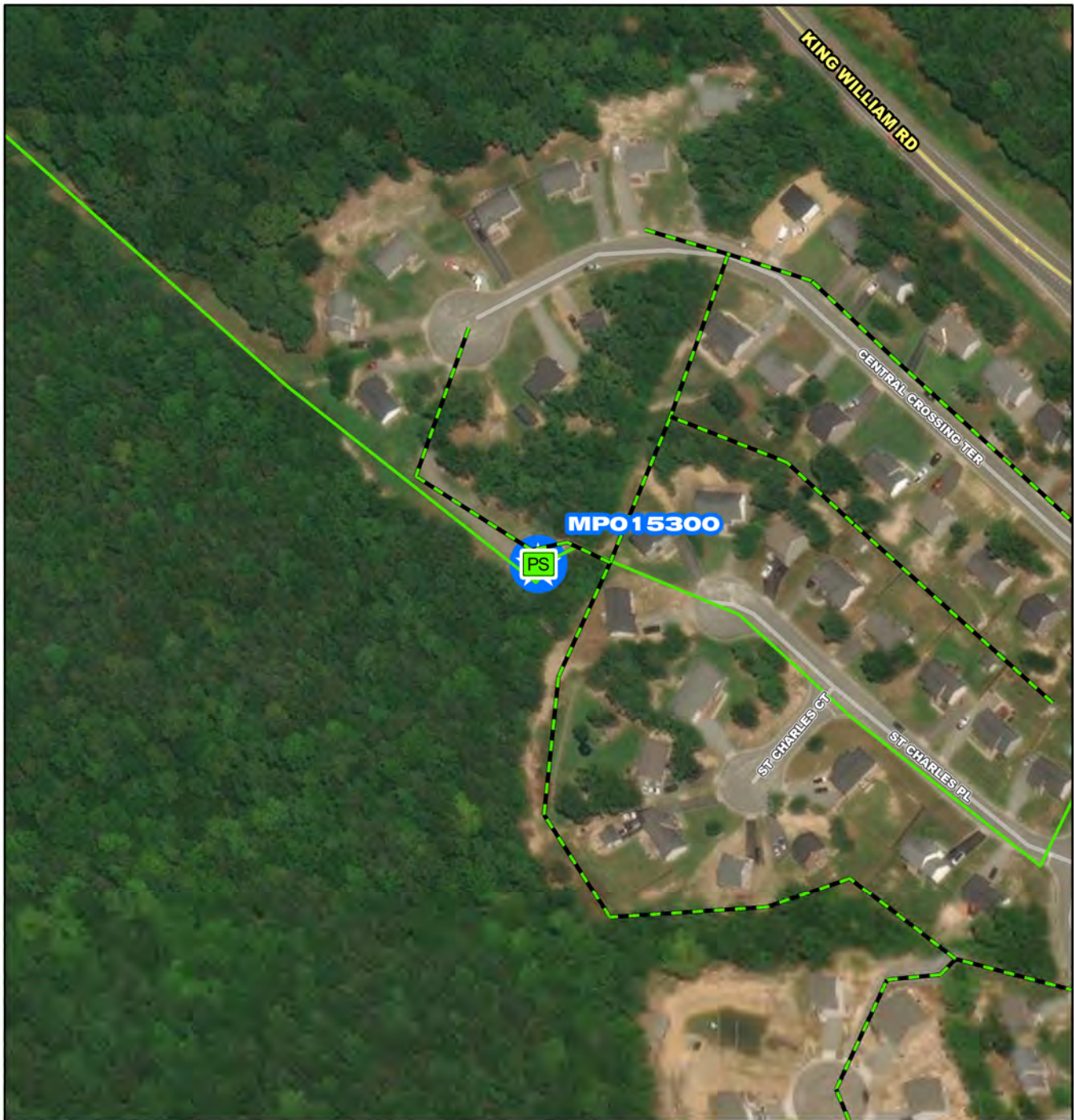
Questions or Comments?

High Priority Inflow and Infiltration Reduction Program



HRSD Commission Meeting Minutes
May 28, 2024
Attachment #3

7. King William Central Crossing Pump Station Rehabilitation
Rejection of Bid (>\$200,000)



MPO 15300

- Project Interceptor Line
- Project Interceptor Point
- Project Pump Station Point
- Project Area

Legend

- CIP Interceptor Point
- CIP Pump Station Point
- CIP Interceptor Line
- CIP Abandonment
- CIP Project Area
- HRSD Interceptor Force Main
- HRSD Interceptor Gravity Main
- HRSD Treatment Plant
- HRSD Pressure Reducing Station
- HRSD Pump Station

0 55 110 220 330 440 Feet

MPO 15300

**King William Central Crossing Pump
Station Rehabilitation**



CIP Location



HRSD Commission Meeting Minutes
May 28, 2024
Attachment #4

8. Fiscal Year 2025 (July 1, 2024 – June 30, 2025) Budgets

ANNUAL BUDGET

Fiscal Year 2025
(July 1, 2024 - June 30, 2025)



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TABLE OF CONTENTS

ANNUAL BUDGET / HAMPTON ROADS SANITATION DISTRICT

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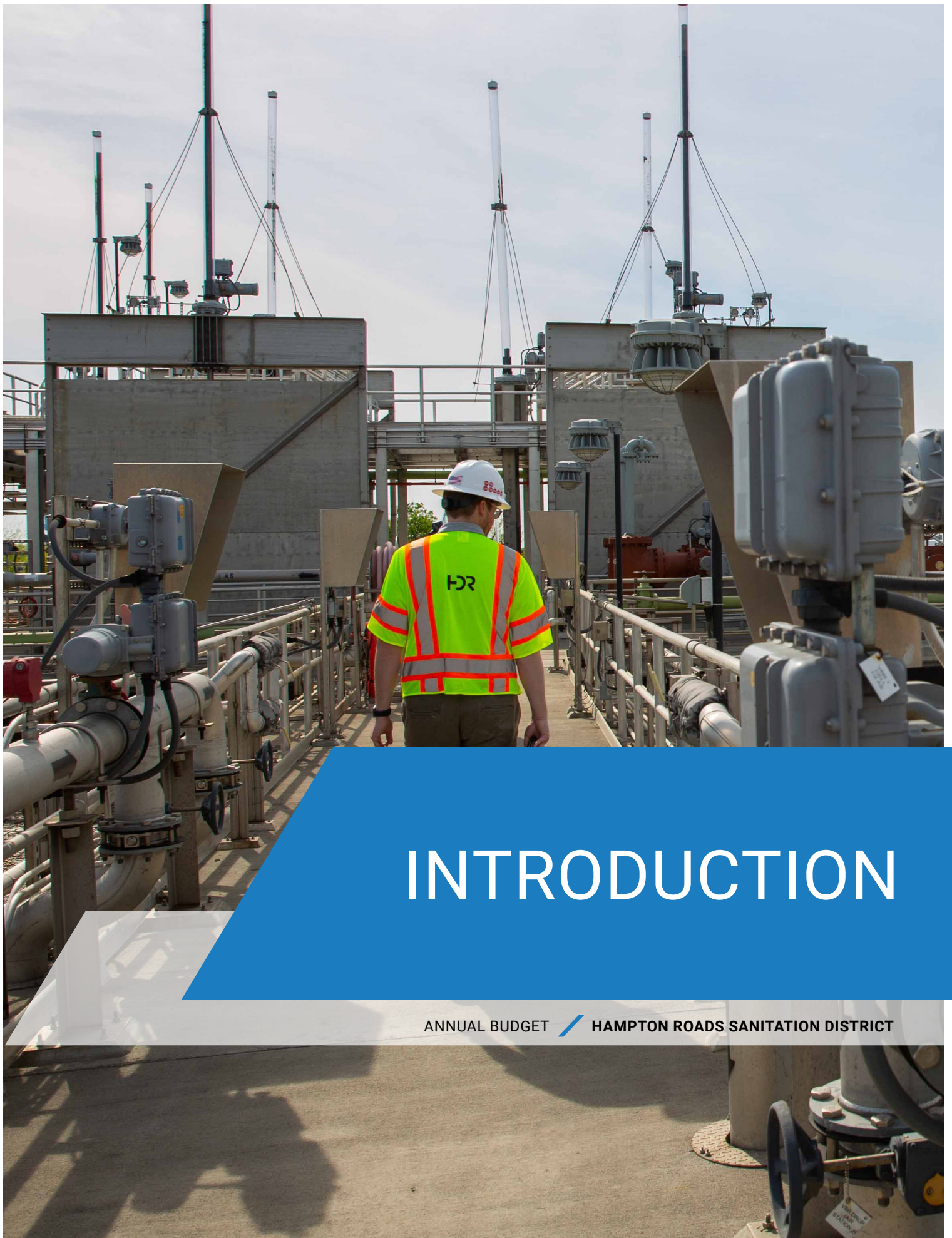
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INTRODUCTION

ANNUAL BUDGET / HAMPTON ROADS SANITATION DISTRICT



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General Manager's Introduction

The voters of Virginia took the bold step in 1940 to address pollution in the Hampton Roads by approving a referendum creating the Hampton Roads Sanitation District (HRSD). That public approval capped a 15-year grassroots campaign that began when the shell-fishing beds in the Hampton Roads were closed by the Virginia Department of Health. At the time, over 30 million gallons of untreated sewage was being dumped into the waters of the Hampton Roads each day. It would take the United States Congress another 32 years to tackle the issue of water pollution on a national scale, finally passing the Clean Water Act in 1972.

Over the past 84 years, HRSD has developed into one of the premier wastewater treatment organizations in the nation. With 14 treatment facilities capable of treating 226 million gallons of wastewater each day from twenty cities and counties, HRSD has eliminated the discharge of untreated sewage into the waters of coastal Virginia from the homes and businesses within our region. However, there is more work to be done to further improve water quality as well as preserve our continued investment in wastewater infrastructure.

The Governor-appointed, eight-member HRSD Commission approved this Fiscal Year 2025 budget at its regular meeting on May 28, 2024. The Commission and the HRSD staff worked diligently to balance our focus on stewardship of our ratepayers' hard-earned dollars with our promise of stewardship of the waters of the Hampton Roads. The cost of wastewater treatment continues to rise as historic inflation is impacting every sector of the economy. However, wastewater treatment is still a bargain in Hampton Roads, with the typical household paying about one-penny per gallon for this essential service that protects public health and our treasured local waterways.

Chesapeake Bay Restoration

The Chesapeake Bay is a national treasure as the nation's largest estuary but suffers from nutrient pollution from three major sources: agricultural runoff, stormwater and wastewater. With more than 18 million people living in the Chesapeake Bay watershed, wastewater is responsible for approximately 20 percent of the excess nutrients discharged into the Bay. Since 2006, HRSD has invested over \$500 million in new process technology improvements and millions in annual operating costs to meet increasingly stringent federally mandated nutrient reduction limits. Unfortunately, it is not enough. The Commonwealth of Virginia has focused its efforts on removing more nutrients from HRSD wastewater facilities to meet statewide commitments required in the upper portions of the Chesapeake Bay, and to offset delays in meeting nutrient reduction goals largely in unregulated sectors such as agriculture. As a result, the General Assembly in 2021 passed legislation creating the Enhanced Nutrient Removal Certainty Program. This legislative mandate commits HRSD to invest nearly \$2 billion in nutrient removal and related treatment upgrades, with a major portion of this work required to be completed by 2026. The remainder of the program must be completed by 2032. These projects, many of which HRSD planned to accomplish, are now critically needed over a more compressed timeline, reducing HRSD's flexibility in implementing the most cost-effective strategies and likely increasing the overall costs.

HRSD's Integrated Plan – Prioritized Investments to Address Hampton Roads Water Issues

The regional sewer system, although never designed to handle stormwater, fills with rainwater runoff, groundwater and tidal water during larger storms. When the regional system fills beyond its capacity, a sanitary sewer overflow (SSO) occurs onto local streets. As part of the Clean Water Act, the Environmental Protection Agency (EPA) has made minimizing these types of events a national priority; but it comes at a tremendous financial burden. SSOs in Hampton Roads are relatively rare, since the regional system has separate stormwater and sanitary sewer pipes, as opposed to a combined system that is common in larger cities. HRSD remains committed to eliminating SSOs; however, the impact of those transient events on local water quality is minimal and the benefits of their elimination is nearly unperceivable.

In 2014, as part of the EPA negotiations and to save the region money, HRSD and the cities and counties HRSD serves (collectively, Localities) agreed to a cooperative regional approach to increase the region's wet weather flow capacity. Even though HRSD does not own the Localities' collection systems in the metropolitan region of Hampton Roads, HRSD agreed to make prioritized capacity-related improvements to its and the Localities' systems resulting in a significant reduction of overall program compliance costs.

More recently, the EPA has shifted to a more prioritized "one water" approach through their Integrated Planning framework. The Integrated Planning framework allows entities to "best prioritize capital investments and achieve

our human health and water quality objectives.” After years of negotiations with EPA and other key stakeholders, HRSD’s Integrated Plan was approved on February 8, 2022. The plan was a collaborative effort between HRSD, EPA, the Virginia Department of Environmental Quality (DEQ) and the Localities that allows us to prioritize our region’s most important water quality issues.

HRSD’s SWIFT Program Offers Multiple Benefits and Saves the Region \$5 Billion

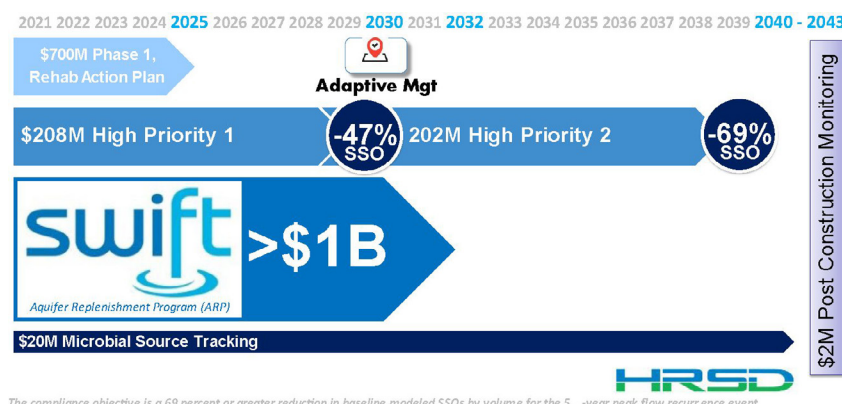
At the heart of the Integrated Plan is HRSD’s Sustainable Water Initiative for Tomorrow (SWIFT) program. This program will take HRSD’s already highly treated water that would otherwise be discharged into the James and Elizabeth rivers and further treat it to meet drinking water standards to be used to recharge the groundwater aquifer. SWIFT will help to:

- Provide a sustainable source of groundwater*
- Slow the rate of land subsidence due to over withdrawal of the aquifer*
- Block saltwater intrusion by creating a pressurized freshwater barrier, and*
- Significantly reduce HRSD’s nutrient discharges to the James and Elizabeth rivers.*

As a result of the projected reduction in nutrients, HRSD established nutrient trading agreements with each Locality allowing them to collectively save over \$2 billion in required stormwater retrofits required by the end of 2025.

Given SWIFT’s significant environmental benefits for the region, HRSD is prioritizing SWIFT construction efforts and implementing two phases of high priority wet weather projects in our Integrated Plan. The key regulatory requirements include:

- \$99 million in improvements as part of our Rehabilitation Action Plan Phase 2 by 2025; current estimate is \$391million.*
- \$214 million of High Priority Wet Weather Projects from 2020 to 2030 to remove 47 percent of projected SSO volume; current estimate is \$238 million.*
- \$196 million of additional High Priority Wet Weather Projects from 2031 to 2040 to remove an additional 22 percent of SSO volume for a total reduction of 69 percent; current estimate is \$205 million.*
- Over \$1 billion spent on SWIFT through 2032; current estimate is \$2.6 billion, and*
- \$20 million in microbial source tracking through 2040.*



HRSD's Integrated Plan not only complies with the Clean Water Act for SSOs, but also with nutrient reduction requirements for the Chesapeake Bay restoration. Between 2021 and 2028, over 70 percent of the total nitrogen and over 50 percent of the phosphorus will be eliminated from the Lower James River Basin.

In addition to helping to provide a sustainable groundwater supply, reducing the rate of land subsidence to lessen the effects of sea level rise in the region, protecting the aquifer from saltwater intrusion, and improving the health of the Chesapeake Bay, HRSD's regional approach to these regulatory requirements will save the region approximately \$5 billion as compared with each Locality individually being required to comply with the Clean Water Act and Chesapeake Bay nutrient reductions.

Pursuing Innovative Solutions to Reduce Costs and Protect Water Quality

HRSD continues to lead international research efforts to reduce the cost of removing nutrients from wastewater and to intensify treatment processes. HRSD's research work is leveraged through partnerships with leading universities and other innovative wastewater utilities throughout the world. Putting the knowledge gained into practice has already yielded a significant return on our investment by reducing operating costs for nutrient removal, as well as minimizing the need for certain capital investments. These efforts have reduced HRSD's energy and chemical costs by nearly \$40 million over the past 10 years.

Financing a Sustainable Water Future

HRSD is investing in the regional wastewater infrastructure to ensure we leave a fully functional system to the next generation. While HRSD continues to focus on making the right investments at the right time in Hampton Roads, across the nation the need for investment in all infrastructure continues to grow. The American Society of Civil Engineers' 2021 Infrastructure Report Card graded the current state of wastewater infrastructure at a D+. The US Water Alliance's Report, The Economic Benefits of Investing in Water Infrastructure, estimates the unmet water investment at over \$81 billion per year. The report highlights the lack of adequate federal investment in wastewater infrastructure, showing the drop in federal investment from 63 percent in 1977 to less than 4 percent in 2017. State, regional and local governments have had to fill that funding gap, passing on significant rate increases as utilities must price service to recover full costs.

With 76 percent of HRSD's \$2.6 billion five-year CIP necessitated by changing environmental regulations, HRSD must continue to raise its rates. To lower costs to its ratepayers, HRSD seeks the lowest cost of capital to finance its infrastructure requirements. HRSD is the largest borrower in the Commonwealth of Virginia Clean Water Revolving Loan Funds (VCWRLF) issued by the DEQ and the Virginia Resources Authority. VCWRLF is a federally subsidized program that offers up to a 1.5 percent interest rate subsidy for 20-year loans. HRSD also secured \$1.05 billion in federally subsidized Water Infrastructure Finance and Innovation Act (WIFIA) programmatic loans for SWIFT. Approximately, \$700 million of those loans have a locked-in interest rate of 1.78 percent. These strategies, when compared to current market rates, will save our ratepayers over \$600 million. HRSD is also actively applying for Virginia Water Quality Improvement Fund (WQIF) grants to help fund the required nutrient reduction projects, but funds are dependent on General Assembly appropriations.

The Community's Role

Our ratepayers can help control their costs by helping us control ours. Ensuring storm water runoff from downspouts, area drains, and sump pumps is not directed to the sanitary sewer system, and ensuring privately-owned service piping is well maintained and leak free will reduce the amount of extraneous water entering the sewer system. Collecting fats, oils and grease in a container for disposal in the trash, as opposed to pouring them down the drain, reduces wastewater system maintenance and operating costs. Proper disposal of unused medications (and other substances) prevents them from reaching our treatment plants, which are not designed for removal of such

substances. Our ratepayers can make a difference by not flushing unused medications down the sink or the toilet and avoid using “flushable” wipes as they do not break down and clog our system. Every flush counts.

As we reflect on nearly 84 years of protecting public health and the waters of Hampton Roads, we remember the mandate so boldly declared by those environmentally concerned Virginians in 1940. It was their foresight that allows us to enjoy the waters of Hampton Roads today. It will take our continued innovation, investment and foresight to ensure future generations will inherit clean waterways and be able to keep them clean.



Jay A. Bernas, PE
General Manager

Principal Officials

May 1, 2024

COMMISSIONERS

STEPHEN C. RODRIGUEZ

Chair

FREDERICK N. ELOFSON, CPA

Vice Chair

MICHAEL E. GLENN

NANCY J. STERN

VISHNU K. LAKDAWALA, Ph.D.

ELIZABETH A. TARASKI, Ph.D.

WILLIE LEVENSTON, JR.

ANN W. TEMPLEMAN

STAFF

JAY A. BERNAS, P.E.

General Manager/Chief Executive Officer

STEVEN G. DE MIK, CPA

*Deputy General Manager/
Chief Financial Officer*

EDDIE M. ABISAAB,
P.E., PMP, ENV SP

Chief Operating Officer

CHARLES B. BOTT,
Ph.D., P.E., BCEE

Chief Technology Officer

DONALD C. CORRADO

Chief Information Officer

BRUCE W. HUSSELBEE,
Ph.D., P.E.

Chief Engineer

JAMIE HEISIG-MITCHELL

Chief of Water Quality

DORISSA T. PITTS-PAIGE,
PHR, IPMA-SCP, SHRM-SCP

Chief People Officer

LEILA E. RICE, APR

Chief Communications Officer

JENNIFER I. CASCIO

Commission Secretary

ELIZABETH I. SCOTT

Assistant Commission Secretary

COUNSEL, ADVISOR, TRUSTEE

Sands Anderson PC
General Counsel

PFM Financial Advisors LLC
Financial Advisor

Norton Rose Bulbright US LLP
Bond Counsel

Aqualaw PLC
Special Counsel

The Bank of New York Mellon
Trustee and Bond Registrar

Key Facts

SERVICE AREA AND OPERATIONS

Date Established	November 5, 1940
Communities Served	20 communities encompassing 4,998 square miles HRSD is a political subdivision of the Commonwealth of Virginia, created for the specific purpose of water pollution abatement in Hampton Roads by providing a system of interceptor mains and wastewater treatment plants.
Population Served	About 1.9 million, nearly one-fifth of Virginia's population, reside in HRSD's service area.

OPERATION AND FACILITIES

No. of Positions (FY-2025)	947
Miles of Pipelines	693 Miles
Wastewater Treated	140 million gallons per day average
Wastewater Capacity	226 million gallons per day

FINANCIAL INFORMATION

Bond Ratings

Ratings Agency	Senior Debt	Subordinate Long-term	Subordinate Short-term
Standard & Poor's	AA+	AA+	A-1 +
Fitch Ratings	AA+	AA	F1 +
Moody's Investors Service	Aa1	Aa1	n/a

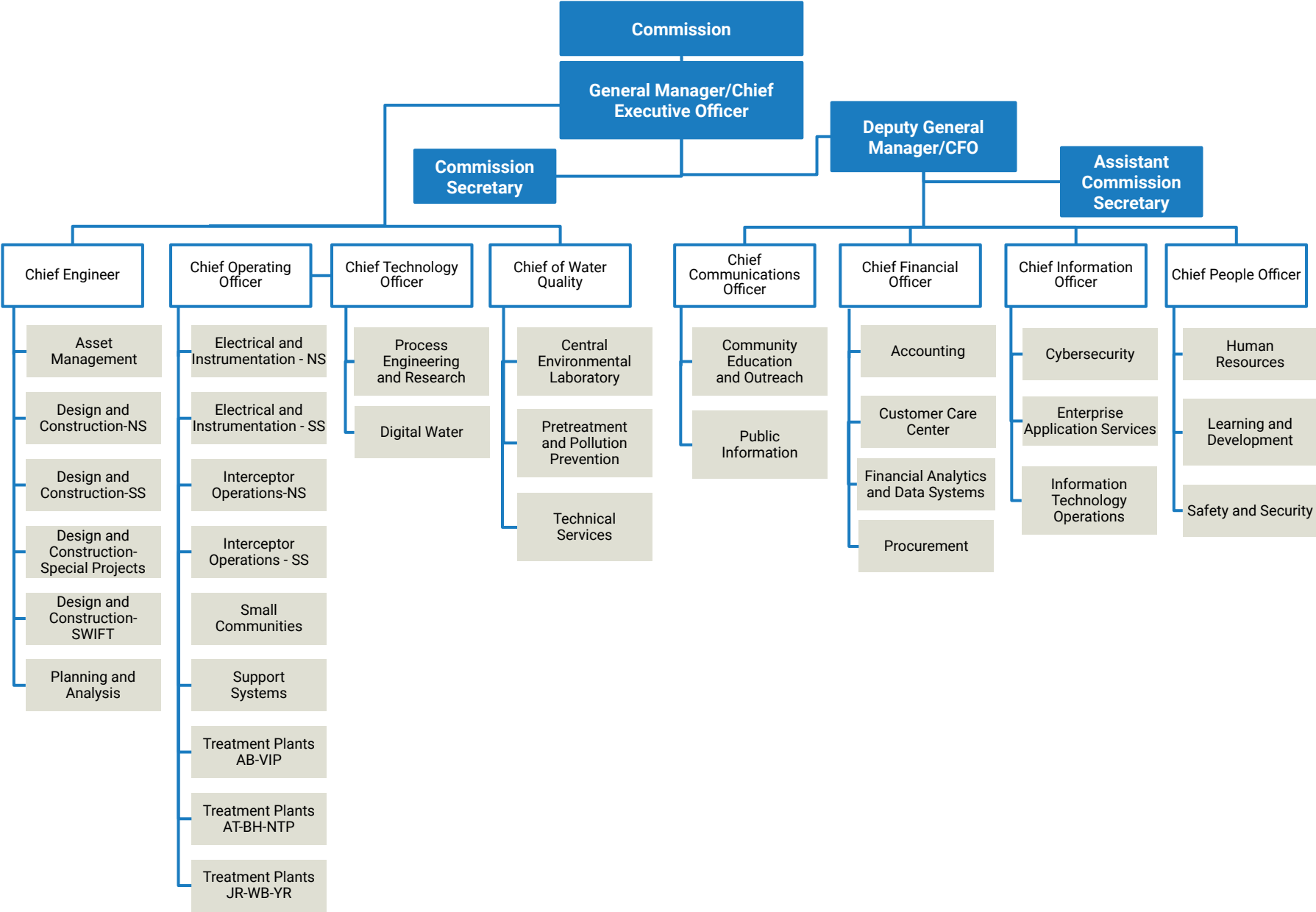
Operating Budget (FY-2025)	\$ 467,192,000
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Service Area



Organization Chart

July 1, 2024



History

HRSD can trace its beginnings to 1925 when the Virginia Department of Health condemned a large oyster producing area in Hampton Roads. The closure resulted in the Virginia General Assembly creating in 1927 a “Commission to Investigate and Survey the Seafood Industry of Virginia.” Other studies recommended a public body to construct and operate a sewage system in the area. HRSD was named after Hampton Roads, a ship anchorage used for five centuries located near the convergence of the James, Elizabeth and Nansemond Rivers, before they flow into the Chesapeake Bay in southeastern Virginia.

In 1934, the Virginia General Assembly created the Hampton Roads Sanitation Disposal Commission with instructions to plan the elimination of pollution in Hampton Roads. Recommendations were made to the General Assembly, which resulted in the Sanitary Districts Law of 1938, along with “an Act to provide for and create the Hampton Roads Sanitation District.” This Act required the qualified voters within HRSD to decide in a general election on November 8, 1938, if they favored creation of such a District. This referendum failed to gain a majority by about 500 votes out of nearly 20,000 votes cast. This led to a revision of the Act and another referendum was held on November 5, 1940, which resulted in a majority vote for the creation of the Hampton Roads Sanitation District.

The Enabling Act provides for HRSD to operate as a political subdivision of the Commonwealth of Virginia for the specific purpose of water pollution abatement in Hampton Roads by providing a system of interceptor mains and wastewater treatment plants. Its affairs are controlled by a Commission of eight members appointed by the Governor for four-year terms. Administration is under the direction of a General Manager/Chief Executive Officer, supported by divisional chiefs and their staffs.

HRSD began operations on July 1, 1946, using facilities acquired from the United States Government. The Warwick County Trunk Sewer, HRSD’s first construction project, began on June 26, 1946, and was funded by HRSD’s \$6.5 million Primary Pledge Sewer Revenue Bonds, dated March 1, 1946. The first treatment plant, the Army Base Plant, began operation on October 14, 1947. Since that time, the facilities of HRSD have grown to provide sanitary sewer service to all major population centers in southeastern Virginia. The population served has increased from nearly 288,000 in 1940 to about 1.9 million in 2024.

Throughout its rich history HRSD has earned many of its industry’s most prestigious awards. This tradition continued as HRSD received the Water Resources Utility of the Future Today award from the Water Environment Federation as well as the Virginia Municipal League Innovation Award with locality partner, York County, for the first full-scale deammonification plant in the world and HRSD’s patented Partial Denitrification Anammox (PdNA) process at York Treatment Plant.

Additional awards and honors received during the year ended June 30, 2024 include the 2024 National Association of Clean Water Agencies National Environmental Achievement Award in the Public Information and Education Video Category for its “National Infrastructure Week: James River Treatment Plant SWIFT Improvements” video. The HRSD Finance Division also earned the George F. Ames PISCES award in the Innovative Finance category from the Environmental Protection Agency (EPA).

Rate Schedules

WASTEWATER TREATMENT RATE SCHEDULE

Service	FY-2025		FY-2024	
Flow (monthly basis)				
Per CCF *	\$	8.28	\$	7.60
Minimum charge (per day)		0.30		0.30
Surcharge, per milligrams/liter per CCF	In Excess of		In Excess of	
Biochemical Oxygen Demand (BOD)	297 mg/L	\$ 0.000182	297 mg/L	\$ 0.000185
Total Suspended Solids (TSS)	282 mg/L	0.000613	282 mg/L	0.000612
Total Phosphorus (TP)	7 mg/L	0.009169	7 mg/L	0.009258
Total Kjeldahl Nitrogen (TKN)	57 mg/L	0.002868	57 mg/L	0.002784
Surcharge, per 100 pounds				
Biochemical Oxygen Demand (BOD)	297 mg/L	\$ 2.91	297 mg/L	\$ 2.96
Total Suspended Solids (TSS)	282 mg/L	9.82	282 mg/L	9.80
Total Phosphorus (TP)	7 mg/L	146.87	7 mg/L	148.30
Total Kjeldahl Nitrogen (TKN)	57 mg/L	45.94	57 mg/L	44.59
Nutrient Credits				
Asset Charge (\$/pound/year)				
Total Suspended Solids (TSS)	\$	8.69	\$	8.39
Total Phosphorus (TP)		60.30		58.55
Total Nitrogen (TN)		13.91		13.49
Operational Charge (\$/pound)				
Total Suspended Solids (TSS)	\$	0.1241	\$	0.1274
Total Phosphorus (TP)		1.1284		1.0226
Total Nitrogen (TN)		0.2893		0.2897
Other Approved Hauled Wastes (per gallon)	\$	0.1812	\$	0.1812
Fats, Oils, and Grease (FOG) (per gallon)		0.3658		0.3517
Town Wholesale Treatment (per 1000 gallons)		3.55		3.55
Residential flat rate (per day)	\$	2.17	\$	2.00

* CCF = 100 Cubic Feet (approximately 748 gallons)

VOLUME BASED FACILITY RATE SCHEDULE

Meter Size	FY-2025		FY-2024	
5/8 Inch	\$	2,430	\$	2,420
3/4 Inch		4,210		4,210
1 Inch		7,410		7,410
1 ½ Inch		18,395		18,395
2 Inch		35,825		35,825
3 Inch		91,665		91,665
4 Inch		178,485		178,485
6 Inch		456,620		456,620
8 Inch		889,185		889,185
10 Inch		1,491,070		1,491,070
12 Inch		2,274,730		2,274,730
14 Inch		3,251,050		3,251,050
16 Inch		4,429,645		4,429,645

SMALL COMMUNITIES RATE SCHEDULE

Flow (monthly basis per 1,000 gallons)	FY-2025	FY-2024
Small Communities (except for King William)	\$ 17.41	\$ 16.08
King William	17.61	16.31
Residential flat rate (per day)		
Small Communities Treatment and Collections (except for King William)	\$ 2.39	\$ 2.21
King William	2.42	2.24
Small Communities Treatment Only	2.17	2.00
Unmetered Accounts	2.17	2.00
Minimum charge - metered accounts (per day)	0.30	0.30

FEES

	FY-2025	FY-2024
Damaged meter/antenna (plus cost of meter/antenna)	\$ 250	\$ 250
Damaged lock	100	100
Service restoration	100	100
Meter reading (customer-owned meter)	75	75
Inaccessible meter	50	50
Access card replacement	25	25
Returned payments	25	25
Delinquency service trip	15	15
Account documentation	10	10
Deduction meter	2	2

Reader's Guide to the Annual Budget

PURPOSE

The Annual Budget is an instrument that sets HRSD's budgetary policy and authorization to raise revenues and spend funds each fiscal year. The development of the Annual Budget is guided by HRSD's promise and vision statements:

- Promise: We promise to treat wastewater and recover natural resources to protect public health and the environment.
- Vision: Our communities will have clean waterways and reliable water resources for generations to come.

ANNUAL BUDGET OVERVIEW

HRSD's Annual Budget contains the following sections:

Financial Forecast

This section provides a high level, 20-year forecast of projected wastewater treatment rate increases, operating revenues and expenses, capital improvements and related funding sources, amounts contributed to and fiscal year-end balances of cash and investment reserves, and selected financial ratios that help to measure the financial health of HRSD. The forecast is an inflationary based model where trends from past fiscal years and proposed operating budgets are used to forecast future operating needs. Transfers to reserves and to the Capital budget are forecast to be in amounts that are not less than parameters established within HRSD's Financial Policy. Debt service is based on different sources of future funding: Virginia Clean Water Revolving Fund, Water Infrastructure Finance and Innovation Act (WIFIA), interim financing and revenue bonds. Interest rates are based on known rates or historical averages.

Operating Budget

The Operating Budget represents the authorization by the HRSD Commission to spend funds directly related to operating and maintaining HRSD's programs and assets during the fiscal year. This section includes each division's annual operating budgets. Those expenses that are not attributable to a specific division are assigned to "General Expenses." Transfers represent authorization to transfer revenues raised from operations to either the Capital Budget or to various reserves established in HRSD's Financial Policy. The Operating Budget Summary provides the budget by division and major object code classification. Division Budgets and General Expenses, Debt Service and Transfers detail budget expenditures by major object code classification. The number of full-time positions authorized for the fiscal year is provided by division..

Capital Budget

The Capital Budget represents a plan of specific, major capital improvements over a period of ten fiscal years. The Capital Budget is not an approval or appropriation of funds for individual projects. There is no authorization or funding for individual projects until the Commission acts on the specific project. The Commission formally authorizes spending for individual projects throughout a fiscal year and generally upon project initiation.

The Summary Schedule details the funding sources for capital improvements as well as planned expenditures.

A formal, detailed, Capital Improvement Program with more specific project information is available at <https://www.hrsd.com/cip>.

HRSD's budget authorizations, capital improvement plans, user rate setting practices and other significant financial practices are guided by HRSD's Financial Policy and Revenue Policy. The Financial Policy and Revenue Policy are available at <http://www.hrsd.com/finance>.

HRSD's Rate Schedule is available at <http://www.hrsd.com/finance>.

BUDGETARY PROCESS

HRSD prepares its Annual Budget under the provisions of its enabling legislation and its Trust Agreement, dated March 1, 2008. In accordance with those provisions, the following process is used to adopt the Annual Budget:

- The process begins in late December with the issuance of the Annual Budget Instructions by the General Manager. Each division completes its Operating Budget by March 1 for the General Manager's review.
- The HRSD Commission appoints a Finance Committee which typically consists of two Commissioners. The committee meets in early April to review the budgets. The Commission reviews these budgets during its April meeting.
- The final Annual Budget, which incorporates the Operating and Capital Budgets, is presented at the May Commission meeting for adoption. The Commission simultaneously adopts the budget and any resulting wastewater rate schedule changes. All rate adjustments must be publically advertised four consecutive weeks before they can take effect.
- The HRSD Commission approves any budget amendments during the fiscal year.

BUDGETARY ACCOUNTING AND CONTROL

HRSD operates in accordance with annual operating and capital budgets prepared on a basis of accounting that is different from generally accepted accounting principles.

The Operating Budget is adopted by division, with budgetary controls exercised administratively by management at the division level. The General Manager is authorized to transfer funds among divisions without further approval by the Commission. Appropriations lapse at the end of the fiscal year. Valid, outstanding encumbrances (those for which performance under a contract is expected in the next year) are re-appropriated without further approval by the Commission and become part of the subsequent year's budget.

The Capital Budget represents a ten-year plan. Funds for the Capital Budget are adopted throughout a fiscal year on a project basis. Transfers among projects require approval by the Commission. Appropriations for these budgets continue until the purpose of the appropriation has been fulfilled.

Glossary of Financial Terms

Adjusted Days Cash on Hand: Days Cash on Hand that excludes accrued debt service, the Risk Reserve, the Renewal and Replacement Reserve, and cash budgeted for the CIP in the next fiscal year.

Appropriation: An authorization granted by the Commission to incur obligations for specific purposes. Appropriations are usually limited to amount, purpose and time.

Basis of Accounting: HRSD's financial statements report the financial position and results of operations of HRSD in accordance with generally accepted accounting principles in the United States of America (GAAP).

Bond Ratings: A grade given to bonds that represents a measure of their credit quality. Private independent rating services such as Standard & Poor's, Moody's and Fitch provide these evaluations of a bond issuer's financial strength, or its the ability to pay a bond's principal and interest in a timely fashion.

Capital Improvement Program (CIP): Ten-year plan for major non-recurring facility, infrastructure, or acquisition expenditures that expand or improve HRSD and/or locality assets. Projects included in the CIP include physical descriptions, implementation schedules, year of expenditure cost and funding source estimates, and an indication of HRSD Commission priorities and community benefits

Centum Cubic Feet (CCF): Typical unit in which industrial-consumption of natural gas or water is measured; each CCF being 100 cubic-feet.

CIP Percent Cash Funded: Percent of each year's capital improvement plan funded with cash through transfers from operations. HRSD's Financial Policy requires that at least 15 percent of each

year's planned capital improvements be funded with cash.

Days Cash on Hand: Measured by current and non-current unrestricted cash and investments, plus any restricted cash and investments, if available for general system purposes, divided by Operating Expenses, divided by 365.

Debt Service: Amount of money necessary to pay principal and interest on bonds outstanding.

Debt Service as a Percent of Revenues: Total revenues divided by total debt service. This ratio measures the debt service burden compared to total revenues.

Risk Management Reserve: HRSD maintains a self-insurance program for some of its risk exposures. HRSD'S Financial Policy requires HRSD to maintain a Risk Management Reserve as of the end of the fiscal year of not less than 25 percent of projected annual self-insured claims costs for known, retained risks.

Total Debt Service (Adjusted): Calculated in accordance with HRSD's Subordinate Trust Agreement, the ratio determined by dividing the Net Revenues by annual debt service. In such calculation, funds spent on Locality Assets may be excluded from the calculation of Net Revenues under the circumstances described within the definitions of Net Revenues and Operating Expenses. Annual debt service will be based on actual principal and interest payments during the year (i.e., not accrual based).

Trust Agreement: The formal agreement between bond holders, acting through a trustee, and HRSD.

Unrestricted Cash: Unrestricted cash and investments at fiscal year-end that are not earmarked for another purpose.



FINANCIAL FORECAST

ANNUAL BUDGET / HAMPTON ROADS SANITATION DISTRICT



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Financial Forecast (in thousands)	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
Operating Budget Forecast																				
Projected Annual Water Consumption Decline	0.0%	-0.1%	-0.2%	-0.3%	-0.4%	-0.4%	-0.6%	-0.6%	-0.6%	-0.6%	-0.6%	-0.6%	-0.6%	-0.6%	-0.6%	-0.6%	-0.6%	-0.6%	-0.6%	-0.6%
Projected Cost Increase, \$/ccf	\$0.68	\$0.75	\$0.81	\$0.54	\$0.57	\$0.60	\$0.64	\$0.67	\$0.71	\$0.75	\$0.57	\$0.60	\$0.62	\$0.64	\$0.67	\$0.70	\$0.72	\$0.75	\$0.78	\$0.81
Projected Wastewater Rate , \$/ccf	\$8.28	\$9.03	\$9.84	\$10.38	\$10.95	\$11.55	\$12.19	\$12.86	\$13.57	\$14.32	\$14.89	\$15.49	\$16.11	\$16.75	\$17.42	\$18.12	\$18.84	\$19.59	\$20.37	\$21.18
Average Monthly Bill	\$45.54	\$49.62	\$53.98	\$56.80	\$59.68	\$62.70	\$65.78	\$68.98	\$72.35	\$75.89	\$78.44	\$81.11	\$83.85	\$86.66	\$89.58	\$92.63	\$95.73	\$98.94	\$102.26	\$105.69
Revenues																				
Operating Revenues	\$ 452,127	\$ 490,832	\$ 532,554	\$ 559,489	\$ 586,991	\$ 615,819	\$ 645,209	\$ 675,761	\$ 707,960	\$ 741,772	\$ 766,104	\$ 791,616	\$ 817,790	\$ 844,610	\$ 872,552	\$ 901,593	\$ 931,226	\$ 961,917	\$ 993,646	\$ 1,026,389
Non-operating Revenues	15,065	13,783	14,416	15,120	15,518	16,195	16,636	17,356	17,709	18,060	18,435	19,333	19,718	20,116	20,527	20,953	21,948	22,385	22,878	23,388
Total Revenues	467,192	504,615	546,971	574,609	602,509	632,014	661,845	693,117	725,668	759,832	784,538	810,950	837,508	864,726	893,080	922,547	953,173	984,303	1,016,524	1,049,777
	YOY Op Rev	8.6%	8.5%	5.1%	4.9%	4.9%	4.8%	4.7%	4.8%	4.8%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%
Operating Expenses																				
Personal Services	80,140	88,154	96,088	100,893	105,937	111,234	116,796	122,636	126,315	130,104	134,007	138,027	142,168	146,433	150,826	155,351	160,012	164,812	169,756	174,849
Fringe Benefits	30,765	30,617	32,579	34,152	35,801	37,532	39,349	41,255	42,917	44,651	46,460	48,347	50,317	52,373	54,518	56,758	59,097	61,538	64,088	66,750
Materials And Supplies	26,511	28,632	30,350	32,171	33,779	35,468	37,242	39,104	40,277	41,485	42,730	44,012	45,332	46,692	48,093	49,535	51,021	52,552	54,129	55,753
Transportation	1,240	1,339	1,420	1,505	1,580	1,659	1,742	1,829	1,884	1,941	1,999	2,059	2,121	2,184	2,250	2,317	2,387	2,458	2,532	2,608
Transportation Fuels	1,116	1,205	1,277	1,354	1,422	1,493	1,568	1,646	1,695	1,746	1,799	1,852	1,908	1,965	2,024	2,085	2,148	2,212	2,278	2,347
Utilities	16,512	17,833	18,903	20,037	21,039	22,091	23,196	24,355	25,086	25,839	26,614	27,412	28,235	29,082	29,954	30,853	31,778	32,732	33,714	34,725
Chemical Purchases	16,539	17,862	18,934	20,070	21,074	22,127	23,234	24,396	25,127	25,881	26,658	27,457	28,281	29,130	30,003	30,904	31,831	32,786	33,769	34,782
Contractual Services	38,080	41,126	43,183	45,342	47,609	49,989	52,489	55,113	56,766	58,469	60,224	62,030	63,891	65,808	67,782	69,816	71,910	74,067	76,289	78,578
Consulting Services	2,446	2,568	2,696	2,831	2,973	3,121	3,277	3,441	3,544	3,760	3,873	3,989	4,109	4,232	4,359	4,490	4,625	4,763	4,906	5,054
Miscellaneous Expenses	9,152	9,508	9,879	10,267	10,671	11,092	11,531	11,990	12,350	12,720	13,102	13,495	13,900	14,317	14,746	15,189	15,644	16,114	16,597	17,095
Bond Issuance Cost	300	-	-	-	-	-	-	-	-	-	1,477	-	-	-	-	-	1,548	-	-	-
Capital Assets	1,055	1,087	1,120	1,153	1,188	1,223	1,260	1,298	1,337	1,377	1,418	1,461	1,505	1,550	1,596	1,644	1,694	1,744	1,797	1,851
Other Costs (SWIFT O&M, Plant Consolidation)	-	779	9,623	24,442	27,045	40,162	43,147	56,583	60,442	63,935	66,549	92,704	96,472	100,392	104,471	108,715	133,745	139,164	144,801	150,667
Total Operating Appropriations from Budget	223,857	240,711	266,053	294,217	310,118	337,193	354,830	383,645	397,742	411,799	426,796	462,731	478,118	494,034	510,497	527,526	567,304	584,804	604,514	624,910
	YOY Op Exp	7.5%	10.5%	10.6%	5.4%	8.7%	5.2%	8.1%	3.7%	3.5%	3.6%	8.4%	3.3%	3.3%	3.3%	3.3%	7.5%	3.1%	3.4%	3.4%
Existing Debt Service	79,809	86,841	96,440	98,312	108,065	107,884	108,419	103,647	101,806	100,855	100,413	97,487	97,546	97,307	90,460	90,300	90,347	90,090	90,023	89,839
Projected Debt Service (Clean Water, WIFIA, LOC)	7,891	8,390	10,681	13,303	23,034	29,069	35,759	41,705	47,336	51,820	71,922	66,463	79,343	83,735	87,873	91,459	112,076	107,191	111,127	115,133
Total Debt Service	87,700	95,231	107,121	111,615	131,099	136,953	144,178	145,352	149,141	152,675	172,335	163,950	176,889	181,042	178,332	181,758	202,423	197,281	201,150	204,972
Transfer to Risk Management Reserve	-	113	147	152	156	161	166	171	176	181	187	192	198	204	210	216	223	230	237	244
Transfer to General Reserve (Unrestricted Cash)	-	15,740	25,341	28,164	15,901	27,075	17,638	28,815	14,096	14,058	14,996	35,935	15,388	15,916	16,463	17,029	39,778	17,500	19,710	20,396
Transfer to Capital Improvement Plan (PAYGO)	155,635	152,820	148,308	140,462	145,234	130,632	145,032	135,134	164,514	181,120	170,225	148,142	166,915	173,529	187,577	196,016	143,446	184,488	190,913	199,254
Total Appropriations for Debt Service and Transfers	243,335	263,903	280,918	280,393	292,391	294,821	307,014	309,472	327,927	348,033	357,743	348,219	359,390	370,691	382,583	395,020	385,869	399,499	412,010	424,867
Total Appropriations	\$ 467,192	\$ 504,615	\$ 546,971	\$ 574,609	\$ 602,509	\$ 632,014	\$ 661,845	\$ 693,117	\$ 725,668	\$ 759,832	\$ 784,538	\$ 810,950	\$ 837,508	\$ 864,726	\$ 893,080	\$ 922,547	\$ 953,173	\$ 984,303	\$ 1,016,524	\$ 1,049,777

Capital Improvement Budget Forecast																				
Beginning Capital Reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sources of Funds																				
Debt funded (Revenue Bonds and Interim Financing)	-	-	-	-	-	-	-	-	-	-	249,906	-	-	-	-	-	261,916	-	-	-
Va Clean Water Revolving Loan Fund	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
WIFIA	385,693	211,144	277,872	80,000	80,000	80,000	63,414	-	-	-	-	-	-	-	-	-	-	-	-	-
Water Quality Improvement Fund (WQIF) Grants	246,457	234,000	58,393	45,500	68,022	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HRSD - Cash	155,635	152,820	148,308	140,462	145,234	130,632	145,032	135,134	164,514	181,120	170,225	148,142	166,915	173,529	187,577	196,016	143,446	184,488	190,913	199,254
Reimbursements	24,831	3,348	1,500	1,500	9,306	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Line of Credit (Negative = Paid Off)	(32,616)	(2,311)	(65,073)	77,538	(17,562)	(632)	1,554	74,866	45,486	28,880	(210,131)	71,316	43,085	36,471	22,423	22,067	(195,362)	31,314	33,148	31,926
Total Capital Resources	820,000	639,000	461,000	385,000	325,000	250,000	250,000	250,000	250,000	250,000	250,000	259,458	250,000	250,000	250,000	258,084	250,000	255,803	264,061	271,181
Uses of Funds - Capital Expenditures	820,000	639,000	461,000	385,000	325,000	250,000	250,000	250,000	250,000	250,000	250,000	259,458	250,000	250,000	250,000	258,084	250,000	255,803	264,061	271,181
Ending Capital Resources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Reserves Balance Forecast																				
Total Unrestricted Cash	\$ 385,407	\$ 398,444	\$ 419,421	\$ 439,891	\$ 460,720	\$ 473,354	\$ 505,558	\$ 524,645	\$ 568,297	\$ 599,142	\$ 603,430	\$ 617,475	\$ 651,834	\$ 674,568	\$ 705,289	\$ 730,974	\$ 718,404	\$ 777,175	\$ 803,547	\$ 832,528
PAYGO (includes beginning balance, if available)	155,635	152,820	148,308	140,462	145,234	130,632	145,032	135,134	164,514	181,120	170,225	148,142	166,915	173,529	187,577	196,016	143,446	184,488	190,913	199,254
Risk Reserve	4,800	4,913	5,060	5,212	5,368	5,529	5,695	5,866	6,042	6,223	6,410	6,602	6,800	7,004	7,214	7,431	7,654	7,883	8,120	8,364
Adjusted Unrestricted Cash	\$ 224,972	\$ 240,711	\$ 266,053	\$ 294,217	\$ 310,118	\$ 337,193	\$ 354,830	\$ 383,645	\$ 397,742	\$ 411,799	\$ 426,796	\$ 462,731	\$ 478,118	\$ 494,034	\$ 510,497	\$ 527,526	\$ 567,304	\$ 584,804	\$ 604,514	\$ 624,910
Daily Cost to Operate	\$ 613	\$ 659	\$ 729	\$ 806	\$ 850	\$ 924	\$ 972	\$ 1,051	\$ 1,090	\$ 1,128	\$ 1,169	\$ 1,268	\$ 1,310	\$ 1,354	\$ 1,399	\$ 1,445	\$ 1,554	\$ 1,602	\$ 1,656	\$ 1,712
Adjusted Days Cash on Hand (excludes PAYGO and Risk)	367 days	365 days	365 days	365 days	365 days	365 days	365 days	365 days	365 days	365 days	365 days	365 days	365 days	365 days	365 days	365 days	365 days	365 days	365 days	365 days

Financial Ratios Forecast																				
Total Debt Service Coverage (Adjusted)	2.29	2.36	2.16	2.13	2.07	1.98	1.96	1.96	2.03	2.11	1.99	2.04	1.95	1.97	2.06	2.09	1.83	1.95	1.97	1.99
CIP % Cash Funded (current year contributions)	19%	24%	32%	36%	45%	52%	58%	54%	66%	72%	68%	57%	67%	69%	75%	76%	57%	72%	72%	73%
Debt Service as a % of Total Revenues	19%	19%	20%	19%	22%	22%	22%	21%	21%	20%	22%	20%	21%	21%	20%	20%	21%	20%	20%	20%



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OPERATING BUDGET

ANNUAL BUDGET / HAMPTON ROADS SANITATION DISTRICT



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Operating Budget

	FY-2025	Adopted FY-2024	Increase/ (Decrease)	Percent Change
Operating Revenues				
Wastewater Treatment Charges	\$ 450,655,000	\$ 414,801,000	\$ 35,854,000	8.6%
Miscellaneous	1,472,000	1,320,000	152,000	11.5%
Total-Operating Revenue	452,127,000	416,121,000	36,006,000	8.7%
Non-Operating Revenues				
Wastewater Facility Charges	6,170,000	6,095,000	75,000	1.2%
Investment Earnings	7,300,000	3,000,000	4,300,000	143.3%
Build America Bond Subsidy	-	1,954,000	(1,954,000)	(100.0%)
Other	1,595,000	1,320,000	275,000	20.8%
Total Non-Operating Revenues	15,065,000	12,369,000	2,696,000	21.8%
Total Revenues	467,192,000	428,490,000	38,702,000	9.0%
Total Revenues and Transfers	\$ 467,192,000	\$ 428,490,000	\$ 38,702,000	9.0%
Operating Appropriations				
General Management	\$ 615,657	\$ 538,146	\$ 77,511	14.4%
Communications	1,181,727	599,962	581,765	97.0%
Finance	18,951,800	17,365,168	1,586,632	9.1%
Information Services	22,299,631	18,642,412	3,657,219	19.6%
Talent Management	3,724,877	3,071,396	653,481	21.3%
Operations	140,778,854	134,935,571	5,843,283	4.3%
Engineering	11,602,046	9,206,395	2,395,651	26.0%
Water Quality	18,837,760	18,299,074	538,686	2.9%
General Expenses	5,864,243	4,204,506	1,659,737	39.5%
Total-Operating Appropriations	223,856,595	206,862,630	16,993,965	8.2%
Appropriations for Debt Service and Transfers				
Debt Service	87,700,000	76,150,000	11,550,000	15.2%
Transfer to CIP	155,635,405	145,217,370	10,418,035	7.2%
Transfer to Risk Management Reserve	-	260,000	(260,000)	(100.0%)
Total Appropriations for Debt Service and Transfers	243,335,405	221,627,370	21,708,035	9.8%
Total Appropriations	\$ 467,192,000	\$ 428,490,000	\$ 38,702,000	9.0%

Operating Budget Summary

	General Management	Communications	Finance	Information Technology	Talent Management	Operations	Engineering
Personal Services	\$ 359,946	\$ 487,955	\$ 8,355,688	\$ 7,901,833	\$ 2,408,933	\$ 44,959,922	\$ 7,608,950
Fringe Benefits	92,711	154,772	3,202,849	2,515,023	843,243	18,306,191	2,549,149
Materials & Supplies	10,000	275,000	88,154	1,352,400	70,000	10,301,960	45,415
Transportation	12,500	16,500	24,500	28,100	27,500	2,173,169	32,836
Utilities	-	-	238,122	1,436,000	-	14,200,218	-
Chemical Purchases	-	-	-	-	-	16,539,326	-
Contractual Services	120,000	214,000	6,767,514	7,530,675	28,000	20,671,553	1,050,200
Major Repairs	-	-	-	1,235,000	-	11,413,008	-
Capital Assets	-	-	-	-	-	1,055,400	-
Miscellaneous Expense	20,500	33,500	274,973	300,600	347,201	1,158,107	315,496
Operating Appropriations	\$ 615,657	\$ 1,181,727	\$ 18,951,800	\$ 22,299,631	\$ 3,724,877	\$ 140,778,854	\$ 11,602,046

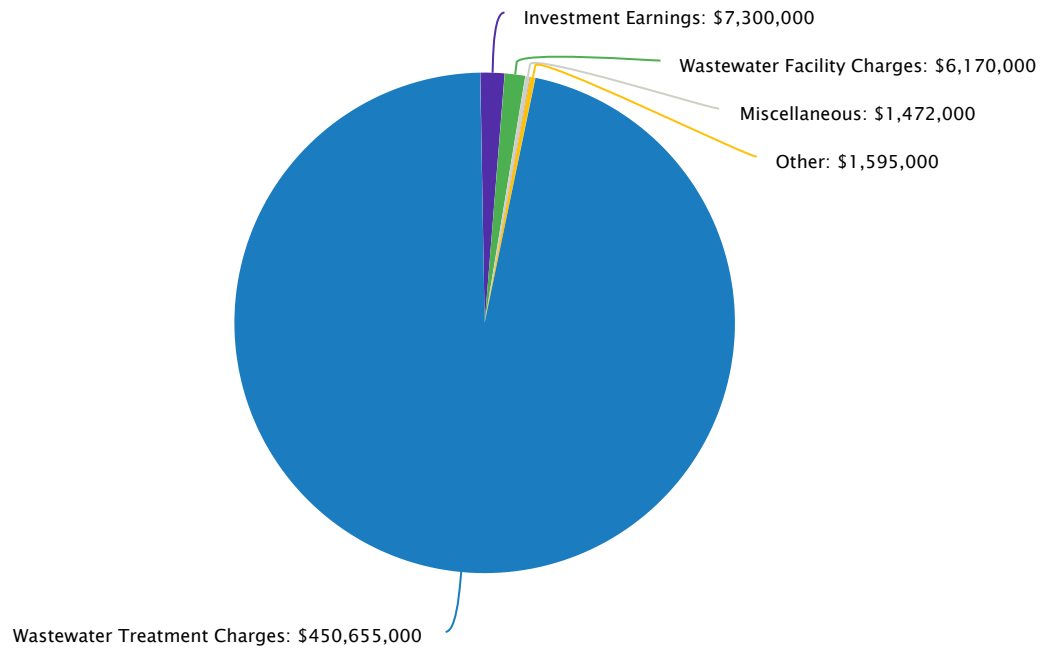
Full-time Positions:							
Current	2	4	105	59	21	537	59
Changes	-	-	4	7	5	19	3
Budgeted	2	4	109	66	26	556	62

Operating Budget Summary

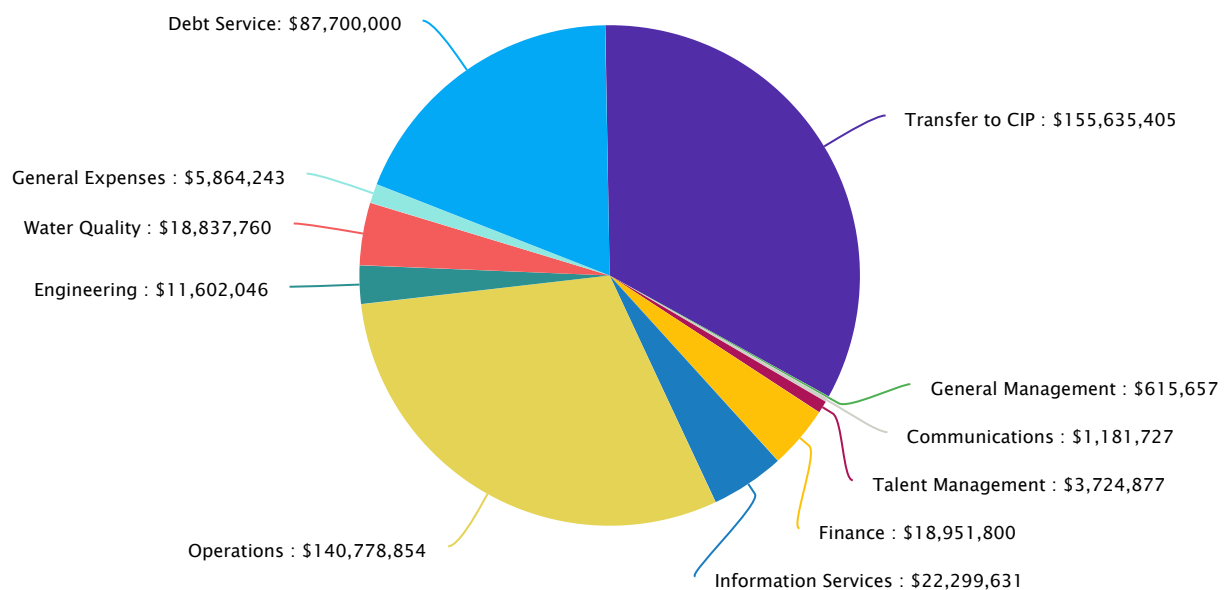
	Water Quality	General Expenses	FY-2025	Percent of Budget	FY-2024	FY25 vs FY24 Inc/(Dec)	Percent Change
Personal Services	\$ 10,737,647	\$ (2,680,600)	\$ 80,140,274	17.2%	\$ 70,450,193	\$ 9,690,081	13.8%
Fringe Benefits	4,254,993	(1,153,709)	30,765,222	6.6%	28,485,720	2,279,502	8.0%
Materials & Supplies	1,678,000	22,000	13,842,929	3.0%	14,768,127	(925,198)	(6.3%)
Transportation	40,962	-	2,356,067	0.5%	1,993,014	363,053	18.2%
Utilities	2,808	635,000	16,512,148	3.5%	16,749,019	(236,871)	(1.4%)
Chemical Purchases	-	-	16,539,326	3.5%	17,093,255	(553,929)	(3.2%)
Contractual Services	1,518,000	8,073,980	45,973,922	9.8%	42,019,975	3,953,947	9.4%
Major Repairs	20,000	-	12,668,008	2.7%	10,354,024	2,313,984	22.3%
Capital Assets	-	-	1,055,400	0.2%	1,064,500	(9,100)	(0.9%)
Miscellaneous Expense	585,350	967,572	4,003,299	0.9%	3,821,803	181,496	4.7%
Operating Appropriations	\$ 18,837,760	\$ 5,864,243	\$ 223,856,595	47.9%	\$ 206,799,630	\$ 17,056,965	8.2%
Debt Service Costs			87,700,000	18.8%	76,150,000	11,550,000	15.2%
Transfer to CIP			155,635,405	33.3%	145,217,370	10,418,035	7.2%
Transfer to Risk Management			-	-%	260,000	(260,000)	(100.0%)
Appropriations for Debt Service and Transfers			243,335,405	52.1%	221,627,370	21,708,035	9.8%
			\$ 467,192,000	100.0%	\$ 428,490,000	38,765,000	9.0%
Full-time Positions:							
Current	123		910				
Changes	-		38				
Budgeted	123		948				

Operating Budget Charts

Revenues and Transfers In \$467,192,000



Expenses and Transfers Out \$467,192,000



General Management

The General Manager/CEO supervises the Division Leaders and the Commission Secretary. The Commission Secretary provides administrative support to the General Manager/CEO as well as the HRSD Commission.

Expenditure Budget

	FY-2025 Budget	FY-2024 Budget	FY25 vs FY24 Inc/(Dec)	Percent Change
Personal Services	\$359,946	\$373,138	\$(13,192)	(3.5%)
Fringe Benefits	92,711	92,009	702	0.8%
Material & Supplies	10,000	10,000	-	-%
Transportation	12,500	12,500	-	-%
Contractual Services	120,000	20,000	100,000	500.0%
Miscellaneous	20,500	30,500	(10,000)	(32.8%)
Total	\$615,657	\$538,146	\$77,511	14.4%

Positions

	Adopted FY-2025	Amended FY-2024	FY25 vs FY24
Total	2	2	-

GENERAL MANAGEMENT

2 Full time employees

General Management

2 Full time employees

Communications

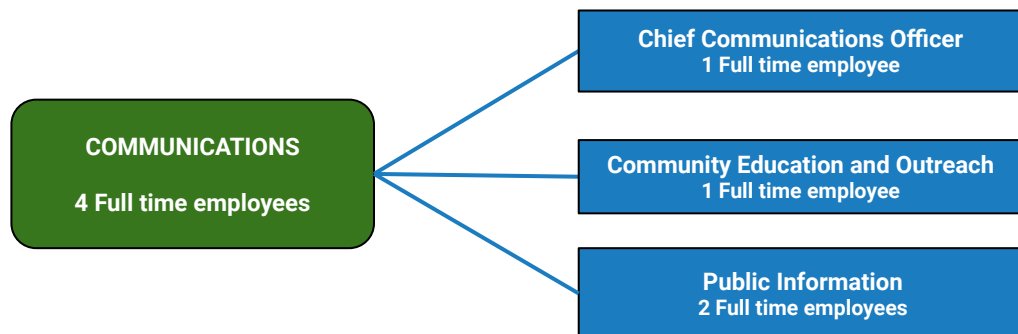
The Communications Division supports HRSD's Promise and Vision through public outreach, community engagement, educational programming and environmental and locality partnerships. The Division manages communications strategy, internal and external communications, media relations and branding through numerous channels and resources - including publications, traditional media, social media and web, graphic design, speaking engagements, interactive classroom activities, tours and special events.

Expenditure Budget

	FY-2025 Budget	FY-2024 Budget	FY25 vs FY24 Inc/(Dec)	Percent Change
Personal Services	\$ 487,955	\$ 401,623	\$ 86,332	21.5%
Fringe Benefits	154,772	135,039	19,733	14.6%
Material & Supplies	275,000	9,500	265,500	2794.7%
Transportation	16,500	14,500	2,000	13.8%
Contractual Services	214,000	35,500	178,500	502.8%
Miscellaneous	33,500	3,800	29,700	781.6%
Total	\$ 1,181,727	\$ 599,962	\$ 581,765	97.0%

Positions

	Adopted FY-2025	Amended FY-2024	FY25 vs FY24
Total	4	4	-



Finance

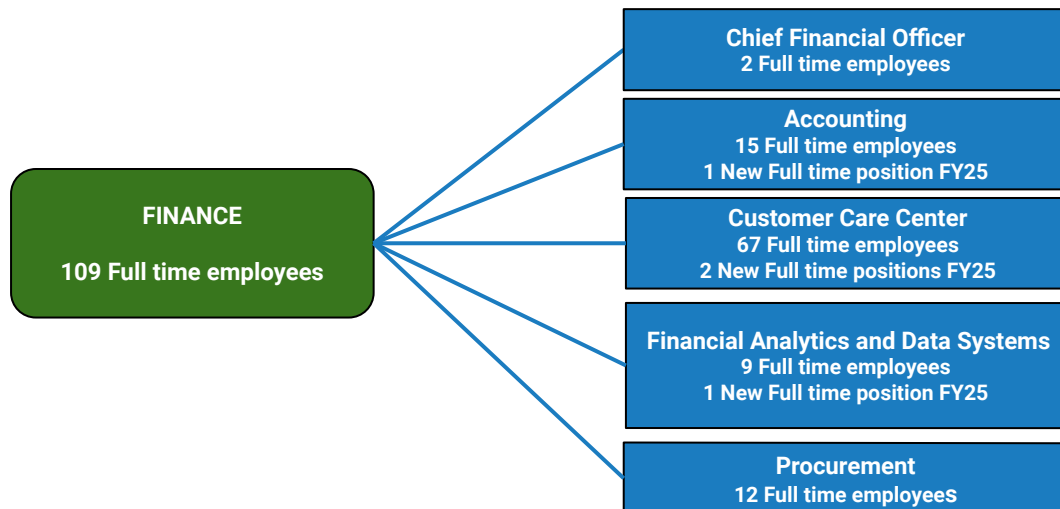
The Finance Division is responsible for HRSD's general financial and business functions, including financial reporting, investment portfolio, debt and risk management and customer billing. The Accounting Department handles fiscal affairs such as preparing statements, budgets, management reports and payroll. The Customer Care Center Department handles billing, payments, collections, maintenance of customer accounts and liaison with HRSD's customers. The Financial Analytics and Data Systems Department is responsible for planning and financing the Capital Improvement Program, debt management and compliance, and is the functional lead for the Enterprise Resource Process system. The Procurement Department is responsible for purchasing, renting, leasing or otherwise acquiring goods, professional and non-professional services, and certain construction services, managing supplier relationships and disposing of surplus property.

Expenditure Budget

	FY-2025 Budget	FY-2024 Budget	FY25 vs FY24 Inc/(Dec)	Percent Change
Personal Services	\$ 8,355,688	\$ 7,821,681	\$ 534,007	6.8%
Fringe Benefits	3,202,849	3,104,592	98,257	3.2%
Material & Supplies	88,154	102,784	(14,630)	(14.2%)
Transportation	24,500	23,650	850	3.6%
Utilities	238,122	282,000	(43,878)	(15.6%)
Contractual Services	6,767,514	5,722,389	1,045,125	18.3%
Miscellaneous	274,973	308,072	(33,099)	(10.7%)
Total	\$ 18,951,800	\$ 17,365,168	\$ 1,586,632	9.1%

Positions

	Adopted FY-2025	Amended FY-2024	FY25 vs FY24
Total	109	105	4



Information Technology

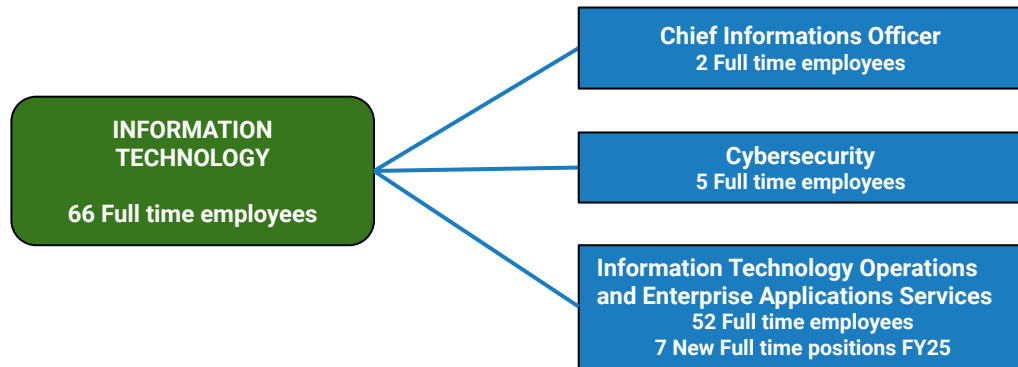
The Information Technology Division is responsible for HRSD's computer systems, communication systems, network systems, cyber security and data management functions. The Information Technology Operations Department assists HRSD Divisions in achieving their missions by ensuring all required hardware, storage and network devices are accessible and available to support all business and operational requirements. The Enterprise Application Services Department is responsible for data management, storage and all software supporting HRSD operations. Cybersecurity Department personnel are responsible for programming industrial controls, automation at HRSD operation facilities, and evaluating and eliminating cyber security threats.

Expenditure Budget

	FY-2025 Budget	FY-2024 Budget	FY25 vs FY24 Inc/(Dec)	Percent Change
Personal Services	\$ 7,901,833	\$ 6,506,396	\$ 1,395,437	21.4%
Fringe Benefits	2,515,023	2,085,746	429,277	20.6%
Material & Supplies	1,352,400	1,634,800	(282,400)	(17.3%)
Transportation	28,100	22,700	5,400	23.8%
Utilities	1,436,000	1,421,000	15,000	1.1%
Contractual Services	7,530,675	5,785,270	1,745,405	30.2%
Major Repairs	1,235,000	823,000	412,000	50.1%
Miscellaneous	300,600	363,500	(62,900)	(17.3%)
Total	\$ 22,299,631	\$ 18,642,412	\$ 3,657,219	19.6%

Positions

	Adopted FY-2025	Amended FY-2024	FY25 vs FY24
Total	66	59	7



Talent Management

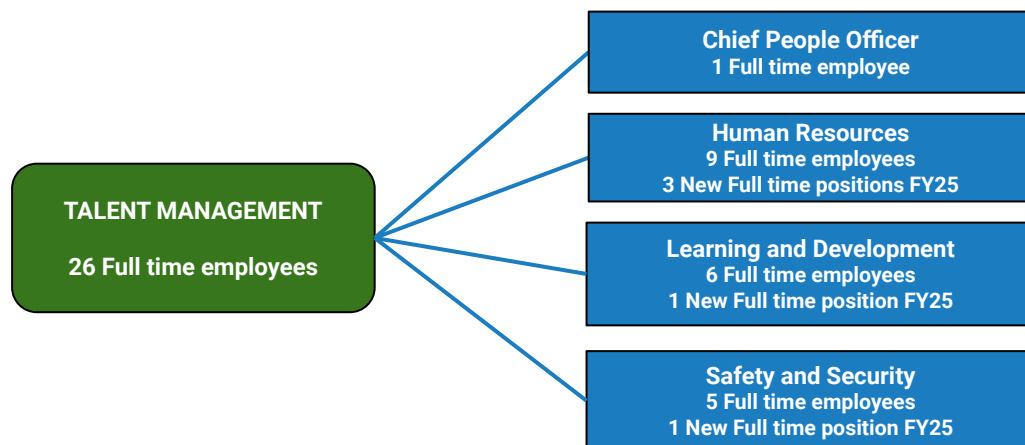
The Talent Management Division attracts, develops, and retains a talented diverse workforce and ensures employee safety. The Human Resources Department is responsible for recruitment and outreach, new employee onboarding, benefits administration, compensation and classification, employee relations, HRSD's wellness program, workers' compensation, employee records, retirement, and HR policies. The Learning & Development (L&D) Department oversees HRSD's Apprenticeship Program and is dedicated to developing and supporting HRSD's strategic plan and key initiatives to promote training, education, and experiential experiences. The Safety and Security Department is responsible for Occupational Safety & Health Compliance, safety programs, employee safety training, safety records, industrial hygiene monitoring, occupational health screening, safety audits, accident investigations, compliance reporting, and risk management support.

Expenditure Budget

	FY-2025 Budget	FY-2024 Budget	FY25 vs FY24 Inc/(Dec)	Percent Change
Personal Services	\$ 2,408,933	\$ 1,942,297	\$ 466,636	24.0%
Fringe Benefits	843,243	691,649	151,594	21.9%
Material & Supplies	70,000	79,000	(9,000)	(11.4%)
Transportation	27,500	15,000	12,500	83.3%
Contractual Services	28,000	23,500	4,500	19.1%
Miscellaneous	347,201	319,950	27,251	8.5%
Total	\$ 3,724,877	\$ 3,071,396	\$ 653,481	21.3%

Positions

	Adopted FY-2025	Adopted FY-2024	FY25 vs FY24
Total	26	21	5



Operations

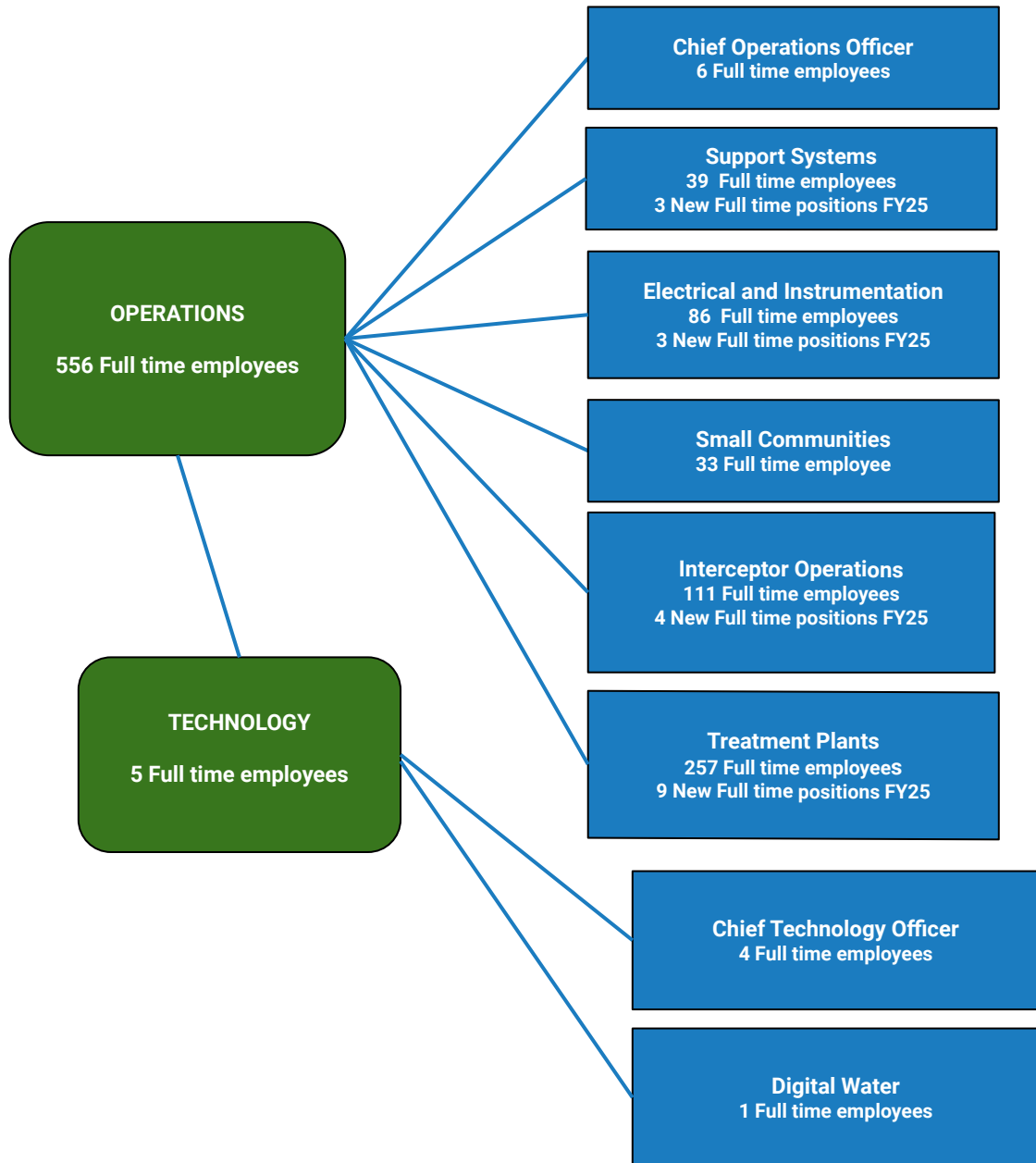
The Operations Division is responsible for operating and maintaining HRSD's treatment plants, pump stations, pipelines, buildings and equipment. HRSD provides wastewater treatment services for over 1.9 million people in 20 cities, counties and towns. The Treatment Plant Departments include 9 wastewater treatment plants in the Hampton Roads service area. Services to small communities that are in the HRSD service area are provided by the Small Communities Department (SCD). The SCD operates four smaller treatment plants and the associated sewer collection systems for four counties on the Middle Peninsula and the Town of West Point. The SCD also includes the operation of two treatment plants and the associated sewer collection systems in the County of Surry. Finally, the SCD operates two treatment plants and the associated sewer collection services for the Towns of Chincoteague and Onancock on the Eastern Shore of Virginia. The Electrical and Instrumentation Department supports the electrical and instrumentation maintenance and construction needs of all HRSD facilities as well as programming industrial controls and automation at HRSD facilities. The Interceptor Departments operate and maintain over 500 miles of interceptor pipelines and over 100 pump stations ensuring wastewater is conveyed to each treatment plant. The Support Systems Department is responsible for the maintenance of the HRSD fleet, all buildings, operation of two carpentry shops, and a full-service machine shop. This Department is also responsible for energy management and research to find innovative, cost-effective ways of managing our energy consumption more effectively. The Technology Division's primary purpose is to research new technologies with a focus on rapid deployment of innovative solutions and water quality. The Digital Water Department creates innovative strategies to help HRSD save on chemical and energy costs; minimize the potential for environmental harm; make smart financial decisions regarding capital improvement and asset management; and streamline and facilitate frontline operations to automate what can and should be automated.

Expenditure Budget

	FY-2025 Budget	FY-2024 Budget	FY25 vs FY24 Inc/(Dec)	Percent Change
Personal Services	\$ 44,959,922	\$ 42,081,052	\$ 2,878,870	6.8%
Fringe Benefits	18,306,191	16,941,679	1,364,512	8.1%
Material & Supplies	10,301,960	10,964,593	(662,633)	(6.0%)
Transportation	2,173,169	1,837,623	335,546	18.3%
Utilities	14,200,218	14,466,011	(265,793)	(1.8%)
Chemical Purchases	16,539,326	17,093,255	(553,929)	(3.2%)
Contractual Services	20,671,553	19,875,161	796,392	4.0%
Major Repairs	11,413,008	9,487,624	1,925,384	20.3%
Capital Assets	1,055,400	1,064,500	(9,100)	(0.9%)
Miscellaneous	1,158,107	1,124,073	34,034	3.0%
Total	\$ 140,778,854	\$ 134,935,571	\$ 5,843,283	4.3%

Operations (Continued)

	Positions		
	Adopted FY-2025	Amended FY-2024	FY25 vs FY24
Total	556	537	19



Engineering

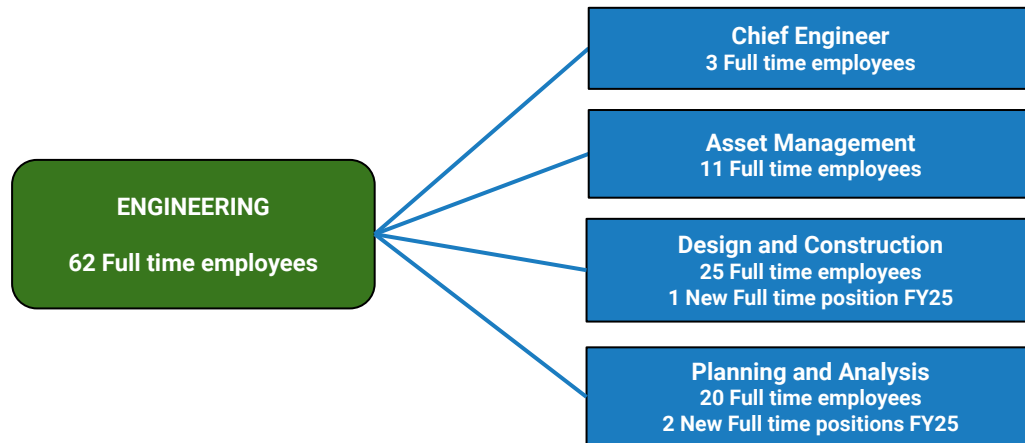
The Engineering Division is responsible for facility planning, design and construction and related support. The Asset Management Department is responsible for the Computerized Maintenance Management System (CMMS), Condition Assessment, and Emergency Management procedures to extend the life of assets at the lowest life cycle cost. The Design and Construction Departments deliver capital projects in a manner consistent with HRSD's quality standards. The Planning and Analysis Department manages numerous diverse functions including Hydraulic Modeling, Geographic Information System (GIS), Data Analysis and Records Management System and plans the capital infrastructure required to meet the region's future wastewater needs. The division is also responsible for all property and land acquisition to meet the needs of HRSD.

Expenditure Budget

	FY-2025 Budget	FY-2024 Budget	FY25 vs FY24 Inc/(Dec)	Percent Change
Personal Services	\$ 7,608,950	\$ 5,772,963	\$ 1,835,987	31.8%
Fringe Benefits	2,549,149	1,963,395	585,754	29.8%
Material & Supplies	45,415	34,450	10,965	31.8%
Transportation	32,836	26,179	6,657	25.4%
Contractual Services	1,050,200	1,182,000	(131,800)	(11.2%)
Miscellaneous	315,496	227,408	88,088	38.7%
Total	\$ 11,602,046	\$ 9,206,395	\$ 2,395,651	26.0%

Positions

	Adopted FY-2025	Amended FY-2024	FY25 vs FY24
Total	62	59	3



Water Quality

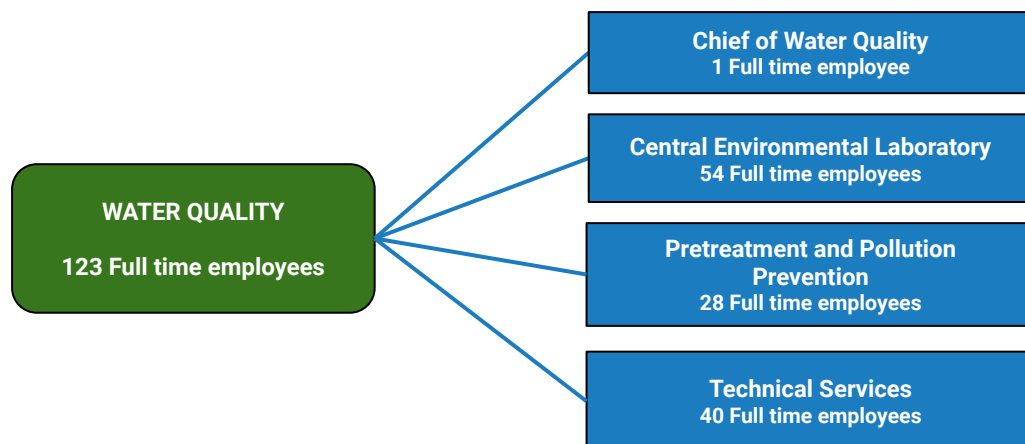
The Water Quality (WQ) Division's mission is to provide quality environmental services to support HRSD and its partners. This division helps ensure compliance with HRSD environmental permits and leads regulatory advocacy through the work of three divisions. The Central Environmental Laboratory (CEL) Department uses the Environmental Data Management System (EDMS) and other tools to provide analytical support for numerous monitoring, research and regulatory purposes. The Pretreatment and Pollution Prevention (P3) Department monitors wastewater conveyed to treatment plants using the Pretreatment Information Management System (PIMS) and other tools, and implements its Industrial Wastewater Discharge Regulations to protect treatment plant staff, facilities and processes. The Technical Services Department (TSD) is responsible for activities including environmental monitoring, specialized sampling, treatment process and research studies, the Municipal Assistance Program (MAP) to assist localities, as well as all reporting required by HRSD permits.

Expenditure Budget

	FY-2025 Budget	FY-2024 Budget	FY25 vs FY24 Inc/(Dec)	Percent Change
Personal Services	\$ 10,737,647	\$ 9,789,769	\$ 947,878	9.7%
Fringe Benefits	4,254,993	3,821,385	433,608	11.3%
Material & Supplies	1,678,000	1,907,000	(229,000)	(12.0%)
Transportation	40,962	40,862	100	0.2%
Utilities	2,808	2,808	-	-%
Contractual Services	1,518,000	2,078,000	(560,000)	(26.9%)
Major Repairs	20,000	43,400	(23,400)	(53.9%)
Miscellaneous	585,350	615,850	(30,500)	(5.0%)
Total	\$ 18,837,760	\$ 18,299,074	\$ 538,686	2.9%

Positions

	Adopted FY-2025	Amended FY-2024	FY25 vs FY24
Total	123	123	-



General Expenses, Debt Service and Transfers

General Expenses includes operating expenditures not assigned to any specific HRSD Division. Debt Service includes payments on bonds issued by HRSD, Virginia Clean Water Revolving Loan Fund (VCWRLF), Water Infrastructure Finance and Innovation Act (WIFIA), and Bank of America Line of Credit. Transfers are made to fund the Capital Improvement Program (CIP) and the Risk Management reserve. The costs incurred to issue bonds are included in General Expenses - Miscellaneous.

Expenditure Budget

	FY-2025 Budget	FY-2024 Budget	FY25 vs FY24 Inc/(Dec)	Percent Change
Personal Services	\$ (2,680,600)	\$ (4,238,725)	\$ 1,558,125	36.8%
Fringe Benefits	(1,153,709)	(349,774)	(803,935)	(229.8%)
Material & Supplies	22,000	26,000	(4,000)	(15.4%)
Utilities	635,000	577,200	57,800	10.0%
Contractual Services	8,073,980	7,298,155	775,825	10.6%
Miscellaneous	967,572	891,650	75,922	8.5%
Total General Expenses	\$ 5,864,243	\$ 4,204,506	\$ 1,659,737	39.5%
Publically Sold Bonds - Principal	13,100,000	24,650,000	(11,550,000)	(46.9%)
Publically Sold Bonds - Interest	40,900,000	25,025,000	15,875,000	63.4%
Loans - Principal and Interest	33,700,000	26,475,000	7,225,000	27.3%
Total Debt Service	87,700,000	76,150,000	11,550,000	15.2%
Transfer to CIP	155,635,405	145,217,370	10,418,035	(46.9%)
Transfer to Risk Management	-	260,000	(260,000)	(100.0%)
Total Transfers	155,635,405	145,477,370	10,158,035	7.0%
Total Debt Service and Transfers	\$243,335,405	\$221,627,370	\$ 21,708,035	9.8%

A close-up photograph of a metal faucet with water dripping from it. The water forms a series of droplets falling into a blurred background. The image is used as a background for the document cover.

CAPITAL BUDGET

ANNUAL BUDGET / HAMPTON ROADS SANITATION DISTRICT



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Capital Budget

HRSD prepares a Capital Improvement Program (CIP) each year for the capital projects currently underway or proposed for the future. The first year of the CIP is authorized as the Capital Budget for FY-2025 in the amount of \$820 million.. The remaining years (FY-2026 to FY-2034) include all known projects planned for these years; however, approval of the plan does not authorize the Capital Budgets for those years. Each year's Capital Budget will be approved during the budget process for the specific year.

The ten-year Capital Improvement Program for FY-2025 to FY-2034 highlights the anticipated cost of each project and the fiscal year(s) in which the work is expected to occur. All costs listed in the CIP are stated in current year dollars and total approximately \$4.1 billion.

The bond component of the plan may include one or all of the following:

- Interim or construction financings
- Federally subsidized borrowing programs administered by the Virginia Resource Authority and the Environmental Protection Agency
- HRSD Revenue Bonds or Notes

The grant component represents funds estimated to be received from a federal or state agency for specific projects. Other reimbursements, if any, include amounts paid by other parties who may participate in a project. The following abbreviations are used throughout the CIP budget:

- BH - Boat Harbor Treatment Plant
- CHES - City of Chesapeake
- DEMON - Deammonification
- HII-NNS - Huntington Ingalls Industries - Newport News Shipping
- IFM - Interceptor Force Main
- MAR - Managed Aquifer Recharge
- MHI -Multiple Health Incinerator
- MIFAS - Moving Media Integrated
- FIXED- Film Activated Sludge
- PORTS - City of Portsmouth
- PRS - Pressure Reducing Station
- PS - Pump Station
- SCADA - Supervisory Control and Data Acquisition
- SF - Storage Facility
- SWIFT - Sustainable Water Initiative for Tomorrow
- VDOT - Virginia Department of Transportation
- VIP - Virginia Initiative Plant

Capital Budget

CIP Budget Forecast (in thousands)	FY-2025 to FY-2034	FY-2025	FY-2026	FY-2027	FY-2028	FY-2029
Beginning Capital Reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bonds	-	-	-	-	-	-
VCWRLF	400,000	40,000	40,000	40,000	40,000	40,000
WIFIA	1,178,123	385,693	211,144	277,872	80,000	80,000
WQIF	652,372	246,457	234,000	58,393	45,500	68,022
Cash	1,498,891	155,635	152,820	148,308	140,462	145,234
Grants and Other Reimbursements	40,485	24,831	3,348	1,500	1,500	9,306
Transfer from Line of Credit	110,129	(32,616)	(2,312)	(65,073)	77,538	(17,562)
Total Capital Resources	3,880,000	820,000	639,000	461,000	385,000	325,000
Capital Expenditures	3,880,000	820,000	639,000	461,000	385,000	325,000
Ending Capital Reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Capital Expenditures (in thousands)	FY-2025 to FY-2034	FY-2025	FY-2026	FY-2027	FY-2028	FY-2029
Administration	\$ 113,041	\$ 21,091	\$ 21,855	\$ 18,558	\$ 7,384	\$ 6,503
Army Base	29,189	10,502	5,378	2,118	6,372	4,789
Atlantic	319,423	39,948	54,423	52,188	55,948	48,714
Boat Harbor	291,100	174,625	49,715	21,751	20,017	1,025
Chesapeake-Elizabeth	24,831	4,922	5,839	6,914	1,849	3,032
Eastern Shore	32,650	17,827	9,054	922	4,846	-
James River	217,302	70,371	56,701	33,956	15,019	14,211
Middle Peninsula	71,620	25,495	24,940	17,072	4,103	10
Nansemond	372,572	208,775	82,338	27,496	19,721	10,073
Surry	6,141	6,071	71	-	-	-
Virginia Initiative Plant	232,027	76,295	63,821	34,644	27,302	9,201
Williamsburg	146,905	9,722	16,813	18,652	21,751	26,122
York River	85,765	28,346	23,644	2,931	3,440	7,322
General	1,629,316	197,314	224,408	248,061	240,026	230,109
Future Improvements	510,351	-	-	-	-	-
Subtotal	4,082,233	891,304	639,000	485,263	427,778	361,111
Program Spend Rate	95%	92%	100%	95%	90%	90%
Total Expenditures	\$ 3,880,000	\$ 820,000	\$ 639,000	\$ 461,000	\$ 385,000	\$ 325,000

Capital Budget

CIP Budget Forecast (in thousands)	FY-2030	FY-2031	FY-2032	FY-2033	FY-2034
Beginning Capital Reserves	\$ -	\$ -	\$ -	\$ -	\$ -
Bonds	-	-	-	-	-
VCWRLF	40,000	40,000	40,000	40,000	40,000
WIFIA	80,000	63,414	-	-	-
WQIF	-	-	-	-	-
Grants and Other Reimbursements	130,632	145,032	135,134	164,514	181,120
Cash	-	-	-	-	-
Transfer from Line of Credit	(632)	1,554	74,866	45,486	28,880
Total Capital Resources	250,000	250,000	250,000	250,000	250,000
Capital Expenditures	250,000	250,000	250,000	250,000	250,000
Ending Capital Reserves	\$ -	\$ -	\$ -	\$ -	\$ -

Capital Expenditures (in thousands)	FY-2030	FY-2031	FY-2032	FY-2033	FY-2034
Administration	\$ 6,814	\$ 7,154	\$ 7,512	\$ 7,888	\$ 8,282
Army Base	30	-	-	-	-
Atlantic	40,563	27,294	115	115	115
Boat Harbor	222	1,431	1,992	7,853	12,471
Chesapeake-Elizabeth	2,274	-	-	-	-
Eastern Shore	-	-	-	-	-
James River	8,400	2,466	16,174	1	1
Middle Peninsula	-	-	-	-	-
Nansemond	9,353	7,898	4,452	1,047	1,424
Surry	-	-	-	-	-
Virginia Initiative Plant	5,001	3,014	2,562	5,076	5,111
Williamsburg	18,035	15,106	9,490	8,185	3,028
York River	17,934	2,148	-	-	-
General	107,991	109,045	103,396	85,914	83,050
Future Improvements	61,161	74,444	104,307	133,921	136,518
Subtotal	277,778	250,000	250,000	250,000	250,000
Program Spend Rate	90%	100%	100%	100%	100%
Total Expenditures	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000

FY-2024 to FY-2025
Cash Flow Projections (in thousands)

CIP No	Project Name	Total 2025 to 2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Administration												
AD012500	Cybersecurity Practice & Procedure Initiative	\$ 7,910	\$ 4,127	\$ 3,783	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
AD012600	Central Environmental Laboratory Expansion and Rehabilitation	38,617	12,055	12,672	12,672	1,204	13	-	-	-	-	-
AD012700	Capital Improvement Program Labor Program	61,605	-	5,400	5,886	6,180	6,489	6,814	7,154	7,512	7,888	8,282
AD012730	Capital Improvement Program Internal Labor FY25	4,909	4,909	-	-	-	-	-	-	-	-	-
	Subtotal	113,041	21,091	21,855	18,558	7,384	6,503	6,814	7,154	7,512	7,888	8,282
Army Base												
AB010000	Army Base 24-Inch and 20-Inch Transmission Main Replacements	\$ 12,784	\$ -	\$ -	\$ 1,593	\$ 6,372	\$ 4,789	\$ 30	\$ -	\$ -	\$ -	\$ -
AB010500	Section W Force Main Replacement	2,677	1,600	1,070	8	-	-	-	-	-	-	-
AB011900	Army Base Treatment Plant Administration Building Renovation (2021)	8,131	7,496	635	-	-	-	-	-	-	-	-
AB012100	Army Base Treatment Plant Generator Control Replacement	3,926	1,407	2,001	518	-	-	-	-	-	-	-
AB012200	Army Base Treatment Plant PdNA Process Conversion	1,672	-	1,672	-	-	-	-	-	-	-	-
	Subtotal	29,189	10,502	5,378	2,118	6,372	4,789	30	-	-	-	-
Atlantic												
AT011520	Shipp's Corner Pressure Reducing Station Modifications	\$ 219	\$ 219	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
AT011900	Great Bridge Interceptor Extension 16-Inch Replacement	12,538	5,550	6,930	57	-	-	-	-	-	-	-
AT012920	Atlantic Treatment Plant Access Road Extension	11,352	1,300	430	5,865	3,730	28	-	-	-	-	-
AT013000	Washington District Pump Station Area Sanitary Sewer Improvements	3,559	3,525	33	-	-	-	-	-	-	-	-
AT013010	Washington District Pump Station Replacement	17,020	5,076	5,076	5,076	1,746	46	-	-	-	-	-
AT013110	South Norfolk Area Gravity Sewer Improvements, Phase II	6,507	4,593	1,914	-	-	-	-	-	-	-	-
AT013700	Atlantic Trunk Interceptor Force Main Relocation (VDOT Laskin Road Betterment)	229	-	172	57	-	-	-	-	-	-	-
AT014000	Lynnhaven-Great Neck IFM (SF-021) Relocation	2,185	362	1,818	4	-	-	-	-	-	-	-
AT014100	Suffolk Regional Landfill Transmission Force Main	4,000	4,000	-	-	-	-	-	-	-	-	-
AT014301	Chesapeake I-H Reduction Phase II	20,496	1,449	5,317	5,492	5,492	2,746	-	-	-	-	-
AT014303	Chesapeake Pump Station Capacity Improvements (AT-HPP-01C)	1,031	-	-	-	-	-	-	-	-	-	-
AT014304	Chesapeake Gravity Main Capacity Improvements	2,304	-	-	-	11	21	21	21	21	21	21
AT014600	Kempsville Interceptor Force Main Replacement - Phase I	8,621	-	207	557	2,402	3,840	1,615	-	-	-	-
AT015200	Cedar Road Interceptor Force Main Replacement Phase I	6,705	4	171	405	1,920	2,935	1,270	-	-	-	-
AT015300	High Priority Projects Round 2 Project 2	31,967	-	-	-	47	94	94	94	94	94	94
AT015400	Doziers Corner Pump Station Replacement	11,975	1,120	2,881	2,881	2,881	2,173	38	-	-	-	-

FY-2024 to FY-2025
Cash Flow Projections (in thousands)

CIP No	Project Name	Total 2025 to 2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
AT015500	Atlantic Treatment Plant Secondary Clarifier Effluent Weir Replacement and Enhancements	664	664	-	-	-	-	-	-	-	-	-
AT015800	Atlantic Treatment Plant Liquid Side Odor Evaluation and Improvements	1,160	127	212	207	207	207	191	9	-	-	-
AT015900	Atlantic Treatment Plant Gravity Belt Thickener and Pre-Dewatering Polymer Improvements	4,352	195	689	873	873	873	804	46	-	-	-
AT016000	Atlantic Treatment Plant Odor and Solids Improvements 2023	144,843	3,188	21,968	23,362	23,956	24,118	24,267	23,983	-	-	-
AT016100	Atlantic Treatment Plant Solids Curing Facility and Pad Improvements	11,553	685	1,875	2,283	2,283	2,283	2,097	46	-	-	-
AT016300	Cedar Road Interceptor Force Main Replacement Phase II	15,233	-	-	338	667	4,282	6,938	3,008	-	-	-
AT016400	Great Bridge Interceptor Force Main Emergency Replacement (SF-180)	5,294	5,294	-	-	-	-	-	-	-	-	-
AT016500	Atlantic Treatment Plant Digester Improvements	19,656	1,920	3,882	3,513	3,513	3,513	3,228	88	-	-	-
AT016600	Great Bridge Boulevard Interceptor Force Main (SF-164) Segmental Replacement at Oak Bridge-Glenleigh	9,215	622	700	117	6,221	1,555	-	-	-	-	-
AT016700	Providence Road Interceptor Force Main (SF-165) Segmental Replacement at Depositor Lane	1,304	55	149	1,100	-	-	-	-	-	-	-
	Subtotal	319,423	39,948	54,423	52,188	55,948	48,714	40,563	27,294	115	115	115
Boat Harbor												
BH013020	Willard Avenue Pump Station Replacement	\$ 5,703	\$ 5,697	\$ 6	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
BH014220	Hampton Trunk Sewer Extension Divisions I and J Relocation Phase II	1,090	1,088	2	-	-	-	-	-	-	-	-
BH014600	46th Street Diversion Sewer Rehabilitation Replacement	147	146	1	-	-	-	-	-	-	-	-
BH014610	46th Street Diversion Sewer Rehabilitation Replacement, HII-NNS	1,931	1,931	-	-	-	-	-	-	-	-	-
BH014900	Hampton Trunk Sewer Extension Division K Gravity Improvements	1,030	1,024	6	-	-	-	-	-	-	-	-
BH015700	Boat Harbor Treatment Plant Pump Station Conversion	110,186	75,220	31,333	3,633	-	-	-	-	-	-	-
BH015710	Boat Harbor Treatment Plant Transmission Force Main Section 1 (Subaqueous)	64,372	63,794	578	-	-	-	-	-	-	-	-
BH015720	Boat Harbor Treatment Plant Transmission Force Main Section 2 (Land)	37,596	24,592	13,004	-	-	-	-	-	-	-	-
BH015730	Boat Harbor Treatment Plant Decommission and Demolition	34,950	603	2,323	15,118	16,906	-	-	-	-	-	-
BH015802	Claremont Pump Station Upgrade (BH-HPP-01B)	13,283	-	-	-	-	-	-	-	-	255	493
BH015803	Chesapeake Avenue Interceptor Improvements (BH-HPP-01C)	17,944	-	-	-	-	-	-	-	-	401	645
BH016100	High Priority Projects Round 2 Project 3	31,408	-	-	-	111	222	222	1,121	1,152	942	5,078
BH016200	Inflow Reduction Program - Phase II	9,795	530	2,462	3,000	3,000	803	-	-	-	-	-

FY-2024 to FY-2025
Cash Flow Projections (in thousands)

CIP No	Project Name	Total 2025 to 2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
BH016300	Bayshore Pump Station Replacement	13,660	-	-	-	-	-	-	310	840	6,255	6,255
	Subtotal	291,100	174,625	49,715	21,751	20,017	1,025	222	1,431	1,992	7,853	12,471
Chesapeake-Elizabeth												
CE011300	Birchwood Trunk 24-Inch and 30-Inch Force Main at Independence Boulevard Replacement Phase II	\$ 1,726	\$ 1,726	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE011600	Poplar Hall Davis Corner Trunk 24-Inch Gravity Sewer Improvements	2,295	2,033	262	-	-	-	-	-	-	-	-
CE011810	Chesapeake-Elizabeth Treatment Plant Decommissioning	12,391	481	5,458	6,453	-	-	-	-	-	-	-
CE011841	Oceana Off-line Storage Facility Land Acquisition	532	532	-	-	-	-	-	-	-	-	-
CE011850	Atlantic Service Area Automated Diversion Facilities Phase I	150	150	-	-	-	-	-	-	-	-	-
CE012100	Witchduck Road Interceptor Force Main Improvements	7,736	-	119	462	1,849	3,032	2,274	-	-	-	-
	Subtotal	24,831	4,922	5,839	6,914	1,849	3,032	2,274	-	-	-	-
Eastern Shore												
ES010100	Eastern Shore Infrastructure Improvements - Transmission Force Main Phase I	\$ 9,422	\$ 9,380	\$ 42	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ES010300	Onancock Treatment Plant Administration Building Upgrade	4,515	114	87	184	4,130	-	-	-	-	-	-
ES010400	Northern Accomack Wastewater Conveyance, Treatment, and Disposal Study	173	173	-	-	-	-	-	-	-	-	-
ES010500	Chincoteague Treatment Plant Improvements	6,530	2,412	4,118	-	-	-	-	-	-	-	-
ES010600	Onancock Meter Replacement	2,290	2,290	-	-	-	-	-	-	-	-	-
ES010800	Onancock Treatment Plant Solids Handling Improvements	7,220	2,520	4,678	22	-	-	-	-	-	-	-
ES010900	Riverside Nassawadox Treatment Plant Decommissioning	843	838	5	-	-	-	-	-	-	-	-
ES011000	Onancock Pump Station Improvements	1,658	100	125	717	717	-	-	-	-	-	-
	Subtotal	32,650	17,827	9,054	922	4,846	-	-	-	-	-	-
James River												
JR011730	Jefferson Avenue Interceptor Force Main Replacement Phase III	\$ 3,963	\$ 3,962	\$ 2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
JR013200	Lucas Creek-Woodhaven Interceptor Force Main Replacement Phase II	500	500	-	-	-	-	-	-	-	-	-
JR013400	James River Treatment Plant Advanced Nutrient Reduction Improvements	122,357	54,546	48,716	19,094	-	-	-	-	-	-	-
JR013401	James River Treatment Plant MIFAS Conversion Emergency	1,072	715	357	-	-	-	-	-	-	-	-
JR013410	James River Treatment Plant Outfall Modifications	891	222	580	89	-	-	-	-	-	-	-
JR013500	Lucas Creek Pump Station Replacement	10,099	8,077	2,021	1	-	-	-	-	-	-	-
JR013610	James River Treatment Plant Automation Improvements Phase I	9	3	3	3	1	-	-	-	-	-	-
JR013700	Newport News I-I Reduction	16,146	796	3,987	4,545	4,545	2,273	-	-	-	-	-

FY-2024 to FY-2025
Cash Flow Projections (in thousands)

CIP No	Project Name	Total 2025 to 2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
JR014000	Center Avenue Force Main Replacement	20,002	-	-	-	-	-	1,381	2,442	16,174	1	1
JR014100	James River Treatment Plant Viewshed Improvements	447	147	66	234	-	-	-	-	-	-	-
JR014200	Kiln Creek Interceptor Force Main Replacement	10,785	851	-	7,447	2,485	1	-	-	-	-	-
JR014300	Morrison Pump Station Replacement	14,239	-	625	1,375	3,446	4,794	3,997	3	-	-	-
JR014400	James River Treatment Plant Primary Clarifier Pipe Rehabilitation	6,339	-	-	336	564	2,815	2,602	22	-	-	-
JR014410	James River Treatment Plant Primary Clarifier Pipes (1 and 2)	550	550	-	-	-	-	-	-	-	-	-
JR014500	James River Treatment Plant Digester and Thickening Building Heating Systems Replacements	9,904	3	343	830	3,978	4,329	420	-	-	-	-
Subtotal		217,302	70,371	56,701	33,956	15,019	14,211	8,400	2,466	16,174	1	1
Middle Peninsula												
MP011700	Middle Peninsula Interceptor Systems Pump Station Control and SCADA Upgrades and Enhancements	\$ 30	\$ 11	\$ 11	\$ 8	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
MP013300	King William Treatment Plant Improvements Phase II	4,554	4,549	5	-	-	-	-	-	-	-	-
MP013500	Middlesex Collection System-Cooks Corner	1	1	-	-	-	-	-	-	-	-	-
MP013710	Middlesex Interceptor System Program Phase II-Saluda Pump Station	2,964	987	988	988	1	-	-	-	-	-	-
MP013720	Middlesex Interceptor System Program Phase II-Hartfield Pump Station	7,025	2,340	2,342	2,342	2	-	-	-	-	-	-
MP013730	Middlesex Interceptor System Program Phase II-Transmission Force Main	31,159	10,385	10,386	10,387	2	-	-	-	-	-	-
MP013810	Middlesex Interceptor System Program Phase III (Deltaville)	6,159	-	-	2,056	4,093	10	-	-	-	-	-
MP014700	Small Communities Rehabilitation Phase IV	352	350	3	-	-	-	-	-	-	-	-
MP014800	Small Communities Rehabilitation Phase V	695	451	239	4	-	-	-	-	-	-	-
MP015000	Sharon Road Gravity Sewer Improvements	1,071	742	327	2	-	-	-	-	-	-	-
MP015100	West Point Pump Station 4 (Thompson Avenue) Rehabilitation	593	591	2	-	-	-	-	-	-	-	-
MP015300	King William Central Crossing Pump Station Rehabilitation	1,629	1,495	135	-	-	-	-	-	-	-	-
MP015500	Small Communities Rehabilitation Phase VI	3,005	1,592	1,409	4	-	-	-	-	-	-	-
MP015600	West Point Treatment Plant Final Effluent Pump Station Improvements	3,374	574	2,780	20	-	-	-	-	-	-	-
MP015610	West Point Treatment Plant Generator Installation	1,130	517	612	1	-	-	-	-	-	-	-
MP015700	West Point Treatment Plant Secondary Clarifier Improvements	3,175	385	2,780	10	-	-	-	-	-	-	-
MP015800	King William Main Pump Station Improvements	4,480	302	2,922	1,250	5	-	-	-	-	-	-

**FY-2024 to FY-2025
Cash Flow Projections (in thousands)**

CIP No	Project Name	Total 2025 to 2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
MP015900	Middle Peninsula Wastewater Master Plan	224	224	-	-	-	-	-	-	-	-	-
	Subtotal	71,620	25,495	24,940	17,072	4,103	10	-	-	-	-	-
Nansemond												
NP010620	Suffolk Pump Station Replacement	\$ 33,808	\$ 11,451	\$ 13,725	\$ 8,633	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NP012400	Western Branch Sewer System Gravity Improvements	8,919	5,022	3,897	-	-	-	-	-	-	-	-
NP013000	Nansemond Treatment Plant Motor Control Center Replacements	1,909	1,637	273	-	-	-	-	-	-	-	-
NP013700	Nansemond Treatment Plant Struvite Recovery Facility Improvements	12,135	11,198	936	-	-	-	-	-	-	-	-
NP013820	Nansemond Treatment Plant Advanced Nutrient Reduction Improvements Phase II	162,496	138,933	23,563	-	-	-	-	-	-	-	-
NP013901	Chesapeake I-I Reduction Phase I	38,427	1,923	9,298	10,882	10,882	5,441	-	-	-	-	-
NP014000	Wilroy Pressure Reducing Station and Off-line Storage Facility	52,747	24,203	26,349	2,196	-	-	-	-	-	-	-
NP014500	Nansemond Treatment Plant Regional Residuals Facility Upgrade	992	992	-	-	-	-	-	-	-	-	-
NP014700	Nansemond Treatment Plant Digester Capacity Upgrades	13,875	11,889	1,986	-	-	-	-	-	-	-	-
NP014800	High Priority Projects Round 2 Project 8	22,781	-	-	-	147	295	295	295	295	1,047	1,424
NP014900	Nansemond Treatment Plant Interceptors Storage Yard	390	357	33	-	-	-	-	-	-	-	-
NP015100	Nansemond Treatment Plant Administration Building Replacement	11,748	35	353	3,869	7,490	-	-	-	-	-	-
NP015400	Nansemond Treatment Plant Solids Drying Feasibility and Site Study	300	-	171	129	-	-	-	-	-	-	-
NP015500	Town of Dendron Discharge Force Main Replacement	1,955	1,019	936	-	-	-	-	-	-	-	-
NP015600	Lawnes Point Treatment Plant, Pump Station, and Force Main Conversion	7,855	-	-	-	-	-	433	3,265	4,158	-	-
NP015700	George Washington Interceptor Force Main Extension Part 2 (SF-140) Segmental Replacement at St. Julian's Creek	617	47	180	390	-	-	-	-	-	-	-
NP015800	North Churchill Interceptor Force Main (SF-206) Segmental Replacement at Swannanoa Drive	902	68	262	571	-	-	-	-	-	-	-
NP015900	Nansemond Treatment Plant Anaerobic Digester Capacity Improvements	19,700	-	375	825	1,200	4,338	8,625	4,338	-	-	-
	Subtotal	372,572	208,775	82,338	27,496	19,721	10,073	9,353	7,898	4,452	1,047	1,424
Surry												
SU010400	Surry Force Main and Pump Station-Dominion Power Extension	\$ 6,141	\$ 6,071	\$ 71	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Subtotal	6,141	6,071	71	-	-	-	-	-	-	-	-

FY-2024 to FY-2025
Cash Flow Projections (in thousands)

CIP No	Project Name	Total 2025 to 2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Virginia Initiative Plant												
VP010920	Norview Estabrook Division I 18-Inch Force Main Replacement Phase II, Section 2	\$ 2,499	\$ 2,499	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
VP014010	Ferebee Avenue Pump Station Replacement	13,386	5,373	8,013	-	-	-	-	-	-	-	-
VP014022	Sanitary Sewer Replacement 1950 - Part 2	12,236	6,674	5,562	-	-	-	-	-	-	-	-
VP014700	Ingleside Road Pump Station Replacement	464	464	-	-	-	-	-	-	-	-	-
VP014800	Lee Avenue-Wesley Street Horizontal Valve Replacement	3,131	3,131	-	-	-	-	-	-	-	-	-
VP015320	Larchmont Area Sanitary Sewer Improvements	48,194	16,595	15,684	15,684	115	115	-	-	-	-	-
VP015410	City Park Pump Station (PS 106) Replacement	10,151	4,200	4,200	1,750	-	-	-	-	-	-	-
VP015420	Luxembourg Pump Station (PS 113) Replacement and Ashland Sewer Extension	25,597	10,592	10,592	4,413	-	-	-	-	-	-	-
VP015430	Chesapeake Boulevard Pump Station (PS 105) Replacement and Norfolk Pump Station (PS 57) Rehabilitation	19,083	193	4	4	18,883	-	-	-	-	-	-
VP016500	Norview-Estabrook Division I 12- Inch Force Main Replacement	1,823	1,823	-	-	-	-	-	-	-	-	-
VP016700	Norview-Estabrook Division I 18-Inch Force Main Replacement Phase III	2,094	2,094	-	-	-	-	-	-	-	-	-
VP017120	Central Norfolk Area Gravity Sewer Improvements Phase II	3,839	3,821	18	-	-	-	-	-	-	-	-
VP018000	Park Avenue Pump Station Replacement	5,811	4,981	830	-	-	-	-	-	-	-	-
VP018301	VIP Service Area I-I Reduction Phase I (PORTS)	7,314	1,384	3,360	2,533	38	-	-	-	-	-	-
VP018302	Portsmouth Pump Station Upgrades (VIP-HPP-04B)	12,533	-	-	-	-	-	-	-	-	-	-
VP018303	VIP Service Area I-I Reduction Phase III (PORTS)	8,344	1,544	3,840	2,920	40	-	-	-	-	-	-
VP018304	Camden Avenue Pump Station Upgrades (VIP-HPP-04D)	6,522	-	-	-	-	167	201	176	1,055	1,969	1,969
VP018305	Camden Avenue Gravity Improvements (VIP-HPP-04E)	7,554	-	-	-	-	125	195	198	1,255	2,312	2,312
VP018400	State Street Pressure Reducing Station and Offline Storage (VIP- HPP-05)	22,533	-	-	-	89	178	178	178	178	178	178
VP018500	Elizabeth River Crossing Reliability Improvements	112	111	1	-	-	-	-	-	-	-	-
VP018800	Virginia Initiative Plant Administration Building Renovation	9,588	3,479	3,479	2,629	-	-	-	-	-	-	-
VP019000	Colley Ave Pump Station Pump Replacement	1,576	788	788	-	-	-	-	-	-	-	-
VP019100	Virginia Initiative Plant Incinerator Burner Replacement	368	368	-	-	-	-	-	-	-	-	-
VP019200	Virginia Initiative Plant Motor Control Center Replacements	8,608	4,491	4,117	-	-	-	-	-	-	-	-
VP019300	Norfolk I-I Reduction	11,625	653	2,543	3,372	3,372	1,686	-	-	-	-	-
VP019400	High Priority Projects Round 2 Project 5	17,787	-	-	-	37	74	74	74	74	617	652

**FY-2024 to FY-2025
Cash Flow Projections (in thousands)**

CIP No	Project Name	Total 2025 to 2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
VP019700	Plume Street Pump Station Replacement (SS-PS-121)	6,181	250	-	551	1,210	3,337	834	-	-	-	-
VP019800	Virginia Initiative Plant Aeration Tank and Primary Clarifier Gate Replacement	15,312	788	788	788	3,520	3,520	3,520	2,388	-	-	-
Subtotal		232,027	76,295	63,821	34,644	27,302	9,201	5,001	3,014	2,562	5,076	5,111
Williamsburg												
WB012500	Lodge Road Pump Station Upgrades	\$ 1,873	\$ -	\$ -	\$ -	\$ 49	\$ 195	\$ 1,015	\$ 610	\$ 3	\$ -	\$ -
WB013100	Williamsburg Treatment Plant Outfall Flow Control System Repairs	3,927	3,923	4	-	-	-	-	-	-	-	-
WB013200	York County I-I Reduction	31,602	1,581	7,861	8,864	8,864	4,432	-	-	-	-	-
WB013201	Lodge Road Pump Station Extended Wet Well	221	-	9	14	23	51	83	41	-	-	-
WB013202	Williamsburg Crossing Pressure Reducing Station, Force Main and Storage Tank Improvements	19,181	-	-	-	212	423	423	940	1,199	1,199	2,797
WB013400	Williamsburg Treatment Plant Headworks Influent and Effluent Pipe Rehabilitation	3,087	270	1,522	1,295	-	-	-	-	-	-	-
WB013500	Williamsburg Treatment Plant Intermediate Clarifier Wet Weather and Phosphorus Removal System Improvements	10,205	385	721	-	-	-	-	-	-	-	-
WB013600	Williamsburg Treatment Plant Influent Loading Reduction Improvements	32,440	2,025	4,232	5,063	7,040	7,040	7,040	-	-	-	-
WB013700	North Trunk IFM Part A (NF-002) Replacement	1,994	-	-	-	-	-	-	-	-	-	173
WB013800	Williamsburg Treatment Plant Distributed Control System Improvements	4,960	-	-	40	475	4,066	379	-	-	-	-
WB013810	Williamsburg Treatment Plant Distributed Control System Improvements (Gravity Thickener Building)	571	571	-	-	-	-	-	-	-	-	-
WB013900	Williamsburg Treatment Plant Solids Handling Improvements	23,637	8	1,401	2,306	2,169	6,219	6,219	5,270	44	-	-
WB013910	Williamsburg Treatment Plant Emissions Monitoring System	500	500	-	-	-	-	-	-	-	-	-
WB014000	Williamsburg Treatment Plant Systems Coatings Rehabilitation	4,285	458	1,063	1,063	1,063	640	-	-	-	-	-
WB014100	Williamsburg Treatment Plant FOG and Cake Receiving Improvements	31,330	-	-	8	1,857	3,056	2,876	8,244	8,244	6,986	58
Subtotal		146,905	9,722	16,813	18,652	21,751	26,122	18,035	15,106	9,490	8,185	3,028
York River												
YR010300	Foxridge, Woodland Road and Fox Hill Road Gravity Sewer Rehabilitation	\$ 4,025	\$ 4,022	\$ 4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
YR010520	Magruder Mercury Interceptor Force Main Replacement - Section B	11,958	2,609	8,625	723	-	-	-	-	-	-	-
YR010530	Magruder Mercury Interceptor Force Main Replacement - Section C	6,913	-	-	-	111	630	6,173	-	-	-	-
YR010900	Tabb Pressure Reducing Station and Offline Storage Facility	29,471	16,826	12,626	19	-	-	-	-	-	-	-

FY-2024 to FY-2025
Cash Flow Projections (in thousands)

CIP No	Project Name	Total 2025 to 2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
YR011900	Bethel-Poquoson Force Main Part III Replacement	338	286	53	-	-	-	-	-	-	-	-
YR013900	York River System Isolation Valve Installation and Replacement	457	457	-	-	-	-	-	-	-	-	-
YR014000	York River Treatment Plant Administration Building Renovation	198	198	-	-	-	-	-	-	-	-	-
YR014200	LaSalle Avenue Boat Harbor to York River Interconnect Force Main	16,815	-	-	-	1,139	4,503	9,572	1,600	-	-	-
YR014300	Bethel-Poquoson Force Main Phase II (Wythe Creek Road) Replacement	515	515	-	-	-	-	-	-	-	-	-
YR014600	Bethel-Poquoson Force Main Part IV Replacement-Wythe Creek Exposed Crossing	708	708	-	-	-	-	-	-	-	-	-
YR014700	Coliseum PRS Off-Line Storage Tank Odor Control Upgrades	435	431	4	-	-	-	-	-	-	-	-
YR014900	York River DEMON Upgrades	430	287	143	-	-	-	-	-	-	-	-
YR015000	York River Treatment Plant Switchgear and Motor Control Center Replacements	13,500	2,007	2,189	2,189	2,189	2,189	2,189	547	-	-	-
Subtotal		85,765	28,346	23,644	2,931	3,440	7,322	17,934	2,148	-	-	-
General												
GN013300	Treatment Plant Grease Handling Facilities	\$ 8	\$ 8	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
GN014900	North Shore Gravity Sewer Improvements Phase I	1,387	1,387	-	-	-	-	-	-	-	-	-
GN015000	South Shore Gravity Sewer Improvements Phase I	1,305	1,305	-	-	-	-	-	-	-	-	-
GN015300	Interceptor System Valve Improvements Phase I	2,638	2,634	4	-	-	-	-	-	-	-	-
GN015400	South Shore Aerial Crossing Improvements	189	189	-	-	-	-	-	-	-	-	-
GN015800	North Shore Automated Diversion Facilities	785	785	-	-	-	-	-	-	-	-	-
GN016311	Outfall Dispersion Modeling for Full Scale SWIFT	1,021	100	-	-	-	-	229	230	230	232	-
GN016320	Program Management of SWIFT Full Scale Implementation	39,149	6,499	6,499	6,499	3,780	3,743	3,978	2,754	2,765	2,631	-
GN016331	SWIFT Managed Aquifer Recharge Services	129	129	-	-	-	-	-	-	-	-	-
GN016344	James River Land Improvements - Phase I	2,287	2,287	-	-	-	-	-	-	-	-	-
GN016346	Boat Harbor Transmission Force Main Land Acquisition	3,577	3,577	-	-	-	-	-	-	-	-	-
GN016347	James River Land Improvements - Phase II	2,287	426	995	866	-	-	-	-	-	-	-
GN016360	James River SWIFT Facility	141,809	99,081	30,641	12,087	-	-	-	-	-	-	-
GN016362	James River Recharge Wells (Off Site)	15,281	14,796	484	-	-	-	-	-	-	-	-
GN016363	James River Recharge Well Enhancements	305	102	198	5	-	-	-	-	-	-	-
GN016380	Nansemond SWIFT Facility	562,811	33,370	132,799	132,430	132,311	131,901	-	-	-	-	-
GN016381	Nansemond Recharge Wells	67,341	939	13,318	35,367	17,522	195	-	-	-	-	-
GN016382	Nansemond Recharge Wells (Off Site)	55,089	758	10,899	28,848	14,402	182	-	-	-	-	-
GN016383	Nansemond Recharge Well Integration	55,997	467	582	5,824	37,252	11,871	-	-	-	-	-

**FY-2024 to FY-2025
Cash Flow Projections (in thousands)**

CIP No	Project Name	Total 2025 to 2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
GN016390	VIP SWIFT Tertiary Preliminary Engineering	5,377	2,116	3,261	-	-	-	-	-	-	-	-
GN016391	VIP SWIFT Tertiary Site Work	32,021	-	-	1,045	23,027	7,949	-	-	-	-	-
GN016392	VIP SWIFT Tertiary Facility	323,886	-	-	8,145	4,328	67,470	83,943	80,000	80,000	-	-
GN016700	Treatment Plant Solids Handling Replacement Phase II	11,068	1,720	5,333	4,006	9	-	-	-	-	-	-
GN017200	Interceptor Systems Pump Station Control and SCADA Upgrades and Enhancements Phase II	2,081	1,921	160	-	-	-	-	-	-	-	-
GN017300	Treatment Plant Dewatering Improvement Program	18,594	-	-	-	-	-	-	-	2,721	5,442	5,442
GN017400	Treatment Plant Dewatering Replacement Phase III	9,101	2,209	4,588	2,304	-	-	-	-	-	-	-
GN017500	Fleet Management Program	6,611	-	1,653	1,653	1,653	1,653	-	-	-	-	-
GN017900	Solids System Improvements for Army Base MHI Offline	1,277	1,277	-	-	-	-	-	-	-	-	-
GN018600	North Shore Galvanic Cathodic Protection Rehabilitation	1,878	1,251	616	11	-	-	-	-	-	-	-
GN018700	South Shore Galvanic Cathodic Protection Rehabilitation Phase I	2,618	668	1,922	28	-	-	-	-	-	-	-
GN018800	South Shore Galvanic Cathodic Protection Rehabilitation Phase II	2,519	1,699	809	11	-	-	-	-	-	-	-
GN018900	Pump Station Motor Control Center Replacements - Phase I	2,531	799	799	799	133	-	-	-	-	-	-
GN019300	Fleet Management (FY24)	2,079	2,079	-	-	-	-	-	-	-	-	-
GN019400	Water Quality Department Instrumentation Equipment Program	5,221	-	755	755	755	755	755	755	692	-	-
GN019600	Interceptor Systems Pump Station Control and SCADA Upgrades and Enhancements Phase III	10,296	1,134	2,130	3,833	3,195	5	-	-	-	-	-
GN019700	Treatment Plant Dewatering Improvement Phase IV	8,646	2,163	4,569	1,912	1	-	-	-	-	-	-
GN019800	Treatment Plant Dewatering Improvement Phase V	3,492	-	-	229	354	2,053	856	-	-	-	-
GN019900	Treatment Plant Dewatering Improvement Phase VI	3,492	-	-	-	-	229	354	2,053	856	-	-
GN020000	Solar Panel Installation Phase I	1,088	-	25	304	304	304	152	-	-	-	-
GN020100	VIP and Army Base Treatment Plant Secondary Clarifier Weir Cover Installation	1,067	914	152	-	-	-	-	-	-	-	-
GN020200	Treatment Plant Fire Suppression System Upgrades	800	800	-	-	-	-	-	-	-	-	-
GN020300	High Priority Inflow and Infiltration Reduction Program	1,032	578	454	-	-	-	-	-	-	-	-
GN020400	Fleet Management (FY25)	4,030	4,030	-	-	-	-	-	-	-	-	-
GN020500	Water Quality Department Instrumentation Equipment (FY25)	1,080	1,080	-	-	-	-	-	-	-	-	-
GN020600	Development Plan 2025	500	239	261	-	-	-	-	-	-	-	-
GN020700	Hypochlorite Generation Facility	19,490	-	-	100	-	800	6,090	12,167	333	-	-
GN020800	North Shore Pump Station Influent Valve Installations	700	698	3	-	-	-	-	-	-	-	-
GN020900	Microbial Source Tracking Identified Locality Repair Program	4,500	-	500	1,000	1,000	1,000	1,000	-	-	-	-
GN020910	Microbial Source Tracking Identified Locality Repairs (FY25)	300	300	-	-	-	-	-	-	-	-	-

FY-2024 to FY-2025
Cash Flow Projections (in thousands)

CIP No	Project Name	Total 2025 to 2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
GN021000	Regional Granular Activated Carbon Reactivation Facility	226,043	-	-	-	-	-	10,635	11,087	15,799	77,608	77,608
GN021100	Biosolids Data Visualization and Management Tool	300	300	-	-	-	-	-	-	-	-	-
GN021200	Conceptual Project Development (FY25)	500	500	-	-	-	-	-	-	-	-	-
Subtotal		1,629,316	197,314	224,408	248,061	240,026	230,109	107,991	109,045	103,396	85,914	83,050
Future Improvements												
IP020000	Infrastructure Risk Reduction Program	510,351	-	-	-	-	-	61,161	74,444	104,307	133,921	136,518
Subtotal		510,351	-	-	-	-	-	61,161	74,444	104,307	133,921	136,518
CIP TOTAL		4,082,233	891,304	639,000	485,263	427,778	361,111	277,778	250,000	250,000	250,000	250,000



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HRSD

1434 Air Rail Avenue
Virginia Beach, VA 23455
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RATE SCHEDULE

Fiscal Year 2025
(July 1, 2024 - June 30, 2025)



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Rate Schedule
Fiscal Year - 2025
(July 1, 2024 – June 30, 2025)

1. WASTEWATER TREATMENT RATES (All customers except those in the Small Communities)

Accounts are billed either according to a water meter reading or, in the absence of a water meter, at a flat rate per day. A minimum rate of \$0.30 per day applies to all metered 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
These are accounts with water meters (wastewater charges are generally based on water meter readings) | \$8.28 per 100 cubic feet of water or a minimum of \$0.30 per day (whichever is greater) |
| b. | Flat Rate Accounts (typically limited to Single Family Residential with 1-inch meters and smaller)
These are primary residence accounts without water meters or that use a significant amount of water not discharged to the sanitary sewer (irrigation, swimming pools, etc.) | \$2.17 per day |

2. RATES – Small Communities

Small Communities include King William, Middlesex, Urbanna, Surry, West Point and the communities of Virginia's Eastern Shore.

<u>Community</u>	Total Wastewater Treatment and Collection Rate <u>per 1,000 gallons</u>	Flat Rate <u>per day</u>
Small Communities (except King William)	\$17.41	\$2.39
King William	17.61	2.42
<u>Community</u>	Wastewater Treatment Rate <u>per 1,000 gallons</u>	Flat Rate <u>per day</u>
Small Communities	\$11.07	\$2.17

A minimum rate of \$0.30 per day applies to all metered accounts.

Unmetered Accounts

Single Family Residential customers without a utility-owned water meter (typically well water customers) shall be billed a Flat Rate of \$2.39 per day.

All other customers, including commercial, government, professional, and multifamily customers without a utility-owned meter (typically well water customers) shall be billed a flat rate based on an Equivalent Residential Unit (ERU) basis. A schedule of fractions or multiples of the ERU is determined by HRSD based on the facility category. This schedule may be subject to verification or revision.

Cost per ERU per day

Treatment and Collections \$2.39

Treatment only \$2.17

<u>Community</u>	<u>Unit Cost per 1,000 gallons</u>	<u>ERU Usage Rate</u>
Mathews	\$17.41	\$2.39

The amount billed 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 billed based on a schedule of fractions or multiples of the ERU as appropriate for each customer category. This schedule may be subject to verification or revision. All other rates and fees in this Rate Schedule apply to Small Communities accounts when applicable.

3. WASTEWATER TREATMENT AND COLLECTION RATES – Lawnes Point - For metered locations in the Lawnes Point subdivision of Isle of Wight County, accounts are billed the Sewer Rate published by Isle of Wight Public Utilities in addition to the Wastewater Treatment Rate listed in the afore mentioned section 1.

All other rates and fees in this Rate Schedule apply to accounts in the Lawnes Point subdivision in Isle of Wight County when applicable.

4. TOWN WHOLESALE TREATMENT RATE - The Town Wholesale Treatment Rate is the rate paid by an incorporated town per specified unit of measure to recover the costs of conveyance and treatment of Domestic Quality Wastewater when the town does not use all HRSD facilities or need all services provided to a typical customer. This rate is only applicable to incorporated towns with a population less than 2,000.

Consumption per 1,000 gallons \$3.55

5. DELINQUENCY AND RESTORATION SERVICE FEE - Each customer shall be billed a service fee of \$15.00 when HRSD provides warning of impending disconnection or disconnects such customer's meter because of non-payment of wastewater treatment or other delinquent charges or fees.

When any such services relating to the customer's meter are performed by the water supplier on behalf of HRSD, a fee to defray the charge imposed by the water supplier will be applied.

6. METER REMOVAL FEE - When water service has been disconnected for non-payment and it becomes necessary to remove the meter, a fee to defray the charge imposed by the water supplier will be applied.
7. DAMAGED LOCK FEE - When it becomes necessary to lock a meter, and the customer damages the lock or removes the lock in an attempt to resume water service, the customer will be billed a fee of \$100.00. HRSD will arrange for removal of the meter.

8. DAMAGED METER/ANTENNA FEE - When it becomes necessary to replace a meter and/or antenna that the customer damaged, the customer will be billed a fee of \$250.00 plus the cost of the meter and/or antenna.
9. INACCESSIBLE METER FEE - When it becomes necessary to access a meter and the customer deliberately blocks access to the meter, the customer will be billed a fee of \$50.00.
10. SERVICE RESTORATION FEE - Customers who have made a sufficient payment following disconnection of water service and request to have service restored outside of standard restoration hours will be billed a fee of \$100.00.
11. RETURNED PAYMENT FEE - A fee of \$25.00 will be billed 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.
12. 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.
13. ACCOUNT DOCUMENTATION FEE - A fee of \$10.00 per account per 12-month period will be charged each time a customer requests account documentation.
14. LATE PAYMENT CHARGE - All bills are due and payable when presented. When full payment is not posted to an account by the due date, a late payment charge of 1.5% of the past due amount will be assessed per month.
15. 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.
16. 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.
17. DEDUCTION METER FEE - A fee of \$2.00 will be assessed per deduction meter per month.
18. PAYMENT PLAN - A courtesy payment plan may be available for customers temporarily having difficulty managing their bill. Customers approved for a payment plan must maintain eligibility requirements which include maintaining a current account and making timely scheduled payments without a history of late or returned payments.
19. 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.

20. 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 10 pounds</u>
Biochemical Oxygen Demand (BOD)	297 mg/L*	\$ 0.000182	\$ 2.91
Total Suspended Solids (TSS)	282 mg/L*	0.000613	9.82
Total Phosphorus (TP)	7 mg/L*	0.009169	146.87
Total Kjeldahl Nitrogen (TKN)	57 mg/L*	0.002868	45.94
* Domestic Quality Wastewater			

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

b. Characterization

To determine the applicability of the surcharge, HRSD will assign an average concentration based on results obtained from similar businesses or may make an initial wastewater monitoring survey of the discharge. Based on business classification averages or survey results, HRSD will institute the surcharge. In cases of unusual wastes not covered by existing surcharge rates, HRSD may allow the customer to provide such tests and equipment needed to provide adequate basis for the surcharge. When wastewater discharge is subject to surcharge, the surcharge may be based on the normal characteristics of that waste. These will be determined from wastewater surveys of discharges from similar operations, wastewater surveys from the individual source, or from industrial, chemical, engineering or other appropriate reference.

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 guidelines, and/or all health standards as required by the Safe Drinking Water Act. 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 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.

21. NUTRIENT CREDITS

<u>Type</u>	<u>Asset Charge (\$/pound/year)</u>	<u>Operational Charge (\$/pound)</u>
Total Suspended Solids	\$ 8.69	\$ 0.1241
Total Phosphorus (TP)	60.30	1.1284
Total Nitrogen (TN)	13.91	0.2893

Nutrient Credit Rates are established to recover the marginal operational cost to treat pollutants and the capacity of assets consumed to treat the pollutants. HRSD, as provided in its Nutrient Credit Management Policy, may elect to sell these credits if it doesn't jeopardize compliance with its waste load allocation.

Generally, the Operational Charge is paid in advance every five years based on the then current rate. The charge will be reassessed every five years based on the rate in effect at the time of reassessment. On a case-by-case basis, intervals other than five years may be considered to support alignment with the credit recipient's permit cycle or needs.

Credits required to meet Virginia Pollutant Discharge Elimination System (VPDES) allocations must be paid annually.

22. HAULED WASTEWATER (INDIRECT DISCHARGE WASTE)

<u>Type</u>	<u>Per Gallon</u>
Fats, Oils, and Grease (FOG)	\$0.3658
Other Approved Hauled Wastes	\$0.1812

23. FLAT RATE ACCOUNTS

Single family residential customers using a significant amount of water not discharged into the sanitary sewer system (typically irrigation systems or swimming pools) can establish a flat rate account with HRSD.

The General Manager or Chief Financial Officer may approve a flat rate account for water meters greater than 1-inch if the requester provides sufficient evidence there is a significant portion of water not discharged into the sanitary sewer system relative to average residential water consumption. 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.

24. 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 as 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)

Existing commercial, industrial, multi-family residential customers with their own deduction meter installed and registered with HRSD prior to July 1, 2009, can meter their own water use not discharged to the sanitary sewer system. That meter information must be reported to HRSD for a reduction of billed consumption (wastewater treatment charges only). 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. 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 a 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. All installed meters are subject to HRSD's inspection and verification of submitted readings. HRSD may require meters to 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.
- iv. Defective meters must be repaired or replaced at the customer's expense. Otherwise, no deduction will be allowed.
- v. Installation of a meter must have complied with the local water jurisdiction's cross-connection control program (backflow prevention).

c. Non-Residential Account – Special Meter

For special situations, HRSD may require the installation of submeters 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.

25. WASTEWATER FACILITY CHARGE

Wastewater facility charges cover the cost of treatment and conveyance capacity consumed by new connections, new development, or redevelopment resulting 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 may 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	\$ 2,430
3/4-Inch	4,210
1-Inch	7,410
1 ½-Inch	18,395
2-Inch	35,825
3-Inch	91,665
4-Inch	178,485
6-Inch	456,620
8-Inch	889,185
10-Inch	1,491,070
12-Inch	2,274,730
14-Inch	3,251,050
16-Inch	4,429,645

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 based on 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 neither the number nor size of meters change, there will be no facility charge required. No refund will be made for decreases in capacity.

Where service by a single master meter is changed to multiply individual meters, no utility 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.

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 returned to the sewer.
- ii. The size of the meter supplying water minus the size of the customer-owned deduction meter, rounded up to the next available meter size. The deduction meter will be calculated in accordance with AWWA M22 Standards.

- 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.

When a water meter is not installed and the customer is connected to the sewer system, HRSD will use an ERU calculation to determine the comparable water meter size.

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. The 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 expense, such investigations as will provide adequate basis for determination of the facility charge.

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HRSD

FY 2025 Budget Proposal Amendments
Commission Meeting

May 28, 2024

- Changes to the Proposed Operating Budget, Financial Forecast and Capital Improvement Plan
- Summary of Changes
 - Small reorganizations between departments
 - Effects of bond refunding
 - State funding of WQIF

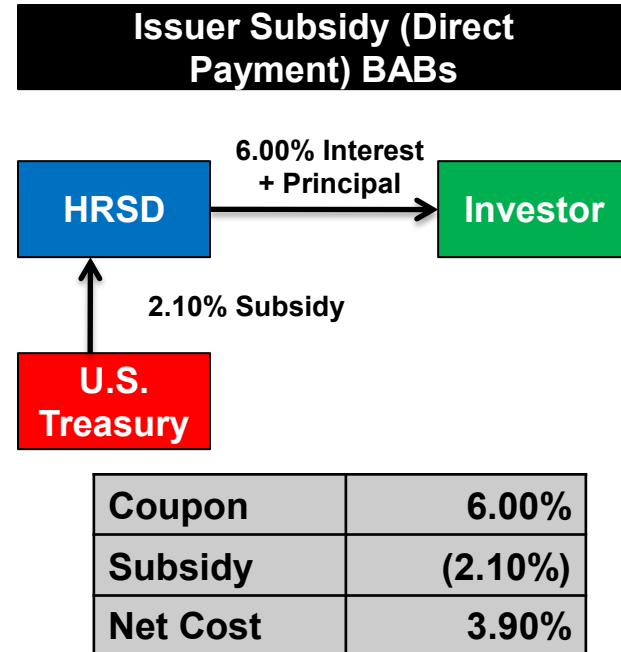
Summary of Adjustments – Operating Budget

	<i>Budget Proposals</i>		
	<i>April</i>	<i>Adjustments</i>	<i>May</i>
Revenues	\$ 469,062,000	\$ (1,870,000)	467,192,000
Appropriations:			
GM	\$ 515,658	\$ 100,000	615,658
Communication	1,181,727		1,181,727
Finance	19,351,070	(399,270)	18,951,800
IT	22,299,631		22,299,631
Talent Mgmt	3,724,877		3,724,877
Ops	140,983,630	(204,775)	140,778,855
Engineering	11,057,684	544,362	11,602,046
Water Quality	18,837,758		18,837,758
General	5,864,243		5,864,243
			-
DS	90,000,000	(2,300,000)	87,700,000
Transfer to CIP	155,245,722	389,683	155,635,405
Total Expense	\$ 469,062,000	\$ (1,870,000)	\$ 467,192,000

- Addition of 1 staff member to Transportation Hauling Department in Operations
- +\$100,000 to GM budget for legislative support through HRPDC
- Small reorganizations between departments for operational improvements
- Bond Refunding

Refunding Overview

- HRSD issued bonds to refund
 - Series 2014A - \$26,135,000
 - Series 2009B Build America Bonds (BAB's) - \$99,265,000



- Issued \$115,585,000 refunding par
- Created NPV Savings of \$3.767M or 3% of refunded principal amount
- Discharged all senior lien debt
 - Allowed this and future debt sales to be at a lower rate
- Eliminated the risk associated with further reductions in federal subsidy payments on BAB's
 - Locked in economic benefits that were established in 2009 on BAB's

5-Year Summary of Changes – Financial Forecast/CIP (\$'000's)

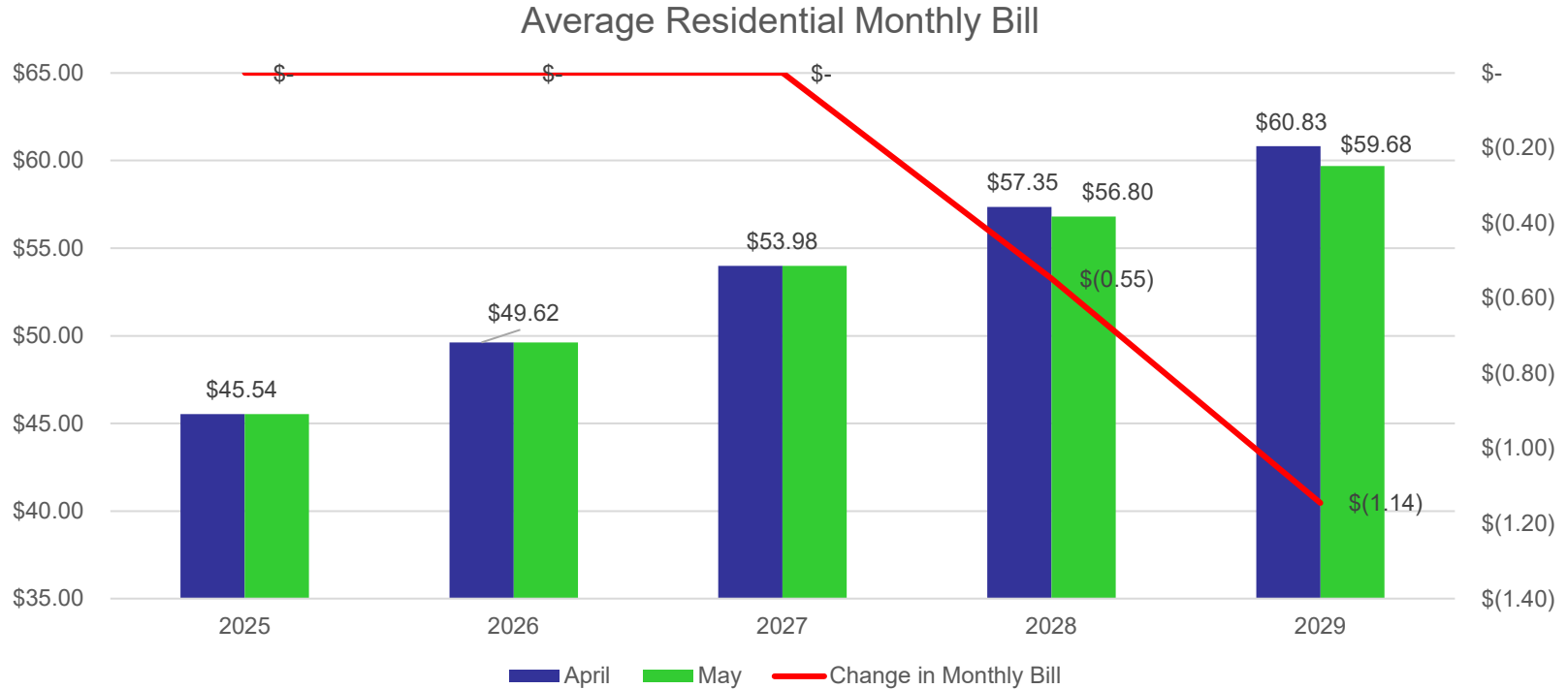
Capital Improvement Budget Forecast

Beginning Capital Reserves

Sources of Funds

	Proposed Budget (2024 - 2029)		
	April	Adjustments	May
Debt funded (Revenue Bonds and Interim Financing)	\$ -	\$ -	\$ -
Va Clean Water Revolving Loan Fund	200,000	-	200,000
WIFIA	1,065,943	(31,236)	1,034,708
Water Quality Improvement Fund (WQIF) Grants	496,371	156,000	652,371
HRSD - Cash	737,859	4,600	742,459
Reimbursements	40,485	-	40,485
Transfer from Reserve Fund	-	-	-
Line of Credit (Negative = Paid Off)	89,341	(129,364)	(40,023)
Total Capital Resources	2,630,000	-	2,630,000
Uses of Funds - Capital Expenditures	2,630,000	-	2,630,000
Ending Capital Resources	\$ -	\$ -	\$ -

Changes in the Average Residential Monthly Bill



What has not changed....

Where does a ratepayer's dollar go?



Infrastructure Projects,
\$0.52

Debt Service +
Cash for CIP

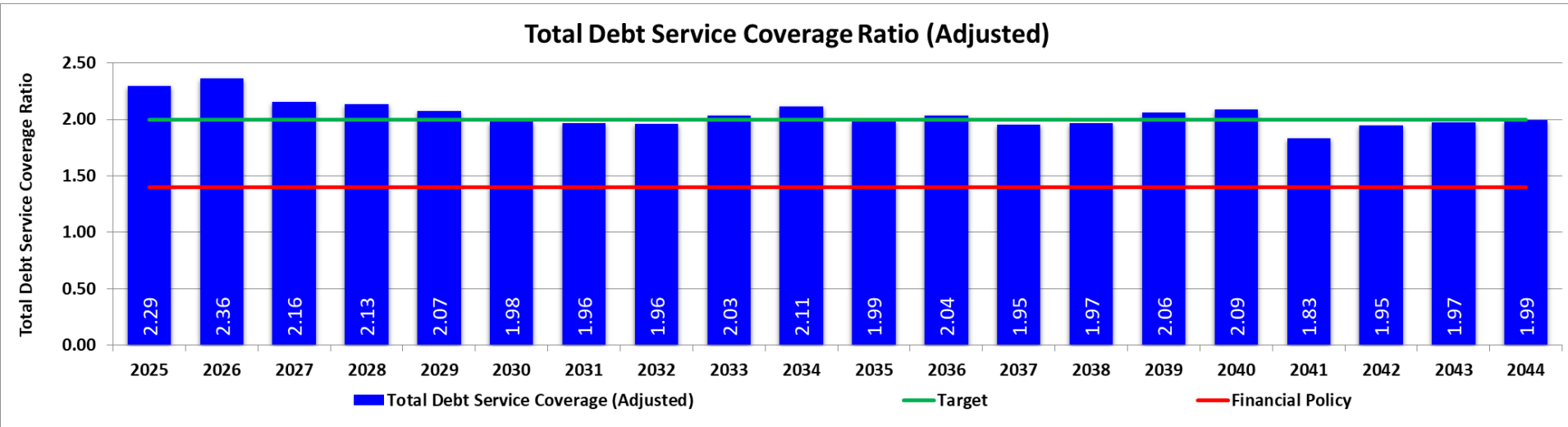


People,
\$0.24



Operational Expenses,
\$0.24

Debt Service Coverage Projections Remain Strong



FY 25 Rate Recommendations Remain Unchanged

- Retail Rate – \$8.28 per ccf
 - Avg monthly bill
 - \$45.54 (5.5 ccf)
 - +\$3.74/month
 - +\$0.12/day
 - Still - \$0.01/gallon

Questions?

HRSD Commission Meeting Minutes
May 28, 2024
Attachment #5

9. Expenditure of Tax-Exempt Bond Proceeds
Reimbursement Resolution for Fiscal Year (FY) 2024 - 2025

Hampton Roads Sanitation District
Resolution of
May 28, 2024

HAMPTON ROADS SANITATION DISTRICT COMMISSION

RESOLUTION OF THE HAMPTON ROADS SANITATION DISTRICT COMMISSION OF
HAMPTON ROADS SANITATION DISTRICT DECLARING ITS INTENTION TO
REIMBURSE ITSELF FROM THE PROCEEDS OF ONE OR MORE FINANCINGS FOR
CERTAIN EXPENDITURES MADE OR TO BE MADE IN CONNECTION WITH THE
ACQUISITION, CONSTRUCTION OR EQUIPPING OF CERTAIN CAPITAL
IMPROVEMENTS

Adopted May 28, 2024

RESOLUTION OF THE HAMPTON ROADS SANITATION DISTRICT COMMISSION OF
HAMPTON ROADS SANITATION DISTRICT DECLARING ITS INTENTION TO
REIMBURSE ITSELF FROM THE PROCEEDS OF ONE OR MORE FINANCINGS FOR
CERTAIN EXPENDITURES MADE OR TO BE MADE IN CONNECTION WITH THE
ACQUISITION, CONSTRUCTION OR EQUIPPING OF CERTAIN CAPITAL
IMPROVEMENTS

WHEREAS, Hampton Roads Sanitation District (the “District”) is a political subdivision organized and existing under the laws of the Commonwealth of Virginia; and

WHEREAS, the District prepares a Capital Improvement Program (“CIP”) each year for capital projects currently underway and proposed to be undertaken over the next 10 fiscal years (each, a “Fiscal Year” or “FY”) and a draft CIP is reviewed by the Hampton Roads Sanitation District Commission (the “Commission”) in late March or early April with a final CIP typically adopted in May; and

WHEREAS, in connection with the preparation of the annual CIP, the District prepares annual cash flow projections, setting forth the cash flow needs for capital projects and funding sources for such projects broken down into categories of (a) cash from the District’s operation of its facilities, (b) loans to the District from the Virginia Clean Water Revolving Loan Program (such loans, “Clean Water Revolving Fund Loans”), which is administered by the Virginia Resources Authority (“VRA”), and (c) amounts expected to be raised from the issuance by the District of bonds or other obligations (which, for purposes hereof, may include draws from the District’s Second Amended and Restated Credit Agreement by and between the District and Bank of America, N.A., dated as of June 30, 2022, as heretofore or hereinafter amended) (such obligations, the “Bonds”); and

WHEREAS, the District has paid, beginning on a date no more than 60 days prior to the date hereof, and will pay, on and after the date hereof, certain expenditures (the “Expenditures”) in connection with the acquisition, construction and/or equipping of the capital projects for FY2024 and FY2025, as listed in the District’s FY2025 – FY2034 CIP, which was adopted on the date hereof, and attached as Exhibit A hereto (the “Projects”); and

WHEREAS, the Commission has determined that those moneys previously advanced no more than 60 days prior to the date hereof and to be advanced on and after the date hereof to pay the Expenditures are available only for a temporary period and it is necessary to reimburse the District for the Expenditures from the proceeds of the Clean Water Revolving Fund Loans, or one or more issues of Bonds;

NOW, THEREFORE, THE HAMPTON ROADS SANITATION DISTRICT COMMISSION DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The Commission hereby declares the District’s intent to reimburse the District with the proceeds of the Bonds or Clean Water Revolving Fund Loans for the Expenditures with respect to the Projects made on or after March 29, 2024, which date is no more than 60 days

prior to the date hereof. The District reasonably expects on the date hereof that it will reimburse the Expenditures with the proceeds of the Bonds or Clean Water Revolving Fund Loans.

Section 2. Each Expenditure was and will be (a) of a type properly chargeable to capital account under general federal income tax principles (determined in each case as of the date of the Expenditure), (b) a cost of issuance with respect to the Clean Water Revolving Fund Loans or the Bonds, (c) an extraordinary nonrecurring item that is not customarily payable from current revenues, or (d) a grant to a party that is not related to or an agent of the District so long as such grant does not impose any obligation or condition (directly or indirectly) to repay any amount to or for the benefit of the District.

Section 3. The maximum principal amount of the Clean Water Revolving Fund Loans and Bonds expected to be issued for the Projects is \$958,000,000. Query: The "Projects" are defined as the capital projects for FY2024 and FY 2025. As such, the maximum principal amount would be the projected capital expenditures in FY2024 and FY2025. Just to clarify – is that amount \$958 million?

Section 4. The District will make a reimbursement allocation, which is a written allocation by the District that evidences the District's use of proceeds of the Clean Water Revolving Fund Loans or the Bonds to reimburse an Expenditure, no later than 18 months after the later of the date on which the Expenditure is paid or the related Projects are placed in service or abandoned, but in no event more than three years after the date on which the Expenditure is paid. The District recognizes that exceptions are available for certain "preliminary expenditures," costs of issuance, certain *de minimis* amounts, and expenditures for construction projects of at least five years.

Section 5. This resolution shall take effect immediately upon its passage.

[End of Resolution]

**RESOLUTION OF THE HAMPTON ROADS SANITATION DISTRICT
COMMISSION OF HAMPTON ROADS SANITATION DISTRICT DECLARING ITS
INTENTION TO REIMBURSE ITSELF FROM THE PROCEEDS OF ONE OR MORE
FINANCINGS FOR CERTAIN EXPENDITURES MADE OR TO BE MADE IN
CONNECTION WITH THE ACQUISITION, CONSTRUCTION OR EQUIPPING OF
CERTAIN CAPITAL IMPROVEMENTS**

PASSED AND ADOPTED this 28th day of May, 2024.

The undersigned further certifies that the foregoing has been properly approved and adopted in accordance with all applicable requirements of the Hampton Roads Sanitation District Commission.

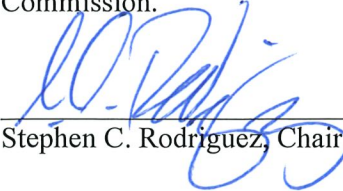

Stephen C. Rodriguez, Chair



EXHIBIT A

CAPITAL IMPROVEMENT PROGRAM

FY2025 – FY2034 (10-Year Plan)

Project Number	Project Name	Sub-Total	Contingency	Total with Contingency
PR_AB010500	Section W Force Main Replacement	\$ 1,599,603	\$ 319,921	\$ 1,919,523
PR_AB011900	Army Base Treatment Plant Administration Building Renovation (2021)	\$ 7,496,254	\$ 1,499,251	\$ 8,995,505
PR_AB012100	Army Base Treatment Plant Generator Control Replacement	\$ 1,406,630	\$ 281,326	\$ 1,687,956
PR_ADD012600	Central Environmental Laboratory Expansion and Rehabilitation	\$ 12,055,324	\$ 2,411,065	\$ 14,466,388
PR_AT011520	Shipp's Corner Pressure Reducing Station Modifications	\$ 218,796	\$ 43,759	\$ 262,555
PR_AT011900	Great Bridge Interceptor Extension 16-Inch Replacement	\$ 5,550,060	\$ 1,110,012	\$ 6,660,073
PR_AT012920	Atlantic Treatment Plant Access Road Extension	\$ 1,299,696	\$ 259,939	\$ 1,559,635
PR_AT013000	Washington District Pump Station Area Sanitary Sewer Improvements	\$ 3,525,298	\$ 705,060	\$ 4,230,358
PR_AT013010	Washington District Pump Station Replacement	\$ 5,076,000	\$ 1,015,200	\$ 6,091,200
PR_AT013110	South Norfolk Area Gravity Sewer Improvements, Phase II	\$ 4,593,176	\$ 918,635	\$ 5,511,812
PR_AT015200	Cedar Road Interceptor Force Main Replacement Phase I	\$ 3,969	\$ 794	\$ 4,762
PR_AT015400	Doziers Corner Pump Station Replacement	\$ 1,120,313	\$ 224,063	\$ 1,344,375
PR_AT015500	Atlantic Treatment Plant Secondary Clarifier Effluent Weir Replacement and Enhancements	\$ 664,334	\$ 132,867	\$ 797,201
PR_AT015800	Atlantic Treatment Plant Liquid Side Odor Evaluation and Improvements	\$ 126,667	\$ 25,333	\$ 152,000
PR_AT015900	Atlantic Treatment Plant Gravity Belt Thickener and Pre-Dewatering Polymer Improvements	\$ 194,938	\$ 38,988	\$ 233,926
PR_AT016000	Atlantic Treatment Plant Odor and Solids Improvements 2023	\$ 3,188,333	\$ 637,667	\$ 3,826,000
PR_AT016500	Atlantic Treatment Plant Digester Improvements	\$ 1,920,000	\$ 384,000	\$ 2,304,000
PR_AT016600	Great Bridge Boulevard Interceptor Force Main (SF-164) Segmental Replacement at Oak Bridge-Glenleigh	\$ 622,080	\$ 124,416	\$ 746,496
PR_AT016700	Providence Road Interceptor Force Main (SF-165) Segmental Replacement at Depositor Lane	\$ 55,000	\$ 11,000	\$ 66,000
PR_BH013020	Willard Avenue Pump Station Replacement	\$ 5,696,904	\$ 1,139,381	\$ 6,836,285
PR_BH014220	Hampton Trunk Sewer Extension Divisions I and J Relocation Phase II	\$ 1,088,445	\$ 217,689	\$ 1,306,134
PR_BH014600	46th Street Diversion Sewer Rehabilitation Replacement	\$ 145,573	\$ 29,115	\$ 174,687
PR_BH014900	Hampton Trunk Sewer Extension Division K Gravity Improvements	\$ 1,023,536	\$ 204,707	\$ 1,228,244
PR_BH015700	Boat Harbor Treatment Plant Pump Station Conversion	\$ 75,219,698	\$ 15,043,940	\$ 90,263,638
PR_BH015710	Boat Harbor Treatment Plant Transmission Force Main Section 1 (Subaqueous)	\$ 63,794,066	\$ 12,758,813	\$ 76,552,879
PR_BH015720	Boat Harbor Treatment Plant Transmission Force Main Section 2 (Land)	\$ 24,592,197	\$ 4,918,439	\$ 29,510,636
PR_BH015730	Boat Harbor Treatment Plant Decommission and Demolition	\$ 602,931	\$ 120,586	\$ 723,517
PR_CEO11300	Birchwood Trunk 24-Inch and 30-Inch Force Main at Independence Boulevard Replacement Phase II	\$ 1,726,232	\$ 345,246	\$ 2,071,478
PR_CEO11600	Poplar Hall Davis Corner Trunk 24-Inch Gravity Sewer Improvements	\$ 2,032,805	\$ 406,561	\$ 2,439,366
PR_CEO11810	Chesapeake-Elizabeth Treatment Plant Decommissioning	\$ 480,622	\$ 96,124	\$ 576,746
PR_CEO11841	Oceana Off-line Storage Facility Land Acquisition	\$ 532,235	\$ 106,447	\$ 638,682
PR_CEO11850	Atlantic Service Area Automated Diversion Facilities Phase I	\$ 150,396	\$ 30,079	\$ 180,475
PR_ES010100	Eastern Shore Infrastructure Improvements - Transmission Force Main Phase I	\$ 9,380,032	\$ 1,876,006	\$ 11,256,038
PR_ES010300	Onancock Treatment Plant Administration Building Upgrade	\$ 114,400	\$ 22,880	\$ 137,280
PR_ES010500	Chincoteague Treatment Plant Improvements	\$ 2,412,457	\$ 482,491	\$ 2,894,948
PR_ES010800	Onancock Treatment Plant Solids Handling Improvements	\$ 2,519,855	\$ 503,971	\$ 3,023,826
PR_ES011000	Onancock Pump Station Improvements	\$ 100,000	\$ 20,000	\$ 120,000
PR_GN013300	Treatment Plant Grease Handling Facilities	\$ 7,732	\$ 1,546	\$ 9,278
PR_GN014900	North Shore Gravity Sewer Improvements Phase I	\$ 1,386,810	\$ 277,362	\$ 1,664,172
PR_GN015000	South Shore Gravity Sewer Improvements Phase I	\$ 1,305,000	\$ 261,000	\$ 1,566,000
PR_GN015300	Interceptor System Valve Improvements Phase I	\$ 2,633,778	\$ 526,756	\$ 3,160,533
PR_GN015400	South Shore Aerial Crossing Improvements	\$ 189,285	\$ 37,857	\$ 227,142
PR_GN015800	North Shore Automated Diversion Facilities	\$ 784,641	\$ 156,928	\$ 941,569
PR_GN016320	Program Management of SWIFT Full Scale Implementation	\$ 6,498,907	\$ 1,299,781	\$ 7,798,688
PR_GN016346	Boat Harbor Transmission Force Main Land Acquisition	\$ 3,576,627	\$ 715,325	\$ 4,291,952
PR_GN016360	James River SWIFT Facility	\$ 99,081,426	\$ 19,816,285	\$ 118,897,711
PR_GN016362	James River Recharge Wells (Off Site)	\$ 14,796,160	\$ 2,959,232	\$ 17,755,392
PR_GN016380	Nansemond SWIFT Facility	\$ 33,370,275	\$ 6,674,055	\$ 40,044,330
PR_GN016381	Nansemond Recharge Wells (On Site)	\$ 938,800	\$ 187,760	\$ 1,126,560
PR_GN016382	Nansemond Recharge Wells (Off Site)	\$ 758,413	\$ 151,683	\$ 910,096
PR_GN016383	Nansemond Recharge Well Integration	\$ 467,431	\$ 93,486	\$ 560,917
PR_GN016390	VIP SWIFT Tertiary Preliminary Engineering	\$ 2,116,125	\$ 423,225	\$ 2,539,350
PR_GN016700	Treatment Plant Solids Handling Replacement Phase II	\$ 1,720,156	\$ 344,031	\$ 2,064,187
PR_GN017400	Treatment Plant Dewatering Replacement Phase III	\$ 2,209,065	\$ 441,813	\$ 2,650,878
PR_GN017900	Solids System Improvements for Army Base MHI Offline	\$ 1,277,387	\$ 255,477	\$ 1,532,865
PR_GN018600	North Shore Galvanic Cathodic Protection Rehabilitation	\$ 1,251,376	\$ 250,275	\$ 1,501,651
PR_GN018700	South Shore Galvanic Cathodic Protection Rehabilitation Phase I	\$ 667,931	\$ 133,586	\$ 801,517
PR_GN018800	South Shore Galvanic Cathodic Protection Rehabilitation Phase II	\$ 1,699,339	\$ 339,868	\$ 2,039,207
PR_GN018900	Pump Station Motor Control Center Replacements - Phase I	\$ 799,116	\$ 159,823	\$ 958,940
PR_GN019700	Treatment Plant Dewatering Improvement Phase IV	\$ 2,162,918	\$ 432,584	\$ 2,595,501
PR_GN020100	VIP and Army Base Treatment Plant Secondary Clarifier Weir Cover Installation	\$ 914,168	\$ 182,834	\$ 1,097,002
PR_GN020200	Treatment Plant Fire Suppression System Upgrades	\$ 800,000	\$ 160,000	\$ 960,000
PR_GN020800	North Shore Pump Station Influent Valve Installations	\$ 697,500	\$ 139,500	\$ 837,000
PR_JR011730	Jefferson Avenue Interceptor Force Main Replacement Phase III	\$ 3,961,557	\$ 792,311	\$ 4,753,868
PR_JR013200	Lucas Creek-Woodhaven Interceptor Force Main Replacement Phase II	\$ 500,257	\$ 100,051	\$ 600,309
PR_JR013400	James River Treatment Plant Advanced Nutrient Reduction Improvements	\$ 54,545,783	\$ 10,909,157	\$ 65,454,940
PR_JR013410	James River Treatment Plant Outfall Modifications	\$ 221,658	\$ 44,332	\$ 265,990
PR_JR013500	Lucas Creek Pump Station Replacement	\$ 8,076,636	\$ 1,615,327	\$ 9,691,963
PR_JR013610	James River Treatment Plant Automation Improvements Phase I	\$ 2,857	\$ 571	\$ 3,429
PR_JR014200	Kiln Creek Interceptor Force Main Replacement	\$ 851,448	\$ 170,290	\$ 1,021,738
PR_JR014410	James River Treatment Plant Primary Clarifier Pipes (1 and 2)	\$ 550,000	\$ 110,000	\$ 660,000
PR_JR014500	James River Treatment Plant Digester and Thickening Building Heating Systems Replacements	\$ 3,333	\$ 667	\$ 4,000
PR_MP013300	King William Treatment Plant Improvements Phase II	\$ 4,548,780	\$ 909,756	\$ 5,458,536
PR_MP013730	Middlesex Interceptor System Program Phase II-Transmission Force Main	\$ 10,384,702	\$ 2,076,940	\$ 12,461,643
PR_MP014700	Small Communities Rehabilitation Phase IV	\$ 349,560	\$ 69,912	\$ 419,472
PR_MP014800	Small Communities Rehabilitation Phase V	\$ 451,163	\$ 90,233	\$ 541,396
PR_MP015100	West Point Pump Station 4 (Thompson Avenue) Rehabilitation	\$ 591,258	\$ 118,252	\$ 709,510
PR_MP015300	King William Central Crossing Pump Station Rehabilitation	\$ 1,494,697	\$ 298,939	\$ 1,793,636
PR_MP015500	Small Communities Rehabilitation Phase VI	\$ 1,591,974	\$ 318,395	\$ 1,910,369
PR_MP015600	West Point Treatment Plant Final Effluent Pump Station Improvements	\$ 574,003	\$ 114,801	\$ 688,803
PR_MP015610	West Point Treatment Plant Generator Installation	\$ 516,923	\$ 103,385	\$ 620,308

PR_MP015700	West Point Treatment Plant Secondary Clarifier Improvements	\$ 384,745	\$ 76,949	\$ 461,694
PR_MP015800	King William Main Pump Station Improvements	\$ 302,423	\$ 60,485	\$ 362,907
PR_NP010620	Suffolk Pump Station Replacement	\$ 11,450,533	\$ 2,290,107	\$ 13,740,639
PR_NP012400	Western Branch Sewer System Gravity Improvements	\$ 5,022,024	\$ 1,004,405	\$ 6,026,429
PR_NP013000	Nansemond Treatment Plant Motor Control Center Replacements	\$ 1,636,694	\$ 327,339	\$ 1,964,033
PR_NP013820	Nansemond Treatment Plant Advanced Nutrient Reduction Improvements Phase II	\$ 138,933,016	\$ 27,786,603	\$ 166,719,619
PR_NP014000	Wilroy Pressure Reducing Station and Off-line Storage Facility	\$ 24,202,792	\$ 4,840,558	\$ 29,043,350
PR_NP014500	Nansemond Treatment Plant Regional Residuals Facility Upgrade	\$ 991,818	\$ 198,364	\$ 1,190,182
PR_NP014700	Nansemond Treatment Plant Digester Capacity Upgrades	\$ 11,888,648	\$ 2,377,730	\$ 14,266,378
PR_NP014900	Nansemond Treatment Plant Interceptors Storage Yard	\$ 357,373	\$ 71,475	\$ 428,848
PR_NP015100	Nansemond Treatment Plant Administration Building Replacement	\$ 35,277	\$ 7,055	\$ 42,332
PR_NP015500	Town of Dendron Discharge Force Main Replacement	\$ 1,019,286	\$ 203,857	\$ 1,223,143
PR_NP015700	George Washington Interceptor Force Main Extension Part 2 (SF-140) Segmental Replacement at St. Julian's Creek	\$ 46,854	\$ 9,371	\$ 56,225
PR_NP015800	North Churchill Interceptor Force Main (SF-206) Segmental Replacement at Swannanoa Drive	\$ 68,472	\$ 13,694	\$ 82,166
PR_VP010920	Norview Estabrook Division I 18-Inch Force Main Replacement Phase II, Section 2	\$ 2,498,674	\$ 499,735	\$ 2,998,409
PR_VP014010	Ferebee Avenue Pump Station Replacement	\$ 5,372,654	\$ 1,074,531	\$ 6,447,184
PR_VP014022	Sanitary Sewer Replacement 1950 - Part 2	\$ 6,674,416	\$ 1,334,883	\$ 8,009,299
PR_VP014700	Ingleside Road Pump Station Replacement	\$ 463,714	\$ 92,743	\$ 556,457
PR_VP014800	Lee Avenue-Wesley Street Horizontal Valve Replacement	\$ 3,130,930	\$ 626,186	\$ 3,757,116
PR_VP015410	City Park Pump Station (PS 106) Replacement	\$ 4,200,375	\$ 840,075	\$ 5,040,450
PR_VP015420	Luxembourg Pump Station (PS 113) Replacement and Ashland Sewer Extension	\$ 10,591,875	\$ 2,118,375	\$ 12,710,250
PR_VP015430	Chesapeake Boulevard Pump Station (PS 105) Replacement and Norfolk Pump Station (PS 57) Rehabilitation	\$ 192,576	\$ 38,515	\$ 231,091
PR_VP016500	Norview-Estabrook Division I 12-Inch Force Main Replacement	\$ 1,823,181	\$ 364,636	\$ 2,187,817
PR_VP016700	Norview-Estabrook Division I 18-Inch Force Main Replacement Phase III	\$ 2,093,858	\$ 418,772	\$ 2,512,629
PR_VP017120	Central Norfolk Area Gravity Sewer Improvements Phase II	\$ 3,820,642	\$ 764,128	\$ 4,584,770
PR_VP018000	Park Avenue Pump Station Replacement	\$ 4,980,721	\$ 996,144	\$ 5,976,865
PR_VP018301	VIP Service Area I-I Reduction Phase I (PORTS)	\$ 1,384,286	\$ 276,857	\$ 1,661,143
PR_VP018303	VIP Service Area I-I Reduction Phase III (PORTS)	\$ 1,544,286	\$ 308,857	\$ 1,853,143
PR_VP018500	Elizabeth River Crossing Reliability Improvements	\$ 110,849	\$ 22,170	\$ 133,018
PR_VP018800	Virginia Initiative Plant Administration Building Renovation	\$ 3,479,233	\$ 695,847	\$ 4,175,080
PR_VP019000	Colley Ave Pump Station Pump Replacement	\$ 787,500	\$ 157,500	\$ 945,000
PR_VP019100	Virginia Initiative Plant Incinerator Burner Replacement	\$ 368,300	\$ 73,660	\$ 441,960
PR_VP019200	Virginia Initiative Plant Motor Control Center Replacements	\$ 4,491,111	\$ 898,222	\$ 5,389,333
PR_VP019700	Plume Street Pump Station Replacement (SS-PS-121)	\$ 250,000	\$ 50,000	\$ 300,000
PR_WB013100	Williamsburg Treatment Plant Outfall Flow Control System Repairs	\$ 3,922,876	\$ 784,575	\$ 4,707,451
PR_WB013400	Williamsburg Treatment Plant Headworks Influent and Effluent Pipe Rehabilitation	\$ 269,778	\$ 53,956	\$ 323,733
PR_WB013500	Williamsburg Treatment Plant Intermediate Clarifier Wet Weather and Phosphorus Removal System Improvement	\$ 385,163	\$ 77,033	\$ 462,195
PR_WB013810	Williamsburg Treatment Plant Distributed Control System Improvements (Gravity Thickener Building)	\$ 571,322	\$ 114,264	\$ 685,586
PR_WB013900	Williamsburg Treatment Plant Solids Handling Improvements	\$ 8,333	\$ 1,667	\$ 10,000
PR_WB013910	Williamsburg Treatment Plant Emissions Monitoring System	\$ 500,000	\$ 100,000	\$ 600,000
PR_WB014000	Williamsburg Treatment Plant Systems Coatings Rehabilitation	\$ 457,708	\$ 91,542	\$ 549,250
PR_YR010520	Magruder Mercury Interceptor Force Main Replacement - Section B	\$ 2,608,880	\$ 521,776	\$ 3,130,655
PR_YR010900	Tabb Pressure Reducing Station and Offline Storage Facility	\$ 16,826,036	\$ 3,365,207	\$ 20,191,244
PR_YR011900	Bethel-Poquoson Force Main Part III Replacement	\$ 285,709	\$ 57,142	\$ 342,850
PR_YR013900	York River System Isolation Valve Installation and Replacement	\$ 456,551	\$ 91,310	\$ 547,861
PR_YR014000	York River Treatment Plant Administration Building Renovation	\$ 198,442	\$ 39,688	\$ 238,131
PR_YR014300	Bethel-Poquoson Force Main Phase II (Wythe Creek Road) Replacement	\$ 515,273	\$ 103,055	\$ 618,328
PR_YR014600	Bethel-Poquoson Force Main Part IV Replacement-Wythe Creek Exposed Crossing	\$ 708,243	\$ 141,649	\$ 849,892
PR_YR014700	Coliseum PRS Off-Line Storage Tank Odor Control Upgrades	\$ 431,133	\$ 86,227	\$ 517,360
PR_YR014900	York River DEMON Upgrades	\$ 286,903	\$ 57,381	\$ 344,284
PR_YR015000	York River Treatment Plant Switchgear and Motor Control Center Replacements	\$ 2,006,757	\$ 401,351	\$ 2,408,108

\$ 958,432,858

HRSD Commission Meeting Minutes
May 28, 2024
Attachment #6

10. Subordinate Trust Agreement
Exclusion of Certain Locality Improvements from Calculations of Operating Expenses
Resolution

Hampton Roads Sanitation District
Resolution of.
May 28, 2024

HAMPTON ROADS SANITATION DISTRICT COMMISSION

RESOLUTION
EXCLUDING CERTAIN LOCALITY IMPROVEMENTS FROM CALCULATION OF
OPERATING EXPENSES FOR PURPOSES OF THE DISTRICT'S TRUST AGREEMENT

Adopted May 28, 2024

RESOLUTION

RESOLUTION EXCLUDING CERTAIN LOCALITY IMPROVEMENTS FROM CALCULATION OF OPERATING EXPENSES FOR PURPOSES OF THE DISTRICT'S TRUST AGREEMENT

WHEREAS, the Hampton Roads Sanitation District (the "District") was duly created under and pursuant to Chapter 407 of the Acts of Assembly of Virginia of 1940, and the Hampton Roads Sanitation District Commission (the "Commission"), created by said Chapter 407, is the governing body of the District; and

WHEREAS, by virtue of Chapter 66 of the Acts of Assembly of Virginia of 1960, as amended (the "Act"), the Commission is authorized and empowered:

(a) to construct, improve, extend, enlarge, reconstruct, maintain, equip, repair and operate a wastewater treatment system or systems, either within or without or partly within and partly without the corporate limits of the District;

(b) to issue, at one time or from time to time, revenue bonds, notes or other obligations of the District payable solely from the special funds provided under the authority of the Act and pledged for their payment, for the purpose of paying the cost of a wastewater treatment system or systems and extensions and additions thereto, and providing funds for any other authorized purpose of the Commission, and

(c) to fix, revise, charge and collect rates, fees and other charges for the use of, and for the services and facilities furnished or to be furnished by, any such wastewater treatment system; and

WHEREAS, as provided by the Act, the District is constituted a political subdivision of the Commonwealth of Virginia and established as a governmental instrumentality to provide for the public health and welfare; and

WHEREAS, the Commission authorized the execution and delivery of a Trust Agreement, dated as of October 1, 2011, as amended and restated as of March 1, 2016, as further amended (as so amended, the "Trust Agreement"), between the District and The Bank of New York Mellon, as Trustee (in such capacity, the "Trustee"), to provide for the issuance of Parity Obligations (as defined in the Trust Agreement) of the District;

WHEREAS, the Commission has previously issued several series of Parity Obligations in accordance with the Trust Agreement;

WHEREAS, in connection with certain covenants and agreements of the Commission contained in the Trust Agreement, the term "Operating Expenses" excludes for the purpose of such term, "expenses for improvements that will not be owned by the District but which will, in the reasonable determination of the Commission, as evidenced by a resolution thereof, maintain or improve the integrity of the Wastewater System;"

WHEREAS, attached as Exhibit A to this Resolution is a list of certain improvements to assets not owned by the District but instead by localities in the District's service area (the "Locality Improvements"); and

WHEREAS, information has been presented to the Commission at this meeting to the effect that notwithstanding that such Locality Improvements will not be owned by the District, each such Locality Improvement will maintain or improve the integrity of the Wastewater System;

Now, Therefore, the HAMPTON ROADS SANITATION DISTRICT COMMISSION DOES HEREBY RESOLVE, as follows:

Section 1. Definitions. Capitalized words and terms used in this Resolution and not defined herein shall have the same meanings in this Resolution as such words and terms are given in the Trust Agreement.

Section 2. Exclusion of Locality Improvements from Calculation of Operating Expenses for Purposes of Trust Agreement. Based on the information presented to the Commission at this meeting, the Commission hereby determines that each of the Locality Improvements described in Exhibit A to this Resolution will maintain or improve the integrity of the Wastewater System and shall, accordingly, be excluded from the calculation of "Operating Expenses" for the purposes of the Trust Agreement.

Section 3. No Effect on Calculation of Operating Expenses for Other Purposes. Notwithstanding the Commission's determination to exclude the Locality Improvements from the calculation of "Operating Expenses" for purposes of the Trust Agreement, this Resolution shall not, in and of itself, affect the calculation of operating expenses by the District for any other purpose, including, but not limited to, the calculation of "Operating Expenses" for purposes of the presentation of financial information in the District's audited financial statements.

Section 4. Further Actions. The Chairman of the Commission, Vice Chairman of the Commission, the General Manager of the District and the Director of Finance of the District (each, a "Delegate"), any of whom may act, are each authorized and directed (without limitation except as may be expressly set forth herein) to take such action and to execute and deliver any such documents, certificates, undertakings, agreements or other instruments as they, with the advice of counsel, may deem necessary or appropriate to effectuate the actions contemplated by this Resolution.

Section 5. Delegates' Certificate. Each Delegate may execute a Certificate or Certificates evidencing the determinations made or other actions carried out pursuant to the authority granted in this Resolution, and any such Certificate shall be conclusive evidence of the actions or determinations as stated therein.

Section 6. Cumulative Effect. This Resolution shall not be interpreted to rescind or effect any prior resolution of the Commission with respect to locality improvements identified in such prior resolution; and all such prior resolutions and this Resolution shall be deemed to be cumulative in effect.

**RESOLUTION
EXCLUDING CERTAIN LOCALITY IMPROVEMENTS FROM
CALCULATION OF OPERATING EXPENSES FOR PURPOSES OF THE DISTRICT'S
TRUST AGREEMENT**

Section 7. Effective Date. This Resolution shall take effect immediately upon its passage, but with effect relating back to the date of the incurrence of any expense relating to the Locality Improvements.

[END OF RESOLUTION]

Adopted by the Hampton Roads Sanitation District Commission on May 28, 2024.



Stephen C. Rodriguez, Chair



LOCALITY IMPROVEMENTS

AT014301: Chesapeake I-I Reduction Phase II

Project Description: CHES-067 Comprehensive I/I Reduction Plan; CHES-032 General I/I Reduction Plan; CHES-047 Data-Driven I/I Reduction Plan; CHES-111 General I/I Reduction Plan.

Project Justification: As part of HRSD's Integrated Plan, a program of High Priority RWWMP Projects (HPP) will be constructed through 2030. These projects were selected based on their ability to provide the greatest environmental and human health benefits. Further, this \$200+ million investment will significantly reduce sanitary sewer overflow (SSO) volume at the 5-year level of service by 47 percent.

Approximate Project Cost: \$25,620,000

CE011837: Private Pump Station Improvements

Project Description: This project will complete upgrades on private pump stations that cannot meet the new pressure policy when the Chesapeake-Elizabeth Treatment Plant is closed and all flow is diverted to the Atlantic Treatment Plant at the end of calendar year 2021. Approximately 60 pump stations have been identified as potential at-risk stations. HRSD and their consultant will gather more information about these stations to determine improvements needed, such as changing out pumps or pump components. HRSD will work with local maintenance service providers to make improvements now through the end of 2022 after the diversion has been implemented for up to one year. In 2021, six stations were identified as requiring improvements.

Project Justification: The project is needed to ensure that private pump stations can meet HRSD pressure policy when flow is diverted in support of the Chesapeake-Elizabeth Treatment Plant closure.

Approximate Project Cost: \$1,637,456

GN020910: Microbial Source Tracking Identified Locality Repairs (FY25)

Project Description: This project will provide FY25 funding for the Microbial Source Tracking (MST) Program required as part of the Integrated Plan.

Project Justification: Several water bodies in the Hampton Roads region remain impaired by bacteria with elevated levels found in dry weather in areas that have no record of sewer overflow and, in some cases, in areas without any public sewer infrastructure. Dry weather ongoing sources almost always present a greater impact to water quality than isolated wet weather-related sewer overflows. Surface water monitoring data following SSOs has indicated that the impacts of a transient SSO on the long-term impairment of a waterway are minimal supporting the conclusion that waterway impairments in the Hampton Roads area are driven by chronic and persistent sources. Given that the regional sanitary sewer system has no chronic capacity-related overflow locations the most effective approach toward achieving a higher degree of public health protection is to identify and eliminate the sources of bacterial contamination specifically those that are known to represent the greatest risk to public health - human sources. To this end HRSD has implemented its Microbial Source Tracking Program. This focused water quality monitoring effort in partnership with local governments and the Virginia Department of Health has been successfully used to identify locate and eliminate chronic and persistent non-SSO-related sources of human-sourced bacteria.

Approximate Project Cost: \$300,000

JR013700: Newport News I-I Reduction

Project Description: NEWP-013 General I/I Reduction Plan; NEWP-015 Comprehensive I/I Reduction Plan; NEWP-013 Gravity Main Improvement installing 910 LF of 12" GM

Project Justification: As part of HRSD's Integrated Plan, a program of High Priority RWWMP Projects (HPP) will be constructed through 2030. These projects were selected based on their ability to provide the greatest environmental and human health benefits. Further, this \$200+ million investment will significantly reduce sanitary sewer overflow (SSO) volume at the 5-year level of service by 47 percent.

Approximate Project Cost: \$20,248,000

NP013901: Chesapeake I-I Reduction Phase I

Project Description: CHES-016 Comprehensive I/I Reduction Plan; CHES-018 Comprehensive I/I Reduction Plan; CHES-026 Comprehensive I/I Reduction Plan; CHES-227 Data-Driven I/I Reduction Plan; CHES-016 GM Improvement installing 320 LF of 12" GM.

Project Justification: As part of HRSD's Integrated Plan, a program of High Priority RWWMP Projects (HPP) will be constructed through 2030. These projects were selected based on their ability to provide the greatest environmental and human health benefits. Further, this \$200+ million investment will significantly reduce sanitary sewer overflow (SSO) volume at the 5-year level of service by 47 percent.

Approximate Project Cost: \$48,164,000

VP018301: VIP Service Area I-I Reduction Phase I (PORTS)

Project Description: PORT-01 Comprehensive I/I Reduction Plan; PORT-02 General I/I Reduction Plan.

Project Justification: As part of HRSD's Integrated Plan, a program of High Priority RWWMP Projects (HPP) will be constructed through 2030. These projects were selected based on their ability to provide the greatest environmental and human health benefits. Further, this \$200+ million investment will significantly reduce sanitary sewer overflow (SSO) volume at the 5-year level of service by 47 percent.

Approximate Project Cost: \$12,087,259

VP018303: VIP Service Area I-I Reduction Phase III (PORTS)

Project Description: PORT-04 General I/I Reduction Plan; PORT-04-LOP65-1 Data-Driven I/I Reduction Plan; PORT-04-LOP65-2 Data-Driven I/I Reduction Plan; PORT-04-LOP65-3 Data-Driven I/I Reduction Plan.

Project Justification: As part of HRSD's Integrated Plan, a program of High Priority RWWMP Projects (HPP) will be constructed through 2030. These projects were selected based on their ability to provide the greatest environmental and human health benefits. Further, this \$200+ million investment will significantly reduce sanitary sewer overflow (SSO) volume at the 5-year level of service by 47 percent.

Approximate Project Cost: \$12,991,202

VP019300: Norfolk I-I Reduction

Project Description: NORF-H-106 General I/I Reduction Plan; NORF-H-106-G1 General I/I Reduction Plan; NORF-H-113 General I/I Reduction Plan; NORF-H-113-G1 Comprehensive I/I Reduction Plan; NORF-H-113-G2 General I/I Reduction Plan

Project Justification: As part of HRSD's Integrated Plan, a program of High Priority RWWMP Projects (HPP) will be constructed through 2030. These projects were selected based on their ability to provide the greatest environmental and human health benefits. Further, this \$200+ million investment will significantly reduce sanitary sewer overflow (SSO) volume at the 5-year level of service by 47 percent.

Approximate Project Cost: \$14,596,000

WB013200: York County I-I Reduction

Project Description: YORK-001 Comprehensive I/I Reduction Plan; YORK-003 Data-Driven I/I Reduction Plan; YORK-006 Comprehensive I/I Reduction Plan; YORK-006 Gravity Main Improvement installing influent pipe to wet well; YORK-229-2 Comprehensive I/I Reduction Plan

Project Justification: As part of HRSD's Integrated Plan, a program of High Priority RWWMP Projects (HPP) will be constructed through 2030. These projects were selected based on their ability to provide the greatest environmental and human health benefits. Further, this \$200+ million investment will significantly reduce sanitary sewer overflow (SSO) volume at the 5-year level of service by 47 percent.

Approximate Project Cost: \$39,568,000

HRSD Commission Meeting Minutes
May 28, 2024
Attachment #7

11. 2024 Capital Improvement Project (CIP) – Programmatic Funding
Virginia Clean Water Revolving Loan Fund (VCWRLF)
Resolution

Hampton Roads Sanitation District
Resolution of
May 28, 2024

HAMPTON ROADS SANITATION DISTRICT COMMISSION

RESOLUTION
PROVIDING FOR THE ISSUANCE OF

A WASTEWATER REVENUE BOND

Adopted May 28, 2024

2024 CIP Project: #C-515793E

Resolution

RESOLUTION AUTHORIZING THE ISSUANCE OF A WASTEWATER REVENUE BOND, NOT TO EXCEED \$80,000,000 IN PRINCIPAL AMOUNT, FOR THE PURPOSE OF PROVIDING FUNDS, WITH OTHER AVAILABLE MONEY, TO PAY THE COSTS OF CERTAIN IMPROVEMENTS TO THE WASTEWATER TREATMENT SYSTEM, FIXING THE PRINCIPAL INSTALLMENT MATURITY DATES, THE INTEREST RATE, THE REDEMPTION PROVISIONS AND CERTAIN OTHER DETAILS OF THE BOND, DIRECTING THE AUTHENTICATION AND DELIVERY OF THE BOND, AND AUTHORIZING THE EXECUTION OF A FINANCING AGREEMENT SUPPLEMENT WITH THE VIRGINIA RESOURCES AUTHORITY.

WHEREAS, the Hampton Roads Sanitation District (the “Borrower”) entered into a Trust Agreement, dated as of October 1, 2011 (the “Trust Agreement”), with The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), as amended and restated as of March 1, 2016, as further amended and supplemented, pursuant to which the Borrower may incur Parity Obligations, as defined in the Trust Agreement; and

WHEREAS, pursuant to Chapter 22, Title 62.1, Code of Virginia of 1950, as amended (the “VWFRF Act”), the General Assembly of the Commonwealth of Virginia created a permanent and perpetual fund known as the Virginia Water Facilities Revolving Fund (the “Fund”); and

WHEREAS, the Hampton Roads Sanitation District Commission (the “Commission”) heretofore received an offer from the Virginia Resources Authority (the “Authority”), as Administrator of the Virginia Water Facilities Revolving Fund (the “Fund”), to make a loan from the Fund to the Borrower in an amount expected not to exceed \$80,000,000 for the purpose of financing projects collectively described in such offer as the 2024 CIP Project, together with

related expenses; and

WHEREAS, the Commission, as the governing body of the Borrower, has determined to accept such offer and close on the loan from the Authority, as Administrator of the Fund, by authorizing and issuing its wastewater revenue bond for the purpose of financing Capital Improvement Program Costs (as defined in the Trust Agreement) for the Borrower's wastewater treatment system (the "2024 CIP Project Local Bond"), to be payable solely from the Net Revenues Available for Debt Service (as defined in the Trust Agreement) on a parity with all Parity Obligations (as defined in the Trust Agreement) of the Borrower, all in conformity with the terms and provisions of the Trust Agreement; now, therefore,

BE IT RESOLVED by the Hampton Roads Sanitation District Commission as follows:

Section 1. (a) Definitions. The capitalized terms contained in this Resolution and not defined above shall have the meanings set forth in the Glossary of Defined Terms attached to this Resolution as Exhibit A, unless the context requires otherwise.

(b) Rules of Construction. The following rules shall apply to the construction of this Resolution unless the context requires otherwise:

(i) Singular words shall connote the plural number as well as the singular and vice versa.

(ii) All references in this Resolution to particular Sections or Exhibits are references to Sections or Exhibits of this Resolution unless otherwise indicated.

Section 2. Authorization of 2024 CIP Project Local Bond. Pursuant to Sections 209(b) and 704(a) of the Trust Agreement and for the purpose of financing the Capital Improvement Program Costs of the Project, which are Project Costs within the definition thereof found in the Financing Agreement, the 2024 CIP Project Local Bond of the Borrower is hereby

authorized to be issued in the principal amount not to exceed \$80,000,000. The 2024 CIP Project Local Bond shall be issuable as a single registered bond without coupons and shall be dated as of its date of issue. The 2024 CIP Project Local Bond shall be substantially in the form attached to this Resolution as Exhibit B, with such variations, omissions and insertions as may be necessary or appropriate to conform to the provisions of this Resolution. The 2024 CIP Project Local Bond shall be a Parity Obligation and shall be a VRA Subordinate Obligation, each as defined in the Trust Agreement, shall be secured on a parity with all other Parity Obligations of the Borrower under the Trust Agreement, and shall be senior to all Junior Obligations (as defined in the Trust Agreement), as set forth therein.

The 2024 CIP Project Local Bond shall be dated as of its date of issue and shall bear interest (or “Cost of Funds” as described in the 2024 CIP Project Financing Agreement Supplement) on the disbursed principal balance of the 2024 CIP Project Local Bond at a rate not to exceed 2.35% per annum. Such interest shall be payable commencing on the date set forth in a certificate of the General Manager delivered on the date of issue of the 2024 CIP Project Local Bond (the “General Manager’s Certificate”), such principal and interest shall be payable in essentially equal semi-annual installments (rounded to the nearest \$100), with the balance due on the date set forth in the General Manager’s Certificate, but not later than December 1, 2045.

Section 3. Redemption Provisions. The principal installments on the 2024 CIP Project Local Bond shall be subject to redemption prior to their respective maturities, at the option of the Borrower, from any money that may be made available for such purpose, either in whole or in part on any date at the redemption price of par plus accrued interest with the prior written consent of the Authority and otherwise as provided in the Financing Agreement. Any such partial redemption shall not postpone the due date of any subsequent payment on the 2024 CIP

Project Local Bond, or change the amount of such installment, unless the Borrower and the Authority agree otherwise in writing.

Section 4. Deposits to Local Bond Fund. The Borrower shall deposit money with or to the order of the Authority, as Administrator of the Fund, in amounts sufficient to pay in full, when due (whether by maturity, redemption, acceleration or otherwise), the 2024 CIP Project Local Bond issued under this Resolution, together with the interest thereon, all as set forth in the 2024 CIP Project Local Bond.

Section 5. Authority to Execute 2024 CIP Project Financing Agreement Supplement. The execution and delivery of the 2024 CIP Project Financing Agreement Supplement, substantially in the form presented at this meeting, relating to the loan from the Authority, as Administrator to the Fund, to the Borrower and the repayment of the loan by the Borrower in accordance with the 2024 CIP Project Local Bond, are hereby authorized, with such changes, insertions and omissions as may be approved by the Chair or the Vice Chair of the Commission, the General Manager or the Deputy General Manager/Chief Financial Officer, the execution of the 2024 CIP Project Financing Agreement Supplement by the Chair, the Vice Chair, the General Manager or the Deputy General Manager/Chief Financial Officer to be conclusive evidence of his or her approval of any changes, insertions and omissions therein.

Section 6. Manner of Execution of 2024 CIP Project Local Bond. The 2024 CIP Project Local Bond shall be executed by the Chair or the Vice Chair and the Secretary or an Assistant Secretary of the Commission, and the seal of the Commission shall be impressed on the 2024 CIP Project Local Bond. The 2024 CIP Project Local Bond shall be delivered to or for the account of the Authority, as Administrator of the Fund, upon execution and delivery of the 2024 CIP Project Financing Agreement.

Section 7. Obligations of Borrower Unconditional. Subject to the terms of the Trust Agreement, nothing contained in this Resolution or the 2024 CIP Project Local Bond is intended to or shall impair, as between the Borrower, its creditors, and the holder of the 2024 CIP Project Local Bond, the obligation of the Borrower, which is absolute and unconditional, to pay to the holder of the 2024 CIP Project Local Bond the principal of, redemption premium, if any, and Cost of Funds on the 2024 CIP Project Local Bond as and when the same shall become due and payable in accordance with its terms, or affect the relative rights of the holder of the 2024 CIP Project Local Bond and creditors of the Borrower, nor shall anything herein or therein prevent the holder of the 2024 CIP Project Local Bond from exercising all remedies otherwise permitted by applicable law and under the Trust Agreement upon default under the 2024 CIP Project Local Bond and the 2024 CIP Project Financing Agreement Supplement.

Section 8. Payments on 2024 CIP Project Local Bond Permitted. Nothing contained in this Resolution or the 2024 CIP Project Local Bond shall affect the obligation of the Borrower to make, or prevent the Borrower from making, payment of the principal of, redemption premium, if any, or Cost of Funds on the 2024 CIP Project Local Bond in accordance with the provisions hereof, except as otherwise provided in this Resolution.

Section 9. Benefits of Resolution. Nothing in this Resolution or the 2024 CIP Project Local Bond, express or implied, shall give to any person, other than the holder of the 2024 CIP Project Local Bond, any benefit or any legal or equitable right, remedy or claim under this Resolution.

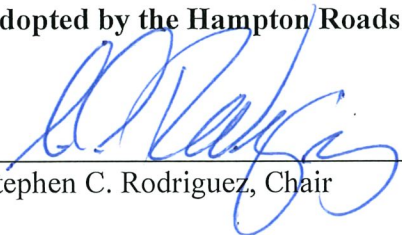
Section 10. Further Action. The Chair, the Vice Chair, the Secretary and any Assistant Secretary of the Commission and the General Manager, the Deputy General Manager/Chief Financial Officer, and the Director of Engineering of the Borrower are each authorized and

directed, acting alone or together (without limitation except as may be expressly set forth therein), to take such action and to execute and deliver any such documents, certificates, undertakings, agreements or other instruments as such officer, with the advice of counsel, may deem necessary or appropriate to effect the transactions contemplated by the 2024 CIP Project Financing Agreement Supplement.

Section 11. Effectiveness. This Resolution shall take effect immediately upon its adoption.

[END OF RESOLUTION]

Adopted by the Hampton Roads Sanitation District Commission on May 28, 2024.



Stephen C. Rodriguez, Chair



EXHIBIT A
GLOSSARY OF DEFINED TERMS

“2024 CIP Project Financing Agreement Supplement” means the Supplement to Master Financing Agreement relating to the 2024 CIP Project Local Bond, between the Borrower and the Authority, as Administrator of the Fund, together with any amendments or supplements thereto.

“2024 CIP Project Local Bond” means the bond in substantially the form attached to this Resolution as Exhibit B, to be issued by the Borrower to the Authority, as Administrator of the Fund, pursuant to this Resolution and the 2024 CIP Project Financing Agreement Supplement.

“2024 CIP Project Local Bond Proceeds” means proceeds of the issuance and sale of the 2024 CIP Project Local Bond to the Authority, as Administrator of the Fund, pursuant to the 2024 CIP Project Financing Agreement Supplement.

“Capital Improvement Program Costs” means “Capital Improvement Program Costs” as defined in the Trust Agreement.

“Financing Agreement” means the Master Financing Agreement, dated as of February 1, 2016, between the Authority, as Administrator of the Fund, and the Borrower, as amended to the date hereof, and as supplemented by the 2024 CIP Project Financing Agreement Supplement.

“General Manager’s Certificate” means the certificate of the General Manager delivered on the date of issue of the 2024 CIP Project Local Bond.

“Junior Obligations” means “Junior Obligations,” as defined in the Trust Agreement.

“Net Revenues Available for Debt Service” means “Net Revenues Available for Debt Service” as defined in the Trust Agreement.

“Parity Obligations” means “Parity Obligations,” as defined in the Trust Agreement.

“Project” means the projects described in Exhibit B to the 2024 CIP Project Financing Agreement Supplement, the costs of the acquisition, construction, improving or equipping of which are to be financed or refinanced in part with the 2024 CIP Project Local Bond Proceeds.

“Project Budget” means the budget for the financing or the refinancing of the Project, a copy of which is attached to the 2024 CIP Project Financing Agreement Supplement as Exhibit C, with such changes therein as may be approved in writing by the Authority.

“Trust Agreement” means the Trust Agreement, dated as of October 1, 2011, by and between the Borrower and the Trustee, as amended and restated as of March 1, 2016, as further amended and supplemented.

“Trustee” means The Bank of New York Mellon Trust Company, N.A., as trustee under the Trust Agreement, and any successor in trust thereto.

EXHIBIT B

FORM OF LOCAL BOND

United States of America
Commonwealth of Virginia

**HAMPTON ROADS SANITATION DISTRICT
Wastewater Revenue Bond**

Hampton Roads Sanitation District (the “Borrower”), a political subdivision of the Commonwealth of Virginia, by Hampton Roads Sanitation District Commission (the “Commission”), the governing body of the Borrower, acknowledges itself indebted and, for value received, hereby promises to pay, solely from the revenues and other property hereinafter described and pledged to the payment of this Bond, to the order of the Virginia Resources Authority (the “Authority”), as Administrator of the Virginia Water Facilities Revolving Fund, Richmond, Virginia (the “Fund”), the principal amount equal to the sum of the principal disbursements made by the Authority, as Administrator of the Fund, to the Borrower (as shown in Schedule 1) pursuant to the Master Financing Agreement, dated as of February 1, 2016, between the Authority, as Administrator of the Fund, and the Borrower, as amended to the date hereof, and as supplemented by the Supplement to Master Financing Agreement, dated as of _____ 1, 2024 (as so amended and supplemented, the “Financing Agreement”) not to exceed Eighty Million Dollars (\$80,000,000), together with interest (or “Cost of Funds” as described in the Financing Agreement) on the disbursed principal at the rate of _____% per annum, as follows:

Cost of Funds shall be payable on April 1, 2026, and thereafter principal and Cost of Funds due under this Bond shall be payable in essentially equal semi-annual installments (rounded to the nearest one hundred dollars (\$100)) on April 1 and October 1 of each year, commencing October 1, 2026 (as shown on Schedule 2), provided that if not sooner paid, all amounts under this Bond shall be due and payable in full on October 1, 2045.

In addition, if any installment of principal or Cost of Funds is not received by the holder of this Bond within ten (10) days from its due date, the Borrower shall pay to the holder of this Bond, a late payment charge in an amount equal to five percent (5.00%) per annum on such overdue installment. Both principal and Cost of Funds are payable in lawful money of the United States.

No notation is required to be made on this Bond of the payment of any principal or interest on normal installment payment dates. HENCE, THE FACE AMOUNT OF THIS BOND MAY EXCEED THE PRINCIPAL SUM REMAINING OUTSTANDING AND DUE HEREUNDER. This Bond and the premium, if any, and the Cost of Funds thereon are limited obligations of the Borrower and (except to the extent payment with respect to the Bond shall be made from the proceeds from the sale of the Bond or the income, if any, derived from the investment thereof) are payable solely from Net Revenues Available for Debt Service (as defined in the below-mentioned Trust Agreement) from time to time deposited by the Borrower with or to the order of the Authority, as the Administrator of the Fund, pursuant to the Resolution (the

“Resolution”) adopted by the Commission on May 28, 2024, authorizing the issuance of this Bond, which Net Revenues Available for Debt Service have been pledged pursuant to the Financing Agreement to secure payment hereof. Neither the Commonwealth of Virginia nor any political subdivision thereof, including the Borrower, shall be obligated to pay the principal of or premium, if any, or Cost of Funds on this Bond or other costs incident thereto except from the revenues pledged therefor, and neither the faith and credit nor the taxing power of the Commonwealth of Virginia or any political subdivision thereof, including the Borrower, is pledged to the payment of the principal of or premium, if any, or Cost of Funds on this Bond or other costs incident thereto.

This Bond shall be a Parity Obligation and a VRA Subordinate Obligation and secured on parity with all other all Parity Obligations and VRA Subordinate Obligations heretofore and hereafter issued and outstanding under the Trust Agreement, dated as of October 1, 2011, as amended and restated as of March 1, 2016, as further amended and supplemented (the “Trust Agreement”), by and between the Borrower and the predecessor in trust to The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), and shall be senior to all Junior Indebtedness (as defined in the Trust Agreement), to the extent and in the manner set forth therein.

This Bond is being issued pursuant to the terms of the Resolution and the Financing Agreement to evidence a loan from the Authority, as Administrator of the Fund, to the Borrower to finance Capital Improvement Program Costs (as defined in the Trust Agreement).

This Bond is subject to optional prepayment, upon the consent of the Authority, as Administrator of the Fund, to the extent and on the terms set forth in the Resolution and the Financing Agreement.

If an Event of Default (as defined in the Financing Agreement) occurs, the principal of and accrued Cost of Funds on this Bond may be declared immediately due and payable by the holder by written notice to the Borrower.

The obligations of the Borrower under this Bond shall terminate when all amounts due and to become due pursuant to this Bond have been paid in full.

All provisions of this Bond are subject to the terms of the Trust Agreement, and all capitalized terms used herein and not otherwise defined herein shall have the meanings assigned thereto by the Resolution and the Financing Agreement.

All acts, conditions and things required to happen, exist or be performed precedent to and in the issuance of this Bond have happened, exist and have been performed.

IN WITNESS WHEREOF, the Borrower has caused this Bond to be signed by the Chair of its Commission and its seal to be impressed hereon and attested by the Secretary of its Commission all as of _____, 2024.

HAMPTON ROADS SANITATION DISTRICT



(SEAL)
ATTEST:

By: _____

Chair of the Hampton Roads Sanitation
District Commission

Jennifer L. Cascio
Secretary of the Hampton Roads
Sanitation District Commission

SCHEDULE OF PRINCIPAL DISBURSEMENTS

The amount and date of disbursements of the principal of the Bond to which this Schedule is attached, not to exceed \$80,000,000, shall be entered hereon by the authorized representative of Virginia Resources Authority when each such disbursement of principal is made to the Borrower.

<u>Date</u>	<u>Amount</u>	<u>Cumulative Amount</u>	<u>Authorized Signature</u>
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
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_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____

AMORTIZATION SCHEDULE

HRSD Commission Meeting Minutes
May 28, 2024
Attachment #8

14. Project Beach Sanitary Sewer
Transfer Agreement

**TRANSFER AGREEMENT
BETWEEN
CDP DEVELOPMENT, INC. AND
HAMPTON ROADS SANITATION DISTRICT**

This Transfer Agreement is by and between CDP DEVELOPMENT, INC. ("DEVELOPER") and the HAMPTON ROADS SANITATION DISTRICT ("HRSD"), is entered into this 28th day of May, 2024 (the "Effective Date").

RECITALS

R:1. The DEVELOPER is undertaking a development project (the "Project") on certain property owned by Amazon.com Services LLC ("Property Owner") identified by the City of Virginia Beach, Virginia as Tax Map Parcel 24056316300000, as shown on Exhibit 1 (the "Property"); and

R:2. To facilitate the development of the Project, the DEVELOPER has requested that HRSD consent to the relocation and realignment of an existing HRSD sanitary sewer force main (the "Existing Facilities"), which will require the construction and connection of approximately 100 yards of new sanitary sewer force main (the "New Facilities") and the associated acquisition of a new permanent sanitary sewer easement from Property Owner (the "New Easement," and together with the New Facilities, the "Improvements") as shown in Exhibits 2 and 3, respectively, as well as the removal and/or retirement of the Existing Facilities; and

R:3. The DEVELOPER agrees to design and construct the New Facilities in accordance with HRSD standards and provide the New Easement, all at no cost to HRSD; and

R:4. The DEVELOPER and HRSD have determined that the transfer of ownership of the Improvements will serve the needs of the service area most efficiently and in the best interests of the Parties.

R:5. Following final completion of the New Facilities and confirmation of their compliance with the terms and conditions set forth herein, HRSD agrees to accept ownership, operations, and maintenance of the New Facilities.

AGREEMENT

NOW THEREFORE, in consideration of the above recitals, which are incorporated by reference herein, and agreements set forth below, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

I. OWNERSHIP TRANSFER DESCRIPTION

- A. DEVELOPER agrees to design and construct the New Facilities at its cost and in accordance with HRSD's latest design standards, and to allow HRSD and its agent access to the Existing Facilities and New Facilities during the design and construction process.
- B. DEVELOPER agrees to transfer, and HRSD agrees to accept, the Improvements upon DEVELOPER's satisfactory completion of the New Facilities in accordance with the terms and conditions of this Agreement, as determined by HRSD in its sole discretion.
- C. HRSD shall be entitled to conduct a final inspection walk-through to confirm that the New Facilities have been constructed and connected in substantial conformance with the terms of this Agreement, which inspection and confirmation shall not be unreasonably delayed or withheld. Upon HRSD's confirmation of satisfactory completion of the New Facilities by the DEVELOPER, ownership of the Improvements shall automatically transfer and vest with HRSD. The Parties agree to execute such further documentation or instruments as are necessary to confirm, effect, and memorialize the transfer of the Improvements from DEVELOPER to HRSD, including but not limited to a new deed of easement satisfactory to HRSD from the Property Owner for the New Easement.
- D. Following HRSD's acceptance of ownership of the Improvements upon their completion, HRSD will thereafter operate and maintain the HRSD Facilities.

II. ROLES AND RESPONSIBILITIES

- A. Design of New Facilities. DEVELOPER shall be responsible for preparing the plans and specifications for the design of New Facilities, in accordance with the following:
 - 1. DEVELOPER will employ Kimley-Horn and Associates ("ENGINEER"), to prepare plans and specifications for the design of the realigned HRSD Facilities in accordance with HRSD's Design and Construction Standards.
 - 2. DEVELOPER will submit the plans and specifications to HRSD for their review and comment through HRSD's Development Services process.
 - 3. HRSD will employ Whitman, Requardt & Associates, LLP, ("OWNER'S AGENT") to provide design review on behalf of HRSD.

4. HRSD and the OWNER'S AGENT will review and approve a set of final plans and specifications for the Improvements (the "Final Plans and Specifications").
 5. All design work shall comply with HRSD's Design and Construction Standards, latest edition. Any changes to the Final Plans and Specifications shall be approved by HRSD.
- B. Construction of the New Facilities. DEVELOPER shall be responsible for constructing the New Facilities, in accordance with the following:
1. Project Documents: DEVELOPER shall be responsible for preparing, finalizing, and executing any and all front end documents, construction contracts, architectural contracts, engineering contracts, drawings, surveys, bidding documents, bonds, insurance documents, and all amendments, revisions and modifications thereto, relating to the construction of the Improvements (collectively, the "Project Documents").
 2. Construction Contract: HRSD and the DEVELOPER agree that before any construction work is to begin under this Agreement on the Improvements, HRSD and the DEVELOPER will jointly review and approve the proposed construction contract and its associated agreements (the "Construction Contract") as they relate to the construction of the New Facilities. This approval shall be in writing.
 3. Contractor: HRSD and the DEVELOPER agree that Bridgeman Civil shall serve as the contractor for the construction of the New Facilities (the "Contractor"). If either Party wishes to change the Contractor for the Improvements, the Parties shall mutually agree in writing upon a replacement that meets the necessary qualifications for the contractors and any subcontractors for the construction of the New Facilities prior to DEVELOPER bidding the Project and confirm that the Construction Contract is awarded to a firm that meets the stated requirements associated with the installation of the HRSD Facilities. The Contractor shall be responsible for all necessary permits and approvals necessary for the Improvements.
 4. Owner's Agent: HRSD will employ OWNER'S AGENT to provide additional construction administration and construction inspection services on behalf of HRSD. This will be done at no cost to the DEVELOPER. DEVELOPER shall allow OWNER'S AGENT access to the site at all times. HRSD and OWNER'S AGENT will provide final review and approval of shop drawings related to the New Facilities only after they have been reviewed and approved by the ENGINEER. HRSD will provide final review and approval of change orders related to the HRSD Facilities

only after they have been reviewed and approved by the DEVELOPER's ENGINEER.

5. Administration: DEVELOPER shall provide contract administration of the Improvements at no cost to HRSD.
6. Inspection: DEVELOPER and its ENGINEER shall be responsible for inspection for the Improvements at no cost to HRSD. Inspection of the Improvements by HRSD and its OWNER'S AGENT shall be for HRSD's benefit alone, at HRSD's cost. The inspector(s) shall have the authority to assure the Improvements are constructed in accordance with the Project Documents.
7. Progress Meetings: ENGINEER shall arrange and conduct monthly progress meetings. HRSD shall attend and participate in these meetings.
8. Construction Record Drawing. DEVELOPER, through their ENGINEER, shall provide HRSD approved construction record drawings and valve guides in accordance with HRSD's Design and Construction Standards, latest edition.

C. Costs

1. DEVELOPER shall be responsible for all costs associated with the design and construction of the Improvements, including but not limited to: engineering design costs; costs of preparing the Final Plans and Specifications, and any amendments thereto; cost of construction of the New Facilities; costs of advertising for bids; costs of approval and permits required for construction of the New Facilities; costs of construction contract administration and inspection; costs of services rendered by ENGINEER; costs of all change orders; costs associated with all temporary or permanent easements and land acquisitions associated with the Existing and New Easements; costs of retiring the Existing Facilities; and any related miscellaneous essential expenses.
2. HRSD shall be responsible for all costs of services rendered by OWNER'S AGENT and all costs of operating and maintaining the New Facilities upon their transfer to HRSD as provided hereunder.

D. Operation and Maintenance of the Improvements during and after Construction

1. HRSD and the CITY agree to cooperate and coordinate for the operations and maintenance of any interconnections between the Existing and New Facilities during construction.
2. HRSD shall be responsible for operation and maintenance of the Transfer Facilities upon completion of construction.

E. Facility Ownership Transfer

1. Upon completion of the construction of the New Facilities and conveyance of the New Easement from Property Owner to HRSD ("Final Construction Completion"), Developer shall transfer ownership of the New Facilities to HRSD.
2. A final walk-through inspection will be coordinated by HRSD with the DEVELOPER to inspect the New Facilities. All defects will be addressed by the Contractor and approved by HRSD and OWNER'S AGENT.
3. Upon notification from HRSD to the DEVELOPER of Final Construction Completion, ownership of the Improvements shall automatically transfer and vest with HRSD, and the HRSD will assume ownership, operation and maintenance of the New Facilities. The Parties agree to execute such further documentation or instruments as are necessary to confirm, effect, and memorialize the transfer of the Improvements from Developer to HRSD.

F. Ancillary Provisions. The Parties agree to the following ancillary provisions relating to the Improvements:

1. Correction of Construction Defects in the Improvements

DEVELOPER shall require the contractors engaged for the New Facilities to provide a performance and payment bond for the full amount of the construction of the New Facilities and the retirement and/or removal of the Existing Facilities. The construction contract shall also provide for a warranty of the contractor's work against construction defects in the New Facilities and shall require the contractor to correct such defects that are reported by HRSD or the DEVELOPER within one (1) year of the final acceptance of the Improvements. In reviewing and approving the award of the construction contract, the Parties shall ensure that any such warranty is assignable to HRSD upon transfer of ownership of the Improvements following completion of the HRSD Facilities.

2. Construction Record Drawings

Upon completion of the Improvements, HRSD shall provide the CITY construction record drawings approved by HRSD in accordance with HRSD's Design and Construction Standards, latest edition, Hampton Roads Planning District Commission Regional Construction Standards, latest edition, and City's Design and Construction Standards, latest edition. HRSD further agrees to provide the CITY all other records produced during the Improvements work pertaining to the SEWERS, i.e., condition assessment closed-circuit television (CCTV) videos, record

drawings, etc.

3. The Construction Contract shall require, at a minimum, the following:

A. Naming the following as additional insureds:

- a. Hampton Roads Sanitation District
1434 Air Rail Avenue
Virginia Beach, Virginia 23455
- b. Whitman, Requardt & Associates, LLP
801 South Caroline St.
Baltimore, MD 21231

B. The limits of liability for the insurance required for the Construction Contractor installing the HRSD Infrastructure shall provide coverage for not less than the following amounts, or greater where required by laws and regulations:

- a. Worker's Compensation and Employer's Liability and include Waiver of Subrogation:

Worker's Compensation	
State: Virginia	Statutory
Federal, if applicable (e.g., Longshoreman's)	Statutory
Voluntary Worker's Compensation	Statutory
Jones Act, if applicable	
Bodily Injury by Accident—Each Accident	\$ 1,000,000
Bodily Injury by Disease—Aggregate	N/A
Employer's Liability	
Bodily Injury—Each Accident	\$ 100,000
Bodily Injury by Disease—Each Employee	\$ 100,000
Bodily Injury/Disease Aggregate	\$ 500,000

- b. Commercial General Liability and include Additional Insured and Waiver of Subrogation:

General Aggregate	\$ 2,000,000
Products—Completed Operations Aggregate	\$ 1,000,000
Personal and Advertising Injury	\$ 1,000,000
Bodily Injury and Property Damage—Each Occurrence	\$ 1,000,000
Damage to Rented Premises—Fire Damage	\$ 100,000
Medical Expenses—Any One Person	\$ 5,000

- c. Automobile Liability and include Additional Insured and Waiver of Subrogation:

Combined Single Limit	\$ 1,000,000
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- d. Umbrella or Excess Liability and include Waiver of Subrogation:

Per Occurrence	\$ 5,000,000
General Aggregate	\$ 5,000,000

- e. Contractor's Pollution Liability Insurance and include Additional Insured:

Each Claim	\$ 1,000,000
General Aggregate	\$ 1,000,000

III. GENERAL PROVISIONS

- A. Right of Entry: HRSD shall have the right to access the Property and other adjacent land to the Existing Facilities and New Facilities, including but not limited to all sewer service laterals and sewer clean-outs, for the purpose of inspecting and reviewing the same, and satisfying HRSD's obligations under this Agreement, provided such work does not materially interfere with DEVELOPER's construction of the Project. In connection with this right to enter upon DEVELOPER facilities and property, DEVELOPER has the right to be present during any entry.
- B. Notices: All notices required pursuant to the terms of this Agreement shall be deemed effective when delivered by hand-delivery, electronic mail with confirmation of receipt, or certified mail, return receipt requested, postage prepaid, to CITY and to HRSD at the respective addresses herein shown, unless this Agreement is modified in writing to reflect other addresses:

If to DEVELOPER:

CDP Development, Inc.
c/o Panattoni Development Company, Inc.
Attn: Rick Shepard
35 Music Square East
Suite 301
Nashville, TN 37203
Email: RShepard@panattoni.com

With copies to:

Steven A. Meade, Esq.
Carney Patterson Meade PLC
12350 Jefferson Ave., Suite 370
Newport News, VA 23602
Email: smeade@cpmlawplc.com

If to HRSD:

HRSD
c/o General Manager
PO Box 5911
Virginia Beach, VA 23471
Email: jbernas@hrsd.com

With Copies to:

HRSD Counsel:
Robyn Hansen
Sands Anderson PC
Attorney
4801 Courthouse Street, Suite 203
Williamsburg, VA 23188
Email: Rhansen@sandsanderson.com

- C. Entire Agreement: This Agreement, and any exhibits or attachments made hereto, represent the full agreement and understanding of the Parties hereto, there being no additional agreements written, oral or otherwise. This Agreement may be amended only by a writing signed by both Parties.
- D. Authority: DEVELOPER and HRSD both warrant that they have permission and authority derived under their respective organizational documents and Enabling Acts to execute and undertake this Agreement and that all necessary resolutions and actions of their respective Boards to allow execution of this Agreement have been completed. This Agreement shall apply to, and be binding upon both Parties, their elected officials, officers, agents, employees, successors, and assigns.
- E. Compliance with Law: Each Party warrants that it has complied with all aspects of applicable federal, state, and local law in entering this Agreement and further warrants that it shall comply with all applicable federal, state, and local laws in the performance of this Agreement.

- F. No Violation: The execution of this Agreement by the Parties will not violate any covenant, condition, or contract to which the Parties hereto are subject at the time of execution.
- G. Insurance. HRSD has the right to review and approve insurance coverage in the various insurance categories that HRSD deem necessary to be carried by the Contractor or any other parties to this Agreement. Proof of insurance shall be provided at the request of HRSD and the insurance coverage shall be maintained during the term of this Agreement
- H. Governing Law; Venue: This Agreement shall be governed as to all matters whether of validity, interpretations, obligations, performance or otherwise exclusively by the laws of the Commonwealth of Virginia, and all questions arising with respect thereto shall be determined in accordance with such laws. Regardless of where actually delivered and accepted, this Agreement shall be deemed to have been delivered and accepted by the Parties in the Commonwealth of Virginia. Venue shall be in the federal or state courts with jurisdiction in the City of Virginia Beach, Virginia.
- I. Term of Agreement. The term of the Agreement will commence on the date the Agreement is entered into and be completed when each party has completely performed its obligations hereunder.
- J. Termination. This Agreement may be terminated by DEVELOPER or HRSD (i) with cause in the event that the other party materially breaches this Agreement and such breach is not cured within sixty (60) days of the defaulting party's receipt of written notice of such breach from the non-defaulting party; or (ii) by mutual written agreement of the DEVELOPER and HRSD.
- K. Enforcement: The failure of either Party to enforce the terms of this Agreement shall not be considered a waiver as to the enforceability of such terms. If any provision of this Agreement is found to be unenforceable, the remainder of this Agreement shall remain in full force and effect. The rights and remedies provided by this Agreement are cumulative and the use of any one right or remedy by any party shall not preclude or waive the right to use any or all other remedies. Such rights and remedies are given in addition to any other rights the parties may have by law, statute, ordinance or otherwise.
- L. Survival: This Agreement shall survive settlement and conveyance of title and shall terminate only upon the written agreement of both Parties.
- M. Force Majeure: No Party shall be responsible for its failure to fulfill an obligation pursuant to this Agreement to the extent that such failure is due to

acts of God; labor strikes; war or terrorism; epidemics/pandemics; fires; floods; the actions of a third party; lockouts; strikes, freight embargos, and unusually severe weather or delays of subcontractors due to such causes. A Party experiencing a force majeure event that prevents fulfillment of a material obligation hereunder shall (a) give the other Party prompt written notice describing the particulars of the event; (b) suspend performance only to the extent and for the duration that is reasonably required by the force majeure event; (c) use reasonable efforts to overcome or mitigate the effects of such occurrence; and (d) promptly resume performance of the affected obligation if and when such Party is able to do so.

- N. Counterparts: This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original as against any Party whose signature appears thereon, and all of which shall together constitute one and the same instrument.
- O. Assignment. No party may assign its rights under this Agreement without the prior written consent of the other party.
- P. Binding Effect: This Agreement shall inure to the benefit of the Parties and shall, to the maximum extent permitted by law, be binding on the Parties and their successors and permitted assigns.
- Q. Reservation: Except as expressly provided herein, nothing in this Agreement shall be construed to limit or otherwise affect the authority, rights, or responsibilities of the Parties.
- R. Recitals. The Recitals above are incorporated into this Agreement as if fully set forth therein.

[Signature pages follow]

IN WITNESS WHEREOF, CDP DEVELOPMENT, INC. has caused this Agreement to be signed as of MAY 20, 2024:

DEVELOPER

CDP DEVELOPMENT, INC.

By: Paul Little

Name: PAUL LITTLE

Title: CEO

STATE OF GEORGIA,
CITY or COUNTY OF WINNETT, to-wit:

The foregoing Agreement was acknowledged before me this 20 day of MAY, 2024, by PAUL LITTLE [Name], as CEO [Title], of CDP Development, Inc.

Viviana Serna

Notary Public

My commission expires: JULY 19, 2025

Registration No.:



IN WITNESS WHEREOF, the Hampton Roads Sanitation District Commission has caused this AGREEMENT to be signed on its behalf by its General Manager in accordance with authorization granted at its regular meeting held on May 28, 2024.

HAMPTON ROADS SANITATION DISTRICT

By: _____

Jay Bernas, P.E., General Manager

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

The foregoing instrument was acknowledged before me this 28th day of May, 2024 by Jay Bernas, P.E., General Manager of Hampton Roads Sanitation District. He is personally known to me or provided _____ as identification. yes

Jennifer Lynn Cascio
Notary Public

Notary#: 361710

My Commission expires: 8/31/2026

JENNIFER LYNN CASCIO
NOTARY PUBLIC- Reg. #361710
COMMONWEALTH OF VIRGINIA
MY COMMISSION EXPIRES AUGUST 31, 2026

Exhibit 1 – Location map of Project Beach

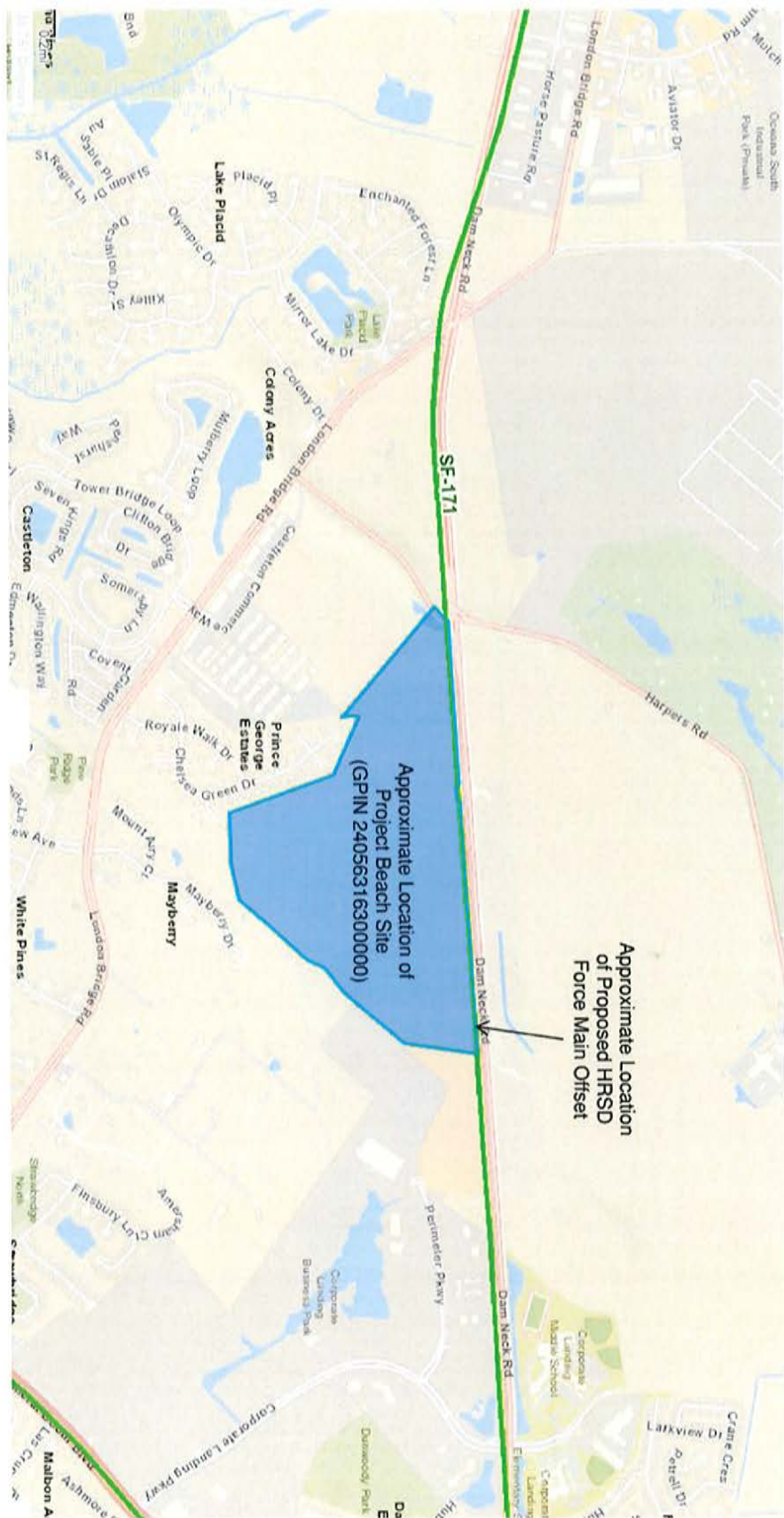
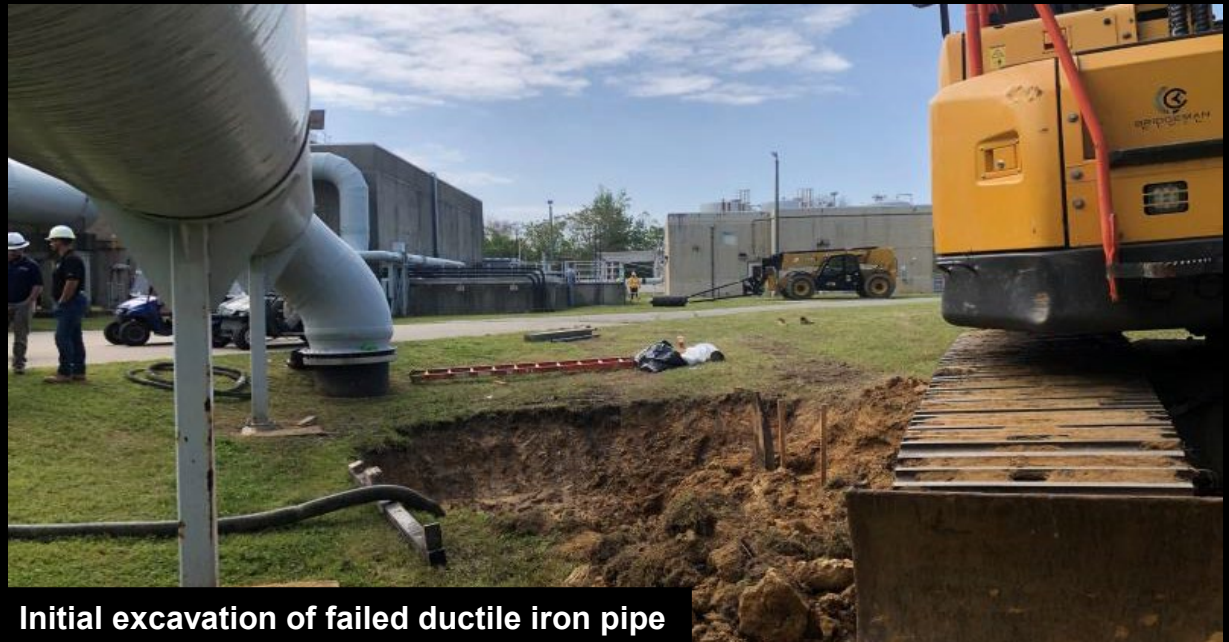
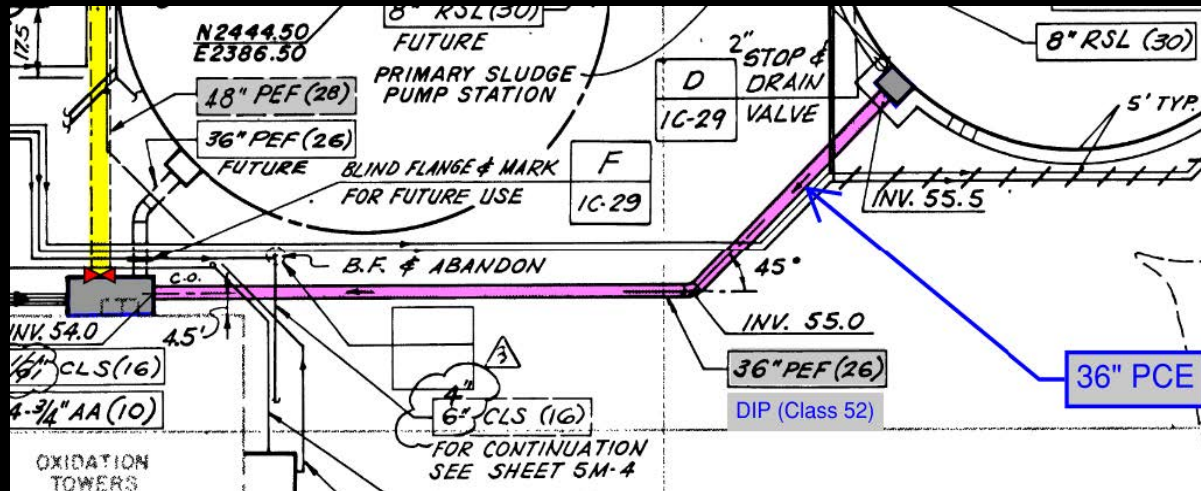


Exhibit 2 – Location map of HRSD Facilities

Exhibit 3 – Permanent Easement for HRSD Facilities

HRSD Commission Meeting Minutes
May 28, 2024
Attachment #9

15. Williamsburg Treatment Plant Primary Clarifier #3 Effluent Pipe Replacement
New CIP and Initial Appropriation – Non-Regulatory



HRSD Commission Meeting Minutes
May 28, 2024
Attachment #10

20. Informational Items

a. Management Reports

- (1) [General Manager](#)
- (2) [Communications](#)
- (3) [Engineering](#)
- (4) [Finance](#)
- (5) [Information Technology](#)
- (6) [Operations](#)
- (7) [Talent Management](#)
- (8) [Water Quality](#)
- (9) [Report of Internal Audit Activities](#)

b. [Strategic Measures Summary](#)

c. [Emergency Declarations – Williamsburg Treatment Plant Primary Clarifier Effluent Pipe Replacement](#)

May 13, 2024

Re: General Manager's Report



Environmental Responsibility

On April 10, the Environmental Protection Agency (EPA) finalized its National Primary Drinking Water Standard for five different per- and polyfluoroalkyl substances (PFAS), including PFOA, PFOS, PFNA, PFHxS, and Gen-X. Each chemical is now federally regulated under legally enforceable limits and communities have five years to comply with the new limits. The SWIFT treatment process can meet the new limits so HRSD will be in compliance when the first plant comes online.

On April 19, the EPA moved to formally designate PFOA and PFOS as hazardous substances under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), which is also known as the superfund law. Even though EPA has issued guidance that it will not enforce against utilities like HRSD for potential liability for the significant costs associated with PFAS remediation, this leaves us open for third party lawsuits. Meanwhile, staff has been lobbying our legislators on supporting the bipartisan legislation entered on April 16 that would provide a statutory shield for water systems and help ensure that polluters, not our ratepayers, pay for PFAS cleanup.

There were multiple events reported this month. Additional details are available in the Air and Effluent Summary in the Water Quality (WQ) monthly report.

Treatment Compliance and System Operations:

- From Fiscal Year (FY) 2024 to date, there have been six Permit Exceedances out of 47,106 Total Possible Exceedances.
- Pounds of Pollutants Removed in FY 2024 to date: 158.2 million pounds.

Water Quality: No civil penalties were issued in April.



Financial Stewardship

Staff continues to track the ongoing State budget discussions that should be completed by mid-May. Our understanding is that the negotiators will be starting with the General Assembly's compromise budget, which includes \$400 million in the Water Quality Improvement Fund (WQIF) for the next two years. We are working with various stakeholders to remind them of the critical importance of this funding as these projects are currently under construction. Any shortfall will have to be made up by our ratepayers.

Staff implemented a new Call Center software in April, which will be cloud based. This will allow our new software to have the latest features as they are released. As an example, a new feature to be released in May will provide a survey to customers to rate our service right after a call. This will be very helpful to ensure we are providing great customer service.



Talent

Staff held a career fair for all departments on April 29 and 30 and had 78 potential candidates attend. We will track the statistics to see how many candidates apply and end up becoming part of our team.

Staffing continues to remain strong as we ticked up to a 96% staffing level with our fiscal year to date turnover at 5.9% with retirements and 3.8% without. At a recent meeting with Mid-Atlantic wastewater utilities, most were at 80% to 85% with many having difficulty attracting and retaining their workforce.

I participated in the following meetings/activities with HRSD personnel:

1. Met with staff to discuss the ongoing coordination for Norfolk's Coastal Risk Management project.
2. Discussed the preliminary logo concepts with senior staff.
3. Met with staff to discuss the Boat Harbor closure plan.



Community Engagement

On April 17, legislation was introduced for the bipartisan Low-Income Household Water Assistance Program (LIHWAP) Establishment Act. This legislation will provide states with federal grants to help working families afford clean drinking water and wastewater services. This is one of the key priorities HRSD has been advocating for at the federal level because this program was very successful in our region and across the country.

Community Outreach and Education Specialists and HRSD Ambassadors were very busy in April as they provided and participated in 26 different outreach events. This included SWIFT tours, Earth Day celebrations and other events.

I participated in the following external meetings/activities:

1. Attend Water Week in Washington DC, which is focused on federal issues impacting the clean water sector.

2. Attended a meeting with Senator Padilla focused on permanently funding the Low-Income Housing Water Assistance Program (LIHWAP).
3. Met with Congresswoman Kiggan's staff to discuss LIHWAP and PFAS issues.
4. Attended the Water Affordability Roundtable organized by Policy Link, which is a national think tank.
5. Attended the National Association Of Clean Water Agencies (NACWA) Board Member meeting.
6. Attended the Norfolk State of the City and chatted with five legislators on the importance of funding the Water Quality Improvement Fund (WQIF).
7. Attended the Elizabeth River Project Pier dedication ceremony.
8. Met with Bob Lauterberg, VML/VaCO, to discuss OPEB portfolios.
9. Attended Congresswoman Kiggan's Chesapeake Bay Advisory Board Meeting.
10. Met with the ODU golf team on the future of Lambert's Point.
11. Provided a SWIFT tour to the new Lambert's Point community group.
12. Met with the City of Virginia Beach's Director of Legislative Affairs to discuss the importance of the Atlantic Treatment Plant (ATP) access road and requesting the City's support to expedite the project.



Innovation

Staff is developing a new visual tool to share the challenges of addressing wet weather flows. The tool will use HRSD's Geographic Information System (GIS) feature called ArcGIS StoryMaps. This is an interactive map using storybook concepts such as narrative text and multimedia content to visualize how the system responds to storm conditions.

Our Elbow Road Pressure Reducing Station was running more often than designed, including the constant use of diesel pumps. Gary Jones, South Shore Interceptor Technician, researched and found a device that allows us to troubleshoot the pumps on our own as opposed to relying on the contractor. Each call to the contractor costs \$1,800, so his efforts saved HRSD thousands of dollars.

Our cybersecurity team remains very busy. Although we cannot go into detail, a number of threats over the last month have been neutralized. The investments in cybersecurity continue to pay-off in terms of preventing threat actors from infiltrating our system.

Thanks for your continued dedicated service to HRSD, the Hampton Roads region, the Commonwealth, and the environment.

I look forward to seeing you in person in Virginia Beach at 9:00 a.m. on Tuesday, May 28, 2024.

Respectfully submitted,

Jay Bernas, P.E.
General Manager

TO: General Manager

FROM: Director of Communications

SUBJECT: Monthly Report for April 2024

DATE: May 10, 2024

A. Publicity and Promotion

1. HRSD and Sustainable Water Initiative For Tomorrow (SWIFT) were mentioned or featured in nine stories this month. Topics included:
- a. Coastal Virginia is sinking; could treated wastewater slow it down?
 - b. Lambert’s Point Golf Course opens to the public as a park; HRSD provides use of purchased land to City.
 - c. HRSD 2024A Wastewater Revenue Refunding Bonds Assigned ‘AA+’ Rating, Outlook Stable

2. Analysis of Media Coverage

a. Key results for April

Mentions

Compared to last period

Total Potential News Reach

Compared to last period

Sentiment

Compared to last period


22 ↓ 4%
Previous Value 23

23.5M ↓ 7%
Previous Value 25.3M

0 ↓ 100%
Previous Value 17

b. Top performing news content

Top Article by Reach



Y

Yahoo! News · Brian Reese

Editorial | US | Apr 5 · 7:27 PM

Former Lambert's Point Golf Course in Norfolk designated a city park

... along the river. It's what's left behind after the **Hampton Roads Sanitation District** bought most of the old course from the city for a ...

Social Echo

f

0


0

0

21M Reach

Neutral ○

Top Article by Reach and Volume



E

Euclid Infotech (India)

Editorial | IN | Apr 2 · 7:01 PM

Hampton Roads Sanitation District

... **Hampton Roads Sanitation District**.

Social Echo

f

0


0

0

0 Reach

Neutral ○

Top Article by Social Echo



W

WAVY-TV · Brian Reese

Editorial | US | Apr 5 · 6:27 PM

Former Lambert's Point Golf Course in Norfolk designated a city park

... along the river. It's what's left behind after the **Hampton Roads Sanitation District** bought most of the old course from the city for a ...

Social Echo

f

18

2

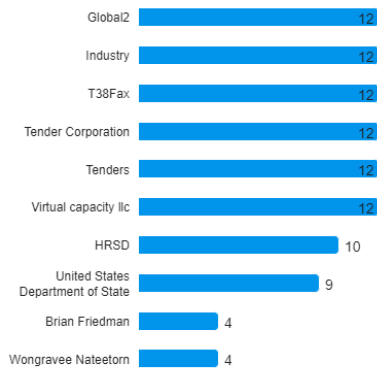
0

1.28M Reach

Neutral ○

c. Top entities and keywords

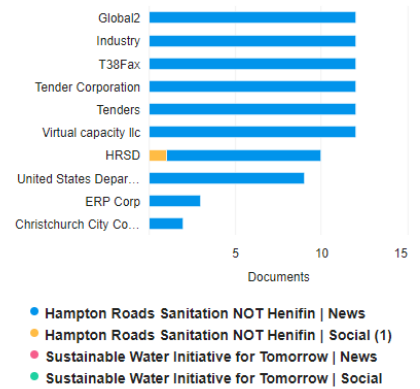
Top Entities



Top Keywords

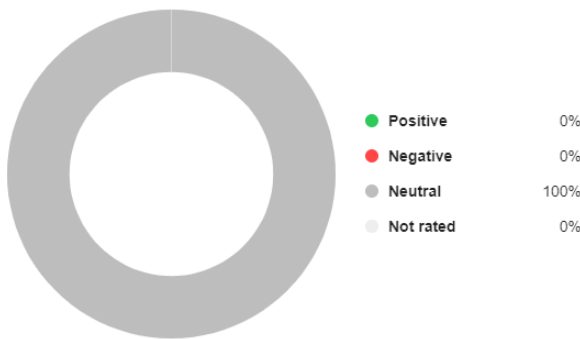


Top Organizations

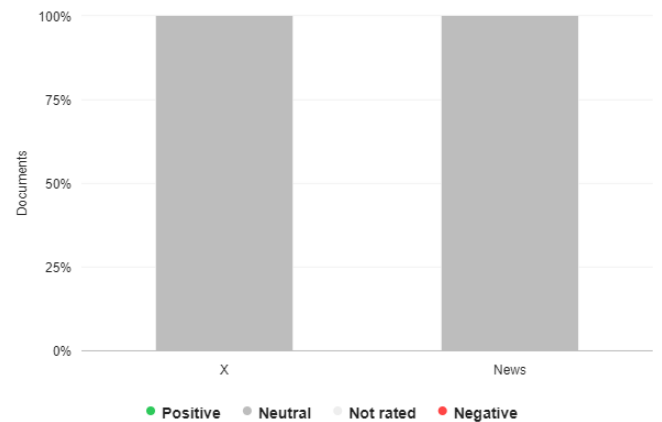


d. How favorable is the content?

Sentiment Share of Voice

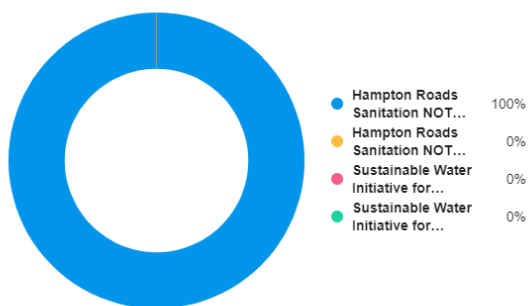


Sentiment by Source Type

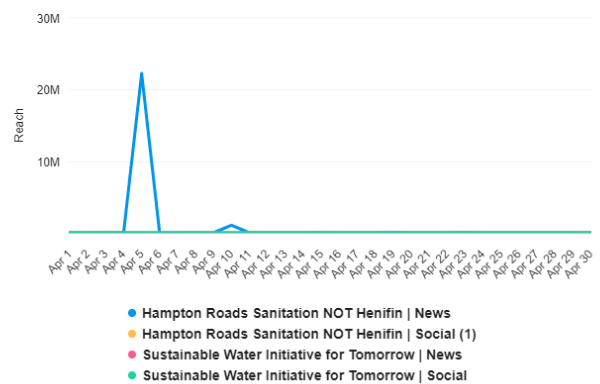


e. What is the potential reach?

Share of Voice by Reach

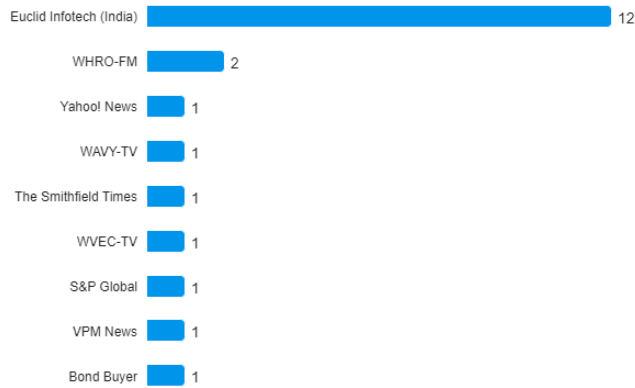


Potential News Reach

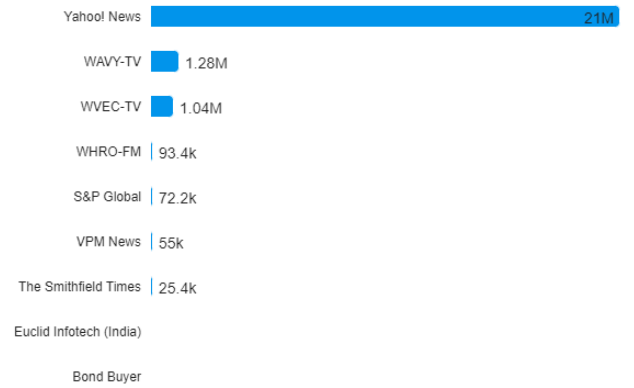


f. Top publishers

Top Publications by Volume



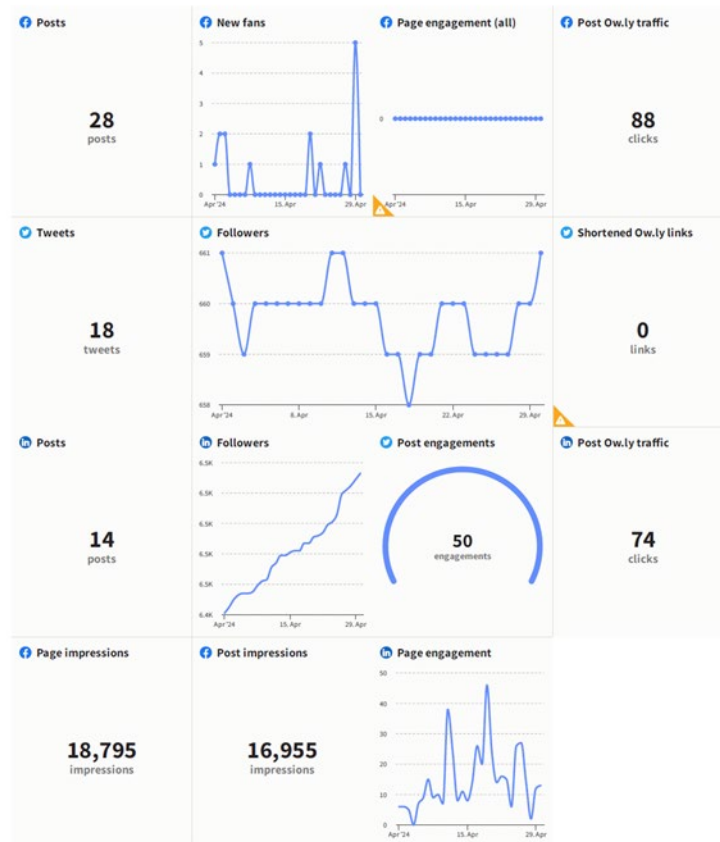
Top Publications by Reach



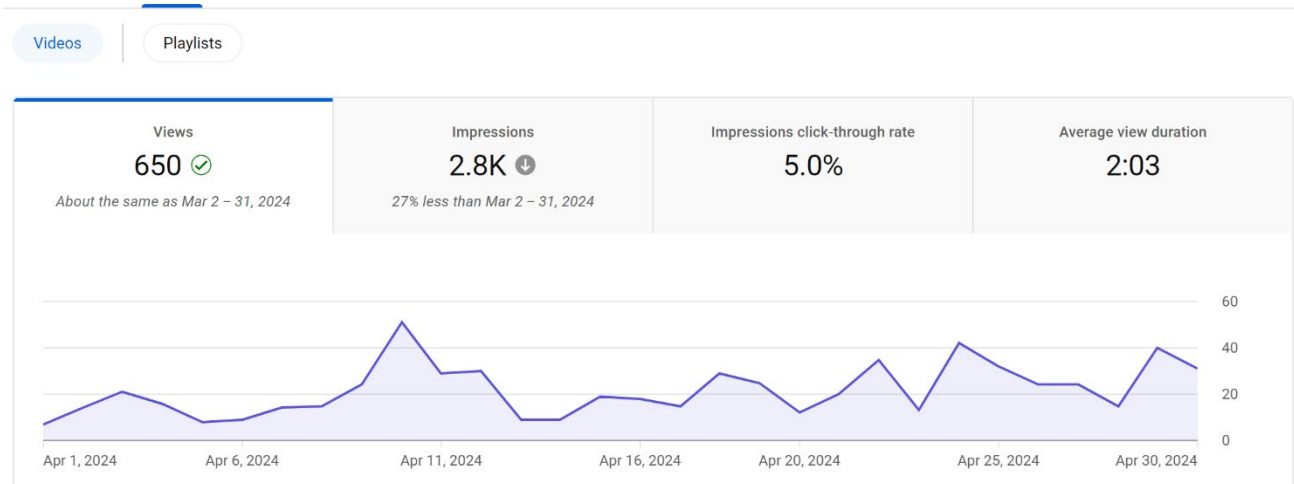
Community Engagement

B. Social Media and Online Engagement

1. Metrics – Facebook, X and LinkedIn



2. YouTube



3. Top posts on Facebook, Twitter, and YouTube

a. Top Facebook post



b. Top Tweet



c. Top YouTube Videos (based on views in the month)

- (1) [The Wastewater Treatment Process](#)
- (2) [SWIFT Research Center: What Is the Potomac Aquifer](#)
- (3) [HRSD Employee Testimonials - Robert](#)
- (4) [HRSD Atlantic Treatment Plant Cambi THP Tour](#)
- (5) [Water Quality Career Opportunities](#)

4. Website and Social Media Impressions and Visits

a. Facebook:

- (1) 18,795 page impressions

- (2) 16,955 post impressions reaching 16,045 users.
 - (3) Facebook Engagement of 444 (341 reactions, 95 shares, and 8 comments)
- b. X: 1,006 post impressions, 3.1% engagement rate
- c. HRSD.com/SWIFTVA.com: 1,045 page visits
- d. LinkedIn Impressions:
 - (1) 16,214 page impressions
 - (2) 14,273 post impressions
- e. YouTube: 650 views
- f. Next Door unique impressions: 160,313 post impressions from 26 targeted neighborhood postings and three regionally shared post with 1.4 million total residents
- g. Blog Posts (0):
- h. Construction Project Page Visits – 2,693 total visits (not including direct visits from home page, broken down as follows:
 - (1) 2,358 visits to individual pages
 - (2) 335 to the status page

C. Education and Outreach Activity Highlights

Community Outreach and Education Specialists and HRSD Ambassadors provided and participated in 26 different outreach events this month! This includes eight SWIFT tours, four Earth Day celebrations, two career fairs, a project update to the Larchmont Civic League, and several treatment plant tours and classroom activities across the service region. Community partners included Chesapeake Public Schools, City of Virginia Beach, Hampton Roads Workforce Council, Norfolk City Public Schools, Suffolk City Public Schools, Virginia Beach City Public Schools, Town of Exmore, Norfolk Naval Shipyard and Virginia Living Museum.

Project notices were distributed to 980 customers for 21 different projects across the service area this month. The department distributed and posted 19 construction or work notices and two traffic advisories to the HRSD.com Newsroom.

Director and staff attended the Elizabeth River Project's Ryan Resilience Lab tour and dedication event. HRSD sponsored the learning dock for this incredible facility, further strengthening the partnership and our aligned visions for the Elizabeth River.

The Director is serving on the conference committee for NACWA's upcoming Strategic Communications Conference being held in Virginia Beach in June and has attended several meetings to review abstracts, develop the conference agenda and plan events.

HRSD staff will be participating in panel presentations and providing a pre-conference tour of the SWIFT Research Center to conference attendees.

The Communications staff also continues to actively support the Atlantic Treatment Plant Community Roundtable group and newly created odor taskforce, the latter of which is being implemented in May to give the community greater insight and voice to odor improvements being implemented.

D. Internal Communications

Director participated in the following internal meetings and events:

1. Atlantic Treatment Plant Community Roundtable meeting
2. Atlantic Treatment Plant Community Odor Taskforce planning meetings
3. Rebranding meetings
4. Compensation Study change management and communications planning discussions
5. Website redesign meetings
6. HRSD Security Team meeting
7. Bi-weekly General Manager (GM) briefings
8. Discharge Monitoring Report (DMR), SWIFT Quality Steering Team (QST), and HRSD QST meetings
9. Check-in meetings with Deputy General Manager (DGM)
10. Director also conducted biweekly Communications department status meetings and weekly one-on-one check-in meetings.
11. Staff participated in 25 project progress and/or construction meetings and communication planning meetings with various project managers, plant staff and external stakeholders.



Talent

The Communications department is currently fully staffed. Professional development activities for April included the following training:

- Roadmap for Public Safety Communications
- Building a successful social media calendar
- The Art of Crisis Communication and Leadership

- Set up DEI framework to prioritize accessibility and Inclusive Content
- Teaching field staff how to take exceptional iPhone photos

Respectfully,

Leila Rice, APR

Director of Communications

TO: General Manager

FROM: Director of Engineering

SUBJECT: Engineering Monthly Report for April 2024

DATE: May 19, 2024



Environmental Responsibility

A requirement of the Interceptor System – Management, Operations and Maintenance (MOM) Program, is for HRSD to conduct regular reviews and updates to this document. A thorough review of the document is in progress and will be completed by July 2024. This document is a part of the larger program to reduce sanitary sewer overflows (SSO's) in the region. The Program includes specific efforts to assure that the regional sewer system is functioning as needed and a number of metrics are used to assure that the program is meeting the goals and providing value to the region's ratepayers. This update occurs at 3-year intervals and assures that the latest tools are in place to protect and preserve the environment and public health of the region.

Condition assessment of HRSD's buried pipe system is a continued focus and two recent failures highlight the challenges associated with this effort. A section of pipe not in use caused a failure near the campus of Old Dominion University. This pipe segment has been out of service for three years and the force main failed due to internal corrosion. It was verified that this pipe segment will not be needed, and the pipe was filled with a light-weight grout to assure a failure of this pipe would not occur in the future. Another buried pipe located at the Williamsburg Treatment Plant was found to be near failure during a recent inspection. The ductile iron pipe was severely corroded due to internal corrosion and this segment of pipe was isolated for further inspection and to make the needed repairs. Efforts are currently underway to replace this pipe and inspect adjacent pipes of similar age and material to verify the extents of the possible problems.



Financial Stewardship

Capital Improvement Program (CIP) spending for the ninth month of FY 2024 was significantly above the planned spending target.

CIP Spending (\$M):

	Current Period	FYTD
Actual	61.06	418.30
Plan	48.60	432.30

Based on a new state mandate, the Data Analysis Section has created a tool to monitor temperatures and provide an automatic update when temperatures exceed 92 degrees. The state now requires that water purveyors keep all water services to residents when this temperature threshold is met. This tool

will be shared with HRSD staff and local water providers so that water services are not shut off during periods of high temperatures.



Talent

HRSD is using the Design-Build project delivery method for many large and complex projects. To keep staff knowledgeable with this project delivery method, we are promoting a certification offered by the Design-Build Institute of America (DBIA). Five staff members are now certified through DBIA, and more staff are gaining the necessary knowledge to attain this certification. Many Design-Build firms are looking to see that public sector owners are knowledgeable when using the Design-Build delivery process before deciding whether to compete for future work. This training and certification process is another tool the Engineering Department uses to assure that staff have the skills needed to successfully deliver CIP projects.

The Engineering Department participated in the HRSD Career fairs recently held in both Newport News and Virginia Beach. Staff members provided career information and used the recently purchased exhibit booth during the career fairs. We also shared a video prepared for outreach and recruitment highlighting HRSD Engineering Department staff.



Community Engagement

The Federal Cybersecurity and Infrastructure Security Agency recently interviewed HRSD as part of a critical infrastructure resilience planning effort. This effort was focused on the dependent services and utilities impacting the numerous military facilities in the region. The goal is to better understand the resilience of each utility and look for opportunities for improvement and collaboration. This agency also has funds available to address gaps in critical utility service resilience.

HRSD staff participated in the DBIA Water/Wastewater Conference recently held in Cincinnati. Presentations were made on a variety of topics including HRSD's recent experiences with large and complex CIP projects, the impacts of the economy on infrastructure spending and how owners can better plan and implement CIP's using the Design-Build project delivery method. Sharing HRSD's experiences and learning from others on this subject helps the Engineering Department to invest and deliver infrastructure more wisely.



Innovation

To share the challenges of addressing wet weather flows in the regional sewer system, a new visual tool is being created. This tool leverages HRSD's Geographic Information System (GIS). The software program (ArcGIS StoryMaps) will use an interactive map and storybook concept to assist in visualizing how the system responds to storm conditions. This program is a story authoring web-based application that allows sharing of maps in the context of narrative text and other multimedia content. This tool will be developed to author stories using GIS maps, real time data, narrative text, lists, images, videos, embedded items, and other media. This tool will be available for the public to better understand the complex nature of conveying sewage during rain events.

Bruce W. Husselbee

Bruce W. Husselbee, PhD, P.E., BCEE, DBIA

TO: General Manager

FROM: Director of Finance

SUBJECT: Monthly Report for April 2024

DATE: May 15, 2024



Financial Stewardship

Standard and Poor's (S&P) confirmed its AA+ rating on HRSD's upcoming bond refunding transaction. In the report, they indicated that the rating reflects their view of the region's good service are economy with median household income in line with the national average and below average unemployment. They cited that HRSD's top 10 customers account for 7.4 percent of total revenues and noted diversity of our customer base. They also mentioned strong financial results of operations and effective governance and management practices.

In anticipation of the upcoming refunding transaction, staff increased its existing line of credit (LOC) to \$300 million from \$200 million to temporarily fund the redemption of the 2009B Wastewater Revenue Bonds (Federally Taxable – Issuer Subsidy Build America Bonds). This increase in the LOC will also help staff manage HRSD's capital cash flow needs in the coming fiscal years.

Accounts Receivable balances over 30 days past due declined in April 2024, most notably in the 31-60 and 61-90-days buckets.

Staff have been actively conducting an outbound calling program, advising customers of pending disconnection, promoting available financial assistance, and reviewing pay plan options.

Staff successfully transitioned to new Call Center software this month. The existing system was at the end of its service life and was no longer supported. The new software provides functionality of two eagerly anticipated features to be rolled out in the coming months. Beginning May 2024, customers who call the call center with a valid email address on file will be emailed a short three-question survey regarding the service provided following the call. In June 2024, text notifications will be sent to customers with valid cell phone numbers on file advising of impending disconnection of service prior to the disconnection.

The Interim Financial Report indicates that total revenues are slightly higher than budgetary expectations and expenses appear to be well controlled and consistent with prior years.

A. Interim Financial Report

1. Operating Budget for the Period Ended April 30, 2024.

			Current YTD as % of Budget (83% Budget to Date)	Prior YTD as % of Prior Year Budget
	Amended Budget	Current YTD		
Operating Revenues				
Wastewater	\$ 405,832,000	\$ 339,251,997	84%	84%
Surcharge	1,600,000	1,384,224	87%	75%
Indirect Discharge	4,400,000	3,796,824	86%	115%
Fees	2,894,000	3,101,038	107%	98%
Municipal Assistance	800,000	999,947	125%	63%
Miscellaneous	1,295,000	1,618,984	125%	121%
Total Operating Revenue	416,821,000	350,153,014	84%	85%
Non Operating Revenues				
Facility Charge	6,095,000	6,072,470	100%	83%
Interest Income	3,000,000	10,905,538	364%	329%
Build America Bond Subsidy	1,954,000	995,531	51%	51%
Other	620,000	483,767	78%	272%
Total Non Operating Revenue	11,669,000	18,457,306	158%	118%
Total Revenues	428,490,000	368,610,320	86%	86%
Transfers from Reserves	17,120,789	14,267,324	83%	83%
Total Revenues and Transfers	\$ 445,610,789	\$ 382,877,644	86%	86%
Operating Expenses				
Personal Services	\$ 70,450,193	\$ 57,046,788	81%	84%
Fringe Benefits	28,487,963	22,953,463	81%	81%
Materials & Supplies	16,073,465	10,893,782	68%	70%
Transportation	2,003,573	1,415,163	71%	70%
Utilities	16,843,498	14,392,616	85%	87%
Chemical Purchases	17,688,997	12,485,388	71%	79%
Contractual Services	53,541,285	31,354,557	59%	56%
Major Repairs	13,696,912	5,246,708	38%	54%
Capital Assets	1,258,970	405,612	32%	38%
Miscellaneous Expense	3,938,563	2,554,934	65%	65%
Total Operating Expenses	223,983,419	158,749,011	71%	72%
Debt Service and Transfers				
Debt Service	76,150,000	69,857,461	92%	90%
Transfer to CIP	145,217,370	121,014,475	83%	83%
Transfer to Risk management	260,000	216,670	83%	83%
Total Debt Service and Transfers	221,627,370	191,088,606	86%	86%
Total Expenses and Transfers	\$ 445,610,789	\$ 349,837,617	79%	79%

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, and 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 Project (CIP).

Transfers represent certain budgetary policy designations as follows:

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

3. Reserves and Capital Resources (Cash and Investments Activity) for the Period Ended April 30, 2024.

HRSD - RESERVE AND CAPITAL ACTIVITY

April 30, 2024

	General Reserve				Capital	
	General	CARES - ARPA	Debt Service	Risk Mgmt Reserve	Paygo	Debt Proceeds
	Unrestricted	Restricted	Restricted	Unrestricted	Unrestricted	Restricted
Beginning - July 1, 2023	\$ 203,718,301	\$ 4,406	\$ 33,830,226	\$ 4,539,551	\$ 3,115,384	\$ -
Current Year Sources of Funds						
Current Receipts	375,485,493					
Line of Credit						31,420,145
VRA Draws						59,449,007
WIFIA Draws						274,856,835
Transfers In				216,670	121,014,475	
Sources of Funds	375,485,493	-	-	216,670	121,014,475	365,725,987
Total Funds Available	\$ 579,203,794	\$ 4,406	\$ 33,830,226	\$ 4,756,221	\$ 124,129,859	\$ 365,725,987
Current Year Uses of Funds						
Cash Disbursements	237,229,027				74,362,817	365,725,987
CARES Transfer Out		4,406				
Transfers Out	121,231,145					
Uses of Funds	358,460,172	4,406	-	-	74,362,817	365,725,987
End of Period - April 30, 2024	\$ 220,743,622	\$ -	\$ 33,830,226	\$ 4,756,221	\$ 49,767,042	\$ -
Unrestricted Funds	\$ 275,266,885					

4. Capital Improvements Budget and Activity Summary for Active Projects for the Period Ended April 30, 2024.

HRSD - PROJECT ANALYSIS

April 30, 2024

Classification/ Treatment Service Area	Appropriated Funds	Expenditures prior to 7/1/2023	Expenditures Year to Date FY2024	Total Project Expenditures	Encumbrances	Available Funds
Administration	71,284,950	25,407,455	5,259,335	30,666,790	4,316,513	36,301,647
Army Base	167,458,058	125,866,880	292,276	126,159,156	507,641	40,791,261
Atlantic	238,176,729	81,665,064	8,255,158	89,920,222	15,964,249	132,292,258
Boat Harbor	508,039,124	75,596,057	107,593,210	183,189,267	246,133,728	78,716,129
Ches-Eliz	87,859,516	34,995,850	439,020	35,434,870	1,434,205	50,990,441
Eastern Shore	65,012,749	26,927,768	11,688,888	38,616,656	7,409,428	18,986,665
James River	377,728,708	104,382,910	76,002,474	180,385,384	155,493,152	41,850,172
Middle Peninsula	98,206,116	23,493,172	5,389,419	28,882,591	6,829,176	62,494,349
Nansemond	484,952,179	83,702,138	90,342,304	174,044,442	234,121,363	76,786,374
Surry	60,391,465	41,079,533	3,035,513	44,115,046	8,557,797	7,718,622
VIP	250,660,629	34,150,127	25,466,688	59,616,815	88,674,418	102,369,396
Williamsburg	82,022,019	21,441,839	391,703	21,833,542	6,761,858	53,426,619
York River	117,618,863	21,027,494	20,901,695	41,929,189	45,643,076	30,046,598
General	1,549,688,626	201,364,418	110,649,463	312,013,881	313,144,173	924,530,572
	4,159,099,731	901,100,705	465,707,146	1,366,807,851	1,134,990,777	1,657,301,103

5. Active Capital Grants

Active Capital Grants Activities

Grant Name	Funder	Project	CIP#	Application Submitted	Amount Requested	HRSD Award Amount
American Rescue Plan Act	VEQ	Eastern Shore Infrastructure Improvements - Transmission Force Main Phase II (Accomac Sewer Collection System)	ES010200	11/28/2022	\$ 8,367,000	\$ 4,183,500
American Rescue Plan Act	VEQ	James River Treatment Plant Advanced Nutrient Reduction Improvements	JR013400	10/7/2022	\$ 50,000,000	\$ 36,124,859
American Rescue Plan Act	VEQ	Nansemond Treatment Plant Advanced Nutrient Reduction Improvements Phase II	NP013820	10/7/2022	\$ 50,000,000	\$ 31,693,207
FY2024 Congressionally Directed Funding Warner-Kaine	CDF FY24	Eastern Shore Wastewater Improvements	ES010100	3/9/2023	\$ 9,677,112	\$ 1,250,000
Water Quality Improvement Fund, Conveyance	VEQ	Chesapeake-Elizabeth Treatment Plant Conveyance	Multiple	2/7/2023	\$ 100,647,746	\$ -
Water Quality Improvement Fund, Conveyance	VEQ	Eastern Shore TFM Phase 1	ES010100	5/2/2022	\$ 4,900,000	\$ 4,936,538
Water Quality Improvement Fund, Nutrient Reduction	VEQ	James River SWIFT - Advanced Nutrient Reduction Improvements	JR013400	3/23/2023	\$ 344,741,547	\$ -
Water Quality Improvement Fund, Nutrient Reduction	VEQ	Boat Harbor Pump Station and Conveyance	Multiple	3/4/2024	\$ 311,286,392	\$ -
Water Quality Improvement Fund, Nutrient Reduction	VEQ	Nansemond Treatment Plant Advanced Nutrient Reduction Improvements Phase II	NP013820	3/4/2024	\$ 127,657,505	\$ -
					\$ 1,007,277,302	\$ 78,188,104

6. Debt Management Overview

HRSD - Debt Outstanding (\$000's)

April 30, 2024

	Mar 2024			Apr 2024	
	Principal	Principal Activity		Principal	Interest
	Balance	Payments	Draws	Balance	Payments
Fixed Rate					
Senior	\$ 125,400	\$ -	\$ -	\$ 125,400	\$ -
Subordinate	1,058,186	(167)	26,416	1,084,435	(3,409)
Variable Rate					
Subordinate	50,000	-	-	50,000	(139)
Line of Credit	100,000		-	100,000	(383)
Total	<u>\$ 1,333,586</u>	<u>\$ (167)</u>	<u>\$ 26,416</u>	<u>\$ 1,359,835</u>	<u>\$ (3,931)</u>

HRSD- Series 2016VR Bond Analysis

April 26, 2024

	SIFMA Index	HRSD	Spread to SIFMA
Maximum	4.71%	4.95%	0.24%
Average	1.19%	0.84%	-0.35%
Minimum	0.01%	0.01%	0.00%
As of 4/26/24	3.77%	3.67%	-0.10%

Since October 20, 2011 HRSD has averaged 84 basis points on Variable Rate Debt

Subsidised Debt Activity

Source	Funder	Loan Amount	Current Drawn Total	% Remain	Initial Draw Date - Projected
WIFIA Tranche 1	EPA	\$ 225,865,648	\$ 191,753,213	15%	Ongoing
WIFIA Tranche 2	EPA	\$ 476,581,587	\$ 190,585,341	60%	Ongoing
WIFIA Tranche 3	EPA	\$ 346,069,223	\$ -	100%	July 2025
Clean Water Program 2022	DEQ	\$ 100,000,000	\$ 93,341,481	7%	Ongoing
Clean Water Program 2024	DEQ	\$ 80,000,000	\$ -	100%	March 2024

7. Financial Performance Metrics for the Period Ended April 30, 2024.

HRSD - UNRESTRICTED CASH

Can be used for any purpose since it is not earmarked for a specific use and is extremely liquid

		Days Cash on Hand	Adjusted Days Cash on Hand
Total Unrestricted Cash	\$ 275,266,885		449
Risk Management Reserve	\$ (4,756,221)	(8)	441
Capital (PAYGO only)	\$ (49,767,042)	(81)	360
Adjusted Days Cash on Hand	\$ 220,743,622		360

Risk Management Reserve as a % of Projected Claims Cost is 25% YTD compared to 25% Policy Minimum
Adjusted Days Cash on Hand Policy Minimum is 270-365 days.

HRSD - SOURCES OF FUNDS

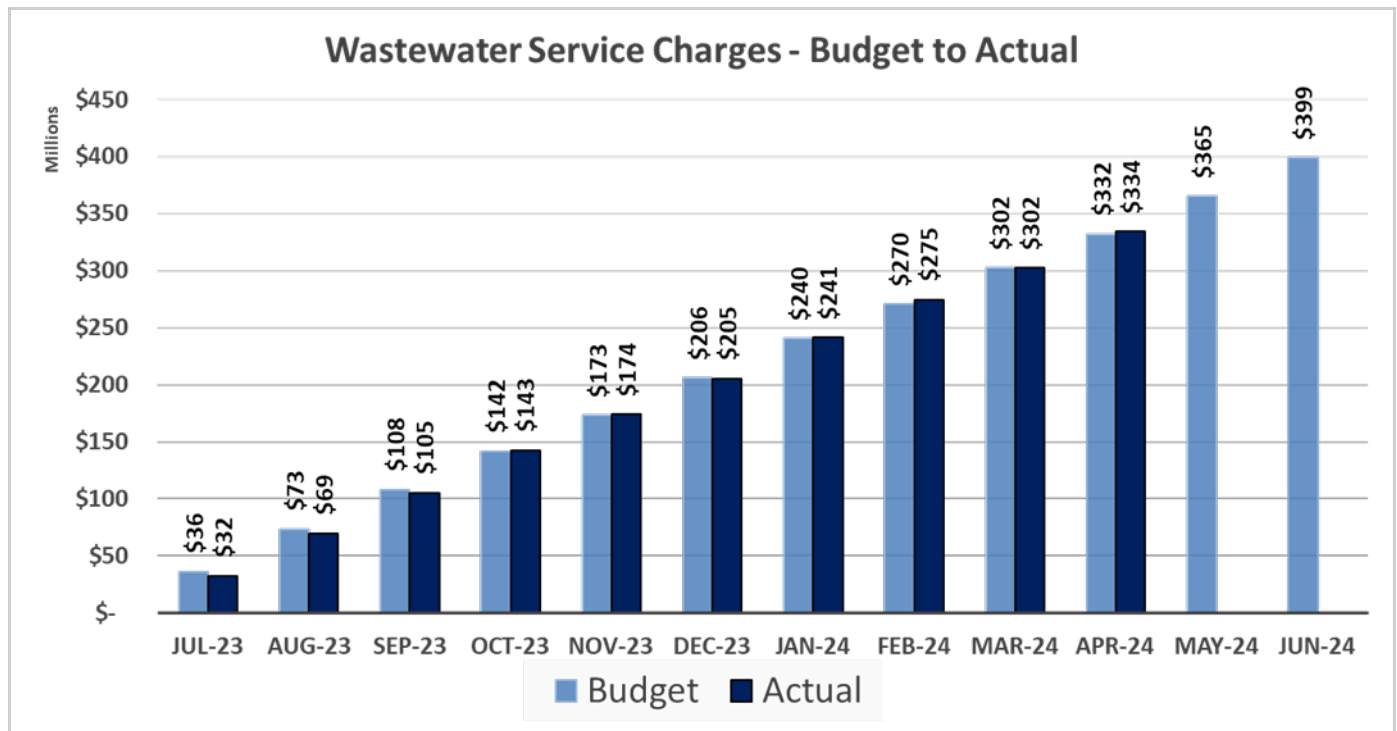
April 30, 2024

Primary Source	Beginning Market Value July 1, 2023	YTD Contributions	YTD Withdrawals	YTD Income Earned	Ending Market Value April 30, 2024	Allocation of Funds	Credit Quality	Current Mo Avg Yield
BOA Corp Disbursement Account	30,761,730	745,465,640	726,231,527	999,619	50,995,462	22.3%	N/A	0.55%
VIP Stable NAV Liquidity Pool	129,511,237	60,000,000	20,000,000	7,667,698	177,178,935	77.7%	AAAm	5.45%
Total Primary Source	\$ 160,272,967	\$ 805,465,640	\$ 746,231,527	\$ 8,667,317	\$ 228,174,397	100.0%		

Secondary Source	Beginning Market Value July 1, 2023	YTD Contributions	YTD Withdrawals	YTD Income Earned & Realized G/L	Ending Market Value April 30, 2024	Ending Cost	LTD Mkt Adj	Yield to Maturity at Market
VIP 1-3 Year High Quality Bond Fund	63,074,075	-	10,704	1,963,781	65,091,941	66,841,917	(1,749,976)	
Total Secondary Source	\$ 63,074,075	\$ -	\$ 10,704	\$ 1,963,781	\$ 65,091,941	\$ 66,841,917	\$ (1,749,976)	

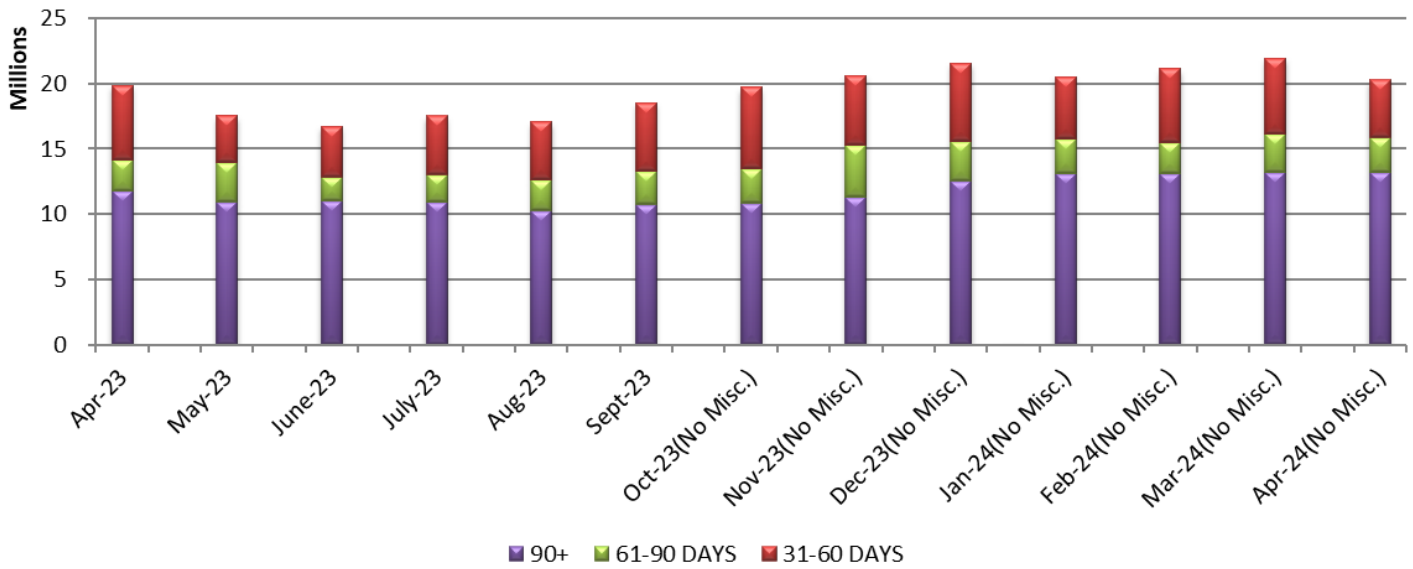
	Total	Fund Alloc
Total Primary Source	\$ 228,174,397	77.8%
Total Secondary Source	\$ 65,091,941	22.2%
TOTAL SOURCES	\$ 293,266,338	100.0%

8. Summary of Billed Consumption



Summary of Billed Consumption (,000s ccf)							
Month	FY2024 Cumulative Budget Estimate	% Difference		% Difference		% Difference	
		FY2024 Cumulative Actual	From Budget	Cumulative FY2023 Actual	From FY2023	Cumulative 3 Year Average	From 3 Year Average
July	4,678	4,504	-3.7%	4,682	-3.8%	4,803	-6.2%
Aug	9,644	9,432	-2.2%	9,652	-2.3%	9,543	-1.2%
Sept	14,196	13,965	-1.6%	14,208	-1.7%	14,297	-2.3%
Oct	18,663	18,854	1.0%	18,680	0.9%	18,863	0.0%
Nov	22,756	23,004	1.1%	22,777	1.0%	22,307	3.1%
Dec	27,109	27,127	0.1%	27,133	0.0%	27,430	-1.1%
Jan	31,641	31,819	0.6%	31,669	0.5%	32,004	-0.6%
Feb	35,568	36,182	1.7%	35,601	1.6%	35,952	0.6%
March	39,770	39,826	0.1%	39,807	0.0%	40,351	-1.3%
Apr	43,694	44,054	0.8%	43,735	0.7%	44,473	-0.9%
May	48,027	-	N/A	48,072	N/A	48,548	N/A
June	52,500	-	N/A	52,549	N/A	53,329	N/A

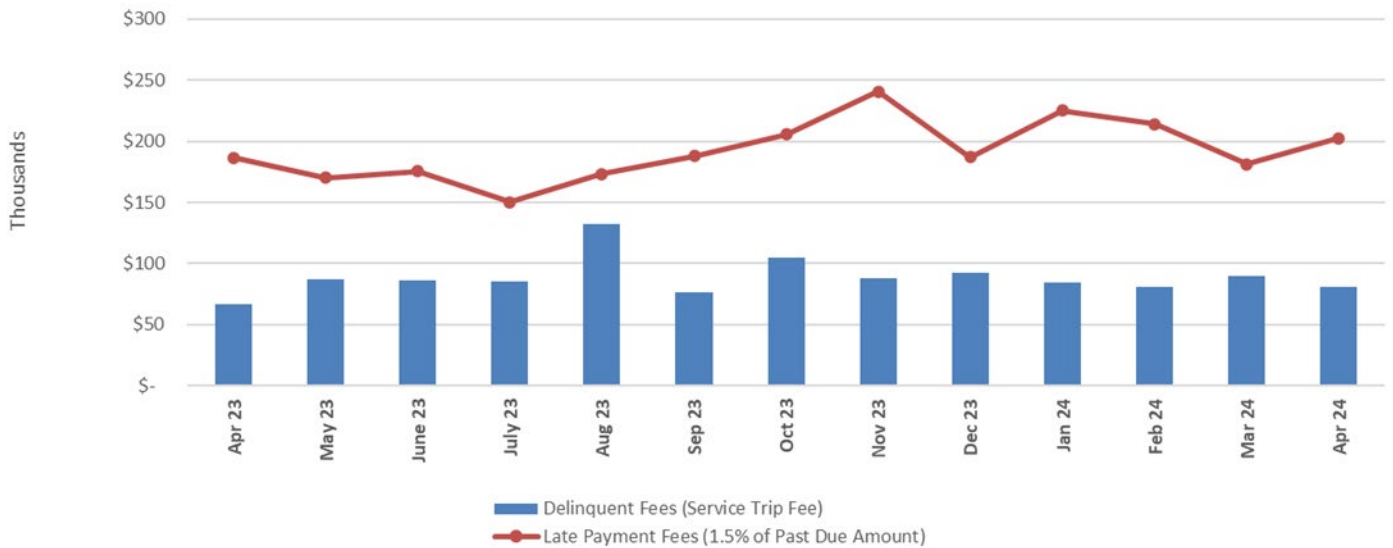
HRSD Accounts Receivable Aging +30 Days



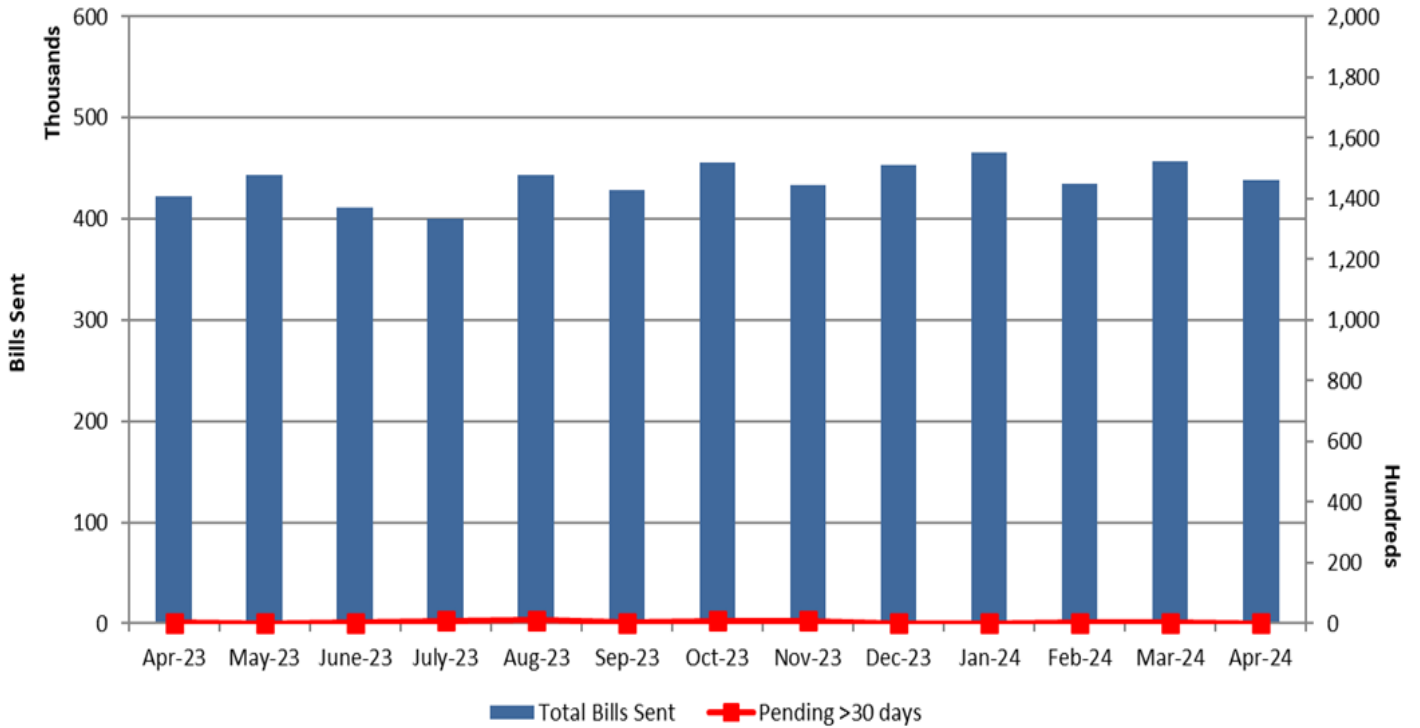
B. Customer Care Center

1. Accounts Receivable Overview

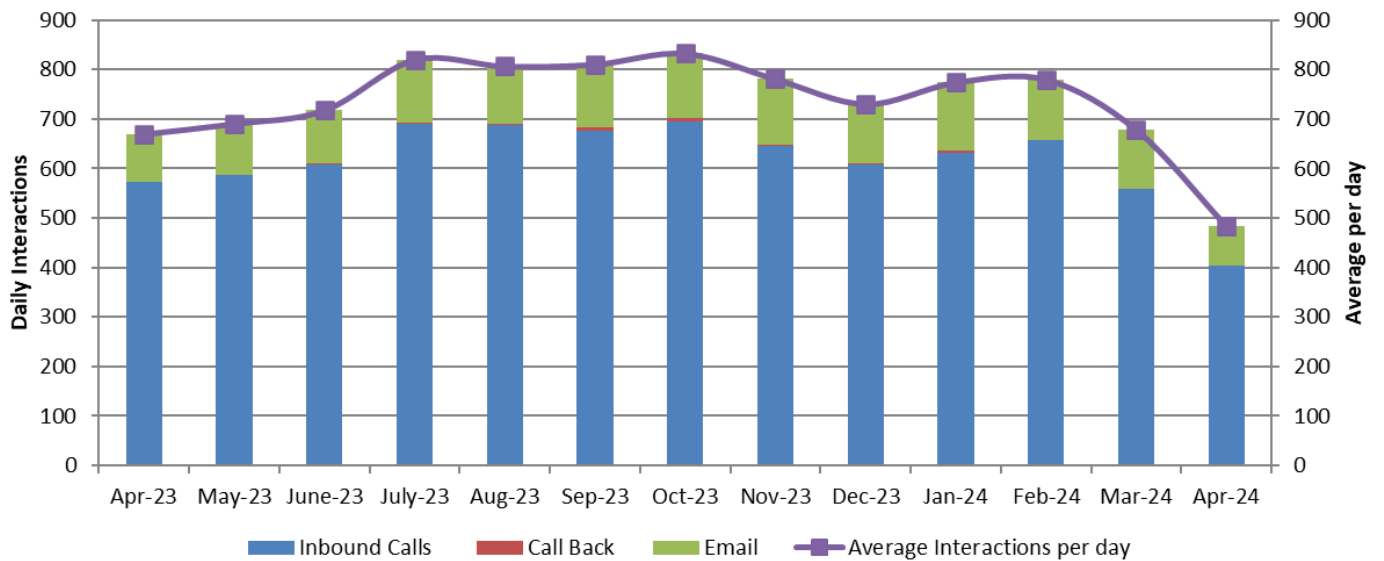
Delinquent & Late Payment Fees



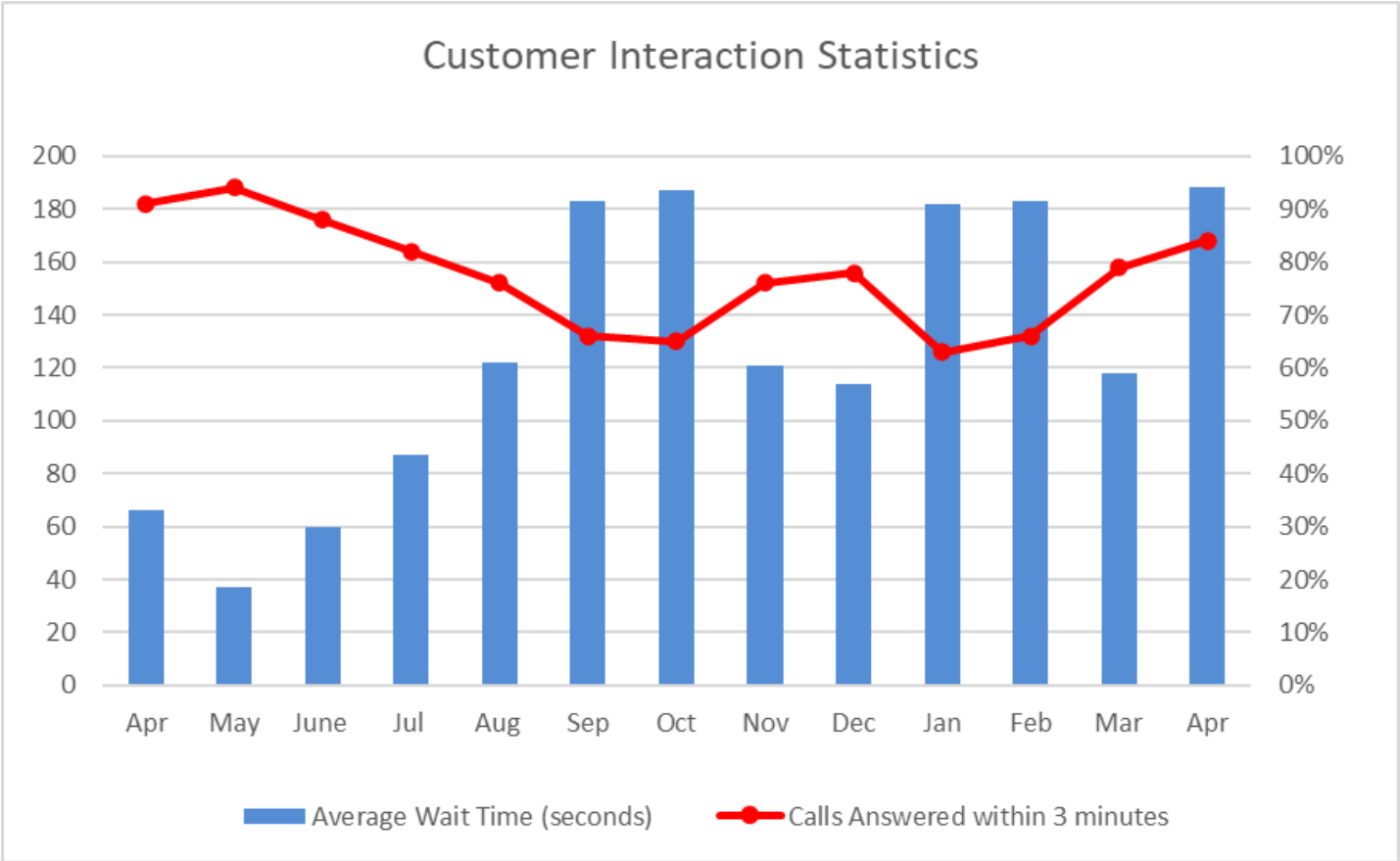
Billing Summary



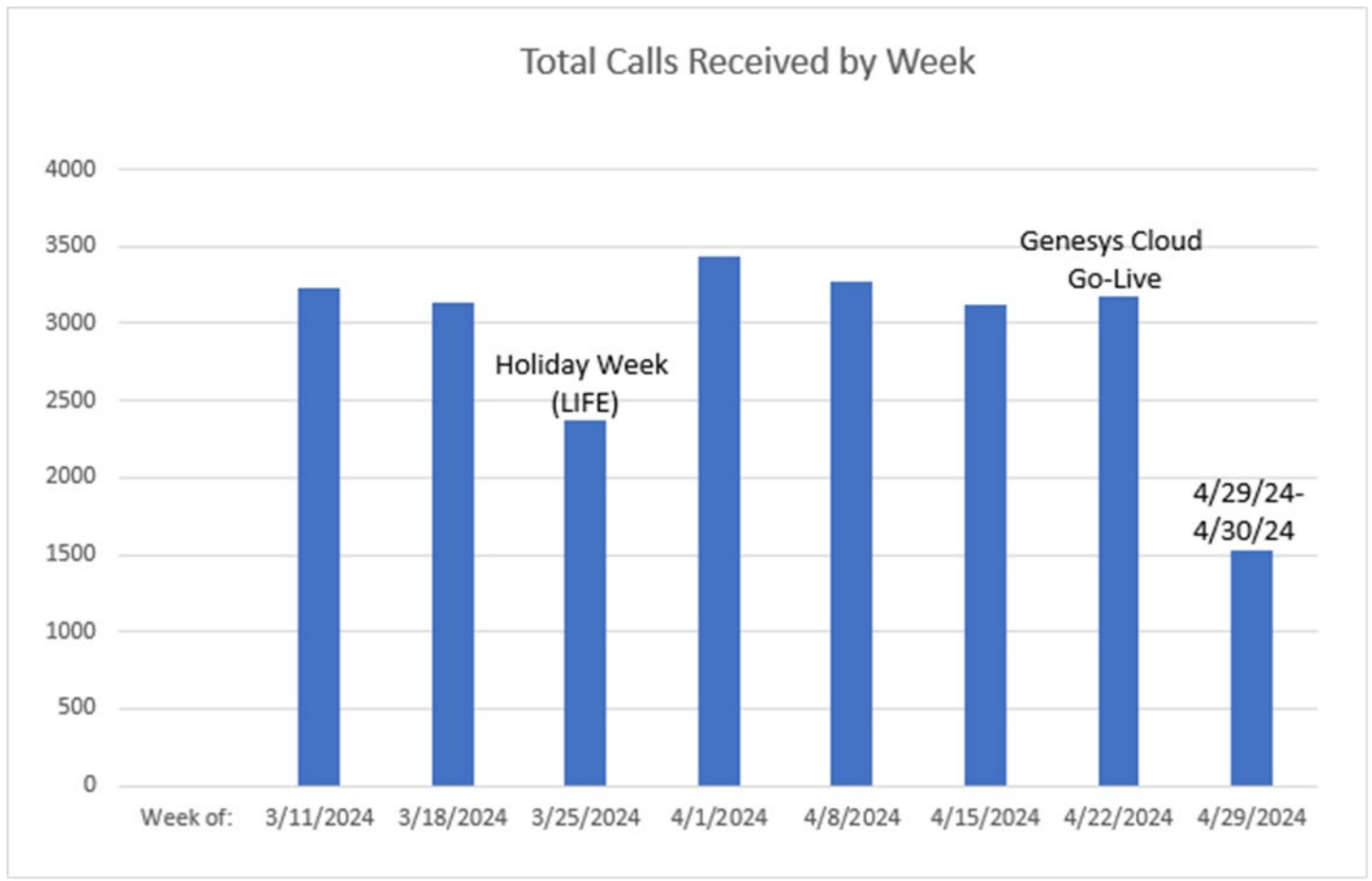
Call Center Interactions (per day)



2. Customer Care Center Statistics



Customer Interaction Statistics	Apr	May	June	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Calls Answered within 3 minutes	91%	94%	88%	82%	76%	66%	65%	76%	78%	63%	66%	79%	84%
Average Wait Time (seconds)	66	37	60	87	122	183	187	121	114	182	183	118	188
Calls Abandoned	5%	4%	5%	7%	8%	11%	12%	10%	9%	13%	12%	10%	8%

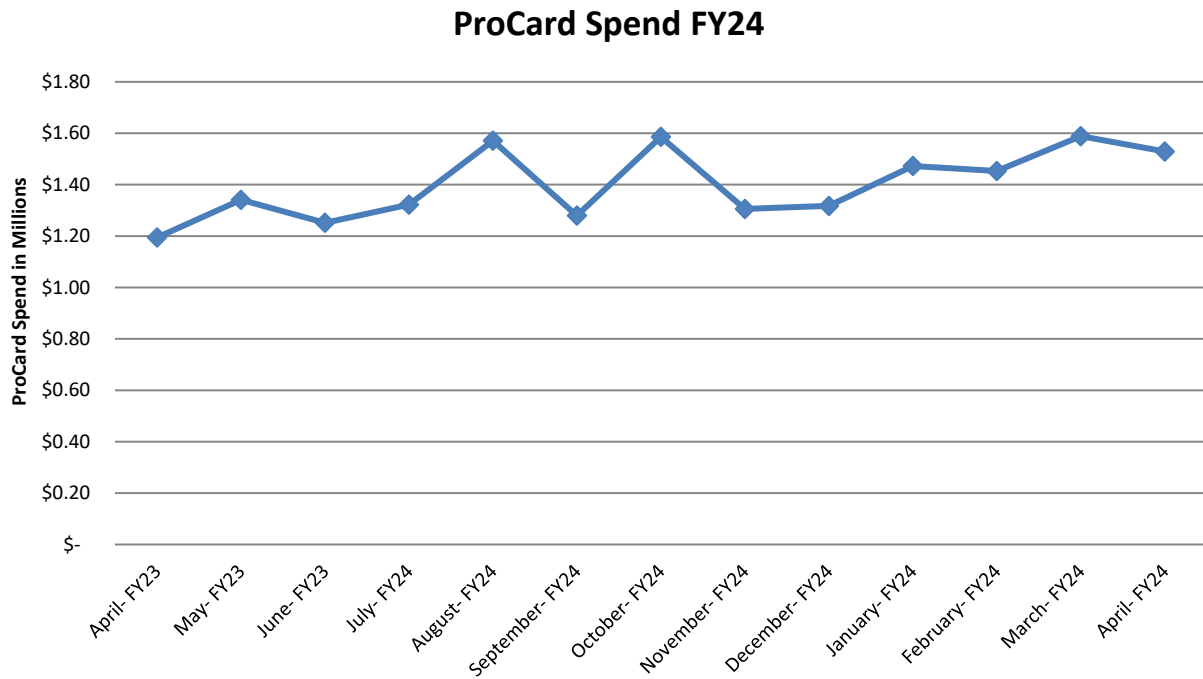


C. Procurement Statistics

Savings	Current Period	FYTD
Competitive Savings ¹	\$53,614	\$1,950,653
Negotiated Savings ²	\$1,624	\$70,596
Salvage Revenues	\$8,509	\$146,395
Corporate VISA Card - Estimated Rebate	\$22,782	\$214,930

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

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



Respectfully,

Steven G. de Mik

Steven G. de Mik
Deputy General Manager/Chief Financial Officer

Attachments: [HRSD Quarterly Performance Report](#)
[OPEB Executive Summary](#)

Hampton Roads Sanitation District
Qtrly Performance Report
For the Quarter Ending March 31, 2024

Total Portfolio Summary

Operating Strategies	March 31, 2023	December 31, 2023
Primary Source	\$ 247,241,391	\$ 198,464,081
Secondary Source	65,337,935	65,142,860
	<u>\$ 312,579,326</u>	<u>\$ 263,606,941</u>

Primary Source Summary

The Primary Source Portfolio consists of Bank of America (BOA) Corp Disbursement Account \$70.85m and VaCo/VML VIP Stable NAV Liquidity Pool \$176.39m. BOA Corp Disbursement Account returned 0.55% for the quarter ending March 31, 2024. VIP LIQ Pool Fund 30 Day Avg Net Yield was 5.47% as of March 31, 2024. VIP Stable NAV Liquidity Pool performed 0.02% above Va Local Government Investment Pool's (the market benchmark) in the month of March 2024. VaCo/VML VIP Stable NAV Liquidity Pool's weighted average credit rating was A-1 for the quarter.

Secondary Source Summary

The Secondary Source Portfolio consists of VaCo/VML VIP 1-3 Year High Quality Bond Fund. VIP 1-3 Year High Quality Bond Fund's Yield to Maturity at Market was 4.75% in March, which was 0.01% less than ICE BofA ML 1-3 yr AAA-AA Corp/Gov Index (the market benchmark) performance. The weighted average credit rating for VaCo/VML VIP 1-3 Year High Quality Bond Fund's portfolio was AA for the quarter.

Retirement Health Plan Trust	March 31, 2024	December 31, 2023
Investment Assets	74,652,033	71,255,923
Liquidity Assets	48,910	48,285
Combined Assets	<u>\$ 74,700,943</u>	<u>\$ 71,304,208</u>

Retiree Health Plan Trust Summary

The Retiree Health Plan Trust portfolio returned 4.77% (investment assets) for the quarter ended March 31, 2024, slightly above the 4.53% return of the Blended Benchmark.

	Total Portfolio Value	
	December 31, 2023	March 31, 2024
Investment Assets	\$71,255,923	\$74,652,033
Combined Assets	\$71,304,208	\$74,700,943

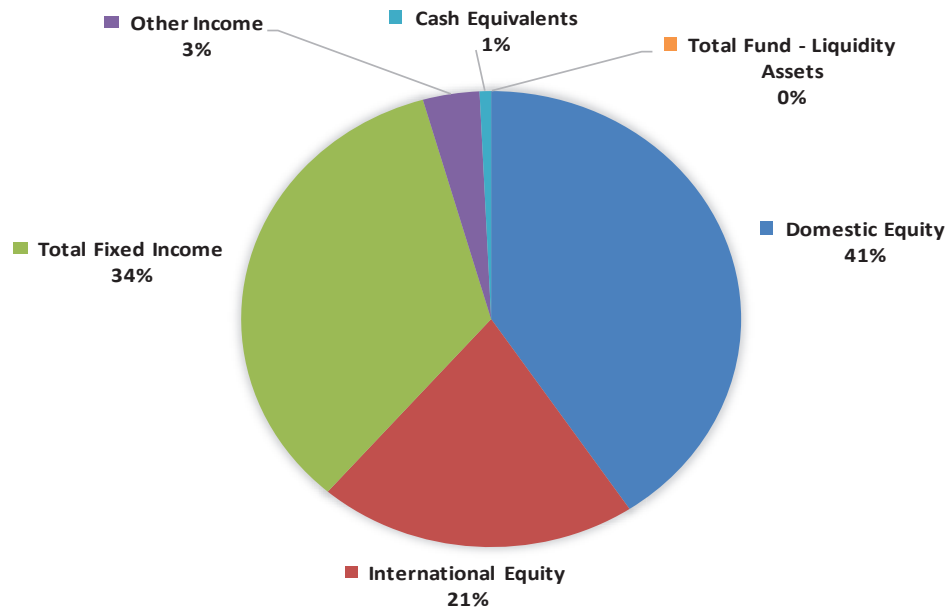
Portfolio Recap & Strategy

- The Retiree Health Plan Trust portfolio returned 4.77% (investment assets) for the quarter ended March 31, 2024.
- The US Federal Reserve (the Fed) held rates steady during the first quarter. However, domestic equities rallied on the prospect that the Fed could cut rates later in 2024. In its press release for the March meeting, the Fed stated that “In considering any adjustments to the target range for the federal funds rate, the Committee will carefully assess incoming data, the evolving outlook, and the balance of risks.” In addition, the Fed will continue reducing its balance sheet as described in its previously announced plans.
- The Fed’s prolonged pause in its rate-hiking cycle and the insertion of the word “any” in its December press release gave the market hope that the Fed may be ready to pivot in its stance and begin reducing rates to a less restrictive level in 2024.
- Growth in the US labor market continued in March, as nonfarm payrolls increased by 303,000 and unemployment held steady at 3.8%. Federal Reserve Chair Jerome Powell stated, “Strong hiring in and of itself would not be a reason to hold off on rate cuts,” adding that the job market is not a primary cause for concern around inflation. Powell added “an unexpected weakening in the labor market could also warrant a policy response.”
- US equities moved broadly higher during the first quarter based on expectations of a more favorable interest rate environment in the coming year. The S&P 500 Index rose 10.6% for the quarter. GDP growth across regions remains mixed as many regions are dealing with local headwinds and tailwinds as much of the world continues to navigate sticky inflation with varying degrees of success. Conflicts abroad have dragged on performance, but as we have seen with the Russia-Ukraine conflict, market conditions will typically normalize once the broader impact has been reasonably assessed.
- International stocks experienced robust growth to begin the year, albeit muted by a strengthening US Dollar (USD). USD performance lagged local currency (LCL) performance in most regions for the quarter, though both currency readings were positive.
- Central banks remained vigilant in their stances to bring inflation under control. While inflation readings remain stubbornly elevated, signs of stable-to-cooling price pressures have shown up in most regions around the world.
- Ongoing military conflicts coupled with economic uncertainty around the globe continue to act as headwinds in international markets. While global disruptions from the Russia-Ukraine conflict seemed to subside, the proxy war in the Middle East has spread to other countries in the region and unsettled shipping channels globally.
- Policy rates remained relatively stable across most developed markets as central banks continued their tight policy stance. However, there are expectations of looser monetary policy to take hold as 2024 progresses.
- 2024 opened with strong results in domestic and international equity markets, continuing what was a robust 2023. Growth sectors continued to outpace value sectors but by a narrower margin than 2023, showcasing increased breadth across many markets.

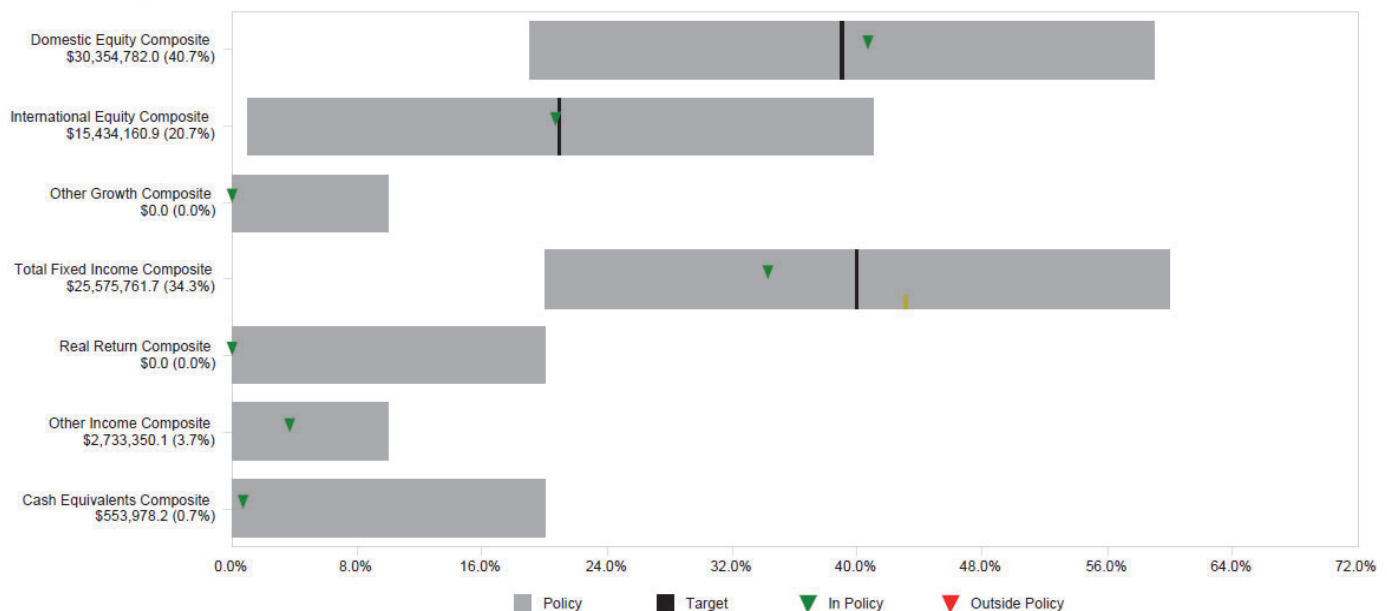
	December 2023		March 2024	
Security Type	Market Value	Portfolio %	Market Value	Portfolio %
Domestic Equity	27,773,764	39.0%	30,354,782	40.7%
International Equity	14,728,697	20.7%	15,434,161	20.7%
Total Fixed Income	25,647,988	36.0%	25,575,762	34.3%
Other Income	2,733,350	3.8%	2,733,350	3.7%
Cash Equivalents	372,124	0.5%	553,978	0.7%
Total Fund - Liquidity Assets	48,285	0.1%	48,910	0.1%
Totals	71,304,208	100%	74,700,943	100%

PORTFOLIO COMPOSITION

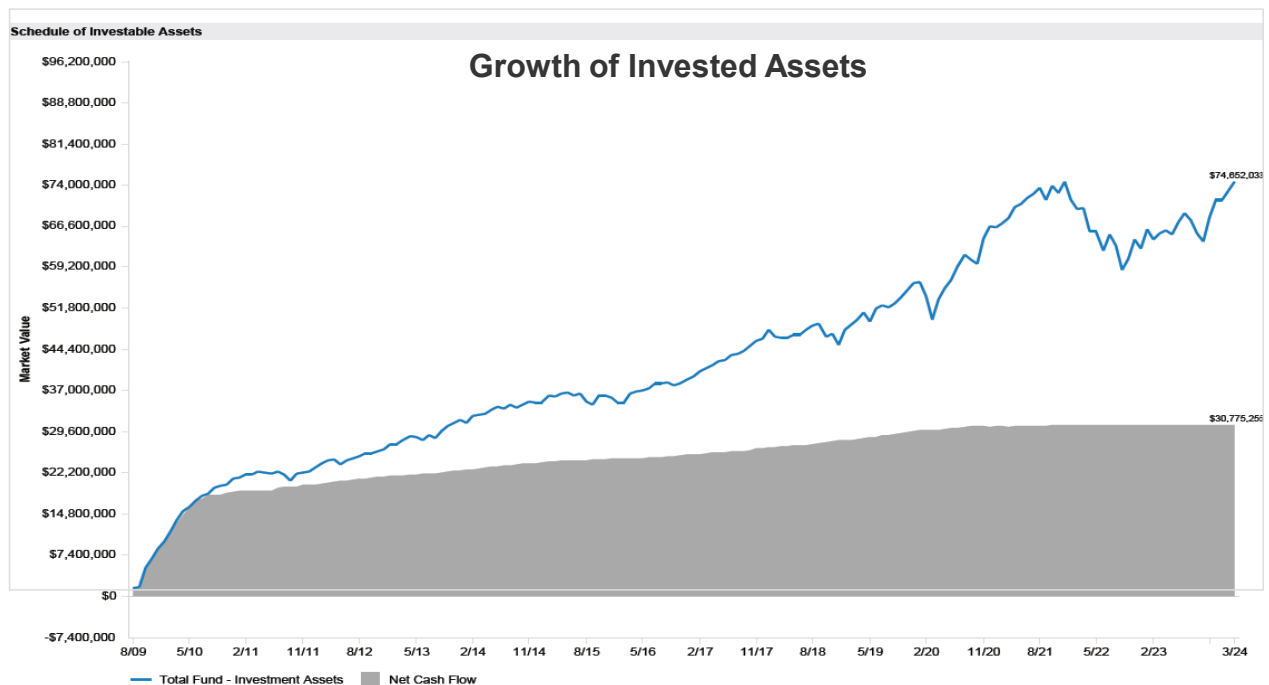
(AS OF 3/31/2024)



Executive Summary



Index	Allocation				Performance (%)							Inception	Inception Date
	Market Value	%	MIH	QTR	Year To Date	Trailing 1 YR	Trailing 3 YR	Trailing 5 YR	Trailing 7 YR	Trailing 10 YR			
Total Fund - Investment Assets (Net of Fees)	\$74,652,033	99.9	2.26	4.77	4.77	14.33	3.04	7.49	7.42	6.74	7.80	Sep-2009	
Blended Benchmark			2.28	4.53	4.53	14.44	3.35	7.19	7.07	6.27	7.52		
Total Equity Composite	\$45,788,943	61.3	3.12	8.06	8.06	-	-	-	-	-	20.49	Oct-2023	
Vanguard Total Stock Market ETF (VTI)	\$28,873,591	38.7	3.26	9.94	9.94	29.30	9.62	14.23	13.39	12.27	21.00	Apr-2020	
Jensen Quality Growth Fund (JENYX)	\$1,481,191	2.0	0.22	4.32	4.32	16.66	9.04	12.34	13.59	-	12.34	Apr-2019	
International Equity	\$15,434,161	20.7	3.16	5.06	5.06	-	-	-	-	-	16.04	Oct-2023	
Vanguard Total International Stock ETF (VXUS)	\$8,374,223	11.2	3.23	4.42	4.42	13.07	1.94	6.21	5.96	4.48	12.81	Apr-2020	
J. O. Hambro International Select (JOHIX)	\$1,096,962	1.5	1.99	8.11	8.11	17.87	-2.02	5.33	6.18	5.71	6.84	Jan-2016	
Harding Loevner International Equity (HLMIX)	\$1,005,949	1.3	2.05	1.62	1.62	8.49	0.12	6.44	6.46	5.77	6.73	Jul-2020	
Goldman Sachs GQG Ptnrs Intl Opportunities (GSIMX)	\$1,243,434	1.7	3.73	13.63	13.63	33.65	10.67	13.08	12.71	5.04	24.96	Sep-2023	
Vanguard FTSE Developed Markets ETF (VEA)	\$1,573,933	2.1	3.65	5.34	5.34	14.91	3.97	7.39	6.74	3.64	5.57	Mar-2022	
Vanguard FTSE All-World ex-US Small-Cap ETF (VSS)	\$710,387	1.0	3.23	1.57	1.57	10.29	-0.27	5.09	4.74	3.64	7.27	Sep-2023	
Hartford Schroders Emerging Markets (SEMTX)	\$678,674	0.9	3.65	3.45	3.45	7.23	-6.93	2.71	4.27	-	0.61	Mar-2018	
iShares MSCI Emerging Markets ex China ETF (EMXC)	\$750,598	1.0	3.10	3.90	3.90	18.91	1.41	5.88	-	-	13.90	Sep-2023	
Fixed Income	\$25,575,762	34.2	1.02	-0.13	-0.13	-	-	-	-	-	6.83	Oct-2023	
Baird Core Plus (BCOIX)	\$6,652,195	8.9	1.04	-0.18	-0.18	3.56	-1.71	1.23	1.82	2.29	2.22	May-2014	
DoubleLine Core Fixed Income (DBLPX)	\$2,881,891	3.9	0.83	-0.17	-0.17	2.60	-1.92	0.46	1.21	1.85	0.81	Sep-2017	
PGIM Total Return Bond (PTRQX)	\$5,422,570	7.3	1.10	0.14	0.14	4.61	-1.68	0.96	1.84	2.43	1.36	Sep-2017	
Voya Intermediate Bond (IIBZX)	\$2,896,363	3.9	1.03	-0.06	-0.06	3.66	-2.10	0.90	1.62	2.16	-0.38	Jan-2020	
iShares Core US Aggregate Bond ETF (AGG)	\$5,305,802	7.1	0.90	-0.74	-0.74	1.61	-2.48	0.32	1.02	1.50	1.28	Feb-2023	
iShares Intermediate-Term Corporate Bond ETF (IGTB)	\$1,250,629	1.7	1.26	-0.09	-0.09	5.21	-1.30	1.91	2.39	2.42	0.58	Oct-2019	
BBH Limited Duration (BBBIX)	\$210	0.0	0.29	1.33	1.33	7.33	2.87	2.99	2.90	2.44	6.57	Feb-2023	
MainStay MacKay High Yield Corp Bond Fund (MHYSX)	\$1,166,102	1.6	1.31	1.68	1.68	9.56	3.00	4.40	4.48	4.61	2.60	Jun-2021	
Other Income	\$2,733,350	3.7	0.00	0.00	0.00	-	-	-	-	-	-2.20	Oct-2023	
Boyd Watterson GSA Fund	\$2,733,350	3.7	0.00	0.00	0.00	-2.55	2.03	-	-	-	4.00	Jul-2019	
Cash Equivalent	\$553,978	0.7	0.49	1.37	1.37	-	-	-	-	-	2.72	Oct-2023	
First American Government Obligation - Z- (FGZXX)	\$553,978	0.7	0.49	1.37	1.37	5.32	2.61	1.94	1.80	1.29	1.46	Jan-2004	
Total Fund - Liquidity Assets	\$48,910	0.1	0.44	1.30	1.30	5.23	2.58	1.91	1.78	1.28	0.88	Sep-2009	
First American Government Obligation - Z (FGZXX)	\$48,910	0.1	0.44	1.30	1.30	5.23	2.58	1.92	1.79	1.28	1.46	Jan-2004	
Total Fund - Investment Assets	\$74,700,943	100.0											



TO: General Manager

FROM: Director of Information Technology

SUBJECT: Information Technology Department (ITD) Report for April 2024

DATE: May 15, 2024



Innovation

The Surface Pro rollout began in March, is well underway, and progressing smoothly. As part of ITD's technology refresh program, all deployed Surface Pros are being replaced and the old units' contents deleted prior to their return to Microsoft for credit.

The IT Help Desk processed 384 work orders and requests for assistance in April, ensuring availability of computing resources to those working locally and remotely.

The Oracle Service Oriented Architecture, Webcenter, and CC&B platforms received software patches in accordance with vendor recommendations specific to our installed configurations.

Acceptance testing of the new call center platform was followed by a successful go-live. The system is in full production and with no issues or concerns noted.

Staff successfully implemented a Parental Leave enhancement to our ERP which streamlines application, approval, and payroll processing of relevant employee requests in accordance with FMLA and HRSD requirements. This drastically reduces the necessity for manual intervention and paper-based processes, saving both time and money. Cybersecurity monitoring and intervention enhancements to both the business and operational technology networks were implemented successfully and without incident. Staff stays busy keeping up the with the ever-changing landscape of cyber threats in the wild.



Community Engagement

The James City County Service Authority billing model conversion was successfully completed on-time and without issue.

Respectfully,

Don Corrado

TO: General Manager

FROM: Director of Operations

SUBJECT: Operations Monthly Report for April 2024

DATE: May 15, 2024



Community Engagement

Staff participated in several community events as follows:

1. North Shore Interceptor Operations (NS) held two in-person meeting with the City of Poquoson wastewater operations department staff to review current planning/development, organizational and operational initiatives, operational issues, and ongoing projects.
2. Several staff members from the Operations Department participated in the HRSD Career Fair on April 29 and 30.
3. On April 23 Atlantic Treatment Plant (ATP) staff along with other HRSD staff, partnered with Ocean Lakes high school to host Earth Action Day. Students spent the day at the plant building birdhouses, making wildflower seed bombs, learning about HRSD, and getting a plant tour. This year's theme was "Planet vs Plastic".
4. ATP staff also provided a plant tour on April 25 for students from Grassfield High School.
5. Mrs. Christel Dyer, Chief of Treatment, continues to lead the ATP and Lynnhaven River NOW Outreach Event planning efforts. This tour is scheduled for June 8 and will be open to the public.
6. On April 4, Mr. Germano Salazar-Benites, Sustainable Water Initiative for Tomorrow (SWIFT) Project Manager, provided a presentation on SWIFT focused on innovation and technology to the Virginia Department of Health as part of their National Public Health Week.
7. York River Treatment Plant (YRTP) staff conducted tours on April 23 and April 25 for the Grafton High School senior environmental science class with approximately twenty students on each tour.
8. Mr. Mike Hess, System Manager, South Shore (SS) Interceptor Operations participated in a STEM Carrer Day at Ghent Elementary School in Norfolk on April 17. He discussed how wastewater is conveyed and treated and why it is important to public health and the environment.



Environmental Responsibility

Treatment and Interceptor System Reportable Items:

There were multiple events reported this month. Additional details are available in the Air and Effluent Summary in the Water Quality monthly report.

Internal Air and Odor Compliance:

There were multiple incidents as follows:

1. There was one total hydrocarbon (THC) permit deviation at Virginia Initiative Plant (VIP) in April for failing to record two valid readings in one hour. The THC continuous emissions monitoring system (CEMS) unit recorded invalid data on April 14 due to an out-of-control alarm, which was cleared by manual calibration.
2. There were two THC permit deviations at Army Base Treatment Plant (ABTP) in April for failing to record two valid THC readings in one hour. The THC analyzer had to be manually reset for the first deviation and a change in calibration gas for the second deviation.
3. ATP received several odor complaints this month related to the annual biosolids hauling for land application. A few complaints were also related to the met conditions, and odors from either the pad or digesters. Land application is complete for this year.
4. HRSD received the final inspection report from the Department of Environmental Quality for the Virginia Pollutant Discharge Elimination System (VPDES) permit inspection performed on March 20. There were no deficiencies noted.
5. Boat Harbor Treatment Plant had two THC reportable events this month. On April 12 and April 25, the CEMS unit failed calibration and required a manual calibration.
6. James River Treatment Plant (JRTP) received three odor complaints from a resident in the Denbigh Plantation neighborhood. The odors were noticed on Horse Pen Road, which is directly in line with the dewatering building during southeast winds. JRTP staff noticed an unusually strong odor coming from the dewatered cake solids trailer parked at the dewatering building. To mitigate potential odors in the neighborhood, the parking of the trailer was relocated to a location east of the headworks building. The third odor was received after the trailer was relocated. Odor control containment was checked to ensure integrity and odor scrubber effluent goals were lowered to two parts per million.
7. Williamsburg Treatment Plant (WBTP) had two incinerator deviations for use of the emergency bypass stack. On one occasion a failure of the Induced Draft (ID) fan variable frequency drive caused the ID fan to trip out. During the second occasion, the incinerator lost draft when a drain was plugged with ash. There were also twelve deviations for the failure of the THC Analyzer to record two valid readings in an hour due to calibration issues. There were two odor scrubber exceptions caused by low chemical feed for the concentration of hydrogen sulfide in the scrubber influent.
8. YRTP had one odor scrubber exception due to issues with the second stage scrubber pH probe.

Additional Topics for Compliance:

1. There were two MACT 129 deviations at ABTP in April. The first was on April 11 for 4 minutes. The second was on April 21 for five minutes. Both were the result of a power anomaly.
2. ABTP had one deviation for “Less than the minimum twelve-hour average pressure drop” caused by the venturi not adjusting correctly. Staff manually adjusted the ID fan to bring the pressure back into permit.
3. On the Advanced Nutrient Removal Improvement (ANRI)/SWIFT Project at JRTP the airline header for the Integrated Fixed Film Activated Solids (IFAS) effluent channel was installed along IFAS tanks #1 through #6, inside electrical work was performed in the return activated solids building, and base stone was laid for the south electrical building. On the SWIFT side, all major concrete pours on building #1 are complete. Concrete floors, walls, and structures continue to be formed and poured on building #2.
4. WBTP staff met with our engineer to discuss options for a nonflammable carbon feed system using the existing retaining wall next to the chemical storage building. The carbon system will be used when loads from the brewery are reduced to help meet upcoming, stricter effluent phosphorus limits.
5. On April 9 Onancock Treatment Plant (ONTP) had a high effluent ammonia value of 3.98 mg/L which is above the seasonal ammonia weekly limit of 0.9 mg/L. The plant has solids handling processes that are in poor condition, and temporary dewatering equipment is needed periodically to process accumulated solids.
6. ONTP experienced a loss of polymer feed to the mobile dewatering trailer on April 28 due to an empty polymer tote. Staff observed a puddle around the dewatering trailer, and liquid coming out of the transfer auger. 4,320 gallons of mixed liquor spilled, and 1200 gallons were recovered.
7. King William Treatment plant had a pH permit exceedance for outfall pH on April 24. Staff recorded a 5.60 for the effluent PH, but the Lab Analysis recorded for the eight-hour composite sample was 7.91. We believe the pH recording by staff was a typo. Staff received additional training to rectify the issue.
8. Staff managed the conveyance and treatment of over 153 MG of wastewater this month.



Financial Stewardship

1. The Operations Project Team completed several projects around the service area and continue to provide substantial cost savings to HRSD.
2. The Machine Shop had 19 projects this month that provide cost savings to HRSD. One example is manufacturing three stainless steel stuffing boxes that cost \$16,000 from the manufacturer with a two-month lead time.



Innovation

1. The Supervisory Control and Data Acquisition (SCADA) System program continues to make significant progress as additional sites were cut over and global changes completed. Work is currently under way for the Godwin Advanced Prime Guard program interface to be updated and incorporated into the Emerson Top-End system. A meeting with the Emerson team is scheduled for early May to discuss some ongoing concerns with the system design.
2. Mr. Gary Jones, Interceptor Technician with South Shore (SS) Interceptor Operations, researched and found a device that allowed for troubleshooting the Godwin pump at Elbow Road Pressure Reducing Station in Chesapeake in lieu of relying on a service call; each service call can cost between \$900-\$1,800. The device decreases the downtime on pumps allowing greater ability to provide service to the southern portion of Chesapeake especially while the force main under the Great Bridge locks is out of service.
3. HRSD is developing a pilot testing program to guide our tertiary treatment upgrade at VIP. This upgrade is needed to meet our total phosphorus removal treatment objectives associated with the Virginia Enhanced Nutrient Removal Certainty Program. The tertiary treatment upgrade is also being considered in the context of how those new facilities could be useful for a future SWIFT advanced treatment upgrade. Pilot testing will include a cloth media filtration system with chemical coagulation and flocculation as well as a ballasted sedimentation process also with chemical coagulation, flocculation, and sand ballast addition. The pilot systems will be provided by Aqua-Aerobic Systems and WesTech Engineering, respectively, delivered to VIP and started up in the May/June timeframe, and operated for approximately six months.
4. The total volume of SWIFT recharge into the Potomac aquifer for the month of April was 13.94 million gallons (MG) (50% Recharge Time based on 650gpm).



Talent

1. NS Interceptor Operations welcomed Mr. Joseph Chappell as an Interceptor Technician via a transfer from SCD.
2. The Operations Project Team has hired Mr. Bradyn Waddle to fill the open Maintenance Operations vacancy.
3. Mr. Israel Lopez was welcomed as the newest member of the custodial team and will be working at NS Operations complex.

Respectfully submitted,

Eddie M. Abisaab, PE, PMP, ENV SP
Director of Operations

[Attachment: MOM Reporting](#)

MOM Reporting Numbers

[illegible]

TO: General Manager

FROM: Director of Talent Management

SUBJECT: Talent Management Monthly Report for April 2024

DATE: May 15, 2024



Talent

Staff retention and recruitment remain significant priorities for the Talent Management (TM) Department. Human Resources has one vacant position for a Talent Acquisition Specialist; dates are set aside for interviews to take place next month. We are fully staffed in all divisions, outside of this position.

Human Resources (HR) HR staff continue to meet weekly with the new benefit carriers to complete the transition and implementation of our benefits starting July 1, 2024. Final preparations for the mandatory Open Enrollment meetings were completed.

Preparations to begin the job description update for all jobs at HRSD started with training from Learning and Development. HR will distribute the new job description template next month and the process will take several months to complete.

HR Staff continue to prepare for the distribution of compensation study information to the organization.

Participation in HRSD's Wellness Program continues to grow. The Wellness Specialist sent a poll to the organization to gather interest in bringing back onsite and virtual boot camps to begin in June. Plan education, wellness related presentations, individual and group coaching, and virtual guided meditation sessions continue.

Learning and Development (L&D): April was a busy training month with the L&D Division hosting several events for supervisors, leaders, and facilitators. The Leadership, Ethics, & Accountability Program (LEAP) is a two-week training program aimed at first-time or newly promoted supervisors. New supervisors completed the second week of LEAP training, including completion of their job shadowing project. L&D also facilitated supervisor training related to the revised job descriptions and are continuing to assist with training related to the ongoing compensation study. The Leadership and Management Academy (LAMA) '24 Cohort completed DiSC Training and continued work on their capstone project. Lastly, the L&D Facilitator Teams welcomed two new facilitators and completed a two-day training course in preparation for the summer Strategic Planning Alignment Results in Change (SPARC) Sessions.

Safety: Staff conducted required safety trainings and medical monitoring. Weekly, monthly, and quarterly safety inspections, and testing and monitoring were performed at various work centers and construction sites. There were four reported work-related injuries requiring medical attention and four auto/property damage accidents. In April, Safety launched a new campaign on Distracted Driving. Employees were encouraged to complete the training and take the pledge so they can be entered into a prize drawing. Staff also worked with Planning and Analysis to update safety related strategic metrics.



Community Engagement

Staff provided outreach at career events. This outreach was focused on the variety of career fields represented at HRSD. Information was shared about our open positions, the Apprenticeship Program, how we positively impact the local waterways and our generous benefits. Staff also explained how to apply for a position at HRSD and answered questions about what it's like to work at HRSD.

Respectfully submitted,

Dorissa Pitts-Paige

Director of Talent Management

TO: General Manager

FROM: Director of Water Quality (DWQ)

SUBJECT: Monthly Report for April 2024

DATE: May 15, 2024



Environmental Responsibility

1. HRSD's Regulatory Activities:

- a. Monthly Discharge Monitoring Report (DMR) Summary and Items of Interest: [Effluent and Air Emissions Summary](#).
- b. From Fiscal Year (FY) 2024 to date, there have been six Permit Exceedances out of 47,106 Total Possible Exceedances.
- c. Pounds of Pollutants Removed in FY 2024 to date: 158.2 million pounds.
- d. DEQ Underground Storage Tank (UST) inspections occurred on April 30.
- e. Submitted the [quarterly report](#) for the SWIFT Research Center.

2. Pretreatment and Pollution Prevention (P3) Program Highlights:

No civil penalties were issued by the P3 Division in April.

3. Environmental and Regulatory Advocacy

- a. The Sustainability Environment Advocacy (SEA) Group reported the following activities for the month of April:
 - (1) The SEA team organized a month-long event in April to commemorate Earth Day 2024, celebrated on April 22. This year's theme was "Planet vs. Plastic."
 - (2) Earth Month events included two hybrid lunch and learns open to all employees. The first topic was Microplastics, given by Dr. Fred Dobbs (ODU) and Chris Burbage. The second topic was on Living Shorelines, given by Katy Grigsby (CBF) and Phoebe Murrell.
 - (3) Additionally, the team organized two nature walks open to employees, friends, and family. The first nature walk was at Grandview Nature

Preserve and the second was along the Beach and woods adjacent to Nansemond Treatment Plant.

- (4) Earth Month celebrations also included the dedication of the HRSD-sponsored Research Dock at the Elizabeth River Project's Ryan Resilience Lab. The Research Dock is already hosting research space for multiple academic research institutions in our region.
 - (5) During the week of Earth Day, one-hour cleanup events were held across work centers. 120 volunteers and 16 work centers participated in the cleanups.
 - (6) Total participants for all Earth Month Events: 210 individuals.
 - (7) To view photos from the events, follow this link to the SEA Team SharePoint page: [Photos](#)
- b. Director participated in the following advocacy and external activities:
- (1) Attended the monthly meeting of the Virginia Biosolids Council (VBC). Discussed the recently released Safe Drinking Water Act (SDWA) final rule on per- and polyfluoroalkyl substances (PFAS) and reaffirmed the expected release of the biosolids PFAS risk assessment in late summer 2024. Note that the SDWA rule does not change SWIFT operations. SWIFT is designed to meet the final Maximum Contaminant Levels (MCLs) for the regulated PFAS.
 - (2) Attended the Executive Board meeting for Virginia Forever and received a General Assembly briefing in light of the budget impasse.
 - (3) A meeting of the Chesapeake Bay Program (CBP) Tracking Team, a coalition representing VAMWA, the Virginia Association of Municipal Stormwater Agencies (VAMSA), the Maryland Association of Municipal Wastewater Agencies (MAMWA) and the Metropolitan Council of Governments (MCOG). This team tracks key issues being considered by the CBP, particularly the Water Quality Goal Implementation Team, and provides input as needed to support practical implementation of the Bay restoration plan.
 - (4) Attended the Water Policy Fly-in hosted by the National Association of Clean Water Agencies (NACWA) and other aligned national organizations during Water Week. Met with staff from Senators Kaine and Warner and staff from Representatives Kiggans and Scott to advocate on two key issues: 1) exemption for water and wastewater utilities under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) for PFAS contamination. Without an exemption, water and wastewater utilities, the polluters who profited from the manufacture and

distribution of PFAS can sue utilities to recover some of the costs associated with the clean-up of contaminated sites, and 2) establishment of a permanent funding source for the Low-Income Household Water Affordability Program (LIWHAP). At the time of our visit, each of these items had proposed Senate bills which could adequately address our concerns. Following Water Week and the joint push from like-minded organizations, the House drafted resolutions on this topic. It is unknown at this time if these proposals will move out of their respective committees.

- (5) Provided a tour of James River SWIFT to Preston Kirby, the Virginia Department of Health's SWIFT Technical Services Engineer, and discussed the development of the regulatory framework.



Financial Stewardship

1. P3 staff worked as a liaison with the Capital Finance Division and the US Navy to apply for Office of Local Defense Community Cooperation grant funding for up to three HRSD projects.
2. Staff supported the generation of high-quality data for use in permitting and environmental management decisions through our Municipal Assistance Program (MAP), which offers services to other municipal and regional authorities throughout the state. HRSD costs for this program are reimbursed by the customer. Below are program highlights for the month.

HRSD provided sampling and analytical services to the following to support monitoring required for their respective Virginia Permit Discharge Elimination System (VPDES) permits:

- a. The City of Franklin
- b. Northumberland County
- c. Westmoreland County



Talent

1. Implemented a plan for Central Environmental Laboratory (CEL) onboarding for 3 new Laboratory Techs. This plan includes foundational laboratory practices before beginning analytical training to ensure consistency of practices and provide learning opportunities at the beginning of CEL work.

2. Celebrated the retirement of Stacie Crandall, Chief of Laboratory, after 38 years of HRSD employment.
3. Mr. Curtis Lambert started as a P3 Technician in the North Shore Field Office.



Community Engagement

1. P3 staff participated in multiple Earth Day events, including those held at the Virginia Living Museum and Mount Trashmore on April 20, Norfolk Naval Shipyard on April 25, and at Naval Weapons Station Yorktown on April 26.
2. Staff supported Microbial Source Tracking (MST) investigations in partnership with Hampton Roads localities. This work is required as part of HRSD's Integrated Plan. Sampling and analytical services were provided for the localities and projects identified below:
 - a. City of Chesapeake (Southern Branch)
 - b. City of Hampton (New Market Creek)
 - c. City of Newport News (Southeast Newport News)
 - d. City of Norfolk (Mason Creek)
 - e. City of Suffolk (downtown)
 - f. City of Virginia Beach (Thalia Creek)
 - g. James City County

Respectfully submitted,

Jamie Heisig-Mitchell

Director of Water Quality

EFFLUENT SUMMARY FOR APRIL 2024

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	CONTACT TANK EX
ARMY BASE	11.47	64%	3	3.9	1	1	0.39	0.57	2.8	3.7	22
ATLANTIC	45.66	85%	13	9.6	3	1	NA	NA	NA	NA	9
BOAT HARBOR	12.43	50%	5	5.6	50	1	0.31	0.43	23	18	3
CENT. MIDDLESEX	0.010	42%	<2	<1.0	<1	<1	NA	NA	NA	NA	NA
JAMES RIVER	13.02	65%	6	4.5	1	2	0.43	0.73	8.7	9.5	9
KING WILLIAM	0.103	103%	<2	0.57	NA	1	0.36	0.18	3.8	2.6	NA
NANSEMOND	16.83	56%	4	5.2	1	1	0.85	1.5	4.0	4.0	8
ONANCOCK	0.358	48%	<2	<1.0	1	1	0.13	0.13	4.7	2.6	NA
SUNSET BAY	0.010	26%	5	<1.0	1	1	NA	NA	NA	NA	2
URBANNA	0.063	63%	10	17	8	14	0.95	0.78	14	11	NA
VIP	31.75	79%	4	2.8	1	1	0.26	0.32	3.1	3.8	2
WEST POINT	0.570	95%	19	16	1	1	2.4	1.9	14	13	0
WILLIAMSBURG	8.18	36%	5	2.2	7	2	0.80	0.76	2.0	2.8	6
YORK RIVER	13.34	89%	4	0.12	<1	<1	0.21	0.28	5.4	5.0	6
	153.78										

% of
Capacity

North Shore 57%
South Shore 74%
Small Communities 63%

AIR EMISSIONS SUMMARY FOR APRIL 2024

	No. of Permit Deviations below 129 SSI Rule Minimum Operating Parameters								Part 503e Limits		
	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
MHI PLANT	(F)	(in. WC)	(GPM)	(GPM)	(GPM)	(GPM)	3 hr ave	Stack Use	(PPM)	(%)	Days >Max
ARMY BASE	0	1	0	0	0	0	0	5	36	91	0
BOAT HARBOR	0	0	0	n/a	0	0	0	0	16	94	0
VIP	0	0	0	n/a	0	0	0	0	15	100	0
WILLIAMSBURG	0	0	0	n/a	0	0	0	2	17	78	0

Items of Interest – April 2024

MULTIPLE HEARTH INCINERATION (MHI)

Total Hydrocarbon (THC) monthly averages (not to exceed 100 ppm) were met by all four MHI plants (Army Base, Boat Harbor, Virginia Initiative, and Williamsburg) with a THC continuous emissions monitoring (CEM) valid data captured of greater than 78%.

The MHIs had one (1) deviation from the required 129 SSI rule minimum operating parameters and seven (7) minor bypass events (< 60 minutes).

HRSD submitted Army Base's MHI 1st 2024 quarterly HCI report on April 10. The next MHI 129 emission limits stack test including HCI is scheduled for May 1, 2024.

Williamsburg successfully stack tested MHI # 1 on April 17, 2024. Plant Ops passed all required field gas parameters. Other analytical results are pending.

HRSD submitted to DEQ the annual emission statements on April 15 and the 129 annual compliance reports for the MHIs on April 30.

AIR PERMITS and ODOR CONTROL

On April 2, 2024, VIP received a report from DEQ that documented the plant as in full compliance with its Title V permit per the air quality inspection conducted on March 26.

There were a total of seventeen (17) odor control complaints during the month of April.

Atlantic Plant received thirteen (14) odor complaints from Ocean Lakes neighbors. Plant Staff responded to all complaints. Odors from land app solids, THP system leaks, and general plant odors. Plant staff took corrective action where possible. Communications followed up and responded to each neighbor's complaint.

James River Plant received three (3) odor complaints from a neighbor on Horse Pen Road located right behind the plant regarding odors at their residence. Plant staff responded and found the first complaint from a full biosolids trailer wherein the trailer was moved to another part of the plant away from the complainant until the trailer was hauled off by McGill for contract composting. The source of the other two complaints was most likely construction and/or maintenance activities. No further complaints have been received. We will continue to monitor the situation and address any odors identified from HRSD as needed.

TREATMENT

DEQ was notified of the following reportable events:

James River

On April 25, a non-potable water (NPW) line separated from a valve during an excavation. The valve had been installed recently with soil and gravel pack being used as the restraint and no other restraints installed. The line was under pressure during the excavation when the line separated from the valve releasing approximately 42,000 gallons of NPW. Pumps were dispatched quickly resulting in 31,000 gallons of NPW to be released to the ground and storm drain.

Nansemond

On April 1, a hose filling an aeration tank became dislodged releasing approximately 500 gallons of NPW water to the ground and stormwater pond.

Williamsburg

On April 26, during an excavation for condition assessment of the #3 Primary Clarifier, Bridgman Civil contractors struck a pipe causing primary effluent to fill the hole. Multiple gas-powered pumps were placed in the excavation site and the water was pumped to the nearby out of service primary clarifier. The pumps recovered 272,400 gallons of primary effluent with approximately 6,000 gallons not recovered.

SYSTEM/TREATMENT, SMALL COMMUNITIES, AND EASTERN SHORE

King William

HRSD staff did not perform DO sampling on April 21, 2024 for King William plant outfall effluent. HRSD management will speak with the operator when he returns to work (May 27, 2024) and confirm the DO sample was not taken. If confirmed the sample was missed, HRSD management will discuss the importance of meeting all sampling requirements in order to comply with the regulatory permit. The operator will be retrained on the King William Treatment Plant sampling and regulatory requirements.

A daily final effluent pH concentration was recorded on April 24, 2024 that was below the permit limit. The daily final effluent pH reported was 5.6 Standard Units (SU) with a daily permit limit range of 6.0 - 8.0 SU. HRSD believes the pH recorded was a typo but has no way to verify this with certainty. The HRSD-Central Environmental Laboratory recorded a pH value of 7.9 SU for the final effluent 8-hour composite sample for this day. The plant personnel who recorded the pH will be retrained on the permit limits by their supervisor.

Onancock

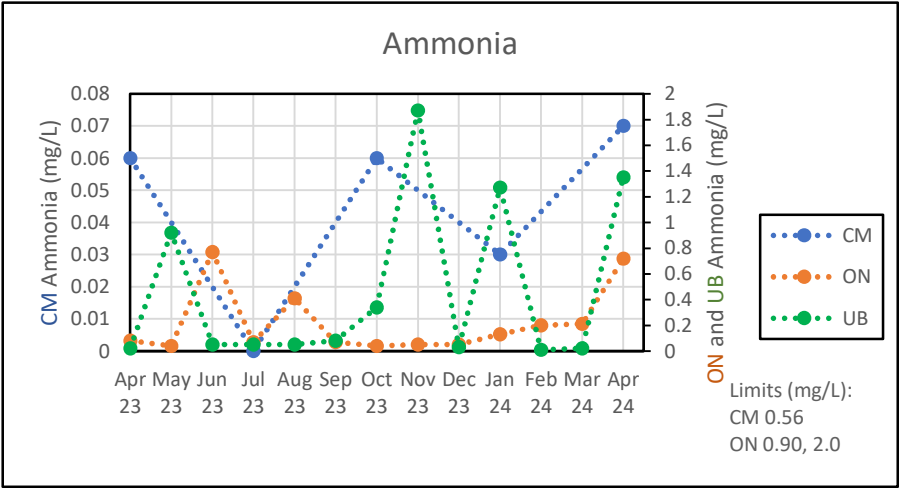
For the week of April 7, 2024, the seasonal weekly ammonia concentration was exceeded at the Onancock WWTP (VA0021253). The permitted seasonal weekly maximum concentration for the Onancock WWTP is 0.90 mg/L. The ammonia concentration value for the week was 3.98 mg/L. The solids handling equipment at the plant is reaching the end of its useful life and is struggling to meet the digestion and dewatering demand of the plant. HRSD is in the design phase to upgrade the solids handling side of the plant, but until the upgrade is complete, plant personnel are periodically bringing in temporary dewatering equipment to handle the demand. The filtrate from the temporary dewatering process is high in ammonia. Plant personnel try to manage the increased ammonia load from the filtrate by closely monitoring dissolved oxygen. There was no indication the composite ammonia sample for the week would be high since the upstream process ammonia samples were less than 0.1 mg/L. In the future, when doing temporary dewatering, plant personnel will better equalize the increased load of ammonia on the plant, until the solids handling upgrades are complete.

On April 29, the mobile dewatering screw press lost polymer feed at approximately 19:00 on April 28 due to an empty polymer tote. This caused some of the unconditioned mixed liquor to pass through the press and onto the ground. The release was discovered when the plant superintendent arrived at the plant site at 06:07 on April 29, 2024, and observed a puddle around the dewatering trailer and liquid coming out of the transfer auger. Plant staff were able to recover approximately 1,200 gallons of mixed liquor with 3,100 gallons soaked into the ground. Operators are paying close attention to the polymer feed to ensure it does not run out again, and a containment area was built around the transfer auger that directs spills back to the plant influent.

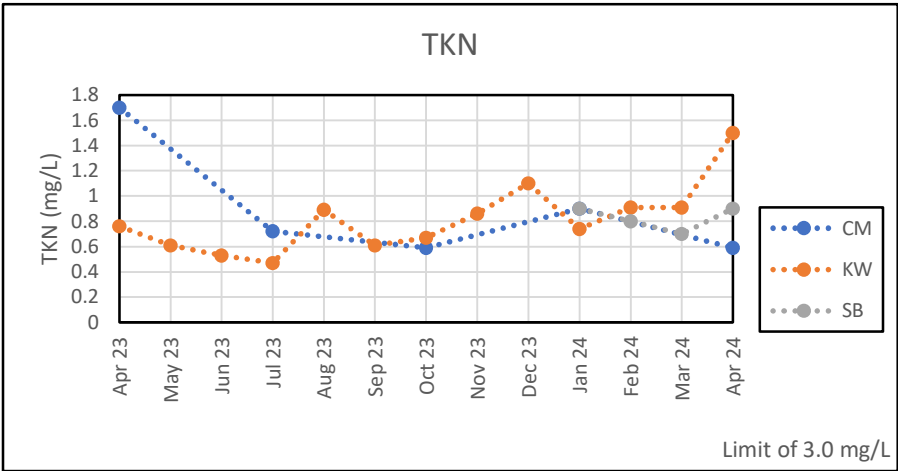
Flow summaries, nutrient data, and rainfall information is located here:

[DMR - Power BI \(powerbigov.us\)](https://powerbigov.us)

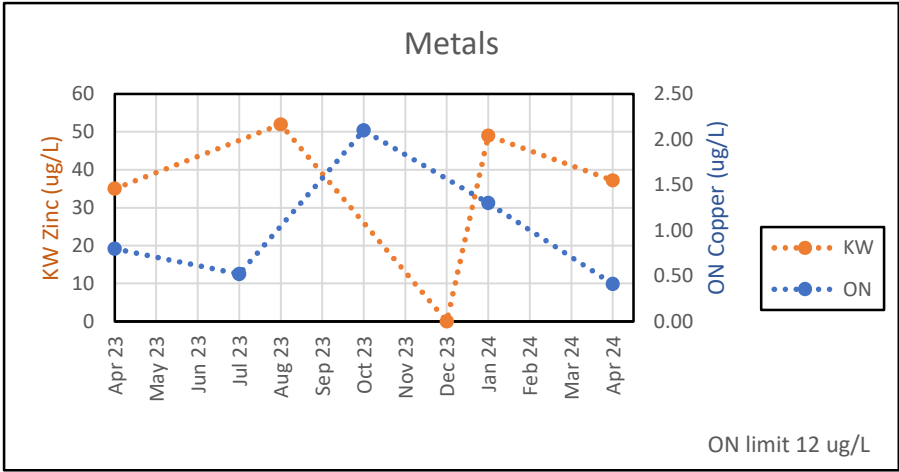
	Ammonia		
	CM	ON	UB
Apr 23	0.06	0.08	0.02
May 23		0.04	0.92
Jun 23		0.77	0.05
Jul 23	<0.02	0.07	0.05
Aug 23		0.41	0.05
Sep 23		0.07	0.08
Oct 23	0.06	0.04	0.34
Nov 23		0.05	1.87
Dec 23		0.05	0.03
Jan 24	0.03	0.13	1.27
Feb 24		0.20	0.01
Mar 24		0.21	0.02
Apr 24	0.07	0.72	1.35



	TKN		
	CM	KW	SB
Apr 23	1.7	0.76	
May 23		0.61	
Jun 23		0.53	
Jul 23	0.72	0.47	
Aug 23		0.89	
Sep 23		0.61	
Oct 23	0.59	0.67	
Nov 23		0.86	
Dec 23		1.1	
Jan 24	0.90	0.74	0.90
Feb 24		0.91	0.80
Mar 24		0.91	0.70
Apr 24	0.59	1.5	0.90



	Zinc	Copper
	KW	ON
Apr 23	35	0.80
May 23		
Jun 23		
Jul 23		0.52
Aug 23	52	
Sep 23		
Oct 23		2.1
Nov 23		
Dec 23	<5.0	
Jan 24	49	1.3
Feb 24		
Mar 24		
Apr 24	37	0.41





The following Internal Audit Status document has been prepared by SC&H for the HRSD Commission. Below is a summary of projects in process, upcoming projects, and the status of current management action plan monitoring.

I. Projects in Process

Operational Technology Security and Resilience

- **Completed Tasks (April 2024)**
 - Obtained and reviewed initial documentation for scoping and planning.
 - Conducted entrance meeting for each plant.
 - Continued development of planning steps to construct an audit program.
- **Upcoming Tasks (May 2024)**
 - Finalize audit program.
 - Schedule additional walkthrough meetings with stakeholders.
 - Draft and begin communicating fieldwork document request list.
 - Begin testing as documentation is received.

Design and Construction Estimating

- **Completed Tasks (April 2024)**
 - Continued benchmarking research and met with HRSD management to discuss current efforts being made.
- **Upcoming Tasks (May 2024)**
 - Continue data analytics on prior year bids received.
 - Meet with external engineering firms.

Accounts Payable and ProCards

- **Completed Tasks (April 2024)**
 - Conducted fieldwork closeout meeting with department points of contact.
- **Upcoming Tasks (May 2024)**
 - Finalize and submit report.

Risk Assessment Refresh

- **Completed Tasks (April 2024)**
 - Presented to the Commission/Finance Committee (April 23)
- **Upcoming Tasks (May 2024)**
 - N/A

II. Upcoming Projects

- Billing, accounts receivable, and aging: May 2024

III. Management Action Plan Status

SC&H performs on-going management action plan (MAP) monitoring for completed internal audits/projects. SC&H begins MAP follow-up approximately one year following the completion of each audit and periodically follows up until conclusion.



For each recommendation noted in an audit report, SC&H gains an understanding of the steps performed to address the action plan and obtains evidence to confirm implementation, when available.

The following describes the current project monitoring status. This listing does not include audits which were determined by HRSD Management and the Commission to include confidential or sensitive information.

Audit / Project	Next Follow-up	Recommendations		
		Closed	Open	Total
Personally Identifiable Information	May 2024	0	3	3
Safety Division	May 2024	2	1	3
Freedom of Information Act	August 2024	0	1	1
Family Medical Leave Act (FMLA)	May 2024	0	4	4
Succession Planning	May 2024	2	2	4
Closed Audit/Projects (x16)	Closed	127	0	127
Totals		131	11	142

Strategic Measures
April 2024

Strategic Planning Measure	Mar-24	Apr-24	FY-24
Educational and Outreach Events	18	27	199
Number of Community Partners	18	5	140
Number of Technical Presentations	43	1	75
Revenue vs. Budget	78%	86%	48%
Wastewater Expenses vs. Budget	63%	71%	38%
Accounts Receivable (HRSD)	\$43,465,739	\$42,855,898	\$44,418,311
Aging Accounts Receivable	37.10%	31.00%	29.06%
Turnover Rate wo Retirements	0.35%	0.23%	3.77%
Turnover Rate w Retirements	0.70%	0.23%	5.90%
Avg Time to Hire	3 months 4 days	4 months 6 days	3 months 13 days
Number of Vacancies	45	41	46
Average number of applicants per position	9.8	16.0	9.0
Percentage of positions filled with internal applicants	25.0%	28.6%	29.0%
Recruitment source Return on Investment	*	*	*
Average time required (days) to onboard new employees, including from initial posting of position to candidates' first day	*	*	*
Customer Call Wait Time (mins)	1.96	3.13	2.55
Capacity Related Overflows with Stipulated Penalties (Reported Quarterly)	**	**	0
Non-Capacity Related Overflows with Stipulated Penalties (Reported Quarterly)			1
TONS OF CARBON: Tons of carbon produced per million gallons of wastewater treated Energy consumed (gas (scfm) and electricity (kWh)) per million gallons of wastewater treated.	*	*	*
GAS CONSUMPTION: Tons of carbon produced per million gallons of wastewater treated Energy consumed (gas (scfm) and electricity (kWh)) per million gallons of wastewater treated.	*	*	*
ELECTRICITY CONSUMPTION: Tons of carbon produced per million gallons of wastewater treated Energy consumed (gas (scfm) and electricity (kWh)) per million gallons of wastewater treated.	*	*	*
Monthly CIP Spending	61064307		\$46,505,996

*Not currently tracking due to constraints collecting the data.

** Inputted Quarterly after EPA Quarterly Report submittal.

***Billing is one month behind

Strategic Measures

April 2024

Technical Presentations

Date	Department	Presenter	Presentation
04/04/2025	Operations	Germano Salazar-Benites	SWIFT Olinnovation and technology

Education Outreach and Community Partners

Date	Event	Community Partner	Departments
04/02/2024	SWIFT RC tour - Boys & Girls Club with Hampton Roads Workforce Council	Boys & Girls Club of Southeastern Virginia; and Hampton Roads Workforce Council	Communications
04/03/2024	SWIFT RC tour - Nansemond Suffolk Academy	Nansemond Suffolk Academy	Communications
04/04/2024	SWIFT RC tour - Cape Henry Collegiate School	Cape Henry Collegiate School	Communications
04/05/2024	SWIFT RC tour - Cape Henry Collegiate School	Cape Henry Collegiate School	Communications
04/08/2024	HRSD & SWIFT Presentation - Frank W Cox HS AP Environmental Science	Virginia Beach City Public Schools	Communications
04/09/2024	HRSD & SWIFT Presentation - Frank W Cox HS AP Environmental Science	Virginia Beach City Public Schools	Communications
04/10/2024	HRSD and SWIFT presentation - Virginia Beach Sail and Power Squadron	Virginia Beach Sail and Power Squadron	Communications
04/10/2024	SWIFT RC tour - Kings Fork High School	Suffolk City Public Schools	Communications
04/10/2024	SWIFT RC tour - Renaissance Academy	Virginia Beach City Public Schools	Communications
04/10/2024	SWIFT RC tour - WellSpark coordinators	WellSpark	Communications
04/15/2024	SWIFT RC tour - Lakeland High School	Suffolk City Public Schools	Communications
04/17/2024	2024 Earth Day Celebration event at Saint Patrick Catholic School	Saint Patrick Catholic School	Communications
04/17/2024	Ghent School STEM and Career Day	Norfolk City Public Schools	Communications
04/17/2024	VIP Treatment Plant tour - Churchland High School	Portsmouth City Public Schools	Operations, Communications
04/20/2024	Exmore Town Park Earth Day event 2024	Town of Exmore	Communications
04/20/2024	Virginia Beach Earth Day Celebration	City of Virginia Beach	Communications, Water Quality
04/20/2024	Virginia Living Museum Earth Day event	Virginia Living Museum	Communications, Water Quality
04/22/2024	Achievable Dream Academy Career Day	Newport News Public Schools	Communications
04/22/2024	Classroom activity and HRSD billing presentation - Frank W Cox High School	Virginia Beach City Public Schools	Communications
04/23/2024	Earth Action Day at Atlantic Treatment Plant for Ocean Lakes High School	Virginia Beach City Public Schools	Communications, Operations, Water Quality
04/25/2024	Atlantic Treatment Plant tour - Grassfield High School	Chesapeake City Public Schools	Operations, Communications

Strategic Measures
April 2024

Date	Event	Community Partner	Departments
04/25/2024	Norfolk Naval Shipyard Earth Day event	Norfolk Naval Shipyard	Communications, Water Quality
04/26/2024	An Achievable Dream Academy Middle & High School Career Fair	Newport News Public Schools	Communications
04/26/2024	Ft. Eustis Hazardous Materials/Solid Waste Earth Day event (handouts & giveaways provided)	Joint Base Langley-Eustis	Communications
04/26/2024	Weapons Station Yorktown Earth Day 5k & Health Fair	Naval Weapons Station Yorktown	Communications, Water Quality

AGENDA ITEM 20.c. – May 28, 2024

Subject: Williamsburg Treatment Plant Primary Clarifier Effluent Pipe Replacement
Emergency Declaration

Recommended Action: No action is required.

CIP Project: WB014200

Regulatory Requirement: None

Brief: An emergency declaration was authorized on May 2, 2024 due to a pipe failure that occurred immediately following condition assessment activities on April 26, 2024 at the Williamsburg Treatment Plant. The pipe failure occurred on the 36-inch ductile iron (DI) pipe between Primary Clarifier #3 and the Oxidation Tower Splitter Box.

Follow-up condition assessment activities revealed that the pipe failure was primarily a result of interior pipe wall corrosion. External corrosion of the pipe appeared minimal and is not suspected to be a significant factor in the pipe failure.

HRSD utilized Hazen and Sawyer (Hazen) and Bridgeman Civil, Inc. (BCI) to perform condition assessment activities and the initial emergency response; thus, these same firms will be utilized for the emergency replacement of approximately 200 linear feet of 36-inch DI pipe.

Analysis of Cost: The estimated cost of this work is \$1,000,000 and will be funded by the Williamsburg Treatment Plant Primary Clarifier Effluent Pipe Replacement, CIP WB014200. The cost for this is based on high-level, preliminary estimates developed prior to completion of the damage assessment.

<u>Schedule:</u>	Emergency Declaration	May 2024
	Construction	June 2024
	Project Completion	August 2024