COMMISSION FINANCE COMMITTEE
MEETING MINUTES
April 23, 2024

The Committee Chair called the meeting to order at 11:23 a.m.

Name	Title	Present for Item Nos.
Taraski, Elizabeth	Committee Chair	1-3
Levenston, Jr., Willie	Committee Vice-Chair	1-3
Elofson, Frederick N.	Committee Member	Absent
Glenn, Michael E.	Commissioner	Absent
Lakdawala, Vishnu K.	Commissioner	1-3
Rodriguez, Stephen C.	Commission Chair	1-3
Stern, Nancy J.	Commissioner	1-3
Templeman, Ann	Commissioner	1-3

1. Approval of Minutes

The draft minutes of the March 26, 2024 Finance Committee meeting were distributed electronically prior to the meeting.

Moved: Willie Levenston, Jr. **Ayes:** 2
Seconded: Elizabeth Taraski **Nays:** 0

2. Internal Audit Review and Year Overview

Mr. Matthew Simons and Mr. Hayden Wigley from the SC&H Group presented the internal audit update including audit impact, audits in progress, the audit plan for Fiscal Year (FY) 2025, and management action plan progress. The following summarizes their activity:

Completed Audits:

- Family Medical Leave Act
- Grants Management
- Remote Access Network Security
- Risk Assessment FY-2024

Audit in Progress:

- Accounts Payable and ProCard
- Design and Construction Estimating
- Operational Technology Security and Resilience

HRSD

COMMISSION FINANCE COMMITTEE
MEETING MINUTES
April 23, 2024

Upcoming Audits:

- Billing, Accounts Receivable, and Aging
- IT Governance
- Personnel Investigations
- Risk Assessment Refresh

3. FY-2025 Budget Review

Staff presented details on the FY-2025 budget, the FY-2025 to FY-2034 Capital Improvement Program (CIP), and proposed rate changes. The final budget will be presented to the Commission for approval at the May 28, 2024 meeting.

Staff distributed a draft Rate Schedule and draft Annual Budget during the meeting. The attached draft Annual Budget includes a corrected version of the Financial Forecast and agrees with the financial information presented by staff at the committee meeting.

Public Comment: None

Next Finance Committee Meeting Date: TBD October 2024

Meeting Adjourned: 12:09 p.m.

SUBMITTED:

Elizabeth I. Scott
Assistant Commission Secretary

APPROVED:

Elizabeth A. Taraski, PhD.
Committee Chair

Hampton Roads Sanitation District

Internal Audit Update

April 23, 2024

Internal Audit Team Present

Matthew Simons: CPA, CIA, CGAP

Engagement Principal

Hayden Wigley

Manager

Agenda

Internal Audit Update

01 Internal Audit Impact

02 Internal Audit Progress Update

03 FY24, FY25 Internal Audit Plan

04 Management Action Plan Progress

05 Supplemental Information

Internal Audit Impact

Statistics

- 9 risk assessment exercises
- 30 of 33 internal audits/projects completed or in-process (91%)
- 17 of 25 high risk functions addressed (68%)
- 38 of 70 total functions addressed (54%)
- 11 functions addressed >1 time (16%); 6 high risk
- 131 closed management action items (92%); 19 internal audits/projects fully closed[1]

[1] Counts do not include confidential internal audits.

Internal Audit Progress Update

Audit/Task	Department	Status
Family Medical Leave Act	Talent Management / Enterprise-Wide	Complete
Grants Management	Finance / Enterprise-Wide	Complete
Remote Access Network Security	Information Technology	Complete
Accounts Payable and ProCard	Finance	Reporting
Design and Construction Estimating	Engineering	Fieldwork
Operational Tech Security and Resilience	Information Technology	Fieldwork
Remote Access Network Security	Information Technology	Complete
Risk Assessment: FY24	Enterprise-Wide	Complete
Mgt Action Plan Evaluation & Admin	Enterprise-Wide	Ongoing

Family Medical Leave Act

Objectives

- Evaluate current HRSD FMLA processes, policies, and procedures to ensure compliance with applicable FMLA laws, rules, and regulations for qualifying event notification and receipt, qualifying event evaluation and determination, and event record retention.

- Evaluate HRSD FMLA data between Oracle Enterprise Resource Planning (ERP) system and AdminEase (The Standards' platform for Short-Term Disability), and paper documentation to ensure accuracy and completeness for FMLA leave event entry, leave timekeeping, and leave calculations and monitoring.

- Evaluate current HRSD Sick Leave/Annual Leave, PTO, Short-term Disability and Leave Donation processes to ensure compliance with applicable HRSD policies and procedures.

Family Medical Leave Act

Results

- Observation 1: HRSD does not have FMLA procedural documentation outlining the required processes, tasks, and responsibilities for completing an FMLA leave event.

- Observation 2: HRSD FMLA data entry and review procedures were not consistently performed for FMLA leave events.

Design and Construction Estimating

Project Summary

Goals:

- Confirm challenges that impact bid deltas.
- Offer opportunities to better understand and limit deltas.

Planning: Understand the bid creation process and identify preliminary challenges and opportunities to address them.

- Research
- Interviews
- Process flow diagrams
- Data analytics
- Director reporting

Action Items: Offer opportunities for HRSD to consider in efforts to limit/reduce estimate vs. bid deltas.

- Data: Analyze historic and present data points to understand contributing factors for deltas.
- Timing: Evaluate for opportunities to enhance future cost estimates, on both HRSD and 3rd party sides. Identify opportunities to reduce timing for all or certain components of the bids.
- Benchmarking: Understand how other organizations are managing and addressing price changes, lack of bidders, and market fluctuations.

FY24, FY25 Internal Audit Plan

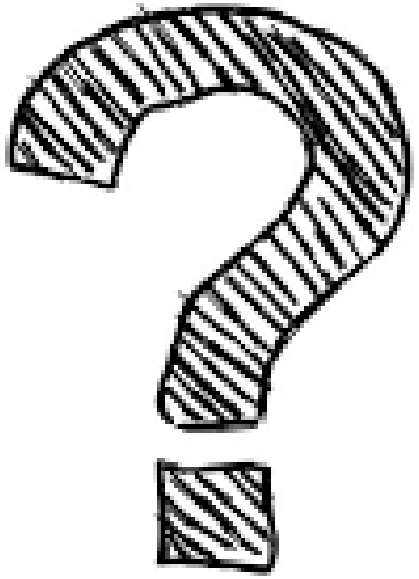
Audit/Task	Department	Period
Billing, Accounts Receivable, and Aging	Finance	FY24, Q3: May/June
IT Governance	Information Technology	FY25, Q2: August/September
Investigations	Talent Management	FY25, Q3: January
Risk Assessment Refresh	Enterprise-Wide	FY25, Q2: December
Management Action Plan Evaluation & Admin	Enterprise-Wide	Ongoing

Management Action Plan Progress

Subject (Non-confidential)	Recommendations		
	Closed	Open	Total[1]
Safety Division[3]	2	1	3
Freedom of Information Act (FOIA)[3]	0	1	1
Family Medical Leave Act (FMLA)[2]	0	4	4
Succession Planning[3]	2	2	4
Personally Identifiable Information[2]	0	3	3
Prior Audits: Fully Closed (x19)	127	0	127
Totals	**131**	**11**	**142**

[1] Counts do not include confidential internal audits.
[2] Action plans not yet due.
[3] Stakeholders are actively working to close remaining action items.

Discussion and Questions



SC&H Contacts

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Supplemental Information

2024 vs. 2023 Metrics

2024

Risk Level	Function Count	Function %
Low	9	12.9%
Moderate	36	51.4%
High	25	35.7%
Totals	70	100%

2023

Risk Level	Function Count	Function %
Low	10	14.5%
Moderate	34	49.3%
High	25	36.2%
Totals	69	100%

Audit Universe: High Risk

AUDIT DETAILS		RISK RANKINGS			HISTORY	
Department	Audit Area	Likelihood Rating	Impact Rating	Overall Risk Rating	Audit Order	Audit Periods
Engineering	Asset Management (Y3 Implementation)	H	H	High	TBD	N/A
Engineering	Design & Construction: Procurement Process	H	M	High	A1.6 A2.11	FY17 FY24
Engineering	SWIFT Program	H	H	High	A1.16	FY20
Engineering	Unifier Project Management & ERP Integration	H	M	High	A2.4	FY22
Finance & Accounting	Accounting: Revenue/Accounts Receivable	M	H	High	A2.13	FY24
Finance & Accounting	Accounting: Grants Management	H	H	High	A2.7	FY23
Finance & Accounting	Customer Care: Billing	H	H	High	A1.11 A2.13	FY19 FY24
Customer Care: Billing Models	Customer Care: Billing Models	M	H	High	A2.3 A2.13	FY21 FY24
Finance & Accounting	Customer Care: A/R & Delinquent Accounts	M	H	High	A2.13	FY24
Finance & Accounting	Procurement: Process	H	H	High	A1.5 A2.10	FY17 FY24
Finance & Accounting	Procurement: Contract Management	H	H	High	A2.10	FY24
Information Technology	IT: Data Management and Operations	H	H	High	A2.9 A2.12	FY23 FY24
Information Technology	IT: Applications (e.g. ERP, GIS, SCADA, CMMS, CC&B, EDMS, and other)	H	H	High	TBD	N/A
Information Technology	IT: Network Security/Cybersecurity	H	H	High	A1.7	FY18
Information Technology	IT: Disaster Recovery	H	H	High	A1.10	FY19
Information Technology	IT: Governance	H	M	High	A2.14	FY25
Information Technology	IT: Vendor and Contractor Management	H	H	High	TBD	N/A
Information Technology	IT: Data Center Physical Security and Environmental Controls	H	H	High	TBD	N/A
Talent Management	HR: Compensation and Benefits	M	H	High	A1.3 A2.6	FY17 FY23
Talent Management	Organizational Development & Training	H	M	High	TBD	N/A
Talent Management	Personally Identifiable Information (PII)	H	H	High	A2.8	FY23
Water Quality	WIP 3 (Watershed Implementation Plan)	H	H	High	TBD	N/A
Enterprise-Wide	Business Continuity & Disaster Recovery (Operations)	H	H	High	A1.10	FY19
Enterprise-Wide	Compliance Management	M	H	High	TBD	N/A
Enterprise-Wide	Artificial Intelligence	H	H	High	TBD	N/A

Audit Universe: Moderate/Low Risk

AUDIT DETAILS		RISK RANKINGS			HISTORY	
Department	Audit Area	Likelihood Rating	Impact Rating	Overall Risk Rating	Audit Order	Audit Periods
Engineering	Design & Construction: CIP Project Management	H	H	Moderate	**A1.1** **A2.11**	**FY16** **FY24**
Engineering	Design & Construction: Emergency Repairs	M	H	Moderate	**A2.2**	**FY21**
Engineering	Planning & Analysis	M	M	Moderate	TBD	N/A
Engineering	Construction Claims	M	L	Moderate	TBD	N/A
Finance & Accounting	Accounting: General Accounting, Financial Reporting, and Process	M	M	Moderate	TBD	N/A
Finance & Accounting	Accounting: Accounts Payable	M	H	Moderate	**A2.10**	**FY24**
Finance & Accounting	Accounting: Fixed Assets	M	M	Moderate	TBD	N/A
Finance & Accounting	Accounting: Cash Management and Investments	M	M	Moderate	TBD	N/A
Finance & Accounting	Accounting: Budgeting	L	H	Moderate	TBD	N/A
Finance & Accounting	Accounting: Debt Management	M	H	Moderate	**A2.1**	**FY21**
Finance & Accounting	Customer Care: Mail Center & Payments	M	H	Moderate	**A1.11** **A2.13**	**FY19** **FY24**
Finance & Accounting	Customer Care: Call Center	M	H	Moderate	**A1.11** **A2.13**	**FY19** **FY24**
Finance & Accounting	Procurement: P-Card Administration	M	L	Moderate	**A1.5** **A2.10**	**FY17** **FY24**
Information Technology	IT: Mobile	M	M	Moderate	TBD	N/A
Operations	Electrical & Instrumentation Management	M	M	Moderate	TBD	N/A
Operations	Support Systems: Facilities Management	M	M	Moderate	TBD	N/A
Operations	Water Technology & Research	M	M	Moderate	TBD	N/A
Operations	Treatment Plants	H	H	Moderate	**A1.9**	**FY18**
Operations	Inventory	M	H	Moderate	**A1.4**	**FY17**
Talent Management	HR: Recruiting/Onboarding/Offboarding	M	M	Moderate	TBD	N/A
Talent Management	HR: Strategy	M	H	Moderate	**A1.18** **A2.15**	**FY20** **FY25**
Water Quality	Regulatory/Reporting (e.g. Water, Air, Solids, Nutrients)	H	H	Moderate	**A1.13**	**FY19**
Water Quality	Quality Assurance (Accreditation)	M	H	Moderate	**A1.13**	**FY19**

Audit Universe: Moderate/Low Risk

AUDIT DETAILS		RISK RANKINGS			HISTORY	
Department	Audit Area	Likelihood Rating	Impact Rating	Overall Risk Rating	Audit Order	Audit Periods
Water Quality	Permitting Operations	M	M	Moderate	**A1.13**	**FY19**
Water Quality	BioSolids	M	M	Moderate	**A1.2**	**FY16**
Water Quality	Pollution Source Control	M	M	Moderate	**A1.15**	**FY20**
Enterprise-Wide	Insurance/Risk Management	M	L	Moderate	TBD	N/A
Enterprise-Wide	Physical Security	M	M	Moderate	TBD	N/A
Enterprise-Wide	Corporate Policies and Procedures	M	M	Moderate	TBD	N/A
Enterprise-Wide	Rate Increases	L	H	Moderate	**A2.13**	**FY24**
Enterprise-Wide	Lawsuits/ Legal Concerns	L	H	Moderate	TBD	N/A
Enterprise-Wide	Remote Work/Productivity	M	M	Moderate	TBD	N/A
Enterprise-Wide	Employee Morale/Culture	M	H	Moderate	TBD	N/A
Enterprise-Wide	Third-Party Risk Management	M	M	Moderate	TBD	N/A
Enterprise-Wide	Departmental Cooperation/Communication	M	L	Moderate	TBD	N/A
Communications	Communications	M	M	Moderate	**A2.5**	**FY23**
Finance & Accounting	Accounting: Payroll	M	M	Low	**A1.14**	**FY20**
Finance & Accounting	Procurement: Surplus Program	L	L	Low	TBD	N/A
Operations	Support Systems: Fleet	L	M	Low	**A1.17**	**FY20**
Operations	Support Systems: Machine Shop and Carpentry Shop	L	L	Low	TBD	N/A
Talent Management	Safety	M	M	Low	**A1.12**	**FY19**
Water Quality	Operations	L	L	Low	TBD	N/A
Enterprise-Wide	Corporate Governance	M	H	Low	**A1.8**	**FY18**
Enterprise-Wide	Legal Operations (Managing Attorneys)	L	L	Low	TBD	N/A
Enterprise-Wide	Media & Public Relations	L	L	Low	TBD	N/A

FY 2025 Budget Proposal
Finance Committee

April 23, 2024

Where does a ratepayer's dollar go?

Infrastructure Projects, $0.52

Debt Service + Cash for CIP

People, $0.24

Operational Expenses, $0.24

Budget, at a Glance

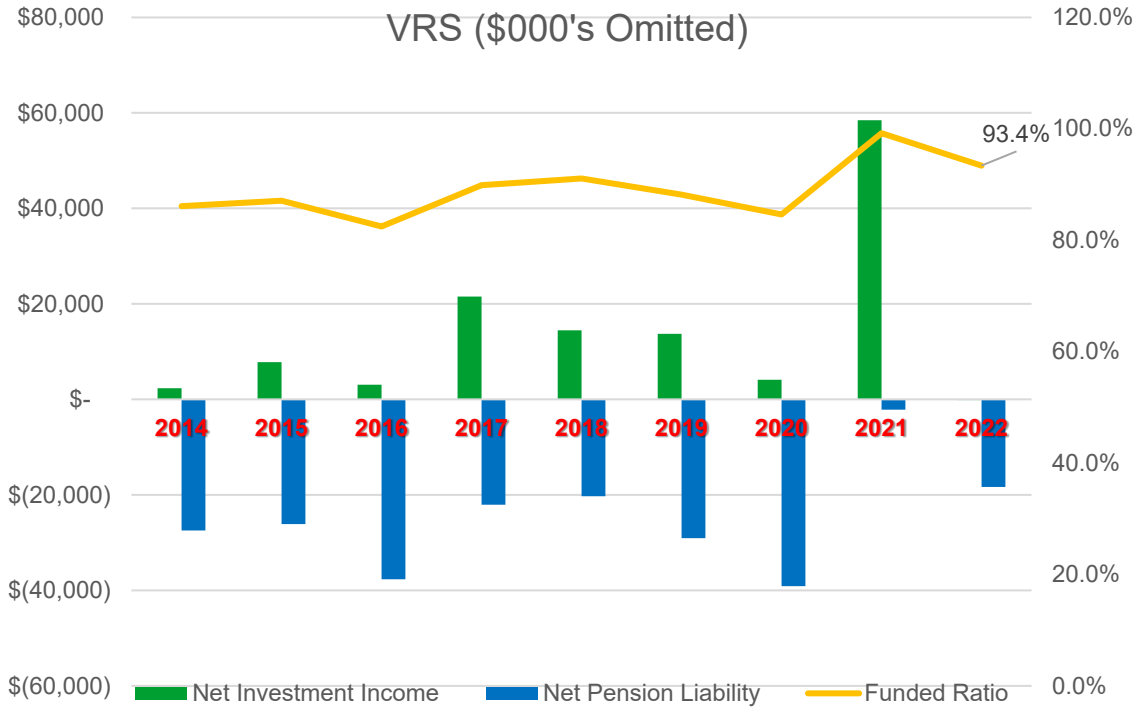
	($000's Omitted)	
Revenue	$ 469,062	Average Monthly Bill +$3.74
Operating Expenses	(223,816)	+8.2%
Debt Service	(90,000)	+18.2%
Amount Available for CIP (PAYGO)	155,246	
Grants/Reimbursements	271,288	WQIF/ARPA
Capital Expenses	(820,000)	3.7x Operating Expenses
Amount Financed	$ (393,466)	
10-Year CIP	$3.9B	
20 – Year CIP	$6.4B	

Operating Budget Changes From March Presentation ($000's omitted)

Budget Presentations	Mar-24	Apr-24	Change
Debt Service	$ 95,573	$ 90,000	$ (5,573)
Retirement	6,393	7,287	894
Transfers to CIP	150,567	155,246	4,679
Total			$ 0

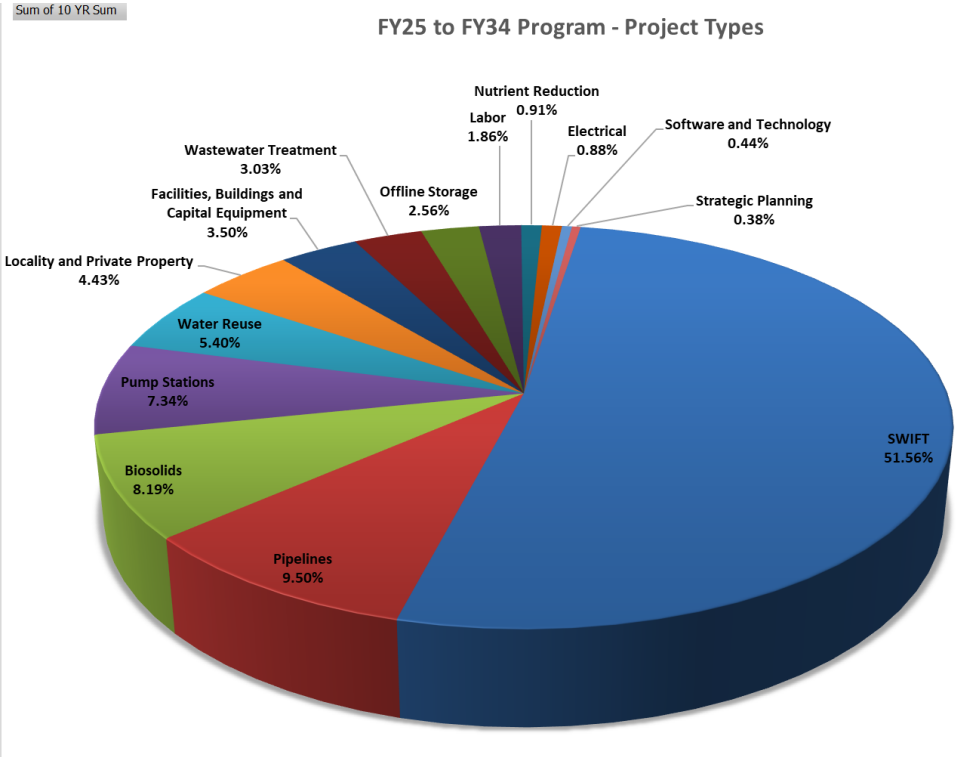
Virginia Retirement System (VRS)

- Retirement Costs +~$2.24M (44%)
  - +23% payroll cost in past two fiscal years
  - +~10% contribution rate (rate set bi-annually)
  - Change in VRS rate methodology for Hybrid plan members
    - *Effective DC Contribution Rate: 2.51% of covered payroll*
- Market Returns
  - 2021 – 27.5%
  - 2022 – 0.6%
  - 2023 – 6.1%
  - Expected Return – 6.75%



Capital Plan & Financial Forecast

FY25 - FY34 CIP Stats



- FY25 – FY34 = $3.9B
- 224 Projects
- Integrated Plan
  - SWIFT $1.8B through FY33
  - High Priority Round 1 - $217M
  - High Priority Round 2 - $35M*
- 60% regulatory driven
  - 76% FY25-FY29

*$170 M beyond 10yr CIP

HRSD's Integrated Plan – Dual Compliance

2021 2022 2023 2024 **2025** 2026 2027 2028 2029 **2030** 2031 **2032** 2033 2034 2035 2036 2037 2038 2039 **2040 - 2043**

$700M Phase 1, Rehab Action Plan

Adaptive Mgt

$214M High Priority 1 → **-47% SSO** → **$196M High Priority 2** → **-69% SSO**

swift

Aquifer Replenishment Program (ARP)

>$1B

$20M Microbial Source Tracking

$2M Post Construction Monitoring

HRSD

The compliance objective is a 69 percent or greater reduction in baseline modeled SSOs by volume for the 5-year peak flow recurrence event

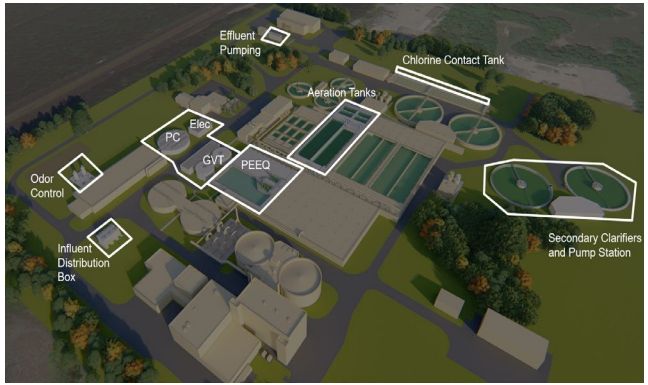
Integrated Plan Progress

	Regulatory Minimum Plan	Program Total	Spend to FY24	Remaining FY25 10yr CIP	Remaining Beyond 10yr CIP
RAP 2	$99 million	$391 million	$119 million	$272 million	--
SWIFT	$1 billion	$2.6 billion	$800 million	$1.8 billion	--
HPP 1	$214 million	$238 million	$21 million	$217 million	--
HPP 2*	$196 million*	$205 million*	--	$35 million	$170 million
TOTAL	**$1.5 billion**	**$3.4 billion**	**$940 million**	**$2.3 billion**	**$170 million**

*Extends beyond 10-year window

SWIFT Phase 1 – Complies with Clean Water Act and Chesapeake Bay

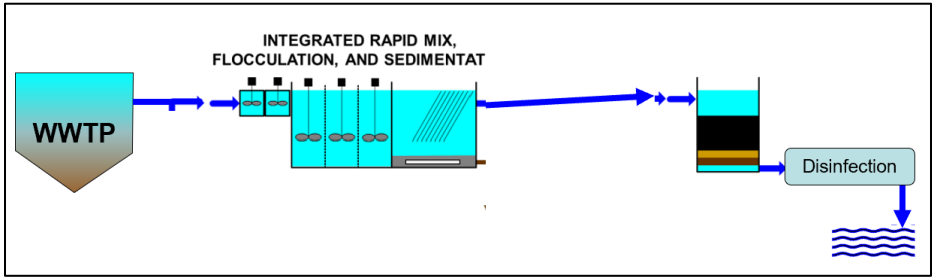
James River SWIFT + ANRI



Nansemond SWIFT + ANRI

Boat Harbor PS + FM

- Key Compliance Years = 2026 and 2032
- SWIFT Capacity = 50 MGD
- Aquifer Critical Cells Eliminated = 77%
- James River TN Reduction > 70%*
- James River TP Reduction > 50%*



VIP SWIFT Tertiary

*Compared to 2021

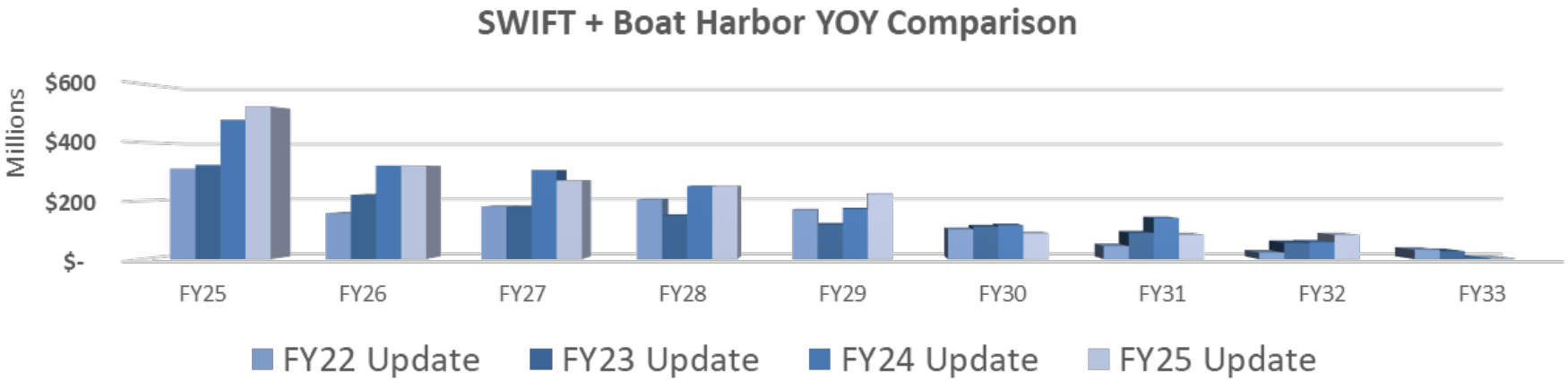
We are always researching ways to lower costs to keep our waterways clean

- **HRSD's Integrated Plan = $2.8B ($ as of 2022)**
- **Without an Integrated Plan = $7.8B**
- Clean Water Act Compliance - $4.1B
  - Each Locality builds wet weather capacity = $2.7B
  - HRSD builds wet weather capacity = $1.4B
- Chesapeake Bay TMDL (Nutrient Reduction) - $3.7B
  - HRSD nutrient reduction plants = $1.5B
  - Locality stormwater retrofits = $2.2B

HRSD saved the region $5.0B*

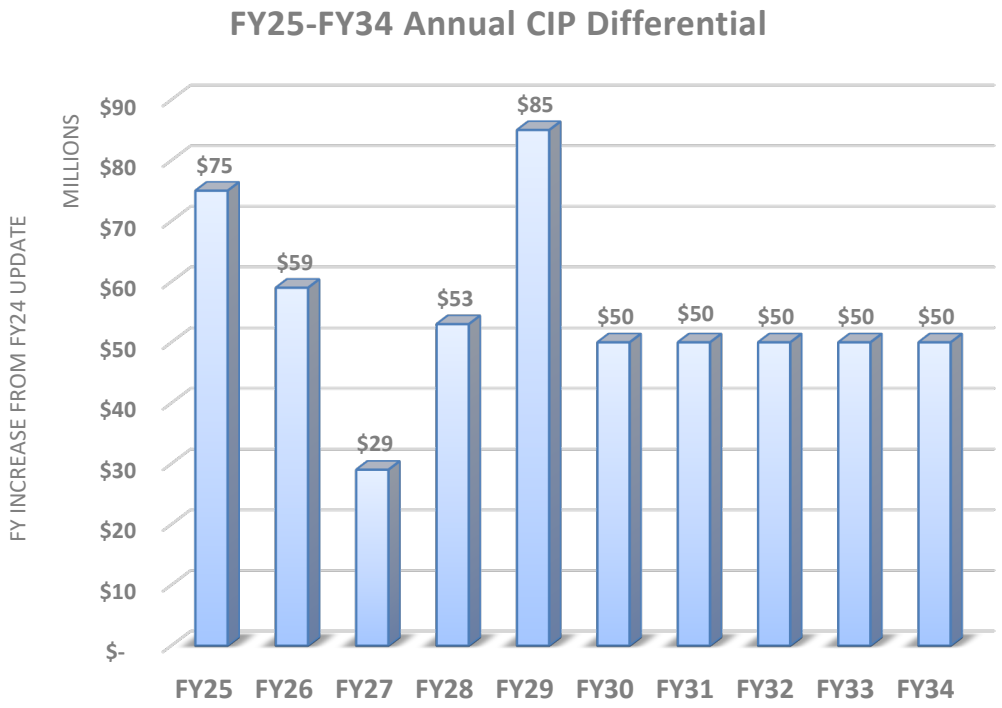
**This does not include the value of sea-level rise mitigation, groundwater replenishment and protection from saltwater intrusion*

SWIFT Phase I Program + Boat Harbor = +$0.6M



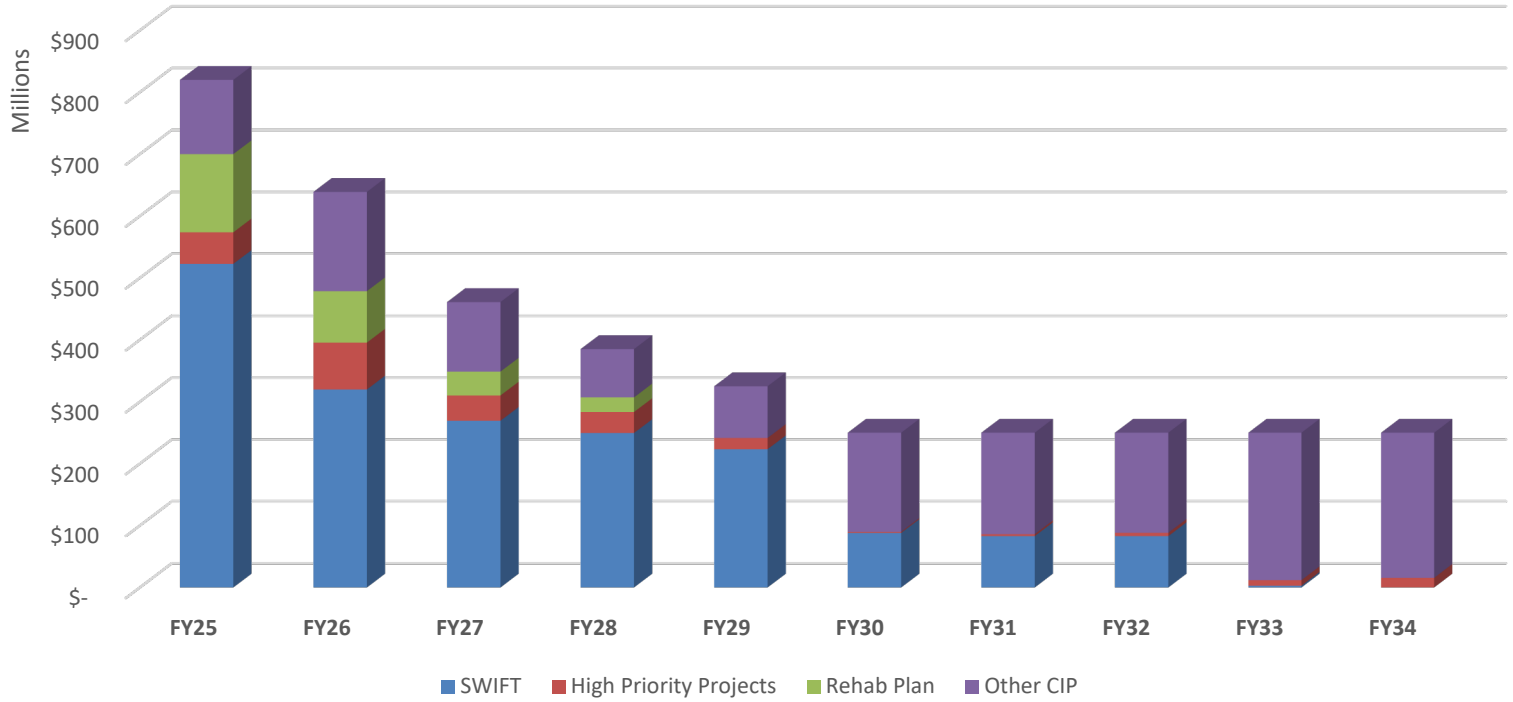
- SWIFT Costs are 51% of Total CIP FY25-FY32
- Program costs have stabilized
  - Nansemond SWIFT CCL received – no significant budget modifications
- VIP Tertiary PER underway to determine scope of future VIP facility

Overall CIP Program Changes = +$551M

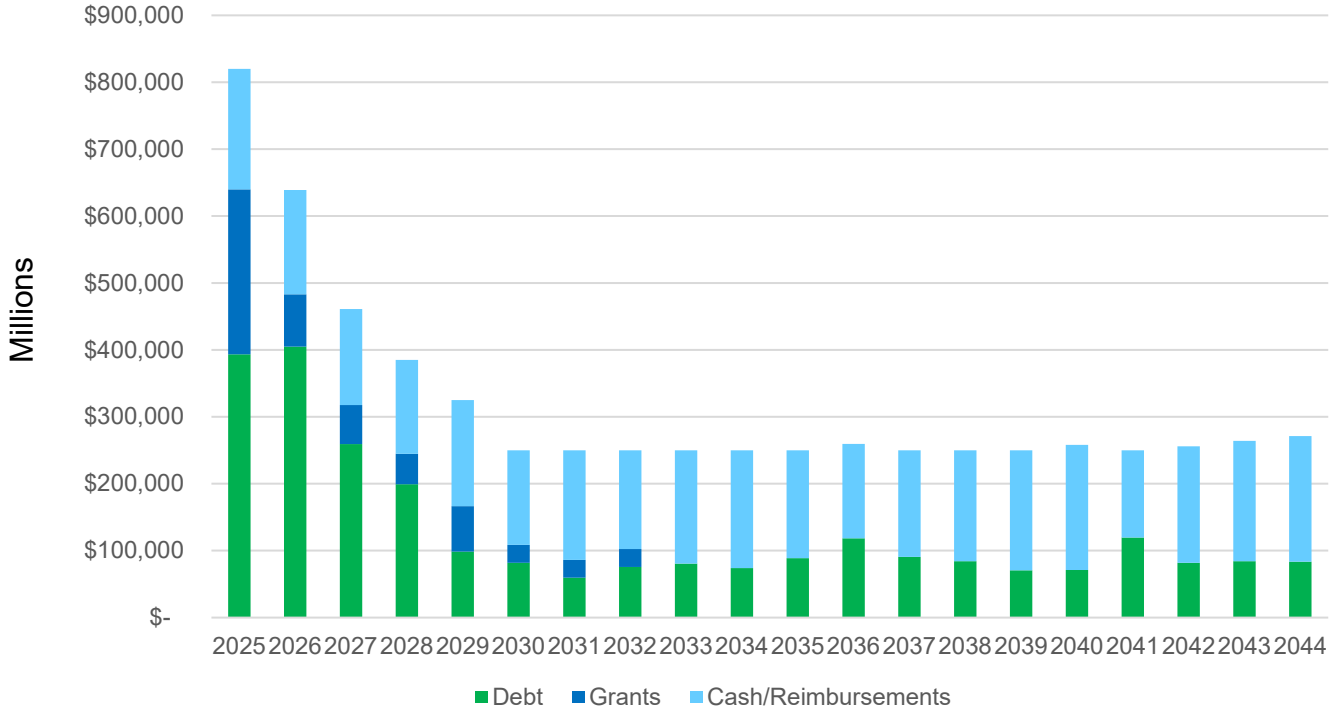


- Drivers
  - 30 New Projects
  - Modified cost estimates to reflect current challenging bid environment
  - Later year spending caps raised from $200M to $250M to account for inflation and initiation of climate resilience projects

FY25 – FY34 CIP = $3.88B

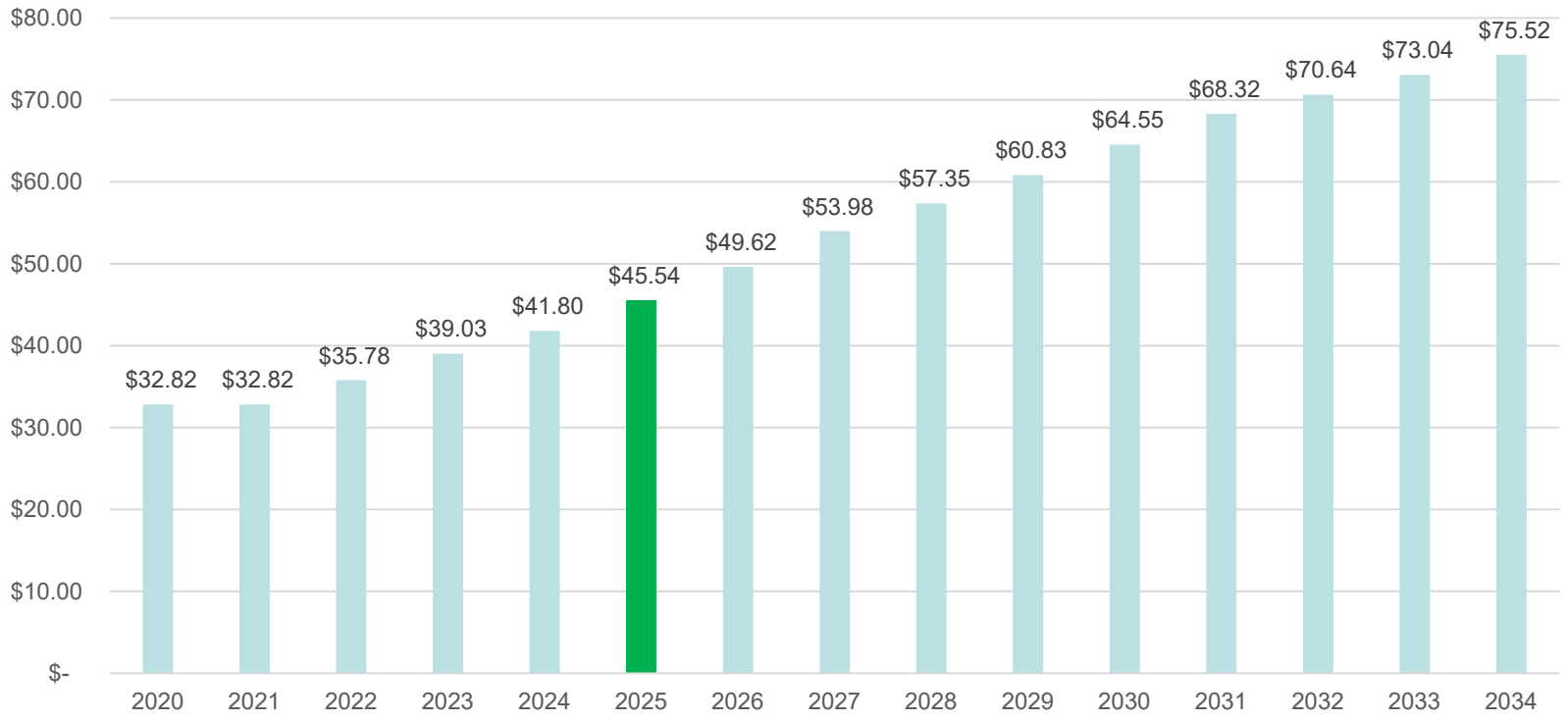


Projected Annual Capital Spend – Sources of Funds

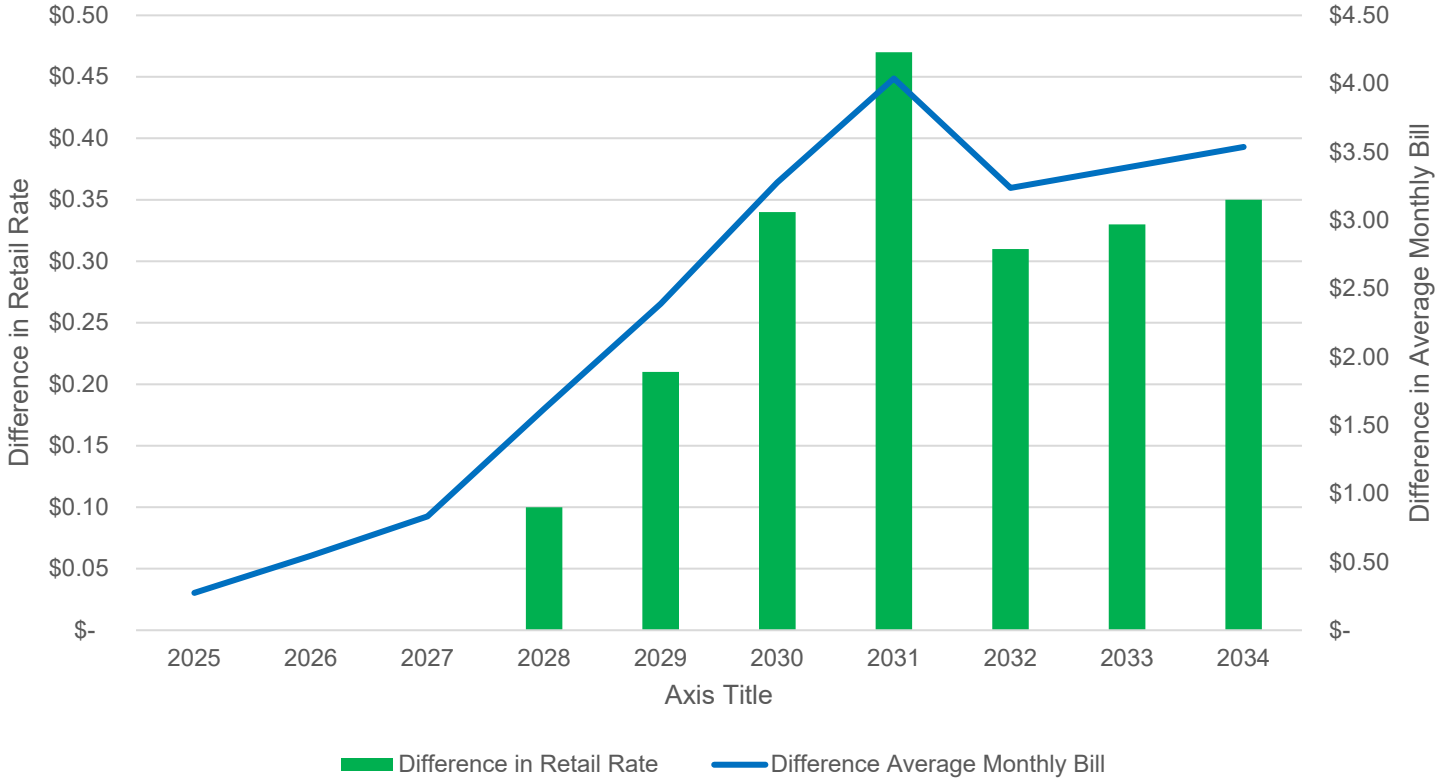


- % Leveraged
  - 5 Years (52%)
  - 10 Years (45%)
  - 20 Years (41%)

Historical and Projected - Average Monthly Bill (5.5 ccf)



Changes to Projected Retail Rate from 2024 Financial Plan



Financial Plan Risks/Unknowns – some within our control, some not

- WQIF grant availability
  - Qualified for over $900M
- Water consumption – declining or flat?
- CIP and SWIFT spend rates
  - Regulatory Deadlines
- Construction costs
  - Bid environment challenging

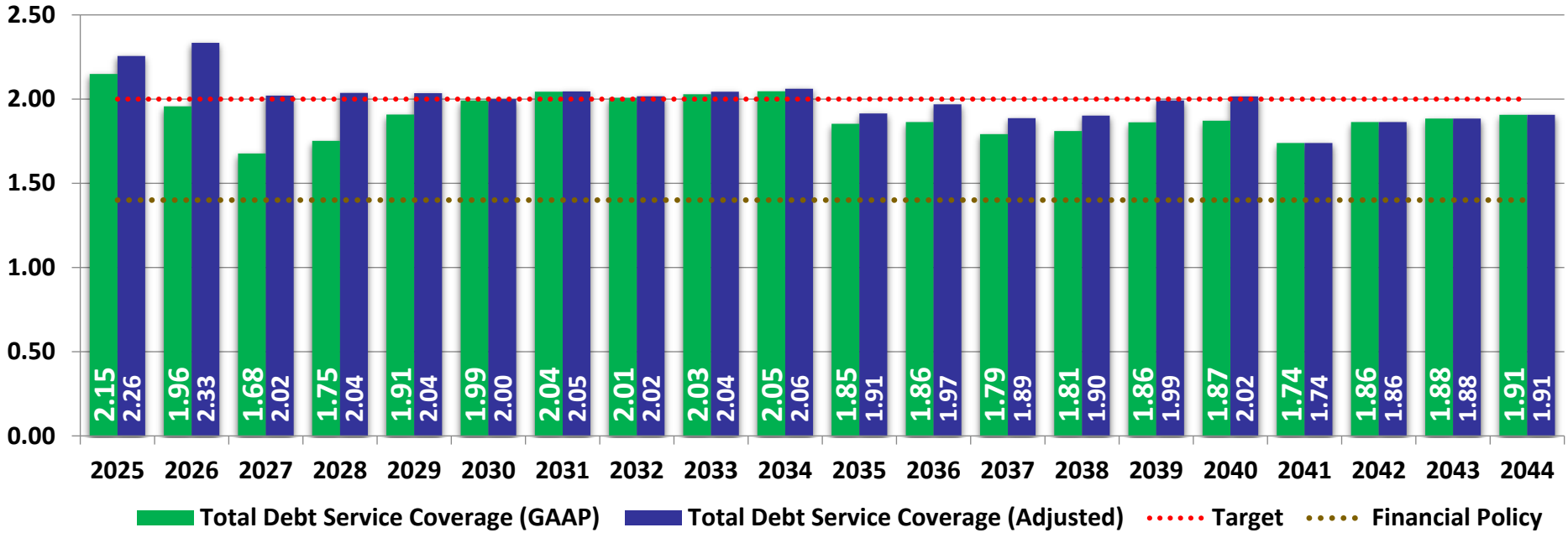
Debt Service Coverage Ratio (DSCR)

$$\textbf{Debt Service Coverage Ratio} = \frac{\textbf{REVENUES - EXPENSES}}{\text{Principal + Interest}}$$

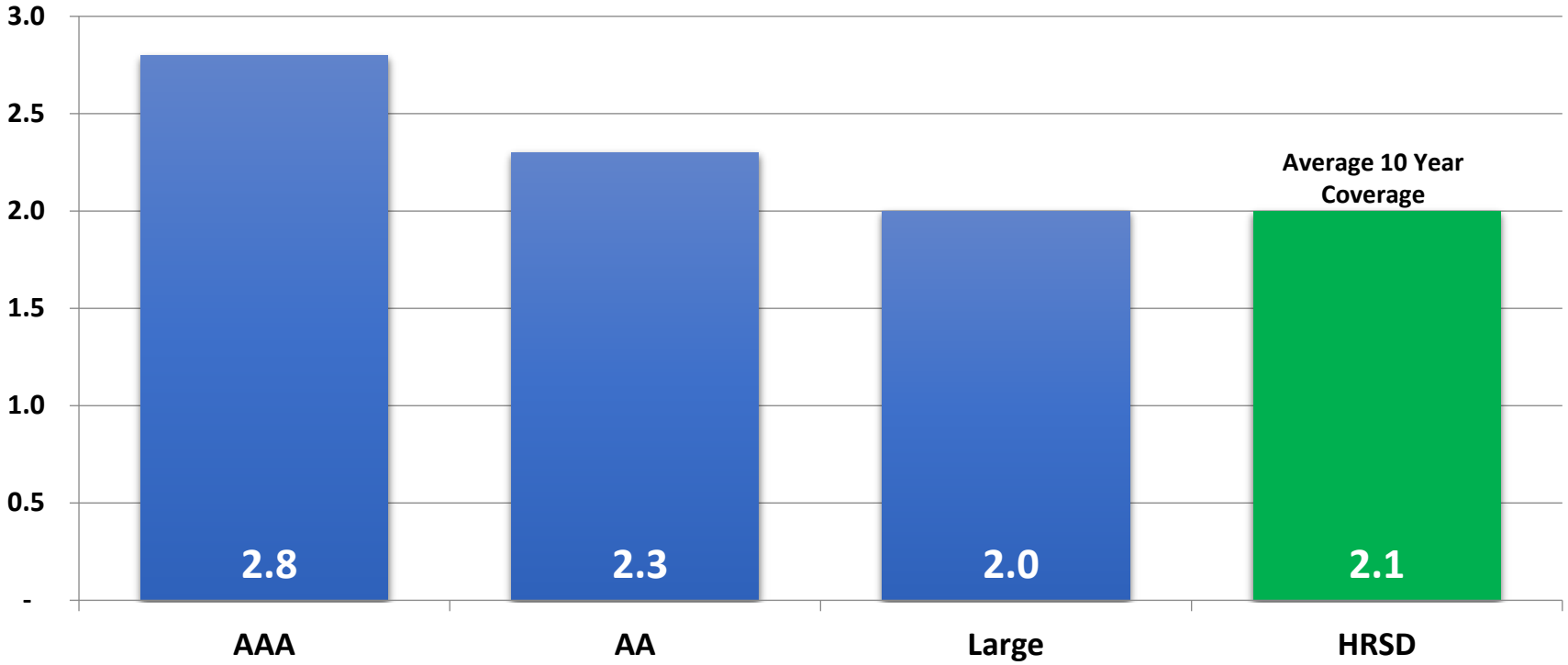
- *How much income will you have to pay Debt Service (principal + interest)?*
- *Measure of sufficiency of revenues and rates to meet obligations*
- *Quantifies **RISK** - Likelihood bond investors get paid back?*

*The forecast should target financial metrics, across the twenty-year period, that are consistent with rating agency metrics for a **strong, double-A rated credit**.*

Total Debt Service Coverage Projection

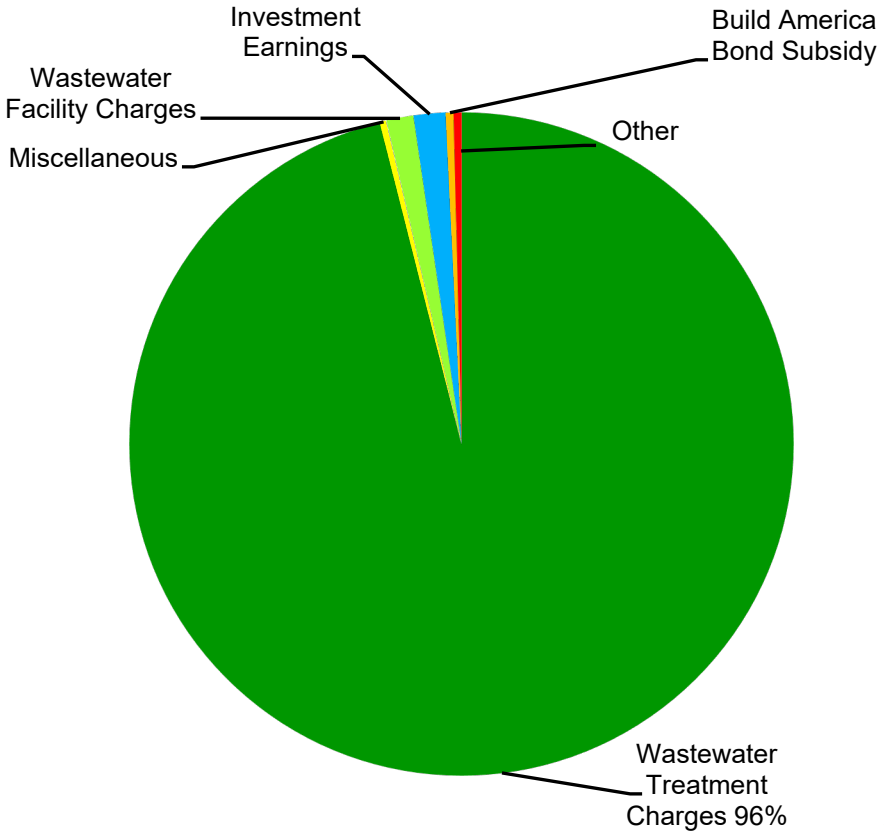


Total Debt Service Coverage Median Comparison



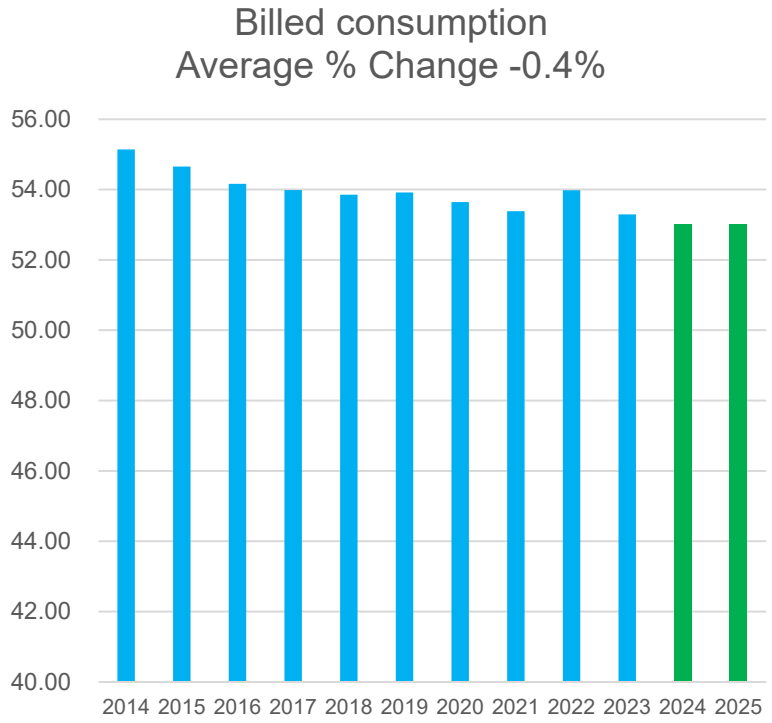
Rate/Revenue Discussion

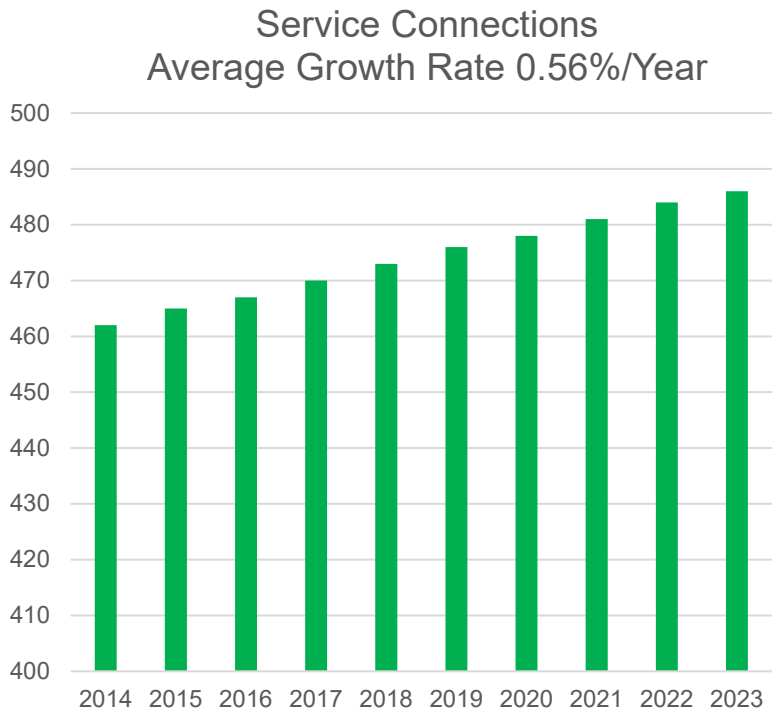
Retail Rate



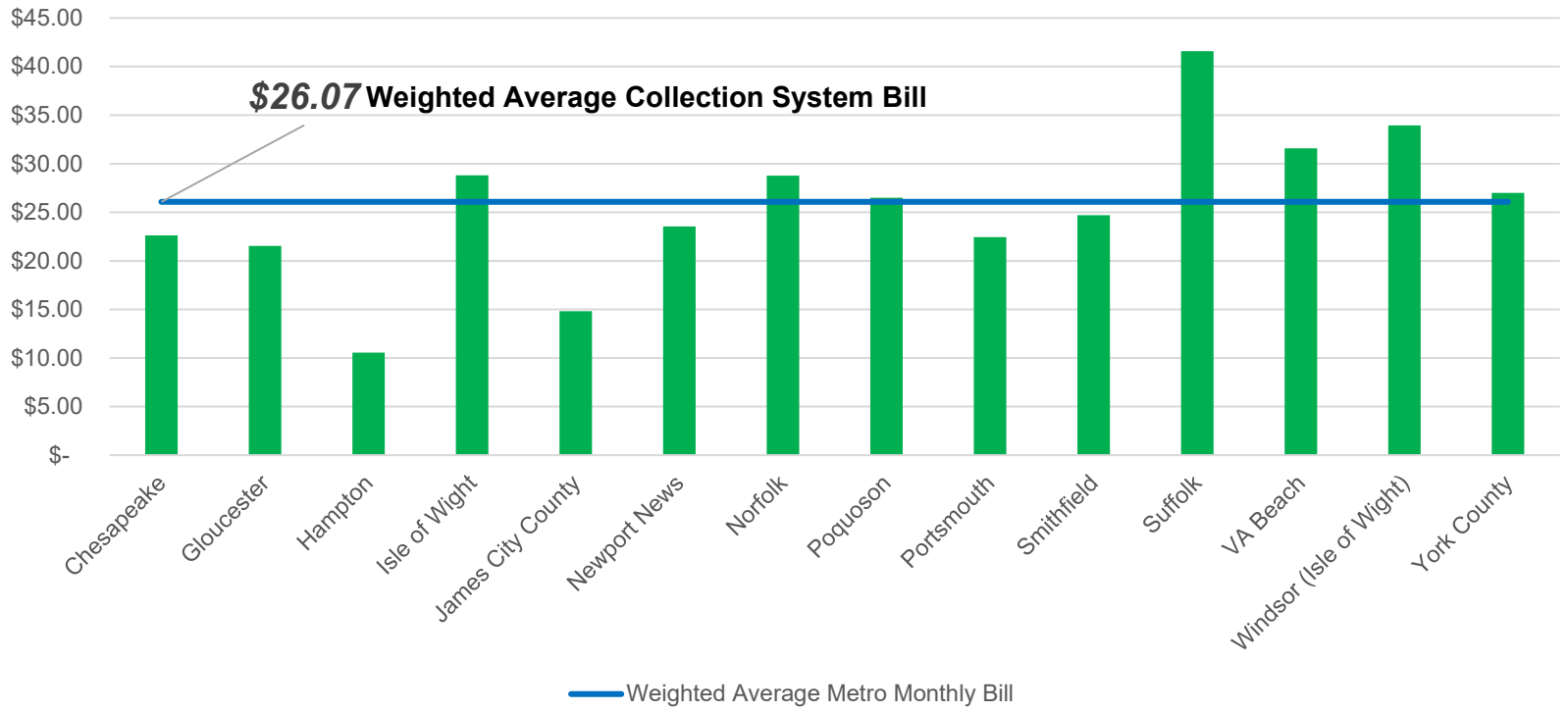
- FY25 – $8.28 per ccf
  - Avg monthly bill
    - $45.54 (5.5 ccf)
    - +$3.74/month
    - +$0.12/day
    - Still - $0.01/gallon
- Flat Rate $2.17/day
  - 12-month minimum requirement
- Wholesale Rate (unchanged)
  - $3.55/1,000 gals
  - Towns with a population less than 2,000

Billed Consumption & Service Growth





Average Metro Systems Monthly Bill (5.5 ccf)



Small Communities Rates

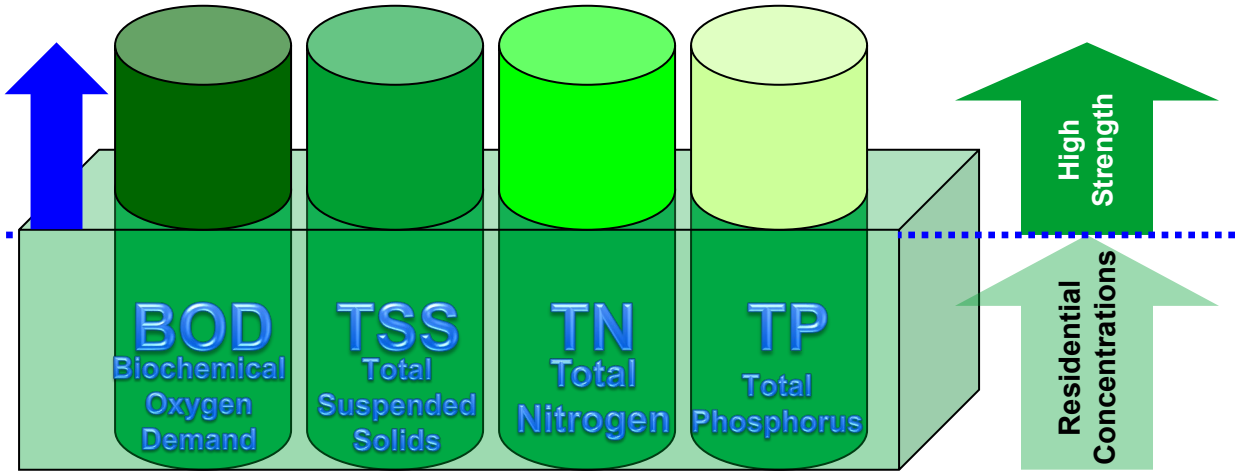
	Per 1,000 Gallons				
	Treatment Rate	Collections Rate	Capital Recovery Rate	FY 25	Change
All Small Communities	$11.07	$6.34	$ -	$17.41	8.3%
King William	$11.07	$6.34	$ 0.20	$17.61	8.0%
Unmetered Accounts	$2.17	$0.22	$-	$2.39	8.0%
King William - Unmetered Accounts	$2.17	$0.22	$0.03	$2.42	7.8%

Surcharges for High Strength or Unusual Wastes

- Domestic Quality Wastewater
- High Strength or Unusual Wastes
- $1.4M (0.3% of total revenues)
- Decline by 12.5%

Surcharge Rates represent Marginal/Incremental Costs

BASE COST includes Fixed and Variable Costs



FY24 Proposed Surcharge Rates – Incorporates Moving Averages

- Cost based rates - 9-year average to dampen volatility

FY24 Surcharge Rate per 100 lbs			FY25 vs FY24	
Pollutant	FY25	FY24	*$ Differential*	*% Difference*
Biochemical Oxygen Demand (**BOD**)	$2.91	$2.96	*($0.05)*	*-1.69%*
Total Suspended Solids (**TSS**)	$9.82	$9.80	*$0.02*	*0.20%*
Total Phosphorus (**TP**)	$146.87	$148.30	*($1.43)*	*-0.96%*
Total Kjeldahl Nitrogen (**TKN**)	$45.94	$44.59	*$1.35*	*3.03%*

Hauled Waste and Fats, Oils, and Grease (FOG) Rates

- Cost to treat Volume, BOD, TSS, TKN,
  - Excludes conveyance
- FOG costs significantly more to treat
  - 4-year average to dampen volatility

FY24 Hauled Waste Type	FY25	FY24	FY24 vs FY23 $ Differential	FY24 vs FY23 % Difference
Mixed, Portable Toilet, Residential Septage	$0.1812	$0.1812	$0.0000	0%
Fats, Oils, Grease (FOG)	$0.3658	$0.3517	$0.0141	4%

Wastewater Facility Charges

- Covers the cost of the new development's share of the wastewater system's capacity
- Meters larger than 3 inches are rare (not including fire flow meters)

$$\frac{\text{Net Replacement Value}}{\text{HRSD's Plant Capacity}} \times \text{Meter Size Average Flow}$$

Meter (inches)	FY 25	FY 24	% Change
5/8	$2,430	$2,420	0.41%
3/4	4,210	4,210	0.00%
1	7,410	7,410	0.00%
1.5	18,395	18,395	0.00%
2	35,825	35,825	0.00%
3	91,665	91,665	0.00%
4	178,485	178,485	0.00%
6	456,620	456,620	0.00%
8	889,185	889,185	0.00%
10	1,491,070	1,491,070	0.00%
12	2,274,730	2,274,730	0.00%
14	3,251,050	3,251,050	0.00%
16	4,429,645	4,429,645	0.00%

Nutrient Credits

- Asset Charge
  - Similar to facility charges (1x hydraulic capacity charge)
    - 1x nutrient capacity charge – charge for the depletion of capacity needed to offset credit
- Operational Charge
  - Marginal cost to treat each pound of pollutant

	Asset Charge ($/pound/year)			Operational Charge ($/pound)		
Pollutant	FY 25	FY 24	Change	FY 25	FY 24	Change
TN	13.91	13.49	3%	0.2893	0.2897	0%
TP	60.3	58.55	3%	1.1284	1.0226	10%
TSS	8.69	8.39	4%	0.1241	0.1274	-3%

- Next steps
  - May 28, Commission Meeting, vote on GM proposed budget
  - Post rates for 4 consecutive weeks
  - Budget effective July 1

Questions?

Rate Schedule

FISCAL YEAR 2025

(JULY 1, 2024 - JUNE 30, 2025)

HRSD
Ensuring future generations inherit clean waterways

Hampton Roads Sanitation District

(A Component Unit
of the Commonwealth of Virginia)

Rate Schedule
Fiscal Year-2024
(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.

Community	Total Wastewater Treatment and Collection Rate per 1,000 gallons	Flat Rate per day
Small Communities (except King William)	$17.41	$2.39
King William	17.61	2.42

Community	Wastewater Treatment Rate per 1,000 gallons	Flat Rate per day
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

Community	Unit Cost per 1,000 gallons	ERU Usage Rate
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 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

Type	In Excess of	Per mg/L Per 100 CF	Per 10 pounds
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

Type	Asset Charge ($/pound/year)	Operational Charge ($/pound)
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)

Type	Per Gallon
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 Director of Finance 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) (Amended 09/26/2023)

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 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.

Water Meter Size	Facility Charge
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.

HRSD
Ensuring future generations inherit clean waterways

Hampton Roads Sanitation District

(A Component Unit of the Commonwealth of Virginia)

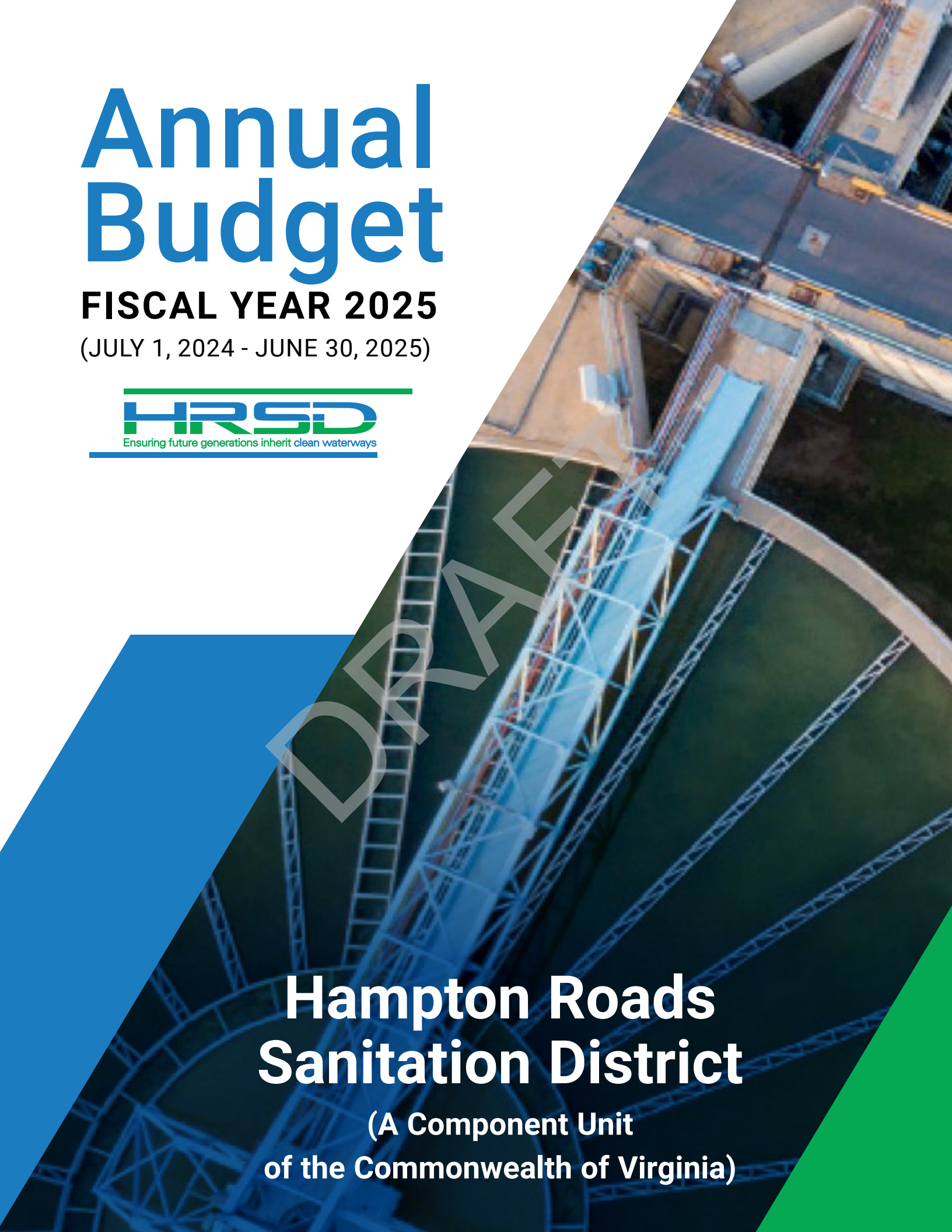
Annual Budget

FISCAL YEAR 2025

(JULY 1, 2024 - JUNE 30, 2025)

HRSD

Ensuring future generations inherit clean waterways



Hampton Roads Sanitation District

(A Component Unit
of the Commonwealth of Virginia)

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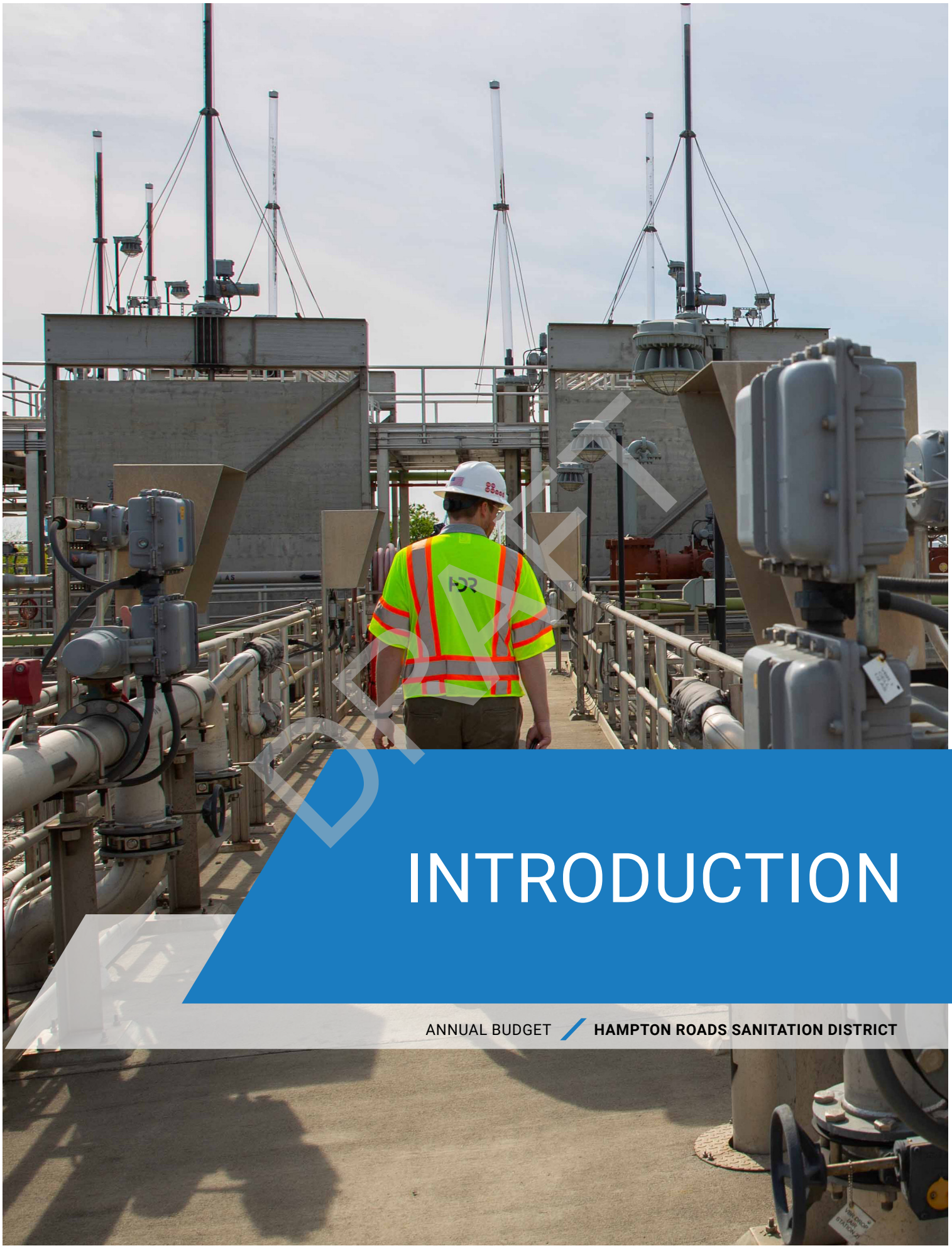

INTRODUCTION

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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:

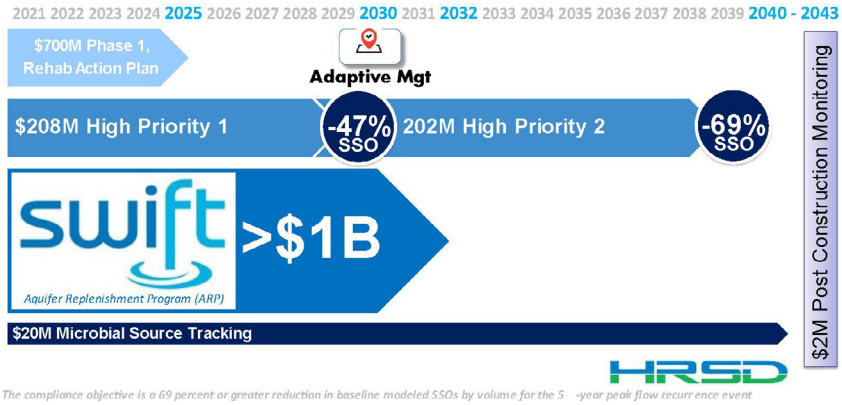
$99 million in improvements as part of our Rehabilitation Action Plan Phase 2 by 2025; current estimate is $391million.

$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 $2.8 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 Trust company, N.A.
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

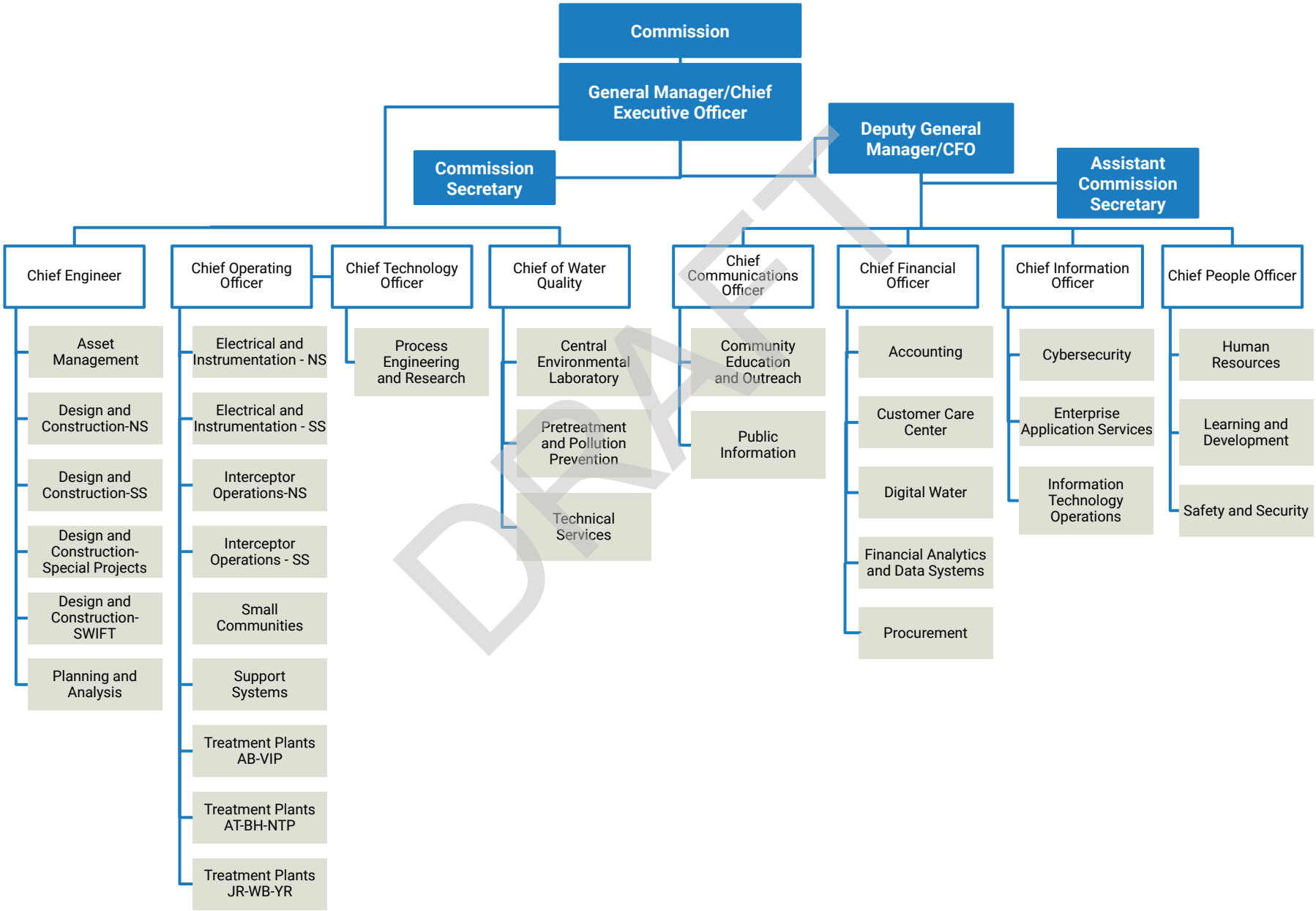
Ratings Agency	Senior Debt	Subordinate Long-term	Subordinate Short-term
Standard & Poor's	AA+	AA+	A-1 +
Fitch Ratings	AA+	AA	F1 +
Moody's Investors Service	Aa1	Aa1	n/a

Operating Budget (FY-2025)	$ 469,062,000

HRSD Service Area

HRSD Organization Chart

July 1, 2024



History of HRSD

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, supported by department directors 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 2023.

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 Department 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 Infrustructure 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 department's annual operating budgets. Those expenses that are not attributable to a specific department 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 department and major object code classification. Department 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 department.

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 department 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 department, with budgetary controls exercised administratively by management at the department level. The General Manager is authorized to transfer funds among departments 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. This ratio indicates the amount of capital improvements that are not leveraged.

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.

Senior Debt Service Coverage: Current-year revenues available for debt service divided by current- year senior lien debt service. This ratio indicates the financial margin to meet current senior lien debt service with current revenues available. HRSD's Financial Policy requires that Senior Debt Service Coverage will not be less than 1.5 times senior lien debt service. When calculating compliance with this coverage requirement, HRSD may make reasonable adjustments to the net revenues as presented on a basis consistent with generally accepted accounting principles. HRSD's Senior Trust Agreement requires Senior Debt Service Coverage, which is determined by dividing the Income Available for Debt Service by the Maximum Annual Debt Service, will not be less than 1.2 times.

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).

Total Debt Service Coverage Ratio (GAAP): Calculated in accordance with HRSD's Senior Trust Agreement, the ratio determined by dividing the Net Revenues by annual debt service. In such calculation, funds spent on Locality Assets are considered an expense. 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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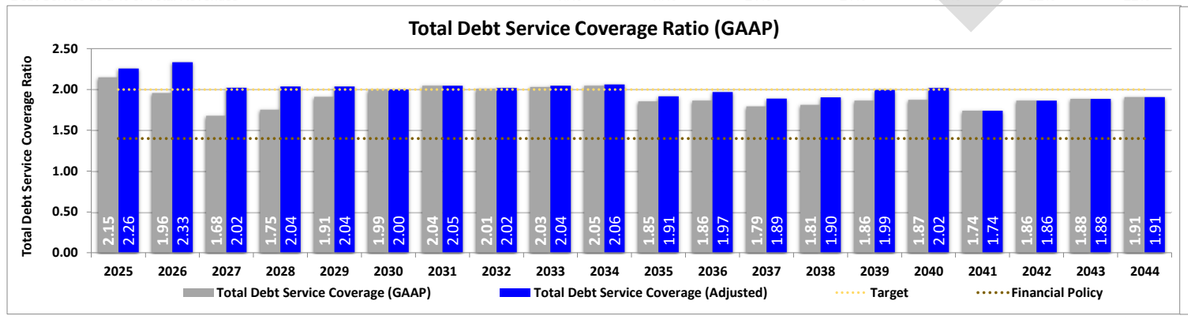
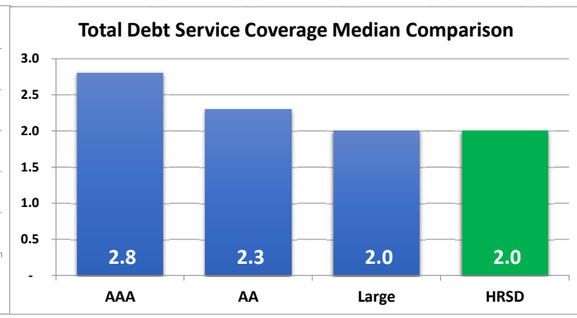
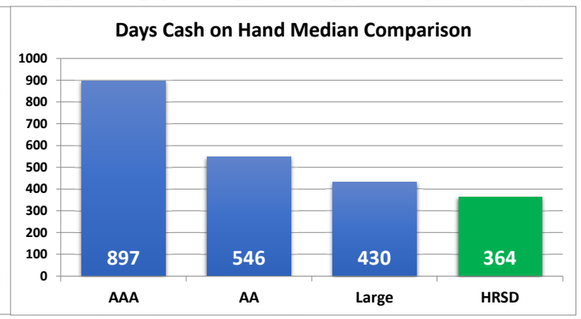
Financial Forecast (in thousands)

	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*	*$0.64*	*$0.68*	*$0.73*	*$0.77*	*$0.51*	*$0.53*	*$0.55*	*$0.57*	*$0.59*	*$0.62*	*$0.64*	*$0.67*	*$0.69*	*$0.72*	*$0.75*	*$0.78*	*$0.81*
Projected Wastewater Rate , $/ccf	*$8.28*	*$9.03*	*$9.84*	*$10.48*	*$11.16*	*$11.89*	*$12.66*	*$13.17*	*$13.70*	*$14.25*	*$14.82*	*$15.41*	*$16.03*	*$16.67*	*$17.34*	*$18.03*	*$18.75*	*$19.50*	*$20.28*	*$21.09*
Average Monthly Bill	*$45.54*	*$49.62*	*$53.98*	*$57.35*	*$60.83*	*$64.55*	*$68.32*	*$70.64*	*$73.04*	*$75.52*	*$78.07*	*$80.69*	*$83.43*	*$86.25*	*$89.17*	*$92.17*	*$95.27*	*$98.49*	*$101.81*	*$105.24*
Revenues																				
Operating Revenues	$ 452,127	$ 490,832	$ 532,554	$ 564,713	$ 597,917	$ 633,438	$ 669,419	$ 691,633	$ 714,576	$ 738,231	$ 762,584	$ 787,618	$ 813,815	$ 840,659	$ 868,625	$ 897,202	$ 926,861	$ 957,579	$ 989,333	$ 1,022,102
Non-operating Revenues	16,935	15,564	16,104	16,711	17,007	17,579	17,911	18,518	18,752	18,980	19,235	19,993	20,240	20,495	20,758	21,030	21,954	22,383	22,876	23,386
Total Revenues	**469,062**	**506,396**	**548,658**	**581,423**	**614,924**	**651,018**	**687,330**	**710,151**	**733,328**	**757,211**	**781,818**	**807,611**	**834,056**	**861,155**	**889,383**	**918,232**	**948,814**	**979,962**	**1,012,209**	**1,045,488**
	YOY Op Rev	*8.6%*	*8.5%*	*6.0%*	*5.9%*	*5.9%*	*5.7%*	*3.3%*	*3.3%*	*3.3%*	*3.3%*	*3.3%*	*3.3%*	*3.3%*	*3.3%*	*3.3%*	*3.3%*	*3.3%*	*3.3%*	*3.3%*
Operating Expenses																				
Personal Services	80,191	88,210	96,149	100,956	106,004	111,304	116,870	122,713	126,395	130,186	134,092	138,115	142,258	146,526	150,922	155,449	160,113	164,916	169,864	174,960
Fringe Benefits	30,774	30,626	32,589	34,162	35,812	37,543	39,361	41,267	42,930	44,664	46,473	48,361	50,331	52,387	54,533	56,774	59,113	61,555	64,104	66,767
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	37,980	41,018	43,069	45,223	47,484	49,858	52,351	54,968	56,617	58,316	60,065	61,867	63,723	65,635	67,604	69,632	71,721	73,873	76,089	78,372
Consulting Services	2,446	2,568	2,696	2,831	2,973	3,121	3,277	3,441	3,544	3,651	3,760	3,873	3,989	4,109	4,232	4,359	4,490	4,625	4,763	4,906
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	-	-	-	-	-	-	-	-	-	1,757	-	-	-	-	-	1,857	-	-	-
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	**223,816**	**240,668**	**266,010**	**294,171**	**310,071**	**337,143**	**354,778**	**383,591**	**397,685**	**411,741**	**427,015**	**462,669**	**478,055**	**493,969**	**510,430**	**527,457**	**567,541**	**584,730**	**604,438**	**624,832**
	YOY Op Exp	*7.5%*	*10.5%*	*10.6%*	*5.4%*	*8.7%*	*5.2%*	*8.1%*	*3.7%*	*3.5%*	*3.7%*	*8.3%*	*3.3%*	*3.3%*	*3.3%*	*3.3%*	*3.3%*	*7.6%*	*3.0%*	*3.4%*
Existing Debt Service	81,828	88,806	98,417	100,192	109,843	109,554	109,985	105,096	103,137	102,063	101,494	98,435	98,355	97,974	90,979	90,668	90,347	90,090	90,023	89,839
Projected Debt Service (Clean Water, WIFIA, LOC)	8,172	8,407	16,769	19,984	29,781	35,663	40,895	44,722	48,823	53,117	76,489	69,540	82,691	87,377	91,817	95,715	120,074	113,662	118,002	122,439
Total Debt Service	90,000	97,213	115,186	120,177	139,625	145,217	150,880	149,818	151,960	155,180	177,983	167,975	181,046	185,351	182,797	186,383	210,421	203,752	208,025	212,279
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)	-	15,696	25,342	28,162	15,899	27,073	17,635	28,812	14,094	14,056	15,274	35,654	15,386	15,914	16,461	17,027	40,084	17,189	19,708	20,394
Transfer to Capital Improvement Plan (PAYGO)	155,246	152,705	141,973	138,762	149,174	141,424	163,871	147,759	169,412	176,053	161,360	141,121	159,371	165,716	179,486	187,149	130,545	174,062	179,801	187,739
Total Approriations for Debt Service and Transfers	**245,246**	**265,728**	**282,648**	**287,252**	**304,854**	**313,874**	**332,551**	**326,560**	**335,643**	**345,470**	**354,803**	**344,942**	**356,001**	**367,186**	**378,954**	**390,775**	**381,273**	**395,232**	**407,771**	**420,656**
Total Appropriations	**$ 469,062**	**$ 506,396**	**$ 548,658**	**$ 581,423**	**$ 614,924**	**$ 651,018**	**$ 687,330**	**$ 710,151**	**$ 733,328**	**$ 757,211**	**$ 781,818**	**$ 807,611**	**$ 834,056**	**$ 861,155**	**$ 889,383**	**$ 918,232**	**$ 948,814**	**$ 979,962**	**$ 1,012,209**	**$ 1,045,488**
Capital Improvement Budget Forecast																				
Beginning Capital Reserves	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1
Sources of Funds																				
Debt funded (Revenue Bonds and Interim Financing)	-	-	-	-	-	-	-	-	-	-	297,185	-	-	-	-	-	314,153	-	-	-
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	309,107	80,000	80,000	80,000	32,178	-	-	-	-	-	-	-	-	-	-	-	-	-
Water Quality Improvement Fund (WQIF) Grants	246,457	78,000	58,393	45,500	68,022	26,700	26,700	-	-	-	-	-	-	-	-	-	-	-	-	-
HRSD - Cash	155,246	152,705	141,973	138,762	149,174	141,424	163,871	147,759	169,412	176,053	161,360	141,121	159,371	165,716	179,486	187,149	130,545	174,062	179,801	187,739
Reimbursements	24,831	3,348	1,500	1,500	9,306	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Line of Credit *(Negative = Paid Off)*	(32,227)	153,804	(89,973)	79,239	(21,502)	(38,124)	(12,749)	35,541	40,588	33,947	(248,545)	78,337	50,629	44,284	30,514	30,935	(234,699)	41,741	44,259	43,441
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	264,062	271,182
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	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1	$ 1
Reserves Balance Forecast																				
Total Unrestricted Cash	$ 385,017	$ 398,286	$ 413,043	$ 438,145	$ 464,613	$ 484,096	$ 524,344	$ 537,216	$ 573,139	$ 594,017	$ 594,785	$ 610,392	$ 644,226	$ 666,690	$ 697,130	$ 722,036	$ 705,740	$ 766,675	$ 792,359	$ 820,935
PAYGO (includes beginning balance, if available)	$ 155,246	$ 152,705	$ 141,973	$ 138,762	$ 149,174	$ 141,424	$ 163,871	$ 147,759	$ 169,412	$ 176,053	$ 161,360	$ 141,121	$ 159,371	$ 165,716	$ 179,486	$ 187,149	$ 130,545	$ 174,062	$ 179,801	$ 187,739
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**	**$ 240,668**	**$ 266,010**	**$ 294,171**	$ 310,071	**$ 337,143**	**$ 354,778**	**$ 383,591**	**$ 397,685**	**$ 411,741**	**$ 427,015**	**$ 462,669**	**$ 478,055**	**$ 493,969**	**$ 510,430**	**$ 527,457**	**$ 567,541**	**$ 584,730**	**$ 604,438**	**$ 624,832**
Daily Cost to Operate	$ 613	$ 659	$ 729	$ 806	$ 850	$ 924	$ 972	$ 1,051	$ 1,090	$ 1,128	$ 1,170	$ 1,268	$ 1,310	$ 1,353	$ 1,398	$ 1,445	$ 1,555	$ 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 (GAAP)	**2.15**	**1.96**	**1.68**	**1.75**	**1.91**	**1.99**	**2.04**	**2.01**	**2.03**	**2.05**	**1.85**	**1.86**	**1.79**	**1.81**	**1.86**	**1.87**	**1.74**	**1.86**	**1.88**	**1.91**
Total Debt Service Coverage (Adjusted)	**2.26**	**2.33**	**2.02**	**2.04**	**2.04**	**2.00**	**2.05**	**2.02**	**2.04**	**2.06**	**1.91**	**1.97**	**1.89**	**1.90**	**1.99**	**2.02**	**1.74**	**1.86**	**1.88**	**1.91**
CIP % Cash Funded (current year contributions)	19%	24%	31%	36%	46%	57%	66%	59%	68%	70%	65%	54%	64%	66%	72%	73%	52%	68%	68%	69%
Debt Service as a % of Total Revenues	19%	19%	21%	21%	23%	22%	22%	21%	21%	20%	23%	21%	22%	22%	21%	20%	22%	21%	21%	20%





Moody's 2022 Medians, HRSD = 10-yr forecast average



"Large" entities defined as having operating revenues over $150M.

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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	1,870,000	1,954,000	(84,000)	(4.3%)
Other	1,595,000	1,320,000	275,000	20.8%
Total Non-Operating Revenues	16,935,000	12,369,000	4,566,000	36.9%
Total Revenues	469,062,000	428,490,000	40,572,000	9.5%
Total Revenues and Transfers	**$ 469,062,000**	**$ 428,490,000**	**$ 40,572,000**	**9.5%**
Operating Appropriations				
General Management	$ 515,658	$ 538,146	$ (22,488)	(4.2%)
Communications	1,181,727	599,962	581,765	97.0%
Finance	19,351,070	17,365,168	1,985,902	11.4%
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	140,983,630	134,935,571	6,048,059	4.5%
Engineering	11,057,684	9,206,395	1,851,289	20.1%
Water Quality	18,837,758	18,299,074	538,684	2.9%
General Expenses	5,864,243	4,204,506	1,659,737	39.5%
Total-Operating Appropriations	223,816,278	206,862,630	16,953,648	8.2%
Appropriations for Debt Service and Transfers				
Debt Service	90,000,000	76,150,000	13,850,000	18.2%
Transfer to CIP	155,245,722	145,217,370	10,028,352	6.9%
Transfer to Risk Management Reserve	-	260,000	(260,000)	(100.0%)
Total Appropriations for Debt Service and Transfers	245,245,722	221,627,370	23,618,352	10.7%
Total Appropriations	**$ 469,062,000**	**$ 428,490,000**	**$ 40,572,000**	**9.5%**

Operating Budget Summary

	General Management	Communications	Finance	Information Technology	Talent Management	Operations	Engineering
Personal Services	$ 359,946	$ 487,955	$ 8,525,720	$ 7,901,833	$ 2,408,933	$ 45,233,224	$ 7,216,340
Fringe Benefits	92,711	154,772	3,259,186	2,515,023	843,243	18,410,565	2,397,397
Materials & Supplies	10,000	275,000	90,154	1,352,400	70,000	10,299,960	45,415
Transportation	12,500	16,500	27,500	28,100	27,500	2,170,169	32,836
Utilities	-	-	238,122	1,436,000	-	14,200,218	-
Chemical Purchases	-	-	-	7,530,675	-	16,539,326	-
Contractual Services	20,000	214,000	6,925,914	1,235,000	28,000	20,513,153	1,050,200
Major Repairs	-	-	-	-	-	11,413,008	-
Capital Assets	-	-	-	300,600	-	1,055,400	-
Miscellaneous Expense	20,500	33,500	284,473	-	347,201	1,148,607	315,496
Operating Approporiations	**$ 515,657**	**$ 1,181,727**	**$ 19,351,069**	**$ 22,299,631**	**$ 3,724,877**	**$ 140,983,630**	**$ 11,057,684**

Full-time Positions:							
Current	-	-	106	59	21	540	55
Changes	2	4	4	7	5	18	3
Budgeted	2	4	110	66	26	558	58

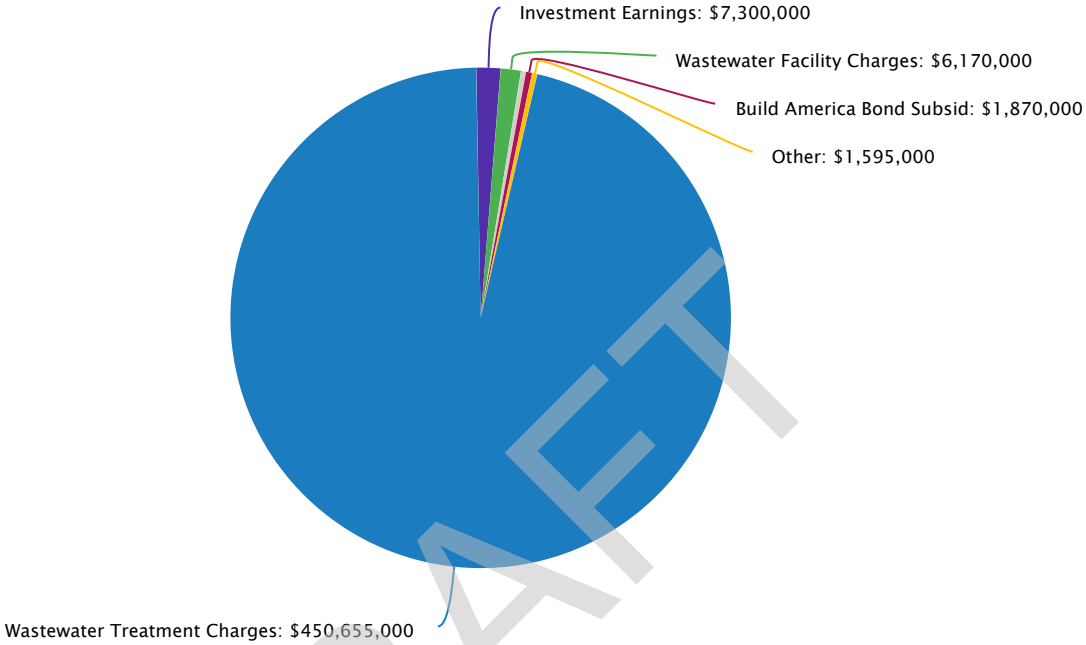
Operating Budget Summary

	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)	$ 80,190,998	17.1%	$ 70,450,193	$ 9,740,805	13.8%
Fringe Benefits	4,254,993	(1,153,709)	30,774,181	6.6%	28,485,720	2,288,461	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	-	-	24,070,001	5.1%	17,093,255	6,976,746	40.8%
Contractual Services	1,518,000	8,073,980	39,578,247	8.4%	42,019,975	(2,441,728)	(5.8%)
Major Repairs	20,000	-	11,433,008	2.4%	10,354,024	1,078,984	10.4%
Capital Assets	-	-	1,356,000	0.3%	1,064,500	291,500	27.4%
Miscellaneous Expense	585,350	967,572	3,702,699	0.8%	3,821,803	(119,104)	(3.1%)
Operating Approporiations	**$ 18,837,760**	**$ 5,864,243**	**$ 223,816,278**	**47.7%**	**$ 206,799,630**	**$ 17,016,648**	**8.2%**
Debt Service Costs			90,000,000	19.2%	76,150,000	13,850,000	18.2%
Transfer to CIP			155,245,722	33.1%	145,217,370	10,028,352	6.9%
Transfer to Risk Management			-	-%	260,000	(260,000)	(100.0%)
Appropriations for Debt Service and Transfers			**245,245,722**	**52.3%**	**221,627,370**	**23,618,352**	**10.7%**
			$ 469,062,000	**100.0%**	**$ 428,490,000**	**40,635,000**	**9.5%**

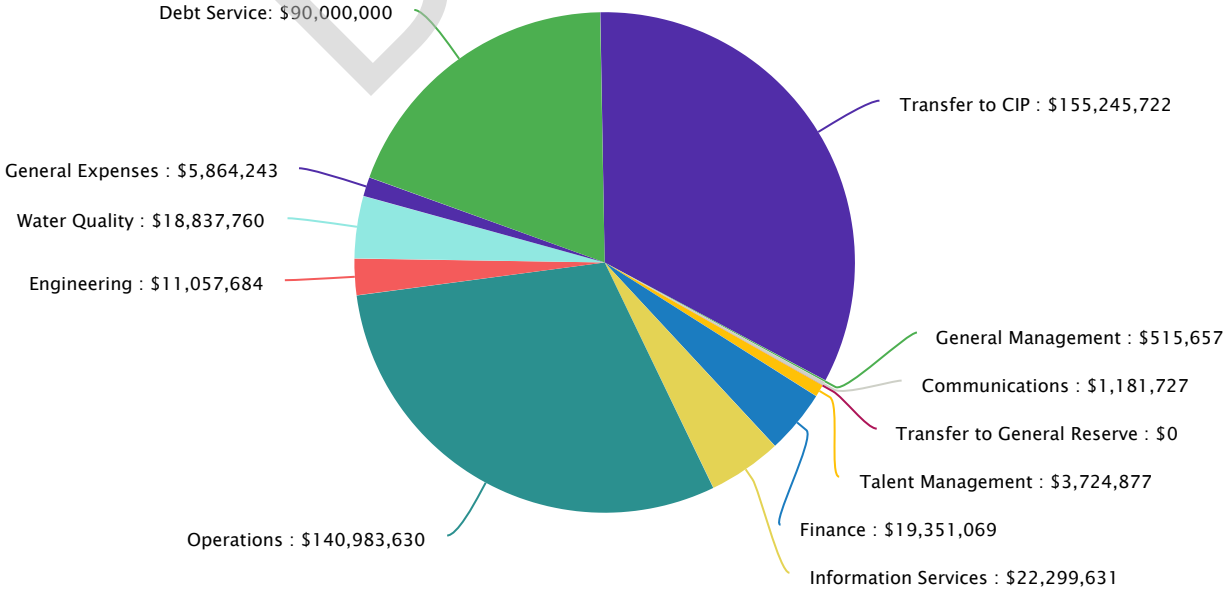
Full-time Positions:		
Current	123	904
Changes	-	43
Budgeted	123	947

Operating Budget Charts

Revenues and Transfers In
$469,062,000



Expenses and Transfers Out
$469,062,000



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	20,000	20,000	-	-%
Miscellaneous	20,500	30,500	(10,000)	(32.8%)
Total	**$515,657**	**$538,146**	**$(22,489)**	**(4.2%)**

Positions

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

Communications

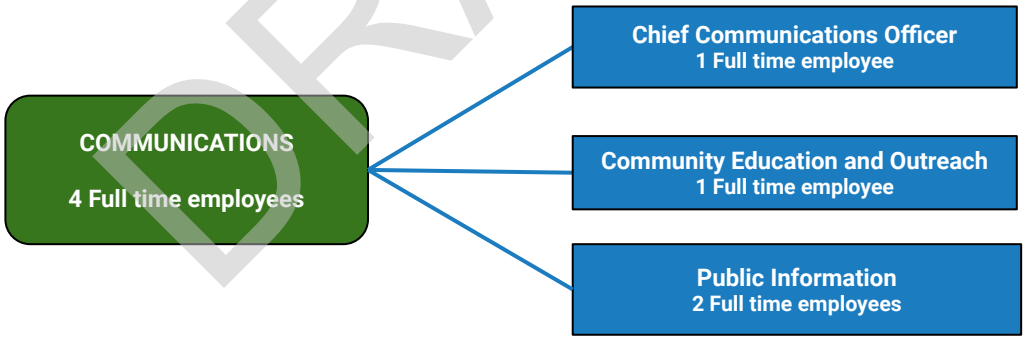
The Communications Division supports HRSD's Promise and Vision through public outreach, community engagement, educational programming and environmental and locality partnerships. The Division manages communications strategy, internal and external communications, media relations and branding through numerous 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

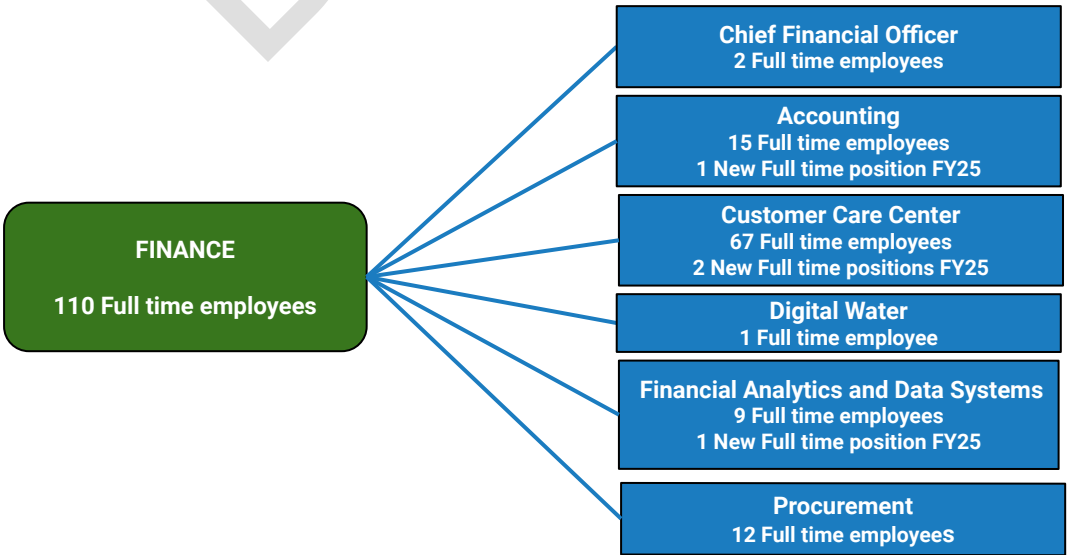
The Finance Division is responsible for HRSD's general financial and business functions, including financial reporting, investment portfolio, debt and risk management and customer billing. The Accounting Department handles fiscal affairs such as preparing statements, budgets, management reports and payroll. The Customer Care Center Department handles billing, payments, collections, maintenance of customer accounts and liaison with HRSD's customers. The 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. 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	$ 8,525,720	$ 7,821,681	$ 704,039	9.0%
Fringe Benefits	3,259,186	3,104,592	154,594	5.0%
Material & Supplies	90,154	102,784	(12,630)	(12.3%)
Transportation	27,500	23,650	3,850	16.3%
Utilities	238,122	282,000	(43,878)	(15.6%)
Contractual Services	6,925,914	5,722,389	1,203,525	21.0%
Miscellaneous	284,473	308,072	(23,599)	(7.7%)
Total	**$ 19,351,069**	**$ 17,365,168**	**$ 1,985,901**	**11.4%**

Positions

	Adopted FY-2025	Amended FY-2024	FY25 vs FY24
Total	**110**	**106**	**4**



Information Technology

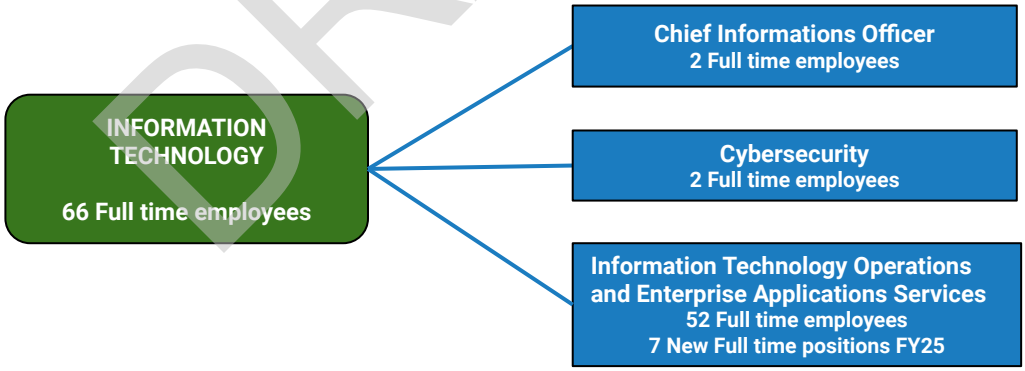
The Information Technology Division is responsible for HRSD's computer systems, communication systems, network systems, cyber security and data management functions. The Information Technology Operations Department assists HRSD Divisions in achieving their missions by ensuring all required hardware, 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

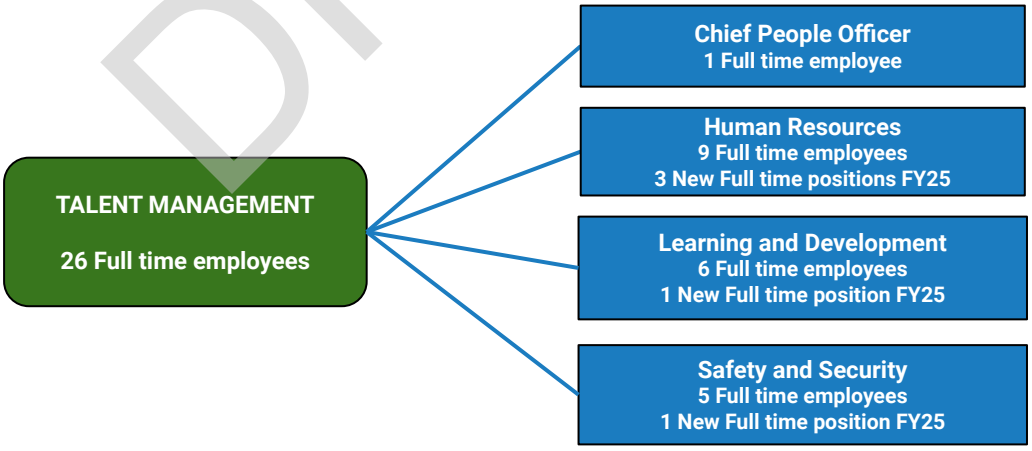
The Talent Management Division attracts, develops, and retains a talented diverse workforce and ensures employee safety. The Human Resources Department is responsible for recruitment and outreach, new employee onboarding, benefits administration, compensation and classification, employee relations, HRSD's 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	Amended 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, a full-service machine shop and managing an infrastructure assessment team. This Department is also responsible for energy management and research to find innovative, cost-effective ways of managing our energy consumption more effectively. This Division also the Technology Division whose primary purpose is to research new technologies with a focus on rapid deployment of innovative solutions and water quality.

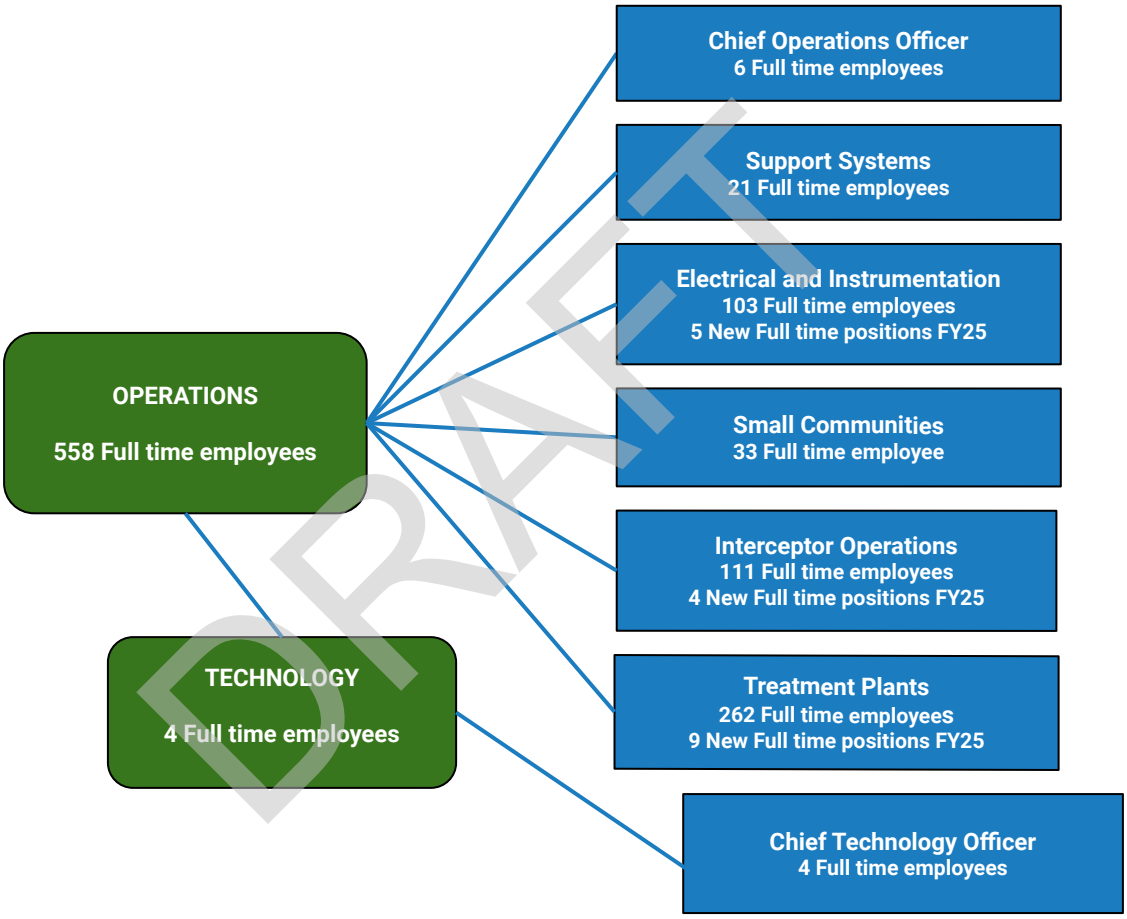
Expenditure Budget

	FY-2025 Budget	FY-2024 Budget	FY25 vs FY24 Inc/(Dec)	Percent Change
Personal Services	$ 45,233,224	$ 42,081,052	$ 3,152,172	7.5%
Fringe Benefits	18,410,565	16,941,679	1,468,886	8.7%
Material & Supplies	10,299,960	10,964,593	(664,633)	(6.1%)
Transportation	2,170,169	1,837,623	332,546	18.1%
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	20,513,153	19,875,161	637,992	3.2%
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	1,148,607	1,124,073	24,534	2.2%
Total	**$140,983,630**	**$134,935,571**	**$ 6,048,059**	**4.5%**

Operations (Continued)

Positions

	Adopted FY-2025	Amended FY-2024	FY25 vs FY24
Total	**558**	**540**	**18**



Engineering

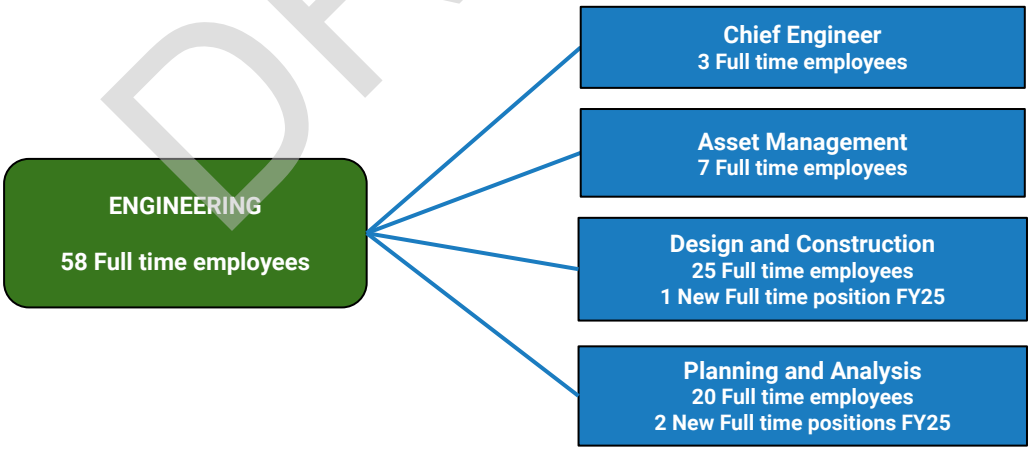
The Engineering Division is responsible for facility planning, design and construction and related support. The Asset Management Department is responsible for the Computerized Maintenance Management System (CMMS), Condition Assessment, and Emergency Management procedures to extend the life of assets 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	$ 7,216,340	$ 5,772,963	$ 1,443,377	25.0%
Fringe Benefits	2,397,397	1,963,395	434,002	22.1%
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	**$ 11,057,684**	**$ 9,206,395**	**$ 1,851,289**	**20.1%**

Positions

	Adopted FY-2025	Amended FY-2024	FY25 vs FY24
Total	**58**	**55**	**3**



Water Quality

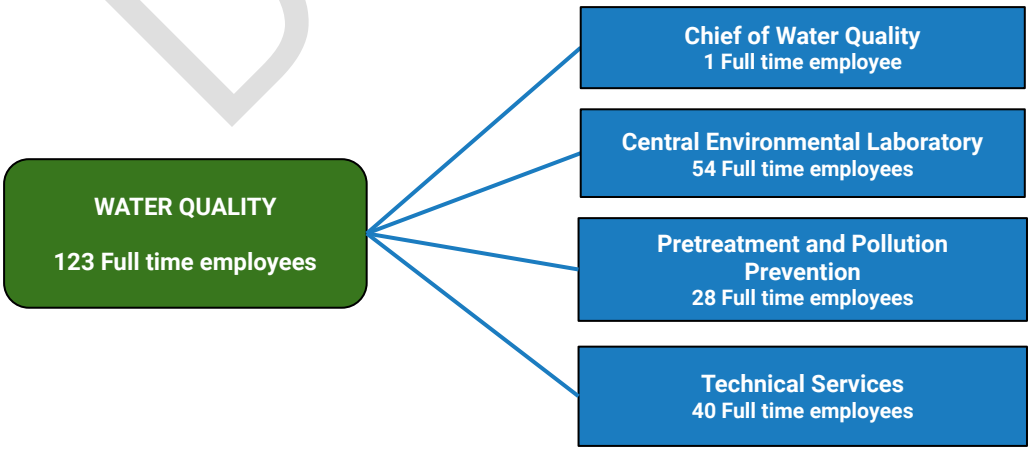
The Water Quality (WQ) Division's mission is to provide quality environmental services to support HRSD and its partners. This division helps ensure compliance with HRSD environmental permits and leads regulatory advocacy through the work of three divisions. The Central Environmental Laboratory (CEL) 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	828,650	138,922	16.8%
Total General Expenses	**$ 5,864,243**	**$ 4,141,506**	**$ 1,722,737**	**41.6%**
Publically Sold Bonds - Principal	25,735,000	24,650,000	1,085,000	4.4%
Publically Sold Bonds - Interest	30,569,000	25,088,000	5,481,000	21.8%
VRLF Bonds	33,696,000	26,475,000	7,221,000	27.3%
Subtotal - Debt Service	90,000,000	76,213,000	13,787,000	18.1%
Transfer to CIP	155,245,722	145,217,370	10,028,352	6.9%
Transfer to Risk Management	-	260,000	(260,000)	(100.0%)
Subtotal - Transfers	155,245,722	145,477,370	9,768,352	6.7%
Total Debt Service and Transfers	**$245,245,722**	**$221,690,370**	**$ 23,555,352**	**10.6%**

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	1,178,122	385,693	211,144	309,107	80,000	80,000
WQIF	576,472	246,457	78,000	58,393	45,500	68,022
Cash	1,536,377	155,246	152,704	141,973	138,761	149,174
Grants and Other Reimbursements	40,485	24,831	3,348	1,500	1,500	9,306
Transfer from Line of Credit	148,544	(32,227)	153,804	(89,973)	79,239	(21,502)
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		92%	100%	95%	90%	90%
Total Expenditures	**$ 4,082,233**	**$ 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	32,178	-	-	-
WQIF	26,700	26,700	26,700	-	-
Grants and Other Reimbursements	141,424	163,871	147,759	169,412	176,053
Cash	-	-	-	-	-
Transfer from Line of Credit	(38,124)	(12,749)	35,541	40,588	33,947
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	113,040	21,091	21,855	18,558	7,384	6,502	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	29,191	10,503	5,378	2,119	6,372	4,789	30	-	-	-	-
Atlantic												
AT011520	Shipps 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-I 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	319,425	39,948	54,424	52,187	55,949	48,714	40,563	27,295	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	291,102	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	6,915	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	32,652	17,827	9,055	923	4,847	-	-	-	-	-	-
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	217,300	70,372	56,700	33,954	15,019	14,212	8,400	2,467	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	71,622	25,496	24,941	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	372,574	208,774	82,337	27,495	19,719	10,074	9,353	7,898	4,453	1,047	1,424
Surry												
SU010400	Surry Force Main and Pump Station-Dominion Power Extension	$ 6,141	$ 6,071	$ 71	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	Subtotal	6,142	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	232,030	76,296	63,819	34,644	27,304	9,202	5,002	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	146,904	9,721	16,813	18,653	21,752	26,122	18,035	15,105	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	85,763	28,346	23,644	2,931	3,439	7,322	17,934	2,147	-	-	-
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	1,629,317	197,314	224,409	248,061	240,026	230,110	107,992	109,046	103,396	85,913	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		**4,082,244**	**891,306**	**639,000**	**485,263**	**427,780**	**361,114**	**277,780**	**250,001**	**250,001**	**249,999**	**250,000**

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Ensuring future generations inherit clean waterways

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