



COMMISSION MEETING MINUTES
August 26, 2025

- | <u>No.</u> | <u>Topic</u> |
|------------|---|
| | Call to Order |
| 1. | <u>Awards and Recognition</u> |
| 2. | <u>Public Comments Not Related to the Agenda</u> |
| 3. | <u>Agenda Item Format Briefing</u> |
| 4. | <u>Consent Agenda</u> |
| 5. | <u>Small Communities Rehabilitation Phase V
Public Hearing on Determination of Public Need for Easement Acquisition and
Easement Acquisition Resolution</u> |
| 6. | <u>Small Communities Rehabilitation Phase VI
Public Hearing on Determination of Public Need for Easement Acquisition and
Easement Acquisition Resolution</u> |
| 7. | <u>Boat Harbor Conveyance Water Quality Improvement Fund (WQIF)
Grant Agreement</u> |
| 8. | <u>DEQ Nonpoint Source Nutrient Pollution Pay-for-Outcomes Program Grant Agreement
(>\$200,000)</u> |
| 9. | <u>Department of Environmental Quality (DEQ) Nonpoint Source Nutrient Pollution Pay-
for-Outcomes Program
Appropriate Funds for Grant Program</u> |
| 10. | <u>Birdneck Road Trunk Force Main – Pipeline Cover Mitigation & Protection Initial
Appropriation – Non-Regulatory and Task Order (>\$200,000)</u> |
| 11. | <u>Coatings and Concrete Rehabilitation and Replacement FY26
Coating of Atlantic Treatment Plant Odor Control Scrubber D and Ductwork Initial
Appropriation – Non-Regulatory Task Order (>\$200,000)</u> |
| 12. | <u>North Shore and Small Communities Division Aerial Crossing Improvements Initial
Appropriation – Non-Regulatory</u> |



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- | <u>No.</u> | <u>Topic</u> |
|------------|--|
| 13. | <u>Urbanna and Central Middlesex Wastewater Treatment Plant Rehabilitation Initial Appropriation – Non-Regulatory</u> |
| 14. | <u>West Point to Williamsburg Alignment Study Initial Appropriation – Non-Regulatory</u> |
| 15. | <u>Army Base Treatment Plant Administration Building Renovation Additional Appropriation – Non-Regulatory (>\$1,000,000)</u> |
| 16. | <u>Treatment Plant Dewatering Replacement Phase III Additional Appropriation – Non-Regulatory (>\$1,000,000), Contract Award (>\$200,000) and Task Order (>\$200,000)</u> |
| 17. | <u>Treatment Plant Dewatering Improvements Phase IV Additional Appropriation – Non-Regulatory (>\$1,000,000), Contract Award (>\$200,000) and Task Order (>\$200,000)</u> |
| 18. | <u>VIP SWIFT Tertiary Facility Alternative Project Delivery</u> |
| 19. | <u>Procurement Policy and Appendices Revisions and Additions</u> |
| 20. | <u>New Business</u> |
| 21. | <u>Unfinished Business</u> |
| 22. | <u>Commissioner Comments</u> |
| 23. | <u>Informational Items</u> |

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The Commission Chair called the meeting to order at 9:01 a.m.

Name	Title	Present for Item Nos.
Rodriguez, Stephen C.	Commission Chair	1-23
Levenston, Jr., Willie	Commission Vice-Chair	1-23
Glenn, Michael E.	Commissioner	(Absent) 1-17 (Virtual) 18-23
Lakdawala, Vishnu K.	Commissioner	1-23
Stern, Nancy J.	Commissioner	1-23
Taraski, Elizabeth	Commissioner	1-23
Templeman, Ann	Commissioner	1-23

In accordance with Virginia Code § 2.2-3708.3 (B) and the HRSD Remote Participation Commission Adopted Policy Commissioner Michael Glenn requested approval to participate in today's meeting from Norfolk, Virginia. The Commissioner was unable to attend the meeting due to a business matter.

Moved: Willie Levenston, Jr.
Seconded: Ann Templeman

Ayes: 6
Nays: 0
(Excludes Remote Participant)

1. **Awards And Recognition**

Action: Adopt a commending resolution.

Moved: Ann Templeman
Seconded: Vishnu Lakdawala

Ayes: 6
Nays: 0

a. **Promotion Announcements**

- (1) Ms. Sharnelle Fontanilla was recently promoted to Customer Care Billing Manager. Sharnelle was hired in 2020 as the Customer Care Payments Coordinator, moved to the Call Center, and was then promoted to Call Center Supervisor. Sharnelle previously worked in the City of Virginia Beach Public Utilities billing department and has several years of experience in Utilities and Customer Service. She holds a bachelor's degree in psychology from Norfolk State University. Sharnelle will be leading the billing work



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center and working closely with the other Customer Care work centers and localities as HRSD prepares to take the CC&B billing system to the cloud.

- (2) Ms. Heather Huling was recently promoted to Project Portfolio Manager for IT. Heather was hired in December 2021 as a Senior Systems Analyst and was then promoted in June 2025. She is a certified Project Management Professional (PMP) with over 25 years of experience in project management. Heather holds a Master's in International Studies with an emphasis in Economics from Old Dominion University. Heather will be leading the IT project management team and working closely with the Director of Enterprise Application Services, Coleen Moody and the Chief Information Officer, Mary Corby to manage the IT project portfolio.

b. New Employee Introductions

- (1) Ms. Lyndsey Davis was recently hired as an Operations Manager in the SS Interceptor Operations Department. Lyndsey is a licensed professional engineer with five years of full-time experience in the water industry. Lyndsey holds a bachelor's degree in environmental engineering from Rensselaer Polytechnic Institute with a minor in sustainability studies. She recently worked at Brown and Caldwell, supporting linear infrastructure designs, I/I reduction projects, and leading sustainability efforts for NYCDEP projects. Prior to that she worked at Ramboll, providing design and field support on a variety of water and wastewater infrastructure projects. Lyndsey has experience in linear wastewater infrastructure design, SSES field efforts, leading teams and groups, and technical writing. She will be leading the engineering support group within the SS Interceptor Operations Department and supporting the design and technical needs of the operations group on South Shore. Lyndsey is an active participant in VWEA and currently holds a position on the board.
- (2) Ms. Christina Gibson was recently hired as Chief People Officer in the Talent Management Division. Ms. Gibson has over 25 years of experience in Human Resources and Organizational Development. She holds a bachelor's degree from James Madison University and a master's degree from George Mason University. Ms. Gibson most recently worked at Children's Hospital of The King's Daughters (CHKD) Health System, leading their talent management team through unprecedented growth. Ms. Gibson has achieved the Senior Professional in Human Resources (SPHR) from the Human Resource Certification Institute (HRCI) and the Senior Certified Professional (SHRM-SCP) from the Society for Human Resource Management (SHRM). She is

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certified in Human Performance Improvement from the Association for Talent Development (ATD) and is Six Sigma Green Belt certified. Ms. Gibson is an active volunteer for James Madison University.

- (3) Mr. Udaykumar Revankar (Uday) has recently been hired as an ERP Developer in the Information Technology Department. He is a licensed Project Management Professional (PMP) with 33 years of experience in ERP systems and software development. Uday holds a Master's in Engineering Management from George Washington University and has recently worked at Canon Inc. His expertise includes ERP implementation and process improvement. In his new role, Uday will lead projects focused on process improvements and reporting requirements.

c. Commending Resolution

Upon approval, the Commission Chair presented a commending resolution to Ms. Jennifer Cascio in recognition of her dedicated service.

d. Announcements

Dr. Charles Bott, PhD, PE, BCEE, HRSD's Chief Technology Officer, has been appointed to the State Board of Health by Governor Glenn Youngkin.

Dr. Bott currently manages technology innovation and research and development for HRSD's wastewater treatment plants and interceptor system. He is also an Adjunct Professor in the Departments of Civil and Environmental Engineering at Virginia Polytechnic Institute and State University (Virginia Tech) and Old Dominion University. His dedication to public health and environmental stewardship makes him an excellent addition to the Board.

Public Comment: None

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

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3. **Agenda Item Format**

Action: No action is required.

Brief: Each fiscal year, HRSD's annual budget process includes updating the Financial Forecast and the ten-year Capital Improvement Program (CIP).

The Financial Forecast is a comprehensive forward-looking estimate of HRSD's financial performance based on historical data, capital market trends and management insights. It serves as a critical tool for planning, decision making, capital investments and understanding projected cash flows.

The CIP is a project and financial planning tool that is used to help inform the development of the Financial Forecast. The CIP provides the most recent cost estimates for capital projects currently underway or proposed for the future.

The CIP is not an approval or appropriation of funds for individual projects. The Commission historically has appropriated (approved the budget) for each capital project throughout the fiscal year before it can begin.

Most frequently, this initial appropriation is based on a CIP cost estimate that was developed at the concept stage of a project and is a Class 5 cost estimate with an expected accuracy range of -20% to +100%.

Annually, as each individual project's scope matures from this concept stage to a fully designed project where construction cost estimates become more reliable, both the CIP and Financial Forecast are updated to reflect the updated cost estimate. The original appropriation, however, is generally not updated until the project has been bid and construction costs are known.

To help ensure transparency and understandability of this budgetary process, staff updated the Commission CIP appropriation template.

Staff provided a [briefing](#) during the meeting.

Public Comment: None

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4. **Consent Agenda**

Action: Approve the items listed in the Consent Agenda.

Moved:	Vishnu Lakdawala	Ayes:	6
Seconded:	Nancy Stern	Nays:	0

Brief:

- a. Approval of minutes from previous meeting.
- b. Contract Awards (>\$200,000)
 - 1. [ArcGIS Enterprise Software Licenses, Maintenance and Support Services](#) \$690,000
 - 2. [Closed Circuit Television \(CCTV\) Gravity Inspection and Cleaning Services](#) \$16,384,125
 - 3. [Oracle Annual License and Maintenance Support Services](#) \$1,642,885
 - 4. [Primavera Unifier/P6 and AutoVue 2D Professional Cloud Support Services](#) \$3,784,251
 - 5. [York River Treatment Plant \(YRTP\) Primary Digester Cleaning and Residual Hauling](#) \$217,131
- c. Contract Change Orders (>25% of original contract value or \$50,000)
 - 1. [Solids System Improvements for Army Base MHI Offline](#) \$951,091
- d. Task Orders (>\$200,000)
 - 1. [James River Treatment Plant Primary Clarifier Pipes \(1 & 2\)](#) \$253,000
Bridgeman Civil Inc. \$660,922
 - 2. [SWIFT Program Management \(Nansemond SWIFT Facility and Nansemond Recharge Wells \(On Site\) Design Build\)](#) \$8,118,737
 - 3. [Western Branch Sewer System Gravity Improvements](#) \$4,657,527
Garney Companies, Inc. \$6,330,964
Rummel, Klepper & Kahl, LLP (RK&K) \$866,868

Item(s) Removed for Discussion: None

Public Comment: None

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5. **Small Communities Rehabilitation Phase V
Public Hearing on Determination of Public Need for Easement Acquisition and
Easement Acquisition Resolution**

Actions:

- a. **Conduct a public hearing.**
- b. **Adopt a Resolution approving the public use determination and directing acquisition by condemnation, or other means, of permanent easements for the Small Communities Rehabilitation Phase V.**

Moved: Willie Levenston, Jr.

Ayes: 6

Seconded: Elizabeth Taraski

Nays: 0

CIP Project: MP014800

Regulatory Requirement: None

Project Description: This project will raise approximately 60 paved-over or buried manholes through Urbanna, King William County, and West Point. Installation of three new structures and replacement of manhole frame and covers will occur with the work.

Project Justification: Uncovering and raising the buried and paved over manholes will allow operations to access these structures in order to perform an assessment of our infrastructure and to ensure the collection systems are operating as designed.

As part of the project, HRSD anticipates a total of 23 permanent easements; of which one remains unfinalized.

A public hearing will be held to review the scope of the project, to define the public need of the project and identify the specific impact to the properties where condemnation may be considered and to receive public input. Attempts to purchase the property interests from the owners have been unsuccessful. While a purchase is still possible, condemnation will likely be necessary to keep the project on schedule. The attached [resolution](#) meets the requirements of the Code of Virginia should condemnation be necessary.

HRSD's legal counsel, Kaufman & Canoles reviewed the resolution.



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

<u>Schedule:</u>	PER	January 28, 2022
	Design	January 1, 2025
	Bid	August 8, 2025
	Construction	September 8, 2025
	Project Completion	February 6, 2026

Discussion Summary: Staff outlined the project's justification, alignment, necessity, required easements, and key risk factors.

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

Public Comment: None

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6. **Small Communities Rehabilitation Phase VI
Public Hearing on Determination of Public Need for Easement Acquisition and
Easement Acquisition Resolution**

Actions:

- a. **Conduct a public hearing.**
- b. **Adopt a Resolution approving the public use determination and directing acquisition by condemnation, or other means, of permanent easements for the Small Communities Rehabilitation Phase VI.**

Moved: Ann Templeman
Seconded: Elizabeth Taraski

Ayes: 6
Nays: 0

CIP Project: MP015500

Regulatory Requirement: None

Project Description: This project will renew approximately 5,600 linear feet (LF) of gravity pipe and 12 manholes in the service areas of West Point Pump Stations (PS) 5 located at the intersection of Bagby Street and Mattaponi Avenue, PS 8 located between King William Avenue and Taylor Avenue and PS 9 located at the intersection of Oak Grove Avenue and Southern Avenue. These facilities have been identified as large contributors to inflow and infiltration (I&I). Renewal methods include internal point repairs, external point repairs, and trenchless rehabilitation. External point repairs will consist of dig-and-replace in kind with pipe of equal size. Rehabilitation may include one or more trenchless methods to reinforce existing pipelines with an internally installed liner or other seal to prevent I&I intrusion. Manholes will be lined and rehabilitated.

Project Justification: The West Point Treatment Plant (WPTP) experiences significant increased flows during wet weather events. Since January 2019, the effluent flow monthly average has exceeded the Permitted Design Capacity (0.6 MGD) ten times to date, with 95% of capacity being exceeded for three consecutive months occurring twice in that timeframe. Each of the consecutive occurrences requires a written letter to Virginia Department of Environmental Quality (VDEQ) outlining HRSDs plan of action to address these increased flows. This project will continue HRSDs commitment to reducing I&I into the collection system in accordance with that plan of action. Analysis of the gravity flow meter data collected from the West Point system was evaluated and identified the PS 5, 8 and 9 service areas as the highest contributors to I&I levels.



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Hazen and Sawyer completed a Sanitary Sewer Evaluation Survey (SSES) of these areas and identified multiple areas of rehabilitation and/or replacement of the collections system. This project will address the deficiencies identified in this SSES and generate a large reduction of I&I and provide for structural repairs on at-risk infrastructure.

As part of the project, HRSD anticipates a total of 14 permanent easements; of which one remains unfinalized.

A public hearing will be held to review the scope of the project, to define the public need of the project and identify the specific impact to the properties where condemnation may be considered and to receive public input. Attempts to purchase the property interests from the owners have been unsuccessful. While a purchase is still possible, condemnation will likely be necessary to keep the project on schedule. The attached [resolution](#) meets the requirements of the Code of Virginia should condemnation be necessary.

HRSD's legal counsel, Kaufman & Canoles reviewed the resolution.

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

<u>Schedule:</u>	PER	January 28, 2022
	Design	January 1, 2025
	Bid	October 1, 2025
	Construction	February 6, 2026
	Project Completion	February 6, 2027

Discussion Summary: Staff explained the project scope and alignment, the need for the project, size and type of easements needed, and key risk factors.

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

Public Comment: None

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7. **Boat Harbor Conveyance Water Quality Improvement Fund (WQIF)
Grant Agreement**

Action: Approve the terms and conditions of the Water Quality Improvement Fund (WQIF) Point Source Grant and Operation and Maintenance Agreement with the Virginia Department of Environmental Quality (DEQ) for the Boat Harbor Conveyance Project and authorize the General Manager to execute same, substantially as presented, together with such changes, modifications and deletions as the General Manager may deem necessary or desirable.

Moved: Vishnu Lakdawala
Seconded: Willie Levenston, Jr.

Ayes: 6
Nays: 0

CIP Project: BH015700, BH015701, BH015710, BH015720, GN016345, GN016346

Agreement Description: This grant agreement between the Virginia DEQ and HRSD is for costs associated with conveying flow from the Boat Harbor Treatment Plant (BHTP) to the Nansemond Treatment Plant (NTP) in support of the SWIFT Program. This grant will be the third conveyance-type WQIF grant HRSD has received.

The Grant agreement requires HRSD to continue to operate the NTP for twenty years and to meet annual average effluent discharge limits for Total Phosphorus, Total Nitrogen or Nitrogen-containing ammonia discharges. If these nutrient limits are not met, HRSD will be responsible for repaying an unamortized portion of the grant.

The total grant award is \$294,300,591.77 and is based on WQIF eligibility percentages for this program of projects. The award of this grant was anticipated in HRSD's Capital Improvement Program (CIP).

HRSD's legal counsel, AquaLaw reviewed the attached [agreement](#).

Public Comment: None

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8. **DEQ Nonpoint Source Nutrient Pollution Pay-for-Outcomes Program Grant Agreement (>\$200,000)**

Action: Approve the terms and conditions of the Grant Agreement with Virginia Department of Environmental Quality (DEQ) for the Nonpoint Source Nutrient Pollution Pay-for-Outcomes Program and authorize the General Manager to execute same, substantially as presented, together with such changes, modifications and deletions as the General Manager may deem necessary.

Moved: Nancy Stern
Seconded: Ann Templeman

Ayes: 6
Nays: 0

Agreement Description: This agreement between DEQ and HRSD is intended to incentivize owners of properties currently served by septic tanks to connect to the public sewer system. The goal of the grant is to reduce nonpoint source nitrogen pollution released into the Chesapeake Bay. Septic tanks are considered nonpoint sources. The grant program incentivizes property owners currently served by septic tanks to connect to the public sewer system by offering a package of financial incentives not to exceed \$5,000 per property for eligible construction expenses. In addition, in accordance with our normal practice, HRSD's facility charge for new connections from properties previously served by a septic tank will be waived. Some Localities may also offer to waive their connection fees.

Participation in the program is voluntary, and property owners will be responsible for all construction and compliance with local standards. To qualify, the properties must be within the HRSD Service Area and the Chesapeake Bay watershed. Priority will be given to residents from Gloucester County since they partnered with HRSD in submitting the grant application. DEQ has agreed, however, to accept all connections within the Chesapeake Bay watershed provided they meet the grant's eligibility requirements.

The grant award is \$1.18 million. DEQ, at its sole discretion, however, may increase the award if funds are available and the program is deemed successful. HRSD must meet a Key Milestone of 24 connections by May 30, 2027, or DEQ may rescind the funding for this program.

Staff provided a [briefing](#) during the meeting.

HRSD's legal counsel Sands Anderson PC reviewed the attached [Agreement](#).



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Discussion Summary: Staff explained the program provides financial incentives of up to \$5,000 in construction reimbursements. In addition, HRSD will waive facility charges for property owners in HRSD's service area who convert from a septic system and connect to public sewer voluntarily. DEQ will reimburse HRSD for each new connection, making the program cost-neutral aside from administrative oversight. Gloucester County remains a priority focus area, though the program is available across the service area. Strong early interest, legislative alignment, and positive media coverage position HRSD for successful implementation.

Public Comment: None

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9. **Department of Environmental Quality (DEQ) Nonpoint Source Nutrient Pollution Pay-for-Outcomes Program Appropriate Funds for Grant Program**

Action: Appropriate funds for a DEQ grant program in the amount of \$1,180,000.

Moved: Vishnu Lakdawala

Ayes: 6

Seconded: Willie Levenson, Jr.

Nays: 0

Project Description: This grant program between DEQ and HRSD is intended to incentivize owners of properties currently served by septic tanks to connect to the public sewer system. The goal of the grant is to reduce nonpoint source nitrogen pollution released into the Chesapeake Bay. Septic tanks are considered nonpoint sources. The grant program incentivizes property owners currently served by septic tanks to connect to the public sewer system by offering a package of financial incentives not to exceed \$5,000 per property for eligible construction expenses. In addition, in accordance with our normal practice, HRSD's facility charge for new connections from properties previously served by a septic tank will be waived. Some Localities may also offer to waive their connection fees.

This grant is a five-year program, and the \$1.18 million appropriation authorization is requested to continue until the purpose of the grant has been fulfilled. As part of the grant, HRSD will seek repayment from DEQ according to the grant program and there will be no direct costs to HRSD.

Public Comment: None

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10. **Birdneck Road Trunk Force Main – Pipeline Cover Mitigation & Protection
Initial Appropriation – Non-Regulatory and Task Order (>\$200,000)**

Actions:

- a. Appropriate total project funding in the amount of \$3,383,353.**
- b. Approve a task order with Hazen and Sawyer in the amount of \$363,740.**

<u>Moved:</u>	Willie Levenston, Jr.	<u>Ayes:</u>	6
<u>Seconded:</u>	Ann Templeman	<u>Nays:</u>	0

CIP Project: AT017100

Regulatory Requirement: None

Budget	\$3,383,353
Previous Expenditures and Encumbrances	(\$0.00)
Available Balance	\$3,383,353

Project Description: This project will address approximately 7,400 linear feet (LF) of insufficient cover over the buried 42-inch prestressed concrete cylindrical pipe (PCCP) force main located within the existing Dominion Energy easement between Interstate 264 and General Booth Boulevard in Virginia Beach.

Project Justification: In August 2024, this pipeline experienced significant damage when a bulldozer, reportedly stolen from the City of Virginia Beach's Whitehurst pit, became stuck directly on top of the shallow force main as shown in the attached [picture](#). The easement agreement between HRSD and Dominion Energy stipulates that the pipes shall be laid at a sufficient depth to provide a minimum of 36 inches of cover from the top of the pipe to ground elevation. A field investigation was completed in May 2025 to assess the depth of cover along the pipeline throughout the existing easement. The investigation identified multiple locations with inadequate cover over extended lengths, increasing the risk of future damage.

Task Order Description: This task order will provide design documents to mitigate approximately 7,400 linear feet of insufficient cover over the buried 42-inch prestressed concrete cylindrical pipe located on the east side of South Oceana Boulevard between Interstate 264 and General Booth Boulevard shown in the attached [map](#).



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Analysis of Cost: The initial appropriation of \$3,383,353 is based on a total of Class 5 CIP-prioritization level estimates developed by Hazen and Sawyer through a conceptual study completed in May 2025. The cost for Engineering services are estimated to include approximately \$405,471 for Pre-Planning, PER, and Design services, \$22,851 for Pre-Construction, \$2,285,083 for Construction, \$10,000 for Closeout and \$659,948 for Contingency. This task order cost of \$363,739 is based on negotiated rates as part of their General Engineering Services on-call contract and is in line with other similar efforts.

<u>Schedule:</u>	Design	September 2025
	Bid	December 2026
	Construction	March 2026
	Project Completion	January 2027

Public Comment: None

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11. **Coatings and Concrete Rehabilitation and Replacement FY26
Coating of Atlantic Treatment Plant Odor Control Scrubber D and Ductwork
Initial Appropriation – Non-Regulatory Task Order (>\$200,000)**

Actions:

- a. **Appropriate total project funding in the amount of \$2,050,200.**
- b. **Approve a task order with Commonwealth Epoxy Coatings, LLC in the amount of \$800,563.**

Moved: Ann Templeman
Seconded: Elizabeth Taraski

Ayes: 6
Nays: 0

CIP Project: GN021610

Regulatory Requirement: None

Contract Status with Task Orders:	Amount
Original Contract with Engineer	\$0
Total Value of Previous Task Orders	\$1,780,979
Requested Task Order	\$800,563
Total Value of All Task Orders	\$2,581,542
Revised Contract Value	\$2,581,542

Project Description: This fiscal year will include the following coatings and concrete projects; Atlantic Treatment Plant (ATP) Primary Clarifier ducting and scrubber recoating and repairs, Army Base Treatment Plant (ABTP) BNR Tank structural restoration, Virginia Initiative Plant (VIP) Secondary Clarifier trough coatings and concrete restoration, and the Williamsburg Treatment Plant (WBTP) Secondary Clarifiers coatings installation.

Project Justification: The ATP Primary Clarifier ducting and scrubbers coating is flaking badly, and fiberglass is missing in multiple sections, which require repair. The ABTP's Biological Nitrogen and Phosphorus Removal (BNR) Tanks are structurally unsound and require rehabilitation to continue functioning at their current capacities. VIP Secondary Clarifier troughs have concrete chipped away in multiple areas and require concrete restoration as well as recoating. The WBTP Secondary Clarifiers require coating to prevent further erosion of the concrete from wear and algae growth, as well as to protect the installed brushes.



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Task Order Description: The scope of work for this task order includes the fiberglass ductwork and scrubber rehab, which involves pressure washing, sanding, and the application of HRSD Coating System #32 to the surfaces of the scrubbers and ductwork located at the ATP Odor Control Scrubber D.

Analysis of Cost: The cost for this task order is based on the pre-negotiated rates under the Annual Coating Services Agreement. The task order has been reviewed by HRSD's Condition Assessment Department and has been determined to be appropriate. The cost is based on an estimation of unit price quantities required to complete the scoped repair work at the ATP location.

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

<u>Schedule:</u>	Construction	September 2025
	Project Completion	July 2026

Discussion Summary: Staff explained that HRSD suspended the land application program this year and made the strategic decision to clear the biosolids pads, eliminating the practice of stockpiling under cover. This action, supported by the prior investment of an in-house solids hauling group and equipment, has significantly reduced odor issues compared to previous summers and contributed to smoother plant operations. Supplemental contract hauling was used to clear the pads initially, but ongoing management is now handled primarily by HRSD staff.

Public Comment: None

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12. **North Shore and Small Communities Division Aerial Crossing Improvements
Initial Appropriation – Non-Regulatory**

Action: Appropriate total project funding in the amount of \$732,000.

Moved: Elizabeth Taraski

Ayes: 6

Seconded: Ann Temleman

Nays: 0

CIP Project: GN021800

Regulatory Requirement: None

Project Description: This project will address aerial crossing issues identified in the North Shore and Small Communities interceptor systems.

Project Justification: HRSD contracted with Collins Engineers, Inc. (Collins) to perform structural inspections of aerial crossings within the North Shore and Small Communities interceptor systems. During the inspection, Collins identified multiple issues at various locations, including signs of corrosion, structural weaknesses, and other concerns that could impact the long-term integrity of the aerial crossings and their support. Given their critical role in the interceptor system and exposure to environmental factors, regular inspections and repairs are necessary. Addressing these issues is essential to maintaining functionality and minimizing further degradation or potential failures.

Analysis of Cost: The initial appropriation of \$732,000 is based on Class 5 CIP-prioritization level estimates for similar aerial crossing repairs. Engineering services will be provided by Collins under the Structural Annual Services Contract, and the cost for the initial engineering services task order is below the \$200,000 Commission approval threshold.

<u>Schedule:</u>	Design	September 2025
	Bid	April 2026
	Construction	June 2026
	Project Completion	March 2027

Public Comment: None

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13. **Urbanna and Central Middlesex Wastewater Treatment Plant Rehabilitation
Initial Appropriation – Non-Regulatory**

Action: Appropriate total project funding in the amount of \$10,152,194.

Moved: Vishnu Lakdawala

Ayes: 6

Seconded: Nancy Stern

Nays: 0

CIP Project: MP016200

Project Description: This project will improve resiliency and/or replace several process assets at the existing and Central Middlesex treatment plants. These items were evaluated by HDR Engineering under a previous cost planning study that identified critical and non-critical items that need to be addressed to allow these treatment plants to remain in operation for the next 10 years.

This project will be completed through various construction efforts. Portions of the work that do not require design, but are a one-to-one replacement, will be completed by HRSD Operations immediately. Other efforts will be completed through a standard delivery method which is currently being scoped with HDR Engineering. The attached [map](#) depicts the project location.

Project Justification: Multiple processes at the Urbanna and Central Middlesex Treatment Plants have reached the end of their useful life and require rehabilitation or replacement to ensure these plants remain operable in the near future. This project will correct these deficiencies and bring both plants to current HRSD standards.

Analysis of Cost: The estimated total project cost is \$10,152,194 and is based on an AACE Class 5 cost estimate completed by HRSD. This cost includes \$375,489 for PER, \$750,977 for Design, \$10,000 for Pre-Construction, \$7,509,773 for Construction, \$4,000 for Closeout, and \$1,501,955 for a Contingency Budget. HRSD will employ HDR Engineering as a part of the General Engineering Services Contract. It is anticipated that the fee will be greater than \$200,000 and will require Commission. However, initial appropriation is requested at this time to allow HRSD Operations to procure material and equipment for items that can be completed at this time without requiring input or design from HDR Engineering.

Schedule:	PER	July 2025
	Design	October 2025
	Bid	May 2026
	Construction	September 2026
	Project Completion	May 2027

Public Comment: None

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14. **West Point to Williamsburg Alignment Study**
Initial Appropriation – Non-Regulatory

Action: Appropriate total project funding in the amount of \$360,000.

Moved: Ann Templeman
Seconded: Elizabeth Taraski

Ayes: 6
Nays: 0

CIP Project: MP016400

Regulatory Requirement: None

Project Description: This project will consist of studying and identifying the best alignment for a transmission force main from West Point to the existing HRSD interceptor force main on the [map](#) at the intersection of Route 30 and La Grange Parkway upstream of the Williamsburg Treatment Plant (WBTP). In addition to the transmission force main, this project will need to identify the location of necessary pump stations, pressure reducing stations, and/or storage tanks. This project will need to incorporate the findings of the HRSD Development Plan.

Project Justification: This project will be the first piece of the overall recommended solution set from the Middle Peninsula Master Plan. This work will enable the West Point Treatment Plant (WPTP) to be decommissioned, with the potential to decommission three additional treatment plants (Urbanna, Central Middlesex and King William).

Funding Description: The estimated total project cost is \$360,000 and is based on an AACE Class 5 cost estimate completed by HRSD. This cost includes \$30,000 for Pre-Planning, up to \$300,000 for the alignment study and associated report, and \$30,000 for a contingency budget. HRSD will employ Hazen and Sawyer under the General Engineering Services Contract for this effort. The task order will be below \$200,000 and will not require Commission approval.

<u>Schedule:</u>	Pre-Planning	July 2025
	PER (Study)	August 2025
	Closeout	May 2026

Public Comment: None

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15. **Army Base Treatment Plant Administration Building Renovation
Additional Appropriation – Non-Regulatory (≥\$1,000,000)**

Action: Appropriate additional funding in the amount of \$ 1,129,348.

Moved: Willie Levenston, Jr.

Ayes: 6

Seconded: Vishnu Lakdawala

Nays: 0

CIP Project: AB011900

Regulatory Requirement: None

	Project Cost & Appropriation Summary	CIP Project Summary
Capital Improvement Program Estimate (July 1, 2025)		\$9,999,339
Funds Appropriated to Date	\$9,999,339	
Expenditures and Encumbrances Already Incurred	(9,953,146)	
Available Balance	<u>46,193</u>	
Proposed Change Order to Syncon, LLC	385,425	
Proposed Task Order to GuernseyTingle	40,500	
Proposed Purchase Order for furniture to Creative Office Environments	225,616	
Proposed Contingency	<u>524,000</u>	
Revised Total Remaining Project Costs	1,175,541	
Expenditures and Encumbrances Already Incurred	9,953,146	
New Project Cost Estimate	<u>11,128,687</u>	11,128,687
Additional Appropriation Needed	<u>\$1,129,348</u>	
Favorable (Unfavorable) Variance to CIP		<u>(\$1,129,348)</u>

Project Description: This project will provide renovation of the existing Administration and Electrical and Instrumentation Buildings and construction of additional administrative spaces and new lab area.



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Project Justification: Constructed in the 1940s, the Army Base Administration and Electrical and Instrumentation Buildings require extensive renovation. Many of the areas also require electrical and HVAC replacement, with the existing systems having reached the end of their useful service life.

Funding Description and Analysis of Cost: Additional project funding is required to satisfy pending Change Order 4 with Syncon, to purchase furniture and to fund a proposed contract amendment for GuernseyTingle. The project, approximately 47% complete, has required a considerable amount of additional work and contract time. To date, three Change Orders have been approved, primarily due to the number of unknown underground conflicts, both utility and non-utility related. A sample of the more significant items included in Change Orders 1 to 3 includes a complete redesign and routing of the proposed storm drainage system, foundation redesign and a switch to steel piles, relocation of an unknown potable water main, disposal of contaminated soils, and rental of temporary office trailers.

Proposed Change Order 4 will include on-site treatment and disposal of contaminated groundwater and removal of previously unknown creosote coated wood piles. Additional contract time was also approved under Change Orders 2 and 3 due to delays in permit approval and time to account for the many unknown conflicts requiring the contractor to stop work or accommodate changes in the work phasing.

The additional costs and contract time extension were negotiated by both the Engineer and HRSD. The proposed change order does not require Commission approval; however, the cost of the additional work exceeds the current balance available for this project. The requested additional funding includes a \$524,000 contingency, at the recommendation of GuernseyTingle, to account for unforeseen work.

<u>Schedule:</u>	Construction	August 2024
	Project Completion	July 2026

Public Comment: None

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16. **Treatment Plant Dewatering Replacement Phase III
Additional Appropriation – Non-Regulatory ($\geq$ \$1,000,000), Contract Award
($>$ \$200,000) and Task Order ($>$ \$200,000)**

Actions:

- a. **Appropriate additional funding in the amount of \$10,280,043.**
- b. **Award a contract to MEB General Contractors, Inc. (MEB) in the amount of \$10,315,240.**
- c. **Approve a task order with HDR Engineering, Inc. (HDR) in the amount of \$1,037,393.**

Moved: Vishnu Lakdawala
Seconded: Nancy Stern

Ayes: 6
Nays: 0

CIP Project: GN017400

Regulatory Requirement: None

	Project Cost & Appropriation Summary	CIP Project Summary
Capital Improvement Program Estimate (July 1, 2025)		\$14,851,834
Funds Appropriated to Date	\$4,631,900	
Expenditures and Encumbrances Already Incurred	(1,496,262)	
Available Balance	<u>3,135,638</u>	
Proposed Contract to Contractor	10,315,240	
Proposed Task Order to Engineer	1,037,393	
Proposed Contingency	2,063,048	
Revised Total Remaining Project Costs	<u>13,415,681</u>	
Expenditure and Encumbrances Already Incurred	1,496,262	
New Project Cost Estimate	<u>14,911,943</u>	14,911,943
Additional Appropriation Needed	<u>\$10,280,043</u>	
Favorable (Unfavorable) Variance to CIP		<u>(\$60,109)</u>

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Contract Status with Task Orders:	Amount
Original Contract with Engineer	\$315,408
Total Value of Previous Task Orders	\$760,658
Requested Task Order	\$1,037,393
Total Value of All Task Orders	\$1,798,051
Revised Contract Value	\$2,113,459
Engineering Services as % of Construction	20.5%

Type of Procurement: Competitive Bid

In accordance with HRSD's competitive sealed bidding procedures, the Engineering Division advertised and solicited bids directly from potential bidders. The project was advertised on May 22, 2025, and three bids were received on June 25, 2025, as listed below:

Bidder	Bid Amount
MEB General Contractors	\$10,315,240
WM Schlosser Company, Inc.	\$12,699,440
Crowder Construction Company	\$12,829,454

HRSD/Engineer Estimate: \$10,206,000

The design engineer, HDR, evaluated the bids based upon the requirements in the invitation for bid and recommends award to the lowest responsive and responsible bidder MEB General Contractors in the amount of \$10,315,240.

Project Description: This project includes evaluation, design, and construction relating to the modification of the solids handling building for the installation of two HRSD-owned final dewatering centrifuges. These centrifuges will be installed in locations with no currently installed centrifuges at Virginia Initiative Plant (VIP), requiring addition of cake conveyors, structural modifications for hoist and trolley support and other appurtenance to feed solids and polymer to the centrifuges, to convey dewatered solids cake to the multiple hearth furnace, and to connect to the centrate drain.

Project Justification: This project will increase capacity of solids handling systems at the VIP by increasing hydraulic throughput of solids dewatering by the installation of larger centrifuges. Currently, primary sludge pumping and activated solids wastage is intermittently limited by hydraulic throughput limitations of existing dewatering centrifuges. Limitations to solids pumping and wastage due to existing centrifuge hydraulic capacity have caused upset to nutrient removal performance at VIP.

Contract Description: This contract is for construction services of CIP GN017400 at VIP.



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Task Order Description: This task order will provide engineering fees during construction and closeout including Construction Administration, Construction Inspection, Operations and Training, Startup and Testing, Post Startup and Testing, Field Engineering and Inspection and Additional Services through HDR. This fee is 10% the cost of the construction contract.

Analysis of Cost: The original CIP project estimate was appropriated in 2022, and the cost has escalated considerably since that time due to both increase in material costs and increase in scope due to addition of work required for ancillary equipment. The construction bid amount of \$10,280,043 and the fee for the construction related engineering services exceeds the current balance available for this CIP project. A 20% contingency is also being requested to accommodate any unforeseen conditions.

This project was designed and will be constructed along with Treatment Plant Dewatering Improvement Phase IV (GN019700). The MEB bid price for the construction combined project CIPs was \$19,837,000 was within 2% of the Opinion of Probable Construction Cost of \$19,627,000. After review of MEB's financials, references and questionnaire, our engineer, HDR, recommended award of this construction contract. The Construction Administration, Construction Inspection and other engineering fees for this contract are about 10% of the construction cost. Contingency for the project is set at 20% of the construction contract due to the age and complexity of processes in the building at VIP. Approval of these contracts is recommended.

<u>Schedule:</u>	Construction	September 2025
	Project Completion	August 2027

Public Comment: None

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17. **Treatment Plant Dewatering Improvements Phase IV
Additional Appropriation – Non-Regulatory (>\$1,000,000), Contract Award
(>\$200,000) and Task Order (>\$200,000)**

Actions:

- a. **Appropriate additional funding in the amount of \$8,721,181.**
- b. **Award a contract to MEB General Contractors, Inc. (MEB) in the amount of \$9,521,760.**
- c. **Approve a task order with HDR Engineering, Inc. (HDR) in the amount of \$957,593.**

Moved: Ann Templeman
Seconded: Elizabeth Taraski

Ayes: 6
Nays: 0

CIP Project: GN019700

Regulatory Requirement: None

	Project Cost & Appropriation Summary	CIP Project Summary
Capital Improvement Program Estimate (July 1, 2025)		\$12,252,787
Funds Appropriated to Date	\$4,347,181	
Expenditures and Encumbrances Already Incurred	(684,657)	
Available Balance	<u>3,662,524</u>	
Proposed Contract to Contractor	9,521,760	
Proposed Task Order to Engineer	957,593	
Proposed Contingency	1,904,352	
Revised Total Remaining Project Costs	<u>12,383,705</u>	
Expenditures and Encumbrances Already Incurred	684,657	
New Project Cost Estimate	<u>13,068,362</u>	<u>13,068,362</u>
Additional Appropriation Needed	<u>\$8,721,181</u>	
Favorable (Unfavorable) Variance to CIP		<u>(\$815,575)</u>

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Contract Status with Task Orders:	Amount
Original Contract with Engineer	\$684,656
Total Value of Previous Task Orders	\$0
Requested Task Order	\$957,593
Total Value of All Task Orders	\$957,593
Revised Contract Value	\$1,642,249
Engineering Services as % of Construction	17.2%

Type of Procurement: Competitive Bid

In accordance with HRSD's competitive sealed bidding procedures, the Engineering Division advertised and solicited bids directly from potential bidders. The project was advertised on May 22, 2025, and three bids were received on June 25, 2025, as listed below:

Bidder	Bid Amount
MEB General Contractors, Inc.	\$9,521,760
WM Schlosser Company, Inc.	\$11,722,560
Crowder Construction Company	\$11,847,573

HRSD/Engineer Estimate: \$9,421,000

The design engineer, HDR, evaluated the bids based upon the requirements in the invitation for bid and recommends award to the lowest responsive and responsible bidder MEB General Contractors in the amount of \$9,521,760.

Project Description: This project will design and install improvements at the Virginia Initiative Plant (VIP) to include the addition of two gravity belt thickeners for waste-activated sludge thickening and provide necessary electrical, control, and mechanical improvements to make the system operable.

Project Justification: Wastage of Activated Sludge from the VIP Biological Nutrient Removal (BNR) process is intermittently hydraulically limited by the capacity of dewatering centrifuges and centrate management systems. This project will un-bottleneck the treatment process and allow on-demand wastage of solids from the BNR process, which will improve treatment performance at VIP and stabilize solids handling operations, including centrifuge dewatering and incineration. This improvement will also help VIP to better accommodate hauled liquid primary solids from Army Base Treatment Plant (ABTP) by reducing the overall hydraulic load on the VIP dewatering centrifuges. Feasibility of the proposed improvements has been previously investigated under Treatment Plant Dewatering Replacement Phase III (GN017400) in support of the budget and schedule estimates shown.



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Contract Description: This contract is for construction services of Capital Improvement Project (CIP) GN019700 at VIP.

Task Order Description: This task order will provide engineering fees during construction and closeout including Construction Administration, Construction Inspection, Operations and Training, Startup and Testing, Post Startup and Testing, Field Engineering and Inspection and Additional Services through HDR. This fee is 10% the cost of the construction contract.

Analysis of Cost: The original CIP project estimate was appropriated in 2023, and the cost has escalated since that time due to both increase in material costs and increase in scope due mainly to unforeseen required electrical upgrades in the facility. The construction bid amount of \$9,521,760 and the fee for the construction related engineering services exceeds the current balance available for this CIP project. A 20% contingency is also being requested to accommodate any unforeseen conditions.

This project was designed and will be constructed along with Treatment Plant Dewatering Replacement Phase III (GN07400).

The MEB bid price for the construction combined project CIPs was \$19,837,000 was within 2% of the Opinion of Probable Construction Cost of \$19,627,000. After review of MEB's financials, references and questionnaire, our engineer, HDR, recommended award of this construction contract. The task order for construction administration, and construction inspection and other engineering fees for this contract are about 10% of the construction cost. Contingency for the project is set at 20% of the construction contract due to the age and complexity of processes in the building at VIP. Approval of this contract and task order are recommended.

<u>Schedule:</u>	Construction	September 2025
	Project Completion	August 2027

Public Comment: None

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18. **VIP SWIFT Tertiary Facility
Alternative Project Delivery**

Action: Approve the Design-Build project delivery method for Virginia Initiative Plant (VIP) SWIFT Tertiary Facility project.

Moved: Ann Templeman
Seconded: Elizabeth Taraski

Ayes: 7
Nays: 0

CIP Project: GN016392

Regulatory Requirement: Integrated Plan – SWIFT

Budget	\$316,606,800
Previous Expenditures and Encumbrances	(\$0)
Available Balance	\$316,606,800

Project Description: This project will include the design, construction, and commissioning of tertiary treatment for phosphorus removal as the initial phase of SWIFT implementation at VIP.

Project Justification: This project will support HRSD's nutrient management strategy for meeting the 2032 Lower James River Basin total phosphorus discharge limits.

This project will be delivered using the Design-Build project delivery method.

Per HRSD's Procurement Policy, the competitive sealed bid process is the preferred method of construction procurement that reflects the Design-Bid-Build project delivery method. However, the Design-Bid-Build project delivery method is not practicable nor fiscally advantageous and will not meet all of the critical needs for implementing this complex project.

Due to several factors, including a difficult site location, an accelerated schedule, intricate project phasing, and coordination with a multifaceted program, an alternative delivery approach utilizing a two-step Design-Build procurement is recommended for the delivery of this project.

This project is subject to a regulatory deadline in 2032 and is considered to be complex due to the following:

- to construct new treatment facilities on an area that was formerly an unregulated landfill.

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- to design and implement treatment technologies that reflect on-going research
- to incorporate new unit treatment process within a relatively tight hydraulic profile
- to coordinate this project with another concurrent capital project (GN016391 site work) and with the requirements of the SWIFT full scale implementation program

The competitive best-value Design-Build delivery method provides HRSD with the following benefits:

- collaborative design development that incorporates contractor input, supports cost-aware decision making, and encourages creative problem-solving and value engineering, which often leads to more efficient project outcomes
- design phasing that allows for flexibility to incorporate project changes based on research outcomes and lessons learned from other concurrent SWIFT projects, which can result in a higher quality project and better long-term reliability
- optimized construction sequencing to meet the 2032 regulatory deadline and manage schedule risks
- early cost understanding through receipt of price proposals and establishment of a Contract Cost Limit at award
- selection of a best value and high-quality construction team
- maintaining a single entity responsible for both design and construction, which reduces coordination challenges and potential disputes between designer and builder

The project team created a market survey and issued a Request for Information, asking potential participants to reflect on project packaging, delivery methods, and risk management. Eight firms responded. Feedback from the contracting community regarding their risk and delivery preferences suggested that firms are more interested in participating through a collaborative delivery method.

Staff provided a [briefing](#) during the meeting.

<u>Schedule:</u>	Begin Basis of Design development	October 2025
	Begin Procurement (RFQ/RFP) process	May 2026
	Selection of firm / establish Contract Cost Limit (CCL)	January 2027
	Stipulated Final Fixed Price	February 2028
	Construction Completion	December 2031

Discussion Summary: Staff explained the regulatory deadlines, the assurance of cost stability, and the intricate nature of the project, which necessitates the involvement of highly qualified design/build teams. Furthermore, a collaborative approach is essential to integrate research effectively and to address the associated challenges.



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HRSD plans to complete the VIP tertiary treatment project and have operations underway ahead of the January 1, 2032, compliance deadline. The schedule anticipates about eight months for procurement, eight to twelve months for design, and roughly three years for construction. Key concerns include permitting timelines and the extensive deep foundation work required, as past VIP projects have involved significant piling.

Public Comment: None

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19. **Procurement Policy and Appendices
Revisions and Additions**

Action: Approve the revised Procurement Policy and Appendices.

Moved: Vishnu Lakdawala

Ayes: 7

Seconded: Nancy Stern

Nays: 0

Brief: The Virginia Public Procurement Act (VPPA) requires local governing bodies to adopt specific policies defining local procedures for specific portions of the VPPA. HRSD's Procurement Policy and the Appendices have been revised, reorganized, and new appendices have been added to better align with those requirements and are listed below.

Old Appendices

A Design Build (DB) & Construction
Management (CM) Contracting
B Participation of SWAM
C Negotiations with Lowest Bidder*
D Debarment
E Withdrawal of Bids
F Public-Private Education Facilities
and Infrastructure Act (PPEA)

New Appendices

A – Participation of SWAM
B – Negotiations with Lowest Bidder*
C – Debarment
D – Withdrawal of Bids
E – (new) Faith-Based Organizations
F1 – (new) Design Build Contracting
F2 – (new) Construction Management
G – PPEA

*[Appendix B](#)– Negotiations with Lowest Bidder (formerly Appendix C) remains unchanged.

Summary of Key Changes:

Procurement Policy

- Sole Source procedures updated to include internal process prior to Commission approval
- Emergency procedures updated to include written notice
- Real Property definition updated
- Added Military Family-Owned Business to the defined classifications for Employment Service Organizations which include Small, Women-owned, Minority-Owned, Service-Disabled Veteran- Owned (SWaM) businesses
- Added reference to the following:

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- § 2.2-4311, Employment Discrimination by contractor prohibited; required contract provisions
- § 2.2-4311.1, Compliance with federal, state, and local laws, and federal immigration law; required contract provisions
- § 2.2-4311.2, Compliance with state law; foreign and domestic businesses authorized to transact business in the Commonwealth
- § 2.2-4311.3, Compliance with state law; contract terms inconsistent with state law
- § 2.2-4311.4, Procurement of imported goods; forced and indentured child labor prohibition
- All references to previous appendices have been updated to the new appendices
- Added reference to § 2.2-4343.1 Faith-Based Organizations separate from SWaM
- Added reference to § 2.2-4378 Design-Build Contracts & Construction Management Contracts
- Added “The Chief Engineer or his/her designee has authority to expend funds up to \$50,000 to acquire easements (temporary or permanent.”
- Added Commission approval requirements for “PPEA Proposals” and “PPEA Interim Agreement” and “Comprehensive Agreements” projected to exceed \$200,000
- Added Commission approval requirement for “Determination of Non-responsibility” when the projected value of the contract will be in excess of \$200,000
- Added under Real Property “Acquisition by condemnation, following public hearing”
- Effective date of the policy updates to be July 1, 2025

[Appendix A \(formerly Appendix B\) Participation of SWaM](#)

- Added language to align with VPPA §2.2-4310 which now includes Military Family-owned businesses as defined in §2.2-4310(F)
- Removed reference to Faith-Based Organizations

[Appendix B \(formerly Appendix C\) Negotiations with Lowest Bidder](#)

- No changes

[Appendix C \(formerly Appendix D\) Debarment](#)

- Added section 2.1 Debarment for Unsatisfactory Performance
- Added section 2.2 Debarment for Failure to use E-Verify

[Appendix D \(formerly Appendix E\) Withdrawal of Bids](#)

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- Added more specific language related to clerical mistakes versus judgement mistakes

Appendix E (new) Contracting with Faith-Based Organizations

- This was originally located in Appendix A (formerly Appendix B), Participation with SWaM. It was determined that it falls under a separate section of the VPPA §2.2-4343.1 and should be addressed in a separate appendix in the procurement policy.

New Appendix F1 (formerly Appendix A) Design-Build Contracting

This was previously part of Appendix A but is being moved to Appendix F1 and is being separated from Construction Management Contracting which will now be Appendix F2.

- All references to Construction Management Contracting have been removed
- Added required reference to Code of Virginia § 2.2-4300-2.2-4383, Design-Build Procedures Adopted by the Secretary of Administration (effective December 17, 2024)
- Updated and added definitions and procedures
- Moved Emergency Procurement to its own section 4.0
- Added new sections “5.0 Reporting Requirements” and “6.0 Exceptions to this Policy”

New Appendix F2 (formerly Appendix A) Construction Management Contracting

- All references to Design-Build Contracting have been removed
- Added required reference to Code of Virginia § 2.2-4300-2.2-4383; Construction Management Procedures Adopted by the Secretary of Administration (effective December 17, 2024)
- Added and updated language in section 2.0 Definitions and 3.0 Procedures
- Moved Emergency Procurement to its own section 4.0
- Added new sections “5.0 Reporting Requirements” and “6.0 Exceptions to this Policy”

New Appendix G (formerly Appendix F) Public-Private Education Facilities and Infrastructure Act (PPEA)

- Added link to current PPEA enacted by Virginia General Assembly
- Added definitions and additional procedures
- Added language for three stages of fees; application fee, initial review fee, and evaluation fee



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- Added additional language in 3.1.3 & 3.2 to reference the Procurement Policy and the Commission approval requirements
- In the Notice and Posting section additional notice requirements were added “Notice to Affected Jurisdictions”, “Notice to Stakeholders”, and “Posting of Conceptual Proposals”
- Added language in 4.0 to include General Manager/CEO and Commission’s authority

Minor housekeeping edits have been made throughout the policy and appendices.

The revised [policy](#) has been reviewed by legal counsel and was provided to Commission for review and comment at the July 22, 2025, meeting.

Public Comment: None

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20. **New Business – None**

Public Comment: None

21. **Unfinished Business – None**

Public Comment: None

22. **Commissioner Comments**

Commission Chair attended the 32nd Annual Pretreatment Excellence in Pollution Prevention (P3) Awards Luncheon in Norfolk on August 6. Approximately 200 attendees and 111 award winners, including 108 with perfect compliance. The event was well-received and highlighted the strong performance of HRSD's 28-member P3 Department, which plays a key role in ensuring regional compliance and maintaining positive community relations.

23. **Informational Items**

Action: No action required.

Brief: The items listed below were presented for information.

a. [Management Reports](#)

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

b. [Strategic Measures Summary](#)

c. [Emergency Declaration](#)

Nansemond Plant Replacement Gearbox for Emergency Bypass Pond Valve at NTP
Emergency Declaration

Public Comment: None



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24. **Announcements – Jay Bernas**

The General Manager explained HRSD presented to the Hampton Roads Planning District Commission Legislative Committee and received unanimous support to include Water Quality Improvement Fund (WQIF) funding in the regional legislative agenda. The request totals \$1.14 billion through 2030 to meet upcoming compliance deadlines, with HRSD emphasizing that while Northern Virginia previously received most WQIF allocations, the current mandate now falls heavily on Hampton Roads. Recent tours with Delegates Clark (Vice Chair, Agriculture, Chesapeake & Natural Resources) and Askew (Chesapeake Bay Commission and Appropriations) highlighted strong enthusiasm for the SWIFT project, with legislators expressing intent to support funding. EPA Region 3 has agreed in principle to Integrated Plan 2.0, now under DOJ review, with DEQ advocating for an expedited timeline.

In addition, HRSD is coordinating several high-profile tours, including the Chesapeake Bay Commission with House and Senate Appropriations staff, as well as international delegations from New Zealand, Singapore, and Denmark. HRSD will also debut its first WEFTEC booth this year, located near the Innovation Pavilion. The booth will feature SWIFT, demonstrations from a Virginia Beach-based AI water startup, and a soft launch of the Jarbalyzer technology. These efforts strengthen HRSD's legislative engagement, community outreach, and leadership in water innovation.

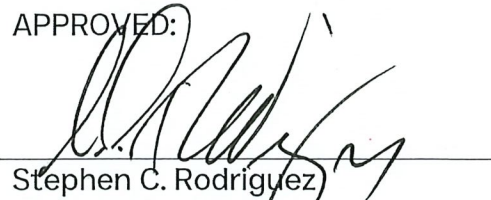
Next Commission Meeting Date: September 23, 2025, at the HRSD South Shore Operations Complex, 1434 Air Rail Avenue, Virginia Beach, VA 23455

Meeting Adjourned: 10:46 am

SUBMITTED:


Elizabeth I. Scott
Commission Secretary

APPROVED:


Stephen C. Rodriguez
Commission Chair

HRSD Commission Meeting Minutes
August 25, 2025
Attachment #1

3. Agenda Item Format
Briefing

A dynamic splash of water with many bubbles, filling the upper half of the slide. The water is clear and blue, with light reflecting off the surface.

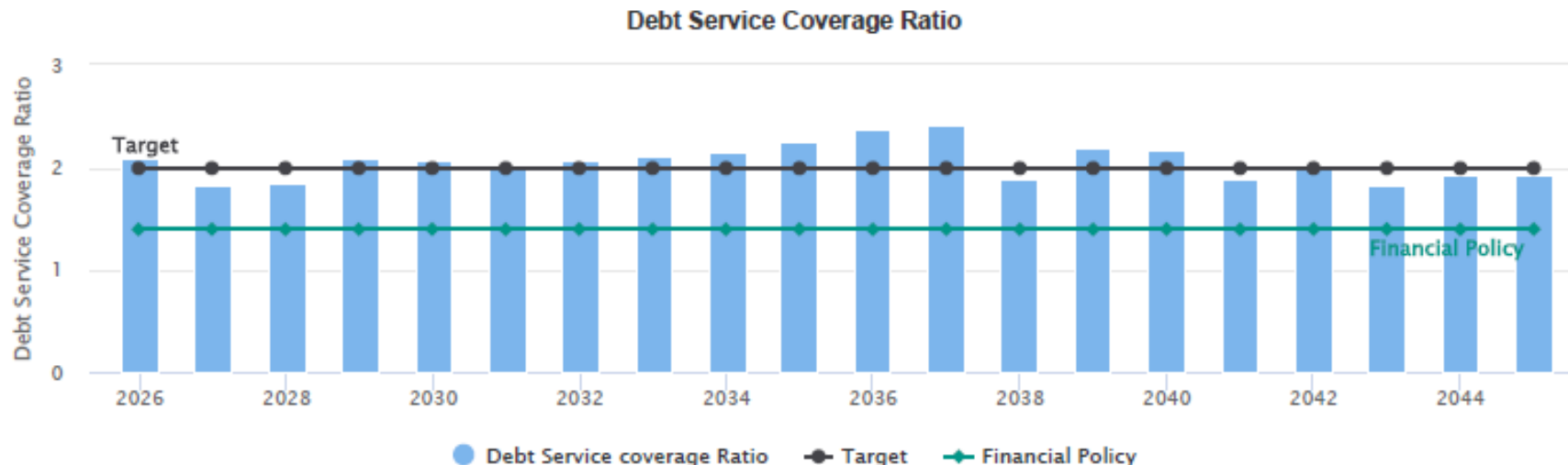
Agenda Item Format

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HRSD's Budget and Financial Planning Process

- **Annual Budget** – annual operating costs, debt service, transfers
- **Capital Improvement Program (CIP)** – 10-year planning tool, with annual updates to every capital project
- **Financial Forecast** forward looking estimate of all costs and revenues





Western Branch Sewer System Gravity Improvements

PR_NP012400

System: Nansemond
Type: Pipelines

Driver Category: I&I Abatement-Rehabilitation Plan
Project Phase: Design
Regulatory: Rehab Plan Phase Two

PROGRAM CASH FLOW PROJECTION (\$,000)

Prog Cost	Exp to Previous Year	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35
\$13,469	\$1,914	\$8,667	\$2,889	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

PROJECT DESCRIPTION

This project is to rehabilitate and/or replace 5600 linear feet (LF) of gravity pipeline with associated manholes. Pipe diameters range from 15 to 30-inches. Project extends from MH-SG-035-18453 to MH-SG-034-14607 and from MH-SG-033-1782 to MH-SG-035-16720.

PROJECT JUSTIFICATION

Condition assessment activities originally indicated that these assets present a material risk of failure due to I/I and the repair was deemed a High Priority Project. A subsequent HART study suggested capacity upgrades were required for approximately 1700 LF. Observations from flow monitoring suggested borderline capacity sufficiency and the HRSD opted to increase capacity along SG-035 in concert with the HPP.

FUNDING TYPE

Funding Type: Revenue Bond

CONTACTS

Contacts-Requesting Dept: Operations-Interceptors
Contacts-Dept Contacts: Nick Taschner
Contacts-Managing Dept: Engineering

PROPOSED SCHEDULE START DATE

PrePlanning	04/01/2021
PER	03/01/2022
Design Delay	10/07/2022
Design	12/01/2022
Bid Delay	03/01/2025
PreConstruction	04/01/2025
Construction	05/01/2025
Closeout	11/01/2026

COST ESTIMATE

Cost Estimate Class:	Class 2 (-5% to +20%)
PrePlanning	\$0
PER	\$69,388
Design	\$380,000
PreConstruction	\$20,000
Construction	\$13,000,000
Closeout	\$0
Est. Program Cost	\$13,469,388
Contingency Budget	\$1,300,000
Est. Project Costs	\$14,769,388

- Financial planning tool
- Costs and scope of projected are updated and/or reviewed annually
- Not an authorization to spend money
- Most frequently initial cost estimates (before project has begun) are Class 5 (-20% to +100%) cost estimates
- As project matures to a fully designed project and construction costs are bid, costs are updated in the CIP

Authorization to Spend (Appropriation)

- Governed by individual commission action for each project
- Request is usually at initiation of project design efforts when CIP costs are at the concept (Class 5) stage
- Each year as project design matures CIP estimate and Financial Forecast are updated but appropriation is not
- Agenda Item 4.d.3.

	Project Cost & Appropriation Summary	CIP Project Summary
Capital Improvement Program Estimate (July 1, 2025)		\$14,769,388
Funds Appropriated to Date	\$5,100,000	
Expenditures and Encumbrances Already Incurred	(1,609,695)	
Available Balance	<u>3,490,305</u>	
Proposed Contract Award to Garney	6,330,964	
Proposed Task Order to RK&K	866,868	
Proposed Contingency (15% of construction)	950,000	
Revised Total Remaining Project Costs	<u>8,147,832</u>	
Expenditures and Encumbrances Already Incurred	1,609,695	
New Project Cost Estimate	<u>9,757,527</u>	<u>9,757,527</u>
Additional Appropriation Needed	<u>\$4,657,527</u>	
Favorable (Unfavorable) Variance to CIP		<u>\$5,011,861</u>

Agenda Item 15

	Project Cost & Appropriation Summary	CIP Project Summary
Capital Improvement Program Estimate (July 1, 2025)		\$9,999,339
Funds Appropriated to Date	\$9,999,339	
Expenditures and Encumbrances Already Incurred	(9,953,146)	
Available Balance	46,193	
Proposed Change Order to Syncon, LLC	385,425	
Proposed Task Order to GuernseyTingle	40,500	
Proposed Purchase Order for furniture to Creative Office Environments	225,616	
Proposed Contingency	524,000	
Revised Total Remaining Project Costs	1,175,541	
Expenditures and Encumbrances Already Incurred	9,953,146	
New Project Cost Estimate	11,128,687	11,128,687
Additional Appropriation Needed	\$1,129,348	
Favorable (Unfavorable) Variance to CIP		(\$1,129,348)

Questions?

HRSD Commission Meeting Minutes
August 25, 2025
Attachment #2

4. Consent Agenda

CONSENT AGENDA ITEM 4.b.1. – August 26, 2025

Subject: ArcGIS Enterprise Software Licenses, Maintenance and Support Services
Contract Award (>\$200,000)

Recommended Action: Award a contract to Environmental Systems Research Institute Inc DBA ESRI in the amount of \$230,000 with two renewal options and an estimated cumulative value of \$690,000.

Regulatory Requirement: None

Type of Procurement: Sole Source

HRSD Estimate: \$690,000/3 yr

Contract Description: This contract is for ArcGIS enterprise software licenses including annual maintenance and support to be used by Information Technology, Engineering, Asset Management, and HRSD jurisdictional partners. ArcGIS software provides HRSD with mapping, spatial analysis, field operations, data management, and imagery and remote sensing. ESRI has exclusive rights to all ArcGIS software products and services with the ability to deploy software when and where it is needed. HRSD is switching from basic software licenses to enterprise-based licenses to allow for more user flexibility and range within the ArcGIS system.

Analysis of Cost: The cost is found to be fair and reasonable based on the previous ArcGIS software maintenance and support contract held by ESRI. This includes a lower cost per unit and a significant reduction of administrative costs for support.

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

CONSENT AGENDA ITEM 4.b.2. – August 26, 2025

Subject: Closed Circuit Television (CCTV) Gravity Inspection and Cleaning Services
Contract Award (>\$200,000)

Recommended Action: Award a contract to Vortex Holdco LLC dba Vortex Services LLC in the amount of \$3,276,825 for one year with four renewal options and an estimated cumulative value of \$16,384,125.

Regulatory Requirement: None

Type of Procurement: Competitive Bid

In accordance with HRSD's competitive sealed bidding procedures, the Procurement Department advertised and solicited bids directly from potential bidders. The project was advertised on June 3, 2025, and two bids were received on June 18, 2025, as listed below:

Bidder	Bid Amount
Vortex Holdco LLC dba Vortex Services LLC	\$3,276,825
Dukes Root Control Inc.	\$4,028,250

HRSD Estimate: \$3,072,080

Contract Description: This contract is an agreement for performing, coordinating and managing all operations required for gravity sewer line inspections. Services include sewer line cleaning, internal television inspections, sonar and laser inspections, manhole inspections and flow control. These services are operationally necessary and critical for security and infrastructure protection, environmental protection, and regulatory compliance.

Analysis of Cost: Costs are determined to be fair and reasonable based on the competitive solicitation results and previous contract pricing with Tri-State Utilities, who are now owned by Vortex Holdco LLC dba Vortex Services LLC. This is an estimated use contract. Bid prices are based on the entire linear footage of HRSD pipelines, with the inspection work split up over the five years.

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

CONSENT AGENDA ITEM 4.b.3. – August 26, 2025

Subject: Oracle Annual License and Maintenance Support Services
Contract Award (>\$200,000)

Recommended Action: Award a contract to Mythics LLC in the amount of \$328,577 for one year with four renewal options and an estimated cumulative value of \$1,642,885.

Regulatory Requirement: None

Type of Procurement: Use of Existing Contract Vehicle

Contract Description: This contract is for annual software and maintenance subscription to include the Oracle I-PACS System, WebLogic, and Service-Oriented Architecture (SOA) Suite. The Oracle I-PACS System, WebLogic Server, and SOA Suite are critical for HRSD to ensure reliable operations, regulatory compliance, and system performance. Support provides access to updates, security patches, and expert assistance, enabling seamless integration, process automation, and futureproofing through cloud capabilities.

Upon evaluation of the Virginia Information Technology Agency (VITA) contract terms and conditions, as a public agency, HRSD is eligible to use the contract awarded to Mythics LLC.

Analysis of Cost: By utilizing the VITA-VA-230503-MYTH for Oracle Software, HRSD is receiving a two percent cost savings.

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

CONSENT AGENDA ITEM 4.b.4. – August 26, 2025

Subject: Primavera Unifier/P6 and AutoVue 2D Professional Cloud Support Services
Contract Award (>\$200,000)

Recommended Action: Award a contract to Oracle America Inc in the amount of \$660,265 for one year with four renewal options and an estimated cumulative value of \$3,784,251.

Regulatory Requirement: None

Type of Procurement: Competitive Bid

In accordance with HRSD's competitive sealed bidding procedures, the Procurement Department advertised and solicited bids directly from potential bidders. The project was advertised on July 22, 2025, and two bids were received on August 5, 2025, as listed below:

Bidder	Bid Amount
Oracle America Inc	\$660,265
Mythics LLC	\$774,702

HRSD Estimate: \$660,265

Contract Description: This contract is for Oracle Unifier Primavera annual maintenance and web hosting, which covers ongoing support, software updates, and cloud hosting services. This enables HRSD to maintain a robust, cloud-based platform for managing projects, contracts, and assets. By providing software updates, technical support, and secure hosting on Oracle cloud infrastructure, this will ensure Unifier remains a reliable tool for capital planning and cost control.

Analysis of Cost: The cost is found to be fair and reasonable based on the previous Unifier Primavera annual maintenance and web hosting agreement held by Oracle. This multi-year agreement has a discount of between 20 and 25 percent off list price and firm fixed annual renewal increases for the full five-year term of the agreement.

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

CONSENT AGENDA ITEM 4.b.5. – August 26, 2025

Subject: York River Treatment Plant (YRTP) Primary Digester Cleaning and Residual Hauling Contract Award (>\$200,000)

Recommended Action: Award a contract to Denali Water Solutions LLC, Inc in the amount of \$217,131.

Regulatory Requirement: None

Type of Procurement: Competitive Bid

In accordance with HRSD’s competitive sealed bidding procedures, the Procurement Department advertised and solicited bids directly from potential bidders. The project was advertised on July 18, 2025, and four bids were received on August 13, 2025, as listed below:

Bidder	Bid Amount
Denali Water Solutions, LLC	\$217,131
Synagro-WWT, Inc.	\$262,132
Merrell Bros, LLC	\$334,495
Spectraserv, Inc.	\$367,500

HRSD Estimate: \$270,000

Contract Description: This contract is for the removal of residuals and cleaning of the Primary Digester at the YRTP. This work includes mobilization, extraction, tank cleaning, processing, dewatering, hauling, disposal and demobilization.

Analysis of Cost: The cost is found to be fair and reasonable compared to average costs for similar jobs completed at HRSD.

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

CONSENT AGENDA ITEM 4.c.1. – August 26, 2025

Subject: Solids System Improvements for Army Base MHI Offline
Contract Change Order (>25% of original contract value)

Recommended Action: Approve a change order to the contract with MEB General Contractors, Inc. in the amount of \$951,091.

CIP Project: GN017900

Regulatory Requirement: None

Budget	\$7,149,713
Previous Expenditures and Encumbrances	(\$6,120,726)
Available Balance	<u>\$1,028,987</u>

Contract Status with Change Orders:	Amount	Cumulative % of Contract
Original Contract with MEB	\$4,273,000	
Total Value of Previous Change Orders	\$188,931	4%
Requested Change Order	\$951,091	
Total Value of All Change Orders	\$1,140,022	27%
Revised Contract Value	\$5,413,022	

Time (Additional Calendar Days)		302
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Project Description: This project will install thickened liquid solids load out facilities at the Army Base Treatment Plant (ABTP) and thickened liquid solids load in facilities at the Atlantic Treatment Plant (ATP) and the Virginia Initiative Plant (VIP). Completed facilities will leverage existing solids handling capacity at the receiving plants to remove solids handling facilities at the ABTP from operation including dewatering and multiple hearth incinerator (MHI) operations.

Project Justification: The project is projected to reduce net annual operating expenses for ABTP solids management by approximately \$100,000 per year. Removing ABTP solids handling systems from operation will reduce baseline operational staffing requirements at the ABTP by four Plant Operators, one Maintenance Operator, and one Maintenance Operator Assistant; reduce electrical energy requirements at the ABTP by 27% and reduce net carbon emissions associated with ABTP solids management (inclusive of contract hauling of thickened liquid sludge) by 2,880 tons CO₂/year (35% of current ABTP net annual emissions). Removing the ABTP MHI from operation mitigates regulatory risk of CAA129 MACT standards non-compliance.

Change Order Description and Analysis of Cost: Hauling from ABTP to ATP and VIP began in the Fall of 2024 and has been successful. A few odor complaints were received at ABTP which were attributed to odors from the TWAS Storage Tank. On February 25, 2025, additional appropriation was approved for the design services to evaluate installing covers on the TWAS Storage Tank and the estimated construction cost to complete the work.

This change order includes installation for new aluminum covers for the ABTP TWAS tank, handrail around the tank, ductwork and connection to OCS A, epoxy coating, and temporary tank for continued operation during construction. The design engineer has reviewed the estimated costs and recommends approval.

<u>Schedule:</u>	Construction	August 2022
	Project Completion	February 2026

CONSENT AGENDA ITEM 4.d.1. – August 26, 2025

Subject: James River Treatment Plant Primary Clarifier Pipes (1 & 2)
 Additional Appropriation - Non-Regulatory Capital Improvement Project
 (<\$1,000,000) Task Order (>\$200,000)

Recommended Actions:

- a. Appropriate additional funding in the amount of \$253,000.
- b. Approve a task order with Bridgeman Civil Inc. in the amount of \$660,922.

CIP Project: JR014410**Regulatory Requirement:** None

	Project Cost & Appropriation Summary	CIP Project Summary
Capital Improvement Program Estimate (July 1, 2025)		\$1,247,856
Funds Appropriated to Date	\$700,000	
Expenditures and Encumbrances Already Incurred	(71,606)	
Available Balance	<u>628,394</u>	
Proposed Task Order to Engineer	178,453	
Proposed Task Order to Contractor	660,922	
Proposed Contingency	42,017	
Revised Total Remaining Project Costs	881,394	
Expenditures and Encumbrances Already Incurred	71,606	
New Project Cost Estimate	<u>953,000</u>	953,000
Additional Appropriation Needed	<u>\$253,000</u>	
Favorable (Unfavorable) Variance to CIP		<u>\$294,856</u>

Project Description: This project will repair or replace the #1 and #2 primary clarifier pipes and the one section of drain piping that have been determined to be an imminent risk. The primary clarifier influent and effluent pipe sections to be replaced is reinforced concrete and ductile iron pipe range from 24 to 48-inch. The drain piping to be replaced in this project is approximately 100 linear feet of 6-inch, ductile iron drain system piping.

Project Justification: The primary clarifier influent and effluent pipes were installed in 1967, as part of the treatment plant's original construction and in 1973, when the treatment plant was expanded from five to 15 million gallons per day (MGD). In May 2023, a plant operator fell through a section of primary clarifier effluent piping while making their rounds. This prompted an emergency repair and a condition assessment of all primary clarifier influent and effluent piping which discovered severe corrosion in other sections of piping and the likelihood of another failure within the next year.

Task Order Description: This task order will provide for the replacement of the severely corroded sections of #1 and #2 primary clarifier pipes. Services include replacement of the 24-inch influent and effluent piping between the clarifiers and the adjacent influent splitter/effluent junction structure utilizing existing wall connections.

Analysis of Cost: The cost for this task order is based on the pre-negotiated rates under the annual Sewer Repair and Condition Assessment Services Agreement. The appropriation also includes a task order with Rummel Klepper and Kahl LLC (RK&K) for construction administration and inspection services in the amount of \$178,453.

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

<u>Schedule:</u>	PER	October 2024
	Design	November 2024
	Bid	May 2025
	Construction	August 2025
	Project Completion	February 2026

CONSENT AGENDA ITEM 4.d.2. – August 26, 2025

Subject: SWIFT Program Management (Nansemond SWIFT Facility and Nansemond Recharge Wells (On Site) Design Build)
Task Order (>\$200,000)

Recommended Action: Approve a task order with AECOM in the amount of \$8,118,737.

CIP Project: GN016320

Regulatory Requirement: Integrated Plan – SWIFT

Budget	\$80,000,000
Previous Expenditures and Encumbrances	\$71,611,990
Available Balance	\$8,388,010

Contract Status with Task Orders:	Amount
Original Contract with Engineer	\$5,264,440
Total Value of Previous Task Orders	\$65,519,107
Requested Task Order	\$8,118,737
Total Value of All Task Orders	\$73,637,844
Revised Contract Value	\$78,902,284
Engineering Services as % of Construction	1.2%

Project Description: The SWIFT Full Scale Implementation Program (FSIP) Management team will manage the delivery of advanced water treatment facilities to take HRSD's already highly treated wastewater and produce SWIFT Water. The Program Management team may also deliver conveyance, wastewater treatment plant improvements, and other such projects to support full scale SWIFT implementation. The Program Management team will implement the processes, procedures, and systems needed to design, procure, construct, permit, manage, and integrate the new SWIFT related assets.

Project Justification: The Nansemond SWIFT Facility (GN016380) project will provide the advanced water treatment infrastructure capable of converting up to 38 million gallons per day of highly treated wastewater into SWIFT Water at the Nansemond Treatment Plant. The Nansemond Recharge Wells (On Site) (GN016381) project is will provide the 10 managed aquifer recharge wells to deliver SWIFT Water into the Potomac aquifer system.

Task Order Description: This task order will provide Owner's Consultant Services During Construction (OCSDC) of the Nansemond SWIFT Facility (GN016380) and Nansemond Recharge Wells (On Site) (GN016381) design-build projects. Owner's consultant services are intended to provide support to HRSD by engaging a variety of field and office professionals to be a key part of the Owner's team. Due to the size of the project, the OCSDC team will provide on-site observation, frequent review of the design-builder's quality plans, safety plans, schedule updates, and progress documentation. The OCSDC team will also provide technical and Subject Matter Expert support for review of specific submittals, payment applications, claims, change

management discussions, and support of start-up, as needed. As the design-builder submits Operations & Maintenance Manuals and equipment data, the OCSDC team will support HRSD maintenance staff by providing initial completeness reviews. The expected duration of this task order is 49 months, which aligns with the project schedule. At the April 2025 Commission meeting, a task order for partial OCSDC services related to Nansemond Recharge Wells (On Site) (GN016381) was approved to support initial construction activities of that project until this task order is approved. Once approved, this task order will provide OCSDC services for both Nansemond SWIFT Facility (GN016380) and Nansemond Recharge Wells (On Site) (GN016381), and the previously approved task order will be closed.

Analysis of Cost: The cost for this task order is based on a detailed negotiated scope of work for OCSDC services and will be billed on a Time & Material basis. The budget estimate for the total scope of work was developed on an annual basis with consideration of the expected construction activities for each year. The description of tasks and associated effort (staff hours) per year is reasonable considering the size and complexity of the projects and the support requested by HRSD. This task order will be issued as an amendment to the Professional Services Agreement with AECOM for SWIFT Full Scale Implementation Program. The budget rates for each category used to develop the estimate align with the rate structure in the Agreement, as approved for FY 2026. The ratio of OCSDC fees to the Stipulated Prices of the combined Nansemond projects (1.2 percent) is within the range of other Owner Consultant Support fees approved for HRSD design build projects at this stage. Previous HRSD design-build projects had Owner Consultant Services fees for construction ranging from 0.7 percent to 1.8 percent of the total contract value.

Schedule:	Stipulated Price	July 2025
	Substantial Completion	March 2029
	Project Completion	September 2029

CONSENT AGENDA ITEM 4.d.3. – August 26, 2025

Subject: Western Branch Sewer System Gravity Improvements
 Additional Appropriation - Regulatory Required Capital Improvement Project
 (<\$10,000,000), Contract Award (>\$200,000), Task Order (>\$200,000)

Recommended Actions:

- a. Appropriate additional funding in the amount of \$4,657,527.
- b. Award a contract to Garney Companies, Inc. in the amount of \$6,330,964.
- c. Approve a task order with Rummel, Klepper & Kahl, LLP (RK&K) in the amount of \$866,868.

CIP Project: NP012400

Regulatory Requirement: Rehab Action Plan Phase 2 (12/31/2025 Completion)

	Project Cost & Appropriation Summary	CIP Project Summary
Capital Improvement Program Estimate (July 1, 2025)		\$14,769,388
Funds Appropriated to Date	\$5,100,000	
Expenditures and Encumbrances Already Incurred	(1,609,695)	
Available Balance	<u>3,490,305</u>	
Proposed Contract Award to Garney	6,330,964	
Proposed Task Order to RK&K	866,868	
Proposed Contingency (15% of construction)	950,000	
Revised Total Remaining Project Costs	<u>8,147,832</u>	
Expenditures and Encumbrances Already Incurred	1,609,695	
New Project Cost Estimate	<u>9,757,527</u>	<u>9,757,527</u>
Additional Appropriation Needed	<u>\$4,657,527</u>	
Favorable (Unfavorable) Variance to CIP		<u>\$5,011,861</u>

Contract Status with Task Orders:	Amount
Original Contract with RK&K	\$0
Total Value of Previous Task Orders	\$368,116
Requested Task Order	\$866,868
Total Value of All Task Orders	\$1,234,984
Revised Contract Value	\$1,234,984
Engineering Services as % of Construction	19%

Type of Procurement: Competitive Bid

In accordance with HRSD's competitive sealed bidding procedures, the Engineering Division advertised and solicited bids directly from potential bidders. The project was advertised on June 9, 2025, and three bids were received on July 15, 2025 as listed below:

Bidder	Bid Amount
Garney Companies, Inc.	\$6,330,964
Bridgeman Civil, Inc.	\$8,960,063
Tidewater Utility Construction, Inc.	\$15,427,334

Engineer Estimate:

\$15,789,240

The design engineer, RK&K, evaluated the bids based upon the requirements in the invitation for bids and recommends award to the lowest responsive and responsible bidder, Garney Companies, Inc., in the amount of \$6,330,964.

Project Description: This project will rehabilitate and/or replace approximately 5,600 linear feet of gravity pipeline with associated manholes. Pipe diameters range from 15 to 30 inches. The attached [map](#) depicts the project location.

Project Justification: Condition assessment activities originally indicated that these assets present a material risk of failure due to Inflow/Infiltration and the repair was deemed a high priority project. A subsequent HART study suggested capacity upgrades were required for approximately 1,700 linear feet. Observations from flow monitoring suggested borderline capacity sufficiency, and HRSD opted to increase capacity along SG-035 in concert with the HPP. On March 6, 2025, Interceptor-Operations found a sinkhole developing over the 30-inch vitrified clay influent gravity pipeline at the Cedar Lane Pump Station. Subsequent CCTV revealed crown degradation and an emergency declaration for repair was requested and approved. Hazen and Sawyer, in conjunction with Bridgeman Civil, Inc., were approved to design and construct the emergency repair. The estimated total cost is approximately \$1,200,000.

Contract Description and Analysis of Cost: This contract is for construction phase services with Garney Companies, Inc. in the amount of \$6,330,964. The low bid was 60% lower than the Engineer's estimate. The most significant price differences were in the bid prices for deep pipe installation, bypass operations, and maintenance of traffic. The higher estimate is primarily attributed to saturated local and regional market conditions for highly specialized work, regulatory deadlines, and previous projects having two local bidders. Prior to bid advertising, the Engineer conducted an exhaustive outreach to garner interest from contractors historically not in the bid pool for this type of work. Despite the extensive outreach, only three contractors bid on the project. During the PER phase, the Engineer estimated the cost at \$6,353,200. Applying the National Engineering News-Record (ENR) CCI of 5.3%, the July 2025 estimate would escalate to approximately \$6.7M; commensurate with the low bid.

Task Order Description and Analysis of Cost: This task order will provide services during construction including contract administration and field engineering and inspection services. HRSD and the design engineer, RK&K, negotiated a fee in the amount of \$866,868 based on hourly rates in RK&K's annual services contract for Linear Infrastructure Projects and an estimation of hours required for this effort. The fee proposal is comparable to other projects of similar size and complexity.

Funding Description: The construction bid amount and the fee for construction related engineering services exceed the appropriated balance of the project. This request also includes a 10 percent contingency to accommodate any unforeseen conditions.

<u>Schedule:</u>	Bid	July 2025
	Construction	September 2025
	Project Completion	February 2027



NP012400

- Project Interceptor Line
- Project Interceptor Point
- Project Location Point
- Project Area

Legend

- ★ CIP Interceptor Point
- ☆ CIP Pump Station Point
- Orange line CIP Interceptor Line
- Red line CIP Abandonment
- Red area CIP Project Area
- Green line HRSD Interceptor Force Main
- Green line HRSD Interceptor Gravity Main
- WTP HRSD Treatment Plant
- PRS HRSD Pressure Reducing Station
- PS HRSD Pump Station

0 195 390 780 1,170 1,560 Feet

NP012400

Western Branch Sewer System Gravity Improvements

N
W E
S

CIP Location

HRSD Commission Meeting Minutes

August 25, 2025

Attachment #3

5. Small Communities Rehabilitation Phase V
Public Hearing on Determination of Public Need for Easement Acquisition and Easement Acquisition Resolution



RESOLUTION

***Providing for the acquisition by condemnation, if necessary,
of parcels and/or easements with respect to
Small Communities Rehabilitation Phase V; CIP NO. MP014800***

WHEREAS, Hampton Roads Sanitation District (hereinafter "HRSD"), as part of its Capital Improvement Program, is proceeding with the project known as Small Communities Rehabilitation Phase V Project (CIP No. MP014800) (the "Project"); and

WHEREAS, as a part of said Project, HRSD has determined that it is necessary to acquire certain property and easements (the "Property") by condemnation (or other means); and

WHEREAS, HRSD provided proper public notice, duly published in newspapers of general circulation in the City of West Point, Virginia, and held a public hearing on this matter at 1434 Air Rail Avenue, Virginia Beach, Virginia on August 26, 2025; and

WHEREAS, at the public hearing, HRSD allowed for public input with respect to the proposed condemnation, as well as considered information provided by HRSD staff, and considered whether the proposed use is a public use and whether the acquisition of the said Property by condemnation (or other means) should be authorized by HRSD; and

WHEREAS, after holding a public hearing on the matter, HRSD has determined that a public necessity exists for the acquisition of the Property for the Project is in the public interest;

NOW, THEREFORE, BE IT RESOLVED, on the 26th day of August, by the HRSD Commission that

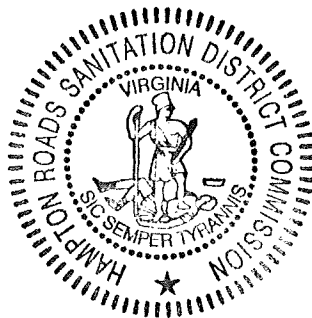
1. The Project is approved as a public use, necessary for the construction of said Project within HRSD's system; and said Project is further declared to be in the public interest;
2. The acquisition of the Property by purchase or condemnation is necessary for the installation and operation of said Project and is hereby approved;
3. The Property will be used by HRSD in furtherance of its public functions pursuant to the Virginia Code, and that that the acquisition of the Property for that public use: (i) will serve only public interests which dominate any private gain; (ii) are sought for the primary purpose of serving public interests and not private financial gain, private benefit, or an increase in the

tax base or tax revenues, an increase in employment or economic development; and (iii) otherwise complies with §1-219.1 of the Virginia Code;

4. HRSD previously has made bona fide efforts to acquire the Property from the landowners, but, to date, those efforts have been ineffectual;
5. HRSD authorizes its staff and legal counsel, respectively, to take all actions for and on behalf of HRSD which are or may be appropriate or necessary for HRSD to acquire the Property through the exercise of its power of eminent domain, including but not limited to, the filing of any papers or pleadings with the applicable circuit court, and other actions related to the initiation of any legal proceedings necessary or appropriate to acquire the Property by eminent domain, *provided, however*, that nothing in this Resolution shall be construed as preventing the continued negotiation by HRSD, its staff, and/or counsel for the acquisition by purchase or other means of the Property before the initiation of any such eminent domain proceedings; and
6. This resolution shall take effect immediately upon its adoption.

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


Stephan Rodriguez, Chair



[HRSD Seal]

A dynamic splash of water with numerous bubbles, creating a sense of movement and freshness. The water is a clear, light blue color, and the bubbles are of various sizes, some appearing as bright white highlights.

Small Communities Rehabilitation Phase V (MP014800)

Public Hearing on the Determination of Public Need for Easement Acquisition

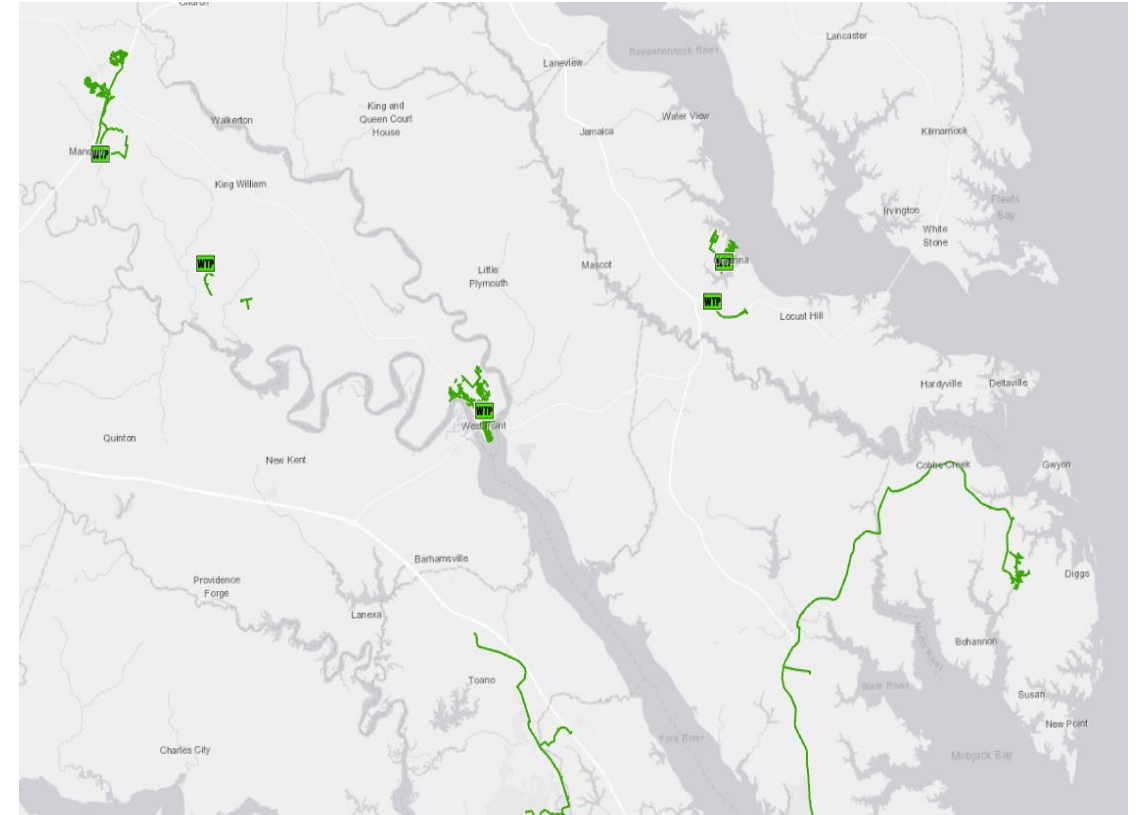
August 26, 2025



Project Overview

This project will raise approximately sixty (60) paved over or buried manholes through Urbanna, King William County and West Point. Installation of three (3) new structures and replacement of manhole frame and covers will occur with the work.

Uncovering and raising the buried and paved over manholes will allow the Operations Division to access these structures to perform assessment of our infrastructure and to ensure the collection systems are operating as designed.



Project Easements

- **As part of the project, HRSD anticipates a total of twenty-three (23) permanent easements; of which one (1) remains unfinalized.**
- **No temporary construction easements are required for this project.**

Key Project Risk Factors

- Cost and Schedule
- Maintenance of Traffic
- Easement Acquisition

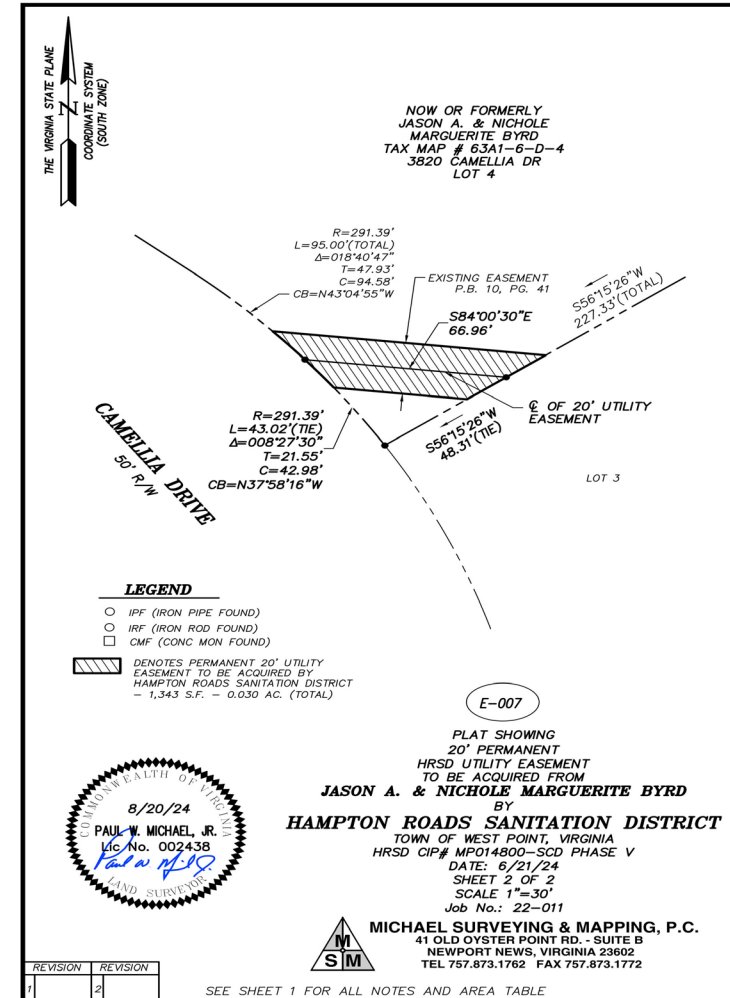
Status of Easement Acquisition

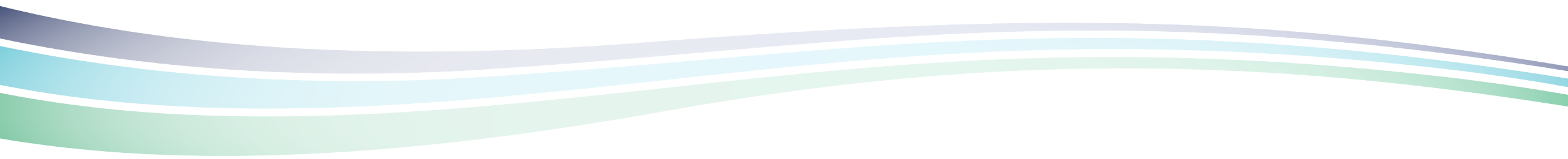
<u>Parcel No.</u>	<u>Address</u>	<u>Tax ID Number</u>	<u>Name</u>	<u>Type</u>	<u>Status</u>
007	3820 Camellia Drive West Point, VA 23181	63A3-6-D-4	Byrd	Permanent 1,343 SF	Impasse/owners would negotiate no further

3820 Camellia Drive



3820 Camellia Drive





Questions?

HRSD Commission Meeting Minutes

August 25, 2025

Attachment #4

6. Small Communities Rehabilitation Phase VI
Public Hearing on Determination of Public Need for Easement Acquisition and Easement
Acquisition Resolution



RESOLUTION

***Providing for the acquisition by condemnation, if necessary,
of parcels and/or easements with respect to
Small Communities Rehabilitation Phase VI; CIP NO. MP015500***

WHEREAS, Hampton Roads Sanitation District (hereinafter "HRSD"), as part of its Capital Improvement Program, is proceeding with the project known as Small Communities Rehabilitation Phase VI Project (CIP No. MP015500) (the "Project"); and

WHEREAS, as a part of said Project, HRSD has determined that it is necessary to acquire certain property and easements (the "Property") by condemnation (or other means); and

WHEREAS, HRSD provided proper public notice, duly published in newspapers of general circulation in the City of West Point, Virginia, and held a public hearing on this matter at 1434 Air Rail Avenue, Virginia Beach, Virginia on August 26, 2025; and

WHEREAS, at the public hearing, HRSD allowed for public input with respect to the proposed condemnation, as well as considered information provided by HRSD staff, and considered whether the proposed use is a public use and whether the acquisition of the said Property by condemnation (or other means) should be authorized by HRSD; and

WHEREAS, after holding a public hearing on the matter, HRSD has determined that a public necessity exists for the acquisition of the Property for the Project is in the public interest;

NOW, THEREFORE, BE IT RESOLVED, on the 26th day of August, by the HRSD Commission that

1. The Project is approved as a public use, necessary for the construction of said Project within HRSD's system; and said Project is further declared to be in the public interest;
2. The acquisition of the Property by purchase or condemnation is necessary for the installation and operation of said Project and is hereby approved;
3. The Property will be used by HRSD in furtherance of its public functions pursuant to the Virginia Code, and that that the acquisition of the Property for that public use: (i) will serve only public interests which dominate any private gain; (ii) are sought for the primary purpose of serving public interests and not private financial gain, private benefit, or an increase in the

tax base or tax revenues, an increase in employment or economic development; and (iii) otherwise complies with §1-219.1 of the Virginia Code;

4. HRSD previously has made bona fide efforts to acquire the Property from the landowners, but, to date, those efforts have been ineffectual;
5. HRSD authorizes its staff and legal counsel, respectively, to take all actions for and on behalf of HRSD which are or may be appropriate or necessary for HRSD to acquire the Property through the exercise of its power of eminent domain, including but not limited to, the filing of any papers or pleadings with the applicable circuit court, and other actions related to the initiation of any legal proceedings necessary or appropriate to acquire the Property by eminent domain, *provided, however*, that nothing in this Resolution shall be construed as preventing the continued negotiation by HRSD, its staff, and/or counsel for the acquisition by purchase or other means of the Property before the initiation of any such eminent domain proceedings; and
6. This resolution shall take effect immediately upon its adoption.

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


Stephan Rodriguez, Chair



[HRSD Seal]

A dynamic splash of water with numerous bubbles, creating a sense of movement and freshness. The water is light blue and white, with bubbles of various sizes scattered throughout.

Small Communities Rehabilitation Phase VI (MP015500)

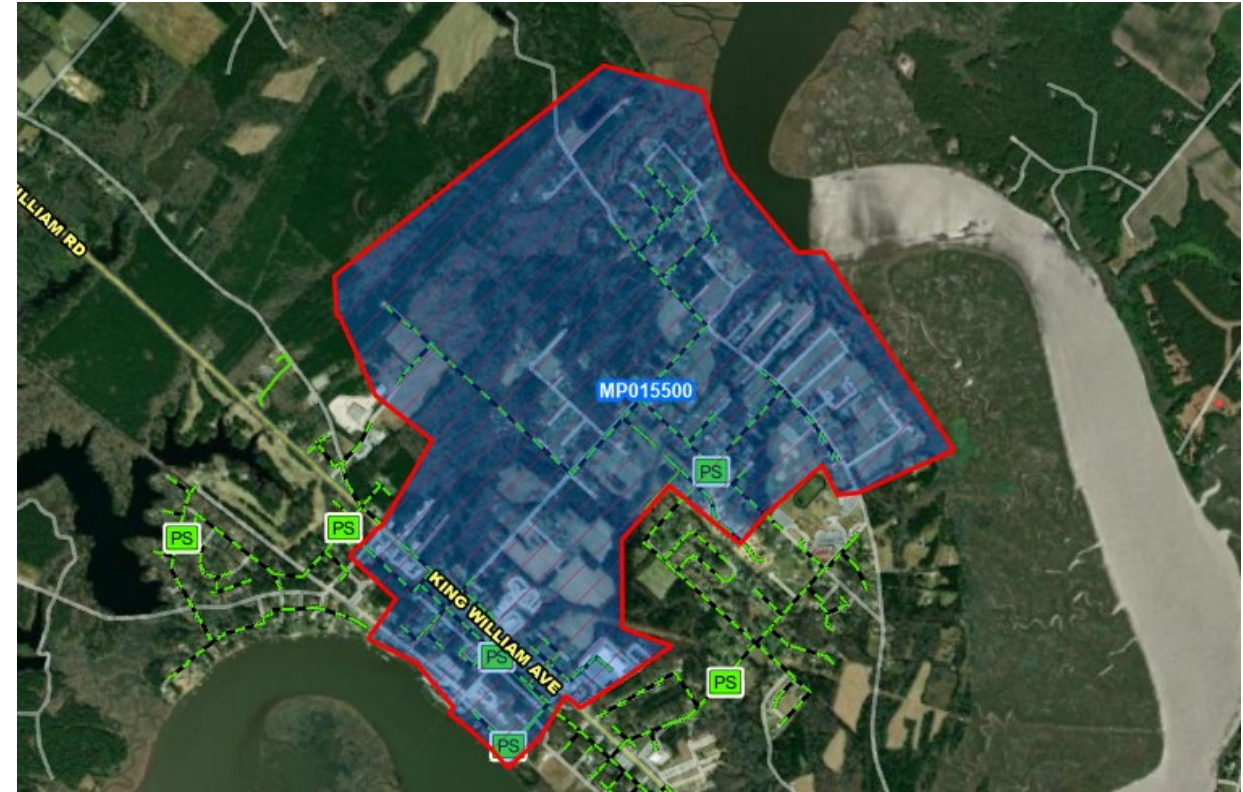
Public Hearing on the Determination of Public Need for Easement Acquisition

August 26, 2025



Project Overview

This project will renew approximately 5,600 linear feet (LF) of gravity pipe and twelve (12) manholes in the service areas of West Point Pump Stations 5, 8 and 9. These facilities have been identified as large contributors to inflow and infiltration (I&I). Pipe rehabilitation and/or replacement alternatives will be considered. Manholes within the services areas will also be lined and rehabilitated.



Project Easements

- **As part of the project, HRSD anticipates a total of fourteen (14) permanent easements; of which one (1) remains unfinalized.**
- **No temporary construction easements are anticipated for this project.**

Key Risk Factors

- Cost and Schedule
- Maintenance of Traffic
- Easement acquisition

Status of Easement Acquisition

<u>Parcel No.</u>	<u>Address</u>	<u>Tax ID Number</u>	<u>Name</u>	<u>Type</u>	<u>Status</u>
012	No address West Point, VA 23181	63A3-5-246-254	Modr Family Trust	Permanent 9,113SF	Numerous unresolved title issues

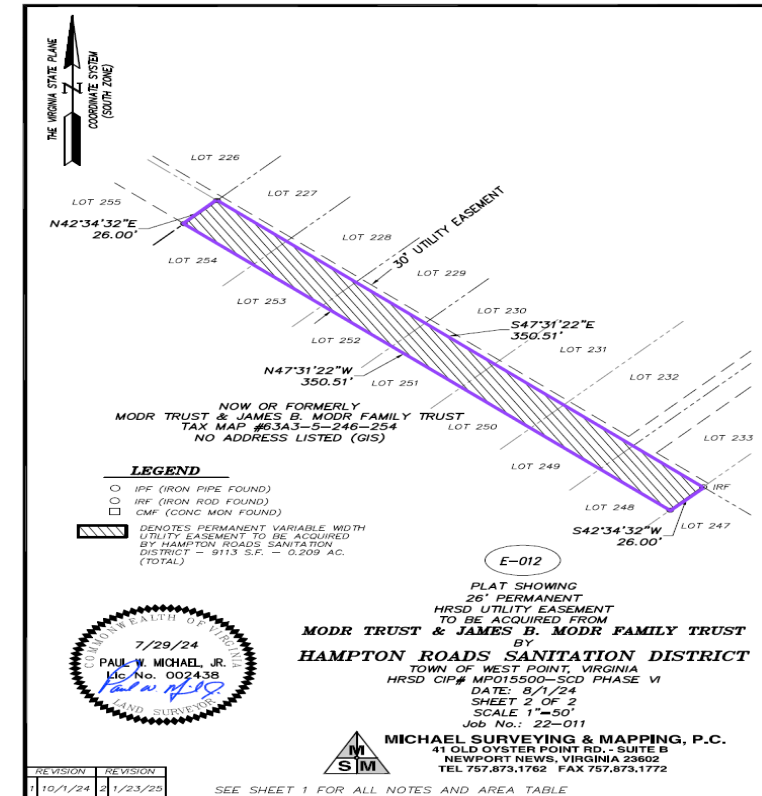
Easement Locations

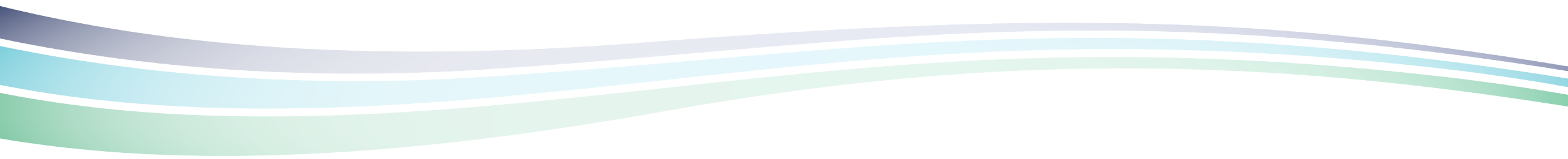
Owner: Modr Family Trust (No Address)



Easement Locations

Owner: Modr Family Trust (No Address)





Questions?

HRSD Commission Meeting Minutes
August 25, 2025
Attachment #5

7. Boat Harbor Conveyance Water Quality Improvement Fund (WQIF)
Grant Agreement

**VIRGINIA WATER QUALITY IMPROVEMENT FUND
POINT SOURCE GRANT AND
OPERATION AND MAINTENANCE AGREEMENT
Grant Agreement #440-S-24-01**

THIS AGREEMENT is made as of this ____ day of _____, 2025, by and between the Director of the Virginia Department of Environmental Quality in his official capacity, or his designee (the "Director"), and the Hampton Roads Sanitation District (the "Grantee").

Pursuant to the Virginia Water Quality Improvement Act of 1997, Chapter 21.1, Title 10.1 of the Code of Virginia (1950), as amended (the "Act"), the General Assembly created the Virginia Water Quality Improvement Fund (the "Fund"). The Director, in coordination with the Director of the Department of Conservation and Recreation, is authorized by the Act to make Water Quality Improvement grants related to point source pollution control, in accordance with guidelines established pursuant to Section 10.1-2129 of the Code, and enter into agreements with grantees under the Act which shall, in accordance with Sections 10.1-2130 and 10.1-2131, provide for the payment of the total amount of the grant and require proper long-term operation, monitoring and maintenance of funded projects.

The Grantee has been approved by the Director to receive a Grant from the Fund subject to the terms and conditions herein to finance seventy-five percent (75%) of the cost of the Eligible Project, which consists of the design and installation of wastewater conveyance infrastructure as described herein. The Grantee will use the Grant to finance that portion of the Project Costs not being paid for from other sources as set forth in the Project Budget in Exhibit B to this Agreement. Such other sources may include, but are not limited to, the Virginia Water Facilities Revolving Fund, Chapter 22, Title 62.1 of the Code of Virginia (1950), as amended.

As required by the Act, this Agreement provides for payment of the Grant, design and construction of the Project, and proper long-term operation, monitoring, and maintenance of the Project. This Agreement is supplemental to the State Water Control Law, Chapter 3.1, Title 62.1 of the Code of Virginia (1950), as amended, and it does not limit in any way the other water quality restoration, protection and enhancement, or enforcement authority of the Director, the State Water Control Board (the "Board") or the Department of Environmental Quality (the "Department").

**ARTICLE I
DEFINITIONS**

1. The capitalized terms contained in this Agreement shall have the meanings set forth below unless the context requires otherwise and any capitalized terms not otherwise defined herein shall have the meaning assigned to such terms in the Act:

(a) "Agreement" means this Virginia Water Quality Improvement Fund Point Source Grant and Operation and Maintenance Agreement between the Director and the Grantee, together with any amendments or supplements hereto.

(b) "Authorized Representative" means any member, official or employee of the Grantee authorized by resolution, ordinance or other official act of the governing body of the Grantee to perform the act or sign the document in question.



(c) "Eligible Applicant" means those eligible applicants as defined by the Secretary of Natural Resource's Virginia Water Quality Improvement Guidelines issued November 2006 and updated May 2012.

(d) "Eligible Project" means a wastewater conveyance infrastructure project from one publicly owned treatment works that diverts wastewater to another publicly owned treatment works that is capable of achieving compliance with its nutrient reduction or ammonia control discharge requirements, results in a net reduction in total phosphorus, total nitrogen, or nitrogen-containing ammonia discharges, and results in a Water Quality Improvement Grant expense being incurred by the Department that is the same as or lower than the grant expense the Department would incur in funding design and installation of eligible nutrient removal or other applicable treatment technology at such treatment works that would have treated the wastewater in the absence of the diversion project. The particular wastewater conveyance infrastructure project described in Exhibit A to this Agreement to be designed and constructed by the Grantee with, among other monies, the Grant, with such changes thereto as may be approved in writing by the Director and the Grantee.

(e) "Eligible Project Costs" means costs of the individual items comprising the Eligible Project as permitted by the Act with such changes thereto as may be approved in writing by the Director and the Grantee.

(f) "Extraordinary Conditions" means unforeseeable or exceptional conditions resulting from causes beyond the reasonable control of the Grantee such as, but not limited to fires, strikes, acts of God, and acts of third parties that singly or in combination cause material breach of this Agreement.

(g) "Facility" means all plants, systems, unit processes, equipment or property related to the Project, and owned, operated, or maintained by the Grantee and used in connection with the treatment of wastewater.

(h) "Grant" means the particular grant described in Section 4.0 of this Agreement, with such changes thereto as may be approved in writing by the Director and the Grantee.

(i) "Monetary Assessment" means a contractual or stipulated penalty as described in Section 10.1-2130 of the Code.

(j) "Preliminary Engineering Proposal" means the engineering report and preliminary plans for the Project as described in 9 VAC 25-790-110, as modified by the final engineering design approved by the Department.

(k) "Project Budget" means the sum of the Eligible Project Costs as set forth in Exhibit B to this Agreement, with such changes thereto as may be approved in writing by the Director and the Grantee.

(l) "Project Engineer" means the Grantee's engineer who must be a licensed professional engineer registered to do business in Virginia and designated by the Grantee as the Grantee's engineer for the Project in a written notice to the Department.



(m) "Project Schedule" means the schedule for the Project as set forth in Exhibit C to this Agreement, with such changes thereto as may be approved in writing by the Director and the Grantee.

(n) "Wastewater Conveyance Infrastructure Project" means the design and installation of wastewater treatment works components, including, but not limited to pipelines, conduits, interceptors, Supervisory Control and Data Acquisition (SCADA) systems, flow meters, odor control, flow pumping, power and other equipment and their appurtenances, pumping stations and force mains and all other construction, devices and appliances appurtenant thereto, from an eligible publicly owned treatment works that diverts wastewater to another eligible publicly owned treatment works. Professional services such as engineering, permitting, environmental review, legal and construction administration that are an integral part of the project, and purchase of land, easements, and/or rights-of-way that are an integral part of the project or are otherwise appropriate for addressing application requirements under this guidance may be considered elements of the wastewater conveyance infrastructure project.

ARTICLE II

SCOPE OF PROJECT

2. The Grantee will cause the Project to be designed, constructed and placed in operation as described in Exhibit A to this Agreement and ensure the Project results in a net reduction in total phosphorus, total nitrogen, or nitrogen-containing ammonia discharges.

ARTICLE III

SCHEDULE

3. The Grantee will cause the Eligible Project to be designed, constructed and placed in operation in accordance with the Project Schedule in Exhibit C to this Agreement.

ARTICLE IV

COMPENSATION

4.0. Grant Amount. The total grant award from the Fund under this Agreement is **\$294,300,591.77** and represents the Commonwealth's seventy-five (75%) share of the Project Budget. Any material changes made to the Eligible Project after execution of this Agreement, which alters the Project Budget, will be submitted to the Department for review of grant eligibility before execution. The amount of the grant award set forth herein may be modified from time to time by agreement of the parties to reflect changes to the Eligible Project or the Project Budget.

4.1. Payment of Grant. Payment of the Grant is subject to the availability of monies in the Fund allocated to conveyance and Section 4.4 herein. Disbursement for professional services (planning and design) can commence upon execution of the Grant, with reimbursement available for expenses up to twenty-five (25%) of physical construction costs. Disbursement for the remaining reimbursable costs can commence once the final project budget, based on as-bid or contractual costs, is approved and a grant modification is executed. The Department will notify the Grantee when the eligibility to submit reimbursement requests has been approved. Disbursement of the Grant will be in accordance with the payment provisions set forth in Section 4.2 herein, the eligibility determinations made in the Project Budget (Exhibit B), as well as in accordance with other State and Federal Guidance, regulations and laws.



4.2. Disbursement of Grant Funds. Disbursement requests shall be submitted no less than once every forty-five (45) calendar days while the project is incurring eligible expenses specific to the grant referenced herein. Any alternative schedule request must be received in writing and approved by the Department prior to the disbursement request receipt deadline. The Department will disburse the Grant to the Grantee no more frequently than once per calendar month for approved eligible reimbursements, with a minimum reimbursement amount of ten thousand (\$10,000.00) dollars (excluding initial professional services payments and the final payment), upon receipt by the Department of the following:

- (a) A requisition for approval by the Department, signed by the Authorized Representative and containing all receipts, vouchers, statements, invoices or other evidence that costs in the Project Budget, including the applicable local share for the portion of the project covered by such requisition, have been incurred or expended and all other information called for by, and otherwise being in the form of, Exhibit D to this Agreement.
- (b) If any requisition includes an item for payment for labor, contractors, builders or material men, a certificate must be signed by the Project Engineer stating that such work was actually performed or that such materials, supplies or equipment were actually furnished or installed in or about the construction of the Eligible Project.
- (c) Exhibit D must be submitted with each disbursement request.

Upon receipt of each such requisition and its accompanying certificate(s) and schedule(s), the Director shall request the Comptroller to issue a warrant directing the State Treasurer to disburse the Grant to the Grantee in accordance with such requisition to the extent approved by the Department.

Except as may otherwise be approved by the Department, disbursements shall be held at ninety percent (90%) of the total grant amount to ensure satisfactory completion of the Eligible Project. Upon receipt from the Grantee of the Certificate of Substantial Completion specified in Section 4.5 and 4.6, and a final requisition detailing all retainage to which the Grantee is then entitled, the Director, subject to the provisions of this section and Section 4.3 herein, shall request the Comptroller to issue a warrant directing the State Treasurer to disburse to the Grantee the final payment from the Grant.

4.3 Application of Grant Funds. The Grantee agrees to apply the Grant solely and exclusively to the reimbursement of Eligible Project Costs under this agreement.

4.4. Availability of Funds. The Director and Grantee recognize that the availability of monies in the Fund allocated to conveyance is subject to appropriation by the General Assembly and allocations made by the Secretary of Natural and Historic Resources, and that at times there may not be sufficient monies in the Fund to permit prompt disbursement of grant funds due and owing the Grantee pursuant to this Agreement. To minimize the potential for such disruption in disbursements of grant funds and in satisfaction of its obligations under the Act, the Department covenants and agrees to (1) manage the allocation of grants from the Fund to ensure full funding of executed grant agreements, (2) forecast the estimated disbursements from the Fund in satisfaction of approved grants and make this forecast publicly available each year for use in the Commonwealth's budgetary process, and (3) promptly disburse to the Grantee any grant funds due and owing the Grantee pursuant to this Agreement when sufficient monies are available in the Fund to make such disbursements. The Department may determine that monies are not sufficient to promptly disburse grant funds when there are competing grant requests. To assist the Department in forecasting estimated disbursements, prior to September 30 of each year the Grantee will

provide the Department with a written estimate of its projected expenditures on the Project during the next fiscal year using the same line item cost categories in the Project Budget.

4.5. Agreement to Complete Project. The Grantee agrees to cause the Project to be designed and constructed, as described in Exhibit A to this Agreement, and in accordance with (i) the schedule in Exhibit C to this Agreement and (ii) plans and specifications prepared by the Project Engineer and approved by the Department.

4.6 Notice of Substantial Completion. When the Project has been completed, the Grantee shall have ninety (90) days to deliver to the Department a Certificate of Substantial Completion signed by the Authorized Representative and by the Project Engineer stating (i) that the Project has been completed substantially in accordance with the approved plans and specifications and addenda thereto, and in substantial compliance with all material applicable laws, ordinances, rules, and regulations; (ii) the date of such completion; (iii) that all certificates of occupancy and operation necessary for start-up for the Project have been issued or obtained; and (iv) the amount, if any, to be released for payment of the final Project Costs.

ARTICLE V **PERFORMANCE**

5.0 The Grantee shall ensure that once completed, the Project results in a net reduction in total phosphorous, total nitrogen, or nitrogen-containing ammonia discharges.

ARTICLE VI **OPERATION AND MAINTENANCE**

6.0 No later than thirty (30) days after issuance of a Certificate to Operate for the Project, the Grantee shall submit to the Department of Environmental Quality a Letter of Certification stating that i) The Operation and Maintenance manual for the Project is up-to-date and available upon request and ii) An updated version of the Operation and Maintenance manual was provided to the Owner when the Certificate To Operate was issued or before. As required by the Grantee's VPDES permit, the Facility shall be operated and maintained in a manner consistent with the operation and maintenance manual as approved by the Department.

ARTICLE VII **MONITORING AND REPORTING**

7.0. Reporting. Beginning with the Project's first full calendar year of operation and each year thereafter, the Grantee will submit to the Department the Annual Monitoring Form documenting that the Project remains in operation and that the Project maintains a net reduction in total phosphorus, total nitrogen or nitrogen containing ammonia discharges on or before February 1 of each year. See Exhibit F for Annual Monitoring Form.



ARTICLE VIII
MATERIAL BREACH

8.0. Material Breach. Any failure or omission by the Grantee to perform its obligations under this Agreement, unless excused by the Department, is a material breach.

8.1. Notice of Material Breach. If at any time the Grantee determines that it is unable to perform its obligations under this Agreement, the Grantee shall promptly provide written notification to the Department. This notification shall include a statement of the reasons it is unable to perform, any actions to be taken to secure future performance and an estimate of the time necessary to do so.

8.2. Monetary Assessments for Breach. In no event shall total Monetary Assessments pursuant to this Agreement exceed (i) \$23,602,907 annually or (ii) \$472,058,140 during the life of this Agreement. Monetary Assessments will be paid into the State Treasury and credited to the Fund. The Director's right to collect Monetary Assessments does not affect in any way the Director's right to secure specific performance of this Agreement using such other legal remedies as may otherwise be available. Within ninety (90) days of receipt of written demand from the Director, the Grantee shall pay the following Monetary Assessments for the corresponding material breaches of this Agreement unless the Grantee asserts a defense pursuant to the requirements of Section 8.3 herein.

(a) For noncompliance with the obligation to ensure that the Project results in a net reduction in total phosphorous, total nitrogen, or nitrogen-containing ammonia discharges, an assessment in the amount of \$23,398,250 for each year of noncompliance.

(b) For noncompliance with any deadline in Exhibit C to this Agreement, Article VII of this Agreement, or the failure to submit the operations and maintenance manual in accordance with Article VI of this Agreement, an assessment in the amount of \$500 per day for the first 10 days of noncompliance, and \$1,000 for each day of noncompliance thereafter. Noncompliance with interim deadlines shall be excused where the Grantee complies with the final deadline in Exhibit C to this Agreement. If these deadlines cannot be met, See Section 8.3 – Extraordinary Conditions for further instruction.

(c) For noncompliance with the obligation to operate and maintain the Project in a manner consistent with the manual pursuant to Article VI of this Agreement, an assessment in the amount of \$1,000 for each day of noncompliance.

8.3. Extraordinary Conditions.

(a) The Grantee may assert and it shall be a defense to any action by the Director to collect a Monetary Assessment or otherwise secure performance of this Agreement that the alleged non-performance was due to Extraordinary Conditions, provided that the Grantee:

(1) takes reasonable measures to effect a cure or to minimize any non-performance with the Agreement, and

(2) provides written notification to the Director, Clean Water Finance and Training Programs of the occurrence of Extraordinary Conditions, together with an explanation of the events or circumstances contributing to such Extraordinary Conditions, no later than five (5) days after the discovery of the Extraordinary Conditions and the resulting impacts on performance.

A handwritten signature in blue ink, appearing to be 'Tara', is located in the bottom right corner of the page.

(b) If the Department disagrees that the events or circumstances described by the Grantee constitute Extraordinary Conditions, the Department must provide the Grantee with a written objection within sixty (60) days of Grantee's notice under paragraph 8.3(a)(2), together with an explanation of the basis for its objection.

8.4 Resolution and Remedy. If no resolution is reached by the parties, the Director or Department may immediately pursue any remedy available at law or equity. In any such action, the Grantee shall have the burden of proving that the alleged noncompliance was due to Extraordinary Conditions. In addition to any other remedy that may be available to the Director or the Department, the Director or Department may bring an action in the Circuit Court of the City of Richmond to enforce this Agreement by injunction or mandamus or stipulated penalties or to recover part or all of the grant funds. No such remedy of the Director or Department shall be deemed to be exclusive or to stop any other such remedy or the bringing of an action to enforce this Agreement. The Grantee agrees to venue to any such action in the Circuit Court of the City of Richmond. The Grantee further agrees that, in light of the public purpose of this Project, any failure of the Grantee to perform its duties under this Agreement and any failure of the Project to meet the requirements of this Agreement or the requirements of any permit that may be issued by the Board regarding the Project constitutes irreparable harm to the Commonwealth for which the Director or Department lacks an adequate remedy at law.

ARTICLE IX

GENERAL PROVISIONS

9.0. Effect of the Agreement on Virginia Pollutant Discharge Elimination System (VPDES) Permit. This Agreement shall not be deemed to relieve the Grantee of its obligations to comply with the terms of its VPDES permit issued by the Board or Department. The Grantee acknowledges that statements must be submitted verifying the capability of the receiving facility to achieve current permit limits and future permit limits with increase in flow.

9.1. Disclaimer. Nothing in this Agreement shall be construed as authority for either party to make commitments which will bind the other party beyond the covenants contained herein.

9.2. Non-Waiver. No waiver by the Director of any one or more defaults by the Grantee in the performance of any provision of this Agreement shall operate or be construed as a waiver of any future default or defaults of whatever character.

9.3. Integration and Modification. This Agreement constitutes the entire Agreement between the Grantee and the Director. No alteration, amendment or modification of the provisions of this Agreement shall be effective unless reduced to writing, signed by both the parties and attached hereto. The Department and the Grantee shall confer within six (6) months after each reissuance of the Grantee's VPDES permit for the purpose of determining whether this Agreement should be modified or terminated. This Agreement may be modified by agreement of the parties for any purpose, provided that any significant modification to this Agreement must be preceded by public notice of such modification.

9.4. Collateral Agreements. Where there exists any inconsistency between this Agreement and other provisions of collateral contractual agreements which are made a part of this Agreement by reference, the provisions of this Agreement shall control.



9.5. Non-Discrimination. In the performance of this Agreement, the Grantee warrants that it will not discriminate against any employee, or other person, on account of race, color, sex, religious creed, ancestry, age, national origin or other non-job related factors. The Grantee agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause.

9.6. Conflict of Interest. The Grantee warrants that it has fully complied with the Virginia Conflict of Interest Act as it may apply to this Agreement.

9.7. Applicable Laws. This Agreement shall be governed in all respects whether as to validity, construction, capacity, performance or otherwise, by the laws of the Commonwealth of Virginia. The Grantee further agrees to comply with all laws and regulations applicable to the Grantee's performance of its obligations pursuant to this Agreement.

9.8. Records Availability. The Grantee agrees to maintain complete and accurate books and records of the Project Costs, and further, to retain all books, records, and other documents relative to this Agreement for three (3) years after final payment. The Department, its authorized agents, and/or State auditors will have full access to and the right to examine any of said materials during said period. Additionally, the Department and/or its representatives will have the right to access work sites during normal business hours, after reasonable notice to the Grantee, for the purpose of ensuring that the provisions of this Agreement are properly carried out.

9.9. Severability. Each paragraph and provision of this Agreement is severable from the entire Agreement; and if any provision is declared invalid, the remaining provisions shall nevertheless remain in effect.

9.10. Eligible Project to be Technically Sound. The Grantee agrees that all projects will be undertaken and completed in a manner that is technically sound, meaning that they must meet design and construction methods and use materials that are approved, codified, recognized, fall under standard or acceptable levels of practice, or otherwise are determined to be generally acceptable by the design and construction industry.

9.11. Notices. All notices given hereunder shall be in writing and shall be sent by United States certified mail, return receipt requested, postage prepaid, and shall be deemed to have been received at the earliest of: (a) the date of actual receipt of such notice by the addressee, (b) the date of the actual delivery of the notice to the address of the addressee set forth below, or (c) five (5) days after the sender deposits it in the mail properly addressed. All notices required or permitted to be served upon either party hereunder shall be directed to:

Department: Virginia Department of Environmental Quality
CWFAP
P.O. Box 1105
Richmond, VA 23218
Attn: Director, Clean Water Finance and Training Programs

Grantee: Hampton Roads Sanitation District
1434 Air Rail Avenue



Virginia Beach, VA 23455
Attn: Jay Bernas, P.E.

9. 12. Successors and Assigns Bound. This Agreement shall extend to and be binding upon the parties hereto, and their respective legal representatives, successors, and assigns.

9. 13. Exhibits. All exhibits to this Agreement are incorporated herein by reference.

9. 14. Termination. This Agreement shall terminate twenty (20) years after the Agreement is executed by both parties or by an earlier date by agreement of the parties; provided, however, that except for termination for cause due to Material Breach, the Director's obligation under Section 4.1 herein to pay the Grant amount shall survive termination if such amount has not been paid in full as of the termination date.

ARTICLE X
COUNTERPARTS

10.1 This Agreement may be executed in any number of Counterparts, each of which shall be an original and all of which together shall constitute but one and the same instrument.

WITNESS the following signatures, all duly authorized.

DIRECTOR OF THE DEPARTMENT OF ENVIRONMENTAL QUALITY

By: 
Michael S. Rolband, PE, PWD, PWS Emeritus, Director

Date: 8/20/25

GRANTEE'S AUTHORIZED REPRESENTATIVE

By: 
Jay A. Bernas, PE, HRSD General Manager

Date: 9/2/2025

EXHIBIT A
PROJECT DESCRIPTION

Grantee: Hampton Roads Sanitation District

Grant #: 440-S-24-01

The WQIF project involves the following:

To meet the requirements set forth in the Enhanced Nutrient Removal Certainty Program, Hampton Roads Sanitation District (HRSD) will close and decommission the Boat Harbor Treatment Plant (BHTP), located in Newport News, Virginia. Prior to the closure of BHTP, HRSD will complete multiple major capital projects to convey the flow from BHTP to HRSD's Nansemond Treatment Plant (NTP) in Suffolk, VA. A summary of the construction efforts is as follows:

- HRSD Project #BH015700 and #BH015701 – Boat Harbor Treatment Plant conversion to a pumping station, including equalization and headworks facilities while remaining in operation for wastewater treatment during conversion. This project includes the land acquisition for the pump station identified by HRSD as Project #GN016345
- HRSD Project #BH015710 – Boat Harbor Force Main 1 (FM1), conveying flow from Boat Harbor Pump Station with a subaqueous crossing of the James River to Suffolk, Virginia, and
- HRSD Project #BH015720 – Boat Harbor Force Main 2 (FM2), conveying flow from the landing point of FM1 across land to NTP. This project also includes land acquisition identified by HRSD as Project #GN016346

NOTE: Any alterations to the original Scope of Work may affect the grant award amount. All alterations must be submitted to the Director, Clean Water Finance and Training Programs for review and pre-approval.



**EXHIBIT B
PROJECT BUDGET**

Grantee: Hampton Roads Sanitation District

Grant#: 440-S-24-01

This budget must be submitted with every disbursement request demonstrating 1) which project components are affected and 2) a line-item reduction to the agreed upon Eligible Project Budget for the disbursement request being submitted. This should include all necessary documentation for verification.

PROJECT BUDGET		
Unit Process or Project Component	WQIF Eligible Project Cost	WQIF Grant Amount (75%)
Construction	\$ 310,710,647.89	\$ 233,032,985.92
Engineering	\$ 50,619,076.34	\$ 37,964,307.26
Construction Contingency	\$ 31,071,064.79	\$ 23,303,298.59
TOTALS	\$ 392,400,789.02	\$ 294,300,591.77



EXHIBIT C
PROJECT SCHEDULE

Grantee: Hampton Roads Sanitation District

Grant #: #440-S-24-01

The Grantee has proposed the following schedule of key activities/milestones as a planning tool which may be subject to change. In particular, the Grantee acknowledges that the appropriate approval (Certificate to Construct) must be issued by the Department prior to proceeding with construction. Unless authorized by a grant modification, it is the responsibility of the Grantee to adhere to the anticipated schedule for the project as follows:

Activity	Boat Harbor Treatment Plant Pump Conversion (HRSD #BH015700)	Boat Harbor Treatment Plant Pump Station Conversion Site Improvements (HRSD #BH015701)	Boat Harbor Treatment Plant Transmission Force Main Section 1 – Subaqueous (HRSD #BH015710)	Boat Harbor Treatment Plant Transmission Force Main Section 2 – Land (HRSD #BH015720)
PER Submittal Date	June 2022	June 2022	August 2021	December 2021
Final Plans and Specs.	February 2023	N/A	October 2023	February 2024
CTC Issued by DEQ	May 2023	N/A	March 2023	May 2024
Advertise for Bids	February 2023	October 2022	April 2022	March 2024
Award Contract/ Notice to Proceed	May 2023	December 2022	May 2023	July 2024
Begin Construction	July 2023	January 2023	July 2023	December 2024
Complete Construction and Request Certificate to Operate	December 2026	August 2023	January 2026	January 2026*

NOTE: Any alterations to the schedule must be communicated to the Department of Environmental Quality in advance. Reference Article VIII – Material Breach - 8.2 – Monetary Assessments for Breach for further clarification.

*Compliance with this date can also be achieved by being in compliance with the schedule outlined in section G.1. of the VPDES permit VA0081256.



EXHIBIT D
REQUISITION FOR REIMBURSEMENT
(To be on Grantee's Letterhead)

Department of Environmental Quality
Clean Water Financing and Assistance Program
P.O. Box 1105
Richmond, VA 23218
Attn.: Director, Clean Water Finance and Training Programs

RE: Virginia Water Quality Improvement Fund Grant
WQIF Grant Agreement #440-S-24-01

Dear Director:

This requisition, Number ____, is submitted in connection with the referenced Grant Agreement between the Director of the Virginia Department of Environmental Quality and the [insert name of the Grantee]. The effective date of the grant agreement is [insert date of grant agreement].

Unless otherwise defined in this requisition, all capitalized terms used herein shall have the meaning set forth in Article I of the Grant Agreement. The undersigned Authorized Representative of the Grantee hereby requests disbursement of grant proceeds under the Grant Agreement in the amount of \$_____ for the purposes of payment of the Eligible Project Costs as set forth on Schedule I attached hereto.

Copies of invoices relating to the items for which payment is requested are attached.

The undersigned certifies that the amounts requested by this requisition will be applied solely and exclusively to the reimbursement of the Grantee for the payment of Eligible Project Costs.

This requisition includes (if applicable) an accompanying Certificate of the Project Engineer as to the performance of the work.

Sincerely,

Authorized Representative of the Grantee

Date

Attachments



SCHEDULE 1
VIRGINIA WATER QUALITY IMPROVEMENT FUND
FORM TO ACCOMPANY REQUEST FOR REIMBURSEMENT

REQUISITION #

Grantee: Hampton Roads Sanitation District

Grant #: 440-S-24-01

CERTIFYING SIGNATURE: _____

DATE: _____

TITLE: _____

Cost Category	Eligible Project Budget	Eligible Grant Amount	Eligible Project Cost This Period	Previous Grant Disbursements	Grant Disbursement This Period	Grant Balance
Construction	\$ 310,710,647.89	\$ 233,032,985.92	\$ -	\$ -	\$ -	\$ 233,032,985.92
Engineering	\$ 50,619,076.34	\$ 37,964,307.26	\$ -	\$ -	\$ -	\$ 37,964,307.26
Construction Contingency	\$ 31,071,064.79	\$ 23,303,298.59	\$ -	\$ -	\$ -	\$ 23,303,298.59
TOTALS	\$ 392,400,789.02	\$ 294,300,591.77	\$ -	\$ -	\$ -	\$ 294,300,591.77

Tran

**CERTIFICATE OF THE PROJECT ENGINEER
FORM TO ACCOMPANY REQUEST FOR REIMBURSEMENT**

Grantee: Hampton Roads Sanitation District

Grant #: 440-S-24-01

This Certificate is submitted in connection with Requisition Number _____, dated _____, 20__, submitted by the Hampton Roads Sanitation District (the "Grantee") to the Virginia Department of Environmental Quality. Capitalized terms used herein shall have the same meanings set forth in Article I of the Grant Agreement referred to in the Requisition.

The undersigned Project Engineer for _____ hereby certifies that insofar as the amounts covered by this Requisition include payments for labor or to contractors, builders or material men, such work was actually performed or such materials, supplies, or equipment were actually furnished to or installed in the Project.

(Project Engineer)

(Date)



EXHIBIT E
FORMULA FOR CALCULATING MONETARY ASSESSMENT
IN THE EVENT OF EARLY TERMINATION

Grantee: Hampton Roads Sanitation District

Grant #: 440-S-24-01

Early termination in the operation of the conveyance project shall result in a monetary penalty using the formula below.

$$MA = CYR \times AnPay$$

where:

MA	=	Monetary Assessment
CYR	=	Contract Years Remaining
AnPay	=	Annual payment on grant; assumes principal payments amortized over 20 years and an interest rate of 5%. Using these assumed values leads to a "cost recovery factor" of 0.0802. The "cost recovery factor" times the grant amount yields the annual payment penalty amount.

Values used for Grant Number 440-S-24-01:

Total grant for conveyance project	= \$294,300,591.77
Useful Service Life	= 20 years
Interest Rate	= 5%

Calculated (assumes grant 100% paid):

Expected performance	= 20 years
AnPay	= \$23,602,907

Handwritten signature

EXHIBIT F
ANNUAL VERIFICATION FORM

Grantee: Hampton Roads Sanitation District

Grant #: 440-S-24-01

This Form is submitted in connection with Grant Agreement Number 440-S-24-01 dated Month/Day/Year submitted by the Hampton Roads Sanitation District (the "Grantee") to the Virginia Department of Environmental Quality. Capitalized terms used herein shall have the same meanings set forth in Article I of the Grant Agreement.

The undersigned _____ hereby certifies the Project remains in operation and that the Project maintains a net reduction in total phosphorus, total nitrogen or nitrogen containing ammonia discharges as set forth in Article VII on or before February 1 of each year.

The Grantee understands that any failure or omission by the Grantee to perform its obligations under this Agreement, unless excused by the Department, is a material breach. The Grantee further admonishes that if a determination is made that obligations cannot be performed under this Agreement that written notification is required as set forth in Article VIII.

(Grantee Representative)

(Date)



HRSD Commission Meeting Minutes

August 25, 2025

Attachment #6

8. DEQ Nonpoint Source Nutrient Pollution Pay-for-Outcomes Program Grant Agreement (>\$200,000)

A dynamic splash of water with numerous bubbles, creating a sense of movement and freshness. The water is a clear, light blue color, and the bubbles are of various sizes, some catching the light.

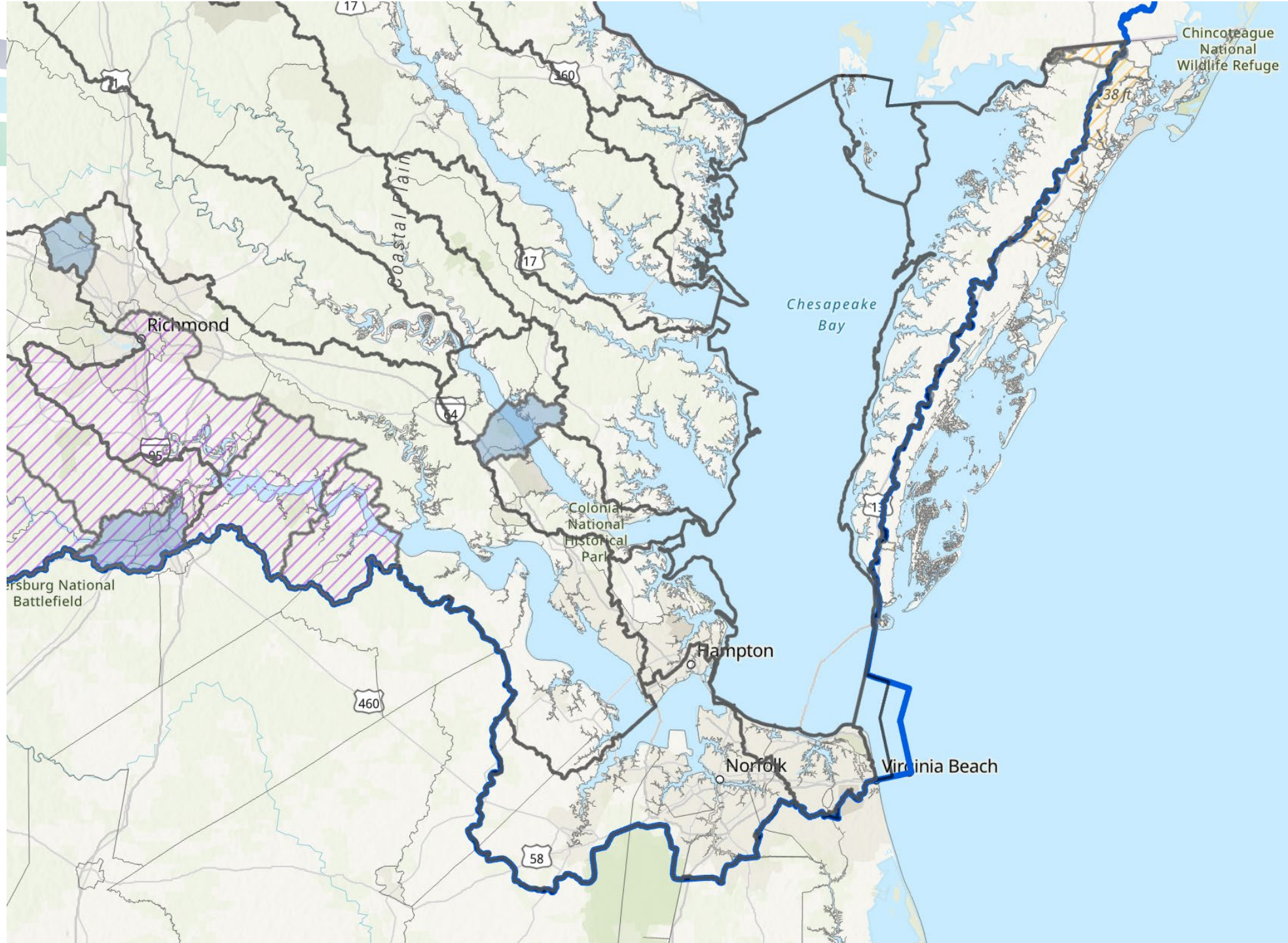
DEQ Nonpoint Pay for Outcomes Commission Briefing

August 26th, 2025



DEQ NPS Pilot Program

- As part of the Commonwealth's enduring commitment to restoring the Chesapeake Bay, DEQ has announced the innovative \$20 million Pay-For-Outcomes Nonpoint Source Pollution Reduction grant program. This one-year pilot program will provide **payments based on the number of pounds of pollution actually removed or prevented.**



HRSD Proposal

- Incentivize Septic Connections to Public Sewer
- Focused on Gloucester County (originally)
- Supported by County and VDH (Three Rivers)



Rank	NPS PFO Pilot Program Application Summary				
	Applicant Name	Project Title	Selection Panel Accepted \$/TN	Applicant Total \$ Requested	Selection Panel \$ Funded
1	Hampton Roads Sanitation District	Gloucester County Septic-to-Sewer Connections	\$ 16.56	\$ 1,180,000.00	\$ 1,180,000.00
2	Conservation Innovation Fund	Alternative Crops for Environmental Benefits	\$ 15.44	\$ 2,659,925.60	\$ 2,659,925.60
3	RES (2)	Gascony Grove Tree Planting	\$ 28.49	\$ 1,249,303.00	\$ 1,249,303.00
4	RES (1)	Eastern Shore Direct Credit Sale - Qualen Woods Nutrient Bank	\$ 31.07	\$ 500,000.00	\$ 500,000.00
5	Keystone Streams	Keystone Streams - Riparian Forest Buffers on Virginia Farms	\$ 35.99	\$ 588,500.00	\$ 588,500.00
6	LIXIL	Urine Diversion and Treatment for Nitrogen Removal	\$ 46.42	\$ 499,800.00	\$ 499,800.00
7	MOVA Technologies	Poultry House Ammonia Reduction	\$ 27.30	\$ 1,289,850.00	\$ 1,289,850.00
8	OCVA	Oyster Reef Nutrient Reductions, Resiliency, and Aquatic Habitat Enhancement	\$ 91.54	\$ 6,800,000.00	\$ 6,800,000.00
9	VA Dairyman's Association	Nutrient Mass Balance Management	\$ 36.59	\$ 5,027,295.00	\$ 4,232,621.40

Awarded

Abbreviated Process



Key Points

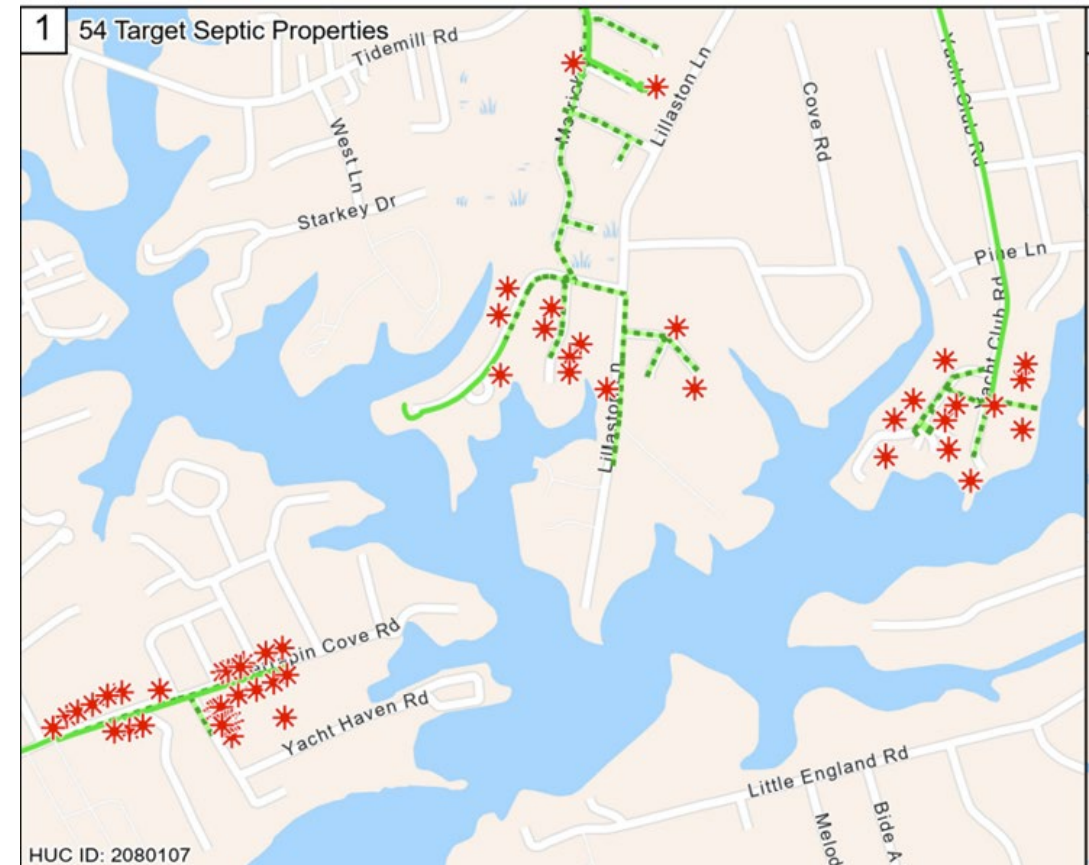
- Total disbursements limited to \$1,180,000 by June 2030
- DEQ may make available additional amounts for additional reductions if funds are available.
- HRSD must meet a Key Milestone of 24 connections by May 30, 2027 or DEQ may divert funding to other recipients which are overperforming.
- HRSD must submit copies of specific documentation for disbursement.

DEQ SCAT Update

- As of July 30, 2025 the Sewage Collection and Treatment Regulations, 9VAC25-790-985 is in effect. This amendment includes a requirement for permitted sewage treatment works within the Chesapeake Bay Watershed to report to DEQ, to their best of their knowledge, the number of on-site sewage systems taken off-line and connected to the sewerage systems that convey sewage to their facility during the previous calendar year.

Currently...

- Developed FAQs and webpage
- Finalizing agreement with DEQ
- Positive Media Coverage
- **Fielding inquiries!!!**



WIN-WIN-WIN-WIN

- Customers WIN – Program is voluntary and financially attractive
- State/Bay WIN – Program reduces NPS Pollution cost effectively
- HRSD/Localities WIN – Customer Capture in served areas
- Everybody WINS – Improved Public Health and Environment

HRSD Commission Meeting Minutes

August 25, 2025

Attachment #7

10. Birdneck Road Trunk Force Main – Pipeline Cover Mitigation & Protection
Initial Appropriation – Non-Regulatory and Task Order (>\$200,000)

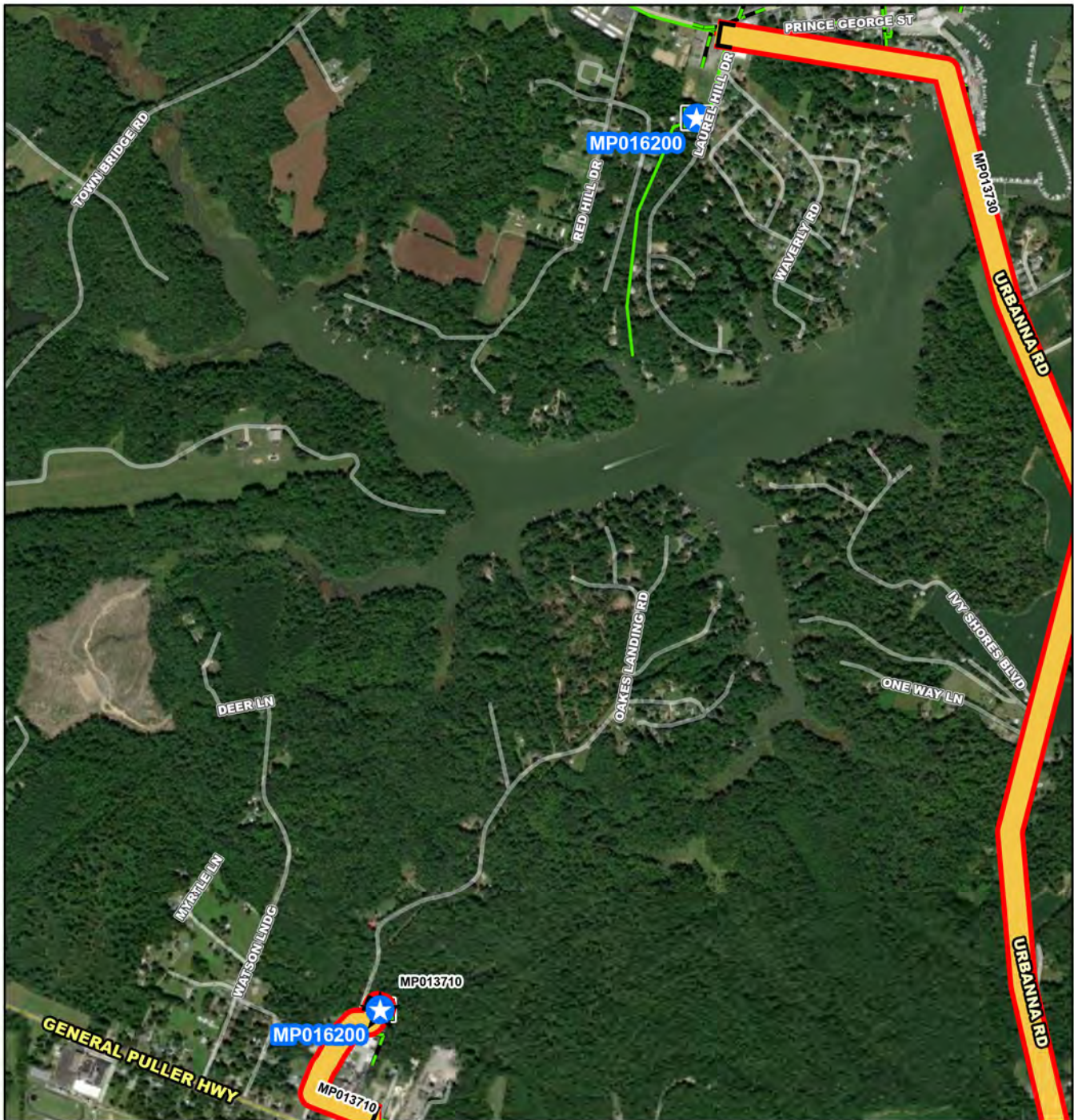


HRSD Commission Meeting Minutes

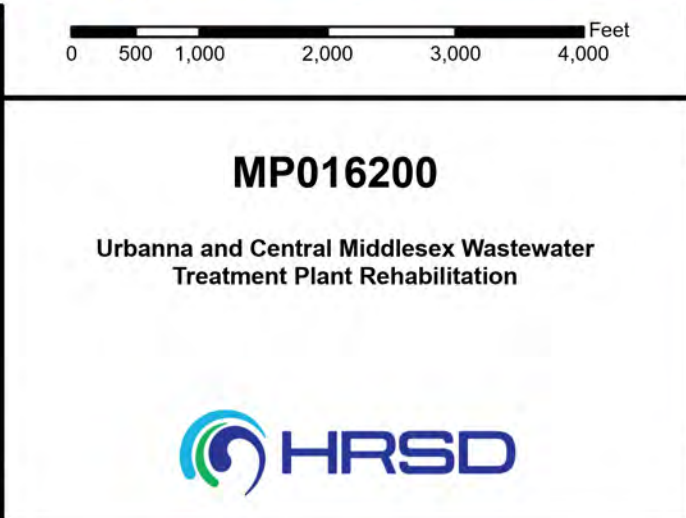
August 25, 2025

Attachment #8

13. Urbanna and Central Middlesex Wastewater Treatment Plant Rehabilitation
Initial Appropriation – Non-Regulatory



- MP016200**
- Project Interceptor Line
 - Project Interceptor Point
 - Project Location Point
 - Project Area
- Legend**
- CIP Interceptor Point
 - CIP Pump Station Point
 - CIP Interceptor Line
 - CIP Abandonment
 - CIP Project Area
 - HRSD Interceptor Force Main
 - HRSD Interceptor Gravity Main
 - HRSD Treatment Plant
 - HRSD Pressure Reducing Station
 - HRSD Pump Station



HRSD Commission Meeting Minutes
August 25, 2025
Attachment #9

14. West Point to Williamsburg Alignment Study
Initial Appropriation – Non-Regulatory

3.1 Project 1: West Point to Toano

This project involves pumping flow from West Point across the Pamunkey River into New Kent County and James City County and eventually down to the Williamsburg TP. The proposed force main alignment follows Route 33 and then Route 30 to the terminus of the North Trunk IFM in Toano. This allows for the decommissioning of the West Point TP and is shown in Figure 3-1.

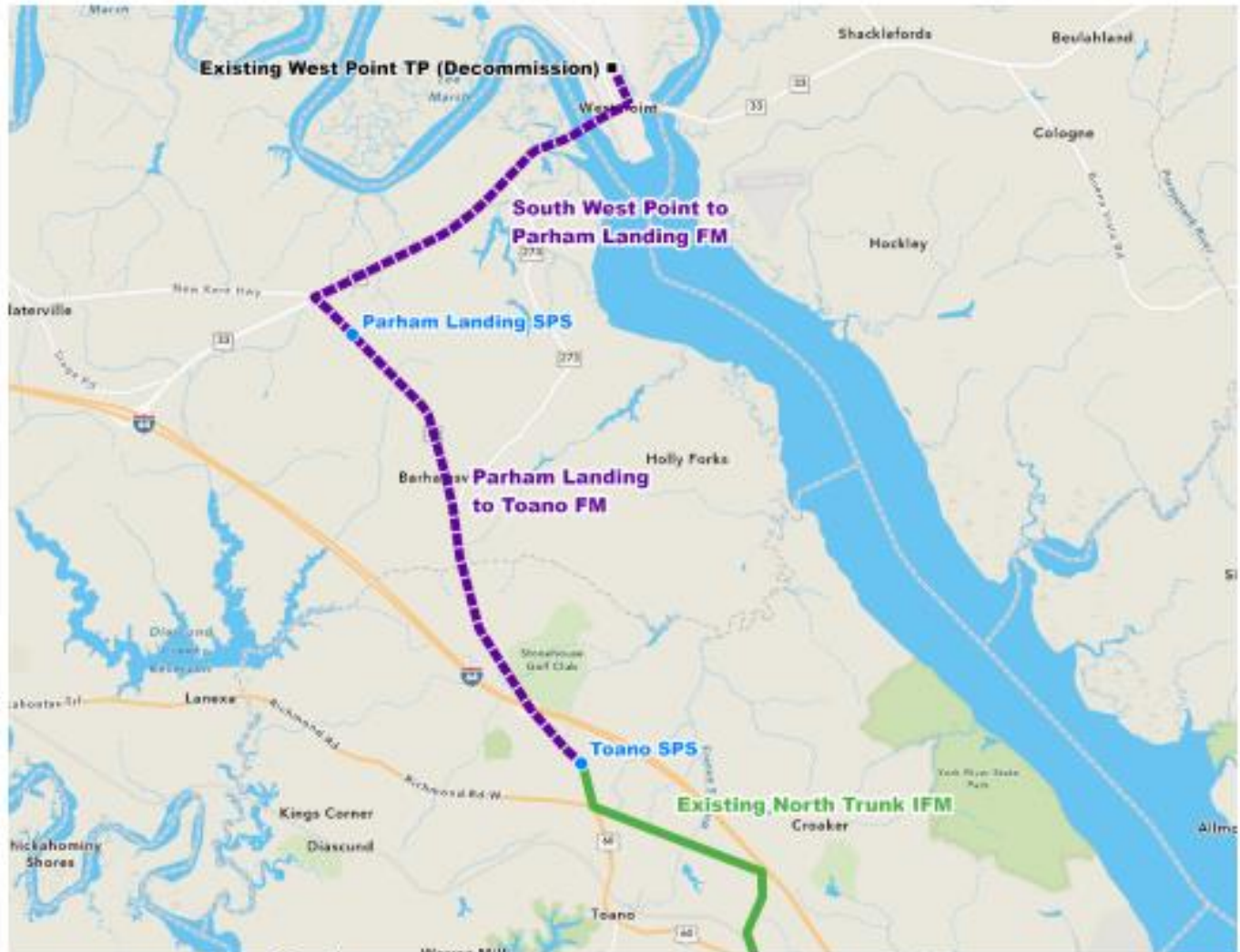
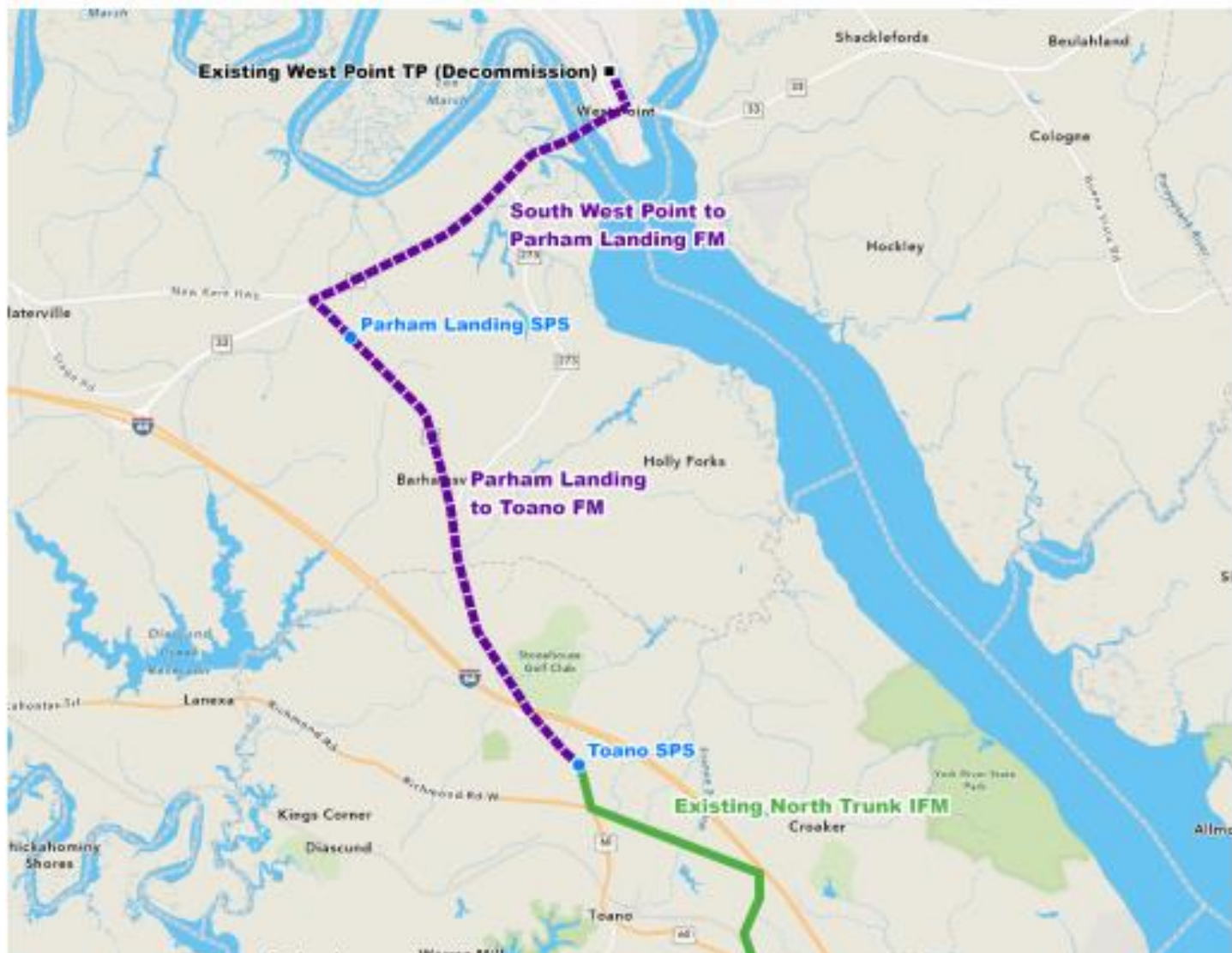


Figure 3-1. Map of West Point to Toano FM



HRSD Commission Meeting Minutes
August 25, 2025
Attachment #10

18. VIP SWIFT Tertiary Facility
Alternative Project Delivery

A dynamic splash of water with numerous bubbles, creating a sense of movement and freshness. The water is a clear, light blue color, and the bubbles are of various sizes, some catching the light.

Virginia Initiative Plant (VIP) SWIFT Tertiary Projects

GN016390, GN016391, GN016392

August 26, 2025



Today's Presentation

- Background
 - SWIFT FSIP Program - Phase 1
 - Regulatory
- Multi Capital Project Structure (3 CIPs)
 - Project Descriptions
- Design Build Delivery
- Staff Recommendation

Virginia Initiative Plant began providing service in 1948 as the Lamberts Point WPCP

Opened facility and
began treatment
20 MGD capacity

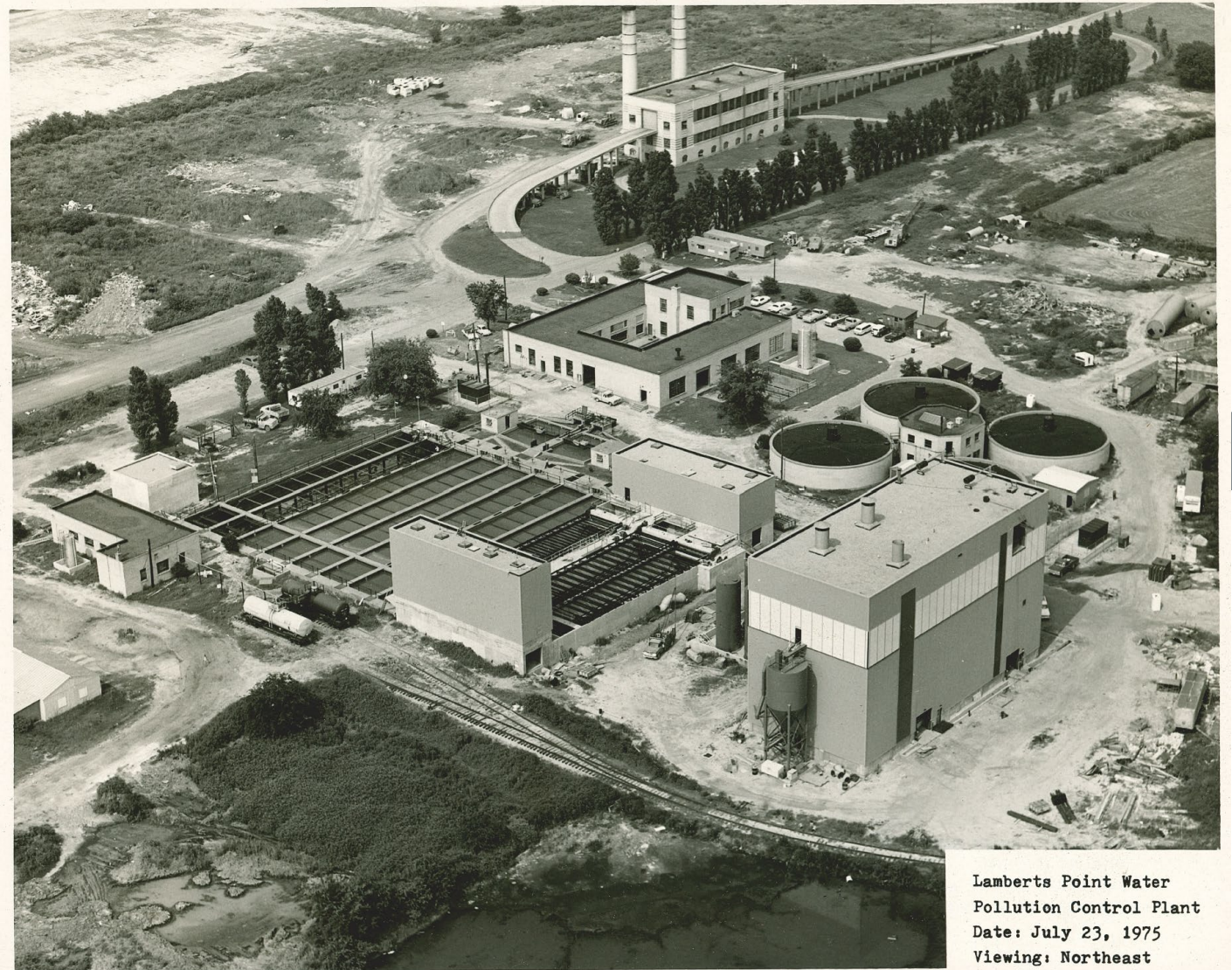
1948

1940s

1950s

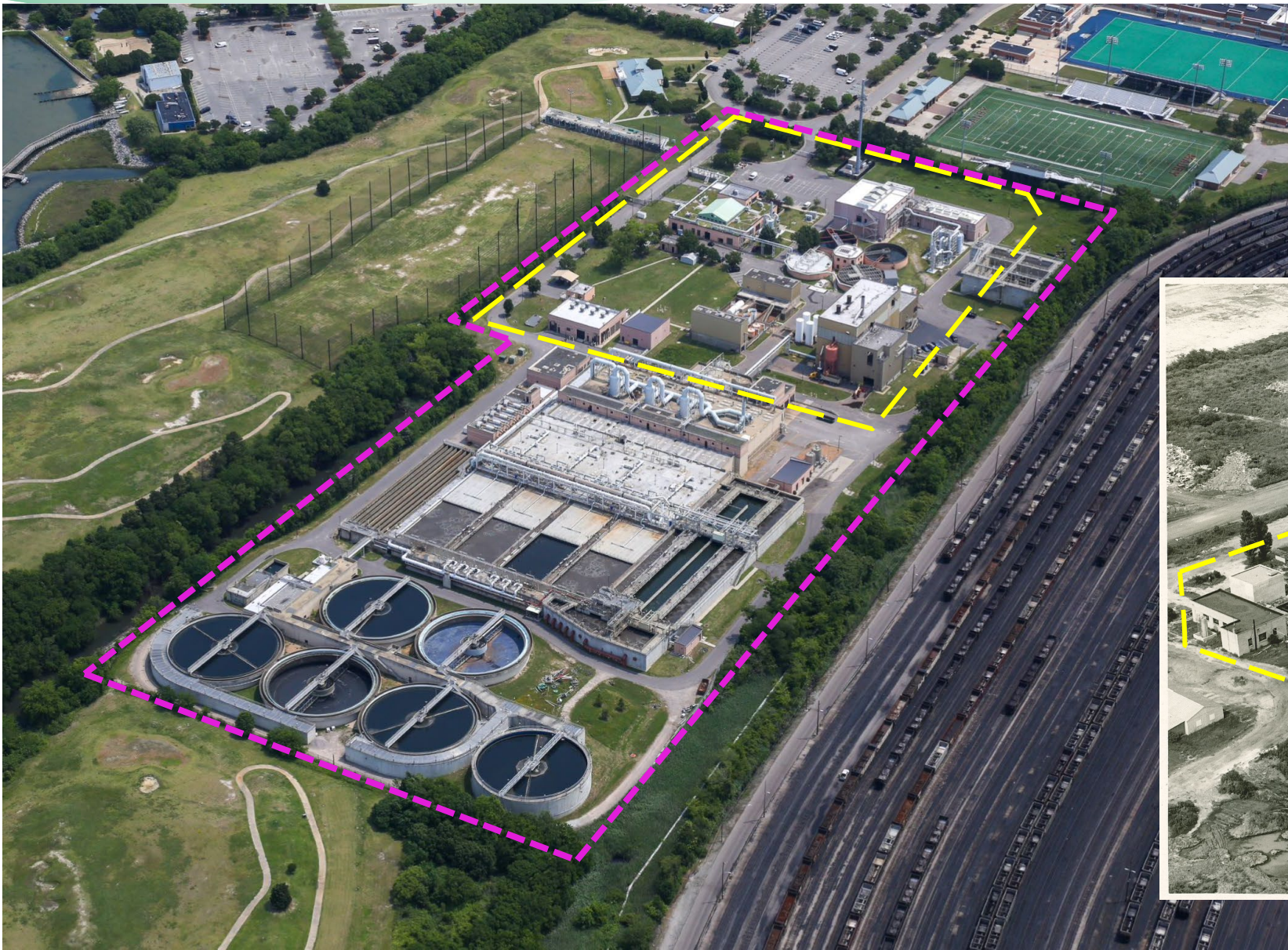
1960s

1970s

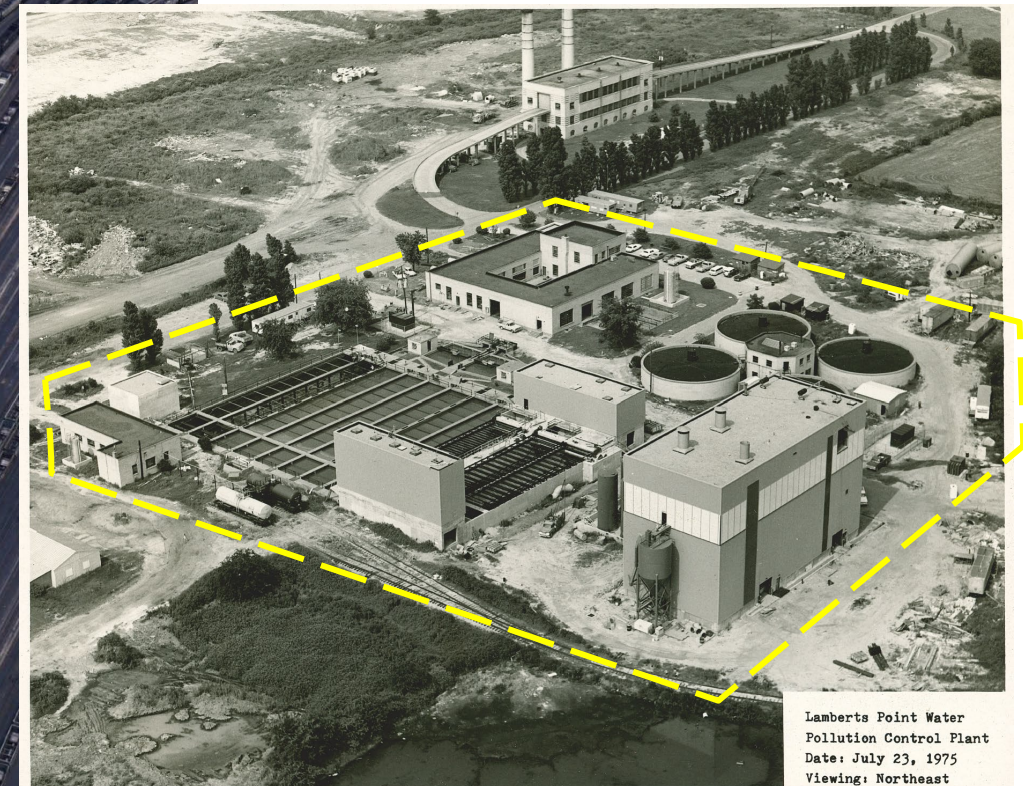


Lamberts Point Water
Pollution Control Plant
Date: July 23, 1975
Viewing: Northeast

Virginia Initiative Plant footprint



-  1975 footprint
-  2023 footprint



Lamberts Point Water
Pollution Control Plant
Date: July 23, 1975
Viewing: Northeast

Virginia Initiative Plant began providing service in 1948 as the Lamberts Point WPCP

Opened facility and
began treatment
20 MGD capacity

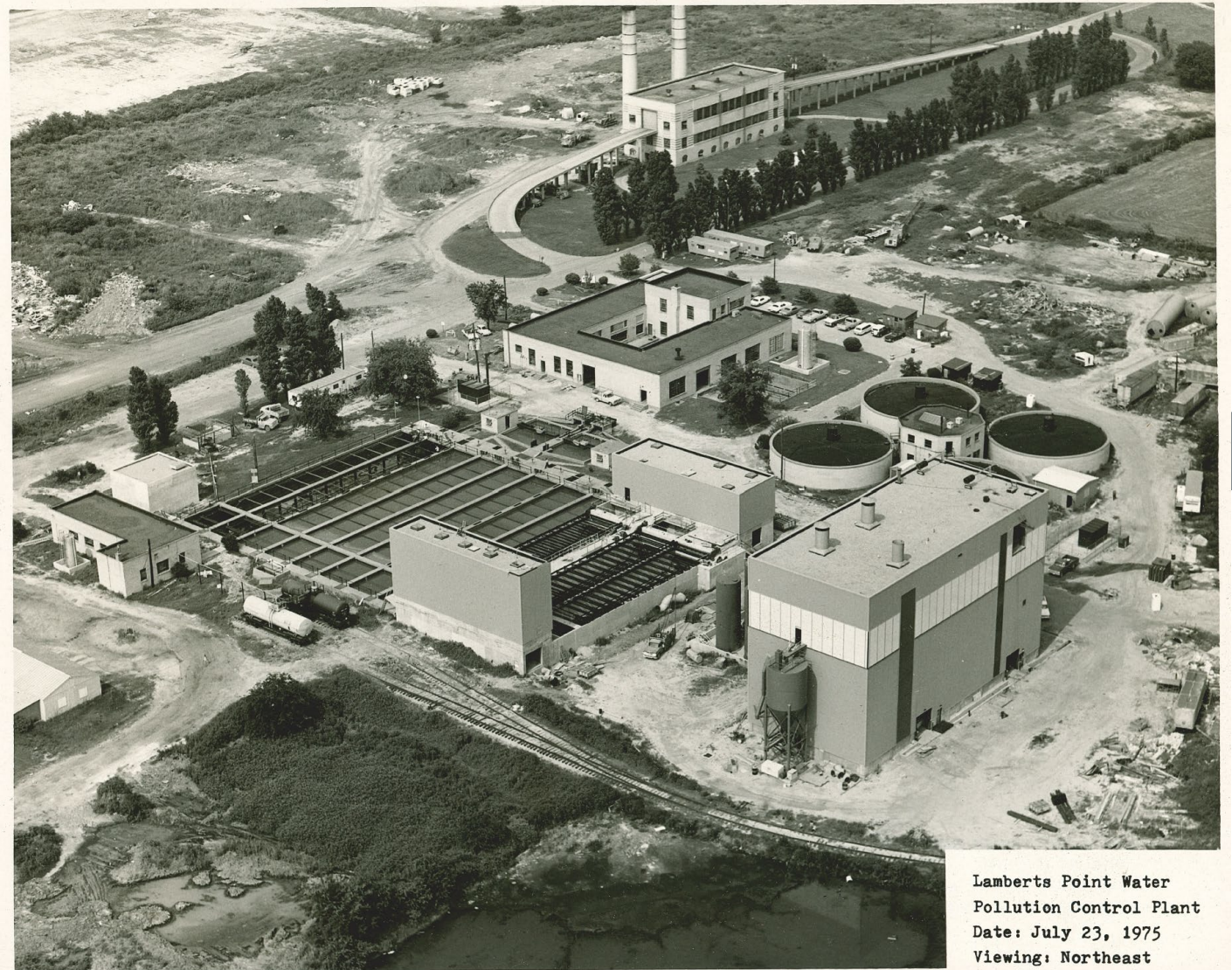
1948

1940s

1950s

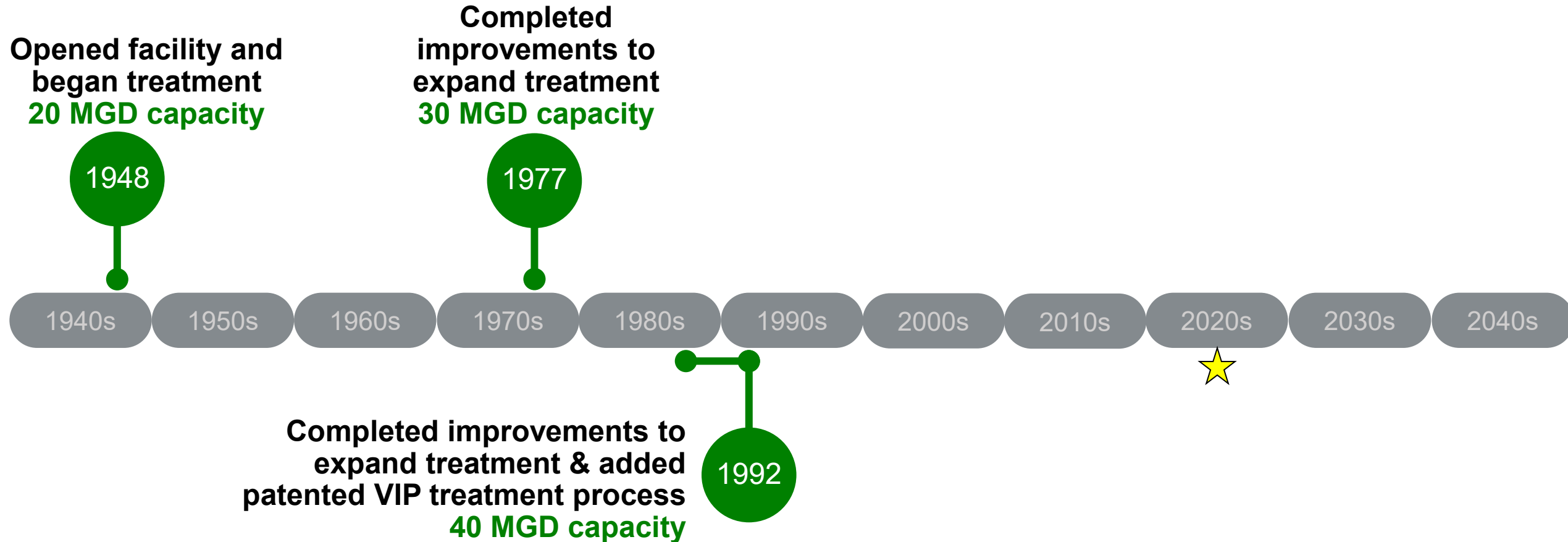
1960s

1970s

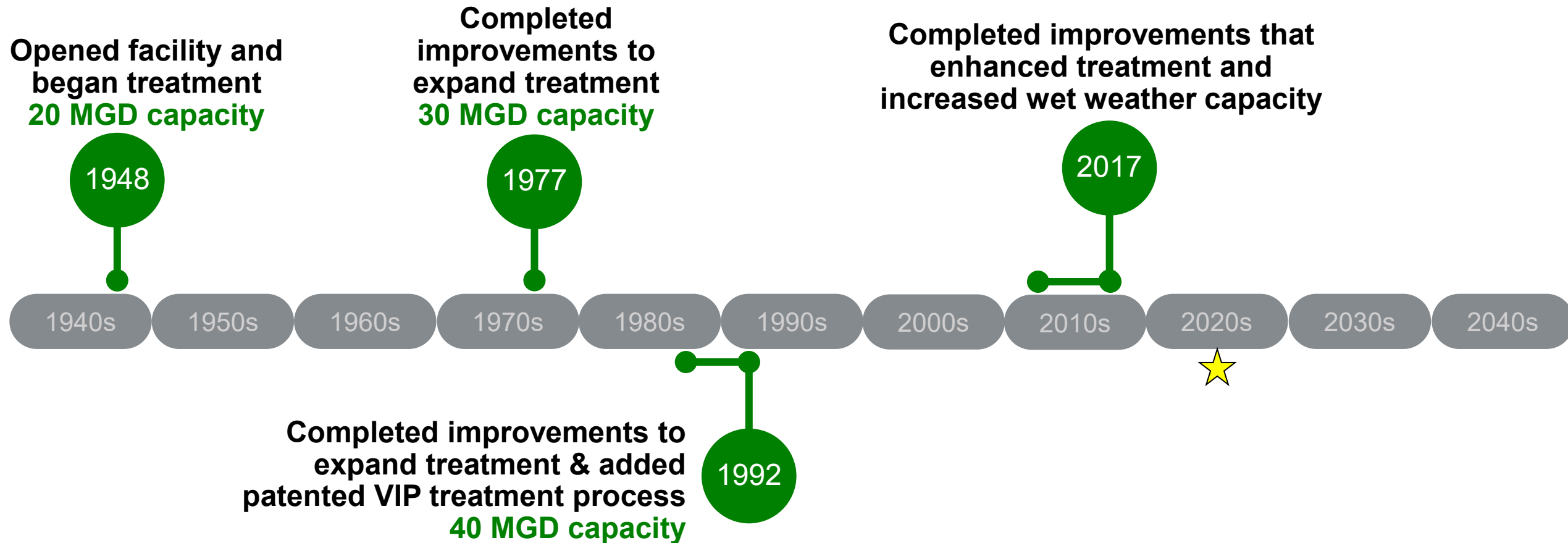


Lamberts Point Water
Pollution Control Plant
Date: July 23, 1975
Viewing: Northeast

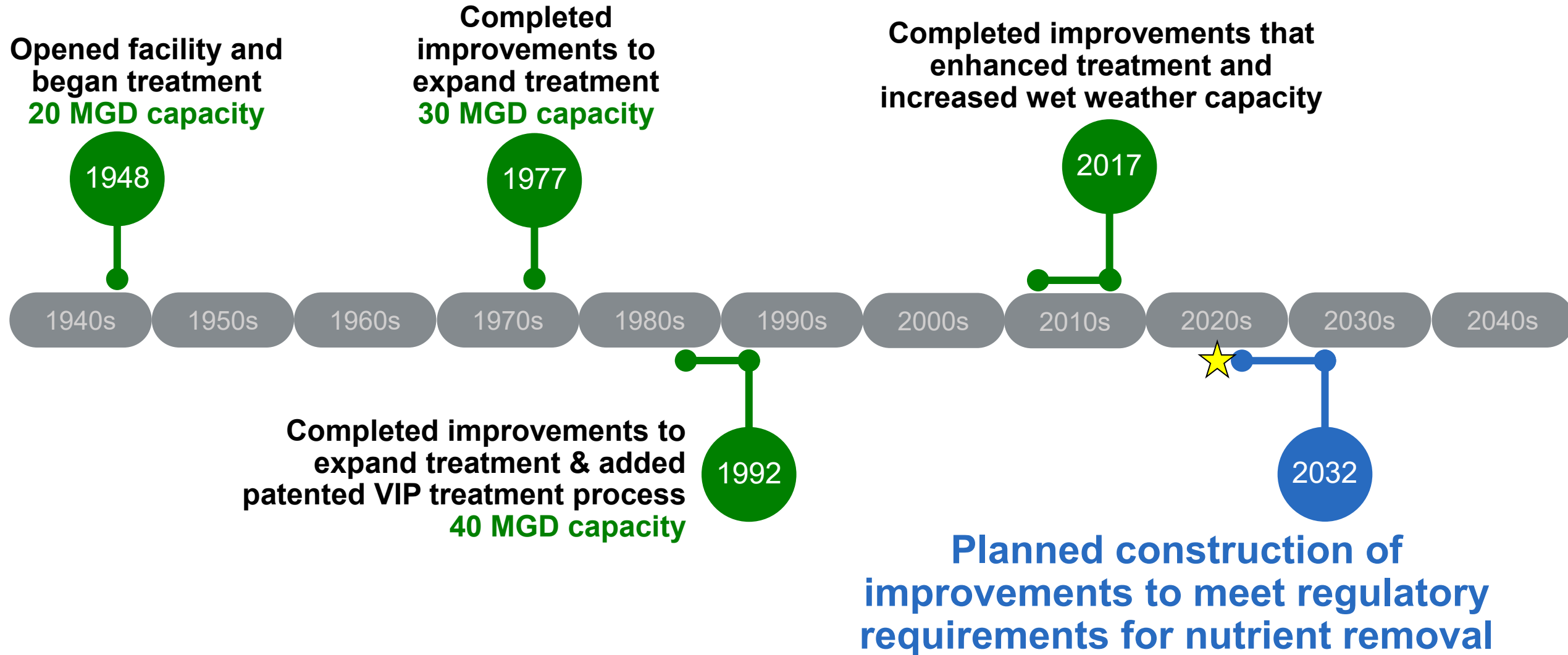
Upgrades have increased capacity and maintained ability to met regulatory requirements



Recent upgrades enhanced dry weather treatment & enabled up to 100 MGD of wet weather treatment



Enhanced Nutrient Removal Certainty Program (ENRCP) requires additional investment at VIP



Initial phase of SWIFT implementation will meet HRSD's regulatory requirements

2026



James River SWIFT + ANRI

2026



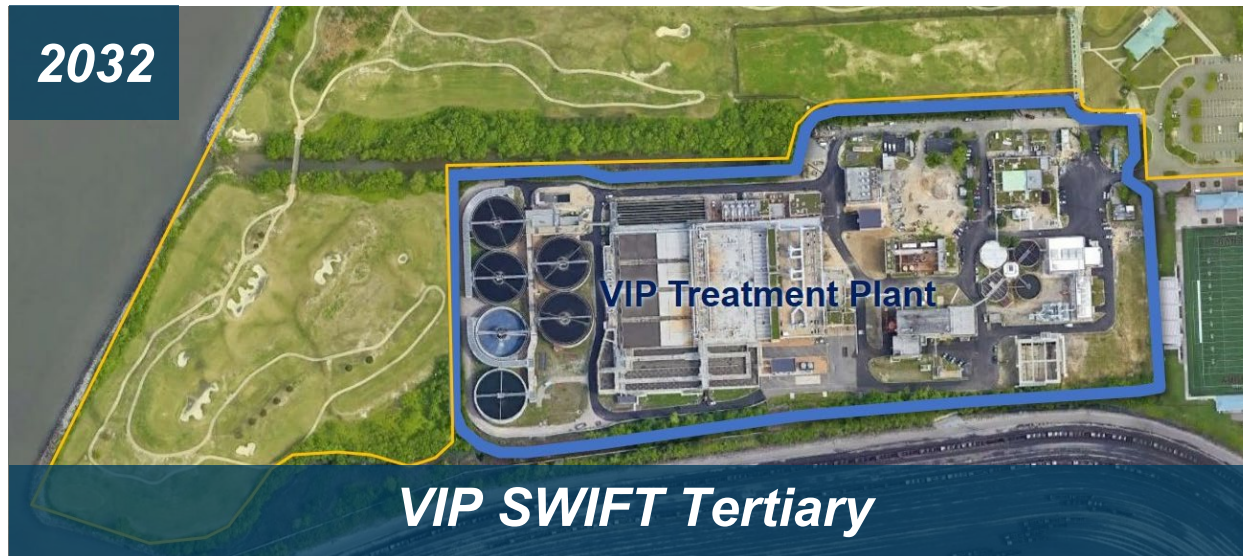
Boat Harbor PS + FM

2029



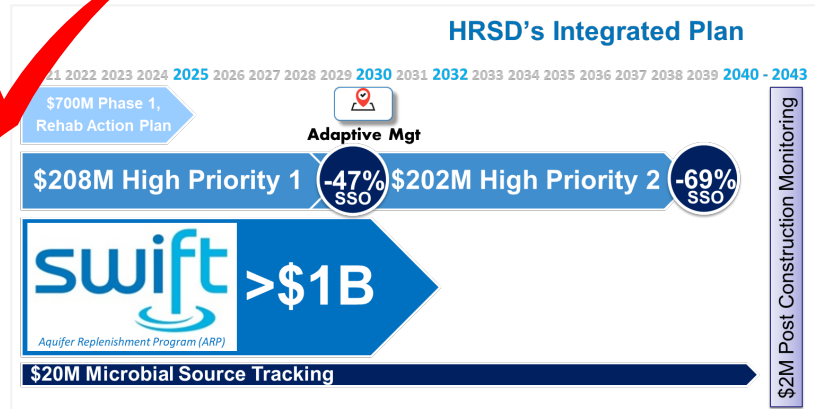
Nansemond ANRI + SWIFT

2032

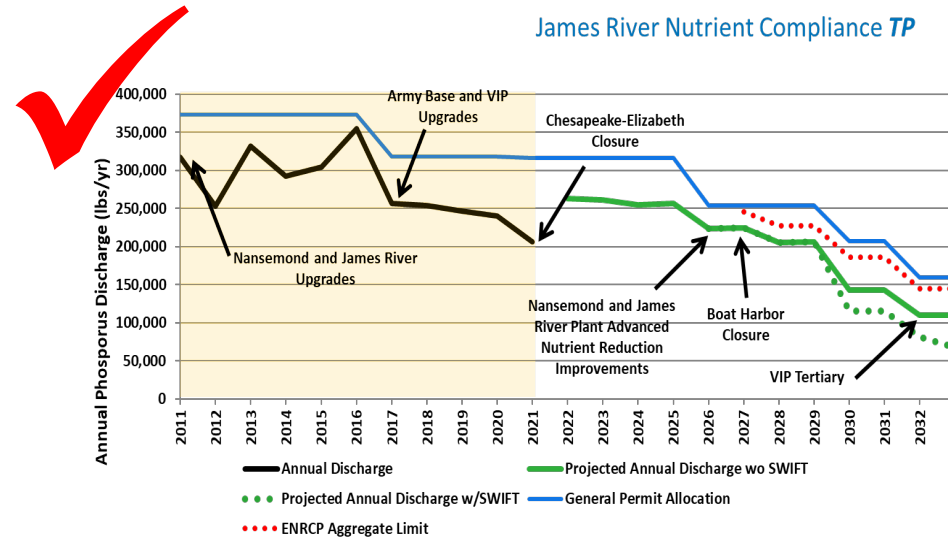


VIP SWIFT Tertiary

Initial phase of SWIFT implementation will meet HRSD's regulatory requirements

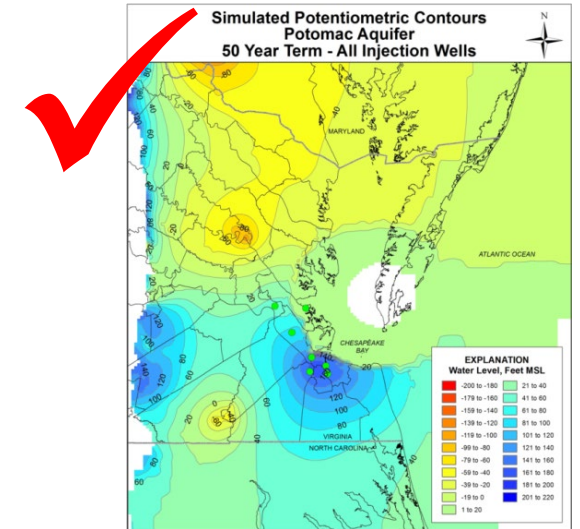


Integrated Plan 1.0



Enhanced Nutrient Removal Certainty Program

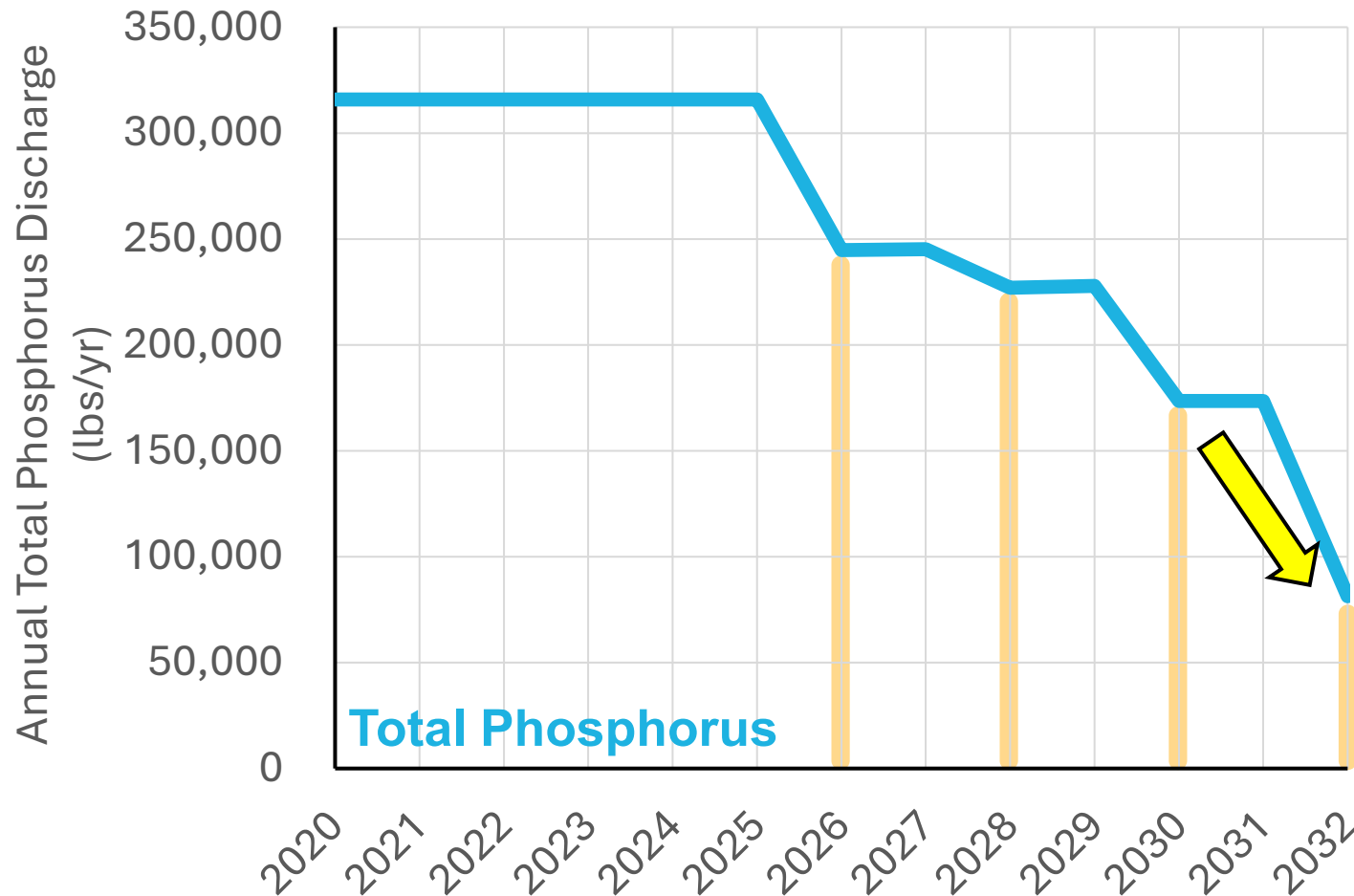
Total Nitrogen
Total Phosphorus



Aquifer Recharge

VIP SWIFT Tertiary projects are required to meet ENRCP requirements for TP limits in 2032

**HRSD Annual Discharge Limits
Lower James River Basin**



**Enhanced Nutrient Removal
Certainty Program (ENRCP) -
HB 2129**

**Chesapeake Bay Phase III –
Watershed Implementation
Program (WIP)**

VIP SWIFT Tertiary will be implemented through the execution of 3 CIP projects

GN016390

VIP SWIFT Tertiary Preliminary Engineering

GN016391

**VIP SWIFT Tertiary
Site Work**

GN016392

**VIP SWIFT Tertiary
Facility**

Preliminary Engineering project is active and provides structure for scope development and project planning

GN016390

VIP SWIFT Tertiary Preliminary Engineering

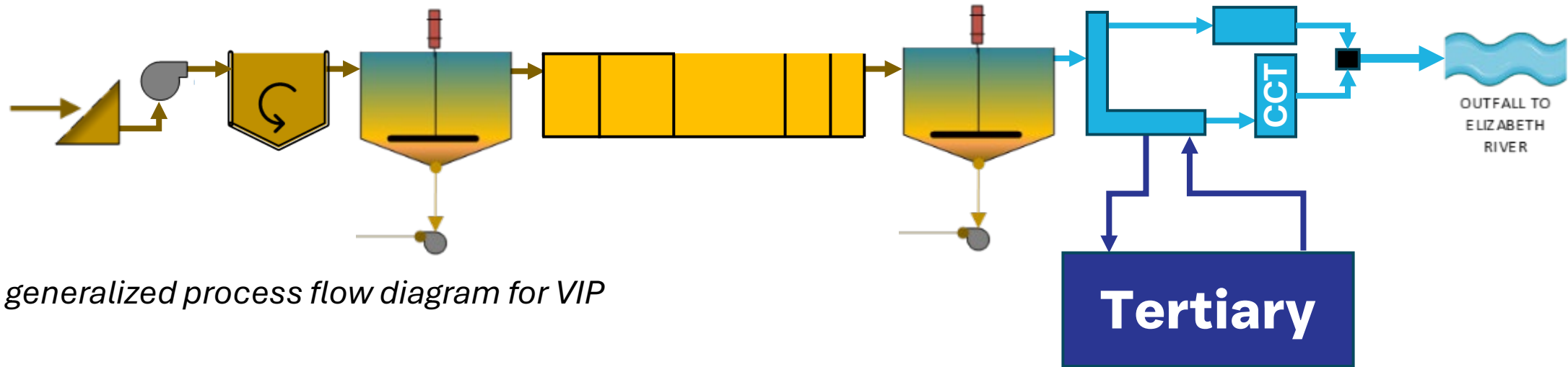
GN016391

**VIP SWIFT Tertiary
Site Work**

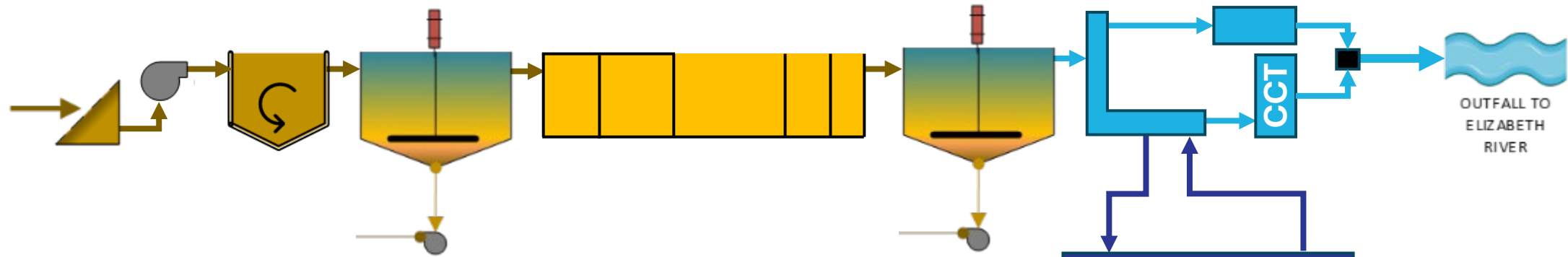
GN016392

**VIP SWIFT Tertiary
Facility**

Tertiary treatment will be implemented prior to chlorine disinfection

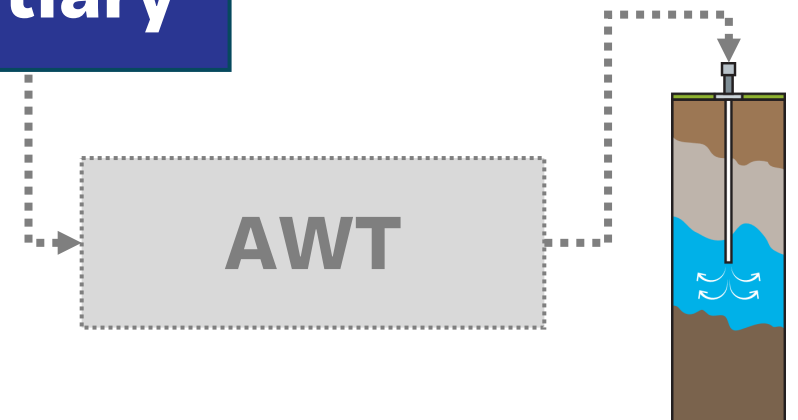


Project development has considered impacts to future phases of SWIFT implementation



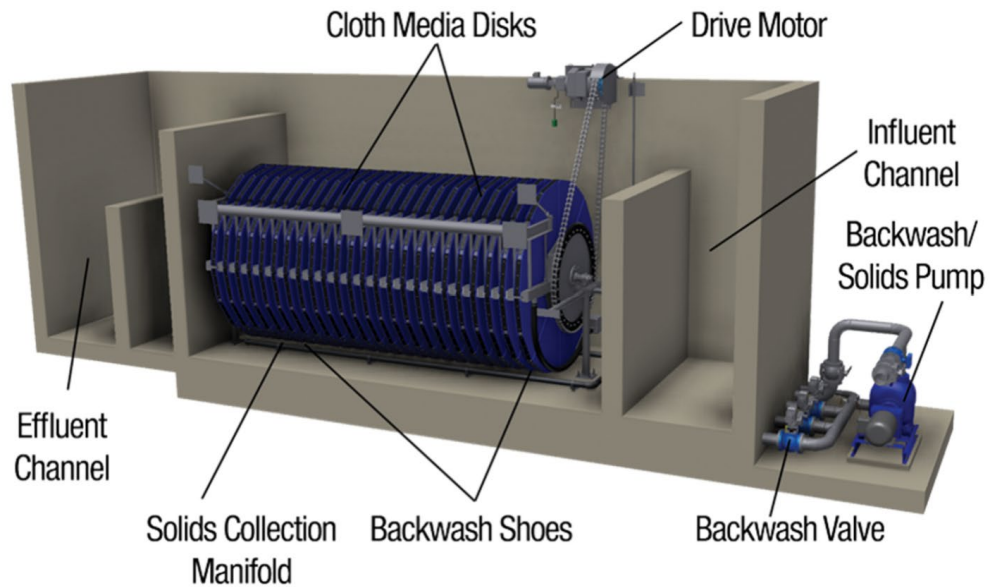
generalized process flow diagram for VIP

Tertiary

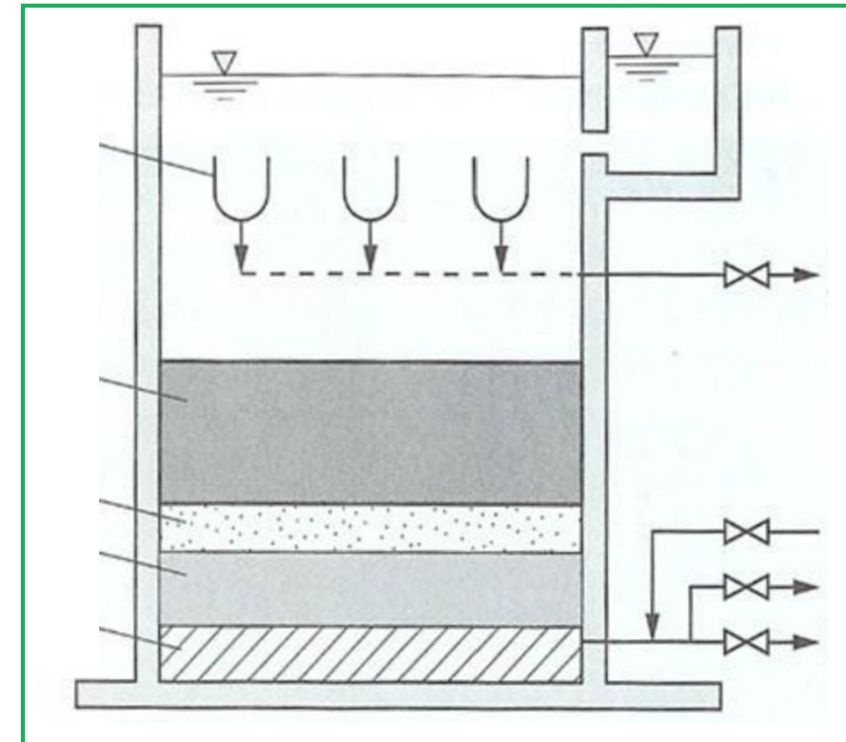


Potential Treatment Technologies

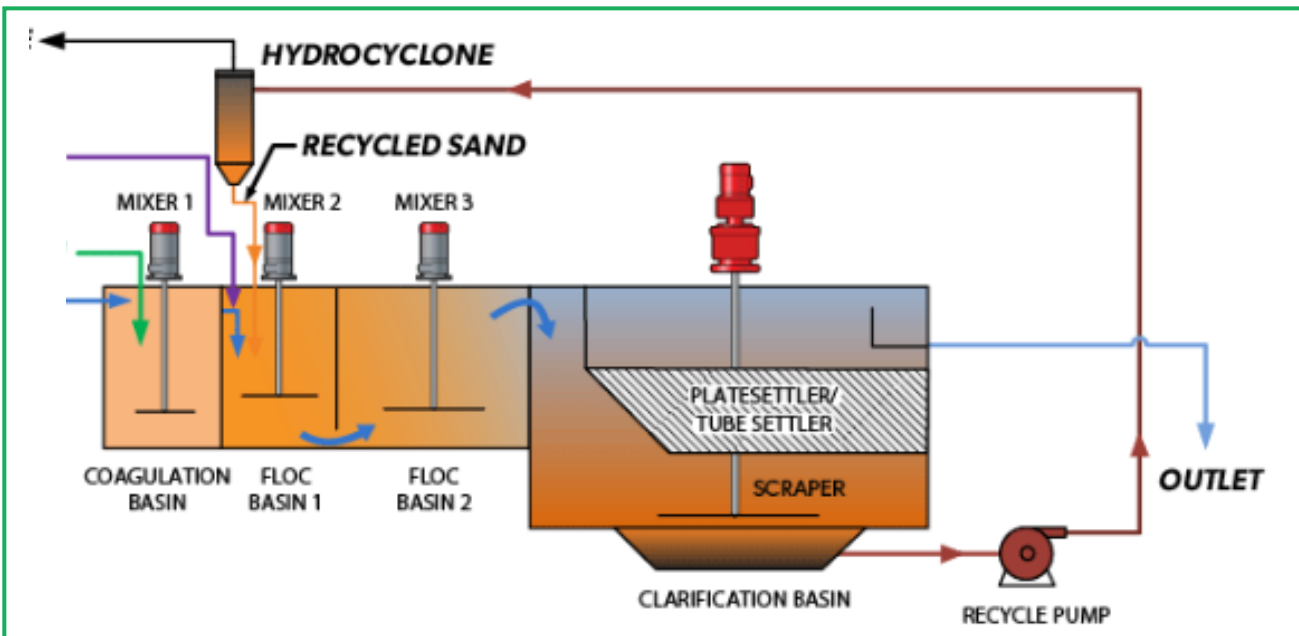
Cloth Media Filtration (CMF)



Granular Media Filtration (GMF)



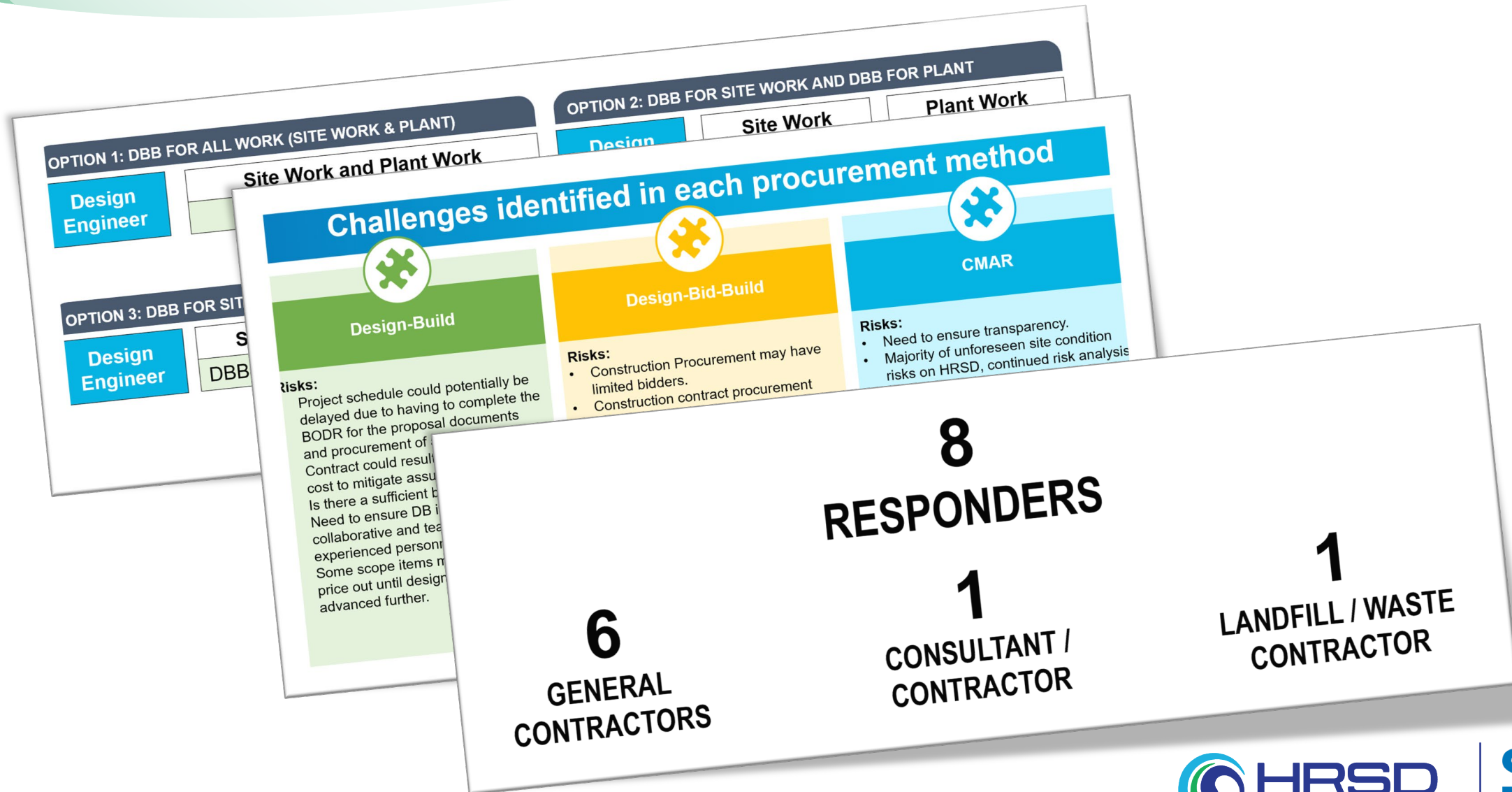
Ballasted Sedimentation (BS)



Two pilot systems were operated in 2024 to evaluate technologies and gain experience



Request For Information (RFI) advertised to gain industry feedback on proposed project delivery approach



Preliminary Engineering project is active and provides structure for scope development and project planning

GN016390

VIP SWIFT Tertiary Preliminary Engineering

GN016391

**VIP SWIFT Tertiary
Site Work**

GN016392

**VIP SWIFT Tertiary
Facility**

Site Work project to proceed as design-bid-build and focus on removal of material to prepare site

GN016390

VIP SWIFT Tertiary Preliminary Engineering

GN016391

**VIP SWIFT Tertiary
Site Work**

DBB



GN016392

**VIP SWIFT Tertiary
Facility**

SWIFT Tertiary Facility project is complex, regulatorily driven, and necessary to reduce total phosphorus

GN016390

VIP SWIFT Tertiary Preliminary Engineering

GN016391

**VIP SWIFT Tertiary
Site Work**

GN016392

**VIP SWIFT Tertiary
Facility**



DB

Typical project delivery methods used by HRSD

Design-Bid-Build

Traditional method to deliver projects

Construction Management at Risk (CMAR)

Hire a contractor during the design stage

Design-Build

Hire a single design/builder in one step to deliver the project

Use of Design Build delivery is recommended due to this project's characteristics and requirements



Time sensitive constraints
(e.g., regulatory deadlines)

Early price understanding
(increased cost certainty)

High qualified designer/builder teams
due to project complexity

Collaborative approach to incorporate
research and address challenges

VIP SWIFT Tertiary will be implemented through the execution of 3 CIP projects

GN016390

VIP SWIFT Tertiary Preliminary Engineering

GN016391

**VIP SWIFT Tertiary
Site Work**

DBB



GN016392

**VIP SWIFT Tertiary
Facility**

DB



VIP SWIFT Tertiary will be implemented through the execution of 3 CIP projects

GN016390

VIP SWIFT Tertiary Preliminary Engineering

GN016391

**VIP SWIFT Tertiary
Site Work**

DBB



GN016392

**VIP SWIFT Tertiary
Facility**

DB



Staff Recommendation



- ✓ **Approve use of Alternative Delivery (Design Build) for GN016392 VIP SWIFT Tertiary Facility**

HRSD Commission Meeting Minutes
August 25, 2025
Attachment #11

19. Procurement Policy and Appendices Revisions and Additions

COMMISSION ADOPTED POLICY

Procurement Policy



Adopted: December 16, 2014

Revised: July 22, 2025

Page 1 of 8

1.0 **Purpose and Need**

All procurement shall be in accordance with the Code of Virginia § 2.2-4300, the Virginia Public Procurement Act (VPPA), as supplemented herein.

2.0 **Guiding Principles**

1. HRSD is committed to competitive procurement practices that are accountable to our ratepayers and the public, ethical, impartial, professional, transparent and fully in accordance with applicable law.
2. The Director of Procurement is responsible for the purchase, rent, lease, or acquisition of goods, professional and non-professional services, and certain construction services. In addition, the Director of Procurement is responsible for control and disposal of surplus, excess, obsolete, and salvageable materials and equipment.

The Director of Procurement shall establish procedures consistent with this policy and may designate other HRSD staff to act on his/her behalf.

3. The Chief Engineer is responsible for procurement of professional and non-professional services related to the study, design, construction, real estate and property acquisition associated with capital improvement projects or facility projects.

The Chief Engineer shall establish procedures consistent with this policy and may designate other HRSD staff to act on his/her behalf.

4. Except for small purchases (less than \$10,000) and certain easement acquisitions, no employee is authorized to enter into any purchase agreement or contract except the Director of Procurement or the Chief Engineer or such other employee as may be designated by the General Manager/Chief Executive Officer.
5. Fair market value shall be the basis of all real estate acquisitions with appropriate compensation for related restoration and/or inconvenience. Additional costs, in accordance with applicable state law, shall be included as required in procurement through eminent domain procedures.

3.0 **Definitions**

Agreement/Contract. A written understanding between two or more competent parties, under which one party agrees to certain performance as defined in the

agreement and the second party agrees to compensate the first party for the performance rendered in accordance with the conditions of the agreement.

Fair Market Value. The price for a good or service upon which purchaser and supplier agree in an open market when both are fully acquainted with market conditions.

Total Value. Cost of all related procurement actions, even across fiscal years, that are known at the time of the procurement action including delivery, assembly, start-up, warranty, etc. Each procurement action must be able to meet the business objective individually, without the need for additional procurement actions.

4.0 Procedures

1. Generally, competition shall be sought for all procurement with the following exceptions:
 - a. Purchase of goods or services other than professional services where the Total Value will not exceed \$10,000. Related purchases shall not be divided into separate actions to meet this threshold.
 - b. Sole Source – Purchase of goods or services where there is only one source practicably available. The requesting division shall provide a written determination supporting the use of sole source purchasing to the Director of Procurement for approval. The request for approval shall include the identity of the specific vendor, the description of the intended application of the product, and the location of the facility or building where it is intended to be used.

Where the cost of the resulting contract will be above \$200,000, the requesting division shall provide a written determination supporting the use of sole source purchasing to the Director of Procurement for approval. approval following the procedures above must first be given by the Director of Procurement, then the General Manager/Chief Executive Officer and finally the HRSD Commission must approve the use of sole source purchasing
 - c. Emergency – Where emergency actions are required to protect public safety, public health, HRSD employees or property or the environment, a contract can be awarded without competition upon a written emergency declaration, approved by the General Manager/Chief Executive Officer. Such competition as is practicable under the circumstances should be sought even if

COMMISSION ADOPTED POLICY
Procurement Policy



Adopted: December 16, 2014

Revised: July 22, 2025

Page 3 of 8

typical procurement procedures cannot be fully followed. HRSD shall issue a written notice stating that the contract is being awarded on an emergency basis, and identifying that which is being procured, the contractor selected, and the date on which the contract was or will be awarded.

- d. Real Property – Where purchase, lease or other form of acquisition is required in support of HRSD facilities.
2. In accordance with § 2.2-4303G., competitive sealed bids or competitive negotiation is not required for purchase of goods and services other than professional services where the **total value of the procurement will not exceed \$10,000**. The following procedure shall be followed:
 - a. A minimum of one quote is required, though multiple quotes are preferred. Use of Small businesses and businesses owned by Women, Minorities, Military families, Service-Disabled Veterans, and Employment Services Organizations is encouraged for all procurement actions whenever possible.
 - b. Purchase is normally made using an HRSD ProCard.
 - c. Purchase may be made by any HRSD employee granted purchasing authority by their division chief.
 - d. Basis of award shall be a determination that the stated need will be met, and the price is fair and reasonable.
 3. In accordance with § 2.2-4303G., competitive sealed bids or competitive negotiation is not required for purchase of goods and services other than professional services where **the total value of the procurement will be greater than \$10,000 and does not exceed \$200,000**. The following procedure shall be followed:
 - a. Purchases shall be initiated by the submission of a requisition to the Procurement Department or the Engineering Division.
 - b. An unsealed (informal) quote shall be solicited by the Procurement Department or the Engineering Division from three sources in response to an Invitation for Bid (IFB) or Request for Proposal (RFP).

COMMISSION ADOPTED POLICY
Procurement Policy



Adopted: December 16, 2014

Revised: July 22, 2025

Page 4 of 8

- c. Basis of award shall be lowest responsive and responsible bidder, offeror or best value as determined by criteria included in the IFB or RFP.
4. In accordance with § 2.2-4303G., competitive negotiation is not required for purchase of **professional services where the total value of the procurement will not exceed \$80,000**. The following procedure shall be followed:
 - a. Purchases shall be initiated by the submission of a requisition to the Procurement Department or the Engineering Division.
 - b. An unsealed (informal) quote shall be solicited by the Procurement Department or the Engineering Division from three sources in response to an IFB or RFP.
 - c. Basis of award shall be lowest responsive and responsible offeror or best value as determined by criteria included in the IFB or RFP.
5. In accordance with § 2.2-4310, HRSD promotes the use of Small businesses and businesses owned by Women, Minorities, Military families, Service-Disabled Veterans, and Employment Services Organizations, as such terms are defined in §2.2-4310(F), in procurement transactions in accordance with [Appendix A](#) of this policy.
6. In accordance with §§ 2.2-4311, -4311.1, -4311.2, and -4311.4, HRSD includes in every contract over \$10,000, provisions prohibiting the contractor from discrimination in employment, prohibiting the contractor from knowingly employing unauthorized aliens, requiring that the contractor be authorized to conduct business in Virginia, and prohibiting the contractor from using forced or indentured child labor in the performance of the contract. Further, HRSD requires the contractor to include the same provisions in any subcontracts that exceed \$10,000.
7. In accordance with § 2.2-4311.3, HRSD shall state in every contract that any term or provision that (i) makes the contract subject to, governed by, or interpreted under the laws of another state or country or (ii) requires or permits any litigation or other dispute resolution proceeding arising from the contract to be conducted in another state or country shall be void. Instead, the contract shall be deemed to provide for the application of the law of the Commonwealth of Virginia, without regard to the contract's choice of law provisions, and to provide for jurisdiction in the courts of the Commonwealth.

COMMISSION ADOPTED POLICY
Procurement Policy



Adopted: December 16, 2014

Revised: July 22, 2025

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8. In accordance with § 2.2-4316, comments concerning specifications or other provisions in IFB or RFP must be submitted and received in accordance with the procedures specified in the IFB or RFP for comment submittal.
9. In accordance with § 2.2-4318, if the bid from the lowest responsive, responsible bidder exceeds available funds, HRSD may enter into negotiations with the apparent low bidder to obtain a contract price within available funds in accordance with [Appendix B](#) of this policy.
10. In accordance with § 2.2-4321, contractors may be debarred from contracting for particular types of supplies, services, insurance or construction, for specified periods of time in accordance with [Appendix C](#) of this policy.
11. In accordance with § 2.2-4330C, bids may be withdrawn due to error for other than construction contracts in accordance with [Appendix D](#) of this policy.
12. In accordance with § 2.2-4343.1, HRSD does not discriminate against faith-based organizations and may enter into contracts with such organizations in accordance with [Appendix E](#) of this policy.
13. In accordance with § 2.2-4378, et seq., design-build contracts shall be procured in accordance with [Appendix F-1](#) of this policy and construction management contracts shall be procured in accordance with [Appendix F-2](#) of this policy.
14. In accordance with § 56-575.3:1, a project under the Public-Private Education Facilities and Infrastructure Act shall be procured in accordance with [Appendix G](#) of this policy.
15. The Chief Engineer or his/her designee has authority to expend funds up to \$50,000 to acquire easements (temporary or permanent).

5.0 Approvals

The following actions specifically require the approval of the HRSD Commission before executing unless executed under an approved emergency declaration:

1. **Agreements.** To enter into contracts or purchase orders where the total value is projected to exceed \$200,000.

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Procurement Policy



Adopted: December 16, 2014

Revised: July 22, 2025

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2. **Sole Source Procurement.** To proceed with a sole source procurement where the total value of the contract is expected to exceed **\$200,000**. The HRSD Commission approval must include the vendor's name, the item(s) to be procured, and the physical location of the HRSD facility or building (§ 2.2-4303 E).
3. **Modifications to Agreements (Task Orders).** To modify or amend an agreement where the total value of the contract following the modification or amendment is projected to exceed **\$200,000**.
4. **Cooperative Procurement.** To participate in a cooperative procurement where the total value of HRSD's participation is projected to exceed **\$200,000** (§ 2.2-4304).
5. **Change Orders.** (§ 2.2-4309). To execute a change order that amends the original contract award so that the total value exceeds **25 percent** of the original contract award or increases the original contract award by **\$50,000**, whichever is greater.
6. **Rejection of all Bids.** To reject all bids in response to a solicitation where the total value of the resulting contract is projected to have been in excess of **\$200,000** (§ 2.2-4319).
7. **Design-Build or Construction Management Agreements.** To issue a procurement for construction using a design-build or construction management method of contracting (§ 2.2-4378, *et. seq.* and as required by the procedures at **Appendix F-1** or **Appendix F-2** of this policy, respectively).
8. **Design-Build Proposal Compensation.** Where the value of the compensation is projected to exceed \$200,000.
9. **PPEA Proposals.** To either (i) accept an unsolicited PPEA proposal and invite competing proposals where the total value of the resulting agreement(s) is projected to exceed **\$200,000**, or (ii) solicit PPEA proposals for a qualifying project, in accordance with the procedures at **Appendix G** of this policy.
10. **PPEA Interim Agreements and Comprehensive Agreements.** To enter into an Interim Agreement or Comprehensive Agreement negotiated in accordance with the procedures at **Appendix G** of this policy.
11. **Debarment.** (§ 2.2-4321).

12. **Determination of Non-responsibility.** (§ 2.2-4359). To issue a written determination of non-responsibility to the apparent low bidder to an ITB where the total value of the resulting contract is projected to have been in excess of **\$200,000** (§ 2.2-4319).
13. **Real Property.**
 - a. Acquisition by condemnation, following a public hearing.
 - b. Acquisitions by purchase, lease, grant or conveyance
 - c. Sale, lease or permanent encumbrance of HRSD property
 - d. Easements or Right of Entry Agreements (temporary or permanent) with value in excess of \$50,000
 - e. Vacation of existing easement(s)
12. **Intellectual Property.** To execute any Intellectual Property Rights Agreement and Royalty Distribution Agreement.
13. **Agreements with other Entities.** To execute an Agreement which includes any of the following criteria:
 - a. Design or construction of infrastructure with a constructed value in excess of \$50,000
 - b. Provides use of real property for temporary (greater than one year) or permanent use
 - c. Provides use of assets valued at more than \$200,000
 - d. Provides a service or other benefit that spans multiple years and its value is greater than \$200,000
 - e. Obligates significant financial or personnel resources (\$200,000 or more)

6.0 Ethics

HRSD employees involved in the procurement process are expected to maintain high ethical standards. In addition to HRSD's Standards of Conduct and HRSD's Ethics Policy, the following State laws apply:

1. Virginia Public Procurement Act (VPPA) (§ 2.2-4300).

COMMISSION ADOPTED POLICY
Procurement Policy



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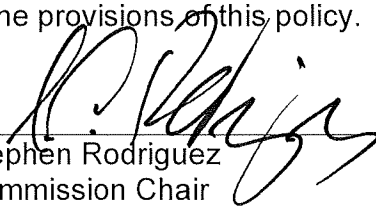
2. Ethics in Public Contracting (§ 2.2-4367).
3. Virginia Governmental Frauds Act (§ 18.2-498.1) and Articles 2 (§ 18.2-438) and 3 (§ 18.2-446) of Chapter 10 of Title 18.2.
4. State and Local Government Conflict of Interests Act (§ 2.2-3100).

7.0 Responsibility and Authority

The effective date of this policy is July 1, 2025. This policy was developed in accordance with HRSD's Enabling Act and the Code of Virginia. Any changes this policy shall be made in writing and approved by the HRSD Commission.

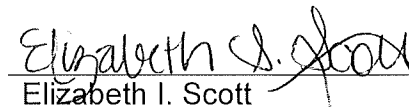
HRSD's General Manager/Chief Executive Officer and the Director of Procurement are the designated administrators of this policy. The Director of Procurement shall have the day-to-day responsibility and authority for implementing the provisions of this policy.

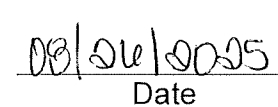
Approved:


Stephen Rodriguez
Commission Chair

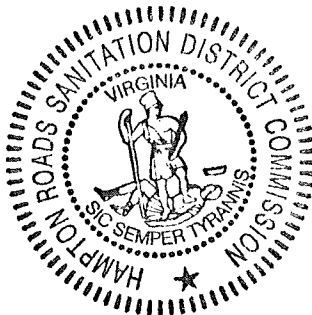

Date

Attest:


Elizabeth I. Scott
Commission Secretary


Date

Commission Seal



COMMISSION ADOPTED POLICY
Procurement Policy – Appendix A
Participation of SWaM



Adopted: December 16, 2014

Revised: July 22, 2025

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1.0 Purpose and Need

This policy is intended to comply with §2.2-4310 of the Virginia Code to facilitate the participation of Small businesses and businesses owned by Women, Minorities, Military families, Service-Disabled Veterans, and Employment Services Organizations, as such terms are defined in §2.2-4310(F), in HRSD procurement transactions.

HRSD is committed to ensuring fair consideration of all contractors and suppliers in its day-to-day purchase or lease of goods and services. HRSD recognizes that working with a wide range of contractors and suppliers provides an open, competitive and diverse business environment.

HRSD recognizes its responsibilities to the communities that it serves and the society in which it conducts business. The inclusion of Small, Women-owned, Minority-owned, Military Family-owned, Service-Disabled Veteran-owned, and Employment Services Organizations (hereinafter collectively referred to as “SWaM”) businesses must be a function of our normal, day-to-day purchasing activities. No potential contractor or supplier will be precluded from consideration on the basis of race, religion, color, sex, sexual orientation, gender identity, national origin, age, disability, status as a service-disabled veteran, status as a military family, or any other basis prohibited by state law relating to discrimination in employment. (Code of Virginia, § 2.2-4310(A)).

Therefore, HRSD’s policy is to actively solicit and encourage SWaM businesses to participate in procurement opportunities through equally fair and open competition for all contracts. Every employee who is involved in procurement decisions for the purchase of goods or services is charged with giving every consideration to using qualified SWaM businesses in a manner that is consistent with state and federal laws and regulations. Further, each of HRSD’s contractors and suppliers are encouraged to provide for the participation of SWaM businesses through partnerships, joint ventures, subcontracts and other contractual opportunities.

In striving to achieve greater participation of qualified SWaM businesses to do business with HRSD, HRSD is not required to and shall not compromise its demands for quality with respect to contractors, suppliers, products, or services or the economic reasonableness of any business transaction.

COMMISSION ADOPTED POLICY
Procurement Policy – Appendix A
Participation of SWaM



Adopted: December 16, 2014

Revised: July 22, 2025

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As an integral part of the company-wide culture, HRSD does not discriminate because of race, religion, color, sex, sexual orientation, gender identity, national origin, age, disability, status as a service-disabled veteran, status as a military family, or any other basis prohibited by law.

2.0 Procedures

The Procurement Department shall:

1. Ensure SWaM businesses have the maximum practicable opportunity in procurement and contractual activities
2. Apprise potential SWaM businesses of HRSD's procurement activities
3. Identify SWaM businesses for HRSD solicitations
4. Promote the use of SWaM contractors through formal and informal training classes
5. Maintain diversity procurement data of contracts and subcontracts awarded to SWaM businesses
6. Monitor, evaluate, and report on the utilization of SWaM contractors at least annually to the HRSD Commission
7. Include qualified businesses selected from the HRSD centralized contractor/supplier database, the Virginia Department of Small Business and Supplier Diversity (Code of Virginia, § 2.2-4310), consistent with this policy whenever soliciting quotes or qualifications

All employees with purchasing responsibility or who are involved in procurement decisions for goods and services shall give every consideration to using qualified SWaM contractors/suppliers and consult with the Procurement Department as required to identify SWaM contractors/suppliers.

Certified Minority Business Enterprise (MBE). No contractor/supplier shall be considered a Small Business Enterprise, a Minority-Owned Business Enterprise, a Women-Owned Business Enterprise, Military Family –Owned Business Enterprise or a Service-Disabled Veteran-Owned Business Enterprise unless certified as such by the Virginia Department of Small Business and Supplier Diversity.

COMMISSION ADOPTED POLICY
Procurement Policy – Appendix A
Participation of SWaM



Adopted: December 16, 2014

Revised: July 22, 2025

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3.0 Responsibility and Authority

Under the direction of the Chief Financial Officer, the Director of Procurement, as well as the Chief Engineer, shall be responsible for overall development, management and implementation of this policy.

COMMISSION ADOPTED POLICY
Procurement Policy – Appendix B
Negotiation with Lowest Responsible Bidder



Adopted: December 16, 2014

Reviewed:
Revised:

July 22, 2025
June 25, 2024

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1.0 Purpose and Need

If the bid from the lowest responsive, responsible bidder exceeds available funds, HRSD may negotiate with the apparent low bidder to obtain a contract price within available funds in accordance with this policy.

2.0 Procedures

Unless all bids are cancelled or rejected, HRSD reserves the right to negotiate with the lowest responsive, responsible bidder to obtain a contract price within the funds available. The term “available funds” shall mean those funds which were budgeted by the requested HRSD division for the contract prior to the issuance of the written Invitation for Bids. The procurement record in the Procurement Department shall include documentation of the “available funds” prior to the issuance of the IFB.

Negotiations with the lowest responsive, responsible bidder may include both modifications of the bid price and the Scope of Work/Specifications to be performed.

HRSD shall initiate such negotiations by written notice to the lowest responsive, responsible bidder that its bid exceeds the available funds and that HRSD wishes to negotiate a lower contract price. The times, places, and manner of negotiating shall be agreed to by HRSD and the lowest responsive, responsible bidder.

If a mutually acceptable price cannot be negotiated, all bids shall be rejected. A new IFB cannot be issued without HRSD modifying the scope or specification to match the available funds. Shopping for bids shall not be permitted.

3.0 Responsibility and Authority

Under the direction of the Chief Financial Officer, the Director of Procurement, as well as the Chief Engineer, shall be responsible for overall development, management and implementation of this policy.

COMMISSION ADOPTED POLICY
Procurement Policy – Appendix C
Debarment



Adopted: December 16, 2014

Revised: July 22, 2025

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1.0 Purpose and Need

To ensure HRSD receives the best value with all procurement actions, contractors that fail to meet HRSD standards may be debarred and prevented from being awarded work from HRSD for a specified period of time. Debarment is a serious action and shall only be pursued when continued use of a particular contractor threatens HRSD's ability to meet regulatory requirements, requires inordinate levels of inspection, administration or supervision, poses a legal, financial or reputational risk to HRSD or a locality partner or the contractor has previously demonstrated the inability to meet HRSD schedules or quality requirements, provides poor references or is in active litigation related to HRSD work or similar projects.

2.0 Procedures

The Director of Procurement or Chief Engineer shall regularly evaluate prospective contractors to determine eligibility for contracting for particular types of supplies, services, insurance or construction.

2.1 Debarment for Unsatisfactory Performance

If a determination is made that a prospective contractor should not be eligible, the Director of Procurement or Chief Engineer shall submit a written report notifying the contractor of the proposed debarment and specified period of time. The report shall recite the factual support for the determination that the contractor performed unsatisfactorily and/or other reasons for the proposed debarment. The report shall also present the recommended action to be taken with respect to the contractor. HRSD shall allow the contractor to inspect any documents relating to the proposed debarment within five (5) business days after receipt of notification. Additionally, the contractor may submit rebuttal information within ten (10) business days after receipt of notification.

The Director of Procurement or Chief Engineer shall revise the report if and as appropriate within five (5) business days after receipt of rebuttal information. The revised report shall be submitted to the contractor and the General Manager/Chief Executive Officer.

The General Manager/Chief Executive Officer shall submit the revised report and recommended action to the HRSD attorney for review and to the Commission for action. The Director of Procurement or Chief Engineer shall notify the contractor of the Commission's final determination including, if debarred, the basis of the debarment and the term of the debarment.

COMMISSION ADOPTED POLICY
Procurement Policy – Appendix C
Debarment



Adopted: December 16, 2014

Revised: July 22, 2025

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2.2 Debarment for failure to use E-Verify.

"E-Verify program" means the electronic verification of work authorization program of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (P.L. 104-208), Division C, Title IV, § 403(a), as amended, operated by the U.S. Department of Homeland Security, or a successor work authorization program designated by the U.S. Department of Homeland Security or other federal agency authorized to verify the work authorization status of newly hired employees under the Immigration Reform and Control Act of 1986 (P.L. 99-603).

Any contractor with more than an average of 50 employees for the previous 12 months entering into a contract in excess of \$50,000 with HRSD to perform work or provide services pursuant to such contract shall register and participate in the E-Verify program to verify information and work authorization of its newly hired employees performing work pursuant to such public contract.

Any such contractor who fails to comply with the requirements to participate in E-Verify shall be debarred from contracting with HRSD for a period of up to one year, or until the contractor registers and participates in the E-Verify program whichever occurs first.

After ascertaining that a contractor has not registered for nor is participating in the E-Verify program, the Director of Procurement or Chief Engineer shall notify the contractor that it is debarred and the reasons for its debarment. HRSD shall allow the contractor to submit rebuttal information within ten (10) business days after receipt of notification. Upon HRSD's receipt from contractor of reliable evidence to substantiate its registration and participation in E-Verify, the contractor shall no longer be disbarred.

3.0 Responsibility and Authority

Under the direction of the Chief Financial Officer, the Director of Procurement, as well as the Chief Engineer, shall be responsible for overall development, management and implementation of this policy.

COMMISSION ADOPTED POLICY
Procurement Policy – Appendix D
Withdrawal of Bids



Adopted: December 16, 2014

Revised: July 22, 2025

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1.0 Purpose and Need

Occasionally a bidder requests to withdraw a bid due to a mistake. It is not in HRSD's best interest to force a bidder to perform if the bidder made a clerical mistake as opposed to a judgment mistake, and the clerical mistake was actually due to an unintentional arithmetic error or an unintentional omission of a quantity of work, labor or material made directly in the compilation of a bid, which unintentional arithmetic error or unintentional omission can be clearly shown by objective evidence drawn from inspection of original work papers, documents and materials used in the preparation of the bid sought to be withdraw. However, in a competitive bid environment, bidders cannot be allowed to withdraw bids without just cause as this practice can undermine the integrity of the bidding process. HRSD shall follow these procedures to protect the integrity of the bidding process when considering a request to withdraw a bid.

2.0 Procedures

For bids on construction projects, withdrawal procedures shall be in accordance with §2.2-4330 where the bidder shall give notice in writing of his claim of right to withdraw his bid within two business days after the conclusion of the bid opening procedure and shall submit original work papers with such notice.

For bids other than construction bids, the same withdrawal procedures shall be followed.

The Director of Procurement or the Chief Engineer will review the request to withdraw and make a determination based on the evidence provided in accordance with §2.2-4330.

3.0 Responsibility and Authority

Under the direction of the Chief Financial Officer, the Director of Procurement, as well as the Chief Engineer, shall be responsible for overall development, management and implementation of this policy.

COMMISSION ADOPTED POLICY
Procurement Policy – Appendix F-1
Design-Build Contracting



Adopted: December 16, 2014

Revised: July 22, 2025

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1.0 Purpose and Need

A design-bid-build project delivery method utilizing competitive sealed bidding is the preferred and the default method of procurement for HRSD construction contracts. However, competitive sealed bidding is not always practicable nor fiscally advantageous for complex construction projects. Design-Build contracts, formed with a firm that provides both professional design and construction services, are intended to minimize the project risk and to reduce the delivery schedule by overlapping the design phase and construction phase of a project.

Pursuant to the Virginia Public Procurement Act, Virginia Code §§ 2.2–4300, *et seq.* (VPPA) and Virginia Code Title 2.2 Chapter 43.1 (§§ 2.2-4378, *et seq.*) (Chapter 43.1) and consistent with the guidance adopted by the Virginia Secretary of Administration, the Commission, an authorized public body as defined by Virginia Code § 2.2-4301, has, by resolution, adopted the following procedures (Procedures) for utilizing, when appropriate, design-build contracts for projects. The provisions of the VPPA shall remain applicable. In the event of any conflict between Chapter 43.1 and the VPPA, Chapter 43.1 shall control.

2.0 Definitions

- 2.1. "Complex project" means a construction project that includes one or more of the following significant components: difficult site location, unique equipment, specialized building systems, multifaceted program, accelerated schedule, historic designation, or intricate phasing or some other aspect that makes the design-bid-build project delivery method not practical.
- 2.2. "Design-bid-build" means a project delivery method in which a public body sequentially awards two separate contracts, the first for professional services to design the project and the second utilizing competitive sealed bidding for construction of the project according to the design.
- 2.3. "Design-build contract" means a contract between a public body and another party in which the party contracting with the public body agrees to both design and build the structure, or other item specified in the contract.

3.0 Procedure for Design-Build Contracts

3.1. Criteria for Use of Design-Build as a Construction Delivery Method.

- 3.1.1. **General.** Design-build procurement shall include a two-step competitive negotiation process consistent with Chapter 43.1 and the Design-Build

COMMISSION ADOPTED POLICY
Procurement Policy – Appendix F-1
Design-Build Contracting



Adopted: December 16, 2014

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Construction Procedures As Adopted by the Secretary of Administration (effective December 17, 2024) for state public bodies. Design-build contracts may be utilized on projects where the project (i) is a complex project; and (ii) the project procurement method is approved by the Commission. Contracts shall be awarded on a fixed price or not-to-exceed price basis.

- 3.1.2. **Virginia Licensed Engineer.** Public bodies using design-build procurement must have Virginia-licensed engineers or architects in their employ or under their control. HRSD has in its employ, has under its control or will retain as necessary such Virginia-licensed engineers with the necessary professional competence to advise HRSD regarding use of design-build for a specified construction project. These Virginia-licensed engineers will assist HRSD with preparation of the Request for Qualifications (RFQ), Request for Proposal (RFP), and evaluation of proposals received in response to the RFQ and RFP.
- 3.1.3. **Written Recommendation to Use Design-Build.** In advance of initiating a design-build procurement, the Chief Engineer, or his or her designee, shall prepare a written report explaining the basis for the Chief Engineer's recommendation to utilize design-build for the specific project. The report shall include a determination of the project's complexity, and explain why, for the specific project, (i) a design-build contract is more advantageous than a competitive sealed bid construction contract; (ii) there is a benefit to HRSD by using a design-build contract; and (iii) competitive sealed bidding is not practical or fiscally advantageous. This report shall be submitted to the General Manager/Chief Executive Officer for approval. If the General Manager/Chief Executive Officer approves the recommendation, it shall be submitted to the Commission for determination.
- 3.1.4. **Commission Determination.** If the Commission accepts the recommendation to pursue a design-build procurement model, it shall adopt the Chief Engineer's report or draft its own written determination stating that the design-bid-build project delivery method is not practicable or fiscally advantageous and documenting the basis for the determination to utilize design-build, including the determination of the project's complexity. The determination shall be included in the RFQ and be maintained in the procurement file.
- 3.1.5. **Proprietary Information.** Proposers shall be allowed to clearly designate portions of their submissions as trade secrets or proprietary information pursuant to Virginia Code § 2.2-4342. HRSD will take reasonable measures to safeguard from unauthorized disclosure such information properly designated as such, to the extent permitted by law.

3.2. Selection of Qualified Proposers (Step 1).

- 3.2.1. **Pre-qualification.** HRSD shall conduct a prequalification process to determine which design-build firms are qualified to receive the Request for Proposals. The list of firms shall include Small businesses and businesses owned by Women, Minorities, Military families, Service-Disabled Veterans, and Employment Services Organizations, as such terms are defined in § 2.2-4310(F). All proposers shall have a licensed Class “A” contractor registered in Virginia and an Architect or Engineer registered in Virginia as part of the project team
- 3.2.2. **Content of RFQ.** HRSD shall prepare an RFQ that states the time and place for receipt of qualifications, the contractual terms and conditions, the Commission’s facility requirements, the criteria and goals of the project, the building and site criteria, the site and survey data (if applicable), any unique capabilities or qualifications required of the design-builder, any project specific requirements for the particular project, the criteria to be used to evaluate RFQ responses, and other relevant information.
- 3.2.3 The RFQ must be approved by the Chief Engineer and shall normally consist of the following sections, unless modified by the Chief Engineer:
Cover Sheet
I. Introduction and/or Background
II. Instructions to Proposers
III. Scope of Work
IV. Tentative Procurement Schedule
V. Attachments
- 3.2.3. **Form of Responses.** HRSD will include in the RFQ if responses may be submitted electronically and/or via paper response.
- 3.2.4. **Evaluation Committee.** The Chief Engineer shall appoint an Evaluation Committee (“Committee”) which shall consist of at least three staff members of the HRSD, including a licensed professional engineer or architect. If possible, the Committee shall include a licensed design professional. The members of the Committee shall have experience relevant to the project, with background in such areas as design, construction, contracts, project management operations, and maintenance. HRSD shall consult with its attorney to determine whether legal counsel should be involved.
- 3.2.5. **Public Notice.** At least 30 days prior to the date set for receipt of qualification proposals, public notice of the RFQ (“Public Notice”) will be posted on the HRSD website and/or the Virginia Department of General Services central

electronic procurement website, known as eVA (“eVA”). HRSD shall send the Public Notice directly to firms that have requested to be notified of work and to organizations promoting Small businesses and businesses owned by Women, Minorities, Military families, Service-Disabled Veterans, and Employment Services Organizations, as such terms are defined in § 2.2-4310(F) and to similar businesses that have requested to be notified and/or are believed to be qualified to perform the work. HRSD may send Public Notice to those firms believed to be qualified to perform the work. An affidavit shall be placed in the project file certifying the advertising date and method.

- 3.2.6. **Contacts by Proposers.** The RFQ shall provide notice to prospective proposers that they may submit comments and questions regarding the RFQ, in writing, to the contact person identified in the RFQ. Responses to the comments and questions which are relevant to the work will be documented and addenda will be posted in the same place and manner as the Public Notice. Comments and questions submitted to any individual at HRSD that is not the identified contact person shall not receive a response.
- 3.2.7. **Pre-Proposal Conference.** A pre-proposal conference may be held to ensure clarity, review potential problems with the Scope of Work, and answer questions related to the project. Attendance at the pre-proposal conference may be optional or mandatory as specified in the RFQ. If attendance is mandatory, HRSD will not consider Statements of Qualification (SOQ) from firms that did not attend the pre-proposal conference and/or did not meet the RFQ requirements related to the pre-proposal conference.
- 3.2.8. **Opening of Statement of Qualifications.** The Chief Engineer or his/her designee shall document receipt of the SOQs at the specified time and place. Any firm desiring consideration must submit an SOQ no later than the time and date the RFQ states is the deadline for submittal. SOQs not received at the specified time will not be considered.
- 3.2.9. **Changes to the RFQ.** The Committee shall determine whether any changes to the RFQ should be made to clarify errors, omissions or ambiguities or to incorporate project improvements or additional details. If such changes are required, an addendum shall be issued.
- 3.2.10. **Evaluation of Statement of Qualifications.** The Committee shall evaluate the SOQs. The Committee may waive minor informalities in a SOQ but shall eliminate from further consideration any proposer determined to be non-responsive or deemed not fully qualified, responsible or suitable. Prior design-build experience or previous experience with HRSD shall not be considered as

a prerequisite or factor for prequalification of a contract. However, the Committee shall evaluate a proposer's experience for a period of ten prior years to determine whether the offeror has constructed, by any method of project delivery, at least three projects similar in program and size.

3.2.11. **Reference Check and Other Information.** The Committee either individually or as a group at any point in the evaluation may contact some or all references recommended by the proposer. The Committee may use the information gained during the reference checks in the evaluation. The Committee may ask questions or request additional information from any proposer.

3.2.12. **Short-List.** The Committee shall determine those deemed fully qualified and suitable with respect to the criteria established for the project. The Committee shall then select (short list) three to five proposers to receive the RFP. The short list may have less than three proposers to receive the RFP if there are less than three responses to the RFQ.

3.2.13. **Basis for Denial of Prequalification.** A proposer may be denied prequalification only as specified under Virginia Code § 2.2-4317, but the short list shall also be based upon the RFQ criteria.

3.2.14. **Notice of Prequalification Status.** At least 30 days prior to the date established for the submission of proposals, HRSD shall advise in writing each proposer which sought prequalification whether that proposer has been prequalified. Prequalified proposers that are not selected for the short list shall likewise be provided the reasons for such decision. In the event that a proposer is denied prequalification, the written notification to such proposer shall state the reasons for such denial of prequalification and the factual basis of such reasons.

3.3. **Selection of a Design-Builder (Step 2).**

3.3.1. **Request for Proposals.** HRSD shall prepare an RFP and send to the firms on the short list and request submission of formal proposals. The RFP must be approved by the Chief Engineer. In selecting the design builder, HRSD may consider the experience of each design-builder on comparable design-build projects. The criteria for award shall be included in the RFP. The RFP shall provide further details not described in the RFQ and shall include the factors to be used in evaluating each proposal. The RFP shall also include details regarding the project quality and performance requirements, conceptual design documents and information regarding the proposer's Contract Cost Limit (CCL)

to determine the best value in response to the RFP. The RFP shall also advise whether responses may be submitted electronically and/or via paper response.

- 3.3.2. **Contacts from Proposers.** The RFP shall provide notice to prospective proposers that they may submit comments and questions regarding the RFP, including specifications, in writing, to the contact person identified in the RFP. Responses to the comments and questions which are relevant to the work will be documented and addenda will be issued to all proposers who have received the RFP. Comments and questions submitted to any individual at HRSD that is not the identified contact person shall not receive a response.
- 3.3.3. **Bifurcated Proposal Evaluation.** The RFP process shall include a separate technical proposal evaluation stage and a cost proposal evaluation stage requiring that the proposals consist of two parts - a Technical Proposal and a Cost Proposal. Both the Technical and Cost Proposals shall be concurrently submitted but separately sealed. The Cost Proposal will include a (CCL) based on the project scope of work and other information provided in the RFP and any subsequent changes to the RFP. The Committee may waive minor informalities in a both the Technical Proposal and the Cost Proposal but shall eliminate from further consideration any Proposer determined to be non-responsive or deemed not fully qualified, responsible, or suitable. Proposer shall submit its Proposal no later than the time and date the RFP states is the deadline for submittal. Failure to submit a Proposal prior to the due date and time will be cause for rejection by HRSD.
- 3.3.1. **Receipt of Technical Proposals.** Sealed Technical Proposals shall be submitted to the Committee. The Chief Engineer or his/her designee shall receive and document the receipt of the technical proposals at the specified time and place.
- 3.3.2. **Receipt of Cost Proposals.** Sealed Cost Proposals shall be submitted to the HRSD Contract Specialist who shall document the receipt of the Cost Proposal at the specified time and place and who shall secure and keep the Cost Proposal sealed until evaluation of the Technical Proposals and the design adjustments are completed.
- 3.3.3. **Preliminary Evaluation of Technical Proposals.** The Committee shall review each Technical Proposal to first determine whether the proposals are responsive to the requirements of the RFP. The Committee shall then evaluate and document (score) the Technical Proposal from the short-listed proposers based on an evaluation plan specified in the RFP. The Committee shall keep confidential a preliminary ranking of the Technical Proposals. The Committee

may cancel or reject any and all Technical Proposals. The Chief Engineer shall prepare a report documenting the reasons for the cancellation or rejection. The Committee may waive informalities in the technical proposal.

- 3.3.4. **Conferences During Preliminary Evaluation.** The Committee may hold a question-and-answer conference with any or all proposers to clarify or verify the contents of a Technical Proposal. The conference may be in person or by telephone. Each proposer shall be allotted the same fixed amount of time for any conference held as part of the selection. Proposers shall be encouraged to elaborate on their qualifications, proposed services, relevant experience and details of the Technical Proposal for the project. Proprietary information from competing proposers shall not be disclosed to the public or to competitors.
- 3.3.5. **Changes to RFP.** Based upon a review of the Technical Proposal and discussions with each short-listed proposer, the Committee shall determine whether any changes to the RFP should be made to clarify errors, omissions or ambiguities or to incorporate project improvements or additional details. If such changes are required, an addendum shall be provided to each proposer. If addenda are issued by the Committee, proposers will be given an opportunity to revise their Technical Proposals.
- 3.3.6. **Final Evaluation of Technical Proposals.** At the conclusion of the Technical Proposal evaluation stage, the Committee shall evaluate (and rank if technical rankings are to be considered as a criterion for award) the technical proposals. The Committee will meet to discuss each Technical Proposal based upon the criteria contained in the RFP. After the discussion, each team member will be given an opportunity to adjust their score. The Committee shall document and keep confidential a final ranking of the Technical Proposals. Should the Committee determine, in writing and at its sole discretion, that only one proposer is fully qualified or that one proposer is clearly more highly qualified than the others under consideration, a contract may be negotiated and awarded to that proposer after approval by the Commission. This documentation shall occur before any Cost Proposals are reviewed by HRSD. Otherwise, the Committee shall evaluate the Cost Proposals.
- 3.3.7. **Evaluation of Cost Proposals.** The HRSD Contract Specialist shall provide the Cost Proposals to the Chief Engineer. The Committee shall open the Cost Proposals, review the Cost Proposals, and apply the criteria for award as specified in the RFP and any addenda. Price shall be a critical basis for award of the contract. Unless approved by the Commission in advance of issuance of the Public Notice, the price component for selection of a design-builder shall

be a significant portion of the weighted score. The Committee shall document and keep confidential the results of each Cost Proposal.

- 3.3.8. **Final Evaluation and Recommendation to Award a Contract.** The contract shall be awarded to the proposer who is fully qualified and has been determined to have provided the best value in response to the RFP. The Committee Chair shall tabulate the Technical and Cost proposal scores as listed in the RFP to determine the recommended firm. The Committee shall prepare a report documenting the process, summarizing the results and making its recommendation on the selection of a design-builder to the Chief Engineer based on its evaluations of the Technical and Cost Proposals and all amendments thereto.
- 3.3.9. **Contract Negotiation.** Upon concurrence with the recommendation of the Committee, the Chief Engineer or his/her designee shall negotiate a contract with the recommended firm. Otherwise, the Chief Engineer or his/her designee shall formally terminate negotiations with the proposer ranked first and shall negotiate with the proposer ranked second, and so on, until a satisfactory agreement can be negotiated. The Chief Engineer shall inform the General Manager/Chief Executive Officer of the results of the negotiation. The General Manager/Chief Executive Officer shall receive Commission approval of award to the recommended firm. The Commission may cancel or reject any and all proposals.
- 3.3.10. **Award of Design-Build Contract.** Upon approval by the Commission, the Chief Engineer shall forward all contract, bond and insurance forms to the selected firm for signature. The contract shall be prepared using the standard HRSD format approved by the Chief Engineer and reviewed by the HRSD attorney.
- 3.3.11. **Notification of Award.** HRSD will notify all proposers who submitted proposals which proposer was selected for the project. In the alternative, HRSD may notify all proposers who submitted proposals of HRSD's intent to award the contract to a particular proposer at any time after the Commission has approved the award to the design-builder. When the terms and conditions of multiple awards are so provided in the RFP, awards may be made to more than one proposer.
- 3.3.12. **Inspection of Proposals.** Any proposer may inspect the proposal documents after opening of the price proposals but prior to award of the contract. All records, subject to public disclosure under the Virginia Freedom of Information Act, shall be open to public inspection only after award of the contract. Upon

request, documentation of the process used for the final selection shall be made available to the unsuccessful proposers.

3.4. Procedures After the Award.

3.4.1. Notification of Subcontractor Bid Package Advertisement. HRSD may post on eVA or HRSD's website when and where the design-builder plans to advertise bid packages for subcontracting opportunities when appropriate.

3.4.2. Freedom of Information Act and Access to Documents. As required by Chapter 43.1, HRSD shall post all documents open to public inspection pursuant to Virginia Code § 2.2-4342 that are issued or received by the HRSD on HRSD's website or eVA.

3.4.3. Proposal Compensation. Proposal Compensation on designated design-build procurement efforts will be provided to short-listed firms that are not selected but have fully complied with all aspects of the RFQ and RFP may be provided proposal compensation (stipend) under certain conditions. The value of the proposal compensation will be determined on a case-by-case basis. Commission approval shall be required when the recommended amount exceeds \$200,000 for any single payment.

3.4.4. Procedure for Changes to Design-Build Contracts

All changes to the Contract shall be by a formal Change Order as mutually agreed to by the firm and HRSD. The method of making such changes and any limits shall be in accordance with the Contract Documents. Change Orders shall be negotiated by HRSD staff and such actions reported to the Chief Engineer with recommendations for approval. Change Orders exceeding \$50,000 or 25% of the original contract amount, whichever is greater, shall be submitted to the Commission for approval prior to authorization. All Change Orders shall be executed by the firm and the Chief Engineer or his/her designee.

Extra work by the firm may be authorized by a written Work Change Directive within limits of authorization provided above with later inclusion in the Contract by formal Change Order.

In case of disputes as to the value of extra work, HRSD, within the limits of authorization provided above, may issue a directive in accordance with the Contract Documents to proceed with the work so as to not impede the progress and cause unnecessary delay and expense to the parties involved. The

directive shall acknowledge the dispute by the firm, and the dispute shall be resolved at a later date.

3.4.5. Procedure for Progress Payments

Progress payments shall be paid in accordance with the Contract Documents. Requests for progress payments shall be prepared by the firm and approved by HRSD staff and the Chief Engineer. Requests for progress payments shall generally be submitted to HRSD on a monthly basis with payments by HRSD to the firm within the period of time specified in the Contract Documents.

Progress payments shall be based on unit prices, schedules of values, and other agreed-upon specified basis. Each progress payment shall represent the amount of completed work and materials on site to be incorporated into the work as accepted and approved, less the specified retainage and less previous payments. Payment for materials on site shall be in accordance with the Contract Documents.

Progress payments may be reduced or withheld in accordance with the Contract Documents. Retainage may be reduced or increased in accordance with the Contract Documents.

3.4.6. Procedure for Final Payments

Final acceptance, payment, and release of claims shall be in accordance with the Contract Documents. Requests for final payments shall be prepared by the firm, certified and approved by HRSD staff and approved by the Chief Engineer.

4.0 Emergency Procurement.

A contract for design-build services may be negotiated and awarded without competitive negotiation if the General Manager/Chief Executive Officer determines there is an emergency. The procurement of these services will be made using as much competition as practical under the circumstances. The Chief Engineer shall submit a report documenting the basis of the emergency and the selection of the particular firm. The Chief Engineer shall prepare a notice stating the contract is being awarded on an emergency basis and identifying what is being procured, the firm selected and the date the contract was or will be awarded. The notice shall be placed on the HRSD Internet website on the day HRSD awards or announces its decision to award, whichever comes first or as soon thereafter as practical.

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Procurement Policy – Appendix F-1
Design-Build Contracting



Adopted: December 16, 2014

Revised: July 22, 2025

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5.0 Reporting requirements.

- 5.1. HRSD shall report no later than November 1 of each year to the Director of the Commonwealth's Department of General Services on all completed capital projects in excess of \$2 million.
- 5.2. The report shall include at a minimum (i) the procurement method utilized, (ii) the project budget, (iii) the actual project cost, (iv) the expected timeline, (v) the actual completion time, (vi) if such project was a construction management or design-build project, the qualifications that made the project complex, and (vii) any post-project issues.

6.0 Exceptions to this Policy.

The request for any exception to the procedures outlined in this Policy shall be reviewed by HRSD's attorney prior to submission to the Commission.

7.0 Responsibility and Authority.

The Chief Engineer shall be responsible for overall development, management and implementation of this policy.

Legislative References: Code of Virginia §§ 2.2-4300-2.2-4383; Design-Build Procedures Adopted by the Secretary of Administration (effective December 17, 2024), attached as Exhibit to A-1.

COMMISSION ADOPTED POLICY
Procurement Policy – Appendix F-2
Construction Management Contracting



Adopted: December 16, 2014

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1.0 Purpose and Need.

A design-bid-build project delivery method utilizing competitive sealed bidding is the preferred and the default method of procurement for HRSD construction contracts. However, competitive sealed bidding is not always practicable nor fiscally advantageous for complex construction projects. In these cases, the construction management contracting method may better meet the needs of HRSD because it permits the early selection of a construction manager or because value engineering and/or constructability analysis is desired.

Pursuant to the Virginia Public Procurement Act, Virginia Code §§ 2.2–4300, *et seq.* (VPPA) and Virginia Code Title 2.2 Chapter 43.1 (§§ 2.2-4378, *et seq.*) (Chapter 43.1) and consistent with the guidance adopted by the Virginia Secretary of Administration, the Commission, an authorized public body as defined by Virginia Code § 2.2-4301, has, by resolution, adopted the following procedures (Procedures) for utilizing, when appropriate, construction management contracts for projects. The provisions of the VPPA shall remain applicable. In the event of any conflict between Chapter 43.1 and the VPPA, Chapter 43.1 shall control.

2.0 Definitions.

- 2.1. “Complex project” means a construction project that includes one or more of the following significant components: difficult site location, unique equipment, specialized building systems, multifaceted program, accelerated schedule, historic designation, or intricate phasing or some other aspect that makes the design-bid-build project delivery method not practical.
- 2.2. “Construction management contract” means a contract in which a firm is retained by the owner to coordinate and administer contracts for construction services for the benefit of the owner and may also include, if provided in the contract, the furnishing of construction services to the owner.
- 2.3. "Design-bid-build" means a project delivery method in which a public body sequentially awards two separate contracts, the first for professional services to design the project and the second utilizing competitive sealed bidding for construction of the project according to the design.

3.0 Procedure for Construction Management Contracts.

3.1 Criteria for Use of Construction Management as a Construction Delivery Method.

- 3.1.1. General.** Construction management procurement shall include a two-step competitive negotiation process consistent with Chapter 43.1 and the Construction Management Procedures As Adopted by the Secretary of Administration (effective December 17, 2024) for state public bodies. Construction management contracts may be utilized on projects where the project (i) is a complex project; and (ii) the project procurement method is approved by the Commission. Construction management contracts shall be awarded on a fixed price or not-to-exceed price basis.
- 3.1.2. Virginia Licensed Engineer.** Public bodies using construction management procurement must have Virginia-licensed engineers or architects in their employ or under their control. HRSD has in its employ or under its control or will retain as necessary such Virginia-licensed engineers with the professional competence to advise HRSD regarding use of construction management for a specified construction project. These Virginia-licensed engineers will assist HRSD with preparation of the Request for Qualifications (RFQ), Request for Proposal (RFP), and evaluation of proposals received in response to the RFQ and RFP.
- 3.1.3. Written Recommendation to Use Construction Management.** In advance of initiating a construction management procurement, the Chief Engineer, or his or her designee, shall prepare a written report explaining the basis for the Chief Engineer's recommendation to utilize construction management for a specific project. The report shall include a determination of the project's complexity, and explain why, for the specific project, (i) a construction management contract is more advantageous than a design-bid-build construction contract; (ii) there is a benefit to HRSD by using a construction management contract; and (iii) competitive sealed bidding is not practical or fiscally advantageous. This report shall be submitted to the General Manager/Chief Executive Officer for approval. If the General Manager/Chief Executive Officer approves the recommendation, it shall be submitted to the Commission.
- 3.1.4. Commission Determination.** If the Commission accepts the recommendation to pursue a construction management procurement model, it shall adopt the Chief Engineer's report or draft its own written determination stating that the design-bid-build project delivery method is not practicable or fiscally advantageous and documenting the basis for the determination to utilize

construction management, including the determination of the project's complexity. The determination shall be included in the RFQ and be maintained in the procurement file.

- 3.1.5. **Proprietary Information.** Proposers shall be allowed to clearly designate portions of their submissions as trade secrets or proprietary information pursuant to Virginia Code § 2.2-4342. HRSD will take reasonable measures to safeguard from unauthorized disclosure such information properly designated as such, to the extent permitted by law.

3.2. Selection of Qualified Proposers. (Step 1)

- 3.2.1. **Pre-qualification.** HRSD shall conduct a prequalification process to determine which construction management firms are qualified to receive the Request for Proposals. The list of firms shall include Small businesses and businesses owned by Women, Minorities, Military families, Service-Disabled Veterans, and Employment Services Organizations, as such terms are defined in § 2.2-4310(F). All proposers shall have a licensed Class "A" contractor registered in Virginia as part of the project team.

- 3.2.2. **Content of RFQ.** HRSD shall prepare an RFQ that states the time and place for receipt of qualifications, the contractual terms and conditions, the criteria and goals of the project, the Commission's facility requirements, the building and site criteria, site and survey data (if applicable), any unique capabilities or qualifications required of the contractor, any project specific requirements for the particular project, the criteria to be used to evaluate RFQ responses, and other relevant information.

- 3.2.3. The RFQ must be approved by the Chief Engineer and shall normally consist of the following sections unless modified by the Chief Engineer:

Cover Sheet

- I. Introduction and/or Background
- II. Instructions to Proposers
- III. Scope of Work
- IV. Tentative Procurement Schedule
- V. Attachments

- 3.2.4. **Method of Submission of Responses.** HRSD will include in the RFQ if responses may be submitted electronically and/or via paper response.

- 3.2.5. **Evaluation Committee.** The Chief Engineer shall appoint an Evaluation Committee ("Committee") which shall consist of at least three staff members of

the HRSD, including a licensed professional engineer or architect. If possible, the Committee shall include a licensed design professional. The members of the Committee shall have experience relevant to the project, with backgrounds in such areas as design, construction, contracts, project management operations, and maintenance. HRSD shall consult with its attorney to determine whether legal counsel should be involved.

- 3.2.6. **Public Notice.** At least 30 days prior to the date set for receipt of qualification proposals, public notice of the RFQ ("Public Notice") shall be posted on the HRSD website and/or the Virginia Department of General Services central electronic procurement website ("eVA"). HRSD shall send the Public Notice directly to firms that have requested to be notified of work and to organizations promoting Small businesses and businesses owned by Women, Minorities, Military families, Service-Disabled Veterans, and Employment Services Organizations, as such terms are defined in § 2.2-4310(F) and to similar businesses that have requested to be notified and/or are believed to be qualified to perform the work. HRSD may send Public Notice to those firms believed to be qualified to perform the work. An affidavit shall be placed in the project file certifying the advertising date and method.
- 3.2.7. **Contacts by Proposers.** The RFQ shall provide notice to prospective proposers that they may submit comments and questions regarding the RFQ, in writing, to the contact person identified in the RFQ. Responses to the comments and questions which are relevant to the work will be documented and addenda will be posted in the same place and manner as the Public Notice. Comments and questions submitted to any individual at HRSD that is not the identified contact person shall not receive a response.
- 3.2.8. **Pre-Proposal Conference.** A pre-proposal conference may be held to ensure clarity, review potential problems with the Scope of Work, and answer questions related to the project. Attendance at the pre-proposal conference may be optional or mandatory as specified in the RFQ. If attendance is mandatory, HRSD will not consider Statements of Qualification (SOQ) from firms that did not attend the pre-proposal conference and/or did not meet the RFQ requirements related to the pre-proposal conference.
- 3.2.9. **Opening of Statement of Qualifications.** The Chief Engineer or his/her designee shall document receipt of the SOQs at the specified time and place. Any firm desiring consideration must submit an SOQ no later than the time and date the RFQ states is the deadline for submittal. SOQs not received at the specified time will not be considered.

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Procurement Policy – Appendix F-2
Construction Management Contracting



Adopted: December 16, 2014

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- 3.2.10. **Changes to the RFQ.** The Committee shall determine whether any changes to the RFQ should be made to clarify errors, omissions or ambiguities or to incorporate project improvements or additional details. If such changes are required, an addendum shall be issued.
- 3.2.11. **Evaluation of Statement of Qualifications.** The Committee shall evaluate the SOQs. The Committee may waive minor informalities in a SOQ but shall eliminate from further consideration any proposer determined to be non-responsive or deemed not fully qualified, responsible or suitable. Prior construction-management experience or previous experience with HRSD shall not be considered as a prerequisite or factor for prequalification of a contract. However, the Committee shall evaluate a proposer's experience for a period of ten prior years to determine whether the offeror has constructed, by any method of project delivery, at least three projects similar in program and size.
- 3.2.12. **Reference Check and Other Information.** The Committee either individually or as a group at any point in the evaluation may contact some or all references recommended by the proposer. The Committee may use the information gained during the reference checks in the evaluation. The Committee may ask questions or request additional information from any proposer.
- 3.2.13. **Short List.** The Committee shall determine those deemed fully qualified and suitable with respect to the criteria established for the project. The Committee shall then select (short list) three to five proposers to receive the RFP. The short list may have less than three proposers if there are less than three responses to the RFQ.
- 3.2.14. **Basis for Denial of Prequalification.** A proposer may be denied prequalification only as specified under Virginia Code § 2.2-4317, but the short list shall also be based upon the RFQ criteria.
- 3.2.15. **Reference Check and Other Information.** The Committee either individually or as a group at any point in the evaluation may contact some or all references recommended by the proposer. The Committee may use the information gained during the reference checks in the evaluation. The Committee may ask questions or request additional information from any proposer.
- 3.2.16. **Notice of Prequalification Status.** At least 30 days prior to the date established for the submission of proposals, HRSD shall advise in writing each proposer which sought prequalification whether that proposer has been prequalified. Prequalified proposers that are not selected for the short list shall likewise be provided the reasons for such decision. In the event that a proposer

is denied prequalification, the written notification to such proposer shall state the reasons for such denial of prequalification and the factual basis of such reasons.

3.3. Selection of a Construction Manager. (Step 2)

- 3.3.1. Request for Proposals.** HRSD shall prepare an RFP and approved by the Chief Engineer. The RFP shall be sent the RFP to the firms on the short list. The RFP shall provide further details not described in the RFQ and shall include the factors to be used in evaluating each proposal. The RFP shall describe details regarding the proposer's CCL and define the pre-design, design, bid and construction phase services required. The RFP shall define the allowable level of direct construction involvement by the proposer. In the case of a non-infrastructure project, the allowable level of direct construction involvement by the proposer shall be defined as no more than 10% of the construction work as measured by the cost of work with the remaining 90% to be performed by the construction manager's subcontractors. In all construction management contracts, the construction manager will procure the subcontractors' services by publicly advertised competitive sealed bidding to the maximum extent practicable. Documentation shall be placed in the file detailing the reasons any work is not procured by publicly advertised competitive sealed bidding.
- 3.3.2. Method of Submission of Proposals.** The RFP shall also advise whether responses may be submitted electronically and/or via paper response.
- 3.3.3. Contacts from Proposers.** The RFP shall provide notice to prospective proposers that they may submit comments and questions regarding the RFP, including specifications, in writing, to the contact person identified in the RFP. Responses to the comments and questions which are relevant to the work will be documented and addenda will be issued to all proposers who have received the RFP. Comments and questions submitted to any individual at HRSD that is not the identified contact person shall not receive a response.
- 3.3.4. Bifurcated Proposal Evaluation.** The RFP process shall include a separate Technical Proposal evaluation stage and a Cost Proposal evaluation stage requiring that the proposals consist of two parts - a Technical Proposal and a Cost Proposal. Both the Technical and Cost Proposals shall be concurrently submitted but separately sealed. The Cost Proposal will include a (CCL) based on the project scope of work and other information provided in the RFP and any subsequent changes to the RFP. The Committee may waive minor informalities in both the Technical Proposal and the Cost Proposal but shall eliminate from further consideration any proposer determined to be non-

responsive or deemed not fully qualified, responsible, or suitable. Proposer shall submit its proposals no later than the time and date the RFP states is the deadline for submittal. Failure to submit proposals prior to the due date and time will be cause for rejection by HRSD.

- 3.3.5. **Receipt of Technical Proposals.** Sealed Technical Proposals shall be submitted to the Committee. The Chief Engineer or his or her designee shall receive and document the receipt of the Technical Proposals at the specified time and place.
- 3.3.6. **Receipt of Cost Proposals.** Sealed Cost Proposals shall be submitted to the HRSD Contract Specialist who shall document the receipt of the Cost Proposal at the specified time and place and who shall secure and keep the Cost Proposal sealed until evaluation of the Technical Proposals and the design adjustments are completed.
- 3.3.7. **Preliminary Evaluation of Technical Proposals.** The Committee shall review each Technical Proposal to first determine whether the proposals are responsive to the requirements of the RFP. The Committee shall then evaluate and document (score) the Technical Proposal from the short-listed proposers based on an evaluation plan specified in the RFP. The Committee shall keep confidential a preliminary ranking of the Technical Proposals. The Committee may cancel or reject any and all Technical Proposals. The Chief Engineer shall prepare a report documenting the reasons for the cancellation or rejection. The Committee may waive informalities in the Technical Proposal.
- 3.3.8. **Conferences During Preliminary Evaluation.** The Committee may hold a question-and-answer conference with any or all proposers to clarify or verify the contents of a Technical Proposal. The conference may be in person or by telephone. Each proposer shall be allotted the same fixed amount of time for any conference held as part of the selection. Proposers shall be encouraged to elaborate on their qualifications, proposed services, relevant experience and details of the Technical Proposal for the project. Proprietary information from competing proposers shall not be disclosed to the public or to competitors.
- 3.3.9. **Changes to RFP.** Based upon a review of the Technical Proposal and discussions with each short-listed proposer, the Committee shall determine whether any changes to the RFP should be made to clarify errors, omissions or ambiguities or to incorporate project improvements or additional details. If such changes are required, an addendum shall be provided to each proposer. If addenda are issued by the Committee, proposers will be given an opportunity to revise their Technical Proposals.

- 3.3.10. **Final Evaluation of Technical Proposals.** At the conclusion of the Technical Proposal evaluation stage, the Committee shall evaluate (and rank if technical rankings are to be considered as a criterion for award) the Technical Proposals. The Committee will meet to discuss each Technical Proposal based upon the criteria contained in the RFP. After the discussion, each team member will be given an opportunity to adjust their score. The Committee shall document and keep confidential a final ranking of the Technical Proposals. Should the Committee determine, in writing and at its sole discretion, that only one proposer is fully qualified or that one proposer is clearly more highly qualified than the others under consideration, a contract may be negotiated and awarded to that proposer after approval by the Commission. This documentation shall occur before any Cost Proposals are reviewed by HRSD. Otherwise, the Committee shall evaluate the Cost Proposals.
- 3.3.11. **Evaluation of Cost Proposals.** The HRSD Contract Specialist shall provide the Cost Proposals to the Chief Engineer. The Committee shall open the Cost Proposals, review the Cost Proposals, and apply the criteria for award as specified in the RFP and any addenda. Price shall be a critical basis for award of the contract. Unless approved by the Commission in advance of issuance of the Public Notice, the price component for selection of a contractor shall be a significant portion of the weighted score. The Committee shall document and keep confidential the results of each Cost Proposal.
- 3.3.12. **Final Evaluation and Recommendation to Award a Contract.** The contract shall be awarded to the proposer who is fully qualified and has been determined to have provided the best value in response to the RFP. In selecting the contractor, HRSD may consider the experience of each contractor on comparable construction management projects. The Committee Chair shall tabulate the Technical and Cost Proposal scores as listed in the RFP to determine the recommended firm. The Committee shall prepare a report documenting the process, summarizing the results and making its recommendation on the selection of a contractor to the Chief Engineer based on its evaluations of the Technical and Cost Proposals and all amendments thereto.
- 3.3.13. **Contract Negotiation.** Upon concurrence with the recommendation of the Committee, the Chief Engineer or his/her designee shall negotiate a contract with the recommended firm. Otherwise, the Chief Engineer or his/her designee shall formally terminate negotiations with the proposer ranked first and shall negotiate with the proposer ranked second, and so on, until a satisfactory agreement can be negotiated. The Chief Engineer shall inform the General Manager/Chief Executive Officer of the results of the negotiation. The General

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Manager/Chief Executive Officer shall receive Commission approval of award to the recommended firm. The Commission may cancel or reject any and all proposals.

- 3.3.14. **Award of Construction Management Contract.** Upon approval by the Commission, the Chief Engineer shall forward all contract, bond and insurance forms to the selected firm for signature. The contract shall be prepared using the standard HRSD format approved by the Chief Engineer and reviewed by the HRSD attorney. The contract shall be entered into no later than the completion of the schematic phase of design, unless prohibited by authorization of funding restrictions.
- 3.3.15. **Notification of Award.** HRSD will notify all proposers who submitted proposals which proposer was selected for the project. In the alternative, HRSD may notify all proposers who submitted proposals of HRSD's intent to award the contract to a particular proposer at any time after the Commission has approved the award to the contractor. When the terms and conditions of multiple awards are so provided in the RFP, awards may be made to more than one proposer.
- 3.3.16. **Inspection of Proposals.** Any proposer may inspect the proposal documents after opening of the price proposals but prior to award of the contract. All records, subject to public disclosure under the Virginia Freedom of Information Act, shall be open to public inspection only after award of the contract. Upon request, documentation of the process used for the final selection shall be made available to the unsuccessful proposers.
- 3.4. **Procedures After the Award.**
- 3.4.1. **Notification of Subcontractor Bid Package Advertisement.** HRSD may post on eVA or HRSD's website when and where the construction manager plans to advertise bid packages for subcontracting opportunities when appropriate.
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- 3.4.4. **Procedure for Changes to Construction Management Contracts.** All changes to the Contract shall be by a formal Change Order as mutually agreed to by the firm and HRSD. The method of making such changes and any limits shall be in accordance with the contract documents. Change Orders shall be

negotiated by HRSD staff and such actions reported to the Chief Engineer with recommendations for approval. Change Orders exceeding \$50,000 or 25% of the original contract amount, whichever is greater, shall be submitted to the Commission for approval prior to authorization. All Change Orders shall be executed by the firm and the Chief Engineer or his/her designee.

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- 5.1. HRSD shall report no later than November 1 of each year to the Director of the Commonwealth's Department of General Services on all completed capital projects in excess of \$2 million.
- 5.2. The report shall include at a minimum (i) the procurement method utilized, (ii) the project budget, (iii) the actual project cost, (iv) the expected timeline, (v) the actual completion time, (vi) if such project was a construction management or design-build project, the qualifications that made the project complex, and (vii) any post-project issues.

6.0 Exceptions to this Policy.

The request for any exception to the procedures outlined in this Policy shall be reviewed by HRSD's attorney prior to submission to the Commission.

7.0 Responsibility and Authority.

The Chief Engineer shall be responsible for overall development, management and implementation of this policy.

Leg Refs: Code of Virginia §§ 2.2-4300-2.2-4383; Construction Management Procedures Adopted by the Secretary of Administration (effective December 17, 2024), attached as Exhibit to F-2.

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Procurement Policy – Appendix G
PPEA



Adopted: December 15, 2014

Revised: July 22, 2025

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1.0 Purpose and Need

This policy is adopted to encourage competition and guide HRSD's procurement and selection of projects under Public-Private Education Facilities and Infrastructure Act of 2002, Virginia Code § 56-575.1 *et seq.*, as amended (the "PPEA"). The provisions of the PPEA, as amended, are incorporated into this policy by reference, as if set forth herein verbatim. A copy of the current PPEA enacted by the Virginia General Assembly can be accessed at:

<https://law.lis.virginia.gov/vacodefull/title56/chapter22.1/>.

The Commission adopts this policy, and the procedures and guidelines contained herein, to comply with the requirements of the PPEA. In the event of a conflict between this policy and any provision of PPEA, the PPEA provision shall govern, and the policy shall be interpreted and applied in a manner that will conform to the requirements of the PPEA.

The Virginia Public Procurement Act, Va. Code § 2.2-4300 *et seq.* ("VPPA") does not apply to proposals and agreements under the PPEA. *However*, the PPEA requires that Proposals be evaluated in a manner consistent with certain competitive selection procedures referenced within VPPA. See Virginia Code § 56-575.16. This policy has incorporated the PPEA's requirements for implementation of competitive selection procedures.

2.0 Definitions

As used in this policy, unless otherwise defined herein, all terms shall have the meanings as defined in the PPEA.

- 2.1 "Enabling Act" means 1960 Acts of Assembly, c. 66, as amended
- 2.2 "HRSD Commission" means the Hampton Roads Sanitation District Commission as established by the Enabling Act, being the appropriating body for HRSD.
- 2.3 "Proposal" means either an unsolicited proposal, a competing proposal, or a solicited proposal submitted to HRSD under the PPEA and this policy, as the context requires.
- 2.4 "VFOIA" means the Virginia Freedom of Information Act, Virginia Code § 2.2-3700 *et seq.*

3.0 Procedures

3.1. Unsolicited proposals.

A private entity may initiate a PPEA process by submitting an unsolicited proposal for a qualifying project to HRSD for consideration.

The General Manager/CEO is hereby designated as the HRSD official to whom PPEA inquiries and unsolicited proposals must be directed.

3.1.1. Application, Review, and Evaluation Fees.

Every unsolicited proposal shall be accompanied by an application fee in the amount of One Thousand Dollars (\$1,000.00).

If an unsolicited proposal is not rejected at the application stage and will be reviewed for possible acceptance, the proposer shall remit a review fee in an amount determined to be reasonable by HRSD to cover the costs associated with review by staff, attorneys, and other qualified professionals to (i) determine whether the proposal is a qualifying project under the PPEA, (ii) determine whether the proposal meets all other requirements for further consideration under the PPEA and this policy, and (iii) assess the merits of the proposal as being in the best interest of HRSD and its ratepayers. During the initial review, HRSD may require additional fees to adequately review the proposal based on the scope and complexity of the proposal and its related qualifying project(s), as well as the need for Commission approval in accordance with the Procurement Policy.

Upon HRSD's decision to accept an unsolicited proposal for competition, the proposer and any competing proposer selected for further evaluation shall be required to pay an evaluation fee calculated at the rate of one percent (1.0%) of the reasonably anticipated total cost of the proposed project, or other amount stipulated by HRSD, but not more than \$50,000. The evaluation fee shall be paid by the proposer at the time of the submittal of the subsequent phase of the proposal detail consistent with the protocols established for the procurement under Sec. 3.1.5 of this policy.

Additional fees may be imposed on and paid by the proposers throughout the processing, review, and evaluation of the unsolicited and competing proposals if and as HRSD reasonably anticipates incurring costs in excess of the collected fees.

In the event the total fees paid by a proposer exceed the HRSD's total costs incurred in processing, reviewing, and evaluating the proposal, HRSD will reimburse the difference.

3.1.2. Contents; format.

Every unsolicited proposal shall be accompanied by the materials and information required by PPEA § 56-575.4(A)(1) through (9), unless specifically waived by HRSD as unnecessary for consideration of whether to accept the unsolicited proposal for initial evaluation or additional consideration. The private entity shall also provide such additional material and information as HRSD may reasonably request related to the qualifying project.

3.1.3. Acceptance or Rejection.

Upon receipt by HRSD of an unsolicited proposal, HRSD will determine whether or not to accept the proposal for further consideration. HRSD will consider only those unsolicited proposals which: (i) comply with requirements of the PPEA and this policy, (ii) contain sufficient information for a meaningful evaluation of the public need for the qualifying project and public benefits, financial and non-financial, and (iii) are provided in an appropriate format.

HRSD may reject any unsolicited proposal at any time. If HRSD rejects an unsolicited proposal that purports to develop specific cost savings, it will specify the basis for the rejection. An unsolicited proposal rejected by HRSD prior to posting of public notice shall be returned to the private entity together with all fees and accompanying documentation.

Following the initial review stage, if an unsolicited proposal is accepted by HRSD for additional evaluation and competition, public notice of the proposal and a request for competing proposals shall be given as provided below. Approval of the Commission is required prior to accepting an unsolicited proposal and inviting competing proposals where the total value of the resulting agreement(s) is projected to exceed \$200,000.

3.1.4. Public Notice of an Unsolicited Proposal.

3.1.4.1. *Notice of Receipt*

Within ten (10) working days after acceptance of an unsolicited proposal for additional evaluation and competition, HRSD will post a copy of the unsolicited proposal so that it is available for public inspection in accordance

with the posting requirements of PPEA § 56-575.17(A), which shall include, without limitation, posting on the Commonwealth of Virginia's electronic procurement website. Records and information exempt from VFOIA requirements shall not be required to be posted or otherwise made available for public inspection.

3.1.4.2. *Solicitation of Competing Proposals*

Contemporaneous with an accepted unsolicited proposal being posted for public inspection, HRSD will also post notice, in a manner consistent with PPEA § 56-575.17(A), that HRSD will receive competing proposals. The period of time during which competing proposals may be submitted will be specified in the notice and established, in HRSD's sole discretion, to encourage competition and public-private partnerships in accordance with the goals of the PPEA. The period of time for submission of competing proposals will be no fewer than 45 days from the date of posting the solicitation.

The solicitation notice shall set forth a description of the unsolicited proposal in sufficient detail to encourage the submission of competitive proposals and identify how interested proposers may view or obtain a copy of the unsolicited proposal and other information relevant to the submission of competing proposals and the evaluation protocols established under Section 3.1.5 of this policy.

3.1.5. *Evaluation Process: Unsolicited and Competing Proposals.*

HRSD will evaluate an accepted unsolicited proposal, and any competing proposals, for approval using one of the following evaluation procedures:

3.1.5.1. *Competitive negotiation process*

HRSD may utilize the competitive negotiation process described in this policy to evaluate the proposals upon a written determination that such process would be advantageous to HRSD and the public based on (i) the probable scope, complexity, or priority of the project; (ii) risk sharing including guaranteed cost or completion guarantees, added value or debt or equity investments proposed by the private entity; or (iii) an increase in funding, dedicated revenue source or other economic benefit that would not otherwise be available.

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If HRSD proceeds with competitive negotiations, the process shall be consistent with the procurement of “nonprofessional services” by competitive negotiation as set forth in VPPA § 2.2-4302.2 and § 2.2-4310(B). The written protocol shall include elements and evaluation factors best suited to the type of project that is the subject of the accepted unsolicited proposal.

When using the process described in this subsection, HRSD shall not be required to select the proposal with the lowest price offer but may consider price as one factor in evaluating the proposals received. Other factors that may be considered include (i) the proposed cost of the qualifying facility; (ii) the general reputation, industry experience, and financial capacity of the private entity; (iii) the proposed design of the qualifying project; (iv) the eligibility of the facility for accelerated selection, review, and documentation timelines under the HRSD’s guidelines; (v) local citizen, ratepayer, and government comments; (vi) benefits to the public, localities, and ratepayers; (vii) the private entity’s compliance with a minority business enterprise participation plan or good faith effort to comply with the goals of such plan; (viii) the private entity’s plans to employ local contractors and residents; and (ix) other criteria that HRSD deems appropriate.

Prior to the posting of public notices as referenced above, above, a written protocol for evaluating proposals received must be approved by the Director of Procurement, Chief Engineer, and Legal Counsel as being consistent with the statutory provisions referenced in this subsection.

3.1.5.2. *Competitive sealed bidding*

Unless proceeding pursuant to a competitive negotiation process, HRSD will utilize a competitive bidding process, consistent with the procedures for competitive sealed bidding, as set forth in Virginia Code § 2.2-4302.1 and § 2.2-4310(B). Prior to the posting of public notices as referenced above, a written protocol for the competitive bid process shall be established, including such elements and evaluation factors as may be best suited for the type of project that is the subject of the unsolicited proposal and must be approved by the Director of Procurement, Chief Engineer, and Legal Counsel as being consistent with the statutory provisions referenced in this subsection.

3.2. Solicited Proposals

Following approval by the Commission in accordance with the Procurement Policy, HRSD may initiate a PPEA process by requesting proposals or inviting bids from private entities for the development or operation of qualifying projects. Within its solicitation, HRSD shall specify reasonable selection criteria established consistent with Section 3.3 and the evaluation and selection protocol established under Section 3.2.1.

3.2.1. Evaluation Process: Solicited Proposals.

When soliciting and evaluating proposals, HRSD may utilize procurement protocols that are consistent with the procedures in Section 3.1.5 of this policy and informed by the procedures implemented in Procurement Policy Appendices F-1 and F-2. Unless proceeding under a protocol as described in Section 3.1.5(b), HRSD shall make a written determination that such other process would be advantageous to HRSD and the public based on (i) the probable scope, complexity, or priority of the project; (ii) risk sharing including guaranteed cost or completion guarantees, added value or debt or equity investments proposed by the private entity; or (iii) an increase in funding, dedicated revenue source or other economic benefit that would not otherwise be available. Prior to the posting of public notice of the solicitation as referenced below, a written protocol for evaluating proposals received must be approved by the Director of Procurement, Chief Engineer, and Legal Counsel as being consistent with this policy and the PPEA.

3.2.2. Notice of Solicitation.

HRSD will post notice of its PPEA solicitation in a manner consistent with PPEA § 56-575.17(A). HRSD may provide any additional notice that it deems appropriate to encourage competition and the purposes of the PPEA.

3.3. Evaluation and Approval of Proposals.

3.3.1. Evaluation.

The HRSD Commission finds that analysis of proposals, including the specifics, advantages, disadvantages, and the long- and short-term costs of such proposals shall be performed by employees of HRSD. To the extent deemed necessary or beneficial by the General Manager, or designee, HRSD is authorized to engage the services of qualified professionals, which may include an architect, professional engineer, or certified public accountant, not otherwise

employed by HRSD, to provide independent analysis regarding the specifics, advantages, disadvantages, and the long- and short-term costs of proposals.

Any protocol established in accordance with Section 3.1.5 or 3.2.1 of this policy shall include reasonable project-specific criteria for choosing among competing proposals. Project-specific criteria shall be appropriate to the framework selected by HRSD for evaluation of proposals (competitive negotiation or competitive bidding).

HRSD may reject any proposal or cancel a PPEA solicitation at any time.

Timelines for evaluation, selection, and approval of proposals will depend on many factors, including complexity of the qualifying project, the number of proposals received, staff workload, and HRSD Commission meeting schedules.

Following the required public hearing, and upon completion of the Committee's review and evaluation of the proposals consistent with the protocol established under this policy, the Director of Procurement or Chief Engineer shall prepare final recommendations on selection and approval for the General Manager's consideration.

3.3.2. Approval.

HRSD will approve one or more proposals if it determines that:

- a. There is a public need for, and benefit derived from, the qualifying project.
- b. The estimated cost of the qualifying project is reasonable in relation to similar facilities; and
- c. The private entity's plans will result in the timely development or operation of the qualifying project

3.3.3. Selection.

HRSD shall select the private entity which, in its opinion, has made the best proposal and provides the best value, and shall begin negotiation of an interim or comprehensive agreement with that private entity. Upon approval of a proposal, HRSD shall establish a date for the commencement of activities related to the qualifying project which may be extended from time to time.

Approval of any proposal shall be subject to the private entity entering into an interim agreement (if appropriate) and a comprehensive agreement with HRSD pursuant to the PPEA and this policy.

3.4. Interim and Comprehensive Agreements.

3.4.1 General. Prior to developing or operating the qualifying project, the selected private entity shall enter into a comprehensive agreement with HRSD. Prior to entering a comprehensive agreement, an interim agreement may be entered into that permits a private entity to perform compensable activities related to the project. Any interim or comprehensive agreement shall define the rights and obligations of HRSD and the private entity with regard to the project. The interim and comprehensive agreements and any amendments thereto must be approved by the HRSD Commission.

3.4.2. Interim Agreement Terms. Prior to or in connection with the negotiation of the comprehensive agreement, HRSD may enter into an interim agreement with the private entity proposing the development or operation of the qualifying project. The scope of an interim agreement may include, but is not limited to:

1. Project planning and development;
2. Design and engineering;
3. Environmental analysis and mitigation;
4. Survey;
5. Ascertaining the availability of financing for the proposed facility through financial and revenue analysis;
6. Establishing a process and timing of the negotiation of the comprehensive agreement; and
7. Any other provisions related to any aspect of the development or operation of a qualifying project that the parties may deem appropriate prior to the execution of a comprehensive agreement.

3.4.3. Comprehensive Agreement Terms. Prior to developing or operating the qualifying project, the selected private entity shall enter into a comprehensive agreement with HRSD. The comprehensive agreement shall define the rights and obligations of HRSD and the private entity with regard to the project.

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As provided by the PPEA, the terms of the comprehensive agreement shall include, but not be limited to:

1. The delivery of maintenance, performance, and payment bonds or letters of credit in connection with any acquisition, design, construction, improvement, renovation, expansion, equipping, maintenance, or operation of the qualifying project, in the forms and amounts satisfactory to HRSD and in compliance with § 2.2-4337 for those components of the qualifying project that involve construction;
2. The review and approval of plans and specifications for the qualifying project by HRSD;
3. The rights of HRSD to inspect the qualifying project to ensure compliance with the comprehensive agreement;
4. The maintenance of a policy or policies of liability insurance or self-insurance reasonably sufficient to insure coverage of the project and the tort liability to the public and employees and to enable the continued operation of the qualifying project;
5. The monitoring of the practices of the private entity by HRSD to ensure proper maintenance, safety, use, and management of the qualifying project;
6. The terms under which the private entity will reimburse HRSD for services provided;
7. The policy and procedures that will govern the rights and responsibilities of HRSD and the private entity in the event that the comprehensive agreement is terminated or there is a material default by the private entity including the conditions governing assumption of the duties and responsibilities of the private entity by HRSD and the transfer or purchase of property or other interests of the private entity by HRSD;
8. The terms under which the private entity will file appropriate financial statements on a periodic basis;
9. The mechanism by which user fees, lease payments, or service payments, if any, may be established from time to time upon agreement of the parties. Any payments or fees shall be the same for persons using the facility under like conditions and that will not materially discourage use of the qualifying project;

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- a. A copy of any service contract shall be filed with HRSD;
 - b. A schedule of the current user fees or lease payments shall be made available by the private entity to any member of the public upon request;
 - c. Classifications according to reasonable categories for assessment of user fees may be made.
10. The terms and conditions under which HRSD will contribute financial resources, if any, for the qualifying project;
 11. The terms and conditions under which existing site conditions will be assessed and addressed, including identification of the responsible party for conducting the assessment and taking necessary remedial action;
 12. The terms and conditions under which HRSD will be required to pay money to the private entity and the amount of any such payments for the project;
 13. The terms and conditions under which the qualifying project may be developed or operated in phases or segments;
 14. Other requirements of the PPEA or other applicable law; and
 15. Such other terms and conditions as HRSD determines serve the public purpose of the PPEA.

3.5. Notice and Posting Requirements.

3.5.1. Notice to Affected Jurisdictions.

If a private entity requests approval from, or submits a proposal to, HRSD under the authority in PPEA § 56-575.4 and this policy, then the private entity must provide each affected jurisdiction with a copy of its request or proposal. If HRSD has requested proposals or invited bids for qualifying projects pursuant to PPEA § 56-575.4(B) and policy Section 3.2, then HRSD may elect to provide each affected jurisdiction with copies of the submitted proposals on behalf of private entities, which election shall be identified in the solicitation. Each affected jurisdiction will have 60 days from the receipt of the proposal to submit written comments to HRSD and to indicate whether the proposed qualifying project is compatible with (i) its Comprehensive Plan, (ii) its infrastructure development plans, or (iii) its capital improvements budget or other government spending plan. Comments received within the 60-day period shall be given

consideration by HRSD; however, no negative inference shall be drawn from the absence of comment by an affected jurisdiction.

3.5.2. Notice to Stakeholders.

In its sole discretion, HRSD may require proposers to provide notice, or a copy, of its request or proposal to stakeholders that HRSD believes may have an interest in or be affected by the proposed qualifying project. Such requirement, and the relevant stakeholders, will be identified by HRSD in the solicitation for proposals or competing proposals.

3.5.3. Posting of Conceptual Proposals.

If accepted by HRSD, conceptual proposals submitted in accordance with this policy and subsection A or B of PPEA § 56-575.4 shall be posted on HRSD's website or on the Virginia Department of General Services' central electronic procurement website within 10 working days after acceptance. At least one copy of accepted proposals shall be made available for public inspection by HRSD. Nothing in this policy shall be construed to prohibit the posting of the conceptual proposals by additional means deemed appropriate by HRSD so as to provide maximum notice to the public of the opportunity to inspect the proposals.

3.5.4. Notice of Public Hearing on Proposals.

In addition to the posting requirements of PPEA § 56-575.17(A)(2), if HRSD determines that any proposals received warrant further consideration, HRSD shall advertise for a public hearing to discuss proposals it has received during the proposal review process. Such hearing shall be held at least 30 days prior to entering into an interim or comprehensive agreement and may occur at a regularly scheduled meeting of the HRSD Commission. Such notice shall be advertised at least 7 calendar days prior to the public hearing. Public comments may be submitted to HRSD at any time during the notice period and prior to the public hearing. After the public hearing and the end of the public comment period, no additional posting shall be required based on any public comment received.

3.5.5. Notice of Proposed Agreement.

Once the negotiation phase for the development of an interim or a comprehensive agreement is complete and a decision to award has been made, the proposed agreement shall be posted in the following manner:

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1. On the HRSD website prior to the execution of the agreement.
2. In addition to the posting requirements, a copy of the proposals shall be made available for public inspection. Trade secrets, financial records, or other records of the private entity excluded from disclosure under the provisions of subdivision 11 of Virginia Code § 2.2-3705.6 shall not be required to be posted, except as otherwise agreed to by the HRSD and the private entity.
3. Any studies and analyses considered by HRSD in its review of a proposal shall be disclosed prior to the execution of an interim or comprehensive agreement.

3.5.6. Availability of Procurement Records.

Once an interim agreement or a comprehensive agreement has been entered into, HRSD shall make procurement records available for public inspection, upon request.

1. Such procurement records shall include documents protected from disclosure during the negotiation phase on the basis that the release of such documents would have an adverse effect on the financial interest or bargaining position of HRSD or the private entity in accordance.
2. Such procurement records shall not include:
 - a. trade secrets of the private entity as defined in the Uniform Trade Secrets Act (Virginia Code § 59.1-336 *et seq.*) or
 - b. financial records, including balance sheets or financial statements of the private entity that are not generally available to the public through regulatory disclosure or otherwise.

4.0 Responsibility and Authority.

The General Manager/CEO is authorized to act as the HRSD Commission's agent for administration and interpretation of this policy. If the policy does not expressly require an action to be taken by the HRSD Commission, then any action specified to be taken by HRSD may be taken by the General Manager or any person(s) to whom that officer delegates responsibility for such action in writing.

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Under the direction of the Chief Financial Officer, the Director of Procurement, and the Chief Engineer, shall be responsible for overall development, management, and implementation of this policy on behalf of the HRSD Commission and HRSD.

The General Manager/CEO is authorized to establish a standing working group of HRSD employees, to be responsible for evaluating proposals, negotiating terms and conditions for any interim or comprehensive agreement, and for making recommendations to the General Manager/CEO on those matters.

The HRSD Commission retains the sole authority to (i) accept unsolicited PPEA proposal and invite competing proposals where the total value of the resulting agreement(s) is projected to exceed \$200,000, (ii) approve the solicitation of PPEA proposals for a qualifying project, and (iii) review and approve any proposed interim agreement or comprehensive agreement, and amendments thereto, prior to execution.

HRSD Commission Meeting Minutes
August 25, 2025
Attachment #12

23. Informational Items

a. Management Reports

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

b. [Strategic Measures Summary](#)

c. [Emergency Declarations](#)

- (1) [Nansemond Plant Replacement Gearbox for Emergency Bypass Pond Valve at NTP Emergency Declaration](#)

August 11, 2025

Re: General Manager's Report



Environmental Responsibility

Staff submitted our request to transition from the existing federal Consent Decree to a Virginia Department of Environmental Quality (DEQ) Consent Order to Region 3 Environmental Protection Agency (EPA) Administrator Amy Van Blarcom-Lackey on July 22. We understand that DEQ Director, Michael Rolband, will be meeting with Administrator Van Blarcom-Lackey in the coming weeks to discuss this request.

Treatment Compliance and System Operations: There were multiple events this month and additional details are available in the Air and Effluent Summary in the Water Quality monthly report.

- From Fiscal Year (FY) 2026 to date, there have been five Permit Exceedances out of 4,655 Total Possible Exceedances.
- Pounds of Pollutants Removed in FY 2026 to date: 16.9 million pounds.

Water Quality: No civil penalties were issued in July.



Financial Stewardship

Eric Shelton, Lead Operator at James River, made a great recommendation to install a sodium hydroxide feed line upstream of the SWIFT process biologically active filters to allow for pH adjustment. This will allow us flexibility to switch between two different chemicals which will generate significant savings.

Staff successfully sold \$224 million in revenue bonds with a 12-month maturity. By acting as a “bridge loan”, the net present value savings was estimated at \$10.7 million. There was strong interest as the series was six times oversubscribed, meaning that there were more buyers than available bonds, which allowed us to secure a lower rate.

Staff ended Fiscal Year 2025 with an 84% CIP spend rate, which is slightly below average but represented the largest annual spend.



Talent

HRSD ended Fiscal Year 2025 with a very high 93% staffing level and a very low turnover of 7.9% inclusive of retirements and 5.3% excluding retirements. Retirement is the number one driver for turnover, with terminations and seeking a better career opportunity a distant second and third. The majority of turnover occurs within five years of employment.

In June, we experienced our first month without a reportable safety incident since December 2022. We are hopeful that our increased effort to focus on safety and additional resources is starting to have a positive impact.

Dr. Charles Bott was appointed by Governor Glenn Youngkin to the Virginia State Board of Health.



Community Engagement

Staff worked with Old Dominion University (ODU) on supporting STEM teachers by facilitating a SWIFT tour and in-depth discussion on the science and technology behind it. In addition, staff shared ideas and educational resources for the teachers to use in the classroom.



Innovation

A provisional patent was granted to HRSD for “Surface Modification of Exhausted Activated Carbon for the Enhanced Removal of Per- and Polyfluoroalkyl Substances (PFAS)”. This will enhance the ability for activated carbon to remove PFAS.

Garney, the nation’s largest water/wastewater contractor, has joined our innovation ecosystem as an industry partner. In addition, PureTerra, an Amsterdam based venture capital firm, joined our ecosystem. They were referred to us from Aarhus Vand, a progressive utility in Denmark that saw our [National Alliance for Water Innovation \(NAWI\) webinar](#).

Staff visited Virginia Tech’s (VT) College of Science and Engineering on July 8. Professors from various departments presented on their current research and HRSD presented on our industry challenges. The vision is to leverage HRSD’s industry insight to focus VT on developing demand side innovations. Then, we can test those innovations at HRSD facilities. There have been a number of new collaborations ongoing since our site visit. In addition, this coincides with the Governor’s recent commercialization initiative called “Lab to Launch”, which is intended to streamline the innovation process.

As an innovative utility, we try new things. To that end, HRSD will have our first WEFTEC booth that will showcase our SWIFT program and our technologies. We will be adjacent to the Innovation Pavilion and along the same row as WSSC Water and The Metropolitan Water Reclamation District of Greater Chicago (MWRD).

I look forward to seeing you in Virginia Beach at 9:00 a.m. on Tuesday, August 26, 2025.

Respectfully submitted,

Jay Bernas

Jay Bernas, P.E.
General Manager/CEO

TO: General Manager

FROM: Chief Communications Officer

SUBJECT: Monthly Report for July 2025

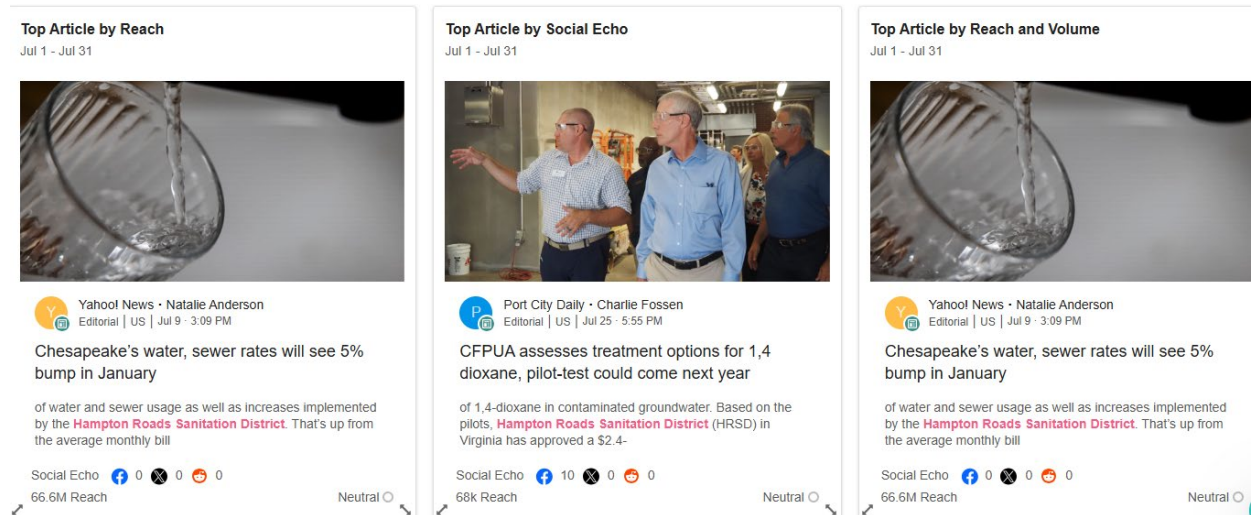
DATE: July 12, 2025

A. Publicity and Promotion

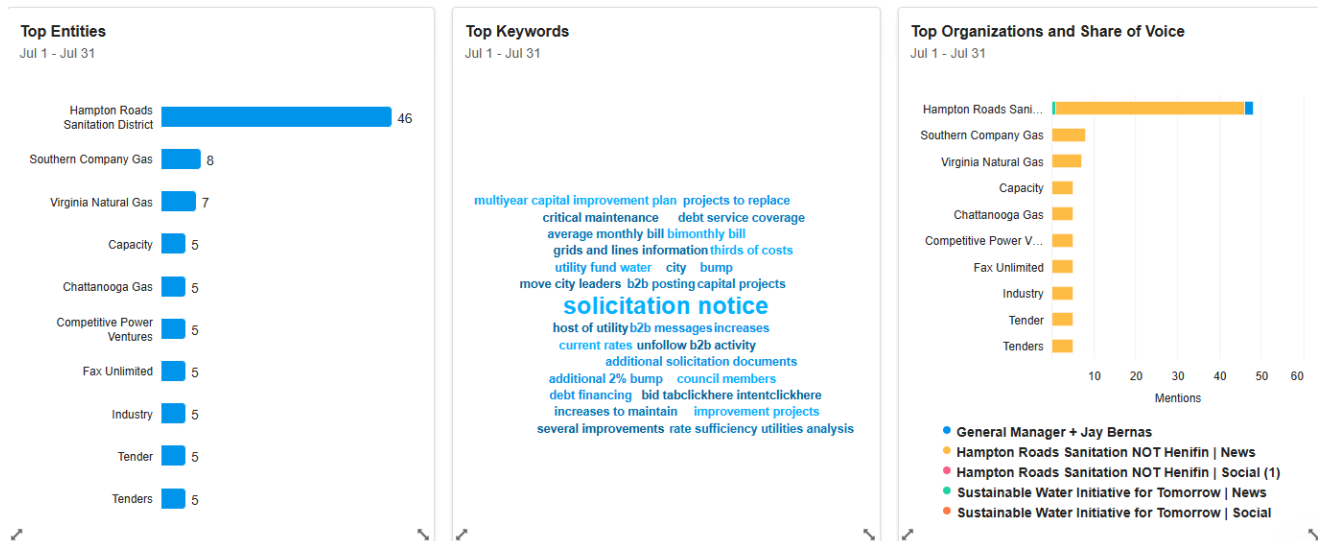
1. HRSD and the Sustainable Water Initiative For Tomorrow (SWIFT) were mentioned or featured in 14 stories this month. Topics included:
 - a. HRSD partners with VNG for renewable natural gas facility at Atlantic Treatment Plant.
 - b. Dr. Charles Bott appointed to Virginia Board of Health
 - c. Governor Youngkin announces Administration and Board Appointments
 - d. Smoke testing underway in Portsmouth to detect aging sewer line leaks
2. Analysis of Media Coverage
 - a. Key results for July



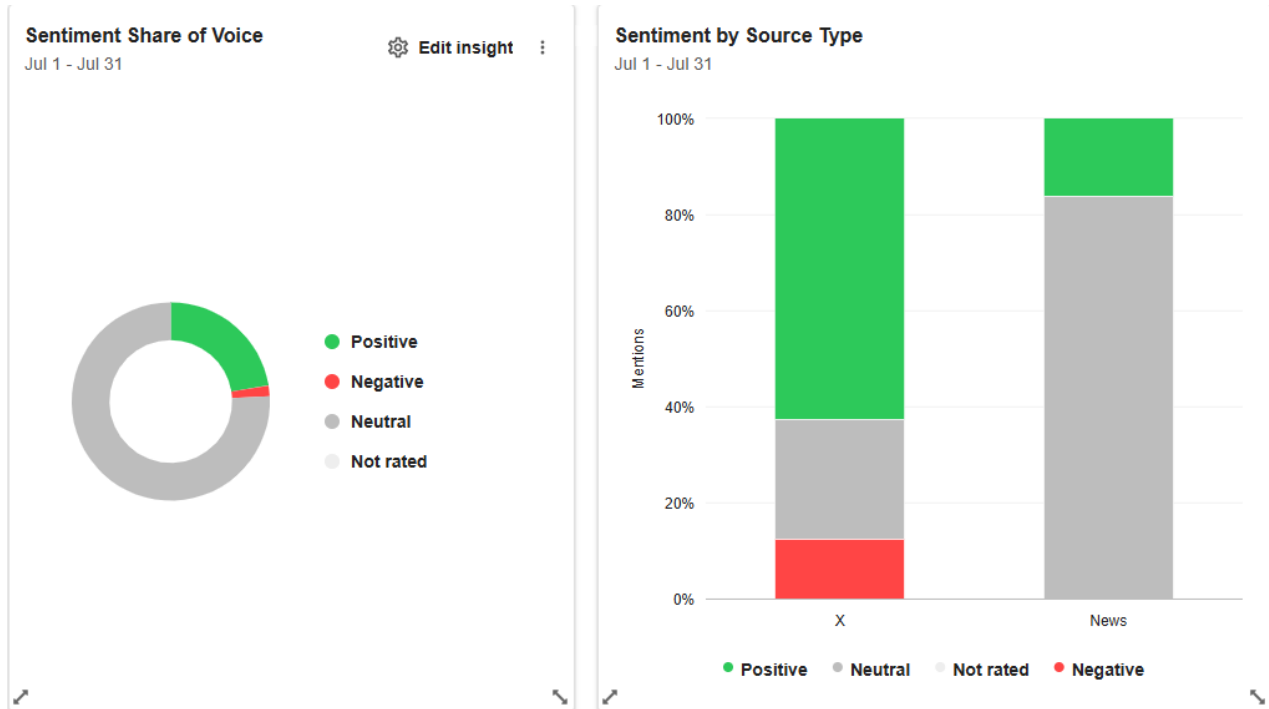
b. Top performing news content



c. Top entities and keywords

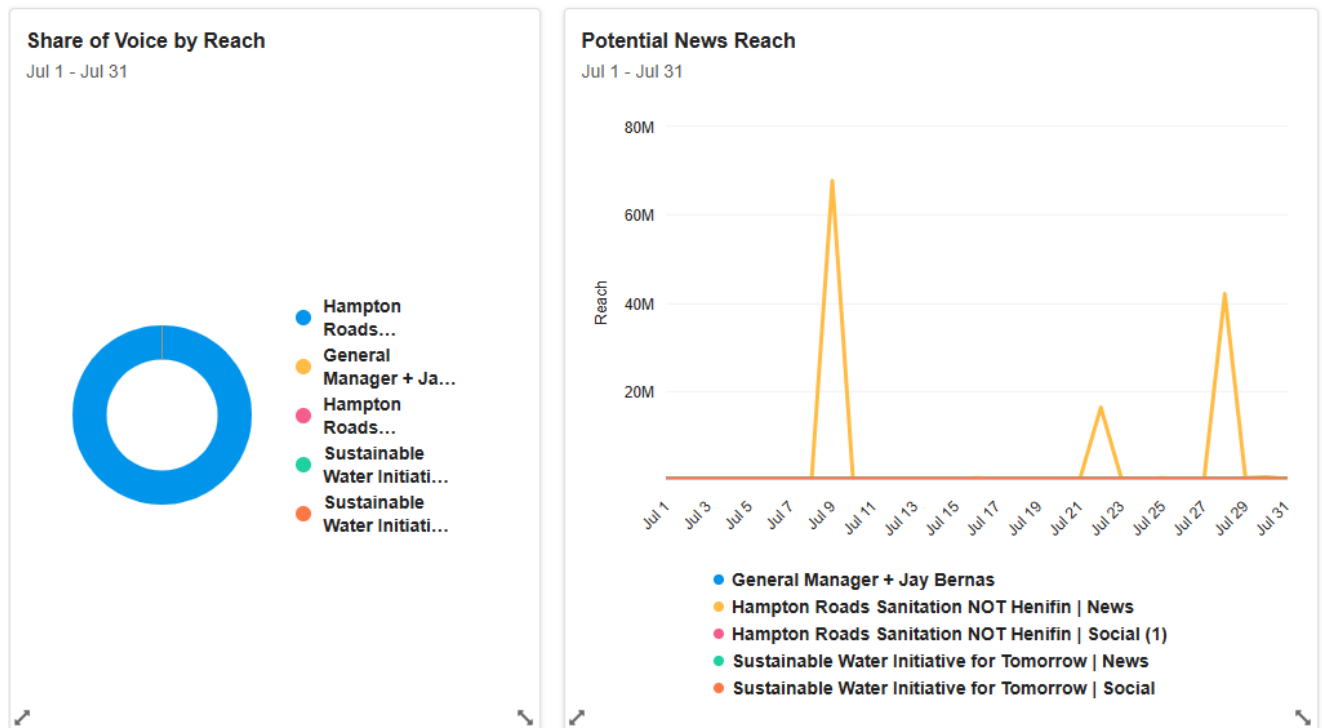


d. How favorable is the content?



(Negative sentiment associated with retweet about new customer payment portal)

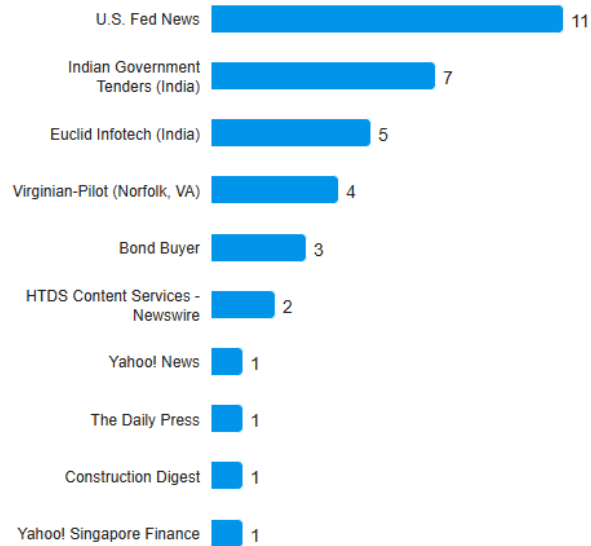
e. What is the potential reach?



f. Top publishers

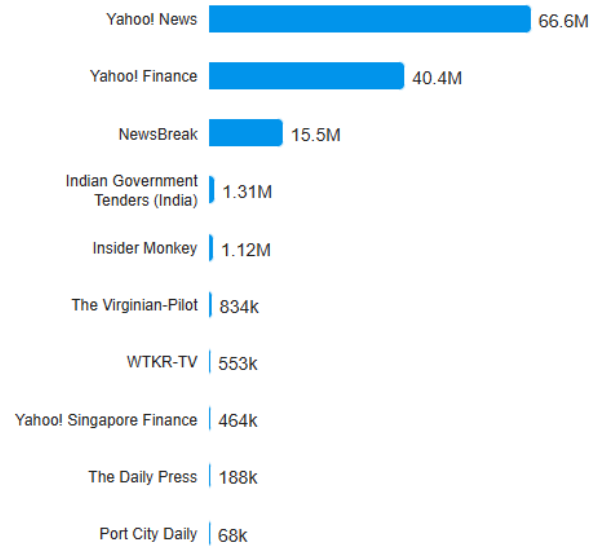
Top Publications by Mentions

Jul 1 - Jul 31



Top Publications by Editorial Reach

Jul 1 - Jul 31

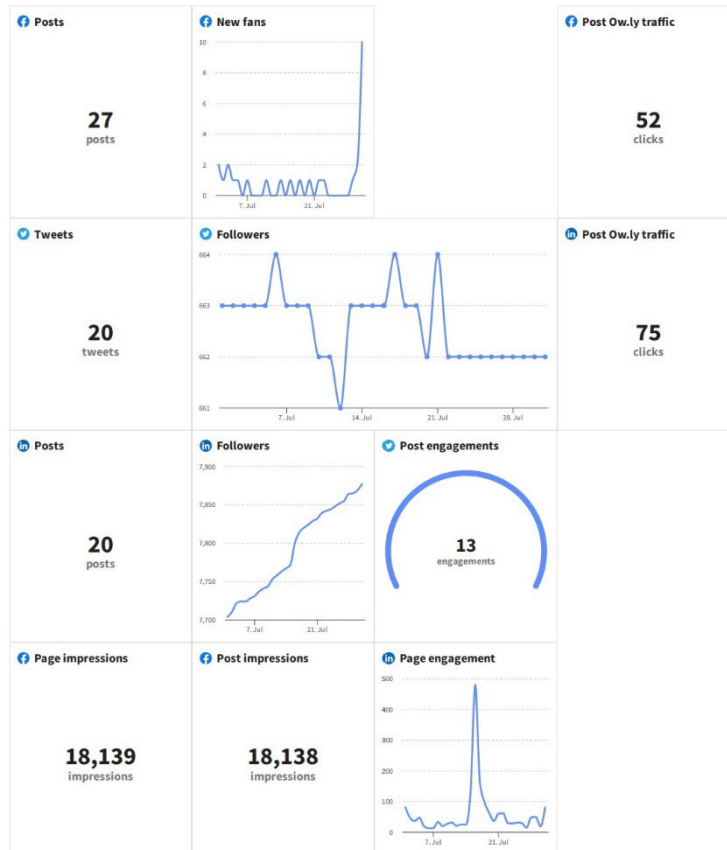




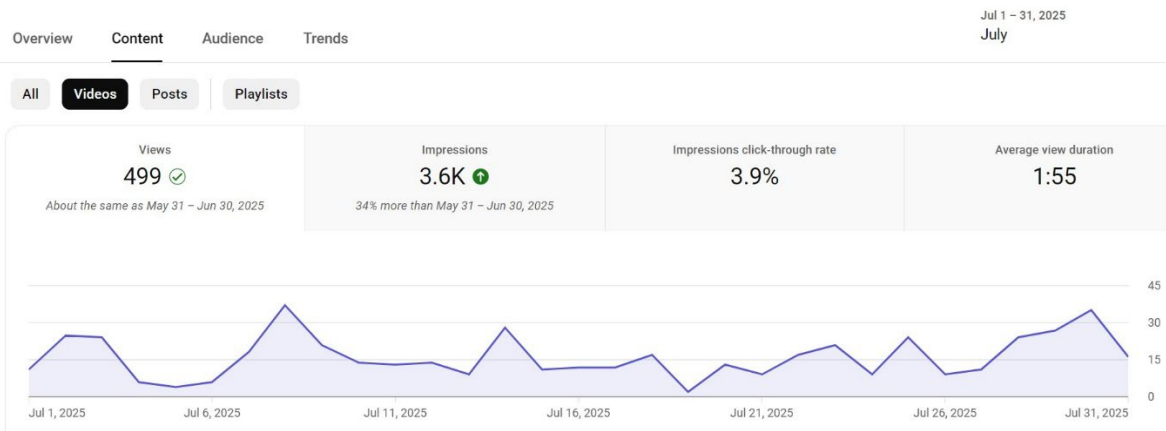
Community Engagement

B. Social Media and Online Engagement

1. Metrics – Facebook, X and LinkedIn



2. YouTube

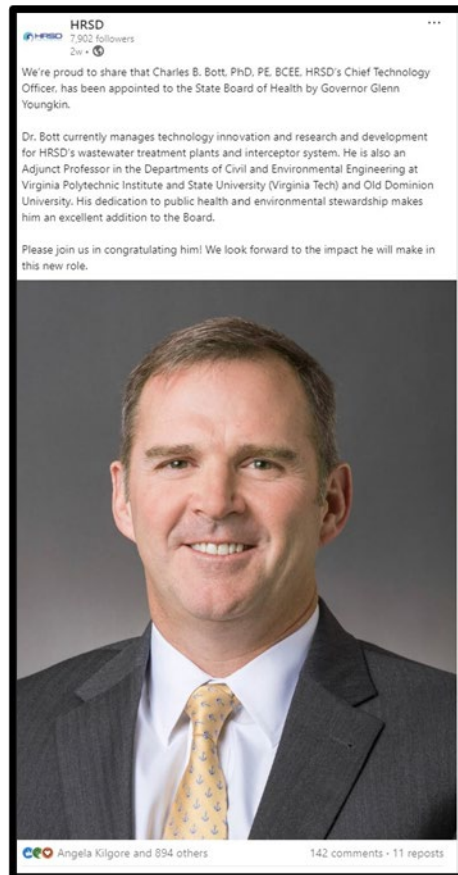


3. Top posts on Facebook, Twitter, and YouTube

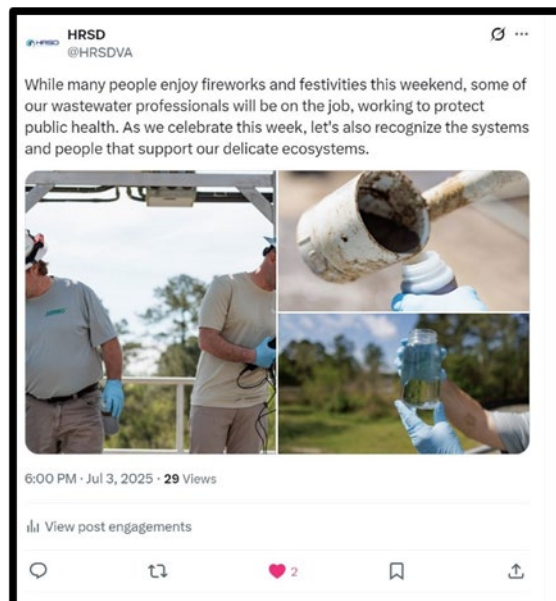
a. Top Facebook post



b. Top LinkedIn Post



c. Top X Post



- d. Top YouTube Videos (based on views in the month)
 - (1) [Atlantic Treatment Plant Cambi Tour](#)
 - (2) [The Wastewater Treatment Process](#)
 - (3) [My Account Portal Introduction](#)
 - (4) [SWIFT Research Center: What is the Potomac Aquifer](#)
 - (5) [Why SWIFT Matters](#)

4. Website and Social Media Impressions and Visits

- a. Facebook:
 - (1) 18,139 page impressions
 - (2) 18,138 post impressions reaching 16,970 users.
 - (3) Facebook Engagement of 647 (371 reactions, 75 shares, and 18 comments)
- b. X: 2% engagement rate
- c. HRSD.com/SWIFTVA.com: 764 page visits
- d. LinkedIn Impressions:
 - (1) 55,524 page impressions
 - (2) 51,690 post impressions
- e. YouTube: 499 views
- f. NextDoor unique impressions: 12,053 post impressions from 16 targeted neighborhood postings and one regionwide postings.
- g. Blog Posts (0):
- h. Construction Project Page Visits – 1,525 total

C. Education and Outreach Activity Highlights

Community Outreach and Education Specialists and HRSD Ambassadors participated in 17 outreach events reaching more than 575 people across the service region and reaching 14 different community partners including Portsmouth Public Schools, Newport News Public Schools, Old Dominion University, Virginia Living Museum, Virginia Department of Environmental Quality, Nansemond River Preservation Alliance, and Southern Environmental Law Center. Public Information Specialists participated in one project-related event on the Fourth of July in the South Norfolk community and have additional outreach planned for the coming months to keep communities updated as projects achieve critical milestones.

Community Outreach and Education Specialists attended the Virginia Association of Environmental Education Board meeting, the askHRgreen All Hands meeting and Project notices were distributed to 4,629 customers for 16 different projects across the service area this month. The department distributed and posted 12 construction notices/notices to neighbors, one news release and two traffic advisories HRSD.com Newsroom.

D. Internal Communications

CCO participated in the following internal meetings and events:

1. SWIFT Community Commitment Plan steering committee meeting
2. North Shore event for Wastewater Professionals Appreciation
3. InformaCast Training
4. Museum exhibit update meeting
5. 2027 Budget development team meeting
6. Security Team meeting
7. WEFTEC booth planning meeting
8. Bi-weekly General Manager (GM) briefings
9. Discharge Monitoring Report (DMR), SWIFT Quality Steering Team (QST), and HRSD QST meetings
10. Check-in meetings with Deputy General Manager (DGM)
11. CCO conducted biweekly Communications department status meetings and weekly one-on-one check-in meetings.

12. Staff participated in 31 project progress and/or construction meetings along with additional communication planning meetings with various project managers, plant staff, internal and external stakeholders.



Talent

Professional development activities and pursuits for July included the following:

- CCO is participating in a multi-part certificate course titled, “Professional Development: Ai Tools for the Modern Communicator”
- Public Information Specialist participated in LinkedIn Learning courses related to graphic design and web accessibility

Respectfully,

Leila Rice, APR

Chief Communications Officer

TO: General Manager

FROM: Chief Engineer

SUBJECT: Monthly Engineering Report for July 2025

DATE: August 13, 2025



Environmental Responsibility

Environmental Stewardship is one of the pillars of HRSD's Community Commitment Program. HRSD staff and several of our project teams are challenged to give back to the community through this program. Environmental Stewardship has been accomplished through numerous efforts including stream/neighborhood cleanups, working with students on environmental issues and oyster reef restoration. These initiatives help to reinforce HRSD's goal to protect the natural environment and are helpful as Team Building opportunities for staff and the firms that are delivering HRSD's many CIP projects.

HRSD's Providence Road Interceptor Force Main Replacement project includes the replacement of pipe across Morgan Trail Creek. This small tributary to the Elizabeth River has some erosion stream bank issues that the City of Virginia Beach would like to address. We will be considering options to combine this sewer replacement project and the City's desire to make improvements to this creek. Combining these efforts could result in a win-win for both the City and HRSD.



Financial Stewardship

Capital Improvement Program (CIP) spending for the final month of FY2025 was below the planned spending target.

CIP Spending (\$M):

	Current Period	FYTD
Actual	70.20	685.84
Plan	101.50	820.00

The final plan-to-actual-spend ratio is 84% which is slightly below the average ratio of recent years, but the planned spending target in FY2025 was very ambitious. HRSD has a significant CIP target of \$709M in FY2026. The FY2025 actual spending was by far HRSD's largest CIP spend in one fiscal year. This high level of spending will continue for the next few years as the Sustainable Water Initiative for Tomorrow (SWIFT) Program continues to be delivered. Operating costs for the Engineering Division were slightly below planned levels in FY2025. We ended the FY at 97% of the planned Operating Budget spending. The Engineering Division is fully staffed, which is the largest single driver of costs in the Engineering Division Operating Budget.

HRSD staff have been working closely with the VDEQ to finalize the numerous Water Quality improvement Fund grant applications. Grant applications are under review by VDEQ for work at James River, Boat Harbor and Nansemond. The grant agreement for work at the Boat Harbor Treatment Plant will likely be the next agreement to be finalized.



Talent

The Engineering Division uses external consultants and contractors to assist with large workload challenges or when a specialty skill or service is needed. We have recently selected the firm of L.S. Caldwell to assist HRSD with project compliance issues. They will assist HRSD with the review of all Davis-Bacon Wage determination issues on construction contracts. This requirement is a federal mandate that is included in each State Revolving Loan Fund contract. L.S. Caldwell will assist with issues such as:

- Attend pre-bid and preconstruction meetings to explain labor standards requirements to contractors and provide information as requested by contractors.
- Address labor compliance inquiries from contractors.
- Review and monitor weekly Certified Payroll Reports submitted by the contractors and subcontractors as well as supplemental labor compliance documentation, such as fringe benefit calculations and wage rate verification, the consultant will need to ensure all workers are paid the required prevailing wage rate and regulations are being followed.
- Interview contractor employees and verify interview results against submitted payrolls for projects requiring Davis-Bacon federal prevailing wage requirements.
- Respond to audit requests for information received from the Commonwealth of Virginia, the Federal Department of Labor (DOL), and other regulatory authorities. Attend and coordinate with federal agencies during project audit.

The Engineering Division has also begun a procurement effort to select a firm to assist with Claims related issues associated with construction projects. We occasionally have concerns raised by the public related to impacts on their property or businesses related to construction activities. It is often unclear how and when certain damages have occurred and whether the damage is caused by the contraction activities. The firm will assist HRSD to understand these claims and fairly resolve the issues. We expect to have this firm selected in the next few months.



Community Engagement

Old Dominion University (ODU) has a grant through the National Science Foundation to provide research experiences for teachers in Engineering and Computer Science. The faculty members supporting this year's class of local STEM teachers spent the afternoon at the SWIFT Research Center on July 31st. HRSD provided a presentation to the group of faculty, STEM teachers and ODU graduate students that covered multiple aspects of the SWIFT initiative and facilitated a good discussion. Communication Division staff shared ideas and educational resources for the

STEM teachers to use with their students. A tour of the SWIFT Research Center was also provided to all those in attendance. This event was an excellent opportunity to interact with ODU and some of the local high school teachers in the region.

The Engineering Division working with the City of Chesapeake Public Schools sponsored a high school student this Summer as part of their Mentorship and Job Shadowing Program. The student was exposed to many facets of the Engineering profession and was able to visit many of the ongoing project sites and meet with a diverse group of staff on a variety of technical topics. This program was created so that students could begin to understand the various career opportunities and options prior to considering a college major. We hope to continue the relationship with the City of Chesapeake Public Schools in the future.



Innovation

Remote vibration monitoring continues to be a growing and valuable tool to prevent premature failure of various critical equipment. Each treatment plant has remote sensing of vibration on critical assets (typically rotating assemblies on large pumps or centrifuges). With the initial success of this program, we have extended the remote coverage to the sewer interceptor system. The first test will be to install a remote sensor at the HRSD VA Route 337 Pressure Reducing Station. This station has had ongoing issues with the existing pumps and the ability to better understand any vibration issues should help to improve operations and planned maintenance.

The Special Projects Department is assisting with a new initiative through the RISE Resilience Innovation Program. RISE is an external team of professionals committed to helping innovators, entrepreneurs and coastal communities respond to the growing challenges of climate change and sea level rise. Staff is working on a series of challenges (i.e. problem statements that could be solved with innovative, non-traditional approaches) related to such HRSD focused topics including groundwater credits, land subsidence and recharge well clogging. Once finalized, the various challenges can be released by RISE as a request for proposals. Proposals can be evaluated and potentially funded through various federal, state and/or local sources. This program is a great opportunity to find innovative solutions to some of HRSD's most challenging problems.

Bruce W. Husselbee

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

TO: General Manager/CEO

FROM: Deputy General Manager and Chief Financial Officer

SUBJECT: Monthly Report for July 2025

DATE: August 13, 2025



Financial Stewardship

Debt Management

On July 8, 2025, staff successfully sold \$224 million Subordinate Wastewater Revenue Bonds, Series 2025A (the Bonds). The Bonds acts as a “bridge loan” resulting in a net present value savings estimated at \$10.71 million relative to HRSD’s existing federally subsidized loan program that staff previously closed on in 2024. HRSD plans on paying off the Bonds with this loan program approximately one year from now when the Bonds mature.

There was strong demand for the Bonds, with orders from over 20 separate investor accounts totaling an amount six times greater than the Bonds offered. The strong demand allowed staff to improve (lower) the interest rate on the Bonds following the initial order period.

Prior to the bond sale, Moody’s Investors’ Service assigned the Bonds a short-term rating of MIG 1 (best quality) and affirmed an Aa1 long-term rating on all outstanding revenue bonds. S&P Global Ratings assigned HRSD a short-term rating of SP-1+ (very strong capacity to pay debt service) and affirmed a long-term rating of “AA+”. Both ratings agencies indicated the outlook for these ratings as stable.

Grants Management

Three Water Quality Improvement Fund agreements were received and are under negotiation with the Virginia Department of Environmental Quality.

Accounting & Interim Financial Reports

For fiscal year 2025, HRSD's financial records remain open through mid-August. Audit work with Cherry Bekaert LLC has begun.

The fiscal year 2026 Operating Fund Interim Financial Report shows that revenues and expenses generally align with the adopted budget, for the first month of the fiscal year.

Billed consumption, the source of HRSD largest source of revenues, is lagging slightly behind budgetary projections and consumption in the prior fiscal year.

Summary of Billed Consumption (,000s ccf)							
Month	FY2025 Cumulative Budget Estimate	% Difference		% Difference		% Difference	
		FY2026 Cumulative Actual	From Budget	Cumulative FY2025 Actual	From FY2024	Cumulative 3 Year Average	From 3 Year Average
July	4,723	4,536	-3.9%	4,630	-2.0%	4,605	-1.5%
Aug	9,735	-	N/A	9,518	N/A	9,534	N/A
Sept	14,331	-	N/A	14,223	N/A	14,132	N/A
Oct	18,841	-	N/A	18,870	N/A	18,801	N/A
Nov	22,973	-	N/A	23,421	N/A	23,067	N/A
Dec	27,367	-	N/A	27,666	N/A	27,309	N/A
Jan	31,942	-	N/A	32,016	N/A	31,835	N/A
Feb	35,907	-	N/A	35,801	N/A	35,861	N/A
March	40,149	-	N/A	40,246	N/A	39,959	N/A
Apr	44,110	-	N/A	44,404	N/A	44,064	N/A
May	48,484	-	N/A	48,830	N/A	48,554	N/A
June	53,000	-	N/A	53,606	N/A	53,120	N/A

Customer Care:

Overall past due account balances remained steady during the month of July 2025, with a slight decrease in accounts with balances past due greater than 90 days, and slight increases to the 31-90 days delinquent accounts.

Field staff delivered 3,916 warning door tags and disconnected water service to 778 accounts during July 2025. Reduced disconnection activity is due to the legislative moratorium prohibiting disconnection of water service when temperatures are forecasted at 92 degrees or higher in the next 24-hours.

Staff dedicated significant effort to making outbound collections calls, arranging pay plans, leaving additional financial assistance information in addition to pre-emptive warning tags, and third-party collections for closed accounts.

Customer call, email, and chat volumes increased in July averaging over 4,300 transactions per week. The expansion of Chat availability has proved successful for customers seeking a quick answer rather than contact HRSD via phone. Customers appreciate being able to avoid long call queues and engage staff through the chat function.

The Call Center team emailed 2,611 after call surveys, receiving 203 responses with an overall 90 percent favorable score. 3,734 outbound text reminders of past due balances were sent, resulting in 1,940 (52 percent) payments made.

A. Entity Wide Interim Financial Report & Summary of Reserves

Hampton Roads Sanitation District Entity Wide Interim Financial Report & Summary of Reserves For the Period Ending July 31, 2025

	Operating Fund	Capital Fund	Total
Inflows			
Wastewater Treatment Charges	\$ 44,711,164	\$ -	\$ 44,711,164
Interest Income	1,427,983	389,674	1,817,657
Debt Issuances	-	54,035,087	54,035,087
Transfers-In	-	14,425,112	14,425,112
Total Inflows	46,139,147	68,849,873	114,989,020
Outflows			
Operational	27,022,637	-	27,022,637
Debt Service	6,416,280	-	6,416,280
Capital	-	78,233,091	78,233,091
Transfers-Out	14,425,112	-	14,425,112
Total Outflows	47,864,029	78,233,091	126,097,120
Net Increase (Decrease) in Reserves	(1,724,882)	(9,383,218)	(11,108,100)
Beginning Reserves	287,822,081	315,786,765	603,608,846
Ending Reserves	\$ 286,097,199	\$ 306,403,547	\$ 592,500,746
Ending Reserves Summary			
Unrestricted			
General	\$ 243,588,644	\$ -	\$ 243,588,644
Risk	4,799,555	-	4,799,555
PayGo	-	227,419,577	227,419,577
Total Unrestricted Reserves	248,388,199	227,419,577	475,807,776
Restricted			
Debt Service	37,709,000	-	37,709,000
Bond Proceeds	-	78,983,970	78,983,970
Total Ending Reserves	\$ 286,097,199	\$ 306,403,547	\$ 592,500,746

Notes to Entity Wide Interim Financial Report and Summary of Reserves

The Entity Wide Interim Financial Report and Summary of Reserves summarizes the results of HRSD's operations and capital improvements on a basis of accounting that differ from generally accepted accounting principles. Revenues are recorded when received and expenses are generally recorded when paid. No provision is made for non-cash items such as depreciation and bad debt expense.

Reserves represent the balance of HRSD's cash and investments classified into functional purposes.

B. Operating Fund Interim Financial Report - Budget to Actual

Hampton Roads Sanitation District Operating Fund Interim Financial Report Budget to Actual For the Period Ending July 31, 2025

	Adopted Budget	Current YTD	Current YTD as % of Budget (8% Budget to Date)	Prior YTD as % of Prior Year Budget
Operating Revenues				
Wastewater	\$ 486,718,000	\$ 39,017,902	8%	8%
Surcharge	1,568,000	105,925	7%	10%
Indirect Discharge	3,526,000	426,546	12%	9%
Fees	4,560,000	413,393	9%	8%
Municipal Assistance	734,000	124,747	17%	8%
Miscellaneous	808,000	20,811	3%	2%
Total Operating Revenue	497,914,000	40,109,324	8%	8%
Non Operating Revenues				
Facility Charge	6,620,000	732,105	11%	12%
Interest Income	11,500,000	1,817,657	16%	22%
Other	1,545,000	16,095	1%	4%
Total Non Operating Revenue	19,665,000	2,565,857	13%	17%
Total Revenues	\$ 517,579,000	\$ 42,675,181	8%	9%
Operating Expenses				
Personal Services	\$ 86,931,718	\$ 6,398,712	7%	7%
Fringe Benefits	31,343,890	2,329,093	7%	7%
Materials & Supplies	15,133,792	356,429	2%	2%
Transportation	2,669,455	95,762	4%	2%
Utilities	17,875,955	805,457	5%	5%
Chemical Purchases	18,487,242	729,514	4%	5%
Contractual Services	47,039,656	3,746,159	8%	7%
Major Repairs	11,732,392	247,903	2%	1%
Capital Assets	856,900	208,724	24%	0%
Miscellaneous Expense	4,406,656	553,359	13%	6%
Total Operating Expenses	236,477,656	15,471,112	7%	6%
Debt Service and Transfers				
Debt Service	108,000,000	6,416,280	6%	1%
Transfer to CIP	173,101,344	14,425,112	8%	8%
Total Debt Service and Transfers	281,101,344	20,841,392	7%	6%
Total Expenses and Transfers	\$ 517,579,000	\$ 36,312,504	7%	6%

Notes to Operating Fund Interim Financial Report – Budget to Actual

The Operating Interim Financial Report – Budget to Actual is intended to summarize financial results on an accounting basis similar to the Annual Operating Budget. The basis of accounting differs from generally accepted accounting principles and from the Entity Wide Interim Financial Report. Revenues are recorded on an accrual basis, whereby they are recognized when billed, and expenses are generally recorded on a cash basis. No provision is made for non-cash items such as depreciation and bad debt expense.

C. Capital Fund – Project Length Summary of Activity

HRSD - PROJECT ANALYSIS				July 31, 2025	
Classification/ Treatment Service Area	Appropriated Funds	Project to Date Expenditures	Encumbrances	Available Funds	
Administration	\$ 130,531,101	\$ 47,432,884	\$ 69,077,203	\$ 14,021,014	
Army Base	170,442,597	129,027,432	9,754,142	31,661,023	
Atlantic	222,419,068	43,677,533	57,583,959	121,157,576	
Boat Harbor	506,389,299	323,843,957	128,240,516	54,304,826	
Ches-Eliz	29,279,118	12,518,342	3,068,533	13,692,243	
Eastern Shore	63,870,076	46,000,178	2,098,571	15,771,327	
James River	365,161,716	279,392,251	51,847,438	33,922,027	
Middle Peninsula	86,712,227	22,557,916	6,044,815	58,109,496	
Nansemond	520,661,748	334,443,030	136,529,527	49,689,191	
Surry	57,978,543	49,678,818	3,101,521	5,198,204	
VIP	320,049,192	118,894,436	97,489,098	103,665,658	
Williamsburg	100,353,575	8,090,268	6,368,903	85,894,404	
York River	115,439,557	67,037,479	15,856,427	32,545,651	
General	1,515,771,808	528,745,977	710,220,795	276,805,036	
Total	\$ 4,205,059,625	\$ 2,011,340,501	\$ 1,297,281,448	\$ 896,437,676	

D. Summary of Debt Activity

	Fixed Rate	Variable Rate	Line of Credit	Total
Beginning Balance - June 30, 2025	\$ 1,757,251	\$ 50,000	\$ 92,462	\$ 1,899,713
Add:				
Principal Draws/Bond Proceeds	272,062	-	-	272,062
Capitalized Interest	759	-	-	759
Less:				
Principal Payments	(48)	-	-	(48)
Ending Balance - July 31, 2025	\$ 2,030,024	\$ 50,000	\$ 92,462	\$ 2,172,486
July 2025 Interest Payments	\$ (6,021)	\$ (92)	\$ (255)	\$ (6,368)

	SIFMA Index	HRSD Series 2016VR	Deviation to SIFMA
Maximum	4.71%	4.95%	0.24%
Average	1.52%	1.03%	-0.49%
Minimum	0.01%	0.01%	0.00%
As of 08/01/25	2.29%	2.25%	-0.04%

Since October 20, 2011, HRSD has averaged 103 basis points on Variable Rate Debt.

Subsidised Debt Activity						
Source	Funder	Loan Amount	Current Drawn Total	% Remain	Initial Draw Date - Projected	
WIFIA Tranche 1	EPA	\$ 225,865,648	\$ 225,865,648	0%	Closed Out	
WIFIA Tranche 2	EPA	\$ 476,581,587	\$ 476,581,587	0%	Closed Out	
WIFIA Tranche 3	EPA	\$ 346,069,223	\$ -	100%	July 2026	
Clean Water Program 2024	DEQ	\$ 80,000,000	\$ 70,185,752	12%	Ongoing	

E. Cash and Investment Summary

Operating Liquidity Accounts	Beginning Market Value July 1, 2025	YTD Contributions	YTD Withdrawals	YTD Income Earned	Ending Market Value July 31, 2025	Allocation of funds	Current Mo Avg Yield
BOA Corp Disbursement Account	\$ 43,574,043	\$ 172,983,778	\$ 173,096,565	\$ 49,929	\$ 43,511,185	8.3%	0.11%
BOA Operating Accounts	14,339,684	9,090,241	1,416,468	15,943	22,029,401	4.2%	0.07%
BNY Mellon Account	7,892,401	7,759,191	6,111,635	6,455	9,546,411	1.8%	0.07%
SNAP Accounts	143,929,872	5,832,673	71,168,249	389,674	78,983,970	15.1%	0.49%
VIP Stable NAV Liquidity Pool	324,275,659	98,202,414	55,000,000	1,394,205	368,872,278	70.5%	4.42%
Operating Liquidity Accounts	\$ 534,011,659	\$ 293,868,297	\$ 306,792,917	\$ 1,856,206	\$ 522,943,245	100.0%	

VIP Stable NAV Liquidity Pool performed 0.01% above to the Va Local Government Investment Pool's (the market benchmark) in the month of July 2025.

Total Return Account	Beginning Market Value July 1, 2025	YTD Contributions	YTD Withdrawals	YTD Income Earned & Realized G/L	Ending Market Value July 31, 2025	Allocation of funds	Yield to Maturity at Market
VIP 1-3 Year High Quality Bond Fund	69,597,188	-	1,138	236,625	69,557,501	100.0%	4.00%
Total Return Account	\$ 69,597,188	\$ -	\$ 1,138	\$ 236,625	\$ 69,557,501	100.0%	

VIP 1-3 Year High Quality Bond Fund performed equal to the ICE BofA ML 1-3 yr AAA-AA Corp/Gov Index (the market benchmark) in July 2025.

	Total	Fund Alloc
Operating Liquidity Accounts	\$ 522,943,245	88.3%
Total Return Account	\$ 69,557,501	11.7%
TOTAL	\$ 592,500,746	100.0%

F. Financial Performance Metrics Adjusted Days Cash on Hand

HRSD - UNRESTRICTED CASH

July 31, 2025

Can be used for any purpose since it is not earmarked for a specific use.

		Days Cash on Hand	Adjusted Days Cash on Hand
Total Unrestricted Cash	\$ 434,670,204		671
Risk Management Reserve	(4,799,555)	(8)	663
Capital (PAYGO only)	(186,282,005)	(287)	376
Adjusted Days Cash on Hand	\$ 243,588,644		376

Risk Management Reserve as a % of Projected Claims Cost is 25% YTD compared to 25% Policy Minimum

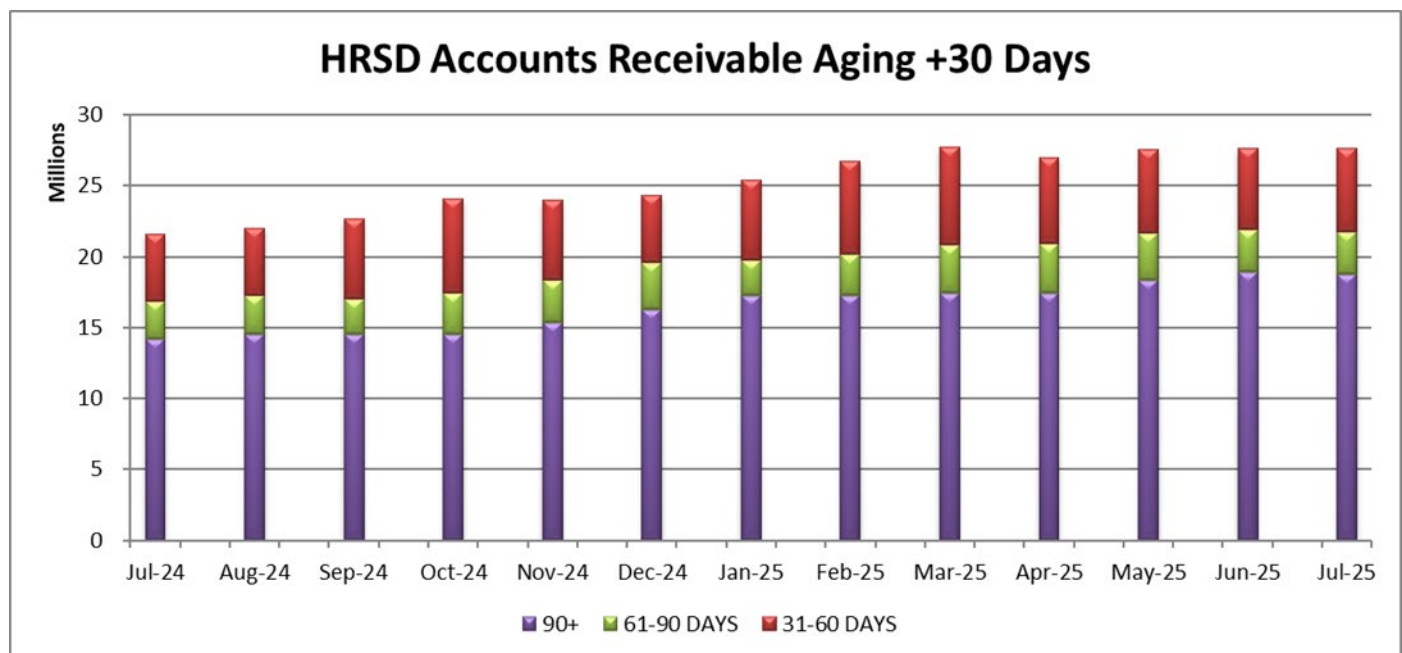
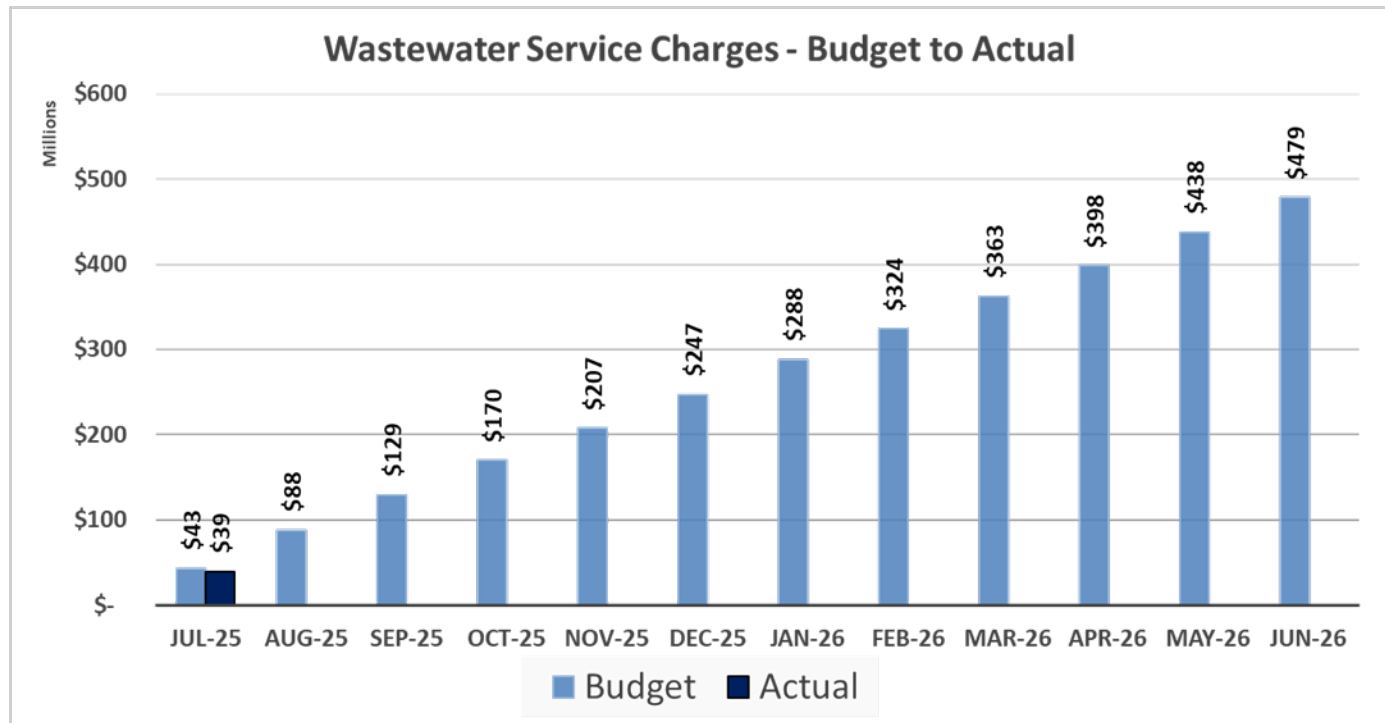
Adjusted Days Cash on Hand Policy Minimum is 270-365 days.

G. Summary of Grant Applications, Awards and Activity

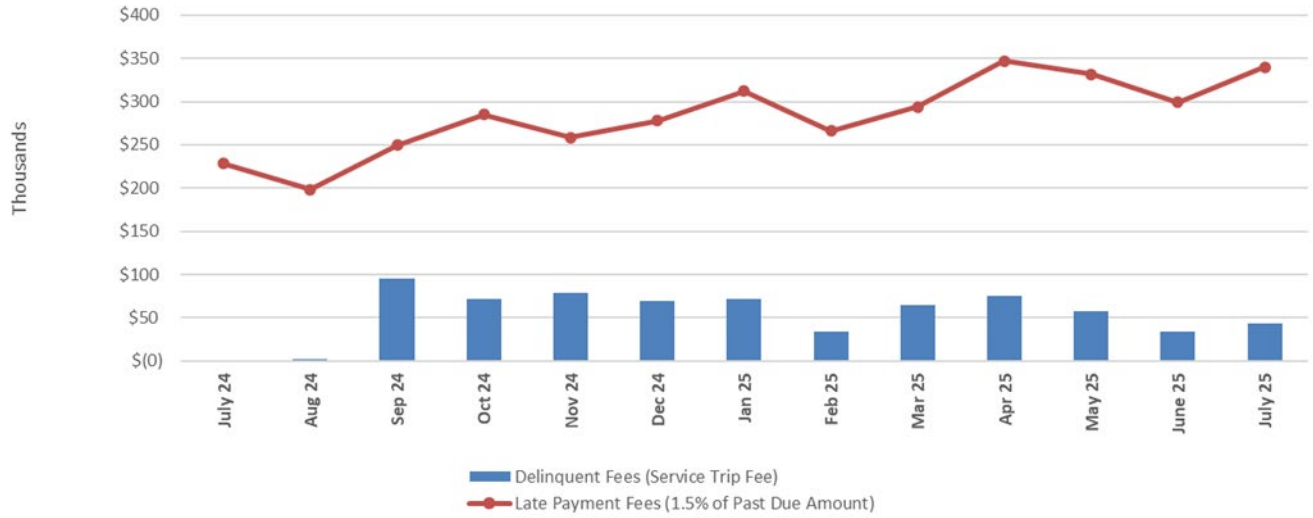
Active Capital Grants								
Grant Name	Funder	Project	CIP#	Application Submitted	Amount Requested	HRSD Award Amount	Reimbursement Rcvd as of 7/31/25	
FY24 Community Projects Funding	Congress, EPA	Eastern Shore Wastewater Improvements, Chincoteague	ES010500	3/7/2023	\$ 9,677,112	\$ 1,250,000	\$ -	
FY26 Community Projects Funding	Congress, EPA	Onancock Pump Stations	ES01100	4/7/2025	\$ 2,880,000	\$ -	\$ -	
FY25 Defense Community Infrastructure Grant	DOD	Army Base Treatment Plant Transmission Force Mail Replacement	AB01000	6/27/2025	\$ 11,628,043	\$ -	\$ -	
State Economic and Infrastructure Development Grant Program	SCRC	Design for Force Main Segmental Replacement in Portsmouth	NP015800	7/15/2025	\$ 350,000	\$ -	\$ -	
Community Flood Preparedness Fund	VDCR	Dozier's Corner Pump Station Replacement	AT015400	12/4/2024	\$ 6,265,669	\$ 6,265,669	\$ -	
Community Flood Preparedness Fund	VDCR	Onancock Treatment Plant Administrative Building Design	ES010300	10/30/2024	\$ 374,400	\$ 374,400	\$ -	
Community Flood Preparedness Fund (Loan)	VDCR	Army Base Treatment Plant Generator Controls Replacement	AB012100	1/22/2025	\$ 5,473,498	\$ 6,439,410	\$ -	
Non-Point Source Funding	VDEQ	Gloucester Septic to Sewer (Pay for Performance)	n/a	2/3/2024	\$ 1,180,000	\$ 1,180,000	\$ -	
Water Quality Improvement Fund	VDEQ	Boat Harbor Pump Station and Conveyance	BH015700 BH015710 BH015720 BH015730	3/4/2024	\$ 311,286,392	\$ 294,300,592	\$ -	
Water Quality Improvement Fund	VDEQ	James River SWIFT - Advanced Nutrient Reduction Improvements	JR013400	3/23/2023	\$ 344,741,547	\$ 332,191,617	\$ -	
Water Quality Improvement Fund	VDEQ	Nansemond Treatment Plant Advanced Nutrient Reduction Improvements Phase II	NP013820 GN016380	3/4/2024	\$ 127,657,505	\$ 88,099,660	\$ -	
					\$ 821,514,166	\$ 730,101,348	\$ -	

Active Non-Capital Grants								
Grant Name	Funder	Project	CIP#	Application Submitted	Amount Requested	HRSD Award Amount	Reimbursement Rcvd as of 7/31/25	
Decarbonization of Water Resource Recovery Facilities	DOE-AECOM	Technological Upscaling of the PdNA Process for Decarbonization with Mainstream Deammonification (42275)	n/a	3/23/2023	\$ 240,000	\$ 240,000	\$ -	
Water Research Foundation, Automated Controls Research	DOE-WRF	Crossing the Finish Line: Integration of Data-Driven Process Controls for Maximization of Energy and Resource Efficiency in Advanced WRRF (42205)	n/a	7/1/2021	\$ 120,000	\$ 120,000	\$ 120,000	
National Water Research Institute (Honorarium)	NWRI	Independent Advisory Panel for Colorado Nutrient Limits (42270)	n/a	4/8/2025	\$ 5,000	\$ 5,000	\$ 1,000	
Wildlife & Sport Fish Restoration, Boating Infrastructure Grant Program	VDH-DOI	FY25 Boater Education and Pump-Out Program	n/a	7/1/2024	\$ 70,000	\$ 57,700	\$ 25,032	
Wildlife & Sport Fish Restoration, Boating Infrastructure Grant Program	VDH-DOI	FY26 Boater Education and Pump-Out Program	n/a	3/24/2025	\$ 69,900	\$ 60,000	\$ -	
Water Research Foundation / Oceankind Project 5278	WRF	Nitrogen Reduction Solutions for Ocean Discharges (42260)	n/a	9/12/2024	\$ 45,000	\$ 45,000	\$ -	
					\$ 549,900	\$ 527,700	\$ 146,032	

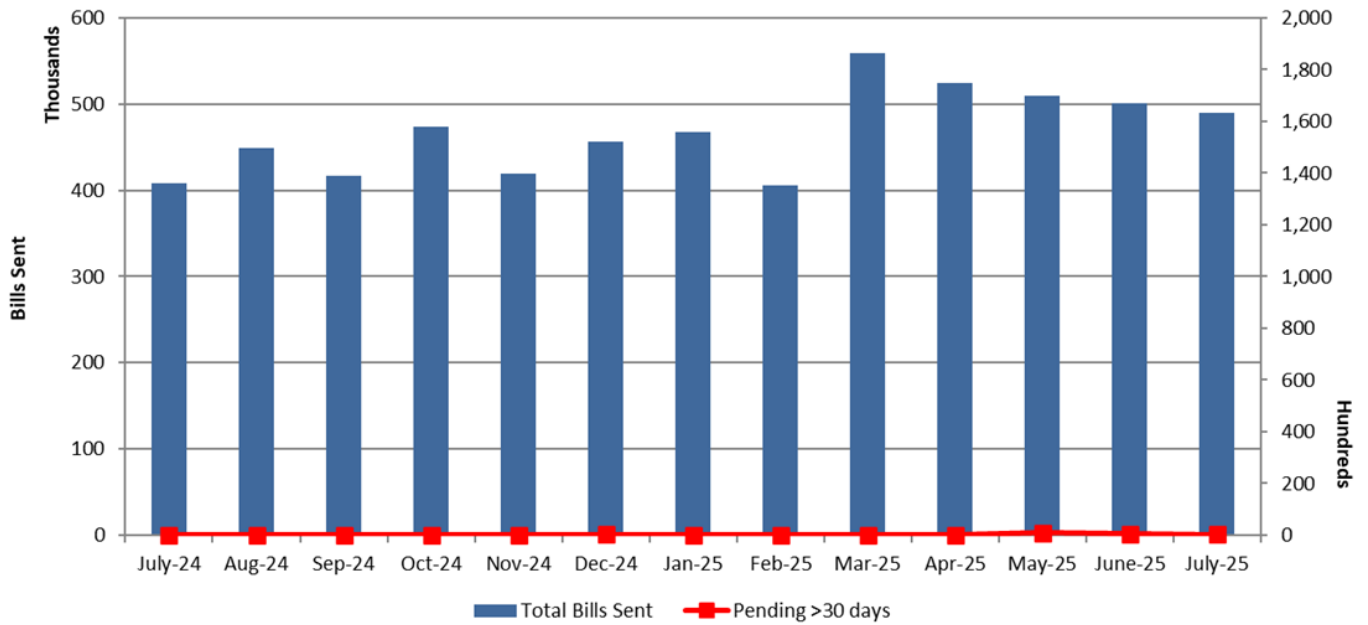
H. Customer Care Center – Key Statistics



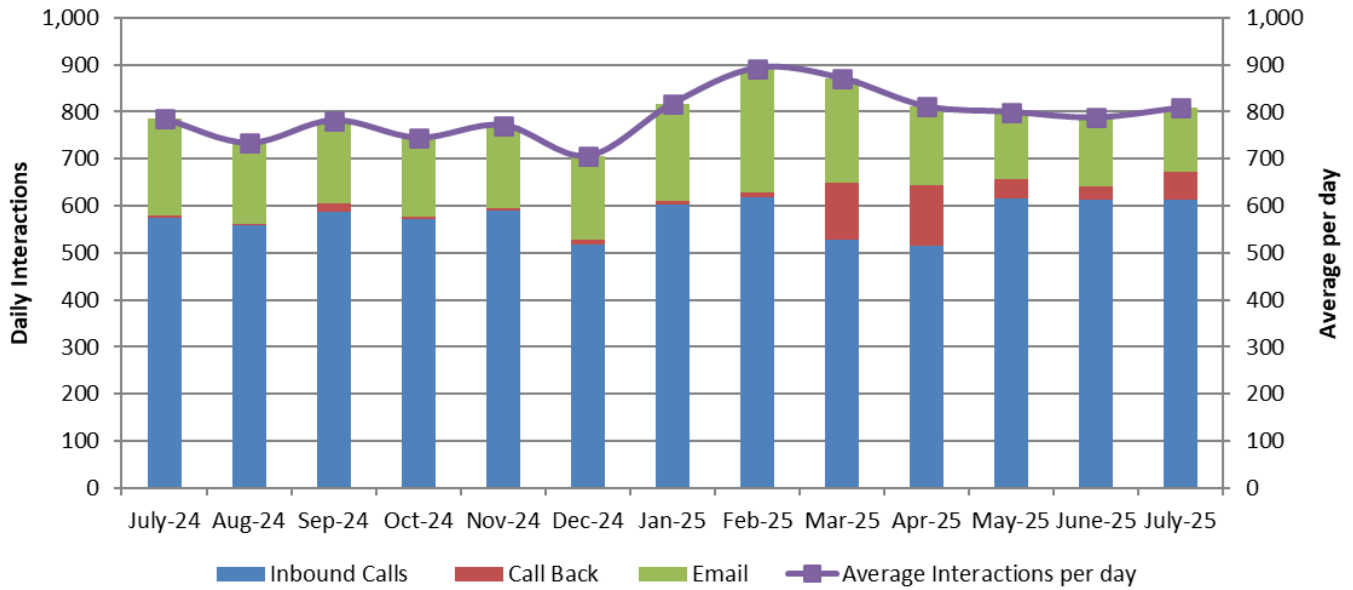
Delinquent & Late Payment Fees



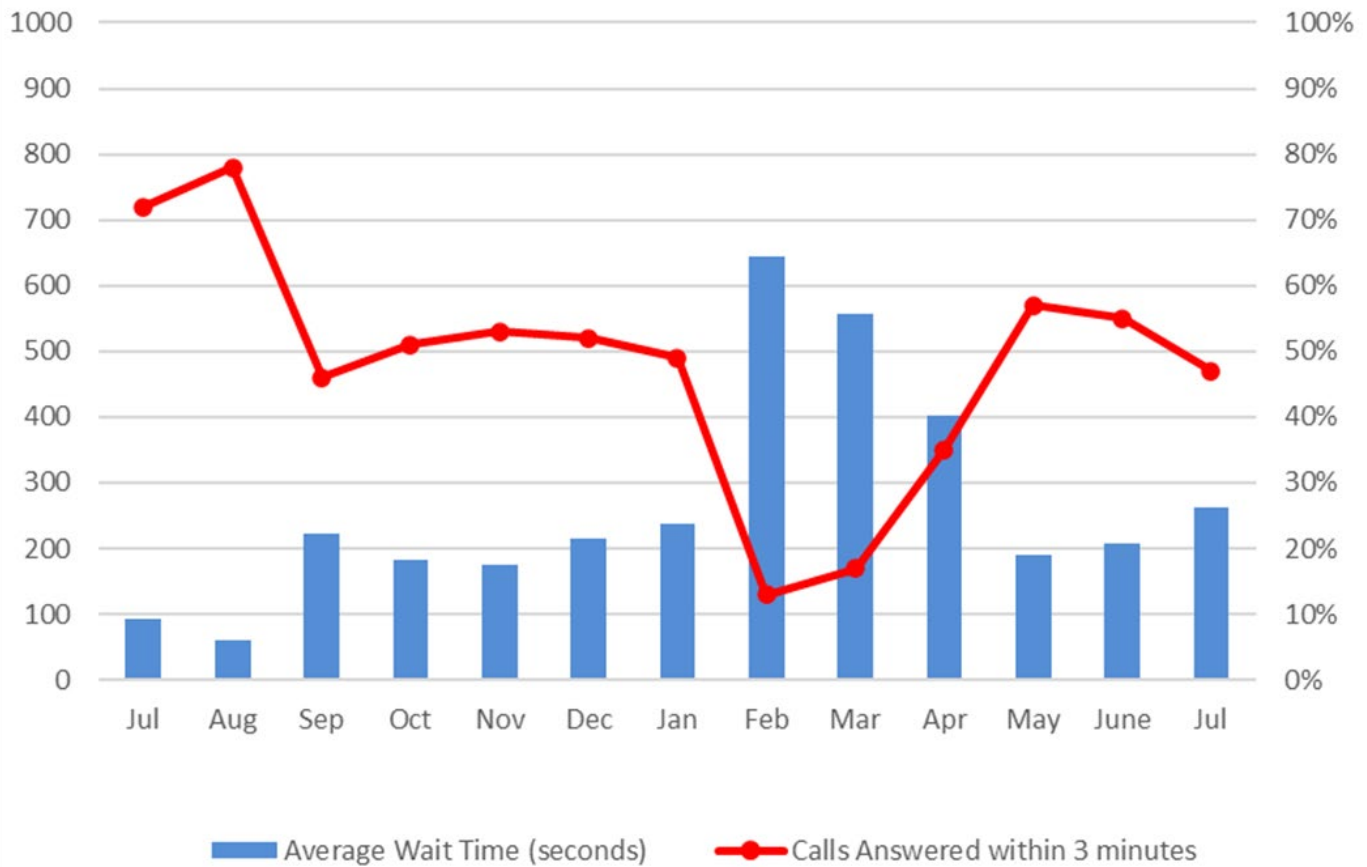
Billing Summary



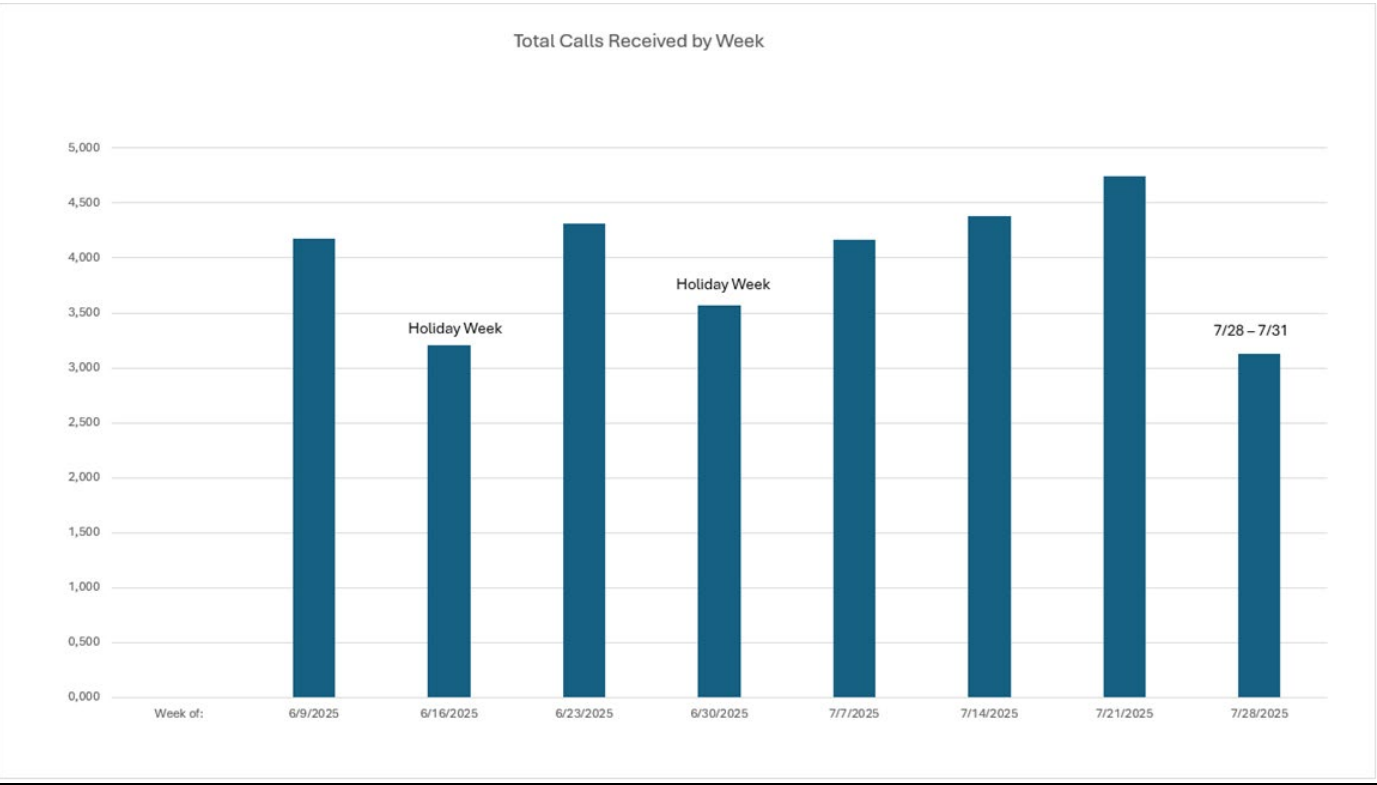
Call Center Interactions (per day)



Customer Interaction Statistics

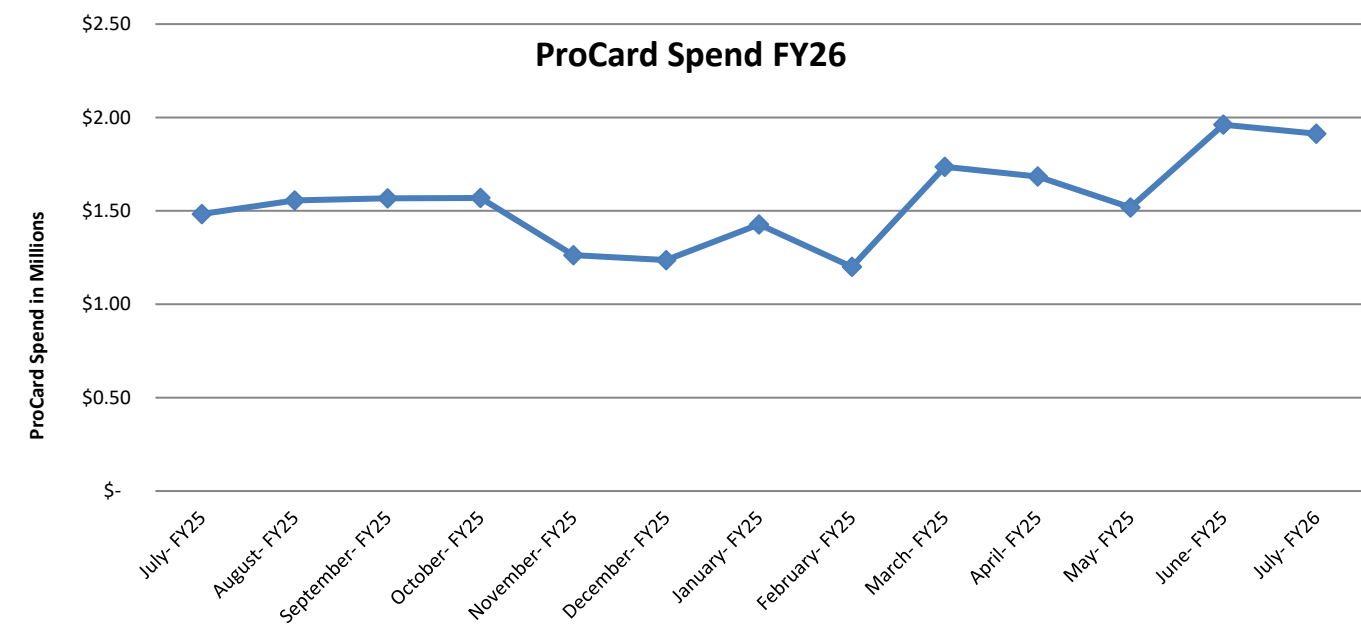


Customer Interaction Statistics													
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Jul
Calls Answered within 3 minutes	72%	78%	46%	51%	53%	52%	49%	13%	17%	35%	57%	55%	47%
Average Wait Time (seconds)	92	60	222	183	176	214	237	643	556	403	190	208	262
Calls Abandoned	9%	6%	18%	16%	16%	19%	21%	45%	44%	30%	16%	19%	22%



Item #	Strategic Planning Measure	Unit	July 2025
	Accounts Receivable (HRSD)	Dollars	\$55,501,098
	Aging Accounts Receivable	Percentage of receivables greater than 90 days	34.2%

I. Procurement Statistics



Respectfully,

Steven G. de Mik

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

TO: FROM: General Manager

SUBJECT: Chief Information Officer

DATE: Information Technology Division (ITD) Report for July 2025 July 11,
2025



Innovation

The IT Help Desk processed 4,447 work orders and requests for assistance in July.

Senior Systems Engineers have been working on data storage system replacements, Cisco equipment refreshes, Firewall replacements and retiring of old network hardware infrastructure.

Senior Systems Engineers have been working with the Safety department on final preparations for the Emergency Management Notification System (EMNS) scheduled to go-live in mid-August.

Senior Systems Engineers have been working with Verizon on various projects to replace old Verizon Network Circuits with newer technology at several treatment plants. They've also been working with Verizon to replace, move and install new circuits at multiple treatment plants due to ongoing construction projects.

Senior Systems Engineers have been working on network connectivity upgrades with several jurisdictions. James City Service Authority (JCSA) and City of Williamsburg cutovers are planned for completion in August.

Senior Systems Engineers continued work on network switch replacements at HRSD pump stations. They continued to participate in planning meetings related to various construction projects at HRSD treatment plants to provide input on technology items.

Staff continued the work on shutting down old EDS servers and prepping the equipment for salvage.

Cybersecurity continues to work with Digital Water on their large language model (LLM) with TeamSolve.

The results of the CrowdStrike network penetration test were completed. Cybersecurity staff and Senior System Engineers continue with remediation efforts to address the identified vulnerabilities from the CrowdStrike penetration testing.

Cybersecurity continued implementation work on the solution to improve network segmentation.

Programming staff continue working with Customer Care Management and the City of Portsmouth staff in post-go-live stabilization of data being received from the City of Portsmouth's new billing system.

Programming staff successfully completed the migrations efforts of the City of Williamsburg customer accounts in the Customer Care & Billing (CC&B) system from a model 4 to a model 1 billing partner on July 1,

2025.

Staff worked with Engineering's Asset Management team to complete an upgrade of the Hexagon Enterprise Asset Management (EAM) system.



Talent

Mr. Uday Revankar, the new Oracle Developer - ERP, began his new role. Recruiting efforts are continuing for the second vacant Oracle Developer - ERP position.

Interviews were conducted for the vacant IT Project Manager position. Internal candidate Melissa Niles was selected for the position and began her new role in mid-July.

Coleen Moody, Director of Enterprise Application Services and Ashley McCormick, IT Senior Project Manager attended the 2025 Agile Conference. This conference brings together information Technology project managers from around the world and provides deep dives into areas of agile Project Management for technical innovation and Artificial Intelligence.

Respectfully,

Mary Corby

Chief Information Officer

TO: General Manager/Chief Executive Officer

FROM: Chief Operating Officer

SUBJECT: Operations Monthly Report for July 2025

DATE: August 13, 2025



Community Engagement

Staff participated in several community events as follows:

1. On July 12, staff from the Electrical and Instrumentation (E&I) Department volunteered to support HRSD Community Education and Outreach initiatives during a Science, Technology, Engineering, Art, and Mathematics Camp with the Youth Football Camp at Norfolk State University.
2. On July 23, staff at the Atlantic Treatment Plant (ATP) gave a plant tour for the 437th Civil Affairs Battalion of the United States Army Reserve. The tour, attended by 16 participants, provided an in-depth overview of wastewater treatment processes.
3. On July 29-30, staff hosted the annual Sustainable Water Initiative for Tomorrow (SWIFT) Research Center Meeting in collaboration with Virginia Tech and Old Dominion University. The event brought together faculty, researchers, and graduate students engaged in SWIFT-related research. All participating students provided detailed updates on their ongoing projects. The meeting fostered valuable discussions, highlighted progress across multiple research areas, and reinforced the strong partnership between SWIFT and its academic collaborators. Insights from these updates will help guide future research priorities and operational improvements.
4. On July 30, staff at ATP provided a plant tour for participants from Virginia Beach Summer Camp.



Environmental Responsibility

Treatment and Interceptor System Reportable Items:

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

Internal Air and Odor Compliance:

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

1. The York River Treatment Plant (YRTP) experienced two odor scrubber exhaust exceptions for scrubber effluent hydrogen sulfide (H₂S) levels above five parts per million (ppm), both caused by power outages. The odor control scrubbers were also out of service for more than one hour on two occasions: the first for a contractor to perform maintenance on a breaker and the second was due to a power outage.
2. The Williamsburg Treatment Plant (WBTP) experienced four odor scrubber exhaust exceptions for scrubber H₂S levels above 5 ppm. Three were caused by an increase in the odor scrubber influent H₂S level, which required adjustment and increased chemical feed. One was caused by a recirculation pump that was unable to pull a suction.

Additional Topics of Interest:

1. The ATP had a Department of Environmental Quality inspection for Hazardous Waste on July 3. The inspection went well, and staff expect to receive the final inspection report by early August.

2. Since installation, the ATP has had numerous issues with their backup boiler for the Cambi process. Working with Procurement, a new company took over the rental boiler contract. The former supplier removed the old rental boiler, and the new contractor is installing a new, appropriately sized boiler unit which will be operational by August 4. This new boiler was specified to be quieter than the previous unit, which should reduce noise complaints when in use.
3. On the Advanced Nutrient Removal Improvements (ANRI) and SWIFT Project at the James River Treatment Plant (JRTP), both the new secondary clarifier and the secondary effluent junction/splitter box passed leak testing. Installation of the rake mechanism for the secondary clarifier has begun. Pipe was laid to connect the junction/splitter box to the contact tanks, the moving bed biofilm reactor, and SWIFT. Grading was also performed around both structures. For the new administration building, the contractor continued addressing punch list items, as well as grading and placing stone for construction of parking areas. In SWIFT buildings #1 and #2 work continued installing equipment, piping, conduit, wire and floor coatings. In SWIFT building #2 the underdrain system for the Biologically Active Filters was erected, and gates were set on the backwash equalization tank. At the methanol facility, equipment and piping installation progressed. Work also continued on all ten well buildings, ranging from foundation construction to interior finishing.
4. Equipment, conduit, piping, and the storage tank for the supplemental carbon feed system arrived at WBTP, allowing HRSD's Construction Support Team (CST) to resume construction. Underground utilities were identified, and pavement cutting was completed so that carbon feed piping can be laid to the aeration tanks. This project is required to meet stricter nutrient removal requirements going into effect in 2026.
5. The total volume of SWIFT recharge into the Potomac aquifer for the month of July was 15.66 million gallons (MG), 54.4 % recharge time based on 650 gallons per minute.
6. On four consecutive occasions, SWIFT water with elevated Total Nitrogen (TN) levels was introduced into the aquifer. While the July monthly average remained below 5 mg/L—and all daily values stayed within the allowable maximum of 8 mg/L—SWIFT staff are actively collaborating with the Water Quality Assurance team to identify the root cause. Corrective actions will be implemented as needed to prevent recurrence, including operational adjustments during full-scale operations.
7. Nansemond Treatment Plant (NTP) staff drained and cleaned Digester #2 as part of the WASSTRIP and Solids Handling upgrade. When the contractor began inspection and preparatory work, sludge was discovered in the attic space of the digester lid, which is unusual, and indicates a possible issue. This finding caused a delay until the attic could be pumped out and inspected, which is scheduled for August 4.
8. On multiple occasions throughout the past few months, NTP administration building drain line has caused a sanitary back up within the building. So far, two locations have been found where the terra cotta pipe had completely collapsed. Repairs have been made, but this may be a recurring issue with the old pipe as construction continues for ANRI.
9. On July 30, North Shore (NS) Interceptor Operations partnered with the Small Communities Department (SCD) to repair force main EF-005 in Accomack on the Eastern Shore after it was struck by a contractor. The joint effort included traffic control and flagging operations, Vaccon support, and mini excavator work to replace approximately 6 feet of damaged pipe. This collaboration leveraged in-house expertise without the need for outside contractors.
10. On July 23, South Shore (SS) Interceptor Operations supported the City of Chesapeake with a force main failure at the intersection of Cedar Road and Country Club Boulevard. Staff operated a system branch valve allowing the city to complete their work.
11. On July 30 and July 31, SS Interceptor Operations staff assisted WBTP by hydro excavating a trench to avoid damage to undocumented underground utilities for a plant project.
12. SS E&I staff worked with plant maintenance staff to replace the #1 generator radiator fan motor at BHTP. The issue was identified during a recent thermographic survey, which revealed a severe hot spot in the motor windings.
13. SS E&I staff performed multiple sludge judging operations on the Fats, Oils and Greases (FOG) decant tanks to confirm the separation between the two layers of grease viscosity at NTP. HRSD is evaluating the installation of a new level transmitter capable of detecting both layers, which will help optimize the production of the final brown grease product.

14. SS E&I staff responded to a power outage on June 23 and again on June 24, ATP. The plant generators started and successfully supplied power to the plant, however, when utility power was restored, E&I staff were unable to synchronize the generators to the utility as utility voltage exceeded generator voltage by more than 5%. Higher utility voltages are a known effect of high demand during extreme heat. Once the utility voltage fell back within the acceptable range, synchronization to the utility was completed. On June 25, Cummins technicians adjusted the generator control settings to allow synchronization with up to a 10% voltage differential. Since that change, the plant has transferred reliably between generators and utility without further issue.



Financial Stewardship

1. Mr. Eric Shelton, JRTP Lead Operator, recommended that our SWIFT contractor install a sodium hydroxide feed line upstream of the SWIFT process biologically active filters to allow for pH adjustment. This installation will provide flexibility to use alum, which may require a pH adjustment for discharge to the final effluent location, instead of aluminum chloralhydrate (ACH) when the cost difference between ACH and alum is significant. The ability to switch between the two chemicals has the potential to generate substantial annual savings on chemical costs without jeopardizing permit compliance.
2. SCD staff utilized the dewatering trailer to empty both digesters at the West Point Treatment Plant (WPTP). They are currently performing preventative maintenance on the trailer and will be arranging transportation for it to be moved to Onancock in August for dewatering efforts there. Moving the dewatering trailer between plants saves over \$100,000/year compared to contracted mobile centrifuge dewatering used in prior years.
3. On July 8, SS Interceptor Operations partnered with NTP staff to clean the Regional Residuals Facility (RRF) removing approximately 5 cubic yards of material from the grit traps, well, and manhole to maintain peak operating efficiency. By working together and utilizing internal resources, this effort resulted in cost savings of approximately \$5,000.
4. The Machine Shop completed 12 work orders during the month of July. This included 5 pump rebuilds from both NS and SS Operation Centers. Staff also conducted site visit to Boat Harbor Treatment Plant (BHTP) to reproduce a check valve arm, that allowed the system to stay in service. Additionally, staff produced three flow plates for a West Point plant process. This team not only generated cost savings for HRSD but also increased efficiency by reducing lead times for repairs and replacements for critical equipment.
5. Material Transportation & Logistics staff hauled 40 loads of Ash for a total of 313.99 dry tons. They also hauled 172 loads of primary clarifier solids and 76 loads of thickened waste activated biosolids for a total of 5810.10 wet tons. In addition, 91 loads were hauled from ATP to McGill Composting Facility during the month of July, totaling 1,166.01 wet tons.



Innovation

A provisional patent application was filed entitled "Surface Modification of Exhausted Activated Carbon for the Enhanced Removal of Per- and Polyfluoroalkyl Substances (PFAS)". This patent includes methods and systems for the surface modification of activated carbon to enhance PFAS removal for a granular activated carbon (GAC) contactor as well as the modification of virgin and recycled powdered activated carbon (PAC). A cationic surfactant is applied to the GAC, PAC, or to the incoming water stream to decrease the repulsive forces between the carbon and negatively charged PFAS.



Talent

1. At the WBTP Operations Lead Operator, Mr. Cole Tomlinson, was promoted to Operations Plant Superintendent at the Virginia Initiative Plant.
2. SS Interceptor Operations welcomed Mr. Jaylen Willoughby and Mr. Nick Johnson, interns with the Hampton Roads Public Works Academy (HRPWA).
3. SS Interceptor Operations has promoted Mr. Cory Mangus from Utility Locator to Interceptor Technician.

4. Mr. Gene Rutledge, SS Interceptor Operations Manager presented at the Water Environment Federation (WEF) Collection Systems and Stormwater Conference in Houston, Texas on HRSD's progression towards a smart sewer system during a round table event.

Respectfully submitted,

Eddie M. Abisaab, PE, PMP, ENV SP
Chief Operating Officer

[Attachment: MOM Reporting](#)

MOM Reporting Numbers

[illegible]

TO: General Manager

FROM: Chief People Officer

SUBJECT: Talent Management Monthly Report for July 2025

DATE: August 12, 2025



Talent

The Talent Management (TM) Division advanced initiatives to strengthen workforce capacity, employee engagement, and organizational safety. HR filled a critical vacancy with the hiring of an HR Business Partner and progressed the 457 plan transition to Nationwide. Learning and Development completed Emotional Intelligence training for the LAMA cohort and certified facilitators in Crucial Conversations to support the new training framework. Safety and Security launched safety committees, moved forward with the Emergency Mass Notification System, and strengthened hurricane readiness.

Human Resources (HR): The HR team continued its efforts to fill key vacancies, extending and receiving acceptance for the HR Business Partner position. The team looks forward to welcoming additional new staff members next month.

Progress also continues on the transition of HRSD's 457 plans to our new recordkeeper, Nationwide. Twelve employee meetings were completed, with 379 employees in attendance. These sessions provided a high-level overview of the reasons behind the transition and the benefits offered by Nationwide. Once the transition is complete, on-site meetings will be scheduled at each work center, giving employees the opportunity to discuss their specific accounts with our Nationwide representative.

Participation in HRSD's Wellness Program continues to grow. The Program continues to provide plan education, wellness presentations, individual and group coaching, and virtual guided meditation sessions—remain active and well-received.

Learning and Development (L&D): In June, the L&D team made meaningful progress in leadership development, staff engagement, and training redevelopment to support the organization's evolving workforce needs.

The LAMA leadership cohort completed their course in Emotional Intelligence, enhancing their capacity for self-awareness, empathy, and team dynamics. The group also participated in a team-building event designed to strengthen peer relationships.

As part of the rollout of the redesigned training framework, facilitators completed certification in the *Crucial Conversations* training model. This certification will directly support delivery of the new framework by equipping facilitators with the tools to foster development of critical communication and dialogue skills.

The Succession Planning Taskforce made notable strides this month, outlining a structure and format for identifying succession critical roles. This emerging framework will be essential in ensuring leadership bench strength and operational continuity.

To kickoff the new fiscal year, the L&D team conducted its first work center visit, reintroducing staff to the L&D Department's offerings. The visit focused on connecting employees with available resources and reinforcing our commitment to career growth and skills development across all departments. L&D plans to visit each work center by the end of the calendar year.

Safety and Security: During July, the Safety and Security Department completed 20 safety inspections across HRSD work centers. Weekly construction safety walks were carried out as scheduled to help maintain a safe working environment for all employees. Additionally, the department conducted 20 safety training sessions tailored to the needs of various work centers.

The Safety and Security Department issued the Summer Newsletter to all employees, reinforcing key seasonal safety messages. Progress continued on the development of online safety training modules within the Cornerstone platform, aimed at enhancing organization-wide accessibility and compliance. The team also engaged directly with two newly established work center safety committees, supporting the launch of local safety initiatives. Additionally, Safety participated in James River's VOSH voluntary compliance inspection alongside contractors, demonstrating proactive engagement with regulatory standards and a strong commitment to workplace safety.

In July 2025, HRSD advanced key initiatives in physical security and emergency management. Law enforcement support was coordinated during a land seizure dispute, with HRSD serving as liaison. Procurement preparations began for new physical security and fencing contracts, alongside meetings to assess future infrastructure and system needs.

Planning progressed on a pilot lock program and installation of software for the Emergency Mass Notification System (EMNS). The monthly Security Team meeting finalized EMNS messaging and ensured deployment across the Crisis Management Team.

The 2025 Hurricane Readiness and Recovery Plan was published to SharePoint, and work continued on the Active Shooter Policy. Emergency Management meetings were scheduled to evaluate software updates, and collaboration extended through participation in cross-project coordination efforts, a sector threat briefing, and federal agency discussions to strengthen HRSD's security posture.

Four auto accidents/property damage incidents and one work-related injuries requiring medical attention were reported.

Respectfully submitted,

Christina Gibson

Chief People Officer

TO: General Manager/ Chief Executive Officer

FROM: Chief of Water Quality (CWQ)

SUBJECT: Monthly Report for July 2025

DATE: August 11, 2025



Environmental Responsibility

1. HRSD's Regulatory Activities:

- a. Monthly Discharge Monitoring Report (DMR) Summary and Items of Interest: [Effluent and Air Emissions Summary](#).
- b. From Fiscal Year (FY) 2026 to date, there have been five Permit Exceedances out of 4,655 Total Possible Exceedances.
- c. Pounds of Pollutants Removed in FY 2026 to date: 16.9 million pounds.
- d. HRSD responded to the draft James River VPDES permit which included language for SWIFT.

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

No civil penalties were issued in July.

3. Environmental and Regulatory Advocacy

Chief participated in the following advocacy and external activities:

- a. Attended the US Water Alliance's One Water Summit and participated in a panel discussion on "The Power of Partnerships: An Exploration of Regionalization, Consolidation, and Other Innovative Water Collaborations". Also participated in the Utility Leadership Roundtable on "Resilience Districts" to gauge interest in creating voluntary resilience districts within communities as a mechanism for funding water resiliency projects.
- b. Attended the National Association of Clean Water Agencies (NACWA) Utility Leadership Conference and co-chaired the Water Quality Committee meeting.
- c. Co-chaired a committee meeting for the Chesapeake Bay Program's (CBP) Wastewater Treatment Workgroup (WWTWG) as part of an on-going effort to update wastewater-related loadings in the Phase 7 Watershed Model.
- d. Participated in the CBP Water Quality Goal Implementation Team (WQGIT) meeting.

- e. Participated in the Virginia-Maryland Chesapeake Bay Total Maximum Daily Load (TMDL) Tracking Team to discuss updates affecting wastewater and stormwater management program in both states.



Financial Stewardship

1. Staff supported the generation of high-quality data for use in permitting and environmental management decisions through our Municipal Assistance Program (MAP), which offers services to other municipal and regional authorities throughout the state. HRSD costs for this program are reimbursed by the customer. Below are program highlights for the month.
 - a. HRSD provided sampling and analytical services to the following to support monitoring required for their respective Virginia Permit Discharge Elimination System (VPDES) permits:
 - City of Chesapeake
 - City of Franklin
 - Northumberland County
 - Westmoreland County
 - b. HRSD provided regulatory and process analytical services for 3 weeks for Rivanna Water and Sewer Authority (RWSA) during RWSA laboratory relocation.



Talent

1. The quarterly Water Quality Uncovered included a presentation from Ian Geeson and Michael Echevarria on the history and operation of the Chlorophyll Monitoring and Assessment Program (CMAP).
2. The quarterly Water Quality Lunch and Learn featured a presentation from Megan Pennington-Boggio on “A Simple, Rapid Method for the Analysis of Perfluorocarboxylic Acids in Drinking, Ground and Waste Waters Using GC/MS/MS”.
3. P3 welcomed Shardae Davis in the role of P3 Admin Technician. Shardae comes to us from Accounts Receiving.
4. P3 welcomed Matt Hubbard in the role of P3 Technician. Matthew joins us from the Boater Education Internship Program.
5. The CEL welcomed Paige Murin in the role of Lab Technician.



Community Engagement

1. P3 staff hosted the Tidewater Environmental Crimes Task Force Meeting for US EPA. This meeting was comprised of various local, state and Federal agencies all looking at environmental crimes/violations.
2. Provided tours of the SWIFT Research Center to representatives from the Southern Environmental Law Center and the Department of Environmental Quality's (DEQ) Tidewater Regional Office.
3. Staff supported Microbial Source Tracking (MST) investigations in partnership with Hampton Roads localities. This work is required as part of HRSD's Integrated Plan. Sampling and analytical services were provided for the localities and projects identified below:
 - a. City of Chesapeake (Southern Branch)
 - b. City of Newport News (Hilton Beach)
 - c. City of Hampton (southeast)
 - d. City of Suffolk (downtown)
 - e. City of Virginia Beach (Thalia Creek)
 - f. James City County



Innovation

1. Representatives from Water Quality travelled with other HRSD representatives to Virginia Tech to brainstorm opportunities for research partnerships.
2. Toured Jefferson Lab to discuss opportunities for a research partnership related to PFAS destruction technologies.
3. Attended the annual SWIFT Research workshop to discuss the status of multiple research projects and identify additional research interests.

Respectfully submitted,

Jamie Heisig-Mitchell
Chief of Water Quality

AIR EMISSIONS SUMMARY FOR JULY 2025

MHI PLANT	No. of Permit Deviations below 129 SSI Rule Minimum Operating Parameters							Part 503e Limits		
	Temp 12 hr ave (F)	Venturi(s) PD 12 hr ave (in. WC)	Precooler Flow 12 hr ave (GPM)	Venturi Flow 12 hr ave (GPM)	Tray/PBs Flow 12 hr ave (GPM)	Scrubber pH 3 hr ave	Any Bypass Stack Use	THC Mo. Ave (PPM)	THC DC (%)	BZ Temp Daily Ave Days >Max
BOAT HARBOR	0	0	0	0	0	0	0	43	46	0
VIP	0	0	0	0	0	0	0	33	99	0
WILLIAMSBURG	0	0	0	0	0	0	1	19	79	0

ODOR COMPLAINTS

ARMY BASE	0
ATLANTIC	1
BOAT HARBOR	0
JAMES RIVER	0
NANSEMOND	0
VIP	0
WILLIAMSBURG	0
YORK RIVER	0
NS OPS	1
SS OPS	0
SCD	0
NON-HRSD	0

EFFLUENT SUMMARY FOR JULY 2025

PLANT	FLOW mgd	% of Design	BOD mg/l	TSS mg/l	FC #/UBI	ENTERO #/UBI	TP mg/l	TP CY Avg	TN mg/l	TN CY Avg	CONTACT TANK EX
ARMY BASE	8.45	47%	1	1.4	1	1	0.21	0.27	5.3	4.9	28
ATLANTIC	45.68	85%	16	11	5	1	NA	NA	NA	NA	11
BOAT HARBOR	9.40	38%	7	5.4	5	2	0.68	0.78	20	24	9
CENT. MIDDLESEX	0.016	63%	<2	<1.0	<1	<1	NA	NA	NA	NA	NA
JAMES RIVER	10.98	55%	5	3.8	1	1	0.43	0.71	5.8	7.9	16
KING WILLIAM	0.098	98%	<2	0.94	NA	1	0.22	0.15	2.4	3.6	NA
NANSEMOND	15.81	53%	4	4.2	4	1	2.3	1.7	4.7	5.3	14
ONANCOCK	0.253	34%	<2	0.11	1	1	0.32	0.18	2.0	2.6	NA
CHINCOTEAGUE (SB)	0.0233	59%	11	2.7	1	>4	NA	NA	NA	NA	0
URBANNA	0.086	86%	3	11	2	5	6.3	4.3	19	17	NA
VIP	25.04	63%	3	4.1	2	1	1.4	0.40	4.8	5.1	11
WEST POINT	0.491	82%	16	5.6	1	1	2.6	2.5	13	15	0
WILLIAMSBURG	8.75	39%	6	2.6	3	2	0.56	0.59	2.9	2.9	11
YORK RIVER	10.64	71%	4	2.2	<1	3	1.4	0.57	4.1	4.6	21
	135.72										

% of
Capacity

North Shore
South Shore
Small Communities

48%
67%
55%

Items of Interest – July 2025

MULTIPLE HEARTH INCINERATION (MHI)

Total Hydrocarbon (THC) monthly averages (not to exceed 100 ppm) were met by all three MHI plants (Boat Harbor, Virginia Initiative, and Williamsburg). The THC continuous emissions monitoring (CEM) valid data capture was 46% or more.

On the week of June 22, operators at the Boat Harbor Treatment Plant and our STI CEMS service technician noted that the cabinet air conditioner was not keeping a stable temperature (highs for the week were in the upper 90s to 100s). The THC analyzer was taken back to the NS E&I shop for repairs, and the other electronics were shut down for protection. Warwick plumbing was called out to inspect and repair the cabinet air conditioner. Operations staff made improvements to the cabinet's sealed surfaces and wiring harnesses. The THC analyzer from Army Base was installed and the system was fully operational on July 22.

The three operating MHI plants had no (0) 129 operating parameter deviations and one (1) minor use of the emergency bypass stack (<60 minutes), and no (0) reportable uses of the MHI bypass (>60 minutes).

HRSD submitted the semiannual 129 MHI deviation reports to DEQ.

AIR PERMITS and ODOR CONTROL

There was a total of two (2) odor complaints this month.

Atlantic plant received one (1) complaint from our Ocean Lakes neighbors. Plant staff respond to these complaints and take corrective action as needed. Communications personnel provides responses to our neighbors as appropriate. TSD records the complaints in the air permit required odor complaint log.

North Shore Operations received one (1) complaint from a neighbor of the HRSD Rolling Hills Pump Station in York County. NS Ops personnel responded and found no detectable hydrogen sulfide (H₂S) or other odors at the time of investigation. The neighbor indicated the odors are typically observable in the evenings. In response, TSD established H₂S monitoring at the Pump Station to aid in decisions regarding potential future odor mitigation efforts.

CENTRAL ENVIRONMENTAL LABORATORY

During the week of July 13-19, quality control failures for BOD analysis resulted in missed sample frequency for Atlantic, York River and West Point. Only two valid BOD results were reported for these facilities during this week, falling short of the three samples required for the week.

TREATMENT

DEQ was notified of the following reportable events:

James River

On July 5, a non-potable water (NPW) line feeding the scrubbers and primary spray water, burst between the grit tanks. The burst NPW line was identified and secured. Approximately 2,090 gallons of NPW were released to the ground/storm drain.

On July 27, both in-service bar screens tripped after a power blip during a thunderstorm. Raw wastewater left the headworks building and approximately 157,000 gallons were released onto the ground. The plant headworks bypass gate was opened, the bar screens were reset, and the area was cleaned.

Virginia Initiative

On July 16 at 10:00, a chlorine residual of 0.06 mg/L was recorded when chlorine demand outpaced what was dosed. Staff increased the hypochlorite dosage and adjustments were made to the plant process to resolve the issue. All residuals after the 10:00 check were within normal limits.

A similar event occurred during a period of high flows following a thunderstorm on July 27 at 10:23 pm with a chlorine residual of 0.05 mg/L recorded.

York River

On July 30, a line break occurred on a 4-inch process force main while under pressure releasing NPW. Pumps were secured, however, a small amount of NPW continued to flow until the break could be completely isolated. Approximately 31,645 gallons of NPW were released to the ground and Back Creek.

SYSTEM

On July 31, pump failures along with a heavy rain event resulted in an overflow of the siphon chamber in the middle of Shingle Creek. The permanent pumps at Saunders Drive PS in Suffolk failed to start as the well level rose leading to the emergency pumps also failing. Staff were able to get the interim pump back in working order to stop the spill. Approximately 32,000 gallons of raw wastewater were released to Shingle Creek.

SYSTEM/TREATMENT, SMALL COMMUNITIES, AND EASTERN SHORE

Chincoteague (Sunset Bay)

On July 16, the effluent sample collected for TKN returned an elevated result of 24.6 mg/L, above the weekly limit of 4.5 mg/L. This was caused by electrical issues affecting the aeration blowers, compromising nitrification performance. Several corrective actions were implemented to address the issue and subsequent effluent TKN concentrations were below the weekly limit. One weekly TKN concentration and one weekly TKN loading exceedance was reported.

Pending ESS confirmation: On July 16, the cBOD sample returned a result of 11 mg/L, with a monthly limit of 10 mg/L. A resample was collected on 7/29 that was inadvertently handwritten on the chain of custody as BOD and could not be used for reporting.

Dendron

On July 15, flash flooding inundated the Dendron PS service area releasing 2.6" of rainfall. SSA responded and confirmed the station pumps were running properly. Solid debris was removed and lime spread to affected areas. Approximately 4,500 gallons of raw wastewater were released to the ground.

On July 31, severe thunderstorms inundated the Dendron PS service area releasing 2.5" of rainfall. SSA responded and confirmed the station pumps were running properly. Solid debris was removed and lime spread to affected areas. Approximately 2,160 gallons of raw wastewater were released to the ground.

HRSD received a warning letter dated July 9 for an overflow at Dendron PS 1 on May 14.

King William Collection System

On July 9, staff responded to an overflow alarm at Acquinton Church PS and observed an overflow at low rim manhole KW-MH-C20. A flash flood warning was in effect due to intense rainfall from a localized storm system inundating the collection system area. Staff confirmed the station pumps were operating as intended. Solid debris was removed, and lime applied to the affected area. Approximately 36,000 gallons of raw wastewater were released to the ground and Moncuin Creek.

On July 15, a wet weather event inundated the collection system area resulting in an overflow of low rim manhole KW-MH-C20. Staff confirmed the station pumps were operating as intended. Solid debris was removed and lime spread to affected areas. Further investigation found recently constructed manholes that were damaged and improper grading that was corrected. Approximately 500 gallons of raw wastewater were released to the ground and Moncuin Creek.

Town of Accomac

On July 29, a force main break occurred on FM-EF-005 near 22479 Front Street when contractors using a directional drilling method inadvertently struck the underground utility. HRSD staff immediately responded, shutting down flow to the upstream PS and began pump-and-haul operations while repairs to the force main were completed. Staff recovered 1,500 gallons of raw wastewater and applied lime to affected areas. 2,500 gallons of raw wastewater were unrecoverable from the ground.

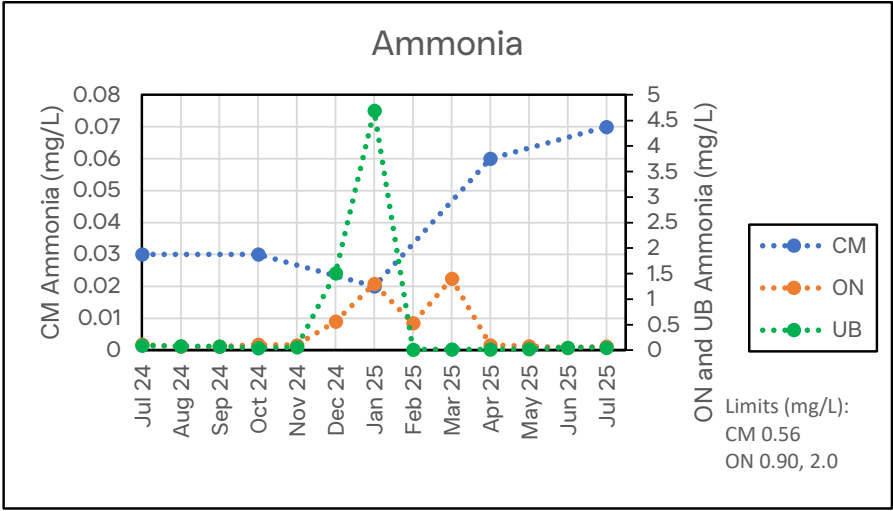
Town of Onancock

On July 12, a leak was discovered from an underground NPW line. The NPW system was shut down and repaired. Approximately 200 gallons of NPW were released to the ground.

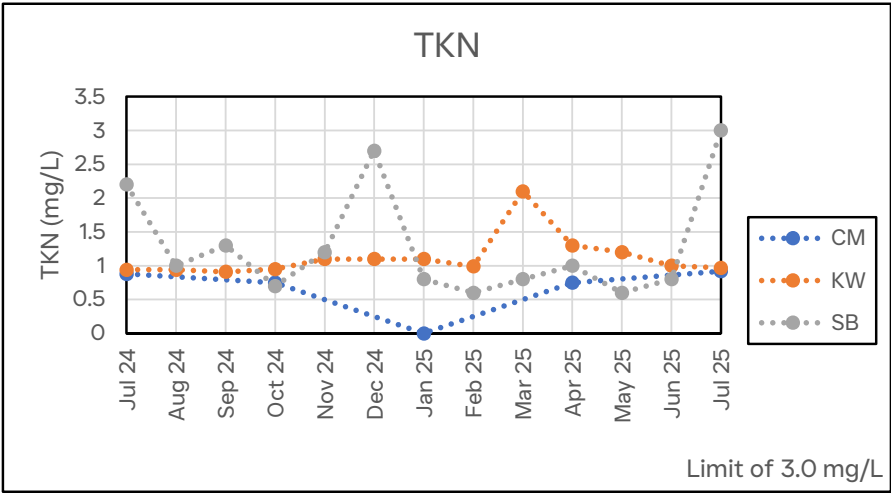
West Point Collection System

On July 17, raw wastewater was released from a bypass pump at Thompson Avenue PS when a contractor failed to close a valve before removing the bolts from the hose connecting flange on the pump. HRSD staff quickly responded, closing the discharge valve to stop the spill. Approximately 750 gallons of raw wastewater were released to the ground and ditch to West Point Creek.

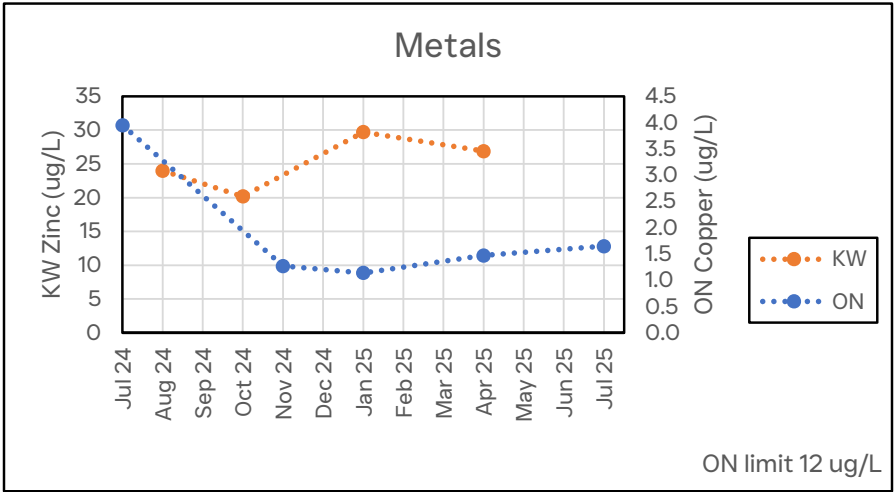
	Ammonia		
	CM	ON	UB
Jul 24	0.03	0.11	0.09
Aug 24		0.07	0.08
Sep 24		0.07	0.07
Oct 24	0.03	0.11	0.04
Nov 24		0.10	0.06
Dec 24		0.56	1.5
Jan 25	0.02	1.3	4.7
Feb 25		0.53	0.01
Mar 25		1.4	0.02
Apr 25	0.06	0.10	0.02
May 25		0.08	0.02
Jun 25		0.05	0.05
Jul 25	0.07	0.07	0.05



	TKN		
	CM	KW	SB
Jul 24	0.88	0.94	2.2
Aug 24		0.94	1.0
Sep 24		0.91	1.3
Oct 24	0.75	0.95	0.70
Nov 24		1.1	1.2
Dec 24		1.1	2.7
Jan 25	<0.50	1.1	0.80
Feb 25		0.99	0.60
Mar 25		2.1	0.80
Apr 25	0.75	1.3	1.0
May 25		1.2	0.60
Jun 25		1.0	0.80
Jul 25	0.92	0.97	3.0



	Zinc	Copper
	KW	ON
Jul 24		4.0
Aug 24	24	
Sep 24		
Oct 24	20	
Nov 24		1.3
Dec 24		
Jan 25	30	1.1
Feb 25		
Mar 25		
Apr 25	27	1.5
May 25		
Jun 25		
Jul 25		1.7



SC&H prepared the following Internal Audit Status document for the HRSD Commission. The status includes a summary of projects in process, upcoming projects, and management action plan updates.

I. Projects in Process

Bid Assessment

- **Completed Tasks (July 2025)**
 - Conducted on site workshop with HRSD POC and third-party stakeholders (7/21).
 - Requested additional project documentation to finalize deliverables.
 - Continued developing timeline visualization document and draft deliverables.
- **Upcoming Tasks (August 2025)**
 - Provide HRSD with draft deliverables for review.
 - Conduct exit meeting with HRSD POC and third-party stakeholders.
 - Finalize assessment and presentation timing.

Aging and Arrears Assessment (planning only)

- **Completed Tasks (July 2025)**
 - Reviewed documentation provided and conducted initial data analytics.
 - Met with HRSD POC to address questions and open requests.
 - Drafted process visualization documents.
- **Upcoming Tasks (August 2025)**
 - Continue data analytics and meet with HRSD POC for input.
 - Draft opportunities to mitigate losses and enhance the process.

IT Governance

- **Completed Tasks (July 2025)**
 - Issued draft report (7/16).
 - Requested feedback/comments on the draft report (7/16).
- **Upcoming Tasks (August 2025)**
 - Request management responses and due dates for each finding (8/8).
 - Finalize and issue the final audit report with management response (8/22).

Operational Technology Security and Resilience

- **Completed Tasks (July 2025)**
 - Drafted management responses/action plan to address audit findings (7/18).
- **Upcoming Tasks (August 2025)**
 - Obtain management's approval on drafted action plans (8/15).
 - Issue audit report (8/22).

Report issuance is pending agreement on drafted management responses and due dates. SC&H drafted management action plan and awaiting approval or agreement on the action plan and dates. Once these are approved by the relevant contacts, the final report will be issued. The timing of the report depends on the time it takes to get approval.



Model 3

- **Completed Project (July 2025)**

Risk Assessment Refresh

- **Completed Tasks (July 2025)**
 - Planned for leadership discussions about audit topics.
- **Upcoming Tasks (August 2025)**
 - Provide audit plan to HRSD (complete, 8/5).
 - Finalize audit plan and presentation logistics (8/13).

II. Upcoming Audits

- To be determined upon FY26 audit plan completion.

III. Management Action Plan Status

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

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

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

Audit / Project	Next Follow-up	Recommendations		
		Closed	Open	Total
Safety Division	August 2025	2	1	3
Freedom of Information Act (FOIA)	August 2025	0	1	1
Personally Identifiable Information (PII)	August 2025	0	3	3
AP, ProCard	August 2025	1	2	3
Closed Audit/Projects (x21)	Closed	135	0	135
Totals		138	7	145

Strategic Measures
July 2025

Strategic Planning Measure	Department	Jul-25	FY-26
Educational and Outreach Events	Communications	24	24
Number of Community Partners	Communications	21	21
Number of Technical Presentations	All	1	1
Number of Technical Publications	All	0	0
Revenue vs. Budget	Finance	8%	8%
Wastewater Expenses vs. Budget	Finance	7%	7%
Accounts Receivable (HRSD)	Finance	\$55,501,098	\$55,501,098
Aging Accounts Receivable	Finance	34.20%	34.20%
Turnover Rate wo Retirements	Talent Management	0.22%	0.22%
Turnover Rate w Retirements	Talent Management	0.55%	0.55%
Avg Time to Hire (Posting to Acceptance)	Talent Management	3 months 2 days	3 months 2 days
Number of Vacancies	Talent Management	77	523
Average number of applicants per position	Talent Management	6.7	6.7
Percentage of positions filled with internal applicants	Talent Management	38.7%	38.7%
Recruitment source Return on Investment	Talent Management	*	*
Avg Time to Hire (Acceptance to NEO)	Talent Management	47.50	*
Customer Call Wait Time (mins)	Finance	4.22	4.22
Capacity Related Overflows with Stipulated Penalties (Reported Quarterly)	Water Quality / ENG	0	*
Non-Capacity Related Overflows with Stipulated Penalties (Reported Quarterly)	Water Quality / ENG	0	*
TONS OF CARBON: Tons of carbon produced per million gallons of wastewater treated Energy consumed (gas (scfm) and electricity (kWh)) per million gallons of wastewater treated.	Operations	N/A	0
GAS CONSUMPTION: Tons of carbon produced per million gallons of wastewater treated Energy consumed (gas (scfm) and electricity (kWh)) per million gallons of wastewater treated.	Operations	N/A	*
ELECTRICITY CONSUMPTION: Tons of carbon produced per million gallons of wastewater treated Energy consumed (gas (scfm) and electricity (kWh)) per million gallons of wastewater treated.	Operations	N/A	0
Cumulative CIP Spend	Engineering	\$0	\$0

*Not currently tracking due to constraints collecting the data.

** Updated after EPA Quarterly Report submittal.

***Billing is one month behind

Strategic Measures

July 2025

Community Partners

Date	Division	Event
07/01/2025	Communications	Horizons Hampton Roads
07/02/2025	Communications	Old Dominion University
07/07/2025	Communications	Horizons Hampton Roads
07/08/2025	Communications	Horizons Hampton Roads
07/08/2025	Communications	Portsmouth Public Schools
07/10/2025	Communications	Old Dominion University
07/11/2025	Communications	Elizabeth River Project and HRSD
07/12/2025	Operations	Norfolk State University
07/14/2025	Communications	Horizons Hampton Roads
07/15/2025	Communications	Portsmouth Public Schools
07/15/2025	Communications	VA DEQ and HRSD Boater Pump Out interns
07/15/2025	Communications	Nansemond River Preservation Alliance
07/21/2025	Communications	Portsmouth Public Schools
07/22/2025	Communications	Portsmouth Public Schools
07/22/2025	Communications	American Planning Association - VA Chapter
07/23/2025	Communications	Newport News Public Schools
07/25/2025	Communications	HRPDC
07/29/2025	Operations	Virginia Tech
07/29/2025	Operations	Old Dominion University
07/30/2025	Communications	Youth Volunteer Corps of Hampton Roads
07/31/2025	Communications	Old Dominion University

Educational Outreach

Date	Division	Event	Community Partner
7/1/2025	Communications	SWIFT tour and activity -Horizons Hampton Roads	Horizons Hampton Roads
7/2/2025	Finance	SWIFT tour -ODU Economic Impact Study Group	Old Dominion University
7/2/2025	Communications	SWIFT tour -ODU Economic Impact Study Group	Old Dominion University

Strategic Measures

July 2025

Educational Outreach

Date	Division	Event	Community Partner
7/7/2025	Communications	SWIFT tour and activity -Horizons Hampton Roads	Horizons Hampton Roads
7/8/2025	Communications	SWIFT tour - Camp Answer	Portsmouth Public Schools
7/8/2025	Communications	SWIFT tour and activity -Horizons Hampton Roads	Horizons Hampton Roads
7/8/2025	Water Quality	Water Quality Services Building Tour provided by Mike Martin and Kevin Parker for the EPA Tidewater Environmental Crimes Task Force	EPA Tidewater Environmental Crimes Task Force
7/9/2025	Water Quality	Water Quality Services Building Tour provided by Kevin Parker for Virginia Tech Coastal Research	Virginia Tech Coastal Research
7/10/2025	Communications	SWIFT Tour - ODU Women in Engineering	Old Dominion University
7/11/2025	Communications	SWIFT Tour and activity - HRSD Boater Pump Out interns and ERP Interns	Elizabeth River Project and HRSD
7/14/2025	Communications	SWIFT tour and activity - Horizons Hampton Roads	Horizons Hampton Roads
7/15/2025	Water Quality	Hosted Tours for Virginia DEQ Interns of the VIP Treatment Plant and SWIFT Reasearch Center	Virginia DEQ
7/15/2025	Communications	SWIFT tour - Nansemond River Preservation Alliance interns	Nansemond River Preservation Alliance
7/15/2025	Communications	SWIFT tour - Camp Answer	Portsmouth Public Schools
7/15/2025	Communications	SWIFT tour - VA DEQ interns and Nansemond River Preservation Alliance Interns	VA DEQ
7/21/2025	Communications	SWIFT tour and activity - Horizons Hampton Roads	Portsmouth Public Schools
7/22/2025	Engineering	SWIFT tour - Virginia Chapter of American Planning Association	American Planning Association - VA Chapter
7/22/2025	Communications	SWIFT tour - Virginia Chapter of American Planning Association	American Planning Association - VA Chapter
7/22/2025	Communications	SWIFT tour - Camp Answer	Portsmouth Public Schools
7/23/2025	Operations	ATP Tour - 437th Civil Affairs Battalion	Army Reserve
7/23/2025	Communications	Camp Elevate Family STEM Day at Sedgefield Elementary School	Newport News Public Schools
7/25/2025	Communications	My Future 757 Event - HRPDC	HRPDC
7/30/2025	Operations	Atlantic Treatment Plant tour and activity	Youth Volunteer Corps of Hampton Roads
7/30/2025	Operations	ATP Tour - Virginia Beach Summer Camp	Virginia Beach Summer Camp
7/30/2025	Communications	Atlantic Treatment Plant tour and activity	Youth Volunteer Corps of Hampton Roads

Strategic Measures
July 2025

Educational Outreach			
Date	Division	Event	Community Partner
7/31/2025	Engineering	Education and Outreach presentation - NSF REsearch Experiences for Teachers in Engineering & Computer Science	Old Dominion University
7/31/2025	Communications	Education and Outreach presentation - NSF REsearch Experiences for Teachers in Engineering & Computer Science	Old Dominion University

Technical Presentations			
Date	Division	Presentation	Presenter
7/30/2025	Water Quality	"Wastewater and the Helath of The Chesapeake Bay"	Michael Echevarria

AGENDA ITEM 23.c.1 – August 26, 2025

Subject: Emergency Replacement Gearbox for Emergency Bypass Pond Valve at NTP
Emergency Declaration

Recommended Action: No action is required.

CIP: None

Regulatory Requirement: None

Brief: Early on July 24, plant staff found that the emergency bypass pond, which is used to divert flow that may either negatively impact process or final effluent that would result in a potential permit violation, was full, when it should have been empty. Upon further investigation, staff found that the valve from the Parshall flume/ contact tank to the emergency bypass pond was stuck half open, resulting in a full pond, and elevation equalization with the effluent pipe to the plant outfall. The gearbox for the valve had failed, resulting in the plant staff being unable to close the valve.

Plant leadership contacted the known supplier for this part and found that the supplier had the part and could ship it overnight, to then be immediately installed on July 25. The cost for the part and for shipping was over the \$10,000 limit, which would require an Emergency Declaration to move forward with the overnight shipping. Not replacing this part immediately would run the risk of permit violation. With the emergency pond being completely full and equalized with the effluent pipe, whatever gets diverted to the pond would then go out through the partially opened valve, back into the effluent channel, and out to the river via the plant outfall.

The plant could cover this cost in the Major Repairs and Replacements (MR&R) budget, and it was deemed necessary to make repairs immediately, vs. going through the conventional procurement process. The gearbox was received and installed by 11:00 am on July 25.

Analysis of Cost: The total cost for this repair was \$19,800.

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