



COMMISSION MEETING MINUTES
September 23, 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>Consent Agenda</u> |
| 4. | <u>Procurement Policy and Appendices</u>
<u>Appendix E Contracting with Faith-Based Organizations</u> |
| 5. | <u>Cedar Lane Pump Station (PS104) Study</u>
<u>New CIP and Initial Appropriation – Non-Regulatory</u> |
| 6. | <u>Ron Springs Drive Valve Improvements (W1004)</u>
<u>Initial Appropriation – Non-Regulatory, Task Order >\$200,000</u> |
| 7. | <u>Virginia Initiative Plant (VIP) Secondary Clarifier Solids Removal Mechanism Rehabilitation</u>
<u>Initial Appropriation – Non-Regulatory, Contract Award (>\$200,000) Task Order (>\$200,000)</u> |
| 8. | <u>High Priority Inflow and Infiltration Reduction Program Implementation Initial</u>
<u>Appropriation – Regulatory Required Capital Improvement Project (>\$10,000,000),</u>
<u>Comprehensive Agreement, and Resolution</u> |
| 9. | <u>Lease and Site Agreement for Re-Purposing of Preliminary-Treatment Facility (PTF) at the</u>
<u>site of the former Chesapeake Elizabeth Treatment Plant (CETP)</u> |
| 10. | <u>New Business</u> |
| 11. | <u>Unfinished Business</u> |
| 12. | <u>Commissioner Comments</u> |
| 13. | <u>Informational Items</u> |

COMMISSION MEETING MINUTES
September 23, 2025

The Commission Chair called the meeting to order at 9:00 a.m.

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

1. **Awards And Recognition**

Action: No action required.

a. Promotion Announcement

Ms. Monica Maples was recently promoted to the role of Environmental Scientist (Air Quality) in the Technical Services Department (TSD). Monica first joined HRSD in 2020 as a Plant Operator at Nansemond Treatment Plant and transitioned to TSD in September 2021. Monica has been involved in a wide variety of projects related to SWIFT, residuals management, and emerging contaminants. Much of her time has been spent working on air and odor-related efforts as a member of TSD's Air Team. Monica holds a bachelor's degree in environmental studies from Virginia Commonwealth University and a master's in public health from Old Dominion University.

Mrs. Natalie VanVranken, was recently promoted to Customer Care Operations Manager. Natalie was hired in April 2021 as Customer Care Supervisor supporting the Call Center and was then promoted in September 2021 to Customer Care Manager. Natalie has over 20 years of management experience in varying leadership roles and holds a bachelor's degree in business administration with a concentration in management from Old Dominion University. Natalie will be leading the operational management of HRSD's Customer Care Center, working closely with Customer Care Managers to ensure functional areas perform efficiently. Natalie is also an active participant with the Learning & Development (L&D) Leadership Facilitation Team.

COMMISSION MEETING MINUTES
September 23, 2025

b. New Employee Introduction

Retired Lieutenant Commander Eric Sessions Jr. was recently hired as the Director of IT Operations in the Information Technology Division (ITD). Eric served for over twenty years in the United States Navy, with extensive experience in Information Technology and Cybersecurity. He holds a Bachelor of Science and a Master of Science in Information Technology Management from Trident International University. He is a graduate of the Joint Forces Staff College, U.S. Naval Warfare College and attended professional development at the University of Louisville. Eric holds multiple certifications in Information Technology Infrastructure Library (ITIL), COBIT, Security Cooperations Management, and Management Development. Eric has extensive experience in the Information Technology field in leading and supporting daily operations for 2,100 personnel across fifteen geographically dispersed areas. He will be leading the IT Operations work center in supporting HRSD's IT Help Desk, jurisdiction partner connectivity, data center, network, and telecommunications infrastructure throughout the district service area.

c. Governor Appointments

Governor Glenn Youngkin appointed Ms. Elizabeth Andrews to HRSD's Commission on September 19, 2025. Ms. Andrews is a Distinguished Law & Policy Fellow at UVA's Weldon Cooper Center.

Former Director of William & Mary's Virginia Coastal Policy Center. She formerly served as Senior Assistant Attorney General and Chief of the Environmental Section of the Virginia Office of the Attorney General, where she oversaw a team of attorneys representing and providing counsel to the Secretary of Natural Resources and the natural resources agencies of the Commonwealth. She also served as the Water Policy Manager for the Virginia Department of Environmental Quality, where she worked closely with the legislature, the regulated community and environmental organizations to address the water quality and quantity challenges facing Virginia, particularly its coastal areas. Ms. Andrews resides in Williamsburg, Virginia. Ms. Andrews has been appointed to fill the seat vacated by Frederick Elofson, who sadly passed away on July 11, 2025.

Public Comment: None

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

COMMISSION MEETING MINUTES
September 23, 2025

3. **Consent Agenda**

Action: Approve the items listed in the Consent Agenda.

Moved:	Willie Levenston, Jr.	Ayes:	7
Seconded:	Michael Glenn	Nays:	0

Brief:

a. Approval of minutes from previous meeting.

b. Contract Awards (>\$200,000)

1.	Elisity Software License and Support	\$827,225
2.	General Legal Counsel	\$2,250,000
3.	Ideagen Software License & Support	\$223,240
4.	KLIR Software License and Support	\$1,500,000
5.	Sodium Bisulfite Blanket Purchase Agreement	
	PVS Chemicals Solutions inc.	\$498,155
	Univar USA Inc.	\$724,225
6.	Sodium Hypochlorite Blanket Purchase Agreement	
	Kuehne Chemical Co. inc.	\$11,807,982
	Univar USA Inc.	\$222,198

c. Task Orders (>\$200,000)

1.	Atlantic Treatment Plant Odor and Solids Improvements 2023	\$1,313,675
2.	George Washington Interceptor Force Main Extension Part 2 (SF-140) Segmental Replacement at St. Julian's Creek	\$240,908
3.	King William Treatment Plant Improvements Phase II	\$694,888
4.	Nansemond Treatment Plant Facility Site Development Plan	\$297,433



COMMISSION MEETING MINUTES
September 23, 2025

- d. Non-Regulatory Capital Improvement Project – Additional Appropriation <\$1,000,000

1. [Small Communities Rehabilitation Phase V](#)

Additional Funding	\$974,968
Bridgeman Civil Inc.	\$783,670

- e. Regulatory Capital Improvement Project – Initial or Additional Appropriation <\$10,000,000

1. [Washington District Pump Station Area Sanitary Sewer Improvements](#)

\$899,058

Public Comment: None

COMMISSION MEETING MINUTES
September 23, 2025

4. **Procurement Policy and Appendices**
Appendix E Contracting with Faith-Based Organizations

Action: No action is required.

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 were recently revised, reorganized, and new appendices were added to better align with those requirements. Appendix E – Contracting with Faith-Based Organizations was inadvertently omitted from the policy recently approved by the Commission.

Appendix E (new) Contracting with Faith-Based Organizations 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.

The new [Appendix E](#) has been reviewed by legal counsel, Sands Anderson PC, and is being provided for Commission review and comment and will be presented for Commission action at the October meeting.

Public Comment: None

COMMISSION MEETING MINUTES
September 23, 2025

5. **Cedar Lane Pump Station (PS104) Study
New CIP and Initial Appropriation – Non-Regulatory**

Actions:

- a. Approve a new CIP project.
- b. Appropriate total project funding in the amount of \$100,000.

Moved: Nancy Stern
Seconded: Vishnu Lakdawala

Ayes: 7
Nays: 0

CIP Project: NP016100

Regulatory Requirement: None

Project Description: This project is to investigate and evaluate potential improvements to the Cedar Lane Pump Station (PS104) located at 3915 Cedar Lane in Portsmouth, VA as shown in the attached [map](#). The evaluation efforts will consist of an investigation into the overall physical and operational condition of the pump station, as well as a capacity analysis, to determine if the existing pump station is able to meet current and future needs. Pump station modifications will be based on the results of that evaluation.

Project Justification: Staff identified substantial deficiencies during an internal investigation into the condition of the wet well in July 2025. Moderate to severe degradation of interior concrete surfaces was observed, and high levels of Hydrogen Sulfide are suspected to have contributed to the rapid deterioration. Addressing the wet well condition issues is essential to minimize further degradation and potential failures. However, this station is over 60 years old, so performing an overall assessment of the station is important to ensure that all major mechanical, structural, and electrical items are identified during this study to ensure that subsequent projects are appropriately scoped.

Analysis of Cost: The initial appropriation of \$100,000 is based on a task order proposal for the study, plus contingency. Engineering services for the study will be provided by Hazen and Sawyer under the General Engineering Services, and the cost for the task order is below the \$200,000 Commission approval threshold.

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

Schedule: Study October 2025
Project Completion February 2026

Public Comment: None

COMMISSION MEETING MINUTES
September 23, 2025

6. **Ron Springs Drive Valve Improvements (W1004)**
Initial Appropriation – Non-Regulatory, Task Order >\$200,000

Actions:

- a. Appropriate total project funding in the amount of \$4,071,900.
- b. Approve a task order with Rummell, Klepper and Kahl, LLP (RK&K) in the amount of \$204,634.

Moved: Vishnu Lakdawala
Seconded: Michael Glenn

Ayes: 7
Nays: 0

CIP Project: WB013410

Regulatory Requirement: None

Project Description: Improvements entail a reconfiguration of the interconnection of several HRSD Interceptor mains near the Williamsburg Treatment Plant (WTP). These improvements will prevent the need for line stops in future construction phases and provide enhanced flexibility to divert or accept flows at WTP. The attached [map](#) depicts the project location.

Project Justification: This project is intended to prevent a repeat of the recent York River Treatment Plant (YRTP) large diameter main failure and subsequent Sanitary Sewer Overflow (SSO) at WTP.

Task Order Description: The task order will be performed by RK&K utilizing the Linear Infrastructure Services Projects Professional Services Agreement for design and preconstruction services associated with developing constructable plans and specifications for the valve and piping improvements proposed and to coordinate the bid package and construction contract.

Analysis of Cost: The requested amount of the appropriation is based on the cost estimated in the Preliminary Engineering Report (PER) under the CIP WTP Headworks Influent and Effluent Pipe Rehabilitation (WB013400) to provide large diameter piping and associated new valves to improve the functionality of the interconnection of Interceptor mains near the WTP on Ron Springs Drive. HRSD's initial estimate for Design Services was \$400,000. The requested task amount is based on a proposal from RKK with a total lump sum services fee of \$164,634 and \$40,000 allowance for additional services, for a total Design Fee of \$204,634.



COMMISSION MEETING MINUTES
September 23, 2025

The initial Appropriation amount of \$4,071,900 includes \$400,000 for Design, \$30,000 for Pre-Construction, \$3,111,900 for Construction, \$30,000 for Closeout and \$600,000 for Contingency. The proposed design represents approximately 4.3% of the estimated Class 3 construction costs from the PER reference above, the requested appropriation and contract amount is reasonable for the anticipated scope of work.

<u>Schedule:</u>	Design	July 2026
	Bid	September 2026
	Construction	January 2027
	Project Completion	January 2029

Public Comment: None

COMMISSION MEETING MINUTES
September 23, 2025

7. **Virginia Initiative Plant (VIP) Secondary Clarifier Solids Removal Mechanism Rehabilitation**
Initial Appropriation – Non-Regulatory, Contract Award (>\$200,000)
Task Order (>\$200,000)

Actions:

- a. Appropriate total project funding in the amount of \$6,350,000.
- b. Award a contract to Sentry Equipment Corporation in the amount of \$2,442,256 for one year with four renewal options and an estimated cumulative value of \$6,105,640.

Moved: Ann Templeman
Seconded: Elizabeth Taraski

Ayes: 7
Nays: 0

CIP Project: VP019900

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 11, 2025, and two bids were received on July 3, 2025, as listed below:

Bidder	Bid Amount
Sentry Equipment Corp	\$2,442,256
MEB General Contractors, Inc.	\$2,697,000

HRSD Estimate (based on replacement of five clarifier mechanisms over a five-year period): \$6,300,000

Project Description: This project will be carried out in two phases. Phase 1 will focus on a condition assessment of all major components of the sludge and scum removal mechanisms in secondary clarifiers # 2, 4, and 5. During this phase, a cost-based evaluation will be conducted to determine the most economical approach: replacing components with stainless steel, rehabilitating them with new coatings, or implementing a combination of rehabilitation and replacement. Phase 1 will also involve replacement of secondary clarifier #1 and #3 mechanisms, which are in poor condition.

Project Justification: Secondary Clarifier mechanisms #1 through #5 were installed in 1987, with all major components constructed from coated carbon steel.

COMMISSION MEETING MINUTES
September 23, 2025

While coatings have been reapplied over the years, much of the supporting steel now shows significant deterioration. Additionally, there is growing concern about the feasibility of continuing abrasive blasting, which is essential for properly preparing surfaces for new coatings. In November 2024, a catastrophic failure occurred in the Secondary Clarifier #3 mechanism. Structural members connected to the clarifier drive unit experienced enough torque to completely shear, causing the entire mechanism to collapse. The clarifier drive unit's shear pin was found intact, leading to the conclusion that the failure was likely caused by weakened structural members compromised by corrosion.

Contract Description: This is for a multi-year contract with a phased approach for the contractor to furnish all labor, equipment, materials, and supervision to remove and install up to five clarifier mechanisms at the Virginia Initiative Plant (VIP) if needed. HRSD has evaluated two of the five secondary clarifiers and has determined that two clarifier mechanisms need to be replaced. The other three clarifier mechanisms require additional inspections that will be conducted by HRSD and are not part of this contract. The potential work needed on the other three clarifier mechanisms will be provided once known and a timeline is determined for repair or replacement if needed.

Due to the importance of the equipment being in service this work is being spread over a five-year period with the intent of funding each secondary clarifier mechanism as the work starts. HRSD may fund more than one task order in any given year if the need arises due to operational necessity. Pricing for year one of the contract will be based on the fixed fee provided for the replacement work being done on clarifiers #1 and #3. Contractor will provide these services in future contract years for the other three secondary clarifier mechanisms if needed. Pricing will be negotiated at that time for each additional mechanism and will be based on the original fixed fee provided for the scope of work for clarifier mechanisms #1 and #3 with price escalation based on the then current Consumer Price Index (CPI) and Producers Price Index (PPI).

Analysis of Cost: The cost is found to be fair and reasonable based on competitiveness and pricing of similar services.

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

Schedule:

Bid	July 2025
Construction	December 2025
Project Completion	January 2030

Public Comment: None

COMMISSION MEETING MINUTES
September 23, 2025

8. **High Priority Inflow and Infiltration Reduction Program Implementation Initial Appropriation - Regulatory Required Capital Improvement Project (>\$10,000,000), Comprehensive Agreement, and Resolution**

Actions:

- a. Appropriate total project funding in the amount of \$143,715,840.
- b. Approve a Comprehensive Agreement with Burns and McDonnell Engineering Company, Inc., with a Maximum Agreement Price of \$154,215,840, which includes \$10,500,000 of work in Portsmouth under CIP Projects VP018301 and VP018303.
- c. Adopt a Resolution authorizing implementation of the High Priority Inflow and Infiltration Reduction Program and grant authority to execute and deliver such other documents and agreements relating to such transaction as may be necessary or appropriate.

Moved: Michael Glenn
Seconded: Ann Templeman

Ayes: 7
Nays: 0

CIP Project: GN020310/VP018301/VP018303

Regulatory Requirement: Integrated Plan - HPP1 (2030 Completion)

Type of Procurement: Competitive Negotiation - PPEA

The use of the PPEA project procurement method was approved by the Commission at the October 2023 meeting. Burns and McDonnell Engineering Company, Inc. (BMCD) was selected through competitive negotiation and awarded a contract for an Interim Agreement in September 2024, which was funded through CIP Project GN020300. This Comprehensive Agreement is a continuation of that same contract, but will be funded through a new CIP Project, GN020310, and existing projects VP018301 and VP018303, using the design-build delivery method.

Program Description: The purpose of the High Priority Inflow and Infiltration Reduction Program (HPIIRP) is to reduce wet weather sanitary sewer overflow (SSO) volume by implementing cost-effective inflow and infiltration (I/I) reduction projects in priority basins to achieve compliance with the requirements of the approved Regional Wet Weather Management Plan (RWWMP). Work activities may be located on Locality or HRSD-owned assets, and/or private assets/property, and may include the upsizing of gravity pipelines. The proposed priority basins are located in York County, James City County, and the Cities of Portsmouth, Chesapeake, and Suffolk.



COMMISSION MEETING MINUTES
September 23, 2025

Program Justification: HRSD's RWWMP identified nineteen high-priority basins where I/I reduction could be implemented to cost-effectively reduce model-simulated SSOs. Under the Interim Agreement, BMcD performed data collection and analysis on the nineteen high-priority project areas and other alternate basins identified by localities as contributors to SSOs. As a result of this analysis, BMcD developed a Comprehensive Inflow and Infiltration Reduction Plan (Plan), which concluded that only three of the original nineteen basins were cost-effective for I/I reduction projects, and ultimately identified seven alternate basins recommended for incorporation into the Program. This Comprehensive Agreement includes the design and construction of the selected priority projects and post-construction flow monitoring and modeling to determine the resulting reduction in modeled SSO volume.

Contract Description: The Comprehensive Agreement is for the management, design, and construction of cost-effective inflow and infiltration reduction strategies in priority basins, and the performance of post-construction monitoring and modeling activities. All of this work must be completed by the end of 2028 and is HRSD's overall contract with BMcD to be approved by the Commission pursuant to Procurement Policy Secs. 4.14, 5.9, 5.10, and Appendix G (PPEA) for completion of the HPIIRP within the Maximum Agreement Price, which is a maximum contract amount, not a guaranteed amount, to be paid to BMcD. A portion of this work is funded through two existing CIP projects, VPVP018301 and VP018303.

BMcD will submit individual Project Packages for the various work elements included in the Comprehensive Agreement. The first Project Package, for \$14,318,000, is for programmatic services related to the HPIIRP. Individual Project Packages are governed by the Comprehensive Agreement and cannot increase the Maximum Agreement Price; thus, they do not require Commission approval per the adopted Procurement Policy and Commission Governance Guidelines. However, staff will provide an update on the Program and all executed Project Packages to the Commission at future Quarterly CIP briefings. Any change to the Comprehensive Agreement itself will require Commission approval.

HPIIRP Anticipated Program Costs		
Phase	Item	Budget (\$ M)
Design & Construction	Design and Construction of Priority Project Basins	\$ 93.29
	Construction of Portsmouth Basins via VP018301/VP018303	\$ 10.50
	Program Management Services	\$ 23.22
	Subtotal Design and Construction	\$ 127.01
Post-Construction	Post-Construction Flow Monitoring and Data Analysis	\$ 5.65
	Subtotal Post-Construction	\$ 5.65
Owner-Controlled Contingency		\$ 21.56
Total HPIIRP Implementation Comprehensive Agreement Budget		\$ 154.22
Total Appropriation		\$ 143.72

COMMISSION MEETING MINUTES
September 23, 2025

Analysis of Cost: The current CIP GN020310 (July 2025) has an estimated project cost of \$143,715,840. The proposed HPIIRP cost of \$154,215,840 includes the estimated cost of program management, support services, design, construction, and post-construction activities by BMcD, as developed and described in their Plan, plus an Owner-controlled contingency of \$21,557,376. The \$10,500,000 for Portsmouth Basins is funded by two existing CIP projects. In the approved 2017 RWWMP, cost estimation was performed at a planning level representing concept study/feasibility level work, and in many cases, was completed with limited condition assessment or hydraulic data. BMcD has developed its revised HPIIRP costs based on updated assumptions of rehabilitation and replacement activities, cost indices, and recent construction bid tabulations from local and regional projects. These costs are still planning level estimates (AACE Class 5).

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

The [resolution](#) was reviewed by legal counsel, Sands Anderson PC. The [Comprehensive Agreement](#) includes the following exhibits:

- a. General Conditions
- b. Comprehensive I/I Reduction Program Plan
- c. Project Package Template
- d. Work Package #1 with exhibits

<u>Schedule:</u>	Design	October 2025
	Construction	February 2026
	Program Completion	December 2028

Discussion Summary: Staff provided an update on the Inflow and Infiltration (I/I) Reduction Program, noting that due to the nature of the contract, HRSD bears most of the financial risk, as there are no performance guarantees required of the design-builder due to the nature of I/I reduction. However, the structure of the contract provides HRSD with approval authority for all future work packages under this contract, and the ability to terminate these packages or the entire contract if and when they are determined to not be cost-effective.

The program's collaborative framework emphasizes cost effectiveness, with investments weighed against alternatives such as upsizing pipelines or constructing tanks. Unlike prior incentive based approaches, this delivery model relies on a coordinated effort among HRSD, consultants, contractors, and partner cities to achieve measurable I/I reduction.

Staff emphasized the importance of maintaining flexibility as regulatory requirements evolve. Regardless of the outcome of IP 2.0, HRSD remains responsible for managing regional wet weather capacity and eliminating SSOs.



COMMISSION MEETING MINUTES
September 23, 2025

The Commission Chair asked that a summary of Design-Build projects be provided to the Finance Committee with information related to costs and impacts to other CIP projects.

Public Comment: None

COMMISSION MEETING MINUTES
September 23, 2025

9. **Lease and Site Agreement for Re-Purposing of Preliminary-Treatment Facility (PTF) at the site of the former Chesapeake Elizabeth Treatment Plant (CETP)**

Action: Approve the terms and conditions of the Lease and Site Agreement with Insightfuel, LLC for the re-purposing of the PTF at the site of the former CETP 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

Ayes: 7

Seconded: Elizabeth Taraski

Nays: 0

Background: HRSD decommissioned the CETP as a wastewater treatment plant in December 2021. However, in accordance with the quitclaim deed the United States Navy has on the property, HRSD continues to utilize the property as “part of the regional sewage system.”

On October 12, 2021, HRSD issued a public notice asking firms to propose on the repurposing of the facilities with uses that are in alignment with HRSD’s then stated mission to protect public health and the waters of Hampton Roads. All repurposing options were available for consideration, including but not limited to conveyance, treatment, reuse or recycling of wastewater or wastewater by-products.

One firm submitted a proposal on November 9, 2021, and was determined to be responsive and deemed fully qualified, responsible, and suitable.

This agreement is to lease the PTF at the site of the former CETP and allow Insightfuel, LLC to modify the existing septage receiving station and equipment, and add new machinery, fixtures, and equipment to receive and process Fats, Oils and Grease (FOG), and in a separate stream, receive and process septage. Insightfuel, LLC will be provided a non-exclusive limited right to access and use the leased premises.

FOG is a material that is either liquid or solid composed of fats, oils and grease from animal or vegetable sources. FOG comes from many food sources and is frequently introduced and accumulates into the sanitary sewer system and contributes to sanitary sewer blockages and obstructions.

Although, in accordance with the intent of the request for proposal and proposal received, HRSD will not receive monetary compensation for use of the property, the benefits of HRSD entering this agreement include:

COMMISSION MEETING MINUTES
September 23, 2025

- The availability of an additional FOG receiving and treatment facility and septage receiving facility in HRSD's service area provides for more comprehensive options for the communities we serve.
- FOG is burdensome to the wastewater treatment process; therefore, diverting it from HRSD's treatment plants can help to reduce gross cost of service and operational complexities.
- The availability of an additional FOG facility will help minimize the potential for illicit discharges into the sewage system, potentially clogging the collection and interceptor systems.
- The availability and location of an additional septage receiving facility at the southern landing of the Chesapeake Bay Bridge Tunnel is particularly beneficial for the communities on the Eastern Shore.
- This facility will complement HRSD's existing FOG receiving facilities at the Williamsburg, Nansemond, and Atlantic Treatment Plants.
- While the lease is in effect, reusing the PTF facility defers the demolition cost currently estimated to be \$290,000.
- It is plausible, because of this agreement, that FOG deliveries to the Atlantic Treatment Plant will decline, eliminating the need to add a third FOG storage tank and decreasing the future costs of the Atlantic Treatment Plant Odor and Solids Improvements capital project by approximately \$1 million.

The agreement provides that:

- All costs to provide the service will be borne by the contractor
- HRSD does not share in any financing or repurposing cost of the facility
- Operations must be consistent with the deed restriction
- Any discharge to the sewer system must be in conformance with their HRSD industrial use discharge permit and is susceptible to high strength waste surcharge as identified in the HRSD Rate Schedule
- Any maintenance requirements of any of the facilities must be borne by the contractor
- Odor, sound, noise or light concerns, if any, be resolved quickly
- All utility costs must be borne by the contractor
- All permits necessary to operate the facility are the responsibility of the contractor

HRSD's only monetary commitment to the project is to ensure that discharges from the facility can be accepted at HRSD's onsite pump station, which will remain in operation to serve other uses at the site.



COMMISSION MEETING MINUTES
September 23, 2025

The Initial Term of this Agreement will be for a period of ten years with the option to renew for up to four additional five-year periods. This facility is scheduled to begin operations, the later of one year of contract execution or after the contractor has obtained all necessary permits from the City of Virginia Beach.

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

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

Discussion Summary: Staff explained that strict default provisions were written into the agreement to prevent repeated “default and cure” cycles. Specifically, three defaults within 180 days would give HRSD the right to terminate the agreement.

Staff confirmed that while the Navy has some alternate use interests, Navy approval is not required. The proposed facility is consistent with the deed restriction and similar to facilities already in operation at HRSD sites. The company will generate revenue by charging haulers a fee for processing, while also paying HRSD to discharge into the system.

Public Comment: None

COMMISSION MEETING MINUTES
September 23, 2025

10. **New Business – None**

Public Comment: None

11. **Unfinished Business – None**

Public Comment: None

12. **Commissioner Comments**

The Commission Chair expressed his enthusiasm for the upcoming WEFTEC conference, noting his appreciation for the HRSD team's strong performance in preparing presentations. The Chair stated he looks forward to the conference each year and is excited to support the team's participation.

Commissioner Elizabeth Andrews thanked the Commission for the welcome and expressed appreciation for the opportunity to serve. She noted she is looking forward to contributing in this role.

13. **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](#)

Public Comment: None



COMMISSION MEETING MINUTES
September 23, 2025

14. **Announcements**

The General Manager highlighted Dr. Jeff Sparks, Director of Digital Water, who published the first in a series of papers on a novel AI-based aeration control system at the Nansemond Treatment Plant, believed to be the only real-time digital twin process control of its kind. Dr. Sparks has also been invited to present at the U.S. National Academy's Water Science and Technology Board meeting on frontier AI applications in Washington, D.C.—a highly prestigious opportunity. His work supports MAYA Water, a startup that recently moved its headquarters to Virginia Beach and will be showcased at HRSD's WEFTEC booth.

Commissioners were reminded of the WEFTEC awards ceremony on Monday at 5 p.m., where an HRSD employee will be recognized with a significant honor. Staff also reported on recent legislative outreach, noting continued efforts to secure funding under the Water Quality Improvement Act, with \$295 million already awarded and eligibility for \$1.1 billion pending appropriation.

Several high-level tours are scheduled, including visits from House Appropriations staff, international delegations from New Zealand, Singapore, and Denmark, and representatives from the Hampton Roads Chamber. Staff also shared recent findings presented by USGS at the PAROC meeting, showing evidence that some land subsidence, from an elastic standpoint, is potentially reversible as groundwater levels rebound, data that aligns closely with HRSD's SWIFT program.

Finally, staff noted encouraging feedback from DEQ and EPA on the potential approval of IP 2.0, which, if successful, would be the first of its kind in the country. HRSD continues to emphasize flexibility in planning to accommodate this potential change.

Next Commission Meeting Date: October 28, 2025, at the HRSD North Shore Operations Center, 2389 G Avenue, Newport News, VA 23602

Meeting Adjourned: 10:06 am

SUBMITTED:


Elizabeth I. Scott
Commission Secretary

APPROVED:


Stephen C. Rodriguez
Commission Chair

HRSD Commission Meeting Minutes
September 23, 2025
Attachment #1

3. Consent Agenda

CONSENT AGENDA ITEM 3.b.1. – September 23, 2025

Subject: Elisity Software License and Support
Contract Award (>\$200,000)

Recommended Action: Award a contract to e-Plus Technology Inc in the amount of \$496,335 for the initial three years with two one-year renewal options and an estimated cumulative value of \$827,225.

Regulatory Requirement: None

Type of Procurement: Use of Existing Contract Vehicle

Contract Description: This contract is for an annual software subscription and support to deploy and maintain Elisity's cloud-delivered micro segmentation platform to securely segment the HRSD's network. This will limit the radius of potential cyber incidents, prevent unauthorized lateral movement, and ensure dynamic, risk-adaptive access controls for all users, workloads, and devices, including HRSD's Central Environmental Lab (CEL), OT and IoT systems integral to wastewater treatment operations. Support provides access to updates, security patches, and expert assistance, enabling seamless integration, segmentation and futureproofing through cloud capabilities.

Upon evaluation of the VASCUPP University of Virginia contract terms and conditions, as a public agency, HRSD is eligible to use the contract awarded to e-Plus Technology Inc.

Analysis of Cost: By utilizing the VASCUPP UVA-AGR-IT-00178-EPLUS for Elisity Software, HRSD is receiving one percent cost savings as well as firm fixed pricing for each of the first three years. Optional years four and five are capped not to exceed five percent uplift.

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

CONSENT AGENDA ITEM 3.b.2. – September 23, 2025

Subject: General Legal Counsel
Contract Award (>\$200,000)

Recommended Action: Award a contract to Sands Anderson PC in the amount of \$450,000 for one year with four renewal options and an estimated cumulative value of \$2,250,000.

Regulatory Requirement: None

Type of Procurement: Previous Competitive Negotiation

Legal services are exempt from the Virginia Public Procurement Act (VPPA) but 2020 HRSD elected to issue a public notice for competitive negotiation to solicit firms for general legal counsel. Three firms submitted proposals and were determined to be responsive and deemed fully qualified, responsible, and suitable to the requirements in the solicitation. The proposal submitted by Sands Anderson PC was ranked by technical points as the highest qualified. A recommended award to Sands Anderson PC was presented and approved by the Commission on September 22, 2020, for a five-year term through September 30, 2025. HRSD has elected to continue this engagement and enter into a new optional five-year term with Sands Anderson PC, whose professional qualifications and services best serve the interest of HRSD.

Contract Description: This contract is to provide general and specific legal advice and counsel to the HRSD's Commission, General Manager, and staff on a task-by-task basis upon request. The firm will attend all Commission meetings and special meetings, if called, to provide guidance, clarify process, procedures, and actions of the Commission to ensure compliance with the HRSD Enabling Legislation (Acts of Assembly c.66 as amended), applicable Virginia law, regulations, internal policies, rules of order and other applicable Commission meeting procedures. The firm will provide litigation services and prepare legal opinions, review and assist in preparation of resolutions, contracts, and agreements on an as-needed basis.

Analysis of Cost: The fee structure will be a quarterly retainer for regular and ordinary services performed as general counsel. Any additional services provided that are not covered by the retainer will be based on the applicable hourly rates. Funding for this work will be from the HRSD's Operating Budget and/or the Capital Improvement budget. The hourly rates for these services are comparable to rates used by other firms for similar efforts.

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

CONSENT AGENDA ITEM 3.b.3. – September 23, 2025

Subject: Ideagen Software License & Support
Contract Award (>\$200,000)

Recommended Action: Award a contract to Thundercat Technology, in the amount of \$44,648 for one year with four one-year renewal options and an estimated cumulative value of \$223,240.

Regulatory Requirement: None

Type of Procurement: Use of Existing Contract Vehicle

Contract Description: This contract is for an annual software subscription and support to deploy and maintain Ideagen dedicated license and hosted platform for the HRSD Central Environmental Lab (CEL). Ideagen's Essential Dedicated License and Hosted Platform is a Quality Systems Management platform designed to enhance operational efficiency, ensure regulatory compliance, and streamline quality management processes in wastewater treatment operations. The Ideagen platform will support the Quality Assurance team's mission to maintain data integrity, adhere to environmental regulations, and improve workflow automation for sample management, compliance reporting, and audit processes.

Upon evaluation of the Virginia Information Technology Agency's contract terms and conditions, as a public agency, HRSD is eligible to use the contract awarded to ThunderCat Technology LLC.

Analysis of Cost: By utilizing Virginia IT Agency VA-180917-TCTL for Ideagen Software, HRSD is receiving five percent cost savings.

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

CONSENT AGENDA ITEM 3.b.4. – September 23, 2025

Subject: KLIR Software License and Support
Contract Award (>\$200,000)

Recommended Action: Award a contract to CDW LLC DBA CDW GOVERNMENT LLC in the amount of \$300,000 for one year with four one-year renewal options and an estimated cumulative value of \$1,500,000.

Regulatory Requirement: None

Type of Procurement: Use of Existing Contract Vehicle

Contract Description: This contract is for annual software subscription and support to deploy and maintain KLIR Water Management Software for use within the Water Quality Division. The KLIR software solution is a regulatory management program for SWIFT's Underground Injection Control (UIC) permits. The KLIR software, a cloud-based water management platform, is selected for its specialized capabilities in unifying compliance data, automating reporting, and providing actionable insights for wastewater treatment processes. Support provides access to updates, security patches, and expert assistance, enabling seamless integration, compliance and futureproofing through cloud capabilities.

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

Analysis of Cost: By utilizing Omnia Partners 23-6692-02 for KLIR Software, HRSD is receiving two percent cost savings.

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

CONSENT AGENDA ITEM 3.b.5. – September 23, 2025

Subject: Sodium Bisulfite Blanket Purchase Agreement
Contract Award (>\$200,000)

Recommended Actions:

- a. Award a contract to PVS Chemicals Solutions Inc. for Bulk Sodium Bisulfite Only in the amount of \$99,631 for one year with four renewal options and an estimated cumulative value of \$498,155.
- b. Award a contract to Univar USA Inc for Mini Bulk, Small Bulk and 3500 lb. totes Sodium Bisulfite only in the amount of \$144,845 for one year with four renewal options and an estimated cumulative value of \$724,225.

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 solicitation was advertised on August 25, 2025, and four bids were received on September 10, 2025, as listed below:

Bidder	Bulk Bid Amount	Mini Bulk Bid Amount	Small Bulk Bid Amount	3500 Lb. Totes Bid Amount
PVS Chemical Solutions Inc.	\$99,631	No Bid	No Bid	No Bid
Southern Ionics Incorporated	\$105,197	No Bid	No Bid	No Bid
Univar USA Inc.	\$139,595	\$45,500	\$75,795	\$23,550

HRSD Estimate:

\$437,209/1 yr

Contract Description: This contract is to supply and deliver Sodium Bisulfite, 38-40 percent solution to HRSD treatment plants on an as-needed basis. The mini bulk delivery option includes lease of a tank, secondary containment, and telemetry. This product is used in order to remove chlorine residual from treatment streams downstream of Sodium Hypochlorite addition, which may be toxic to aquatic organisms near surface water outfalls and downstream biological treatment processes (e.g. SWIFT Research Center Biofilters). Sodium Bisulfite is routinely added after HRSD's disinfection systems in order to meet Virginia Permit Discharge Elimination System (VPDES) permit requirements for maximum final effluent chlorine residual.

Analysis of Cost: The competitive bid requested a unit price for bulk, mini bulk, small bulk and 3,500 lb. totes of Sodium Bisulfite. Bidders would not be disqualified if unable to price all delivery options. Final pricing was evaluated as a split award for maximum cost savings. The HRSD estimate reflects the current estimated annual usage against the Fiscal Year (FY) 2026 unit price budget projections.

This is the first award to PVS Chemical Solutions, and they are found to be in good standing. Univar is the incumbent and owns all existing mini bulk tanks which will eliminate transition at those HRSD locations.

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

CONSENT AGENDA ITEM 3.b.6. – September 23, 2025

Subject: Sodium Hypochlorite Blanket Purchase Agreement
Contract Award (>\$200,000)

Recommended Actions:

- a. Award a contract to Kuehne Chemical Co Inc for Bulk Sodium Hypochlorite only in the amount of \$2,361,596 for one year with four renewal options and an estimated cumulative value of \$11,807,982.
- b. Award a contract to Univar USA Inc for Mini Bulk, 15 Gallon Containers and 55 Gallon Drums Sodium Hypochlorite only in the amount of \$44,439 for one year with four renewal options and an estimated cumulative value of \$222,198.

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 August 20, 2025, and four bids were received on September 8, 2025, as listed below:

Bidder	Bulk Bid Amount	Mini Bulk Bid Amount	15-Gal Bid Amount	55-Gal Bid Amount
Kuehne Chemical Co Inc.	\$2,361,596	No Bid	No Bid	No Bid
Univar USA Inc.	\$3,319,251	\$40,051	1,788	\$2,600
Trinity Manufacturing Inc DBA Oltrin Solutions LLC	\$4,276,907	No Bid	No Bid	No Bid
Brenntag Mid-South Inc.	\$4,314,097	No Bid	No Bid	No Bid

HRSD Estimate:

\$5,686,324/1 yr

Contract Description: This contract is to supply and deliver Sodium Hypochlorite, 12.5 percent solution to HRSD treatment plants on an as-needed basis. The mini bulk delivery option includes lease of tanks, secondary containment, and telemetry. This product is used for final disinfection, odor control scrubbers, and preformed Monochloramine production and recharge well protection at the SWIFT Research Center. Occasionally, Sodium Hypochlorite is also used for control of nuisance filamentous microorganisms in the biological treatment processes.

Analysis of Cost: The competitive bid requested a unit price for bulk, mini bulk, 15-gallon containers and 55-gallon drums. Bidders would not be disqualified if unable to price all delivery options. Pricing was evaluated as a split award for maximum cost savings. The HRSD estimate reflects the current estimated annual usage against the Fiscal Year (FY) 2026 unit price budget projections.

This is the first award to Kuehne Chemical Co Inc. since 2015, and they remain in good standing. Univar is the incumbent and owns all existing mini bulk tanks which will eliminate transition at those HRSD locations.

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

CONSENT AGENDA ITEM 3.c.1.– September 23, 2025

Subject: Atlantic Treatment Plant Odor and Solids Improvements 2023
Task Order (>\$200,000)

Recommended Action: Approve a task order with Black and Veatch Corporation in the amount of \$1,313,675.

CIP Project: AT016000

Regulatory Requirement: None

Contract Status with Task Orders:	Amount
Original Contract with Black and Veatch	\$1,049,500
Total Value of Previous Task Orders	\$18,177,891
Requested Task Order	\$1,313,675
Total Value of All Task Orders	\$19,491,566
Revised Contract Value	\$20,541,066
Engineering Services as % of Construction	11%

Project Description: This project comprises the design and construction of multiple unit processes including: primary solids thickening facilities to include a pump station, new gravity thickeners and scum concentrators; pre-dewatering upgrades which includes conveyors, a cake storage hopper, and new pulper feed pumps; a new Thermal Hydrolysis Process (THP) train to include post-THP cooling; digester covers and mixers; biogas flare; additional capacity for Fats, Oils, and Grease (FOG) receiving; upgrades to the dewatered cake storage pads; new polymer system, and upgrades and/or replacing Odor Control Stations (OCS) A, B, C, and D. In addition to the main unit processes identified, additional upgrades to support these unit processes include additional demolition of existing tanks, additional piping, appurtenances, instrumentation and electrical work.

Project Justification: There have been increased odor complaints from the communities surrounding the Atlantic Treatment Plant (ATP) since the implementation of the new solids handling process and the diversion of all Chesapeake-Elizabeth Treatment Plant (CETP) flow. This project will improve resiliency in solids handling and will reduce the potential for off-site odors.

Task Order Description and Analysis of Cost: This task order is an extension to the previous preliminary engineering and design phase services.

Black and Veatch has utilized a trend register to manage potential changes in scope throughout the project. Negotiations were conducted for the following project additions: two Motor Control Center (MCC) replacements; gravity thickener supernatant pumping system; piping of the solids heat exchangers cooling water to the new gravity thickeners for elutriation water; scum handling; hazardous materials evaluation; FOG heating alternatives evaluation; special inspections of structural steel welding; and emergency standby generator system expansion evaluation for an added fee of \$1,881,565. Through the use of the trend register, two major items were removed from the original scope (Odor Control Station (OCS) B and upgrades to the digested sludge storage tank) and various efforts were added (digester cover and mixer design; OCS D

construction materials testing; construction inspection; loop drawing development) for an overall deduct to the project of \$567,890. HRSD staff reviewed the scope of services and determined a fee of \$1,313,675 is reasonable when compared to other projects of similar size and scope.

<u>Schedule:</u>	PER	February 2023
	Emergency Declaration	June 2024
	Design	August 2024
	Construction	April 2025
	Project Completion	July 2030

CONSENT AGENDA ITEM 3.c.2. – September 23, 2025

Subject: George Washington Interceptor Force Main Extension Part 2 (SF-140) Segmental Replacement at St. Julian's Creek
Task Order (>\$200,000)

Recommended Action: Approve a task order with Rummel Klepper & Kahl in the amount of \$240,908.

CIP Project: NP015700

Regulatory Requirement: None

Contract Status with Task Orders:	Amount
Original Contract with RK&K	\$0
Total Value of Previous Task Orders	\$95,538
Requested Task Order	\$240,908
Total Value of All Task Orders	\$336,446
Revised Contract Value	\$336,446
Engineering Services as % of Construction	13%

Project Description: This project will replace approximately 600 feet of 12-inch ductile iron exposed aerial bridge crossing and 14-inch cast iron buried piping of the Interceptor Force Main (SF-140) along George Washington Highway in Chesapeake, VA. The attached [map](#) depicts the project location.

Project Justification: This project will provide for segmental replacement of an aerial interceptor force main crossing St. Julian's Creek (secured to bottom of bridge deck) identified during condition assessment to have excessive pipe wall loss due to interior and exterior corrosion. Due to environmental exposure to brackish water, the replacement considers eliminating the exposed crossing with a trenchless crossing. The trenchless crossing is assumed to be a horizontal directional drill due to the water body crossing.

Task Order Description: This task order will provide the necessary design phase services for the replacement of approximately 600 feet of 12-inch ductile iron exposed aerial crossing and 14-inch cast iron buried piping of the Interceptor Force Main (SF-140) along George Washington Highway in Chesapeake, VA.

Analysis of Cost: The cost is based on hourly rates in RK&K's annual services contract for Linear Infrastructure Projects and the estimation of hours for this effort. The fee proposal is less than 10% of the Opinion of Probable Construction Cost (OPCC), and is reasonable for the anticipated scope of services.

<u>Schedule:</u>	PER	February 2025
	Design	October 2026
	Bid	April 2026
	Construction	July 2026
	Project Completion	July 2028



- NP015700**
- Project Interceptor Line
 - Project Interceptor Point
 - Project Pump Station Point
 - Project Area
- Legend**
- ★ CIP Interceptor Point
 - ☆ CIP Pump Station Point
 - CIP Interceptor Line
 - CIP Abandonment
 - CIP Project Area
 - HRSD Interceptor Force Main
 - HRSD Interceptor Gravity Main
 - HRSD Treatment Plant
 - HRSD Pressure Reducing Station
 - HRSD Pump Station

0 75 150 300 450 600 Feet

NP015700

George Washington Interceptor Force Main Extension
Part 2 (SF-140) Segmental Replacement at St Julian's
Cr



CIP Location



CONSENT AGENDA ITEM 3.c.3. – September 23, 2025

Subject: King William Treatment Plant Improvements Phase II
Task Order (>\$200,000)

Recommended Action: Approve a task order with Bridgeman Civil Inc. in the amount of \$694,888.

CIP Project: MP013300

Regulatory Requirement: None

Project Description: This project is intended to increase capacity for King William Treatment Plant (KWTP) from 100,000 Gallons Per Day (GPD) Average Daily Flow (ADF) to a firm capacity of 150,000 GPD ADF. Project includes site, civil, demolition, concrete pad, electrical and instrumentation as needed for installation, testing and start-up of pre-purchased Membrane System, as well as addressing known plant deficiencies needed to eliminate flow bottlenecks, improve plant reliability, and provide condition-based rehabilitation.

Project Justification: KWTP can currently treat 100,000 GPD ADF. Development in King William County has been accelerating in recent years. New subdivisions are planned and construction has ramped up in existing subdivisions with projected flows exceeding 150,000 GPD in addition to current flow. Buildout of approved subdivisions will require an expansion of capacity beyond 100,000 GPD ADF.

Task Order Description: This task order will provide the sitework and concrete work only for the installation of the pre-purchased Membrane System. This work needs to be done well in advance of the delivery of the pre-purchased Membrane System.

A significant portion of the project will be constructed by HRSD Special Projects Team, and additional expenditures will need to be made after the pre-purchased Membrane System is delivered.

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.

<u>Schedule:</u>	PER	July 2021
	Design	July 2023
	Bid	April 2025
	Construction	May 2025
	Project Completion	September 2026

CONSENT AGENDA ITEM 3.c.4. – September 23, 2025

Subject: Nansemond Treatment Plant Facility Site Development Plan
Task Order (>\$200,000)

Recommended Action: Approve a task order with HDR Engineering, Inc. (HDR) in the amount of \$297,433.

CIP Project: N/A

Regulatory Requirement: None

Project Description: This project will provide a facility site development plan identifying space used for existing plant operations, current projects, and space to reserve for future projects. Twelve known projects are anticipated for consideration in the facility site development plan and additional projects may be included as the project progresses. The deliverables for this effort will be a technical memorandum and site plan that includes existing and future facilities.

Project Justification: The Nansemond Treatment Plant (NTP) consists of approximately 200 acres located in Suffolk, Virginia with multiple ongoing and future projects planned for the site competing for available space. A site plan is required to identify space used for existing plant operations, current projects and space identification for future projects.

Task Order Description: This task order will provide a technical memorandum, facility site development plan and site map by HDR for the various location and project requirements determined at the NTP.

Analysis of Cost: The cost for this task order is based on negotiated costs with HDR based on agreed-upon hourly rates as outlined in our annual services contract. All work is being completed on a time and materials basis in the event that the full value of the contract is not required. The scope and estimated cost are reasonable.

Schedule: STUDY March 2026

CONSENT AGENDA ITEM 3.d.1. – September 23, 2025

Subject: Small Communities Rehabilitation Phase V
 Additional Appropriation - Non-Regulatory Capital Improvement Project
 (<\$1,000,000)
 Task Order (>\$200,000)

Recommended Actions:

- a. Appropriate additional funding in the amount of \$974,968.
- b. Approve a task order with Bridgeman Civil Inc. in the amount of \$783,670.

CIP Project: MP014800

Regulatory Requirement: None

	Project Cost & Appropriation Summary	CIP Project Summary
Capital Improvement Program Estimate (July 1, 2025)		\$1,603,951
Funds Appropriated to Date	\$482,460	
Expenditures and Encumbrances Already Incurred	(398,718)	
Available Balance	<u>83,742</u>	
Proposed Task Order to Bridgeman Civil	783,670	
Proposed Task Order to Rummel Klepper & Kahl LLC	140,040	
Proposed Contingency	135,000	
Revised Total Remaining Project Costs	<u>1,058,710</u>	
Expenditures and Encumbrances Already Incurred	398,718	
New Project Cost Estimate	<u>1,457,428</u>	1,457,428
Additional Appropriation Needed	<u>\$974,968</u>	
Favorable (Unfavorable) Variance to CIP		<u>\$146,523</u>

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

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

Task Order Description: This task order will provide construction services to install three new manholes in the town of West Point, uncover and raise approximately five manholes in King William County, 18 manholes in the Town of Urbanna and 36 manholes in the town of West Point. The manholes are located within pavement, gravel, or grassed areas.

Analysis of Cost: The cost for the construction 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 \$140,040 and contingency in the amount of \$135,000 to account for real estate acquisition, easement recordation, and construction contingency.

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

Schedule:	PER	February 2022
	Design	September 2022
	Bid	August 2025
	Construction	October 2025
	Project Completion	June 2026

CONSENT AGENDA ITEM 3.e.1. – September 23, 2025

Subject: Washington District Pump Station Area Sanitary Sewer Improvements
Additional Appropriation - Regulatory Required Capital Improvement Project
(<\$10,000,000)

Recommended Action: Appropriate additional funding in the amount of \$899,058.

CIP Project: AT013000

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)		\$11,304,068
Funds Appropriated to Date	\$12,188,492	
Expenditures and Encumbrances Already Incurred	(\$11,318,543)	
Available Balance	<u>\$869,949</u>	
Proposed Change Order to Tidewater Utility	\$1,538,267	
Proposed Contingency	\$230,740	
Revised Total Remaining Project Costs	<u>\$1,769,007</u>	
Expenditures and Encumbrances Already Incurred	\$11,318,543	
New Project Cost Estimate	<u>\$13,087,550</u>	<u>\$13,087,550</u>
Additional Appropriation Needed	<u>\$899,058</u>	
Favorable (Unfavorable) Variance to CIP		<u>(\$1,783,482)</u>

Project Description: This project is part of the Rehabilitation Action Plan Phase 2, which is part of the Federal Consent Decree. The project will replace 4,300 linear feet of 18-inch diameter gravity sewer pipeline and associated manholes. This project will include the permanent abandonment of the inactive Washington District outfall. It will also replace a 10-inch cast iron force main from the Dozier's Corner Pump Station up to Campostella Road along River Creek Road and will discharge to a manhole at the intersection of River Creek and Neal Street. The attached [map](#) depicts the project location.

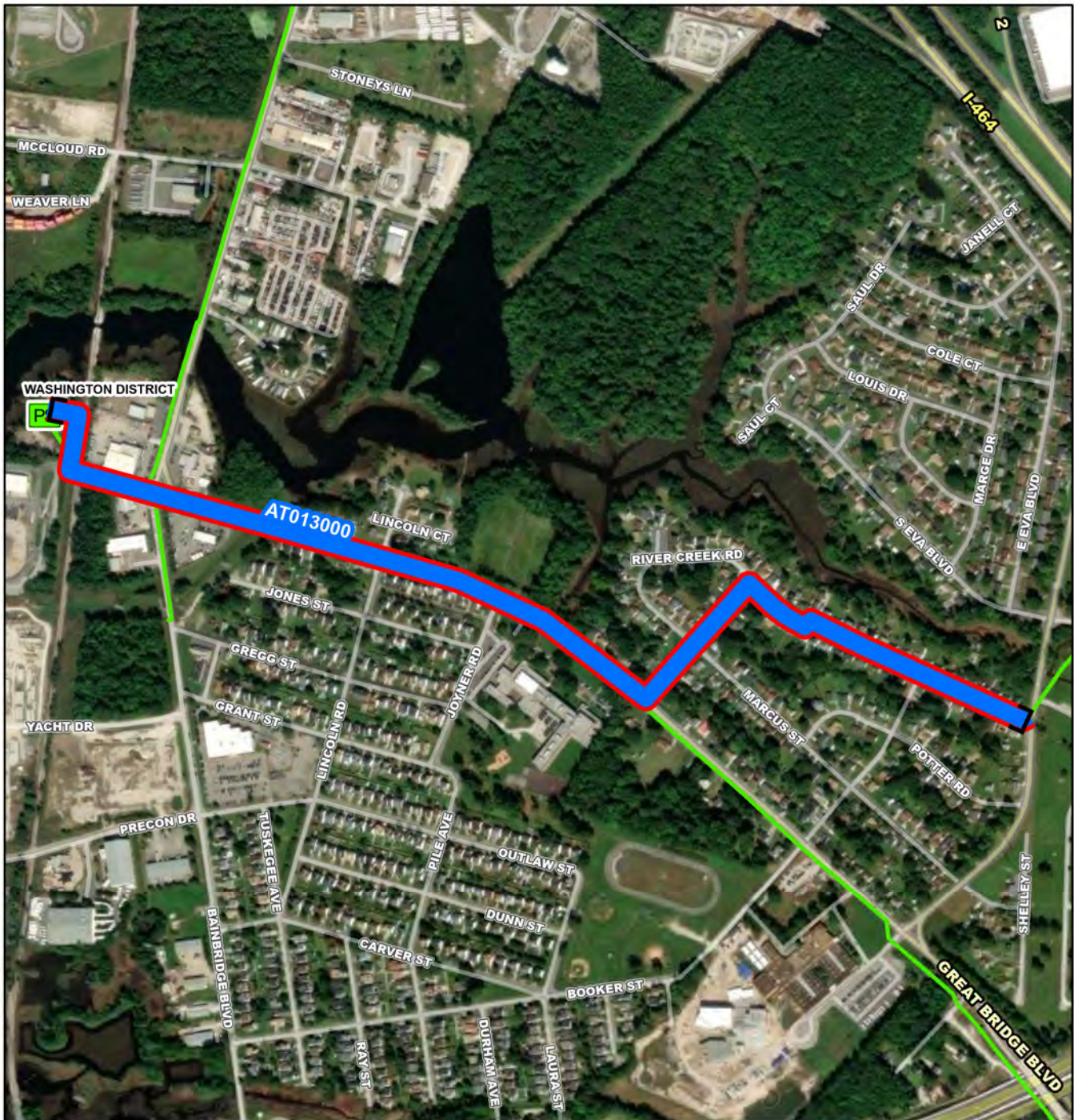
Project Justification: Condition assessment activities indicate that these assets present a material risk of failure due to physical condition defects.

Funding Description and Analysis of Cost: Additional project funding is required to address a pending change order with Tidewater Utility Construction. The work involves connecting a Chesapeake gravity manhole into a new HRSD manhole installed under this project. During excavation, the contractor discovered a large concrete reaction block adjacent to HRSD's existing 24-inch force main. This obstruction conflicts with the planned manhole connection. The contractor must install line stops to bypass the existing force main.

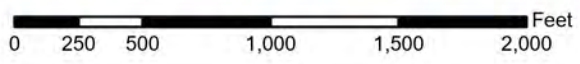
This will allow for the safe replacement of a section of force main and a 30-inch valve in the vicinity of the reaction block in addition to making the manhole connection. The change order reflects the additional labor, equipment, materials, and line stop subcontractor fee to perform this unanticipated work.

The additional costs and contract time extension were negotiated by both the Engineer and HRSD. The change order, in the amount of \$1,538,267, does not require Commission approval; however, the cost of the additional work exceeds the current balance available for this project. The requested funding includes a \$230,740 contingency to account for any further unforeseen conditions during project completion.

<u>Schedule:</u>	Design	September 2019
	Bid	November 2022
	Construction	February 2023
	Project Completion	December 2025



- AT013000**
- 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



AT013000

Washington District Pump Station Area Sanitary
Sewer Improvements



HRSD Commission Meeting Minutes
September 23, 2025
Attachment #2

4. Procurement Policy and Appendices
Appendix E Contracting with Faith-Based Organizations

COMMISSION ADOPTED POLICY
Procurement Policy – Appendix E
Contracting with Faith-Based Organizations



Adopted: N/A

Page 1 of 1

1.0 Purpose and Need

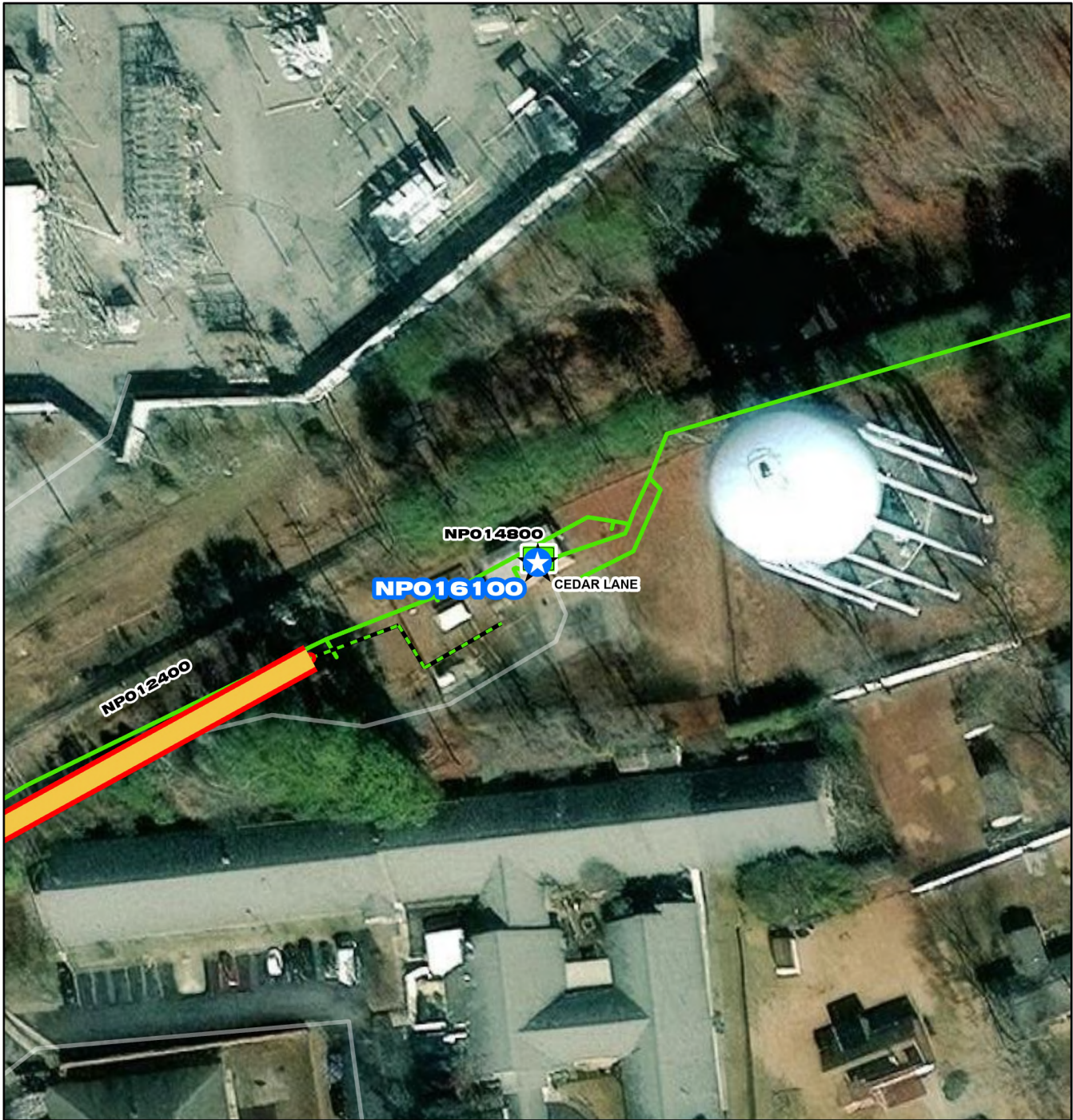
This policy is intended to set forth HRSD's compliance with § 2.2-4343.1 of the Virginia Code with respect to contracting with Faith-Based Organizations.

2.0 Procedure for Compliance

- 2.1 HRSD, in procuring goods or services or in making disbursements, shall not (i) discriminate against a Faith-Based Organization on the basis of the organization's religious character or (ii) impose conditions that (a) restrict the religious character of the faith-based organization, except, in accordance with §2.2-4343.1(F) or (b) impair, diminish, or discourage the exercise of religious freedom by the recipients of such goods, services, or disbursements.
- 2.2 A Faith-Based Organization is defined as a religious organization that is or applies to be a contractor to provide goods or services for programs funded by the block grant provided pursuant to the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996, P.L. 104-193.
- 2.3 All invitations to bid, requests for proposals, contracts, and purchase orders shall prominently display a nondiscrimination statement indicating that HRSD does not discriminate against Faith-Based Organizations.
- 2.4 Pursuant § 2.2-4343.1(F), no funds shall be expended on contracts for religious worship, instruction, or proselytizing.
- 2.5 HRSD shall comply with the obligations and notice provisions contained in § 2.2-4343.1(H).

HRSD Commission Meeting Minutes
September 23, 2025
Attachment #3

5. Cedar Lane Pump Station (PS104) Study
New CIP and Initial Appropriation – Non-Regulatory



NPO16100

- 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

0 25 50 100 150 200 Feet

NPO16100

Cedar Lane Pump Station (PS104) Study



CIP Location



HRSD Commission Meeting Minutes
September 23, 2025
Attachment #4

6. Ron Springs Drive Valve Improvements (W1004)
Initial Appropriation – Non-Regulatory, Task Order >\$200,000



WB013410

- 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
- WTP HRSD Treatment Plant
- PRS HRSD Pressure Reducing Station
- PS HRSD Pump Station

0 25 50 100 150 200 Feet

WB013410

Ron Springs Drive Valve Improvements (W1004)

HRSD

N
W E
S

CIP Location

HRSD Commission Meeting Minutes

September 23, 2025

Attachment #5

8. High Priority Inflow and Infiltration Reduction Program Implementation
Initial Appropriation - Regulatory Required Capital Improvement Project (>\$10,000,000),
Comprehensive Agreement, and Resolution



RESOLUTION

ADOPTING FINDINGS, APPROVING THE HIGH PRIORITY INFLOW AND INFILTRATION REDUCTION PROGRAM, AND AUTHORIZING EXECUTION OF A COMPREHENSIVE AGREEMENT

WHEREAS, in October of 2023 the Hampton Roads Sanitation District Commission (the "Commission") authorized the use of the Public-Private Education Facilities and Infrastructure Act of 2002 (the "PPEA") for delivery of the High Priority Inflow and Infiltration Reduction Program (the "Program") as part of the effort to achieve compliance with the approved Regional Wet Weather Management Plan ("RWWMP"); and

WHEREAS, the Commission has adopted guidelines for implementation of the PPEA as Appendix G of the Hampton Roads Sanitation District ("HRSD") Procurement Policy, and adopted certain findings and supplemental guidelines for the Program on February 27, 2024 (collectively, the "Guidelines"); and

WHEREAS, after HRSD solicited and evaluated proposals for qualifying projects for the Program in accordance with the Guidelines, the Commission selected the proposal submitted by Burns & McDonnell Engineering Company, Inc. ("Burns & McDonnell"); and

WHEREAS, on August 27, 2024, the Commission approved a negotiated Interim Agreement with Burns & McDonnell, and subsequently approved two amendments to extend the term and update the scope of work (collectively, the "Interim Agreement"); and

WHEREAS, as part of the Interim Agreement, Burns & McDonnell produced a Comprehensive Inflow and Infiltration Reduction Plan (the "Plan") to guide development of the Program; and

WHEREAS, HRSD and Burns & McDonnell have negotiated a Comprehensive Agreement for the development and operation of the Program in phases and segments consistent with the Plan and the cost-effective reduction of inflow and infiltration, which was presented to the Commission on September 23, 2025; and

WHEREAS, the Commission finds that adoption of this resolution and the findings herein is in the best interests of HRSD, the ratepayers, the public, and completion of the Program.

NOW, THEREFORE, BE IT RESOLVED, on the 23rd day of September, 2025, by the HRSD Commission that:

1. The Commission determines that the Program serves the public purpose of the PPEA and finds:
 - a. There is a public need for, and benefit derived from, the Program;
 - b. The estimated cost of the Program is reasonable in relation to similar projects that could accomplish the goals of the RWWMP; and
 - c. The Comprehensive Agreement and the Plan will result in the timely development or operation of the Program.
2. The Commission approves the Program and the negotiated Comprehensive Agreement with Burns & McDonnell with a Maximum Agreement Price of \$154,215,840.
3. The Commission authorizes the execution of the negotiated Comprehensive Agreement in a form substantially the same as that presented on September 23, 2205, and directs HRSD's Chief Engineer or designee to execute the negotiated Comprehensive Agreement on behalf of HRSD, with such minor modifications as may be approved by the General Manager and HRSD Legal Counsel as consistent with this Resolution.
4. Total funding for the Program is appropriated to new CIP Project GN020310 in the amount of \$143,715,840 and existing CIP Projects VP018301 and VP018303 in the amounts of \$15,582,800 and \$11,205,600, respectively.
5. The Commission authorizes HRSD's Chief Engineer or designee to approve and execute Project Packages on behalf of HRSD in accordance with the terms of the Comprehensive Agreement and within the total Maximum Agreement Price for the Program.
6. Burns & McDonnell shall commence activities related to the Program within thirty (30) days of the Chief Engineer or designee's approval of a Project Package, or such other time period as described in the Project Package.
7. The findings contained in this resolution shall be supplemental to those adopted by the Commission on February 27, 2024.
8. A copy of the executed Comprehensive Agreement shall be submitted to the Commonwealth of Virginia's Auditor of Public Accounts within thirty

(30) days of full execution pursuant to Virginia Code §§ 56-575.9(F) and 56-575.18.

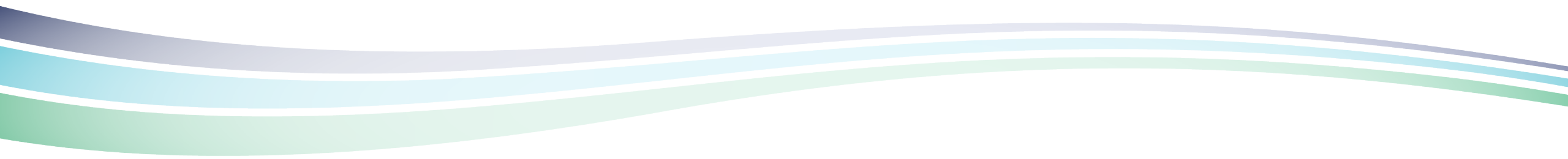
The undersigned further certifies that the foregoing has been properly approved and adopted in accordance with all applicable requirements of the HRSD Commission.



Stephen Rodriguez, Chair

[HRSD Seal]





HRSD's High Priority I/I Reduction Program (HPIIRP) Implementation and Comprehensive Agreement

September 23, 2025

Current Path to Compliance

Today

Phase 1: I/I Reduction

2030

Phase 2: Capacity Improvements

2040

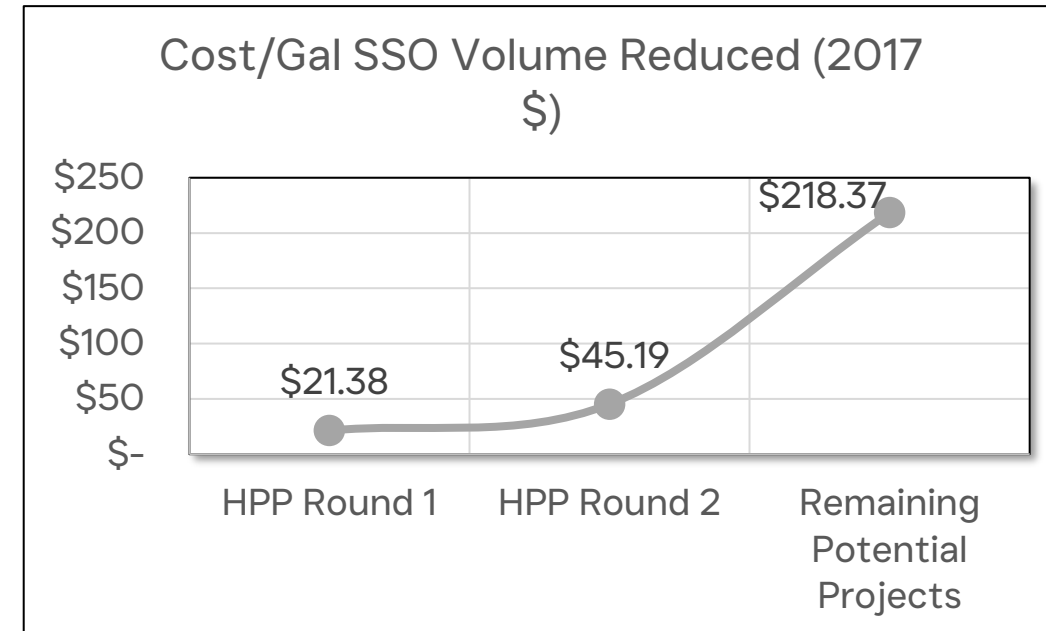
Adaptive
Management

X%?

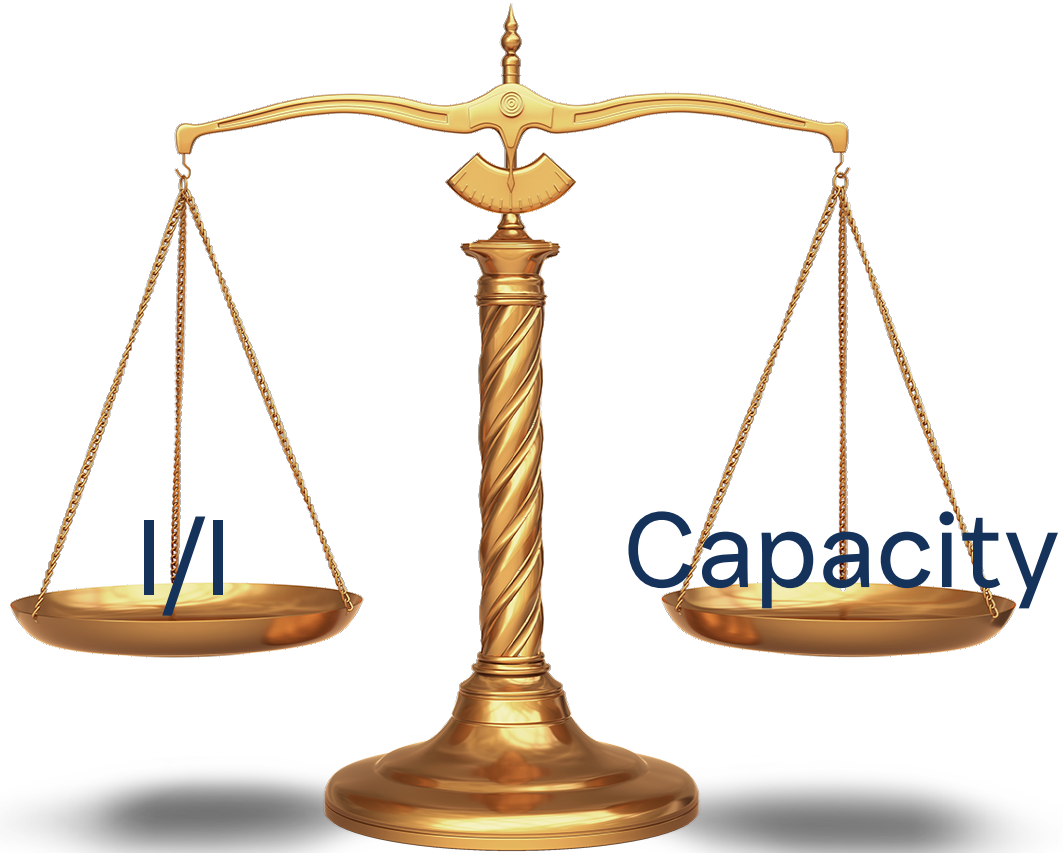
69%

Phase 1 Goal

- To reduce capacity-related SSOs through the cost-effective reduction of inflow and infiltration (I&I)
 - Projects were identified in the RWWMP.
 - Work may be located on Locality, HRSD, and/or private assets.
 - These projects have a regulatory deadline of December 31, 2028.

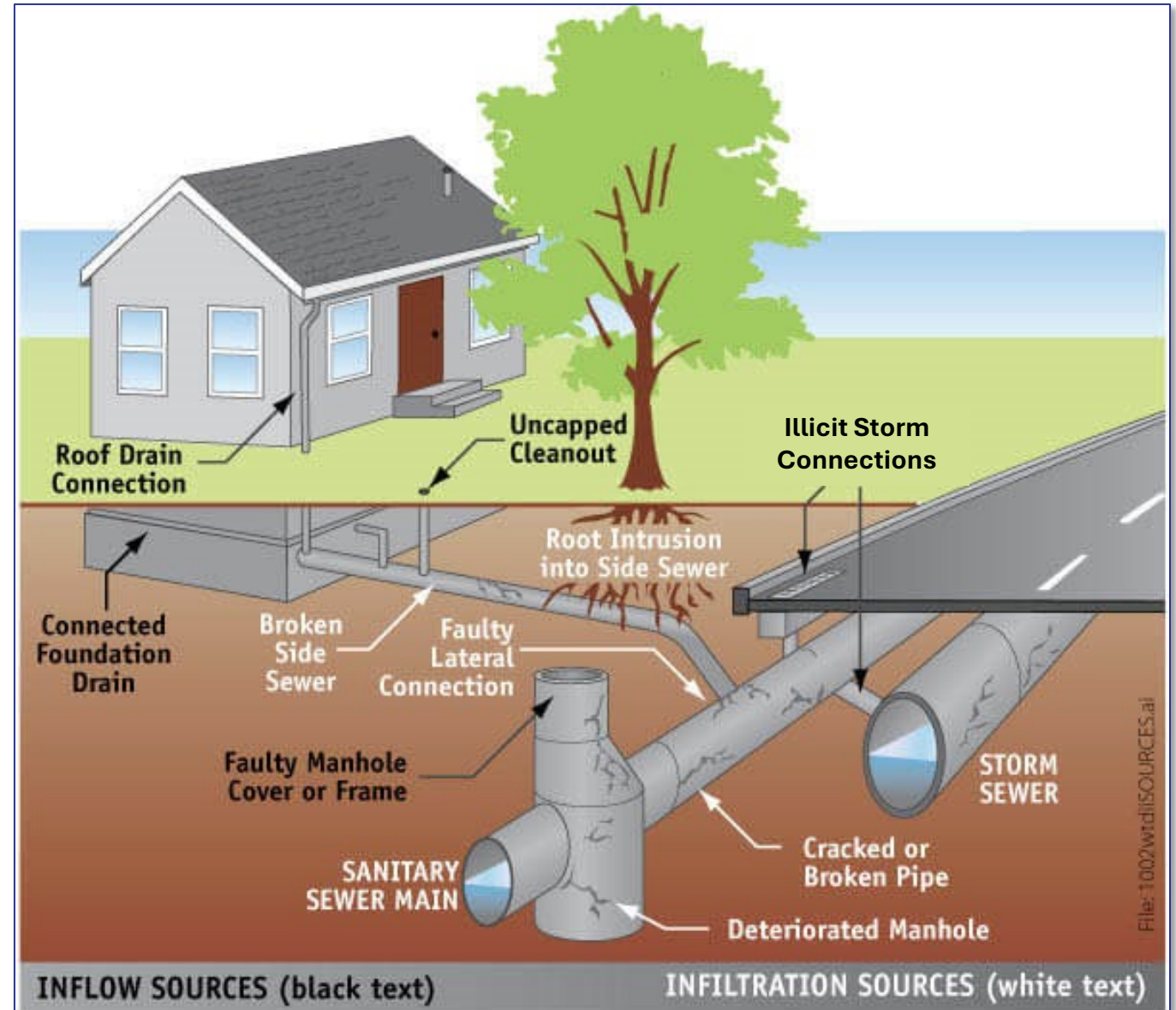


I/I vs. Capacity



Why are I/I Projects Different?

- I/I work is unique:
 - Location is unknown
 - Iterative process
 - Takes time
 - Results not guaranteed
 - Not on HRSD assets



Public-Private Education Facilities and Infrastructure Act of 2002

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

The screenshot shows the Virginia Law Library (LIS) website. The header includes the LIS logo and "VIRGINIA LAW". A search bar is present with "Code of Virginia" selected. The main content area displays the "Code of Virginia" title, a "Table of Contents" link, and the specific act: "The Public-Private Education Facilities and Infrastructure Act of 2002". Below this, there are links for "Popular Names", "2023 Updates", and "SECTION LOOK UP". The "SECTION LOOK UP" dropdown shows "ex. 2.2-4007.01" and a "Go" button. On the left sidebar, there are links for "Administrative Code", "Constitution of Virginia", "Charters", and "Authorities". The main text area shows the beginning of the act, including the title and the start of the definitions section.

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

← Popular Name → Print PDF email

The Public-Private Education Facilities and Infrastructure Act of 2002

§ 56-575.1. Definitions
As used in this chapter, unless the context requires a different meaning:

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

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

"Commission" means the State Corporation Commission.

The screenshot shows a document titled "COMMISSION ADOPTED POLICY Procurement Policy – Appendix G PPEA". It features the HRSD logo. The document includes adoption and revision dates, a section header "1.0 Purpose and Need", and detailed text about the policy's purpose and its relationship to the Virginia Code and the PPEA. The text states that the policy is adopted to encourage competition and guide HRSD's procurement and selection of projects under the Public-Private Education Facilities and Infrastructure Act of 2002. It also mentions that the provisions of the PPEA, as amended, are incorporated into this policy by reference. A link to the full code is provided: <https://law.lis.virginia.gov/vacodefull/title56/chapter22.1/>. The document further states that 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. Finally, it states that 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.

COMMISSION ADOPTED POLICY
Procurement Policy – Appendix G
PPEA

Adopted: December 15, 2014 Revised: July 22, 2025 Page 1 of 13

1.0 Purpose and Need

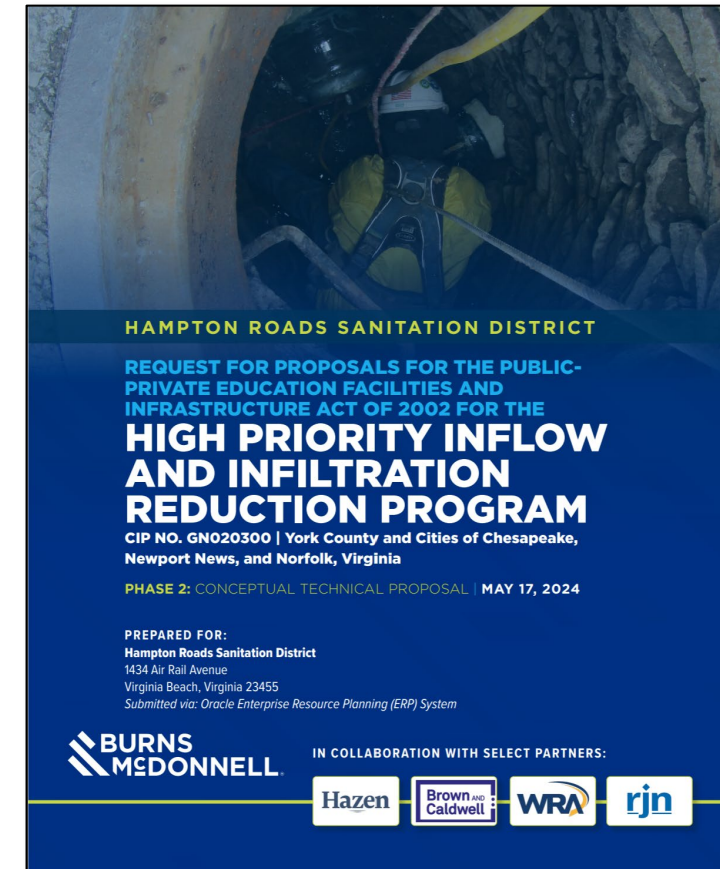
This policy is adopted to encourage competition and guide HRSD's procurement and selection of projects under Public-Private Education Facilities and Infrastructure Act of 2002, Virginia Code § 56-575.1 et seq., as amended (the "PPEA"). The provisions of the PPEA, as amended, are incorporated into this 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.

Burns & McDonnell – Interim Agreement

- Competitive negotiation awarded Aug. 2024
- Funded through GN020300
- Included evaluation and planning efforts to verify HPIIRP scope and cost
 - CCTV
 - Flow Monitoring
 - Smoke Testing
 - Modeling
- Deliverable: Comprehensive I/I Reduction Program Plan



The Team



Hazen

Design and Modeling



Design



Design and Modeling



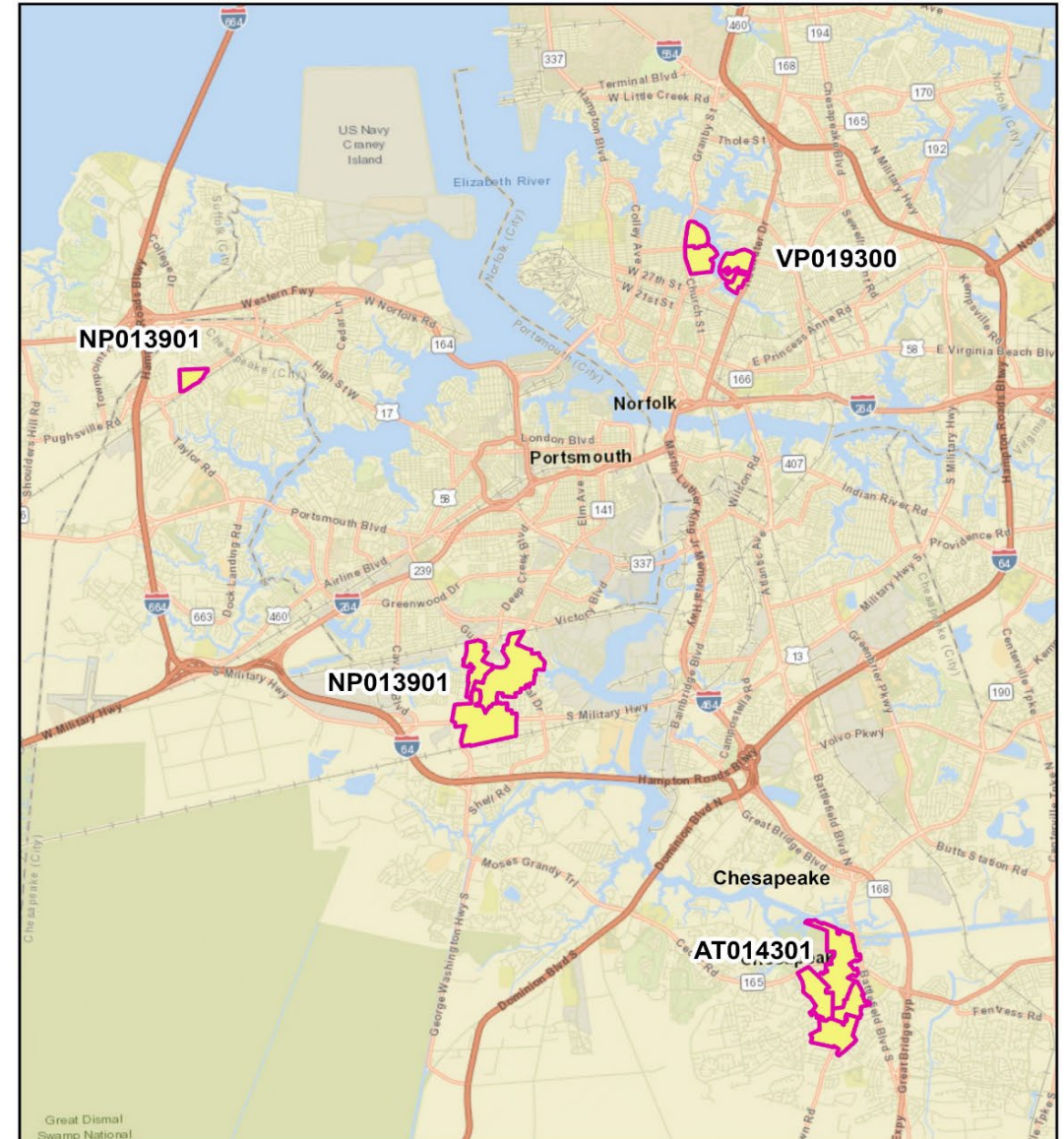
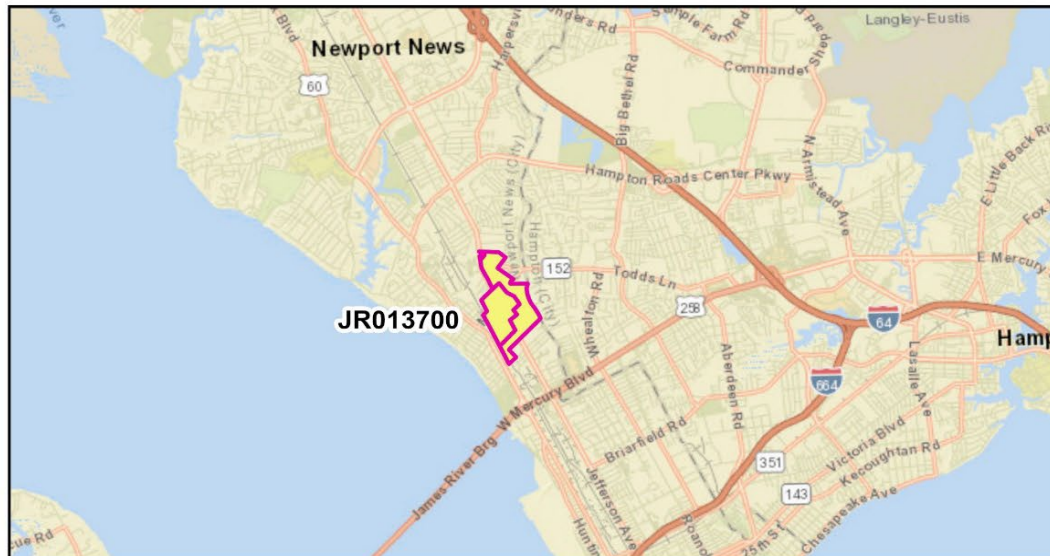
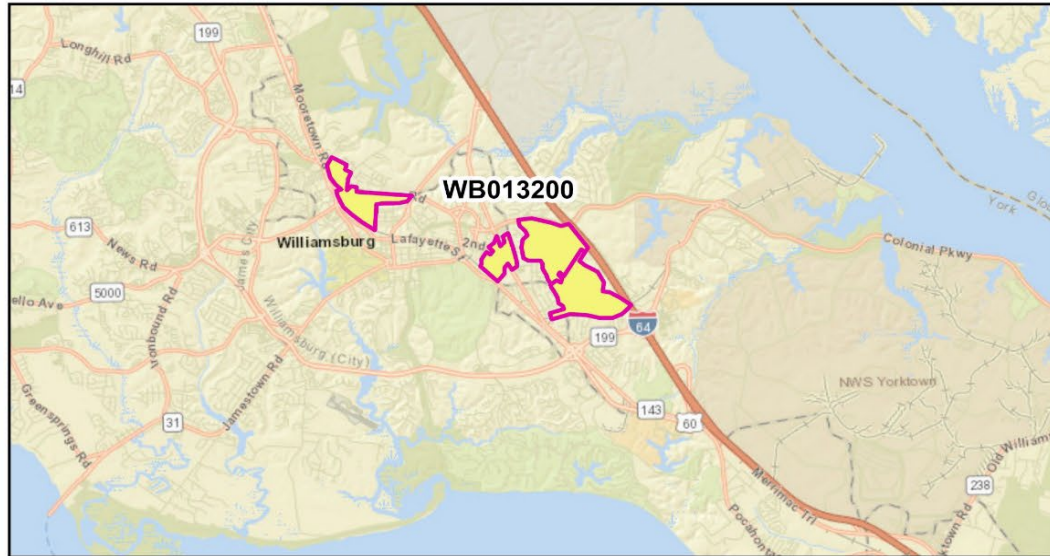
SSES Activities



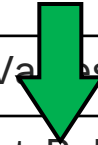
Public Outreach



Original HPIIRP Projects from the RWWMP



Updated Flow Data Results



No.	Basin	Locality	Original RWWMP Values		Updated 2024/2025 10-yr Peak I/I (MGD)
			Pre-Rehab, 10-yr Peak I/I (MGD)	Post-Rehab, 10-yr Peak I/I (MGD)	
1	CHES-032	CHES	0.90	0.65	0.46
2	CHES-047	CHES	0.78	0.43	0.12
3	CHES-067	CHES	6.01	2.29	1.92
4	CHES-111	CHES	0.96	0.60	0.42
5	CHES-016	CHES	5.71	2.50	1.98
6	CHES-018	CHES	3.00	1.24	1.23
8	CHES-227	CHES	0.67	0.43	0.34
7	CHES-026	CHES	1.56	0.63	0.15
9	NORF-H-106	NORF	0.63	0.47	*
10	NORF-H106-G1	NORF	1.07	0.68	0.56
11	NORF-H-113	NORF	0.97	0.52	0.56
12	NORF-H113-G1	NORF	0.78	0.29	0.13
13	NORF-H113-G2	NORF	0.66	0.23	0.13
14	NEWP-WCPSA001575	NEWP	2.33	1.21	3.17
15	NEWP-WCPSA001600	NEWP	2.53	1.18	2.53
16	YORK-001	YORK	0.62	0.33	0.89
17	YORK-003	YORK	1.44	0.77	1.96
18	YORK-006	YORK	3.21	1.16	1.28
19	YORK-229-2	YORK	2.00	0.81	0.16

Color Codes

Lower than RWWMP
Post-Rehab Flow

Between RWWMP Pre-
and Post-Rehab Flow

Higher than RWWMP
Post-Rehab Flow

New HPIIRP Basins Identified

Project Review Target Criteria

HPP Test Groups with I/I reduction

- I/I reduction only groupings where practical
- Sort descending on total SSO reduction achieved
- Review where SSO impacts > 100,000 gal

Secondary Project Review Target Criteria

I/I Reduction Area Statistics

- Basins with larger total peak I/I MGD
- Greater leakiness - 10-yr peak flow density in gal/acre/day (gpad)
- Review SSO reduction potential (Test Group simulations)
- Consider flow parameter basis (monitored or by association)



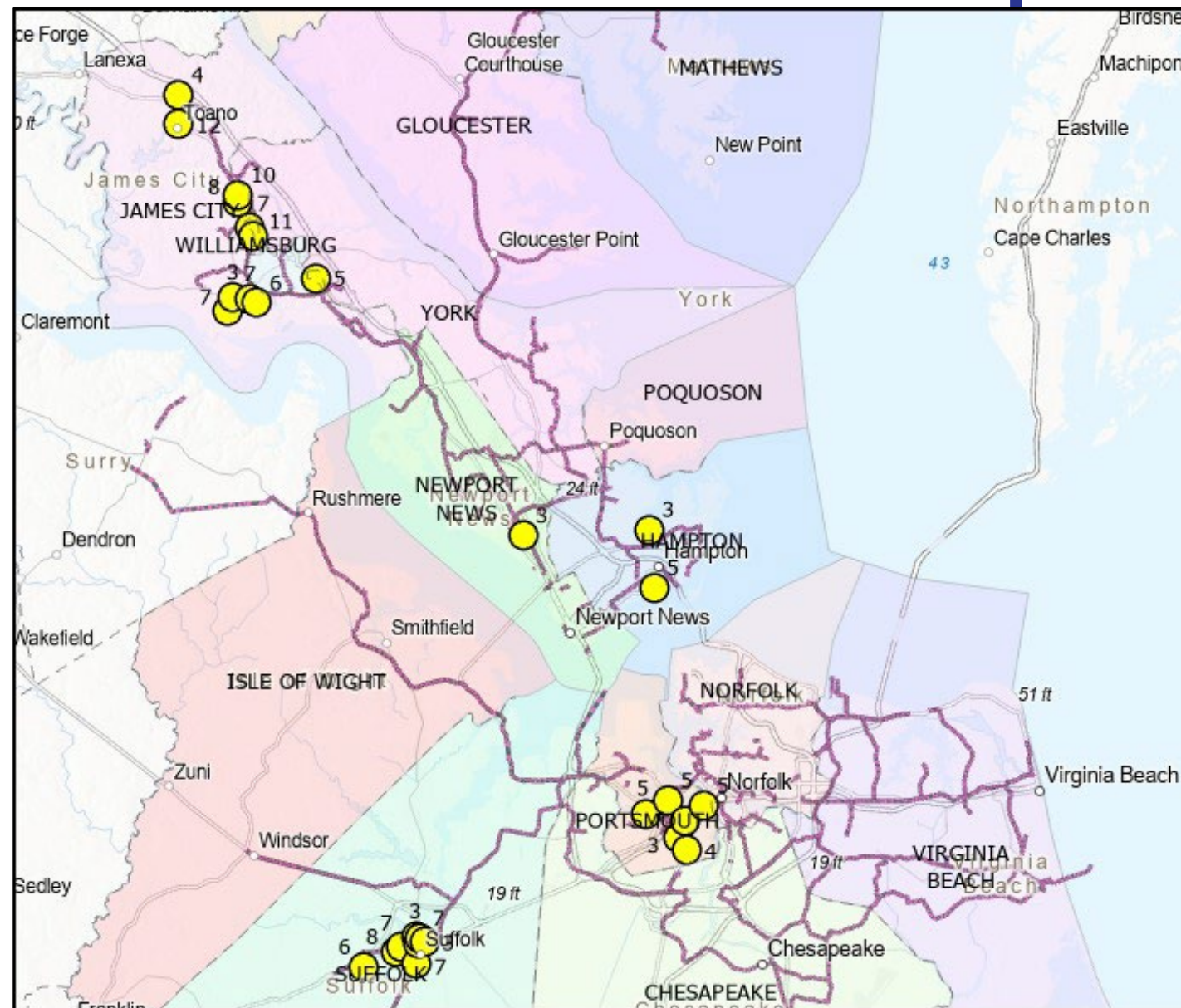
Basin
CHES-089
CHES-919-G1
SUFF-048
SUFF-146
JCSA-LSA-3-1
JCSA-LSA-3-6
JCSA-LSA-3-8
NEWP-WCPSA-001180
PORT-010
WILL-005
JCSA-LSA5-4
JCSA-LSA6-8
CHES-104

Revised HPIIRP Priority Basins

Basin	In HPIIRP	Contributes to SSOs in 2017 Model	Contributes to Observed SSOs since 2017	New Flow Data Shows High I/I	Original HPP Project	No Locality Capacity Changes to Resolve RWWMP SSO	Low Unit Cost of I/I Reduction	Helps with Other HRSD Capacity Needs	Weighted Score
PORT-10	Yes	3	3	3	0	1	3	2	120.0
JCSA-LSA3-8	Yes	2	3	3	0	1		2	97.0
JCSA-LSA3-1	Yes	2	2	2	0	1	1	2	89.7
JCSA-LSA5-4	Yes	2	3	2	0	1		1	82.8
JCSA-LSA3-6	Yes	1	2	1	0	1	1	2	79.0
YORK-003	Yes	2		3	1	1	1	1	77.5
YORK-006	Yes	2		2	1	1	1	1	71.8
CHES-016	Alt.	2	1	1	1	1	2		71.3
SUFF-146	Alt.	1	3	1	0	1	1	0	69.7

Prioritization of Basins – SSO Example

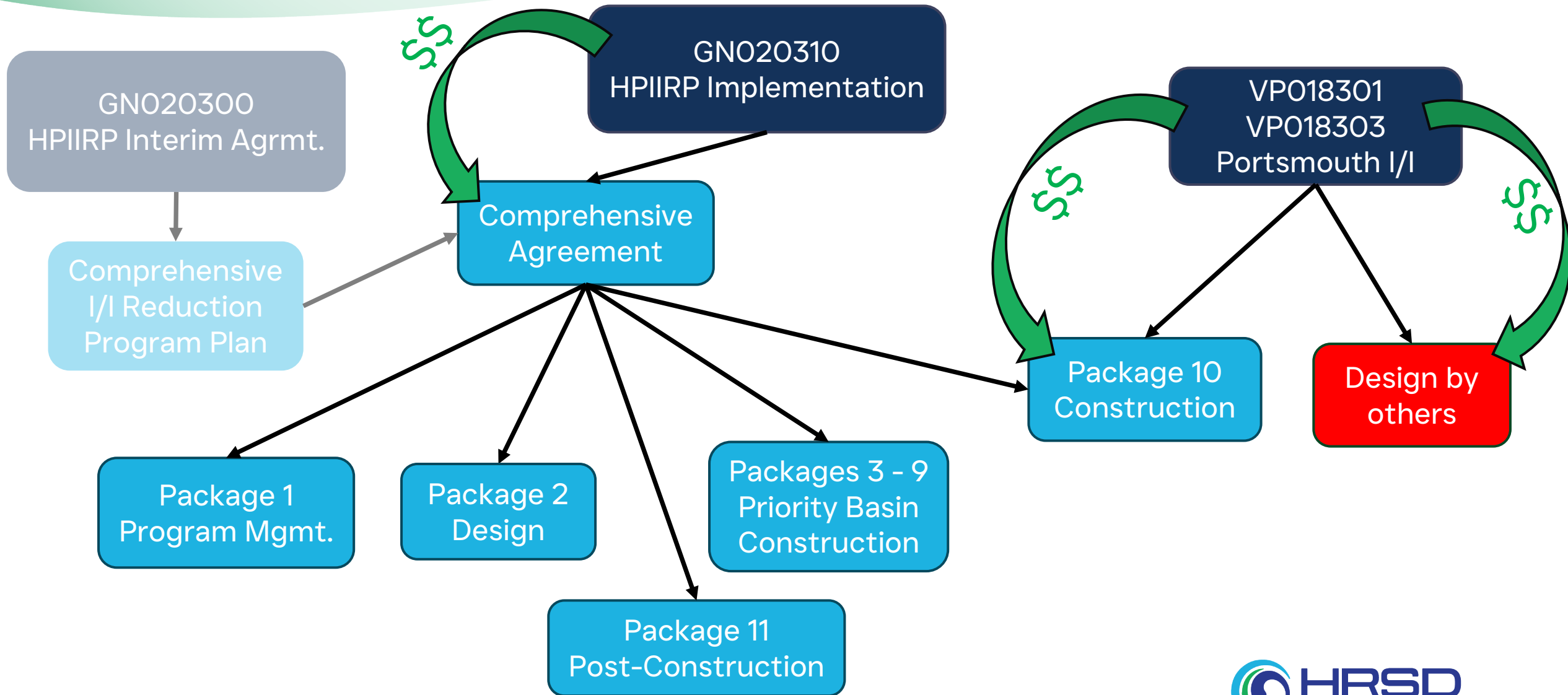
Basin	In HPIIRP	Contributes to SSOs in 2017 Model	Contributes to Observed SSOs since 2017
PORT-10	Yes	3	3
JCSA-LSA3-8	Yes	2	3
JCSA-LSA3-1	Yes	2	2
JCSA-LSA5-4	Yes	2	3
JCSA-LSA3-6	Yes	1	2
YORK-003	Yes	2	
YORK-006	Yes	2	
CHES-016	Alt.	2	1
SUFF-146	Alt.	1	3



HPIIRP Budgetary Costs

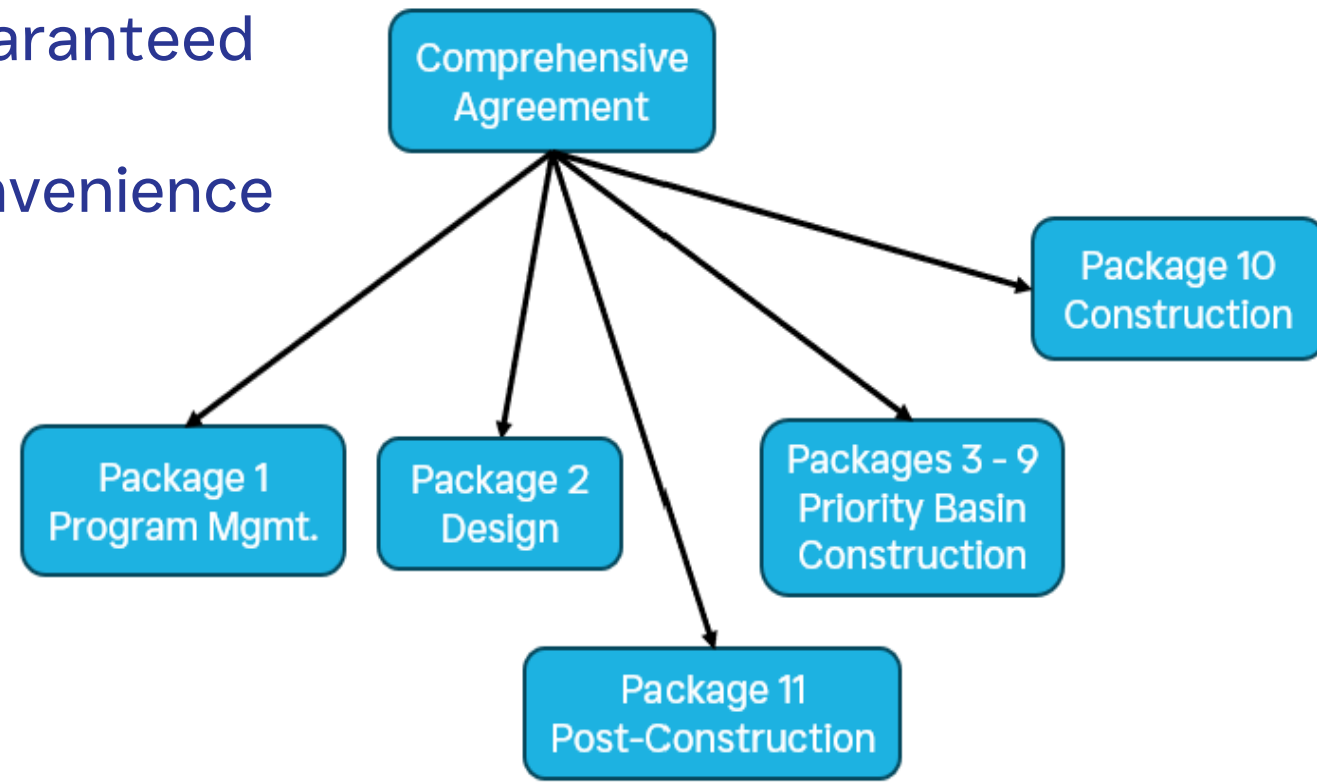
Phase	Item	(\$ M)
Design & Construction	Design and Construction of Priority Basins	\$93.29
	Construction of Portsmouth Basins via VP018301 and VP018303	\$10.50
	Program Management Services	\$23.22
	Subtotal of Design and Construction	\$127.01
Post-Construction	Post-Construction Monitoring and Modeling	\$5.65
	Subtotal of Post-Construction	\$5.65
Owner-Controlled Contingency		\$21.56
Total HPIIRP Implementation Comprehensive Agreement Budget		\$154.22
Total New Appropriation (does not include Portsmouth Basins)		\$143.72

HPIIRP Contract Structure



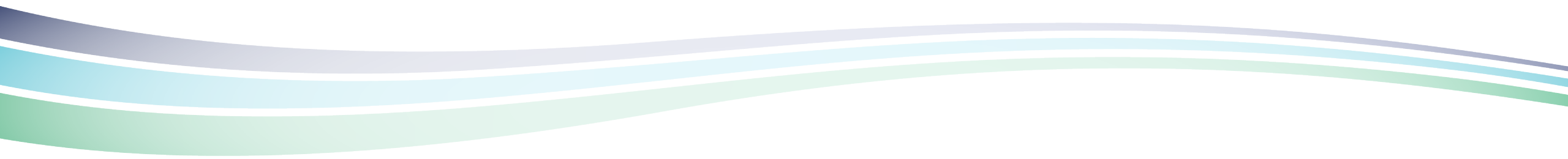
Contract Flexibility

- Comprehensive Agreement is a “Maximum Agreement Price” contract
 - Maximum amount, not a guaranteed amount
 - HRSD can terminate for convenience
- Project Packages
 - Must be approved by HRSD
 - Not-to-Exceed option



Next Steps

- Develop Cost-Effective Evaluation
- Develop basin-specific I/I Reduction Plans
- Execute Agreements with Chesapeake, JCSA, Portsmouth, Suffolk, and York County
- Design and Construction – 2026 through 2028



Questions?

HRSD Commission Meeting Minutes
September 23, 2025
Attachment #6

9. Lease and Site Agreement for Re-Purposing of Preliminary-Treatment Facility (PTF) at the site of the former Chesapeake Elizabeth Treatment Plant (CETP)

Agreement No. 6260919

LEASE AND SITE USE AGREEMENT

This Lease and Site Use Agreement (the “Agreement”) is made this 23rd day of September 2025 (the “Agreement Date”) by and between the HAMPTON ROADS SANITATION DISTRICT (“HRSD”), a political subdivision of the Commonwealth of Virginia, with place of business at 1434 Air Rail Avenue, Virginia Beach, Virginia 23455, and INSIGHTFUEL, LLC, (“Lessee”) having a usual place of business at 16111 Scottwood Road, Midlothian, Virginia 23113, (hereinafter referred to individually as a “Party” or collectively the “Parties”).

WITNESS:

WHEREAS, HRSD is the owner of the Chesapeake-Elizabeth Treatment Plant (“CETP”), which is located at 5332 Shore Drive, Virginia Beach, Virginia 23455 (the “Site”); and

WHEREAS, the Site was deeded to HRSD by the U.S. Government on June 25, 1965, (the “Deed”) for the purposes set forth in the Deed and the Deed's subsequent August 13, 2015, amendment (the “Deed Amendment”); and

WHEREAS, the Deed Amendment permits HRSD to hold the Site “for so long as it is used solely for the construction, operation, and maintenance of a facility required as part of the regional sewage system, including any associated communication facilities and other related appurtenances”; and

WHEREAS, the Deed Amendment further provides a reversion to the United States, at the option of the United States, should the Site no longer be used for such purposes; and

WHEREAS, HRSD has decommissioned the CETP as a wastewater treatment plant but intends to continue to hold the Site in accordance with the terms of the Deed Amendment; and

WHEREAS, HRSD issued Solicitation No. 405340, “RFP-Chesapeake-Elizabeth Plant (CETP) Re-Purposing,” which solicited proposals to establish a contract through competitive negotiations for the purpose of leasing or selling all or a portion of the CETP (the “RFP”), a copy of which RFP is attached hereto and incorporated herein as Exhibit 3; and

WHEREAS, in response to Solicitation No. 450340, Lessee submitted a proposal (the “Proposal”), a copy of which Proposal is attached hereto and incorporated herein as Exhibit 1, for re-purposing the CETP’s Pre-Treatment Facility (“PTF”) to modify the existing septage receiving station and Equipment, and the addition of new machinery, trade fixtures, and equipment (such new items are the “FF&E”) to receive and process Fats, Oils and Grease (“FOG”) in a separate stream from receiving and processing septage. Truck deliveries of septage and FOG will be received and processed separately (the “Permitted Use”); and

WHEREAS, HRSD is willing, subject to the terms and conditions of this Agreement, to lease to Lessee the PTF building and the areas shown as Area A and Area B on Exhibit 2 attached hereto and incorporated herein (“Leased Premises”); and

WHEREAS, HRSD will, subject to the terms and conditions set forth below, provide Lessee with a non-exclusive limited right to access and use the Leased Premises for the Permitted Use only; and

WHEREAS, HRSD has submitted to the U.S. Government a description of its intended future use of the Site, which includes the Permitted Use; and

WHEREAS, the Materials received and processed by Lessee at the PTF would benefit HRSD by diverting Fats, Oils, and Grease from HRSD’s treatment plants, thus reducing gross cost of service and operational complexity at these facilities.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which consideration is hereby mutually acknowledged, and the other promises, covenants and agreements hereinafter set forth and in furtherance of the understanding of the parties, it is hereby agreed as follows:

1. Definitions.

The terms as used herein, will have the respective meanings assigned to them below:

a. “Access” means the right of Lessee and Lessee’s Invitees to enter onto the Site for the purpose of performing their obligations and exercising their rights under this Agreement. Access is expressly limited to the Leased Premises.

b. “Agreement” means this Lease and Site Use Agreement, including any exhibit, amendment, addenda, schedule or appendix to it.

c. “Business Day” means a day which is not a Saturday, Sunday or a public holiday recognized by the HRSD.

d. “Currency” all references to currency, unless otherwise specified, are to lawful money of the United States.

e. “Equipment” means any fixture located inside or outside of the PTF building located on the Leased Premises that is not removed prior to commencement of this Agreement with the exception of the equipment that will be located on the first floor of the PTF building in the HRSD electrical room.

f. “Fixture” means an item of personal property that is securely affixed or attached to a building or real property such that it becomes part of the building or real property.

g. “FOG” means material, either liquid or solid, composed of fats, oils or grease from animal or vegetable sources. FOG comes from many food sources and is frequently introduced and accumulates into the sanitary sewer system and may contribute to sanitary sewer blockages and obstructions.

h. “Furniture, Fixtures, and Equipment” or “FF&E” means any machinery, trade fixtures, and equipment for re-purposing the CETP’s Pre-Treatment Facility (“PTF”) to modify the existing septage receiving station to receive and process Fats, Oils and Grease (“FOG”) in a separate stream from receiving and processing septage by Lessee. As the term is used in this Agreement, FF&E does not refer to or include Equipment as defined above at subsection e.

i. “Governmental Authority” means, for any country, such country and its government and any state, municipal, or federal ministry, department, political subdivision, instrumentality, agency, corporation, or commission, court, or tribunal under the direct or indirect control of such country.

j. “Leased Premises” is the portion of the Site to which Lessee is granted non-exclusive access and use pursuant to this Agreement and is specifically depicted on Exhibit 2 as Area A and Area B. The Leased Premises includes the PTF building, scale, and scale platform.

k. “Lessee” refers to Insightfuel, LLC, and its duly authorized agents.

l. “Lessee’s Representatives” means Lessee’s employees, members, and agents.

m. “Lessee’s Invitees” means Lessee’s Representatives, as well as Lessee’s business invitees, including but not limited to Subcontractors.

n. “Modifications” means retrofit work at the PTF to include modification of the existing septage receiving station and Equipment, and the installation of additional equipment, as generally described in Lessee’s Proposal but with modifications as deemed necessary by Lessee in performance of the Permitted Use specifically conditioned upon and subject to approval by HRSD.

o. “Permitted Use” means re-purposing the Pre-Treatment Facility (“PTF”) building to become a facility capable of receiving and processing fats, oils and grease (“FOG”) and septage in

two separate streams to facilitate the treatment of FOG and septage in separate streams. Truck deliveries of septage and FOG will be received and processed separately. including to develop and operate a FOG and septage receiving and processing station at the Leased Premises in order to facilitate the treatment of FOG and septage in separate streams (the "Permitted Use").

p. "Pre-Treatment Facility" or "PTF" means the septage receiving station and accompanying equipment on the land that will be leased pursuant to this Agreement by Lessee. Lessee intends to modify the existing PTF, and add new machinery, trade fixtures, and equipment to perform/accomplish the permitted use.

q. "Rent" means \$1.00 for the Initial Term and for each Renewal Term.

r. "Roadways" means the paved road on the Site used to enter and exit the Leased Premises to and from Shore Drive - a public road.

s. "Septage" means water from septic tanks (water-tight receptacle designed to received and process the sewage discharge from a building), grey water (wastewater generated from sink drains, lavatories, showers, dishwashers and laundries), domestic holding tanks (system utilized on portable offices/trailers), or portable toilets (self-contained outhouse).

t. "Site" means all areas within the fence line of HRSD's Chesapeake-Elizabeth Treatment Plant ("CETP"), which is located at 5332 Shore Drive, Virginia Beach, Virginia 23455.

u. "Subcontractor" is any person or entity, including material men, haulers, and suppliers, having a direct contract with Lessee, who furnishes material, work and/or services including but not limited to, FOG or septage for processing.

v. "Sub-Subcontractor" is any person or entity retained by a Subcontractor as an independent contractor to perform any portion of a Subcontractor's work and shall include materialmen and suppliers.

2. Term:

a. Initial Term. The Initial Term of this Agreement will be for a period of ten (10) years, commencing on the Agreement Date as noted above, and Lessee will pay to HRSD the Rent for the Initial Term within ten (10) business days after the Effective Date. At the expiration of the Initial Term, Lessee shall have the right to renew the Agreement for up to four additional five (5) year Renewal Terms in accordance with the terms of the Renewal Option contained in 2(b) below.

b. Renewal Option. Provided no event of default beyond any applicable notice and cure period by Lessee is existing under the Agreement as of the date Lessee exercises the Renewal Option, Lessee shall have an option (the "Renewal Option") to extend the term of the Lease for up to four (4) additional five (5) year terms (each a "Renewal Term") commencing upon expiration of the Initial Term or the immediately preceding Renewal Term. Such Renewal Option shall be exercised, if at all, by Lessee by written notice ("Renewal Notice") to HRSD at any time prior to the

date that is one hundred twenty (120) days prior to the expiration of the Initial Term or any Renewal Term. Lessee will pay to HRSD the Rent for each Renewal Term within ten (10) business days after the first day of each such Renewal Term.

c. Non-Renewal. Subject to the termination rights of HRSD, if Lessee chooses to not exercise the Renewal Option in accordance with section 2.b. above, the Lease shall be considered terminated as of the last day of the then-current Term.

d. Lessee's Obligations Upon Termination. Upon termination of this Agreement for any reason:

- i. Lessee shall use reasonable care to remove any and all of its personal property, trade fixtures, equipment, and inventory from the Leased Premises within 180 days following the last day of the then-current Term. Any personal property, trade fixtures, equipment and inventory not removed as required by this section shall be considered abandoned and HRSD shall dispose of such personal property, trade fixtures, equipment and inventory in any manner it deems appropriate.
- ii. Lessee shall remove, quit, and surrender to HRSD the Leased Premises, including the Equipment, leaving them in as good condition as when received, reasonable wear and tear excepted.
- iii. Following the 180th day after the last day of the then-current Term, Lessee shall not enter upon or occupy the Leased Premises for any reason without the express, written permission of HRSD.

e. Reversion of Site to US Government. In the event that title to the Site reverts to the U.S. Government pursuant to the Deed Amendment, this Agreement will terminate, and the Parties' obligations to one another under the Agreement shall cease, except those obligations that are imposed by law or otherwise necessarily survive termination by the specific terms of this Agreement.

3. Use of the Site:

a. Permitted Use. HRSD will allow Lessee to use the Leased Premises for the Permitted Use. The Permitted Use shall include use of the Equipment, as well as the nonexclusive and nontransferable right to use the Roadways at the Site for the sole purposes of ingress and egress to and from the Leased Premises. Lessee shall have limited access to additional areas within the Site for the sole purpose of monitoring odors from the Leased Premises per section 4. a. Such right shall be limited to Lessee's transportation of FOG and septage to and from the Leased Premises. Lessee and Lessee's Invitees shall have Access to the Leased Premises for the Permitted Use 24 hours per day, 7 days a week, 365/366 days per year, for the entire Initial Term and all Renewal Terms. HRSD maintains ownership of the Roadways and maintains the exclusive right to grant the right of use of the Roadways to third parties so long as such use does not unreasonably interfere

with Lessee's Access. Access to the Roadway must be maintained at all times. Lessee is not permitted to unreasonably interfere with Lessor's access, unless authorized by HRSD.

b. Scale Usage & Maintenance. The scale(s) may be used by Lessee to measure the FOG and shall be maintained and operated by Lessee. The load cells are currently out of service and need to be upgraded before use. There may be other components of the scale that are inoperable.

c. As-Is. Lessee will accept the Leased Premises and Equipment in as-is condition. Lessee is solely responsible for moving or relocating within the Leased Premise Equipment as necessary in connection with the Permitted Use. Lessee is solely responsible for any maintenance required to the Leased Premises and Equipment during the Initial and any Renewal Term of the Agreement.

d. Responsibility for Operation. HRSD is not responsible for operating the FOG and/or septage station and/or transferring or transporting the FOG and/or septage. Lessee is wholly responsible for transporting the FOG and/or septage off-Site which is beyond the property line of 5332 Shore Drive, Virginia Beach, VA 23455.

e. Wastewater Discharge. Lessee will be subject to an HRSD Industrial Wastewater Discharge Permit pursuant to which HRSD shall define and regulate the terms of the discharge of wastewater from Lessee's operations into HRSD's wastewater treatment system. Lessee shall be responsible for maintaining compliance with HRSD's Industrial Wastewater Discharge Regulations and HRSD's Pretreatment and Pollution Prevention Division's Enforcement Response Plan. Lessee shall be responsible for paying HRSD wastewater charges based on the current published rate schedule to include applicable surcharges, and for maintaining current discharge permits and remaining in compliance.

f. Utilities. Lessee will be responsible for protecting and repairing underground utilities located within the Leased Premises.

- i. Lessee shall be responsible for obtaining and maintaining all utility services including but not necessarily limited to water, gas, and electricity to the Leased Premises. HRSD agrees to cooperate in good faith to allow Lessee the use of existing electrical services currently provided by Dominion maintained by HRSD with sub metered usage paid by Lessee. The cost associated with the installation and maintenance of the submetering and all supporting electrical distribution equipment (i.e. Switchgear, breakers, transformers, etc.) will be billed to and paid for by Lessee.
- ii. Lessee will purchase and supply a generator for back-up power if required. HRSD will not provide any emergency backup power which means Lessee's processing will go offline during an outage, all flows should cease until power is restored.
- iii. Lessee shall supply its own restroom facilities.

g. Gate Use: Site access to Leased Premise shall be provided to the Lessee via HRSD's existing access gate located on Shore Drive, which is operated through a card access system. Lessee, its employees, and designated haulers are required to register with HRSD to obtain an access badge. All individuals must display or swipe their badge at the gate to gain entry to the site. Gate operation and maintenance shall remain the responsibility of HRSD. The Lessee must notify HRSD's Human Resources Department immediately upon the termination of any employee or loss of badge, so the corresponding badge and gate access can be deactivated. If the gate becomes inoperable, the Lessee must immediately contact HRSD personnel before any action is taken to override the controls. The Lessee and its authorized representatives may override the gate controls to access the site. In such cases, HRSD must be notified immediately of the override. Lessee shall take all reasonable precautions to prevent unauthorized access during this time. The gate shall not be left open for an extended period without notifying the HRSD Emergency and Security Manager or Facility Superintendent. The Lessee shall manually open and close the gate for each individual entry and exit until gate operations are restored.

h. Permits, Licenses, Taxes. Lessee is solely responsible for obtaining and paying for all necessary permits, licenses, and property taxes required to maintain operations for the Permitted Use or arising out of its use of the Leased Premises.

i. Traffic Control and Safety. Lessee shall be responsible to ensure that traffic conditions on the Leased Premises and travel of the Lessee and its Representatives on the roadways conform to state and local requirements for traffic control (refer to the Virginia Department of Transportation Work Area Protection Manual). Lessee shall submit traffic control plans and pay for any traffic control permits required to perform the Permitted Use.

j. Stormwater. HRSD shall be responsible for maintaining compliance with all laws, regulations, and standards regarding stormwater management. Lessee shall not engage in any conduct which unreasonably impacts HRSD's ability to ensure compliance and management. Lessee shall be responsible for any fines and corrective action incurred as a result of Lessee's operations. HRSD reserves the right to perform necessary maintenance or gain access to the Leased Premises.

k. Failure to Comply is a Default. Lessee's failure to comply with any of the requirements set forth in this section 3 shall be considered a default under this Agreement.

4. Nuisance Control

a. Odors

- i. Lessee shall not cause or permit to be discharged into the atmosphere any excessive odorous emissions from the Leased Premises or from Lessee's activities in the Leased Premises at any time (in either case, "LP Odors").
- ii. Lessee shall establish an odor monitoring plan. HRSD must review and approve the plan prior to the start of construction and operations for the Permitted Use. HRSD

reserves the right to monitor odors from the Site to determine if the applicable odor standards set forth herein are being met.

- iii. Lessee shall conduct daily monitoring East, West, North, and South of the fence line of the Site (the "Fence Line") for LP Odors. Odor monitoring shall be conducted by a qualified individual of ordinary sensibility using the individual's own olfactory system wherein no LP Odors from the Leased Premises shall be detected. If LP Odors are detected, odor measurements will be made via a field olfactometer wherein ambient concentrations of odor shall not exceed seven (7) dilutions to threshold (DT) at the Fence Line; if LP Odors are above 7 DT at the Fence Line, then corrective actions shall be taken. Should excess LP Odors persist, then odor sampling for odor panel analysis for DT as determined by ASTM E679 and EN13725 shall be conducted. Fence Line DT via odor panel analysis shall not exceed twelve (12) DT. If odors are measured above 12 DT, corrective action will be taken per the odor monitoring plan. Should odors be of such magnitude that trigger odor complaints, the Lessee may be subject to ceasing operations, including the Permitted Use, until corrective action is taken that fully remedies off-Site odors. HRSD shall determine whether the LP Odors have been successfully remedied in accordance with the Plan. HRSD's determination of success shall not be unreasonably withheld.
- iv. Lessee shall respond promptly to any off-Site odor complaints. Within twenty-four (24) hours of receipt of a complaint, Lessee shall provide to HRSD and the complainant an acknowledgement of the complaint. Lessee shall have forty-eight (48) hours from the time it makes the acknowledgement to determine whether the odor is an LP Odor, and, if so (A) take corrective action to ameliorate the LP Odor, and (B) provide to HRSD and the complainant a report of the cause and any corrective actions taken to ameliorate an LP Odor. Should off-Site LP Odors and/or LP Odor complaints persist after initial corrective action is taken, Lessee shall promptly install and operate best available control technology (BACT) as approved by the State Air Pollution Control Board for the control of the LP Odors. If LP odor complaints persist prior to time that BACT can be installed and operated, Lessor reserves right to require that Lessee cease operations until such time as the applicable odor standards set forth herein are met.
- v. Lessee shall maintain continuous compliance with 9 VAC 5-50-140 (standard for odorous emissions).
- vi. HRSD may, in its discretion, request the assistance of the Virginia Department of Environmental Quality to assess Lessee's compliance with regulatory requirements.

b. Noise and Light Pollution. Lessee will ensure that noise and light pollution from the Leased Premises meet City of Virginia Beach Code requirements.

c. Failure to Comply is a Default. Lessee's failure to comply with any of the requirements set forth in this section shall be a default under this Agreement.

5. Title and Risk

a. Lessee shall receive the Leased Premises in as-is condition.

b. Lessee shall receive the Equipment in as-is condition.

c. HRSD shall retain title to the Leased Premises, the real property within the boundaries of the Site. All Equipment within the boundaries of the Leased Premises are deemed abandoned in place by HRSD, and Lessee may leave in place, modify, remove, dispose of, or repurpose such Equipment in Lessee's sole discretion.

d. Lessee shall have title to all FOG and/or septage hauled to the Leased Premises, all FF&E, and all Equipment under the preceding subsection that Lessee chooses to retain and use (the "retained Equipment"). Lessee will be deemed to be in exclusive control and possession of such FOG and/or septage and responsible for any loss, damage or injury to the FOG and/or septage not resulting from HRSD's willful misconduct or negligence. Lessee will be deemed to be in exclusive control and possession of all FF&E and retained Equipment, and Lessee has the right to remove promptly and retain all of the same, even after any Event of Default, regardless of any provision to the contrary in this Agreement.

e. Each Party shall remain at all times the sole and exclusive owner of all right, title, and interest in and to any intellectual property that it owned or used prior to entry into this Agreement, or that it developed in the course of performance of this Agreement.

6. Insurance.

a. Insurance to be Maintained by Lessee. Lessee shall procure and maintain, at its sole cost and expense, from the Commencement Date through the entire term of this Lease, the following insurance:

- i. Commercial general liability insurance against claims for bodily injury and property damage occurring on, in or about the Leased Premises and arising out of Lessee's use and occupancy thereof. Lessee's insurance shall have a combined single limit of not less than \$1,000,000.00 per occurrence with an aggregate limit of no less than \$2,000,000.00, and waiver of subrogation endorsement shall be included in favor of HRSD; HRSD shall be named as an additional insured with Waiver of Subrogation included.
- ii. Business Personal property insurance insuring all of Lessee's FF&E located on, in or about the Leased Premises. Such insurance shall be written on a replacement cost basis in an amount equal to one hundred percent (100%) of the full replacement value of such FF&E. Such insurance shall include machinery and

equipment breakdown coverage and loss of business income coverage. In addition to any requirements in section 6.a. above, such insurance shall be in full force and effect during any time Lessee's business personal property, trade fixtures, equipment, FF&E and inventory are located at, on, in, or about the Leased Premises. The insurance shall provide coverage against loss or damage using the "Special Perils" form, covering fire, theft, vandalism, water damage (excluding flood unless specifically required by HRSD), and other perils commonly covered by the Special Perils form. Lessee acknowledges that HRSD's insurance policy, if any, does not cover Lessee's business personal property, trade fixtures, equipment, FF & E and inventory. Lessee is solely responsible for insuring such property.

- iii. Worker's compensation insurance in accordance with statutory law and employer liability insurance with a limit of not less than \$500,000.00 per employee and \$500,000.00 per occurrence, including a Waiver of Subrogation in favor of HRSD;
- iv. Commercial Auto Liability covering all owned, rented and borrowed autos with a limit of \$1,000,000.00 per accident with HRSD as additional insured;
- v. Umbrella liability with a limit of no less than \$5,000,000.00 which is following form to the underlying general liability, auto liability and employers' liability.

b. Lessee's Contractor's Insurance. Lessee shall require any contractor hired or retained by Lessee, including HRSD or any of its affiliates, to perform alterations, additions and improvements to the Leased Premises to carry and maintain the following insurance:

- i. Commercial General Liability insurance ("CGL") of not less than \$1,000,000.00 each occurrence and \$2,000,000.00 in the aggregate. CGL shall include coverage extensions for (1) contractual liability, (2) products completed operations, (3) X.C.U. hazards, as applicable, and (4) Independent Contractors, with both Lessee and HRSD named as additional insureds, including products & completed operations, and coverage shall be primary; and
- ii. Worker's compensation insurance coverage to statutory limits where the Work is being performed and Employer's Liability coverage of not less than that required by applicable state law; and
- iii. Automobile Liability of not less than \$1,000,000.00 each accident covering all owned, non-owned and hired vehicles used in the contractor's operations; and
- iv. Umbrella/Excess Liability of not less than \$3,000,000.00 each occurrence/aggregate; In addition to complying with the provisions of Section 6.c below, the contractor shall provide HRSD with one or more certificates of insurance evidence the coverage required by this Lease prior to performing work.

c. Policy Provisions. The insurance required of Lessee under subsection (a) above and

Lessee's Contractor under subsection (b) above shall be written by companies with an A.M. Best rating of at least A, licensed to do business in the Commonwealth of Virginia. The insurance policies procured and maintained by Lessee and Lessee's contractors shall name HRSD as an additional insured, including products / completed operations where appropriate in light of the type of insurance described. All policies of insurance maintained by Lessee and Lessee's contractor shall provide that HRSD shall receive at least thirty (30) days' notice prior to any termination, cancellation, lapse, or other discontinuation of coverage, except fifteen (15) days for non-payment premium if mandatory notice is reasonably available from the insurer providing such coverage, and if not, such alternative notice as may be reasonably acceptable to HRSD.

d. Delivery of Policies to HRSD. Prior to the Commencement Date, Lessee shall deliver to HRSD one or more certificates of insurance, in a form reasonably acceptable to HRSD, evidencing the insurance policies required to be maintained by Lessee hereunder. In the event Lessee hires any contractor to perform alterations, additions and improvements to the Leased Premises, Lessee shall also cause such contractor to deliver to HRSD one or more certificates of insurance, in a form reasonably acceptable to HRSD, evidencing the insurance policies required to be maintained by Lessee's contractor hereunder. Upon written request of HRSD, Lessee shall deliver to HRSD copies of Lessee's insurance policies required pursuant to this section.

e. Any insurance required by the terms of this Lease to be carried by Lessee may be under a blanket policy (or policies) covering other properties of such parties. If such insurance is maintained under a blanket policy, the party carrying such policy shall procure and deliver to the other party a statement from the insurer or general agent of the insurer setting forth the coverage maintained, and the amounts thereof allocated to the risks intended to be insured hereunder.

f. Failure to Maintain Insurance: Failure by Lessee to maintain the required insurance shall constitute a material breach of this Lease and shall entitle HRSD to exercise all available remedies, including, but not limited to, termination of the Lease.

g. Waiver of Subrogation: Lessee hereby waives its right of subrogation against HRSD, its agents, employees, and contractors, to the extent of any recovery by Lessee under its Business Personal Property Insurance policy.

h. Review of Insurance: HRSD reserves the right to periodically review the adequacy of Lessee's insurance coverage and may require Lessee to increase the coverage limits if deemed necessary by HRSD, acting reasonably.

7. Start of Operations & Rates

- a. The leased premises will be fully operational for the Permitted Use within one (1) year of the Effective Date of this Agreement. Lessee will provide reasonable advance notice of no less than five (5) working days to HRSD of the date on which operations are to begin.
- b. Lessee may establish rates to support Lessee's operations at Lessee's sole discretion.

8. Warranties

- a. Lessee hereby represents and warrants to HRSD, that:
 - i. Execution and delivery of this Agreement by Lessee has been duly authorized by all necessary corporate action and constitutes a legal, valid and binding obligation of Lessee; and
 - ii. The execution and delivery of this Agreement and the requirements hereunder do not require the consent of any third party, nor will they result in a breach or default of any other agreement to which Lessee is a party or by which Lessee is bound.
- b. HRSD hereby represents and warrants to Lessee, that:
 - i. Execution and delivery of this Agreement has been duly authorized by all necessary action and constitutes a legal, valid and binding obligation of HRSD, enforceable against HRSD in accordance with its terms; and
 - ii. HRSD is organized as a political subdivision of the Commonwealth of Virginia, validly existing and in good standing under of the laws of the Commonwealth of Virginia and is fully qualified to do business in such other jurisdictions in which its business and activities require qualification.

9. Code of Conduct

- a. Lessee shall not use the Leased Premises or allow the Leased Premises to be used for any purpose other than the Permitted Use.
- b. Lessee agrees to engage in the Permitted Use and to otherwise conduct its business on Leased Premises and maintain Leased Premises in strict legal compliance and with the highest ethical standards
- c. Lessee shall take all commercially reasonable efforts to ensure that none of Lessee's Representatives, while performing work on behalf of Lessee or any subcontractor or hauler, in connection with this Agreement, shall engage in harassment (including sexual harassment), bullying, cyber-bullying, or threatening or violent conduct, or discriminatory behavior on the basis of race, sex, color, national origin, religious belief, sexual orientation, gender identity or expression, age, political affiliation, veteran status, or disability.
- d. Lessee shall not permit any individual to reside or sleep at the Leased Premises.
- e. Lessee shall use the Site solely for the Permitted Use. Any other unrelated use shall be a material breach of this Agreement.

10. Entire Agreement

This Agreement and any other document or agreement between the Parties related thereto supersedes all other prior agreements, understandings, or writings between the Parties, whether written or oral and whether legally enforceable or not, with respect to the subject matter of this Agreement. This Agreement contains the entire understanding of the Parties with respect to the matters contained herein, and there are no promises, covenants or undertakings other than those expressly set forth herein.

11. Amendments

A modification, variation or amendment to this Agreement shall not be of any force or effect unless it is in writing and duly signed by each Party.

12. Anti-Discrimination

Lessee certifies to HRSD that it will conform to the provisions of the Federal Civil Rights Act of 1964, as amended, as well as the Virginia Fair Employment Act of 1975, as amended, as well as the Virginians With Disabilities Act, the Americans with Disabilities Act and Section 11-51 of the Virginia Public Procurement Act.

13. Applicable Law and Courts

This contract shall be governed in all respects by the laws of the Commonwealth of Virginia and any litigation with respect thereto shall be brought in the courts of the City of Virginia Beach, Virginia and the federal courts of the Eastern District of Virginia. Lessee consents to the jurisdiction and venue of said courts. Lessee shall comply with applicable federal, state and local laws and regulations. The Parties hereby agree to pursue any dispute regarding this Agreement or any other document or agreement between the Parties related thereto, their interpretation, or enforcement in one of those two courts.

14. Assignment of Agreement

This Agreement shall not be assigned by either Party without the prior written consent of the other Party, which prior written consent shall not be unreasonably withheld or delayed.

15. Clean Air and Federal Water Pollution Control Acts

Lessee certifies to HRSD that they will conform to the provisions of the Clean Air Act (42 U.S.C. 7401-7671q.) and the Federal Water Pollution Control Act (33 U.S.C. 1251-1387), as amended.

16. Confidentiality

a. HRSD agrees that neither it nor its employees, representatives, or agents shall knowingly divulge any proprietary information with respect to the Permitted Use, including but not limited to any hardware or software, the technology embodied therein, or any other trade secret or proprietary information related to the Permitted Use, except as specifically authorized by Lessee in writing or as required by the Virginia Freedom of Information Act, or similar law. It shall be Lessee's responsibility to fully comply with the Code of Virginia. Lessee shall be responsible for designating all trade secrets or proprietary information in writing or other tangible form and conspicuously labeled as "proprietary" either prior to or at the time of submission to HRSD.

b. The obligations of this Section 16 will not extend:

- i. to information that is already in the public domain or becomes, after having been disclosed to a Party, generally available to the public unless the disclosure was a breach of this Agreement.
- ii. to prevent a Party from divulging Confidential Information in confidence to its Affiliates and to its or their lenders, investors, officers, directors, employees, agents or other representatives on a "need-to-know" basis;
- iii. to prevent a Party from divulging Confidential Information to the extent required by applicable legislation, including but not limited to the Virginia Freedom of Information Act, or a court order; or
- iv. to prevent a Party from divulging Confidential Information to the extent necessary in connection with any dispute resolution commenced pursuant to this Agreement or any litigation commenced in respect of this Agreement.

c. If either Party is required to disclose Confidential Information pursuant to this Section 16, such Party will advise the other Party in advance of any such disclosure where reasonable so that the other Party may take such action as it considers necessary to maintain the confidentiality of such Confidential information and disclosing Party will take reasonable steps to limit the extent of the disclosure and to make such disclosure confidential under the applicable legislation or rules of any Governmental Authority having jurisdiction, as the case may be.

d. The obligations of confidentiality will survive the termination of this Agreement for a period of five (5) years or as otherwise required by law, and any Party who ceases to be a Party will continue to be bound by such obligations for a period of five (5) years or longer if otherwise required by law following such cessation.

e. Each Party acknowledges that all Confidential Information is proprietary to the disclosing Party and that breach of this Agreement by a Party may result in irreparable injury to the other Party. Accordingly, in the event of any breach of this section by a Party, the other Party will be entitled to seek and obtain a restraining order, specific performance of the obligations of this section, or injunctive relief. The intentional or willful disclosure of Confidential Information shall give rise to a damages claim, but inadvertent disclosures shall not.

17. Default

It will be considered a “Default” hereunder if any of the following events occur and are not cured within the periods set forth in this Agreement:

- a. if the Defaulting Party fails to perform or observe any material covenant or term of this Agreement;
- b. if the Defaulting Party institutes voluntary liquidation, dissolution or winding-up procedures or takes any voluntary proceedings under any bankruptcy or insolvency legislation to be adjudicated a bankrupt or for any other relief;
- c. if the Defaulting Party makes an assignment for the benefit of its creditors;
- d. if a receiver is appointed with regard to any material part of the Defaulting Party’s property;
- e. if a court adjudges the Defaulting Party to be bankrupt or makes an order requiring the liquidation, dissolution or winding-up of the Defaulting Party;
- f. if the entity existence of the Defaulting Party is otherwise terminated for a time period beyond the period allowed for reinstatement of such entity; or
- g. if Lessee does not remain current with Lessee’s HRSD wastewater bill charges based on the current published rate schedule including applicable surcharges.
- h. Failure by Lessee to comply with the requirements of this paragraph shall be grounds for HRSD’s termination of the Agreement.

18. Default Notice

If a Default occurs, the non-defaulting party shall give to the defaulting party a notice that specifies and provides particulars of the default (a “Default Notice”). If the Default is reasonably capable of being remedied, the defaulting party will, with respect to a Default under any provisions of this Agreement, remedy the default within thirty (30) days after the day on which the Default Notice is given.

Once the Default has been remedied it must be sustained for the duration of the contract. If more than three separate and verified Events of Default by Lessee occur within any 180-day period, HRSD may hold the Lessee in Default of the Contract and may terminate the Contract.

19. Remedies on Default

If a Default Notice has been given, and if the Defaulting Party does not proceed in the manner prescribed above in Section 18, then an Event of Default shall exist and the non-defaulting party may, without limiting any other right or remedy, terminate this agreement immediately by giving notice to the Defaulting Party and subject to the limitations set forth in this agreement, exercise any other rights or remedies available to the non-defaulting party at law or in equity including injunctive relief.

20. No Waiver

No delay or omission by a non-defaulting party in exercising its rights or remedies hereunder will operate as a waiver of those rights or remedies or of any other right or remedy and no single or partial exercise thereof will preclude any other or future exercise thereof or the exercise of any other right or remedy.

21. Disputes

a. If any default, dispute or difference should arise between the parties concerning this Agreement or any other document or agreement between the parties related thereto, including the parties' performance there under or the responsibility for any cost or Lessee claims, the parties shall use their best efforts to settle the dispute or difference without resort to litigation.

b. If the dispute cannot be resolved, then either party shall have the right to commence an action in a court of law for any dispute under this Agreement.

22. Ethics in Public Contracting

Lessee certifies that its proposal was made without collusion or fraud and that it has not offered or received any kickbacks or inducement from any other, supplier, manufacturer or Subcontractor in connection with its proposal, and that it has not conferred on any public employee having official responsibility for this procurement transaction any payment, loan, subscription, advance, deposit of money, services or anything of more than normal value, present or promised unless consideration of substantially equal or greater value was exchanged.

23. Force Majeure

a. An event or circumstance not within the reasonable control or resulting from the actions or omissions of the Party claiming Force Majeure, such as acts of God, including storm, lightning, floods, earthquakes, volcanic eruptions and landslides; explosions and fires; epidemics; pandemics; acts of public enemies, terrorism, war, sabotage, civil insurrection, riots, or civil disobedience; acts or omissions of federal, state, or local governments, including extraordinary delays in regulatory process, and orders of a regulatory authority or court of competent jurisdiction.

b. Neither Party will be in breach or default as to any obligation under this Agreement if that Party is unable to perform the obligation due to a Force Majeure Event, of which Notice is given as required.

c. Prompt Notice. If there is a Force Majeure Event affecting a Party's ability to perform an obligation under this Agreement, the Party will promptly notify in writing the other Party thereof. The Notice must identify the nature of the Force Majeure Event, its expected duration, and the particular obligations affected by the Force Majeure Event. The affected Party will provide reports to the other Party with respect to the Force Majeure Event at such intervals as the other Party may reasonably request while the Force Majeure Event continues. A Party will be deemed to have invoked Force Majeure from the date when that Party gives Notice of the Force Majeure Event. The Party invoking Force Majeure will give prompt Notice to the other Party of the end of the Force Majeure Event. The Party invoking Force Majeure will promptly respond to any inquiry from the other Party regarding the efforts being undertaken to remedy the situation.

25. HRSD's Right to Terminate the Agreement for Cause

a. If Lessee should fail to operate the Site for the Permitted Use or materially violates any of the terms of Agreement including but not limited to Lessee's obligations regarding nuisance odors and odor containment and Lessee's obligation to comply with all local, state or federal laws, regulations and ordinances governing Lessee's activities on the Site, including the Leased Premises, then HRSD may terminate this Agreement after providing the required Default Notice and opportunity to cure.

b. Prior to termination of this Agreement, HRSD shall give the Lessee ten (10) calendar days written notice, during which the Lessee may rectify the cause of the proposed termination. If rectified to the satisfaction of HRSD within said ten (10) days, HRSD will rescind its notice of termination. If not so rectified, the termination for cause shall become effective at the end of the ten (10) day notice period. In the alternative, HRSD, at its sole discretion, may postpone the effective date of the termination notice, if it should receive reassurances from the Lessee that the causes of termination will be remedied in a time and manner which HRSD finds acceptable. If at any time more than ten (10) days after the notice of termination, HRSD determines that Lessee has not or is not likely to rectify the causes of termination in an acceptable manner or within the time allowed, then HRSD may immediately terminate this Agreement for cause by giving written notice to Lessee.

c. Notice of termination, whether initial or given after a period of postponement, shall be provided in writing to Lessee in accordance with Section 31 below.

d. Upon termination of this Agreement, Lessee shall not be entitled to enter upon or occupy the Leased Premises other than to take possession of and remove the FF&E and retained Equipment. Upon termination of this Agreement, Lessee shall quit and surrender to HRSD the Leased Premises, including the Equipment, leaving them in as good condition as when received, reasonable wear and tear excepted.

e. Termination of this Agreement under this Section is without prejudice to any other right or remedy of HRSD.

26. Indemnification

Lessee agrees to indemnify, defend and hold harmless HRSD, its officers, agents, and employees, from any claims, damages and actions of any kind or nature, whether at law or in equity, arising from or caused by Lessee's operation of the Permitted Use or the use of any materials, goods, or equipment of any kind or nature furnished by Lessee or any services of any kind or nature furnished by Lessee at the Site including but not limited to the Leased Premises.

27. Disputes

a. If any default, dispute or difference should arise between the parties concerning this Agreement or any other document or agreement between the parties related thereto, including the parties' performance there under or the responsibility for any cost or Lessee claims, the parties shall use their best efforts to settle the dispute or difference without resort to litigation.

b. If the dispute cannot be resolved, then either party shall have the right to commence an action in a court of law for any dispute under this Agreement.

28. Limitation on Certain Damages

Damages for any claim arising under or related to this Agreement shall be limited as set forth herein and by applicable law, including without limitation the Virginia Tort Claims Act and the Virginia Constitution. Neither party will be liable for any incidental, special, punitive, indirect, or consequential damages of any kind, including lost profits, lost revenues, and loss of business opportunity, whether or not the other party was aware or should have been aware of the possibility of these damages. In carrying out any of the provisions of this agreement and in exercising any authority granted by this Agreement, there will be no personal liability whatsoever upon any public official.

29. Obligations of HRSD to Lessee

a. Lessee understands that this Agreement is for Lessee to lease the Leased Premises and use the Leased Premises to engage in the Permitted Use and nothing herein is intended to obligate HRSD to produce, sell or deliver a minimum quantity or any specific amount of FOG to Lessee. HRSD reserves the right to sell or deliver FOG to any other source.

b. Pump Station. HRSD to operate the pump station and accept effluent from treated FOG and septage into the HRSD sewage system within one year of Lessee receiving approved permits.

30. No Other Warranties

HRSD does not make and hereby disclaims any warranties of merchantability or fitness for a particular purpose for any FOG sold to Lessee under this Agreement.

31. Notice

Any notices, requests or demands required, permitted or desired to be given hereunder shall be in writing and shall be delivered only (i) by reputable overnight delivery service, delivery charges prepaid ("Overnight Delivery"), or (ii) by delivery in person and duly acknowledged by the person performing the delivery ("Personal Delivery"), and addressed as follows:

(a) If to HRSD, to:

HRSD – Division of Finance
Attn: Procurement Department
1434 Air Rail Ave
Virginia Beach, Virginia 23455

(b) If to Lessee, to:

Insightfuel, LLC
Attn: Alan Petersen, President
16111 Scottwood Road
Midlothian, Virginia 23113

Any such notice, request or demand shall be deemed given upon the earliest to occur of (i) one (1) business day after deposit, by the time deadline for overnight delivery, with the overnight delivery service if sent by Overnight Delivery, or (ii) upon delivery or refusal of delivery if sent by Personal Delivery. Either party may at any time designate by giving notice to the other party a change in the above addresses or addressees. All notices, requests or demands are sufficiently given when given to HRSD or Lessee, as the case may be, in accordance with the provisions of this Section, and any copies required to be sent to addressees listed as "with a copy to" are courtesy copies only, such that any failure to send such courtesy copies to such addressees does not affect any rights of the party required to send such notice, request or demand, nor affect the validity of any notice, request or demand given to HRSD or Lessee, as the case may be, in accordance with the provisions of this Section.

32. Safety: Protection of Persons and Property

a. Lessee certifies to HRSD that Lessee will conform to the provisions of the Agreement Work Hours and Safety Standards Act (40 U.S.C. 3701-3708), as supplemented by the Department of Labor regulations (29 CFR Part 5) as amended.

b. Lessee shall be solely responsible for initiating, maintaining, and supervising all safety precautions and programs in connection with the Permitted Use. Such responsibility does not relieve subcontractors or haulers of their responsibility for the safety of persons or property in the performance of their work, nor for compliance with applicable safety Laws and Regulations. Lessee shall take all required, or if none required, commercially reasonable, precautions for the safety of, and shall provide the required, or if none required, commercially reasonable, protection to prevent damage, injury, or loss to:

- i. All persons on the Site or who may be affected by the Permitted Use;
- ii. All the work and materials and equipment to be incorporated therein, whether in storage on or off the Site; and
- iii. Other property at the Site or adjacent thereto, including trees, shrubs, lawns, walks, pavements, roadways, structures, utilities, and underground facilities not designated for use in connection with the Permitted Use.

c. Lessee shall comply with all applicable Laws and Regulations relating to the safety of persons or property, or to the protection of persons or property from damage, injury, or loss; and shall erect and maintain all required, or if none required, commercially reasonable, safeguards for such safety and protection. Lessee shall notify owners of adjacent property and of underground facilities and other utility owners when prosecution of the work may affect them, and shall cooperate with them in the protection, removal, relocation, and replacement of their property.

d. Lessee shall comply with the applicable requirements of HRSD's safety programs. Lessee must attend a twenty-minute safety orientation program prior to beginning any work on HRSD property. Please contact HRSD's Safety Division at (757) 460-7061 to schedule an appointment. Lessee shall inform HRSD of the specific requirements of Lessee's safety program with which HRSD's employees and representatives must comply while at the Site.

e. Lessee's duties and responsibilities for safety and for protection of the work shall continue during the work and when operations begin. All damage, injury, or loss to any property referred to in this section caused, directly or indirectly, in whole or in part, by Lessee or any of Lessee's Representatives, directly or indirectly employed by Lessee, or for whose acts Lessee may be liable, shall be remedied by Lessee.

f. Lessee shall comply with all Miss Utility of Virginia requirements for excavations. Dial 811 in VA or 1-800-552-7001 and online at <http://va811.com/>. Lessee shall coordinate with HRSD to notify all utility owners who may be impacted by the construction operations at least seven (7) calendar days in advance of such work. Before exposing any utility, the utility having jurisdiction

shall grant permission and may oversee the operation. Should service of any utility be interrupted due to Lessee's operation, the proper authority shall be notified immediately.

g. Lessee shall take special care and utilize all commercially reasonable precautions in performing the work so as to not damage or disrupt existing facilities and their operation. Tools and equipment shall be properly utilized and adequately supported so as to not apply undue stress on pipelines and operating facilities. In areas where Lessee's operations are adjacent to or near a utility and such operations may cause damage which might result in considerable expense, loss, and inconvenience, the operation shall be suspended until all arrangements necessary for the protection thereof have been made by Lessee and verified by the HRSD. Any damage or disruption caused by Lessee shall be repaired and restored immediately at Lessee's expense. Lessee shall work continuously until the function of the pipeline and/or facility is restored and cleanup is completed. Any fines due to spills, damage and disruption of any kind for any reason associated with damaging existing pipelines and facilities shall be the responsibility of Lessee. Lessee shall submit Emergency action plans describing equipment and procedures that will ensure swift and immediate response to potential onsite emergencies due to ruptured or damaged facilities.

33. Publicity

a. HRSD may provide public or private tours of that portion of the Site that is not subject to this Agreement without notice to Lessee and without seeking Lessee's preapproval.

b. Neither Lessee nor any of its employees or agents shall use HRSD's name, logo, or site photographs in any format for any personal or professional marketing or public relations material or social media use without prior review and approval from HRSD's Chief Communications Officer. These materials include, but are not limited to, advertisements, news releases, published articles, customer lists, advertorials or any other promotional purposes.

34. Severability

If any one or more of the provisions contained in this Agreement is invalid, illegal or unenforceable in any respect in any jurisdiction, the validity, legality and enforceability of such provision or provisions will not in any way be affected or impaired thereby in any other jurisdiction and the validity, legality and enforceability of the remaining provisions contained herein will not in any way be affected or impaired thereby, unless in either case as a result of such determination this Agreement would fail in its essential purpose.

35. Waiver

The failure of any Party to enforce any of the provisions of this Agreement or any rights with respect hereto shall in no way be considered as a waiver by that Party of such provisions or rights or in any way affect the validity of this Agreement. The waiver of any breach of this Agreement by any Party shall not operate or be construed as a waiver of any other prior or subsequent breach.

36. Order of Precedence

a. The following documents, including all terms and conditions set forth therein, are incorporated by reference into this Agreement as if fully set forth herein:

- i. the RFP
- ii. the Proposal

b. If there is any conflict between the documents incorporated pursuant to section a above into this Agreement and this Agreement itself, then the Agreement shall control.

c. If there is discord or conflict between or among terms contained in any one or more documents incorporated pursuant to section a above into this Agreement, then the order of precedence by which terms and conditions control is the order in which the documents are listed above in section a.

In witness whereof, the Parties below execute this Agreement as of the date first above written.

HRSD

Insightfuel, LLC

AUTHORIZED

AUTHORIZED

SIGNATURE

SIGNATURE

NAME Amy Murphy, CPPB, VCO

NAME Alan Petersen

TITLE Director of Procurement

TITLE President

DATE September 12, 2025

DATE _____

Exhibit 1
Insightfuel, LLC Proposal #517923
(See attached)

Exhibit 2

Land Area

Insightfuel LLC-Leased Premises as indicated in orange:

Area A & B:

- a. HRSD may need to construct force main through this area.
- b. HRSD will NOT use scale. Lessee to calibrate scales/maintain calibration if desired.



Exhibit 3
HRSD's RFP#405340
(see attached)

Insightfuel's Proposal

Solicitation 405340

RFP-Chesapeake-Elizabeth Plant (CETP) Re-Purposing

(Trade Secret/Proprietary Designation Removed from Entire Document
per Insightfuel 9/12/2025.)

TRADE SECRETS/PROPRIETARY INFORMATION INDEX

Page #

Sections identified below as 4. a., e., f., and h. contain Proprietary Trade Secrets.

4. SPECIFIC PLANS FOR PROVIDING THE PROPOSED GOODS/SERVICES INCLUDING:	12
a. LIST OF DETAILED SPECIFICATIONS, INCLUDING THE LEVEL OF EFFORT AND LABOR	
HOURS	12-13
b.	
c.	
d.	
e. PROVIDE A GENERAL OVERVIEW OF HOW YOU WOULD RE-PURPOSE THIS PROPERTY	
AND DEFINE ALL BENEFICIAL USES	15-16
f. WHAT MAJOR CHALLENGES DO YOU ANTICIPATE?.....	16
g.	
h. PROVIDE ANY OTHER RELEVANT INFORMATION ABOUT YOUR PLANS FOR THIS	
PROPERTY	17

Insightfuel's Proposal

Solicitation 405340

RFP-Chesapeake-Elizabeth Plant (CETP) Re-Purposing

TABLE OF CONTENTS	PAGE #
3. WRITTEN NARRATIVE STATEMENT TO INCLUDE:	3
a. PROVIDE THREE REFERENCES WITH COMPARABLE SCOPES AND SIZE AS THIS TYPE OF FACILITY.....	3-4
b. NAMES, QUALIFICATIONS, AND EXPERIENCE OF PERSONNEL TO BE ASSIGNED TO THE PROJECT.....	4
c. RESUMES OF STAFF TO BE ASSIGNED TO THE PROJECT.....	5-11
4. SPECIFIC PLANS FOR PROVIDING THE PROPOSED GOODS/SERVICES INCLUDING: ...	12
a. LIST OF DETAILED SPECIFICATIONS, INCLUDING THE LEVEL OF EFFORT AND LABOR HOURS.....	12-13
b. WHAT, WHEN, AND HOW THE SERVICES WILL BE OFFERED.....	14
c. TIME FRAME FOR COMPLETION.....	14
d. PROVIDE ANY INFORMATION ABOUT OTHER FIRMS OR OTHER RESOURCES YOU WOULD USE TO RE-PURPOSE THIS PROPERTY	14
e. PROVIDE A GENERAL OVERVIEW OF HOW YOU WOULD RE-PURPOSE THIS PROPERTY AND DEFINE ALL BENEFICIAL USES	15-16
f. WHAT MAJOR CHALLENGES DO YOU ANTICIPATE?.....	16
g. WHAT FINANCING METHODS WOULD YOU USE?.....	16
h. PROVIDE ANY OTHER RELEVANT INFORMATION ABOUT YOUR PLANS FOR THIS PROPERTY.....	17-20
5. PROPOSED PRICE:	21

3. Written narrative statement to include:

3.a. Provide three references with comparable scopes and size as this type of facility.

Reference 1 - Viesel Miami FOG Pilot - \$1.2M

Project Summary: This was a two-year pilot project to recover brown grease from mixed grease trap waste stream at Miami Dade County wastewater treatment plant. The plant receives 175,000 to 350,000 gal/day of a mixed stream of septic, stormwater, grease trap waste, portable toilet waste, DAF sludge and other high strength wastewaters. The project consisted of installing a grease skimming system at the existing high strength waste receiving station, and a trailer-mounted two stage centrifuge system to recover a high-quality brown grease product. The project ran until late May of 2018. Based on this work the county is now bidding out a long-term contract for management of the facility.

Processwerx Scope of Work:

- Overall facility design: Equipment layouts and process connections
- Detailed equipment engineering: design, selection, purchasing, fabrication and installation of all process equipment
- Head project engineer/manager: managed skid mounted off-site fabrication of process system, onsite installation of the system and tie-in to plant utilities

Reference 2 - Pacific Biodiesel Oahu - \$4M

Project Summary: This project consisted of a complete rebuild of a liquid waste processing facility in Honolulu that was originally built in 2000. The principals of Processwerx operated the plant as employees of the facility owner in the early 2000's and have managed major retrofits to the plant over the course of the last 15 years. Major projects have included installation of new receiving and emulsion separating tanks, new front end screening system, and a complete wastewater pretreatment system including screening, oil water separator, dissolved air flotation system, centrifuge FOG separation system, solids dewatering and discharge monitoring equipment.

Processwerx Scope of work:

- Overall and detailed engineering of all process equipment
- Specification and purchasing equipment
- Project management of equipment installation
- Training and handover – trained plant personnel on operation and maintenance of the facility, oversaw handover to operations team.
- Interface with City and County of Honolulu on pretreatment program requirements, modifications to operating permit, compliance schedule

Reference 3 – Big Island Biodiesel - \$12M

Project Summary: This was a greenfield construction project for a multi-feedstock biodiesel plant / grease rendering plant. The plant receives grease trap waste and used cooking oil, brown grease, trap grease and high acid tallow and produces ASTM biodiesel. The facility also pretreats and recovers various forms of FOG containing liquid waste with on-site wastewater pretreatment and solids recovery.

Processwerx Scope of work:

- Overall facility design: Siting, traffic flow, building, equipment and tank farm layouts and floor plans

3.a. (continued)

- Detailed equipment engineering: design, selection, purchasing and installation of all process equipment
- Head project engineer/manager: managed project team consisting of architect, civil, structural, electrical engineer, process engineers, piping engineers, drafters, controls engineers
- Permitting: managed permit application process for conditional use permit, NPDES, SPCC plan, well permit, Process Safety Management program, air permit, boiler and pressure vessel permits
- Training and handover – trained plant personnel on operation and maintenance of the facility, oversaw handover to operations team.

If desired, see also 4. d. for Crowder Construction referenced projects.

3.b. Names, qualifications, and experience of personnel to be assigned to the project.

Alan Petersen, Insightfuel

Alan Petersen, Founder and President of Insightfuel, develops renewable biogas and wastewater energy projects. In his prior role as an owner and VP of Development for INGENCO, he developed more than 14 successful biogas energy projects. His background includes a diverse career in the natural gas industry, with deep experience in the technical and regulatory issues involved in achieving effective business solutions in this complex arena. Starting as an engineer in 1984, Mr. Petersen progressed to Manager of Business Development with Columbia Gas Transmission Corporation. He served in municipal government with the City of Richmond as its Industrial Accounts Administrator. Mr. Petersen has a BS in Mechanical Engineering and an MBA from the University of Richmond.

William Smith, Processwerx

Will Smith is a consulting engineer and co-owner of Processwerx LLC, an engineering and technology company with a focus on value-added products from natural oils and extracts. Will has over eighteen years of experience in the design, construction and operation of liquid waste processing, oil recovery, and waste to-biofuels plants. He assists clients worldwide with a pragmatic, hands-on approach to plant design and operation. Will holds bachelors and master's degrees from Purdue University in Agricultural and Biological Engineering and is a member of the American Oil Chemists Society, American Society of Chemical Engineers, and the Water Environment Federation.

Chad Link, Crowder

Chad Link has over 25 years of experience in the construction industry primarily focusing on the development and construction of water and wastewater treatment plants and renewable generation facilities, with over 15 years dedicated to design-build projects. Since joining Crowder in 1999, he has been involved in the procurement and management of many of the firm's collaborative delivery projects. With experience in estimating, project management, and an in-depth knowledge of engineering practices for water and wastewater treatment plants, Chad is uniquely qualified to manage through the challenges of cost and schedule sensitive projects. He brings his understanding of current market conditions, process equipment, and operation/maintenance needs to every project. He works closely with the Owner's plant staff, design engineers, and regulatory agencies to ensure projects are delivered with performance, quality, plant safety, and ease of maintenance in mind.

3.c. Resumes of staff to be assigned to the project.

ALAN PETERSEN – PROFESSIONAL RESUME

16111 Scottwood Road, Midlothian, Virginia 23113

INSIGHTFUEL, LLC

FOUNDING DIRECTOR 4/2016 – PRESENT (5.5 YEARS)

Renewable fuel project development, profit optimization consulting, strategic consulting for industrial electricity supply

CASTLETON COMMODITIES INTERNATIONAL

VP DEVELOPMENT 4/2015 – 4/2016 (1 YEAR)

Led development activities for CCI.

Managed Collegiate Clean Energy (CCE), a subsidiary of CCI – Proposal development and negotiation of competitive electricity pricing offers. Also, managed the existing customers and the oversight of reporting requirements to the US Department of Energy.



INGENCO

VP DEVELOPMENT 2/2001 – 4/2015 (14 YEARS 3 MONTHS)

Developed sixteen landfill gas powered electricity generating facilities totaling 150 megawatts in five states. This is the largest 100% renewable electric power business in the Mid-Atlantic region.



Collegiate Clean Energy – Participated in founding Virginia's first and only non-utility Load Serving Entity. This company directly supplies electric energy to private colleges and industrial customers in Virginia with 100% renewable electricity. Founding this business required work with the Virginia State Corporation Commission, FERC and other regulatory entities to formalize the Competitive Service Provider rules necessary to overcome electric utility opposition.

CITY OF RICHMOND, VA

INDUSTRIAL ADMINISTRATOR 6/1997- 2/2001 (5 YEARS)

Directed City gas utility activities in the Richmond Metropolitan Area — approximate annual revenue of \$32 million. Developed and implemented a strategic marketing plan that led to restructured industrial rates and developed creative new services to increase profit and flexibility.



Information Services: Pioneered the first in the industry direct ASP interface with an upstream pipeline for transportation management. This both optimizes energy management and saved \$500,000. Developed specifications and led efforts in the development, analysis, and selection of software. Designed and developed a database for marketing analysis and management of industrial contacts. Proficient in Microsoft Suite applications.

Financial Operations: Financial analysis and contract negotiation for all new industrial projects -approximate annual investment of \$2 million. Responsible for establishing and evaluating profitability of monthly incentive rates.

COLUMBIA GAS TRANSMISSION CORPORATION

BUSINESS DEVELOPMENT MANAGER 94-97 (4 YEARS)



Business Planning: Directed a cross-functional team of fulfillment managers, engineering personnel, and marketing/customer service specialists for planning and coordination of marketing activities. Work with top-level customer representatives to address all corporate account management activities to facilitate business and maximize long-term profit.

3.C. (CONTINUED)

Software Trainer: Facilitated regional training for client users of energy management software. Direct involvement in coordination of software feature development with client feedback. Contributed to achievement of the "number one" industry ranking in independent survey ratings.

Technical Operations: Developed and facilitated annual Technical Operations Program. This program was extremely successful by realizing large annual cost savings, increased cooperative efforts, and high customer satisfaction ratings.



ACCOUNT EXECUTIVE

COLUMBIA GAS TRANSMISSION CORPORATION 88-94 (3 YEARS)

Leadership: Founded and operated, as one of a three-member team, the first Eastern Marketing Office for a \$9 billion interstate pipeline company. Spearheaded the establishment of new marketing and business strategy initiatives in the newly-deregulated natural gas industry.



TECHNICAL EXPERIENCE

OPERATIONS ENGINEER - COMPRESSION PERFORMANCE

COLUMBIA GAS TRANSMISSION CORPORATION 86-88 (3 YEARS)

Engineering Operations: Optimized performance of large reciprocal and turbine natural gas compression facilities — analyzing the power and compression units. Developed operating charts for compressor station operators. Greatly reduced engineering time by automating the departmental performance standards — accomplished by creating user input interface application.

Software Application Development: Automated key departmental activities including personnel time management and reporting, budgeting program and many specific technical applications.

DESIGN ENGINEER - MEASUREMENT AND REGULATION

COLUMBIA GAS TRANSMISSION CORPORATION 84-86 (3 YEARS)



Engineering Design: Designed natural gas measurement and regulation facilities, supervised field pipeline construction, and prepared cost estimates. Developed the first application of a remotely powered Hydrogen Sulfide Monitoring and automatic shut-off device.

EDUCATION

MBA - E. Claiborne Robins School of Business at the University of Richmond, Virginia

BS in Mechanical Engineering - West Virginia University

Certified Engineering Intern - Board of Professional Engineers of West Virginia

3.C. (CONTINUED)

WILLIAM SMITH - PROFESSIONAL RESUME

319 Sunset Blvd, Blacksburg, VA 24060 | 540-605-9716 | wsmith@springhouseconsult.com

EDUCATION

Purdue University, West Lafayette, IN

M.S. Agricultural and Biological Engineering, 2004

Thesis: "Biodiesel Derived Glycerin Based Aviation De-icers"

Purdue University, West Lafayette, IN

B.S. Agricultural and Biological Engineering, 2003

WORK EXPERIENCE

Springhouse Consulting, Blacksburg, VA (2013- present)

- Project management of retrofits and major shutdowns for:
 - Waste lubricating oil recovery plants
 - Biodiesel plants
 - Industrial wastewater pretreatment
 - Municipal wastewater treatment
 - Animal by-product rendering
- Design and engineering for skid mounted equipment and systems for
 - Biodiesel and ethanol plants
 - Grease recovery facilities
 - Biogenic oil recovery and refining
- Process equipment troubleshooting, repair, and optimization
- Maintenance and safety program establishment, audits and streamlining
- Facility appraisal and economic evaluations

Pacific Biodiesel Technologies, Kahului, HI and Salem, OR (2005 – 2013)

Engineering Group Manager (2008 – 2013)

- Managed R&D and commercialization team carrying out innovative design and development of biodiesel process improvements and value added products
- Technical sales for biodiesel process systems and related equipment
- Managed project engineering team for capital improvement projects and plant retrofits
- Lead engineer / project manager for greenfield construction of biodiesel plants
- Managed support engineers in the setup and implementation of preventative maintenance systems, process and equipment troubleshooting, and process debottlenecking.
- Managed scale up and successful commercialization of novel chemical processes related to biodiesel production from heavily degraded waste oils

Lead Project Engineer and R&D Manager (2006-2008)

- Created detailed facility and equipment designs for new biodiesel plant projects as well as retrofits of existing facilities.
- Provided overall project management for the installation and commissioning of biodiesel process facilities and retrofit equipment.
- Coordinated and managed efforts of project engineers, equipment vendors, contractors, inspectors, and customer representatives.
- Formed and managed applied R&D lab and pilot plant for waste feedstock biodiesel and co-product production

Process/Plant Engineer (2005 - 2006)

- Developed process improvements from laboratory to commercial scale
- Specified equipment for biodiesel process systems and ancillary utilities
- Created detailed CAD designs of biodiesel process and related systems
- Provided operations troubleshooting and support for biodiesel process plants
- Supported activities of feedstock collection, refining, and fuel distribution in various roles

3.C. (CONTINUED)

EXPERIENCE TO HIGHLIGHT

Biofuels Industry Highlights

- Extensive experience on feedstock rendering and recovery from raw waste materials
- Extensive expertise on process chemistry and conversion of highly contaminated and variable feedstock (brown grease, high acid tallow, crude corn oil, yellow grease, poultry fat) to ASTM D6751 fuel standards
- Extensive experience with complex biodiesel plant unit operations, including esterification, biodiesel distillation, glycerin pretreatment, methanol recovery and cold flow refining technologies
- Led six year effort on brown grease to biodiesel, culminating with successful startup and operation of purpose built refinery
- Lead engineer or project manager on thirteen green field and retrofit biodiesel and waste oil recovery facility construction projects

Product and Process Development

- Managed major process improvement projects from bench scale screening through pilot testing and commercial implementation and handover
- Worked with university partners to screen value added process improvements to determine commercial viability
- Transitioned novel bench scale processes through process development, unit operation selection, and optimization for reagent loading and energy conservation
- Created preliminary capital and operating cost estimates and market sensitivity analysis for commercial scale demonstration facilities

Process Engineering

- Managed ground-up design of new processes and process units through creation of process flow diagrams, material and energy balances, and instrumentation and control system architecture
- Created detailed engineering documentation via 2D and 3D CAD including piping and instrumentation diagrams, electrical one line diagrams, facility arrangement and structural steel drawings, and detailed piping isometrics.
- Created and organized project data including equipment specification, bill of materials, project database management, project budgets and timelines
- Process Hazard Analysis (PHA) and Process Safety Management (PSM) program development

Project Development and Management

- Served as lead project engineer/manager for new construction and retrofit projects with values from \$50k to \$18M.
- Performed site selection and overall plant layout for traffic, process flow, and permitting requirements for new projects and existing facility retrofits.
- Performed layout and design of process and administration buildings, process unit and tank farm slabs and containment, sewage and storm water treatment systems.
- Managed off-site and on-site process equipment and piping fabrication and installation
- Directly managed fabrication and installation trade crews for electrical, power and process pipe fitting, structural steel erection, insulation, and controls programming.

Facility Handover and Support

- Managed wet testing, commissioning, and handover of process units to operations team including safety program organization, SOP development, and operator training/ evaluation.
- Created O&M manuals, critical spare parts lists, scheduled maintenance intervals, and established vendor maintenance relationships.
- Provided long term operations support and troubleshooting via on-line quality management system and remote control access arrangements
- Transitioned multiple facilities to Computerized Maintenance Management Systems (CMMS) to comply with relevant OSHA and Process Safety requirements

Chemical Unit Familiarity

Batch and continuous reactors, liquid-liquid extraction systems, flash and forced circulation evaporators, falling and rising film evaporators, atmospheric and vacuum distillation columns, wiped film / short path evaporators, mechanical and thermo-mechanical high vacuum systems, filtration systems, liquid-liquid decanters, centrifuges, material handling and metering equipment, grinders, cookers, truck and rail loading racks, solids handling systems, bulk liquid tank

3.C. (CONTINUED)

farms, steam generation plants, thermal fluid heating systems , evaporative cooling towers, refrigerated chillers, circulated hot water heating systems, nitrogen generation and blanketing systems, VOC scrubbers and emissions control, PLC process controls, GUI design, Instrumentation of all types

Specific Technology Familiarity

Recycling: Waste oil collection, animal byproduct rendering, dewatering;

Vegetable oil processes: degumming, caustic refining, bleaching;

Methyl Ester Production: batch and continuous esterification and transesterification reactions, liquid-liquid extraction, adsorbent purification, stripping evaporators, alcohol rectification columns, methyl ester distillation

Water and Wastewater: boiler and cooling tower water pretreatment, dissolved air flotation, oil water separators, pH control, aerobic treatment.

Waste Lube Oil: pretreatment, stripping evaporators, multi-stage vacuum distillation, clay polishing, hydrotreating

Oleochemical: Fatty acid splitting, esterification, transesterification, interesterification, fat splitting, fractionation, winterization, fatty acid distillation

PUBLICATIONS AND PRESENTATIONS

- Presentation: “Biodiesel Production – Waste Streams and Management Practices”
Northwest Wastewater Pretreatment Conference, 2008
Summary: Presented on Best practices for control and remediation of biodiesel plant liquid waste streams
- Presentation: “Grease Trap Waste Recovery and Conversion”
PPRC Brown Grease Symposium, April 2009
Summary: Presented on practical approaches and experience with recovery and recycling of brown grease from grease trap waste
- Presentation: “Best Technologies for Small Biodiesel Producers”
Sustainable Biodiesel Summit 2010
Summary: Presented on best practices and practical technologies for small (<10Mgpy producers)
- Article: “Chemical Safety Matters”
Biodiesel Magazine, November 17th 2010
Summary: Interviewed by Bryan Sims for article on process safety in the biodiesel industry
- Article: “Trends in Biodiesel Washing and Polishing”
Biodiesel Magazine March 9th 2011
Summary: Interviewed by Bryan Sims for article on biodiesel purification
- Article: “A Balanced Approach”
Biofuels International, Volume 6, Issue 3 2012
Summary: Wrote comprehensive article on Biodiesel Plant Retrofits
- Article: “Biodiesel Purification – Finding the Right Fit”
Biodiesel Magazine May/June 2012
Summary: Wrote editorial article on biodiesel purification methods
- Facility Profile: “High Tech Biodiesel”
Biofuels Journal, Fourth Quarter 2012
Summary: Interviewed for Article on Big Island Biodiesel Facility
- Article: “Zero Waste and Plant Optimization”
Biodiesel Magazine January 2013
Summary: Featured in article covering biodiesel plant optimization to minimize or eliminate waste streams
- Webinar: “Survey of Advanced Process Technologies for Biodiesel”
Biodiesel Magazine August 2014

3.C. (CONTINUED)

Summary: Provided comprehensive survey of existing and emerging biodiesel process technologies and their state of commercialization

- Presentation: “Brown Grease Recovery from Grease Trap Waste – Science and Economics”
WWETT Show 2016
Summary: Industry focused presentation on the economics of recovery brown grease from grease trap waste
- Article: “Alternative Feedstock & Process Technology Overview”
Biodiesel Magazine Winter 2017
Summary: Technical article reviewing trends in feedstocks, pretreatment process and alternative processing technologies

MEMBERSHIPS

- American Institute of Chemical Engineers
- American Chemical Society
- American Oil Chemists’ Society
- Virginia Water Environment Federation
- Society of Tribologists and Lubrication Engineers

3.C. (CONTINUED)

ROBERT C. LINK – PROFESSIONAL RESUME

Crowder Construction Company

Industry Experience - 25 years

Chad joined Crowder in 1999 and has since served several roles in the organization, many of which have centered around the development and construction of alternate delivery projects. He is responsible for project development, design phase technical oversight and management, and contract negotiations and execution. Chad leads Crowder's preconstruction efforts on nearly all of our collaborative delivery projects, including providing design cost analysis, value engineering, and constructability reviews. Through his 25 years of experience in construction management and estimating, he has developed an in-depth understanding of plant processes and constructability issues.

Relevant Project Experience:

ATP THP & FOG RECEIVING STATION, Virginia Beach, VA / \$54,736,124 Preconstruction

Manager. Hampton Roads Sanitation District (HRSD) selected Crowder as the Construction Manager At-Risk (CMAR) for the ATP Thermal Hydrolysis Process and FOG Receiving Station project. The primary objective of the project is to produce a Class A biosolids product and to provide for future increases in solids handling capability without increasing digester capacity, as well as the provision of a new FOG Receiving Station that the THP processes. As the CMAR, Crowder developed bid packages, managed all aspects of the construction phase, and is currently managing the post-construction phase.

F WAYNE HILL FOG AND HSW, Gwinnett County, GA / \$3,158,755

Lead Estimator, Technical Reviewer. F Wayne Hill WRC is the largest and most technologically advanced WWTP in Gwinnett County. The plant processes approximately 40-60 MGD of wastewater. Crowder was selected as the Design-Builder for this project, which allows the plant to receive fats, oils, and grease (FOG) and high strength waste (HSW) resulting in more efficient methane gas for gas-to-energy. The project consisted of demolition of existing odor control equipment, construction of four 12-foot-diameter by 24-foot-tall SST FOG and HSW storage tanks, a new septage receiving station, grease trap, modifications to the existing hot water loop piping and existing sludge lines, new sludge handling piping, and instrumentation and controls.

PROVIDENCE ROAD OFFLINE STORAGE FACILITY, Virginia Beach, VA / \$31,131,582

Preconstruction Manager. This design-build project for HRSD included a 5 MG offline storage facility, an 1,800 GPM drain pump station, 2,400 GPM deluge pumping system, 23,000 CFM odor control system, and the facility has a state-of-the-art skatepark located on top and adjacent to the storage tank.

SWIFT PHASE III DEMONSTRATION FACILITY, Suffolk, VA / \$24,354,400 Preconstruction

Manager. Crowder was the Design-Builder for the award-winning Sustainable Water Initiative for Tomorrow (SWIFT) Phase III Demonstration Facility developed by HRSD. The project included design, construction, and commissioning of a 27,750 SF advanced water treatment and research facility. The facility has the capacity to recharge the Potomac aquifer with 1 MGD of highly treated water from the Nansemond Treatment Plant.

EDUCATION

BS, Civil Engineering

NC State University (1996)

4. Specific plans for providing the proposed goods/services including:

4.a. List of detailed specifications, including the level of effort and labor hours.

Repurposing at the CETP is focused upon the Pre Treatment Facility (PTF):

The repurposing plan for the PTF will involve modification of the existing septage receiving station and the addition of new equipment to receive and process grease trap waste in a separate stream. Truck deliveries of septage and grease will be received separately and processed separately.

The drawings included in Section 4.h. as Figures 4-6 (see pages 18, 19 & 20) illustrate the proposed PTF modifications. A corresponding flow diagram, also in Section 4.h., as Figure 3 (see page 17) further illustrates the proposed project.

The existing two grit collectors will be separately re-purposed to act as holding and equalization tanks for septage and grease trap waste. The inflow and outfall gate valves for both collectors will be closed to create isolated tanks. The existing grit collector bottoms pumps will be retained and will be used in the dewatering process.

A new screen and receiving line for grease trap waste will be installed adjacent to the existing septage receiving pit on the southwest corner of the PTF. The screened liquid waste will be pumped through a continuous flow flotation cell to perform the preliminary separation of grease and grit from the incoming flow. The resulting liquid (mostly water) will be transferred to the East clarifier and held for dewatering. The skimmed grease will be transferred to the melt tank installed adjacent to the screens on the ground floor of the building. The grease will be melted in this tank and pumped to the intermediate level.

On the top level, one of the grit classifiers will be removed and replaced with a continuous centrifuge for separation of the FOG from the grease trap waste. The FOG will be transferred to a finished brown grease holding tank on the ground floor. The finished grease will be periodically loaded to tanker truck for off-site storage. The water from the centrifuge will be sent to the west collector and combined with the septage for dewatering.

The septage and mixed load streams entering the plant will utilize the existing septage receiving station and manual bar screen. The septage will be transferred via a new line from the receiving vault to the west grit collector. The agitator and grit collector pumps will be utilized to homogenize the tank. Lime will be added to the collector to bring the pH of the water to 8 to 8.5. The neutralized waste will be pumped from the collector through a polymer mixing station and into dewatering containers located on the ground floor. The solids from the mixed liquid waste will be retained in the dewatering boxes. The liquid existing in the dewatering boxes will be pumped to the plant outfall for transfer to the POTW. A monitoring station will be installed on the discharge line for sampling and flow monitoring of the liquid from the system. The dewatered solids will be transported off-site for landfill disposal.

The existing odor scrubbing system will be utilized for odor abatement. No new equipment is planned on the exterior of the building and no new processing is planned outside. The existing inflow bar screens and screenings conveyors will not be utilized in the modified plant.

This proposal reserves the option for expanding use of additional CETP Assets over time by mutual agreement based upon issues that include savings to HRSD resulting from repurposing instead of demolition.

4.a. (continued)

Confidential and Proprietary Information - Trade Secrets Included

The work will include the fabrication and installation of custom equipment for concentration, recovery and refining of the brown grease from the incoming grease trap waste and specially designed de-watering equipment for both septage and grease trap streams. There is no standard specification for this type of equipment, but the work will be completed to all relevant and applicable codes. For pressure vessels, construction will be completed to ASME VIII. All piping work will be completed in accordance with good engineering practice for the products being handled. Electrical work will be conducted in accordance with NFPA 70. Handling and storage of combustible liquids, where applicable, will be conducted in accordance with NFPA 30. All installed equipment will be compliant with relevant OSHA standards.

The retrofit work will be completed over an estimated period of 1 to 2 months. A majority of the equipment will be fabricated off-site and relocated to the facility for installation. The amount of labor hours involved in the phases of the project are estimated as follows:

Equipment removal and demolition: Millwright/rigging – 160 hrs, Electrician/helper 20 hrs

Set and anchoring new equipment: – Millwright/rigging – 240 hrs

Piping of new equipment – Pipe fitter/welder – 240 hrs

Electrical installation of equipment - Electrician/helper 160 hrs

Once the installation is complete, it is expected that one operator will be able to complete the necessary tasks of cleaning the incoming screens, decanting the brown grease, processing the brown grease and operating the dewatering system. This is based on previous experience with similar equipment at similar operating throughputs. This operator will be supported by company engineers and labor for periodic maintenance and cleaning processes.

4.b. What, when, and how the services will be offered.

What: Private commercial water processing service.

When: Beginning upon commercial operation as indicated in 4.c., then a 10-year initial agreement term with the option of four additional 5-year extension terms at Offeror's sole option.

How: see responses in 4. d. e. g. and h.

Please also refer to the response in 4.a.

4.c. Time frame for completion.

Commercial operation expected approximately six months after contract execution.

4.d. Provide any information about other firms or other resources you would use to re-purpose this property.

Crowder Construction:

ATP THERMAL HYDROLYSIS & FOG RECEIVING STATION (Virginia Beach, VA)

Crowder was the Construction Manager At-Risk (CMAR) for a Thermal Hydrolysis Process (THP) and Fats, Oils, and Grease (FOG) Receiving Station project at HRSD's 54 MGD Atlantic Treatment Plant (ATP). The ATP is operated as a high rate activated sludge (HRAS) plant to achieve biological oxygen demand (BOD) and total suspended solids (TSS) removal. The primary objective of the project was to produce a high-quality Class A biosolids product by processing solids through the THP, provide for future increases in solids handling capability without increasing digester capacity, and provide for a new FOG receiving station to feed the THP. The new facility produces more biogas, providing electricity cost savings and promoting sustainable operations. Final Class A biosolids from the ATP are used in HRSD's ongoing agricultural land application program.

F. WAYNE HILL FOG & HSW (Buford, GA)

F Wayne Hill WRC is the largest and most technologically advanced WWTP in Gwinnett County. The plant processes approximately 40-60 MGD of wastewater. Crowder was selected as the design-builder for this project which will allow the plant to receive and co-digest fats, oils, and grease (FOG) and high strength waste (HSW) resulting in the generation of additional methane gas for beneficial use in the existing gas to energy facility.

The project consisted of the following:

- Demolition of existing odor control equipment
- Construction of four 12-foot-diameter by 24-foot-tall SST FOG and HSW storage tanks
- Construction of new containment area for FOG tanks
- A new septage receiving station
- Grease trap
- Modifications to the existing hot water loop piping and existing sludge lines
- New sludge handling piping
- Instrumentation and controls
- Rehabilitation of existing hose pumps
- Installation of two FOG heat exchangers and one hot water heat exchanger
- MCC and PLC panel

4.e. Provide a general overview of how you would re-purpose this property and define all beneficial uses.

Tidewater Region Consolidation

Current Plan Eliminates an Ideal Truck Delivery Location



Figure 1. HRSD's existing plan to decommission CETP, consolidating all truck deliveries to the ATP.

HRSD's Plant Consolidation - Background

This proposal offers an enhancement to HRSD's already good plan that involves closure of CETP and consolidation to ATP. For all the benefits of centralizing at ATP, it is a less desirable location for the deliveries by truck. ATP is located in a residential neighborhood adjacent to a high school where 1,200 more trucks per year is far from desirable. This increase in traffic contributes to HRSD's planned new access road from ATP to Dam Neck Road. This costly new access road would also involve the destruction of wetlands where the new road is proposed.

Proposed Consolidation'

Insightfuel's proposal offers an alternative consolidation that involves the trucks only. Truck deliveries

Tidewater Region Consolidation'

Consolidate *Truck Deliveries* to CETP – Process for Discharge to Sewer



Figure 2. Consolidating truck deliveries to CETP instead of ATP. Repurpose CETP for discharge to sewer.

4.e.(cont.)

Confidential and Proprietary Information - Trade Secrets Included

would be consolidated at CETP rather than at ATP. The infrastructure already in place at CETP will be modified to process the septic wastewater and safely discharge it into the septic system. For grease deliveries, instead of discarding the grease without any beneficial use as is done at ATP, it will first be processed to recover the valuable renewable energy.

Benefits of Consolidation' to ATP

Benefits to HRSD for this proposal accrue not only at CETP but also at ATP. As shown from the adjacent table, the influence on ATP of consolidating truck deliveries to CETP will be a reduction of 1,500 deliveries per year – resulting in less traffic than prior to the consolidation. This reduces, if not eliminates, the need for the new access road. Also, removing the grease deliveries from ATP also serves as a springboard to additional renewable energy development opportunities.

Influence on ATP	Deliveries/Year	Deliveries/Day*
<u>Consolidate to ATP</u>		
• Grease only	600	3
• Septage and Grease	1,200	6
<u>Consolidate to CETP</u>		
• Grease only	-700	-7
• Septage and Grease	-1,500	-12

*based upon 250 day year

CETP Property Issues – Reduced Demolition Cost and Property Ownership Benefits to HRSD

A lesser-known fact regarding the closure of CETP involve the deed restrictions on this property. HRSD's use of this property is restricted "solely for the construction, operation, and maintenance of a facility required as part of the regional sewage system, including any associated communication facilities and other related appurtenances". Insightfuel's proposed activity is fully within the allowed deed restriction use. Facilities repurposed within this use at CETP would not incur the high expense of demolition. Indeed, HRSD would be granted continued use of the property and not incur all or a portion of the estimated \$11 million cost to demolish assets at CETP as indicated in the Strategic Plan. Instead, these previously budgeted funds could be applied to enhancing the project.

4.f. What major challenges do you anticipate? *Confidential & Proprietary Information - Trade Secrets Included*

The most significant challenge we anticipate is successfully accommodating variations in hauled volume to the facility. In previous work we have seen large variations in the daily hauled volumes to liquid waste processing facilities. We plan to address this by utilizing the former grit classifiers as equalization for both septage and grease waste receiving which will provide sufficient short-term storage for both streams.

A secondary challenge we anticipate is providing receiving hours favorable to the liquid waste haulers while also providing the facility operators with sufficient time to perform the required work in grease recovery and dewatering. To address this challenge, we plan on utilizing contact-less custody transfer of hauled waste via key card access and the existing truck scale to allow haulers to bring loads to the facility at a time most convenient to them.

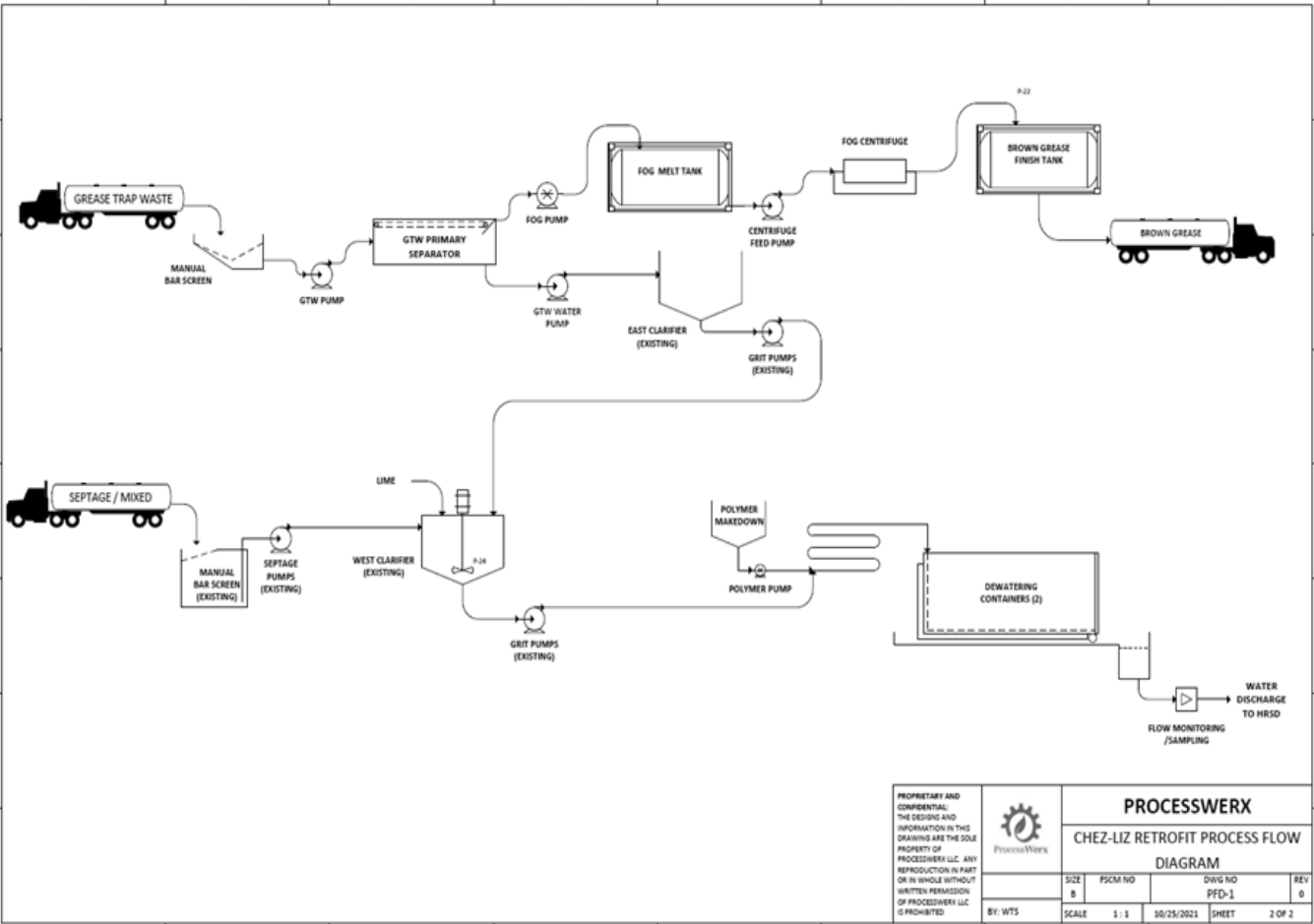
4.g. What financing methods would you use?

These modifications will be privately financed.

This proposal contemplates the following competitive negotiation whereby the Offeror and HRSD may agree to alternatives based upon mutual best interests.

4.h. Provide any other relevant information about your plans for this property.

The following drawings articulate, in concept, the planned repurposing goals for the CETP property.



4.h. (continued)

Confidential and Proprietary Information - Trade Secrets Included

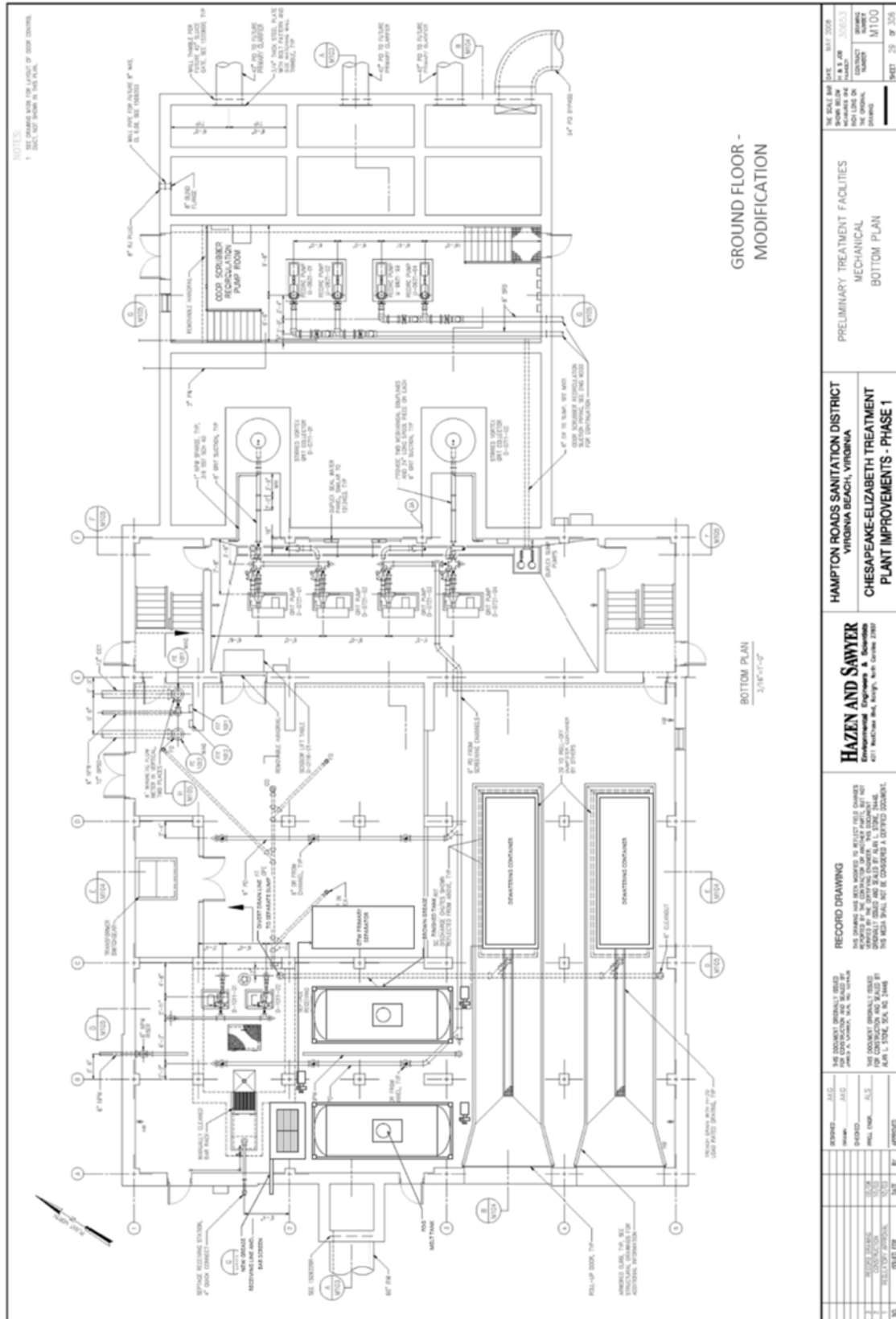


Figure 4. Proposed PTF Modifications – Ground Floor

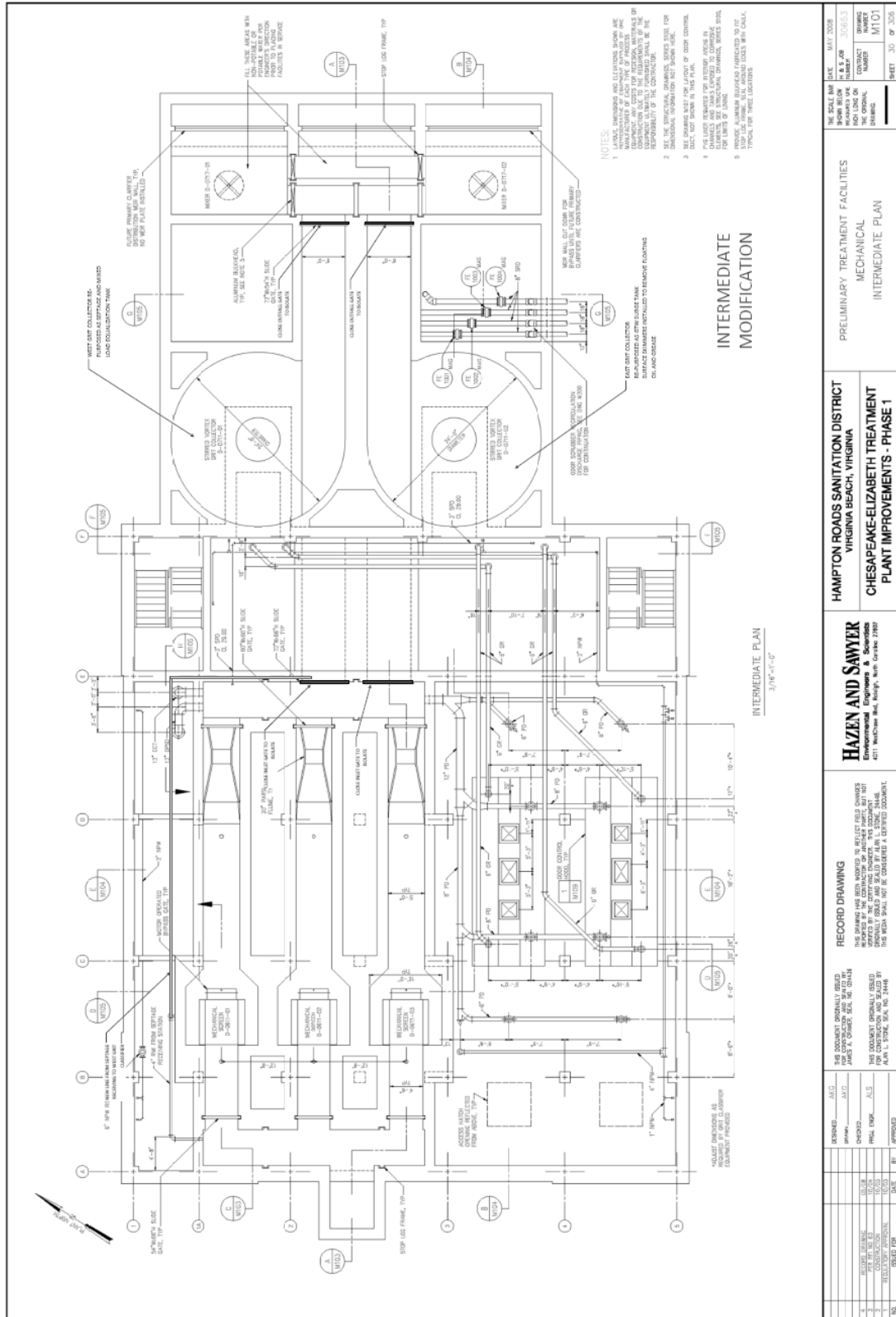


Figure 5. Proposed PTF Modifications – Second Floor

4.h. (continued)

Confidential and Proprietary Information - Trade Secrets Included

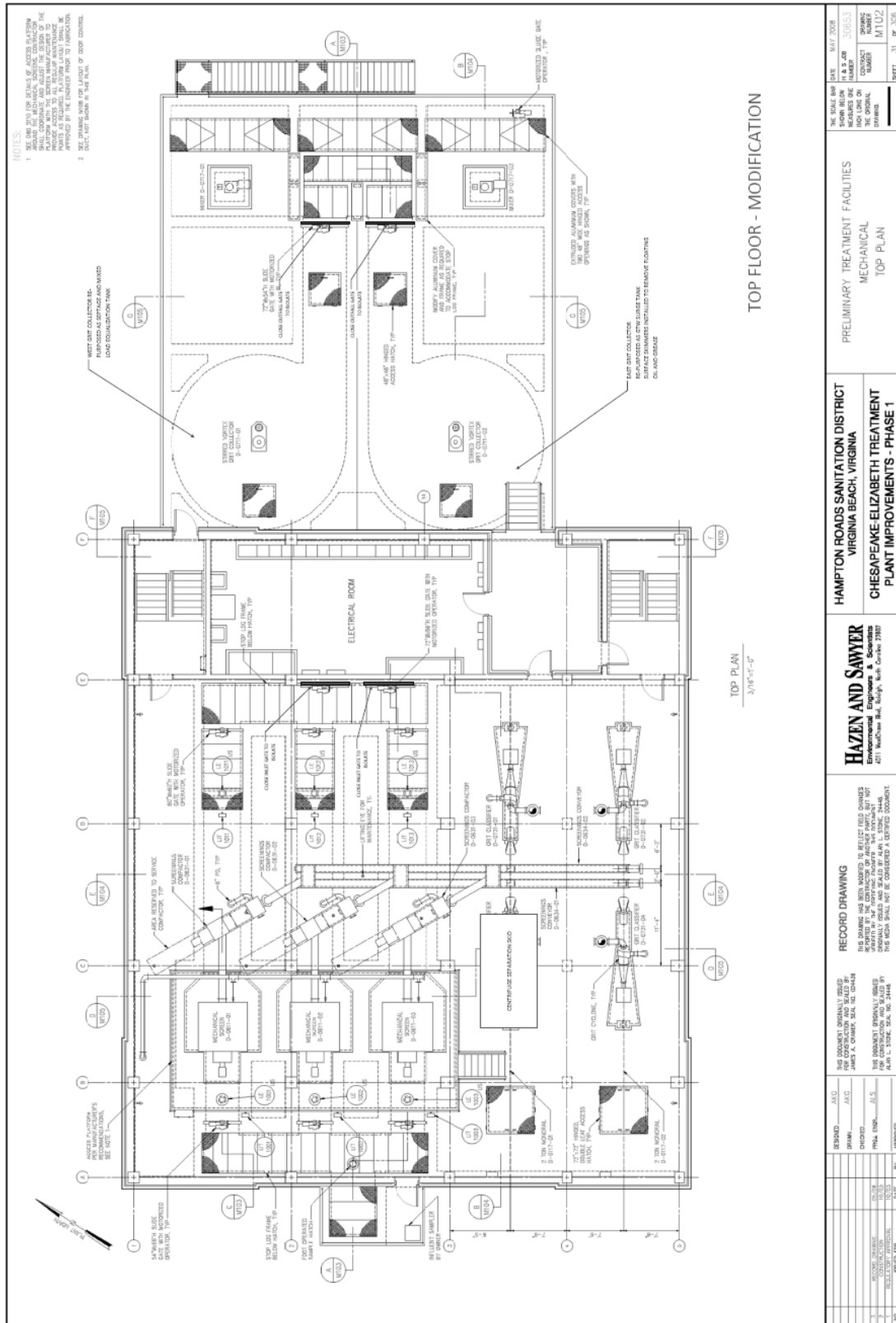


Figure 6. Proposed PTF Modifications – Third Floor

5. Proposed Price: \$1.00

Solicitation 405340

Title **RFP-Chesapeake-Elizabeth Plant (CETP) Re-Purposing**
Due Date **09-NOV-2021 14:30:00** Award Date **Not Specified**
Time Zone **Eastern Time**

Please submit your response online only:

Organization **HRSD**
Purchaser **Murphy, Amy**
Phone **(757) 460-7312**
Email **amurphy@hrsdc.com**

Responses shall only be accepted online through Hampton Roads Sanitation District 's (HRSD) Oracle ERP system "iSupplier Portal" by the due date and time specified. Late responses and other types of responses shall not be accepted.

Table of Contents

1 Header Information.....3

 1.1 General Information.....3

 1.2 Terms.....3

 1.3 Requirements.....3

 1.4 Attachments.....6

2 Price Schedule.....7

 2.1 Line Information.....7

 2.2 Line Details.....7

 2.2.1 Line 1.....7

1 Header Information

1.1 General Information

Title **RFP-Chesapeake-Elizabeth Plant (CETP) Re-Purposing**
 Due Date **09-NOV-2021 14:30:00** Award Date **Not Specified**
 Purchaser **Murphy, Amy**
 Email **amurphy@hrsdc.com**

1.2 Terms

Effective Start Date	Not Specified	Effective End Date	Not Specified
Ship-To Address	CETP	Bill-To Address	Accounts Payable
	5332 Shore Drive		PO BOX 5915
	Virginia Beach, VA 23455		Virginia Beach, VA 23471-0915
	United States		United States
Payment Terms	Net 30	Carrier	Best Way
FOB	Destination	Freight Terms	Freight Prepaid
Total Agreement	Not Specified		
Amount (USD)			

1.3 Requirements

Bidders/Offerors Certification By the submission of this online response, the Offeror is duly authorized to bind the company and is familiar with all aspects of the proposal and fully meets the requirements found in this solicitation. Circle one from the response values below: Yes
General Information Number of year's business has been in operation? Value Type Numeric Value only Provide your answer below
Number of Employees? Value Type Numeric Value only Provide your answer below
Number of year's experience providing/servicing same or similar goods/services? Value Type Numeric Value only Provide your answer below

General Information
Number of service locations for this business? Value Type Numeric Value only Provide your answer below
Addresses of these service locations if applicable (type here or attach copy of the address list to this online response) Provide your answer below
Proof of Authority to Transact Business in Virginia
Pursuant to Virginia Code 2.2-4311.2, a bidder/offeror must provide their State Corporation Commission (SCC) number on the below line otherwise you must state why your firm is not required to have a (SCC) number. Any bidder/offeror described herein that fails to provide the required information shall not receive an award unless a waiver of this requirement is granted by the Procurement Office. If this bid/proposal for goods or services is accepted by HRSD, the undersigned agrees that the requirements of the Code of Virginia Section 2.2-4311.2 have been met. Please complete the following by providing the requested information. Type No Response Required Please supply your company's Identification Number that has been issued by the State Corporation Commission (SCC) if you do not have one please enter N/A and complete the below questions. Provide your answer below
Bidder/offeror is not a corporation, limited liability company, limited partnership, registered limited liability partnership, or business trust. Circle one from the response values below: Yes N/A
Bidder/offeror is an out-of-state business entity that does not regularly and continuously maintain as part of its ordinary and customary business any employees, agents, offices, facilities, or inventories in Virginia(not counting any employees or agents in Virginia who merely solicit orders that require

Proof of Authority to Transact Business in Virginia
acceptance outside Virginia before they become contracts, and not counting any incidental presence of the bidder/offeree in Virginia that is needed in order to assemble, maintain, and repair goods in accordance with the contracts by which such goods were sold and shipped into Virginia from bidder/offeree's out-of-state location)
..... Circle one from the response values below: Yes N/A
Bidder/offeree is an out-of-state business entity that is including with this bid/proposal an opinion of legal counsel which accurately and completely discloses the undersigned bidder's/offeree's current contacts with Virginia and describes why those contacts do not constitute the transaction of business in Virginia within the meaning of 13.1-757 or other similar provisions in Titles 13.1 or 50 of the Code of Virginia. Attach opinion to your response for this solicitation.
..... Circle one from the response values below: Yes N/A
Bidder/offeree does not have an Identification Number issued to it by the SCC and such bidder/offeree is not required to be authorized to transact business in Virginia by the SCC. Please state the reason(s) or enter N/A if this does not apply to your company.
..... Provide your answer below
Answer YES if you have not completed any of the foregoing options but currently have pending before the Virginia SCC an application for authority to transact business in the Commonwealth of Virginia and wish to be considered for a waiver to allow you to submit the SCC identification number after the due date for bids/proposals(HRSD reserves the right to determine in its sole discretion whether to allow such waiver).
..... Circle one from the response values below: Yes N/A
Provide Legal Name of Company (as listed on W-9)
..... Provide your answer below
Submittal Requirements
Have you attached a copy of your audited financial statement?
..... Circle one from the response values below: Yes No
Have you included information about your company's experience in providing the goods/services described herein?
..... Circle one from the response values below:

Submittal Requirements
Yes No
Have you attached copies of the required permit/s required for this solicitation? Circle one from the response values below: No Not Applicable Yes
Do you understand and agree to comply with HRSD's procedures related to COVID-19 while performing work at HRSD facilities? Circle one from the response values below: No Yes

1.4 Attachments

Name	Data Type	Description
CETP Site Plan	File	CETP Site Plan
Attachments	Short Text	Attachments listed in this section are NOT viewable through this PDF. You must log into our ERP system to view these attachments.

2 Price Schedule

2.1 Line Information

Line	Item, Rev / Job	Target Quantity (N/A)	Unit	Unit Price	Amount	Bid Minimum Release Amount
1 The offeror bears all cost and responsibility to re-purpose the facility. For the purposes of the online submittal, the sum of one dollar (\$1.00) should be submitted on the line item provided.						

2.2 Line Details

2.2.1 Line 1 The offeror bears all cost and responsibility to re-purpose the facility. For the purposes of the online submittal, the sum of one dollar (\$1.00) should be submitted on the line item provided.

Shopping Category **Requisition Use Only** NIGP Code **Not Specified**
(CURRENCY_COD
E=USD)

Minimum Release **Not Specified**
Amount (USD)
Estimated Total **Not Specified**
Amount (USD)

Terms and Conditions

Table of Contents

Terms and Conditions.....	10
I. PURPOSE	10
A. Purpose	10
II. BACKGROUND	10
A. Background	10
III. STATEMENT OF NEEDS	10
A. Specific Areas	10
IV. REPORTING AND DELIVERY REQUIREMENTS	11
A. Reporting and Delivery Requirements	11
V. PRE-PROPOSAL CONFERENCE	11
A. Pre-Proposal Conference	11
VI. INSTRUCTIONS TO OFFERORS	12
A. Instructions to Offerors	12
B. Solicitation Inquiries	12
C. Submittal of Responses	12
D. Technical Assistance	12
E. Receipt and Opening of Solicitations	12
VII. PROPOSAL PREPARATION AND SUBMISSION REQUIREMENTS	13
A. General Requirements	13
B. Specific Proposal Requirements	14
VIII. EVALUATION AND AWARD CRITERIA	15
A. Evaluation Criteria	15
B. Interviews/Demonstrations	15
C. Award of Contract	15
IX. GENERAL TERMS AND CONDITIONS	16
A. Announcement of Award	16
B. Anti-Discrimination	16
C. Anti-Trust	17
D. Applicable Law and Courts	17
E. Assignment of Contract	17
F. Authorization to Transact Business in Virginia	17
G. Availability of Funds	17
H. Changes	17
I. Clarification of Terms	18
J. Contract Documents	18
K. Debarment Status	18
L. Default	18
M. Discounts	19
N. Disputes	19
O. Drug-Free Workplace	19
P. Ethics in Public Contracting	19
Q. Faith-based Organizations	19
R. HRSD Procurement Policy	20

S. Immigration Reform and Control Act of 1986	20
T. Indemnification	20
U. Informality	20
V. Invoices/Payment	20
W. Mandatory Use of HRSD Form and Terms and Conditions	21
X. Minority Owned Businesses Subcontracting and Reporting	21
Y. Non-Publicity	21
Z. Precedence of Terms	22
AA. Qualifications of Bidders/Offerors	22
AB. Taxes	22
AC. Testing/Inspection	22
AD. Withdrawal or Modification of Responses Prior to Due Date	22
X. SPECIAL TERMS AND CONDITIONS	22
A. Audit	22
B. Assumption of Liability	23
C. Best and Final Offer	23
D. Cancellation of Contract	23
E. Confidentiality (HRSD)	23
F. Confidentiality	23
G. Contractor Experience	24
H. Contractor Registration	24
I. COVID-19 Requirements while on HRSD Property	24
J. Default	25
K. Definitions	25
L. Final Inspection	25
M. Guarantee Waiver	26
N. Hazardous Chemical Communication Program	26
O. Insurance	26
P. Labeling of Hazardous Substances	27
Q. Laws and Regulations	27
R. Limitation of Liability	28
S. Prime Contractor Responsibilities	28
T. Proposal Acceptance Period	28
U. Protection of Persons and Property	28
V. References	28
W. Safety Data Sheets	29
X. Termination for Cause	29
Y. Termination for Convenience	29
Z. Use of Contract by Other Public Bodies	29
AA. Use of Premises and Removal of Debris	30
AB. Warranties and/or Representations	30

Terms and Conditions

I. PURPOSE

A. Purpose

The purpose of this Request for Proposal, RFP #405340, is to solicit sealed proposals to establish a contract through competitive negotiations for the purpose of leasing or selling all or a portion of HRSD's Chesapeake Elizabeth Treatment plant located at 5332 Shore Drive, Virginia Beach, VA 23454.

II. BACKGROUND

A. Background

HRSD is a political subdivision of the Commonwealth of Virginia. Our mission is to protect public health and the waters of Hampton Roads by treating wastewater effectively.

HRSD currently provides wastewater treatment services for 20 counties and cities with a population of about 1.7 million. HRSD owns and operates nine major wastewater treatment plants in the Hampton Roads area and eight smaller wastewater treatment plants in Eastern Virginia and the Eastern Shore with a combined capacity of 249 million gallons per day average, as well as, a collection system comprised of more than 620 miles of pipes and 127 pump stations. For more information about HRSD, please visit www.hrsd.com.

HRSD will end normal operations at the Chesapeake-Elizabeth Treatment Plant, no later than Dec. 31, 2021. The Plant was originally constructed in 1965, numerous upgrades and improvements have occurred throughout the many years of operation. The Plant meets all requirements of the existing discharge permit: VDPDES VA0081264. A Site Plan of this 22.3-acre property is attached that shows the existing facilities located on the plant site that can be repurposed for either lease or sale.

III. STATEMENT OF NEEDS

A. Specific Areas

Please provide a comprehensive proposal of how your firm will re-purpose the Chesapeake Elizabeth Treatment Plant facility. HRSD's goal to re-purpose some or all of this facility with uses that are in alignment with our mission to protect public health and the waters of Hampton Roads by treating wastewater effectively. All re-purposing options will be considered including but not limited to conveyance, treatment, reuse or recycling of wastewater or wastewater by-products. Awards may be made to one or more offerors.

1. The offeror bears all cost and responsibility to re-purpose the facility.
2. HRSD will not provide any financing or cost sharing in any re-purposing option proposed.
3. All re-purposing options must be compatible with the adjacent property owned by the U.S. Navy JEB Little

Creek and meet the City of Virginia Beach Zoning Ordinance.

4. Offeror may re-purpose any of the existing facilities on the plant site and accepts the property on an "as is" basis. HRSD is not liable for any deficiencies that may be present if any.
5. No off-site odors can result from on-site activities.
6. Any required discharge to the HRSD system must meet all water quality requirements enforced by HRSD's Pretreatment & Pollution Prevention Division.
7. The offeror must obtain any and all approvals or permits for the re-purposing.
8. All power, water, sewer, storm water and other utilities necessary for the re-purposing will be the responsibility of the offeror.
9. Any existing facility in conflict with the offeror's plan, can be demolished at the offeror's expense and with the approval of HRSD.

IV. REPORTING AND DELIVERY REQUIREMENTS

A. Reporting and Delivery Requirements

There are no reporting or delivery requirements for this solicitation.

V. PRE-PROPOSAL CONFERENCE

A. Pre-Proposal Conference

A pre-proposal conference is not a requirement for this Request for Proposal. A site visit will be held at the Chesapeake Elizabeth Treatment Plant located at 5332 Shore Drive, Virginia Beach, VA 23455 at 10:00 a.m. on October 26, 2021, for anyone that is interested. It is not mandatory. It will be an opportunity to view the facilities and ask questions. This is the only date to view the site no other site visits will be held.

All potential Offerors are being asked to:

1. Review ALL documents and attachments PRIOR to attending the site visit to be prepared as much as possible.
2. Ask any questions via email or through the HRSD ERP system before the site visit – after reviewing all solicitation documents and attachments.
3. Limit representation to one member of your organization for site visit if possible.
4. All attendees must wear a face mask and a hard hat. These items will not be provided to you.
5. Follow all CDC recommendations for fully vaccinated and unvaccinated individuals for physical distancing, hygiene, and PPE.
6. Not attend if not feeling well, have any COVID-19 symptoms, or have been in close contact with someone who has COVID-19 or any COVID-19 symptoms.
7. Fully vaccinated and unvaccinated company representatives that are, COVID-19 symptom free may enter HRSD property but must continue to wear a mask and are required to maintain physical distancing. All company representatives must complete a COVID-19 self-assessment questionnaire. If the representative

answers "Yes" to any of the self-assessment questions, the representative may not participate in the meeting. If the representative answers "No" to all questions, the representative meets the requirements to safely participate in the site visit. By participating in the meeting, the representative is acknowledging completion of a self-assessment and certifies that they followed all protocols to safely participate. A record must be kept by the representative's company that shows these acknowledgements either through a mobile app or other type of documentation. An example can be provided upon request. This information must always be available and provided when requested by HRSD staff.

VI. INSTRUCTIONS TO OFFERORS

A. Instructions to Offerors

This is an HRSD Request for Proposal solicitation for sealed proposals to establish a contract through competitive negotiations for the requested goods/services. THIS IS NOT AN ORDER.

B. Solicitation Inquiries

Please direct all questions concerning this solicitation to the HRSD Procurement Office Purchaser indicated in the solicitation. Direct contact with HRSD departments, other than the Procurement Office, concerning this solicitation is prohibited. HRSD disclaims any responsibility for documents distributed by other parties. Any changes to this solicitation shall be issued from HRSD's Procurement Office through HRSD's Online Oracle ERP system.

C. Submittal of Responses

HRSD only accepts responses submitted online through HRSD's Online Oracle ERP system. Failure to submit a response through HRSD's Online Oracle ERP system will be rejected by HRSD. It is the responsibility of the Offeror to assure that their response is submitted in HRSD's Online Oracle ERP system prior to the due date and time. All times listed in the HRSD solicitation are Eastern Standard Times. Late responses shall not be accepted. HRSD shall not be responsible for late or lost responses due to an improper online submittal by Offeror.

D. Technical Assistance

If you experience difficulties logging into your account or using HRSD's Oracle ERP system, please contact erphelp@hrsd.com or (757) 460-7318 for assistance.

E. Receipt and Opening of Solicitations

Online responses received will be opened at the HRSD Department of Finance Procurement Office, 1434 Air Rail Ave., Virginia Beach, VA 23455 at the time stated in the solicitation. For Request for Quote and Invitation for Bid, Bidders' names and prices will be made public for the information of Bidders and others interested who may be present either in person or by representative. For Request for Proposal, only the Offerors' names shall be made public. The official or agent of HRSD, whose duty it is to open them, will decide when the specified time has arrived. No responsibility will be attached to any official or agent for the premature opening of a response

not properly submitted. No decisions relating to an award of a contract shall be made at the solicitation opening.

VII. PROPOSAL PREPARATION AND SUBMISSION REQUIREMENTS

A. General Requirements

1. RFP Response:

In order to be considered for selection, Offerors must submit a response online through HRSD's Oracle ERP system no later than the published due date and time. No other distribution of the proposal shall be made by the Offeror. No offer received after the time designated for receipt of offers shall be considered.

2. Proposal Preparation:

- a. Proposals shall be submitted online through HRSD's Oracle ERP system by an authorized representative of the Offeror. All information requested must be submitted. Failure to submit all information requested may result in the Procurement Office requiring prompt submission of missing information and/or giving a lower evaluation of the proposal. Proposals which are substantially incomplete or lack key information may be rejected by the Procurement Office. Mandatory requirements are those required by law or regulation or are such that they cannot be waived and are not subject to negotiation.
- b. Proposals should be prepared simply and economically, providing a straight forward, concise description of capabilities to satisfy the requirements of the RFP. Emphasis should be placed on completeness and clarity of content.
- c. Proposals should be organized in the order in which the requirements are presented in the RFP and should be contained in a single volume. All documentation submitted with the proposal should be contained in that single volume.
- d. All pages of the proposal should be numbered. Each paragraph in the proposal should reference the paragraph number of the corresponding section of the RFP. It is also helpful to cite the paragraph number, subletter, and repeat the text of the requirement as it appears in the RFP. If a response covers more than one page, the paragraph number and subletter should be repeated at the top of the next page. The proposal should contain a table of contents which cross references the RFP requirements. Information which the Offeror desires to present that does not fall within any of the requirements of the RFP should be inserted at an appropriate place or be attached at the end of the proposal and designated as additional material. Proposals that are not organized in this manner risk elimination from consideration if the evaluators are unable to find where the RFP requirements are specifically addressed.
- e. Trade Secrets/Proprietary Information - Ownership of all data, materials and documentation originated and prepared for HRSD pursuant to the RFP shall belong exclusively to HRSD and be subject to public inspection in accordance with the Virginia Freedom of Information Act. Trade secrets or proprietary information submitted by an Offeror shall not be subject to public disclosure under the Virginia

Freedom of Information Act; however, the Offeror must invoke the protections, in writing, prior to or upon submission of the data or other materials, and must specifically identify the data or other materials to be protected and state the reasons why protection is necessary. The proprietary or trade secret material submitted must be clearly identified by highlighting specific words, figures, or paragraphs that constitute trade secret or proprietary information. Offerors shall also be required to mark the corresponding pages with the word "confidential" in the upper right hand corner of each page, submit an index with proposals entitled "Trade Secrets/Proprietary Information" referencing all protected page numbers and section numbers, and state reasons why protection is necessary for each item. Index page must be submitted in the front of each Offeror's proposal. The classification of an entire proposal document, line item prices and/or total proposal prices as proprietary or trade secrets is not acceptable and may result in the rejection of the proposal.

- f. All proposal preparation costs incurred are the responsibility of the Offeror.

B. Specific Proposal Requirements

Proposals should be as thorough and detailed as possible so that HRSD may properly evaluate your capabilities to provide the required goods/services. Offerors are required to submit the following items as a complete proposal:

1. Online Submittal of proposal.
2. Online acknowledgement of HRSD Amendment/s, if applicable.
3. Written narrative statement to include:
 - a. Provide three references with comparable scopes and size as this type of facility.
 - b. Names, qualifications, and experience of personnel to be assigned to the project.
 - c. Resumes of staff to be assigned to the project.
4. Specific plans for providing the proposed goods/services including:
 - a. List of detailed specifications, including the level of effort and labor hours.
 - b. What, when, and how the services will be offered.
 - c. Time frame for completion.
 - d. Provide any information about other firms or other resources you would use to re-purpose this property.
 - e. Provide a general overview of how you would re-purpose this property and define all

beneficial uses.

- f. What major challenges do you anticipate?
- g. What financing methods would you use?
- h. Provide any other relevant information about your plans for this property.

5. Proposed Price:

The offeror bears all cost and responsibility to re-purpose the facility. For the purposes of the online submittal, the sum of one dollar (\$1.00) should be submitted on the line item provided.

VIII. EVALUATION AND AWARD CRITERIA

A. Evaluation Criteria

Proposals shall be evaluated by HRSD using the following:

Evaluation Criteria	Maximum Points Available
1. Understanding of the project and the objectives	25
2. Methodology and management approach	25
3. Experience and history of firm	25
4. Qualifications and experience of principals and staff	25
TOTAL	100

B. Interviews/Demonstrations

Offerors who submit a proposal in response to this RFP may be required to attend an interview and/or provide a demonstration of their products/services offered. This provides an opportunity for the Offeror to clarify or elaborate on their proposal. This is a fact finding and explanation session only and does not include negotiation. The HRSD Procurement Officer will schedule the time and location of the interview and/or demonstrations. All interviews and/or demonstrations shall be held on site at an HRSD location, and all costs involved shall be the responsibility of the Offeror. Interviews and/or demonstrations are an option of HRSD and may or may not be conducted.

C. Award of Contract

Selection shall be made of two or more Offerors deemed to be fully qualified and best suited among those submitting proposals on the basis of the evaluation factors included in the Request for Proposal, including price.

Negotiations shall be conducted with the Offerors so selected. Price shall be considered, but need not be the sole determining factor. After negotiations have been conducted with each Offeror so selected, HRSD shall select one or more Offerors which, in its opinion, has made the best proposals, and may award a contract to said Offerors. HRSD may cancel this Request for Proposal or reject proposals at any time prior to an award, and is not required to furnish a statement of the reasons why a particular proposal was not deemed to be the most advantageous. Should HRSD determine in writing and in its sole discretion that only one Offeror is fully qualified, or that one Offeror is clearly more highly qualified than others under consideration, a contract may be negotiated and awarded to that Offeror. The award document will be a contract incorporating by reference all the requirements, terms and conditions of the solicitation and the Contractor's proposal negotiated.

IX. GENERAL TERMS AND CONDITIONS

A. Announcement of Award

Upon the award or the announcement of the decision to award a contract as a result of this solicitation, results will be available on HRSD'S web site (<https://erpprodext.hrsd.com:4443>). You must log in to the system to view this information otherwise you can find a list of all awards located on HRSD's website under Procurement Public Notices at <https://www.hrsd.com/bids-and-rfps>.

B. Anti-Discrimination

By submitting your response, Bidders/Offerors certify to HRSD that they will conform to the provisions of the Federal Civil Rights Act of 1964, as amended, as well as the Virginia Fair Employment Contracting Act of 1975, as amended, where applicable, the Virginians With Disabilities Act, the Americans With Disabilities Act and the Virginia Public Procurement Act. If the award is made to a faith-based organization, the organization shall not discriminate against any recipient of goods, services, or disbursements made pursuant to the contract on the basis of the recipient's religion, religious belief, refusal to participate in a religious practice, or on the basis of race, age, color, gender or national origin and shall be subject to the same rules as other organizations that contract with HRSD to account for the use of the funds provided; however, if the faith-based organization segregates HRSD funds into separate accounts, only the accounts and programs funded with HRSD funds shall be subject to audit by HRSD, (Code of Virginia).

In every contract over \$10,000 the provisions in 1 and 2 below apply:

1. During the performance of this contract, the Contractor agrees as follows:
 - a. The Contractor will not discriminate against any employee or applicant for employment because of race, religion, color, sex or national origin, except where religion, sex or national origin is a bona fide occupational qualification reasonably necessary to the normal operation of the Contractor. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause.
 - b. The Contractor, in all solicitations or advertisements for employees placed by or on behalf of the

Contractor, will state that such Contractor is an equal opportunity employer.

- c. Notices, advertisements and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient for the purpose of meeting the requirements of this section.
2. The Contractor will include the provisions of 1. above in every subcontract or purchase order over \$10,000, so that the provisions will be binding upon each Subcontractor or Contractor.

C. Anti-Trust

By entering into a contract, the Contractor conveys, sells, assigns, and transfers to HRSD all rights, title and interest in and to all causes of the action it may now have or hereafter acquire under the antitrust laws of the United States and the Commonwealth of Virginia, relating to the particular goods or services purchased or acquired by HRSD under said contract.

D. Applicable Law and Courts

This solicitation and any resulting contract shall be governed in all respects by the laws of the Commonwealth of Virginia and any litigation with respect thereto shall be brought in the courts of the Commonwealth. The Contractor shall comply with applicable federal, state and local laws and regulations.

E. Assignment of Contract

A contract shall not be assignable by the Contractor in whole or in part without the written consent of HRSD.

F. Authorization to Transact Business in Virginia

By submitting a response to HRSD a contractor organized as a stock or non-stock corporation, limited liability company, business trust, or limited partnership or registered as a registered limited liability partnership shall be authorized to transact business in the Commonwealth as a domestic or foreign business entity if so required by Title 13.1 or Title 50 of the *Code of Virginia* or as otherwise required by law. Any business entity described above that enters into a contract with a public body pursuant to the *Virginia Public Procurement Act* shall not allow its existence to lapse or its certificate of authority or registration to transact business in the Commonwealth, if so required under Title 13.1 or Title 50, to be revoked or cancelled at any time during the term of the contract. A public body may void any contract with a business entity if the business entity fails to remain in compliance with the provisions of this section.

G. Availability of Funds

It is understood and agreed between the parties herein that HRSD shall be bound hereunder only to the extent of the funds available or which may hereafter become available for the purpose of this agreement.

H. Changes

By written notice to the Contractor, HRSD may from time to time make changes, within the general scope of the contract, in the goods or services to be provided by the Contractor, the method of shipment or packing, or the place of delivery or the place of performance. The Contractor shall promptly comply with the notice and shall make all subsequent shipments of goods and performance of services in conformity to the notice. If any such change causes an increase or decrease in the Contractor's cost of performance or the time required for performance, an equitable adjustment in the contract price and/or the time allowed for performance of the contract shall be negotiated and the contract modified accordingly by written supplemental agreement. Any claim by the Contractor for adjustment under this clause must be asserted by written notice to the purchasing agent within (30) days from the date of receipt by the Contractor of the change notice. If the parties fail to agree to an adjustment, the question of an increase or decrease in the contract price or time allowed for performance shall be resolved in accordance with the procedures for resolving disputes provided by the disputes clause of the contract. Neither the existence of a claim, a dispute, submission of the dispute to HRSD resolution process, litigation or any portion of this provision or changes shall excuse the Contractor from promptly proceeding with performance of the contract as changed by the notice.

I. Clarification of Terms

It shall be the responsibility of the Bidders/Offerors to examine the entire contents of the solicitation. If any prospective Bidder/Offeror has questions about the specifications or other solicitation documents, the prospective Bidder/Offeror should contact the Procurement Official whose name appears on the face of the solicitation prior to the due date. Any revisions to the solicitation will be made only by an amendment issued by the Procurement Office.

J. Contract Documents

The Contract entered into by the parties shall consist of the online submittal by the Contractor through HRSD's online procurement system, HRSD's Purchase Order, General and Special Terms and Conditions, the Specifications with drawings, if any, including all modifications thereof, all of which shall be referred to collectively as the Contract Documents.

Bidders are advised that HRSD does not sign standard contract forms which may be used by the Bidder. Your online submittal certifies the Bidder is an agent or officer authorized to bind the company to the terms and conditions of this solicitation.

K. Debarment Status

By submitting their response, Bidders/Offerors certify that they are not currently debarred by HRSD or the Commonwealth of Virginia from submitting responses on contracts for the type of goods and/or services covered by this solicitation, nor are they an agent of any person or entity that is currently so debarred.

L. Default

In case of failure to deliver goods or services in accordance with the contract terms and conditions, HRSD, after due oral and written notice, may procure them from other sources and hold the Contractor responsible for any

resulting additional purchase and administrative costs. This remedy shall be in addition to any other remedies, which HRSD may have.

M. Discounts

Payment discounts shall be considered at time of payment but will not be an award factor.

N. Disputes

Contractual claims, whether for money or other relief, shall be submitted in writing to the issuing procurement office no later than sixty (60) days after final payment; however, written notice of the contractor's intention to file such claim shall have been given at the time of the occurrence of beginning of the work upon which the claim is based. Nothing herein shall preclude a contractor from requiring submission of an invoice for final payment within a certain time after completion and acceptance of the work or acceptance of the goods. Pending claims shall not delay payment of amounts agreed due in the final payments (Code of Virginia). A contractor may not institute legal action prior to receipt of the procurement office's decision on the claim, unless that office fails to render such decision within thirty (30) days. The decision of the procurement office shall be final and conclusive unless the contractor, within six months of the date of the final decision on the claim, institutes legal action as provided in the Code of Virginia.

O. Drug-Free Workplace

During the performance of this contract, the contractor agrees to (i) provide a drug-free workplace for the contractor's employees; (ii) post in conspicuous places, available to employees and applicants for employment, a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in the contractor's workplace and specifying the actions that will be taken against employees for violations of such prohibition; (iii) state in all solicitations or advertisements for employees placed by or on behalf of the contractor that the contractor maintains a drug-free workplace; and (iv) include the provisions of the foregoing clauses in every subcontract or purchase order of over \$10,000, so that the provisions will be binding upon each subcontractor or contractor.

P. Ethics in Public Contracting

By submitting their response, all Bidders/Offerors certify that their responses are made without collusion or fraud and that they have not offered or received any kickbacks or inducement from any other Bidder/Offeror, supplier, manufacturer or subcontractor in connection with their solicitation/proposal, and that they have not conferred on any public employee having official responsibility for this procurement transaction any payment, loan, subscription, advance, deposit of money, services or anything of more than nominal value, present or promised unless consideration of substantially equal or greater value was exchanged.

Q. Faith-based Organizations

HRSD does not and shall not discriminate against faith-based organizations.

R. HRSD Procurement Policy

This solicitation is subject to the provisions of HRSD's Procurement Policy, and any revisions thereto, which are hereby incorporated into this contract in their entirety. The policy is available at <https://www.hrsd.com/sites/default/files/assets/Documents/Adopted%20Policies/ProcurementPolicy2020.pdf>.

S. Immigration Reform and Control Act of 1986

By submitting their response, Bidders/Offerors certify that they do not and will not during the performance of this contract employ illegal alien workers or otherwise violate the provisions of the federal Immigration Reform and Control Act of 1986.

T. Indemnification

Contractor agrees to indemnify, defend and hold harmless HRSD, its officers, agents, and employees from any claims, damages and actions of any kind or nature, whether at law or in equity, arising from or caused by the use of any materials, goods, or equipment of any kind or nature furnished by the Contractor/any services of any kind or nature furnished by the Contractor, provided that such liability is not attributable to the sole negligence of the using agency or to failure of the using agency to use the materials, goods, or equipment in the manner already and permanently described by the Contractor on the materials, goods, or equipment delivered.

U. Informality

HRSD reserves the right to waive informalities. Informality is a minor defect or variation of a solicitation or proposal from the exact requirements of the request, which does not affect the price, quality, and quantity or delivery schedule for the goods, services or construction being procured. The Chief of Procurement's decision shall be final.

V. Invoices/Payment

1. To Prime Contractor:
 - a. Invoices for items ordered, delivered and accepted shall be submitted by the Contractor directly to HRSD per the "Method of Payment" section of the solicitation. All invoices shall show the HRSD contract number and or purchase order number; social security number (for individual contractors) or the federal employer identification number (for proprietorships, partnerships, and corporations).
 - b. Any payment terms requiring payment in less than thirty (30) days will be regarded as requiring payment thirty (30) days after invoice or delivery, whichever occurs last. This shall not affect solicitations/proposals of discounts for payment in less than thirty (30) days.

- c. All goods or services provided under this contract shall be billed by the Contractor at the contract price.
 - d. The following shall be deemed to be the date of payment: the date of postmark in all cases where payment is made by mail.
2. To Subcontractors:
- a. A Contractor awarded a contract under this solicitation is hereby obligated:
 - i. To pay the subcontractor(s) within seven (7) days of the Contractor's receipt of payment from HRSD for the proportionate share of the payment received for work performed by the subcontractor(s) under the contract; or
 - ii. To notify the HRSD Procurement Office and the subcontractor(s), in writing, of the Contractor's intention to withhold payment and the reason. Notification to be made within seven (7) days of the Contractor's receipt of payment from HRSD.
 - b. The Contractor is obligated to pay the subcontractor(s) interest at the rate of one percent per month (unless otherwise provided under the terms of the contract) on all amounts owed by the Contractor that remain unpaid seven (7) days following receipt of payment from HRSD, except for amounts withheld as stated in section (2) above. The date of mailing of any payment by U.S. Mail is deemed to be payment to the addressee. These provisions apply to each sub-tier Contractor performing under the primary contract. A Contractor's obligation to pay an interest charge to a subcontractor may not be construed to be an obligation of HRSD.

W. Mandatory Use of HRSD Form and Terms and Conditions

Modification of or additions to any portion of the solicitation may be cause for rejection of the response; however, HRSD reserves the right to decide on a case by case basis, in its sole discretion, whether or not to reject a response as non-responsive.

X. Minority Owned Businesses Subcontracting and Reporting

Where it is practical for any portion of the awarded contract to be subcontracted to other suppliers, the Contractor is encouraged to offer such business to minority businesses. Names of such firms may be available from the Procurement Officer. When such business has been subcontracted to these firms and upon completion of the contract, the Contractor agrees to furnish the Procurement Office the following information: name of firm, phone number, total dollar amount subcontracted and type of product/service provided.

Y. Non-Publicity

Neither the Supplier/Consultant, nor any of its employees or agents shall use HRSD's name, logo, or site

photographs in any format for any personal or professional marketing or public relations material or social media use without prior review and approval from HRSD's Director of Communications. These materials include, but are not limited to, advertisements, news releases, published articles, customer lists, advertorials or any other promotional purposes.

Z. Precedence of Terms

Paragraphs B-D, J, O-Q, T-U of these General Terms and Conditions shall apply in all instances. In the event there is a conflict between any of the other General Terms and Conditions and any Special Terms and Conditions in this solicitation, the Special Terms and Conditions shall apply.

AA. Qualifications of Bidders/Offerors

HRSD may make such reasonable investigations as deemed proper and necessary to determine the ability of the Bidder/Offeror to perform the services/furnish the goods and the Bidder/Offeror shall furnish to HRSD all such information and data for this purpose as may be requested. HRSD reserves the right to inspect Bidder's/Offeror's physical facilities prior to award to satisfy questions regarding the Bidder's/Offeror's capabilities. HRSD further reserves the right to reject any response if the evidence submitted by, or investigations of such Bidder/Offeror fails to satisfy HRSD that such Bidder/Offeror is properly qualified to carry out the obligations of the contract and to provide the services and/or furnish the goods contemplated therein.

AB. Taxes

Sales to HRSD are normally exempt from state sales tax. State sales and use tax certificates of exemption, Form ST-12, will be issued upon request. Deliveries against this contract shall be free of federal excise and transportation taxes. HRSD's excise tax exemption registration number is 10-546001749-001.

AC. Testing/Inspection

HRSD reserves the right to conduct any test/inspection it may deem advisable to assure goods and services conform to the specifications.

AD. Withdrawal or Modification of Responses Prior to Due Date

Response may be withdrawn or modified by logging into HRSD's online Oracle ERP system prior to the time fixed for bid receipt. If you experience difficulties logging into your account, please contact erphelp@hrsd.com or (757) 460-7318.

X. SPECIAL TERMS AND CONDITIONS

A. Audit

The Contractor shall retain all books, records, and other documents relative to this contract for five (5) years after final payment, or until audit by HRSD, whichever is sooner. The agency, its authorized agents, and/or State auditors shall have full access to and the right to examine any of said materials during said period.

B. Assumption of Liability

The Bidder shall assume all liability of the property after award is made. HRSD will exercise its usual care for protection up to the time of removal of the surplus property but will not be responsible for any loss or damage. The bidder guarantees to hold HRSD, its agents or employees, harmless from liability of any nature or kind in the sale of or bidder's use of the property.

C. Best and Final Offer

Best and Final Offers (BAFO's) are to be considered from Offerors as a part of this RFP. After negotiations, Offerors are given the opportunity to submit a best and final offer, upon which no further negotiations shall take place with that Offeror. The Offeror's proposal will be re-scored to include the information contained in the BAFO with the evaluation score previously assigned for the final award decision.

D. Cancellation of Contract

The Procurement Office reserves the right to cancel and terminate any resulting contract, in part or in whole, without penalty, upon (60) sixty days written notice to the Contractor. In the event the initial contract period is for more than (12) twelve months, the resulting contract may be terminated by either party, without penalty, after the initial (12) twelve months of the contract period upon (60) sixty days written notice to the other party. Any contract cancellation notice shall not relieve the Contractor of the obligation to deliver and/or perform on all outstanding orders issued prior to the effective date of cancellation.

E. Confidentiality (HRSD)

HRSD agrees that neither it nor its employees, representatives, or agents shall knowingly divulge any proprietary information with respect to the operation of the software, the technology embodied therein, or any other trade secret or proprietary information related thereto, except as specifically authorized by the contractor in writing or as required by the Freedom of Information Act or similar law. It shall be the contractor's responsibility to fully comply with the Code of Virginia. All trade secrets or proprietary information must be identified in writing or other tangible form and conspicuously labeled as "proprietary" either prior to or at the time of submission to HRSD.

F. Confidentiality

The contractor assures that information and data obtained as to personal facts and circumstances related to employees will be collected and held confidential, during and following the term of this agreement, and will not be divulged without the employee's and HRSD's written consent. Any information to be disclosed, except to HRSD, must be in summary, statistical, or other form which does not identify particular individuals. Contractors

and their employees working on this project may be required to sign a confidentiality statement.

G. Contractor Experience

The Company submitting the bid/offer must have a minimum of five (5) year's recent experience for which their company has experience in servicing same or similar types of accounts and providing similar type of goods/services requested in this solicitation.

H. Contractor Registration

If a contract for construction, removal, repair or improvement of a building or other real property is for \$120,000 or more, or if the total value of all such contracts undertaken by bidder within any 12-month period is \$750,000 or more, the bidder is required under Title 54.1-1100, *Code of Virginia* (1950), as amended, to be licensed by the State Board of Contractors a "CLASS A CONTRACTOR."

If such a contract is for \$10,000 or more but less than \$120,000, or if the total value of all such contracts undertaken by bidder within any 12-month period is \$150,000 or more, but less than \$750,000 or more, the bidder is required to be licensed as a "CLASS B CONTRACTOR."

If such a contract is over \$1,000 but less than \$10,000, or if the contractor does less than \$150,000 in business in a 12-month period, the bidder is required to be licensed as a "CLASS C CONTRACTOR."

HRSD requires a master tradesmen license as a condition of licensure including but not limited to electrical, plumbing and heating, ventilation and air conditioning contractors. The bidder shall include their applicable Contractor License Number and Type with their online bid submittal. If the bidder shall fail to provide this information with their online bid submittal and shall fail to promptly provide said contractor license number to HRSD in writing when requested to do so before or after the opening of bids, the contractor shall be deemed to be in violation of § 54.1-1115 of the *Code of Virginia* (1950), as amended, and their bid will not be considered.

I. COVID-19 Requirements while on HRSD Property

Any contractor or supplier who has a current contract with HRSD or will be awarded a contract that requires on-site work during the COVID-19 pandemic must meet Virginia Occupational Safety and Health Administration's requirements of 16 VAC 25-220, Emergency Regulation Infectious Disease Prevention: SARS-CoV-2 Virus that Causes COVID-19 and follow all CDC recommendations for fully vaccinated and unvaccinated individuals for physical distancing and all other safety procedures including wearing a face mask while performing work around HRSD employees or at locations where HRSD employees could be expected to work . All consultants, contractors and suppliers must disclose any employee that has COVID-19 or has COVID-19 symptoms and is seeking a medical diagnosis.

Before your contract begins: If any of your employees has COVID-19 or has COVID-19 symptoms and are seeking a medical diagnosis before the start of the contract, you must notify HRSD immediately to discuss alternative plans and request HRSD approval to begin work.

During your contract work: Prior to entering the work site, all employees assessed as "medium risk" as defined by the VOSHA regulation, must complete a COVID-19 daily self-assessment questionnaire. If an employee answers "Yes" to any of the self-assessment questions, the employee may not enter the work site. If an employee answers "No" to all questions, the employee meets the requirements to safely enter the work site. Prior to or upon entering the worksite, the employee must acknowledge completion of the self-assessment and certify that the employee followed the protocol to safely enter the work site. A record must be kept by your company that shows these acknowledgements either through a mobile app or other type documentation. An example can be provided upon request. This information must always be available and provided when requested by HRSD staff. While performing work around HRSD employees, both vaccinated and unvaccinated employees must wear a mask and maintain social distance.

After your contract has been completed: If, after your contract has been completed and you become aware that an employee had COVID-19 or had COVID-19 symptoms and was or is still seeking a medical diagnosis during the execution of your contract, you must notify the HRSD work center supervisor or HRSD's Project Manager immediately. The employee who had COVID-19 or had COVID-19 symptoms and was or still is seeking a medical diagnosis must cooperate with HRSD in identifying any HRSD employees or other personnel he/she was in close contact with while performing work for HRSD in the last 14 days. HRSD reserves the right to refuse admittance to anyone displaying COVID-19 symptoms.

J. Default

Default shall include failure to observe the terms and conditions or failure to re-purpose property within the terms or time frame as agreed upon. Default may result in termination of the contract and suspension from participation in all future solicitations until the default has been cured. If the Offeror fails in the performance of their obligations, HRSD may exercise such rights and may pursue such remedies as are under the Commonwealth of Virginia. HRSD reserves the right to reclaim, resell, and demolish the property if it is not repurposed by the specified date.

K. Definitions

The term "HRSD" as used herein, shall mean the Hampton Roads Sanitation District.

The term "Contractor" means the person, firm or corporation named as such in the contract and includes the plural number and the feminine gender when such are named in the contract as the Contractor.

The term "Subcontractor" means only those having a direct contract with the Contractor and it includes one who furnishes material work to a special design but does not include one who merely furnishes material not so worked.

L. Final Inspection

At the conclusion of the work, the Contractor shall demonstrate to the authorized HRSD representative that the work is fully operational and in compliance with contract specifications and codes. Any deficiencies shall be promptly and permanently corrected by the Contractor at the Contractor's expense prior to final acceptance of the work.

M. Guarantee Waiver

All assets are offered for sale "AS IS, WHERE IS." HRSD makes no warranty, guaranty or representation of any kind, expressed or implied, as to the merchantability or fitness for any purpose of the property offered for sale. The Buyer is not entitled to any payment for loss of profit or any other money damages – special, direct, indirect or consequential.

N. Hazardous Chemical Communication Program

HRSD is required in accordance with 29 CFR 1910.119 to inform HRSD and Contractor personnel that work centers within HRSD have hazardous chemicals on site. HRSD and Contractor personnel may be exposed to these hazardous chemicals while working at HRSD. A written Hazard Communication Program has been developed to inform personnel of the specific hazardous chemicals at the work center and the related safety information including protective measures, special precautions and emergency procedures to be observed. The Hazard Communication Program, including a complete file of Safety Data Sheets for each hazardous chemical, is available at each work center and may be obtained upon request. The Contractor is responsible for communicating the information contained in the Safety Data Sheets to their personnel working at HRSD work centers.

O. Insurance

By submitting an offer under this solicitation, the Offeror certifies that if awarded the contract, it will have the following insurance coverage at the time the contract is awarded. For construction contracts, if any subcontractors are involved, the subcontractor will have workers' compensation insurance in accordance with the *Code of Virginia*. A current copy of Offeror's Certificate of Insurance must be provided upon request and addressed to Hampton Roads Sanitation District, 1434 Air Rail Ave., Virginia Beach, VA 23455. Hampton Roads Sanitation District must be named as an additional insured and so endorsed on the policy.

The Offeror further certifies that the Contractor and any subcontractors will maintain these insurance coverages during the entire term of the contract and that all insurance coverage will be provided by insurance companies authorized to sell insurance in Virginia by the Virginia State Corporation Commission.

Insurance Coverage and Limits:

Workers' Compensation - Statutory requirements and benefits. Coverage is compulsory for employers of three or more employees, to include the employer. Contractors who fail to notify HRSD of increases in the number of employees that change their workers' compensation requirements under the *Code of Virginia* during the course of the contract shall be in noncompliance with the contract.

Employer's Liability - \$100,000.

Commercial General Liability - \$1,000,000 per occurrence and \$2,000,000 in the aggregate. Commercial General Liability is to include bodily injury and property damage, personal injury and advertising injury, products and completed operations coverage.

Automobile Liability – Requirements mandated by the Motor Carrier Act of 1980.

P. Labeling of Hazardous Substances

If the items or products requested by this solicitation are "Hazardous Substances" as defined by the Code of Virginia or Section 1261 of Title 15 of the United States Code, then the Bidder, by submitting his bid, certifies and warrants that the items or products to be delivered under this contract shall be properly labeled as required by the foregoing sections and that by delivering the items or products the Bidder does not violate any of the prohibitions of the Code of Virginia or Title 15 U.S.C., Section 1263.

Q. Laws and Regulations

The Contractor shall comply with all laws, ordinances, rules, regulations, and lawful orders of any public authority bearing on the performance of the work and shall give all notices required thereby. The Contractor shall assure that all Subcontractors and tradesmen who perform work on the project are properly licensed by the Department of Professional and Occupational Regulation as required by the *Code of Virginia* and by applicable regulations.

This contract and all other contracts and subcontracts are subject to the provisions of the *Code of Virginia* relating to labor unions and the "right to work." The Contractor and its subcontractors, whether residents or nonresidents of the Commonwealth, who perform any work related to the project shall comply with all of the said provisions.

The provisions of all rules and regulations governing safety as adopted by the Safety Codes Commission of the Commonwealth of Virginia and as issued by the Department of Labor and Industry under the *Code of Virginia* shall apply to all work under this contract.

The Contractor, if not licensed as an asbestos abatement contractor or a RFS contractor in accordance with the *Code of Virginia*, shall have all asbestos related work performed by subcontractors who are duly licensed as asbestos contractors or RFS contractors as appropriate for the work required.

The Contractor is neither required nor prohibited from entering into or adhering to agreements with one or more labor organizations, or otherwise discriminating against subcontractors for becoming or refusing to become, or remaining signatories to or otherwise adhering to, agreements with one or more labor organizations. This

section does not prohibit contractors or subcontractors from voluntarily entering into agreements with one or more labor organizations. Both the agency and contractor are entitled to injunctive relief to prevent any violation of this section.

This section does not apply to any public-private agreement for any construction in which the private body, as a condition of its investment or partnership with HRSD, requires that the private body have the right to control its labor relations policy and perform all work associated with such investment or partnership in compliance with all collective bargaining agreements to which the private party is a signatory and is thus legally bound with its own employees and the employees of its contractors and subcontractors in any manner permitted by the National Labor Relations Act, 29 U.S.C. § 151 et seq., or the Railway Labor Act, 45 U.S.C. § 151 et seq.

This section does not prohibit an employer or any other person covered by the National Labor Relations Act or the Railway Labor Act from entering into agreements or engaging in any other activity protected by law.

This section shall not be interpreted to interfere with the labor relations of persons covered by the National Labor Relations Act or the Railway Labor Act.

R. Limitation of Liability

HRSD shall in no event be liable for any direct, indirect, special or consequential damages.

S. Prime Contractor Responsibilities

The Contractor shall be responsible for completely supervising and directing the work under this contract and all subcontractors that he may utilize, using his best skill and attention. Subcontractors who perform work under this contract shall be responsible to the prime Contractor. The Contractor agrees that he is fully responsible for the acts and omissions of his subcontractors and of persons employed by them as he is for the acts and omissions of his own employees.

T. Proposal Acceptance Period

Any offer in response to this solicitation shall be valid for one hundred twenty (120) days. At the end of the one hundred twenty (120) day period the offer may be withdrawn at the written request of the Offeror. If the offer is not withdrawn at that time, it remains in effect until an award is made or the solicitation is canceled.

U. Protection of Persons and Property

The Contractor expressly undertakes, both directly and through its Subcontractors, to take every precaution at all times for the protection of persons and property, including HRSD's employees and property and its own.

V. References

Submit a minimum of three (3) recent references with offer. References furnished must be for similar type of

goods/services requested in this solicitation for which your company has provided the goods/services.

W. Safety Data Sheets

Safety Data Sheets and descriptive literature shall be provided with the bid/proposal for each chemical and/or compound offered. Failure on the part of the Bidder/Offeror to submit such data sheets may be cause for declaring the bid/proposal as nonresponsive.

X. Termination for Cause

If the contractor should breach the contract or fail to perform the services required by the contract, HRSD may terminate the contract for cause by giving written notice or may give the contractor a stated period of time within which to remedy its breach of contract. If the contractor shall fail to remedy the breach within the time allotted by HRSD, the contract may be terminated by HRSD at any time thereafter upon written notice to the contractor or, in the alternative; HRSD may give such extension of time to remedy the breach as HRSD determines to be in its best interest. HRSD's forbearance by not terminating the contract for a breach of contract shall not constitute a waiver of HRSD's right to terminate nor acquiescence in future act or omissions by the of a like nature. If the contract is terminated for cause, breach of contract or failure to perform, the contractor may be subject to a claim by HRSD for the costs and expenses incurred in securing a replacement to fulfill the obligations of the contract.

Y. Termination for Convenience

The contract may be terminated by HRSD in whole or in part for the convenience of HRSD without a breach of contract by delivering to the contractor a written notice of termination specifying the extent to which performance under the contract is terminated and the effective date of the termination. Upon receipt of such a notice of termination, the contractor must stop work, including but not limited to work performed by subs and consultants, at such time and to the extent specified in the notice of termination. If the contract is terminated in whole or in part for the convenience of HRSD, the contractor shall be entitled to those fees earned for work done prior to the notice of termination and thereafter shall be entitled to any fees earned for work not terminated, but shall not be entitled to lost profits for the portions of the contract which were terminated. The contractor will be compensated for reasonable costs or expenses arising out of the termination for the convenience of HRSD for delivery to HRSD of all products of the services for which the contractor has or will receive compensation.

Z. Use of Contract by Other Public Bodies

Extension of Contract – Bidders/Offerors are advised that all resultant contracts will be extended, with the authorization of the Bidder/Offeror, to public bodies to permit their ordering of equipment, supplies and services at the prices and terms of the resulting contract. If any other public body decides to use the final contract, the Contractor(s) must deal directly with that public body concerning the placement of orders, issuance of the purchase orders, contractual disputes, invoicing and payment. HRSD acts only as the "Contracting Agent" for these public bodies. Failure to extend a contract to any public body will have no effect on consideration of your bid/offer.

The awarded supplier shall be responsible for notifying the public bodies of the availability of the contract(s).

Each participating public body has the option of executing a separate contract with the awardee. Contracts entered into with them may contain general terms and conditions unique to those public bodies. If, when preparing such a contract, the general terms and conditions of a public body are unacceptable to the awardee, the awardee may withdraw its extension of the award to that public body.

HRSD shall not be held liable for any costs or damages incurred by another public body as a result of any award extended to that public body by the awardee.

AA. Use of Premises and Removal of Debris

The Contractor expressly undertakes, either directly or through its Subcontractor:

To perform this Contract in such a manner as not to interrupt or interfere with the operation of any existing activity on the premises or at the location of the work;

To store its apparatus, materials, supplies, and equipment in such an orderly fashion at the site of the work as will not unduly interfere with the progress of its work or the work of HRSD or any other Contractor; and

To place upon work or any part thereof only such loads as are consistent with the safety of that portion of work.

To effect all cutting, filling or patching of its work required to make the same to conform to the plans and specifications, and except with the consent of HRSD, not to cut or otherwise alter the work of any other Contractor. The Contractor shall not damage or endanger any portion of the work by cutting, patching or otherwise altering any work, or by workmanlike appearance.

To clean up frequently all refuse, rubbish, scrap materials and debris caused by its operation, to the end that at all times the site of the work shall present a neat, orderly and workmanlike appearance.

AB. Warranties and/or Representations

It is the responsibility of the bidder to inspect the items being bid. HRSD makes no warranties or guarantees, expressed or implied, as to the condition or quality of the items offered of fitness for particular purpose or fitness for use in general. The responsibility as to condition of the property rests with the bidder. Under no circumstances will a refund or adjustment be made on account of property failing to meet bidder's expectations. Sale is "as is, where is" without warranty. There is no guarantee or warranty on the part of HRSD as to condition or quality; or that the property offered, or a portion thereof, may not be withdrawn prior to the sale. Except as stated herein, no service of any kind shall be furnished by HRSD, and all costs for removal of surplus property from HRSD's site shall be the responsibility of the bidder.

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 the upper half of the image.

Re-Purposing of Preliminary- Treatment Facility (PTF) at the site of the former Chesapeake Elizabeth Treatment Plant (CETP)

September 23, 2025



Background

- HRSD decommissioned the CETP as a wastewater treatment plant in December 2021.
- HRSD's plans are to continue to utilize the property in accordance with the quitclaim deed and find beneficial reuses of the infrastructure at CETP.
- As part of this plan, HRSD issued a solicitation in 2021 to find firms interested in providing reuse options.
- One response was received, evaluated, and found to be a beneficial reuse of the site.

Background(Cont.)

- The lessee's proposal:
 - lease the PTF building located at the former CETP for the purpose of receiving and processing Fats, Oils, and Grease (FOG) and septage
 - modify the existing septage receiving station and add new equipment
 - term is for a period of ten (10) years with the option to renew for up to four additional five (5) year periods
 - begin operations the later of one-year of contract execution or after the contractor has obtained all necessary permits from the City of Virginia Beach

Fats, Oil, and Grease (FOG)

—FOG

- liquid or solid material composed of fats, oils, and grease
- comes from animal or vegetable sources

—FOG is burdensome

- accumulates in the sanitary sewer system
- contributes to blockages, obstructions, and sanitary sewer overflows

* some pictures provided by City of Virginia Beach



HRSD FOG/Septage Receiving Facilities

- Complements HRSD's existing FOG & septage receiving facilities
 - Provides more options
 - Located near Chesapeake Bay Bridge Tunnel
 - Beneficial for the communities on the Eastern Shore



Benefits of an Additional Facility

- This facility helps:
 - minimize the potential for illicit discharges into the sewage system
 - minimize potential blockages in the collection and interceptor systems
 - reduce HRSD's gross cost of service at other facilities
 - reduce operational complexities

Cost Savings

- Defers the demolition cost currently estimated to be \$290,000
- Reduces FOG deliveries to the Atlantic Treatment Plant which may:
 - eliminate the need to add a third FOG storage tank
 - decrease the future costs of the ROCl capital project by approximately \$1 million.
- HRSD does not share in any financing or repurposing for this facility

Key Agreement Points

- Contractor shall be responsible for:
 - all costs to provide the service
 - all applicable wastewater treatment fees for discharges into our system & conformance with the HRSD industrial use discharge permit
 - any maintenance costs or requirements associated with the facility
 - all utility connections and service costs
 - operations consistent with the deed restriction
 - strict odor control and monitoring requirements, and sound, noise or light concerns in accordance with city code, if any, be resolved quickly
 - all permits necessary to operate the facility
 - monthly lease fee of \$1.00

Key Agreement Points (Cont.)

- HRSD's responsibilities:
 - to provide the use of the PTF building and equipment within the building "as is"
 - to maintain and grant access to the site through current gate operations
 - to maintain stormwater compliance
 - to operate & maintain existing pump station to accept effluent from treated FOG and septage

Summary

- Staff recommends entering into an agreement to lease the PTF building located on the site for the purpose of receiving and processing Fats, Oils, and Grease (FOG) and septage.
- If title to the Site reverts to the U.S. Government pursuant to the Deed Amendment, this Agreement will terminate, and the Parties' obligations to one another under the Agreement shall cease

Questions?

HRSD Commission Meeting Minutes
September 23, 2025
Attachment #7

13. 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](#)

September 16, 2025

Re: General Manager's Report



Environmental Responsibility

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 (WQ) monthly report.

- From Fiscal Year (FY) 2026 to date, there have been five Permit Exceedances out of 9,311 Total Possible Exceedances.
- Pounds of Pollutants Removed in FY 2026 to date: 30.6 million pounds.

Water Quality: No civil penalties were issued in August.

HRSD received a Notice of Violation letter from the Department of Environmental Quality (DEQ) for the West Point facility and collection system. Staff met with DEQ to discuss the letter on August 27. There are a number of capital projects ongoing to address the issues.



Financial Stewardship

I presented to the Hampton Roads Planning District Commission's Legislative Committee on August 12 to ask for their support of Water Quality Improvement Fund (WQIF) funding in the next biennial budget. Between 2007-2019, WQIF funded \$796 million in wastewater treatment plant upgrades with \$625 million being spent outside Hampton Roads with northern Virginia being responsible for the early Chesapeake Bay restoration goals. Hampton Roads currently bears the brunt of the upcoming regulatory deadlines. The committee, consisting of two mayors and two city managers, unanimously agreed to support bringing this request to the full Commission in October.

We received the \$294 million grant agreement for the Boat Harbor Conveyance project, which is the largest WQIF award in the history of the program. The first reimbursement will be \$208 million with the last request expected in Spring 2026.

Staff had a productive meeting with DEQ WQIF staff to discuss the James River SWIFT WQIF application. Since this will be the first of its kind and the template for Nansemond SWIFT, it will be important to get the James River application right.



Talent

It is bittersweet news that our Chief Engineer, Dr. Bruce Husselbee, is planning to retire in March 2026. We recently advertised for this important position as an over hire to ensure a smooth transition. We expect to have the new Chief Engineer hired by November or December.

We had 28 apprentices graduate at our 43rd graduation ceremony on August 15. It's a lot of hard work and we are all very proud of their accomplishments. It was great to see them celebrate with their family and friends.

Staff completed our 457b retirement plan transition from Mission Square to Nationwide. Our new vendor will have lower fees and better service, including free financial advisory services.

As part of our Career Pathways Program which provides support to staff working to achieve their career goals, forty employees have been supported since May, with fifteen getting to the interview stage and five being promoted.



Community Engagement

Staff provided a SWIFT tour to Delegate Alex Askew, Chesapeake Bay Commission and House Appropriations Committee, and Delegate Nadarius Clark, Vice Chair: Agriculture Chesapeake and Natural Resources. The Delegates were very engaged and supportive of SWIFT.

Staff provided a tour for staff from the Office of Budget and Management (OMB) and Water Infrastructure Finance and Innovation Act (WIFIA). With SWIFT being one of the largest WIFIA recipients at \$1.3 billion, they wanted to see it in person. They were very impressed and have highlighted the importance of federal funding, showcasing our innovative SWIFT project on their social media posts.

HRSD held our annual Pretreatment Excellence and Pollution Prevention Awards Luncheon on August 6. The event was well attended by honorees as they are all proud to receive their awards.

Staff met with Virginia Beach Economic Development, as their new staff are not very familiar with HRSD. They are planning a site visit in September, and we are meeting with their Deputy City Manager on Economic Development opportunities.



Innovation

Staff heard pitches from four Xylem Innovation Labs Cohort Companies. After hearing excellent pitches, we selected a company to test their product at our facilities.

Staff met with Jefferson Labs on their plan to create a new startup to focus on the water sector. We decided to give them a spot at our WEFTEC booth to showcase their technology. Our WEFTEC booth will consist of SWIFT, HRSD's soft launch of our latest patented tech, Jarbalyzer, MAIA Water (AI startup), and Jefferson Labs.

Staff attended the 757 TechNite, where HRSD was recognized as a finalist in the Technical Achievement in Government category for our SWIFT program. The winner will be announced on October 9.

Dr. Jeff Sparks, Director of Digital Water, recently published:

Sparks, JA, Bott, CB, and Vanrolleghem PA, 2025. "Design considerations for a Digital Twin built to improve nitrification performance at a water resource recovery facility", *Water Science and Technology*. <https://doi.org/10.2166/wst.2025.10>

Dr. Sparks developed the first digital twin in North America, performing real-time process control using AI and machine learning.

I look forward to seeing you in Virginia Beach at 9:00 a.m. on Tuesday, September 23, 2025.

Respectfully submitted,

Jay Bernas

Jay Bernas, P.E.
General Manager/CEO

TO: General Manager

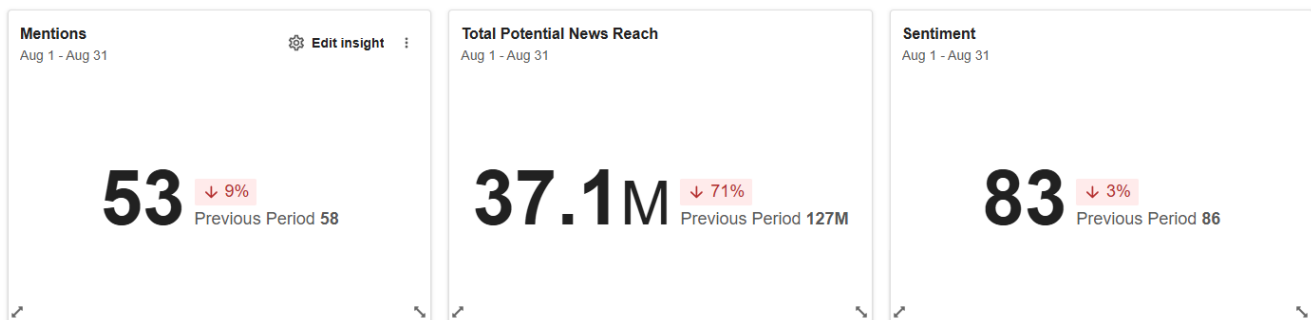
FROM: Chief Communications Officer

SUBJECT: Monthly Report for August 2025

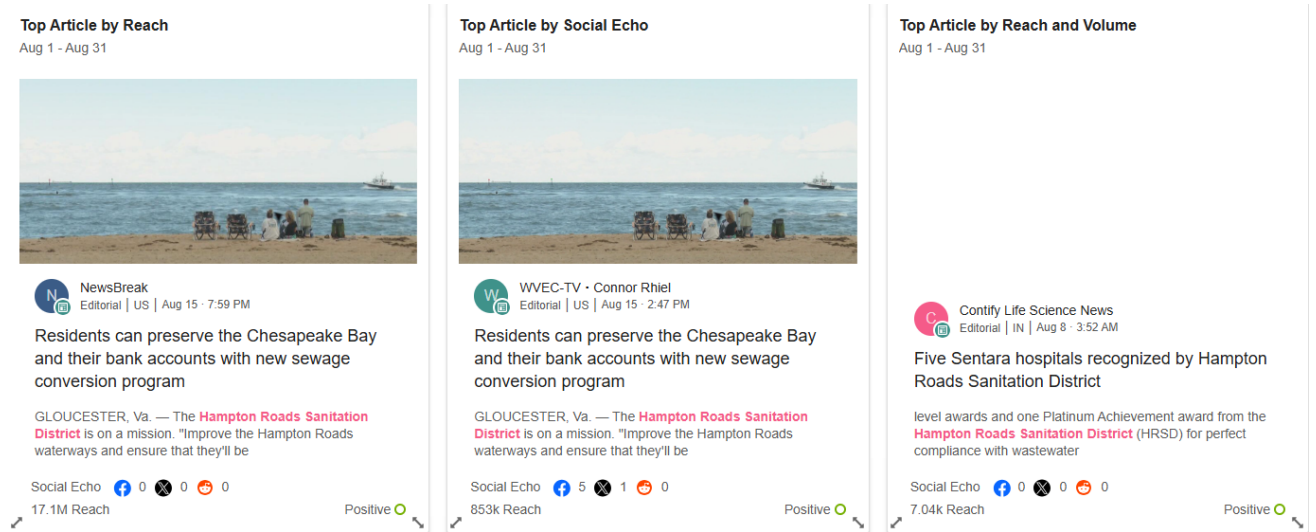
DATE: September 10, 2025

A. Publicity and Promotion

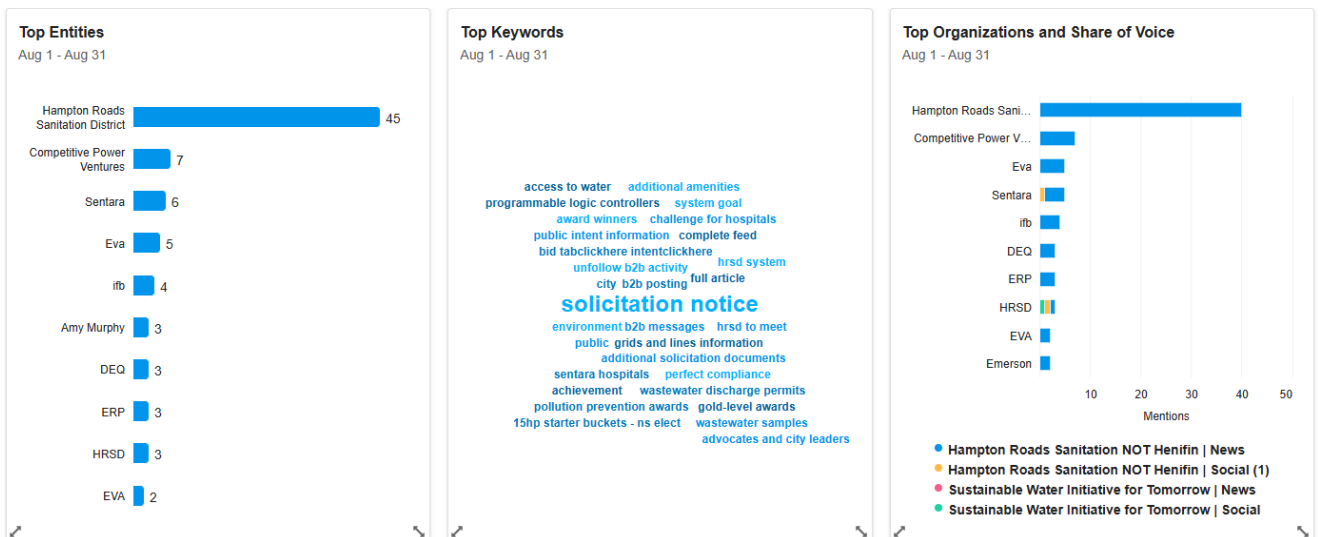
1. HRSD and the Sustainable Water Initiative For Tomorrow (SWIFT) were mentioned or featured in five stories this month. Topics included:
 - a. HRSD mentioned in a story about Sentara hospitals receiving Pollution Prevention awards
 - b. Septic to Sewer program launch
 - c. City of Hopewell exploring options to pay for water treatment plant work
 - d. Community group pushes for more amenities at Lambert’s Point Public Open Space
2. Analysis of Media Coverage
 - a. Key results for August



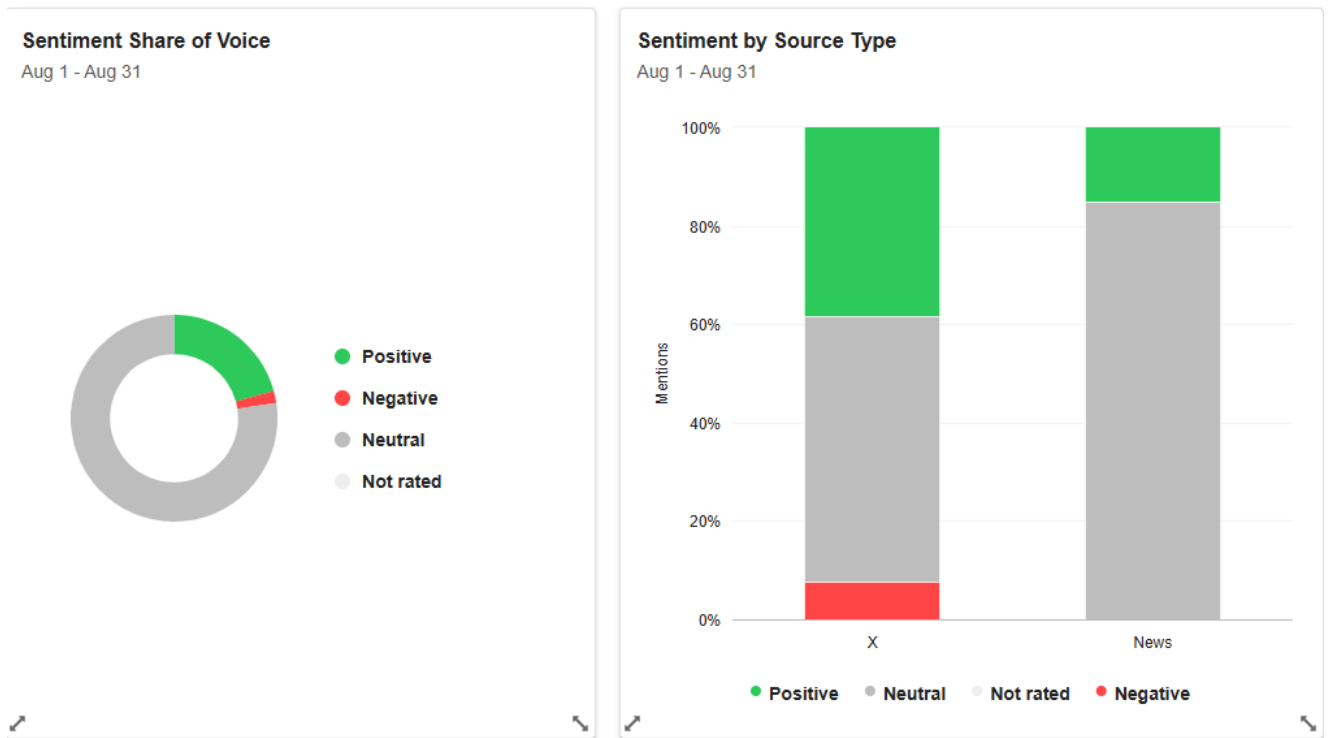
b. Top performing news content



c. Top entities and keywords

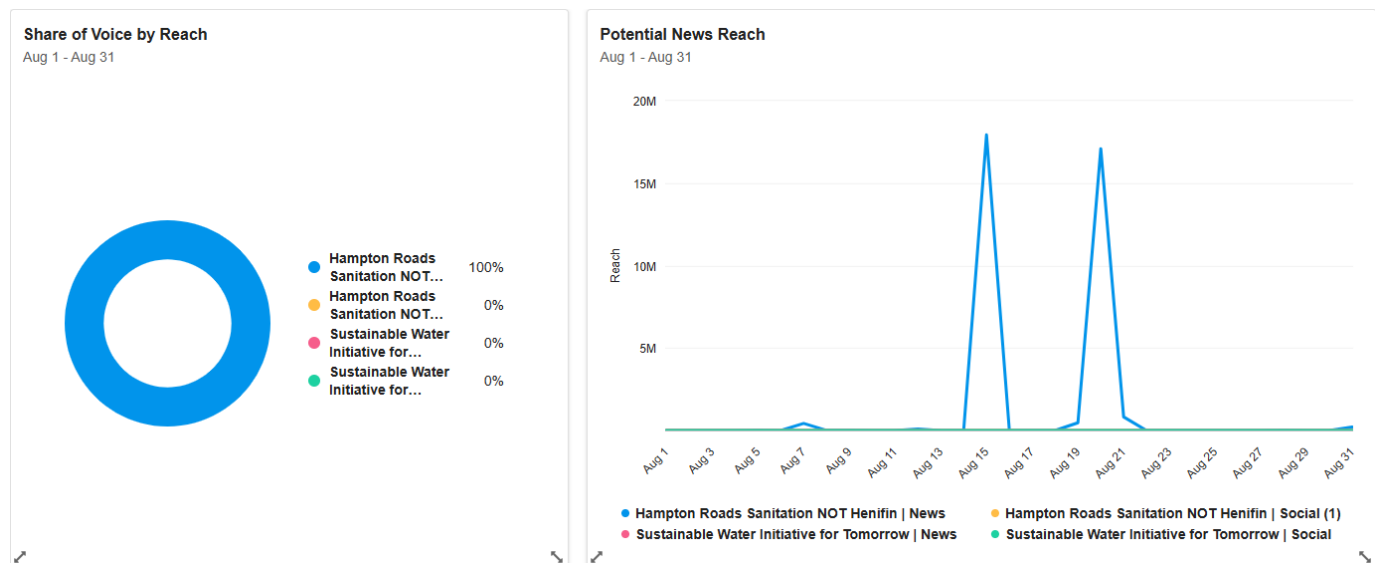


d. How favorable is the content?

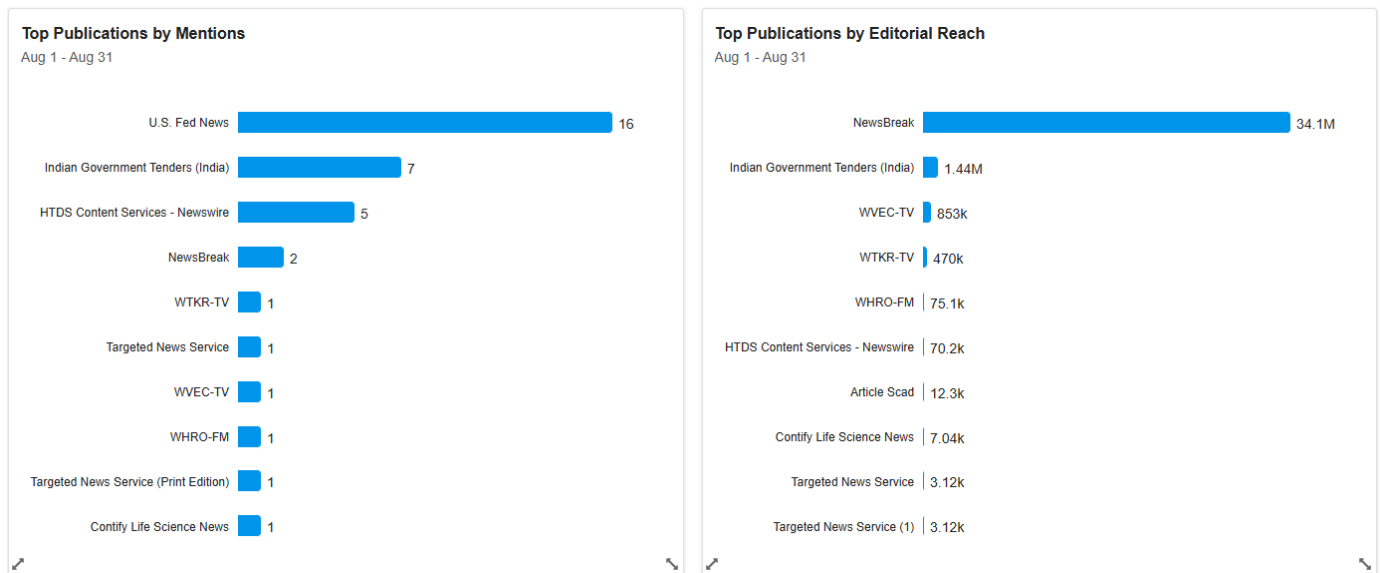


(Negative sentiment associated with uninformed quote tweet relating SWIFT to Texas aquifer initiative)

e. What is the potential reach?



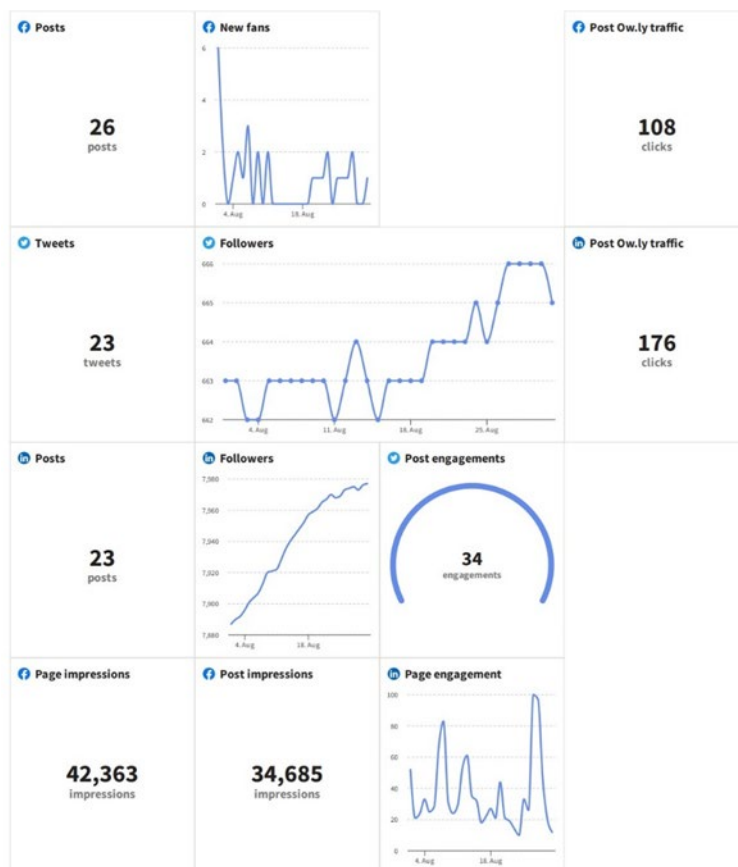
f. Top publishers



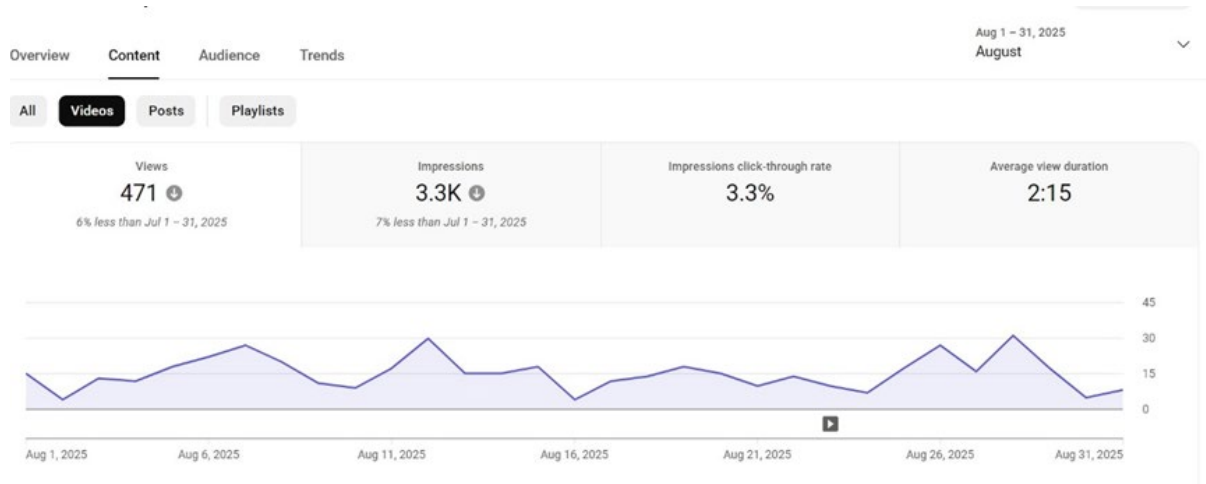
Community Engagement

B. Social Media and Online Engagement

1. Metrics – Facebook, X and LinkedIn

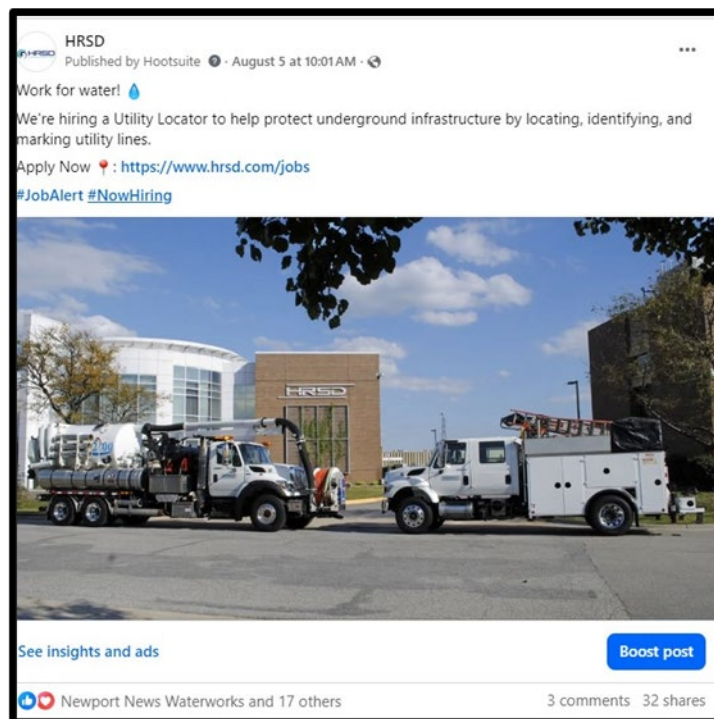


2. YouTube

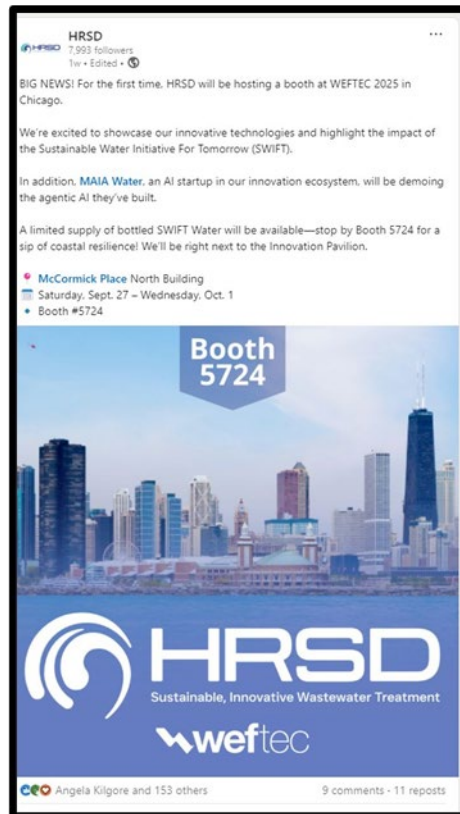


3. Top posts on Facebook, Twitter, and YouTube

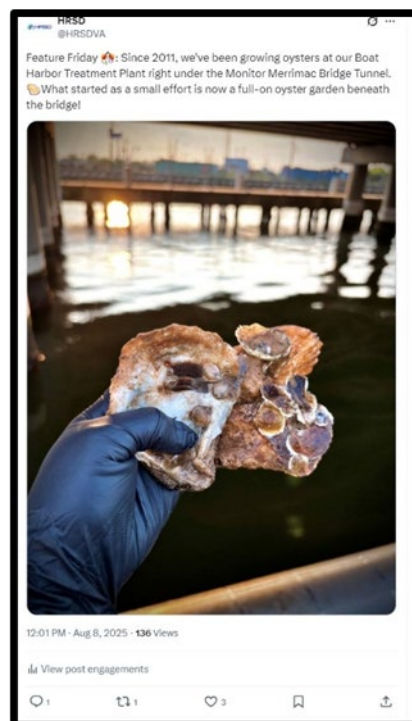
a. Top Facebook post



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) [My Account Portal Introduction](#)
- (3) [The Wastewater Treatment Process](#)
- (4) [SWIFT Research Center: What is the Potomac Aquifer](#)
- (5) [Why SWIFT Matters](#)

4. Website and Social Media Impressions and Visits

a. Facebook:

- (1) 42,363 page impressions
- (2) 34,685 post impressions reaching 26,919 users.
- (3) Facebook Engagement of 369 (309 reactions, 52 shares, and 8 comments)

b. X: 3.73% engagement rate

c. HRSD.com/SWIFTVA.com: 835 page visits

d. LinkedIn Impressions:

- (1) 38,145 page impressions
- (2) 27,511 post impressions

e. YouTube: 471 views

f. NextDoor unique impressions: 11,823 post impressions from 22 targeted neighborhood postings and one regionwide postings.

g. Blog Posts (0):

h. Construction Project Page Visits – 1,642 total

C. Education and Outreach Activity Highlights

Community Outreach and Education Specialists and HRSD Ambassadors participated in four outreach events reaching 52 people across the service region and reaching seven different community partners including Newport News Public Schools, AIA Coastal Virginia, Chesapeake Public Schools, Hampton Clean City Commission, Norfolk Public Schools and Poquoson City Public Schools. Chief Communications Officer (CCO) joined other senior leadership at the Pollution Prevention Awards Luncheon. CCO also

participated in a SWIFT Research Center tour given to Virginia Delegates Nadarius Clark and Alex Askew.

Public Information Specialists participated in two have civic league meetings to provide project updates and they have additional outreach planned for the coming months to keep communities updated as projects achieve critical milestones.

Project notices were distributed to 6,352 customers for 13 different projects across the service area this month. The department distributed and posted nine construction notices/notices to neighbors, one news release and four 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. SWIFT website review and update meetings
3. Brand campaign planning meetings
4. Education outreach planning meetings
5. Social media content development meeting
6. WEFTEC booth planning meeting
7. Bi-weekly General Manager (GM) briefings
8. Discharge Monitoring Report (DMR), SWIFT Quality Steering Team (QST), and HRSD QST meetings
9. Check-in meetings with Deputy General Manager (DGM)
10. CCO conducted biweekly Communications department status meetings and weekly one-on-one check-in meetings.
11. Staff participated in 37 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 August included the following:

- CCO is continuing a multi-part certificate course titled, “Professional Development: Ai Tools for the Modern Communicator”

Respectfully,

Leila Rice, APR

Chief Communications Officer

TO: General Manager

FROM: Chief Engineer

SUBJECT: Monthly Engineering Report for August 2025

DATE: September 12, 2025

Environmental Responsibility

Protecting the environment is often challenging when building new sewer infrastructure or improving existing facilities. This is the case as we consider improvements as part of the Birdneck Road Trunk Force Main Mitigation project. This project will reestablish the needed fill, or cover material, over the top of this existing force main originally installed in 1971. Recent observations indicate that the acceptable cover over the pipe is inadequate in certain locations along this 3.5-mile pipeline segment. Installing additional fill material over this pipe must be carefully considered and designed to limit impacts on wetlands and to the natural drainage in the area. Balancing the risk to the environment against the risk to this pipeline if nothing is done will be the subject of the first phase of the design effort.

Managing contaminated groundwater and soil is an unwanted but sometimes necessary responsibility as we build new infrastructure in Hampton Roads. The Tidewater Community College property in Suffolk was a former Military Ordinance Depot during World Wars I and II. This property has known contamination that is being addressed but has yet to be fully resolved. Since one of our current force main project passes through this property, we have a plan to address possible environmental concerns. We did encounter contaminated soil and groundwater that had to be addressed as part of the construction efforts. The limited groundwater removed was ultimately sent to the sanitary sewer system and the soil was taken to an approved landfill. Careful planning is needed in these situations to be sure the construction efforts do not negatively impact the environment. This program has been closely coordinated with the U.S. Army Corps since they have ultimate responsibility for the environmental remediation of this area.

Financial Stewardship

Capital Improvement Program (CIP) spending for the first month of FY2026 was above the planned spending target.

CIP Spending (\$M):

	Current Period	FYTD
Actual	42.11	42.11
Plan	23.60	23.60

The CIP spending target for FY2026 is \$709M. This will require an average monthly expenditure of \$59M. This spending goal is in line with actual spending in FY2025. This should be HRSD's largest CIP spend in one fiscal year. Spending at this level is indicative of many large CIP projects in the construction phase when much of a project's costs are incurred. Keeping these large projects on schedule is required to hit this spending target for the entire CIP. This high level of spending will begin to decline over the next few years as the Sustainable Water Initiative for Tomorrow (SWIFT) Program is completed.

At the August 26, 2025, Commission Meeting, the Boat Harbor Conveyance Water Quality Improvement Fund Grant Agreement was approved. This agreement refunds HRSD for a large portion of the work to close the Boat Harbor Treatment Plant and convey flow to the Nansemond Treatment Plant. The total value of this grant is \$294M. This is the largest WQIF Grant ever received by HRSD. Since a large portion of the work is already completed, we wasted no time in billing for the completed work efforts. The first reimbursement for the grant agreement was recently submitted in the amount of \$208M. The remainder of the grant agreement will be invoiced over the next several months with the final request to be issued in Spring 2026. Grant applications are under review by VDEQ for work at both James River and Nansemond. We expect to see these grant agreements finalized in the coming months.



Talent

Staff retention and recruitment remain significant priorities for the Engineering Division. Three open positions are needed to fully staff the Engineering Division. These three openings are within the Asset Management Department. All three open positions are Condition Assessment Inspectors. Two excellent candidates are under consideration with the third position to be advertised in the coming month. This is an important position within this department since the inspectors' efforts are needed to facilitate the assessment of existing assets.

The Chief Engineer plans to retire in March 2026. Efforts are underway to recruit for the replacement of this position. This role has existed for the last 40 years at HRSD. Only two individuals have held this position. This is a key role at HRSD since so much of the budget is used to address infrastructure needs. The recruitment is planned to take a few months with a new individual planned to start before the end of 2025.



Community Engagement

Planning has begun for next year's SWIFT Industry Day. This will be the sixth year of this event which will be held in January 2026. Last year's event included 350 participants facilitated by HRSD's SWIFT consultant, AECOM. The event will include an overview of the SWIFT Program with each Project Team presenting their specific project and upcoming needs. This year will also include some of the other large CIP projects underway here at HRSD. The participants invited will include engineers, contractors, subcontractors, vendors and suppliers. SWAM firms will also be invited to facilitate networking opportunities with some of the national firms that will be assisting HRSD with this large effort. The event will be held in-person in Newport News at the Holiday Inn -

Oyster Point. We continue to learn how to engage with attendees and will be modifying the program to keep attendees engaged and improve information sharing and networking opportunities.

The James River Treatment Plant SWIFT project includes a number of amenities that will benefit the public. A new road has recently been completed to provide access to the adjacent City Gymnastic Center and Dog Park. This new access road will provide improved access to these facilities and limit impacts caused by the construction efforts. The first phase of a new pedestrian trail has recently been completed to provide public access around the plant site and to connect two adjoining parts of the City's Park property. This second phase of the trail project will be completed next year. In the coming year, the Administrative Building will be completed. There will be public use space included in this building. A new effort will begin soon to enhance three of the recharge well sites on the Newport News Riverview Farm Park. The improvements will include the installation of landscaping and public amenities.



Innovation

Staff is participating in a Water Research Foundation (WRF) project to address best practices associated with One Water Program Management (WRF-5196). HRSD's Swift Program is an excellent example of how to effectively deliver a large and complex One Water Program. HRSD's lessons learned will be shared with other utilities participating in the study. This project is being administered using a workshop format to facilitate input from numerous stakeholders. There will be three sections to the final deliverable: Definition, Initiation and Delivery. A Guidance Manual is planned to be completed by December 2026.

HRSD will be recognized as a finalist at the upcoming 757 TechNite. This is a regional competition focused on innovation. The program is managed by a group known as Innovate 757. HRSD has been acknowledged in the Technical Achievement in Government category for our SWIFT Program. The awards ceremony will be held at Norfolk's Chrysler Museum on October 9th.

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 August 2025

DATE: September 12, 2025



Financial Stewardship

Debt and Grants Management

In August, staff focused heavily on advancing major funding agreements. Negotiations continued with the Virginia Department of Environmental Quality (DEQ) on three Water Quality Improvement Fund grants. Staff also hosted OMB and WIFIA representatives for project tours highlighting work funded by federal and state loan programs.

Accounting & Interim Financial Reports

HRSD's financial position remains stable with revenues and expenses generally in line with the adopted budget.

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

Spending on capital improvements remain significant with nearly \$158 million in funds dispersed in the first two months of the fiscal year.

Summary of Billed Consumption (,000s ccf)							
	<u>% Difference</u>			<u>% Difference</u>		<u>% Difference</u>	
	<i>FY2025</i>			<i>Cumulative</i>			
	<i>Cumulative</i>	<i>FY2026</i>		<i>Cumulative</i>			
	<i>Budget</i>	<i>Cumulative</i>	<i>From</i>	<i>FY2025</i>	<i>From</i>	<i>Cumulative 3</i>	<i>From 3 Year</i>
<i>Month</i>	<i>Estimate</i>	<i>Actual</i>	<i>Budget</i>	<i>Actual</i>	<i>FY2024</i>	<i>Year Average</i>	<i>Average</i>
July	4,723	4,536	-3.9%	4,630	-2.0%	4,605	-1.5%
Aug	9,735	9,205	-5.4%	9,518	-3.3%	9,534	-3.4%
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

Past due account balances increased in the 30–90 day range during August, while balances over 90 days showed a slight decline.

Field activity increased as temperatures declined, with staff delivering 5,381 warning door tags, 770 disconnections, and 905 remote disconnects.

Customer interactions rose to over 4,700 transactions per week, driven by locality billing delays, portal communications, and disconnection activities. Expanded chat availability proved effective, offering customers faster service and reducing call volumes. Text reminder campaigns also proved effective, with nearly half of recipients making payments.

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 August 31, 2025

	Operating Fund	Capital Fund	Total
Inflows			
Wastewater Treatment Charges	\$ 88,416,908	\$ -	\$ 88,416,908
Interest Income	3,495,377	578,859	4,074,236
Debt Issuances	-	287,390,455	287,390,455
Transfers-In	-	28,850,224	28,850,224
Total Inflows	91,912,285	316,819,538	408,731,823
Outflows			
Operational	47,809,229	-	47,809,229
Debt Service	15,328,526	-	15,328,526
Capital	-	157,731,164	157,731,164
Transfers-Out	28,850,224	-	28,850,224
Total Outflows	91,987,979	157,731,164	249,719,143
Net Inc (Dec) Change in Reserves	(75,694)	159,088,374	159,012,680
Beginning Reserves	287,822,081	315,786,765	603,608,846
Ending Reserves	\$ 287,746,387	\$ 474,875,139	\$ 762,621,526
Ending Reserves Summary			
Unrestricted			
General	\$ 245,237,832	\$ -	\$ 245,237,832
Risk	4,799,555	-	4,799,555
PayGo	-	202,824,978	202,824,978
Total Unrestricted Reserves	250,037,387	202,824,978	452,862,365
Restricted			
Debt Service	37,709,000	-	37,709,000
Bond Proceeds	-	272,050,161	272,050,161
Total Ending Reserves	\$ 287,746,387	\$ 474,875,139	\$ 762,621,526

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 August 31, 2025

	Amended Budget	Current YTD	Current YTD as % of Budget (17% Budget to Date)	Prior YTD as % of Prior Year Budget
Operating Revenues				
Wastewater	\$ 486,718,000	\$ 82,322,910	17%	18%
Surcharge	1,568,000	223,166	14%	20%
Indirect Discharge	3,526,000	840,598	24%	18%
Fees	4,560,000	835,210	18%	15%
Municipal Assistance	734,000	148,112	20%	12%
Miscellaneous	808,000	54,095	7%	7%
Total Operating Revenue	497,914,000	84,424,091	17%	17%
Non Operating Revenues				
Facility Charge	6,620,000	1,377,115	21%	24%
Interest Income	11,500,000	4,159,941	36%	45%
Other	1,545,000	22,111	1%	31%
Total Non Operating Revenue	19,665,000	5,559,167	28%	35%
Total Revenues	517,579,000	89,983,258	17%	18%
Transfers from Reserves	26,039,871	4,339,978	17%	17%
Total Revenues and Transfers	\$ 543,618,871	\$ 94,323,236	17%	18%
Operating Expenses				
Personal Services	\$ 86,931,718	\$ 12,889,657	15%	15%
Fringe Benefits	31,351,107	4,708,894	15%	14%
Materials & Supplies	16,542,501	1,536,901	9%	10%
Transportation	2,679,992	216,350	8%	10%
Utilities	18,037,260	1,889,759	10%	13%
Chemical Purchases	19,158,847	2,044,365	11%	13%
Contractual Services	62,040,179	6,103,686	10%	11%
Major Repairs	18,968,701	1,046,505	6%	3%
Capital Assets	2,280,197	213,968	9%	1%
Miscellaneous Expense	4,527,025	1,050,135	23%	36%
Total Operating Expenses	262,517,527	31,700,220	12%	13%
Debt Service and Transfers				
Debt Service	108,000,000	15,328,526	14%	10%
Transfer to CIP	173,101,344	28,850,224	17%	17%
Total Debt Service and Transfers	281,101,344	44,178,750	16%	14%
Total Expenses and Transfers	\$ 543,618,871	\$ 75,878,970	14%	13%

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

August 31, 2025

Classification/ Treatment Service Area	Appropriated Funds	Project to Date Expenditures	Encumbrances	Available Funds
Administration	\$ 130,531,101	\$ 48,908,233	\$ 68,358,983	\$ 13,263,885
Army Base	171,571,945	129,037,573	9,754,142	32,780,230
Atlantic	225,802,421	45,643,697	55,618,591	124,540,133
Boat Harbor	506,389,299	332,179,759	119,906,149	54,303,391
Ches-Eliz	29,279,118	13,184,598	2,402,277	13,692,243
Eastern Shore	63,870,076	46,070,680	2,078,369	15,721,027
James River	365,414,716	285,583,362	46,259,361	33,571,993
Middle Peninsula	97,214,421	22,616,548	6,018,977	68,578,896
Nansemond	525,319,275	345,176,696	125,831,506	54,311,073
Surry	57,978,543	49,914,098	2,964,624	5,099,821
VIP	321,078,690	122,059,011	104,507,950	94,511,729
Williamsburg	100,363,575	8,317,621	6,156,337	85,889,617
York River	115,439,557	68,888,343	14,085,067	32,466,147
General	1,537,545,232	541,894,795	692,258,505	303,391,932
Total	\$ 4,247,797,969	\$ 2,059,475,014	\$ 1,256,200,838	\$ 932,122,117

D. Summary of Debt Activity

HRSD- Debt Analysis

August 31, 2025

(in thousands)	Fixed Rate	Variable Rate	Line of Credit	Total
Beginning Balance 7/1/25	\$ 1,757,251	\$ 50,000	\$ 92,462	\$ 1,899,713
Add:				
Principal Draws/Bond Proceeds	282,956	-	-	282,956
Capitalized Interest	1,531	-	-	1,531
Less:				
Principal Payments	(4,651)	-	-	(4,651)
Ending Balance 8/31/25	\$ 2,037,087	\$ 50,000	\$ 92,462	\$ 2,179,549
FY26 YTD Interest Payments	\$ (9,943)	\$ (176)	\$ (559)	\$ (10,678)

	SIFMA Index	HRSD Series 2016VR	Deviation to SIFMA
Maximum	4.71%	4.95%	0.24%
Average	1.54%	1.03%	-0.51%
Minimum	0.01%	0.01%	0.00%
As of 08/29/25	2.73%	2.75%	0.02%

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	
WIFA Tranche 3	EPA	\$ 346,069,223	\$ -	100%	July 2026	
Clean Water Program 2024	DEQ	\$ 80,000,000	\$ 80,000,000	0%	Completed August 2025	

E. Cash and Investment Summary

Operating Liquidity Accounts	Beginning Market Value July 1, 2025	YTD Contributions	YTD Withdrawals	YTD Income Earned	Ending Market Value Aug 31, 2025	Allocation of funds	Current Mo Avg Yield
BOA Corp Disbursement Account	\$ 43,574,043	\$ 287,446,828	\$ 314,967,578	\$ 76,034	\$ 16,129,327	2.3%	0.47%
BOA Operating Accounts	14,339,684	4,005,370	3,068,582	47,985	15,324,458	2.2%	0.31%
BNY Mellon Account	7,892,401	7,765,645	13,964,131	6,455	1,700,370	0.2%	0.38%
SNAP Accounts	143,929,872	228,294,383	100,752,952	578,859	272,050,162	39.3%	0.21%
VIP Stable NAV Liquidity Pool	324,275,659	155,096,072	95,000,000	2,893,894	387,265,625	55.9%	4.42%
Operating Liquidity Accounts	\$ 534,011,659	\$ 682,608,298	\$ 527,753,242	\$ 3,603,227	\$ 692,469,942	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 Aug 2025.

Total Return Account	Beginning Market Value July 1, 2025	YTD Contributions	YTD Withdrawals	YTD Income Earned & Realized G/L	Ending Market Value Aug 31, 2025	Allocation of funds	Yield to Maturity at Market
VIP 1-3 Year High Quality Bond Fund	69,597,188	-	2,319	471,010	70,151,584	70,616,426	4.00%
Total Return Account	\$ 69,597,188	\$ -	\$ 2,319	\$ 471,010	\$ 70,151,584	\$ 70,616,426	

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 Aug 2025.

	Total	Fund Alloc
Operating Liquidity Accounts	\$ 692,469,942	90.8%
Total Return Account	\$ 70,151,584	9.2%
TOTAL	\$ 762,621,526	100.0%

F. Financial Performance Metrics Adjusted Days Cash on Hand

HRSD - UNRESTRICTED CASH

August 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	\$ 450,744,504		627
Risk Management Reserve	(4,799,555)	(7)	620
Capital (PAYGO only)	(202,824,977)	(282)	338
Adjusted Days Cash on Hand	\$ 243,119,972		338

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

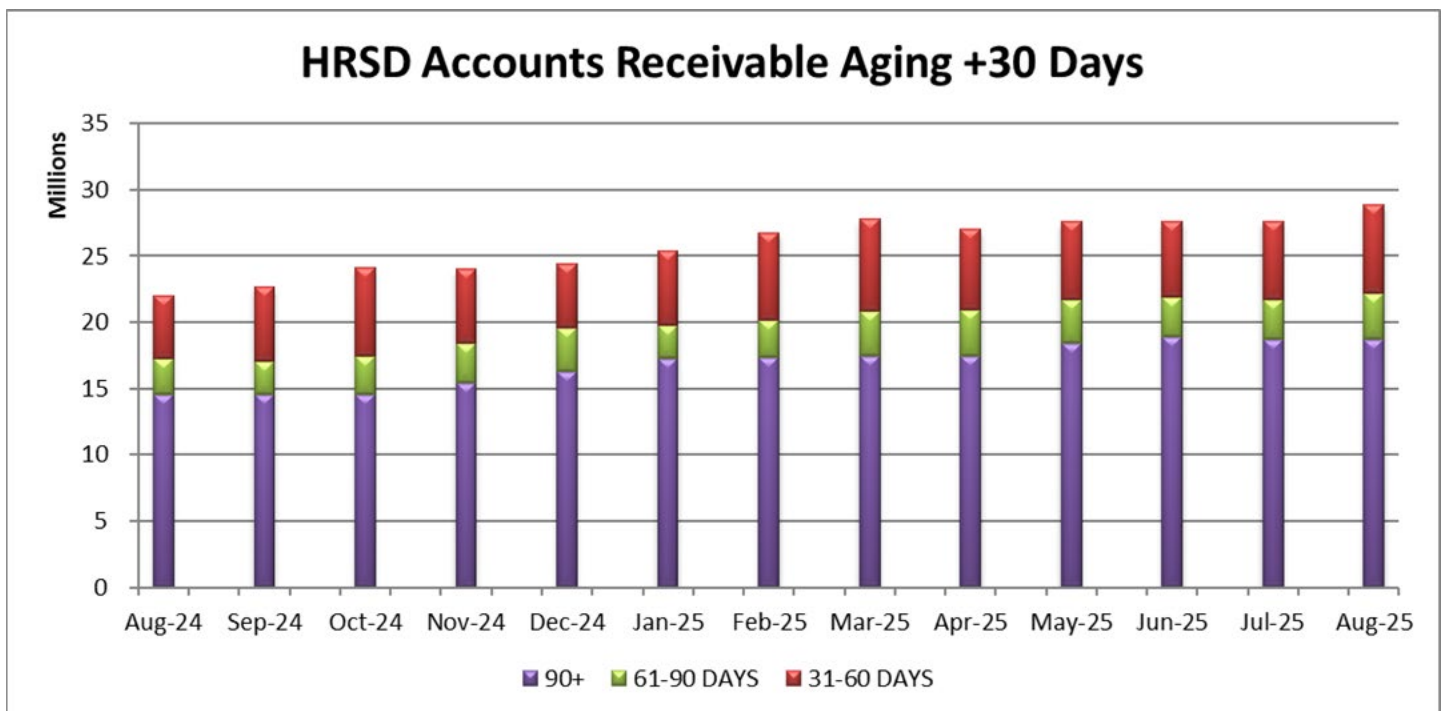
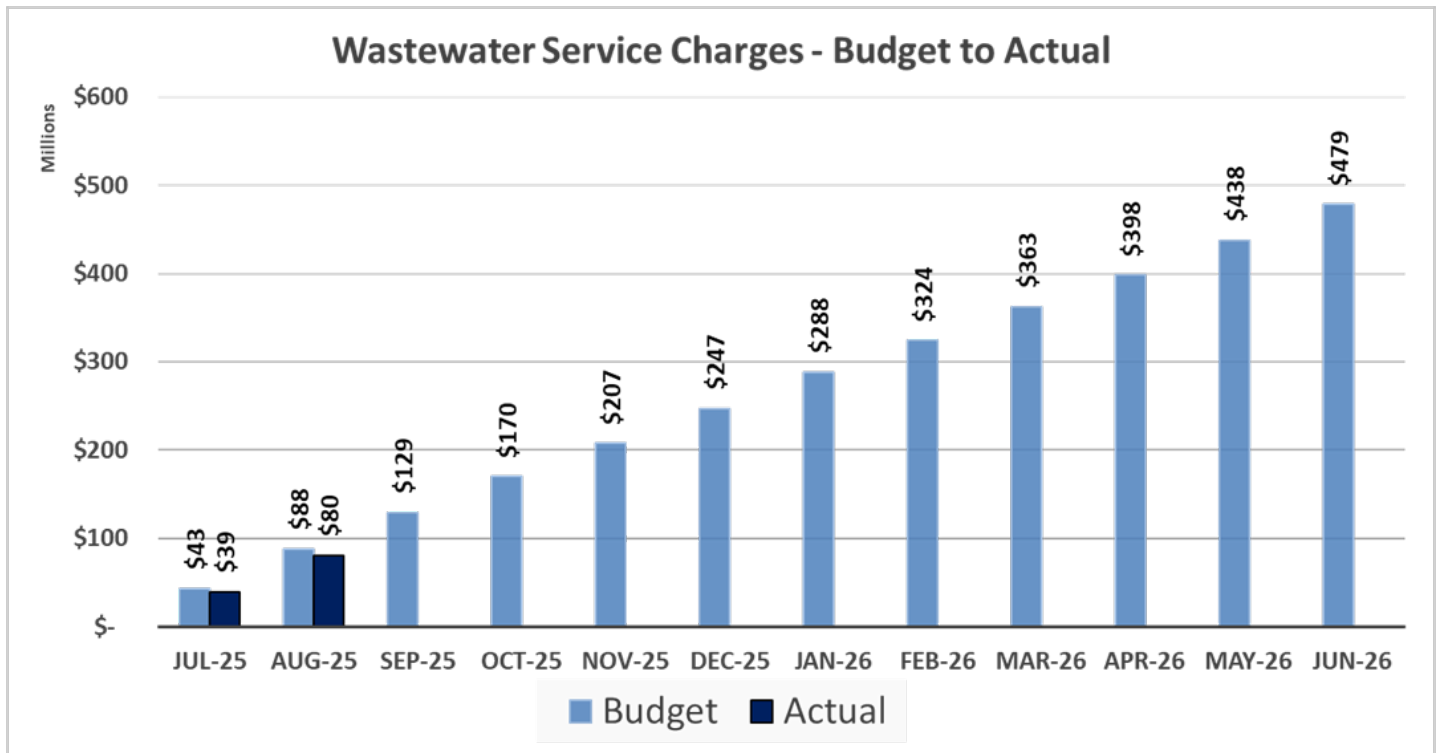
Adjusted Days Cash on Hand Policy Minimum is 270-365 days.

G. Summary of Grant Applications, Awards and Activity

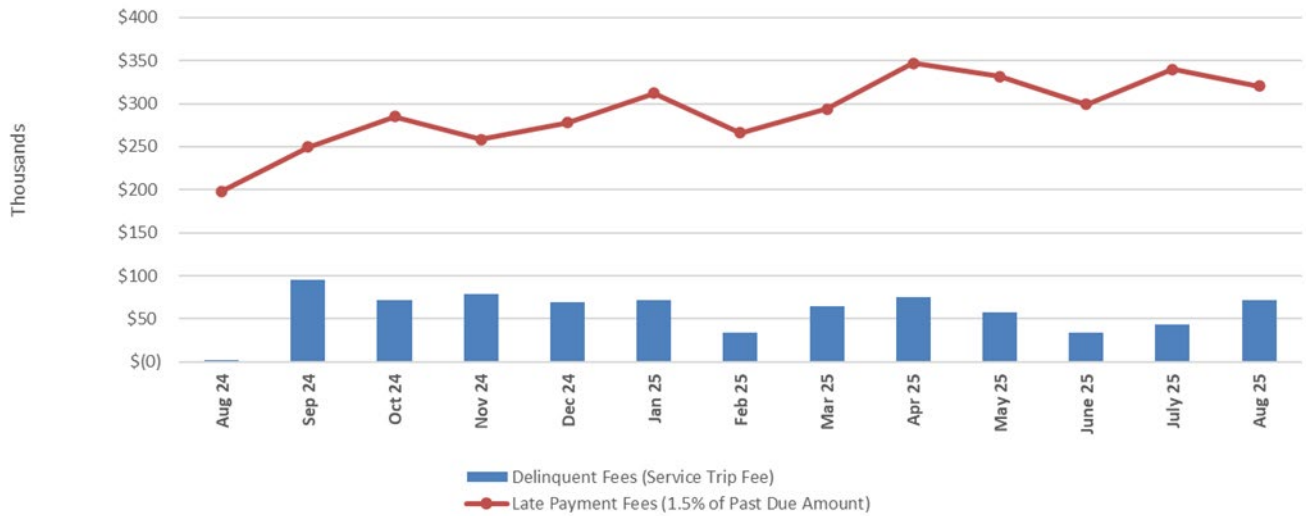
Active Capital Grants								
Grant Name	Funder	Project	CIP#	Application Submitted	Amount Requested	HRSD Award Amount	Reimbursement Rcvd 8/31/25	
FY24 Community Projects Funding	Congress EPA	Eastern Shore Wastewater Improvements Chincoteague	ES010500	3/7/2023	\$ 9,677,112	\$ 1,250,000	\$ -	
FY26 Community Projects Funding	Congress EPA	Onancock Pump Stations	ES01100	4/7/2025	\$ 2,880,000	\$ -	\$ -	
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	\$ -	
Water Quality Improvement Fund	VDEQ	Chesapeake-Elizabeth Treatment Plant Conveyance	CE010400 CE011820 - CE011829 CE011850 CE012200 CE012400 AT012910 AT013500 AT013900 AT014500 GN016700	2/7/2023	\$ 100,647,746	\$ 95,976,774	\$ 95,975,041	
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	\$ -	
					\$ 909,353,869	\$ 824,898,122	\$ 95,975,041	

Active Non-Capital Grants								
Grant Name	Funder	Project	CIP#	Application Submitted	Amount Requested	HRSD Award Amount	Reimbursement Rcvd 8/31/25	
Non-Point Source Funding	VDEQ	Gloucester Septic to Sewer (Pay for Performance)	n/a	2/3/2024	\$ 1,180,000	\$ 1,180,000	\$ -	
					\$ 1,180,000	\$ 1,180,000	\$ -	

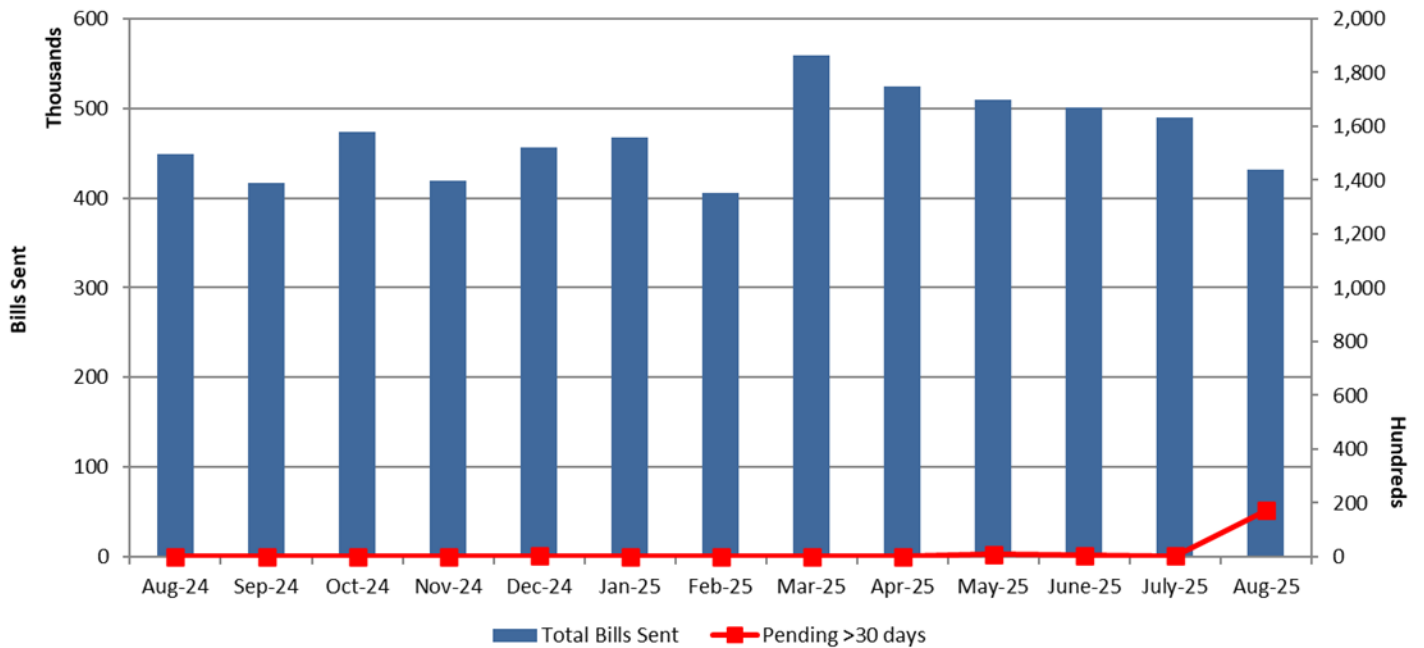
H. Customer Care Center – Key Statistics



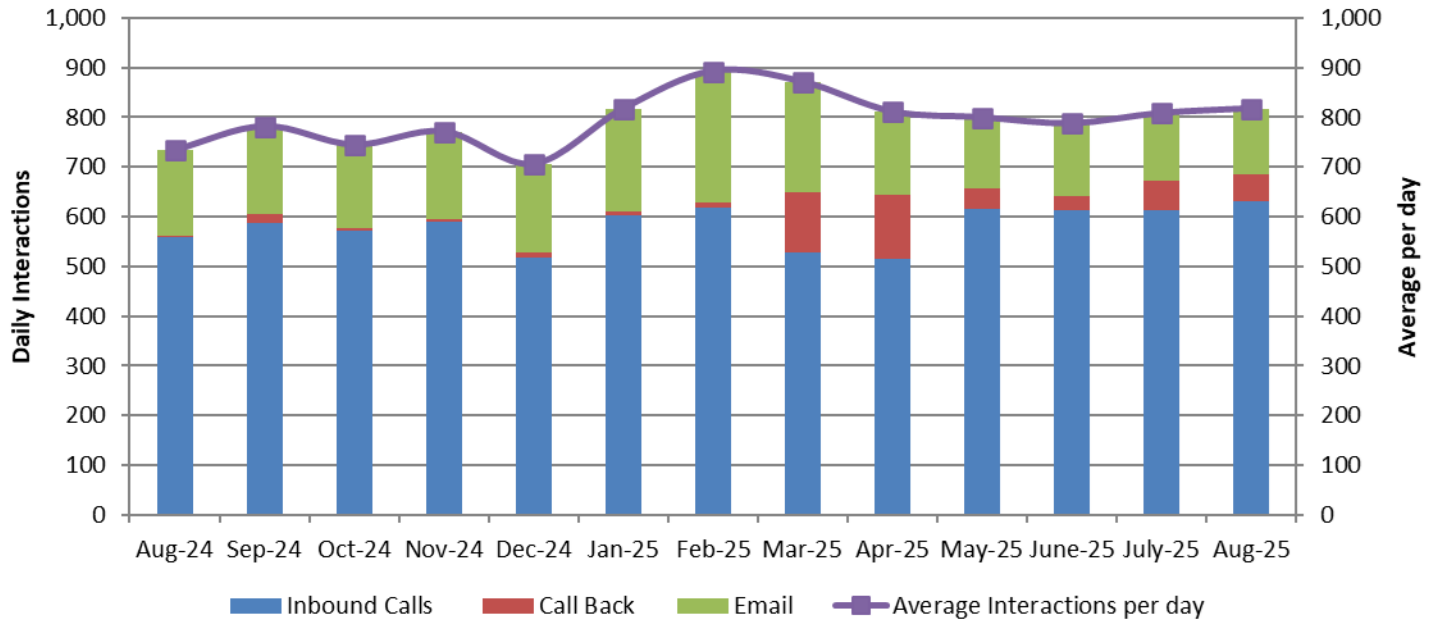
Delinquent & Late Payment Fees



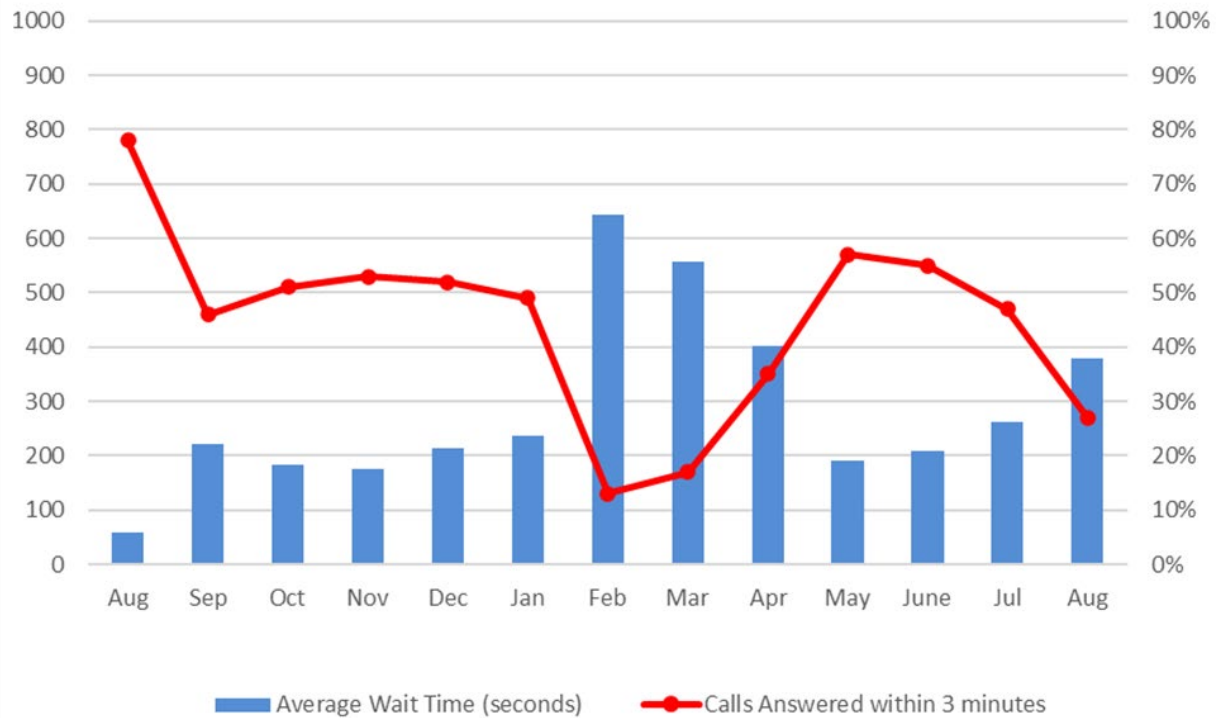
Billing Summary



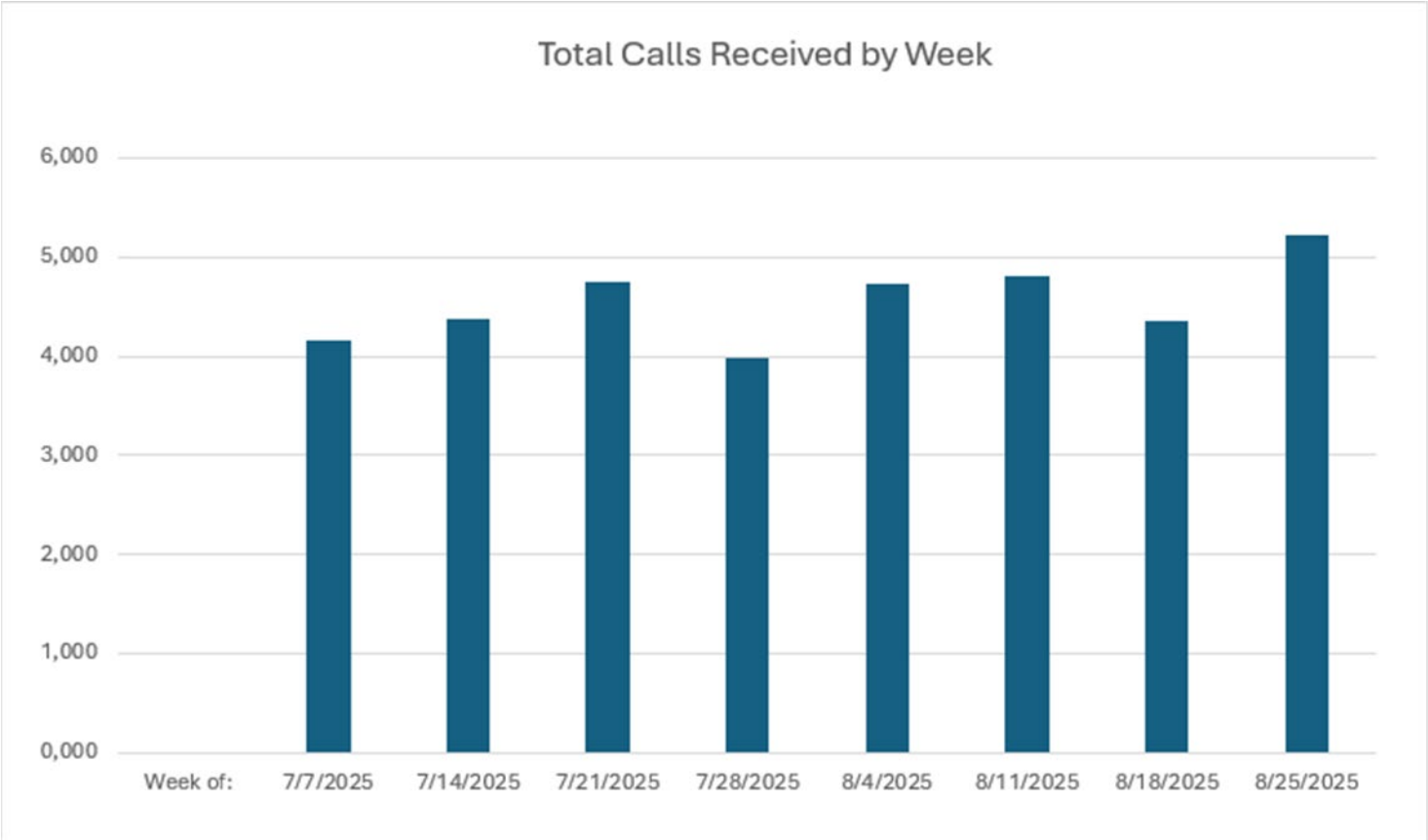
Call Center Interactions (per day)



Customer Interaction Statistics

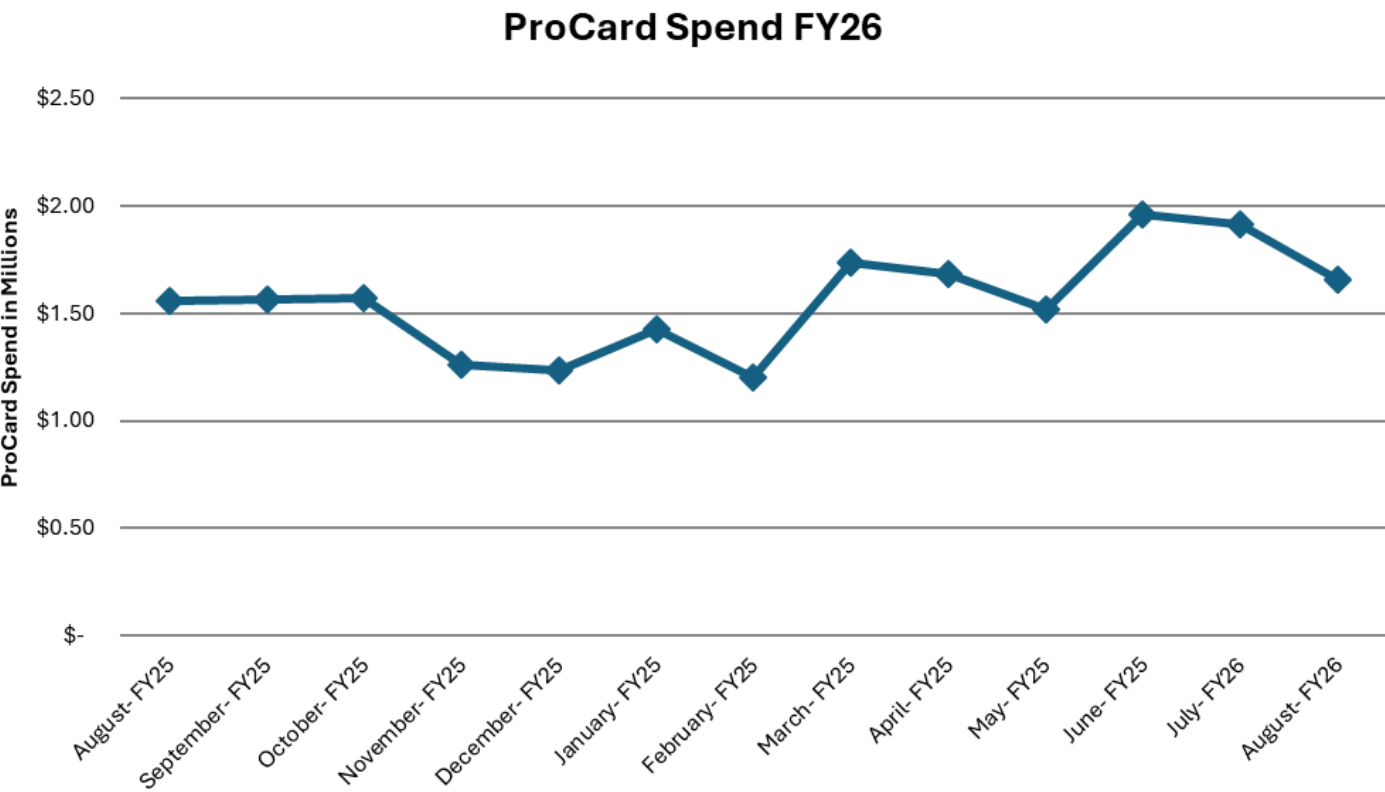


Customer Interaction Statistics	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Jul	Aug
Calls Answered within 3 minutes	78%	46%	51%	53%	52%	49%	13%	17%	35%	57%	55%	47%	27%
Average Wait Time (seconds)	60	222	183	176	214	237	643	556	403	190	208	262	379
Calls Abandoned	6%	18%	16%	16%	19%	21%	45%	44%	30%	16%	19%	22%	28%



Item #	Strategic Planning Measure	Unit	August 2025
	Accounts Receivable (HRSD)	Dollars	\$58,474,448
	Aging Accounts Receivable	Percentage of receivables greater than 90 days	32.4%

I. Procurement Statistics



Respectfully,

Steven G. de Mik

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

TO: General Manager/ Chief Executive Officer

FROM: Chief Information Officer

SUBJECT: Information Technology Division (ITD) Report for August 2025

DATE: September 11, 2025



Innovation

The IT Help Desk processed 474 work orders and requests for assistance in August.

Senior Systems Engineers completed a planned operating system upgrade of HRSD main storage system.

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 continue to work with the Safety department on stabilization and refinement of processes for the Emergency Management Notification System (EMNS).

Senior Systems Engineers continue to 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.

Cybersecurity staff and Senior System Engineers continue with remediation efforts to address the identified vulnerabilities from the CrowdStrike penetration testing.

Programming staff continue to work 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.



Community Engagement

Information Technology's Chief Information Security Officer (CISO), in conjunction with procurement contract with Jacobs Cybersecurity has served as a model for at least six other water and wastewater utilities across the nation, strengthening cyber defenses across our industry. The contract was intentionally structured to enable other utilities to leverage it for their own agreements with Jacobs Cyber, helping address critical cybersecurity gaps within this vital sector. We extend our appreciation to the HRSD Commission and Senior Leadership for supporting this essential capability, which enhances HRSD's mission resilience and delivers broad community benefits.

HRSD's Cybersecurity staff continue to actively participate in collaborations through regular meetings and information sharing with the Federal Bureau of Investigation (FBI), Department of Defense, Port of Virginia,

Department of Homeland Security (DHS) Cybersecurity and Infrastructure Security Agency (CISA), and the U.S. Coast Guard.



Talent

Several key Cybersecurity staff attended a Black Hat conference and participated in an AI-focused cybersecurity forum to strengthen our ability to defend against potential AI misuse. The team engaged in four, two-hour executive roundtables exploring cultural, technical, and organizational safeguards necessary to ensure the safe and secure adoption of emerging AI technologies.

HRSD's CISO attended the Artificial Intelligence Manufacturing & SCADA Technology Conference. He contributed as a keynote panelist and in a follow-up fireside chat. Discussions centered on SCADA, Industrial Control Systems (ICS), and Industrial Automation (IA) systems, emphasizing the critical intersections of cybersecurity and operational technology required to safeguard mission resilience.

Jacquie Harrison, IT Senior Project Manager attended Toastmasters International Convention in Philadelphia, PA. Jacquie is the Club Growth Director of District 66 which is composed of over seventy clubs with more than one-thousand members.

Recruiting efforts continue for several vacant positions; Oracle Developer – ERP, Senior Programmer Analyst, IT Senior Project Manager, Senior Systems Engineer – Systems Administration.

Respectfully,

Mary Corby

Chief Information Officer

TO: General Manager/Chief Executive Officer

FROM: Chief Operating Officer

SUBJECT: Operations Monthly Report for August 2025

DATE: September 10, 2025



Community Engagement

Staff participated in several community events as follows:

1. South Shore (SS) Interceptor Operations held a series of locality collaboration meetings with the City of Suffolk, Norfolk, Chesapeake, and Virginia Beach Operations staff to discuss operational issues, initiatives, and projects.
2. Staff participated in the Pretreatment Excellence and Pollution Prevention awards ceremony to recognize all the businesses for permit compliance.
3. Staff participated in the Blueprint Virginia 2035 event hosted by the Virginia Chamber Foundation.



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.

The Williamsburg Treatment Plant (WBTP) reported two odor scrubber exhaust exceptions due to hydrogen sulfide (H_2S) levels exceeding five parts per million. The first incident occurred during a train switch, when the second-stage odor scrubber sump did not have sufficient sodium hydroxide. The second was caused by an increase in influent hydrogen sulfide (H_2S) levels, which required adjusting the pH setpoint and increasing chemical feed.

Additional Topics of Interest:

1. On the Advanced Nutrient Removal Improvements and Sustainable Water Initiative for Tomorrow (SWIFT) project at the James River Treatment Plant (JRTP), the rake mechanism was installed on the new #2 secondary clarifier and launder covers installed over the weirs. Backfilling and grading were completed around the clarifier and nearby junction-splitter box. At the new Administration building, the contractor continued work on interior punch list items and

installed concrete curbing for parking areas. On the SWIFT side, aeration piping was installed in the Moving Bed Biofilm Reactor. In SWIFT buildings #1 and #2 work continued on installing equipment, piping, conduit, wire, ladders and floor coatings. In SWIFT building #2 the underdrain system for the Biologically Active Filters was completed, and progress made on the Granular Activated Carbon underdrain system. Equipment and piping installation also continued at the methanol facility. Work on all ten well buildings was performed, ranging from installing under slab piping and conduit, constructing building foundations, erecting building structure components, to internal finishing.

2. HRSD's Construction Support Team (CST) installed the carbon storage tank for the supplemental carbon feed system at WBTP and began laying the carbon feed piping. This project is needed to meet stricter 2026 nutrient removal requirements.
3. The demand for plant staff to assist in the ongoing CIP projects at NTP remains high. Several maintenance staff have been working 14-hour days, to include weekends, to completely clean the attic space of Digester #2 after solids were discovered inside. This work was necessary to allow the CST to access and inspect the space. This work is necessary for the Digester Upgrades and must be completed before the closure of BHTP.
4. The total volume of SWIFT recharge at the SWIFT Research Center into the Potomac aquifer for the month of August was 12.84 million gallons (MG) (44.6 % Recharge Time based on 650gpm). The Research Center lost 288 hours of recharge time due to high Total Nitrogen (TN), and increased Ozone demand due to the digester attic cleaning.
5. SCD Eastern Shore staff successfully managed two major weather events in August. The first occurred on August 18, when a stalled frontal boundary produced more than six inches of rainfall at the Onancock Treatment Plant (ONTP) within approximately 12 hours, while other areas of the service region received over nine inches during the same period. This resulted in record-high flows at several pump stations and an influent spike at the plant of 1.7 MGD—more than five times the normal average of 0.3 MGD. The second event occurred on August 21, when Hurricane Erin passed several hundred miles offshore of Cape Charles but generated strong winds and tidal surge that affected the town of Wachapreague. Through proactive measures, staff effectively responded to both events and prevented system issues and sanitary sewer overflows (SSOs) across the Eastern Shore service area.
6. Electrical and Instrumentation staff replaced two control power transformers and a controller for the Automatic Transfer Switch (ATS) at Mt Ray Pump Station (PS). These components failed while staff were transferring to utility power, after a monthly generator test run. These replaced components ensure the station generator will transfer automatically when utility power is lost.
7. On August 17, SS Interceptor Operations supported the City of Chesapeake with a major force main failure near the intersection of Volvo Parkway and Vellen Street. Staff operated a system branch valve allowing the city to complete their work.



Financial Stewardship

1. SCD staff coordinated the transport and setup of the mobile dewatering trailer from WPTP to ONTP for the month of September to dewater and dispose of accumulated solids in the digester. HRSD's hauling division trained two new drivers to haul solids from WPTP to WBTP

while the trailer is away, ensuring adequate digester space is maintained. Although moving and setting up the dewatering trailer requires significant coordination and effort from staff, this initiative saves HRSD well over \$100,000 a year compared to contracting with a mobile centrifuge provider, which previously cost ONTP \$150,000 a year.

2. On August 12, SS Interceptor Operations partnered with NTP staff to clean the Regional Residuals Facility removing approximately ten 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 \$10,000.
3. West Point Treatment Plant (WPTP) implemented Aluminum Sulfate feed to the primary clarifiers to aid in phosphorus removal from the final effluent. This initiative supports HRSD's compliance with the York River discharge permit. The effort was made possible with assistance from NS Interceptor Operations and YRTP staff. NS Interceptor Operations staff transported Aluminum Sulfate from the YRTP using 275-gallon totes. This internal transfer resulted in a cost savings of \$4,500 compared to purchasing new totes specifically for the project.
4. The Machine Shop completed three total pump rebuilds with one each from NS and SS Operation Centers, as well as one from the Virginia Initiative Plant. Additionally, stainless steel brackets were fabricated for use in TSD emergency shower curtains, and P3 hauling signs were produced for the Plants in collaboration with the Carpenter Shop.
5. Material Transportation & Logistics staff hauled 37 loads of Ash for a total of 317.70 dry tons. They also hauled 82 loads of primary clarifier solids and 78 loads of thickened waste activated biosolids for a total of 3759.93 wet tons. In addition, 79 loads were hauled from ATP to McGill Composting Facility during the month of August, totaling 1,166 wet tons.



Innovation

1. Dr. Jeff Sparks, Director of Digital Water, has published the first in a series of three papers that cover the development of a novel feedforward, feedback ammonia-based aeration control (ABAC) system at NTP. The controller is based on a process simulator running as a digital twin on the plant distributed control system, with several artificial intelligence algorithms improving ABAC performance. Sparks, JA, Bott, CB, and Vanrolleghem PA, 2025. "[Design considerations for a Digital Twin built to improve nitrification performance at a water resource recovery facility](https://doi.org/10.2166/wst.2025.106)", *Water Science and Technology*. <https://doi.org/10.2166/wst.2025.106>
2. The Supervisory Control and Data Acquisition (SCADA) program continues to make significant progress. The RFP for the new Top-End software and replacement PLC was issued by procurement and five responses were submitted. Review and selection should occur in September.
3. Design work is ongoing for the flow augmentation improvements at the Lodge Road PS. The project involves implementing a recirculation diversion back into the wet well to enhance pump performance and extend asset life. This in-house initiative will be constructed by NS Interceptor Operations staff, with the goal of ensuring the pumps operate more consistently within their preferred operating range.

4. NS Interceptor Operations staff made significant progress in developing the PS performance dashboard. This project will provide a live feed into the operating conditions at each of the NS pump stations and identify which stations are operating within their allowable and preferred operating range.
5. SCD E&I staff completed a project to set up a radar level measurement device for the secondary clarifiers at WPTP. This new level radar device eliminates the mechanical float which has been used to open the tertiary filter bypass automated valve and has proven to be unreliable and has led to past SSO's from the secondary clarifier #2.
6. SCD staff have begun automatically wasting from both King William Treatment Plant trains via the hydrocyclone overflow. Due to limited digester storage space, staff are evaluating the abandoned clarifier for temporary sludge storage until the frac tank digester is installed. Staff have also begun constructing an autosampler for use at partially attended Treatment Plants without a night shift operator. Treatment staff identified a need to preserve regulatory composite samples automatically to meet permit requirements. Currently, the night shift operator manually pours the day's composite sample into containers with preservation shortly after midnight. The new autosampler will collect a flow-weighted composite sample and preserve it automatically.



Talent

1. At WBTP, Mr. Danie Ramos was promoted to Lead Operator, and Plant Operator Melvin Swinson achieved his Virginia Wastewater Works Class 1 License.
2. Mr. Trey Rogers, Lead Operator at NTP, was promoted to Plant Superintendent at ATP.
3. Mr. John Robinson, Maintenance Operator at SCD, was promoted to Condition Assessment Inspector in the Asset Management Department.
4. SS Interceptor Operations welcomed Mrs. Lyndsay Davis as Operations Manager.

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 August 2025

DATE: September 9, 2025



Talent

Talent Management Division – August Highlights

Human Resources

New Team Members

- 2 HR Coordinators

457 Plan Transition

- Transition to **Nationwide** completed
- 12 on-site info sessions held
- 1-on-1 employee consultations available

Wellness Program

- Participation continues to grow. Offerings include:
 - Wellness education sessions
 - Guided meditation (virtual)
 - Group/individual coaching

Learning & Development

Apprenticeship Program

- 43rd graduation ceremony
 - 28 graduates honored
 - Valedictorian: Danie Ramos, Plant Operator trade (4.0 GPA)
 - Salutatorian: Jared Thieman, SS E&I, E&I Specialist trade
- Hosted training for apprenticeship instructors and quality facilitators
 - Ensures ongoing instructional excellence
 - Elevates standards of internal training programs

Career Development Initiatives

- Mentoring & Succession Planning Pilots in development
- Career Pathways Program:
 - August:
 - 10 new participants
 - 2 moved to interview stage
 - 1 internal promotion
 - Since May relaunch:
 - 40 employees supported

- 13 moved to interview stage
- 4 promotions

Safety & Security

Safety Highlights

- Work center inspections: 5
- Weekly construction safety walks
- Customized training sessions: 16
- Annual air vent sampling completions
 - SS Interceptors
 - NS Interceptors
 - Middle Peninsula

Site-Specific Actions

- Park Ave. Pump Station: construction walkthrough
- Ash sampling & fume hood inspections
- Emergency Preparedness presentation (Engineering staff)

Engagement & Initiatives

- Participated in OSHA's Safe & Sound Week
- Presentation on Emergency Preparedness at Engineering monthly staff meeting
- Cornerstone LMS trial launched (Safety modules)
- Respirator fit testing
- Safety Committee lunches (Boat Harbor & Nansemond) to encourage participation in work center Safety Committees

Security Highlights

Facility Security Enhancements

- Initiated fencing/security bids at York River Wastewater Treatment Facility
 - Fencing upgrades
 - Manual override button

Policy & Tech Development

- Active Shooter Policy
- Body Worn Camera Policy
- Exploring
 - Lock & software pilots (iLOQ, Juvare)
 - Grant funding for emergency software

Internal Coordination

- Reviewing EMNS test & discrepancies
- Participated in Water ISAC Physical Threat Briefing

Incident Summary	
Category	Count
Auto/property damage	6
Work-related injuries	4
Lost time (injury-related)	4 days

Respectfully submitted,

Christina Gibson

Chief People Officer

TO: General Manager/ Chief Executive Officer

FROM: Chief of Water Quality (CWQ)

SUBJECT: Monthly Report for August 2025

DATE: September 10, 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 9,311 Total Possible Exceedances.
- c. Pounds of Pollutants Removed in FY 2026 to date: 30.6 million pounds.
- d. HRSD received a Notice of Violation letter dated August 13, 2025 for the West Point facility and collection system. HRSD and DEQ staff met to discuss the letter on August 27.

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

- a. No civil penalties were issued in August.
- b. The P3 program held the 32nd annual Pretreatment Excellence and Pollution Prevention Awards. This program honors our industrial permittees, recognizing achievements in perfect permit compliance and in outstanding efforts in implementing pollution prevention efforts.

3. Environmental and Regulatory Advocacy

Chief participated in the following advocacy and external activities:

- a. Participated in the CBP Water Quality Goal Implementation Team (WQGIT) meeting.
- b. 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.
- c. Participated as a committee member in the Virginia Department of Environmental Quality's (DEQ) Per- and polyfluoroalkyl substances (PFAS) Expert Advisory Committee meeting to review updated Virginia Department of Health waterworks monitoring and receive general updates on DEQ's progress in implementing House Bill (HB) 1085.

- d. Participated as a panel member in DEQ's Regulatory Advisory Panel (RAP) for the Water Quality Standards Triennial Review. The triennial review process is utilized to establish new water quality standards for the state of Virginia. Once established, these standards guide the wasteload allocations associated with HRSD's effluent discharge permits.
- e. Submitted HRSD's Nutrient Compliance Plan for years 2026 – 2035 to the Virginia Nutrient Exchange Association.
- f. Together with other HRSD personnel, met with DEQ's Water Finance team to discuss the James River Water Quality Improvement Fund (WQIF) grant agreement.



Financial Stewardship

Staff supported the generation of high-quality data for use in permitting and environmental management decisions through our Municipal Assistance Program (MAP), which offers services to other municipal and regional authorities throughout the state. HRSD costs for this program are reimbursed by the customer. Below are program highlights for the month.

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

- 1. Northumberland County
- 2. Upper Occoquan Service Authority
- 3. Westmoreland County



Talent

- 1. Monica Maples was promoted to the position of Environmental Scientist.
- 2. Participated in a tour of the Virginia Initiative Plant for Water Quality staff.



Community Engagement

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:

1. City of Chesapeake (Southern Branch)
2. City of Newport News (Hilton Beach)
3. City of Hampton (southeast)
4. City of Suffolk (downtown)
5. City of Virginia Beach (Thalia Creek, Wolfsnare Neighborhood)
6. James City County

Respectfully submitted,

Jamie Heisig-Mitchell
Chief of Water Quality

EFFLUENT SUMMARY FOR AUGUST 2025

[illegible]

	% of Capacity
North Shore	50%
South Shore	65%
Small Communities	47%

AIR EMISSIONS SUMMARY FOR AUGUST 2025

	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
MHI PLANT										
BOAT HARBOR	0	0	0	0	0	0	0	29	98	0
VIP	0	0	0	0	0	0	2	24	99	0
WILLIAMSBURG	0	0	0	0	0	1	2	18	55	0

ODOR COMPLAINTS

ARMY BASE	0
ATLANTIC	3
BOAT HARBOR	0
JAMES RIVER	0
NANSEMOND	0
VIP	0
WILLIAMIBURG	0
YORK RIVER	1
NS OPS	1
SS OPS	0
SCD	1
NON-HRSD	0

Items of Interest – August 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 55% or more.

The three operating MHI plants had one (1) 129 operating parameter deviations and four (4) minor uses of the emergency bypass stack (<60 minutes), and no (0) reportable uses of the MHI bypass (>60 minutes).

HRSD submitted the Title V semiannual monitoring reports to DEQ on August 26.

AIR PERMITS and ODOR CONTROL

DEQ issued HRSD Boat Harbor Pump Station an air permit exemption for the facility's emergency use only diesel engines generators on August 28.

There was a total of six (6) odor complaints this month.

Atlantic plant received three (3) complaints 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.

York River received a complaint (1) from a neighbor on Back Creek Road across from the plant on August 25. Plant staff responded and no odors were observed or on plant site odor source identified. The prevailing winds at the time of the complaint indicate possible non-plant odors as the source.

North Shore Operations received a complaint (1) from a neighbor of the HRSD Kingsmill air relief vent in James City County. NS Ops personnel responded and found no detectable hydrogen sulfide (H₂S) or odors at the time of investigation. NS Ops and TSD have performed multiple complaint responses, H₂S monitoring, and have installed a carbon odor control system. HRSD believes there are other sources of odors that are not from HRSD assets. HRSD continues to work with the complainant and the County accordingly.

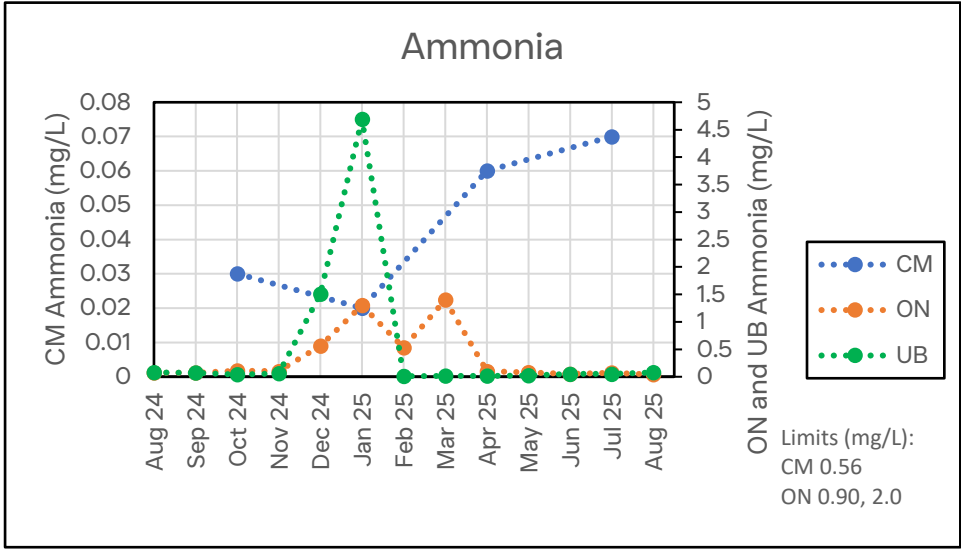
Small Communities Division (SCD) received an odor complaint (1) from Tibbs Automotive in King William on August 20. SCD staff investigated, found H₂S odors at the manhole, and replaced the carbon in the carbon manhole insert, and reseated the manhole casing as both were the source of odors. No further complaints have been received.

SYSTEM/TREATMENT, SMALL COMMUNITIES, AND EASTERN SHORE

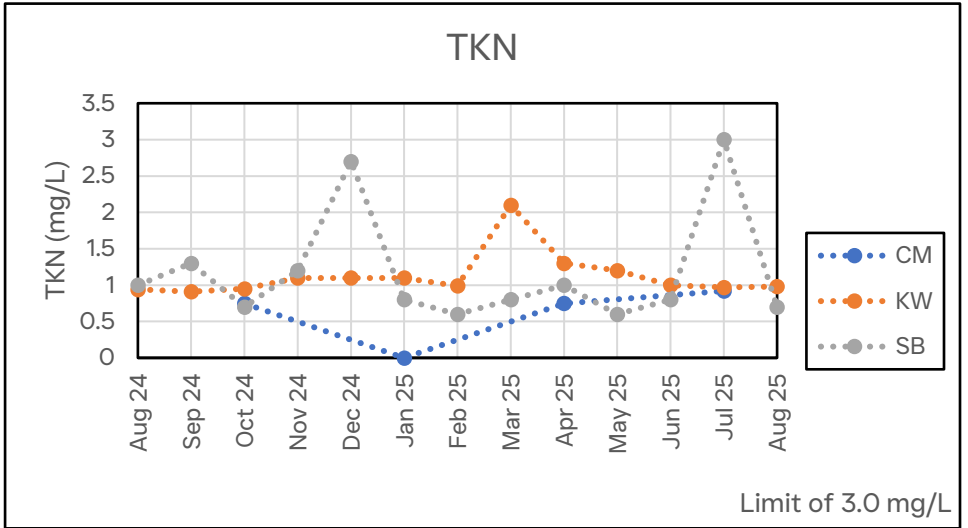
West Point TP & Collection System

HRSD received a Notice of Violation letter dated August 13, 2025 for the West Point facility and collection system. HRSD and DEQ staff met to discuss the letter on August 27.

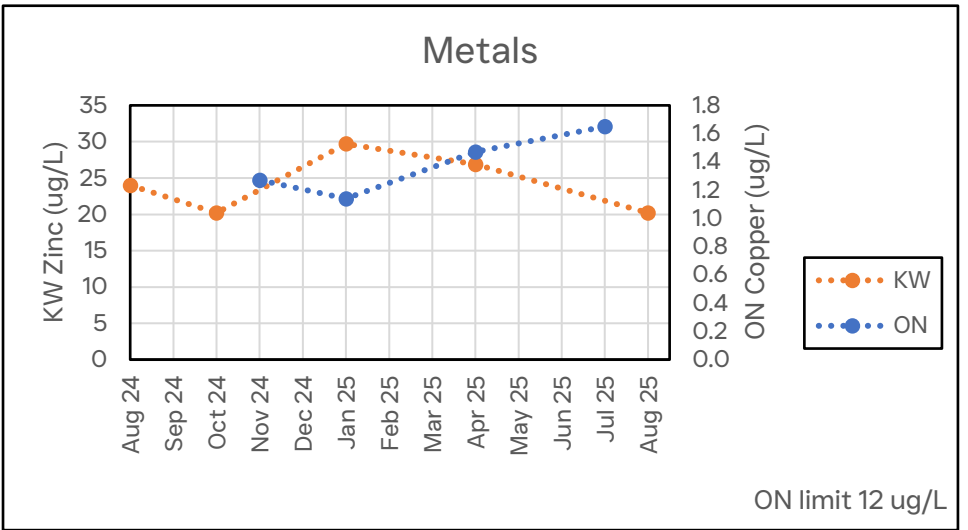
	Ammonia		
	CM	ON	UB
Aug 24		0.07	0.08
Sep 24		0.07	0.07
Oct 24	0.03	0.11	0.04
Nov 24		0.10	0.06
Dec 24		0.56	1.5
Jan 25	0.02	1.3	4.7
Feb 25		0.53	0.01
Mar 25		1.4	0.02
Apr 25	0.06	0.10	0.02
May 25		0.08	0.02
Jun 25		0.05	0.05
Jul 25	0.07	0.07	0.05
Aug 25		0.04	0.08



	TKN		
	CM	KW	SB
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
Aug 25		0.98	0.70



	Zinc	Copper
	KW	ON
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
Aug 25	20	



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 (August 2025)**
 - Addressed outstanding requests and questions with HRSD POC.
 - Completed draft deliverables.
- **Upcoming Tasks (September 2025)**
 - Provide HRSD with draft deliverables and conduct exit meeting.
 - Finalize assessment and presentation timing.

Aging and Arrears Assessments

- **Completed Tasks (August 2025)**
 - Met with HRSD POC to address questions and open requests.
 - Continued drafting process visualization documents and improvement opportunities.
- **Upcoming Tasks (September 2025)**
 - Meet with HRSD POC to discuss outstanding items (9/4).
 - Finalize and present opportunities to mitigate losses and enhance the process.

IT Governance

- **Completed Tasks (August 2025)**
 - Awaited feedback and management responses requested on 7/16 and 8/8.
- **Upcoming Tasks (September 2025)**
 - Finalize and issue the final audit report with management response (9/15).

Note: SC&H is waiting for feedback and management responses to the report. Issuance of the final report is dependent on completion of these requests by MCG contact.

Operational Technology Security and Resilience

- **Completed Tasks (August 2025)**
 - Finalized management responses/action plan on behalf of management.
- **Upcoming Tasks (September 2025)**
 - Issue audit report (9/12).

II. Upcoming Audits

- Grants Management (October 2025).



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	September 2025	2	1	3
Personally Identifiable Information (PII)	September 2025	0	3	3
AP, ProCard	September 2025	1	2	3
Closed Audit/Projects (x22)	Closed	136	0	136
Totals		139	6	145

Strategic Measures
September 2025

Strategic Planning Measure	Department	August-25	FY-26
Educational and Outreach Events	Communications	32	42
Number of Community Partners	Communications	21	37
Number of Technical Presentations	All	1	2
Number of Technical Publications	All	1	1
Revenue vs. Budget	Finance	8%	17%
Wastewater Expenses vs. Budget	Finance	7%	12%
Accounts Receivable (HRSD)	Finance	\$55,501,098	\$56,987,773
Aging Accounts Receivable	Finance	34.20%	33.30%
Turnover Rate wo Retirements	Talent Management	0.22%	0.89%
Turnover Rate w Retirements	Talent Management	0.55%	1.33%
Avg Time to Hire (Posting to Acceptance)	Talent Management	3 months 2 days	3 months 3 days
Number of Vacancies	Talent Management	77	373
Average number of applicants per position	Talent Management	6.7	6.5
Percentage of positions filled with internal applicants	Talent Management	38.7%	30.3%
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	5.21
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	\$43,240,000	\$43,240,000

*Not currently tracking due to constraints collecting the data.

** Updated after EPA Quarterly Report submittal.

***Billing is one month behind

Strategic Measures
September 2025

Community Partners		
Date	Division	Event
08/01/2025	Operations	City of Suffolk Public Utilities
08/01/2025	Operations	Norfolk Public Utilities
08/01/2025	Operations	Chesapeake Public Utilities
08/01/2025	Operations	Virginia Beach Public Utilities
08/01/2025	Operations	Virginia Chamber Foundation
08/01/2025	Operations	Virginia Living Museum
08/06/2025	Communications	Garney Construction
08/06/2025	Communications	AIA Coastal Virginia
08/06/2025	Operations	AIA Coastal Virginia
08/07/2025	Communications	Hampton Clean City Commission
08/11/2025	Water Quality	Wetlands Watch - discuss Measure the much and Catch the King efforts
08/14/2025	Communications	Chesapeake Public Schools
08/14/2025	Communications	Newport News Public Schools
08/14/2025	Communications	Norfolk Public Schools
08/14/2025	Communications	Poquoson City Public Schools
08/14/2025	Communications	Virginia Beach City Public Schools
08/22/2025	Operations	ALTEC

Strategic Measures
September 2025

Education Outreach			
Date	Division	Event	Community Partner
8/1/2025	Water Quality	SWIFT Tour - Elizabeth River Project and facilitated their Technical Policy Committee Meeting at the SRC	Elizabeth River Project and HRSD
8/6/2025	Communications	SWIFT RC tour - AIA CoVA	AIA Coastal Virginia
8/6/2025	Communications	SWIFT RC tour - Garney Construction National Business Development Team	Garney Construction
8/6/2025	Operations	SWIFT RC tour - AIA CoVA	AIA Coastal Virginia
8/7/2025	Communications	SWIFT RC tour - Hampton Clean City Commission	Hampton Clean City Commission
8/14/2025	Engineering	DBIA Mid-Atlantic Region Webinar	DBIA
8/14/2025	Communications	SWIFT RC Teacher Workshop	Chesapeake, Newport News, Norfolk, Poquoson and Virginia Beach schools
8/18/2025	Engineering	Meadowbrook Civic League Meeting	City of Norfolk
8/21/2025	Operations	Virginia Living Museum Board of Trustees Leadership Retreat	Virginia Living Museum
8/22/2025	Operations	Swift Tour - ALTEC	ALTEC
8/25/2025	Engineering	Larchmont Civic League Meeting	City of Norfolk