COMMISSION MEETING MINUTES
March 24, 2026

No.	Topic
	Call to Order
1.	Awards and Recognition
2.	Public Comments Not Related to the Agenda
3.	Consent Agenda
4.	Extendable Commercial Paper Program Briefing
5.	Bowers Hill Interceptor Force Main Section II (SF-136) Emergency Repair New CIP and Initial Appropriation – Non-Regulatory
6.	Nansemond SWIFT Facility, Nansemond Recharge Wells (On Site), Nansemond Recharge Wells (Off-Site), and Nansemond Recharge Well Integration Additional Appropriation – Regulatory Required (>$10,000,000), Reduction in Scope and Appropriation >25%
7.	Consent Decree – Proposed Minor Modification (7th Amendment) Briefing
8.	New Business
9.	Unfinished Business
10.	Commissioner Comments
11.	Informational Items
12.	Closed Meeting
13.	Reconvened Meeting

COMMISSION MEETING MINUTES
March 24, 2026

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
Andrews, Elizabeth A.	Commissioner	1-12 (Virtual)
Glenn, Michael E.	Commissioner	1-13
Lakdawala, Vishnu K.	Commissioner	1-13
Stern, Nancy J.	Commissioner	1-13
Taraski, Elizabeth	Commissioner	4-13 (Virtual)
Templeman, Ann	Commissioner	1-13

In accordance with Virginia Code § 2.2-3708.3 (B) and the HRSD Remote Participation Commission Adopted Policy Commissioner Andrews requested approval to participate in today's meeting from Boquette, Panama, as well as, Commissioner Taraski requested approval to participate from Houston, Texas, due to personal matters that prevents them from attending the meeting in person.

Moved: Vishnu Lakdawala

Seconded: Willie Levenston, Jr.

Ayes: 5
(Commissioner Templeman was not present for the vote, having joined the meeting after consideration of this item)

Nays: 0
(Excludes Remote Participants)

1. Awards And Recognition

Action: No action required.

a. Service Awards

The Commission Chair will present a service award to Dr. Bruce W. Husselbee, who will be marking his 30th year of service with HRSD on March 31. Bruce was hired in 1996 as a Project Manager in the Design & Construction Division and was then promoted to the Director of Engineering in 2006.

For the past three months, Bruce has served as the Engineer in Residence, supporting the newly hired Chief Engineer. He will retire on March 31 this year.

His responsibilities included managing the Asset Management, Design & Construction, and Planning & Analysis departments. A major role for the Engineering Division includes implementing HRSD's $3.8B, 10-Year Capital Improvement Program.

Dr. Husselbee holds numerous degrees, including a BS in Civil Engineering, an MS in Environmental Engineering, and a PhD in Coastal Engineering. He holds a Professional Engineer (PE) License in Virginia and is a Board-Certified Environmental Engineer. He is very active in numerous professional organizations, including the DBIA, the Water Environment Federation (WEF), the Engineers Club of Hampton Roads, and the Old Dominion University (ODU) Engineering Department Visiting Council.

b. Commending Resolution

Upon approval, the Commission Chair will present a commending resolution to Dr. Bruce Husselbee in recognition of his dedicated service.

Motion:	Vishnu Lakdawala	**Ayes:**	7
Seconded:	Nancy Stern	**Nays:**	0

Public Comment: None

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

3. Consent Agenda

Action: Approve the items listed in the Consent Agenda.

Moved:	Michael Glenn	**Ayes:**	7 (Commissioner Taraski was absent due to a connectivity issue)
Seconded:	Vishnu Lakdawala	**Nays:**	0

Brief:

a. Approval of minutes from previous meeting.

b. Contract Awards (>$200,000)

1.	Abnormal Email Security License and Support	$226,770
2.	Army Base Treatment Plant and Virginia Initiative Plant Fuel Tank Demolitions	$255,525
3.	Atlantic Treatment Plant Secondary Clarifier Main Drive Replacement	$690,438
4.	Omnissa Horizon Universal License and Support	$394,100
5.	Threat and Vulnerability Management (TVM) and Data Loss Prevention Services	$1,092,785
6.	Virginia Initiative Treatment Plant Band Screen Replacement Parts and Field Service	$297,158
7.	VMware Cloud Foundation License and Support	$739,440

c. Task Orders (>$200,000)

1.	Treatment Plant Grease Handling Facilities	$308,068

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

1. West Point Treatment Plant Final Effluent Pump Station Improvements

Additional Funding	$2,557,893
Contract Award	$2,140,000
Task Order	$366,361

2. West Point Treatment Plant Secondary Clarifier Improvements

Additional Funding	$2,193,033
Contract Award	$2,140,000
Task Order	$243,072

Item(s) Removed for Discussion: None

Public Comment: None

4. **Extendable Commercial Paper Program Briefing**

Action: No action is required.

Brief: Staff are evaluating the establishment of a $350 million extendable commercial paper program (ECP).

ECP is a short-term debt obligation issued by highly rated, large municipal utilities, like HRSD, or governmental agencies to provide flexible, low-cost interim financing for capital projects. For large public issuers, an ECP program can provide flexible short-term financing at borrowing costs generally lower than those associated with bank lines of credit or long-term debt.

ECP is a series of short-term promissory notes typically issued with maturities ranging from a few days up to 180 days. These short-term notes are "rolled over" at maturity, meaning the principal of and interest on such notes are repaid with proceeds from newly issued notes until the notes are refinanced with long-term debt, other interim financing, or with available funds.

If an issuer is unable to successfully remarket or "roll over" the notes at maturity, the maturity automatically extends to a later date—typically no later than 270 days from the original issuance. This "extension" feature provides an issuer additional time to refinance or repay the obligation.

These programs are typically used by large, highly rated issuers with active capital programs, as the structure requires strong credit quality, active program management and strong access to the capital markets.

Staff intends for this ECP to replace HRSD's $300 million existing bank line of credit. As with the existing bank line of credit, the ECP would be a subordinate obligation under HRSD's trust agreement.

Staff will provide a briefing on the proposed ECP program.

Discussion Summary: Staff discussed the comparative cost of utilizing the line of credit versus commercial paper. Historically, the line of credit was more favorable due to the absence of fees on unused capacity. However, the addition of an unused commitment fee of approximately 30 basis points has made commercial paper a more cost-effective option under current market conditions.

Staff noted that commercial paper is being used as a flexible financing tool to achieve the lowest cost of capital. This approach will continue to be monitored and adjusted as market conditions change, including interest rate fluctuations and fee structures. Should conditions shift, staff may revisit the use of the line of credit or evaluate other financing alternatives.

It was also noted that the organization currently has approximately $550 million in invested funds, generating interest income that helps offset borrowing costs. This reflects an asset-liability management approach to maintaining financial balance.

Public Comment: None

5. **Bowers Hill Interceptor Force Main Section II (SF-136) Emergency Repair New CIP and Initial Appropriation – Non-Regulatory**

Actions:

a. Approve a new CIP project.

b. Appropriate total project funding in the amount of $2,000,000.

Moved:	Nancy Stern	**Ayes:**	8
Seconded:	Ann Templeman	**Nays:**	0

CIP Project: NP016200

Regulatory Requirement: None

Project Description: This project will replace the damaged 30-inch Prestressed Concrete Cylinder Pipe (PCCP) force main located on Jolliff Road in the City of Chesapeake. The work consists of providing line stop and bypass, performing exploratory excavation, replacing approximately 32 linear feet (LF) of 30-inch PCCP with 30-inch ductile iron pipe, repairing several force main joints, and completing site restoration. The attached map depicts the break location.

Project Justification: The failure occurred on a 30-inch PCCP installed in 1979. Preliminary assessments indicated that the pipe failed from internal corrosion, most likely precipitated by external damage (official failure analysis is forthcoming). An emergency repair was deemed necessary since the section of force main cannot be isolated or diverted, and extensive traffic control is required to safely perform the work. A line stop and bypass were utilized to isolate the damaged section of pipe so repairs could be completed. An emergency declaration was authorized on February 28, 2026, to perform the repair.

Analysis of Cost: The cost is based on the engineer's review and is in agreement with other similar efforts from firms.

Schedule:	Emergency Declaration	February 2026
	Construction	February 2026
	Project Completion	March 2026

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

Emergency Declaration: An emergency declaration was authorized on February 28, 2026, due to a force main failure on a 30-inch PCCP in the City of Chesapeake. The official failure analysis is forthcoming; however, current assessments indicate that the pipe failed from internal corrosion, most likely precipitated by external damage.

This emergency declaration allowed HRSD to utilize two existing contracts. The effort used the Condition Assessment Services Agreement contract with Hazen and Sawyer to provide design services, construction administration, and construction inspection. The effort also utilized the Sewer Repair and Condition Assessment contract with Bridgeman Civil, Inc. to provide line stop and bypass, exploratory construction, force main repair, and restoration.

Public Comment: None

6. **Nansemond SWIFT Facility, Nansemond Recharge Wells (On Site), Nansemond Recharge Wells (Off-Site), and Nansemond Recharge Well Integration Additional Appropriation – Regulatory Required (≥$10,000,000), Reduction in Scope and Appropriation >25%**

Actions:

a. Appropriate additional funding in the amount of $16,343,436 to the Nansemond SWIFT Facility (GN016380) project.

b. Appropriate additional funding in the amount of $32,913,584 to the Nansemond Recharge Wells (On Site) (GN016381) project.

c. Reduce project scope and funding in the amount of $32,913,584 from the Nansemond Recharge Wells (Off Site) (GN016382) project.

d. Reduce project scope and funding in the amount of $16,343,436 from the Nansemond Recharge Well Integration (GN016383) project.

Moved:	Michael Glenn	**Ayes:**	8
Seconded:	Willie Levenston, Jr.	**Nays:**	0

CIP Projects: GN016380, GN016381, GN016382, GN016383

Regulatory Requirement: Integrated Plan – SWIFT

	GN016380 & GN016381	**GN016382 & GN016383**	**GN016380, GN016381, GN016382, & GN016383**
	Project Cost & Appropriation Summary	**Project Cost & Appropriation Summary**	**CIP Project Summary**
Capital Improvement Program Estimate (July 1, 2025)			$907,924,848
Funds Appropriated to Date	$723,717,781	$133,547,800	
Expenditures and Encumbrances Already Incurred	($696,643,275)	($1,656,266)	
Available Balance	$27,074,506	$131,891,534	

Proposed Change Order to Contractor	$46,911,447		
Proposed Total Contingency	$29,420,079		
Revised Total Remaining Project Costs	$76,331,526		
Expenditures and Encumbrances Already Incurred	($696,643,275)		
New Project Cost Estimate	$772,974,801	$84,290,780	$857,265,581
Additional Appropriation Needed	$49,257,020	($49,257,020)	
Favorable (Unfavorable) Variance to CIP			$50,659,267

Project Description: The Nansemond SWIFT Facility (GN016380) project will design, construct, and commission advanced water treatment infrastructure capable of converting up to 38 million gallons per day of highly treated wastewater into SWIFT Water™ at the Nansemond Treatment Plant (NTP). The facility will also distribute SWIFT Water™ to a series of wells located within and adjacent to NTP that will recharge the Potomac aquifer. The Nansemond Recharge Wells (On Site) (GN016381) project will design and construct managed aquifer recharge wells and monitoring wells associated with the SWIFT facility at NTP.

The attached map depicts the project location.

Project Justification: Together, the Nansemond SWIFT Facility (GN016380) and Nansemond Recharge Wells (GN016381) projects are needed to reduce nutrients entering Chesapeake Bay to meet the Enhanced Nutrient Removal Certainty Program (ENRCP) requirements, augment the groundwater supply, reduce the rate of groundwater subsidence, protect groundwater from saltwater intrusion, and support Virginia's economy.

Funding Description: Both projects have been competitively procured together through the Design-Build delivery method as one contract with Garney Companies, Inc (Garney). Commission approved the Stipulated Price for the SWIFT Facility scope of work (GN016380) in July 2025 and the Stipulated Price for the Nansemond Recharge Wells scope of work (GN016381) in April 2025. Since that time, construction has progressed at NTP.

This request is for an additional appropriation to allow staff to add similar scopes of work to the comprehensive Agreement to design, drill, construct, and commission three additional recharge wells and associated facilities on property owned by HRSD adjacent to NTP. Eight total off-site recharge wells are currently planned under projects GN016382 and GN016383. Due to ongoing mixed-use development adjacent to NTP, expeditious drilling and construction of three recharge wells is recommended. These recharge wells can be more advantageously delivered under the current design-build contract with Garney. Up to five remaining off-site recharge wells will be delivered separately under GN016382 and

GN016383, and the size, scope, and ultimate number of recharge wells for these projects are unknown.

Garney has provided competitive pricing under their existing contract to deliver the three recharge wells. The proposed costs and allowances were prepared by Garney and reviewed by HRSD and HRSD's Owner's Consultant, AECOM. The recommended increase in project appropriations includes the cost of work plus a five percent contingency. This approach does not consume the contingency already included in the project. The proposed change order for Garney is less than twenty-five percent of the original total contract value (Commission approval threshold).

Under GN016380, Garney will design, construct, and commission the associated facilities necessary to integrate each recharge well into the Nansemond SWIFT system, including a building, pumps, piping, power, instrumentation, and site work. The proposed integration cost is based on the 60 percent design previously submitted by Garney as part of Nansemond SWIFT, plus planned allowances to support development of the final design and coordination with the requirements of the surrounding commercial and residential development, which is necessary for site plan approval.

Under GN016381, Garney will design, drill, install, and test the three recharge wells. The proposed total price per well is consistent with the current price per well, which was accepted in 2024, plus allowances for the potential to include glass beads in the annular space around the well casing.

GN016380 and GN016381 are included in the Virginia Clean Water Revolving Loan Fund (VCWRLF) programmatic loan. GN016380 is included in the Water Infrastructure Finance and Innovation Act (WIFIA) programmatic loan. Additionally, the project team will apply for grant funding for both projects under the Water Quality Improvement Fund (WQIF) program.

Staff will provide a briefing during the meeting.

Schedule:	Substantial Completion	March 2029
	Project Completion	September 2029

Discussion Summary: Staff advised that certain projects remain subject to uncertainty, particularly those involving ongoing property acquisition and well site negotiations. As a result, it is likely that staff will return to the Commission at a future date to request additional appropriations once these matters are resolved.

Regarding Project GN0162382 and GN0162383, staff noted that the schedule is currently constrained by property acquisition.

While general timelines for design and construction are understood, the inability to confirm a final site location prevents establishing a reliable project schedule at this time.

Public Comment: None

7. **Consent Decree – Proposed Minor Modification (7th Amendment) Briefing**

Action: No action is required.

Brief: HRSD requested several modifications, extension of completion deadlines for some Rehab Action Plan Phase 2 projects, to the Federal Consent Decree in August 2024. Department of Justice (DOJ), Environmental Protection Agency (EPA), and the Department of Environmental Quality (DEQ) (the "Agencies") responded with a request for additional documentation to substantiate the request. In February 2025, HRSD provided the requested backup documentation. Nearly a year later, on January 29, 2026, HRSD met with the Agencies to discuss the request in detail; the Agencies agreed to the request. Subsequently, the EPA drafted a 7th Amendment to the Consent Decree to extend the completion deadlines as summarized below.

1. CE-R1 Poplar Hall Davis Corner 24-Inch Gravity Sewer Improvements project will be extended to October 23, 2025

2. CE-R6 Birchwood Trunk 24"/30" Force Main at Independence Boulevard Replacement Phase II project will be extended to May 16, 2025

3. VIP-R10 Larchmont project will be extended to May 5, 2028

4. NP-R2 Shingle Creek and Hickman's Branch Gravity Sewer Improvements project will be extended to May 5, 2028

5. AT-R6 Dozier's Corner PS and Washington District PS Flooding Mitigation project will be extended to May 5, 2028

6. VIP-R11 Lafayette Norview-Estabrook Pump Station Replacements project will be extended to May 5, 2029

7. VIP-R6 Ferebee Avenue PS Replacement/Rehab project will be extended to July 1, 2027

8. AT-R2 South Norfolk Gravity Sewer Improvements, Phase 2 project will be extended to July 1, 2027

9. NP-R1 Western Branch Sewer System Gravity Improvements project will be extended to July 1, 2027

10. VIP-R3 Park Avenue Pump Station Replacement – Gannett Fleming project will be extended to July 1, 2027

11. VIP-R8 Ingleside Road Pump Station Replacement project will be extended to May 5, 2026

12. FCAR Table 3-10 Lucas Creek PS Gravity project will be extended to October 1, 2026

13. BH-R3 Hampton Trunk Sewer Extension Division K Gravity Sewer Improvements project will be extended to January 22, 2026

14. GN-R9 Aerial Crossing on NF-158 – Hampton Trunk I&J Phase II project will be extended to October 1, 2026

The proposed amendment has been reviewed by legal counsel, AquaLaw.

Public Comment: None

8. **New Business** – None

Public Comment: None

9. **Unfinished Business** – None

Public Comment: None

10. **Commissioner Comments** – None

Commissioner Andrews expressed appreciation to staff for the tours of the James River and Nansemond facilities, noting that the experience provided valuable insight into HRSD's operations and ongoing work.

Commissioner Glenn expressed appreciation to Dr. Bruce Husselbee for his years of service and support to the Commission. He acknowledged Bruce's patience and responsiveness in addressing questions over the years and extended well wishes for his future.

11. **Informational Items**

Action: No action required.

Brief: The items listed below were presented for information.

a. Management Reports

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

b. Strategic Measures Summary

c. Emergency Declaration – Bowers Hill Interceptor Force Main Section II (SF-136) Emergency Repair

Public Comment: None

12. Closed Meeting

Actions: Approve a motion to go into closed meeting:

1. Consultation with legal counsel and briefings by staff members or consultants pertaining to actual and probable litigation, where such consultation or briefing in open meeting would adversely affect the negotiating or litigating posture of the public body as provided for in Code of Virginia §2.2-3711(A)(7) concerning the following cases:
    a. Case No. CL24-2682, Circuit Court for the City of Virginia Beach
    b. Case No. CL23002207-00, Circuit Court for the City of Suffolk
    c. Probable litigation matter

2. Consultation with legal counsel regarding specific legal matters as provided for under in Code of Virginia §2.2-3711(A)(8) concerning the litigation matters including posture, negotiation and settlement and a current investigation.

3. For a briefing and discussion by staff and/or auditors and legal counsel on plans to protect public safety, specific threats and/or vulnerabilities as provided for in Code of Virginia §2.2-3711(A)(19) regarding a current investigation.

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

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

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

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

Moved:	Ann Templeman	**Ayes:**	8
Seconded:	Michael Glenn	**Nays:**	0

Public Comment: None

13. **Reconvened Meeting**

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

Roll Call Vote:

Ayes: 7 (Commissioner Andrews exited the meeting at a subsequent point)

Nays: 0

Action: Approved a settlement agreement between HRSD and Arzillo Investment, Inc., Case No. CL23002207, City of Suffolk, as recommended. Funding for the settlement will be authorized by the Suffolk Pump Station Project, CIP No. NP010620.

Moved:

Seconded:

Ayes: 7 (Commissioner Andrews exited the meeting at a subsequent point)

Nays: 0

Public Comment: None

Next Commission Meeting Date: April 28, 2026, at the HRSD North Shore Operations Center, 2389 G Avenue, Newport News, VA 23602

Meeting Adjourned: 12:08 p.m.

SUBMITTED:

Elizabeth I. Scott
Commission Secretary

APPROVED:

Stephen C. Rodriguez
Commission Chair

RESOLUTION
Commending the Service of Bruce Husselbee as Chief Engineer

WHEREAS, Bruce Husselbee was first employed by HRSD in 1996 as a Project Manager in the Design and Construction Division for nine years. He was promoted to Director of Engineering in the Engineering Department in July 2006. He was the second Chief Engineer for HRSD.

WHEREAS, he was responsible for the delivery of more than $4 Billion in Capital Improvement Program projects over his 20-year career as Chief Engineer. Through his honesty, integrity, and approach to professional relationships, he has established HRSD as an "Owner of Choice" within both the consulting and contracting communities.

WHEREAS, he championed a process for a qualifications-based selection process for professional consultant selections. Before this, selection was based on qualifications and price, resulting in the most qualified firm being selected less than half of the time.

WHEREAS, during his tenure, he was tasked with orchestrating a significant increase in the number of capital projects and overall cost of the capital improvement program once HRSD entered into the USEPA Consent Decree. This resulted in the reorganization of the Engineering Division and an increase in staffing. Prior to the Consent Decree, HRSD's annual CIP averaged $50 M, and the Engineering Division set the project priorities based upon the Project Managers' workload. This new reality created the need for a CIP prioritization system under the Planning and Analysis Division.

WHEREAS, he greatly expanded the type and number of annual service consultants to efficiently deliver and support HRSD's capital and operational needs. He led by example in raising public awareness of the societal value engineers bring to all communities through his volunteer work, writing, and advocacy for engineers of all disciplines.

WHEREAS, he championed collaborative delivery programs, including Design-Build and CMAR, that were used for HRSD administration buildings, treatment plants, pump stations, pressure-reducing stations, and linear interceptor projects. Several of these projects have received national recognition, and through his leadership, HRSD has become a leader in collaborative delivery within the water and wastewater industry and a resource for other agencies.

WHEREAS, he was involved with multiple local, state, and national organizations, such as the ODU's Civil and Environmental Engineering Visiting Council, Virginia Water Environment Association (VWEA), Water Environment Federation, and the Design Build Institute of America (DBIA). For many of these organizations, Bruce has held leadership roles, including Chair of VWEA's Collaborative Delivery Committee and a member of the Board of Directors for DBIA.

WHEREAS, he will be forever remembered through his saying to each new Engineering Employee, "Remember the three H's - **H**onesty and Integrity, **H**ardwork, and **H**ave fun!", now therefore be it

RESOLVED by the HRSD Commission, that it hereby commends Bruce Husselbee for his outstanding service as Chief Engineer; and be it

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

Adopted by the HRSD Commission on the twenty-fourth day of March 2026

Stephen C. Rodriguez, Chair
Chesapeake

HAMPTON ROADS SANITATION DISTRICT COMMISSION
VIRGINIA
SIC SEMPER TYRANNIS

3. Consent Agenda

Resource: Mary Corby

CONSENT AGENDA ITEM 3.b.1. – March 24, 2026

Subject: Abnormal Email Security License and Support Contract Award (>$200,000)

Recommended Action: Award a contract to CDW LLC DBA CDW Government LLC. in the amount of $75,590 for one year with two renewal options and an estimated cumulative value of $226,770.

Regulatory Requirement: None

Type of Procurement: Use of a Contract Vehicle

Contract Description: This contract provides Abnormal Email Security licenses and support for HRSD through CDW LLC DBA CDW Government LLC under the Fairfax County IT Hardware & Software cooperative contract. The three-year subscription includes 1,050 licenses of Abnormal Inbound Email Security along with bundled core account protection, AI security mailbox, and email productivity modules. The cloud-based platform uses advanced AI and behavioral analysis to detect and prevent sophisticated email threats such as business email compromise, account takeovers, vendor email compromise, and targeted phishing.

The Fairfax County competitively solicited this cooperative contract solution. As a public agency, HRSD is eligible to use the contract.

Analysis of Cost: By utilizing the cooperative contract 4400006325 through Fairfax County with CDW Government LLC, HRSD is receiving competitive pre-negotiated pricing for the Abnormal Security licenses, including a four percent discount off retail pricing.

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

Resource: Eddie Abisaab

CONSENT AGENDA ITEM 3.b.2. – March 24, 2026

Subject: Army Base Treatment Plant and Virginia Initiative Plant Fuel Tank Demolitions Contract Award (>$200,000)

Recommended Action: Award a contract to East Coast Abatement Co Inc dba East Coast Demolition Co Inc in the amount of $255,525.

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 January 6, 2026, and one bid was received on February 27, 2026, as listed below:

Bidder	Bid Amount
East Coast Abatement Co Inc dba East Coast Demolition Co Inc	$255,525

HRSD Estimate: $ 387,868

Contract Description: This contract is for the removal of one 500-gallon fuel tank and two 20,000-gallon fuel tanks at the Army Base Treatment Plant (ABTP) and the removal of one 500-gallon fuel tank and four 20,000-gallon fuel tanks at the Virginia Initiative Treatment Plant (VIP). All tanks shall be emptied of residual fuel, cleaned, and transported offsite for disposal. Demolition and removal of these tanks is necessary for the installation of the CREW Carbon System at VIP and will allow for a staging area for the assembly of the thickened waste activated sludge tank cover at ABTP to reduce odor complaints.

Analysis of Cost: Costs are determined to be fair and reasonable based on previous tank removal and demolition services provided to HRSD by East Coast Abatement Co., Inc., dba East Coast Demolition.

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

Resource: Eddie Abisaab

CONSENT AGENDA ITEM 3.b.3. – March 24, 2026

Subject: Atlantic Treatment Plant Secondary Clarifier Main Drive Replacement Contract Award (>$200,000)

Recommended Action: Award a contract to Sentry Equipment Corp. in the amount of $690,438.

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 February 6, 2026, and one bid was received on February 25, 2026, as listed below:

Bidder	Bid Amount
Sentry Equipment Corp.	$690,438

HRSD Estimate: $668,358

Contract Description: This contract is for the rebuild of three existing Envirex H80AHT main drive units and professional turnkey installation services for the secondary clarifiers at the Atlantic Treatment Plant (ATP). The work includes complete disassembly and inspection of each drive, replacement of all wear items, motor drive assembly replacement, torque control rebuild, application of a premium three-layer coating system, reassembly, testing, and labor services with two mobilizations per clarifier.

Analysis of Cost: The cost is found to be fair and reasonable compared to previous purchases with Sentry Equipment Corp. for the same services.

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

Resource: Mary Corby

CONSENT AGENDA ITEM 3.b.4. – March 24, 2026

Subject: Omnissa Horizon Universal License and Support Contract Award (>$200,000)

Recommended Action: Award a contract to CDW LLC DBA CDW Government LLC. in the amount of $78,820 for one year with four renewal options and an estimated cumulative value of $394,100.

Regulatory Requirement: None

Type of Procurement: Use of a Contract Vehicle

Contract Description: This contract provides Omnissa Horizon Universal subscription licenses and support for HRSD through CDW LLC DBA CDW Government LLC under the Fairfax County IT Hardware & Software cooperative contract. This subscription includes one core license pack with 50 concurrent users and 20 add-on license packs with 200 concurrent users of Omnissa Horizon Universal. The solution is a virtual desktop and application delivery platform that enables secure, centralized management and delivery of virtual desktops and applications to users across multiple devices while supporting modern hybrid work environments.

The Fairfax County competitively solicited this cooperative contract solution. As a public agency, HRSD is eligible to use the contract.

Analysis of Cost: By utilizing the cooperative contract 4400006325 through Fairfax County with CDW Government LLC, HRSD is receiving competitive pre-negotiated pricing for the Omnissa Horizon Universal licenses, including a four percent discount off retail pricing.

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

Resource: Mary Corby

CONSENT AGENDA ITEM 3.b.5. – March 24, 2026

Subject: Threat and Vulnerability Management (TVM) and Data Loss Prevention Services Contract Award (>$200,000)

Recommended Action: Award a contract to Protiviti Government Services, Inc. in the amount of $218,557 for one year with four renewal options and an estimated cumulative value of $1,092,785.

Regulatory Requirement: None

Type of Procurement: Use of a Contract Vehicle

Contract Description: This contract provides ongoing Threat and Vulnerability Management (TVM) services for HRSD through Protiviti Government Services, Inc. under Texas Department of Information Resources (DIR) cooperative contract. Services include continuous monthly vulnerability scanning of up to 2,500 assets and five web applications using the Tenable.io platform, prioritization of vulnerabilities, false positive analysis, monthly metrics and reporting on the organization's security posture, and up to ten touchpoints per month with HRSD staff. The engagement also includes the acquisition of the required Tenable Vulnerability Management and Web Application Scanning licenses.

HRSD may also utilize Protiviti Government Services, Inc. under this same DIR cooperative contract to provide Data Loss Prevention (DLP) related consulting and implementation services, including support for Microsoft Purview Data Loss Prevention capabilities and integration.

Texas DIR competitively solicited this cooperative contract solution. As a public agency, HRSD is eligible to use the contract awarded to Protiviti Government Services, Inc.

Analysis of Cost: By utilizing the cooperative contract DIR-CPO-6052 through the Texas Department of Information Resources, HRSD is receiving competitive pre-negotiated pricing for the managed vulnerability services and associated Tenable software licenses.

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

Resource: Eddie Abisaab

CONSENT AGENDA ITEM 3.b.6. – March 24, 2026

Subject: Virginia Initiative Treatment Plant Band Screen Replacement Parts and Field Service Contract Award (>$200,000)

Recommended Action: Award a contract to Ovivo USA LLC in the amount of $297,158.

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 February 5, 2026, and one bid was received on February 19, 2026, as listed below:

Bidder	Bid Amount
Ovivo USA LLC	$297,158

HRSD Estimate: $297,158

Contract Description: This contract is for the purchase of band screen parts and field service for the Virginia Initiative Treatment Plant (VIP). The band screen system is used in the primary screening process to prevent overflows and surges in the plant flow. The band screen parts will be used to repair the system, and the field service will consist of an Ovivo representative traveling onsite to provide installation startup assistance.

Analysis of Cost: The cost is found to be fair and reasonable compared to previous purchases from Ovivo and direct negotiation efforts.

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

Resource: Mary Corby

CONSENT AGENDA ITEM 3.b.7. – March 24, 2026

Subject: VMware Cloud Foundation License and Support Contract Award (>$200,000)

Recommended Action: Award a contract to CDW LLC DBA CDW Government LLC in the amount of $246,480 with two renewal options and an estimated cumulative value of $739,440.

Regulatory Requirement: None

Type of Procurement: Use of a Contract Vehicle

Contract Description: This contract provides VMware Cloud Foundation subscription licenses for HRSD through CDW LLC DBA CDW Government LLC under the OMNIA Mesa cooperative contract. The three-year subscription includes 624 licenses per year of VMware Cloud Foundation. This integrated hybrid cloud platform delivers a complete software-defined data center solution with compute, storage, networking, security, and cloud management services, enabling consistent virtualization, private cloud operations, workload mobility, and modern application deployment across on-premises and cloud environments.

The OMNIA Mesa competitively solicited this cooperative contract solution. As a public agency, HRSD is eligible to use the contract.

Analysis of Cost: By utilizing the cooperative contract 2024056-01 through OMNIA Mesa with CDW Government LLC, HRSD is receiving competitive pre-negotiated pricing for the VMware Cloud Foundation licenses.

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

Resource: Eddie Abisaab

CONSENT AGENDA ITEM 3.c.1. – March 24, 2026

Subject: Treatment Plant Grease Handling Facilities
Task Order (>$200,000)

Recommended Action: Approve a task order with Hazen and Sawyer in the amount of $308,068.

Regulatory Requirement: None

Task Order Description: The existing boilers for the Grease Facility at the Nansemond Treatment Plant (NTP) have proven to be burdensome on plant staff and expensive to operate. A Technical Memorandum (TM) was completed by Hazen and Sawyer to consider several alternatives to the existing operation at the facility, and concluded that a new hot water loop system has the lowest five- and 10-year life cycle cost and provides a safer working environment than the other considered alternatives. This task order will provide engineering services for the design of the new system, as well as all project management, meetings, construction inspection, startup, and closeout activities that are associated with construction. Once the design is complete, a change order will be negotiated with MEB for the construction of the new system.

Analysis of Cost and Funding Description: The cost of the additional appropriation request is based on negotiated rates from Hazen and Sawyer's existing General Engineering Services contract with HRSD.

Schedule:	Design	April 2026
	Construction	April 2027

Resource: Jeff Scarano

CONSENT AGENDA ITEM 3.d.1. – March 24, 2026

Subject: West Point Treatment Plant Final Effluent Pump Station Improvements Additional Appropriation – Regulatory (<$10,000,000), Contract Award (>$200,000) and Task Order (>$200,000)

Recommended Actions:

a. Appropriate additional funding in the amount of $2,557,893.

b. Award a contract to Shaw Construction Corporation in the amount of $2,140,000.

c. Approve a task order with HDR in the amount of $366,361.

CIP Project: MP015600

Regulatory Requirement: West Point Consent Order

	Project Cost & Appropriation Summary	CIP Project Summary
Capital Improvement Program Estimate (July 1, 2025)		$3,439,024
Funds Appropriated to Date (original appropriation date: August 23, 2021)	$764,350	
Expenditures and Encumbrances Already Incurred	($555,882)	
Available Balance	$208,468	
Proposed Contract to Contractor	$2,140,000	
Proposed Task Order to Engineer	$366,361	
Proposed Contingency	$260,000	
Revised Total Remaining Project Costs	$2,766,361	
Expenditures and Encumbrances Already Incurred	$555,882	
New Project Cost Estimate	$3,322,243	$3,322,243
Additional Appropriation Needed	$2,557,893	
Favorable (Unfavorable) Variance to CIP		$116,781

Contract Status with Task Orders:	Amount
Original Contract with Engineer	$0
Total Value of Previous Task Orders	$552,024
Requested Task Order	$366,361
Total Value of All Task Orders	$918,385
Revised Contract Value	$918,385

Type of Procurement: Competitive Bid

In accordance with HRSD's competitive sealed bidding procedures, the Engineering Division advertised and solicited bids directly from potential bidders. The project was advertised on January 8, 2026, and three bids were received on February 24, 2026, as listed below:

Bidder	Bid Amount
Shaw Construction Corporation	$2,140,000
Morgan Contracting Inc.	$2,375,000
WM Schlosser Company Inc.	$3,050,000

HRSD/Engineer Estimate: $3,109,000

The design engineer, HDR, evaluated the bids based upon the requirements in the invitation for bid and recommends award to the lowest responsive and responsible bidder Shaw Construction Corporation in the amount of $2,140,000.

Project Description: This project consists of the replacement of the existing West Point Treatment Plant (WPTP) Effluent Pump Station to include improvements to the pumping system and controls, discharge monitoring and access. The project will replace pump rail systems; rehabilitate and replace internal components of valve vault and emergency pump connection; install metering vault and associated components; upgrade alarms, pump controls and power panel and associated utility rack; and provide access to the station to drive up bypass pumps and equipment as necessary. This project has been designed and will be constructed in conjunction with WPTP Secondary Clarifier Improvements (MP015700).

Project Justification: The station suffered significant failure of both the mechanical and electrical systems in calendar year 2020. Emergency work was undertaken to make temporary repairs; however, permanent repairs and improvements are still required to this critical piece of infrastructure to ensure the continued reliability of the treatment plant process.

Contract Description: This contract is for the construction of the new WPTP Effluent Pump Station and related equipment and site work.

Analysis of Cost: The cost is based on the low bid offer from Shaw Construction. HDR evaluated the bids and determined that Shaw was found to be responsive and responsible based on their conversations and submitted documentation. Their combined bid price from the two CIPs was lower than HDR's cost estimate by more than 10%. Based on discussions, this was determined to be due to the proximity of Shaw Construction to the site, Shaw's familiarity with the site and HRSD, and Shaw's related experience.

Task Order Description: This task order will provide construction administration, construction inspection, and closeout services from our General Engineering Services contract with HDR.

Analysis of Cost: The engineering fees were compared to several other projects of similar size. HDR's cost compared to the construction cost was found to be within the reasonable range for a project of this size. Additionally, the wage rates have been predetermined by the General Engineering Services contract we hold with HDR, and therefore should be considered reasonable. One item to note, the engineering services rate compared to the construction cost is significantly higher for this CIP than for MP015700. This is mainly due to two items.

First, this project design also included the design of MP015610, the WPTP generator project, which is currently under construction. Second, the bid price from Shaw for these CIPs was cut down the middle, when in actuality, the work when split between the two CIPs is not entirely equal. The engineer took this into account and is using more engineering services for MP015600 (this CIP) as there is more work expected, and therefore, more support is required for this effort.

Schedule:	Construction	April 2026
	Project Completion	April 2028

Resource: Jeff Scarano

CONSENT AGENDA ITEM 3.d.2. – March 24, 2026

Subject: West Point Treatment Plant Secondary Clarifier Improvements
Additional Appropriation – Regulatory (<$10,000,000), Contract Award (>$200,000) and Task Order (>$200,000)

Recommended Actions:

a. Appropriate additional funding in the amount of $2,193,033.

b. Award a contract to Shaw Construction Corporation in the amount of $2,140,000.

c. Approve a task order with HDR in the amount of $243,072.

CIP Project: MP015700

Regulatory Requirement: Consent Order

	Project Cost & Appropriation Summary	CIP Project Summary
Capital Improvement Program Estimate (July 1, 2025)		$3,196,860
Funds Appropriated to Date (original appropriation date: August 23, 2021)	$739,900	
Expenditures and Encumbrances Already Incurred	($309,861)	
Available Balance	$430,039	
Proposed Task Order to Contractor	$2,140,000	
Proposed Task Order to Engineer	$243,072	
Proposed Contingency	$240,000	
Revised Total Remaining Project Costs	$2,623,072	
Expenditures and Encumbrances Already Incurred	$309,861	
New Project Cost Estimate	$2,932,933	$2,932,933
Additional Appropriation Needed	$2,193,033	
Favorable (Unfavorable) Variance to CIP		$263,927

Contract Status with Task Orders:	Amount
Original Contract with Engineer	$0
Total Value of Previous Task Orders	$309,860
Requested Task Order	$243,072
Total Value of All Task Orders	$552,932
Revised Contract Value	$552,932
Engineering Services as % of Construction	25.8%

Type of Procurement: Competitive Bid

In accordance with HRSD's competitive sealed bidding procedures, the Engineering Division advertised and solicited bids directly from potential bidders. The project was advertised on January 8, 2026, and three bids were received on February 24, 2026, as listed below:

Bidder	Bid Amount
Shaw Construction Corporation	$2,140,000
Morgan Contracting Inc.	$2,549,000
WM Schlosser Company Inc.	$2,716,000

HRSD/Engineer Estimate: $1,954,000

The design engineer, HDR, evaluated the bids based upon the requirements in the invitation for bid and recommends award to the lowest responsive and responsible bidder, Shaw Construction Corporation in the amount of $2,140,000.

Project Description: This project consists of the rehabilitation of the existing Secondary Clarifier System at the West Point Treatment Plant (WPTP) to include improvements to the waste pumping system and controls; raising the wall height on secondary clarifier #2; replacement of waste valving on both clarifiers; complete replacement of internal components; site improvements and rehabilitation of effluent weirs and skimmer wasting wells. This project has been designed and will be constructed in conjunction with WPTP Final Effluent Pump Station Improvements (MP015600).

Project Justification: The Secondary Clarifier system of WPTP has seen significant degradation since its original installation in the 1950s and 1970s. Small-scale improvement projects have been completed over the lifespan of the system to upgrade and repair various components. Conditional assessment of the system has shown that several portions of the clarifiers are in need of repair or replacement in order to continue to treat wastewater effectively and reliably in accordance with the regulated permit. Additionally, the hydraulic profile of the plant flow creates a restriction on secondary clarifier #2, resulting in premature diversion to the plant holding pond. Raising the clarifier wall will allow increased treatment capacity through the clarifier while drastically reducing the risk of an overflow.

Contract Description: This contract is for the construction of the new WPTP Secondary Clarifier Improvements project and related equipment and site work.

Analysis of Cost: The cost is based on the low bid offer from Shaw Construction. HDR evaluated the bids and determined that Shaw was found to be responsive and responsible based on their conversations and submitted documentation. Their combined bid price from the two CIPs was lower than HDR's cost estimate by more than 10%. Based on discussions, this was determined to be due to the proximity of Shaw Construction to the site, Shaw's familiarity with the site and HRSD, and Shaw's related experience.

Task Order Description: This task order will provide construction administration, construction inspection, and closeout services from our General Engineering Services contract with HDR.

Analysis of Cost: The engineering fees were compared to several other projects of similar size. HDR's cost compared to the construction cost was found to be within the reasonable range for a project of this size. Additionally, the wage rates have been predetermined by the General Engineering Services contract we hold with HDR, and therefore should be considered reasonable.

Schedule:		
	Construction	April 2026
	Project Completion	April 2028

4. Extendable Commercial Paper Program
   Briefing

Commercial Paper Program Commission Meeting

March 24, 2026

HRSD

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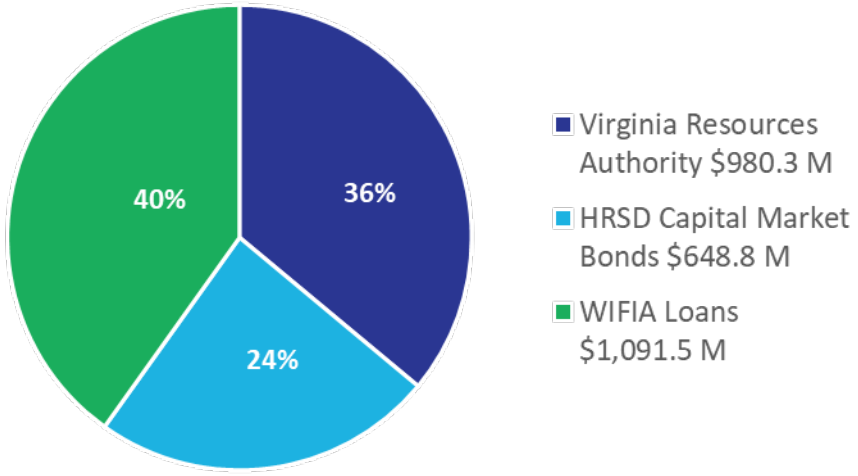
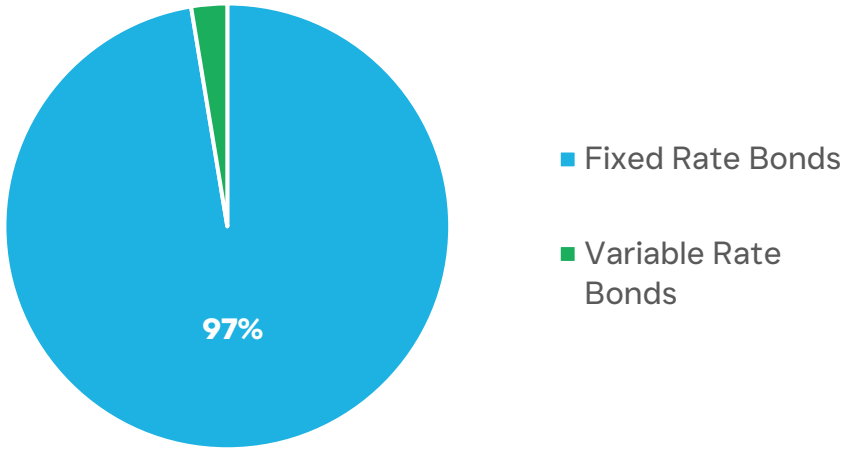
Debt Summary

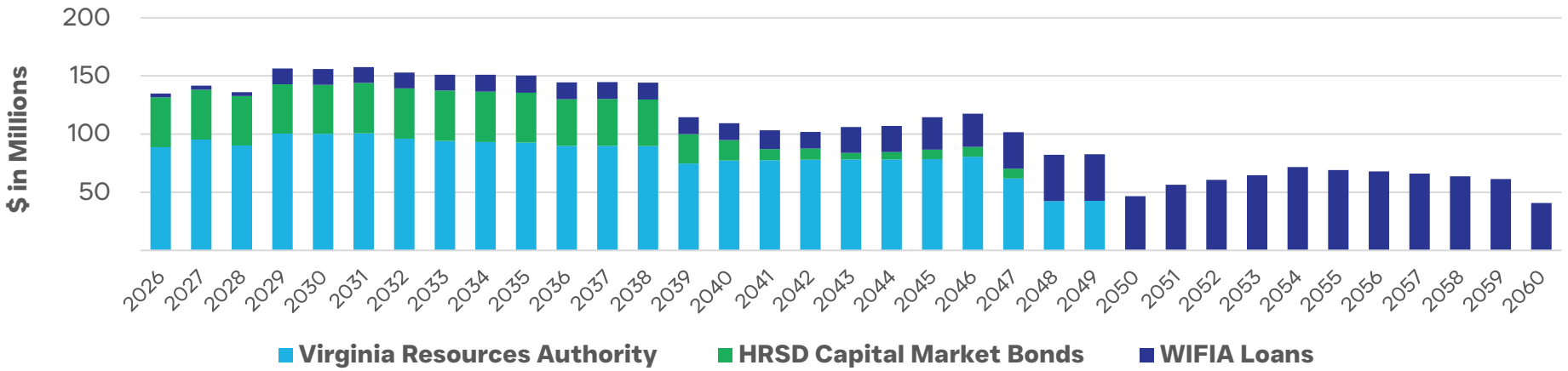
Debt Outstanding Breakdown by Type[1]



Debt Outstanding by Rate Structure[1]



Annual Debt Service by Type[1]



1) Outstanding as of June 30, 2025. Excludes the Line of Credit, which had $92.5M outstanding as of June 30, 2025, which is indexed variable rate debt.

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Line of Credit Summary

- HRSD maintains a line of credit for short-term liquidity needs
- Initially established in 2015 with a maximum authorization of $90M; adjusted to $300M
- Serves as interim capital funding while awaiting WQIF grant proceeds
- Serves as a back-up in the event of
  - federal government shutdown
  - inability to draw on WIFIA loans
- Expires June 30, 2026
- Staff recommends transitioning to a Commercial Paper program

Overview of Existing Line of Credit	
Loan Provider	Bank of America, N.A.
Tax Status	Tax-Exempt or Taxable
Maximum Commitment Amount	$300,000,000
Expiration Date	6/30/2026
Applicable Interest Rate (Tax-Exempt)	80% of SOFR + 0.41%
Applicable Interest Rate (Taxable)	100% of SOFR + 0.52%
Optional Prepayment	At option of the District with 10-day notice

The Secured Overnight Financing Rate (SOFR) is a benchmark interest rate for measuring the cost of borrowing cash overnight, collateralized by U.S. Treasury securities.

Commercial Paper Overview

- Commercial Paper ("CP") is a flexible, short-term financing mechanism with low interest rates
  - Funds can be drawn, as needed (typical minimum draw of $10M)
  - Each draw (aka CP issuance) has a maturity date of up to 270 days; draws are commonly rolled over (or extended) at maturity
  - A CP Dealer sets the interest rate based on market conditions and the term of the CP issuance/roll; historically
  - Often wrapped with a bank facility for credit and/or liquidity support
  - Major investors are money market funds

Commercial Paper Benefits and Considerations

Benefits:

- Short-term interest rates are generally lower than the interest rates on long-term debt and LOC
- Flexible to fund a variety of needs, such as:
  - Interim funding while awaiting WQIF bonds;
  - Fund project costs until large enough to warrant a long-term bond issuance, reducing carrying costs
- Structuring flexibility based on market conditions at any given time and/or specific timing requirements of the borrower
- Prepayable at each maturity and roll with no prepayment penalty

Risks/Considerations:

- Interest rate risk, could result in higher interest costs if short-term rates rise
- Investor demand for maturity term can vary based on market conditions, which could result in higher interest costs or possibly, the inability to find an investor
- If CP is backed by a third-party bank facility, there is risk that the bank is unable to fulfill its obligations and/or the bank facility costs could increase over time
- Higher upfront set-up costs than lines of credit

Extendible Commercial Paper ("ECP") Overview

- ECP is a type of CP without the need for a bank facility to provide credit/liquidity support
- ECP is issued with an original maturity of up to 90 days, with the option to extend to 270 days in the (unlikely) event that CP cannot be repaid or rolled on its original maturity date

- On the Original Maturity Date, one of the following would occur:
  - **Payoff** Maturing ECP is repaid with cash or proceeds from a long-term financing
  - **Roll** New ECP issued on the same day; New issuance has a new Original Maturity Date of up to 90 days and an Extended Maturity Date of up to 270 days from the most recent issue date.
  - **Extend** No buyers (i.e., failed remarketing), the existing investors hold the ECP at a predetermined, penalty interest rate. ECP bears the reset rate until the Extended Maturity Date or any earlier redemption date.

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ECP Benefits and Considerations

Benefits:

- No need for a bank to provide credit/liquidity support
  - Reduces costs associated with bank facilities
  - Eliminates risk exposure to the facility provider

J.P. MORGAN LED EXTENDIBLE COMMERCIAL PAPER PROGRAMS

Fort Bend County $250.00 million Extendable Commercial Paper	Tarrant Regional Water System $400.00 million Extendable Commercial Paper	Tarrant Regional Water District $250.00 million Extendable Commercial Paper	Trinity Water Authority (Mountain Creek System) $250.00 million Extendable Commercial Paper	Trinity Water Authority (Red Oak System) $250.00 million Extendable Commercial Paper	Trinity Water Authority (Ten Mile System) $250.00 million Extendable Commercial Paper	Trinity Water Authority (Denton Creek System) $400.00 million Extendable Commercial Paper	Dallas Fort Worth International Airport $600.00 million Extendable Commercial Paper
North Texas Municipal Water District $400.00 million Extendable Commercial Paper	North Texas Municipal Water District $700.00 million Extendable Commercial Paper	North Texas Municipal Water District $150.00 million Extendable Commercial Paper	City of Denton Utility System $300.00 million Extendable Commercial Paper	City of Denton $100.00 million Extendable Commercial Paper	East Bay Municipal Utility District $60.00 million Extendable Commercial Paper	The University of Michigan $300.00 million Extendable Commercial Paper (Taxable)	The University of Michigan $300.00 million Extendable Commercial Paper (Tax-Exempt)

Risks/Considerations:

- In the (unlikely) event that ECP cannot be repaid or rolled on its original maturity date, interest cost is based on a higher, penalty rate until the ECP is redeemed
  - As a highly rated issuer, HRSD maintains strong access to the capital markets
  - Would request the Commission to pre-approve required documentation to redeeming any extended ECP, if needed

Smaller investor base than “traditional CP”

- Buyer base has more than doubled last 5 years to at least 15 buyers to include both money market and bond funds

Comparison of Short-Term, Revolving Financing Options

	Revolving Line of Credit	Commercial Paper	Extendible Commercial Paper
Size Flexibility	Yes	Yes	Yes
Renewal Risk	Bank	Liquidity Facility	None
Interest Rate Risk	Yes	Yes	Yes
Maturity	Typically, up to 5 years	Up to 270 days	Up to 270 days[1]
Optional Redemption	At each maturity; no penalty	At each maturity; no penalty	At each maturity; no penalty
Estimated Set-Up Costs (new program)	$70k	$420k	$420k
Estimated Annual Fees ($300M Facility)[2]	$250k	$893k	$143k
Estimated 1-Month Tax-Exempt Rate as of March 12, 2026	3.32%	2.43%	2.53%
Estimated 5-Year Average Interest Rate	3.10%	2.18%	2.28%
Estimated Annual Interest Cost including all fees[2]	$4.80M	$4.16M	$3.56M

1) Initial placement is typically up to 90 days, with an extension to 270 days if the ECP cannot be repaid or rolled.
2) Estimated based on $150M in outstanding principal amount for one year with a $350M max. Estimate assumes a tax-exempt, 1-month maturity. Interest rates based on 5-year historical average of rates. Assumes 10 basis point undrawn fee on the line of credit; 25 basis points for liquidity facility.

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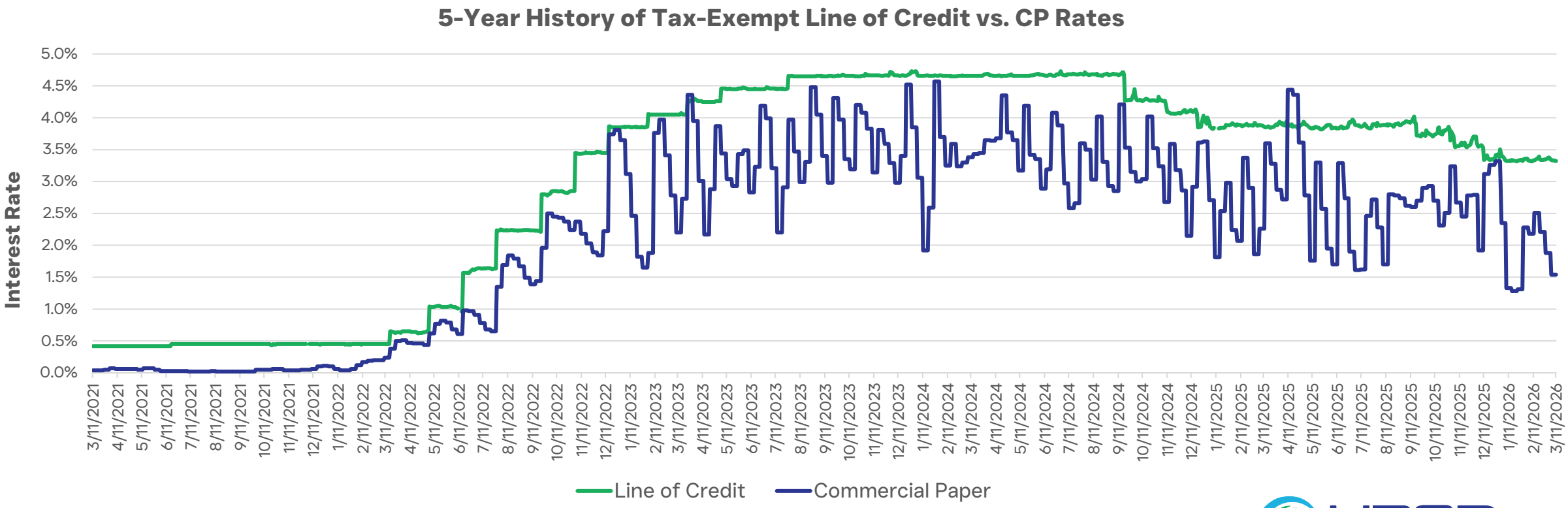
Line of Credit vs. CP Interest Rate Comparison

Description	Minimum	Maximum	Average	As of 3/12/2026
Line of Credit[1]	0.42%	4.73%	3.10%	3.32%
Commercial Paper[2]	0.02%	4.57%	2.18%	2.43%



1) Line of Credit rate assumes a 1-month draw; based on terms of the current line of credit.
2) Commercial Paper Rate estimates assumes a 1-month maturity; based on Bloomberg's Short-Term Muni Bond Index.

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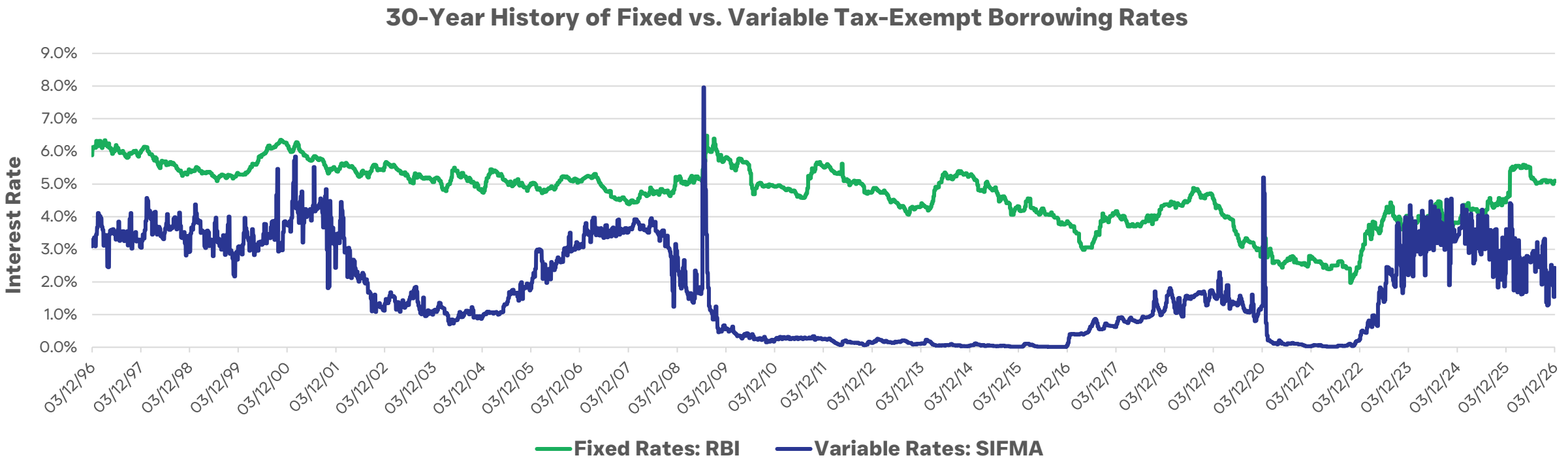
Recommendations & Next Steps

- Briefing Regarding Preliminary Financing Plan (March)
- Staff Prepares Key Documents (Mar –May)
- Ratings Meeting (May)
- Authorize Key Documents Establishing CP program (May)
- Receive Credit Ratings (June)
- CP Closing (June 30)
- Line of Credit Expires (June 30)

Questions?

Variable vs. Fixed Rate History

Description	Minimum	Maximum	Average	As of 3/12/2026
Revenue Bond Index (RBI)[1]	1.97%	6.48%	4.71%	5.10%
Securities Industry Financial Markets Association (SIFMA) Index[2]	0.01%	7.96%	1.73%	2.43%



1) The RBI estimates the yield on revenue bonds maturing in 30 years, consisting of 25 revenue bonds with a rating of A or better.
2) The SIFMA Index is a 7-day high grade market index comprised of tax-exempt variable rate demand obligations. It is the most common measure of short-term tax-exempt rates.

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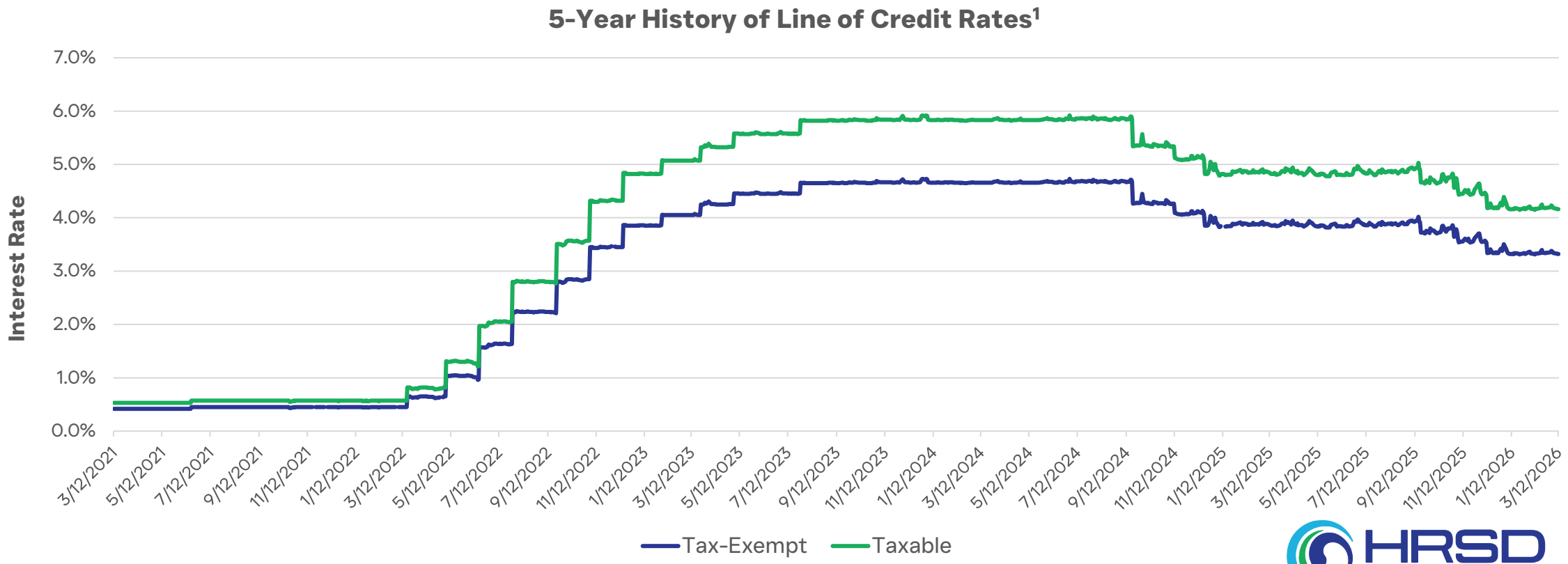
Line of Credit Interest Rate History

Description	Minimum	Maximum	Average	As of 3/12/2026
Tax-Exempt Rate	0.42%	4.73%	3.10%	3.32%
Taxable Rate	0.53%	5.93%	3.86%	4.16%



1) Assumes a 1-month draw; based on terms of the current line of credit.

CP Key Documentation

Key documentation required:

- Authorizing Resolution
- Offering Memorandum
  - If CP is secured by a letter of credit, disclosure would focus on the letter of credit agreement and the paying agency agreement & may not include HRSD's typical disclosure
  - If ECP is used, HRSD's typical disclosure would be included
- Dealer Agreement
- Supplemental Trust
- Trustee and Paying Agent Agreement
- Rating Agency letter(s)
- Tax Certificate
- Customary legal opinions, Blue Sky Memo, etc.
- CP Master Note
- Ongoing disclosure: HRSD's typical disclosure; if using third-party liquidity, would be obligated to report ratings changes on the third-party

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Summary of Select ECP Programs

Issuer	State	ECP Max Par $ in Millions	Additional CP?	Authorized to Add Liquidity Facility to ECP, if Necessary?
University of North Texas	TX	75	Yes	
DC Water	DC	100	Yes	
North Texas Water District	TX	150	No	Yes
Virginia College Building Authority	VA	150	No	
CPS Energy	TX	150	Yes	
New York Municipal Water Finance Authority	NY	200	Yes	
New York Power Authority	NY	200	Yes	
City of Milwaukee	WI	200	Yes	
Trinity River Authority	TX	250	No	
City of El Paso Drainage System	TX	300	Yes	
University of Michigan	MI	300	No	Yes
City of Denton	TX	300	No	Yes
Metropolitan Government of Nashville and Davidson County	TN	300	Yes	
City of Nashville Water & Sewer	TN	300	Yes	
City of Houston Combined Utility System	TX	325	Yes	
City of Nashville General Obligation	TN	325	Yes	
Texas State University System	TX	350	No	
North Texas Water District	TX	400	No	Yes
Port Houston	TX	450	Yes	
Dallas ISD	TX	500	Yes	
North Texas Water District	TX	700	No	Yes
State of Wisconsin	WI	950	Yes	

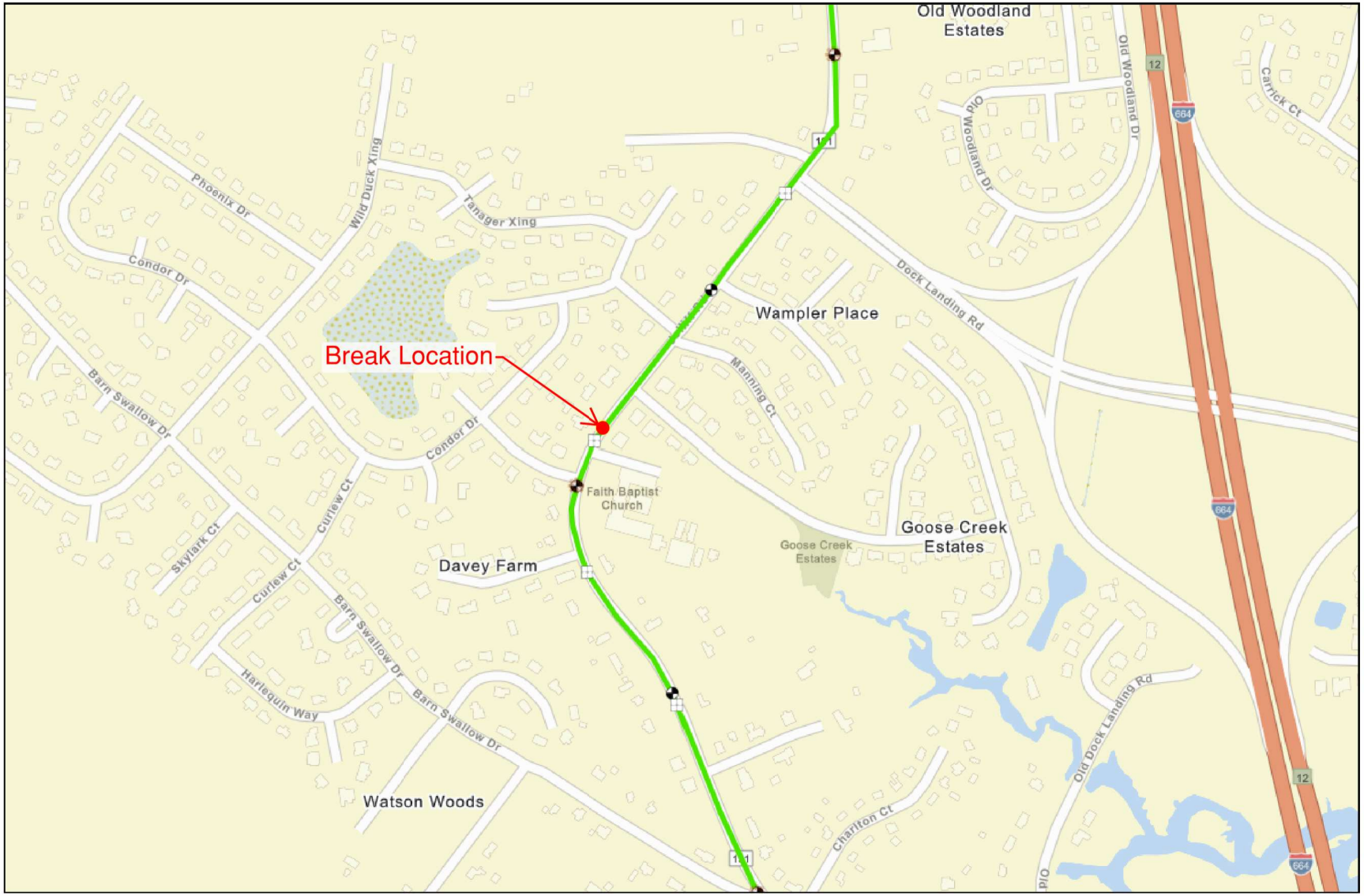
While Not as Large as the Traditional CP Market, the ECP Market is Robust and Expanding

- ***While the true size of the ECP Market is not definitive, as Dealers are not required to report CP, based on estimates from the largest Issuance and Paying agents, current extendible programs are authorized to issue up to $10.2 billion, with $497.3 billion outstanding par***
- The majority of investor demand has been observed in the 60-120-day maturity context, as some investors are trying to extend duration with the potential for multiple Fed cuts in the near-term and 30-day maturities have become more concentrated
- As the market continues to expand so has the buyer base. We now estimate that ***there are at least 15 buyers approved for ECP, which includes both Money Market Funds and Bonds Funds - the buyer base in total has more than doubled in the past 5 years***
- ***Currently, J.P. Morgan serves as a dealer for 16 Extendible CP programs totaling roughly $5.0 billion in authorized par amount***
- Several issuers have created ECP programs, in addition to traditional CP programs, to provide product diversity and manage draws between the two programs

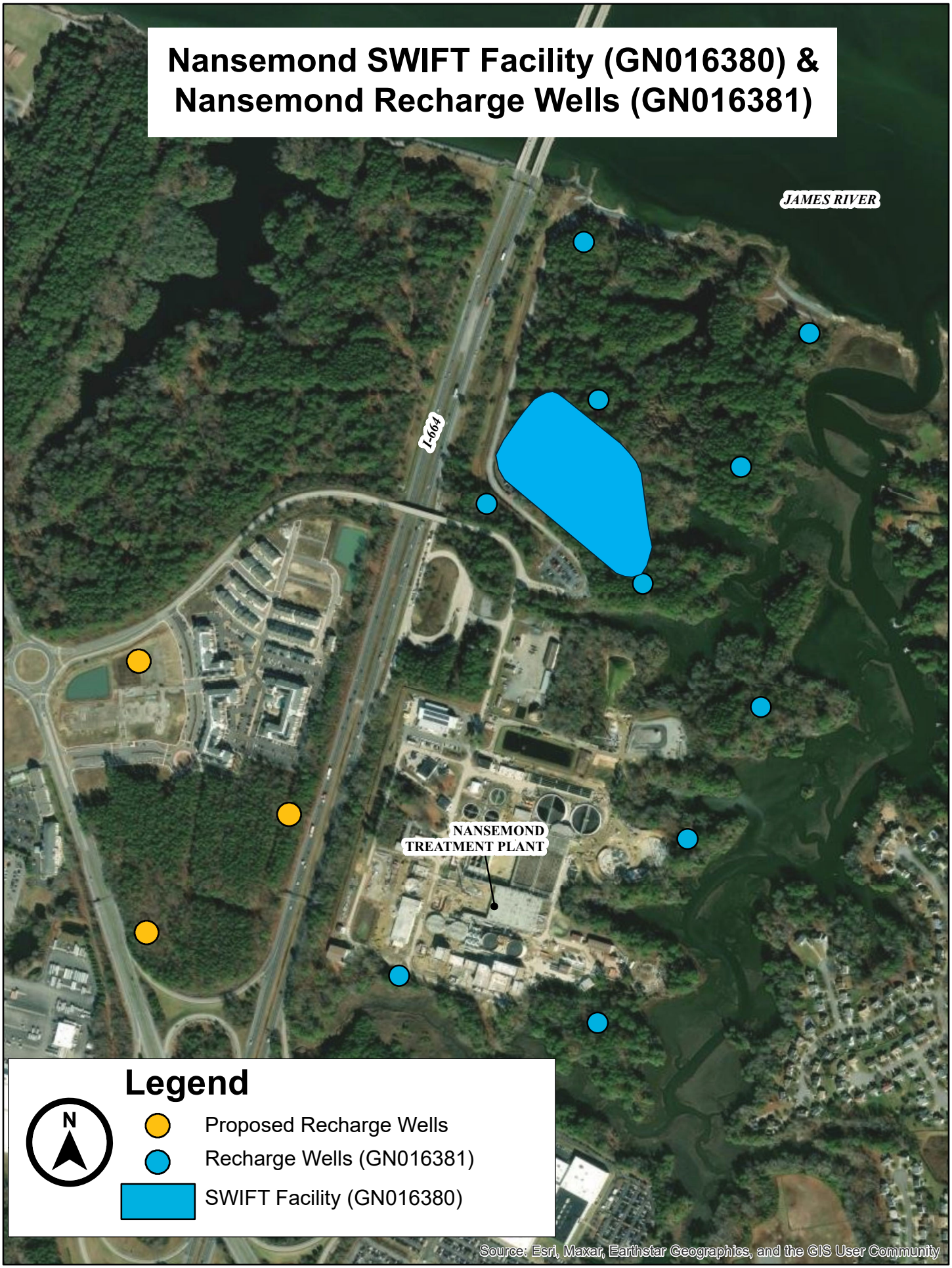
J.P. MORGAN LED EXTENDIBLE COMMERCIAL PAPER PROGRAMS

Fort Bend County **$250.00 million** Extendable Commercial Paper	**Tarrant Regional Water System** **$400.00 million** Extendable Commercial Paper	**Tarrant Regional Water District** **$250.00 million** Extendable Commercial Paper	**Trinity Water Authority (Mountain Creek System)** **$250.00 million** Extendable Commercial Paper	**Trinity Water Authority (Red Oak System)** **$250.00 million** Extendable Commercial Paper	**Trinity Water Authority (Ten Mile System)** **$250.00 million** Extendable Commercial Paper	**Trinity Water Authority (Denton Creek System)** **$400.00 million** Extendable Commercial Paper	**Dallas Fort Worth International Airport** **$600.00 million** Extendable Commercial Paper
North Texas Municipal Water District **$400.00 million** Extendable Commercial Paper	**North Texas Municipal Water District** **$700.00 million** Extendable Commercial Paper	**North Texas Municipal Water District** **$150.00 million** Extendable Commercial Paper	**City of Denton Utility System** **$300.00 million** Extendable Commercial Paper	**City of Denton** **$100.00 million** Extendable Commercial Paper	**East Bay Municipal Utility District** **$60.00 million** Extendable Commercial Paper	**The University of Michigan** **$300.00 million** Extendable Commercial Paper (Taxable)	**The University of Michigan** **$300.00 million** Extendable Commercial Paper (Tax-Exempt)

5. Bowers Hill Interceptor Force Main Section (SF-136) Emergency Repair
New CIP and Initial Appropriation – Non- Regulatory


Old Woodland Estates
Old Woodland Dr
Carrick Ct
Phoenix Dr
Wild Duck Xing
Tanager Xing
Condor Dr
Dock Landing Rd
Wampler Place
Break Location
Barn Swallow Dr
Manning Ct
Condor Dr
Faith Baptist Church
Curlew Ct
Skylark Ct
Goose Creek Estates
Goose Creek Estates
Davey Farm
Harlequin Way
Barn Swallow Dr
Old Dock Landing Rd
Watson Woods
Charlton Ct
12
664
111

6. Nansemond SWIFT Facility, Nansemond Recharge Wells (On Site), Nansemond Recharge Wells (Off-Site), and Nansemond Recharge Well Integration
Additional Appropriation – Regulatory Required (>$10,000,000), Reduction in Scope and Appropriation >25%


Nansemond SWIFT Facility (GN016380) &
Nansemond Recharge Wells (GN016381)
JAMES RIVER
I-664
NANSEMOND
TREATMENT PLANT
Legend
N
Proposed Recharge Wells
Recharge Wells (GN016381)
SWIFT Facility (GN016380)
Source: Esri, Maxar, Earthstar Geographics, and the GIS User Community

Nansemond SWIFT and Recharge Wells

Additional & Reduced Appropriation

GN016380 GN016381 GN016382 GN016383

March 24, 2026

HRSD Sustainable, Innovative Wastewater Treatment | swift Powered By HRSD

Key Takeaways

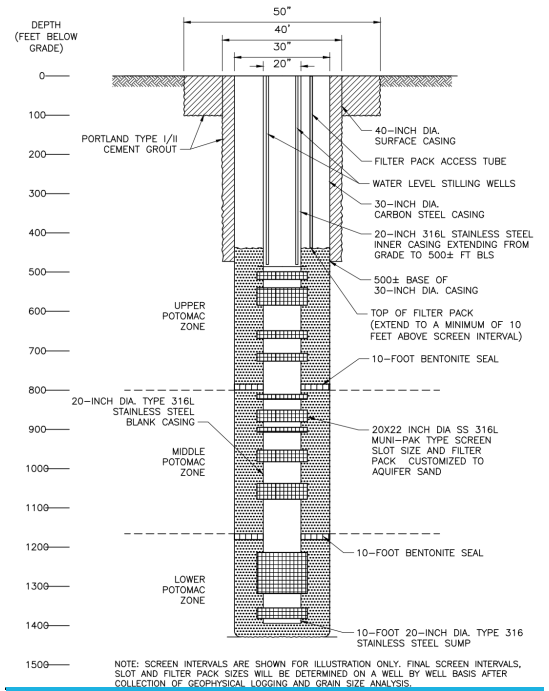
- Approval of additional appropriation and reduction of scope/funding
  - “move” scope and funding
  - allow staff to issue change orders
  - leverage design build contract
  - take advantage of competitive pricing
  - manage delivery and construction risk

4 active CIP projects related to Nansemond SWIFT and Recharge Wells

Design Build

GN016380
Nansemond SWIFT Facility

GN016381
Nansemond Recharge Wells (On Site)



GN016382
Nansemond Recharge Wells (Off Site)

GN016383
Nansemond Recharge Well Integration

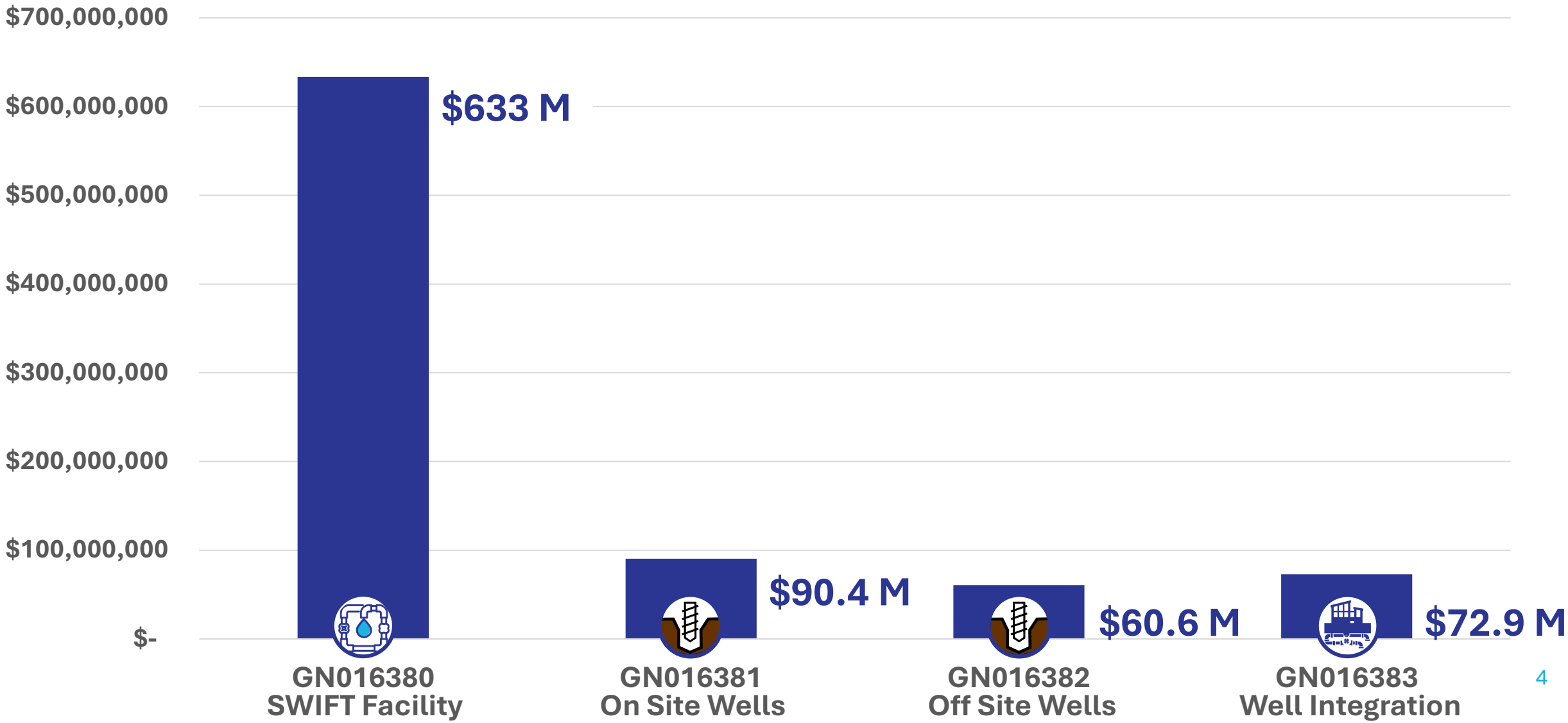
Construction

Construction

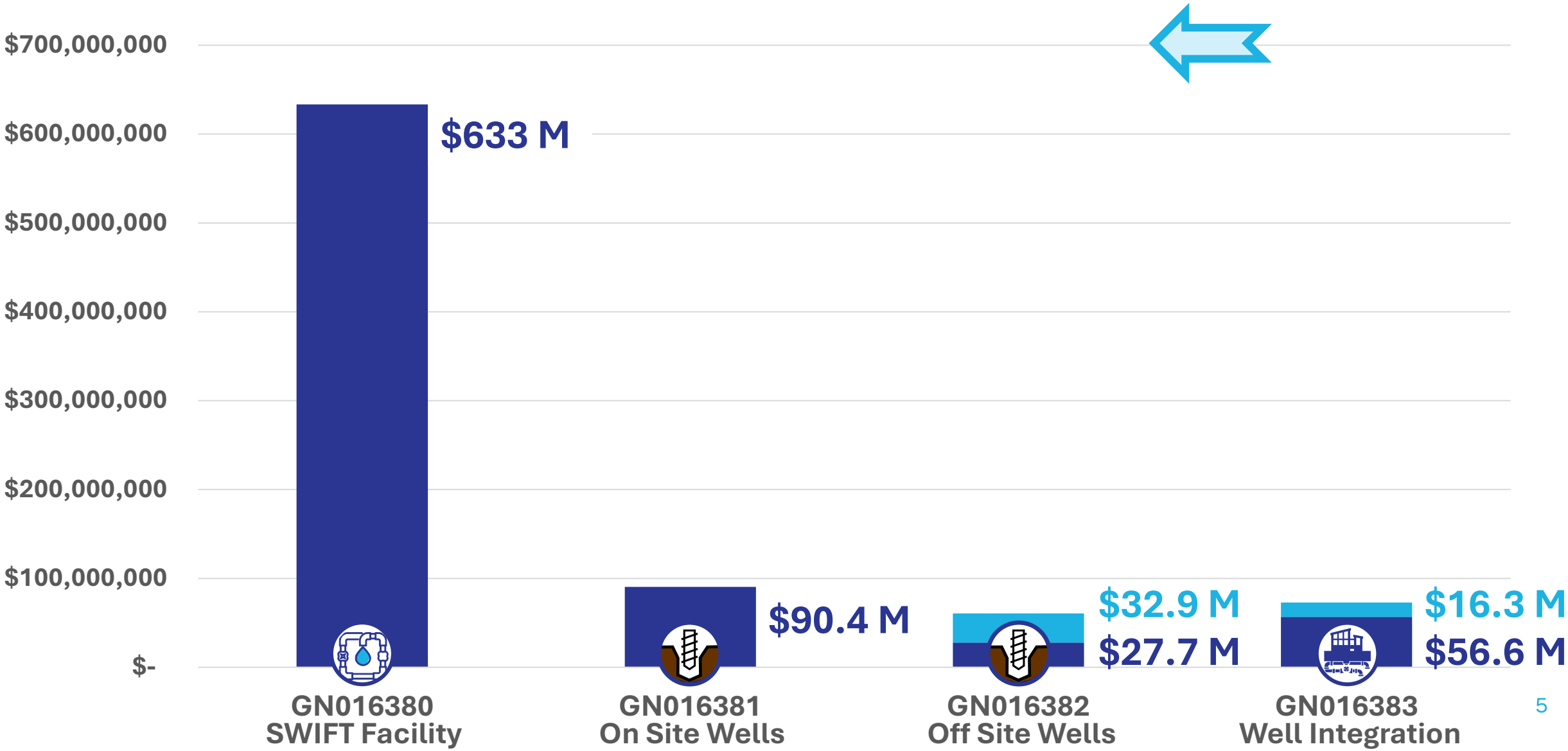
PER

PER

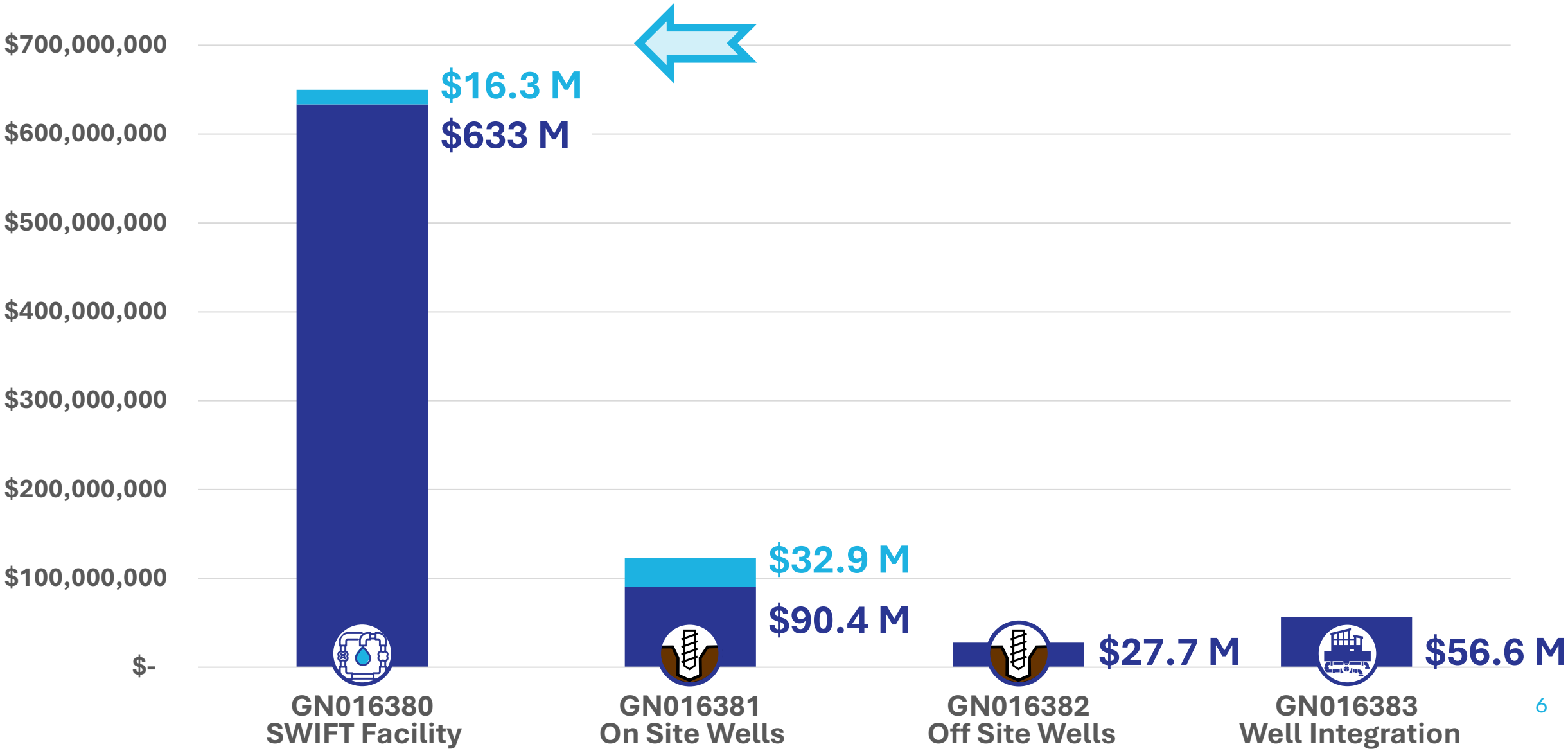
Total Appropriation $857 M – 4 projects



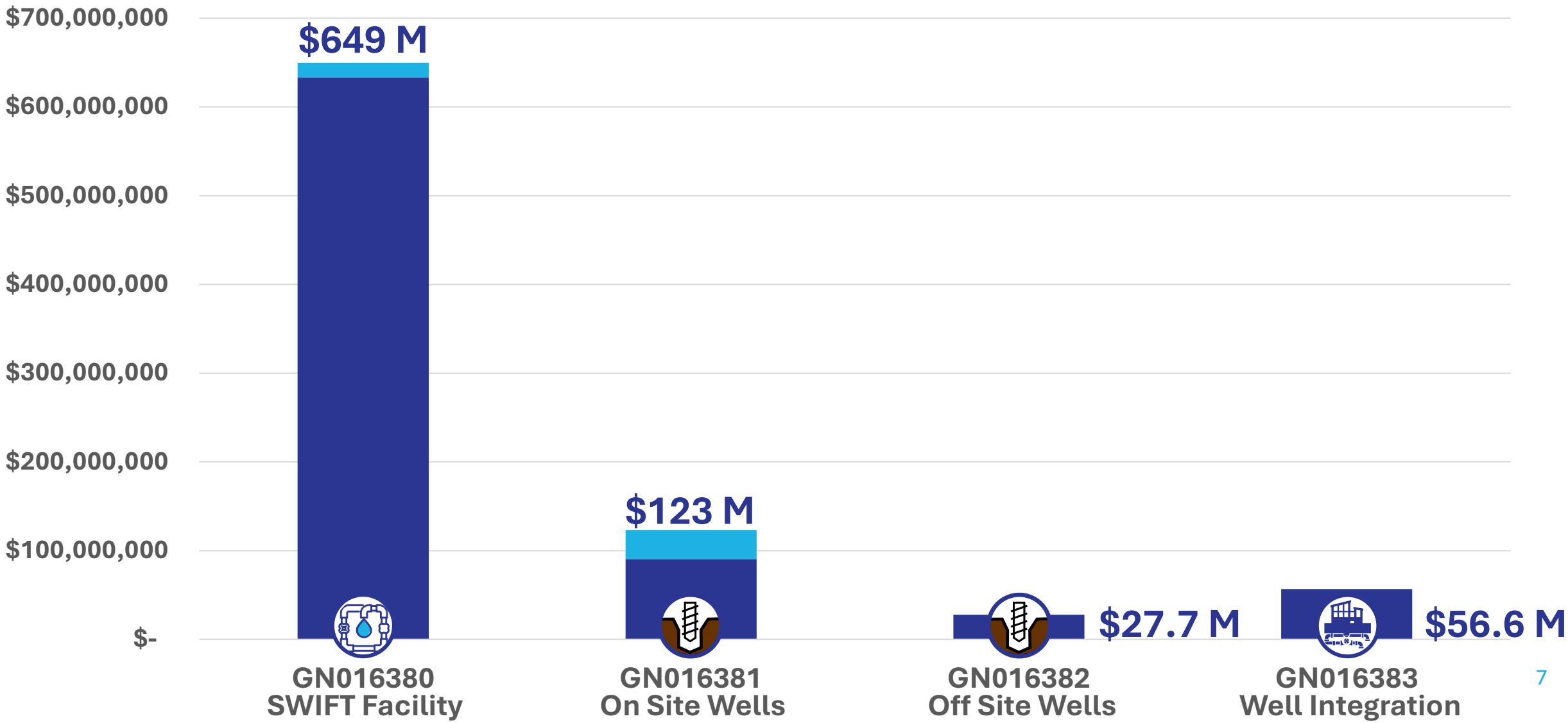
Total Appropriation $857 M – 4 projects
Reduce appropriation by $49.3M



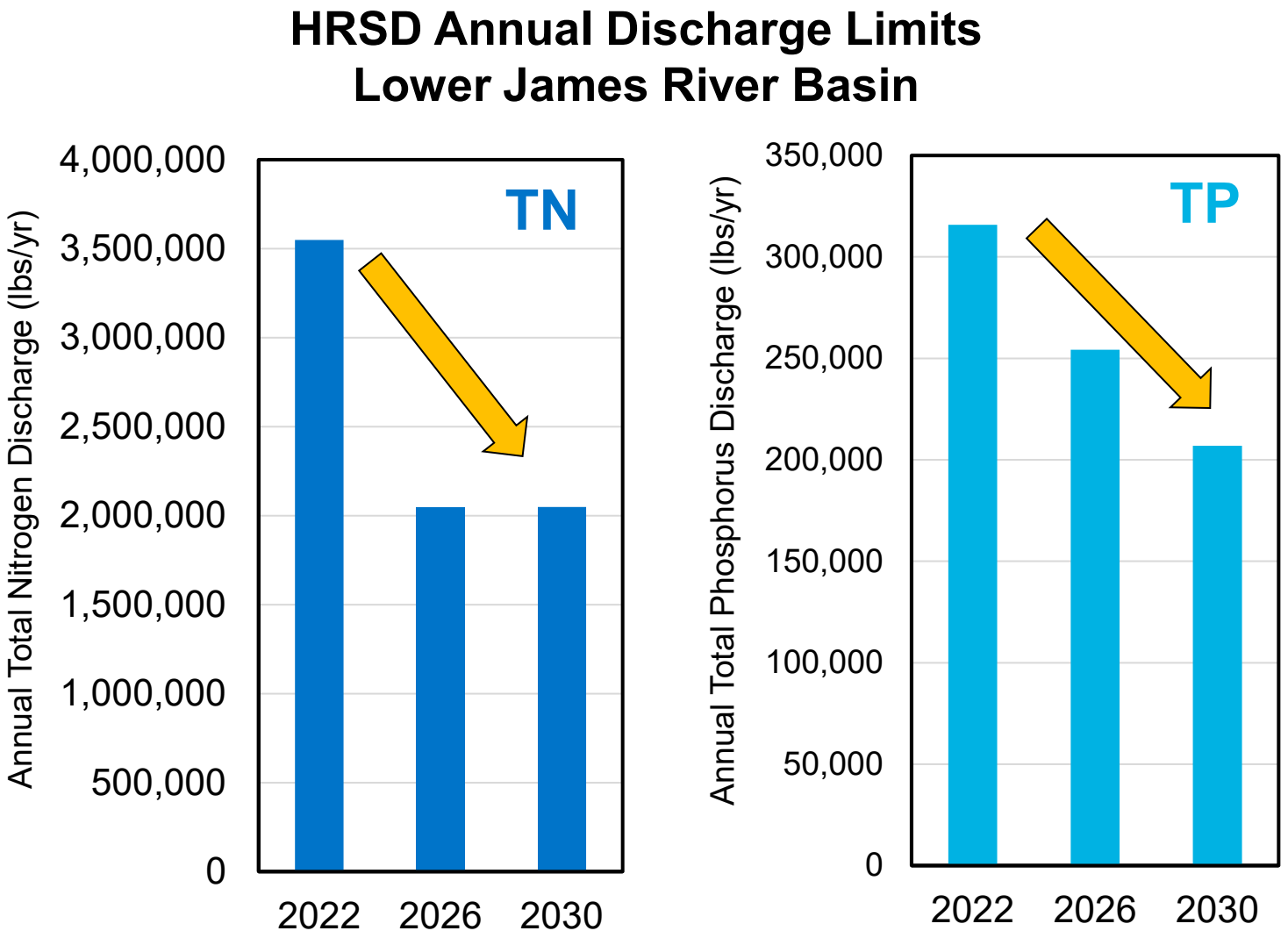
Total Appropriation $857 M – 4 projects
Additional appropriation of $49.3M



Total Appropriation $857 M – 4 projects



Nansemond SWIFT and Recharge Wells are required to meet ENRCP requirements for TN and TP

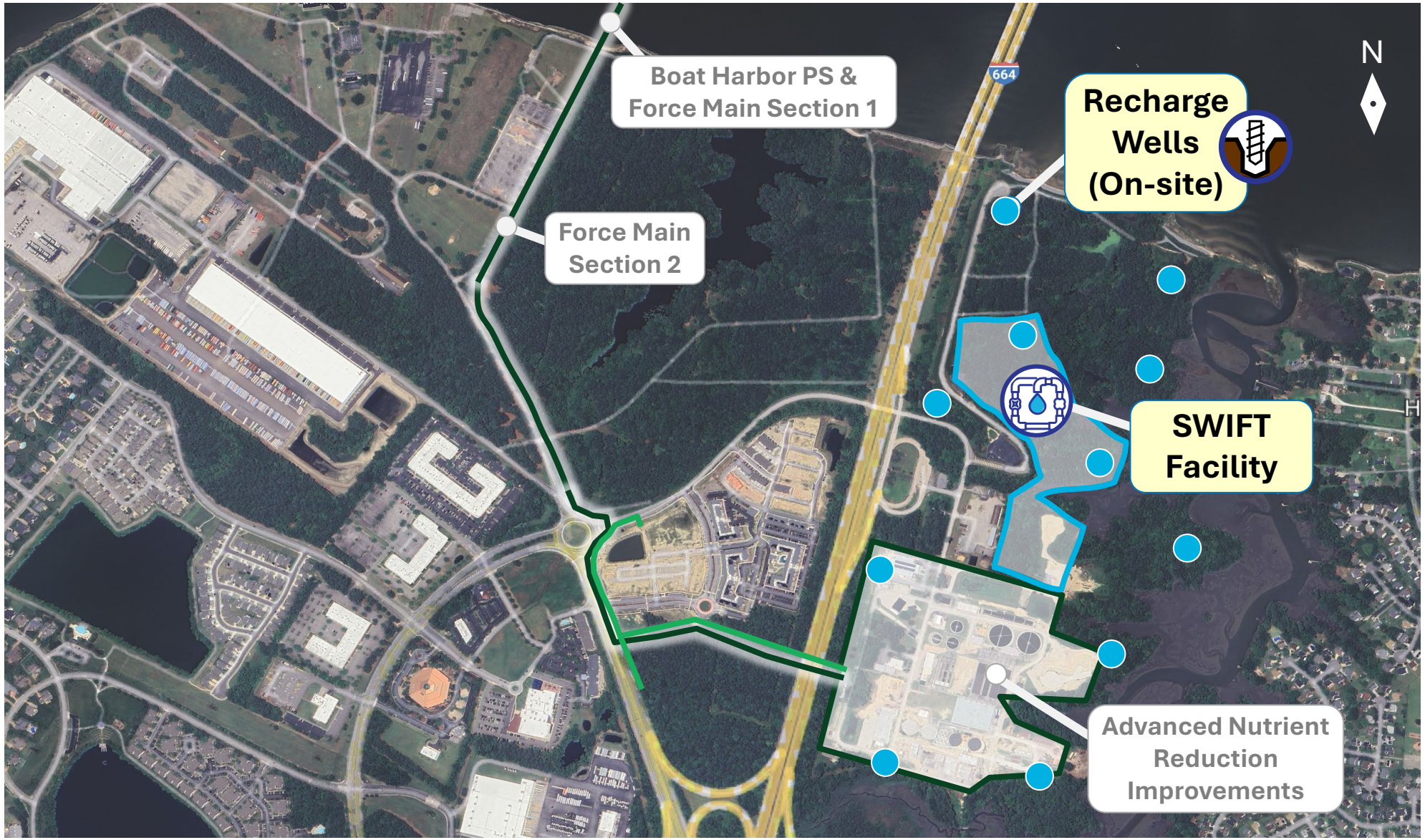


Enhanced Nutrient Removal Certainty Program (ENRCP) - HB 2129

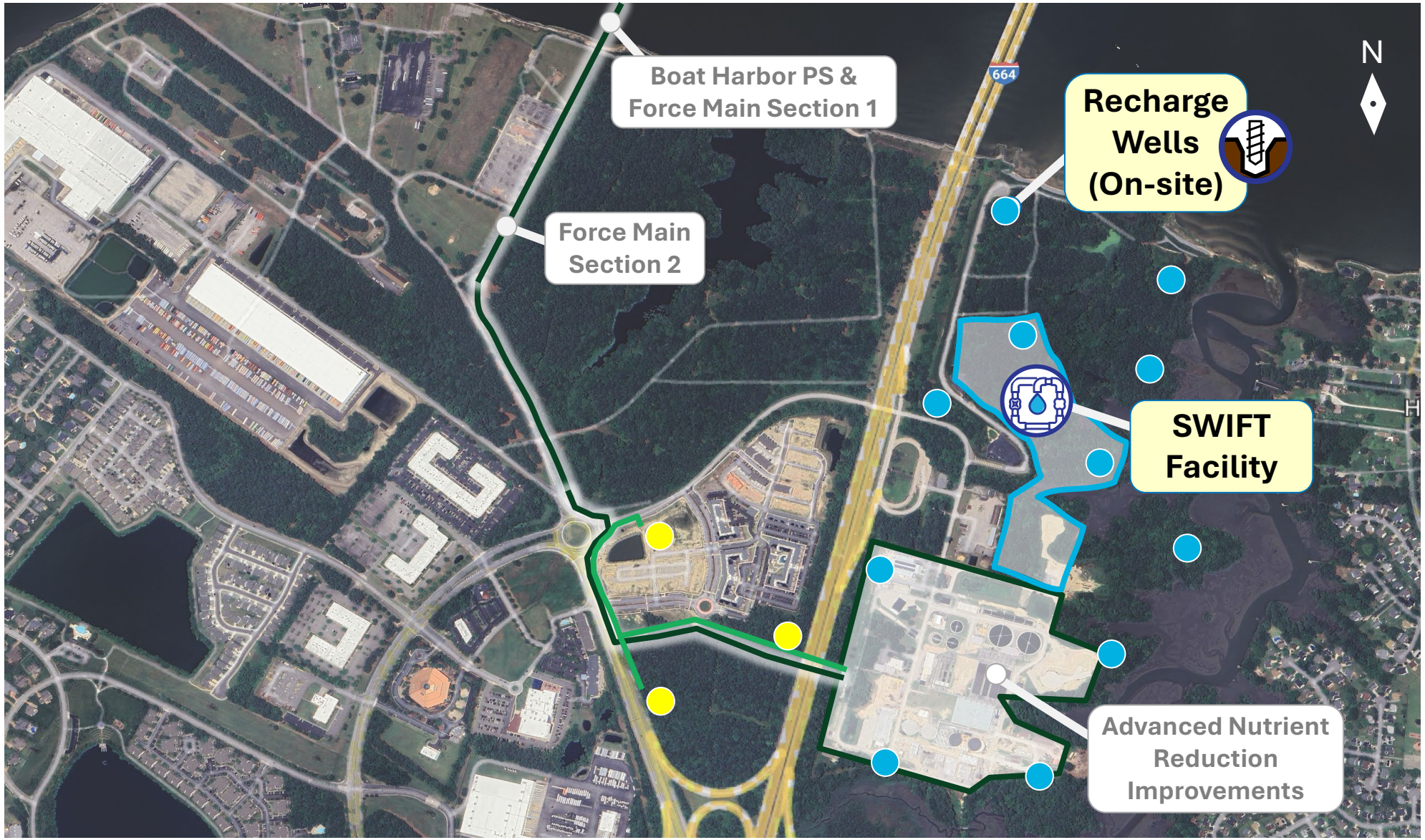
Chesapeake Bay Phase III – Watershed Implementation Program (WIP)

HRSD Sustainable, Innovative Wastewater Treatment | swift Powered By HRSD

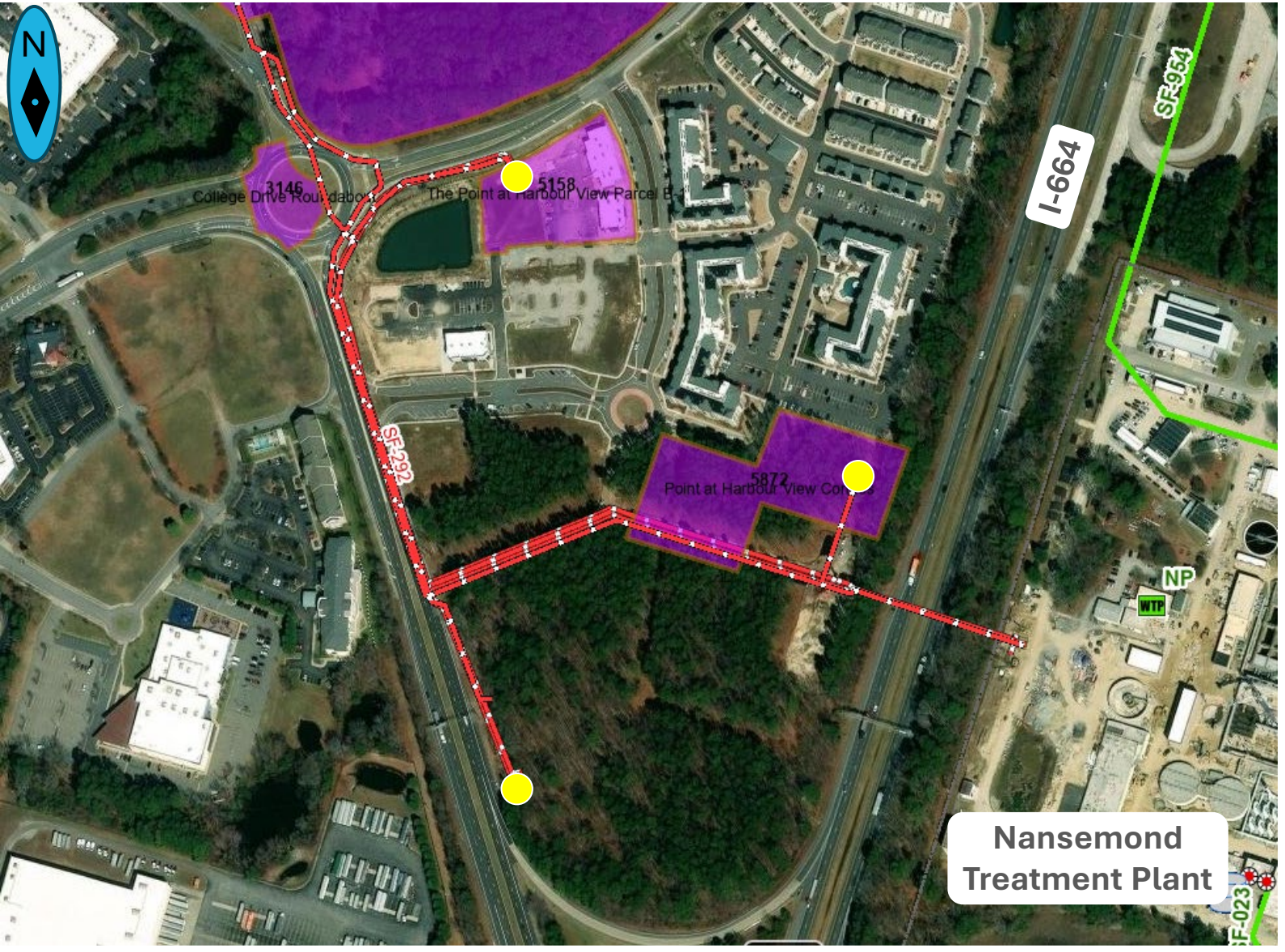
Work is on-going at Nansemond to meet project goals



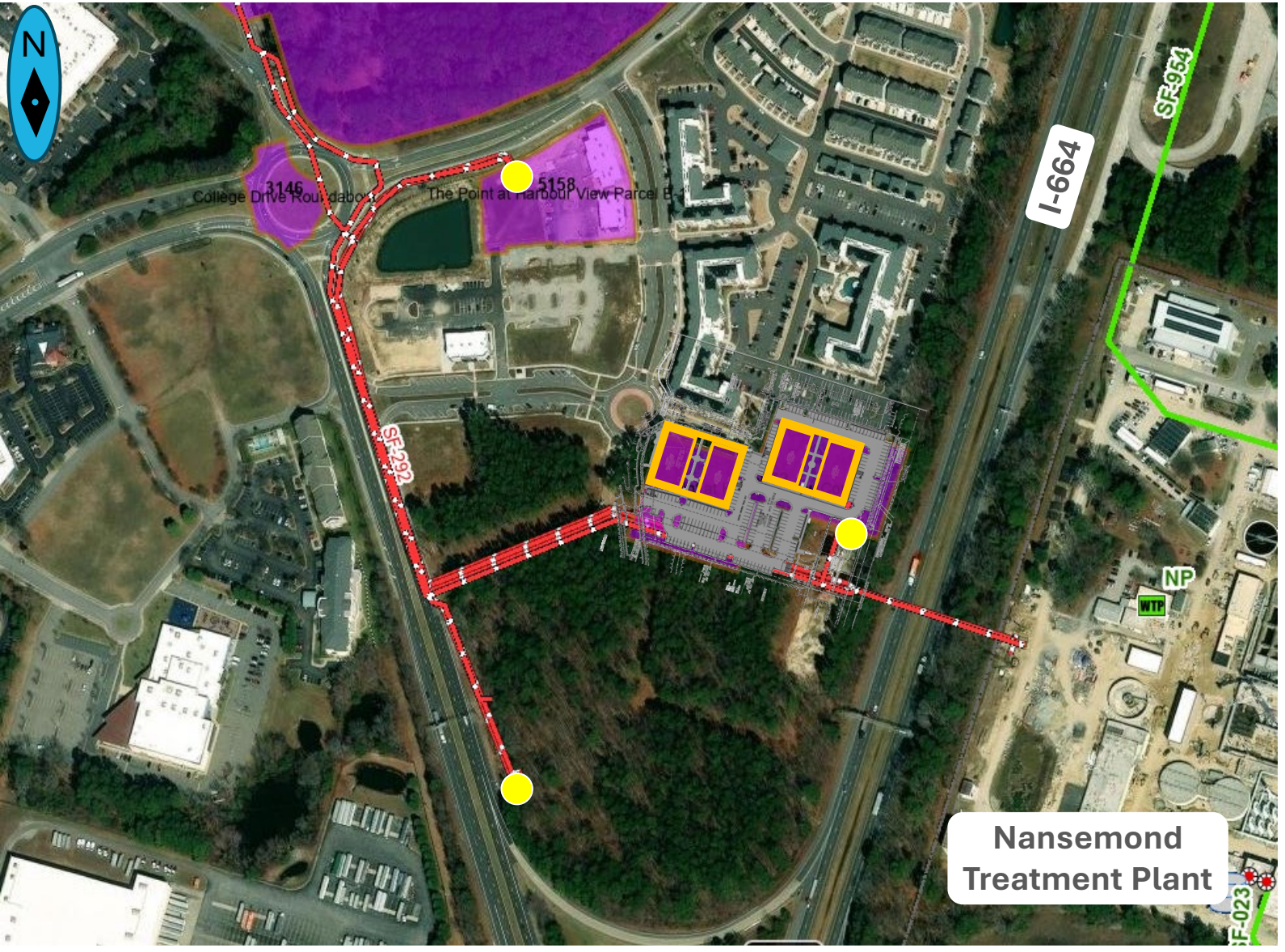
HRSD purchased 3 off-site locations and is pursuing up to 5 additional off-site locations



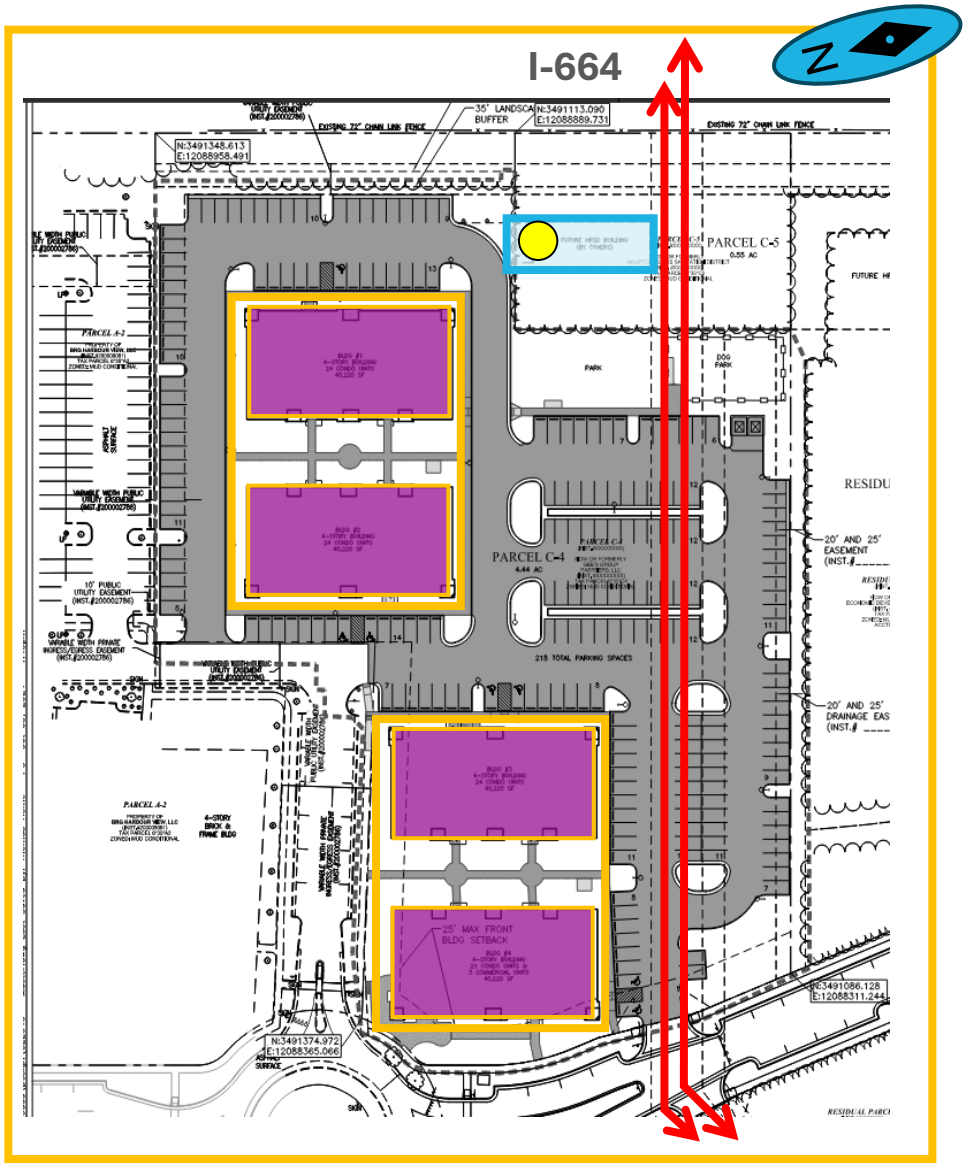
3 recharge well sites are adjacent to new force main and within Point at Harborview development area



3 recharge well sites are adjacent to new force main and within Point at Harborview development area



Nansemond Treatment Plant




Nansemond Treatment Plant
I-664
BH Force Main Section 2 installation

Leveraging design build partnership to accelerate delivery of 3 adjacent recharge wells

Design Build

GN016380
Nansemond SWIFT Facility

GN016381
Nansemond Recharge Wells (On Site)

Construction

Construction

- competitive pricing
- risk management

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Projects are included in WIFIA and CWRLF loans; team will apply for WQIF grant funding

WIFIA PROGRAM

Programmatic Loan includes GN016380 (SWIFT Facility)

DEQ VIRGINIA DEPARTMENT OF ENVIRONMENTAL QUALITY

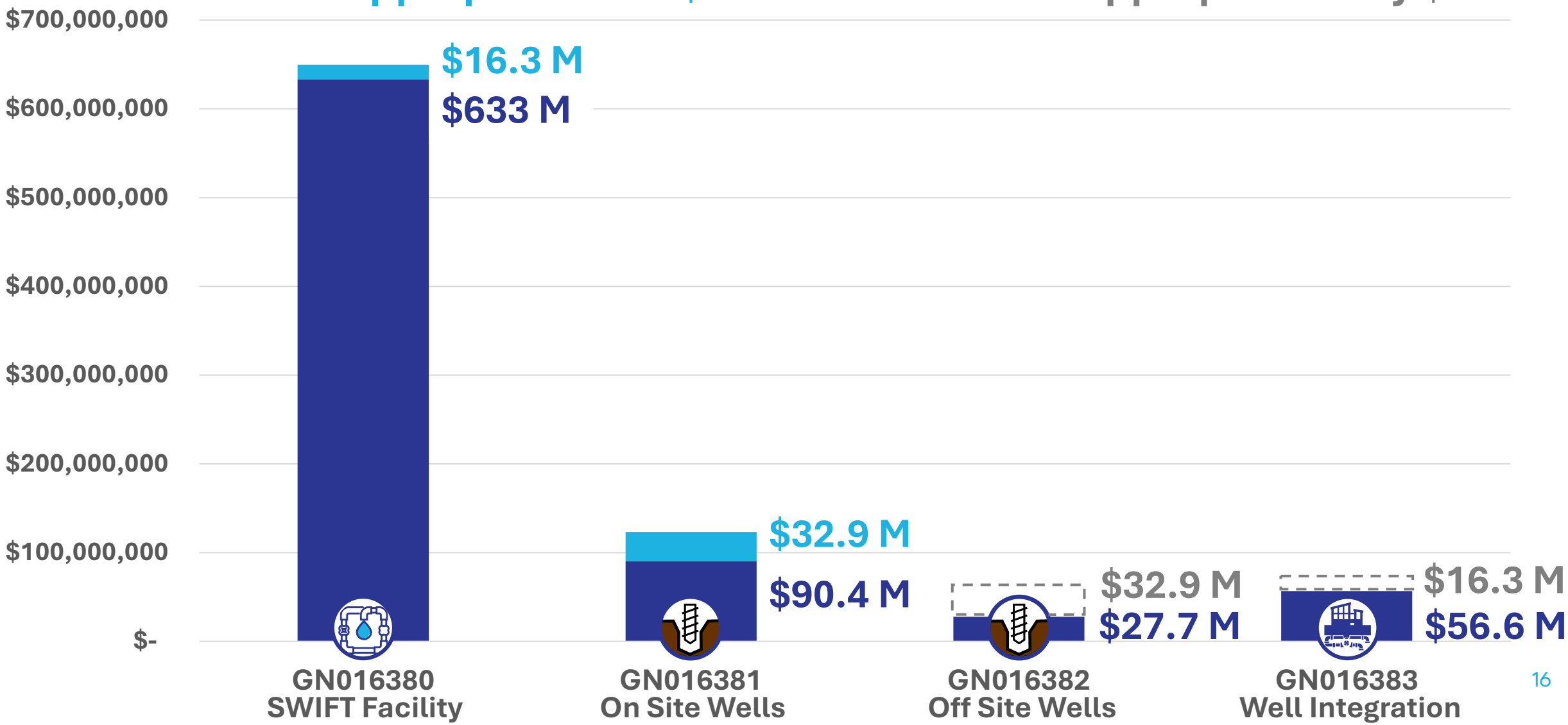
Clean Water Revolving Loan Fund programmatic loan

+

Future grant application may be $500 - $600 M

Total Appropriation $857 M – 4 projects

✓ Add appropriation of $49.3M ✓ Reduce appropriation by $49.3M



11. Informational Items

a. Management Reports

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

b. Strategic Measures Summary

c. Emergency Declaration – Bowers Hill Interceptor Force Main Section II (SF-136) Emergency Repair

HRSD
Sustainable, Innovative Wastewater Treatment

Post Office Box 5911
Virginia Beach, VA 23471-0911
757.460.7003
hrsd.com

March 17, 2026

Re: General Manager's Report

Environmental Responsibility

On February 26, there was a significant line break on Jolliff Road on our 30-inch Precast Concrete Cylinder Pipe (PCCP), which did not have any failure history. Thankfully, the spill was controlled with frac tanks within 48 hours. This is a restatement of the hard work of our staff, contractor and City coordination. More information will be presented about the repair, along with our Asset Management program update, at the May Commission meeting.

Staff onboarded Greg Voigt, Deputy Director of Region 3 Water Division, as a new member of the Potomac Aquifer Recharge Oversight Committee. Mr. Voigt will be the new Environmental Protection Agency (EPA) representative on the Committee.

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.

- For Fiscal Year (FY) 2026 to date, there have been nine Permit Exceedances out of 37,243 Total Possible Exceedances.

- Pounds of Pollutants Removed in FY 2026 to date: 113.1 million pounds.

Water Quality: No pretreatment penalties were issued in February.

Financial Stewardship

Staff executed the historic $332 million James River ANRI-SWIFT Water Quality Improvement Fund (WQIF) grant agreement. This is the largest single grant in the history of the program.

Water consumption levels off and is trending towards our projection. Revenues remain on track while expenses remain under control. Given the Iran War's impact on gas prices, we have not seen any other major cost impacts yet.

Post-call Customer Care surveys continue to be strong with a 90% favorable rating. Digital outreach remains effective with 5,271 payments generated from 10,507 automated text reminders.

Talent

Staff continues to work through a backlog of human resources policy updates related to corrective action, standards of conduct, and grievance procedures.

Staffing levels remain strong at 93%. Turnover rate, fiscal year to date, is only 3.1%, which is approximately 10% lower than this point last year.

Community Engagement

HRSD hosted the Upper Occoquan Service Authority's CEO and head of research. They are interested in building a research program similar to HRSD.

HRSD discussed the future of Wallops Island's wastewater treatment plant with Tyler Edmonds, Congresswoman Kiggans Chief of Staff. HRSD has been meeting with NASA's staff monthly for two years to transfer that plant to HRSD because they are not allowed to accept residential flow, which is holding all of northern Accomack County from growing. This is one of Kiggan's highest priorities to unlock the potential of this spaceport, and HRSD is on board. Hopefully, her staff can unblock the federal logjam.

HRSD held its annual EPA Integrated Plan Annual Meeting on February 25. EPA, Department of Environmental Quality (DEQ), and several Localities were in attendance.

Innovation

On February 4, I spoke on a NACWA panel with EPA's wastewater head, Andrew Sawyers, about Using Creative Solutions to Maximize Benefits with Fewer Resources. I focused my remarks on HRSD's EPA Integrated Plan, which Old Dominion University (ODU) showed saved our region over $5 billion. In addition, I talked about how innovation is the key to affordability and provided examples of how HRSD is always researching ways to keep ratepayer bills low.

HRSD is working with Dominion Energy on the feasibility of feeding linear generators with digester gas behind the meter to lower our power costs and beneficially reuse digester gas. Linear generators produce electricity by using a piston that moves back and forth in a controlled combustion process—rather than spinning a turbine—allowing highly efficient, fuel-flexible power generation with very low emissions.

I served as a judge for Imagine H2O's Evaluation panel. Our panel was focused on judging twelve start-ups involved in Water Efficiency & Network Management to help determine which ones should be in the upcoming accelerator cohort.

We held great discussions with the following entities on current and future collaborations:

- CREW Carbon
- Ferguson Ventures
- CIMICO (Spain)
- Dominion Energy
- Fedsprout
- Tom Tom Foundation

I look forward to seeing you in Virginia Beach at 9:00 a.m. on Tuesday, March 24, 2026.

Respectfully submitted,

Jay Bernas

Jay Bernas, P.E.
General Manager/CEO

TO: General Manager

FROM: Chief Communications Officer

SUBJECT: Monthly Report for February 2026

DATE: March 16, 2026

A. Publicity and Promotion

1. HRSD and the Sustainable Water Initiative For Tomorrow (SWIFT) were mentioned or featured in eight stories this month. Topics included:

   a. HRSD's partnership with VNG at the Atlantic Treatment Plant

   b. Earmarks coming to the Eastern Shore

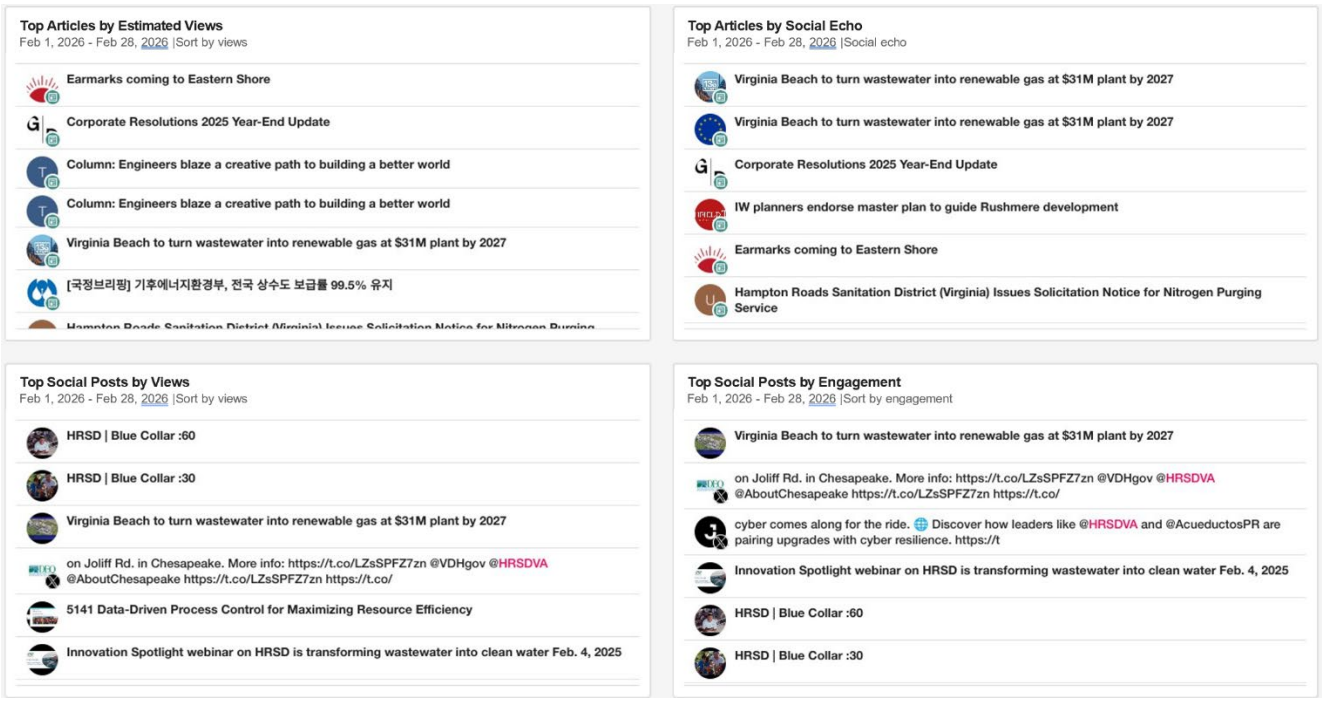
   c. SWIFT mentioned in the Korean Water Journal regarding the partnership with K-Water and Wintec Glovis

   d. Opinion column by Engineer in Residence, Bruce Husselbee for Engineers Week

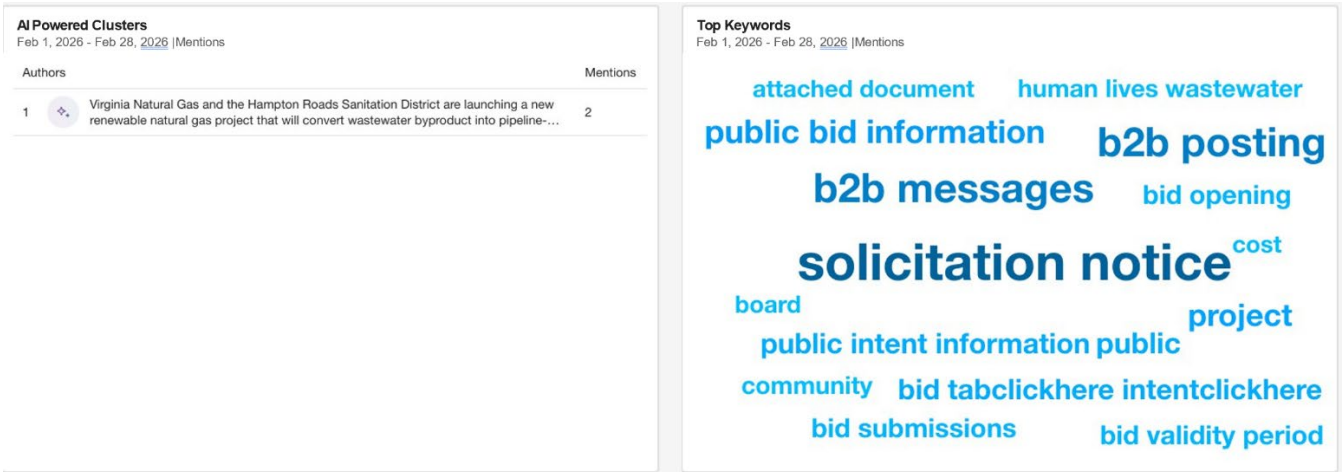
2. Analysis of Media Coverage

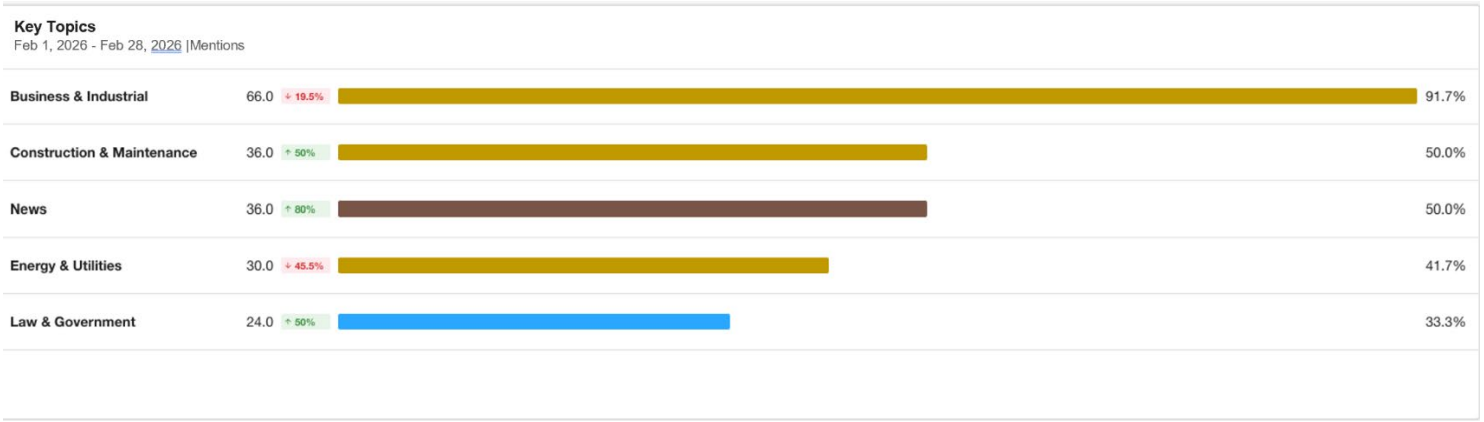
   a. Key results for February

b. Top performing news content

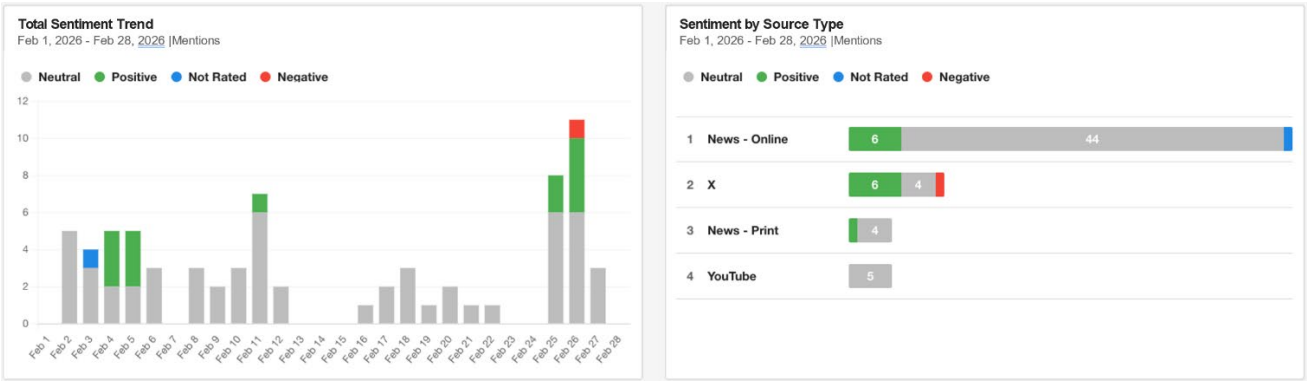


c. Key Topics, key words and entities



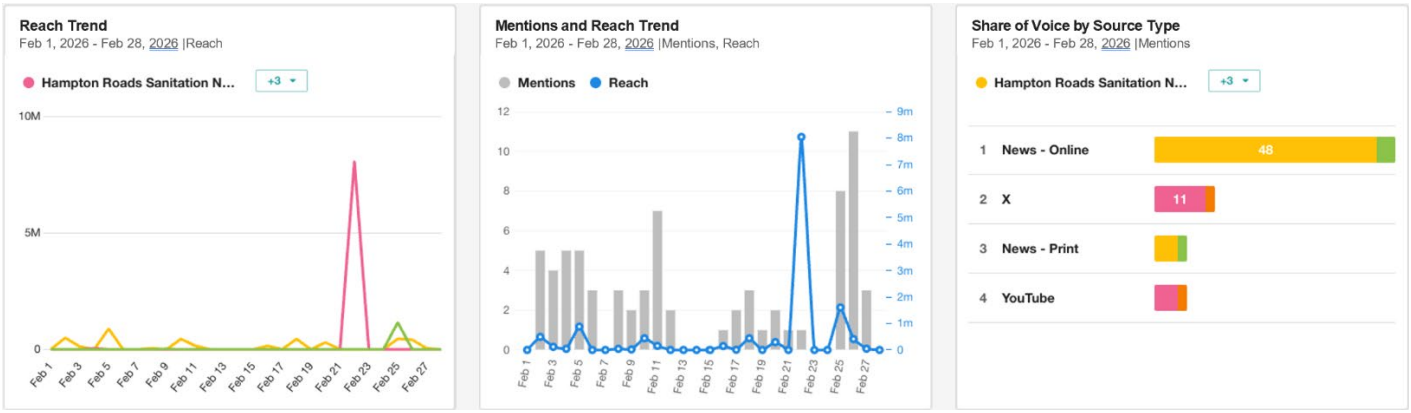


d. How favorable is the content?

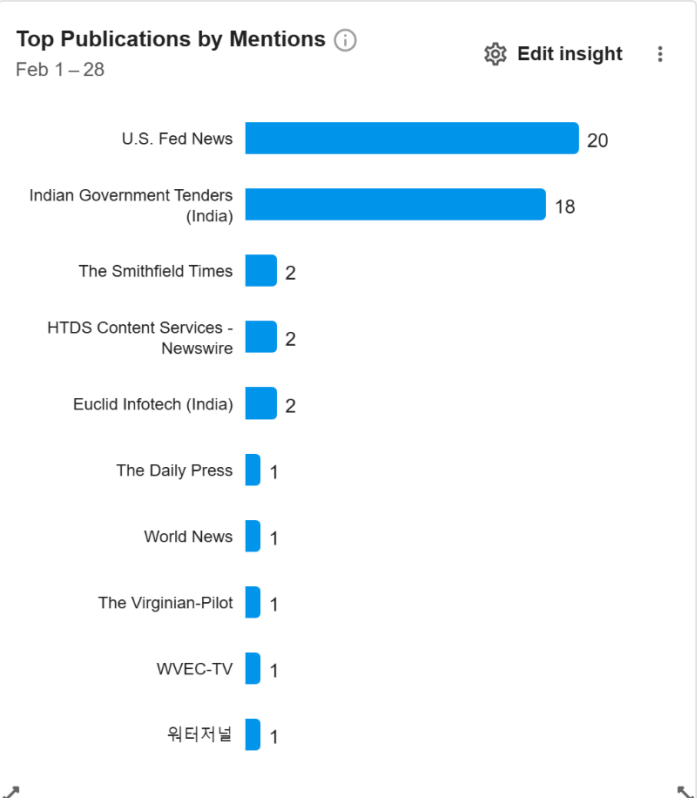


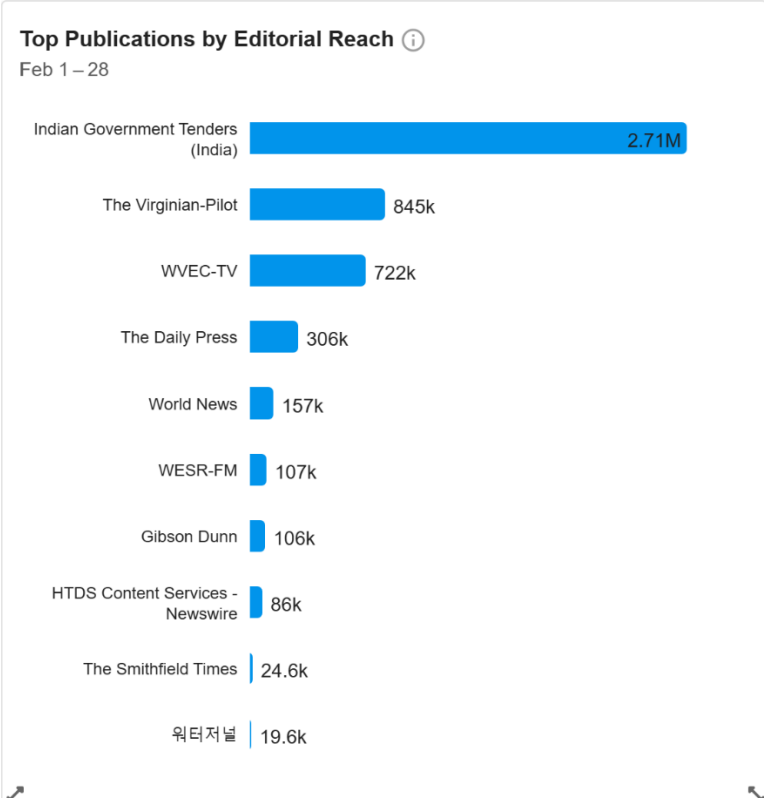
(Negative sentiment relates to X post re: delayed opening of Customer Care on February 26)

e. What is the potential reach?



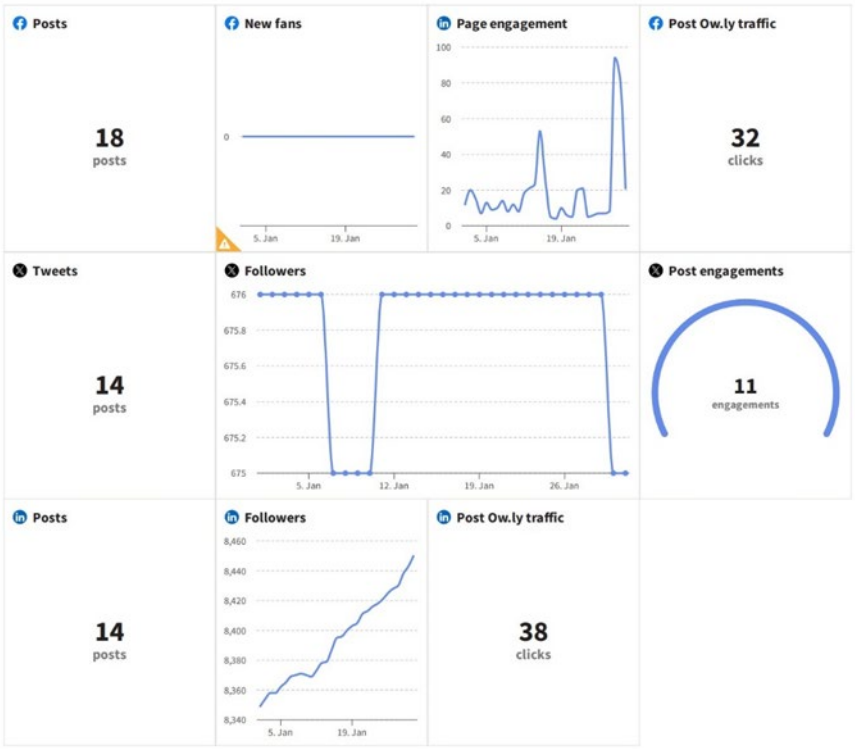
f. Top publishers



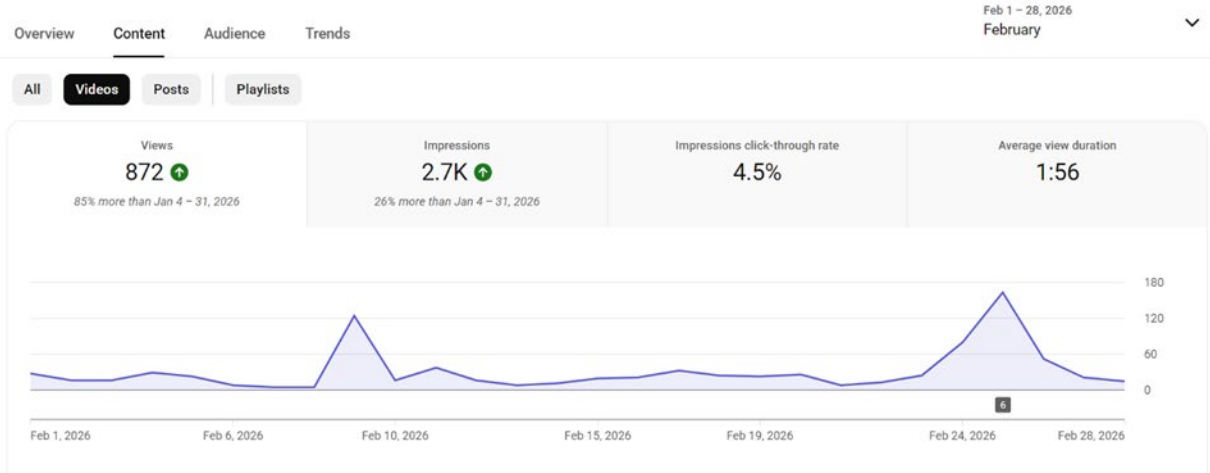


B. Social Media and Online Engagement

1. Metrics – Facebook, X and LinkedIn



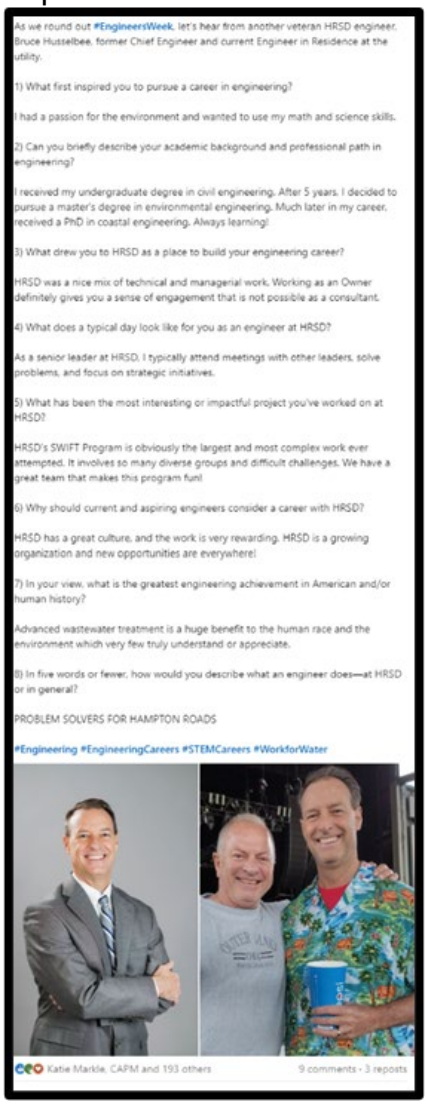
2. YouTube



3. Top posts on Facebook, Twitter, and YouTube

a. Top Facebook post

b. Top LinkedIn Post



As we round out #EngineersWeek, let's hear from another veteran HRSD engineer, Bruce Husselbee, former Chief Engineer and current Engineer in Residence at the utility.

1) What first inspired you to pursue a career in engineering?

I had a passion for the environment and wanted to use my math and science skills.

2) Can you briefly describe your academic background and professional path in engineering?

I received my undergraduate degree in civil engineering. After 5 years, I decided to pursue a master's degree in environmental engineering. Much later in my career, received a PhD in coastal engineering. Always learning!

3) What drew you to HRSD as a place to build your engineering career?

HRSD was a nice mix of technical and managerial work. Working as an Owner definitely gives you a sense of engagement that is not possible as a consultant.

4) What does a typical day look like for you as an engineer at HRSD?

As a senior leader at HRSD, I typically attend meetings with other leaders, solve problems, and focus on strategic initiatives.

5) What has been the most interesting or impactful project you've worked on at HRSD?

HRSD's SWIFT Program is obviously the largest and most complex work ever attempted. It involves so many diverse groups and difficult challenges. We have a great team that makes this program fun!

6) Why should current and aspiring engineers consider a career with HRSD?

HRSD has a great culture, and the work is very rewarding. HRSD is a growing organization and new opportunities are everywhere!

7) In your view, what is the greatest engineering achievement in American and/or human history?

Advanced wastewater treatment is a huge benefit to the human race and the environment which very few truly understand or appreciate.

8) In five words or fewer, how would you describe what an engineer does—at HRSD or in general?

PROBLEM SOLVERS FOR HAMPTON ROADS

#Engineering #EngineeringCareers #STEMCareers #WorkforWater

Katie Markle, CAPM and 193 others 9 comments • 3 reposts

c. Top X Post

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

(1) SWIFT Research Center: What is the Potomac Aquifer

(2) The Wastewater Treatment Process

(3) Atlantic Treatment Plant Cambi Tour

(4) My Account Portal

(5) SWIFT Industry Day 2025

4. Website and Social Media Impressions and Visits

a. Facebook:

(1) 8,077 users

(2) Facebook Engagement of 352 (321 reactions,17 shares, and 14 comments)

b. X: 2.87% engagement rate

c. HRSD.com/SWIFTVA.com: 956 page visits

d. LinkedIn Impressions:

(1) 15,828 page impressions

(2) 13,454 post impressions

e. YouTube: 872 views

f. NextDoor unique impressions: 9,366 post impressions from 19 targeted neighborhood postings and one regionwide posting.

g. Blog Posts: (0)

h. Construction Project Page Visits – 1,651 total

C. Education and Outreach Activity Highlights

1. 02/10/26 – SWIFT Information table at the 4th Annual Virginia Resilience Reception (Richmond)

2. 02/13/2026 – SWIFT tour for First Colonial High School students (Virginia Beach)

3. 02/17/2026 -- SWIFT tour for First Colonial High School students

4. 02/18/2026 – Presentation and activity at St. Helena Elementary School (Norfolk)

5. 02/19/2026 – STEM Day at Oak Tree Academy (Chesapeake)

6. 02/20/26 – SWIFT tour, Newport News Public Schools

7. 02/23/26 -- SWIFT tour, City of Suffolk Economic Development staff

8. 02/23/26 Engineer's Week Outreach at Discovery STEM Academy

9. 02/25/26 -- Chrysler STEAM Day for Jacox, James Monroe, Ruffner, and Saint Helena Elementary Schools (Norfolk)

10. 02/24/26 – Information and activity booth at Virginia Beach City Public Schools VBCPS XPEDITION: PORT OF CALL Career Immersion Experience for all 7th grade students

11. 02/26/26 -- Engineer's Week Outreach at Newsome Park Elementary (Newport News)

12. 02/27/26 -- Engineers week outreach activity at Middlesex Elementary School

13. 02/27/26 -- Engineer's Week Outreach at Stoney Run Elementary (Newport News)

14. 02/27/26 SWIFT tour and Presentation for the US Navy Civil Engineer Corps

15. 699 door hangers and/or mailed letters distributed to residents in communities surrounding eight ongoing projects

16. Newsroom postings:

    a. Construction notices – 9
    b. News releases – 0
    c. Traffic Advisories - 2

D. <u>Internal Communications</u>

CCO participated in the following internal meetings and events:

1. HRSD.com weekly redesign meetings

2. HRSD/SWIFT Industry Day 2026 planning meetings

3. SWIFT monthly communications status call

4. Engineering Week planning meetings

5. Bi-weekly General Manager (GM) briefings

6. Fiscal Year 2027 draft budget final review meeting with GM

7. Discharge Monitoring Report (DMR), SWIFT Quality Steering Team (QST), and HRSD QST meetings

8. Check-in meetings with Deputy General Manager (DGM)

9. Monthly check in meeting with Chief Operating Officer

10. CCO conducted biweekly Communications department status meetings and weekly one-on-one check-in meetings.

11. Staff participated in 29 project progress and/or construction meetings in addition to communication planning meetings with various project managers, plant staff, internal and external stakeholders.

Talent

Professional development activities and pursuits for February:

- South Shore Public Information Specialist completed 2.5 hours of FEMA National Disaster and Emergency Management University (NDEMU) Independent Study toward Public Information Officer (PIO) certifications
- South Shore Public Information Specialist attended a webinar titled, Stakeholder Whispering: How to Shape Messages Stakeholders Actually Hear

Respectfully,

Leila Rice, APR

Chief Communications Officer

TO: General Manager

FROM: Chief Engineer

SUBJECT: Monthly Engineering Report for February 2025

DATE: March 10, 2026

Environmental Responsibility

- The Nansemond Treatment Plant property has many current and future planned uses, but has limited usable area due to the shape of the property, environmental setbacks, and restrictions (such as bald eagle nests). Thus, Engineering is managing a Site Development Plan effort to ensure the best use of this limited space in the future, and a draft of the site development plan was recently presented to staff. Future uses of the site include the expansion of existing plant processes and administration facilities, additional SWIFT facilities, a fueling station for the hauling team, a public outreach space, a biosolids storage/drying area, and a granular activated carbon regional facility. This study will ensure that HRSD has a clear vision and prioritization for the future use of this property.

Financial Stewardship

- Capital Improvement Program (CIP) spending for February was below the planned spending target, but annual spending is still above the planned CIP target for the fiscal year.

Capital Improvement Program Spending ($M)

	Current Period	FY to date
Actual	$33.1	$390.5
Plan	$66.6	$363.4

- HRSD leadership recently made the fiscal decision to postpone the pursuit of a truck access road at the Atlantic Treatment Plant in Virginia Beach due to exorbitant costs associated with its construction. Road construction is being deferred until a more cost-effective construction solution can be achieved. Fortunately, HRSD's dedicated Atlantic Treatment Plant staff, together with a newly established, internally staffed truck-hauling operation, have significantly reduced truck volume and are better managing hauling scheduling, reducing both overall odor and traffic impact on the community. These positive changes provide us with an opportunity to apply a value engineering approach to achieve a more affordable option for an access road in the future.

Talent

- Staff retention and recruitment remain significant priorities. An offer was made and accepted for the Director of Program Support Office (PSO), but four open positions are still needed for the Engineering Division to be fully staffed. These include:

    - Engineering Program Manager (formerly: Hydraulic Analysis Manager)
    - Project Manager (2 current vacancies, 1 additional in May)

  External interest in the Director and Project Manager positions has been strong, which indicates the strength of our culture and compensation package. For the Director of Special Projects and PSO we had 16 candidates in total. Seven of these were external, one of which will be filling the Director of PSO role. For the three open Project Manager requisitions, we currently have 15 external candidates, several of whom have more than 20 years of experience in the public and private sectors.

Community Engagement

- National Engineer's Week was February 22-28th this year. This event unites engineers, students, and communities across the nation to celebrate how engineering shapes our world. This year's theme, Transform Your Future, was intended as a reminder that engineering doesn't just shape our world—it shapes our opportunities, our communities, and the futures we can imagine for ourselves and our children. HRSD hosted several events, including a Boat Float Trivia and Build Competition Challenge, an Egg Drop Competition, School Outreach, Share Your Engineering Story on SharePoint, and a Student Event at HRSD. Many HRSD employees participated in and/or organized these events, as did several of our consultant partners.

- Lauren Zuravnsky continues to make outreach her priority. During February:

    - Along with Jaime Mitchell and Dan Holloway, she met with Greg Voigt, Deputy Director of EPA Region 3 Water Division, on February 27th, to bring him up to speed as a new participating member of the Potomac Aquifer Recharge Oversight Committee.

    - She participated in a career day event at Ghent School in Norfolk. Spoke with ~500 students about engineering careers, opportunities to work at a wastewater utility, how HRSD's assets service the community, SWIFT, and the students had the opportunity to engage with our Operations staff and trucks!

    - She hosted a group from the US Navy Civil Engineering Corp, who had requested a tour of the SWIFT Research Center on February 27th.

- She was invited to present SWIFT and HRSD's innovation ecosystem at an RVA757 Connects webinar on February 4th. The recorded webinar can be viewed at: RVA757 Connects

Innovation

- Many of HRSD's projects require unique installation methods to avoid conflicts, such as railroads, waterways, and other underground obstacles. The Suffolk Pump Station Project is a recent example of this, where the guided auger boring method was used to install several gravity pipes. Guided auger boring is a high-precision trenchless method that uses an optical guidance system and pilot tubes to establish an exact path before installing pipes. It is primarily used for gravity-dependent utilities, like sewers, because it can maintain strict line and grade tolerances within a fraction of an inch. This process minimizes surface disruption and avoids the steering "drift" common in traditional boring methods. First, a steerable pilot tube is pushed to precise line and grade, which is then followed by a reaming head, casings, and augers to enlarge the bore. Finally, the final pipe is installed while the casings/augers are removed.

Jeff Scarano, PE, BCEE, DBIA

TO: General Manager/CEO

FROM: Deputy General Manager and Chief Financial Officer

SUBJECT: Monthly Report for February 2026

DATE: March 12, 2026

Financial Stewardship

Debt and Grants Management

This month staff executed a $332 million James River ANRI–SWIFT Water Quality Improvement Fund (WQIF) grant agreement, the largest grant award received by HRSD. Work also continues on the WQIF–Boat Harbor project, with $174.1 million in reimbursement requests pending.

Accounting & Interim Financial Reports

The Operating Fund Interim Financial Report indicates that revenues and expenses remain generally aligned with the amended budget through the eigth month of fiscal year 2026.

Billed consumption, which drives the vast majority of HRSD's revenues, rebounded again this month. As a result, cumulative actuals are now only 0.9% below budget projections for this point in the fiscal year. Staff continue to believe that the lag in consumption is largely attributable to known factors, including significant meter replacement projects, the installation of new meters, and billing delays related to meter reader staffing shortages.

Summary of Billed Consumption (,000s ccf)

Month	FY2026 Cumulative Budget Estimate	FY2026 Cumulative Actual	% Difference From Budget	Cumulative FY2025 Actual	% Difference From FY2025	Cumulative 3 Year Average	% Difference From 3 Year Average
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	13,682	-4.5%	14,223	-3.8%	14,132	-3.2%
Oct	18,841	18,219	-3.3%	18,870	-3.4%	18,801	-3.1%
Nov	22,973	22,425	-2.4%	23,421	-4.3%	23,067	-2.8%
Dec	27,367	26,490	-3.2%	27,666	-4.3%	27,309	-3.0%
Jan	31,942	31,400	-1.7%	32,016	-1.9%	31,835	-1.4%
Feb	35,907	35,582	-0.9%	35,801	-0.6%	35,861	-0.8%
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

Strong investment performance and the continued availability of some bond proceeds continue to bolster interest income, which has already exceeded the annual budgeted amount.

Customer Care

Past due account balances decreased by more than $500,000 in February, largely due to increased outbound customer notifications and the resumption of field disconnections as temperatures improved. Field staff issued over 3,200 warning notices and completed more

than 2,100 service disconnections, while also assisting with meter re-reads and additional customer outreach.

Weekly call volumes ranged from 4,000 to 5,100. Service levels declined slightly, though customer satisfaction remained strong with 90 percent favorable survey responses. Digital outreach generated 5,271 payments from 10,507 automated text reminders.

A. Entity Wide Interim Financial Report & Summary of Reserves

Hampton Roads Sanitation District
Interim Financial Report
Funds Analysis
For the Period Ending February 28, 2026

	Operating Fund	Capital Fund	Total
Inflows			
Wastewater Treatment Charges	$ 336,467,931	$ -	$ 336,467,931
Interest Income	12,990,822	1,117,664	14,108,486
Grants	-	67,001,733	67,001,733
Debt Issuances	-	287,012,248	287,012,248
Transfers-In	-	115,400,896	115,400,896
Total Inflows	349,458,753	470,532,541	819,991,294
Outflows			
Operational	159,632,830	-	159,632,830
Debt Service	75,984,983	-	75,984,983
Capital	-	488,238,415	488,238,415
Transfers-Out	115,400,896	-	115,400,896
Total Outflows	351,018,709	488,238,415	839,257,124
Net Change in Reserves	(1,559,956)	(17,705,874)	(19,265,830)
Beginning Reserves	287,822,081	315,786,766	603,608,847
Ending Reserves	**$ 286,262,125**	**$ 298,080,892**	**$ 584,343,017**
Ending Reserves Summary			
Unrestricted			
General	$ 243,753,570	$ 73,931	$ 243,827,501
Risk	4,799,555	-	4,799,555
PayGo	-	234,255,944	234,255,944
Total Unrestricted Reserves	248,553,125	234,329,875	482,883,000
Restricted			
Debt Service	37,709,000	-	37,709,000
Bond Proceeds	-	63,751,017	63,751,017
Total Ending Reserves	**$ 286,262,125**	**$ 298,080,892**	**$ 584,343,017**

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 February 28, 2026

	Amended Budget	Current YTD	Current YTD as % of Budget (67% Budget to Date)	Prior YTD as % of Prior Year Budget
Operating Revenues				
Wastewater	$ 486,718,000	$ 322,465,788	66%	68%
Surcharge	1,568,000	989,141	63%	76%
Indirect Discharge	3,526,000	3,254,325	92%	72%
Fees	4,560,000	3,061,977	67%	86%
Municipal Assistance	734,000	531,366	72%	54%
Miscellaneous	808,000	733,328	91%	72%
Total Operating Revenue	497,914,000	331,035,925	66%	68%
Non Operating Revenues				
Facility Charge	6,620,000	4,599,415	69%	70%
Interest Income	11,500,000	14,359,431	125%	235%
Other	1,545,000	2,028,214	131%	168%
Total Non Operating Revenue	19,665,000	20,987,060	107%	160%
Total Revenues	517,579,000	352,022,985	68%	71%
Transfers from Reserves	26,039,871	17,359,914	67%	67%
Total Revenues and Transfers	$ 543,618,871	$ 369,382,899	68%	70%
Operating Expenses				
Personal Services	$ 87,350,418	$ 56,897,742	65%	63%
Fringe Benefits	31,422,407	20,123,156	64%	58%
Materials & Supplies	17,577,501	8,639,338	49%	60%
Transportation	2,679,992	1,179,810	44%	50%
Utilities	18,037,260	10,182,991	56%	59%
Chemical Purchases	19,158,847	9,093,490	47%	56%
Contractual Services	63,850,179	28,706,532	45%	43%
Major Repairs	18,968,701	6,840,663	36%	26%
Capital Assets	2,280,197	956,481	42%	8%
Miscellaneous Expense	4,552,025	2,627,639	58%	70%
Total Operating Expenses	265,877,527	145,247,842	55%	54%
Debt Service and Transfers				
Debt Service	104,640,000	75,984,983	73%	73%
Transfer to CIP	173,101,344	115,400,896	67%	67%
Total Debt Service and Transfers	277,741,344	191,385,879	69%	69%
Total Expenses and Transfers	$ 543,618,871	$ 336,633,721	62%	61%

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 **February 28, 2026**

Classification/ Treatment Service Area	Appropriated Funds	Project to Date Expenditures	Encumbrances	Available
Administration	$ 140,401,101	$ 57,976,485	$ 64,032,397	$ 18,392,219
Army Base	174,225,075	135,420,919	5,371,446	33,432,710
Atlantic	227,832,979	73,772,522	37,317,808	116,742,649
Boat Harbor	507,365,299	388,575,960	66,977,235	51,812,104
Ches-Eliz	29,279,118	15,083,118	1,018,164	13,177,836
Eastern Shore	68,576,326	46,482,345	2,183,793	19,910,188
James River	365,719,212	309,149,283	24,330,428	32,239,501
Middle Peninsula	102,413,061	23,779,646	12,114,255	66,519,160
Nansemond	570,383,766	396,265,073	150,792,002	23,326,691
Surry	57,978,543	52,511,168	725,383	4,741,992
VIP	328,002,962	152,626,862	77,191,516	98,184,584
Williamsburg	104,425,475	11,719,860	4,217,119	88,488,496
York River	117,774,645	76,728,733	6,490,019	34,555,893
General	1,702,778,028	658,120,840	679,266,871	365,390,317
	$ 4,497,155,590	$ 2,398,212,814	$ 1,132,028,436	$ 966,914,340

D. Summary of Debt Activity

HRSD- Debt Analysis — **February 28, 2026**

(in thousands)	Fixed Rate	Variable Rate	Line of Credit	Total
Beginning Balance 7/1/25	$ 1,757,250	$ 50,000	$ 92,462	$ 1,899,712
Add:				
New Debt	282,956	-	-	282,956
Capitalized Interest	6,163	-	-	6,163
Less:				
Principal Payments	(46,687)	-	-	(46,687)
Ending Balance 02/28/26	$ 1,999,682	$ 50,000	$ 92,462	$ 2,142,144
FY26 YTD Interest Payments	$ (33,707)	$ (808)	$ (2,272)	$ (36,787)

HRSD- Series 2016 Variable Rate Bond Analysis — **February 27, 2026**

	SIFMA Index	HRSD Series 2016VR	Deviation to SIFMA
Maximum	4.71%	4.95%	0.24%
Average	1.59%	1.08%	-0.51%
Minimum	0.01%	0.01%	0.00%
As of 02/27/26	1.88%	1.95%	0.07%

Since October 20, 2011 HRSD has averaged 108 basis points on Variable Rate Debt

Subsidised Debt Activity

Source	Funder	Loan Amount	Current Drawn Total	% Remain	Initial Draw Date - Projected
WIFIA Tranche 3	EPA	$ 346,069,223	$ -	100%	July 2026

E. Cash and Investment Summary

Operating Liquidity Accounts	Beginning Market Value July 1, 2025	YTD Contributions	YTD Withdrawals	YTD Income Earned	Ending Market Value Feb 28, 2026	Allocation of funds	Current Mo Avg Yield
BOA Corp Disbursement Account	$ 43,574,043	$ 1,004,357,059	$ 1,031,446,891	$ 285,896	$ 16,770,107	3.3%	1.70%
BOA Operating Accounts	14,339,684	757,992,286	754,560,799	143,640	17,914,811	3.5%	0.80%
BNY Mellon Account	7,892,401	50,904,481	57,735,448	62,322	1,123,756	0.2%	5.55%
SNAP Accounts	143,929,872	227,916,176	309,138,764	1,117,664	63,824,948	12.4%	1.75%
VIP Stable NAV Liquidity Pool	324,275,659	357,096,072	279,000,000	10,667,310	413,039,041	80.6%	3.82%
Operating Liquidity Accounts	**$ 534,011,659**	**$ 2,398,266,074**	**$ 2,431,881,902**	**$ 12,276,832**	**$ 512,672,663**	100.0%	

VIP Stable NAV Liquidity Pool performed 0.02% above to the Va Local Government Investment Pool's (the market benchmark) in the month of February 2026.

Total Return Account	Beginning Market Value July 1, 2025	YTD Contributions	YTD Withdrawals	YTD Income Earned & Realized G/L	Ending Market Value Feb 28, 2026	Allocation of funds	Yield to Maturity at Market
VIP 1-3 Year High Quality Bond Fund	69,597,188	-	9,432	1,831,654	71,670,354	71,969,956	3.44%
Total Return Account	**$ 69,597,188**	**$ -**	**$ 9,432**	**$ 1,831,654**	**$ 71,670,354**	**$ 71,969,956**	

VIP 1-3 Year High Quality Bond Fund performed 0.01% above to the ICE BofA ML 1-3 yr AAA-AA Corp/Gov Index (the market benchmark) in February 2026.

	Total	Fund Alloc
Operating Liquidity Accounts	$ 512,672,663	87.7%
Total Return Account	$ 71,670,354	12.3%
TOTAL	**$ 584,343,017**	**100.0%**

F. Financial Performance Metrics Adjusted Days Cash on Hand

HRSD - UNRESTRICTED CASH — **February 28, 2026**

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	**$ 482,882,999**		**663**
Risk Management Reserve	(4,799,555)	(7)	656
Capital (PAYGO only)	(234,255,943)	(321)	335
Adjusted Days Cash on Hand	**$ 243,827,501**		**335**

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

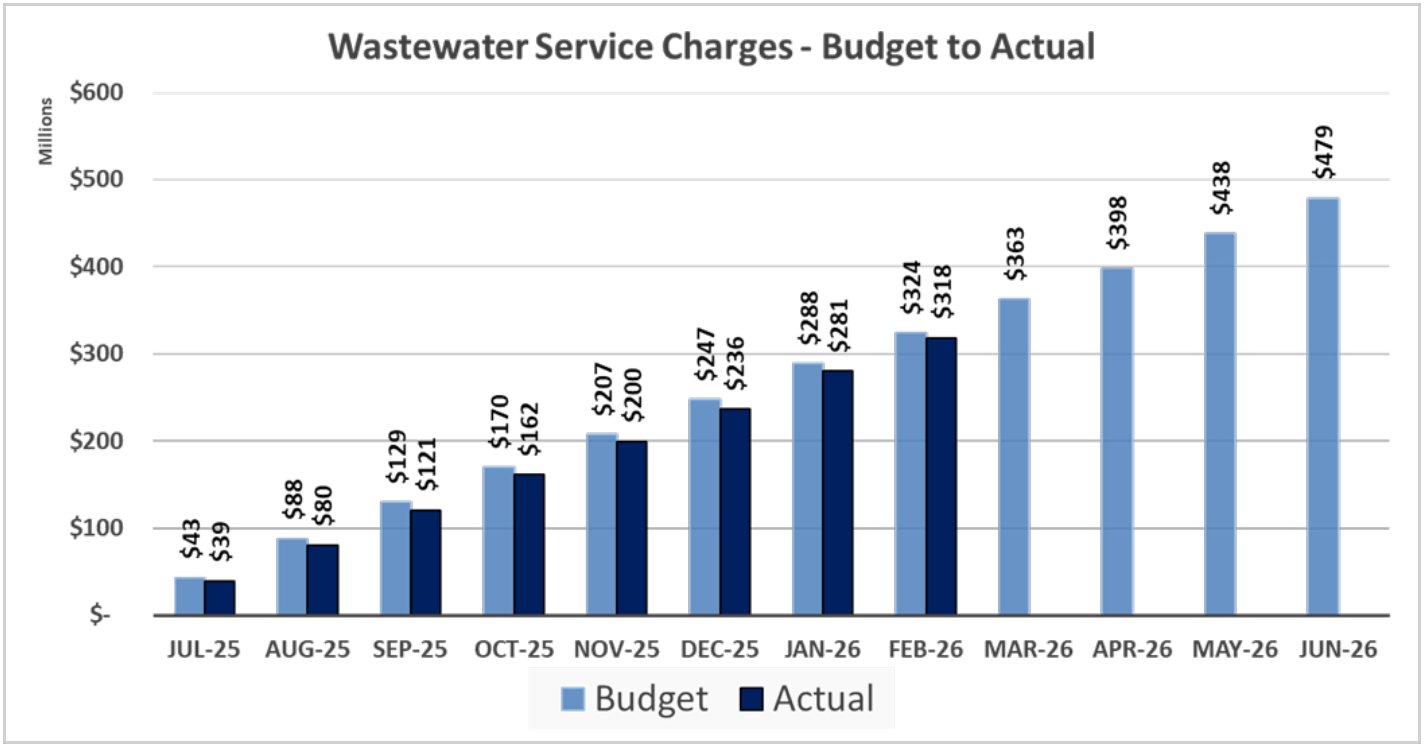
Active Capital Grants

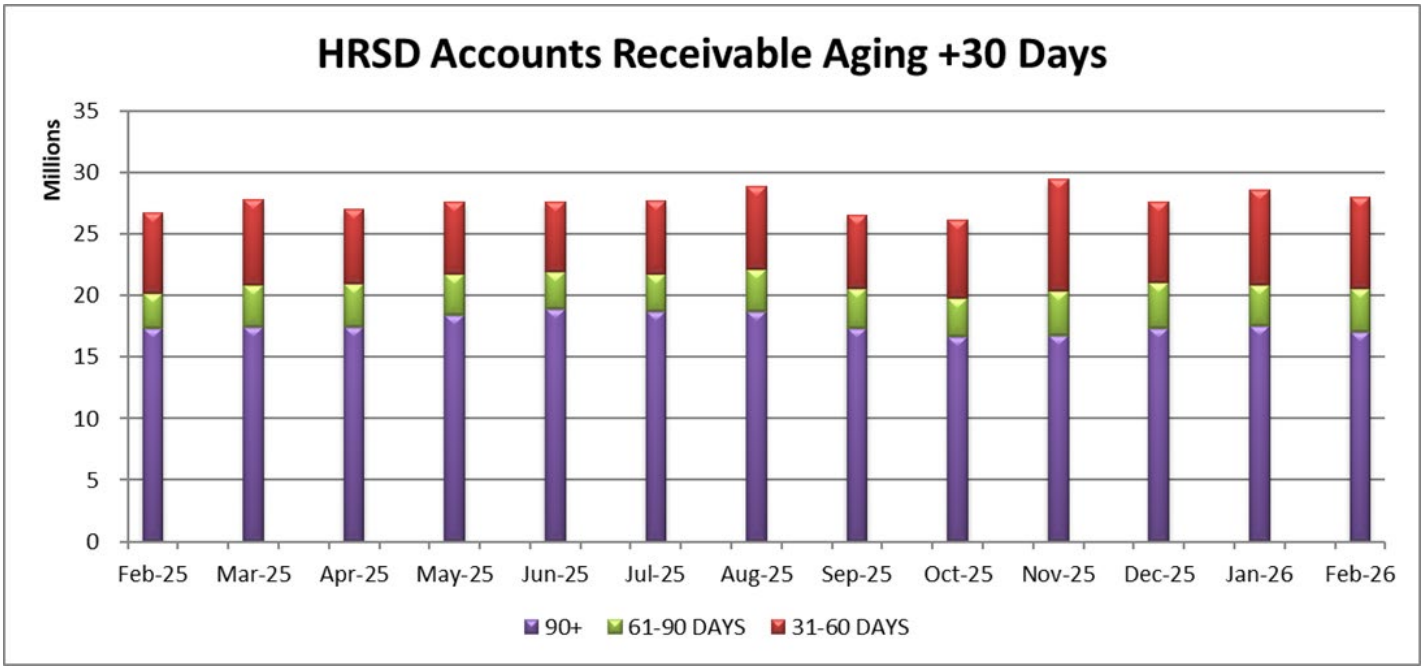
Grant Name	Funder	Project	CIP#	Application Submitted	Amount Requested	HRSD Award Amount	Reimbursement as of 02/28/26
Community Flood Preparedness Fund	VDCR	Dozier's Corner Pump Station Replacement	AT015400	12/4/2024	$ 6,265,669	$ 6,265,669	$ -
Community Flood Preparedness Fund	VDCR	Onancock Treatment Plant Administrative Building Design	ES010300	10/30/2024	$ 374,400	$ 374,400	$ -
Water Quality Improvement Fund	VDEQ	Boat Harbor Pump Station and Conveyance	BH015700 BH015701 BH015710 BH015720 GN016345 GN016346	3/4/2024	$ 311,286,392	$ 294,300,592	$ 67,000,000
Water Quality Improvement Fund	VDEQ	James River Advanced Nutrient Reduction Improvements (ANRI) SWIFT	GN016360 GN016361 GN016362 JR013400	3/23/2023	$ 344,741,547	$ 331,384,307	$ -
					$ 662,668,008	$ 632,324,968	$ 67,000,000

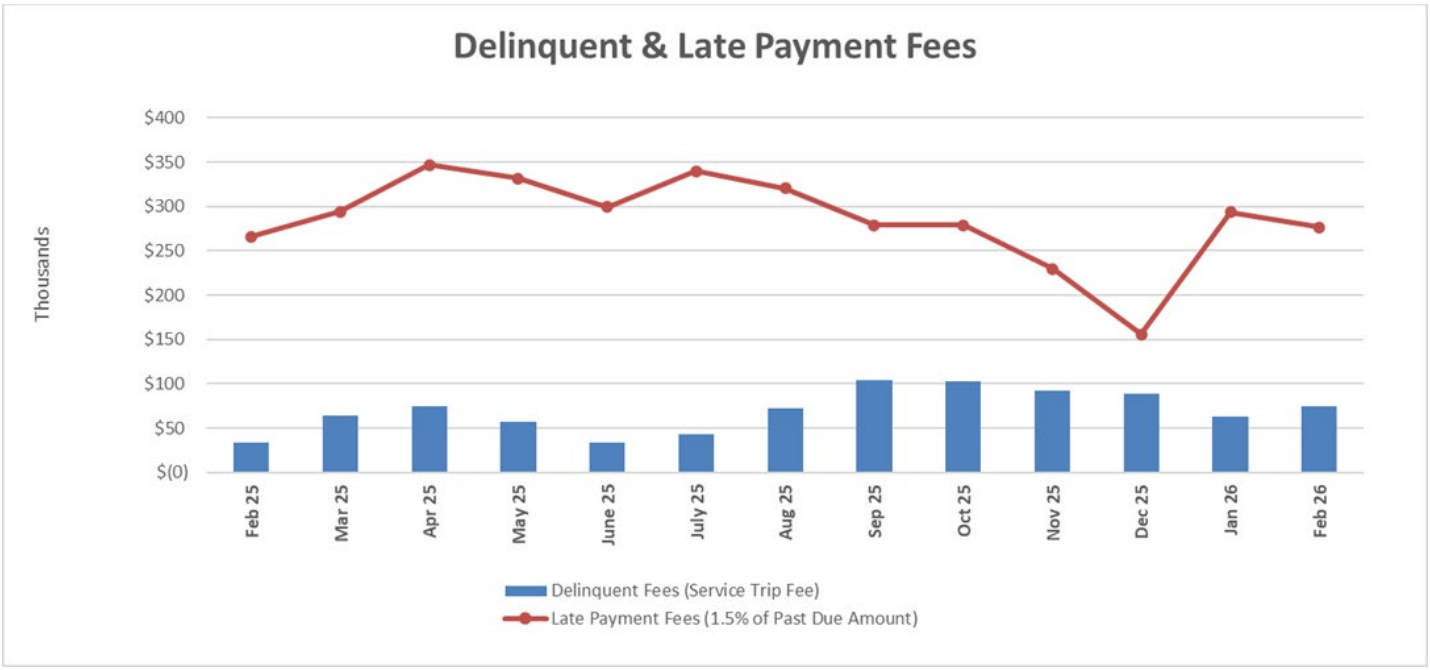
Active Non-Capital Grants

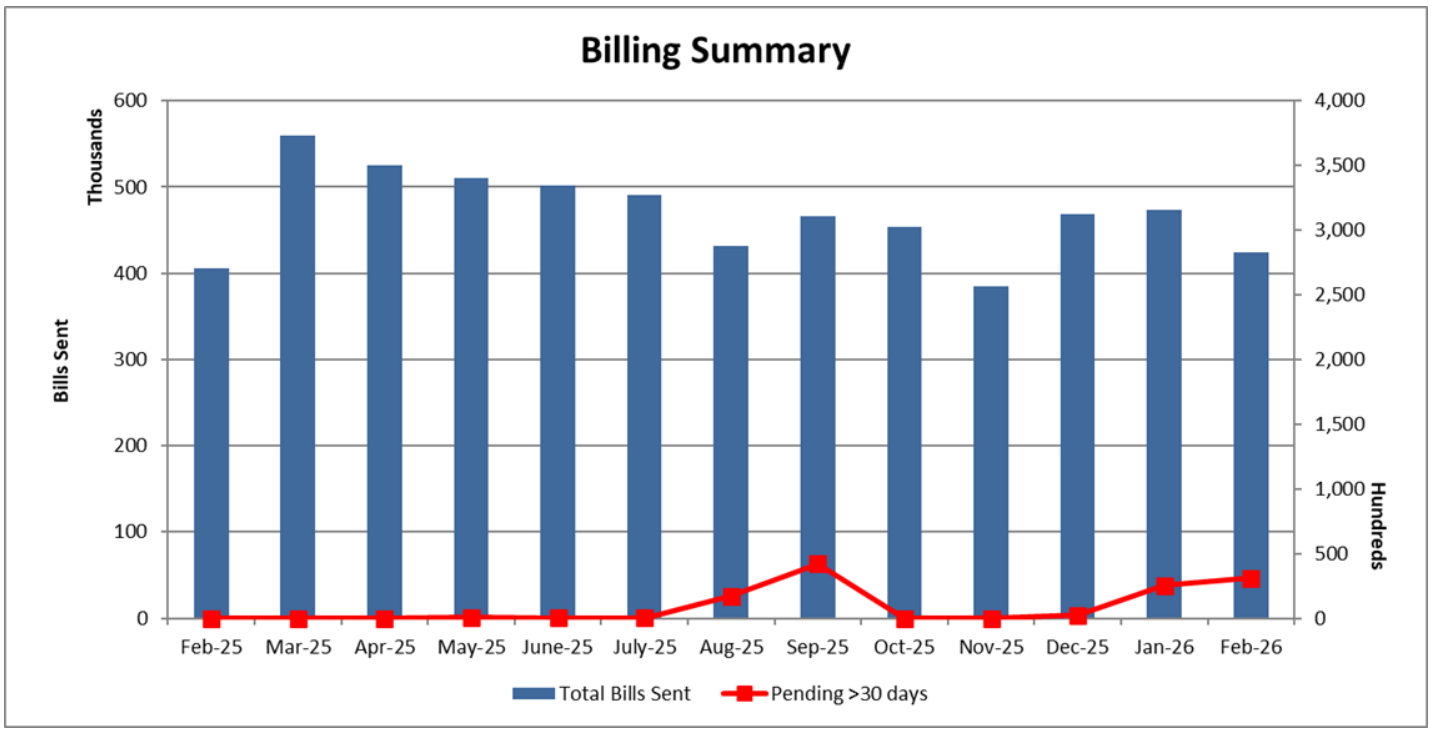
Grant Name	Funder	Project	CIP#	Application Submitted	Amount Requested	HRSD Award Amount	Reimbursement as of 02/28/26
Non-Point Source Funding	VDEQ	Gloucester Septic to Sewer (Pay for Performance)	n/a	2/3/2024	$ 1,180,000	$ 1,180,000	$ -
					$ 1,180,000	**$ 1,180,000**	**$ -**

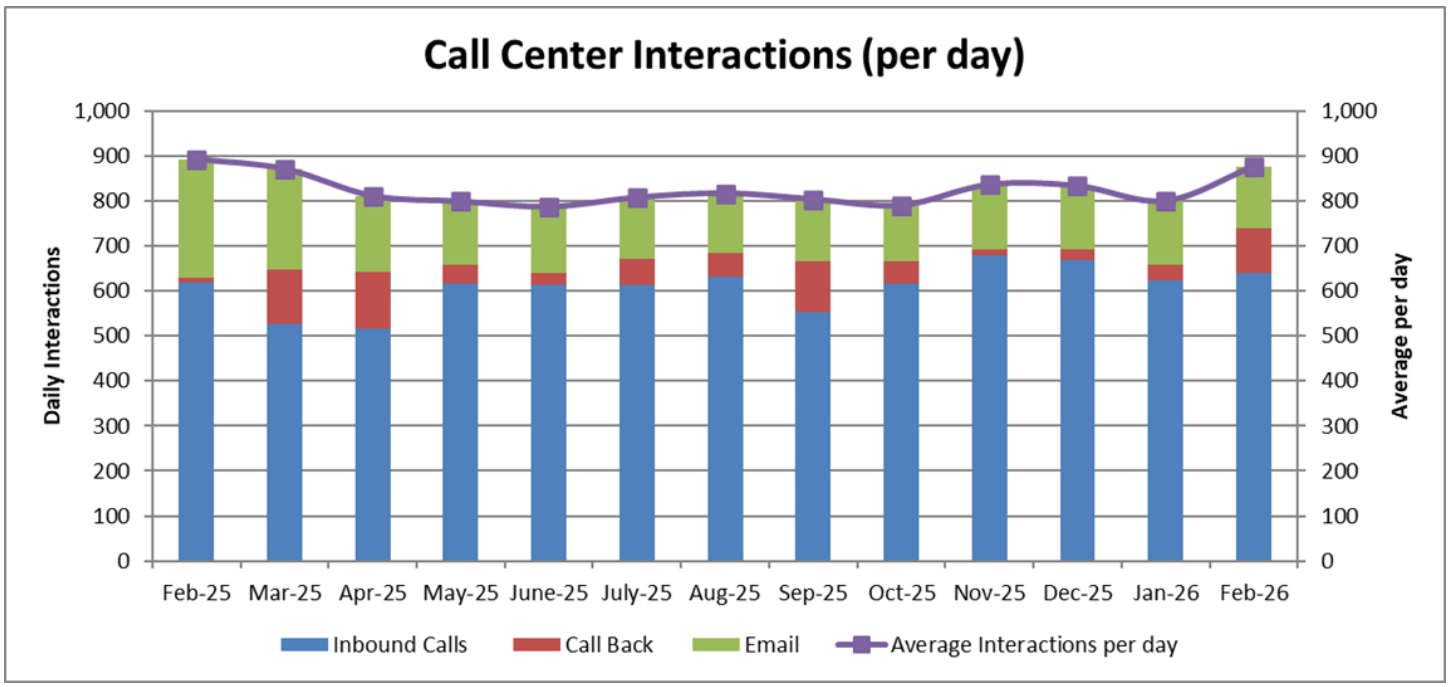
H. Customer Care Center – Key Statistics

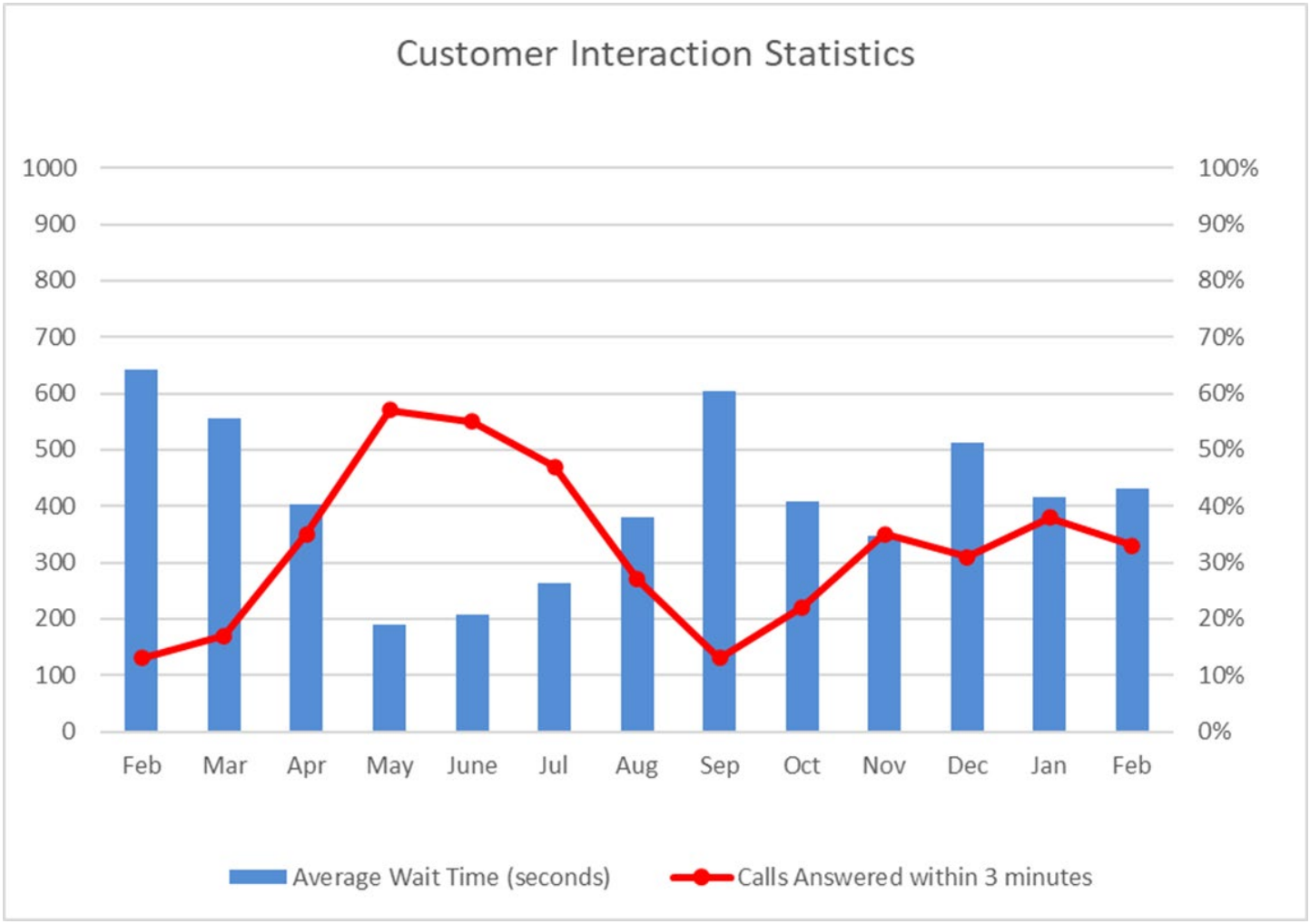




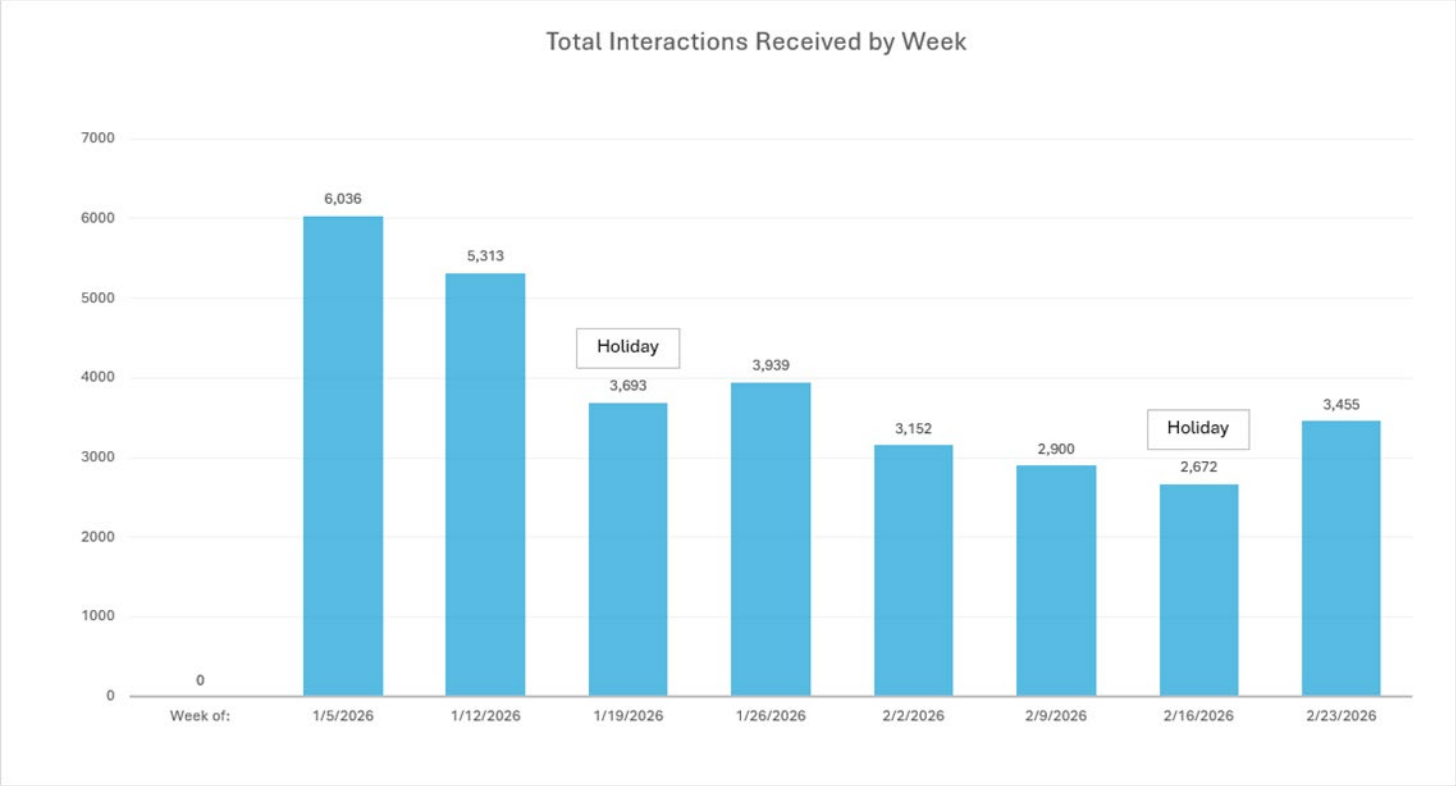

Delinquent & Late Payment Fees
Thousands
$400
$350
$300
$250
$200
$150
$100
$50
$(0)
Feb 25
Mar 25
Apr 25
May 25
June 25
July 25
Aug 25
Sep 25
Oct 25
Nov 25
Dec 25
Jan 26
Feb 26
Delinquent Fees (Service Trip Fee)
Late Payment Fees (1.5% of Past Due Amount)


Billing Summary
Bills Sent
Thousands
600
500
400
300
200
100
0
4,000
3,500
3,000
2,500
2,000
1,500
1,000
500
0
Hundreds
Feb-25
Mar-25
Apr-25
May-25
June-25
July-25
Aug-25
Sep-25
Oct-25
Nov-25
Dec-25
Jan-26
Feb-26
Total Bills Sent
Pending >30 days


Call Center Interactions (per day)
Daily Interactions
Average per day
1,000
900
800
700
600
500
400
300
200
100
0
Feb-25
Mar-25
Apr-25
May-25
June-25
July-25
Aug-25
Sep-25
Oct-25
Nov-25
Dec-25
Jan-26
Feb-26
Inbound Calls
Call Back
Email
Average Interactions per day


Customer Interaction Statistics
1000
900
800
700
600
500
400
300
200
100
0
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
Feb
Mar
Apr
May
June
Jul
Aug
Sep
Oct
Nov
Dec
Jan
Feb
Average Wait Time (seconds)
Calls Answered within 3 minutes

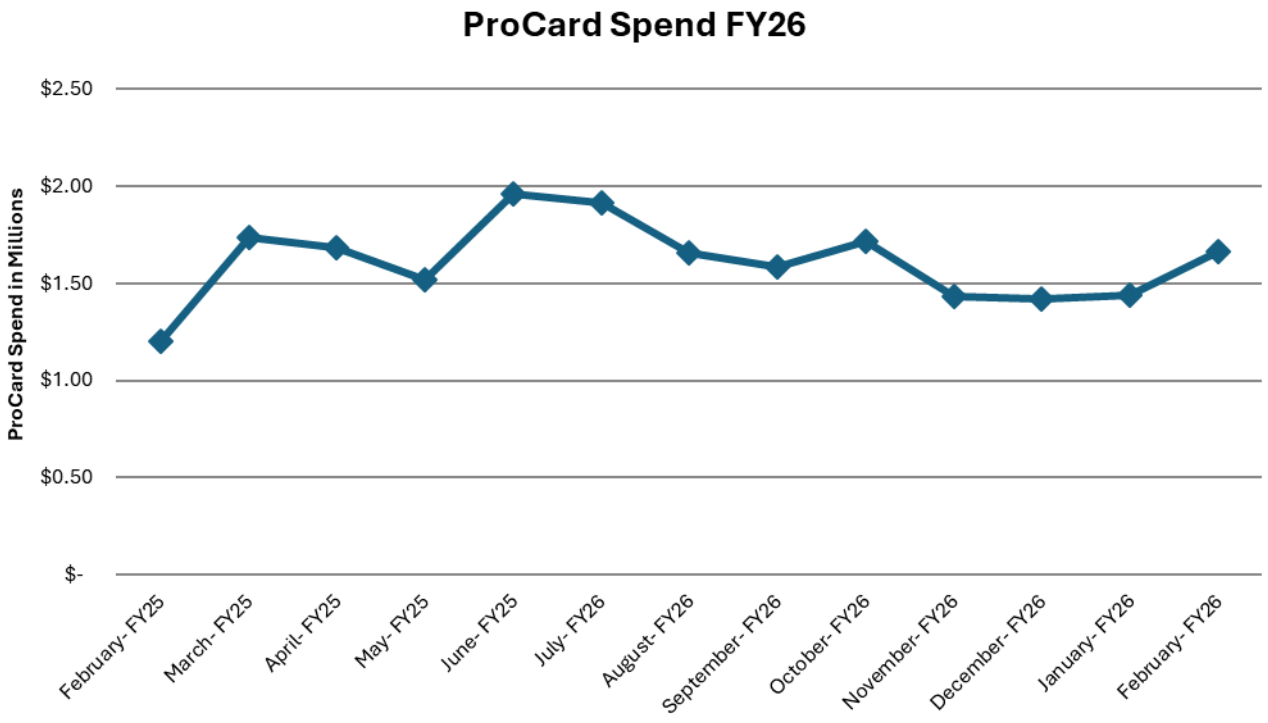
Customer Interaction Statistics	Feb	Mar	Apr	May	June	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Calls Answered within 3 minutes	13%	17%	35%	57%	55%	47%	27%	13%	22%	35%	31%	38%	33%
Average Wait Time (seconds)	643	556	403	190	208	262	379	604	409	346	512	417	431
Calls Abandoned	45%	44%	30%	16%	19%	22%	28%	42%	33%	25%	32%	27%	23%



Item #	Strategic Planning Measure	Unit	February 2026
	Accounts Receivable (HRSD)	Dollars	$55,706,388
	Aging Accounts Receivable	Percentage of receivables greater than 90 days	31.1%

I. Procurement Statistics

Savings	Current Period	FYTD
Competitive Savings	$163,928	$3,569,289
Negotiated Savings	$351	$15,251
Salvage Revenues	$30,462	$59,235
Corporate VISA Card - Estimated Rebate	$24,807	$191,036



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 January 2026

DATE: March 11, 2026

Innovation

IT Operations Activities:

. Help Desk:

- Processed 330 work orders and requests for assistance in January.
- Worked on the Microsoft Intune mobile device management implementation ramped up with a planned go-live date of early April.

Linux Administrators:

- Transition to a new log analysis system was implemented.
- Enterprise systems backup recovery was tested and anomalies remediated.

Systems Engineering:

- Work efforts continued with moving technology equipment and fiber runs at the former Chesapeake-Elizabeth treatment plant. Completion is expected by May 2026.
- Proactively replaced end-of-life fiber channel SAN switches in preparation for an upcoming storage PLATFORM upgrade.
- Evaluated backup and recovery solutions for Operation Technology environments.
- Performed ongoing vulnerability remediation for workstations and servers.
- Enterprise-wide network switch replacements were completed at North Shore operations, most of the Small Communities Division sites and the following treatment plants: Virginia Initiative Plant, York River, James River and Williamsburg.
- Continued work on Microsoft Intune mobile device management to strengthen centralized device management and policy enforcement.
- Progressed in implementation of a third-party application tool to assist in patching, compliance and vulnerability reductions.
- Successfully completed monthly disaster recovery validation testing, confirming backup integrity and recoverability.

Enterprise Applications Services:

- Programming staff worked with Customer Care Center staff in Customer Care & Billing testing for the Town of Smithfield's migration from a model 2 to a model 3 billing partner. Go Live is tentatively planned for April 2026.
- Programming staff continues to work with the Customer Care Center staff in completion of various Customer Care & Billing system projects in preparation for the start of the Oracle Cloud Service implementation anticipated to begin in June 2026.

Cybersecurity:

- Staff continue to advance the organization's operational technology (OT) cybersecurity posture through targeted education, industry collaboration, and direct operational support. Recent activities have focused on strengthening internal awareness, expanding information-sharing partnerships, and supporting secure modernization of critical industrial control systems.
- Cybersecurity continues to work closely with Operations in support of the organization's evaluation and selection of a new SCADA platform. Recent activities included participation by the CISO and the newly appointed OT Cybersecurity Manager on vendor and customer reference site visits. These engagements allow the cybersecurity team to directly assess the security architecture, operational resilience, and cyber risk considerations of potential SCADA solutions. Cybersecurity's ongoing involvement ensures that cybersecurity principles are integrated into the system selection process and that the resulting platform supports a more resilient and secure operational environment.

Division collective work efforts:

- ServiceNow project implementation system configuration phase continues. This project involves all work centers in Information Technology.
- IT staff continue engagements in workshops related to Data Governance and Data Loss Prevention (DLP) with Microsoft 365 Purview configurations. Data collections analysis was performed, and pilot testing phase began in February.
- IT staff are actively working on 95 projects, 23 considered large maintenance projects. with 30 projects on the intake cue.

Talent

- To promote stronger cross-functional collaboration, the Chief Information Security Officer (CISO) delivered a four-hour educational session to all IT employees as part of a "Lunch and Learn" series. The session focused on foundational cybersecurity principles for Operational Technology (OT), Industrial Control Systems (ICS), and Supervisory Control and Data Acquisition (SCADA) environments. The training provided an overview of the cybersecurity framework currently being applied within the organization, along with a detailed explanation of the Purdue Enterprise Reference Architecture (Purdue Model) and its practical application within HRSD's operational environment. The session was designed to enhance understanding among technical and operational stakeholders and to support more informed decision-making related to industrial system security and risk management.
- To remain aligned with emerging threats, technologies, and best practices within the industrial cybersecurity domain, the HRSD CISO and Director of IT Operations attended the S4 Conference, widely recognized as a premier event focused on cybersecurity for ICS and OT environments. Participation provided opportunities to evaluate emerging security technologies, expand organizational knowledge of evolving threat landscapes, and strengthen peer relationships with industry leaders and practitioners. These engagements support HRSD's broader strategy of continuous improvement and proactive risk management within its critical infrastructure environment
- Recruitment for the IT Senior Project Manager, Senior Systems Engineer-Microsoft Cloud, and Oracle Developer continues. These positions have been difficult to fill.

Community Engagement

- Cybersecurity staff are actively collaborating with a select group of water and wastewater cybersecurity subject matter experts (SMEs) in support of an initiative led by WaterISAC. The initiative is focused on developing a sector-specific cybersecurity threat intelligence platform designed to enhance the sharing of actionable threat information across utilities. The proposed capability aims to improve the speed and effectiveness of threat awareness, incident response, and recovery efforts across participating organizations by facilitating the timely exchange of relevant cyber threat intelligence and operational insights.

Respectfully,

Mary Corby
Chief Information Officer

TO: General Manager/Chief Executive Officer

FROM: Chief Operating Officer

SUBJECT: Operations Monthly Report for February 2026

DATE: March 12, 2026

Community Engagement

Staff participated in several community events as follows:

1. On February 11, Mr. John Soulerin, Foreman; Chris Tormos, Heavy Equipment Operator; and Eric Crook, Interceptor Technician with South Shore (SS) Interceptor Operations participated in the Shining Bright: Careers in Our Community event at Ghent Elementary School in Norfolk. Staff provided information to students from kindergarten through 8th grade about HRSD's principals and the types of careers available within the organization.

2. On February 19 and February 24, Ms. Mackenzie Rickard, Engineering Specialist with SS Interceptor Operations, partnered with the Communications Division staff to support STEM outreach events. On February 19, she assisted with the Outreach STEM Career Fair at Oak Academy in Chesapeake, where the team facilitated interactive learning experiences, and a question-and-answer session for students from pre-kindergarten through 12th grade focused on what should and should not go down household pipes. On February 24, she also participated in the Virginia Beach STEM Trifecta event at the Virginia Beach Convention Center. The event brought together students, teachers, mentors, industry, and community partners to promote STEM and entrepreneurship awareness through project-based learning activities connected to afterschool clubs focused on cybersecurity, maker, and robotics programs.

3. On February 29, Ms. Mackenzie Rickard, Engineering Specialist; Mr. Patrick Porto, Inspector; and Mr. Jake Cyr, Engineering Intern with SS Interceptor Operations took part in an Engineers' Week event at Stoney Run Elementary in Newport News. The team spoke to the students about what it means to be an engineer in the wastewater sector and explained the importance of wastewater treatment, their roles in the field, and the importance of pipeline infrastructure in protecting public health. The presentation concluded with a marble run activity in which students were challenged to design a pipeline using provided materials to slow down the "flow" (a marble), as much as possible without allowing it to stop.

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.

Air and Odor Compliance:

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

1. The Williamsburg Treatment Plant (WBTP) had four odor scrubber exhaust exceptions for scrubber hydrogen sulfide (H_2S) levels above eight parts per million (ppm). Two were caused by higher-than-normal odor scrubber influent H_2S levels from an unexpected discharge from the brewery. One was

due to a non-potable water line break caused by extreme cold conditions, and one occurred due to issues with a chemical feed line.

2. The Virginia Initiative Plant (VIP) experienced two MACT 129 exceptions for the use of the emergency bypass. Both exceptions were caused by a power outage that resulted in the shutdown of the induced draft (ID) fan. VIP also had one THC exception related to the same outage. When the analyzer lost power, the burner shut off and invalid THC readings were recorded for two hours.

Additional Topics of Interest:

1. James River Treatment Plant Projects:
    a. Advanced Nutrient Removal Improvements
        i. Secondary clarifier was placed into service and demolition inside existing #3 secondary clarifier began in preparation for refurbishment and improvements.
        ii. Electrical work and methanol system punch list items are still progress.

    b. Sustainable Water Initiative for Tomorrow (SWIFT)
        i. Electrical, heating ventilation and air conditioning (HVAC), chemical system piping, and finishing the canopy over the flocculation and sedimentation tanks was the focus in building #1.
        ii. Building #2 concrete walls were poured on the aeration channel, masonry work was completed near the west stairwell, and inside electrical, piping and HVAC work. are underway.

2. WBTP received an unexpected discharge of approximately 120,000 gallons of wort from the brewery in the raw influent. Wort, a byproduct of the beer brewing process, has a high organic load. Staff implemented operational adjustments, including increasing air to the aeration tanks, diverting more flow to the oxidation towers, using an empty intermediate clarifier to manage peak flow, and increasing chemical feed. The plant successfully managed the discharge; however, high organic and phosphorus levels were measured in the final effluent. HRSD's Pollution, Prevention, Pretreatment Department's staff is coordinating with the brewery to prevent another occurrence.

3. On February 17, North Shore (NS) Interceptor Operations staff responded to investigate a spill in Hampton (Semple Farm Road). The source was identified as an abandoned two inch galvanized connection associated with the former Army water treatment plant at Big Bethel Reservoir. The team quickly capped and abandoned the connection, recovered as much sewage as possible, and thoroughly cleaned and disinfected the impacted area. The City of Hampton and the nearby residents expressed appreciation for the prompt cleanup and disinfection efforts. Because the spill originated from a privately owned utility, Langley Air Force Base (current facility owner)was notified and advised to report the incident.

4. Following a recent rain event, York County, the City of Hampton, and the City of Poquoson reported unusually high system pressures in the York River interceptor system. HRSD staff temporarily diverted flow from the York River system to the James River system to relieve pressure and conducted an investigation. The issue was traced to a recently installed valve along Dare Road that is causing significant hydraulic restriction. HRSD is coordinating with the Design and Construction Department to address the issue under warranty, which will likely require removal and replacement of the valve and installation of a temporary bypass system. In the interim, HRSD is working with the affected localities to implement a wet-weather operating plan to manage system pressures.

5. Nitrification efforts at Boat Harbor continue, despite a very wet February. Average daily flows were up by four million gallons per day compared to January, and the colder temperatures have proved challenging conditions to maintain nitrification. The plant continues to monitor and adjust process, accordingly, still managing a total nitrogen of 12.15 mg/L.

6. On February 21, a transformer associated with Final Effluent Pump #1 failed at the Atlantic Treatment

Plant (ATP), triggering a series of electrical trips that temporarily disrupted power to the emergency hypochlorite pump. As a result, the plant experienced a loss of disinfection for approximately one hour. Electrical and Instrumentation (E&I) staff responded to reset the system and restore power. Staff are evaluating the event to identify measures to prevent a similar occurrence in the future.

7. ATP had significant operational issues with the two active digesters due to an unfavorable Volatile Fatty Acids to Alkalinity ratio, causing digester instability. To stabilize the process, staff procured and added approximately 27,000 gallons of soda ash, which resulted in immediate improvement in digester performance. Staff are evaluating options to allow earlier chemical addition in the future to prevent similar digester upsets.

8. Over the past several months, the Nansemond Treatment Plant (NTP) has experienced elevated effluent total organic carbon (TOC), increased organic nitrogen, and higher secondary effluent turbidity, which significantly increased ozone demand and limited SWIFT recharge operations. Secondary clarifiers #1– #3 were brought online on February 18 to help manage turbidity; however, uneven clarifier loading, bypass pumping challenges, and higher solids concentrations associated with winter operating conditions have created ongoing operational challenges. Beginning around January 1, 2026, additional indicators of a process change were observed, including nitrate recycled (NRCY) flow rates reaching maximum capacity and a significant reduction in methanol usage. Investigation identified elevated nitrite concentrations and reduced nitrate production, indicating suppression of nitrite-oxidizing bacteria (NOB), likely influenced by reduced nitrification capacity while Aeration Tank 6 remained offline during the partial dentification anammox (PdNA) retrofit. With additional aeration capacity now restored, warmer temperatures, and increased waste rates, recent trends show decreasing SWIFT influent TOC and declining nitrite levels, indicating the system is gradually recovering and process stability is improving.

9. The total volume of SWIFT recharge into the Potomac aquifer for the month of February was 3.68 million gallons (MG) (14.2 % Recharge Time based on 650gpm). The ongoing process issues at NTP are a large contributor to the elevated ozone demand. The elevated ozone demand is high enough to prevent recharge. Staff continues to focus on rectifying the elevated TOC and Total Inorganic Nitrogen (TIN) issue.

10. Multiple winter storms and extreme cold weather events led to multiple operational issues throughout Small Communities Department (SCD) facilities . Staff responded to frozen pipes at multiple plants, frozen autosampler tubing at Onancock Treatment Plant (ONTP) and King William Treatment Plant (KWTP). Hazardous road conditions also complicated the response efforts, requiring significant staff coordination to maintain safe and reliable operations.

11. SCD had two weather-related ride-out events with both E&I and SCD staff staying at ONTP overnight due to blizzard conditions on the Eastern Shore. During the February 23 storm, frequent power interruptions required the plant generator to be operated in manual mode to protect plant equipment.

12. On February 12, E&I staff responded to a power loss affecting part of the de-watering building at WBTP. Investigation revealed that a breaker for a screw conveyor experienced a catastrophic fault, which caused the main breaker for the Motor Control Center to trip. Staff completed the necessary repairs and inspected and tested the bus to ensure there was no additional damage. After confirming the equipment was safe to re-energize, power was successfully restored.

13. Material Transportation & Logistics (MTL) Staff have hauled 38 loads of Ash for a total of 289 dry tons. They also hauled 136 loads of primary clarifier solids and 62 loads of Thickened Waste Activated Biosolids for a total of 4,144 wet tons. In addition, 76 loads were hauled from ATP to McGill Composting facility totaling 1623 wet tons.

14. SS Interceptor Operations supported several repair and coordination efforts with internal teams and local partners. Staff assisted Support Services and Water Quality with repairing a cracked fitting on the laboratory water main and supported the City of Chesapeake Public Utilities on two occasions by

operating branch valves to facilitate force main replacement and emergency repairs. Staff also assisted the U.S. Navy at NAS Oceana Dam Neck Annex by operating a branch valve and supporting coordination efforts for the installation of a new pipeline and valve. These efforts helped ensure safe and efficient completion of critical infrastructure repairs and improvements.

Financial Stewardship

1. SCD staff ordered and installed new membranes at KWTP after delays with the new Kubota Membrane system and high transmembrane pressure (TMP) with limited treatment capacity. These new membranes greatly increase flow capacity through the treatment plant and have saved approximately $10,000 dollars per week by eliminating the need for pump and haul efforts to prevent the plant equalization tanks from overflowing. Staff will continue to monitor TMP levels and the project schedule for the new membranes and will order another membrane set if needed.

2. On February 17, SS Interceptor Operations partnered with NTP staff to clean the Regional Residuals Facility (RRF) removing approximately five and one-half cubic yards of material from the grit traps to maintain peak operating efficiency. By working together and utilizing internal resources, this effort resulted in daily cost savings of approximately $5,500.

3. The Machine Shop currently has 22 work orders in progress, including five pump rebuilds and fabrication work. The team successfully repaired three pumps that were returned to service in the collection system. Staff also completed a time-sensitive shaft modification for NTP to support equipment installation.

4. The Construction Support Team (CST) has completed demolition and mock-up for Primary Solids Pump #3 at VIP. They secured the new pump base with anchors, grout has been poured, and new spool pieces have been ordered to complete the project.

Innovation

1. The installation of PdNA is continuing at NTP. The first of six tanks has been placed into service again after several rounds of modifications and upgrades to fix deficiencies. As stated previously, anoxic integrated fixed film activated solids (IFAS) is a significant engineering challenge when retrofitting existing tanks with little available head. Stress testing of this tank has been conducted with results suggesting that the design hydraulic conditions can be safely managed.

2. Eastern Shore staff installed a new polymer feeding station for the dewatering trailer to reduce manpower needs for re-filling polymer and avoid running out of polymer while the trailer is running. Staff also worked with E&I to remove all the piping and electrical infrastructure from the old Quonset hut and had it removed. The building pad and drainage system remain and are now being used as the new location for the dewatering trailer which should eliminate potential spills if the trailer malfunctions.

3. NS Interceptor Operations staff developed a framework using SharePoint to track unscheduled attendance and document historical coaching conversations. The secure and configurable system will allow supervisory staff to centralize information that is currently maintained in separate notes, spreadsheets, and documents, improving consistency and recordkeeping across the work center.

Talent

1. At WBTP Mr. Aaron Royal, plant operator, obtained a Class 2 Virginia Wastewater Works Operator License.

2. Mr. Zach Hulstine was promoted from Maintenance Planner to Maintenance Lead Operator at the York River Treatment Plant.

3. Support Services Department welcomes Mr. Anthony Dildy to the CST as Construction Specialist.

4. ABTP plant operators Mr. Dan Scott and Mr. Nick Synder obtained their Class 1 Virginia Wastewater Works Operator License.

5. VIP would like to welcome two new Plant Operators, Mr. Frank Mathwig and Mr. Tyler Adams.

6. SS Interceptor Operations welcomes Mr. Samuel Foote as a Maintenance Assistant.

Respectfully submitted,

Eddie M. Abisaab, PE, PMP
Chief Operating Officer

Attachment: MOM Reporting

MOM Reporting Numbers

MOM #	Measure Name	Measure Target	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
2.7	# of PS Annual PMs Performed (NS)	37	3	2	5	3	3	4	3	5				
2.7	# of PS Annual PMs Performed (SS)	53	2	3	5	3	1	4	5	1				
2.7	# of Backup Generator PMs Performed	4.6	6	10	5	8	3	4	13	5				
2.8	# of FM Air Release Valve PMs Performed (NS)	234	397	483	515	539	273	237	236	194				
2.8	# of FM Air Release Valve PMs Performed (SS)	1,550	208	164	64	83	99	134	122	132				
2.9	# of Linear Feet of Gravity Clean (NS)	2,417	1,614	2,402	3,996	5,300	2,197	5,517	2,186	2,424				
2.9	# of Linear Feet of Gravity Clean (SS)	2,417	730	810	2,370	3,087	1, 350	1,773	1,319	254				

TO: General Manager

FROM: Chief People Officer

SUBJECT: Talent Management Monthly Report for February

DATE: March 24, 2026

Talent

In February the Talent Management division continued efforts in human resources, learning and development, and safety and security. The entire division came together for a workshop focused on aligning work with HRSD's organizational vision, improving internal customer experience, and intra-divisional communication. All three departments are collaborating on the learning management system (LMS) rollout later this year to reduce risk through compliance and safety training as well as provide additional employee development options. Other activities include:

Human Resources (HR)

Talent Acquisition

- Recruitment campaigns launched: 28
- Job offered accepted: 10

Policy Review and Updates

- Continued reviewing and revising HRSD policies, with focus on:
  - Corrective action
  - Standards of conduct
  - Grievance procedures
- Began reviewing the **policy manual formatting** to improve organization and usability.

Employee Recognition – Awardco Platform

- 25.9% of HRSD staff logged into the platform, reflecting a decrease in engagement.
- 110 employees recognized peers through the platform.
- Additional recognitions included:
  - 67 service anniversary recognitions
  - 57 birthday recognitions

Wellness Program

- 2025–2026 wellness year concluded.
  - Program results are being analyzed to determine:
    - Eligibility for the lowest deductible tier

- Other wellness incentives

Learning and Development (L&D)

SPARC Session Training

- Hosted SPARC Session training for facilitators to expand the pool of staff capable of leading strategic planning sessions.
- Conducted quarterly alignment meetings to:
  - Coordinate upcoming program delivery
  - Share lessons learned
  - Align team priorities.

EmpowerTalent Pilot Program

- Launched the first pilot of the EmpowerTalent series.
- Eight employees completed the ProCore module.
- Program focus:
  - Communication skills
  - Reliability and professional workplace behaviors for frontline staff.

External Engagement

- L&D staff presented at the VWEA Utility Management Seminar, highlighting HRSD workforce development initiatives and strategies for employee engagement and growth.

Apprenticeship Program

- Began Term 4 with strong participation:
  - 16 sections
  - 13 courses
- Hosted two update sessions to align course materials with ADA regulations.
- Conducted the Apprentice Mentoring Program mid-year engagement activity.

Workforce Outreach

- Participated in advisory meetings with:
  - The College and Career Academy at Pruden
  - New Horizons
- Attended career fairs at:
  - New Horizons
  - Virginia Beach Technical Center

Career Pathways Program

- Continued individualized career support, including:
  - 5 resume reviews

    - 2 interview preparation sessions
    - 1 mock interview
    - 3 career mapping meetings
    - 1 coaching session
- Outcomes:
    - 5 employees supported in promotional interviews
    - 1 confirmed promotion

Safety and Security

Safety

Safety Inspections & Training	
Activity	**Metric**
Safety Inspections	7
Safety Training Sessions	10
Construction Site Walks	8
Contractor Safety Briefings	6

Emergency Preparedness

- Completed updates to all plant Emergency Response Procedures.
- Began safety training and emergency drills to ensure staff readiness.

Regulatory Compliance

- Submitted 2025 SARA Title III chemical inventory data to:
    - Department of Environmental Quality (DEQ)
    - Local Emergency Planning Commissions within HRSD's service areas.

Industrial Hygiene Activities

- Conducted chemical fume hood inspections at:
    - Water Quality Service Building
    - Central Environmental Laboratory (CEL)
    - HRSD plants equipped with chemical fume hoods
- Performed quarterly ash radiation screening at facilities operating incinerators.

Learning Management System Integration

- Continued organizing safety training within Cornerstone, HRSD's LMS:
    - Grouped users based on training requirements
    - Provided safety training outline to the Learning & Development team
- Preparing for Talent Management meeting in March to finalize rollout schedule.

Security

Security Planning and Coordination

- Participated in planning meetings for security camera systems at:
    - Boat Harbor Pump Station
    - Providence Storage Facility

Facility Security Assessments

- Conducted site visits to evaluate security needs at:
    - Boat Harbor Pump Station
    - Williamsburg Plant
    - West Point Plant
    - King William Plant

Security System Implementation

- Installed the ILOQ security system at the Nansemond Plant and provided staff training.

Security Signage

- Distributed No Trespassing signs to HRSD plants and pump stations.
- Procured and distributed construction site signage outlining:
    - PPE requirements
    - Visitor check-in procedures
    - Restricted access zones.

February Incident Summary		
Event	February	Previous Month
Auto Accident/property damage incident	1	3
Work-related injuries requiring medical attention	5	4
Accident resulting in lost time	0	0

Respectfully submitted,

Christina Gibson

Chief People Officer

TO: General Manager/ Chief Executive Officer

FROM: Chief of Water Quality (CWQ)

SUBJECT: Monthly Report for February 2026

DATE: March 12, 2026

Environmental Responsibility

HRSD's Regulatory Activities:

- Monthly Discharge Monitoring Report (DMR) Summary and Items of Interest: Effluent and Air Emissions Summary.
- 9 Permit Exceedances out of 37,243 Total Possible Exceedances to date in FY2026.
- 113.1 million pounds of pollutants removed to date in FY2026.
- A warning letter was received on February 26, 2026, regarding a low chlorine residual reported for VIP in November 2025.

Pretreatment and Pollution Prevention (P3) Program Highlights:

- No civil penalties were issued in February.

Environmental and Regulatory Advocacy

Chief participated in the following advocacy and external activities:

- Legislative advocacy: Continued advocacy efforts to develop workable and effective biosolids legislation that supports per- and polyfluoroalkyl substances (PFAS) reduction efforts while maintaining the land application management option for materials that reflect typical residential exposures. February included brief testimony at both Senate and House subcommittee meetings where relevant bills were being considered, in addition to meeting with other interested parties to arrive at further modifications to the Senate bill which eventually formed the basis for the bills under consideration now. Also participated with in-person outreach with a team from Virginia Forever to advocate for needed natural resource funding, including full funding of the Water Quality Improvement Fund (WQIF).
- Virginia Forever Executive Board Meeting: Discussed recruitment and on-going legislative outreach.
- Co-chaired the Chesapeake Bay Program's Wastewater Treatment Workgroup to discuss potential updates to E3 (Everything, for Everyone, Everywhere) inputs in the watershed model related to wastewater loads. E3 is meant to reflect the best possible load reduction achievable. One component of E3 reflects Limit of Technology (LOT) setpoints for controlling nitrogen and phosphorus. Current LOT is defined as 3 mg/L Total Nitrogen and 0.1 mg/L Total Phosphorus. Also worked to

define the mechanism for optional inputs related to exfiltration of nutrients from the collection system.

- Participated in the Water Research Foundation's Research Planning Summit for Receiving Water Quality to help identify the priority areas for research funding in the coming year. This was the first meeting in a multi-step process, concluding in March.

- Attended the National Association of Clean Water Agencies (NACWA) Winter meeting and co-chaired the Water Quality Committee meeting.

    - The primary focus of the meeting was on increasingly stringent controls on nutrient loads in Florida and the west coast.

    - West coast facilities have not been required to achieve the rigorous nutrient control required of Chesapeake Bay dischargers. Indications are that many will now be required to implement costly nutrient removal technologies though modeling of water quality in the impacted receiving streams does not necessarily indicate that these reductions will achieve the desired outcomes.

    - Florida's main approach has been to eliminate the discharge of most flow to ocean outfalls and to greatly reduce all surface water discharge of treated wastewater. This has resulted in greater emphasis on aquifer injection and reuse opportunities.

- Provided a presentation on HRSD's SWIFT program and the associated regulatory framework with HRSD's Hydrogeologist at the Groundwater Protection Council's Underground Injection Control (UIC) Conference.

- Participated as a panelist for the US Water Alliance's One Water Webinar to discuss the SWIFT program and its connectivity to the Alliance's One Water Leadership Guides.

Financial Stewardship

- HRSD's Municipal Assistance Program (MAP)
    - Provided sampling and analytical services on a cost-reimbursement basis to the following:
        - Northumberland County
        - Upper Occoquan Service Authority
        - Westmoreland County

Talent

- Held two in-person briefings of Water Quality Uncovered where the Water Quality Directors and Chief provided updates on developing activities across the organization.

Community Engagement

- Provided a briefing on SWIFT to the Crown Colony Club.
- Microbial Source Tracking (MST) partnering localities and projects.
    - City of Chesapeake (Southern Branch)
    - City of Hampton (southeast)
    - City of Newport News (Hilton Beach)
    - City of Suffolk (downtown)
    - City of Virginia Beach (Thalia Creek)
    - James City County

Respectfully submitted,

Jamie S. Heisig-Mitchell
Chief of Water Quality

EFFLUENT SUMMARY FOR FEBRUARY 2026

PLANT	FLOW mgd	% of Design	BOD mg/l	TSS mg/l	FC #/UBI	ENTERO #/UBI	TP mg/l	TP CY Avg	TN mg/l	TN CY Avg	CONTACT TANK EX
ARMY BASE	10.98	61%	6	6.3	1	1	0.28	0.27	4.7	4.5	28
ATLANTIC	46.92	87%	10	15	1	1	NA	NA	NA	NA	3
BOAT HARBOR	14.79	59%	8	7.3	1	2	0.34	0.26	12	12	0
CENT. MIDDLESEX	0.019	77%	<2	1.6	<1	<1	NA	NA	NA	NA	NA
JAMES RIVER	13.94	70%	12	16	5	5	0.64	0.70	5.1	5.8	9
KING WILLIAM	0.098	98%	1	0.26	NA	<1	0.20	0.16	1.6	1.9	NA
NANSEMOND	17.41	58%	16	17	75	1	1.1	1.2	5.1	5.2	4
ONANCOCK	0.323	43%	6	0.44	1	2	0.16	0.21	5.9	4.5	NA
CHINCOTEAGUE (SB)	0.013	33%	3	3.7	1	6	NA	NA	NA	NA	0
URBANNA	0.054	54%	6	12	2	6	1.9	2.4	12	11	NA
VIP	29.74	74%	7	4.6	6	4	0.26	0.36	4.9	4.2	4
WEST POINT	0.494	82%	28	8.3	1	3	2.6	2.7	20	21	0
WILLIAMSBURG	8.71	39%	7	3.8	6	5	1.3	1.0	3.6	3.1	23
YORK RIVER	14.18	95%	5	2.0	2	3	0.28	0.20	6.3	6.2	20
	157.67										

	% of Capacity
North Shore	63%
South Shore	74%
Small Communities	59%

AIR EMISSIONS SUMMARY FOR FEBRUARY 2026

	No. of Permit Deviations below 129 SSI Rule Minimum Operating Parameters							Part 503e Limits		
MHI PLANT	Temp 12 hr ave (F)	Venturi(s) PD 12 hr ave (in. WC)	Precooler Flow 12 hr ave (GPM)	Venturi Flow 12 hr ave (GPM)	Tray/PBs Flow 12 hr ave (GPM)	Scrubber pH 3 hr ave	Any Bypass Stack Use	THC Mo. Ave (PPM)	THC DC (%)	BZ Temp Daily Ave Days >Max
BOAT HARBOR	0	0	0	0	0	0	0	8	95	0
VIP	0	0	0	0	0	0	2	24	99	0
WILLIAMSBURG	0	2	0	0	1	1	3	54	87	0

ODOR COMPLAINTS

ARMY BASE	0
ATLANTIC	5
BOAT HARBOR	0
JAMES RIVER	0
NANSEMOND	0
VIP	0
WILLIAMIBURG	0
YORK RIVER	3
NS OPS	0
SS OPS	0
SCD	0
NON-HRSD	0

Items of Interest – February 2026

MULTIPLE HEARTH INCINERATION (MHI)

Total Hydrocarbon (THC) monthly averages (not to exceed 100 ppm) were met by all three operating MHI plants (Boat Harbor, Virginia Initiative, and Williamsburg). The THC continuous emissions monitoring (CEM) valid data capture was 87% or more.

The three operating MHI plants had four (4) 129 operating parameter deviations and four (4) minor uses of the emergency bypass stack (<60 minutes), and one (1) reportable use of the MHI bypass (>60 minutes).

On 2/3/26 the stack test protocol was submitted to DEQ for WTP's full 129/MMMM test on MHI #2 scheduled for 3/10/2026. Approval of the stack test protocol was received 2/9/2026.

On 2/11/26 the ATP State-Only Enforceable (SOE) Permit required annual Odor Management Plan (OMP) update was submitted to DEQ. We received their approval of the OMP on 2/13/26.

On 2/12/26 we received DEQ's final approval of BHTP's 129/MMMM MHI #1 stack test results from their 12/9/2025 test. The results demonstrated full compliance with 129 emission limits, with all parameters falling under 75% of their respective limits.

On 2/19/26 the stack test protocol was submitted to DEQ for VIP's full 129/MMMM test on MHI #1 scheduled for 3/26/2026. Approval of the stack test protocol was received 2/23/2026.

On 2/25/26 the Annual Update Reports for HRSD's Minor and Synthetic Minor emission facilities (JR, YR, & AT PRS) were submitted to DEQ.

On 2/25/26 the Title V Semi-Annual Monitoring Reporting Forms for the period of 7/1/2025-12/31/2025 were submitted to DEQ.

On 2/25/26 the 2025 Title V Annual Compliance Certification Reporting Forms were submitted to DEQ and EPA.

AIR PERMITS and ODOR CONTROL

There was a total of eight (8) odor complaints this month.

York River Treatment Plant received three (3) odor complaints from the neighbor at 718 Back Creek Rd. YR Ops did not identify any unusual odors/issues at the plant when the complaints were reported. Operational staff were able to respond in real time to the location of the complaint received on 2/9/26 and were unable to detect any plant odors in the vicinity of the complainant's residence. TSD has redeployed

continuous H_2S monitoring equipment at YRTP inside and outside the solids handling building where an exhaust fan has been identified as a point source of odor that could potentially be contributing to offsite odors.

Atlantic Treatment Plant received five (5) odor complaints. These complaints came from the neighbor on Kitimal Drive. Plant staff respond to these complaints and take corrective action as needed. Digester gas pressures have been running high, which may have contributed to some of these complaints. ATP Ops are working diligently to empty condensate traps and equalize gas across the system. Communications personnel provides responses to our neighbors as appropriate and TSD records the complaints in the air permit required odor complaint log.

TREATMENT

Atlantic

On February 21, the transformer for the #1 Final Effluent pump failed within the panel. When the transformer failed, it tripped the VFD for the pump, which subsequently tripped the main breaker for the "A" side power that supplies the hypochlorite pumps. The main breaker trip also affected the switchboard room across the street, causing the Emergency Hypo pump UPS battery to enter an alarm state and preventing it from delivering power to the outlet supplying the Emergency Hypo pump. Operators attempted to start the Emergency Hypo pump but were unable to do so until Electrical & Instrumentation (E&I) staff arrived onsite, reset the breakers, and cleared the alarms. Power was restored and hypochlorite flow resumed after staff secured the effluent pump drive and reset the final effluent switchgear.

James River

On February 16, an overflow of centrate occurred during a bypass gate test conducted as part of the ongoing facility construction. The pump interlock was not functioning correctly and failed to stop the pumps feeding the Anitamox tank on a closed gate. Plant staff opened the effluent gate to stop the overflow and the pump interlock was reprogrammed and verified to stop pumps upon tank high level alarm. Approximately 100 gallons of centrate water were released to the ground.

Williamsburg

On February 21, the Fats, Oils, and Grease (FOG) tank overflowed when the influent gate of the out of service primary clarifier #2 was not fully seated, causing scum pumps to run continuously and overwhelm the FOG water tank. The visible FOG that spilled along with some of the FOG water was recovered with approximately 100 gallons being released to the ground and storm drain.

SYSTEM

On February 26, staff were notified of a raw sewage spill near 1632 Jolliff Road in Chesapeake. Our on-call contractor and condition assessment consultant were contacted to design, direct, and manage a line stop and bypass as the line cannot be isolated or diverted. While bypass piping was being assembled and line stop blocks were being poured, spill flows were diverted to a ditch with a low point with sandbag dams in place. The released wastewater was then pumped to a frack tank and then to the gravity system to City of Chesapeake Pump Station 155. Line stops were successfully placed on March 5. Cause of failure was most likely external damage (reasons unknown) that impacted the pipe. Approximately 385,200 gallons of raw wastewater were unrecovered from the storm drain system.

SYSTEM/TREATMENT, SMALL COMMUNITIES, AND EASTERN SHORE

<u>King William collection system</u>
On February 16, heavy rainfall (0.9") along with snow melt from previous weather events, inundated the collection system area resulting in an overflow of low rim manhole KW-MH-C20. Staff confirmed the station pumps and the permanent mounted diesel bypass pump were operating properly. Solid debris was removed and lime spread to affected areas. Approximately 10,150 gallons of raw wastewater were released to the ground and Moncuin Creek.

<u>Onancock</u>
During the month of February, three permit exceedances were reported.

Week of	Parameter	Weekly Limit	Reported Value
2/8-2/14	cBOD	15	24
2/8-2/14	Ammonia	2.0	3.6
2/15-2/21	Ammonia	2.0	2.7

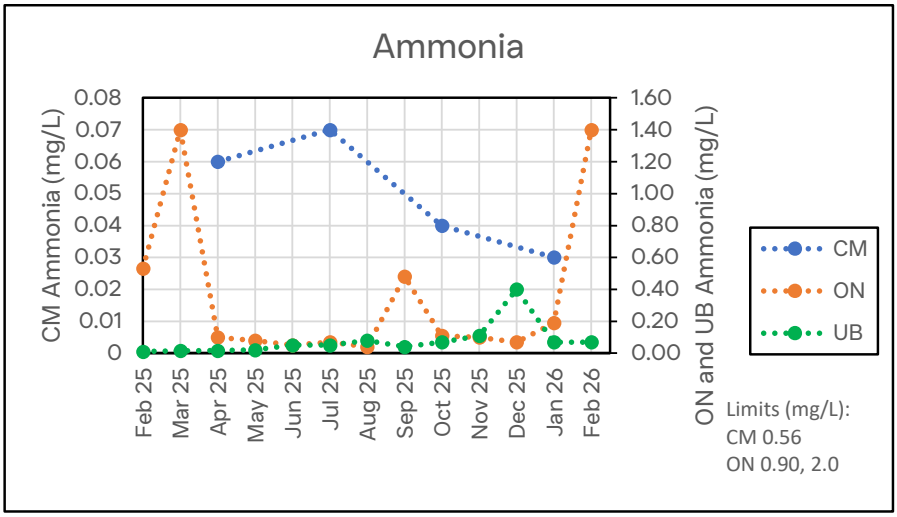
Laboratory results received on February 18 indicated elevated cBOD and ammonia during the week of February 8–14, driven by elevated results for the February 12 sampling event. The effluent Total Suspended Solids (TSS) result was < 1.0 mg/L, indicating that solids carryover was not causing the cBOD exceedance. Glycerol dosing in the anoxic zone was also reviewed and confirmed to be low, eliminating excess carbon addition as a likely source.
Additional investigation identified that one of three membrane trains was in poor condition and producing elevated permeate turbidity. Inspection confirmed significant membrane deterioration, including delamination and a damaged module. The module was repaired and flow through that train was reduced pending replacement of the remaining aged membrane cassette. Dissolved oxygen (DO) in the second aerobic zone was also observed to be below 0.5 mg/L, impairing nitrification and contributing to the ammonia exceedances. Aeration was increased and nitrification recovered the following week. Corrective actions include

replacement of the remaining aged membrane train, implementation of additional low-DO alarms, and continued monitoring and operational adjustments to maintain treatment performance.

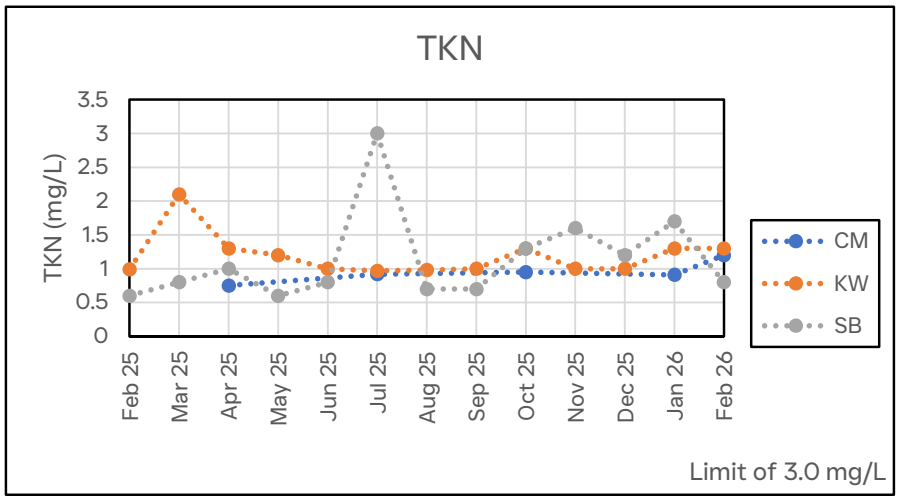
West Point

On February 8, a 2-inch diameter ball valve on a drain line from the tertiary filter froze and broke releasing the contents of the tertiary filter tank. Staff diverted flow to replace the ball valve and install plug-in heat tracing and insulation. Approximately 4,000 gallons of chlorinated Secondary Clarifier Influent / Tertiary Effluent were released to the ground.

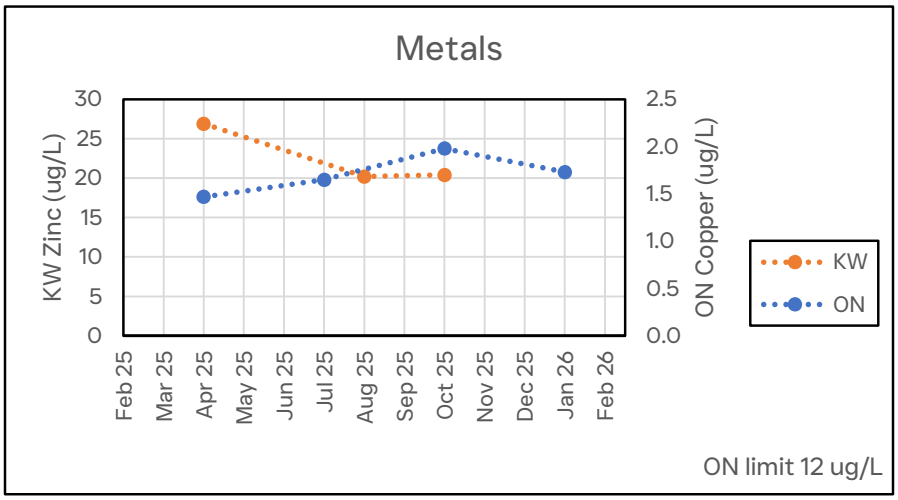
	Ammonia		
	CM	ON	UB
Feb 25		0.53	0.01
Mar 25		1.4	0.02
Apr 25	0.06	0.10	0.02
May 25		0.08	0.02
Jun 25		0.05	0.05
Jul 25	0.07	0.07	0.05
Aug 25		0.04	0.08
Sep 25		0.48	0.04
Oct 25	0.04	0.11	0.07
Nov 25		0.10	0.11
Dec 25		0.07	0.40
Jan 26	0.03	0.19	0.07
Feb 26		1.4	0.07



	TKN		
	CM	KW	SB
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
Sep 25		1.0	0.70
Oct 25	0.95	1.3	1.3
Nov 25		1.0	1.6
Dec 25		1.0	1.2
Jan 26	0.91	1.3	1.7
Feb 26	1.2	1.3	0.80



	Zinc	Copper
	KW	ON
Feb 25		
Mar 25		
Apr 25	27	1.5
May 25		
Jun 25		
Jul 25		1.7
Aug 25	20	
Sep 25		
Oct 25	20	2.0
Nov 25		
Dec 25		
Jan 26		1.7
Feb 26		



Hampton Roads Sanitation District
Internal Audit Status
February 28, 2026

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

Grants Management

- **Completed Tasks (February 2026)**
  - Conducted multiple HRSD process understanding meetings and prepared draft flowcharts/risk, control matrix, and fieldwork audit program.
- **Upcoming Tasks (March 2026)**
  - Complete planning and commence fieldwork.

Risk Assessment

- **Completed Tasks (February 2026)**
  - Continued preparing risk assessment workbook; began developing risk assessment survey.
- **Upcoming Tasks (March 2026)**
  - Distribute risk assessment survey.
  - Aggregate and analyze risks; begin drafting internal audit plan.

ProCards and Employee Expense

- **Completed Tasks (February 2026)**
  - Commenced audit and began developing entrance meeting material.
- **Upcoming Tasks (March 2026)**
  - Conduct kickoff meeting; begin developing planning workpapers.

II. Upcoming Internal Audits

- AI Governance and Operations (April/May 2026)

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.

		Recommendations		
Audit / Project	**Next Follow-up**	**Closed**	**Open**	**Total**
Personally Identifiable Information (PII)	March 2026	1	2	3
CEL Assessment	March 2026	0	5	5
Closed Audit/Projects (x23)	Closed	142	0	142
	Totals	143	7	150

Strategic Measures
February 2026

Strategic Planning Measure	Jan-26	Feb-26	FY-26
Educational and Outreach Events	14	18	107
Number of Community Partners	17	18	122
Number of Technical Presentations	2	1	23
Number of Technical Publications	1	0	3
Revenue vs. Budget	60%	68%	68%
Wastewater Expenses vs. Budget	48%	55%	55%
Accounts Receivable (HRSD)	$62,039,945	$55,706,388	$56,970,031
Aging Accounts Receivable	28.60%	31.10%	31.25%
Turnover Rate wo Retirements	0.33%	0.44%	3.08%
Turnover Rate w Retirements	0.55%	0.55%	5.17%
Avg Time to Hire (Posting to Acceptance)	3 months 11 days	2 months 27 days	3 months 9 days
Number of Vacancies	77	75	71
Average number of applicants per position	10.3	4.8	6.2
Percentage of positions filled with internal applicants	50.0%	20.0%	30.4%
Recruitment source Return on Investment	*	*	*
Avg Time to Hire (Acceptance to NEO)	41.67	49.33	*
Customer Call Wait Time (mins)	6.57	7.11	6.38
Capacity Related Overflows with Stipulated Penalties (Reported Quarterly)	*	*	*
Non-Capacity Related Overflows with Stipulated Penalties (Reported Quarterly)	*	*	*
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.	N/A	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.	N/A	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.	N/A	N/A	0
Cumulative CIP Spend	$390,520,000		$457,900,000

*Not currently tracking due to constraints collecting the data.
** Updated after EPA Quarterly Report submittal.
***Billing is one month behind

Strategic Measures

February 2026

Community Partners		
Date	**Division**	**Event**
02/04/2026	Operations	Town of Westpoint
02/10/2026	Communications	Virginia Conservation Network
02/10/2026	Engineering	Virginia Conservation Network
02/10/2026	Water Quality	Virginia Conservation Network
02/11/2026	Operations	City of Norfolk Public Utilities
02/11/2026	Operations	Ghent Elementary School
02/11/2026	Operations	Town of Onancock
02/13/2026	Communications	Virginia Beach City Public Schools
02/17/2026	Communications	Virginia Beach City Public Schools
02/18/2026	Communications	Norfolk Public Schools
02/19/2026	Communications	Oak Tree Academy
02/19/2026	Operations	Oak Tree Academy
02/20/2026	Communications	Newport News Public Schools
02/23/2026	Communications	City of Suffolk
02/23/2026	Engineering	Newport News Public Schools
02/24/2026	Communications	Virginia Beach City Public Schools
02/25/2026	Communications	Norfolk Public Schools
02/25/2026	Water Quality	Norfolk Public Schools
02/25/2026	Engineering	Norfolk Public Schools
02/25/2026	Finance	Norfolk Public Schools
02/26/2026	Engineering	Newport News Public Schools
02/27/2026	Communications	Middlesex County Public Schools
02/27/2026	Engineering	Newport News Public Schools
02/27/2026	Engineering	United States Navy
02/27/2026	Engineering	Middlesex County Public Schools

Strategic Measures

February 2026

Educational Outreach			
Date	**Division**	**Event**	**Community Partner**
2/10/2026	Communications	Information table at 4th Annual Virginia Resilience Reception	Virginia Conservation Network
2/10/2026	Water Quality	Information table at 4th Annual Virginia Resilience Reception	Virginia Conservation Network
2/10/2026	Engineering	Information table at 4th Annual Virginia Resilience Reception	Virginia Conservation Network
2/11/2026	Engineering	Ghent Elementary Career Day	Ghent Elementart
2/12/2026	Engineering	DBIA HR Chapter Webinar	DBIA
2/13/2026	Communications	SWIFT Tour - First Colonial HS	Virginia Beach City Public Schools
2/17/2026	Communications	SWIFT Tour - First Colonial HS	Virginia Beach City Public Schools
2/18/2026	Communications	Presentations and activities - St. Helena Elementary	Norfolk Public Schools
2/19/2026	Communications	Information and activity table for STEM Day at Oak Tree Academy	Oak Tree Academy
2/19/2026	Operations	Information and activity table for STEM Day at Oak Tree Academy	Oak Tree Academy
2/20/2026	Communications	SWIFT Tour - Newport News Public Schools	Newport News Public Schools
2/20/2026	Engineering	International Real Estate Law Committee Symposium	International Real Estate Law Committee
2/20/2026	Operations	SWIFT Tour - Newport News Public Schools	Newport News Public Schools
2/23/2026	Communications	SWIFT Tour - City of Suffolk Economic Development	City of Suffolk
2/23/2026	Engineering	Engineers Week educational outreach activity at Discovery STEM Academy	Newport News Public Schools
2/24/2026	Communications	Information table and activities VBCPS XPEDITION: PORT OF CALL Career Immersion Experience	Virginia Beach City Public Schools
2/25/2026	Communications	Chrysler STEAM Day (four Norfolk schools	Norfolk Public Schools
2/25/2026	Finance	Chrysler STEAM Day (four Norfolk schools	Norfolk Public Schools
2/25/2026	Engineering	Chrysler STEAM Day (four Norfolk schools	Norfolk Public Schools
2/25/2026	Water Quality	Chrysler STEAM Day (four Norfolk schools	Norfolk Public Schools
2/26/2026	Engineering	Engineers week educational outreach activity - Newsome Park Elementary	Newport News Public Schools
2/27/2026	Engineering	SWIFT Tour - US Navy Civil Engineer Corps	United States Navy
2/27/2026	Engineering	Engineers week educational outreach activity - Stoney Run Elementary	Newport News Public Schools
2/27/2026	Communications	Engineers Week educational outreach activities at Middlesex Elementary School	Middlesex County Public Schools

Strategic Measures

February 2026

Educational Outreach

Date	Division	Event	Community Partner
2/27/2026	Engineering	Engineers Week educational outreach activities at Middlesex Elementary School	Middlesex County Public Schools

Technical Presentations

Date	Division	Presentation	Presenter
2/2/2026	Operations	"Innovating SWIFTly and Pragmatically @ HRSD"	Charles Bott

Technical Publications

Date	Division	Publication Title	HRSD Author(s)	Location
2/1/2026	N/A	No technical publications this month.	N/A	N/A

Resource: Eddie Abisaab

INFORMATIONAL AGENDA ITEM. 11.c.1. – March 24, 2026

Subject: Bowers Hill Interceptor Force Main Section II (SF-136) Emergency Repair Emergency Declaration

Recommended Action: No action is required.

CIP Project: NP016200

Regulatory Requirement: None

Brief: An emergency declaration was authorized on February 28, 2026, due to a force main failure on a 30-inch Prestressed Concrete Cylinder Pipe (PCCP) in the City of Chesapeake. The official failure analysis is forthcoming; however, current assessments indicate that the pipe failed from internal corrosion, most likely precipitated by external damage.

On February 26, 2026, the City of Chesapeake notified HRSD about a potential force main failure near 1632 Jolliff Road in the Western Branch South area of Chesapeake. Staff immediately activated the Route 337 Pressure Reducing Station (PRS) to reduce pressure and flows at the failure site. When HRSD staff arrived on site, sewage was visible in both lanes of traffic in front of 1631 Jolliff Road, in the driveway and ditch in front of 1632 Jolliff Road, and in the shoulder of the northbound lane in front of the StoneBridge School.

Diverting flow in the system to isolate this force main was not possible. To complete exploration of the issue along with a repair effort, line stops and bypass were recommended due to the flow rate and area of impact near residential homes, neighborhoods, and a nearby school. Before the line stops were installed, the contractor, Bridgeman Civil, Inc. (BCI), installed a bypass system effectively ceasing the sanitary sewer overflow. A total of 1,627,200 gallons of sewage were spilled during this event with approximately 1,242,000 gallons recovered equating to 385,200 gallons lost in the storm sewer system that drains to Goose Creek, a tributary of the Elizabeth River.

BCI began exploratory excavation shortly after line stops and bypass were installed and found that the damage to the pipe was limited to about 100 linear feet. Repair efforts included the replacement of two sections of PCCP with Ductile Iron (DI) pipe and epoxy coating of the existing pipe that showed minimal damage.

HRSD staff used Hazen and Sawyer (Hazen) to provide design services, construction administration, and construction inspection. BCI was utilized to provide line stop and bypass, exploratory construction, force main repair, and restoration.

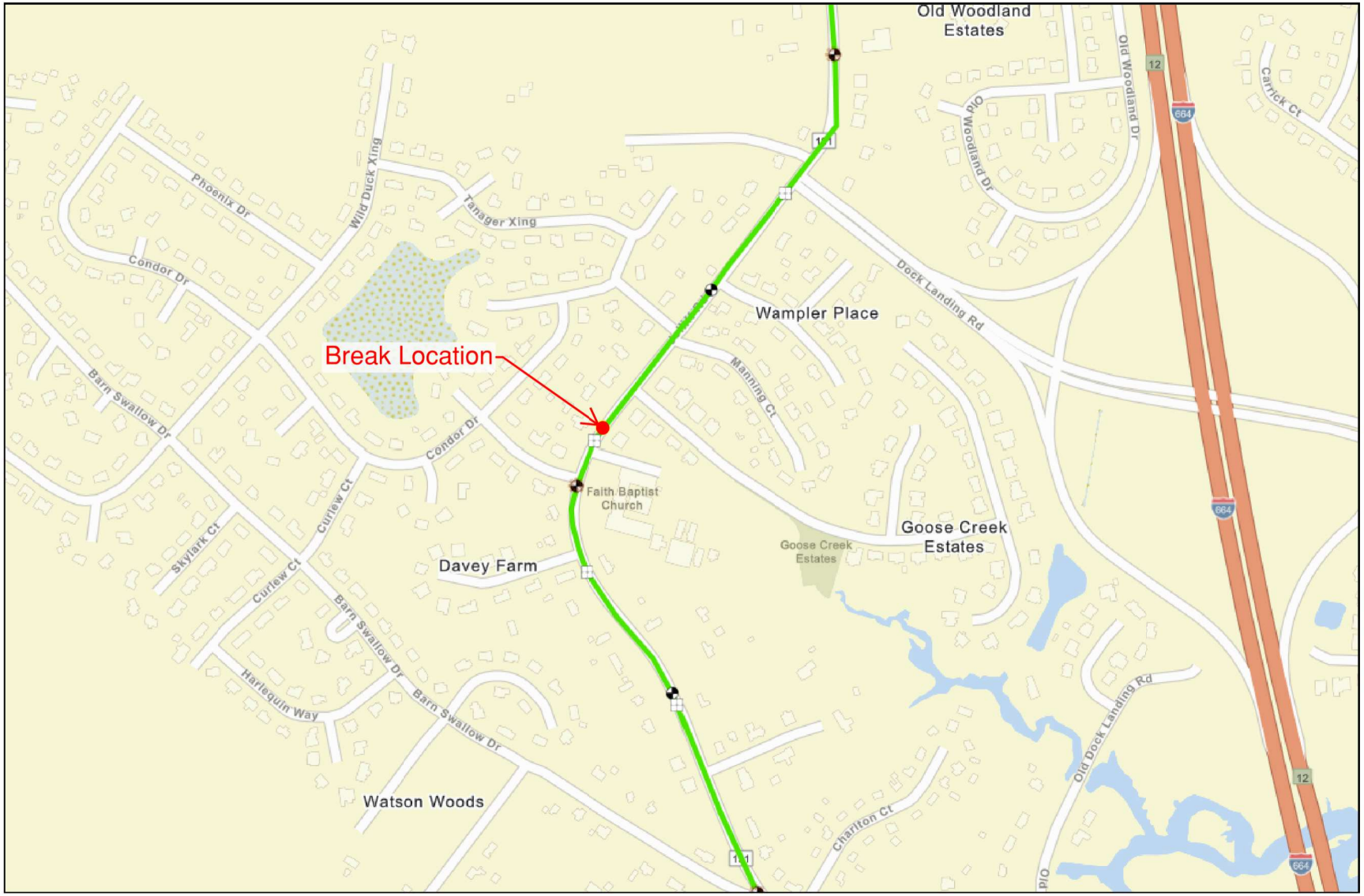
The attached map depicts the break location.

Analysis of Cost: The estimated cost of this work is $1,862,516 and will be funded by the NP016200 Bowers Hill Interceptor Force Main Section II (SF-136) Emergency Repair CIP project. The cost estimate includes project management, emergency engineering design services, construction administration and inspection, line stop and bypass, repair work, segmental

replacement of the damaged pipe, site restoration, and contingency. The cost is based on engineer review. These estimates have been reviewed by staff and are considered reasonable.

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

Schedule:		
	Emergency Declaration	February 2026
	Construction	February 2026
	Project Completion	March 2026


Old Woodland Estates
Old Woodland Dr
Carrick Ct
Phoenix Dr
Wild Duck Xing
Tanager Xing
Condor Dr
Dock Landing Rd
Wampler Place
Break Location
Barn Swallow Dr
Manning Ct
Condor Dr
Faith Baptist Church
Curlew Ct
Skylark Ct
Goose Creek Estates
Goose Creek Estates
Davey Farm
Harlequin Way
Barn Swallow Dr
Old Dock Landing Rd
Watson Woods
Charlton Ct
12
664
111