

COMMISSION MEETING MINUTES  
April 28, 2026

- | <u>No.</u> | <u>Topic</u>  |
|------------|---|
|            | Call to Order   |
| 1.         | <a href="#"><u>Awards and Recognition</u></a>   |
| 2.         | <a href="#"><u>Public Comments Not Related to the Agenda</u></a>  |
| 3.         | <a href="#"><u>Consent Agenda</u></a>   |
| 4.         | <a href="#"><u>2026 CIP Project – Programmatic Funding</u></a><br><a href="#"><u>Virginia Clean Water Revolving Loan Fund (VCWRLF)</u></a>    |
| 5.         | <a href="#"><u>Atlantic Treatment Plant THP Steam Generation Project</u></a><br><a href="#"><u>Initial Appropriation – Non-Regulatory</u></a> |
| 6.         | <a href="#"><u>Capital Improvement Program (CIP)</u></a><br><a href="#"><u>Update</u></a>   |
| 7.         | <a href="#"><u>Hauled Waste Program and Debarment of Virginia Pump and Motor Company, Inc.</u></a><br><a href="#"><u>Briefing</u></a>         |
| 8.         | <a href="#"><u>New Business</u></a>   |
| 9.         | <a href="#"><u>Unfinished Business</u></a>  |
| 10.        | <a href="#"><u>Commissioner Comments</u></a>  |
| 11.        | <a href="#"><u>Informational Items</u></a>  |
| 12.        | <a href="#"><u>Closed Meeting</u></a>   |
| 13.        | <a href="#"><u>Reconvened Meeting</u></a>   |



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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          | 1-13                  |
| Glenn, Michael E.      | Commissioner          | 1-13                  |
| Lakdawala, Vishnu K.   | Commissioner          | 1-13                  |
| Stern, Nancy J.        | Commissioner          | 1-13<br>(Virtual)     |
| Taraski, Elizabeth     | Commissioner          | 1-13                  |
| Templeman, Ann         | Commissioner          | Absent                |

In accordance with Virginia Code § 2.2-3708.3 (B) and the HRSD Remote Participation Commission Adopted Policy, Commissioner Stern requested approval to participate in today’s meeting from Belle Haven, Virginia, because the Commissioner’s principal residence is more than 60 miles from the meeting location identified in the required notice for such meeting.

|                         |                   |                               |   |
|-------------------------|-------------------|-------------------------------|---|
| <b><u>Moved:</u></b>    | Michael Glenn     | <b><u>Ayes:</u></b>           | 6 |
| <b><u>Seconded:</u></b> | Elizabeth Taraski | <b><u>Nays:</u></b>           | 0 |
|                         |                   | (Excludes Remote Participant) |   |

1. **Awards And Recognition**

**Action: No action required.**

**a. Promotion Announcement**

- (1) Mr. Jeremiah Burford was recently promoted to Senior Project Manager. Jeremiah Burford was hired in September 2009 as an Interceptor Assistant and was then promoted to Heavy Equipment Operator, Engineering Assistant, Project Manager, and Operations Manager. Jeremiah Burford is a licensed Professional Engineer with 17 years of experience in wastewater treatment and conveyance. Jeremiah holds a bachelor's degree in civil engineering from Old Dominion University and a master's degree in business administration from William and Mary. Jeremiah Burford will be leading the operations project team executing Capital Improvement Projects utilizing internal resources.

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Jeremiah is an active participant in Water Environment Federation (WEF) and the Virginia Water Environment Association (VWEA).

- (2) Mr. Corban McCullough was recently promoted to Quality Assurance Manager. Corban was hired in 2019 as a Plant Operator at Nansemond Treatment Plant (NTP) and was then promoted to Quality Assurance Specialist in 2021. Corban has seven years of experience in Wastewater Operations & Quality Systems. Corban holds a bachelor's degree in Biochemistry and Biology from ODU. Corban will be leading the Operations Quality Assurance program and will be working closely with Treatment Plant Leadership at all eight major treatment plants and the Small Communities Division. Corban is an active participant in VWEA and VAAWWA.

**b. New Employee Introduction**

Mr. Sree Kolapalli was hired as Director for the Program Support Office (PSO). Sree is a licensed civil engineer, certified planner, project management professional, and certified public manager with over 25 years of experience in infrastructure planning, project, and program management. Sree holds a bachelor's degree in civil engineering from JNT University, India, and a master's degree in planning from State University of New York at Albany. In this new Director role, Sree will work closely with Engineering, Operations, and Finance to optimize the delivery of our CIP Program. Sree is an active participant in VA AWWA and VWEA and is currently serving as Vice-Chair on their Sustainable Utilities Committee.

**c. Awards**

- (1) **HRSD Environmental Improvement Fund Awards.** The winners of the HRSD Environmental Improvement Fund Award were announced at the 75<sup>th</sup> Annual Tidewater Science and Engineering Fair. Participants were judged on originality of research, scientific approach, data interpretation, the entrant's understanding of the study's value to environmental improvement, and their overall engagement and enthusiasm for their project. The following projects were selected by a team of HRSD scientists led by Water Quality Environmental Scientist Chris Burbage. Each mentor received a \$100 honorarium for their role in supporting and encouraging the student in their scientific pursuits.

- i. **2nd Place Junior Division, \$350:** "Oil Spill Cleanup"; Yorktown Middle School, Mentor: Ms. Tabatha Brownschidle

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- ii. **1st Place Junior Division, \$450:** “Muddy No More” The Effectiveness of Homemade Multi-layer Filters for Cleaning Muddy Water.; Yorktown Middle School, Mentor: Ms. Sherri Mair
  - iii. **2nd Place Senior Division, \$450:** “The Effect of Type of Filters on Microplastic Filtration”; New Horizons Governors School for Science and Technology, Mentor: Dr. Dennis Weygand
  - iv. **1st Place Senior Division, \$550:** “From Fashion to Pollution: What Happens After the Wash?”; Tabb High School, Mentor: Ms. Gina Speight
- (2) **HRSD Chief Technology Officer to serve as Chair of the Environmental Protection Agency Science Advisory Board.** Dr. Charles B. Bott, PhD, PE, BCEE, was recently appointed by the U.S. Environmental Protection Agency (EPA) as a new member of the Science Advisory Board (SAB) and was chosen to serve as board Chair.

Dr. Bott holds a bachelor’s degree in civil engineering from the Virginia Military Institute, a master’s degree in environmental engineering from Johns Hopkins University, and a Ph.D. in Civil and Environmental Engineering from Virginia Tech. He is a fellow of the Water Environment Federation (WEF) and a member of the Science and Technology Advisory Committee to the Chesapeake Bay Program Executive Council. Dr. Bott is also a three-time winner of the WEF Harrison Prescott Eddy Medal for outstanding contribution to wastewater principles/processes research. Charles is a licensed Professional Engineer in Virginia, a Board-Certified Environmental Engineer, and a licensed wastewater treatment plant operator – Virginia Class I. Dr. Bott has been the HRSD Chief Technology Officer since 2009. He leads the technology, innovation, and research and development for HRSD’s wastewater treatment plants and interceptor systems. HRSD has attained 10 active patents, with four additional patents pending under his leadership.

**Public Comment:** None

2. **Public Comments Not Related to Agenda**

No individuals were registered to provide public comment; however, one party representative was pre-registered to speak on Agenda Item 7.

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3. **Consent Agenda**

**Action: Approve the items listed in the Consent Agenda.**

**Moved:** Vishnu Lakdawala **Ayes:** 7  
**Seconded:** Willie Levenston, Jr. **Nays:** 0

**Brief:**

- a. Approval of minutes from previous meeting.
- b. Contract Awards (>\$200,000)
  - 1. [Enterprise Data Platform Implementation and Support](#) \$485,000
  - 2. [Geonexus Integration Platform Onboarding Services and Annual Software Subscription](#) \$205,627
  - 3. [HVAC Renovations for HRSD Operations & Maintenance Facility](#) \$568,575
- c. Contract Change Orders (>25% of original contract value or \$50,000)
  - 1. [Norview-Estabrook Division I 18-Inch Force Main Replacement Phase III](#) \$72,620
- d. Task Orders (>\$200,000)
  - 1. [Bowers Hill Interceptor Force Main Leak and Gas Pocket Detection](#) \$244,212
  - 2. [Southern Loop Interceptor Force Main Leak and Gas Pocket Detection](#) \$253,662
  - 3. [Tabb Pressure Reducing Station and Offline Storage Facility](#) \$482,675

**Item(s) Removed for Discussion:** None

**Public Comment:** None

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4. **2026 CIP Project – Programmatic Funding  
Virginia Clean Water Revolving Loan Fund (VCWRLF)**

**Action:** Approve the resolution authorizing the issuance of a senior wastewater revenue bond, not to exceed \$60,000,000, for the purpose of providing funds to pay the costs of certain improvements for the 2026 Capital Improvement Program (CIP) Project program, fixing the principal installment maturity dates, the interest rate, the redemption provisions and certain other details of the bond, directing the authentication and delivery of the bond, and authorizing the execution of a financing agreement with the Virginia Resources Authority.

**Moved:** Willie Levenston, Jr. **Ayes:** 7  
**Seconded:** Elizabeth Andrews **Nays:** 0

**Agreement Description:** The VCWRLF provides subsidized interest rates for local governments for projects that improve or prevent future water quality problems. The Virginia Resources Authority (VRA) manages the loans, and the Department of Environmental Quality (DEQ) administers the program and policy aspects of the fund on behalf of the State Water Control Board (SWCB). On November 18, 2025, the SWCB approved the 2026 CIP Project program with subsidized interest rates that vary based on the term. The loan requires compliance with Davis-Bacon wage requirements and using American Iron and Steel, both of which may increase total project costs. However, staff determined that the resulting interest savings outweigh the potential costs.

DEQ and VRA have budgeted \$500 million in VCWRLF over five years for HRSD projects. The 2026 CIP Project program will be the fourth installment of this allocation. The 2026 program consists of 23 projects that will incur eligible costs over the next 24 months.

The loan amount is a not-to-exceed amount of \$60,000,000 at a rate not to exceed 2.70 percent for 20 years and is scheduled to close in April. The loan provides a 1.5 percent interest rate subsidy for a 20-year loan. The hypothetical interest savings compared to HRSD issuing debt in the open market is approximately \$9,000,000.

The attached [Resolution](#) was prepared by HRSD legal counsel, Norton Rose Fulbright, and reviewed by staff.

**Public Comment:** None

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5. **Atlantic Treatment Plant THP Steam Generation Project  
Initial Appropriation – Non-Regulatory**

**Action:** Appropriate project funding for preliminary engineering services in the amount of \$200,000.

**Moved:** Willie Levenston, Jr. **Ayes:** 7  
**Seconded:** Vishnu Lakdawala **Nays:** 0

**CIP Project: AT017000**

**Regulatory Requirement:** None

**Project Description:** This project will address permanent redundant steam generation for the Atlantic Treatment Plant (ATP) Thermal Hydrolysis System (THP). THP relies on steam injection to pretreat solids prior to anaerobic digestion. A single dual-fuel (digester gas and natural gas) steam boiler was provided as part of the ATP THP and FOG Receiving Station Project in 2020, with the expectation that redundant steam generation would be designed and constructed later pending future decisions pertaining to digester gas beneficial use. Since then, a containerized steam boiler has been rented and used to meet critical steam demands for THP. Since HRSD has decided to convert digester gas to pipeline-grade Renewable Natural Gas (RNG) for beneficial use, a fully redundant steam boiler can be designed and constructed at ATP.

**Project Justification:** This project will improve the following aspects of steam generation for the ATP THP system. Firstly, reliable steam generation is needed to operate the ATP THP process, which is a critical system to process wastewater residual solids at the plant. The plant currently operates two dissimilar systems (i.e. the permanently installed dual-fuel boiler and the rental steam boiler) which results in undue downtime, operator attention, and reliance on external contractors to service the rental system. The existing hybrid system is not reliably redundant, and this project will improve that aspect of the treatment system. Secondly, the containerized rental steam boiler has been an occasional source of noise complaints from nearby neighbors, and a permanently installed system would be provided with sound attenuation in accordance with suitable design standards. Thirdly, the rental steam boiler requires a recurring rental payment of approximately \$10,000/month; this project eliminates operational and recurring costs associated with the rental system.

**Funding Description and Analysis of Cost:** The initial appropriation of \$200,000 is based on the cost of the Preliminary Engineering Services task order and a 25% contingency for use on minor changes in the Preliminary Engineering Report (PER) scope



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or miscellaneous items that need to be covered by the project prior to the design phase. Preliminary engineering services will be completed by HDR Engineering, Inc. under the General Engineering Services annual services contract, and the cost for the PER is less than the \$200,000 Commission approval threshold.

|                         |                    |               |
|-------------------------|--------------------|---------------|
| <b><u>Schedule:</u></b> | PER                | April 2026    |
|                         | Design             | November 2026 |
|                         | Bid                | November 2027 |
|                         | Construction       | February 2028 |
|                         | Project Completion | August 2029   |

**Public Comment:** None



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6. **Capital Improvement Program (CIP)  
Update**

**Action: No action is required.**

**Brief:** Implementing the CIP continues to be a significant challenge as we address numerous regulatory requirements, SWIFT Program implementation, and the need to replace aging infrastructure.

Staff provided a [briefing](#) describing the status of the CIP, financial projections, projects of significance, and other issues affecting the program.

**Public Comment:** None

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7. **Hauled Waste Program and Debarment of Virginia Pump and Motor Company, Inc. Briefing**

**Action: No action is required.**

**Brief:** On February 18, 2026, Virginia Pump and Motor Company, Inc. (VPM), a vendor HRSD historically has done business with, was convicted of criminal charges of knowingly violating the Clean Water Act, 33 U.S.C. §§1319(c)(2)(A) and 1342(b)(8). According to publicly available court documents, on at least thirty different days, VPM violated discharge requirements under HRSD’s pretreatment program by failing to discharge grease waste at designated locations; underreporting the amount of grease waste discharged in monthly reports; and failing to pay mandatory discharge fees. HRSD’s hauled waste program relies on haulers to self-monitor and report accurate information. Inappropriately discharging grease is detrimental to the operations of the collection system (locality and HRSD) and sewage treatment facilities. As part of the VPM’s plea agreement, restitution in the amount of \$126,000 is to be paid to HRSD, and \$100,000 is to be paid in support of a community service project.

As a result of VPM’s actions, including the conviction and violation of the Clean Water Act and HRSD’s pretreatment program, staff recommend the debarment of VPM and any successor entity. The recommended debarment action would prohibit VPM from directly contracting with HRSD or serving as a subcontractor on any HRSD contract for a period of three years. This recommendation is made in accordance with HRSD’s Procurement Policy, Appendix C, Debarment, and Virginia Code § 2.2-4321.

Below is an outline of the procedures and timeline for the recommended Debarment:

- March 26, 2026: HRSD sent notice to VPM initiating the debarment process.
- April 3, 2026: VPM provided HRSD with a rebuttal requesting that HRSD only debar them from direct contracts with HRSD and that they continue to have the ability to act as a subcontractor on HRSD projects due to the potential loss of revenue.
- April 28, 2026: the recommendation for debarment was submitted to the Commission for consideration.
- May 26, 2026 (or a later date as determined by the Commission): the Commission will vote on whether to adopt the staff recommendation.

Staff provided a [briefing](#) on HRSD’s hauled waste program and HRSD’s involvement in assisting the United States Environmental Protection Agency (EPA) on the criminal investigation. Staff provided a presentation on the recommended debarment for approximately three minutes.



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**VPM Comment:** A [written statement](#) submitted by the President of Virginia Pump and Motor Company is attached. VPM's legal counsel, Gary Bryant of Wilcox and Savage, P.C. addressed the Commission regarding the proposed debarment matter for approximately six minutes. Mr. Bryant's comments on behalf of VPM addressed the criminal conviction, factual background, financial impact of debarment, potential impact on contractors resulting from proposed debarment, VPM's remedial actions, VPM's cooperation, the proposed debarment's punitive effect, alternatives to the proposed debarment, and VPM's present capabilities.

**Commission Discussion:** None.

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8. **New Business** – None

**Public Comment:** None

9. **Unfinished Business** – None

**Public Comment:** None

10. **Commissioner Comments**

Commissioners expressed enthusiasm for Dr. Bott’s recognition, noting it reflects positively on the organization and commending staff for their efforts.

As a follow up to Jamie Mitchell’s report, Commissioners highlighted the value of student participation at both the elementary and high school levels through the Tidewater Science and Engineering Fair, emphasizing its role in fostering early interest in and awareness of wastewater issues.

Discussion also acknowledged the important role of mentors and recurring school participation. Staff will explore opportunities to expand mentor engagement, including potential Commissioner involvement in future award presentations.

Commissioners concluded by reiterating their appreciation for the program and its positive impact on student engagement and industry awareness.

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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](#)

**Discussion Summary:** The General Manager reported that the past month had been particularly active, with several strategic engagements and initiatives underway. Staff met with Veolia to discuss continued collaboration related to InDENSE technology, noting that Veolia has reached approximately 150 global installations since 2022. Discussions included potential future partnerships, and it was reiterated that licensing revenue supports ongoing research and development efforts.

Staff also held an initial workshop with Aarhus Vand to explore collaboration on artificial intelligence, leveraging respective strengths in process optimization and hydraulic systems. Additional meetings included ongoing coordination with Meta regarding potential integration of AI into wearable technology, and continued discussions with Amazon on a developing initiative.

The General Manager highlighted an upcoming ribbon-cutting event on May 19 at the Virginia Living Museum, which supports the organization's strategic focus on community engagement through a new educational exhibit.

Lastly, it was noted that HRSD will be inducted into the Leading Utilities of the World at the Global Water Summit in Madrid.

**Public Comment:** None

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12. **Closed Meeting**

**Actions: Approve a motion to go into closed meeting:**

1. Consultation with legal counsel regarding specific legal matters as provided for under in Code of Virginia § 2.2-3711(A)(8), including a current investigation, claims, and procurement disqualification.
2. For the discussion of plans to protect public safety related to specific cybersecurity threats or vulnerabilities, briefing by staff, auditors, and legal counsel on actions taken to respond to such matters and related threats, and the discussion of information subject to the exclusion in subdivision 2 or 14 of § 2.2-3705.2 as provided for in Code of Virginia § 2.2-3711(A)(19) regarding a current investigation related response.

**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.

**Motion:** Willie Levenston, Jr.

**Ayes:** 7

**Seconded:** Michael Glenn

**Nays:** 0

**Public Comment:** None



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13. **Reconvened Meeting:**

**Action:** 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  
**Nays:** 0

**Discussion Summary:** The Commission Chair expressed appreciation to staff for their continued support and outstanding performance, noting that both the organization and the Hampton Roads community greatly benefit from their efforts. Staff were encouraged to continue their excellent work.

**Public Comment:** None


**Next Commission Meeting Date:** **May 26, 2026**, at the HRSD South Shore Operations Complex, 1434 Air Rail Avenue, Virginia Beach, VA 23455

**Meeting Adjourned:** 11:27 a.m.

SUBMITTED:

  
Elizabeth I. Scott  
Commission Secretary

APPROVED:

  
Stephen C. Rodriguez  
Commission Chair

HRSD Commission Meeting Minutes  
April 28, 2026  
Attachment #1

3a. Consent Agenda

## CONSENT AGENDA ITEM 3.b.1. – April 28, 2026

**Subject:** Enterprise Data Platform Implementation and Support  
Contract Award (>\$200,000)

**Recommended Action:** Award a contract to Eaos Corporation in the amount of \$485,000.

**Regulatory Requirement:** None

**Type of Procurement:** Sole Source

**Project Description:** The HRSD Enterprise Data Platform project will establish a unified data foundation that integrates operational systems, enterprise data, and document repositories into a single architecture. The platform consolidates currently siloed data sources into a standardized pipeline that enables consistent access and use across the organization. The platform is supported by industry standard frameworks to preserve raw data while progressively refining it for analytics and AI applications. In addition to structured data, the platform incorporates document intelligence capabilities that organize SOPs, manuals, and engineering drawings alongside time-series data for improved operational context.

**Project Justification:** HRSD currently operates within a fragmented data environment where critical information is distributed across multiple systems, leading to time-consuming practices that are prone to error. This inefficiency limits the ability of engineers to quickly access actionable insights and hinders the adoption of advanced analytics and AI tools. The proposed Enterprise Data Platform directly addresses these challenges by standardizing data ingestion, data cleaning, and access across the organization. It also serves as a critical extension of ongoing work under WRF Project 5349, which focuses on developing an agentic AI framework for HRSD and DC Water. While that effort enables AI-driven analysis and automation, this project provides the underlying data infrastructure required for those capabilities to function effectively.

**Contract Description:** This contract is to provide the design, development, and implementation of the HRSD Enterprise Data Platform, including data ingestion pipelines, document processing capabilities, analytics environment setup, and user training. The work will be delivered over an approximately 28-week period through a phased implementation approach covering data integration, quality configuration, and system handover. Eaos Corporation, in partnership with Brown & Caldwell, will provide technical expertise, cybersecurity design, and integration support.

**Analysis of Cost:** The proposed cost is consistent with similar implementations across the water and wastewater utility sector, particularly those incorporating real-time streaming and cloud analytics environments. While elements of this project are comparable to other modernization efforts, this implementation is also considered leading-edge in its integration of data engineering, document intelligence, and agentic AI enablement within a single architecture. The use of open-source technologies helps control licensing costs.

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

CONSENT AGENDA ITEM 3.b.2. – April 28, 2026

**Subject:** Geonexus Integration Platform Onboarding Services and Annual Software Subscription  
Contract Award (>\$200,000)

**Recommended Action:** Award a contract to Geonexus Technologies LLC in the amount of \$102,541 for one year, which includes the cost of the implementation with the first year of the software subscription, with four renewal options for the annual software subscription and an estimated cumulative value of \$205,627.

**Regulatory Requirement:** None

**Type of Procurement:** Sole Source

**Contract Description:** This contract is for the purchase of a Geonexus Integration Platform (GIP) which includes licensed software, updates, and technical support for synchronization of up to one million records. This will be a replacement of the current out of the box Hexagon GN (HxGN) toolbar and to support the ongoing migration from ArcGIS Geometric Network to Utility Network. The Geonexus Integration Platform (GIP) provides proprietary, manufacturer-supported integration between Esri ArcGIS Utility Network and HxGN Enterprise Asset Management. Services include software installation, connection establishment, configuration of initial datasets, synchronization testing, and training for HRSD staff self-sufficiency.

**Analysis of Cost:** The cost is based on a firm-fixed price proposal structured around milestone-based payments for the on-boarding services. The agreement includes annual subscription pricing fixed for the multi-year term. This reflects standard rates for similar on-boarding engagements and includes hands-on knowledge transfer to reduce long-term administrative and support costs for HRSD.

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

## CONSENT AGENDA ITEM 3.b.3. – April 28, 2026

**Subject:** HVAC Replacement for HRSD Operations & Maintenance Facility  
Contract Award (>\$200,000)

**Recommended Action:** Award a contract to Comfort Systems of Virginia, Inc. in the amount of \$568,575.

**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 two bids were received on February 6, 2026, as listed below:

| Bidder                            | Bid Amount |
|-----------------------------------|------------|
| Comfort Systems of Virginia, Inc. | \$568,575  |
| Atlantic Constructors, Inc.       | \$589,845  |

**Engineer Estimate:** \$250,000

The design engineers, Guernsey Tingle and PACE Collaborative, evaluated the bids based upon the requirements in the invitation for bid and recommend award to the lowest responsive and responsible bidder Comfort Systems of Virginia, Inc. in the amount of \$568,575.

**Contract Description:** This contract is for HVAC replacement at HRSD's Operations and Maintenance Facility, which includes removing existing old and obsolete HVAC units to include ductwork and piping and installation of new units, thermostats, sensors, piping, ductwork, vents, and extended drain lines. The new system will have higher energy efficiency, advanced controls, better indoor air quality, and enhanced reliability.

**Analysis of Cost:** The cost is found to be fair and reasonable compared to the average costs for similar jobs completed at HRSD. The engineer's estimate did not account for all costs associated with materials and labor required to complete this project. The estimate was strictly for the equipment package.

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

## CONSENT AGENDA ITEM 3.c.1. –April 28, 2026

**Subject:** Norview-Estabrook Division I 18-Inch Force Main Replacement Phase III  
Contract Change Order (>25% of original contract value)

**Recommended Action:** Approve a change order to the contract with Bridgeman Civil, Inc. in the amount of \$72,620.

**CIP Project:** VP016700

**Regulatory Requirement:** Rehab Action Plan Phase 2

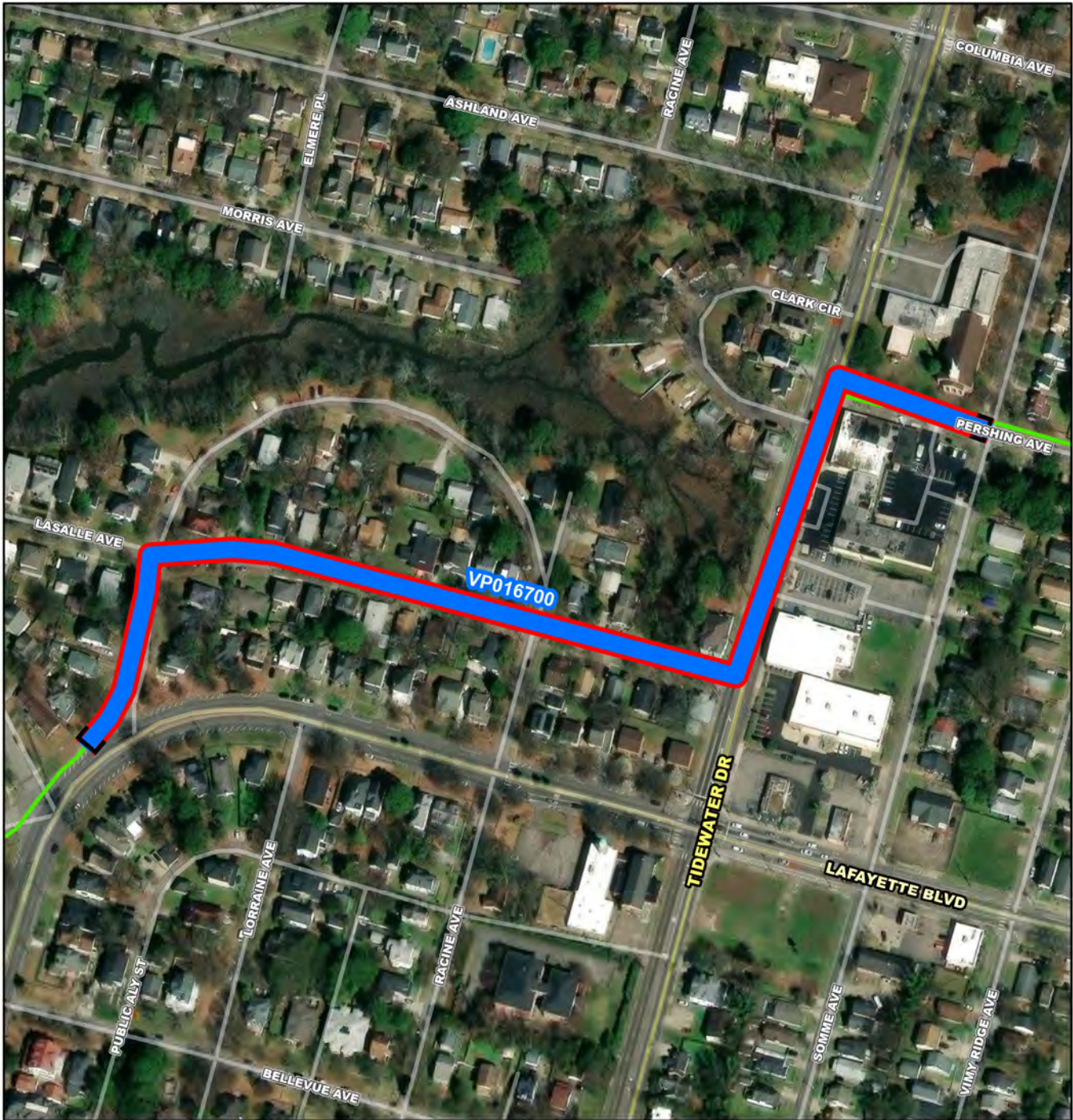
| <b>Contract Status with Change Orders:</b> | <b>Amount</b> | <b>Cumulative % of Contract</b> |
|--|---------------|---------------------------------|
| Original Contract with Contractor          | \$3,068,860   |                                 |
| Total Value of Previous Change Orders      | \$1,323,679   | 43%                             |
| Requested Change Order                     | \$72,620      |                                 |
| Total Value of All Change Orders           | \$1,396,299   | 46%                             |
| Revised Contract Value                     | \$4,465,159   |                                 |
| Time (Additional Calendar Days)            |               | 59                              |

**Project Description:** This project will rehabilitate and/or replace approximately 2,100 linear feet of 18-inch diameter cast iron pipe starting at the existing force main near the Luxembourg Pump Station starting at Versailles Avenue and Norway Place extending east to the first valve on Pershing Avenue near Tidewater Drive. The project is located in the Lafayette Residence Park neighborhood which is listed on the National Historic Register. The attached [map](#) depicts the project location.

**Project Justification:** The 1952 cast iron pipe material is similar to other portions of the interceptor system in which HRSD has experienced multiple failures due to the tendency of cast iron to lose integrity with age.

**Change Order Description and Analysis of Cost:** This change order includes additional asphalt removal and replacement along Tidewater Drive that exceeded the contract's pay width for flexible pavement patch. The Engineer's onsite inspector reviewed the overruns and confirmed the quantities match the installed field quantities. The additional material was required due to pavement failure caused by inadequate existing pavement subgrade material.

**Schedule:** Project Completion                      March 2026



**VP016700**

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

**Legend**

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

0 80 160 320 480 640 Feet

**VP016700**

**Norview-Estabrook Division I 18-Inch Force Main Replacement Phase III**

N  
W E  
S

CIP Location

## CONSENT AGENDA ITEM 3.d.1. – April 28, 2026

**Subject:** Bowers Hill Interceptor Force Main Leak and Gas Pocket Detection Task Order (>\$200,000)

**Recommended Action:** Approve a task order with Hazen and Sawyer PC in the amount of \$244,212.

| <b>Contract Status with Task Orders:</b> | <b>Amount</b> |
|--|---------------|
| Original Contract with Engineer          | \$0           |
| Total Value of Previous Task Orders      | \$0           |
| Requested Task Order                     | \$244,212     |
| Total Value of All Task Orders           | \$244,212     |
| Revised Contract Value                   | \$244,212     |

**Project Description:** The Bowers Hill Interceptor Force Main (IFM) Leak and Gas Pocket Detection consist of the development and implementation of a condition assessment plan using insertable gas pocket detection technologies to assist in the investigation of the current condition of HRSD's Bowers Hill IFM.

**Task Order Description:** This Task Order with Hazen and Sawyer is for the implementation of leak and gas pocket detection technologies on 17.69 miles of the Bowers Hill IFM to assist in the investigation of the lines' current condition.

**Analysis of Cost:** The cost is based on previously negotiated rates, and the hours are consistent with other similar efforts from firms.

This work is in accordance with the Asset Management Commission Adopted Policy.

## CONSENT AGENDA ITEM 3.d.2. –April 28, 2026

**Subject:** Southern Loop Interceptor Force Main Leak and Gas Pocket Detection Task Order (>\$200,000)

**Recommended Action:** Approve a task order with Hazen and Sawyer PC in the amount of \$253,662.

| <b>Contract Status with Task Orders:</b> | <b>Amount</b> |
|--|---------------|
| Original Contract with Engineer          | \$0           |
| Total Value of Previous Task Orders      | \$0           |
| Requested Task Order                     | \$253,662     |
| Total Value of All Task Orders           | \$253,662     |
| Revised Contract Value                   | \$253,662     |

**Project Description:** The Southern Loop Interceptor Force Main (IFM) Leak and Gas Pocket Detection consist of the development and implementation of a condition assessment plan using insertable gas pocket detection technologies to assist in the investigation of the current condition of HRSD's Southern Loop IFM.

**Task Order Description:** This Task Order with Hazen and Sawyer is for the implementation of leak and gas pocket detection technologies on 18.80 miles of the Southern Loop IFM to assist in the investigation of the lines' current condition.

**Analysis of Cost:** The cost is based on previously negotiated rates, and the hours are consistent with other similar efforts from firms.

This work is in accordance with the Asset Management Commission Adopted Policy.

CONSENT AGENDA ITEM 3.d.3. – April 28, 2026

**Subject:** Tabb Pressure Reducing Station and Offline Storage Facility  
Task Order (>\$200,000)

**Recommended Action:** Approve a task order with Hazen and Sawyer in the amount of \$482,675.

**CIP Project:** YR010900

**Regulatory Requirement:** Integrated Plan-HPP1

| <b>Contract Status with Task Orders:</b> | <b>Amount</b> |
|--|---------------|
| Original Contract with Engineer          | \$413,040     |
| Total Value of Previous Task Orders      | \$5,191,092   |
| Requested Task Order                     | \$482,675     |
| Total Value of All Task Orders           | \$5,673,767   |
| Revised Contract Value                   | \$6,086,807   |

**Project Description:** This project will construct a new Pressure Reducing Station (PRS) and Offline Storage Tank (OLSF) in the vicinity of Tabb High School in York County, Virginia.

**Project Justification:** Staff determined the Tabb PRS and Offline Storage Facility project would eliminate the need for an onsite storage vessel at the James River Treatment Plant (JRTP). The facility will provide flow equalization to both York River and James River Treatment plants and also provide system relief during wet weather events to the York River system.

**Task Order Description:** This task order will provide design services for an increase in pump motor size, SCADA changes and functional revisions and a lighting redesign, Contract Administration/Construction Inspection (CA/CI) services for an extended contract length, and additional services for additional materials testing and additional CA/CI if required.

**Analysis of Cost:** The task order from Hazen and Sawyer is required for additional design work on the project stemming from operations driven changes and additional CA/CI services for an extension of the contract. The engineering rates are the same as the rates proposed and accepted in 2023 for the original CA/CI contract and costs are reasonable.

**Schedule:** Substantial Completion                      June 2026

HRSD Commission Meeting Minutes  
April 28, 2026  
Attachment #3

4b. VRA HRSD Supplement to Financing Agreement

*Hampton Roads Sanitation District*  
*Resolution of*  
*April 28, 2026*

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HAMPTON ROADS SANITATION DISTRICT COMMISSION

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RESOLUTION  
PROVIDING FOR THE ISSUANCE OF  
  
A WASTEWATER REVENUE BOND

Adopted April 28, 2026

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2026 CIP Project: #C-515879EG

Resolution

**RESOLUTION AUTHORIZING THE ISSUANCE OF A WASTEWATER REVENUE BOND, NOT TO EXCEED \$60,000,000 IN PRINCIPAL AMOUNT, FOR THE PURPOSE OF PROVIDING FUNDS, WITH OTHER AVAILABLE MONEY, TO PAY THE COSTS OF CERTAIN IMPROVEMENTS TO THE WASTEWATER TREATMENT SYSTEM, FIXING THE PRINCIPAL INSTALLMENT MATURITY DATES, THE INTEREST RATE, THE REDEMPTION PROVISIONS AND CERTAIN OTHER DETAILS OF THE BOND, DIRECTING THE AUTHENTICATION AND DELIVERY OF THE BOND, AND AUTHORIZING THE EXECUTION OF A FINANCING AGREEMENT SUPPLEMENT WITH THE VIRGINIA RESOURCES AUTHORITY.**

*WHEREAS*, the Hampton Roads Sanitation District (the “Borrower”) entered into a Trust Agreement, dated as of October 1, 2011 (the “Trust Agreement”), with The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), as amended and restated as of March 1, 2016, as further amended and restated as of July 1, 2024, as further amended and supplemented, pursuant to which the Borrower may incur Senior Obligations, as defined in the Trust Agreement; and

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

*WHEREAS*, the Hampton Roads Sanitation District Commission (the “Commission”) heretofore received an offer from the Virginia Resources Authority (the “Authority”), as Administrator of the Virginia Water Facilities Revolving Fund (the “Fund”), to make a loan from the Fund to the Borrower in an amount expected not to exceed \$60,000,000 for the purpose of financing projects collectively described in such offer as the 2026 CIP Project, together with

related expenses; and

*WHEREAS*, the Commission, as the governing body of the Borrower, has determined to accept such offer and close on the loan from the Authority, as Administrator of the Fund, by authorizing and issuing its wastewater revenue bond for the purpose of financing Capital Improvement Program Costs (as defined in the Trust Agreement) for the Borrower’s wastewater treatment system (the “2026 CIP Project Local Bond”), to be payable solely from the Net Revenues (as defined in the Trust Agreement) on a parity with all Senior Obligations (as defined in the Trust Agreement) of the Borrower, all in conformity with the terms and provisions of the Trust Agreement;

*WHEREAS*, the Commission, in connection with the July 1, 2024 amendment and restatement of the Trust Agreement, adopted, on June 25, 2024, a resolution authorizing the amendment and restatement of the Master Financing Agreement, dated as of February 1, 2016, between the Authority, as Administrator of the Fund, and the Borrower, as amended, supplemented and restated from time to time; now, therefore,

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

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

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

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

(ii) All references in this Resolution to particular Sections or Exhibits are references to

Sections or Exhibits of this Resolution unless otherwise indicated.

**Section 2. Authorization of 2026 CIP Project Local Bond.** Pursuant to Sections 209(b) and 704(a) of the Trust Agreement and for the purpose of financing the Capital Improvement Program Costs of the Project, which are Project Costs within the definition thereof found in the Financing Agreement, the 2026 CIP Project Local Bond of the Borrower is hereby authorized to be issued in the principal amount not to exceed \$60,000,000. The 2026 CIP Project Local Bond shall be issuable as a single registered bond without coupons and shall be dated as of its date of issue. The 2026 CIP Project Local Bond shall be substantially in the form attached to this Resolution as Exhibit B, with such variations, omissions and insertions as may be necessary or appropriate to conform to the provisions of this Resolution. The 2026 CIP Project Local Bond shall be a Senior Obligation and shall be a VRA Obligation, each as defined in the Trust Agreement, shall be secured on a parity with all other Senior Obligations of the Borrower under the Trust Agreement, and shall be senior to all Subordinate Obligations (as defined in the Trust Agreement), as set forth therein.

The 2026 CIP Project Local Bond shall be dated as of its date of issue and shall bear interest (or “Cost of Funds” as described in the 2026 CIP Project Financing Agreement Supplement) on the disbursed principal balance of the 2026 CIP Project Local Bond at a rate not to exceed 2.70% per annum. Such interest shall be payable commencing on the date set forth in a certificate of the General Manager delivered on the date of issue of the 2026 CIP Project Local Bond (the “General Manager’s Certificate”), such principal and interest shall be payable in essentially equal semi-annual installments (rounded to the nearest \$100), with the balance due on the date set forth in the General Manager’s Certificate, but not later than December 1, 2047.

**Section 3. Redemption Provisions.** The principal installments on the 2026 CIP Project Local Bond shall be subject to redemption prior to their respective maturities, at the option of the Borrower, from any money that may be made available for such purpose, either in whole or in part on any date at the redemption price of par plus accrued interest with the prior written consent of the Authority and otherwise as provided in the Financing Agreement. Any such partial redemption shall not postpone the due date of any subsequent payment on the 2026 CIP Project Local Bond, or change the amount of such installment, unless the Borrower and the Authority agree otherwise in writing.

**Section 4. Deposits to Local Bond Fund.** The Borrower shall deposit money with or to the order of the Authority, as Administrator of the Fund, in amounts sufficient to pay in full, when due (whether by maturity, redemption, acceleration or otherwise), the 2026 CIP Project Local Bond issued under this Resolution, together with the interest thereon, all as set forth in the 2026 CIP Project Local Bond.

**Section 5. Authority to Execute 2026 CIP Project Financing Agreement Supplement.** The execution and delivery of the 2026 CIP Project Financing Agreement Supplement, substantially in the form presented at this meeting, relating to the loan from the Authority, as Administrator to the Fund, to the Borrower and the repayment of the loan by the Borrower in accordance with the 2026 CIP Project Local Bond, are hereby authorized, with such changes, insertions and omissions as may be approved by the Chair or the Vice Chair of the Commission, the General Manager or the Deputy General Manager/Chief Financial Officer, the execution of the 2026 CIP Project Financing Agreement Supplement by the Chair, the Vice Chair, the General Manager or the Deputy General Manager/Chief Financial Officer to be conclusive evidence of his or her approval of any changes, insertions and omissions therein.

**Section 6. Manner of Execution of 2026 CIP Project Local Bond.** The 2026 CIP Project Local Bond shall be executed by the Chair or the Vice Chair and the Secretary or an Assistant Secretary of the Commission, and the seal of the Commission shall be impressed on the 2026 CIP Project Local Bond. The 2026 CIP Project Local Bond shall be delivered to or for the account of the Authority, as Administrator of the Fund, upon execution and delivery of the 2026 CIP Project Financing Agreement.

**Section 7. Obligations of Borrower Unconditional.** Subject to the terms of the Trust Agreement, nothing contained in this Resolution or the 2026 CIP Project Local Bond is intended to or shall impair, as between the Borrower, its creditors, and the holder of the 2026 CIP Project Local Bond, the obligation of the Borrower, which is absolute and unconditional, to pay to the holder of the 2026 CIP Project Local Bond the principal of, redemption premium, if any, and Cost of Funds on the 2026 CIP Project Local Bond as and when the same shall become due and payable in accordance with its terms, or affect the relative rights of the holder of the 2026 CIP Project Local Bond and creditors of the Borrower, nor shall anything herein or therein prevent the holder of the 2026 CIP Project Local Bond from exercising all remedies otherwise permitted by applicable law and under the Trust Agreement upon default under the 2026 CIP Project Local Bond and the 2026 CIP Project Financing Agreement Supplement.

**Section 8. Payments on 2026 CIP Project Local Bond Permitted.** Nothing contained in this Resolution or the 2026 CIP Project Local Bond shall affect the obligation of the Borrower to make, or prevent the Borrower from making, payment of the principal of, redemption premium, if any, or Cost of Funds on the 2026 CIP Project Local Bond in accordance with the provisions hereof, except as otherwise provided in this Resolution.

**Section 9. Benefits of Resolution.** Nothing in this Resolution or the 2026 CIP Project

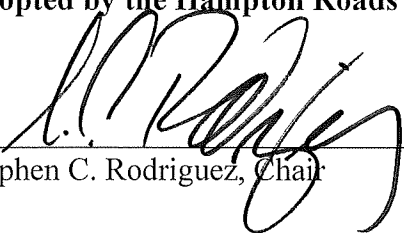
Local Bond, express or implied, shall give to any person, other than the holder of the 2026 CIP Project Local Bond, any benefit or any legal or equitable right, remedy or claim under this Resolution.

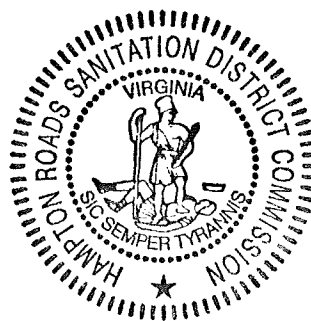
**Section 10. Further Action.** The Chair, the Vice Chair, the Secretary and any Assistant Secretary of the Commission and the General Manager, the Deputy General Manager/Chief Financial Officer, and the Director of Engineering of the Borrower are each authorized and directed, acting alone or together (without limitation except as may be expressly set forth therein), to take such action and to execute and deliver any such documents, certificates, undertakings, agreements or other instruments as such officer, with the advice of counsel, may deem necessary or appropriate to effect the transactions contemplated by the 2026 CIP Project Financing Agreement Supplement.

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

[END OF RESOLUTION]

**Adopted by the Hampton Roads Sanitation District Commission on April 28, 2026.**

  
\_\_\_\_\_  
Stephen C. Rodriguez, Chair



**EXHIBIT A**

**GLOSSARY OF DEFINED TERMS**

“*2026 CIP Project Financing Agreement Supplement*” means the Supplement to Master Financing Agreement relating to the 2026 CIP Project Local Bond, between the Borrower and the Authority, as Administrator of the Fund, together with any amendments or supplements thereto.

“*2026 CIP Project Local Bond*” means the bond in substantially the form attached to this Resolution as Exhibit B, to be issued by the Borrower to the Authority, as Administrator of the Fund, pursuant to this Resolution and the 2026 CIP Project Financing Agreement Supplement.

“*2026 CIP Project Local Bond Proceeds*” means proceeds of the issuance and sale of the 2026 CIP Project Local Bond to the Authority, as Administrator of the Fund, pursuant to the 2026 CIP Project Financing Agreement Supplement.

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

“*Financing Agreement*” means the Master Financing Agreement, dated as of February 1, 2016, between the Authority, as Administrator of the Fund, and the Borrower, as amended, supplemented and restated from time to time, and as supplemented by the 2026 CIP Project Financing Agreement Supplement.

“*General Manager’s Certificate*” means the certificate of the General Manager delivered on the date of issue of the 2026 CIP Project Local Bond.

“*Net Revenues*” means “Net Revenues” as defined in the Trust Agreement.

“*Project*” means the projects described in Exhibit B to the 2026 CIP Project Financing Agreement Supplement, the costs of the acquisition, construction, improving or equipping of which are to be financed or refinanced in part with the 2026 CIP Project Local Bond Proceeds.

“*Project Budget*” means the budget for the financing or the refinancing of the Project, a copy of which is attached to the 2026 CIP Project Financing Agreement Supplement as Exhibit C, with such changes therein as may be approved in writing by the Authority.

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

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

“*Trust Agreement*” means the Trust Agreement, dated as of October 1, 2011, by and between the Borrower and the Trustee, as amended and restated as of March 1, 2016, as further amended and restated as of July 1, 2024, as further amended and supplemented.

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

**EXHIBIT B****FORM OF LOCAL BOND**

United States of America  
Commonwealth of Virginia

**HAMPTON ROADS SANITATION DISTRICT**  
**Wastewater Revenue Bond**

Hampton Roads Sanitation District (the “Borrower”), a political subdivision of the Commonwealth of Virginia, by Hampton Roads Sanitation District Commission (the “Commission”), the governing body of the Borrower, acknowledges itself indebted and, for value received, hereby promises to pay, solely from the revenues and other property hereinafter described and pledged to the payment of this Bond, to the order of the Virginia Resources Authority (the “Authority”), as Administrator of the Virginia Water Facilities Revolving Fund, Richmond, Virginia (the “Fund”), the principal amount equal to the sum of the principal disbursements made by the Authority, as Administrator of the Fund, to the Borrower (as shown in Schedule 1) pursuant to the Master Financing Agreement, dated as of February 1, 2016, between the Authority, as Administrator of the Fund, and the Borrower, as amended and restated to the date hereof, and as supplemented by the Supplement to Master Financing Agreement, dated as of \_\_\_\_\_ 1, 2026 (as so amended, restated, and supplemented, the “Financing Agreement”) not to exceed Sixty Million Dollars (\$60,000,000), together with interest (or “Cost of Funds” as described in the Financing Agreement) on the disbursed principal at the rate of \_\_\_\_\_% per annum, as follows:

Cost of Funds shall be payable on [April 1, 202\_], and thereafter principal and Cost of Funds due under this Bond shall be payable in essentially equal semi-annual installments (rounded to the nearest one hundred dollars (\$100)) on [April 1 and October 1] of each year, commencing [October 1, 202\_] (as shown on Schedule 2), provided that if not sooner paid, all amounts under this Bond shall be due and payable in full on [October 1, 204\_].

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

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

28, 2026, authorizing the issuance of this Bond, which Net Revenues have been pledged pursuant to the Financing Agreement to secure payment hereof. Neither the Commonwealth of Virginia nor any political subdivision thereof, including the Borrower, shall be obligated to pay the principal of or premium, if any, or Cost of Funds on this Bond or other costs incident thereto except from the revenues pledged therefor, and neither the faith and credit nor the taxing power of the Commonwealth of Virginia or any political subdivision thereof, including the Borrower, is pledged to the payment of the principal of or premium, if any, or Cost of Funds on this Bond or other costs incident thereto.

This Bond shall be a Senior Obligation and a VRA Obligation and secured on parity with all other all Senior Obligations and VRA Obligations heretofore and hereafter issued and outstanding under the Trust Agreement, dated as of October 1, 2011, as amended and restated as of March 1, 2016, as further amended and restated as of July 1, 2024, as further amended and supplemented (the “Trust Agreement”), by and between the Borrower and the predecessor in trust to The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), and shall be senior to all Subordinate Indebtedness (as defined in the Trust Agreement), to the extent and in the manner set forth therein.

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

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

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

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

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

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

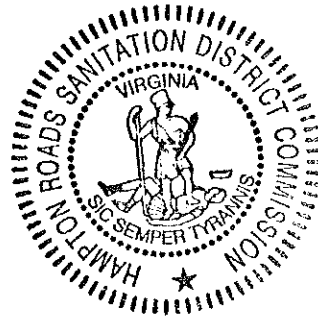
IN WITNESS WHEREOF, the Borrower has caused this Bond to be signed by the Chair of its Commission and its seal to be impressed hereon and attested by the Secretary of its Commission all as of April 28, 2026.

HAMPTON ROADS SANITATION DISTRICT

By: [Signature]  
Chair of the Hampton Roads Sanitation  
District Commission

(SEAL)  
ATTEST:

[Signature]  
Secretary of the Hampton Roads  
Sanitation District Commission





**AMORTIZATION SCHEDULE**

HRSD Commission Meeting Minutes  
April 28, 2026  
Attachment #2

4a. 2026 CIP Local Bond Resolution

**SUPPLEMENT TO  
MASTER FINANCING AGREEMENT**

**dated as of \_\_\_\_\_ 1, 2026**

**BETWEEN**

**VIRGINIA RESOURCES AUTHORITY,**

**as Administrator of the  
Virginia Water Facilities Revolving Fund**

**AND**

**HAMPTON ROADS SANITATION DISTRICT**

**Virginia Resources Authority  
Virginia Water Facilities Revolving Fund**

**CFDA No. 66.458 – Capitalization Grants for Clean Water State Revolving Funds  
Federal Award No. [4C-95323901-0]  
U.S. Environmental Protection Agency**

**2026 CIP Project  
Loan No. C-515879EG**

## SUPPLEMENT TO MASTER FINANCING AGREEMENT

**THIS SUPPLEMENT TO MASTER FINANCING AGREEMENT** (this “Supplement”) is made as of \_\_\_\_\_ 1, 2026, between the **VIRGINIA RESOURCES AUTHORITY**, a public body corporate and a political subdivision of the Commonwealth of Virginia (the “Authority”), as Administrator of the **VIRGINIA WATER FACILITIES REVOLVING FUND**, and the **HAMPTON ROADS SANITATION DISTRICT**, a political subdivision of the Commonwealth of Virginia (the “Borrower”), acting by and through the **HAMPTON ROADS SANITATION DISTRICT COMMISSION**, the governing body of the Borrower (the “Commission”).

**A.** The Authority and the Borrower previously entered into an Amended and Restated Master Financing Agreement, dated as of \_\_\_\_\_ 1, 2026 (the “Master Financing Agreement”), with respect to certain loans from the Fund evidenced by the Direct Local Bonds the Borrower issued and sold to the Authority, as Administrator of the Fund, and the Leveraged Local Bonds the Borrower issued and sold to (i) the Authority and assigned to the Trustee or (ii) the Trustee on behalf of the Authority, pursuant to the Authority’s Master Indenture.

**B.** The Borrower has requested an additional loan from the Fund and will evidence its obligation to repay such loan by the 2026 CIP Local Bond (as defined below) the Borrower will issue and sell to the Authority, as Administrator of the Fund.

**C.** The Borrower will use the proceeds of the sale of the 2026 CIP Local Bond to the Authority to finance that portion of the 2026 CIP Project Costs (as defined below) not being paid from other sources, all as further set forth in the 2026 CIP Project Budget (as defined below).

**D.** The Authority and the Borrower desire to supplement the Master Financing Agreement with respect to the 2026 CIP Local Bond, as set forth herein.

**E.** The Authority and the Borrower hereby set forth certain supplements to the Master Financing Agreement.

**NOW, THEREFORE**, in consideration of the premises and the mutual covenants and agreements hereinafter contained, the Authority and the Borrower covenant and agree as follows:

### ARTICLE I

#### DEFINITIONS

**Section 1.1 Definitions.** The capitalized terms contained in this Supplement and not defined above shall have the meanings set forth below unless the context requires otherwise and any capitalized terms not otherwise defined herein shall have the meaning assigned to such terms in the Master Financing Agreement:

“2026 CIP Closing Date” means the date of delivery of the 2026 CIP Local Bond to the Authority.

“2026 CIP Commitment Letter” shall mean the commitment letter from the Authority to the Borrower with respect to the 2026 CIP Local Bond, and all extensions, modifications and amendments thereto.

“2026 CIP Local Bond” means the Leveraged Local Bond in substantially the form attached to this Financing Agreement as Exhibit A issued by the Borrower to the Authority, as Administrator of the Fund, pursuant to the Agreement.

“2026 CIP Local Bond Proceeds” means the aggregate proceeds from the sale of the 2026 CIP Local Bond pursuant to this Supplement.

“2026 CIP Local Bond Resolution” means all resolutions adopted by the Commission approving the transactions contemplated by and authorizing the execution and delivery of this Supplement and the execution, issuance, and delivery of the 2026 CIP Local Bond.

“2026 CIP Project” means the particular project described in Exhibit B, the costs of the acquisition, construction, improving or equipping of which are to be financed in whole or in part with the 2026 CIP Local Bond Proceeds.

“2026 CIP Project Budget” means the budget for the financing of the 2026 CIP Project, a copy of which is attached as Exhibit C, with such changes therein as may be approved in writing by the Authority.

“2026 CIP Project Costs” means the costs of the acquisition, construction, improving or equipping of the 2026 CIP Project, as further described in the 2026 CIP Project Budget, and such other costs as may be approved in writing by the Authority, provided such costs are permitted by the VWFRF Act.

“Agreement” means the Amended and Restated Master Financing Agreement, dated as of \_\_\_\_\_, 2026, between the Authority and the Borrower, as supplemented, amended or modified by one or more Supplemental Financing Agreements.

“Annual Administrative Fee” means the portion of the Cost of Funds, if any, specified in Section 5.1 and Exhibit G payable as an annual fee for administrative and management services attributable to the 2026 CIP Local Bond.

“Authorized Representative” means any member, official or employee of the Borrower authorized by resolution, ordinance or other official act of the Commission to perform the act or sign the document in question.

“Borrower” means the Hampton Roads Sanitation District, a political subdivision of the Commonwealth of Virginia, created by and acting under the Enabling Act.

“Cost of Funds” means interest, including the part thereof allocable to the Annual Administrative Fee, if any, payable as set forth in Section 5.1 and Exhibit G with respect to the 2026 CIP Local Bond.

“Direct Local Bonds” means, collectively, the bonds and any allonges thereto described in Exhibit F-1 issued by the Borrower to the Authority.

“Enabling Act” means Chapter 66 of the Acts of Assembly of Virginia of 1960, as amended by Chapter 584 of the Acts of Assembly of Virginia of 1962, Chapter 520 of the Acts of Assembly of Virginia of 1964, Chapter 112 of the Acts of Assembly of Virginia of 1974, Chapter 637 of the Acts of Assembly of Virginia of 1976, Chapter 271 of the Acts of Assembly of Virginia of 1977 [repealed], Chapter 30 of the Acts of Assembly of Virginia of 1987, Chapter 350 of the Acts of Assembly of Virginia of 1989, Chapter 153 of the Acts of Assembly of Virginia of 1990, Chapter 210 of the Acts of Assembly of Virginia of 1998, Chapter 120 of the Acts of Assembly of Virginia of 2004, Chapter 574 of the Acts of Assembly of Virginia of 2008, Chapter 724 of the Acts of Assembly of Virginia of 2012, Chapter 218 of the Acts of Assembly of Virginia of 2017, and Chapter 428 of the Acts of Assembly of Virginia of 2021 (Special Session I).

“Leveraged Local Bonds” means, collectively, the bonds and any allonges thereto described in Exhibit F-2 issued by the Borrower to (i) the Authority and assigned to the Trustee or (ii) the Trustee on behalf of the Authority.

“Local Bonds” means, collectively, the Direct Local Bonds and the Leveraged Local Bonds.

“Parity Bonds” means any of the Borrower’s bonds, notes or other evidences of indebtedness, as further described on Exhibit F-3 or issued under or secured by the Parity Trust Agreement after the date hereof, that are secured on parity by a pledge of Net Revenues, including the 2026 CIP Local Bond.

“Related Series of VRA Bonds” means any tax-exempt bonds issued by the Authority to finance or refinance the 2026 CIP Local Bond and any tax-exempt bonds issued to refund the respective Related Series of VRA Bonds in whole or in part.

“Series Certificate” means the Series Certificate, dated the 2026 CIP Closing Date, executed by the General Manager of the Borrower setting forth certain terms and provisions of the 2026 CIP Local Bond.

“Supplement” means this Supplement to Master Financing Agreement, dated as of \_\_\_\_\_ 1, 2026, supplementing, amending or modifying the provisions of the Agreement entered into by the Authority and the Borrower.

“Tax Compliance Agreement” means the Nonarbitrage Certificate and Tax Compliance Agreement, dated the 2026 CIP Closing Date, between the Authority and the Borrower, together with any amendments or supplements thereto.

“Trustee” means U.S. Bank Trust Company, National Association, as successor trustee, pursuant to the Second Amended and Restated Master Indenture of Trust dated as of September 1, 2020, as supplemented and amended, between the Authority and the Trustee, or such other master indenture of trust or similar agreement, between the Authority and Trustee, with respect to any Related Series of VRA Bonds.

## ARTICLE II

### REPRESENTATIONS

**Section 2.1. Representations by Borrower.** The Borrower makes the following representations as the basis for its undertakings under this Supplement:

(a) The Borrower is a duly created and validly existing “local government” (as defined in Section 62.1-224 of the VWFRF Act) of the Commonwealth of Virginia and is vested with the rights and powers conferred upon it by Virginia law.

(b) The Borrower has full right, power and authority to (i) adopt the 2026 CIP Local Bond Resolution and execute and deliver this Supplement, the Tax Compliance Agreement, the Series Certificate, and the other documents related thereto, (ii) issue, sell and deliver the 2026 CIP Local Bond to the Authority, as Administrator of the Fund, (iii) own and operate the System, (iv) construct, acquire or equip the 2026 CIP Project and finance or refinance the 2026 CIP Project Costs by borrowing money for such purpose pursuant to this Supplement and the issuance of the 2026 CIP Local Bond, and (v) carry out and consummate all of the transactions contemplated by the 2026 CIP Local Bond Resolution, this Supplement, the Series Certificate, the Tax Compliance Agreement and the 2026 CIP Local Bond.

(c) This Supplement, the Tax Compliance Agreement and the 2026 CIP Local Bond were duly authorized by the 2026 CIP Local Bond Resolution, and this Supplement and the 2026 CIP Local Bond are in substantially the same form authorized by the 2026 CIP Local Bond Resolution and the Series Certificate.

(d) All governmental permits, licenses, registrations, certificates, authorizations and approvals required to have been obtained as of the date of the delivery of this Supplement have been obtained for (i) the Borrower’s adoption of the 2026 CIP Local Bond Resolution, (ii) the execution and delivery by the Borrower of this Supplement, the Series Certificate, the Tax Compliance Agreement and the 2026 CIP Local Bond, (iii) the performance and enforcement of the obligations of the Borrower thereunder, (iv) the acquisition, construction, improving, equipping, occupation, operation and use of the 2026 CIP Project, and (v) the operation and use of the System and the performance by the Borrower of its obligations under the Parity Trust Agreement. The Borrower knows of no reason why any such required governmental permits, licenses, registrations, certificates, authorizations and approvals not obtained as of the date hereof cannot be obtained as needed.

(e) The Agreement, the Parity Trust Agreement, the Tax Compliance Agreement, the Series Certificate, and the 2026 CIP Local Bond have been executed and delivered

by duly authorized officials of the Borrower and constitute the legal, valid and binding obligations of the Borrower enforceable against the Borrower in accordance with their terms.

(f) The 2026 CIP Local Bond has been executed and delivered by duly authorized officials of the Borrower and constitutes a legal, valid and binding limited obligation of the Borrower enforceable against the Borrower in accordance with its terms.

(g) The issuance of the 2026 CIP Local Bond and the execution and delivery of this Supplement, the Series Certificate, the Tax Compliance Agreement and the performance by the Borrower of its obligations thereunder are within the powers of the Borrower and do not conflict with, or constitute a breach or result in a violation of, (i) to the best of the Borrower's knowledge, any Federal or Virginia constitutional or statutory provision, including the Borrower's Enabling Act, (ii) any agreement or other instrument to which the Borrower is a party or by which it is bound or (iii) any order, rule, regulation, decree or ordinance of any court, government or governmental authority having jurisdiction over the Borrower or its property.

(h) The Borrower is not in default in the payment of the principal of or interest on any of its indebtedness for borrowed money and is not in default under any instrument under and subject to which any indebtedness for borrowed money has been incurred. No event or condition has happened or existed, or is happening or existing, under the provisions of any such instrument, including but not limited to the Agreement, the Tax Compliance Agreement and the Parity Trust Agreement, which constitutes, or which, with notice or lapse of time, or both, would constitute an event of default thereunder.

(i) The Borrower (i) to the best of the Borrower's knowledge, is not in violation of any existing law, rule or regulation applicable to it in any way that would have a material adverse effect on its financial condition or its ability to perform its obligations under the Agreement, the Parity Trust Agreement, the Tax Compliance Agreement, the Series Certificate, or the 2026 CIP Local Bond and (ii) is not in default under any indenture, mortgage, deed of trust, lien, lease, contract, note, order, judgment, decree or other agreement, instrument or restriction of any kind to which the Borrower is a party or by which it is bound or to which any of its assets is subject, which would have a material adverse effect on its financial condition or its ability to perform its obligations under the Agreement, the Parity Trust Agreement, the Tax Compliance Agreement, the Series Certificate, or the 2026 CIP Local Bond. The execution and delivery by the Borrower of this Supplement, the Tax Compliance Agreement or the 2026 CIP Local Bond and the compliance with the terms and conditions thereof does not conflict with or result in a breach of or constitute a default under any of the foregoing.

(j) There are not pending or, to the best of the Borrower's knowledge, threatened against the Borrower, any actions, suits, proceedings or investigations of a legal, equitable, regulatory, administrative or legislative nature, (i) affecting the creation, organization or existence of the Borrower or the title of its officers to their respective offices, (ii) seeking to prohibit, restrain or enjoin the approval, execution, delivery or performance of the 2026 CIP Local Bond Resolution, the Agreement, the Parity Trust Agreement, the Series Certificate, the Tax Compliance Agreement or the 2026 CIP Local Bond or the issuance or delivery of the 2026 CIP Local Bond, (iii) in any way contesting or affecting the validity or enforceability of the 2026 CIP Local Bond Resolution, the Agreement, the Parity Trust Agreement, the 2026 CIP Local Bond,

the Series Certificate, the Tax Compliance Agreement or any agreement or instrument relating to any of the foregoing, (iv) in which a judgment, order or resolution may have a material adverse effect on the Borrower or its business, assets, condition (financial or otherwise), operations or prospects or on its ability to perform its obligations under the 2026 CIP Local Bond Resolution, the Agreement, the Parity Trust Agreement, the Series Certificate, the Tax Compliance Agreement or the 2026 CIP Local Bond, or (v) the undertaking of the 2026 CIP Project. Notwithstanding the preceding sentence, the Borrower references the ongoing matter described in Exhibit H. The status of the matter is essentially the same as described herein.

(k) No material adverse change has occurred in the financial condition of the Borrower as indicated in the financial statements, applications and other information furnished to the Authority.

(l) There have been no defaults by any contractor or subcontractor under any contract made by the Borrower in connection with the construction, improving or equipping of the 2026 CIP Project.

(m) Except as may otherwise be approved by the Authority or permitted by the terms of the Parity Trust Agreement or the terms hereof, the 2026 CIP Project and the System at all times will be owned by the Borrower and will not be operated or controlled by any other entity or person.

(n) There is no indebtedness of the Borrower secured by or payable from a pledge of Net Revenues on a parity with or prior to the lien of the pledge of Revenues securing the 2026 CIP Local Bond except any Parity Bonds set forth on Exhibit F-3.

(o) No Event of Default or Default has occurred and is continuing.

### ARTICLE III

#### **ISSUANCE AND DELIVERY OF THE 2026 CIP LOCAL BOND**

**Section 3.1. Loan to Borrower and Purchase of the 2026 CIP Local Bond.** The Borrower agrees to borrow from the Authority and the Authority agrees to lend to the Borrower, from the Fund, the principal amount equal to the sum of the principal disbursements made pursuant to Section 4.1, but not to exceed \$60,000,000, for the purposes herein set forth. The Borrower's obligation shall be evidenced by the 2026 CIP Local Bond, which shall be in substantially the form of Exhibit A attached hereto and made a part hereof and delivered to the Authority on the 2026 CIP Closing Date. The 2026 CIP Local Bond shall bear a Cost of Funds, mature and be payable as hereinafter provided.

**Section 3.2. Conditions Precedent to Purchase of the 2026 CIP Local Bond.** The Authority shall not be required to make the loan to the Borrower and purchase the 2026 CIP Local Bond unless the Authority shall have received the following, all in form and substance satisfactory to the Authority:

- (a) The 2026 CIP Local Bond.
- (b) A certified copy of the 2026 CIP Local Bond Resolution.
- (c) A certificate of appropriate officials of the Borrower as to the matters set forth in Section 2.1 and such other matters as the Authority may reasonably require.
- (d) A closing certificate from the Department certifying that the 2026 CIP Project is in compliance with all federal and state laws and project requirements applicable to the Fund and evidencing the Board's concurrence in the closing of the loan with the Borrower.
- (e) A certificate of the Consulting Engineer estimating the total 2026 CIP Project Costs to be financed with the 2026 CIP Local Bond Proceeds, which estimate is in an amount and otherwise compatible with the financing plan described in the 2026 CIP Project Budget.
- (f) A certificate, including supporting documentation, of the District Engineer or the General Manager to the effect that in the opinion of the District Engineer or the General Manager (i) the 2026 CIP Project will be a part of the System, (ii) the 2026 CIP Local Bond Proceeds and funds available from the other sources specified in the 2026 CIP Project Budget will be sufficient to pay the estimated 2026 CIP Project Costs, and (iii) during the first two complete Fiscal Years of the Borrower following completion of the 2026 CIP Project, the projected Net Revenues will satisfy the Rate Covenant set forth in Section 705 of the Parity Trust Agreement with respect to the Parity Bonds. In providing this certificate, the District Engineer or the General Manager may take into consideration future System rate increases, provided that such rate increases have been duly approved by the governing body of the Borrower and any other person or entity required to give approval for the rate increase to become effective. In addition, the District Engineer or the General Manager may take into consideration additional future revenues to be derived under existing contractual arrangements entered into by the Borrower and from reasonable estimates of growth in the consumer base of the Borrower.
- (g) A certificate of the District Engineer as to the date the Borrower is expected to complete the acquisition, construction, improving and equipping of the 2026 CIP Project.
- (h) Evidence satisfactory to the Authority that all governmental permits, licenses, registrations, certificates, authorizations and approvals for the 2026 CIP Project required to have been obtained as of the date of the delivery of this Supplement have been obtained and a statement of the District Engineer that he knows of no reason why any future required governmental permits, licenses, registrations, certificates, authorizations and approvals cannot be obtained as needed.
- (i) Evidence satisfactory to the Authority that the Borrower has obtained or has made arrangements satisfactory to the Authority to obtain any funds or other financing required to provide funds in excess of the 2026 CIP Local Bond Proceeds for the 2026 CIP Project as contemplated in the 2026 CIP Project Budget.

(j) Evidence satisfactory to the Authority that the Borrower has performed and satisfied all of the terms and conditions contained in this Supplement to be performed and satisfied by it as of such date.

(k) An Opinion of Bond Counsel, substantially in the form of Exhibit D, addressed to the Fund and the Authority.

(l) An opinion of counsel to the Borrower in form and substance reasonably satisfactory to the Authority.

(m) An original, executed copy of the Tax Compliance Agreement.

(n) Evidence satisfactory to the Authority that the Borrower has complied with the insurance provisions set forth in the Agreement.

(o) Copies of any and all documents, certificates or instruments required to be delivered to the Local Trustee pursuant to Section 704 of the Parity Trust Agreement as a condition precedent to the issuance of the 2026 CIP Local Bond, and such other evidence satisfactory to the Authority that the 2026 CIP Local Bond will be issued as VRA Obligations under and as defined in the Parity Trust Agreement on a parity with the Parity Bonds.

(p) Such other documentation, certificates and opinions as the Authority, the Board or the Department may reasonably require.

## **ARTICLE IV**

### **USE OF LOCAL BOND PROCEEDS AND CONSTRUCTION OF 2026 CIP PROJECT**

#### **Section 4.1. Application of Proceeds.**

(a) The Borrower agrees to apply the 2026 CIP Local Bond Proceeds solely and exclusively to the payment, or to the reimbursement of the Borrower for the payment, of 2026 CIP Project Costs and further agrees to exhibit to the Department or the Authority receipts, vouchers, statements, bills of sale or other evidence of the actual payment of such 2026 CIP Project Costs. The Authority shall disburse money from the Fund to or for the account of the Borrower not more frequently than once each calendar month (unless otherwise agreed by the Authority and the Borrower) upon receipt by the Authority (with a copy to be furnished to the Department) of the following:

(1) A requisition (upon which the Authority, the Board and the Department shall be entitled to rely) signed by an Authorized Representative and containing all information called for by, and otherwise being in the form of, Exhibit E to this Supplement;

(2) If any requisition includes an item for payment for labor or to contractors, builders or materialmen,

(i) a certificate, signed by the District Engineer, stating that such work was actually performed or such materials, supplies or equipment were actually furnished or installed in or about the construction of the 2026 CIP Project; and

(ii) a certificate, signed by an Authorized Representative, stating either that such materials, supplies or equipment are not subject to any lien or security interest or that such lien or security interest will be released or discharged upon payment of the requisition.

Upon receipt of each such requisition and accompanying certificate or certificates and approval thereof by the Department, the Authority shall disburse 2026 CIP Local Bond Proceeds hereunder to or for the account of the Borrower in accordance with such requisition in an amount and to the extent approved by the Department and shall note the date and amount of each such disbursement on a schedule of principal disbursements to be included on the 2026 CIP Local Bond. The Authority shall have no obligation to disburse any such 2026 CIP Local Bond Proceeds (i) if the Borrower is in default hereunder nor shall the Department have any obligation to approve any requisition if the Borrower is not in compliance with the terms of the Agreement, or (ii) after June 30, 2026. Notwithstanding the forgoing, the first disbursement must exceed \$50,000.

(b) Upon receipt of each such requisition and accompanying certificate or certificates and approval thereof by the Department, the Authority shall disburse 2026 CIP Local Bond Proceeds hereunder to or for the account of the Borrower in accordance with such requisition in an amount and to the extent approved by the Department and shall note the date and amount of each such disbursement on a schedule of principal disbursements to be included on the 2026 CIP Local Bond. The Authority shall have no obligation to arrange for the disbursement of any such 2026 CIP Local Bond Proceeds if the Borrower is in default hereunder nor shall the Department have any obligation to approve any requisition if the Borrower is not in compliance with the terms of the Agreement.

(c) The Borrower shall comply with all applicable laws of the Commonwealth of Virginia, including but not limited to, the Virginia Public Procurement Act, as amended, regarding the awarding and performance of public construction contracts. Except as may otherwise be approved by the Department, disbursements shall be held at ninety-five percent (95%) of the maximum authorized amount of the 2026 CIP Local Bond to ensure satisfactory completion of the 2026 CIP Project. Disbursements of Local Bond Proceeds shall also be held if the Borrower does not timely provide a draft FSP and final FSP to the Department as set forth in Section 4.9 herein. Upon receipt from the Borrower of the certificate specified in Section 4.2 and a final requisition detailing all retainages to which the Borrower is then entitled, the Authority, to the extent approved by the Department and subject to the provisions of this Section and Section 4.2, will arrange for the disbursement of Local Bond Proceeds to or for the account of the Borrower to the extent of such approval.

The Authority shall have no obligation to disburse Local Bond Proceeds in excess of the amount necessary to pay for approved Project Costs. If principal disbursements up to the maximum authorized amount of the 2026 CIP Local Bond are not made, installments due on the 2026 CIP Local Bond shall be reduced in accordance with Section 5.1.

**Section 4.2. Agreement to Accomplish Project.** The Borrower agrees to cause the 2026 CIP Project to be acquired, constructed, expanded, renovated or equipped as described in Exhibit B and in accordance with the 2026 CIP Project Budget and the plans, specifications and designs accepted by the District Engineer and approved by the Department. The Borrower shall use its best efforts to complete the 2026 CIP Project by the date set forth in the certificate provided to the Authority pursuant to Section 3.2(f). All plans, specifications and designs shall be approved by all applicable regulatory agencies. The Borrower agrees to maintain complete and accurate books and records of the 2026 CIP Project Costs and permit the Authority and the Department through their duly authorized representatives to inspect such books and records at any reasonable time in accordance with Section 8.4 of the Master Financing Agreement. The Borrower and the Authority, with the consent of the Department, may amend the description of the 2026 CIP Project set forth in Exhibit B.

When the 2026 CIP Project has been completed, the Borrower shall promptly deliver to the Authority and the Department a certificate signed by an Authorized Representative of the Borrower and by the District Engineer stating (i) that the 2026 CIP Project has been completed substantially in accordance with this Section, the plans and specifications as amended from time to time, as approved by the Department, and in substantial compliance with all material applicable laws, ordinances, rules and regulations, (ii) the date of such completion, (iii) that all certificates of occupancy or other material permits necessary for the 2026 CIP Project's use, occupancy and operation have been issued or obtained, and (iv) the amount, if any, to be reserved for payment of 2026 CIP Project Costs.

**Section 4.3. Permits.** The Borrower, at its sole cost and expense, shall comply with, and shall obtain all permits, consents and approvals required by local, state or federal laws, ordinances, rules, regulations or requirements in connection with the acquisition, construction, improving, equipping, occupation, operation or use of the 2026 CIP Project. The Borrower shall, upon request, promptly furnish to the Authority and the Department copies of all such permits, consents and approvals. The Borrower shall also comply with all lawful program or procedural guidelines or requirements duly promulgated and amended from time to time by the Department in connection with the acquisition, construction, improving, equipping, occupation, operation or use of projects financed under the Act, including, but not limited to, those pertaining to the adoption of any requisite sewer use ordinance. The Borrower shall also comply in all respects with all applicable federal, state and local laws, regulations and other requirements relating to or arising out of or in connection with the 2026 CIP Project and the funding thereof from the Fund. Where noncompliance with such requirements is determined by the Authority or the Board, the issue shall be referred to the proper governmental authority or agency for consultation or enforcement action.

**Section 4.4. Construction Contractors.** Each construction contractor employed in the accomplishment of the 2026 CIP Project shall be required in the construction contract to furnish a performance bond and a payment bond each in an amount equal to one hundred percent (100%) of the particular contract price. Such bonds shall list the Borrower, the Fund, the Authority, the Department and the Board as beneficiaries. Each contractor shall be required to maintain during the construction period covered by the particular construction contract builder's risk insurance, workers' compensation insurance, public liability insurance, property damage insurance and vehicle liability insurance in amounts and on terms satisfactory to the District Engineer. Upon

request of the Authority, the Department or the Board, the Borrower shall cause each contractor to furnish evidence of such bonds and insurance to the Authority, the Board or the Department.

**Section 4.5. Engineering Services.** The Borrower shall designate a District Engineer to provide engineering services covering the operation of the System and the supervision and inspection of the construction of the 2026 CIP Project. The District Engineer shall certify to the Authority and the Department as to the various stages of the completion of the 2026 CIP Project as disbursements of Local Bond Proceeds are requested and shall upon completion of the 2026 CIP Project provide to the Fund, the Authority and the Department the certificates required by Sections 4.1 and 4.2.

**Section 4.6. Borrower Required to Complete Project.** If the 2026 CIP Local Bond Proceeds are not sufficient to pay in full the cost of the 2026 CIP Project, the Borrower will complete the 2026 CIP Project at its own expense and shall not be entitled to any reimbursement therefor from the Fund, the Authority or the Department or any abatement, diminution or postponement of the Borrower's payments under the 2026 CIP Local Bond or the Agreement.

**Section 4.7. Davis-Bacon Act.** The Borrower agrees to comply with the Davis-Bacon Act and related acts, as amended, with respect to the 2026 CIP Project and require that all laborers and mechanics employed by contractors and subcontractors for the 2026 CIP Project shall be paid wages at rates not less than those prevailing on projects of a similar character, as determined by the United States Secretary of Labor in accordance with Section 513 of the Federal Water Pollution Control Act, as amended.

**Section 4.8. Build America, Buy America Act.** The Borrower agrees to comply with all federal requirements imposed by the Infrastructure Investment and Jobs Act, P.L. 117-58 and related United States Environmental Protection Agency ("EPA") guidelines, as amended and supplemented and in effect from time to time, which the Borrower understands includes, but is not limited to, the following requirements: that all of the iron and steel products, manufactured products, and construction materials used in the Project are to be produced in the United States unless (1) the Borrower has requested and obtained an appropriate federal agency waiver pertaining to the Project or the Project is otherwise covered by a general applicability waiver; or (2) all of the contributing federal agencies have otherwise advised the Borrower in writing that the foregoing requirements are not applicable to the Project. In the event that one of the above exceptions applies to the Project, the Borrower agrees to comply with all federal requirements imposed by the Consolidated Appropriations Act, P.L. 113-76 and related EPA guidelines, as amended and supplemented and in effect from time to time, with respect to the Project, which the Borrower understands includes, but is not limited to, the requirement that all iron and steel products used for the Project are to be produced in the United States.

**Section 4.9. Fiscal Sustainability Plan.** The Borrower agrees to develop and implement a fiscal sustainability plan ("FSP") to the reasonable satisfaction of the Department that includes but is not limited to: (1) an inventory of critical assets that are part of the treatment works, (2) evaluation of the condition and performance of inventoried assets or asset groupings, (3) certification that the recipient has evaluated and will be implementing water and energy conservation efforts as part of the plan, and (4) a plan for maintaining, repairing, funding, and as necessary, replacing the treatment works. Except as may otherwise be approved by the

Department, disbursements shall be held at eighty percent (80%) of the maximum authorized amount of the 2026 CIP Local Bond until a draft FSP is submitted to the Department and at ninety-five percent (95%) of the maximum authorized amount of the 2026 CIP Local Bond until a final FSP is submitted and approved by the Department.

**Section 4.10. Prohibition on Telecommunications Services or Equipment.** The Borrower agrees to comply with all federal requirements imposed by 2 C.F.R. § 200.216, implementing P.L. 115-232, Section 889, as amended and supplemented and in effect from time to time, with respect to the 2026 CIP Project. Such requirements include, among other things, that the Borrower is prohibited from obligating or expending the 2026 CIP Local Bond Proceeds to procure or obtain; extend or renew a contract to procure or obtain; or enter into a contract (or extend or renew a contract) to procure or obtain equipment, services, or systems that use certain covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system.

**Section 4.11. Recordkeeping and Reporting.** The Borrower agrees to comply with all recordkeeping and reporting requirements under all applicable legal authorities, including any reports required by the contributing federal agencies or the Authority, such as performance indicators of program deliverables, information on costs and progress with respect to the 2026 CIP Project. The Borrower acknowledges that (i) each contract and subcontract related to the 2026 CIP Project is subject to audit by appropriate federal and state entities, and (ii) failure to comply with the applicable legal requirements and the Agreement may result in a default hereunder that results in a repayment in advance of the maturity of the 2026 CIP Local Bond and other remedial actions.

**Section 4.12. Reporting Fraud; Whistleblower Protections.** In the performance of this Agreement, and in accordance with applicable federal law, the Borrower warrants that it will promptly disclose whenever, in connection with this Agreement, it has credible evidence of the commission of a violation of federal criminal law involving fraud, conflict of interest, bribery, or gratuity violations found in Title 18 of the United States Code or a violation of the civil False Claims Act (31 U.S.C. §§ 3729-3733). The Borrower agrees to make such disclosure in writing to the applicable federal agency, the agency's Office of Inspector General, and pass-through entity (if applicable). The Borrower agrees to also report matters related to recipient integrity and performance as required under 2 CFR § 200.113. The Borrower agrees to post in conspicuous places details on how to report such violations or otherwise establish a mechanism by which employees of the Borrower may report such violations. The Borrower further agrees to notify employees in writing of whistleblower rights and protections available under federal law.

**Section 4.13. Additional Federal Requirements.** In addition to the various federal requirements set forth in other Sections of this Agreement, the Borrower agrees to comply, and to require that all contractors, subcontractors, and other applicable parties for the Project comply, to the extent appropriate, with all other applicable federal laws, regulations, EPA guidelines, and other requirements, as amended and supplemented and in effect from time to time, relating to or arising out of or in connection with the Project and the funding thereof from federal financial assistance, including, but not limited to, Disadvantaged Business Enterprise requirements (40 CFR Part 33), Equal Employment Opportunity requirements (EO 11246), and Debarment and Suspension prohibitions (EO 12549).

## ARTICLE V

### PAYMENTS

**Section 5.1. Payment of 2026 CIP Local Bond.** The 2026 CIP Local Bond shall be dated the 2026 CIP Closing Date. The Cost of Funds of the 2026 CIP Local Bond shall be computed on the disbursed principal balance thereof from the date of each disbursement at the rate set forth on Exhibit G with respect to the 2026 CIP Local Bond. Principal and the Cost of Funds due under the 2026 CIP Local Bond shall be payable in equal installments as set forth on Exhibit G with respect to the 2026 CIP Local Bond. All amounts due under the Agreement and the 2026 CIP Local Bond shall be due and payable in full with the final installment of principal and Cost of Funds due as set forth on Exhibit G with respect to the 2026 CIP Local Bond. Each installment shall be applied first to payment of the Cost of Funds accrued and unpaid to the payment date and then to principal. If principal disbursements up to the maximum authorized amount of the 2026 CIP Local Bond are not made, the principal amount due on the 2026 CIP Local Bond shall not include such undisbursed amount. However, unless the Borrower and the Authority agree otherwise in writing, until all amounts due hereunder and under the 2026 CIP Local Bond shall have been paid in full, less than full disbursement of the maximum authorized amount of the 2026 CIP Local Bond shall not postpone the due date of any semi-annual installment due on the 2026 CIP Local Bond, or change the amount of such installment unless the principal amount due under the 2026 CIP Local Bond is less than the amount of such installment. If any installment of principal or the Cost of Funds on the 2026 CIP Local Bond is not paid within ten (10) days after its due date, the Borrower agrees to pay the Authority a late payment charge in an amount equal to five percent (5.0%) of the overdue installment on the 2026 CIP Local Bond.

## ARTICLE VI

### PREPAYMENTS

**Section 6.1. Prepayment of 2026 CIP Local Bond.** The Borrower may not prepay or refund the 2026 CIP Local Bond without the written consent of the Authority. Any prepayment or refunding in accordance with this Section shall occur in such manner and in such amount, and shall be subject to such conditions as the Authority shall determine.

**Section 6.2. Payments and Rights Assigned.** The Borrower consents to the Authority's right to assign to the Trustee the 2026 CIP Local Bond and the Authority's rights under this Supplement upon the issuance of any Related Series of VRA Bonds.

## ARTICLE VI

### SPECIAL COVENANTS

**Section 7.1. Certification as to No Default and Tax Compliance.** The Borrower shall deliver to the Authority, within one hundred eighty (180) days after the close of each Fiscal Year,

a certification in substantially the form attached as Exhibit I and signed by an Authorized Representative.

**Section 7.2. Financial Records and Statements.** The Borrower shall maintain proper books of record and account in which proper entries shall be made in accordance with generally accepted government accounting standards, consistently applied, of all its business and affairs related to the System. The Borrower shall have an annual audit of the financial condition of the Borrower (and at the reasonable request of the Authority, of the System) made by an independent certified public accountant, within one hundred and eighty (180) days after the end of each Fiscal Year. The annual audit shall include a supplemental schedule demonstrating whether the Borrower during such Fiscal Year satisfied the Long-Term Debt Service Coverage Ratio and the Rate Covenant. In the event the Borrower expends \$1,000,000 or more in federal funds in any fiscal year, the annual audit shall be conducted in accordance with the provisions of the Single Audit Act of 1984, 31 U.S.C. §§ 7501 et seq., as amended, and the regulations promulgated thereunder, including Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards located at Title 2 of the Code of Federal Regulations Part 200 Subpart F (“SAA Audit”). The Borrower shall furnish to the Authority and the Department copies of such report immediately after it is accepted by the Borrower, and in the event any SAA Audit contains financing and recommendations pertaining to the Fund, the Borrower shall promptly inform the Authority and the Department when corrective actions have been implemented pursuant to such findings and recommendations. Such report shall include statements in reasonable detail, certified by such accountant, reflecting the Borrower’s financial position as of the end of such Fiscal Year and the results of the Borrower’s operations and changes in the financial position of its funds for the Fiscal Year.

**Section 7.3. Tax Covenants.** The Borrower shall not directly or indirectly use or permit the use of any of the proceeds of the 2026 CIP Local Bond or any other of its funds, in such manner as would, or enter into, or allow any other person or entity to enter into, any arrangement, formal or informal, that would, or take or omit to take any other action that would, cause interest on any of the Related Series of VRA Bonds to be includable in gross income for federal income tax purposes or to become a specific item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. The Borrower agrees to perform all duties imposed upon it by the Tax Compliance Agreement. Insofar as the Tax Compliance Agreement imposes duties and responsibilities on the Borrower, including the payment of any arbitrage rebate in respect of any Related Series of VRA Bonds, as of the 2026 CIP Closing Date such duties and responsibilities are specifically incorporated by reference into this Supplement.

## ARTICLE VIII

### MISCELLANEOUS

**Section 8.1. Successors and Assigns.** This Supplement shall be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and assigns.

**Section 8.2. Applicable Law.** This Supplement shall be governed by the laws of the Commonwealth of Virginia.

**Section 8.3. Authorization of Supplement.** All terms, covenants, conditions and agreements of the Master Financing Agreement shall apply with full force and effect to the 2026 CIP Local Bond, except as otherwise provided herein.

**Section 8.4. Ratification of Master Financing Agreement.** All of the representations and warranties of the Borrower contained in Article II of the Master Financing Agreement are true and correct as of the date hereof. All terms of the Master Financing Agreement except as amended or modified by the terms of this Supplement are hereby reaffirmed, ratified and confirmed.

**Section 8.5. Severability.** If any clause, provision or section of this Supplement shall be held illegal or invalid by any court, the illegality or invalidity of such clause, provision or section shall not affect the remainder of this Supplement which shall be construed and enforced as if such illegal or invalid clause, provision or section had not been contained in this Supplement. If any agreement or obligation contained in this Supplement is held to be in violation of law, then such agreement or obligation shall be deemed to be the agreement or obligation of the Authority and the Borrower, as the case may be, only to the extent permitted by law.

**Section 8.6. Headings.** The headings of the several articles and sections of this Supplement are inserted for convenience only and do not comprise a part of this Supplement.

**Section 8.7. Term of Supplement.** This Supplement shall be effective upon its execution and delivery, provided that the 2026 CIP Local Bond previously or simultaneously has been executed and delivered. Except as otherwise specified, the Borrower's obligations under the 2026 CIP Local Bond and this Supplement shall expire upon payment in full of the 2026 CIP Local Bond and all other amounts payable by the Borrower under the Agreement.

**Section 8.8. Commitment Letter.** The 2026 CIP Commitment Letter is an integral part of this Supplement and shall survive closing hereunder.

**Section 8.9. Counterparts.** This Supplement may be executed in any number of counterparts, each of which shall be an original and all of which together shall constitute but one and the same instrument.


[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

WITNESS the following signatures, all duly authorized.

**VIRGINIA RESOURCES AUTHORITY, as  
Administrator of the Virginia Water Facilities  
Revolving Fund**

By: \_\_\_\_\_  
Shawn B. Crumlish, Executive Director

**HAMPTON ROADS SANITATION DISTRICT**

By:  \_\_\_\_\_  
Steven G. de Mik, Deputy General Manager  
and Director of Finance

**EXHIBIT A**  
**Form of Local Bond**  
**Hampton Roads Sanitation District**  
**2026 CIP Project**  
**C-515793E**

[To Come from Borrower's Bond Counsel]

**EXHIBIT B**  
**Project Description**  
**Hampton Roads Sanitation District**  
**2026 CIP Project**  
**C-515793E**

The 2026 CIP Project includes financing a portion of the costs from the below list of projects from the Borrower's Fiscal Year 2026 Capital Improvement Program, together with related expenses.

[INSERT PROJECT LIST]

**EXHIBIT C**  
**Project Budget**  
**Hampton Roads Sanitation District**  
**2026 CIP Project**  
**C-515793E**

|                  |              |
|------------------|--------------|
| 2026 CIP Project | \$60,000,000 |
|------------------|--------------|

**EXHIBIT D**  
**Opinion of Bond Counsel**  
**Hampton Roads Sanitation District**  
**2026 CIP Project**  
**C-515793E**

[To Come from Borrower's Bond Counsel]

**EXHIBIT E**  
**Form of Requisition**  
**Hampton Roads Sanitation District**  
**2026 CIP Project**  
**C-515793E**

**(To Be on Borrower's Letterhead)**

[Date]

\_\_\_\_\_, Program Manager  
Construction Assistance Program  
Department of Environmental Quality  
P. O. Box 1105  
Richmond, Virginia 23218

Re: Hampton Roads Sanitation District  
Loan No. C-515793E

Dear Ms. \_\_\_\_\_:

This requisition, Number \_\_\_\_\_, is submitted in connection with the Amended and Restated Master Financing Agreement, dated as of \_\_\_\_\_ 1, 2026, between the Authority, as Administrator of the Fund, and the Borrower, as amended to the date hereof, and as supplemented by the Supplement to Master Financing Agreement, dated as of \_\_\_\_\_ 1, 2026 (as so amended and supplemented, the "Agreement"), between the Virginia Resources Authority, as Administrator of the Virginia Water Facilities Revolving Fund, and the Hampton Roads Sanitation District (the "Borrower"). Unless otherwise defined in this requisition, all capitalized terms used herein shall have the meanings set forth in the Agreement. The undersigned Authorized Representative of the Borrower hereby requests disbursement of loan proceeds under the Agreement in the amount of \$ \_\_\_\_\_, for the purposes of payment of the 2026 CIP Project Costs as set forth in Schedule 1 attached hereto.

Attached hereto are invoices relating to the items for which payment is requested.

The undersigned certifies that (a) the amounts requested by the requisition will be applied solely and exclusively to the payment, or to the reimbursement of the Borrower for the payment, of 2026 CIP Project Costs, and (b) any materials, supplies or equipment covered by this requisition are not subject to any lien or security interest or such lien or security interest will be released upon payment of the requisition. In addition, the undersigned certifies that the Borrower has conducted adequate oversight for compliance with the Davis-Bacon Act and related acts through (a) the review of payrolls and associated certifications, and (b) the posting of all wage determinations and additional classifications (as appropriate) on the work site, and through this oversight, the Borrower has determined to the best of its ability that the 2026 CIP Project complies with the requirements of

the Davis-Bacon Act and related acts. The Borrower further certifies that all products included in this request (x) satisfy compliance with federal requirements imposed by the Infrastructure Investment and Jobs Act (including Build America, Buy America requirements) or (y) satisfy the appropriate requirements for iron and steel products included in the Agreement, as applicable.

The undersigned further certifies that (a) no Event of Default or Default has occurred and is continuing, and no condition exists which, with the passing of time or with the giving of notice or both, would constitute an Event of Default hereunder, and (b) the representations and warranties of the Borrower contained in the Agreement are true, correct and complete and the Borrower has performed all of its obligations thereunder required to be performed as of the date hereof.

This requisition includes an accompanying Certificate of the Consulting Engineer as to the performance of the work.

By signing this requisition, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the Agreement. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise. (U.S. Code Title 18, Section 1001 and Title 31, Sections 3729-3730 and 3801-3812).

Very truly yours,

By: \_\_\_\_\_

Its: \_\_\_\_\_

Attachments

cc: DEQ Regional Engineer (with all attachments)

CERTIFICATE OF THE CONSULTING ENGINEER  
FORM TO ACCOMPANY REQUEST FOR DISBURSEMENT

This Certificate is being executed and delivered in connection with Requisition Number \_\_\_\_, dated \_\_\_\_\_, 20\_\_, submitted by the Hampton Roads Sanitation District (the “Borrower”), pursuant to the Amended and Restated Master Financing Agreement, dated as of \_\_\_\_\_ 1, 2026, between the Authority, as Administrator of the Fund, and the Borrower, as amended to the date hereof, and as supplemented by the Supplement to Master Financing Agreement, dated as of \_\_\_\_\_ 1, 2026 (as so amended and supplemented, the “Agreement”), between the Virginia Resources Authority, as Administrator of the Virginia Water Facilities Revolving Fund (the “Authority”), and the Borrower. Capitalized terms used herein shall have the same meanings set forth in the Agreement.

The undersigned Consulting Engineer for the Borrower hereby certifies to the Authority that, insofar as the amounts covered by this Requisition include payments for labor or to contractors, builders or materialmen, such work was actually performed or such materials, supplies or equipment were actually furnished to or installed in the construction portion of the 2026 CIP Project.

\_\_\_\_\_  
[Consulting Engineer]

By: \_\_\_\_\_

Date: \_\_\_\_\_

**SCHEDULE 1  
 VIRGINIA WATER FACILITIES REVOLVING FUND  
 FORM TO ACCOMPANY REQUEST FOR DISBURSEMENT**

**REQUISITION #** \_\_\_\_\_  
**BORROWER:** HAMPTON ROADS SANITATION DISTRICT  
**LOAN NUMBER:** C-515793E  
**CERTIFYING SIGNATURE:** \_\_\_\_\_  
**TITLE:** \_\_\_\_\_

| Cost Category  | Amount Budgeted | Previous Disbursements | Expenditures This Period | Total Expenditures to Date | Net Balance Remaining |
|----------------|-----------------|------------------------|--------------------------|----------------------------|-----------------------|
|                |                 |                        |                          |                            |                       |
|                |                 |                        |                          |                            |                       |
|                |                 |                        |                          |                            |                       |
|                |                 |                        |                          |                            |                       |
|                |                 |                        |                          |                            |                       |
|                |                 |                        |                          |                            |                       |
|                |                 |                        |                          |                            |                       |
|                |                 |                        |                          |                            |                       |
| <b>TOTALS:</b> |                 |                        |                          |                            |                       |

**Total Loan Amount \$** \_\_\_\_\_  
**Previous Disbursements \$** \_\_\_\_\_  
**This Request \$** \_\_\_\_\_  
**Loan Proceeds Remaining \$** \_\_\_\_\_

**EXHIBIT F-1**  
**Direct Local Bonds**  
**Hampton Roads Sanitation District**  
**2026 CIP Project**  
**C-515793E**

\$40,338,298 Subordinate Pledge Sewer Revenue Bond, dated February 26, 2004 (Chesapeake-Elizabeth Treatment Plant Project), as amended on January 9, 2013 and November 19, 2021

\$1,235,000 Subordinate Pledge Sewer Revenue Bond, dated July 29, 2005 (Army Base Treatment Plant Project), as amended on January 9, 2013

\$7,339,600 Subordinate Pledge Sewer Revenue Bond, dated June 22, 2006 (Atlantic Wastewater Treatment Plant Project), as amended on January 9, 2013 and November 19, 2021

\$1,605,200 Subordinate Pledge Sewer Revenue Bond, dated June 22, 2006 (Colonial Williamsburg Pump Station Project), as amended on January 9, 2013 and November 19, 2021

\$6,318,000 Wastewater Revenue Bond, Series 2012, dated March 13, 2012 (Atlantic Treatment Plant: Digester Gas to Energy Project), as amended on January 30, 2020 and November 19, 2021

\$57,273,700 Subordinate Wastewater Revenue Bond (Atlantic Treatment Plant Project), dated August 10, 2017

\$1,000,000 Subordinate Wastewater Revenue Bond (Ferguson Park Interceptor Project), dated August 10, 2017

\$3,205,554 Subordinate Wastewater Revenue Bond (Lucas Creek Interceptor Project), dated October 26, 2017

\$1,095,595 Subordinate Wastewater Revenue Bond (Rodman Avenue Pump Station Project), dated November 29, 2017

\$4,989,671 Subordinate Wastewater Revenue Bond (Deep Creek Project), dated November 21, 2019

\$3,896,616 Subordinate Wastewater Revenue Bond (Huxley – Middle Ground Project), dated November 21, 2019

\$3,500,000 Subordinate Wastewater Revenue Bond (Treatment Plant Project), dated November 21, 2019

**EXHIBIT F-2**  
**Leveraged Local Bonds**  
**Hampton Roads Sanitation District**  
**2026 CIP Project**  
**C-515793E**

\$30,000,000 Subordinate Pledge Sewer Revenue Bond, dated December 17, 2008 (York River Wastewater Treatment Plant Project), as amended on January 15, 2015

\$19,410,226 Wastewater Revenue Bonds, Series 2009, dated May 28, 2009 (Nansemond Treatment Plant Project), as amended on September 11, 2015, February 17, 2022 and August 31, 2023

\$13,718,671 Wastewater Revenue Bonds, Series 2009, dated November 20, 2009 (James River Treatment Plant Project), as amended on September 11, 2015, February 17, 2022 and August 31, 2023

\$11,418,372 Wastewater Revenue Bonds, Series 2009, dated December 18, 2009 (Interceptor System Metering Project), as amended on September 11, 2015, February 17, 2022 and August 31, 2023

\$50,000,000 Wastewater Revenue Bonds, Series 2010, dated June 29, 2010 (Army Base Wastewater Treatment Plant Project), as amended on August 31, 2016 and January 30, 2020

\$5,924,715 Wastewater Revenue Bonds, Series 2010, dated June 29, 2010 (Williamsburg Oxidation Towers Project), as amended on August 31, 2016 and August 31, 2023

\$7,583,771 Wastewater Revenue Bonds, Series 2010, dated June 29, 2010 (Boat Harbor Treatment Project), as amended on August 31, 2016 and January 30, 2020

\$8,314,638 Subordinate Wastewater Revenue Bond (Boat Harbor Treatment Plant Switchgear and Controls Replacements), dated March 20, 2019

\$8,677,684 Subordinate Wastewater Revenue Bond (Orcutt Avenue and Mercury Boulevard Gravity Sewer Improvements), dated March 20, 2019

\$100,000,000 Subordinate Wastewater Revenue Bond (2020 CIP Project), dated June 11, 2020

\$26,063,013 Subordinate Wastewater Revenue Bond (2022 Eastern Shore Project), dated April 29, 2022

\$100,000,000 Subordinate Wastewater Revenue Bond (2022 CIP Project), dated April 29, 2022

\$80,000,000 Wastewater Revenue Bond (2024 CIP Project), dated May 30, 2024

\$60,000,000 Wastewater Revenue Bond (2026 CIP Project), dated \_\_\_\_\_, 2026

**EXHIBIT F-3**  
**Parity Bonds**  
**Hampton Roads Sanitation District**  
**2026 CIP Project**  
**C-515793E**

[TO BE UPDATED]

\$40,338,298 Subordinate Pledge Sewer Revenue Bond, dated February 26, 2004 (Chesapeake-Elizabeth Treatment Plant Project), as amended on January 9, 2013 and November 19, 2021

\$1,235,000 Subordinate Pledge Sewer Revenue Bond, dated July 29, 2005 (Army Base Treatment Plant Project), as amended on January 9, 2013

\$7,339,600 Subordinate Pledge Sewer Revenue Bond, dated June 22, 2006 (Atlantic Wastewater Treatment Plant Project), as amended on January 9, 2013 and November 19, 2021

\$1,605,200 Subordinate Pledge Sewer Revenue Bond, dated June 22, 2006 (Colonial Williamsburg Pump Station Project), as amended on January 9, 2013 and November 19, 2021

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\$50,000,000 Wastewater Revenue Bonds, Series 2010, dated June 29, 2010 (Army Base Wastewater Treatment Plant Project), as amended on August 31, 2016 and January 30, 2020

\$7,583,771 Wastewater Revenue Bonds, Series 2010, dated June 29, 2010 (Boat Harbor Treatment Project), as amended on August 31, 2016 and January 30, 2020

\$5,924,715 Wastewater Revenue Bonds, Series 2010, dated June 29, 2010 (Williamsburg Oxidation Towers Project), as amended on August 31, 2016 and August 31, 2023

\$6,318,000 Wastewater Revenue Bond, Series 2012, dated March 13, 2012 (Atlantic Treatment Plant: Digester Gas to Energy Project), as amended on January 30, 2020 and November 19, 2021

\$22,680,000 Subordinate Wastewater Revenue Bonds, Refunding Series 2012, dated December 27, 2012

\$246,845,000 Subordinate Wastewater Revenue Bonds, Refunding Series 2016A, dated March 17, 2016

\$50,000,000 Subordinate Wastewater Revenue Bonds, Refunding Series 2016B, dated April 1, 2016

\$57,273,700 Subordinate Wastewater Revenue Bond (Atlantic Treatment Plant Project), dated August 10, 2017

\$1,000,000 Subordinate Wastewater Revenue Bond (Ferguson Park Interceptor Project), dated August 10, 2017

\$3,205,554 Subordinate Wastewater Revenue Bond (Lucas Creek Interceptor Project), dated October 26, 2017

\$1,095,595 Subordinate Wastewater Revenue Bond (Rodman Avenue Pump Station Project), dated November 29, 2017

\$83,485,000 Subordinate Wastewater Revenue Bonds Refunding Series 2017A, dated December 19, 2017

\$63,185,000 Subordinate Wastewater Revenue Bonds Series 2018A, dated January 23, 2018

\$8,314,638 Subordinate Wastewater Revenue Bond (Boat Harbor Treatment Plant Switchgear and Controls Replacements), dated March 20, 2019

\$8,677,684 Subordinate Wastewater Revenue Bond (Orcutt Avenue and Mercury Boulevard Gravity Sewer Improvements), dated March 20, 2019

\$205,675,000 Subordinate Wastewater Revenue Bonds Refunding Series 2019A (Federally Taxable), dated October 2, 2019

\$4,989,671 Subordinate Wastewater Revenue Bond (Deep Creek Project), dated November 21, 2019

\$3,896,616 Subordinate Wastewater Revenue Bond (Huxley – Middle Ground Project), dated November 21, 2019

\$3,500,000 Subordinate Wastewater Revenue Bond (Treatment Plant Project), dated November 21, 2019

\$100,000,000 Subordinate Wastewater Revenue Bond (2020 CIP Project), dated June 11, 2020

\$225,865,648 Subordinate Wastewater Revenue Bond, Series 2020 (Federally Taxable), dated September 28, 2020

\$476,581,587 Subordinate Wastewater Revenue Bond, Series 2021 (Federally Taxable), dated August 26, 2021

\$26,063,013 Subordinate Wastewater Revenue Bond (2022 Eastern Shore Project), dated April 29, 2022

\$100,000,000 Subordinate Wastewater Revenue Bond (2022 CIP Project), dated April 29, 2022

\$115,585,000 Wastewater Revenue Bonds, Refunding Series 2024A, dated May 23, 2024

\$80,000,000 Wastewater Revenue Bond (2024 CIP Project), dated May 30, 2024

\$240,775,000 Wastewater Revenue Bonds, Series 2024B, dated August 8, 2024

\$60,000,000 Wastewater Revenue Bond (2026 CIP Project), dated \_\_\_\_\_, 2026

**EXHIBIT G**  
**Debt Service Schedule**  
**Hampton Roads Sanitation District**  
**2026 CIP Project**  
**C-515793E**

[TO BE ADDED]

**EXHIBIT H**  
**EPA Consent Decree**  
**Hampton Roads Sanitation District**  
**2026 CIP Project**  
**C-515793E**

On December 19, 2014, the Commonwealth of Virginia entered into a long-term State Consent Agreement (the “2014 Consent Agreement”) with 14 of the localities that the Hampton Roads Sanitation District (“HRSD”) serves. The 2014 Consent Agreement requires the localities to perform long-term management, operations and maintenance of their sewer systems in support of HRSD’s efforts to provide long-term regional wet weather wastewater capacity. HRSD is not a party to the 2014 Consent Agreement.

HRSD’s obligation to provide regional wet weather sewer capacity is now solely imposed through its federal consent decree (the “Consent Decree”). HRSD entered into the Consent Decree with the Commonwealth and the United States Environmental Protection Agency (“EPA”). The Consent Decree was entered by the Federal District Court for the Eastern District of Virginia (the “District Court”) on February 23, 2010. The Consent Decree has had six major amendments, most recently on January 19, 2024 (the “Amended Consent Decree”). A minor amendment to the Amended Consent Decree, pending and expected to become effective by the end of April, would adjust certain project schedules due to a variety of circumstances (construction sequencing, land acquisition, locality approvals, etc.).

The Amended Consent Decree has two major operative requirements. First, it requires HRSD to implement its approved Regional Wet Weather Management Plan (“RWWMP”) to control 69 percent of the capacity-related sewer overflow volume predicted to occur in a five-year storm event. Because HRSD has assumed responsibility for planning (in consultation with the 14 affected localities), designing, funding, and implementing the controls (high priority projects) in both the localities’ systems and the HRSD system contained in the approved RWWMP, HRSD estimates the regional ratepayers will achieve significantly reduced program costs than if each locality sought to address peak wet weather wastewater flows on its own. To further facilitate this approach, the 14 affected localities entered into a Memorandum of Agreement with HRSD in 2014 in which they agreed to (1) cooperate with HRSD, (2) facilitate the construction of and accept ownership of any improvements that HRSD may need to construct in the localities’ systems, and (3) maintain the integrity of their systems to industry standards.

The Amended Consent Decree also required HRSD to implement a total of 45 projects from its ten-year CIP. These 45 projects totaled approximately \$306 million. HRSD has timely and fully satisfied the requirement of the Amended Consent Decree to implement these 45 early action projects.

The Amended Consent Decree authorizes HRSD to submit the RWWMP as part of an Integrated Management Plan (“IMP”). HRSD intends to use the IMP approach to facilitate the timing and financing of both its RWWMP and its SWIFT Program. The SWIFT Program will assist the Commonwealth to meet its Chesapeake Bay nutrient reduction commitments and save

HRSD's 14 localities approximately \$1 to \$2 billion in avoided Chesapeake Bay-related storm water control costs. See " – System Improvements and Innovations" herein.

The Amended Consent Decree includes a schedule for wastewater system improvements that expressly accommodates HRSD's SWIFT program. That schedule requires that HRSD implement \$200 million worth of High Priority Project sewer overflow control projects between 2020 and 2030 and then another \$200 million in sewer overflow control projects between 2030 and 2040. These two sets of projects reflect further priority system improvements that HRSD is to implement along with the SWIFT project. The Amended Consent Decree gives HRSD until 2032 to invest \$1.1 billion in the SWIFT program. Finally, the Amended Consent Decree provides that if HRSD does not make the full \$1.1 billion investment in the SWIFT Project by 2032 then EPA can require HRSD to accelerate some or all of the second group (\$200 million worth) of High Priority sewer overflow control projects to offset the avoided investment in the SWIFT program.

After 15 years of implementing the Consent Decree, HRSD, and the Plaintiffs (Virginia DEQ and the US Environmental Protection Agency) have agreed that the remaining work can be transitioned to a Virginia DEQ Consent Order with HRSD. Virginia DEQ issued a Consent Order (the "HRSD Consent Order") on January 5, 2026. The HRSD Consent Order requires HRSD to complete all remaining work under the Consent Decree. The HRSD Consent Order will become effective upon the termination of the Consent Decree, which HRSD anticipates by the end of the third quarter of 2026.

HRSD anticipates that once the HRSD Consent Order becomes effective, future changes and prioritization of remedial measures and other environmental projects will be easier and faster to implement.

**EXHIBIT I**  
**Form of Certification as to No Default and Tax Compliance**  
**Hampton Roads Sanitation District**  
**2026 CIP Project**  
**C-515793E**

(To Be on Borrower's Letterhead)

[Date]

Compliance & Financial Analyst  
Virginia Resources Authority  
1111 East Main Street, Suite 1920  
Richmond, VA 23219

Dear Mr./Ms. \_\_\_\_\_:

In accordance with Section 7.1 of the Supplement to Master Financing Agreement dated as of \_\_\_\_\_ 1, 2026 (the "Supplement," supplementing, amending or modifying the provisions of the Amended and Restated Master Financing Agreement, dated as of \_\_\_\_\_ 1, 2026, as previously amended (the "Master Agreement"), and together with the Supplement, the "Financing Agreement") between Virginia Resources Authority, as Administrator of the Virginia Water Facilities Revolving Fund, and the Hampton Roads Sanitation District (the "Borrower"), I hereby certify that, during the fiscal year that ended June 30, \_\_\_\_\_, and through the date of this letter:

1. [No event or condition has happened or existed, or is happening or existing, which constitutes, or which, with notice or lapse of time, or both, would constitute, an Event of Default as defined in Section 11.1 of the Master Agreement.] [If an Event of Default has occurred, please specify the nature and period of such Event of Default and what action the Borrower has taken, is taking or proposes to take to rectify it].
2. [The ownership and status of all or a portion of the Related Financed Property has not changed since the 2026 CIP Closing Date.] [If untrue, please describe.]
3. [Neither the Related Financed Property nor any portion thereof is being used by a Nongovernmental Person pursuant to a lease, an incentive payment contract or a take-or-pay or other output-type contract.] [If untrue, please describe.]
4. [Neither the Related Financed Property nor any portion or function thereof is being used pursuant to or is otherwise subject to a Service Contract that does not satisfy the requirements of Revenue Procedure 2017-13.] [If untrue, please describe.]

5. [Other than as may be described in paragraphs 2, 3 and 4 above and other than the contracts identified on Schedule D to the Tax Compliance Agreement, neither the Related Financed Property nor any portion or function thereof nor any portion of the Proceeds is being used for a Private Business Use.] [If untrue, please describe.]
6. [The Borrower has not used or permitted the use of any Proceeds of the 2026 CIP Local Bond directly or indirectly to make a loan to an ultimate borrower other than itself within the meaning of Section 4.3 of the Tax Compliance Agreement.] [If untrue, please describe.]
7. [Other than any amounts described in the Tax Compliance Agreement (as defined in the Supplement), between the Authority and the Borrower and amounts that may constitute or be on deposit in a Bona Fide Debt Service Fund, there neither have been nor are now any moneys, securities, obligations, annuity contracts, residential rental property, AMT Bonds, investment-type property, Sinking Funds, Pledged Funds, or other Replacement Proceeds accumulated or held or pledged as security by the Borrower or any other Substantial Beneficiary of the 2026 CIP Local Bond as security for or the direct or indirect source of the payment of the principal of or interest on the 2026 CIP Local Bond.] [If untrue, please describe.]
8. [The Borrower is in compliance with the recordkeeping requirements of Section 4.8 of the Tax Compliance Agreement.] [If untrue, please describe.]
9. [Other than as may be described above, the Borrower is not in default of any of its obligations under the Tax Compliance Agreement.] [If untrue, please describe.]
10. Unless otherwise defined herein, each capitalized term used herein has the meaning set forth in the Tax Compliance Agreement.

Sincerely,

[Insert Name]

Authorized Representative

HRSD Commission Meeting Minutes  
April 28, 2026  
Attachment #4

6a. CIP Briefing

A dynamic splash of clear water with numerous bubbles, set against a light blue and white background. The water is captured in mid-air, creating a sense of movement and freshness.

# **Capital Improvement Program Commission Briefing**

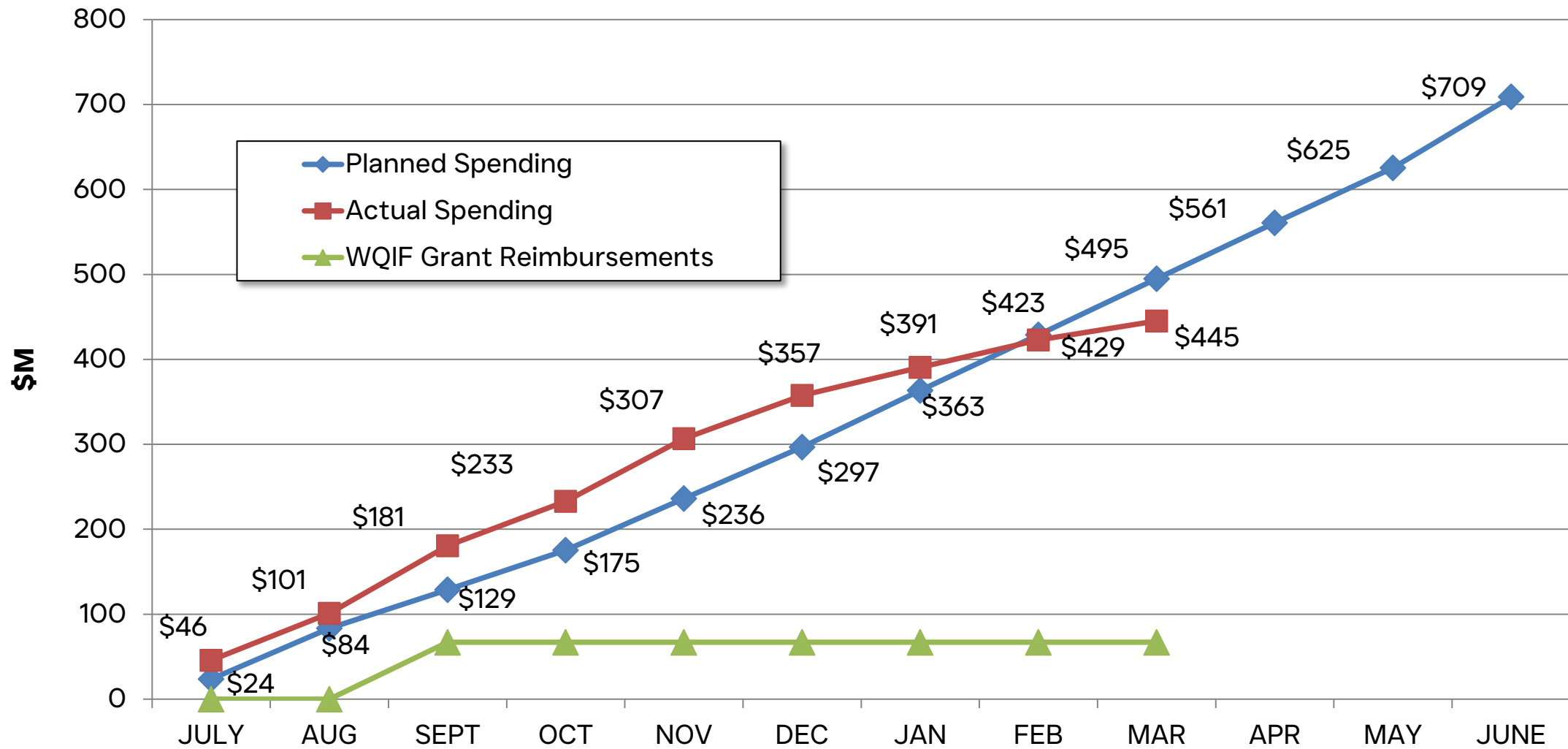
April 28, 2026



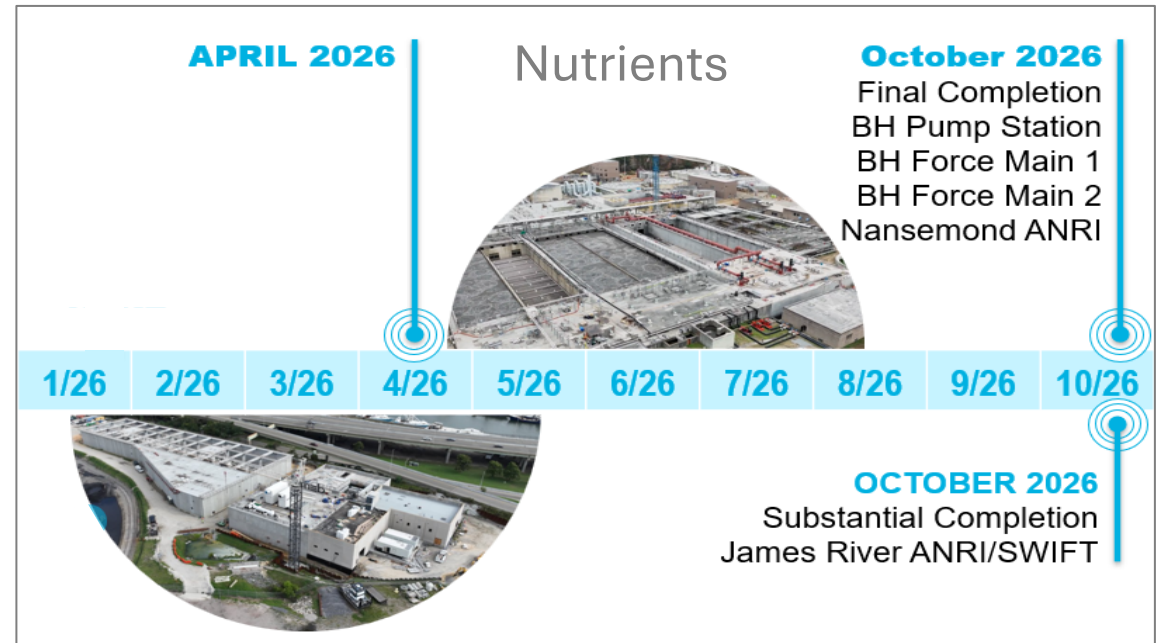
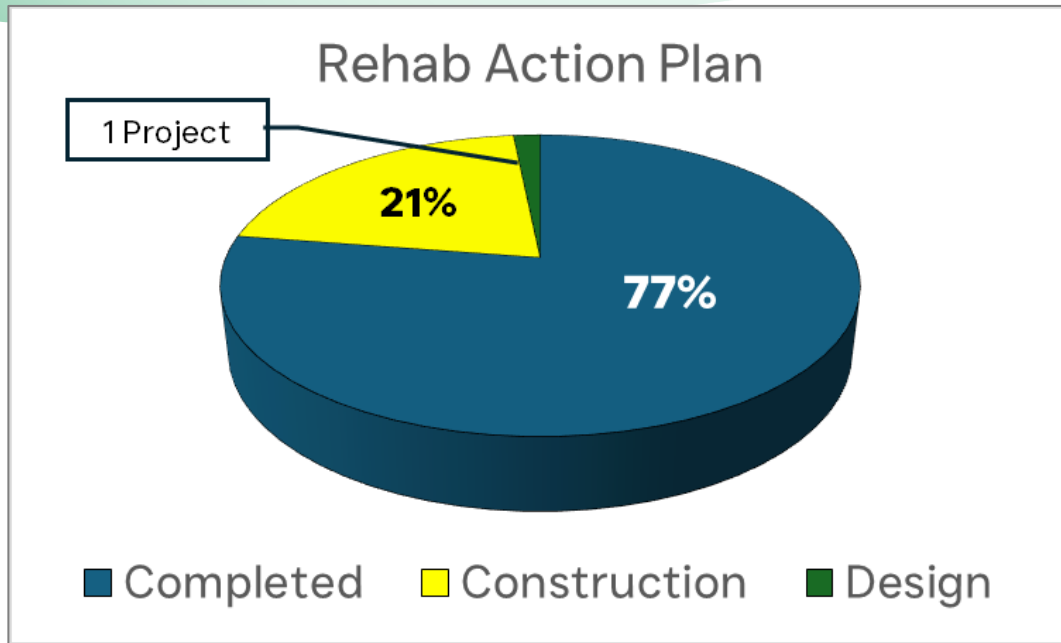
# Outline

- CIP Expenditures
- Regulatory Compliance
- Industry Day 2026
- SWIFT Program
- Project Spotlight

# CIP Expenditures & Reimbursements for FY26



# Regulatory Compliance Update – West Point



## West Point Consent Order


| Project                  | Deadline         | Status                     |
|--------------------------|------------------|----------------------------|
| Rehab Phase V            | August 30, 2026  | Construction – on schedule |
| WPTP Generator           | October 31, 2026 | Construction – on schedule |
| Rehab Phase VI           | June 30, 2027    | Construction – on schedule |
| WPTP Effluent PS         | June 30, 2028    | NTP in May                 |
| WPTP Secondary Clarifier | June 30, 2028    | NTP in May                 |

# Industry Day 2026 was the highest registration and attendance to date

TOTAL:

 **508**  
REGISTERED

TOTAL ATTENDED:

**390+** (77%) 

FIRST-TIME ATTENDEES:

**165**  
INDIVIDUALS 

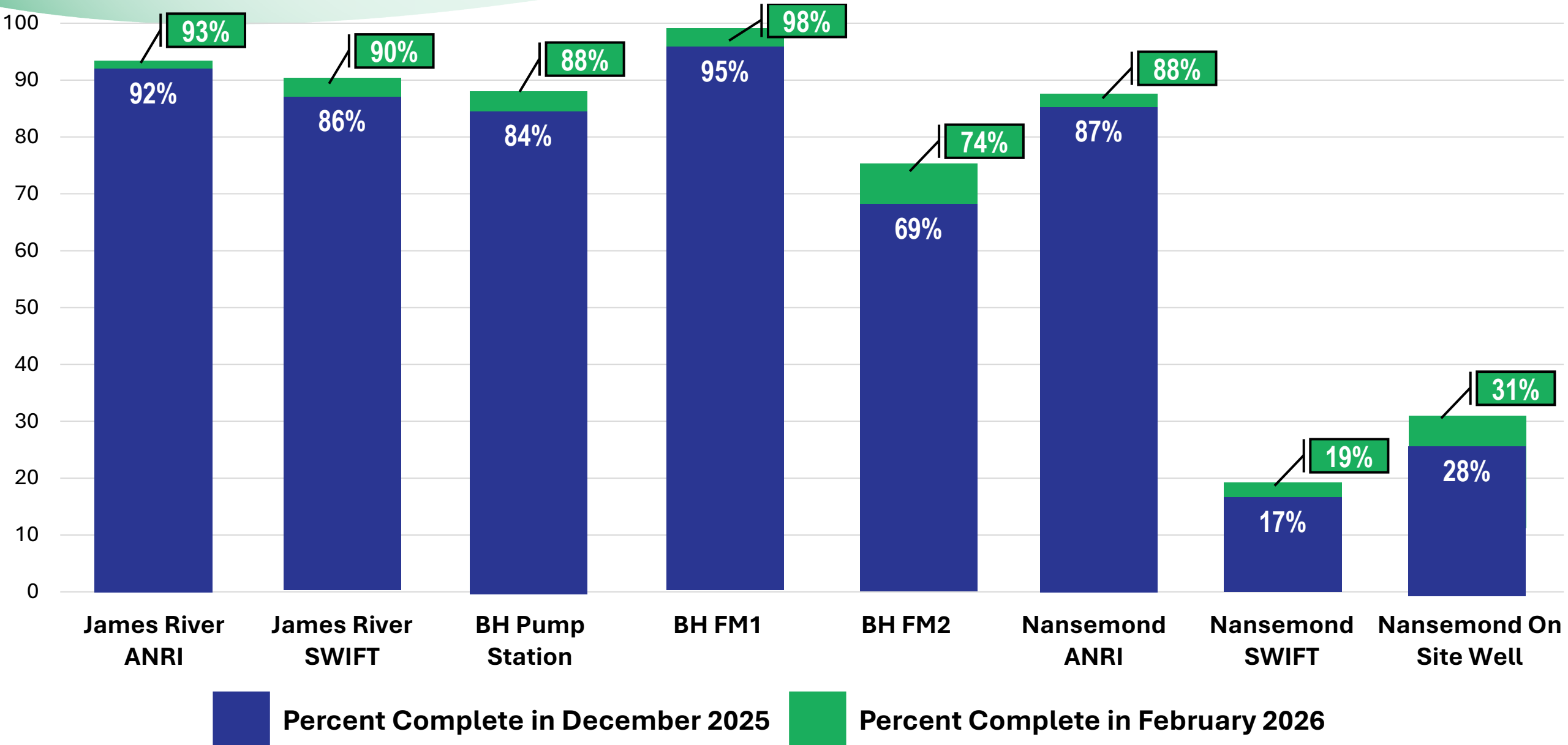
**168** FIRMS REPRESENTED 





# **SWIFT Program Update**

# Major SWIFT construction progress



# James River Project Highlights – FY26 Q3



SWIFT Facilities

# James River Project Highlights – FY26 Q3



Admin complex

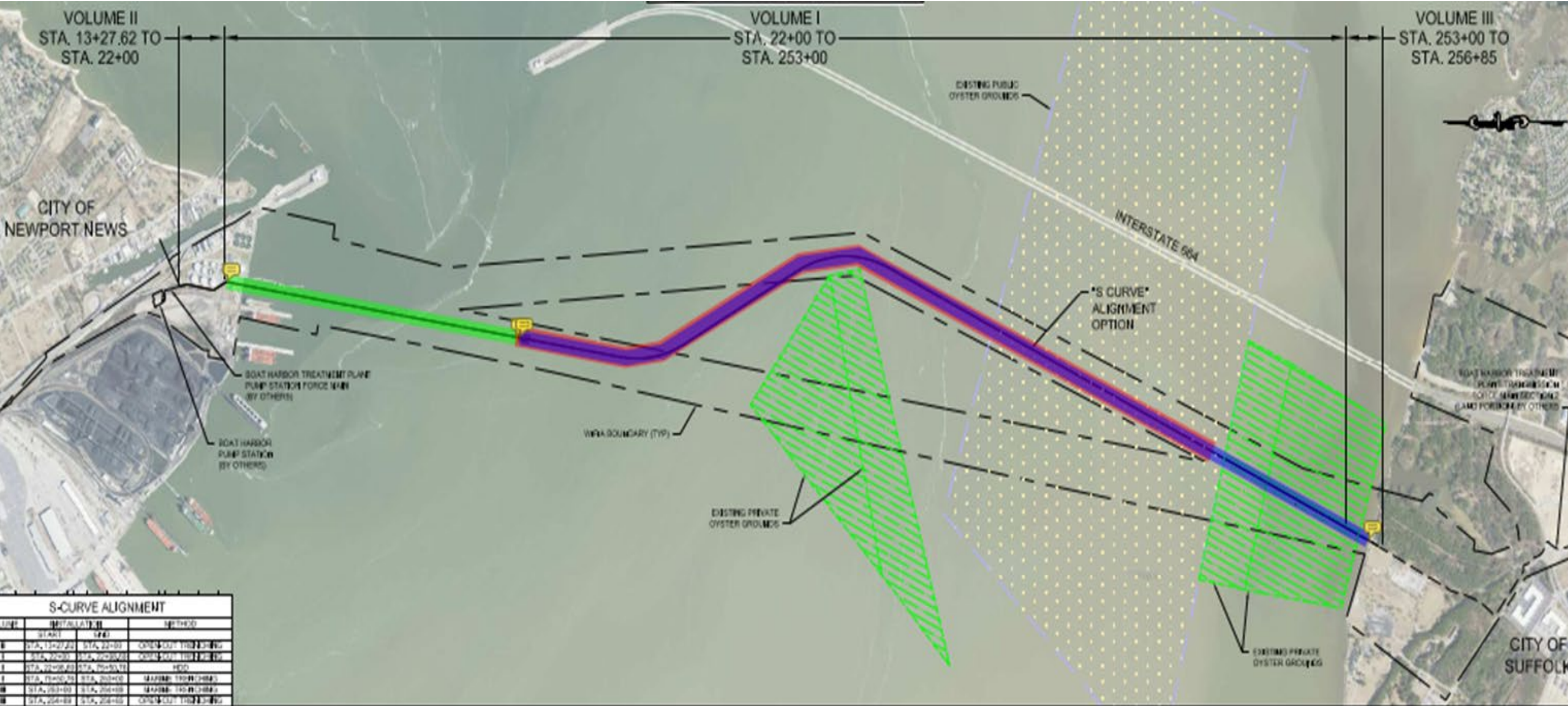


ANRI

# BH Pump Station Project Highlights – FY26 Q3



# BH Force Main 1 Project Highlights - FY26 Q3



| S-CURVE ALIGNMENT |               |             |                    |
|-------------------|---------------|-------------|--------------------|
| LINE              | START         | END         | DESCRIPTION        |
| 1                 | STA. 13+27.62 | STA. 22+00  | CONCRETE TRENCHING |
| 1                 | STA. 22+00    | STA. 253+00 | CONCRETE TRENCHING |
| 1                 | STA. 253+00   | STA. 256+85 | CONCRETE TRENCHING |
| 1                 | STA. 13+27.62 | STA. 256+85 | HOOD               |
| 1                 | STA. 13+27.62 | STA. 256+85 | SEWERAGE TRENCHING |
| 1                 | STA. 253+00   | STA. 256+85 | SEWERAGE TRENCHING |
| 1                 | STA. 256+85   | STA. 256+85 | CONCRETE TRENCHING |

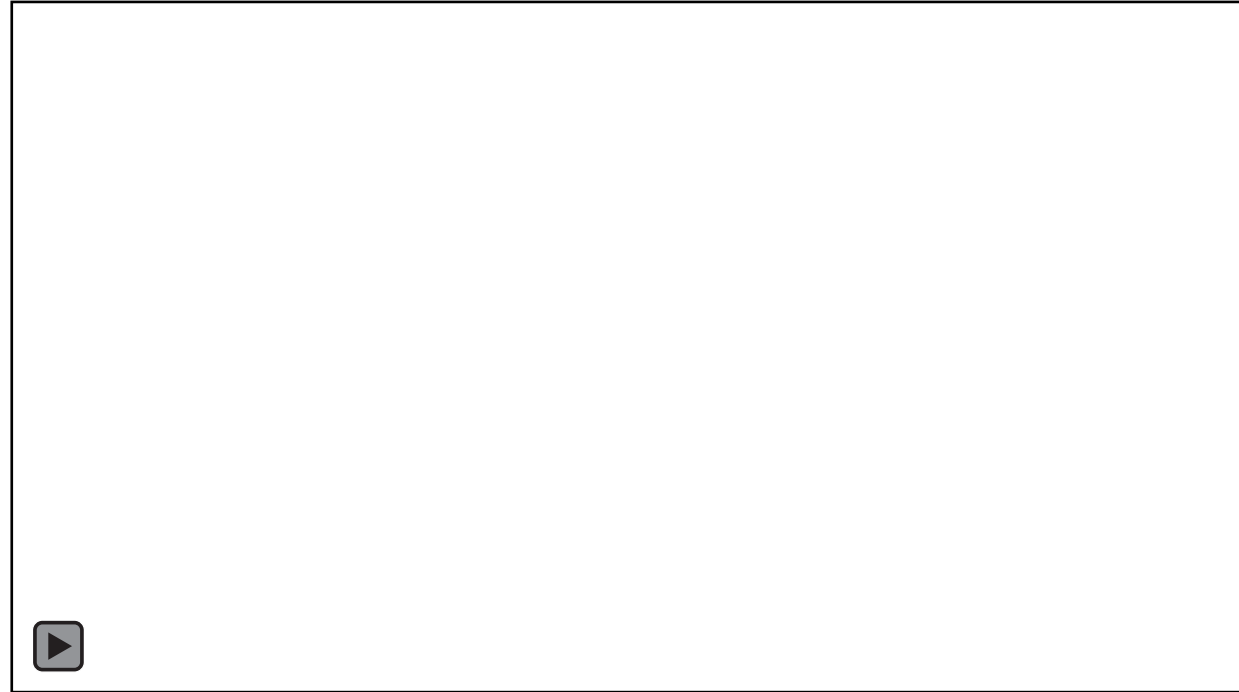
# BH Force Main 1 Project Highlights– FY26 Q3



Pig 'before'



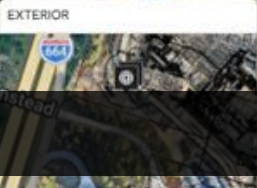
Pig 'after'



# Nansemond ANRI Phase II - Project Highlights - FY26 Q3



# Nansemond SWIFT Facility and Recharge Wells (On Site) Project Highlights – FY26 Q3



Nansemond SWIFT Facility Construction Update

# Nansemond SWIFT Facility and Recharge Wells (On Site) Project Highlights – FY26 Q3



# Community Commitment Plan Highlights – FY26 Q3



## ***Help 2 Others Donation***

- Monetary donation supporting community members facing financial hardships.

## ***Human Society Restock – Suffolk Humane Society***

- Volunteered to reorganize the community pet pantry by removing expired food, sorting supplies, and restocking shelves.



## ***Children's Hospital of The King's Daughters (CHKD)***

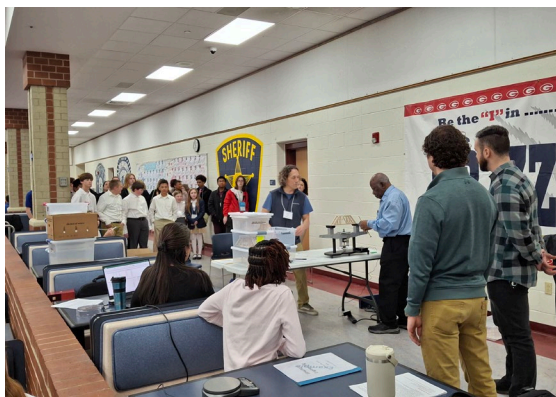
- Monetary donation supporting pediatric care and services for children and families.

## ***Handmade Valentines Day Holiday Cards***

- Team members created handmade Valentine's Day cards in English and Spanish for children receiving care at the CHKD.

## ***Lynnhaven Now***

- Monetary donation supporting waterway cleanups, environmental education, native tree planting, and oyster reef restoration.



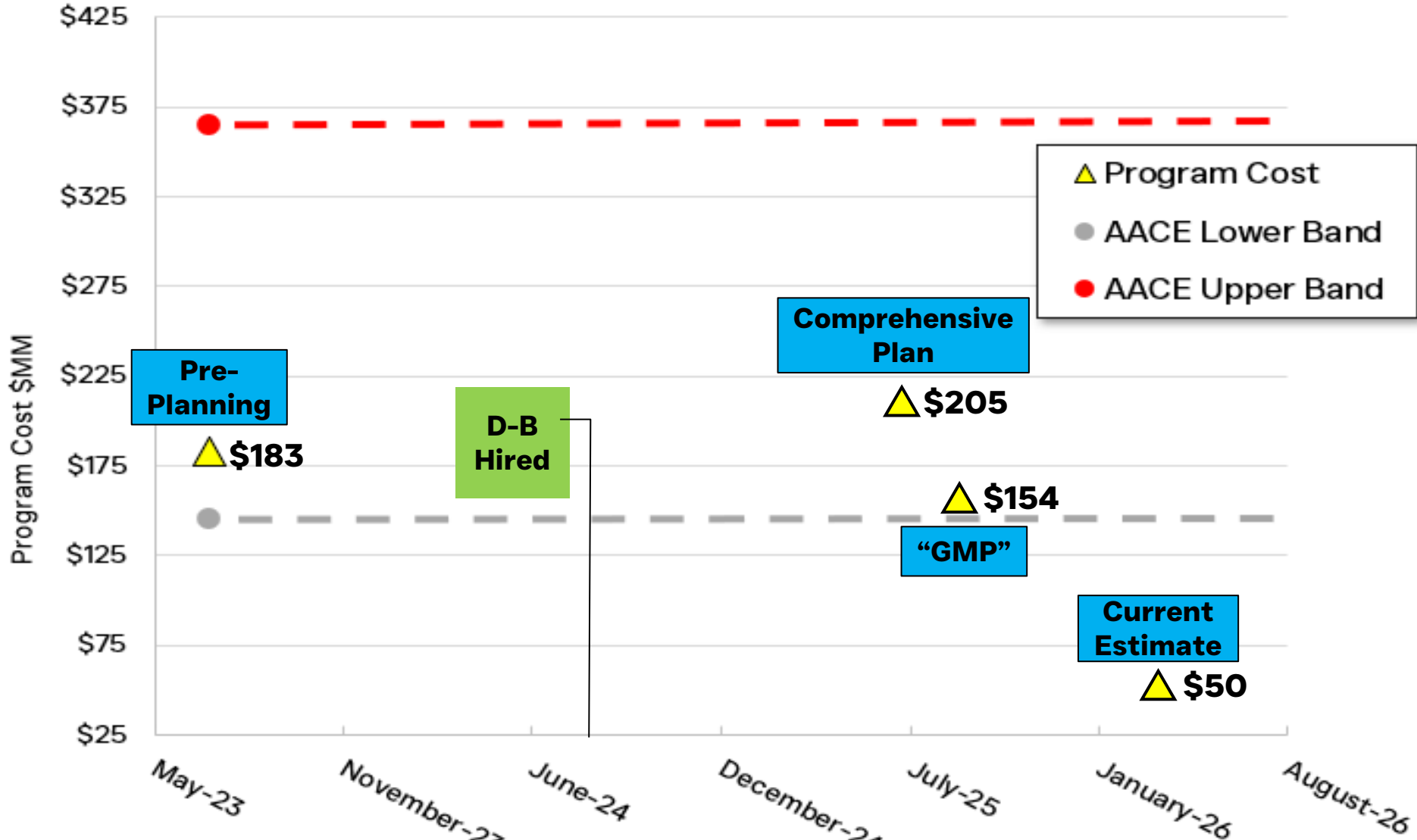
## ***Regional Structural Competition at Grassfield High School***

- Local bridge engineers volunteered as judges for a regional structural competition for students.



**Project Spotlight:**  
**High Priority Inflow and Infiltration  
Reduction Program**

# BLUF: Progressive Approach has Saved HRSD \$100+M



\*2025 and 2026 Dollars

# Drivers for a Collaborative, Progressive Approach

**\$150+M in I/I Projects**

Meter, Modeling, and Revise Project Mix

2023

2028

2030

2040

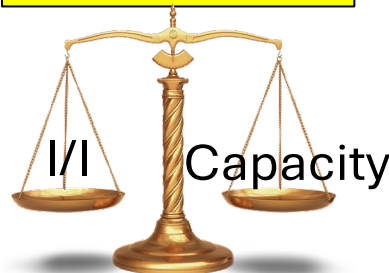
**I/I Reduction**

**Capacity Improvements**

X%?

69%

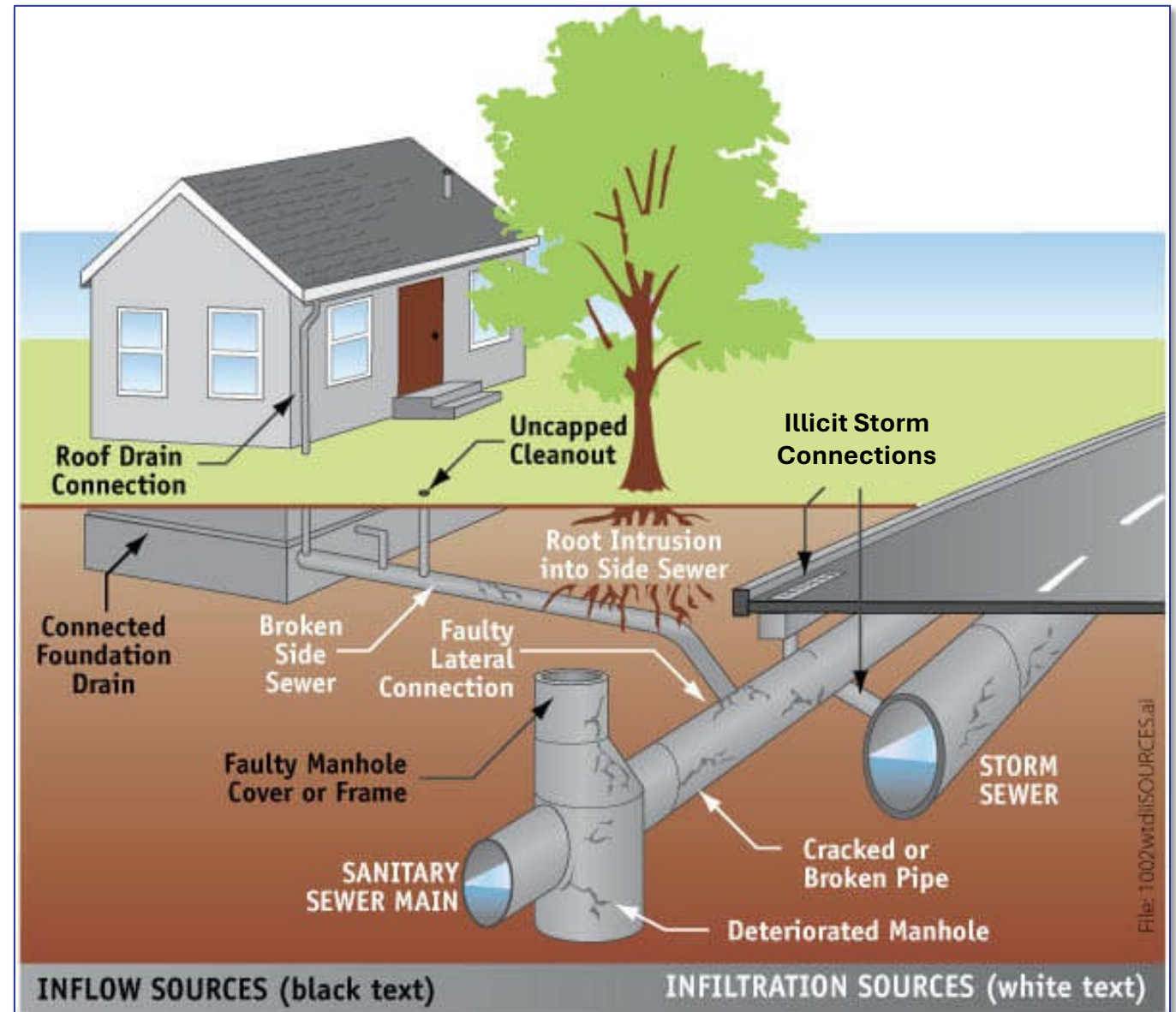
Adaptive Management



# Drivers for a Collaborative, Progressive Approach

## I/I work is complex:

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

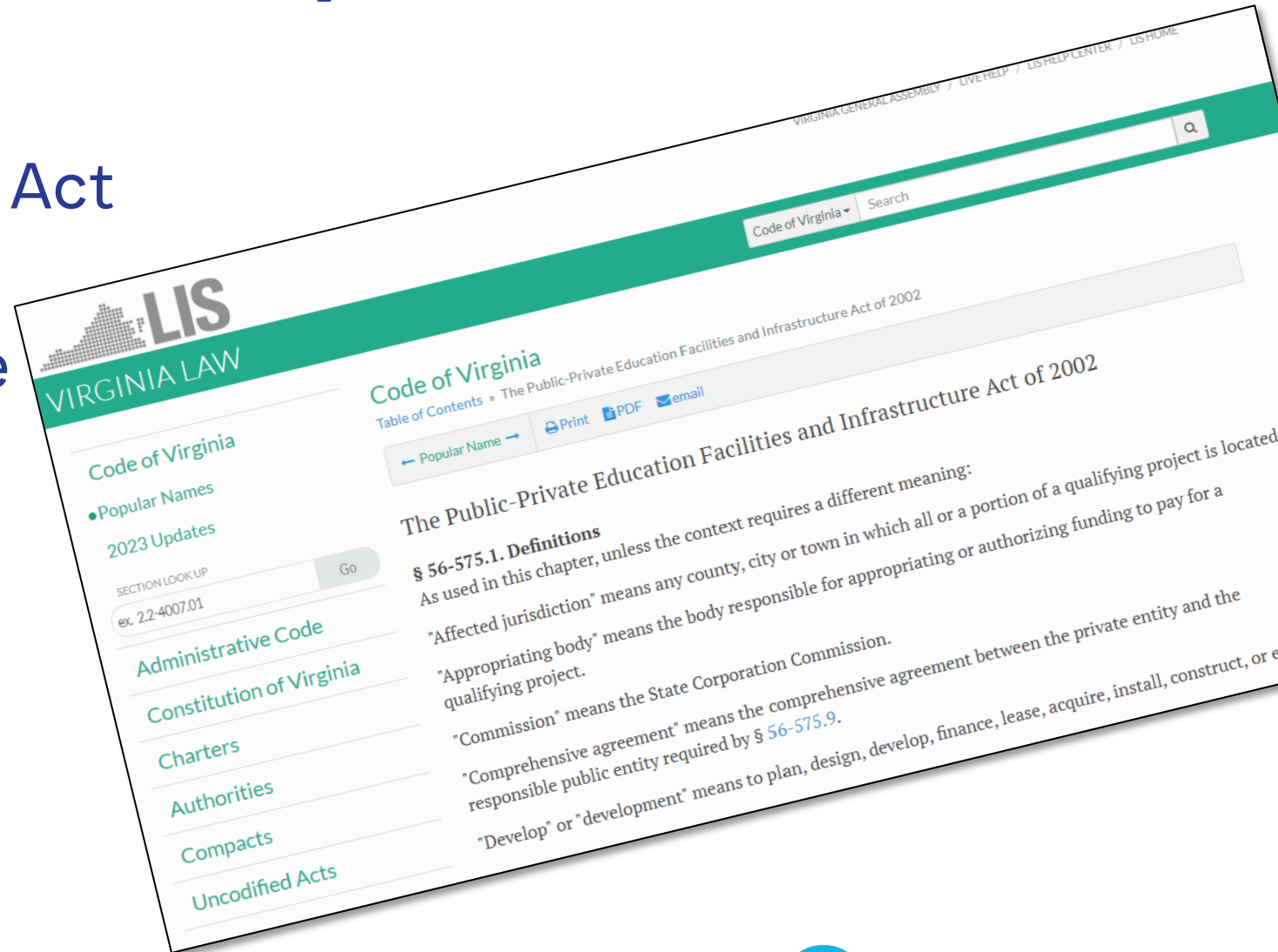


# Matching the Delivery Method to the Project

| Design-Bid-Build                      | Fixed-Price Design-Build      | Construction Manager            |
|---------------------------------------|-------------------------------|---------------------------------|
| Multiple firms and approaches ❌       | One approach/entity ✅         | Two or more entities ❌          |
| Slow ❌                                | Faster ✅                      | Slow ❌                          |
| Limited flexibility ❌                 | Nimble ✅                      | Slightly nimble ✅               |
| Projects will compete for resources ❌ | Unknown scope of work ❌       | Difficult to offer incentives ❌ |
| Unknown scope of work ✅               | Can incentivize performance ✅ | Unknown scope of work ✅         |

# Leveraging a Flexible Delivery Method for Success

- Public-Private Education Facilities and Infrastructure Act of 2002 (PPEA)
- Allows partnerships with the private sector
- Two-step selection process
- Allows a **progressive approach to Design-Build**



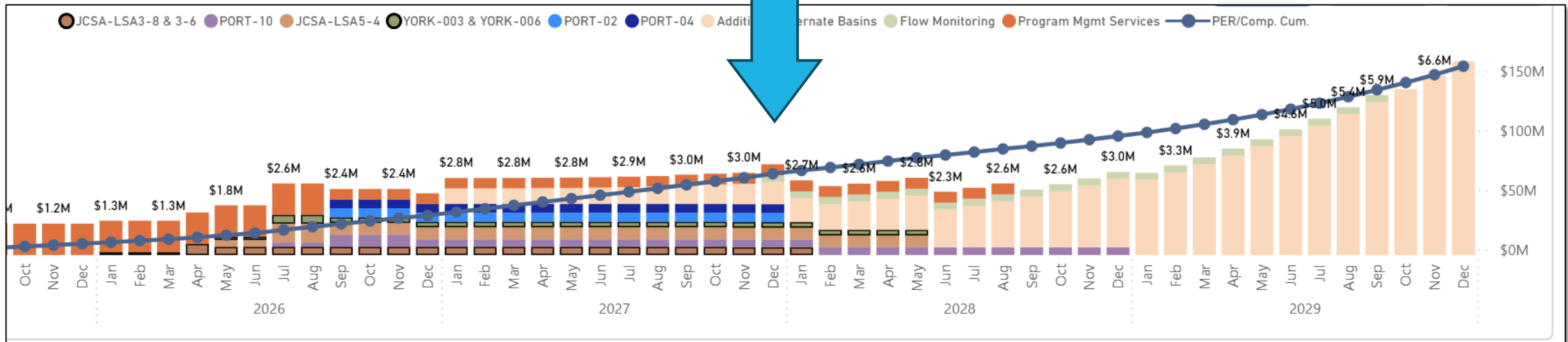
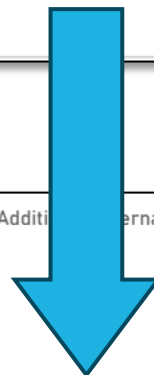
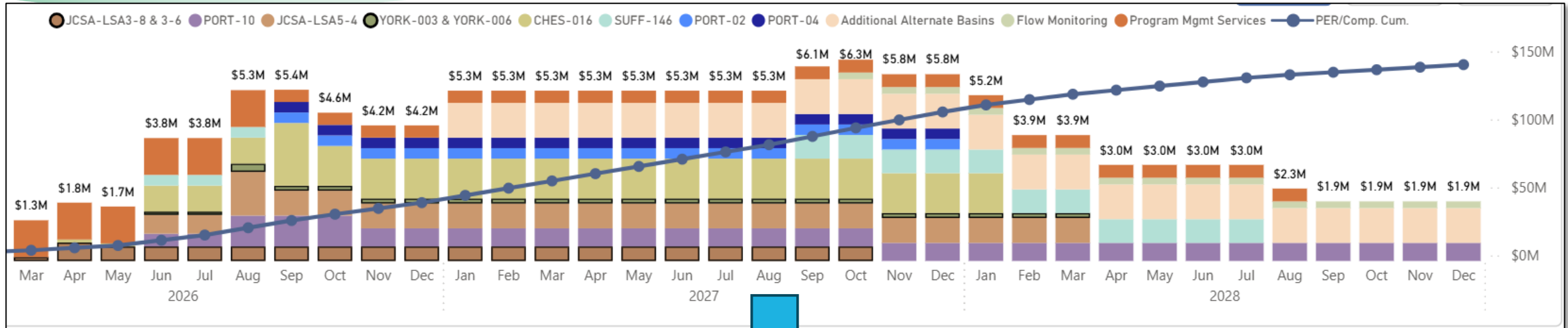
# Engineering-led Design-Build Team



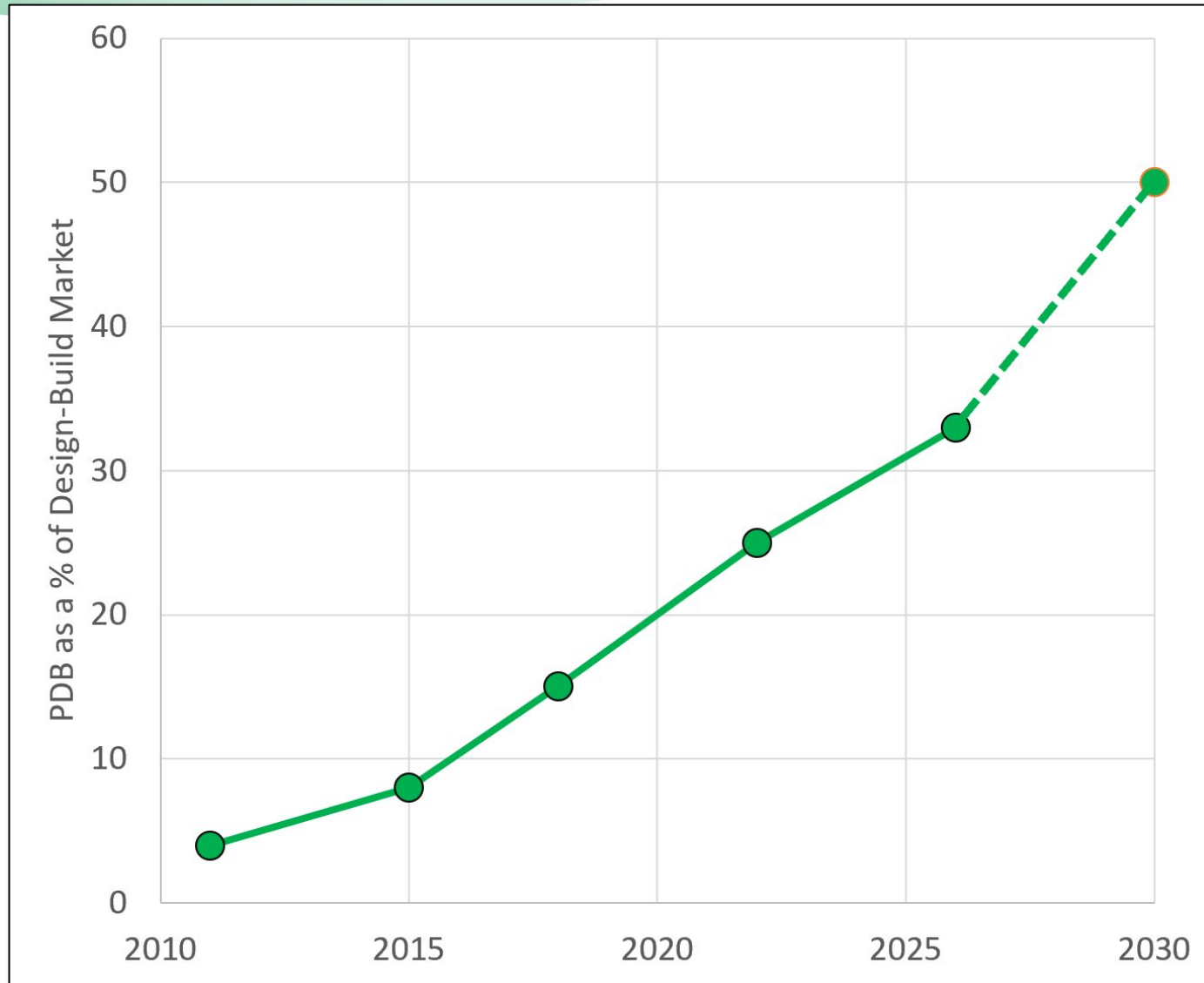
**Hazen** **Brown AND Caldwell** **rjn group**

**WRA** **THE Miles AGENCY**  
NICHE MARKETING AND PUBLIC RELATIONS

# Near Real-Time Cost Estimates



# Progressive Design-Build in the Market



Source: [dbia.org/blog/new-fmi-report-2024/](https://dbia.org/blog/new-fmi-report-2024/)





**Questions?**

HRSD Commission Meeting Minutes  
April 28, 2026  
Attachment #5

7a. Hauled Waste Program & VPM Debarment Briefing



# **HRSD Hauled Waste Program & Criminal conviction of permitted waste hauler**

April 28, 2026



# Agenda

- Overview of program
- Waste types accepted
- Where does HRSD accept this waste?
- By the numbers
- Increasing pressures
- Criminal case

# What is Hauled Waste?

- Wastewater from any tank, vessel, vehicle, pond or other devices that is transported by truck or some other hauling device to an HRSD designated discharge location.
- Waste is usually produced by someone else but hauled by a company to the disposal location.



# Types of Hauled Waste Accepted by HRSD

- Domestic septage
- Municipal or private pump stations (excluding sludge)
- Fats, oils and grease (FOG)
- Portable toilet
- Mixed (not containing FOG)
- Shipboard domestic
- Pump-around
- **No Industrial Wastewater Accepted**



# Why control Hauled Waste?

- Risky business
  - Wastes are hauled directly to the front of the treatment plant
  - Hazardous waste concern
- We do not really know what is in the truck
  - Neither HRSD nor similar entity has resources to follow every truck around
- Protect treatment processes and workers at treatment plants
  - Conventional wastewater processes
  - SWIFT process

# EPA's Guidance for Control of Wastes Hauled to POTWs

- Specific discharge prohibitions
- Specific prohibition against discharges except at points designated by POTW
- Issue permits to waste haulers
- Implement tracking systems
- Sampling loads

United States  
Environmental Protection  
Agency

Office of Wastewater  
Management (4203)

EPA-833-B-98-003  
September 1999

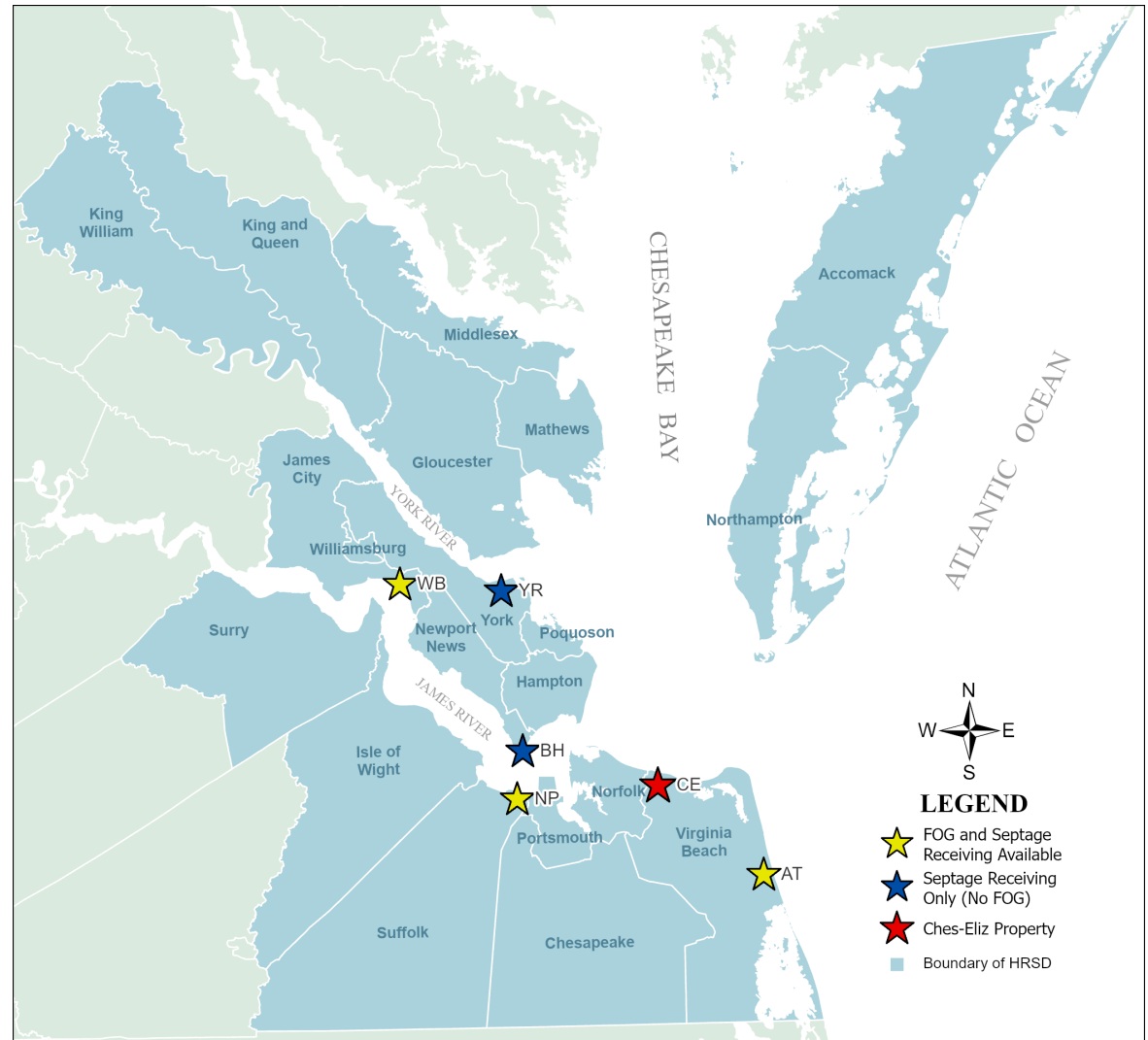
**Guidance Manual for the  
Control of Wastes Hauled to  
Publicly Owned Treatment  
Works**



# HRSD Treatment Plants Accepting Hauled Waste

- Design Flows
  - AT – 54 MGD
  - BH – 25 MGD
  - NP – 30 MGD (50 MGD)
  - WB – 22.5 MGD
  - YR – 15 MGD

MGD – Million Gallons per day



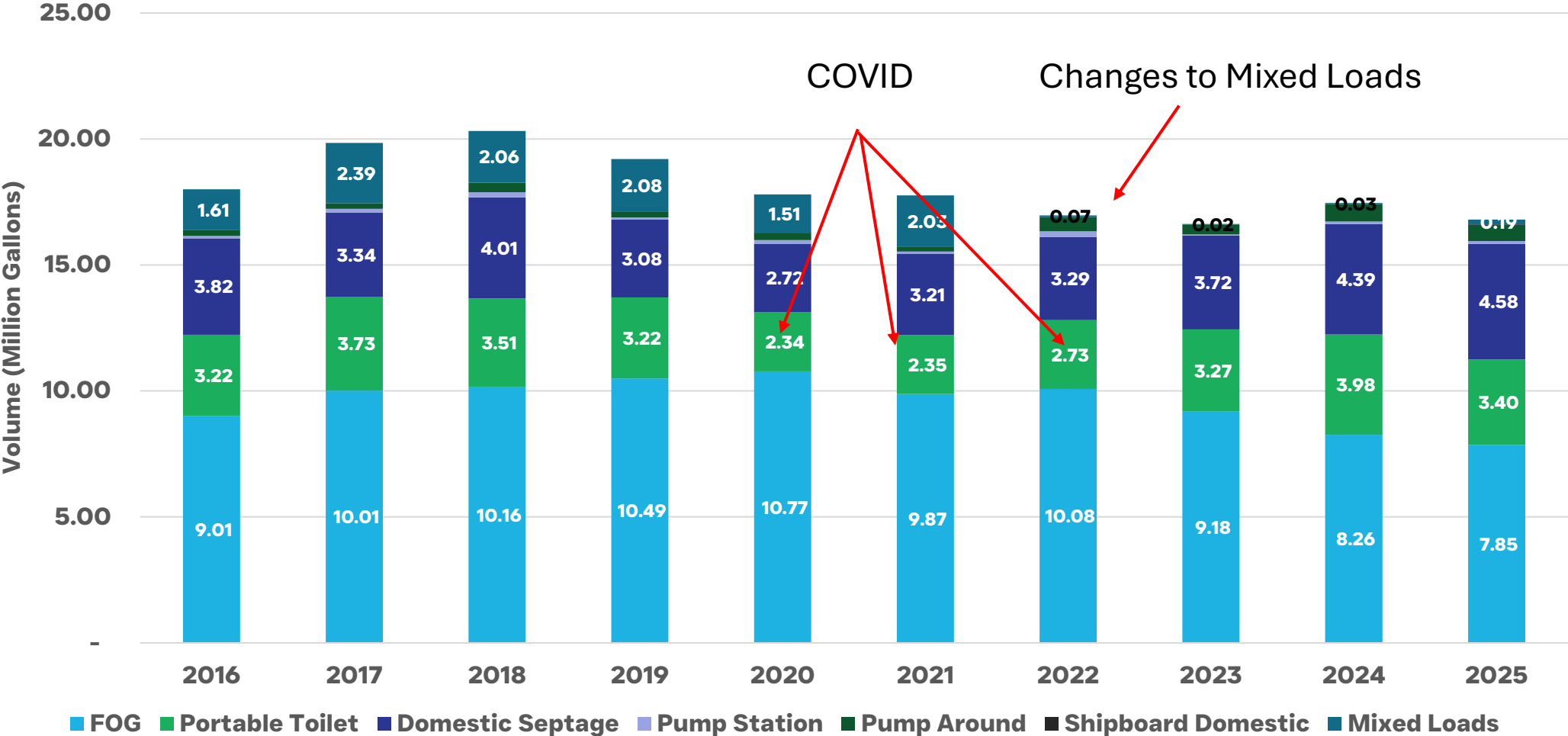
# HRSD Permitted Waste Haulers

- As of 3/1/2026
  - 47 permitted hauling companies
    - 3 are located in Maryland
  - 208 permitted vehicles
    - 66 Portable Toilet only
    - 14 FOG only
    - 5 Residential Septage only
    - 123 for multiple waste types



# Volume of Hauled Waste

Hauled Waste by Year and Waste Type (2016-2025)



Hauled Waste accounted for \$4.4M of revenue in FY25

# Mounting Pressures on Program

- Chesapeake Bay Preservation Act
  - Requires 5-year pump outs of septic tanks
- Other POTWs are restricting hauled waste
  - Tighter permit limits
  - Less available capacity (hydraulic or organic)
- Virginia Code § 15.2-2123
  - Must notify DEQ of septage treatment capability prior to issuance of a state certificate to construct for new, expanded or upgraded facility

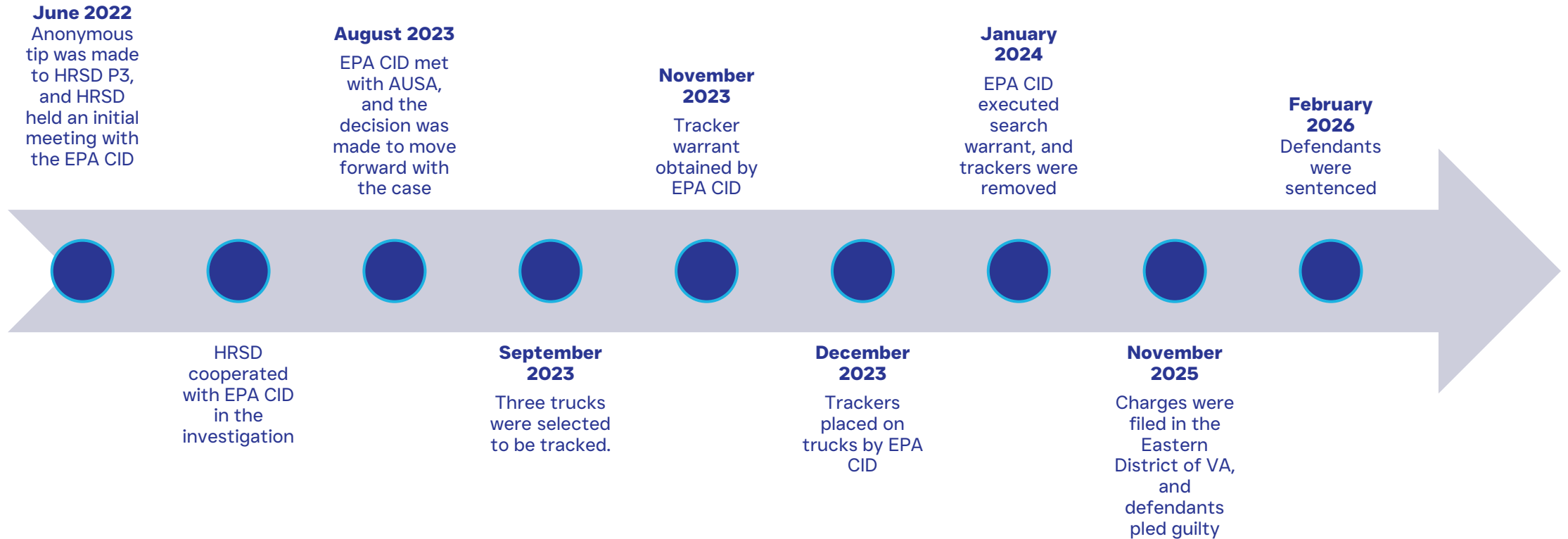
*United States v. Virginia Pump and Motor  
Company Inc.  
and Carroll Moon*

# Overview



- Virginia Pump and Motor Company Inc. (VPM), located in Portsmouth, VA, has held a permit to discharge hauled waste at HRSD treatment plants since 2006
- VPM was charged with illegally discharging grease waste (FOG) into pump stations and manholes throughout the HRSD service area to avoid paying dump fees
- Both the former owner, Carroll Moon, and the Company pled guilty to a felony Clean Water Act violation in Federal Court
- Carroll Moon retired in December 2025, and his sons now co-own the business

# Timeline



# Tracking of Trucks

- The EPA Criminal Investigation Division (CID) secured a warrant to place 3 tracking devices.
- HRSD provided information on what trucks were being used for grease hauling to assist the EPA in choosing trucks to track.
- Trackers were installed from December 2023 to January 2024.



# Evidence

**VIRGINIA PUMP AND MOTOR CO. INC.** (3) 30193  
 4 Croatan Trail  
 Portsmouth, VA 23701  
 Office: 757-465-3934 / 24hr: 757-679-1990  
 vapumpandmotor@outlook.com

**JOB WORK ORDER**

DATE OF ORDER: 6/13/23  
 MECHANIC: Reese  
 HELPER: Peyton  
 STARTING DATE: 6/13/23

CUSTOMER'S ORDER NO. / PHONE: /  
 BILL TO: Captain Georges  
 ADDRESS: 5363 Richmond Road  
 CITY: WMB6 VA 23188  
 JOB NAME AND LOCATION: /  
 JOB PHONE: /

DESCRIPTION OF WORK:  
 - Pump and clean Grease Trap - \$300.00  
 Grease - 53  
 Water - 50  
 Food - 2

completed 6/13/23

TOTAL MATERIALS: /  
 TOTAL LABOR: /  
 TAX: /  
 TOTAL AMOUNT \$: /

DATE COMPLETED: 6/13/23  
 WORK ORDERED BY: [Signature]  
 I hereby acknowledge the satisfactory completion of the above described work.

Printed by print4less.com 301.548.0006

- HRSD relies on haulers to self-report pickups to P3 monthly
- Grease Control Device (GCD) cleaning records from some of VPM's customers were compared to their reports to HRSD
- VPM only holds a permit with HRSD for disposal

HRSD Pump Log Report June 2023

Virginia Pump & Motor Co

| Customer Name          | Address                                      | Pick-up Date | Truck ID Number | Type of Waste | Gallons Pumped | Discharge Date | Discharge Location |
|------------------------|--|--------------|-----------------|---------------|----------------|----------------|--------------------|
| Dandy Haven            | 374 Dandy Haven Road, Hampton VA             | 06/16/2023   | 6500            | Septic        | 1,000          | 06/16/2023     | Nansemond          |
| Northwest River Park   | 1733 Indian Creek Road, Chesapeake, VA       | 06/16/2023   | 6500            | Septic        | 750            | 06/16/2023     | Nansemond          |
| Sulik MHP              | 7 Viking Way, Hampton, VA                    | 06/20/2023   | 6500            | Septic        | 1,000          | 06/20/2023     | Nansemond          |
| Sulik MHP              | 7 Pioneer Way, Hampton, VA                   | 06/20/2023   | 6500            | Septic        | 1,000          | 06/20/2023     | Nansemond          |
| Sulik MHP              | 9 Pioneer Way, Hampton, VA                   | 06/20/2023   | 6500            | Septic        | 1,000          | 06/20/2023     | Nansemond          |
| City of Virginia Beach | PS#311, 2012 Meredith Rd, Virginia Beach, VA | 06/20/2023   | 7023            | RRF           | 458            | 06/20/2023     | Nansemond          |
| BFI/Republic           | 124 Greene Dr, Yorktown, VA                  | 06/23/2023   | 6500            | Pump Around   | 3,500          | 06/20/2023     | Nansemond          |
| City of Suffolk        | PS# 4, Suffolk VA                            | 06/30/2023   | 7023            | RRF           | 1,395          | 06/30/2023     | Nansemond          |

# Statement of Facts

- On at least **30** different days from 2022-2024, VPM serviced grease traps from customers
- In accordance with pretreatment regulations and company's industrial user permit, VPM required to take resulting grease waste to HRSD designated location for proper disposal but failed to do so
- Instead, VPM illegally discharged waste into HRSD's system at locations that were not designated by HRSD as proper discharge locations
- Avoided paying mandatory fees (**~\$126,000**) to HRSD if the trucked pollutants had been properly discharged and reported, as required by the federal pretreatment standards and VPM's industrial user permit

## Statement of Facts (con't)

- Between 2022 and 2024, VPM submitted 18 monthly reports to HRSD.
  - All the reports were signed by an authorized representative with a certification of truthfulness, accuracy and completeness.
  - All the reports contained false material statements and inaccuracies, including the underreporting of the volume of grease pumped from clients and the resulting grease waste that should have been taken to a designated location by HRSD but was not taken to a designated location.

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

UNITED STATES OF AMERICA )  
v. )  
 )  
 )  
VIRGINIA PUMP )  
AND MOTOR COMPANY, INC. )  
Defendant )

Case No. 2:25CR00129-001

**GOVERNMENT’S POSITION ON SENTENCING**

The United States through its undersigned attorneys, respectfully submits its position on sentencing regarding the corporate defendant, VIRGINIA PUMP AND MOTOR COMPANY, INC., and avers as follows:

**I. INTRODUCTION**

**A. Guilty Plea**

On November 17, 2025, the defendant, VIRGINIA PUMP AND MOTOR COMPANY, INC., pled guilty to a one-count Criminal Information charging the corporation with knowingly violating the Clean Water Act, 33 U.S.C. §§ 1319(c)(2)(A) and 1342(b)(8) – a felony.

The defendant, VIRGINIA PUMP AND MOTOR COMPANY, INC., admitted that, on at least different 30 different days, it intentionally violated requirements imposed in a federally approved local pretreatment program run by the Hampton Roads Sanitation District (HRSD), the local sewage authority. The defendant, VIRGINIA PUMP AND MOTOR COMPANY, INC., failed to discharge grease waste at HRSD-designated locations; underreported the amount of

# Charges and Guilty Plea

- The United States Attorney for the Eastern District of Virginia filed charges on November 4, 2025
  - “Knowingly committing an act that constituted a violation of a requirement imposed in HRSD’s approved local pretreatment program by violating the conditions of its industrial user permit including: failing to discharge grease waste at designated locations, underreporting of grease waste discharges, and failing to pay mandatory discharge fees to HRSD.”
- On November 17, 2025, the defendants, Virginia Pump and Motor Company Inc. and Carroll Moon, both pleaded guilty to the felony count

# Sentence

Sentenced on February 18, 2026, at Norfolk Federal Court. The Honorable Jamar K. Walker presiding.

- **Virginia Pump and Motor Company Inc.**

- 3 years' probation
- \$150K criminal penalty
- \$126K restitution to HRSD (amount to be shared by Carroll Moon)
- \$100K to HRSD for community service project related to FOG

- **Carroll Moon**

- 3 years' probation
- 6 months' house arrest
- \$126K restitution to HRSD (amount to be shared by VPM)
- \$150K criminal penalty

# Future of VPM

- HRSD notified DEQ and VDH of conviction on 2/20/26
- P3 held a Show Cause meeting with VPM on 3/12/26
- VPM remains permitted with HRSD
  - Implemented an Environmental Compliance & Ethics Program
  - Permit requirement being added requiring discharge entity to be added to all invoices left with customers
- Recommendation of debarment
  - Can't do business with HRSD directly
  - Can't do business with Contractors on HRSD jobs
  - Period of three (3) years starting June 1, 2026

# Debarment Process

- March 26, 2026, notice sent to VPM initiating the debarment process.
- April 3, 2026, Rebuttal received from VPM requesting that HRSD only debar them from direct contracts with HRSD and that they continue to have the ability to act as a subcontractor on HRSD projects due to the potential loss of revenue.
- April 28, 2026, submitted for consideration by the HRSD Board of Commissioners.
- May 26, 2026, vote by the HRSD Board of Commissioners regarding staff recommendation.



**Questions?**

## Statement of Virginia Pump and Motor

On behalf of Virginia Pump and Motor Company (“VPM”) I’m submitting this written statement in opposition to the recommendation that HRSD debar VPM. Virginia Pump and Motor Company should not be debarred based on the following factors:

### **Severe Impact on Essential Services.**

VPM provides specialized pump station repairs and critical pump and haul, Hydroexcavating, sewer well cleaning and any required emergency services across the Hampton Roads region. Debarment would severely limit vendor competition for these highly specialized tasks. Such a reduction in available experts could cause delays in emergency public sanitation services, directly threatening public health and local infrastructure.

### **Extreme Hardship to Innocent Employees**

Operating as a dedicated family business since 1989, the company supports numerous city localities and subcontractors. Debarring the company would effectively shut down these operations, resulting in immediate job losses and heavy economic penalties for innocent workers and their families who had no part in the underlying issues.

### **Full Cooperation and Implementation of Compliance Controls**

The company has fully cooperated with authorities and reached a formal plea agreement in federal court (Case 2:25-cr-00129). As part of its rehabilitation and in direct response to these events, the company has committed to developing and enforcing a rigorous corporate ethics and compliance program. These aggressive remedial measures and internal controls ensure that the company will operate with the highest level of integrity moving forward.

### **A Record of Top-Tier Physical Performance**

Under Virginia Code § 2.2-4321, public bodies possess the discretion to determine whether debarment is necessary. We ask you to consider that the Virginia Pump and Motor Company’s physical performance on public contracts has historically been excellent. Because the company is actively correcting its administrative and ethical failures, a less severe administrative action – such as a probationary period or monitoring agreement - would sufficiently protect the public body without destroying a critical local service provider.

We welcome the opportunity to discuss specific corporate monitoring terms or any additional safeguards your office requires to maintain full confidence in our operations. Thank you for your time, leadership, and thorough consideration of this matter.

Derek Moon, President of Virginia Pump and Motor Company

HRSD Commission Meeting Minutes  
April 28, 2026  
Attachment #6

11a. Informational Items

April 15, 2026

Re: General Manager's Report



## Environmental Responsibility

Our IT staff remains diligent in protecting our system as the war has increased cyber security attacks on water and wastewater utilities. We were notified that Iranian-affiliated threat actors are focusing on programmable logic controllers to compromise systems.

**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 41,899 Total Possible Exceedances.
- Pounds of Pollutants Removed in FY 2026 to date: 128 million pounds.

**Water Quality:** No pretreatment penalties were issued in March.



## Financial Stewardship

As discussed at the Commission meetings, the High Priority Inflow and Infiltration Reduction Program (HPIIRP) is an innovative program to cost-effectively implement sewer overflow projects. The initial estimate was over \$190 million, but through detailed modeling, data collection and analysis, the latest estimate is expected to be less than \$50 million.

Wastewater Revenues are trailing the previous year as water consumption is 1.4% lower than estimated, but Total Revenues remain slightly above budget. Aside from higher fuel prices for our fleet, we have not seen a significant increase in operating costs as expenses remain below budget.



## Talent

Our Talent Acquisition team launched 11 recruitment campaigns and secured 21 accepted job offers. In April, there will be a career fair on each shore to recruit for operations positions.

We continue to be at a high staffing level at 93%. Turnover to date, excluding retirements, is about 10% lower than in the last two years.



## Community Engagement

Staff provided tours to over 40 people as part of the LEAD Peninsula annual environment day. This was a very engaged group of leaders from around the region.

I participated on a panel as part of the National Academies series on Flood Resilience and Innovation held at the University of Virginia. I talked about SWIFT and some of the innovative projects we're working on.

Staff provide a tour to Shannon Pierce, President and CEO of Virginia Natural Gas, and her team from our Atlantic Treatment Plant (ATP) where we are partnering on Renewable Natural Gas. We also had an opportunity to talk about innovations and potential for other partnerships at our other digester plants.



## Innovation

Staff met with Tomorrow Water, which is a California-based water tech company with significant projects in South Korea. We are looking to license our DETOUR (PdNA) technology for use in their Proteus system. They are currently piloting PdNA in California with AECOM as part of a Department of Energy funded project.

**I look forward to seeing you in Newport News at 9:00 a.m. on Tuesday, April 28, 2026.**

Respectfully submitted,

*Jay Bernas*

Jay Bernas, P.E.  
General Manager/CEO

TO: General Manager  
FROM: Chief Communications Officer  
SUBJECT: Monthly Report for March 2026  
DATE: April 16, 2026

A. Publicity and Promotion

1. HRSD and/or the Sustainable Water Initiative For Tomorrow (SWIFT) were mentioned or featured in 21 stories this month. Topics included:
  - a. Keeping Water Safe in A Connected World
  - b. Norfolk group discusses regional waste diversion goals
  - c. Sewage overflow in Portsmouth prompts road closures and safety precautions
  - d. Advancing Partial Denitrification Anammox (PdNA) Full Applications
  - e. Five Digital Solutions Shaping the Path Towards Global Water Digitalization
  - f. Regional Sustainability in Action
  - g. Students Build Water Filtration Systems in STEM Challenge
  - h. Research Team Awarded Grant to Test AI tools
2. Analysis of Media Coverage
  - a. Key results for March

Mentions ⓘ  
Mar 1 – 31

⚙️ Edit insight ⋮

**71** 0%  
Previous Period 71

Total Potential News Reach ⓘ  
Mar 1 – 31

**197M** ↑ 3764%  
Previous Period 5.11M

Sentiment ⓘ  
Mar 1 – 31

**90** ↑ 4%  
Previous Period 87

## b. Top performing news content

### Top Article by Reach ⓘ

Mar 1 - 31



The United States Department of Justice  
 Editorial | US | Mar 23 · 1:59 PM

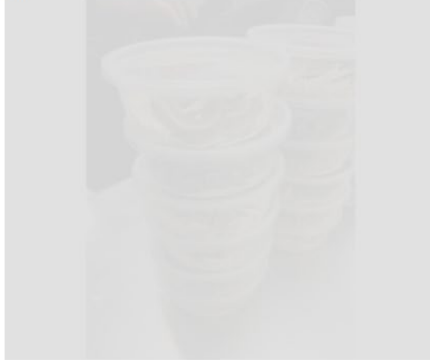
**Environmental Crimes Bulletin – February 2026**

and \$126,000 in restitution (joint and several) to the **Hampton Roads Sanitation District** (HRSD). Both defendants will complete three-year

Social Echo 0 8 0  
 55.2M Reach Neutral ⓘ

### Top Article by Social Echo ⓘ

Mar 1 - 31 Edit insight ⓘ



The United States Department of Justice  
 Editorial | US | Mar 23 · 1:59 PM

**Environmental Crimes Bulletin – February 2026**

and \$126,000 in restitution (joint and several) to the **Hampton Roads Sanitation District** (HRSD). Both defendants will complete three-year

Social Echo 0 8 0  
 55.2M Reach Neutral ⓘ

### Top Article by Reach and Volume ⓘ

Mar 1 - 31



The Virginian-Pilot · Andi Petrini  
 Editorial | US | Mar 30 · 6:05 AM

**Inside Business Healthcare Heroes 2026: Lisa Darger and Sentara Sustainability Initiative**

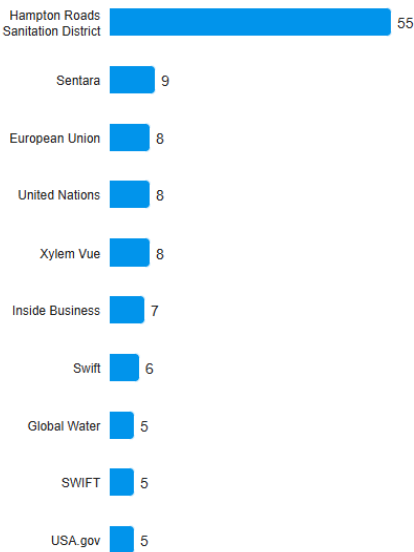
harming anesthetic desflurane; and emphasized compliance with the **Hampton Roads Sanitation District**. According to the form, "four Sentara

Social Echo 0 0 0  
 753k Reach Positive ⓘ

## c. Key Topics, key words and entities

### Top Entities ⓘ

Mar 1 - 31



### Top Keywords ⓘ

Mar 1 - 31



### Top Organizations and Share of Voice ⓘ

Mar 1 - 31

Valid Analytic not selected

d. How favorable is the content?

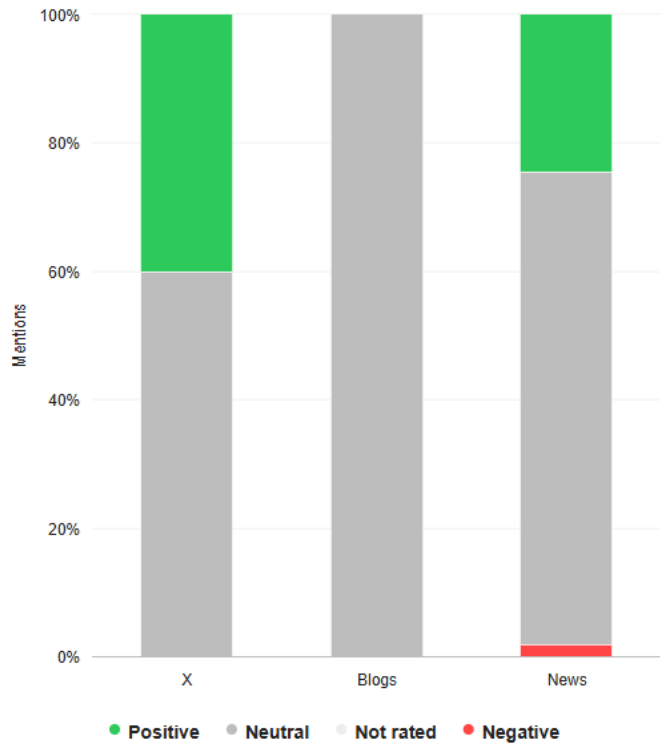
Sentiment Share of Voice ⓘ

Mar 1 – 31



Sentiment by Source Type ⓘ

Mar 1 – 31

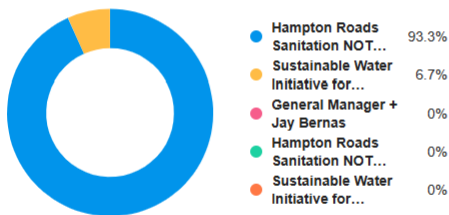


(Negative sentiment relates to mention of HRSD as part of opposition to rate hikes given RNG facility developments in another location – project was used as an example and not being criticized, per se)

e. What is the potential reach?

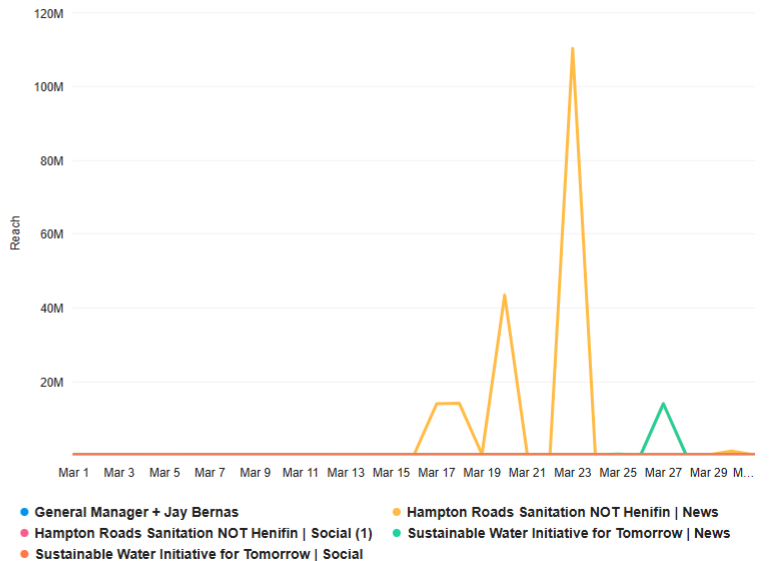
Share of Voice by Reach ⓘ

Mar 1 – 31



Potential News Reach ⓘ

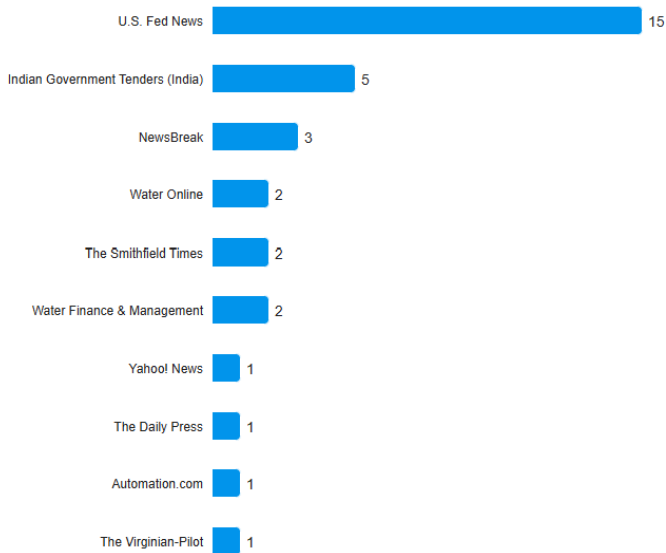
Mar 1 – 31



## f. Top publishers

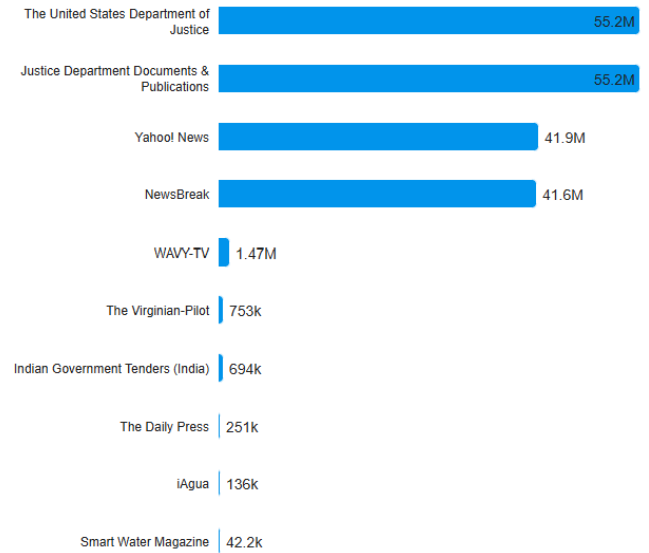
### Top Publications by Mentions ⓘ

Mar 1 – 31



### Top Publications by Editorial Reach ⓘ

Mar 1 – 31



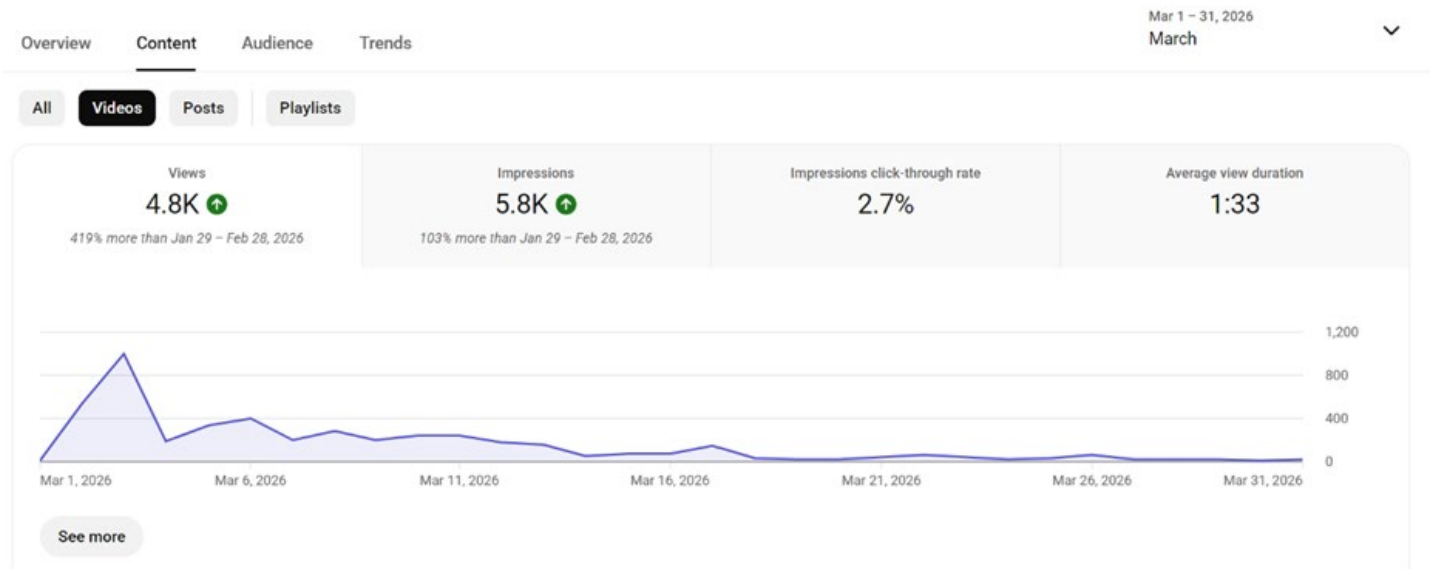
## Community Engagement

### B. Social Media and Online Engagement

#### 1. Metrics – Facebook, X and LinkedIn



## 2. YouTube



## 3. Top posts on Facebook, Twitter, and YouTube

### a. Top Facebook post



b. Top LinkedIn Post

**HRSD** 8,586 followers  
2w • 🌍


Field trips that demystify wastewater 💧 📷


Students visiting HRSD facilities get a behind-the-scenes look at how southeastern Virginia's wastewater is treated—and how that work protects public health and the environment 🌱

Bring your class to see it in action! 📍  
<https://ow.ly/qC7H50YxAOE>

👤 Frank W. Cox High School students at Atlantic Treatment Plant last week

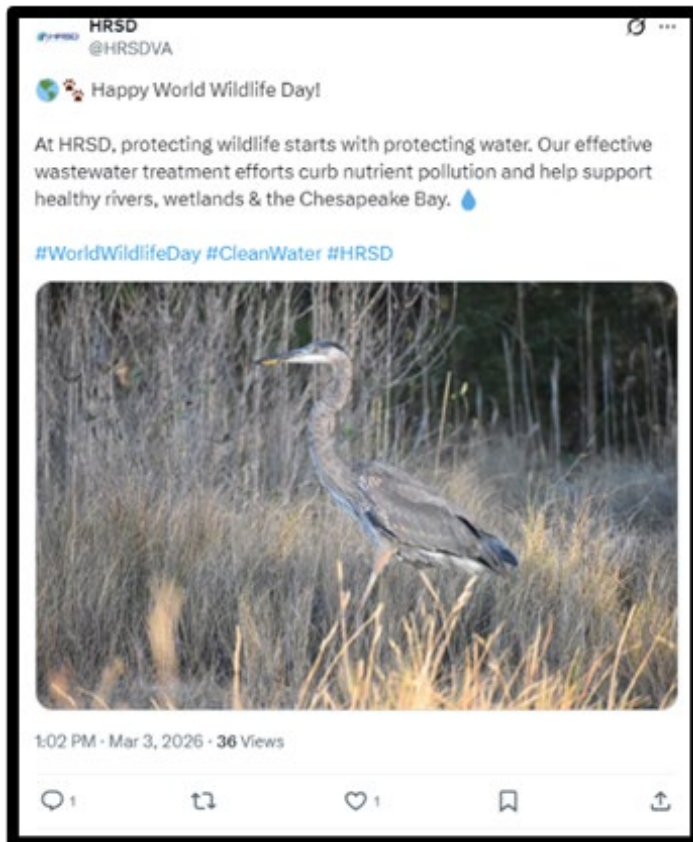
Virginia Beach City Public Schools #STEMeducation #FieldTrip  
#EnvironmentalEducation #WaterMatters #Sustainability #Wastewater #HRSD  
#VirginiaBeach #PublicHealth



 Katie Markle, CAPM and 71 others

5 reposts

c. Top X Post



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

(1) [HRSD | Blue Collar \(1,301\)](#)

(2) [HRSD | White Collar \(804\)](#)

(3) [HRSD | Municipality \(728\)](#)

(4) [HRSD | Blue Collar \(561\)](#)

(5) [HRSD | White Colar \(448\)](#)

4. Website and Social Media Impressions and Visits

a. Facebook:

(1) 3,933 users reached

(2) Facebook Engagement of 91 (81 reactions, 7 shares, and 3 comments)

b. X: 9.39% engagement rate

c. HRSD.com/SWIFTVA.com: 1045 page visits

d. LinkedIn Impressions:

- (1) 12,879 page impressions
- (2) 8,657 post impressions
- e. YouTube: 4,802 views
- f. NextDoor unique impressions: 16,794 post impressions from 23 targeted neighborhood postings and two regionwide postings.
- g. Blog Posts: (0)
- h. Construction Project Page Visits – 1,878 total

C. Education and Outreach Activity Highlights

1. 03/05/26 – SWIFT tour and presentations for LEAD Peninsula
2. 03/06/2026 – SWIFT tour and activity for Yellowhab
3. 03/07/2026 -- Virginia Living Museum CoVA STEM Career Lab
4. 03/08/2026—CCO co-presented as part of a workshop panel at WateReuse Symposium 2026
5. 03/10/2026 – SWIFT tour for Virginia Tech faculty and staff
6. 03/11/2026 – Chesapeake Public Library Staff Day – Environmental Responsibility session
7. 03/13/26 – Career Fair, An Achievable Dream Academy
8. 03/13/2026 – York River Treatment Plant (YRTP) tour for CNU students
9. 03/14/2026 – Portsmouth Public Schools STEM Expo 2026
10. 03/16/2026 -- YRTP plant tour for CNU student group
11. 03/19/26 -- Atlantic Treatment Plant tour and presentation for Cox High School students
12. 03/26/26 – Newport News Public Schools Engineering Design Challenge
13. 03/27/26 – Career Fair at College Park Elementary
14. 03/30/26 – SWIFT tour for Commissioner Taraski and friends

15. 1,383 door hangers and/or mailed letters distributed to residents in communities surrounding eight ongoing projects

16. Newsroom postings:

- a. Construction notices – 16
- b. News releases – 1
- c. Traffic Advisories – 2

D. Internal Communications

CCO participated in the following internal meetings and events:

1. HRSD.com weekly redesign meetings
2. Architectural review committee meeting for Nansemond SWIFT facility
3. SWIFT monthly communications status call
4. Annual CIP review meeting
5. Bi-weekly General Manager (GM) briefings
6. Discharge Monitoring Report (DMR), SWIFT Quality Steering Team (QST), and HRSD QST meetings
7. Check-in meetings with Deputy General Manager (DGM)
8. Monthly check in meeting with Chief Operating Officer
9. CCO conducted biweekly Communications department status meetings and weekly one-on-one check-in meetings.
10. Staff participated in 31 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 March:

- Community Education and Outreach Specialist attended Science Talk 2026 Conference Virtual Workshop and Association of Science Communicators Science Talk two-day conference
- Public Information Specialists and CCO completed assigned IT Security training modules

Respectfully,

*Leila Rice, APR*

Chief Communications Officer

TO: General Manager  
 FROM: Chief Engineer  
 SUBJECT: Monthly Engineering Report for March 2026  
 DATE: April 11, 2026



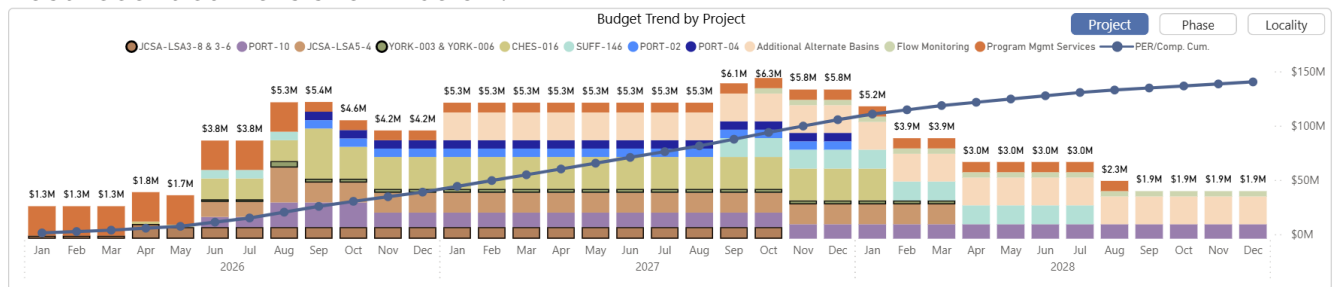
### Environmental Responsibility

- More than a year ago, HRSD began the innovative High Priority Inflow and Infiltration Reduction Program (HPIIRP), which effectively uses a progressive design-build approach to implement cost-effective sanitary sewer overflow (SSO) reduction projects on gravity pipes owned by our Localities across 19 basins. As initially envisioned in the approved Regional Wet Weather Management Plan, the HPIIRP was expected to cost over \$190M. However, through updated flow monitoring, modeling, and a thoughtful cost-effective analysis that balances inflow and infiltration (I/I) reduction with capacity improvements, this program is now expected to spend less than \$50M on the currently selected priority basins. Flow monitoring and SSES activities continue in other basins with documented, recurring SSOs, to determine where additional cost-effective I/I work makes sense.



### Financial Stewardship

- The HPIIRP team has developed detailed cost curves for their program and is sharing those with Financial Planning and Analysis to help inform and optimize the FY27-FY26 CIP. The most recent curve is shown below.



- Capital Improvement Program (CIP) spending for March was below the planned spending target, and annual spending has dropped slightly below the planned CIP target for the fiscal year.

| Capital Improvement Program Spending (\$M) |                |            |
|--|----------------|------------|
|  | Current Period | FY to date |
| Actual                                     | \$32.2         | \$422.8    |
| Plan                                       | \$65.5         | \$428.9    |



## Talent

- Staff retention and recruitment remain significant priorities. Engineering is currently working to fill three current vacancies and two upcoming vacancies due to retirements. These include:
  - Engineering Program Manager (formerly: Hydraulic Analysis Manager)
  - Project Manager (two current vacancies, two additional in May and June)



## Community Engagement

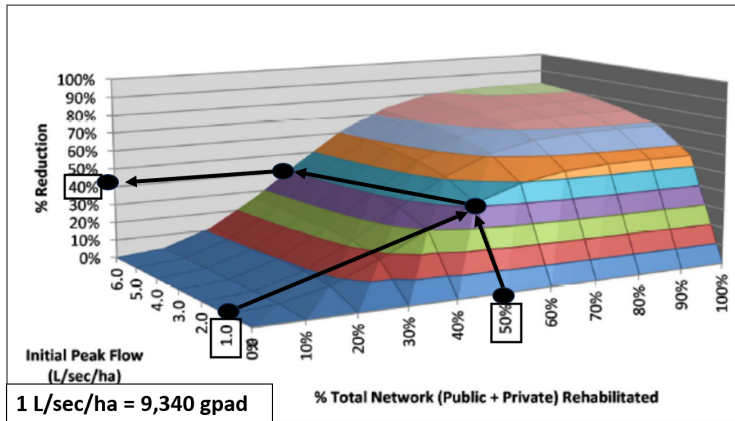
- March provided a unique opportunity for engagement at the third annual HRSD LIFE conference. Engineering presented the following topics to colleagues at this event:
  - Lauren Zuravnsky: SWIFT Cull Scale Implementation Update
  - Mike Hess (and Dan Holloway): What is a Land Motion Observatory? What does it have to do with HRSD SIFT and Sea Level Rise?
  - Connie Harris: HRSD Speak Easy Toastmasters Club
  - Chris Swartz: How I think the Sewer System Works!?!
  - Bruce Husselbee (and Christel Dyer): Atlantic Treatment Plant Combined Heat & Power System – 10 Years Later
  - Beatriz Patino (and Mark Ballew): Implementing a Non-Flammable Carbon System at the Williamsburg Treatment Plant
  - Gene Groszek and Lyne Swimpson: Building a Data-Driven Culture
  - Kim Peterson and Tiffany Elston: Data Without Borders: Sharing Smarter, Not Harder with Localities
  - Jules Robichaud and Will Leggett: Drones for Photos, Videos, Mapping, and 3D Modeling
  - Kayla McCoy: Meeting Diverse Wastewater Conveyance Needs in Larchmont
  - Mike Hess (and Chris Stephan): Shaving the Peak – How Storage Provides Operational and Financial Benefits



## Innovation

- The cost-effective analysis being performed in the HPIIRP is leveraging a study published in 2013 by Water New Zealand, which demonstrated a clear relationship between initial peak flow, percent of system rehabilitated, and peak flow reduction. This study has largely gone unnoticed in the US, but the HPIIRP team hopes to leverage the success of the HRSD program to raise awareness of this study among other utilities in the US. Most recently, the New Zealand study was shared with the Western Virginia Water Authority to help support an extensive I/I program they are undertaking and will be presented by members of the HPIIRP team at the upcoming DBIA Water/Wastewater Conference and the Wet Weather Partnership Conference – see slide below.

# Estimate Effectiveness Using New Zealand Study



Extensive study in 2013 identified two primary predictive factors for I/I reduction:

- The **severity** of the baseline I/I
- The **total extent** of the public and private collection system rehabilitated

Graph Taken from the Water New Zealand  
*Infiltration & Inflow Control Manual* Vol 1, 2015,  
2<sup>nd</sup> Edition



Jeff Scarano, PE, BCEE, DBIA

TO: General Manager/CEO  
 FROM: Deputy General Manager and Chief Financial Officer  
 SUBJECT: Monthly Report for March 2026  
 DATE: April 14, 2026



**Financial Stewardship**

**Accounting & Interim Financial Reports**

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

Despite the fact that billed consumption, which drives HRSD’s largest revenue source, continues to marginally lag budgetary projections, total revenues, supported by strong performance in facility charge revenues due to increased regional construction activity and continued favorable investment returns are tracking slightly above expectations. Operating expenses appear well controlled and remain below the budget at 62 percent of amounts authorized.

| Summary of Billed Consumption (,000s ccf) |  |                                |                |                                |                |                              |                        |
|---|--|--------------------------------|----------------|--------------------------------|----------------|------------------------------|------------------------|
| Month                                     | FY2026<br>Cumulative<br>Budget<br>Estimate | % Difference                   |                | % Difference                   |                | % Difference                 |                        |
|   |  | FY2026<br>Cumulative<br>Actual | From<br>Budget | Cumulative<br>FY2025<br>Actual | From<br>FY2025 | Cumulative 3<br>Year Average | From 3 Year<br>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                                     | 39,592                         | -1.4%          | 40,246                         | -1.6%          | 39,959                       | -0.9%                  |
| Apr                                       | 44,110                                     | -                              | N/A            | 44,404                         | N/A            | 44,064                       | N/A                    |
| May                                       | 48,484                                     | -                              | N/A            | 48,830                         | N/A            | 48,554                       | N/A                    |
| June                                      | 53,000                                     | -                              | N/A            | 53,606                         | N/A            | 53,120                       | N/A                    |

**Customer Care**

In March 2026, Customer Care saw measurable improvements across collections, field operations, and customer service. Past due balances declined slightly in key aging categories, with continued progress expected ahead of the summer heat related “shut-off moratorium”.

Field activity increased with 5,305 warning tags issued and 2,066 service disconnections, and preparations are underway to transition to mailed shut-off notices in April.

Call center performance improved notably, with faster response times, reduced abandonment rates, and higher service levels and billing cycle recovery. Customer engagement remained strong, with an 88.5 percent favorable survey rating and nearly half of

customers responding to text reminders making payments, reinforcing the success of expanding digital communication strategies.

## A. Entity Wide Interim Financial Report & Summary of Reserves

### Hampton Roads Sanitation District Interim Financial Report Funds Analysis For the Period Ending March 31, 2026

|                                    | Operating Fund        | Capital Fund          | Total                 |
|------------------------------------|-----------------------|-----------------------|-----------------------|
| <b>Inflows</b>                     |                       |                       |                       |
| Wastewater Treatment Charges       | \$ 372,383,341        | \$ -                  | \$ 372,383,341        |
| Interest Income                    | 14,587,159            | 4,837,015             | 19,424,174            |
| Grants                             | -                     | 67,001,733            | 67,001,733            |
| Debt Issuances                     | -                     | 287,012,248           | 287,012,248           |
| Transfers-In                       | -                     | 129,826,008           | 129,826,008           |
| <b>Total Inflows</b>               | <b>386,970,500</b>    | <b>488,677,004</b>    | <b>875,647,504</b>    |
| <b>Outflows</b>                    |                       |                       |                       |
| Operational                        | 173,872,039           | -                     | 173,872,039           |
| Debt Service                       | 85,105,917            | -                     | 85,105,917            |
| Capital                            | -                     | 537,032,735           | 537,032,735           |
| Transfers-Out                      | 129,826,008           | -                     | 129,826,008           |
| <b>Total Outflows</b>              | <b>388,803,964</b>    | <b>537,032,735</b>    | <b>925,836,699</b>    |
| Net Change in Reserves             | (1,833,464)           | (48,355,731)          | (50,189,195)          |
| Beginning Reserves                 | 287,822,081           | 315,786,765           | 603,608,846           |
| <b>Ending Reserves</b>             | <b>\$ 285,988,617</b> | <b>\$ 267,431,034</b> | <b>\$ 553,419,651</b> |
| <b>Ending Reserves Summary</b>     |                       |                       |                       |
| Unrestricted                       |                       |                       |                       |
| General                            | \$ 243,480,062        | \$ 74,170             | \$ 243,554,232        |
| Risk                               | 4,799,555             | -                     | 4,799,555             |
| PayGo                              | -                     | 233,231,822           | 233,231,822           |
| <b>Total Unrestricted Reserves</b> | <b>248,279,617</b>    | <b>233,305,992</b>    | <b>481,585,609</b>    |
| Restricted                         |                       |                       |                       |
| Debt Service                       | 37,709,000            | -                     | 37,709,000            |
| Bond Proceeds                      | -                     | 34,125,042            | 34,125,042            |
| <b>Total Ending Reserves</b>       | <b>\$ 285,988,617</b> | <b>\$ 267,431,034</b> | <b>\$ 553,419,651</b> |

## **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 March 31, 2026**

|   | Amended Budget        | Current YTD           | Current YTD as<br>% of Budget<br>(75% Budget to<br>Date) | Prior YTD as<br>% of Prior<br>Year Budget |
|---|-----------------------|-----------------------|--|---|
| <b>Operating Revenues</b>               |                       |                       |  |   |
| Wastewater                              | \$ 486,718,000        | \$ 359,087,944        | 74%  | 76%                                       |
| Surcharge                               | 1,568,000             | 1,080,065             | 69%  | 85%                                       |
| Indirect Discharge                      | 3,526,000             | 3,637,244             | 103%   | 80%                                       |
| Fees                                    | 4,560,000             | 3,481,491             | 76%  | 98%                                       |
| Municipal Assistance                    | 734,000               | 557,968               | 76%  | 103%                                      |
| Miscellaneous                           | 808,000               | 758,335               | 94%  | 73%                                       |
| <b>Total Operating Revenue</b>          | <b>497,914,000</b>    | <b>368,603,047</b>    | <b>74%</b>   | <b>76%</b>                                |
| <b>Non Operating Revenues</b>           |                       |                       |  |   |
| Facility Charge                         | 6,620,000             | 5,351,850             | 81%  | 81%                                       |
| Interest Income                         | 11,500,000            | 19,149,835            | 167%   | 264%                                      |
| Other                                   | 1,545,000             | 2,146,530             | 139%   | 193%                                      |
| <b>Total Non Operating Revenue</b>      | <b>19,665,000</b>     | <b>26,648,215</b>     | <b>136%</b>  | <b>180%</b>                               |
| <b>Total Revenues</b>                   | <b>517,579,000</b>    | <b>395,251,262</b>    | <b>76%</b>   | <b>79%</b>                                |
| Transfers from Reserves                 | 26,039,871            | 19,529,903            | 75%  | 75%                                       |
| <b>Total Revenues and Transfers</b>     | <b>\$ 543,618,871</b> | <b>\$ 414,781,165</b> | <b>76%</b>   | <b>79%</b>                                |
| <b>Operating Expenses</b>               |                       |                       |  |   |
| Personal Services                       | \$ 87,350,418         | \$ 63,603,700         | 73%  | 71%                                       |
| Fringe Benefits                         | 31,422,407            | 22,694,865            | 72%  | 66%                                       |
| Materials & Supplies                    | 17,577,501            | 10,245,222            | 58%  | 63%                                       |
| Transportation                          | 2,679,992             | 1,395,819             | 52%  | 52%                                       |
| Utilities                               | 18,037,260            | 11,832,314            | 66%  | 69%                                       |
| Chemical Purchases                      | 19,158,847            | 10,533,514            | 55%  | 64%                                       |
| Contractual Services                    | 63,850,179            | 33,883,036            | 53%  | 48%                                       |
| Major Repairs                           | 18,968,701            | 7,860,419             | 41%  | 30%                                       |
| Capital Assets                          | 2,280,197             | 1,185,406             | 52%  | 10%                                       |
| Miscellaneous Expense                   | 4,552,025             | 2,873,702             | 63%  | 74%                                       |
| <b>Total Operating Expenses</b>         | <b>265,877,527</b>    | <b>166,107,997</b>    | <b>62%</b>   | <b>60%</b>                                |
| <b>Debt Service and Transfers</b>       |                       |                       |  |   |
| Debt Service                            | 104,640,000           | 85,105,917            | 81%  | 83%                                       |
| Transfer to CIP                         | 173,101,344           | 129,826,008           | 75%  | 75%                                       |
| <b>Total Debt Service and Transfers</b> | <b>277,741,344</b>    | <b>214,931,925</b>    | <b>77%</b>   | <b>78%</b>                                |
| <b>Total Expenses and Transfers</b>     | <b>\$ 543,618,871</b> | <b>\$ 381,039,922</b> | <b>70%</b>   | <b>69%</b>                                |

## **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

March 31, 2026

| Classification/<br>Treatment<br>Service Area | Appropriated<br>Funds   | Project to<br>Date<br>Expenditures | Encumbrances            | Available             |
|--|-------------------------|------------------------------------|-------------------------|-----------------------|
| Administration                               | \$ 140,401,101          | \$ 60,521,251                      | \$ 62,140,367           | \$ 17,739,483         |
| Army Base                                    | 174,225,075             | 135,770,628                        | 8,739,266               | 29,715,181            |
| Atlantic                                     | 227,832,979             | 76,798,814                         | 34,303,642              | 116,730,523           |
| Boat Harbor                                  | 507,365,299             | 398,922,401                        | 58,027,683              | 50,415,215            |
| Ches-Eliz                                    | 29,279,118              | 15,107,747                         | 994,576                 | 13,176,795            |
| Eastern Shore                                | 68,576,326              | 46,648,364                         | 2,028,472               | 19,899,490            |
| James River                                  | 365,719,212             | 310,782,831                        | 26,146,370              | 28,790,011            |
| Middle Peninsula                             | 107,163,987             | 23,975,427                         | 11,916,240              | 71,272,320            |
| Nansemond                                    | 570,383,766             | 400,189,077                        | 148,805,660             | 21,389,029            |
| Surry  | 57,978,543              | 52,301,160                         | 958,755                 | 4,718,628             |
| VIP  | 328,002,962             | 155,626,525                        | 76,691,167              | 95,685,270            |
| Williamsburg                                 | 104,425,475             | 13,457,072                         | 2,480,546               | 88,487,857            |
| York River                                   | 117,774,645             | 76,907,923                         | 6,554,535               | 34,312,187            |
| General                                      | 1,702,778,028           | 670,091,919                        | 667,370,410             | 365,315,699           |
|  | <u>\$ 4,501,906,516</u> | <u>\$ 2,437,101,139</u>            | <u>\$ 1,107,157,689</u> | <u>\$ 957,647,688</u> |

## D. Summary of Debt Activity

### HRSD- Debt Analysis March 31, 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           | 6,944           | -             | -              | 6,944           |
| Less:                          |                 |               |                |                 |
| Principal Payments             | (54,011)        | -             | -              | (54,011)        |
| Ending Balance 03/31/26        | \$ 1,993,139    | \$ 50,000     | \$ 92,462      | \$ 2,135,601    |
| <br>FY26 YTD Interest Payments | <br>\$ (35,181) | <br>\$ (894)  | <br>\$ (2,509) | <br>\$ (38,584) |

### HRSD- Series 2016 Variable Rate Bond Analysis March 27, 2026

|                | SIFMA Index | HRSD Series<br>2016VR | Deviation to<br>SIFMA |
|----------------|-------------|-----------------------|-----------------------|
| Maximum        | 4.71%       | 4.95%                 | 0.24%                 |
| Average        | 1.60%       | 1.09%                 | -0.51%                |
| Minimum        | 0.01%       | 0.01%                 | 0.00%                 |
| As of 03/27/26 | 2.42%       | 2.25%                 | -0.17%                |

Since October 20, 2011 HRSD has averaged 109 basis points on Variable Rate Debt

| Subsidised Debt Activity |        |                |                        |          |                                  |  |
|--------------------------|--------|----------------|------------------------|----------|----------------------------------|--|
| Source                   | Funder | Loan Amount    | Current Drawn<br>Total | % Remain | Initial Draw Date -<br>Projected |  |
| WIFIA Tranche 3          | EPA    | \$ 346,069,223 | \$ -                   | 100%     | July 2026                        |  |

## E. Cash and Investment Summary

| Operating Liquidity Accounts        | Beginning Market Value<br>July 1, 2025 | YTD Contributions       | YTD Withdrawals         | YTD Income Earned    | Ending Market Value March 31, 2026 | Allocation of funds | Current Mo Avg Yield |
|-------------------------------------|--|-------------------------|-------------------------|----------------------|------------------------------------|---------------------|----------------------|
| BOA Corp Disbursement Account       | \$ 43,574,043                          | \$ 1,102,825,284        | \$ 1,122,897,376        | \$ 318,325           | \$ 23,820,276                      | 4.9%                | 1.34%                |
| BOA Operating Accounts              | 14,339,684                             | 839,701,819             | 842,178,091             | 153,396              | 12,016,808                         | 2.5%                | 1.28%                |
| BNY Mellon Account                  | 7,892,401                              | 54,528,125              | 57,836,658              | 66,094               | 4,649,962                          | 1.0%                | 1.42%                |
| SNAP & SLG Accounts                 | 143,929,872                            | 227,916,176             | 342,483,852             | 4,837,015            | 34,199,211                         | 7.1%                | 3.81%                |
| VIP Stable NAV Liquidity Pool       | 324,275,659                            | 366,096,072             | 295,000,000             | 11,987,105           | 407,358,836                        | 84.5%               | 3.79%                |
| <b>Operating Liquidity Accounts</b> | <b>\$ 534,011,659</b>                  | <b>\$ 2,591,067,476</b> | <b>\$ 2,660,395,977</b> | <b>\$ 17,361,935</b> | <b>\$ 482,045,093</b>              | <b>100.0%</b>       |                      |

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

| Total Return Account                | Beginning Market Value July 1, 2025 | YTD Contributions | YTD Withdrawals  | YTD Income Earned & Realized G/L | Ending Market Value March 31, 2026 | Allocation of funds  | Yield to Maturity at Market |
|-------------------------------------|-------------------------------------|-------------------|------------------|----------------------------------|------------------------------------|----------------------|-----------------------------|
| VIP 1-3 Year High Quality Bond Fund | 69,597,188                          | -                 | 10,529           | 2,062,238                        | 71,374,558                         | 72,199,444           | 3.81%                       |
| <b>Total Return Account</b>         | <b>\$ 69,597,188</b>                | <b>\$ -</b>       | <b>\$ 10,529</b> | <b>\$ 2,062,238</b>              | <b>\$ 71,374,558</b>               | <b>\$ 72,199,444</b> |                             |

VIP 1-3 Year High Quality Bond Fund performed 0.02% below to the ICE BofA ML 1-3 yr AAA-AA Corp/Gov Index (the market benchmark) in March 2026.

|                              | Total                 | Fund Alloc    |
|------------------------------|-----------------------|---------------|
| Operating Liquidity Accounts | \$ 482,045,093        | 87.1%         |
| Total Return Account         | \$ 71,374,558         | 12.9%         |
| <b>TOTAL</b>                 | <b>\$ 553,419,651</b> | <b>100.0%</b> |

## F. Financial Performance Metrics Adjusted Days Cash on Hand

### HRSD - UNRESTRICTED CASH

March 31, 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 |
|-----------------------------------|-----------------------|-------------------|----------------------------|
| <b>Total Unrestricted Cash</b>    | <b>\$ 481,585,609</b> |                   | <b>661</b>                 |
| Risk Management Reserve           | (4,799,555)           | (6)               | 655                        |
| Capital (PAYGO only)              | (233,231,822)         | (321)             | 334                        |
| <b>Adjusted Days Cash on Hand</b> | <b>\$ 243,554,232</b> |                   | <b>334</b>                 |

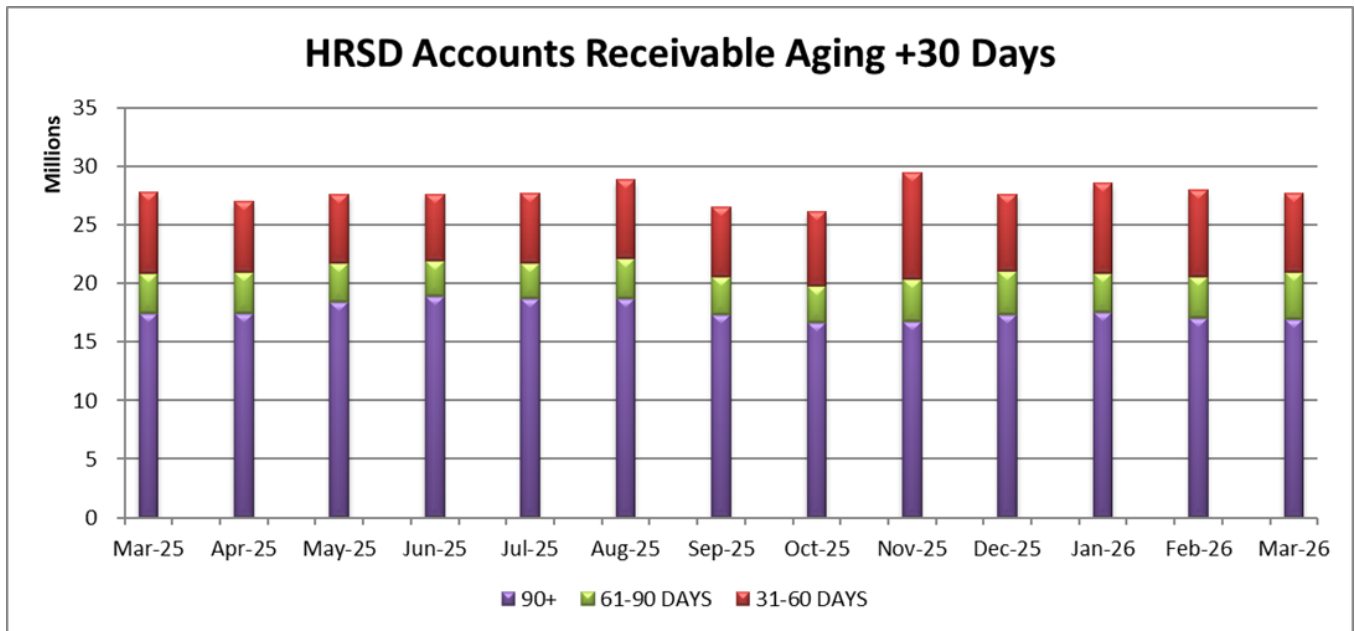
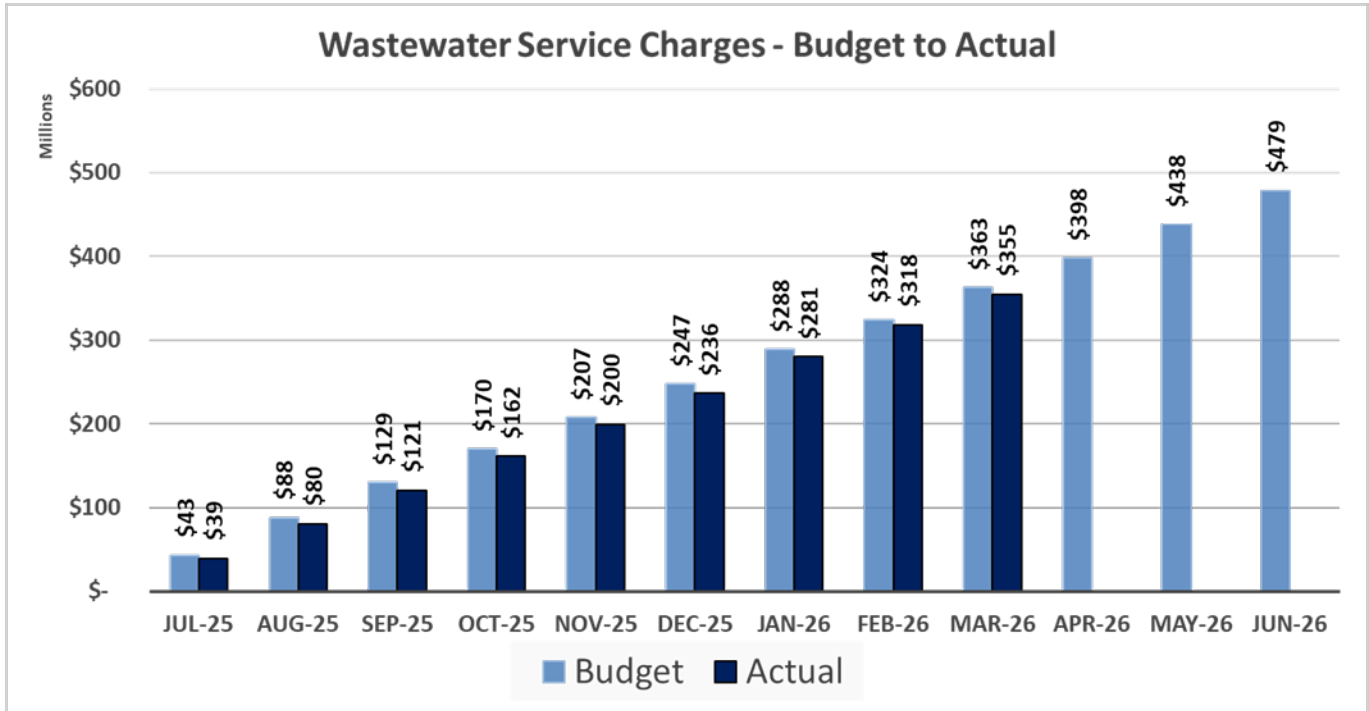
Risk Management Reserve as a % of Projected Claims Cost is 25% YTD compared to 25% Policy Minimum  
Adjusted Days Cash on Hand Policy Minimum is 270-365 days.

## G. Summary of Grant Applications, Awards and Activity

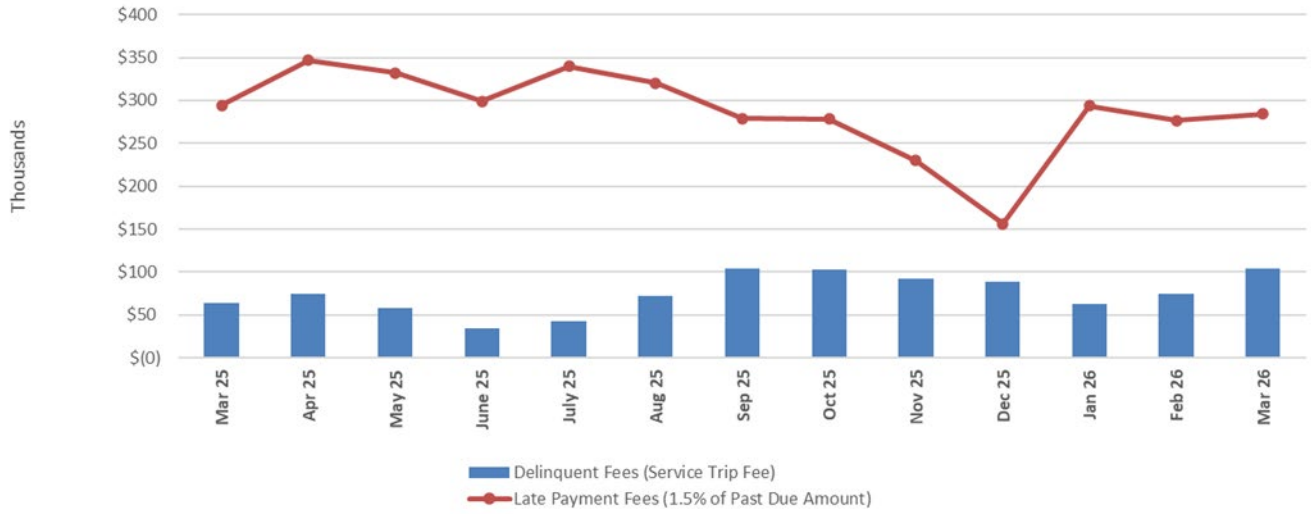
| Active Capital Grants             |        |   |  |                       |                       |                       |                              |  |
|-----------------------------------|--------|---|--|-----------------------|-----------------------|-----------------------|------------------------------|--|
| Grant Name                        | Funder | Project   | CIP#   | Application Submitted | Amount Requested      | HRSD Award Amount     | Reimbursement as of 03/31/26 |  |
| Community Flood Preparedness Fund | VDCR   | Dozier's Comer 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<br>BH015701<br>BH015710<br>BH015720<br>GN016345<br>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<br>GN016361<br>GN016362<br>JR013400                         | 3/23/2023             | \$ 344,741,547        | \$ 331,384,307        | \$ -                         |  |
|                                   |        |   |  |                       | <b>\$ 662,668,008</b> | <b>\$ 632,324,968</b> | <b>\$ 67,000,000</b>         |  |

| Active Non-Capital Grants |        |  |      |                       |                     |                     |                              |  |
|---------------------------|--------|--|------|-----------------------|---------------------|---------------------|------------------------------|--|
| Grant Name                | Funder | Project  | CIP# | Application Submitted | Amount Requested    | HRSD Award Amount   | Reimbursement as of 03/31/26 |  |
| Non-Point Source Funding  | VDEQ   | Gloucester Septic to Sewer (Pay for Performance) | n/a  | 2/3/2024              | \$ 1,180,000        | \$ 1,180,000        | \$ -                         |  |
|                           |        |  |      |                       | <b>\$ 1,180,000</b> | <b>\$ 1,180,000</b> | <b>\$ -</b>                  |  |

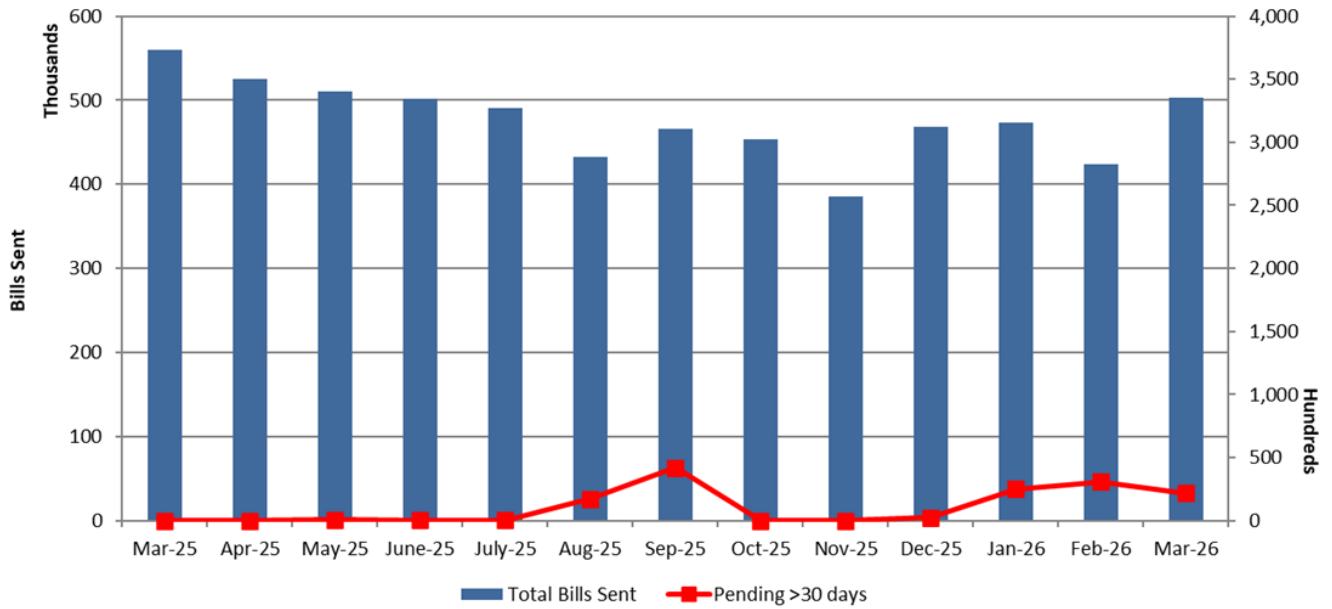
## H. Customer Care Center - Key Statistics



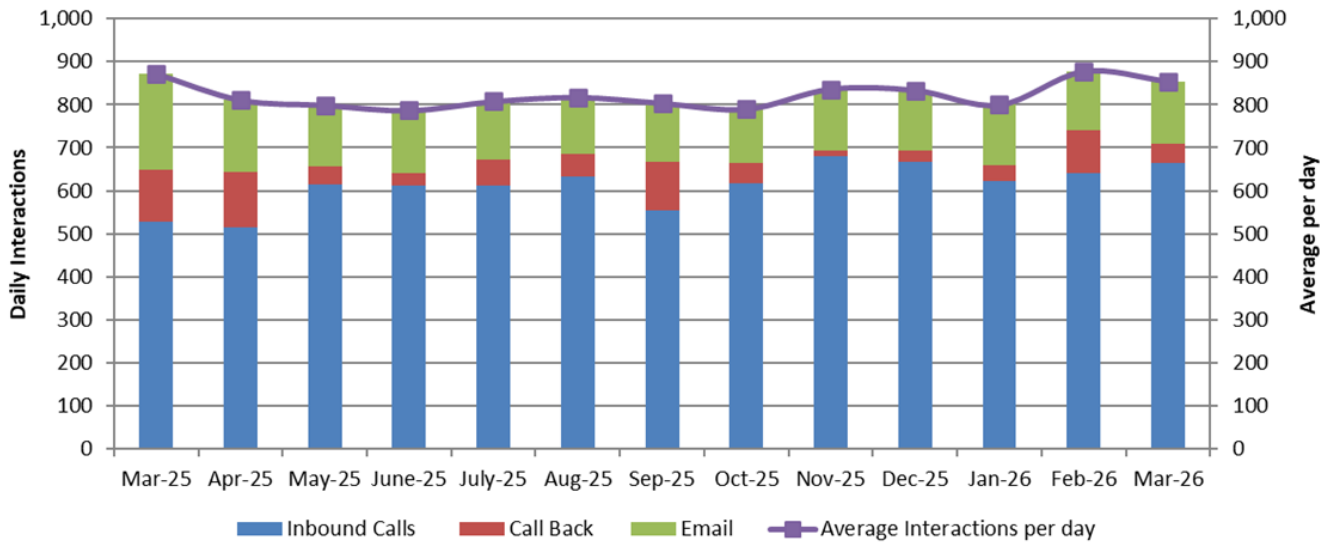
### Delinquent & Late Payment Fees



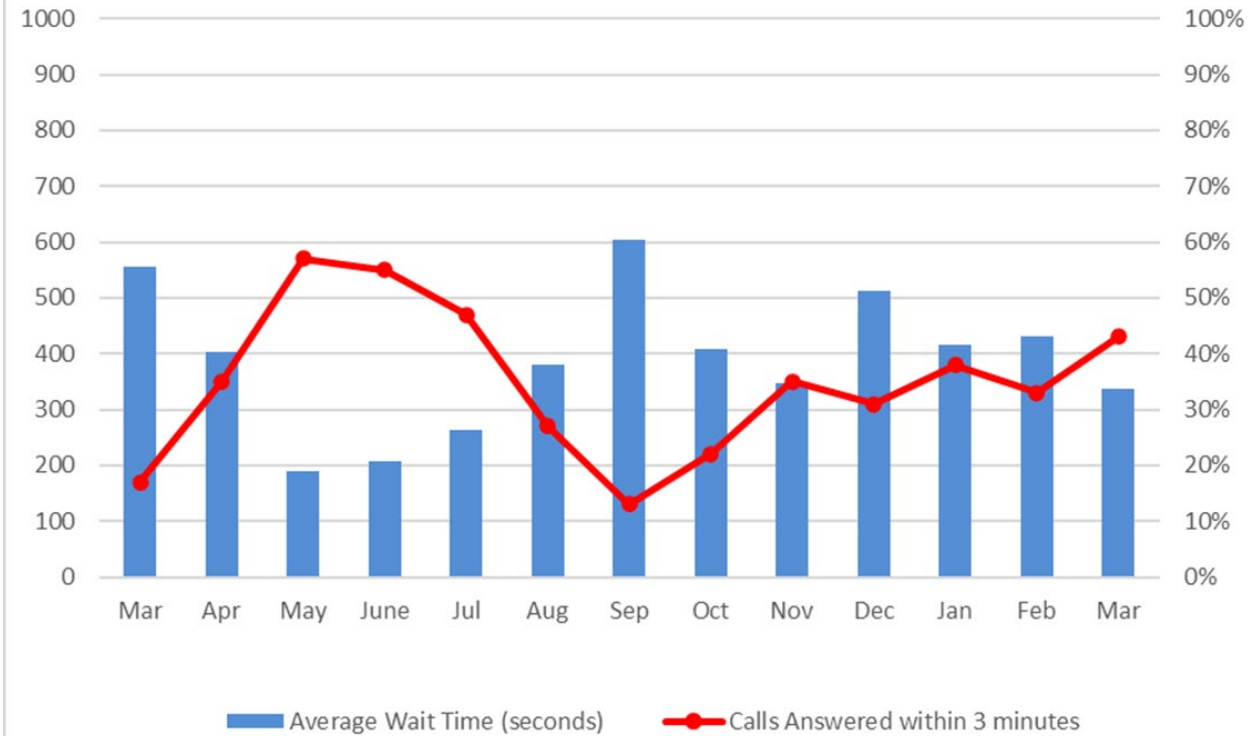
### Billing Summary



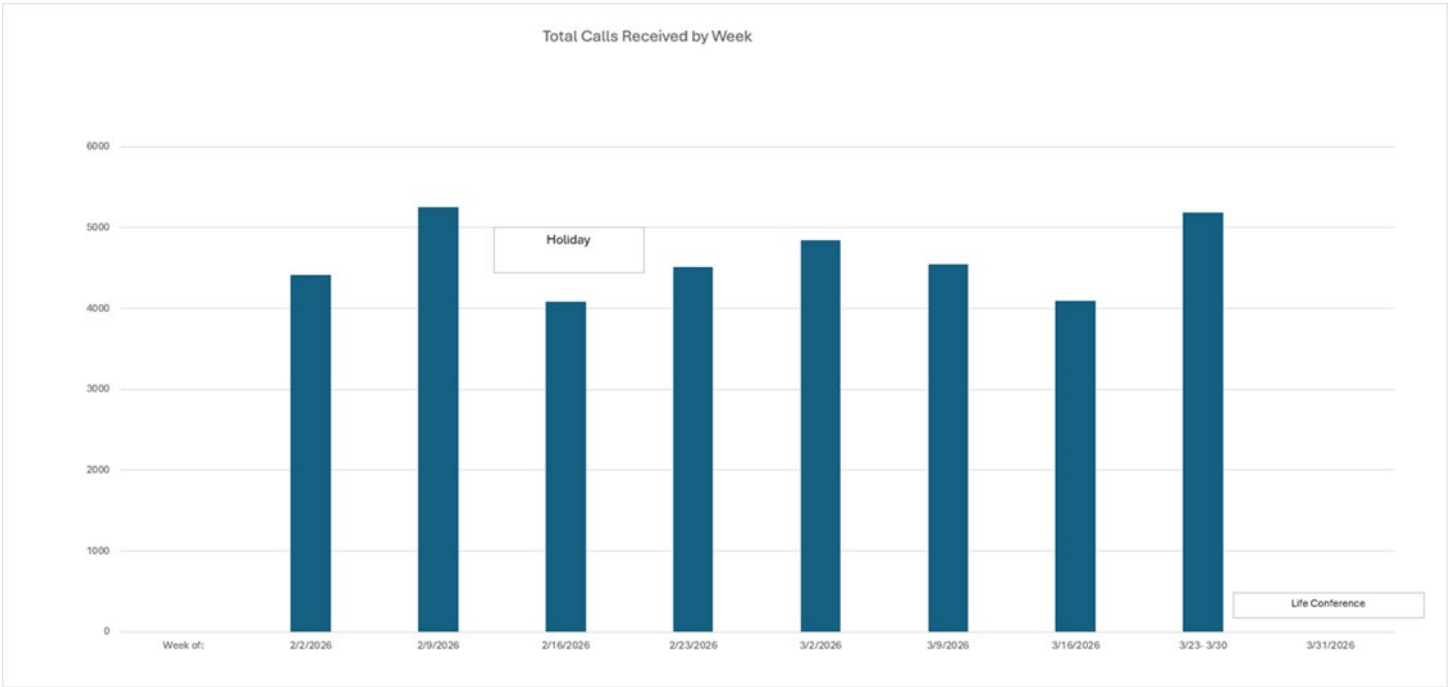
### Call Center Interactions (per day)



### Customer Interaction Statistics



| Customer Interaction Statistics | Mar | Apr | May | June | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar |
|---------------------------------|-----|-----|-----|------|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Calls Answered within 3 minutes | 17% | 35% | 57% | 55%  | 47% | 27% | 13% | 22% | 35% | 31% | 38% | 33% | 43% |
| Average Wait Time (seconds)     | 556 | 403 | 190 | 208  | 262 | 379 | 604 | 409 | 346 | 512 | 417 | 431 | 336 |
| Calls Abandoned                 | 44% | 30% | 16% | 19%  | 22% | 28% | 42% | 33% | 25% | 32% | 27% | 23% | 20% |

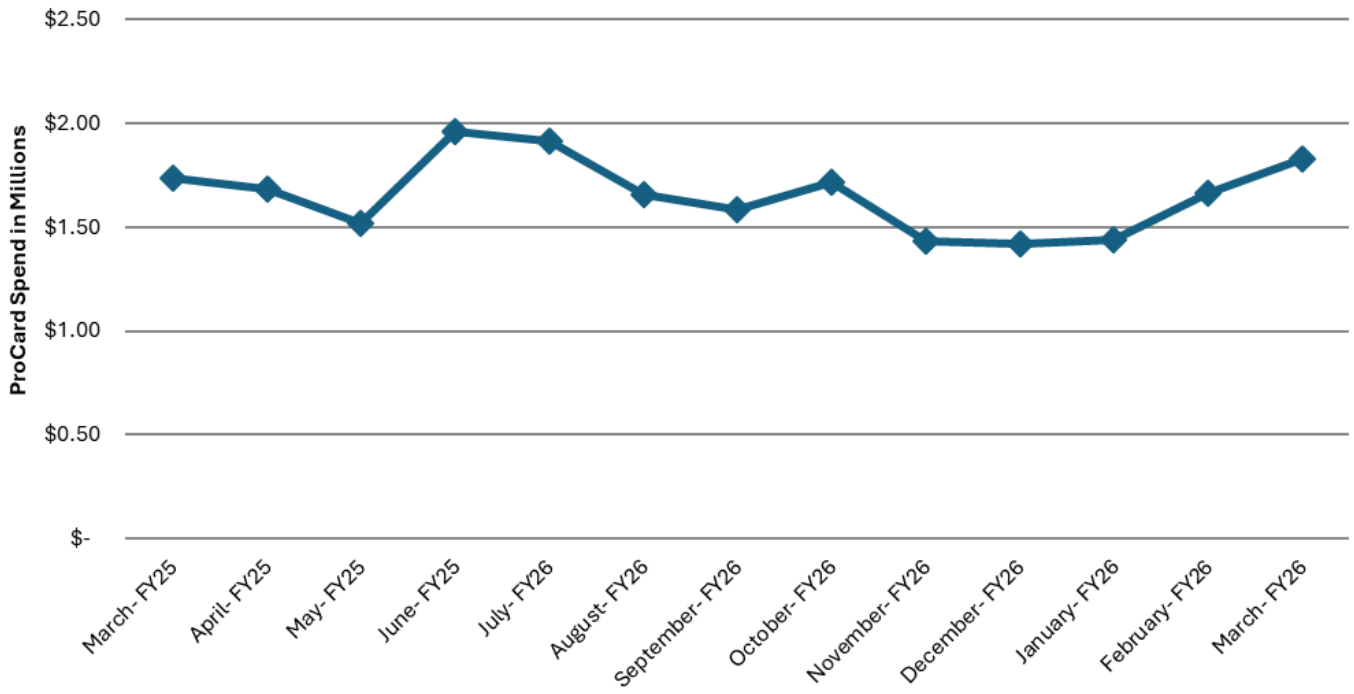


| Item # | Strategic Planning Measure | Unit   | March 2026   |
|--------|----------------------------|--|--------------|
|        | Accounts Receivable (HRSD) | Dollars  | \$51,188,231 |
|        | Aging Accounts Receivable  | Percentage of receivables greater than 90 days | 33.5%        |

**I. Procurement Statistics**

| Savings                                | Current Period | FYTD        |
|--|----------------|-------------|
| Competitive Savings                    | \$77,856       | \$3,647,145 |
| Negotiated Savings                     | \$290          | \$15,541    |
| Salvage Revenues                       | \$4,014        | \$63,248    |
| Corporate VISA Card - Estimated Rebate | \$27,246       | \$218,282   |

## ProCard Spend FY26



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 March 2026  
DATE: April 13, 2026



## Innovation

### IT Operations Activities:

#### Help Desk:

| Opened Work Orders | Closed Work Orders |
|--------------------|--------------------|
| 365                | 346                |

- Desktop Support Analyst continues testing and refining process related to the Microsoft Intune mobile device management implementation. Go Live has been moved to 2026.
- Issuing of new cell phones to the enterprise began in late March and will continue over the next four to five months.

#### Linux Administrators:

- Conducted host-level audits, including verification of firewall rules, configuration management states, system monitoring, and logging practices to ensure compliance with organizational security standards.
- Reviewed and participated in discussions regarding the Oracle Customer Cloud Service (CCS) Request for Proposal (RFP), providing technical input and alignment considerations.
- Developed and implemented an in-house incident response image to enhance rapid response capabilities and standardize recovery procedures.
- Performed maintenance related to the Enterprise Asset Management (EAM) system integrations to ensure continued data consistency and operational efficiency.
- Investigated and resolved technical issues related to several platforms, improving system performance and reliability
- Installed and verified operating system patches to maintain system security posture and compliance with patching policies.

#### Systems Engineering:

- Completed the network switch replacement across all plant locations except for the Urbanna site, which remains pending.
- Successfully upgraded the RSA appliance supporting VPN authentication improving security and system performance.
- Completed the legacy fiber channel storage zoning tool enhancing storage management capabilities.
- Installed a new storage system and initiated planning activities for data migration from the existing storage platform.
- Collaborated with Pavion to implement an upgrade to the badging system to resolve critical system issues and improve access control reliability.
- Replaced failed hardware components ensuring continued system stability.
- Continued work on Microsoft Intune mobile device management and Patch My PC to strengthen endpoint management and automate patch deployment.

- Continued with ongoing vulnerability remediation activities for both workstations and servers to maintain compliance with security policies.
- Conducted monthly backup recovery testing, including both in-place and instant recovery scenarios, confirming reliability and effectiveness of backup systems.

Enterprise Applications Services:

| <b>Opened Work Orders</b> | <b>Closed Work Orders</b> |
|---------------------------|---------------------------|
| 233                       | 203                       |

- Programming staff continue their work with Customer Care and the Town of Smithfield employees in testing and migration preparation to move the Town of Smithfield from a model 2 to a model 3 billing partner. Go Live has been moved to June 2026.
- Programming staff have been performing data cleanup, code completions, documentation reviews in preparation for the start of the Oracle Cloud Service implementation anticipated to begin in June 2026.
- Web portal developers have been busy participating in website redesign meetings, M365 SharePoint updates and administrative tasks. Go Live for the HRSD.com website is tentatively set for the end of June 2026.

Cybersecurity:

- Strengthened collaboration with HRSD Digital Water initiatives to ensure cybersecurity requirements are embedded in both current and future-state solutions. Focused on enabling secure innovation while protecting critical infrastructure investments.
- Staff developed and matured proof-of-value (POV) for enhanced cybersecurity solutioning aligned to identified enterprise risks. Focused on practical, scalable controls to strengthen overall cybersecurity posture while supporting operational continuity and long-term resilience.
- Expanded the deployment of OT cybersecurity capabilities through strategic partners to improve asset visibility, threat detection, and response times. Prioritized integration with existing operational workflows to ensure minimal disruption while increasing defensive effectiveness.
- Conducted quarterly OT cybersecurity program reviews to reassess priorities, adjust delivery timelines, and align execution with evolving operational demands and threat conditions. Ensured continued alignment with strategic objectives while maintaining flexibility to respond to real-world events.

Division collective work efforts:

| <b>Description</b>         | <b>Projects In Progress</b> | <b>Projects In Queue</b> |
|----------------------------|-----------------------------|--------------------------|
| Large Maintenance Projects | 19                          | 9                        |
| Other Enterprise Projects  | 70                          | 36                       |
| <b>Total Projects</b>      | <b>89</b>                   | <b>45</b>                |

- Work on the ServiceNow project continues. This is a heavy-lift project and is tightly tied to the Intune project rollout. 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 and testing continue. Initial rollout

of DLP rules in the M365 environment is expected to occur next month.

- IT staff are actively working on 95 projects, 23 considered large maintenance projects. with 30 projects on the intake cue.



## Talent

- Shawn Harris, Cybersecurity Risk Analyst delivered a risk-based awareness initiative centered on the GRIP tool, enabling HRSD employees to better understand their role in protecting the organization. Emphasized practical steps to reduce human risk, including clear separation of personal and professional digital behaviors.
- Cybersecurity staff delivered two focused sessions at the HRSD Life Conference addressing the evolving use of artificial intelligence in social engineering attacks. Covered phishing, smishing, and vishing tactics, while reinforcing clear expectations for employee response and reporting procedures.
- Realigned the HRSD cybersecurity awareness training program to increase engagement frequency and tailor content to specific divisional and departmental risk profiles. Shifted toward a more targeted, risk-driven model to improve effectiveness and measurable outcomes.
- Roger Caslow, CISO, participated in an AI-focused threat modeling symposium to deepen understanding of emerging threat vectors and refine methodologies for assessing and mitigating AI-related risks within enterprise environments.
- Several Cyber staff members attended the Fortinet Accelerate conference to evaluate emerging cybersecurity and infrastructure technologies. Assessed applicability to HRSD's planned network and security modernization efforts, with emphasis on integration, scalability, and risk reduction.
- Recruitment for the IT Senior Project Manager and Oracle Developer continue.
- Mr. Justin Long was selected for the Senior Systems Engineer-Microsoft Cloud position. He began his new position at the end of March.
- Mr. Mario Guterrez has been selected for a Senior Systems Engineer position and will begin his new position in April.



## Community Engagement

- Roger Caslow, CISO, participated in and contributed to a Virginia water and wastewater cybersecurity summit sponsored by Schneider Electric, focused on value-added collaboration across utilities. Engaged with regional stakeholders to advance shared defense strategies, improve collective visibility, and strengthen sector-wide security posture.
- Roger Caslow, CISO, presented at the CS4CA OT Cybersecurity Conference and led a panel discussion on IT/OT convergence, including the implications of artificial intelligence. Highlighted best practices for network segmentation and secure architecture design in increasingly interconnected environments.

Respectfully,

*Mary Corby*

Chief Information Officer

TO: General Manager/Chief Executive Officer

FROM: Acting Chief Operating Officer

SUBJECT: Operations Monthly Report for March 2026

DATE: April 14, 2026



## Community Engagement

Staff participated in several community events as follows:

1. Mr. Sam McAdoo, Mr. Daniel Andrasen, and Dr. Charles Bott visited Tangier Island on March 2, to assess the condition of their treatment plant and collection system.
2. On March 3, Ms. Mackenzie Rickard, Engineering Specialist with South Shore (SS) Interceptor Operations, hosted a table at Hampton University to provide students, faculty, and staff with information about HRSD. They introduced the Future Leaders to Opportunities in Water (InFLOW) program, which is sponsored by the Virginia Water Environment Association (VWEA) and the Virginia Section of the American Water Works Association (VA AWWA).
3. On March 19, Mr. John Soulerin, Lead Maintenance Supervisor; Mr. Billy Simmons, Interceptor Technician; Mr. Eric Crook, Interceptor Technician; Ms. Destinee Gainey, Maintenance Assistant; and Mr. Pat Porto, Inspector with SS Interceptor Operations participated in the Norview High School Career Fair in Norfolk. Staff provided students with information about HRSD's principles and the types of careers available within the organization.
4. On March 24, Mrs. Lyndsey Davis, Operations Manager and organizer of the event, Mr. Pat Porto, Inspector, and Mr. Lonnie Donaldson, Interceptor Technician with SS Interceptor Operations, volunteered with the VWEA Eastern Virginia Regional Activities Committee (EVRAC) and the Chesapeake Bay Foundation (CBF) at the Brock Environmental Center in Virginia Beach. During the event, staff organized oyster shells and learned about oyster restoration.
5. On March 26, Mrs. Lyndsey Davis, Operations Manager, and Mr. Pat Porto, Inspector, assisted with the Engineering Design Challenge at Crittenden Middle School in Newport News. Staff supported middle and high school students with designing and building water filtration systems. They also served as judges by scoring the team's ability to design an effective filtration system, make strategic budget decisions, develop an accurate digital model, and produce high quality water.



## Environmental Responsibility

### **Treatment and Interceptor System Reportable Items:**

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

### **Internal Air and Odor Compliance:**

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

1. The Williamsburg Treatment Plant (WBTP) had two odor scrubber exhaust exceptions for scrubber hydrogen sulfide (H<sub>2</sub>S) levels above eight parts per million (ppm). One was caused when switching an odor scrubber train to manual operation and the second was due to optimization efforts.
2. Army Base Treatment Plant (ABTP) had two exceptions for shutdown of odor control scrubbers for more than one hour. Odor A was shut down for an analyzer failure and acid cleaning, then returned to service. Odor B shut down occurred on March 29 due to a motor failure. The system is still down pending the electrical repair.
3. Virginia Initiative Plant (VIP) experienced one MACT 129 exception for the use of the emergency bypass on March 29. This exception was due to a power outage, which caused the ID fan to shut down. VIP also had three THC exceptions on March 5, March 22, and March 30. All three were the result of failed daily calibrations. VIP has been in the process of procuring a new THC analyzer that will be installed in April 2026.

### **Additional Topics of Interest:**

1. On the James River Treatment Plant (JRTP) Advanced Nutrient Removal Improvements project, demolition inside the existing #3 secondary clarifier continued in preparation for refurbishment and improvements. Work continued on the electrical supply from the new south electrical building to the junction splitter box pumps. Due to reliability issues with temporary diesel pumps supplying secondary effluent to the Moving Bed Biofilm Reactor (MBBR), the contractor is acquiring electric pumps. Electrical power will be supplied by a generator. At the new administration building, work continues on grading, curb and gutter, and punch list items.
2. On the JRTP Sustainable Water Initiative for Tomorrow (SWIFT) project, startup and check out of equipment, chemical system piping, and finishing the canopy over the flocculation and sedimentation tanks were the focus in SWIFT building #1. In SWIFT building #2, check out of the ultraviolet system by the manufacture and installation of gravel in the granule activated carbon filters was the focus. In chemical building #1 work centered around piping and the fire suppression system.

3. HRSD's Pollution, Prevention, Pretreatment (P3) Division and WBTP supervisors met with Anheuser Busch's (AB) environmental staff to discuss the unexpected discharge of approximately 120,000 gallons of wort from the brewery in WBTP's raw influent back in February. Wort is an extract from malted grains used in the beer making process and has a high organic load. WBTP communicated to AB the impacts of the discharge on treatment, chemical and power usage, and WBTP staff. AB explained how the discharge happened and presented their plans to reduce the potential for unexpected discharges and improve notification with HRSD in the future. P3 is following up with AB on appropriate action.
4. Nansemond Treatment Plant (NTP) upgrades for the ANRI and WASSTRIP projects are near completion, with various processes slowly being brought online. With that, it brings operational challenges, and in March most issues were associated with the primary and secondary processes. During the overhaul of primary clarifier #1, the clarifier flight and chain failed, and NTP supplied the contractor with our spare parts to keep the project on schedule. Staff were able to maintain permits despite the ongoing challenges with reduced primary and secondary tank availability.
5. The total volume of SWIFT recharge into the Potomac aquifer for the month of March was 14.7 million gallons (MG) (51 % Recharge Time based on 650gpm). Recharge was impacted by testing, scheduled shutdowns, equipment issues, and instrument problems. Staff continues to focus on rectifying and alleviating equipment issues.
6. At the King William Treatment Plant, DO dropped to low levels and we have been unable to meet DO setpoints. Nitrification has been on edge, but we have been meeting permit levels. The jet motive pump impellers are worn and scheduled for replacement during the plant upgrade CIP, but due to project delays, SCD staff sourced and purchased two pumps, which will be installed in early April to improve DO. Staff have lowered flow settings through the plant and are aerating EQ tank #2 to ensure permit limits are maintained.
7. ABTP had one reportable chemical spill. An ammonia sulfate discharge line was found lying on the walkway on top of Secondary One walkway next to the Secondary One effluent box. It had become disconnected and ammonia sulfate was dripping down the outside wall. The discharge line was moved back to the tank and secured. The spill was reported at 576 gallons.
8. On March 4 and 5, SS Interceptor Operations helped the City of Chesapeake with a force main failure by operating a branch valve at the intersection of Peppercorn Drive and Taylor Road. Staff were able to isolate the city force main while city staff completed the repair.
9. Material Transportation & Logistics (MTL) Staff have hauled 42 loads of Ash for a total of 383.35 dry tons. Staff has hauled 151 loads of Primary Clarifier Solids (PCS), in addition to 179 loads of Thickened Waste Activated Biosolids (TWAB) for a total of 1,875,000 wet gallons. Staff have also hauled 80 loads from ATP to McGill for the month of March, for a total weight of 1812.23 wet tons.
10. Construction Support Team (CST) projects:
  - a. CST successfully installed bollards at all USGS sites at NTP.

- b. CST at KWTP- C-three locators marked power lines for future Kubota installation. They have identified discrepancies and concerns within current drawings; these are under review for clarification before proceeding.
- c. At SCD the CST completed fabrication of hurricane shelter footers and forms. They also transported materials to site in preparation for upcoming installations.
- d. For the ABTP, the CST completed all modifications and installation of weir covers on Secondary Clarifier #3. They initiated modifications and installation of weir covers on Secondary Clarifier #4. The projected completion for Clarifier #4 is the first week of April 2026.



## Financial Stewardship

On March 17, SS Interceptor Operations partnered with NTP staff to clean the Regional Residuals Facility (RRF), removing approximately six 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 \$6,000.



## Innovation

1. Innovative work in solids management focuses on understanding and mitigating the impact of recycle streams on PFAS in advanced treatment and biosolids processes. In partnership with the Washington Suburban Sanitary Commission and the Water Research Foundation, we are piloting PFAS separation from solids recycle (centrate) streams using foam fractionation followed by supercritical water oxidation and electro-oxidation. Ahead of startup of the James River SWIFT facility, we are also sampling to assess the fate of PFAS precursors removed during SWIFT AWT through conventional solids processes at the James River and Nansemond Treatment Plants. These efforts help characterize PFAS ranges and variability in HRSD solids streams and evaluate consistency across contract laboratories.
2. North Shore (NS) Interceptor Operations staff participated in a TeamSolve Demo to ascertain whether an IA based pilot for CMMS and other systems integration made sense for operational participation.



## Talent

1. At WBTP Mr. Stephen Cunningham, plant operator, obtained a Class #2 Virginia Wastewater Works License.
2. On the Eastern Shore, Mr. Howard Cook, Small Community Operator, obtained a Class #2 Virginia Wastewater Works License.

Respectfully submitted,

Keith Britt  
Acting Chief Operating Officer

[Attachment: MOM Reporting](#)

## MOM Reporting Numbers

| MOM # | Measure Name                                 | Measure Target | Jul   | Aug   | Sep   | Oct   | Nov   | Dec   | Jan   | Feb   | Mar   | Apr | May | Jun |
|-------|--|----------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-----|-----|-----|
| 2.7   | # of PS Annual PMs Performed (NS)            | 37             | 3     | 2     | 5     | 3     | 3     | 4     | 3     | 5     | 2     |     |     |     |
| 2.7   | # of PS Annual PMs Performed (SS)            | 53             | 2     | 3     | 5     | 3     | 1     | 4     | 5     | 1     | 2     |     |     |     |
| 2.7   | # of Backup Generator PMs Performed          | 4.6            | 6     | 10    | 5     | 8     | 3     | 4     | 13    | 5     | 18    |     |     |     |
| 2.8   | # of FM Air Release Valve PMs Performed (NS) | 234            | 397   | 483   | 515   | 539   | 273   | 237   | 236   | 194   | 345   |     |     |     |
| 2.8   | # of FM Air Release Valve PMs Performed (SS) | 1,550          | 208   | 164   | 64    | 83    | 99    | 134   | 122   | 132   | 278   |     |     |     |
| 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 | 4,370 |     |     |     |
| 2.9   | # of Linear Feet of Gravity Clean (SS)       | 2,417          | 730   | 810   | 2,370 | 3,087 | 1,350 | 1,773 | 1,319 | 254   | 1,690 |     |     |     |

TO: General Manager/CEO

FROM: Chief People Officer

SUBJECT: Monthly Report for March 2026

DATE: April 28, 2026



**Talent**



**Continuous Learning / Innovation**



**Commitment to Excellence**

## **Talent Management**

In March, the Talent Management Division continued advancing efforts to strengthen workforce capacity, employee engagement, and organizational safety. Human Resources progressed recruitment, policy updates, and employee programs, while Learning & Development enhanced workforce capability through training, apprenticeships, and career pathways. Safety and Security reinforced compliance, training, and risk mitigation initiatives. The Talent Management division hosted informative booths and delivered four presentations at the HRSD Life conference to promote internal customer service and establish and strengthen relationships with employees across the organization. Together, these efforts support organizational performance, employee experience, and operational resilience.

## **Human Resources (HR)**

### **Talent Acquisition**

- Launched 11 recruitment campaigns
- Secured 21 accepted job offers
- Prepared for two in-person career fairs for select Operations vacancies

### **Policy & Process Improvements**

- Continued review and revision of:
  - Corrective action
  - Standards of conduct
  - Grievance procedures
- Ongoing HR Manual reformatting to improve usability

### **Employee Recognition (Awardco)**

- 25.4% employee login rate

- 34.5% increase in total recognitions
- 151 employees recognized overall:
  - 95 service anniversaries
  - 83 birthdays
  - 7 onboarding recognitions

### **HRSD LIFE Engagement**

- Full team participation
  - Staffed Human Resource exhibit table
  - Delivered employee benefit presentations (Retirement and HSAs)

### **Wellness Program**

- Communicated 2025–2026 incentive eligibility
- Launched 2026–2027 Wellness Program year
- Introduced new platform (Vitality) with virtual demos
- New Wellness Specialist (Kori Poplin) selected and onboarded

## **Learning and Development (L&D)**

### **Strategic Alignment & Delivery**

- Hosted SPARC Session to align programs with organizational priorities
- Continued building momentum across key initiatives

### **Leadership & Workforce Development**

- Delivered DiSC workshops for
  - LAMA cohort
  - CEL Organics Section
- Focus: communication, collaboration, team effectiveness

### **Training & Systems**

- Began development of compliance training in Cornerstone LMS
- Goal: streamline required learning

### **HRSD LIFE Engagement**

- Full team participation
  - Staffed L&D and Apprenticeship exhibit tables
  - Delivered workforce development session

### **Apprenticeship Program**

- Ongoing Term 4 delivery
  - 16 sections | 13 classes
- Conducted
  - 2 ADA course update sessions
  - 2 outreach events:
    - TCC student tour (11 students)
    - WBTP job shadowing (4 high school juniors)

## Career Pathways Program

- 29 program meetings conducted
- Supported 9 employees with interview preparation
- Outcomes
  - 4 promotions secured
  - Additional results pending
- Continued growth in apprenticeship pathway interest

## Safety and Security (S&S)

| Safety Inspections & Training        |        |
|--------------------------------------|--------|
| Activity                             | Metric |
| Safety Inspections                   | 5      |
| Safety Training Sessions             | 13     |
| Construction Site Walks              | 13     |
| Contractor Safety Briefings          | 5      |
| Emergency response training sessions | 11     |

## Health & Compliance

- Initiated
  - Annual respirator physicals & fit testing
  - Annual audiometric (hearing) testing
- Target groups:
  - Interceptors, E&I, Eastern Shore employees

## Security Operations

- Conducted coordination meetings with:
  - Pavion
  - Motorola
  - IT Division (C-Cure access control upgrade)
- Completed site visits:
  - King William Plant
  - West Point Plant
- Evaluated:
  - Gate enhancements
  - Camera system improvements
- Coordinated:
  - Radio system upgrade discussions (Army Base)
  - Federal law enforcement collaboration
  - Physical security inspection readiness

| <b>March Incident Summary</b>                     |              |                       |
|---|--------------|-----------------------|
| <b>Event</b>                                      | <b>March</b> | <b>Previous Month</b> |
| Auto Accident/property damage incident            | 9            | 1                     |
| Work-related injuries requiring medical attention | 3            | 5                     |
| 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 March 2026  
DATE: April 14, 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 41,899 Total Possible Exceedances to date in FY2026.
- 127.9 million pounds of pollutants removed to date in FY2026.
- HRSD received the following notices from DEQ Compliance staff:
  - The West Point Consent Order was received on March 23, 2026
  - A King William Warning Letter was dated March 23, 2026
  - Onancock TP received a Warning Letter dated March 31, 2026

### Pretreatment and Pollution Prevention (P3) Program Highlights:

- No civil penalties were issued in March.

### Environmental and Regulatory Advocacy

Chief participated in the following advocacy and external activities:

- Pre-application Virginia Pollutant Discharge Elimination System (VPDES) meeting for the new Chincoteague wastewater facility with DEQ's Tidewater Regional Office. The new Chincoteague facility will replace the existing facility and will also have the capacity to accept wastewater flows from the adjacent Coast Guard facility, eliminating that outfall discharge.
- Potomac Aquifer Recharge Oversight Committee (PAROC) quarterly meeting. HRSD staff provided a presentation on Critical Control Points and their use at the SWIFT Research Center and the James River SWIFT facility.
- Water Research Foundation's Research (WRF) Planning Summit for Receiving Water Quality to help identify the priority areas for research funding in the coming year. This was the final meeting and three projects were identified to move forward for consideration by WRF leadership.
- Virginia Association of Municipal Wastewater Agencies (VAMWA) quarterly membership meeting. As Chair of the Water Quality committee, provided the following updates:

- Virginia’s Water Quality Standards updates are still awaiting executive action at the Governor’s office. Following approval, they will be released for public comment. The standards updates are not anticipated to create new regulatory burdens for HRSD.
- Virginia’s Water Quality Integrated Report is due out this spring. This is a regulatorily-required assessment report for Virginia’s waters, identifying those that are impaired. Impairment determinations can lead to more stringent discharge limitations so it’s important for VAMWA members to do a thorough review.
- VAMWA Annual Board retreat to plan strategy for upcoming year.
- Legislative Advocacy: wrapping up Virginia’s General Assembly session through meetings with the Virginia Biosolids Council (VBC) and preparing for the Water Policy Fly-in in Washington DC to continue federal outreach on issues important for water and wastewater agencies. Joined the Virginia Water Environment Association (VWEA) team for federal legislative outreach.



## Financial Stewardship

- HRSD’s Municipal Assistance Program (MAP)
  - Provided sampling and analytical services on a cost-reimbursement basis to the following:
    - Harrisonburg-Rockingham Regional Sewer Authority
    - Northumberland County
    - Prince William County
    - Westmoreland County
- [MAP Billed Reimbursements](#) for service provided from January 1 to March 31, 2026.
- [MAP Invoice Summary](#) for the first Quarter 2026 calendar year.



## Talent

- Water Quality staff tour of the SWIFT Research Center
- HRSD LIFE: Water Quality staff provided 11 technical presentations.



## Community Engagement

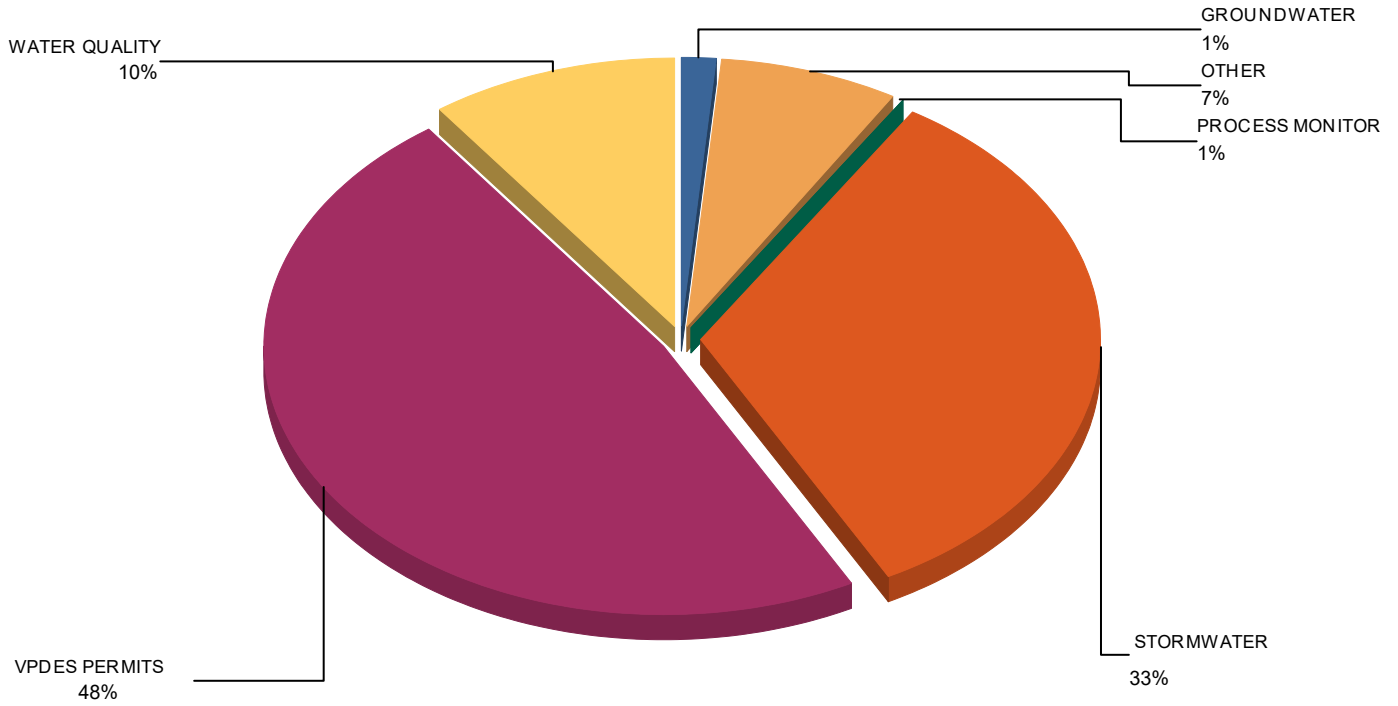
- Tidewater Science and Engineering Fair. Water Quality judges, Chris Burbage, Garrett Crain, and Shannon Fulton, selected 1<sup>st</sup> and 2<sup>nd</sup> place award winners from the junior and senior categories, presenting both the students and their academic mentors with a trophy and a monetary award from HRSD's Environmental Improvement Fund.
- Facilitated 3-day internship experience with high school student from Nansemond Suffolk Academy through Water Quality, Engineering, and Operations.
- Microbial Source Tracking (MST) partnering localities and projects.
  - City of Chesapeake (Southern Branch)
  - City of Hampton (southeast)
  - City of Newport News (Government Ditch)
  - City of Suffolk (downtown)
  - James City County

Respectfully submitted,

*Jamie S. Heisig-Mitchell*  
Chief of Water Quality

**Municipal Assistance Billed Reimbursements per Service  
From 01/01/2026 to 03/31/2026**

**Attachment 1**



*Notes: Other = Equipment purchase, consultation, validation studies, boater pump-out program, etc.*

# Municipal Assistance Invoice Summary

## From 01/01/2026 - 03/31/2026

| <b>Municipality</b>                    | <b>Reimbursements</b>      |
|--|----------------------------|
| Accomack County                        | \$2,576.71                 |
| Buckingham County                      | \$183.79                   |
| City of Chesapeake Utilities           | \$957.33                   |
| Chesterfield County                    | \$3,464.71                 |
| City of Emporia                        | \$303.45                   |
| City of Franklin                       | \$2,054.78                 |
| City of Fredericksburg                 | \$1,234.29                 |
| City of Hampton                        | \$4,194.31                 |
| City of Norfolk                        | \$3,492.33                 |
| City of Norfolk-Dept of Utilities      | \$1,414.43                 |
| City of Portsmouth                     | \$2,825.62                 |
| City of Roanoke                        | \$825.00                   |
| City of Suffolk                        | \$3,244.50                 |
| City of Virginia Beach                 | \$5,790.74                 |
| Harrisonburg Rockingham RSA            | \$8,151.96                 |
| HRPDC                                  | \$65,050.00                |
| Henrico County                         | \$2,222.82                 |
| Louisa County                          | \$17,582.63                |
| Lynnhaven River NOW                    | \$254.54                   |
| New Kent County                        | \$11,289.85                |
| Northampton County WWTP                | \$2,872.56                 |
| Northumberland County - Callao WWTP    | \$2,586.54                 |
| Rivanna Water and Sewer Authority      | \$23,086.54                |
| St Brides Correctional Ctr WWTP        | \$403.32                   |
| Spotsylvania County FMC                | \$1,260.03                 |
| St Brides Corr Ctr WWTP                | \$2,272.32                 |
| Stafford County                        | \$64.88                    |
| Town of Cape Charles-VAW               | \$14,090.20                |
| Town of Drakes Branch                  | \$1,944.54                 |
| Virginia Aquarium & Marine Science Ctr | \$4,537.35                 |
| Virginia Department of Health          | \$6,231.61                 |
| Western VA Water Authority             | \$177.50                   |
| Westmoreland County                    | \$2,654.33                 |
| <b>Totals:</b>                         | <b><u>\$199,295.51</u></b> |

### EFFLUENT SUMMARY FOR MARCH 2026

| PLANT             | FLOW<br>mgd | % of<br>Design | BOD<br>mg/l | TSS<br>mg/l | FC<br>#/UBI | ENTERO<br>#/UBI | TP<br>mg/l | TP<br>CY Avg | TN<br>mg/l | TN<br>CY Avg | CONTACT<br>TANK EX |
|-------------------|-------------|----------------|-------------|-------------|-------------|-----------------|------------|--------------|------------|--------------|--------------------|
| ARMY BASE         | 11.01       | 61%            | 4           | 3.4         | 1           | 1               | 0.22       | 0.25         | 3.3        | 4.1          | 29                 |
| ATLANTIC          | 46.11       | 85%            | 15          | 22          | 2           | 3               | NA         | NA           | NA         | NA           | 5                  |
| BOAT HARBOR       | 13.40       | 54%            | 5           | 3.0         | 1           | 1               | 0.17       | 0.23         | 14         | 12           | 2                  |
| CENT. MIDDLESEX   | 0.015       | 59%            | <2          | 1.5         | <1          | 1               | NA         | NA           | NA         | NA           | NA                 |
| JAMES RIVER       | 13.73       | 69%            | 5           | 5.8         | 2           | 2               | 0.25       | 0.55         | 4.5        | 5.3          | 20                 |
| KING WILLIAM      | 0.097       | 97%            | 0           | 0.37        | NA          | 1               | 0.18       | 0.16         | 3.4        | 2.4          | NA                 |
| NANSEMOND         | 17.26       | 58%            | 10          | 12          | 24          | 1               | 0.78       | 1.0          | 3.5        | 4.7          | 2                  |
| ONANCOCK          | 0.332       | 44%            | 1           | <1.0        | <1          | 1               | 0.05       | 0.16         | 8.1        | 5.7          | NA                 |
| CHINCOTEAGUE (SB) | 0.012       | 31%            | 2           | 2.2         | 1           | 5               | NA         | NA           | NA         | NA           | 0                  |
| URBANNA           | 0.050       | 50%            | 1           | 8.4         | 1           | 2               | 2.8        | 2.5          | 10         | 11           | NA                 |
| VIP               | 29.79       | 74%            | 5           | 3.1         | 1           | 2               | 0.37       | 0.36         | 4.1        | 4.1          | 3                  |
| WEST POINT        | 0.492       | 82%            | 19          | 6.8         | 1           | 1               | 2.7        | 2.7          | 17         | 19           | 0                  |
| WILLIAMSBURG      | 8.37        | 37%            | 4           | 3.9         | 1           | <1              | 0.35       | 0.79         | 2.7        | 3.0          | 24                 |
| YORK RIVER        | 14.09       | 94%            | 4           | 2.6         | 1           | <1              | 0.25       | 0.22         | 6.2        | 6.2          | 19                 |
|                   | 154.75      |                |             |             |             |                 |            |              |            |              |                    |

% of  
Capacity

|                   |     |
|-------------------|-----|
| North Shore       | 60% |
| South Shore       | 73% |
| Small Communities | 58% |

**AIR EMISSIONS SUMMARY FOR MARCH 2026**

|              | No. of Permit Deviations below 129 SSI Rule Minimum Operating Parameters |                                     |                          |                                      |                                    |                                     |                            | Part 503e Limits           |                         |                  |                                   |
|--------------|--|-------------------------------------|--------------------------|--------------------------------------|------------------------------------|-------------------------------------|----------------------------|----------------------------|-------------------------|------------------|-----------------------------------|
|              | Temp<br>12 hr ave<br>(F)   | Venturi(s)<br>12 hr ave<br>(in. WC) | PD<br>12 hr ave<br>(GPM) | Precooler Flow<br>12 hr ave<br>(GPM) | Venturi Flow<br>12 hr ave<br>(GPM) | Tray/PBs Flow<br>12 hr ave<br>(GPM) | Scrubber<br>pH<br>3 hr ave | Any<br>Bypass<br>Stack Use | THC<br>Mo. Ave<br>(PPM) | THC<br>DC<br>(%) | BZ Temp<br>Daily Ave<br>Days >Max |
| MHI PLANT    |  |                                     |                          |                                      |                                    |                                     |                            |                            |                         |                  |                                   |
| BOAT HARBOR  | 0  | 0                                   | 0                        | 0                                    | 0                                  | 0                                   | 0                          | 0                          | 13                      | 92               | 0                                 |
| VIP          | 0  | 0                                   | 0                        | 0                                    | 0                                  | 0                                   | 0                          | 1                          | 21                      | 99               | 0                                 |
| WILLIAMSBURG | 1  | 0                                   | 0                        | 0                                    | 0                                  | 0                                   | 0                          | 1                          | 67                      | 46               | 0                                 |

**ODOR COMPLAINTS**

|              |   |
|--------------|---|
| ARMY BASE    | 0 |
| ATLANTIC     | 5 |
| BOAT HARBOR  | 0 |
| JAMES RIVER  | 0 |
| NANSEMOND    | 0 |
| VIP          | 0 |
| WILLIAMIBURG | 0 |
| YORK RIVER   | 0 |
| NS OPS       | 0 |
| SS OPS       | 1 |
| SCD          | 0 |
| NON-HRSD     | 0 |

## **Items of Interest – March 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 46% or more.

The three operating MHI plants had one (1) 129 operating parameter deviation and two (2) minor uses of the emergency bypass stack (<60 minutes), and zero (0) reportable uses of the MHI bypass (>60 minutes).

On 3/11/2026 Williamsburg Treatment Plant completed a full 129 emissions limit stack test on MHI #2. Final analytical results are pending, but field results from the testing contractor's CEMS showed gas (NO<sub>x</sub>, SO<sub>2</sub>, & CO) results below 75% of their respective limits.

On 3/26/2026 Virginia Initiative Treatment Plant completed a full 129 emissions limit stack test on MHI #1. Final analytical results are pending, but field results from the testing contractor's CEMS showed gas (NO<sub>x</sub>, SO<sub>2</sub>, & CO) results below 75% of their respective limits.

On 3/30/26 the stack test protocol was submitted to DEQ for VIP's full 129/MMMM test on MHI #2 scheduled for 4/30/2026. Approval of the stack test protocol was received 4/8/26.

### **AIR PERMITS and ODOR CONTROL**

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

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 periodically, 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.

SS Ops received one (1) complaint from Facilities Maintenance about an odor at Plume St PS in Norfolk. SS Ops investigated and found a dropped phase in an electrical control cabinet and the fan motor was burnt up and in need of replacement. The electrical issue was fixed, and the motor was replaced the same afternoon of the complaint. No further complaints have been received to date.

## **TREATMENT**

### Army Base

On March 16, an ammonium sulfate discharge line was found on top of the walkway. Once discovered, the line was placed into the secondary 1 effluent well.

Approximately 576 gallons of ammonium sulfate flowed along the exterior wall of the secondary, soaking into the ground, where it was not recoverable.

### James River

On March 24, discoloration of a 30-minute sample lead plant staff to discover contractors pumping discharge from cleaning an out of service contact tank over the effluent weir. Operators immediately directed the contractor to unplug the pumps and informed them they could not discharge to that location. The approved discharge location had been confirmed multiple times with the contractor; water from cleaning activities should have been routed to the contact tank drain and removed via the contact tank scum pump. Approximately 2,000 gallons of contact tank material were released to outfall 001 and the 30 minute residual was deemed invalid / not representative.

### York River

On March 16, a low chlorine residual of 0.04 mg/L was recorded due to increased system flows from a wet weather event. The operator manually increased the hypochlorite dosing and residual setpoint to meet the increased flow demand. The treatment plant rain gauge recorded 0.63" and flow peaked at 22.07MGD during this event.

## **SYSTEM**

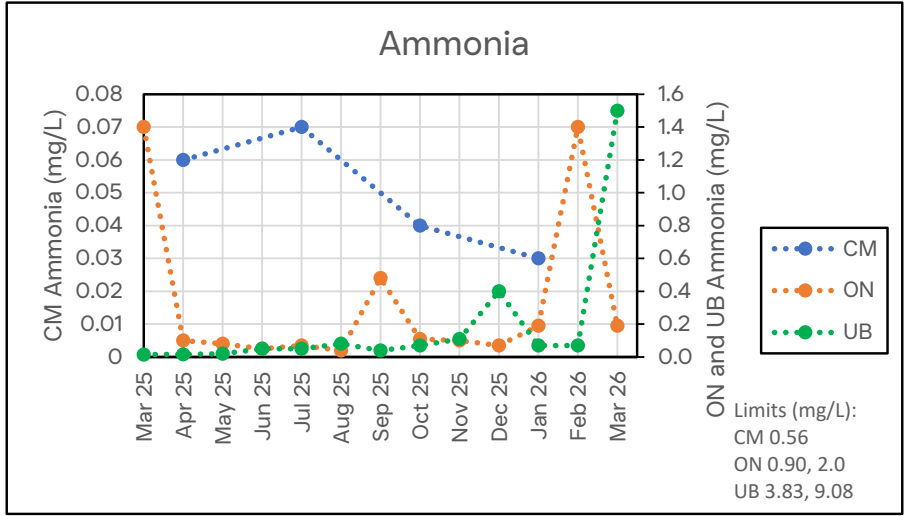
On March 19, staff were notified of a raw sewage spill near the intersection of Elmhurst Lane and Clifford Street in Portsmouth. The spill was traced to Force Main (FM) SF-216. Elmhurst Pump station was isolated and haul trucks were used to mitigate flows, significantly reducing spill rates and allowing staff to isolate the broken section of FM. Upon excavation, a circumferential crack and hole were discovered on the side of the 20-inch cast iron pipe. The damaged section was replaced with ductile iron pipe. The cause of the damage to the pipe is unknown at this time. Approximately 336,000 gallons of raw wastewater were released to a ditch leading to the Elizabeth River.

## **SYSTEM/TREATMENT, SMALL COMMUNITIES, AND EASTERN SHORE**

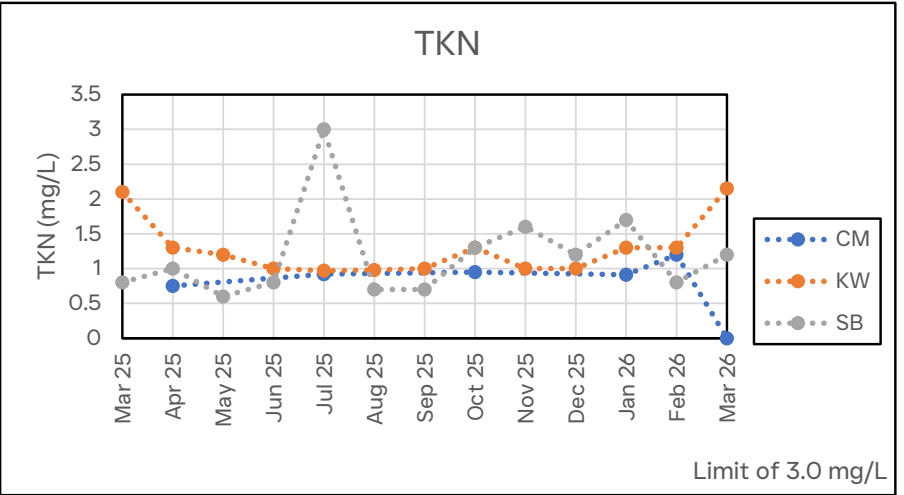
On March 24, a homeowner removing stumps from their yard in Dendron caused a line break in force main SY-F-108. The contractor and Sussex Service Authority (SSA) shut off the upstream pump station to stop the flow and completed the necessary repairs. Approximately 245 gallons of raw wastewater were released to the ground.

Warning letters were received for King William (3/23) and Onancock (3/31). The West Point Consent Order was received on March 30.

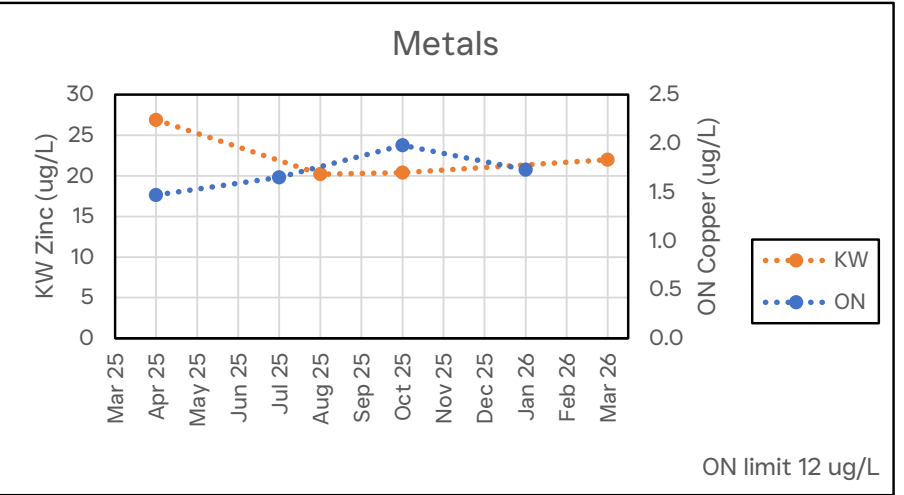
|        | Ammonia |      |      |
|--------|---------|------|------|
|        | CM      | ON   | UB   |
| Mar 25 |         | 1.4  | 0.02 |
| Apr 25 | 0.06    | 0.10 | 0.02 |
| May 25 |         | 0.08 | 0.02 |
| Jun 25 |         | 0.05 | 0.05 |
| Jul 25 | 0.07    | 0.07 | 0.05 |
| Aug 25 |         | 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 |
| Mar 26 |         | 0.19 | 1.5  |



|        | TKN   |      |      |
|--------|-------|------|------|
|        | CM    | KW   | SB   |
| 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 |       | 1.3  | 0.80 |
| Mar 26 | <0.40 | 2.1  | 1.2  |



|        | Zinc | Copper |
|--------|------|--------|
|        | KW   | ON     |
| 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 |      |        |
| Mar 26 | 22   |        |



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***

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**Grants Management**

- **Completed Tasks (March 2026)**
  - Finalized flowcharts, risk and control matrix, and fieldwork audit program.
  - Scheduled fieldwork entrance meeting with HRSD management.
  - Began drafting report.
- **Upcoming Tasks (April 2026)**
  - Commence fieldwork.

**Risk Assessment**

- **Completed Tasks (March 2026)**
  - Distributed risk assessment survey.
  - Distributed IT risk assessment questionnaire.
  - Began to analyze responses received.
- **Upcoming Tasks (April 2026)**
  - Aggregate and analyze risks; continue drafting internal audit plan.
  - Present findings and suggested internal audit plan to HRSD management and Commission.

***II. Upcoming Internal Audits***

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- AI Governance and Operations (April/May 2026)
- ProCards and Employee Expense (May 2026 continuation)

***III. Management Action Plan Status***

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SC&H performs on-going management action plan (MAP) monitoring for completed internal audits/projects.

- SC&H begins MAP follow-up approximately one year following the completion of each audit and periodically follows up until conclusion.
- For each recommendation noted in an audit report, SC&H gains an understanding of the steps performed to address the action plan and obtains evidence to confirm implementation, when available.
- The following describes the current project monitoring status. This listing does not include audits which were determined by HRSD Management and the Commission to include confidential or sensitive information.

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

Strategic Measures  
March 2026

| Strategic Planning Measure  | Feb-2026            | Mar-2026           | FY-27              |
|---|---------------------|--------------------|--------------------|
| Educational and Outreach Events   | 18                  | 18                 | 125                |
| Number of Community Partners  | 18                  | 19                 | 141                |
| Number of Technical Presentations   | 2                   | 5                  | 30                 |
| Number of Technical Publications  | 0                   | 0                  | 3                  |
| Revenue vs. Budget  | 68%                 | 76%                | 76%                |
| Wastewater Expenses vs. Budget  | 55%                 | 62%                | 62%                |
| Accounts Receivable (HRSD)  | \$55,706,388        | \$51,188,231       | \$56,327,609       |
| Aging Accounts Receivable   | 31.10%              | 33.50%             | 31.50%             |
| Turnover Rate w/o Retirements   | 0.44%               | 0.33%              | 3.41%              |
| Turnover Rate w Retirements   | 0.55%               | 0.55%              | 5.71%              |
| Avg Time to Hire (Posting to Acceptance)  | 2 months<br>27 days | 3 months 7<br>days | 3 months 8<br>days |
| Number of Vacancies   | 75                  | 80                 | 72                 |
| Average number of applicants per position   | 4.8                 | 8.0                | 6.4                |
| Percentage of positions filled with internal applicants   | 20.0%               | 23.8%              | 29.7%              |
| Recruitment source Return on Investment   | *                   | *                  | *                  |
| Avg Time to Hire (Acceptance to NEO)  | 49.33               | 33.36              | *                  |
| Customer Call Wait Time (mins)  | 7.11                | 5.36               | 6.26               |
| 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<br>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<br>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<br>Energy consumed (gas (scfm) and electricity (kWh)) per million gallons of wastewater treated. | N/A                 | N/A                | 0                  |
| Cumulative CIP Spend  | \$422,800,000       |                    | \$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

March 2026

## Community Partners

| Date       | Division           | Event   |
|------------|--------------------|---|
| 03/02/2026 | Operations         | Tangier Island  |
| 03/03/2026 | Operations         | Hampton University  |
| 03/05/2026 | General Management | LEAD Peninsula  |
| 03/05/2026 | Water Quality      | LEAD Peninsula  |
| 03/05/2026 | Communications     | LEAD Peninsula  |
| 03/06/2026 | Communications     | Yellowhab   |
| 03/07/2026 | Communications     | Virginia Living Museum                                      |
| 03/07/2026 | Operations         | Virginia Living Museum                                      |
| 03/10/2026 | Water Quality      | Virginia TEch Newport News Center                           |
| 03/10/2026 | Communications     | Virginia TEch Newport News Center                           |
| 03/11/2026 | Communications     | Chesapeake Public Library                                   |
| 03/13/2026 | Water Quality      | Christopher Newport University                              |
| 03/13/2026 | Communications     | An Achievable Dream Academy                                 |
| 03/13/2026 | Operations         | Christopher Newport University                              |
| 03/14/2026 | Operations         | Portsmouth Public Schools                                   |
| 03/14/2026 | Engineering        | Portsmouth Public Schools                                   |
| 03/16/2026 | Water Quality      | Christopher Newport University                              |
| 03/16/2026 | Operations         | Christopher Newport University                              |
| 03/19/2026 | Operations         | Virginia Beach City Public Schools                          |
| 03/19/2026 | Operations         | Norview High School   |
| 03/19/2026 | Communications     | Virginia Beach City Public Schools                          |
| 03/24/2026 | Operations         | VWEA Eastern Virginia Regional Activities Committee (EVRAC) |
| 03/24/2026 | Operations         | Chesapeake Bay Foundation                                   |
| 03/26/2026 | Engineering        | Newport News Public Schools                                 |
| 03/26/2026 | Operations         | Crittenden Middle School                                    |
| 03/26/2026 | Operations         | Newport News Public Schools                                 |
| 03/27/2026 | Water Quality      | Virginia Beach City Public Schools                          |

# Strategic Measures

March 2026

## Educational Outreach

| Date      | Division           | Event  | Community Partner                  |
|-----------|--------------------|--|------------------------------------|
| 3/5/2026  | General Management | SWIFT RC tour and presentation to LEAD Peninsula                         | LEAD Peninsula                     |
| 3/5/2026  | Communications     | SWIFT RC tour and presentation to LEAD Peninsula                         | LEAD Peninsula                     |
| 3/5/2026  | Water Quality      | SWIFT RC tour and presentation to LEAD Peninsula                         | LEAD Peninsula                     |
| 3/6/2026  | Communications     | SWIFT RC tour and activity   | Yellowhab                          |
| 3/7/2026  | Communications     | Tabling at Virginia Living Museum CoVA STEM Career Lab                   | Virginia Living Museum             |
| 3/7/2026  | Operations         | Tabling at Virginia Living Museum CoVA STEM Career Lab                   | Virginia Living Museum             |
| 3/10/2026 | Water Quality      | SWIFT RC tour  | Virginia TEch Newport News Center  |
| 3/10/2026 | Communications     | SWIFT RC tour  | Virginia TEch Newport News Center  |
| 3/11/2026 | Communications     | Tabling for Chesapeake Public Library Staff Day                          | Chesapeake Public Library          |
| 3/13/2026 | Water Quality      | YRTP tour for CNU students   | Christopher Newport University     |
| 3/13/2026 | Operations         | ATP tour for Va Beach Fire Dept Engine 12                                | Virginia Beach Fire Department     |
| 3/13/2026 | Communications     | Tabling at Career Fair for An Achievable Dream Academy                   | An Achievable Dream Academy        |
| 3/13/2026 | Operations         | YRTP tour for CNU students   | Christopher Newport University     |
| 3/14/2026 | Operations         | STEAM Expo - Portsmouth Public Schools                                   | Portsmouth Public Schools          |
| 3/14/2026 | Engineering        | STEAM Expo - Portsmouth Public Schools                                   | Portsmouth Public Schools          |
| 3/16/2026 | Water Quality      | YRTP tour for CNU students   | Christopher Newport University     |
| 3/16/2026 | Operations         | YRTP tour for CNU students   | Christopher Newport University     |
| 3/19/2026 | Operations         | ATP tour and HRSD presentation   | Virginia Beach City Public Schools |
| 3/19/2026 | Communications     | ATP tour and HRSD presentation   | Virginia Beach City Public Schools |
| 3/26/2026 | Engineering        | Newport News Public Schools Engineering Design Challenge                 | Newport News Public Schools        |
| 3/26/2026 | Operations         | Newport News Public Schools Engineering Design Challenge                 | Newport News Public Schools        |
| 3/27/2026 | Water Quality      | Career Fair information/activity table at College Park Elementary School | Virginia Beach City Public Schools |
| 3/30/2026 | Communications     | SWIFT RC Tour for Commissioner Taraski and friends                       | HRSD Commission                    |

# Strategic Measures

March 2026

## Technical Presentations

| Date      | Division      | Presentation   | Presenter                          |
|-----------|---------------|--|------------------------------------|
| 3/10/2026 | Operations    | HRSD SWIFT, Challenges and Strategies Using Reuse Water to Recharge the Potomac Aquifer                        | 1. Becky Nardacci and Dan Holloway |
| 3/24/2026 | Water Quality | "Understanding PFAS and How Communities Can Reduce Their Impact" @Nansemond River Preservation Alliance (NRPA) | Mike Martin                        |

## Technical Publications

| Date     | Division | Publication Title                     | HRSD Author(s) | Location |
|----------|----------|---------------------------------------|----------------|----------|
| 3/1/2026 | N/A      | No technical publications this month. | N/A            | N/A      |

# Strategic Measures

March 2026

## Community Partners

| Date       | Division       | Event           |
|------------|----------------|-----------------|
| 03/30/2026 | Communications | HRSD Commission |