COMMISSION FINANCE COMMITTEE
MEETING MINUTES
April 28, 2026

The Committee Chair called the meeting to order at 11:34 a.m.

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

1. Approval of Minutes

The draft minutes of the March 24, 2026, Finance Committee meeting were distributed electronically prior to the meeting.

Moved: Vishnu Lakdawala **Ayes:** 3
Seconded: Willie Levenston, Jr. **Nays:** 0

2. FY-2027 Internal Audit Workplan

Mr. Matthew Simons and Mr. Hayden Wigley from the SC&H Group presented the internal audit update including audit impact, audits in progress, the audit plan for Fiscal Year (FY) 2027, and management action plan progress.

3. FY-2027 Budget Review

Staff presented details on the General Manager/CEO's proposed FY-2027 budget, the FY-2027 to FY-2036 Capital Improvement Program (CIP), and proposed rate changes. The proposed documents will be provided to the Commission for a vote at the May 26, 2026, meeting.

Staff distributed copies of the Proposed Rate Schedule and the Proposed Annual Budget electronically prior to the meeting to all Commissioners for review.

Public Comment: None

Next Finance Committee Meeting Date: October 22, 2026, via Microsoft Teams

COMMISSION FINANCE COMMITTEE
MEETING MINUTES
April 28, 2026

Meeting Adjourned: 12:24 p.m.

SUBMITTED:

Elizabeth I. Scott
Commission Secretary

APPROVED:

Elizabeth A. Taraski, PhD.
Committee Chair

Hampton Roads Sanitation District

Internal Audit Update and FY27 Audit Plan

April 28, 2026

Internal Audit Team

SC&H Presentation Team

Matt Simons: CPA, CIA, CGAP
Principal: Contract Lead, Point of Contact

Hayden Wigley: CIA
Manager

Today’s Topics

- Internal Audit Program
- Internal Audit Progress
- FY27 Internal Audit Plan

Internal Audit Program

Value Driven and Risk Mitigating Activities

Quantitative and Qualitative Benefits

- Mitigate risks and enhance operations
- Assess operational effectiveness
- Incorporate innovated tactics and tools
- Support governance
- Align with strategies and industry
- Recover funds
- Address fraud, waste, abuse

HRSD Collaboration

- Independent and honest partnerships
- Nonintrusive approach
- Positive change encouragement
- Concern validation and resolution
- Recommendation support

Internal Audit Progress

Project Updates Since Prior Status

Subject	Timing
Aging and Arrears: Current State Assessment	Complete
Risk Assessment and Audit Plan Development	Complete
Grants Management: Internal Audit	In Process: Fieldwork
Accounts Payable: Internal Audit	Planned: May 2026
Artificial Intelligence Governance and Operations: Internal Audit / Advisory	Planned: May/June 2026

FY27 Internal Audit Plan

Upcoming Projects

Subject	Timing
Patch Management: IT Audit *Focused IT audit; identification, testing, deployment, and monitoring of software patches*	October 2026
Cash Management and Handling: Internal Audit *Cash receipts, deposits, handling, and management; account governance; segregation of duties*	January 2026
ProCards and Employee Expenses: Internal Audit *Targeted audit; opportunities for cyclical departmental self-monitoring procedures*	May 2027
Risk Assessment and Audit Plan Development *Facilitated Leadership collaboration*	Dec 2026-Feb 2027

Contact Information

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Finance Committee Meeting

April 28, 2026

HRSD

Sustainable, Innovative Wastewater Treatment

Agenda

- Internal Auditor FY 2027 Workplan
- Fiscal Year 2027 Proposed Annual Budget

FY 2027 Internal Audit Workplan

Fiscal Year 2027 Proposed Annual Budget

Where does a ratepayer's dollar go?

Infrastructure, $0.52

Debt Service + Cash for CIP

People, $0.24

Operational Expenses, $0.24

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Budget, at a Glance

Proposed ($000's Omitted)	Budget	Financial Forecast	Comments
Revenues	$ 560,442	$ 560,442	Average Monthly Bill +$4.47/month; cost remains about $0.01/gallon
Operating Expenses	(265,294)	(265,294)	+10.6%
Net Performance Margin	-	*13,265*	*New*
Debt Service	(111,745)	(111,745)	+6.0%
Amount Available for CIP (PAYGO)	183,402	196,667	
Existing Capital Resources (bond proceeds, etc)	107,603	107,603	
Grants and Other Reimbursements	507,133	507,133	WQIF/Other
Capital Expenses	(730,000)	(730,000)	2.75x Operating Expenses
Debt Service Prepayment - from Grant Proceeds	(200,000)	(200,000)	Prepayment of debt issued and later reimbursed by grant funds
Amount Financed	$ (131,862)	$ (118,597)	

10-Year CIP = $3.4 Billion
20-Year CIP = $6.3 Billion

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Financial Forecast & Capital Plan

Financial Forecast Approach

- Forecast prepared assuming $1.3 B in WQIF grants for identified, eligible projects
- Virginia's longstanding (1997) support plays a critical role in enhancing/restoring water quality
- Without such support,
  - —the average ratepayers' bills would be at least 15% higher by 2036

Financial Plan Risks

- WQIF grant availability?
  - Qualified for over $1.3B
  - Subject to appropriation
    - $425M in approved IOU's
- Global and National Economic uncertainties?
  - Global conflicts
  - Tariffs and inflationary pressures
  - Recessionary concerns
- Water consumption – declining or flat?
  - Assuming flat consumption
- CIP and SWIFT spend rates?
  - Regulatory Deadlines
  - 95% assumed spend rate in FY27

Summary of Billed Consumption (,000s ccf)							
			% Difference		% Difference		% Difference
Month	FY2026 Cumulative Budget Estimate	FY2026 Cumulative Actual	From Budget	Cumulative FY2025 Actual	From FY2025	Cumulative 3 Year Average	From 3 Year Average
July	4,723	4,536	-3.9%	4,630	-2.0%	4,605	-1.5%
Aug	9,735	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

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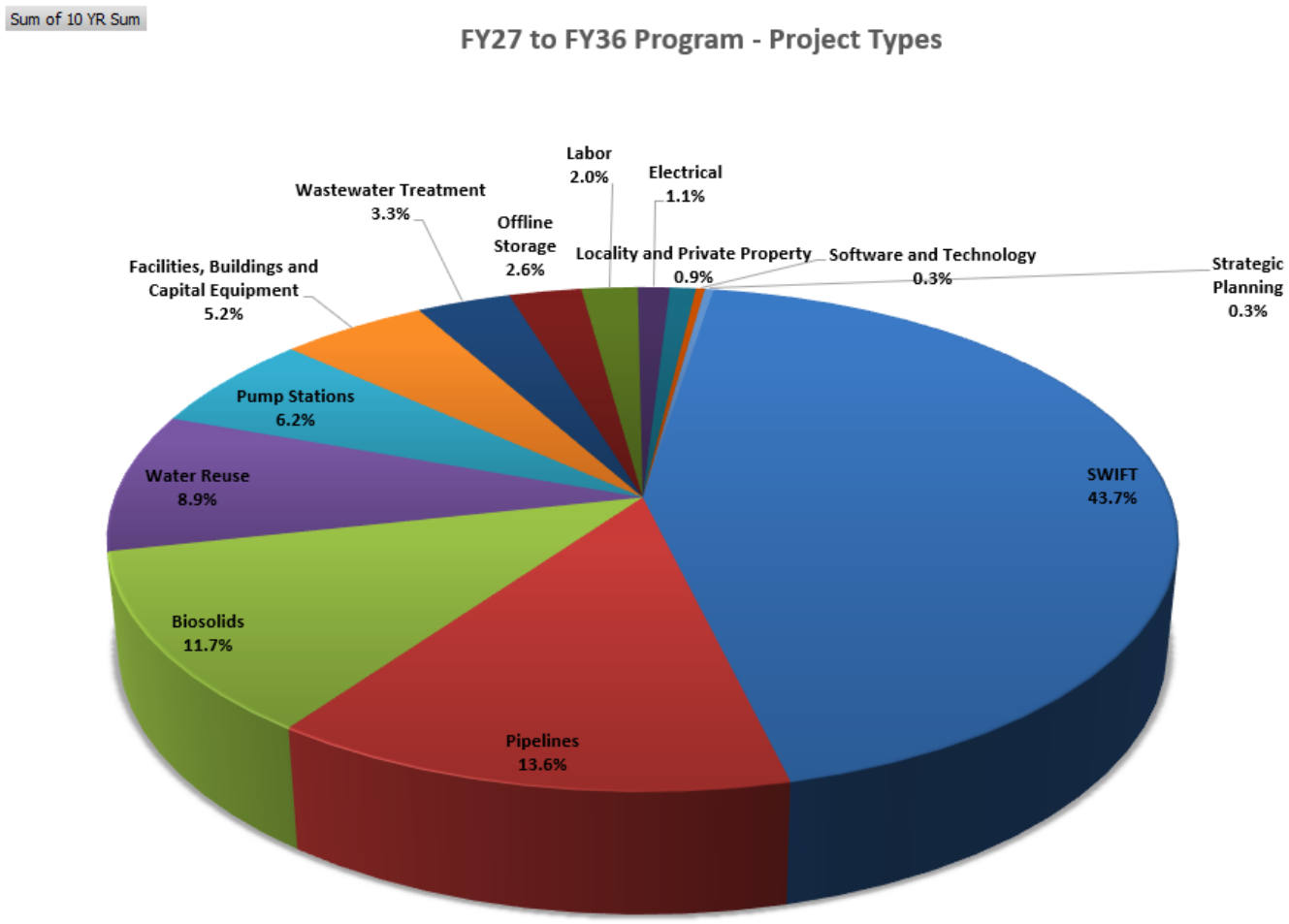
5% - Net Performance Margin

- The Financial Forecast includes a Net Performance Margin, reflecting
  - Consistent track record of delivering services below the authorized budget through operational efficiencies, disciplined execution, and ongoing cost management
  - Revenues historically have overperformed
- Not a contingency or reserve, but a data-informed adjustment based on historical performance trends
  - Similar approach as CIP (80%)
- Provides a more realistic estimate of the future rate adjustments needed to meet HRSD's financial targets while providing full transparency around the authorized funding level

FY27-FY36 CIP Stats

- FY27 – FY36 = $3.4B
- 221 Projects
- Integrated Plan
  - —Remaining SWIFT $1.2B through FY33
  - —High Priority Round 1 - $155M
  - —High Priority Round 2 - $222M to FY 41
- 45% Regulatory Driven
  - —59% FY27-FY31



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Integrated Plan

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

$700M Phase 1,
Rehab Action Plan

Adaptive Mgt

$200M High Priority 1

-47% SSO

$215M High Priority 2

-69% SSO

swift

Aquifer Replenishment Program (ARP)

> $1B

$20M Microbial Source Tracking

$2M Post Construction Monitoring

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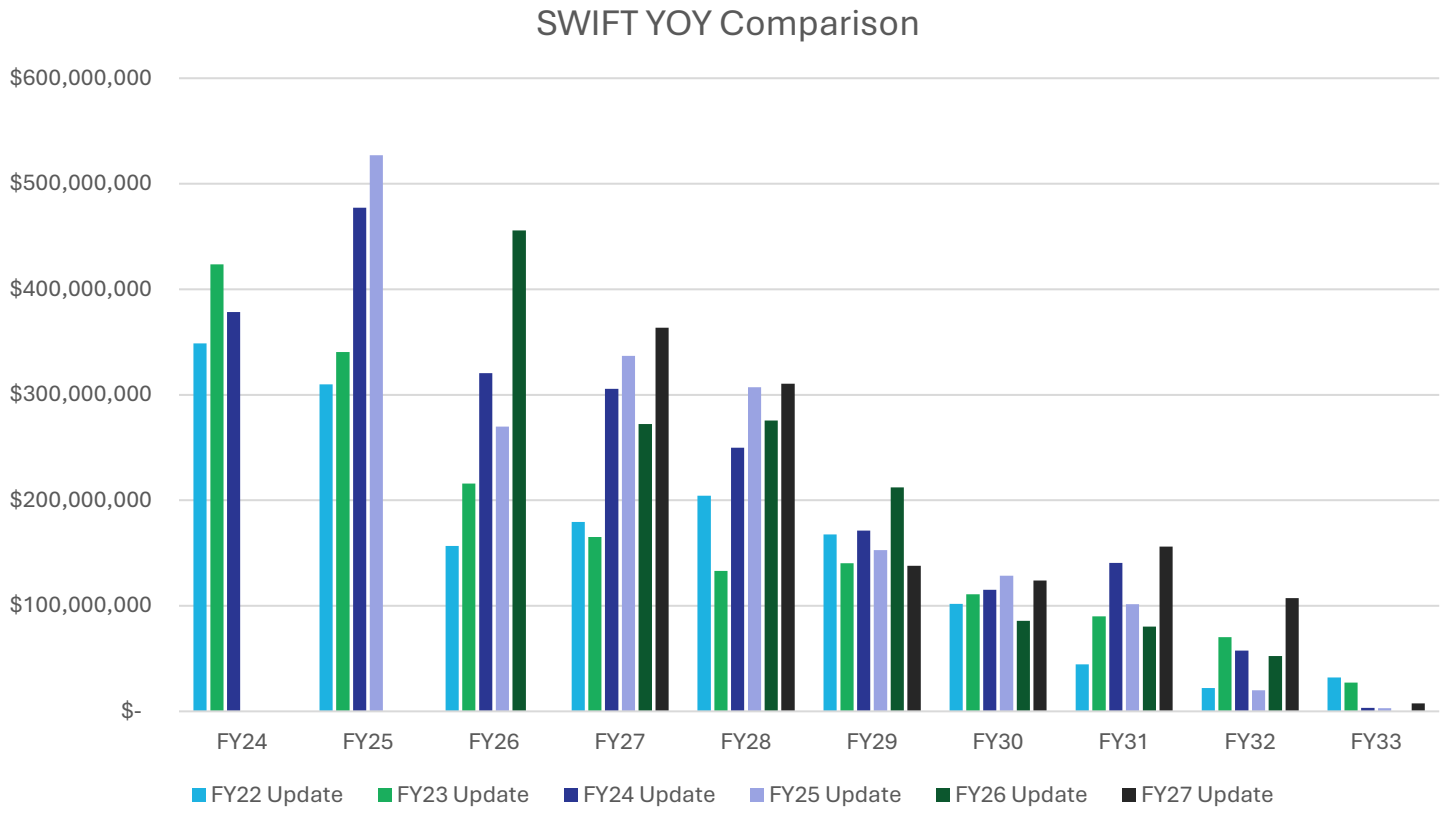
The compliance objective is a 69 percent or greater reduction in baseline modeled SSOs by volume for the 5-year peak flow recurrence event

SWIFT Program + Boat Harbor = +$114M

- SWIFT Costs are 45% of Total CIP FY27-FY32
- VIP Tertiary PER will determine scope of VIP facility



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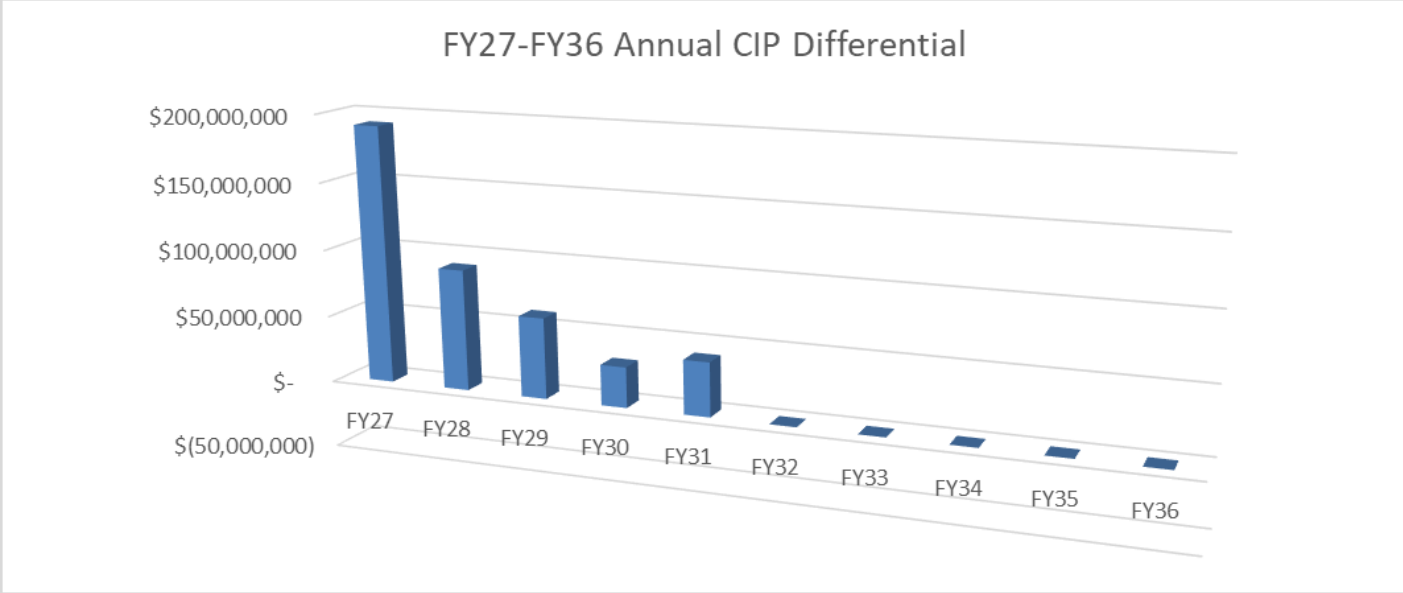
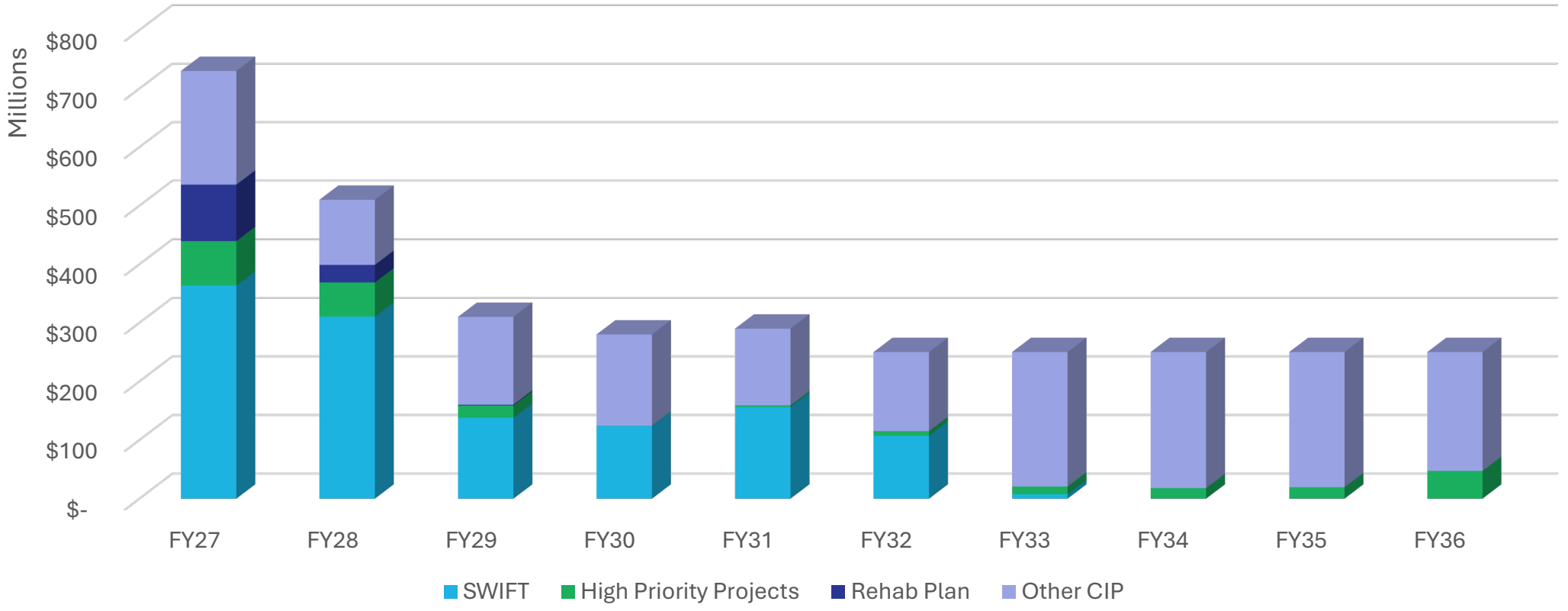
Overall CIP Program Changes = -$48M

- Overall, 10-year plan is stable
  - —Year 3 of peak spending period
- Drivers
  - —52 New Projects
  - —Significant cost increases to many in progress projects
  - —Peak spending phase for SWIFT program and other Integrated Plan requirements



FY27-FY36 CIP = $3.37B



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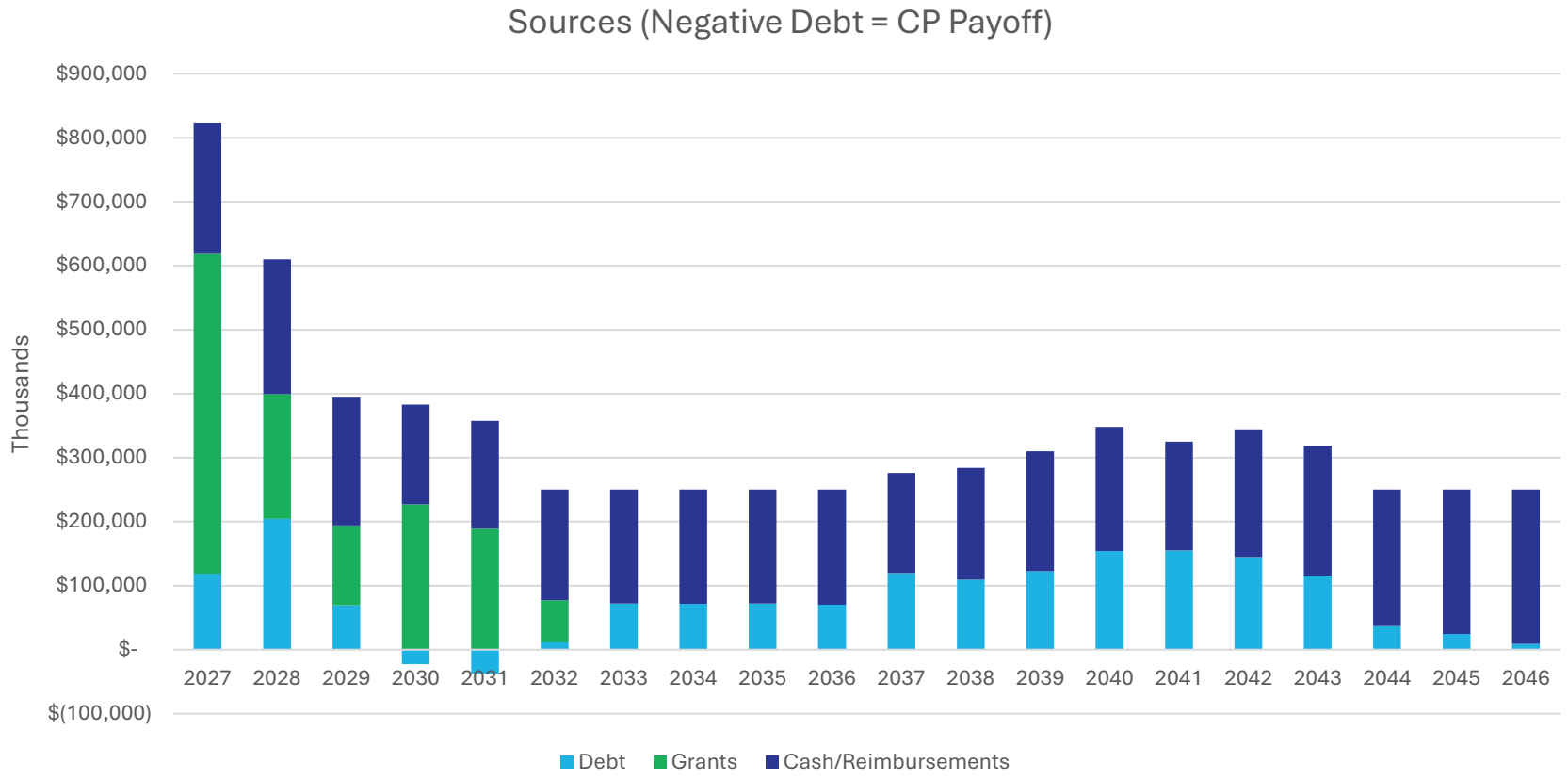
Projected Sources of Funds



- % Leveraged
  - 5 Years (13%)
  - 10 Years (17%)
  - 20 Years (24%)

Projected – Average Monthly Bill (5.5 ccf)

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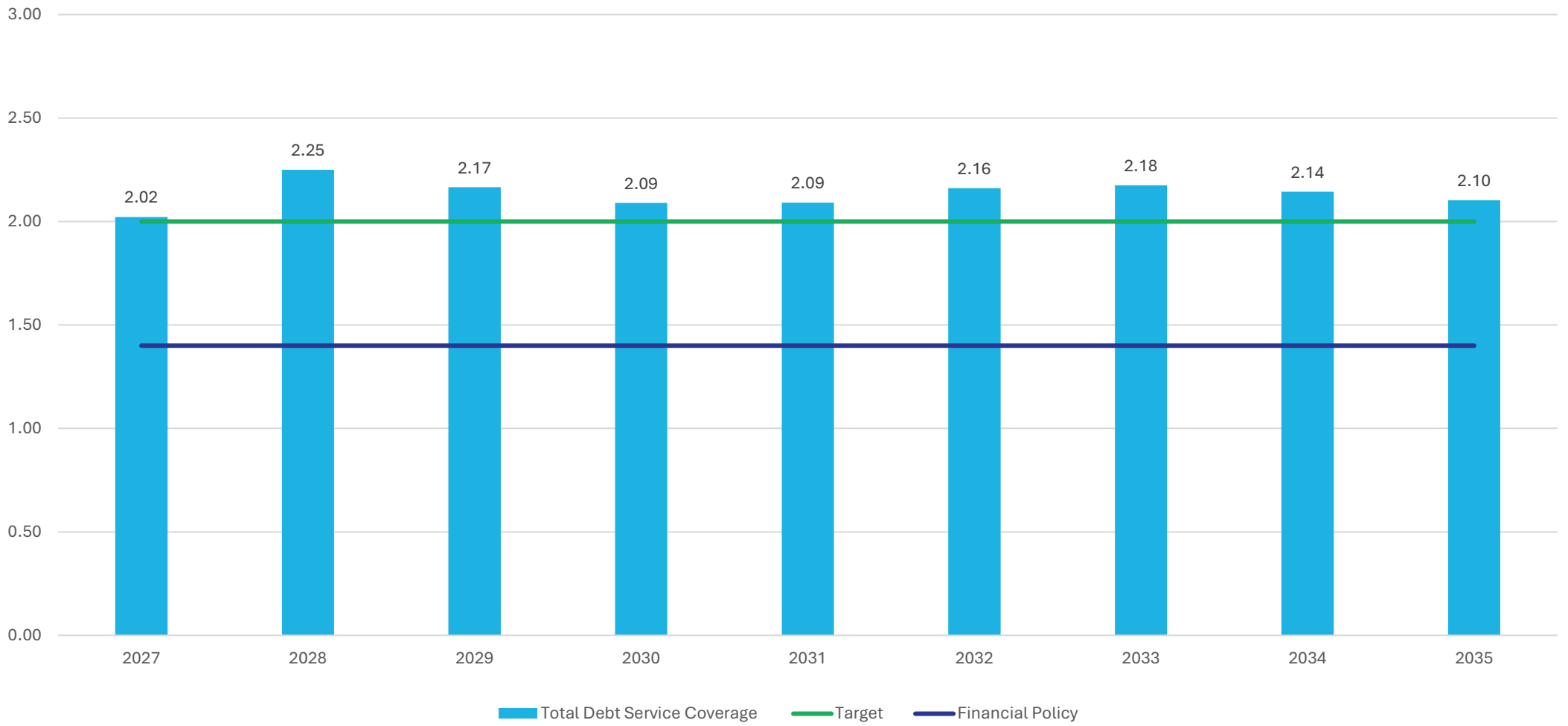
Debt Service Coverage Projection



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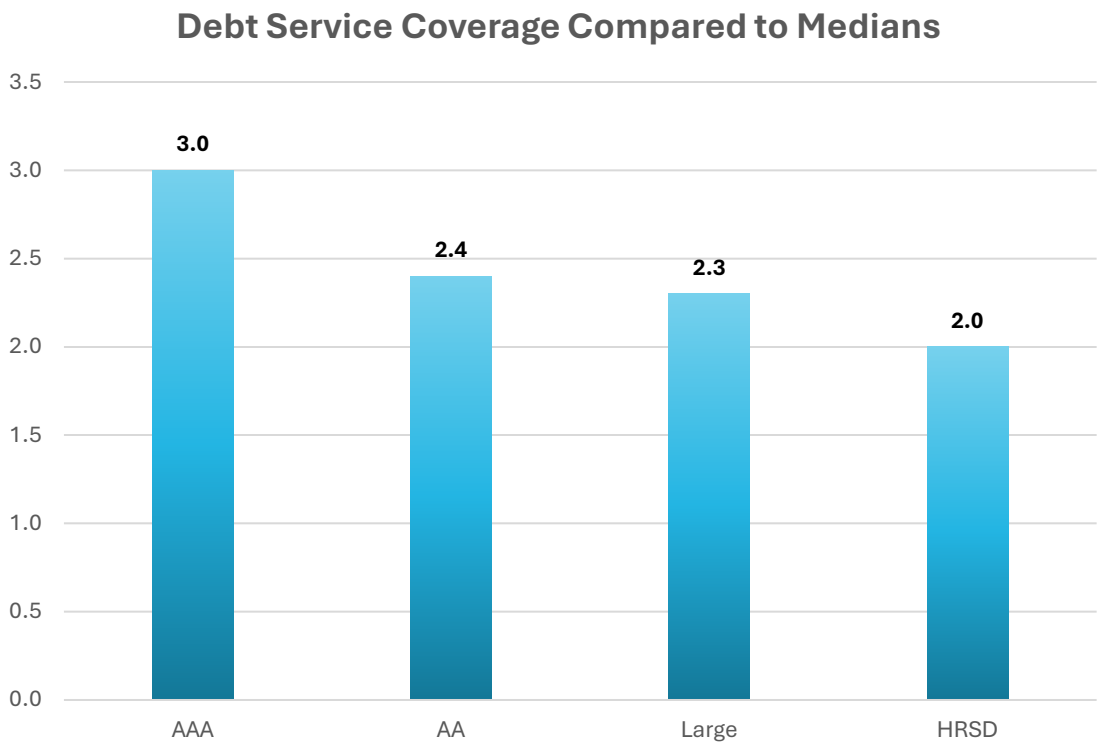
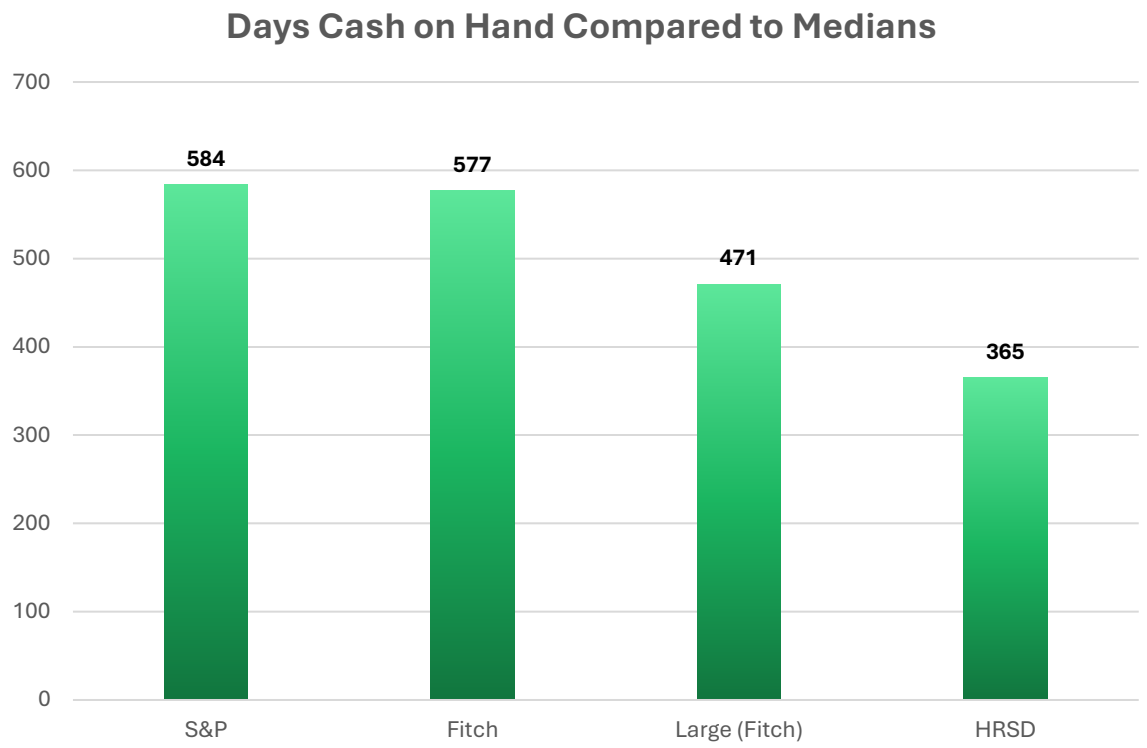
Financial Forecast – Key Financial Metrics





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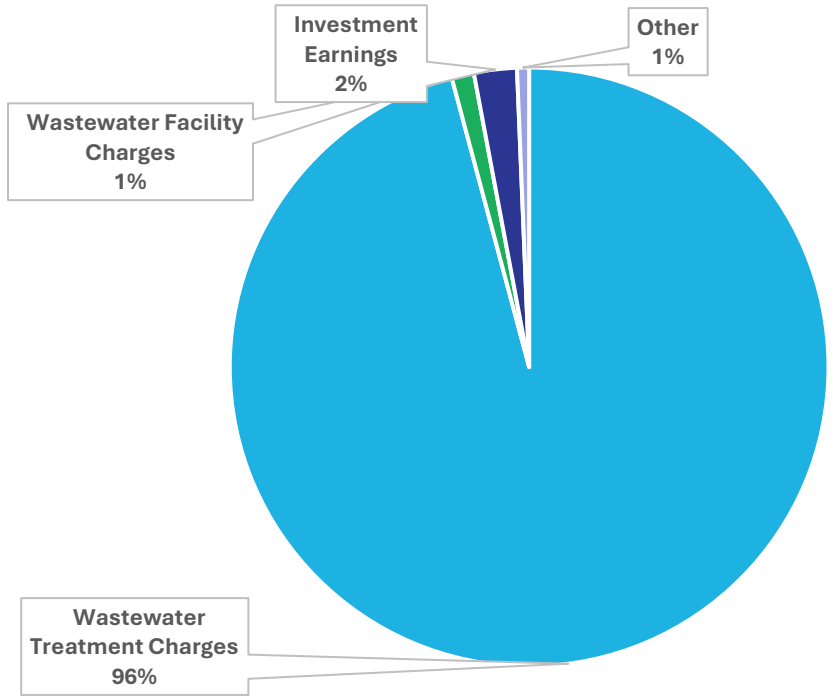
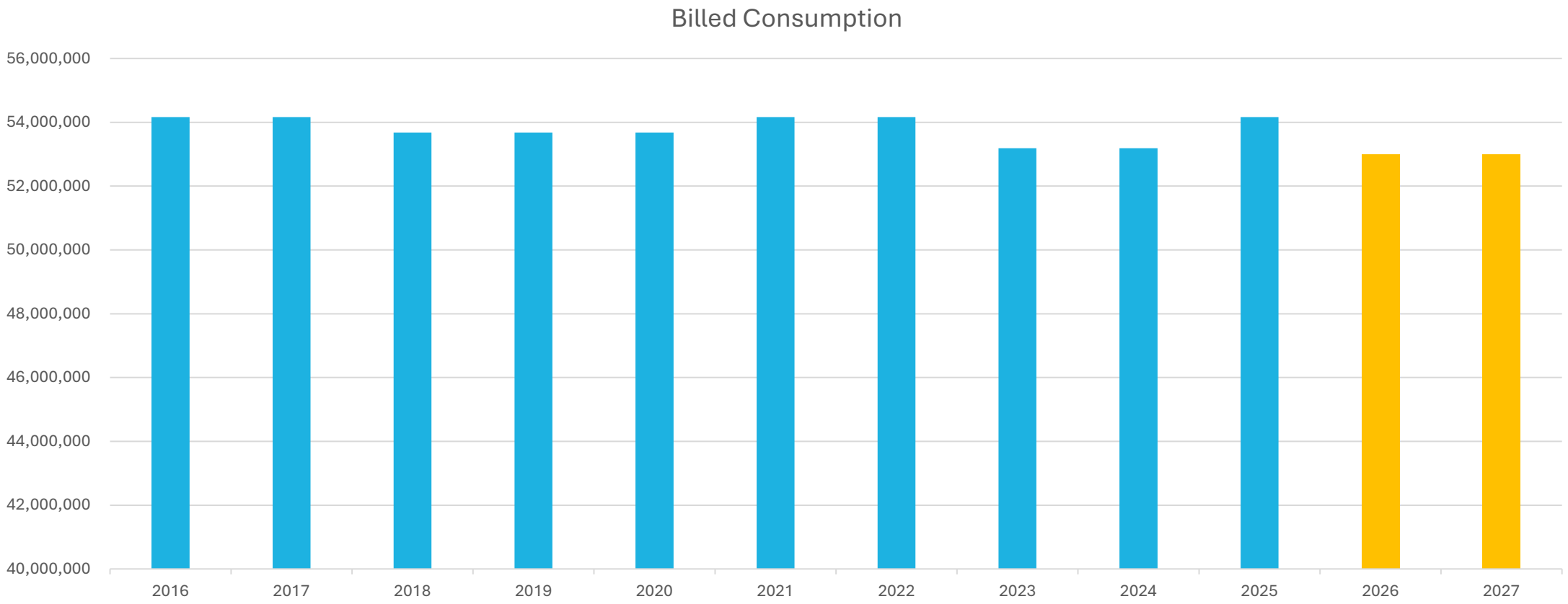
Rate/Revenue Discussion

Retail Rate

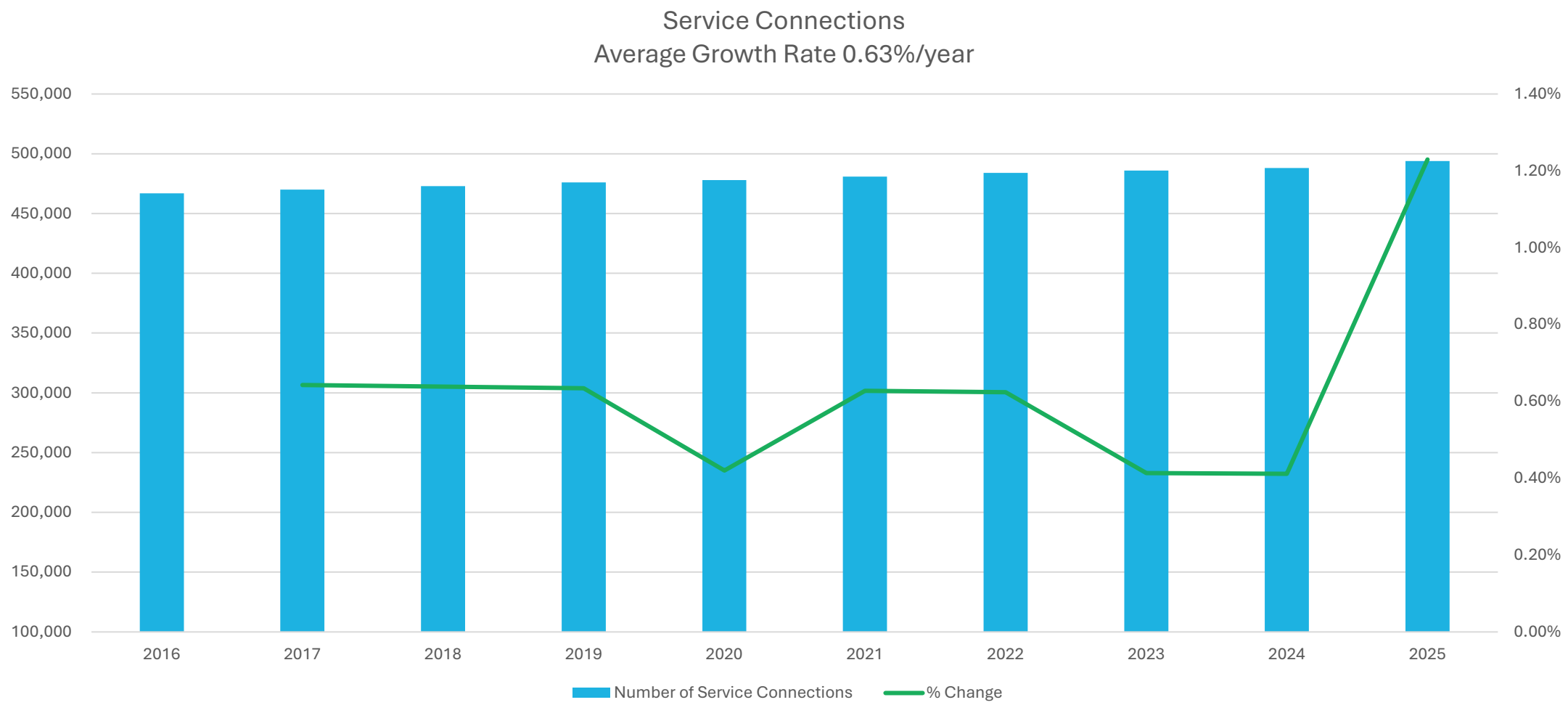
- FY25 – $9.84 per ccf
  - — Avg monthly bill
    - $54.12 (5.5 ccf)
    - +9%
    - +$4.46/month
    - +$0.15/day
    - Still ~ $0.01/gallon
- Wholesale Rate (unchanged)
  - — $3.55/1,000 gals
  - — Towns with a population less than 2,000



Billed Consumption



Service Growth



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Flat Rate

- Single daily rate for customers who opt for a fixed monthly bill in lieu of consumption-based charge
- Based on “winter” (November – April) average annual flow by meter size
- Helps address frequent complaints about charges for services not provided (e.g., pools/irrigation)
- Estimated revenue transfer ~$1.4M

	2027	2026	Difference $	Difference %
Flat Rate (per day)	$ 1.66	$ 1.52	$ 0.14	9.2%
30-day Charge	$ 49.80	$ 45.60	$ 4.20	9.2%

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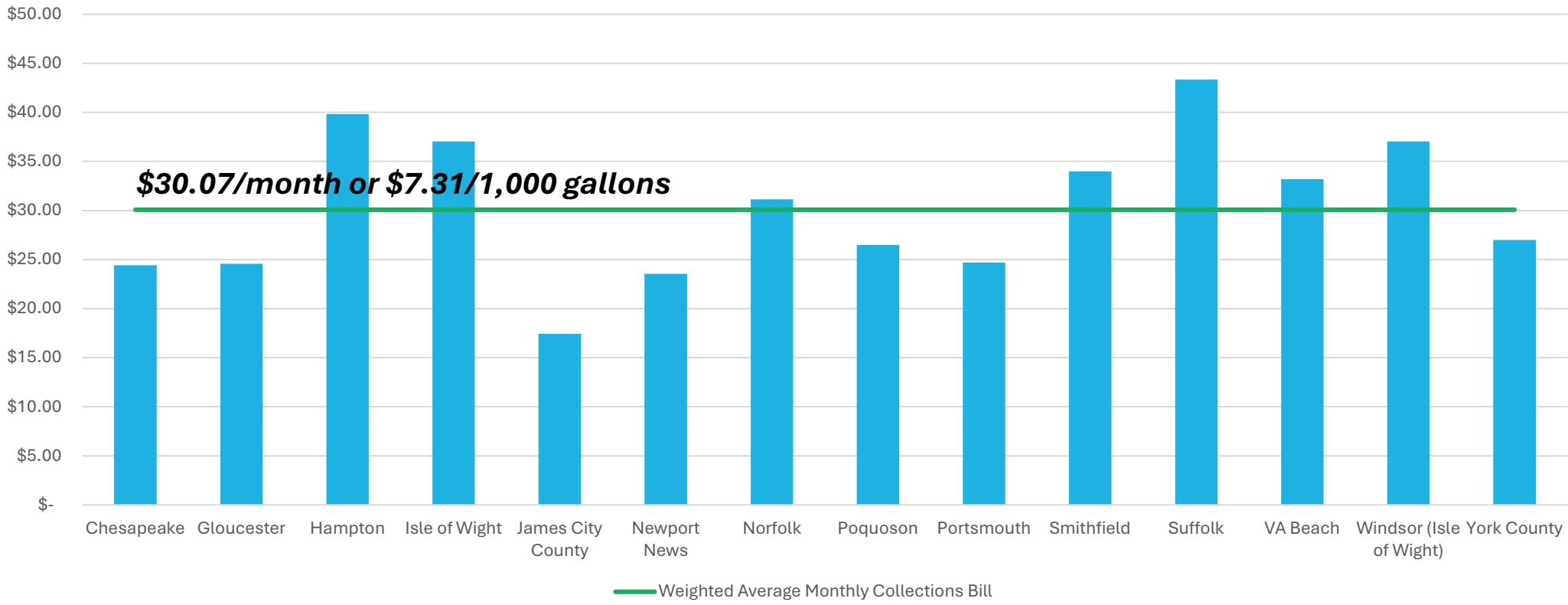
Small Communities – Collection Systems
Average Metro Systems Monthly Bill

(5.5 ccf = 4,113 gals)



Small Communities Rates

Per 1,000 Gallons	Treatment Rate	Collections Rate	Capital Recovery Rate	FY 2027	Change
All Small Communities	$ 13.15	$ 7.31	$ -	$ 20.46	10.0%
King William	$ 13.15	$ 7.31	$ 0.17	$ 20.63	9.8%
Unmetered Accounts	1.66	$ 0.99	$ -	$ 2.65	5.1%
King William - Unmetered Accounts	1.66	$ 0.99	$ 0.02	$ 2.67	5.2%

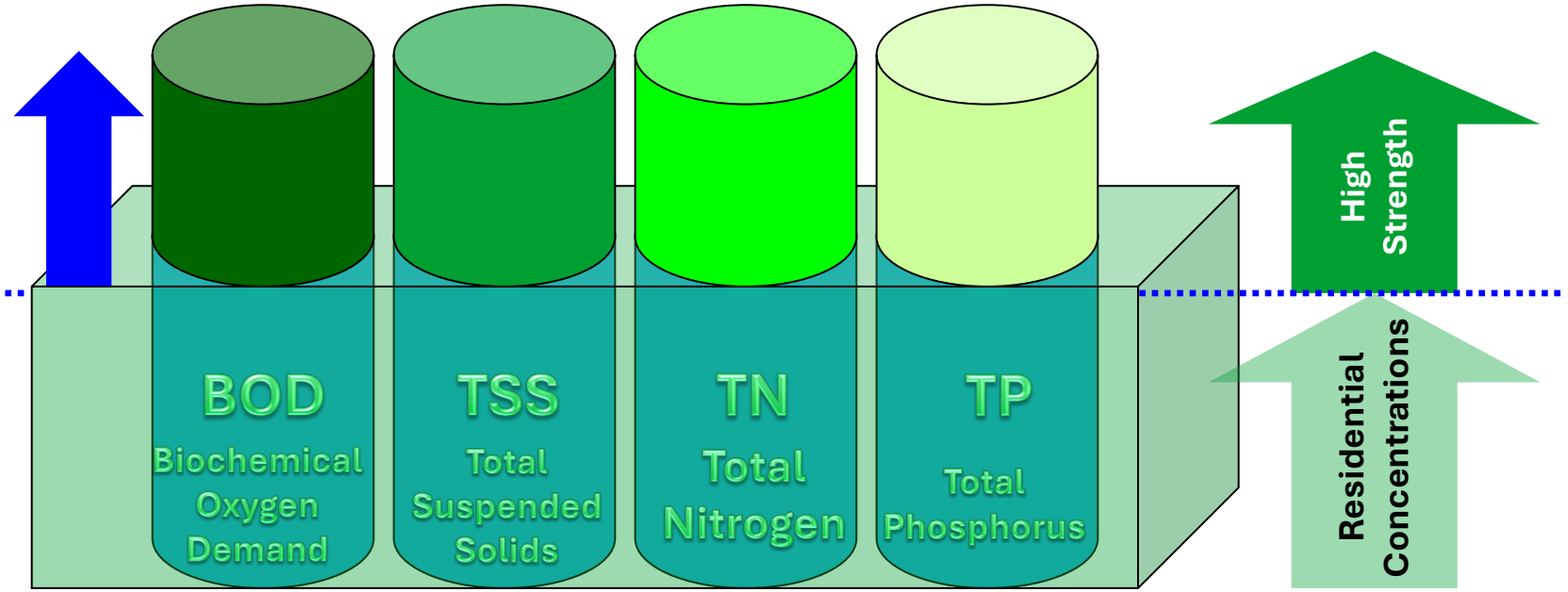
Note, this is the final year for the King William Capital Recovery Rate

Surcharges for High Strength or Unusual Wastes

- Domestic Quality Wastewater
- High Strength or Unusual Wastes
- $1.75M (0.3% of total revenues)
- +12%

Surcharge Rates represent Marginal/Incremental Costs

BASE COST includes Fixed and Variable Costs



Proposed Surcharge Rates

- Cost based rates – 10-year average to dampen volatility
- Incorporates BOD treatment benefits into cost structure

	Rate per 100 pounds		Difference	
	2027	2026	$	%
Biochemcial Oxygen Demand (BOD)	$ 3.04	$ 2.97	$ 0.07	2.4%
Total Suspended Solids (TSS)	$ 10.29	$ 9.88	$ 0.41	4.1%
Total Phosphorus (TP)	$ 142.09	$ 145.25	$ (3.16)	-2.2%
Total Kjeldahl Nitrogen (TKN)	$ 52.16	$ 48.05	$ 4.11	8.6%

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

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

Hauled Waste Type	Rate per gallon 2027	Rate per gallon 2026	Difference $	Difference %
Mixed, Portable, Residential	$ 0.1936	$ 0.1849	$ 0.01	4.7%
Fats, Oils, Grease (FOG)	$ 0.3990	$ 0.3804	$ 0.02	4.9%

Wastewater Facility Charges

- Intended to cover the cost of the new development's share of the wastewater system's capacity
- Increases attributable to significant infrastructure expansion under construction (WIP)

Meter (inches)	FY 27	FY 26	% Change
5/8	$2,745	$2,540	8.07%
3/4	4,275	4,275	0.00%
1	8,045	7,685	4.68%
1.5	20,345	19,175	6.10%
2	39,280	37,300	5.31%
3	99,365	95,250	4.32%
4	191,905	185,240	3.60%
6	485,320	473,040	2.60%
8	937,365	919,990	1.89%
10	1,561,910	1,541,210	1.34%
12	-	2,349,345	N/A
14	-	3,355,425	N/A
16	-	4,569,200	N/A

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

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Wastewater Facility Charges (continued)

- Lack of sample size for large meters to base charge
  - Likely understates the true cost to provide the associated capacity
  - FY 27 beginning limited study of rate structures to include facility charges and surcharges
- Proposing interim step for FY 27 by removing published rates for meters >10”
  - No locality in service area publishes rates for meters >10”
  - Large meters very rare
    - In last 15 years HRSD has only had 2 6” meter facility charges (one effluent meter and 500 unit one condo unit)

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

- Rate Schedule Language

d. Unusual Situations

For unusual connections or where otherwise indicated, HRSD may make or require to be expense, such investigations as will provide adequate basis for determination of the facility charge.

Nutrient Credits

- Asset Charge
  - Similar to facility charges (1x hydraulic capacity charge)
    - 1x nutrient capacity charge – charge for the depletion of capacity needed to offset credit
    - Simplified structures to align with facility charge methodology
      - ➢ Eliminated 5-year "forward" look – basis now is current assets + WIP

- Operational Charge
  - Modified approach to document "average costs" vs. "marginal cost" to treat each pound of pollutant
  - Adjustment made to exclude the cost of interceptors (mirrors facility charges)
  - Rates are 5-years and do not affect any current purchaser until their "contract expires"

	Asset Charge ($/pound/year)			Operational Charge ($/pound)		
Pollutant	**FY 27**	**FY 26**	**Change**	**FY 27**	**FY 26**	**Change**
TSS	8.73	9.19	-5%	0.3825	0.1279	199%
TP	60.74	63.88	-5%	2.95	1.0723	175%
TN	14.33	15.14	-5%	0.6956	0.3185	118%

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Summary

- Operating Budget $560,441,550
  - Operating Expenses +10.6%
  - Total Operating Budget + 8.3%
  - Final phase of compensation study incorporated
  - Addition of 49 new positions
  - Average monthly residential bill to increase by $4.47/month or $0.15/day
  - Average Cost Per Gallon remains $0.01
- Next steps
  - May 26, Commission Meeting, vote on GM proposed budget
  - Post rates for 4 consecutive weeks
  - Budget effective July 1

Questions?

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PROPOSED

Rate Schedule

For Fiscal Year 2027
(July 1, 2026 - June 30, 2027)

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RATE SCHEDULE • Effective July 1, 2026 – June 30, 2027

1. WASTEWATER TREATMENT RATES – All customers except those in the Small Communities

Consumption based accounts with water meters per 100 cubic feet*	$9.84
Minimum charge per day – metered customers	$0.45
Flat rate accounts (single family residential) per day: less than 1-inch meter	$1.66
Flat rate accounts (single family residential) per day: 1-inch meter	$2.84

2. SMALL COMMUNITIES RATES – (Small Communities include Mathews, King William, Middlesex, Urbanna, Surry, West Point, and the communities of Virginia's Eastern Shore.)

	Wastewater Treatment & Collections		
Community	Rate Per 1,000 gallons	Residential Flat Rate per day Less than 1-inch meter	Residential Flat Rate per day 1-inch meter
Small Communities (except King William)	$20.46	$2.65	$3.83
King William	$20.63	$2.67	$3.85

	Wastewater Treatment Only		
Community	Rate Per 1,000 gallons	Residential Flat Rate per day Less than 1-inch meter	Residential Flat Rate per day 1-inch meter
Small Communities (except King William)	$13.15	$1.66	$2.84
King William	$13.32	$1.68	$2.86

Metered customers minimum charge per day $0.45

Unmetered customers – Single Family Residential (Flat Rate per day) $2.65

Unmetered customers – (Other than Single Family Residential) shall be billed a flat rate based on Equivalent Residential Unit (ERU).

Service	Cost per ERU per day
Treatment and Collections	$2.65
Treatment Only	$1.66

Lawnes Point (a subdivision of Isle of Wight County) metered customers - billed the Sewer Rate published by Isle of Wight Public Utilities in addition to the Wastewater Treatment Rate listed in the aforementioned section 1.

3. TOWN WHOLESALE TREATMENT RATE – Incorporated towns with population less than 2,000

Consumption per 1,000 gallons $3.55

4. HIGH STRENGTH OR UNUSUAL WASTE SURCHARGE

Type	In Excess of	Per mg/L per 100 Cubic Feet*	Per 100 pounds
Biochemical Oxygen Demand (BOD)	297 mg/L^	$0.000190	$ 3.04
Total Suspended Solids (TSS)	282 mg/L^	$0.000642	10.29
Total Phosphorus (TP)	7 mg/L^	$0.008870	142.09
Total Kjeldahl Nitrogen (TKN)	57 mg/L^	$0.003256	52.16

Other Unusual wastes may be assigned a special rate. ^ Domestic Quality Wastewater

5. NUTRIENT CREDITS

Type	Asset Charge ($/pound/year)	Operational Charge ($/pound)
Total Suspended Solids (TSS)	$8.73	$0.3825
Total Phosphorus (TP)	60.74	2.9520
Total Nitrogen (TN)	14.33	0.6956

6. HAULED WASTEWATER (Indirect discharge waste)

Type	Per gallon
Fats, Oils, and Grease (FOG)	$0.3990
Other Approved Hauled Wastes	$0.1936

7. WASTEWATER FACILITY CHARGE

Water Meter Size	Facility Charge	Water Meter Size	Facility Charge
5/8-Inch	$2,745	3-Inch	$99,365
3/4-Inch	$4,275	4-Inch	$191,905
1-Inch	$8,045	6-Inch	$485,320
1 1/2-Inch	$20,345	8-Inch	$937,365
2-Inch	$39,280	10-Inch	$1,561,910

8. SERVICE FEES

Access Card Replacement	$25
Account Documentation Fee	$10 per account per 12-month period
Advance Service Fee	Based on previous 12-month billing
Damaged Lock Fee	$100
Damaged Meter/Antenna Fee	$250 plus cost of meter and/or antenna
Delinquency and Restoration Fee	$15 plus cost imposed by water supplier, if applicable
Inaccessible Meter Fee	$50
Late Payment Fee	1.5% per month
Meter (Deduction) Fee	$2.00 per meter per month
Meter Reading Fee	$75
Meter Removal Fee	Based on the charge imposed by water supplier
Returned Payment Fee	$25
Service Restoration Fee	$100

*100 Cubic Feet = approximately 748 gallons

Additional information is available at: www.hrsd.com/finance or by calling 757.460.2261

Rate Schedule
Fiscal Year - 2027
(July 1, 2026 – June 30, 2027)

1. WASTEWATER TREATMENT RATES (All customers except those in the Small Communities)

   Accounts are billed either according to a water meter reading or, in the absence of a water meter, at a flat rate per day. A minimum rate per day applies to all metered accounts.

   Customers without a utility-owned water meter (typically well water customers) shall be billed according to their own water meter, which must be installed and maintained in accordance with the requirements of this Rate Schedule (except Flat Rate accounts).

   Consumption Based Accounts – Accounts with water meters (wastewater charges are generally based on water meter readings)

   Flat Rate Accounts (typically limited to Single Family Residential) – These are primary residence accounts without water meters or that use a significant amount of water not discharged to the sanitary sewer (irrigation, swimming pools, etc.). Charge is based on actual or typical water meter size.

2. SMALL COMMUNITIES RATES

   Small Communities include Mathews, King William, Middlesex, Urbanna, Surry, West Point and the communities of Virginia's Eastern Shore.

   A minimum rate per day applies to all metered accounts.

   Unmetered Accounts

   Single Family Residential customers without a utility-owned water meter (typically well water customers) shall be billed a Flat Rate per day.

   All other customers, including commercial, government, professional, and multifamily customers without a utility-owned meter (typically well water customers) shall be billed a flat rate based on an Equivalent Residential Unit (ERU) basis. A schedule of fractions or multiples of the ERU is determined by HRSD based on the facility category. This schedule may be subject to verification or revision.

   For wastewater service not described herein, such as decentralized wastewater service, HRSD may bill a rate adequate to cover the cost of service and asset renewal.

   All other rates and fees in this Rate Schedule apply to Small Communities accounts when applicable.

   WASTEWATER TREATMENT AND COLLECTION RATES – Lawnes Point - For metered locations in the Lawnes Point subdivision of Isle of Wight County, accounts are billed the Sewer Rate published by Isle of Wight Public Utilities in addition to the Wastewater Treatment Rate listed in the aforementioned section 1.

   All other rates and fees in this Rate Schedule apply to accounts in the Lawnes Point subdivision in Isle of Wight County when applicable.

3. TOWN WHOLESALE TREATMENT RATE - The Town Wholesale Treatment Rate is the rate paid by an incorporated town per specified unit of measure to recover the costs of conveyance and treatment of Domestic Quality Wastewater when the town does not use all HRSD facilities or need all services provided to a typical customer. This rate is only applicable to incorporated towns with a population less than 2,000.

4. HIGH STRENGTH OR UNUSUAL WASTE SURCHARGE

a. Surcharges

Unusual wastes not covered by this Rate Schedule will be considered separately and may be assigned a special rate.

b. Characterization

To determine the applicability of the surcharge, HRSD will assign an average concentration based on results obtained from similar businesses or may make an initial wastewater monitoring survey of the discharge. Based on business classification averages or survey results, HRSD will institute the surcharge. In cases of unusual wastes not covered by existing surcharge rates, HRSD may allow the customer to provide such tests and equipment needed to provide adequate basis for the surcharge. When wastewater discharge is subject to surcharge, the surcharge may be based on the normal characteristics of that waste. These will be determined from wastewater surveys of discharges from similar operations, wastewater surveys from the individual source, or from industrial, chemical, engineering or other appropriate reference.

c. Pretreatment

Wastewater discharge limitations may be imposed by HRSD to protect transmission and treatment structures or processes and to ensure compliance with federal and state effluent limitation guidelines. Pretreatment before discharge or elimination of the discharge may be required to meet the above guidelines, and/or all health standards as required by the Safe Drinking Water Act. It also may be necessary to remove any type of waste or alter any manner of discharge determined by HRSD to be detrimental to either transmission and treatment structures or processes.

d. Damage to Facilities

In the event either transmission or treatment structures or processes are damaged, or the flow through said structures or processes is hampered by a customer's wastewater discharge, HRSD may make or require to be made, at the customer's expense, such repairs as are necessary to restore transmission or treatment structures or processes to normal system operation.

5. NUTRIENT CREDITS

Nutrient Credit Rates are established to recover the marginal operational cost to treat pollutants and the capacity of assets consumed to treat the pollutants. HRSD, as provided in its Nutrient Credit Management Policy, may elect to sell these credits if it doesn't jeopardize compliance with its waste load allocation.

Generally, the Operational Charge is paid in advance every five years based on the then current rate. The charge will be reassessed every five years based on the rate in effect at the time of reassessment. On a case-by-case basis, intervals other than five years may be considered to support alignment with the credit recipient's permit cycle or needs.

Credits required to meet Virginia Pollutant Discharge Elimination System (VPDES) allocations must be paid annually.

6. HAULED WASTEWATER (INDIRECT DISCHARGE WASTE)

Waste including fats, oils, and grease (FOG) or other approved hauled wastes brought directly to an authorized HRSD Treatment Plant. Refer to www.hrsd.com/waste-hauler for additional information.

7. WASTEWATER FACILITY CHARGE

Wastewater facility charges cover the cost of treatment and conveyance capacity consumed by new connections, new development, or redevelopment resulting in increased wastewater volume or higher strength waste. Facility charges are applied to any sewer or sewer system discharging into HRSD facilities and any increase to existing service. For development occurring at a property previously connected to an existing sanitary sewer tap, the applicable facility charge will be waived for equivalent flow capacity. If a property previously served by a septic tank is connected to the sewer system, the applicable facility charge may be waived for equivalent flow capacity.

a. Volume-Based Facility Charges

These charges apply to all connections and are due and payable prior to the issuance of a building permit/sewer permit by the local jurisdiction. The facility charge shall also be due and payable prior to the renewal and/or reissuance of a building permit except in cases where the applicable facility charge was paid when the building permit was originally issued.

b. Special Exceptions

Where an expansion of existing facilities is planned, a facility charge will be paid for the difference in meter size.

In the case of a property use change (redevelopment), where the number and/or size of meters change, the facility charge will be computed based on the difference between the facility charge (at present rates) for the existing facility and the facility charge for the new facilities. In the case of redevelopment where neither the number nor size of meters change, there will be no facility charge required. No refund will be made for decreases in capacity.

Where service by a single master meter is changed to multiply individual meters, no utility charge will be required if aggregate usage remains unchanged.

When oversized water meters are used for fire service, to decrease pressure loss, to provide residential sprinkler systems or other unusual situations, the facility charge will be based on the meter normally sized for the service involved without these special considerations. The sizing required for service will be based on American Water Works Association (AWWA) flow requirements, certified by a Registered Professional Engineer or Architect and approved by HRSD.

When a significant quantity of metered water is not returned to the sewer, the facility charge will be based on one of the following:

i. The size of the meter supplying water returned to the sewer.
ii. The size of the meter supplying water minus the size of the customer-owned deduction meter, rounded up to the next available meter size. The deduction meter will be calculated in accordance with AWWA M22 Standards.
iii. The appropriate water meter size (as determined by HRSD) if effluent metering is the only alternative.

If the usage pattern changes from that originally intended and more flow enters the sewer system, the facility charge will be increased accordingly.

When a water meter is not installed and the customer is connected to the sewer system, HRSD will use an ERU calculation to determine the comparable water meter size.

When a non-residential water meter size does not accurately represent the wastewater treatment and conveyance capacity consumed (based on HRSD's rate model), the facility charge will be calculated based on the projected capacity consumed multiplied by the rate model's equivalent unit charge $/gallon per day.

c. Refunds

Because of HRSD's certification and allocation of flow policies, payment of a facility charge will not assure connection to the system at the same cost after one year from date of issuance. The holder of a HRSD facility charge receipt, upon written request, will be eligible for refund when:

i. Prior to construction, a change is made in the property which would result in a reduced facility charge.
ii. Building permits are denied or canceled.
iii. Construction has not or will not begin within one year from date of issuance.
iv. The collection was made in error.

No refunds will be issued if HRSD has added treatment or conveyance capacity to the Regional Sanitary Sewer System as a result of the proposed construction prior to the request for a refund.

d. Unusual Situations

For unusual connections or where otherwise indicated, HRSD may make or require to be expensed, such investigations as will provide adequate basis for determination of the facility charge.

8. SERVICE FEES

a. ACCESS CARD REPLACEMENT FEE - When it becomes necessary to replace an electronic access card for automated entry into a HRSD treatment plant or plants, the customer will be required to pay a fee per card.

b. ACCOUNT DOCUMENTATION FEE - A fee per account per 12-month period will be charged each time a customer requests account documentation.

c. ADVANCE SERVICE FEE - In cases of repeated delinquency, the customer will be required to pay an advance service fee. The amount will be based on the customer's previous 12-month billing history. Advance service fees will be refunded or automatically applied upon final billing. A customer whose account has not been delinquent for two years may apply in writing for a refund of an advance service fee.

d. DAMAGED LOCK FEE - When it becomes necessary to lock a meter, and the customer damages the lock or removes the lock in an attempt to resume water service, the customer will be billed a fee. HRSD will arrange for removal of the meter.

e. DAMAGED METER/ANTENNA FEE - When it becomes necessary to replace a meter and/or antenna that the customer damaged, the customer will be billed a fee plus the cost of the meter and/or antenna.

f. DELINQUENCY AND RESTORATION SERVICE FEE - Each customer shall be billed a service fee when HRSD provides warning of impending disconnection or disconnects such customer's meter because of non-payment of wastewater treatment or other delinquent charges or fees.

When any such services relating to the customer's meter are performed by the water supplier on behalf of HRSD, a fee to defray the charge imposed by the water supplier will be applied.

g. INACCESSIBLE METER FEE - When it becomes necessary to access a meter and the customer deliberately blocks access to the meter, the customer will be billed a fee.

h. LATE PAYMENT CHARGE - All bills are due and payable when presented. When full payment is not posted to an account by the due date, a late payment charge of the past due amount will be assessed per month.

i. METER (DEDUCTION) FEE - A fee will be assessed per deduction meter per month.

j. METER READING FEE - In the event HRSD must directly obtain a meter reading due to customer's failure to submit required meter readings, the customer will be required to pay a fee.

k. METER REMOVAL FEE - When water service has been disconnected for non-payment and it becomes necessary to remove the meter, a fee to defray the charge imposed by the water supplier will be applied.

l. RETURNED PAYMENT FEE - A fee will be billed each time a financial institution returns a customer's payment. This fee will be refunded upon receipt of satisfactory evidence that the payment was returned solely due to the financial institution's error.

m. SERVICE RESTORATION FEE - Customers who have made a sufficient payment following disconnection of water service and request to have service restored outside of standard restoration hours will be billed a fee.

9. PAYMENT PLAN - A courtesy payment plan may be available for customers temporarily having difficulty managing their bill. Customers approved for a payment plan must maintain eligibility requirements which include maintaining a current account and making timely scheduled payments without a history of late or returned payments.

10. SERVICES RECEIVED WITHOUT BILLING - Wastewater treatment charges may be assessed for services received but not billed (for any reason) for a period of up to three prior years. The rate in effect in the year wastewater treatment services were provided will be applied. If necessary, at HRSD's sole discretion, payment plans may be established for payment of delayed billing or unbilled previous service.

11. FLAT RATE ACCOUNTS

Single family residential customers using a significant amount of water not discharged into the sanitary sewer system (typically irrigation systems or swimming pools) can establish a flat rate account with HRSD.

The General Manager or Chief Financial Officer may approve a flat rate account for water meters greater than 1-inch if the requester provides sufficient evidence there is a significant portion of water not discharged into the sanitary sewer system relative to average residential water consumption. Alternatively, these customers may have a separate water service installed by their local water provider solely for the uses that do not discharge to the sanitary sewer. This separate service will not be billed wastewater treatment charges by HRSD. Other local water charges may apply. Customers should check with their local water provider for details.

12. CUSTOMER-OWNED METERS

a. Service Meters

i. Meters must be purchased, permanently installed and maintained at the customer's expense.

ii. The customer is required to provide HRSD a meter reading by the 10th day of each month. Charges will be based on this Rate Schedule. If a meter reading is not received by the 10th day of the month, HRSD will bill estimated wastewater treatment charges (and applicable surcharges) based upon consumption determined by HRSD. If the customer fails to provide a meter reading for a third consecutive month, HRSD will read the meter and calculate wastewater treatment charges (and applicable surcharges) based on consumption since the last actual meter reading, less consumption on the estimated billings. A meter reading fee will be assessed.

iii. All meters installed are subject to periodic inspection and reading by HRSD personnel to ensure the accuracy of billings. Meters may be required, at the customer's expense, to be certified as accurate to manufacturer's specifications. A copy of the certification, if required, must be provided to HRSD. Meters installed after July 1, 1992, must be installed in such a manner as to provide one person access as defined in HRSD's Confined Space Entry Program.

iv. Defective meters must be repaired or replaced at the customer's expense. Billing in the interim will be based on an estimate by HRSD. If necessary, an adjustment will be made based on six months of metered consumption using repaired or replaced meters.

b. Deduction Meters (sub-meters)

Existing commercial, industrial, multi-family residential customers with their own deduction meter installed and registered with HRSD prior to July 1, 2009, can meter their own water use not discharged to the sanitary sewer system. That meter information must be reported to HRSD for a reduction of billed consumption (wastewater treatment charges only). Failure to submit at least one deduction meter reading in a 12-month period will result in permanent termination of deduction meter credits for any single-family residential account. Customer- owned deduction meters shall be installed, maintained, read and reported to HRSD as follows:

i. To receive a reduction in wastewater treatment charges, the customer must provide a deduction meter reading to HRSD each billing period. Customers should submit their readings to HRSD five to seven days prior to their scheduled meter-read date to ensure the maximum deduction. The meter-read date can be found on the customer's bill and generally falls on or about the same day of the month for each billing cycle. Deduction meter readings submitted after the stated meter-read date will not be reflected for that billing cycle. If multiple deduction meter readings are submitted within the same bill period, the latest read will be used to calculate the credit.

ii. After receiving the deduction meter reading HRSD will make the appropriate reduction in billed consumption, which will be reflected on the next bill. **Billed wastewater treatment charges will not be reduced below the minimum charges per this Rate Schedule.**

iii. All installed meters are subject to HRSD's inspection and verification of submitted readings. HRSD may require meters to be calibrated and their accuracy certified at the customer's expense. A copy of any required certification must be provided to HRSD. Meters installed after July 1, 1992, must be installed in a manner that provides one person access as defined in HRSD's Confined Space Entry Program.

iv. Defective meters must be repaired or replaced at the customer's expense. Otherwise, no deduction will be allowed.

v. Installation of a meter must have complied with the local water jurisdiction's cross-connection control program (backflow prevention).

c. Non-Residential Account – Special Meter

For special situations, HRSD may require the installation of submeters and/or effluent meters if this is the most practical means of determining the Wastewater Treatment Charge. Installation and charges will be based on the requirements of this Rate Schedule.

d. For commercial accounts and in unusual situations and when meters are not present or feasible to install, HRSD may approve the use of pump runtimes to calculate wastewater flows as a substitute for a meter.

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Hampton Roads Sanitation District
1434 Air Rail Avenue
Virginia Beach, VA 23455
www.HRSD.com

HRSD
Sustainable, Innovative Wastewater Treatment

HRSD
Sustainable, Innovative Wastewater Treatment

PROPOSED

Operating Budget

Fiscal Year 2027
(July 1, 2026 - June 30, 2027)

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General Manager/CEO's Introduction

In 1940, Virginia voters made a bold and forward-looking decision to address pollution in the Hampton Roads region by approving a referendum that established the Hampton Roads Sanitation District (HRSD). This milestone marked the culmination of a 15-year grassroots effort that began when the Virginia Department of Health closed local shellfish beds due to contamination. At the time, more than 30 million gallons of untreated sewage were being discharged into Hampton Roads each day. It would take another 32 years before water pollution was addressed at the national level with the passage of the Clean Water Act in 1972.

Over the past 85 years, HRSD has grown into the nation's 14th largest wastewater utility and one of its most innovative. Today, with 14 treatment facilities serving 20 cities and counties and a combined capacity of 226 million gallons per day, HRSD has eliminated the discharge of untreated sewage from homes and businesses across coastal Virginia. While these accomplishments are significant, the work continues as we further improve water quality and protect the region's long-term investment in critical wastewater infrastructure.

The HRSD Commission—an eight-member board appointed by the Governor of Virginia—approved the Fiscal Year 2027 budget at its regular meeting on May 26, 2026. In developing this budget, the Commission and HRSD staff remained focused on five Strategic Priorities: Environmental Responsibility, Talent, Innovation, Financial Stewardship, and Community Engagement. This budget reflects our continued commitment to protecting the waters of Hampton Roads while maintaining responsible financial stewardship on behalf of our ratepayers.

Like many sectors, the cost of providing essential services continues to be affected by inflation. Even so, wastewater treatment remains an exceptional value in Hampton Roads, with the typical household paying about one cent per gallon for a service that is essential to both public health and the environmental well-being of our region.

Chesapeake Bay Restoration

The Chesapeake Bay—the nation's largest and most iconic estuary—is a national treasure that continues to face significant challenges from nutrient pollution, largely driven by agriculture, stormwater runoff, and wastewater. With more than 18 million people living in the Bay watershed, wastewater accounts for roughly 20 percent of the excess nutrients entering the system.

Since 2006, HRSD has invested hundreds of millions of dollars in advanced treatment technologies, along with significant ongoing operational costs, to meet increasingly stringent federal nutrient reduction requirements. Despite these substantial efforts, current nutrient removal levels remain insufficient to achieve the Bay's overall restoration goals.

To help close this gap—particularly given slower progress from largely unregulated sources such as agriculture—the Commonwealth of Virginia has placed additional nutrient reduction requirements on HRSD's facilities. In 2021, the Virginia General Assembly enacted legislation establishing the Enhanced Nutrient Removal Certainty Program, requiring HRSD to invest nearly $2 billion in nutrient removal and related treatment upgrades. A significant portion of this work will be completed by Fiscal Year 2027, with full program completion required by 2032.

While many of these projects were already part of HRSD's long-term plans, the legislated timeline significantly accelerates their delivery. This compressed schedule limits flexibility to plan and implement the most cost-effective solutions, ultimately increasing the financial burden on HRSD and its ratepayers.

HRSD's Integrated Plan – Prioritized Investments to Address Hampton Roads Water Issues

Although the regional sanitary sewer system was not designed to carry stormwater, it can become overwhelmed during major storm events by rainwater runoff, groundwater infiltration, and tidal intrusion. When flows exceed system capacity, Sanitary Sewer Overflows (SSOs) can occur, allowing untreated sewage to reach local streets. The U.S. Environmental Protection Agency (EPA) has made reducing SSOs a national priority under the Clean Water Act, though achieving this goal presents significant financial challenges.

Fortunately, SSOs in Hampton Roads are relatively uncommon, due in part to the region's use of separate sanitary sewer and stormwater systems—unlike the combined systems found in many older urban areas. While HRSD remains committed to reducing and ultimately eliminating SSOs, their impact on local water quality is minimal, and the measurable benefits of full elimination are often limited.

In 2014, through negotiations with the EPA and in an effort to minimize regional costs, HRSD and its local government partners (the Localities) agreed to a cooperative regional approach to increase wet weather flow capacity. Although HRSD does not own the Localities' collection systems, it assumed responsibility for implementing prioritized capacity improvements across both its own infrastructure and the Localities' systems. This collaborative strategy significantly reduced overall compliance costs for the region.

More recently, the EPA introduced a "One Water" approach through its Integrated Planning Framework, allowing utilities to prioritize capital investments in ways that best protect public health and improve water quality. After several years of coordination with the EPA, the Virginia Department of Environmental Quality (DEQ), and the Localities, HRSD's Integrated Plan was approved on February 8, 2022. This plan marks a major milestone in regional collaboration, enabling HRSD to focus resources on the most critical water quality challenges while supporting long-term environmental and financial sustainability.

HRSD's SWIFT Program Offers Multiple Benefits and Saves the Region $5 Billion

At the heart of this Integrated Plan is HRSD's Sustainable Water Initiative for Tomorrow (SWIFT) program. This program will take HRSD's already highly treated water that would otherwise be discharged into the James and Elizabeth rivers and further treat it to meet drinking water standards to be used to recharge the groundwater aquifer. SWIFT will help to:

* *Provide a sustainable source of groundwater*
* *Slow the rate of land subsidence due to over withdrawal of the aquifer*
* *Block saltwater intrusion by creating a pressurized freshwater barrier, and*
* *Significantly reduce HRSD's nutrient discharges to the James and Elizabeth rivers.*

As a result of the projected reduction in nutrients, HRSD established nutrient trading agreements with each Locality allowing them to save over $2 billion in required stormwater retrofits required by the end of 2025.

Given SWIFT's significant environmental benefits for the region, HRSD is prioritizing SWIFT construction efforts and implementing two phases of high priority wet weather projects in our Integrated Plan. The key regulatory requirements include:

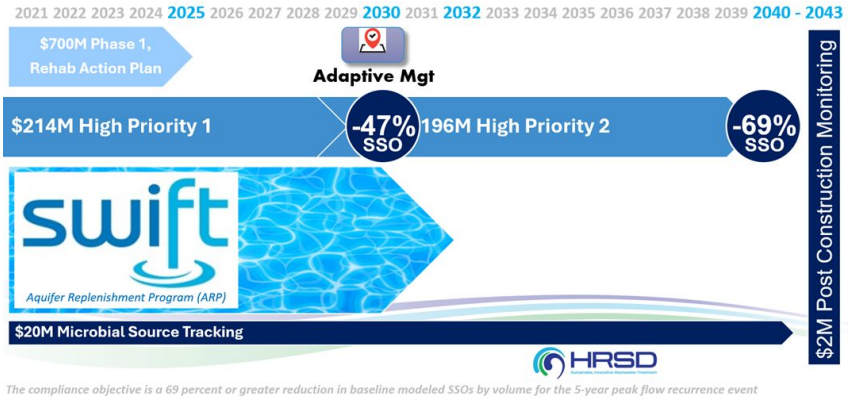
** $214 million of High Priority Wet Weather Projects from 2020 to 2030 to remove 47 percent of projected SSO volume*

** $250 million in improvements as part of our Rehabilitation Action Plan by 2025*

** $196 million of additional High Priority Wet Weather Projects from 2031 to 2040 to remove an additional 22 percent of SSO volume for a total reduction of 69 percent*

** Over $1 billion spent on SWIFT through 2032, and*

** $20 million in microbial source tracking through 2040.*



HRSD's Integrated Plan not only complies with the Clean Water Act for SSOs, but also with nutrient reduction requirements for the Chesapeake Bay restoration. Between 2011 and 2032, over 80 percent of the total nitrogen and total phosphorus will be eliminated from the Lower James River Basin.

In addition to helping to provide a sustainable groundwater supply, reducing the rate of land subsidence to lessen the effects of sea level rise in the region, protecting the aquifer from saltwater intrusion, and improving the health of the Chesapeake Bay, according to ODU's Dragas Center for Economic Policy, HRSD's regional approach to these regulatory requirements will save the region over $5 billion versus requiring each Locality to individually comply with the Clean Water Act and Chesapeake Bay nutrient reductions. ODU's estimates that our ratepayer bills are 47% lower with this One Water approach.

Pursuing Innovative Solutions to Reduce Costs and Protect Water Quality

HRSD continues to lead international research focused on reducing the cost of nutrient removal and improving the efficiency of wastewater treatment. These efforts are strengthened through strategic partnerships with leading universities and innovative utilities around the world. By applying insights gained through this collaboration, HRSD has already achieved significant results—lowering operating costs and avoiding the need for certain capital investments. A prime example is the York River Treatment Plant, the first facility in the world to implement mainstream deammonification. This groundbreaking, patented innovation delivers approximately $1 million in annual savings and has avoided an estimated $100 million in capital costs. HRSD's most prolific technology is inDENSE, which is a gravimetric selector using a hydrocyclone that can add 30%-50% capacity without adding new tanks. It is installed in over 140 utilities in 40 different countries.

Financing a Sustainable Water Future

Over the next five years, 59 percent of HRSD's $2.4 billion of capital improvement investments in the region are driven by evolving environmental regulations. To meet these requirements while minimizing the financial burden on customers, HRSD actively pursues low-cost financing strategies. HRSD is currently the largest borrower in the Virginia Clean Water Revolving Loan Fund (VCWRLF), administered by the Virginia Department of Environmental Quality and the Virginia Resources Authority. This federally subsidized program offers loans with interest rate reductions of up to 1.5% over 20 years.

In addition, HRSD secured $1.32 billion in Water Infrastructure Finance and Innovation Act (WIFIA) loans to support the Sustainable Water Initiative for Tomorrow (SWIFT) program, with approximately $970 million of that total locked in at a favorable 2.42 percent interest rate. Compared to current market conditions, these financing strategies are expected to save ratepayers more than $390 million over the life of the loans.

HRSD is also actively pursuing Virginia Water Quality Improvement Fund (WQIF) grants to help offset the costs of required nutrient reduction projects. However, the availability of these funds is contingent upon annual appropriations by the Virginia General Assembly.

The Community's Role

Our ratepayers play an important role in helping HRSD manage costs—and, in turn, control their own. Simple actions at home can make a meaningful difference by reducing strain on the wastewater system and improving overall efficiency. For example, making sure stormwater from downspouts, area drains, and sump pumps is not connected to the sanitary sewer system, and maintaining private sewer service lines to prevent leaks, can significantly reduce the amount of excess water entering the system.

Proper disposal habits also matter. Throwing fats, oils, and grease in the trash instead of down the drain helps prevent blockages and lowers maintenance and operating costs. The same is true for medications and other substances that wastewater treatment plants are not designed to remove. These should never be flushed, and so-called "flushable" wipes should be avoided, as they do not break down and can cause costly clogs. Every flush truly does count.

As we reflect on nearly 85 years of protecting public health and preserving the waters of Hampton Roads, we recognize the vision and determination of the Virginians who, in 1940, took bold action to safeguard our environment. Their foresight is the reason we enjoy clean waterways today.

Looking ahead, continued innovation, investment, and shared responsibility will be essential to ensure future generations inherit not only clean water—but the knowledge and tools to protect it.

Sincerely,

Jay A. Bernas, PE

General Manager/CEO

Principal Officials

May 1, 2026

COMMISSIONERS

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General Manager/Chief Executive Officer

STEVEN G. DE MIK, CPA
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Chief of Water Quality

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ELIZABETH I. SCOTT
Commission Secretary

COUNSEL, ADVISOR, TRUSTEE

SANDS ANDERSON PC
General Counsel

PFM FINANCIAL ADVISORS LLC
Financial Advisor

NORTON ROSE FULLBRIGHT US LLP
Bond Counsel

AQUALAW PLC
Special Counsel

THE BANK OF NEW YORK MELLON
Trustee and Bond Registrar

Key Facts

SERVICE AREA AND OPERATIONS	
Date Established	November 5, 1940
Communities Served	20 communities encompassing 4,998 square miles
Population Served	HRSD is a political subdivision of the Commonwealth of Virginia, created for the specific purpose of water pollution abatement in Hampton Roads by providing a system of interceptor mains and wastewater treatment plants. About 1.9 million, nearly one-fifth of Virginia's population, reside in HRSD's service area.

OPERATION AND FACILITIES	
No. of Positions (FY-2027)	1,028
Miles of Pipelines	557 Miles
Wastewater Treated	140 million gallons per day average
Wastewater Capacity	226 million gallons per day

FINANCIAL INFORMATION

Bond Ratings

Ratings Agency	Senior Debt
Standard & Poor's	AA+
Fitch Ratings	AA
Moody's Investors Service	Aa1

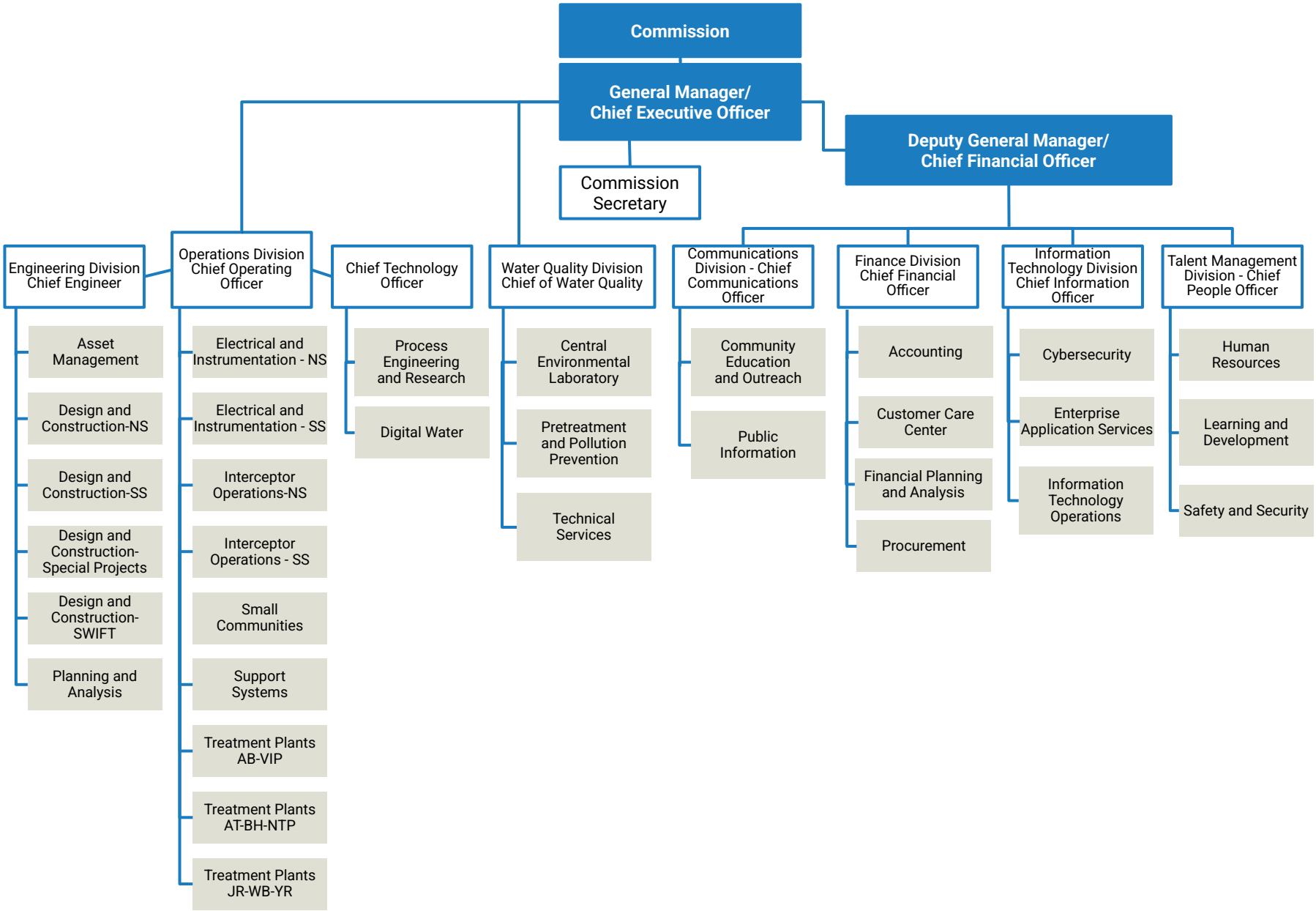
Operating Budget

Operating Budget (FY-2027)	$560,441,550

Service Area

Organization Chart

July 1, 2026



History

HRSD can trace its beginnings to 1925 when the Virginia Department of Health condemned a large oyster producing area in Hampton Roads. The closure resulted in the Virginia General Assembly creating in 1927 a "Commission to Investigate and Survey the Seafood Industry of Virginia." Other studies recommended a public body to construct and operate a sewage system in the area. HRSD was named after Hampton Roads, a ship anchorage used for five centuries located near the convergence of the James, Elizabeth and Nansemond Rivers, before they flow into the Chesapeake Bay in southeastern Virginia.

In 1934, the Virginia General Assembly created the Hampton Roads Sanitation Disposal Commission with instructions to plan the elimination of pollution in Hampton Roads. Recommendations were made to the General Assembly, which resulted in the Sanitary Districts Law of 1938, along with "an Act to provide for and create the Hampton Roads Sanitation District." This Act required the qualified voters within HRSD to decide in a general election on November 8, 1938, if they favored creation of such a District. This referendum failed to gain a majority by about 500 votes out of nearly 20,000 votes cast. This led to a revision of the Act and another referendum was held on November 5, 1940, which resulted in a majority vote for the creation of the Hampton Roads Sanitation District.

The Enabling Act provides for HRSD to operate as a political subdivision of the Commonwealth of Virginia for the specific purpose of water pollution abatement in Hampton Roads by providing a system of interceptor mains and wastewater treatment plants. Its affairs are controlled by a Commission of eight members appointed by the Governor for four-year terms. Administration is under the direction of a General Manager, supported by division chiefs and their staffs.

HRSD began operations on July 1, 1946, using facilities acquired from the United States Government. The Warwick County Trunk Sewer, HRSD's first construction project, began on June 26, 1946, and was funded by HRSD's $6.5 million Primary Pledge Sewer Revenue Bonds, dated March 1, 1946. The first treatment plant, the Army Base Plant, began operation on October 14, 1947. Since that time, the facilities of HRSD have grown to provide sanitary sewer service to all major population centers in southeastern Virginia. The population served has increased from nearly 288,000 in 1940 to about 1.9 million in 2026.

Throughout its rich history HRSD has earned many of its industry's most prestigious awards. This tradition continued as HRSD earned the Award for Outstanding Achievement in Popular Annual Financial Reporting from the Government Finance Officers Association for a second year in a row for its Popular Annual Financial Report, issued in Fall 2025 for the Fiscal Year ended June 2024.

Additional awards and honors received during the fiscal year ended June 30, 2025, and up through production of this publication (March 2026) include a Governor's Gold Medal Environmental Excellence Award for the "James River Land Improvements - Trails Phase I" project, National Association of Clean Water Agencies (NACWA) Peak Performance Awards for 11 HRSD treatment plants, Grand Award Winner at the 2026 American Council of Engineering Companies (ACEC) Virginia Engineering Excellence Awards for the James River Crossing project, the Technical Achievement in Government Award for the Sustainable Water Initiative for Tomorrow (SWIFT) project, given by Innovate Hampton Roads, the Sustained Distinguished Performance as a Model Level River Star Business from the Elizabeth River Project, and National Association of Clean Water Agencies (NACWA) National Environmental Achievement Awards in the categories of Community Leadership, Operational and Environmental Performance, Public Information and Education, and Research and Technology.

Rate Schedule

WASTEWATER TREATMENT RATE SCHEDULE

Service	FY-2027		FY-2026	
Flow (monthly basis)				
Per CCF *		$ 9.84		$ 9.03
Minimum charge (per day)		0.45		0.30
Surcharge, per milligrams/liter per CCF	In Excess of		In Excess of	
Biochemical Oxygen Demand (BOD)	297 mg/L	$ 0.000190	297 mg/L	$ 0.000185
Total Suspended Solids (TSS)	282 mg/L	0.000642	282 mg/L	0.000617
Total Phosphorus (TP)	7 mg/L	0.008870	7 mg/L	0.009068
Total Kjeldahl Nitrogen (TKN)	57 mg/L	0.003256	57 mg/L	0.003000
Surcharge, per 100 pounds				
Biochemical Oxygen Demand (BOD)	297 mg/L	$ 3.04	297 mg/L	$ 2.97
Total Suspended Solids (TSS)	282 mg/L	10.29	282 mg/L	9.88
Total Phosphorus (TP)	7 mg/L	142.09	7 mg/L	145.25
Total Kjeldahl Nitrogen (TKN)	57 mg/L	52.16	57 mg/L	48.05
Nutrient Credits				
Asset Charge ($/pound/year)				
Total Suspended Solids (TSS)		$ 8.73		$ 9.19
Total Phosphorus (TP)		60.74		63.88
Total Nitrogen (TN)		14.33		15.14
Operational Charge ($/pound)				
Total Suspended Solids (TSS)		$ 0.3825		$ 0.1279
Total Phosphorus (TP)		2.9520		1.0723
Total Nitrogen (TN)		0.6956		0.3185
Other Approved Hauled Wastes (per gallon)		$ 0.1936		$ 0.1849
Fats, Oils, and Grease (FOG) (per gallon)		0.3990		0.3804
Town Wholesale Treatment (per 1000 gallons)		3.55		3.55
Residential flat rate (per day) by meter size				
Less than 1 Inch		$ 1.66		$ 1.52
1 Inch		2.84		2.61

* CCF = 100 Cubic Feet (approximately 748 gallons)

VOLUME BASED FACILITY RATE SCHEDULE

Meter Size	FY-2027	FY-2026
5/8 Inch	$ 2,745	$ 2,540
3/4 Inch	4,275	4,275
1 Inch	8,045	7,685
1 ½ Inch	20,345	19,175
2 Inch	39,280	37,300
3 Inch	99,365	95,250
4 Inch	191,905	185,240
6 Inch	485,320	473,040
8 Inch	937,365	919,990
10 Inch	1,561,910	1,541,210

Rate Schedule

SMALL COMMUNITIES RATE SCHEDULE

Rates	FY-2027	FY-2026
Wastewater Treatement & Collections		
Per 1,000 gallons		
Small Communities (except for King William)	$ 20.46	$ 18.60
King William	20.63	18.77
Residential flat rate (per day) Less than 1-inch meter		
Small Communities (except for King William)	$ 2.65	$ 2.40
King William	2.67	2.43
Residential flat rate (per day) 1-inch meter		
Small Communities (except for King William)	$ 3.83	$ 3.49
King William	3.85	3.52
Wastewater Treatment Only		
Per 1,000 gallons		
Small Communities (except for King William)	$ 13.15	$ 12.07
King William	13.32	12.24
Residential flat rate (per day) Less than 1-inch meter		
Small Communities (except for King William)	$ 1.66	$ 1.52
King William	1.68	1.55
Residential flat rate (per day) 1-inch meter		
Small Communities (except for King William)	$ 2.84	$ 2.61
King William	2.86	2.64
Unmetered Accounts	$ 2.65	$ 2.40
Minimum charge - metered accounts (per day)	0.45	0.30

FEES

Fees	FY-2027	FY-2026
Damaged meter/antenna (plus cost of meter/antenna)	$ 250	$ 250
Damaged lock	100	100
Service restoration	100	100
Meter reading (customer-owned meter)	75	75
Inaccessible meter	50	50
Access card replacement	25	25
Returned payments	25	25
Delinquency and restoration fee	15	15
Account documentation	10	10
Deduction meter (per meter per month)	2	2

Reader's Guide to the Annual Budget

PURPOSE

The Annual Budget is an instrument that sets HRSD's budgetary policy and authorization to raise revenues and spend funds each fiscal year. The development of the Annual Budget is guided by HRSD's promise and vision statements:

- Promise: We promise to treat wastewater and recover natural resources to protect public health and the environment.
- Vision: Our communities will have clean waterways and reliable water resources for generations to come.

ANNUAL BUDGET OVERVIEW

HRSD's Annual Budget contains the following sections:

Financial Forecast

This section provides a high level, 20-year forecast of projected: revenues, operating expenses, debt service costs, transfers to both the Capital Improvement Plan and reserves, investments in capital assets and selected financial ratios that help to measure the financial health of HRSD. The forecast is an inflationary based model where trends from past fiscal years and proposed budgets are used to forecast future operating needs. Transfers to reserves and to the Capital budget are forecast to be in amounts that are not less than requirements established within HRSD's Financial Policy.

Operating Budget

The Operating Budget represents the authorization by the HRSD Commission to spend funds directly related to operating and maintaining HRSD's programs and assets during the fiscal year. This section includes each division's annual operating budgets. Those expenses that are not attributable to a specific division are assigned to "General Expenses." Transfers represent authorization to transfer revenues raised from operations to either the Capital Budget or to various reserves established in HRSD's Financial Policy. The Operating Budget Summary provides the budget by division and major object code classification. Division Budgets and General Expenses, Debt Service and Transfers detail budget expenditures by major object code classification. The number of full-time positions authorized for the fiscal year is provided by division.

Capital Budget

The Capital Budget represents a plan of specific, major capital improvements over a period of ten fiscal years. The Capital Budget is not an approval or appropriation of funds for individual projects. There is no authorization or funding for individual projects until the Commission acts on the specific project. The Commission formally authorizes spending for individual projects throughout a fiscal year and generally upon project initiation.

The Capital Budget details the funding sources for capital improvements as well as planned expenditures.

A formal, detailed, Capital Improvement Program with more specific project information is available at https://www.hrsd.com/cip.

HRSD's budget authorizations, capital improvement plans, user rate setting practices and other significant financial practices are guided by HRSD's Financial Policy and Revenue Policy. The Financial Policy and Revenue Policy are available at http://www.hrsd.com/finance.

HRSD's Rate Schedule is available at http://www.hrsd.com/finance.

BUDGETARY PROCESS

HRSD prepares its Annual Budget under the provisions of its enabling legislation and its Trust Agreement. In accordance with those provisions, the following process is used to adopt the Annual Budget:

- The process begins in late December with the issuance of the Annual Budget Instructions from the Chief Executive Officer/General Manager (CEO). Each division completes its Operating Budget by March 1 for the CEO's review.
- The HRSD Commission appoints a Finance Committee which typically consists of three Commissioners. The committee generally meets in March and April to review the budgets.
- The final Annual Budget, which incorporates the Operating and Capital Budgets, is presented at the May Commission meeting for adoption. The Commission adopts the budget and any resulting wastewater rate schedule changes. All rate adjustments must be publicly advertised four consecutive weeks before they can take effect.

BUDGETARY ACCOUNTING AND CONTROL

HRSD operates in accordance with annual operating and capital budgets prepared on a basis of accounting that is different from generally accepted accounting principles.

The Operating Budget is adopted by division, with budgetary controls exercised administratively by management at the division level. The CEO is authorized to add or eliminate positions and transfer funds among divisions without further approval by the Commission. Appropriations lapse at the end of the fiscal year. Valid, outstanding encumbrances (those for which performance under a contract is expected in the next year) are re-appropriated without further approval by the Commission and become part of the subsequent year's budget.

The Capital Budget represents a ten-year plan. Funds for the Capital Budget are adopted on a project basis throughout the fiscal year and continue until the purpose of the appropriation has been fulfilled. Transfers between projects require approval by the Commission.

Glossary of Financial Terms

Adjusted Days Cash on Hand: Days Cash on Hand that excludes accrued debt service, the Risk Reserve, the Renewal and Replacement Reserve, and cash earmarked for the CIP.

Appropriation: An authorization granted by the Commission to incur obligations for specific purposes. Appropriations are usually limited to amount, purpose and time.

Basis of Accounting: HRSD's financial statements report the financial position and results of operations of HRSD in accordance with generally accepted accounting principles in the United States of America.

Bond Ratings: A grade given to bonds that represents a measure of their credit quality. Private independent rating services such as Standard & Poor's, Moody's and Fitch provide these evaluations of a bond issuer's financial strength, or its ability to pay a bond's principal and interest in a timely fashion.

Capital Improvement Program (CIP): Ten-year plan for major non-recurring facility, infrastructure, or acquisition expenditures that expand or improve HRSD and/or locality assets. Projects included in the CIP include physical descriptions, implementation schedules, year of expenditure cost and funding source estimates, and an indication of HRSD Commission priorities and community benefits.

Centum Cubic Feet (CCF): Typical unit in which industrial-consumption of natural gas or water is measured; each CCF being 100 cubic-feet.

CIP Percent Cash Funded: Percent of each year's capital improvement plan funded with cash through transfers from operations. HRSD's Financial Policy requires that at least 15 percent of each year's planned capital improvements be funded with cash.

Days Cash on Hand: Measured by current and non-current unrestricted cash and investments, plus any restricted cash and investments, if available for general system purposes, divided by Operating Expenses, divided by 365.

Debt Service: Amount of money necessary to pay principal and interest on debt outstanding.

Debt Service as a Percent of Revenues: Total debt service divided by total revenue. This ratio measures the debt service burden compared to total revenues.

Debt Service Coverage: Current-year revenues available for debt service divided by current-year debt service. This ratio indicates the financial margin to meet current debt service with current revenues available. HRSD's Financial Policy requires that Debt Service Coverage, as defined in its Trust Agreement, will not be less than 1.4 times debt service. HRSD's Trust Agreement requires Debt Service Coverage, which is determined by dividing the Income Available for Debt Service by the Maximum Annual Debt Service, to not be less than 1.2 times.

Net Performance Margin: The Financial Forecast includes a Net Performance Margin, reflecting HRSD's consistent track record of delivering wastewater treatment services below the authorized budget through operational efficiencies, disciplined execution, and ongoing cost management. This margin is not a contingency or reserve, but a data-informed adjustment based on historical performance trends. Incorporating it provides a more realistic estimate of the future rate adjustments needed to meet HRSD's financial targets while providing full transparency around the authorized funding level.

Risk Management Reserve: HRSD maintains a self-insurance program for some of its risk exposures. HRSD's Financial Policy requires HRSD to maintain a Risk Management Reserve as of the end of the fiscal year of not less than 25 percent of projected annual self-insured claims costs for known, retained risks.

Trust Agreement: The formal agreement between bond holders, acting through a trustee, and HRSD.

Unrestricted Cash: Unrestricted cash and investments at fiscal year-end that are not earmarked for another purpose.

Financial Forecast

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Financial Forecast

Each fiscal year, HRSD establishes and updates a 20-year financial forecast. The forecast is a comprehensive forward-looking estimate of HRSD's financial performance based on historical data, capital market trends and management insights. It serves as a critical tool for planning, decision making, capital investments and understanding projected cash flows. Transfers to reserves and to the Capital Improvement Plan are forecast to be in amounts that are not less than the parameters established in HRSD's Financial Policy.

The financial forecast was prepared assuming that HRSD will receive $1.3 billion in Water Quality Improvement Fund (WQIF) grants for its projects identified in Virginia's Enhanced Nutrient Removal Certainty Program (ENRCP). WQIF is Virginia's longstanding funding program to support the restoration and protection of water quality in Virginia. While eligibility criteria, as established in state law, includes wastewater nutrient removal upgrades and certain conveyance projects that divert wastewater flow to wastewater treatment plants with nutrient removal, program funding is subject to appropriation by the Virginia General Assembly.

WQIF plays a critical role in supporting the Hampton Roads region. Without such support, the forecast will need to be revised, and rate payers' bills would see an additional increase of at least 15 percent for HRSD to meet its federal and state mandated water quality objectives. Fortunately, the WQIF program has been sufficiently supported by state appropriations since its establishment in 1997, allowing the state to pay a share of eligible project costs for reducing nutrient discharges into state waters.

HRSD Financial Forecast

FY-2027 - FY-2036

(in thousands)

	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Operating Budget										
Revenues	$ 560,442	$ 585,210	$ 610,477	$ 632,001	$ 652,415	$ 673,660	$ 695,626	$ 718,361	$ 741,851	$ 766,080
Less:										
Operating Expenses	265,295	288,335	309,791	346,948	365,422	385,986	404,906	424,759	445,589	467,446
Debt Service	111,745	107,649	119,190	120,477	118,977	114,720	114,986	117,617	120,787	121,480
Transfers to Capital Improvement Plan	183,402	189,226	181,496	138,586	150,320	153,268	157,604	156,966	155,521	156,220
Transfers to Reserves	$ -	$ -	$ -	$ 25,990	$ 17,696	$ 19,686	$ 18,130	$ 19,019	$ 19,954	$ 20,934
Transfers to Capital Improvement Plan	183,402	189,226	181,496	138,586	150,320	153,268	157,604	156,966	155,521	156,220
Net Performance Margin	13,265	14,417	15,490	17,347	18,271	19,299	20,245	21,238	22,279	23,372
Adjusted Transfers to Capital Improvement Plan	$ 196,667	$ 203,643	$ 196,986	$ 155,933	$ 168,591	$ 172,567	$ 177,849	$ 178,204	$ 177,800	$ 179,592
Capital Improvement Plan	$ 730,000	$ 510,000	$ 310,000	$ 280,000	$ 290,000	$ 250,000	$ 250,000	$ 250,000	$ 250,000	$ 250,000
Financial Ratios										
Days Operating Expenses Available in Reserves	418	384	358	347	347	347	347	347	347	347
Debt Service Coverage Ratio	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Portion of Capital Improvement Plan Debt Financed	16%	40%	22%	37%	0%	5%	29%	29%	29%	28%
Average Monthly Bill	$ 54.12	$ 57.09	$ 59.71	$ 61.87	$ 63.94	$ 66.09	$ 68.32	$ 70.63	$ 73.01	$ 75.47

HRSD Financial Forecast

FY-2037 - FY-2046

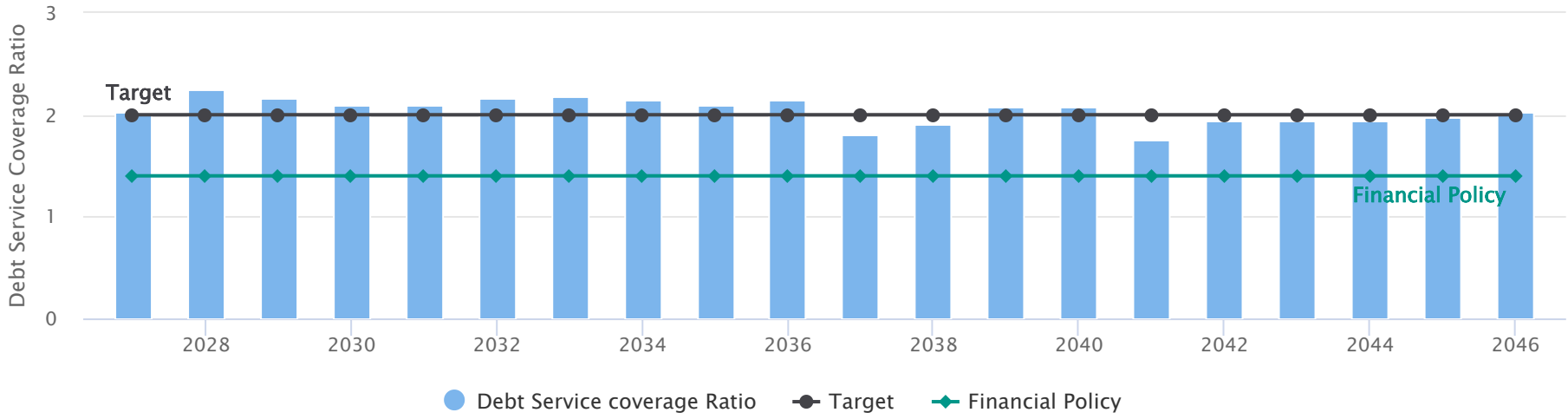
(in thousands)

	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046
Operating Budget										
Revenues	$ 790,990	$ 816,990	$ 843,733	$ 875,600	$ 908,621	$ 942,592	$ 978,160	$ 1,021,100	$ 1,065,524	$ 1,112,404
Less:										
Operating Expenses	488,559	505,847	526,386	547,763	572,453	593,171	617,274	642,362	668,475	695,621
Debt Service	149,960	144,981	136,096	140,591	171,216	159,485	165,307	173,653	179,886	184,389
Transfers to Capital Improvement Plan	132,239	149,557	161,553	166,747	141,298	170,051	172,471	181,035	192,134	206,376
Transfers to Reserves	$ 20,232	$ 16,605	$ 19,698	$ 20,499	$ 23,654	$ 19,885	$ 23,108	$ 24,050	$ 25,029	$ 26,018
Transfers to Capital Improvement Plan	132,239	149,557	161,553	166,747	141,298	170,051	172,471	181,035	192,134	206,376
Net Performance Margin	24,428	25,292	26,319	27,388	28,623	29,659	30,864	32,118	33,424	34,781
Adjusted Transfers to Capital Improvement Plan	$ 156,667	$ 174,849	$ 187,872	$ 194,135	$ 169,921	$ 199,710	$ 203,335	$ 213,153	$ 225,558	$ 241,157
Capital Improvement Plan	$ 276,181	$ 284,230	$ 310,174	$ 348,331	$ 325,155	$ 344,375	$ 318,578	$ 250,000	$ 250,000	$ 250,000
Financial Ratios										
Days Operating Expenses Available in Reserves	347	347	347	347	347	347	347	347	347	347
Debt Service Coverage Ratio	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Portion of Capital Improvement Plan Debt Financed	43%	38%	39%	44%	48%	42%	36%	15%	10%	4%
Average Monthly Bill	**$ 77.99**	**$ 80.65**	**$ 83.37**	**$ 86.62**	**$ 89.98**	**$ 93.45**	**$ 97.08**	**$ 101.47**	**$ 106.01**	**$ 110.80**

HRSD Financial Forecast

FY-2027 - FY-2046

Debt Service Coverage Ratio



Operating Budget

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Operating Budget

	FY-2027	Adopted FY-2026	Increase/ (Decrease)	Percent Change
Operating Revenues				
Wastewater Treatment Charges	$ 537,104,550	$ 496,372,000	$ 40,732,550	8.2%
Miscellaneous	1,972,000	1,542,000	430,000	27.9%
Total-Operating Revenue	539,076,550	497,914,000	41,162,550	8.3%
Non-Operating Revenues				
Wastewater Facility Charges	6,740,000	6,620,000	120,000	1.8%
Investment Earnings	12,968,000	11,500,000	1,468,000	12.8%
Other	1,657,000	1,545,000	112,000	7.2%
Total Non-Operating Revenues	21,365,000	19,665,000	1,700,000	8.6%
Total Revenues	560,441,550	517,579,000	42,862,550	8.3%
Total Revenues	**$ 560,441,550**	**$ 517,579,000**	**$ 42,862,550**	**8.3%**
Operating Appropriations				
General Management	$ 1,067,657	$ 683,783	$ 383,874	56.1%
Communications	1,046,423	1,108,884	(62,461)	(5.6%)
Finance	22,031,264	20,797,556	1,233,708	5.9%
Information Services	35,596,123	23,993,556	11,602,567	48.4%
Talent Management	5,112,387	3,969,485	1,142,902	28.8%
Operations	160,257,571	148,349,733	11,907,838	8.0%
Engineering	11,942,930	12,182,066	(239,136)	(2.0%)
Water Quality	22,961,532	20,840,752	2,120,780	10.2%
General Expenses	5,278,295	4,551,841	726,454	16.0%
Total-Operating Appropriations	265,294,182	236,477,656	28,816,526	12.2%
Appropriations for Debt Service and Transfers				
Debt Service	111,745,000	108,000,000	3,745,000	3.5%
Transfer to CIP	183,402,368	173,101,344	10,301,024	6.0%
Total Appropriations for Debt Service and Transfers	295,147,368	281,101,344	14,046,024	5.0%
Total Appropriations	**$ 560,441,550**	**$ 517,579,000**	**$ 42,862,550**	**8.3%**

Operating Budget Summary

	General Management	Communications	Finance	Information Technology	Talent Management	Operations	Engineering
Personal Services	$ 581,581	$ 763,164	$ 10,786,767	$ 9,533,454	$ 3,306,632	$ 57,686,226	$ 7,606,300
Fringe Benefits	140,771	226,382	3,839,425	2,988,449	1,061,575	21,110,111	2,318,631
Material & Supplies	50,000	2,739	81,822	1,273,540	121,750	10,611,685	64,275
Transportation	13,125	10,200	19,552	11,900	26,000	2,201,766	34,490
Utilities	-	-	250,000	1,400,000	-	15,809,267	-
Chemical Purchases	-	-	-	-	-	17,114,350	-
Contractual Services	186,970	-	6,715,077	18,436,080	87,500	24,279,398	1,686,100
Major Repairs	-	-	-	1,462,500	-	9,757,469	-
Capital Assets	-	-	-	-	-	424,214	-
Miscellaneous	95,210	43,938	338,621	490,200	508,930	1,263,085	233,134
Divisional Appropriations	**$ 1,067,657**	**$ 1,046,423**	**$ 22,031,264**	**$ 35,596,123**	**$ 5,112,387**	**$ 160,257,571**	**$ 11,942,930**
Debt Service Costs							
Transfer to CIP							
Debt Service and Transfers							
Total	**$ 1,067,657**	**$ 1,046,423**	**$ 22,031,264**	**$ 35,596,123**	**$ 5,112,387**	**$ 160,257,571**	**$ 11,942,930**

Full-time Positions:

	General Management	Communications	Finance	Information Technology	Talent Management	Operations	Engineering
FY-2026 Amended Budget	2	6	117	65	26	585	51
New FY-2027 Positions	1	1	5	5	3	28	5
FY-2027 Budget	3	7	122	70	29	613	56

Operating Budget Summary

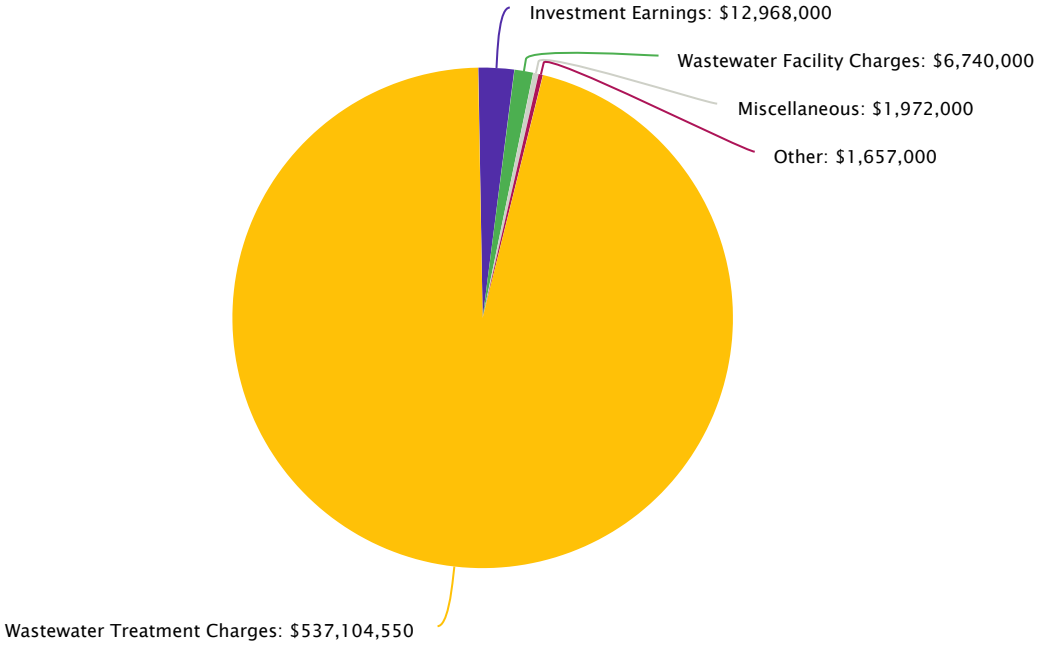
	Water Quality	General Expenses	FY-2027 Budget	Percent of Budget	FY-2026 Budget	FY27 vs FY26 Inc/(Dec)	Percent Change
Personal Services	$ 12,802,862	$ (5,425,000)	$ 97,641,986	17.4%	$ 86,931,718	$ 10,710,268	12.3%
Fringe Benefits	4,615,710	(1,513,788)	34,787,266	6.2%	31,343,890	3,443,376	11.0%
Material & Supplies	2,009,002	45,000	14,259,813	2.5%	15,133,792	(873,979)	(5.8%)
Transportation	14,850	-	2,331,883	0.4%	2,669,455	(337,572)	(12.6%)
Utilities	2,808	752,000	18,214,075	3.2%	17,875,955	338,120	1.9%
Chemical Purchases	-	-	17,114,350	3.1%	18,487,242	(1,372,892)	(7.4%)
Contractual Services	2,385,000	10,012,083	63,788,208	11.4%	47,039,656	16,748,552	35.6%
Major Repairs	72,000	-	11,291,969	2.0%	11,732,392	(440,423)	(3.8%)
Capital Assets	326,000	-	750,214	0.1%	856,900	(106,686)	(12.5%)
Miscellaneous	733,300	1,408,000	5,114,418	0.9%	4,406,656	707,762	16.1%
Divisional Appropriations	**$ 22,961,532**	**$ 5,278,295**	**$ 265,294,182**	**47.3%**	**$ 236,477,656**	**$ 28,816,526**	**12.2%**
Debt Service Costs		111,745,000	111,745,000	19.9%	108,000,000	3,745,000	3.5%
Transfer to CIP		183,402,368	183,402,368	32.7%	173,101,344	10,301,024	6.0%
Debt Service and Transfers		**295,147,368**	**295,147,368**	**52.7%**	**281,101,344**	**14,046,024**	**5.0%**
Total	**$ 22,961,532**	**$300,425,663**	**$ 560,441,550**	**100.0%**	**$ 517,579,000**	**$ 42,862,550**	**8.3%**

Full-time Positions:

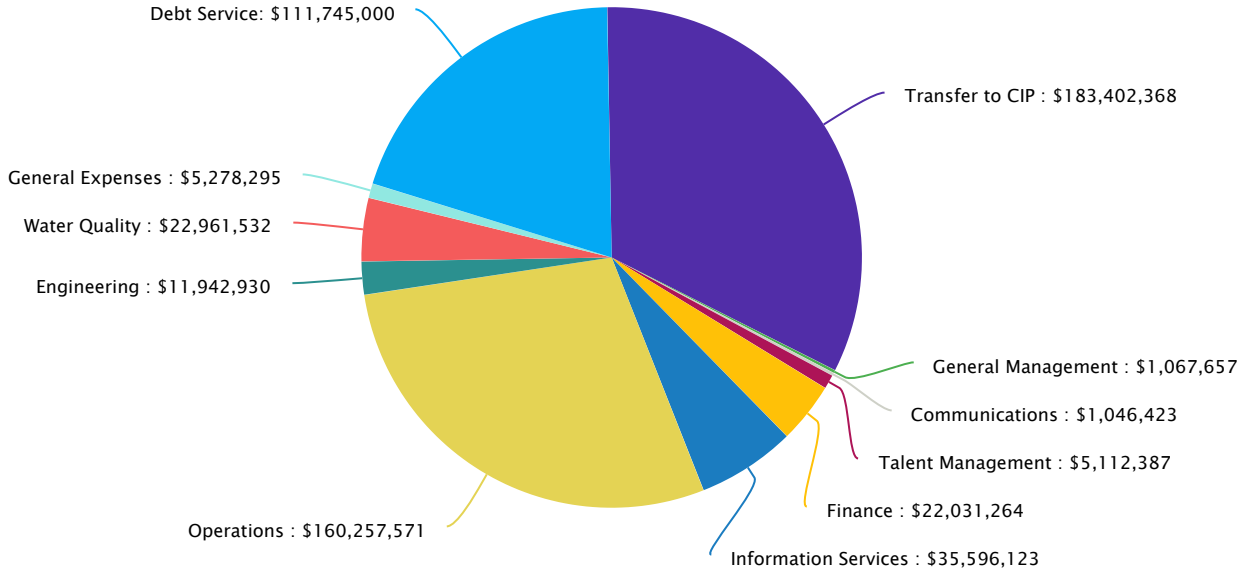
	Water Quality	Total Positions
FY-2026 Amended Budget	127	979
New FY-2027 Positions	1	49
FY-2027 Budget	128	1,028

Operating Budget Charts

Revenues and Transfers In
$560,441,550



Expenses and Transfers Out
$560,441,550



General Management

The General Manager/CEO supervises the Division Leaders and the Commission Secretary. The Commission Secretary provides administrative support to the General Manager/CEO as well as the HRSD Commission.

Expenditure Budget

	FY-2027 Budget	FY-2026 Budget	FY27 vs FY26 Inc/(Dec)	Percent Change
Personal Services	$581,581	$402,872	$178,709	44.4%
Fringe Benefits	140,771	111,561	29,210	26.2%
Material & Supplies	50,000	15,000	35,000	233.3%
Transportation	13,125	12,500	625	5.0%
Contractual Services	186,970	120,000	66,970	55.8%
Miscellaneous	95,210	21,850	73,360	335.7%
Total	**$1,067,657**	**$683,783**	**$383,874**	**56.1%**

Positions

	FY-2027 Adopted	FY-2026 Amended	FY27 vs FY26 Inc/(Dec)
Total	**3**	**2**	**1**

Communications

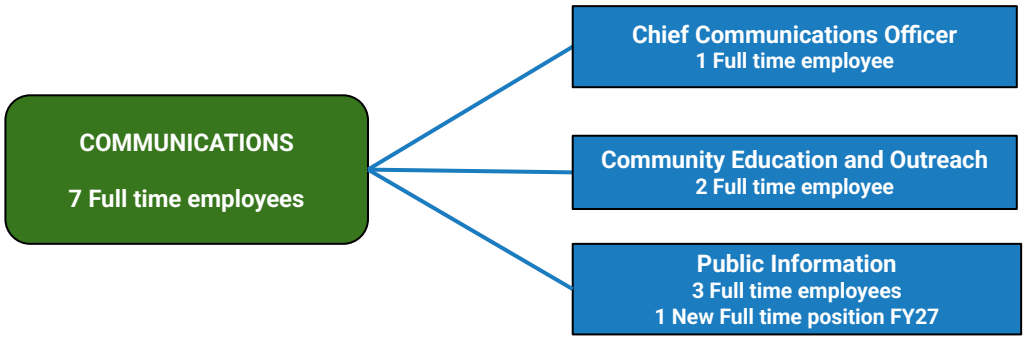
The Communications Division supports HRSD's Promise and Vision through public outreach, community engagement, educational programming and environmental and locality partnerships. The Division manages communications strategy, internal and external communications, media relations and branding through numerous channels and resources - including publications, traditional media, social media and web, graphic design, speaking engagements, interactive classroom activities, tours and special events. The Communications Division consists of a Communications Manager, Public Information Specialists, Community Education and Outreach Specialists, and the Chief Communications Officer.

Expenditure Budget

	FY-2027 Budget	FY-2026 Budget	FY27 vs FY26 Inc/(Dec)	Percent Change
Personal Services	$ 763,164	$ 589,607	$ 173,557	29.4%
Fringe Benefits	226,382	164,882	61,500	37.3%
Material & Supplies	2,739	255,000	(252,261)	(98.9%)
Transportation	10,200	15,000	(4,800)	(32.0%)
Contractual Services	-	55,000	(55,000)	(100.0%)
Miscellaneous	43,938	29,395	14,543	49.5%
Total	**$ 1,046,423**	**$ 1,108,884**	**$ (62,461)**	**(5.6%)**

Positions

	FY-2027 Adopted	FY-2026 Amended	FY27 vs FY26 Inc/(Dec)
Total	**7**	**6**	**1**



Finance

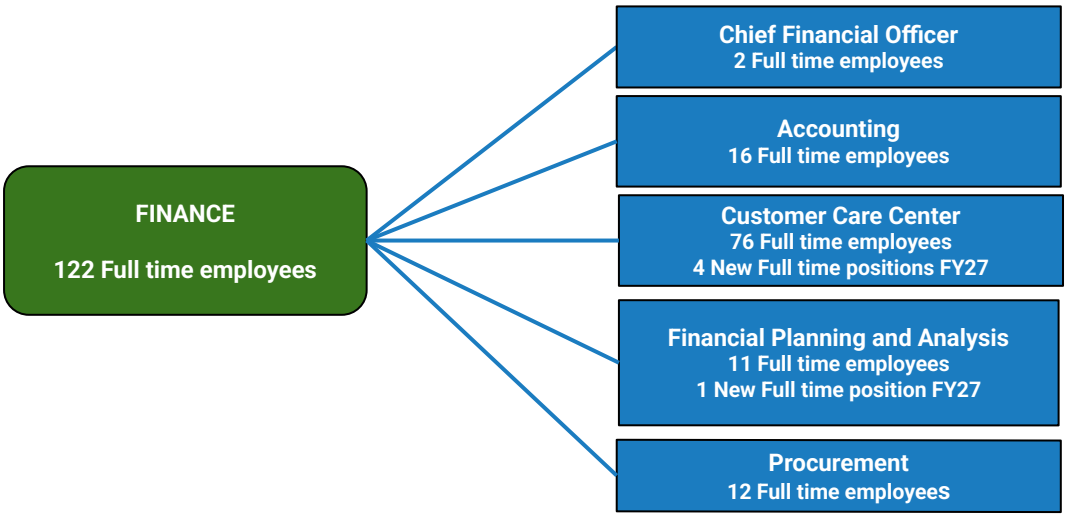
The Finance Division oversees HRSD's core financial and business operations, including financial reporting, investment portfolio management, debt and risk management, and customer billing. The Accounting department manages key fiscal functions such as preparing financial statements, developing budgets, producing management reports, and administering payroll. The Customer Care department is responsible for billing, payment processing, collections, maintaining customer accounts, and serving as the primary liaison with HRSD's customers. The Financial Planning and Analysis department leads the planning and financing of the Capital Improvement Program, oversees debt management and regulatory compliance, and serves as the functional lead for the Enterprise Resource Planning (ERP) system. The Procurement department manages the acquisition of goods and services—including professional, non-professional, and certain construction services—while also overseeing supplier relationships and the disposition of surplus property.

Expenditure Budget

	FY-2027 Budget	FY-2026 Budget	FY27 vs FY26 Inc/(Dec)	Percent Change
Personal Services	$ 10,786,767	$ 9,732,557	$ 1,054,210	10.8%
Fringe Benefits	3,839,425	3,494,403	345,022	9.9%
Material & Supplies	81,822	90,334	(8,512)	(9.4%)
Transportation	19,552	29,440	(9,888)	(33.6%)
Utilities	250,000	238,122	11,878	5.0%
Contractual Services	6,715,077	6,797,547	(82,470)	(1.2%)
Major Repairs	-	110,000	(110,000)	(100.0%)
Miscellaneous	338,621	305,153	33,468	11.0%
Total	**$ 22,031,264**	**$ 20,797,556**	**$ 1,233,708**	**5.9%**

Positions

	FY-2027 Adopted	FY-2026 Amended	FY27 vs FY26 Inc/(Dec)
Total	**122**	**117**	**5**



Information Technology

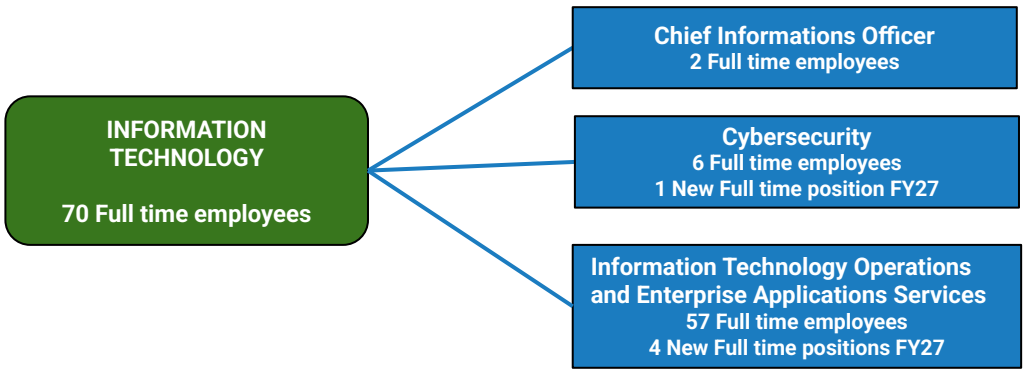
The Information Technology Division enables the organization's mission by delivering secure, reliable, and forward-looking technology solutions that drive operational excellence and long-term value. With a strong strategic focus on innovation, fiscal responsibility, and talent development, the division aligns technology investments with business priorities to maximize impact and efficiency. Innovation remains central to advancing capabilities, as the division continuously evaluates and implements emerging technologies to enhance service delivery, strengthen cybersecurity, and improve data-driven decision-making with a disciplined approach to fiscal stewardship to ensure resources are optimized, investments are prioritized, and technology solutions deliver measurable value while maintaining cost efficiency. The division is committed to cultivating a high-performing workforce by attracting, developing, and retaining skilled professionals. Together, these strategic pillars position the Information Technology Division to deliver resilient, secure, and innovative solutions that support both current operations and future growth.

Expenditure Budget

	FY-2027 Budget	FY-2026 Budget	FY27 vs FY26 Inc/(Dec)	Percent Change
Personal Services	$ 9,533,454	$ 8,245,648	$ 1,287,806	15.6%
Fringe Benefits	2,988,449	2,584,608	403,841	15.6%
Material & Supplies	1,273,540	969,300	304,240	31.4%
Transportation	11,900	28,100	(16,200)	(57.7%)
Utilities	1,400,000	1,435,000	(35,000)	(2.4%)
Contractual Services	18,436,080	7,520,100	10,915,980	145.2%
Major Repairs	1,462,500	2,871,700	(1,409,200)	(49.1%)
Miscellaneous	490,200	339,100	151,100	44.6%
Total	**$ 35,596,123**	**$ 23,993,556**	**$ 11,602,567**	**48.4%**

Positions

	FY-2027 Adopted	FY-2026 Amended	FY27 vs FY26 Inc/(Dec)
Total	**70**	**65**	**5**



Talent Management

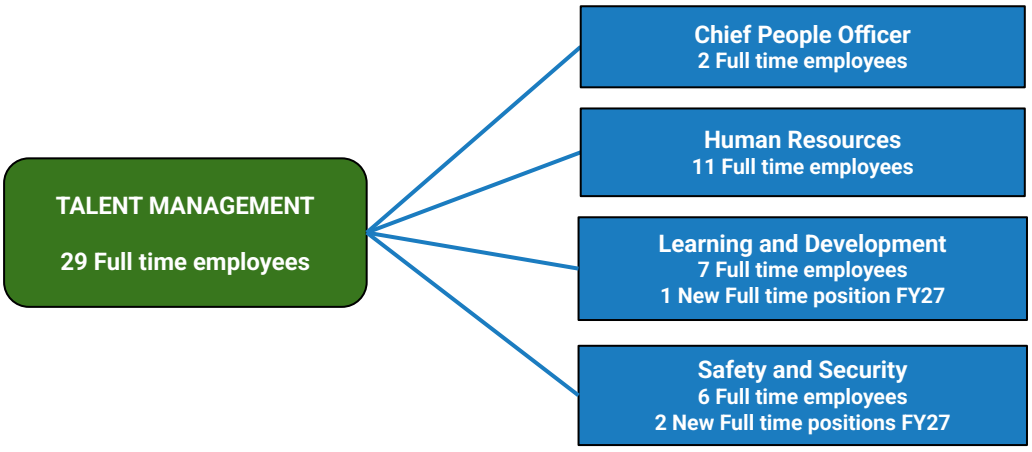
The Talent Management (TM) division is strategically aligned to support HRSD's vision and goals by attracting, developing, and retaining a high-performing, engaged, and mission-driven workforce. TM includes Human Resources (HR), Learning & Development (L&D), and Safety and Security (S&S). The HR department leads enterprise talent strategies through targeted recruitment, customer-focused onboarding, and a competitive total rewards program. HR also advances employee well-being and strives to foster a culture of respect, accountability, and operational consistency through clear policies and practices. The L&D department builds organizational capability by aligning training, education, and experiential learning with HRSD's strategic priorities and evolving industry demands. This includes oversight of the Apprenticeship Program and targeted workforce development initiatives. The S&S department ensures a safe, secure, and compliant work environment through comprehensive occupational health and safety programs, regulatory adherence, risk management, emergency preparedness, and physical security operations.

Expenditure Budget

	FY-2027 Budget	FY-2026 Budget	FY27 vs FY26 Inc/(Dec)	Percent Change
Personal Services	$ 3,306,632	$ 2,502,416	$ 804,216	32.1%
Fringe Benefits	1,061,575	821,102	240,473	29.3%
Material & Supplies	121,750	113,750	8,000	7.0%
Transportation	26,000	18,000	8,000	44.4%
Contractual Services	87,500	80,000	7,500	9.4%
Miscellaneous	508,930	434,217	74,713	17.2%
Total	**$ 5,112,387**	**$ 3,969,485**	**$ 1,142,902**	**28.8%**

Positions

	FY-2027 Adopted	FY-2026 Amended	FY27 vs FY26 Inc/(Dec)
Total	**29**	**26**	**3**



Operations

The Operations Division is responsible for operating and maintaining HRSD's treatment plants, pump stations, pipelines, buildings, vehicles, and equipment. Operations also include the Engineering Division and the Water Technology and Research Division. The Engineering Division encompasses three design and construction departments, as well as planning and analysis and asset management functions, to support capital projects and system improvements, while the Water Technology and Research Division focuses on researching new technologies and rapidly deploying innovative solutions to enhance water quality. HRSD provides wastewater treatment services to over 1.9 million people in 20 cities, counties, and towns. Services are delivered through nine departments, including three major treatment plant departments within the Operations Division. The Small Communities department provides services to small communities within the HRSD service area, operating four smaller treatment plants and associated sewer collection systems for four counties on the Middle Peninsula and the Town of West Point, as well as two treatment plants and associated sewer collection systems for the Towns of Chincoteague and Onancock on the Eastern Shore of Virginia. The Electrical and Instrumentation Departments manage the electrical and instrumentation maintenance and construction needs of all HRSD facilities, including programming industrial controls and automation, and are also responsible for energy management and research to identify innovative, cost-effective ways to improve energy consumption. The two Interceptor Operations departments operate and maintain over 500 miles of interceptor pipelines and more than 100 pump stations, ensuring wastewater is efficiently conveyed to each treatment plant. The Support Services department oversees the maintenance of the HRSD fleet, all facilities, the carpentry shop, a full-service machine shop, and the management of the Construction Support Team.

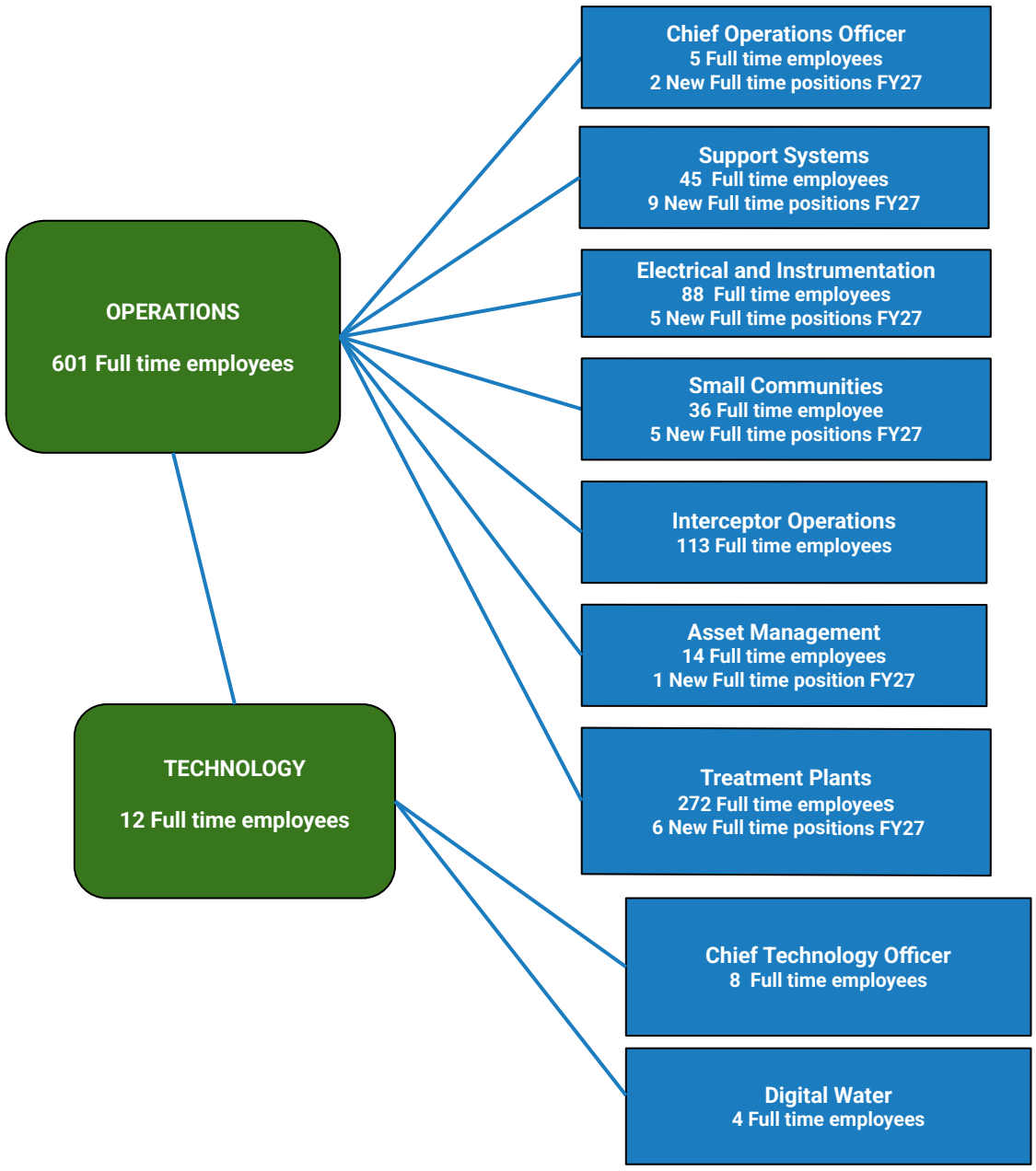
Expenditure Budget

	FY-2027 Budget	FY-2026 Budget	FY27 vs FY26 Inc/(Dec)	Percent Change
Personal Services	$ 57,686,226	$ 50,288,511	$ 7,397,715	14.7%
Fringe Benefits	21,110,111	18,538,188	2,571,923	13.9%
Material & Supplies	10,611,685	10,820,692	(209,007)	(1.9%)
Transportation	2,201,766	2,472,420	(270,654)	(10.9%)
Utilities	15,809,267	15,528,025	281,242	1.8%
Chemical Purchases	17,114,350	18,487,242	(1,372,892)	(7.4%)
Contractual Services	24,279,398	21,667,363	2,612,035	12.1%
Major Repairs	9,757,469	8,591,692	1,165,777	13.6%
Capital Assets	424,214	856,900	(432,686)	(50.5%)
Miscellaneous	1,263,085	1,098,700	164,385	15.0%
Total	**$160,257,571**	**$148,349,733**	**$ 11,907,838**	**8.0%**

Operations (Continued)

Positions

	FY-2027 Adopted	FY-2026 Amended	FY27 vs FY26 Inc/(Dec)
Total	613	585	28



Engineering

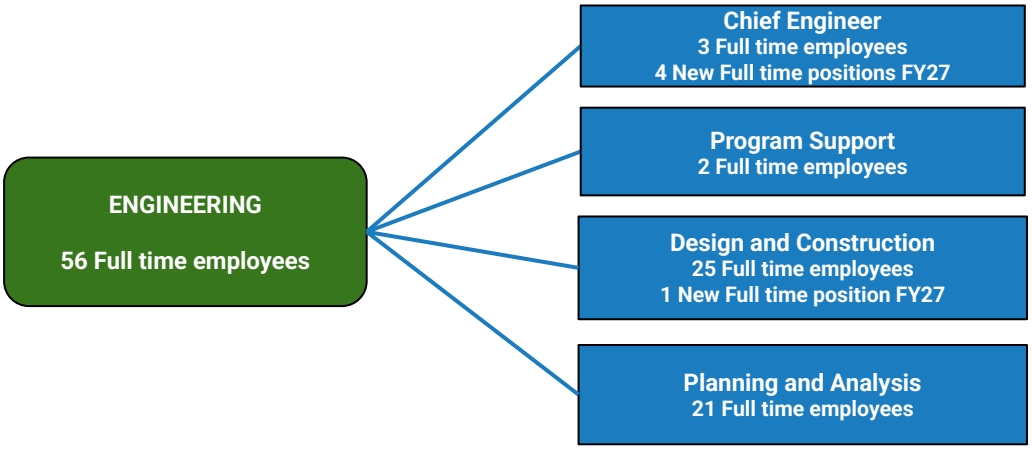
The Engineering Division is responsible for planning, development review, and delivery of HRSD's Capital Improvement Program in support of HRSD's promise and vision. This is accomplished by leveraging the skills of 50+ staff across six departments who are supported by more than 1,000 consultants and contractors. The Planning and Analysis department manages Hydraulics and Capacity, Development Services, Geographic Information System, and Data Analysis, and is responsible for determining the capital infrastructure improvements required to meet the region's future wastewater needs. The four Design and Construction departments deliver capital projects in accordance with HRSD's Design & Construction Standards. The newly formed Program Support Office department is developing procedures and dashboards to ensure the CIP is delivered efficiently, transparently, and consistently.

Expenditure Budget

	FY-2027 Budget	FY-2026 Budget	FY27 vs FY26 Inc/(Dec)	Percent Change
Personal Services	$ 7,606,300	$ 8,006,940	$ (400,640)	(5.0%)
Fringe Benefits	2,318,631	2,503,240	(184,609)	(7.4%)
Material & Supplies	64,275	137,300	(73,025)	(53.2%)
Transportation	34,490	34,745	(255)	(0.7%)
Contractual Services	1,686,100	1,235,100	451,000	36.5%
Miscellaneous	233,134	264,741	(31,607)	(11.9%)
Total	**$ 11,942,930**	**$ 12,182,066**	**$ (239,136)**	**(2.0%)**

Positions

	FY-2027 Adopted	FY-2026 Amended	FY27 vs FY26 Inc/(Dec)
Total	**56**	**51**	**5**



Water Quality

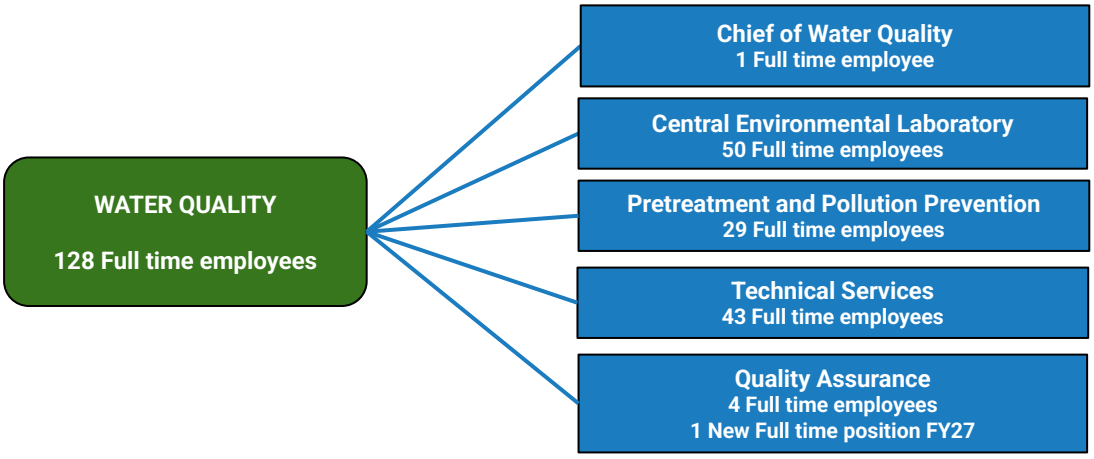
The Water Quality Division's mission is to provide quality environmental services to support HRSD and its partners. This division helps ensure compliance with HRSD environmental permits and leads regulatory advocacy through the work of four departments. The Central Environmental Laboratory department uses the Environmental Data Management System and other tools to provide analytical support for numerous monitoring, research and regulatory purposes. The Pretreatment and Pollution Prevention department monitors wastewater conveyed to treatment plants using the Pretreatment Information Management System and other tools, and implements its Industrial Wastewater Discharge Regulations to protect treatment plant staff, facilities and processes. The Technical Services department is responsible for activities including environmental monitoring, specialized sampling, treatment process and research studies, the Municipal Assistance Program to assist localities, as well as all reporting required by HRSD permits. The Quality Assurance department establishes and maintains systems, procedures, and oversight to ensure the accuracy, consistency, and defensibility of environmental data and processes across the Water Quality and Operations Divisions.

Expenditure Budget

	FY-2027 Budget	FY-2026 Budget	FY27 vs FY26 Inc/(Dec)	Percent Change
Personal Services	$ 12,802,862	$ 11,673,166	$ 1,129,696	9.7%
Fringe Benefits	4,615,710	4,218,662	397,048	9.4%
Material & Supplies	2,009,002	2,568,416	(559,414)	(21.8%)
Transportation	14,850	59,250	(44,400)	(74.9%)
Utilities	2,808	2,808	-	-%
Contractual Services	2,385,000	1,522,500	862,500	56.7%
Major Repairs	72,000	159,000	(87,000)	(54.7%)
Capital Assets	326,000	-	326,000	-%
Miscellaneous	733,300	636,950	96,350	15.1%
Total	**$ 22,961,532**	**$ 20,840,752**	**$ 2,120,780**	**10.2%**

Positions

	FY-2027 Adopted	FY-2026 Amended	FY27 vs FY26 Inc/(Dec)
Total	**128**	**127**	**1**



General Expenses, Debt Service and Transfers

General Expenses includes operating expenditures not assigned to any specific HRSD Division. Debt Service includes payments on bonds issued by HRSD, Virginia Clean Water Revolving Loan Fund (VCWRLF), Water Infrastructure Finance and Innovation Act (WIFIA), and any other debt instrument. Transfers are made to fund the Capital Improvement Program (CIP) and the General and Risk Management Reserves, when appropriate. The costs incurred to issue bonds are included in General Expenses - Miscellaneous.

Expenditure Budget

	FY-2027 Budget	FY-2026 Budget	FY27 vs FY26 Inc/(Dec)	Percent Change
Personal Services	$ (5,425,000)	$ (4,509,999)	$ (915,001)	(20.3%)
Fringe Benefits	(1,513,788)	(1,092,756)	(421,032)	(38.5%)
Material & Supplies	45,000	164,000	(119,000)	(72.6%)
Utilities	752,000	672,000	80,000	11.9%
Contractual Services	10,012,083	8,042,046	1,970,037	24.5%
Miscellaneous	1,408,000	1,276,550	131,450	10.3%
Total General Operating Expenses	**$ 5,278,295**	**$ 4,551,841**	**$ 726,454**	**16.0%**
Debt Service Costs	111,745,000	108,000,000	3,745,000	3.5%
Transfer to CIP	183,402,368	173,101,344	10,301,024	6.0%
Total Debt Service and Transfers	**$295,147,368**	**$281,101,344**	**$ 14,046,024**	**5.0%**
Total General Expense, Debt Service and Transfers	**$300,425,663**	**$285,653,185**	**$ 14,772,478**	**5.2%**

Capital Budget

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Capital Budget

HRSD prepares a Capital Improvement Program (CIP) each year for the capital projects currently underway or proposed for the future. The first year of the CIP is authorized as the Capital Budget for FY-2027 in the amount of $730 million. The remaining years (FY-2028 to FY-2036) include all known projects planned for these years; however, approval of the plan does not authorize the Capital Budgets for those years. Each year's Capital Budget will be approved during the budget process for the specific year.

The ten-year Capital Improvement Program for FY-2027 to FY-2036 highlights the anticipated cost of each project and the fiscal year(s) in which the work is expected to occur. All costs listed in the CIP are stated in current year dollars and total approximately $3.37 billion.

The bond component of the plan may include one or all of the following:

- Interim or construction financings
- Federally subsidized borrowing programs administered by the Virginia Resource Authority and the Environmental Protection Agency
- HRSD Revenue Bonds or Notes

The grant component represents funds estimated to be received from a federal or state agency for specific projects. Other reimbursements, if any, include amounts paid by other parties who may participate in a project. The following abbreviations are used throughout the CIP budget:

- BH - Boat Harbor Treatment Plant
- CHES - City of Chesapeake
- DEMON - Deammonification
- HII-NNS - Huntington Ingalls Industries - Newport News Shipping
- IFM - Interceptor Force Main
- MAR - Managed Aquifer Recharge
- MHI -Multiple Health Incinerator
- MIFAS - Moving Media Integrated Fixed-Film Activated Sludge
- PORTS - City of Portsmouth
- PRS - Pressure Reducing Station
- PS - Pump Station
- SCADA - Supervisory Control and Data Acquisition
- SF - Storage Facility
- SWIFT - Sustainable Water Initiative for Tomorrow
- VDOT - Virginia Department of Transportation
- VIP - Virginia Initiative Plant

Capital Budget

CIP Budget Forecast (in thousands)	FY-2027 to FY-2036	FY-2027	FY-2028	FY-2029	FY-2030	FY-2031
Beginning Capital Reserves	$ 107,603	$ 107,603	$ -	$ -	$ -	$ -
Bonds	-	-	-	-	-	-
VCWRLF	420,000	60,000	40,000	40,000	40,000	40,000
WIFIA	-	-	-	-	-	-
WQIF	1,302,000	500,000	195,000	125,000	227,000	189,000
Cash	1,807,832	196,667	203,643	196,986	155,933	168,591
Grants and Other Reimbursements	18,071	7,133	6,938	4,000	-	-
Transfer from Line of Credit	209,890	58,597	164,419	29,220	(62,743)	(77,591)
Total Capital Resources	3,865,396	930,000	610,000	395,206	360,190	320,000
Capital Expenditures	3,370,000	730,000	510,000	310,000	280,000	290,000
Debt Service Prepayment	495,396	200,000	100,000	85,206	80,190	30,000
Ending Capital Reserves	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Capital Expenditures (in thousands)	FY-2027 to FY-2036	FY-2027	FY-2028	FY-2029	FY-2030	FY-2031
Administration	$ 134,895	$ 44,420	$ 40,396	$ 6,652	$ 5,495	$ 5,769
Army Base	15,918	6,621	6,203	3,094	-	-
Atlantic	324,114	93,735	65,223	68,010	41,711	6,354
Boat Harbor	131,106	35,467	17,597	16,982	8,689	882
Chesapeake-Elizabeth	16,471	5,006	2,983	816	2,288	3,796
Eastern Shore	50,605	7,705	10,884	12,870	16,201	2,851
James River	90,624	24,968	12,870	15,172	16,394	10,012
Middle Peninsula	133,355	14,272	10,207	4,221	33,925	37,273
Nansemond	182,401	90,691	44,186	15,076	10,363	9,279
Surry	50	50	-	-	-	-
Virginia Initiative Plant	169,063	58,754	38,879	16,433	7,269	4,669
Williamsburg	158,713	6,433	17,570	40,436	27,903	22,346
York River	79,449	5,126	13,010	14,947	6,032	10,457
General	1,605,811	375,173	357,492	172,791	153,142	176,312
Future Improvements	570,258	-	-	-	-	-
Subtotal	**3,662,833**	**768,421**	**637,500**	**387,500**	**329,412**	**290,000**
Program Spend Rate	92%	95%	80%	80%	85%	100%
Total Expenditures	**$ 3,370,000**	**$ 730,000**	**$ 510,000**	**$ 310,000**	**$ 280,000**	**$ 290,000**

Capital Budget

CIP Budget Forecast (in thousands)	FY-2032	FY-2033	FY-2034	FY-2035	FY-2036
Beginning Capital Reserves	$ -	$ -	$ -	$ -	$ -
Bonds	-	-	-	-	-
VCWRLF	40,000	40,000	40,000	40,000	40,000
WIFIA	-	-	-	-	-
WQIF	66,000	-	-	-	-
Grants and Other Reimbursements	172,567	177,849	178,204	177,800	179,592
Cash	-	-	-	-	-
Transfer from Line of Credit	(28,567)	32,151	31,796	32,200	30,408
Total Capital Resources	250,000	250,000	250,000	250,000	250,000
Capital Expenditures	250,000	250,000	250,000	250,000	250,000
Debt Service Prepayment	-	-	-	-	-
Ending Capital Reserves	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Capital Expenditures (in thousands)	FY-2032	FY-2033	FY-2034	FY-2035	FY-2036
Administration	$ 6,058	$ 6,240	$ 6,427	$ 6,620	$ 6,818
Army Base	-	-	-	-	-
Atlantic	18,166	24,193	5,581	263	878
Boat Harbor	2,250	9,249	13,690	10,866	15,434
Chesapeake-Elizabeth	1,582	-	-	-	-
Eastern Shore	94	-	-	-	-
James River	11,202	6	-	-	-
Middle Peninsula	29,254	4,017	186	-	-
Nansemond	25	-	4,075	2,038	6,668
Surry	-	-	-	-	-
Virginia Initiative Plant	9,626	9,185	3,685	1,324	19,239
Williamsburg	10,322	10,564	10,829	6,347	5,963
York River	12,012	7,448	9,422	991	4
General	122,599	77,770	111,611	51,178	7,743
Future Improvements	26,810	101,328	84,494	170,373	187,253
Subtotal	**250,000**	**250,000**	**250,000**	**250,000**	**250,000**
Program Spend Rate	100%	100%	100%	100%	100%
Total Expenditures	**$ 250,000**	**$ 250,000**	**$ 250,000**	**$ 250,000**	**$ 250,000**

Capital Budget by Project

FY-2027 to FY-2036
CIP Cash Flow Projections by Project (in thousands)

CIP No	Project Name	Total 2027 to 2036	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Administration												
AD012600	Central Environmental Laboratory Expansion and Rehabilitation	$ 51,659	$ 29,075	$ 22,584	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
AD012700	Capital Improvement Program Labor Program	54,144	-	5,484	5,233	5,495	5,769	6,058	6,240	6,427	6,620	6,818
AD012750	Capital Improvement Program Internal Labor FY27	5,247	5,247	-	-	-	-	-	-	-	-	-
AD012800	Customer Cloud Service Implementation	7,968	4,157	3,811	-	-	-	-	-	-	-	-
AD012900	Information Technology Hardware Improvements	3,102	3,102	-	-	-	-	-	-	-	-	-
AD013000	Enterprise Resource Planning (ERP) Cloud Implementation	12,775	2,839	8,517	1,419	-	-	-	-	-	-	-
	Subtotal	134,895	44,420	40,396	6,652	5,495	5,769	6,058	6,240	6,427	6,620	6,818
Army Base												
AB010500	Section W Force Main Replacement	$ 2,583	$ 2,571	$ 12	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
AB011900	Army Base Treatment Plant Administration Building Renovation (2021)	583	583	-	-	-	-	-	-	-	-	-
AB012100	Army Base Treatment Plant Generator Control Replacement	7,394	2,686	4,682	26	-	-	-	-	-	-	-
AB012200	Army Base Treatment Plant PdNA Process Conversion	1,795	-	-	1,795	-	-	-	-	-	-	-
AB012400	Army Base Treatment Plant Fire Suppression System Upgrades	695	693	2	-	-	-	-	-	-	-	-
AB012500	Army Base Treatment Plant Calcium Carbonate System	1,520	13	1,507	-	-	-	-	-	-	-	-
AB012600	Army Base Treatment Plant Distributed Control System Upgrade Phase I	1,273	-	-	1,273	-	-	-	-	-	-	-
AB012710	Terminal Boulevard Force Main Corridor Improvements Study	75	75	-	-	-	-	-	-	-	-	-
	Subtotal	15,918	6,621	6,203	3,094	-	-	-	-	-	-	-
Atlantic												
AT011900	Great Bridge Interceptor Extension 16-Inch Replacement	$ 18,645	$ 17,082	$ 1,563	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
AT012920	Atlantic Treatment Plant Access Road Extension	24,627	-	-	-	1,285	1,007	11,192	11,051	92	-	-
AT013010	Washington District Pump Station Replacement	7,393	7,393	-	-	-	-	-	-	-	-	-
AT013110	South Norfolk Area Gravity Sewer Improvements, Phase II	577	577	-	-	-	-	-	-	-	-	-
AT014000	Lynnhaven-Great Neck IFM (SF-021) Relocation	3,385	3,385	-	-	-	-	-	-	-	-	-
AT014303	Chesapeake Pump Station Capacity Improvements (AT-HPP-01C)	56	-	-	-	-	-	-	-	-	19	37
AT014304	Chesapeake Gravity Main Capacity Improvements	413	-	-	-	-	-	-	-	103	155	155
AT014600	Kempsville Interceptor Force Main Replacement - Phase I	9,541	728	538	5,904	2,371	-	-	-	-	-	-
AT015200	Cedar Road Interceptor Force Main Replacement Phase I	7,198	-	3	3	183	435	1,798	3,150	1,600	26	-
AT015300	High Priority Projects Round 2 Project 2	3,088	-	-	-	-	343	1,201	858	-	-	686

Capital Budget by Project

FY-2027 to FY-2036
CIP Cash Flow Projections by Project (in thousands)

CIP No	Project Name	Total 2027 to 2036	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
AT015400	Doziers Corner Pump Station Replacement	8,036	5,463	2,573	-	-	-	-	-	-	-	-
AT016000	Atlantic Treatment Plant Odor and Solids Improvements 2023	171,768	48,713	47,247	47,247	27,978	583	-	-	-	-	-
AT016300	Cedar Road Interceptor Force Main Replacement Phase II	16,349	-	-	-	363	716	3,975	7,446	3,786	63	-
AT016400	Great Bridge Interceptor Force Main Emergency Replacement (SF-180)	5,402	5,380	22	-	-	-	-	-	-	-	-
AT016600	Great Bridge Boulevard Interceptor Force Main (SF-164) Segmental Replacement at Oak Bridge-Glenleigh	9,051	1,903	6,093	1,048	7	-	-	-	-	-	-
AT016700	Providence Road Interceptor Force Main (SF-165) Segmental Replacement at Depositor Lane	2,767	877	1,884	6	-	-	-	-	-	-	-
AT017000	Atlantic Treatment Plant THP Steam Generation Project	3,608	302	1,493	1,808	5	-	-	-	-	-	-
AT017100	Birdneck Road Trunk Force Main - Pipeline Cover Mitigation & Protection	2,645	133	17	2,485	10	-	-	-	-	-	-
AT017200	Atlantic Treatment Plant Distributed Control System Upgrade Phase I	1,688	-	-	-	-	-	-	1,688	-	-	-
AT017300	Atlantic Treatment Plant Emergency Power Generation Capacity Improvements	27,827	1,749	3,790	9,509	9,509	3,270	-	-	-	-	-
AT017410	Elbow Road Pressure Reducing Station Pump System Improvements Study	50	50	-	-	-	-	-	-	-	-	-
	Subtotal	324,114	93,735	65,223	68,010	41,711	6,354	18,166	24,193	5,581	263	878
Boat Harbor												
BH013020	Willard Avenue Pump Station Replacement	$ 1,085	$ 1,084	$ 1	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
BH014220	Hampton Trunk Sewer Extension Divisions I and J Relocation Phase II	1,091	1,089	2	-	-	-	-	-	-	-	-
BH015700	Boat Harbor Treatment Plant Pump Station Conversion	14,517	14,511	6	-	-	-	-	-	-	-	-
BH015720	Boat Harbor Treatment Plant Transmission Force Main Section 2 (Land)	4,808	4,808	-	-	-	-	-	-	-	-	-
BH015730	Boat Harbor Treatment Plant Decommission and Demolition	41,653	12,564	15,617	11,298	2,174	-	-	-	-	-	-
BH015802	Claremont Pump Station Upgrade (BH-HPP-01B)	3,834	-	-	-	-	-	-	243	510	583	2,498
BH015803	Chesapeake Avenue Interceptor Improvements (BH-HPP-01C)	5,180	-	-	-	-	-	-	383	680	732	3,385
BH016100	High Priority Projects Round 2 Project 3	28,596	-	-	-	-	449	1,348	1,910	5,787	9,551	9,551
BH016200	Inflow Reduction Program - Phase II	332	332	-	-	-	-	-	-	-	-	-
BH016300	Bayshore Pump Station Replacement	14,661	-	-	-	-	333	902	6,713	6,713	-	-
BH016400	Jefferson Avenue Pump Station Electrical Improvements	720	720	-	-	-	-	-	-	-	-	-
BH016510	Jefferson Avenue Pump Station Replacement Study	200	74	126	-	-	-	-	-	-	-	-

Capital Budget by Project

FY-2027 to FY-2036
CIP Cash Flow Projections by Project (in thousands)

CIP No	Project Name	Total 2027 to 2036	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
BH016600	LaSalle Avenue Interceptor Force Main Replacement Phase I	8,061	285	1,295	3,482	2,999	-	-	-	-	-	-
BH016700	LaSalle Avenue Interceptor Force Main Replacement Phase II	5,218	-	550	1,535	3,033	100	-	-	-	-	-
BH016800	LaSalle Avenue Interceptor Force Main Replacement Phase III	1,150	-	-	667	483	-	-	-	-	-	-
	Subtotal	131,106	35,467	17,597	16,982	8,689	882	2,250	9,249	13,690	10,866	15,434
Chesapeake-Elizabeth												
CE011810	Chesapeake-Elizabeth Treatment Plant Decommissioning	$ 8,169	$ 5,006	$ 2,788	$ 375	$ -	$ -	$ -	$ -	$ -	$ -	$ -
CE012100	Witchduck Road Interceptor Force Main Improvements	8,302	-	195	441	2,288	3,796	1,582	-	-	-	-
	Subtotal	16,471	5,006	2,983	816	2,288	3,796	1,582	-	-	-	-
Eastern Shore												
ES010300	Onancock Treatment Plant Administration Building Upgrade	$ 5,240	$ 124	$ 221	$ 151	$ 3,096	$ 1,598	$ 50	$ -	$ -	$ -	$ -
ES010500	Chincoteague Treatment Plant Improvements	9,853	6,138	3,682	22	11	-	-	-	-	-	-
ES010800	Onancock Treatment Plant Solids Handling Improvements	21,001	514	5,699	6,779	6,779	1,213	17	-	-	-	-
ES011000	Onancock Pump Station Improvements	3,285	157	157	1,082	1,880	9	-	-	-	-	-
ES011100	Tangier Island Collection System Improvements	5,836	427	592	2,500	2,293	13	11	-	-	-	-
ES011200	Tangier Island Treatment Plant Improvements	5,390	345	533	2,336	2,142	18	16	-	-	-	-
	Subtotal	50,605	7,705	10,884	12,870	16,201	2,851	94	-	-	-	-
James River												
JR013400	James River Treatment Plant Advanced Nutrient Reduction Improvements	$ 8,724	$ 8,724	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
JR013410	James River Treatment Plant Outfall Modifications	3,004	3,004	-	-	-	-	-	-	-	-	-
JR013500	Lucas Creek Pump Station Replacement	1,291	1,291	-	-	-	-	-	-	-	-	-
JR013610	James River Treatment Plant Automation Improvements Phase I	412	411	1	-	-	-	-	-	-	-	-
JR014000	Center Avenue Force Main Replacement	21,467	-	-	560	1,910	7,791	11,200	6	-	-	-
JR014100	James River Treatment Plant Viewshed Improvements	1,438	55	60	478	780	65	-	-	-	-	-
JR014200	Kiln Creek Interceptor Force Main Replacement	17,294	8,647	8,644	3	-	-	-	-	-	-	-
JR014300	Morrison Pump Station Replacement	14,649	1,486	1,111	4,985	4,985	2,080	2	-	-	-	-
JR014400	James River Treatment Plant Primary Clarifier Pipe Rehabilitation	6,804	195	772	3,021	2,793	23	-	-	-	-	-
JR014500	James River Treatment Plant Digester and Thickening Building Heating Systems Replacements	13,725	1,155	2,282	6,125	4,110	53	-	-	-	-	-
JR014600	James River Treatment Plant Distributed Control System Upgrade Phase I	1,816	-	-	-	1,816	-	-	-	-	-	-
	Subtotal	90,624	24,968	12,870	15,172	16,394	10,012	11,202	6	-	-	-

Capital Budget by Project

FY-2027 to FY-2036
CIP Cash Flow Projections by Project (in thousands)

CIP No	Project Name	Total 2027 to 2036	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Middle Peninsula												
MP011700	Middle Peninsula Interceptor Systems Pump Station Control and SCADA Upgrades and Enhancements	$ 1,207	$ 557	$ 557	$ 93	$ -	$ -	$ -	$ -	$ -	$ -	$ -
MP013300	King William Treatment Plant Improvements Phase II	3,626	3,624	2	-	-	-	-	-	-	-	-
MP013710	Middlesex Interceptor System Program Phase II-Saluda Pump Station	6,699	-	-	-	-	2,171	2,171	2,171	186	-	-
MP013720	Middlesex Interceptor System Program Phase II-Hartfield Pump Station	11,420	-	-	-	3,805	3,805	3,805	5	-	-	-
MP013730	Middlesex Interceptor System Program Phase II-Transmission Force Main	67,949	-	-	-	22,036	22,036	22,036	1,841	-	-	-
MP013810	Middlesex Interceptor System Program Phase III (Deltaville)	12,619	-	-	-	5,261	6,298	1,060	-	-	-	-
MP015000	Sharon Road Gravity Sewer Improvements	2,312	2,308	4	-	-	-	-	-	-	-	-
MP015300	King William Central Crossing Pump Station Rehabilitation	699	696	3	-	-	-	-	-	-	-	-
MP015500	Small Communities Rehabilitation Phase VI	2,391	2,386	5	-	-	-	-	-	-	-	-
MP015600	West Point Treatment Plant Final Effluent Pump Station Improvements	2,399	1,365	1,034	-	-	-	-	-	-	-	-
MP015610	West Point Treatment Plant Generator Installation	10	10	-	-	-	-	-	-	-	-	-
MP015700	West Point Treatment Plant Secondary Clarifier Improvements	2,285	1,300	985	-	-	-	-	-	-	-	-
MP015800	King William Main Pump Station Improvements	643	640	3	-	-	-	-	-	-	-	-
MP016000	Beaver Dam Discharge Force Main Replacement	3,289	33	105	116	758	2,098	179	-	-	-	-
MP016100	King William Collection System Capacity Improvements	5,707	248	463	2,064	2,064	865	3	-	-	-	-
MP016200	Urbanna and Central Middlesex Wastewater Treatment Plant Rehabilitation	8,956	948	6,403	1,604	1	-	-	-	-	-	-
MP016300	Urbanna to West Point Alignment Study	341	-	-	341	-	-	-	-	-	-	-
MP016500	West Point Treatment Plant Solid Handling and Site Improvements	803	157	643	3	-	-	-	-	-	-	-
	Subtotal	133,355	14,272	10,207	4,221	33,925	37,273	29,254	4,017	186	-	-

Capital Budget by Project

FY-2027 to FY-2036
CIP Cash Flow Projections by Project (in thousands)

CIP No	Project Name	Total 2027 to 2036	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Nansemond												
NP010620	Suffolk Pump Station Replacement	$ 19,116	$ 19,116	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
NP012400	Western Branch Sewer System Gravity Improvements	4,915	4,915	-	-	-	-	-	-	-	-	-
NP013000	Nansemond Treatment Plant Motor Control Center Replacements	1,025	1,025	-	-	-	-	-	-	-	-	-
NP013700	Nansemond Treatment Plant Struvite Recovery Facility Improvements	4,113	4,113	-	-	-	-	-	-	-	-	-
NP013820	Nansemond Treatment Plant Advanced Nutrient Reduction Improvements Phase II	30,923	29,349	1,574	-	-	-	-	-	-	-	-
NP014000	Wilroy Pressure Reducing Station and Off-line Storage Facility	49,792	24,846	24,846	100	-	-	-	-	-	-	-
NP014700	Nansemond Treatment Plant Digester Capacity Upgrades	539	539	-	-	-	-	-	-	-	-	-
NP014800	High Priority Projects Round 2 Project 8	12,781	-	-	-	-	-	-	-	4,075	2,038	6,668
NP015100	Nansemond Treatment Plant Administration Building Replacement	18,560	763	11,858	5,934	5	-	-	-	-	-	-
NP015500	Town of Dendron Discharge Force Main Replacement	2,691	2,679	12	-	-	-	-	-	-	-	-
NP015610	Lawnes Point Treatment Plant, Pump Station, and Force Main Conversion Study	200	-	-	200	-	-	-	-	-	-	-
NP015700	George Washington Interceptor Force Main Extension Part 2 (SF-140) Segmental Replacement at St. Julian's Creek	2,632	1,771	858	3	-	-	-	-	-	-	-
NP015800	North Churchill Interceptor Force Main (SF-206) Segmental Replacement at Swannanoa Drive	4,291	187	1,123	2,969	12	-	-	-	-	-	-
NP015900	Nansemond Treatment Plant Anaerobic Digester Capacity Improvements	25,799	1,226	1,333	4,667	9,274	9,274	25	-	-	-	-
NP016000	Nansemond Treatment Plant Fire Suppression System Upgrades	1,069	-	-	-	1,064	5	-	-	-	-	-
NP016120	Cedar Lane Pump Station (PS 104) Modifications	1,880	162	507	1,203	8	-	-	-	-	-	-
NP016300	Nansemond Treatment Plant Distributed Control System Upgrade Phase I	2,075	-	2,075	-	-	-	-	-	-	-	-
	Subtotal	182,401	90,691	44,186	15,076	10,363	9,279	25	-	4,075	2,038	6,668
Surry												
SU010400	Surry Force Main and Pump Station-Dominion Power Extension	$ 50	$ 50	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	Subtotal	50	50	-	-	-	-	-	-	-	-	-

Capital Budget by Project

FY-2027 to FY-2036
CIP Cash Flow Projections by Project (in thousands)

CIP No	Project Name	Total 2027 to 2036	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Virginia Initiative Plant												
VP014010	Ferebee Avenue Pump Station Replacement	$ 3,655	$ 3,655	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
VP014022	Sanitary Sewer Replacement 1950 – Part 2	4,727	4,363	364	-	-	-	-	-	-	-	-
VP015320	Larchmont Area Sanitary Sewer Improvements	20,234	13,422	6,745	67	-	-	-	-	-	-	-
VP015410	City Park Pump Station (PS 106) Replacement	316	316	-	-	-	-	-	-	-	-	-
VP015420	Luxembourg Pump Station (PS 113) Replacement and Ashland Sewer Extension	12,752	6,954	5,797	1	-	-	-	-	-	-	-
VP015430	Chesapeake Boulevard Pump Station (PS 105) Replacement and Robin Hood Road Pump Station (PS 167) Rehabilitation	21,200	10,128	10,128	936	8	-	-	-	-	-	-
VP018000	Park Avenue Pump Station Replacement	170	170	-	-	-	-	-	-	-	-	-
VP018301	VIP Service Area I-I Reduction Phase I (PORTS)	9,441	5,721	3,720	-	-	-	-	-	-	-	-
VP018302	Portsmouth Pump Station Upgrades (VIP-HPP-04B)	1,342	-	-	-	-	-	-	-	-	369	973
VP018303	VIP Service Area I-I Reduction Phase III (PORTS)	1,308	828	480	-	-	-	-	-	-	-	-
VP018304	Camden Avenue Pump Station Upgrades (VIP-HPP-04D)	6,999	-	-	-	215	351	2,207	4,226	-	-	-
VP018305	Camden Avenue Gravity Improvements (VIP-HPP-04E)	8,108	-	-	-	101	314	1,867	3,884	1,942	-	-
VP018400	State Street Pressure Reducing Station and Offline Storage (VIP-HPP-05)	2,030	-	-	-	-	-	-	-	-	-	2,030
VP018800	Virginia Initiative Plant Administration Building Renovation	7,644	3,528	3,528	588	-	-	-	-	-	-	-
VP019000	Colley Ave Pump Station Pump Replacement	4,060	3,370	687	3	-	-	-	-	-	-	-
VP019200	Virginia Initiative Plant Motor Control Center Replacements	1,037	1,037	-	-	-	-	-	-	-	-	-
VP019400	High Priority Projects Round 2 Project 5	18,909	-	-	-	-	-	-	-	1,718	955	16,236
VP019700	Plume Street Pump Station Replacement (SS-PS-121)	5,948	568	653	3,337	1,390	-	-	-	-	-	-
VP019800	Virginia Initiative Plant Aeration Tank and Primary Clarifier Gate Replacement	21,767	1,517	3,150	4,000	4,000	4,000	4,000	1,075	25	-	-
VP019900	Virginia Initiative Plant Secondary Clarifier Solids Removal Mechanism Rehabilitation & Replacement	5,292	1,512	1,512	1,512	756	-	-	-	-	-	-
VP020000	Virginia Initiative Plant Fire Suppression System Upgrades	797	-	-	-	793	4	-	-	-	-	-
VP020100	Douglas Avenue Interceptor Force Main (SF-219) Improvements - Phase I	7,965	705	1,265	5,989	6	-	-	-	-	-	-
VP020200	Virginia Initiative Plant Nitrification Enhancement Facility MBBR Conversion	1,710	860	850	-	-	-	-	-	-	-	-

Capital Budget by Project

FY-2027 to FY-2036
CIP Cash Flow Projections by Project (in thousands)

CIP No	Project Name	Total 2027 to 2036	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
VP020300	Virginia Initiative Plant Distributed Control System Upgrade Phase I	1,552	-	-	-	-	-	1,552	-	-	-	-
VP020410	Larchmont Area Interceptor Force Main Replacement Feasibility Study	50	50	-	-	-	-	-	-	-	-	-
VP020510	Quail Avenue Pressure Reducing Station Ventilation and Odor Control Improvements Study	50	50	-	-	-	-	-	-	-	-	-
	Subtotal	169,063	58,754	38,879	16,433	7,269	4,669	9,626	9,185	3,685	1,324	19,239
Williamsburg												
WB012510	Lodge Road Pump Station Upgrades Study	$ 150	$ -	$ 125	$ 25	$ -	$ -	$ -	$ -	$ -	$ -	$ -
WB013201	Lodge Road Pump Station Extended Wet Well	237	24	25	114	74	-	-	-	-	-	-
WB013202	Williamsburg Crossing Pressure Reducing Station, Force Main and Storage Tank Improvements	18,014	-	-	-	-	1,501	1,358	1,716	3,145	5,147	5,147
WB013400	Williamsburg Treatment Plant Headworks Influent and Effluent Pipe Rehabilitation	6,411	-	450	5,928	33	-	-	-	-	-	-
WB013410	Ron Springs Drive Valve Improvements (W1004)	5,900	-	521	5,347	32	-	-	-	-	-	-
WB013500	Williamsburg Treatment Plant Intermediate Clarifier Wet Weather and Phosphorus Removal System Improvements	13,014	2,060	8,200	2,747	7	-	-	-	-	-	-
WB013700	North Trunk Interceptor Force Main Part A (NF-002) Replacement	2,140	-	-	-	-	-	-	-	186	1,138	816
WB013800	Williamsburg Treatment Plant Distributed Control System Improvements	5,324	-	135	421	4,361	407	-	-	-	-	-
WB013810	Williamsburg Treatment Plant Distributed Control System Improvements (Gravity Thickener Building)	613	-	613	-	-	-	-	-	-	-	-
WB013900	Williamsburg Treatment Plant Solids Handling Improvements	62,315	3,529	4,816	19,000	19,000	15,854	116	-	-	-	-
WB014100	Williamsburg Treatment Plant FOG and Cake Receiving Improvements	33,624	-	9	1,993	3,280	3,086	8,848	8,848	7,498	62	-
WB014300	Pottery Off-line Storage Facility	6,800	379	2,521	3,900	-	-	-	-	-	-	-
WB014410	Williamsburg Treatment Plant Distributed Control System Improvements Study	100	100	-	-	-	-	-	-	-	-	-
WB014500	Williamsburg Treatment Plant Distributed Control System Upgrade Phase I	1,491	-	-	-	-	1,491	-	-	-	-	-
WB014600	Williamsburg Treatment Plant Erosion Mitigation	2,380	141	155	961	1,116	7	-	-	-	-	-
WB014710	Williamsburg Treatment Plant Service Area Offline Storage Tank Site Study	200	200	-	-	-	-	-	-	-	-	-
	Subtotal	158,713	6,433	17,570	40,436	27,903	22,346	10,322	10,564	10,829	6,347	5,963

Capital Budget by Project

FY-2027 to FY-2036
CIP Cash Flow Projections by Project (in thousands)

CIP No	Project Name	Total 2027 to 2036	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
York River												
YR010520	Magruder Mercury Interceptor Force Main Replacement - Section B	$ 20,292	$ 20	$ 10,569	$ 9,689	$ 14	$ -	$ -	$ -	$ -	$ -	$ -
YR010530	Magruder Mercury Interceptor Force Main Replacement - Section C	17,823	-	-	258	1,032	7,589	8,256	688	-	-	-
YR010900	Tabb Pressure Reducing Station and Offline Storage Facility	25	25	-	-	-	-	-	-	-	-	-
YR011900	Bethel-Poquoson Force Main Part III Replacement	397	392	4	1	-	-	-	-	-	-	-
YR014900	York River DEMON Upgrades	188	188	-	-	-	-	-	-	-	-	-
YR015000	York River Treatment Plant Switchgear and Motor Control Center Replacements	19,271	2,500	1,586	2,365	2,365	2,365	2,365	2,365	2,365	991	4
YR015200	Bethel-Poquoson and Route 171 Victory Blvd Interceptor Force Main Relocation	4,302	-	-	-	-	403	436	2,305	1,158	-	-
YR015300	Wolf Trap Road Interceptor Improvements	7,379	-	-	-	-	-	955	2,090	4,334	-	-
YR015400	York River Treatment Plant Fire Suppression System Upgrades	1,607	1,601	6	-	-	-	-	-	-	-	-
YR015500	Commander Shepard Boulevard Interceptor Force Main Replacement	6,300	100	845	2,634	2,621	100	-	-	-	-	-
YR015610	Maryus Road Interceptor Force Main Replacement Study	250	250	-	-	-	-	-	-	-	-	-
YR015700	York River Treatment Plant Distributed Control System Upgrade Phase I	1,565	-	-	-	-	-	-	-	1,565	-	-
YR015810	York River Treatment Plant Medium Voltage Switch Improvements Feasibility Study	50	50	-	-	-	-	-	-	-	-	-
	Subtotal	79,449	5,126	13,010	14,947	6,032	10,457	12,012	7,448	9,422	991	4
General												
GN016230	SWIFT Research Center Educational and Outreach Improvements	$ 1,796	$ 433	$ 1,363	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
GN016311	Outfall Dispersion Modeling for Full Scale SWIFT	1,090	-	-	-	-	545	545	-	-	-	-
GN016320	Program Management of SWIFT Full Scale Implementation	35,027	11,909	11,909	2,491	2,491	2,491	2,491	1,245	-	-	-
GN016331	SWIFT Managed Aquifer Recharge Services	977	263	263	263	160	28	-	-	-	-	-
GN016347	James River Land Improvements - Phase II	3,370	3,238	132	-	-	-	-	-	-	-	-
GN016348	Nansemond Recharge Well Off Site Land Acquisition	16,400	6,200	10,200	-	-	-	-	-	-	-	-
GN016360	James River SWIFT Facility	9,533	9,533	-	-	-	-	-	-	-	-	-
GN016363	James River Recharge Well Enhancements	130	130	-	-	-	-	-	-	-	-	-
GN016380	Nansemond SWIFT Facility	476,340	205,398	203,010	64,368	3,564	-	-	-	-	-	-
GN016381	Nansemond Recharge Wells (On Site)	78,481	43,811	33,916	754	-	-	-	-	-	-	-

Capital Budget by Project

FY-2027 to FY-2036
CIP Cash Flow Projections by Project (in thousands)

CIP No	Project Name	Total 2027 to 2036	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
GN016382	Nansemond Recharge Wells (Off Site)	65,839	5,215	3,529	27,782	27,413	1,850	50	-	-	-	-
GN016383	Nansemond Recharge Well Integration	89,657	3,477	4,672	5,667	26,723	32,016	16,072	1,030	-	-	-
GN016390	VIP SWIFT Tertiary Preliminary Engineering	1,005	1,005	-	-	-	-	-	-	-	-	-
GN016391	VIP SWIFT Tertiary Site Work	52,917	-	1,881	962	11,416	22,780	14,891	987	-	-	-
GN016392	VIP SWIFT Tertiary Facility	269,370	-	22,410	23,951	49,282	96,407	73,123	4,197	-	-	-
GN016700	Treatment Plant Solids Handling Replacement Phase II	7,174	5,057	2,117	-	-	-	-	-	-	-	-
GN017200	Interceptor Systems Pump Station Control and SCADA Upgrades and Enhancements Phase II	1,290	619	619	52	-	-	-	-	-	-	-
GN017400	Treatment Plant Dewatering Replacement Phase III	8,545	7,316	1,229	-	-	-	-	-	-	-	-
GN017500	Fleet Management Program	28,801	-	3,230	3,230	3,230	3,230	3,230	3,230	3,230	3,230	2,961
GN017900	Solids System Improvements for Army Base MHI Offline	1,103	859	227	17	-	-	-	-	-	-	-
GN018600	North Shore Galvanic Cathodic Protection Rehabilitation	1,764	743	1,021	-	-	-	-	-	-	-	-
GN018700	South Shore Galvanic Cathodic Protection Rehabilitation Phase I	3,290	722	2,140	416	12	-	-	-	-	-	-
GN018800	South Shore Galvanic Cathodic Protection Rehabilitation Phase II	3,020	812	1,832	364	12	-	-	-	-	-	-
GN018900	Pump Station Motor Control Center Replacements - Phase I	2,084	532	532	532	488	-	-	-	-	-	-
GN019400	Water Quality Department Instrumentation Equipment Program	2,700	-	300	300	300	300	300	300	300	300	300
GN019600	Interceptor Systems Pump Station Control and SCADA Upgrades and Enhancements Phase III	9,689	734	2,688	3,578	2,685	4	-	-	-	-	-
GN019700	Treatment Plant Dewatering Improvement Phase IV	7,724	6,612	1,112	-	-	-	-	-	-	-	-
GN020200	Treatment Plant Fire Suppression System Upgrades	493	493	-	-	-	-	-	-	-	-	-
GN020310	High Priority Inflow and Infiltration Reduction Program Implementation	94,219	44,387	29,213	20,619	-	-	-	-	-	-	-
GN020400	Fleet Management (FY25)	188	188	-	-	-	-	-	-	-	-	-
GN020800	North Shore Pump Station Influent Valve Installations	573	572	1	-	-	-	-	-	-	-	-
GN020900	Microbial Source Tracking Identified Locality Repair Program	4,000	-	-	1,600	1,600	800	-	-	-	-	-
GN020910	Microbial Source Tracking Identified Locality Repairs (FY25)	147	147	-	-	-	-	-	-	-	-	-
GN020920	Microbial Source Tracking Identified Locality Repairs (FY26)	500	250	250	-	-	-	-	-	-	-	-
GN021000	Regional Granular Activated Carbon Reactivation Facility	242,391	-	-	-	11,414	11,899	7,933	62,818	104,119	43,687	521
GN021200	Conceptual Project Development (FY25)	159	159	-	-	-	-	-	-	-	-	-
GN021300	Treatment Plant Dewatering Centrifuge Equipment Rehabilitation	334	334	-	-	-	-	-	-	-	-	-
GN021400	Fleet Management (FY26)	1,373	1,373	-	-	-	-	-	-	-	-	-

Capital Budget by Project

FY-2027 to FY-2036
CIP Cash Flow Projections by Project (in thousands)

CIP No	Project Name	Total 2027 to 2036	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
GN021500	Water Quality Department Instrumentation Equipment (FY26)	92	92	-	-	-	-	-	-	-	-	-
GN021600	Coatings and Concrete Rehabilitation & Replacement Program	21,258	-	2,362	2,362	2,362	2,361	2,364	2,363	2,362	2,361	2,361
GN021610	Coatings and Concrete Rehabilitation and Replacement FY26	251	251	-	-	-	-	-	-	-	-	-
GN021620	Coatings and Concrete Rehabilitation and Replacement FY27	2,180	2,180	-	-	-	-	-	-	-	-	-
GN021700	Interceptor System Valve Improvements Phase II	4,494	473	2,673	1,342	6	-	-	-	-	-	-
GN021800	North Shore and Small Communities Division Aerial Crossing Improvements	2,395	2,391	4	-	-	-	-	-	-	-	-
GN021900	Roofing Rehabilitation & Replacement Program	5,400	-	600	600	600	600	600	600	600	600	600
GN021910	Roofing Rehabilitation and Replacement FY 27	545	545	-	-	-	-	-	-	-	-	-
GN022000	Compost Facility Capacity Expansion	8,407	107	8,300	-	-	-	-	-	-	-	-
GN022100	Fleet Management (FY27)	3,280	3,280	-	-	-	-	-	-	-	-	-
GN022200	Water Quality Department Instrumentation Equipment (FY27)	300	300	-	-	-	-	-	-	-	-	-
GN022300	Interceptor System Valve Improvements Phase III	660	446	214	-	-	-	-	-	-	-	-
GN022400	Interceptor System Valve Improvements Phase IV	318	174	144	-	-	-	-	-	-	-	-
GN022500	Interceptor System Valve Improvements Program	9,000	-	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
GN022610	South Shore Interceptors Material Storage Feasibility and Site Study	50	50	-	-	-	-	-	-	-	-	-
GN022710	Locality Pump Station Study	100	100	-	-	-	-	-	-	-	-	-
GN022800	North Shore Automated Diversion Facilities Phase II	5,775	756	1,515	2,683	821	-	-	-	-	-	-
GN022900	Offsite Biosolids Storage Facility Phase I	1,205	1,029	176	-	-	-	-	-	-	-	-
GN023000	Offsite Biosolids Storage Facility Phase II	15,400	-	400	7,500	7,500	-	-	-	-	-	-
GN023100	Saltwater Intrusion Reduction Program	849	119	308	358	63	1	-	-	-	-	-
GN023200	1434 Air Rail Avenue Switchgear Controls Upgrade	359	359	-	-	-	-	-	-	-	-	-
	Subtotal	1,605,811	375,173	357,492	172,791	153,142	176,312	122,599	77,770	111,611	51,178	7,743
Future Improvements												
IP020000	Infrastructure Risk Reduction Program	$ 570,258	$ -	$ -	$ -	$ -	$ -	$ 26,810	$ 101,328	$ 84,494	$ 170,373	$ 187,253
	Subtotal	570,258	-	-	-	-	-	26,810	101,328	84,494	170,373	187,253
TOTAL		**3,662,833**	**768,421**	**637,500**	**387,500**	**329,412**	**290,000**	**250,000**	**250,000**	**250,000**	**250,000**	**250,000**

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