



News Release

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Regulatory Mandates Drive HRSD Rate Change

—Typical household still pays less than \$1 per day for treatment that protects their health and area waterways—

VIRGINIA BEACH—The HRSD Commission today approved a rate change that will increase the average bill for residential wastewater treatment in Hampton Roads by approximately \$2.47 per month. Effective July 1, 2016, HRSD's treatment charge will rise from \$4.13 per 100 cubic feet of water (CCF) to \$4.51 per CCF. This means the typical household will pay \$29.32 per month for an essential service that protects public health and the region's waterways.

Replacement of aging infrastructure, compliance with federal and state mandates to reduce sanitary sewer overflows and the requirement to meet even stricter nutrient limits as part of the Chesapeake Bay Total Maximum Daily Load (TMDL) require HRSD to continue to pursue an aggressive capital improvement program. The investment in infrastructure will approach \$1.5 billion over the next 10 years, with over two-thirds of that sum required to meet regulatory mandates.

"The health of our waterways is improving, with the Lafayette River seeing remarkable improvements as well as continuing improvements documented in the Elizabeth River and the Chesapeake Bay," said HRSD General Manager Ted Henifin. "However, there is more work to be done to preserve our significant investment in infrastructure and to seek a sustainable water future. We are studying a new initiative that has the potential to address the challenges of restoring the Chesapeake Bay, the depletion of our groundwater reserves, the impact of sea level rise and the threat of salt-water contamination of coastal groundwater in eastern Virginia."

HRSD finances its capital projects by a combination of issuing bonds and paying cash. Payments on outstanding debt are projected to increase to just under \$64 million during the next fiscal year. Despite its best efforts to control costs through efficiency, conservation and innovation, HRSD's operations expenses are projected to increase in Fiscal Year-2017 from \$141 million to \$146 million. These increases continue to be heavily dictated by regulatory compliance.

"The Commission and the HRSD staff worked diligently to balance our focus on stewardship of our ratepayers' hard earned dollars with our mission of stewardship of the waters of the Hampton Roads," said Henifin. "The cost of wastewater treatment continues to rise here, as it does across the nation. However, wastewater treatment is still a bargain in Hampton Roads, with the typical household paying less than one dollar each day to protect our treasured waterways."

The HRSD budget, rate schedule and 10-year capital improvement program documents can be found along with more information about the regional utility on its website, www.hrsd.com.

HRSD, a political subdivision of the Commonwealth of Virginia, was created by public referendum in 1940 and currently serves 17 cities and counties in southeast Virginia, an area with a population of 1.7 million.

Our Vision: Future generations will inherit clean waterways and be able to keep them clean.

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