

HRSD Commission Meeting Agenda
9:00 a.m. – April 23, 2024

In-person for Commissioners and essential staff at
2389 G. Avenue, Newport News, VA 23602
Training Room – 2nd Floor

Reservations are required for in-person and virtual public observation of all HRSD Commission and Committee meetings; to address the Commission; and to submit written comments to be read into the minutes. Reservations are accepted via the following link and must be completed by noon one business day prior to the meeting: https://www.hrsd.com/contact/commission_meeting.

<u>No.</u>	<u>Topic</u>	<u>Resource</u>
	Call to Order	Rodriguez
1.	Awards and Recognition	Bernas
2.	Public Comments Not Related to the Agenda	Scott
3.	Consent Agenda	Bernas
4.	James River Treatment Plant Advanced Nutrient Reduction Improvements American Rescue Plan Act (ARPA) Grant Agreement	de Mik
5.	Nansemond Treatment Plant Advanced Nutrient Reduction Improvements Phase II American Rescue Plan Act (ARPA) Grant Agreement	de Mik
6.	Eastern Shore Infrastructure Improvements – Transmission Force Main Phase I Additional Appropriation – Non-Regulatory >\$1,000,000 and Contract Change Order (>25% of original contract value)	Husselbee
7.	Larchmont Area Sanitary Sewer Improvements Additional Appropriation – Regulatory Required > \$10,000,000 Approval of Guaranteed Maximum Price, Task Order (> \$200,000)	Husselbee
8.	Nansemond SWIFT Facility and Nansemond Recharge Wells (On Site) Additional Appropriation, Initial Appropriation, Comprehensive Agreement, and Proposal Compensation	Husselbee
9.	SWIFT Program Management (Nansemond SWIFT Design-Build Projects) Task Order (>\$200,000)	Husselbee
10.	Lambert’s Point Lease Agreement with the City of Norfolk Real Property – Sale, Lease or Conveyance of HRSD Property	Bernas
11.	Magruder Mercury Interceptor Force Main Replacement - Section B Acquisition of Real Property	Husselbee
12.	Capital Improvement Project – Quarterly Update	Husselbee

<u>No.</u>	<u>Topic</u>	<u>Resource</u>
13.	New Business	Bernas
14.	Unfinished Business	Bernas
15.	Commissioner Comments	Rodriguez
16.	Informational Items	Bernas
17.	Closed Meeting	Bernas
18.	Reconvened Meeting	Rodriguez

Next Regular Commission Meeting: May 28, 2024 in Virginia Beach, VA.

AGENDA ITEM 1. – April 23, 2024

Subject: Awards and Recognition

Recommended Action: No action is required.

Brief: HRSD is pleased to introduce the following Mr. Don Jennings who was recently hired as a Project Manager in the Engineering Department. He is a licensed Professional Engineer with 30 years of experience in water, wastewater and storm water. Don holds a bachelor's degree in civil engineering from Virginia Tech and recently worked as director of Utility Services at Isle of Wight. He will be managing projects for the North Shore Design & Construction Division. Don is a member of the American Society of Civil Engineers (ASCE).

AGENDA ITEM 2. – April 23, 2024

Subject: Public Comments Not Related to Agenda

AGENDA ITEM 3. – April 23, 2024

Subject: Consent Agenda

Recommended Action: Approve the Consent Agenda.

Brief: The items listed below are presented on the following pages for Commission action.

- a. Approval of Minutes - The draft minutes of the previous Commission Meeting were distributed electronically prior to the meeting.

- b. Contract Awards (>\$200,000)
 - 1. [Professional External Audit Services](#) \$400,000
 - 2. [ZeeWeed Membranes, Parts, and Services](#) \$216,580

- c. Non-Regulatory Capital Improvement Project – Additional Appropriation <\$1,000,000
 - 1. [Treatment Plant Grease Handling Facilities](#) \$428,160

CONSENT AGENDA ITEM 3.b.1. – April 23, 2024

Subject: Professional External Audit Services
Contract Award (>\$200,000)

Recommended Action: Award a contract to Cherry Bekaert, LLP in the amount of \$80,000 for one year with four renewal options and an estimated cumulative value of \$400,000.

Regulatory Requirement: None

Type of Procurement: Competitive Negotiation

A Public Notice was issued on January 19, 2024. Five firms submitted proposals on February 7, 2024, and all firms were determined to be responsive and deemed fully qualified, responsible, and suitable to the Professional Services Selection Committee (Committee) and to the requirements in the Request for Proposals. Two firms were short-listed, interviewed, and technically ranked as listed below:

Proposers	Technical Points	Recommended Selection Ranking
Cherry Bekaert LLP	99	1
Clifton Larson Allen LLP	93	2

The Committee recommends award to Cherry Bekaert, LLP, whose professional qualifications and proposed services best serve the interest of HRSD.

HRSD Estimate: \$313,800

Contract Description: This contract is an agreement for professional external auditing services for HRSD. The auditor will be required to provide opinions on financial statements prepared in accordance with accounting principles generally accepted in the United States of America. Additionally, the auditor may be required to perform: Single Audits, Virginia Department of Environmental Quality (DEQ) reviews, and provide advice on implementing Governmental Accounting Standards Board (GASB) pronouncements.

Analysis of Cost: The HRSD estimate is based on annual spend of the previous five years. Annual renewal costs will include increases capped at five percent and a reduction in the auditing fees was negotiated resulting in additional savings. The labor rates are determined to be fair and reasonable compared to similar rates provided in the RFP responses and previously contracted rates for these services. Cherry Bekaert held the previous five-year term and performed satisfactorily under that Agreement.

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

CONSENT AGENDA ITEM 3.b.2. – April 23, 2024

Subject: ZeeWeed® Membranes, Parts, and Services
Contract Award (>\$200,000)

Recommended Action: Award a contract to Zenon Environmental Corporation (a division of Veolia Water Technology Solutions) in the amount of \$216,580.

Regulatory Requirement: None

Type of Procurement: Sole Source

Contract Description: This contract includes the purchase of ZeeWeed® membranes, parts, and services for use at the Onancock Treatment Plant. This media is used for ultra-filtration of wastewater in the filtration portion of the treatment process. An authorized service representative of Zenon Environmental will provide installation of the membranes.

ZeeWeed® membranes have been standardized at the Onancock Treatment Plant and were the existing brand of product used prior to HRSD appropriation.

Analysis of Cost: The cost is found to be fair and reasonable based on a past purchase history.

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

CONSENT AGENDA ITEM 3.c.1. – April 23, 2024

Subject: Treatment Plant Grease Handling Facilities
Additional Appropriation - Non-Regulatory Capital Improvement Project (<\$1,000,000)

Recommended Action: Appropriate additional funding in the amount of \$428,160.

CIP Project: GN013300

Regulatory Requirement: None

Budget	\$12,100,769
Previous Expenditures and Encumbrances	(\$12,053,266)
Available Balance	\$47,503
Proposed Task Order to Engineer	(\$115,489)
Proposed Contingency for Construction and Start-Up	(\$360,174)
Project Shortage/Requested Additional Funding	(\$428,160)
Revised Total Project Authorized Funding	\$12,528,929

Project Description: This project involves installation of a facility at Nansemond Treatment Plant to receive FOG (Fats, Oils, and Grease) from indirect haulers. The facility will screen, decant, and process the FOG in a manner that will convert a portion to biofuel using the Greasezilla system. The portion of FOG converted to biofuel will be sold to Greasezilla per the HRSD/Greasezilla offtake agreement, the decanted FOG water will be sent to headworks for normal wastewater treatment, and the remaining processed FOG will be sent to the digesters.

Project Justification: The grease handling facilities will reduce the impact of high Biochemical Oxygen Demand (BOD) loading on the biological system and provide a more stable operation. The new facilities will also reduce the plugging of treatment process piping and equipment caused by the large quantities of grease being discharged over short time periods. This project also addresses the Regional Consent Decree which requires an effective FOG Program.

Task Order Description: This task order will provide construction administrative services for the project which has extended past its substantial completion date on three occasions. This task order also provides additional startup assistance, as requested by HRSD.

Analysis of Cost: The cost is based on a task order to the Engineer for an amount of \$115,489, additional upgrades to the facility that include automated air valves on the process tanks from the system manufacturer (Greasezilla) in the amount of \$28,000, a change order to the Contractor for \$91,937 to provide access and improve the safety of plant staff for valves located in an area that could be considered hazardous, other miscellaneous charges to the contractor for \$190,237, and an additional \$50,000 in contingency for unforeseen issues with facility startup. The proposed changes are outlined below.

Engineering Task Order	\$115,489.00
Contingency Item No. 1: Process Tank Automated Air Valves	\$28,000.00
Contingency Item No. 2: Boiler Valve Access and Actuators	\$91,937.00
Contingency Item No. 3: Other Miscellaneous Changes	\$190,237.00
Contingency Item No. 4: Additional Funds	\$50,000.00

Funding Description: This funding is required for construction administrative services on the project, and to complete smaller changes to the facility. The needed Task Order with the Engineer is below the \$200,000 Commission approval threshold. The costs proposed have been deemed reasonable and approval is recommended.

Schedule: Project Completion June 2024

AGENDA ITEM 4. – April 23, 2024

Subject: James River Treatment Plant Advanced Nutrient Reduction Improvements
American Rescue Plan Act (ARPA) Grant Agreement

Recommended Action: Approve the terms and conditions of the ARPA State and Local Fiscal Recovery Fund Grant with the Virginia Department of Environmental Quality (DEQ) for the James River Treatment Plant (JRTP) Advanced Nutrient Reduction Improvements (ANRI) and authorize the General Manager to execute same, substantially as presented, together with such changes, modifications and deletions as the General Manager may deem necessary or desirable.

CIP Project: JR013400

Agreement Description: This agreement between the Virginia Department of Environmental Quality and HRSD is for capital costs associated with improvements needed at the James River Treatment Plant for improved nutrient reduction capability. The following components of the project are eligible:

- Modifications to the Integrated Fixed Film Activated Sludge system
- Increased Integrated Fixed Film Activated Sludge media fill
- Demolition of four of the existing secondary clarifiers
- Replacement of secondary clarifiers with new secondary clarifiers
- Construction of a post-denitrification moving bed bio-reactor
- Chemical storage and feed systems
- All pumping, piping, and site work required

The total grant award for this project is \$36,124,859.

The attached draft [Grant Agreement](#) was reviewed by staff and HRSD legal counsel.

**SUBRECIPIENT AGREEMENT
FOR THE COMMONWEALTH OF VIRGINIA
AMERICAN RESCUE PLAN ACT
STATE AND LOCAL FISCAL RECOVERY FUND IMPLEMENTATION**

ARPA Grant No.: ENRCPP-04

SUBRECIPIENT AGREEMENT BETWEEN

**DEPARTMENT OF ENVIRONMENTAL QUALITY
1111 EAST MAIN STREET
RICHMOND, VA 23219**

and

**HAMPTON ROADS SANITATION
DISTRICT
PO BOX 5915
VIRGINIA BEACH, VA 23471**

THIS AGREEMENT (“AGREEMENT”) FOR THE COMMONWEALTH OF VIRGINIA’S (“VIRGINIA”) AMERICAN RESCUE PLAN ACT (“ARPA”) STATE AND LOCAL FISCAL RECOVERY FUND (“SLFRF”) IMPLEMENTATION is made and entered into the [Insert day] day of [Insert month] 20[Insert year], by and between **the Department of Environmental Quality (“Department”)**, and the **Hampton Roads Sanitation District (“Subrecipient”)** (each a “Party” and jointly the “Parties”). This Agreement shall become effective on the date (“Effective Date”) this contract is signed by the Department.

The Award Terms and Conditions of this Agreement sets forth the compliance obligations for the Subrecipient pursuant to the SLFRF statute, the Office of Management and Budget’s Uniform Guidance, the United States Department of the Treasury’s updated final rule (31 CFR Part 35), applicable Federal laws and regulations, and applicable state laws, including acts appropriating ARPA funds to the Department to administer.

Pursuant to Section k of 2021 Special Session II Va. Acts Ch. 1, titled “CSOs and Wastewater”, as amended by 2022 Special Session I Va. Acts Ch. 1 Item 479.20, the General Assembly appropriated certain ARPA funds received by the Commonwealth to the Department to administer for investments in wastewater infrastructure, nutrient removal technology, and other eligible infrastructure improvements (the “Fund”). In addition, in 2022 Special Session I Va. Acts Ch. 2 Item 486 under the heading “Drinking Water, Wastewater, and CSOs” the General Assembly appropriated additional ARPA funds received by the Commonwealth to the Department to administer which are also part of the “Fund.”

The Subrecipient has been approved by the Department to receive a Grant from the Fund subject to the terms and conditions herein to finance the cost of the Eligible Project, which consists of the design and construction of wastewater infrastructure or other infrastructure as described herein. The Subrecipient will use the Grant to finance that portion of the Eligible Project Costs not being paid for from other sources as set forth in the Total Project Budget in Exhibit B to this Agreement. Such other sources may include, but are not limited to, the Virginia Water Facilities Revolving Fund, Chapter 22, Title 62.1 of the Code of Virginia (1950), as amended.

This Agreement provides for payment of the Grant, design and construction of the Eligible Project, and development and implementation by the Subrecipient of provisions for the long-term responsibility and maintenance of the infrastructure installed under the Eligible Project. This Agreement is supplemental to the State Water Control Law, Chapter 3.1, Title 62.1 of the Code of Virginia (1950), as amended, and it does not limit in any way the other water quality restoration, protection and enhancement, or enforcement authority of the State Water Control Board (the “Board”) or the Department.

NOW, THEREFORE, in consideration of the mutual promises and obligations set forth in this Agreement, including the recitals set forth above which are a material part of this Agreement, the sufficiency of which is hereby acknowledged, the Parties agree as follows:

ARTICLE I **DEFINITIONS**

1. The capitalized terms contained in this Agreement shall have the meanings set forth below unless the context requires otherwise:

(a) “Agreement” means this Agreement between the Department and the Subrecipient, together with any amendments or supplements hereto.

(b) “Authorized Representative” means any member, official or employee of the Subrecipient authorized by resolution, ordinance or other official act of the governing body of the Subrecipient to perform the act or sign the document in question.

(c) “Eligible Project” means all grant eligible items of the particular project described in Exhibit A to this Agreement to be designed and constructed by the Subrecipient with, among other monies, the Grant, with such changes thereto as may be approved in writing by the Department and the Subrecipient.

(d) “Eligible Project Costs” means costs of the individual items comprising the Eligible Project as permitted by the Act with such changes thereto as may be approved in writing by the Department and the Subrecipient.

(e) “Extraordinary Conditions” means unforeseeable or exceptional conditions resulting from causes beyond the reasonable control of the Subrecipient such as, but not limited to fires, floods, strikes, acts of God, and acts of third parties that singly or in combination cause material breach of this Agreement.

(f) “Grant” means the particular grant described in Section 4.0 of this Agreement, with such changes thereto as may be approved in writing by the Department and the Subrecipient.

(g) “Total Eligible Project Budget” means the sum of the Eligible Project Costs as set forth in Exhibit B to this Agreement, with such changes thereto as may be approved in writing by the Department and the Subrecipient.

(h) “Total Project Budget” means the sum of the Eligible Project Costs (with such changes thereto as may be approved in writing by the Department and the Subrecipient) plus any ineligible costs that are solely the responsibility of the Subrecipient, as set forth in Exhibit B to this Agreement.

(i) “Project Engineer” means the Subrecipient’s engineer who must be a licensed professional engineer registered to do business in Virginia and designated by the Subrecipient as the Subrecipient’s engineer for the Eligible Project in a written notice to the Department.

(j) “Project Schedule” means the schedule for the Eligible Project as set forth in Exhibit C to this Agreement, with such changes thereto as may be approved in writing by the Department and the Subrecipient. The Project Schedule assumes timely approval of adequate plans and specifications and timely reimbursement in accordance with this Agreement by the Department.

ARTICLE II **SCOPE OF PROJECT**

2. The Subrecipient will cause the Eligible Project to be designed, constructed, and placed in operation as described in Exhibit A to this Agreement.

ARTICLE III **SCHEDULE**

3. The Subrecipient will cause the Eligible Project to be designed, constructed, and placed in operation in accordance with the Project Schedule in Exhibit C to this Agreement.

ARTICLE IV **COMPENSATION**

4.0. Grant Amount. The total Grant award from the Fund under this Agreement is up to **\$36,124,859.00** and represents the Total Eligible Project Budget. Any material changes made to the Eligible Project after execution of this Agreement, which alters the Total Eligible Project Budget, will be submitted to the Department for review of grant eligibility. The amount of the Grant award set forth herein may be modified from time to time by written agreement of the Parties to reflect changes to the Eligible Project or the Total Eligible Project Budget.

4.1. Payment of Grant. Disbursement of the Grant will be in accordance with the payment provisions set forth in Section 4.2 herein and the eligibility determinations made in the Total Project Budget (Exhibit B).

4.2. Disbursement of Grant Funds. The Department will disburse the Grant to the Subrecipient not more frequently than once each calendar month for approved eligible reimbursement of a minimum of one thousand (\$1,000.00) dollars, excluding the final payment, upon receipt by the Department of the following:

(a) A requisition for approval by the Department, signed by the Authorized Representative and containing all receipts, vouchers, statements, invoices or other evidence that costs in

the Total Eligible Project Budget, have been incurred or expended and all other information called for by, and otherwise being in the form of, Exhibit D to this Agreement.

(b) If any requisition includes an item for payment for labor or to contractors, builders or material men, a certificate, signed by the Project Engineer, stating that such work was actually performed or such materials, supplies or equipment were actually furnished or installed in or about the construction of the Eligible Project.

Upon receipt of each such requisition and accompanying certificate(s) and schedule(s), the Department shall request disbursement of the Grant to the Subrecipient in accordance with such requisition to the extent approved by the Department.

Except as may otherwise be approved by the Department, disbursements shall be held at ninety-five percent (95%) of the total Grant amount to ensure satisfactory completion of the Eligible Project. Upon receipt from the Subrecipient of the certificate specified in Section 4.5, certification that the Eligible Project will be maintained for the useful service life of the installed facilities, and a final requisition detailing all retainage to which the Subrecipient is then entitled, the Department, subject to the provisions of this section and Section 4.3 herein, shall request disbursement to the Subrecipient of the final payment from the Grant.

4.3 Application of Grant Funds. The Subrecipient agrees to apply the Grant solely and exclusively to the reimbursement of Eligible Project Costs.

4.4. Agreement to Complete Project. The Subrecipient agrees to cause the Eligible Project to be designed and constructed, as described in Exhibit A to this Agreement, and in accordance with (i) the schedule in Exhibit C to this Agreement and (ii) plans and specifications prepared by the Project Engineer and approved by the Department.

4.5 Notice of Substantial Completion. When the Eligible Project has been completed, the Subrecipient shall promptly deliver to the Department a certificate signed by the Authorized Representative and by the Project Engineer stating (i) that the Eligible Project has been completed substantially in accordance with the approved plans and specifications and addenda thereto, and in substantial compliance with all material applicable laws, ordinances, rules, and regulations; (ii) the date of such completion; (iii) that all certificates of occupancy and operation necessary for start-up for the Eligible Project have been issued or obtained; and (iv) the amount, if any, to be released for payment of the final Eligible Project Costs.

4.6 Timing of Costs Incurred and Return of Funds. The Subrecipient agrees that the Grant may only be used to cover costs incurred and expended during the period beginning March 3, 2021 and ending December 31, 2026. The Subrecipient agrees that the final date upon which funds may be expended is December 31, 2026. The Subrecipient agrees to return funds not expended by December 31, 2026.

ARTICLE V
MATERIAL BREACH

5.0. Material Breach. Any failure or omission by the Subrecipient to perform its obligations under this Agreement, unless excused by the Department, is a material breach.

5.1. Notice of Material Breach. If at any time the Subrecipient determines that it is unable to perform its obligations under this Agreement, the Subrecipient shall promptly provide written notification to the Department. This notification shall include a statement of the reasons it is unable to perform, any actions to be taken to secure future performance and an estimate of the time necessary to do so.

5.2. Extraordinary Conditions.

(a) The Subrecipient may assert, and it shall be a defense to any action by the Department to collect Grant funds or otherwise secure performance of this Agreement, except as required by Article 4.6 or Federal law or regulation, that the alleged non-performance was due to Extraordinary Conditions, provided that the Subrecipient:

(i) takes reasonable measures to effect a cure or to minimize any non-performance with the Agreement, and

(ii) provides written notification to the Department of the occurrence of Extraordinary Conditions, together with an explanation of the events or circumstances contributing to such Extraordinary Conditions and the measures taken to cure the conditions no later than 10 days after the discovery of the Extraordinary Conditions.

(b) If the Department disagrees that the events or circumstances described by the Subrecipient constitute Extraordinary Conditions, the Department must provide the Subrecipient with a written objection within sixty (60) days of Subrecipient's notice under paragraph 5.3(a)(2), together with an explanation of the basis for its objection.

5.3. Resolution and Remedy. If no resolution is reached by the parties, the Department may immediately bring an action in the Circuit Court of the City of Richmond to recover part or all of the Grant funds. In any such action, the Subrecipient shall have the burden of proving that the alleged noncompliance was due to Extraordinary Conditions. The Subrecipient agrees to venue to any such action in the Circuit Court of the City of Richmond, either north or south of the James River in the option of the Department.

ARTICLE VI
GENERAL PROVISIONS

6.1. Acknowledgment of Required Information. In accordance with 2 CFR 200.332 and related Federal requirements for pass-through entities, Subrecipient hereby acknowledges receipt of Exhibit E and E-2 hereto and the additional information set forth therein.

6.2. Fiscal Agent. The Subrecipient agrees to act as the Department's fiscal agent as required for the limited purpose of the ARPA SLFRF award.

6.3 Funds Pass-Through. The Department agrees to transfer the SLFRF award fund(s) to the Subrecipient in accordance with Article IV of this agreement and promptly upon the Department's allotment of such funds from the Department of Planning and Budget ("DPB"); the Department's receipt of such funds from the Department of Accounts ("DOA"); and the compliance of the Subrecipient with any and all prerequisites of the acceptance of these funds, including those specified in Article IV of this agreement (i.e. certifications, proof of eligible expenditures, etc.).

6.4 SAM.gov Requirements. Subrecipient is required to register on System for Award Management ("SAM") at <https://www.sam.gov> pursuant to 2 CFR Part 25. Required SAM.gov information can be found online. Subrecipient must also report the names and total compensation of their five most highly compensated executives and their subrecipients' executives for the preceding completed fiscal year *if* (1) the Subrecipient received 80 percent or more of its annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as provided by 2 CFR 170.320 (and subawards), and received \$25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act (and subawards), and (2) if the information is not otherwise public.

6.5 Reporting and Recordkeeping Requirements. Program and/or project quarterly reporting is required as outlined in Exhibit F. Subrecipients must maintain records and financial documents relating to its Eligible Project Costs and services provided under this Agreement for five (5) years after all funds have been expended, returned to the Department or upon termination of this agreement. The Department shall have access to all subrecipient's records relating to its Eligible Project Costs and services under this Agreement including but not limited to canceled checks, invoices, vouchers, purchase orders, subcontracts, time sheets, mileage records and all other records relating to services and expenditures. Subrecipient agrees to provide the Department with copies of such records at no expense upon request. Further, Treasury may request transfer of records of long-term value at the end of five years. Wherever practicable, such records should be collected, transmitted, and stored in open and machine-readable formats. Subrecipient agrees to provide or make available such records to the Department upon request. Subrecipient must cooperate and provide reasonable assistance to authorized representatives of the Department. The Department, its authorized agents, and/or State auditors will have full access to and the right to examine any of said materials during said period. Additionally, the Department and/or its representatives will have the right to access work sites during normal business hours, after reasonable notice to the Subrecipient, for the purpose of ensuring that the provisions of this Agreement are properly carried out. The Subrecipient also agrees to furnish any records or documents necessary for the Department to carry out its reporting requirements for the ARPA funds.

6.6 Single Audit. Subrecipients that expend more than \$750,000 in Federal awards during their fiscal year will be subject to an audit under the Single Audit Act and its implementing regulation at 2 CFR Part 200, Subpart F regarding audit requirements. Note that the Compliance Supplement provides information on the existing, important compliance requirements that the federal government expects to be considered as a part of such audit. The Compliance Supplement is routinely updated and is made available in the Federal Register and on Office of Management and Budget's (OMB) website: <https://www.whitehouse.gov/omb/office-federal-financial-management>. The Department and Subrecipients should consult the [Federal Audit Clearinghouse](#) to see examples of Single Audit submissions.

6.7 Internal Controls. Subrecipient must:

(a) Establish and maintain effective internal controls over the SLFRF award that provides reasonable assurance that the Subrecipient is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

(b) Comply with Federal statutes, regulations, and the terms and conditions of the SLFRF award.

(c) Evaluate and monitor the non-Federal entity's compliance with statutes, regulations, and the terms and conditions of Federal awards.

(d) Take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings.

(e) Take reasonable measures to safeguard protected personally identifiable information.

6.8 Sub-awardee/Vendor Monitoring. The Subrecipient, when passing funds along to another subrecipient (or "Sub-awardee") or contractor, must:

(a) Ensure that the agreement is clearly identified as a Sub-awardee or subcontractor subaward and includes all the requirements of 2 CFR 200.332 referenced throughout this Agreement.

(b) Evaluate each Sub-awardee's risk for noncompliance as required by 2 CFR 200.332

(c) Monitor the activities of the Sub-awardee, or contractor, as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subawards; that subaward performance goals are achieved; and that all monitoring requirements of 2 CFR 200.332 are met, including reviewing financial and programmatic reports, following up on corrective actions, and issuing management decisions for audit findings. Monitoring must include:

(i) Reviewing financial and performance reports required by the pass-through entity.

(ii) Following-up and ensuring that the Sub-awardee, or contractor, takes timely and appropriate action on all deficiencies pertaining to the Federal award provided to the Sub-awardee, or contractor, from the pass-through entity detected through audits, on-site reviews, and other means.

(iii) Issuing a management decision for audit findings pertaining to the Federal award provided to the subrecipient from the pass-through entity as required.

(d) Verify that every Sub-awardee is audited as required by 2 CFR 200.332. The Sub-awardee must also develop a subrecipient monitoring plan for its subrecipients that addresses monitoring of subrecipients to provide reasonable assurance that the subrecipient administers Federal awards in compliance with laws, regulations, and the provisions of the contract, and that performance goals are achieved. The Sub-awardee's monitoring plan of its subrecipients should include a risk-based assessment to determine the level of oversight, and monitoring activities such as reviewing financial and performance

reports, performing site visits, and maintain regular contact with subrecipients. The Sub-awardee must establish requirements to ensure compliance with its subrecipients as required by 2 CFR 200.332. The Sub-awardee must ensure that all transactions with vendors comply with laws, regulations, and provisions of contracts or grant agreements in compliance with 2 CFR 200.332.

6.9 Procurement, Suspension & Debarment. Subrecipients are responsible for ensuring that any procurement using SLFRF funds, or payments under procurement contracts using such funds, are consistent with the procurement standards set forth in the Uniform Guidance at 2 CFR 200.317 through 2 CFR 200.327, as applicable. The Uniform Guidance establishes in 2 CFR 200.319 that all procurement transactions for property or services must be conducted in a manner providing full and open competition, consistent with standards outlined in 2 CFR 200.320, which allows for non-competitive procurements only in circumstances where at least one of the conditions below is true: the item is below the micro-purchase threshold; the item is only available from a single source; the public exigency or emergency will not permit a delay from publicizing a competitive solicitation; or after solicitation of a number of sources, competition is determined inadequate. Recipients must have and use documented procurement procedures that are consistent with the standards outlined in 2 CFR 200.317 through 2 CFR 200.320. The Uniform Guidance requires an infrastructure for competitive bidding and contractor oversight, including maintaining written standards of conduct and prohibitions on dealing with suspended or debarred parties. Subrecipients must ensure adherence to all applicable local, State, and Federal procurement laws and regulations.

6.10 Compliance with Applicable Law. Subrecipient agrees to comply with all applicable federal, state, and local law. This includes environmental and permitting laws and regulations.

6.11 Eligible Project to be Technically Sound. Subrecipient agrees that all projects will be undertaken and completed in a manner that is technically sound, meaning that they must meet design and construction methods and use materials that are approved, codified, recognized, fall under standard or acceptable levels of practice, or otherwise are determined to be generally acceptable by the design and construction industry.

6.12 Civil Rights Compliance. Subrecipient and its vendors or contractors are required to meet legal requirements relating to nondiscrimination and nondiscriminatory use of Federal funds. Those requirements include ensuring that entities receiving Federal financial assistance from the Treasury do not deny benefits or services, or otherwise discriminate on the basis of race, color, national origin (including limited English proficiency), disability, age, or sex (including sexual orientation and gender identity), in accordance with the following authorities: Title VI of the Civil Rights Act of 1964 (Title VI) Public Law 88-352, 42 U.S.C. 2000d-1 et seq., and the Department's implementing regulations, 31 CFR part 22; Section 504 of the Rehabilitation Act of 1973 (Section 504), Public Law 93-112, as amended by Public Law 93-516, 29 U.S.C. 794; Title IX of the Education Amendments of 1972 (Title IX), 20 U.S.C. 1681 et seq., and the Treasury Department's implementing regulations, 31 CFR part 28; Age Discrimination Act of 1975, Public Law 94-135, 42 U.S.C. 6101 et seq., and the Treasury Department's implementing regulations at 31 CFR part 23. The Subrecipient further agrees that every subcontract entered into for the performance of any contract or purchase order resulting here from, will contain a provision requiring non-discrimination in employment, service delivery and access, as herein specified binding upon each subrecipient. The Subrecipient agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause.

6.13 Repayment of SLFRF Awards. If the United States or Virginia lawfully requires repayment of some or all of the SLFRF award, Subrecipient agrees to repay such amount to the Recipient for such purpose within twenty (20) days of any such requirement.

6.14 Return of Unexpended SLFRF Awards. If all of the SLFRF award is not expended by the end of the identified performance period, Subrecipient is obligated to return unexpended funds to the Department. The Commonwealth and the Department, shall coordinate to accomplish the return of such funds in a timely manner in accordance with the SLFRF Treasury Final Rule.

6.15 Capital Expenditures. Among other requirements contained in 2 CFR 200, Appendix II, all contracts made by a recipient or subrecipient in excess of \$100,000 with respect to a capital expenditure that involve employment of mechanics or laborers must include a provision for compliance with certain provisions of the Contract Work Hours and Safety Standards Act, 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR part 5).

6.16 Further Cooperation. The Parties shall cooperate with each other as reasonably necessary to confirm or bring about the transfers contemplated by this Agreement.

6.17 Term. This Agreement shall be effective on the date it is executed by the Department and shall terminate upon final reimbursement to the Subrecipient.

6.18 Governing Law; Severability. This Agreement shall be construed in accordance with and governed for all purposes by the laws of the Commonwealth of Virginia. If any word or provision of this Agreement as applied to any Party or to any circumstance is adjudged by a court to be invalid or unenforceable, the same shall in no way affect any other circumstance or the validity or enforceability of any other word or provision. The Subrecipient further agrees to comply with all laws and regulations applicable to the Subrecipient's performance of its obligations pursuant to this agreement.

6.19 Entire Agreement; Amendments. This Agreement contains the entire integrated agreement between the Parties as to the subject matter hereof and supersedes all previous written and oral negotiations, commitments, proposals, and writings. No alterations, amendments, or modifications may be made to this Agreement except by a writing signed by both Parties and attached hereto. This Agreement may be modified by agreement of the Parties for any purpose, provided that any significant modification to this Agreement must be preceded by public notice of such modification.

6.20 Counterparts; Signatures; Copies. This Agreement may be executed in counterparts, both of which shall be deemed an original, but all of which together shall constitute one and the same instrument. A facsimile or scanned signature may substitute for and have the same legal effect as an original signature. Any copy of this executed Agreement made by photocopy, facsimile or scanner shall be considered the original for all purposes.

6.21 Authorization. Each Party represents that its execution, delivery and performance under this Agreement have been duly authorized by all necessary action on its behalf, and do not and will not violate any provision of its charter or enabling legislation or result in a material breach of or constitute a material default under any agreement, indenture, or instrument of which it is a party or by which it or its properties may be bound or affected.

6.22. Effect of the Agreement on Permits. This Agreement shall not be deemed to relieve the Subrecipient of its obligations to comply with the terms of its Virginia Pollutant Discharge Elimination System (VPDES) and/or Virginia Water Protection (VWP) permit(s) issued by the Board or Department. This Agreement does not obviate the need to obtain, where required, any other State or Federal permit(s).

6.23. Disclaimer. Nothing in this Agreement shall be construed as authority for either Party to make commitments which will bind the other Party beyond the covenants contained herein.

6.24. Non-Waiver. No waiver by the Department of any one or more defaults by the Subrecipient in the performance of any provision of this Agreement shall operate or be construed as a waiver of any future default or defaults of whatever character.

6.25. Collateral Agreements. Where there exists any inconsistency between this Agreement and other provisions of collateral contractual agreements which are made a part of this Agreement by reference, the provisions of this Agreement shall control.

6.26. Conflict of Interest. The Subrecipient warrants that it has fully complied with the Virginia Conflict of Interest Act as it may apply to this Agreement.

6.27. Notices. All notices given hereunder shall be in writing and shall be sent by United States certified mail, return receipt requested, postage prepaid, and shall be deemed to have been received at the earliest of: (a) the date of actual receipt of such notice by the addressee, (b) the date of the actual delivery of the notice to the address of the addressee set forth below, or (c) five (5) days after the sender deposits it in the mail properly addressed. All notices required or permitted to be served upon either party hereunder shall be directed to:

Department: Virginia Department of Environmental Quality
Clean Water Financing and Assistance Program
P.O. Box 1105
Richmond, VA 23218
Attn: CWFAP Program Manager

Subrecipient: Hampton Roads Sanitation District
PO Box 5915
Virginia Beach, VA 23471
Attn: Jay Bernas

6.28. Successors and Assigns Bound. This Agreement shall extend to and be binding upon the Parties hereto, and their respective legal representatives, successors and assigns.

6.29. Exhibits. All exhibits to this Agreement are incorporated herein by reference.

6.30. Recoupment of Funds. Failure to abide by the requirements of the Final Rule (31 CFR Part 35,) adopted by the United States Department of the Treasury, may result in recoupment of funds by the United States Department of the Treasury.

IN WITNESS WHEREOF, the Parties hereto have caused the execution of this Agreement as of the date first written above.

VIRGINIA DEPARTMENT OF ENVIRONMENTAL QUALITY

By: _____ Date _____
Alvie Edwards
Director of Administration
(804) 898-9883
alvie.edwards@deq.virginia.gov

HAMPTON ROADS SANITATION DISTRICT

By: _____ Date _____
Jay Bernas
General Manager
(757) 318-4335
generalmanager@hrsd.com

Steven G. de Mik, MBA, CPA
Deputy General Manager & Director of Finance
(757) 460-7240
sdemik@hrsd.com

[END OF SIGNATURES]

SUBRECIPIENT AGREEMENT
FOR THE VIRGINIA AMERICAN RESCUE PLAN ACT
STATE AND LOCAL FISCAL RECOVERY FUND IMPLEMENTATION

EXHIBIT A

ELIGIBLE PROJECT DESCRIPTION

Subrecipient: Hampton Roads Sanitation District

ARPA Grant No.: ENRCPP-04

Project Description:

This project provides for the design and construction of improvements to the secondary treatment process at the James River Treatment Plant. This project includes the following components.

- Equalization of primary effluent.
- Modifications to the Integrated Fixed Film Activated Sludge system.
- Increased Integrated Fixed Film Activated Sludge media fill.
- Demolition of existing secondary clarifiers (1, 2, and 3).
- Replacement of secondary clarifiers 1, 2, and 3 with new rectangular secondary clarifiers.
- Conversion of clarifier 5 to a post denitrification moving bed bio-reactor.
- Chemical storage and feed systems.
- All pumping, piping, and site work required.

Note: Only those eligible costs falling within the period outlined in Section 4.6 will be eligible for reimbursement through this grant.

SUBRECIPIENT AGREEMENT
FOR THE VIRGINIA AMERICAN RESCUE PLAN ACT
STATE AND LOCAL FISCAL RECOVERY FUND IMPLEMENTATION

EXHIBIT B

TOTAL PROJECT BUDGET

Subrecipient: Hampton Roads Sanitation District

ARPA Grant No.: ENRCPP-04

The following budget reflects the estimated costs associated with eligible cost categories of the project.

Sources	
	Total Allocated Funding
Virginia Water Facilities Revolving Fund: Principal Repayment Loan (Estimate)	\$24,137,329
American Rescue Plan Act ENRCPP Grant - ENRCPP-04	\$36,124,859
Water Quality Improvement Fund (Estimate)	\$133,828,041
HRSD Contribution	\$64,429,592
TOTAL:	\$258,519,821

Uses	
	Cost per Task
Engineering	
Owner's Consultant Services	\$2,515,788
Design Services	\$15,808,372
Engineering Services	\$8,284,071
Sub Total	\$26,608,231
Construction	
Construction	\$225,030,555
Sub Total	\$225,030,555
Other Project-Related Costs	
Contingency	\$6,881,035
Sub Total	\$6,881,035
TOTAL:	\$258,519,821

Virginia Department of Environmental Quality
 ARPA Grant #ENRCPP-04

Project Category/Project Name	Total Project Cost	ARPA Grant	RLF Loan	WQIF	Other Non-DEQ Funding
	100%	13.97%	9.34%	51.77%	24.92%
Engineering Services					
Basic Engineering Services	\$ 2,361,688.18	\$ -	\$ 176,501.64	\$ -	\$ 2,185,186.54
Additional Services	\$ 154,099.51	\$ -	\$ 55,807.95	\$ -	\$ 98,291.56
DB Team: Design Services	\$ 15,808,372.00	\$ -	\$ 15,518,038.63	\$ -	\$ 290,333.37
Contract	\$ 13,770,918.00	\$ -	\$ 13,770,918.00	\$ -	\$ -
CO 01	\$ 827,849.00	\$ -	\$ 827,849.00	\$ -	\$ -
CO 02	\$ 782,687.00	\$ -	\$ 782,687.00	\$ -	\$ -
CO 03	\$ 426,918.00	\$ -	\$ 136,584.63	\$ -	\$ 290,333.37
DB Team: Engineering Services During Construction	\$ 8,284,071.00	\$ -	\$ -	\$ -	\$ 8,284,071.00
Contract	\$ 7,523,143.00	\$ -	\$ -	\$ -	\$ 7,523,143.00
CO 03	\$ 760,928.00	\$ -	\$ -	\$ -	\$ 760,928.00
Sub-Total	\$ 26,608,230.69	\$ -	\$ 15,750,348.22	\$ -	\$ 10,857,882.47
Construction					
Contract	\$ 195,068,357.00	\$ 6,162,661.00	\$ 8,386,980.96	\$ 133,828,041.00	\$ 46,690,674.04
CO 01	\$ 18,318.00	\$ 18,318.00	\$ -	\$ -	\$ -
CO 02	\$ 17,319.00	\$ 17,319.00	\$ -	\$ -	\$ -
CO 03	\$ 29,926,561.00	\$ 29,926,561.00	\$ -	\$ -	\$ -
Sub-Total	\$ 225,030,555.00	\$ 36,124,859.00	\$ 8,386,980.96	\$ 133,828,041.00	\$ 46,690,674.04
Project Related Costs					
Contingency	\$ 6,881,035.31	\$ -	\$ -	\$ -	\$ 6,881,035.31
Sub-Total	\$ 6,881,035.31	\$ -	\$ -	\$ -	\$ 6,881,035.31
TOTALS	\$258,519,821.00	\$36,124,859.00	\$24,137,329.18	\$133,828,041.00	\$64,429,591.82

Notes:

1. The funding the Department is awarding through this agreement is outlined in the ARPA Grant column in the Total Project Budget table above. The Department is providing additional funding for the Project outside of this Agreement; that additional funding is outlined in the RLF Loan and WQIF columns in the Total Project Budget table. Only that funding outlined in the ARPA Grant column is governed by this agreement.
2. RLF and WQIF funding is intended to be used only if needed to cover remaining project costs after the funds outlined in the ARPA Grant column in the Total Project Budget table above have been exhausted.
3. Only those eligible costs falling within the period outlined in Section 4.6 will be eligible for reimbursement through this grant.

SUBRECIPIENT AGREEMENT
FOR THE VIRGINIA AMERICAN RESCUE PLAN ACT
STATE AND LOCAL FISCAL RECOVERY FUND IMPLEMENTATION

EXHIBIT C

PROJECT SCHEDULE

Subrecipient: Hampton Roads Sanitation District

ARPA Grant No.: ENRCPP-04

The Subrecipient has proposed the following schedule of key activities/milestones as a planning tool which may be subject to change. Unless authorized by a grant modification, it is the responsibility of the Subrecipient to adhere to the anticipated schedule for the Eligible Project as follows:

Project Name	Project Description / Milestone	Schedule / Timeline	Note
James River Treatment Plant Advanced Nutrient Reduction Improvements	Planning	March 31, 2022	
	Design	January 31, 2023	
	Construction	December 31, 2026	

Note: Only those eligible costs falling within the period outlined in Section 4.6 will be eligible for reimbursement through this grant.

The Subrecipient has proposed the following estimates for the grant funds for which it will request reimbursement:

Quarter	Estimated Amount of Grant Funds to be Requested for Reimbursement
January – March 2024	
April – June 2024	
July – September 2024	\$18,957,416.64
October – December 2024	\$14,218,062.48
January – March 2025	\$2,949,379.88
April – June 2025	
July – September 2025	
October – December 2025	
January – March 2026	
April – June 2026	
July – September 2026	
October – December 2026	

EXHIBIT D

REQUISITION FOR REIMBURSEMENT

(To be on Subrecipient's Letterhead)

Virginia Department of Environmental Quality
Clean Water Financing and Assistance Program
P.O. Box 1105
Richmond, VA 23218
Attn.: CWFAP Program Manager

RE: American Rescue Plan Act Wastewater Grant

ARPA Grant No.: ENRCPP-04

Dear Program Manager:

This requisition, Number _____, is submitted in connection with the referenced Grant Agreement, dated as of *[insert date of grant agreement]* between the Virginia Department of Environmental Quality and _____. Unless otherwise defined in this requisition, all capitalized terms used herein shall have the meaning set forth in Article I of the Grant Agreement. The undersigned Authorized Representative of the Subrecipient hereby requests disbursement of grant proceeds under the Grant Agreement in the amount of \$_____, for the purposes of payment of the Eligible Project Costs as set forth on Schedule I attached hereto.

Documentation required by Section 4.2 of this agreement relating to the items for which payment is requested is attached.

The undersigned certifies that the amounts requested by this requisition will be applied solely and exclusively to the reimbursement of the Subrecipient for the payment of Eligible Project Costs that fall within the period outlined in Section 4.6 of this agreement.

This requisition includes (if applicable) an accompanying Certificate of the Project Engineer as to the performance of the work.

Sincerely,

(Authorized Representative of the Subrecipient)

Attachments

Schedule 1

American Rescue Plan Act Wastewater Fund

Form to accompany request for reimbursement

Requisition # _____

Subrecipient: Hampton Roads Sanitation District

ARPA Grant No.: ENRCPP-04 Certifying Signature: _____ Title: _____

Cost Category	Original Budget	Previous Disbursements	Net Balance Available	Expenditures This Period	Total Expenditures to Date	Net Balance Remaining
Construction						
Contract	\$ 6,162,661.00	\$ -	\$ 6,162,661.00	\$ -	\$ -	\$ 6,162,661.00
CO 01	\$ 18,318.00	\$ -	\$ 18,318.00	\$ -	\$ -	\$ 18,318.00
CO 02	\$ 17,319.00	\$ -	\$ 17,319.00	\$ -	\$ -	\$ 17,319.00
CO 03	\$ 29,926,561.00	\$ -	\$ 29,926,561.00	\$ -	\$ -	\$ 29,926,561.00
TOTALS	\$ 36,124,859.00	\$ -	\$ 36,124,859.00	\$ -	\$ -	\$ 36,124,859.00

Total Grant Amount: \$36,124,859.00

Previous Disbursements: \$ _____

This Request: \$ _____

Grant Proceeds Remaining: \$36,124,859.00

Certificate of the Project Engineer

Form to Accompany Request for Reimbursements (not applicable to SLPP Subawards)

Subrecipient: Hampton Roads Sanitation District

ARPA Grant No.: ENRCPP-04

This Certificate is submitted in connection with Requisition Number _____, dated _____, 20__, submitted by the _____ (the "Subrecipient") to the Virginia Department of Environmental Quality. Capitalized terms used herein shall have the same meanings set forth in Article I of the Grant Agreement referred to in the Requisition.

The undersigned Project Engineer for _____ hereby certifies that insofar as the amounts covered by this Requisition include payments for labor or to contractors, builders or material men, such work was actually performed or such materials, supplies, or equipment were actually furnished to or installed in the Eligible Project.

(Project Engineer)

(Date)

SUBRECIPIENT AGREEMENT
FOR THE VIRGINIA AMERICAN RESCUE PLAN ACT
STATE AND LOCAL FISCAL RECOVERY FUND IMPLEMENTATION

EXHIBIT E

PASS-THROUGH INFORMATION REQUIREMENTS

The following pass-through information requirements pertaining to the subaward to Subrecipient set forth below in satisfaction of 2 CFR 200.332 and per 2 CFR 200.1 of the Uniform Guidance. The Federal Award Identification for funds (subaward) addressed by this Agreement is the American Rescue Plan Act State and Local Fiscal Recovery Fund.

- (i) Subrecipient's Name: Hampton Roads Sanitation District
- (ii) Subrecipient's Unique Entity Identifier (UEI): NLNKLTGGRKZ6
- (iii) Federal Award Identification Number: SLFRP1026
- (iv) Federal Award Date: May 18, 2021
- (v) Subaward Period of Performance Start and End Date:
Start Date is Date of this Agreement; End Date is December 31, 2026
- (vi) Subaward Budget Period Start and End Date:
March 3, 2021; End Date is December 31, 2026
- (vii) Amount of Federal Funds Obligated by this Action by the Pass-Through Entity to the Subrecipient: \$36,124,859.00
- (viii) Total Amount of Federal Funds Obligated to the Subrecipient by the Pass-Through Entity Including the Current Financial Obligation: \$36,124,859.00
- (ix) Federal Award Project Description, as Required to be Responsive to the Federal Funding Accountability and Transparency Act (FFATA): This project provides for the design and construction of improvements to the secondary treatment process at the James River Treatment Plant.
- (x) (A) Name of Federal Awarding Agency: U.S. Department of the Treasury
(B) Name of Pass-Through Entity: Virginia Department of Environmental Quality
(C) Contact Information for Awarding Official of the Pass-Through Entity:
Alvie Edwards, Director of Administration
804-898-9883
alvie.edwards@deq.virginia.gov
- (xi) Assistance Listings Number (ALN) and Title (the pass-through entity must identify the dollar amount made available under each Federal award and the Assistance Listings Number at time of disbursement): ALN 21.027 – Coronavirus State and Local Fiscal Recovery Funds

- (xii) Identification of Whether the Award is R&D: Not R&D Award
- (xiii) Indirect Costs for the Federal Award: *Pursuant to the SLFRF Award Terms and Conditions, recipients are permitted to charge both direct and indirect costs to their SLFRF award as administrative costs as long as they are accorded consistent treatment per 2 CFR 200.403. Indirect cost rate for the Federal award (including if the de minimis rate of 10% is charged) per §200.414. N/A – no indirect costs are requested in the Subrecipient’s grant budget for this SLFRF award.*

SUBRECIPIENT AGREEMENT
FOR THE VIRGINIA AMERICAN RESCUE PLAN ACT
STATE AND LOCAL FISCAL RECOVERY FUND IMPLEMENTATION

EXHIBIT E-2

**ADDITIONAL PASS-THROUGH INFORMATION REQUIREMENTS FOR SLFRF
INFRASTRUCTURE PROJECTS (EC.5)**

The following additional pass-through information requirements pertaining to the subaward to Subrecipient set forth below in satisfaction of State and Local Fiscal Recovery Fund Infrastructure Projects (EC.5) and the Federal Funding Accountability and Transparency Act (FFATA). The Federal Award Identification for funds (subaward) addressed by this Agreement is the American Rescue Plan Act State and Local Fiscal Recovery Fund.

- (i) Median Household Income and Lowest Quintile of Area Served by the Subaward: \$64,102 and \$14,145
- (ii) National Pollutant Discharge Elimination System (NPDES) Permit of Facility Involved in the Subaward Project, If Applicable; VA0081272
- (iii) Federal Award Subaward Number, as Required to be Responsive to the Federal Funding Accountability and Transparency Act (FFATA): ENRCPP-04
- (iv) Executive Compensation Data, as Required to be Responsive to the Federal Funding Accountability and Transparency Act (FFATA): In the Preceding Year, Did your Business or Organization Receive (1) 80 Percent or More of your Annual Gross Revenues in U.S. Federal Contracts, Subcontracts, Loans, Grants, Subgrants, and/or Cooperative Agreements; and (2) \$25,000,000 or More in Annual Gross Revenues from U.S. Federal Contracts, Subcontracts, Loans, Grants, Subgrants, and/or Cooperative Agreements?: NO
 - a. If “YES”, Provide the Name of and Total Compensation for the Organization’s Five Highest Paid Officers, If Not Already Publicly Listed or Otherwise Listed in SAM.gov: N/A
- (v) Infrastructure Projects with Total Expected Costs Over \$10,000,000:
 - a. Do you certify that “all laborers and mechanics employed by contractors and subcontractors in the performance of the project are paid wages at rates not less than those prevailing, as determined by the U.S. Secretary of Labor in accordance with subchapter IV of chapter 31 of title 40, United States Code (commonly known as the “Davis-Bacon Act”), for the corresponding classes of laborers and mechanics employed on projects of a character similar to the contract work in the civil subdivision of the State (or the District of Columbia) in which the work is to be performed, or by the appropriate State entity pursuant to a corollary State prevailing-wage-in-construction law (commonly known as “baby Davis-Bacon Acts”)?: YES

- i. If “NO”, Provide:
 1. Number of employees of contractors and sub-contractors working on the project: N/A
 2. Number of employees on the project hired directly: N/A
 3. Number of employees on the project hired through a third party: N/A
 4. Are any of the wages at rates less than those prevailing?: N/A
 5. The wages and benefits of workers on the project by classification: N/A

- b. Do you certify that “the indicated project includes a project labor agreement, meaning a pre-hire collective bargaining agreement consistent with section 8(f) of the National Labor Relations Act (29 U.S.C.158(f))?”: NO

- i. If “NO”, Answer:
 1. How the recipient will ensure the project has ready access to a sufficient supply of appropriately skilled and unskilled labor to ensure high-quality construction throughout the life of the project, including a description of any required professional certifications and/or in-house training?: Qualification based awards are made when issuing contracts. Firms are interviewed during the selection process to ensure they can complete the work appropriately and within the needed timeframe. Professional Engineers require certification.
 2. How the recipient will minimize risks of labor disputes and disruptions that would jeopardize timeliness and cost-effectiveness of the project?: HRSD requires contractors to pay workers the prevailing wage rate. HRSD has a compliance manager who ensures these requirements are met. These measures minimize risks of labor disputes.
 3. How the recipient will provide a safe and healthy workplace that avoids delays and costs associated with workplace illnesses, injuries, and fatalities, including descriptions of safety training, certification, and/or licensure requirements for all relevant workers (e.g., OSHA 10, OSHA 30)?: HRSD reviews and ensures OSHA compliance prior to contract award and has monthly on-site safety reviews.
 4. Will workers on the project receive wages and benefits that will secure an appropriately skilled workforce in the context of the local or regional labor market?: YES
 5. Does the project have a completed project labor agreement?: NO
 6. Does the project prioritize local hires?: NO
 7. Does the project have a Community Benefit Agreement, with a description of any such agreement?: Yes. HRSD has a successful SWIFT Community Commitment Program that has been implemented with the James River Treatment Plant ANRI project. The Community Commitment Program consists of a cross-department Steering Committee to develop partnerships and evaluate proposed vendor and contractor plans during the procurement process. Plans are evaluated based on alignment with the six pillars that reflect HRSD’s Strategic Plan. These include environmental stewardship, economic development, growth of the industry through education, workforce development, equitable water future, and support of community basic needs. Vendors and contractors report on their impact and HRSD maintains a SWIFT Community Commitment Framework dashboard.

SUBRECIPIENT AGREEMENT
FOR THE VIRGINIA AMERICAN RESCUE PLAN ACT
STATE AND LOCAL FISCAL RECOVERY FUND IMPLEMENTATION

EXHIBIT F

QUARTERLY REPORTING REQUIREMENTS

On a quarterly basis, DEQ will report the following information for all ARPA subaward projects utilizing the information provided in Exhibits E and E-2, with the exception of the quarterly obligation, expenditure amounts, and additional programmatic data specific to Septic Local Partner Program (SLPP) subawards:

Below are the reporting requirements for subawards under \$50,000.

- Obligation amount (if applicable)
- Expenditure amount (if applicable)

Below are the reporting requirements for subawards over \$50,000.

- Unique Entity Identifier (UEI)
- Payee contact information
- Subaward date
- Subaward amount
- Subaward description
- Primary place of performance information
- Quarterly obligation amount
- Quarterly expenditure amount
- Subrecipient gross revenue information
 - Percentage of gross revenue from Federal contracts (Y/N above 80%)
 - Amount of gross revenue from Federal contracts (Y/N above \$25,000,000)
- Subrecipient executive compensation details if required.
- Additional programmatic data based on Expenditure Category

Subrecipients are required submit Exhibit F-2, Quarterly Reporting Re-Certification Statements, on a quarterly basis, re-certifying that the information provided to DEQ in Exhibits E and E-2 remain accurate and applicable to the subaward project.

For Septic Local Partner Program subawards only, subrecipients must provide, on a quarterly basis using Exhibit F-3, the following information for each property receiving cost-share assistance:

- Latitude/longitude in decimal degrees
- Amount of cost-share provided
- Certification of permitting and income verification

SLFRF Key Reporting Deadlines

Below are the deadlines for the Project and Expenditure Reports.

Quarterly Report	Year	Quarter	Period Covered	Due Date
1	2024	1	January 1 – March 31	April 5, 2024
2	2024	2	April 1 – June 30	July 5, 2024
3	2024	3	July 1 – September 30	October 5, 2024
4	2024	4	October 1 – December 31	January 5, 2025
5	2025	1	January 1 – March 31	April 5, 2025
6	2025	2	April 1 – June 30	July 5, 2025
7	2025	3	July 1 – September 30	October 5, 2025
8	2025	4	October 1 – December 31	January 5, 2026
9	2026	1	January 1 – March 31	April 5, 2026
10	2026	2	April 1 – June 30	July 5, 2026
11	2026	3	July 1 – September 30	October 5, 2026
12	2026	4	October 1 – December 31	January 5, 2027

SUBRECIPIENT AGREEMENT
FOR THE VIRGINIA AMERICAN RESCUE PLAN ACT
STATE AND LOCAL FISCAL RECOVERY FUND IMPLEMENTATION

EXHIBIT F-2

QUARTERLY REPORTING RE-CERTIFICATION STATEMENTS

Subrecipient: Hampton Roads Sanitation District

ARPA Grant No.: ENRCPP-04

I certify:

1. The information submitted in Exhibit E on (Enter Date Here) remains accurate and applicable to this subaward; and,
2. The information submitted in Exhibit E-2 on (Enter Date Here) remains accurate and applicable to this subaward.

(Authorized Representative)

(Date)

AGENDA ITEM 5. – April 23, 2024

Subject: Nansemond Treatment Plant Advanced Nutrient Reduction Improvements Phase II American Rescue Plan Act (ARPA) Grant Agreement

Recommended Action: Approve the terms and conditions of the ARPA State and Local Fiscal Recovery Fund Grant with the Virginia Department of Environmental Quality (DEQ) for the Nansemond Treatment Plant (NTP) Advanced Nutrient Reduction Improvements (ANRI) Phase II and authorize the General Manager to execute same, substantially as presented, together with such changes, modifications and deletions as the General Manager may deem necessary or desirable.

CIP Project: NP013820

Agreement Description: This agreement between the Virginia Department of Environmental Quality and HRSD is for capital costs associated with improvements needed at the Nansemond Treatment Plant for improved nutrient reduction capability. The following components of the project are eligible:

- Improvements to Primary Clarifiers and Equalization systems
- Improvements to solids handling systems
- Installation of new aeration tanks and systems
- Installation of new chlorine contact train
- Effluent pump replacement
- Construction of new secondary clarifiers
- Replacement of switchgear and motor control centers
- Demolition of existing treatment equipment
- All associated pumping, piping, tankage, mechanical, and electrical equipment

The total grant award for this project is \$31,693,207.

The attached draft [Grant Agreement](#) was reviewed by staff and HRSD legal counsel.

**SUBRECIPIENT AGREEMENT
FOR THE COMMONWEALTH OF VIRGINIA
AMERICAN RESCUE PLAN ACT
STATE AND LOCAL FISCAL RECOVERY FUND IMPLEMENTATION**

ARPA Grant No.: ENRCPP-03

SUBRECIPIENT AGREEMENT BETWEEN

**DEPARTMENT OF ENVIRONMENTAL QUALITY
1111 EAST MAIN STREET
RICHMOND, VA 23219**

and

**HAMPTON ROADS SANITATION
DISTRICT
PO BOX 5915
VIRGINIA BEACH, VA 23471**

THIS AGREEMENT (“AGREEMENT”) FOR THE COMMONWEALTH OF VIRGINIA’S (“VIRGINIA”) AMERICAN RESCUE PLAN ACT (“ARPA”) STATE AND LOCAL FISCAL RECOVERY FUND (“SLFRF”) IMPLEMENTATION is made and entered into the [Insert day] day of [Insert month] 20[Insert year], by and between the **Department of Environmental Quality** (“Department”), and the **Hampton Roads Sanitation District** (“Subrecipient”) (each a “Party” and jointly the “Parties”). This Agreement shall become effective on the date (“Effective Date”) this contract is signed by the Department.

The Award Terms and Conditions of this Agreement sets forth the compliance obligations for the Subrecipient pursuant to the SLFRF statute, the Office of Management and Budget’s Uniform Guidance, the United States Department of the Treasury’s updated final rule (31 CFR Part 35), applicable Federal laws and regulations, and applicable state laws, including acts appropriating ARPA funds to the Department to administer.

Pursuant to Section k of 2021 Special Session II Va. Acts Ch. 1, titled “CSOs and Wastewater”, as amended by 2022 Special Session I Va. Acts Ch. 1 Item 479.20, the General Assembly appropriated certain ARPA funds received by the Commonwealth to the Department to administer for investments in wastewater infrastructure, nutrient removal technology, and other eligible infrastructure improvements (the “Fund”). In addition, in 2022 Special Session I Va. Acts Ch. 2 Item 486 under the heading “Drinking Water, Wastewater, and CSOs” the General Assembly appropriated additional ARPA funds received by the Commonwealth to the Department to administer which are also part of the “Fund.”

The Subrecipient has been approved by the Department to receive a Grant from the Fund subject to the terms and conditions herein to finance the cost of the Eligible Project, which consists of the design and construction of wastewater infrastructure or other infrastructure as described herein. The Subrecipient will use the Grant to finance that portion of the Eligible Project Costs not being paid for from other sources as set forth in the Total Project Budget in Exhibit B to this Agreement. Such other sources may include, but are not limited to, the Virginia Water Facilities Revolving Fund, Chapter 22, Title 62.1 of the Code of Virginia (1950), as amended.

This Agreement provides for payment of the Grant, design and construction of the Eligible Project, and development and implementation by the Subrecipient of provisions for the long-term responsibility and maintenance of the infrastructure installed under the Eligible Project. This Agreement is supplemental to the State Water Control Law, Chapter 3.1, Title 62.1 of the Code of Virginia (1950), as amended, and it does not limit in any way the other water quality restoration, protection and enhancement, or enforcement authority of the State Water Control Board (the “Board”) or the Department.

NOW, THEREFORE, in consideration of the mutual promises and obligations set forth in this Agreement, including the recitals set forth above which are a material part of this Agreement, the sufficiency of which is hereby acknowledged, the Parties agree as follows:

ARTICLE I **DEFINITIONS**

1. The capitalized terms contained in this Agreement shall have the meanings set forth below unless the context requires otherwise:

(a) “Agreement” means this Agreement between the Department and the Subrecipient, together with any amendments or supplements hereto.

(b) “Authorized Representative” means any member, official or employee of the Subrecipient authorized by resolution, ordinance or other official act of the governing body of the Subrecipient to perform the act or sign the document in question.

(c) “Eligible Project” means all grant eligible items of the particular project described in Exhibit A to this Agreement to be designed and constructed by the Subrecipient with, among other monies, the Grant, with such changes thereto as may be approved in writing by the Department and the Subrecipient.

(d) “Eligible Project Costs” means costs of the individual items comprising the Eligible Project as permitted by the Act with such changes thereto as may be approved in writing by the Department and the Subrecipient.

(e) “Extraordinary Conditions” means unforeseeable or exceptional conditions resulting from causes beyond the reasonable control of the Subrecipient such as, but not limited to fires, floods, strikes, acts of God, and acts of third parties that singly or in combination cause material breach of this Agreement.

(f) “Grant” means the particular grant described in Section 4.0 of this Agreement, with such changes thereto as may be approved in writing by the Department and the Subrecipient.

(g) “Total Eligible Project Budget” means the sum of the Eligible Project Costs as set forth in Exhibit B to this Agreement, with such changes thereto as may be approved in writing by the Department and the Subrecipient.

(h) “Total Project Budget” means the sum of the Eligible Project Costs (with such changes thereto as may be approved in writing by the Department and the Subrecipient) plus any ineligible costs that are solely the responsibility of the Subrecipient, as set forth in Exhibit B to this Agreement.

(i) “Project Engineer” means the Subrecipient’s engineer who must be a licensed professional engineer registered to do business in Virginia and designated by the Subrecipient as the Subrecipient’s engineer for the Eligible Project in a written notice to the Department.

(j) “Project Schedule” means the schedule for the Eligible Project as set forth in Exhibit C to this Agreement, with such changes thereto as may be approved in writing by the Department and the Subrecipient. The Project Schedule assumes timely approval of adequate plans and specifications and timely reimbursement in accordance with this Agreement by the Department.

ARTICLE II **SCOPE OF PROJECT**

2. The Subrecipient will cause the Eligible Project to be designed, constructed, and placed in operation as described in Exhibit A to this Agreement.

ARTICLE III **SCHEDULE**

3. The Subrecipient will cause the Eligible Project to be designed, constructed, and placed in operation in accordance with the Project Schedule in Exhibit C to this Agreement.

ARTICLE IV **COMPENSATION**

4.0. Grant Amount. The total Grant award from the Fund under this Agreement is up to **\$31,693,207.00** and represents the Total Eligible Project Budget. Any material changes made to the Eligible Project after execution of this Agreement, which alters the Total Eligible Project Budget, will be submitted to the Department for review of grant eligibility. The amount of the Grant award set forth herein may be modified from time to time by written agreement of the Parties to reflect changes to the Eligible Project or the Total Eligible Project Budget.

4.1. Payment of Grant. Disbursement of the Grant will be in accordance with the payment provisions set forth in Section 4.2 herein and the eligibility determinations made in the Total Project Budget (Exhibit B).

4.2. Disbursement of Grant Funds. The Department will disburse the Grant to the Subrecipient not more frequently than once each calendar month for approved eligible reimbursement of a minimum of one thousand (\$1,000.00) dollars, excluding the final payment, upon receipt by the Department of the following:

(a) A requisition for approval by the Department, signed by the Authorized Representative and containing all receipts, vouchers, statements, invoices or other evidence that costs in

the Total Eligible Project Budget, have been incurred or expended and all other information called for by, and otherwise being in the form of, Exhibit D to this Agreement.

(b) If any requisition includes an item for payment for labor or to contractors, builders or material men, a certificate, signed by the Project Engineer, stating that such work was actually performed or such materials, supplies or equipment were actually furnished or installed in or about the construction of the Eligible Project.

Upon receipt of each such requisition and accompanying certificate(s) and schedule(s), the Department shall request disbursement of the Grant to the Subrecipient in accordance with such requisition to the extent approved by the Department.

Except as may otherwise be approved by the Department, disbursements shall be held at ninety-five percent (95%) of the total Grant amount to ensure satisfactory completion of the Eligible Project. Upon receipt from the Subrecipient of the certificate specified in Section 4.5, certification that the Eligible Project will be maintained for the useful service life of the installed facilities, and a final requisition detailing all retainage to which the Subrecipient is then entitled, the Department, subject to the provisions of this section and Section 4.3 herein, shall request disbursement to the Subrecipient of the final payment from the Grant.

4.3 Application of Grant Funds. The Subrecipient agrees to apply the Grant solely and exclusively to the reimbursement of Eligible Project Costs.

4.4. Agreement to Complete Project. The Subrecipient agrees to cause the Eligible Project to be designed and constructed, as described in Exhibit A to this Agreement, and in accordance with (i) the schedule in Exhibit C to this Agreement and (ii) plans and specifications prepared by the Project Engineer and approved by the Department.

4.5 Notice of Substantial Completion. When the Eligible Project has been completed, the Subrecipient shall promptly deliver to the Department a certificate signed by the Authorized Representative and by the Project Engineer stating (i) that the Eligible Project has been completed substantially in accordance with the approved plans and specifications and addenda thereto, and in substantial compliance with all material applicable laws, ordinances, rules, and regulations; (ii) the date of such completion; (iii) that all certificates of occupancy and operation necessary for start-up for the Eligible Project have been issued or obtained; and (iv) the amount, if any, to be released for payment of the final Eligible Project Costs.

4.6 Timing of Costs Incurred and Return of Funds. The Subrecipient agrees that the Grant may only be used to cover costs incurred and expended during the period beginning March 3, 2021 and ending December 31, 2026. The Subrecipient agrees that the final date upon which funds may be expended is December 31, 2026. The Subrecipient agrees to return funds not expended by December 31, 2026.

ARTICLE V
MATERIAL BREACH

5.0. Material Breach. Any failure or omission by the Subrecipient to perform its obligations under this Agreement, unless excused by the Department, is a material breach.

5.1. Notice of Material Breach. If at any time the Subrecipient determines that it is unable to perform its obligations under this Agreement, the Subrecipient shall promptly provide written notification to the Department. This notification shall include a statement of the reasons it is unable to perform, any actions to be taken to secure future performance and an estimate of the time necessary to do so.

5.2. Extraordinary Conditions.

(a) The Subrecipient may assert, and it shall be a defense to any action by the Department to collect Grant funds or otherwise secure performance of this Agreement, except as required by Article 4.6 or Federal law or regulation, that the alleged non-performance was due to Extraordinary Conditions, provided that the Subrecipient:

(i) takes reasonable measures to effect a cure or to minimize any non-performance with the Agreement, and

(ii) provides written notification to the Department of the occurrence of Extraordinary Conditions, together with an explanation of the events or circumstances contributing to such Extraordinary Conditions and the measures taken to cure the conditions no later than 10 days after the discovery of the Extraordinary Conditions.

(b) If the Department disagrees that the events or circumstances described by the Subrecipient constitute Extraordinary Conditions, the Department must provide the Subrecipient with a written objection within sixty (60) days of Subrecipient's notice under paragraph 5.3(a)(2), together with an explanation of the basis for its objection.

5.3. Resolution and Remedy. If no resolution is reached by the parties, the Department may immediately bring an action in the Circuit Court of the City of Richmond to recover part or all of the Grant funds. In any such action, the Subrecipient shall have the burden of proving that the alleged noncompliance was due to Extraordinary Conditions. The Subrecipient agrees to venue to any such action in the Circuit Court of the City of Richmond, either north or south of the James River in the option of the Department.

ARTICLE VI
GENERAL PROVISIONS

6.1. Acknowledgment of Required Information. In accordance with 2 CFR 200.332 and related Federal requirements for pass-through entities, Subrecipient hereby acknowledges receipt of Exhibit E and E-2 hereto and the additional information set forth therein.

6.2. Fiscal Agent. The Subrecipient agrees to act as the Department's fiscal agent as required for the limited purpose of the ARPA SLFRF award.

6.3 Funds Pass-Through. The Department agrees to transfer the SLFRF award fund(s) to the Subrecipient in accordance with Article IV of this agreement and promptly upon the Department's allotment of such funds from the Department of Planning and Budget ("DPB"); the Department's receipt of such funds from the Department of Accounts ("DOA"); and the compliance of the Subrecipient with any and all prerequisites of the acceptance of these funds, including those specified in Article IV of this agreement (i.e. certifications, proof of eligible expenditures, etc.).

6.4 SAM.gov Requirements. Subrecipient is required to register on System for Award Management ("SAM") at <https://www.sam.gov> pursuant to 2 CFR Part 25. Required SAM.gov information can be found online. Subrecipient must also report the names and total compensation of their five most highly compensated executives and their subrecipients' executives for the preceding completed fiscal year *if* (1) the Subrecipient received 80 percent or more of its annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as provided by 2 CFR 170.320 (and subawards), and received \$25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act (and subawards), and (2) if the information is not otherwise public.

6.5 Reporting and Recordkeeping Requirements. Program and/or project quarterly reporting is required as outlined in Exhibit F. Subrecipients must maintain records and financial documents relating to its Eligible Project Costs and services provided under this Agreement for five (5) years after all funds have been expended, returned to the Department or upon termination of this agreement. The Department shall have access to all subrecipient's records relating to its Eligible Project Costs and services under this Agreement including but not limited to canceled checks, invoices, vouchers, purchase orders, subcontracts, time sheets, mileage records and all other records relating to services and expenditures. Subrecipient agrees to provide the Department with copies of such records at no expense upon request. Further, Treasury may request transfer of records of long-term value at the end of five years. Wherever practicable, such records should be collected, transmitted, and stored in open and machine-readable formats. Subrecipient agrees to provide or make available such records to the Department upon request. Subrecipient must cooperate and provide reasonable assistance to authorized representatives of the Department. The Department, its authorized agents, and/or State auditors will have full access to and the right to examine any of said materials during said period. Additionally, the Department and/or its representatives will have the right to access work sites during normal business hours, after reasonable notice to the Subrecipient, for the purpose of ensuring that the provisions of this Agreement are properly carried out. The Subrecipient also agrees to furnish any records or documents necessary for the Department to carry out its reporting requirements for the ARPA funds.

6.6 Single Audit. Subrecipients that expend more than \$750,000 in Federal awards during their fiscal year will be subject to an audit under the Single Audit Act and its implementing regulation at 2 CFR Part 200, Subpart F regarding audit requirements. Note that the Compliance Supplement provides information on the existing, important compliance requirements that the federal government expects to be considered as a part of such audit. The Compliance Supplement is routinely updated and is made available in the Federal Register and on Office of Management and Budget's (OMB) website: <https://www.whitehouse.gov/omb/office-federal-financial-management>. The Department and Subrecipients should consult the [Federal Audit Clearinghouse](#) to see examples of Single Audit submissions.

6.7 Internal Controls. Subrecipient must:

(a) Establish and maintain effective internal controls over the SLFRF award that provides reasonable assurance that the Subrecipient is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

(b) Comply with Federal statutes, regulations, and the terms and conditions of the SLFRF award.

(c) Evaluate and monitor the non-Federal entity's compliance with statutes, regulations, and the terms and conditions of Federal awards.

(d) Take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings.

(e) Take reasonable measures to safeguard protected personally identifiable information.

6.8 Sub-awardee/Vendor Monitoring. The Subrecipient, when passing funds along to another subrecipient (or "Sub-awardee") or contractor, must:

(a) Ensure that the agreement is clearly identified as a Sub-awardee or subcontractor subaward and includes all the requirements of 2 CFR 200.332 referenced throughout this Agreement.

(b) Evaluate each Sub-awardee's risk for noncompliance as required by 2 CFR 200.332

(c) Monitor the activities of the Sub-awardee, or contractor, as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subawards; that subaward performance goals are achieved; and that all monitoring requirements of 2 CFR 200.332 are met, including reviewing financial and programmatic reports, following up on corrective actions, and issuing management decisions for audit findings. Monitoring must include:

(i) Reviewing financial and performance reports required by the pass-through entity.

(ii) Following-up and ensuring that the Sub-awardee, or contractor, takes timely and appropriate action on all deficiencies pertaining to the Federal award provided to the Sub-awardee, or contractor, from the pass-through entity detected through audits, on-site reviews, and other means.

(iii) Issuing a management decision for audit findings pertaining to the Federal award provided to the subrecipient from the pass-through entity as required.

(d) Verify that every Sub-awardee is audited as required by 2 CFR 200.332. The Sub-awardee must also develop a subrecipient monitoring plan for its subrecipients that addresses monitoring of subrecipients to provide reasonable assurance that the subrecipient administers Federal awards in compliance with laws, regulations, and the provisions of the contract, and that performance goals are achieved. The Sub-awardee's monitoring plan of its subrecipients should include a risk-based assessment to determine the level of oversight, and monitoring activities such as reviewing financial and performance

reports, performing site visits, and maintain regular contact with subrecipients. The Sub-awardee must establish requirements to ensure compliance with its subrecipients as required by 2 CFR 200.332. The Sub-awardee must ensure that all transactions with vendors comply with laws, regulations, and provisions of contracts or grant agreements in compliance with 2 CFR 200.332.

6.9 Procurement, Suspension & Debarment. Subrecipients are responsible for ensuring that any procurement using SLFRF funds, or payments under procurement contracts using such funds, are consistent with the procurement standards set forth in the Uniform Guidance at 2 CFR 200.317 through 2 CFR 200.327, as applicable. The Uniform Guidance establishes in 2 CFR 200.319 that all procurement transactions for property or services must be conducted in a manner providing full and open competition, consistent with standards outlined in 2 CFR 200.320, which allows for non-competitive procurements only in circumstances where at least one of the conditions below is true: the item is below the micro-purchase threshold; the item is only available from a single source; the public exigency or emergency will not permit a delay from publicizing a competitive solicitation; or after solicitation of a number of sources, competition is determined inadequate. Recipients must have and use documented procurement procedures that are consistent with the standards outlined in 2 CFR 200.317 through 2 CFR 200.320. The Uniform Guidance requires an infrastructure for competitive bidding and contractor oversight, including maintaining written standards of conduct and prohibitions on dealing with suspended or debarred parties. Subrecipients must ensure adherence to all applicable local, State, and Federal procurement laws and regulations.

6.10 Compliance with Applicable Law. Subrecipient agrees to comply with all applicable federal, state, and local law. This includes environmental and permitting laws and regulations.

6.11 Eligible Project to be Technically Sound. Subrecipient agrees that all projects will be undertaken and completed in a manner that is technically sound, meaning that they must meet design and construction methods and use materials that are approved, codified, recognized, fall under standard or acceptable levels of practice, or otherwise are determined to be generally acceptable by the design and construction industry.

6.12 Civil Rights Compliance. Subrecipient and its vendors or contractors are required to meet legal requirements relating to nondiscrimination and nondiscriminatory use of Federal funds. Those requirements include ensuring that entities receiving Federal financial assistance from the Treasury do not deny benefits or services, or otherwise discriminate on the basis of race, color, national origin (including limited English proficiency), disability, age, or sex (including sexual orientation and gender identity), in accordance with the following authorities: Title VI of the Civil Rights Act of 1964 (Title VI) Public Law 88-352, 42 U.S.C. 2000d-1 et seq., and the Department's implementing regulations, 31 CFR part 22; Section 504 of the Rehabilitation Act of 1973 (Section 504), Public Law 93-112, as amended by Public Law 93-516, 29 U.S.C. 794; Title IX of the Education Amendments of 1972 (Title IX), 20 U.S.C. 1681 et seq., and the Treasury Department's implementing regulations, 31 CFR part 28; Age Discrimination Act of 1975, Public Law 94-135, 42 U.S.C. 6101 et seq., and the Treasury Department's implementing regulations at 31 CFR part 23. The Subrecipient further agrees that every subcontract entered into for the performance of any contract or purchase order resulting here from, will contain a provision requiring non-discrimination in employment, service delivery and access, as herein specified binding upon each subrecipient. The Subrecipient agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause.

6.13 Repayment of SLFRF Awards. If the United States or Virginia lawfully requires repayment of some or all of the SLFRF award, Subrecipient agrees to repay such amount to the Recipient for such purpose within twenty (20) days of any such requirement.

6.14 Return of Unexpended SLFRF Awards. If all of the SLFRF award is not expended by the end of the identified performance period, Subrecipient is obligated to return unexpended funds to the Department. The Commonwealth and the Department, shall coordinate to accomplish the return of such funds in a timely manner in accordance with the SLFRF Treasury Final Rule.

6.15 Capital Expenditures. Among other requirements contained in 2 CFR 200, Appendix II, all contracts made by a recipient or subrecipient in excess of \$100,000 with respect to a capital expenditure that involve employment of mechanics or laborers must include a provision for compliance with certain provisions of the Contract Work Hours and Safety Standards Act, 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR part 5).

6.16 Further Cooperation. The Parties shall cooperate with each other as reasonably necessary to confirm or bring about the transfers contemplated by this Agreement.

6.17 Term. This Agreement shall be effective on the date it is executed by the Department and shall terminate upon final reimbursement to the Subrecipient.

6.18 Governing Law; Severability. This Agreement shall be construed in accordance with and governed for all purposes by the laws of the Commonwealth of Virginia. If any word or provision of this Agreement as applied to any Party or to any circumstance is adjudged by a court to be invalid or unenforceable, the same shall in no way affect any other circumstance or the validity or enforceability of any other word or provision. The Subrecipient further agrees to comply with all laws and regulations applicable to the Subrecipient's performance of its obligations pursuant to this agreement.

6.19 Entire Agreement; Amendments. This Agreement contains the entire integrated agreement between the Parties as to the subject matter hereof and supersedes all previous written and oral negotiations, commitments, proposals, and writings. No alterations, amendments, or modifications may be made to this Agreement except by a writing signed by both Parties and attached hereto. This Agreement may be modified by agreement of the Parties for any purpose, provided that any significant modification to this Agreement must be preceded by public notice of such modification.

6.20 Counterparts; Signatures; Copies. This Agreement may be executed in counterparts, both of which shall be deemed an original, but all of which together shall constitute one and the same instrument. A facsimile or scanned signature may substitute for and have the same legal effect as an original signature. Any copy of this executed Agreement made by photocopy, facsimile or scanner shall be considered the original for all purposes.

6.21 Authorization. Each Party represents that its execution, delivery and performance under this Agreement have been duly authorized by all necessary action on its behalf, and do not and will not violate any provision of its charter or enabling legislation or result in a material breach of or constitute a material default under any agreement, indenture, or instrument of which it is a party or by which it or its properties may be bound or affected.

6.22. Effect of the Agreement on Permits. This Agreement shall not be deemed to relieve the Subrecipient of its obligations to comply with the terms of its Virginia Pollutant Discharge Elimination System (VPDES) and/or Virginia Water Protection (VWP) permit(s) issued by the Board or Department. This Agreement does not obviate the need to obtain, where required, any other State or Federal permit(s).

6.23. Disclaimer. Nothing in this Agreement shall be construed as authority for either Party to make commitments which will bind the other Party beyond the covenants contained herein.

6.24. Non-Waiver. No waiver by the Department of any one or more defaults by the Subrecipient in the performance of any provision of this Agreement shall operate or be construed as a waiver of any future default or defaults of whatever character.

6.25. Collateral Agreements. Where there exists any inconsistency between this Agreement and other provisions of collateral contractual agreements which are made a part of this Agreement by reference, the provisions of this Agreement shall control.

6.26. Conflict of Interest. The Subrecipient warrants that it has fully complied with the Virginia Conflict of Interest Act as it may apply to this Agreement.

6.27. Notices. All notices given hereunder shall be in writing and shall be sent by United States certified mail, return receipt requested, postage prepaid, and shall be deemed to have been received at the earliest of: (a) the date of actual receipt of such notice by the addressee, (b) the date of the actual delivery of the notice to the address of the addressee set forth below, or (c) five (5) days after the sender deposits it in the mail properly addressed. All notices required or permitted to be served upon either party hereunder shall be directed to:

Department: Virginia Department of Environmental Quality
Clean Water Financing and Assistance Program
P.O. Box 1105
Richmond, VA 23218
Attn: CWFAP Program Manager

Subrecipient: Hampton Roads Sanitation District
PO Box 5915
Virginia Beach, VA 23471
Attn: Jay Bernas

6.28. Successors and Assigns Bound. This Agreement shall extend to and be binding upon the Parties hereto, and their respective legal representatives, successors and assigns.

6.29. Exhibits. All exhibits to this Agreement are incorporated herein by reference.

6.30. Recoupment of Funds. Failure to abide by the requirements of the Final Rule (31 CFR Part 35,) adopted by the United States Department of the Treasury, may result in recoupment of funds by the United States Department of the Treasury.

IN WITNESS WHEREOF, the Parties hereto have caused the execution of this Agreement as of the date first written above.

VIRGINIA DEPARTMENT OF ENVIRONMENTAL QUALITY

By: _____ Date _____
Alvie Edwards
Director of Administration
(804) 898-9883
alvie.edwards@deq.virginia.gov

HAMPTON ROADS SANITATION DISTRICT

By: _____ Date _____
Jay Bernas
General Manager
(757) 318-4335
generalmanager@hrsd.com

Steven G. de Mik, MBA, CPA
Deputy General Manager & Director of Finance
(757) 460-7240
sdemik@hrsd.com

[END OF SIGNATURES]

SUBRECIPIENT AGREEMENT
FOR THE VIRGINIA AMERICAN RESCUE PLAN ACT
STATE AND LOCAL FISCAL RECOVERY FUND IMPLEMENTATION

EXHIBIT A

ELIGIBLE PROJECT DESCRIPTION

Subrecipient: Hampton Roads Sanitation District

ARPA Grant No.: ENRCPP-03

Project Description:

This project provides for the design and construction of improvements to Nansemond Treatment Plant to support reliable treatment of raw, screened wastewater from the Boat Harbor Treatment Plant service area and raw influent from the Nansemond Treatment Plant service area. This project consists of the following components.

- Replacements of Primary Clarifier 1 and 2 solids mechanism.
- Installation of two additional aeration tanks with associated mixing and aeration systems.
- Installation of two new biological nutrient removal aeration blowers.
- Installation of one new chlorine contact train.
- Effluent pump motor and drive replacement.
- Modifications to plant drain system.
- Chemical system upgrades for the ferric sulfate/metal salts system.
- Chemical system upgrades for the supplemental carbon system.
- Installation of one new Primary Clarifier, associated scum removal, and solids pumping station.
- Installation of Odor Control System.
- Improvements to yard piping associated with Boat Harbor FM Project.
- Improvements to Influent Distribution Box.
- Modifications to the existing Primary Clarifier scum collection for Primary Clarifiers 1 and 2.
- Modifications to scum concentration for all Primary Clarifiers.
- Improvements to Primary Clarifier Effluent Equalization system.
- Improvements to equalized Primary Clarifier Effluent Equalization system.
- Improvements to Primary Clarifier Effluent Equalization system.
- Improvements to pump station.
- Improvements to primary gravity thickeners, associated scum removal, and thickened primary sludge pumping station.
- Modifications to NRCY system.
- Secondary clarification upgrades and associated scum removal, and return-activated sludge pumping.
- Replacement of existing main switchgear.
- Replacement/addition/modification of other switchgear, motor control centers, and other electrical distribution and control equipment.

- Demolition and replacement of conflicting existing piping with new infrastructure.
- Stormwater best management practice installations and upgrades.
- Site grading and roadway additions.
- Installation of additional dewatering centrifuge, polymer system, and ancillary equipment in the Dewatering Building.
- Pump demolition and replacement of the NW Pump Station.
- All associated pumping, piping, tankage, mechanical, and electrical equipment.

Note: Only those eligible costs falling within the period outlined in Section 4.6 will be eligible for reimbursement through this grant.

SUBRECIPIENT AGREEMENT
FOR THE VIRGINIA AMERICAN RESCUE PLAN ACT
STATE AND LOCAL FISCAL RECOVERY FUND IMPLEMENTATION

EXHIBIT B

TOTAL PROJECT BUDGET

Subrecipient: Hampton Roads Sanitation District

ARPA Grant No.: ENRCPP-03

The following budget reflects the estimated costs associated with eligible cost categories of the project.

Sources	
	Total Allocated Funding
American Rescue Plan Act ENRCPP Grant - ENRCPP-03	\$31,693,207
Water Quality Improvement Fund (Estimate)	\$85,165,223
HRSD Contribution	\$200,780,824
TOTAL:	\$317,639,254

Uses	
	Cost per Task
Engineering	
Owner's Consultant Services	\$2,815,332
Design Services	\$18,368,710
Engineering Services	\$12,377,000
Sub Total	\$33,561,042
Construction	
Construction	\$268,488,212
Sub Total	\$268,488,212
Other Project-Related Costs	
Contingency	\$15,590,000
Sub Total	\$15,590,000
TOTAL:	\$317,639,254

Project Category/Project Name	Total Project Cost	ARPA Grant	WQIF	Other Non-DEQ Funding
	100%	9.98%	26.81%	63.21%
Engineering Services				
Basic Engineering Services	\$ 2,256,622.88	\$ -	\$ -	\$ 2,256,622.88
Additional Services	\$ 558,709.07	\$ -	\$ -	\$ 558,709.07
DB Team: Design Services	\$ 18,368,710.00	\$ -	\$ -	\$ 18,368,710.00
DB Team: Engineering Services During Construction	\$ 12,377,000.00	\$ -	\$ -	\$ 12,377,000.00
Sub-Total	\$ 33,561,041.95	\$ -	\$ -	\$ 33,561,041.95
Construction				
Contract	\$ 231,690,000.00	\$ 31,693,207.00	\$ 85,165,223.00	\$ 114,831,570.00
CO 01	\$ 36,798,212.00	\$ -	\$ -	\$ 36,798,212.00
		\$ -	\$ -	
Sub-Total	\$ 268,488,212.00	\$ 31,693,207.00	\$ 85,165,223.00	\$ 151,629,782.00
Project Related Costs				
Contingency	\$15,590,000.05	\$ -	\$ -	\$ 15,590,000.05
Sub-Total	\$ 15,590,000.05	\$ -	\$ -	\$ 15,590,000.05
TOTALS	\$ 317,639,254.00	\$ 31,693,207.00	\$ 85,165,223.00	\$ 200,780,824.00

Notes:

1. The funding the Department is awarding through this agreement is outlined in the ARPA Grant column in the Total Project Budget table above. The Department is providing additional funding for the Project outside of this Agreement; that additional funding is outlined in the WQIF column in the Total Project Budget table. Only that funding outlined in the ARPA Grant column is governed by this agreement.
2. WQIF funding is intended to be used only if needed to cover remaining project costs after the funds outlined in the ARPA Grant column in the Total Project Budget table above have been exhausted.
3. Only those eligible costs falling within the period outlined in Section 4.6 will be eligible for reimbursement through this grant.

**SUBRECIPIENT AGREEMENT
FOR THE VIRGINIA AMERICAN RESCUE PLAN ACT
STATE AND LOCAL FISCAL RECOVERY FUND IMPLEMENTATION**

EXHIBIT C

PROJECT SCHEDULE

Subrecipient: Hampton Roads Sanitation District

ARPA Grant No.: ENRCPP-03

The Subrecipient has proposed the following schedule of key activities/milestones as a planning tool which may be subject to change. Unless authorized by a grant modification, it is the responsibility of the Subrecipient to adhere to the anticipated schedule for the Eligible Project as follows:

Project Name	Project Description / Milestone	Schedule / Timeline	Note
Nansemond Treatment Plant Advanced Nutrient Reduction Improvements Phase II	Advertise: Request for Qualifications	6/13/2021	
	Award Contract	2/22/2022	
	BODR Approved by DEQ	2/24/2023	
	Proposal (Bid) Package Approved by DEQ	4/3/2024	
	Preparation of Final Plans and Specifications	2022-2023	
	Construction Commence	2/28/2023	
	Plans and Specifications Approved by DEQ	3/19/2024	
	Execute Grant Agreement	5/1/2024	
	Construction Complete	4/3/2026	

Note: Only those eligible costs falling within the period outlined in Section 4.6 will be eligible for reimbursement through this grant.

The Subrecipient has proposed the following estimates for the grant funds for which it will request reimbursement:

Quarter	Estimated Amount of Grant Funds to be Requested for Reimbursement
January – March 2024	
April – June 2024	
July – September 2024	\$24,749,579.72
October – December 2024	\$6,943,627.28
January – March 2025	
April – June 2025	
July – September 2025	
October – December 2025	
January – March 2026	
April – June 2026	
July – September 2026	
October – December 2026	

EXHIBIT D

REQUISITION FOR REIMBURSEMENT

(To be on Subrecipient's Letterhead)

Virginia Department of Environmental Quality
Clean Water Financing and Assistance Program
P.O. Box 1105
Richmond, VA 23218
Attn.: CWFAP Program Manager

RE: American Rescue Plan Act Wastewater Grant

ARPA Grant No.: ENRCPP-03

Dear Program Manager:

This requisition, Number ____, is submitted in connection with the referenced Grant Agreement, dated as of [*insert date of grant agreement*] between the Virginia Department of Environmental Quality and _____. Unless otherwise defined in this requisition, all capitalized terms used herein shall have the meaning set forth in Article I of the Grant Agreement. The undersigned Authorized Representative of the Subrecipient hereby requests disbursement of grant proceeds under the Grant Agreement in the amount of \$_____, for the purposes of payment of the Eligible Project Costs as set forth on Schedule I attached hereto.

Documentation required by Section 4.2 of this agreement relating to the items for which payment is requested is attached.

The undersigned certifies that the amounts requested by this requisition will be applied solely and exclusively to the reimbursement of the Subrecipient for the payment of Eligible Project Costs that fall within the period outlined in Section 4.6 of this agreement.

This requisition includes (if applicable) an accompanying Certificate of the Project Engineer as to the performance of the work.

Sincerely,

(Authorized Representative of the Subrecipient)

Attachments

Schedule 1

American Rescue Plan Act Wastewater Fund

Form to accompany request for reimbursement

Requisition # _____

Subrecipient: Hampton Roads Sanitation District

ARPA Grant No.: ENRCPP-03 Certifying Signature: _____ Title: _____

Cost Category	Original Budget	Previous Disbursements	Net Balance Available	Expenditures This Period	Total Expenditures to Date	Net Balance Remaining
Construction	\$ 31,693,207.00	\$ -	\$ 31,693,207.00	\$ -	\$ -	\$ 31,693,207.00
TOTALS	\$ 31,693,207.00	\$ -	\$ 31,693,207.00	\$ -	\$ -	\$ 31,693,207.00

Total Grant Amount: \$31,693,207.00

Previous Disbursements: \$ _____

This Request: \$ _____

Grant Proceeds Remaining: \$31,693,207.00

Certificate of the Project Engineer

Form to Accompany Request for Reimbursements (not applicable to SLPP Subawards)

Subrecipient: Hampton Roads Sanitation District

ARPA Grant No.: ENRCPP-03

This Certificate is submitted in connection with Requisition Number _____, dated _____, 20__ , submitted by the _____ (the "Subrecipient") to the Virginia Department of Environmental Quality. Capitalized terms used herein shall have the same meanings set forth in Article I of the Grant Agreement referred to in the Requisition.

The undersigned Project Engineer for _____ hereby certifies that insofar as the amounts covered by this Requisition include payments for labor or to contractors, builders or material men, such work was actually performed or such materials, supplies, or equipment were actually furnished to or installed in the Eligible Project.

(Project Engineer)

(Date)

SUBRECIPIENT AGREEMENT
FOR THE VIRGINIA AMERICAN RESCUE PLAN ACT
STATE AND LOCAL FISCAL RECOVERY FUND IMPLEMENTATION

EXHIBIT E

PASS-THROUGH INFORMATION REQUIREMENTS

The following pass-through information requirements pertaining to the subaward to Subrecipient set forth below in satisfaction of 2 CFR 200.332 and per 2 CFR 200.1 of the Uniform Guidance. The Federal Award Identification for funds (subaward) addressed by this Agreement is the American Rescue Plan Act State and Local Fiscal Recovery Fund.

- (i) Subrecipient's Name: Hampton Roads Sanitation District
- (ii) Subrecipient's Unique Entity Identifier (UEI): NLNKLTGGRKZ6
- (iii) Federal Award Identification Number: SLFRP1026
- (iv) Federal Award Date: May 18, 2021
- (v) Subaward Period of Performance Start and End Date:
Start Date is Date of this Agreement; End Date is December 31, 2026
- (vi) Subaward Budget Period Start and End Date:
March 3, 2021; End Date is December 31, 2026
- (vii) Amount of Federal Funds Obligated by this Action by the Pass-Through Entity to the Subrecipient: \$31,693,207.00
- (viii) Total Amount of Federal Funds Obligated to the Subrecipient by the Pass-Through Entity Including the Current Financial Obligation: \$31,693,207.00
- (ix) Federal Award Project Description, as Required to be Responsive to the Federal Funding Accountability and Transparency Act (FFATA): This project provides for the design and construction of improvements to Nansemond Treatment Plant to support reliable treatment of raw, screened wastewater from the Boat Harbor Treatment Plant service area and raw influent from the Nansemond Treatment Plant service area.
- (x) (A) Name of Federal Awarding Agency: U.S. Department of the Treasury
(B) Name of Pass-Through Entity: Virginia Department of Environmental Quality
(C) Contact Information for Awarding Official of the Pass-Through Entity:
Alvie Edwards, Director of Administration
804-898-9883
alvie.edwards@deq.virginia.gov
- (xi) Assistance Listings Number (ALN) and Title (the pass-through entity must identify the dollar amount made available under each Federal award and the Assistance Listings Number at time of disbursement): ALN 21.027 – Coronavirus State and Local Fiscal Recovery Funds

- (xii) Identification of Whether the Award is R&D: Not R&D Award
- (xiii) Indirect Costs for the Federal Award: *Pursuant to the SLFRF Award Terms and Conditions, recipients are permitted to charge both direct and indirect costs to their SLFRF award as administrative costs as long as they are accorded consistent treatment per 2 CFR 200.403. Indirect cost rate for the Federal award (including if the de minimis rate of 10% is charged) per §200.414. N/A – no indirect costs are requested in the Subrecipient’s grant budget for this SLFRF award.*

SUBRECIPIENT AGREEMENT
FOR THE VIRGINIA AMERICAN RESCUE PLAN ACT
STATE AND LOCAL FISCAL RECOVERY FUND IMPLEMENTATION

EXHIBIT E-2

**ADDITIONAL PASS-THROUGH INFORMATION REQUIREMENTS FOR SLFRF
INFRASTRUCTURE PROJECTS (EC.5)**

The following additional pass-through information requirements pertaining to the subaward to Subrecipient set forth below in satisfaction of State and Local Fiscal Recovery Fund Infrastructure Projects (EC.5) and the Federal Funding Accountability and Transparency Act (FFATA). The Federal Award Identification for funds (subaward) addressed by this Agreement is the American Rescue Plan Act State and Local Fiscal Recovery Fund.

- (i) Median Household Income and Lowest Quintile of Area Served by the Subaward: \$83,144 and \$19,148
- (ii) National Pollutant Discharge Elimination System (NPDES) Permit of Facility Involved in the Subaward Project, If Applicable; VA0081299
- (iii) Federal Award Subaward Number, as Required to be Responsive to the Federal Funding Accountability and Transparency Act (FFATA): ENRCPP-03
- (iv) Executive Compensation Data, as Required to be Responsive to the Federal Funding Accountability and Transparency Act (FFATA): In the Preceding Year, Did your Business or Organization Receive (1) 80 Percent or More of your Annual Gross Revenues in U.S. Federal Contracts, Subcontracts, Loans, Grants, Subgrants, and/or Cooperative Agreements; and (2) \$25,000,000 or More in Annual Gross Revenues from U.S. Federal Contracts, Subcontracts, Loans, Grants, Subgrants, and/or Cooperative Agreements?: NO
 - a. If “YES”, Provide the Name of and Total Compensation for the Organization’s Five Highest Paid Officers, If Not Already Publicly Listed or Otherwise Listed in SAM.gov: N/A
- (v) Infrastructure Projects with Total Expected Costs Over \$10,000,000:
 - a. Do you certify that “all laborers and mechanics employed by contractors and subcontractors in the performance of the project are paid wages at rates not less than those prevailing, as determined by the U.S. Secretary of Labor in accordance with subchapter IV of chapter 31 of title 40, United States Code (commonly known as the “Davis-Bacon Act”), for the corresponding classes of laborers and mechanics employed on projects of a character similar to the contract work in the civil subdivision of the State (or the District of Columbia) in which the work is to be performed, or by the appropriate State entity pursuant to a corollary State prevailing-wage-in-construction law (commonly known as “baby Davis-Bacon Acts”): YES

- i. If “NO”, Provide:
 1. Number of employees of contractors and sub-contractors working on the project: N/A
 2. Number of employees on the project hired directly: N/A
 3. Number of employees on the project hired through a third party: N/A
 4. Are any of the wages at rates less than those prevailing?: N/A
 5. The wages and benefits of workers on the project by classification: N/A

- b. Do you certify that “the indicated project includes a project labor agreement, meaning a pre-hire collective bargaining agreement consistent with section 8(f) of the National Labor Relations Act (29 U.S.C.158(f))?”: NO

- i. If “NO”, Answer:
 1. How the recipient will ensure the project has ready access to a sufficient supply of appropriately skilled and unskilled labor to ensure high-quality construction throughout the life of the project, including a description of any required professional certifications and/or in-house training?: Qualification based awards are made when issuing contracts. Firms are interviewed during the selection process to ensure they can complete the work appropriately and within the needed timeframe. Professional Engineers require certification.
 2. How the recipient will minimize risks of labor disputes and disruptions that would jeopardize timeliness and cost-effectiveness of the project?: HRSD requires contractors to pay workers the prevailing wage rate. HRSD has a compliance manager who ensures these requirements are met. These measures minimize risks of labor disputes.
 3. How the recipient will provide a safe and healthy workplace that avoids delays and costs associated with workplace illnesses, injuries, and fatalities, including descriptions of safety training, certification, and/or licensure requirements for all relevant workers (e.g., OSHA 10, OSHA 30)?: HRSD reviews and ensures OSHA compliance prior to contract award and has monthly on-site safety reviews.
 4. Will workers on the project receive wages and benefits that will secure an appropriately skilled workforce in the context of the local or regional labor market?: YES
 5. Does the project have a completed project labor agreement?: NO
 6. Does the project prioritize local hires?: NO
 7. Does the project have a Community Benefit Agreement, with a description of any such agreement?: YES. HRSD has a successful SWIFT Community Commitment Program that has been implemented with the Nansemond Treatment Plant ANRI project. The Community Commitment Program consists of a cross-department Steering Committee to develop partnerships and evaluate proposed vendor and contractor plans during the procurement process. Plans are evaluated based on alignment with the six pillars that reflect HRSD’s Strategic Plan. These include environmental stewardship, economic development, growth of the industry through education, workforce development, equitable water future, and support of community basic needs. Vendors and contractors report on their impact and HRSD maintains a SWIFT Community Commitment Framework dashboard.

SUBRECIPIENT AGREEMENT
FOR THE VIRGINIA AMERICAN RESCUE PLAN ACT
STATE AND LOCAL FISCAL RECOVERY FUND IMPLEMENTATION

EXHIBIT F

QUARTERLY REPORTING REQUIREMENTS

On a quarterly basis, DEQ will report the following information for all ARPA subaward projects utilizing the information provided in Exhibits E and E-2, with the exception of the quarterly obligation, expenditure amounts, and additional programmatic data specific to Septic Local Partner Program (SLPP) subawards:

Below are the reporting requirements for subawards under \$50,000.

- Obligation amount (if applicable)
- Expenditure amount (if applicable)

Below are the reporting requirements for subawards over \$50,000.

- Unique Entity Identifier (UEI)
- Payee contact information
- Subaward date
- Subaward amount
- Subaward description
- Primary place of performance information
- Quarterly obligation amount
- Quarterly expenditure amount
- Subrecipient gross revenue information
 - Percentage of gross revenue from Federal contracts (Y/N above 80%)
 - Amount of gross revenue from Federal contracts (Y/N above \$25,000,000)
- Subrecipient executive compensation details if required.
- Additional programmatic data based on Expenditure Category

Subrecipients are required submit Exhibit F-2, Quarterly Reporting Re-Certification Statements, on a quarterly basis, re-certifying that the information provided to DEQ in Exhibits E and E-2 remain accurate and applicable to the subaward project.

For Septic Local Partner Program subawards only, subrecipients must provide, on a quarterly basis using Exhibit F-3, the following information for each property receiving cost-share assistance:

- Latitude/longitude in decimal degrees
- Amount of cost-share provided
- Certification of permitting and income verification

SLFRF Key Reporting Deadlines

Below are the deadlines for the Project and Expenditure Reports.

Quarterly Report	Year	Quarter	Period Covered	Due Date
1	2024	1	January 1 – March 31	April 5, 2024
2	2024	2	April 1 – June 30	July 5, 2024
3	2024	3	July 1 – September 30	October 5, 2024
4	2024	4	October 1 – December 31	January 5, 2025
5	2025	1	January 1 – March 31	April 5, 2025
6	2025	2	April 1 – June 30	July 5, 2025
7	2025	3	July 1 – September 30	October 5, 2025
8	2025	4	October 1 – December 31	January 5, 2026
9	2026	1	January 1 – March 31	April 5, 2026
10	2026	2	April 1 – June 30	July 5, 2026
11	2026	3	July 1 – September 30	October 5, 2026
12	2026	4	October 1 – December 31	January 5, 2027

SUBRECIPIENT AGREEMENT
FOR THE VIRGINIA AMERICAN RESCUE PLAN ACT
STATE AND LOCAL FISCAL RECOVERY FUND IMPLEMENTATION

EXHIBIT F-2

QUARTERLY REPORTING RE-CERTIFICATION STATEMENTS

Subrecipient: Hampton Roads Sanitation District

ARPA Grant No.: ENRCPP-03

I certify:

1. The information submitted in Exhibit E on (Enter Date Here) remains accurate and applicable to this subaward; and,
2. The information submitted in Exhibit E-2 on (Enter Date Here) remains accurate and applicable to this subaward.

(Authorized Representative)

(Date)

AGENDA ITEM 6. – April 23, 2024

Subject: Eastern Shore Infrastructure Improvements – Transmission Force Main Phase I
Additional Appropriation – Non-Regulatory \geq \$1,000,000 and Contract Change Order
($>$ 25% of original contract value)

Recommended Actions:

- a. Appropriate additional funding in the amount of \$1,889,857.
- b. Approve a change order to the contract with Garney Companies, Inc. (Garney) in the amount of \$1,803,609.

CIP Project: ES010100**Regulatory Requirement:** None

Budget	\$42,589,605
Previous Expenditures and Encumbrances	(\$41,135,109)
Available Balance	\$1,454,496
Proposed Change Order No. 6 to Garney	(\$1,803,609)
Proposed Work for A&N Electric Cooperative	(\$40,744)
Proposed Contingency	(\$1,500,000)
Project Shortage/Requested Additional Funding	(\$1,889,857)
Revised Total Project Authorized Funding	\$44,479,462

Contract Status with Change Orders:	Amount	Cumulative % of Contract
Original Contract (Stipulated Price) for Garney	\$22,961,728	
Total Value of Previous Change Orders	\$15,095,087	65.74%
Requested Change Order	\$1,803,609	
Total Value of All Change Orders	\$16,898,696	73.60%
Revised Contract Value	\$39,860,424	

Time (Additional Calendar Days)	120
---------------------------------	-----

Project Description: This project is a Design-Build project with Garney who have teamed up with the Engineering firm of AECOM to install approximately 26 miles of 4-inch, 6-inch, 10-inch and 12-inch diameter pipelines along the Railway right-of-way and along Wachapreague Road all on the Eastern Shore of Virginia. The project will also construct three wastewater pumping stations in the Towns of Nassawadox, Exmore and Onancock. In addition, two additional pumping stations have been added to the scope of work in the Towns of Accomac and Wachapreague.

The attached [map](#) depicts the project location.

Project Justification: This project will provide service to the Accomack County Industrial Park two pumping stations. Per agreement with Accomack County, HRSD is taking over the two pumping stations in the Industrial Park. This change order will provide HRSD standard control panels to these two pumping stations. Both sites will be providing meter base, Supervisory Control and Data Acquisition (SCADA) for both pumps, flowmeter, and complete turnkey for both sites. This project will

also provide installation of E-1 grinder pumps in the Town of Wachapreague and the replacement of a fiberglass structure in the Town of Accomac.

Change Order Description and Analysis of Cost: This change order includes the design and construction of the control panels complete turnkey applications for both Industrial Park pumping stations, installation of E-1 grinder pumps for the Town of Wachapreague and removal of the failed fiberglass pump station structure and installation of a new concrete polymer manhole for the Town of Accomac. The cost of the work has been reviewed by the Owner’s Consultant and the HRSD Project Manager.

Funding Description: The project requires additional funding in the amount of \$1,450,000 for the addition of the two pump station SCADA retrofits which will be included in the Virginia Clean Water Revolving Loan Fund (VCWRLF) programmatic loan. The cost for the Town of Wachapreague E-1 grinder pumps was prepared in July 2022 and during the design in January 2024 the cost increased by \$53,409 will be covered by HRSD. The cost of the failed fiberglass pump station structure and installation of the new polymer manhole increased by \$300,200. The Town of Accomac will reimburse HRSD \$50,000 of this cost and the remaining \$250,200 will be covered by HRSD.

A&N Electric Operative, the electric company on the Eastern Shore will be providing new transformers to create individual electric services for the two existing pump station sites in the Industrial Park. They will also provide new electric power services to the new Wachapreague and Accomac Pumping Stations. The total cost for the work at all four sites is \$40,744.

<u>Schedule:</u>	Construction	October 2024
	Project Completion	January 2025



AGENDA ITEM 7. – April 23, 2024

Subject: Larchmont Area Sanitary Sewer Improvements
 Additional Appropriation – Regulatory Required \geq \$10,000,000, Approval of Guaranteed Maximum Price and Task Order ($>$ \$200,000)

Recommended Actions:

- a. Appropriate additional funding in the amount of \$14,240,267.
- b. Approve a Guaranteed Maximum Price (GMP) of \$34,177,550 to the Comprehensive Agreement with Ulliman Schutte Construction, LLC.
- c. Approve a task order with Gannett Fleming, Inc. in the amount of \$6,444,292.

CIP Project: VP015320**Regulatory Requirement:** Rehab Action Plan Phase 2 (2027 Completion)

Budget	\$38,734,000
Previous Expenditures and Encumbrances	(\$10,321,333)
Available Balance	\$28,412,667
Proposed Guaranteed Maximum Price (GMP 1)	(\$34,177,550)
Proposed Task Order to Gannett Fleming	(\$6,444,292)
Proposed Contingency	(\$2,031,092)
Project Shortage/Requested Additional Funding	(\$14,240,267)
Revised Total Project Authorized Funding	\$52,974,267

Contract Status with Change Orders:	Amount	Cumulative % of Contract
Original CM Contract with Ulliman Schutte	\$397,500	
Total Value of Previous Change Orders	\$224,977	56.6%
Revised Contract Value	\$622,477	

Contract Status with Task Orders:	Amount
Original Contract with Gannett Fleming	\$361,938
Total Value of Previous Task Orders	\$7,189,530
Requested Task Order	\$6,444,292
Total Value of All Task Orders	\$13,633,822
Revised Contract Value	\$13,995,760

Project Description: This project involves rehabilitation of three existing pump stations, the design and construction of three new pump stations, and the design and construction of approximately 1,300 linear feet of 6-inch force main and approximately 5,000 linear feet of 8-inch and 10-inch gravity mains and appurtenances. The three rehabilitated pump stations include Powhatan Avenue PS #122, Richmond Crescent PS #124, and Jamestown Crescent PS #142.

The new infrastructure will replace one existing City of Norfolk pump station (Walnut Hill Street PS #113), HRSD Monroe Place PS #114, HRSD Hanover Avenue PS #141, and associated gravity and force mains. The attached [map](#) depicts the project location.

Project Justification: This project was initially identified by HRSD as part of a condition assessment program to address aging infrastructure concerns related to structural, electrical and pump performance operation. The project was also identified to mitigate the risks from tidal flooding during wet weather conditions and from sea level rise due to climate change. HRSD and the City of Norfolk are entering into a cost sharing agreement with the intent to plan, design and construct the recommended improvements. Work on the contract will be held until the cost sharing agreement with the City of Norfolk is completed.

Guaranteed Maximum Price: The project was procured through the Construction Management (CM) delivery process. On May 25, 2021, the Commission approved a Comprehensive Agreement with Ulliman Schutte Construction LLC that included \$397,500 for preconstruction phase services. The Construction Manager has completed competitive bidding for the construction of the project. The negotiated GMP1 is \$34,177,550 and includes work bid under multiple work packages, along with miscellaneous costs. The remaining work included in this CIP will be completed under GMP2 scheduled to bid in Fall 2024. Work is being completed under a Cost Sharing Agreement with the City of Norfolk. Cost sharing percentages are still being negotiated, with the current draft Agreement having HRSD responsible for 67% of the total project cost and the City responsible for 33%. Based on the proposed percentages, the costs in GMP1 are as follows:

Work Packages	HRSD	City
New Pump Stations 113 (City) and 166 (HRSD)	\$6,375,948	\$3,140,392
Force Mains and Gravity Sewer (City and HRSD)	\$6,141,321	\$3,024,829
Pump Station Electrical (City and HRSD)	\$1,095,631	\$539,639
Surveying (City and HRSD)	\$33,500	\$16,500
Instrumentation and Control (City and HRSD)	\$432,150	\$212,850
Rehabilitation of HRSD Pump Stations 122 and 124	\$2,613,461	\$1,287,227
Miscellaneous Costs (City and HRSD)	\$6,206,949	\$3,057,153
Total	\$22,898,960	\$11,278,590

Miscellaneous costs include pre-construction, general conditions during construction, bonds, taxes and insurance, CM contingency, CM fee and allowances.

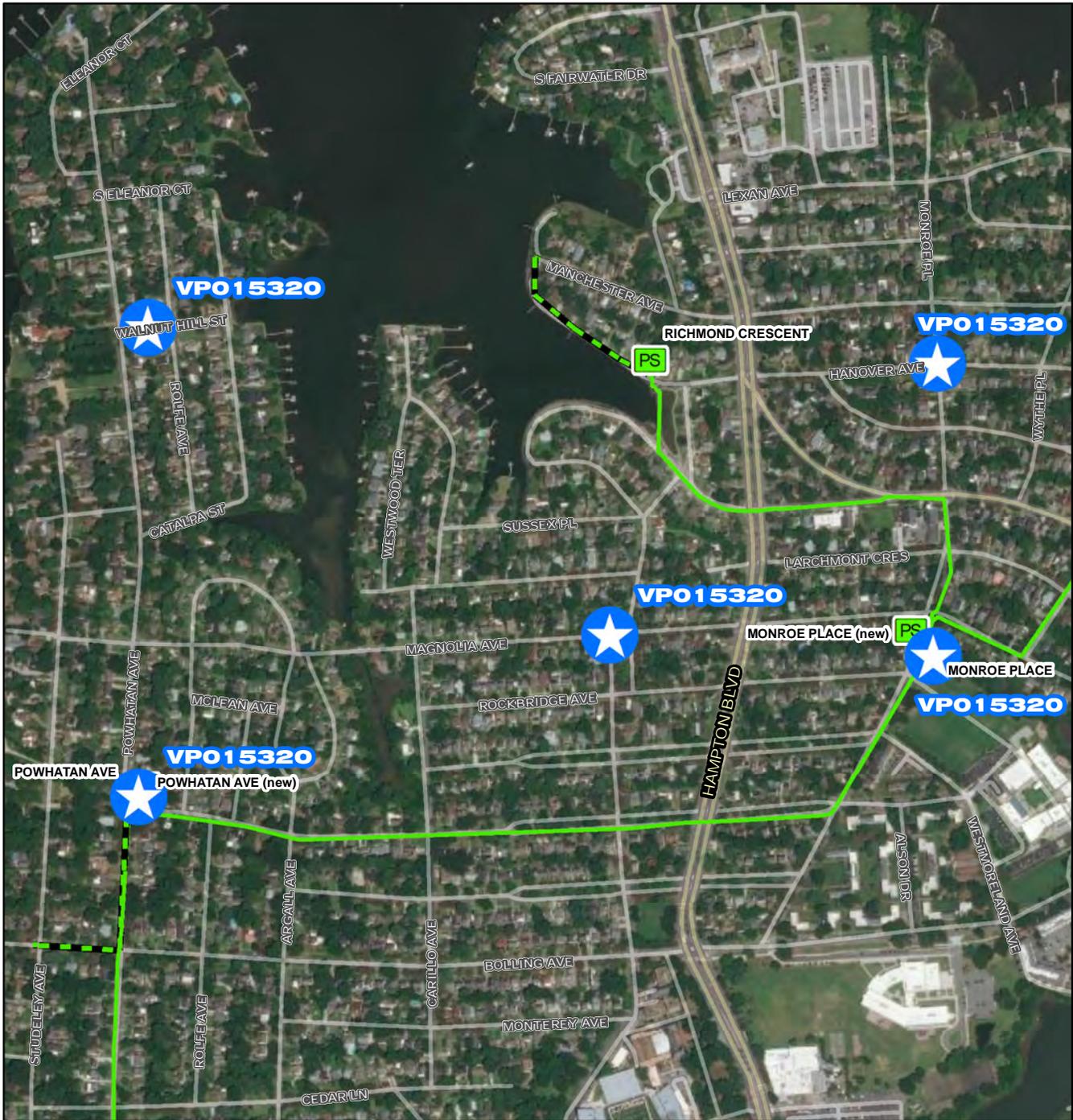
GMP Analysis of Cost: A detailed breakdown of the bid prices was provided to and reviewed by the Engineer and Consultant Program Manager. The costs were judged to be appropriate for the project. Staff agrees and recommends the Comprehensive Agreement be amended to include the new GMP1.

Task Order Description and Analysis of Cost: The task order for Gannett Fleming will provide additional design and bid phase services, contract administration, construction inspection and special monitoring services. Discussions occurred between Gannett Fleming and HRSD staff to develop and review the scope of services. A fee of \$6,444,292 was negotiated and is reasonable when compared to other projects of similar size and scope.

Funding Description: Construction costs have escalated considerably since the original CIP project estimate was created. The negotiated GMP and construction phase engineering services exceed the current balance available for this project. A 5% construction contingency is also being requested to accommodate any unforeseen conditions.

Schedule:

Construction	May 2024
Substantial Completion	September 2027
Project Completion	December 2027

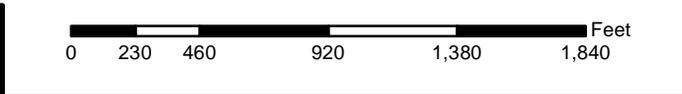


VP015320

- Project Interceptor Line
- Project Interceptor Point
- Project Pump Station Point
- Project Area

Legend

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



VP015320

Larchmont Area Sanitary Sewer Improvements

N
W E
S

CIP Location

AGENDA ITEM 8. – April 23, 2024

Subject: Nansemond SWIFT Facility and Nansemond Recharge Wells (On Site)
Additional Appropriation, Initial Appropriation, Comprehensive Agreement, and Proposal Compensation

Recommended Actions:

- a. Appropriate additional funding in the amount of \$267,864,786 to the Nansemond SWIFT Facility (GN016380).
- b. Appropriate total project funding in the amount of \$86,552,000 to the Nansemond Recharge Wells (On Site) (GN016381).
- c. Approve a comprehensive agreement with Garney Companies, Inc. including a Contract Cost Limit (CCL) of \$656,580,000.
- d. Approve a payment to Jacobs Project Management Company in the amount of \$500,000.

CIP Projects: GN016380 and GN016381**Regulatory Requirement:** Integrated Plan - SWIFT

Budget for GN016380	\$365,489,400
Previous Expenditures and Encumbrances	(\$1,576,186)
Available Balance	\$363,913,214
Proposed Contract Award to Design-Builder	(\$574,278,000)
Proposed Contingency	(\$57,000,000)
Proposal Compensation Payment	(\$500,000)
Project Shortage/Requested Additional Funding	(\$267,864,786)
Revised Total Project Authorized Funding	\$633,354,186

Type of Procurement: Competitive Negotiation – Design-Build

The use of the Design-Build project delivery method was approved by Commission at the June 2022 meeting. A Public Notice for the Request for Qualifications was issued on February 14, 2023. Two teams submitted a Statement of Qualifications on March 17, 2023, and both teams were considered responsive and deemed fully qualified, responsible, and suitable to the requirements in the Request for Qualifications. Both proposing Design-Build teams were short-listed. A Request for Proposals (RFP) was issued on April 24, 2023, to the short-listed teams. Both short-listed teams submitted Technical Proposals on December 19, 2023, and interviews were held on February 12, 2024. Price Proposals were submitted on March 13, 2024. The points received and the final ranking for each of the short-listed teams is listed below:

Proposers	SOQ	Technical Proposal	Price Proposal	Total Ranking	Recommended Selection Ranking
Garney Companies, Inc.	23.03	32.24	35.00 \$554,950,000	90.27	1
Jacobs Project Management Company	18.23	25.66	29.27 \$663,500,000	73.16	2

The Selection Committee recommends the top ranked team, comprised of Garney Companies, Inc. with Tetra Tech, Inc. and Carollo Engineers, Inc. as the design engineering consultants. The team not selected was Jacobs Project Management Company. They completed the selection process and were fully responsive to the procurement process. As approved at the January 2023 Commission meeting, a proposal compensation in the amount of \$500,000 is recommend for the unsuccessful team.

Project Description: The project consists of two capital projects: The Nansemond SWIFT Facility (GN016380) project will design, construct, and commission advanced water treatment infrastructure capable of converting up to 38 million gallons per day of highly treated wastewater into SWIFT Water at the Nansemond Treatment Plant (NTP). The facility will also distribute SWIFT Water to a series of wells located within, and adjacent to, NTP that will recharge the Potomac aquifer. The project scope includes mixing systems, flocculation and sedimentation basins, ozone disinfection, biologically active filters, granular activated carbon contactors, ion exchange, ultra-violet light disinfection, chlorine contact tanks, electrical, instrumentation and control systems, site grading, yard piping, SWIFT Water distribution and well backflush piping, and well enclosures. The Nansemond Recharge Wells (On Site) (GN016381) project includes the preliminary design to drill ten geophysical bore holes, and the final design, construction, and commissioning of ten managed aquifer recharge wells reaching depths of approximately 1,400 feet, within the property boundary of NTP.

The attached [map](#) depicts the project location.

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

Contract Description and Analysis of Cost: The Comprehensive Agreement is for design-build services to design, construct, and commission the necessary infrastructure noted in the project description above. The Agreement includes the requirements to reach substantial completion no later than March 30, 2029. The proposed CCL of \$656,580,000 reflects completion of both capital projects (SWIFT facility and on-site recharge wells) as referenced in the Agreement. In the RFP, HRSD requested that each proposing team provided, as an alternate, a technical and price proposal for completing the GN016381 project scope. HRSD staff recommends accepting the \$82.3 million "owner requested alternate," as proposed by the top ranked design-build team. Additionally, staff has included in the Agreement approximately \$19.3 million of accepted alternates proposed by the design-builder as improvements to the project.

Upon completion of the basis of design in early 2023, the SWIFT Program Management Team (PMT), AECOM with Hazen and Sawyer PC, developed an engineer's opinion of probable construction cost (EOPCC) of \$695,000,000 for the GN016380 project scope. In early 2024, the PMT provided an updated EOPCC of \$715,000,000, after reviewing current market conditions for material and labor costs, along with scope that was added to the project during the procurement phase. The Price Proposals received were 22 percent less and seven percent less than the updated EOPCC for the base scope of GN016380 alone. Both proposal values are within the expected range of a Class 5 EOPCC. The CCL is considered to be reasonable for the scope and delivery method.

HRSD's managed aquifer technical advisors developed a capital project estimate of \$74 million for construction of the on-site recharge wells considering a traditional design-bid-build project delivery.

The price proposed by the design-build team for drilling the recharge wells, includes, but not limited to, managing initial site clearing, site use, fluid and residuals handling, and scheduling. Although the proposed price for this owner requested alternative is greater than the initial capital project estimate, it is within the expected range for Class 5 and is considered to be reasonable for the delivery method. There are additional benefits of delivering the total project with the design-builder as the single point of responsibility, including reduction of schedule risk.

Funding Description: Project GN016380 was initially appropriated by Commission in June 2022 to begin the development of the basis of design. This capital project estimate reflected in the initial appropriation was developed in January 2021 based on the costs received for the James River SWIFT Facility CCL, then scaled up to adjust for the larger size of the facility proposed at NTP. As the preliminary design has been developed through creation of the Basis of Design Report and conversations with the proposing teams, the EOPCC has been refined and communicated to HRSD through the capital planning process. The FY 2024 and FY 2025 budgets reflect the EOPCC and therefore have sufficiently planned for the award of the Agreement. The additional appropriation request for GN016381 reflects the negotiated CCL and a 10 percent owner’s contingency to accommodate unforeseen conditions, material cost increases, and additional process improvements refined during the design phase. The request for initial appropriations for GN016381 reflects the negotiated CCL and a 5 percent owner’s contingency to accommodate the potential for deeper than anticipated wells depths. The FY 2025 budget reflects a slightly lower EOPCC for the on-site well project.

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

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

<u>Schedule:</u>	Design-Build	May 2024
	Project Completion	March 2029

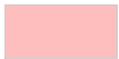
Nansemond SWIFT Facility (GN016380) & Nansemond Recharge Wells (GN016381)



Legend



Proposed Wells



Proposed Facility

AGENDA ITEM 9. – April 23, 2024

Subject: SWIFT Program Management (Nansemond SWIFT Design-Build Projects)
Task Order (>\$200,000)

Recommended Action: Approve a task order with AECOM in the amount of \$1,770,969.

CIP Project: GN016320

Regulatory Requirement: Integrated Plan - SWIFT

Budget	\$80,000,000
Previous Expenditures and Encumbrances	(\$60,213,383)
Available Balance	\$19,786,617

Contract Status with Task Orders:	Amount
Original Contract with AECOM	\$5,264,440
Total Value of Previous Task Orders	\$54,600,146
Requested Task Order	\$1,770,969
Total Value of All Task Orders	\$56,371,115
Revised Contract Value	\$61,635,555
Engineering Services as % of Construction	0.35%

Project Description: The SWIFT Full Scale Implementation Program (FSIP) Management team will manage the delivery of the advanced water treatment facilities to take HRSD's already highly treated wastewater and produce SWIFT Water. The Program Management team may also deliver conveyance, wastewater treatment plant improvements, and other such projects to support full scale SWIFT implementation. The Program Management team will implement the processes, procedures, and systems needed to design, procure, construct, permit, manage, and integrate the new SWIFT related assets.

Project Justification: The Nansemond SWIFT Facility (GN016380) project is needed to design, construct and commission advanced water treatment infrastructure capable of converting up to 38 million gallons per day of highly treated wastewater into SWIFT Water at the Nansemond Treatment Plant (NTP). The Nansemond Recharge Wells (GN016381) project is needed to design, construct, and commission 10 production wells to recharge the Potomac Aquifer with SWIFT Water.

Task Order Description: This task order will provide Owner's Consultant Services during the design phase of the combined GN016380 and GN016381 projects. Owner's Consultant Services are intended to provide support to HRSD by engaging technical experts to review deliverables and change requests submitted by the design-builder for conformance with the Contract Documents, Basis of Design Report, HRSD Design & Construction Standards, and general design best practices. Additional services that may be provided include engaging program management team members to provide project delivery support, document management, cost estimate reviews, and schedule submittal reviews. The expected duration of this project phase is 21 months.

Analysis of Cost: The cost for this task order is based on detailed negotiated scope of work for the design phase support efforts. The proposed fee is 0.35% of the estimated construction cost for the project. This ratio for Owner's Consultant services compares well with other HRSD Design Build projects, which ranged from 0.26% to 1.63% of construction cost for Owner's Consultant fees during design phase.

This task order will be issued as an amendment to the Professional Services Agreement with AECOM for SWIFT Full-Scale Implementation. The total hours budgeted are appropriate for the scope proposed for this task order and the labor rates for each category in the proposed fee are consistent with the rates structure in the Agreement, as approved for FY 2024.

<u>Schedule:</u>	Stipulated Fixed Final Price	July 2025
	Project Completion	March 2029

AGENDA ITEM 10. – April 23, 2024

Subject: Lambert's Point Lease Agreement with the City of Norfolk
Real Property – Sale, Lease or Conveyance of HRSD Property

Recommended Action: Approve the lease of a portion of property located at WS Powhatan Avenue in the City of Norfolk, Virginia and authorize the General Manager to execute same and related lease documents in accordance with those terms and conditions substantially as presented, together with such changes, modifications and deletions as the General Manager may deem necessary.

Agreement Description: HRSD purchased the 40-acre Lambert's Point property from the City of Norfolk and took possession on January 1, 2023. The City is seeking to temporarily utilize this leased portion for walking, hiking and biking trails before construction starts in the next two to three years. As part of this lease, the City will maintain the area, including mowing and trash pickup and disposal, and install signs as necessary. In the addition, the City will be responsible for policing the area to ensure safety. HRSD will maintain access to the property and may close portions as needed to perform necessary engineering evaluations and testing. The term is for one-year with automatic extensions for up to five years unless notice is given by either party.

The [Lease Agreement](#) between HRSD and the City of Norfolk was reviewed by HRSD staff and legal counsel. The portion of the property to be leased are depicted on Exhibit A of the lease agreement.

LEASE AGREEMENT

Hampton Roads Sanitation District and City of Norfolk

THIS LEASE AGREEMENT (the “Lease” or “Agreement”), made as of the ____ day of _____, 2024 (the “Effective Date”) by and between **HAMPTON ROADS SANITATION DISTRICT**, a political subdivision of the Commonwealth of Virginia (“HRSD”), 1434 Air Rail Drive, Virginia Beach, Virginia 23455, and the **CITY OF NORFOLK**, a municipal corporation of the Commonwealth of Virginia (“City”), 810 Union Street, Suite 1101, Norfolk, Virginia 23510.

1. Premises. HRSD hereby leases to City a portion of that certain parcel of real property known as Parcel GC-2, designated as GPIN 1428080334, and with an assigned address of WS Powhatan Avenue in the City of Norfolk, Virginia, and as more particularly shown on **Exhibit A** attached hereto and made apart hereof (the “Premises”), being located adjacent to a parcel of property owned by City with an address of 4301 Powhatan Avenue in the City of Norfolk, Virginia.

2. Use and Operation. City shall use the Premises as a governmental recreational facility, principally for walking, hiking, and biking trails and public recreational uses accessory thereto (the “Permitted Use”) subject to HRSD’s reasonable policies and procedures, which may be amended, modified, or clarified from time to time with fifteen (15) days written notice to City (the “Policies and Procedures”). The current Policies and Procedures are set forth in **Exhibit B** attached hereto. In addition to the foregoing, the City shall at all times comply with any and all federal, state, and municipal laws, ordinances and regulations relating to the use, condition, and occupancy of the Premises now or hereafter in effect, including its own rules and regulations governing the use of recreational facilities (collectively “Laws”). In the event of a conflict between Laws and the Policies and Procedures, the more restrictive shall apply. Notwithstanding the foregoing, City shall not designate the Premises as a “park,” nor shall it issue any permits or other forms of governmental approval for the private, business, or festival use of the Premises.

3. Term; Acceptance/Condition of Premises. Subject to the terms and conditions set forth herein, the initial term of this Agreement (the “Term”) shall be for a period of one (1) year commencing as of the Effective Date (the “Commencement Date”). The Term shall be automatically extended for up to five (5) additional consecutive one (1) year periods (each a “Renewal Term”) unless the City provides thirty days’ advance written notice to HRSD that it does not intend to renew the Term. The City accepts the Premises in “As-Is” condition without any warranties from HRSD.

4. Early Termination. Either party shall have the right to terminate this Agreement at any time by providing at least thirty (30) days advance written notice thereof to the other party.

5. Rent. On the Effective Date, City covenants to pay to HRSD, without notice or demand, as rent (“Rent”) for the Premises, base rent in the amount of One and 00/100 Dollars (\$1.00) per year. City’s obligations under Sections 6, 7, and 17 shall also be in the nature of Rent.

6. Taxes and Utilities. City shall pay directly when due or reimburse HRSD upon thirty (30) days written notice, as applicable, any taxes levied or assessed by any local, state, or federal governmental authority against the Premises. In addition, the City shall cause, at the City's sole cost, any utilities serving the Premises to be separately metered, and the City shall pay all utility costs directly when due thereafter. No new utilities shall be provided to the Premises without the prior written approval of HRSD. The City and HRSD acknowledge that there are currently no utilities serving the Premises.

7. Repairs and Maintenance. Unless otherwise provided herein, City shall be responsible for all routine repairs and maintenance of the Premises and city-installed improvements on the Premises, including all grounds maintenance, mowing, cart path maintenance and repairs, trash pickup and disposal (including dog waste disposal), pest and animal control, and trash/dog bag dispenser maintenance throughout the Premises.

8. Security. Unless otherwise provided herein, City shall be responsible for security and inspection of the Premises. Nothing contained in this Section 8 shall be construed as a waiver of sovereign immunity.

9. Fixtures and Other Property. City shall install three (3) signs on the Premises. Two signs shall be installed at each public access to the Premises to identify the hours the Premises may be accessed by the public. City may install other educational and recreation-related signage with the prior written approval of HRSD. In addition, City shall install public trash cans and dog bag dispensers at reasonable locations throughout the Premises to reasonably prevent litter, pollution, and waste. City shall remove any and all city installed signage and other property installed pursuant to this paragraph upon the expiration of the Term or earlier termination of this Agreement.

10. Construction; Liens. Except as expressly authorized herein, City shall not make any improvements to the Premises without the prior written consent of HRSD. All construction, repairs, alterations, and improvements made by City at any time shall be completed in a good and workmanlike manner at no cost to HRSD and shall be paid for on a timely basis so that the Premises remains free of liens for labor and materials. City shall release any mechanics' or other liens filed in respect to any work done or authorized by City and shall remove or bond over any such liens prior to the Premises being in danger of being sold, forfeited or lost.

11. Insurance; Liability; Indemnity.

- (a) HRSD shall not be liable to City for any claims, actions, damages, liabilities and expenses, where such liability is not covered by insurance, for any error in judgment, for any mistake of fact or law, for any injury or damage made or caused after the exercise of reasonable care, or for anything which it may do or refrain from doing hereafter, except where such claims, actions, damages, liabilities, and expenses are due to HRSD's gross negligence or willful misconduct.
- (b) There shall be no personal liability of any officer, director, employee, contractor, sub-contractor, or other agent of either party with respect to any covenants and conditions of this Agreement.

- (c) City shall obtain and provide, on or before the Effective Date, and keep in force at all times during the Term such insurance relating to the Permitted Use, the Premises, and its fixtures and appurtenances that HRSD may determine from time to time. HRSD may require an increase of the limits of coverage during the Term of the Lease. Any commercial policy of insurance shall be written with HRSD named as an additional insured. City may satisfy the obligations of this subsection 10(c), in whole or in part, by self-insurance.
- (d) To provide for the protection of HRSD whose property interests and personal liability, may be related to or affected by City's use of the Premises for the Permitted Use, and to the extent permitted by applicable law, City shall indemnify, defend, save, and hold HRSD harmless from and against any and all claims, actions, damages, liabilities, and expenses (including reasonable attorney's fees) in connection with any loss of life, bodily injury, personal injury, or property damage that occurs on the Premises and results from the City's negligence or willful misconduct, except if such claims, actions, damages, liabilities and expenses result in whole or in part from the gross negligence or willful misconduct of HRSD. The obligations of City under this Section 10(d) that accrue or are incurred by City while this Agreement is in effect shall survive the expiration or termination of this Agreement.
- (e) To the extent not prohibited by each party's respective insurance policies, the parties mutually release and discharge each other (as well as the officers, directors, partners, members, agents, and employees of each party) from responsibility and liability (by way of subrogation or otherwise) for loss or damage to any building, structure, or other property of the other party, or any resulting loss of income, that may arise from a fire or other casualty. The above releases also shall apply to any third party, including any insurance company, claiming through or under a party as a result of a right of subrogation. Each party shall endeavor to obtain at its own expense a "waiver of subrogation" in each of its casualty insurance policies to carry out these provisions.
- (f) Nothing in this Section 10 shall be construed as a waiver of either party's sovereign immunity.

12. Casualty. In the event all or any part of the Premises shall be damaged or destroyed by fire or other casualty and neither party elects to terminate this Agreement pursuant to paragraph 4 herein, then HRSD may repair the Premises to the extent of and limited to the insurance proceeds actually received by HRSD under its insurance policy which are allocable to the Premises and City shall repair and/or replace its fixtures and other property to the extent of and limited to the proceeds actually received by City under its insurance policies, including self-insurance, which are allocable to the Premises.

13. Default. The failure of City to perform or diligently proceed to perform any of the covenants, conditions, or provisions of this Agreement within thirty (30) days after City's receipt of written notice from HRSD of such shall constitute a default and a breach of this Agreement ("Events of Default") for which HRSD shall have the remedies set forth in Section 14 below:

14. Remedies Upon Default. Upon the occurrence of one or more Events of Default

by City, HRSD at any time thereafter may, at its option, terminate this Agreement or re-enter and repossess the Premises by giving City at least ten (10) days' advance written notice thereof. HRSD shall be entitled to recover from City all reasonable expenses, if any, including reasonable attorneys' fees, incurred by HRSD in recovering possession.

15. Access to Premises. HRSD shall have access to the Premises all times, including those times the Premises are closed to the public. HRSD shall be permitted to close any or all portions of the Premises to perform testing and evaluation upon written notice to City twenty-four (24) hours in advance of such closure. HRSD may, but shall not be obligated to, install educational or safety signage on the Premises.

16. Assignment and Subletting. The City may not assign this Agreement or sublet the Premises, in whole or in part including issuing any permit or governmental approval for the private, commercial, or festival use thereof, without the prior written consent of HRSD.

17. Surrender. Upon the expiration of the Term or earlier termination of this Agreement, City shall surrender the Premises to HRSD in good clean condition, reasonable wear and tear excepted. City shall remove all of City's signage, equipment, and other personal property City has installed on the Premises pursuant to this Agreement upon the expiration of the Term or the earlier termination of this Agreement. If City fails to remove its property as provided herein, then HRSD shall consider such property to be abandoned after sixty (60) days after the expiration of the Term or earlier termination of this Agreement; and HRSD shall have the right to remove and store or dispose of such property without any further notice to City. Thereafter, City shall reimburse HRSD for the cost of any removal, storage, or disposal of such abandoned property within thirty (30) days of written demand by HRSD.

18. Notices. All notices or demands to be given or served by either party to the other shall be in writing, sent by certified or registered mail (deposited in the U.S. Mail, postage prepaid) or delivered in person (with evidence of receipt by the applicable party), and shall be deemed effective when delivered to the following address(es), as applicable:

City: City Manager
City of Norfolk
810 Union Street, Suite 1101
Norfolk, VA 23510

with a copy to: City Attorney
City of Norfolk
810 Union Street, Suite 900
Norfolk, VA 23510

and a copy to: Department of Development
Office of Real Estate
City of Norfolk
999 Waterside Drive, Suite 2430
Norfolk, VA 23510

and a copy to: Department of Parks and Recreation
220 Boush Street
Norfolk, VA 23510

HRSD: Hampton Roads Sanitation District
1434 Air Rail Avenue
Virginia Beach, VA 23455
ATTN: General Manager

with a copy to: Sands Anderson PC
4801 Courthouse Street, Suite 203
Williamsburg, VA 23188
Attn: Robyn Hansen

Any addresses may be changed by written notice duly given by either party to the other.

19. Hazardous Materials. City shall not use, store, or dispose (or permit others to use, store or dispose) of any Hazardous Materials in, on, or under the Premises or underground storage tanks on or under the Premises except for incidental amounts of Hazardous Materials used to carry out the City's maintenance and repair obligations hereunder. For the purposes of this paragraph, "Hazardous Materials" shall mean "hazardous substances" or "toxic substances" as those terms are defined by the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA). If City violates this paragraph, then City shall, at its sole cost and expense, repair and/or remediate all damage caused by such violation to HRSD's satisfaction.

20. Severability. All rights, powers and remedies under this Agreement may be exercised only to the extent that such exercise does not violate any applicable law and are intended to be limited to the extent necessary so that they will not render this Agreement invalid or unenforceable. If any term of this Agreement shall be held to be invalid, illegal, or unenforceable, the validity of the other terms of this Agreement shall not be affected.

21. No Third-Party Beneficiaries. No provision of this Agreement is intended to be for the benefit of or enforceable by any third party.

22. Entire Agreement; Captions; Counterparts; Interpretation. This Agreement represents the entire agreement between HRSD and City related to lease of the Premises and cannot be modified except by a writing signed by the party against whom the modification is to be enforced. Modification of Exhibit B, whether the Policies and Procedures or other administrative plans to be incorporated therein, shall not be considered a modification or amendment of this Agreement. The captions in this Agreement are for the purposes of reference only and shall not limit or define the meaning of the provisions of this Agreement. This Agreement shall not be construed more strictly against one party than the other by virtue of the fact that it may have been prepared by counsel for one of the parties, it being recognized that both HRSD and City have contributed substantially and materially to the preparation of this Agreement. Nothing in this Agreement shall be deemed or construed by the parties, or by any third party, as creating the relationship of principal and agent or of partners or joint venturers between HRSD and City, it being understood and agreed that no provision of this Agreement nor

any acts of the HRSD and City shall be deemed to create any relationship other than the relationship of lessor and lessee. This Agreement may be executed in counterparts, each of which constitutes an original document, and/or with counterpart signature pages, in which event this Agreement shall have the same force and effect as if all of the parties had signed a single signature page.

[Remainder of page left intentionally blank. Signature pages to follow.]

[Signature page to Lease Agreement – Hampton Roads Sanitation District (HRSD) / City of Norfolk (City) - Parcel GC-2, Lambert’s Point Golf Course at WS Powhatan Avenue]

WITNESS the following signatures and seals:

HRSD:

**HAMPTON ROADS SANITATION
DISTRICT**, a political subdivision of the
Commonwealth of Virginia

By: _____
Name: Jay A. Bernas, PE
Title: General Manager

[Signatures continue on following page.]

[Continuation of signatures pages to Lease Agreement – Hampton Roads Sanitation District (HRSD) / City of Norfolk (City) – Parcel GC-2, Lambert’s Point Golf Course @ WS Powhatan Avenue]

TENANT:

CITY OF NORFOLK, a municipal corporation of the Commonwealth of Virginia

By: _____
Name Patrick G. Roberts
Title: City Manager

ATTEST:

City Clerk

Approved as to form and correctness:

Deputy City Attorney

EXHIBIT A
Premises

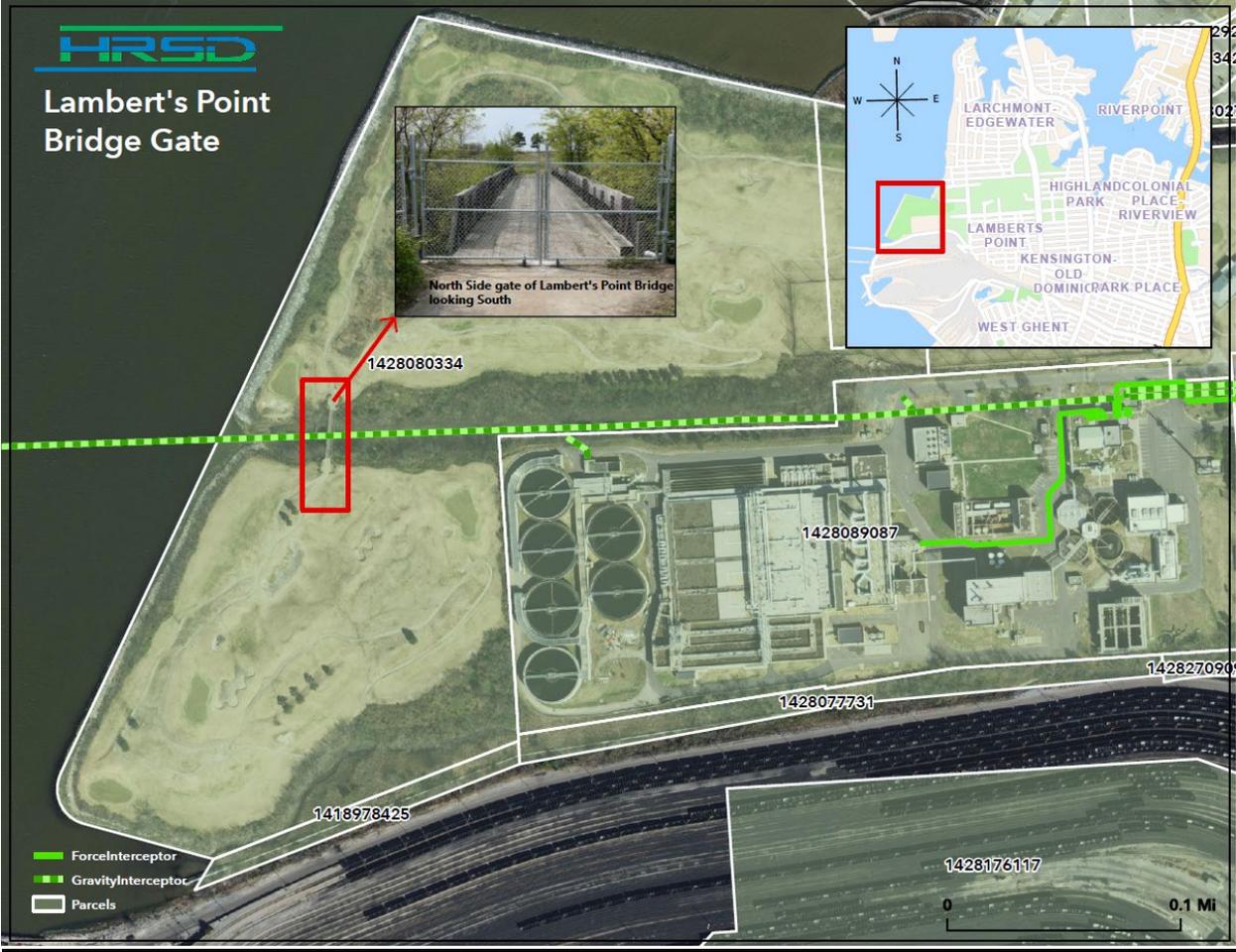


- █ 125-ft. Buffer (City of Norfolk Property)
- █ Portion of HRSD Property Leased to City, defined as the "Premises"
- █ HRSD's Lambert's Point Property

EXHIBIT B
Policies and Procedures

1. The Premises shall only be accessible to the public from sunrise to sunset.
2. No camping or overnight occupancy of the Premises shall be allowed.
3. No motorized vehicles, including golf carts on the Premises, except for City and HRSD vehicles.
4. No drones or other personal motorized electronic airborne devices shall be allowed.
5. No activities involving projectiles shall be allowed, including golf, archery, shotput, discus, etc.
6. No firearms shall be allowed, excepting sworn law enforcement officers or authorized private security.
7. No littering shall be allowed.
8. No smoking shall be allowed.
9. Although not to be designated a “park”, use of the Premises shall be regulated by City consistent with relevant provisions of the Norfolk City Code, 1979, including §§ 30-6 through 30-10(a), §§ 30-11 through 30-16(a), §§ 30-17 through 30-19, §§ 30-21 through 30-24, and §§ 30-26 through 30-27.

EXHIBIT C
Gate Location





-  125-ft. Buffer (City of Norfolk Property)
-  Portion of HRSD Property Leased to City, defined as the "Premises"
-  HRSD's Lambert's Point Property

AGENDA ITEM 11. – April 23, 2024

Subject: Magruder Mercury Interceptor Force Main Replacement - Section B
Acquisition of Real Property (Tax ID: 8005712)
112 Mercury Boulevard, Hampton, VA.

Recommended Action: Approve the purchase of a (+/-) 11,325 square foot parcel identified as 112 Mercury Boulevard (Tax Map 8005712) in the City of Hampton, Virginia and the associated acquisition costs of \$150,000 in accordance with the terms and conditions of the Purchase and Sale Agreement with Carrithers Incorporated (Seller) and authorize the General Manager to execute same and related acquisition documents in accordance with those terms and conditions substantially as presented, together with such changes, modifications and deletions as the General Manager may deem necessary.

CIP Project: YR010520

Regulatory Requirement: N/A

Budget	\$5,201,935
Previous Expenditures and Encumbrances	(\$921,913)
Available Balance	<u>\$4,280,022</u>

Conveyance Details: This project will consist of design and construction for the replacement of 6,200 LF of 30-inch prestressed concrete cylinder pipe and ductile iron force main (NF-058) from the Langley Circle Pump Station to just east of the Newmarket Creek Crossing. This project will require bypass pumping and temporary piping to facilitate maintenance of existing flows during construction.

A previous force main break and emergency repair occurred on this line in the vicinity of Langley Circle Pump Station due to crown corrosion. During the by-pass operation required during the Virginia Department of Transportation (VDOT) relocation in the late 1980's, significant debris and sedimentation was observed. The as-built profile and the construction methods used during the original installation of this line provide indication that numerous locations of this force main are at elevated risk for internal crown corrosion.

Agreement Description: The [Purchase and Sale Agreement](#) between HRSD and Carrithers Incorporated was reviewed by HRSD staff and legal counsel. Upon approval, the conveyance Deed will be forthcoming and will be reviewed by HRSD staff and legal counsel before execution. The project and property location are depicted on the attached [maps](#).

Analysis of Cost: HRSD will purchase the (+/-) 11,325 square foot parcel of land (Tax Map 8005712) for the offer price of \$150,000. This amount is based upon an appraisal conducted by Valbridge Property Advisors and is considered fair and reasonable.

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (this “Agreement”) made this 15th day of April, 2024, by and between **CARRITHERS INCORPORATED n/k/a BUSHNELL CAPITAL CORP.**, hereinafter referred to as Seller, and **HAMPTON ROADS SANITATION DISTRICT**, a political subdivision of the Commonwealth of Virginia (“HRSD”), Purchaser.

RECITALS

- A. Seller is the owner in fee simple absolute of a certain parcel of property approximately .26 acre [+/-] in area, being located in known as 112 Mercury Boulevard in the City of Hampton, Virginia, LRSN 8005711, such property being more particularly described in Exhibit A which is attached to and made a part of this Agreement (the “Property”).
- B. HRSD desires to purchase the Property from the Seller for the purpose of constructing wastewater infrastructure (the “Facilities”).
- C. Seller is willing to sell the Property to HRSD subject to the terms and conditions set forth in this Agreement.
- D. These recitals are incorporated by this reference into this Agreement.

NOW, THEREFORE, in consideration of the purchase price and the mutual promises contained in this Agreement, the parties agree as follows:

1. **SALE.** Seller agrees to sell and HRSD agrees to purchase the Property, together with all rights and appurtenances thereto, including all right, title and interest of Seller in and to any land lying in the bed of any highway, street, road, or avenue, open or proposed, in front of or abutting, or adjoining such tract or piece of land and any riparian rights, if any, and any rights, easements, and appurtenances pertaining thereto, and any building and other property situated thereon, including all personal property, attached or appurtenant to, located in or on, or used in connection with the real property, if any. The real property and the personal property are called “the Property”.
2. **PURCHASE PRICE.** The purchase price (the Purchase Price) for the Property is **One hundred fifty thousand and 00/100 Dollars (\$150,000.00)**, and the Purchase Price shall be paid to the Seller by certified check or wired funds at closing.

3. CONVEYANCE.

- a. At the Closing, Seller shall convey title to the Property in fee simple, by general warranty deed, free and clear of any and all liens, mortgages, deeds of trust, security interests, leases, covenants, conditions, restrictions, easements, rights-of-way, licenses, encroachments, judgments or encumbrances of any kind, except for the following permitted exceptions: (a) the lien of real estate taxes not yet due and payable; (b) zoning and building restrictions and other laws, ordinances, and regulations of governmental bodies having jurisdiction over the Property; and (c) matters of record affecting title to the property, as reviewed and approved (or deemed approved) by HRSD in accordance with this Agreement. Except as expressly stated in this Agreement, the Property shall be conveyed in "AS IS" condition.

- b. Title to the Property shall be good and marketable and, if HRSD chooses to obtain title insurance, insurable by a nationally recognized ALTA title insurance company of HRSD's choice at or below normal rates. In the event that a title examination discloses defects of title or other matters unsatisfactory to HRSD at HRSD's sole determination, HRSD shall notify Seller in writing (an "Objection Notice"), within 60 days of the Effective Date, of such title defects or other matters to which HRSD objects. Seller covenants that it shall cure all monetary encumbrances and all title objections which may be cured by execution of a document requiring the signature of no party other than Seller (including any affidavits which may reasonably be required by the title insurer). Seller may notify HRSD in writing (an "Objection Response"), within ten (10) business days after receiving an Objection Notice if it believes that the Objection Notice makes reference to any title defect or other matter that Seller cannot or elects not to cure. Upon receipt of an Objection Response from Seller, HRSD shall have the option either to (i) terminate this Agreement by notice to Seller given within ten (10) business days of the Objection Response or (ii) accept the defects, exceptions or other matters referenced in such Objection Response and proceed to Closing hereunder with no reduction of the Purchase Price. Seller shall have the period until the Closing date within which to correct all defects, exceptions or other matters that it is required or elects to cure. Seller shall provide such documents (including evidence of authority), affidavits, and other instruments that may be reasonably required for the issuance of a title insurance policy to HRSD.

- c. Possession of the Property will be given to HRSD at Closing, except that HRSD will have access to the Property for the purposes specified herein.
 - d. Seller agrees to pay Grantor's tax, proration of real estate taxes and storm water fees and agrees to deliver possession of the Property to HRSD at settlement. HRSD will pay all other fees charged in connection with preparation and recordation of the deed and resubdivision plat.
 - e. Seller and HRSD agree that the attorney selected by HRSD shall act as the Settlement Agent at HRSD's expense. The Settlement Agent shall prepare the settlement statement, update and record the deed, collect and disburse settlement funds in accordance with this Agreement and the settlement statement, and file any required state and federal tax forms or other certifications.
4. RIGHT OF ENTRY. HRSD and HRSD's authorized representatives may at any reasonable time and after giving reasonable notice to Seller, enter upon the Property for the purpose of making inspections, appraisals, surveys, including but not limited to the cutting of survey lines and putting up markers and driving stubs and stakes, site analysis, engineering studies, core sampling for engineering reports, and locating existing rights of way, easements, and utilities. HRSD will exercise this right of entry in such a way so as to not cause unreasonable damage to the Property. HRSD agrees to indemnify and save harmless the Seller from all claims of liability for any personal injury or property damage or otherwise to any person or property caused by any action or omission of HRSD or its agents on the Property before or after Closing.
5. CONDITIONS AND CONTINGENCIES.
- a. HRSD's obligations are expressly conditioned upon the waiver or satisfaction of each of the following conditions in the sole determination of HRSD. If any one of the following conditions cannot be met within 60 days after the Effective Date (the Effective Date being defined as the date the contract is endorsed by both HRSD and Seller), HRSD may unilaterally terminate this Agreement:
 - i. Receipt of a satisfactory title commitment with all unacceptable title exceptions, encumbrances, and conditions as deemed by HRSD removed or cured at Seller's cost;

however, if Seller chooses not to remove or cure any such title exception, HRSD's sole remedy shall be to terminate this Agreement;

- ii. Receipt of a Phase I Environmental Assessment and Report (Phase I Report) conducted and prepared by an environmental engineering and inspection company selected by HRSD at HRSD's expense and such other testing and reports as may be reasonably required by HRSD or recommended in the Phase I Report;
 - iii. Seller's compliance of all of its obligations under this Agreement.
- b. This Agreement is expressly conditioned upon the completion of all title and environmental "due diligence" by HRSD and notification to the Seller in writing of any conditions that are unsatisfactory to HRSD within the 60-day period. In the event HRSD fails to notify the Seller in writing within such 60-day period, any objection to such conditions shall be deemed waived by HRSD and the parties shall proceed to closing; provided, however, in no event shall any mortgage, deed of trust, security agreement or monetary lien against the Property be deemed waived objections and the Seller agrees that the same shall be removed and released as liens on the Property on or before Closing.
- c. This Agreement is contingent on the review and approval of the purchase by the Hampton Roads Sanitation District Commission and upon such Commission granting authorization to the General Manager to proceed under the terms of this Agreement.

6. ENVIRONMENTAL AND RELATED MATTERS.

- a. As a condition precedent to HRSD's obligation to purchase, HRSD, at HRSD's expense, may have a Phase I Environmental Assessment of the Property performed by a qualified environmental consultant (the Consultant) selected by HRSD and reasonably acceptable to Seller, conducted in accordance with standard commercial practice at the time of the assessment. A copy of the Phase I Environmental Assessment will be made available to Seller, together with copies of any supplemental reports or assessments.

- b. If the Consultant recommends soil, water, or structural remediation or further assessment activity after or as a result of performing a Phase I Environmental Assessment or if HRSD otherwise determines, in its reasonable judgment, that further assessment activity (including, but not limited to, a Phase II Environmental Assessment) is desirable, HRSD may at its option:
- i. Terminate this Agreement; or
 - ii. Extend the time for closing for an additional period of sixty (60) days in order to perform any such additional assessment at HRSD's expense; or
 - iii. Waive the environmental defect and proceed to Closing.

In the event HRSD chooses to perform any additional assessment, such as a Phase II, and determines that the results of such assessment are not satisfactory, HRSD may at its option:

- i. Terminate this Agreement; or
- ii. Waive the environmental defect and proceed to Closing.

7. REPRESENTATIONS AND WARRANTIES BY SELLER. Seller represents and warrants as of the date of this Agreement and as of the date of Closing that: Seller has the right, title, and authority to enter into this Agreement and to perform its obligations hereunder.

Seller further represents and warrants and shall deliver to HRSD at or prior to the Settlement, an Affidavit prepared by HRSD evidencing the following facts:

- a. Other than this Agreement, there are no other contracts for sale or options involving the Property now in effect;
- b. To the best of Seller's knowledge, no other party has any right, title or interest in the Property;
- c. There are no unrecorded leases, options, licenses or easements existing in connection with the property to which the Seller has knowledge;
- d. There are no adverse government notifications or proceedings and there is no pending or threatened litigation or any other potentially adverse claims affecting the property to which the Seller has knowledge.

- e. Foreign Status. Seller is not a foreign corporation, person or entity and is a “United States Corporations, Person or Entity” as such terms is defined in Section 1445 and in Section 7701 (a)(30) of the Internal Revenue Code of 1986, as amended (the “Code”) and shall deliver to HRSD at or prior to the Settlement an Affidavit prepared by HRSD evidencing such fact and such other documents as may be required under the Code.
 - f. From and after the date of this Agreement, Seller shall not transfer any interest in, or grant any easements or enter into any contractual agreement or understanding, written or oral, with respect to the Property or any portion thereof or make any changes at all that require recordation and therefore modifications to title, without the prior written consent of HRSD.
 - g. The Seller warrants that to the best of his knowledge there are no wetlands or hazardous wastes, which would prevent HRSD’s intended use of the land. To the best of the Seller’s knowledge: (i) none of the Property has been excavated (except for standard grading related to site development); (ii) no hazardous materials, toxic chemicals, or similar substances, as defined by 42 U.S.C. §1251, et seq. or 42 U.S.C. §6901, et seq. or 42 U.S.C. §9601, et seq., or 33 U.S.C. §1317(1), or 15 U.S.C. §2606(f), or 49 U.S.C. §1801, et seq., or regulations adopted pursuant thereto, or any similar provision of any applicable state, Federal, or local law (collectively “Hazardous Materials”), are or were stored or used on or under or otherwise were or are in existence or were in any way dealt with on or under the Property; and (iii) no owner or occupant of the Property has received any notice from any governmental agency with regard to such Hazardous Materials.
8. NOTICES. All notices to the parties hereto will be delivered by hand, via certified mail return receipt requested, or via facsimile and all be deemed effective upon delivery if by hand and upon confirmation of receipt if by other means, to the following address until the address is changed by notice in writing to the other party:

HRSD: Ayanna R. Williams
HRSD Real Estate Manager
2389 G Avenue
Newport News, VA 23606

Copy to: Conway Sheild, III
Jones, Blechman, Woltz and Kelly
701 Town Center Dr Ste 800
Newport News, VA 23606

Seller: Carrithers Incorporated n/k/a Bushnell Capital Corp.
c/o of James Smith, Jr., PC
101 Mill Road, Suite B
Yorktown, VA 23693

9. CLOSING. Unless this Agreement is terminated pursuant to its terms or by mutual agreement of the parties, Closing will be made at the offices of the Settlement Agent within 120 days of the Effective Date, unless extended by terms of these agreements or by mutual agreement of the parties.
10. SURVIVAL. The provisions contained in this Agreement will be true as of the date of this Agreement and as of the date of Closing.
11. PRORATIONS. All rents, interest, taxes, insurance premiums, utility bills, and fuel oil, if any, will be prorated as of the date of Closing.
12. RISK OF LOSS. All risk of loss or damage to the Property by fire, windstorm, casualty, or other cause is assumed by Seller until Closing. In the event of substantial loss or damage to the Property before Closing, HRSD will have the option of either:
 - a. Terminating this Agreement, or
 - b. Affirming this Agreement and proceeding to Closing.
13. FUTURE SALE BY HRSD. In the event that HRSD shall determine to sell all or a portion of the property for private development within two (2) years of the Settlement Date, it agrees to notify Seller and give Seller first opportunity to purchase the property on such terms as the parties shall mutually agree. Such notice shall be writing addressed in accordance with the provisions of Section 8 herein or such other address provided to HRSD by the Seller and shall provide Seller with at least thirty (30) calendar days to present HRSD with an offer to purchase the property.
14. BROKERS. Seller and HRSD both represent and warrant to the other that it has not hired, engaged, or consulted with any broker or agent in regard

to this transaction. Each party agrees to indemnify and hold harmless the other from any and all costs, expenses, or damages resulting from any claim for brokerage fees or other similar forms of compensation made by any real estate broker or other person or entity with whom a party has dealt, and who is not expressly named herein.

15. CONDEMNATION. Seller covenants and warrants that Seller has not heretofore received any notice of any condemnation proceeding or other proceeding in the nature of eminent domain in connection with the Property. If prior to Settlement any such proceeding is commenced or any change is made, or proposed to be made, to the current means of ingress and egress to the Property or to the roads or driveways adjoining the Property, or to change such ingress or egress or to change the grade thereof, Seller agrees immediately to notify HRSD thereof. HRSD then shall have the right, at HRSD's option, to terminate this Agreement by giving written notice to Seller within thirty (30) days after receipt of such notice.
16. DEFAULT AND REMEDIES.
- a. If the sale and purchase contemplated by this Agreement is not consummated because of Seller's or HRSD's default, the non-defaulting party may elect to:
 - i. Terminate this Agreement;
 - ii. Seek and obtain specific performance of this Agreement; or
 - iii. Pursue all other rights or remedies available at law or in equity, including an action for damages.
 - b. If either Seller or HRSD defaults under this Agreement, the defaulting party will be liable for any expenses incurred by the non-defaulting party in connection with the enforcement of its rights under this Agreement.
 - c. These remedies are cumulative and non-exclusive and may be pursued at the option of the non-defaulting party without a requirement of election of remedies.
17. ENTIRE AGREEMENT. This Agreement contains the entire agreement of the parties and will supersede the terms and conditions of all prior written and oral agreements, if any, concerning the matters it covers. The parties acknowledge there are no oral agreements, understandings,

representations, or warranties that supplement or explain the terms and conditions contained in this Agreement. This Agreement may not be modified except by an agreement in writing signed by the parties.

18. WAIVER. Failure to insist upon strict compliance with any of the terms, covenants, or conditions hereof will not be deemed a waiver of the term, covenant, or condition, nor will any waiver or relinquishment of any right or power at any one time or more times be deemed a waiver or relinquishment of the right or power at any other time or times.
19. SEVERABILITY. This Agreement will be construed in its entirety and will not be divisible, except that the invalidity or unenforceability of any provision hereof will in no way affect the validity or enforceability of any other provision.
20. CAPTIONS. Captions are used in this Agreement for convenience only and will not be used to interpret this Agreement or any part of it.
21. GOVERNING LAW. This Agreement is to be construed in accordance with the laws of the Commonwealth of Virginia.
22. CHOICE OF FORUM/JURISDICTION. The parties hereby consent to the jurisdiction and venue of the courts of the Commonwealth of Virginia, and to the jurisdiction and venue of the United States District Court for the Eastern District of Virginia in connection with any action, suit, or proceeding arising out of or relating to this Agreement and further waive and agree not to assert in any action, suit, or proceeding brought in the same.
23. WAIVER OF TRIAL BY JURY. THE PARTIES WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM BROUGHT BY EITHER PARTY AGAINST THE OTHER ON ANY MATTER WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS AGREEMENT OR ANY RELATED AGREEMENTS OR INSTRUMENTS AND THE ENFORCEMENT THEREOF, INCLUDING ANY CLAIM OF INJURY OR DAMAGE TO ANY PARTY OR THE PROPERTY OF ANY PARTY.
24. SUCCESSOR/ASSIGNMENT. This Agreement will be binding upon and the obligations and benefits hereof will accrue to the parties hereto, their heirs, personal representatives, successors, and assigns. This Agreement is assignable by HRSD only upon written consent of the Seller, which consent will not be unreasonably withheld. If this Agreement is

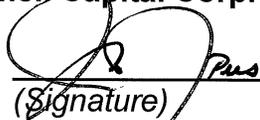
assigned by HRSD with Seller's consent, HRSD will nevertheless remain fully liable for its performance.

25. COUNTERPARTS. This Agreement may be executed in any number of counterparts, each will be considered an original, and together they will constitute one Agreement.
26. FACSIMILE SIGNATURES. Facsimile signatures will be considered original signatures for the purpose of execution and enforcement of the rights delineated in this Agreement.
27. ETHICS IN PUBLIC CONTRACTING. By executing this Agreement, the undersigned Seller or its representative, and the representative of HRSD, certify that the prices agreed to in this Agreement were arrived at without collusion or fraud and that they have not offered or received any payment, kickbacks or other inducement from any other party to this Agreement or its agent or employee in connection with this Agreement, and that they have not conferred on any public employee having responsibility for this procurement transaction any payment, loan, subscription, advance, deposit of money, services (or anything of more than nominal value, present or promised) unless disclosed in this Agreement.

(Remainder of page intentionally left blank – Signature Pages follow)

SELLER:

**Carrithers Incorporated n/k/a
Bushnell Capital Corp.**

By: 
(Signature)

Its: President

Print: James C. Smith Jr

IN WITNESS WHEREOF, the Hampton Roads Sanitation District Commission has caused this Agreement to be signed on its behalf by its General Manager in accordance with authorization granted at its regular meeting held on April 23, 2024.
[This Agreement is expressly subject to approval by the HRSD Commission]

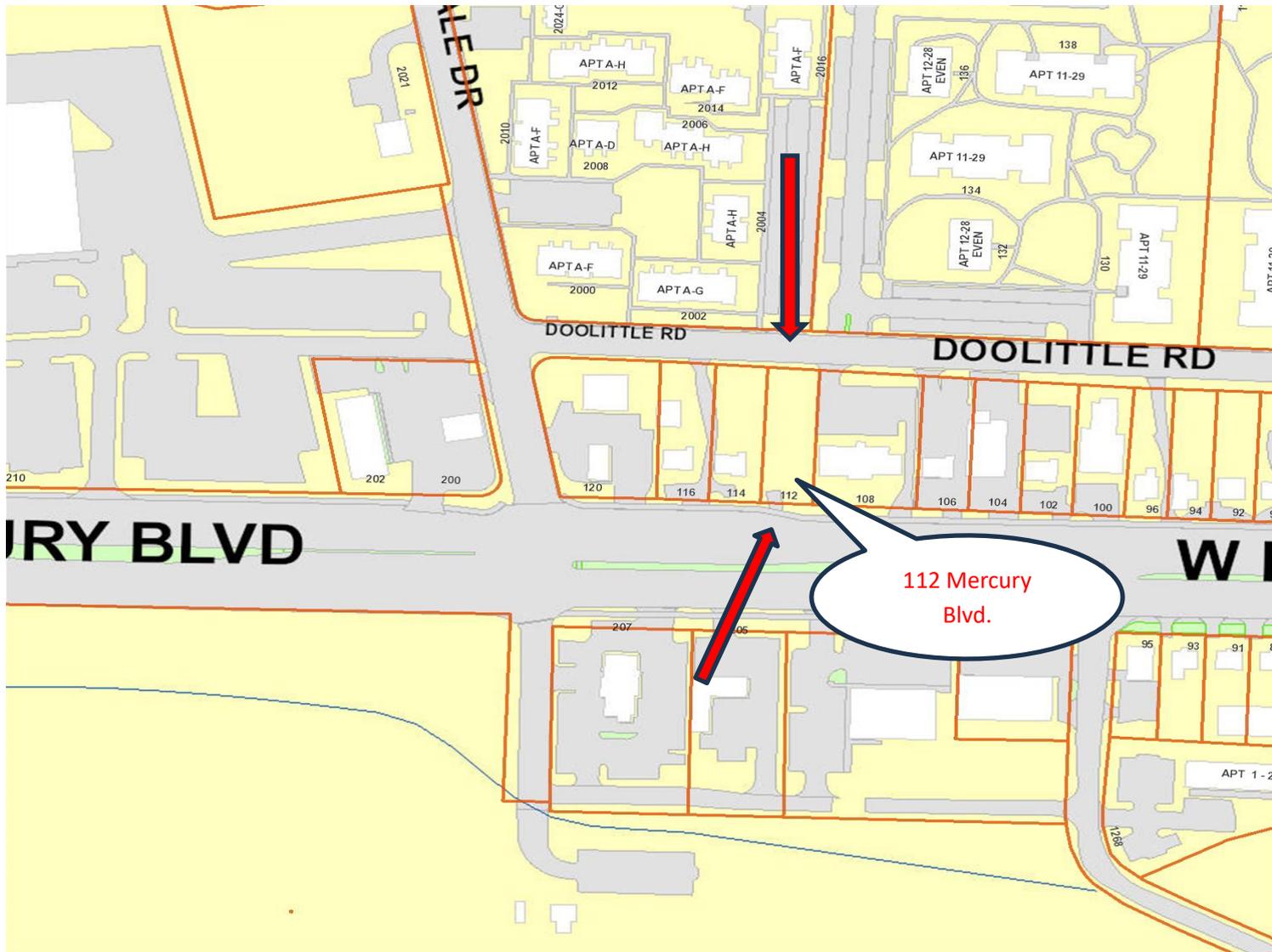
HAMPTON ROADS SANITATION DISTRICT

By: _____
Jay Bernas, P.E.
General Manager

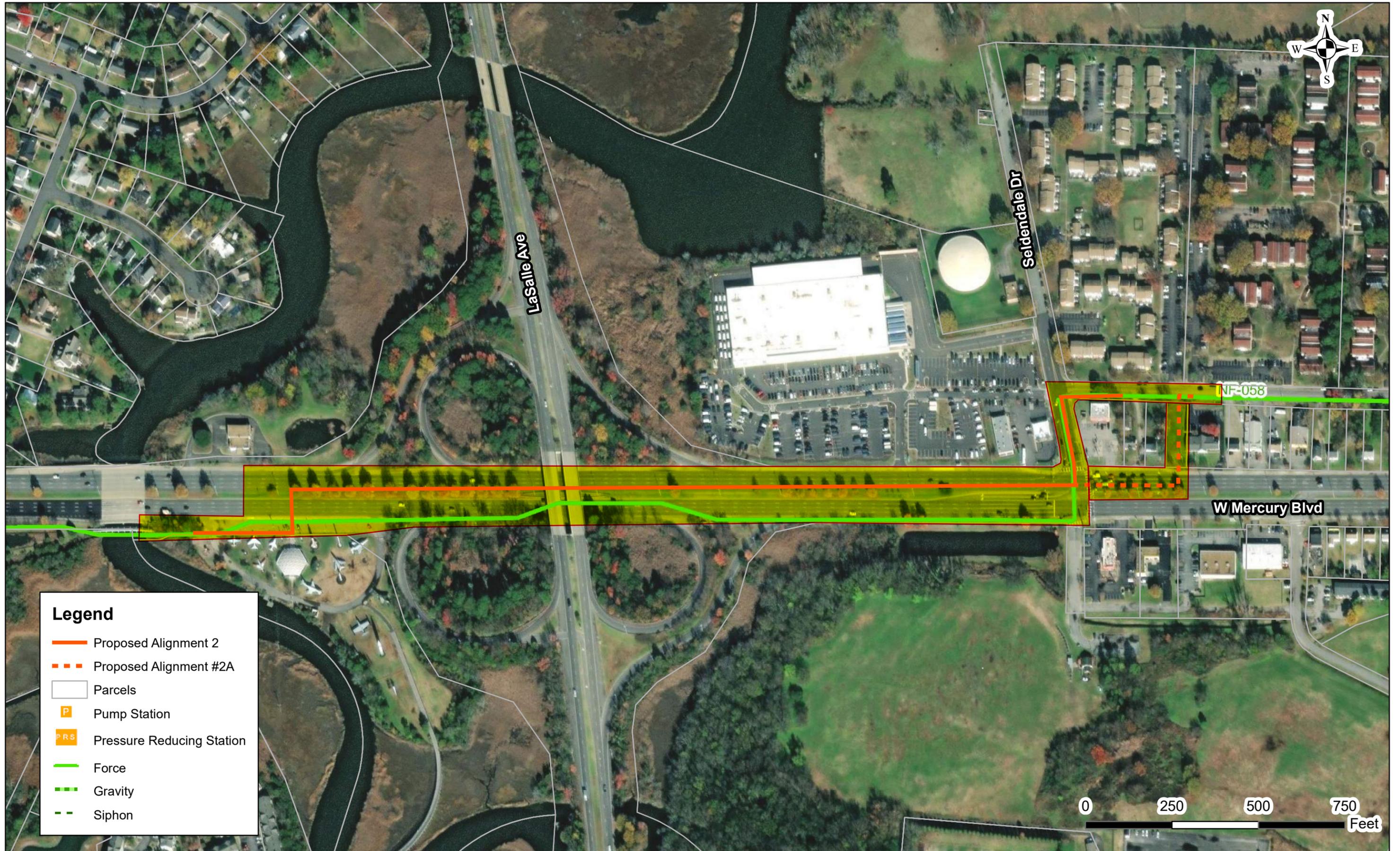
EXHIBIT A

All that certain lot, piece or parcel of land situate, lying and being in the City of Hampton, Virginia, (formerly Chesapeake Magisterial District, Elizabeth City County) known and designated as Lot FIVE (5), on that certain plat entitled, "SELDONDALE, SECTION ONE", dated June 25, 1951, made by Girard Chambers, Jr., Surveyor, and duly recorded in the Clerk's Office of the Circuit Court for the City of Hampton, Virginia in Plat Book 2, page 90.

670059



Magruder Mercury Interceptor Force Main Replacement - Section B (YR010520) Project Extents



AGENDA ITEM 12. – April 23, 2024

Subject: Capital Improvement Program (CIP)
Update

Recommended Action: No action is required.

Brief: Implementing the CIP continues to be a significant challenge as we address numerous regulatory requirements, SWIFT Program implementation and the need to replace aging infrastructure. Staff will provide a briefing describing the status of the CIP, financial projections, projects of significance and other issues affecting the program.

AGENDA ITEM 13. – April 23, 2024

Subject: New Business

AGENDA ITEM 14. – April 23, 2024

Subject: Unfinished Business

AGENDA ITEM 15. – April 23, 2024

Subject: Commissioner Comments

AGENDA ITEM 16. – April 23, 2024

Subject: Informational Items

Recommended Action: No action is required.

Brief: The following items listed below are presented for information.

- a. Management Reports
 - (1) [General Manager](#)
 - (2) [Communications](#)
 - (3) [Engineering](#)
 - (4) [Finance](#)
 - (5) [Information Technology](#)
 - (6) [Operations](#)
 - (7) [Talent Management](#)
 - (8) [Water Quality](#)
 - (9) [Report of Internal Audit Activities](#)
- b. [Strategic Measures Summary](#)

April 12, 2024

Re: General Manager's Report



Environmental Responsibility

The National Weather Service (NWS) keeps an updated "Top 10 List" for precipitation for the Norfolk Airport and Richmond Airport. At the Norfolk Airport station, March 2024 was the 2nd wettest on record with 10.3" of rainfall. As a result, there were multiple treatment and interceptor system events reported this month. Additional details are available in the Monthly Discharge Monitoring Report (DMR) Summary in the Water Quality (WQ) monthly report.

Treatment Compliance and System Operations:

- From Fiscal Year (FY) 2024 to date, there have been four Permit Exceedances out of 42,395 Total Possible Exceedances.
- Pounds of Pollutants Removed in FY 2024 to date: 141.5 million pounds.

Water Quality: No civil penalties were issued in March.



Financial Stewardship

Staff is tracking the State's budget process closely. Even though the General Assembly's comprise bill included \$400 million in Water Quality Improvement Fund (WQIF) grants, the Governor's version significantly reduced that line item to \$100 million. HRSD was slated to received \$312 million in WQIF. The General Assembly will reconvene on April 17 and will vote on the Governor's proposed amendments.

Staff was notified that we received \$1.25 million in Congressionally Directed Spending (CDS), also known as earmarks, for a couple of Eastern Shore projects: Town of Wachapreague and Town of Chincoteague treatment plant. This is the first that anyone can remember HRSD received an earmark.

At the Williamsburg Treatment Plant (WTP), staff was able to optimize Sodium Hypochlorite, which resulted in an estimated savings of almost \$400,000 this fiscal year.



Talent

Human Resources staff are preparing for open enrollment meetings in May as employees will transition to Sentara and MetLife on July 1.

I participated in the following meetings/activities with HRSD personnel:

1. Attended the Leadership and Management Academy (LAMA) Capstone project presentations.
2. Met with staff on the Norfolk Coastal Resilience projects and potential HRSD conflicts.
3. Met with staff on the future direction of the SCADA project.



Community Engagement

One of the General Assembly bills (HB 906/SB 480) pending the Governor's approval is adding restrictions for water service disconnections. One restriction is that disconnections cannot be done if the forecasted temperature is at or above 92 degrees, which is challenging for a regional agency where the temperature can vary and there is no standard for which forecast you use. In addition, disconnections cannot occur on Fridays, weekends, state holidays, or the day immediately preceding a state holiday. We are working with the Localities to ensure we comply with the new law and are consistent with our procedures.

I represented HRSD at the March 20 Suffolk City Council meeting on our proposed rezoning and subdivision variance for the Nansemond SWIFT project offsite manage aquifer recharge wells.

Community Outreach and Education Specialists and HRSD Ambassadors were busy this month with numerous events, presentations and classroom activities across the service region. The events are outlined in the Director of Communications monthly report.

With the ongoing work on one of Chesapeake's key drawbridges and HRSD's projects, traffic congestion has been exacerbated. Staff is working closely with the City to coordinate efforts to ensure any traffic impacts are minimized to the highest extent possible.

I participated in the following external meetings/activities:

1. Met with Drew Lumpkin, Senator Warner's Regional representative on federal issues related to HRSD.
2. Met with the City of Norfolk's Deputy City Manager on the latest update for our VIP projects and Lambert's Point property impacts.

3. Visited the HRSD's Old Buckroe Road/Bloxom's Corner project site based on the City of Hampton's concerns and discussed with the City Manager.
4. Had lunch with the new Chesapeake Bay Foundation Executive Director Chris Moore and Virginia staff attorney Patrick Fanning to build on our existing relationship.
5. Attended the VAMWA virtual Member meeting.



Innovation

With much more stringent Total Phosphorus limits coming, staff has been working to make our biological Phosphorus removal more reliable and we think we have figured it out. At VIP, we were able to reliably biologically remove Phosphorus, without chemical addition, which is a great achievement.

Staff is working with Virginia Tech to better understand land subsidence using the latest technologies in satellite imagery. This will be helpful to have a baseline before the SWIFT plants come online.

Cybersecurity monitoring and intervention enhancements were deployed successfully. This will help us fend off increasing attacks by threat actors.

Thanks for your continued dedicated service to HRSD, the Hampton Roads region, the Commonwealth, and the environment.

I look forward to seeing you in person in Newport News at 9:00 a.m. on Tuesday, April 23, 2024.

Respectfully submitted,

Jay Bernas, P.E.
General Manager

TO: General Manager
 FROM: Director of Communications
 SUBJECT: Monthly Report for March 2024
 DATE: April 11, 2024

A. Publicity and Promotion

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

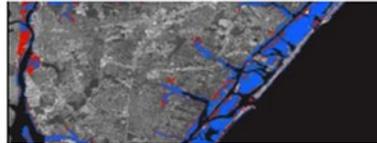
- a. Sinking coasts are increasing the threat from rising seas.
- b. Possible wastewater bill increases, thanks to aging systems
- c. Discovery of Newport News graves causes delay, detour for trails

2. Analysis of Media Coverage

a. Key results for March

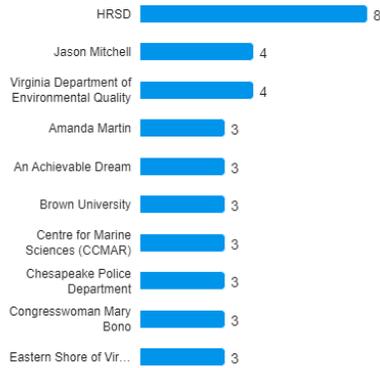


b. Top performing news content

Top Article by Reach	Top Article by Reach and Volume	Top Article by Social Echo
 <p>Yahoo! News · Josh Janney Editorial US Mar 7 · 8:25 AM</p> <p>Heads up, Hampton residents: Your wastewater bill could increase, thanks to aging system repairs</p> <p>... and moving it through pipes and pump stations to the Hampton Roads Sanitation District, which operates extensive pipe systems and treatm...</p> <p>Social Echo 0 0 0 18.8M Reach</p> <p style="text-align: right;">Neutral ○</p>	 <p>Yahoo! News · Josh Janney Editorial US Mar 7 · 8:25 AM</p> <p>Heads up, Hampton residents: Your wastewater bill could increase, thanks to aging system repairs</p> <p>... and moving it through pipes and pump stations to the Hampton Roads Sanitation District, which operates extensive pipe systems and treatm...</p> <p>Social Echo 0 0 0 18.8M Reach</p> <p style="text-align: right;">Neutral ○</p>	 <p>The News & Observer · Adam Wagner Editorial US Mar 14 · 8:00 AM</p> <p>Sinking coasts are increasing the threat from rising seas. What can NC do about it?</p> <p>... we're trying to restore," Martin said. In Virginia, the Hampton Roads Sanitation District is working on a \$1 billion project that aims ...</p> <p>Social Echo 50 1 0 1.34M Reach</p> <p style="text-align: right;">Negative ○</p>

c. Top entities and keywords

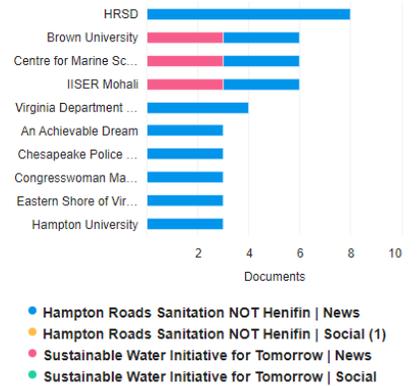
Top Entities



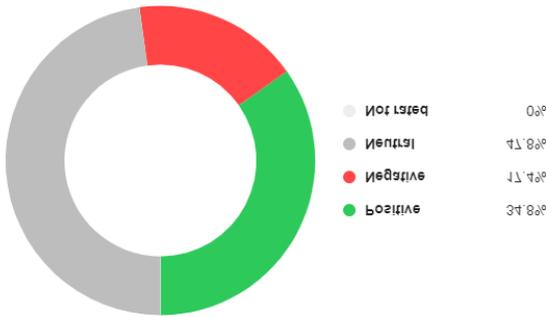
Top Keywords



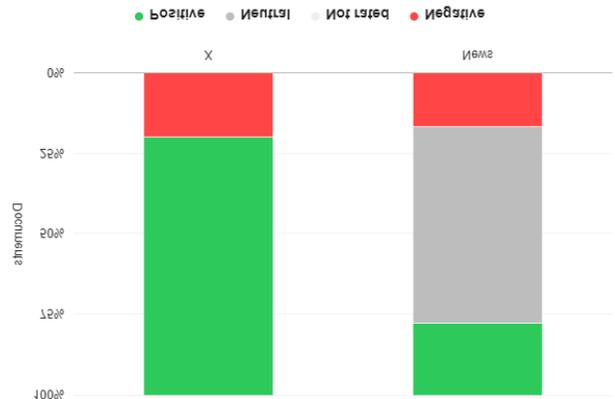
Top Organizations



d. How favorable is the content?



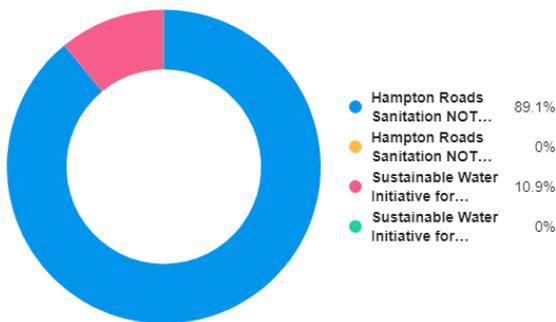
Sentiment Share of Voice



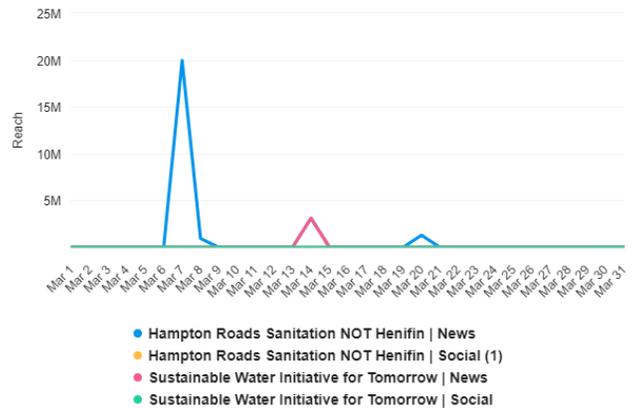
Sentiment by Source Type

e. What is the potential reach?

Share of Voice by Reach

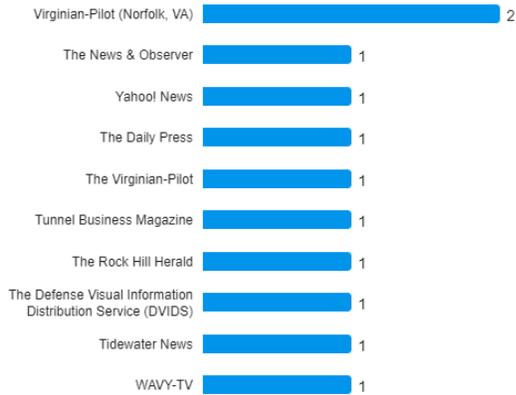


Potential News Reach

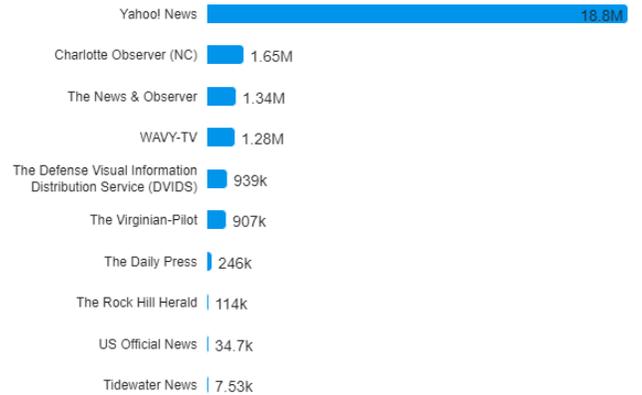


f. Top publishers

Top Publications by Volume



Top Publications by Reach



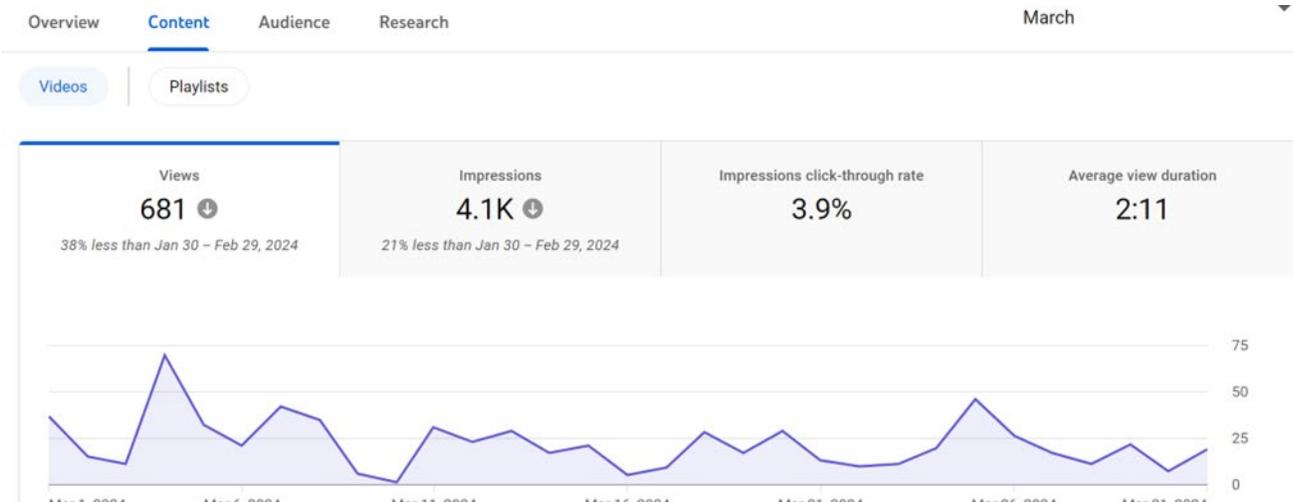
Community Engagement

B. Social Media and Online Engagement

1. Metrics – Facebook, X and LinkedIn

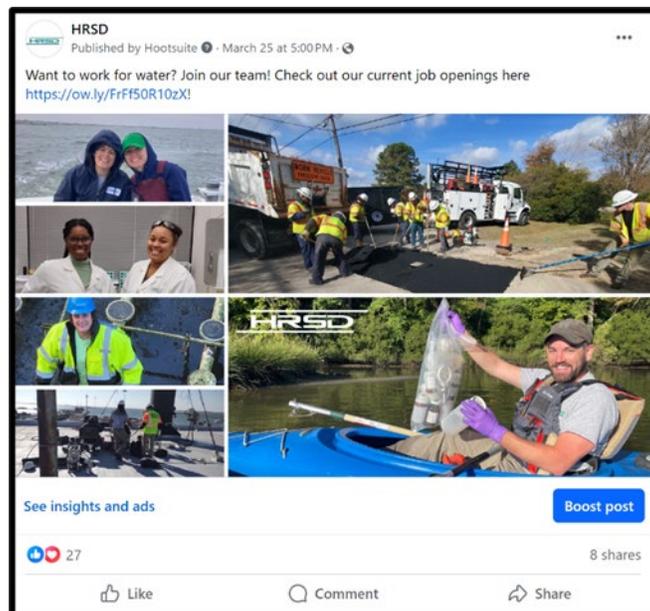


2. YouTube



3. Top posts on Facebook, Twitter, and YouTube

a. Top Facebook post



b. Top Tweet



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

- (1) [The Wastewater Treatment Process](#)
- (2) [HRSD SWIFT Industry Day 2024](#)
- (3) [SWIFT Research Center: What Is the Potomac Aquifer](#)
- (4) [HRSD Atlantic Treatment Plant Cambi THP Tour](#)
- (5) [National Infrastructure Week: James River Treatment Plant SWIFT](#)

4. Website and Social Media Impressions and Visits

a. Facebook:

- (1) 11,869 page impressions
- (2) 8,354 post impressions reaching 7,953 users
- (3) Facebook Engagement of 118 (103 reactions, 10 shares, and 5 comments)

b. X: 905 post impressions, 2.2% engagement rate

c. HRSD.com/SWIFTVA.com: 1,031 page visits

- d. LinkedIn Impressions:
 - (1) 15,473 page impressions
 - (2) 10,399 post impressions
- e. YouTube: 674 views
- f. Next Door unique impressions: 39,559 post impressions from 20 targeted neighborhood postings and one regionally shared post with 691,619 total residents
- g. Blog Posts (1):
 - (1) 03/28/2024 - [HRSD Engineers are Reshaping The Future! 4 Innovative Engineering Projects In Hampton Roads](#)
- h. Construction Project Page Visits – 2,693 total visits (not including direct visits from home page, broken down as follows:
 - (1) 2,358 visits to individual pages
 - (2) 335 to the status page

C. Education and Outreach Activity Highlights

Community Outreach and Education Specialists and HRSD Ambassadors were busy this month with numerous events, presentations and classroom activities across the service region. SWIFT Tours were provided to the Hampton Clean City Commission, the City of Virginia Beach Public Utilities and Grassfield High School Governor's STEM Academy. HRSD was also represented at 14 other STEAM and STEM events, presentations, career fairs and classroom activities, including the Portsmouth Middle School STEAM Family Night Expo and the College Park Elementary School Career Day, each of which had several hundred students in attendance.

Project notices were distributed to 1,131 customers for 12 different projects across the service area this month. The department distributed and posted six construction or work notices and one traffic advisory to the HRSD.com Newsroom.

Director participated as a panelist for the Virginia Water Environment Association/American Water Works Association Effective Utility Management webinar series providing information and answering questions about stakeholder understanding and support.

D. Internal Communications

Director participated in the following internal meetings and events:

1. HRSD LIFE Conference – staffed the Communications table and attended the conference

2. Atlantic Treatment Plant Community Odor Taskforce planning meetings
3. Rebranding meetings
4. Compensation Study change management and communications planning discussions
5. SWIFT Community Commitment Plan steering team meeting
6. Website redesign meeting
7. Media preparation with project manager ahead of an interview about the pauper's cemetery found at our James River Treatment
8. HRSD Security Team meeting
9. Bi-weekly General Manager (GM) briefings
10. Discharge Monitoring Report (DMR), SWIFT Quality Steering Team (QST) and HRSD QST meetings
11. Check-in meetings with Deputy General Manager (DGM)
12. Director also conducted biweekly Communications department status meetings and weekly one-on-one check-in meetings.
13. Staff participated in 25 project progress and/or construction meetings and communication planning meetings with various project managers and plant staff and external stakeholders.



Talent

The Communications department is currently fully staffed. Professional development activities for February include:

- CPR/AED/First Aid Certification by one Community Educator
- In Science We Trust – build trust with more effective communication webinar attended by one Public Information Specialist
- Introduction to FOIA training for all Communications staff
- HRSD LIFE Conference for all Communications staff

Respectfully,

Leila Rice, APR

Director of Communications

TO: General Manager
FROM: Director of Engineering
SUBJECT: Engineering Monthly Report for March 2024
DATE: April 11, 2024



Environmental Responsibility

The latest initiative to reduce sanitary sewer overflows (SSO's) in the region is the High Priority Inflow and Infiltration Reduction (I&I) Program (Program). This initiative will involve sewer rehabilitation efforts within pre-selected locality catchment basins through the reduction of I&I. Work may be located on locality-owned assets, HRSD-owned assets, and/or private assets/property, and may include the upsizing of gravity sewer pipelines. The Regional Wet Weather Management Plan (RWWMP) has identified basins where I&I reduction could be performed to cost-effectively reduce simulated SSO's. HRSD will be coordinating the identification and reduction of overflows with locality partners as part of this Program. The first step is to hire a Team to assist HRSD with the planning, design, and construction of this work. A Request for Proposals has been issued and we plan to use the Public-Private Education & Infrastructure Act procurement process to deliver this Program. This will be Phase 1 in a two-phased approach to reduce SSO's in the region and should be completed over the next five (5) years.

HRSD is working in collaboration with Virginia Tech to better understand the issues of land subsidence and sea level change in Hampton Roads. Virginia Tech is using the latest technologies in satellite imagery, and we plan to correlate this data with information from regional extensometers to accurately measure the movement of the earth. HRSD's work to implement the SWIFT Program has a secondary benefit of limiting land subsidence, so having these tools in place before large-scale water recharge occurs will help us to better understand the impacts the SWIFT Program has on the environment.



Financial Stewardship

Capital Improvement Program (CIP) spending for the eighth month of FY 2024 was below the planned spending target.

CIP Spending (\$M):

	Current Period	FYTD
Actual	33.34	357.20
Plan	50.20	383.70

In early March, HRSD submitted two Water Quality Improvement Fund (WQIF) applications to the Virginia Department of Environmental Quality (VDEQ). Applications were made for work at both the Boat Harbor and Nansemond Treatment Plants. The grant application for the Boat Harbor Treatment

Plant involves the closure of the plant and the conveyance of flows to the expanding Nansemond Treatment Plant. The grant application for the Nansemond Treatment Plant includes the improvements necessary to meet increasingly stringent nitrogen and phosphorus discharge limits. There are currently four WQIF Grant applications pending including the following:

	WQIF Funding Requested
Boat Harbor Conveyance	\$ 311,286,392.25
Nansemond Nutrient Reduction	\$ 127,657,504.84
James River Nutrient Reduction	\$ 344,741,546.64
Chesapeake-Elizabeth Conveyance	\$ 100,647,745.82
	\$ 884,333,189.55

The WQIF Grant Agreement for the Eastern Shore Transmission Force Main was approved by the Commission in February, and this agreement for \$4,936,538 should be finalized by the VDEQ in the coming month.



Talent

The Engineering Department has had several recent promotions and retirements that effect staffing levels. Three open positions include Chief of Design & Construction – South Shore, Project Manager and Contract Specialist. Interviews will be held in April for two of these open positions and recruitment for the final open position should occur in May.

Training and continuous learning are critical to the success of the Engineering Department. Each year our target is to provide each staff member with 40 hours of training. We are currently tracking close to this target for FY2024 (31.9 hours/employee) and continue to look for meaningful training opportunities for our staff. The recently held HRSD Life Conference was an excellent way for staff to gain knowledge and learn from others. This metric is of extra importance since we have added many new staff members in the past year.



Community Engagement

The Engineering Department is managing a number of CIP projects located in the City of Chesapeake. Many of these projects are located in the public right-of-way and impact traffic and access in certain neighborhoods. The City of Chesapeake also has a number of utility and roadway projects impacting the public. Due to recent concerns, we have begun regular discussions with the City of Chesapeake to assure that our projects are coordinated and do not overlap or cause excessive hardships to the communities adjacent to the work. This issue will continue to be a challenge with many of the localities in the region as we ramp up our efforts to replace aging infrastructure in established areas.

One of the significant capital improvement projects under design is the Atlantic Treatment Plant Odor and Solids Improvements project. The preliminary engineering effort is underway, and we are in the process of hiring a contractor to assist with construction management services. Part of the reason for this project is to address recent concerns with odors. A significant public information and engagement

effort is underway, but we are still receiving numerous complaints from neighbors concerned with odors. In addition to the public information and outreach focus, we are exploring an option to provide a Public Outreach Program. This Program will be known as the Atlantic Treatment Plant Community Odor Task Force. The task force will be asked to assist HRSD with identifying nuisance odors, sharing input and ideas, and evaluating long-term solutions for odor control at the Atlantic Treatment Plant. There are several interested groups already involved with this project, so we hope to find potential candidates for the task force from these interested parties.



Innovation

Condition assessment of buried pipelines continues to be a focus at HRSD. Since many of the existing pipelines and sewer force mains cannot be taken out of service for inspection, new technologies continue to be explored. We are using both ground penetrating radar (GPR) and pipe penetrating radar (PPR) to learn about the condition of a buried pipe without the need for costly and disruptive excavations. GPR can be used to determine if there are soil voids near the pipe and to determine the exact depth to the top of the pipe. PPR can be used with certain pipe materials to determine pipe wall thickness and if voids exist at the soil-pipe interface. We will continue to learn from these non-invasive techniques to better assess the condition of existing pipelines.

The hydraulic model used by HRSD to manage the complex series of sewer pipes and pump stations throughout the region is known as Mike Urban. This software program was developed by the Danish Hydraulic Institute (DHI) in the Netherlands. HRSD first began using this software in 2009 and has been very valuable over the years as we have managed numerous interceptor system improvements and worked with the US EPA to better understand how wet weather impacts the regional sewer system. Based on our needs to model more complex situations and provide better input as we build new pipes and pump stations, a more robust modeling tool is needed. Staff have considered numerous software models and determined that the DHI Mike+ software will best meet HRSD's needs. This software program adds numerous features to the existing model including:

- Ability to store multiple wet weather parameters within a single model instead of having to keep separate files for rainfall simulation
- Tools to quickly create models from digital terrain models (DEM) and GIS data for areas that were not included in the original Regional Hydraulic Model development
- Improved result presentation tools to compare model results to meter data within Mike+ instead of having to use external resources
- Improved visualization of missing or incorrect data in the model to quickly identify those features instead of finding missing data during the model run checks

We expect this improved modeling software program to give HRSD the ability to better understand the complex hydraulics of the regional sewer system for many years to come.

Bruce W. Husselbee

Bruce W. Husselbee, PhD, P.E., BCEE, DBIA

TO: General Manager
FROM: Director of Finance
SUBJECT: Monthly Report for March 2024
DATE: April 10, 2024



Financial Stewardship

Staff continues to monitor the Virginia state budget process. Currently \$400M is included for the Water Quality Improvement Fund (WQIF) fund, but the budget faces threat of a veto from the Governor. The April 17 deadline for budget veto will help to inform how much WQIF grant funding to build into the financial projections.

Work continues on the Water Infrastructure Finance & Innovation Act (WIFIA) Master Financing Agreement. The application is on track for early April submission. HRSD will be asking for an additional \$500 million in WIFIA funding to fund the increases associated with delivering the Sustainable Water Initiative for Tomorrow (SWIFT) program.

The accompanying Interim Financial Report indicates that most revenue and expense accounts are generally in line with the amended budget.

The two largest operating revenue sources, Wastewater and Indirect Discharge were at 75 percent and 78 percent of budget estimates, respectively. Interest Income continues to be a bright spot as investment yields remain high.

Expenses appear well controlled and within budgetary expectations as well. Accounts Receivable over 30 days past due remained steady during March 2024, with no significant increases or decreases. The Low-Income Household Water Assistance Program (LIHWAP) ended in December 2023, and as expected, past due accounts receivable have been slightly increasing, particularly accounts over 90 days past due.

Field staff delivered 4,656 warning door tags and disconnected water service to 1,764 accounts during March 2024. The Debt Solutions field team reduced disconnection field activities during March to decrease the phone call volumes and began to make outbound collections calls. Strategies include arranging pay plans, leaving additional financial assistance information with the warning tag, and third-party collections for closed accounts.

A. Interim Financial Report

1. Operating Budget for the Period Ended March 31, 2024.

	Amended Budget	Current YTD	Current YTD as % of Budget (75% Budget to Date)	Prior YTD as % of Prior Year Budget
Operating Revenues				
Wastewater	\$ 405,832,000	\$ 306,101,285	75%	77%
Surcharge	1,600,000	1,103,165	69%	68%
Indirect Discharge	4,400,000	3,417,360	78%	103%
Fees	2,894,000	2,796,668	97%	89%
Municipal Assistance	800,000	866,678	108%	57%
Miscellaneous	1,295,000	1,594,066	123%	119%
Total Operating Revenue	416,821,000	315,879,222	76%	77%
Non Operating Revenues				
Facility Charge	6,095,000	5,239,780	86%	76%
Interest Income	3,000,000	10,198,479	340%	281%
Build America Bond Subsidy	1,954,000	995,531	51%	51%
Other	620,000	305,038	49%	265%
Total Non Operating Revenue	11,669,000	16,738,828	143%	106%
Total Revenues	428,490,000	332,618,050	78%	78%
Transfers from Reserves	17,120,789	12,840,592	75%	75%
Total Revenues and Transfers	\$ 445,610,789	\$ 345,458,642	78%	78%
Operating Expenses				
Personal Services	\$ 70,450,193	\$ 51,490,003	73%	76%
Fringe Benefits	28,487,963	20,747,190	73%	73%
Materials & Supplies	16,073,465	9,646,786	60%	63%
Transportation	2,003,573	1,248,445	62%	62%
Utilities	16,843,498	12,771,938	76%	80%
Chemical Purchases	17,688,997	11,239,512	64%	68%
Contractual Services	53,541,285	27,452,138	51%	51%
Major Repairs	13,696,912	4,836,250	35%	51%
Capital Assets	1,258,970	308,693	25%	21%
Miscellaneous Expense	3,938,563	2,108,829	54%	58%
Total Operating Expenses	223,983,419	141,849,784	63%	66%
Debt Service and Transfers				
Debt Service	76,150,000	65,760,418	86%	86%
Transfer to CIP	145,217,370	108,913,028	75%	83%
Transfer to Risk management	260,000	195,003	75%	75%
Total Debt Service and Transfers	221,627,370	174,868,449	79%	84%
Total Expenses and Transfers	\$ 445,610,789	\$ 316,718,233	71%	75%

2. Notes to Interim Financial Report

The Interim Financial Report summarizes the results of HRSD's operations on a basis of accounting that differs from generally accepted accounting principles. Revenues are recorded on an accrual basis, whereby they are recognized when billed, and expenses are generally recorded on a cash basis. No provision is made for non-cash items such as depreciation and bad debt expense.

This interim report does not reflect financial activity for capital projects contained in HRSD's Capital Improvement Project (CIP).

Transfers represent certain budgetary policy designations as follows:

- a. Transfer to CIP: represents current period's cash and investments that are designated to partially fund HRSD's capital improvement program.
- b. Transfers to Reserves: represents the current period's cash and investments that have been set aside to meet HRSD's cash and investments policy objectives.

3. Reserves and Capital Resources (Cash and Investments Activity) for the Period Ended March 31, 2024.

HRSD - RESERVE AND CAPITAL ACTIVITY

March 31, 2024

	General Reserve				Capital	
	General	CARES - ARPA	Debt Service	Risk Mgmt Reserve	Paygo	Debt Proceeds
	Unrestricted	Restricted	Restricted	Unrestricted	Unrestricted	Restricted
Beginning - July 1, 2023	\$ 203,718,301	\$ 4,406	\$ 33,830,226	\$ 4,539,551	\$ 3,115,384	\$ -
Current Year Sources of Funds						
Current Receipts	338,237,591					
Line of Credit						31,420,145
VRA Draws						54,393,100
WIFIA Draws						257,704,433
Transfers In				195,003	108,913,028	
Sources of Funds	338,237,591	-	-	195,003	108,913,028	343,517,678
Total Funds Available	\$ 541,955,892	\$ 4,406	\$ 33,830,226	\$ 4,734,554	\$ 112,028,412	\$ 343,517,678
Current Year Uses of Funds						
Cash Disbursements	216,059,123				40,744,165	343,517,678
CARES Transfer Out		4,406				
Transfers Out	109,108,031					
Uses of Funds	325,167,154	4,406	-	-	40,744,165	343,517,678
End of Period - March 31, 2024	\$ 216,788,738	\$ -	\$ 33,830,226	\$ 4,734,554	\$ 71,284,247	\$ -
Unrestricted Funds	\$ 292,807,539					

4. Capital Improvements Budget and Activity Summary for Active Projects for the Period Ended March 31, 2024.

HRSD - PROJECT ANALYSIS						March 31, 2024	
Classification/ Treatment	Appropriated	Expenditures prior to	Expenditures Year to Date	Total Project			
Service Area	Funds	7/1/2023	FY2024	Expenditures	Encumbrances	Available Funds	
Administration	\$ 71,284,950	\$ 25,407,455	\$ 4,721,854	\$ 30,129,309	\$ 4,492,573	\$ 36,663,068	
Army Base	167,458,058	125,866,880	249,063	126,115,943	550,606	40,791,509	
Atlantic	238,176,729	81,665,064	7,317,614	88,982,678	16,875,365	132,318,686	
Boat Harbor	508,039,124	75,596,057	87,854,751	163,450,808	265,872,187	78,716,129	
Ches-Eliz	87,859,516	34,995,850	371,159	35,367,009	1,589,046	50,903,461	
Eastern Shore	63,122,892	26,927,768	11,190,023	38,117,791	6,104,684	18,900,417	
James River	377,728,708	104,382,910	69,143,896	173,526,806	162,138,716	42,063,186	
Middle Peninsula	98,206,116	23,493,172	4,878,332	28,371,504	7,175,437	62,659,175	
Nansemond	484,952,179	83,702,138	73,807,184	157,509,322	250,089,287	77,353,570	
Surry	60,391,465	41,079,533	3,014,875	44,094,408	8,301,543	7,995,514	
VIP	236,420,362	34,150,127	22,513,213	56,663,340	84,934,689	94,822,333	
Williamsburg	82,022,019	21,441,839	389,992	21,831,831	6,763,569	53,426,619	
York River	117,618,863	21,027,494	18,548,730	39,576,224	47,646,635	30,396,004	
General	1,194,843,680	201,364,418	99,317,277	300,681,695	237,184,042	656,977,943	
	\$ 3,788,124,661	\$ 901,100,705	\$ 403,317,963	\$ 1,304,418,668	\$ 1,099,718,379	\$ 1,383,987,614	

5. Active Capital Grants

Active Capital Grants Activities						
Grant Name	Funder	Project	CIP#	Application Submitted	Amount Requested	HRSD Award Amount
American Rescue Plan Act	VEQ	Eastern Shore Infrastructure Improvements - Transmission Force Main Phase II (Accomac Sewer Collection System)	ES010200	11/28/2022	\$ 8,367,000	\$ 4,183,500
American Rescue Plan Act	VEQ	James River Treatment Plant Advanced Nutrient Reduction Improvements	JR013400	10/7/2022	\$ 50,000,000	\$ 36,124,859
American Rescue Plan Act	VEQ	Nansemond Treatment Plant Advanced Nutrient Reduction Improvements Phase II	NP013820	10/7/2022	\$ 50,000,000	\$ 31,693,207
FY2024 Congressionally Directed Funding Warner-Kaine	CDF FY24	Eastern Shore Wastewater Improvements	ES010100	3/9/2023	\$ 9,677,112	\$ 1,250,000
Water Quality Improvement Fund, Conveyance	VEQ	Chesapeake-Elizabeth Treatment Plant Conveyance	Multiple	2/7/2023	\$ 100,647,746	\$ -
Water Quality Improvement Fund, Conveyance	VEQ	Eastern Shore TFM Phase 1	ES010100	5/2/2022	\$ 4,900,000	\$ 4,936,538
Water Quality Improvement Fund, Nutrient Reduction	VEQ	James River SWIFT - Advanced Nutrient Reduction Improvements	JR013400	3/23/2023	\$ 344,741,547	\$ -
Water Quality Improvement Fund, Nutrient Reduction	VEQ	Boat Harbor Pump Station and Conveyance	Multiple	3/4/2024	\$ 311,286,392	\$ -
Water Quality Improvement Fund, Nutrient Reduction	VEQ	Nansemond Treatment Plant Advanced Nutrient Reduction Improvements Phase II	NP013820	3/4/2024	\$ 127,657,505	\$ -
					\$ 1,007,277,302	\$ 78,188,104

6. Debt Management Overview

HRSD - Debt Outstanding (\$000's)				March 31, 2024		
	Feb 2024	Mar 2024 Principal Activity			Mar 2024	
	Principal Balance	Conversion	Payments	Draws	Principal Balance	Mar 2024 Interest Payments
Fixed Rate						
Senior	\$ 146,861	\$ (21,461)	\$ -	\$ -	\$ 125,400	\$ -
Subordinate	10,008,002	21,461	(6,958)	35,681	1,058,186	(1,839)
Variable Rate						
Subordinate	50,000	-	-	-	50,000	(133)
Line of Credit	100,000	-	-	-	100,000	(397)
Total	\$10,304,863	\$ -	\$ (6,958)	\$ 35,681	\$ 1,333,586	\$ (2,369)

* Effective August 31, 2023, migrated all remaining VRA Senior Bonds to the subordinate lien

HRSD- Series 2016VR Bond Analysis March 29, 2024

	SIFMA Index	HRSD	Spread to SIFMA
Maximum	4.71%	4.95%	0.24%
Average	1.15%	0.82%	-0.33%
Minimum	0.01%	0.01%	0.00%
As of 3/29/24	3.64%	3.60%	-0.04%

Since October 20, 2011 HRSD has averaged 82 basis points on Variable Rate Debt

Subsidised Debt Activity

Source	Funder	Loan Amount	Current Drawn Total	% Remain	Initial Draw Date - Projected
WIFIA Tranche 1	EPA	\$ 225,865,648	\$ 187,976,770	17%	Ongoing
WIFIA Tranche 2	EPA	\$ 476,581,587	\$ 167,060,472	65%	Ongoing
WIFIA Tranche 3	EPA	\$ 346,069,223	\$ -	100%	July 2025
Clean Water Program 2022	DEQ	\$ 100,000,000	\$ 88,296,641	12%	Ongoing
Clean Water Program 2024	DEQ	\$ 80,000,000	\$ -	100%	March 2024

7. Financial Performance Metrics for the Period Ended March 31, 2024.

HRSD - UNRESTRICTED CASH

Can be used for any purpose since it is not earmarked for a specific use and is extremely liquid

		Days Cash on Hand	Adjusted Days Cash on Hand
Total Unrestricted Cash	\$ 292,807,539		477
Risk Management Reserve	\$ (4,734,554)	(8)	469
Capital (PAYGO only)	\$ (71,284,247)	(116)	353
Adjusted Days Cash on Hand	\$ 216,788,738		353

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

HRSD - SOURCES OF FUNDS

March 31, 2024

Primary Source	Beginning	YTD	YTD	YTD	Ending	Allocation of	Credit Quality	Current
	Market Value				Market Value			
	July 1, 2023	Contributions	Withdrawals	Income Earned	March 31, 2024	Funds		Yield
BOA Corp Disbursement Account	30,761,730	689,405,711	650,179,194	864,542	70,852,789	28.7%	N/A	0.55%
VIP Stable NAV Liquidity Pool	129,511,237	60,000,000	20,000,000	6,877,365	176,388,602	71.3%	AAAm	5.47%
Total Primary Source	\$ 160,272,967	\$ 749,405,711	\$ 670,179,194	\$ 7,741,907	\$ 247,241,391	100.0%		

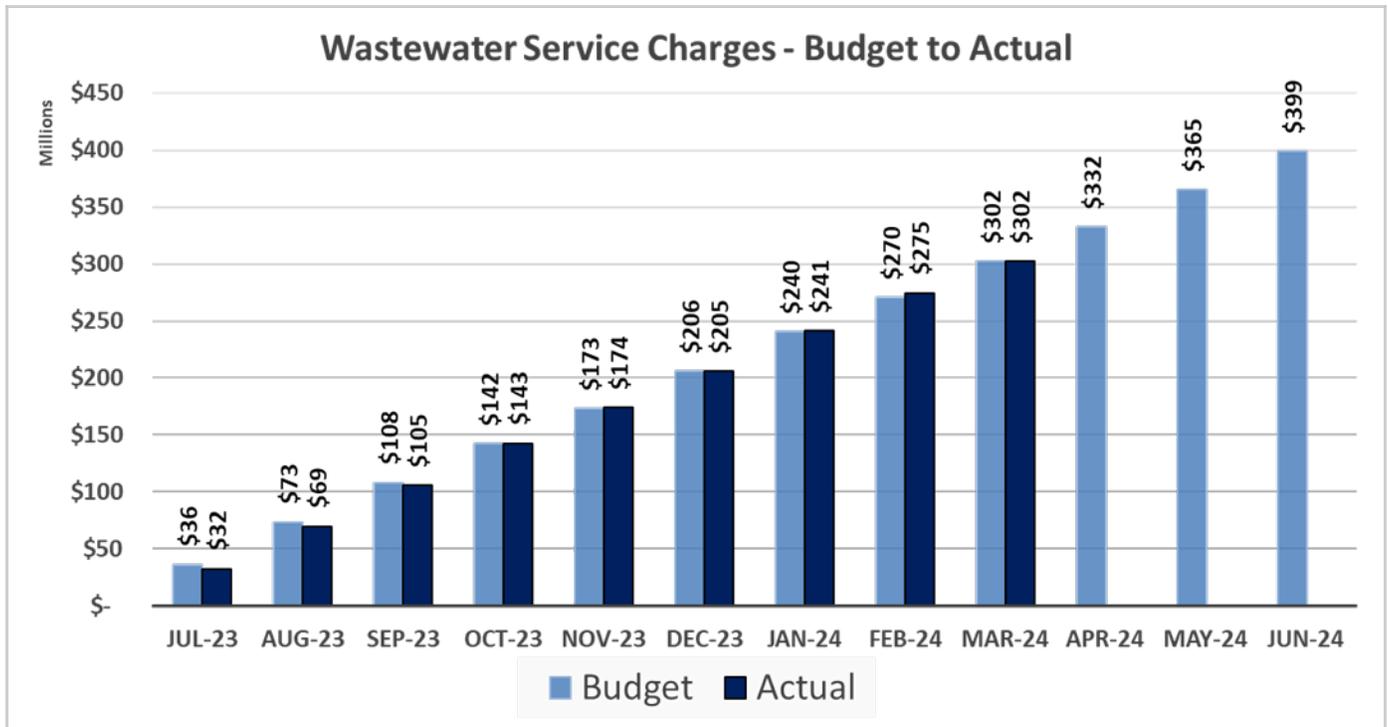
VIP Stable NAV Liquidity Pool performed 0.02% above Va Local Government Investment Pool's (the market benchmark) in the month of March 2024.

Secondary Source	Beginning	YTD	YTD	YTD	Ending	Ending Cost	LTD	Yield to
	Market Value				Market Value			
	July 1, 2023	Contributions	Withdrawals	Income Earned & Realized G/L	March 31, 2024		Mkt Adj	at Market
VIP 1-3 Year High Quality Bond Fund	63,074,075	-	9,601	1,741,443	65,337,935	66,620,683	(1,282,748)	4.75%
Total Secondary Source	\$ 63,074,075	\$ -	\$ 9,601	\$ 1,741,443	\$ 65,337,935	\$ 66,620,683	\$ (1,282,748)	

VIP 1-3 Year High Quality Bond Fund performed 0.01% above ICE BofA ML 1-3 yr AAA-AA Corp/Gov Index (the market benchmark) in March 2024.

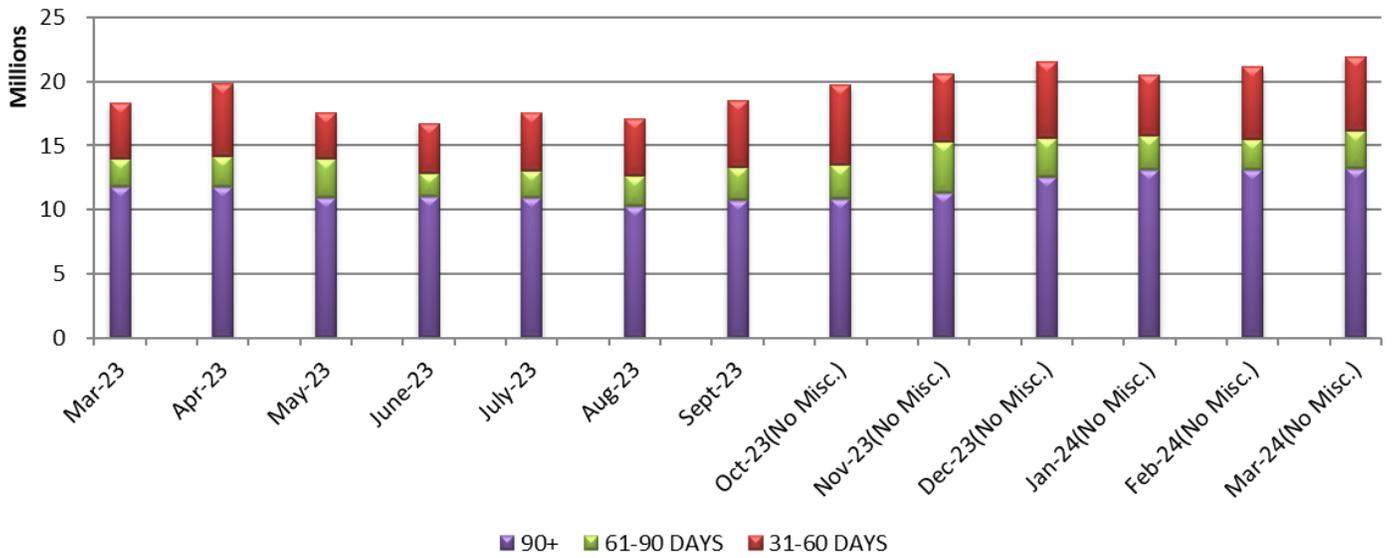
	Total	Fund Alloc
Total Primary Source	\$ 247,241,391	79.1%
Total Secondary Source	\$ 65,337,935	20.9%
TOTAL SOURCES	\$ 312,579,326	100.0%

8. Summary of Billed Consumption



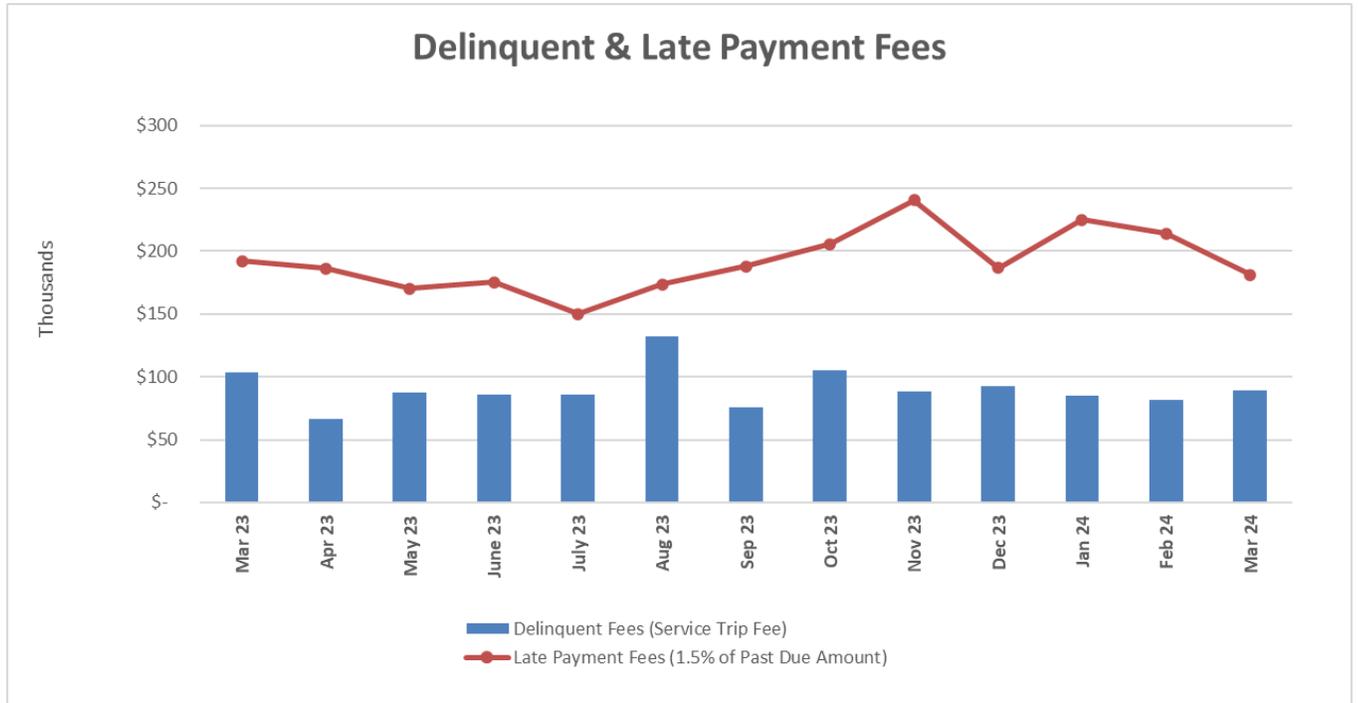
Summary of Billed Consumption (,000s ccf)							
Month	FY2024 Cumulative Budget Estimate	% Difference		% Difference		% Difference	
		FY2024 Cumulative Actual	From Budget	Cumulative FY2023 Actual	From FY2023	Cumulative 3 Year Average	From 3 Year Average
July	4,678	4,504	-3.7%	4,682	-3.8%	4,803	-6.2%
Aug	9,644	9,432	-2.2%	9,652	-2.3%	9,543	-1.2%
Sept	14,196	13,965	-1.6%	14,208	-1.7%	14,297	-2.3%
Oct	18,663	18,854	1.0%	18,680	0.9%	18,863	0.0%
Nov	22,756	23,004	1.1%	22,777	1.0%	22,307	3.1%
Dec	27,109	27,127	0.1%	27,133	0.0%	27,430	-1.1%
Jan	31,641	31,819	0.6%	31,669	0.5%	32,004	-0.6%
Feb	35,568	36,182	1.7%	35,601	1.6%	35,952	0.6%
March	39,770	39,826	0.1%	39,807	0.0%	40,351	-1.3%
Apr	43,694	-	N/A	43,735	N/A	44,473	N/A
May	48,027	-	N/A	48,072	N/A	48,548	N/A
June	52,500	-	N/A	52,549	N/A	53,329	N/A

HRSD Accounts Receivable Aging +30 Days

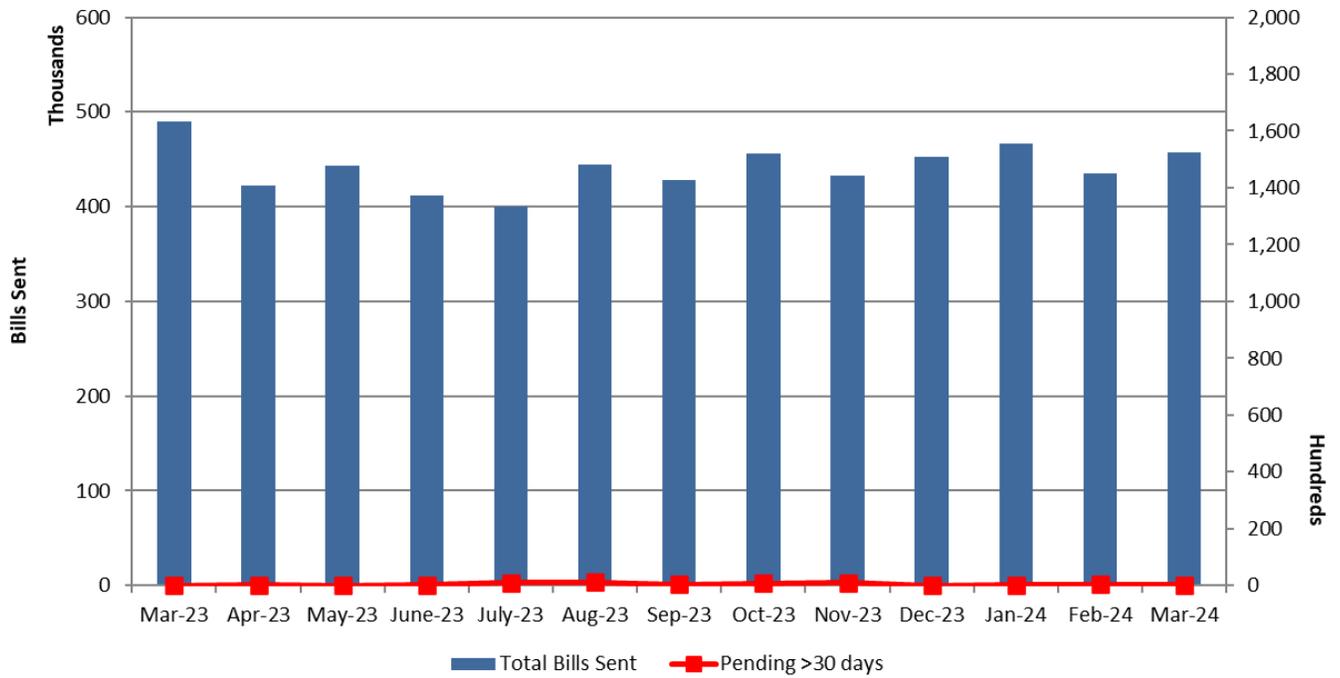


B. Customer Care Center

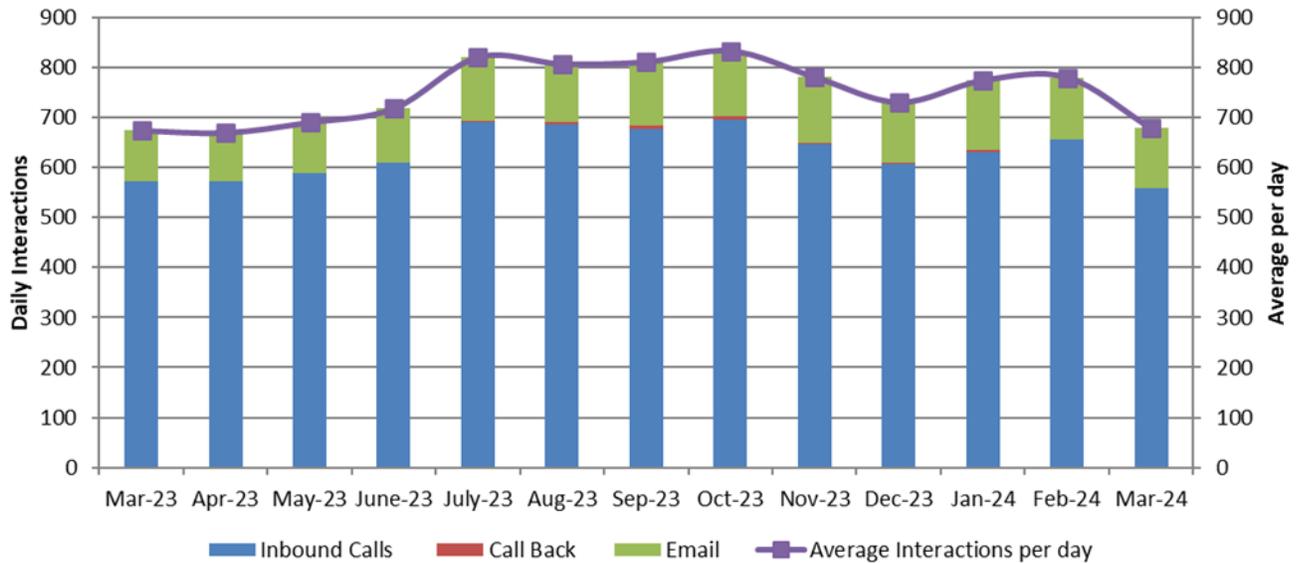
1. Accounts Receivable Overview



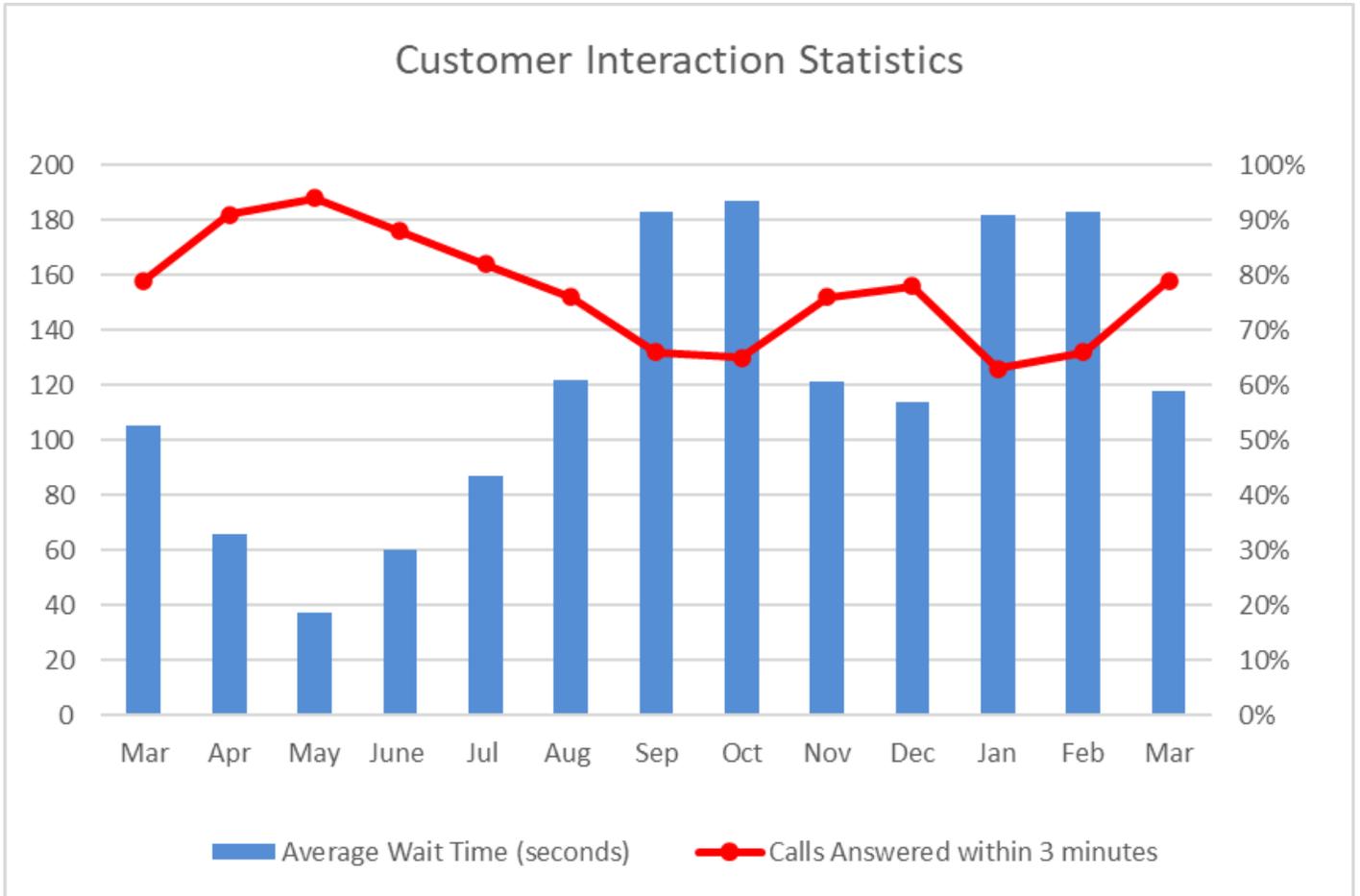
Billing Summary



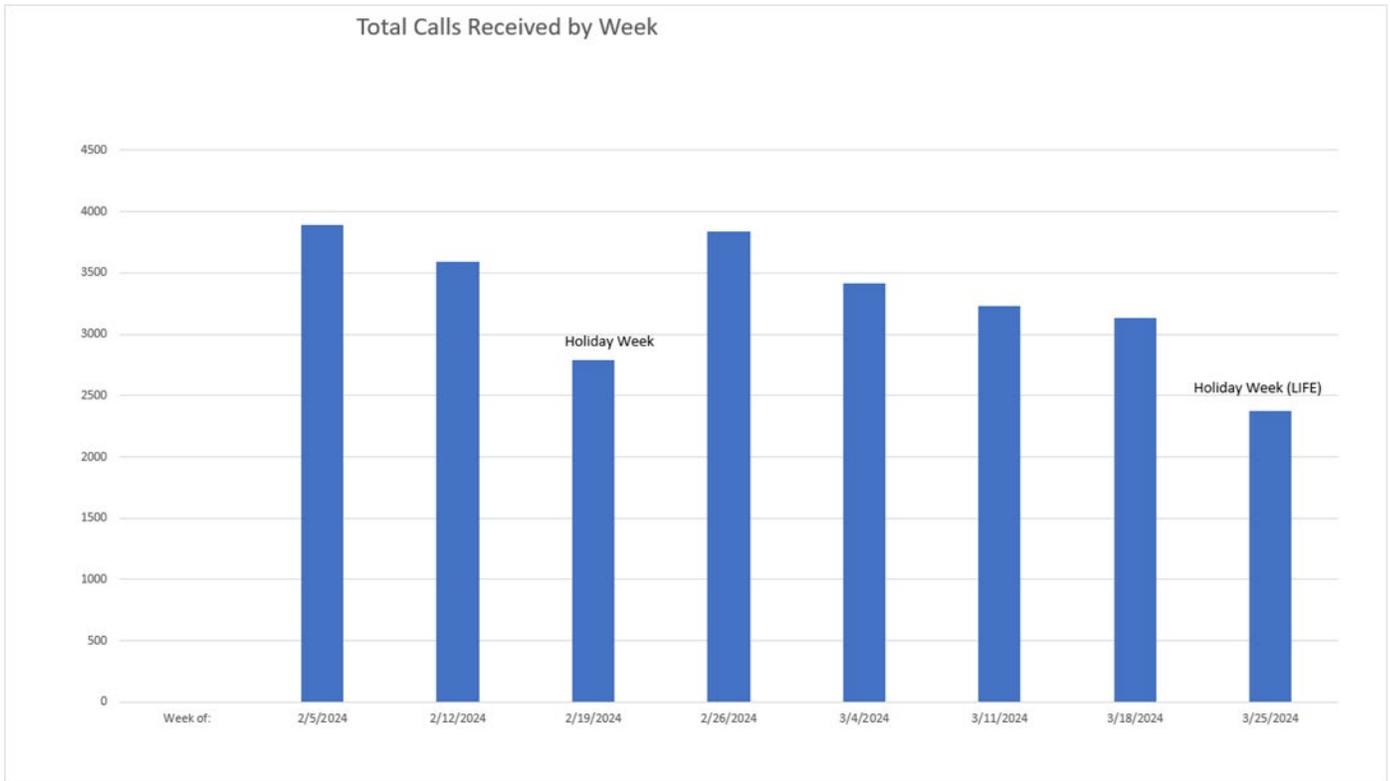
Call Center Interactions (per day)



2. Customer Care Center Statistics



Customer Interaction Statistics	Mar	Apr	May	June	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Calls Answered within 3 minutes	79%	91%	94%	88%	82%	76%	66%	65%	76%	78%	63%	66%	79%
Average Wait Time (seconds)	105	66	37	60	87	122	183	187	121	114	182	183	118
Calls Abandoned	7%	5%	4%	5%	7%	8%	11%	12%	10%	9%	13%	12%	10%



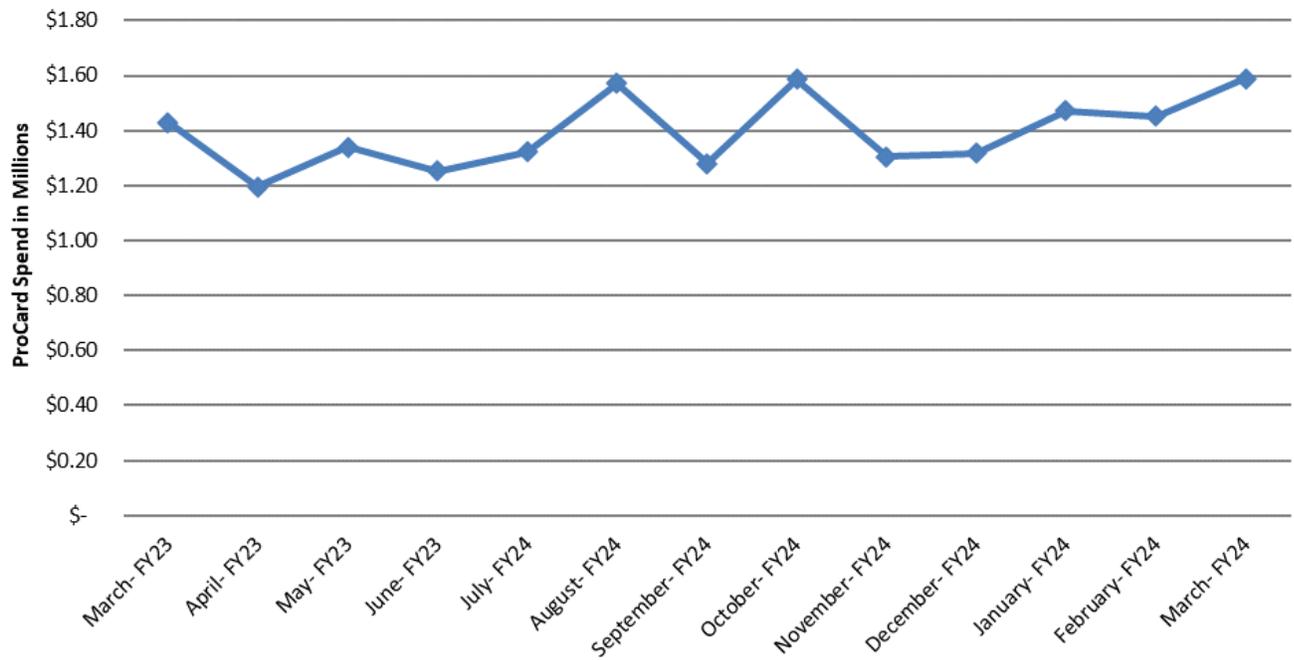
C. Procurement Statistics

Savings	Current Period	FYTD
Competitive Savings ¹	\$222,877	\$1,897,040
Negotiated Savings ²	\$9,940	\$68,973
Salvage Revenues	\$2,256	\$137,886
Corporate VISA Card - Estimated Rebate	\$23,670	\$192,148

¹ Competitive savings are those savings obtained through the informal/formal bidding process. All bids received (except for the lowest responsive/responsible bid) added together and averaged. The average cost is subtracted from the apparent low responsive/responsible bidder.

² Negotiated savings are savings obtained during a Request for Proposal process, or if all bids received exceed the budgeted amount, or if only one bid is received.

ProCard Spend FY24



Respectfully,

Steven G. de Mik

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

TO: General Manager
FROM: Director of Information Technology
SUBJECT: Information Technology Department (ITD) Report for March 2024
DATE: April 9, 2024



Innovation

The Surface Pro rollout begins next month. Final tuning and testing by ITD staff were completed and the Surface Pro rollout begins next month.

The IT Help Desk processed 330 work orders and requests for assistance in March, ensuring availability of computing resources to those working locally and remotely.

The Oracle e-Business Suite platform received software patches in accordance with vendor recommendations specific to our installed components.

Acceptance testing of the new call center platform revealed inconsistent data circuit performance requiring staff to perform additional configuration review. The issue was resolved and the go-live is scheduled for the weekend of April 19th.

Cybersecurity monitoring and intervention enhancements to both the business and operational technology networks were implemented successfully and without incident. Staff stays busy keeping up the with the ever-changing landscape of cyber threats in the wild.



Community Engagement

Staff are finalizing preparations for the James City County Service Authority billing model conversion scheduled for mid-April.

Respectfully,

Don Corrado

TO: General Manager
FROM: Director of Operations
SUBJECT: Operations Monthly Report for March 2024
DATE: April 10, 2024



Community Engagement

Staff participated in several community events as follows:

1. Two Touch-A-Truck events organized for children and families:
 - a. Saint Helena Elementary School in Norfolk on March 21
 - b. Lakeview Elementary School in Portsmouth on March 29
2. Earth Action Day planning meeting with Ocean Lakes High School.
3. Mrs. Christel Dyer, lead meetings to organize the Atlantic Treatment Plant (ATP) and Lynnhaven River NOW plant tour event, scheduled for June 8. This tour will be open to the public.
4. Mr. Sherman Pressy participated in Career Day at Yorktown Elementary School to discuss the various careers in the water/wastewater industry with the students on March 22.



Environmental Responsibility

Treatment and Interceptor System Reportable Items:

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

Internal Air and Odor Compliance:

There were multiple incidents as follows:

1. Williamsburg Treatment Plant (WBTP) had six incinerator deviations. Three were a use of the emergency bypass stack with two caused by a power outage which caused the Induced Draft (ID) fan to trip out and one caused by a failure of the ID fan variable frequency drive. Three were a failure of the total hydrocarbon (THC) continuous emissions monitoring system to record two valid readings per hour due to calibration issues.
2. WBTP also had four odor scrubber exceptions caused by low chemical feed for the concentration of hydrogen sulfide in the scrubber influent.
3. York River Treatment Plant had one odor scrubber exception due to low chemical feed for the concentration of hydrogen sulfide in the scrubber influent.

4. There were three MACT 129 deviations at Virginia Initiative Plant (VIP) for use of the incinerator bypass stack. The first occurrence was on March 2 for six minutes due to induced draft fan failure. The second and third occurrences were on March 3 for six and 12 minutes due to induced draft fan failure.
5. There was one THC permit deviation at VIP for failing to record two valid THC readings in one hour. The air compressor for the THC analyzer failed on March 20, resulting in loss of THC data for two hours and 30 minutes. The THC monitor is running on plant instrument air, pending arrival of a replacement unit. There was another reportable event for invalid THC readings on March 30 due to erratic incinerator temperature caused by blocked drop holes in hearth four of the furnace.
6. There was one THC permit deviation at the Army Base Treatment Plant for failing to record two valid THC readings in one hour. The THC analyzer had a communications error. The E&I staff investigated the issue and returned it to service.
7. The Atlantic Treatment Plant (ATP) received five odor complaints and five noise complaints this month. Staff investigated the odor and noise complaints and found that the odor complaints were due to leaks from the Cambi reactors. Staff found three leaks from three different reactors, and the reactors were taken offline resulting in three odor complaints that day. All three reactors have been repaired. The noise complaint was related to the rental boiler. Repairs were made to the main steam boiler and the rental boiler was turned off.
8. There were three THC reportable events occurred at Boat Harbor Treatment Plant on March 1, 14 and 15. The continuous emission monitoring system unit failed calibration and required a manual calibration of the unit.

Additional Topics for Compliance:

1. The James River Treatment Plant reported three consecutive final effluent chlorine residuals less than 0.50 parts per million. This occurred during a wet weather event where high flows and elevated solids in the final effluent necessitated an increase in disinfection chemical.
2. WBTP reported three consecutive low final effluent chlorine residuals. This occurred when operators were adjusting disinfection chemical feed based on analyzer that was found to be out of calibration.
3. Staff from South Shore (SS) Interceptors and Data Analysis collaborate to install and program flood detection alarms in the diversion valve vaults at the Hessians Hills, Lynn Shores, and Salem Woods Pump Stations (PSs). To mitigate equipment damage, the alarms are configured to page SS Interceptor staff when groundwater flooding is detected in the vault.
4. The Industrial Automation Programmers (IAPs) participated in the successful completion of cutover testing for the new Ovation Supervisory Control and Data Acquisition System (SCADA) at Big Bethel Pressure Reducing Station (PRS), and Commerce Lane PS. The final site testing was completed by contractor staff, Emerson staff, IAP staff, Electrical and Instrumentation (E&I) staff, Interceptor Systems staff, and Small Communities Division staff. These sites are now active on the new Ovation SCADA systems.
5. There was a reportable event at VIP on March 29 related to effluent chlorine residual value lower than 0.10 mg/L, caused by a process upset during a high flow event.

6. On March 10, City of Norfolk staff reported a sinkhole on West 42nd Street near Old Dominion University. Staff investigated and found a large hole in the 24-inch, Prestressed Concrete Cylinder Pipe (PCCP) force main. Staff immediately isolated the pipeline and the roadway. After further system modeling, staff determined the pipeline segment was not needed and could be abandoned. A contractor is currently flowable filling the isolated pipeline, repairing the roadway, and restoring the area. The cause of the failure was due to severe internal corrosion.
7. Staff managed the conveyance and treatment of over 199 MG of wastewater this month.



Financial Stewardship

Chemical optimization at WBTP has resulted in significant cost savings, estimated to be around \$385,400 this fiscal year. Sodium Hypochlorite reduction was accomplished by operating only one contact tank pass instead of two, storing sodium hypochlorite in only one tank instead of two to prevent degradation, slipping ammonia for disinfection while still meeting nutrient requirements, and increasing odor scrubber effluent limits. Increasing odor scrubber effluent limits also reduced sodium hydroxide usage.



Innovation

1. HRSD is ever more dependent on biological Phosphorus (P) removal, and work continues to improve the reliability of this process particularly in summer months when competition from glycogen accumulating organisms with phosphorus accumulating organisms (PAO) is most significant. Progress at VIP in this regard is noteworthy. For the first time, we added no chemical to aid with P removal in 2023 and very little in 2022. This is a combined result of operating at lower dissolved oxygen concentrations, operating at lower and more stable aerobic Solids Retention Time (SRT), implementation of stable ammonia-based aeration control, improved nitrate recycles flow control, and improved online monitoring of PAO activity as an early indicator of problems. With coming upgrades in solids handling at VIP, SRT control should continue to improve. This is particularly important with much more stringent total P limits coming in future years.
2. The total volume of SWIFT recharge into the Potomac aquifer was 10.26 MG (35.6% Recharge Time based on 650gpm).
3. VIP experienced two major wet weather events in March which made it difficult to meet the weekly TSS permit. Staff worked together and developed innovative approaches to limit effluent TSS and stay within permit compliance. Several staff members worked overtime and to carefully monitor and make process adjustments, and also to keep both solids handling and sewage treatment equipment running efficiently.
4. Staff at King William Treatment Plant have been working tirelessly on process optimization and metals removal. A new metal precipitant chemical was piloted to remove zinc and we are in the process of working with DEQ to remove the GAC (Granular Activated Carbon) from the process which will benefit provide cost savings to HRSD.



Talent

1. Mr. Howard Cook started at the Onancock Treatment Plant on March 18 as our new System Operator.
2. Staff across the Operations Department provided presentations at the HRSD Learning, Innovating, and Fostering Excellence (LIFE) Conference held at the Hampton Roads Convention Center (HRCC) in Hampton.
3. Ms. Shannon Labocki and Mr. Jason Hobor will fill two vacant Plant Operator positions at VIP.

Respectfully submitted,

Eddie M. Abisaab, PE, PMP, ENV SP
Director of Operations

[Attachment: MOM Reporting](#)

MOM Reporting Numbers

MOM #	Measure Name	Measure Target	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
2.7	# of PS Annual PMs Performed (NS)	37	3	3	3	4	3	3	4	4	3			
2.7	# of PS Annual PMs Performed (SS)	53	4	0	7	5	7	3	5	5	2			
2.7	# of Backup Generator PMs Performed	4.6	12	7	14	14	10	4	26	10	15			
2.8	# of FM Air Release Valve PMs Performed (NS)	234	234	199	296	241	109	116	210	207	246			
2.8	# of FM Air Release Valve PMs Performed (SS)	1,550	154	174	59	569	71	148	141	141	233			
2.9	# of Linear Feet of Gravity Clean (NS)	2,417	2,808	2,762	3,791	4,969	5,741	4,074	3,429	2,088	300			
2.9	# of Linear Feet of Gravity Clean (SS)	2,417	5,994	5,637	7,169	1,610	0	0	1,693	1,693	1,437			
2.9	# of Linear Feet of Gravity CCTV Inspection	3,300	0	0	0	0	0	0	0	0	0			

TO: General Manager
FROM: Director of Talent Management
SUBJECT: Talent Management Monthly Report for March 2024
DATE: April 10, 2024



Talent

Staff retention and recruitment remain significant priorities for the Talent Management (TM) Department. Talent Management has one vacant position to fill in the upcoming months for a Talent Acquisition Specialist. We are fully staffed in all divisions, outside of this new position.

Human Resources (HR) HR staff continue to meet with the new benefit carriers weekly to work on the transition and implementation of our benefits for an effective date of July 1, 2024. Preparations for the mandatory Open Enrollment meetings are scheduled. Benefits materials review is on-going with the new carriers and some documents are finalized. New insurance cards and a special mailing for the AETNA retirees announcing a mid-plan year revision to the Rx benefit will be sent by the end of the month and the changes are effective on May 1, 2024.

Participation in HRSD's Wellness Program continues to grow. The 2024-2025 Wellness year began, and our first wellness related activity is underway. The Wellness Specialist is in the processing of doing the initial education meetings on the new wellness year along with virtual guided meditation sessions.

Learning and Development (L&D): March was a busy training month with the L&D Division hosting several events for supervisors, leaders, and facilitators. The Leadership, Ethics, & Accountability Program (LEAP) is a two-week training program aimed at first-time or newly promoted supervisors. The first week of the training is complete. The Leadership and Management Academy (LAMA) '23 Cohort presented their capstone project to members of the Senior Leadership Team and received overwhelming positive feedback and support. As a result, LAMA '23 participants will work with other stakeholders to research and propose an employee recognition program. The L&D Facilitator Teams welcomed two new facilitators and are preparing for the summer Strategic Planning Alignment Results in Change (SPARC) Sessions.

Safety: Staff conducted required safety trainings and medical monitoring. Weekly, monthly, and quarterly safety inspections, and testing and monitoring were performed at various work centers and construction sites. There were three reported work-related injuries requiring medical attention and four auto/property damage accidents.



Community Engagement

Staff provided outreach at career events. This outreach was focused on the variety of career fields represented at HRSD. Information was shared about our open positions, the Apprenticeship Program, how we positively impact the local waterways and our generous benefits. Staff also explained how to apply for a position at HRSD and answered questions about what it's like to work at HRSD.

Respectfully submitted,

Dorissa Pitts-Paige

Director of Talent Management

TO: General Manager
FROM: Director of Water Quality (DWQ)
SUBJECT: Monthly Report for March 2024
DATE: April 10, 2024



Environmental Responsibility

1. HRSD's Regulatory Activities:
 - a. Monthly Discharge Monitoring Report (DMR) Summary and Items of Interest: [Effluent and Air Emissions Summary](#).
 - b. From Fiscal Year (FY) 2024 to date, there have been four Permit Exceedances out of 42,395 Total Possible Exceedances.
 - c. Pounds of Pollutants Removed in FY 2024 to date: 141.5 million pounds.
 - d. DEQ Underground Storage Tank (UST) inspections occurred on March 14 and March 26, 2024.
 - e. Received draft Boat Harbor permit on March 14 and provided owner comments on March 29, 2024.
2. Pretreatment and Pollution Prevention (P3) Program Highlights:
 - a. No civil penalties were issued by the P3 Division in March.
 - b. Chris Carlough, P3 Manager, gave a presentation at the Virginia Water Environment Association (VWEA) Industrial Waste & Pretreatment Conference titled "What the Foam? A Spill Response Story."
3. Environmental and Regulatory Advocacy
 - a. Director participated in the following advocacy and external activities:
 - (1) Attended the monthly meeting of the Virginia Biosolids Council (VBC). The agenda centered largely on the recent Senate Hearing on Per- and polyfluoroalkyl substances (PFAS) and the need enact legislation to provide an exemption to water utilities from liability under the forthcoming Comprehensive Environmental Recovery, Compensation and Liability Act (CERCLA) update to include PFAS compounds. Without an exemption, the polluters that manufactured and distributed the PFAS products can

pull water utilities into litigation in an attempt to recover some of the clean-up costs associated with an impacted site.

- (2) Attended a two-day virtual “listening sessions” held by the Environmental Protection Agency (EPA) on PFAS in municipal biosolids. This set of meetings is leading to a two-day in person meeting at the end of May. The invited participants are providing perspectives on the biosolids management challenges related to PFAS.
- (3) Attended the Executive Board meeting for the Virginia Association of Municipal Wastewater Agencies (VAMWA) as well as the quarterly membership meeting.
- (4) A meeting of the Chesapeake Bay Program (CBP) Tracking Team, a coalition representing VAMWA, the Virginia Association of Municipal Stormwater Agencies (VAMSA), the Maryland Association of Municipal Wastewater Agencies (MAMWA) and the Metropolitan Council of Governments (MCOG). This team tracks key issues being considered by the CBP, particularly the Water Quality Goal Implementation Team, and provides input as needed to support practical implementation of the Bay restoration plan.



Financial Stewardship

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

1. HRSD provided sampling and analytical services to the following to support monitoring required for their respective Virginia Permit Discharge Elimination System (VPDES) permits:
 - a. New Kent County
 - b. Northumberland County
 - c. Westmoreland County
2. [MAP Billed Reimbursements](#) for service provided from January 1 to March 31, 2024.
3. [MAP Invoice Summary](#) for the first Quarter 2024 calendar year.



Talent

1. Completed the development of the new apprenticeship course – Water Quality Standards & Regulations. The course is now active as part of Term 4 of the Apprenticeship Program.
2. Promoted Heather Groundwater to Laboratory Manager in the CEL as an over-hire in preparation for Li Zhang retiring from this position at the end of May 2024. Determination on assignments will be made soon.
3. Completed knowledge transfer for the CEL QA Manager and Chief of Laboratory Division and transferred signatory responsibility to Kim Fielder (QA Manager) and Rachel Hook (Chief, Laboratory Division) based on personnel changes.
4. Celebrated the retirement of Reggie Morgan, QA Manager, after 38 years of HRSD employment.
5. Developed a plan for CEL onboarding to include foundational laboratory practices before beginning analytical training to ensure consistency of practices and provide learning opportunities at the beginning of CEL work.
6. Participated in Leadership and Management Academy (LAMA) Capstone Project Presentation meeting where all three projects were selected to work together to develop an internal recognition program at the work center level.



Community Engagement

1. Staff supported Microbial Source Tracking (MST) investigations in partnership with Hampton Roads localities. This work is required as part of HRSD's Integrated Plan. Sampling and analytical services were provided for the localities and projects identified below:
 - a. City of Chesapeake (Southern Branch)
 - b. City of Hampton (New Market Creek)
 - c. City of Newport News (Southeast Newport News)
 - d. City of Norfolk (Mason Creek)
 - e. City of Suffolk (downtown)
 - f. City of Virginia Beach (Thalia Creek)

- g. James City County
2. A team of Water Quality representatives served as judges for the Tidewater Science and Engineering Fair and selected students to receive recognition with the HRSD Environmental Improvement Fund Award. A presentation will be made to the Commission at the April or May meeting.



Innovation

1. Micaela Griffin, P3 Specialist, gave a presentation at the VWEA Industrial Waste & Pretreatment conference titled “Collaboration Benefits All: Creative Cometary Treatment of Leachate 1,4-Dioxane at the Landfill Benefits Downstream Potable Reuse Facility.”
2. Performed the following for 2024 HRSD LIFE:
 - a. Kerri Williams co-chaired Logistics Committee ensuring all menus, room set ups, and other aspects of the event were successful.
 - b. Kim Fielder served as Moderator Coordinator, including the development and presentation of training, and organization of all presentations.
 - c. James Sabo co-chaired the Exhibitor Committee ensuring represented groups had necessary space and resources.
 - d. WQ employees served as moderators and assistant moderators and staffed various tables in the exhibit area representing many teams and specialty groups.
 - e. Twenty-one WQ employees presented on topics covering innovation, environmental sampling/monitoring, facility inspections, and treatment plant support.
 - f. WQ staff coordinated distribution of pre-conference give away through distribution to all HRSD work centers.
3. Director participated in the following advocacy and external activities:
 - a. Attended two meetings of the Water Research Foundation’s (WRF) Research Planning Expert Summit focused on Receiving Water Quality Management. Participants were tasked with identifying priority research topics within the assigned focus area to inform the two-year planning cycle of WRF’s Research Advisory Council (RAC). The group developed a final list of proposals for consideration.
 - b. Attended two workshops for biosolids research projects in which HRSD is contributing with both in-kind and cash support. As part of its contribution to the

EPA grant funded project, “Unregulated Organic Chemicals in Biosolids: Prioritization, Fate and Risk Evaluation for Land Applications”, HRSD worked with other team members to prioritize specific chemical contaminants of interest, identify effective engagement and communication approaches, and conduct a gap analysis for informing system-based solutions. The second workshop of the day “State of the Science and Regulatory Acceptability for PFAS Residual Management Options: PFAS Disposal or Destruction Options” allowed contributing team members the opportunity to provide input on a toolkit developed to optimize the management of water and wastewater treatment residuals.

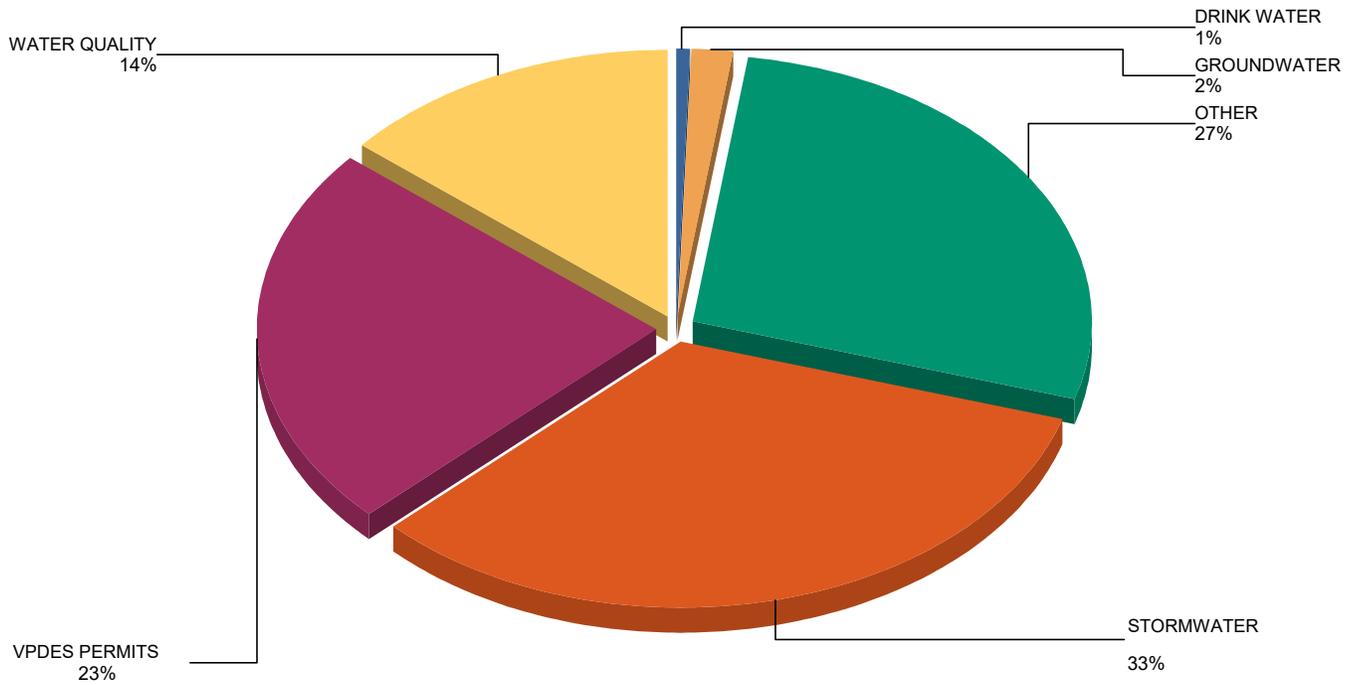
Respectfully submitted,

Jamie Heisig-Mitchell

Director of Water Quality

**Municipal Assistance Billed Reimbursements per Service
From 01/01/2024 to 03/31/2024**

Attachment 1



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

Municipal Assistance Invoice Summary

From 01/01/2024 - 03/31/2024

Municipality	Reimbursements
Accomack County	\$4,264.40
Buckingham County	\$249.90
City of Chesapeake	\$8,365.17
City of Emporia	\$271.83
City of Franklin	\$3,710.42
City of Fredericksburg	\$910.91
City of Hampton	\$6,836.69
City of Norfolk	\$23,017.91
City of Norfolk-Dept of Utilities	\$1,407.74
City of Portsmouth	\$4,348.88
City of Roanoke	\$7,125.00
City of Suffolk	\$2,951.54
City of Virginia Beach	\$8,434.05
DCLS Wastewater Surveillance	\$34,416.64
Exmore WWTP	\$237.48
HRPDC	\$60,683.92
Henrico County	\$2,642.24
Lynnhaven River NOW	\$332.31
New Kent County	\$8,990.90
Northampton County WWTP	\$1,934.88
Northumberland Co. - Callao WWTP	\$2,398.41
Portsmouth Stormwater	\$94.05
ST BRIDES CORRECTIONAL CENTER	\$2,799.75
Spotsylvania County	\$1,733.40
St Brides Corr Ctr WWTP	\$8,483.14
Stafford County	\$106.64
Town of Cape Charles	\$12,223.25
Virginia Aquarium & Marine Science Ctr	\$11,588.40
Virginia Department of Health	\$17,707.48
Western VA Water Authority	\$174.86
Westmoreland County	\$1,707.93
Totals:	<u>\$240,150.12</u>

EFFLUENT SUMMARY FOR MARCH 2024

PLANT	FLOW mgd	% of Design	BOD mg/l	TSS mg/l	FC #/UBI	ENTERO #/UBI	TP mg/l	TP CY Avg	TN mg/l	TN CY Avg	CONTACT TANK EX
ARMY BASE	15.41	86%	5	5.8	2	1	0.55	0.63	4.4	4.0	18
ATLANTIC	54.20	100%	10	8.0	5	2	NA	NA	NA	NA	2
BOAT HARBOR	19.69	79%	7	12	4	1	0.60	0.47	15	16	10
CENT. MIDDLESEX	0.013	52%	<2	1.4	1	<1	NA	NA	NA	NA	NA
JAMES RIVER	16.86	84%	9	16	3	2	1.2	0.83	9.9	9.7	13
KING WILLIAM	0.102	102%	<2	<1.0	NA	<1	0.14	0.12	1.6	2.2	NA
NANSEMOND	20.93	70%	5	8.7	1	1	1.7	1.7	4.6	4.0	1
ONANCOCK	0.488	65%	<2	0.48	1	1	0.13	0.13	2.5	1.9	NA
SUNSET BAY	0.011	27%	9	1.0	10	1	NA	NA	NA	NA	1
URBANNA	0.072	72%	5	9.7	8	18	0.46	0.72	8.6	9.8	NA
VIP	42.95	107%	9	12	2	1	0.48	0.34	3.5	4.1	7
WEST POINT	0.909	151%	17	16	1	5	1.5	1.8	10	12	0
WILLIAMSBURG	9.79	44%	6	3.5	8	3	0.44	0.75	3.4	3.1	18
YORK RIVER	17.45	116%	4	2.6	4	<1	0.32	0.30	5.1	4.9	5
	198.89										

% of
Capacity

North Shore 77%
 South Shore 94%
 Small Communities 90%

AIR EMISSIONS SUMMARY FOR MARCH 2024

	No. of Permit Deviations below 129 SSI Rule Minimum Operating Parameters								Part 503e Limits		
	Temp 12 hr ave (F)	Venturi(s) PD 12 hr ave (in. WC)	Precooler Flow 12 hr ave (GPM)	Spray Flow 12 hr ave (GPM)	Venturi Flow 12 hr ave (GPM)	Tray/PBs Flow 12 hr ave (GPM)	Scrubber pH 3 hr ave	Any Bypass Stack Use	THC Mo. Ave (PPM)	THC DC (%)	BZ Temp Daily Ave Days >Max
MHI PLANT											
ARMY BASE	0	0	0	0	0	0	0	0	34	82	0
BOAT HARBOR	0	0	0	n/a	0	0	0	0	11	99	0
VIP	0	0	0	n/a	0	0	0	3	20	94	0
WILLIAMSBURG	0	0	0	n/a	0	0	0	3	30	40	0

Items of Interest – March 2024

MULTIPLE HEARTH INCINERATION (MHI)

Total Hydrocarbon (THC) monthly averages (not to exceed 100 ppm) were met by all four MHI plants (Army Base, Boat Harbor, Virginia Initiative, and Williamsburg) with a THC continuous emissions monitoring (CEM) valid data captured of greater than 82% for all but Williamsburg who had a 40% data capture.

The MHIs had zero (0) deviations from the required 129 SSI rule minimum operating parameters, five (5) minor bypass events (<60 minute), and zero (0) reportable bypass events.

VIP completed their Title V MACT 129 emissions compliance test for MHI #2 on March 26. The stack test report will need to be submitted by May 25.

Submitted to DEQ:

- WB MHI #1 stack test protocol for testing scheduled April 16
- AB MHI #2 stack test protocol for testing scheduled May 1

AIR PERMITS and ODOR CONTROL

The DEQ opened the 30-day public comment period starting on March 29, for Boat Harbor Treatment Plant's draft Title V permit renewal. If there are no adverse comments, a final permit should be issued by the end of May.

The EPA denied the Williamsburg November 2023 HRSD stack test waiver request. HRSD and DEQ had previously agreed that 129 emission limits testing could be based on 11-13 MHI operating months not the calendar months stated in the rule. During Williamsburg's T5 permit renewal in 2023, DEQ Central Office identified this as a potential issue and subsequently the EPA waiver request was submitted and recently denied. Moving forward MHIs will need to try to operate only one incinerator in a calendar year to avoid having to test both incinerators in the same calendar year. The 2024 MHI stack testing plan to meet this requirement is due by end of April.

There were five (5) odor control complaints during the month of March.

Atlantic Plant received all five (5) of the odor complaints, with three (3) coming from neighbors near Ocean Lakes High School and the other two (2) complaints that came from the Bold Ruler Drive area north of the plant.

Atlantic Plant land application of biosolids commenced in March and is expected to continue through May.

TREATMENT

DEQ was notified of the following reportable events:

Army Base

On March 21, a loss of chlorination occurred for 14 minutes when the pump lost power during maintenance activities. While working on an out-of-service pump, it was deenergized causing the in-service pump to fail. Instrumentation staff were contacted to evaluate the programming to prevent further issues.

James River

On March 6, three consecutive 30-minute contact tank residuals less than 0.50 mg/l occurred due to high flow conditions. The combination of elevated flow and TSS from the secondary clarifiers caused elevated sodium hypochlorite demand. The polymer feed pump being used to improve settling quality tripped due to an electrical issue. A second hypo feed pump was started, the influent gates to the clarifiers were adjusted to balance flow, and the polymer feed system was restarted.

Nansemond

On March 7, a leak from a concrete joint was discovered while an anaerobic/anoxic tank was being filled with non-potable water (NPW) to be put into service. The tank was drained immediately and repaired from the inside. Approximately 244 gallons of NPW were released to the ground and stormwater pond.

On March 25, a contractor's sump pump tripped causing the sump area containing water from a leaking anaerobic/anoxic influent channel to overflow. Approximately 100 gallons of primary clarifier effluent soaked into the ground and stormwater pond.

Virginia Initiative

On March 29, heavy rainfall increased system flows resulting in a chlorine residual of less than 0.10 mg/L being recorded. The treatment plant received influent flows in excess of 66 MGD on March 28 and 29, resulting in nitrite in the secondary clarifier effluent which required increased hypo addition.

Williamsburg

On March 6, the primary effluent flow diversion pump tripped while an out-of-service clarifier was being placed in service to meet flow demands during a wet weather event. When the pump tripped, a hydraulic bottleneck was created causing the tank being placed in service to rapidly fill before the tank effluent gate was open. This resulted in approximately 4,500 gallons of raw wastewater to be released through the scum collection piping to the ground and Grove Creek.

On March 8, three consecutive 30-minute contact tank residuals less than 0.50 mg/l were recorded. After the third exception was recorded the 5-minute analyzer was calibrated and the chlorine dosage was increased. The analyzer was found to be reading off by 0.5 mg/L.

SYSTEM

On March 6 heavy rain associated with a coastal storm inundated the Chesapeake Boulevard and Bayshore Pump Stations (PS) and Chesapeake Ave manhole. Pump stations were observed to be operating properly. The following raw wastewater overflow events were reported:

- Chesapeake Blvd SS-PS-105, 440,000 gallons to Lafayette River with a total rainfall of 1.79”.
- Bayshore PS, 1,410 gallons to Chesapeake Bay with a total rainfall of 1.81”.
- Chesapeake Ave MH-NG-143-2581, 55 gallons to Chesapeake Bay with a total rainfall of 1.63”.

On March 11, HRSD staff observed an overflow at MH-SG-193-15840, Shingle Creek Siphon, due to a blockage from a small diameter plug. Once the blockage was cleared the overflow stopped and the area was cleaned, and lime applied. An estimated 60,000 gallons of raw wastewater were released to Shingle Creek.

On March 25, a branch valve recently serviced was found in the open position causing a leak on Normandy Ln. Approximately 528 gallons of raw wastewater were released to the ground and Hogge Pond.

On March 28, heavy rain inundated the Chesapeake Boulevard and Seay Avenue PS. These pump stations were observed to be operating properly. The following raw wastewater overflow events were reported:

- Chesapeake Blvd SS-PS-105 and manhole SG-073-54, 254,250 gallons to Lafayette River via Wayne Creek with a total rainfall of 3.00”.
- Seay Ave SS-PS-125, 157 gallons to Elizabeth River with a total rainfall of 3.06”.

On March 28, an electric actuator on the automated valve JR2024-6 at Center Ave failed resulting in the valve opening completely. Approximately 278,800 gallons of raw wastewater were released to a storm drain / Government Ditch.

SYSTEM/TREATMENT, SMALL COMMUNITIES, AND EASTERN SHORE

Dendron

On March 5 and 6 heavy rain associated with a coastal storm inundated the Dendron PS service area. Pump stations were observed to be operating properly. The following raw wastewater overflow events were reported:

- March 5, Dendron PS1, 1,000 gallons to Cypress Swamp with a total rainfall of 1.12”.
- March 6, Dendron PS1, 20,850 gallons to Cypress Swamp with a total rainfall of 1.34”.
- March 6, Dendron PS2, 750 gallons to Cypress Swamp with a total rainfall of 1.34”.

On March 28, heavy rain associated with a storm inundated the Dendron PS service area. Available station pumps were operational, but the temporary pump was not priming and was repaired. The quantity of raw wastewater released to Cypress Swamp is unknown with a total rainfall of 2.01”.

West Point

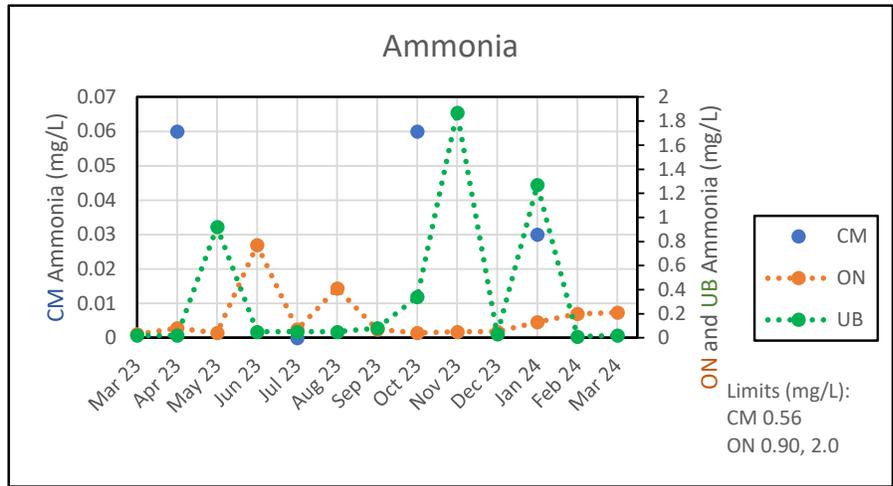
On March 2, 5, 6, and 7 heavy rain and severe weather associated with a coastal storm inundated the West Point service area. The following raw wastewater (RWI) and secondary clarifier effluent (SCE) overflow events were reported:

- March 2, MH-0831D, MH-0832, MH-0834, and MH-0835, 29,888 gallons of RWI to ground and Pamunkey River with a total rainfall of 1.13”.
- March 5, MH-0831D and MH-0834, 8,700 gallons of RWI to ground and Pamunkey River with a total rainfall of 0.84”.
- March 6, MH-0831D and MH-0834, 8,100 gallons of RWI to ground and Pamunkey River with a total rainfall of 0.92”.
- March 7, West Point Treatment Plant, 12,100 gallons of SCE to ground and Mattaponi River with a total rainfall of 0.92”.

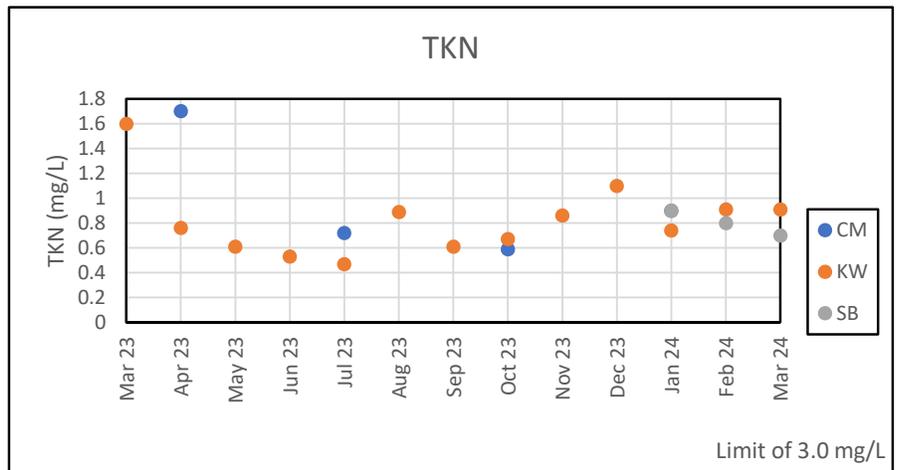
Flow summaries, nutrient data, and rainfall information is located here:

[DMR - Power BI \(powerbigov.us\)](https://powerbigov.us)

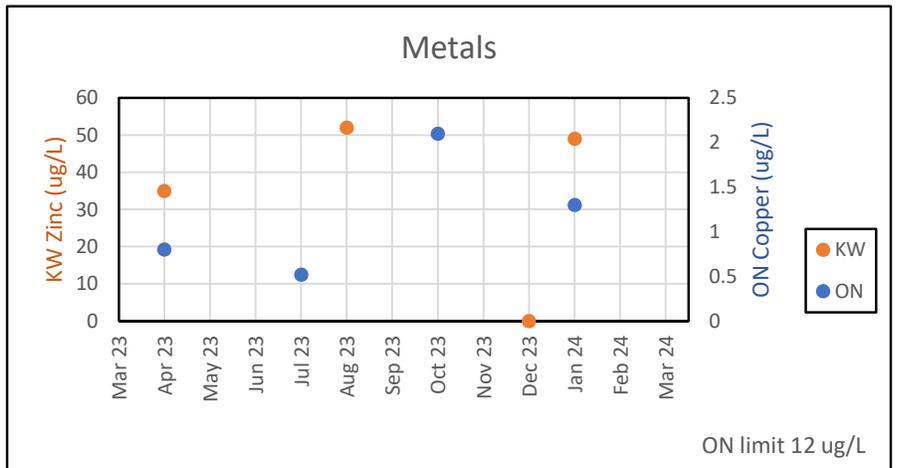
	Ammonia		
	CM	ON	UB
Mar 23		0.03	0.02
Apr 23	0.06	0.08	0.02
May 23		0.04	0.92
Jun 23		0.77	0.05
Jul 23	<0.02	0.07	0.05
Aug 23		0.41	0.05
Sep 23		0.07	0.08
Oct 23	0.06	0.04	0.34
Nov 23		0.05	1.87
Dec 23		0.05	0.03
Jan 24	0.03	0.13	1.27
Feb 24		0.20	0.01
Mar 24		0.21	0.02



	TKN		
	CM	KW	SB
Mar 23		1.6	
Apr 23	1.7	0.76	
May 23		0.61	
Jun 23		0.53	
Jul 23	0.72	0.47	
Aug 23		0.89	
Sep 23		0.61	
Oct 23	0.59	0.67	
Nov 23		0.86	
Dec 23		1.1	
Jan 24	0.90	0.74	0.90
Feb 24		0.91	0.80
Mar 24		0.91	0.70



	Zinc	Copper
	KW	ON
Mar 23		
Apr 23	35	0.80
May 23		
Jun 23		
Jul 23		0.52
Aug 23	52	
Sep 23		
Oct 23		2.1
Nov 23		
Dec 23	<5.0	
Jan 24	49	1.3
Feb 24		
Mar 24		





The following Internal Audit Status document has been prepared by SC&H for the HRSD Commission. Below is a summary of projects in process, upcoming projects, and the status of current management action plan monitoring.

I. Projects in Process

Operational Technology Security and Resilience

- **Completed Tasks (March 2024)**
 - Obtained and reviewed initial documentation for scoping and planning.
 - Conducted entrance meeting for each plant.
 - Continued development of planning steps to construct an audit program.
- **Upcoming Tasks (April 2024)**
 - Finalize audit program.
 - Schedule additional walkthrough meetings with stakeholders.
 - Draft and begin communicating fieldwork document request list.
 - Begin testing as documentation is received.

Design and Construction Estimating

- **Completed Tasks (March 2024)**
 - Conducted meeting with Engineering Director and discussed progress and next steps.
 - Conducted benchmarking research and met with HRSD management to discuss current efforts being made.
- **Upcoming Tasks (April 2024)**
 - Continue data analytics on prior year bids received.
 - Meet with external engineering firms.

Accounts Payable and ProCards

- **Completed Tasks (March 2024)**
 - Conducted fieldwork closeout meeting with department point of contacts.
- **Upcoming Tasks (April 2024)**
 - Finalize and submit report.

Risk Assessment Refresh

- **Completed Tasks (March 2024)**
 - Discussed FY25 audit plan with Deputy General Manager and Director of Finance.
- **Upcoming Tasks (April 2024)**
 - Present to the Commission/Finance Committee (April 23)

Remote Access

- **Completed Tasks (March 2024)**
 - Submitted the draft report, requested feedback and management responses.
 - Finalized and issued the audit report.

II. Upcoming Projects

- Billing, accounts receivable, and aging: May 2024



III. Management Action Plan Status

SC&H performs on-going management action plan (MAP) monitoring for completed internal audits/projects. SC&H begins MAP follow-up approximately one year following the completion of each audit and periodically follows up until conclusion.

For each recommendation noted in an audit report, SC&H gains an understanding of the steps performed to address the action plan and obtains evidence to confirm implementation, when available.

The following describes the current project monitoring status. This listing does not include audits which were determined by HRSD Management and the Commission to include confidential or sensitive information.

Audit / Project	Next Follow-up	Recommendations		
		Closed	Open	Total
Personally Identifiable Information	May 2024	0	3	3
Safety Division	May 2024	2	1	3
Freedom of Information Act	August 2024	0	1	1
Family Medical Leave Act (FMLA)	May 2024	0	4	4
Succession Planning	May 2024	2	2	4
<i>Closed Audit/Projects (x16)</i>	Closed	127	0	127
	Totals	131	11	142

Strategic Measures
March 2024

Strategic Planning Measure	Feb-24	Mar-24	FY-24
Educational and Outreach Events	26	15	169
Number of Community Partners	14	15	132
Number of Technical Presentations	2	2	33
Revenue vs. Budget	102%	104%	105%
Wastewater Expenses vs. Budget	102%	100%	102%
Accounts Receivable (HRSD)	\$47,695,139	\$43,465,739	\$44,591,912
Aging Accounts Receivable	32.40%	37.10%	28.84%
Turnover Rate wo Retirements	0.47%	0.35%	3.54%
Turnover Rate w Retirements	0.70%	0.70%	5.67%
Avg Time to Hire	3 months 24 days		3 months 10 days
Number of Vacancies	55	53	43
Average number of applicants per position	11.3		8.0
Percentage of positions filled with internal applicants	40.7%		29.6%
Recruitment source Return on Investment	*	*	*
Average time required (days) to onboard new employees, including from initial posting to candidates' first day	*	*	*
Customer Call Wait Time (mins)	3.30	1.96	2.49
Capacity Related Overflows with Stipulated Penalties (Reported Quarterly)	**	**	0
Non-Capacity Related Overflows with Stipulated Penalties (Reports Quarterly)			1
TONS OF CARBON: Tons of carbon produced per million gallons of wastewater treated Energy consumed (gas(scfm) and electricity (kWh)) per million gallons of wastewater treated.	*	*	*
GAS CONSUMPTION: Tons of carbon produced per million gallons of wastewater treated Energy consumed (gas(scfm) and electricity (kWh)) per million gallons of wastewater treated.	*	*	*
ELECTRICITY CONSUMPTION: Tons of carbon produced per million gallons of wastewater treated Energy consumed (gas(scfm) and electricity (kWh)) per million gallons of wastewater treated.	*	*	*
Monthly CIP Spending			\$47,299,067

* Not currently tracking due to constraints collecting the data.

** Inputted Quarterly after EPA Quarterly Report submittal.

*** Billing is one month behind.

Strategic Measures
March 2024

Community Partners		
Month	Department	Event
March	Operations	City of Norfolk Department of Utilities
March	Operations	City of Portsmouth Public Utilities Department
March	Operations	City of Virginia Beach Public Utilities
March	Operations	Lakeview Elementary School
March	Operations	Ocean Lakes High School
March	Operations	Old Dominion University
March	Operations	St. Clair Walker Elementary School
March	Operations	St. Helena Elementary School
March	Operations	Waste Management
March	Operations	Yorktown Elementary School

Education Outreach Events	
Date	Event
03/08/2024	College Night Event – Boys & Girls Club of Southeast Virginia
03/09/2024	Time Out 4U STEM Symposium and College Career Fair
03/11/2024	Atlantic Treatment Plant Tour - Landstown High School
03/13/2024	HRSD and SWIFT presentation
03/14/2024	SWIFT Research Center tour
03/14/2024	STEAM event at Glennwood Elementary School - Virginia Beach
03/15/2024	Presentation - HRSD, SWIFT and Environmental Justice
03/18/2024	Presentation - Falcon Forum at Frank W. Cox High School
03/19/2024	Presentation - HRSD and SWIFT - St. Nicholas Catholic Church
03/20/2024	SWIFT Research Center tour and Washing Water Activity - Grassfield High School
03/22/2024	Career Day - College Park Elementary School
03/22/2024	Career Day - Yorktown Elementary School
03/26/2024	Portsmouth Middle School STEAM Family Night Expo, Churchland, Craddock and Waters Middle Schools
03/29/2024	VIP tour for the ODU CEE 350 class

Technical Presentations			
Date	Department	Presenter	Presentation
3/04/2024	Water Quality	Micaela Griffin	VWEA Industrial Waste & Pretreatment conference titled “Collaboration Benefits All: Creative Cometabolic Treatment of Leachate 1,4-Dioxane at the Landfill Benefits Downstream Potable Reuse Facility.”
03/04/2024	Water Quality	Chris Carlough	VWEA Industrial Waste & Pretreatment Conference titled “What the Foam? A Spill Response Story.”

AGENDA ITEM 17. – April 23, 2024

Subject: Closed Meeting

Recommended Action: Approve a motion to go into closed meeting to consider legal matters concerning probable litigation as provided for in Code of Virginia §2.2-3711A7.

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

AGENDA ITEM 18. – April 23, 2024

Subject: Reconvened Meeting

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