

HRSD Commission Meeting Agenda  
9:00 a.m. – March 25, 2025

In-person for Commissioners and essential staff at  
1434 Air Rail Avenue, Virginia Beach, VA 23455  
Virginia Initiative Conference Room – 1<sup>st</sup> Floor

Reservations are required to receive a link to the virtual meeting, address the Commission, submit written comments to be read into the minutes or to request accommodations to attend the meeting in-person.

Reservations must be submitted by noon one business day prior to the meeting. Instructions to submit your reservation request are available on the website: <https://www.hrsd.com/meeting-minutes>

<u>No.</u>	<u>Topic</u>	<u>Resource</u>
	Call to Order	Chair
1.	<a href="#">Awards and Recognition</a>	Bernas
2.	<a href="#">Public Comments Not Related to the Agenda</a>	Secretary
3.	<a href="#">Retiree Health Plan (RHP) Amendment Resolution</a>	de Mik
4.	<a href="#">Atlantic Treatment Plant Odor and Solids Improvements 2023 Approval of Guaranteed Maximum Price (GMP)</a>	Husselbee
5.	<a href="#">High Priority Inflow and Infiltration Reduction Program Interim Agreement Time Extension</a>	Husselbee
6.	<a href="#">South Shore Gravity Sewer Improvements Phase 1 Transfer Agreement for Gravity Sewer on Bolling Avenue, Norfolk, Virginia</a>	Husselbee
7.	<a href="#">Chincoteague Treatment Plant Improvements Property Acquisition for Public Use – 3845 Main Street, Chincoteague</a>	Abisaab
8.	<a href="#">Great Bridge Interceptor Force Main Extension at Ashley Road Force Main Failure Emergency Declaration</a>	Heselton
9.	<a href="#">Operational Challenges and Responses Briefing</a>	Abisaab
10.	<a href="#">Staff Appointment Commission Secretary</a>	Bernas
11.	<a href="#">New Business</a>	Bernas

<u>No.</u>	<u>Topic</u>	<u>Resource</u>
12.	<a href="#">Unfinished Business</a>	Bernas
13.	<a href="#">Commissioner Comments</a>	
14.	<a href="#">Informational Items</a>	Bernas

Next Regular Commission Meeting: April 22, 2025 in Newport News

## AGENDA ITEM 1. – March 25, 2025

**Subject:** Awards and Recognition

**Recommended Action:** No action is required.

**Brief:** HRSD is pleased to announce the following:

**a. Promotion Announcement**

Mr. Siva Velappan was recently promoted to Programming Development Manager in the Information Technology Division. Siva has 19 years of experience in the technology field. He began his career working with HRSD as a consultant and joined HRSD in 2007 as a Senior Programmer Analyst. Over the past 17 years, he's worked at HRSD in the roles of Senior Programmer Analyst for CC&B, then promoted to an Enterprise Architect working on ERP and enterprise system integrations. Siva holds a Bachelor of Science Degree in Information Technology from Anna University, Madras India.

**b. Awards**

HRSD was pleased to receive the 2024 Engineering Achievement Award presented by the Engineers Club of Hampton Roads for the Boat Harbor Treatment Plant Force Main Section 1 – James River Crossing project. This award recognized HRSD, AECOM, Dewberry and Garney for significant and outstanding technical accomplishments. Projects are judged on the following categories:

- New Application of Existing Techniques/Originality/Innovation
- Project Complexity
- Social/Economic Considerations
- Applications to Future Projects
- Meeting and Exceeding Owner/Client Needs



AGENDA ITEM 2. – March 25, 2025

**Subject:** Public Comments Not Related to Agenda

AGENDA ITEM 3. – March 25, 2025

**Subject:** Retiree Health Plan Amendment  
Resolution

**Recommended Action:** Adopt Resolution.

**Brief:** HRSD offers a welfare benefit plan known as the Retiree Health Plan (“Plan”) for the benefit of eligible Retirees and their dependents. Currently, eligibility to participate is available to HRSD employees who qualify for an unreduced retirement or disability retirement under the Virginia Retirement System (VRS) and who have 15 years of service with HRSD OR 10 years of service with HRSD and 10 years of service with another employer participating in the Virginia Retirement System (VRS) with a retiree health plan.

The attached [resolution](#) authorizes the following benefit plan amendments and clarifications:

1. **“Plan Year”** has been amended to change from a calendar year plan to a fiscal year plan running from July 1 to June 30<sup>th</sup> and to further provide that underlying health insurance policies providing coverage under the Plan may have their own Plan year for participation.
2. **“Retiree Eligibility”** has been amended to expand Participant eligibility to include qualification for reduced retirement under VRS subject to the existing HRSD eligibility service requirements.
3. **“Disability Retirement”** a section has been added to clarify that eligibility to participate and coverage will terminate upon notification to HRSD that VRS has made a final and unappealed or unappealable decision denying Participant’s disability retirement.
4. **“Termination of a participants coverage”** has been clarified to ensure that a Participant’s coverage under the Plan terminates if a Participant becomes covered under another health insurance plan (including other Center for Medicare and Medicaid Services (CMS) registered coverage).
5. Other minor updates including clarifications and statutory changes have been made to the Plan.

The [Resolution](#) and [Retiree Health Plan](#) document were prepared by HRSD legal counsel and reviewed by staff.



**RESOLUTION  
RETIREE HEALTH PLAN**

**WHEREAS**, Hampton Roads Sanitation District (hereinafter "HRSD") currently maintains the Hampton Roads Sanitation District Retiree Health Plan (hereinafter the "Plan"), a welfare benefit plan for the benefit of eligible Retirees and their dependents; and

**WHEREAS**, pursuant to Section 9.01 of the Plan, HRSD has reserved the right to amend the Plan and desires to amend the Plan effective April 1, 2025 in accordance with this Resolution; and

**WHEREAS**, currently, eligibility to participate is available to HRSD employees who qualify for an unreduced retirement or disability retirement under the Virginia Retirement System (VRS) and who have 15 years of service with HRSD OR 10 years of service with HRSD and 10 years of service with another employer participating in VRS with a retiree health plan; and

**WHEREAS**, HRSD desires to amend the "Retiree Eligibility" to expand Participant eligibility to include qualification for reduced retirement under VRS subject to the existing HRSD eligibility service requirements; and

**WHEREAS**, HRSD desires to amend the "Plan Year" to change it from a calendar year plan to a fiscal year plan running from July 1 to June 30th and to further provide that underlying health insurance policies providing coverage under the Plan may have their own Plan year for participation; and

**WHEREAS**, HRSD desires to add a section entitled "Disability Retirement" to clarify that eligibility to participate and coverage will terminate upon notification to HRSD that VRS has made a final and unappealed or unappealable decision denying Participant's disability retirement; and

**WHEREAS**, HRSD desires to add clarifying language under the section entitled "Termination of a participants coverage" to ensure that a Participant's coverage under the Plan terminates if a Participant becomes covered under another health insurance plan (including other Center for Medicare or Medicaid Services ("CMS") registered coverage); and

**WHEREAS**, HRSD desires to make additional minor clarifications and statutory updates to the Plan; and

**WHEREAS**, HRSD finds that adoption of this resolution and the findings herein are in the best interests of HRSD and the Plan participants.

***NOW, THEREFORE, BE IT RESOLVED*** that on the 25<sup>th</sup> day of March, 2025, the Hampton Roads Sanitation District Commission approved the following amendments to the Retiree Health Plan effective April 1, 2025:

1. HRSD shall amend Section 3.01, "Retiree Eligibility" to expand Participant eligibility to include qualification for reduced retirement under VRS subject to the existing HRSD eligibility service requirements as soon as it is administratively feasible; and
2. HRSD shall amend Section 2.14, "Plan Year" to change it from a calendar year plan to a fiscal year plan running from July 1 to June 30th and to further provide that underlying health insurance policies providing coverage under the Plan may have their own Plan year for participation; and
3. HRSD shall add a Section 3.04 entitled "Disability Retirement" to clarify that eligibility to participate and coverage will terminate upon notification to HRSD that VRS has made a final and unappealed or unappealable decision denying Participant's disability retirement; and
4. HRSD shall add clarifying language under the Section 4.01 entitled "Termination of a participants coverage" to ensure that a Participant's coverage under the Plan terminates if a Participant becomes covered under another health insurance plan (including other Center for Medicare and Medicaid Services ("CMS") registered coverage); and
5. HRSD shall make additional minor clarifications and statutory updates to the Plan as soon as it is administratively feasible.

The undersigned further certifies that the foregoing has been properly approved and adopted in accordance with all applicable requirements of HRSD.

[HRSD Seal]

---

Stephen C. Rodriguez, Chair

# HAMPTON ROADS SANITATION DISTRICT

## RETIREE HEALTH PLAN

**THIS INSTRUMENT** made and published by Hampton Roads Sanitation District (hereinafter called “HRSD”) on the 1st day of July, 2002, *and* amended and restated effective on the 25th day of November, 2008 *and as now amended and restated effective the 1st day of April, 2025*, creates the Hampton Roads Sanitation District Retiree Health Plan.

### ARTICLE I

#### Establishment of Plan

##### **1.01. Establishment of Plan**

HRSD hereby establishes this welfare benefit Plan for the benefit of its participating Retirees and their Participating Dependents.

##### **1.02. Effective date**

The Plan shall be effective on July 1, 2002. No Retiree whose Retirement date is on or before June 30, 2002 shall be eligible to participate in this Plan.

### ARTICLE II

#### Definitions

The following words and phrases shall have the following meanings when used in the Plan, unless a different meaning is plainly required by the context.

**2.01. “Age”** means the age that an individual attained on that individual’s most recent birthday.

**2.02. “Certificate of Coverage”** means a written certification provided by any source that offers medical care coverage, including this Plan, for the purpose of confirming the duration and type of an individual’s previous coverage.

**2.03. “Commission”** means the Hampton Roads Sanitation District Commission.

**2.04. “Creditable Coverage”** means prior medical coverage that an individual had from any of the following sources: a group health plan, health insurance coverage, Medicare, Medicaid, medical and dental care for members and former members of the uniformed services and their dependents, a medical care program of the Indian Health Service or a tribal organization, a state health benefits risk pool, certain other state-sponsored arrangements established primarily to provide medical benefits to persons who have difficulty in obtaining affordable coverage because of a medical condition, a health plan offered under the Federal Employees Health Benefits Program, a public health plan, or a health benefit plan under the Peace Corps Act.

**2.05 “Dependent”** means a spouse or person defined as a “dependent” under Section 152 of the Internal Revenue Code of 1986, as amended.

**2.06. “Employee”** means any individual who is in a common law employment relationship with HRSD for purposes of federal withholding taxes.

**2.07 “HRSD”** means the Hampton Roads Sanitation District, a political subdivision of the Commonwealth of Virginia.

**2.08. “Insurer”** means any insurance carrier or carriers, or other benefits provider,



selected by HRSD to provide benefits under this Plan.

**2.09 “Liabilities”** means the total amount of money necessary to fund coverage under the Plan for each eligible Retiree participating in the Plan at any given time, but not their Participating Dependents, for the remainder of his or her natural lives, as determined by an actuary engaged by HRSD.

**2.10. “Participant”** means any Employee who (1) has satisfied the eligibility requirements set forth in Article III, (2) has elected to participate in the Plan on or before his/her Retirement Date and (3) has made all contributions required under Article VI in a timely manner.

**2.11 “Participating Dependent”** means a Dependent who is receiving benefits under the Plan in accordance with the eligibility requirements of Article III.

**2.12 “Plan”** means the Hampton Roads Sanitation District Retiree Health Plan created and governed by this Plan document.

**2.13. “Plan Administrator”** means the person(s) appointed by HRSD to manage and direct the operation and administration of the Plan.

**2.14. “Plan Year”** means the twelve (12) month accounting period of the Plan, which begins ~~on January~~ July 1st and ends on ~~December 31st~~ June 30<sup>th</sup> of each year. *Underlying health insurance policies providing coverage under the Plan may have their own plan year for participation.*

**2.15. “Retiree”** means a former active Employee of HRSD who has retired from service pursuant HRSD’s normal, early or disability retirement criteria as set forth by HRSD from time to time in its sole discretion.

**2.16. “Retirement Date”** means the date that an Employee becomes a Retiree.

~~**2.17. “Significant Break in Coverage”** means a period of 63 consecutive days during all of which an individual did not have any Creditable Coverage, but does not include waiting periods and affiliation periods.~~

~~2.18.~~ **2.17 “Trust”** means the Hampton Roads Sanitation District Retiree Health Trust to which HRSD’s contributions are deposited in accordance with Article VII.

All other defined terms in this Plan shall have the meanings specified in the various Articles of the Plan in which they appear.

## ARTICLE III

### Eligibility to Participate

#### **3.01. Retiree eligibility.**

The Plan provides benefits only to Retirees who have retired from service on or after July 1, 2002 ~~pursuant HRSD’s~~ *and who meet one of the following normal, early or disability retirement criteria: as set in Description of Plan Benefits as approved by the Commission.*

- Qualify for normal, early, or disability retirement under the Virginia Retirement System (“VRS”) and*
- have 15 years of service with HRSD or 10 years of service with HRSD and 10 years of service with another VRS employer with a retiree health plan.*

Under no circumstances shall the Plan provide benefits to Employees prior to their Retirement Date. Prior to his/her projected Retirement Date, each Employee who intends to retire from active service with

HRSD, and who will be enrolled in the HRSD group health plan on his/her Retirement Date, may elect to participate in the Plan. Any such election will become void if the Retiree is not in fact enrolled in the HRSD group health plan on his/her Retirement Date.

If an Employee properly elects to participate in the Plan in accordance with the preceding paragraph, the Dependents of such Employee *also* will ~~also~~ be eligible to participate in the Plan, regardless of whether each Dependent is enrolled in the HRSD group health plan on the Retiree's Retirement Date. In addition, a Participating Dependent may continue coverage under the Plan after the date of death of the Participant.

### **3.02. When coverage begins.**

For Retirees electing to participate in the Plan, coverage (for both the Retiree and his/her Participating Dependents, begins on the Participant's Retirement Date.

### **3.03 Failure to enroll on or before Retirement Date.**

If an Employee does not elect to participate in the Plan on or before his/her Retirement Date, or if the Employee is not enrolled in the HRSD group health plan on his/her Retirement Date, the Employee shall forever forfeit the right to participate in the Plan.

### **3.04 Disability Retirement**

*For a Retiree who retired pursuant to disability retirement, eligibility for coverage will be lost and coverage will terminate upon the notification to HRSD that VRS has reached a final and unappealed or unappealable decision denying disability retirement to the Retiree.*

## **Termination of Regular Coverage**

### **4.01. Termination of a participant's coverage.**

Coverage of a Participant shall automatically terminate on the earliest of the following dates:

- The date the Plan is terminated by HRSD;
- The date the Participant and/or Participating Dependent(s) cease to be eligible for coverage under the Plan (including, but not limited to, cessation of eligibility due to a Plan amendment or partial Plan termination);
- The date the Participant fails to pay any required contribution for coverage of the Participant and his/her Participating Dependents by the applicable due date, and after the expiration of any grace period, set by the Plan Administrator and communicated to Participants in writing;
- The date the Participant voluntarily elects to discontinue coverage for himself or herself and his/her Participating Dependents under the Plan, *including by becoming covered under another health insurance plan that makes the Participant ineligible for coverage under the Plan (including other Center for Medicare and Medicaid Services ("CMS") registered coverage);* ~~or; or~~
- The date of the Participant's death. However, a deceased Participant's Dependents have the option to continue coverage under the Plan after the date of death by making a timely election in writing to HRSD.

## **ARTICLE IV**

#### **4.03. Certificates of Coverage.**

~~The Plan generally will automatically provide a Certificate of Coverage to any Participant or Participating Dependent after the individual loses coverage in the Plan. In addition, a Certificate will be provided upon request, if the request is made within 24 months after the individual loses coverage under the Plan. In that case, the Certificate will be provided at the earliest time that the Plan, acting in a reasonable and prompt fashion, can furnish it. In either case, the Certificate will contain the information required by the applicable provisions of the Health Insurance Portability and Accountability Act of 1996, as amended.~~

~~In order to request a Certificate, each Participant or Participating Dependent shall contact the Plan Administrator.~~

### **ARTICLE V**

#### **Plan Benefits**

##### **5.01. Plan benefits.**

Plan ~~Benefits~~*benefits* may be provided through contracts of insurance entered into by HRSD and one or more insurance carriers, or by written agreement with other benefit providers. Complete details on specific benefit coverages, definitions, exclusions and limitations are contained in the applicable description of benefits, certificate of coverage, subscriber agreements, or evidences of coverage agreement and/or other documents provided to HRSD and Participants by the applicable Insurer.

##### **5.02 Mandated benefits.**

The Plan will be operated in strict accordance with the following statutory provisions set forth in the federal Public Health Service Act, and all other applicable

provisions of federal and Virginia law: The Women's Health and Cancer Rights Act of 1998, ~~42 U.S.C. §2706~~*The Newborns' and Mothers' Health Protection Act*; The Mental Health Parity *and Addiction Equity* Act of ~~1996, as amended, 42 U.S.C. 300gg~~*2008*,

##### **5.0603. Discrimination against older participants prohibited.**

This Plan shall provide benefits for any Participant or Participating Dependent age 65 or older under the same terms and conditions that apply to a Participant or Participating Dependent who is under age 65, *unless otherwise permitted by law*.

##### **5.0704. Plan charges covered by Medicaid.**

This Plan shall not reduce or deny benefits for any Participant or Participating Dependent to reflect the fact that such an individual is eligible to receive medical assistance under a state Medicaid plan.

### **ARTICLE VI**

#### **Contributions**

##### **6.01. Contributions by HRSD.**

HRSD shall contribute funds to the Trust based on a determination of the amounts necessary to timely pay for, or to fund in advance, the provision of Plan benefits and the expenses of the Plan.

##### **6.02. Contributions by Participants.**

Participants shall make such contributions as are required by schedules provided by HRSD for coverage of Participants and Participating Dependents.

HRSD shall provide schedules of required Participant contributions for coverage of Participants and Participating Dependents

within a reasonable period of time prior to the commencement of ~~each Plan Year~~*the health insurance plan's plan year*.

## ARTICLE VII

### Health Benefit Trust

#### **7.01. Trust Agreement.**

HRSD and the Trustee shall execute one or more Trust agreements providing for the Trustee to receive all Participant contributions to the Plan, and to hold, manage, invest, and reinvest this Trust property and all income from this property, in accordance with the terms of the Trust. In accordance with the terms of the Trust, the Trustee shall make distributions from the Trust in such amounts and to such person or persons as the Plan Administrator shall direct.

## ARTICLE VIII

### Plan Administration

#### **8.01. Plan Administrator.**

The Plan Administrator shall be appointed by, and serve at the pleasure of, the Hampton Roads Sanitation District Commission. The Commission (or an HRSD officer designated by the Commission) may change the Plan Administrator by duly executing a document to such effect.

#### **8.02. Allocation of authority.**

Except as to those functions reserved by the Plan to HRSD or the Commission, the Plan Administrator shall control and manage the operation and administration of the Plan. The Plan Administrator shall (except as to matters reserved to the Commission by the Plan or that the Commission may reserve to itself) have the exclusive right and discretion, not subject to review, to:

(a) interpret the Plan, the Summary Plan Description, and any other writings affecting the establishment or operation of the Plan, both as to legal import and as to the application of the provisions of any such documents to the facts of a particular claim for benefits, and to decide all matters arising under the Plan, including the right to remedy possible ambiguities, inconsistencies, or omissions; and

(b) make factual findings and decide conclusively all questions regarding any claim for benefits under the Plan.

All determinations of the Plan Administrator or the Commission with respect to any matter relating to the administration of the Plan shall be conclusive and binding on all persons.

#### **8.03. Powers and duties of Plan Administrator.**

HRSD and the Plan Administrator shall have the following powers and duties:

(a) to require any person to furnish such reasonable information as the Plan Administrator may request for the proper administration of the Plan as a condition to receiving any benefits under the Plan;

(b) to make and enforce such rules and regulations and prescribe the use of such forms as the Plan Administrator shall deem necessary for the efficient administration of the Plan;

(c) to decide on questions concerning the Plan and the eligibility of any Employee to participate in the Plan, in accordance with the provisions of the Plan;

(d) to determine the amount of benefits that shall be payable to any person in accordance with the provisions of the Plan; to inform HRSD, as appropriate, of the amount of such Benefits; and to provide a full and fair review to any Covered Individual whose claim for benefits has been denied in whole or in part (as provided in Article XII); and

(e) to designate other persons to carry out any duty or power that would otherwise be a fiduciary or clerical responsibility of the Plan Administrator under the terms of the Plan; and to retain such actuaries, accountants (including Employees who are actuaries or accountants), consultants, third-party administration service providers, legal counsel, or other specialists, as the Plan Administrator may deem appropriate and necessary for the Plan's effective administration.

#### **8.04. Delegation by the Plan Administrator.**

HRSD and the Plan Administrator may employ the services of such persons (including an insurance company) as it may deem necessary or desirable in connection with the administration of claims or other operations of the Plan. The Plan Administrator may also appoint a Benefit Committee consisting of not less than three (3) persons, each of whom shall be an Employee of HRSD, to assist the Plan Administrator either generally or specifically in reviewing claims for benefits, subject to the right of the Commission to replace any or all of the members of the Committee, or to eliminate the Committee entirely.

The Plan Administrator, HRSD (and any person to whom any duty or power in connection with the operation of the Plan is delegated), may rely upon all tables,

valuations, certificates, reports, and opinions furnished by any duly appointed actuary, accountant (including Employees who are actuaries or accountants), consultant, third-party administration service provider, legal counsel, or other specialist, and the Plan Administrator, HRSD, or such delegate shall be fully protected in respect to any action taken or permitted in good faith in reliance on such table, valuations, certificates, etc.

#### **8.05. Fiduciary liability.**

To the extent permitted by law, neither the Plan Administrator nor any other person shall incur any liability for any acts or for failure to act except for his own willful misconduct or willful breach of this Plan.

#### **8.06. Indemnification and exculpation.**

The Plan Administrator and the members of any Committee appointed by the Plan Administrator to assist in administering the Plan, Commission members, agents, and employees of HRSD shall be indemnified and held harmless by HRSD against and from any and all loss, cost, liability, or expense that may be imposed upon or reasonably incurred by them in connection with or resulting from any claim, action, suit, or proceeding to which they may be a party or in which they may be involved by reason of any action taken or failure to act under this Plan and against and from any and all amounts paid by them in settlement (with the Commission's written approval) or paid by them in satisfaction of a judgment in any such action, suit, or proceeding. Indemnification under this section shall not be applicable to any person if the loss, cost, liability, or expense is due to the person's gross negligence or willful misconduct.

#### **8.08. Compensation of Plan Administrator.**

Unless otherwise agreed to by Commission, the Plan Administrator shall serve without compensation for services rendered in such capacity, but all reasonable expenses incurred in the performance of the Plan Administrator's duties shall be paid by HRSD.

#### **8.0807. Payment of administrative expenses.**

All reasonable expenses incurred in administering the Plan, including but not limited to administrative fees and expenses owing to any third-party administrative service provider, actuary, consultant, accountant, legal counsel, specialist, or other person or organization that may be employed by the Plan Administrator in connection with the administration thereof, shall be paid by HRSD.

#### **8.09. Funding policy.**

HRSD shall have the right to enter into a contract with one or more insurance companies or other benefit providers for the purposes of (1) providing any benefits under the Plan and to replace any of such insurance companies or contracts, or (2) indemnifying the Plan and Trust against specific and/or aggregate losses. Any dividends, retroactive rate adjustments, or other refunds of any type that may become payable under any such insurance contract, to the extent allocable to contributions made by HRSD, shall not be assets of the Plan but shall be the property of, and shall be retained by, HRSD.

### **ARTICLE IX**

#### **Amendment and Termination of Plan**

##### **9.01. Amendment.**

HRSD shall have the right to amend this Plan in any and all respects at any time, and

from time to time, without prior notice to any Participant or Participating Dependent.

Any such amendment shall be by a written resolution *of* the Commission, and shall become effective as of the date specified in the enabling resolution. A certified copy of any amendment shall be furnished to the Plan Administrator, the Trustees, and to any outside provider of plan administration services.

The Plan Administrator shall notify all covered Participants of any amendment modifying the substantive terms of the Plan as soon as is administratively feasible after its adoption.

##### **9.02. Termination of Plan.**

Regardless of any other provision of this Plan, HRSD necessarily reserves the right to terminate this Plan with respect to any and all Participants and Participating Dependents at any time without prior notice. Such termination shall be evidenced by a written resolution of the Commission, a certified copy of which shall be filed with the Plan Administrator, the Trustee, and any outside provider of plan administration services.

This Plan shall automatically terminate if HRSD is legally dissolved or terminated by act of the General Assembly of Virginia, unless a successor to HRSD created by the General Assembly of Virginia agrees to assume the Liabilities under Plan as to its ~~participants~~ *Participants* and/or their Participating Dependents.

Upon termination of the Trust and satisfaction of all Liabilities under the Plan to provide benefits, any amount of HRSD contributions, plus accrued earnings thereon, remaining in the Trust must be returned to HRSD.

The Plan ~~administrator~~*Administrator* shall notify all Participants and Participating Dependents covered under this Plan of its termination as soon as is administratively feasible.

## **ARTICLE X**

### **General Provisions**

#### **10.01. Benefits Arrangements.**

Benefits under this Plan may be provided pursuant to one or more contracts of insurance entered into by HRSD and one or more insurers or by written agreement with other benefit providers. No person shall have any right, title, or interest whatever in or to any investment reserves, accounts, or funds that HRSD may purchase, establish, or accumulate to aid in providing benefits under this Plan. Nothing contained in this Plan document, and no action taken under its provisions, shall create a trust or fiduciary relationship of any kind between HRSD and a Participant or any other person. Neither a Participant nor a Participating Dependent shall acquire any interest greater than that of an unsecured creditor with respect to the provision of Plan benefits.

#### **10.02 In general.**

Any and all rights accruing to any person under this Plan shall be subject to the terms and conditions of this Plan document and the related Trust. This Plan shall not constitute a contract between HRSD and any Participant or Participating Dependent, nor shall it constitute consideration or an inducement for the initial or continued employment of any Employee. Likewise, maintenance of this Plan shall not be construed to give any Participant the right to be retained as an Employee by HRSD, the right to retire from service with HRSD, or the right to any benefits not specifically provided by the Plan.

#### **10.03. Waiver and estoppel.**

No term, condition, or provision of this Plan shall be deemed to be waived, and there shall be no estoppel against enforcing any provision of the Plan, except through a writing of the party to be charged by the waiver or estoppel. No such written waiver shall be deemed a continuing waiver unless explicitly made so, and it shall operate only with regard to the specific term or condition waived, and shall not be deemed to waive such term or condition in the future, or as to any act other than as specifically waived. No Participant or Participating Dependent other than as named or described by class in the waiver shall be entitled to rely on the waiver for any purpose.

#### **10.04. Effect on other benefit plans.**

Amounts credited or paid under this Plan shall not be considered to be compensation for the purposes of any pension or tax-qualified retirement plan maintained by HRSD. The treatment of the amounts paid under this Plan or under other employee benefit plans shall be determined under the provisions of the applicable employee benefit plan.

#### **10.05. Nonvested benefits.**

Nothing in this Plan shall be construed as creating any vested rights to benefits in favor of any Participant or Participating Dependent except with respect to claims that have actually been incurred by any such person that would otherwise be eligible for payment under the Plan, as it is in effect when the expense is incurred.

#### **10.06. Interests not transferable.**

The interests of the Participants and their Participating Dependents under this Plan are not subject to the claim of their creditors and



may not be voluntarily or involuntarily transferred, assigned, alienated, or encumbered without the written consent of the Plan Administrator.

**10.07. Gender and number.**

Except when otherwise indicated by the context, words in the masculine gender shall include the feminine and neuter genders, the plural shall include the singular, and the singular shall include the plural.

**10.08. Severability.**

If any provision of the Plan shall be held invalid or illegal for any reason, any invalidity or illegality shall not affect the remaining parts of the Plan, but the Plan shall be construed and enforced as if the invalid or illegal provision had never been

inserted. HRSD shall have the privilege and opportunity to correct and remedy those questions of invalidity or illegality by amendment as provided in the Plan.

**10.09. Headings.**

All article and section headings in this Plan have been inserted for convenience only and shall not determine the meaning of the content thereof.

**10.10. Applicable Law.**

As a governmental employee benefit plan, this Plan is exempt from the requirements of the Employee Retirement Income Security Act of 1974, as amended. The Plan shall be governed and construed in accordance with the laws of the Commonwealth of Virginia to the extent not preempted by federal law.

IN WITNESS WHEREOF, HRSD has executed this *restated and amended* Plan on the date first written above.

HAMPTON ROADS SANITATION DISTRICT

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

ATTESTED:

\_\_\_\_\_  
Name:  
Secretary



## AGENDA ITEM 4. – March 25, 2025

**Subject:** Atlantic Treatment Plant Odor and Solids Improvements 2023  
Approval of Guaranteed Maximum Price (GMP)

**Recommended Action:** Approve a Guaranteed Maximum Price of \$11,031,596 to the Comprehensive Agreement with Crowder Construction Company.

**CIP Project:** AT016000

**Regulatory Requirement:** None

Budget	\$98,815,987
Previous Expenditures and Encumbrances	(\$23,253,233)
Available Balance	\$75,562,754

<b>Contract Status with Change Orders:</b>	<b>Amount</b>
Original CMAR Contract with Crowder	\$1,044,000
Proposed GMP1	\$11,031,596
Revised Contract Value	\$12,075,596

**Project Description:** This project comprises the design and construction of multiple unit process including: primary solids thickening facilities to include a pump station, new gravity thickeners and scum concentrators; pre-dewatering upgrades which includes conveyors, a cake storage hopper, and new pulper feed pumps; a new THP train to include post-THP cooling; digester covers and mixers; biogas flare; upgrades to the digested sludge storage tank (DSST); additional capacity for FOG receiving; upgrades to the dewatered cake storage pads; new polymer system, and upgrades and/or replacing Odor Control Stations (OCS) A, B, C, and D. In addition to the main unit process identified, additional upgrades to support these unit processes include demolition of existing tanks, additional piping, appurtenances, instrumentation and electrical work.

**Project Justification:** There have been increased odor complaints from the communities surrounding the Atlantic Treatment Plant since the implementation of the new solids handling process and the diversion of all Chesapeake-Elizabeth Treatment Plant (CETP) flow. This project will improve resiliency in solids handling and will reduce the potential for offsite odors.

**Guaranteed Maximum Price:** This project was procured through the Construction Management (CM) delivery process. On September 24, 2024, the Commission approved an Agreement with Crowder Construction Company in the amount of \$1,044,000 for preconstruction phase services. This price (GMP1) is the first of several for the program. Items included in this work package are for the procurement and installation of a polishing system for OCS D which is included in the Emergency Designation issued in June 2024. In November 2024, HRSD gave authorization to Crowder to pre-purchase long lead items which included carbon adsorbers, variable frequency drives, panel boards, and interposing relay panels. Total equipment cost for these items was \$2,516,978 plus 11.5% contractor markup which results in a pre-authorization to Crowder in the amount of \$2,806,431 which has already been approved and is included in the proposed cost for GMP1.

**Analysis of Cost:** An initial cost estimate was prepared by the Engineer during the development of the Emergency Designation in June 2024, which was \$13,100,000 for this scope of work. The final equipment cost was refined and ultimately decreased during design by approximately \$1,500,000. With the change in equipment costs, the engineer’s estimate (\$11,600,000) compares favorably with the final work package price (~\$11,000,000). In addition to comparing the original cost estimate developed during the Emergency Designation, the Engineer reviewed the GMP and deemed the costs appropriate for the project. It is recommended the Agreement with Crower Construction Company be amended to include the proposed GMP.

Staff will provide a briefing during the meeting.

<b><u>Schedule:</u></b>	Construction	April 2025
	Work Package Completion	December 2025

## AGENDA ITEM 5. – March 25, 2025

**Subject:** High Priority Inflow and Infiltration Reduction Program (HPIIRP)  
Interim Agreement Time Extension

**Recommended Action:** Approve an amendment to the Interim Agreement with the Burns & McDonnell Engineering Company for a 180-day extension to the contract time.

**CIP Projects:** GN020300

**Regulatory Requirement:** Integrated Plan – HPP1 (2030 Completion)

**Type of Procurement:** Competitive Negotiation – PPEA

The use of the Public Private Education Infrastructure Act (PPEA) project delivery method was approved by the Commission at the October 2023 meeting. The contract with the Burns and McDonnell Engineering Company was executed in September 2024 with 180 days completion time.

**Project Description:** The project consists of a planning project (GN020300) and multiple capital projects that each contain multiple locality catchments where inflow and infiltration (I/I) reduction activities will be performed. The work will generally consist of the rehabilitation and replacement of locality and private gravity sewers. Substantial completion of all projects must be obtained by December 31, 2030.

**Amendment Justification:** The Interim agreement for this Program was approved for pre-planning, field investigation and inspection, flow monitoring, hydraulic modeling, and any additional activities necessary to provide a cost-effective analysis of alternatives, I/I reduction strategies and development of a conceptual and preliminary I/I reduction plan. Due to changes in the anticipated scope of the project as a result of initial field investigations and further modeling efforts and the importance of selecting basins where the investment per linear foot of rehabilitated asset provides the best volume of I/I reduction, additional time is required to continue the work initiated in the first six months of the HPIIRP and develop a robust concept plan before entering into the Comprehensive Agreement where design and construction activities will take place.

<b><u>Schedule:</u></b>	Design-Build	August 2024
	Project Completion	December 2030

AGENDA ITEM 6. – March 25, 2025

**Subject:** South Shore Gravity Sewer Improvements Phase 1  
Transfer Agreement for Gravity Sewer on Bolling Avenue, Norfolk, Virginia

**Recommended Action:** Approve the terms and conditions of a transfer agreement with the City of Norfolk (City) for recently rehabilitated/replaced gravity sewer, and authorize the General Manager to execute the same, substantially as presented, together with such changes, modifications, and deletions as the General Manager may deem necessary.

**CIP Project:** GN015000

**Regulatory Requirement:** None

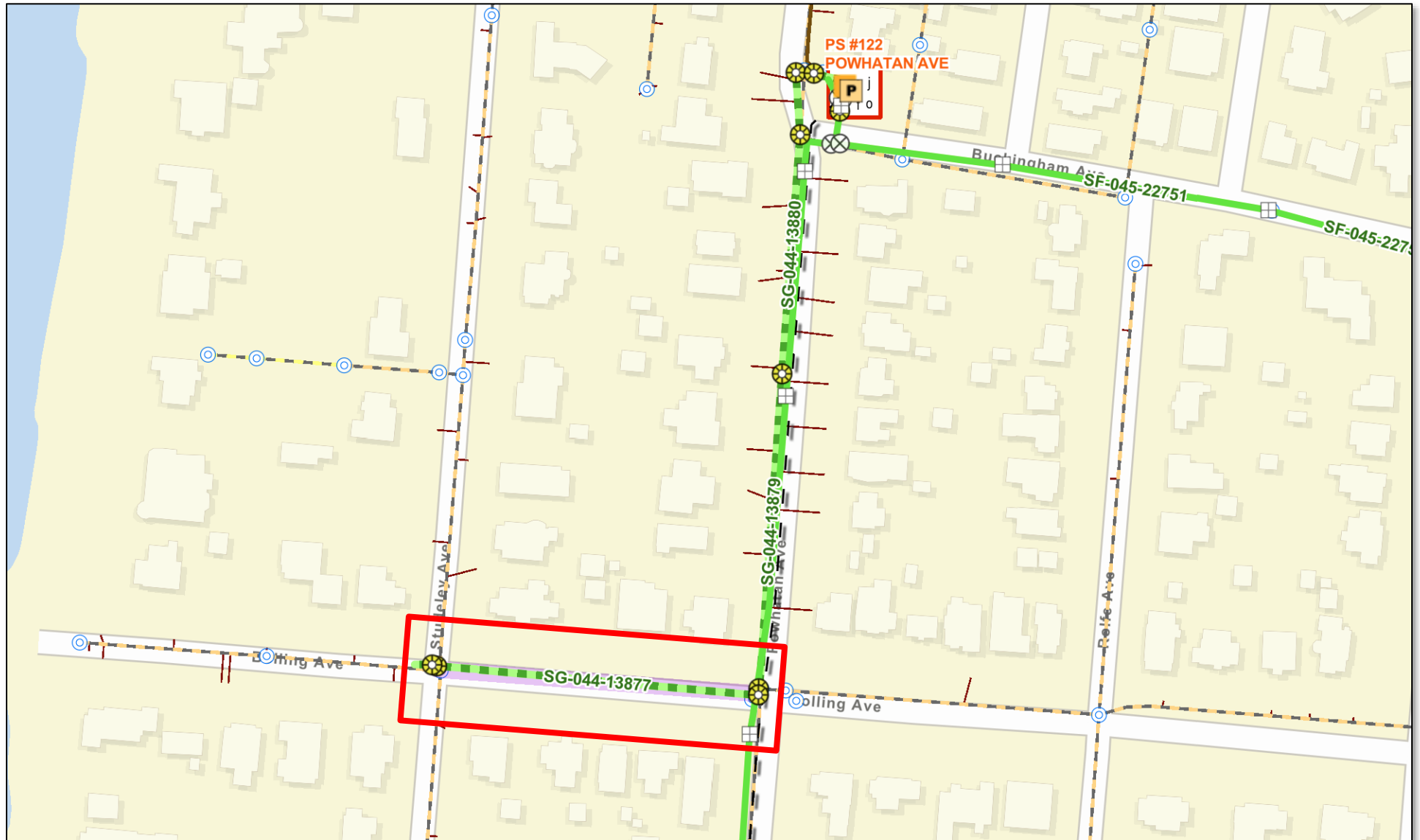
**Project Description:** This project will rehabilitate and/or replace four gravity sewer segments at various locations in the South Shore Interceptor System. Three of these segments are the influent sewers to HRSD pump stations, however, one segment is an upstream HRSD gravity sewer located in a residential neighborhood on Bolling Avenue in Norfolk, Virginia. The attached [map](#) depicts the location of the work that is part of the Transfer Agreement.

**Project Justification:** The City has an existing gravity sewer on Bolling Avenue, which connects to the HRSD sewer. To minimize the amount of gravity sewer that HRSD owns within the metro area and maximize the aging infrastructure improvements included in this project, HRSD will transfer existing service laterals from the existing City sewer to the new HRSD sewer and then abandon the existing City sewer. In return, the City will take over ownership of the replaced HRSD sewer and the adjacent manholes once the project is completed.

**Agreement Description:** The attached [Agreement](#) between HRSD and the City is for 356 feet of 12-inch PVC gravity sewer main and the associated manholes on Bolling Avenue. The agreement has been reviewed by HRSD legal counsel.

<b><u>Schedule:</u></b>	Construction	November 2024
	Project Completion	May 2025

SOUTH SHORE GRAVITY SEWER IMPROVEMENTS PHASE I (GN015000)  
LOCATION MAP



**HAMPTON ROADS SANITATION DISTRICT AND CITY OF NORFOLK  
TRANSFER AGREEMENT  
FOR  
BOLLING AVENUE GRAVITY SEWER**

THIS TRANSFER AGREEMENT (the “AGREEMENT”), between the CITY OF NORFOLK (“CITY”) and the HAMPTON ROADS SANITATION DISTRICT (“HRSD”) (each individually a “Party” and collectively, the “Parties”), is entered this \_\_\_\_\_ day of \_\_\_\_\_, 2025.

WHEREAS it is the desire for the CITY and HRSD to regionalize certain wastewater conveyance systems to create savings for the mutual ratepayers of the CITY and HRSD, and to create additional benefits for both the CITY and HRSD by the division of certain roles and responsibilities with regard to operation of systems and the transfer of ownership of certain assets; and

WHEREAS HRSD currently owns, operates, and maintains approximately 360 LF of 10-inch Vitrified Clay (VCP) gravity sewer main and manholes along Bolling Avenue between Studeley Avenue and Powhatan Avenue in the City of Norfolk and as shown in Exhibit A (hereinafter referred to as “EXISTING HRSD SEWERS”); and

WHEREAS the CITY currently owns, operates, and maintains approximately 360 LF of 12-inch PVC gravity sewer main along Bolling Avenue between Studeley Avenue and Powhatan Avenue in the CITY and as shown in Exhibit A (hereinafter referred to as “EXISTING CITY SEWERS” and together with the EXISTING HRSD SEWERS, the “EXISTING SEWERS”); and

WHEREAS HRSD is constructing a new 356 LF of 12-inch PVC gravity sewer main to replace the EXISTING SEWERS and their appurtenances in accordance with construction plans (bid document Vol 2) titled “South Shore Area Sanitary Sewer Improvements Phase I CIP No. GN015000 SP2024-0018”, and dated August 18, 2024, (the “BID DOCUMENTS”) in coordination with the CITY and as shown on Exhibit A (hereinafter referred to as the “IMPROVEMENTS”); and

WHEREAS CITY and HRSD have determined that a transfer of ownership of the IMPROVEMENTS from HRSD to CITY will serve the needs of the service area most efficiently and is in the best interests of the Parties; and

WHEREAS CITY requested and HRSD agreed to replace the EXISTING SEWERS with the IMPROVEMENTS in accordance with the CITY’s Design and Construction Standards for Public Right-of-Ways (ROW) (NCDS2021.12);

WHEREAS upon satisfactory completion of the IMPROVEMENTS in accordance with the terms and conditions of this AGREEMENT including but not limited to conformance with the BID DOCUMENTS, HRSD agrees to convey, and CITY agrees to acquire, the IMPROVEMENTS.

NOW, THEREFORE, it is mutually agreed between the Parties as follows:

**I. OWNERSHIP TRANSFER OF IMPROVEMENTS**

- A. HRSD agrees to transfer, and the CITY agrees to accept ownership of the IMPROVEMENTS upon their SUBSTANTIAL COMPLETION by HRSD. "SUBSTANTIAL COMPLETION" shall be achieved when HRSD has substantially completed the work outlined in Section II of this AGREEMENT, has determined that the IMPROVEMENTS are ready for their intended use and the City has provided HRSD with a written notification that it has completed its inspection and approved the IMPROVEMENTS.
- B. The CITY shall be entitled to conduct a final inspection walk-through to confirm that the IMPROVEMENTS have been installed in substantial conformance with the terms of this AGREEMENT, which inspection and confirmation shall not be unreasonably delayed or withheld. Following inspection and confirmation of conformity by the CITY, HRSD shall release the contractor(s) engaged in the construction of the IMPROVEMENTS and the warranty period for the IMPROVEMENTS provided for herein shall commence.
- C. Upon CITY'S written notification to HRSD that it has satisfactorily inspected and approved of the IMPROVEMENTS, HRSD will issue a notice of SUBSTANTIAL COMPLETION, at which time ownership of the IMPROVEMENTS shall automatically transfer and vest with the CITY. The Parties shall provide written acknowledgment of the transfer of ownership of the IMPROVEMENTS from HRSD to CITY promptly following SUBSTANTIAL COMPLETION by executing a completed Certificate of City's Acceptance of Improvements (the "CERTIFICATE") in the form attached hereto as Exhibit "C". The CERTIFICATE shall serve to establish a date certain of the transfer of ownership and confirm both Parties' compliance with the terms of this AGREEMENT.
- D. Upon the transfer of ownership of the IMPROVEMENTS to the CITY, the CITY will thereafter operate and maintain the IMPROVEMENTS.
- E. The CITY agrees to provide HRSD access to sewer manhole # MH-SG-044-363 (see Exhibit A) to conduct periodic routine maintenance and CCTV work for the gravity system located downstream from the IMPROVEMENTS and along Powhatan Avenue.

**II. ROLES AND RESPONSIBILITIES**

- A. The IMPROVEMENTS shall consist of the following work, which the Parties agree represents the mutually agreed upon necessary gravity sewer system improvements based on industry standard practices and products acceptable to the CITY:

1. HRSD will construct the IMPROVEMENTS, in the same trench where the EXISTING HRSD SEWERS are located in the existing Public Right-of-Way.
  2. In performing its work on the IMPROVEMENTS, HRSD will adhere to CITY's Design & Construction Standards for all gravity sewer system improvements to ensure the IMPROVEMENTS and appurtenances are acceptable and in good operational condition prior to transfer to CITY.
  3. HRSD will replace EXISTING SEWERS with the IMPROVEMENTS from existing sewer manhole MH-SG-044-D to existing sewer manhole MH-SG-044-363. Both existing sewer manhole structures will be transferred to and accepted by the CITY along with the IMPROVEMENTS. HRSD will also transfer all active service laterals along Bolling Avenue to the IMPROVEMENTS by installing new service laterals and clean-outs as shown in Exhibit A. The existing sewer manhole structures and new service laterals and clean-outs shall be included in the definition of IMPROVEMENTS for the purposes of such transfer.
  4. HRSD will abandon in place the EXISTING CITY SEWERS upon successfully completing the transfer of sewer service to the IMPROVEMENTS.
  5. HRSD will restore the Public Right-of-Way to include curb and gutter pans with paving patch as shown in Exhibit B herein. Repaving methods and means will adhere to CITY's Design & Construction Standards for Public Right-of-Way (ROW).
- B. The Parties agree to the following ancillary provisions relating to the IMPROVEMENTS:
1. Correction of Construction Defects

HRSD shall require the contractor(s) engaged in the construction of the IMPROVEMENTS to provide a performance and payment bond, issued to and for the benefit of HRSD and to the City of Norfolk, for the full amount of the construction of the IMPROVEMENTS. The construction contract shall also provide for a warranty of the contractor's work against construction defects in the IMPROVEMENTS and shall require the contractor to correct such defects that are reported by the CITY or HRSD within one (1) year of substantial completion of the IMPROVEMENTS. In reviewing and approving the award of the construction contract, the Parties shall ensure that any such warranty is assignable to the CITY upon transfer of ownership of the IMPROVEMENTS.
  2. Construction Record Drawings



Upon completion of the IMPROVEMENTS, HRSD shall provide the CITY construction record drawings approved by both Parties in accordance with CITY's Design and Construction Standards latest edition. HRSD further agrees to provide the CITY all other records produced during the work pertaining to the IMPROVEMENTS, e.g., condition assessment closed-circuit television (CCTV) videos, record drawings, etc.

### III. GENERAL PROVISIONS

- A. Right of Entry: HRSD shall have the right to access the City's sewer infrastructure surrounding the IMPROVEMENTS, including but not limited to all sewer service laterals and sewer clean-outs, for the purpose of making and completing the IMPROVEMENTS and satisfying its obligations under this AGREEMENT, provided such work does not materially interfere with CITY's ability to perform routine system maintenance or while responding to service calls. In connection with this right to enter upon CITY facilities and property, HRSD agrees to restore the facilities and property to their prior condition after the performance of any such condition assessment and improvement work. CITY has the right to be present during any entry or work upon CITY facilities and HRSD shall notify CITY staff a minimum of 48-hours prior to commencing any such entry or work. For the purposes of this Section III(A), formal notice pursuant to Section III(B) is not required and actual notice through regular means of business communication including electronic mail is sufficient.
- B. Notices: All formal notices required pursuant to the terms of this AGREEMENT shall be deemed effective when delivered by hand-delivery, electronic mail with confirmation of receipt, or certified mail, return receipt requested, postage prepaid, to CITY and to HRSD at the respective addresses herein shown, unless this AGREEMENT is modified in writing to reflect other addresses:

CITY of Norfolk	HRSD
c/o Director, Department of Utilities	c/o General Manager and CEO
401 Monticello Avenue	PO Box 5911
Norfolk, VA 23510	Virginia Beach, VA 23471
Email:robert.carteris@norfolk.gov	Email: jbernas@hrsd.com

With Copies to:

HRSD Counsel:  
Robyn H. Hansen, Attorney  
Sands Anderson PC  
4801 Courthouse Street, Suite 203  
Williamsburg, VA 23188  
Email: [Rhansen@sandsanderson.com](mailto:Rhansen@sandsanderson.com)

City of Norfolk - Department of Utilities  
Robert A. Carteris, Director  
500 E. Main Street, Suite 700  
Norfolk, VA 23510

And

Office of the Norfolk City Attorney  
810 Union Street, Suite 900  
Norfolk, VA 23510

- C. Entire Agreement: This AGREEMENT, and any exhibits or attachments made hereto, represent the full agreement and understanding of the Parties hereto, there being no additional agreements written, oral or otherwise. This AGREEMENT may be amended only by a writing signed by both Parties.
- D. Authority: CITY and HRSD both warrant that they have permission and authority derived under their respective corporate Charters and Enabling Acts to execute and undertake this AGREEMENT and that all necessary actions of the Norfolk City Council to allow execution of this AGREEMENT have been completed, and that all necessary Resolutions and actions of the Commission of HRSD to allow execution of this AGREEMENT have been completed. This AGREEMENT shall apply to, and be binding upon both Parties, their elected officials, officers, agents, employees, successors, and assigns.
- E. Compliance with Law: Each Party warrants that it has complied with all aspects of applicable federal, state, and local law in entering this AGREEMENT and further warrants that it shall comply with all applicable federal, state, and local laws in the performance of this AGREEMENT.
- F. No Violation: The execution of this AGREEMENT by the Parties will not violate any covenant, condition, or contract to which the Parties hereto are subject at the time of execution.
- G. Governing Law; Venue: This AGREEMENT shall be governed as to all matters whether of validity, interpretations, obligations, performance or otherwise exclusively by the laws of the Commonwealth of Virginia, and all questions arising with respect thereto shall be determined in accordance with such laws. Regardless of where actually delivered and accepted, this contract shall be deemed to have been delivered and accepted by the Parties in the Commonwealth of Virginia. Venue shall be in the courts of the City of Norfolk.
- H. Enforcement: The failure of either Party to enforce the terms of this AGREEMENT shall not be considered a waiver as to the enforceability of

such terms. If any provision of this AGREEMENT is found to be unenforceable, the remainder of this AGREEMENT shall remain in full force and effect.

- I. Survival: This AGREEMENT shall survive settlement and conveyance of title and shall terminate only upon the written AGREEMENT of both Parties.
- J. Force Majeure: No Party shall be responsible for its failure to fulfill an obligation pursuant to this AGREEMENT to the extent that such failure is due to acts of God; labor strikes; war or terrorism; epidemics/pandemics; fires; floods; the actions of a third party; lockouts; strikes, freight embargos, and unusually severe weather or delays of subcontractors due to such causes. A Party experiencing a force majeure event that prevents fulfillment of a material obligation hereunder shall (a) give the other Party prompt written notice describing the particulars of the event; (b) suspend performance only to the extent and for the duration that is reasonably required by the force majeure event; (c) use reasonable efforts to overcome or mitigate the effects of such occurrence; and (d) promptly resume performance of the affected obligation if and when such Party is able to do so.
- K. Counterparts: This AGREEMENT may be executed in any number of counterparts, each of which shall be deemed to be an original as against any Party whose signature appears thereon, and all of which shall together constitute one and the same instrument.
- L. Binding Effect: This AGREEMENT shall inure to the benefit of the Parties and shall, to the maximum extent permitted by law, be binding on the Parties and their successors and assigns.
- M. Reservation: Except as expressly provided herein, nothing in this AGREEMENT shall be construed to limit or otherwise affect the authority, rights, or responsibilities of the Parties.
- N. Recitals. The Recitals above are incorporated into this Agreement as if fully set forth therein.

(SIGNATURE PAGES TO FOLLOW)

IN WITNESS WHEREOF, the CITY of Norfolk has caused this AGREEMENT to be signed by the CITY Manager pursuant to the Ordinance (# \_\_\_\_\_) adopted by the CITY Council on \_\_\_\_\_, 2025.

CITY OF NORFOLK

By: \_\_\_\_\_  
Patrick G. Roberts, City Manager

Attest: \_\_\_\_\_

COMMONWEALTH OF VIRGINIA  
CITY OF NORFOLK, to-wit:

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2025, by \_\_\_\_\_, CITY Manager of the CITY of Norfolk and \_\_\_\_\_, who is CITY Clerk of the CITY of Norfolk.

\_\_\_\_\_  
Notary Public

Notary#: \_\_\_\_\_

My Commission expires: \_\_\_\_\_

APPROVED AS TO CONTENT:

\_\_\_\_\_  
Director, Department of Utilities

APPROVED AS TO FORM AND  
CORRECTNESS:

\_\_\_\_\_  
CITY Attorney's Office

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 \_\_\_\_\_, 2025.

HAMPTON ROADS SANITATION DISTRICT

By: \_\_\_\_\_  
Jay Bernas, P.E., General Manager and CEO

COMMONWEALTH OF VIRGINIA  
CITY OF VIRGINIA BEACH, to-wit:

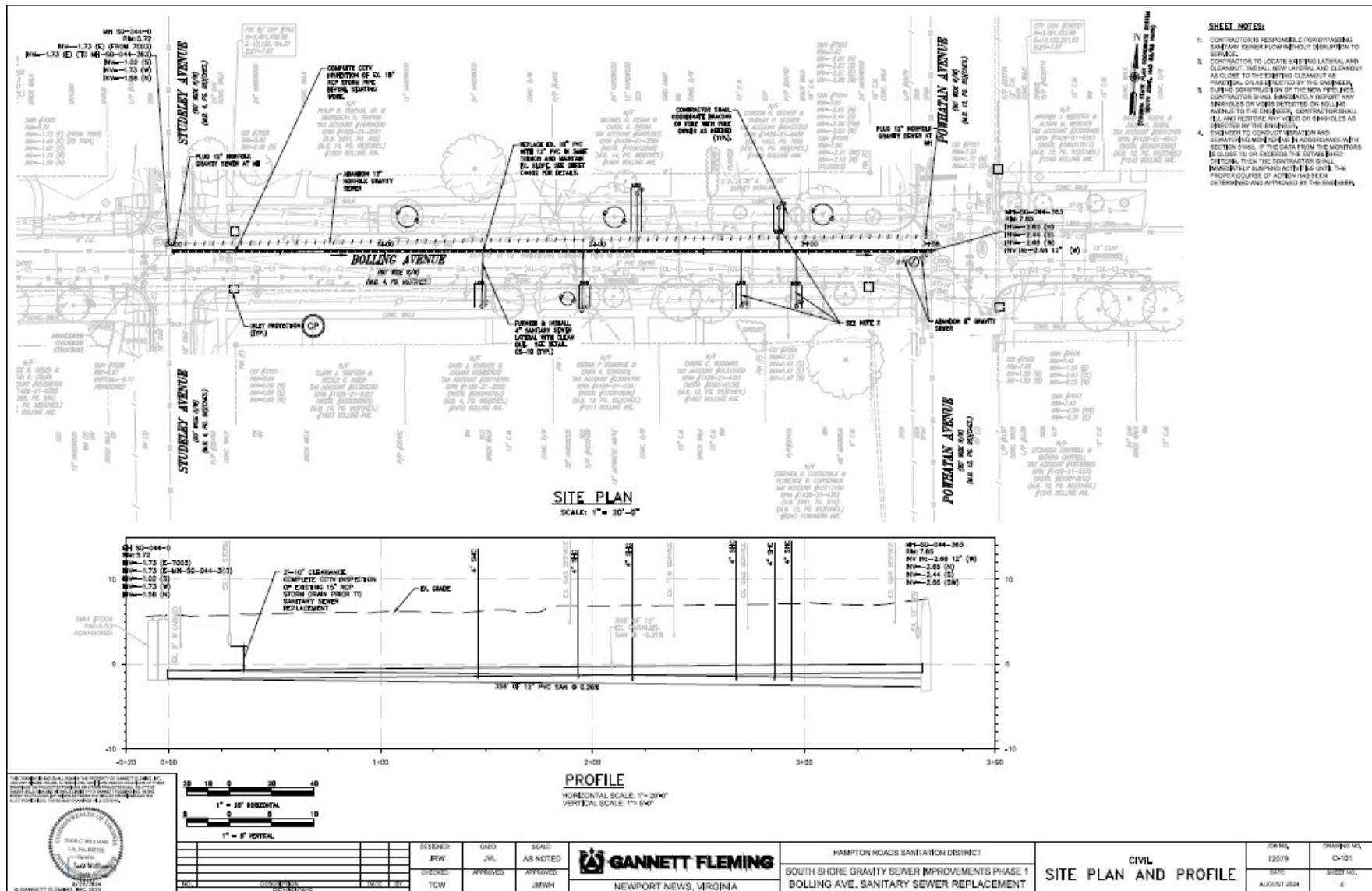
The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2025 by Jay Bernas, P.E., General Manager and CEO of Hampton Roads Sanitation District.

\_\_\_\_\_  
Notary Public

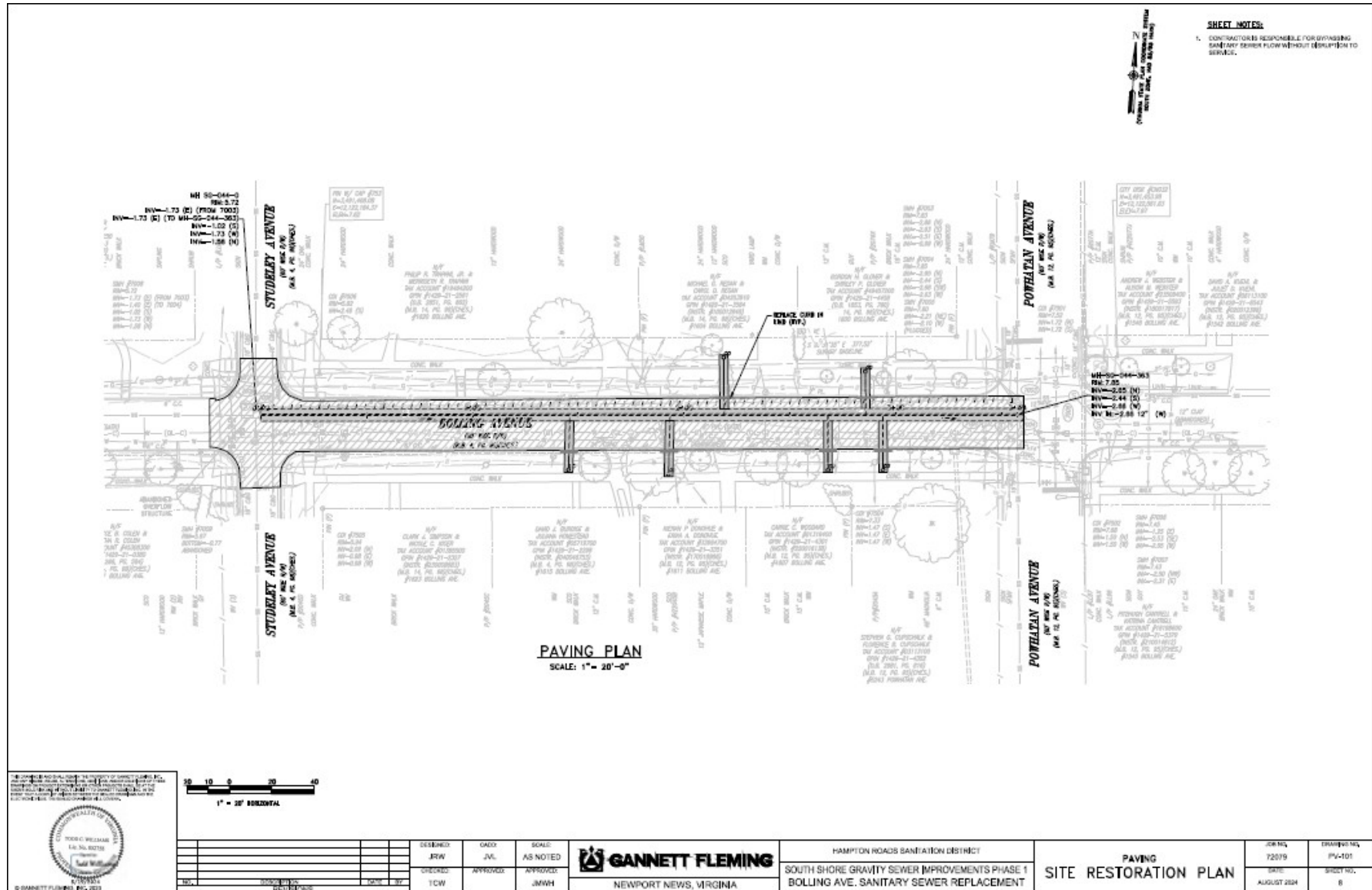
Notary#: \_\_\_\_\_

My Commission expires: \_\_\_\_\_

# Exhibit A: Bolling Avenue Existing and IMPROVEMENTS



## Exhibit B: Paving Plan





**EXHIBIT C**

**CERTIFICATE OF CITY'S ACCEPTANCE OF IMPROVEMENTS**

This Certificate of City's Acceptance of Improvements (the "Certificate") is made as of \_\_\_\_\_, 202\_\_\_\_ (the "Certificate Date") between CITY OF NORFOLK ("CITY") and the HAMPTON ROADS SANITATION DISTRICT ("HRSD")

WHEREAS, CITY and HRSD entered into that certain Transfer Agreement for Bolling Avenue Gravity Sewer dated \_\_\_\_\_, 2025 (the "AGREEMENT"), pursuant to which HRSD agreed to construct and transfer to the CITY, and the CITY agreed to accept and thereafter maintain, the IMPROVEMENTS to replace the EXISTING SEWERS.

WHEREAS, CITY and HRSD agreed to execute this Certificate to confirm ownership of the IMPROVEMENTS vesting in the CITY following their SUBSTANTIAL COMPLETION by HRSD.

NOW, THEREFORE, CITY and HRSD mutually agree and certify as follows:

1. CITY is in possession of, and has accepted, the IMPROVEMENTS as of the Certificate Date, transferred by HRSD in accordance with the AGREEMENT. CITY has inspected the IMPROVEMENTS and acknowledges SUBSTANTIAL COMPLETION of all the work to be performed by HRSD under the terms of the AGREEMENT. CITY further certifies that all conditions of the AGREEMENT required of HRSD as of the date of this Certificate.

2. Accordingly, CITY and HRSD hereby certify and agree that ownership of the IMPROVEMENTS is vested with the CITY as of the Certificate Date.

3. Capitalized terms used but not otherwise defined herein shall have the meanings assigned thereto in the Agreement.

[SIGNATURES ON NEXT PAGE]



IN WITNESS WHEREOF, the parties hereto have duly executed and sealed this Certificate as of the date and year first above stated.

CITY OF NORFOLK

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

Name: \_\_\_\_\_

Title: Norfolk City Manager

Attest: \_\_\_\_\_

COMMONWEALTH OF VIRGINIA  
CITY OF NORFOLK, to-wit:

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2025, by \_\_\_\_\_, CITY Manager of the CITY of Norfolk and \_\_\_\_\_, who is CITY Clerk of the CITY of Norfolk.

\_\_\_\_\_  
Notary Public

Notary#: \_\_\_\_\_

My Commission expires: \_\_\_\_\_

APPROVED AS TO CONTENT:

APPROVED AS TO FORM AND  
CORRECTNESS:

\_\_\_\_\_  
Director, Department of Utilities

\_\_\_\_\_  
CITY Attorney's Office

HAMPTON ROADS SANITATION DISTRICT

By: \_\_\_\_\_  
Jay Bernas, P.E., General Manager and CEO

COMMONWEALTH OF VIRGINIA  
CITY OF VIRGINIA BEACH, to-wit:

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_,  
2025 by Jay Bernas, P.E., General Manager and CEO of Hampton Roads Sanitation  
District.

\_\_\_\_\_  
Notary Public

Notary#: \_\_\_\_\_

My Commission expires: \_\_\_\_\_

## AGENDA ITEM 7. – March 25, 2025

**Subject:** Chincoteague Treatment Plant Improvements  
Property Acquisition for Public Use – 3845 Main Street, Chincoteague

**Recommended Action:** Approve the purchase of a property located at 3845 Main Street, Chincoteague and associated acquisition cost of \$300,000, in addition to necessary expenditures estimated at \$50,000 to acquire the property, in accordance with the terms and conditions of the Purchase Agreement with Terry L. Lawson, (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:** ES010500

**Regulatory Requirement:** None

Budget	\$6,710,600
Previous Expenditures and Encumbrances	(\$974,979)
Available Balance	<u>\$5,735,621</u>

**Project Description:** This project will include the installation of two new packaged treatment plants, outfall and appurtenances, the demolition of the existing packaged plants (Sunset Bay wastewater treatment plants previously acquired from the Town of Chincoteague and transferred to HRSD) and site work needed to make new connections to the treatment plants.

While this acquisition is not required for the above-mentioned project, this acquisition is a strategic purchase allowing a much-needed buffer area and enhanced access to the current plant within a very congested corridor. The owner recently inherited the property and is eager to sell. The Town of Chincoteague was consulted and supports the acquisition of this property and accepts the removal of this property from its taxable income proceeds for the reasons noted above.

Environmental Site Assessment – Phase 1 (ESA) of the site and adjacent areas is underway. ESAs were conducted for portions of various, adjacent and abutting sites (package plant, USCG site and vacant lot) as part of those separate acquisitions and were determined to be without concern. This parcel is believed to also be clear of environmental concerns or will be cleared with minimal effort as part of the project.

**Analysis of Cost:** The cost for the acquisitions is based on a negotiated price with the property owner and is in alignment with current fair market value for a property in the area.

**Agreement Key Terms:**

1. HRSD and Seller agree to a 60-day closing period, once the agreement has been fully executed.
2. During the closing period, all final and required documents will be completed and shared between HRSD and Seller, ensuring HRSD requirements for acquisition are met.
3. A Post-Closing Possession Agreement will be in place for 90 days/3 months, to allow the property owner to remove personal property currently on site.
4. HRSD will perform or will have performed, an inspection of the property.

The [Purchase and Sale Agreement](#) is attached and was reviewed by HRSD staff and general legal counsel. The deed of bargain and sale will also be reviewed by HRSD staff and real estate legal counsel before execution. A [location map](#) and [photo](#) are provided for clarification purposes.

TAX MAP NO.: 30A3-A-5  
PROJECT: CHINCOTEAGUE TREATMENT PLANT IMPROVEMENTS (CIP ES010500)  
ROUTE/STREET: 3845 MAIN STREET  
CITY/COUNTY: TOWN OF CHINCOTEAGUE, COUNTY OF ACCOMACK

## PURCHASE AND SALE AGREEMENT

This Purchase and Sale Agreement (this “**Agreement**”) by and between Terry L. Lawson (“**Seller**”), and Hampton Roads Sanitation District, a political subdivision of the Commonwealth of Virginia (“**Buyer**”).

### Recitals

R:1. By deed recorded on July 10, 2020 in the Clerk’s Office of the Circuit Court of Accomack County, Virginia, in Deed Book 2000, Page 02532, Seller acquired that certain property in the Town of Chincoteague, Accomack County, Virginia designated as 3845 Main Street, Chincoteague, Virginia, with Tax Parcel No. 30A3-A-5 (the “**Property**”).

R:2. Buyer owns, operates, and maintains a wastewater treatment plant adjacent to the Property and Buyer desires to purchase the Property from the Seller for the purposes of supporting the operations of the neighboring plant.

R:3. Seller is willing to sell the Property to Buyer subject to the terms and conditions set forth in this Agreement.

R:4. These recitals are incorporated by this reference into this Agreement.

### Witnesseth

For and in consideration of the representations and warranties herein, the receipt and sufficiency of which is hereby acknowledged, the parties agree that, upon approval of this Agreement by the Hampton Roads Sanitation District Commission, Seller will sell the Property, together with all improvements thereon and appurtenances thereto, to Buyer upon the following terms and conditions:

1. Effective Date. The “**Effective Date**” of this Agreement is the date of full execution, which is the date of the last signature to this Agreement.

2. Purchase Price. The purchase price for the Property is **Three Hundred Thousand and NO/100 Dollars (\$300,000.00)** (the “**Purchase Price**”). The Purchase Price represents full compensation for the value of the Property and all associated rights granted hereunder, any damages to Seller’s remaining property resulting from Buyer’s purchase, use, and enjoyment of the Property, and any other factor or damage under Virginia Code §§ 25.1-230 (*Measure of just compensation*) and 25.1-230.1 (*Lost access and lost profits*), as amended. Seller agrees that Purchaser may present this Agreement in any condemnation proceeding to determine just compensation.

3. Representations and Warranties. Seller represents and warrants to Buyer the following are and will remain true through Settlement Date (as hereafter defined):

- (i) Seller owns the Property in fee simple;
- (ii) Seller has all necessary authority to convey the Property;
- (iii) Title to the Property is good and marketable, free and clear of all leases, unpaid taxes, and other liens and encumbrances;
- (iv) Seller has not entered into any unrecorded easements, leases, or other agreements, written or oral, that may affect the Property;
- (v) Seller has not hired, engaged, or consulted with any broker or agent regarding the Property and no broker or agent will be entitled to any compensation;
- (vi) No person or entity has any right of first refusal or option to acquire any right, title, or interest in the Property;
- (vii) There are no under- or above-ground tanks on, in, or under the Property;
- (viii) Seller is not in default in complying with any covenants, conditions, restrictions, easements, rights-of-way, or other agreements with which the Property's owner must perform or comply;
- (ix) There are no violations of any orders, ordinances, laws, or any other requirements of any applicable governmental authority affecting the Property, and Seller has not received any notice of violation from any governmental authority;
- (x) The Property is not the subject of any pending or threatened litigation or other potentially adverse claims;
- (xi) Seller has not received any notice of any condemnation or eminent domain proceeding concerning the Property;
- (xii) No hazardous materials or toxic chemicals or substances as defined under 42 U.S.C. § 1251 *et seq.*, 42 U.S.C. § 6901 *et seq.*, 42 U.S.C. § 9601 *et seq.*, 33 U.S.C. § 1317(1), 15 U.S.C. § 2606(f), 49 U.S.C. § 1801, *et seq.*, or any regulations adopted pursuant to such statutes or any similar local, state, or federal law (collectively, "**Hazardous Materials**") are or were (a) stored on or under the Property, (b) used on or under the Property, or (c) removed from the Property; and,
- (xiii) 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 and will deliver to Buyer at or prior to the settlement an affidavit prepared by Buyer evidencing such fact and such other documents as may be required under law.

4. Notices. All notices under this Agreement must be in writing and addressed to the persons hereafter identified and will be deemed to have been duly given if transmitted by (a) hand delivery, (b) certified mail, return receipt requested, postage prepaid, (c) recognized overnight courier service, or (d) if agreed upon in advance by the parties or if receipt is acknowledged by the recipient, electronic means:

To Buyer:	Real Estate Manager Karen Scarano 1434 Air Rail Avenue Virginia Beach, Virginia 23455 <a href="mailto:kscarano@hrsd.com">kscarano@hrsd.com</a>
With copy to:	Robyn Hansen, Esq. Sands Anderson PC 4801 Courthouse Street, Suite 203 Williamsburg, Virginia 23188 <a href="mailto:rhansen@sandsanderson.com">rhansen@sandsanderson.com</a>
	Danielle Wang, Esq. Sands Anderson PC 919 East Main Street, Suite 2300 Richmond, Virginia 23219 <a href="mailto:dwang@sandsanderson.com">dwang@sandsanderson.com</a>
To Seller:	Terry L. Lawson 29686 Skyview Drive Mechanicsville, Maryland 20659 Email: _____

Notice will be deemed to have been given on the date of (a) delivery when hand-delivered, (b) mailing when mailed by certified mail, (c) delivery when delivered by recognized overnight courier service, (d) upon sending of an email after such means of delivery was previously agreed upon, or (e) upon acknowledgment of an email by the receiving party if such means of delivery was not previously agreed upon. Either party may change its address by providing notice to the other.

5. Feasibility.

(i) Right of Entry. From the Effective Date through settlement, Buyer and its agents will have the right to enter, unimpeded, the Property to (a) conduct inspections, engineering, architectural, environmental, title, zoning, survey, and other feasibility

studies, and (b) prepare the Property for Buyer's use after the Settlement Date, each of the foregoing at Buyer's expense.

(ii) **Land Use.** Before the Settlement Date, Buyer may make application to any governmental authority that has jurisdiction over the Property and its use. Seller will promptly execute all applications, instruments, or other documents requested by Buyer to obtain any governmental permits or approvals as may be necessary for Buyer's intended use.

(iii) **Environmental Assessment.** Buyer will obtain a Phase I, Environmental Assessment Report (the "**ESA**") of the Property from an environmental engineering and inspection company, who will prepare the ESA in accordance with standard commercial practices. If the ESA recommends additional tests, studies, inspections, or reports, then Buyer will send Seller a copy of the ESA and may (a) terminate this Agreement by providing written notice to Seller, (b) take any or all further actions recommended in the ESA and reduce the Purchase Price by the cost incurred by such actions, or (c) proceed to settlement.

(iv) **Title.** Within 60 days of the Effective Date, Buyer will obtain a title commitment from Fidelity National Title Insurance Company (the "**Title Company**") and provide Seller a copy of it together with written notice of any objections or defects revealed therein (the "**Title Objections**"). Seller will have ten days from receiving the Title Objections to provide a written response, and Seller will have until the Settlement Date to cure the defects at Seller's expense. If Seller is unwilling to cure all defects, then Buyer may either waive the defects Seller is unwilling to cure or terminate this Agreement by providing written notice to Seller. Notwithstanding the foregoing, Seller must cure all monetary encumbrances and all Title Objections that can be cured by the execution of a document requiring only Seller's signature.

6. **Conditions Precedent to Settlement.** Buyer's obligation to purchase the Property will be contingent upon the occurrence or waiver of the following (collectively, the "**Conditions**");

(i) **Environmental Assessment.** At Buyer's expense, Buyer will have obtained (a) a satisfactory ESA, (b) satisfactory results from any additional tests, studies, inspections, or reports recommended by the ESA, and (c) satisfactory results from any recommended remediation;

(ii) **Land Use.** At Buyer's expense, Buyer will have applied for and obtained approval from all governmental authorities to use the Property for its intended use;

(iii) **Title.** At Seller's expense, Seller will have (a) cured all Title Objections, (b) released or removed all monetary encumbrances, and (c) delivered all affidavits, instruments, and other documents reasonably requested by Buyer or the Title Company, including a signed 1099-S.



7. Risk of Loss. Until the Settlement Date, Seller will assume all risk of loss by fire, windstorm, or other casualty, and damage to the Property caused by other means. Seller will provide Buyer with written notice within 24 hours of any loss or damage to the Property. Upon receiving such notice, Buyer will have the option to (a) terminate this Agreement by providing written notice to Seller, or (b) affirm this Agreement upon Seller's assignment of any insurance proceeds received by Seller and attributable to the damage to the Property.

8. Settlement.

(i) Settlement Date. Settlement will occur on or before, with time being of the essence, the later of (a) 60 days from the Effective Date or (b) five days after the occurrence or waiver of all the Conditions (the "**Settlement Date**").

(ii) Deliveries. On or before settlement, Seller will deliver to Sands Anderson PC, the settlement agent the (a) executed original of the deed, and (b) that Post-Closing Possession Agreement attached hereto as Exhibit A. Buyer will deliver the Purchase Price by wire transfer to Sands Anderson PC. Each party will also deliver all documents reasonably requested by the Title Company to Sands Anderson PC, Attn: Sharon Shelton, 919 E. Main Street, Suite 2300, Richmond, Virginia 23219.

(iii) Costs. At settlement, Buyer will pay the cost of (a) title searches, title updates, and title insurance premiums, (b) state and county filing fees, (c) recordation taxes, including the grantor's tax, and (d) all settlement fees charged by Sands Anderson PC. Seller will pay the cost of (y) any Seller's attorney's fees and (z) the payoff and release of all monetary encumbrances, if any.

(iv) Prorations. Buyer will pay those real estate taxes and stormwater fees that have accrued since the end of the tax period immediately preceding the Settlement Date. Seller will be responsible for any other costs, including any delinquent real estate taxes, utility bills, and fuel oil incurred prior to the Settlement Date. Any special assessments and rollback taxes imposed by any governmental authority or community association will be paid in full by Seller before or at settlement.

(v) Possession. Seller will deliver possession of the Property to Buyer at settlement, subject to the Post-Closing Possession Agreement.

9. Survival. The representations, warranties, covenants, and promises of Seller set forth in this Agreement will survive settlement.

10. Default and Termination.

(i) Either of the following will be an "**Event of Default**:"

a. Upon any material breach of Seller's representations, warranties, covenants, or agreements under this Agreement and such breach has not been cured within 10 days after receipt of written notice from Buyer; or,

b. Upon of any material breach by Buyer of any of its representations, warranties, covenants, or agreements under this Agreement and such breach has not been cured within 10 days after Buyer's receipt of written notice from Seller.

(ii) This Agreement may be terminated as follows:

a. By Buyer:

i. In accordance with paragraphs 5(iii) and (iv);

ii. If any of the Conditions are not satisfied within 90 days of the Effective Date;

iii. Upon an Event of Default by Seller; provided, however, Buyer may not terminate if it is in material breach of its representations, warranties, covenants, or agreements under this Agreement.

b. By either the Seller upon an Event of Default by Buyer; provided, however, Seller may not terminate if they have materially breached his representations, warranties, covenants, or agreements under this Agreement.

(iii) Upon an Event of Default by Seller, Buyer will be entitled to pursue a breach of contract action against Seller seeking specific performance, damages, and costs and other charges allowable by law. Buyer reserves all rights of action, waiving none. Nothing herein will be construed to limit the actions Buyer may bring or the damages or remedies Buyer may seek.

(iv) Upon an Event of Default by Buyer, Seller will be entitled to pursue a breach of contract action against Buyer seeking damages, and costs and other charges allowable by law.

(v) Any party's failure to enforce the terms, covenants, or conditions stated herein will not constitute a waiver of such party's rights under this Agreement. No waiver of any provision of this Agreement will be valid unless the same is in writing. Any written waiver given under this Agreement will be interpreted narrowly and to only apply to the condition, circumstance, or situation expressly stated in such waiver.

11. Entire Agreement, Assignment, and Modification. This Agreement and the Exhibit contain the entire agreement between the parties and supersedes all prior written and oral agreements concerning the conveyance of the Property to Buyer. This Agreement may not be assigned by any party without the consent of the other parties. The parties acknowledge that this Agreement is binding upon and inures to the benefit of

and is enforceable by the parties' respective assigns and successors-in-title. This Agreement may not be modified except by a writing signed by the parties or their assigns or successors-in-title.

13. Governing Law and Venue. This Agreement will be governed by and construed in accordance with the laws of the Commonwealth of Virginia. The parties hereby consent to the jurisdiction and venue of the Circuit Court of the City of Richmond in connection with any proceeding arising out of or relating to this Agreement and waive the right to bring any proceeding in any other jurisdiction or venue.

14. Waiver of Trial By Jury. THE PARTIES AGREE TO WAIVE THEIR RIGHT TO A JURY TRIAL IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM BROUGHT BY EITHER PARTY AGAINST THE OTHER. THIS WAIVER APPLIES TO ANY MATTERS ARISING FROM OR RELATED TO THIS (A) AGREEMENT AND THE EXHIBIT AND (B) ANY INSTRUMENTS, AFFIDAVITS, AND DOCUMENTS DELIVERED AT SETTLEMENT. THIS PROVISION ALSO APPLIES TO ANY CLAIMS FOR INJURY OR DAMAGE TO ANY PARTY OR ITS PROPERTY.

15. Severability. If any provision of this Agreement is deemed invalid or unenforceable by a court of competent jurisdiction, then the remainder of this Agreement will not be affected and will remain binding and enforceable as if such invalid or unenforceable provision had never been included herein.

16. Execution. This Agreement may be executed in any number of counterparts, each of which will be an original and all of which will constitute one and the same instrument. Facsimile or electronic signatures will be as effective and binding as original signatures.

[THE REMAINDER OF THIS PAGE IS  
INTENTIONALLY LEFT BLANK]

The Hampton Roads Sanitation District Commission approved this Agreement and authorized its General Manager/CEO to execute this Agreement at its regular meeting on \_\_\_\_\_, 2025.

WITNESS the following signatures and seals:

**HAMPTON ROADS SANITATION DISTRICT**

By: \_\_\_\_\_ (SEAL)

Name: Jay Bernas, P.E., M.B.A.

Title: General Manager/CEO

Date of execution: \_\_\_\_\_

**COMMONWEALTH OF VIRGINIA**

City of Virginia Beach, to-wit:

This Agreement was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2025, by Jay Bernas, P.E., M.B.A., in his capacity as General Manager/CEO of Hampton Roads Sanitation District.

\_\_\_\_\_  
Notary Public

Notary Public Registration No. \_\_\_\_\_

My commission expires: \_\_\_\_\_

**SELLER**

\_\_\_\_\_(SEAL)  
Terry L. Lawson

Date of execution: \_\_\_\_\_

**COMMONWEALTH OF VIRGINIA**

City/County of \_\_\_\_\_ to-wit:

This Agreement was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 202\_, by  
Terry L. Lawson.

\_\_\_\_\_  
Notary Public

Notary Public Registration No. \_\_\_\_\_

My commission expires: \_\_\_\_\_

**EXHIBIT A**

**POST-CLOSING POSSESSION AGREEMENT**  
**("PCP Agreement")**

**PURCHASER:** Hampton Roads Sanitation District, a political subdivision of the Commonwealth of Virginia (the "**Buyer**")

**SELLER:** Terry L. Lawson (the "**Seller**")

**PROPERTY:** 3845 Main Street, Chincoteague, VA  
Tax Map No.: 30A3-A-5 (the "**Property**")

**DATES OF POSSESSION:** \_\_\_\_\_, 2025 to \_\_\_\_\_, 2025

**WHEREAS**, the Buyer and the Seller have entered into a Purchase and Sale Agreement with the effective date of March \_\_\_\_\_, 2025 for the purchase and sale of the Property (the "**PSA**"); and,

**WHEREAS**, the Seller wishes to possess the Property for a period of up to 90 days following the Settlement Date, as defined in the PSA.

**NOW, THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged:

1. Beginning on the Settlement Date and for a period up to 90 days thereafter (the "**Tenancy Period**"), unless terminated sooner or extended by mutual agreement of the parties, Seller may occupy the Property at the rate of **\$0.00** per day.

2. The Seller agrees to procure and maintain, during the Tenancy Period, a policy or policies of insurance adequately covering the Property in an amount and form satisfactory to Buyer insuring against fire and any other casualty and public liability which might arise out of or by virtue of the use and possession of the Property by the Seller.

3. The Seller hereby agrees to indemnify and hold the Buyer harmless in all respects from any and all claims, demands, action, causes of action, damages, expenses, losses, costs, attorney's fees, or liabilities arising in any way from or out of Seller's possession, use, or enjoyment of the Property.

4. The Seller accepts the Property "AS-IS" as of the Settlement Date, and will take no action to damage, and will take all reasonable efforts to prevent damage to, the Property during Seller's possession of the Property. If damage of any kind occurs to the Property, or any deterioration which is beyond reasonable wear and tear, the Seller will remediate and repair the Property immediately, at Seller's sole cost and expense and

cause the Property to be returned to the same or better condition than it was as of the Settlement Date.

5. If Seller maintains possession or fails to turn possession over to Buyer pursuant to the terms of this PCP Agreement upon the expiration of the Tenancy Period, Seller will pay to Buyer \$50.00 per day for rent. If Seller does not vacate the Property within five days after the expiration of the Tenancy Period, Seller will be responsible for the expenses of Buyer in any legal proceedings to evict Seller from the Property, including reasonable attorney's fees and costs.

6. The Seller agrees to pay all expenses related to Seller's possession of the Property, including utilities and fuel.

7. Seller agrees to maintain the Property in good condition and in compliance with all town or county ordinances and state codes, including yard maintenance.

8. This PCP Agreement may be executed in counterparts, each of which will be an original and all of which will constitute one and the same agreement. Facsimile or electronic signatures will be as effective and binding as original signatures.

**IN WITNESS WHEREOF**, the parties have caused their hands and seals to be affixed this \_\_\_\_ day of \_\_\_\_\_, 2025.

Buyer: **HAMPTON ROADS  
SANITATION DISTRICT**

By: \_\_\_\_\_  
Karen Russo-Scarano, SR/WA  
Real Estate Manager

Seller: \_\_\_\_\_  
**Terry L. Lawson**

# LOCATION MAP

3845 Main Street, Chincoteague, Eastern Shore



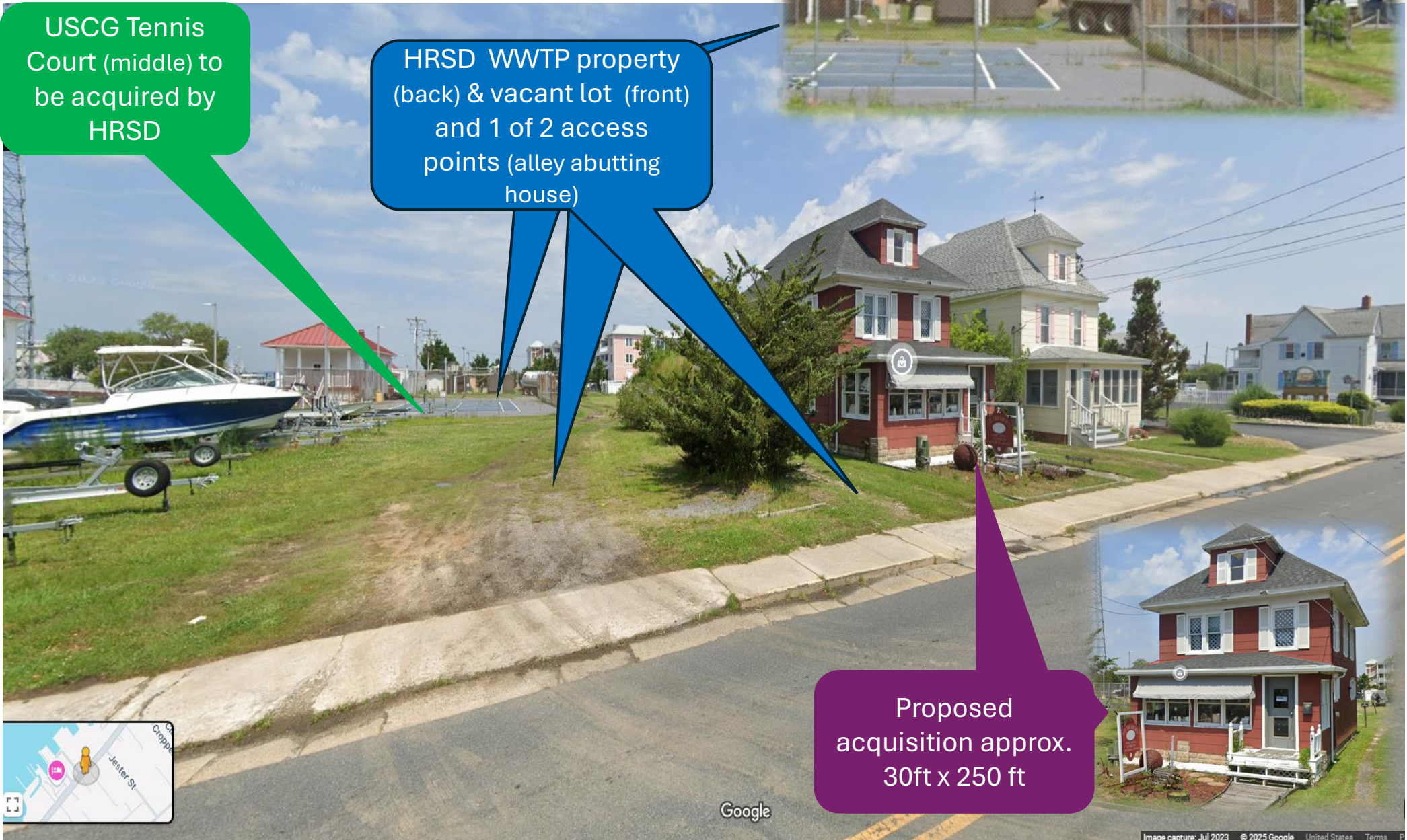


VISUAL – displaying congested area  
and limited /confined HRSD site



USCG Tennis  
Court (middle) to  
be acquired by  
HRSD

HRSD WWTP property  
(back) & vacant lot (front)  
and 1 of 2 access  
points (alley abutting  
house)



Proposed  
acquisition approx.  
30ft x 250 ft



## AGENDA ITEM 8. – March 25, 2025

**Subject:** Operational Challenges and Responses  
Briefing

**Recommended Action:** No action is required.

**Brief:** The month of February presented a series of operational challenges across our service area, triggered by a confluence of extreme weather events, increased system demands, and process breakdowns. This situation prompted an exceptional level of coordination and seamless cooperation among multiple departments. To address the imminent threat of overflows and ensure the continued delivery of essential services to our community, North Shore Interceptor Operations, South Shore Interceptor Operations, Support Services - Hauling Group, Williamsburg Treatment Plant (WBTP), and Boat Harbor Treatment Plant (BHTP), and the Small Communities Department immediately initiated a unified response. This collaborative effort involved the strategic deployment of a multifaceted strategy:

- **Pump and Haul Operations:** Pump and Haul trucks were utilized at critical locations to alleviate overflows and worked tirelessly to transport excess wastewater to facilities with available capacity.
- **Flow Storage and Diversions:** Existing storage pond and equalization basins were optimized to buffer peak flows, and strategic diversions were implemented to redirect excess flow away from vulnerable areas.
- **System Management:** Real-time monitoring and control systems were utilized to adjust pump rates and valve settings.
- **Solids Transportation:** Solids removal and transportation from BHTP to WBTP.

Despite the significant strain placed on our internal resources, including personnel and equipment, these combined efforts proved remarkably effective. The seamless integration of operational strategies, coupled with the unwavering commitment of our staff, allowed us to successfully mitigate the challenges posed by the February events. Ultimately, through proactive measures and unwavering teamwork, we were able to prevent the need for an emergency declaration, while protecting public health and the environment

**Analysis of Cost:** HRSD was able to utilize internal resources that resulted in an estimated cost savings of \$200,000 to \$300,000, demonstrating the efficiency of our internal capabilities.

Staff will provide a briefing during the meeting.

## AGENDA ITEM 9. – March 25, 2025

**Subject:** Great Bridge Interceptor Force Main Extension at Ashley Road Force Main Failure  
Emergency Declaration

**Recommended Action:** No action is required.

**CIP Project:** N/A

**Regulatory Requirement:** None

**Brief:** An emergency declaration was authorized on March 7, 2025 due to a force main failure on a 16-inch asbestos cement (AC) pipeline in the City of Chesapeake. The failure is believed to be caused by construction practices when the force main was installed in the 1970s. Coincidentally, the force main will be replaced with the Great Bridge Interceptor Extension 16-Inch Replacement Capital Improvement Program (CIP) project (AT011900) that is currently finalizing design in the next few months.

On March 7, 2025, the City of Chesapeake notified HRSD about a potential force main failure near the intersection of S. Battlefield Boulevard and Ashley Road in the Great Bridge area of Chesapeake. When HRSD Interceptor Operations staff arrived on site, sewage was visible in the northbound lane and in the parking lot of 601 S. Battlefield Boulevard. Initial discharges were estimated to be 150 gallons per minute. Staff were able to redirect a substantial amount of flow into the city system while pump and haul operations were capturing as much flow as possible. Some of this flow drained into a nearby storm drain that ultimately drains to the Cooper's Ditch. A total of 453,300 gallons of sewage were spilled during this event with approximately 351,470 gallons recovered equating to 101,830 gallons lost.

HRSD staff used Hazen and Sawyer (Hazen) and Bridgeman Civil, Inc. (BCI) to complete the replacement of the 16-inch AC force main, manage the extensive pump and haul operations, and finish the restoration of the roadway, sidewalk, and business parking lot. The attached [map](#) and [photos](#) depict the break location.

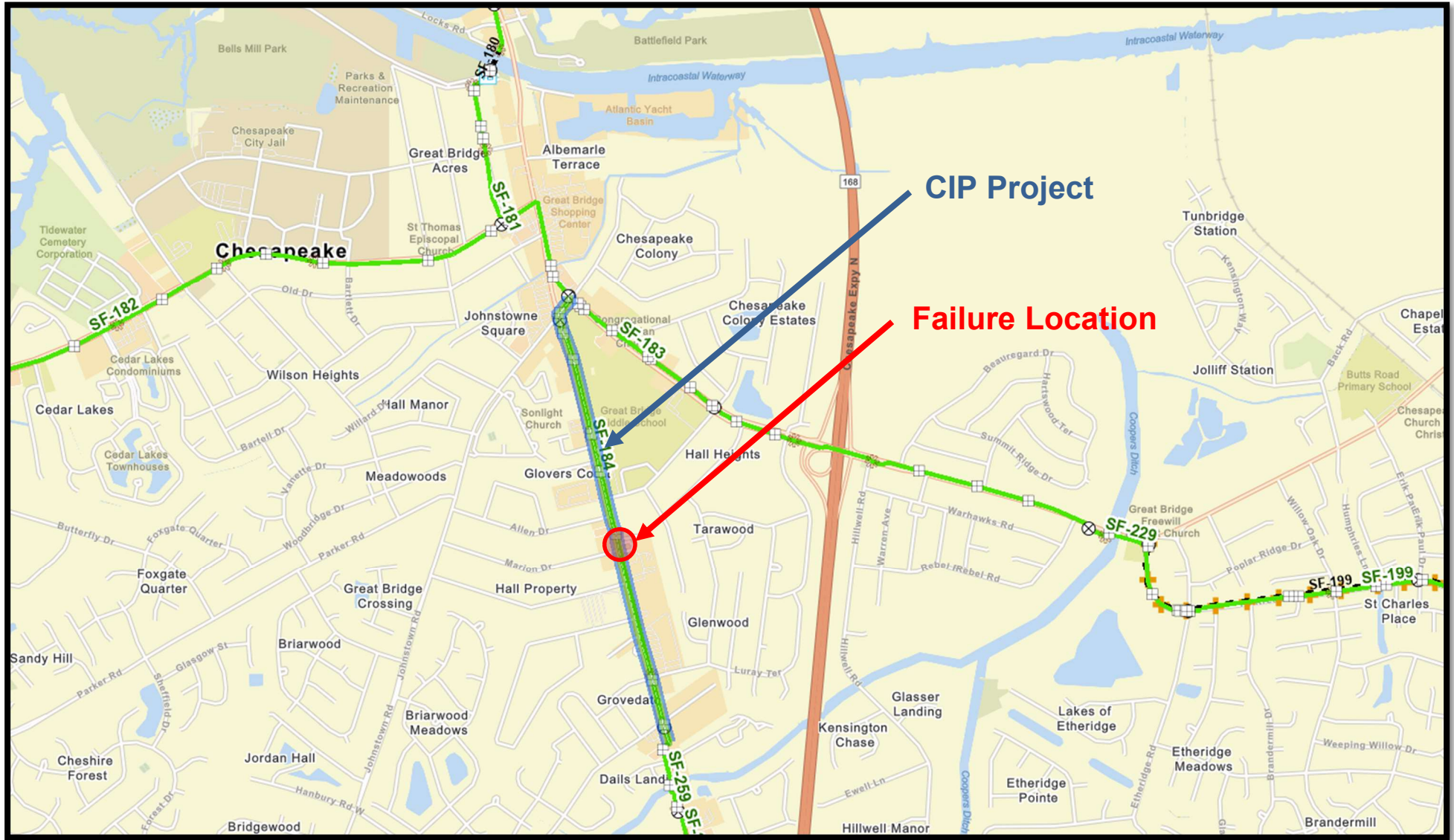
**Analysis of Cost:** The estimated cost of this work is \$250,000 and will be funded by the operating budget. The cost estimate includes emergency engineering design services, repair work, full replacement of the degraded pipe, and contingency. The cost is based on Hazen's review along with time and materials from the Prompt Repair On-Call Services contract. These estimates have been reviewed by staff and are considered reasonable.

Staff will provide a briefing during the meeting.

<b><u>Schedule:</u></b>	Emergency Declaration	March 2025
	Construction	March 2025
	Project Completion	March 2025



# Great Bridge Interceptor Force Main Extension at Ashley Road Force Main Failure Emergency Declaration Location Map





Great Bridge Interceptor Force Main Extension at Ashley Road Force Main Failure  
Emergency Declaration  
Photos











AGENDA ITEM 10. – March 25, 2025

**Subject:** Staff Appointment  
Commission Secretary

**Recommended Action:** Appoint Ms. Elizabeth “Libby” Scott as the Secretary to the Commission to succeed Ms. Jennifer Cascio effective March 29, 2025.

**Brief:** The Enabling Act requires the Commission to appoint a secretary as specified in the Enabling Act (see excerpt below).

*“The Commission shall appoint a secretary, who may or may not be a member of the Commission.... The compensation of the secretary ... shall be fixed by the Commission. The secretary ... shall serve at the pleasure of the Commission.*

*The secretary shall keep a record of the proceedings of the Commission and shall be custodian of all books, documents and papers filed with the Commission and of the minute book or journal of the Commission and of its official seal. He shall have authority to cause copies to be made of all minutes and other records and documents of the Commission and to give certificates under the official seal of the Commission to the effect that such copies are true copies, and all persons dealing with the Commission may rely upon such certificates.”*

Commissioners Glenn and Templeman were appointed by the Chair to the Commission Secretary Selection Committee. Commissioners Glenn and Templeman, along with the General Manager and HRSD’s Talent Acquisition Specialist conducted interviews on March 10, 2025.

The Committee recommends the Commission appoint Ms. Elizabeth “Libby” Scott as the Commission Secretary.

Libby began her career at HRSD in March 2014 as the Administrative Assistant at the Nansemond Treatment Plant. She was promoted to Administrative Coordinator in the Operations Department in July 2021 and transferred to the Finance Department reporting to the Deputy General Manager in October of 2022. Libby was appointed by the Commission as the Assistant Secretary to the Commission in July of 2022.

Libby serves on the Water Environment Federation (WEF) Operations Challenge Committee and is the Day of Events Coordinator for the Operations Challenge event at WEFTEC. She also volunteers at other Operations Challenge events, WaterJAM, and the HRSD Red Cross Blood Drive.

HRSD legal and bond counsel have reviewed this recommendation.



AGENDA ITEM 11. – March 25, 2025

**Subject:** New Business

AGENDA ITEM 12. – March 25, 2025

**Subject:** Unfinished Business

AGENDA ITEM 13. – March 25, 2025

**Subject:** Commissioner Comments

AGENDA ITEM 14. – March 25, 2025

**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](#)

March 14, 2025

Re: General Manager's Report



## Environmental Responsibility

Greasezilla is fully operational at the Nansemond Treatment Plant. This process extracts number six bunker fuel which is feedstock for renewable diesel.

CREW Carbon installed their pilot equipment at the Army Base Treatment Plant and began dosing. This innovative startup adds calcium carbonate to the wastewater process to reduce ocean acidity, thereby generating valuable carbon credits. They have sold \$50 million worth of carbon credits which are available for use in the next six years using their patented process. This is their third installation in the world: Connecticut (Yale startup), Germany, and HRSD.

Staff from all over HRSD rallied around the King William and West Point treatment plants to assist them with the deluge of wet weather they experienced from February 13 to 16. It was a great example of teamwork amongst different departments helping out.

Biosolids hauling from the Atlantic Treatment Plant continues going to various landfills and the McGill composting facility with minimal complaints.

**Treatment Compliance and System Operations:** February was a wet month with above average rainfall and a historic snowfall that registered as a top 10 event for the Norfolk International Airport. As a result, multiple events were reported this month. Additional details are available in the Air and Effluent Summary in the Water Quality monthly report.

- From Fiscal Year (FY) 2025 to date, there have been three Permit Exceedances out of 37,685 Total Possible Exceedances.
- Pounds of Pollutants Removed in FY 2025 to date: 131 million pounds.

**Water Quality:** No civil penalties were issued in February.



## Financial Stewardship

Revenues continued to exceed budget even with the snow event that likely delayed meter reading for a few days. Expenses continue to be under control and under budget.

Over 90,000 customers out of a total of 500,000 have registered for the new portal. Even though there were a few hiccups, the implementation was a success. As expected, call center volume spiked in February, but we expect this to normalize in the coming months.

Staff met with ODU's Dragas Center for Economic Analysis and Policy economists to develop a scope of work to determine SWIFT's economic impact.



## **Talent**

Engineer's Week was February 17- 21, and staff held a number of activities including Engineering staff spotlights on social media, (one of which was our highest performing X tweet last month), egg drop competition and other activities.

Engineering staff participated in a Speed Networking Event at ODU to give Juniors and Seniors an opportunity to connect with professionals who work at HRSD.



## **Community Engagement**

The National Academies Climate Crossroads Congressional Fellows tour was a great success. Over 30 Congressional staffers from all over the country spent an entire afternoon learning about SWIFT, hydrogeology, PFAS and other topics.

Customer Care started a new post interaction survey which was built into the new portal software. Staff emailed 2,768 after-call surveys and received 335 responses with an 87 percent overall score.



## **Innovation**

I attended the inaugural Water Disruption Group led by Radhika Fox and Xylem's CEO. Sixteen General Manager/CEOs of innovative utilities have been invited to participate from around the country.

Ferguson's CEO, COO and staff spent half a day learning about our wastewater innovations. We're confident that we will find opportunities for collaboration.

I met with a Senior Manager in Amazon's water group to discuss the potential for different collaborations including leveraging their new artificial intelligence platform.

The innovation ecosystem concept continues to gain traction. I met with the following people/entities in the last month.

- WaiHome, winner of the Coastal Innovation Challenge
- Mitox – Ozone
- MAIA Analytical – AI water
- CREW Carbon - Decarbonization
- Burnt Island Ventures – Venture Capital
- Virginia Tech – Innovation and Partnerships Team
- Redwood Rise – Tech enabler
- Norfolk State University
- Conaway Haskins – Virginia Innovation Partnership
- Bruce Katz – Consultant for Hampton Roads Alliance's Regional Playbook

**I look forward to seeing you in Virginia Beach at 9:00 a.m. on Tuesday, March 25, 2025.**

Respectfully submitted,

Jay Bernas, P.E.  
General Manager/CEO

TO: General Manager

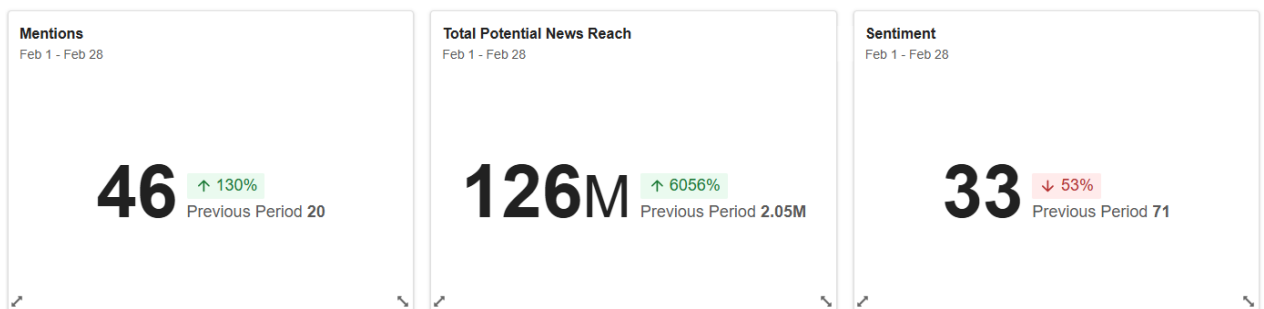
FROM: Chief Communications Officer

SUBJECT: Monthly Report for February 2025

DATE: March 12, 2025

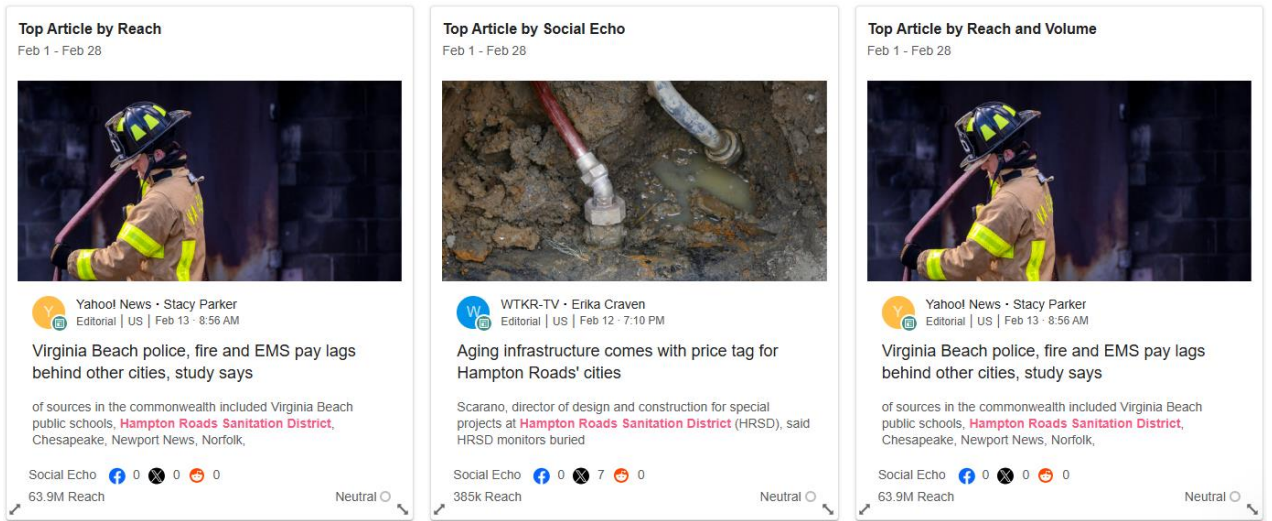
A. Publicity and Promotion

1. HRSD and Sustainable Water Initiative For Tomorrow (SWIFT) were mentioned or featured in eight stories this month. Topics included:
  - a. “Nonprofits, states scramble as Trump administrations pauses funding for many Chesapeake restoration programs” (GM quoted and story ran in six different publications)
  - b. Aging Infrastructure comes with price tag for Hampton Roads’ cities (HRSD’s Jeff Scarano was interviewed as part of the piece)
  - c. Patent issued to HRSD for “Method and apparatus for nutrient removal using anoxic biofilms”
  - d. Making the Project Delivery Decision (Design-Build Institute of America story that featured HRSD Chief Engineer Bruce Husselbee)
  - e. Implementing Machine Learning Process Controls at Water Resource Recovery
2. Analysis of Media Coverage
  - a. Key results for February

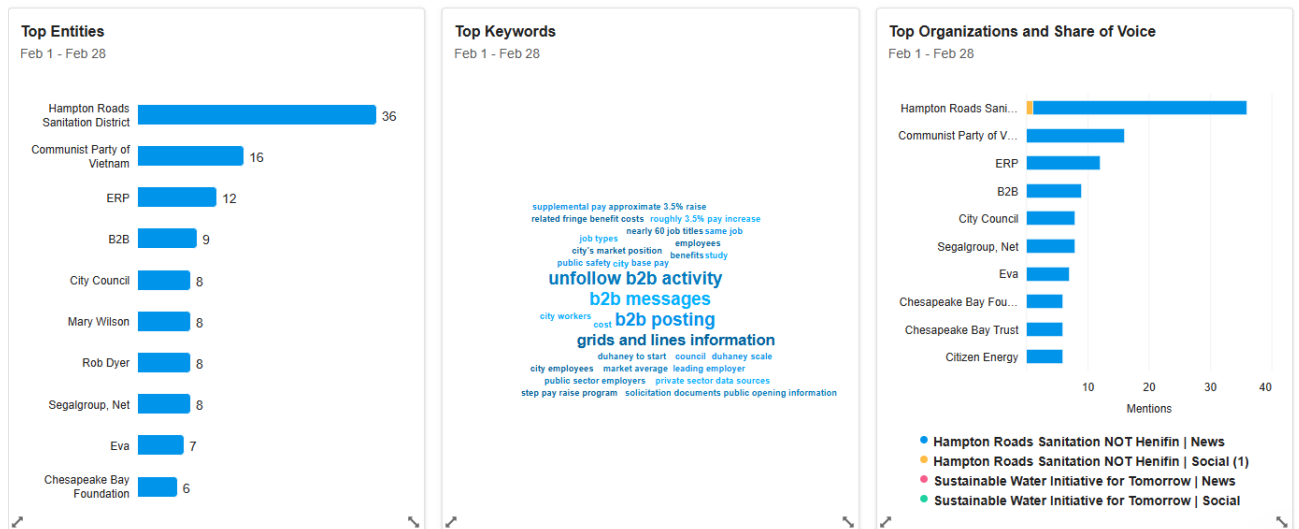


- b. Top performing news content

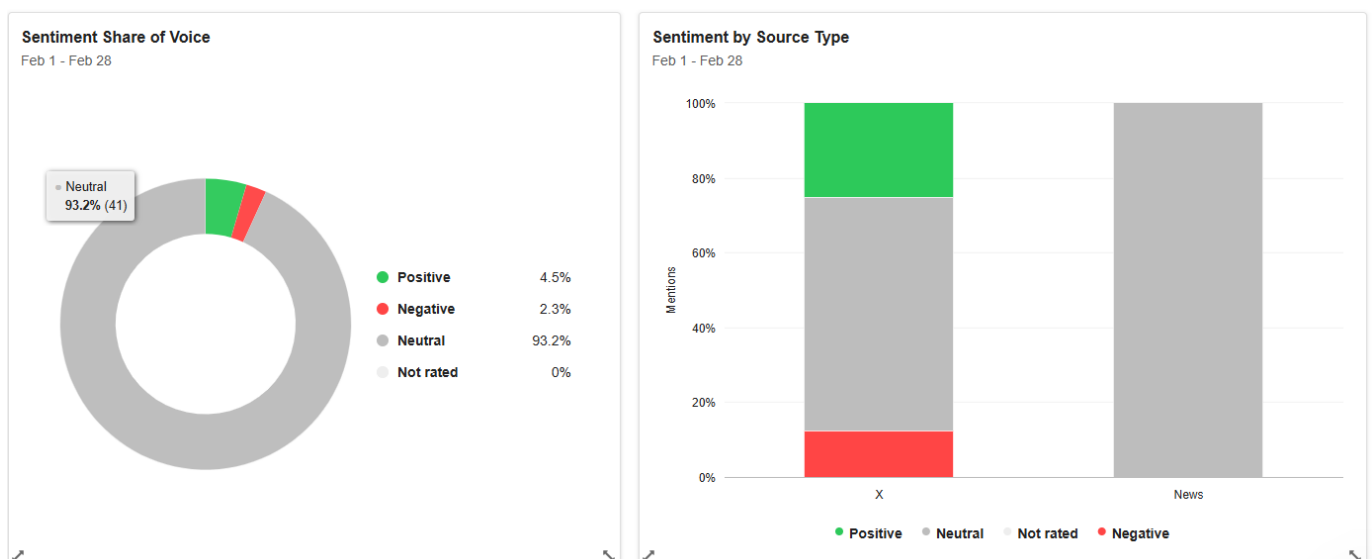




## c. Top entities and keywords

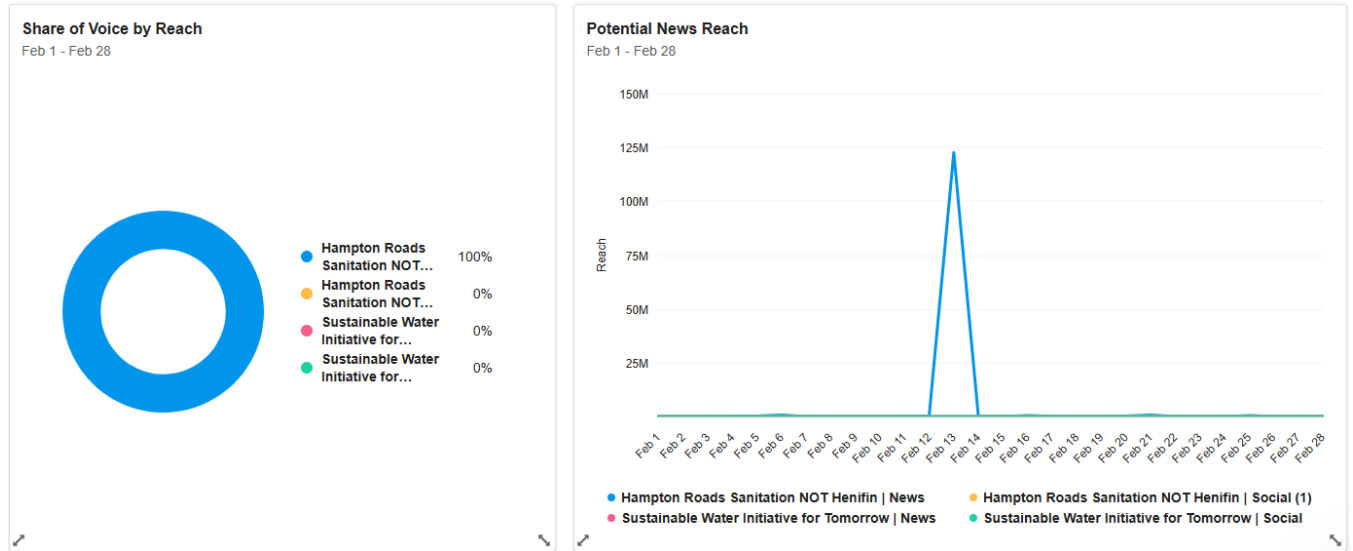


## d. How favorable is the content?

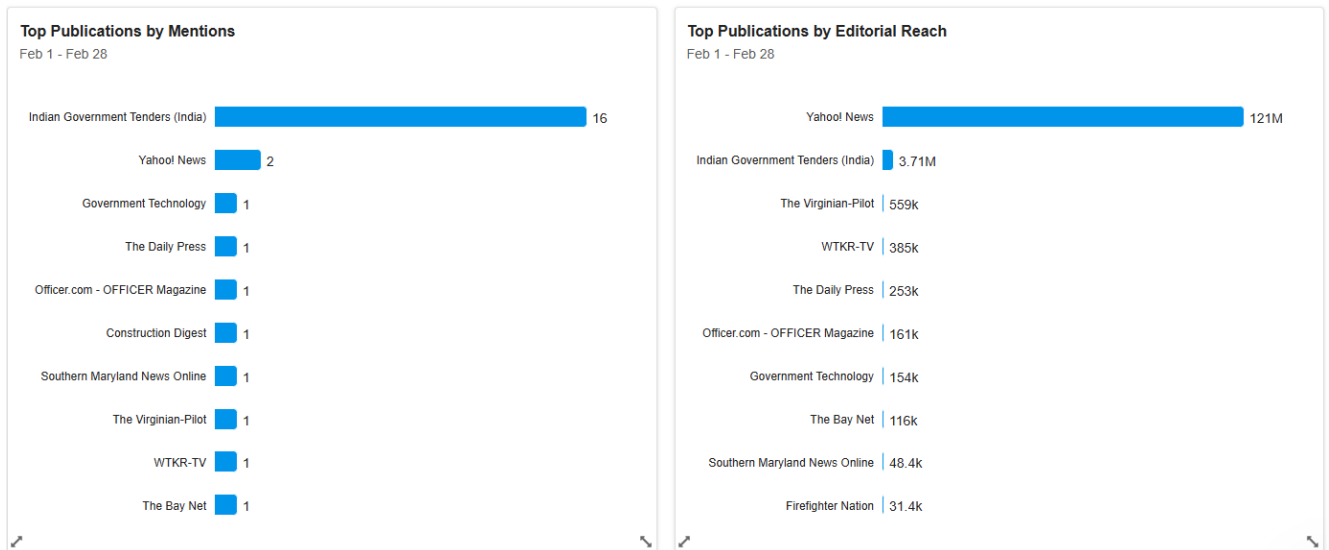


(Negative/unfavorable content attributed to tweet expressing frustration with new HRSD payment portal)

e. What is the potential reach?



f. Top publishers



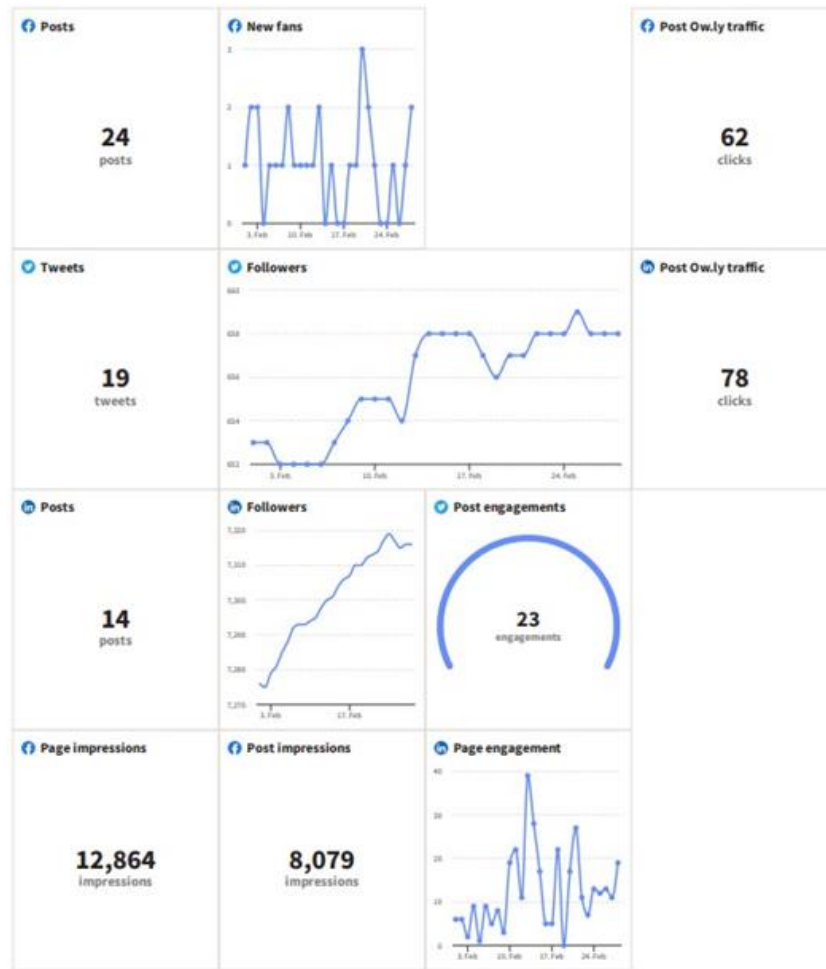
(Top publication for mentions relates to HRSD RFP issuances)



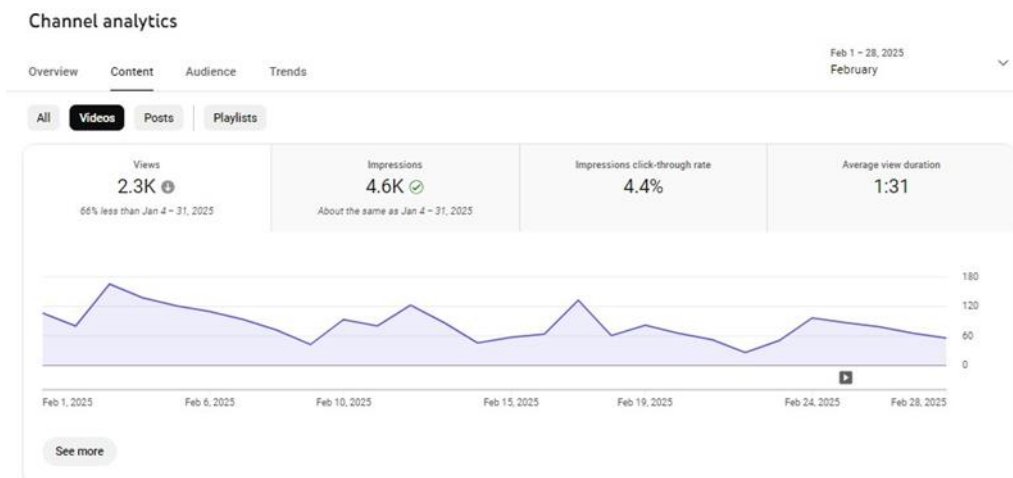
## Community Engagement

### B. Social Media and Online Engagement

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

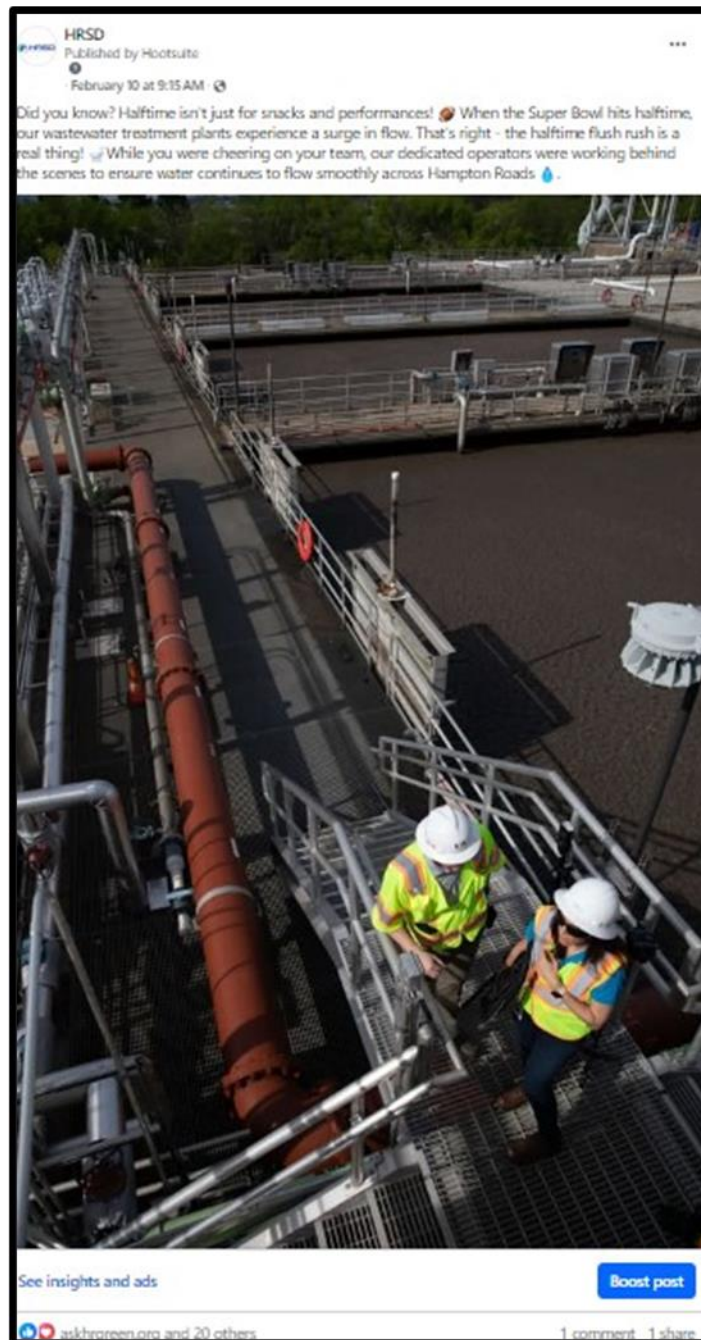


## 2. YouTube

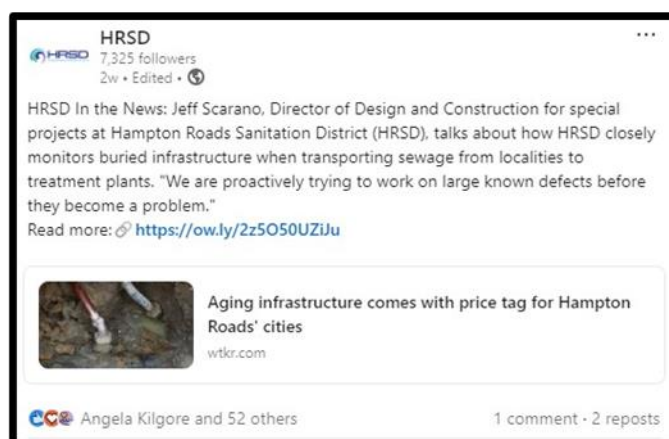


## 3. Top posts on Facebook, Twitter, and YouTube

### a. Top Facebook post



b. Top LinkedIn Post



c. Top X Post



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

- (1) [My Account Portal Introduction](#)
- (2) [The Wastewater Treatment Process](#)
- (3) [SWIFT Research Center: What is the Potomac Aquifer](#)
- (4) [2024 SWIFT Industry Day](#)
- (5) [Atlantic Treatment Plant Cambi Tour](#)

4. Website and Social Media Impressions and Visits

a. Facebook:

- (1) 12,864 page impressions
- (2) 8,079 post impressions reaching 7,722 users.
- (3) Facebook Engagement of 232 (215 reactions, 8 shares, and 9 comments)

b. X: 4.5% engagement rate

c. HRSD.com/SWIFTVA.com: 1,033 page visits

d. LinkedIn Impressions:

- (1) 12,058 page impressions
  - (2) 8,814 post impressions
- e. YouTube: 2,329 views
- f. NextDoor unique impressions: 19,439 post impressions from 16 targeted neighborhood postings and one regionwide posting.
- g. Blog Posts (0):
- h. Construction Project Page Visits – 1426 total visits (not including direct visits from home page, broken down as follows:
  - (1) 962 visits to individual pages
  - (2) 464 to the status page

C. Education and Outreach Activity Highlights

Chief Communications Officer (CCO) and staff participated in providing a tour to the National Academy of Sciences Climate Crossroads Fellows. In addition to touring the research center, the Fellows engaged in meaningful and informative dialogue and spent additional time discussing several high profile topics with HRSD's subject matter experts in areas of PdNA, resource recovery, research and PFAS. CCO and staff hosted the communications team from Virginia Natural Gas to receive an update on the renewable natural gas project in development at HRSD's Atlantic Treatment Plant (ATP). Community Outreach and Education Specialists coordinated and participated in eight different outreach events this month and the South Shore public affairs specialist attended the Larchmont Civic League meeting to provide project updates. Communications staff also attended the Atlantic Treatment Plant Quarterly Community Roundtable meeting. Community partners included the Hampton Clean City Commission, the Virginia Living Museum, Virginia Natural Gas, Chrysler Museum of Art and Virginia Beach City Public Schools. CCO also attended HRSD's annual Integrated Plan public meeting.

Project notices were distributed to 2,879 customers for seven different projects across the service area this month. The department distributed and posted five construction notices/notices to neighbors and three traffic advisories to the HRSD.com Newsroom.

D. Internal Communications

CCO participated in the following internal meetings and events:

1. SWIFT Community Commitment Plan Steering Committee meeting
2. Media training planning meeting
3. Capital Improvement Project (CIP) review meeting
4. ATP monthly communications check-in meeting

5. SWIFT Industry Day 2025 after-event review meeting
6. ATP Odor taskforce check-in meeting
7. Bi-weekly General Manager (GM) briefings
8. Discharge Monitoring Report (DMR), SWIFT Quality Steering Team (QST), and HRSD QST meetings
9. Check-in meetings with Deputy General Manager (DGM)
10. CCO conducted biweekly Communications department status meetings and weekly one-on-one check-in meetings.
11. Staff participated in 27 project progress and/or construction meetings along with additional communication planning meetings with various project managers, plant staff and external stakeholders.

Respectfully,

*Leila Rice, APR*

Chief Communications Officer



TO: General Manager

FROM: Chief Engineer

SUBJECT: Monthly Engineering Report for February 2025

DATE: March 12, 2025



## Environmental Responsibility

As part of some of our larger projects, including work at James River and Nansemond, we have created an Archaeological Unanticipated Discovery Plan. This plan was set up to address any archaeological issues that might arise during the project. We have engaged a local archaeologist to assist with this plan and to address concerns as they arise. This plan was used when we uncovered several unmarked graves at the James River Treatment Plant in 2023. Having this plan in place limits damage to potential archaeological items, addresses regulatory stipulations, and limits impacts to the schedule of these large CIP Projects.

A significant construction effort is under consideration at the Virginia Initiative Treatment Plant (VIP). Much of the proposed work could be located on the adjacent landfill site purchased by HRSD several years ago. To better understand the extents of the landfill and possible environmental constraints of this site, HRSD's design engineer, HDR Engineering, will be conducting a Nonintrusive Landfill Investigation. This analysis allows for a significant understanding of the limits of the landfill and any large obstructions that could hinder the construction without requiring any excavation. This investigation will include the use of electromagnetic conductivity meters, magnetometers, and seismic refraction devices. Understanding the limits of the landfill will allow HRSD to limit the costly impacts of excavating and removing landfill material that must be moved to a new landfill site.



## Financial Stewardship

Capital Improvement Program (CIP) spending for the seventh month of FY2025 was below the planned spending target.

CIP Spending (\$M):

	Current Period	FYTD
Actual	44.67	347.67
Plan	66.80	446.80

HRSD held the Annual CIP Review Meeting on February 27<sup>th</sup>. This meeting included members of each Division here at HRSD, Commissioners and invited locality members. New CIP projects, significant programs, and projects with major changes were reviewed. Opportunities to combine, split and delay CIP projects were discussed. As we have seen in past years, there are more requests for project funding than money available. Several options to address this funding gap, particularly in the first three (3) years of the upcoming CIP, were discussed. Follow-up discussions will be held to further consider ways to meet the needs of HRSD and limit the impact on ratepayers.





## **Talent**

Recruitment continues to be an important goal for the Engineering Division. We currently have two open positions (Condition Assessment Inspectors) and will be conducting interviews next month. These open positions provide key support to our field efforts including verifying compliance for work associated with coatings, concrete, and roofing efforts. We will be working closely with Talent Management to find qualified candidates for these open positions and to look to future needs as we consider future staffing needs and potential workforce dynamics.

Staffing for FY2026 is under review. Much of the Engineering Division's staffing needs are defined by the goals of the larger organization. We expect to add two new Condition Assessment Inspectors in the coming fiscal year. These new staff members will be used to provide CCTV inspections of sewer pipe. Their initial focus will be on infrastructure located in HRSD's Small Communities. This area has significant gravity sewers that require regular internal inspection. This new team will be stationed out of HRSD's North Shore offices to be located closer to much of the Small Communities in which their work will be conducted.



## **Community Engagement**

The Engineering Department coordinated several activities for National Engineers Week held February 17-21. This year's theme was "Design Your Future". Activities conducted by HRSD staff included:

- Staff Spotlight – We highlighted several Engineers here at HRSD. We used social media to highlight the talents and aspirations of some of our younger Engineers.
- Egg Drop Competition – This was the seventh year of this event. Ten individuals submitted entries, and the eggs were dropped from a height of about 20 feet at HRSD's South Shore offices. This year an egg drop competition also occurred at HRSD's North Shore offices with several individuals submitting entries.
- Lunch & Launch – Five teams were chosen to answer a series of trivia questions, solve puzzles and build a launch device. A small-scale rocket was launched from each device and a prize was awarded for the winning team. This was a great way to interact with Engineers from outside of our normal work environment.
- School Outreach – Staff from HRSD met with students from both elementary and middle schools from throughout the region to discuss the role of Engineer's and compete in a fun and educational project. We met with five schools and interacted with over 100 students as part of the outreach effort.

Engineering Division staff participated in the Old Dominion University Engineering (ODU) Department Speed Networking Event. This event is held twice a year to expose Juniors and Seniors at ODU to the professionals who work in the Engineering profession. This event allows students to get a better understanding of what it is like to work as an Engineer and ask questions about how to be prepared as they begin their future job search.



## Innovation

Working in densely populated areas has become a common occurrence for HRSD in recent years. Deep excavations are often necessary when installing pump station structures and gravity sewer pipes. We are using new construction technology as part of the Larchmont Area Sanitary Sewer Improvements project. The contractor has chosen to use a pressed-in-place sheeting system. This system, exclusively licensed in the U.S. to Giken American Corp., uses hydraulic rams to install sheeting to limit noise and vibrations. The project team and neighbors were very impressed with the first installation effort using this technology at the project site.

One critical aspect of the SWIFT Program is to be able to recharge the local aquifer with highly treated water from HRSD SWIFT facilities. To be able to accomplish this goal, we must be able to successfully use the recharge wells under construction for this purpose. One option that is being explored is to use glass beads in-lieu of gravel as packing on the exterior of the well column. To understand the benefits of this technology, we will be installing glass beads at one well location and monitor the performance over time. Although the glass beads are more expensive than the gravel, we expect improved performance and less maintenance issues over time. This is just one more way we are advancing knowledge about aquifer recharge for the region and for our industry

*Bruce W. Husselbee*

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

TO: General Manager/CEO

FROM: Deputy General Manager and Chief Financial Officer

SUBJECT: Monthly Report for February 2025

DATE: March 12, 2025



## Financial Stewardship

Work on the Chesapeake Elizabeth Treatment Plant closure Water Quality Improvement Fund (WQIF) grant continues. Staff submitted all invoices for review for Part B (\$18 million) of the grant award. We hope this will be a smooth process as lessons learned from Part A (\$78 million) of the grant award were incorporated into the payment request. A portion of both Parts A and B must be used to pay outstanding indebtedness on the related projects; the balance of the grant proceeds will be used as a funding source for our capital improvement program. We are still waiting on the State budget office to release the approved funds for Part A of the grant.

As of Monday, March 10, 2025, 92,347 customers successfully registered in the new customer portal with 19,974 AutoPay enrollments and 11,164 paperless (e-bill) enrollments. Registered customers are now able to navigate their accounts to view or pay their bill, review their payment or billing history, register for AutoPay or Go Paperless in addition to viewing their current usage and history. Non-registered customers can also make one-time payments within minutes.

Overall past due accounts slightly increased during the month of February 2025, most notably in the 31-60 days past due delinquencies.

The Debt Solutions team is making in-person visits to large commercial past due accounts resulting in nearly \$200,000 in payments.

Field staff delivered 2,262 warning door tags and disconnected water service to 1,364 accounts during February 2025. Reduced disconnection activity was due to staffing shortages and winter weather.

Staff are continuously working with partner localities to develop the most effective collection strategies for our mutual customers. A significant effort has included outbound collections calls, arranging pay plans, leaving additional financial assistance information in addition to a pre-emptive warning tag, and third-party collections for closed accounts.

Customer call and email volumes were over 6,000 each week (except for the snow event week) due to the continued transition period for customers switching to the new customer engagement portal launch.

The expected surge in customer calls has been met with dedicated team members patiently and positively assisting customers, demonstrating helpful portal tips, and sharing enhanced features available, including a new histogram showing billed charges over the past year. Due to the extended length of calls, the level of service decreased to an average of 13% of calls answered within three minutes, with an average wait time of ten minutes, 43 seconds, and an abandonment rate of 45%. While these service levels appear lower, staff is updating Frequently Asked Questions to aid customers in self-service opportunities and the Call Center is intentionally

focused on quality versus quantity to ensure all customer questions are answered. As a result, many customers have expressed gratitude in the thorough service received.

The Call Center team emailed 2,768 after call surveys, receiving 335 responses and an overall 87 percent favorable score.

The accompanying Interim Financial Report indicates that most revenue and expense accounts are generally in line with the amended budget. Interest Income, however, continues to significantly exceed year-end budgetary expectations primarily due to interest earnings on construction proceeds from the 2024B Wastewater Revenue Bonds issued earlier this fiscal year. It should be noted, however, that interest earnings to date, exclusive of the earnings on bonds proceeds, still significantly exceed (135%) annual budgetary expectations despite interest rate cuts by the Federal Reserve and despite staff significantly increasing the earnings expectations in fiscal year 2025.

The rate of increase of billed consumption for the month of February declined slightly from expectations. It is likely that the decline is related to the record snowfall received and the fact that most localities were unable to read meters timely. If this is the case, billed consumption should increase in the following months.

## A. Interim Financial Report

### 1. Operating Budget for the Period Ended February 28, 2025.

	Amended Budget	Current YTD	Current YTD as % of Budget (67% Budget to Date)	Prior YTD as % of Prior Year Budget
<b>Operating Revenues</b>				
Wastewater	\$ 442,031,000	\$ 299,472,563	68%	69%
Surcharge	1,400,000	1,066,417	76%	61%
Indirect Discharge	3,970,000	2,848,846	72%	68%
Fees	3,172,000	2,723,947	86%	86%
Municipal Assistance	837,000	449,738	54%	100%
Miscellaneous	1,982,000	1,421,406	72%	104%
Total Operating Revenue	453,392,000	307,982,917	68%	69%
<b>Non Operating Revenues</b>				
Facility Charge	6,170,000	4,304,075	70%	75%
Interest Income	7,300,000	17,164,274	235%	300%
Build America Bond Subsidy	-	-	0%	51%
Other	330,000	553,891	168%	44%
Total Non Operating Revenue	13,800,000	22,022,240	160%	127%
<b>Total Revenues</b>	467,192,000	330,005,157	71%	70%
Transfers from Reserves	19,475,990	12,983,993	67%	67%
<b>Total Revenues and Transfers</b>	\$ 486,667,990	\$ 342,989,150	70%	70%
<b>Operating Expenses</b>				
Personal Services	\$ 80,140,274	\$ 50,623,857	63%	65%
Fringe Benefits	30,767,169	17,940,574	58%	65%
Materials & Supplies	15,245,514	9,088,967	60%	54%
Transportation	2,382,779	1,182,758	50%	54%
Utilities	16,643,039	9,881,667	59%	67%
Chemical Purchases	16,974,110	9,449,686	56%	58%
Contractual Services	57,868,703	24,799,474	43%	46%
Major Repairs	16,778,801	4,304,698	26%	31%
Capital Assets	2,361,019	198,225	8%	23%
Miscellaneous Expense	4,171,177	2,927,950	70%	50%
<b>Total Operating Expenses</b>	243,332,585	130,397,856	54%	57%
<b>Debt Service and Transfers</b>				
Debt Service	87,700,000	63,886,805	73%	74%
Transfer to CIP	155,635,405	103,756,937	67%	67%
Transfer to Risk management	-	-	0%	67%
Total Debt Service and Transfers	243,335,405	167,643,742	69%	69%
<b>Total Expenses and Transfers</b>	\$ 486,667,990	\$ 298,041,598	61%	63%

## 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 the 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 February 28, 2025.

### HRSD - RESERVE AND CAPITAL ACTIVITY

February 28, 2025

	General Reserve			Capital		
	General	Debt Service	Risk Mgmt Reserve	Paygo	SNAP	CIP Proceeds
	Unrestricted	Restricted	Unrestricted	Unrestricted	Restricted	Restricted
Beginning - July 1, 2024	\$ 240,258,497	\$ 22,307,000	\$ 4,799,555	\$ 37,468,922	\$ -	\$ -
<b>Current Year Sources of Funds</b>						
<b>Current Receipts</b>	322,011,188					
Line of Credit						-
VRA Draws						31,616,076
WIFIA Draws						194,396,171
Grants						26,213,408
Series 2024B					268,087,870	
Series 2024B Interest					6,687,322	
Transfers In			-	103,756,937		
<b>Sources of Funds</b>	322,011,188	-	-	103,756,937	274,775,192	252,225,655
<b>Total Funds Available</b>	<b>\$ 562,269,685</b>	<b>\$ 22,307,000</b>	<b>\$ 4,799,555</b>	<b>\$ 141,225,859</b>	<b>\$ 274,775,192</b>	<b>\$ 252,225,655</b>
<b>Current Year Uses of Funds</b>						
Cash Disbursements	204,024,168			63,047,903	84,451,021	252,225,655
Transfers Out	103,756,937					
<b>Uses of Funds</b>	307,781,105	-	-	63,047,903	84,451,021	252,225,655
<b>End of Period - February 28, 2025</b>	<b>\$ 254,488,580</b>	<b>\$ 22,307,000</b>	<b>\$ 4,799,555</b>	<b>\$ 78,177,956</b>	<b>\$ 190,324,172</b>	<b>\$ -</b>
Unrestricted Funds	\$ 337,466,091					

4. Capital Improvements Budget and Activity Summary for Active Projects for the Period Ended February 28, 2025.

HRSD - PROJECT ANALYSIS				February 28, 2025		
Classification/ Treatment Service Area	Appropriated Funds	Expenditures prior to 7/1/2024	Expenditures Year to Date FY2025	Total Project Expenditures	Encumbrances	Available
Administration	126,148,101	32,741,525	5,815,647	38,557,172	74,926,192	12,664,737
Army Base	178,442,597	126,238,488	304,221	126,542,709	9,793,437	42,106,451
Atlantic	205,135,158	17,798,654	12,225,116	30,023,770	40,608,179	134,503,209
Boat Harbor	512,142,360	183,558,580	66,506,686	250,065,266	205,805,415	56,271,679
Ches-Eliz	29,678,787	5,844,306	190,681	6,034,987	9,585,105	14,058,695
Eastern Shore	63,812,749	41,487,070	2,987,056	44,474,126	2,633,692	16,704,931
James River	365,141,716	185,970,412	56,731,650	242,702,062	85,824,913	36,614,741
Middle Peninsula	89,030,822	21,437,085	2,050,022	23,487,107	4,574,128	60,969,587
Nansemond	524,624,899	210,086,668	70,019,396	280,106,064	187,954,411	56,564,424
Surry	57,978,543	45,155,705	911,731	46,067,436	6,382,550	5,528,557
VIP	291,705,652	66,659,267	28,722,453	95,381,720	115,690,356	80,633,576
Williamsburg	87,334,019	22,399,476	1,179,651	23,579,127	5,693,145	58,061,747
York River	100,005,557	40,083,206	14,339,232	54,422,438	27,714,124	17,868,995
General	1,508,904,057	336,602,844	102,881,497	439,484,341	777,975,723	291,443,993
	\$ 4,140,085,017	\$ 1,336,063,286	\$ 364,865,039	\$ 1,700,928,325	\$ 1,555,161,370	\$ 883,995,322

## 5. Active Capital Grants

Active Grants - includes Applications Submitted and not yet Awarded								
Grant Name	Funder	Project	CIP#	Application Submitted	Amount Requested	HRSD Award Amount	Reimbursement Received to Date	
American Rescue Plan Act	VDEQ	James River Treatment Plant Advanced Nutrient Reduction Improvements	JR013400	10/7/2022	\$ 50,000,000	\$ 36,124,859	\$ 19,437,911	
American Rescue Plan Act	VDEQ	Eastern Shore Infrastructure Improvements - TFM Phase I (Accomac)	ES010100	11/28/2022	\$ 8,367,000	\$ 4,183,500	\$ 4,133,500	
Community Flood Preparedness Fund	VDCR	Onancock Treatment Plant Administrative Building Design	ES010300	10/30/2024	\$ 374,400	\$ -	\$ -	
Community Flood Preparedness Fund	VDCR	Dozier's Corner Pump Station Replacement	AT015400	12/4/2024	\$ 6,265,669	\$ -	\$ -	
Community Flood Preparedness Fund	VDCR	Army Base Treatment Plant Generator Controls Replacement	AB012100	1/22/2025	\$ 5,473,498	\$ -	\$ -	
FHWA Recreational Trails Program	VDCR	Flax Mill Creek Trail at James River Treatment Plant (FCT 42230)	GN016344	6/1/2021	\$ 300,000	\$ 303,725	\$ 303,725	
FY24 Community Projects Funding	Congress, EPA	Eastern Shore Wastewater Improvements, Chincoteague	ES010500	3/7/2023	\$ 9,677,112	\$ 1,250,000	\$ -	
FY25 Community Projects Funding	Congress, EPA	Onancock Treatment Plant Solids Handling Improvements	ES010800	3/21/2024	\$ 6,624,248	\$ -	\$ -	
Water Quality Improvement Fund	VDEQ	Chesapeake-Elizabeth Treatment Plant Conveyance	Multiple	2/7/2023	\$ 100,647,746	\$ 95,976,774	\$ -	
Water Quality Improvement Fund	VDEQ	James River SWIFT - Advanced Nutrient Reduction Improvements	JR013400	3/23/2023	\$ 344,741,547	\$ -	\$ -	
Water Quality Improvement Fund	VDEQ	Boat Harbor Pump Station and Conveyance	BH015700 BH015710 BH015720 BH015730	3/4/2024	\$ 311,286,392	\$ -	\$ -	
Water Quality Improvement Fund	VDEQ	Nansemond Treatment Plant Advanced Nutrient Reduction Improvements Phase II	NP013820 GN016380	3/4/2024	\$ 127,657,505	\$ -	\$ -	
Non-Point Source Funding	VDCR	Gloucester Septic to Sewer	n/a	2/3/2024	Performance payments	\$ -	\$ -	
Decarbonization of Water Resource Recovery Facilities	DOE	Technological Upscaling of the PdNA Process for Decarbonization with Mainstream Deammonification	n/a	3/23/2023	\$ 240,000	\$ -		
LSB Industries	LSB	Wastewater Treatment Anammox (PdNA) Pilot Study #42255	n/a	1/19/2024	\$ 483,000	\$ 384,000	\$ 384,000	
Water Research Foundation, Automated Controls Research	DOE	Crossing the Finish Line: Integration of Data-Driven Process Controls for Maximization of Energy and Resource Efficiency in Advanced WRRF #42205	n/a		\$ 120,000	\$ 120,000	\$ 108,000	
Water Research Foundation, Sentry BES Trial	Ocean Kind	Nitrogen Reduction Solutions for Ocean Discharges: Development of Sensors and Controls to Support the Implementation of Mainstream SCNR Processes #42215	n/a		in kind contribution only			
Water Research Foundation	Ocean Kind	Nitrogen Reduction Solutions for Ocean Discharges #42260	n/a	9/12/2024	\$ 45,000	\$ 45,000	\$ -	
Wildlife & Sport Fish Restoration, Boating Infrastructure Grant Program	VDH/DOI	FY25 Boater Education and Pump-Out Program	n/a	7/1/2024	\$ 70,000	\$ 57,700	\$ 15,645	
Apprenticeship Building America, Round 2	DOL	Hampton Roads Workforce Council: Apprenticeship	n/a	3/1/2024		\$ 495,240	\$ -	
					\$ 972,373,117	\$ 138,940,798	\$ 24,382,781	



## 6. Debt Management Overview

### HRSD - Debt Outstanding (\$000's)

February 28, 2025

	Jan 2025	Feb 2025				
	Principal Balance	Payments	Draws	Principal Capitalized Interest	Balance	Interest Payments
<b>Fixed Rate</b>	\$ 1,656,236	\$ (4,003)	\$ 23,458	\$ 653	\$ 1,676,344	\$ (3,957)
<b>Variable Rate</b>	50,000	-	-	-	50,000	(102)
<b>Line of Credit</b>	100,000	-	-	-	100,000	(345)
<b>Total</b>	\$ 1,806,236	\$ (4,003)	\$ 23,458	\$ 653	\$ 1,826,344	\$ (4,404)

### HRSD- Series 2016VR Bond Analysis

February 28, 2025

	SIFMA Index	HRSD Series 2016VR	Deviation to SIFMA
Maximum	4.71%	4.95%	0.24%
Average	1.45%	0.98%	-0.47%
Minimum	0.01%	0.01%	0.00%
As of 02/28/25	1.86%	1.90%	0.04%

Since October 20, 2011 HRSD has averaged 98 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	\$ 225,865,648	0%	Closed Out
WIFIA Tranche 2	EPA	\$ 476,581,587	\$ 367,301,084	23%	Ongoing
WIFIA Tranche 3	EPA	\$ 346,069,223	\$ -	100%	July 2025
Clean Water Program 2024	DEQ	\$ 80,000,000	\$ 31,458,683	61%	March 2024

## 7. Financial Performance Metrics for the Period Ended February 28, 2025.

### 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
<b>Total Unrestricted Cash</b>	<b>\$ 337,466,091</b>		<b>506</b>
Risk Management Reserve	(4,799,555)	(7)	499
Capital (PAYGO only)	(78,177,956)	(117)	382
<b>Adjusted Days Cash on Hand</b>	<b>\$ 254,488,580</b>		<b>382</b>

Risk Management Reserve as a % of Projected Claims Cost is 25% YTD compared to 25% Policy Minimum

Adjusted Days Cash on Hand Policy Minimum is 270-365 days.

### HRSD - SOURCES OF FUNDS

February 28, 2025

Primary Source	Beginning Market Value July 1, 2024	YTD Contributions	YTD Withdrawals	YTD Income Earned	Ending Market Value February 28, 2025	Allocation of Funds	Credit Quality	Current Mo Avg Yield
BOA Corp Disbursement Account	31,786,393	729,779,554	733,618,461	758,187	28,705,673	10.5%	N/A	2.64%
VIP Stable NAV Liquidity Pool	178,789,050	125,000,000	65,000,000	6,964,646	245,753,696	89.5%	AAAm	4.49%
<b>Total Primary Source</b>	<b>\$ 210,575,443</b>	<b>\$ 854,779,554</b>	<b>\$ 798,618,461</b>	<b>\$ 7,722,833</b>	<b>\$ 274,459,369</b>	<b>100.0%</b>		

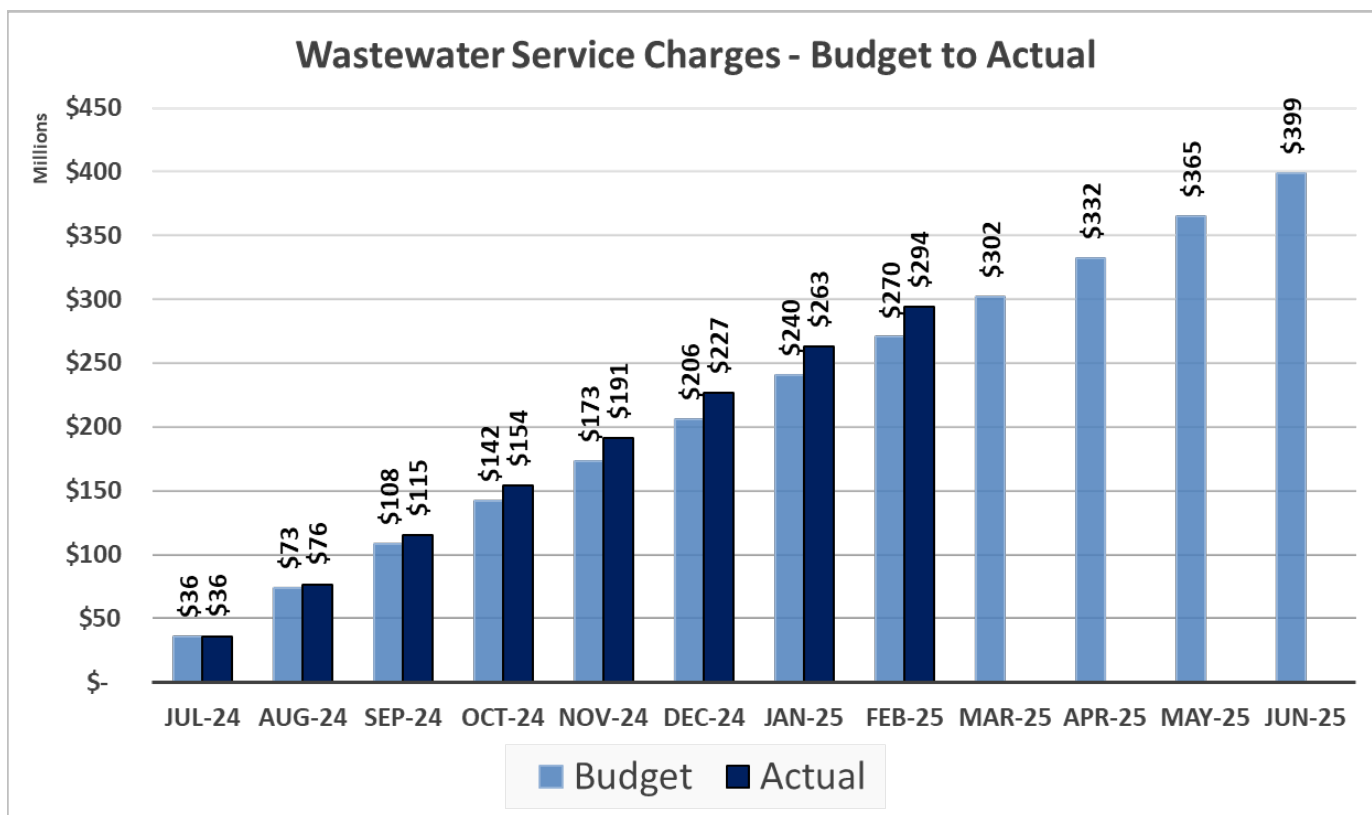
VIP Stable NAV Liquidity Pool performed 0.02% above to the Va Local Government Investment Pool's (the market benchmark) in the month of February 2025.

Secondary Source	Beginning Market Value July 1, 2024	YTD Contributions	YTD Withdrawals	YTD Income Earned & Realized G/L	Ending Market Value February 28, 2025	Ending Cost	LTD Mkt Adj	Yield to Maturity at Market
VIP 1-3 Year High Quality Bond Fund	65,915,924	-	8,987	1,678,239	68,458,943	69,198,781	(739,838)	4.03%
<b>Total Secondary Source</b>	<b>\$ 65,915,924</b>	<b>\$ -</b>	<b>\$ 8,987</b>	<b>\$ 1,678,239</b>	<b>\$ 68,458,943</b>	<b>\$ 69,198,781</b>	<b>\$ (739,838)</b>	

VIP 1-3 Year High Quality Bond Fund performed 0.01% below ICE BofA ML 1-3 yr AAA-AA Corp/Gov Index (the market benchmark) in February 2025.

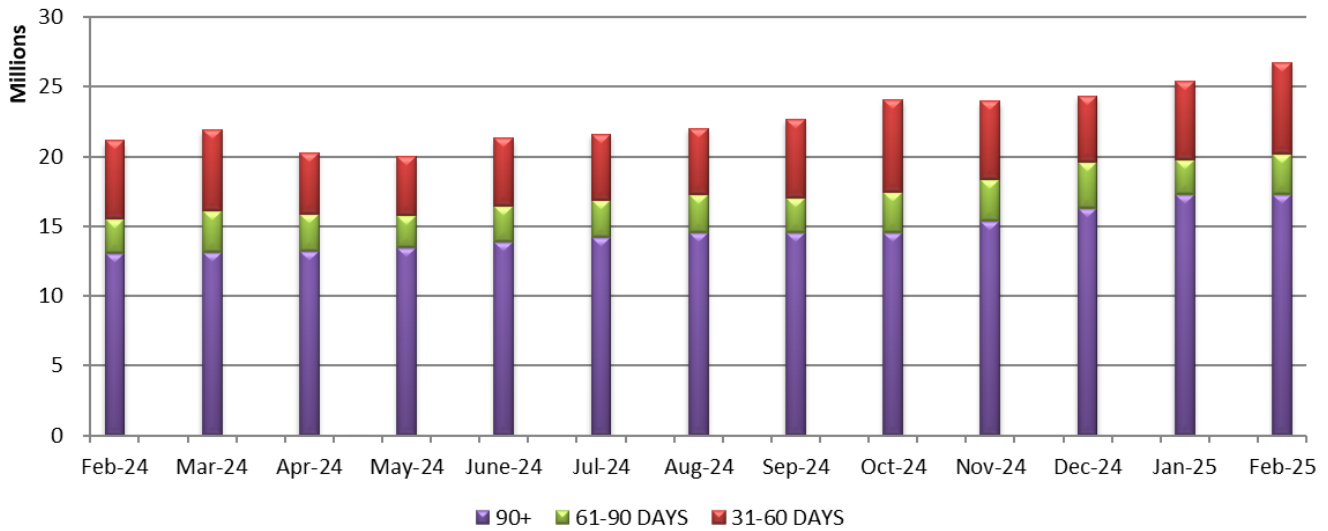
	Total	Fund Alloc
<b>Total Primary Source</b>	<b>\$ 274,459,369</b>	<b>80.0%</b>
<b>Total Secondary Source</b>	<b>68,458,943</b>	<b>20.0%</b>
<b>TOTAL SOURCES</b>	<b>\$ 342,918,312</b>	<b>100.0%</b>

## 8. Summary of Billed Consumption



Summary of Billed Consumption (,000s ccf)							
Month	FY2025 Cumulative Budget Estimate	FY2025 Cumulative Actual	% Difference		% Difference		% Difference
			From Budget	Cumulative FY2024 Actual	From FY2024	Cumulative 3 Year Average	From 3 Year Average
July	4,678	4,630	-1.0%	4,504	2.8%	4,721	-1.9%
Aug	9,644	9,518	-1.3%	9,432	0.9%	9,534	-0.2%
Sept	14,196	14,223	0.2%	13,965	1.9%	14,173	0.4%
Oct	18,663	18,870	1.1%	18,854	0.1%	18,861	0.0%
Nov	22,756	23,421	2.9%	23,004	1.8%	22,911	2.2%
Dec	27,109	27,666	2.1%	27,127	2.0%	27,267	1.5%
Jan	31,641	32,016	1.2%	31,819	0.6%	31,784	0.7%
Feb	35,568	35,801	0.7%	36,182	-1.1%	35,990	-0.5%
March	39,770	-	N/A	39,826	N/A	39,954	N/A
Apr	43,694	-	N/A	44,054	N/A	44,119	N/A
May	48,027	-	N/A	48,760	N/A	48,383	N/A
June	52,500	-	N/A	53,206	N/A	52,999	N/A

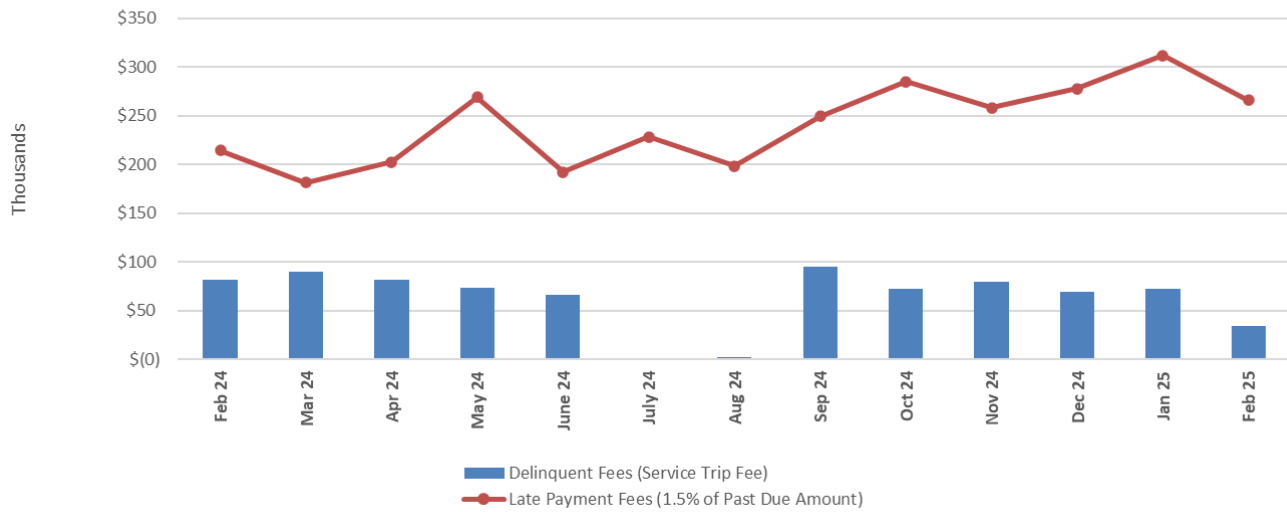
## HRSD Accounts Receivable Aging +30 Days



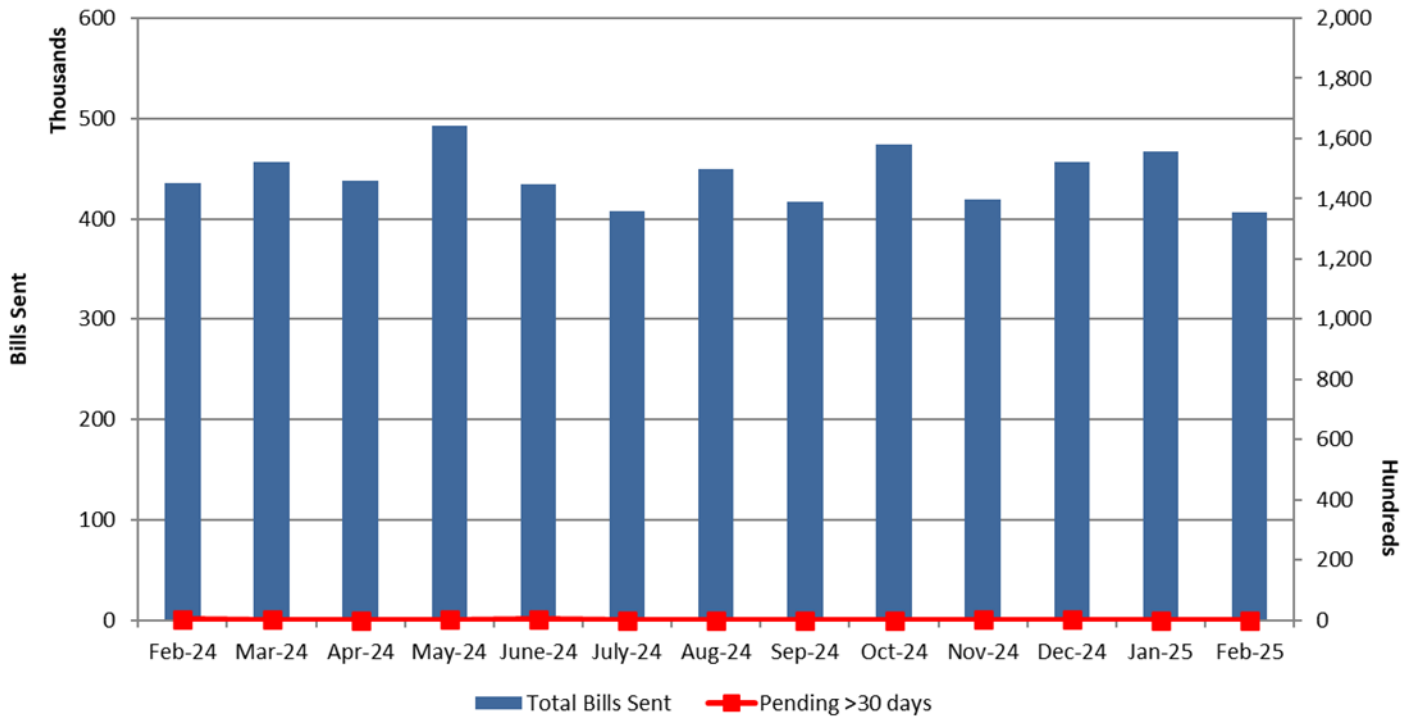
### B. Customer Care Center

#### 1. Accounts Receivable Overview

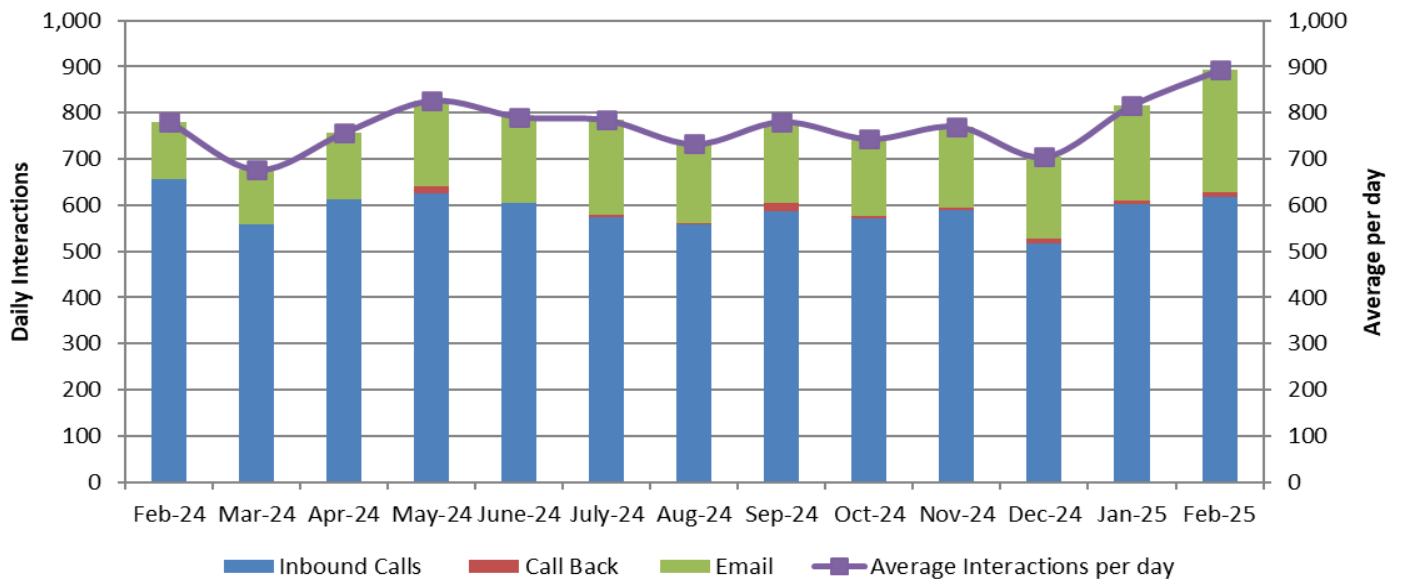
### Delinquent & Late Payment Fees



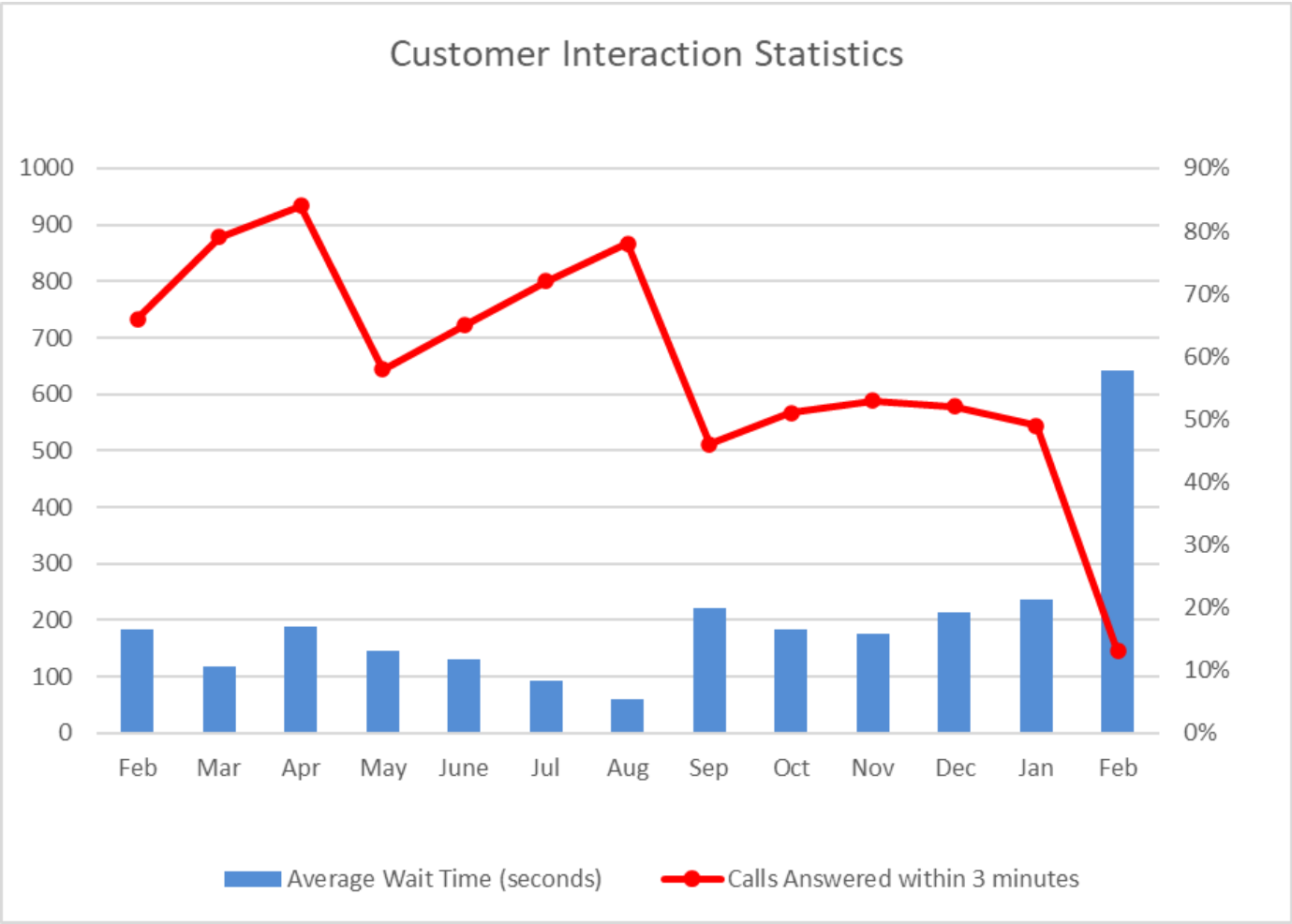
## Billing Summary



## Call Center Interactions (per day)

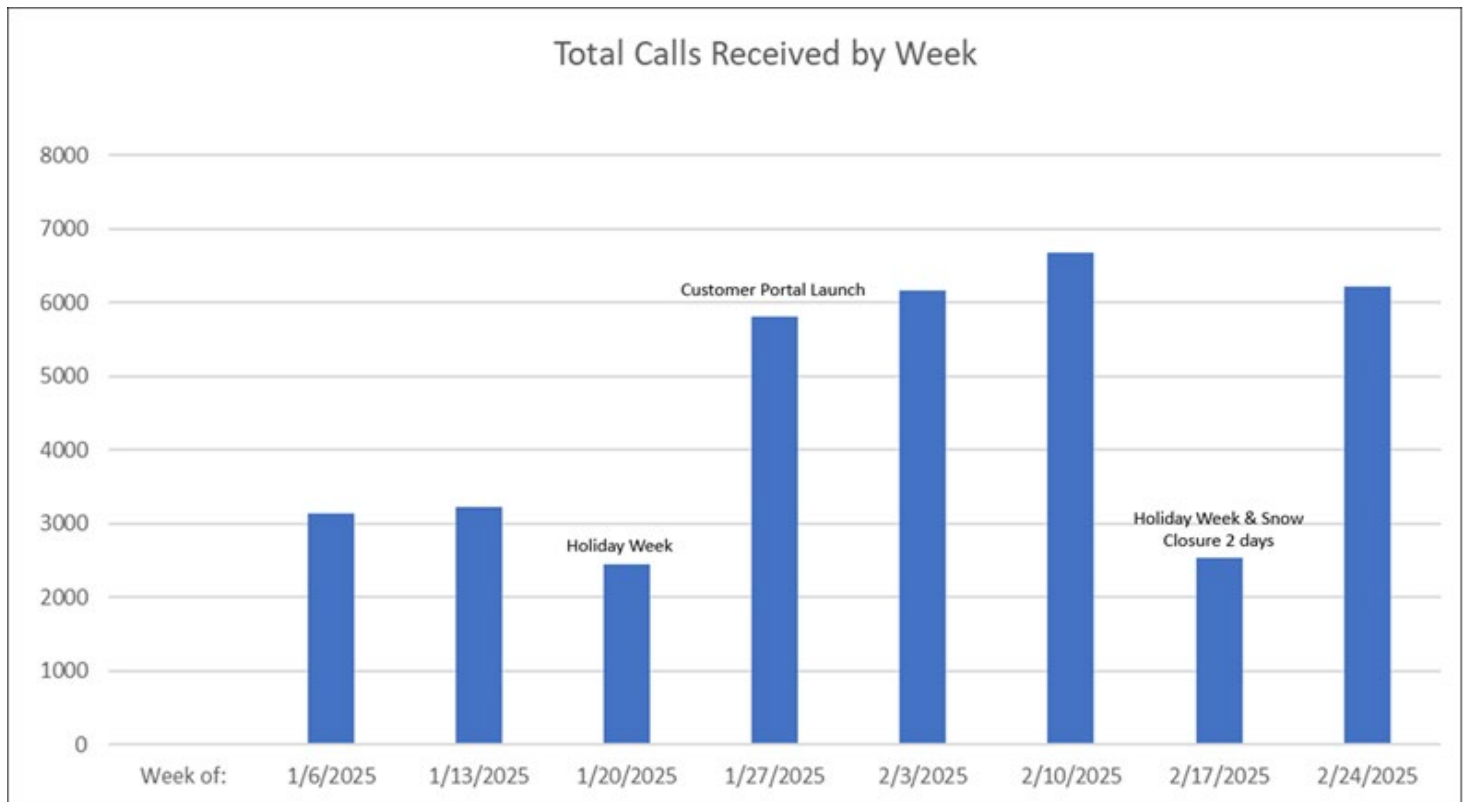


2. Customer Care Center Statistics



Customer Interaction

Statistics	Feb	Mar	Apr	May	June	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Calls Answered within 3 minutes	66%	79%	84%	58%	65%	72%	78%	46%	51%	53%	52%	49%	13%
Average Wait Time (seconds)	183	118	188	145	131	92	60	222	183	176	214	237	643
Calls Abandoned	12%	10%	8%	15%	11%	9%	6%	18%	16%	16%	19%	21%	45%



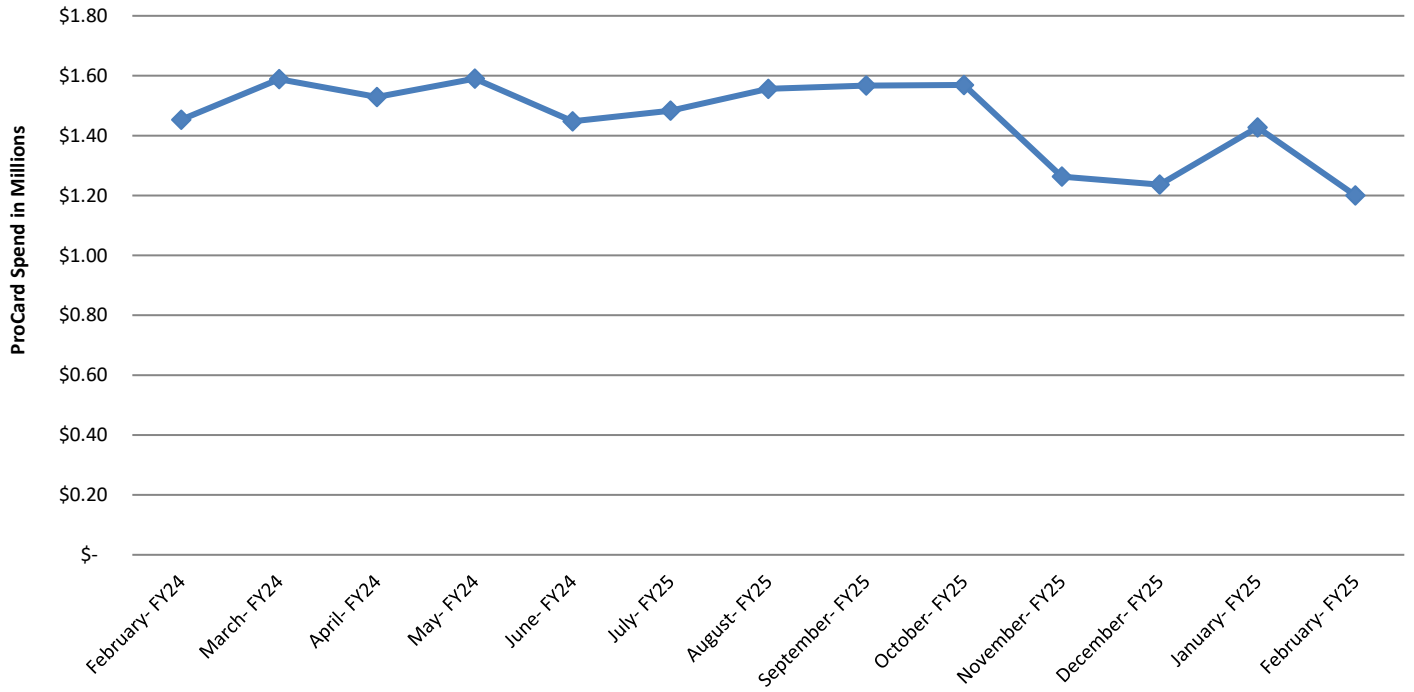
**C. Procurement Statistics**

Savings	Current Period	FYTD
Competitive Savings <sup>1</sup>	\$11,429	\$1,337,390
Negotiated Savings <sup>2</sup>	\$6,446	\$20,784
Salvage Revenues	\$219	\$214,596
Corporate VISA Card - Estimated Rebate	\$17,880	\$168,403

<sup>1</sup> 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.

<sup>2</sup> 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 FY25



Respectfully,

*Steven G. de Mik*

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



TO: General Manager

FROM: Chief Information Officer

SUBJECT: Information Technology Department (ITD) Report for February 2025

DATE: March 10, 2025



## Innovation

Deployment of minicomputers by the Desktop Support staff to HRSD work centers is nearing completion.

The IT Help Desk processed 280 work orders and requests for assistance in February, ensuring the availability of computing resources to those working locally and remotely.

Senior Systems Engineers resolved several prolonged Verizon network outages impacting HRSD's connectivity to Newport News Waterworks and the Town of Smithfield by implementing Meraki network devices. These new devices are intended to provide better network reliability between HRSD and our jurisdiction partners for Customer Care and Billing services.

Senior Systems Engineers continue working on network switch replacements at HRSD pump stations.

Upgrading operating systems for mid-tier computing platforms within the data center are at 95% completion. Instances of incompatibility or anomalous performance associated with the upgrade continue to be addressed as part of the process.

Upgrade work on the Pre-treatment Information Management System (PIMS) and Biosolids Management System continue. The upgrade continues to be on schedule.

Programming staff and Database Administrators have been working with Customer Care staff testing the archiving of Customer Care & Billing (CC&B) zero balance accounts financial transactions to an archival database. This process is part of the lifecycle management of the CC&B billing system to improve production database performance. It is expected to archive over 319,000,000 transactions. The Production archive is expected to occur in late May.

Programming staff along with Customer Care staff are working with Newport News Waterworks (NNWW) and their vendor to implement a real-time bi-directional work order process to send records from CC&B that are in the delinquency severance process to be disconnected. The process will send data to NNWW for remote meter disconnects and reconnects.

Cybersecurity has developed a user-friendly set of functional AI security controls designed to support business operations while minimizing risk to HRSD as we advance these initiatives.

Jacobs Cyber has commenced a comprehensive assessment of all treatment plants and a representative sample of pump stations. This evaluation will establish a clear cybersecurity baseline and identify areas for improvement in defending against cyber threats. Additionally, Jacobs will support the enhancement of defenses for our SCADA and DCS systems. Our goal is to strengthen HRSD's cybersecurity posture to the highest possible level, proactively addressing emerging threats through a combination of cybersecurity and cyber resiliency.

Digital Rights Protection has been successfully tested and activated. This service continuously monitors the web, deep web and dark web to detect potential compromises involving our partners and any malicious activity targeting HRSD and its trademarks. In the event of a partner breach, our solutions are placed on an elevated level of managed alert, ensuring swift mitigation of any potential impact on HRSD and its systems.



## **Community Engagement**

Information Technology and Customer Care Center staff are working on additional enhancements to be deployed to the new Meridan IDEA Customer Engagement Portal.

Respectfully,

*Mary Corby*

Chief Information Officer

TO: General Manager/Chief Executive Officer

FROM: Chief Operating Officer

SUBJECT: Operations Monthly Report for February 2025

DATE: March 12, 2025



## **Community Engagement**

Staff participated in several community events as follows:

1. On February 4 and 5, Williamsburg Treatment Plant (WBTP) staff conducted plant tours for students from Jamestown High School. The first tour was for 22 environmental science freshman students accompanied by three adults. The second tour was for 40 Advanced Placement Environmental Science students in the 11 and 12 grades. They were accompanied by four adults.
2. South Shore (SS) Interceptor Operations held a series of locality collaboration meetings in February with City of Norfolk, Suffolk, and Portsmouth Public Utilities Department Operations staff to discuss operational issues, initiatives, and projects.



## **Environmental Responsibility**

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

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

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

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

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

1. On the Advanced Nutrient Removal Improvements (ANRI)/Sustainable Water Initiative for Tomorrow (SWIFT) Project at the James River Treatment Plant (JRTP), screw piles, as well as the influent and return activated solids pipes, were set in place for the new secondary clarifier. The bottom of the secondary clarifier is also being formed. Forming and concrete work continued on the junction splitter box structure. Mechanical, electrical, and equipment installation, along with finishing and painting, were performed inside the new administration building. Installation of equipment, piping, and electrical work inside SWIFT process buildings was completed.
2. The A-side main power electrical relay was replaced at the York River Treatment Plant (YRTP). This replacement required disconnecting from utility power and operating on

generator power for nine hours. Upgrading the aged relay will ensure a reliable transfer of power between utility and generator sources.

3. The total volume of SWIFT recharge into the Potomac aquifer for the month of February was 11.8 million gallons (MG) (43.8 % Recharge Time based on 650gpm).
4. The new Greasezilla fats, oils and grease (FOG) process is officially operational at the Nantsemond Treatment Plant (NTP), with the first two batches processed and discharged to the final offloading trucks. The end product is a number 6 bunker fuel, a low carbon intensity bio-feedstock for renewable diesel, which is transported offsite by a third party. This new process eliminates FOG waste from haulers in the main plant process while producing a sustainable fuel alternative.
5. The solids handling process at the Boat Harbor Treatment Plant (BHTP) was significantly disrupted by a series of events, beginning with a power blip and loss of the induced draft fan on February 16, followed by the failure of the main screw conveyor for all existing centrifuges on February 22, and issues with the feed lines from the solids holding tanks to the centrifuge feed pumps. These disruptions led to a buildup of solids inventory, requiring waste to be secured. Staff coordinated with the machine shop to modify an available screw to fit the location of the broken one, helping to restore operations. Through their problem-solving efforts and willingness to work over the weekend, the centrifuges and incinerators were brought back online, allowing plant staff to catch up on reducing the solids inventory.
6. Electrical and Instrumentation (E&I) staff performed multiple medium-voltage power switching operations to integrate new SEL relays and controls into the existing main switchgear on the utility breaker, USS1A, and US1B at NTP. This work allowed for the proper configuration of protection settings to ensure both equipment and personnel safety. The additional load from construction exceeded the protection system's limitations, necessitating further adjustments to maintain system reliability and compliance.
7. E&I staff coordinated with Carter Cat and Industrial Diesel, the generator manufacturers, to resolve an issue with the generator at Freeman Pump Station (PS). The initial problem occurred during a monthly run, when the generator started running roughly and eventually shut down. The cam shaft, water level sensor, and water temperature sensor were replaced, resolving the rough running issue. However, the control board is still being replaced. In the meantime, a portable generator has been set up to back up the utility power. Additionally, the leaking radiator on the generator will be repaired to ensure reliable standby power.
8. E&I staff worked with Systems East Incorporated (SEI), the contractor, to install temporary power and controls at Army Base Treatment Plant (ABTP). This work is for a new pilot study with Crew Carbon Incorporated (Inc.), the vendor. The study involves removing carbon dioxide (CO<sub>2</sub>) from wastewater.
9. The Process Control Technologist and Process Control Specialist are designing and building replacement nitrate and ammonia wet chemical analyzers for the SWIFT Research Center at NTP. The current analyzers are no longer supported in the United States. The Jarbalyzer design will be modified to fit into the existing enclosures to reduce the costs and minimize downtime. These analyzers are critical control points for the research center. Jarbalyzers cost about half as much as comparable analyzer replacements.
10. From February 13 to February 16, multiple rounds of heavy rain and snow impacted the Middle Peninsula, causing significant issues with the treatment and collection systems in both the

King William and West Point service areas. Staff mobilized across the Operations Division and provided around the clock pump and haul services to prevent both the equalization pond at West Point Treatment Plant (WPTP) and the Equalization Train #2 at King William Treatment Plant (KWTP) from overflowing. Over 150,000 gallons were pumped and hauled by HRSD staff and equipment over a three-day period.

11. The Construction Support Team (CST) and Small Communities Department (SCD) E&I staff were able to get the aerator, and the level transducer installed on the WPTP equalization pond. This installation will help keep the pond water mixed, provide the needed hardware for diurnal equalization, and improve plant performance.
12. SCD E&I staff were able to install a variable frequency drive in the Kennington PS in King William County which allowed staff to adjust settings during rain events to prevent downstream overflows.
13. On February 12 and 18, SS Interceptor Operations assisted the City of Virginia Beach with a force main failure on Birdneck Road near the intersection of General Booth Boulevard. Staff operated a system branch valve and helped secure materials for the repair.
14. Staff managed the conveyance and treatment of over 165 million gallons per day this month.



## Financial Stewardship

1. The Carpenter Shop staff are nearing the end of completing work to add two offices in the human resources workspace. Staff are waiting for the ordered cove base and for the furniture to be installed. They are also continuing to build a wall divider and door frame at E&I NTP work area to create a new office space. The sheetrock is primed and finished. Staff still need to complete painting as well as installing the door and jam.
2. The Material Transportation & Logistics (MT&L) Staff have hauled 30 loads of ash, totaling 304.03 dry tons. They have hauled 117 loads of primary clarifier solids, in addition to 66 loads of thickened waste activated biosolids, for a total of 4,300.33 wet tons. Staff have also hauled 40 loads from ATP to McGill Composting Facility in Waverly for the month of February, with a total weight of 819.4 wet tons.
3. The Machine Shop had 18 projects during the month of February, including two full pump rebuilds for North Shore (NS) Interceptors. Two other notable projects included the completion of a weir dam for SCD and an emergency screw conveyor repair for BHTP.



## Innovation

1. Most design and operational guidance for biological phosphorus removal (bioP) suggests that high dissolved oxygen ( $\geq 2$  mg/L) is critical for effective uptake of orthophosphate (OP) in aerated zones. Much of this guidance goes back to the late 1990's, but there is little actual controlled data to support these claims, and no systematic comparison of low and high dissolved oxygen (DO) for polyphosphorus accumulating organism (PAO) activity, phosphorus uptake rates, and effluent orthophosphate. With emerging experience operating plants and pilot systems at low DO, there is more recent data and observations suggesting exactly the

opposite. This represents a fundamental weakness in our understanding of how to drive efficient and reliable bioP. These topics are now being considered at the VIP BNR Pilot Plant, and the results have been dramatic. The finding that the oxygen half saturation coefficient for PAOs is so low as to be almost unmeasurable has significant impacts on design and operation and bioP reliability. The emerging observation that excessively high DO can be problematic for phosphorus uptake kinetics is a very unexpected finding with significant consequences.

2. Installation of the CREW Carbon pilot at ABTP was completed in late February and calcium carbonate dosing has commenced.



## **Talent**

1. Three plant operators at WBTP successfully passed their wastewater license exams, with two earning Class 2 licenses and one achieving a Class 3 license.
2. Mr. Marlon Lewis, an MT&L driver, obtained his full Class A CDL on February 26 and started training on the TWAB liquid hauling route on February 27.
3. In February, the custodial staff welcomed two new employees, bringing the team to full capacity. Ms. Lina Balmaceda was hired part-time, and Ms. Courtney Edmunds joined as a full-time employee.
4. Mr. Nicholas Rabkevich has been selected to fill a Lead Operator position at VIP.
5. Mr. Joseph Hamilton, Interceptor Assistant, joined SS Interceptor Operations on February 3.
6. NS Interceptor Operations welcomed Mr. Vontrail Riggs, Interceptor Technician, as a transfer from SS Interceptor Operations.
7. The one vacant HEO position will be held as an over-hire position for the incoming Interceptor Technician. Therefore, for the first time in years, NS Interceptor Operations is fully staffed.

Respectfully submitted,

Eddie M. Abisaab, PE, PMP, ENV SP  
Chief Operating Officer

[Attachment: MOM Reporting](#)

## MOM Reporting Numbers

MOM #	Measure Name	Measure Target	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
2.7	# of PS Annual PMs Performed (NS)	37	3	2	5	3	3	3	4	4				
2.7	# of PS Annual PMs Performed (SS)	53	2	3	5	3	1	1	8	1				
2.7	# of Backup Generator PMs Performed	4.6	6	10	5	8	3	3	7	4				
2.8	# of FM Air Release Valve PMs Performed (NS)	234	397	483	515	539	273	343	288	234				
2.8	# of FM Air Release Valve PMs Performed (SS)	1,550	208	164	64	83	99	92	132	178				
2.9	# of Linear Feet of Gravity Clean (NS)	2,417	1,614	2,402	3,996	5,300	2,197	3,729	1,379	1,378				
2.9	# of Linear Feet of Gravity Clean (SS)	2,417	730	810	2,370	3,087	1,350	1,222	4,449	1,483				

TO: General Manager

FROM: Acting Chief People Officer

SUBJECT: Talent Management Monthly Report for February 2025

DATE: March 12, 2025



## Talent

The Talent Management (TM) Division made significant progress in workforce development, optimizing talent acquisition and strengthening the safety and security of our employees. Key accomplishments include the Safety and Security Department updating Emergency Response procedures across all treatment plants, the Learning and Development department launching an Emotional Intelligence class to support employee development, and the Human Resources Department advancing our strategic recruitment initiatives to attract top talent and transitioning the 457 recordkeeper to a new vendor for enhanced employee services.

**Human Resources (HR):** The HR team interviewed and selected two Benefit Specialist candidates and continues to seek qualified candidates for our Talent Acquisition Specialist vacancy. HR staff began working on our transition from our current recordkeepers for our 457 plans to a new recordkeeper, Nationwide.

Participation in HRSD's Wellness Program continues to grow. Plan education, wellness-related presentations, individual and group coaching, and virtual guided meditation sessions continue.

**Learning and Development (L&D):** The L&D team made significant strides in training, team initiatives, and talent growth. We hosted an Emotional Intelligence class, helping participants strengthen their self-awareness, communication, and workplace relationships. Additionally, we successfully completed the first Leadership and Management Academy (LAMA) training on Design Thinking for the 2025 cohort, culminating in the unveiling of the new LAMA Capstone Project, which requires the use of innovative problem-solving approaches.

In team and program initiatives, L&D officially kicked off the Business Systems Team with an initial meeting to establish goals and foster collaboration. We also conducted Your Role in Quality (YRIQ) project presentations, where participants shared key insights and creative solutions to work center problems.

On the talent front, we are excited to welcome a new Workforce Development Specialist, who has accepted the role and will be joining us at the end of March. L&D



looks forward to more impactful learning experiences and strategic initiatives in the coming months!

**Safety:** Safety Staff completed mandated safety training and medical monitoring, along with regular weekly, monthly, and quarterly safety inspections, testing and monitoring across all work centers and construction sites.

The Emergency Response Procedures for all plant locations were updated, and annual training is being conducted. The completed Tier II forms, as required by the EPA, have been submitted to the Department of Environmental Quality and all relevant local Emergency Planning Commissions.

Security conducted plant and pump stations tours, developed a private property sign and explored security system upgrades with vendors.

Seven auto accidents/property damage incidents and three work-related injuries requiring medical attention were reported. Notably, one injury led to a VOSH rapid response investigation after Safety notified them.

Respectfully submitted,

*Brenda Matesig*

Acting Chief People Officer

TO: General Manager/ Chief Executive Officer  
FROM: Chief of Water Quality (CWQ)  
SUBJECT: Monthly Report for February 2025  
DATE: March 12, 2025



## 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) 2025 to date, there have been three Permit Exceedances out of 37,685 Total Possible Exceedances.
- c. Pounds of Pollutants Removed in FY 2025 to date: 131 million pounds.
- d. Draft VPDES permits were received for Army Base and Williamsburg during the month of February. These draft permits were reviewed and HRSD comments were submitted.
- e. Submitted annual solids management reports to EPA and DEQ, as applicable.
- f. Submitted annual compliance updates for:
  - The Enhanced Nutrient Removal Certainty Program (ENRCP) for HRSD's dischargers into the James River watershed;
  - HRSD Urbanna's ammonia limitation;
  - HRSD West Point's Inflow and Infiltration reduction, related to its secondary treatment performance for BOD removal; and
  - HRSD Atlantic's Odor Management Plan.

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

No civil penalties were issued in February.

### 3. Environmental and Regulatory Advocacy

Chief participated in the following advocacy and external activities:

- a. Participated in a panel presentation on “Navigating One Water” for the joint Virginia Water Environment Association (VWEA) and Virginia Section of the American Water Works Association (VA AWWA) Utility Management Committee seminar.
- b. Attended the monthly meeting of the Virginia Biosolids Council.
- c. Led a discussion on developing a model to estimate nutrient loads associated with exfiltration from the collection system for the Chesapeake Bay Program’s (CBP) Wastewater Treatment Workgroup (WWTWG) subcommittee.
- d. Participating in the CBP Water Quality Goal Implementation Team meeting.
- e. Attended the Potomac Aquifer Recharge Oversight Committee (PAROC) meeting.
- f. Participated in the Water Research Foundation’s 2025 research planning meeting to prioritize projects that address needs in improving receiving water quality.



## **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.

HRSD provided sampling and analytical services to the following to support monitoring required for their respective Virginia Permit Discharge Elimination System (VPDES) permits:

- 1. The City of Fredericksburg
- 2. Hanover County
- 3. Northumberland County
- 4. Spotsylvania County
- 5. Westmoreland County



## Community Engagement

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:

1. City of Chesapeake (Southern Branch)
2. City of Newport News (Southeast Newport News)
3. City of Norfolk (Pretty Lake)
4. City of Suffolk (downtown)
5. City of Virginia Beach (Thalia Creek)
6. James City County

Respectfully submitted,

*Jamie Heisig-Mitchell*  
Chief of Water Quality

# EFFLUENT SUMMARY FOR FEBRUARY 2025

PLANT	FLOW mgd	% of Design	BOD mg/l	TSS mg/l	FC #/UBI	ENTERO #/UBI	TP mg/l	TP CY Avg	TN mg/l	TN CY Avg	CONTACT TANK EX
ARMY BASE	10.68	59%	5	5.2	<1	<1	0.33	0.37	4.6	4.5	13
ATLANTIC	46.86	87%	11	15	6	1	NA	NA	NA	NA	11
BOAT HARBOR	16.43	66%	8	10	2	13	0.56	0.75	20	25	9
CENT. MIDDLESEX	0.017	70%	<2	1.9	<1	1	NA	NA	NA	NA	NA
JAMES RIVER	14.11	71%	7	7.0	2	2	0.63	1.4	10	11	8
KING WILLIAM	0.096	96%	<2	<1.0	NA	<1	0.18	0.18	3.6	3.7	NA
NANSEMOND	18.53	62%	6	8.9	2	2	0.84	0.96	5.8	6.1	1
ONANCOCK	0.295	39%	<2	<1.0	<1	<1	0.10	0.11	3.4	3.4	NA
SUNSET BAY	0.008	20%	<2	<1.0	1	2	NA	NA	NA	NA	0
URBANNA	0.054	54%	6	12	2	9	3.1	3.3	11	20	NA
VIP	33.11	83%	5	4.0	3	1	0.20	0.25	4.9	5.4	4
WEST POINT	0.600	100%	16	5.8	<1	2	2.2	3.0	16	20	1
WILLIAMSBURG	9.50	42%	4	3.4	2	2	0.31	0.35	3.4	3.2	21
YORK RIVER	15.04	100%	5	4.1	1	<1	0.32	0.67	4.4	5.6	14
	165.33										

	% of Capacity
North Shore	67%
South Shore	77%
Small Communities	61%

### AIR EMISSIONS SUMMARY FOR FEBRUARY 2025

	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)	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										
BOAT HARBOR	0	0	0	0	0	0	4	23	96	0
VIP	0	0	0	0	0	0	4	19	99	0
WILLIAMSBURG	0	0	0	0	0	0	0	7	77	0

### ODOR COMPLAINTS

ARMY BASE	0
ATLANTIC	4
BOAT HARBOR	0
JAMES RIVER	0
NANSEMOND	0
VIP	1
WILLIAMIBURG	0
NS OPS	0
SS OPS	2
SCD	1
NON-HRSD	0

## **Items of Interest –February 2025**

### **MULTIPLE HEARTH INCINERATION (MHI)**

Total Hydrocarbon (THC) monthly averages (not to exceed 100 ppm) were met by all three MHI plants (Boat Harbor, Virginia Initiative, and Williamsburg). The THC continuous emissions monitoring (CEM) valid data capture was 77% or more.

The three operating MHI plants had no 129 operating parameter deviations, five (5) minor uses of the emergency bypass stack (<60 minutes), and three (3) reportable use of the MHI bypass (>60 minutes).

Boat Harbor's MHI experienced three malfunction events, two on February 16 and one on February 24, 2025, that resulted in use of the emergency bypass stack for more than an hour during each event. After the last event, plant operations and E&I determined that the motor control center (MCC) was the root cause of the issue and temporary repairs were made until MCC-3's panel breaker can be replaced. The malfunction events were reported to DEQ.

A stack test protocols were submitted to DEQ for 129 emissions limits testing at VIP. Scheduled tests VIP MHI # 2 March 28 and MHI # 1 April 15, 2025.

The semiannual and annual Title V compliance reports for the four permitted MHI plants were submitted to DEQ.

DEQ conducted air inspections of Williamsburg and Army Base on February 26 and 27, respectively. Along with Title V permit records review, visible emissions evaluations were performed on the plant diesel engine emergency generators that demonstrated compliance with the permitted opacity limits. DEQ also documented Army Base's MHIs as shuttered in place. Full compliance evaluation (FCE) reports are pending DEQ completion.

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

February 7 submitted to DEQ the annual update of the Atlantic Plant odor management plan (OMP). DEQ reviewed the OMP and deemed the updated 2025 plan in compliance with no additional comment.

The annual throughput updates for James River and York River were submitted to DEQ, with receipt of reports acknowledged.

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

Atlantic Plant received four (4) complaints from our Ocean Lakes neighbors. Plant Staff responded to the complaints. The source of the odors were the digesters, a leak on THP, and scrubber exhaust. Plant staff fixed the THP leak, the scrubbers continue to be optimized, and the digester foaming issue continues to be minimized. Communications provided responses to our neighbors. TSD recorded the complaints in the air permit required odor complaint log.

VIP received a complaint of odors from Norfolk Southern terminal that is located right next to the plant. No odors were observed by plant staff during their odor investigation.



The suspected source of odors was the unloading of a haul truck carrying Army Base primary solids. No further complaints have been received. Based on the observed recent increase in onsite plant odors, Plant Ops and TSD have an ongoing odor evaluation at the plant.

HRSD Accounts Receivable received odor complaints from a neighbor of the Pughsville Rd PRS on February 26 and 27. South Shore Operations and TSD responded and found a non-HRSD source of odors located right next to the PRS. Arco Building and Design Co., has recently cleared a very large parcel of property just to the west of the Pughsville PRS. Offensive odors were observed emanating from the property and were also observed at the neighbor's residence. The resident agreed to the source of the odors that they have been observing and planned to follow up with the City. Our suspicion is that the construction site has either uncovered odorous material while clearing debris or moving earth and/or they are bringing in fill material onsite that is very odorous.

Small Communities Division (SCD) Eastern Shore received an odor complaint through the Town of Exmore from a neighbor of the Carolyn Avenue pump station. SCD responded and no odors were observed at the time of investigation. The source of the odors is currently undetermined. No further complaints have been received.

## **TREATMENT**

DEQ was notified of the following reportable events:

### Atlantic

On February 11, a high flow weather event resulted in a chlorine residual of 0.04 mg/l. Flow was diverted to an out of service secondary clarifier to improve effluent quality and decrease the chlorine demand. The sodium hypochlorite dosage setpoint was increased and the next residual was 3.62 mg/l.

On February 14, an expansion joint for aeration tank #5 failed resulting in a leak of mixed liquor. Staff drained the tank to make repairs and utilized sump pumps to contain the spill. Approximately 50 gallons of mixed liquor were released to the ground.

### James River

On February 26, a section of pipe at a wye connection failed when the plant operator restarted a grit pump following a generator test run. As a result, grit discharge was released to the ground and storm drain. Staff were able to recover a portion of the grit discharge while 250 gallons were not recovered.

### Nansemond

On February 19, a hose was inadvertently left running in the polymer building sump location resulting in an overflow of non-potable water (NPW). Approximately 50 gallons of the chlorinated NPW escaped the building being unrecoverable.

On February 19, during an excavation, contractors struck a secondary and contact tank scum line resulting in the excavation site to fill over halfway with process fluids. Staff quickly secured the broken lines and used sump pumps to drain the site back into the sanitary drain system. Of the 9,500 gallons of secondary scum released only 100 gallons was unrecoverable from the ground.

## **SYSTEM**

On February 11, staff responded to a manhole (MH) overflow at Hope and Yukon in Hampton due to increased system flow from wet weather and rainfall. As part of Hampton Trunk 'K' (BH0149) gravity work, the MH and force main (FM) in the intersection of E. Taylor and Willard were being replaced. At the time of the overflow event, it was discovered the contractor had removed the upstream bypass system because the MH and FM work was complete. HRSD personnel opened a downstream valve, stopping the overflow. Approximately 36,000 gallons of raw wastewater were released to the storm drain to Mill Creek.

On February 26, staff found sewage bubbling from the ground at Richmond Crescent PS while on site to check the bypass pump operation. The crew believed the leak was coming from a recent emergency pump connection repair dig site and began investigating at that location. The leak was discovered approximately 30 feet away where valve bonnet bolts were found to be in poor condition and were replaced. Approximately 34 gallons of raw wastewater were released to the Elizabeth River.

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

### Dendron

On February 15, heavy rain (1.10") inundated the Dendron PS service area resulting in a wet well overflow at Dendron PS 1. Pump stations were observed to be operating properly. Following the event, solids were removed, and lime was spread over affected areas. Approximately 8,000 gallons of raw wastewater were released to Cypress Swamp. This area is under an active CIP and this rain event provided data for ongoing I&I efforts.

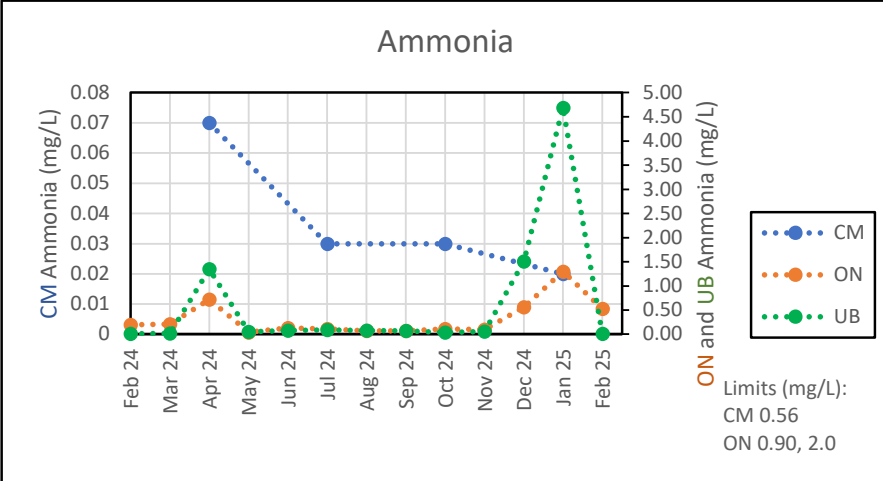
### West Point Treatment

On February 13 and 16 heavy rain and snow melt inundated the West Point service area resulting in an overflow of the secondary clarifier at the WPTP. Multiple tank trucks from contractors and across HRSD started pumping and hauling to on February 12 to reduce the pond level throughout both rain events. Lime was applied to the impacted area. The following secondary effluent overflow events were reported:

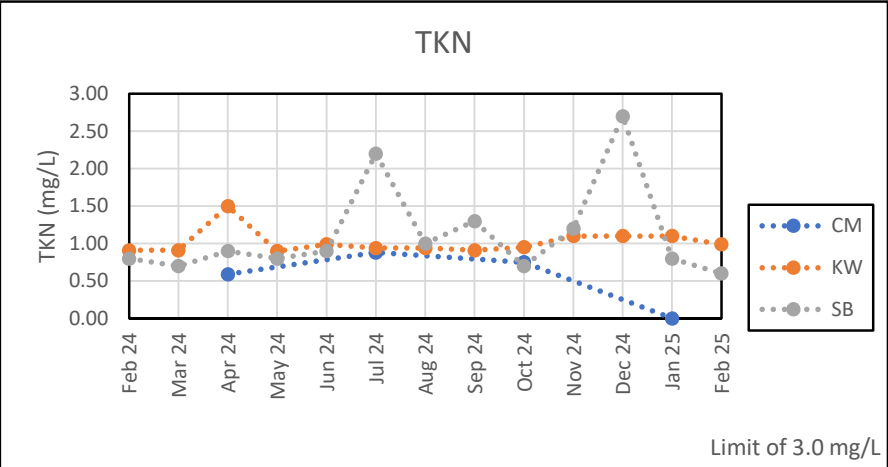
- February 13, 60,000 gallons to Mattaponi River, total rainfall 1.83".
- February 16, 26,000 gallons to the ground, total rainfall 1.41".

On February 22, increased flows from severe weather and an electrical failure of the final effluent pumps resulted in an overflow of an upstream manhole at the West Point Treatment Plant. Staff worked quickly to divert influent flow to the storage pond while a bypass pump was installed at the effluent pump station. HRSD has an active CIP in Design (MP015600) that will replace controls, power panel, and add a bypass pump connection at final effluent pump station. Approximately 42,000 gallons of secondary effluent and tertiary effluent were released to the ground and Mattaponi River.

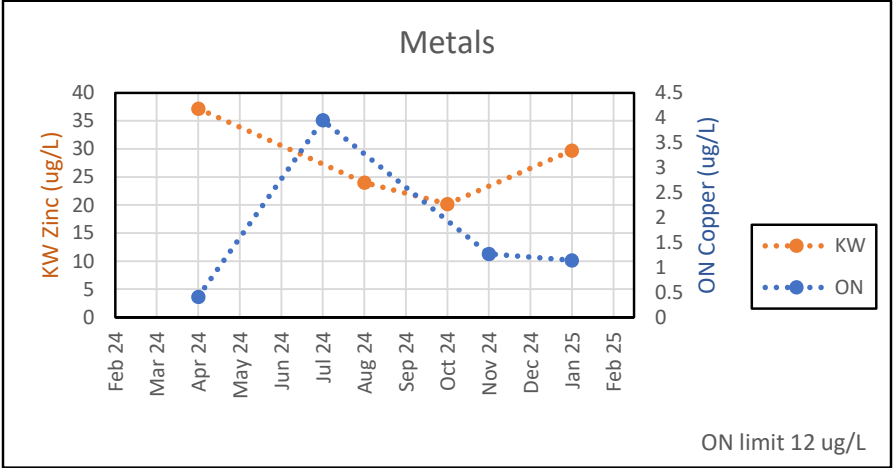
	Ammonia		
	CM	ON	UB
Feb 24		0.20	0.01
Mar 24		0.21	0.02
Apr 24	0.07	0.72	1.4
May 24		0.04	0.05
Jun 24		0.13	0.08
Jul 24	0.03	0.11	0.09
Aug 24		0.07	0.08
Sep 24		0.07	0.07
Oct 24	0.03	0.11	0.04
Nov 24		0.10	0.06
Dec 24		0.56	1.5
Jan 25	0.02	1.3	4.7
Feb 25		0.53	0.01



	TKN		
	CM	KW	SB
Feb 24		0.91	0.80
Mar 24		0.91	0.70
Apr 24	0.59	1.5	0.90
May 24		0.90	0.80
Jun 24		0.99	0.90
Jul 24	0.88	0.94	2.2
Aug 24		0.94	1.0
Sep 24		0.91	1.3
Oct 24	0.75	0.95	0.70
Nov 24		1.1	1.2
Dec 24		1.1	2.7
Jan 25	<0.50	1.1	0.80
Feb 25		0.99	0.60



	Zinc	Copper
	KW	ON
Feb 24		
Mar 24		
Apr 24	37	0.41
May 24		
Jun 24		
Jul 24		4.0
Aug 24	24	
Sep 24		
Oct 24	20	
Nov 24		1.3
Dec 24		
Jan 25	30	1.1
Feb 25		



SC&H prepared the following Internal Audit Status document for the HRSD Commission. The status includes a summary of projects in process, upcoming projects, and management action plan updates.

## **I. Projects in Process**

---

### **Operational Technology Security and Resilience**

- **Completed Tasks (February 2025)**
  - Presented report to the Deputy General Manager and CFO.
- **Upcoming Tasks (March 2025)**
  - Present report to HRSD stakeholders.
  - Issue final report.

### **IT Governance**

- **Completed Tasks (February 2025)**
  - Completed testing procedures and internal reviews.
- **Upcoming Tasks (March 2025)**
  - Present preliminary findings to HRSD stakeholders.
  - Submit draft report for review, commentary, and management action plans.

### **Talent Management Investigations (planning only)**

- **Completed Task (February 2025)**
  - Finalized internal documentation and draft result procedures.
- **Upcoming Tasks (March 2025)**
  - Present draft deliverables to HRSD for review and commentary.
  - Issue final deliverables.

### **Model 3**

- **Completed Task (February 2025)**
  - Conducted follow up request list meetings to obtain documentation.
  - Obtained documentation and initiated testing.
- **Upcoming Tasks (March 2025)**
  - Complete testing procedures and internal reviews.
  - Present preliminary findings to HRSD stakeholders.
  - Submit draft report for review, commentary, and management action plans.

### **Risk Assessment Refresh**

- **Completed Tasks (February 2025)**
  - Finalized general and IT survey, and initiated analysis of responses received.
  - Administered Commission survey (2/13/25).
- **Upcoming Tasks (March 2025)**
  - Analysis of responses received for all surveys.
  - Prepare draft of annual audit plan.
  - Coordinate Commission presentation.

### **Bid Assessment**

- **Completed Tasks (February 2025)**
  - Conducted kickoff meeting with HRSD.



- **Upcoming Tasks (March 2025)**

- Schedule meetings/interviews with management and the external engineering firm.
- Conduct external research and review internal documentation.
- Begin drafting deliverables.

## **II. Upcoming Audits**

- Billing and Accounts Receivable (April 2025)

## **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
Safety Division	March 2025	2	1	3
Freedom of Information Act (FOIA)	March 2025	0	1	1
Personally Identifiable Information (PII)	March 2025	0	3	3
AP, ProCard	July 2025	1	2	3
Closed Audit/Projects (x21)	Closed	135	0	135
Totals		138	7	145

Strategic Measures  
February 2025

Strategic Planning Measure	Jan-25	Feb-25	FY-25
Educational and Outreach Events	8	10	97
Number of Community Partners	1	2	39
Number of Technical Presentations	0	0	38
Number of Technical Publications	0	0	0
Revenue vs. Budget	63%	70%	41%
Wastewater Expenses vs. Budget	48%	54%	30%
Accounts Receivable (HRSD)	\$50,884,771	\$52,678,637	\$49,167,321
Aging Accounts Receivable	35.70%	34.60%	32.49%
Turnover Rate wo Retirements	0.45%	0.34%	3.42%
Turnover Rate w Retirements	1.02%	0.79%	5.45%
Avg Time to Hire	3 months 2 days	3 months 10 days	3 months 1 days
Number of Vacancies	72	73	62
Average number of applicants per position	9.1	7.2	10.7
Percentage of positions filled with internal applicants	21.4%	14.8%	23.6%
Recruitment source Return on Investment	*	*	*
Average time required (days) to onboard new employees, including from initial posting of position to candidates' first day	*	*	*
Customer Call Wait Time (mins)	3.57	10.43	3.59
Capacity Related Overflows with Stipulated Penalties (Reported Quarterly)	**	**	*
Non-Capacity Related Overflows with Stipulated Penalties (Reported Quarterly)	**	**	*
TONS OF CARBON: Tons of carbon produced per million gallons of wastewater treated Energy consumed (gas (scfm) and electricity (kWh)) per million gallons of wastewater treated.	6 months 19 days	*	15,876
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.	4392	*	4,392
Cumulative CIP Spend	\$347,670,000	***	\$347,670,000

\*Not currently tracking due to constraints collecting the data.

\*\* Updated after EPA Quarterly Report submittal.

\*\*\*Billing is one month behind

# Strategic Measures

February 2025

Education Outreach and Community Partners			
Date	Event	Community Partner	Departments
02/01/2025		Jamestown High School	Operations
02/01/2025		Ocean Lakes Community	Operations
02/04/2025	WBTP Tour - Jamestown High School	Williamsburg-James City County Public Schools	Operations and Communications
02/05/2025	SWIFT RC friends & family tour	HRSD employees	Communications
02/06/2025	SWIFT RC tour to Suffolk Sales and Service	Suffolk Sales and Service	Communications
02/06/2025	WBTP Tour for Jamestown High School	Williamsburg-James City County Public Schools	Operations
02/14/2025	ODU CEE Alumni Chapter Speed Networking Event	Old Dominion University	Engineering
02/18/2025	Canon Engineers Week Presentation	Canon	Engineering
02/25/2025	STEAM Day at the Chrysler	Chrysler Museum of Art	Communications
02/27/2025	SWIFT RC Tour - Wendy Iles (Hampton Clean City Commission)	Hampton Clean City Commission	Communications
02/27/2025	SWIFT RC Tour and meeting with Virginia Living Museum staff	Virginia Living Museum	Communications
02/28/2025	National Academies Climate Crossroads Congressional Fellowship Program	National Academies	Engineering and Communications