Revised 05/22/2025

HRSD Commission Meeting Agenda
9:00 a.m. – May 27, 2025

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

No.	Topic	Resource
	Call to Order	Chair
1.	Awards and Recognition	Bernas
2.	Public Comments Not Related to the Agenda	Secretary
3.	Consent Agenda	Bernas
4.	Annual Budget Fiscal Year 2025 Additional Appropriation	de Mik
5.	Finance Committee Report Briefing	de Mik
6.	Risk Assessment and Internal Audit Services Contract Award (>$200,000)	de Mik
7.	Revenue Policy Commission Adopted Policy	de Mik
8.	Fiscal Year 2026 (July 1, 2025 – June 30, 2026) Budgets	de Mik
9.	Expenditure of Tax-Exempt Bond Proceeds Reimbursement Resolution for Fiscal Year 2026	de Mik
10.	Trust Agreement Exclusion of Certain Locality Improvements from Calculations of Operating Expenses Resolution	de Mik
11.	Subordinate Wastewater Revenue Bonds Series 2025A Resolution	de Mik

No.	Topic	Resource
12.	Wastewater Revenue Bonds Series 2025B Resolution	de Mik
13.	Bank of America Third Amendment to Second Amended and Restated Credit Agreement Resolution	de Mik
14.	HRSD 457 Plan and Adoption of Trust Agreement Amendment and Restatement	de Mik
15.	Renewable Natural Gas (RNG) Facility at the Atlantic Treatment Plant (ATP) Agreement	de Mik
16.	Estimating the Economic Impact of HRSD's Sustainable Water Infrastructure for Tomorrow (SWIFT) Project Study Agreement	de Mik
17.	Data-Driven Process Control for Maximization of Energy and Resource Efficiency-C Partial Denitrification – Anammox (PdNA) Grant Agreement (>$200,000)	Bott
18.	Atlantic Treatment Plant (ATP) Odor and Solids Improvements 2023 Approval of Guaranteed Maximum Price (GMP)	Husselbee
19.	Appoint O&N Committee	Bernas
20.	New Business	Bernas
21.	Unfinished Business	Bernas
22.	Commissioner Comments	Chair
23.	Informational Items	Bernas
24.	Closed Meeting - *Exemption Added	Bernas
25.	Reconvened Meeting	Bernas

Attachments to Agenda Item #11

Attachments to Agenda Item # 12

Attachments to Agenda Item # 14

Next Regular Commission Meeting: June 24, 2025 in Virginia Beach, VA

Resource: Jay Bernas

AGENDA ITEM 1. – May 27, 2025

Subject: Awards and Recognition

Recommended Action: No action is required.

Brief: HRSD is pleased to announce the following:

a. Promotion Announcement

Mr. Gene Rutledge was recently promoted to Operations Manager in the South Shore Interceptor Operations Department. Gene was hired in 2022 as the Interceptor Engineer. He is a licensed Professional Engineer with 27 years of experience in the Civil Engineering profession with experience in design, operations and maintenance, and municipal review. Gene holds a Bachelor of Science in Civil Engineering degree from Old Dominion University. He will be leading Interceptor Operations, South Shore field staff and front-line supervisors focusing on operating and maintaining the interceptor system for the five southside localities.

b. Awards

National Association of Clean Water Agencies (NACWA) Peak Performance Awards

NACWA's Peak Performance Awards recognize member facilities for outstanding compliance with their National Pollutant Discharge Elimination System (NPDES) permits. *Silver Awards* recognize facilities that have received no more than five permit violations per calendar year. *Gold* Awards honor those who have achieved perfect permit compliance for an entire calendar year, while *Platinum* Awards recognize 100 percent compliance for at least five consecutive years.

The following treatment plants were recognized for outstanding compliance during calendar year 2023, a remarkable accomplishment:

Award	Plant
Platinum 9	Atlantic Treatment Plant
Platinum 22	Boat Harbor Treatment Plant
Platinum 10	James River Treatment Plant
Platinum 22	Nansemond Treatment Plant
Platinum 28	Virginia Initiative Treatment Plant
Platinum 29	Williamsburg Treatment Plant
Platinum 16	York River Treatment Plant
Gold	Army Base Treatment Plant
Gold	Urbanna Treatment Plant
Gold	Onancock Treatment Plant
Silver	King William Treatment Plant
Silver	West Point Treatment Plant

2023 Peak Performance Awards – Atlantic Treatment Plant



2023 Peak Performance Awards – Boat Harbor Treatment Plant



HRSD
Sustainable, Innovative Wastewater Treatment

2023 Peak Performance Awards – James River Treatment Plant



HRSD
Sustainable, Innovative Wastewater Treatment

2023 Peak Performance Awards – Nansemond Treatment Plant



2023 Peak Performance Awards – Virginia Initiative Treatment Plant



HRSD
Sustainable, Innovative Wastewater Treatment

2023 Peak Performance Awards – Williamsburg Treatment Plant



2023 Peak Performance Awards – York River Treatment Plant



2023 Peak Performance Awards – Army Base Treatment Plant



2023 Peak Performance Awards - Small Communities



HRSD
Sustainable, Innovative Wastewater Treatment

2023 Peak Performance Awards - Eastern Shore



Resource: Jay Bernas

AGENDA ITEM 2. – May 27, 2025

Subject: Public Comments Not Related to Agenda

Resource: Jay Bernas

AGENDA ITEM 3. – May 27, 2025

Subject: Consent Agenda

Recommended Action: Approve the Consent Agenda.

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

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

b. Contract Awards (>$200,000)

1.	Capital Project Compliance Consulting Services	$1,198,740
2.	Hoist and Crane Annual Inspections and Maintenance	$369,120
3.	Lawn Maintenance Service Contract – Small Communities Division	$510,725
4.	Medium Voltage Preventative Maintenance and Testing Service Contract	$618,000
5.	Methanol Blanket Purchase Agreement	$4,476,585
6.	Polychem Parts	$220,305
7.	Structural Services Annual Services	$10,000,000
8.	Water Quality Department Instrumentation Equipment (FY 2025)	$376,209
9.	Work Safety Shoes	$377,292

c. Task Orders (>$200,000)

1.	High Priority Inflow and Infiltration Reduction Program	$1,600,000

d. Regulatory Capital Improvement Project – Additional Appropriation <$10,000,000

1.	Park Avenue Pump Station Replacement	Additional Appropriation	$559,856
		Task Order	$379,294
2.	Sanitary Sewer Replacement 1950 - Part 2	Additional Appropriation	$7,192,490
		Change Order	$6,292,429
		Task Order	$889,375
3.	Washington District Pump Station Replacement	Additional Appropriation	$6,925,323
		Contract Award	$13,257,000
		Task Order	$1,378,428

CONSENT AGENDA ITEM 3.b.1. – May 27, 2025

Subject: Capital Project Compliance Consulting Services Contract Award (>$200,000)

Recommended Action: Award a contract to L.S. Caldwell & Associates, Inc. in the amount of $239,748 for one year with four renewal options and an estimated cumulative value of $1,198,740.

Regulatory Requirement: None

Type of Procurement: Competitive Negotiation

A Public Notice was issued on January 6, 2025. Five firms submitted proposals on January 31, 2025, and all firms were determined to be responsive and deemed fully qualified, responsible, and suitable to the Selection Committee (Committee) and to the requirements in the Request for Proposals. Three firms were short-listed, interviewed, and technically ranked as listed below:

Proposers	Technical Points	Recommended Selection Ranking
L.S. Caldwell & Associates, Inc.	90	1
Windell Gray DBA Landon & Rian Enterprises Inc.	88	2
CC Solutions, LLC	81	3

The Committee recommends the award to L.S. Caldwell & Associates, Inc., whose professional qualifications and proposed services best serve the interest of HRSD.

Contract Description: This contract will be used to monitor the compliance of all contractors and subcontractors working on HRSD projects that include the Davis-Bacon federal prevailing wage requirements and any other federal requirements.

HRSD's Capital Improvement Program is a combination of projects that ensure regulatory compliance, provides for adequate infrastructure reinvestment and meets the future growth needs of Hampton Roads. Funding for the program is a combination of Cash, Bonds, Virginia Clean Water Revolving Loan Funds (VCWRLF), Water Quality Improvement fund (WQIF), and a variety of other Loans and Grants. Many of these funding sources have a variety of reporting and tracking requirements that are currently being handled by engineering firms at a project level. With the number of projects and funding types continuing to increase, the need to bring the tracking and reporting under one contract is essential to maintain compliance with these funding sources.

This is an estimated use contract and will be paid for with the funds associated with each individual project as needed. Pricing is based on hourly rates and the use of a software platform that requires a monthly subscription fee. The cost was found to be fair and reasonable based on similar services and in line with other respondents' pricing.

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

Resource: Bruce Husselbee

CONSENT AGENDA ITEM 3.b.2.– May 27, 2025

Subject: Hoist and Crane Annual Inspections and Maintenance Contract Award (>$200,000)

Recommended Action: Award a contract to Hoist and Crane Service Group Inc in the amount of $73,824 for one year with four renewal options and an estimated cumulative value of $369,120.

Regulatory Requirement: None

Type of Procurement: Competitive Bid

In accordance with HRSD's competitive sealed bidding procedures, the Procurement Department advertised and solicited bids directly from potential bidders. The project was advertised on January 23, 2025, and one bid was received on February 12, 2025, as listed below:

Bidder	Bid Amount
Hoist and Crane Service Group Inc.	$73,824

HRSD Estimate: $86,898

Contract Description: This agreement is for the annual inspection of approximately 381 cranes, hoists, monorails and trollies, and gantries, and to provide repair service and parts on a time and material basis. HRSD's cranes, hoists, monorails, trollies, and gantries are located throughout our service area.

Analysis of Cost: Costs are determined to be fair and reasonable based on past contract history for hoist and crane inspections and maintenance.

This work is in accordance with the Commission Adopted Asset Management and Procurement Policies.

Resource: Eddie Abisaab

CONSENT AGENDA ITEM 3.b.3. – May 27, 2025

Subject: Lawn Maintenance Service Contract – Small Communities Division
Contract Award (>$200,000)

Recommended Action: Award a contract to Green Alternatives LLC in the amount of $102,145 for one year with four renewal options and an estimated cumulative value of $510,725.

Regulatory Requirement: None

Type of Procurement: Competitive Bid

In accordance with HRSD's competitive sealed bidding procedures, the Procurement Division advertised and solicited bids directly from potential bidders. The project was advertised on April 7, 2025, and two bids were received on April 23, 2025, as listed below:

Bidder	Bid Amount
Green Alt LLC DBA Green Alternatives LLC	$102,145
Christopher Chandler DBA Southern Green Gardens LLC	$127,844

HRSD Estimate: $87,785

Contract Description: This contract is an agreement for lawn maintenance services for the Small Communities Operation Center, West Point Treatment Plant, King William Treatment Plant, Urbanna Treatment Plant and affiliated Small Communities pump stations. Services include annual maintenance of sites (weekly cutting, edging, trimming), fence line maintenance (removal of vines, dead tree limbs and brush height), and flower bed/mulch replenishment.

Analysis of Cost: The HRSD estimate is based on previous contract spend. The cost is considered to be fair and reasonable based on the bids received and negotiation efforts. The increase in the estimated spend is based on additional Pump Stations being serviced through this contract.

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

Resource: Eddie Abisaab

CONSENT AGENDA ITEM 3.b.4. – May 27, 2025

Subject: Medium Voltage Preventative Maintenance and Testing Service Contract Contract Award (>$200,000)

Recommended Action: Award a contract to Electric Power Systems International Inc. in the amount of $123,600 for one year with four renewal options and an estimated cumulative value of $618,000.

Regulatory Requirement: None

Type of Procurement: Competitive Negotiation

A Public Notice was issued on February 27, 2025. Five firms submitted proposals on March 28, 2025, and only one firm was determined to be responsive and deemed fully qualified, responsible, and suitable by the Professional Services Selection Committee (Committee) and in accordance with the requirements outlined in the Request for Proposals. The remaining vendors did not meet HRSD's requirements for overall understanding of the project, limited resources, and lack of relevant staffing experience. Electric Power Systems International Inc. displayed knowledge and understanding of project goals supported by previous experience and project staff with the required certifications.

Proposers	Technical Points	Recommended Selection Ranking
Electric Power Systems International Inc.	91	1
Qualus Services Inc.	59	2
Electric Power Inc.	53	3
Rudy L. Hawkins Electrical	48	4
ABM Electrical Power Solutions LLC		Non-responsive

The Committee recommends award to Electric Power Systems International Inc., whose professional qualifications and proposed services best serve the interest of HRSD.

HRSD Estimate: $797,055/five-year

Contract Description: This contract is for Medium Voltage Electrical testing services and maintenance. This includes but is not limited to the testing of medium voltage oil filled transformers, breakers, protective relays, feeder cable, etc. The contractor will coordinate with HRSD staff to test equipment and provide test reports. If any anomalies are found after testing, the contractor will work with HRSD staff to develop a proposed solution, including cost estimates and plan of action.

Analysis of Cost: Costs were negotiated and determined to be fair and reasonable based on previous contracted rates. This is an estimated use contract and work orders will be issued on an as needed basis.

This work is in accordance with the Commission Adopted Procurement Policy

Resource: Eddie Abisaab

CONSENT AGENDA ITEM 3.b.5. – May 27, 2025

Subject: Methanol Blanket Purchase Agreement
Contract Award (>$200,000)

Recommended Action: Award a contract to Colonial Chemical Solutions in the amount of $895,317 for one year with four renewal options and an estimated cumulative value of $4,476,585.

Regulatory Requirement: None

Type of Procurement: Competitive Bid

In accordance with HRSD's competitive sealed bidding procedures, the Procurement Department advertised and solicited bids directly from potential bidders. The project was advertised on April 1, 2025, and three bids were received on April 18, 2025, as listed below:

Bidder	Bid Amount
Colonial Chemical Solutions	$895,317
Brenntag Mid-South Inc.	$941,540
Univar USA Inc.	$1,016,020

HRSD Estimate: $1,151,940

Contract Description: This contract is for the supply and delivery of Methanol on an as needed basis. Methanol is used as a supplemental carbon source for denitrification at HRSD treatment plants. Methanol feed is a critical aspect of meeting effluent total nitrogen requirements.

Analysis of Cost: This is an estimated use contract. Pricing structure will be a monthly unit rate based on a Methanol Index along with a fixed price discount of approximately 36 percent. The HRSD estimate is based on the FY 2026 budget projection using current estimated annual usage.

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

Resource: Eddie Abisaab

CONSENT AGENDA ITEM 3.b.6. – May 27, 2025

Subject: Polychem Parts
Contract Award (>$200,000)

Recommended Action: Award a contract to Geiger Pump and Equipment Company DBA Gasho, A Geiger Pump & Equipment Co. in the amount of $220,305.

Regulatory Requirement: None

Type of Procurement: Competitive Bid

In accordance with HRSD's competitive sealed bidding procedures, the Procurement Department advertised and solicited bids directly from potential bidders. The project was advertised on April 8, 2025, and one bid was received on April 23, 2025, as listed below:

Bidder	Bid Amount
Geiger Pump and Equipment Company DBA Gasho, A Geiger Pump & Equipment Co.	$223,005

HRSD Estimate: $227,904

Contract Description: This contract is for Polychem part replacements. The Virginia Initiative Plant (VIP) uses the Polychem parts in the rectangular tanks. Over the last few years, VIP has rebuilt all six primary clarifiers mechanical components and started a mandatory inspection program by the manufacturer to increase the life of the mechanism. These parts include drives, chains, and sprockets that drive the rake or scrape system and will be used to fulfill inventory parts for two primaries for future rebuilds.

Analysis of Cost: The cost is determined to be fair and reasonable based on previous purchases and negotiations which resulted in a 1.21 percent savings.

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

Resource: Bruce Husselbee

CONSENT AGENDA ITEM 3.b.7. – May 27, 2025

Subject: Structural Services Annual Services Contract Award (>$200,000)

Recommended Action: Award a professional annual services contract to Collins Engineers, Inc. for Structural Services, effective July 1, 2025, with a maximum allowable limit of $2,500,000 per single task and $10,000,000 per year, with three annual renewal options.

Type of Procurement: Competitive Negotiation

A Public Notice was issued on March 5, 2025. Four firms submitted proposals on April 9, 2025, and all firms were determined to be responsive and deemed fully qualified, responsible, and suitable to the Professional Services Selection Committee (Committee) and to the requirements in the Request for Proposals. Three firms were short-listed, interviewed, and technically ranked as listed below:

Proposers	Technical Points	Recommended Selection Ranking
Collins Engineers, Inc.	94	1
Speight Marshall & Francis, PLLC	82	2
Terracon	75	3

The Committee recommends award to Collins Engineering, Inc., whose professional qualifications and proposed services best serve the interest of HRSD.

Contract Description and Analysis of Cost: This annual service contract will provide professional services for a variety of structural projects and evaluations at HRSD's treatment plants, pump stations, interceptor system structures, and administration and maintenance facilities. Funding for these services will be from the Engineering Division's Contractual Services budget or from the Capital Improvement budget associated with identified capital projects. The workforce categories, rates, and direct reimbursable costs were negotiated for the first contract year of the renewable contract. These costs compare favorably to other similar work efforts and the rates used in 2024/2025 by Collins Engineering, Inc.

Resource: Jamie Mitchell

CONSENT AGENDA ITEM 3.b.8. – May 27, 2025

Subject: Water Quality Department Instrumentation Equipment (FY 2025) Contract Award (>$200,000)

Recommended Action: Award a contract to Agilent Technologies Inc. in the amount of $376,209.

CIP Project: GN020500

Regulatory Requirement: None

Budget	$1,080,000
Previous Expenditures and Encumbrances	($256,867)
Available Balance	$823,133

Type of Procurement: Competitive Bid

In accordance with HRSD's competitive sealed bidding procedures, the Procurement Department advertised and solicited bids directly from potential bidders. The project was advertised on February 14, 2025, and five bids were received on March 7, 2025, as listed below:

Bidder	Bid Amount
Agilent Technologies Inc	$376,209
Shimadzu Scientific Instruments Inc	$378,866
AB SciEX LLC	$555,497
Thermo Electron North America LLC	Non-Responsive
Waters Technologies Corporation	Non-Responsive

HRSD Estimate: $424,739

Project Description: This project will provide analytical equipment for the Water Quality Division for Fiscal Year 2025.

Project Justification: The sampling and analytical equipment will support various projects and programs led by the Water Quality Division.

Contract Description: This contract is for the purchase of a liquid chromatography-tandem mass spectrometry (LC-MS/MS) per- and polyfluoroalkyl substances (PFAS) analyzer. The purchase includes hardware, software, and equipment support. This equipment assists in analyzing drinking water, ground water, surface water, domestic/industrial wastewater, and solid extract samples and meets all EPA requirements.

Thermo Electron North America LLC and Waters Technologies Corporation were deemed non-responsive because they did not meet HRSD's minimum specifications.

Analysis of Cost: Agilent Technologies Corporation's cost is determined to be fair and reasonable based on the competitive bid results compared to the HRSD Estimated Cost.

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

Resource: Brenda Matesig

CONSENT AGENDA ITEM 3.b.9. – May 27, 2025

Subject: Work Safety Shoes
Contract Award (>$200,000)

Recommended Action: Award multiple contracts for Work Safety Shoes to Saf Gard Safety Shoe Co Inc., W W Grainger Inc. DBA Grainger, Boot Barn Inc., Redwing Safety Shoes, Shoes for Crews, LLC and Tidewater Safety Shoe Service Inc. in the total estimated amount of $125,764 for year one with two annual renewal options and an estimated cumulative value in the amount of $377,292.

Regulatory Requirement: None

Type of Procurement: Competitive Bid

In accordance with HRSD's competitive sealed bidding procedures, the Procurement Department advertised and solicited bids directly from potential bidders. The project was advertised on April 25, 2025, and six bids were received on May 7, 2025, as listed below:

Bidder	List Price Discounts
Saf Gard Safety Shoe Co Inc.	20% - 25%
W W Grainger Inc DBA Grainger	22%
Boot Barn Inc.	15%
Redwing Safety Shoes	15%
Shoes for Crews, LLC	15%
Tidewater Safety Shoe Service Inc.	10%

HRSD Estimate: $125,764/per year

Contract Description: Each contract is an agreement for the supplier to furnish and deliver work safety shoes to all HRSD facilities. Multiple supplier contracts will provide employees with a range of shoe selections within HRSD's safety shoe classifications. Ordering options include onsite mobile trucks, online ordering, and walk-in service locations.

W W Grainger Inc. DBA Grainger has been added as a new supplier for HRSD's Work safety shoe contract.

Analysis of Cost: The HRSD estimate reflects projected spend amount. HRSD employees are provided with an annual allowance for the purchase of safety shoes as identified and approved by the Safety and Security Department. The allowance is calculated based on discounted average shoe cost. List price discounts are in alignment with the previous year's discounts. These are estimated use contracts.

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

Resource: Bruce Husselbee

CONSENT AGENDA ITEM 3.c.1. – May 27, 2025

Subject: High Priority Inflow and Infiltration Reduction Program
Task Order (>200,000)

Recommended Action: Approve a task order to amend the interim agreement with Burns and McDonnell Engineering Company, in the amount of $1,600,000.

CIP Project: GN020300

Regulatory Requirement: Integrated Plan - HPP1 (2030 Completion)

Budget	$10,721,900
Previous Expenditures and Encumbrances	($8,995,442)
Available Balance	$1,726,458
Proposed Task Order to Burns and McDonnell Engineering Company	($1,600,000)
Proposed Contingency	($126,458)
Project Shortage/Requested Additional Funding	($0)
Revised Total Project Authorized Funding	$10,721,900

Contract Status with Task Orders:	Amount
Original Contract with Engineer	$8,900,000
Total Value of Previous Task Orders	$0
Requested Task Order	$1,600,000
Total Value of All Task Orders	$1,600,000
Revised Contract Value	$10,500,000
Engineering Services as % of Construction	N/A

Type of Procurement: Competitive Negotiation – PPEA

The use of the Public Private Education Facilities and Infrastructure Act (PPEA) project delivery method was approved by the Commission at the October 2023 meeting. The Interim Agreement with the Burns and McDonnell Engineering Company was executed in September 2024, and the Commission approved the First Amendment at the March 2025 meeting, which established a completion date of August 27, 2025.

Project Description: The Program consists of a planning project (GN020300) and several capital improvement projects being combined into a single project that contains 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.

Project Justification: The GN020300 Interim Agreement 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.

The original scope of work identified 19 high priority projects where SSOs attributed to inflow and infiltration were thought to be an issue. Through flow monitoring and data analysis, the Design-Build Team has determined that only four of the original 19 high priority areas remain potential locations for

cost-effective I&I reduction and additional six areas exhibit a significant system response to storm events.

Further evaluation of these ten areas is necessary to validate preliminary cost-effective I&I reduction data and support the development of the Comprehensive I&I Reduction Program Plan.

Task Order Description and Analysis of Cost: The proposed amendment will update the original scope of work to continue flow monitoring and data analyses, complete SSES investigations in the ten proposed project areas, and to continue program management and administration activities.

The Burns and McDonnell Team evaluated the budgeted labor and expenses, and the actual and forecast effort associated to each of the proposed tasks within the interim agreement to determine the additional effort required to accomplish the contract goal. The subconsultants and subcontractors negotiated rates were in alignment with the original contract agreement and the total amendment cost is reasonable considering the field evaluations and engineering effort required to accomplish the proposed tasks.

Schedule:		
	PPEA Comprehensive Agreement	September 2025
	Project Completion	December 2030

Resource: Bruce Husselbee

CONSENT AGENDA ITEM 3.d.1. – May 27, 2025

Subject: Park Avenue Pump Station Replacement
Additional Appropriation - Regulatory Required Capital Improvement Project (<$10,000,000), Task Order (>$200,000)

Recommended Actions:

a. Appropriate additional funding in the amount of $559,856.

b. Approve a task order with Gannett Fleming, Inc. in the amount of $379,294.

CIP Project: VP018000

Regulatory Requirement: Rehab Action Plan Phase 2 (12/5/2025 Completion)

Budget	$15,366,578
Previous Expenditures and Encumbrances	($15,347,420)
Available Balance	$19,158
Proposed Change Order No. 7 to Shaw Construction	($99,720)
Proposed Task Order to Gannett Fleming	($379,294)
Proposed Contingency	($100,000)
Project Shortage/Requested Additional Funding	($559,856)
Revised Total Project Authorized Funding	$15,926,434

Contract Status with Change Orders:	Amount	Cumulative % of Contract
Original Contract with Shaw Construction	$11,414,000	
Total Value of Previous Change Orders	$708,823	6.2%
Requested Change Order	$99,720	
Total Value of All Change Orders	$808,543	7.1%
Revised Contract Value	$12,222,543	

Time (Additional Calendar Days)		13 days

Contract Status with Task Orders:	Amount
Original Contract with Gannett Fleming	$177,355
Total Value of Previous Task Orders	$2,716,551
Requested Task Order	$379,294
Total Value of All Task Orders	$3,095,845
Revised Contract Value	$3,273,200
Engineering Services as % of Construction	17.5%

Project Description: This project will construct a replacement pump station for the existing Park Avenue Pump Station which was built in 1922. The attached map depicts the project location.

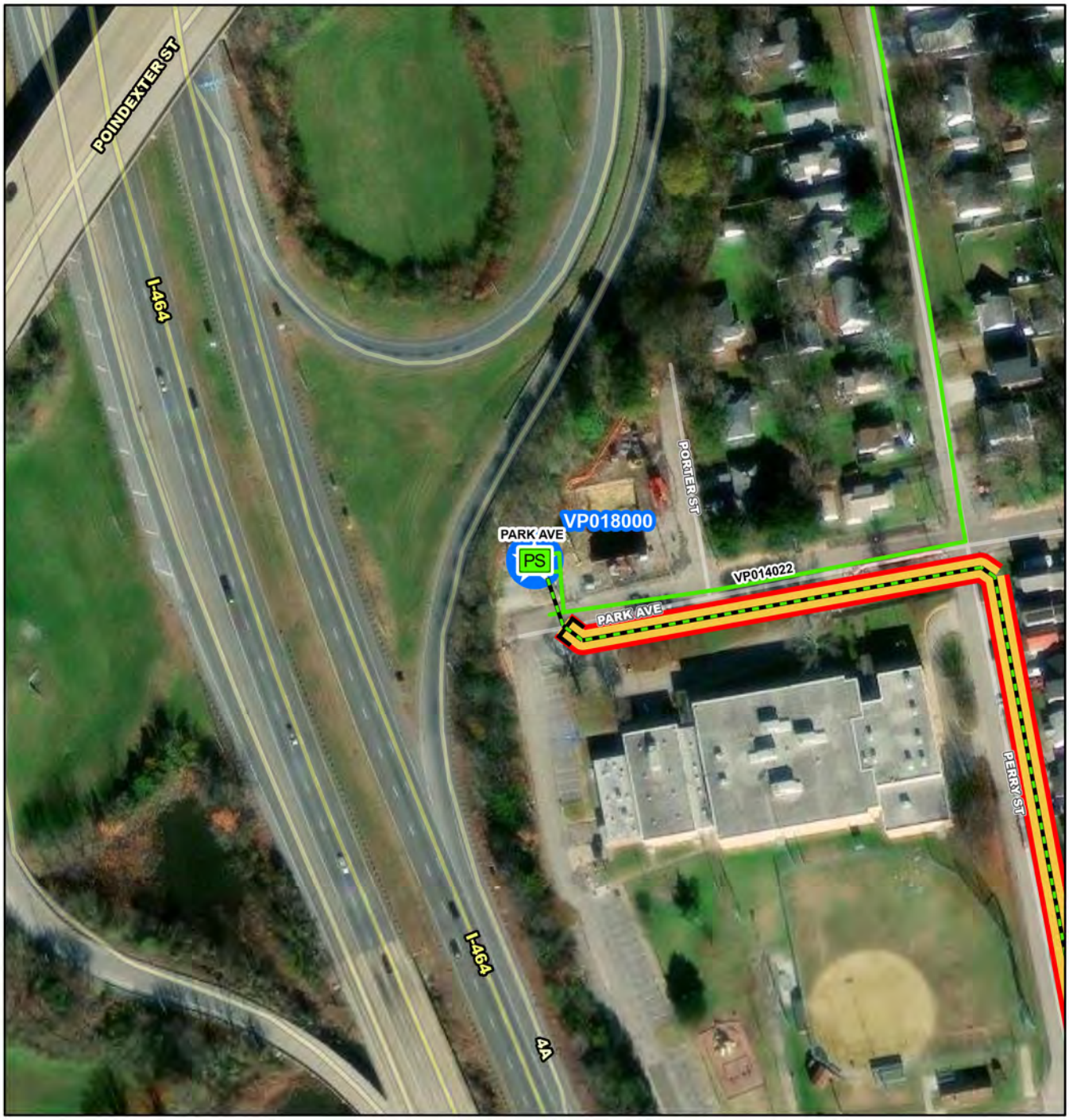
Project Justification: The existing facility was inspected as part of the Condition Assessment Program and was recommended for replacement due to operational issues related to aging equipment and infrastructure. The project is included in HRSD's EPA Rehabilitation Action Plan Phase Two and needs to be completed by December 2025.

Task Order Description and Analysis of Cost: This task order will provide additional construction phase services including contract administration and field engineering and inspection until project completion in January 2026. The cost is based on previously agreed upon billing rates and anticipated hours needed until project completion.

Funding Description: This project has experienced several delays including a 216-day stop work order due to excavation issues and personnel safety concerns. A change order was negotiated with Shaw for several miscellaneous items including wet well grout injection, relocation of ductwork due to conflict, conduit/wiring from generator to load bank, fuel level monitoring system, station door locks, and temporary bypass pump control panel, and a task order was negotiated with Gannett Fleming to provide construction-related services. The cost of the additional work exceeds the current balance available for this project. A contingency of $100,000 is also included in this funding request to accommodate any unforeseen conditions.

Schedule:

PER	June 2017
Design	October 2019
Bid	April 2022
Construction	June 2022
Project Completion	January 2026



VP018000

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

Legend

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

0 45 90 180 270 360 Feet

VP018000

Park Avenue Pump Station Replacement

HRSD

N
W E
S

CIP Location



Resource: Bruce Husselbee

CONSENT AGENDA ITEM 3.d.2. – May 27, 2025

Subject: Sanitary Sewer Replacement 1950 - Part 2
Additional Appropriation - Regulatory Required Capital Improvement Project (<$10,000,000), Contract Change Order (>25% of original contract value), Task Order (>$200,000)

Recommended Actions:

a. Appropriate additional funding in the amount of $7,192,490.

b. Approve a change order to the contract with Bridgeman Civil, Inc. in the amount of $6,292,429.

c. Approve a task order with Gannett Fleming, Inc. in the amount of $889,375.

CIP Project: VP014022

Regulatory Requirement: Rehab Action Plan Phase 2 (12/31/2025 Completion)

Budget	$24,287,289
Previous Expenditures and Encumbrances	($23,896,349)
Available Balance	$390,940
Proposed Change Order No. 6 to Bridgeman Civil	($6,292,429)
Proposed Task Order to Gannett Fleming	($889,375)
Proposed Contingency	($401,626)
Project Shortage/Requested Additional Funding	($7,192,490)
Revised Total Project Authorized Funding	$31,479,779

Contract Status with Change Orders:	Amount	Cumulative % of Contract
Original Contract with Bridgeman	$17,274,540	
Total Value of Previous Change Orders	$4,789,986	27.7%
Requested Change Order	$6,292,429	
Total Value of All Change Orders	$11,082,415	64.2%
Revised Contract Value	$28,356,955	

Time (Additional Calendar Days)		0

Contract Status with Task Orders:	Amount
Original Contract with Engineer	$1,831,824
Total Value of Previous Task Orders	$0
Requested Task Order	$889,375
Total Value of All Task Orders	$889,375
Revised Contract Value	$2,721,199
Engineering Services as % of Construction	9.6%

Project Description: This project will design and construct a force main to replace the 850-foot cast iron discharge force main SF-155 Sanitary Sewer Project 1950 12-inch Force Main. This project will also replace 2,900 feet of 18-inch gravity line 1960 SG-153 and 2,700 feet of 24-inch 1960 SG-149. The attached map depicts the project location.

The City of Chesapeake Avalon Neighborhood Sanitary Sewer and Water Renewal project will replace some of the aging water and sewer pipes and all backyard sewers with sewer mains in the right-of-way. As part of the backyard sewer replacement, homes along Byrd Avenue will have their laterals re-piped to the front of their property and connect directly to an HRSD sewer main. Additionally, new City sewer mains will be connected to the HRSD main along Bainbridge Boulevard at Chesapeake Drive, Post Avenue, Hughes Avenue, Wright Avenue, Byrd Avenue and Wilbur Avenue.

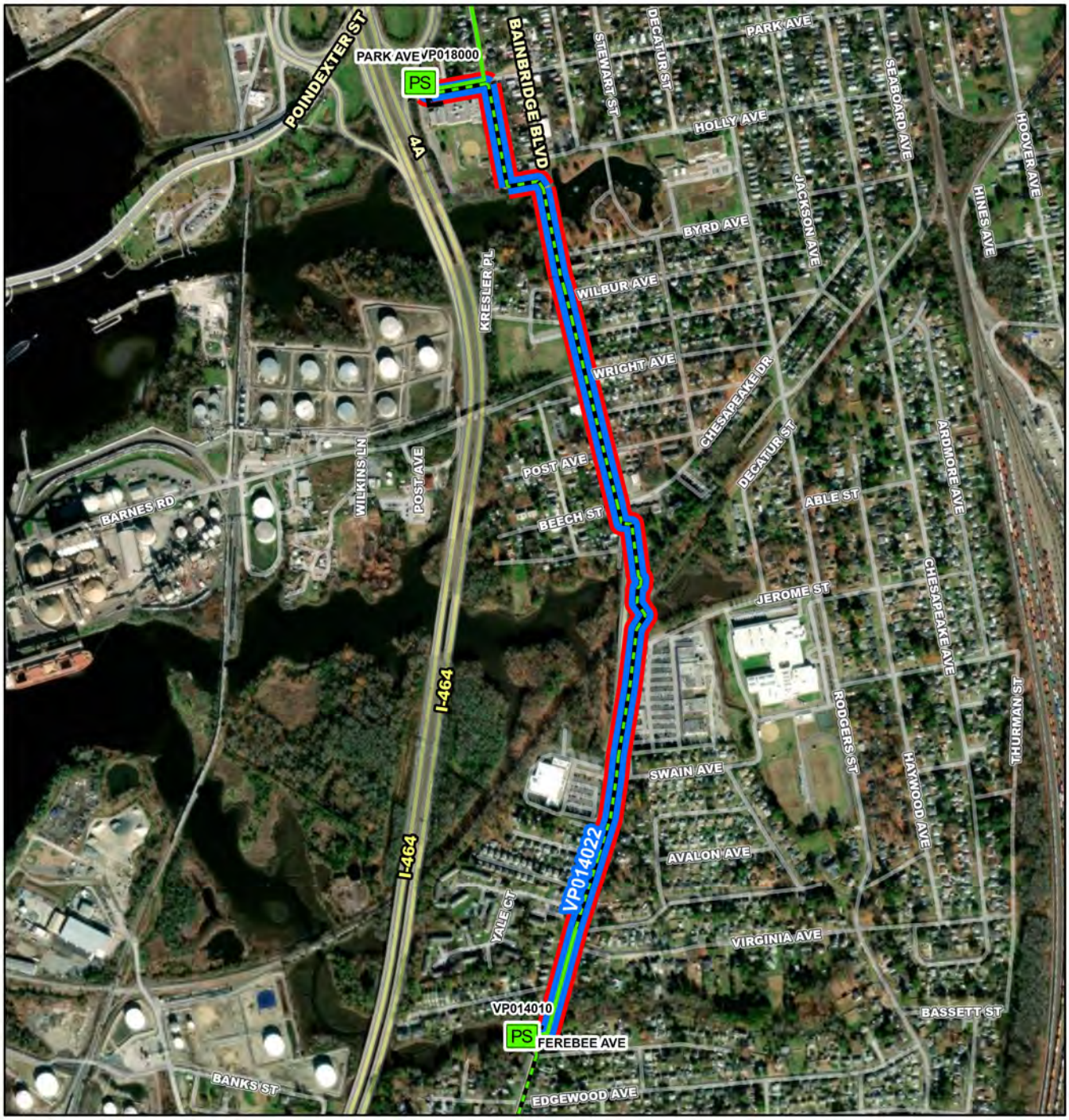
Project Justification: This project will evaluate and implement the replacement of HRSD force main and gravity sewer between Ferebee Avenue Pump Station and Park Avenue Pump Station. The Avalon area of South Norfolk consists of mostly aging water and sewer pipes in poor condition as well as backyard sewers, necessitating relocation and installation.

Change Order Description and Analysis of Cost: This change order includes a 32-day delay due to a conflict with two 48-inch Norfolk raw water transmission mains; concrete and asphalt overruns that were a part of rebuilding several roadways curb to curb within the project area; and HRSD requested interconnect pipe that will connect the existing Park Avenue Pump Station gravity system to the new sewer system that was a part of Sanitary Sewer 1950 Part 1. This interconnect pipe will allow the Park Avenue Pump Station contractor to complete their scope of work without any additional delays and allow the pump station to operate during the warranty period following substantial completion. The design engineer has reviewed the proposed change order costs and recommends approval.

Task Order Description and Analysis of Cost: This task order will provide additional design services for the installation of the temporary interconnect to the existing Park Avenue Pump Station and gravity sewer improvements in the Avalon neighborhood as well as extend contract administration and field engineering and inspection services through contract completion. The cost is based on previously agreed upon billing rates and anticipated hours needed until project completion.

Funding Description: The cost of the change order and task order exceeds the current balance available for this project. A five percent contingency is also being requested to accommodate any unforeseen conditions.

Schedule:	Construction	February 2023
	Project Completion	September 2026



VP014022

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

Legend

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

0 325 650 1,300 1,950 2,600 Feet

VP014022

Sanitary Sewer Replacement 1950 – Part 2

HRSD

N
W E
S

CIP Location



Resource: Bruce Husselbee

CONSENT AGENDA ITEM 3.d.3. – May 27, 2025

Subject: Washington District Pump Station Replacement
Additional Appropriation - Regulatory Required Capital Improvement Project
(<$10,000,000), Contract Award (>$200,000), Task Order (>$200,000)

Recommended Actions:

a. Appropriate additional funding in the amount of $6,925,323.

b. Award a contract to MEB General Contractors, Inc. in the amount of $13,257,000.

c. Approve a task order with Rummel, Klepper & Kahl, LLP (RK&K) in the amount of $1,378,428.

CIP Project: AT013010

Regulatory Requirement: Rehab Action Plan Phase 2 (5/5/2027 Completion)

Budget	$9,400,000
Previous Expenditures and Encumbrances	($1,027,045)
Available Balance	$8,372,955
Proposed Contract to MEB	($13,257,000)
Proposed Task Order to RK&K	($1,378,428)
Proposed Contingency	($662,850)
Project Shortage/Requested Additional Funding	($6,925,323)
Revised Total Project Authorized Funding	$16,325,323

Contract Status with Task Orders:	Amount
Original Contract with RK&K	$0
Total Value of Previous Task Orders	$1,026,357
Requested Task Order	$1,378,428
Total Value of All Task Orders	$2,404,785
Revised Contract Value	$2,404,785
Engineering Services as % of Construction	18.1%

Type of Procurement: Competitive Bid

In accordance with HRSD's competitive sealed bidding procedures, the Engineering Division advertised and solicited bids directly from potential bidders. The project was advertised on March 24, 2025, and three bids were received on April 29, 2025, as listed below:

Bidder	Bid Amount
MEB General Contractors, Inc.	$13,257,000
Shaw Construction Corporation	$13,785,830
W.M. Schlosser Company, Inc.	$15,433,000

Engineer Estimate: $18,515,688

The design engineer, RK&K, evaluated the bids based upon the requirements in the invitation for bid and recommends award to the lowest responsive and responsible bidder, MEB General Contractors, Inc., in the amount of $13,257,000.

Project Description: This project will replace the existing Washington District Pump Station as a Phase 2 Rehabilitation Action Plan project requiring completion by May 2027. The attached map depicts the project location.

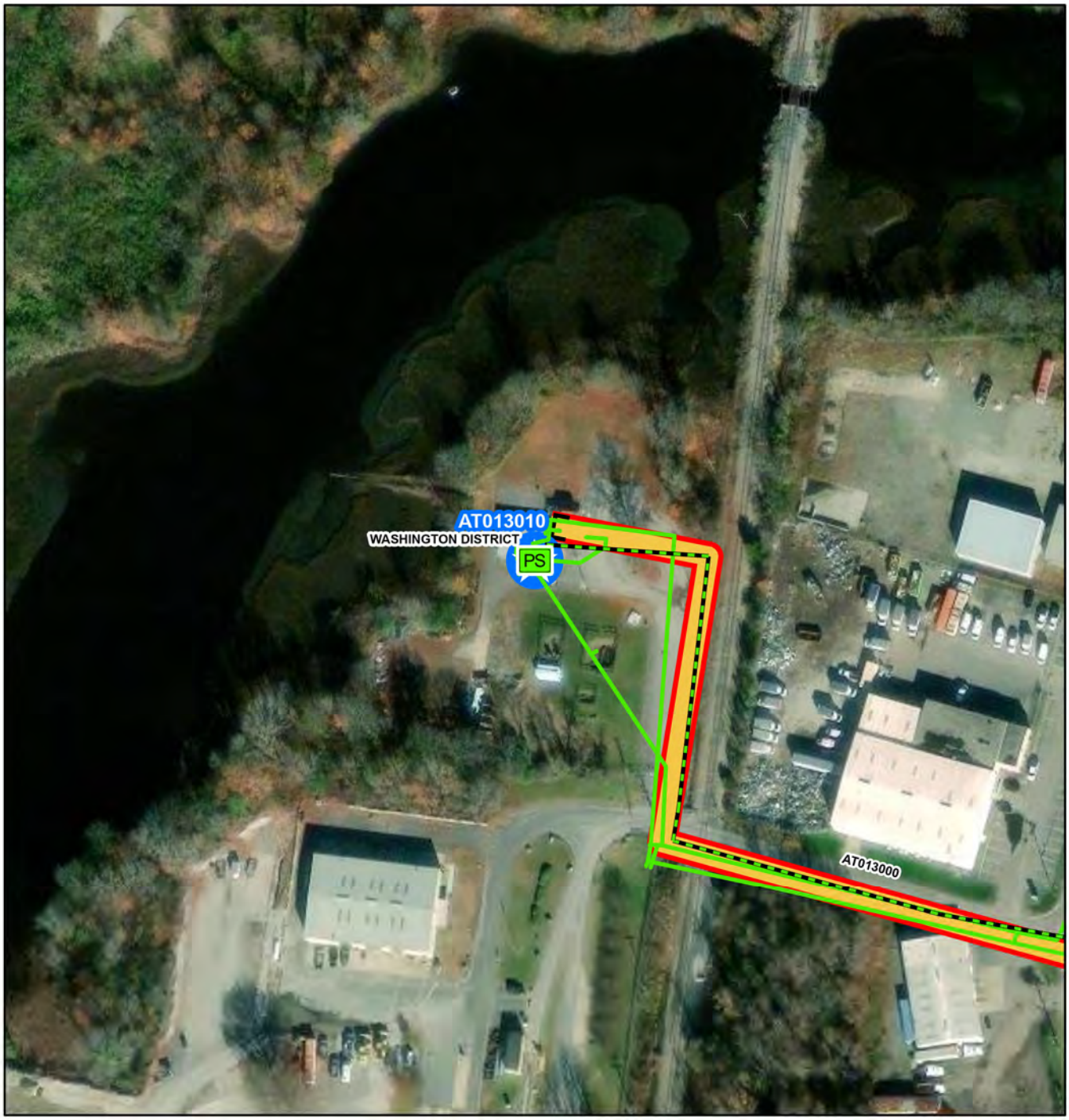
Project Justification: The existing pump station will be replaced in order to meet the 100-year flood plain and will raise the finish floor in order to meet this until 2070. The existing building will be removed and water-tight hatches will be installed over the dry pit submersible pumps. The intermediate wall between the existing dry well and wet well cannot be removed due to the wall being a load bearing wall for the pump station. A separate control building will be constructed to meet the flood plain.

Contract Description and Analysis of Cost: This contract is for construction of a pump station including elevated above-grade control and generator rooms, below-grade wet and dry wells, relocation of the emergency generator platform, and installation of approximately 75 linear feet of influent gravity sewer and approximately 300 linear feet of interceptor force main. The apparent low bidder is 33 percent lower than the Engineer's estimate but is within 4 percent of the next lowest bid. The Engineer's estimate is based on plan material quantities, estimated labor requirements, supplier/vendor costs, average unit prices bid on recent similar projects, and published cost data and was escalated during the bid period to adjust unit prices for the work, reflect the political climate including tariff impacts, and to reflect two experienced pump station contractors planning to not bid the project thereby reducing the contractor pool.

Task Order Description and Analysis of Cost: This task order will provide services during construction including contract administration and field engineering and inspection services. HRSD and the design engineer, RK&K, negotiated a fee in the amount of $1,378,427 based on hourly rates in RK&K's annual services contract for Linear Infrastructure Project and an estimation of hours required for this effort. The fee proposal is comparable to other projects of similar size and complexity.

Funding Description: The construction bid amount and the fee for construction related engineering services exceed the current balance available for the project. This request also includes a five percent contingency to accommodate any unforeseen conditions.

Schedule:		
	Bid	April 2025
	Construction	July 2025
	Project Completion	May 2027



AT013010

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

Legend

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

0 45 90 180 270 360 Feet

N
W E
S

CIP Location



AT013010

Washington District Pump Station Replacement

HRSD

Resource: Steve de Mik

AGENDA ITEM 4. – May 27, 2025

Subject: Annual Budget Fiscal Year 2025
Additional Appropriation

Recommended Action: Appropriate additional funding in the amount of $9,772,310.

Brief: In January 2025, the Commission approved a second agreement between the Virginia Department of Environmental Quality (DEQ) and HRSD for reimbursement of costs associated with conveying flow from the Chesapeake-Elizabeth Treatment Plant (CETP) to the Atlantic Treatment Plant (ATP). The total grant award for this work is $17,699,600. After a lengthy invoice review period, HRSD received the reimbursement on April 24, 2025.

The ATP improvement projects under this agreement were initially funded, in part, with the Virginia Clean Water Revolving Loan Fund (VCWRLF). The VCWRLF is a tax-exempt, subsidized financing instrument, and a portion of the principal outstanding on the VCWRLF Atlantic Plant Thermal Hydrolysis Process (THP) loan was used to fund related project costs.

DEQ requires that HRSD must use $9,772,310 of the proceeds from the grant award to pre-pay the outstanding tax-exempt debt. The additional appropriation request is to increase the Annual Budget in an amount necessary to make the debt service payment.

As was contemplated in the 2025 Annual Budget, the balance of the proceeds will be used to reimburse the Capital Improvement Program (CIP) for eligible costs incurred.

Resource: Steve de Mik

AGENDA ITEM 5. – May 27, 2025

Subject: Finance Committee Report
Briefing

Recommended Action: No action is required.

Brief: The Finance Committee met on February 27, March 25 and April 22, 2025 to discuss the preparation of the 2026 Annual and Capital Improvement Budgets. They also discussed a recommended award after a Request For Proposal (RFP) process for an Internal Auditor contract.

The Finance Committee Chair will provide a report of the committee's activity.

AGENDA ITEM 6. – May 27, 2025

Subject: Risk Assessment and Internal Audit Services
Contract Award (>$200,000)

Recommended Action: Award a contract to SC&H Group, Inc. in the estimated amount of $267,007 for year one with four annual renewal options and an estimated cumulative value in the amount of $1,335,035.

Regulatory Requirement: None

Type of Procurement: Competitive Negotiation

A Public Notice was issued on February 15, 2025. Nine firms submitted proposals on March 6, 2025, and all firms were determined to be responsive and deemed fully qualified, responsible, and suitable to the Professional Services Selection Committee (Committee) and to the requirements in the Request for Proposals. Nine firms were evaluated and technically ranked as listed below:

Proposers	Technical Points	Recommended Selection Ranking
SC&H Group, Inc.	1	97
P&M Holding Group LLP DBA Plante & Moran PLLC	2	91
Eide Bailly LLP	3	90
PKF O'Connor Davies, LLP	4	86
UHY Advisors Mid-Atlantic, Inc.	5	85
Frazier & Deeter LLC	6	83
Sikich Intermediate Holdings LLC DBA Sikich LLC	7	79
Armanino Advisory LLC	8	77
Nawrocki Smith LLP	9	76

HRSD Estimate

The Committee recommends award to SC&H Group, Inc., whose professional qualifications and proposed services best serve the interest of HRSD.

Contract Description: This contract is for risk assessment and internal audit professional services. The risk assessment findings of SC&H Group will serve as the basis of recommendations on yearly examination of specific areas. The agreed upon areas and scope of audit will be included in their annual audit plan to HRSD.

Analysis of Cost: The labor hours for internal audit services are estimates and based on previous contract spend averages. The rates provided by SC&H Group were negotiated resulting in an approximately five percent cost savings.

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

Resource: Steve de Mik

AGENDA ITEM 7. – May 27, 2025

Subject: Revenue Policy
Commission Adopted Policy

Recommended Action: Approve the revised Revenue Policy

Brief: The purpose of the Revenue Policy is to ensure there is sufficient revenue to support direct and indirect operating, capital and reserves and current and future debt service costs. The Policy covers such areas as the basis of charges, how charges are determined, how rates are approved, revenue forecasts, collections and an overview of the rate model. It was originally adopted in May 2017 and last revised in May 2023.

Other than the following changes, the changes to the Policy are generally administrative and clarifying in nature:

- Changed the concept that the flat rates approved by the Commission will be based on the average winter consumption of all single-family residential accounts with meter sizes of 1-inch or less. Average winter consumption is defined as the average flows during the months of November through April.

- Added the provision that Facility Charges for each meter size are based on the total net replacement value of all HRSD assets, including the value of assets under construction.

1.0 Purpose and Need

The purpose of this revenue policy is to ensure that there is sufficient revenue to support direct and indirect operating, capital, reserves and current and future debt service costs.

2.0 Definitions

2.1 Domestic Quality Wastewater. Defined in accordance with HRSD's Domestic Wastewater Survey that specifies the primary pollutants and the corresponding concentration levels for domestic wastewater.

2.2 Domestic Quality Wastewater Survey. A sampling evaluation of wastewater to define Domestic Quality Wastewater concentrations of primary pollutants conducted in residential neighborhoods in various localities (cities/counties) served by HRSD.

2.3 Facility Charges. Charges to cover the cost of treatment and conveyance capacity consumed by new connections or redevelopment. Facility charges are applied to any sewer or sewer system discharging into HRSD facilities and any increase to existing service.

2.4 Fats, Oils, and Grease (FOG). Wastewater created from the cleaning of a grease control device (GCD) and transported and discharged to a wastewater treatment plant by conveyance other than pipelines.

2.5 Flat Rates. ~~A c~~Constant rates applied to customer accounts in lieu of a metered based bill. The rates ~~is~~ are based on the winter average water consumption of all single-family residential accounts with meter sizes of 1-inch or less.~~existing flat rate accounts as determined periodically~~.

2.6 Hauled Wastewater. Wastewater transported and discharged to a wastewater treatment plant by conveyance other than pipelines, excluding Fats, Oils and Grease (FOG) waste from a grease control device (GCD).

2.7 High Strength or Unusual Waste. Biochemical Oxygen Demand (BOD), Total Suspended Solids (TSS), Total Phosphorus (TP), and Total Kjeldahl Nitrogen (TKN) discharged waste concentrations that exceed those defined as Domestic Quality Wastewater or unusual wastes not covered by the Rate Schedule that may be considered separately and may be assigned a special rate.

2.8 HRSD Charges. ~~Any and all~~All charges or fees billed to customers for wastewater services ~~provide~~provided by HRSD.

2.9 HRSD Collection System. All infrastructure conveying flow to the Interceptor System in localities where HRSD owns or operates a collection system.

2.10 HRSD Collection System Charges. Rates for HRSD Collection System operating and maintenance costs that are in addition to Wastewater Treatment Charges.

2.11 HRSD Enabling Act. The Commonwealth of Virginia 1960 Acts of the Assembly, c. 66, as amended.

2.12 HRSD Rate Schedule. Published listing of rates, fees and charges applicable for specified time frame.

2.13 Interceptor System. Larger diameter pipelines conveying flow from the collection system to the Wastewater Treatment Plant.

2.14 NAICS Surcharge Categories. The North American Industry Classification System (NAICS) standard used by Federal statistical agencies in classifying business establishments for the purpose of collecting, analyzing, and publishing statistical data related to the U.S. business economy.

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

2.16 Rational Nexus Criteria. These ensure that there is a reasonable connection between HRSD Charges and the actual cost of operating the wastewater system. These criteria ensure: (1) the charges are not arbitrary, (2) the charges are equitable, and (3) the charges are not discriminatory.

2.17 Regional Sanitary Sewer System. All portions of the individual locality and HRSD wastewater collection and interceptor systems and appurtenances thereto.

2.18 Surcharge Rate. Rates for High Strength or Unusual Wastes to recover costs in direct proportion to volume and pollutant concentrations. Surcharge rates are

based on a marginal cost approach for the variable costs associated with the incremental costs to treat High Strength or Unusual Wastes.

2.19 Wastewater Treatment Charges. Charges to convey and treat Domestic Quality Wastewater that are based on billed water consumption, an effluent wastewater meter, or a Flat Rate.

2.20 Wastewater Treatment Rate. Rate per specified unit of measure to recover the costs of conveyance and treatment of Domestic Quality Wastewater.

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

3.0 Guiding Principles

3.1 General

3.1.1 To the extent feasible, HRSD is a cost recovery enterprise and supports a uniform rate structure for interception and treatment regardless of which wastewater treatment plant treats a customer's wastewater.

3.1.2 HRSD uses the Rational Nexus Criteria as a guiding principle to derive its wastewater charges.

3.1.3 Wastewater Treatment and Collection Charges shall not be waived. However, payment extensions may be established for the collection of HRSD Charges.

3.1.4 All new connections and redevelopment shall pay an equitable share for the treatment and conveyance capacity consumed by their wastewater discharge to the Regional Sanitary Sewer System.

3.1.5 All HRSD rates shall be reviewed and revised (if required) at least annually and approved by the Commission. Changes shall be publicly advertised in accordance with HRSD's Enabling Act and posted on HRSD's web site.

3.1.6 Surcharge rates are set to recover costs in direct proportion to volume and pollutant concentrations in excess of Domestic Quality Wastewater.

3.1.7 Facility Charges ensure that an unfair burden is not placed on existing users that would otherwise pay higher rates to expand the system to accommodate new flows and loads to HRSD's facilities.

3.1.8 HRSD will not depend on temporary revenues such as grants to fund operating costs. One-time temporary revenues or grants should typically be used to fund one-time expenses.

3.1.9 Surcharge rates that are applied to non-permitted commercial facilities use sampling data for groups of businesses that produce similar goods or services using the North American Industry Classification System (NAICS).

3.2 Basis of Charges

3.2.1 Wastewater Treatment Charges

(1) The Wastewater Treatment Rate is derived from the Rate Model, see Appendix A.

(2) Volumetric Accounts

a. Volume of water purchased by the customer (as recorded by a water meter); or,

b. Volume of effluent discharged to the sewer system (as recorded by an effluent meter)

(3) A rate based on facility use and billing period.

(4) A single family residential Flat Rate as defined herein.

(5) HRSD treatment plants are designed to treat domestic quality wastewater. Additional charges may be assessed for wastewater with qualities that differ from the current definition of Domestic Quality Wastewater.

(6) Minimum charges apply to all accounts, except as specified herein.

3.2.2 Facility Charges

(1) HRSD shall establish Facility Charges for new connections based upon the size of the water meter serving the new connection. If the locality

does not offer a specific meter size, a combination meter is proposed, or another similar scenario exists, the Facility Charge may be based on a calculated meter size using the AWWA M22 Sizing Water Service Lines and Meters manual. Additional special exceptions, including redevelopment provisions, may be outlined in the HRSD Rate Schedule.

(2) The Facility Charge for each meter size is based on the total net replacement value of all HRSD's assets including assets under construction (construction in progress), HRSD's total hydraulic capacity, and the average water consumption for each meter size.

(3) HRSD reserves the right to require Facility Charges based upon wastewater that differs from domestic quality wastewater and that consumes loading capacity in excess of capacity consumed by the equivalent volume of Domestic Quality Wastewater.

3.2.3 HRSD Collection System Rate. A rate to recover HRSD costs for maintenance and operation of HRSD owned collection systems. The rate shall be based upon the weighted average rate charged by localities within the HRSD service area for collection system operation and maintenance of locality owned collection systems. Localities that do not charge a Locality collection rate will be excluded from this calculation. The weighted average will be based on the latest population estimates provided by the Welden Cooper Center for Public Service or other Commonwealth designated demographics agency. HRSD may establish separate collection system maintenance charges for each locality within the HRSD Collection System where warranted by unique circumstances.

3.2.4 Hauled Wastewater Rate. This rate is based on five individual charges specific to Hauled Wastewater: BOD, TSS, TP, TKN and volume as derived from the HRSD Rate Model and may include applicable credits, see Appendix A, and are not subject to a minimum charge. Since waste haulers do not use the Interceptor System, those costs are excluded from the volume rate.

3.2.5 Fats, Oils, and Grease (FOG) Rate. This rate is based on five individual charges specific to FOG: BOD, TSS, TP, TKN and volume as derived from the HRSD Rate Model and may include applicable credits, see Appendix A, and are not subject to a minimum charge. Since waste haulers do not use the Interceptor System, those costs are excluded from the volume rate.

3.2.6 Town Wholesale Treatment Rate. This rate is based on HRSD's average unit costs to: (1) treat wastewater in all of its major wastewater plants, (2) transport

wastewater from HRSD's member municipalities through its interceptor systems, and (3) the management, administration, and support costs applicable to these services. This charged volume is based on an effluent meter where a town discharges into the HRSD System, which will include infiltration and inflow.

3.2.7 Nutrient Credit Rates

(1) Operational Nutrient Credit Rate. These rates are based on the marginal operating cost to treat a pound of TN, TP and/or TSS. These costs are derived from budgeted operational expenses and vary in direct proportion to the quantity of pollutants treated (i.e., chemicals, electricity, disposal of directly related solids).

(2) Asset Nutrient Credit Rate. These rates are based on the proportional share of capital assets consumed to treat TN, TP and/or TSS.

3.2.8 TSS Operational and Assets Charges may not apply if TP is the driving parameter for Water Quality permitting.

4.0 Procedures

4.1 Determining Costs Used in the HRSD Rate Model, See Appendix A.

4.1.1 The budgeted annual costs shall be used to calculate rates that will be in effect for the budget fiscal year.

4.1.2 Budgeted costs shall be loaded into a comprehensive rate model to allocate costs to applicable categories annually. This model shall allocate costs to volume and each pollutant identified in the most recent Domestic Wastewater Survey.

4.1.3 The Domestic Wastewater Survey shall be updated every five years or more frequently if permit requirements or treatment technology changes warrant revisiting.

4.2 Determining Total Wastewater Volume

The total volume of wastewater to be billed during a budget year shall be estimated based upon the water consumption trends within the HRSD service area and other information when available.

4.3 Calculating Rates

4.3.1 The model shall calculate the Wastewater Treatment Rate based on total budgeted cost divided by the estimated volume of wastewater to be billed in the fiscal year. The rate shall be expressed in dollars per hundred cubic feet or per 1,000 gallons.

4.3.2 The HRSD Rate Model shall calculate the Surcharge Rate for High Strength Waste based on the incremental cost to treat each additional pound of each pollutant in excess of the pounds of pollutants identified for Domestic Quality Wastewater in the most recent HRSD Domestic Quality Wastewater Survey. The rates shall be expressed in dollars per 100 pounds or per milligrams per liter per hundred cubic feet of wastewater.

4.3.3 Facility Charges shall be calculated by dividing the replacement cost for all HRSD facilities, including assets under construction, by HRSD's total hydraulic capacity to obtain the replacement cost per gallon. This replacement cost per gallon shall be multiplied by the estimated flow expected from new connections and redevelopment and expressed in dollars per meter size. The estimated flow is based on the average daily flows for each size water meter using actual historical data from HRSD's meter database and any additional information available.

4.3.4 Flat Rates shall be calculated by determining the average water consumption for the months of November through April ~~January, February, and March~~ for all single-family residential ~~existing flat rate~~ accounts with meter sizes of 1-inch or less for a 30-day period multiplied by the Wastewater Treatment Rate.

4.3.5 Nutrient Credit Asset Charges are one-time charges and shall be paid in advance of providing a credit. Nutrient Operational Charges shall be paid in advance for five years and will be based on the rate in effect at the time the credits are provided. The charge will be reassessed every five years based on the rate in effect at the time of reassessment. On a case-by-case basis, intervals other than five years may be considered to support alignment with the credit recipient's permit cycle or needs. As provided in HRSD's *Nutrient Credit Management Policy*, HRSD may enter into private trading or offset agreements outside of this Revenue Policy.

4.3.6 Daily Minimum shall be calculated by dividing the total labor costs (not dependent on volume of wastewater conveyed or treated) of the Operations

Department by the total number of accounts' ten-year rolling average divided by 365.

4.3.7 Surcharge Rates shall be calculated using moving averages using historical data to dampen the year-over-year volatility.

4.4 Implementation

4.4.1 All rates shall be approved by the Commission.

4.4.2 Rates shall be advertised for four consecutive weeks in a newspaper of general circulation within the District.

4.5 Financial Forecast

HRSD will analyze water consumption, regional economic and population data periodically to identify any trends that may impact its long-range financial forecast. HRSD will also analyze and conservatively project major expense drivers, such as construction costs, inflation, operating cost increases, and borrowing costs. The forecast should target financial metrics, across the twenty-year period, that are consistent with rating agency metrics for a strong, double-A rated credit. This approach will helps ensure the long-range forecast is resilient and maintains HRSD's strong financial framework.

4.6 Collections of Customer Accounts

4.6.1 HRSD will monitor all collections of customer accounts to ensure they are equitably administered, timely and accurate. Generally, the cost of collections of customer accounts shall not exceed the marginal incremental revenue and it should not be a large percentage of the amount to be collected.

4.6.2 Charges shall be collected for all services rendered unless determined to be uncollectable.

4.6.3 Charges may be assessed for services received but not billed (for any reason) for a period of up to three prior years. The rate in effect in the year treatment services were provided shall be applied. If necessary, at HRSD's sole discretion, billing adjustments and/or payment plans may be established for payment of delayed billing or unbilled previous service.

4.6.4 Past due charges for services received and billed shall be pursued in accordance with the governing statute of limitations and as allowed by law.

4.6.5 If a customer has past due charges on any account for services received, and establishes a new account within HRSD's service area, the customer will be subject to the past due charges being transferred to their active account, and collection will be pursued.

4.6.6 HRSD shall establish criteria to pursue legal action for delinquent customer accounts, including both residential and commercial, in accordance with Section 25 of the Enabling Act and as otherwise provided by relevant governing law.

5.0 Responsibility and Authority

5.1 The ~~General Manager~~CEO/General Manager shall ensure the Commission reviews all rates annually as part of the annual budget process.

5.2 Rates may only be changed with an affirmative vote of a majority of the Commission at a legally noticed public meeting of the Commission.

5.3 The ~~General Manager~~CEO/General Manager shall ensure any rate revisions are advertised and published in accordance with the HRSD Enabling Act.

5.4 The Chief Financial Officer ~~Director of Finance~~ will present an updated Financial Forecast to the Commission and manage the update to the Rate Model on an annual basis.

5.5 The ~~General Manager~~CEO/General Manager shall have the authority to initiate legal action for the collection of delinquent customer accounts as provided in Section 25 of the Enabling Act and noted in 4.6.6 above.

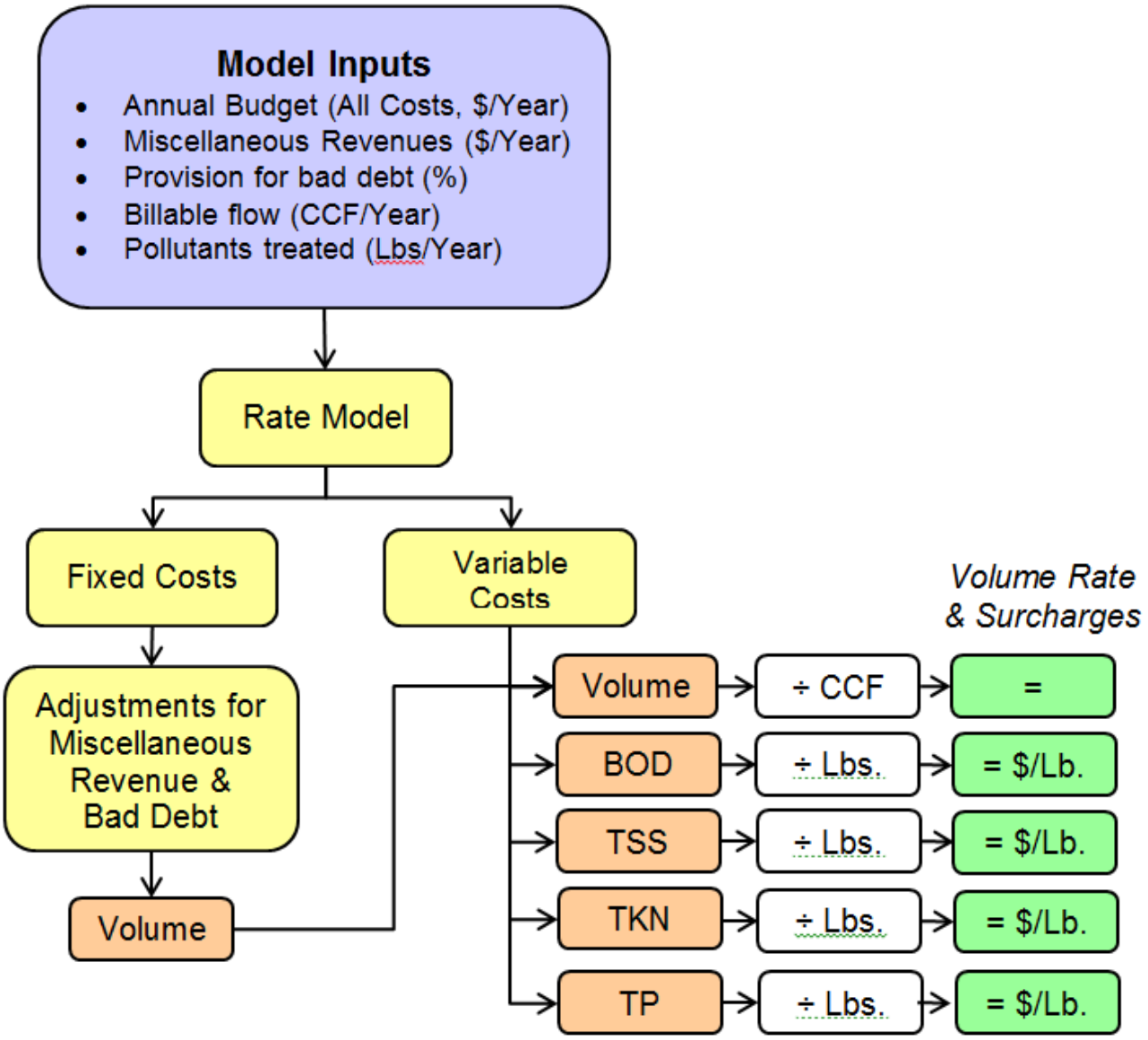
Approved: _____ _____
Stephen C. Rodriquez — Date
Commission Chair

Attest: _____ _____
~~Jennifer L. Cascio~~ Elizabeth I. Scott — Date
Commission Secretary

1.0 HRSD's Rate Model Summary

HRSD's Rate Model uses a cost accounting process to allocate all operating costs to volume and each of four specific pollutants. The model designates each line item cost as fixed or variable. Fixed costs are those that are not influenced, in the short run, by volume or the quantity of pollutants in the wastewater being treated. These include for example, personnel costs, office, administrative, customer service, billing and collection expenses, and debt service. Conversely, variable costs are those that are affected by the volume and the amount of pollutants present; these include treatment plant expenditures for chemicals, electricity, fuel, and solids disposal. The rate model uses engineering criteria to allocate the variable costs to each of the four pollutants. Once the operating costs have been allocated, the model deducts miscellaneous revenues, includes a provision for bad debt, and derives rates for volume ($/CCF) and high strength surcharges ($/pound); the latter equates to HRSD's marginal or incremental cost attributable to treating each pollutant in excess of the amount present in typical domestic wastewater and is also presented as the equivalent $ per mg/l per 100 CF to facilitate calculation by customers. Net fixed costs and the variable costs to treat the four pollutants present in typical domestic sewage are recovered via the volume rate and surcharges.

2.0 Rate Model Schematic



Resource: Steve de Mik

AGENDA ITEM 8. – May 27, 2025

Subject: Fiscal Year 2026 (July 1, 2025 – June 30, 2026) Budgets

Recommended Actions:

a. Approve the Fiscal Year (FY) 2026 to FY 2045 Financial Forecast

b. Approve the Operating Budget for FY 2026, which includes the Operating, Debt Service and Transfer Appropriations, and authorize distribution of the Budget in accordance with the Trust Agreement.

c. Approve the Capital Improvement Program (CIP) for FY 2026 to FY 2035 (Summary Capital Improvement Program)

d. Approve the Rate Schedule, effective July 1, 2025

Brief: The annual budgeting process includes updating the 20-year Financial Forecast and preparing the Operating Budget, the Capital Budget and the CIP as well as the corresponding Rate Schedule to support these budgets. The Commission is required to approve an Annual Budget in sufficient time to ensure the proposed rates, fees and charges are published in a newspaper of general circulation within the HRSD service area for four consecutive weeks prior to the July 1 effective date.

Finance Committee meetings attended by the Commission and staff were held as follows:

- March 25, 2025 – Overview of proposed Annual Budget components including an estimated revenue summary, projected labor and benefit costs, proposed new positions, and operating and debt service costs.

- April 22, 2025 – Overview of the Annual Budget including the FY 2026 to FY 2035 CIP, and the updated 20-year financial forecast, and proposed rate changes.

The FY 2026 Capital Budget is $709 million and represents the first year of an approximate $3.42 billion, ten-year CIP. Projects in the CIP are individually presented to the Commission for funding authorization specific to each project before the first dollar is spent. Changes to the CIP, which may be required by changing conditions, are presented to the Commission as amendments. The CIP document will be available on the HRSD website upon Commission approval.

Each fiscal year, HRSD establishes and updates a 20-year financial forecast. The forecast is a comprehensive forward-looking estimate of HRSD's financial performance based on historical data, capital market trends and management insights. It serves as a critical tool for planning, decision making, capital investments and understanding projected cash flows.

The financial forecast was prepared assuming that HRSD will receive $1.14 billion in Water Quality Improvement Fund (WQIF) grants for its projects identified in Virginia's Enhanced Nutrient Removal Certainty Program (ENRCP). The WQIF is Virginia's longstanding funding program to support the restoration and protection of water quality in Virginia.

While eligibility criteria, as established in state law includes wastewater nutrient removal upgrades and certain conveyance projects that divert wastewater flow to wastewater treatment plants with nutrient removal, program funding is subject to appropriation by the Virginia General Assembly.

WQIF plays a critical role in supporting the Hampton Roads region. Without such support, the forecast will need to be revised and rate payers' bills would see an additional increase of nearly 20 percent for HRSD to meet its federal and state mandated water quality objectives. Fortunately, the WQIF program has been sufficiently supported by state appropriations since its establishment in 1997, allowing the state to pay a share of eligible project costs for reducing nutrient discharges into state waters.

The Rate Schedule contains the rates needed to generate sufficient revenue to cover expenses and reserve requirements for the next fiscal year. HRSD uses a cost accounting process to allocate operating costs to various rates as appropriate.

The proposed Rate Schedule contains one minor change from the April Finance Committee meeting. Based on an update from our rate consultant, the King William Capital Recovery Rate has been reduced from $0.20 to $0.17 per 1,000 gallons.

In HRSD's Small Communities where HRSD owns and operates both the treatment system and the collection system, residents pay the HRSD regional treatment rate, the weighted average sewer collection system rate for the Hampton Roads metropolitan area, plus the capital costs (Capital Recovery Rate) of the collection systems, if required.

Preparing this year's various budget proposals were particularly challenging for several reasons to include the uncertainty of the state budget affecting the CIP and Financial Forecast and the introduction of the potential for economic disruption from changing national economic priorities.

ANNUAL BUDGET

For Fiscal Year 2026

(July 1, 2025 - June 30, 2026)

HRSD

Sustainable, Innovative Wastewater Treatment



HAMPTON ROADS SANITATION DISTRICT

A Political Subdivision of the
Commonwealth of Virginia



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HRSD

Sustainable, Innovative Wastewater Treatment

INTRODUCTION



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General Manager/CEO's Introduction

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

Over the past 84 years, HRSD has grown into the nation's 14th largest wastewater utility and one of the most innovative. Today, with 14 treatment facilities serving 20 cities and counties and a combined treatment capacity of 226 million gallons per day, HRSD has successfully eliminated the discharge of untreated sewage from homes and businesses across coastal Virginia. While these accomplishments are significant, the work continues to further enhance water quality and protect the region's long-term investment in critical wastewater infrastructure.

The HRSD Commission, an eight-member board appointed by the Governor of Virginia, approved the Fiscal Year 2026 budget during its regular meeting on May 27, 2025. In developing this budget, both the Commission and HRSD staff focused on our five Strategic Priorities: Environmental Responsibility, Talent, Innovation, Financial Stewardship and Community Engagement. This budget focuses on our unwavering commitment to protecting the waters of Hampton Roads while ensuring responsible financial stewardship on behalf of our ratepayers.

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

Chesapeake Bay Restoration

The Chesapeake Bay, the nation's largest and most iconic estuary, is a national treasure that continues to face significant challenges from nutrient pollution, primarily originating from agriculture, stormwater runoff, and wastewater. With more than 18 million people residing in the Chesapeake Bay watershed, wastewater contributes approximately 20 percent of the excess nutrients entering the Bay.

Since 2006, HRSD has invested hundreds of millions of dollars in advanced treatment technologies, along with millions in ongoing operational costs, to meet increasingly stringent federal nutrient reduction requirements. Despite these substantial efforts, the current level of nutrient removal is not sufficient to meet the Bay's overall restoration goals.

To help close this gap, particularly in light of delays in nutrient reductions from largely unregulated sources like agriculture, the Commonwealth of Virginia has focused additional nutrient removal requirements on HRSD's facilities. In 2021, the Virginia General Assembly enacted legislation establishing the Enhanced Nutrient Removal Certainty Program, which mandates HRSD to invest nearly $2 billion in nutrient removal and related treatment upgrades. A significant portion of this investment must be implemented by 2026, with full program completion required by 2032.

While many of these projects were already part of HRSD's long-term plans, the legislated timeline greatly accelerates their delivery. This compressed schedule reduces flexibility in planning and executing the most cost-effective solutions, increasing the financial burden on HRSD and its ratepayers.

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

Although the regional sanitary sewer system was never designed to convey stormwater, it can become inundated with rainwater runoff, groundwater, and tidal intrusion during significant storm events. When flows exceed the system's capacity, Sanitary Sewer Overflows (SSOs) may occur, resulting in untreated sewage reaching local streets. Under the Clean Water Act, the U.S. Environmental Protection Agency (EPA) has made the reduction of SSOs a national priority—though achieving this goal comes with substantial financial challenges.

Fortunately, SSOs in Hampton Roads are relatively rare, due in part to the region's use of separate sanitary sewer and stormwater systems, unlike the combined systems common in many larger urban areas. While HRSD remains committed to eliminating SSOs, it's important to note that their impact on local water quality is minimal, and the measurable benefits of complete elimination are often negligible.

In 2014, as part of negotiations with the EPA and in an effort to minimize regional costs, HRSD and its local government partners (collectively referred to as the Localities) agreed to a cooperative regional approach to enhance wet weather flow capacity. Although HRSD does not own the Localities' individual collection systems, it took on the responsibility of implementing prioritized capacity related improvements across both its own infrastructure and that of the Localities. This collaborative strategy significantly reduced overall program compliance costs for the region.

More recently, the EPA has adopted a "One Water" approach under its Integrated Planning Framework, which enables utilities to prioritize capital investments in a way that best achieves both human health protection and water quality goals. After several years of negotiation with the EPA, the Virginia Department of Environmental Quality (DEQ), and the Localities, HRSD's Integrated Plan was officially approved on February 8, 2022. This plan represents a significant milestone in regional collaboration, enabling HRSD to focus resources on the region's most pressing water quality challenges while ensuring long-term environmental and financial sustainability.

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

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

** Provide a sustainable source of groundwater*

** Slow the rate of land subsidence due to over withdrawal of the aquifer*

** Block saltwater intrusion by creating a pressurized freshwater barrier, and*

** Significantly reduce HRSD's nutrient discharges to the James and Elizabeth rivers.*

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

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

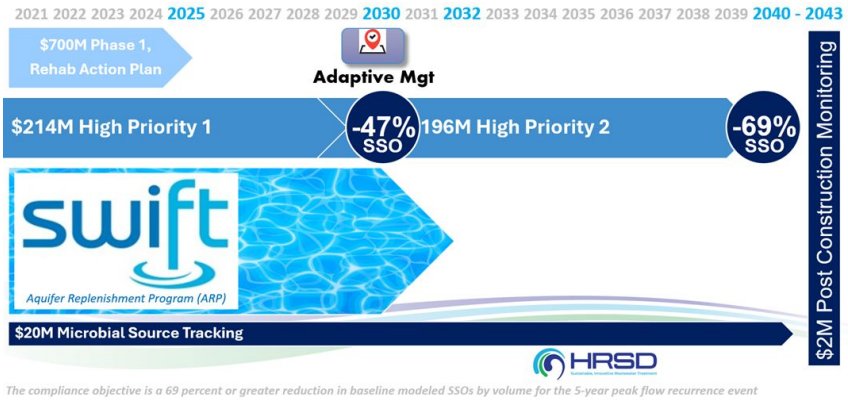
** $214 million of High Priority Wet Weather Projects from 2020 to 2030 to remove 47 percent of projected SSO volume*

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

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

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

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



HRSD's Integrated Plan not only complies with the Clean Water Act for SSOs, but also with nutrient reduction requirements for the Chesapeake Bay restoration. Between 2021 and 2028, over 70 percent of the total nitrogen and over 50 percent of the phosphorus will be eliminated from the Lower James River Basin.

In addition to helping to provide a sustainable groundwater supply, reducing the rate of land subsidence to lessen the effects of sea level rise in the region, protecting the aquifer from saltwater intrusion, and improving the health of the Chesapeake Bay, HRSD's regional approach to these regulatory requirements will save the region approximately $5 billion versus requiring each Locality to individually comply with the Clean Water Act and Chesapeake Bay nutrient reductions.

Pursuing Innovative Solutions to Reduce Costs and Protect Water Quality

HRSD remains at the forefront of international research aimed at reducing the cost of nutrient removal and enhancing the efficiency of wastewater treatment processes. These efforts are strengthened through strategic partnerships with leading universities and forward-thinking utilities around the world. By applying the insights gained from this collaborative research, HRSD has already realized substantial benefits—lowering nutrient removal operating costs and avoiding the need for certain capital investments. For example, our York River Treatment Plant is the first facility in the world to implement mainstream deammonification. This groundbreaking patented innovation results in annual savings of $1 million and has allowed us to avoid an estimated $100 million in capital expenditures.

Financing a Sustainable Water Future

Over the next five years, 68 percent of HRSD's $2.2 billion of capital improvement investments in the region are driven by evolving environmental regulations. To meet these requirements while minimizing the financial burden on customers, HRSD actively pursues low-cost financing strategies. HRSD is currently the largest borrower in the Virginia Clean Water Revolving Loan Fund (VCWRLF), administered by the Virginia Department of Environmental Quality and the Virginia Resources Authority. This federally subsidized program offers loans with interest rate reductions of up to 1.5% over 20 years.

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

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

The Community's Role

Our ratepayers play a vital role in helping HRSD manage costs—and, in turn, control their own. Simple actions at home can significantly reduce the strain on the wastewater system and improve overall efficiency. For example, ensuring that stormwater runoff from downspouts, area drains, and sump pumps is not connected to the sanitary sewer system, and properly maintaining private sewer service lines to prevent leaks, can greatly reduce the amount of extraneous water entering the system.

Likewise, disposing of fats, oils, and grease in the trash—instead of pouring them down the drain—reduces system blockages and lowers maintenance and operating costs. Additionally, the proper disposal of unused medications and other substances is critical, as wastewater treatment plants are not designed to remove many of these compounds. Medications should never be flushed down toilets or sinks, and so-called "flushable" wipes should be avoided, as they do not break down and can cause costly clogs. Every flush truly does count.

As we reflect on nearly 84 years of protecting public health and preserving the waters of Hampton Roads, we honor the vision and determination of the Virginians who, in 1940, boldly demanded action to safeguard our environment. It is through their foresight that we enjoy clean waterways today.

Looking ahead, it will take continued innovation, investment, and collective responsibility to ensure that future generations inherit not only clean water—but the knowledge and tools to keep it that way.

Sincerely,



Jay A. Bernas, PE

General Manager/CEO

Principal Officials

May 1, 2025

COMMISSIONERS

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WILLIE LEVENSTON, JR.
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STAFF

JAY A. BERNAS, PE
General Manager/Chief Executive Officer

STEVEN G. DE MIK, CPA
Deputy General Manager/ Chief Financial Officer

EDDIE M. ABISAAB, PE, PMP, ENV SP
Chief Operating Officer

CHARLES B. BOTT, Ph.D., PE, BCEE
Chief Technology Officer

MARY H. CORBY
Chief Information Officer

BRUCE W. HUSSELBEE, Ph.D., PE
Chief Engineer

BRENDA MATESIG, *PHR, PSHRA-SCP, SHRM-SCP*
Acting Chief People Officer

JAMIE HEISIG-MITCHELL
Chief of Water Quality

LEILA E. RICE, APR
Chief Communications Officer

ELIZABETH I. SCOTT
Commission Secretary

COUNSEL, ADVISOR, TRUSTEE

Sands Anderson PC
General Counsel

PFM Financial Advisors LLC
Financial Advisor

Norton Rose Fulbright US LLP
Bond Counsel

Aqualaw PLC
Special Counsel

The Bank of New York Mellon
Trustee and Bond Registrar

Key Facts

SERVICE AREA AND OPERATIONS

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

OPERATION AND FACILITIES

No. of Positions (FY-2026)	969
Miles of Pipelines	557 Miles
Wastewater Treated	140 million gallons per day average
Wastewater Capacity	226 million gallons per day

FINANCIAL INFORMATION

Bond Ratings

Ratings Agency	Senior Debt	Subordinate Long-term	Subordinate Short-term
Standard & Poor's	AA+	AA+	A-1 +
Fitch Ratings	AA+	AA	F1 +
Moody's Investors Service	Aa1	Aa1	n/a

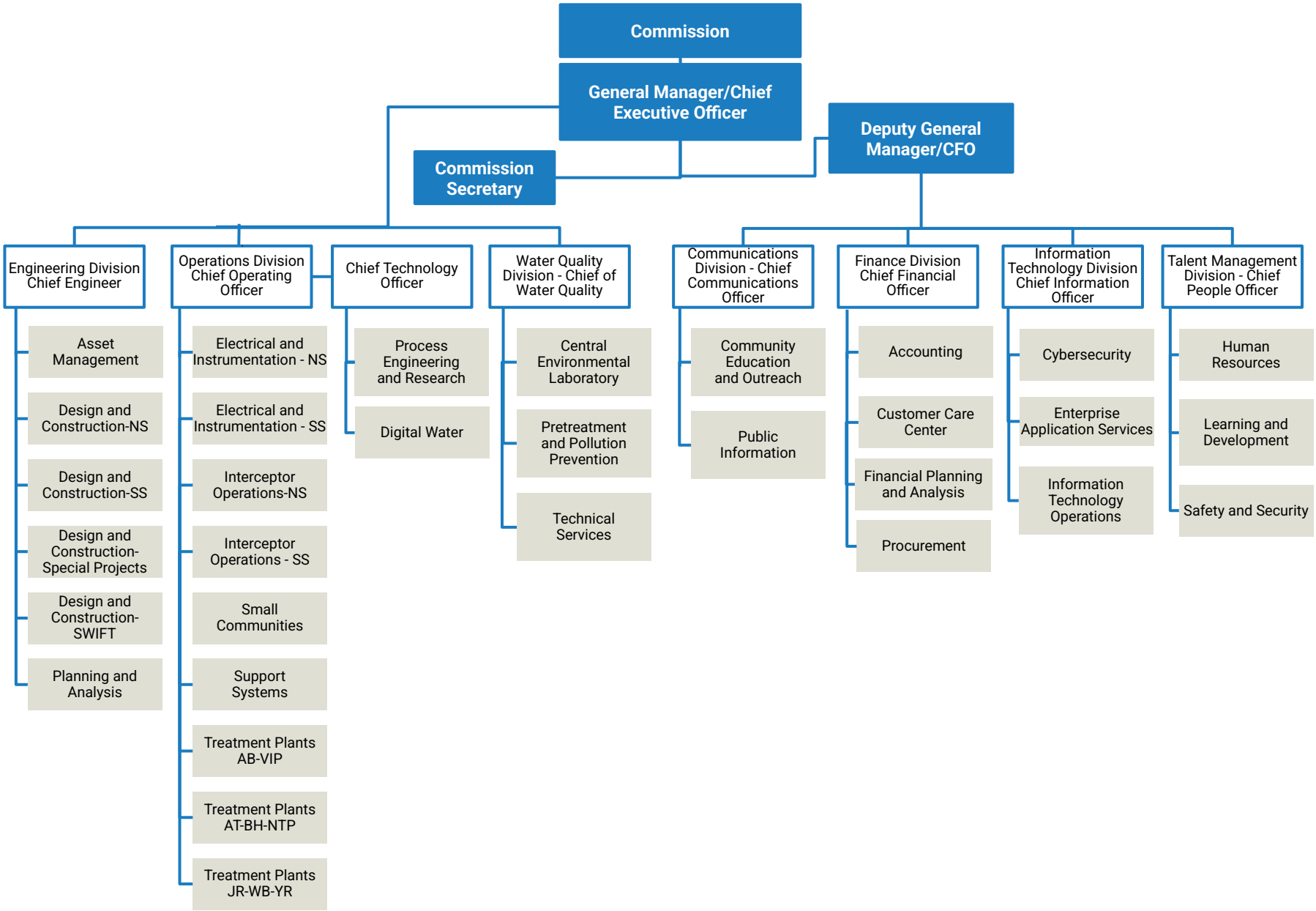
Operating Budget (FY-2026)	$ 517,579,000

Service Area



Organization Chart

July 1, 2025



History

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

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

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

HRSD began operations on July 1, 1946, using facilities acquired from the United States Government. The Warwick County Trunk Sewer, HRSD's first construction project, began on June 26, 1946, and was funded by HRSD's $6.5 million Primary Pledge Sewer Revenue Bonds, dated March 1, 1946. The first treatment plant, the Army Base Plant, began operation on October 14, 1947. Since that time, the facilities of HRSD have grown to provide sanitary sewer service to all major population centers in southeastern Virginia. The population served has increased from nearly 288,000 in 1940 to about 1.9 million in 2025.

Throughout its rich history, HRSD has earned many of its industry's most prestigious awards. This tradition continued as HRSD earned the Award for Outstanding Achievement in Popular Annual Financial Reporting from the Government Finance Officers Association for its First Popular Annual Financial Report, issued in Fall 2024 for the Fiscal Year ended June 2023.

Additional awards and honors received during the year ended June 30, 2024 include the Best Project Award for Atlantic Treatment Plant Thermal Hydrolysis Process (THP) and Fats, Oils, and Grease (FOG) Receiving Station by Engineering News and Record (ENR); the 2024 Top Projects Award by Wastewater Digest for the Surry Hydraulic Improvements and Interceptor Force Main; the American Council of Engineering Companies Virginia Grand Award for HRSD's Climate Change Planning Study; the National Association of Clean Water Agencies (NACWA) National Environmental Achievement Awards in the categories of Public Information and Education, Watershed Collaboration, and Workforce Development. HRSD was also 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."

Rate Schedule

WASTEWATER TREATMENT RATE SCHEDULE

Service	FY-2026		FY-2025	
Flow (monthly basis)				
Per CCF *		$ 9.03		$ 8.28
Minimum charge (per day)		0.30		0.30
Surcharge, per milligrams/liter per CCF	In Excess of		In Excess of	
Biochemical Oxygen Demand (BOD)	297 mg/L	$ 0.000185	297 mg/L	$ 0.000182
Total Suspended Solids (TSS)	282 mg/L	0.000617	282 mg/L	0.000613
Total Phosphorus (TP)	7 mg/L	0.009068	7 mg/L	0.009169
Total Kjeldahl Nitrogen (TKN)	57 mg/L	0.003000	57 mg/L	0.002868
Surcharge, per 100 pounds				
Biochemical Oxygen Demand (BOD)	297 mg/L	$ 2.97	297 mg/L	$ 2.91
Total Suspended Solids (TSS)	282 mg/L	9.88	282 mg/L	9.82
Total Phosphorus (TP)	7 mg/L	145.25	7 mg/L	146.87
Total Kjeldahl Nitrogen (TKN)	57 mg/L	48.05	57 mg/L	45.94
Nutrient Credits				
Asset Charge ($/pound/year)				
Total Suspended Solids (TSS)		$ 9.19		$ 8.69
Total Phosphorus (TP)		63.88		60.30
Total Nitrogen (TN)		15.14		13.91
Operational Charge ($/pound)				
Total Suspended Solids (TSS)		$ 0.1279		$ 0.1241
Total Phosphorus (TP)		1.0723		1.1284
Total Nitrogen (TN)		0.3185		0.2893
Other Approved Hauled Wastes (per gallon)		$ 0.1849		$ 0.1812
Fats, Oils, and Grease (FOG) (per gallon)		0.3804		0.3658
Town Wholesale Treatment (per 1000 gallons)		3.55		3.55
Residential flat rate (per day) by meter size				
Less than 1 Inch		$ 1.52		$ 2.17
1 Inch		2.61		2.17

* CCF = 100 Cubic Feet (approximately 748 gallons)

VOLUME BASED FACILITY RATE SCHEDULE

Meter Size	FY-2026	FY-2025
5/8 Inch	$ 2,540	$ 2,430
3/4 Inch	4,275	4,210
1 Inch	7,685	7,410
1 ½ Inch	19,175	18,395
2 Inch	37,300	35,825
3 Inch	95,250	91,665
4 Inch	185,240	178,485
6 Inch	473,040	456,620
8 Inch	919,990	889,185
10 Inch	1,541,210	1,491,070
12 Inch	2,349,345	2,274,730
14 Inch	3,355,425	3,251,050
16 Inch	4,569,200	4,429,645

SMALL COMMUNITIES RATE SCHEDULE

Rates	FY-2026	FY-2025
Wastewater Treatement & Collections		
Per 1,000 gallons		
Small Communities (except for King William)	$ 18.60	$ 17.41
King William	18.77	17.61
Residential flat rate (per day) Less than 1-inch meter		
Small Communities (except for King William)	$ 2.40	$ 2.39
King William	2.43	2.42
Residential flat rate (per day) 1-inch meter		
Small Communities (except for King William)	$ 3.49	$ 2.39
King William	3.52	2.42
Wastewater Treatment Only		
Per 1,000 gallons		
Small Communities (except for King William)	$ 12.07	$ 11.07
King William	12.24	11.07
Residential flat rate (per day) Less than 1-inch meter		
Small Communities (except for King William)	$ 1.52	$ 2.17
King William	1.55	2.17
Residential flat rate (per day) 1-inch meter		
Small Communities (except for King William)	$ 2.61	$ 2.17
King William	2.64	2.17
Unmetered Accounts	$ 2.40	$ 2.39
Minimum charge - metered accounts (per day)	0.30	0.30

FEES

Fees	FY-2026	FY-2025
Damaged meter/antenna (plus cost of meter/antenna)	$ 250	$ 250
Damaged lock	100	100
Service restoration	100	100
Meter reading (customer-owned meter)	75	75
Inaccessible meter	50	50
Access card replacement	25	25
Returned payments	25	25
Delinquency service trip	15	15
Account documentation	10	10
Deduction meter	2	2

Reader's Guide to the Annual Budget

PURPOSE

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

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

ANNUAL BUDGET OVERVIEW

HRSD's Annual Budget contains the following sections:

Financial Forecast

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

Operating Budget

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

Capital Budget

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

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

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

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

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

BUDGETARY PROCESS

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

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

BUDGETARY ACCOUNTING AND CONTROL

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

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

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

Glossary of Financial Terms

Adjusted Days Cash on Hand: Days Cash on Hand that excludes accrued debt service, the Risk Reserve, the Renewal and Replacement Reserve, and cash budgeted for the CIP in the next fiscal year.

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

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

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

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

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

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

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

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

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

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

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

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

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

HRSD

Sustainable, Innovative Wastewater Treatment

FINANCIAL FORECAST



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Financial Forecast

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

The financial forecast was prepared assuming that HRSD will receive $1.14 billion in Water Quality Improvement Fund (WQIF) grants for its projects identified in Virginia's Enhanced Nutrient Removal Certainty Program (ENRCP). WQIF is Virginia's longstanding funding program to support the restoration and protection of water quality in Virginia. While eligibility criteria, as established in state law, includes wastewater nutrient removal upgrades and certain conveyance projects that divert wastewater flow to wastewater treatment plants with nutrient removal, program funding is subject to appropriation by the Virginia General Assembly.

WQIF plays a critical role in supporting the Hampton Roads region. Without such support, the forecast will need to be revised, and rate payers' bills would see an additional increase of nearly 20 percent for HRSD to meet its federal and state mandated water quality objectives. Fortunately, the WQIF program has been sufficiently supported by state appropriations since its establishment in 1997, allowing the state to pay a share of eligible project costs for reducing nutrient discharges into state waters.

HRSD Financial Forecast

2026 - 2035

(in thousands)

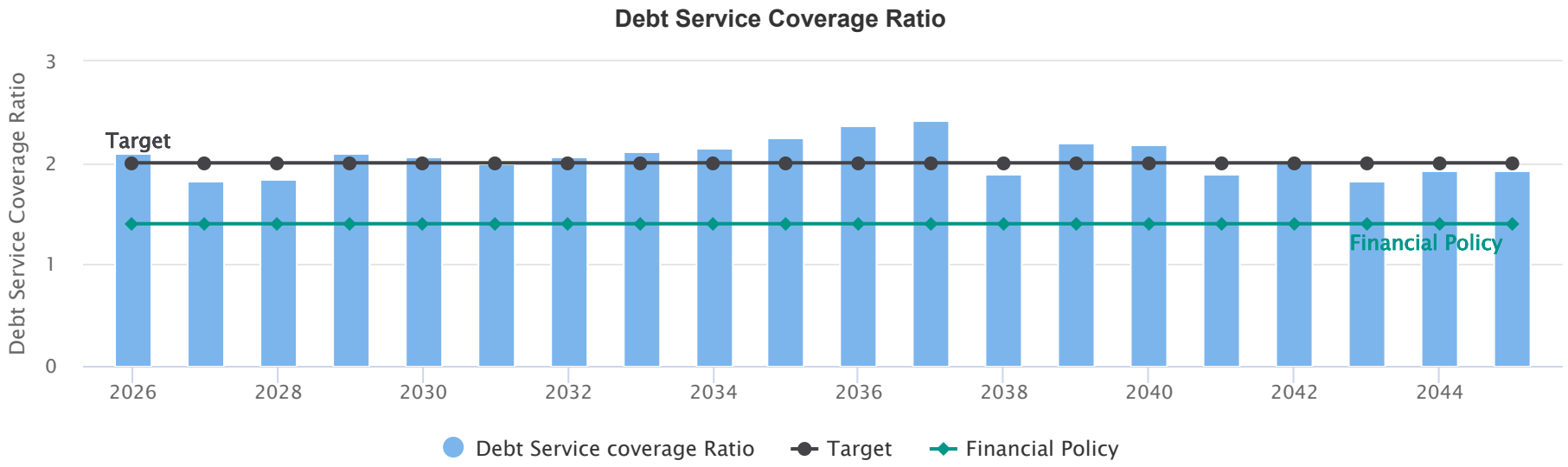
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Operating Budget										
Revenues	$ 517,579	$ 555,939	$ 589,233	$ 610,186	$ 631,410	$ 651,824	$ 672,967	$ 694,743	$ 717,273	$ 740,544
Operating Expenses	236,478	265,951	294,667	334,552	351,029	370,518	388,217	400,986	414,189	427,840
Debt Service	108,000	111,745	114,448	123,169	125,805	129,156	127,200	128,175	130,042	132,417
Transfers to Capital Improvement Plan	173,101	154,989	151,402	112,581	138,002	132,513	139,700	152,656	159,679	166,470
Transfers to Reserves	$ -	$ 23,254	$ 28,716	$ 39,884	$ 16,574	$ 19,637	$ 17,850	$ 12,926	$ 13,363	$ 13,817
Capital Improvement Plan	$ 709,000	$ 539,000	$ 420,000	$ 250,000	$ 250,000	$ 250,000	$ 250,000	$ 250,000	$ 250,000	$ 250,000
Financial Ratios										
Days Operating Expenses Available in Reserves	375	365	365	365	427	426	421	422	398	365
Debt Service Coverage	2.09	1.83	1.84	2.09	2.06	2.00	2.06	2.11	2.15	2.25
Portion of Capital Improvement Plan Debt Financed	62%	71%	64%	20%	0%	0%	0%	0%	0%	2%
Average Monthly Bill	**$ 49.67**	**$ 54.12**	**$ 57.50**	**$ 59.56**	**$ 61.72**	**$ 63.78**	**$ 65.93**	**$ 68.15**	**$ 70.45**	**$ 72.83**

HRSD Financial Forecast

2036 - 2045

(in thousands)

	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045
Operating Budget										
Revenues	$ 771,621	$ 803,826	$ 838,771	$ 874,146	$ 902,719	$ 932,469	$ 963,208	$ 994,630	$ 1,027,041	$ 1,061,007
Operating Expenses	441,956	456,552	515,302	530,648	548,527	569,172	586,171	607,378	626,488	647,710
Debt Service	132,308	136,882	162,410	148,207	154,251	183,029	178,680	200,568	198,564	203,567
Transfers to Capital Improvement Plan	183,072	195,622	102,126	179,758	181,871	159,426	181,152	165,268	182,664	188,287
Transfers to Reserves	$ 14,285	$ 14,770	$ 58,933	$ 15,533	$ 18,070	$ 20,842	$ 17,205	$ 21,416	$ 19,325	$ 21,443
Capital Improvement Plan	$ 300,887	$ 320,752	$ 315,133	$ 310,174	$ 323,262	$ 342,536	$ 344,375	$ 299,779	$ 279,001	$ 283,184
Financial Ratios										
Days Operating Expenses Available in Reserves	365	365	365	365	365	365	365	365	365	365
Debt Service Coverage	2.37	2.42	1.89	2.20	2.18	1.89	2.01	1.83	1.92	1.93
Portion of Capital Improvement Plan Debt Financed	28%	39%	68%	42%	44%	53%	47%	45%	35%	34%
Average Monthly Bill	$ 76.01	$ 79.31	$ 82.78	$ 86.41	$ 89.32	$ 92.35	$ 95.49	$ 98.69	$ 102.00	$ 105.47





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OPERATING BUDGET



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Operating Budget

	FY-2026	Adopted FY-2025	Increase/ (Decrease)	Percent Change
Operating Revenues				
Wastewater Treatment Charges	$ 496,372,000	$ 450,655,000	$ 45,717,000	10.1%
Miscellaneous	1,542,000	1,472,000	70,000	4.8%
Total-Operating Revenue	497,914,000	452,127,000	45,787,000	10.1%
Non-Operating Revenues				
Wastewater Facility Charges	6,620,000	6,170,000	450,000	7.3%
Investment Earnings	11,500,000	7,300,000	4,200,000	57.5%
Other	1,545,000	1,595,000	(50,000)	(3.1%)
Total Non-Operating Revenues	19,665,000	15,065,000	4,600,000	30.5%
Total Revenues	517,579,000	467,192,000	50,387,000	10.8%
Total Revenues and Transfers	**$ 517,579,000**	**$ 467,192,000**	**$ 50,387,000**	**10.8%**
Operating Appropriations				
General Management	$ 683,783	$ 615,657	$ 68,126	11.1%
Communications	1,108,884	1,181,727	(72,843)	(6.2%)
Finance	20,797,556	18,951,800	1,845,756	9.7%
Information Services	23,993,556	22,299,631	1,693,925	7.6%
Talent Management	3,969,485	3,724,877	244,608	6.6%
Operations	148,349,733	140,778,854	7,570,879	5.4%
Engineering	12,182,066	11,602,046	580,020	5.0%
Water Quality	20,840,752	18,837,760	2,002,992	10.6%
General Expenses	4,551,841	5,864,243	(1,312,402)	(22.4%)
Total-Operating Appropriations	236,477,656	223,856,595	12,621,061	5.6%
Appropriations for Debt Service and Transfers				
Debt Service	108,000,000	87,700,000	20,300,000	23.1%
Transfer to CIP	173,101,344	155,635,405	17,465,939	11.2%
Total Appropriations for Debt Service and Transfers	281,101,344	243,335,405	37,765,939	15.5%
Total Appropriations	**$ 517,579,000**	**$ 467,192,000**	**$ 50,387,000**	**10.8%**

Operating Budget Summary

	General Management	Communications	Finance	Information Technology	Talent Management	Operations	Engineering
Personal Services	$ 402,872	$ 589,607	$ 9,732,557	$ 8,245,648	$ 2,502,416	$ 50,288,511	$ 8,006,940
Fringe Benefits	111,561	164,882	3,494,403	2,584,608	821,102	18,538,188	2,503,240
Material & Supplies	15,000	255,000	90,334	969,300	113,750	10,820,692	137,300
Transportation	12,500	15,000	29,440	28,100	18,000	2,472,420	34,745
Utilities	-	-	238,122	1,435,000	-	15,528,025	-
Chemical Purchases	-	-	-	-	-	18,487,242	-
Contractual Services	120,000	55,000	6,797,547	7,520,100	80,000	21,667,363	1,235,100
Major Repairs	-	-	110,000	2,871,700	-	8,591,692	-
Capital Assets	-	-	-	-	-	856,900	-
Miscellaneous	21,850	29,395	305,153	339,100	434,217	1,098,700	264,741
Operating Approporiations	**$ 683,783**	**$ 1,108,884**	**$ 20,797,556**	**$ 23,993,556**	**$ 3,969,485**	**$ 148,349,733**	**$ 12,182,066**
Debt Service Costs	-	-	-	-	-	-	-
Transfer to CIP	-	-	-	-	-	-	-
Appropriations for Debt Service and Transfers							

Full-time Positions:

	General Management	Communications	Finance	Information Technology	Talent Management	Operations	Engineering
FY-2025 Amended Budget	2	4	113	61	25	561	62
New FY-2026 Positions	-	1	-	4	-	7	2
FY-2026 Budget	2	5	113	65	25	568	64

Operating Budget Summary

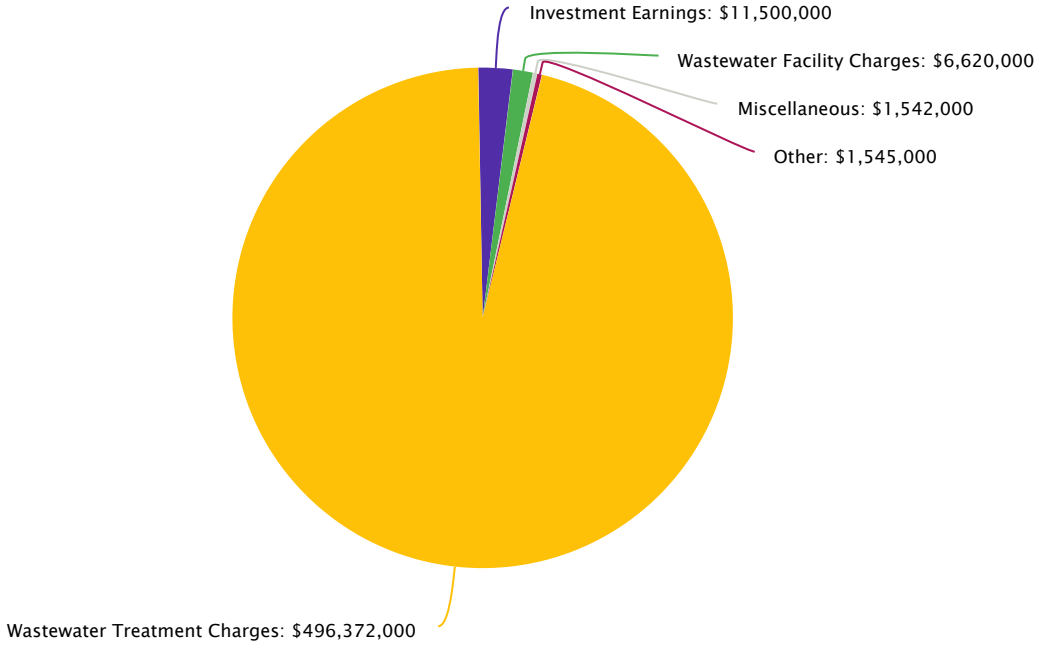
	Water Quality	General Expenses	FY-2026 Budget	Percent of Budget	FY-2025 Budget	FY26 vs FY25 Inc/(Dec)	Percent Change
Personal Services	$ 11,673,166	$ (4,509,999)	$ 86,931,718	16.8%	$ 80,140,274	$ 6,791,444	8.5%
Fringe Benefits	4,218,662	(1,092,756)	31,343,890	6.1%	30,765,222	578,668	1.9%
Material & Supplies	2,568,416	164,000	15,133,792	2.9%	13,842,929	1,290,863	9.3%
Transportation	59,250	-	2,669,455	0.5%	2,356,067	313,388	13.3%
Utilities	2,808	672,000	17,875,955	3.5%	16,512,148	1,363,807	8.3%
Chemical Purchases	-	-	18,487,242	3.6%	16,539,326	1,947,916	11.8%
Contractual Services	1,522,500	8,042,046	47,039,656	9.1%	45,973,922	1,065,734	2.3%
Major Repairs	159,000	-	11,732,392	2.3%	12,668,008	(935,616)	(7.4%)
Capital Assets	-	-	856,900	0.2%	1,055,400	(198,500)	(18.8%)
Miscellaneous	636,950	1,276,550	4,406,656	0.9%	4,003,299	403,357	10.1%
Operating Approporiations	**$ 20,840,752**	**$ 4,551,841**	**$ 236,477,656**	**45.7%**	**$ 223,856,595**	**$ 12,621,061**	**5.6%**
Debt Service Costs		108,000,000	108,000,000	20.9%	87,700,000	20,300,000	23.1%
Transfer to CIP		173,101,344	173,101,344	33.4%	155,635,405	17,465,939	11.2%
Appropriations for Debt Service and Transfers		**281,101,344**	**281,101,344**	**54.3%**	**243,335,405**	**37,765,939**	**15.5%**
			$ 517,579,000	**100.0%**	**$ 467,192,000**	**50,387,000**	**10.8%**

Full-time Positions:

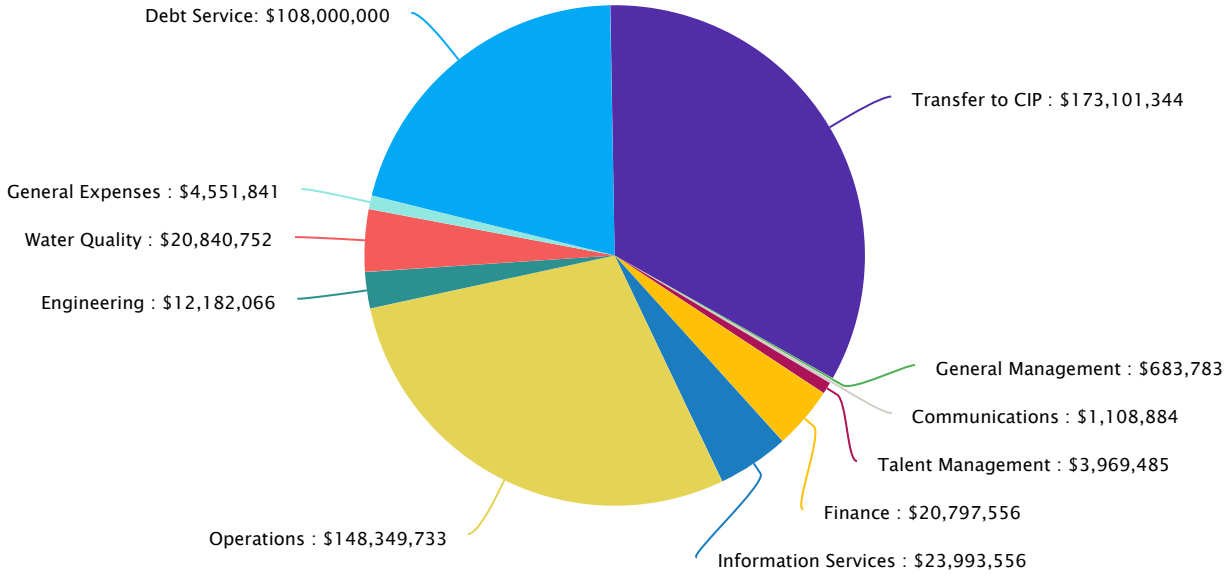
	Water Quality	Total Positions
FY-2025 Amended Budget	125	953
New FY-2026 Positions	2	16
FY-2026 Budget	127	969

Operating Budget Charts

Revenues and Transfers In
$517,579,000



Expenses and Transfers Out
$517,579,000



General Management

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

Expenditure Budget

	FY-2026 Budget	FY-2025 Budget	FY26 vs FY25 Inc/(Dec)	Percent Change
Personal Services	$402,872	$359,946	$42,926	11.9%
Fringe Benefits	111,561	92,711	18,850	20.3%
Material & Supplies	15,000	10,000	5,000	50.0%
Transportation	12,500	12,500	-	-%
Contractual Services	120,000	120,000	-	-%
Miscellaneous	21,850	20,500	1,350	6.6%
Total	**$683,783**	**$615,657**	**$68,126**	**11.1%**

Positions

	Adopted FY-2026	Amended FY-2025	FY26 vs FY25 Inc/(Dec)
Total	**2**	**2**	**-**



Communications

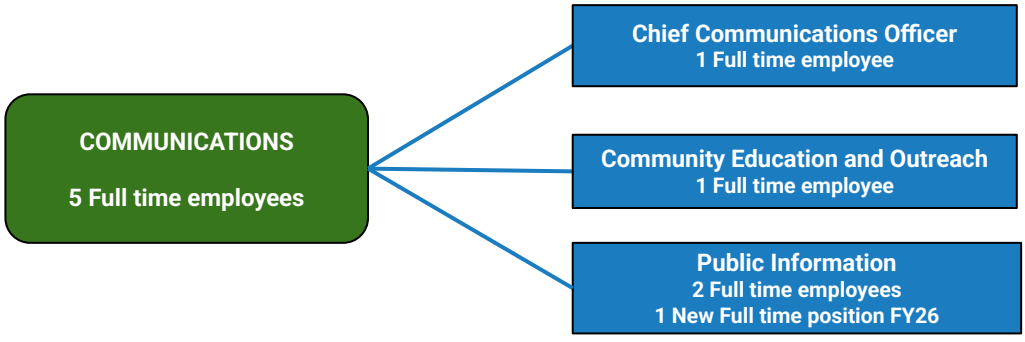
The Communications Division supports HRSD's Promise and Vision through public outreach, community engagement, educational programming and environmental and locality partnerships. The Division manages communications strategy, internal and external communications, media relations and branding through numerous channels and resources - including publications, traditional media, social media and web, graphic design, speaking engagements, interactive classroom activities, tours and special events.

Expenditure Budget

	FY-2026 Budget	FY-2025 Budget	FY26 vs FY25 Inc/(Dec)	Percent Change
Personal Services	$ 589,607	$ 487,955	$ 101,652	20.8%
Fringe Benefits	164,882	154,772	10,110	6.5%
Material & Supplies	255,000	275,000	(20,000)	(7.3%)
Transportation	15,000	16,500	(1,500)	(9.1%)
Contractual Services	55,000	214,000	(159,000)	(74.3%)
Miscellaneous	29,395	33,500	(4,105)	(12.3%)
Total	**$ 1,108,884**	**$ 1,181,727**	**$ (72,843)**	**(6.2%)**

Positions

	Adopted FY-2026	Amended FY-2025	FY26 vs FY25 Inc/(Dec)
Total	**5**	**4**	**1**



Finance

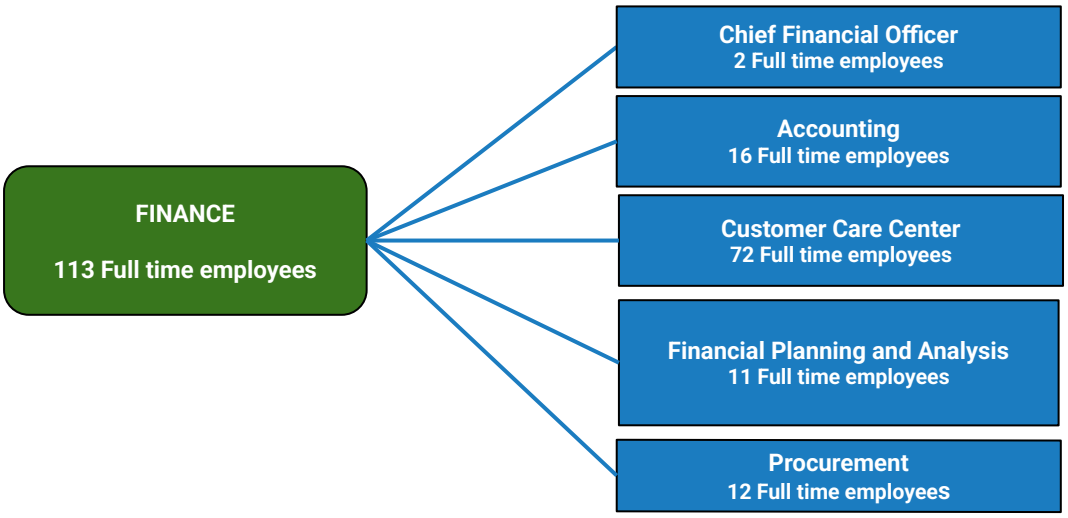
The Finance Division is responsible for HRSD's general financial and business functions, including financial reporting, investment portfolio, debt and risk management and customer billing. The Accounting Department handles fiscal affairs such as preparing financial statements, budgets, management reports and payroll. The Customer Care Department handles billing, payments, collections, maintenance of customer accounts and liaison with HRSD's customers. The Financial Planning and Analysis Department is responsible for planning and financing the Capital Improvement Program, debt management and compliance, and is the functional lead for the Enterprise Resource Process system. The Procurement Department is responsible for purchasing, renting, leasing or otherwise acquiring goods, professional and non-professional services, and certain construction services, managing supplier relationships and disposing of surplus property.

Expenditure Budget

	FY-2026 Budget	FY-2025 Budget	FY26 vs FY25 Inc/(Dec)	Percent Change
Personal Services	$ 9,732,557	$ 8,355,688	$ 1,376,869	16.5%
Fringe Benefits	3,494,403	3,202,849	291,554	9.1%
Material & Supplies	90,334	88,154	2,180	2.5%
Transportation	29,440	24,500	4,940	20.2%
Utilities	238,122	238,122	-	-%
Contractual Services	6,797,547	6,767,514	30,033	0.4%
Major Repairs	110,000	-	110,000	-%
Miscellaneous	305,153	274,973	30,180	11.0%
Total	**$ 20,797,556**	**$ 18,951,800**	**$ 1,845,756**	**9.7%**

Positions

	Adopted FY-2026	Amended FY-2025	FY26 vs FY25 Inc/(Dec)
Total	**113**	**113**	**-**



Information Technology

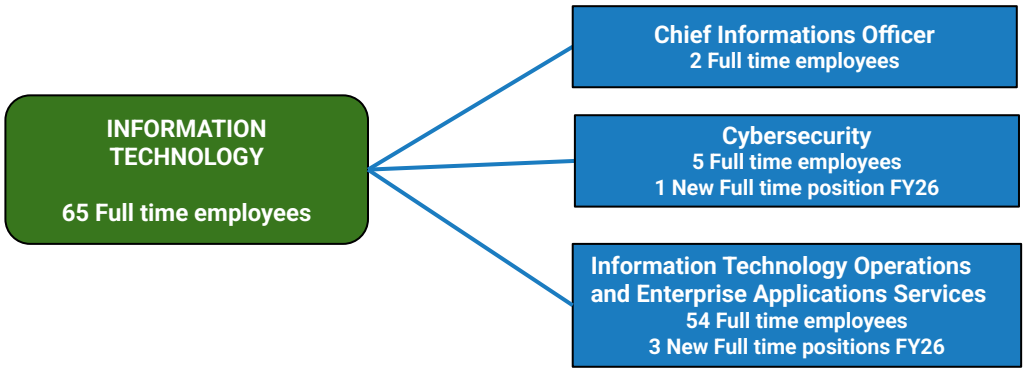
The Information Technology Division is responsible for HRSD's computer systems, communication systems, network systems, cybersecurity, and data management functions. The Information Technology Operations Department assists HRSD Divisions in achieving their missions by ensuring all required hardware, storage and network devices are accessible and available to support all business and operational requirements. The Enterprise Application Services Department is responsible for data management, reporting, and all software systems used in supporting HRSD operations. Cybersecurity Department personnel are responsible for the securing of operational technology, business technology and network infrastructure by evaluating and eliminating cyber security threats.

Expenditure Budget

	FY-2026 Budget	FY-2025 Budget	FY26 vs FY25 Inc/(Dec)	Percent Change
Personal Services	$ 8,245,648	$ 7,901,833	$ 343,815	4.4%
Fringe Benefits	2,584,608	2,515,023	69,585	2.8%
Material & Supplies	969,300	1,352,400	(383,100)	(28.3%)
Transportation	28,100	28,100	-	-%
Utilities	1,435,000	1,436,000	(1,000)	(0.1%)
Contractual Services	7,520,100	7,530,675	(10,575)	(0.1%)
Major Repairs	2,871,700	1,235,000	1,636,700	132.5%
Miscellaneous	339,100	300,600	38,500	12.8%
Total	**$ 23,993,556**	**$ 22,299,631**	**$ 1,693,925**	**7.6%**

Positions

	Adopted FY-2026	Amended FY-2025	FY26 vs FY25 Inc/(Dec)
Total	**65**	**61**	**4**



Talent Management

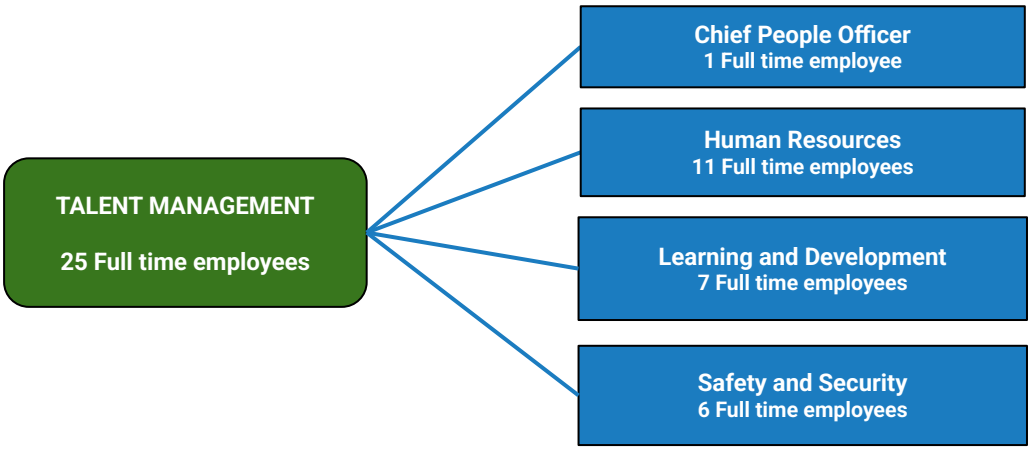
The Talent Management Division is committed to our employees, dedicated to safety, and devoted to our belief in the power of learning. The Human Resources Department is responsible for fostering a culture of inclusivity to attract, retain and develop the best talent through outreach and strategic talent acquisition methods, employee onboarding, ensuring our total compensation package is competitive and fair, focusing on employee well-being and a culture of respect and accountability and comprehensive HR policies for all employees. The Learning & Development Department drives innovation and growth by aligning relevant training, education, and experiential learning with organizational goals and emerging industry trends, including the strategic administration of our Apprenticeship Program. The Safety and Security Department is responsible for Occupational Safety & Health Compliance, workers' compensation, safety programs, employee safety training, safety records, industrial hygiene monitoring, occupational health screening, safety audits, accident investigations, compliance reporting, risk management support, physical security, access control, emergency preparedness, and incident response.

Expenditure Budget

	FY-2026 Budget	FY-2025 Budget	FY26 vs FY25 Inc/(Dec)	Percent Change
Personal Services	$ 2,502,416	$ 2,408,933	$ 93,483	3.9%
Fringe Benefits	821,102	843,243	(22,141)	(2.6%)
Material & Supplies	113,750	70,000	43,750	62.5%
Transportation	18,000	27,500	(9,500)	(34.5%)
Contractual Services	80,000	28,000	52,000	185.7%
Miscellaneous	434,217	347,201	87,016	25.1%
Total	**$ 3,969,485**	**$ 3,724,877**	**$ 244,608**	**6.6%**

Positions

	Adopted FY-2026	Amended FY-2025	FY26 vs FY25 Inc/(Dec)
Total	**25**	**25**	**-**



Operations

The Operations Division is responsible for operating and maintaining HRSD's treatment plants, pump stations, pipelines, buildings, vehicles, and equipment. HRSD provides wastewater treatment services to over 1.9 million people in 20 cities, counties and towns. The Division also includes the Water Technology and Research Group, which focuses on researching new technologies and rapidly deploying innovative solutions to enhance water qualify. Services are delivered through 9 departments including three major treatment plant departments. The Small Communities Department (SCD) provides services to small communities within the HRSD service area. The SCD operates four smaller treatment plants and the associated sewer collection systems for four counties on the Middle Peninsula and the Town of West Point. The SCD also operates two treatment plants and the associated sewer collection services for the Towns of Chincoteague and Onancock on the Eastern Shore of Virginia. The Electrical and Instrumentation Departments manages the electrical and instrumentation maintenance and construction needs of all HRSD facilities including programming industrial controls and automation. This department is also responsible for energy management and research to find innovative, cost-effective ways of managing our energy consumption more effectively. The two Interceptor Departments operate and maintain over 500 miles of interceptor pipelines and more than 100 pump stations, ensuring wastewater is efficiently conveyed to each treatment plant. The Support Services Department oversees the maintenance of the HRSD fleet, all facilities, the carpentry shop, a full-service machine shop, and the management of the Construction Support Team.

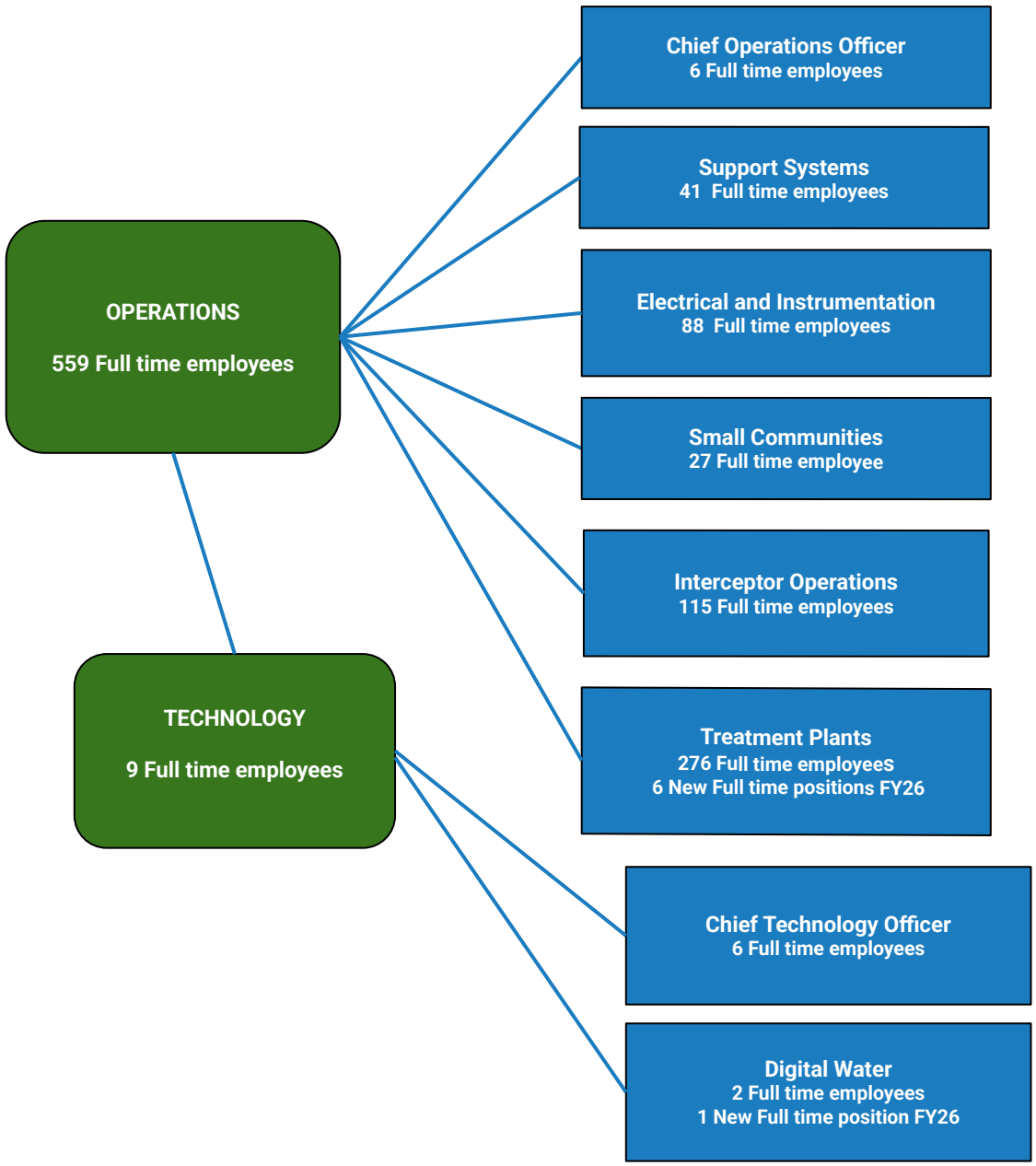
Expenditure Budget

	FY-2026 Budget	FY-2025 Budget	FY26 vs FY25 Inc/(Dec)	Percent Change
Personal Services	$ 50,288,511	$ 44,959,922	$ 5,328,589	11.9%
Fringe Benefits	18,538,188	18,306,191	231,997	1.3%
Material & Supplies	10,820,692	10,301,960	518,732	5.0%
Transportation	2,472,420	2,173,169	299,251	13.8%
Utilities	15,528,025	14,200,218	1,327,807	9.4%
Chemical Purchases	18,487,242	16,539,326	1,947,916	11.8%
Contractual Services	21,667,363	20,671,553	995,810	4.8%
Major Repairs	8,591,692	11,413,008	(2,821,316)	(24.7%)
Capital Assets	856,900	1,055,400	(198,500)	(18.8%)
Miscellaneous	1,098,700	1,158,107	(59,407)	(5.1%)
Total	**$148,349,733**	**$140,778,854**	**$ 7,570,879**	**5.4%**

Operations (Continued)

Positions

	Adopted FY-2026	Amended FY-2025	FY26 vs FY25 Inc/(Dec)
Total	568	561	7



Engineering

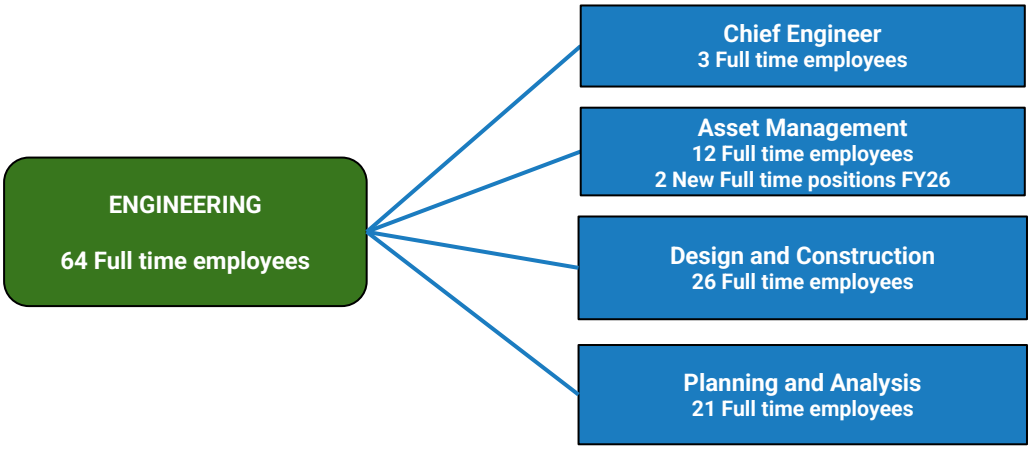
The Engineering Division is responsible for facility planning, design and construction and related support. The Asset Management Department is responsible for the Computerized Maintenance Management System (CMMS), Condition Assessment to extend the life of assets at the lowest life cycle cost. The Design and Construction Departments deliver capital projects in a manner consistent with HRSD's quality standards. The Planning and Analysis Department manages numerous diverse functions including Hydraulic Modeling, Geographic Information System (GIS), Data Analysis and the Records Management System. This department also plans the capital infrastructure required to meet the region's future wastewater needs. The Engineering Division is also responsible for all property and land acquisition to meet the needs of HRSD.

Expenditure Budget

	FY-2026 Budget	FY-2025 Budget	FY26 vs FY25 Inc/(Dec)	Percent Change
Personal Services	$ 8,006,940	$ 7,608,950	$ 397,990	5.2%
Fringe Benefits	2,503,240	2,549,149	(45,909)	(1.8%)
Material & Supplies	137,300	45,415	91,885	202.3%
Transportation	34,745	32,836	1,909	5.8%
Contractual Services	1,235,100	1,050,200	184,900	17.6%
Miscellaneous	264,741	315,496	(50,755)	(16.1%)
Total	**$ 12,182,066**	**$ 11,602,046**	**$ 580,020**	**5.0%**

Positions

	Adopted FY-2026	Amended FY-2025	FY26 vs FY25 Inc/(Dec)
Total	**64**	**62**	**2**



Water Quality

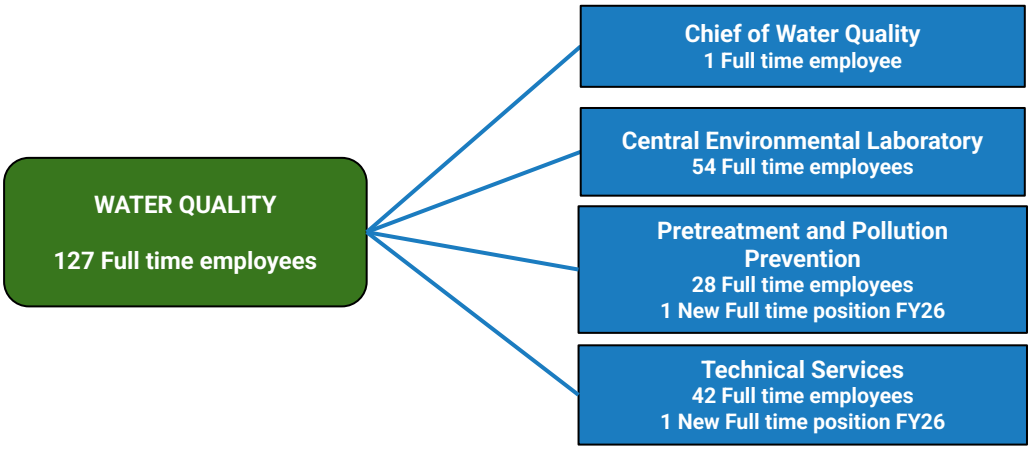
The Water Quality (WQ) Division's mission is to provide quality environmental services to support HRSD and its partners. This division helps ensure compliance with HRSD environmental permits and leads regulatory advocacy through the work of three divisions. The Central Environmental Laboratory (CEL) Department uses the Environmental Data Management System (EDMS) and other tools to provide analytical support for numerous monitoring, research and regulatory purposes. The Pretreatment and Pollution Prevention (P3) Department monitors wastewater conveyed to treatment plants using the Pretreatment Information Management System (PIMS) and other tools, and implements its Industrial Wastewater Discharge Regulations to protect treatment plant staff, facilities and processes. The Technical Services Department (TSD) is responsible for activities including environmental monitoring, specialized sampling, treatment process and research studies, the Municipal Assistance Program (MAP) to assist localities, as well as all reporting required by HRSD permits.

Expenditure Budget

	FY-2026 Budget	FY-2025 Budget	FY26 vs FY25 Inc/(Dec)	Percent Change
Personal Services	$ 11,673,166	$ 10,737,647	$ 935,519	8.7%
Fringe Benefits	4,218,662	4,254,993	(36,331)	(0.9%)
Material & Supplies	2,568,416	1,678,000	890,416	53.1%
Transportation	59,250	40,962	18,288	44.6%
Utilities	2,808	2,808	-	-%
Contractual Services	1,522,500	1,518,000	4,500	0.3%
Major Repairs	159,000	20,000	139,000	695.0%
Miscellaneous	636,950	585,350	51,600	8.8%
Total	**$ 20,840,752**	**$ 18,837,760**	**$ 2,002,992**	**10.6%**

Positions

	Adopted FY-2026	Amended FY-2025	FY26 vs FY25 Inc/(Dec)
Total	**127**	**125**	**2**



General Expenses, Debt Service and Transfers

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

Expenditure Budget

	FY-2026 Budget	FY-2025 Budget	FY26 vs FY25 Inc/(Dec)	Percent Change
Personal Services	$ (4,509,999)	$ (2,680,600)	$ (1,829,399)	(68.2%)
Fringe Benefits	(1,092,756)	(1,153,709)	60,953	5.3%
Material & Supplies	164,000	22,000	142,000	645.5%
Utilities	672,000	635,000	37,000	5.8%
Contractual Services	8,042,046	8,073,980	(31,934)	(0.4%)
Miscellaneous	1,276,550	967,572	308,978	31.9%
Total General Expenses	**$ 4,551,841**	**$ 5,864,243**	**$ (1,312,402)**	**(22.4%)**
Publically Sold Bonds - Principal	25,900,000	13,100,000	12,800,000	97.7%
Publically Sold Bonds - Interest	48,200,000	40,900,000	7,300,000	17.8%
Loan - Principal and Interest	33,900,000	33,700,000	200,000	0.6%
Total Debt Service	**108,000,000**	**87,700,000**	**20,300,000**	**23.1%**
Transfer to CIP	173,101,344	155,635,405	17,465,939	11.2%
Total Transfers	**173,101,344**	**155,635,405**	**17,465,939**	**11.2%**
Total Debt Service and Transfers	**$281,101,344**	**$243,335,405**	**$ 37,765,939**	**15.5%**



HRSD

Sustainable, Innovative Wastewater Treatment

CAPITAL BUDGET



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Capital Budget

HRSD prepares a Capital Improvement Program (CIP) each year for the capital projects currently underway or proposed for the future. The first year of the CIP is authorized as the Capital Budget for FY-2026 in the amount of $709 million. The remaining years (FY-2027 to FY-2035) include all known projects planned for these years; however, approval of the plan does not authorize the Capital Budgets for those years. Each year's Capital Budget will be approved during the budget process for the specific year.

The ten-year Capital Improvement Program for FY-2026 to FY-2035 highlights the anticipated cost of each project and the fiscal year(s) in which the work is expected to occur. All costs listed in the CIP are stated in current year dollars and total approximately $3.42 billion.

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

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

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

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

Capital Budget

CIP Budget Forecast (in thousands)	FY-2026 to FY-2035	FY-2026	FY-2027	FY-2028	FY-2029	FY-2030
Beginning Capital Reserves	$ 255,453	$ 255,453	$ -	$ -	$ -	$ -
Bonds	309,638	-	-	-	-	-
VCWRLF	400,000	40,000	40,000	40,000	40,000	40,000
WIFIA	620,266	220,000	96,852	80,000	104,000	60,000
WQIF	312,000	100,000	212,000	-	-	-
Cash	1,595,393	173,101	154,989	156,152	112,275	141,601
Grants and Other Reimbursements	5,644	4,644	1,000	-	-	-
Transfer from Line of Credit	(80,394)	(84,198)	34,159	143,848	(6,275)	8,399
Total Capital Resources	3,418,000	709,000	539,000	420,000	250,000	250,000
Capital Expenditures	3,418,000	709,000	539,000	420,000	250,000	250,000
Ending Capital Reserves	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Capital Expenditures (in thousands)	FY-2026 to FY-2035	FY-2026	FY-2027	FY-2028	FY-2029	FY-2030
Administration	$ 141,509	$ 28,127	$ 44,997	$ 25,884	$ 5,317	$ 5,581
Army Base	34,435	10,809	9,522	489	24	1,731
Atlantic	351,078	91,414	98,062	103,308	17,776	15,471
Boat Harbor	198,208	107,084	23,306	30,851	1,247	22
Chesapeake-Elizabeth	20,586	1,051	3,323	189	427	2,217
Eastern Shore	32,686	12,358	13,641	3,817	2,778	92
James River	145,020	64,411	24,145	14,216	12,961	9,604
Middle Peninsula	138,507	16,347	19,428	664	454	37,042
Nansemond	279,589	141,682	80,992	9,303	2,227	17,170
Surry	6,871	6,337	530	4	-	-
Virginia Initiative Plant	184,021	70,045	49,067	28,874	8,079	4,694
Williamsburg	100,282	5,568	5,926	8,185	14,671	15,043
York River	95,924	27,430	12,180	2,090	2,767	11,563
General	1,615,028	303,587	288,631	297,126	222,862	109,553
Future Improvements	535,374	-	-	-	2,528	20,217
Subtotal	**3,879,118**	**886,250**	**673,750**	**525,000**	**294,118**	**250,000**
Program Spend Rate	88%	80%	80%	80%	85%	100%
Total Expenditures	**$ 3,418,000**	**$ 709,000**	**$ 539,000**	**$ 420,000**	**$ 250,000**	**$ 250,000**

Capital Budget

CIP Budget Forecast (in thousands)	FY-2031	FY-2032	FY-2033	FY-2034	FY-2035
Beginning Capital Reserves	$ -	$ -	$ -	$ -	$ -
Bonds	-	-	309,638	-	-
VCWRLF	40,000	40,000	40,000	40,000	40,000
WIFIA	59,414	-	-	-	-
WQIF	-	-	-	-	-
Grants and Other Reimbursements	143,076	157,684	156,120	191,487	208,908
Cash	-	-	-	-	-
Transfer from Line of Credit	7,510	52,316	(255,758)	18,513	1,092
Total Capital Resources	250,000	250,000	250,000	250,000	250,000
Capital Expenditures	250,000	250,000	250,000	250,000	250,000
Ending Capital Reserves	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Capital Expenditures (in thousands)	FY-2031	FY-2032	FY-2033	FY-2034	FY-2035
Administration	$ 5,860	$ 6,153	$ 6,338	$ 6,528	$ 6,724
Army Base	6,754	5,076	30	-	-
Atlantic	1,195	6,038	10,044	6,280	1,490
Boat Harbor	758	2,181	8,963	13,266	10,530
Chesapeake-Elizabeth	7,940	5,439	-	-	-
Eastern Shore	-	-	-	-	-
James River	8,824	10,853	6	-	-
Middle Peninsula	34,147	28,085	2,340	-	-
Nansemond	18,315	4,372	-	3,159	2,369
Surry	-	-	-	-	-
Virginia Initiative Plant	4,416	6,394	7,702	3,468	1,282
Williamsburg	13,982	10,027	10,236	10,494	6,150
York River	15,277	10,820	6,394	6,791	612
General	109,847	74,101	85,270	85,140	38,911
Future Improvements	22,685	80,461	112,677	114,874	181,932
Subtotal	**250,000**	**250,000**	**250,000**	**250,000**	**250,000**
Program Spend Rate	100%	100%	100%	100%	100%
Total Expenditures	**$ 250,000**	**$ 250,000**	**$ 250,000**	**$ 250,000**	**$ 250,000**

FY-2026 to FY-2035
CIP Cash Flow Projections by Project (in thousands)

CIP No	Project Name	Total 2026 to 2035	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Administration												
AD012500	Cybersecurity Practice & Procedure Initiative	$ 1,000	$ 1,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
AD012600	Central Environmental Laboratory Expansion and Rehabilitation	74,344	17,840	35,680	20,822	2	-	-	-	-	-	-
AD012700	Capital Improvement Program Labor Program	52,382	-	4,821	5,062	5,315	5,581	5,860	6,153	6,338	6,528	6,724
AD012740	Capital Improvement Program Internal Labor FY26	4,383	4,383	-	-	-	-	-	-	-	-	-
AD012800	Customer Cloud Service Implementation	9,400	4,904	4,496	-	-	-	-	-	-	-	-
	Subtotal	141,509	28,127	44,997	25,884	5,317	5,581	5,860	6,153	6,338	6,528	6,724
Army Base												
AB010000	Army Base 24-Inch and 20-Inch Transmission Main Replacements	$ 13,671	$ 20	$ 20	$ 20	$ 20	$ 1,731	$ 6,754	$ 5,076	$ 30	$ -	$ -
AB010500	Section W Force Main Replacement	4,668	2,485	2,171	8	4	-	-	-	-	-	-
AB011900	Army Base Treatment Plant Administration Building Renovation (2021)	5,486	5,486	-	-	-	-	-	-	-	-	-
AB012100	Army Base Treatment Plant Generator Control Replacement	6,220	1,632	4,567	21	-	-	-	-	-	-	-
AB012200	Army Base Treatment Plant PdNA Process Conversion	1,739	-	1,304	435	-	-	-	-	-	-	-
		2,651	1,186	1,460	5	-	-	-	-	-	-	-
	Subtotal	34,435	10,809	9,522	489	24	1,731	6,754	5,076	30	-	-
Atlantic												
AT011900	Great Bridge Interceptor Extension 16-Inch Replacement	$ 25,624	$ 8,548	$ 12,800	$ 4,273	$ 3	$ -	$ -	$ -	$ -	$ -	$ -
AT012920	Atlantic Treatment Plant Access Road Extension	23,932	851	1,274	7,109	11,673	2,998	27	-	-	-	-
AT013000	Washington District Pump Station Area Sanitary Sewer Improvements	50	50	-	-	-	-	-	-	-	-	-
AT013010	Washington District Pump Station Replacement	22,149	14,666	7,483	-	-	-	-	-	-	-	-
AT013110	South Norfolk Area Gravity Sewer Improvements, Phase II	8,227	8,227	-	-	-	-	-	-	-	-	-
AT014000	Lynnhaven-Great Neck IFM (SF-021) Relocation	3,388	3,377	11	-	-	-	-	-	-	-	-
AT014100	Suffolk Regional Landfill Transmission Force Main	800	800	-	-	-	-	-	-	-	-	-
AT014303	Chesapeake Pump Station Capacity Improvements (AT-HPP-01C)	19	-	-	-	-	-	-	-	-	-	19
AT014304	Chesapeake Gravity Main Capacity Improvements	250	-	-	-	-	-	-	-	-	100	150
AT014600	Kempsville Interceptor Force Main Replacement - Phase I	8,967	215	580	2,498	3,994	1,680	-	-	-	-	-
AT015200	Cedar Road Interceptor Force Main Replacement Phase I	6,974	-	-	2	2	2	177	421	1,997	3,052	1,321
AT015300	High Priority Projects Round 2 Project 2	2,327	-	-	-	-	-	332	1,164	831	-	-
AT015400	Doziers Corner Pump Station Replacement	13,312	5,790	7,372	150	-	-	-	-	-	-	-
AT015500	Atlantic Treatment Plant Secondary Clarifier Effluent Weir Replacement and Enhancements	371	371	-	-	-	-	-	-	-	-	-
AT016000	Atlantic Treatment Plant Odor and Solids Improvements 2023	195,117	40,537	63,030	80,799	-	10,751	-	-	-	-	-

FY-2026 to FY-2035
CIP Cash Flow Projections by Project (in thousands)

CIP No	Project Name	Total 2026 to 2035	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
AT016300	Cedar Road Interceptor Force Main Replacement Phase II	15,843	-	-	-	352	35	659	4,453	7,216	3,128	-
AT016400	Great Bridge Interceptor Force Main Emergency Replacement (SF-180)	5,616	5,593	23	-	-	-	-	-	-	-	-
AT016600	Great Bridge Boulevard Interceptor Force Main (SF-164) Segmental Replacement at Oak Bridge-Glenleigh	9,380	849	2,601	5,930	-	-	-	-	-	-	-
AT016700	Providence Road Interceptor Force Main (SF-165) Segmental Replacement at Depositor Lane	2,497	176	1,221	1,100	-	-	-	-	-	-	-
AT017000	Atlantic Treatment Plant THP Steam Generation Project	3,611	123	284	1,447	1,752	5	-	-	-	-	-
AT017100	Birdneck Road Trunk Force Main - Pipeline Cover Mitigation & Protection	2,624	1,241	1,383	-	-	-	-	-	-	-	-
	Subtotal	351,078	91,414	98,062	103,308	17,776	15,471	1,195	6,038	10,044	6,280	1,490
Boat Harbor												
BH013020	Willard Avenue Pump Station Replacement	$ 846	$ 845	$ 1	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
BH014220	Hampton Trunk Sewer Extension Divisions I and J Relocation Phase II	712	707	5	-	-	-	-	-	-	-	-
BH014900	Hampton Trunk Sewer Extension Division K Gravity Improvements	13	13	-	-	-	-	-	-	-	-	-
BH015700	Boat Harbor Treatment Plant Pump Station Conversion	60,612	54,001	6,611	-	-	-	-	-	-	-	-
BH015710	Boat Harbor Treatment Plant Transmission Force Main Section 1 (Subaqueous)	16,327	16,327	-	-	-	-	-	-	-	-	-
BH015720	Boat Harbor Treatment Plant Transmission Force Main Section 2 (Land)	31,732	29,807	1,925	-	-	-	-	-	-	-	-
BH015730	Boat Harbor Treatment Plant Decommission and Demolition	41,951	2,894	11,125	27,932	-	-	-	-	-	-	-
BH015802	Claremont Pump Station Upgrade (BH-HPP-01B)	1,296	-	-	-	-	-	-	-	236	495	565
BH015803	Chesapeake Avenue Interceptor Improvements (BH-HPP-01C)	1,740	-	-	-	-	-	-	-	371	659	710
BH016100	High Priority Projects Round 2 Project 3	18,456	-	-	-	-	-	436	1,307	1,851	5,607	9,255
BH016200	Inflow Reduction Program - Phase II	9,397	2,290	2,919	2,919	1,247	22	-	-	-	-	-
BH016300	Bayshore Pump Station Replacement	14,206	-	-	-	-	-	322	874	6,505	6,505	-
BH016400	Jefferson Avenue Pump Station Electrical Improvements	920	200	720	-	-	-	-	-	-	-	-
	Subtotal	198,208	107,084	23,306	30,851	1,247	22	758	2,181	8,963	13,266	10,530

FY-2026 to FY-2035
CIP Cash Flow Projections by Project (in thousands)

CIP No	Project Name	Total 2026 to 2035	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Chesapeake-Elizabeth												
CE011300	Birchwood Trunk 24-Inch and 30-Inch Force Main at Independence Boulevard Replacement Phase II	$ 2	$ 2	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
CE011600	Poplar Hall Davis Corner Trunk 24-Inch Gravity Sewer Improvements	19	19	-	-	-	-	-	-	-	-	-
CE011810	Chesapeake-Elizabeth Treatment Plant Decommissioning	12,123	633	3,323	-	-	-	4,261	3,906	-	-	-
CE011841	Oceana Off-line Storage Facility Land Acquisition	397	397	-	-	-	-	-	-	-	-	-
CE012100	Witchduck Road Interceptor Force Main Improvements	8,045	-	-	189	427	2,217	3,679	1,533	-	-	-
	Subtotal	20,586	1,051	3,323	189	427	2,217	7,940	5,439	-	-	-
Eastern Shore												
ES010300	Onancock Treatment Plant Administration Building Upgrade	$ 5,026	$ 183	$ 233	$ 1,760	$ 2,758	$ 92	$ -	$ -	$ -	$ -	$ -
ES010500	Chincoteague Treatment Plant Improvements	8,859	5,519	3,310	20	10	-	-	-	-	-	-
ES010600	Onancock Meter Replacement	464	463	1	-	-	-	-	-	-	-	-
ES010800	Onancock Treatment Plant Solids Handling Improvements	14,597	5,858	8,719	20	-	-	-	-	-	-	-
ES011000	Onancock Pump Station Improvements	3,740	335	1,378	2,017	10	-	-	-	-	-	-
	Subtotal	32,686	12,358	13,641	3,817	2,778	92	-	-	-	-	-
James River												
JR011730	Jefferson Avenue Interceptor Force Main Replacement Phase III	$ 7	$ 7	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
JR013400	James River Treatment Plant Advanced Nutrient Reduction Improvements	60,841	51,886	8,955	-	-	-	-	-	-	-	-
JR013401	James River Treatment Plant MIFAS Conversion Emergency	319	319	-	-	-	-	-	-	-	-	-
JR013410	James River Treatment Plant Outfall Modifications	2,878	945	1,933	-	-	-	-	-	-	-	-
JR013500	Lucas Creek Pump Station Replacement	7,693	7,688	5	-	-	-	-	-	-	-	-
JR013610	James River Treatment Plant Automation Improvements Phase I	1,260	1,259	1	-	-	-	-	-	-	-	-
JR014000	Center Avenue Force Main Replacement	20,803	-	-	-	543	1,851	7,550	10,853	6	-	-
JR014100	James River Treatment Plant Viewshed Improvements	1,355	64	1,291	-	-	-	-	-	-	-	-
JR014200	Kiln Creek Interceptor Force Main Replacement	17,204	193	9,568	7,440	3	-	-	-	-	-	-
JR014300	Morrison Pump Station Replacement	14,828	650	1,430	1,526	4,985	4,985	1,252	-	-	-	-
JR014400	James River Treatment Plant Primary Clarifier Pipe Rehabilitation	6,593	-	189	748	2,928	2,706	22	-	-	-	-
JR014410	James River Treatment Plant Primary Clarifier Pipes (1 and 2)	942	939	3	-	-	-	-	-	-	-	-
JR014500	James River Treatment Plant Digester and Thickening Building Heating Systems Replacements	10,297	461	770	4,502	4,502	62	-	-	-	-	-
	Subtotal	145,020	64,411	24,145	14,216	12,961	9,604	8,824	10,853	6	-	-

FY-2026 to FY-2035
CIP Cash Flow Projections by Project (in thousands)

CIP No	Project Name	Total 2026 to 2035	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Middle Peninsula												
MP011700	Middle Peninsula Interceptor Systems Pump Station Control and SCADA Upgrades and Enhancements	$ 1,417	$ 654	$ 654	$ 109	$ -	$ -	$ -	$ -	$ -	$ -	$ -
MP013300	King William Treatment Plant Improvements Phase II	3,929	3,429	499	1	-	-	-	-	-	-	-
MP013710	Middlesex Interceptor System Program Phase II-Saluda Pump Station	6,699	-	-	-	-	2,171	2,171	2,171	186	-	-
MP013720	Middlesex Interceptor System Program Phase II-Hartfield Pump Station	11,419	-	-	-	-	3,702	3,702	3,702	313	-	-
MP013730	Middlesex Interceptor System Program Phase II-Transmission Force Main	67,952	-	-	-	-	22,037	22,037	22,037	1,841	-	-
MP013810	Middlesex Interceptor System Program Phase III (Deltaville)	12,619	-	-	-	12	8,398	4,204	5	-	-	-
MP014800	Small Communities Rehabilitation Phase V	623	502	120	1	-	-	-	-	-	-	-
MP015000	Sharon Road Gravity Sewer Improvements	1,103	1,099	4	-	-	-	-	-	-	-	-
MP015300	King William Central Crossing Pump Station Rehabilitation	633	631	2	-	-	-	-	-	-	-	-
MP015500	Small Communities Rehabilitation Phase VI	2,967	2,421	545	1	-	-	-	-	-	-	-
MP015600	West Point Treatment Plant Final Effluent Pump Station Improvements	2,437	1,419	1,013	5	-	-	-	-	-	-	-
MP015610	West Point Treatment Plant Generator Installation	1,741	1,734	7	-	-	-	-	-	-	-	-
MP015700	West Point Treatment Plant Secondary Clarifier Improvements	2,421	1,403	1,013	5	-	-	-	-	-	-	-
MP015800	King William Main Pump Station Improvements	4,465	1,013	3,438	14	-	-	-	-	-	-	-
MP016000	Beaver Dam Discharge Force Main Replacement	3,182	-	32	101	112	734	2,033	170	-	-	-
MP016100	King William Collection System Capacity Improvements	5,590	581	4,584	425	-	-	-	-	-	-	-
MP016200	Urbanna and Central Middlesex Wastewater Treatment Plant Rehabilitation	8,650	1,131	7,517	2	-	-	-	-	-	-	-
MP016300	Urbanna to West Point Alignment Study	330	-	-	-	330	-	-	-	-	-	-
MP016400	West Point to Williamsburg Alignment Study	330	330	-	-	-	-	-	-	-	-	-
	Subtotal	138,507	16,347	19,428	664	454	37,042	34,147	28,085	2,340	-	-

FY-2026 to FY-2035
CIP Cash Flow Projections by Project (in thousands)

CIP No	Project Name	Total 2026 to 2035	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Nansemond												
NP010620	Suffolk Pump Station Replacement	$ 41,042	$ 25,860	$ 15,182	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
NP012400	Western Branch Sewer System Gravity Improvements	11,556	8,667	2,889	-	-	-	-	-	-	-	-
NP013000	Nansemond Treatment Plant Motor Control Center Replacements	923	923	-	-	-	-	-	-	-	-	-
NP013700	Nansemond Treatment Plant Struvite Recovery Facility Improvements	9,233	9,221	12	-	-	-	-	-	-	-	-
NP013820	Nansemond Treatment Plant Advanced Nutrient Reduction Improvements Phase II	87,919	61,011	26,908	-	-	-	-	-	-	-	-
NP014000	Wilroy Pressure Reducing Station and Off-line Storage Facility	52,611	27,673	24,938	-	-	-	-	-	-	-	-
NP014500	Nansemond Treatment Plant Regional Residuals Facility Upgrade	1,595	1,591	4	-	-	-	-	-	-	-	-
NP014700	Nansemond Treatment Plant Digester Capacity Upgrades	5,162	5,154	8	-	-	-	-	-	-	-	-
NP014800	High Priority Projects Round 2 Project 8	5,528	-	-	-	-	-	-	-	-	3,159	2,369
NP015100	Nansemond Treatment Plant Administration Building Replacement	13,186	566	6,610	6,000	9	1	-	-	-	-	-
NP015400	Nansemond Treatment Plant Solids Drying Feasibility and Site Study	246	197	49	-	-	-	-	-	-	-	-
NP015500	Town of Dendron Discharge Force Main Replacement	2,355	197	1,617	541	-	-	-	-	-	-	-
NP015600	Lawnes Point Treatment Plant, Pump Station, and Force Main Conversion	8,169	-	-	-	-	450	3,395	4,324	-	-	-
NP015700	George Washington Interceptor Force Main Extension Part 2 (SF-140) Segmental Replacement at St. Julian's Creek	2,850	227	1,883	738	2	-	-	-	-	-	-
NP015800	North Churchill Interceptor Force Main (SF-206) Segmental Replacement at Swannanoa Drive	9,099	20	-	691	2,191	4,106	2,072	19	-	-	-
NP015900	Nansemond Treatment Plant Anaerobic Digester Capacity Improvements	25,834	375	892	1,333	25	11,592	11,592	25	-	-	-
NP016000	Nansemond Treatment Plant Fire Suppression System Upgrades	2,281	-	-	-	-	1,021	1,256	4	-	-	-
	Subtotal	279,589	141,682	80,992	9,303	2,227	17,170	18,315	4,372	-	3,159	2,369
Surry												
SU010200	Surry Hydraulic Improvements and Interceptor Force Main	$ 530	$ 530	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
SU010400	Surry Force Main and Pump Station-Dominion Power Extension	6,341	5,807	530	4	-	-	-	-	-	-	-
	Subtotal	6,871	6,337	530	4	-	-	-	-	-	-	-

FY-2026 to FY-2035
CIP Cash Flow Projections by Project (in thousands)

CIP No	Project Name	Total 2026 to 2035	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Virginia Initiative Plant												
VP014010	Ferebee Avenue Pump Station Replacement	$ 8,004	$ 4,802	$ 3,202	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
VP014022	Sanitary Sewer Replacement 1950 – Part 2	8,314	7,126	1,188	-	-	-	-	-	-	-	-
VP014700	Ingleside Road Pump Station Replacement	484	484	-	-	-	-	-	-	-	-	-
VP014800	Lee Avenue-Wesley Street Horizontal Valve Replacement	24	24	-	-	-	-	-	-	-	-	-
VP015320	Larchmont Area Sanitary Sewer Improvements	41,810	15,120	15,120	11,570	-	-	-	-	-	-	-
VP015410	City Park Pump Station (PS 106) Replacement	5,202	4,801	401	-	-	-	-	-	-	-	-
VP015420	Luxembourg Pump Station (PS 113) Replacement and Ashland Sewer Extension	20,048	18,503	1,545	-	-	-	-	-	-	-	-
VP015430	Chesapeake Boulevard Pump Station (PS 105) Replacement and Norfolk Pump Station (PS 57) Rehabilitation	22,781	5,251	11,040	6,461	29	-	-	-	-	-	-
VP016700	Norview-Estabrook Division I 18-Inch Force Main Replacement Phase III	2,668	2,668	-	-	-	-	-	-	-	-	-
VP018000	Park Avenue Pump Station Replacement	297	295	2	-	-	-	-	-	-	-	-
VP018301	VIP Service Area I-I Reduction Phase I (PORTS)	10,586	1,552	6,342	2,692	-	-	-	-	-	-	-
VP018302	Portsmouth Pump Station Upgrades (VIP-HPP-04B)	357	-	-	-	-	-	-	-	-	-	357
VP018303	VIP Service Area I-I Reduction Phase III (PORTS)	2,018	310	1,200	508	-	-	-	-	-	-	-
VP018304	Camden Avenue Pump Station Upgrades (VIP-HPP-04D)	6,783	-	-	-	-	209	340	2,139	4,095	-	-
VP018305	Camden Avenue Gravity Improvements (VIP-HPP-04E)	7,855	-	-	-	-	97	304	2,044	3,607	1,803	-
VP018800	Virginia Initiative Plant Administration Building Renovation	9,462	3,655	3,655	2,152	-	-	-	-	-	-	-
VP019000	Colley Ave Pump Station Pump Replacement	3,287	1,643	1,639	5	-	-	-	-	-	-	-
VP019200	Virginia Initiative Plant Motor Control Center Replacements	2,733	1,312	1,312	109	-	-	-	-	-	-	-
VP019400	High Priority Projects Round 2 Project 5	2,590	-	-	-	-	-	-	-	-	1,665	925
VP019700	Plume Street Pump Station Replacement (SS-PS-121)	5,783	378	300	1,768	3,337	-	-	-	-	-	-
VP019800	Virginia Initiative Plant Aeration Tank and Primary Clarifier Gate Replacement	15,749	696	696	2,209	3,313	3,313	3,313	2,209	-	-	-
VP019900	Virginia Initiative Plant Secondary Clarifier Solids Removal Mechanism Rehabilitation/ Replacement	6,350	1,425	1,425	1,400	1,400	700	-	-	-	-	-
VP020000	Virginia Initiative Plant Fire Suppression System Upgrades	836	-	-	-	-	375	459	2	-	-	-
	Subtotal	184,021	70,045	49,067	28,874	8,079	4,694	4,416	6,394	7,702	3,468	1,282

FY-2026 to FY-2035
CIP Cash Flow Projections by Project (in thousands)

CIP No	Project Name	Total 2026 to 2035	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Williamsburg												
WB012500	Lodge Road Pump Station Upgrades	$ 2,293	$ -	$ -	$ 51	$ 233	$ 1,253	$ 756	$ -	$ -	$ -	$ -
WB013100	Williamsburg Treatment Plant Outfall Flow Control System Repairs	953	953	-	-	-	-	-	-	-	-	-
WB013201	Lodge Road Pump Station Extended Wet Well	229	-	23	24	110	72	-	-	-	-	-
WB013202	Williamsburg Crossing Pressure Reducing Station, Force Main and Storage Tank Improvements	12,468	-	-	-	-	-	1,455	1,316	1,662	3,048	4,987
WB013400	Williamsburg Treatment Plant Headworks Influent and Effluent Pipe Rehabilitation	7,424	-	-	-	360	3,674	3,367	23	-	-	-
WB013410	Ron Springs Drive Valve Improvements (W1004)	3,473	1,627	1,828	18	-	-	-	-	-	-	-
WB013500	Williamsburg Treatment Plant Intermediate Clarifier Wet Weather and Phosphorus Removal System Improvements	8,939	627	1,635	5,333	1,341	3	-	-	-	-	-
WB013600	Williamsburg Treatment Plant Influent Loading Reduction Improvements	216	216	-	-	-	-	-	-	-	-	-
WB013700	North Trunk Interceptor Force Main Part A (NF-002) Replacement	1,283	-	-	-	-	-	-	-	-	180	1,103
WB013800	Williamsburg Treatment Plant Distributed Control System Improvements	5,158	-	42	494	4,228	394	-	-	-	-	-
WB013810	Williamsburg Treatment Plant Distributed Control System Improvements (Gravity Thickener Building)	594	594	-	-	-	-	-	-	-	-	-
WB013900	Williamsburg Treatment Plant Solids Handling Improvements	24,574	1,457	2,398	2,256	6,468	6,468	5,413	114	-	-	-
WB013910	Williamsburg Treatment Plant Emissions Monitoring System	94	94	-	-	-	-	-	-	-	-	-
WB014100	Williamsburg Treatment Plant FOG and Cake Receiving Improvements	32,584	-	-	9	1,931	3,179	2,991	8,574	8,574	7,266	60
	Subtotal	100,282	5,568	5,926	8,185	14,671	15,043	13,982	10,027	10,236	10,494	6,150
York River												
YR010520	Magruder Mercury Interceptor Force Main Replacement - Section B	$ 17,930	$ 9,496	$ 8,427	$ 7	$ -	$ -	$ -	$ -	$ -	$ -	$ -
YR010530	Magruder Mercury Interceptor Force Main Replacement - Section C	17,270	-	-	-	250	1,000	7,353	8,000	667	-	-
YR010900	Tabb Pressure Reducing Station and Offline Storage Facility	13,842	13,842	-	-	-	-	-	-	-	-	-
YR011900	Bethel-Poquoson Force Main Part III Replacement	791	627	162	2	-	-	-	-	-	-	-
YR013900	York River System Isolation Valve Installation and Replacement	110	110	-	-	-	-	-	-	-	-	-
YR014200	LaSalle Avenue Boat Harbor to York River Interconnect Force Main	16,815	-	-	605	1,048	9,094	6,065	3	-	-	-
YR014700	Coliseum PRS Off-Line Storage Tank Odor Control Upgrades	5	5	-	-	-	-	-	-	-	-	-
YR014900	York River DEMON Upgrades	223	223	-	-	-	-	-	-	-	-	-

FY-2026 to FY-2035
CIP Cash Flow Projections by Project (in thousands)

CIP No	Project Name	Total 2026 to 2035	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
YR015000	York River Treatment Plant Switchgear and Motor Control Center Replacements	14,040	1,525	1,620	1,469	1,469	1,469	1,469	1,469	1,469	1,469	612
YR015200	Bethel-Poquoson and Route 171 Victory Blvd Interceptor Force Main Relocation	4,168	-	-	-	-	-	390	423	2,233	1,122	-
YR015300	Wolf Trap Road Interceptor Improvements	7,150	-	-	-	-	-	-	925	2,025	4,200	-
YR015400	York River Treatment Plant Fire Suppression System Upgrades	3,580	1,602	1,971	7	-	-	-	-	-	-	-
	Subtotal	95,924	27,430	12,180	2,090	2,767	11,563	15,277	10,820	6,394	6,791	612
General												
GN015300	Interceptor System Valve Improvements Phase I	$ 598	$ 597	$ 1	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
GN015800	North Shore Automated Diversion Facilities	3	3	-	-	-	-	-	-	-	-	-
GN016230	SWIFT Research Center Educational and Outreach Improvements	2,005	1,050	955	-	-	-	-	-	-	-	-
GN016311	Outfall Dispersion Modeling for Full Scale SWIFT	1,048	131	131	131	131	131	131	131	131	-	-
GN016320	Program Management of SWIFT Full Scale Implementation	29,464	5,236	5,400	4,184	4,184	4,184	4,184	2,092	-	-	-
GN016331	SWIFT Managed Aquifer Recharge Services	41	38	3	-	-	-	-	-	-	-	-
GN016344	James River Land Improvements - Phase I	334	334	-	-	-	-	-	-	-	-	-
GN016346	Boat Harbor Transmission Force Main Land Acquisition	3,220	3,220	-	-	-	-	-	-	-	-	-
GN016347	James River Land Improvements - Phase II	3,743	573	3,042	128	-	-	-	-	-	-	-
GN016360	James River SWIFT Facility	49,276	45,347	3,929	-	-	-	-	-	-	-	-
GN016362	James River Recharge Wells (Off Site)	326	326	-	-	-	-	-	-	-	-	-
GN016363	James River Recharge Well Enhancements	200	195	5	-	-	-	-	-	-	-	-
GN016380	Nansemond SWIFT Facility	532,857	150,207	148,668	150,000	81,557	2,425	-	-	-	-	-
GN016381	Nansemond Recharge Wells (On Site)	63,999	21,281	27,606	15,112	-	-	-	-	-	-	-
GN016382	Nansemond Recharge Wells (Off Site)	71,173	1,546	15,050	33,435	19,997	920	225	-	-	-	-
GN016383	Nansemond Recharge Well Integration	77,332	3,720	556	33,788	37,523	1,311	434	-	-	-	-
GN016390	VIP SWIFT Tertiary Preliminary Engineering	5,715	5,715	-	-	-	-	-	-	-	-	-
GN016391	VIP SWIFT Tertiary Site Work	26,095	-	1,241	4,701	18,603	1,550	-	-	-	-	-
GN016392	VIP SWIFT Tertiary Facility	263,839	-	6,840	6,202	50,239	75,239	75,239	50,080	-	-	-
GN016700	Treatment Plant Solids Handling Replacement Phase II	7,714	2,963	3,793	958	-	-	-	-	-	-	-
GN017200	Interceptor Systems Pump Station Control and SCADA Upgrades and Enhancements Phase II	1,570	819	751	-	-	-	-	-	-	-	-
GN017400	Treatment Plant Dewatering Replacement Phase III	10,671	5,815	4,848	8	-	-	-	-	-	-	-
GN017500	Fleet Management Program	18,604	1,876	1,876	1,876	1,876	1,876	1,876	1,876	1,876	1,876	1,720
GN017900	Solids System Improvements for Army Base MHI Offline	1,000	800	200	-	-	-	-	-	-	-	-

FY-2026 to FY-2035
CIP Cash Flow Projections by Project (in thousands)

CIP No	Project Name	Total 2026 to 2035	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
GN018600	North Shore Galvanic Cathodic Protection Rehabilitation	1,264	1,214	50	-	-	-	-	-	-	-	-
GN018700	South Shore Galvanic Cathodic Protection Rehabilitation Phase I	2,714	662	2,018	34	-	-	-	-	-	-	-
GN018800	South Shore Galvanic Cathodic Protection Rehabilitation Phase II	1,685	1,635	50	-	-	-	-	-	-	-	-
GN018900	Pump Station Motor Control Center Replacements - Phase I	2,426	766	766	766	128	-	-	-	-	-	-
GN019400	Water Quality Department Instrumentation Equipment Program	4,468	646	646	646	646	646	646	592	-	-	-
GN019600	Interceptor Systems Pump Station Control and SCADA Upgrades and Enhancements Phase III	9,371	2,272	3,701	3,398	-	-	-	-	-	-	-
GN019700	Treatment Plant Dewatering Improvement Phase IV	9,000	4,903	4,089	8	-	-	-	-	-	-	-
GN020000	Solar Panel Installation Phase I	1,131	-	-	-	-	754	377	-	-	-	-
GN020200	Treatment Plant Fire Suppression System Upgrades	688	688	-	-	-	-	-	-	-	-	-
GN020300	High Priority Inflow and Infiltration Reduction Program	2,009	2,009	-	-	-	-	-	-	-	-	-
GN020310	High Priority Inflow and Infiltration Reduction Program Implementation	113,712	26,314	46,962	36,985	3,451	-	-	-	-	-	-
GN020400	Fleet Management (FY25)	1,516	1,516	-	-	-	-	-	-	-	-	-
GN020600	Development Plan 2025	302	302	-	-	-	-	-	-	-	-	-
GN020700	Hypochlorite Generation Facility	20,270	-	104	-	832	6,334	12,653	347	-	-	-
GN020800	North Shore Pump Station Influent Valve Installations	803	798	5	-	-	-	-	-	-	-	-
GN020900	Microbial Source Tracking Identified Locality Repair Program	4,000	-	1,143	1,143	1,143	571	-	-	-	-	-
GN020920	Microbial Source Tracking Identified Locality Repairs (FY26)	500	500	-	-	-	-	-	-	-	-	-
GN021000	Regional Granular Activated Carbon Reactivation Facility	235,084	-	-	-	-	11,060	11,530	16,431	80,712	80,712	34,639
GN021200	Conceptual Project Development (FY25)	182	182	-	-	-	-	-	-	-	-	-
GN021300	Treatment Plant Dewatering Centrifuge Equipment Rehabilitation	750	750	-	-	-	-	-	-	-	-	-
GN021400	Fleet Management (FY26)	2,953	2,953	-	-	-	-	-	-	-	-	-
GN021500	Water Quality Department Instrumentation Equipment (FY26)	664	664	-	-	-	-	-	-	-	-	-
GN021600	Coatings and Concrete Rehabilitation & Replacement Program	20,601	-	2,289	2,289	2,289	2,289	2,289	2,289	2,289	2,289	2,289
GN021610	Coating and Concrete Rehabilitation and Replacement FY26	2,010	2,010	-	-	-	-	-	-	-	-	-
GN021700	Interceptor System Valve Improvements Phase II	3,125	513	1,541	1,071	-	-	-	-	-	-	-
GN021800	North Shore and Small Communities Division Aerial Crossing Improvements	607	498	109	-	-	-	-	-	-	-	-
GN021900	Roofing Rehabilitation & Replacement Program	2,366	-	263	263	263	263	263	263	262	263	263
	Subtotal	1,615,028	303,587	288,631	297,126	222,862	109,553	109,847	74,101	85,270	85,140	38,911

FY-2026 to FY-2035
CIP Cash Flow Projections by Project (in thousands)

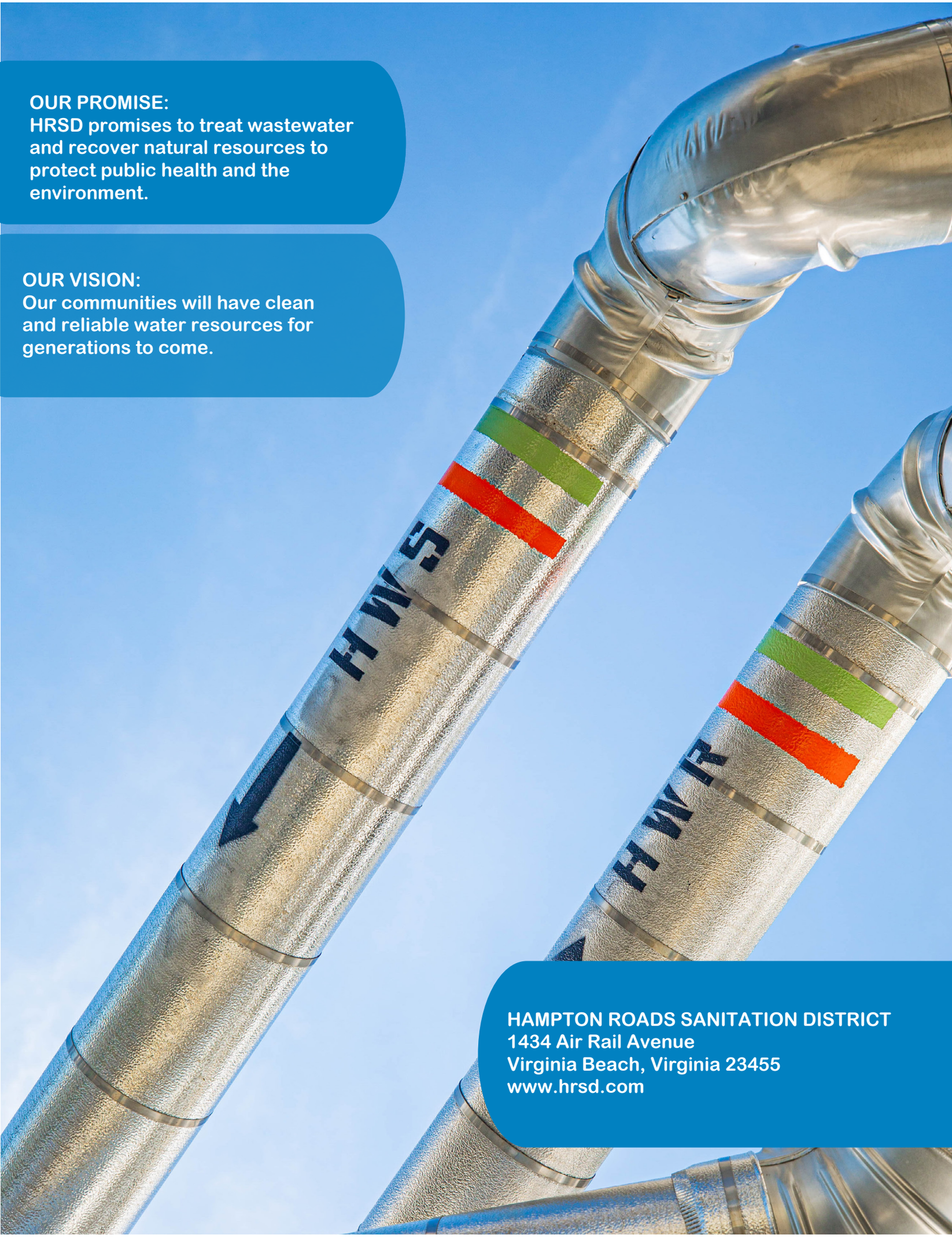
CIP No	Project Name	Total 2026 to 2035	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Future Improvements												
IP020000	Infrastructure Risk Reduction Program	535,374	-	-	-	2,528	20,217	22,685	80,461	112,677	114,874	181,932
	Subtotal	535,374	-	-	-	2,528	20,217	22,685	80,461	112,677	114,874	181,932
TOTAL		**3,879,118**	**886,250**	**673,750**	**525,000**	**294,118**	**250,000**	**250,000**	**250,000**	**250,000**	**250,000**	**250,000**



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OUR PROMISE:
HRSD promises to treat wastewater and recover natural resources to protect public health and the environment.

OUR VISION:
Our communities will have clean and reliable water resources for generations to come.

HAMPTON ROADS SANITATION DISTRICT
1434 Air Rail Avenue
Virginia Beach, Virginia 23455
www.hrsd.com

RATE SCHEDULE

For Fiscal Year 2026

(July 1, 2025 - June 30, 2026)

HRSD

Sustainable, Innovative Wastewater Treatment





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Rate Schedule
Fiscal Year - 2026
(July 1, 2025 – June 30, 2026)

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

Accounts are billed either according to a water meter reading or, in the absence of a water meter, at a flat rate per day. A minimum rate of $0.30 per day applies to all metered accounts.

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

Consumption Based Accounts.	Rate per 100 cubic feet of water
Accounts with water meters (wastewater charges are generally based on water meter readings)	$9.03 or a minimum of $0.30 per day (whichever is greater)

Flat Rate Accounts (typically limited to Single Family Residential)	
These are primary residence accounts without water meters or that use a significant amount of water not discharged to the sanitary sewer (irrigation, swimming pools, etc.). Charge is based on actual or typical water meter size.	
Less than 1-inch meter	$1.52 per day
1-inch water meter	$2.61 per day

2. RATES – Small Communities

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

Wastewater Treatment & Collections			
Community	**Rate per 1,000 gallons**	**Residential Flat Rate per day Less than 1-inch Meter**	**Residential Flat Rate per day 1-inch Meter**
Small Communities, except King William	$18.60	$2.40	$3.49
King William	$18.77	$2.43	$3.52

Wastewater Treatment Only			
Community	**Rate per 1,000 gallons**	**Residential Flat Rate per day Less than 1-inch Meter**	**Residential Flat Rate per day 1-inch Meter**
Small Communities, except King William	$12.07	$1.52	$2.61
King William	$12.24	$1.55	$2.64

A minimum rate of $0.30 per day applies to all metered accounts.

Unmetered Accounts

Single Family Residential customers without a utility-owned water meter (typically well water customers) shall be billed a Flat Rate of $2.40 per day.

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

Cost per ERU per day	
Treatment and Collections	$2.40
Treatment only	$1.52

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

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

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

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

4. TOWN WHOLESALE TREATMENT RATE - The Town Wholesale Treatment Rate is the rate paid by an incorporated town per specified unit of measure to recover the costs of conveyance and treatment of Domestic Quality Wastewater when the town does not use all HRSD facilities or need all services provided to a typical customer. This rate is only applicable to incorporated towns with a population less than 2,000.
   - Consumption per 1,000 gallons $3.55

5. DELINQUENCY AND RESTORATION SERVICE FEE - Each customer shall be billed a service fee of $15.00 when HRSD provides warning of impending disconnection or disconnects such customer's meter because of non-payment of wastewater treatment or other delinquent charges or fees.

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

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

7. DAMAGED LOCK FEE - When it becomes necessary to lock a meter, and the customer damages the lock or removes the lock in an attempt to resume water service, the customer will be billed a fee of $100.00. HRSD will arrange for removal of the meter.

8. DAMAGED METER/ANTENNA FEE - When it becomes necessary to replace a meter and/or antenna that the customer damaged, the customer will be billed a fee of $250.00 plus the cost of the meter and/or antenna.

9. INACCESSIBLE METER FEE - When it becomes necessary to access a meter and the customer deliberately blocks access to the meter, the customer will be billed a fee of $50.00.

10. SERVICE RESTORATION FEE - Customers who have made a sufficient payment following disconnection of water service and request to have service restored outside of standard restoration hours will be billed a fee of $100.00.

11. RETURNED PAYMENT FEE - A fee of $25.00 will be billed each time a financial institution returns a customer's payment. This fee will be refunded upon receipt of satisfactory evidence that the payment was returned solely due to the financial institution's error.

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

13. ACCOUNT DOCUMENTATION FEE - A fee of $10.00 per account per 12-month period will be charged each time a customer requests account documentation.

14. LATE PAYMENT CHARGE - All bills are due and payable when presented. When full payment is not posted to an account by the due date, a late payment charge of 1.5% of the past due amount will be assessed per month.

15. ACCESS CARD REPLACEMENT FEE - When it becomes necessary to replace an electronic access card for automated entry into a HRSD treatment plant or plants, the customer will be required to pay a fee of $25.00 per card.

16. METER READING FEE - In the event HRSD must directly obtain a meter reading due to customer's failure to submit required meter readings, the customer will be required to pay a fee of $75.00.

17. DEDUCTION METER FEE - A fee of $2.00 will be assessed per deduction meter per month.

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

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

20. HIGH STRENGTH OR UNUSUAL WASTE

    a. Surcharges

Type	In Excess of	Per mg/L Per 100 CF **	Per 100 pounds
Biochemical Oxygen Demand (BOD)	297 mg/L*	$ 0.000185	$ 2.97
Total Suspended Solids (TSS)	282 mg/L*	0.000617	9.88
Total Phosphorus (TP)	7 mg/L*	0.009068	145.25
Total Kjeldahl Nitrogen (TKN)	57 mg/L*	0.003000	48.05

* Domestic Quality Wastewater

** CF = Cubic Feet (100 Cubic Feet = approximately 748 gallons)

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

b. Characterization

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

c. Pretreatment

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

d. Damage to Facilities

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

21. NUTRIENT CREDITS

Type	Asset Charge ($/pound/year)	Operational Charge ($/pound)
Total Suspended Solids	$ 9.19	$0.1279
Total Phosphorus (TP)	63.88	1.0723
Total Nitrogen (TN)	15.14	0.3185

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

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

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

22. HAULED WASTEWATER (INDIRECT DISCHARGE WASTE)

Type	Per Gallon
Fats, Oils, and Grease (FOG)	$0.3804
Other Approved Hauled Wastes	$0.1849

23. FLAT RATE ACCOUNTS

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

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

24. CUSTOMER-OWNED METERS

a. Service Meters

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

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

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

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

b. Deduction Meters (sub-meters)

Existing commercial, industrial, multi-family residential customers with their own deduction meter installed and registered with HRSD prior to July 1, 2009, can meter their own water use not discharged to the sanitary sewer system. That meter information must be reported to HRSD for a reduction of billed consumption (wastewater treatment charges only). Failure to submit at least

one deduction meter reading in a 12-month period will result in permanent termination of deduction meter credits for any single-family residential account. Customer- owned deduction meters shall be installed, maintained, read and reported to HRSD as follows:

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

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

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

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

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

c. Non-Residential Account – Special Meter

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

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

25. WASTEWATER FACILITY CHARGE

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

a. Volume-Based Facility Charges

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

Water Meter Size	Facility Charge
5/8-Inch	$2,540
3/4-Inch	4,275
1-Inch	7,685
½-Inch	19,175
2-Inch	37,300
3-Inch	95,250
4-Inch	185,240
6-Inch	473,040
8-Inch	919,990
10-Inch	1,541,210
12-Inch	2,349,345
14-Inch	3,355,425
16-Inch	4,569,200

b. Special Exceptions

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

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

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

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

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

i. The size of the meter supplying water returned to the sewer.
ii. The size of the meter supplying water minus the size of the customer-owned deduction meter, rounded up to the next available meter size. The deduction meter will be calculated in accordance with AWWA M22 Standards.

iii. The appropriate water meter size (as determined by HRSD) if effluent metering is the only alternative.

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

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

When a multi-dwelling unit chooses to use a master meter in lieu of individual water meters, the facility charge will be calculated based on using a 5/8 inch meter per dwelling unit.

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

c. Refunds

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

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

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

d. Unusual Situations

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



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HAMPTON ROADS SANITATION DISTRICT
1434 Air Rail Avenue
Virginia Beach, Virginia 23455
www.hrsd.com



Resource: Steve de Mik

AGENDA ITEM 9. – May 27, 2025

Subject: Expenditure of Tax-Exempt Bond Proceeds
Reimbursement Resolution for Fiscal Year (FY) 2026

Recommended Action: Adopt reimbursement resolution.

Brief: Federal tax law requires that a government officially declare its intent to "reimburse" itself for capital expenditures occurring prior to the issuance of tax-exempt bonds. Subject to certain limited exceptions, the expenditures to be reimbursed cannot be more than 60 days prior to the date of the resolution.

The reimbursement resolution amount of $949 million is based on the FY 2026-2035 Capital Improvement Program less amounts that HRSD intends to pay with cash and is a reasonable estimation of the maximum amount of debt proceeds that could be subject to reimbursement.

In FY 2026, staff will initially use cash to fund Virginia Clean Water Revolving Loan Fund (VCWRLF) and Water Infrastructure Finance and Innovation Act (WIFIA) projects while we await payment from the Department of Environmental Quality and Environmental Protection Agency. Staff may also use cash to fund capital projects and seek reimbursement from our tax-exempt Line of Credit (LOC) with Bank of America or the Water Quality Improvement Fund (WQIF) or another form of debt financing.

HRSD's legal counsel Norton Rose Fulbright reviewed the attached Resolution.

Hampton Roads Sanitation District
Resolution of
May 27, 2025

HAMPTON ROADS SANITATION DISTRICT COMMISSION

****

RESOLUTION OF THE HAMPTON ROADS SANITATION DISTRICT COMMISSION OF HAMPTON ROADS SANITATION DISTRICT DECLARING ITS INTENTION TO REIMBURSE ITSELF FROM THE PROCEEDS OF ONE OR MORE FINANCINGS FOR CERTAIN EXPENDITURES MADE OR TO BE MADE IN CONNECTION WITH THE ACQUISITION, CONSTRUCTION OR EQUIPPING OF CERTAIN CAPITAL IMPROVEMENTS

Adopted May 27, 2025

RESOLUTION OF THE HAMPTON ROADS SANITATION DISTRICT COMMISSION OF HAMPTON ROADS SANITATION DISTRICT DECLARING ITS INTENTION TO REIMBURSE ITSELF FROM THE PROCEEDS OF ONE OR MORE FINANCINGS FOR CERTAIN EXPENDITURES MADE OR TO BE MADE IN CONNECTION WITH THE ACQUISITION, CONSTRUCTION OR EQUIPPING OF CERTAIN CAPITAL IMPROVEMENTS

WHEREAS, Hampton Roads Sanitation District (the "District") is a political subdivision organized and existing under the laws of the Commonwealth of Virginia; and

WHEREAS, the District prepares a Capital Improvement Program ("CIP") each year for capital projects currently underway and proposed to be undertaken over the next 10 fiscal years (each, a "Fiscal Year" or "FY") and a draft CIP is reviewed by the Hampton Roads Sanitation District Commission (the "Commission") in late March or early April with a final CIP typically adopted in May; and

WHEREAS, in connection with the preparation of the annual CIP, the District prepares annual cash flow projections, setting forth the cash flow needs for capital projects and funding sources for such projects broken down into categories of (a) cash from the District's operation of its facilities, (b) loans to the District from the Virginia Clean Water Revolving Loan Program (such loans, "Clean Water Revolving Fund Loans"), which is administered by the Virginia Resources Authority ("VRA"), and (c) amounts expected to be raised from the issuance by the District of bonds or other obligations (which, for purposes hereof, may include draws from the District's Second Amended and Restated Credit Agreement by and between the District and Bank of America, N.A., dated as of June 30, 2022, as heretofore or hereinafter amended) (such obligations, the "Bonds"); and

WHEREAS, the District has paid, beginning on a date no more than 60 days prior to the date hereof, and will pay, on and after the date hereof, certain expenditures (the "Expenditures") in connection with the acquisition, construction and/or equipping of the capital projects for FY2025 and FY2026, as listed in the District's FY2026 – FY2035 CIP, which was adopted on the date hereof, and attached as Exhibit A hereto (the "Projects"); and

WHEREAS, the Commission has determined that those moneys previously advanced no more than 60 days prior to the date hereof and to be advanced on and after the date hereof to pay the Expenditures are available only for a temporary period and it is necessary to reimburse the District for the Expenditures from the proceeds of the Clean Water Revolving Fund Loans, or one or more issues of Bonds;

NOW, THEREFORE, THE HAMPTON ROADS SANITATION DISTRICT COMMISSION DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The Commission hereby declares the District's intent to reimburse the District with the proceeds of the Bonds or Clean Water Revolving Fund Loans for the Expenditures with respect to the Projects made on or after March 27, 2025, which date is no more than 60 days prior to the date hereof. The District reasonably expects on the date hereof that it will reimburse the Expenditures with the proceeds of the Bonds or Clean Water Revolving Fund Loans.

Section 2. Each Expenditure was and will be (a) of a type properly chargeable to capital account under general federal income tax principles (determined in each case as of the date of the Expenditure), (b) a cost of issuance with respect to the Clean Water Revolving Fund Loans or the Bonds, (c) an extraordinary nonrecurring item that is not customarily payable from current revenues, or (d) a grant to a party that is not related to or an agent of the District so long as such grant does not impose any obligation or condition (directly or indirectly) to repay any amount to or for the benefit of the District.

Section 3. The maximum principal amount of the Clean Water Revolving Fund Loans and Bonds expected to be issued for the Projects is $949,000,000.

Section 4. The District will make a reimbursement allocation, which is a written allocation by the District that evidences the District's use of proceeds of the Clean Water Revolving Fund Loans or the Bonds to reimburse an Expenditure, no later than 18 months after the later of the date on which the Expenditure is paid or the related Projects are placed in service or abandoned, but in no event more than three years after the date on which the Expenditure is paid. The District recognizes that exceptions are available for certain "preliminary expenditures," costs of issuance, certain *de minimis* amounts, and expenditures for construction projects of at least five years.

RESOLUTION OF THE HAMPTON ROADS SANITATION DISTRICT COMMISSION OF HAMPTON ROADS SANITATION DISTRICT DECLARING ITS INTENTION TO REIMBURSE ITSELF FROM THE PROCEEDS OF ONE OR MORE TAX-EXEMPT FINANCINGS FOR CERTAIN EXPENDITURES MADE OR TO BE MADE IN CONNECTION WITH THE ACQUISITION, CONSTRUCTION OR EQUIPPING OF CERTAIN CAPITAL IMPROVEMENTS

Section 5. This resolution shall take effect immediately upon its passage.

[End of Resolution]

PASSED AND ADOPTED this 27th day of May 2025.

The undersigned further certifies that the foregoing has been properly approved and adopted in accordance with all applicable requirements of the Hampton Roads Sanitation District Commission.

_____

Stephen C. Rodriguez, Chair

EXHIBIT A

CAPITAL IMPROVEMENT PROGRAM

FY2026 – FY2035 (10-Year Plan)

CIP Number	Project Name	Spend	Contingency	Total w/ Contingency
PR_GN016380	Nansemond SWIFT Facility	$ 150,206,522	$ 30,041,304	$ 180,247,826
PR_AT016000	Atlantic Treatment Plant Odor and Solids Improvements 2023	$ 40,537,481	$ 8,107,496	$ 48,644,977
PR_GN016383	Nansemond Recharge Well Integration	$ 3,720,292	$ 744,058	$ 4,464,350
PR_GN016382	Nansemond Recharge Wells (Off Site)	$ 1,545,802	$ 309,160	$ 1,854,962
PR_GN016390	VIP SWIFT Tertiary Preliminary Engineering	$ 5,715,100	$ 1,143,020	$ 6,858,120
PR_AD012600	Central Environmental Laboratory Expansion and Rehabilitation	$ 17,840,191	$ 3,568,038	$ 21,408,229
PR_GN016381	Nansemond Recharge Wells (On Site)	$ 21,280,530	$ 4,256,106	$ 25,536,636
PR_BH015730	Boat Harbor Treatment Plant Decommission and Demolition	$ 2,894,321	$ 578,864	$ 3,473,186
PR_NP013820	Nansemond Treatment Plant Advanced Nutrient Reduction Improvements Phase II	$ 61,011,366	$ 12,202,273	$ 73,213,639
PR_AT012920	Atlantic Treatment Plant Access Road Extension	$ 851,087	$ 170,217	$ 1,021,305
PR_VP014010	Ferebee Avenue Pump Station Replacement	$ 4,802,422	$ 960,484	$ 5,762,907
PR_AT011900	Great Bridge Interceptor Extension 16-Inch Replacement	$ 8,548,333	$ 1,709,667	$ 10,258,000
PR_JR014200	Kiln Creek Interceptor Force Main Replacement	$ 192,917	$ 38,583	$ 231,500
PR_NP010620	Suffolk Pump Station Replacement	$ 25,859,785	$ 5,171,957	$ 31,031,742
PR_GN016320	Program Management of SWIFT Full Scale Implementation	$ 5,236,227	$ 1,047,245	$ 6,283,472
PR_NP015100	Nansemond Treatment Plant Administration Building Replacement	$ 566,429	$ 113,286	$ 679,714
PR_WB013900	Williamsburg Treatment Plant Solids Handling Improvements	$ 1,457,056	$ 291,411	$ 1,748,468
PR_JR014500	James River Treatment Plant Digester and Thickening Building Heating Systems Replacements	$ 461,035	$ 92,207	$ 553,243
PR_VP014022	Sanitary Sewer Replacement 1950 – Part 2	$ 7,125,957	$ 1,425,191	$ 8,551,148
PR_JR013400	James River Treatment Plant Advanced Nutrient Reduction Improvements	$ 51,885,745	$ 10,377,149	$ 62,262,894
PR_ES010800	Onancock Treatment Plant Solids Handling Improvements	$ 5,858,000	$ 1,171,600	$ 7,029,600
PR_AT016600	Great Bridge Boulevard Interceptor Force Main (SF-164) Segmental Replacement at Oak Bridge-Glenleigh	$ 849,139	$ 169,828	$ 1,018,967
PR_YR010520	Magruder Mercury Interceptor Force Main Replacement - Section B	$ 9,496,471	$ 1,899,294	$ 11,395,765
PR_WB013500	Williamsburg Treatment Plant Intermediate Clarifier Wet Weather and Phosphorus Removal System Improvements	$ 627,083	$ 125,417	$ 752,500
PR_JR014300	Morrison Pump Station Replacement	$ 650,000	$ 130,000	$ 780,000
PR_AT015400	Doziers Corner Pump Station Replacement	$ 5,789,778	$ 1,157,956	$ 6,947,733
PR_MP016200	Urbanna and Central Middlesex Wastewater Treatment Plant Rehabilitation	$ 1,131,466	$ 226,293	$ 1,357,759
PR_AT013010	Washington District Pump Station Replacement	$ 14,666,209	$ 2,933,242	$ 17,599,451
PR_AT014600	Kempsville Interceptor Force Main Replacement - Phase I	$ 215,280	$ 43,056	$ 258,336
PR_BH015700	Boat Harbor Treatment Plant Pump Station Conversion	$ 54,001,068	$ 10,800,214	$ 64,801,282
PR_VP014700	Ingleside Road Pump Station Replacement	$ 484,441	$ 96,888	$ 581,329
PR_VP014800	Lee Avenue-Wesley Street Horizontal Valve Replacement	$ 23,550	$ 4,710	$ 28,260
PR_MP016100	King William Collection System Capacity Improvements	$ 580,588	$ 116,118	$ 696,706
PR_GN017400	Treatment Plant Dewatering Replacement Phase III	$ 5,814,798	$ 1,162,960	$ 6,977,758
PR_ES010300	Onancock Treatment Plant Administration Building Upgrade	$ 183,333	$ 36,667	$ 220,000
PR_GN016700	Treatment Plant Solids Handling Replacement Phase II	$ 2,963,305	$ 592,661	$ 3,555,966
PR_AB012100	Army Base Treatment Plant Generator Control Replacement	$ 1,632,400	$ 326,480	$ 1,958,880
PR_YR015000	York River Treatment Plant Switchgear and Motor Control Center Replacements	$ 1,525,333	$ 305,067	$ 1,830,400
PR_AD012800	Customer Cloud Service Implementation	$ 4,904,348	$ 980,870	$ 5,885,217
PR_VP015410	City Park Pump Station (PS 106) Replacement	$ 4,800,788	$ 960,158	$ 5,760,946
PR_GN019700	Treatment Plant Dewatering Improvement Phase IV	$ 4,903,450	$ 980,690	$ 5,884,139
PR_GN016360	James River SWIFT Facility	$ 45,347,478	$ 9,069,496	$ 54,416,974
PR_AT017000	Atlantic Treatment Plant THP Steam Generation Project	$ 123,309	$ 24,662	$ 147,970
PR_MP015800	King William Main Pump Station Improvements	$ 1,013,216	$ 202,643	$ 1,215,859
PR_ES011000	Onancock Pump Station Improvements	$ 335,000	$ 67,000	$ 402,000
PR_ES010500	Chincoteague Treatment Plant Improvements	$ 5,519,017	$ 1,103,803	$ 6,622,820
PR_CE011810	Chesapeake-Elizabeth Treatment Plant Decommissioning	$ 633,178	$ 126,636	$ 759,814
PR_VP015420	Luxembourg Pump Station (PS 113) Replacement and Ashland Sewer Extension	$ 18,502,525	$ 3,700,505	$ 22,203,030
PR_JR013500	Lucas Creek Pump Station Replacement	$ 7,688,495	$ 1,537,699	$ 9,226,194
PR_NP015800	North Churchill Interceptor Force Main (SF-206) Segmental Replacement at Swannanoa Drive	$ 19,961	$ 3,992	$ 23,953
PR_NP015700	George Washington Interceptor Force Main Extension Part 2 (SF-140) Segmental Replacement at St. Julian's Creek	$ 226,733	$ 45,347	$ 272,079
PR_GN021700	Interceptor System Valve Improvements Phase II	$ 512,500	$ 102,500	$ 615,000
PR_AT016700	Providence Road Interceptor Force Main (SF-165) Segmental Replacement at Depositor Lane	$ 176,000	$ 35,200	$ 211,200
PR_NP015900	Nansemond Treatment Plant Anaerobic Digester Capacity Improvements	$ 375,000	$ 75,000	$ 450,000
PR_AB010500	Section W Force Main Replacement	$ 2,484,595	$ 496,919	$ 2,981,514
PR_NP015500	Town of Dendron Discharge Force Main Replacement	$ 196,600	$ 39,320	$ 235,920
PR_GN018700	South Shore Galvanic Cathodic Protection Rehabilitation Phase I	$ 662,318	$ 132,464	$ 794,781
PR_YR015400	York River Treatment Plant Fire Suppression System Upgrades	$ 1,602,000	$ 320,400	$ 1,922,400
PR_JR013410	James River Treatment Plant Outfall Modifications	$ 945,350	$ 189,070	$ 1,134,420
PR_BH015720	Boat Harbor Treatment Plant Transmission Force Main Section 2 (Land)	$ 29,807,065	$ 5,961,413	$ 35,768,478
PR_WB013410	Ron Springs Drive Valve Improvements (W1004)	$ 1,626,625	$ 325,325	$ 1,951,950
PR_VP015430	Chesapeake Boulevard Pump Station (PS 105) Replacement and Norfolk Pump Station (PS 57) Rehabilitation	$ 5,250,878	$ 1,050,176	$ 6,301,053
PR_GN018900	Pump Station Motor Control Center Replacements - Phase I	$ 765,846	$ 153,169	$ 919,015
PR_VP016700	Norview-Estabrook Division I 18-Inch Force Main Replacement Phase III	$ 2,668,199	$ 533,640	$ 3,201,839
PR_VP018000	Park Avenue Pump Station Replacement	$ 295,391	$ 59,078	$ 354,469
PR_AB012400	Army Base Treatment Plant Fire Suppression System Upgrades	$ 1,186,172	$ 237,234	$ 1,423,407
PR_NP012400	Western Branch Sewer System Gravity Improvements	$ 8,666,667	$ 1,733,333	$ 10,400,000
PR_MP015600	West Point Treatment Plant Final Effluent Pump Station Improvements	$ 1,418,570	$ 283,714	$ 1,702,285
PR_MP015700	West Point Treatment Plant Secondary Clarifier Improvements	$ 1,402,819	$ 280,564	$ 1,683,382
PR_BH016400	Jefferson Avenue Pump Station Electrical Improvements	$ 200,000	$ 40,000	$ 240,000
PR_MP015500	Small Communities Rehabilitation Phase VI	$ 2,420,958	$ 484,192	$ 2,905,150
PR_MP013300	King William Treatment Plant Improvements Phase II	$ 3,429,371	$ 685,874	$ 4,115,245
PR_NP014000	Wilroy Pressure Reducing Station and Off-line Storage Facility	$ 27,673,107	$ 5,534,621	$ 33,207,729
PR_GN017900	Solids System Improvements for Army Base MHI Offline	$ 800,294	$ 160,059	$ 960,352
PR_YR011900	Bethel-Poquoson Force Main Part III Replacement	$ 627,248	$ 125,450	$ 752,698
PR_VP018301	VIP Service Area I-I Reduction Phase I (PORTS)	$ 1,551,675	$ 310,335	$ 1,862,010
PR_MP014800	Small Communities Rehabilitation Phase V	$ 502,332	$ 100,466	$ 602,798
PR_GN021800	North Shore and Small Communities Division Aerial Crossing Improvements	$ 498,111	$ 99,622	$ 597,733

PR_AB010000	Army Base 24-Inch and 20-Inch Transmission Main Replacements	$	19,900	$	3,980	$	23,880
PR_GN018800	South Shore Galvanic Cathodic Protection Rehabilitation Phase II	$	1,635,319	$	327,064	$	1,962,383
PR_GN018600	North Shore Galvanic Cathodic Protection Rehabilitation	$	1,213,653	$	242,731	$	1,456,384
PR_NP014700	Nansemond Treatment Plant Digester Capacity Upgrades	$	5,154,477	$	1,030,895	$	6,185,373
PR_MP015610	West Point Treatment Plant Generator Installation	$	1,733,741	$	346,748	$	2,080,489
PR_GN020800	North Shore Pump Station Influent Valve Installations	$	797,800	$	159,560	$	957,360
PR_VP018303	VIP Service Area I-I Reduction Phase III (PORTS)	$	310,000	$	62,000	$	372,000
PR_BH014220	Hampton Trunk Sewer Extension Divisions I and J Relocation Phase II	$	706,522	$	141,304	$	847,827
PR_NP014500	Nansemond Treatment Plant Regional Residuals Facility Upgrade	$	1,591,198	$	318,240	$	1,909,438
PR_JR014410	James River Treatment Plant Primary Clarifier Pipes (1 and 2)	$	938,750	$	187,750	$	1,126,500
PR_MP015300	King William Central Crossing Pump Station Rehabilitation	$	631,124	$	126,225	$	757,348
PR_BH013020	Willard Avenue Pump Station Replacement	$	845,202	$	169,040	$	1,014,242
PR_GN015300	Interceptor System Valve Improvements Phase I	$	597,276	$	119,455	$	716,732
PR_JR013610	James River Treatment Plant Automation Improvements Phase I	$	1,259,066	$	251,813	$	1,510,879
PR_WB013100	Williamsburg Treatment Plant Outfall Flow Control System Repairs	$	953,470	$	190,694	$	1,144,164
PR_BH015710	Boat Harbor Treatment Plant Transmission Force Main Section 1 (Subaqueous)	$	16,327,249	$	3,265,450	$	19,592,699
PR_AT013110	South Norfolk Area Gravity Sewer Improvements, Phase II	$	8,226,971	$	1,645,394	$	9,872,366
PR_AB011900	Army Base Treatment Plant Administration Building Renovation (2021)	$	5,486,198	$	1,097,240	$	6,583,437
PR_GN016346	Boat Harbor Transmission Force Main Land Acquisition	$	3,220,088	$	644,018	$	3,864,106
PR_GN021610	Coating and Concrete Rehabilitation and Replacement FY26	$	2,010,000	$	402,000	$	2,412,000
PR_YR010900	Tabb Pressure Reducing Station and Offline Storage Facility	$	13,842,413	$	2,768,483	$	16,610,896
PR_NP013000	Nansemond Treatment Plant Motor Control Center Replacements	$	923,054	$	184,611	$	1,107,665
PR_GN021300	Treatment Plant Dewatering Centrifuge Equipment Rehabilitation	$	750,000	$	150,000	$	900,000
PR_GN020200	Treatment Plant Fire Suppression System Upgrades	$	688,289	$	137,658	$	825,947
PR_WB013810	Williamsburg Treatment Plant Distributed Control System Improvements (Gravity Thickener Building)	$	594,175	$	118,835	$	713,010
PR_SU010200	Surry Hydraulic Improvements and Interceptor Force Main	$	530,150	$	106,030	$	636,180
PR_VP018800	Virginia Initiative Plant Administration Building Renovation	$	3,655,012	$	731,002	$	4,386,015
PR_CE011841	Oceana Off-line Storage Facility Land Acquisition	$	396,792	$	79,358	$	476,151
PR_AT015500	Atlantic Treatment Plant Secondary Clarifier Effluent Weir Replacement and Enhancements	$	370,936	$	74,187	$	445,123
PR_GN016362	James River Recharge Wells (Off Site)	$	325,566	$	65,113	$	390,679
PR_YR014900	York River DEMON Upgrades	$	222,858	$	44,572	$	267,430
PR_YR013900	York River System Isolation Valve Installation and Replacement	$	110,170	$	22,034	$	132,204
PR_WB013910	Williamsburg Treatment Plant Emissions Monitoring System	$	93,974	$	18,795	$	112,769
PR_AT013000	Washington District Pump Station Area Sanitary Sewer Improvements	$	50,000	$	10,000	$	60,000
PR_VP019000	Colley Ave Pump Station Pump Replacement	$	1,643,225	$	328,645	$	1,971,870
PR_CE011600	Poplar Hall Davis Corner Trunk 24-Inch Gravity Sewer Improvements	$	19,357	$	3,871	$	23,228
PR_BH014900	Hampton Trunk Sewer Extension Division K Gravity Improvements	$	12,500	$	2,500	$	15,000
PR_JR011730	Jefferson Avenue Interceptor Force Main Replacement Phase III	$	7,143	$	1,429	$	8,571
PR_YR014700	Coliseum PRS Off-Line Storage Tank Odor Control Upgrades	$	5,000	$	1,000	$	6,000
PR_GN015800	North Shore Automated Diversion Facilities	$	3,039	$	608	$	3,647
PR_CE011300	Birchwood Trunk 24-Inch and 30-Inch Force Main at Independence Boulevard Replacement Phase II	$	1,920	$	384	$	2,304
PR_VP019200	Virginia Initiative Plant Motor Control Center Replacements	$	1,311,667	$	262,333	$	1,574,000
PR_VP019700	Plume Street Pump Station Replacement (SS-PS-121)	$	378,147	$	75,629	$	453,777
PR_VP019900	Virginia Initiative Plant Secondary Clarifier Solids Removal Mechanism Rehabilitation/Replacement	$	1,425,000	$	285,000	$	1,710,000

Total	**$**	**949,214,905**

Resource: Steve de Mik

AGENDA ITEM 10. – May 27, 2025

Subject: Trust Agreement
Exclusion of Certain Locality Improvements from Calculations of Operating Expenses
Resolution

Recommended Action: Adopt the resolution authorizing the exclusion of Locality Improvements from the calculation of Operating Expenses for purposes of the Trust Agreement.

Resolution Description: When staff prepares the Fiscal Year 2025 (FY) Annual Comprehensive Financial Report (ACFR), there is work being performed on five locality improvement projects with an estimated total project cost of $174,097,187. A portion of this amount was expended in FY 2025 and is excluded from Operating Expenses as defined in the Trust Agreement. The remaining amount is expected to be expended annually up to FY 2030. By excluding these projects from Operating Expenses, staff can calculate the Debt Service Coverage Ratio in accordance with our debt covenants.

These projects improved the integrity of the regional wastewater system by rehabilitating aging infrastructure to reduce inflow and infiltration.

An excerpt from the Trust agreement is provided below:

> *"Operating Expenses shall also exclude expenses for improvements that will not be owned by the District but which will, in the reasonable determination of the Commission, as evidenced by a resolution thereof, maintain or improve the integrity of the Wastewater System."*

HRSD's legal counsel Norton Rose Fulbright US LLP, prepared the attached Resolution.

Hampton Roads Sanitation District
Resolution of
May 27, 2025

HAMPTON ROADS SANITATION DISTRICT COMMISSION

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RESOLUTION
EXCLUDING CERTAIN LOCALITY IMPROVEMENTS FROM CALCULATION OF OPERATING EXPENSES FOR PURPOSES OF THE DISTRICT'S TRUST AGREEMENT

Adopted May 27, 2025

RESOLUTION

RESOLUTION EXCLUDING CERTAIN LOCALITY IMPROVEMENTS FROM CALCULATION OF OPERATING EXPENSES FOR PURPOSES OF THE DISTRICT'S TRUST AGREEMENT

WHEREAS, the Hampton Roads Sanitation District (the "District") was duly created under and pursuant to Chapter 407 of the Acts of Assembly of Virginia of 1940, and the Hampton Roads Sanitation District Commission (the "Commission"), created by said Chapter 407, is the governing body of the District; and

WHEREAS, by virtue of Chapter 66 of the Acts of Assembly of Virginia of 1960, as amended (the "Act"), the Commission is authorized and empowered:

(a) to construct, improve, extend, enlarge, reconstruct, maintain, equip, repair and operate a wastewater treatment system or systems, either within or without or partly within and partly without the corporate limits of the District;

(b) to issue, at one time or from time to time, revenue bonds, notes or other obligations of the District payable solely from the special funds provided under the authority of the Act and pledged for their payment, for the purpose of paying the cost of a wastewater treatment system or systems and extensions and additions thereto, and providing funds for any other authorized purpose of the Commission, and

(c) to fix, revise, charge and collect rates, fees and other charges for the use of, and for the services and facilities furnished or to be furnished by, any such wastewater treatment system; and

WHEREAS, as provided by the Act, the District is constituted a political subdivision of the Commonwealth of Virginia and established as a governmental instrumentality to provide for the public health and welfare; and

WHEREAS, the Commission authorized the execution and delivery of a Trust Agreement, dated as of October 1, 2011, as amended and restated as of March 1, 2016, as amended, as further amended and restated as of July 1, 2024, as supplemented (as so amended, restated and supplemented, the "Trust Agreement"), between the District and The Bank of New York Mellon, as Trustee (in such capacity, the "Trustee"), to provide for the issuance of Senior Obligations (as defined in the Trust Agreement) of the District;

WHEREAS, the Commission has previously issued several series of Senior Obligations in accordance with the Trust Agreement;

WHEREAS, in connection with certain covenants and agreements of the Commission contained in the Trust Agreement, the term "Operating Expenses" excludes for the purpose of such term, "expenses for improvements that will not be owned by the District but which will, in the reasonable determination of the Commission, as evidenced by a resolution thereof, maintain or improve the integrity of the Wastewater System;"

WHEREAS, attached as Exhibit A to this Resolution is a list of certain improvements to assets not owned by the District but instead by localities in the District's service area (the "Locality Improvements"); and

WHEREAS, information has been presented to the Commission at this meeting to the effect that notwithstanding that such Locality Improvements will not be owned by the District, each such Locality Improvement will maintain or improve the integrity of the Wastewater System;

Now, Therefore, the HAMPTON ROADS SANITATION DISTRICT COMMISSION DOES HEREBY RESOLVE, as follows:

Section 1. Definitions. Capitalized words and terms used in this Resolution and not defined herein shall have the same meanings in this Resolution as such words and terms are given in the Trust Agreement.

Section 2. Exclusion of Locality Improvements from Calculation of Operating Expenses for Purposes of Trust Agreement. Based on the information presented to the Commission at this meeting, the Commission hereby determines that each of the Locality Improvements described in Exhibit A to this Resolution will maintain or improve the integrity of the Wastewater System and shall, accordingly, be excluded from the calculation of "Operating Expenses" for the purposes of the Trust Agreement.

Section 3. No Effect on Calculation of Operating Expenses for Other Purposes. Notwithstanding the Commission's determination to exclude the Locality Improvements from the calculation of "Operating Expenses" for purposes of the Trust Agreement, this Resolution shall not, in and of itself, affect the calculation of operating expenses by the District for any other purpose, including, but not limited to, the calculation of "Operating Expenses" for purposes of the presentation of financial information in the District's audited financial statements.

Section 4. Further Actions. The Chair of the Commission, the Vice Chair of the Commission, the General Manager/Chief Executive Officer of the District and the Deputy General Manager/Chief Financial Officer of the District (each, a "Delegate"), any one of whom may act, are each authorized and directed (without limitation except as may be expressly set forth herein) to take such action and to execute and deliver any such documents, certificates, undertakings, agreements or other instruments as they, with the advice of counsel, may deem necessary or appropriate to effectuate the actions contemplated by this Resolution.

Section 5. Delegates' Certificate. Each Delegate may execute a Certificate or Certificates evidencing the determinations made or other actions carried out pursuant to the authority granted in this Resolution, and any such Certificate shall be conclusive evidence of the actions or determinations as stated therein.

Section 6. Cumulative Effect. This Resolution shall not be interpreted to rescind or effect any prior resolution of the Commission with respect to locality improvements identified in such prior resolution; and all such prior resolutions and this Resolution shall be deemed to be cumulative in effect.

RESOLUTION
EXCLUDING CERTAIN LOCALITY IMPROVEMENTS FROM CALCULATION OF OPERATING EXPENSES FOR PURPOSES OF THE DISTRICT'S TRUST AGREEMENT

Section 7. Effective Date. This Resolution shall take effect immediately upon its passage, but with effect relating back to the date of the incurrence of any expense relating to the Locality Improvements.

[END OF RESOLUTION]

Adopted by the Hampton Roads Sanitation District Commission on May 27, 2025.

_____
Stephen C. Rodriguez, Chair

EXHIBIT A

LOCALITY IMPROVEMENTS

GN020300: High Priority Inflow and Infiltration Reduction Program

Project Description: Pre-planning, negotiation, as well as the initial data collection, analysis, and planning phases of the larger Inflow and Infiltration (II) Program, which will include the following CIP Projects: AT014301; JR013700; NP013901; NP014801; VP019300; and WB013200. These projects and the overall Program will be delivered via the PPEA project delivery method.

Project Justification: Inflow and infiltration projects require extensive field investigation due to the unknown location and severity of defects that allow the extraneous stormwater and groundwater into the sanitary sewer system. They also tend to be long-duration and iterative in nature, as predicting the success of any rehabilitation activities is not possible due to the rather "fluid" nature of surface and groundwater in that they can migrate within a basin to find unfixed defects. Thus, these projects also typically involve multiple investigation cycles, rehabilitation, and verification. Given the relatively short period over which this $130 million in inflow and infiltration work must be completed and the iterative nature of these projects, staff believes that combining the remaining projects into a single alternative delivery contract is the best path forward. However, the inability to properly define the scope of the work ahead of releasing the request for qualifications makes traditional design-build unrealistic. Therefore, utilizing the Public-Private Education Facilities and Infrastructure Act of 2002 (PPEA) provides the flexibility to hire a firm (or firms) qualified in this type of work, and allows the collaborative development of the scope of work through multiple task orders. In addition, since the type, location, and amount of construction activities cannot be predicted at this time, the alternative delivery team should be led by an engineering firm that can directly contract with construction firms, as necessary, to complete these projects. In this way, the single engineering firm will also have complete control over the relatively limited pool of contractors equipped to do the type of rehabilitation activities likely to be heavily utilized on these projects.

Approximate Project Cost: $11,760,000

GN020310: High Priority Inflow and Infiltration Reduction Program Implementation

Project Description: This project encompasses the program management, design, construction, and post construction activities identified in the High Priority Inflow and Infiltration Reduction Program (HPIIRP) and combines the associated CIP projects: AT014301; JR013700; NP013901; NP014801; VP019300; and WB013200. These activities include, but are not limited to: program management and controls, design, construction, public outreach and stakeholder engagement, flow monitoring, Sanitary Sewer Evaluation Surveys (SSES), cost effective analysis, hydraulic modeling, private I&I investigations, post construction modeling as well as development

of the Adaptative Management Plan. This project and the overall Program are being delivered via the PPEA project delivery method.

Project Justification: The existing GN020300 Project, covers the pre-planning, negotiation and initial data collection analysis of the overall HPIIRP program as part of the interim agreement with the Design-Build (D-B) firm. This agreement is scheduled to be finalized by late Summer 2025, once the concept plan and comprehensive agreement are in place. As part of the comprehensive agreement, the D-B Firm will execute the design, construction and post-construction activities associated to the following individual CIP projects: AT014301; JR013700; NP013901; NP014801; VP019300; and WB013200; however, due to the iterative nature of the program, certain programmatic activities, as well as design, construction and post-construction activities are not specifically associated to one single project but a combination of them. Staff believes that a new CIP combining these activities would allow for the flexibility of executing them as the program progresses during the phases of the program at the different project locations.

Approximate Project Cost: $143,715,840

GN020910: Microbial Source Tracking Identified Locality Repairs (FY25)

Project Description: This project will provide FY25 funding for the Microbial Source Tracking (MST) Program required as part of the Integrated Plan.

Project Justification: Several water bodies in the Hampton Roads region remain impaired by bacteria with elevated levels found in dry weather in areas that have no record of sewer overflow and, in some cases, in areas without any public sewer infrastructure. Dry weather ongoing sources almost always present a greater impact to water quality than isolated wet weather-related sewer overflows. Surface water monitoring data following SSOs has indicated that the impacts of a transient SSO on the long-term impairment of a waterway are minimal supporting the conclusion that waterway impairments in the Hampton Roads area are driven by chronic and persistent sources. Given that the regional sanitary sewer system has no chronic capacity-related overflow locations the most effective approach toward achieving a higher degree of public health protection is to identify and eliminate the sources of bacterial contamination specifically those that are known to represent the greatest risk to public health - human sources. To this end HRSD has implemented its Microbial Source Tracking Program. This focused water quality monitoring effort in partnership with local governments and the Virginia Department of Health has been successfully used to identify locate and eliminate chronic and persistent non-SSO-related sources of human-sourced bacteria.

Approximate Project Cost: $300,000

VP018301: VIP Service Area I-I Reduction Phase I (PORTS)

Project Description: PORT-01 Comprehensive I/I Reduction Plan; PORT-02 General I/I Reduction Plan.

Project Justification: As part of HRSD's Integrated Plan, a program of High Priority RWWMP Projects (HPP) will be constructed through 2030. These projects were selected based on their ability to provide the greatest environmental and human health benefits. Further, this $200+ million investment will significantly reduce sanitary sewer overflow (SSO) volume at the 5-year level of service by 47 percent.

Approximate Project Cost: $14,257,200

VP018303: VIP Service Area I-I Reduction Phase III (PORTS)

Project Description: PORT-04 General I/I Reduction Plan; PORT-04-LOP65-1 Data-Driven I/I Reduction Plan; PORT-04-LOP65-2 Data-Driven I/I Reduction Plan; PORT-04-LOP65-3 Data-Driven I/I Reduction Plan.

Project Justification: As part of HRSD's Integrated Plan, a program of High Priority RWWMP Projects (HPP) will be constructed through 2030. These projects were selected based on their ability to provide the greatest environmental and human health benefits. Further, this $200+ million investment will significantly reduce sanitary sewer overflow (SSO) volume at the 5-year level of service by 47 percent.

Approximate Project Cost: $4,064,147

Resource: Steve de Mik

AGENDA ITEM 11. – May 27, 2025

Subject: Subordinate Wastewater Revenue Bonds Series 2025A Resolution

Recommended Action: Adopt a resolution authorizing the issuance and award of one or more series of Hampton Roads Sanitation District subordinate wastewater revenue bonds.

Brief: HRSD's Financial Policy allows HRSD to select a method of financing that is most appropriate and economically advantageous considering financial, market, transaction-specific and HRSD-related considerations.

HRSD's financial plan relies heavily on drawing down (borrowing) $268 million from the WIFIA loan program in fiscal year 2026. In 2024, HRSD closed on Tranche 3 of its WIFIA Master Financing Agreement at an interest rate of 4.15 percent. Since HRSD has not yet drawn down any of those proceeds, Tranche 3 effectively acts as an interest rate hedge against future borrowings.

Alternatively, staff are seeking authorization to issue subordinate wastewater revenue bonds to fund the same $268 million in capital projects that would otherwise be funded through Tranche 3. The proposed bonds are interim financing that would need to be refinanced 12 months from the date of issuance. These bonds, depending on market conditions at the time, would likely be refinanced by drawing down the Tranche 3 proceeds at the guaranteed rate of 4.15 percent, or the issuance of another form of financing at that time. Based on current (May 6th) market conditions, the subordinate bonds with a one-year maturity could be issued at an all-in rate of approximately 3.25 percent, saving HRSD an estimated $17.5 million, or $8.7 million on a present value basis, when compared to the initial strategy of solely relying on Tranche 3. These savings estimates assume the subordinate bonds are refinanced with Tranche 3 at 4.15 percent.

It should be noted that given recently announced changes in US tax policy and priorities, market conditions are volatile. Such volatility could affect the timing, size and strategy of the aforementioned transaction.

HRSD's legal counsel Norton Rose Fulbright prepared the attached Resolution.

Staff will provide a briefing on the proposed transaction.

Attachments to this agenda item are as follows and listed at the end of the agenda:

- Bond Form - Series 2025A Subordinate Bonds
- Bond Purchase Agreement – 2025A Subordinate Bonds
- Preliminary Official Statement HRSD 2025A Bonds

Hampton Roads Sanitation District
Resolution of
May 27, 2025

HAMPTON ROADS SANITATION DISTRICT COMMISSION

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A RESOLUTION
AUTHORIZING THE ISSUANCE AND AWARD OF
ONE OR MORE SERIES OF
HAMPTON ROADS SANITATION DISTRICT
SUBORDINATE WASTEWATER REVENUE BONDS

Adopted May 27, 2025

Resolution

RESOLUTION AUTHORIZING THE ISSUANCE AND AWARD OF ONE OR MORE SERIES OF HAMPTON ROADS SANITATION DISTRICT SUBORDINATE WASTEWATER REVENUE BONDS

WHEREAS, the Hampton Roads Sanitation District (the "District") was duly created under and pursuant to Chapter 407 of the Acts of Assembly of Virginia of 1940, and the Hampton Roads Sanitation District Commission (the "Commission"), created by said Chapter 407, is the governing body of the District;

WHEREAS, by virtue of Chapter 66 of the Acts of Assembly of Virginia of 1960, as amended (the "Act"), the Commission is authorized and empowered, among other things:

(a) to construct, improve, extend, enlarge, reconstruct, maintain, equip, repair and operate a wastewater treatment system or systems, either within or without or partly within and partly without the corporate limits of the District;

(b) to issue, at one time or from time to time, revenue bonds, notes or other obligations of the District payable solely from the special funds provided under the authority of the Act and pledged for their payment, for the purpose of paying the cost of a wastewater treatment system or systems and extensions and additions thereto, and providing funds for any other authorized purpose of the Commission; and

(c) to fix, revise, charge and collect rates, fees and other charges for the use of, and for the services and facilities furnished or to be furnished by, any such wastewater treatment system;

WHEREAS, as provided by the Act, the District is constituted a political subdivision of the Commonwealth of Virginia and established as a governmental instrumentality to provide for the public health and welfare;

WHEREAS, the Commission has adopted the District's 2026-2035 Capital Improvement Program (as it may be amended from time to time, the "Capital Improvement Program"), which anticipates capital spending for projects identified in the Capital Improvement Program ("Projects");

WHEREAS, the Commission has determined to provide for the issuance, at one or more times, of one or more series, on a taxable or tax-exempt basis, of Subordinate Wastewater Revenue Bonds (the "2025 Bonds") to provide short-term interim financing for (i) a portion of the costs of the District's Capital Improvement Program and (ii) certain expenses incurred in connection with the issuance of the 2025 Bonds by the District;

WHEREAS, the Commission has determined that the 2025 Bonds shall be sold either through a negotiated underwriting with one or more of the investment banking firms replying to the District's request for proposals for investment banking services, dated May 30, 2023, to be selected by a Delegate (as defined below) in accordance with the provisions of Section 3(a) hereof (the investment banking firm or firms so selected, the "Underwriters") or in a competitive sale in accordance with the provisions of Section 3(b) hereof;

WHEREAS, the Commission has determined that it will be in the best interest of the District for a Delegate to select one or more entities to serve as authentication agent ("Authentication Agent"), bond registrar ("Bond Registrar"), paying agent ("Paying Agent"), and fiscal agent ("Fiscal Agent") for the 2025 Bonds;

WHEREAS, the 2025 Bonds shall be issued pursuant to the Act as Subordinate Obligations, within the meaning of the Trust Agreement, dated as of October 1, 2011, as amended and restated as of March 1, 2016, as amended, and as further amended and restated as of July 1, 2024, as supplemented (as so amended, restated and supplemented, the "Trust Agreement"), between the District and The Bank of New York Mellon Trust Company, N.A., as trustee (in such capacity, the "Trustee"), and shall be expressly subordinate and junior to the Lien on Net Revenues (each as defined in the Trust Agreement) created pursuant to the Trust Agreement in favor of Senior Obligations (as defined in the Trust Agreement) of the District;

WHEREAS, because the 2025 Bonds provide short-term interim financing, the Commission wishes to authorize the principal of and the interest on the 2025 Bonds to be paid with one or more of the following: (i) the proceeds of bonds of the District issued as Senior Obligations under the Trust Agreement, (ii) draws on one or more WIFIA Loans (as defined and described in one or more supplements to the Trust Agreement) obtained by the District on a draw-down basis, (iii) the proceeds of grants received from the Commonwealth of Virginia Department of Environmental Quality or other governmental third parties, (iv) the proceeds of new short-term interim subordinate bonds of the District, and (v) other District funds that may be available for such purpose; and

WHEREAS, there have been presented at this meeting draft copies of the following documents relating to the issuance and sale of the 2025 Bonds:

(a) a form of the 2025 Bonds;

(b) a Preliminary Official Statement of the District, a version of which will be delivered in connection with each series of the 2025 Bonds, with such changes as may be approved in accordance with Section 10 hereof (the "Preliminary Official Statement");

(c) a Bond Purchase Agreement (the "Bond Purchase Agreement"), by and between the District and the Underwriters; and

(d) a Continuing Disclosure Agreement (the "Continuing Disclosure Agreement"), the form of which appears as Appendix C to the Preliminary Official Statement and a version of which will be delivered in connection with each series of the 2025 Bonds;

Now, Therefore, the HAMPTON ROADS SANITATION DISTRICT COMMISSION DOES HEREBY RESOLVE, as follows:

Section 1. Definitions. Capitalized words and terms used in this Resolution and not defined herein shall have the same meanings in this Resolution as such words and terms are given in the Trust Agreement.

Section 2. Authorization of 2025 Bonds. In order to provide short-term interim financing for (i) a portion of the costs of the District's Capital Improvement Program and (ii) certain expenses incurred in connection with the issuance of the 2025 Bonds by the District and pursuant to the authority

granted to it by the Act, the District hereby authorizes the issuance at one or more times and in one or more series of Hampton Roads Sanitation District (Virginia) Subordinate Wastewater Revenue Bonds, Series 202[_] [(Federally Taxable)] (the blanks to be completed with a number indicating the year of issuance and a letter indicating the appropriate series), in an aggregate principal amount not to exceed, Two Hundred Ninety Million Dollars ($290,000,000), in each case dated as of such date, maturing on such dates in such years not later than two years from their date of issuance, and in such principal amounts and bearing interest at such rates (not to exceed a true interest cost of 4.50% per annum), on a federally taxable or tax-exempt basis, and payable on such dates on or before the maturity date thereof, all as determined by the Chair of the Commission, the Vice Chair of the Commission, the General Manager/Chief Executive Officer of the District or the Deputy General Manager/Chief Financial Officer of the District (each, a "Delegate"), any of whom may act, prior to the execution of the Bond Purchase Agreement, and evidenced in the Bond Purchase Agreement, or in the case of a competitive sale, prior to the acceptance of a bid relating to such series of 2025 Bonds and evidenced in the notification of award relating to such series of 2025 Bonds.

The Commission hereby determines that the issuance of each series of the 2025 Bonds will be in the best interests of the District.

The 2025 Bonds shall be issued as fully registered bonds in denominations of $5,000 or any whole multiple thereof or in any other denominations determined by a Delegate.

The principal of and the interest and any redemption premium on the 2025 Bonds shall be payable in any coin or currency of the United States of America that is legal tender for the payment of public and private debts on the respective dates of payment thereof. The principal of and any redemption premium on each 2025 Bond shall be payable to the registered owner thereof or his or her registered assigns or legal representative at the office of the Paying Agent upon the presentation and surrender thereof as the same shall become due and payable. Payment of the interest on each 2025 Bond shall be made by the Paying Agent on each interest payment date to the person appearing (hereafter provided) on the registration books of the Bond Registrar as the registered owner of such 2025 Bond (or the previous bond or bonds evidencing the same debt as that evidenced by such 2025 Bond) at the close of business on the record date for such interest, which, unless otherwise determined pursuant to the delegation of authority contained in this resolution, shall be the 15th day (whether or not a business day) of the calendar month next preceding such interest payment date, by check mailed or by wire transfer to such person at his or her address as it appears on such registration books.

The Depository Trust Company, New York, New York ("DTC"), is hereby appointed as the initial Securities Depository for the 2025 Bonds, with Cede & Co., a nominee thereof, being the initial Securities Depository Nominee and initial registered owner of each series of the 2025 Bonds. The 2025 Bonds initially issued will be in fully registered form and registered in the name of Cede & Co., a nominee of DTC, and immobilized in the custody of DTC. One fully registered 2025 Bond for the original principal amount of each maturity will be registered to Cede & Co. Beneficial owners will not receive physical delivery of 2025 Bonds. Individual purchases of 2025 Bonds may be made in book-entry form only in original principal amounts of $5,000 and integral multiples of $5,000 or any other denomination determined by a Delegate as provided above. Payments of the principal of and premium, if any, and interest on the 2025 Bonds will be made to DTC or its nominee as registered owner of the 2025 Bonds on the applicable payment date.

So long as Cede & Co., or its successor, as nominee of DTC, is the registered owner of the bonds, references in this resolution to the holders of the 2025 Bonds mean Cede & Co. and do not mean the beneficial owners of the 2025 Bonds.

Replacement bonds (the "Replacement Bonds") will be issued directly to beneficial owners of bonds rather than to DTC, or its nominee, but only in the event that:

(1) DTC determines not to continue to act as securities depository for the 2025 Bonds;

(2) The District has advised DTC of its determination that DTC is incapable of discharging its duties; or

(3) The District has determined that it is in the best interests of the beneficial owners of the 2025 Bonds not to continue the book-entry system of transfer.

Upon occurrence of the events described in clause (1) or (2), the District will attempt to locate another qualified securities depository. If DTC makes the determination described in clause (1) and the District fails to select another qualified securities depository to replace DTC, the District will execute and the Authentication Agent will authenticate and deliver to the participants in DTC ("Participants") the Replacement Bonds to which the Participants are entitled. In the event the District makes the determination described in clause (2) or (3) (the District undertakes no obligation to make any investigation to determine the occurrence of any events that would permit the District to make any such determination) and, in the case of the determination under clause (2), the District has failed to designate another qualified securities depository and has made provisions to notify the beneficial owners of the 2025 Bonds by mailing an appropriate notice to DTC, the District will execute and the Authentication Agent will authenticate and deliver to the Participants the appropriate Replacement Bonds to which the Participants are entitled. The Authentication Agent is entitled to rely on the records provided by DTC as to the Participants entitled to receive Replacement Bonds.

Section 3. Method of Sale. (a). *Negotiated Sale Delegation.* Any series of 2025 Bonds may be sold by negotiated sale with one or more Underwriters. A Delegate, acting in consultation with PFM Financial Advisors LLC, Financial Advisor to the District (the "Financial Advisor"), is authorized to select such Underwriters, provided that each firm so selected shall have submitted a response to the District's request for proposals for investment banking services, dated May 30, 2023, which has been deemed complete in all material respects. A Delegate is authorized to execute a Bond Purchase Agreement with respect to each such series of the 2025 Bonds in substantially the form presented to this meeting, with such updates, changes, modifications and deletions as such Delegate, with the advice of counsel, may deem necessary or desirable.

(b) *Competitive Sale Delegation.* Any series of 2025 Bonds may be offered for sale through competitive bidding. If a series of 2025 Bonds is determined to be sold in a competitive sale, the Secretary of the Commission is hereby authorized, if authorized by a Delegate and recommended by the Financial Advisor to be beneficial for the sale of such series of 2025 Bonds, to cause one or more notices calling for bids for the purchase of the bonds, to be published. Each such notice of sale shall be substantially in the form of the notice of sale used in connection with the issuance of the District's Subordinate Wastewater Revenue Bonds, Series 2018A, with such changes, modifications and deletions as a Delegate, with the advice of counsel, may deem necessary and appropriate (the "Notice of Sale"), a copy of which has been presented at this meeting. Alternatively, the Secretary may cause to be published a summary of the principal terms of the notices. Bids shall be received electronically

via the Grant Street Group's MuniAuction web site or similar electronic-based competitive bidding system. The Commission delegates to a Delegate the authority to accept the lowest bid (determined in accordance with the Notice of Sale) for such series of 2025 Bonds subject to each of the following conditions: (i) a Delegate shall have determined that the bid conforms in all material respects to the requirements of the Notice of Sale, (ii) a Delegate shall have determined that the bid to be accepted is the lowest bid conforming to the terms of the Notice of Sale, (iii) the Financial Advisor to the District shall have recommended that the lowest conforming bid be accepted, and (iv) the Commission shall not then be in special session called for the purpose of accepting bids (the Commission not to be deemed in special session if less than a quorum is present and voting).

Section 4. Redemption. A Delegate is hereby authorized to determine the optional redemption, mandatory redemption and make-whole redemption provisions, if any, of each series of the 2025 Bonds as such Delegate, in consultation with the Financial Advisor, may deem advisable, and the Delegate may, with the advice of the Financial Advisor and counsel to the District, provide that such series of the 2025 Bonds (or any portion thereof) shall not be subject to optional or make-whole redemption before their respective maturities. All such determinations by a Delegate shall be made prior to the execution of the Bond Purchase Agreement relating to such series of 2025 Bonds, or in the case of a competitive sale, the acceptance of a bid to purchase, relating to such series of 2025 Bonds.

Section 5. Application of Bond Proceeds. The proceeds of the 2025 Bonds shall be applied as determined by a Delegate in connection with the sale of the 2025 Bonds.

Section 6. Authorization of Basic Documents. The forms, terms and provisions of each of the Bond Purchase Agreement, the Notice of Sale, and the Continuing Disclosure Agreement (collectively, the "Basic Documents") are hereby approved in all respects, and the Delegates, any one or more of whom may act, are hereby authorized and directed to execute and deliver the Basic Documents with respect to each series of 2025 Bonds in substantially the forms presented to this meeting, or as otherwise provided by this Resolution, together with such updates, changes, modifications and deletions as such Delegates, with the advice of counsel, may deem necessary or desirable; such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the District.

Section 7. Repayment of 2025 Bonds; Subordinate Pledge of Net Revenues. The Commission hereby authorizes and directs the principal of and the interest on the 2025 Bonds to be paid with one or more of the following, as determined by any Delegate: (i) the proceeds of bonds of the District issued as Senior Obligations under the Trust Agreement, (ii) draws on one or more WIFIA Loans, (iii) the proceeds of grants received from the Commonwealth of Virginia Department of Environmental Quality or other governmental third parties, (iv) the proceeds of new short-term interim subordinate bonds of the District, and (v) other District funds that may be available for such purpose.

The Bonds shall issued as Subordinate Obligations within the meaning of the Trust Agreement. The Net Revenues (as defined in the Trust Agreement) are hereby pledged to secure the payment of the principal of and interest on the Bonds. The Bonds and such pledge of Net Revenues shall be expressly subordinate and junior to the Lien (as defined in the Trust Agreement) on Net Revenues created pursuant to the Trust Agreement in favor of Senior Obligations (as defined in the Trust Agreement) of the District, to the extent and in the manner set forth below:

In the event (a) of any insolvency or bankruptcy proceedings, and any receivership, liquidation, reorganization, arrangement or other similar proceedings in connection therewith,

relative to the District or to its property, or in the event of any proceedings for voluntary liquidation, dissolution or other winding-up of the District whether or not involving insolvency or bankruptcy, (b) any Subordinate Obligation is declared or otherwise becomes due and payable before its expressed maturity because of the occurrence of an event of default occurring under the documents pursuant to which such Subordinate Obligation is issued; and such declaration has not been rescinded and annulled, or (c) any Event of Default under the Trust Agreement shall occur and be continuing with respect to any Senior Obligation and (1) written notice of such default shall have been given to the District and (2) judicial proceedings shall be commenced in respect of such Event of Default within 180 days in the case of a default in payment of principal or interest on Senior Obligations and within 90 days in the case of any other default after the giving of such notice, then the Holders of Senior Obligations shall be entitled to receive payment in full of all principal, premium and interest on all Senior Obligations before the Holders of the Subordinate Obligations are entitled to receive any payment on account of principal or interest upon the Subordinate Obligations.

Section 8. Execution of 2025 Bonds. The form of the 2025 Bonds is hereby approved in all respects, and the Chair or Vice Chair and the Secretary or any Assistant Secretary of the Commission are hereby authorized and directed to execute, by manual or facsimile signature, as provided in such form, and to deliver to the Authentication Agent for authentication on behalf of the District, the 2025 Bonds in definitive form for each series of the 2025 Bonds, with such updates, changes, modifications and deletions as they, with the advice of counsel, may deem necessary or desirable and consistent with this Resolution; such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the District.

Section 9. Authorization and Delivery of the 2025 Bonds. Upon their execution in the form and manner set forth in this Resolution, the 2025 Bonds of each series shall be deposited with the Authentication Agent for authentication, and the Authentication Agent is hereby authorized and directed to authenticate such series of 2025 Bonds and, upon the due and valid execution of the Basic Documents, the Authentication Agent shall deliver such series of 2025 Bonds to or for the account of DTC, for the account of the Underwriters, in accordance with, and subject to, the provisions of this Resolution and the Basic Documents.

Section 10. Official Statement. The Preliminary Official Statement in the form presented at this meeting is approved, with such updates, changes, modifications and deletions as such Delegate, with the advice of counsel, may deem necessary or desirable is hereby approved, and a Delegate is hereby authorized to approve the terms of and publish a Preliminary Official Statement with respect to each series of the 2025 Bonds, as updated to reflect any subsequent events if any series of 2025 Bonds is to be sold after the first series of 2025 Bonds, describing the 2025 Bonds and substantially in the same form as the Preliminary Official Statement presented to this meeting, and deem "final" such Preliminary Official Statement for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended; and a Delegate is hereby authorized to execute an official statement (the "Official Statement") with respect to each series of 2025 Bonds in substantially the form of the deemed "final" Preliminary Official Statement relating to such series of the 2025 Bonds, together with such updates, changes, modifications and deletions as such Delegate, with the advice of counsel, may deem necessary or appropriate; and the District hereby approves and authorizes the distribution and use of copies of the Preliminary Official Statement, the Official Statement and the Basic Documents in connection with such sale.

Section 11. Further Actions. The Delegates, any one of whom may act, are each authorized and directed (without limitation except as may be expressly set forth herein) (i) to select and execute an agreement with one or more entities to serve as Authentication Agent, Bond Registrar, Paying Agent and Fiscal Agent for the 2025 Bonds and (ii) to take such action and to execute and deliver any such documents, certificates, undertakings, agreements or other instruments as they, with the advice of counsel, may deem necessary or desirable to effectuate the transactions contemplated by the Basic Documents, the 2025 Bonds, and the Official Statement.

Section 12. Delegates' Certificate. Each Delegate may execute a certificate or certificates evidencing the determinations made or other actions carried out pursuant to the authority granted in this Resolution, and any such certificate shall be conclusive evidence of the actions or determinations as stated therein.

Section 13. Ratification of Prior Acts. The actions heretofore taken by the Delegates and any officers, agents or employees of the District in connection with the proposed issuance of the 2025 Bonds are hereby ratified.

Section 14. Sunset Provision. No series of 2025 Bonds may be issued pursuant to the authority provided by this Resolution after June 30, 2026.

Section 15. Rate Schedule. Incorporated herein the same as if set forth verbatim herein is the "Rate Schedule, Fiscal Year 2025" for the use of, and for the services and facilities furnished or to be furnished by, the wastewater disposal system or systems and the wastewater improvements, for which the 2025 Bonds are to be issued. Such schedule appears in full on the District's website, www.hrsd.com.

Section 18. Effective Date. This Resolution shall take effect immediately upon its passage.

[END OF RESOLUTION]

Adopted by the Hampton Roads Sanitation District Commission on May 27, 2025.

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Stephen C. Rodriguez, Chair

Resource: Steve de Mik

AGENDA ITEM 12. – May 27, 2025

Subject: Wastewater Revenue Bonds Series 2025B
Resolution

Recommended Action: Adopt a resolution authorizing the issuance and award of one or more series of Hampton Roads Sanitation District wastewater revenue bonds.

Brief: HRSD's Financial Policy allows HRSD to select a method of financing that is most appropriate and economically advantageous considering financial, market, transaction-specific and HRSD-related considerations.

HRSD's financial plan relies heavily on drawing down (borrowing) $268 million from the WIFIA loan program in fiscal year 2026. In 2024, HRSD closed on Tranche 3 of its WIFIA Master Financing Agreement at an interest rate of 4.15 percent. Since HRSD has not yet drawn down any of those proceeds, Tranche 3 effectively acts as an interest rate hedge against future borrowings.

Staff are considering a variety of options to finance its capital improvement needs in the 2026 fiscal year including drawing down on the WIFIA loan program, issuing short-term subordinate wastewater revenue bonds or depending on capital market conditions issuing long-term wastewater revenue bonds to fund the same $268 million in capital projects that would otherwise be funded through Tranche 3. This requested authorization would provide staff the flexibility to refinance any short-term subordinate wastewater bonds with long-term wastewater revenue bonds, upon maturity of the short-term financing.

Staff are seeking authorization to issue these bonds to provide flexibility to seek the lowest cost of capital possible given capital market volatility resulting from recently announced changes in US tax policy and priorities. Such volatility could affect the timing, size and strategy of the aforementioned transaction.

HRSD's legal counsel Norton Rose Fulbright US LLP, prepared the attached Resolution.

Attachments to this agenda item are as follows and listed at the end of the agenda:

- Bond Purchase Agreement
- Escrow Deposit Agreement
- Preliminary Official Statement
- Supplemental Trust Agreement – HRSD Long Term Bonds

Hampton Roads Sanitation District
Resolution of
May 27, 2025

HAMPTON ROADS SANITATION DISTRICT COMMISSION

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A RESOLUTION
AUTHORIZING THE ISSUANCE AND AWARD OF
ONE OR MORE SERIES OF
HAMPTON ROADS SANITATION DISTRICT
WASTEWATER REVENUE BONDS

Adopted May 27, 2025

Resolution

RESOLUTION AUTHORIZING THE ISSUANCE AND AWARD OF ONE OR MORE SERIES OF HAMPTON ROADS SANITATION DISTRICT WASTEWATER REVENUE BONDS

WHEREAS, the Hampton Roads Sanitation District (the "District") was duly created under and pursuant to Chapter 407 of the Acts of Assembly of Virginia of 1940, and the Hampton Roads Sanitation District Commission (the "Commission"), created by said Chapter 407, is the governing body of the District;

WHEREAS, by virtue of Chapter 66 of the Acts of Assembly of Virginia of 1960, as amended (the "Act"), the Commission is authorized and empowered, among other things:

(a) to construct, improve, extend, enlarge, reconstruct, maintain, equip, repair and operate a wastewater treatment system or systems, either within or without or partly within and partly without the corporate limits of the District;

(b) to issue, at one time or from time to time, revenue bonds, notes or other obligations of the District payable solely from the special funds provided under the authority of the Act and pledged for their payment, for the purpose of paying the cost of a wastewater treatment system or systems and extensions and additions thereto, and providing funds for any other authorized purpose of the Commission; and

(c) to fix, revise, charge and collect rates, fees and other charges for the use of, and for the services and facilities furnished or to be furnished by, any such wastewater treatment system;

WHEREAS, as provided by the Act, the District is constituted a political subdivision of the Commonwealth of Virginia and established as a governmental instrumentality to provide for the public health and welfare;

WHEREAS, the Commission has previously authorized the execution and delivery of a Trust Agreement, dated as of October 1, 2011, as amended and restated as of March 1, 2016, as further amended and restated as of July 1, 2024, as supplemented (as so amended, restated and supplemented, the "Trust Agreement"), each by and between the District and The Bank of New York Mellon Trust Company, N.A., as successor trustee (in such capacity, the "Trustee"), to provide for the issuance of Bonds (as defined in the Trust Agreement) and indebtedness secured on a parity with such Bonds (collectively with Bonds, "Senior Obligations"), payable from the Net Revenues (as defined in the Trust Agreement) of the District;

WHEREAS, the Commission has adopted the District's 2026-2035 Capital Improvement Program (as it may be amended from time to time, the "Capital Improvement Program"), which anticipates capital spending for projects identified in the Capital Improvement Program ("Projects");

WHEREAS, the District has heretofore issued Bonds and other Senior Obligations in accordance with, and which remain outstanding under, the Trust Agreement, including Bonds bearing interest at a variable rate that may be tendered to the District for purchase from time to time prior to the maturity thereof (the "Variable Rate Obligations");

WHEREAS, the District currently maintains a line of credit (the "Line of Credit") with Bank of America, N.A. (the "Bank"), and the Line of Credit has a stated expiration date of June 30, 2025, as such expiration date may be extended by agreement of the Bank and the District;

WHEREAS, the Commission has authorized and may from time to time authorize the District to issue, on a taxable or tax-exempt basis, one or more series of Subordinate Wastewater Bonds (the "Short-Term Bonds") to provide short-term interim financing for (i) a portion of the costs of the District's Capital Improvement Program and (ii) certain expenses incurred in connection with the issuance of the Short-Term Bonds by the District;

WHEREAS, the District's repayment of the Short-Term Bonds and the Line of Credit will be Subordinate Obligations within the meaning of the Trust Agreement and expressly subordinate and junior to the lien on Net Revenues created pursuant to the Trust Agreement in favor of Senior Obligations of the District;

WHEREAS, the Commission has determined to provide for the issuance under the Trust Agreement, at one or more times, of one or more series, on a taxable or tax-exempt basis, of Bonds (the "Refunding Bonds") for the purpose of providing funds, together with other available funds, to (i) refund or refinance any or all bonds or other indebtedness of the District (including, but not limited to, Senior Obligations secured under the Trust Agreement, Short-Term Bonds and amounts owed under the Line of Credit) (collectively, the "Refunding Candidates") and (ii) pay certain expenses incurred in connection with the issuance of the Refunding Bonds by the District;

WHEREAS, the Commission has determined to provide for the issuance under the Trust Agreement, at one or more times, of one or more series, on a taxable or tax-exempt basis, of Bonds (the "New Money Bonds" and, together with the Refunding Bonds, the "2025 Bonds") for the purpose of providing funds, together with other available funds, to finance (i) a portion of the costs of the Capital Improvement Program and (ii) certain expenses incurred in connection with the issuance of the New Money Bonds by the District;

WHEREAS, the Commission has determined that the 2025 Bonds shall be sold either through a negotiated underwriting with one or more of the investment banking firms replying to the District's request for proposals for investment banking services, dated May 30, 2023, to be selected by a Delegate (as defined below) in accordance with the provisions of Section 3(a) hereof (the investment banking firm or firms so selected, the "Underwriters"), or in a competitive sale in accordance with the provisions of Section 3(b) hereof; and

WHEREAS, there have been presented at this meeting draft copies of the following documents relating to the issuance and sale of the 2025 Bonds:

(a) a Supplemental Trust Agreement (the "Supplemental Agreement"), by and between the District and the Trustee, relating to the 2025 Bonds;

(b) a Preliminary Official Statement of the District, a version of which will be delivered in connection with each series of the 2025 Bonds, with such changes as may be approved in accordance with Section 10 hereof (the "Preliminary Official Statement");

(c) a Bond Purchase Agreement (the "Bond Purchase Agreement"), by and between the District and the Underwriters;

(d) an Escrow Deposit Agreement (the "Escrow Deposit Agreement") by and between the District and an Escrow Agent; and

(e) a Continuing Disclosure Agreement (the "Continuing Disclosure Agreement"), the form of which appears as Appendix E to the Preliminary Official Statement and a version of which will be delivered in connection with each series of the 2025 Bonds;

Now, Therefore, the HAMPTON ROADS SANITATION DISTRICT COMMISSION DOES HEREBY RESOLVE, as follows:

Section 1. Definitions. Capitalized words and terms used in this Resolution and not defined herein shall have the same meanings in this Resolution as such words and terms are given in the Trust Agreement and the Supplemental Agreement.

Section 2. Authorization of 2025 Bonds. In order to provide funds required to (i) finance a portion of the costs of the Capital Improvement Program, (ii) refund or refinance all or any portion of the Refunding Candidates and (iii) pay certain expenses incurred in connection with the issuance of the 2025 Bonds by the District and pursuant to the authority granted to it by the Act, the District hereby authorizes the issuance at one or more times and in one or more series of Hampton Roads Sanitation District Wastewater Revenue Bonds, [Refunding] Series 202[_] [(Federally Taxable)] (the blanks to be completed with a number indicating the year of issuance and a letter indicating the appropriate series), in an aggregate principal amount not to exceed, (i) in the case of the New Money Bonds, Two Hundred Ninety Million Dollars ($290,000,000), and (ii) in the case of the Refunding Bonds, not in excess of the aggregate principal amount to be used to pay the principal amount of, premium, if any, and interest on the Refunding Candidates, through the earlier to occur of maturity and the redemption date thereof, refunded or refinanced with such Refunding Bonds (and to pay the costs of issuing such Refunding Bonds), in each case dated as of such date, maturing on such dates in such years not later than forty years from their date of issuance, and in such principal amounts and bearing interest at such rates (not to exceed a true interest cost of 6.0% per annum in the case of federally tax-exempt 2025 Bonds or 7.50% per annum in the case of federally taxable 2025 Bonds), on a federally taxable or tax-exempt basis, and payable on or before the maturity date thereof, all as determined by the Chair of the Commission, the Vice Chair of the Commission, the General Manager/Chief Executive Officer of the District or the Deputy General Manager/Chief Financial Officer of the District (each, a "Delegate"), any of whom may act, prior to the execution of the Bond Purchase Agreement, and evidenced in the Bond Purchase Agreement and the Supplemental Agreement, or in the case of a competitive sale, prior to the acceptance of a bid relating to such series of 2025 Bonds and evidenced in the notification of award relating to such series of 2025 Bonds and the Supplemental Agreement.

The Commission hereby determines that the issuance of each series of the 2025 Bonds will be in the best interests of the District.

The 2025 Bonds shall be issued as fully registered bonds in denominations of $5,000 or any whole multiple thereof or in any other denominations determined by a Delegate. The 2025 Bonds shall be issuable in book-entry form as provided in the Trust Agreement. Payments of principal of, premium, if any, and interest on the 2025 Bonds shall be forwarded by the Bond Registrar to the registered owners of the 2025 Bonds in such manner as is set forth in the Trust Agreement.

Section 3. Method of Sale. (a). *Negotiated Sale Delegation.* Any series of 2025 Bonds may be sold by negotiated sale with one or more Underwriters. A Delegate, acting in consultation with

PFM Financial Advisors LLC, Financial Advisor to the District (the "Financial Advisor"), is authorized to select such Underwriters, provided that each firm so selected shall have submitted a response to the District's request for proposals for investment banking services, dated May 30, 2023, which has been deemed complete in all material respects. A Delegate is authorized to execute a Bond Purchase Agreement with respect to each such series of the 2025 Bonds in substantially the form presented to this meeting, with such updates, changes, modifications and deletions as such Delegate, with the advice of counsel, may deem necessary or desirable.

(b). *Competitive Sale Delegation.* Any series of 2025 Bonds may be offered for sale through competitive bidding. If a series of 2025 Bonds is determined to be sold in a competitive sale, the Secretary of the Commission is hereby authorized, if authorized by a Delegate and recommended by the Financial Advisor to be beneficial for the sale of such series of 2025 Bonds, to cause one or more notices calling for bids for the purchase of the bonds, to be published. Each such notice of sale shall be substantially in the form of the notice of sale used in connection with the issuance of the District's Subordinate Wastewater Revenue Bonds, Series 2018A, with such changes, modifications and deletions as a Delegate, with the advice of counsel, may deem necessary and appropriate (the "Notice of Sale"), a copy of which has been presented at this meeting. Alternatively, the Secretary may cause to be published a summary of the principal terms of the notices. Bids shall be received electronically via the Grant Street Group's MuniAuction web site or similar electronic-based competitive bidding system. The Commission delegates to a Delegate the authority to accept the lowest bid (determined in accordance with the Notice of Sale) for such series of 2025 Bonds subject to each of the following conditions: (i) a Delegate shall have determined that the bid conforms in all material respects to the requirements of the Notice of Sale, (ii) a Delegate shall have determined that the bid to be accepted is the lowest bid conforming to the terms of the Notice of Sale, (iii) the Financial Advisor to the District shall have recommended that the lowest conforming bid be accepted, and (iv) the Commission shall not then be in special session called for the purpose of accepting bids (the Commission not to be deemed in special session if less than a quorum is present and voting).

Section 4. Redemption. A Delegate is hereby authorized to determine the optional redemption, mandatory redemption and make-whole redemption provisions, if any, of each series of the 2025 Bonds as such Delegate, in consultation with the Financial Advisor, may deem advisable, and the Delegate may, with the advice of the Financial Advisor and counsel to the District, provide that such series of the 2025 Bonds (or any portion thereof) shall not be subject to optional or make-whole redemption before their respective maturities. A Delegate may further determine that any term 2025 Bonds shall be subject to mandatory sinking fund redemption and with such amortization requirements as determined by such Delegate. All such determinations by a Delegate shall be made prior to the execution of the Bond Purchase Agreement relating to such series of 2025 Bonds, or, in the case of a competitive sale, the acceptance of a bid to purchase such series of 2025 Bonds.

Section 5. Application of Bond Proceeds. The proceeds of the 2025 Bonds shall be applied as provided in the related Supplemental Agreement and, in the case of Refunding Bonds, the related Escrow Deposit Agreement or letter of instructions executed by a Delegate.

Section 6. Authorization of Basic Documents. The forms, terms and provisions of each of the Supplemental Agreement, the Bond Purchase Agreement, the Notice of Sale, the Escrow Deposit Agreement and the Continuing Disclosure Agreement (collectively, the "Basic Documents") are hereby approved in all respects, and the Delegates, any one of whom may act, are hereby authorized and directed to execute and deliver the Basic Documents with respect to each series of 2025 Bonds in substantially the forms presented to this meeting, or as otherwise provided by this Resolution, together

with such updates, changes, modifications and deletions as such Delegates, with the advice of counsel, may deem necessary or desirable; such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the District.

Section 7. Refunding Candidates. A Delegate is authorized to determine the Refunding Candidates to be refunded or refinanced with the proceeds of any series of the 2025 Bonds (such Refunding Candidates, the "Refunded Obligations") based on the following criterion: a determination by the Financial Advisor, in writing, if any of the Refunding Candidates are to be refunded or refinanced, the aggregate net present value debt service savings achieved as a result of refunding or refinancing such Refunding Candidates with the proceeds of the Refunding Bonds shall be equal to at least three percent (3%) of the par amount of the Refunded Obligations; provided, however, that the Commission hereby determines that it will be in the best interests of the District to refund or refinance any such Refunding Candidates that are Variable Rate Obligations or Short-Term Bonds or that are incurred under the Line of Credit, without regard to the net interest cost of the Refunding Bonds or of the Refunding Candidates, because such net interest cost cannot reasonably be calculated in the case of variable rate or balloon indebtedness.

Section 8. Execution of 2025 Bonds. The form of the 2025 Bonds set forth in the Supplemental Agreement is hereby approved in all respects, and the Chair or Vice Chair and the Secretary or any Assistant Secretary of the Commission are hereby authorized and directed to execute, by manual or facsimile signature, as provided in such form, and to deliver to the Bond Registrar for authentication on behalf of the District, the 2025 Bonds in definitive form for each series of the 2025 Bonds, with such updates, changes, modifications and deletions as they, with the advice of counsel, may deem necessary or desirable and consistent with the Trust Agreement and the related Supplemental Agreement; such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the District.

Section 9. Authorization and Delivery of the 2025 Bonds. Upon their execution in the form and manner set forth in the Trust Agreement and the related Supplemental Agreement, the 2025 Bonds of each series shall be deposited with the Bond Registrar for authentication, and the Bond Registrar is hereby authorized and directed to authenticate such series of 2025 Bonds and, upon the due and valid execution of the Basic Documents, the Trustee shall cause the Bond Registrar to deliver such series of 2025 Bonds to or for the account of The Depository Trust Company, for the account of the Underwriters, in accordance with, and subject to, the provisions of Section 209 of the Trust Agreement.

Section 10. Official Statement. The Preliminary Official Statement in the form presented at this meeting is approved, with such updates, changes, modifications and deletions as such Delegate, with the advice of counsel, may deem necessary or desirable is hereby approved, and a Delegate is hereby authorized to approve the terms of and publish a Preliminary Official Statement with respect to each series of the 2025 Bonds, as updated to reflect any subsequent events if any series of 2025 Bonds is to be sold after the first series of 2025 Bonds, describing the 2025 Bonds and substantially in the same form as the Preliminary Official Statement presented to this meeting, and deem "final" such Preliminary Official Statement for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended; and a Delegate is hereby authorized to execute an official statement (the "Official Statement") with respect to each series of 2025 Bonds in substantially the form of the deemed "final" Preliminary Official Statement relating to such series of the 2025 Bonds, together with such updates, changes, modifications and deletions as such Delegate, with the advice of counsel, may deem necessary or appropriate; and the District hereby approves and authorizes the distribution and use of copies of

the Preliminary Official Statement, the Official Statement and the Basic Documents in connection with such sale.

Section 11. District Representatives. The Chair of the Commission, the Vice Chair of the Commission, the General Manager/Chief Executive Officer and the Deputy General Manager/Chief Financial Officer are each hereby appointed a District Representative within the meaning of such term under the Trust Agreement, with full power to carry out the duties set forth therein. Any one or more of the District Representatives may act for and on behalf of the District.

Section 12. Securities Depository. The Depository Trust Company, New York, New York, is hereby appointed as the initial Securities Depository for the 2025 Bonds, with Cede & Co., a nominee thereof, being the initial Securities Depository Nominee and initial registered owner of each series of the 2025 Bonds.

Section 13. Further Actions. The Delegates and the District Representatives, any one of whom may act, are each authorized and directed (without limitation except as may be expressly set forth herein) to take such action and to execute and deliver any such documents, certificates, undertakings, agreements or other instruments as they, with the advice of counsel, may deem necessary or desirable to effectuate the transactions contemplated by the Basic Documents, the Trust Agreement, the Supplemental Agreement, the Escrow Deposit Agreement and the Official Statement.

Section 14. Delegates' Certificate. Each Delegate may execute a certificate or certificates evidencing the determinations made or other actions carried out pursuant to the authority granted in this Resolution, and any such certificate shall be conclusive evidence of the actions or determinations as stated therein.

Section 15. Ratification of Prior Acts. The actions heretofore taken by the Delegates, the District Representatives, and any officers, agents or employees of the District in connection with the proposed issuance of the 2025 Bonds and the refunding or refinancing of the Refunding Candidates are hereby ratified.

Section 16. Sunset Provisions. No series of New Money Bonds may be issued pursuant to the authority provided by this Resolution after June 30, 2026. No series of Refunding Bonds may be issued pursuant to the authority provided by this Resolution after June 30, 2027.

Section 17. Rate Schedule. Incorporated herein the same as if set forth verbatim herein is the "Rate Schedule, Fiscal Year 2025" for the use of, and for the services and facilities furnished or to be furnished by, the wastewater disposal system or systems and the wastewater improvements, for which the 2025 Bonds are to be issued. Such schedule appears in full on the District's website, www.hrsd.com.

Section 18. Effective Date. This Resolution shall take effect immediately upon its passage.

[END OF RESOLUTION]

Adopted by the Hampton Roads Sanitation District Commission on May 27, 2025.

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Stephen C. Rodriguez, Chair

Resource: Steve de Mik

AGENDA ITEM 13. – May 27, 2025

Subject: Bank of America Third Amendment to Second Amended and Restated Credit Agreement
Resolution

Recommended Action: Authorize the execution and delivery of an amendment to the second amended and restated credit agreement with Bank of America, N.A., and grant the authority to execute and deliver such other documents and agreements relating to such transaction as may be necessary or appropriate; and adopt a resolution.

Agreement Description: On October 27, 2015, the Commission adopted a resolution to establish a junior lien (now subordinate lien, as a result of the discharge of the former senior lien trust agreement of the District in 2024) with Bank of America to fund the Capital Improvement Program (CIP). On May 24, 2022, the Commission extended the agreement and increased the amount available to $300 million.

In the proposed amendment, Bank of America will continue to provide a $300 million revolving line of credit to use for capital project financing. The termination date of the agreement will be June 30, 2026, prior to which date HRSD can negotiate an additional renewal or issue an RFP for a new line of credit provider. The amendment changes the tax-exempt interest rate for amounts drawn on the credit agreement to the SOFR index (80% of the one-month rate), currently 3.46%, plus 0.41%, and the taxable interest rate to the daily SOFR rate plus 0.52%. An unused commitment fee of 0.10% will apply if the available commitment amount exceeds 75% of the $300M line.

HRSD's legal counsel Norton Rose Fulbright US LLP, prepared the attached Resolution.

THIRD AMENDMENT TO SECOND AMENDED AND RESTATED CREDIT AGREEMENT

This **THIRD AMENDMENT TO SECOND AMENDED AND RESTATED CREDIT AGREEMENT** is dated as of June __, 2025 (this "Amendment"), and is between **BANK OF AMERICA, N.A.** (the "Bank"), a national banking association, and the **HAMPTON ROADS SANITATION DISTRICT** (the "District"), a political subdivision duly created and validly existing under the laws of the Commonwealth of Virginia.

RECITALS

WHEREAS, the District and the Bank entered into a Second Amended and Restated Credit Agreement dated as of June 30, 2022 as amended by (i) that certain First Amendment to Second Amended and Restated Credit Agreement dated August 30, 2023, and (ii) that certain Second Amendment to Second Amended and Restated Credit Agreement dated April 9, 2024 (collectively, the "Credit Agreement"), for the provision of a line of credit to the District to provide interim financing or refinancing for costs of the District's Capital Improvement Program, as more particularly described therein; and

WHEREAS, the District and the Bank desire to amend the Credit Agreement to extend the Scheduled Termination Date, amend the Applicable SOFR Interest Rate on Advances, and make certain other changes, all as set forth herein;

NOW, THEREFORE, the parties hereby agree as follows:

1. **Definitions**. Except as otherwise amended or supplemented herein, all capitalized terms herein have the meanings ascribed to such terms in the Credit Agreement.

2. **Amendments to Credit Agreement**. The following amendments to the Credit Agreement are effective upon the effective date of this Amendment.

(a) All references in the Credit Agreement to "this Agreement" shall mean the Credit Agreement as amended by this Amendment.

(b) The fifth WHEREAS Clause in the Credit Agreement is hereby amended by deleting it in its entirety and inserting the following provisions in lieu thereof:

> "**WHEREAS,** the District's obligation to make payments under this Agreement and each Note issued pursuant to the terms hereof shall constitute a Subordinate Obligation within the meaning of the Trust Agreement, dated as of October 1, 2011, as amended, supplemented and restated, between the District and The Bank of Mellon Trust Company, N.A., as trustee, and are expressly subordinate and junior to the Lien on Net Revenues (each as defined in the Trust Agreement) created pursuant to Section 701(a) thereof."

(c) Section 1.1 of the Credit Agreement captioned "Definitions" is hereby amended by deleting in its entirety the definition of "Applicable SOFR Interest Rate" and inserting the following provisions in lieu thereof:

> "'Applicable SOFR Interest Rate' means (i) for an Advance that finances a Tax-Exempt Project, a per annum rate equal to the sum of (x) 80% of Daily SOFR or 80% of Term SOFR Rate (Adjusted Periodically), and (y) 41 basis points (i.e., 0.41%) or (ii) for an Advance that finances a Taxable Project or other expenses of the District, a per annum rate equal to the sum of (x) Daily SOFR or Term SOFR Rate (Adjusted Periodically), and (y) 52 basis points (i.e., 0.52%)."

(d) Section 1.1 of the Credit Agreement captioned "Definitions" is hereby amended by deleting in its entirety the definition of "Maturity Date" and inserting the following provisions in lieu thereof:

> "'Maturity Date' means the maturity date of an applicable Advance as chosen by the District which date must be either (i) the Scheduled Termination Date or (ii) with respect to a Term SOFR Rate (Adjusted Periodically) an Adjustment Date which is no later than the Scheduled Termination Date."

(e) Section 1.1 of the Credit Agreement captioned "Definitions" is hereby amended by deleting in its entirety the definition "Scheduled Termination Date" and inserting the following provisions in lieu thereof:

> "'Scheduled Termination Date' means June 30, 2026, or such other date determined in accordance with Section 2.9."

(f) Section 1.1 of the Credit Agreement captioned "Definitions" is hereby amended by deleting in its entirety the definition "Trust Agreement" and inserting the following provisions in lieu thereof:

> "'Trust Agreement' means the Trust Agreement, dated as of October 1, 2011, as amended and restated as of March 1, 2016, as further amended and restated as of July 1, 2024, by and between the District and The Bank of New York Mellon Trust Company, as trustee, securing Senior Obligations (as defined in the Trust Agreement), as supplemented and amended from time to time."

(g) Section 2.4 of the Credit Agreement captioned "Reserved" is hereby deleted in its entirety and the following provisions inserted in lieu thereof:

> "2.4 Unused Commitment Fee. The District shall pay to the Bank quarterly on each October 1, January 1, April 1 and July 1 commencing October 1, 2025, an unused commitment fee at a per annum rate equal to ten (10) basis points (i.e., 0.10%) of the amount of the Available Commitment for any day on which the

outstanding principal amount of the Advances is equal to or less than 25% of the Commitment (the "Unused Commitment Fee"). Accordingly, no Unused Commitment Fee shall be payable for any day on which the outstanding principal amount of the Advances exceeds 25% of the Commitment. The Unused Commitment Fee shall be calculated on the basis of a 360-day year and actual days elapsed."

(h) Section 2.7(a) of the Credit Agreement is hereby amended by deleting the first sentence thereof in its entirety and the following provisions inserted in lieu thereof:

> "The obligations of the District to make payments on Advances under this Agreement are Subordinate Obligations within the meaning of the Trust Agreement and are expressly subordinate and junior to the Lien on Net Revenues (as defined in the Trust Agreement)."

(i) Section 5.1(c) of the Credit Agreement is hereby amended by deleting the words "the Senior Trust Agreement (as defined in the Trust Agreement) and".

3. Representations. The District hereby represents and warrants that:

(a) The District is in compliance with all of the terms, covenants and conditions of the Credit Agreement, as amended hereby.

(b) No Event of Default or condition or event that with the passage of time and/or the giving of notice would constitute an Event of Default under the Credit Agreement, as amended hereby, has occurred and is continuing.

(c) The representations and warranties contained in Section III of the Credit Agreement are true and correct in all material respects with the same effect as though such representations and warranties had been made on the date hereof.

(d) The District has full power and authority to execute, deliver and perform its obligations under this Amendment and to incur the obligations provided for herein, all of which have been duly authorized by all proper and necessary action.

(e) This Amendment constitutes the valid and legally binding obligation of the District, enforceable in accordance with its terms, except as the enforceability hereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws or equitable principles relating to or limiting creditor's rights generally.

4. Conditions Precedent to Effectiveness. This Amendment shall become effective when the Bank shall have received the following, each in form and substance satisfactory to the Bank:

(a) A fully executed copy of this Amendment;

(b) a General Certificate of the District certifying as to (i) the due authorization, execution and delivery by the District of this Amendment, and (ii) the incumbency and signature of each of the District Representatives authorized to sign this Amendment;

(c) certified copies of any resolutions, approvals or authorizations required for the execution and delivery by the District of this Amendment;

(d) an opinion of Norton Rose Fulbright US LLP, Washington, DC, that (i) this Amendment is a valid and binding obligation of the District, enforceable against the District in accordance with its terms and (ii) the execution and delivery of this Amendment will not, in and of itself, adversely affect the exclusion of interest on the Tax-Exempt Note from gross income of the owner thereof for federal income tax purposes;

(e) an opinion of counsel to the District, as to such matters as shall be mutually agreed to by the parties to this Amendment; and

(f) such other documents, instruments, approvals or opinions as shall be reasonably requested by the Bank.

5. **Expenses**. The District agrees to pay all costs, expenses, and attorneys' fees incurred by the Bank in connection with this Amendment.

6. **Ratification**. Except as amended by this Amendment, all provisions of the Credit Agreement remain in full force and effect and apply to this Amendment as if fully restated herein.

7. **No Novation**. This Amendment is not intended by the parties to be, and shall not be construed to be, a novation of any party's obligations under the Credit Agreement or the Note or an accord and satisfaction in regard thereto.

8. **Severability**. If any provision of this Amendment shall be held invalid by any court of competent jurisdiction, such holding shall not invalidate any other provision hereof.

9. **Counterparts**. This Amendment may be executed in as many counterparts as necessary or convenient, and by the different parties on separate counterparts each of which, when so executed, shall be deemed an original but all such counterparts shall constitute but one and the same agreement. The executed signature page from any counterpart may be removed and attached to another identical counterpart to form a single fully executed instrument.

[Signature pages follow]

BANK:

BANK OF AMERICA, N.A.

By:_____
R. Brooks Scurry, III, Senior Vice President

DISTRICT:

HAMPTON ROADS SANITATION DISTRICT

By:_____
Jay A. Bernas
General Manager/Chief Executive Officer

By:_____
Steven G. de Mik, Deputy General Manager
and Chief Financial Officer

Hampton Roads Sanitation District
Resolution of
May 27, 2025

HAMPTON ROADS SANITATION DISTRICT COMMISSION

****

RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A THIRD AMENDMENT TO SECOND AMENDED AND RESTATED CREDIT AGREEMENT WITH BANK OF AMERICA, N.A.; AND GRANTING THE AUTHORITY TO EXECUTE AND DELIVER SUCH OTHER DOCUMENTS AND AGREEMENTS RELATING TO SUCH TRANSACTION AS MAY BE NECESSARY OR APPROPRIATE.

Adopted May 27, 2025

RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A THIRD AMENDMENT TO SECOND AMENDED AND RESTATED CREDIT AGREEMENT WITH BANK OF AMERICA, N.A.; AND GRANTING THE AUTHORITY TO EXECUTE AND DELIVER SUCH OTHER DOCUMENTS AND AGREEMENTS RELATING TO SUCH TRANSACTION AS MAY BE NECESSARY OR APPROPRIATE

WHEREAS, the Hampton Roads Sanitation District (the "District") and Bank of America, N.A. (the "Bank"), entered into a Second Amended and Restated Credit Agreement, dated as of June 30, 2022, as amended by (i) the First Amendment to Second Amended and Restated Credit Agreement, dated as of August 30, 2023, and (ii) the Second Amendment to Second Amended and Restated Credit Agreement, dated as of April 9, 2024 (as so amended, the "Existing Credit Agreement"), pursuant to which the Bank agreed, on the terms and conditions set forth in the Existing Credit Agreement, to provide a line of credit to the District to provide interim financing or refinancing for costs of the District's Capital Improvement Program (the "Projects"); and

WHEREAS, the Hampton Roads Sanitation District Commission (the "Commission") is the District's governing body; and

WHEREAS, the District and the Bank desire to amend the Existing Credit Agreement to extend the scheduled termination date of the Existing Credit Agreement to June 30, 2026, to modify certain provisions relating to the determination of the rate of interest on amounts advanced thereunder, and to make certain other changes; and

WHEREAS, there has been presented to the Commission a proposed form of such amendment pursuant to a Third Amendment to Second Amended and Restated Credit Agreement between the District and the Bank (the "Third Amendment to Existing Credit Agreement"); and

WHEREAS, the District's obligation to make payments under the Existing Credit Agreement, as amended by the Third Amendment to Existing Credit Agreement and any Note (as defined therein) issued under the terms thereof, will constitute a Subordinate Obligation within the meaning of the Trust Agreement, dated as of November 1, 2011, as heretofore amended, supplemented, and restated (the "Trust Agreement"), between the District and The Bank of New York Mellon Trust Company, N.A., as trustee, and will be expressly subordinate and junior to the Lien on Net Revenues (each as defined in the Trust Agreement) created pursuant to Section 701(a) thereof; and

WHEREAS, the Commission has duly reviewed and considered the form of the Third Amendment to Existing Credit Agreement and has determined that it is in acceptable form; now therefore,

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

SECTION 1. Authorization of the Third Amendment to Existing Credit Agreement. The form, terms and provisions of the Third Amendment to Existing Credit Agreement are hereby approved, and the Chair of the Commission, the Vice Chair of the Commission, the General Manager/Chief Executive Officer of the District or the Deputy General Manager/Chief Financial

Officer of the District (each a "Delegate"), any one of whom may act, are hereby each authorized, directed and empowered to execute and deliver, in the name and on behalf of the District, the Third Amendment to Existing Credit Agreement in substantially the form presented to this meeting, or otherwise as provided by this Resolution, together with such updates, changes, modifications and deletions as such Delegate may deem necessary or desirable.

SECTION 2. Execution of Documents. The execution and delivery by any Delegate of the Third Amendment to Existing Credit Agreement, and any other agreements, documents, closing papers and certificates executed and delivered pursuant to this Resolution shall be conclusive evidence of his or her approval of the updates, changes, modifications and deletions, if any, in the forms thereof.

SECTION 3. Ratification. All actions taken by the District, the members of the Commission, and officers, agents and employees of the District in connection with the authorization, execution and delivery of the Third Amendment to Existing Credit Agreement and the authorization, execution and delivery of the agreements, certificates and other documents to be executed by the District and delivered in connection with such authorization, execution and delivery are hereby ratified and confirmed.

SECTION 4. Further Actions. The members, officers, employees and agents of the District are hereby authorized and directed to do all acts and things, including without limitation the execution and delivery of such agreements, documents, certificates and closing papers on behalf of the District required of them by the provisions of the Third Amendment to Existing Credit Agreement for the full, punctual and complete performance of all the terms, covenants, provisions and agreements of the Third Amendment to Existing Credit Agreement and, also, to do all acts and things required of them by the provisions of this Resolution.

SECTION 5. Delegate Certificate. Each Delegate may execute a certificate or certificates evidencing the determinations made or other actions carried out pursuant to the authority granted in this Resolution, and any such certificate shall be conclusive evidence of the actions or determinations as stated therein.

SECTION 6. Repeal of Conflicting Resolutions. Any and all resolutions of the Commission or portions thereof in conflict with the provisions of this Resolution are hereby repealed to the extent of such conflict.

SECTION 7. Effective Date. This Resolution shall take effect immediately upon its adoption.

[END OF RESOLUTION]

Adopted By the Hampton Roads Sanitation District Commission on May 27, 2025:

_____

Stephen C. Rodriguez, Chair

Resource: Steve de Mik

AGENDA ITEM 14. – May 27, 2025

Subject: HRSD 457 Plan and Adoption of Trust Agreement Amendment and Restatement

Recommended Action: Approve resolution.

Brief: HRSD currently maintains the Hampton Roads Sanitation District 457 Plan (Plan) originally effective October 1980 for the benefit of participating employees. On February 21, 2025, HRSD entered into an Administrative Services Agreement with Nationwide Retirement Solutions, Inc. (Nationwide) to act as "Recordkeeper" for the plan.

Through Nationwide, HRSD will be offering its employees a best-in-class suite of voluntary retirement savings and financial wellness benefits for HRSD's Deferred Compensation Plans. Nationwide was selected as HRSD's new and sole provider of the Deferred Compensation Plans, providing administration, recordkeeping, education and wealth advisory services. Nationwide has been helping the public sector prepare for and live in retirement for more than 44 years. Staff are expecting that the transition to the Nationwide plans will take place on August 1, 2025.

As part of the transition to Nationwide, HRSD desires to amend and restate the plan effective July 31, 2025, and add a Deemed IRA also effective July 31, 2025, to allow the deemed IRA contributions to remain in trust as required by law.

The Resolution and additional attachments were reviewed by HRSD's legal counsel, Sands Anderson.

Attachments to this agenda item are as follows and listed at the end of the agenda:

- Exhibit A – Governmental 457(b) Plan Adoption Agreement
- Exhibit B – Governmental 457(b) Basic Plan Document
- Exhibit C – Amendment to Implement Deemed IRA
- Exhibit D – Nationwide Trust Company, FSB Deemed IRA Trust Agreement

RESOLUTION

AMENDMENT AND RESTATEMENT OF THE HAMPTON ROADS SANITATION DISTRICT 457 PLAN AND ADOPTION OF TRUST AGREEMENT

WHEREAS, Hampton Roads Sanitation District (hereinafter "HRSD") currently maintains the Hampton Roads Sanitation District 457 Plan (hereinafter the "Plan"), originally effective October 31, 1980 for the benefit of eligible employees of HRSD; and

WHEREAS, HRSD as the Plan Sponsor entered into an Administrative Services Agreement on February 21, 2025 with Nationwide Retirement Solutions, Inc. ("Nationwide") for the provision of administrative services to the Plan; and

WHEREAS, pursuant to the terms of the Plan, HRSD has reserved the right to amend the Plan***;*** and

WHEREAS, HRSD, as part of its transition to Nationwide, desires to amend and restate the Plan effective July 31, 2025, as set forth in the Governmental 457(b) Plan Adoption Agreement and Governmental 457(b) Plan Basic Plan Document attached hereto as Exhibit A; and

WHEREAS, HRSD further desires to add a Deemed IRA to the Plan effective July 31, 2025, through the adoption of the Amendment to Implement Deemed IRA attached hereto as Exhibit B; and

WHEREAS, in order to implement the adoption of a Deemed IRA to the Plan, HRSD desires to adopt the Nationwide Trust Company, FSB Deemed IRA Trust Agreement, attached as Exhibit C, effective July 31, 2025 in order to allow the deemed IRA contributions to be held in trust as required by law; and

WHEREAS, the HRSD Commission finds that the adoption the Restated Plan, the Amendment to Implement Deemed IRA and the Nationwide Trust Company, FSB Deemed IRA Trust Agreement is in the best interests of HRSD and the Plan participants.

NOW, THEREFORE, BE IT RESOLVED, on the 27th day of May, 2025, by the HRSD Commission that:

1. The amended and restated Governmental 457(b) Plan Adoption Agreement and Governmental 457(b) Plan Basic Plan Document, attached as Exhibit A, are hereby approved and adopted effective July 31, 2025; and

2. The Amendment to Implement Deemed IRA, attached as Exhibit B, is hereby approved and adopted effective July 31, 2025; and

3. The Nationwide Trust Company, FSB Deemed IRA Trust Agreement, attached as Exhibit C, is hereby approved and adopted effective July 31, 2025; and

4. The Commission authorizes the General Manager/CEO of HRSD to execute the amended and restated Plan document, the Amendment to Implement Deemed IRA, and the Nationwide Trust Company, FSB Deemed IRA Trust Agreement and further authorizes the performance of any other actions necessary to implement the adoption of the amended and restated Plan document, the Amendment to Implement Deemed IRA, and the Nationwide Trust Company, FSB Deemed IRA Trust Agreement; and

5. HRSD shall continue to act as administrator of the Plan and will be responsible for performing all actions necessary to carry out the administration of the Plan. HRSD may designate any other person or persons to perform the actions necessary to administer the Plan.

6. The Plan participants shall be provided with a summary of the Plan provisions within a reasonable period of time following the adoption of the restated Plan.

The undersigned further certifies that the foregoing has been properly approved and adopted in accordance with all applicable requirements of the HRSD Commission at its regularly scheduled meeting on May 27, 2025.

[HRSD Seal]

_____
Stephen C. Rodriguez, Chair

Resource: Steve de Mik

AGENDA ITEM 15. – May 27, 2025

Subject: Renewable Natural Gas (RNG) Facility at the Atlantic Treatment Plant (ATP) Agreement

Recommended Action: Approve the terms and conditions of the Biogas Purchase and Site Lease Agreements with Virginia Natural Gas, Inc. (VNG) 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.

Regulatory Requirement: None

Type of Procurement: Competitive Negotiation

In June 2024, authorization was given to the General Manager to execute a Project Development Agreement (PDA) with Johnson Controls, Inc. (JCI) to facilitate the development of a Lease Agreement and a Biogas Purchase Agreement using the digester gas (biogas) produced at the ATP. This project was solicited through a competitive negotiation process and JCI in partnership with VNG was selected.

Project Description: The scope of this project is for JCI in partnership with VNG to build a RNG recovery and treatment biogas facility and deliver the treated product to the natural gas grid. VNG will finance the improvements necessary to design, build, operate, and maintain the facility with no meaningful monetary compensation from HRSD. VNG will purchase biogas from HRSD and have access via a site lease agreement to a small parcel of HRSD land at the Atlantic Treatment Plant (ATP).

Agreement Description: Both the Biogas Purchase Agreement and Site Lease Agreements are 20-year agreements. Under the Biogas Purchase Agreement, VNG will have the exclusive right to receive, refine, transport and sell the biogas. Any biogas not sent to the facility will be wasted by flaring into the atmosphere.

Although the value of biogas fluctuates, sometimes significantly, based on global market conditions, tax policy and supply and demand of natural gas reserves, had this agreement been in effect in January 2020 cumulative revenues to HRSD could have been approximately $2.5 million or on average $495,300 per year.

Once an agreement is executed, construction is expected to take two years with an anticipated completion date of Fall 2027.

HRSD's legal counsel Norton Rose Fulbright US LLP, has reviewed these agreements.

Staff will provide a briefing during the meeting.

BIOGAS PURCHASE AGREEMENT

This Biogas Purchase Agreement (this "Agreement") is entered into as of [____], 2025 (the "Effective Date"), by and between Hampton Roads Sanitation District, a political subdivision of the Commonwealth of Virginia ("Seller") and Virginia Natural Gas, Inc., a Virginia corporation ("Buyer"). Seller and Buyer may be referred to herein individually as a "Party" and collectively as the "Parties".

WHEREAS, Seller owns and operates the Atlantic Treatment Plant, a wastewater treatment facility located at 645 Firefall Drive in Virginia Beach, Virginia (the "Wastewater Treatment Facility"), that treats an average of __ million gallons per day of wastewater and handles an average of ___ wet tons of biosolids each day;

WHEREAS, Biogas (as defined herein) is produced at the Wastewater Treatment Facility from its anaerobic process as a by-product of its wastewater treatment;

WHEREAS, subject to receiving appropriate Governmental Approvals (as defined herein), including, but not limited to, the approval of the Virginia State Corporation Commission ("VSCC"), Buyer intends to design, build, finance and operate a Biogas processing facility (the "RNG Facility") to accept, clean, and process Biogas and convert it into Renewable Natural Gas ("RNG") and other products, as contemplated hereby; and

WHEREAS, Seller and Buyer desire to enter into this Agreement under which Seller will sell Biogas collected at the Wastewater Treatment Facility to Buyer;

NOW, THEREFORE, in consideration of the mutual promises and conditions contained herein, the Parties agree as follows:

Section 1
Definitions

1.1. Unless the context indicates otherwise, as used herein, the capitalized terms set forth below shall be defined as follows. Terms capitalized but not defined herein shall have the meaning set forth in the Site Lease.

"Affiliate" means any company or person, directly or indirectly, in control of, controlled by, or under common control with, either Buyer or Seller, respectively. A party shall be deemed to control another company if such Party possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of the other company, whether through the ownership of voting securities, by contract or otherwise.

"Applicable Law" means any applicable law, statute, regulation, rule, decision, writ, order, decree, or judgment, or any interpretation thereof, promulgated or issued by a Governmental Authority, including, but not limited to, the Enabling Act.

"Beneficial End Use Product" means any and all gas, materials, products, and byproducts directly or indirectly derived from Biogas that may include, but are not limited to, processed RNG,

Pipeline Quality RNG, or other gas derived products, Environmental Attributes, or ancillary products, services, or attributes similar to the foregoing.

"Biogas" means any and all gases of any kind, including, but not limited to, biomethane, resulting from the decomposition of refuse or other material within the Wastewater Treatment Facility.

"Biogas Standards" means the specifications set forth on Attachment 1 (Biogas Standards) to this Agreement.

"British Thermal Unit" or "Btu" means the quantity of heat necessary to raise the temperature of one pound of water one degree Fahrenheit under standard pressure of thirty (30) inches of mercury at or near its point of maximum density.

"Buyer" has the meaning given in the recitals.

"Buyer Conditions Precedent" has the meaning set forth in Section 2.2.

"Commodity Natural Gas" means a Pipeline Quality mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane that is undifferentiated from conventional natural gas, absent any associated Environmental Attributes, often referred to as gray or brown gas.

"Condensate" means any liquids that form or otherwise separate from the Biogas during the collection, transportation, or processing of the Biogas after it has passed the Delivery Point.

"Conforming Biogas" means the Biogas that meets the Biogas Standards.

"Contract Year" means, throughout the Term (a) the twelve (12)-month period beginning on the Start Date and ending at 11:59 pm the day before the first (1st) anniversary of the Start Date, and (b) each twelve (12)-month period thereafter beginning on the anniversary of the Start Date and ending at 11:59 pm the day before the subsequent anniversary of the Start Date.

"Delivery Point" means the flange at the Wastewater Treatment Facility, which is the point at which the Biogas delivered by the Seller exits the Wastewater Treatment Facility and enters the RNG Facility.

"Enabling Act" means Chapter 66 of the Acts of Assembly of Virginia of 1960, as heretofore or hereinafter amended.

"End User" means a party or parties to which Buyer sells a Beneficial End Use Product derived from the recovery or processing of Biogas.

"Environmental Attributes" shall mean greenhouse gas emission reduction recognition in any form, including, without limitation, verified emission reductions, voluntary emission reductions, offsets, allowances, credits, avoided compliance costs, emission rights, and authorizations under any law or regulation, or any emission reduction registry, trading system, or reporting or reduction program for greenhouse gas emissions that is established, certified,

maintained, or recognized by any international, governmental, or nongovernmental agency, or any transferable, tradable, and monetizable voluntary or compliance environmental instruments or commodities and associated reporting rights, howsoever entitled, attributable to the extraction, collection, recovery, productive use (including, without limitation, transportation, thermal, or energy generation uses), or sale of Biogas, the production and delivery of RNG, the ownership of the RNG Facility, or the creation of any other Beneficial End Use Products, whether now existing or established in the future. Environmental Attributes include, but are not limited to: (1) any avoided emissions of pollutants to the air, soil or water such as sulfur oxides (SOx), nitrogen oxides (NOx), carbon monoxide (CO), and other pollutants; (2) any avoided emissions of carbon dioxide (CO2), methane (CH4), and other greenhouse gases; (3) displacement or avoidance of any amount of conventional gas or fossil energy generation resources; (4) the reporting rights to these avoided emissions; and (5) all RINs, State LCFS Credits, and other environmental instruments, commodities, credits, or certificates under any federal, state, or regional carbon reduction, renewable fuels, renewable energy, renewable portfolio standard, or environmental program or framework that may be established in the future, including, without limitation, any renewable fuel attributes necessary to generate the same, and Voluntary Market Credits. Environmental Attributes do not include (i) Tax Credits and Incentives or (ii) emissions reduction credits encumbered or used by the RNG Facility, Wastewater Treatment Facility, and associated waste processing facilities for compliance with local, state, or federal operating or air quality permits.

"Environmental Attribute Applicable Standards" means any Applicable Law or voluntary standard, protocol, methodology, or requirement, with respect to Environmental Attributes, including, but not limited to, those promulgated by a non-governmental organization, standards body, or registry that are of a type typically adhered to in accordance with Industry Standards.

"Environmental Attribute Pathways" means any compliance or voluntary pathway, project design document, life-cycle, validation, registration, certification, permit, or qualification in connection with the generation, origination, creation, or issuance of the Environmental Attributes pursuant to the respective Environmental Attribute Applicable Standards, including but not limited to the U.S. Renewable Fuel Standard Program, the California Low Carbon Fuels Standard, the Oregon Clean Fuels Program, the Washington Clean Fuel Standard, and the Green-e Renewable Fuels Standard.

"Excess Biogas" has the meaning set forth in Section 3.1(b).

"Existing Environmental Conditions" has the meaning set forth in the Site Lease.

"Facility Expansion" has the meaning set forth in Section 3.1(b).

"Fee" has the meaning set forth in Section 6.1.

"Financing Parties" means:

(i) any and all lenders of Buyer providing senior or subordinated construction, interim or long-term debt financing or refinancing, and

(ii) any and all equity investors of Buyer providing leveraged lease-financing, tax equity financing, or refinancing of any kind,

and in each case any trustee or agent acting on their behalf, for the RNG Facility.

"Flare Station(s)" means the Seller's equipment and appurtenances used to incinerate Biogas (but does not include any flare that is a part of the RNG Facility).

"Force Majeure Event" means an event, casualty, occurrence, condition or circumstance of any kind or nature reasonably beyond the control of the Party contending the occurrence of the same, having a direct and adverse effect on such Party's ability or cost to perform any of its obligations under this Agreement, in full or in part. "Force Majeure Event" includes, but is not limited to, compliance in good faith with any applicable change in Applicable Law whether or not it proves to be invalid; acts of God; acts or omissions of any Governmental Authority (including any act which renders it commercially impracticable Buyer to perform all or a material part of its obligations under this Agreement, other than as a consequence of a breach by the Party contending that the event occurred); unreasonable delays in obtaining Governmental Approvals; war; blockade; insurrection; riot; sabotage; terrorist activity; strike; slow-down or labor dispute (even if such difficulties could be resolved by conceding to the demands of a labor group) other than a labor dispute that only affects the Party itself; freight embargoes; shortage, unavailability, or change to lead times of equipment, parts, materials, natural gas, fuel oil or transportation whether or not reasonably foreseeable; equipment failure or defect related to manufacturing issues; equipment breakdowns or failure to perform in accordance with manufacturer specifications assuming recommended maintenance has been followed; inability for Buyer or its subcontractors to procurement equipment or services after undertaking commercially reasonable efforts to do so in accordance with Industry Standards; fire; explosion; flood; nuclear emergency; pandemic or epidemic, including, but not limited to, COVID-19; quarantines or other similar public safety measures; thefts; vandalism; electrical power outages; interruptions or degradations in telecommunications, computer, or electronic communications systems, data breach, cyber-attacks, ransomware, or unavailability; landslide; seismic disturbances; hurricane; tornado; storm; and adverse weather or similar occurrence.

"Governmental Approval" means any permit, authorization, license, order, consent, waiver, exception, exemption, variance, or other approval by or from, and any filing, report, certification, declaration, notice or submission to or with, any Governmental Authority required with respect to the development, installation, construction, operation, or maintenance of the Wastewater Treatment Facility, the RNG Facility, the RNG Interconnection Pipeline, or to authorize any action of any Party.

"Governmental Authority" means any federal, state, local, or municipal government, any political subdivision thereof or any other governmental, congressional, regulatory, or judicial instrumentality, authority, body, agency, department, bureau, or entity with jurisdiction over the Wastewater Treatment Facility, the RNG Facility, the RNG Interconnection Pipeline, or any Party; provided, however, that "Governmental Authority" shall not in any event include any Party or any of its affiliates other than the Seller.

"Initial Term" has the meaning set forth in Section 5.1.

"Industry Standards" means the standards, practices, and methods of professional care, skill and diligence engaged in or approved by a significant portion of (i) in the case of the Seller,

the wastewater treatment industry for facilities of similar size, type and design as the Wastewater Treatment Facility, and (ii) in the case of the Buyer, the renewable natural gas industry for facilities of similar size, type and design as the RNG Facility and RNG Interconnection Pipeline, in each case that, in the exercise of reasonable judgment, in light of the facts known at the time, would have been expected to accomplish results consistent with Applicable Law, reliability, safety, environmental protection, applicable codes, and standards of economy and expedition. Industry Standards are not necessarily defined as the optimal standard practice method or act to the exclusion of others, but rather refer to a range of actions reasonable under the circumstances.

"Insolvent" means that (i) a Party consents to the appointment of or taking possession by, a receiver, a trustee, custodian, or liquidator of itself or of a substantial part of its assets, or fails, or admits in writing its inability, to pay its debts generally as they become due, or makes a general assignment for the benefit of creditors; (ii) a Party files a voluntary petition in bankruptcy or a voluntary petition or an answer seeking reorganization in a proceeding under any applicable bankruptcy or insolvency laws or an answer admitting the material allegations of a petition filed against it in any such proceeding; (iii) a substantial part of a Party's assets is subject to the appointment of a receiver, trustee, liquidator, or custodian by court order and such order shall remain in effect for more than sixty (60) days; or (iv) a Party is adjudged bankrupt or insolvent, or has filed against it a petition under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law, and such petition shall not be dismissed within sixty (60) days of such filing.

"MSCF" means one thousand (1,000) SCF.

"Non-Conforming Biogas" has the meaning set forth in Section 11.3.

"Party" and "Parties" have the meanings given in the recitals.

"Pipeline Quality" means natural gas meeting local pipeline standards or acceptable to the U.S. Environmental Protection agency to meet its standards for the issuance of Renewable Identification Number (RIN) credits.

"Project Documents" means the Site Lease and this Agreement.

"Renewable Natural Gas" or "RNG" means Pipeline Quality gaseous fuel derived from Biogas. RNG includes Environmental Attributes and Commodity Natural Gas.

"RINs" means Renewable Identification Numbers, a serial number attached to a batch of biofuel for the purposes of tracking its production, use, and trading as required by the United States Environmental Protection Agency's Renewable Fuel Standard and all related regulations implemented according to the Energy Policy Act of 2005 and the Energy Independence and Security Act of 2007, as now in effect and from time to time amended or supplemented.

"RIN Bonus Payment" has the meaning set forth in Attachment 2 (Compensation Structure).

"RNG Facility" has the meaning set forth in the Site Lease.

"RNG Facility Site" has the meaning set forth in the Site Lease.

"RNG Interconnection Pipeline" has the meaning set forth in the Site Lease.

"RNG Waste Byproducts" means the non-hazardous solid waste created by or resulting from the processing activities of the RNG Facility.

"SCF" means a standard cubic foot of Biogas at a base temperature of 60 degrees Fahrenheit and at an absolute pressure of 14.65 pounds per square inch and saturated water vapor. All fundamental constants, observations, records, and procedures involved in determining the quantity of Biogas delivered hereunder shall be in accordance with the standards prescribed by the American Gas Association, as now in effect and from time to time amended or supplemented.

"SCFM" means a standard cubic foot of Biogas, as defined herein, per minute.

"Site Lease" means that certain Site Lease Agreement between Buyer and Seller dated as of the Effective Date and governing the lease of the RNG Facility Site and Adjoining Land.

"Site Lease Provisions" means those provisions set forth in the Site Lease.

"Start Date" means the date on which the Buyer Conditions Precedent are satisfied in full (or waived by Buyer) as set forth in the Start Date Notice.

"Start Date Notice" means the written notice provided by the Buyer to the Seller that all conditions precedent set forth in Section 2.2 has either been satisfied or waived and sets forth the Start Date.

"Substantial Completion" means the construction of the RNG Facility has been substantially completed, and the RNG Facility is ready to commence commercial operations.

"Tax Credits and Incentives" means any investment, clean energy, clean fuel, fuel, blender, bonus/additional, producer, sequestration, biofuel, biofuel incentive, renewable energy, or production tax credits attributable to the extraction, collection, recovery, and sale of Biogas, the production and delivery of RNG, the construction or operation of the RNG Facility and RNG Interconnection Pipeline, Wastewater Treatment Facility, and associated waste processing facilities, the ownership of the RNG Facility and RNG Interconnection Pipeline, Wastewater Treatment Facility, and associated waste processing facilities, and any other related financial or tax incentives, including, without limitation, those in the form of credits, reductions, or rates associated with the RNG Facility, Wastewater Treatment Facility, and associated waste processing facilities that are applicable to a local, state, or federal income taxation or property tax obligation, including, without limitation, any PILOT arrangements, depreciation deductions, depreciation benefits, and other tax benefits. Solely regarding Wastewater Treatment Facility and associated waste processing facilities, Tax Credits and Incentives include any subsidies, incentives, or credits for waste diversion, including, without limitation, in connection with organic waste, or tipping or similar fees received by the Wastewater Treatment Facility and associated waste processing facilities for waste. Tax Credits and Incentives do not include Environmental Attributes.

"Term" shall have the meaning set forth in Section 5.1.

"Wastewater Treatment Facility" has the meaning given in the recitals and does not include the RNG Facility, the RNG Interconnection Pipeline, or facilities related to the RNG Facility and RNG Interconnection Pipeline located on the Leasehold Estate, as defined in the Site Lease.

Section 2
Biogas Rights; Conditions Precedent

2.1. Sale of Gas. Subject to the limitations and other provisions of this Agreement, the Seller shall supply and deliver to Buyer and Buyer shall accept at the Delivery Point all Biogas (except Non-Conforming Biogas) generated by the Wastewater Treatment Facility throughout the Term. Subject to Section 11.4, title to and risk of loss of the Biogas delivered to Buyer hereunder shall pass to Buyer at the Delivery Point. As owner of the Biogas from and after the Delivery Point, Buyer shall have the exclusive right to process, sell and utilize all such Biogas, and to claim, utilize, and sell any Tax Credits and Incentives, any Environmental Attributes, and any Beneficial End Use Products of whatever kind that may be associated with the Biogas delivered to Buyer hereunder.

2.2. Conditions Precedent to Purchase of Biogas. Buyer's obligation to purchase Biogas is expressly conditioned upon the satisfaction in full (or written waiver) of all of the conditions set forth in this Section 2.2 (the "Buyer Conditions Precedent"):

(a) Buyer and Seller shall have entered into the Site Lease.

(b) The Seller shall have obtained all necessary Seller permits and approvals, as well as all third-party consents necessary to implement the transactions contemplated herein;

(c) The Seller shall have provided a current title report to Buyer for the RNG Facility Site, showing each person with an interest in the RNG Facility Site;

(d) The Seller shall have provided to Buyer an ALTA survey (or equivalent (for the RNG Facility Site)) and a Phase I Environmental Report (dated within six months of the Effective Date), in each case in form and substance reasonably satisfactory to Buyer;

(e) Buyer shall have performed a lien search on the Seller and the RNG Facility Site, showing no liens that could have an effect on Buyer or the transactions contemplated herein;

(f) Buyer shall have obtained all Governmental Approvals, on terms and conditions acceptable to Buyer in its sole discretion, required from any Governmental Authority for the construction, installation, and operation of the RNG Facility and the RNG Interconnection Pipeline, including VSCC approval to operate the RNG Facility as a regulated asset, such VSCC approval on terms and conditions acceptable to Buyer in its sole discretion;

(g) Buyer shall have received satisfactory evidence that the RNG Facility or the construction, ownership, or operation and maintenance of the RNG Facility qualifies for the expected Tax Credits and Incentives and any expected Environmental Attributes under the expected Environmental Attribute Pathways;

(h) Buyer shall have approved the design and engineering drawings for the RNG Facility and the RNG Interconnection Pipeline and determined that there are no costs (including, but not limited to, interconnection costs), events or circumstances that could have a material adverse effect on the installation, financing, operation, or maintenance of the RNG Facility or the RNG Interconnection Pipeline;

(i) The RNG Facility shall have achieved Substantial Completion; and

(j) Upon review by the Buyer and Seller of the design and engineering drawings for the RNG Facility and RNG Interconnection Pipeline, Buyer and the Seller shall have agreed to a mutually acceptable site layout delineating the location of the RNG Facility and RNG Interconnection Pipeline and Buyer's access rights and such site layout shall be consistent with the Site Lease Provisions.

Satisfaction of all conditions precedent in this Section 2.2 (or waiver of any condition precedent, as applicable) shall be established by the Start Date Notice.

Section 3
Collection and Delivery of Biogas

3.1. Collection and Delivery of Biogas; Expansion of Wastewater Treatment Facility.

(a) During the Term, the Seller shall make available to Buyer all Biogas collected from the Wastewater Treatment Facility and deliver such Biogas to Buyer at the Delivery Point for use in the RNG Facility. Buyer shall have the exclusive right to receive all Biogas that is generated by the Wastewater Treatment Facility.

(b) In addition to the foregoing, to the extent that Seller makes any modification or expansion to the Wastewater Treatment Facility that results in an increase in the amount of Biogas generated by the Wastewater Treatment Facility (a "Facility Expansion") that exceeds the flow requirements set forth in Attachment 1 (Biogas Standards) (the "Excess Biogas"), Buyer shall have a right of first refusal to purchase such Excess Biogas. Seller shall notify Buyer of the Facility Expansion, as well as the anticipated increase in generation of Biogas associated with such Facility Expansion, within sixty (60) days of the expected completion of such Facility Expansion. Buyer shall then notify Seller within thirty (30) days of Seller's notice as to whether Buyer elects to purchase the Excess Biogas. If Buyer elects to purchase such Excess Biogas, then the same shall be sold to Buyer in accordance with this Agreement (including the Fee), and the Parties shall enter into any necessary amendments to this Agreement to memorialize such changes. If Buyer does not elect to purchase the Excess Biogas, then Seller may sell such Excess Biogas to a third party; provided, that in no event shall Seller's sale of such Excess Biogas to a third party adversely impact Buyer's rights under this Agreement or rights to receive the Biogas hereunder.

3.2. Biogas Standards. The Seller shall operate the Wastewater Treatment Facility (including its gas collection system) in the normal course of its business of treating wastewater and handling biosolids, which Seller represents is expected to generate Biogas that meets the standards set forth in Attachment 1 (Biogas Standards).

3.3. Cooperation.

(a) The Seller shall cooperate with Buyer during all phases of development, construction, operation, and maintenance of the RNG Facility and the RNG Interconnection Pipeline, including, without limitation, with respect to Buyer's application for any Governmental Approvals, Tax Credits and Incentives, Environmental Attributes, or Environmental Attribute Pathways. In no event shall the Buyer have any control, directly or indirectly, over the operation of the Wastewater Treatment Plant.

(b) Except during emergency situations or as required by Applicable Law, the Seller shall not interfere with Buyer's development, construction, operation or maintenance of the RNG Facility or the RNG Interconnection Pipeline and shall use reasonable efforts to provide Buyer with sufficient prior written notice of the timing and anticipated duration of any work to be performed on the Wastewater Treatment Facility (including the gas collection system) that may impact the RNG Facility and the RNG Interconnection Pipeline to allow Buyer to properly protect its equipment from sudden changes, notify its End Users or other agencies of anticipated interruptions in the production of Beneficial End Use Products, schedule its maintenance, or otherwise perform its duties as the owner and operator of the RNG Facility and the RNG Interconnection Pipeline.

3.4. Management of the Wastewater Treatment Facility and Gas Collection and Control System. During the Term, the Seller shall manage, operate, and maintain the Wastewater Treatment Facility in accordance with Applicable Law and Industry Standards and to the extent it considers reasonably necessary in the ordinary course to provide for wastewater treatment and the handling of biosolids.

3.5. Compliance with Law. The Seller shall comply with all Applicable Law relating to or regulating the operation of the Wastewater Treatment Facility . The Seller is solely responsible for the costs of compliance with Applicable Law for the Wastewater Treatment Facility, including, but not limited to any Existing Environmental Conditions. Under no circumstances shall Buyer be considered an owner or operator of the Wastewater Treatment Facility under any Applicable Law. Buyer shall have no right to direct or control the operation of the Wastewater Treatment Facility. Buyer shall comply with all Applicable Law relating to or regulating the operation of the RNG Facility and the RNG Interconnection Pipeline, including, but not limited to applicable Environmental Attribute Applicable Standards. Buyer is solely responsible for the costs of compliance with Applicable Law for the RNG Facility and the RNG Interconnection Pipeline, excluding any costs associated with Existing Environmental Conditions.

3.6. Information. Reasonably promptly (within no more than five (5) business days) following Buyer's reasonable request, the Seller shall allow Buyer, during normal business hours, to inspect any documents in its possession regarding Biogas production from the Wastewater Treatment Facility, H2S levels, constituent composition of the Biogas, the quantity, age, and wastewater composition in the Wastewater Treatment Facility. The Seller shall allow Buyer and its agents to inspect any environmental information, environmental impact reports or studies, permits or permit applications, zoning information including variances or variance applications, and any other available data relating to the Wastewater Treatment Facility and the Seller's, or Buyer's activities contemplated in this Agreement.

3.7. JCI Requirements. During the Term, Seller shall comply with the terms set forth in Attachment 3 (JCI Requirements).

Section 4
Construction and Operation of the RNG Facility

4.1. The RNG Facility and RNG Interconnection Pipeline. Buyer will use commercially reasonable efforts to engineer, design, install, construct, operate, and maintain the RNG Facility and the RNG Interconnection Pipeline as required to accommodate the delivery of Beneficial End Use Products to End Users and in accordance with Applicable Law and Industry Standards. The Seller has no obligation to finance any portion of the RNG Facility or the RNG Interconnection Pipeline. Buyer will use commercially reasonable efforts to operate and maintain the RNG Facility and associated Buyer equipment in accordance with Applicable Law and Industry Standards.

4.2. RNG Facility Operations.

(a) Buyer understands that portions of the Wastewater Treatment Facility will need to be shut down from time to time for maintenance. Buyer agrees, to the extent feasible and upon receiving sufficient advance notice (at least thirty (30) days) by the Seller, to schedule all planned shutdowns of the RNG Facility during planned shutdowns of the Wastewater Treatment Facility.

(b) The RNG Facility Site shall be partially or fully-fenced, gated, and locked. The Seller shall be provided with emergency access to the RNG Facility Site, including all keys and passwords necessary for access. The fencing shall contain signage on each side, warning of any known or reasonably foreseeable safety hazards and providing telephone numbers for notification of emergency situations. Employees of the Seller shall not be permitted on the RNG Facility Site unless accompanied by an authorized employee of Buyer except in the event of an emergency or disaster or the exercise by the Seller of its police power or as required by Applicable Law.

4.3. Communication. Each of Buyer and the Seller understands that ongoing, comprehensive communication with each other is essential for the effective operation of the Wastewater Treatment Facility, the RNG Interconnection Pipeline, and the RNG Facility, and compliance with Applicable Law. The Seller and Buyer agree to maintain ongoing, comprehensive communications with one another including, without limitation, the following:

(a) To address community relations efforts and other communications, Buyer will propose a communication plan within thirty (30) days of the Effective Date. Seller shall provide written comments, if any, within ten (10) days of receipt thereof, at which point the Parties shall cooperate to mutually agree on the final communication plan.

(b) Buyer shall timely submit all federal, state, and local government reports required to be filed in connection with the RNG Facility and the RNG Interconnection Pipeline with contemporaneous copies to the Seller. Seller shall timely submit all federal, state, and local government reports required to be filed in connection with the Wastewater Treatment Facility with contemporaneous copies to the Buyer to the extent such reports reference or impacts the RNG Facility or the RNG Interconnection Pipeline. The Seller shall allow reasonable access to the

Wastewater Treatment Facility by any federal, state, or local agencies or contractors necessary for Buyer to comply with this provision. Buyer shall in turn provide reasonable access to the RNG Facility and the RNG Interconnection Pipeline to any federal, state, or local agencies necessary for the Seller to comply with this provision.

(c) Buyer shall provide the Seller and its agents with reasonable access to the RNG Facility and the RNG Interconnection Pipeline upon reasonable notice from the Seller for purposes of community relations, official visits, and regulatory inspections.

4.4. Compliance with Law. Buyer shall comply with all Applicable Law (including but not limited to the respective Environmental Attribute Applicable Standards identified by Buyer in its sole discretion) applicable to the construction of the RNG Facility and the RNG Interconnection Pipeline.

4.5. Contractors. Buyer may contract with third parties to perform any or all of its obligations under this Section 4; subject to the prior written consent of Seller, not to be unreasonably withheld, delayed or conditioned. Buyer shall ensure that any such third party and the contractors and subcontractors of such third party possess the requisite knowledge, experience, and expertise to perform their respective obligations. The Parties agree to notify each other of any contractors hired to perform work on the RNG Interconnection Pipeline, or RNG Facility, and of their contractors, prior to any such third parties performing work on any such facilities; provided, that, Buyer may not replace any contractors without the prior written consent of Seller, such consent not to be unreasonably withheld, conditioned, or delayed. Except as provided otherwise in this Agreement, a Party shall be responsible for the conduct of, and payment of all amounts due and owing to, any contractors hired by such Party and the contractors and subcontractors of such third parties, and the other Party shall have no contractual relationship with any such third parties.

4.6. Condensate; RNG Waste Byproducts. Buyer is responsible for the collection and removal, in a manner consistent in all respects with the Seller's operating permits, of Condensate and RNG Waste Byproducts that is created as a direct result of Buyer's processing of Biogas in its RNG Facility. To that end, Buyer shall ensure the proper handling and delivery of all Condensate to the Seller's existing Wastewater Treatment system and comply with the Seller's industrial wastewater permit requirements.

Section 5
Term

5.1. Term. Except with respect to the delivery of Biogas, this Agreement will become effective in all respects as of the Effective Date. With respect to the delivery of Biogas, the Seller will begin to supply and deliver the Biogas as of the Start Date and Buyer's obligations to accept the Biogas hereunder shall begin as of the Start Date and, unless earlier terminated in accordance with this Agreement, end on the date that is the twentieth (20th) anniversary of the Start Date (the "Initial Term"); provided, that the Initial Term shall automatically extend for additional one (1) year periods unless either Party provides written notice to the other Party of its desire to terminate this Agreement, with such notice to be provided no later than ninety (90) days prior to the expiration of the Initial Term or any one (1) year extension, as the case may be (the Initial Term and any such extensions, collectively, the "Term").

5.2. Early Termination. If the conditions precedent in Section 2.2 are not satisfied within twenty four (24) months of the Effective Date, either Party may, upon thirty (30) days' written notice to the other Party, terminate this Agreement without penalty and without triggering the default provisions herein or incurring any liability herein whatsoever, in which event the Parties shall have no further obligations to the other hereunder, except for those obligations that specifically survive the termination of this Agreement; provided however, if any of the conditions precedent in Section 2.2 are not timely satisfied due to a Party's failure to perform its obligations under this Agreement (the "Responsible Party"), the Responsible Party shall not have the right to terminate this Agreement pursuant to this Section 5.2.

Section 6
Payment Procedures

6.1. Payments. Buyer shall pay to Seller $0.50 per MSCF ("Fee") of Conforming Biogas. In addition, on a monthly basis, Buyer shall pay to the Seller the RIN Bonus Payment as calculated pursuant to Attachment 2 (Compensation Structure). The Fee and the RIN Bonus Payment are referred to collectively as the "Biogas Purchase Price."

6.2. Buyer shall provide to Seller on a monthly basis during the Term a written invoice ("Invoice") that includes (i) the quantity of Biogas received by Buyer, (ii) the applicable Fee for such Conforming Biogas, and (iii) the RIN Bonus Payment amount and the RIN Bonus Payment calculation, as calculated in accordance with Attachment 2 (Compensation Structure).

6.3. Seller shall provide to Buyer an invoice on a monthly basis during the Term for services provide by Seller to Buyer in accordance with Attachment 3 (JCI Requirements).

6.4. Payment shall be due to Seller no later than forty-five (45) days following the date of such Invoice, such Invoice to be paid on a monthly basis. If either Party reasonably and in good faith disputes an Invoice (or an invoice provided by Seller under Section 6.3) in whole or in part, the non-disputing Party shall pay the amount not in dispute by the date when due in accordance with this Section 6.4. The disputing Party shall give the other Party notice in writing of such dispute on or prior to such date, including reasonable documentation to support such position. If either Party fails to provide a notice of dispute on or prior to the date when due, the Invoice (or invoice provided under Section 6.3) shall be deemed to have been accepted in full. Upon timely receipt of a notice of dispute by either Party, the Parties shall attempt to resolve such dispute. Upon resolution of any disputed amount, the agreed-upon amount shall be adjusted up or down, as the case may be, on the next invoice issued pursuant to this Section 6.

Section 7
Tax Credits and Incentives

7.1. Tax Credits and Incentives. The Tax Credits and Incentives attributable to the extraction, collection, recovery, and sale of Biogas, the construction and operation of the Wastewater Treatment Facility and associated waste processing facilities, the ownership of the Wastewater Treatment Facility and associated waste processing facilities shall belong exclusively to the Seller. The Tax Credits and Incentives attributable to the production and delivery of RNG, the construction, ownership, and operation of the RNG Facility and the RNG Interconnection

Pipeline shall belong exclusively to Buyer. Each Party shall reasonably cooperate and use commercially reasonable efforts to assist the other Party in qualifying for and maximizing any applicable Tax Credits and Incentives.

Section 8
Limitation of Liability; Warranties

8.1. Limitation of Liability; No Expectation of Profits. Notwithstanding anything to the contrary in this Agreement, Buyer's aggregate liability during any Contract Year shall not exceed (a) for the first Contract Year, the amount of Biogas Purchase Price expected to be paid to Seller for such Contract Year, and (b) for each subsequent Contract Year throughout the Term, the Biogas Purchase Price paid to Seller in the preceding Contract Year. Seller agrees and acknowledges that Buyer has not committed to purchasing any specific amount of Biogas under this Agreement, and further agrees and acknowledges that Seller has no expectation or right under this Agreement to any specific amounts of revenues, royalty payments or Fees payable to Seller by Buyer hereunder, and Buyer shall not have any liability hereunder for any such anticipated amounts or profits.

8.2. NO WARRANTIES OR GUARANTEES. EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT, INCLUDING ATTACHMENT 1 HERETO, NEITHER PARTY MAKES ANY WARRANTIES OR GUARANTEES TO THE OTHER, EITHER EXPRESS OR IMPLIED, WITH RESPECT TO THE SUBJECT MATTER OF THIS AGREEMENT, AND BOTH PARTIES DISCLAIM AND WAIVE ANY IMPLIED WARRANTIES OR WARRANTIES IMPOSED BY LAW INCLUDING MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

Section 9
[Reserved.]

Section 10
Insurance

10.1. Insurance Requirements. The Buyer shall procure and maintain, during the Term, unless otherwise specified, the insurance policies indicated below, naming the Seller as an additional insured on the applicable policy, and shall require each of its contractors, agents, and subcontractors to provide similar applicable coverage. The policies of insurance shall be primary and written on forms reasonably accepted in the industry and placed with insurance carriers approved and licensed and with a financial AM Best Company rating of no less than "A- Excellent: FSC VII." Buyer may meet its insurance obligations in this Agreement by any combination of self-insurance, primary or umbrella/excess coverage.

10.2. Workers' Compensation. The Buyer will obtain and maintain in effect Workers' Compensation insurance on behalf of its employees who are to provide a service in connection with the Wastewater Treatment Facility, RNG Interconnection Pipeline or the RNG Facility, as applicable, as required by the laws of the Commonwealth of Virginia.

10.3. Commercial General Liability. The Buyer will maintain a commercial general liability policy (or equivalent coverage), including but not limited to bodily injury, property damage, contractual, products and completed operations, and personal injury with limits of not

less than $10,000,000 each occurrence, (umbrella coverage included), covering all work performed under this Agreement including construction, installation, operation, and maintenance of the RNG Facility and the RNG Interconnection Pipeline.

10.4. Property Insurance. The Buyer will maintain property insurance coverage for replacement value of its own facilities, including furniture, fixtures and equipment, and boiler and machinery coverage.

10.5. Business Automobile Liability. The Buyer will maintain Business Automobile Liability insurance coverage at a limit of liability not less than $1,000,000 each accident covering all work performed under this Agreement. The policy shall include liability coverage for Owned, Non-Owned & Hired automobiles. In the event the Buyer does not own automobiles, coverage shall be maintained for Hired & Non-Owned Auto Liability, which may be satisfied by way of endorsement to the Commercial General Liability policy or separate Business Auto Liability policy.

10.6. Pollution Coverage. Unless equivalent coverage is provided under the liability policy described in Section 10.3, the Buyer will maintain Pollution Liability insurance coverage in such amounts and types and with such insurers as shall be reasonably acceptable to the Seller.

10.7. Responsibility if a Loss Occurs. Buyer shall, at its cost, replace or repair any portion of the RNG Facility or the RNG Interconnection Pipeline that may be damaged or destroyed at any time, and will undertake such replacement or repair in a commercially reasonable manner and as cost-effectively as possible, except to the extent that any such damage to the RNG Facility or RNG Interconnection Pipeline results from a breach of any of the Seller's duties under this Agreement or the Site Lease, in which case such repair or replacement shall be at the expense of the Seller. The Seller shall, at its cost, replace or repair any portion of the Wastewater Treatment Facility that may be damaged or destroyed at any time, except to the extent any such damage to the Water Treatment Facility results from a breach of any of the Buyer's duties under this Agreement or the Site Lease, in which case such repair or replacement shall be at the expense of the Buyer.

10.8. Seller Insurance. With respect to the Wastewater Treatment Facility, Seller shall maintain appropriate types of insurance coverage and policy limits customary for wastewater treatment plants throughout the Term of this Agreement; provided, however, that this provision shall be satisfied so long as Seller maintains insurance as described in Section 708 of the Trust Agreement, dated as of October 1, 2011, as amended and restated as of March 1, 2016, as amended, and as further amended and restated as of July 1, 2024, between the District and The Bank of New York Mellon Trust Company, N.A, as trustee, whether or not such Trust Agreement remains in effect.

10.9. Cancellation of Insurance. No insurance policy required herein shall be suspended, voided, or canceled by the Seller or Buyer, except after thirty (30) calendar days' prior written notice by certified mail, return receipt requested, has been given to the other Party. The procuring of required policies of insurance shall not be construed to limit the Seller's or Buyer's liability or to fulfill the indemnification requirements or other obligations under this Agreement. Each of the Seller and Buyer shall be solely responsible for payment of all premiums for its insurance

contributing to the satisfaction of this Agreement and shall be solely responsible for the payment of all deductibles and retentions to which such policies are subject. Notices of Accidents and Notices of Claims associated with work being performed under this Agreement shall be provided to the other Party as soon as practicable after notice is received by a Party.

Section 11
Biogas Standards; Non-Conforming Biogas

11.1. Biogas Standards. The Wastewater Treatment Facility treats an average of forty-five million gallons per day of wastewater. Based on the composition of the wastewater handled by the Seller at the Wastewater Treatment Facility, the extent of the service area of the Wastewater Treatment Facility and the population of the service area, the Seller reasonably expects to operate the Wastewater Treatment Facility at the level it is currently operated for the Term of this Agreement and represents that, based on this level of operation, that the Biogas generated at the Wastewater Treatment Facility will conform with the Biogas Standards for the Term of this Agreement.

11.2. Testing. Buyer shall have the right (but not the obligation) to inspect or test any quantity of Biogas delivered to the Delivery Point. All testing conducted by Buyer shall be at the sole cost of Buyer, but the Seller shall have the option to collect duplicate samples of the material tested by Buyer and have such samples tested at the Seller's sole cost and expense. Buyer shall maintain records and supporting documentation of any such testing.

11.3. Quality Disputes and Remedies for Non-Conforming Biogas. If, within a reasonable time following delivery, Buyer determines that any Biogas delivered by the Seller does not conform with the Biogas Standards or otherwise with the terms of this Agreement or cannot lawfully be processed or used by Buyer (any such material, "Non-Conforming Biogas"), Buyer may (after providing written notice to the Seller setting forth the suitability testing and the failure to meet the Non-Conforming Biogas or other quality issues) do any, all, or any combination of the following:

(a) Accept such Non-Conforming Biogas without waiving any of its rights hereunder; or

(b) Reject the Non-Conforming Biogas at the Delivery Point, and such rejected Non-Conforming Biogas will be redirected to the Flare Station.

11.4. Non-Conforming Biogas Title. If Buyer is in possession of Non-Conforming Biogas at any time, title, and risk of loss to such Non-Conforming Biogas shall not pass to Buyer at the Delivery Point and shall at all times remain with the Seller. Non-Conforming Biogas shall not be deemed delivered for purposes of this Agreement.

11.5. Excused Buyer Non-Acceptance. Buyer shall be excused from performance and shall not be considered to be in default of any acceptance obligation under this Agreement, for any one or more of the following reasons:

(a) Buyer is undertaking maintenance or repair (planned or unplanned) on the RNG Facility or RNG Interconnection Pipeline and such maintenance or repair restricts Buyer

from being able to accept conforming Biogas from the Seller, provided that Buyer gives advance notice to Seller of planned maintenance and Buyer is diligently undertaking maintenance or repair on the RNG Facility or the RNG Interconnection Pipeline or otherwise using reasonable efforts to minimize the interruption of acceptance of conforming Biogas. The Parties shall work together in good faith effort, as applicable, to minimize such interruption; provided that if such efforts exceed thirty (30) days, the Parties shall convene to determine reasonable next steps;

(b) Unplanned or emergency acceptance interruption at the RNG Facility, such as shut-in, emergency plant procedures, equipment breakdown, or unplanned power outages, in which case Buyer notifies Seller as soon as possible. The Parties shall work together in good faith effort, as applicable, to minimize such interruption; provided that if such efforts exceeds thirty (30) days, the Parties shall convene to determine reasonable next steps; or

(c) Buyer experiences a Force Majeure Event.

11.6. Flaring of Non-Conforming Biogas. Notwithstanding the foregoing, Buyer and the Seller understand, recognize, and agree that Buyer may be unable to commercially utilize all of the Biogas made available to Buyer at the Delivery Point. In the event there is Non-Conforming Biogas or excess Biogas available to Buyer at the Delivery Point that Buyer is unable to use, then such Biogas would be incinerated through the Flare Station.

Section 12
Events of Default

12.1. Events of Default.

(i) The occurrence of any one or more of the following events shall constitute an event of default by the Buyer (each, a "Buyer Event of Default"):

(a) The Buyer fails to keep, observe, perform or take steps and diligently pursue the required performance of any material covenant, agreement, term or provision of this Agreement and such failure continues for a period of thirty (30) days after receipt of written notice thereof from the Seller; provided if such failure is not capable of being cured within thirty (30) days but is capable of being cured within ninety (90) days after such notice, such thirty (30) day cure period shall be extended to ninety (90) days if the Buyer (i) proceeds promptly and diligently to correct the failure, (ii) develops within thirty (30) days after such notice a complete plan for curing the failure, and (iii) cures the failure within ninety (90) days after such notice.

(b) The Buyer becomes Insolvent.

(c) The Buyer fails to make payment of any amount when due (other than amounts disputed in good faith) as required to be made to Seller, which failure continues for fifteen (15) days after notice of such non-payment is given to the Buyer by the Seller.

(ii) The occurrence of any one or more of the following events shall constitute an event of default by the Seller (each, a "Seller Event of Default"):

(a) The Seller fails to keep, observe, perform or take steps and diligently pursue the required performance of any material covenant, agreement, term or provision of this Agreement and such failure continues for a period of thirty (30) days after receipt of written notice thereof from the Buyer; provided if such failure is not capable of being cured within thirty (30) days but is capable of being cured within ninety (90) days after such notice, such thirty (30) day cure period shall be extended to ninety (90) days if the Seller (i) proceeds promptly and diligently to correct the failure, (ii) develops within thirty (30) days after such notice a complete plan for curing the failure, and (iii) cures the failure within ninety (90) days after such notice.

(b) The Seller becomes Insolvent.

(c) The Seller fails to make payment of any amount when due (other than amounts disputed in good faith) as required to be made to the Seller, which failure continues for fifteen (15) days after notice of such non-payment is given to the Seller by the Buyer.

12.2. Buyer Remedies Upon Seller Event of Default. If Seller is in default under this Agreement beyond any applicable notice and cure periods set forth herein, then Buyer may, by giving written notice to Seller, terminate this Agreement as of a date specified in the notice of termination, which date shall be at least seven (7) days after the date of such termination notice.

12.3. Seller Remedies Upon Buyer Event of Default. If Buyer is in default under this Agreement beyond any applicable notice and cure periods set forth herein, then Seller may, by giving written notice to Buyer, terminate this Agreement as of a date specified in the notice of termination, which date shall be at least seven (7) days after the date of such termination notice.

12.4. Termination by Buyer. In addition to any termination rights set forth in this Agreement, Buyer may terminate this Agreement upon thirty (30) days' prior written notice to the Seller if (i) the Seller delivers Non-Conforming Biogas for sixty (60) consecutive days ; (ii) the Seller defaults under the Site Lease Provisions, or (iii) is prevented from allowing operation of the Wastewater Treatment Facility on its site after applicable cure periods herein have been exhausted.

Section 13
Miscellaneous

13.1. Force Majeure. Neither the Buyer nor the Seller will be responsible to the other Party for damages, loss, injury, or delay caused by Force Majeure Events. In the event of a Force Majeure Event, the affected Party shall promptly inform the other Party about the occurrence of such event. The notification will include a reasonable description of how the Force Majeure Event has affected such Party's ability to fulfill its obligations and duties under this Agreement. The notice shall be delivered or communicated to the other Party within ten (10) business days following the occurrence of the failure or delay caused by the Force Majeure Event.

13.2. Assignment. This Agreement shall bind the Parties and their respective successors and assigns. Notwithstanding the foregoing, Buyer may sell, assign, or transfer this Agreement or any interest it may have hereunder with the prior written consent of Seller, not to be unreasonably withheld, conditioned, or delayed (i) by Buyer to the Financing Parties, as collateral security, (ii) by Buyer to a purchaser of the RNG Facility and RNG Interconnection Pipeline or the ownership interests in Buyer or (iii) by Buyer to an Affiliate of Buyer; provided however: that except as

expressly provided in (i) through (iii) above in this Section 13.2, no Party may assign or transfer this Agreement, in whole or in part, except upon the prior written consent of the other Party; provided further: that any assignment under this Section 13.2 shall be subject to any required approvals from any applicable Governmental Authorities. Nothing herein shall be construed as creating any personal liability on the part of any officer or agent of the Seller or Buyer.

13.3. Dispute Resolution. Buyer and Seller will attempt to settle any controversy, dispute, difference, or claim between them concerning the performance, enforcement, or interpretation of this Agreement (collectively, a "Dispute") through direct discussion in good faith, but if unsuccessful, will submit any Dispute to non-binding mediation in Virginia Beach, Virginia. If the Parties are unable to agree on a mediator or a date for mediation, either Party may request JAMS, Inc. to appoint a mediator and designate the time and procedure for mediation. Such mediator shall be knowledgeable, to each Party's reasonable satisfaction, with respect to matters concerning construction law. Neither Buyer nor Seller will file a lawsuit against the other until not less than sixty (60) days after the mediation referred to herein has occurred, unless one or both Parties are genuinely and reasonably concerned that any applicable statute of limitations is on the verge of expiring. Lawsuits shall be submitted to courts in the Commonwealth of Virginia.

13.4. Governing Law. This Agreement and the construction and enforceability thereof shall be interpreted in accordance with the laws of the Commonwealth of Virginia without regard to conflicts of law principles. Each of Buyer and Seller shall comply with all Applicable Law in connection with its performance hereunder.

13.5. [Reserved.]

13.6. [Reserved.]

13.7. Further Assurances. The Parties shall execute and deliver all documents and perform all further acts that may be reasonably necessary to effectuate the provisions of this Agreement. Each Party shall agree to undertake customary accommodations to Financing Parties providing financing to (including lenders and investors making equity investments in) the RNG Facility or RNG Interconnection Pipeline, as applicable, including consents to assignment, acknowledgment of lender cure rights and customary estoppels and legal opinions, and subordinations.

13.8. Independent Contractor. The relationship of the Parties hereunder shall be that of independent contractors. Nothing in this Agreement shall be deemed to create a partnership, joint venture, fiduciary, or similar relationship between the Parties. Pursuant to the terms of this Agreement, Buyer is purchasing the Biogas that is produced as a byproduct of Seller's operation of the Wastewater Treatment Facility. Notwithstanding any other terms of this Agreement, Seller shall perform its obligations under this Agreement (including with respect to Seller's operation of the Wastewater Treatment Facility) in good faith. Seller has no obligation to the Buyer to produce any quantity or quality of Biogas and has exclusive control over the Wastewater Treatment Facility and its operations. Seller has no expectation or right to any amounts of Biogas Purchase Price except for Biogas accepted by Buyer. The Buyer has no direct or indirect control of the operation of the Wastewater Treatment Facility, no ability to force Seller to operate the Wastewater Treatment Facility, and no special legal entitlement to use the Wastewater Treatment Facility.

Buyer has exclusive control over the RNG Facility, the RNG Interconnection Pipeline and its operations.

13.9. Power And Authority. Each Party represents and warrants to the other that (i) it has all requisite power and authority to execute and deliver this Agreement and perform its obligations hereunder, (ii) all corporate, board, body politic, or other approvals necessary for its execution, delivery, and performance of this Agreement have been or will be obtained, and (iii) this Agreement constitutes its legal, valid, and binding obligation.

13.10. Severability. In the event that any clause, provision, or portion of this Agreement or any part thereof shall be declared invalid, void, or unenforceable by any court having jurisdiction, such invalidity shall not affect the validity or enforceability of the remaining portions of this Agreement unless the result would be manifestly inequitable or materially impair the benefits intended to inure to either Party under this Agreement.

13.11. Complete Agreement. It is understood and agreed that the Project Documents contain the entire agreement between the Parties relating to all issues involving the subject matter of the Project Documents. No binding understandings, statements, promises or inducements contrary to the Project Documents exist. the Project Documents supersede and cancel all previous agreements, negotiations, communications, commitments and understandings with respect to the subject matter hereof, whether made orally or in writing. Each of the Parties expressly warrants and represents to the other that no promise or agreement which is not herein expressed has been made to the other, and that neither Party is relying upon any statement or representation of the other that is not expressly set forth in the Project Documents. Each Party hereto is relying exclusively on the terms of the Project Documents, its own judgment, and the advice of its own legal counsel and other advisors in entering into the Project Documents.

13.12. Headings. The captions and titles in this Agreement are for convenience only and shall not affect the interpretation or meaning of this Agreement.

13.13. Counterparts. This Agreement may be executed in any number of counterparts, all of which when taken together shall constitute one single agreement between the Parties.

13.14. Notices. All notices to be given by either Party to the other shall be in writing and mailed by certified mail, return receipt requested, or sent by a courier service which renders a receipt upon delivery, or sent by electronic mail, addressed as set forth below, or at such other addresses as either Party may hereinafter designate by a notice to the other. Notices are deemed delivered upon actual receipt and the signed return receipt or courier receipt shall be prime facie proof thereof.

[Remainder of Page Intentionally Blank]

To Buyer:

Virginia Natural Gas, Inc.
544 S. Independence Boulevard
Virginia Beach, VA 23452
Attention: Scott Carter
Telephone: 404-584-4010
Email: sccarter@southernco.com

with a copy to:

Southern Company Gas
10 Peachtree Place NE, Suite 1000
Atlanta, GA 30309
Attention: SVP & General Counsel
Telephone: 404-584-3260
Email: legalbox@aglresources.com

To Seller:

Hampton Roads Sanitation District
1434 Air Rail Avenue
Virginia Beach, Virginia 23455
Attention:_____
Email:_____

[Signatures follow.]

The Parties have signed this Biogas Purchase Agreement as of the Effective Date set forth above.

HAMPTON ROADS SANITATION DISTRICT	VIRGINIA NATURAL GAS, INC.
_____	_____
By:	By:
Name:	Name:
Title:	Title:

ATTACHMENT 1

BIOGAS STANDARDS[1]
On-Spec Biogas at Delivery Point

a. Quality of Biogas required and measured at the Delivery Point.

Parameter	Unit	Design Point (Dry Basis)	Design Point (Wet Basis*)	Min (Wet Basis*)	Max (Wet Basis*)	Test Method
Flow	SCFM	700	748	373	748	Thermal Flow Meter
Pressure	inches w.c.	3	3	3	6	Pressure Transmitter
Temperature	°F	100	100	60	110	Thermal Couple
CH4	% mol	60.8	56.9	41.2	75.0	Online Gas Analyzer
CO2	% mol	37.9	35.5	-	50.8	Online Gas Analyzer
O2	% mol	0.2	0.19	-	0.19	Online Gas Analyzer
N2	% mol	0.9	0.84	-	1.2	Indirectly Calculation
H2O	% mol	N/A	100%	60%	100%	Not Measured
H2S	ppmV	500	468	-	468	Online Gas Analyzer
VOCs	ppmV	8.3	7.8	-	7.8	Online Gas Analyzer
Total Siloxanes	ppmV	1	0.94	-	0.94	Third-Party Laboratory
Particulate Matter /Biologicals	-	-	-	-	Commerciall y Free	Third-Party Laboratory
Ammonia	% vol	-	-	-	0.0004	Third-Party Laboratory
Hydrogen	% vol	-	-	-	0.04	Third-Party Laboratory
Fluorine	mg /m3	-	-	-	4	Third-Party Laboratory
Chlorine Total	mg /m3	-	-	-	4	Third-Party Laboratory
Mercury	mg /m3	-	-	-	0.032	Third-Party Laboratory
Arsenic	mg /m3	-	-	-	0.076	Third-Party Laboratory
Copper	mg /m3	-	-	-	0.24	Third-Party Laboratory

[1] **Note to Draft**: to be updated at closing to align with JCI's final Basis of Design.

ATTACHMENT 2

Compensation Structure

"Average D3 RIN Price" shall mean, for each month in the Term, the average monthly price of Eligible D3 RINs as determined by the EPA Moderated Transaction System (EMTS) for such month.

"Average D5 RIN Price" shall mean, for each month in the Term, the average monthly price of Eligible D5 RINs as determined by the EPA Moderated Transaction System (EMTS) for such month.

"D3 RIN Eligible Biogas Fraction" means the decimal fraction of Biogas derived from domestic wastewater sources. As of the Effective Date, the D3 RIN Eligible Biogas Fraction is equal to 0.96, and Buyer shall provide written notice to Seller of changes made by the Environmental Protection Agency (EPA) (or successor entity making such determination) to such D3 RIN Eligible Biogas Fraction.

"D5 RIN Eligible Biogas Fraction" means the decimal fraction of Biogas derived from hauled wastes, which shall be calculated a 1.00 – the applicable D3 RIN Eligible Biogas Fraction. As of the Effective Date, the D5 RIN Eligible Biogas Fraction is equal to 0.04, and Buyer shall provide written notice to Seller of changes made by the Environmental Protection Agency (EPA) (or successor entity making such determination) to such D5 RIN Eligible Biogas Fraction.

"Eligible D3 RIN" means an eligible Q RIN, as defined in 40 CFR 80.141, that is also a D3 RIN defined in 40 C.F.R. 80.1425(g)(1) and as determined pursuant to 40 C.F.R. 80.1426(f).

"Eligible D5 RIN" means an eligible Q RIN, as defined in 40 CFR 80.141, that is also a D5 RIN defined in 40 C.F.R. 80.1425(g)(3) and as determined pursuant to 40 C.F.R. 80.1426(f).

"Estimated D3 RINs" shall be equal to (i) the Estimated RNG Production *multiplied by* (ii) the D3 RIN Eligible Biogas Fraction *multiplied by* (iii) the RIN Production Factor.

"Estimated D5 RINs" shall be equal to (i) the Estimated RNG Production *multiplied by* (ii) the D5 RIN Eligible Biogas Fraction *multiplied by* (iii) the RIN Production Factor.

"Estimated RNG Production" shall be equal to the product of (i) the actual biogas production for such month *multiplied by* (ii) the actual methane percentage *multiplied by* (iii) the RNG Conversion Factor.

"RIN Bonus Payment" shall be equal to the sum of the D3 RIN Bonus Payment and the D5 RIN Bonus Payment.

"RIN Production Factor" means the estimated amount of RINs generated per MMbtu, as determined by the EPA. As of the Effective Date, the Estimated RIN Production is equal to 11.6935 RINs per MMBtu, and Buyer shall provide written notice to Seller of changes made by the EPA (or successor entity making such determination) to such RIN Production Factor.

"RNG Conversion Factor" shall be equal to (i) 0.88MMBtu RNG *divided by* (ii) 1.0 mscf biogas.

If the Average D3 RIN Price is less than $1.50, then the "D3 RIN Bonus Payment" shall be equal to $0.

If the Average D3 RIN Price is greater than $1.50 but less than $2.51, then the "D3 RIN Bonus Payment" shall be equal to the product of (i) 0.05 *multiplied by* (ii) (A) the Average D3 RIN Price *minus* (B) $1.50, *multiplied by* (iii) the Estimated D3 RINs.

If the Average D3 RIN Price is equal to or greater than $2.51, then the "D3 RIN Bonus Payment" shall be equal to the sum of the following:

(a) the product of (i) 0.05 *multiplied by* (ii) $1.00, *multiplied by* (iii) the Estimated D3 RINs.

(b) the product of (i) 0.50 *multiplied by* (ii) (A) the Average D3 RIN Price *minus* (B) $2.50, *multiplied by* (iii) the Estimated D3 RINs.

The "D5 RIN Bonus Payment" shall be equal to the product of (i) 0.10 *multiplied by* (ii) the Average D5 RIN Price *multiplied by* (iii) the Estimated D5 RINs .

Example Calculation (which is provided for explanatory purposes only and shall not be binding on the Parties):

Assumptions:

- 700 SCFM of Biogas purchased by Buyer at 60% methane concentration
- Average D3 RIN Price = $2.92
- Average D5 RIN Price = $1.25

Biogas Production: 700scfm x 60min/hr x 8760hr/yr x 1mscf/1000scf = 367,920Mscf/yr

Estimated RNG Production: 367,920Mscf/yr x 60% methane x 0.88MMBtu RNG/Mscf biogas = 194,262MMBtu RNG/yr

Eligible D3 RINs= Estimated RNG Production x D3 Eligible Biogas Fraction = 194,262MMBtu/yr x 0.96 = 186,492MMBtu/yr
Eligible D5 RINs = Estimated RNG Production x D5 Eligible Biogas Fraction = 194,262MMBtu/yr x 0.04 = 7,770MMBtu/yr

D3 RIN Bonus Payment =
($2.5-1.5) x 5% x 186,492MMBtu/yr x 11.6935RIN/MMBtu = $109,037/yr
($2.92-2.50) x 50% x 186,492MMBtu/yr x 11.6935RIN/MMBtu = $457,956/yr
D3 RIN Bonus Payment = **$566,993/yr**

D5 RIN Bonus Payment = $1.25 x 10% x 7,770MMBtu/yr x 11.6935RIN/MMBtu = **$11,357/yr**

ATTACHMENT 3

JCI Requirements

Seller shall do each of the following, commencing on the Effective Date and through the Term:

1. Provide Buyer with access to potable water, sewer service, condensate return connections, per Table 1 below.

2. Provide Johnson Controls, Inc. ("Contractor") with access to temporary electrical service during construction, up to Mechanical Completion.

3. Update the RNG Facility Site's stormwater management plan to include the RNG Facility site.

4. Update ATP site's overall air compliance program as necessary to include the RNG Facility emissions.

5. Provide access to the RNG Facility for Contractor and its subcontractors and suppliers Monday through Saturday, 6:00 am to 6:00 pm.

6. Provide Contractor with monthly reports on the digester gas production, digester feedstock, digester temperature, digester pressure, flare station availability, and ongoing efforts to improve gas quantity and quality.

7. Provide timely installation of the new ATP Flare Station within (XXX) days of effective date of the Notice to Proceed.

8. Provide Biogas at the Delivery Point meeting the Biogas Standards.

9. Upgrade the Flare Station as necessary to comply with the requirements listed in Table 1 below.

10. Maintain new continuous-pilot flare at the Flare Station sized to flare a range of flow in accordance with the Biogas Standard.

11. Operate and maintain the Flare Station for incineration of biogas that Contractor determines to be non-conforming, including gas that exceeds delivery flow rate, does not meet the minimum delivery flow rate, does not meet the Biogas Standards.

12. Coordinate with Contractor in providing access to the Flare Station piping for Contractor installation of Delivery Point.

13. Seller to coordinate with Contractor in providing communications signals between the RNG Facility and the Flare Station and anaerobic digestion complex, at a minimum:

- Provide signals communicating gas flowmeter readings to the RNG Facility.
- Provide signals communicating Biogas storage readings to the RNG Facility.

- Provide signal to the RNG Facility indicating gas "Flare Station available" and "Flare Station Ready to Receive."

- Provide signal from RNG Facility indicating "RNG Facility available" and "RNG Facility ready to send."

14. Provide notice to Contractor of any planned shutdowns, whether full or partial, of Biogas to the Delivery Point.

15. Exert reasonable efforts to restore the anaerobic digesters and/or Flare Station to full operation within a reasonable timeframe and coordinate efforts with Contractor in a reasonable manner during performance of the Work and operations.

Table 1 - Scope Transfer Points and Available Utilities

Parameter	**Transfer Location**	**Specifications**
Electrical Power	As noted in the [Site Lease]	Incoming Voltage: 34.5 kV
Natural Gas	As noted in the [Site Lease]	Air Flow (for HVAC): 4,000 CFM Energy: 324 MBH
Water	As noted in the [Site Lease]	Flow: 16 gallons per day (gpd)
Sewer	As noted in the [Site Lease]	Flow: 21 gpd
Hot Water	Not Required	Not Required
Cold Water	Not Required	Not Required
Condensate Disposal	As noted in the [Site Lease]	Temperature: 50 F Flow: 288 gpd Pressure: 15 psig
Off-spec gas to Flare (at Flare inlet)	As noted in the [Site Lease]	Temperature: 90 – 100 F Flow: 140 – 736 SCFM Pressure: 5.5 – 8.0 inches w.c. Composition: 57% - 98%

SITE LEASE AGREEMENT

This Site Lease Agreement (this "Agreement") is entered into as of [____], 2025 (the "Effective Date"), by and between Hampton Roads Sanitation District, a political subdivision of the Commonwealth of Virginia ("Lessor"), and Virginia Natural Gas, Inc., a Virginia corporation ("Lessee"). Lessor and Lessee may be referred to herein individually as a "Party" and collectively as the "Parties").

WHEREAS, Lessor owns and operates the Atlantic Treatment Plant, a wastewater treatment facility located at 645 Firefall Drive in Virginia Beach, Virginia (the "Wastewater Treatment Facility");

WHEREAS, part of the treatment of wastewater conducted at the Wastewater Treatment Facility includes an anaerobic process that produces raw biogas as a by-product of its wastewater treatment (referred to herein as "Biogas");

WHEREAS, subject to receiving appropriate Governmental Approvals including, but not limited to, the approval of the Virginia State Corporation Commission ("VSCC"), Lessee intends to design, build, finance and operate a Biogas processing facility (the "RNG Facility" as further defined herein) to accept, clean, and process Biogas and convert it into Renewable Natural Gas ("RNG") and other products, as contemplated hereby;

WHEREAS, the Parties intend to enter into the Biogas Purchase Agreement (the "Biogas Purchase Agreement") pursuant to which Hampton Roads Sanitation District (referred to as the "Seller" in its capacity as seller under the Biogas Purchase Agreement) will sell the Biogas collected at the Wastewater Treatment Facility to Virginia Natural Gas, Inc. (referred to as the "Buyer" in its capacity as the buyer under the Biogas Purchase Agreement);

WHEREAS, after the processing of the Biogas, Lessee then plans to export the RNG for sale. The initial primary product will be RNG, which will be sold as a fossil natural gas substitute while simultaneously capturing the environmental benefits associated with RNG production, sale, and utilization as a transportation fuel. In addition, Lessee in the future intends to capture, process, and sell other Beneficial End Use Products (as defined herein); and

WHEREAS, to provide for Lessee's construction and operation of the RNG Facility, Lessor is leasing to Lessee a parcel located at the Wastewater Treatment Facility to Lessee on the terms and conditions in this Agreement.

NOW, THEREFORE, in consideration of the mutual promises and conditions contained herein, the Parties agree as follows:

1. Definitions. Unless the context indicates otherwise, as used herein, the terms set forth below shall be defined as follows for the purposes of this Agreement. Terms used but not defined herein shall have the meaning set forth in the Biogas Purchase Agreement:

1.1. "Adjoining Land" means that Lessor Property outside the RNG Facility Site more particularly described on Attachment 2 attached hereto.[1]

1.2. "Affiliate" has the meaning set forth in the Biogas Purchase Agreement.

1.3. "Beneficial End Use Product" has the meaning set forth in the Biogas Purchase Agreement.

1.4. "Environmental Attributes" has the meaning set forth in the Biogas Purchase Agreement.

1.5. "Existing Environmental Conditions" means any Hazardous Materials present in, originating at or migrating to or from the soil, groundwater, surface water, air, or other environmental medium at the Wastewater Treatment Facility on or before the commencement date of this Agreement.

1.6. "Financing Parties" has the meaning set forth in the Biogas Purchase Agreement.

1.7. "Force Majeure Event" means an event, casualty, occurrence, condition or circumstance of any kind or nature reasonably beyond the control of the Party contending the occurrence of the same, having a direct and adverse effect on such Party's ability or cost to perform any of its obligations under this Agreement, in full or in part. "Force Majeure Event" includes, without limitation, compliance in good faith with any applicable change in Applicable Law whether or not it proves to be invalid; acts of God; acts or omissions of any Governmental Authority (including any act which renders it commercially impracticable for Lessee to perform all or a material part of its obligations under this Agreement, other than as a consequence of a breach by the Party contending that the event occurred); unreasonable delays in obtaining Governmental Approvals; war; blockade; insurrection; riot; sabotage; terrorist activity; strike; slow-down or labor dispute (even if such difficulties could be resolved by conceding to the demands of a labor group) other than a labor dispute that only affects the Party itself; freight embargoes; shortage, unavailability, or change to lead times of equipment, parts, materials, natural gas, fuel oil or transportation whether or not reasonably foreseeable; equipment failure or defect related to manufacturing issues; equipment breakdowns or failure to perform in accordance with manufacturer specifications assuming recommended maintenance has been followed; inability for Lessee or its subcontractors to procurement equipment or services after undertaking commercially reasonable efforts to do so in accordance with Industry Standards; fire; explosion; flood; nuclear emergency; pandemic or epidemic including without limitation COVID-19; quarantines or other similar public safety measures; thefts; vandalism; electrical power outages; interruptions or degradations in telecommunications, computer, or electronic communications systems, data breach, cyber-attacks, ransomware, or unavailability; landslide; seismic disturbances; hurricane; tornado; storm; and adverse weather or similar occurrence.

[1] **NTD:** Design of the facility and interconnection is still underway. While there is a good understanding of what land rights will be needed, this should be left open, with any rights needed for construction to be clarified when there are final designs.

1.8. "Hazardous Materials" means (a) "hazardous materials," "hazardous wastes," "hazardous substances," "industrial wastes" or "toxic pollutants," as such terms are defined under any Applicable Law; (b) any other hazardous or radioactive substance, contaminant, or waste, including per- and polyfluoroalkyl substances, perfluorooctanoic acid, perfluoro octane sulfonate, asbestos, polychlorinated biphenyls, petroleum, petroleum products or any fraction thereof, petroleum byproducts, mold, and urea formaldehyde; and (c) any other substance with respect to which any Applicable Law or Governmental Authority requires environmental investigation, regulation, monitoring or remediation, including per- and polyfluoroalkyl substances, perfluorooctanoic acid, perfluoro octane sulfonate, asbestos, polychlorinated biphenyls, petroleum, petroleum products or any fraction thereof, petroleum byproducts, mold, and urea formaldehyde.

1.9. "Lessee" has the meaning given in the recitals.

1.10. "Lessor Property" means that certain real property on which the Wastewater Treatment Facility is located on or in the vicinity of property owned by the Lessor located at [___], more particularly described on Attachment 1 attached hereto.

1.11. "Party" or "Parties" means either Lessee or the Lessor individually or both Lessee and the Lessor collectively.

1.12. "Project Documents" has the meaning set forth in the Biogas Purchase Agreement.

1.13. "RNG Facility" means Lessee's building or enclosure and equipment required for the pretreatment, clean up, processing, compression, and delivery for the conversion of Biogas into RNG and other Beneficial End Use Products for sale to End Users. Such equipment may include, but is not limited to, Biogas/RNG metering equipment and flow meters, compression equipment, an oil and gas cooler, a Condensate knockout tank, H2S scrubbing equipment, Biogas clean-up equipment, a trim flare and RNG dispensing and related facilities, but does not include existing Flare Station.

1.14. "RNG Facility Site" means that certain portion of the Lessor Property more particularly described on Attachment 2 attached hereto.[2]

1.15. "RNG Interconnection Pipeline" means Lessee's private pipeline for the delivery of RNG from the RNG Facility to the appropriate interconnection point on Virginia Natural Gas, Inc.'s distribution and transmission pipeline system, including, without limitation, the interconnection pipeline, the injection station, the measurement & regulation skid, and other equipment or facilities required for such interconnection.

2. Demise of Leasehold Estate.

[2] **NTD**: See note above with respect to Adjoining Land.

2.1. Demise. The Lessor hereby leases, demises, lets, and warrants to Lessee, and Lessee hereby leases, hires, and takes from the Lessor, the RNG Facility Site, on the terms provided herein.

2.2. Purpose. The foregoing lease of the RNG Facility Site (the "Leasehold Estate") is for the development, construction, and operation of biogas recovery system facilities, including, without limitation, capture, collection, processing of gas, including biogas, landfill gas, and renewable natural gas, for the export and sale of gas and other Beneficial End Use Product (including the generation and sale or use of Environmental Attributes and Tax Credits and Incentives) and for any and all related or ancillary purposes, and Lessee shall have the exclusive right to use the RNG Facility Site and to derive all profits therefrom (collectively, "Development Activities"), including, without limitation:

(a) determining the feasibility of biogas recovery system facilities development on the RNG Facility Site, including conducting surveys and geological, geophysical, environmental, biological, cultural, and other tests and studies, and extracting soil samples (at Lessee's discretion);

(b) constructing, reconstructing, erecting, installing, improving, replacing, relocating and removing from time to time, and maintaining, repairing, using and operating, biogas recovery system improvements, facilities, and equipment, including, without limitation, any or all of the following: (i) the RNG Facility, a gas recovery and conversion facility, storage, operations and maintenance, security and other buildings, structures, enclosures, and areas; (ii) gas recovery and conversion equipment and facilities, including, without limitation, gas collection, acceptance, processing, and export facilities and other gas treatment, transmission and containment facilities and equipment, of any type or technology, and related components, including, without limitation, moisture and particulate filtration devices, chillers and heat exchangers, compressors, odorizers, gas safety equipment and pollution abatement equipment; (iii) gas transmission and delivery facilities, including without limitation, the RNG Interconnection Pipeline and aboveground and underground pipelines; (iv) gas containment and storage facilities; (v) gas measurement, testing, research or development equipment; (vi) water pipelines and pumping facilities; (vii) utility facilities and installations; (viii) safety protection facilities; (ix) laydown areas, storage areas, construction offices, dumpsters, parking, and maintenance yards; (x) roads, driveways, parking areas and related structures and erosion control facilities; (xi) signs and fences; and (xii) other improvements, facilities, machinery and equipment in any way related to or associated with any of the foregoing on the RNG Facility Site;

(c) exercising rights of vehicular and pedestrian ingress and egress upon, over and across the RNG Facility Site, for purposes of conducting Development Activities and accessing the RNG Facility and the RNG Interconnection Pipeline (whether such Development Activities are conducted, or the RNG Facility and the RNG Interconnection Pipeline are located, on the RNG Facility Site, adjacent to the RNG Facility Site or elsewhere) upon, over, and across any and all now existing or hereafter constructed access routes or such new or alternative access routes as agreed upon by both Parties, including the right to construct, reconstruct, install, improve, replace, relocate and remove from time to time, and maintain, repair, use, and operate, new, existing or additional routes, including roads, road-related structures, and erosion control facilities, on the RNG Facility Site; and

(d) undertaking any other activities, whether accomplished by Lessee or a third party authorized by Lessee, that Lessee reasonably determines are necessary, useful or appropriate to accomplish any of the foregoing purposes.

2.3. Included Rights and Easements. The Lessor hereby grants and warrants to Lessee, its employees, independent contractors, and subcontractors, and Lessee (including on behalf of its employees, independent contractors, and subcontractors) hereby accepts and takes from the Lessor the following rights and easements, which rights as set forth in (a) through (h) below are and shall be included within the Leasehold Estate:

(a) Access. Such access to the RNG Facility Site and Adjoining Land as, in Lessee's reasonable judgement, is necessary for Lessee to perform the activities described in this Agreement. The Lessor shall provide such access to Lessee effective as of the Effective Date;

(b) Adjoining Land. An easement on, over, under, across, and through the Adjoining Land for the purpose of vehicular and pedestrian ingress and egress as shall be necessary or convenient to gain access to the RNG Facility, the RNG Interconnection Pipeline, and the RNG Facility Site, including access by Lessee's contractors, customers, invitees, and employees, upon, over and across any and all now existing or hereafter constructed access routes or such new or alternative access routes as agreed upon by both Parties;

(c) RNG Facility and RNG Interconnection Pipeline. An easement on, over, under, across and through the Adjoining Land for the purpose of constructing, reconstructing, erecting, installing, improving, replacing, relocating, and removing from time to time, and maintaining, repairing, using, and operating, the RNG Facility and the RNG Interconnection Pipeline that Lessee determines necessary or desirable and incidental to Lessee's development, construction, operation, maintenance or security of Lessee's RNG Facility and the RNG Interconnection Pipeline on the RNG Facility Site, including, but not limited to, pipelines and other gas transmission and delivery facilities, water pipelines and pumping facilities, and utility facilities and installations;

(d) RNG Facility Effects. An easement on, over, under, across and through the Adjoining Land for any audio, visual, view, light, smell, noise, vibration, electromagnetic or other effect of any kind or nature whatsoever resulting, directly or indirectly, from any Development Activities conducted, or the RNG Facility and the RNG Interconnection Pipeline installed, upon the RNG Facility Site or the Adjoining Land;

(e) Clearance Rights. The right, and an easement on, over, under, across and through the Adjoining Land, to trim, cut down and remove all improvements, trees (whether natural or cultivated), brush, vegetation and fire, gas, electrical, and other hazards now or hereafter existing on the RNG Facility Site or the Adjoining Land which might interfere with or endanger the RNG Facility, the RNG Interconnection Pipeline, or Lessee's Development Activities, as agreed upon by both Parties;

(f) Subjacent and Lateral Support. An easement on, over, under, across, and through the Adjoining Land, for subjacent and lateral support on the Adjoining Land for the RNG Facility and the RNG Interconnection Pipeline located on the RNG Facility Site or the Adjoining

Land to whatever extent is necessary for the safe construction operation and maintenance of such RNG Facility and the RNG Interconnection Pipeline, as reasonably determined by Lessee. The Lessor shall not excavate, nor permit excavation, so near the sides of or underneath the RNG Facility or the RNG Interconnection Pipeline as to undermine or otherwise adversely affect their stability;

(g) Third-Party Authorization. The right to authorize and obtain an easement from the Lessor in favor of others, including, but not limited to, parties providing utilities in service of Lessee's RNG Facility and purchasers of gas produced by Lessee's RNG Facility, to independently place, maintain, use and operate the RNG Facility or to otherwise exercise rights of Lessee under this Agreement upon the RNG Facility Site or the Adjoining Land, as and to the extent authorized by Lessee; and

(h) Signage. An easement on, over, under, across, and through the Adjoining Land, to place signs or advertising related to gas energy on or proximate to Lessee's RNG Facility and the RNG Interconnection Pipeline.

Upon Lessee's request, the Lessor shall execute and deliver to Lessee, or Lessee's designee, one (1) or more documents in recordable form, satisfactory in form and substance to Lessee, evidencing the rights and easements granted pursuant to this Section 2.3, and Lessee may cause such documents to be recorded in the official real estate records of the jurisdiction in which the RNG Facility Site is located.

2.4. Lessor Reserved Rights. The Lessor reserves all rights to use the Adjoining Land, except to the extent the Lessor's use interferes with Lessee's use of the RNG Facility Site or the Adjoining Land in accordance with this Agreement or violates the terms and conditions of this Agreement. Lessee shall, in any case, have exclusive possession of the RNG Facility Site for the term of this Agreement. Lessee's use of the Adjoining Land shall not materially interfere with Lessor's operation of the Wastewater Treatment Facility.

3. Term.

3.1. The "Term" of this Agreement and the Leasehold Estate granted herein means the period beginning as of the Effective Date and, unless earlier terminated in accordance with this Agreement, ending on the date that is the twentieth (20th) anniversary of the Start Date of the Biogas Purchase Agreement, provided, that the term of this Agreement and the Leasehold Estate shall automatically extend if the Biogas Purchase Agreement is extended pursuant to Section 3 thereof, provided, further, that the term of this Agreement and the Leasehold Estate shall extend for six (6) months beyond the Term of the Biogas Purchase Agreement to allow for any removal or abandonment contemplated by Section 11.1.

3.2. Notwithstanding the foregoing, the effectiveness of this Agreement and the Leasehold Estate granted herein shall be conditioned upon Lessee having obtained all Governmental Approvals, on terms and conditions acceptable to Lessee in its sole discretion, required from any Governmental Authority for the construction, installation, and operation of the RNG Facility and the RNG Interconnection Pipeline, including VSCC approval to operate the

RNG Facility as a regulated asset, such VSCC approval on terms and conditions acceptable to Lessee in its sole discretion.

4. Payments to Lessor. In consideration of the rights granted hereunder, Lessee will pay the Lessor an annual fee equal to $1 per year multiplied by the number of acres included in the RNG Facility Site. Such annual fee shall be payable each year, in arrears, within forty-five (45) days after the end of each calendar year and shall be prorated for any partial calendar years.

5. Ownership of RNG Facility and Products. The Lessor shall have no ownership or other interest in the RNG Facility or the RNG Interconnection Pipeline (or any portion thereof) installed on the RNG Facility Site or on the Adjoining Land, or any profits derived therefrom, and Lessee may mortgage, sell, or lease any or all of the RNG Facility and the RNG Interconnection Pipeline at any time; provided, that: (a) Lessee may not mortgage any or all of the RNG Facility and the RNG Interconnection Pipeline without first providing reasonably advanced written notice to Lessor; and (b) Lessee may not sell or lease any or all of the RNG Facility and the RNG Interconnection Pipeline without the prior written consent of the Lessor, such consent not to be unreasonably withheld, delayed or conditioned, with Lessor's failure to provide notice of consent or disapproval of such sale or lease within ninety (90) days to be deemed consent by Lessor; provided, further, that the limitations set forth in this Section shall not limit Lessee's rights pursuant to Section 10. Except for the payments described in Section 4 above, the Lessor shall not be entitled to any payments, credits, benefits, emissions reductions, offsets, incentives, grants or allowances of any kind, howsoever entitled, attributable to the RNG Facility, the RNG Interconnection Pipeline, or the renewable natural gas or other products produced therefrom, including, without limitation, any Beneficial End Use Product (including any Environmental Attributes), all of which shall accrue solely to the benefit of Lessee. The Lessor shall have no ownership or other interest in any scientific or engineering data at any point in time or for any duration of time collected by or at the RNG Facility, the RNG Interconnection Pipeline, or on the RNG Facility Site. Such scientific or engineering data is the sole and exclusive property of Lessee. Possession of such data by the Lessor shall not constitute ownership of such data.

6. Taxes. Lessee shall be responsible for and shall timely pay before the same become delinquent, any taxes, assessments or other governmental charges that shall or may during the Term be imposed on the RNG Facility and the RNG Interconnection Pipeline, including any property taxes, assessments or other governmental charges or fees levied against the RNG Facility Site or the Adjoining Land by virtue of this Site Lease.

7. Insurance. Each of the Lessor and Lessee shall procure and maintain during the Term of this Agreement all of the insurance required to be procured and maintained by them under the Biogas Purchase Agreement.

8. Lessee's Covenants. Lessee hereby covenants as follows:

8.1. Requirements of Governmental Agencies. Lessee, at its expense, shall comply in all material respects with valid laws, ordinances, statutes, orders and regulations of any Governmental Authority applicable to the RNG Facility and the RNG Interconnection Pipeline. Lessee shall have the right, in its sole discretion, to contest by appropriate legal proceedings, the validity or applicability to the RNG Facility Site, the Adjoining Land or the RNG Facility of any

law, ordinance, statute, order, regulation, property assessment or the like now or hereafter made or issued by any federal, state, local or other Governmental Authority. The Lessor will not interfere or may choose to cooperate in every reasonable way in such contest, at no out-of-pocket expense to the Lessor. Any such contest or proceeding shall be controlled and directed by Lessee.

8.2. Construction Liens. Lessee shall keep the RNG Facility Site and the Adjoining Land free and clear of all liens and claims of liens for labor and services performed on, and materials, supplies or equipment furnished to, the RNG Facility Site or the Adjoining Land in connection with Lessee's use of the RNG Facility Site and the Adjoining Land pursuant to this Agreement; provided, however, that if Lessee wishes to contest any such lien, Lessee shall, within ninety (90) days after it receives written notice of the filing of such lien, remove or bond over such lien from the RNG Facility Site and the Adjoining Land pursuant to Applicable Law.

8.3. Hazardous Materials. Lessee is not responsible for any Hazardous Materials on the RNG Facility Site or the Adjoining Land except to the extent introduced by Lessee. Lessee shall not violate and shall indemnify the Lessor against any violation by Lessee or Lessee's agents or contractors of any federal, state or local law, ordinance, or regulation relating to the generation, manufacture, production, use, storage, release or threatened release, discharge, disposal, transportation or presence of any Hazardous Materials on or under the RNG Facility Site or the Adjoining Land to the extent introduced by Lessee. For avoidance of doubt, Lessee is not responsible for emerging contaminants, including but not limited to, pharmaceutical, microplastics, and per- and polyfluoroalkyl substances (PFAS) ("Emerging Contaminants") or the handling, disposal or removal of Emerging Contaminants in landfill leachate, equipment, materials, or the environment.

8.4. Nuisance Control

(a) [The Parties shall work together to establish a mutually agreeable odor control plan (the "Odor Control Plan") within [90] days of the Effective Date. Such Odor Control Plan shall be subject to annual review and revision prior to the Start Date. The Lessor shall review and approve the final revised Odor Control Plan prior to the start of operations of the RNG Facility. [In no event shall the RNG Facility start commercial operation until the Lessor has provided written approval of the final revised Odor Control Plan.]

(b) Noise and Light Pollution. Lessee will ensure that noise and light pollution from the Leased Premises meets City of Virginia Beach Code requirements.

9. Lessor's Representations, Warranties and Covenants. The Lessor hereby represents, warrants and covenants as follows:

9.1. Quiet Enjoyment. Lessee shall have the quiet use and enjoyment of the RNG Facility Site and the Adjoining Land in accordance with the terms of this Agreement without any interference of any kind by the Lessor or any person claiming by, through or under the Lessor, subject, however, to the general rights herein reserved by the Lessor. The Lessor and its activities on the RNG Facility Site and the Adjoining Land and any grant of rights the Lessor makes to any other person shall not interfere with any of Lessee's activities pursuant to this Agreement.

9.2. Title to RNG Facility Site. Except as disclosed on Attachment 3 attached hereto and by this reference made a part hereof, the Lessor's fee simple title to the RNG Facility Site and the Adjoining Land is free and clear of all liens, encumbrances, easements, leases, mortgages, deeds of trust, security interests, fractured interests, mineral, oil or gas rights, options to purchase or lease, claims, and disputes (collectively, "Liens"), and there are no tenants on or other parties in possession of the RNG Facility Site or the Adjoining Land. The Lessor shall not grant, create, allow or suffer any Lien or other encumbrance on title to the RNG Facility Site having priority senior to this Agreement, except those matters set forth on Attachment 3.

9.3. Condition of RNG Facility Site. There are no physical conditions of the RNG Facility Site or the Adjoining Land, nor any other adverse facts or conditions relating to the RNG Facility Site or the Adjoining Land or any portion thereof, including any Existing Environmental Conditions, actually known to the Lessor that could delay, interfere with or impair Lessee's development and operation of the RNG Facility or the RNG Interconnection Pipeline or the exercise of any of Lessee's other rights under this Agreement, or which could, with the passage of time, the giving of notice or both, have such an effect. The Lessor has disclosed to Lessee in writing any and all Existing Environmental Conditions actually known to the Lessor and improvements on, under or over the RNG Facility Site or the Adjoining Land. No improvements currently exist on, under or over the RNG Facility Site or the Adjoining Land that have been constructed or installed without all necessary and proper permits, licenses and approvals.

9.4. No Interference. The Lessor's activities and any grant of rights the Lessor makes to any person or entity, whether located on the RNG Facility Site or the Adjoining Land or elsewhere, shall not, currently or prospectively, interfere with: the construction, installation, maintenance, operation or decommissioning of the RNG Facility or the RNG Interconnection Pipeline; access over the RNG Facility Site or the Adjoining Land to such RNG Facility and the RNG Interconnection Pipeline; any Development Activities; or the undertaking of any other activities permitted hereunder or under the Biogas Purchase Agreement.

9.5. Siting and Setbacks. The RNG Facility and the RNG Interconnection Pipeline shall be sited upon the RNG Facility Site or the Adjoining Land at a location specified in Attachment 1 and 2 hereto. To the fullest extent applicable and permitted by law, the Lessor waives enforcement of, and any and all rights it may have to pursue any remedies under, any state, zoning or local rules, ordinances or requirements related to siting of the RNG Facility and the RNG Interconnection Pipeline upon the RNG Facility Site or the Adjoining Land, including setback requirements applicable to the RNG Facility or the RNG Interconnection Pipeline from lot lines and improvements, and agrees not to bring any complaint, suit or action or intervene in any investigation or inquiry by any person or entity with respect thereto. The Lessor agrees to use commercially reasonable efforts to assist, cooperate and participate in any proceeding and/or petition prepared by Lessee in connection with any modification or variance to an existing siting or setback requirement, including but not limited to bringing such action, or filing such petition, in the name of the Lessor.

9.6. Cooperation. The Lessor shall cooperate with Lessee, at no out-of-pocket expense to the Lessor, in complying with or obtaining any land use permits and approvals, building permits, environmental impact reviews or any other approvals required for the financing, construction, installation, replacement, relocation, maintenance, operation or removal of the RNG Facility and

the RNG Interconnection Pipeline, including execution of applications for such approvals. The Lessor shall make available to Lessee copies of all field tiling surveys, plans, entitlement-related studies, and other geotechnical and other site assessments, surveys, environmental assessments, reports, test results, correspondence to or from any Governmental Authority, and other such records of the Lessor relating to the RNG Facility Site and the Adjoining Land.

9.7. No Litigation. No litigation is pending, and, to the Lessor's knowledge, no actions, claims or other legal or administrative proceedings are pending, threatened or anticipated with respect to, or that could affect, the RNG Facility Site or the Adjoining Land, this Agreement or Lessee's rights hereunder.

9.8. Hazardous Materials. The Lessor represents and warrants to Lessee that except for any Existing Environmental Conditions that have been disclosed pursuant to Section 9.3 of this Agreement: (a) the RNG Facility Site is not in any violation of any Applicable Law related to Hazardous Materials, and the Lessor has not received any communication from any Governmental Authority alleging that the RNG Facility Site is in violation of any Applicable Laws relating to the generation, manufacture, production, use, storage, release or threatened release, discharge, disposal, transportation or presence of any Hazardous Materials on or under the RNG Facility Site; and (b) the RNG Facility Site has not been previously used for the production, generation, transportation, treatment, storage, disposal or use of Hazardous Materials. To the extent permitted under Applicable Law, the Lessor shall indemnify and hold Lessee harmless against any (i) breach by the Lessor of the foregoing, representations and warranties; (ii) any violation of, or liability arising under, any Applicable Laws relating to the generation, manufacture, production, use, storage, release or threatened release, discharge, disposal, transportation or presence of any Hazardous Materials on or under the RNG Facility Site, except to the extent that such violation is a direct result of Lessee's activities on the RNG Facility Site; and (iii) costs (including reasonable attorneys' fees), losses, damages, fines, penalties, judgements or liabilities arising from the Existing Environmental Conditions.

9.9. Certain Notifications. The Lessor shall promptly notify Lessee in writing of, and shall deliver to Lessee, immediately upon receipt, copies of any notices or communications received by the Lessor relating to: (i) compliance with or violation of laws, ordinances, statutes, orders and regulations applicable to the RNG Facility, the RNG Interconnection Pipeline, the RNG Facility Site, the Adjoining Land or Lessee's Development Activities; (ii) compliance with or violation of laws, ordinances, statutes, orders and regulations relating to Hazardous Materials on the RNG Facility Site or the Adjoining Land; (iii) the filing or threatened filing of any construction or mechanic's lien against the RNG Facility, the RNG Interconnection Pipeline or any interest in the RNG Facility Site or the Adjoining Land, whether or not arising through Lessee; and (iv) any litigation or other proceeding filed or threatened in relation to the RNG Facility, the RNG Interconnection Pipeline, Lessee's Development Activities on the RNG Facility Site or the Adjoining Land, this Agreement or any interest of the Lessor or Lessee in the RNG Facility Site or the Adjoining Land or hereunder.

9.10. Lessor's Authority. The Lessor is the sole owner of the RNG Facility Site and the Adjoining Land, holds marketable title to such RNG Facility Site and has the unrestricted right and authority to execute this Agreement and to grant to Lessee the rights granted hereunder. The Lessor owns all of the oil, gas, and other minerals in, on, under or that may be produced from the

RNG Facility Site or the Adjoining Land, howsoever drilled, mined or produced. Each person signing this Agreement on behalf of the Lessor is authorized to do so. When signed by the Lessor, this Agreement constitutes a valid and binding agreement enforceable against the Lessor in accordance with its terms. The Lessor is not the subject of any bankruptcy, insolvency or probate proceeding.

9.11. Security. The Lessor shall provide security for the RNG Facility Site and Adjoining Land to the extent of its normal security procedures, practices, and policies that apply to the Lessor's Property. The Lessor will advise Lessee as quickly as reasonably practicable upon observing any damage to the RNG Facility or the RNG Interconnection Pipeline. Upon the request of Lessee, the Lessor shall, as quickly as reasonably practicable, send a person to observe the condition of the RNG Facility Site, the RNG Interconnection Pipeline, and the RNG Facility and report back to Lessee any indications of any damage, vandalism, breach of security or other irregularity or abnormality.

10. Assignment by Lessee. Lessee may sell, assign, or transfer this Agreement or any interest it may have hereunder with the prior written consent of Lessor, not to be unreasonably withheld, conditioned, or delayed (i) by Lessee to the Financing Parties, as collateral security, (ii) by Lessee to a purchaser of the RNG Facility and RNG Interconnection Pipeline or the ownership interests in Lessee or (iii) by Lessee to an Affiliate of Lessee; provided, however: that except as expressly provided in (i) through (iii) above in this Section 10, no Party may assign or transfer this Agreement, in whole or in part, except upon the prior written consent of the other Party; provided, further, that any assignment under this Section 10 shall be subject to any required approvals from any applicable Governmental Authorities. Nothing herein shall be construed as creating any personal liability on the part of any officer or agent of the Lessee or Lessor.

11. Default and Termination.

11.1. Effect of Termination or Expiration. Upon termination, Lessee shall remove the facilities and equipment associated with the RNG Facility and the RNG Interconnection Pipeline, and other personal property owned, located, installed or constructed by or on behalf of Lessee on the RNG Facility Site and the Adjoining Land; provided, that, Lessee may abandon such facilities and equipment only with the prior written consent of the Lessor, not to be unreasonably withheld, conditioned, or delayed.

11.2. Default by Lessor. In the event that the Lessor fails to comply with or perform any or all of the obligations, covenants, warranties or agreements to be performed, honored or observed by the Lessor hereunder, or interferes with Lessee's use of the RNG Facility Site or the Adjoining Land in accordance with the terms of this Agreement, which default continues for more than thirty (30) days after Lessee's delivery of written notice to the Lessor specifying such default, or if such default is of a nature to require more than thirty (30) days for remedy and continues beyond the time reasonably necessary to cure (and the Lessor has not undertaken procedures to cure such default within such thirty (30) day period and diligently pursued such efforts to complete such cure), Lessee may exercise any right or remedy available to Lessee at law or in equity, including but not limited to obtaining an injunction.

11.3. Default by Lessee. In the event that the RNG Facility ceases to operate or the Lessee fails to comply with or perform any or all of the obligations, covenants, warranties or agreements to be performed, honored or observed by the Lessee hereunder or under the Biogas Purchase Agreement, which default continues for more than thirty (30) days after Lessor's delivery of written notice to the Lessee specifying such default, or if such default is of a nature to require more than thirty (30) days for remedy and continues beyond the time reasonably necessary to cure (and the Lessee has not undertaken procedures to cure such default within such thirty (30) day period and diligently pursued such efforts to complete such cure), Lessor may exercise any right or remedy available to Lessor at law or in equity, including but not limited to obtaining an injunction.

11.4. Termination. In the event that the Start Date under the Biogas Purchase Agreement has not occurred by July 31, 2028, this Agreement may be terminated by either Party.

12. Indemnification. To the extent permitted by Applicable Law, each Party shall indemnify and hold the other Party harmless from any claims, losses, damages, or costs, including reasonable attorney's fees and litigation expenses, arising out of damage to real or personal property or the death or physical injury of any person to the extent that such Party's negligence caused such damage or injury. Such indemnity obligation shall not apply to the extent such claims, losses, damages, or costs are caused by the negligence or willful misconduct of the indemnified Party.

13. Miscellaneous.

(a) Force Majeure. In addition to the rights set forth in this Agreement, if, after a good faith effort, Lessee is prevented by reason of a Force Majeure Event from (i) complying with any express or implied covenant of this Agreement; (ii) constructing, or causing construction of, the RNG Facility or the RNG Interconnection Pipeline on the RNG Facility Site; (iii) producing or transmitting, or causing to be produced or transmitted, electricity, gas, biogas, landfill gas or renewable natural gas; or (iv) performing any other activity reasonably related to and/or required by this Agreement, then, while so prevented, restricted or delayed, Lessee's obligation to perform hereunder shall be suspended and excused to the extent of prevention, restriction or delay, and Lessee shall not be liable for damages for failure to comply with such obligation. For the purposes of this Agreement, Force Majeure Event shall also include repowering or renovation of the RNG Facility or the RNG Interconnection Pipeline and the termination of any gas production or purchase agreement with respect to the RNG Facility Site, even though such action may be deemed to be within the control of Lessee. Lessee shall not be required to pay the amounts set forth in Section 4 or other rent to the extent a Force Majeure Event prevents, restricts or delays Lessee's ability to sell and be paid for renewable natural gas from the RNG Facility Site.

(b) Condemnation; Casualty. All payments made on account of any taking or threatened taking of the RNG Facility Site or the Adjoining Land or any part thereof in condemnation proceedings or by inverse condemnation by a government agency, Governmental Authority or private party under the exercise of the right of eminent domain may be made to the Lessor, except that Lessee shall be entitled to, and the Lessor shall request that such condemning authority make payment directly to Lessee of: (i) any removal and relocation costs of the RNG Facility and the RNG Interconnection Pipeline, (ii) any loss of or damage to RNG Facility and the RNG Interconnection Pipeline, (iii) the loss of use of any portion of the RNG Facility Site or the

Adjoining Land by Lessee and (iv) Lessee's lost profits, measured in each case with regard to the effect on Lessee's use of the RNG Facility Site and the Adjoining Land and any effect on Lessee's use of other property. If such condemning authority makes all payments to the Lessor, then the Lessor shall forthwith make payment to Lessee of the award to which Lessee is entitled. Lessee shall have the right to participate in any condemnation settlement proceedings and the Lessor shall not enter into any binding settlement agreement without the prior written consent of Lessee, which consent shall not be unreasonably withheld. Should title to or possession of all of the RNG Facility Site and the Adjoining Land be permanently taken or should a partial taking render the remaining portion of the RNG Facility Site or the Adjoining Land unsuitable for Lessee's use (as determined by Lessee), then Lessee may terminate this Agreement upon such vesting of title or taking of possession. In the event of a casualty that damages or destroys more than five percent (5%) of the RNG Facility or the RNG Interconnection Pipeline, or otherwise materially adversely affect Lessee's construction, installation or operation of the RNG Facility or the RNG Interconnection Pipeline, Lessee shall have the right to terminate this Lease upon written notice to the Lessor.

(c) Further Assurances; Cooperation. The Lessor shall fully support and cooperate with Lessee in the conduct of its Development Activities and the exercise of its rights hereunder (including with Lessee's efforts to obtain from any Governmental Authority or any other person or entity any environmental impact review, use permit, building permit, any other permit of any nature, entitlement, approval, authorization or other rights to sell, assign, transfer or finance the RNG Facility, the RNG Interconnection Pipeline, or interest in the Leasehold Estate or under this Agreement or obtain any financing), and the Lessor shall perform all such acts (including executing and delivering maps, instruments and documents within ten (10) days after receipt of a written request made from time to time by Lessee) as Lessee may reasonably specify to fully effectuate each and all of the purposes and intent of this Agreement. Without limiting the generality of the foregoing, within thirty (30) days (or ninety (90) days to the extent such action requires a Governmental Approval or other such action from a Governmental Authority or the Commission, or such longer time period as agreed by the Parties) after receipt of a written request made from time to time by Lessee, the Lessor shall: (a) enter into any reasonable amendment hereto (i) to correct an error in this Agreement, (ii) to amend the legal description attached hereto (including by replacing said legal description with a revised description prepared or provided by Lessee's surveyor or title company), that may be required by any financing party or in connection with the transfer by Lessee of the RNG Facility, the RNG Interconnection Pipeline, or interest in the Leasehold Estate or under this Agreement or (iii) to cause this Agreement to comply with Applicable Law; (b) execute and deliver to Lessee any owner's affidavit reasonably requested by any title company or attorney reviewing title to the RNG Facility Site or the Adjoining Land; (c) enter into any reasonable consent and non-disturbance agreement with any financing party, stating that the Lessor shall recognize the rights of the financing party and not disturb its possession of the RNG Facility Site or the Adjoining Land so long as it is not in default under this Agreement, and stating such other things as such financing party may reasonably request; (d) join in any grants for rights-of-way, easements and leases for gas, electric and other public utilities and facilities and any other gas production and sale purpose (including any power transmission line or gas pipeline) as Lessee may deem necessary or desirable for its development and use of the RNG Facility Site and the Adjoining Land; (e) join with Lessee in the signing of any protest, petition, appeal or pleading that Lessee may deem advisable to file or in requesting any and all zoning changes or any waivers, variances, land use permits or approvals, in each case as Lessee may deem necessary or desirable for Lessee's development and use of the RNG Facility Site and the Adjoining Land as

contemplated by this Agreement; and (f) if because of the nature of this Agreement Lessee is unable to qualify for any tax credit, renewable energy credit, environmental credit or any other benefit or incentive for renewable energy established by any local, state or federal government associated with the RNG Facility, the RNG Interconnection Pipeline, or the Development Activities, amend this Agreement or convert Lessee's interest in the RNG Facility Site and the Adjoining Land to a substantially similar interest that makes Lessee eligible for such credit, benefit or incentive (but only if such amendment does not materially adversely affect the Lessor's rights or obligations hereunder); and Lessee agrees to pay the Lessor's reasonable out-of-pocket expenses incurred by the Lessor in connection with the Lessor's cooperation pursuant to the foregoing provisions of this Section 13(c). Notwithstanding the foregoing, the Lessee understands that the Wastewater Treatment Facility was financed and refinanced with the proceeds of bonds the interest on which is excluded from gross income for federal income tax purposes (the "Bonds") and agrees that the Lessor shall not be required to take any action under this Agreement that would adversely affect the exclusion from gross income of interest on the Bonds.

(d) Dispute Resolution. Lessee and Lessor will attempt to settle any controversy, dispute, difference, or claim between them concerning the performance, enforcement, or interpretation of this Agreement (collectively, "Dispute") through direct discussion in good faith, but if unsuccessful, will submit any Dispute to non-binding mediation in the nearest major metropolitan area of the state where the RNG Facility is located. If the Parties are unable to agree on a mediator or a date for mediation, either Party may request JAMS, Inc. to appoint a mediator and designate the time and procedure for mediation. Such mediator shall be knowledgeable, to each Party's reasonable satisfaction, with respect to matters concerning construction law. Neither Lessee nor Lessor will file a lawsuit against the other until not less than sixty (60) days after the mediation referred to herein has occurred, unless one or both Parties is genuinely and reasonably concerned that any applicable statute of limitations is on the verge of expiring. Lawsuits shall be submitted to courts in the Commonwealth of Virginia.

(e) Governing Law. This Agreement and the construction and enforceability thereof shall be interpreted in accordance with the laws of the Commonwealth of Virginia without regard to conflict of laws principles. Each of Lessee and Lessor shall comply with all Applicable Law in connection with its performance hereunder.

(f) Consents; Approvals; Cooperation. Whenever Lessor's consent, approval, satisfaction or determination shall be required or permitted under this Agreement, and this Agreement does not expressly state that Lessor may act in its sole discretion, such consent, approval, satisfaction or determination shall not be unreasonably withheld, qualified, conditioned or delayed, whether or not such a "reasonableness" standard is expressly stated in this Agreement. Lessee shall have the right to subcontract and assign its obligations without notice to Lessor. Whenever Lessor's cooperation is required by Lessee in order to carry out Lessee's obligations hereunder, Lessor agrees that it shall act in good faith and reasonably in so cooperating with Lessee and/or Lessee's designated representatives or assignees or subcontractors. Lessor shall furnish decisions, information, and approvals required by this Agreement in a timely manner so as not to delay Lessee's performance.

(g) Independent Contractors. The relationship of the Parties hereunder shall be that of independent contractors. Nothing in this Agreement shall be deemed to create a partnership, joint venture, fiduciary, or similar relationship between the Parties.

(h) Severability. In the event that any clause, provision, or portion of this Agreement or any part thereof shall be declared invalid, void, or unenforceable by any court having jurisdiction, such invalidity shall not affect the validity or enforceability of the remaining portions of this Agreement unless the result would be manifestly inequitable or materially impair the benefits intended to inure to either Party under this Agreement.

(i) Complete Agreement. It is understood and agreed that the Project Documents contain the entire agreement between the Parties relating to all issues involving the subject matter of the Project Documents. No binding understandings, statements, promises or inducements contrary to the Project Documents exist. The Project Documents supersede and cancel all previous agreements, negotiations, communications, commitments and understandings with respect to the subject matter hereof, whether made orally or in writing. Each of the Parties expressly warrants and represents to the other that no promise or agreement that is not herein expressed has been made to the other and that neither Party is relying upon any statement or representation of the other that is not expressly set forth in the Project Documents. Each Party hereto is relying exclusively on the terms of the Project Documents, its own judgment, and the advice of its own legal counsel and other advisors in entering into the Project Documents.

(j) Headings. The captions and titles in this Agreement are for convenience only and shall not affect the interpretation or meaning of this Agreement.

(k) Counterparts. This Agreement may be executed in any number of counterparts, all of which when taken together shall constitute one single agreement between the Parties.

(l) Notices. All notices to be given by either Party to the other shall be in writing and mailed by certified mail, return receipt requested, or sent by a courier service which renders a receipt upon delivery, or sent by electronic mail, addressed as set forth below, or at such other addresses as either Party may hereinafter designate by a notice to the other. Notices are deemed delivered upon actual receipt, and the signed return receipt or courier receipt shall be prima facie proof thereof.

To Lessee:

Virginia Natural Gas, Inc.
544 S. Independence Boulevard
Virginia Beach, VA 23452
Attention: Scott Carter
Telephone: 404-584-4010
Email: sccarter@southernco.com

with a copy to:

Southern Company Gas

10 Peachtree Place NE, Suite 1000
Atlanta, GA 30309
Attention: SVP & General Counsel
Telephone: 404-584-3260
Email: legalbox@aglresources.com

To Lessor:

Hampton Roads Sanitation District
1434 Air Rail Avenue
Virginia Beach, Virginia 23455
Attention:_____
Email:_____

[Signatures follow.]

The Parties have signed this Site Lease Agreement as of the Effective Date set forth above.

HAMPTON ROADS SANITATION DISTRICT	VIRGINIA NATURAL GAS, INC.
_____	_____
By:	By:
Name:	Name:
Title:	Title:

ATTACHMENT 1

Lessor Property

[To be provided based on final designs.]

ATTACHMENT 2

RNG Facility Site Adjoining Land

[To be provided.]

ATTACHMENT 3

Title Matters

[To be provided.]

Resource: Steve de Mik

AGENDA ITEM 16. – May 27, 2025

Subject: Estimating the Economic Impact of HRSD's Sustainable Water Infrastructure for Tomorrow (SWIFT) Project Study Agreement

Recommended Action: Authorize the General Manager to enter into an agreement with the Old Dominion Research Foundation through Dr. Vinod Agarwal and Dr. Robert McNab from the Dragas Center for Economic Analysis and Policy and the Strome College of Business (collectively, ODU) in the amount of $266,790.

Brief: The agreement will be for ODU to study and estimate some of the economic impacts of HRSD's SWIFT project on Hampton Roads and the Commonwealth of Virginia. The ODU proposal is attached to this agenda item.

The first phase of the study will summarize the history of HRSD, how HRSD operates as a regional entity and highlight how regional collaboration through HRSD provides an example for other entities to follow in Hampton Roads. They will also examine and discuss: the regional Consent Decree and the savings from the regionalized approach of addressing capacity-related sanitary sewer overflows; the need for the integrated plan and SWIFT; the economic value of mitigating local stormwater retrofits that would have otherwise been required; and estimate the economic impact associated with the projected construction and operation of SWIFT.

The second phase of the study will examine the potential value of replenishing groundwater supply by first reviewing the extant literature on groundwater replenishment to develop a framework for analysis. Using estimates of modeled groundwater replenishment from HRSD, they will develop a multi-year analysis of the potential value, conditioned on operational assumptions, of SWIFT's operations.

A report summarizing the first phase of the study will be provided to HRSD no later than December 15, 2025. The second phase of the project will be provided to HRSD no later than June 1, 2026.

This proposal does not include the economic effects associated with a rebound in land subsidence due to SWIFT or the potential for economic growth associated with SWIFT by allowing for an increase in water permitting to attract new companies and industries to eastern Virginia while retaining those already here. This would be another major undertaking and is beyond the scope of this study.

OLD DOMINION UNIVERSITY
Strome College of Business

STROME COLLEGE OF BUSINESS

DRAGAS CENTER FOR ECONOMIC ANALYSIS AND POLICY
2042 Constant Hall
Norfolk, VA 23529-0218
Phone: (757) 683-3153
Fax: (757) 683-5639

For: Jay Bernas, Hampton Roads Sanitation District

From: Robert M. McNab, Director, Dragas Center for Economic Analysis and Policy, and Vinod Agarwal, Deputy Director, Dragas Center for Economic Analysis and Policy, Strome College of Business, Old Dominion University, Norfolk, Virginia

Date: 13 May April 2025

Cc: Dr. Anna Makhorkina, Chief Administrative Officer, Dragas Center
Old Dominion University Research Foundation

Re: Estimating the Economic Impact of HRSD's SWIFT Project

1. The Dragas Center for Economic Analysis and Policy in the Strome College of Business at Old Dominion University (Dragas Center) is pleased to submit this proposal to Hampton Roads Sanitation District (HRSD) for a project to estimate the economic impact of the Sustainable Water Initiative for Tomorrow (SWIFT) project.

2. This Scope of Work (SOW) first proposes to examine the history of HRSD, discuss the history and need for the SWIFT project, estimate the economic benefits of mitigating local retrofits to stormwater systems through the development of the SWIFT project, and estimate the economic impacts associated with the construction and operation of the SWIFT project over the next decade. The second phase of the project will focus on the potential value of future groundwater replenishment through the SWIFT project.

3. **The total proposed budget for this SOW is: $266,790**

4. The proposed period of performance is 1 July 2025 – 30 June 2026.

5. The period of performance may be extended upon mutual agreement of the Hampton Roads Sanitation District and the Dragas Center for Economic Analysis and Policy. The extended period of performance allows for payment for academic faculty across academic years.

6. In the first phase of the project, we propose to discuss the history of HRSD. This component of the project will provide a timeline for the development of HRSD and cover how HRSD operates as a regional entity. This component will also highlight how regional collaboration through HRSD provides an example for other entities to follow in Hampton Roads.

7. Continuing with the first phase of the project, we propose to also examine the need for SWIFT. In the first decade of this century, state and federal agencies notified HRSD and localities in Hampton Roads that they were on an unsustainable path with respect to Sanitary Sewer Overflows. HRSD and the Commonwealth entered into a Consent Order in December 2001, followed by HRSD receiving notification from the Environmental Protection Agency (EPA) in November 2006. Local governments and the Commonwealth then entered a CO in September 2007, followed by HRSD, EPA, and the Commonwealth entering into a Consent Decree in February 2010. If localities pursued improvements on their own, the estimated cost exceeded $3.2 billion in 2013 in 2013 Dollars. A regionalized effort was estimated to cost in excess of $2.1 billion in 2013 dollars. The second component of the project will estimate the economic value, in 2024 dollars, of the mitigation of local stormwater retrofits that would have otherwise been required under existing agreements.

8. The first phase of the project will conclude with estimates of economic impact associated with the projected construction and operation of SWIFT. The SWIFT project will inject capital infrastructure into the Hampton Roads region, resulting in an increase in jobs during the construction phase, and also during the operation phase. The SWIFT project is also projected to result in significant savings for localities while improving environmental outcomes.

9. The second phase of the project will examine the potential value of replenishing groundwater supply in HRSD's area of responsibility. The SWIFT project, when completed, will reduce pollutant load relative to the localized and regionalized alternatives. The SWIFT project is also expected to replenish groundwater supply in Hampton Roads, reducing saltwater intrusion. We will first review the extant literature on groundwater replenishment to develop a framework for analysis. Using estimates of groundwater replenishment from HRSD, we will develop a multi-year analysis of the potential value, conditional on operational assumptions, of the value of SWIFT's operations.

10. We request that HRSD assign a Contracting Officer's Technical Representative (COTR) to work with the Dragas Team on the identification of data, Subject Matter Experts, and other items of interest. The Dragas Center will work with the COTR to develop a data request memorandum to fully document data requests and desired outputs with regards to these specific element requests. The ability of the Dragas Center to successfully reach the milestones identified below requires the production of aggregate data on a timely basis.

11. July 2025: Project scope and design. We propose to closely collaborate with the representatives of HRSD to ensure the objectives of the project, study area, and proposed outputs are tightly aligned with preferences. The output of this phase will be agreed upon project scope, inclusive of milestones, and proposed deliverables.

12. July 2025 – September 2025: Literature review and data acquisition. We propose to review and synthesize the extant literature on economic impact analysis with specific focus on the economic impacts associated with regional sanitation districts and/or authorities. We will discuss our draft synthesis, how it impacts our proposed course of analysis and data acquisition needs, and our plan for the analytical phase with HRSD at frequent intervals to ensure goal alignment. Our literature review and data acquisition will be available for comment and approval as the output for this phase of the proposed project, if HRSD desires to review the interim product at this point in the project.

13. First Interim Report: We propose to provide the first interim project report to HRSD at the completion of the first three months of the project. The interim project report will detail what data has been acquired, what data have been collected, any responses received from SMEs, and identify challenges to the completion of the project.
    a. We propose to deliver the first interim report no later than 1 September 2025.
    b. We propose the first interim report consist of an overview of efforts to date, challenges to the completion of the project, data acquired, identified opportunities for additional data, and additional opportunities for discussion with HRSD.
    c. The first interim report will be a memorandum outlining the above topics.

14. October 2025 – December 2025: Analysis and Report Writing. During this phase, we will continue to acquire data and engage in the programming necessary to generate economic impact estimates. We will share our initial estimates with HRSD and engage in discussions as to the continued evolution of our analysis. We will ensure that our assumptions adhere to the literature and practice and are transparently documented to allow for replication of our analysis in the future. The submission of the draft estimates (including the previously submitted literature review) and methodology will be the output of the phase of the proposed project.

15. First Report Delivery: We will deliver a report covering the history of HRSD, the need for SWIFT, and the economic impacts associated with the construction and operation.
    a. We propose to deliver the first report no later than 15 December 2025.
    b. The report will also allow HRSD to provide feedback on our report structure and align our writing with the goal of HRSD to communicate its economic impacts to stakeholders at the regional and state level.
    c. The report will include a one-page summary for community engagement.

16. January 2026 – May 2026: Groundwater replenishment study. In the second phase of the project, we will review the extant literature on groundwater replenishment to develop a framework to estimate the benefits to Hampton Roads of SWIFT. Using estimates of groundwater replenishment provided by HRSD, we will estimate the economic value of replenishment and estimate the net benefits of SWIFT in this regard. We will continue to engage with HRSD to ensure that our framework of analysis adheres to best practice in the industry and consult with other experts to ensure that our analysis is as representative as feasible given future uncertainties regarding groundwater intrusion.

17. Second Report Delivery: We will deliver a report estimating the value of reducing groundwater intrusion and the replenishment of groundwater supply no later than 1 May2026. This deliver will provide HRSD sufficient opportunity to comment on the draft report and to ready the final report for delivery no later than 1 June 2026.

18. June 2026: Delivery and Closeout. We will complete and submit the final report at the end of the project. Upon acceptance of the final report, we will engage in project closeout. HRSD will retain ownership of the final report and may modify the graphical format of the report for public release.

19. Any and all work products do not represent the official viewpoint of the Commonwealth of Virginia or Old Dominion University.

20. We propose billing in the following increments:
    a. 25% on contract signing
    b. 25% on delivery of the first interim report
    c. 25% on delivery of the submission of the initial final report
    d. 25% on the acceptance of the initial final report

21. The principal investigators for this proposal are Professor Robert M. McNab and Professor Vinod Agarwal. Additional faculty may be employed depending on the needs of the project.

22. The Old Dominion University Research Foundation is responsible for proposal submission and billing.

23. This proposal is being submitted by the Dragas Center for Economic Analysis and Policy. The administrative point of contact for the technical content in this proposal is Dr. Anna Makhorkina, Chief Administrative Officer, Dragas Center for Economic Analysis and Policy, 2104 Constant Hall, Norfolk, VA, 23529, amakhork@odu.edu.

Resource: Charles Bott

AGENDA ITEM 17. – May 27, 2025

Subject: Data-Driven Process Control for Maximization of Energy and Resource Efficiency-C Partial Denitrification – Anammox (PdNA)
Grant Agreement (>$200,000)

Recommended Action: Approve the terms and conditions of a $240,000 grant agreement with AECOM for the DOE Award DE-EE0009508 for the compensation of hours worked (described in Exhibit C, pages 124-125) on PdNA research (detailed in Exhibit B, pages 121-122) and authorize the General Manager to execute same, substantially as presented, together with such changes, modifications and deletions as the General Manager may deem necessary.

Regulatory Requirement: None.

Project Description: This project will demonstrate PdNA in several full-scale implementations at the James River and Nansemond Treatment Plants. HRSD will compare “heavy” moving-integrated fixed film activated sludge (IFAS) versus “traditional” moving IFAS and “traditional” moving IFAS versus fixed IFAS retrofit methods at full-scale. HRSD will investigate the potential to add a swing zone upstream of the PdNA reactors to manage carbon input for improved nitrification and AvN control at full-scale. In addition, HRSD will test the impacts of ethanol and methanol as carbon sources in a pilot PdNA reactor. After conducting the demonstrations at James River, HRSD will use the lessons learned towards the design and commissioning of the 50 MGD PdNA full-scale upgrade at the Nansemond Treatment Plant.

Agreement Description: The attached agreement between HRSD and AECOM is for HRSD’s participation as a subrecipient in the DOE Award DE-EE-0009508.

Project Funding Agreement

25S32959RL03

PO# 1703091

DOE Award Number DE-EE0009508, CFDA 81.086

"Data-Driven Process Control for Maximization of Energy and Resource Efficiency -C"

This Project Funding Agreement (hereafter "PFA") is entered on January _, 2025, (the "Effective Date") by and among **AECOM Technical Services, Inc** ("AECOM"), whose place of business is located at 7650 W. Courtney Campbell Cswy. Tampa, FL 33607, and **Hampton Roads Sanitation District** ("Sub-recipient" or "HRSD"), whose principal place of business is located at 1434 Air Rail Avenue, Virginia Beach, Virginia 23455.

AECOM has selected said Sub-recipient to receive a research and development grant from Department of Energy ("DOE"), Office of Energy Efficiency and Renewable Energy ("EERE") as more specifically detailed in this PFA. The parties mutually agree as follows:

I. DEFINITIONS. The following defined terms shall apply in this PFA:

A. "Cost Share" the portion of allowable costs that the Sub-recipient, Sub-recipient or third-party participant funds toward completing the AECOM Project. Cost share includes any non-federal cash and non-cash Project funding from the Sub-recipient and Sub-recipients, and non-federal cash funding from participants. All Cost Share must comply with Code of Federal Regulations 2 CFR Part 200.306.

B. "Co-Principal Investigator-Co-PI" An individual involved with the Principal Investigator in the scientific development or execution of a Project. A Co-PI typically devotes a specified percentage of time to the Project and is considered "key personnel." but is not a part of the Sub-recipient's organization. The designation of a Co-PI, if applicable, does not affect the Principal Investigator's roles and responsibilities as specified in this agreement.

C. "Deliverables" are the items being delivered to AECOM.

D. "Educational Purpose" is defined as any non-commercial and non-profit use of Intellectual Property, including, but not limited to, a AECOM owned publication or report utilized as a research tool and/or reference, to inform The Water community, water utility personnel, or the public of the outcome of this Project.

E. "Effective Date" means the date on the first line of this PFA.

F. "Expenses" means any AECOM approved expenses associated with the research and development performed by the Sub-recipient for the Project.

G. Intellectual Property – "IP" is all rights to copyrights, trademarks, service marks, patents, trade secrets, know how, and confidential information, including the right to enforce, divest, license, seek registration, prosecute infringers, and commercially or otherwise exploit such rights.

H. "PAC" is the Project Advisory Committee that consists of independent volunteers selected by AECOM to provide technical review, assistance, and/or expertise related to the Project. The number of volunteers to serve on the PAC will be determined by AECOM.

I. "Participating utility" is a utility that may or is providing data or information for the research effort -- not survey respondents or workshop participants

J. "Party or "Parties" one or more of the participants in this research Project who has an interest in the research outcome.

K. "Principal Investigator" or "PI" is the Sub-recipient's employee identified in Exhibit B, who is primarily responsible for ensuring that all terms and conditions of this PFA are met and to whom AECOM shall give all notices intended for the Sub-recipient.

L. "Project" is the work to be completed by the Sub-recipient, as described more specifically in the Project Proposal attached hereto as Exhibit B.

M. "Project (Award) Funds" is the aggregate maximum amount of cash award which AECOM agrees to provide to Sub-recipient to fund its performance of the Project pursuant to this PFA.

N. "Project Coordinator" is the AECOM staff member who supports the Research Program Manager.

O. "Project Proposal" is the final and written description of the Project as described in Exhibit B, to be undertaken by Sub-recipient for which the Project Funds is granted and performance is required and monitored pursuant to this PFA.

P. "Reports" are the Periodic Reports, Draft Report, and/or Final Report, individually or collectively.

Q. "Research Program Manager" is the AECOM staff member whose responsibility is to manage the development, research, and technology related to the Project in coordination with the Principal Investigator to ensure the effective delivery of all related research.

R. "Sub-recipient" is any individual or entity identified by Sub-recipient in the Project Proposal as assisting in the performance of the Project under this PFA.

S. "Sub-recipient" is the awarded entity that performs the substantive, programmatic work or an important or significant portion of the Project.

T. "Subject Data" shall mean all non-patented original and raw research data, notes, computer programs, writings, sounds recordings, pictorial reproductions, drawings or other graphical representations and works of any similar nature originated by the Sub-recipient in performance of

this PFA, but specifically excluding AECOM Intellectual Property or Sub-recipient Intellectual Property as defined within this PFA. Subject Data also excludes financial reports, costs, receipts, analysis, and similar information incidental to contract administration.

U. "Work Product" is copyrightable works of authorship created by or on behalf of the Sub-recipient or its Sub-recipients during performing under this PFA or the Project, including, without limitation, the Scope of Work, all Deliverables, Periodic Reports, Draft Reports, the Final Report, all interim drafts of the foregoing, and any computer software and related documentation developed under the Project.

II. GENERAL OBLIGATIONS OF THE PARTIES

A. The Sub-recipient.

1. The Sub-recipient agrees to complete the research, prepare written Reports, deliver the Deliverables to AECOM, and perform such other functions, all in accordance with the schedules and other requirements set forth in the Exhibits and this PFA. The Sub-recipient shall itself, and shall require all its Sub-recipients to, perform the Project and all other activities related thereto in full compliance with all laws, regulations, ordinances, and other requirements governing them.

2. Sub-recipient may not use Project Funds received under this PFA as a match or cost-sharing vehicle to secure U.S. Federal monies or money from any other sources, unless otherwise expressly stated and fully disclosed in the Project Proposal. The Sub-recipient may not use any portion of the Project Funds for any purpose other than as detailed in the Project Proposal, and as is necessary to perform the Project.

3. All disbursements of Project Funds will be paid directly to Sub-recipient. Sub-recipient shall remain solely responsible for payment of its Sub-recipients, and for procurement of all equipment, materials, and other resources necessary for performance of the Project hereunder.

B. AECOM. AECOM will disburse the Project Funds to the Sub-recipient as detailed in this PFA and Exhibit C. AECOM's disbursement of the Project Funds may further be subject to the AECOM's receipt of its own funding from appropriate sources.

III. DISBURSEMENT OF PROJECT FUNDS

A. Consideration – Standard Hourly Rates Method of Payment: In consideration for undertaking and completing this Work, AECOM shall pay to SUB-RECIPIENT an amount equal to the cumulative hours charged to the project by each class of SUB-RECIPIENT's employee multiplied by standard hourly rates for each applicable billing class for all services performed on the project, plus reimbursable expenses and SUB-RECIPIENT's Sub-recipient's charges, if any, which amount shall not exceed the amount shown on the signature page herein, in accordance with the payment terms and conditions of the Subcontract Documents, inclusive of Article 6 and Appendix C (the "Subcontract Price"), unless adjusted by a Modification or Change Order to this Subcontract, or terminated as provided herein. Appropriate amounts have been incorporated into the not-to-exceed

price to account for labor, overhead, profit, and reimbursable expenses, and is inclusive of all federal, state, and local taxes, duties, and fees.

Standard Hourly Rates: SUB-RECIPIENT's standard hourly rates are set forth in Appendix D and include salaries and wages paid to personnel in each billing class plus the cost of customary and statutory benefits, general and administrative overhead, non-Project operating costs, and operating margin or profit.

Invoicing: The amounts billed for SUB-RECIPIENT's services under Article 5.1, above, shall be based on the cumulative hours charged to the Project during the billing period by each class of SUB-RECIPIENT employee multiplied by standard hourly rates for each applicable billing class, plus reimbursable expenses, and SUB-RECIPIENT's charges, if any.

Sub-recipient Charges: Whenever SUB-RECIPIENT is entitled to compensation for the charges of SUB-RECIPIENT's, those charges shall be the amounts billed by SUB-RECIPIENT's to SUB-RECIPIENT (backup required).

Reimbursable Expenses: The amounts payable to SUB-RECIPIENT for reimbursable expenses shall be the Project-related internal expenses actually incurred or allocated by SUB-RECIPIENT, plus all invoiced external reimbursable expenses allocable to the Project (backup required).

Not-To-Exceed Amount: Should it become apparent to SUB-RECIPIENT that the not-to-exceed amount may be exceeded, SUB-RECIPIENT shall give AECOM written notice thereof. Promptly thereafter, AECOM and SUB-RECIPIENT shall review the matter of services remaining to be performed and compensation for such services. AECOM shall either agree to such compensation exceeding said not-to-exceed amount, or AECOM and SUB-RECIPIENT shall agree to a reduction in the remaining services to be rendered by SUB-RECIPIENT so that total compensation for such services will not exceed said not-to-exceed amount when such services are completed. If SUB-RECIPIENT exceeds the not-to-exceed amount before AECOM and SUB-RECIPIENT have agreed to an increase in the compensation due SUB-RECIPIENT or a reduction in the remaining services, the SUB-RECIPIENT shall be solely responsible for any and all costs and expenses incurred by SUB-RECIPIENT and SUB-RECIPIENT's to the extent, if any, in excess of the not-to-exceed amount.

B. Invoicing and Payments.

Payment: AECOM shall pay the undisputed portions of SUB-RECIPIENT's invoice within 10 calendar days of AECOM's receipt of the corresponding payment from Client (unless the Prime Contract requires AECOM to pay its subcontractors in a lesser time or a requirement under applicable law that cannot be waived requires payment in a lesser time) less any corresponding hold-back or retention set forth in the Prime Contract. Except to the extent prohibited by Law, receipt of payment of SUBCONTRACTOR's invoice by AECOM from Client is a condition precedent to AECOM's obligation to remit payment to SUB-RECIPIENT. SUB-RECIPIENT shall notify AECOM of any overpayment by AECOM within five (5) days after receipt of payment from AECOM and remit to AECOM such overpayment within ten (10) days thereafter.

Virtual Payment. AECOM's preferred payment method is by virtual credit card payment. Email APHelpdesk@aecom.com for details on how to get enrolled in AECOM's virtual credit card payment option. Upon acceptance by AECOM of the virtual credit card payment, SUB-RECIPIENT agrees to accept credit card payments via virtual payment without additional fees or surcharges of any kind to AECOM. SUB-RECIPIENT may be subject to fees in accordance with their existing agreement with the credit card merchant, which fees are the sole expense of the SUB-RECIPIENT and not reimbursable.

Electronic Funds Transfer (EFT) – Funds direct deposited in the banking institution provided by your company. Email APHelpdesk@aecom.com for details on how to get direct deposit set up. Upon acceptance of the EFT, SUB-RECIPIENT agrees to accept direct deposit without additional fees or surcharges of any kind to AECOM.

Withholding: AECOM may withhold amounts requested in one or more payment applications from SUB-RECIPIENT in whole or part if:

the Work is defective, or completed Work has been damaged, requiring correction or replacement;

the Subcontract Price has been reduced by change orders;

AECOM has been required to correct defective Work or complete the Work;

claims have been made against AECOM on account of SUB-RECIPIENT's performance or furnishing of the Work;

fines, penalties, liens, or other levy have been filed in connection with the Work, except where SUB-RECIPIENT has delivered a specific bond satisfactory to AECOM and the Client to secure the satisfaction and discharge of such liens;

the Client has exercised a set-off against payments to AECOM attributable to SUB-RECIPIENT's activities or performance of the Work; or SUB-RECIPIENT has defaulted under the terms of this Subcontract.

Travel: Local travel shall be at SUB-RECIPIENT's expense. Any travel to be reimbursed must be pre-approved in writing, or if granted orally, must be confirmed in writing in accordance with the terms and conditions herein. Local travel is hereby defined as travel within a fifty (50)-mile radius of SUB-RECIPIENT's local office. Approved travel required during the performance of this Subcontract shall be subject to the terms and conditions and applicable rates as set forth in federal travel regulations and negotiated as a separate cost.

Disallowed Payments: If any amount paid by AECOM to SUB-RECIPIENT is disallowed by the Client's cognizant audit agency or the contracting officer of the Prime Contract as an item of unallowable cost under the Prime Contract, SUB-RECIPIENT shall, upon written demand by AECOM, promptly repay to AECOM the disapproved amount. If AECOM is required, because of any action of the Client, to refund or credit to the Client any amount with respect to an item of cost for which AECOM has reimbursed SUB-RECIPIENT, SUB-RECIPIENT shall, upon written demand of AECOM, promptly repay to AECOM the disapproved amount. If, however, AECOM should recover any disallowed amount, or part thereof, AECOM shall pay such allocable amount to SUB-

RECIPIENT. SUB-RECIPIENT agrees that AECOM may retain, deduct, and/or offset monies due to AECOM pursuant to this Article from monies due to SUB-RECIPIENT under this Subcontract. SUB-RECIPIENT further agrees that AECOM retains the right to make such deduction or offset at any time prior to and including final payment, and that the imposition and deduction and/or offset of such monies shall not be subject to any notice or claim provisions of this Subcontract.

IV. COMPLIANCE MONITORING

A. Financial Management System. The Sub-recipient shall maintain an accounting system and accurate and complete accounting records that, at a minimum but without limitation, allow for the identification, tracking, and verification of costs, expenses, Cost Share, in-kind contributions, invoiced items, and funding received, all in a manner that is segregated and allocable solely to performance of the Project. All costs incurred must be supported by original receipts and be made available to AECOM upon request.

B. U.S. Federal Administrative, Cost and Audit Requirements. The Sub-recipient represents and certifies that the budget disclosures included in the Project Proposal and presented to AECOM were prepared by Sub-recipient in full compliance with AECOM Guidelines and all relevant U.S. laws, regulations and agreement terms and conditions related to U.S. Federal Financial Assistance including, but not limited to, 2 CFR 200 [U.S. Code of Federal Regulations Title 2 (Grants and Agreements) Part 200: Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (a/k/a/ Uniform Grants Guidance or UGG). Cost Principles specifically applicable for awards to for-profit organizations are set forth in the Federal Acquisition Regulations System (FARS, at 48 CFR 31.2) to determine allowable costs under AECOM Project funding agreements. Sub-recipient shall throughout the Project, and in the preparation of every invoice, report, and maintenance of its accounting system, remain in compliance with the above regulations. It shall be Sub-recipient's obligation to determine and comply with its governing cost principles and to ensure all of its Sub-recipients' invoices are equally in compliance with these requirements.

C. Record Retention. Sub-recipient shall retain all original books, receipts, and records pertinent to this PFA and the Project for at least three (3) years from the termination of this PFA.

D. Authorizing Statutes and Regulations

1. For each U.S., Federal grant program there are applicable Federal statutes and/or codified Federal program regulations and applicable administrative and policy rules that AECOM is authorized and obligated to implement as the Pass-Through-Entity (PTE) for which Sub-recipient is also solely responsible and which are hereby included by this reference in this PFA whether or not specifically referenced herein. This information is to be used by the Sub-recipient to determine the manner in which the work is performed under this PFA.

2. The Sub-recipient is solely responsible for obtaining, reviewing and understanding all federal rules, regulations and statutes applicable to federal funding and this Project, which federal rules, regulations and statutes are hereby included by this reference in this PFA. http://www.ecfr.gov/

3. In accordance with the US Federal funding for this Project, the Sub-recipient must report any and all survey costs related to this Project with each reimbursement request submitted to AECOM (See Exhibit C). In order to comply with the "Paperwork Reduction Act of 1995", all survey costs will be disbursed from AECOM funds. http://www.opm.gov/about-us/open-government/digital-government-strategy/fitara/paperwork-reduction-act-guide

E. Audit and Monitoring.

1. The Sub-recipient's use of the Project Funds under this PFA shall be in compliance with 2 CFR 200, as amended by 2 CFR part 910, Audit Requirements, and may be audited by AECOM and its designee. Furthermore, AECOM, itself and through a designee, to visit the Sub-recipient premises to observe, review, and monitor the Sub-recipient's performance of the Project, as well as its application and use of the Project Funds. Accordingly, following a two (2) business day prior notice from AECOM, the Sub-recipient shall provide AECOM and its designee access to its premises, technical staff, supervisors, knowledgeable personnel, computer systems and databases, assistance, original documents, including those required to be maintained under this PFA, and any information related to the Sub-recipient's use of the Project Funds and performance under this PFA, to enable AECOM's audit and monitoring. AECOM's audit rights shall survive termination of this PFA by three (3) years.

2. AECOM will keep any of Sub-recipient's proprietary financial, technical and/or scientific proposal information reviewed under this Section in confidence provided that such material is appropriately marked as "Confidential," was not already generally known to the public, is not required to be disclosed as a result of a legal proceeding, or applicable legal requirement, and was not already known to AECOM or others without a confidentiality obligation.

3. Any deficiencies or non-compliance in Sub-recipient's systems, procedures, record keeping, finances, and performance of other obligations under this PFA discovered in the audit, review or monitoring process, or discovered otherwise, may, at AECOM's option, require Sub-recipient to take corrective action that has been detailed by the Sub-recipient and approved by AECOM for the Sub-recipient to remedy the deficiency or noncompliance, or may result in AECOM exercising its termination rights under Section VII below.

4. If AECOM approves of the Sub-recipient's proposed corrective action plan, in connection with such approval it may require the Sub-recipient to submit additional periodic written verification that the corrective action plan has been implemented and continues to correct the targeted deficiencies and noncompliance. If the approved corrective action fails to correct the deficiencies within the time set by AECOM in its sole discretion, AECOM may exercise its termination rights under Section VII.

5. Nothing herein obligates AECOM to accept or approve a corrective action or to forbear from exercising its right to terminate this PFA. AECOM's right to termination shall be in addition to all other rights and remedies available to it at law or in equity.

V. PROCUREMENT STANDARDS

A. Procurement Standards. It is an express requirement under the Proposal Guidelines and this PFA that the Sub-recipient remain in compliance with the U.S. Federal standards for procurement under 2 CFR 200 Subpart D, Procurement Standards. These standards govern procedures for procurement of supplies, equipment, and other services, including Sub-recipients for which cost is incurred in whole or in part under this PFA. These standards include but are not limited to the following:

1. Sub-recipient procurement policies must adhere to the Uniform Grants Guidance;

2. Sub-recipient shall maintain and enforce with its officers, employees, and agents (including Sub-recipients) a code of conduct designed to enhance goodwill, ethics, and compliance with laws while performing under this PFA;

3. Sub-recipient shall conduct all procurement transactions in a manner that maximizes open and free competition and in compliance with the restrictions and limitations in this PFA;

4. Sub-recipient shall ensure that its Sub-recipients comply with the requirements and restrictions in this Section and in this PFA generally; and

5. Sub-recipient shall notify AECOM, within two (2) months of the Project start date of all Sub-recipient agreements executed between the Sub-recipient and the Sub-recipients identified in the Project Proposal.

VI. IP RIGHTS AND PUBLICATION

A. Work Product.

1. AECOM shall own all worldwide copyrights in all the Final Report. Subject to provisions of 2 CFR 200 Subpart D, Property Standards, Intangible Property (200.315); and 37 CFR 401 which are made part of this PFA by reference except where superseded by this Section VI or the U.S. Federal Grant Agreement, Sub-recipient shall and hereby does assign exclusively to AECOM all right, title, and interest in and to the Final Report and the copyrights embodied therein, and. the Sub-recipient may use without restrictions all data from the Final Report such as innovations, creations, processes, designs, methods, formulas, plans, technical data, and specifications. The use of this Intellectual Property as relates to the Final Report outside of the project will not be utilized by the Sub-recipient, if applicable, before AECOM has released the Final Report.

2. Distribution Permission. Upon request, AECOM will provide the Sub-recipient with five (5) hardcopies of the Final Report and a PDF. If the Final Report is published in a PDF format only, the Sub-recipient will receive the Final Report in PDF format. After publication and with AECOM's prior written approval, the Final Report may be copied, published, adapted, posted on an intranet or website, or disclosed in any manner by the Sub-recipient, any Sub-recipient or other third party. AECOM granting permission will not be unreasonably withheld.

3. AECOM encourages Project information distribution of this research. The request process outlined above enables AECOM to confirm accuracy of data distribution, and if needed,

redaction of any specific subscriber, utility, academic institution, or other contributing party's information to the Project to ensure the parties confidential information.

B. Inventions and Patents.

1. All proprietary or patentable ideas, devices, methods, formulations, designs, and other inventions developed or conceived by or on behalf of the Sub-recipient in the course of performing under the Project, including, but not limited to, the right to apply for patent protection thereon (collectively, "Inventions"), shall remain the property of the Sub-recipient. Any subject invention patent filings by the Sub-recipient must acknowledge "This invention was made with government support under DOE DE-EE0009508. The government has certain rights in the invention." For this specific project the Sub-recipient has chosen to request and or submit an identified-invention patent waiver as provided under the DOE guidelines.

2. Sub-recipient shall not withhold any information on or descriptions of Inventions, whether or not patentable, from the Final Report. The Sub-recipient's rights in Inventions shall not limit, delay, restrict, or in any other manner interfere with AECOM's right to own, publish, and exercise all other copyrights in the Final Report. If information contained in the Final Report owned by AECOM is and is treated by the Sub-recipient as confidential information and/or trade secrets, the Sub-recipient shall be solely responsible for marking confidential portions of the Final Report as such, and may request that AECOM reasonably delay, but in no event by more than one month, publication of a Final Report in order to allow the Sub-recipient to apply for patent protection on Inventions described in the Final Report.

3. All IP rights that were owned and developed by the Sub-recipient or third parties prior to the Effective Date and outside the scope of the Project (collectively, "Preexisting IP"), and which the Sub-recipient will use in the performance of the Project or incorporate in whole or in part into any Deliverables, has been fully disclosed and identified by the Sub-recipient in the Project Proposal. The Sub-recipient represents that all Preexisting IP is used with full authorization and permission from its respective owner, and copies of such permissions and licenses shall be provided to AECOM by the Effective Date. The Sub-recipient shall obtain all appropriate permissions on AECOM's behalf to the extent necessary to enable AECOM to exercise its ownership and publication rights in the Final Report, such right shall be transferable, sublicense able, and shall not be subject to any payment or other obligation on the part of AECOM. Such agreements to procure rights for AECOM shall be subject to AECOM's prior approval, in its sole discretion.

C. Publication. As the owner of Final Report, all rights to publish, distribute, publicly perform, and publicly present the Final Report belong solely to AECOM. Sub-recipient may publish or present based on the Final Report, in whole or in part, and only with the prior written permission of AECOM, which may be withheld or conditioned at AECOM's sole discretion. Any such request for permission from AECOM must be made to AECOM at least three (3) weeks prior to the requesting party's proposed date of publication or presentation based on any portion of the Final Report, and the request must be accompanied by copies of the proposed publication or presentation material. Every presentation shall also include: (a) AECOM logo and, if required by

the Cooperative Agreement the DOE logo. All copies of or presentations based on the Final Report authorized to be made by AECOM shall furthermore conspicuously display the following notice:

Source: Author,
Copyright [year of publication]
AECOM Technical Services, Inc. Reproduced with permission

D. Acknowledgement. Any public presentation or publication by the Sub-recipient, including a student writing a thesis, dissertation, or report, based on the Inventions or any portion of the Work Product, if permitted by AECOM, shall include a statement substantially as follows:

"The research on which this report is based was funded, in part by the Department of Energy, Office of Energy Efficiency and Renewable Energy (EERE) under award number DE-EE0009508, CFDA No. 81.086. Funds awarded under the Cooperative Agreement cited above were not used for editorial services, reproduction, printing, or distribution.

"This report was sponsored by an agency of the Unites Staes Government. Neither the United States Government nor any agency thereof, nor any of their employees, makes any warranty, express or implied, or assumes any legal liability or responsibility for the accuracy, comp[lateness, or usefulness of any information, apparatus, product, or product disclosed, or represents that its use would not infringe privately owned rights. Reference herein to any specific commercial product, process, or service by any trade name, trademark, manufacturer, or otherwise does not necessarily constitute or imply its endorsement, recommendation , or favoring by the Unites States Government or any agency thereof. The views and opinions of authors expressed herein do not necessarily state or reflect those of the United States Government or any agency thereof."

E. Return of IP. The Sub-recipient shall provide to AECOM legible copies of all Work Product (including source and object code of any computer software program) and all Inventions abandoned by the Sub-recipient, all within thirty (30) days of any party's delivery of a notice of termination hereunder, whether or not a cure period is provided. Further, at the same time, Sub-recipient shall provide copies and originals in whatever medium and format is reasonably designated by AECOM. No further payments will be made unless the Sub-recipient fully complies with the foregoing requirements.

F. Originality. The Sub-recipient represents, certifies, and covenants that it, and its Sub-recipients, are the sole creator(s) and originator(s) of all Work Product, Inventions,; none of those rights have been bargained, sold, encumbered, licensed or otherwise transferred to any other party in a manner that would limit or interfere with the requirements and covenants of the Sub-recipient under this PFA. Further, the Sub-recipient shall ensure that no portion of this Project, including any portion completed by Sub-recipients, infringes upon the IP rights of any other person or entity or violates the common law or statutory right, title, or interest of any person or entity. The Sub-recipient shall execute and deliver to AECOM, and shall cause its Sub-recipients and agents to execute and deliver to AECOM, all documents and instruments reasonably requested by AECOM, including, without limitation, the Assignment of Copyright, to further evidence or memorialize the assignment of rights to AECOM set forth in this PFA.

VII. TERM AND TERMINATION

A. Term. This PFA is effective as of the Effective Date, and shall continue for the duration of the Project, ending on AECOM's delivery to the Sub-recipient of the final disbursement of the Project Funds in accordance with Section III.B above, and as further specified in Exhibit C. This PFA may be terminated earlier for the following reasons:

1. AECOM may terminate this PFA by written notice to the Sub-recipient at any time in the event of a breach of this PFA or any requirements of or timelines in the Project by the Sub-recipient or its agents following Sub-recipient's receipt of AECOM's notice of breach.

2. AECOM may terminate this PFA effective immediately by written notice to the Sub-recipient in the event AECOM after consultation with the PAC reasonably determines that the Project is no longer feasible or its performance desired, or that if Sub-recipient is not likely to complete the requirements of the Project on time.

3. Upon receipt of any written notice of termination, the Sub-recipient shall cease all work associated with this PFA as of the date of receipt of the notice, but shall continue to prepare whatever reports, accounting statements, and invoices that are necessary to support receipt of any payments and deliver existing Work Product as required under the PFA.

4. If the Sub-recipient, after reasonable consultation with AECOM and sufficient exploration of other options and possible mutual agreements to amend this PFA, determines that circumstances beyond its control prevent it from continuing the Project, the Sub-recipient may terminate this PFA at any time by written notice to AECOM.

5. Any change in legal requirements or entitlements which materially alter Sub-recipient's performance under this PFA, or any change in the availability of funds to AECOM, shall warrant good faith renegotiation of the provisions of this PFA impacted by such change. If the parties cannot agree to an amendment to this PFA, at AECOM's option the Sub-recipient's performance of the Project may be suspended, or this PFA may be terminated effective immediately by AECOM's written notice.

6. If termination occurs under this Section, the Sub-recipient shall prepare and submit to AECOM a final invoice and accounting of expended and non-cancellable funds as of the date of receipt of the notice of termination. Any portion of the Project Funds that was prepaid to the Sub-recipient but which remains unspent shall be returned to AECOM with the final invoice. AECOM shall pay any amount owed under the final invoice, if reasonably accepted by AECOM. The Sub-recipient shall be entitled to compensation for all satisfactory and authorized work completed as of the termination date, provided that all Work Product corresponding to the invoiced amounts have been delivered to AECOM, and further provided that funds are available (i.e., subject to any reduction in granted funds as stated above).

VIII. DISPUTE RESOLUTION

In the event of a dispute between AECOM and the Sub-recipient arising under this PFA, such dispute shall be resolved by binding arbitration conducted in accordance with the then effective rules

of expedited commercial arbitration of the American Arbitration Association ("AAA") in Denver, Colorado U.S.A. There shall be one Arbitrator selected in accordance with such rules. The Arbitrator shall have subpoena powers. Any final binding determination issued by the Arbitrator shall be in writing within thirty (30) days of the final mediation session. Such written decision may be enforced in any court having proper jurisdiction. Notwithstanding the foregoing, AECOM shall be entitled to seek redress in court without the need to arbitrate in order to seek injunctive relief to enforce its IP rights.

IX. STANDARD TERMS AND CONDITIONS

A. Survival. All terms which by their nature and intent are required to be performed after termination of this PFA shall survive to the extent necessary to enable their fulfillment.

B. Quality Assurance. The Sub-recipient shall use its best efforts to ensure that all data and test results developed during the course of this PFA and included, or relied upon, in the Final Report are accurate to the best of its knowledge, information, and belief. In the event the Sub-recipient obtains any data, test results, information derived from such data or test results, or other information to be included in the Project from water utilities or any Sub-recipient, the Sub-recipient will utilize reasonable and customary efforts to ensure the accuracy of the information obtained.

C. Standard of Performance. At all times, all obligations performed by the Sub-recipient or by any Sub-recipients pursuant to this PFA shall be performed in a manner consistent with or exceeding the professional standards governing such activities.

D. Insurance. The Sub-recipient shall maintain a financially sound program of self-insurance or commercially purchased liability insurance covering unfair competition claims and all reckless, intentional, knowing, and negligent actions or omissions of any and all of Sub-recipient's officers, directors, employees, agents, and independent contractors and/or Sub-recipients in the amount of one million dollars ($1,000,000.00). Proof of such insurance shall be presented to AECOM prior to AECOM signature to this award. The proof of insurance document shall clearly specify the Project by number and title on the insurance certificate.

E. Worker's Compensation. The Sub-recipient and all Sub-recipients shall maintain Worker's Compensation Insurance which complies with the applicable state laws. Proof of such insurance shall be presented to AECOM prior to AECOM countersignature on this award.

F. Authority. The individuals executing this PFA on behalf of their respective parties hereby represent and certify that they have the right, power, legal capacity, and appropriate authority to enter into this PFA on behalf of the entity for which they sign below.

G. Modifications: No provision, requirement, or term of this PFA may be modified, supplemented or amended, nor may it be waived or discharged, except in writing, signed by all parties. A written waiver of a breach of one provision in this PFA shall not operate as a waiver of a subsequent breach of the same provision.

1. Examples of items requiring AECOM's prior written approval include, but are not limited to, the following:

- Deviations from the Project plan.
- Change in scope or objective of the Project.
- Change in a key person specified in the application.
- The absence for more than three months or a 25% reduction in time by the Principal Investigator.
- Need for additional funding.
- Inclusion of costs that require prior approvals as outlined in the Uniform Grants Guidance and 48 CFR 31.2, as applicable.
- Any changes in budget line item(s) of greater than ten percent (10%) of the total.

I. No Assignment. The Sub-recipient shall not assign this PFA in whole or in part, including by operation of law, merger, reorganization, or change in ownership or control. Any unauthorized assignments shall be void.

J. Sub-Contracting: The Sub-recipient may only utilize Sub-recipients under this PFA that have been disclosed in the Project Proposal and are pre-approved by AECOM.

1. Sub-recipient shall require any and all Sub-recipients to comply with all applicable and material terms of this PFA prior to working on the Project in any manner. All obligations of the Sub-recipient apply equally to the Sub-recipient(s). Sub-recipient shall at all times remain primarily responsible and liable to AECOM for the acts and omissions and performance of this PFA by its Sub-recipients, and their respective agents, employees, officers, directors, affiliates, and other representatives.

2. Payment for services of any and all Sub-recipients shall be the Sub-recipient's sole obligation and responsibility applies equally to the Sub-recipient(s). The Sub-recipient hereby indemnifies and holds AECOM harmless for any liability concerning such payment. In furtherance of the foregoing, and to safeguard AECOM if Sub-recipient or any Sub-recipients is legally prohibited from indemnifying others, Sub-recipient shall in all its Sub-recipient agreements specify that AECOM and its co-funders shall have no liability or obligation to the Sub-recipient, and that the Sub-recipient agrees to look solely to the Sub-recipient for payment and enforcement of its rights under its agreement with the Sub-recipient.

3. Sub-recipient shall conduct all procurement transactions in a manner that maximizes open and free competition.

4. Sub-recipient shall notify AECOM, within two (2) months of the Project start date that all Sub-recipient agreements have been executed between the Sub-recipient and any Sub-recipients set forth in the Project Proposal. Sub-recipient shall provide AECOM a copy of the full Sub-recipient agreement upon AECOM's request. Email notification should be sent to Jordan Thompson, AECOM Subcontracts administrator, Email: jordan.r.thompson@aecom.com.

K. Integration. This PFA, including all attachments hereto and the documents and requirements referenced herein, contains the entire understanding between the parties relating to this PFA. This PFA supersedes all prior and contemporaneous understandings, representations,

negotiations, and agreements between the parties whether written or oral. In the event of a conflict between the terms of an Exhibit or other document referenced herein and this PFA, the terms of this PFA shall control.

L. Severability. The provisions of this PFA shall be severable, and the invalidity, illegality or unenforceability of any provision of this PFA shall not affect the validity or enforceability of any other provisions. If any provision of this PFA is found to be invalid, illegal, or unenforceable, such provision shall be modified to the extent necessary to render it enforceable, and as modified, this PFA shall remain in full force and effect.

M. AECOM Right of Approval. AECOM shall have the right, in their sole discretion, to refuse to permit any employee of the Sub-recipient, or employee of an approved agent, assignee, or Sub-recipient of the Sub-recipient, to be located at a AECOM work location, or to provide services to AECOM pursuant to this PFA.

N. Notices. Any notice, request, demand, or communication required or allowed under this PFA shall be sent in writing to the addresses and contact information for the parties set forth in Exhibit B, and shall be deemed sufficiently given upon delivery, if delivered by hand (signed receipt obtained), or three (3) days after posting if properly addressed and sent certified mail return receipt requested, or upon receipt if sent via facsimile or email, if delivery can be confirmed by the sender. Notwithstanding the foregoing, if any Amendments are required in the future for revisions to this Agreement or the Exhibits the Sub-recipient will be the only signor required. Notices shall become effective on the date of receipt or the date specified within the notice, whichever comes later.

O. Captions for Convenience. All captions, fonts, underlining, or footers used in this PFA are for convenience only and shall have no meaning in the interpretation or effect of this PFA.

P. Construction. This PFA, and any and all amendments to it, shall not be construed against the drafter.

Q. Force Majeure. None of the parties hereto will be liable for damages for any delay or default in performance during the term hereof if such delay or default is caused by conditions beyond its control, including, but not limited to, acts of God, Government restrictions, continuing domestic or international problems such as wars, threats of terrorism, or insurrections, strikes, fires, floods, work stoppages and embargoes; provided, however, that any party will have the right to terminate this PFA upon thirty (30) days prior written notice if another party's delay or default due to any of the above-mentioned causes continues for a period of two (2) months.

R. Limitation of Liability. IN NO EVENT SHALL AECOM, ANY CO-FUNDERS OR ANY OF THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, AFFILIATES, AGENTS OR REPRESENTATIVES BE LIABLE TO ANY OTHER PARTY, OR ANY THIRD PARTY FOR ANY SPECIAL, INDIRECT, INCIDENTAL, EXEMPLARY OR CONSEQUENTIAL DAMAGES OR LOSS OF GOODWILL OR EXPECTED PROFITS OR REVENUES, IN ANY WAY RELATING TO THIS PFA, INCLUDING, WITHOUT LIMITATION, THE FAILURE OF ESSENTIAL PURPOSE, EVEN IF IT HAS BEEN NOTIFIED OF THE POSSIBILITY OR LIKELIHOOD OF SUCH DAMAGES OCCURRING, AND WHETHER SUCH LIABILITY IS BASED ON CONTRACT, TORT,

NEGLIGENCE, STRICT LIABILITY, STATUTE, PRODUCTS LIABILITY OR OTHERWISE. IN NO EVENT, SHALL AECOM'S LIABILITY HEREUNDER EXCEED THEIR RESPECTIVE FUNDING ALREADY MADE UNDER THIS PFA.

S. Applicable Law/Venue. This PFA is written and shall be construed in accordance with and governed by the laws of Virginia unless U.S. Federal law applies. However, if Sub-recipient is exclusively governed by U.S. Federal or state laws overriding Virginia laws (e.g., if Sub-recipient is a quasi-public or public entity), this PFA shall be construed and interpreted in accordance with such laws to the extent of such exclusivity. Any arbitration action under this PFA must be brought to Virginia, and enforcement of arbitration decisions and injunctive relief must be brought in a State Court or U.S. Federal District Court located in Virginia.

T. Counterparts. This PFA may be executed and delivered in counterparts, and by facsimile and email, and each shall be valid as if all parties had executed the same document.

U. Relationship. The parties are independent contractors, and no agency, employer-employee, partnership, or joint venture relationship is intended or created by this PFA. No party shall have any right or authority to assume or create any obligation, commitment or responsibility for or on behalf of the others except as the other may expressly authorize in writing. No party shall be eligible to participate in another's benefit program. Sub-recipient shall be solely responsible for the performance and compensation of its employees, for withholding taxes and providing unemployment and other benefits.

V. Additional Representations, Certifications, and Covenants of Sub-recipient. In addition to all other representations, certifies, and covenants of Sub-recipient in this PFA, Sub-recipient further represents, certifies, and covenants, on behalf of itself, its Sub-recipients, and all of their respective employees, agents, directors, officers, affiliates and other representatives:

1. They will at all times comply with all Federal, state, municipal, and local laws, regulations, ordinances, and other governing requirements regarding their performance of the Project, including, without limitation, compliance with requirements related to anti-discrimination and anti-harassment in hiring and employment practices, provision of workers compensation and benefits, and accommodations for disabilities, compliant accounting, record-keeping, and invoicing for approved costs and expenses, and payment of all fees, taxes, payroll, and other expenses related to performance of the Project;

2. Performance of the Project does not and shall not conflict with any of Sub-recipient's obligations, or violate the rights of any third party;

3. All taxes, licenses, permits, certifications, and other permissions required to perform any aspect of the Project shall be secured and maintained throughout the term of this PFA;

4. There are no, and will not be any, third party encumbrances or liens created as a result of the performance of the Project, whether on AECOM's or the co-funders' assets, or on rights, Deliverables, or IP provided under this PFA; and

5. There is sufficient liability insurance coverage to ensure Sub-recipient's full compliance with its obligations, and coverage for Sub-recipient's liability exposure for any breach of this PFA.

W. Order of Precedence. If any provisions stated in this PFA, Exhibits or appendices, or purchase orders are in conflict, in order of precedence, beginning with the first to the last, shall be (1) this PFA, and (2) Exhibits or appendices. The parties understand and agree that any purchase order or similar documents issued by AECOM will be for the sole purpose of establishing a mechanism for payment of sums due and owing hereunder.

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Title: Data-Driven Process Control for Maximization of Energy and Resource Efficiency - C

IN WITNESS, WHEREOF, the parties have caused this PFA to be signed and dated as shown below.

AECOM Technical Services, Inc.

By: Jordan Thompson

Title: Sr. Subcontract Admin.

Date: 04/28/2025

Hampton Roads Sanitation District

By: Jay Bernas

Title: General Manager

Date: 3/26/2025

AECOM Technical Services, Inc.

By: _____

Title:

Date: _____

Above signed has read and understands the terms, conditions, and deliverables of this PFA.

Hampton Roads Sanitation District

Charles Bott

By: Charles Bott, PhD

Title: Co-Principal Investigator

Date: _26 March 2025_____

Above signed has read and understands the terms, conditions, and deliverables of this PFA.

Exhibit A – Prime Contract Flowdowns

Title: Data-Driven Process Control for Maximization of Energy and Resource Efficiency

See ATTACHMENT 1 in DOE Award attached

AECOM Technical Services, Inc.

Supplemental Terms and Conditions –
United States Department of Energy (DOE)
Supporting Government Contract: DE-EE0010994

GENERAL PROVISIONS

The provisions of the contract clauses referenced in this attachment are incorporated in this Subcontract by reference with the same force and effect as though herein set forth in full. All such clauses shall, with respect to the rights, duties, and obligations of AECOM Technical Services, Inc. (AECOM) and the Subcontractor hereunder, be interpreted and construed in such manner as to recognize and give effect to the contractual relationship between AECOM, United States Department of Energy (DOE) and the Subcontractor under this Subcontract and the rights of the U.S. Government with respect thereto under the Prime Contract from which such clauses are derived. As used therein, the term "the Recipient" and equivalent terms shall mean the Subcontractor and the terms "DOE" and "the Contracting Officer" and equivalent terms shall include AECOM and their authorized representatives hereunder, respectively. The word "Award" and like terms shall mean this Subcontract. Most clauses contained herein contain applicability language. If the applicability language renders the clause not applicable for this particular Subcontract, the clause is considered self-deleting until such time as the circumstances change to make it applicable. At that time, the clause will be considered applicable and a part of this purchase Subcontract. The prevailing clause will be determined by the parties subject to the particular action. If the action includes the end client, then the applicable flowdown clause will prevail. If the action includes the Prime Contractor, the subcontract written from the prime contractor to AECOM will prevail. In all other matters, the subcontract from AECOM to the lower tier subcontractor will prevail.

Special Terms and Conditions

AECOM Technical Services, Inc. ("Recipient"), which is identified in Block 5 of the Assistance Agreement, and the Office of Energy Efficiency and Renewable Energy ("EERE"), an office within the United States Department of Energy ("DOE"), enter into this Award, referenced above, to achieve the project objectives and the technical milestones and deliverables stated in the Attachments to this Award.

This Award consists of the following documents, including all terms and conditions therein:

	Assistance Agreement
	Special Terms and Conditions
Attachment 1	Statement of Project Objectives and Milestone Summary Table
Attachment 2	Federal Assistance Reporting Checklist and Instructions
[redacted]	[redacted]
Attachment 4	Intellectual Property Provisions
Attachment 5	Diversity Equity and Inclusion Plan

The following are incorporated into this Award by reference:

- DOE Assistance Regulations, 2 CFR Part 200 as amended by 2 CFR Part 910 at http://www.eCFR.gov.
- Research Terms & Conditions (November 12, 2020) and the DOE Agency Specific Requirements (November 2020) at http://www.nsf.gov/awards/managing/rtc.jsp.
- National Policy Requirements (November 12, 2020) at http://www.nsf.gov/awards/managing/rtc.jsp.
- The Recipient's application/proposal as approved by EERE.

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Subpart A. General Provisions

Term 1. Legal Authority and Effect

A DOE financial assistance award is valid only if it is in writing and is signed, either in writing or electronically, by a DOE Grants Officer.

The Recipient may accept or reject the Award. A request to draw down DOE funds or acknowledgement of award documents by the Recipient's authorized representative through electronic systems used by DOE, specifically FedConnect, constitutes the Recipient's acceptance of the terms and conditions of this Award. Acknowledgement via FedConnect by the Recipient's authorized representative constitutes the Recipient's electronic signature.

Term 2. Flow Down Requirement

The Recipient agrees to apply the terms and conditions of this Award, including the Intellectual Property Provisions, to all subrecipients (and contractors, as appropriate). See, 2 CFR 200.101(b)(2), 2 CFR 200.327, and 2 CFR 200.332.

Term 3. Compliance with Federal, State, and Municipal Law

The Recipient is required to comply with applicable federal, state, and local laws and regulations for all work performed under this Award. The Recipient is required to obtain all necessary federal, state, and local permits, authorizations, and approvals for all work performed under this Award.

Term 4. Inconsistency with Federal Law

Any apparent inconsistency between federal statutes and regulations and the terms and conditions contained in this Award must be referred to the DOE Award Administrator for guidance.

Term 5. Federal Stewardship

EERE will exercise normal federal stewardship in overseeing the project activities performed under this Award. Stewardship activities include, but are not limited to, conducting site visits; reviewing performance and financial reports; providing technical assistance and/or temporary intervention in unusual circumstances to address deficiencies that develop during the project; assuring compliance with terms and conditions; and reviewing technical performance after project completion to ensure that the project objectives have been accomplished.

Term 6. Substantial Involvement

EERE has substantial involvement in work performed under this Award. EERE does not limit its involvement to the administrative requirements of this Award. Instead, EERE has substantial involvement in the direction and redirection of the technical aspects of the project as a whole. Substantial involvement includes the following:

- EERE shares responsibility with the Recipient for the management, control, direction, and performance of the Project;
- EERE may intervene in the conduct or performance of work under this Award for

programmatic reasons. Intervention includes the interruption or modification of the conduct or performance of project activities;
- EERE may redirect or discontinue funding the Project based on the outcome of EERE's evaluation of the Project at the Go/No Go decision point;
- EERE participates in major project decision-making processes.

Term 7. Federal Involvement

A. Review Meetings

The Recipient, including but not limited to the principal investigator (or, if applicable, co-principal investigators), is required to participate in periodic review meetings with EERE. Review meetings enable EERE to assess the work performed under this Award and determine whether the Recipient has timely achieved the technical milestones and deliverables stated in Attachment 1 to this Award.

EERE shall determine the frequency of review meetings and select the day, time, and location of each review meeting and shall do so in a reasonable and good faith manner. EERE will provide the Recipient with reasonable notice of the review meetings.

For each review meeting, the Recipient is required to provide a comprehensive overview of the project, including:
- The Recipient's technical progress compared to the Milestone Summary Table stated in Attachment 1 to this Award.
- The Recipient's actual expenditures compared to the approved budget in Attachment 3 to this Award.
- Other subject matter specified by the DOE Technology Manager/Project Officer.

B. Project Meetings

The Recipient is required to notify EERE in advance of scheduled tests and internal project meetings that would entail discussion of topics that could result in major changes to the baseline project technical scope/approach, cost, or schedule. Upon request by EERE, the Recipient is required to provide EERE with reasonable access (by telephone, webinar, or otherwise) to the tests and project meetings. The Recipient is not expected to delay any work under this Award for the purpose of government insight.

C. Site Visits

EERE's authorized representatives have the right to make site visits at reasonable times to review project accomplishments and management control systems and to provide technical assistance, if required. The Recipient must provide, and must require subrecipients to provide, reasonable access to facilities, office space, resources, and assistance for the safety and convenience of the government representatives in the performance of their duties. All site visits and evaluations must be performed in a manner that does not unduly interfere with or delay the work.

D. Go/No Go Decisions

Attachment 1 to this Award establishes Go/No Go decision points. For each Go/No Go decision point, EERE must determine whether the Recipient has fully and satisfactorily completed the work described in Attachment 1 to this Award. As a result of a Go/No Go review, in its discretion, EERE may take one of the following actions:

- Authorize federal funding for the next budget period for the Project;
- Recommend redirection of work under the Project;
- Place a hold on the federal funding for the Project, pending further supporting data;
- Discontinue providing federal funding for the Project beyond the current budget period as the result of insufficient progress, change in strategic direction, or lack of available funding.

E. Technical Milestones and Deliverables

Attachment 1 to this Award establishes technical milestones and deliverables. If the Recipient fails to achieve two or more technical milestones and deliverables, EERE may renegotiate the Statement of Project Objectives and/or Milestone Summary Table in Attachment 1 to this Award. In the alternative, EERE may deem the Recipient's failure to achieve these technical milestones and deliverables to be material noncompliance with the terms and conditions of this Award and take action to suspend or terminate the Award.

F. EERE Access

The Recipient must provide any information, documents, site access, or other assistance requested by EERE for the purpose of its federal stewardship or substantial involvement.

Term 8. Foreign National Participation

A "foreign national" is defined as person without U.S. citizenship or nationality (may include a stateless person).

If the recipient (including any of its subrecipients and contractors) anticipates involving foreign nationals in the performance of the Award, the recipient must, upon DOE's request, provide DOE with specific information about each foreign national to ensure compliance with the requirements for participation and access approval. The volume and type of information required may depend on various factors associated with the Award. The DOE Grants Officer will notify the recipient if this information is required.

DOE may elect to deny a foreign national's participation in the Award, in its discretion, at any point during the performance of the award. Likewise, DOE may elect to deny a foreign national's access to a DOE sites, information, technologies, equipment, programs, or personnel. DOE's determination to deny participation or access is not appealable.

Term 9. Post-Award Due Diligence Reviews

During the period of performance of the Award, DOE may conduct ongoing due diligence reviews, through Government resources, to identify potential risks of undue foreign influence. In the event a risk is identified, DOE may require risk mitigation measures, including but not limited to, requiring an individual or entity not participate in the Award. As part of the

research, technology, and economic security risk review, DOE may contact the recipient project team members for additional information to inform the review.

Term 10. NEPA Requirements

DOE must comply with the National Environmental Policy Act (NEPA) prior to authorizing the use of federal funds. Based on all information provided by the Recipient, EERE has made a NEPA determination by issuing a categorical exclusion (CX) for all activities listed in the Statement of Project Objectives (SOPO) approved by the Grants Officer and the DOE NEPA Determination. The Recipient is thereby authorized to use federal funds for the defined project activities, except where such activity is subject to a restriction set forth elsewhere in this Award.

This authorization is specific to the project activities and locations as described in the SOPO approved by the Grants Officer and the DOE NEPA Determination.

If the Recipient later intends to add to or modify the activities or locations as described in the approved SOPO and the DOE NEPA Determination, those new activities/locations or modified activities/locations are subject to additional NEPA review and are not authorized for federal funding until the Grants Officer provides written authorization on those additions or modifications. Should the Recipient elect to undertake activities or change locations prior to written authorization from the Grants Officer, the Recipient does so at risk of not receiving federal funding for those activities, and such costs may not be recognized as allowable cost share.

Term 11. Performance of Work in United States

A. Requirement

All work performed under this Award must be performed in the United States unless the Grants Officer provides a waiver. This requirement does not apply to the purchase of supplies and equipment; however, the Recipient should make every effort to purchase supplies and equipment within the United States. The Recipient must flow down this requirement to its subrecipients.

B. Failure to Comply

If the Recipient fails to comply with the Performance of Work in the United States requirement, the Grants Officer may deny reimbursement for the work conducted outside the United States and such costs may not be recognized as allowable Recipient cost share of if the work is performed by the Recipient, subrecipients, contractors or other project partners.

C. Waiver for Work Outside the U.S.

All work performed under this Award must be performed in the United States. However, the Grants Officer may approve the Recipient to perform a portion of the work outside the United States under limited circumstances. The Recipient must obtain a waiver from the Grants Officer prior to conducting any work outside the U.S. To request a waiver, the Recipient must submit a written waiver request to the Grants Officer, which includes the information as required in the FOA that the Award was selected under.

For the rationale, the Recipient must demonstrate to the satisfaction of the Grants Officer that the performance of work outside the United States would further the purposes of the FOA that the Award was selected under and is in the economic interests of the United States. The Grants Officer may require additional information before considering such request.

Term 12. Notice Regarding the Purchase of American-Made Equipment and Products – Sense of Congress

It is the sense of the Congress that, to the greatest extent practicable, all equipment and products purchased with funds made available under this Award should be American-made.

Term 13. Reporting Requirements

A. Requirements

The reporting requirements for this Award are identified on the Federal Assistance Reporting Checklist, attached to this Award. Failure to comply with these reporting requirements is considered a material noncompliance with the terms of the Award. Noncompliance may result in withholding of future payments, suspension, or termination of the current award, and withholding of future awards. A willful failure to perform, a history of failure to perform, or unsatisfactory performance of this and/or other financial assistance awards, may also result in a debarment action to preclude future awards by federal agencies.

B. Dissemination of Scientific and Technical Information

Scientific and Technical Information (STI) generated under this Award will be submitted to DOE via the Office of Scientific and Technical Information's Energy Link (E-Link) system. STI submitted under this Award will be disseminated via DOE's OSTI.gov website subject to approved access limitations. Citations for journal articles produced under the Award will appear on the DOE PAGES website.

C. Restrictions

Scientific and Technical Information submitted to E-Link must not contain any Protected Personal Identifiable Information (PII), limited rights data (proprietary data), classified information, information subject to export control classification, or other information not subject to release.

Term 14. Lobbying

By accepting funds under this Award, the Recipient agrees that none of the funds obligated on the Award shall be expended, directly or indirectly, to influence congressional action on any legislation or appropriation matters pending before Congress, other than to communicate to Members of Congress as described in 18 U.S.C. § 1913. This restriction is in addition to those prescribed elsewhere in statute and regulation.

Term 15. Publications

The Recipient is required to include the following acknowledgement in publications arising out of, or relating to, work performed under this Award, whether copyrighted or not:

- *Acknowledgment:* "This material is based upon work supported by the U.S. Department of Energy's Office of Energy Efficiency and Renewable Energy (EERE) under the Industrial Efficiency & Decarbonization Office (IEDO), Award Number DE-EE0010994".
- *Full Legal Disclaimer:* "This report was prepared as an account of work sponsored by an agency of the United States Government. Neither the United States Government nor any agency thereof, nor any of their employees, makes any warranty, express or implied, or assumes any legal liability or responsibility for the accuracy, completeness, or usefulness of any information, apparatus, product, or process disclosed, or represents that its use would not infringe privately owned rights. Reference herein to any specific commercial product, process, or service by trade name, trademark, manufacturer, or otherwise does not necessarily constitute or imply its endorsement, recommendation, or favoring by the United States Government or any agency thereof. The views and opinions of authors expressed herein do not necessarily state or reflect those of the United States Government or any agency thereof."

Abridged Legal Disclaimer: "The views expressed herein do not necessarily represent the views of the U.S. Department of Energy or the United States Government."

Recipients should make every effort to include the full Legal Disclaimer. However, in the event that recipients are constrained by formatting and/or page limitations set by the publisher, the abridged Legal Disclaimer is an acceptable alternative.

The Award may be subject to a Data Management Plan as part of the Intellectual Property clause set that explains how data generated in the course of the work performed under this Award will be shared or preserved or, when justified, explains why data sharing or preservation is not possible or scientifically appropriate.

Term 16. No-Cost Extension

As provided in 2 CFR 200.308, the Recipient must provide the Grants Officer with notice in advance if it intends to utilize a one-time, no-cost extension of this Award. The notification must include the supporting reasons and the revised period of performance. The Recipient must submit this notification in writing to the Grants Officer and DOE Technology Manager/Project Officer at least 30 days before the end of the current budget period.

Any no-cost extension will not alter the project scope, milestones, deliverables, or budget of this Award.

Term 17. Property Standards

The complete text of the Property Standards can be found at 2 CFR 200.310 through 200.316. Also see 2 CFR 910.360 for additional requirements for real property and equipment for for-profit recipients.

Term 18. Insurance Coverage

See 2 CFR 200.310 for insurance requirements for real property and equipment acquired or improved with federal funds. Also see 2 CFR 910.360(d) for additional requirements for real property and equipment for for-profit recipients.

Term 19. Real Property

Subject to the conditions set forth in 2 CFR 200.311, title to real property acquired or improved under a federal award will conditionally vest upon acquisition in the non-federal entity. The non-federal entity cannot encumber this property and must follow the requirements of 2 CFR 200.311 before disposing of the property.

Except as otherwise provided by federal statutes or by the federal awarding agency, real property will be used for the originally authorized purpose as long as needed for that purpose. When real property is no longer needed for the originally authorized purpose, the non-federal entity must obtain disposition instructions from DOE or pass-through entity.

See 2 CFR 200.311 for additional requirements pertaining to real property acquired or improved under a federal award. Also see 2 CFR 910.360 for additional requirements for real property for for-profit recipients.

Term 20. Equipment

Subject to the conditions provided in 2 CFR 200.313, title to equipment (property) acquired under a federal award will conditionally vest upon acquisition with the non-federal entity. The non-federal entity cannot encumber this property and must follow the requirements of 2 CFR 200.313 before disposing of the property.

A state must use equipment acquired under a federal award by the state in accordance with state laws and procedures.

Equipment must be used by the non-federal entity in the program or project for which it was acquired as long as it is needed, whether or not the project or program continues to be supported by the federal award. When no longer needed for the originally authorized purpose, the equipment may be used by programs supported by DOE in the priority order specified in 2 CFR 200.313(c)(1)(i) and (ii).

Management requirements, including inventory and control systems, for equipment are provided in 2 CFR 200.313(d).

When equipment acquired under a federal award is no longer needed, the non-federal entity must obtain disposition instructions from DOE or pass-through entity.

See 2 CFR 200.313 for additional requirements pertaining to equipment acquired under a federal award. Also see 2 CFR 910.360 for additional requirements for equipment for for-profit recipients. See also 2 CFR 200.439 Equipment and other capital expenditures.

Term 21. Supplies

See 2 CFR 200.314 for requirements pertaining to supplies acquired under a federal award. See also 2 CFR 200.453 Materials and supplies costs, including costs of computing devices.

Term 22. Continued Use of Real Property and Equipment

Real property and equipment purchased with project funds (federal share and recipient cost share) under this Award are subject to the requirements at 2 CFR 200.311, 200.313, and 200.316 (non-Federal entities, except for-profit entities) and 2 CFR 910.360 (for-profit entities). The Recipient may continue to use the real property and equipment after the conclusion of the award period of performance so long as the Recipient:

a. continues to use the property for the authorized project purposes;
b. complies with the applicable reporting requirements and regulatory property standards;
c. as applicable to for-profit entities, UCC filing statements are maintained; and
d. submits a written Request for Continued Use for DOE authorization, which is approved by the DOE Grants Officer.

The Recipient must request authorization from the Grants Officer to continue to use the property for the authorized project purposes beyond the award period of performance ("Request for Continued Use"). The Recipient's written Request for Continued Use must identify the property and include: a summary of how the property will be used (must align with the authorized project purposes); a proposed use period (e.g., perpetuity, until fully depreciated, or a calendar date where the Recipient expects to submit disposition instructions); acknowledgement that the recipient shall not sell or encumber the property or permit any encumbrance without prior written DOE approval; current fair market value of the property; and an Estimated Useful Life or depreciation schedule for equipment.

When the property is no longer needed for authorized project purposes, the Recipient must request disposition instructions from DOE. For-profit entity disposition requirements are set forth at 2 CFR 910.360. Property disposition requirements for other non-federal entities are set forth in 2 CFR 200.310 – 200.316.

Term 23. Property Trust Relationship

Real property, equipment, and intangible property, that are acquired or improved with a federal award must be held in trust by the non-federal entity as trustee for the beneficiaries of the project or program under which the property was acquired or improved. See 2 CFR 200.316 for additional requirements pertaining to real property, equipment, and intangible property acquired or improved under a federal award.

Term 24. Record Retention

Consistent with 2 CFR 200.334 through 200.338, the Recipient is required to retain records relating to this Award.

Term 25. Audits

A. Government-Initiated Audits

The Recipient must provide any information, documents, site access, or other assistance requested by EERE, DOE or federal auditing agencies (e.g., DOE Inspector General, Government Accountability Office) for the purpose of audits and investigations. Such assistance may include, but is not limited to, reasonable access to the Recipient's records relating to this Award.

Consistent with 2 CFR part 200 as amended by 2 CFR part 910, DOE may audit or review the Recipient's financial records or administrative records relating to this Award at any time. Audits or reviews may be performed to determine if the Recipient has an adequate financial management system to estimate, bill, and record federal government expenditures in accordance with the criteria in 2 CFR 200.302, Generally Accepted Accounting Principles (GAAP), Generally Accepted Government Accounting Standards (GAGAS), and Standard Form 1408. Government-initiated audits are generally paid for by DOE.

DOE may conduct a final audit at the end of the project period (or the termination of the Award, if applicable). Upon completion of the audit, the Recipient is required to refund to DOE any payments for costs that were determined to be unallowable. If the audit has not been performed or completed prior to the closeout of the award, DOE retains the right to recover an appropriate amount after fully considering the recommendations on disallowed costs resulting from the final audit.

DOE will provide reasonable advance notice of audits and will minimize interference with ongoing work, to the maximum extent practicable.

B. Annual Independent Audits (Single Audit or Compliance Audit)

The Recipient must comply with the annual independent audit requirements in 2 CFR 200.500 through .521 for institutions of higher education, nonprofit organizations, and state and local governments (Single audit), and 2 CFR 910.500 through .521 for for-profit entities (Compliance audit).

The annual independent audits are separate from Government-initiated audits discussed in part A. of this Term and must be paid for by the Recipient. To minimize expense, the Recipient may have a Compliance audit in conjunction with its annual audit of financial statements. The financial statement audit is **not** a substitute for the Compliance audit. If the audit (Single audit or Compliance audit, depending on Recipient entity type) has not been performed or completed prior to the closeout of the award, DOE may impose one or more of the actions outlined in 2 CFR 200.339, Remedies for Noncompliance.

Term 26. Site Visits and Recipient Administrative Organizational Reviews

EERE's authorized representatives have the right to make site visits and conduct Recipient Administrative Organizational Reviews to review the project and management control systems and to provide technical assistance, as appropriate. The Recipient must provide, and must require its subrecipients and contractors to provide, reasonable access to facilities, office space,

resources, and assistance for the safety and convenience of the government representatives in the performance of their duties. EERE will make reasonable efforts to ensure these site visits do not interfere with or unduly delay project work.

Subpart B. Financial Provisions

Term 27. Maximum Obligation

The maximum obligation of DOE for this Award is the total "Funds Obligated" stated in Block 13 of the Assistance Agreement to this Award.

Term 28. Funding of Budget Periods

EERE has obligated funding as shown in Block 13 of the Assistance Agreement for completion of the Project. However, only the federal share of costs associated with the current Period of Performance is available for work performed by the Recipient. The federal share of costs is shown on Attachment 3. The current Period of Performance is shown in Block 7 of the Assistance Agreement.

The remainder of funding is contingent upon: (1) availability of federal funds appropriated by Congress for the purpose of this program; (2) the availability of future-year budget authority; (3) Recipient's technical progress compared to the Milestone Summary Table stated in Attachment 1 to this Award; (4) Recipient's submittal of required reports; (5) Recipient's compliance with the terms and conditions of the Award; (6) EERE's Go/No-Go decision; (7) the Recipient's submission of a continuation application; and (8) written approval of the continuation application by the Grants Officer.

In the event that the Recipient does not submit a continuation application for subsequent Budget Periods, or EERE disapproves a continuation application for subsequent Budget Periods, the maximum EERE liability to the Recipient is the funds that are available for the current approved Budget Period(s). In such event, EERE reserves the right to deobligate any remaining federal funds.

Term 29. Continuation Application and Funding

A. Continuation Application

A continuation application is a non-competitive application for an additional budget period within a previously approved project period. At least 90 calendar days before the end of each budget period, the recipient must submit its continuation application to the DOE as required in Attachment 2, Federal Assistance Reporting Checklist, with written notification to the DOE Program Manager/Project Officer and the DOE Award Administrator that it has been submitted. The continuation application includes the following information:

i. A report on the recipient's progress towards meeting the milestones and objectives of the project set forth in the Statement of Project Objectives and the Diversity, Equity, and Inclusion Plan, any significant findings, conclusions, or developments, and an estimate of any unobligated balances remaining at the end of the budget

period. If the remaining unobligated balance is estimated to exceed 20 percent of the funds available for the budget period, explain why the excess funds have not been obligated and how they will be used in the next budget period.

ii. A detailed budget and supporting justification if there are changes to the negotiated budget, or a budget for the upcoming budget period was not approved at the time of award.

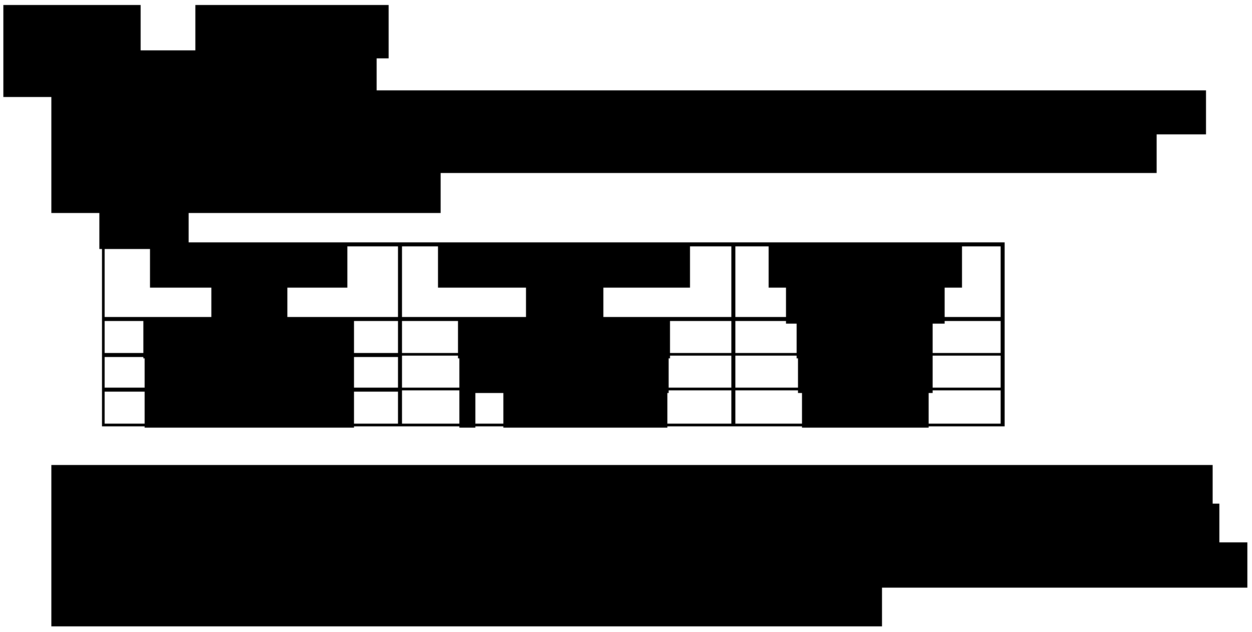
iii. A description of any planned changes from the negotiated Statement of Project Objectives and/or Milestone Summary Table.

B. Continuation Funding

Continuation funding is contingent on (1) the availability of funds appropriated by Congress for the purpose of this program; (2) the availability of future-year budget authority; (3) recipient's compliance with the terms and conditions of the Award; (4) recipient's technical progress compared to the Milestone Summary Table stated in Attachment 1, Statement of Project Objectives ; (5) progress compared to the Milestone Summary Table stated in Attachment 5, Diversity, Equity, and Inclusion Plan; (6) recipient's submittal of required reports; (7) the recipient's submission of a continuation application; (8) DOE's Go/No-Go decision; and (9) written approval of the continuation application by the Grants Officer.

C. Waiver of Prior Written Approval Requirements

DOE waives prior written approval requirements to carry forward unobligated balances to subsequent budget periods, in accordance with 2 CFR 200.308(e)(3).



B. Cost Share Obligation If Award Terminated or Discontinued

If the Award is terminated or is otherwise not funded to completion, the Recipient is not required to provide the entire "Cost Share" amount stated in Block 12 of the Assistance Agreement to this Award; however, the Recipient must provide its share (i.e., percentage as shown in Table 1 above) of the total project cost reimbursed as of the date of the termination or discontinuation.

C. Source of Cost Share

The Recipient may not use federal funds to meet its cost sharing obligations, unless otherwise allowed by federal law.

D. Inability to Comply with Cost Sharing Obligations

If the Recipient determines that it is unable to meet its cost sharing obligations, the Recipient must notify the DOE Award Administrator in writing immediately. The notification must include the following information: (1) whether the Recipient intends to continue or phase out the project, and (2) if the Recipient intends to continue the project, how the Recipient will pay (or secure replacement funding for) the Recipient's share of the total project cost.

If the Recipient fails to meet its cost sharing obligations, EERE may recover some or all of the financial assistance provided under this Award. The amount EERE would seek to recover under this Term would be predicated on EERE's analysis of the Recipient's compliance with their cost sharing obligation under the Award.

Term 31. Refund Obligation

The Recipient must refund any excess payments received from EERE, including any costs determined unallowable by the Grants Officer. At the end of the project period (or the termination of the Award, if applicable), the Recipient must refund to EERE the difference between (1) the total payments received from EERE, and (2) the federal share of the costs incurred. Refund obligations under this Term do not supersede the annual reconciliation or true up process if specified under the Indirect Cost Term.

Term 32. Allowable Costs

EERE determines the allowability of costs in accordance with 2 CFR Part 200 as amended by 2 CFR Part 910. All project costs must be allowable, allocable, and reasonable. The Recipient must document and maintain records of all project costs, including, but not limited to, the costs paid by federal funds, costs claimed by its subrecipients and project costs that the Recipient claims as cost sharing, including in-kind contributions. The Recipient is responsible for maintaining records adequate to demonstrate that costs claimed have been incurred, are reasonable, allowable, and allocable, and comply with the appropriate cost principles. Upon request, the Recipient is required to provide such records to EERE. Such records are subject to audit. Failure to provide EERE adequate supporting documentation may result in a determination by the Grants Officer that those costs are unallowable.

The Recipient is required to obtain the prior written approval of the Grants Officer for any foreign travel costs.

Term 33. Indirect Costs

A. Indirect Cost Allocation:

The Recipient does not have an approved or current Negotiated Indirect Cost Rate Agreement (NICRA) and has submitted an indirect rate proposal as approval for indirect costs to be invoiced to the DOE under segregated billing rates. The approved indirect cost

billing rate is 125.29% (OH) and shall be allocated to the base of Total Labor Costs. An updated rate proposal is required if the Recipient requests to bill the DOE higher billing rates than those listed herein.

B. Fringe Cost Allocation:

The budget for this award does not include an allocation of segregated fringe billing rates. Fringe benefit costs have been found reasonable as incorporated in the Recipient's burdened labor rate or under an allocated indirect cost billing rate. Therefore, fringe benefit costs shall not be charged as a separate rate allocation to this Award. EERE will not reimburse fringe benefit costs as a separate budget item. Fringe benefit costs for this Award cannot be allocated as a separate rate allocation to any other federally sponsored project.

C. Subrecipient Indirect Costs (If Applicable):

The Recipient must ensure its subrecipient's indirect costs are appropriately managed, have been found to be allowable, and comply with the requirements of this Award and 2 CFR Part 200 as amended by 2 CFR Part 910.

D. Indirect Cost Stipulations:

i. Modification to Indirect Cost Billing Rates

EERE will not modify this Award solely to provide additional funds to cover increases in the Recipient's indirect cost billing rate(s). Adjustments to the indirect cost billing rates must be approved by the Recipient's Cognizant Agency or Cognizant Federal Agency Official.

The Recipient must provide a copy of an updated NICRA or indirect rate proposal to the DOE Award Administrator in order to increase indirect cost billing rates. If the Grants Officer provides prior written approval, the Recipient may incur an increase in the indirect cost billing rates. Reimbursement will be limited by the budgeted dollar amount for indirect costs for each budget period as shown in Attachment 3 to this Award.

ii. Annual Cost Reconciliation

In accordance with Appendices III-VII of 2 CFR Part 200 or 48 CFR 42.7, governing for-profit organizations, the indirect cost billing rates shall be reconciled or trued up (actual incurred costs) on an annual basis via the annual incurred cost proposal within six months after the Recipient's fiscal year end.

iii. Adjustments to Indirect Cost Billing Rates

Following an official audit or adequacy review of the incurred cost proposal, one of the following shall apply:

1. If the Recipient's actual and final annual indirect cost billing rate(s) reflect that Recipient invoiced at higher billing rates than actually incurred, the Recipient must refund the Government the over-recovered amounts.
2. If the Recipient's actual and final annual indirect cost billing rate(s) reflect that the Recipient invoiced at lower billing rates than actually incurred, the

Recipient may not be reimbursed for increases in its indirect cost rate, which resulted in an under-recovery. Increased indirect cost billing rates cannot be retroactively applied to the DOE award.

iv. Cost Sharing Indirect Costs

Indirect costs may be used as cost share only with prior approval from the Grants Officer.

v. Award Closeout

The closeout of the DOE award does not affect (1) the right of the DOE to disallow costs and recover funds on the basis of a later audit or other review; (2) the requirement for the Recipient to return any funds due as a result of later refunds, corrections or other transactions including final indirect cost billing rate adjustments; and (3) the ability of the DOE to make financial adjustments to a previously closed award resolving indirect cost payments and making final payments.

Term 34. Pre-Award Costs

As stated in the Grants Officer's Pre-Award Costs Letter dated September 5, 2024, the Recipient is authorized to request reimbursement for costs incurred on or after October 1, 2023, if (1) such costs are allowable in accordance with 2 CFR Part 200 as amended by 2 CFR Part 910, (2) such costs are not otherwise restricted by Term titled "National Environmental Policy Act (NEPA) Requirements," and (3) such costs are not otherwise restricted by any other Term. If the Recipient elects to undertake activities that are not authorized for federal funding by the Grants Officer in advance of DOE completing the NEPA review, the Recipient is doing so at risk of not receiving federal funding and such costs may not be recognized as allowable cost share. Nothing contained in the pre-award cost reimbursement regulations or any pre-award costs approval letter from the Grants Officer override these NEPA requirements to obtain the written authorization from the Grants Officer prior to taking any action that may have an adverse effect on the environment or limit the choice of reasonable alternatives.

Term 35. Use of Program Income

If the Recipient earns program income during the project period as a result of this Award, the Recipient must add the program income to the funds committed to the Award and used to further eligible project objectives.

Term 36. Payment Procedures

A. Method of Payment

Payment will be made by reimbursement through ACH.

B. [redacted]

C. Timing of Submittals

Submittal of the SF-270 or SF-271 should coincide with the Recipient's normal billing pattern, but not more frequently than every two weeks. Requests for reimbursement must be limited to the amount of disbursements made during the billing period for the federal share of direct project costs and the proportionate share of any allowable indirect costs incurred during that billing period.

D. Adjusting Payment Requests for Available Cash

The Recipient must disburse any funds that are available from repayments to and interest earned on a revolving fund, program income, rebates, refunds, contract settlements, audit recoveries, credits, discounts, and interest earned on any of those funds before requesting additional cash payments from EERE.

E. [redacted]

F. Supporting Documents for Agency Approval of Payments

For non-construction awards, the Recipient must submit a Standard Form SF-270, "Request for Advance or Reimbursement," at https://vipers.doe.gov and attach a file containing appropriate supporting documentation.

The following additional items are required:

- Summary cost data, for the billing period and cumulative cost data, showing all categories listed in the SF-424A and identifying federal, non-federal, and total amounts.
- *Applicable to for-profit recipients and subrecipients* UCC filing proof for all equipment acquired with project funds (i.e., federal share or Recipient share) and equipment offered as cost share.
- Invoices or summary cost data showing all categories listed in the SF-424A for Subrecipients with over $250,000 total project costs or >25% of total project costs.
- Invoices for Contractors with over $250,000 total project costs.
- Invoices/receipts for Equipment over $50,000.
- Explanation of cost share for invoicing period, including cost category and rationale if cost share exceeds or is below award requirements.
- If there are unauthorized phases and/or tasks for the current budget period in the NEPA Requirements term in these Special Terms and Conditions, a statement affirming that no invoiced costs are related to tasks or activities prohibited by the NEPA Requirements term.

The EERE payment authorizing official may request additional information from the

Recipient to support the payment requests prior to release of funds, as deemed necessary. The Recipient is required to comply with these requests. Supporting documents include invoices, copies of contracts, contractor quotes, and other expenditure explanations that justify the reimbursement requests.

G. Unauthorized Drawdown of Federal Funds

For each budget period, the Recipient may not spend more than the federal share authorized to that particular budget period, without specific written approval from the Grants Officer. The Recipient must immediately refund EERE any amounts spent or drawn down in excess of the authorized amount for a budget period. The Recipient and subrecipients shall promptly, but at least quarterly, remit to DOE interest earned on advances drawn in excess of disbursement needs and shall comply with the procedure for remitting interest earned to the federal government per 2 CFR 200.305, as applicable.

Term 37. Budget Changes

A. Budget Changes Generally

The Grants Officer has reviewed and approved the SF-424A in Attachment 3 to this Award.

Any increase in the total project cost, whether DOE share or Cost Share, which is stated as "Total" in Block 12 to the Assistance Agreement of this Award, must be approved in advance and in writing by the Grants Officer.

Any change that alters the project scope, milestones or deliverables requires prior written approval of the Grants Officer. EERE may deny reimbursement for any failure to comply with the requirements in this term.

B. Transfers of Funds Among Direct Cost Categories

The Recipient is required to obtain the prior written approval of the Grants Officer for any transfer of funds among direct cost categories where the cumulative amount of such transfers exceeds or is expected to exceed 10 percent of the total project cost, which is stated as "Total" in Block 12 to the Assistance Agreement of this Award.

The Recipient is required to notify the DOE Technology Manager/Project Officer of any transfer of funds among direct cost categories where the cumulative amount of such transfers is equal to or below 10 percent of the total project cost, which is stated as "Total" in Block 12 to the Assistance Agreement of this Award.

C. Transfer of Funds Between Direct and Indirect Cost Categories

The Recipient is required to obtain the prior written approval of the Grants Officer for any transfer of funds between direct and indirect cost categories. If the Recipient's actual allowable indirect costs are less than those budgeted in Attachment 3 to this Award, the Recipient may use the difference to pay additional allowable direct costs during the project period so long as the total difference is less than 10% of total project costs and the difference is reflected in actual requests for reimbursement to DOE.

Subpart C. Miscellaneous Provisions

Term 38. Environmental, Safety and Health Performance of Work at DOE Facilities

With respect to the performance of any portion of the work under this Award which is performed at a DOE-owned or controlled site, the Recipient agrees to comply with all State and Federal Environmental, Safety and Health (ES&H) regulations and with all other ES&H requirements of the operator of such site.

Prior to the performance on any work at a DOE-owned or controlled site, the Recipient shall contact the site facility manager for information on DOE and site-specific ES&H requirements.

The Recipient is required apply this provision to its subrecipients and contractors.

Term 39. Corporate Felony Conviction and Federal Tax Liability Assurances

This term applies to Recipients that are organized as corporations. A corporation includes any entity that has filed articles of incorporation in any of the 50 states, the District of Columbia, or the various territories of the United States, but not foreign corporations. It includes both for-profit and non-profit organizations.

By entering into this Award, the Recipient attests that its corporation has not been convicted of a felony criminal violation under federal law in the 24 months preceding the date of signature.

The Recipient further attests that its corporation does not have any unpaid federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability.

Term 40. Insolvency, Bankruptcy or Receivership

The Recipient shall immediately, but no later than five days, notify EERE of the occurrence of any of the following events: (1) the Recipient or the Recipient's parent's filing of a voluntary case seeking liquidation or reorganization under the Bankruptcy Act; (2) the Recipient's consent to the institution of an involuntary case under the Bankruptcy Act against the Recipient or the Recipient's parent; (3) the filing of any similar proceeding for or against the Recipient or the Recipient's parent, or the Recipient's consent to the dissolution, winding-up or readjustment of its debts, appointment of a receiver, conservator, trustee, or other officer with similar powers over the Recipient, under any other applicable state or federal law; or (4) the Recipient's insolvency due to its inability to pay debts generally as they become due.

Such notification shall be in writing and shall: (1) specifically set out the details of the occurrence of an event referenced in paragraph A; (2) provide the facts surrounding that event; and (3) provide the impact such event will have on the project being funded by this Award.

Upon the occurrence of any of the four events described in paragraph A. of this term, EERE reserves the right to conduct a review of the Recipient's Award to determine the Recipient's

compliance with the required elements of the Award (including such items as cost share, progress towards technical project objectives, and submission of required reports). If the EERE review determines that there are significant deficiencies or concerns with the Recipient's performance under the Award, EERE reserves the right to impose additional requirements, as needed, including (1) change of payment method; or (2) institute payment controls.

Failure of the Recipient to comply with this term may be considered a material noncompliance of this Award by the Grants Officer.

Term 41. Reporting Subawards and Executive Compensation

A. Reporting of first-tier subawards

i. *Applicability*. Unless the Recipient is exempt as provided in paragraph D. of this award term, the Recipient must report each action that equals or exceeds $30,000 in federal funds for a subaward to an entity (see definitions in paragraph E. of this award term).

ii. *Where and when to report*.

1. The Recipient must report each obligating action described in paragraph A.i. of this award term to https://www.fsrs.gov.
2. For subaward information, report no later than the end of the month following the month in which the obligation was made. (For example, if the obligation was made on November 7 the obligation must be reported no later than December 31.)

iii. *What to report*. The Recipient must report the information about each obligating action that the submission instructions posted at https://www.fsrs.gov specify.

B. Reporting Total Compensation of Recipient Executives

i. *Applicability and what to report*. The Recipient must report total compensation for each of its five most highly compensated executives for the preceding completed fiscal year, if:

1. The total federal funding authorized to date under this Award equals or exceeds $30,000 as defined in 2 CFR 170.320;
2. In the preceding fiscal year, the Recipient received;
   a. 80 percent or more of the Recipient's annual gross revenues from federal procurement contracts (and subcontracts) and federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and
   b. $25,000,000 or more in annual gross revenues from federal procurement contracts (and subcontracts) and federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards).
3. The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange

Commission total compensation filings at http://www.sec.gov/answers/execomp.htm).

ii. *Where and when to report*. The Recipient must report executive total compensation described in paragraph B.i. of this award term:
   1. As part of the Recipient's registration profile at https://www.sam.gov.
   2. By the end of the month following the month in which this award is made, and annually thereafter.

C. Reporting of Total Compensation of Subrecipient Executives

i. *Applicability and what to report*. Unless the Recipient is exempt as provided in paragraph D. of this award term, for each first-tier subrecipient under this award, the Recipient shall report the names and total compensation of each of the subrecipient's five most highly compensated executives for the subrecipient's preceding completed fiscal year, if:
   1. In the subrecipient's preceding fiscal year, the subrecipient received:
      a. 80 percent or more of its annual gross revenues from federal procurement contracts (and subcontracts) and federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and
      b. $25,000,000 or more in annual gross revenues from federal procurement contracts (and subcontracts), and federal financial assistance subject to the Transparency Act (and subawards).
   2. The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at http://www.sec.gov/answers/execomp.htm).

ii. *Where and when to report*. The Recipient must report subrecipient executive total compensation described in paragraph C.i. of this award term:
   1. To the recipient.
   2. By the end of the month following the month during which the Recipient makes the subaward. For example, if a subaward is obligated on any date during the month of October of a given year (*i.e.*, between October 1 and 31), the Recipient must report any required compensation information of the subrecipient by November 30 of that year.

D. Exemptions

If, in the previous tax year, the Recipient had gross income, from all sources, under $300,000, it is exempt from the requirements to report:

i. Subawards; and

ii. The total compensation of the five most highly compensated executives of any subrecipient.

E. Definitions

For purposes of this Award term:

i. Entity means all of the following, as defined in 2 CFR Part 25:
   1. A Governmental organization, which is a State, local government, or Indian tribe.
   2. A foreign public entity.
   3. A domestic or foreign nonprofit organization.
   4. A domestic or foreign for-profit organization.
   5. A federal agency, but only as a subrecipient under an award or subaward to a non-federal entity.

ii. Executive means officers, managing partners, or any other employees in management positions.

iii. Subaward:
   1. This term means a legal instrument to provide support for the performance of any portion of the substantive project or program for which the Recipient received this award and that the recipient awards to an eligible subrecipient.
   2. The term does not include the Recipient's procurement of property and services needed to carry out the project or program (for further explanation, see 2 CFR 200.501 Audit requirements, (f) *Subrecipients and Contractors* and/or 2 CFR 910.501 Audit requirements, (f) *Subrecipients and Contractors*).
   3. A subaward may be provided through any legal agreement, including an agreement that the Recipient or a subrecipient considers a contract.

iv. Subrecipient means an entity that:
   1. Receives a subaward from the Recipient under this award; and
   2. Is accountable to the Recipient for the use of the federal funds provided by the subaward.

v. Total compensation means the cash and noncash dollar value earned by the executive during the recipient's or subrecipient's preceding fiscal year and includes the following (for more information see 17 CFR 229.402(c)(2)):
   1. Salary and bonus.
   2. Awards of stock, stock options, and stock appreciation rights. Use the dollar amount recognized for financial statement reporting purposes with respect to the fiscal year in accordance with the Statement of Financial Accounting Standards No. 123 (Revised 2004) (FAS 123R), Shared Based Payments.
   3. Earnings for services under non-equity incentive plans. This does not include group life, health, hospitalization or medical reimbursement plans that do not discriminate in favor of executives and are available generally to all salaried employees.
   4. Change in pension value. This is the change in present value of defined benefit and actuarial pension plans.
   5. Above-market earnings on deferred compensation which is not tax-qualified.
   6. Other compensation, if the aggregate value of all such other compensation (*e.g.,* severance, termination payments, value of life insurance paid on behalf of the employee, perquisites or property) for the executive exceeds $10,000.

Term 42. System for Award Management and Universal Identifier Requirements

A. Requirement for Registration in the System for Award Management (SAM)

Unless the Recipient is exempted from this requirement under 2 CFR 25.110, the Recipient must maintain the currency of its information in SAM until the Recipient submits the final financial report required under this Award or receive the final payment, whichever is later. This requires that the Recipient reviews and updates the information at least annually after the initial registration, and more frequently if required by changes in its information or another award term.

B. Unique Entity Identifier (UEI)

SAM automatically assigns a UEI to all active SAM.gov registered entities. Entities no longer have to go to a third-party website to obtain their identifier. This information is displayed on SAM.gov.

If the Recipient is authorized to make subawards under this Award, the Recipient:

i. Must notify potential subrecipients that no entity (see definition in paragraph C of this award term) may receive a subaward from the Recipient unless the entity has provided its UEI number to the Recipient.

ii. May not make a subaward to an entity unless the entity has provided its UEI number to the Recipient.

C. Definitions

For purposes of this award term:

i. System for Award Management (SAM) means the federal repository into which an entity must provide information required for the conduct of business as a recipient. Additional information about registration procedures may be found at the SAM Internet site (currently at https://www.sam.gov).

ii. Unique Entity Identifier (UEI) is the 12-character, alpha-numeric identifier that will be assigned by SAM.gov upon registration.

iii. Entity, as it is used in this award term, means all of the following, as defined at 2 CFR Part 25, subpart C:

1. A Governmental organization, which is a State, local government, or Indian Tribe.
2. A foreign public entity.
3. A domestic or foreign nonprofit organization.
4. A domestic or foreign for-profit organization.
5. A federal agency, but only as a subrecipient under an award or subaward to a non-federal entity.

iv. Subaward:

1. This term means a legal instrument to provide support for the performance of any portion of the substantive project or program for which the Recipient received this Award and that the Recipient awards to an eligible subrecipient.
2. The term does not include the Recipient's procurement of property and services needed to carry out the project or program (for further explanation,

see 2 CFR 200.501 Audit requirements, (f) *Subrecipients and Contractors* and/or 2 CFR 910.501 Audit requirements, (f) *Subrecipients and Contractors*).

3. A subaward may be provided through any legal agreement, including an agreement that the Recipient considers a contract.

v. Subrecipient means an entity that:

1. Receives a subaward from the Recipient under this Award; and
2. Is accountable to the Recipient for the use of the federal funds provided by the subaward.

Term 43. Nondisclosure and Confidentiality Agreements Assurances

A. By entering into this agreement, the Recipient attests that it **does not and will not** require its employees or contractors to sign internal nondisclosure or confidentiality agreements or statements prohibiting or otherwise restricting its employees or contractors from lawfully reporting waste, fraud, or abuse to a designated investigative or law enforcement representative of a federal department or agency authorized to receive such information.

B. The Recipient further attests that it **does not and will not** use any federal funds to implement or enforce any nondisclosure and/or confidentiality policy, form, or agreement it uses unless it contains the following provisions:

i. *''These provisions are consistent with and do not supersede, conflict with, or otherwise alter the employee obligations, rights, or liabilities created by existing statute or Executive order relating to (1) classified information, (2) communications to Congress, (3) the reporting to an Inspector General of a violation of any law, rule, or regulation, or mismanagement, a gross waste of funds, an abuse of authority, or a substantial and specific danger to public health or safety, or (4) any other whistleblower protection. The definitions, requirements, obligations, rights, sanctions, and liabilities created by controlling Executive orders and statutory provisions are incorporated into this agreement and are controlling.''*

ii. The limitation above shall not contravene requirements applicable to Standard Form 312, Form 4414, or any other form issued by a federal department or agency governing the nondisclosure of classified information.

iii. Notwithstanding provision listed in paragraph (a), a nondisclosure or confidentiality policy form or agreement that is to be executed by a person connected with the conduct of an intelligence or intelligence-related activity, other than an employee or officer of the United States Government, may contain provisions appropriate to the particular activity for which such document is to be used. Such form or agreement shall, at a minimum, require that the person will not disclose any classified information received in the course of such activity unless specifically authorized to do so by the United States Government. Such nondisclosure or confidentiality forms shall also make it clear that they do not bar disclosures to Congress, or to an authorized official of an executive agency or the Department of Justice, that are essential to reporting a substantial violation of law.

Term 44. Subrecipient and Contractor Approvals

A. *At Risk Notice.* The Recipient must obtain written approval by the Grants Officer for reimbursement of costs associated with activities listed in paragraph B. below. The Recipient is restricted from expending project funds (i.e., federal share and Recipient share) on the tasks identified in paragraph B. below unless and until the Grants Officer provides written approval. At its discretion, EERE may not reimburse costs incurred prior to the date of any such written approval by the Grants Officer.

B. Grants Officer approval as set out above is required for the following:

Task #	Activity and Subrecipients / Contractor	Total Amount ($)
2,3,4,5	ODC - Molecular Analyses for PdNA validation	$ 50,000

The Grants Officer may require additional information concerning these tasks prior to providing written approval.

C. Upon written approval by the Grants Officer, the Recipient may then receive payment for the tasks identified in paragraph B. above for allowable costs incurred, or EERE will recognize costs incurred toward cost share requirements, if any, in accordance with the payment provisions contained in the Special Terms and Conditions of this agreement.

Term 45. Subrecipient Change Notification

Except for subrecipients specifically proposed as part of the Recipient's Application for award, the Recipient must notify the Grants Officer and Project Manager in writing 30 days prior to the execution of new or modified subrecipient agreements, including naming any To Be Determined subrecipients. This notification does not constitute a waiver of the prior approval requirements outlined in 2 CFR Part 200 as amended by 2 CFR Part 910, nor does it relieve the Recipient from its obligation to comply with applicable federal statutes, regulations, and executive orders.

In order to satisfy this notification requirement, the Recipient documentation must, at a minimum, include the following:

- A description of the research to be performed, the service to be provided, or the equipment to be purchased;
- Cost share commitment letter if the subrecipient is providing cost share to the Award;
- An assurance that the process undertaken by the Recipient to solicit the subrecipient complies with their written procurement procedures as outlined in 2 CFR 200.317 through 200.327;

- An assurance that no planned, actual or apparent conflict of interest exists between the Recipient and the selected subrecipient and that the Recipient's written standards of conduct were followed;[1]
- A completed Environmental Questionnaire, if applicable;
- An assurance that the subrecipient is not a debarred or suspended entity;
- An assurance that all required award provisions will be flowed down in the resulting subrecipient agreement.

The Recipient is responsible for making a final determination to award or modify subrecipient agreements under this agreement, but the Recipient may not proceed with the subrecipient agreement until the Grants Officer determines, and provides the Recipient written notification, that the information provided is adequate.

Should the Recipient not receive a written notification of adequacy from the Grants Officer within 30 days of the submission of the subrecipient documentation stipulated above, the Recipient may proceed to award or modify the proposed subrecipient agreement.

Term 46. Conference Spending

The Recipient shall not expend any funds on a conference not directly and programmatically related to the purpose for which the grant or cooperative agreement was awarded that would defray the cost to the United States Government of a conference held by any Executive branch department, agency, board, commission, or office for which the cost to the United States Government would otherwise exceed $20,000, thereby circumventing the required notification by the head of any such Executive Branch department, agency, board, commission, or office to the Inspector General (or senior ethics official for any entity without an Inspector General), of the date, location, and number of employees attending such conference.

Term 47. Recipient Integrity and Performance Matters

A. General Reporting Requirement

If the total value of your currently active Financial Assistance awards, cooperative agreements, and procurement contracts from all federal awarding agencies exceeds $10,000,000 for any period of time during the period of performance of this federal award, then you as the recipient during that period of time must maintain the currency of information reported to the System for Award Management (SAM) that is made available in the designated integrity and performance system (currently the Federal Awardee Performance and Integrity Information System (FAPIIS)) about civil, criminal, or administrative proceedings described in paragraph 2 of this term. This is a statutory

[1] It is DOE's position that the existence of a "covered relationship" as defined in 5 CFR 2635.502(a)&(b) between a member of the Recipient's owners or senior management and a member of a subrecipient's owners or senior management creates at a minimum an apparent conflict of interest that would require the Recipient to notify the Grants Officer and provide detailed information and justification (including, for example, mitigation measures) as to why the subrecipient agreement does not create an actual conflict of interest. The Recipient must also notify the Grants Officer of any new subrecipient agreement with: (1) an entity that is owned or otherwise controlled by the Recipient; or (2) an entity that is owned or otherwise controlled by another entity that also owns or otherwise controls the Recipient, as it is DOE's position that these situations also create at a minimum an apparent conflict of interest.

requirement under section 872 of Public Law 110-417, as amended (41 U.S.C. 2313). As required by section 3010 of Public Law 111-212, all information posted in the designated integrity and performance system on or after April 15, 2011, except past performance reviews required for federal procurement contracts, will be publicly available.

B. Proceedings About Which You Must Report

Submit the information required about each proceeding that:

i. Is in connection with the award or performance of a Financial Assistance, cooperative agreement, or procurement contract from the federal government;
ii. Reached its final disposition during the most recent five-year period; and
iii. Is one of the following:
    1. A criminal proceeding that resulted in a conviction, as defined in paragraph E of this award term and condition;
    2. A civil proceeding that resulted in a finding of fault and liability and payment of a monetary fine, penalty, reimbursement, restitution, or damages of $5,000 or more;
    3. An administrative proceeding, as defined in paragraph E of this term, that resulted in a finding of fault and liability and your payment of either a monetary fine or penalty of $5,000 or more or reimbursement, restitution, or damages in excess of $100,000; or
    4. Any other criminal, civil, or administrative proceeding if:
        a. It could have led to an outcome described in paragraph B.iii.1, 2, or 3 of this term;
        b. It had a different disposition arrived at by consent or compromise with an acknowledgment of fault on your part; and
        c. The requirement in this term to disclose information about the proceeding does not conflict with applicable laws and regulations.

C. Reporting Procedures

Enter in the SAM Entity Management area the information that SAM requires about each proceeding described in paragraph B of this term. You do not need to submit the information a second time under assistance awards that you received if you already provided the information through SAM because you were required to do so under federal procurement contracts that you were awarded.

D. Reporting Frequency

During any period of time when you are subject to the requirement in paragraph A of this term, you must report proceedings information through SAM for the most recent five-year period, either to report new information about any proceeding(s) that you have not reported previously or affirm that there is no new information to report. Recipients that have federal contract, Financial Assistance awards, (including cooperative agreement awards) with a cumulative total value greater than $10,000,000, must disclose semiannually any information about the criminal, civil, and administrative proceedings.

E. Definitions

For purposes of this term:

i. Administrative proceeding means a non-judicial process that is adjudicatory in nature in order to make a determination of fault or liability (e.g., Securities and Exchange Commission Administrative proceedings, Civilian Board of Contract Appeals proceedings, and Armed Services Board of Contract Appeals proceedings). This includes proceedings at the federal and state level but only in connection with performance of a federal contract or Financial Assistance awards. It does not include audits, site visits, corrective plans, or inspection of deliverables.

ii. Conviction means a judgment or conviction of a criminal offense by any court of competent jurisdiction, whether entered upon a verdict or a plea, and includes a conviction entered upon a plea of *nolo contendere*.

iii. Total value of currently active Financial Assistance awards, cooperative agreements and procurement contracts includes:

1. Only the Federal share of the funding under any Federal award with a recipient cost share or match; and
2. The value of all expected funding increments under a federal award and options, even if not yet exercised.

Term 48. Export Control

The United States government regulates the transfer of information, commodities, technology, and software considered to be strategically important to the United States to protect national security, foreign policy, and economic interests without imposing undue regulatory burdens on legitimate international trade. There is a network of federal agencies and regulations that govern exports that are collectively referred to as "Export Controls." All recipients and subrecipients are responsible for ensuring compliance with all applicable United States Export Control laws and regulations relating to any work performed under a resulting award.

The recipient must immediately report to DOE any export control investigations, indictments, charges, convictions, and violations upon occurrence, at the recipient or subrecipient level, and provide the corrective action(s) to prevent future violations.

Term 49. Current and Pending Support

A. Definitions

For purposes of this term, the following definitions are applicable:

i. **Current and pending support** – (a) All resources made available, or expected to be made available, to an individual in support of the individual's RD&D efforts, regardless of (i) whether the source is foreign or domestic; (ii) whether the resource is made available through the entity applying for an award or directly to the individual; or (iii) whether the resource has monetary value; and (b) includes in-kind contributions requiring a commitment of time and directly supporting the individual's RD&D efforts, such as the provision of office or laboratory space, equipment, supplies, employees, or students. This term has the same meaning as the term Other Support as applied to researchers in NSPM-33: For researchers, Other Support includes all resources made available to a researcher

in support of and/or related to all of their professional RD&D efforts, including resources provided directly to the individual or through the organization, and regardless of whether or not they have monetary value (e.g., even if the support received is only in-kind, such as office/laboratory space, equipment, supplies, or employees). This includes resource and/or financial support from all foreign and domestic entities, including but not limited to, gifts provided with terms or conditions, financial support for laboratory personnel, and participation of student and visiting researchers supported by other sources of funding.

ii. **Foreign Government-Sponsored Talent Recruitment Program** – An effort directly or indirectly organized, managed, or funded by a foreign government, or a foreign government instrumentality or entity, to recruit science and technology professionals or students (regardless of citizenship or national origin, or whether having a full-time or part-time position). Some foreign government-sponsored talent recruitment programs operate with the intent to import or otherwise acquire from abroad, sometimes through illicit means, proprietary technology or software, unpublished data and methods, and intellectual property to further the military modernization goals and/or economic goals of a foreign government. Many, but not all, programs aim to incentivize the targeted individual to relocate physically to the foreign state for the above purpose. Some programs allow for or encourage continued employment at United States research facilities or receipt of federal research funds while concurrently working at and/or receiving compensation from a foreign institution, and some direct participants not to disclose their participation to United States entities. Compensation could take many forms including cash, research funding, complimentary foreign travel, honorific titles, career advancement opportunities, promised future compensation, or other types of remuneration or consideration, including in-kind compensation.

iii. **Senior/key personnel** – an individual who contributes in a substantive, meaningful way to the scientific development or execution of a research, development, and demonstration (RD&D) project proposed to be carried out with DOE award.[2]

B. Disclosure Requirements

Prior to award, the recipient was required to provide current and pending support disclosure statements and a Curriculum Vitae (CV) or Biosketch for each principal investigator (PI) or Program Director (PD) and senior/key personnel, at the recipient and subrecipient level, regardless of funding source. In accordance with the Federal Assistance Reporting Checklist, throughout the life of the award, the recipient must submit current and

[2] Typically, these individuals have doctoral or other professional degrees, although individuals at the master's or baccalaureate level may be considered senior/key personnel if their involvement meets this definition. Consultants, graduate students, and those with a postdoctoral role also may be considered senior/key personnel if they meet this definition.

pending support disclosure statements and a CV or Biosketch for any new PI/PD and senior/key personnel at the recipient and subrecipient level, added to the project funded under this Award within thirty (30) calendar days of the individual joining the project. In addition, if there are any changes to current and pending support disclosure statements previously submitted to DOE, the recipient must submit updated current and pending disclosure statements within thirty (30) calendar days of the change. The recipient must ensure all PI/PDs and senior/key personnel at the recipient and subrecipient level, are aware of the requirement to submit updated current and pending support disclosure statements to DOE.

Current and pending support is intended to allow the identification of potential duplication, overcommitment, potential conflicts of interest or commitment, and all other sources of support. All PI/PDs and senior/key personnel at the recipient and subrecipient level must provide a list of all sponsored activities, awards, and appointments, whether paid or unpaid; provided as a gift with terms or conditions or provided as a gift without terms or conditions; full-time, part-time, or voluntary; faculty, visiting, adjunct, or honorary; cash or in-kind; foreign or domestic; governmental or private-sector; directly supporting the individual's research or indirectly supporting the individual by supporting students, research staff, space, equipment, or other research expenses. All involvement with foreign government-sponsored talent recruitment programs must be identified in current and pending support.

For every activity, list the following items:

- The sponsor of the activity or the source of funding;
- The award or other identifying number;
- The title of the award or activity. If the title of the award or activity is not descriptive, add a brief description of the research being performed that would identify any overlaps or synergies with the proposed research;
- The total cost or value of the award or activity, including direct and indirect costs and cost share. For pending proposals, provide the total amount of requested funding;
- The award period (start date – end date);
- The person-months of effort per year being dedicated to the award or activity.

To identify overlap, duplication of effort, or synergistic efforts, append a description of the other award or activity to the current and pending support.

Details of any obligations, contractual or otherwise, to any program, entity, or organization sponsored by a foreign government must be provided to DOE upon request to either the applicant institution or DOE. Supporting documents of any identified source of support must be provided to DOE on request, including certified translations of any document.

All PI/PDs and senior/key personnel must provide a separate disclosure statement listing the required information above regarding current and pending support. The individual must sign and date their respective disclosure statement and include the following certification statement:

I, [Full Name and Title], certify to the best of my knowledge and belief that the information contained in this Current and Pending Support Disclosure Statement is true, complete, and accurate. I understand that any false, fictitious, or fraudulent information, misrepresentations, half-truths, or omissions of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise. (18 U.S.C. §§ 1001 and 287, and 31 U.S.C. 3729-3733 and 3801-3812). I further understand and agree that (1) the statements and representations made herein are material to DOE's funding decision, and (2) I have a responsibility to update the disclosures during the period of performance of the award should circumstances change which impact the responses provided above.

The information may be provided in the common disclosure format available at Common Form for Current and Pending (Other) Support (nsf.gov) to be implemented by DOE. Regardless of the format used, the individual must still include a signature, date, and a certification statement using the language included in the paragraph above.

Term 50. Interim Conflict of Interest Policy for Financial Assistance

The DOE interim Conflict of Interest Policy for Financial Assistance (COI Policy) can be found at https://www.energy.gov/management/department-energy-interim-conflict-interest-policy-requirements-financial-assistance. This policy is applicable to all non-federal entities applying for, or that receive, DOE funding by means of a financial assistance award (e.g., a grant, cooperative agreement, technology investment agreement, or other transaction authority) and, through the implementation of this policy by the entity, to each Investigator who is planning to participate in, or is participating in, the project funded wholly or in part under this Award. The term "Investigator" means the PI and any other person, regardless of title or position, who is responsible for the purpose, design, conduct, or reporting of a project funded by DOE or proposed for funding by DOE.

The recipient must flow down the requirements of the interim COI Policy to any subrecipient non-federal entities, with the exception of DOE National Laboratories. Further, the recipient must identify all financial conflicts of interests (FCOI), i.e., managed and unmanaged/unmanageable, in its initial and ongoing FCOI reports.

Prior to award, the recipient was required to: 1) ensure all Investigators on this Award completed their significant financial disclosures; 2) review the disclosures; 3) determine whether a FCOI exists; 4) develop and implement a management plan for FCOIs; and 5) provide DOE with an initial FCOI report that includes all FCOIs (i.e., managed and unmanaged/unmanageable). Within 180 days of the date of the Award, the recipient must be in full compliance with the other requirements set forth in DOE's interim COI Policy.

Term 51. Organizational Conflict of Interest

Organizational conflicts of interest are those where, because of relationships with a parent company, affiliate, or subsidiary organization, the Recipient is unable or appears to be unable to

be impartial in conducting procurement action involving a related organization (2 CFR 200.318(c)(2)).

The Recipient must disclose in writing any potential or actual organizational conflict of interest to the DOE Grants Officer. The Recipient must provide the disclosure prior to engaging in a procurement or transaction using project funds with a parent, affiliate, or subsidiary organization that is not a state, local government, or Indian tribe. For a list of the information that must be included the disclosure, see Section VI. of the DOE interim Conflict of Interest Policy for Financial Assistance at https://www.energy.gov/management/department-energy-interim-conflict-interest-policy-requirements-financial-assistance.

If the effects of the potential or actual organizational conflict of interest cannot be avoided, neutralized, or mitigated, the Recipient must procure goods and services from other sources when using project funds. Otherwise, DOE may terminate the Award in accordance with 2 CFR 200.340 unless continued performance is determined to be in the best interest of the federal government.

The Recipient must flow down the requirements of the interim COI Policy to any subrecipient non-federal entities, with the exception of DOE National Laboratories. The Recipient is responsible for ensuring subrecipient compliance with this term.

If the Recipient has a parent, affiliate, or subsidiary organization that is not a state, local government, or Indian tribe, the Recipient must maintain written standards of conduct covering organizational conflicts of interest.

Term 52. Prohibition on Certain Telecommunications and Video Surveillance Services or Equipment

As set forth in 2 CFR 200.216, recipients and subrecipients are prohibited from obligating or expending project funds (federal and non-federal funds) to:

(1) Procure or obtain;

(2) Extend or renew a contract to procure or obtain;

(3) Exercise an option to procure

(4) Enter into a contract (or extend or renew a contract) to procure or obtain equipment, services, or systems that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system. As described in Public Law 115-232, section 889, covered telecommunications equipment is telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities).

(i) For the purpose of public safety, security of government facilities, physical security surveillance of critical infrastructure, and other national security purposes, video

surveillance and telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities).

(ii) Telecommunications or video surveillance services provided by such entities or using such equipment.

(iii) Telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, in consultation with the Director of the National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of a covered foreign country.

See Public Law 115-232, section 889 for additional information.

Term 53. Participants and Other Collaborating Organizations

Prior to award, the recipient was required to provide the following information on participants and other collaborating organizations. If there are any changes to Participants and Collaborating Organizations information previously submitted to DOE, the recipient must submit updated information within thirty (30) calendar days after the end of the quarterly reporting period in which the change occurred:

A. What individuals have worked on the project

Provide the following information for individuals at the prime recipient and subrecipient level: (1) all senior and key personnel; (2) authorized representative of applicant with primary responsibility for business support (e.g., financial management, fiscal oversight, providing resources, award administration, etc.), if other than listed senior/key personnel, e.g., the Administrative Officer listed on the SF-424 Application; and (3) each person who has worked or is expected to work at least one person month per year on the project regardless of the source of compensation (a person month equals approximately 160 hours of effort):

i. Name;
ii. Organization;
iii. Job Title;
iv. Role in the project;
v. Start and end date (month and year) working on the project;
vi. State, U.S. territory, and/or country of residence;
vii. Whether this person collaborated with an individual or entity located in a foreign country in connection with the scope of this Award; and
viii. If yes to vii, whether the person traveled to the foreign country as part of that collaboration, and, if so, where and what the duration of stay was.

B. Organizations

Identify all subrecipients, contractors, U.S. National Laboratories, partners, and collaborating organizations. recipients must also include all foreign collaborators as outlined in the Foreign Collaboration Considerations term of the award Terms and

Conditions. For each, provide name, UEI, zip code or latitude/longitude, role in the project, contribution to the project, and start and end date.

Term 54. Diversity, Equity, and Inclusion Plan

Prior to award, the Recipient submitted a Diversity, Equity, and Inclusion (DEI) Plan that described the actions the Recipient will undertake to incorporate diversity, equity, and inclusion elements in the project funded under this Award. The Recipient must meet the stated objectives and milestones set forth in its DEI Plan, which is incorporated into the Award as Attachment 5. A report on the Recipient's progress towards meeting the objectives milestones set forth in the DEI plan must be included in the continuation application.

Term 55. Human Subjects Research

Research involving human subjects, biospecimens, or identifiable private information conducted with Department of Energy (DOE) funding is subject to the requirements of DOE Order 443.1C, *Protection of Human Research Subjects*, 45 CFR Part 46, *Protection of Human Subjects* (*subpart A which is referred to as the "Common Rule"),* and 10 CFR Part 745, *Protection of Human Subjects*.

Federal regulation and the DOE Order require review by an Institutional Review Board (IRB) of all proposed human subjects research projects. The IRB is an interdisciplinary ethics board responsible for ensuring that the proposed research is sound and justifies the use of human subjects or their data; the potential risks to human subjects have been minimized; participation is voluntary; and clear and accurate information about the study, the benefits and risks of participating, and how individuals' data/specimens will be protected/used, is provided to potential participants for their use in determining whether or not to participate.

The recipient shall provide the Federal Wide Assurance number identified in item 1 below and the certification identified in item 2 below to DOE prior to initiation of any project that will involve interactions with humans in some way (e.g., through surveys); analysis of their identifiable data (e.g., demographic data and energy use over time); asking individuals to test devices, products, or materials developed through research; and/or testing of commercially available devices in buildings/homes in which humans will be present. *Note:* This list of examples is illustrative and not all inclusive.

No DOE funded research activity involving human subjects, biospecimens, or identifiable private information shall be conducted without:

1) A registration and a Federal Wide Assurance of compliance accepted by the Office of Human Research Protection (OHRP) in the Department of Health and Human Services; and
2) Certification that the research has been reviewed and approved by an Institutional Review Board (IRB) provided for in the assurance. IRB review may be accomplished by the awardee's institutional IRB; by the Central DOE IRB; or if collaborating with one of the DOE national laboratories, by the DOE national laboratory IRB.

The recipient is responsible for ensuring all subrecipients comply and for reporting information on the project annually to the DOE Human Subjects Research Database (HSRD) at https://science.osti.gov/HumanSubjects/Human-Subjects-Database/home. *Note:* If a DOE IRB is used, no end of year reporting will be needed.

Additional information on the DOE Human Subjects Research Program can be found at: https://science.osti.gov/ber/human-subjects.

Term 56. Fraud, Waste and Abuse

The mission of the DOE Office of Inspector General (OIG) is to strengthen the integrity, economy and efficiency of DOE's programs and operations including deterring and detecting fraud, waste, abuse, and mismanagement. The OIG accomplishes this mission primarily through investigations, audits, and inspections of Department of Energy activities to include grants, cooperative agreements, loans, and contracts. The OIG maintains a Hotline for reporting allegations of fraud, waste, abuse, or mismanagement. To report such allegations, please visit https://www.energy.gov/ig/ig-hotline.

Additionally, the recipient must be cognizant of the requirements of 2 CFR 200.113 Mandatory disclosures, which states:

> The non-federal entity or applicant for a federal award must disclose, in a timely manner, in writing to the federal awarding agency or pass-through entity all violations of federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the federal award. Non-federal entities that have received a federal award including the term and condition outlined in appendix XII of 2 CFR Part 200 are required to report certain civil, criminal, or administrative proceedings to SAM (currently FAPIIS). Failure to make required disclosures can result in any of the remedies described in § 200.339. (See also 2 CFR part 180, 31 U.S.C. 3321, and 41 U.S.C. 2313.)

Term 57. Prohibition related to Foreign Government-Sponsored Talent Recruitment Programs

A. Prohibition

Persons participating in a *Foreign Government-Sponsored Talent Recruitment Program of a Foreign Country of Risk* are prohibited from participating in this Award.

The recipient must exercise ongoing due diligence to reasonably ensure that no individuals participating on the DOE-funded project are participating in a *Foreign Government-Sponsored Talent Recruitment Program of a Foreign Country of Risk*. Consequences for violations of this prohibition will be determined according to applicable law, regulations, and policy. Further, the recipient must notify DOE within five (5) business days upon learning that an owner of the recipient or subrecipient or individual on the project team is or is believed to be participating in a *Foreign Government-Sponsored Talent Recruitment Program of a Foreign Country of Risk*. DOE may modify and add requirements related to this prohibition to the extent required by law.

B. Definitions

1. **Foreign Government-Sponsored Talent Recruitment Program.**
   An effort directly or indirectly organized, managed, or funded by a foreign government, or a foreign government instrumentality or entity, to recruit science and technology professionals or students (regardless of citizenship or national origin, or whether having a full-time or part-time position). Some foreign government-sponsored talent recruitment programs operate with the intent to import or otherwise acquire from abroad, sometimes through illicit means, proprietary technology or software, unpublished data and methods, and intellectual property to further the military modernization goals and/or economic goals of a foreign government. Many, but not all, programs aim to incentivize the targeted individual to relocate physically to the foreign state for the above purpose. Some programs allow for or encourage continued employment at United States research facilities or receipt of federal research funds while concurrently working at and/or receiving compensation from a foreign institution, and some direct participants not to disclose their participation to U.S. entities. Compensation could take many forms including cash, research funding, complimentary foreign travel, honorific titles, career advancement opportunities, promised future compensation, or other types of remuneration or consideration, including in-kind compensation.

2. **Foreign Country of Risk.**
   DOE has designated the following countries as foreign countries of risk: Iran, North Korea, Russia, and China. This list is subject to change.

Term 58. Affirmative Action and Pay Transparency Requirements

All federally assisted construction contracts exceeding $10,000 annually will be subject to the requirements of Executive Order 11246:

1. Recipients, subrecipients, and contractors are prohibited from discriminating in employment decisions on the basis of race, color, religion, sex, sexual orientation, gender identity or national origin.

2. Recipients and Contractors are required to take affirmative action to ensure that equal opportunity is provided in all aspects of their employment. This includes flowing down the appropriate language to all subrecipients, contractors and subcontractors.

3. Recipients, subrecipients, contractors and subcontractors are prohibited from taking adverse employment actions against applicants and employees for asking about, discussing, or sharing information about their pay or, under certain circumstances, the pay of their co-workers.

The Department of Labor's (DOL) Office of Federal Contractor Compliance Programs (OFCCP) uses a neutral process to schedule contractors for compliance evaluations. OFCCP's Technical

Assistance Guide should be consulted to gain an understanding of the requirements and possible actions the recipients, subrecipients, contractors, and subcontractors must take. See OFCCP's Technical Assistance Guide at: https://www.dol.gov/sites/dolgov/files/ofccp/Construction/files/ConstructionTAG.pdf?msclkid=9e397d68c4b111ec9d8e6fecb6c710ec.

Term 59. Potentially Duplicative Funding Notice

If the recipient or subrecipients have or receive any other award of federal funds for activities that potentially overlap with the activities funded under this Award, the recipient must promptly notify DOE in writing of the potential overlap and state whether project funds (i.e., recipient cost share and federal funds) from any of those other federal awards have been, are being, or are to be used (in whole or in part) for one or more of the identical cost items under this Award. If there are identical cost items, the recipient must promptly notify the DOE Grants Officer in writing of the potential duplication and eliminate any inappropriate duplication of funding.

Term 60. Transparency of Foreign Connections

The recipient must notify the DOE Grants Officer within fifteen (15) business days of learning of the circumstances listed below in relation to the recipient and subrecipients.

U.S. National Laboratories, domestic government entities, and institutions of higher education are only required to report on items 5 and 7. For subrecipient reporting requirements, applicability is determined by the subrecipient entity type, regardless of whether the prime recipient was exempt.

1. Any current or pending subsidiary, foreign business entity, or offshore entity that is based in or funded by any foreign country of risk or foreign entity based in a country of risk;
2. Any current or pending contractual or financial obligation or other agreement specific to a business arrangement, or joint venture-like arrangement with an entity owned by a country of risk or foreign entity based in a country of risk;
3. Any current or pending change in ownership structure of the recipient or subrecipients that increases foreign ownership related to a country of risk. Each notification shall be accompanied by a complete and up-to-date capitalization table showing all equity interests held including limited liability company (LLC) and partnership interests, as well as derivative securities. Include both the number of shares issued to each equity holder, as well as the percentage of that series and of all equity on fully diluted basis. For each equity holder, provide the place of incorporation and the principal place of business, as applicable. If the equity holder is a natural person, identify the citizenship(s);
4. Any current or pending venture capital or institutional investment by an entity that has a general partner or individual holding a leadership role in such entity who has a foreign affiliation with any foreign country of risk;
5. Any current or pending technology licensing or intellectual property sales to a foreign country of risk;
6. Any changes to the recipient or the subrecipients' board of directors, including additions to the number of directors, the identity of new directors, as well as each new director's

citizenship, shareholder affiliation (if applicable); each notification shall include a complete up-to-date list of all directors (and board observers), including their full name, citizenship and shareholder affiliation, date of appointment, duration of term, as well as a description of observer rights as applicable; and

7. Any of the following changes to the equipment proposed for use on the project:
    a. Unmanned aircraft, control, and communication components originally made or manufactured in a foreign country of risk (including relabeled or rebranded equipment).
    b. Coded equipment where the source code is written in a foreign country of risk.
    c. Equipment from a foreign country of risk that will be connected to the internet or other remote communication system.
    d. Any companies from a foreign country of risk that will have physical or remote access to any part of the equipment used on the project after delivery.

Should DOE determine the connection poses a risk to economic or national security, DOE will require measures to mitigate or eliminate the risk.

DOE has designated the following countries as foreign countries of risk: Iran, North Korea, Russia, and China. This list is subject to change.

Recognizing the disclosures may contain business confidential information, subrecipients may submit their disclosures directly to DOE.

Term 61. Foreign Collaboration Considerations

1. Consideration of new collaborations with foreign entities, organizations, and governments. The recipient must provide DOE with advanced written notification of any potential collaboration with foreign entities, organizations, or governments in connection with its DOE-funded award scope. The recipient must await further guidance from DOE prior to contacting the proposed foreign entity, organization or government regarding the potential collaboration or negotiating the terms of any potential agreement.

2. Existing collaborations with foreign entities, organizations, and governments. The recipient must provide DOE with a written list of all existing foreign collaborations, organizations, and governments in which has entered in connection with its DOE-funded award scope.

3. In general, a collaboration will involve some provision of a thing of value to, or from, the recipient. A thing of value includes but may not be limited to all resources made available to, or from, the recipient in support of and/or related to the Award, regardless of whether or not they have monetary value. Things of value also may include in-kind contributions (such as office/laboratory space, data, equipment, supplies, employees, students). In-kind contributions not intended for direct use on the Award but resulting in provision of a thing of value from or to the Award must also be reported. Collaborations do not include routine workshops, conferences, use of the recipient's

services and facilities by foreign investigators resulting from its standard published process for evaluating requests for access, or the routine use of foreign facilities by awardee staff in accordance with the recipient's standard policies and procedures.

Term 62. Impacted Indian Tribes

If any activities anticipated to take place under this agreement could potentially impact the resources or reserved rights of Indian Tribe(s), as defined in 25 U.S.C. § 5304 (e), then the recipient/awardee agrees to develop and maintain active and open communications with the potentially impacted Indian Tribe(s), during the period of performance of the agreement, and, if necessary, after the end of the agreement. Approval by DOE must be obtained before any activities take place that could impact Tribal resources or reserved rights, including but not limited to lands, cultural sites, sacred sites, water rights, mineral rights, fishing rights, and hunting rights. The recipient/awardee must coordinate with DOE on all Tribal interactions. DOE will determine if formal government-to-government consultation is needed, and DOE will conduct that consultation accordingly.

- Tribal lands is as defined in 25 U.S.C. §§ 3501(2), (3), (4)(A) and (13).
- Indian Tribe is as defined in 25 U.S.C. § 5304 (e).

1. Award Number:	2. Program/Project Title:
DE-EE0010994.0001; Attachment 2	**Technological Upscaling of the Partial Denitrification-Anammox Process for Decarbonizationwith Mainstream Deammonification**
3. Recipient: **AECOM Technical Services, Inc.**	

4. Reporting Requirements (see Attached "EERE Reporting Instructions"):	Frequency	Addresses* *See attached "EERE Reporting Instructions" for complete submission instructions.
I. PROJECT MANAGEMENT REPORTING		
☑ A. Research Performance Progress Report (RPPR)	**Q**	A. EERE PMC
☑ B. Financial Report (SF-425)	**F, Q**	B. EERE PMC
☑ C. Scientific and Technical Reporting		
☑ 1. Accepted Manuscript of Journal Article(s)	**A5, P**	C.1. OSTI E-Link
☑ 2. Conference Product(s)	**A5, P**	C.2. OSTI E-Link
☑ 3. Technical Report(s)	**A5, P**	C.3. OSTI E-Link
☑ 4. Software & Manual(s)	**A5, P**	C.4. DOE CODE
☑ 5. Dataset(s)	**A5, P**	C.5. OSTI E-Link Datasets
☑ 6. Other STI (Dissertation/Thesis, etc.)	**A5, P**	C.6. OSTI E-Link
☑ D. Intellectual Property Reporting		
☑ 1. Intellectual Property Reporting	**A5, P**	D.1. iEdison
☑ 2. Invention Utilization Report	**A5, P**	D.2. iEdison
☐ E. Project Management Plan (PMP)		E. EERE PMC
☑ F. Special Status Report	**A5**	F.
☑ G. Continuation Application	**A5**	G. EERE PMC
☐ H. Other Project Management Reporting (see Special Instructions)		H. See Special Instructions
II. AWARD MANAGEMENT REPORTING		
☑ A. Participants and Collaborating Organizations	**A5**	A. EERE PMC
☑ B. Current and Pending Support	**A5**	B. EERE PMC
☑ C. Demographic Reporting	**A5**	C. EERE PMC
☐ D. Tangible Personal Property Report – Annual Property Report (SF-428 & SF-428A)		D. EERE PMC
☑ E. Tangible Personal Property Report – Disposition Request/Report (SF-428 & SF-428C)	**A5**	E. EERE PMC
☑ F. Uniform Commercial Code (UCC) Financing Statements	**A5**	F. See section II. F for instructions and due dates
☑ G. Federal Subaward Reporting System (FSRS)	**A5**	G. FSRS
☑ H. Annual Incurred Cost Proposal	**Y180**	H. See section II. H for instructions and due dates
☑ I. DOE For-Profit Compliance Audit	**O**	I. See section II. I for instructions and due dates
☐ J. Single Audit: States, Locals, Tribal Governments, and Non-Profits		J. See section II. J for instructions and due dates
☐ K. Other Award Management Reporting (see Special Instructions)		K. See Special Instructions
III. CLOSEOUT REPORTING		
☑ A. Final Scientific/Technical Report	**F**	A. OSTI E-Link
☑ B. Invention Certification (DOE F 2050.11)	**F**	B. EERE PMC
☑ C. Tangible Personal Property Report – Final Report (SF-428 & SF-428B)	**F**	C. EERE PMC
☑ D. Verification of Receipt of Accepted Manuscripts	**F**	D. See section III. D for instructions and due dates
☐ E. Other Closeout Reporting (see Special Instructions)		E. See Special Instructions
IV. POST-PROJECT REPORTING		
☑ A. Scientific and Technical Reporting	**P**	A. OSTI E-Link
☑ B. Intellectual Property Reporting	**P**	B. iEdison

FREQUENCY CODES AND DUE DATES:

A5 - As specified or within five (5) calendar days after the event.

F - Final; within 120 calendar days after expiration or termination of the award.

O - Other; see instructions for further details.

P - Post-project (after the period of performance); within five (5) calendar days after the event, or as specified.

Q - Quarterly; within 30 calendar days after the end of the federal fiscal year quarter.

S - Semiannually; within 30 days after the end of the reporting period.

Y - Yearly; within 90 calendar days after the end of the federal fiscal year.

Y180 - Yearly; within 180 calendar days after the close of the recipient's fiscal year.

FULL URLS:

OSTI E-Link: http://www.osti.gov/elink-2413
OSTI E-Link Datasets: https://www.osti.gov/elink/2416-submission.jsp
DOE CODE: https://www.osti.gov/doecode/
iEdison: http://www.iedison.gov
EERE PMC: https://www.eere-pmc.energy.gov/SubmitReports.aspx
FSRS: https://www.fsrs.gov
LCPtracker: https://www.lcptracker.com

5. EERE Special Instructions:

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EERE Reporting Instructions

Throughout the performance of the project, it is important that you mark Protected Data/Limited Rights Data as described in Appendix A. It is equally important that you not submit Protected Personally Identifiable Information (Protected PII) to EERE. See Appendix A for guidance on Protected PII.

Report Templates Link: http://energy.gov/eere/funding/eere-funding-application-and-management-forms

I. Project Management Reporting

A. Research Performance Progress Report (RPPR)

Submit to:	https://www.eere-pmc.energy.gov/SubmitReports.aspx
Submission deadline:	Within 30 calendar days after the end of the quarterly reporting period (January 30, April 30, July 30, October 30)

Every quarter, the prime recipient is required to submit a Research Performance Progress Report (RPPR) for the project – i.e., the entirety of work performed by the prime recipient, subrecipients, and contractors – to EERE. The RPPR must include the following information.

Standard Cover Page Data Elements and Reporting Categories

The standard cover page data elements and components shown below comprise the complete RPPR format. Each category in the RPPR is a separate reporting component.

1. Cover Page

a. Federal Agency and Organization Element to Which Report is Submitted
b. Federal Grant or Other Identifying Number Assigned by Agency
c. Project Title PD/PI
d. Business Contact Name, Title and Contact Information (e-mail address and phone number)
e. Name of Submitting Official, Title, and Contact Information (e-mail address and phone number), if other than PD/PI
f. Submission Date
g. UEI Number
h. Recipient Organization (Name and Address)
i. Project/Grant Period (Start Date, End Date)
j. Reporting Period End Date

k. Current Report Term or Frequency (annual, semi-annual, quarterly, final, other)
l. Certification by the Submitting Official that includes: Signature of Submitting Official (electronic signatures (i.e., Adobe Acrobat) are acceptable); date of signature; and the following certification statement:

> By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate. I am aware that any false, fictitious, or fraudulent information, misrepresentations, half-truths, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise. (U.S. Code Title 18, Section 1001, Section 287 and Title 31, Sections 3729-3730). I further understand and agree that the information contained in this report are material to Federal agency's funding decisions and I have an ongoing responsibility to promptly update the report within the time frames stated in the terms and conditions of the above referenced Award, to ensure that my responses remain accurate and complete.

2. Accomplishments

What was done? What was learned?
The information provided in this section allows the agency to assess whether satisfactory progress has been made during the reporting period. The PI is reminded that the grantee is required to obtain prior written approval from the Contracting Officer whenever there are significant changes in the project or its direction. Requests for prior written approval must be submitted to the Contracting Officer.

a. What are the major goals and objectives of this project?
List the major goals of the project as stated in the approved application or as approved by the agency. Describe the proposed technical approach to obtain those goals. If the application lists milestones/target dates for important activities or phases of the project, identify these dates and show actual completion dates or the percentage of completion. Generally, the goals will not change from one reporting period to the next. However, if the awarding agency approved changes to the goals during the reporting period, list the revised goals and objectives. Also explain any significant changes in approach or methods from the agency approved application or plan.

b. What was accomplished under these goals?
For this reporting period describe: 1) major activities; 2) specific objectives; 3) significant results or key outcomes, including major findings, developments, or conclusions (both positive and negative); and/or 4) other achievements. Include a

discussion of stated goals not met. As the project progresses, the emphasis in reporting in this section should shift from reporting activities to reporting accomplishments.

c. **What opportunities for training and professional development has the project provided?**
Describe opportunities for training and professional development provided to anyone who worked on the project or anyone who was involved in the activities supported by the project. "Training" activities are those in which individuals with advanced professional skills and experience assist others in attaining greater proficiency. Training activities may include, for example, courses or one-on-one work with a mentor. "Professional development" activities result in increased knowledge or skill in one's area of expertise and may include workshops, conferences, seminars, study groups, and individual study. Include participation in conferences, workshops, and seminars not listed under major activities.

If the project was not intended to provide training and professional development opportunities or there is nothing significant to report during this reporting period, state "Nothing to Report."

d. **How have the results been disseminated to communities of interest?**
Describe how the results have been disseminated to communities of interest. Include any outreach activities that have been undertaken to reach members of communities who are not usually aware of these research activities, for the purpose of enhancing public understanding and increasing interest in learning and careers in science, technology, and the humanities.

If there is nothing significant to report during this reporting period, state "Nothing to Report."

e. **What do you plan to do during the next reporting period to accomplish the goals and objectives?**
Describe briefly what you plan to do during the next reporting period to accomplish the goals and objectives.

If there are no changes to the agency-approved application or plan for this project or if this is the final report, state "Nothing to Report."

3. **Products**

What has the project produced?
Publications are the characteristic product of research. Agencies evaluate what the publications demonstrate about the excellence and significance of the research and the

efficacy with which the results are being communicated to colleagues, potential users, and the public, not just the number of publications. Many projects (though not all) develop significant products other than publications. Agencies assess and report both publications and other products to Congress, communities of interest, and the public.

List any products resulting from the project during the reporting period. Examples of products include: publications, conference papers, and presentations; website(s); technologies or techniques; inventions, patent applications, and/or licenses; and other products, such as data or databases, physical collections, audio or video products, software or NetWare, models, educational aids or curricula, instruments or equipment, research material, interventions (e.g., clinical or educational), new business creation or any other public release of information related to the project.

If there is nothing significant to report or if no products were developed during this reporting period, state "Nothing to Report."

a. Publications, conference papers, and presentations

Report the publication(s) resulting from the work under this award. There is no restriction on the number. However, agencies are most interested in those publications that most reflect the work under this award in the following categories:

Please note: Recipients must use the EERE acknowledgement and legal disclaimer language as described in the Special Terms and Conditions (additional information can be found at the EERE Communications Standards website: https://www.energy.gov/eere/communicationstandards/eere-branded-publications-developed-third-parties).

The recipient is reminded that all data produced under the award should comply with the award's data management plan (DMP). The DMP provides a plan for making all research data displayed in publications resulting from the proposed work digitally accessible at the time of publication. At a minimum, the DMP (1) describes how data sharing and preservation will enable validation of the results from the proposed work, how the results could be validated if data are not shared or preserved and (2) has a plan for making all research data displayed in publications resulting from the proposed work digitally accessible at the time of publications. For more information on DMPs, please visit https://www.energy.gov/eere/funding/eere-digital-data-management.

i. Accepted Manuscript(s) of Journal Article

List peer-reviewed articles or papers that have been submitted for publication in scientific, technical, or professional journals. Include any paper submitted for peer-reviewed publication in the periodically published proceedings of a scientific society, a conference, or the like. A publication in the proceedings of a

one-time conference, not part of a series, should be reported under "Books or other non-periodical, one-time publications."

Identify for each publication: Author(s); title; journal; volume: year; page numbers; status of publication (published; accepted, awaiting publication; submitted, under review; other); acknowledgement of federal support (yes/no); legal disclaimer language (yes/no). Also see instructions under **II. Scientific/Technical Reporting** regarding the submission of accepted manuscripts and other STI as appropriate.

ii. Books or other non-periodical, one-time publications

Report any book, monograph, dissertation, abstract, or the like published as or in a separate publication, rather than a periodical or series. Include any significant publication in the proceedings of a one-time conference or in the report of a one-time study, commission, or the like.

Identify for each one-time publication: author(s); title; editor; title of collection, if applicable; bibliographic information; year; type of publication (book, thesis or dissertation, other); status of publication (published; accepted, awaiting publication; submitted, under review; other); acknowledgement of federal support (yes/no); legal disclaimer language (yes/no).

iii. Other publications, conference papers and presentations

Identify any other publications, conference papers and/or presentations not reported above. Specify the status of the publication as noted above.

b. **Website(s)**

List the URL for any Internet site(s) that disseminates the results of the research activities. A short description of each site should be provided. It is not necessary to include the publications already specified above in this section.

c. Technologies or techniques

Identify technologies or techniques that have resulted from the research activities. Describe the technologies or techniques and how they are being shared.

d. Inventions, patent applications, and/or licenses

Identify inventions, patent applications with date, and/or licenses that have resulted from the research. Submission of this information as part of an interim report or Final Technical Report is not a substitute for any other invention reporting required under the terms and conditions of an award.

e. Other products

Identify any other significant products that were developed under this project. Describe the product and how it is being shared. Examples of other products are: Data or databases; Physical collections; Audio or video products; Software or NetWare; Models; Educational aids or curricula; Instruments or equipment; Research material (e.g., germplasm, cell lines, DNA probes, animal models); Interventions (e.g. clinical, educational); new business creation; and Other.

4. Participants & Other Collaborating Organizations

This requirement is applicable for all awards issued after 03/01/22. For awards issued prior to 03/01/22, refer to your award Terms and Conditions to determine applicability. Prior to 03/01/22, some awards were required to submit a Table of Personnel; for these awards, please refer to your award Terms and Conditions and the Special Reporting Instructions in the FARC for guidance on reporting requirements.

Have there been any changes to the Participants and Collaborating Organizations information previously submitted to DOE? No ☐; Yes ☐; N/A ☐. If yes, the Recipient must submit updated information. See Section II.A. Participants and Collaborating Organizations.

5. Current and Pending Support

This requirement is mandatory for all Principal Investigators and senior/key personnel for awards issued after 10/01/21. For awards issued prior to 10/01/21, please refer to the award Terms and Conditions to determine applicability.

Have there been any changes to the information included in the current and pending support disclosures previously submitted to DOE? No ☐; Yes ☐; N/A ☐. If yes, the Recipient must submit updated information. See Section II.B. Current and Pending Support.

Have there been any changes to the PI or senior/key personnel? No ☐; Yes ☐; N/A ☐. If yes, the Recipient must submit a current and pending support disclosure and CV or Biosketch for any new PIs and senior/key personnel. See Current and Pending Support.

6. Impact

What is the impact of the project? How has it contributed?
Over the years, this base of knowledge, techniques, people, and infrastructure is drawn upon again and again for application to commercial technology and the economy, to health and safety, to cost-efficient environmental protection, to the solution of social problems, to numerous other aspects of the public welfare, and to other fields of endeavor.

The taxpaying public and its representatives deserve a periodic assessment to show them how the investments they make benefit the nation. Through this reporting format, and especially this section, recipients provide that assessment and make the case for federal funding of research and education.

Agencies use this information to assess how their research programs: increase the body of knowledge and techniques; enlarge the pool of people trained to develop that knowledge and techniques or put it to use; and improve the physical, institutional, and information resources that enable those people to get their training and perform their functions.

This component will be used to describe ways in which the work, findings, and specific products of the project have had an impact during this reporting period. Describe distinctive contributions, major accomplishments, innovations, successes, or any change in practice or behavior that has come about as a result of the project relative to: the development of the principal discipline(s) of the project; other disciplines; the development of human resources; teaching and educational experiences; physical, institutional, and information resources that form infrastructure; technology transfer (include transfer of results to entities in government or industry, adoption of new practices, or instances where research has led to the initiation of a startup company); society beyond science and technology; or foreign countries.

a. What was the impact on the development of the principal discipline(s) of the project?

Describe how findings, results, and techniques that were developed or extended, or other products from the project made an impact or are likely to make an impact on the base of knowledge, theory, and research and/or pedagogical methods in the principal disciplinary field(s) of the project. Summarize using language that a lay audience can understand (Scientific American style). How the field or discipline is defined is not as important as covering the impact the work has had on knowledge and technique. Make the best distinction possible, for example, by using a “field” or “discipline”, if appropriate, that corresponds with a single academic department (i.e., physics rather than nuclear physics).

If there is nothing significant to report during this reporting period, state “Nothing to Report.”

b. What was the impact on other disciplines?

Describe how the findings, results, or techniques that were developed or improved, or other products from the project made an impact or are likely to make an impact on other disciplines.

If there is nothing significant to report during this reporting period, state "Nothing to Report."

c. **What was the impact on the development of human resources?**
Describe how the project made an impact or is likely to make an impact on human resource development in science, engineering, and technology. For example, how has the project: provided opportunities for research and teaching in the relevant fields; improved the performance, skills, or attitudes of members of underrepresented groups that will improve their access to or retention in research, teaching, or other related professions; developed and disseminated new educational materials; provided scholarships; or provided exposure to science and technology for practitioners, teachers, young people, or other members of the public?

If there is nothing significant to report during this reporting period, state "Nothing to Report."

d. **What was the impact on teaching and educational experiences?**
Describe how the project made an impact or is likely to make an impact on teaching and educational experiences. For example, has the project: developed and disseminated new educational materials; led to ideas for new approaches to course design or pedagogical methods; or developed online resources that will be useful for teachers and students and other school staff?

If there is nothing significant to report during this reporting period, state "Nothing to Report."

e. **What was the impact on physical, institutional, and information resources that form infrastructure?**
Describe ways, if any, in which the project made an impact, or is likely to make an impact, on physical, institutional, and information resources that form infrastructure, including: physical resources such as facilities, laboratories, or instruments; institutional resources (such as establishment or sustenance of societies or organizations); or information resources, electronic means for accessing such resources or for scientific communication, or the like.

If there is nothing significant to report during this reporting period, state "Nothing to Report."

f. **What was the impact on technology transfer?**
Describe ways in which the project made an impact, or is likely to make an impact, on commercial technology or public use, including: transfer of results to entities in government or industry; instances where the research has led to the initiation of a start-up company; or adoption of new practices.

If there is nothing significant to report during this reporting period, state "Nothing to Report."

g. What was the impact on society beyond science and technology?
Describe how results from the project made an impact, or are likely to make an impact, beyond the bounds of science, engineering, and the academic world on areas such as: improving public knowledge, attitudes, skills, and abilities; changing behavior, practices, decision making, policies (including regulatory policies), or social actions; or improving social, economic, civic, or environmental conditions.

If there is nothing significant to report during this reporting period, state "Nothing to Report."

h. What percentage of the award's budget was spent in foreign country(ies)?
Describe what percentage of the award's budget was spent in foreign country(ies). If more than one foreign country is involved, identify the distribution between the foreign countries.

U.S.-based recipients should provide the percentage of the budget spent in the foreign country(ies) and/or, if applicable, the percentage of the budget obligated to foreign entities as first-tier subawards.

Recipients that are not U.S.-based should provide the percentage of the direct award received, excluding all first-tier subawards to U.S. entities. If applicable, provide separately the percentage of the budget obligated to non-U.S. entities as first-tier subawards.

7. Changes/Problems

The PD/PI is reminded that the grantee is required to obtain prior written approval from the Contracting Officer whenever there are significant changes in the project or its direction. Requests for prior written approval must be submitted to the Contracting Officer. If not previously reported in writing, provide the following additional information, if applicable: Changes in approach and reasons for change; Actual or anticipated problems or delays and actions or plans to resolve them; Changes that have a significant impact on expenditures; Significant changes in use or care of animals, human subjects, and/or biohazards.

If there is nothing significant to report during this reporting period, state "Nothing to Report."

a. Changes in approach and reasons for change

Describe any changes in approach during the reporting period and reasons for these changes. Remember that significant changes in objectives and scope require prior approval of the Contracting Officer.

If there is nothing significant to report during this reporting period, state "Nothing to Report."

b. Actual or anticipated problems or delays and actions or plans to resolve them
Describe problems or delays encountered during the reporting period and actions or plans to resolve them.

If there is nothing significant to report during this reporting period, state "Nothing to Report."

c. Changes that have a significant impact on expenditures
Describe changes during the reporting period that may have a significant impact on expenditures, for example, delays in hiring staff or favorable developments that enable meeting objectives at less cost than anticipated.

If there is nothing significant to report during this reporting period, state "Nothing to Report."

d. Significant changes in use or care of human subjects, vertebrate animals, biohazards, and/or select agents
Describe significant deviations, unexpected outcomes, or changes in approved protocols for the use or care of human subjects, vertebrate animals, biohazards and/or select agents during the reporting period. If required, were these changes approved by the applicable institution committee and reported to the agency? Also specify the applicable Institutional Review Board/Institutional Animal Care and Use Committee approval dates.

If there is nothing significant to report during this reporting period, state "Nothing to Report."

e. Change of primary performance site location from that originally proposed
Identify any change to the primary performance site location identified in the proposal, as originally submitted.

If there is nothing significant to report during this reporting period, state "Nothing to Report."

8. Special Reporting Requirements

Respond to any special reporting requirements specified in the award terms and conditions, as well as any award specific reporting requirements.

9. Budgetary Information

This component will be used to collect budgetary data from the recipient organization. The information will be used in conducting periodic administrative/budgetary reviews. Budgetary data identified and required by the Contracting Officer should be submitted in an Excel spreadsheet format.

B. Financial Report SF-425 Federal Financial Report

Submit to:	https://www.eere-pmc.energy.gov/SubmitReports.aspx
Submission deadline:	Within 30 calendar days after the end of the quarterly reporting period (January 30, April 30, July 30, October 30) **and** within 120 calendar days after expiration or termination of the award

Every quarter, the prime recipient is required to submit a completed SF-425 for the project to EERE, covering the entirety of work performed by the prime recipient, subrecipients, and contractors – to EERE. A fillable version of the SF-425 is available at https://www.energy.gov/eere/funding/eere-funding-application-and-management-forms.

C. Scientific and Technical Reporting

The dissemination of scientific and technical information (STI) ensures public access to the results of federally funded research. STI refers to information products in any medium or format used to convey results, findings, or technical innovations from research and development or other scientific and technological work that are prepared with the intention of being preserved and disseminated in the broadest sense applicable (i.e., to the public or, in the case of controlled unclassified information or classified information, disseminated among authorized individuals). By properly submitting STI to DOE Energy Link System (E-Link), the information will be made available to the public through OSTI.GOV.

NOTE: SCIENTIFIC/TECHNICAL PRODUCTS INTENDED FOR PUBLIC RELEASE MUST NOT CONTAIN PROTECTED PERSONALLY IDENTIFIABLE INFORMATION (PII). Please refer to Appendix A for more information.

1. Accepted Manuscript of Journal Article

Submit to:	DOE Energy Link System (E-Link) available at http://www.osti.gov/elink-2413
Submission deadline:	No later than the published online date of the article

Public access to scholarly publications is enabled by providing the Accepted Manuscript (AM) of the Journal Article to DOE OSTI and is consistent with the U.S. Government's retained license to published results of federally-funded research. If the recipient has a journal article accepted for publication which includes information/data produced under the award, then the recipient must submit an AN 241.3, as described below, no later than the published online date of the article.

Content. The recipient is to provide the final peer-reviewed AM, i.e., the version of a journal article that has been peer reviewed and accepted for publication in a journal. Do NOT submit the journal's published version of the article, i.e., do NOT submit a copyrighted reprint. Please see the Accepted Manuscript FAQ https://www.energy.gov/eere/funding/downloads/quarterly-and-annual-reports for more information.

DOE will make no additional review of the content of the AM because the AM is the version of the journal article with the content to be published (i.e., publicly released) by the journal publisher.

The recipient must self-certify at the time of submission to EERE via E-Link that the content is appropriate and that it is not a copyrighted reprint, i.e., the final version of the published article. Recipients are reminded that the article is to include an acknowledgement of federal support and a legal disclaimer as required in the "Publications" Term in the award Special Terms and Conditions (additional information can be found at the EERE Communications Standards website: https://www.energy.gov/eere/communicationstandards/eere-branded-publications-developed-third-parties).

The recipient is also reminded that all data produced under the award should comply with the award's data management plan (DMP). The DMP provides a plan for making all research data displayed in publications resulting from the proposed work digitally accessible at the time of publication. At a minimum, the DMP (1) describes how data sharing and preservation will enable validation of the results from the proposed work, how the results could be validated if data are not shared or preserved and (2) has a plan for making all research data displayed in publications resulting from the proposed work digitally accessible at the time of publications. For more information on DMPs, please visit https://www.energy.gov/eere/funding/eere-digital-data-management.

Electronic Submission Process. The AM of the Journal Article must be provided electronically via the DOE Energy Link System (E-Link) and must be accompanied by a completed DOE Announcement Notice (AN) 241.3 (http://www.osti.gov/elink-2413).

2. Conference Product(s)

Submit to:	DOE Energy Link System (E-Link) available at http://www.osti.gov/elink-2413
Submission deadline:	Within five (5) calendar days after the event, or as specified

The recipient must submit a copy of any scientific/technical conference papers, proceedings, or presentations.

Content: The content should include a copy of the paper, presentation, or proceeding and: (1) name of conference; (2) location of conference; (3) date of conference; and (4) conference sponsor. Also include an acknowledgement of federal support and a legal disclaimer as described in the Special Terms and Conditions (additional information can be found at the EERE Communications Standards website: https://www.energy.gov/eere/communicationstandards/eere-branded-publications-developed-third-parties).

Electronic Submission Process: Scientific/technical conference proceedings, papers/presentations or must be submitted via the DOE Energy Link System (E-Link) with a completed DOE Announcement Notice (AN) 241.3 (https://www.osti.gov/elink-2413).

The recipient is responsible for ensuring the suitability of the content for public release. The terms and conditions of award provide that submissions must not contain any Protected Personally Identifiable Information (PII), limited rights data (proprietary data), classified information, information subject to export control classification, or other information not subject to release.

For more information, please review the Conference Products FAQ at https://www.energy.gov/eere/funding/downloads/quarterly-and-annual-reports.

3. Technical Report(s)

Submit to:	DOE Energy Link System (E-Link) available at http://www.osti.gov/elink-2413
Submission deadline:	Within five (5) calendar days after the event, or as specified

The recipient must submit a copy of any scientific/technical reports.

Content: The content should include a copy of the report as well as an acknowledgement of federal support and a legal disclaimer as described in the Special Terms and Conditions (additional information can be found at the EERE Communications Standards website: https://www.energy.gov/eere/communicationstandards/eere-branded-publications-developed-third-parties).

Electronic Submission Process: Scientific/technical reports must be submitted via the DOE Energy Link System (E-Link) with a completed DOE Announcement Notice (AN) 241.3 (https://www.osti.gov/elink-2413).

The recipient is responsible for ensuring the suitability of the content for public release. The terms and conditions of award provide that submissions must not contain any Protected Personally Identifiable Information (PII), limited rights data (proprietary data), classified information, information subject to export control classification, or other information not subject to release.

4. Software & Manual(s)

Submit to:	DOE CODE: https://www.osti.gov/doecode/
Submission deadline:	Within five (5) calendar days after the event, or as specified

The recipient must submit all software deliverables created under the award, as well as any accompanying documentation or manuals.

DOE CODE is DOE's software services platform for submitting and searching for software resulting from DOE-funded research. Through submission to DOE CODE, users have the option to obtain a Digital Object Identifier (DOI) for the code, making it more easily discoverable, citable, and shared.

Content. When a recipient submits software to OSTI through DOE CODE, a set of required metadata elements and a link to the software repository must be provided.

Submission Process. Recipients will submit software by going to https://www.osti.gov/doecode/. Before submissions can be made, the recipient will be required to create an account. The recipient may create an account by visiting the top right of the DOE CODE homepage. Once the account is created, submissions may be made through the submit software/code link on the homepage. For more information about DOE CODE please visit https://www.osti.gov/doecode/faq.

5. Dataset(s)

Submit to:	DOE Energy Link System (E-Link) available at https://www.osti.gov/elink/241-6-submission.jsp
Submission deadline:	Within five (5) calendar days after the event, or as specified

Scientific/technical datasets (data-streams, data files, etc.) support the technical reports and published literature resulting from DOE-funded research. They are also recognized

as valuable information entities in their own right that, now and in the future, need to be available for citation, discovery, retrieval, and reuse. The assignment and registration of a Digital Object Identifier (DOI) is a free service for DOE-funded researchers which is provided by OSTI to enhance access to this important resource. In order to obtain a DOI, provide to OSTI the specific data elements relevant to the dataset, as specified in DOE AN 241.6.

Content. If the recipient generates publicly available datasets resulting from work funded by DOE, they may announce these datasets to OSTI and have them registered with DataCite to obtain a DOI, which ensures long-term linkage between the DOI and the dataset's location. To register and publicly announce a dataset, the recipient must provide an AN 241.6, including the required data elements needed for describing the dataset. Note: Do NOT submit the dataset itself, only the metadata for registering the dataset, obtaining a DOI, and announcing its availability.

Electronic Submission Process. Notification of scientific datasets must be submitted electronically via the DOE Energy Link System (E-Link) and must be accompanied by a completed DOE Announcement Notice (AN) 241.6 (https://www.osti.gov/elink/241-6-submission.jsp). Within the AN 241.6, provide relevant information about the dataset as well as the URL where the dataset can be accessed.

6. Other STI (Dissertation / Thesis, etc.)

Submit to:	http://www.osti.gov/elink-2413
Submission deadline:	Within five (5) calendar days after the event, or as specified

Recipients are encouraged to announce other forms of STI especially if they are the primary means by which certain research results are disseminated or if they contain research results not already announced to DOE by the recipient in technical reports, accepted journal articles, conference products, software, and datasets.

Other types of scientific and technical information produced which may be used for public dissemination of project results include: dissertation/thesis, patent, book, or other similar products. These types of STI may also be announced using DOE AN 241.3 by following instructions on the E-Link website (http://www.osti.gov/elink-2413).

D. Intellectual Property Reporting

1. Intellectual Property Reporting

Submit to:	http://www.iEdison.gov

Submission deadline:	Within five (5) calendar days after the event, or as specified

iEdison requires a login and password. If the recipient's organization does not already have an iEdison administrator account, the recipient may register for one at: iEdison Registration.

In accordance with the patent rights clause of the award, the recipient and subrecipient(s), if any, must complete the following intellectual property reports in iEdison when applicable:

Disclosing a subject invention, including anticipated uses and sales (use iEdison's Invention Report);

Reporting publications, manuscript submissions, or other public disclosures concerning a subject invention (add documents to the Invention Report);

If authorized by the award agreement, electing (or declining) to retain title to a subject invention (modify the Invention Report and input "Title Election Date" or "Not Elect Title Reason");

Disclosing the filing or termination of patent applications on a subject invention (i.e., patent applications disclosing or claiming a subject invention). Patent disclosures must be made (using iEdison's Patent Report) for filing the following patent applications:

- An initial domestic patent application (including provisional or non-provisional);
- A domestic divisional or continuation patent application;
- A domestic continuation-in-part application; and
- A foreign patent application.

Discontinuing prosecution of a patent application, maintenance of a patent, or defense in a patent reexamination or opposition proceeding, regardless of jurisdiction (modify the Patent Report); and,

Requesting an extension of time to:

- Elect (or decline) to retain title to a subject invention (modify the Invention Report); and
- File an initial domestic or foreign patent application (modify the Invention Report).

Failure to submit Intellectual Property Reporting Forms in a timely manner may result in forfeiture of the recipient's or subrecipient's rights in the subject inventions and related patent applications.

Please review the Invention Reporting FAQs https://www.energy.gov/eere/funding/downloads/quarterly-and-annual-reports for more information.

2. Invention Utilization Report

Submit to:	http://www.iEdison.gov
Submission deadline:	For each subject invention, reports are due annually once the recipient or subrecipient elects to retain title to the subject invention and must continue to be provided for 10 years thereafter

The recipient and subrecipient(s) must provide Invention Utilization Reports for each subject invention that the recipient or subrecipient retains ownership. Reports are due annually starting one year after the recipient or subrecipient elects to take title and must continue to be provided for 10 years thereafter or until the recipient or subrecipient informs DOE in writing that it no longer wants to retain title in the subject invention. Failure to submit Invention Utilization Reports in a timely manner may result in forfeiture of the recipient's or subrecipient's rights in the subject inventions.

E. Project Management Plan (PMP)

Submit to:	https://www.eere-pmc.energy.gov/SubmitReports.aspx
Submission deadline:	Within six (6) weeks of the effective date of the EERE award

Iterations and Maintenance

The recipient is required to develop, update, and adhere to a project management plan. The purpose of the plan is to establish cost, schedule, and technical performance baselines, and to formalize the processes by which the project will be managed. These processes include considerations such as risk management, change management, and communications management. While it is primarily the project recipient's responsibility to maintain the plan, federal staff may request changes. The plan is intended to be a living document, modified as necessary, and comprising the following iterations:

Application Draft

The recipient must submit a draft of the project management plan with the initial application for financial assistance.

Negotiation Draft

The selected recipient may be called upon by the selecting Office to revise its project management plan during the negotiation phase.

Active Plan

Following formal award of the financial assistance agreement, the recipient must submit an updated project management plan, to include any changes requested during negotiation and a timeline based upon the actual award date.

1. **Revised Plan(s)**

   During the life of the project the recipient must submit a revised project management plan based on the following circumstances:

   a. Developments that have a significant favorable impact on the project.

   b. Problems, delays, or adverse conditions which materially impair the recipient's ability to meet the objectives of the award or which may require the program office to respond to questions relating to such events from the public. Specifically, the recipient must update the plan when any of the following incidents occur:

   i. Any event which is anticipated to cause significant schedule or cost changes, such as changes to the funding and costing profile or changes to the project timeline.
   ii. Any change to Technology Readiness Level.
   iii. Any significant change to risk events (including both potential and realized events) or to risk management strategies.
   iv. Failure to meet a milestone or milestones; any dependencies should be adjusted.
   v. Any changes to partnerships.
   vi. Any significant change to facilities or other project resources.
   vii. Any other incident that has the potential for high visibility in the media.

2. **Content of revised PMP**

   Project Title: The DOE award number and project title
   Recipient Organization: Official name of the recipient organization
   Principal Investigator: The name and title of the project director/ principal investigator
   Date of Plan: The date the plan or plan revision was completed

   The revised PMP must describe changes to any of the following sections of the PMP as well as provide updated versions of any logs, tables, charts, or timelines.

   a. Executive Summary:
   Provide a description of the project that includes the objective, project goals, and expected results. The description should include a high-level description of the technology, potential use or benefit of the technology, location of work sites and a

brief discussion of work performed at each site, along with a description of project phases (if the project includes phases).

b. Technology Readiness Levels (TRLs):
Identify the readiness level of the technology associated with the project as well as the planned progression during project execution. A detailed explanation of the rationale for the estimated technology readiness level should be provided. Specific entry criteria for the next higher technology readiness level should be identified. Guidance on TRL levels can be found here: https://www.energy.gov/eere/funding/downloads/guidance-documents.

c. Risk Management:
Provide a summary description of the proposed approach to identify, analyze, and respond to potential risks associated with the proposed project. Project risk events are uncertain future events that, if realized, impact the success of the project. At a minimum, include the initial identification of significant technical, resource, and management issues that have the potential to impede project progress and strategies to minimize impacts from those issues. The risk management approach should be tailored to the TRL. If a project or task is expected to progress to a higher TRL, then the risk plan should address the retirement of any risks associated with the first TRL and identify new risks related to moving to the next TRL. Additionally, the risk management approach should include risk opportunities that if realized, could benefit the project.

d. Milestone Log:
Provide milestones for each budget period (or phase) of the project. Each milestone should include a title and planned completion date. Milestones should be quantitative (e.g., a date, a decision to be made, a key event) and show progress toward budget period and/or project goals. Milestones should also be important and few. Higher TRL projects (Demonstration and Deployment) typically have the most detailed milestone logs compared to lower TRL level projects (Research and Development). If applicable, milestones chosen should clearly reflect progress through various TRL stages.

Note: The Milestone Status must present actual performance in comparison with the Milestone Log, and include:

- The actual status and progress of the project,
- Specific progress made toward achieving the project's milestones, and
- Any proposed changes in the project's schedule required to complete milestones.

e. Funding and Costing Profile:

Provide a table (the Project Funding Profile) that shows, by budget period, the amount of government funding going to each project team member. Also, a table (the Project Costing Profile) which projects, by month, the expenditure of both government and recipient funds for the first budget period, at a minimum. The Funding and Costing Profile should show the relationships with the Milestone Log (Item 4 above) and Project Timeline (Item 6 below); for example, Funding and Costing information could be shown as an overlay on milestone or timeline charts.

f. Project Timeline:
Provide a timeline of the project (similar to a Gantt chart) broken down by each task and subtask, as described in the Statement of Project Objectives. The timeline should include a start date and end date for each task, as well as interim milestones. The timeline should also show interdependencies between tasks and include the milestones that are identified in the Milestone Log (Item 4 above). The timeline should also show the relationship to the Project Costing Profile (Item 5 above). If applicable, the timeline should include activities and milestones related to achieving succeeding TRLs.

g. Success Criteria at Decision Points:
Provide well-defined success criteria for each decision point in the project, including go/no-go decision points and the conclusions of budget periods and the entire project. The success criteria should be objective and stated in terms of specific, measurable, and repeatable data. Usually, the success criteria pertain to desirable outcomes, results, and observations from the project. Key milestones can be associated with success criteria. If applicable, the success criteria should include exit criteria for progressing from one TRL to the next.

h. Key Partnerships, Teaming Arrangements and Team Members:
Provide a list of key team members in the project as well as the role and contact information of each. A hierarchical project organization and structure chart should be provided along with a description of the role and responsibilities of each team member in terms of contribution to project scope. The section should also include key team members who fulfill single or multiple roles within a project as well as the contact information for each.

i. Facilities and Resources:
Provide a list of project locations along with a discussion of capabilities and activities performed at each site in terms of contribution to project scope. The address of each work site should be provided.

j. Communications Management:
Describe the communications needs and expectations for the project team members. The communications plan may be simple or detailed, depending on the

complexity of the project. At a minimum, the plan should include contact information, methods of communicating and anticipated frequency.

k. Change Management:
Provide a description of the process for managing change on the project. Describe how change will be monitored, controlled and documented within the project. This includes, but is not limited to, changes to the Scope, Schedule, and Budget. If applicable, Change Management should include assessing how changes impact TRLs.

F. Special Status Reports

Submit to:	https://www.eere-pmc.energy.gov/SubmitReports.aspx
Submission deadline:	Within five (5) calendar days after the event, or as specified

Problems, delays, or adverse conditions which materially impair the recipient's ability to meet the objectives of the award or which may require DOE to respond to questions relating to such events from the public. The recipient must report any of the following incidents and include the anticipated impact and remedial action to be taken to correct or resolve the problem/condition.

The prime recipient is required to report the following events to EERE:

1. Any notices or claims of patent or copyright infringement arising out of or relating to the performance of the EERE award;

2. Refusal of a subrecipient to accept flow down requirements in the Special Terms and Conditions and/or any Attachment to the EERE award;

3. Potential or actual violations of federal, state, and municipal laws arising out of or relating to work under the award;

4. Any improper claims or excess payments arising out of or relating to work under the award;

5. Potential or actual violations of the cost share requirements under the award;

6. Potential or actual noncompliance with EERE or DOE reporting requirements under the award;

7. Potential or actual violations of the lobbying restrictions in the award;

8. Potential or actual bankruptcy/insolvency of the prime recipient or subrecipient;

9. Potential or actual violation of U.S. export control laws and regulations arising out of or relating to the work under the award;

10. Any fatality or injuries requiring hospitalization arising out of or relating to work under the award;

11. Potential or actual violations of environmental, health, or safety laws and regulations, any significant environmental permit violation, and any incident which causes a significant process or hazard control system failure;

12. Any event which is anticipated to cause a significant schedule slippage or cost increase;

13. Any damage to Government-owned equipment in excess of $50,000;

14. Developments that have a significant favorable impact on the project; and,

15. Any incident arising out of or relating to work under the award that has the potential for high visibility in the media.

G. Continuation Application

Submit to:	https://www.eere-pmc.energy.gov/SubmitReports.aspx
Submission deadline:	Within five (5) calendar days after the event, or as specified

A continuation application is a non-competitive application for an additional budget period within a previously approved period of performance. The continuation application should be submitted at least ninety (90) calendar days before the end of each budget period, or as specified in the Special Terms and Conditions of the award.

H. Other Project Management Reporting (see Special Instructions)

Submit to:	https://www.eere-pmc.energy.gov/SubmitReports.aspx
Submission deadline:	Within five (5) calendar days after the event, or as specified

II. Award Management Reporting

A. Participants and Collaborating Organizations
(Research Performance Progress Report, Section 4)

Submit to:	https://www.eere-pmc.energy.gov/SubmitReports.aspx

Submission deadline:	Within 30 calendar days after the end of the quarterly reporting period (January 30, April 30, July 30, October 30) only when there has been a change to Participants and Collaborating Organizations.

The information requested in this report was previously included in Section 4, Participants and Collaborating Organizations, in the Research Performance Progress Report (RPPR).

1. **Who has been involved?**
   Agencies need to know who has worked on the project to gauge and report performance in promoting partnerships and collaborations. The following information on participants and other collaborating organizations was provided during award negotiations. If there are any changes to Participants and Collaborating Organizations information previously submitted to DOE, the Recipient must submit updated information within 30 calendar days after the end of the quarterly reporting period in which the change occurred.

   a. **What individuals have worked on the project?**
      Provide the following information for: (1) Project director(s)/Principal investigator(s) (PDs/PIs); and (2) each person who has worked or is expected to work at least one person month per year on the project regardless of the source of compensation (a person month equals approximately 160 hours of effort). Please note that such reporting does not constitute a formal institutional report of effort on the project, but rather is used by agency program staff to evaluate the progress of the project during a given reporting period.

      i. **Provide the name and identify the role the person played in this project.**
         Indicate the total number of months (including partial months) (Calendar, Academic, Summer) that the individual worked on this project. Using the project roles identified below, select the most senior role in which the person worked on the project for any significant length of time. For example, if an undergraduate student graduated, entered graduate school, and continued to work on the project, show that person as a graduate student, preferably explaining the change in involvement.

      ii. **Project Roles:**
         PD/PI
         Co PD/PI
         Faculty
         Community College Faculty
         Technical School Faculty
         K-12 Teacher
         Postdoctoral (scholar, fellow or other postdoctoral position)
         Other Professional

Technician
Staff Scientist (doctoral level)
Statistician
Graduate Student (research assistant)
Non-Student Research Assistant
Undergraduate Student
Technical School Student
High School Student
Consultant
Research Experience for Undergraduates (REU) Participant
Other (specify)

iii. Describe briefly how this person contributed to this project.
If information is unchanged from a previous progress report, provide the name only and indicate "no change."

iv. Identify the person's state, U.S. territory, and/or country of residence.
State whether this person has collaborated internationally.
If the participant was U.S.-based, state whether this person collaborated internationally with an individual located in a foreign country and specify whether the person traveled to the foreign country as part of that collaboration, and, if so, what the duration of stay was. The foreign country(ies) should be identified.

If the participant was not U.S.-based, state whether this person traveled to the U.S. or another country as part of a collaboration, and, if so, what the duration of stay was. The destination country should be identified.

Example:

- Name: Mary Smith
- Total Number of Months: 5.5
- Project Role: Graduate Student
- Researcher Identifier: 1234567
- Contribution to Project: Ms. Smith has performed work in the area of combined error-control and constrained coding.
- State, U.S. territory, and/or country of residence: Michigan, U.S.A.
- Collaborated with individual in foreign country: Yes
- Country(ies) of foreign collaborator: China
- Travelled to foreign country: Yes
- If traveled to foreign country(ies), duration of stay: 5 months

b. What other organizations have been involved as partners?

Describe partner organizations – academic institutions, other nonprofits, industrial or commercial firms, state or local governments, schools or school systems, or other organizations (foreign or domestic) – that have been involved with the project. Partner organizations may provide financial or in-kind support, supply facilities or equipment, collaborate in the research, exchange personnel, or otherwise contribute.

Provide the following information for each partnership:

- Organization Name:
- Location of Organization: (if foreign location list country)
- Partner's contribution to the project: (identify one or more)
  - Financial support;
  - In-kind support (e.g., partner makes software, computers, equipment, etc., available to project staff);
  - Facilities (e.g., project staff use the partner's facilities for project activities);
  - Collaborative research (e.g., partner's staff work with project staff on the project);
  - Personnel exchanges (e.g., project staff and/or partner's staff use each other's facilities, work at each other's site); and
  - Other.
- More detail on partner and contribution (foreign or domestic).

c. Have other collaborators or contacts been involved?

Some significant collaborators or contacts within the recipient's organization may not be covered by "What people have worked on the project?" Likewise, some significant collaborators or contacts outside the recipient's organization may not be covered under "What other organizations have been involved as partners?"

For example, describe any significant:

- Collaborations with others within the recipient's organization, especially interdepartmental or interdisciplinary collaborations;
- Collaborations or contact with others outside the organization; and
- Collaborations or contacts with others outside the United States or with an international organization.

Identify the state(s), U.S. territory(ies), or country(ies) of collaborations or contacts.

It is likely that many recipients will have no other collaborators or contacts to report.

B. Current and Pending Support

Submit to:	https://www.eere-pmc.energy.gov/SubmitReports.aspx

Submission deadline:	Within thirty (30) calendar days only when there is a change to Current and Pending Support (i.e., new PI or senior/key personnel join the project or there are changes to previously submitted current and pending disclosures for this Award)

Applicable for all awards issued after 10/01/2021. For awards issued prior to 10/01/21, refer to your award Terms and Conditions for applicability.

Prior to award, the Recipient was required to provide current and pending support disclosure statements for each principal investigator (PI) and senior/key personnel, at the recipient and subrecipient level, regardless of funding source. Throughout the life of the award, the Recipient must submit current and pending support disclosure statements and a CV or Biosketch for any new PI and senior/key personnel at the recipient and subrecipient level, added to the project funded under this Award within thirty (30) days of the individual joining the project. In addition, if there are any changes to current and pending support disclosure statements previously submitted to DOE, the Recipient must submit updated current and pending disclosure statements within thirty (30) days of the change. The Recipient must ensure all PIs and senior/key personnel at the recipient and subrecipient level, are aware of the requirement to submit updated current and pending support disclosure statements to DOE.

If there has been a change that would prompt the submission of a new or updated current and pending support disclosure, the instructions to complete the new or updated disclosure is listed below.

Current and pending support is intended to allow the identification of potential duplication, overcommitment, potential conflicts of interest or commitment, and all other sources of support. All PIs and senior/key personnel at the recipient and subrecipient level must provide a list of all sponsored activities, awards, and appointments, whether paid or unpaid; provided as a gift with terms or conditions or provided as a gift without terms or conditions; full-time, part-time, or voluntary; faculty, visiting, adjunct, or honorary; cash or in-kind; foreign or domestic; governmental or private-sector; directly supporting the individual's research or indirectly supporting the individual by supporting students, research staff, space, equipment, or other research expenses. All foreign government-sponsored talent recruitment programs must be identified in current and pending support.

For every activity, list the following items:

- The sponsor of the activity or the source of funding.
- The award or other identifying number.
- The title of the award or activity. If the title of the award or activity is not descriptive, add a brief description of the research being performed that would identify any overlaps or synergies with the proposed research.
- The total cost or value of the award or activity, including direct and indirect costs and cost share. For pending proposals, provide the total amount of requested funding.

- The award period (start date – end date).
- The person-months of effort per year being dedicated to the award or activity.
- Identify any overlap, duplication of effort, or synergistic efforts, with a description of the other award or activity to the current and pending support.
- Details of any obligations, contractual or otherwise, to any program, entity, or organization sponsored by a foreign government must be provided to DOE.

All PIs and senior/key personnel must provide a separate disclosure statement listing the required information above regarding current and pending support. The individual must sign and date their respective disclosure statement and include the following certification statement:

> I, [Full Name and Title], certify to the best of my knowledge and belief that the information contained in this Current and Pending Support Disclosure Statement is true, complete and accurate. I understand that any false, fictitious, or fraudulent information, misrepresentations, half-truths, or omissions of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise. (18 U.S.C. §§ 1001 and 287, and 31 U.S.C. 3729-3730 and 3801-3812). I further understand and agree that (1) the statements and representations made herein are material to DOE's funding decision, and (2) I have a responsibility to update the disclosures during the period of performance of the award should circumstances change which impact the responses provided above.

The information may be provided in the format approved by the National Science Foundation (NSF), which may be generated by the Science Experts Network Curriculum Vita (SciENcv), a cooperative venture maintained at https://www.ncbi.nlm.nih.gov/sciencv/, and is also available at https://www.nsf.gov/bfa/dias/policy/nsfapprovedformats/cps.pdf. The use of a format required by another agency is intended to reduce the administrative burden to researchers by promoting the use of common formats. If the NSF format is used, the individual must still include a signature, date, and a certification statement using the language included in the paragraph above.

C. Demographic Reporting

Submit to:	https://www.eere-pmc.energy.gov/SubmitReports.aspx
Submission deadline:	Within 30 days after issuance of award

DEMOGRAPHIC INFORMATION FOR SIGNIFICANT CONTRIBUTORS
(Research Performance Progress Report, Appendix)

Demographic data (i.e., gender, ethnicity, race, and disability status) should be provided directly by the Principal Investigator and Business Contact with the understanding that the submission of this report is mandatory for awards made after 03/01/2022. There are no

adverse consequences for responding "Do not wish to provide" in any question. Principal Investigators and Business Contacts of awards made prior to 03/01/2022 are encouraged, but not required, to submit demographic reporting. Confidentiality of demographic data will be in accordance with agency's policy and practices for complying with the requirements of the Privacy Act.

Gender:

- Male
- Female
- Do not wish to provide

Ethnicity:

- Hispanic or Latina/o
- Not-Hispanic or not-Latina/o
- Do not wish to provide

Race (select one or more):

- American Indian or Alaska Native
- Asian
- Black or African American
- Native Hawaiian or other Pacific Islander
- White
- Do not wish to provide

Disability Status:

- Yes (check yes if any of the following apply to you)
  - Deaf or serious difficulty hearing
  - Blind or serious difficulty seeing even when wearing glasses
  - Serious difficulty walking or climbing stairs
  - Other serious disability related to a physical, mental, or emotional condition.
- No
- Do not wish to provide

This measure is designed as a binary measure; it encompasses all self-reported disabilities. Please do not use it to report the number of individuals who have different types of disabilities (e.g., hearing impairments).

Note: This construct is not designed to be used at an individual-level (i.e., it should not be used for determining accommodation needs or disability status for particular individuals associated with the project).

D. Tangible Personal Property Report – Annual Property Report (SF-428 & SF-428A)

Submit to:	https://www.eere-pmc.energy.gov/SubmitReports.aspx
Submission deadline:	Within 90 calendar days after the end of the annual reporting period

The prime recipient must submit an annual inventory of federally-owned property (government-furnished) where the award specifies that title to the property vests with the federal government, whether it is in the possession of the prime recipient or subrecipient(s). The prime recipient must complete an SF-428 and SF-428A, available at https://www.energy.gov/eere/funding/eere-funding-application-and-management-forms.

E. Tangible Personal Property Report – Disposition Request/Report (SF-428 & SF-428C)

Submit to:	https://www.eere-pmc.energy.gov/SubmitReports.aspx
Submission deadline:	Within 5 calendar days of the event or as specified

The prime recipient must request disposition instructions for or report disposition of federally-owned property or equipment acquired with project funds, whether the property or equipment is/was in the possession of the prime recipient or subrecipient(s). Recipients may also be required to provide compensation to the awarding agency when acquired equipment is sold or retained for use on activities not sponsored by the federal government. Any equipment with an acquisition cost above $5,000 must be included in the inventory.

If disposition occurs at any time other than award closeout (i.e., at any time throughout the life of the project or after project completion and closeout as long as the federal government retains an interest in the item), the prime recipient must complete an SF-428 and SF-428C, available at https://www.energy.gov/eere/funding/eere-funding-application-and-management-forms.

If disposition instructions are requested at the time of award closeout, the prime recipient must submit the SF-428 and SF-428B (see **III. Closeout Reporting**).

Only the EERE Contracting Officer has authority to approve disposition requests and issue disposition instructions.

F. Uniform Commercial Code (UCC) Financing Statements

Submit to:	https://www.eere-pmc.energy.gov/SubmitReports.aspx
Submission deadline:	Within five (5) calendar days after the event, or as specified.

If a for-profit recipient or subrecipient desires to purchase a piece of equipment for their project, and the per-unit dollar value of said equipment is $5,000 or more, and the federal share of the financial assistance agreement is more than $1M, the recipient or subrecipient must file a UCC financing statement.

A UCC financing statement provides public notice that the federal government has an undivided reversionary interest in the equipment, and as such the equipment cannot be sold or used as collateral for a loan (encumbered).

The for-profit recipient or subrecipient must file the UCC financing statement(s) with the Secretary of State where the equipment will be physically located and must pay any associated costs for such filings.

The initial UCC financing statement may also be referred to as a UCC1. For additional pieces of equipment not specified in the award budget, TBD equipment, or equipment needed in future budget periods, the recipient can file an amendment to the original UCC1 financing statement, by submitting the UCC3 financing statement amendment.

Each UCC financing statement or amendment is to be filed with the appropriate Secretary of State office, where the equipment will be physically located.

Note: All costs associated with filing UCC financing statements, UCC financing statement amendments, and UCC financing statement terminations, are allowable and allocable costs which can be charged to the federal award.

At a minimum, the recipient must have stated in their UCC financing statement in block 4. (collateral) the following:

- "Title to all equipment (not real property) purchased with federal funds under this financial assistance agreement is conditional pursuant to the terms of 2 CFR 910.360, and the federal government retains an undivided reversionary interest in the equipment at the federal cost-share proportion specified in the award terms and conditions."

- Federal Award Identification Number (e.g., DE-EE000XXXX)

G. Federal Subaward Reporting System (FSRS)

Submit to:	https://www.fsrs.gov/
Submission deadline:	The prime recipient is required to file a FFATA sub-award report by the end of the month following the month in which the prime recipient awards any sub-grant greater than or equal to $30,000.

The Federal Subaward Reporting System (FSRS) is the reporting tool prime recipients use to capture and report subaward and executive compensation data regarding their first-tier

subrecipients to meet the FFATA reporting requirements. Prime recipients will report against subrecipients' awards. The subrecipient information entered in FSRS will then be displayed on USASpending.gov associated with the prime recipient's award furthering federal spending transparency.

The prime recipient is required to file a FFATA sub-award report by the end of the month following the month in which the prime recipient awards any sub-award greater than or equal to $30,000.

H. Annual Incurred Cost Proposals

Submit to:	If DOE is the Cognizant Federal Agency, send the Annual Incurred Cost Proposal to one of the following offices: • CostPrice@ee.doe.gov (if the Golden Field Office is Cognizant); OR • PricingGroup@netl.doe.gov (if NETL is Cognizant) Otherwise, submit the proposal to the Recipient's appropriate Cognizant Federal Agency office.
Submission deadline:	Within 180 calendar days after the close of the recipient's fiscal year* *The end of the period of the performance, or closure of an award, does not dismiss this reporting requirement.

Prime recipients must submit a certified annual Incurred Cost Proposal (ICP), reconciled to its financial records, in order to finalize and reconcile billing rates incurred and billed to the Government.

An ICP submission is required unless one of the following conditions apply to the DOE award:

- Recipient elected to apply the 10% de minimis rate as allowed under 2 CFR 200.414(f); or
- Recipient has a pre-determined Negotiated Indirect Cost Rate Agreement (NICRA).

I. DOE For-Profit Compliance Audit

Submit to:	Email a copy of the annual DOE For-Profit Compliance Audit to: • DOE-Audit-Submission@hq.doe.gov and • The DOE Contracting Officer • For awards administered by the DOE NETL Office, also email a copy to PricingGroup@netl.doe.gov
Submission deadline:	Within the earlier of 30 days after receipt of the auditor's report(s) or 9 months after the end of the audit period (recipient's fiscal year-end)* *The end of the period of the performance, or closure of an award, does not dismiss this reporting requirement.

As required by 2 CFR 910, Subpart F, a For-Profit entity which expends $750,000 or more during the non-federal entity's fiscal year in DOE awards must have a compliance audit conducted for that year.

The DOE For-Profit Compliance Audit must be conducted in accordance with the regulations at 2 CFR 910.500-521 and must refer to the appropriate regulations used by the auditor in their examination.

The compliance audit report must be submitted, along with audited financial statements, if required and available.

J. Single Audit: States, Local Government, Tribal Governments, Institution of Higher Education (IHE), or Non-Profit Organization

Submit to:	Federal Audit Clearinghouse - https://harvester.census.gov/facweb/Default.aspx
Submission deadline:	Within the earlier of 30 days after receipt of the auditor's report(s) or 9 months after the end of the audit period (recipient's fiscal year-end)* *The end of the period of the performance, or closure of an award, does not dismiss this reporting requirement.

As required by 2 CFR 200 Subpart F, non-federal entities that expend $750,000 or more during the non-federal entity's fiscal year in federal awards must have a single or program-specific audit conducted. The single audit must be conducted in accordance with §200.514 Scope of audit, except when it elects to have a program-specific audit conducted.

For most single audits, the requirement is for annual single audits. However, there are occasions where a single audit is not required annually. Per 2 CFR 200.504 - Frequency of audits, a state, local government, or Indian tribe that is required by constitution or statute to undergo its audits less frequently than annually, is permitted to undergo its audits biennially. Also, any nonprofit organization that had biennial audits for all biennial periods ending between July 1, 1992, and January 1, 1995, is permitted to undergo its single audits biennially.

For a program-specific audit, when a recipient expends federal award funds under only one federal program (excluding R&D) and the federal program's statutes, regulations, or the terms and conditions of the federal award do not require a financial statement audit of the auditee, the auditee may elect to have a program-specific audit conducted. A program-specific audit may not be elected for R&D unless all of the federal awards expended were received from the same federal agency, or the same federal agency and the same pass-through entity, and that federal agency, or pass-through entity in the case of a subrecipient, approves in advance a program-specific audit.

The single audit report shall include audited financial statements.

K. Other Award Management Reporting (see Special Instructions)

Submit to:	https://www.eere-pmc.energy.gov/SubmitReports.aspx
Submission deadline:	Within five (5) calendar days after the event, or as specified

III. Closeout Reporting

A. Final Scientific/Technical Report

Submit to:	DOE Energy Link System (E-Link) available at http://www.osti.gov/elink-2413
Submission deadline:	Within 120 calendar days after expiration or termination of the award

The prime recipient must submit a Final Scientific/Technical Report to DOE for all projects.

The scientific/technical report is intended to increase the diffusion of knowledge gained by DOE-funded research, and all requirements shall be interpreted in that light.

Content: Research findings and other significant scientific and technical information (STI) resulting from the DOE-sponsored projects shall be included in the final scientific/technical report, subject to the following provisions:

1. The scientific/technical report is to cover the entire period of performance. For Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) awards, a final scientific/technical report must be submitted after the completion of each phase, e.g., Phase I, Phase II, and sequential Phase II, as described in the Special Instructions.

2. STI that is publicly accessible need not be duplicated in the report if a citation with a link to where the information may be found is included in the report. For example, articles found in PAGES (i.e., DOE's Public Access Gateway for Energy and Science, http://www.osti.gov/pages/) are accessible to the public.

3. Provide identifying information: the EERE award number; sponsoring program office; name of recipient; project title; name of project director/principal investigator; and consortium/team members.

4. Include the EERE acknowledgement and legal disclaimer language as described in the Special Terms and Conditions (additional information can be found at the EERE Communications Standards website:

https://www.energy.gov/eere/communicationstandards/eere-branded-publications-developed-third-parties).

5. Include any limitations on public release of the report, if authorized by the award agreement. If the document being submitted contains patentable material or protected data (i.e., data first produced in the performance of the award that is protected from public release for a period of time by terms of the award agreement) as set forth in the award agreement, then (1) prominently display on the cover of the report any authorized distribution limitation notices, such as patentable material or protected data and (2) clearly identify patentable or protected data on each page of the report. Reports delivered without such notices or with restrictive notices not authorized by the award agreement may be deemed to have been furnished with unlimited rights, and the Government assumes no liability for the disclosure, use or reproduction of such reports. Any restrictive markings must also be noted in the distribution limitation section of the Announcement Notice (AN) 241.3. No protected PII should be included.

6. Provide an abstract or executive summary, which should be a minimum of one paragraph and written in terms understandable by an educated layperson. (Refer to http://www.osti.gov/stip/standards for ANSI/NISO guidance as needed.) The abstract included in an application may serve as a model for this.

7. Summarize project activities for the entire period of funding, including original hypotheses, approaches used, and findings. Include, if applicable, facts, figures, analyses, and assumptions used during the life of the project to support the results in a manner that conveys to the scientific community the STI created during the project. To minimize duplication, the report may reference STI, including journal articles, that is publicly accessible. See also #2.

8. For guidance offered by the National Information Standards Organization on typical attributes and content of a technical report, if needed, refer to ANSI/NISO Z39.18-2005 (R2010), Scientific and Technical Reports – Preparation, Presentation, and Preservation (see http://www.osti.gov/stip/standards).

Electronic Submission Process: The final scientific/technical report must be submitted via the DOE Energy Link System (E-Link) with a completed electronic version of DOE Announcement Notice (AN) 241.3, "U.S. Department of Energy (DOE), Announcement of Scientific and Technical Information (STI)." The recipient can complete, upload, and submit the DOE AN 241.3 online via E-Link (https://www.osti.gov/elink-2413).

The recipient must mark the appropriate block in the "Intellectual Property/Distribution Limitations" Section of the DOE AN 241.3. Reports that are electronically uploaded must not contain any limited rights data (proprietary data), classified information, protected PII,

information subject to export control classification, or other information not subject to release. During the upload process, the recipient must self-certify that no content of this nature is being submitted. For assistance with reports containing such content, contact the Contracting Officer.

For more information, please see the Final Technical Report FAQs https://www.energy.gov/eere/funding/downloads/quarterly-and-annual-reports.

B. Invention Certification (DOE F 2050.11)

Submit to:	https://www.eere-pmc.energy.gov/SubmitReports.aspx
Submission deadline:	Within 120 calendar days after expiration or termination of the award

The prime recipient is required to submit an Invention Certification DOE F 2050.11. The Invention Certification form is available at http://energy.gov/eere/funding/eere-funding-application-and-management-forms.

The Invention Certification must include a list of all subcontracts at any tier containing a patent rights clause (or state that there were none).

For more information, please see the Intellectual Property Reporting FAQs https://www.energy.gov/eere/funding/downloads/quarterly-and-annual-reports.

C. Tangible Personal Property Report – Final Report (SF-428 & SF-428B)

Submit to:	https://www.eere-pmc.energy.gov/SubmitReports.aspx
Submission deadline:	Within 120 calendar days after expiration or termination of the award

The prime recipient must submit a final inventory of and request disposition instructions for any federally-owned property and/or property or equipment acquired with project funds with an acquisition cost above $5,000, whether the property is/was in the possession of the prime recipient or subrecipients.

The prime recipient must complete an SF-428 and SF-428B, available at http://energy.gov/eere/funding/eere-funding-application-and-management-forms.

If disposition occurs at any time other than award closeout, the prime recipient must complete an SF-428 and SF-428C (see IV. Other Reporting H. Property Disposition Request/Report).

Only the EERE Contracting Officer has authority to approve disposition requests and issue disposition instructions.

D. Verification of Receipt of Accepted Manuscripts

Recipients are required to submit Accepted Manuscripts of Journal Articles resulting in whole or in part from an EERE-funded project to E-Link (See section 1.C.1. Accepted Manuscript of Journal Article).

As part of the closeout process, EERE will verify that all accepted manuscripts have been submitted. Recipients are required to submit all missing accepted manuscript before closeout is finalized.

E. Other Closeout Reporting (see Special Instructions)

Submit to:	https://www.eere-pmc.energy.gov/SubmitReports.aspx
Submission deadline:	Within 120 calendar days after expiration or termination of the award

IV. Post-Project Reporting

A. Scientific and Technical Reporting

Scientific and Technical Reporting requirements as outlined in **I.C. Scientific and Technical Reporting** remain applicable after the award ends. If the recipient has created Scientific and Technical Information (STI) such as publications, conference products, technical reports, book chapters, etc. which include information/data produced under the award, they are required to submit this document to https://www.osti.gov/elink/forms.jsp. Recipients must continue to include proper EERE Acknowledgement and Legal Disclaimer language in all STI (https://www.energy.gov/eere/communicationstandards/eere-branded-publications-developed-third-parties). Please see section **I.C. Scientific and Technical Reporting** for additional information on submissions.

Note that after the project ends, recipients are no longer required to submit notification of STI directly to EERE.

B. Intellectual Property Reporting

Intellectual Property Reporting requirements as outlined in **I.D. Intellectual Property Reporting** remain applicable after the award ends.

Recipients are required to continue submitting intellectual property reports, as applicable, to iEdison https://public.era.nih.gov/iedison.

Note that after the project ends, recipients are no longer required to submit notification of intellectual property directly to EERE.

V. Appendix A: Notice To Recipients (Prime Recipients And Subrecipients) Regarding Protected Data, Limited Rights Data And Protected Personally Identifiable Information

I. PROTECTED DATA AND LIMITED RIGHTS DATA

The recipient is required to mark protected data and limited rights data in accordance with the IP clause set of the award agreement. Failure to properly mark data may result in its public disclosure under the Freedom of Information Act (FOIA, 5 U.S.C. § 552) or otherwise.

A. Protected Data - Technical Data or Commercial or Financial Data First Produced in the Performance of the Award

The U.S. Government normally retains unlimited rights in any technical data or commercial or financial data produced in performance of Government financial assistance awards, including the right to distribute to the public.

However, under certain EERE awards, the recipient may mark certain categories of data produced under the award as protected from public disclosure for up to five years after the data is produced ("Protected Data"). If the award agreement provides for protected data and the recipient wants the data to be protected, the recipient must properly mark any documents containing Protected Data as set forth in the IP clause set of the award agreement.

B. Limited Rights Data - Data Produced Outside of the Award at Private Expense

Limited Rights Data is data (other than computer software) developed at private expense outside any Government financial assistance award or contract that embody trade secrets or are commercial or financial and confidential or privileged. Prior to including any Limited Rights Data in any documents to EERE, the recipient should review the award agreement. In most EERE awards, the recipient should not deliver any limited rights data to EERE if the recipient wants to protect the Limited Rights Data. If the EERE award does allow and require the delivery of limited rights data, then the recipient must properly mark any documents containing Limited Rights Data as set forth in the IP clause of the award agreement.

II. PROTECTED PERSONALLY IDENTIFIABLE INFORMATION

The recipient should not include any Protected Personally Identifiable Information (Protected PII) in their submissions to EERE. Protected PII is defined as any data that, if compromised, could cause harm to an individual such as identify theft. Protected PII includes, but is not limited to:

- Social Security Numbers in any form;
- Place of Birth associated with an individual;
- Date of Birth associated with an individual;
- Mother's maiden name associated with an individual;
- Biometric record associated with an individual;
- Fingerprint;
- Iris Scan;
- DNA;
- Medical history information associated with an individual;
- Medical conditions, including history of disease;
- Metric information, e.g., weight, height, blood pressure;
- Criminal history associated with an individual;
- Ratings;
- Disciplinary actions;
- Passport number;
- Educational transcripts;
- Financial information associated with an individual;
- Credit card numbers; and
- Security clearance history or related information (not including actual clearances held).

Department of Energy

Standard Intellectual Property (IP) Provisions for Financial Assistance Awards issued ON OR AFTER October 1, 2021

Recipient Name	AECOM Technical Services, Inc.
Award Number	DE-EE0010994
Type of Award	Cooperative Agreement
Type of Project	Research Development or Demonstration (RD&D)
Type of Recipient	Large Business, Government Entity or Foreign
US Manufacture/DEC	US Comp. (S&E DEC)
Patent Waiver	No
Special Data Statute	None -- No Special Data (Unlimited Rights)
Delivery of Limited Rights Data	No
Delivery of Restricted Computer Software	No
Data Management Plan	EERE Option 2
Supplemental Instructions	None
DOE IP Clause Number	CLB-821-US
Data Rights	Data General (Unlimited Rights)
Patent Rights	Large Business -- No Waiver
USM Requirements	DOE Retains all patent rights and U.S. Comp. – S&E DEC

Provisions

2 CFR 910.362(g)(2) Authorization and Consent
2 CFR 910.463(g)(3) Notice and Assistance Regarding Patent and Copyright Infringement
2 CFR 910.362 Appendix A of Subpart D, Rights in Data - General
2 CFR 910, Appendix A of Subpart D Modified Patent Rights (Large Business Firms - No Waiver* - U.S. Competitiveness **)
Data Management Plan

The recipient and any subrecipients are subject to the U.S. Competitiveness Provision set forth herein that requires products embodying or made through a Subject Invention be substantially manufactured in the U.S. Implementation of the U.S. Competitiveness Provision for domestic small businesses and nonprofits is through the Determination of Exceptional Circumstances (DEC) under the Bayh-Dole Act to Further Promote Domestic Manufacture of DOE Science and Energy Technologies executed by DOE on June 7, 2021. A copy of the DEC is available at https://www.energy.gov/gc/determination-exceptional-circumstances-decs. For all other types of entities, the implementation of the U.S. Competitiveness Provision is through DOE patent waivers and policy.



Department of Energy

In reading these provisions, any reference to "contractor" or "subcontractor" shall mean "recipient" or "subrecipient," and any reference to "contract" or "subcontract" shall mean "award" or "subaward." Likewise, any reference to "recipient" or "subrecipient" shall mean "contractor" or "subcontractor," and any reference to "award" or "subaward" shall mean "contract" or "subcontract."

Failure to comply with the terms of the agreement may result in a loss of rights in Subject Inventions, including, but not limited to, forfeiture of retained rights. All Subject Inventions (conceived or first actually reduced to practice in the performance of the above identified agreement) must be timely reported at https://www.nist.gov/iedison. Invention reporting is required regardless of any patent protection sought or the subject matter (e.g. software invention). Any manuscript describing the invention for publication or of any on sale or public use planned for an invention must be promptly reported through iEdison. For assistance with iEdison, please contact iedison@nist.gov. For assistance regarding DOE's administration of Subject Inventions or patents, please contact Intellectual Property Law (IPL) at (630) 283-7117 or Chicago-IP@science.doe.gov.



Department of Energy

2 CFR 910.362(g)(2) Authorization and Consent

(a) The Government authorizes and consents to all use and manufacture of any invention described in and covered by a United States patent in the performance of this award or any subaward/subcontract at any tier.

(b) The Recipient shall include the substance of this clause, including this paragraph in all subawards/ subcontracts. However, omission of this clause from any subaward/subcontract, does not affect this authorization and consent.

2 CFR 910.463(g)(3) Notice and Assistance Regarding Patent and Copyright Infringement

(a) The Recipient shall report to the Contracting Officer, promptly and in reasonable written detail, each notice or claim of patent or copyright infringement based on the performance of this award of which the Recipient has knowledge.

(b) In the event of any claim or suit against the Government on account of any alleged patent or copyright infringement arising out of the performance of this award or out of the use of any supplies furnished or work or services performed under this award, the Recipient shall furnish to the Government, when requested by the Contracting Officer, all evidence and information in the Recipient's possession pertaining to such claim or suit. Such evidence and information shall be furnished at the expense of the Government except where the Recipient has agreed to indemnify the Government.

(c) The Recipient shall include the substance of this clause, including this paragraph in all subawards/ subcontracts.

2 CFR 910.362 Appendix A of Subpart D, Rights in Data - General

(a) Definitions

Computer Data Bases, as used in this clause, means a collection of data in a form capable of, and for the purpose of, being stored in, processed, and operated on by a computer. The term does not include computer software.

Computer software, as used in this clause, means (i) computer programs which are data comprising a series of instructions, rules, routines or statements, regardless of the media in which recorded, that allow or cause a computer to perform a specific operation or series of operations and (ii) data comprising source code listings, design details, algorithms, processes, flow charts, formulae, and related material that would enable the computer program to be produced, created or compiled. The term does not include computer data bases.

Data, as used in this clause, means recorded information, regardless of form or the media on which it may be recorded. The term includes technical data and computer software. The term does not include information incidental to administration, such as financial, administrative, cost or pricing, or management information.

Form, fit, and function data, as used in this clause, means data relating to items, components, or processes that are sufficient to enable physical and functional interchangeability, as well as data identifying source, size, configuration, mating, and attachment characteristics, functional characteristics, and performance requirements; except that for computer software it means data identifying source, functional characteristics, and performance requirements but specifically excludes the source code, algorithm, process, formulae, and flow charts of the

software.

Limited rights, as used in this clause, means the rights of the Government in limited rights data as set forth in the Limited Rights Notice of subparagraph (g)(2) if included in this clause.

Limited rights data, as used in this clause, means data (other than computer software) developed at private expense that embody trade secrets or are commercial or financial and confidential or privileged.

Restricted computer software, as used in this clause, means computer software developed at private expense and that is a trade secret; is commercial or financial and is confidential or privileged; or is published copyrighted computer software; including minor modifications of such computer software.

Restricted rights, as used in this clause, means the rights of the Government in restricted computer software, as set forth in a Restricted Rights Notice of subparagraph (g)(3) if included in this clause, or as otherwise may be provided in a collateral agreement incorporated in and made part of this contract, including minor modifications of such computer software.

Technical data, as used in this clause, means data (other than computer software) which are of a scientific or technical nature. Technical data does not include computer software, but does include manuals and instructional materials and technical data formatted as a computer data base.

Unlimited rights, as used in this clause, means the right of the Government to use, disclose, reproduce, prepare derivative works, distribute copies to the public, and perform publicly and display publicly, in any manner and for any purpose, and to have or permit others to do so.

(b) Allocations of Rights

(1) Except as provided in paragraph (c) of this clause regarding copyright, the Government shall have unlimited rights in --

(i) Data first produced in the performance of this agreement;

(ii) Form, fit, and function data delivered under this agreement;

(iii) Data delivered under this agreement (except for restricted computer software) that constitute manuals or instructional and training material for installation, operation, or routine maintenance and repair of items, components, or processes delivered or furnished for use under this agreement; and

(iv) All other data delivered under this agreement unless provided otherwise for limited rights data or restricted computer software in accordance with paragraph (g) of this clause.

(2) The Recipient shall have the right to --

(i) Use, release to others, reproduce, distribute, or publish any data first produced or specifically used by the Recipient in the performance of this agreement, unless provided otherwise in paragraph (d) of this clause;

(ii) Protect from unauthorized disclosure and use those data which are limited rights data or restricted computer software to the extent provided in paragraph (g) of this clause;

(iii) Substantiate use of, add or correct limited rights, restricted rights, or copyright notices and to take

over appropriate action, in accordance with paragraphs (e) and (f) of this clause; and

(iv) Establish claim to copyright subsisting in data first produced in the performance of this agreement to the extent provided in paragraph (c)(1) of this clause.

(c) Copyright

(1) Data first produced in the performance of this agreement. Unless provided otherwise in paragraph (d) of this clause, the Recipient may establish, without prior approval of the Contracting Officer, claim to copyright subsisting in data first produced in the performance of this agreement. When claim to copyright is made, the Recipient shall affix the applicable copyright notices of 17 U.S.C. 401 or 402 and acknowledgement of Government sponsorship (including agreement number) to the data when such data are delivered to the Government, as well as when the data are published or deposited for registration as a published work in the U.S. Copyright Office. For such copyrighted data, including computer software, the Recipient grants to the Government, and others acting on its behalf, a paid-up nonexclusive, irrevocable worldwide license in such copyrighted data to reproduce, prepare derivative works, distribute copies to the public, and perform publicly and display publicly, by or on behalf of the Government.

(2) Data not first produced in the performance of this agreement. The Recipient shall not, without prior written permission of the Contracting Officer, incorporate in data delivered under this agreement any data not first produced in the performance of this agreement and which contains the copyright notice of 17 U.S.C. 401 or 402, unless the Recipient identifies such data and grants to the Government, or acquires on its behalf, a license of the same scope as set forth in paragraph (c)(1) of this clause; provided, however, that if such data are computer software the Government shall acquire a copyright license as set forth in paragraph (g)(3) of this clause if included in this agreement or as otherwise may be provided in a collateral agreement incorporated in or made part of this agreement.

(3) Removal of copyright notices. The Government agrees not to remove any copyright notices placed on data pursuant to this paragraph (c), and to include such notices on all reproductions of the data.

(d) Release, Publication and Use of Data

(1) The Recipient shall have the right to use, release to others, reproduce, distribute, or publish any data first produced or specifically used by the Recipient in the performance of this agreement, except to the extent such data may be subject to the Federal export control or national security laws or regulations, or unless otherwise provided in this paragraph of this clause or expressly set forth in this agreement.

(2) The Recipient agrees that to the extent it receives or is given access to data necessary for the performance of this award, which contain restrictive markings, the Recipient shall treat the data in accordance with such markings unless otherwise specifically authorized in writing by the contracting officer.

(e) Unauthorized Marking of Data

(1) Notwithstanding any other provisions of this agreement concerning inspection or acceptance, if any data delivered under this agreement are marked with notices or any other restrictive or limiting markings not authorized by this agreement, the Contracting Officer may at any time either return the data to the

Recipient or cancel or ignore the markings. However, the following procedures shall apply prior to canceling or ignoring the markings.

(i) The Contracting Officer shall make written inquiry to the Recipient affording the Recipient 30 days from receipt of the inquiry to provide written justification to substantiate the propriety of the markings;

(ii) If the Recipient fails to respond or fails to provide written justification to substantiate the propriety of the markings within the 30-day period (or a longer time not exceeding 90 days approved in writing by the Contracting Officer for good cause shown), the Government shall have the right to cancel or ignore the markings at any time after said period and the data will no longer be made subject to any disclosure prohibitions.

(iii) If the Recipient provides written justification to substantiate the propriety of the markings within the period set in paragraph (e)(1)(i) of this clause, the Contracting Officer shall consider such written justification and determine whether or not the markings are to be cancelled or ignored. If the Contracting Officer determines that the markings are authorized, the Recipient shall be so notified in writing. If the Contracting Officer determines, with concurrence of the head of the contracting activity, that the markings are not authorized, the Contracting Officer shall furnish the Recipient a written determination, which determination shall become the final agency decision regarding the appropriateness of the markings unless the Recipient files suit in a court of competent jurisdiction within 90 days of receipt of the Contracting Officer's decision. The Government shall continue to abide by the markings under this paragraph (e)(1)(iii) until final resolution of the matter either by the Contracting Officer's determination becoming final (in which instance the Government shall thereafter have the right to cancel or ignore the markings at any time and the data will no longer be made subject to any disclosure prohibitions), or by final disposition of the matter by court decision if suit is filed.

(2) The time limits in the procedures set forth in paragraph (e)(1) of this clause may be modified in accordance with agency regulations implementing the Freedom of Information Act (5 U.S.C. 552) if necessary to respond to a request thereunder.

(f) Omitted or Incorrect Markings

(1) Data delivered to the Government without either a notice authorized by paragraph (g) of this clause, or the copyright notice required by paragraph (c) of this clause, shall be deemed to have been furnished with unlimited rights, and the Government assumes no liability for the disclosure, use, or reproduction of such data. However, to the extent the data has not been disclosed without restriction outside the Government, the Recipient may request, within 6 months (or a longer time approved by the Contracting Officer for good cause shown) after delivery of such data, permission to have notices placed on qualifying data at the Recipient's expense, and the Contracting Officer may agree to do so if the Recipient:

(i) Identifies the data to which the omitted notice is to be applied;

(ii) Demonstrates that the omission of the notice was inadvertent;

(iii) Establishes that the use of the proposed notice is authorized; and

(iv) Acknowledges that the Government has no liability with respect to the disclosure, use, or reproduction of any such data made prior to the addition of the notice or resulting from the omission

of the notice.

(2) The Contracting Officer may also:

(i) Permit correction at the Recipient's expense of incorrect notices if the Recipient identifies the data on which correction of the notice is to be made, and demonstrates that the correct notice is authorized, or

(ii) Correct any incorrect notices.

(g) Protection of Limited Rights Data and Restricted Computer Software

When data other than that listed in paragraphs (b)(1)(i), (ii), and (iii) of this clause are specified to be delivered under this agreement and qualify as either limited rights data or restricted computer software, if the Recipient desires to continue protection of such data, the Recipient shall withhold such data and not furnish them to the Government under this agreement. As a condition to this withholding, the Recipient shall identify the data being withheld and furnish form, fit, and function data in lieu thereof. Limited rights data that are formatted as a computer data base for delivery to the Government are to be treated as limited rights data and not restricted computer software.

(h) Subaward/Contract

The Recipient has the responsibility to obtain from its subrecipients/contractors all data and rights therein necessary to fulfill the Recipient's obligations to the Government under this agreement. If a subrecipient/ contractor refuses to accept terms affording the Government such rights, the Recipient shall promptly bring such refusal to the attention of the Contracting Officer and not proceed with the subaward/contract award without further authorization.

(i) Additional Data Requirements

In addition to the data specified elsewhere in this agreement to be delivered, the Contracting Officer may, at any time during agreement performance or within a period of 3 years after acceptance of all items to be delivered under this agreement, order any data first produced or specifically used in the performance of this agreement. This clause is applicable to all data ordered under this subparagraph. Nothing contained in this subparagraph shall require the Recipient to deliver any data the withholding of which is authorized by this clause, or data which are specifically identified in this agreement as not subject to this clause. When data are to be delivered under this subparagraph, the Recipient will be compensated for converting the data into the prescribed form, for reproduction, and for delivery.

(j) The recipient agrees, except as may be otherwise specified in this award for specific data items listed as not subject to this paragraph, that the Contracting Officer or an authorized representative may, up to three years after acceptance of all items to be delivered under this award, inspect at the Recipient's facility any data withheld pursuant to paragraph (g) of this clause, for purposes of verifying the Recipient's assertion pertaining to the limited rights or restricted rights status of the data or for evaluating work performance. Where the Recipient whose data are to be inspected demonstrates to the Contracting Officer that there would be a possible conflict of interest if the inspection were made by a particular representative, the Contracting Officer shall designate an alternate inspector.



Department of Energy

2 CFR 910, Appendix A of Subpart D Modified Patent Rights (Large Business Firms - No Waiver* - U.S. Competitiveness **)

(a) Definitions

DOE patent waiver regulations, as used in this clause, means the Department of Energy patent waiver regulations in effect on the date of award. See 10 CFR part 784.

Invention, as used in this clause, means any invention or discovery which is or may be patentable or otherwise protectable under title 35 of the United States Code or any novel variety of plant that is or may be protectable under the Plant Variety Protection Act (7 U.S.C. 2321, *et seq.*).

Patent Counsel, as used in this clause, means the Department of Energy Patent Counsel assisting the awarding activity.

Subject invention, as used in this clause, means any invention of the Recipient conceived or first actually reduced to practice in the course of or under this agreement.

(b) Allocations of Principal Rights

(1) Assignment to the Government. The Recipient agrees to assign to the Government the entire right, title, and interest throughout the world in and to each subject invention, except to the extent that rights are retained by the Recipient under subparagraph (b)(2) and paragraph (d) of this clause.

(2) Greater rights determinations. The Recipient, or an employee-inventor after consultation with the Recipient, may request greater rights than the nonexclusive license and the foreign patent rights provided in paragraph (d) of this clause on identified inventions in accordance with the DOE patent waiver regulation. Each determination of greater rights under this agreement shall be subject to paragraph (c) of this clause, unless otherwise provided in the greater rights determination, and to the reservations and conditions deemed to be appropriate by the Secretary of Energy or designee.

(c) Minimum Rights Acquired by the Government

With respect to each subject invention to which the Department of Energy grants the Recipient principal or exclusive rights, the Recipient agrees to grant to the Government: A nonexclusive, nontransferable, irrevocable, paid-up license to practice or have practiced each subject invention throughout the world by or on behalf of the Government of the United States (including any Government agency); “march-in rights” as set forth in 37 CFR 401.14(a)(J)); preference for U.S. industry as set forth in 37 CFR 401.14(a)(I); periodic reports upon request, no more frequently than annually, on the utilization or intent of utilization of a subject invention in a manner consistent with 35 U.S.C. 202(c)(50); and such Government rights in any instrument transferring rights in a subject invention.

(d) Minimum Rights to the Recipient

(1) The Recipient is hereby granted a revocable, nonexclusive, royalty-free license in each patent application filed in any country on a subject invention and any resulting patent in which the Government obtains title, unless the Recipient fails to disclose the subject invention within the times specified in subparagraph (e)(2) of this clause or upon a breach of paragraph (k) U.S. Competitiveness of this clause. The Recipient's license extends to its domestic subsidiaries and affiliates, if any, within the corporate structure of which the Recipient is a part and

includes the right to grant sublicenses of the same scope to the extent the Recipient was legally obligated to do so at the time the agreement was awarded. The license is transferable only with the approval of DOE except when transferred to the successor of that part of the Recipient's business to which the invention pertains.

(2) The Recipient may request the right to acquire patent rights to a subject invention in any foreign country where the Government has elected not to secure such rights, subject to the minimum rights acquired by the Government similar to paragraph (c) of this clause. Such request must be made in writhing to the Patent Counsel as part of the disclosure required by subparagraph (e)(2) of this clause, with a copy to the DOE Contracting Officer. DOE approval, if given, will be based on a determination that this would best serve the national interest.

(e) Invention Identification, Disclosures, and Reports

(1) The Recipient shall establish and maintain active and effective procedures to assure that subject inventions are promptly identified and disclosed to Recipient personnel responsible for patent matters within 6 months of conception and/or first actual reduction to practice, whichever occurs first in the performance of work under this agreement. These procedures shall include the maintenance of laboratory notebooks or equivalent records and other records as are reasonably necessary to document the conception and/or the first actual reduction to practice of subject inventions, and records that show that the procedures for identifying and disclosing the inventions are followed. Upon request, the Recipient shall furnish the Contracting Officer a description of such procedures for evaluation and for determination as to their effectiveness.

(2) The Recipient shall disclose each subject invention to the Patent Counsel with a copy to the Contracting Officer within 2 months after the inventor discloses it in writing to Recipient personnel responsible for patent matters or, if earlier, within 6 months after the Recipient becomes aware that a subject invention has been made, but in any event before any on sale, public use, or publication of such invention known to the Recipient. The disclosure to DOE shall be in the form of a written report and shall identify the agreement under which the invention was made and the inventor(s). It shall be sufficiently complete in technical detail to convey a clear understanding, to the extent known at the time of the disclosure, of the nature, purpose, operation, and physical, chemical, biological, or electrical characteristics of the invention. The disclosure shall also identify any publication, on sale, or public use of the invention and whether a manuscript describing the invention has been submitted for publication and, if so, whether it has been accepted for publication at the time of disclosure. In addition, after disclosure to DOE, the Recipient shall promptly notify Patent Counsel of the acceptance of any manuscript describing the invention for publication or of any on sale or public use planned by the Recipient. The report should also include any request for a greater rights determination in accordance with subparagraph (b)(2) of this clause. When an invention is disclosed to DOE under this paragraph, it shall be deemed to have been made in the manner specified in Sections (a)(1) and (a)(2) of 42 U.S.C. 5908, unless the Recipient contends in writing at the time the invention is disclosed that it was not so made.

(3) The Recipient shall furnish the Contracting Officer a final report, within 3 months after completion of the work listing all subject inventions or containing a statement that there were no such inventions, and listing all subawards/contracts at any tier containing a patent rights clause or containing a statement that there were no such subawards/contracts.

(4) The Recipient agrees to require, by written agreement, its employees, other than clerical and nontechnical employees, to disclose promptly in writing to personnel identified as responsible for the administration of patent matters and in a format suggested by the Recipient each subject invention made under subaward/contract in order that the Recipient can comply with the disclosure provisions of paragraph (c) of this clause, and to execute all papers necessary to file patent applications on subject inventions and to establish the

Government's rights in the subject inventions. This disclosure format should require, as a minimum, the information required by subparagraph (e)(2) of this clause.

(5) The Recipient agrees, subject to FAR 27.302(j), that the Government may duplicate and disclose subject invention disclosures and all other reports and papers furnished or required to be furnished pursuant to this clause.

(f) Examination of Records Relating to Inventions

(1) The Contracting Officer or any authorized representative shall, until 3 years after final payment under this agreement, have the right to examine any books (including laboratory notebooks), records, and documents of the Recipient relating to the conception or first actual reduction to practice of inventions in the same field of technology as the work under this agreement to determine whether --(i) Any such inventions are subject inventions; (ii) The Recipient has established and maintains the procedures required by subparagraphs (e)(1) and (4) of this clause; (iii) The Recipient and its inventors have complied with the procedures.

(2) If the Contracting Officer learns of an unreported Recipient invention which the Contracting Officer believes may be a subject invention, the Recipient may be required to disclose the invention to DOE for a determination of ownership rights.

(3) Any examination of records under this paragraph will be subject to appropriate conditions to protect the confidentiality of the information involved.

(g) Subawards/contracts.

(1) The Recipient will include in all subawards/contracts, regardless of tier, for experimental, developmental, or research work the patent rights clause directed by the Contracting Officer.

(2) The Recipient shall not, as part of the consideration for awarding the subaward/contract, obtain rights in the subrecipient's/contractor's subject inventions.

(3) In the case of subrecipients/contractors at any tier, DOE, the subrecipient/contractor, and Recipient agree that the mutual obligations of the parties created by this clause constitute a contract between the subrecipient/contractor and DOE with respect to those matters covered by this clause.

(h) Atomic Energy

(1) No claim for pecuniary award of compensation under the provisions of the Atomic Energy Act of 1954, as amended, shall be asserted with respect to any invention or discovery made or conceived in the course of or under this agreement.

(2) Except as otherwise authorized in writing by the Contracting Officer, the Recipient will obtain patent agreements to effectuate the provisions of subparagraph (h)(1) of this clause from all persons who perform any part of the work under this agreement, except nontechnical personnel, such as clerical employees and manual laborers.

(i) Publication

It is recognized that during the course of the work under this agreement, the Recipient or its employees may from time to time desire to release or publish information regarding scientific or technical developments

conceived or first actually reduced to practice in the course of or under this agreement. In order that public disclosure of such information will not adversely affect the patent interests of DOE or the Recipient, patent approval for release of publication shall be secured from Patent Counsel prior to any such release or publication.

(j) Forfeiture of Rights in Unreported Subject Inventions

(1) The Recipient shall forfeit and assign to the Government, at the request of the Secretary of Energy or designee, all rights in any subject invention which the Recipient fails to report to Patent Counsel within six months after the time the Recipient: (i) Files or causes to be filed a United States or foreign patent application thereon; or (ii) Submits the final report required by subparagraph (e)(3) of this clause, whichever is later.

(2) However, the Recipient shall not forfeit rights in a subject invention if, within the time specified in subparagraph (e)(2) of this clause, the Recipient: (i) Prepares a written decision based upon a review of the record that the invention was neither conceived nor first actually reduced to practice in the course of or under the agreement and delivers the decision to Patent Counsel, with a copy to the Contracting Officer, or (ii) Contending that the invention is not a subject invention, the Recipient nevertheless discloses the invention and all facts pertinent to this contention to the Patent Counsel, with a copy of the Contracting Officer; or (iii) Establishes that the failure to disclose did not result from the Recipient's fault or negligence.

(3) Pending written assignment of the patent application and patents on a subject invention determined by the Secretary of Energy or designee to be forfeited (such determination to be a final decision under the Disputes clause of this agreement), the Recipient shall be deemed to hold the invention and the patent applications and patents pertaining thereto in trust for the Government. The forfeiture provision of this paragraph (j) shall be in addition to and shall not supersede other rights and remedies which the Government may have with respect to subject inventions.

(k) U.S. Competitiveness

The Recipient agrees that any products embodying any subject invention or produced through the use of any subject invention will be manufactured substantially in the United States unless the Recipient can show to the satisfaction of DOE that it is not commercially feasible. In the event DOE agrees to foreign manufacture, there will be a requirement that the Government's support of the technology be recognized in some appropriate manner, e. g., alternative binding commitments to provide an overall net benefit to the U.S. economy. The Recipient agrees that it will not license, assign or otherwise transfer any subject invention to any entity, at any tier, unless that entity agrees to these same requirements. Should the Recipient or other such entity receiving rights in the invention(s): (1) undergo a change in ownership amounting to a controlling interest, or (2) sell, assign, or otherwise transfer title or exclusive rights in the invention(s), then the assignment, license, or other transfer of rights in the subject invention(s) is/are suspended until approved in writing by DOE. The Recipient and any successor assignee will convey to DOE, upon written request from DOE, title to any subject invention, upon a breach of this paragraph. The Recipient will include this paragraph in all subawards/contracts, regardless of tier, for experimental, developmental or research work.

(l) The requirements, rights and administration of paragraph (k) are further clarified as follows:

1. Waivers. The Recipient (or any entity subject to paragraph (k)) may request a waiver or modification of paragraph (k). Such waivers or modifications may be granted when DOE determines that (1) the Recipient (or any entity subject to paragraph (k)) has demonstrated, with quantifiable data, that manufacturing in the United States is not commercially feasible and (2) a waiver or modification would

best serve the interests of the United States and the general public.

2. Final determination of breach of paragraph (k). If DOE determines the Recipient is in breach of paragraph (k), the Department may issue a final written determination of such breach. If such determination includes a demand for title to the subject inventions under the award, the demand for title will cause an immediate conveyance and assignment of all rights to all subject inventions under the award to the United States Government, including all pending patent applications and all patents that cover any subject invention, without compensation. Any such final determination shall be signed by the cognizant DOE Contracting Officer with the concurrence of the Assistant General Counsel for Technology Transfer & Intellectual Property. Advanced notice will be provided for comment to the Recipient before any final written determination by DOE is issued.

3. For clarity, if DOE determines that the Recipient is in breach of paragraph (k), the Recipient shall not be entitled to any compensation, or to the license to the subject invention including the reserved license in section (d)(1), unless DOE re-grants a license through a separately agreed upon licensing agreement.

(End of clause)



Department of Energy

Data Management Plan

For any publication that includes results of the project, the underlying research data will be made available according to the policies of the publishing media. Where no such policy exists, the recipient will indicate on the publication a means for requesting and digitally obtaining the underlying research data. This includes the research data necessary to validate any results, conclusions, charts, figures, images in the publications.

DE-EE0010994.0001
Attachment 5

AECOM
Diversity, Equity, and Inclusion Plan

I. SUMMARY OF PROJECT ACTIVITIES

This project proposes to demonstrate an emerging technology that has shown significant potential for decarbonization of Water Resource Recovery Facilities (WRRFs) during nutrient removal from wastewater. Key activities include i) demonstration of the proposed technology in five WRRFs, ii) construction/retrofitting of treatment process trains, iii) procurement and installation of equipment and treatment media, iv) installation of pilot demonstration unit, v) partnering with universities to perform field and laboratory research, vi) procurement of chemicals and reagents, vii) technology transfer through workshops, conference presentations, and peer-reviewed journal articles, and viii) report development.

II. DEI PLANS AND ACTIVITIES IN THE PROPOSED PROJECT

This project team is committed to Diversity, Equity, and Inclusion practices. Despite the advanced and specialized nature of the proposed technology, several measures are taken to ensure DEI objectives are included and practiced in the project. Among several measures, some key steps taken towards meeting DEI objectives in our proposal include:

- Demonstration of the proposed technology in an underserved community (Linda County Water District)
- Inclusion of a University that is an emerging Hispanic Serving Institution, as designated by the US Department of Education (University of Nevada, Reno).
- Partnering with WRRFs where preference will be given to women owned businesses and small businesses for the construction related to the proposed study (All WRRFs)
- Partnering with multiple small businesses (Caliskaner Water Technologies, NEWhub, and Tomorrow Water)
- Partnering with multiple women-led teams in the proposal (DC Water, Prince William County Service Authority, and Cornell University)

Each of these are discussed below:

1. ADDRESSING UNDERSERVED COMMUNITIES IN LINDA COUNTY, CALIFORNIA

One of our project demonstration sites, the Linda County Water District (LCWD) WRRF, is located entirely within a census tract designated as a disadvantaged community (defined by Census tracts scoring in the top 25 percentile of the CalEnviroScreen 2.0 interactive map). *LCWD serves the unincorporated community of Linda County and the City of Marysville, both of which are disadvantaged communities.*

To provide immediate positive economic impact, the *project will use local operators, contractors, and suppliers for installation and operation of the pilot systems.* We will *provide local operators an excellent training opportunity* to increase skill sets and job opportunities. The partial denitrification anammox (PdNA) system proposed by the project will result in energy and capital cost savings at the LCWD WRRF which will *benefit the ratepayers of this severely disadvantaged community.* Advanced treatment systems offer an array of benefits to low-income communities, including enhanced sustainability, greater environmental friendliness,

and improved affordability. By incorporating these systems into our proposed plan, we seek to provide equitable access to innovative technologies that align with the highest standards of environmental stewardship.

The project outcomes, applicable to all areas, will especially help areas where power and energy costs are impacting the ability to upgrade the level of nutrient removal. The carbon and energy savings achieved with PdNA will reduce greenhouse gas emissions and treatment costs, while ensuring water quality is maintained or improved.

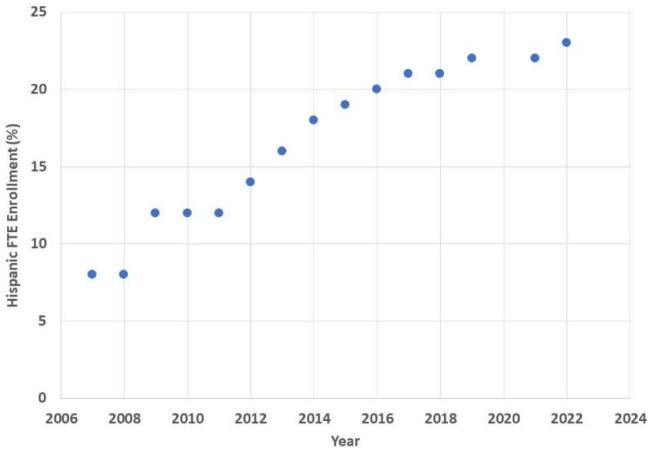
The importance of contributing to the training of the next-generation workforce cannot be overstated, especially for disadvantaged communities. In collaboration with project participants and advisors, the project team will create a digital library that documents research findings to support the training of students and practitioners from groups unable to participate in in-person training sessions. Based on past experience, archiving scientific and technical web-based lectures is an effective way to reach rural/isolated communities and disadvantaged and underrepresented groups.

Nearly 17% of the requested DOE funding is allocated to various activities for the LCWD portion of the project.

2. ENHANCING HISPANIC REPRESENTATION WITH THE UNIVERSITY OF NEVADA, RENO

An Emerging Hispanic Institution, University of Nevada, Reno (UNR), is a partner in our proposed study. Dr. Krishna Pagilla will guide students to perform data analyses and help with Life Cycle Analyses (LCA) of the proposed technology. As the Hispanic community in Reno grows, the university is evolving into an emerging Hispanic-serving institution. To be designated as a Hispanic Serving Institution, the University of Nevada, Reno needs to have enrollment of Hispanic undergraduate full-time equivalent (FTE) students of at least 25 percent for two consecutive academic years immediately preceding the date of application.

Figure 1. Hispanic FTE enrollment in UNR



UNR's Hispanic FTE student registration has gradually risen from approximately 8% in 2007 to 23% in 2022, shown in Figure 1. Including African American and Indigenous student populations, UNR has a minority FTE enrollment of over 28% in 2021. Further, the population of students attending schools in Washoe County (where UNR is located and from which about half our students come) is *42% Latino*. This proposed project gives the project team an opportunity to develop educational materials for educating this underrepresented community students.

UNR has developed an elaborate DEI plan to increase minority representation in the student community, staff, and faculty. A detailed action plan to engage minority students in STEM and other activities has been developed by UNR. Consistent with their policies, goals, and action plans, the proposal team will make all efforts to involve minority students in the proposed research.

Furthermore, Dr. Pagilla and other team members will leverage their academic and research responsibilities, along with routine outreach programs such as webinars and senior theses, to educate UNR students on various aspects of this project. As previously mentioned, the project team will collaborate with project participants and advisers to create a digital library that documents the research findings, which will serve as a resource for training students and practitioners.

Nearly 5% of the requested DOE funding is allocated to various activities for the UNR portion of the project.

3. INTEGRATING SMALL BUSINESSES

Caliskaner Water Technology (CWT): CWT is registered as a small microbusiness in the state of California**.** CWT employs more than 30% of its employees from minority communities. One of CWT's missions is to employ minorities and serve underserved communities. More than 60% of CWT's projects are concentrated in areas that serve underserved and disadvantaged communities, which is similar to this proposed project.

Approximately 3% of the requested DOE funding is allocated to various activities for the CWT portion of the project.

NEWhub Holding Company: Dr. Sudhir Murthy is the CEO of NEWhub Holding company. NEWhub Holding is a research and intangible asset development company. It is a small business enterprise in Virginia intent on providing B2B (business to business) solutions to utilities through licensed distributors. The company bridges business models of research partnering with development partnering. The company create, holds or shares royalties from research derived intellectual property associated with several branded technologies including DEMON, inDENSE, AvN, DETOUR and conDENSE. The company then develops and licenses intangible assets including development knowhow with downstream partners. The portfolio of partnering companies include Veolia, Suez, Xylem and World Water Works.

Nearly 5% of the requested DOE funding is allocated to various activities for the NEWhub portion of the project.

Commented [WB1]: Please confirm this value too

Tomorrow Water: Tomorrow Water has obtained certification as a small business from the Metropolitan Water District of Southern California. Tomorrow Water will support the project by providing the pilot unit with BAF media at LCWD and engineering services for this demonstration.

Nearly 5% of the requested DOE funding is allocated to various activities for the Tomorrow Water portion of the project.

Commented [WB2]: @Rajagopalan, Ganesh please confirm this

4. EMPOWERING WOMEN-LED TEAMS

DC Water Team: The DC Water team is led by **Dr. Haydee De Clippeleir**. She is a Co-PI for this project. Dr. De Clippeleir is the (acting) director Clean Water Quality and Technology for DC Water. Within this role she oversees the main laboratory, pretreatment program, and the research and development group.

Prince William County Service Authority (PWCSA) Team: The PWCSA team is led by **Ms. Rachel Carlson**. Ms. Carlson is a co-PI for this project. She is the Water Reclamation Operations Manager at the H.L. Mooney Advanced WRRF. Her primary responsibility entails ensuring the treatment processes operate efficiently, while complying with regulatory permit requirements.

Cornell University Team: The Cornell University team is led by **Dr. April Gu**. Dr. Gu is a co-PI for this proposed study. She is a professor in the Department of Civil and Environmental Engineering at Cornell University. She will lead the research activities by her graduate students for the PdNA demonstration at DC Water.

5. IMPLEMENTATION OF DEI PLAN FOR CONSTRUCTION ACTIVITIES AT DC WATER

As part of the cost share for this project, DC Water will construct/retrofit one of their treatment trains to integrate PdNA. DC Water has a well-defined plan to involve minority and women owned businesses under their DC Water Contract Compliance and Business Development Program (https://www.dcwater.com/business-diversity-and-inclusion). This plan incorporates a range of initiatives aimed at promoting equity and inclusion, which includes but is not limited to the following programs: “Disadvantaged/Women Business Enterprise Program”, “Fairshare Objectives for Federally Supported Projects”, and “Local and Small Business Enterprise Program”. In compliance with these programs, DC Water will take all measures to practice DEI plans for the construction of the PdNA process train for this project.

6. AECOM POLICY AND PROCESS THAT WILL BE ADAPTED FOR THE PROPOSED STUDY

At AECOM, the value of embracing differences is paramount. This includes a deep appreciation for diversity in gender, race, ethnicity, age, disability, sexual orientation, gender identity, cultural background, religious beliefs, and all other facets of individual identity.

AECOM is committed to ensuring DEI actions are integrated into our policies and processes, including our Equality & Diversity Statement, Diversity and Inclusion Policy, Equal Opportunities Policy, Recruitment & Selection Policy, Training & Development Policy, and Harassment and Grievance Policy, ensuring a safe, respectful workplace where employees can be themselves and belong. AECOM continuously reviews and updates policies, including the creation of new programs and policies such as gender transitioning guides and agile working policies. AECOM benchmarks employee data against industry standards through PricewaterhouseCoopers’ Saratoga Benchmarking program. These policies and procedures will guide the hiring, treatment, and education of personnel throughout this project.

III. SMART MILESTONE FOR EACH BUDGET PERIOD

The workplan for the proposed study is designed to include DEI actions throughout the project period. Some specific measurable activities include:

- During the 1st Budget Period: i) PdNA demonstration studies will be initiated and will progress significantly (at least six months of activities) in LCWD, ii) Initial data analyses and LCA will be prepared with the help of UNR.
- During the 2nd Budget Period: data from PWCSA and LCWD will be analyzed by UNR staff and students.
- During the 3rd Budget Period: all data analyses and LCA will be completed with the help of UNR staff. A training video will be developed to help LCWD and students and operators from other underrepresented areas.
- Throughout the project period, all efforts will be made to include procurement of reagents, chemicals, and other supplies for this project from underrepresented businesses.
- Further, in the third Budget Period, the project team will prepare training materials to educated students from disadvantaged communities.

Title: Data-Driven Process Control for Maximization of Energy and Resource Efficiency - C

Scope Of Work:
General Project Description:

The objective of this project executed by AECOM Technical Services, Inc. (AECOM) is to demonstrate and optimize partial denitrification anammox (PdNA) at six Water Resource Recovery Facilities (WRRF) with different treatment configurations using five different types of biofilm media and five different supplemental carbon sources to expedite commercialization of PdNA, reduce energy and supplemental carbon demands for nitrogen removal without increasing operational costs, and exceed the required 25% reduction in greenhouse gas (GHG) emissions. The applied portion of the project will be conducted at six sites: the Blue Plains Advanced Water Resource Recovery Facility at **DC Water** in Washington, DC, the James River Water Resource Recovery Facility at Hampton Roads Sanitation District (**HRSD**) in Newport News, Virginia, the Nansemond Water Resource Recovery Facility at HRSD in Suffolk, Virginia, the H.L. Mooney Advanced Wastewater Treatment Facility at Prince William County Service Authority (**PWCSA**) in Woodbridge, Virginia, the Linda County Water District (**LCWD**) Wastewater Treatment Plant in Marysville, California, and the Wards Island Water Resource Recovery Facility at New York City Department of Environmental Protection (**NYCDEP**) in New York City, New York.

Scope of Hampton Road Sanitation District's scope of this Project is outlined in Task 3 of the proposal.

Task 3.0 PdNA Demonstration at HRSD (Months 10 to 42)
HRSD will demonstrate PdNA in several full-scale implementations at the James River WRRF. They will compare "heavy" moving-IFAS vs. "traditional" moving IFAS and "traditional" moving IFAS vs. Fixed IFAS retrofit methods at full-scale. HRSD will investigate the potential to add a swing zone upstream of the PdNA reactors to manage COD and AvN control at full-scale. In addition, HRSD will test the impacts of ethanol, methanol, and primary effluent as carbon sources in a pilot PdNA reactor. After conducting the demonstrations at James River, HRSD will use the lessons learned towards the design and commissioning of the 30 to 50 MGD PdNA full-scale expansion at their Nansemond WRRF.

Subtask 3.1 Finish construction drawings for the moving-IFAS PdNA retrofit at Nansemond WRRF (Months 10 to 15): A moving-IFAS retrofit will be designed and constructed at the Nansemond WRRF. Design is currently underway, and the results of the subsequent subtasks will be used to determine whether the "traditional" or "heavy" moving IFAS media will be in its design and commissioning, among many other design questions to be answered from James River PdNA projects.
Milestone 3.1: Design and construction drawing are complete.

Subtask 3.2 Construct the moving-IFAS PdNA retrofit at Nansemond WRRF (Months 16 to 27): A moving-IFAS retrofit will be constructed at the Nansemond WRRF.
Milestone 3.2: 2 tanks constructed.

Subtask 3.4 Compare "traditional" moving IFAS to fixed IFAS at James River WRRF (Months 10 to 21): A testing report will summarize the differences in nitrogen removal rates (NRRs), headloss, mixing requirements, and PdN efficiency between "traditional" moving IFAS to a fixed IFAS demonstration at the James River WRRF. Additional recommendations for future "traditional" moving IFAS and fixed IFAS implementations will be prepared.
Milestone 3.4: NRRs, headloss, mixing requirements, and PdN eff. compared to goal values (ARR > 0.2 g $N/m^2/d$; NRR > 1.0 g $N/m^2/d$, PDN efficiency > 50%**).

Subtask 3.5 Startup the "heavy" moving IFAS PdNA reactor at James River WRRF (Months 10 to 27): Methanol will be added to the "heavy" moving IFAS PdNA reactor to promote partial denitrification. AvN control will be implemented upstream to feed ammonia to the PdNA zone. Once anammox activity is detected, the methanol feed will be based on the nitrate concentration in the tank, similar to the "traditional" media tank.
Milestone 3.5: ARR > 0.2 g $N/m^2/d$

Subtask 3.7 Test the impacts of ethanol, methanol, and step-feed primary effluent on a moving IFAS PdNA pilot (Months 10 to 27): A testing report will summarize the optimal carbon source in a "traditional" moving IFAS pilot by comparing carbon cost/mass TIN removed, nitrogen removal rates (NRRs), and PdN efficiency. Ethanol, methanol, and step-feed primary effluent will be tested to maximize PdN efficiency at the lowest cost.
Milestone 3.7: ARR, NRR, PdN eff. and costs compared to goal values, and the cost per nitrogen removed is compared between the carbon sources. (ARR > 0.2 g $N/m^2/d$ NRR > 1.0 g $N/m^2/d$, PDN efficiency > 50%**, $/kgN removed)

AECOM Key Contacts:

Name:	Title:	Phone:	Email:
Jordan Thompson	Sr. Subcontracts Administrator	206.406.4204	jordan.r.thompson@aecom.com
Ganesh Rajagopalan	NRP Lead	714.567.2584	ganesh.rajagopalan@aecom.com
James Petras	Project Manager	978.905.3160	james.petras@aecom.com

Sub-recipient Key Contacts:

Name/Title:	Project Role:	Organization/Address:	Phone:	Email:
Charles Bott, PhD, Chief Technology Officer	Co-PI, Contracts	HRSD 1434 Air Rail Ave Virgina Beach, VA 23455	757.460.4228	cbott@hrsd.com
Jay Bernas, General Manager	Authorized Rep	HRSD 1434 Air Rail Ave Virgina Beach, VA 23455	757.318.4335	jbernas@hrsd.com
Kathy Stephanitsis, Accounting Manager	Accounting	HRSD 1434 Air Rail Ave Virgina Beach, VA 23455	757.460.7202	Kstephanitsis@hrsd.com
Savannah Flemmer, Planning Engineer	Admin Contact	HRSD 1434 Air Rail Ave Virgina Beach, VA 23455	757.460.7007	sflemmer@hrsd.com

Each party shall provide written notice of changes in contact persons, addresses, telephone, and email addresses. The Principal Investigator, Co-Principal Investigator, or any Sub-recipient may only be changed with the prior written approval of AECOM Technical Services, Inc.

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Exhibit C

Fee Schedule & Invoicing Instructions (Time and Materials)

1. **Consideration – Time and Material Method of Payment:** In consideration for undertaking and completing this Work, COMPANY shall pay to SUBRECIPIENT an amount equal to the cumulative hours charged to the Project by each class of SUBRECIPIENT's employee multiplied by standard hourly rates for each applicable billing class for all services performed on the Project, plus reimbursable expenses and SUBRECIPIENT's Sub-Subcontractor's charges, if any, which amount shall not exceed Two Hundred Forty Thousand and 00/100 Dollars ($240,000.00) (the "Fee Schedule"). Appropriate amounts have been incorporated into the not-to-exceed price to account for labor, overhead, profit, and reimbursable expenses, and is inclusive of all federal, state, and local taxes, duties, and fees.
2. **Standard Hourly Rates:** SUBRECIPIENT's standard hourly rates are set forth herein and include salaries and wages paid to personnel in each billing class plus the cost of customary and statutory benefits, general and administrative overhead, non-Project operating costs, and operating margin or profit.
1. **Not-To-Exceed Amount:** Should it become apparent to SUBRECIPIENT that the not-to-exceed amount may be exceeded, SUBRECIPIENT shall give COMPANY written notice thereof. Promptly thereafter, COMPANY and SUBRECIPIENT shall review the matter of services remaining to be performed and compensation for such services. COMPANY shall either agree to such compensation exceeding said not-to-exceed amount, or COMPANY and SUBRECIPIENT shall agree to a reduction in the remaining services to be rendered by SUBRECIPIENT so that total compensation for such services will not exceed said not-to-exceed amount when such services are completed. If SUBRECIPIENT exceeds the not-to-exceed amount before COMPANY and SUBRECIPIENT have agreed to an increase in the compensation due SUBRECIPIENT or a reduction in the remaining services, the SUBRECIPIENT shall be solely responsible for any and all costs and expenses incurred by SUBRECIPIENT and SUBRECIPIENT's Sub-Subcontractors to the extent, if any, in excess of the not-to-exceed amount.

As full compensation for the Work described in this Subcontract, COMPANY shall pay SUBRECIPIENT in accordance with the following Time-and-Material Rates, provided, however, that SUBRECIPIENT's compensation shall not exceed the amount in D.1 above without the prior written approval of COMPANY:

Item #	Description	Unit of Measure	Unit Price
1	Treatment Process Engineer	Hourly	$40.00
2	PhD Studen	Hourly	$20.50
3	MS Student	Hourly	$18.50
4	Director of Water Tech & Research	Hourly	$75.00

2. **Reimbursable Expenses:** For work properly authorized and successfully completed, COMPANY agrees to pay SUBRECIPIENT for all allowable project-related costs actually incurred or allocated by SUBRECIPIENT. All charges are at cost plus applicable mark-ups/burdens but no fee/profit. The SUBRECIPIENT is not authorized to incur any costs beyond the SUBRECIPIENT Subcontract limit.

5. **Invoicing:** SUBRECIPIENT shall submit invoices to COMPANY either through the Coupa Supplier Portal or Supplier Actionable Notification (SAN) in accordance with the guidelines found at https://aecom.com/our-supply-chain/supplier-portal.

5.1. Unless otherwise required by the Prime Contract, SUBRECIPIENT shall invoice on a per project basis and multiple projects on the same invoice will be returned to SUBRECIPIENT for correction and resubmittal.

5.2. At a minimum, SUBRECIPIENT shall address each invoice to the appropriate COMPANY Legal Entity and shall include"

5.2.1. COMPANY's Purchase Order (PO) number
5.2.2. PO Line Number
5.2.3. COMPANY's Project Manager's Name
5.2.4. Project Name
5.2.5. Project Number (8 digits) and Task Code
5.2.6. any other information required by this Subcontract or the Prime Contract.

5.3. Upon request of COMPANY, SUBRECIPIENT shall provide such additional documentation to support its invoiced amounts as may reasonably be required by COMPANY or its Client. Invoices that do not contain this information will not be processed and will be returned to SUBRECIPIENT. SUBRECIPIENT acknowledges that failure to provide the needed information may cause a delay in payment, as SUBRECIPIENT must then resubmit those invoices with the required information in order for COMPANY to proceed with processing.

5.4. SUBRECIPIENT represents that to the best of its knowledge and belief that the invoices presented by SUBRECIPIENT under this Subcontract are accurate and complete that SUBRECIPIENT is properly entitled to such payments under this Subcontract and that all amounts included in the invoices are in accordance with the Subcontract.

6. For orders greater than $250,000, the SUBRECIPIENT must comply with FAR 4.17 Services Contracts Inventory, 743(a) of Division C of the Consolidated Appropriations Act, 2010 (Pub. L. 111-117), and the Federal Activities Inventory Reform Act (Pub. L. 105-270) (FAIR Act). SUBRECIPIENT is required to provide the total number of manhours worked during the submitted invoice period as part of the invoice submission.

7. **Invoices shall be submitted to COMPANY with an acceptable executed "waiver and release of claims" from SUBRECIPIENT and from each Sub-Subcontractor for whom payment is being sought.** If the waiver and release provided is conditional, COMPANY reserves the right to pay the SUBRECIPIENT directly or pay SUBRECIPIENT with a two-party check.

8. ~~Invoicing Format Table~~:

Coupa Line #	Project #	Task Code #	Task Description	Task Funding
1	60738290	5.0	Dept of Energy PdNA	$240,000.00

9. **Final Invoice:** With the request for final payment, SUBRECIPIENT shall furnish satisfactory proof that all outstanding bills incurred by SUBRECIPIENT for all services, labor, materials, tools, equipment, machinery, transportation, and other items necessary to properly perform and complete SUBRECIPIENT's work have been paid, and SUBRECIPIENT shall provide a legally effective

"waiver and release of claims" from SUBRECIPIENT and each Sub-Subcontractor used in connection with the Work. If the waiver and release provided by any of SUBRECIPIENT's Sub-Subcontractors is conditional, COMPANY reserves the right to pay the Sub-Subcontractor directly or pay SUBRECIPIENT with a two-party check. Notwithstanding any other provision in this Subcontract to the contrary, SUBRECIPIENT is required to submit the final invoice under this Subcontract not later than ninety (90) days after completion of the Work. Payment of any invoices received after that time may be denied by COMPANY in its sole discretion. No claims for additional compensation will be considered after submittal of the final invoice, except those claims, if any, previously noticed to COMPANY and remaining unsettled at the time of final payment.

Resource: Bruce Husselbee

AGENDA ITEM 18. – May 27, 2025

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

Recommended Action: Approve a GMP of $3,655,661 to the Comprehensive Agreement with Crowder Construction Company.

CIP Project: AT016000

Regulatory Requirement: None

Budget	$98,815,987
Previous Expenditures and Encumbrances	($32,384,771)
Available Balance	$66,431,216

Contract Status with Change Orders:	Amount
Original CMAR Contract with Crowder	$1,044,000
GMP1	$11,031,596
Proposed GMP2	$3,655,661
Revised Contract Value	$15,731,257

Project Description: This project comprises the design and construction of multiple unit processes 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 Fats, Oils, and Grease (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 processes 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 ATP 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 and on March 25, 2025, the first construction package (GMP1) in the amount of $11,031,596. The proposed price (GMP2) includes the procurement of two flares and twelve draft tube mixers as well as the temporary installation of six draft tube mixers (three mixers per digester). Ultimately, all four digesters will be upgraded, two digesters must remain in service for daily operations. Two of the digesters will be taken out of service and their mixing components will be upgraded under this work package. The installation of the remaining six mixers and the flares will be included in a future work package.

Analysis of Cost: An initial cost estimate was prepared by the Engineer during the development of the Emergency Designation in June 2024, which was $3,750,000 for this scope of work. An updated engineer's estimate was developed for comparison to this work package. The engineer's estimate of $4,305,182 compares favorably to the final work package price of ~$3,655,661.

In addition, the Engineer reviewed the GMP and deemed the costs appropriate for the project. Staff recommend the Agreement with Crower Construction Company be amended to include the proposed GMP.

Staff will provide a briefing during the meeting.

Schedule:	Construction	April 2025
	Work Package Completion	February 2026

Resource: Jay Bernas

AGENDA ITEM 19. – May 27, 2025

Subject: Operations & Nominations (O&N) Committee Appointment

Recommended Action: Chair to appoint an O&N Committee to recommend nominations for Chair and Vice-Chair of the Commission for the coming year.

Brief: The Commission is required by the Enabling Act to elect a chair and vice-chair each year. The election of officers is normally held in June, and the new officers assume their duties in July.

The Chair customarily appoints an O&N Committee to nominate Commission officers for the coming year. The Committee will also review the HRSD Commission Governance Guidelines, Remote Participation, Ethics and Freedom of Information Act (FOIA) policies.

The Committee will hold its first meeting in June.

Resource: Jay Bernas

AGENDA ITEM 20. – May 27, 2025

Subject: New Business

Resource: Jay Bernas

AGENDA ITEM 21. – May 27, 2025

Subject: Unfinished Business

Resource: Commission Chair

AGENDA ITEM 22. – May 27, 2025

Subject: Commissioner Comments

Resource: Jay Bernas

AGENDA ITEM 23. – May 27, 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

c. Emergency Declarations

(1) Cedar Lane Pump Station Influent Gravity Failure

HRSD
Sustainable, Innovative Wastewater Treatment

Post Office Box 5911
Virginia Beach, VA 23471-0911
757.460.7003
hrsd.com

May 14, 2025

Re: General Manager's Report

Environmental Responsibility

Biosolids hauling continues at the Atlantic Treatment Plant with much fewer complaints compared to last year. This is a testament to the careful planning and operational changes in preparation for this endeavor. As a reminder, once the solids storage pad is cleared out, the plan is to keep the pad clear until there is more clarity on pending biosolids regulations.

At the Nansemond Treatment Plant, media was inadvertently released into the aeration tank and secondary clarifiers. Plant staff, Virginia Initiative Plant staff, and North and Shore Interceptors quickly responded to the situation to recover the media to avoid it being released into the James River.

Treatment Compliance and System Operations: There were multiple events this month and additional details are available in the Air and Effluent Summary in the Water Quality monthly report.

- From Fiscal Year (FY) 2025 to date, there have been five Permit Exceedances out of 47,106 Total Possible Exceedances.

- Pounds of Pollutants Removed in FY 2025 to date: 160 million pounds.

Water Quality: No civil penalties were issued in April.

Financial Stewardship

Staff developed a plan to internalize pump and haul efforts at the Lawnes Point Treatment Plant in Isle of Wight. By performing the work with internal staff, HRSD will save $100,000 per year in contracting costs.

Revenues remain strong as water consumption is tracking above budget. Expenses remain under control, and we are not seeing any impacts from tariffs in the operating budget yet.

There have been four productive meetings of the Regional Construction Cost Estimate Users Group. In May, John Hollmann, an expert in risk-based cost estimating, will be the speaker and was a great recommendation by our Chair.

Talent

Jeremiah Burford, Small Communities Division Manager, and Jeff Scarano, Chief of Special Projects, earned their MBAs from the College of William and Mary. Having engineers with MBAs is so valuable in ensuring that we make critical technical decisions while also considering financial and other factors.

Staff are working with the Design & Construction SWIFT team to develop a structured pathway for future SWIFT operators.

Community Engagement

Water Week is the annual gathering of water professionals in Washington DC to discuss national water policy issues. The new Environmental Protection Agency Administrator discussed her vision and reiterated a polluter-pays model for PFAS, which is great to hear.

At Environment Virginia, we made some great connections with the Director of Energy, Glenn Davis who was on Virginia Beach City Council when I was on the Planning Commission. Apparently, in the last six months, the data center projected energy demand doubled to 40 gigawatts.

We had a great group organized by the Alliance of the Chesapeake Bay tour the SWIFT Research Center on April 11. This included elected officials from around the Commonwealth, including Norfolk and Chesapeake.

Staff provided a tour to the Chesapeake Bay Foundation's Virginia staff. We also discussed ways that we can partner on future legislative events.

I presented an overview of SWIFT to the local chapter of the American Institute of Architects as part of their Coastal Resilience and Adaptation meeting.

Innovation

One of the decarbonization startups we are working with, Planetary Technologies, recently won the $1 million XPrize beating out over 13,000 companies in the oceans category.

Dr. Jeff Sparks, Director of Digital Water, developed a centralized hub for sensor data and metadata. This significantly streamlines access to all the data related to sensors.

I attended the Water Disruption group meeting, which consists of the GM/CEOs of the 16 largest US utilities. This group is leading a Generative AI pilot project. In addition, HRSD is looking to partner with Xylem in a couple of other areas.

As part of building the Water Tech Innovation Ecosystem, I met with the following:

- Jonathan Azoff, SNOCAP Venture Capital
- Radhika Fox, Former EPA Deputy Administrator for Water and current principal at North Star Strategy
- Bluefield Research
- Equatic – Green Hydrogen/Decarbonization startup
- Brock Mansfield, Meliorate Venture Capital
- Fidan Karimova, WEF Circular Economy
- Planetary Technologies
- MassChallenge – Incubator
- Rana Gupta, Executive Director – MIT Deshpande Center for Tech Innovation

I look forward to seeing you in Virginia Beach at 9:00 a.m. on Tuesday, May 27, 2025.

Respectfully submitted,

Jay Bernas, P.E.
General Manager/CEO

TO: General Manager

FROM: Chief Communications Officer

SUBJECT: Monthly Report for April 2025

DATE: May 6, 2025

A. Publicity and Promotion

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

   a. Announcement of 2025 Environmental Excellence Award win (story was featured in three publications in Virginia)

   b. Closure of waste Treatment Plants Under Study (referring to Middle Peninsula locations)

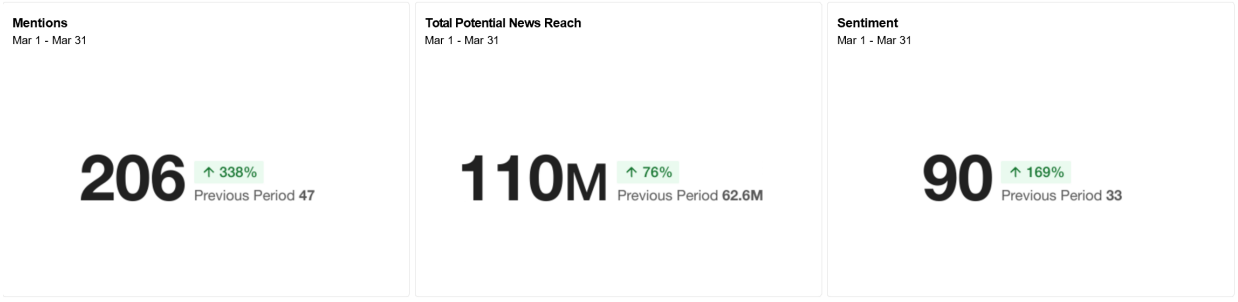
   c. James River Pipeline documentary produced by Garney Construction

   d. Upgrading Chincoteague's Wastewater Treatment Plant: A Sustainable Coastal Solution

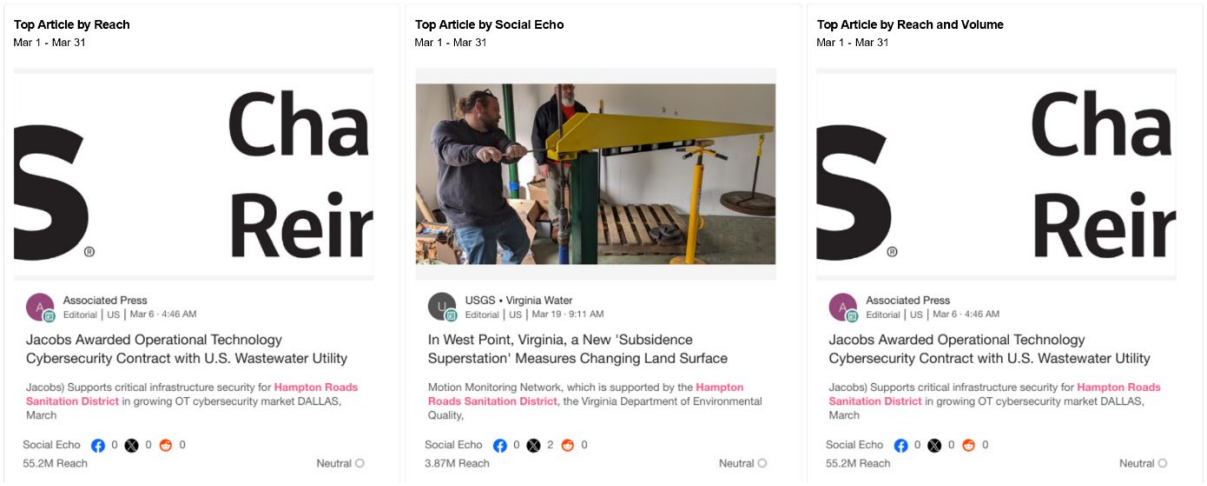
2. Analysis of Media Coverage

   a. Key results for March

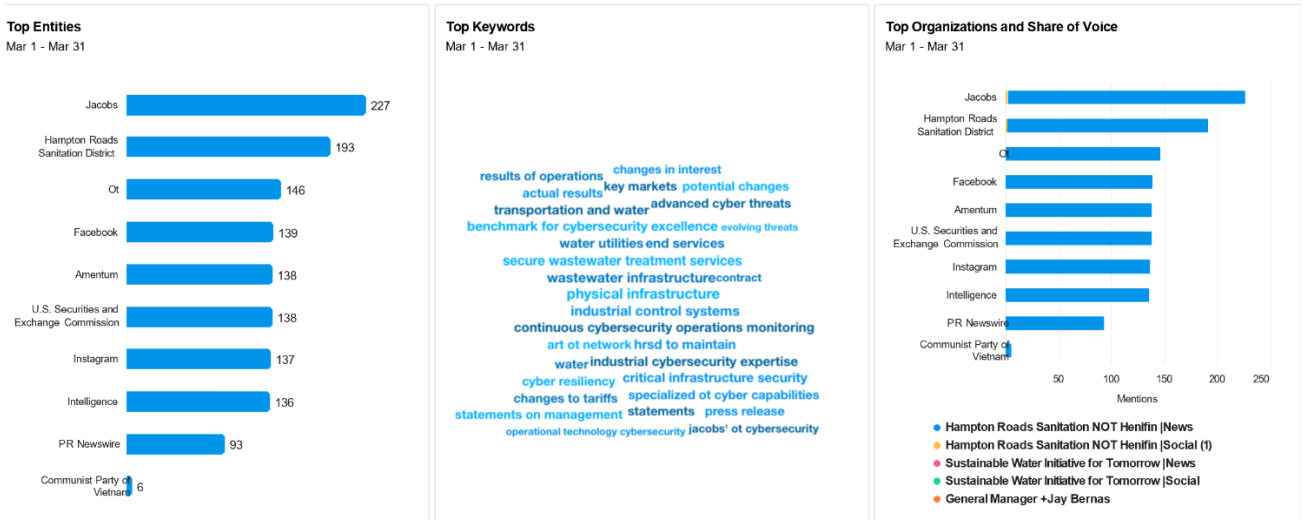
What are the key results for the timeframe?



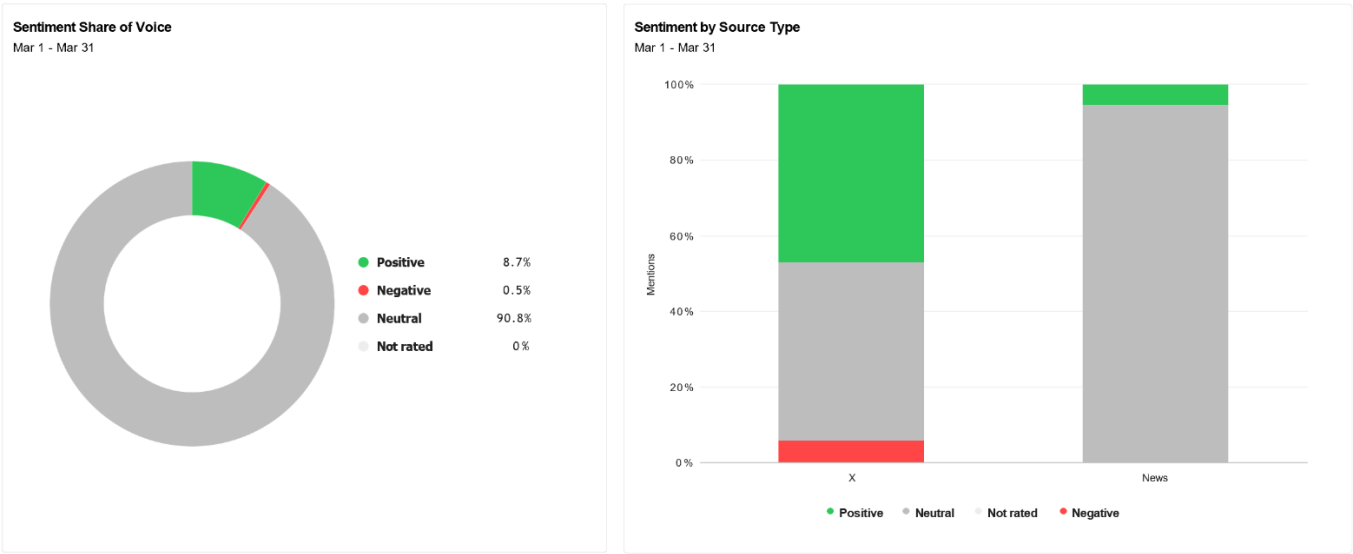
   b. Top performing news content



c. Top entities and keywords

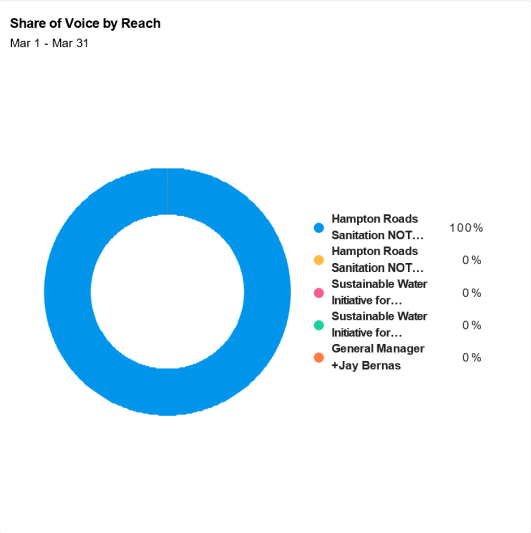


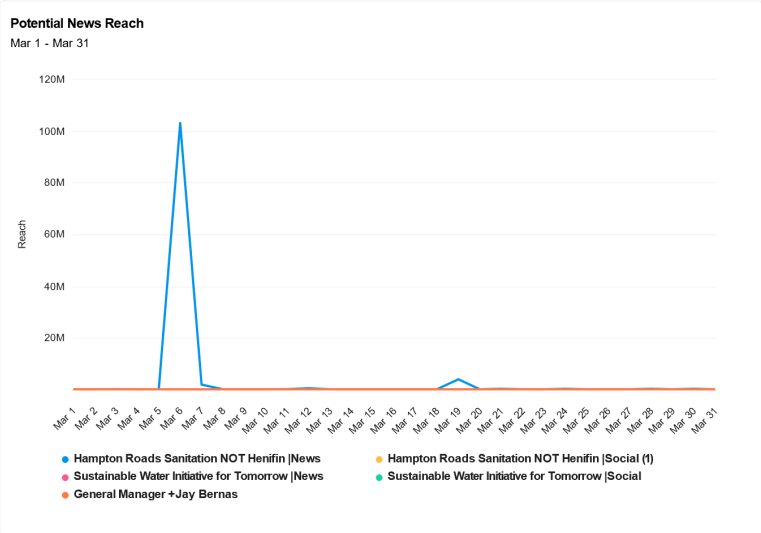
d. How favorable is the content?



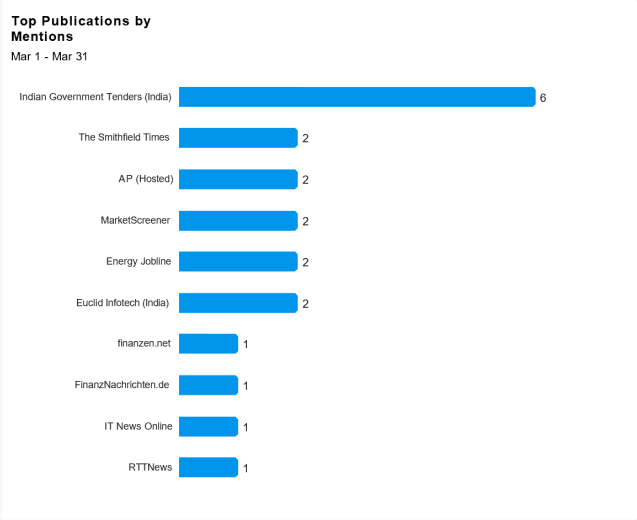
(Negative/unfavorable content attributed to tweets expressing frustration with new HRSD payment portal)

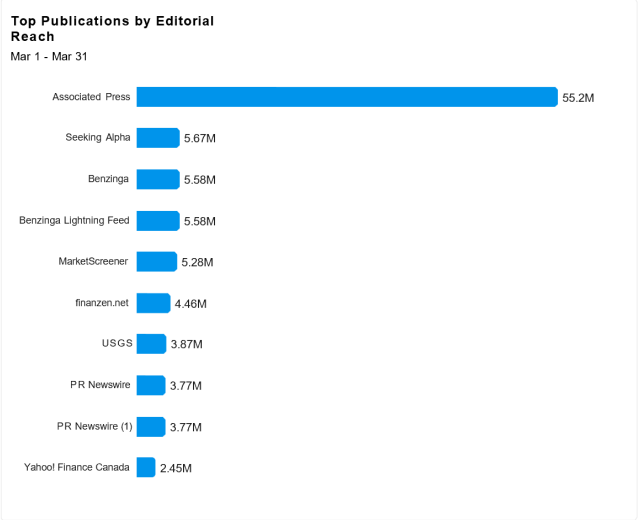
e. What is the potential reach?





f. Top publishers



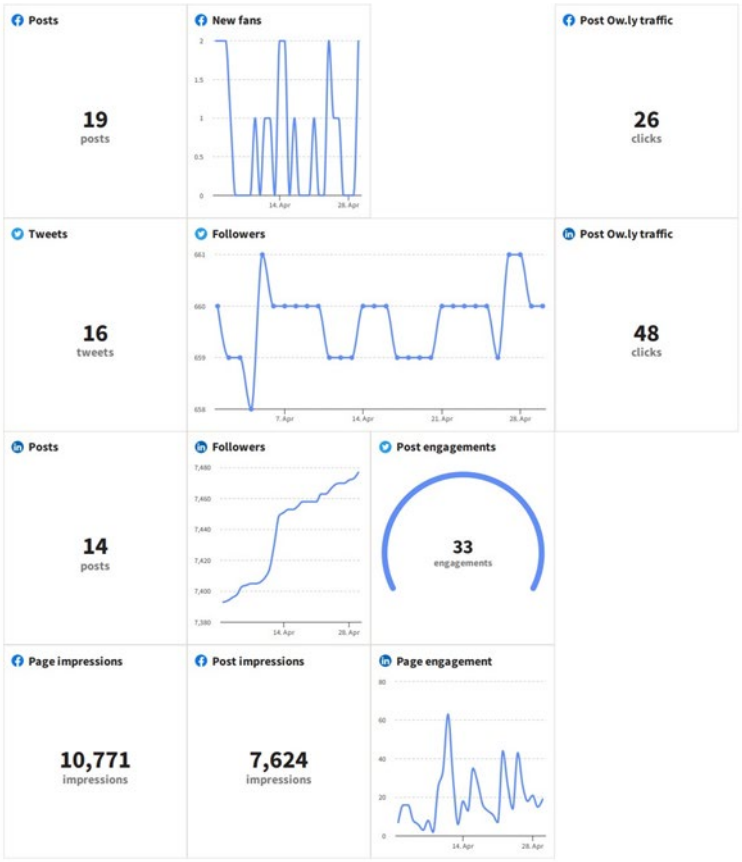


(Top publication for mentions relates to HRSD RFP issuances)

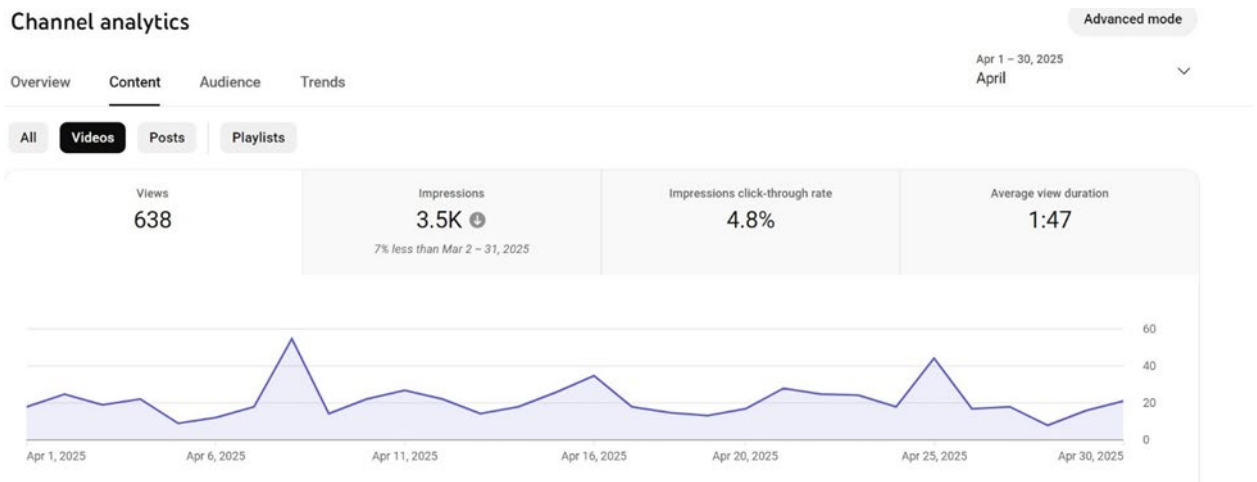
Community Engagement

B. <u>Social Media and Online Engagement</u>

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) Atlantic Treatment Plant Cambi Tour

(5) Why SWIFT Matters

4. Website and Social Media Impressions and Visits

a. Facebook:

(1) 10,771 page impressions

(2) 7,624 post impressions reaching 7,318 users.

(3) Facebook Engagement of 429 (380 reactions, 36 shares, and 13 comments)

b. X: 7.33% engagement rate

c. HRSD.com/SWIFTVA.com: 1,259 page visits

d. LinkedIn Impressions:

(1) 14,549 page impressions

(2) 14,407 post impressions

e. YouTube: 638 views

f. NextDoor unique impressions: 16,758 post impressions from 16 targeted neighborhood postings and one regionwide posting.

g. Blog Posts (1): Totally Free Resources To Teach Students About Water Quality and Wastewater

h. Construction Project Page Visits – 2,097 total visits (not including direct visits from home page, broken down as follows:

(1) 1,656 visits to individual pages

(2) 441 to the status page

C. Education and Outreach Activity Highlights

The Communications division had a busy and productive April with Community Outreach and Education Specialists and HRSD Ambassadors participating in 20 outreach events with more than 3,500 attendees across the service region. The Chief Communications Officer (CCO) attended the quarterly Atlantic Treatment Plant Community Roundtable meeting. Community partners included Chesapeake Public Schools, Norfolk Public Schools, Virginia Beach City Public Schools, Joint Base Langley-Eustis, Alliance for the Chesapeake Bay, Old Dominion University, Chesapeake Bay Foundation, Town of Exmore and Tidewater Community College. Clean Virginia Waterways, Horizons Hampton Roads, Isle of Wight County Schools, Norfolk
Public Information

Project notices were distributed to 823 customers for 11 different projects across the service area this month. The department distributed and posted nine construction notices/notices to neighbors, two traffic advisories, and one media advisory to the HRSD.com Newsroom.

D. Internal Communications

CCO participated in the following internal meetings and events:

1. Boat Harbor Treatment Plant Closure Planning meeting

2. Communications SPARC session/workshop

3. On-camera media training for approximately 23 staff members across all divisions

4. Atlantic Treatment Plant monthly communications check-in meeting

5. Solids Management meeting

6. Bi-weekly General Manager (GM) briefings

7. Discharge Monitoring Report (DMR), SWIFT Quality Steering Team (QST), and HRSD QST meetings

8. Check-in meetings with Deputy General Manager (DGM)

9. CCO conducted biweekly Communications department status meetings and weekly one-on-one check-in meetings.

10. Staff participated in 24 project progress and/or construction meetings along with additional communication planning meetings with various project managers, plant staff and external stakeholders.

Talent

Professional development activities and pursuits for March included the following:

- CCO attended online training, “Design for Everyone: Digital Accessibility Essentials”
- Staff not previously trained attended the second part of media training (mock interviews on-camera)
- Staff attended FOIA training for public agencies

Respectfully,

Leila Rice, APR

Chief Communications Officer

TO: General Manager

FROM: Chief Engineer

SUBJECT: Monthly Engineering Report for April 2025

DATE: May 13, 2025

Environmental Responsibility

The Boat Harbor Transmission Force Main, aka, James River Crossing project, includes numerous environmental safeguards. To limit the impact on the environment during construction, numerous features were added to the project. One feature used were bubble curtains around driven piles to reduce noise and prevent sediment or debris from entering the protected work areas. Another safeguard included in the project was to closely watch for endangered species including sea turtles and Atlantic Sturgeon. The National Oceanic and Armospheric (NOAA) Fisheries Office will provide support and guidance if any endangered species is encountered. A detailed pollutant plan is also in place to limit potential issues form drilling fluids or hydrocarbons from entering the local waterway.

Hurricane season officially starts on June 1st. NOAA predicts an average year for storm events with an anticipated 15 named storms and 7 potential hurricanes. To be prepared for possible severe storms in our region, staff are busy updating the HRSD Hurricane and Recovery Plan. Updates are also underway to the Damage Assessment software tool for both office and field use. This program is available for use by staff to quickly and efficiently assess and document damage to HRSD infrastructure after a severe storm event.

Financial Stewardship

Capital Improvement Program (CIP) spending for the ninth month of FY2025 was below the planned spending target. This is largely due to a few significant pay requests that were not paid in the past 30 days. These invoices will be processed in the coming weeks to address any outstanding balances.

CIP Spending ($M):

	Current Period	FYTD
Actual	31.37	446.76
Plan	68.20	582.80

The Construction Cost Estimate Users Group continues to meet monthly to address challenges faced when estimating costs for CIP projects. Four meetings have been held to date, with the next meeting scheduled for May 30th. The meetings have been well attended and have included engaging conversations from the consultants actively working for HRSD. A few of the other public utilities in the region have been invited and have attended these meetings. This month's meeting will include a guest speaker, Mr. John Hollmann. John is an expert in the field of risk-based cost estimating and brings his experience from the private sector to public sector organizations like HRSD.

Talent

Recruitment continues to be an important focus for the Engineering Division. We recently hired Mr. Bill Gregory as a Condition Assessment Inspector. Bill joins us from Commonwealth Epoxy Coatings. He worked on several HRSD coatings projects before joining our organization and has a wealth of practical experience. The Condition Assessment Supervisor position is also open and should be filled this month. Once this position is filled, we will complete the recruitment process in our Asset Management Department by filling the final Condition Assessment Inspector opening.

One of HRSD's strengths is our focus on employee advancement and training. This allows employees to meet their personal goals and be in a position to be promoted and take on more responsibilities. Unfortunately, this often results in the time-consuming task to backfill open positions as staff fill higher level roles. We are now in the process of recruiting for a new Contract Specialist due to an internal promotion. The Contract Specialists play an important role in the Engineering Division. They assist with the selection of consultants and contractors, process invoices and coordinate numerous compliance activities related to federal and state grants/loans.

Community Engagement

An important goal within the Engineering Division is to reach out to college students to engage in subjects related to math, science and technology. Engineering Division staff members recently participated in the 4th Annual Fear to Hope Coastal Resiliency Symposium hosted by the Christopher Newport University. This event allowed students, teachers, and environmental professionals to exchange ideas on coastal resilience of ecosystems. This event discussed ways we can all address the concerns related to global warming and the impacts caused by rising water levels in the Hampton Roads Region

HRSD was fortunate to receive the Gold Medal Award for the Governor's Environmental Excellence Program for 2025. The awards recognized the significant contributions of environmental and conservation leaders in five categories:

- Sustainability
- Environmental Project
- Greening of Government
- Land Conservation
- Implementation of the Virginia Outdoors Plan

The James River Land Improvements Trails Phase I project was recognized at the 35th Annual Environment Virginia Symposium for this award. This project was recently opened to the public and was constructed as part of the SWIFT Program at the James River Treatment Plant. This trail is already getting regular use and will be an important first step in HRSD's larger effort to engage with the public at this location

Innovation

One way to innovate is to learn new ideas from others. An in-house team has been formed to study the option of creating a Project Support Office (PSO) here at HRSD. This "office" would not be a

physical space but a concept to better align Engineering, Finance and Operations to deliver Capital Improvement Program (CIP) projects. The PSO Study is nearing completion and includes a benchmarking effort with other large utilities. We met with representatives from King County, Washington, Metro Vancouver, and the Metropolitan Water District of Southern California. These organizations are all larger than HRSD and have mature CIPs. The study included a Gap Analysis to describe where we are and where we want to go. The study will also recommend a path forward (roadmap), PSO responsibilities, and possible alternative structures to better deliver HRSD's growing CIP.

The Engineering Division, working closely with the Digital Water Group, has begun to develop a Digital Twin of the North Shore Interceptor Sewer System. A Digital Twin is a virtual representation of a physical object, system, or process that reflects its real-world counterpart. It uses real-time data, simulations, and machine learning to mirror the behavior, characteristics, and performance of its physical counterpart. This digital replica can be used to simulate, integrate, test, monitor, and maintain the physical object or system. The effort to model this system will allow the Engineering and Operations Divisions to better understand how the system actually functions, can allow for stress testing of the system and provide insights as we expand the system to account for future growth.

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 April 2025

DATE: May 13, 2025

Financial Stewardship

The Proposed Operating and Capital Improvement Project (CIP) Budgets and were presented to the Finance Committee on April 22. The final budgets will be provided to the Commission at the May 27 Commission Meeting.

Staff met with an investor, T. Rowe Price, to brief them on the SWIFT program and HRSD's future financial plans. They were appreciative of the meeting and are expected to participate in future HRSD bond offerings.

Staff made a significant collections efforts including outbound collections calls, arranging pay plans, leaving additional financial assistance information in addition to pre-emptive warning tags, and third-party collections for closed accounts. Such efforts resulted in approximately $588,000 in additional payments during April.

Customer call and email volumes declined from almost 5,000 the first week of April 2025 to less than 4,000 by the end of the month. Calls continue to exceed normal average due to the continued transition period for customers switching to the new customer engagement portal.

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.

The Call Center team emailed 1,766 after-call surveys, receiving 149 responses and an overall 88 percent favorable score. 2,025 outbound text reminders of past due balances were sent, resulting in 1,339 (66 percent) payments made.

A. Interim Financial Report

1. Operating Budget for the Period Ended April 30, 2025.

	Amended Budget	Current YTD	Current YTD as % of Budget (83% Budget to Date)	Prior YTD as % of Prior Year Budget
Operating Revenues				
Wastewater	$ 442,031,000	$ 371,924,473	84%	84%
Surcharge	1,400,000	1,291,825	92%	87%
Indirect Discharge	3,970,000	3,548,478	89%	86%
Fees	3,172,000	3,564,341	112%	107%
Municipal Assistance	837,000	989,740	118%	125%
Miscellaneous	1,982,000	1,497,135	76%	125%
Total Operating Revenue	453,392,000	382,815,992	84%	84%
Non Operating Revenues				
Facility Charge	6,170,000	5,549,835	90%	100%
Interest Income	7,300,000	21,768,704	298%	364%
Build America Bond Subsidy	-	-	0%	51%
Other	330,000	641,995	195%	78%
Total Non Operating Revenue	13,800,000	27,960,534	203%	158%
Total Revenues	467,192,000	410,776,526	88%	86%
Transfers from Reserves	19,475,990	16,229,992	83%	83%
Total Revenues and Transfers	$ 486,667,990	$ 427,006,518	88%	86%
Operating Expenses				
Personal Services	$ 80,140,274	$ 63,247,356	79%	81%
Fringe Benefits	30,767,169	22,432,676	73%	81%
Materials & Supplies	15,245,514	10,722,897	70%	68%
Transportation	2,382,779	1,357,234	57%	71%
Utilities	16,643,039	12,980,581	78%	85%
Chemical Purchases	16,974,110	11,742,466	69%	71%
Contractual Services	57,868,703	30,894,236	53%	59%
Major Repairs	16,778,801	5,833,517	35%	38%
Capital Assets	2,361,019	301,200	13%	32%
Miscellaneous Expense	4,171,177	4,277,776	103%	65%
Total Operating Expenses	243,332,585	163,789,939	67%	71%
Debt Service and Transfers				
Debt Service	87,700,000	78,123,149	89%	92%
Transfer to CIP	155,635,405	129,696,171	83%	83%
Transfer to Risk management	-	-	0%	83%
Total Debt Service and Transfers	243,335,405	207,819,320	85%	86%
Total Expenses and Transfers	$ 486,667,990	$ 371,609,259	76%	79%

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 April 30, 2025.

HRSD - RESERVE AND CAPITAL ACTIVITY **April 30, 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**	**$ -**	**$ -**
Current Year Sources of Funds						
Current Receipts	405,248,721					
VRA Draws						36,626,286
WIFIA Draws						237,341,592
Grants						138,875,397
Series 2024B					268,087,870	
Series 2024B Interest					8,044,709	
Transfers In				129,696,171		
Sources of Funds	405,248,721	-	-	129,696,171	276,132,579	412,843,275
Total Funds Available	**$ 645,507,218**	**$ 22,307,000**	**$ 4,799,555**	**$ 167,165,093**	**$ 276,132,579**	**$ 412,843,275**
Current Year Uses of Funds						
Cash Disbursements	247,012,517			73,109,040	103,286,880	310,997,679
Transfers Out	129,696,171					
Uses of Funds	376,708,688	-	-	73,109,040	103,286,880	310,997,679
End of Period - April 30, 2025	**$ 268,798,530**	**$ 22,307,000**	**$ 4,799,555**	**$ 94,056,053**	**$ 172,845,699**	**$ 101,845,596**

Unrestricted Funds **$ 367,654,138**

4. Capital Improvements Budget and Activity Summary for Active Projects for the Period Ended April 30, 2025.

HRSD - PROJECT ANALYSIS						April 30, 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	8,413,558	41,155,083	73,690,895	11,302,123
Army Base	178,442,597	126,238,488	994,440	127,232,928	9,218,738	41,990,931
Atlantic	216,507,706	17,798,654	16,972,612	34,771,266	48,191,392	133,545,048
Boat Harbor	512,142,360	183,558,580	96,420,119	279,978,699	175,951,528	56,212,133
Ches-Eliz	29,678,787	5,844,306	419,752	6,264,058	9,420,062	13,994,667
Eastern Shore	63,812,749	41,487,070	3,917,306	45,404,376	2,286,512	16,121,861
James River	365,151,716	185,970,412	62,855,080	248,825,492	80,170,407	36,155,817
Middle Peninsula	89,030,822	21,437,085	2,484,762	23,921,847	4,559,972	60,549,003
Nansemond	524,624,899	210,086,668	86,485,764	296,572,432	171,760,097	56,292,370
Surry	57,978,543	45,155,705	979,352	46,135,057	6,650,687	5,192,799
VIP	291,705,652	66,659,267	36,223,807	102,883,074	109,554,028	79,268,550
Williamsburg	87,334,019	22,399,476	1,277,852	23,677,328	6,055,000	57,601,691
York River	100,005,557	40,083,206	20,007,213	60,090,419	22,055,176	17,859,962
General	1,512,715,652	336,602,844	124,209,090	460,811,934	763,735,514	288,168,204
	$ 4,155,279,160	$ 1,336,063,286	$ 461,660,707	$ 1,797,723,993	$ 1,483,300,008	$ 874,255,159

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 Rcvd as of 4/30/2
FY24 Community Projects Funding	Congress, EPA	Eastern Shore Wastewater Improvements, Chincoteague	ES010500	3/7/2023	$ 9,677,112	$ 1,250,000	$ -
FY26 Community Projects Funding	Congress, EPA	Onancock Pump Stations	ES01100	4/7/2025	$ 2,880,000	$ -	$ -
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
Decarbonization of Water Resource Recovery Facilities	DOE-AECOM	Technological Upscaling of the PdNA Process for Decarbonization with Mainstream Deammonfiication	n/a	3/23/2023	$ 240,000	$ 240,000	$ -
LSB Industries	LSB	Wastewater Treatment Anammox (PdNA) Pilot Study #42255	n/a	1/19/2024	$ 384,000	$ 384,000	$ 384,000
Water Research Foundation	Ocean Kind	Nitrogen Reduction Solutions for Ocean Discharges #42260	n/a	9/12/2024	$ 45,000	$ 45,000	$ -
Community Flood Preparedness Fund	VDCR	Army Base Treatment Plant Generator Controls Replacement	AB012100	1/22/2025	$ 5,473,498	$ -	$ -
Community Flood Preparedness Fund	VDCR	Dozier's Corner Pump Station Replacement	AT015400	12/4/2024	$ 6,265,669	$ -	$ -
Community Flood Preparedness Fund	VDCR	Onancock Treatment Plant Administrative Building Design	ES010300	10/30/2024	$ 374,400	$ -	$ -
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
American Rescue Plan Act	VDEQ	James River Treatment Plant Advanced Nutrient Reduction Improvements	JR013400	10/7/2022	$ 50,000,000	$ 36,124,859	$ 36,124,859
Non-Point Source Funding	VDEQ	Gloucester Septic to Sewer	n/a	2/3/2024	Performance payments	$ -	$ -
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	Chesapeake-Elizabeth Treatment Plant Conveyance	CE010400, CE011820 - CE011829, CE011850, CE012200, CE012400, AT012910, AT013500, AT013900, AT014500, GN016700	2/7/2023	$ 100,647,746	$ 95,976,774	$ 95,975,041
Water Quality Improvement Fund	VDEQ	James River SWIFT - Advanced Nutrient Reduction Improvements	JR013400	3/23/2023	$ 344,741,547	$ -	$ -
Water Quality Improvement Fund	VDEQ	Nansemond Treatment Plant Advanced Nutrient Reduction Improvements Phase II	NP013820 GN016380	3/4/2024	$ 127,657,505	$ -	$ -
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
					$ 968,229,869	**$ 138,381,833**	**$ 136,741,045**

6. Debt Management Overview

HRSD - Debt Outstanding ($000's)						April 30, 2025
	Mar 2025	Apr 2025				
	Principal Balance	Principal Payments	Principal Draws	Principal Capitalized Interest	Principal Balance	Interest Payments
Fixed Rate	$ 1,699,138	$ (913)	$ 18,707	$ 666	$ 1,717,598	$ (3,706)
Variable Rate	50,000	-	-	-	50,000	(112)
Line of Credit	100,000	-	-	-	100,000	(312)
Total	$ 1,849,138	$ (913)	$ 18,707	$ 666	$ 1,867,598	$ (4,130)

HRSD- Series 2016VR Bond Analysis			May 02, 2025
	SIFMA Index	HRSD Series 2016VR	Deviation to SIFMA
Maximum	4.71%	4.95%	0.24%
Average	1.49%	1.00%	-0.49%
Minimum	0.01%	0.01%	0.00%
As of 05/02/25	2.78%	2.75%	-0.03%

Since October 20, 2011 HRSD has averaged 100 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	$ 410,246,504	14%	Ongoing
WIFIA Tranche 3	EPA	$ 346,069,223	$ -	100%	July 2025
Clean Water Program 2024	DEQ	$ 80,000,000	$ 36,468,892	54%	March 2024

7. Financial Performance Metrics for the Period Ended April 30, 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
Total Unrestricted Cash	**$**	**367,654,138**		**551**
Risk Management Reserve		(4,799,555)	(7)	544
Capital (PAYGO only)		(94,056,053)	(141)	403
Adjusted Days Cash on Hand	**$**	**268,798,530**		**403**

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.

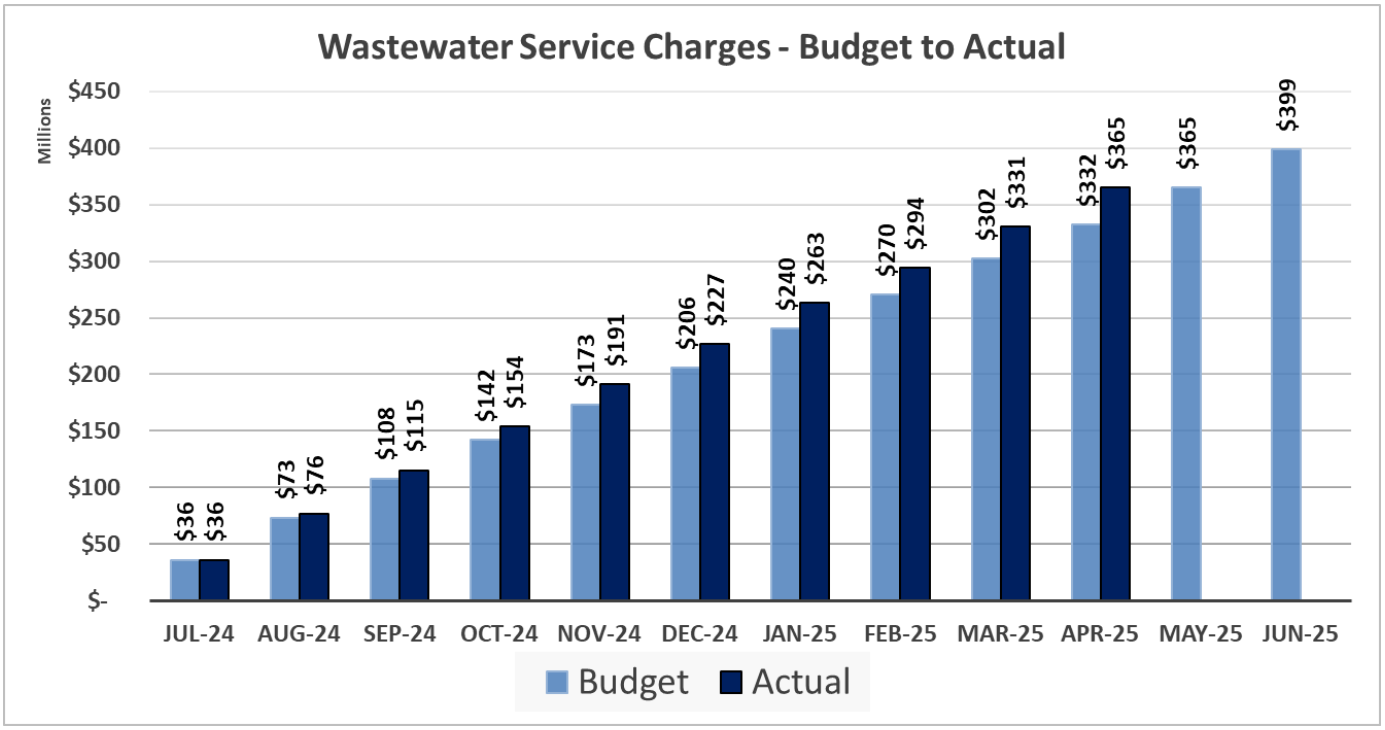
HRSD - SOURCES OF FUNDS — **April 30, 2025**

Primary Source	Beginning Market Value July 1, 2024	YTD Contributions	YTD Withdrawals	YTD Income Earned	Ending Market Value April 30, 2025	Allocation of Funds	Credit Quality	Current Mo Avg Yield
BOA Corp Disbursement Account	31,786,393	994,056,822	1,001,981,595	863,558	24,725,178	6.1%	N/A	3.49%
VIP Stable NAV Liquidity Pool	178,789,050	274,699,600	84,000,000	9,190,565	378,679,215	93.9%	AAAm	4.45%
Total Primary Source	**$ 210,575,443**	**$ 1,268,756,422**	**$ 1,085,981,595**	**$ 10,054,123**	**$ 403,404,393**	100.0%		

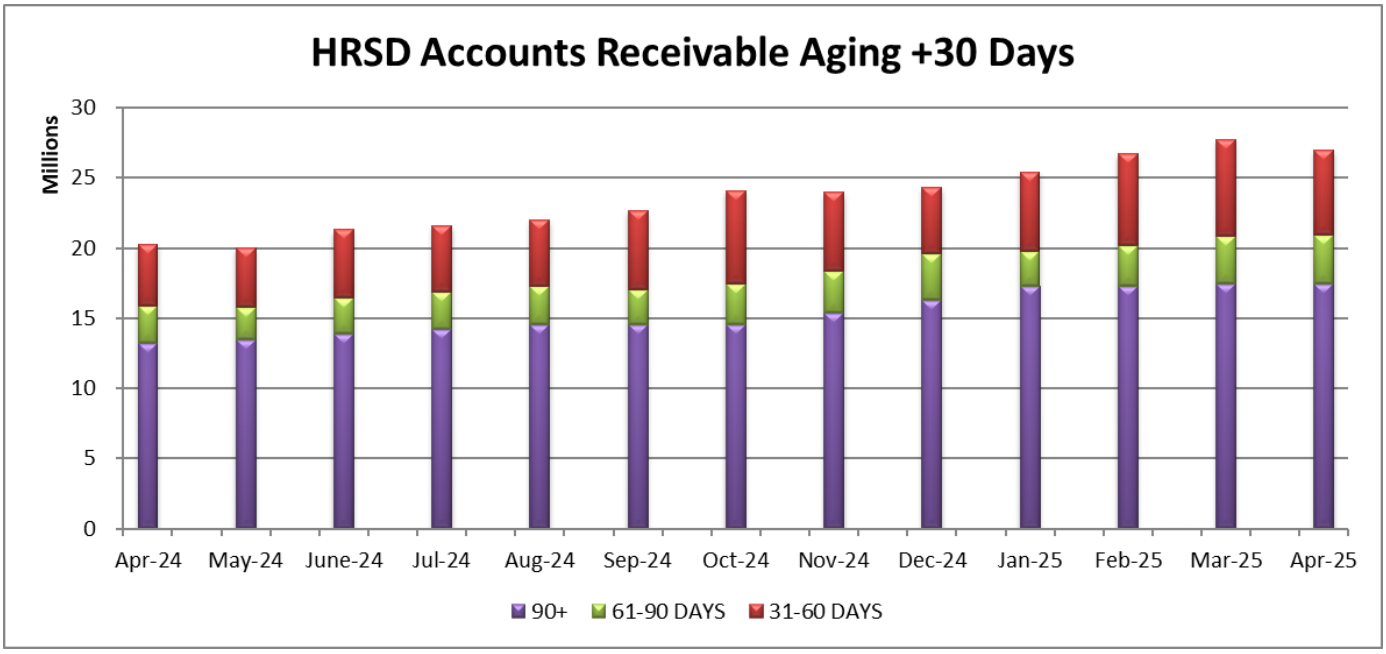
Secondary Source	Beginning Market Value July 1, 2024	YTD Contributions	YTD Withdrawals	YTD Income Earned & Realized G/L	Ending Market Value April 30, 2025	Ending Cost	LTD Mkt Adj	Yield to Maturity at Market
VIP 1-3 Year High Quality Bond Fund	65,915,924	-	11,195	2,382,221	69,298,736	69,677,152	(378,417)	
Total Secondary Source	**$ 65,915,924**	**$ -**	**$ 11,195**	**$ 2,382,221**	**$ 69,298,736**	**$ 69,677,152**	**$ (378,417)**	

	Total	Fund Alloc
Total Primary Source	**$ 403,404,393**	**85.3%**
Total Secondary Source	**69,298,736**	**14.7%**
TOTAL SOURCES	**$ 472,703,129**	**100.0%**

8. Summary of Billed Consumption

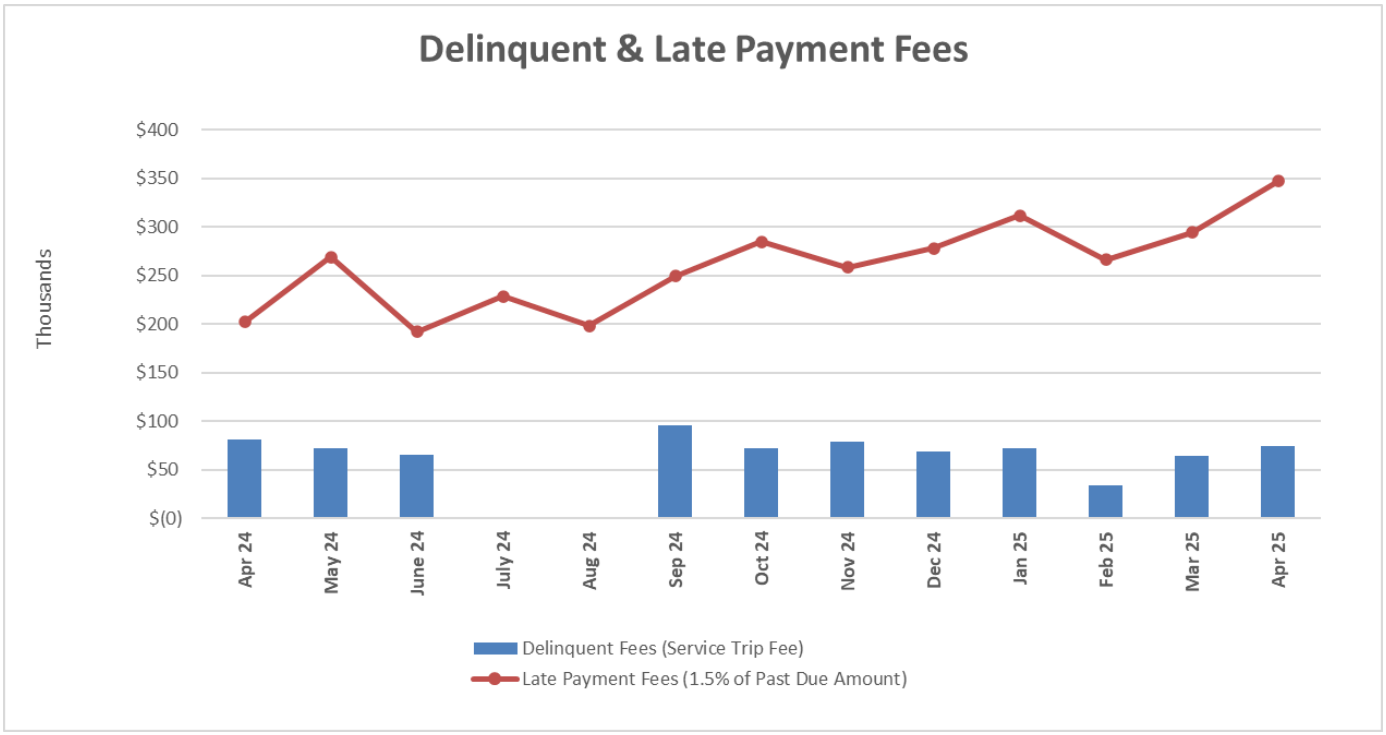


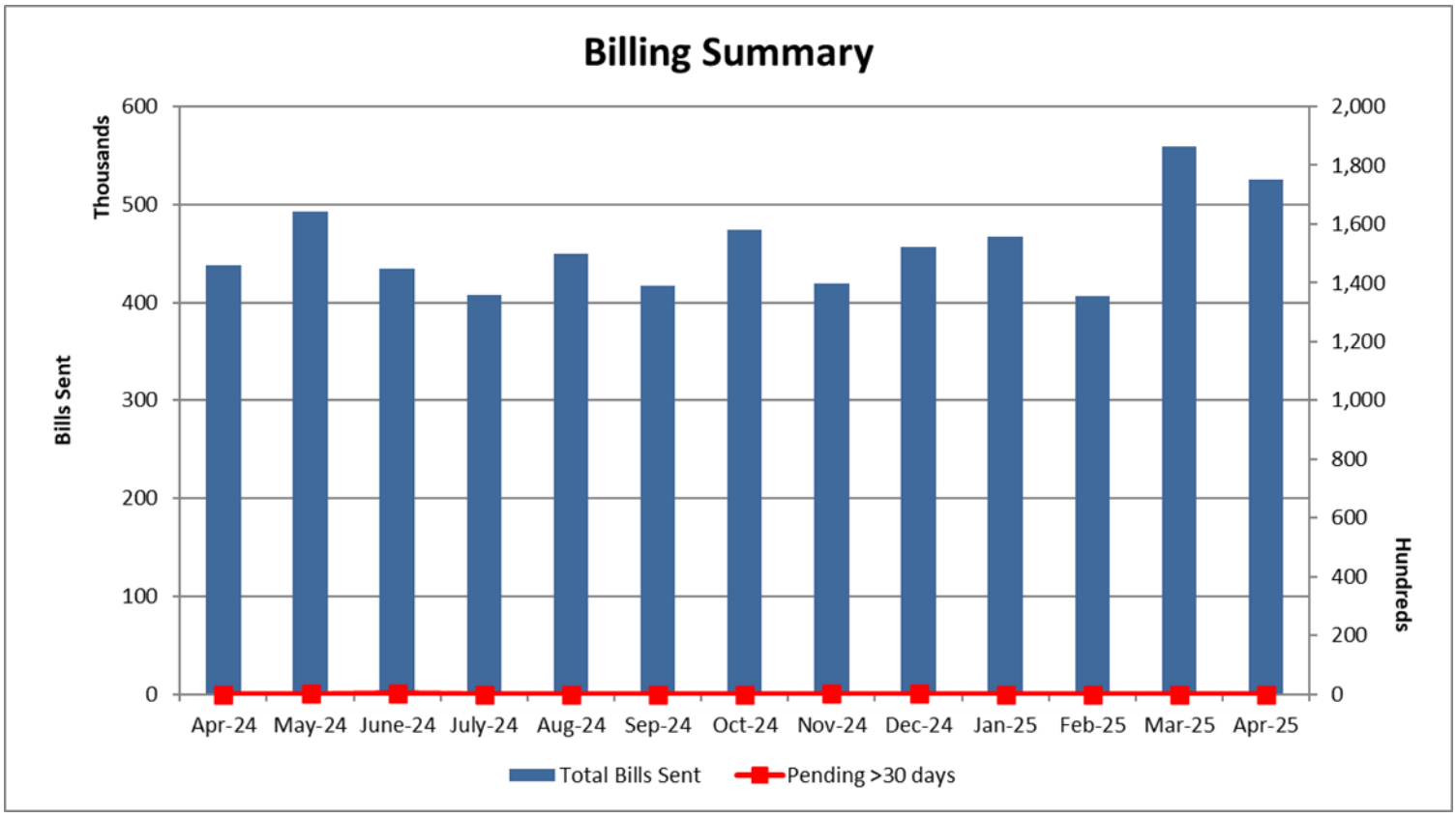
Summary of Billed Consumption (,000s ccf)							
			% Difference		% Difference		% Difference
Month	*FY2025 Cumulative Budget Estimate*	*FY2025 Cumulative Actual*	*From Budget*	*Cumulative FY2024 Actual*	*From FY2024*	*Cumulative 3 Year Average*	*From 3 Year Average*
July	4,678	4,630	-1.0%	4,504	2.8%	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	40,246	1.2%	39,826	1.1%	39,954	0.7%
Apr	43,694	44,404	1.6%	44,054	0.8%	44,119	0.6%
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

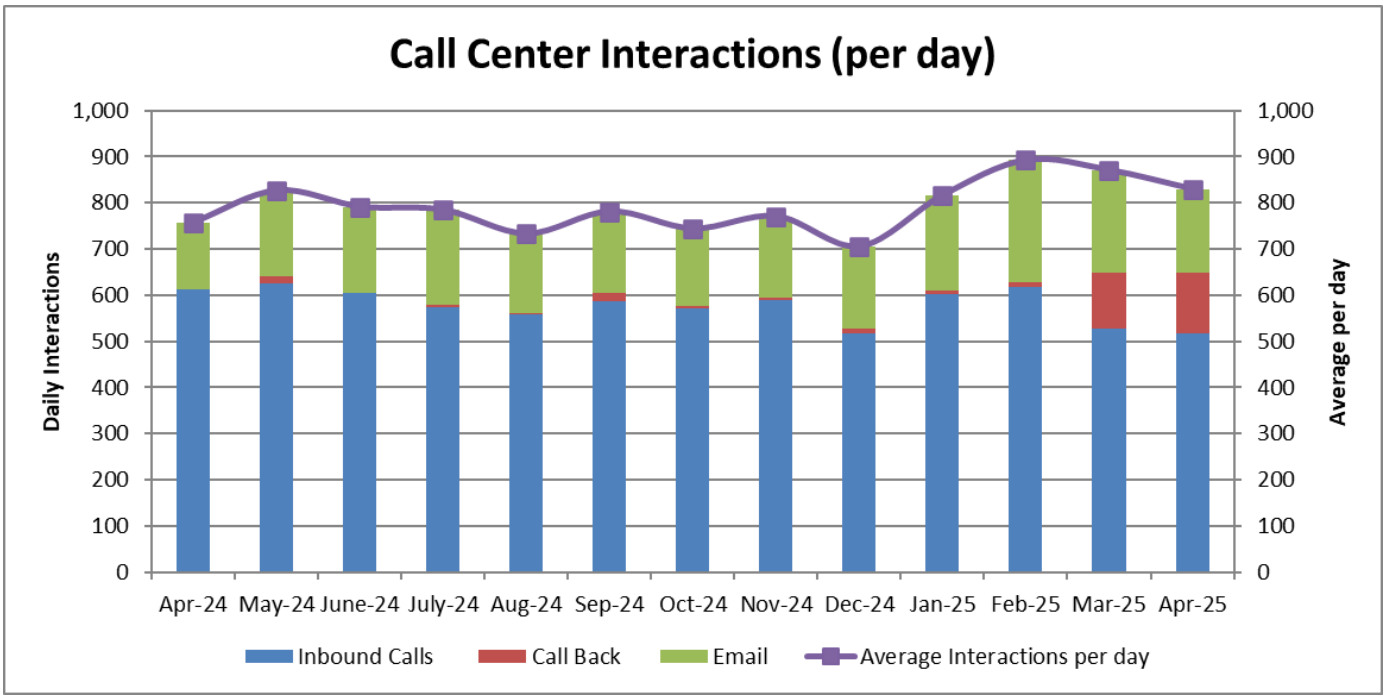


B. Customer Care Center

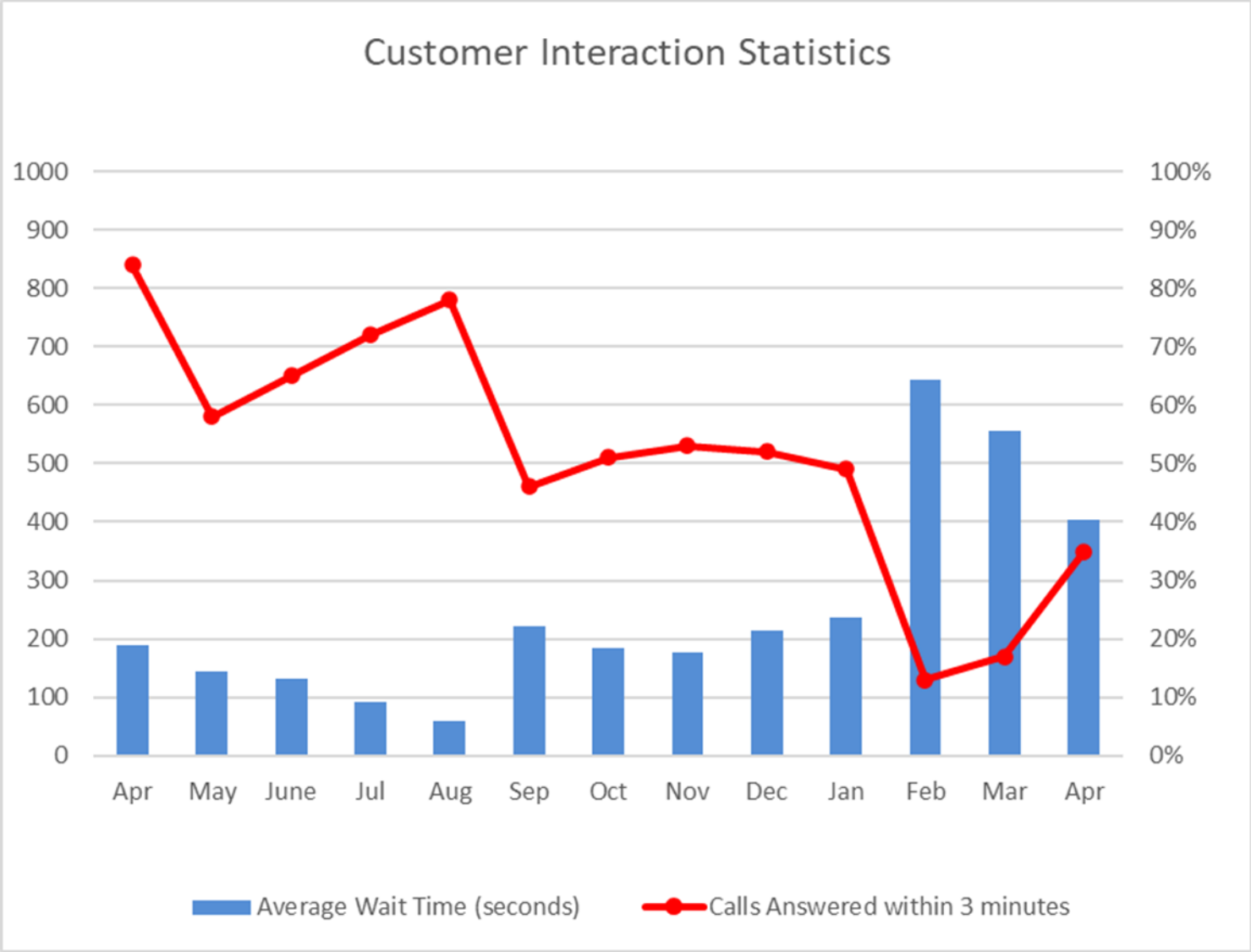
1. Accounts Receivable Overview



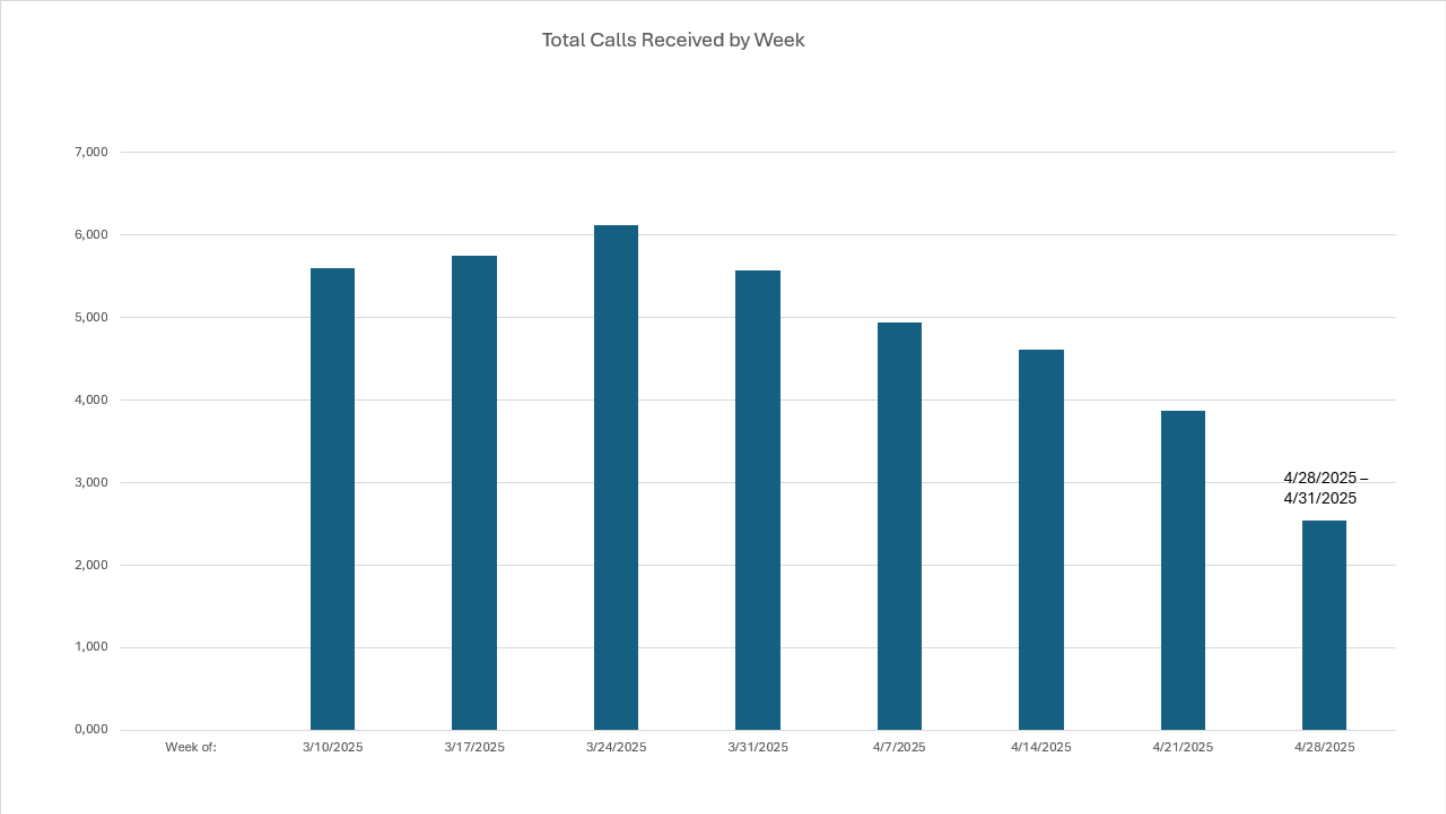

Billing Summary
Thousands
Bills Sent
600
500
400
300
200
100
0
2,000
1,800
1,600
1,400
1,200
1,000
800
600
400
200
0
Hundreds
Apr-24
May-24
June-24
July-24
Aug-24
Sep-24
Oct-24
Nov-24
Dec-24
Jan-25
Feb-25
Mar-25
Apr-25
Total Bills Sent
Pending >30 days


Call Center Interactions (per day)
Daily Interactions
Average per day
1,000
900
800
700
600
500
400
300
200
100
0
Apr-24
May-24
June-24
July-24
Aug-24
Sep-24
Oct-24
Nov-24
Dec-24
Jan-25
Feb-25
Mar-25
Apr-25
Inbound Calls
Call Back
Email
Average Interactions per day

2. Customer Care Center Statistics



Customer Interaction Statistics	Apr	May	June	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Calls Answered within 3 minute	84%	58%	65%	72%	78%	46%	51%	53%	52%	49%	13%	17%	35%
Average Wait Time (seconds)	188	145	131	92	60	222	183	176	214	237	643	556	403
Calls Abandoned	8%	15%	11%	9%	6%	18%	16%	16%	19%	21%	45%	44%	30%



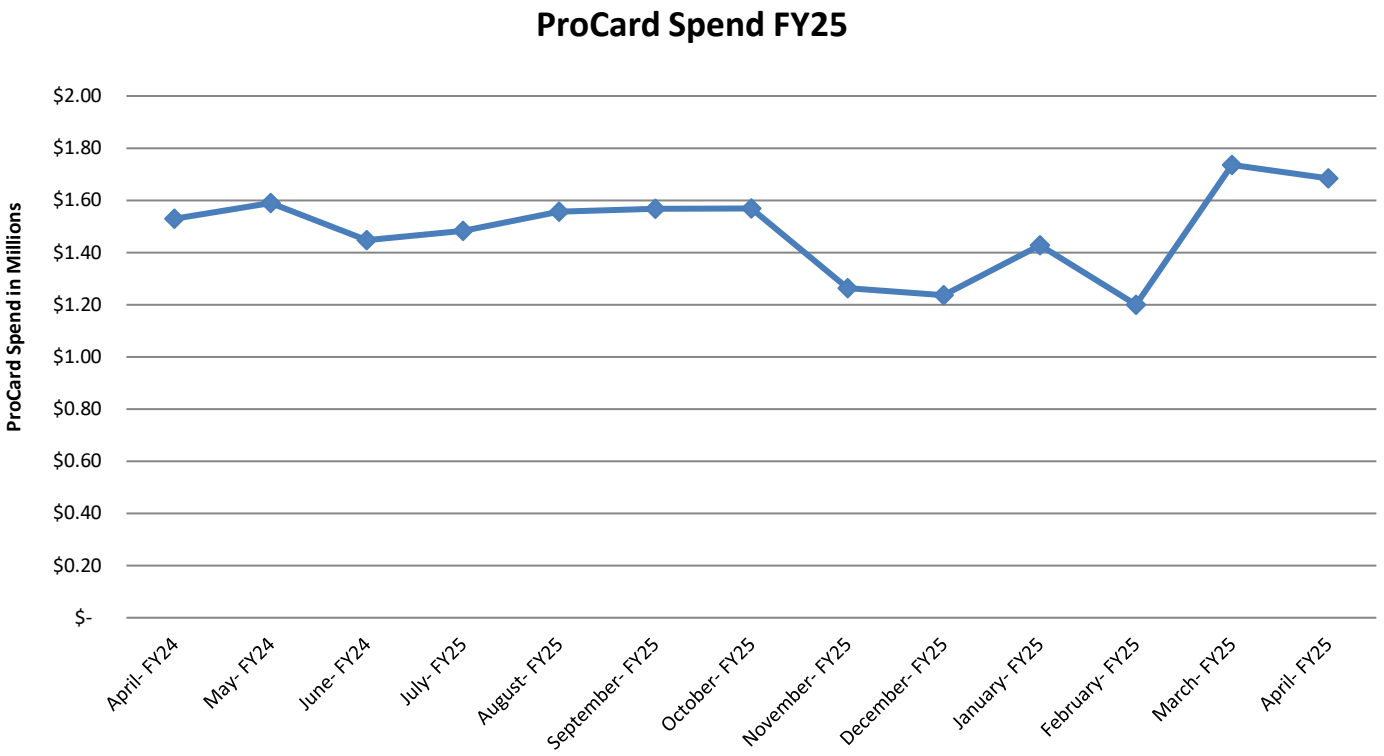
C. Procurement Statistics

Savings	Current Period	FYTD
Competitive Savings[1]	$231,600	$1,643,397
Negotiated Savings[2]	$11,944	$34,100
*Salvage Revenues	$2,719	$221,818
Corporate VISA Card - Estimated Rebate	$25,092	$219,359

*Salvage Revenues - FYTD total has been increased by $2 due to an error on the April 2025 report.

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

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



Respectfully,

Steven G. de Mik

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

Attachments: Quarterly Performance 3rd Quarter FY25
HRSD Retiree Health Executive Summary

Hampton Roads Sanitation District
Qtrly Performance Report
For the Quarter Ending March 31, 2025

Total Portfolio Summary

Operating Strategies	March 31, 2025	December 31, 2024
Primary Source	$ 300,758,626	$ 266,057,260
Secondary Source	68,766,941	67,710,123
	$ 369,525,567	**$ 333,767,383**

Primary Source Summary

The Primary Source Portfolio consists of BAML Corp Disbursement Account $34.04m and VaCo/VML VIP Stable NAV Liquidity Pool $266.71m. BAML Corp Disbursement Account returned 2.41% as of March 31, 2025. VIP LIQ Pool Fund 30 Day Avg Net Yield was 4.46% as of March 31, 2025. VIP Stable NAV Liquidity Pool performed 0.02% above to the Va Local Government Investment Pool's (the market benchmark) in the month of March 2025. VaCo/VML VIP Stable NAV Liquidity Pool's weighted average credit rating was A-1 for the quarter.

Secondary Source Summary

The Secondary Source Portfolio consists of VaCo/VML VIP 1-3 Year High Quality Bond Fund. VIP 1-3 Year High Quality Bond Fund's Yield to Maturity at Market was 3.95% in March, which was 0.01% below the ICE BofA ML 1-3 yr AAA-AA Corp/Gov Index (the market benchmark) performance. The weighted average credit rating for VaCo/VML VIP 1-3 Year High Quality Bond Fund's portfolio was AA for the quarter.

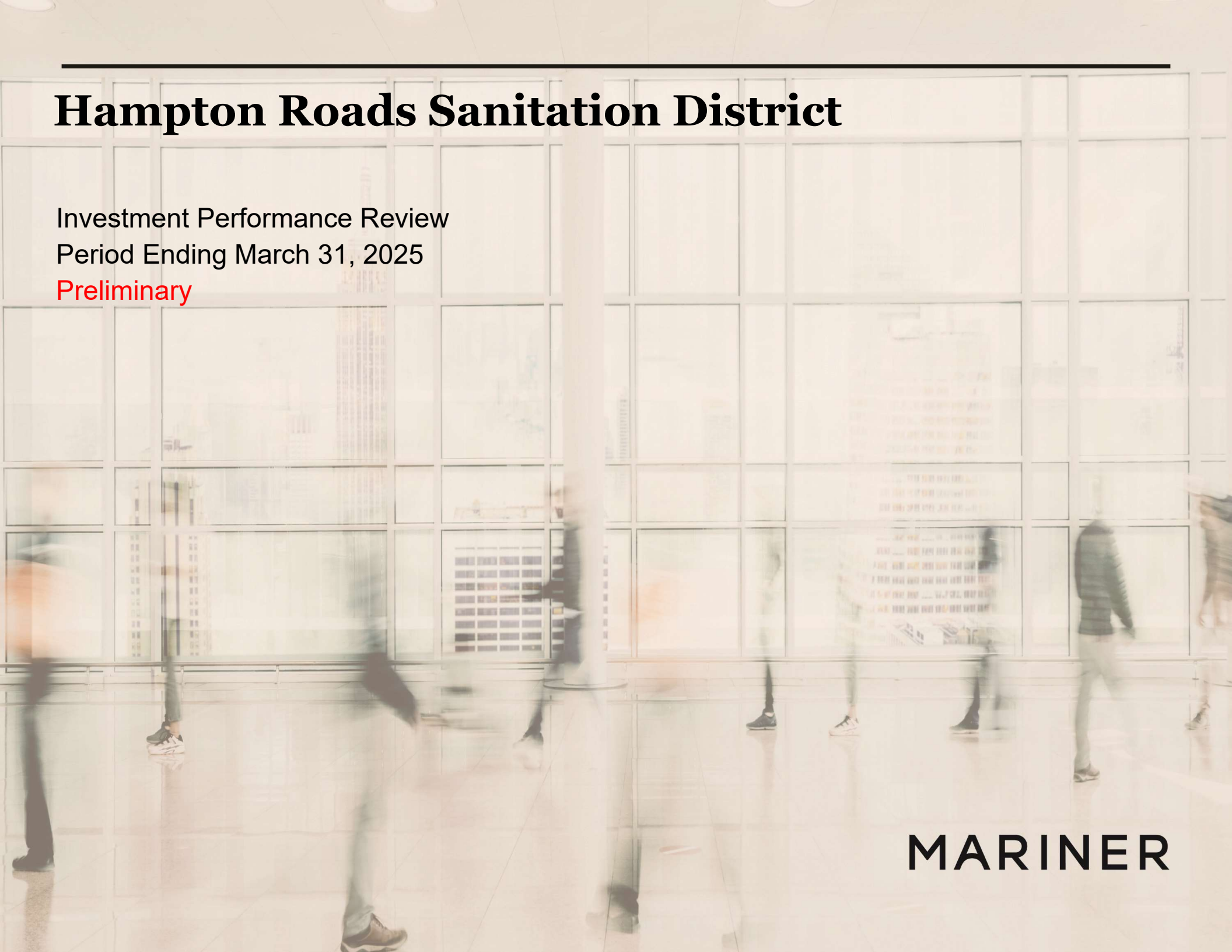
Retirement Health Plan Trust	March 31, 2025	December 31, 2024	$ Gain/(Loss)	% Gain/(Loss)
Investment Assets	78,184,859	78,798,369	(613,510)	-0.78%
Liquidity Assets	51,290	50,759	531	1.04%
Combined Assets	**$ 78,236,149**	**$ 78,849,128**	**$ (612,979)**	**-0.78%**

Retiree Health Plan Trust Summary

The Retiree Health Plan Trust portfolio returned -0.78% (Total Fund - investment assets - net of fees) for the quarter ended March 31, 2025, while the Blended Benchmark returned 0.35%. The US Federal Reserve (the Fed) continued its shift away from contractionary monetary policy during the quarter and held policy rates steady at a range of 4.25%-4.50%. Growth in the US labor market continued during the first quarter. Domestic equity results were broadly lower for the quarter as concerns regarding future economic growth guided by increased uncertainty surrounding geopolitics and domestic policy took hold. Fixed-income markets gained during the quarter, driven by their coupons and declining Treasury yields for maturities of one year and longer. Shorter term Treasury yields remained relatively stable due to the FOMC leaving rates unchanged during the January and March meetings, while longer term yields fell slightly based on expectations of lower long-term GDP growth.

Hampton Roads Sanitation District

Investment Performance Review
Period Ending March 31, 2025
Preliminary



MARINER

The Economy

- The US Federal Reserve (the Fed) continued its shift away from contractionary monetary policy during the quarter and held policy rates steady at a range of 4.25%-4.50%. New language was inserted into the most recent press release following the March 2025 Federal Open Markets Committee (FOMC) meeting, which referred to increased uncertainty regarding the country's economic outlook moving forward. The release also conveyed the Treasury Department would slow the pace of the reduction of their balance sheet beginning in April, which may be an indication of a policy shift away from quantitative tightening. The FOMC's March "Dot Plot" released after the meeting projected that by year end, the appropriate midpoint target rate would be 3.875%, which at the time implied 0.50% of policy rate cuts by year-end.

- Growth in the US labor market continued during the first quarter. US payrolls grew by 228,000 in March, up from the previous month's revised total of 117,000, and well above the 140,000 projected. Unemployment rose to 4.2% as the labor force participation rate increased during the month, which increased the denominator in the calculation. With labor market statistics as a key input into the FOMC's target policy rate decision, persistent strength in private sector employment could lead to a reduction in the pace and magnitude of policy rate decreases in the coming quarters.

Equity (Domestic and International)

- Domestic equity results were broadly lower for the quarter as concerns regarding future economic growth guided by increased uncertainty surrounding geopolitics and domestic policy took hold. Value stocks outperformed growth stocks and large cap stocks outperformed small cap stocks in a rotation characteristic of a "risk-off" trade. Large-cap equity benchmarks continue to represent a heavy concentration among a limited number of stocks. As of quarter end, the top 10 stocks in the S&P 500 Index comprised more than 30% of the index.

- Most international stocks advanced during the first quarter on the backs of a declining US dollar (USD) and concerns regarding US economic growth. The USD's depreciation boosted returns for USD-denominated returns over local currency returns for most international indexes. International equities have experienced recent tailwinds due to investor shifts from domestic markets and into international markets based on greater economic uncertainty in the US and challenging trade relations associated with US tariff policies.

Fixed Income

- Fixed-income markets gained during the quarter, driven by their coupons and declining Treasury yields for maturities of one year and longer. Shorter term Treasury yields remained relatively stable due to the FOMC leaving rates unchanged during the January and March meetings, while longer term yields fell slightly based on expectations of lower long-term GDP growth. The yield on the bellwether 10-year Treasury declined by 0.35% during the quarter, closing March at a yield of 4.23%. The inverse relationship between prices and yields resulted in the Bloomberg US Aggregate Bond Index posting a return of 2.8% for the quarter.

- The US TIPS Index was the best-performing fixed-income index for the quarter, amassing a solid 4.2% return as TIPS yields declined. US High Yield bonds lagged all other bond sectors, returning a small, but positive, 1.0% for the quarter, largely due to a widening of the High Yield option-adjusted spread (OAS).

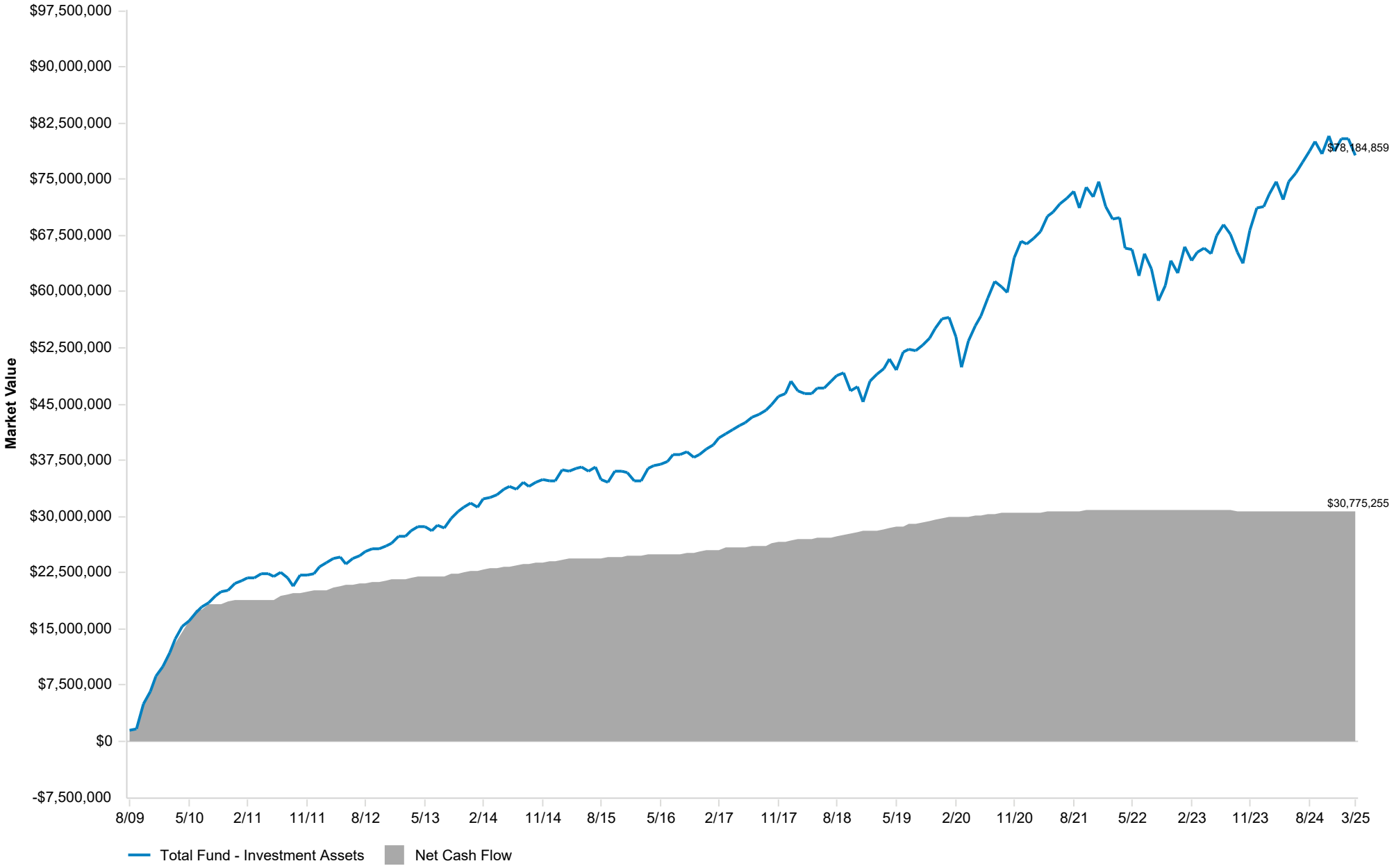
- Global bond returns also rose during the quarter, with the Bloomberg Global Aggregate ex-US returning 2.5% in USD terms.

Market Themes

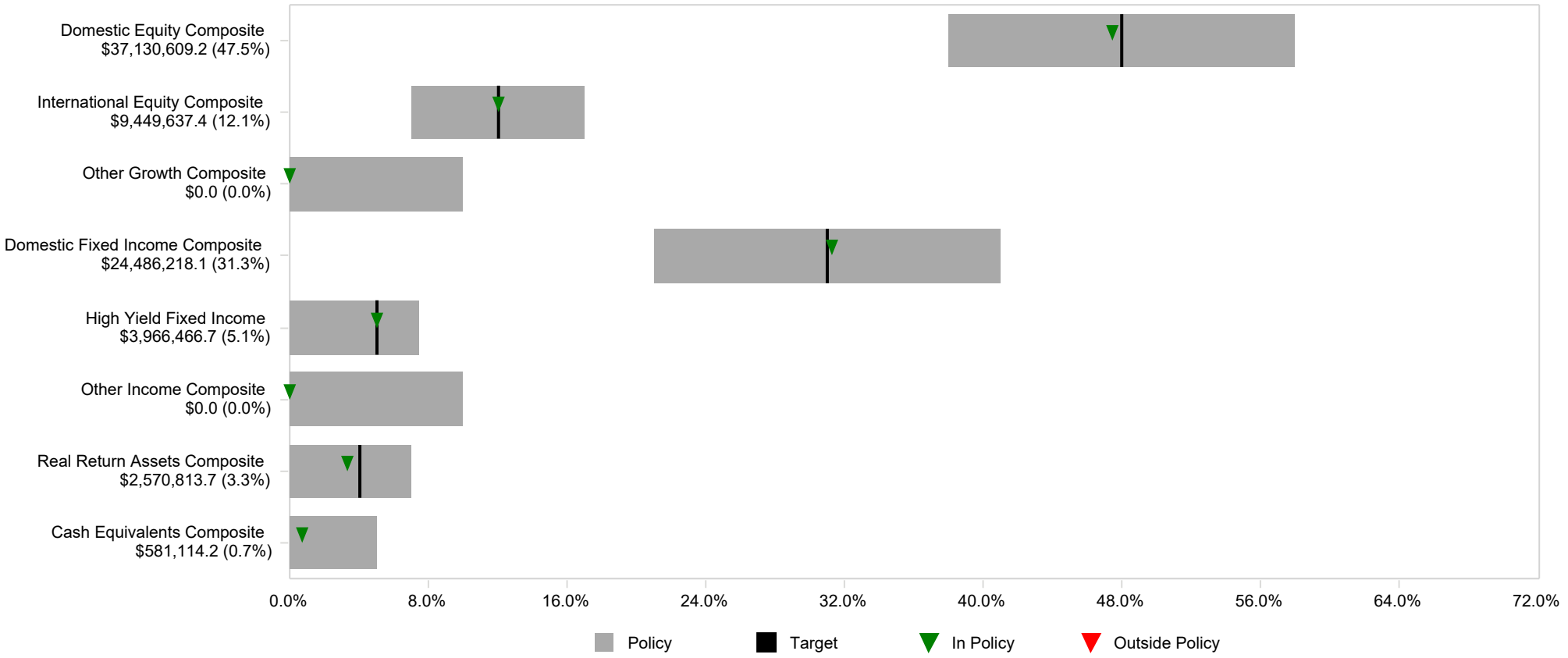
- Weakness in the USD during the quarter led to relative strength in international equity markets as many major non-US currencies appreciated. Volatility in the financial markets increased amid uncertainty about US economic growth amid US tariff policies. The potential impact of US tariffs and foreign retaliation are still evolving, so it is not advisable to draw definitive conclusions regarding their breadth or magnitude. However, the resulting uncertainty has a near-term negative impact on global economic growth and capital markets.

- The equity rotation away from risky trades has exacerbated the performance disparity between large and small cap stocks as concerns about the economy weigh more heavily on small cap stocks

Schedule of Investable Assets



Executive Summary

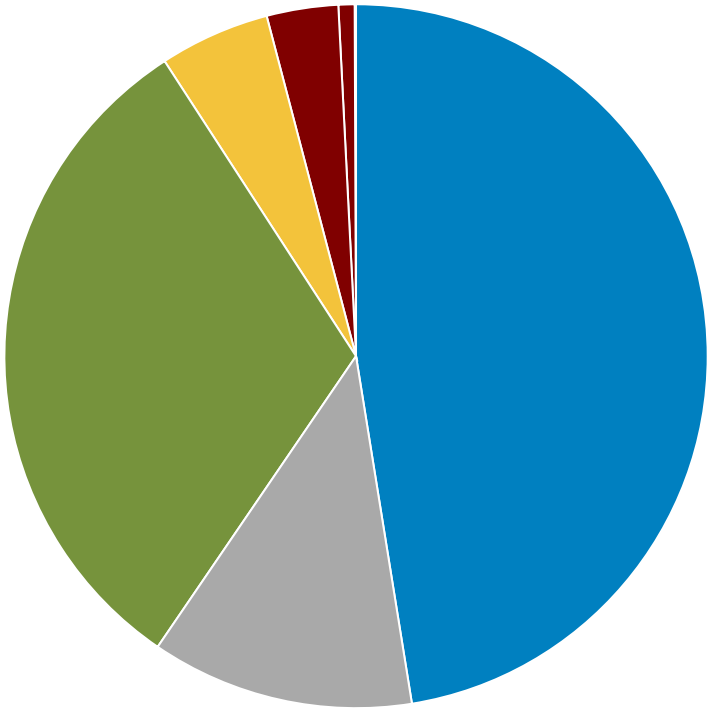


Asset Allocation Compliance

	Asset Allocation $	Current Allocation (%)	Target Allocation (%)	Minimum Allocation (%)	Maximum Allocation (%)
Total Fund - Investment Assets	**78,184,859**	**100.0**	**100.0**	**N/A**	**N/A**
Domestic Equity Composite	37,130,609	47.5	48.0	38.0	58.0
International Equity Composite	9,449,637	12.1	12.0	7.0	17.0
Other Growth Composite	-	0.0	0.0	0.0	10.0
Domestic Fixed Income Composite	24,486,218	31.3	31.0	21.0	41.0
High Yield Fixed Income	3,966,467	5.1	5.0	0.0	7.5
Other Income Composite	-	0.0	0.0	0.0	10.0
Real Return Assets Composite	2,570,814	3.3	4.0	0.0	7.0
Cash Equivalents Composite	581,114	0.7	0.0	0.0	5.0

Asset Allocation By Asset Class
Total Fund
As of March 31, 2025

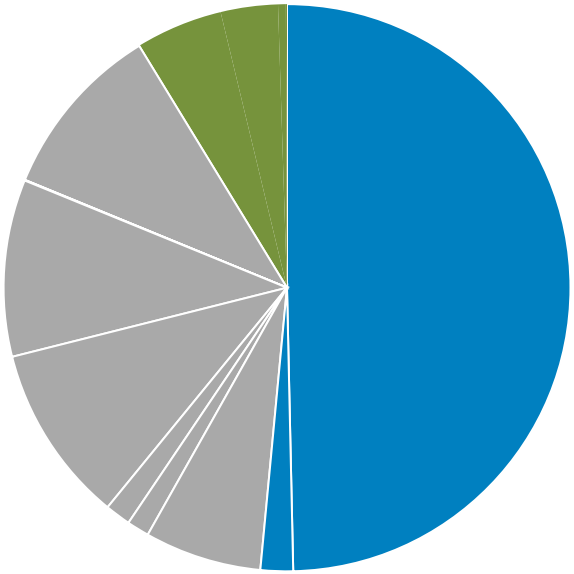
Mar-2025 : $78,236,149



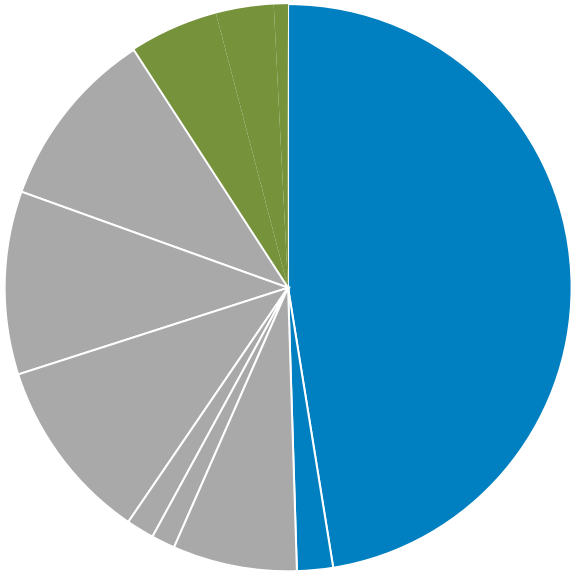
Allocation

	Market Value	Allocation
Domestic Equity Composite	37,130,609	47.5
International Equity Composite	9,449,637	12.1
Domestic Fixed Income Composite	24,486,218	31.3
High Yield Fixed Income	3,966,467	5.1
Real Return Assets Composite	2,570,814	3.3
Cash Equivalents Composite	581,114	0.7
Total Fund - Liquidity Assets	51,290	0.1

Dec-2024 : $78,849,129



Mar-2025 : $78,236,149



Allocation	Market Value	Allocation
Vanguard Total Stock Market ETF (VTI)	39,153,041	49.7
Dodge & Cox Intenrational Stock I (DODFX)	1,458,164	1.8
Vanguard Total International Stock ETF (VXUS)	5,261,801	6.7
Harding Loevner International Equity (HLMIX)	1,002,052	1.3
Goldman Sachs GQG Ptnrs Intl Opportunities (GSIMX)	1,151,044	1.5
Baird Core Plus (BCOIX)	8,020,900	10.2
DoubleLine Core Fixed Income (DBLFX)	7,955,453	10.1
PGIM Total Return Bond (PTRQX)	21,478	0.0
Voya Intermediate Bond (IIBZX)	9,932	0.0
iShares Core US Aggregate Bond ETF (AGG)	7,924,385	10.1
BBH Limited Duration (BBBIX)	1	0.0
MainStay MacKay High Yield Corp Bond Fund (MHYSX)	3,920,222	5.0
Boyd Watterson GSA Fund	2,570,814	3.3
First American Gov't Obligation - Z- (FGZXX)	349,082	0.4
Liquidity Assets - First American Gov't Obligation - Z (FGZXX)	50,759	0.1

Allocation	Market Value	Allocation
Vanguard Total Stock Market ETF (VTI)	37,130,609	47.5
Dodge & Cox Intenrational Stock I (DODFX)	1,599,305	2.0
Vanguard Total International Stock ETF (VXUS)	5,544,847	7.1
Harding Loevner International Equity (HLMIX)	1,059,698	1.4
Goldman Sachs GQG Ptnrs Intl Opportunities (GSIMX)	1,245,787	1.6
Baird Core Plus (BCOIX)	8,229,371	10.5
DoubleLine Core Fixed Income (DBLFX)	8,167,269	10.4
PGIM Total Return Bond (PTRQX)	-	0.0
Voya Intermediate Bond (IIBZX)	-	0.0
iShares Core US Aggregate Bond ETF (AGG)	8,089,579	10.3
BBH Limited Duration (BBBIX)	-	0.0
MainStay MacKay High Yield Corp Bond Fund (MHYSX)	3,966,467	5.1
Boyd Watterson GSA Fund	2,570,814	3.3
First American Gov't Obligation - Z- (FGZXX)	581,114	0.7
Liquidity Assets - First American Gov't Obligation - Z (FGZXX)	51,290	0.1

Financial Reconciliation Quarter to Date

	Market Value 01/01/2025	Net Transfers	Contributions	Distributions	Management Fees	Other Expenses	Return On Investment	Market Value 03/31/2025
Total Fund - Combined Assets	**78,849,129**	**-**	**-**	**-**	**-**	**-4,994**	**-607,986**	**78,236,149**
Total Fund - Investment Assets	**78,798,369**	**-**	**-**	**-**	**-**	**-4,990**	**-608,520**	**78,184,859**
Total Equity Composite	**48,026,103**	**-150,172**	**-**	**-**	**-**	**-**	**-1,295,684**	**46,580,247**
Domestic Equity Composite	**39,153,041**	**-133,127**	**-**	**-**	**-**	**-**	**-1,889,305**	**37,130,609**
Vanguard Total Stock Market ETF (VTI)	39,153,041	-133,127	-	-	-	-	-1,889,305	37,130,609
International Equity Composite	**8,873,061**	**-17,045**	**-**	**-**	**-**	**-**	**593,621**	**9,449,637**
Dodge & Cox Intenrational Stock I (DODFX)	1,458,164	-	-	-	-	-	141,141	1,599,305
Vanguard Total International Stock ETF (VXUS)	5,261,801	-17,045	-	-	-	-	300,091	5,544,847
Harding Loevner International Equity (HLMIX)	1,002,052	-	-	-	-	-	57,646	1,059,698
Goldman Sachs GQG Ptnrs Intl Opportunities (GSIMX)	1,151,044	-	-	-	-	-	94,743	1,245,787
Total Fixed Income Composite	**27,852,371**	**-82,619**	**-**	**-**	**-**	**-**	**682,933**	**28,452,685**
Domestic Fixed Income Composite	**23,932,149**	**-82,619**	**-**	**-**	**-**	**-**	**636,688**	**24,486,218**
Baird Core Plus (BCOIX)	8,020,900	-	-	-	-	-	208,471	8,229,371
DoubleLine Core Fixed Income (DBLFX)	7,955,453	-	-	-	-	-	211,816	8,167,269
PGIM Total Return Bond (PTRQX)	21,478	-21,458	-	-	-	-	-21	-
Voya Intermediate Bond (IIBZX)	9,932	-9,927	-	-	-	-	-5	-
iShares Core US Aggregate Bond ETF (AGG)	7,924,385	-51,234	-	-	-	-	216,427	8,089,579
BBH Limited Duration (BBBIX)	1	-1	-	-	-	-	-	-
High Yield Fixed Income	**3,920,222**	**-**	**-**	**-**	**-**	**-**	**46,245**	**3,966,467**
MainStay MacKay High Yield Corp Bond Fund (MHYSX)	3,920,222	-	-	-	-	-	46,245	3,966,467
Real Return Assets Composite	**2,570,814**	**-**	**-**	**-**	**-**	**-**	**-**	**2,570,814**
Boyd Watterson GSA Fund	2,570,814	-	-	-	-	-	-	2,570,814
Cash Equivalents Composite	**349,082**	**232,791**	**-**	**-**	**-**	**-4,990**	**4,231**	**581,114**
First American Government Obligation - Z- (FGZXX)	349,082	232,791	-	-	-	-4,990	4,231	581,114
Total Fund - Liquidity Assets	**50,759**	**-**	**-**	**-**	**-**	**-3**	**534**	**51,290**
First American Government Obligation - Z (FGZXX)	50,759	-	-	-	-	-3	534	51,290

Financial Reconciliation Year to Date

	Market Value 01/01/2025	Net Transfers	Contributions	Distributions	Management Fees	Other Expenses	Return On Investment	Market Value 03/31/2025
Total Fund - Combined Assets	**78,849,129**	**-**	**-**	**-**	**-**	**-4,994**	**-607,986**	**78,236,149**
Total Fund - Investment Assets	**78,798,369**	**-**	**-**	**-**	**-**	**-4,990**	**-608,520**	**78,184,859**
Domestic Equity Composite	**39,153,041**	**-133,127**	**-**	**-**	**-**	**-**	**-1,889,305**	**37,130,609**
Vanguard Total Stock Market ETF (VTI)	39,153,041	-133,127	-	-	-	-	-1,889,305	37,130,609
International Equity Composite	**8,873,061**	**-17,045**	**-**	**-**	**-**	**-**	**593,621**	**9,449,637**
Dodge & Cox Intenrational Stock I (DODFX)	1,458,164	-	-	-	-	-	141,141	1,599,305
Vanguard Total International Stock ETF (VXUS)	5,261,801	-17,045	-	-	-	-	300,091	5,544,847
Harding Loevner International Equity (HLMIX)	1,002,052	-	-	-	-	-	57,646	1,059,698
Goldman Sachs GQG Ptnrs Intl Opportunities (GSIMX)	1,151,044	-	-	-	-	-	94,743	1,245,787
Total Fixed Income Composite	**27,852,371**	**-82,619**	**-**	**-**	**-**	**-**	**682,933**	**28,452,685**
Domestic Fixed Income Composite	**23,932,149**	**-82,619**	**-**	**-**	**-**	**-**	**636,688**	**24,486,218**
Baird Core Plus (BCOIX)	8,020,900	-	-	-	-	-	208,471	8,229,371
DoubleLine Core Fixed Income (DBLFX)	7,955,453	-	-	-	-	-	211,816	8,167,269
PGIM Total Return Bond (PTRQX)	21,478	-21,458	-	-	-	-	-21	-
Voya Intermediate Bond (IIBZX)	9,932	-9,927	-	-	-	-	-5	-
iShares Core US Aggregate Bond ETF (AGG)	7,924,385	-51,234	-	-	-	-	216,427	8,089,579
BBH Limited Duration (BBBIX)	1	-1	-	-	-	-	-	-
High Yield Fixed Income	**3,920,222**	**-**	**-**	**-**	**-**	**-**	**46,245**	**3,966,467**
MainStay MacKay High Yield Corp Bond Fund (MHYSX)	3,920,222	-	-	-	-	-	46,245	3,966,467
Real Return Assets Composite	**2,570,814**	**-**	**-**	**-**	**-**	**-**	**-**	**2,570,814**
Boyd Watterson GSA Fund	2,570,814	-	-	-	-	-	-	2,570,814
Cash Equivalents Composite	**349,082**	**232,791**	**-**	**-**	**-**	**-4,990**	**4,231**	**581,114**
First American Government Obligation - Z- (FGZXX)	349,082	232,791	-	-	-	-4,990	4,231	581,114
Total Fund - Liquidity Assets	**50,759**	**-**	**-**	**-**	**-**	**-3**	**534**	**51,290**
First American Government Obligation - Z (FGZXX)	50,759	-	-	-	-	-3	534	51,290

Financial Reconciliation Fiscal Year to Date	Market Value 07/01/2024	Net Transfers	Contributions	Distributions	Management Fees	Other Expenses	Return On Investment	Market Value 03/31/2025
Total Fund - Combined Assets	**75,815,859**	**-**	**-**	**-**	**-16,104**	**-14,855**	**2,451,250**	**78,236,149**
Total Fund - Investment Assets	**75,766,318**	**-**	**-**	**-**	**-16,104**	**-14,846**	**2,449,492**	**78,184,859**
Domestic Equity Composite	**31,325,592**	**5,058,737**	**-**	**-**	**-**	**-**	**746,280**	**37,130,609**
Vanguard Total Stock Market ETF (VTI)	29,824,775	6,663,677	-	-	-	-	642,157	37,130,609
Jensen Quality Growth Fund (JENYX)	1,500,817	-1,604,940	-	-	-	-	104,122	-
International Equity Composite	**15,464,691**	**-6,450,109**	**-**	**-**	**-**	**-**	**435,055**	**9,449,637**
Dodge & Cox Intenrational Stock I (DODFX)	-	1,500,000	-	-	-	-	99,305	1,599,305
Vanguard Total International Stock ETF (VXUS)	8,374,223	-3,176,000	-	-	-	-	346,624	5,544,847
J. O. Hambro International Select (JOHIX)	1,051,438	-1,019,045	-	-	-	-	-32,392	-
Harding Loevner International Equity (HLMIX)	1,005,568	-	-	-	-	-	54,130	1,059,698
Goldman Sachs GQG Ptnrs Intl Opportunities (GSIMX)	1,280,444	-	-	-	-	-	-34,657	1,245,787
Vanguard FTSE Developed Markets ETF (VEA)	1,550,404	-1,553,768	-	-	-	-	3,364	-
Vanguard FTSE All-World ex-US Small-Cap ETF (VSS)	714,339	-721,466	-	-	-	-	7,126	-
Hartford Schroders Emerging Markets (SEMTX)	716,425	-721,039	-	-	-	-	4,614	-
iShares MSCI Emerging Markets ex China ETF (EMXC)	771,850	-758,791	-	-	-	-	-13,059	-
Total Fixed Income Composite	**25,608,062**	**1,520,129**	**-**	**-**	**-**	**-**	**1,324,494**	**28,452,685**
Domestic Fixed Income Composite	**25,608,062**	**-1,179,871**	**-**	**-**	**-**	**-**	**58,027**	**24,486,218**
Baird Core Plus (BCOIX)	6,671,897	1,200,000	-	-	-	-	357,473	8,229,371
DoubleLine Core Fixed Income (DBLFX)	2,889,310	5,035,000	-	-	-	-	242,959	8,167,269
PGIM Total Return Bond (PTRQX)	5,447,983	-5,650,092	-	-	-	-	202,109	-
Voya Intermediate Bond (IIBZX)	2,915,023	-3,009,521	-	-	-	-	94,498	-
iShares Core US Aggregate Bond ETF (AGG)	5,258,670	2,538,055	-	-	-	-	292,854	8,089,579
iShares Intermediate-Term Corporate Bond ETF (IGIB)	1,242,389	-1,293,095	-	-	-	-	50,707	-
BBH Limited Duration (BBBIX)	211	-217	-	-	-	-	7	-
High Yield Fixed Income	**-**	**2,700,000**	**-**	**-**	**-**	**-**	**1,266,467**	**3,966,467**
MainStay MacKay High Yield Corp Bond Fund (MHYSX)	1,182,579	2,700,000	-	-	-	-	83,888	3,966,467
Real Return Assets Composite	**2,656,138**	**-**	**-**	**-**	**-16,104**	**-**	**-69,220**	**2,570,814**
Boyd Watterson GSA Fund	2,656,138	-	-	-	-16,104	-	-69,220	2,570,814
Cash Equivalents Composite	**711,835**	**-128,758**	**-**	**-**	**-**	**-14,846**	**12,883**	**581,114**
First American Government Obligation - Z- (FGZXX)	711,835	-128,758	-	-	-	-14,846	12,883	581,114
Total Fund - Liquidity Assets	**49,541**	**-**	**-**	**-**	**-**	**-9**	**1,758**	**51,290**
First American Government Obligation - Z (FGZXX)	49,541	-	-	-	-	-9	1,758	51,290

	Allocation		Performance(%)									
	Market Value $	%	MTH	QTR	YTD	1 YR	3 YR	5 YR	7 YR	10 YR	Inception	Inception Date
Total Fund - Combined Assets	**78,236,149**	**100.0**										
Total Fund - Investment Assets (Net of Fees)	**78,184,859**	**99.9**	**-2.87 (65)**	**-0.77 (61)**	**-0.77 (61)**	**4.83 (64)**	**3.84 (69)**	**9.14 (83)**	**6.63 (67)**	**6.59 (56)**	**7.61 (70)**	**Sep-2009**
Blended Benchmark			-2.31	0.35	0.35	6.21	4.54	9.20	6.67	6.30	7.44	
All Public Plans-Total Fund Median			-2.56	-0.43	-0.43	5.17	4.24	10.15	6.88	6.68	7.89	
Population			363	361	361	355	340	323	304	271	212	
Total Equity Composite	**46,580,247**	**59.5**	**-4.64**	**-2.70**	**-2.70**	**4.87**	**-**	**-**	**-**	**-**	**16.88**	**Oct-2023**
Domestic Equity Composite	**37,130,609**	**47.5**	**-5.85**	**-4.83**	**-4.83**	**6.79**	**-**	**-**	**-**	**-**	**19.85**	**Oct-2023**
Vanguard Total Stock Market ETF (VTI)	37,130,609	47.5	-5.85 (58)	-4.83 (48)	-4.83 (48)	7.05 (24)	8.09 (32)	18.07 (26)	12.40 (22)	11.73 (20)	18.07 (26)	Apr-2020
Russell 3000 Index			-5.83	-4.72	-4.72	7.22	8.22	18.18	12.49	11.80	18.18	
All Cap Blend Median			-5.70	-4.94	-4.94	3.19	6.49	16.68	10.40	9.91	16.68	
Population			2,909	2,903	2,903	2,832	2,694	2,555	2,427	2,190	2,555	
International Equity Composite	**9,449,637**	**12.1**	**0.45**	**6.69**	**6.69**	**4.89**	**-**	**-**	**-**	**-**	**13.99**	**Oct-2023**
Dodge & Cox International Stock I (DODFX)	1,599,305	2.0	0.20 (84)	9.68 (59)	9.68 (59)	-	-	-	-	-	5.93 (73)	Dec-2024
MSCI EAFE Value Index (Net)			2.33	11.56	11.56	12.85	9.69	14.77	5.39	5.06	9.57	
Foreign Large Value Median			1.72	9.95	9.95	10.38	7.89	13.76	5.06	4.93	7.28	
Population			415	413	413	407	393	368	352	321	412	
Vanguard Total International Stock ETF (VXUS)	5,544,847	7.1	0.39 (38)	5.70 (57)	5.70 (57)	6.33 (39)	4.67 (57)	11.48 (50)	4.52 (55)	5.24 (48)	11.48 (50)	Apr-2020
MSCI AC World ex USA (Net)			-0.23	5.23	5.23	6.09	4.48	10.92	4.47	4.98	10.92	
Foreign Median			-0.14	6.35	6.35	5.32	5.13	11.48	4.68	5.16	11.48	
Population			1,968	1,964	1,964	1,938	1,871	1,763	1,672	1,466	1,763	
Harding Loevner International Equity (HLMIX)	1,059,698	1.4	-0.35 (57)	5.75 (57)	5.75 (57)	5.34 (50)	3.34 (72)	9.73 (73)	4.59 (53)	5.87 (27)	6.44 (73)	Jul-2020
MSCI AC World ex USA (Net)			-0.23	5.23	5.23	6.09	4.48	10.92	4.47	4.98	8.07	
Foreign Median			-0.14	6.35	6.35	5.32	5.13	11.48	4.68	5.16	8.40	
Population			1,968	1,964	1,964	1,938	1,871	1,763	1,672	1,466	1,783	
Goldman Sachs GQG Ptnrs Intl Opportunities (GSIMX)	1,245,787	1.6	1.73 (6)	8.23 (19)	8.23 (19)	0.19 (98)	8.64 (7)	13.26 (16)	9.68 (1)	-	15.25 (7)	Sep-2023
MSCI AC World ex USA (Net)			-0.23	5.23	5.23	6.09	4.48	10.92	4.47	4.98	11.04	
Foreign Large Blend Median			-0.14	6.82	6.82	5.83	5.54	11.59	4.84	5.18	11.14	
Population			808	807	807	793	763	735	693	594	788	
Total Fixed Income Composite	**28,452,685**	**36.4**	**-0.14**	**2.46**	**2.46**	**5.48**	**-**	**-**	**-**	**-**	**8.28**	**Oct-2023**
Domestic Fixed Income Composite	**24,486,218**	**31.3**	**-0.06**	**2.67**	**2.67**	**5.53**	**-**	**-**	**-**	**-**	**8.32**	**Oct-2023**

See the disclosure page at the end of the report. Parenthesized number represents pertinent peer group ranking: 1-100, best to worst.
Peer Group data is provided by Investment Metrics.

	Allocation		Performance(%)									
	Market Value $	%	MTH	QTR	YTD	1 YR	3 YR	5 YR	7 YR	10 YR	Inception	Inception Date
Baird Core Plus (BCOIX)	8,229,371	10.5	-0.14 (82)	2.60 (70)	2.60 (70)	5.39 (16)	1.44 (9)	1.07 (8)	2.30 (4)	2.22 (3)	2.50 (3)	May-2014
Blmbg. U.S. Aggregate Index			0.04	2.78	2.78	4.88	0.52	-0.40	1.58	1.46	1.78	
Intermediate Core Bond Median			-0.02	2.72	2.72	4.89	0.44	0.03	1.54	1.41	1.72	
Population			570	569	569	561	524	497	475	427	419	
DoubleLine Core Fixed Income (DBLFX)	8,167,269	10.4	-0.02 (22)	2.66 (52)	2.66 (52)	5.96 (18)	1.07 (30)	1.34 (27)	1.69 (58)	1.84 (40)	1.47 (51)	Sep-2017
Blmbg. U.S. Aggregate Index			0.04	2.78	2.78	4.88	0.52	-0.40	1.58	1.46	1.25	
Intermediate Core-Plus Bond Median			-0.15	2.68	2.68	5.19	0.70	0.80	1.79	1.72	1.48	
Population			686	681	681	668	631	585	563	497	552	
iShares Core US Aggregate Bond ETF (AGG)	8,089,579	10.3	-0.03 (53)	2.74 (45)	2.74 (45)	4.85 (55)	0.49 (45)	-0.42 (73)	1.54 (50)	1.41 (50)	2.91 (56)	Feb-2023
Blmbg. U.S. Aggregate Index			0.04	2.78	2.78	4.88	0.52	-0.40	1.58	1.46	2.97	
Intermediate Core Bond Median			-0.02	2.72	2.72	4.89	0.44	0.03	1.54	1.41	2.96	
Population			570	569	569	561	524	497	475	427	546	
High Yield Fixed Income	**3,966,467**	**5.1**	**-0.62**	**1.18**	**1.18**	**-**	**-**	**-**	**-**	**-**	**1.83**	**Nov-2024**
MainStay MacKay High Yield Corp Bond Fund (MHYSX)	3,966,467	5.1	-0.62 (11)	1.18 (13)	1.18 (13)	6.61 (53)	4.95 (23)	7.25 (31)	4.79 (20)	5.14 (9)	3.63 (24)	Jun-2021
ICE BofA U.S. High Yield Index			-1.07	0.94	0.94	7.60	4.84	7.21	4.80	4.92	3.31	
High Yield Bond Median			-1.06	0.81	0.81	6.71	4.34	6.69	4.22	4.22	2.88	
Population			714	712	712	705	681	643	632	598	661	
Real Return Assets Composite	**2,570,814**	**3.3**	**0.00**	**0.00**	**0.00**	**-3.28**	**-**	**-**	**-**	**-**	**-4.42**	**Oct-2023**
Boyd Watterson GSA Fund	2,570,814	3.3	0.00 (-)	0.00 (97)	0.00 (97)	-3.28 (100)	-1.52 (25)	2.04 (67)	-	-	2.53 (69)	Jul-2019
NCREIF Office Total Return			-	-	-	-	-	-	-	-	-	
IM U.S. Open End Private Real Estate (SA+CF) Median			-	1.28	1.28	2.70	-3.71	2.95	4.18	5.96	3.41	
Population			-	18	18	18	17	16	16	15	16	
Cash Equivalents Composite	**581,114**	**0.7**	**0.36**	**1.05**	**1.05**	**4.96**	**-**	**-**	**-**	**-**	**5.14**	**Oct-2023**
First American Government Obligation - Z- (FGZXX)	581,114	0.7	0.36 (3)	1.05 (10)	1.05 (10)	4.96 (4)	4.26 (10)	2.56 (11)	2.37 (11)	1.78 (10)	1.62 (7)	Jan-2004
ICE BofAML 3 Month U.S. T-Bill			0.33	1.02	1.02	4.97	4.23	2.56	2.45	1.87	1.67	
Money Market-Taxable Median			0.34	1.00	1.00	4.74	4.06	2.42	2.20	1.61	1.45	
Population			626	622	622	604	557	512	483	394	234	

See the disclosure page at the end of the report. Parenthesized number represents pertinent peer group ranking: 1-100, best to worst.
Peer Group data is provided by Investment Metrics.

	Allocation		Performance(%)									
	Market Value $	%	MTH	QTR	YTD	1 YR	3 YR	5 YR	7 YR	10 YR	Inception	Inception Date
Total Fund - Liquidity Assets	**51,290**	**0.1**	**0.36**	**1.05**	**1.05**	**4.89**	**4.22**	**2.53**	**2.34**	**1.76**	**1.13**	**Sep-2009**
First American Government Obligation - Z (FGZXX)	51,290	0.1	0.36 (13)	1.05 (12)	1.05 (12)	4.89 (20)	4.22 (22)	2.53 (20)	2.34 (16)	1.77 (13)	1.62 (8)	Jan-2004
ICE BofAML 3 Month U.S. T-Bill			0.33	1.02	1.02	4.97	4.23	2.56	2.45	1.87	1.67	
Money Market-Taxable Median			0.34	1.00	1.00	4.74	4.06	2.42	2.20	1.61	1.45	
Population			626	622	622	604	557	512	483	394	234	

See the disclosure page at the end of the report. Parenthesized number represents pertinent peer group ranking: 1-100, best to worst.
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Comparative Performance Fiscal Year Returns

	Performance(%)									
	FYTD	Jun-2024	Jun-2023	Jun-2022	Jun-2021	Jun-2020	Jun-2019	Jun-2018	Jun-2017	Jun-2016
Total Fund - Investment Assets (Net of Fees)	**3.21 (84)**	**12.46 (32)**	**8.54 (55)**	**-13.53 (82)**	**25.23 (68)**	**6.60 (8)**	**6.63 (38)**	**8.10 (54)**	**10.71 (70)**	**2.03 (17)**
Blended Benchmark	4.64	12.30	9.67	-13.45	23.22	5.56	7.34	7.06	9.70	1.34
All Public Plans-Total Fund Median	4.16	11.38	8.72	-10.85	26.70	3.46	6.34	8.16	11.75	0.54
Population	361	1,137	1,184	1,196	1,289	1,283	1,120	944	921	877
Total Equity Composite	**2.42**	-	-	-	-	-	-	-	-	-
Domestic Equity Composite	**3.48**	-	-	-	-	-	-	-	-	-
Vanguard Total Stock Market ETF (VTI)	3.63 (30)	23.18 (32)	18.96 (27)	-14.24 (59)	44.32 (48)	6.44 (26)	9.02 (31)	14.83 (32)	18.49 (48)	2.12 (25)
Russell 3000 Index	3.88	23.12	18.95	-13.87	44.16	6.53	8.98	14.78	18.51	2.14
All Cap Blend Median	2.32	17.72	16.60	-13.17	43.71	0.66	5.54	13.72	18.32	-1.29
Population	2,848	2,882	2,944	2,931	2,938	3,003	3,092	3,163	3,183	3,041
International Equity Composite	**4.05**	-	-	-	-	-	-	-	-	-
Vanguard Total International Stock ETF (VXUS)	5.48 (50)	11.05 (40)	12.37 (78)	-18.89 (43)	36.55 (41)	-4.05 (52)	0.63 (37)	7.08 (47)	20.07 (42)	-9.11 (47)
MSCI AC World ex USA (Net)	5.08	11.62	12.72	-19.42	35.72	-4.80	1.29	7.28	20.45	-10.24
Foreign Median	5.48	10.38	15.82	-19.88	34.97	-3.77	-0.59	6.75	19.34	-9.48
Population	1,944	2,001	2,120	2,151	2,182	2,227	2,251	2,295	2,281	2,134
Harding Loevner International Equity (HLMIX)	5.38 (52)	5.24 (88)	16.84 (43)	-22.60 (69)	34.10 (56)	2.46 (25)	0.69 (37)	10.33 (22)	19.17 (53)	-3.13 (12)
MSCI AC World ex USA (Net)	5.08	11.62	12.72	-19.42	35.72	-4.80	1.29	7.28	20.45	-10.24
Foreign Median	5.48	10.38	15.82	-19.88	34.97	-3.77	-0.59	6.75	19.34	-9.48
Population	1,944	2,001	2,120	2,151	2,182	2,227	2,251	2,295	2,281	2,134
Goldman Sachs GQG Ptnrs Intl Opportunities (GSIMX)	-2.71 (100)	29.38 (1)	12.18 (88)	-11.50 (4)	26.93 (90)	8.64 (1)	9.85 (1)	14.28 (2)	-	-
MSCI AC World ex USA (Net)	5.08	11.62	12.72	-19.42	35.72	-4.80	1.29	7.28	20.45	-10.24
Foreign Large Blend Median	5.73	10.78	16.24	-19.06	33.57	-4.26	0.18	6.37	19.15	-9.88
Population	795	826	858	883	912	935	936	959	947	883
Total Fixed Income Composite	**5.09**	-	-	-	-	-	-	-	-	-
Domestic Fixed Income Composite	**5.14**	-	-	-	-	-	-	-	-	-
Baird Core Plus (BCOIX)	5.08 (15)	4.32 (7)	0.48 (5)	-11.03 (62)	1.78 (22)	8.83 (28)	8.39 (6)	-0.16 (22)	1.65 (9)	6.03 (12)
Blmbg. U.S. Aggregate Index	4.81	2.63	-0.94	-10.29	-0.34	8.74	7.87	-0.40	-0.31	6.00
Intermediate Core Bond Median	4.69	2.88	-0.99	-10.78	0.80	8.25	7.52	-0.60	0.06	5.29
Population	562	574	583	573	568	576	578	604	619	607

See the disclosure page at the end of the report. Parenthesized number represents pertinent peer group ranking: 1-100, best to worst.
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	Performance(%)									
	FYTD	**Jun-2024**	**Jun-2023**	**Jun-2022**	**Jun-2021**	**Jun-2020**	**Jun-2019**	**Jun-2018**	**Jun-2017**	**Jun-2016**
DoubleLine Core Fixed Income (DBLFX)	5.69 (14)	3.47 (61)	-0.09 (38)	-10.18 (17)	3.33 (37)	3.78 (90)	7.04 (72)	0.64 (15)	1.78 (47)	4.89 (39)
Blmbg. U.S. Aggregate Index	4.81	2.63	-0.94	-10.29	-0.34	8.74	7.87	-0.40	-0.31	6.00
Intermediate Core-Plus Bond Median	4.89	3.74	-0.42	-11.45	2.73	7.30	7.59	-0.30	1.67	4.49
Population	672	708	720	695	705	710	714	690	678	639
PGIM Total Return Bond (PTRQX)	-	5.10 (14)	0.71 (16)	-12.53 (83)	2.70 (51)	6.90 (59)	9.22 (4)	0.59 (16)	2.39 (29)	6.56 (3)
Blmbg. U.S. Aggregate Index	4.81	2.63	-0.94	-10.29	-0.34	8.74	7.87	-0.40	-0.31	6.00
Intermediate Core-Plus Bond Median	4.89	3.74	-0.42	-11.45	2.73	7.30	7.59	-0.30	1.67	4.49
Population	672	708	720	695	705	710	714	690	678	639
Voya Intermediate Bond (IIBZX)	-	4.88 (16)	-0.28 (44)	-11.54 (54)	2.48 (58)	7.50 (47)	8.56 (11)	-0.13 (42)	1.85 (44)	5.96 (11)
Blmbg. U.S. Aggregate Index	4.81	2.63	-0.94	-10.29	-0.34	8.74	7.87	-0.40	-0.31	6.00
Intermediate Core-Plus Bond Median	4.89	3.74	-0.42	-11.45	2.73	7.30	7.59	-0.30	1.67	4.49
Population	672	708	720	695	705	710	714	690	678	639
iShares Core US Aggregate Bond ETF (AGG)	4.81 (35)	2.52 (71)	-0.93 (46)	-10.29 (26)	-0.37 (81)	8.64 (35)	7.84 (26)	-0.47 (39)	-0.36 (67)	5.93 (17)
Blmbg. U.S. Aggregate Index	4.81	2.63	-0.94	-10.29	-0.34	8.74	7.87	-0.40	-0.31	6.00
Intermediate Core Bond Median	4.69	2.88	-0.99	-10.78	0.80	8.25	7.52	-0.60	0.06	5.29
Population	562	574	583	573	568	576	578	604	619	607
BBH Limited Duration (BBBIX)	-	7.56 (5)	4.56 (2)	-2.21 (3)	3.40 (24)	2.17 (79)	3.96 (69)	2.08 (6)	3.09 (11)	0.66 (86)
Blmbg. U.S. Treasury: 1-3 Year	4.47	4.51	0.15	-3.51	0.05	4.14	4.02	0.01	-0.11	1.31
Short-Term Bond Median	4.80	5.76	1.36	-5.01	2.02	3.42	4.29	0.29	1.09	1.67
Population	604	606	638	644	664	669	657	661	680	663
High Yield Fixed Income	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
MainStay MacKay High Yield Corp Bond Fund (MHYSX)	5.13 (66)	9.69 (54)	8.89 (29)	-9.73 (18)	14.29 (57)	-0.20 (28)	6.88 (36)	3.17 (20)	11.07 (50)	3.12 (5)
ICE BofA U.S. High Yield Index	6.44	10.45	8.87	-12.66	15.62	-1.10	7.58	2.53	12.75	1.71
High Yield Bond Median	5.42	9.76	8.30	-12.41	14.68	-1.44	6.47	2.04	11.06	0.15
Population	707	730	774	768	795	819	834	838	878	834

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Peer Group data is provided by Investment Metrics.

	Performance(%)									
	FYTD	**Jun-2024**	**Jun-2023**	**Jun-2022**	**Jun-2021**	**Jun-2020**	**Jun-2019**	**Jun-2018**	**Jun-2017**	**Jun-2016**
Real Return Assets Composite	**-3.21**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Boyd Watterson GSA Fund	-2.60 (100)	-4.58 (15)	1.43 (13)	5.58 (96)	9.11 (46)	6.33 (7)	-	-	-	-
NCREIF Office Total Return	-	-14.41	-14.53	5.85	3.25	3.97	6.79	6.55	5.57	9.31
IM U.S. Open End Private Real Estate (SA+CF) Median	3.74	-8.60	-9.74	28.87	9.01	2.75	7.54	8.65	8.23	12.48
Population	18	32	33	31	29	30	32	34	36	38
Cash Equivalents Composite	**3.60**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
First American Government Obligation - Z- (FGZXX)	3.60 (3)	5.41 (4)	3.64 (28)	0.16 (20)	0.03 (11)	1.28 (17)	2.13 (13)	1.18 (15)	0.42 (11)	0.10 (16)
ICE BofAML 3 Month U.S. T-Bill	3.60	5.40	3.59	0.17	0.09	1.63	2.31	1.36	0.49	0.19
Money Market-Taxable Median	3.44	5.17	3.50	0.11	0.01	1.09	1.89	0.92	0.15	0.02
Population	612	583	585	579	567	583	593	601	619	560
Total Fund - Liquidity Assets	**3.55**	**5.32**	**3.64**	**0.16**	**0.03**	**1.24**	**2.14**	**1.18**	**0.42**	**0.10**
First American Government Obligation - Z (FGZXX)	3.55 (18)	5.32 (23)	3.64 (28)	0.16 (20)	0.03 (11)	1.28 (17)	2.13 (13)	1.18 (15)	0.42 (11)	0.10 (16)
ICE BofAML 3 Month U.S. T-Bill	3.60	5.40	3.59	0.17	0.09	1.63	2.31	1.36	0.49	0.19
Money Market-Taxable Median	3.44	5.17	3.50	0.11	0.01	1.09	1.89	0.92	0.15	0.02
Population	612	583	585	579	567	583	593	601	619	560

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	Estimated Annual Fee (%)	Market Value ($)	Estimated Annual Fee ($)	Median Peer Annual Fee (%)	Fee Schedule
Total Fund - Combined Assets		**78,236,149**	**163,489**		
Total Fund - Investment Assets	**0.21**	**78,184,859**	**163,397**		
Total Equity Composite	**0.09**	**46,580,247**	**43,667**		
Domestic Equity Composite	**0.03**	**37,130,609**	**11,139**		
Vanguard Total Stock Market ETF (VTI)	0.03	37,130,609	11,139		0.03 % of Assets
International Equity Composite	**0.34**	**9,449,637**	**32,528**		
Dodge & Cox Intenrational Stock I (DODFX)	0.62	1,599,305	9,916	0.98	0.62 % of Assets
Vanguard Total International Stock ETF (VXUS)	0.08	5,544,847	4,436		0.08 % of Assets
Harding Loevner International Equity (HLMIX)	0.81	1,059,698	8,584		0.81 % of Assets
Goldman Sachs GQG Ptnrs Intl Opportunities (GSIMX)	0.77	1,245,787	9,593	0.92	0.77 % of Assets
Total Fixed Income Composite	0.30	28,452,685	85,263	0.58	
Domestic Fixed Income Composite	**0.26**	**24,486,218**	**63,051**		
Baird Core Plus (BCOIX)	0.30	8,229,371	24,688	0.58	0.30 % of Assets
DoubleLine Core Fixed Income (DBLFX)	0.44	8,167,269	35,936	0.76	0.44 % of Assets
iShares Core US Aggregate Bond ETF (AGG)	0.03	8,089,579	2,427	0.58	0.03 % of Assets
High Yield Fixed Income	0.56	3,966,467	22,212		
MainStay MacKay High Yield Corp Bond Fund (MHYSX)	0.56	3,966,467	22,212	0.91	0.56 % of Assets
Real Return Assets Composite	**1.30**	**2,570,814**	**33,421**		
Boyd Watterson GSA Fund	1.30	2,570,814	33,421		1.30 % of Assets
Cash Equivalents Composite	**0.18**	**581,114**	**1,046**		
First American Government Obligation - Z- (FGZXX)	0.18	581,114	1,046		0.18 % of Assets
Total Fund - Liquidity Assets	**0.18**	**51,290**	**92**		
First American Government Obligation - Z (FGZXX)	0.18	51,290	92		0.18 % of Assets

See the disclosure page at the end of the report.
Fee information on this page is an illustrative estimate of management fees based on current reported portfolio values. Fee estimates do not reflect actual calculation methodologies or applicable carried interest.

Historical Hybrid Composition

Allocation Mandate	Weight (%)
Aug-2009	
Russell 3000 Index	33.00
MSCI AC World ex USA (Net)	21.00
FTSE NAREIT Equity REIT Index	6.00
Blmbg. U.S. Aggregate Index	40.00
Apr-2013	
Russell 3000 Index	33.00
MSCI AC World ex USA (Net)	21.00
FTSE NAREIT Equity REIT Index	3.00
Bloomberg Commodity Index Total Return	3.00
Blmbg. U.S. Aggregate Index	40.00
Jul-2017	
Russell 3000 Index	39.00
MSCI AC World ex USA (Net)	21.00
Blmbg. U.S. Aggregate Index	40.00

Data prior to 10/1/2023 was provided by the prior consultant.

As of 10/1/2023, Mariner began calculating client level returns for the underlying strategies and the asset class composites. Prior to this date, product returns are shown where possible. This data was not provided by the prior consultant.

Returns for periods greater than one year are annualized.

Rankings are relative to peer groups of similar style. Peer group ranking of 1 is the best, 50 is the median. Source is investment metrics.

Active Return - Arithmetic difference between the manager's performance and the designated benchmark return over a specified time period.

Alpha - A measure of the difference between a portfolio's actual performance and its expected return based on its level of risk as determined by beta. It determines the portfolio's non-systemic return, or its historical performance not explained by movements of the market.

Beta - A measure of the sensitivity of a portfolio to the movements in the market. It is a measure of the portfolio's systematic risk.

Consistency - The percentage of quarters that a product achieved a rate of return higher than that of its benchmark. Higher consistency indicates the manager has contributed more to the product's performance.

Distributed to Paid In (DPI) - The ratio of money distributed to Limited Partners by the fund, relative to contributions. It is calculated by dividing cumulative distributions by paid in capital. This multiple shows the investor how much money they got back. It is a good measure for evaluating a fund later in its life because there are more distributions to measure against.

Down Market Capture - The ratio of average portfolio performance over the designated benchmark during periods of negative returns. A lower value indicates better product performance

Downside Risk - A measure similar to standard deviation that utilizes only the negative movements of the return series. It is calculated by taking the standard deviation of the negative quarterly set of returns. A higher factor is indicative of a riskier product.

Excess Return - Arithmetic difference between the manager's performance and the risk-free return over a specified time period.

Excess Risk - A measure of the standard deviation of a portfolio's performance relative to the risk free return.

Information Ratio - This calculates the value-added contribution of the manager and is derived by dividing the active rate of return of the portfolio by the tracking error. The higher the Information Ratio, the more the manager has added value to the portfolio.

Public Market Equivalent (PME) - Designs a set of analyses used in the Private Equity Industry to evaluate the performance of a Private Equity Fund against a public benchmark or index.

R-Squared - The percentage of a portfolio's performance that can be explained by the behavior of the appropriate benchmark. A high R-Squared means the portfolio's performance has historically moved in the same direction as the appropriate benchmark.

Return - Compounded rate of return for the period.

Sharpe Ratio - Represents the excess rate of return over the risk free return divided by the standard deviation of the excess return. The result is an absolute rate of return per unit of risk. A higher value demonstrates better historical risk-adjusted performance.

Standard Deviation - A statistical measure of the range of a portfolio's performance. It represents the variability of returns around the average return over a specified time period.

Total Value to Paid In (TVPI) - The ratio of the current value of remaining investments within a fund, plus the total value of all distributions to date, relative to the total amount of capital paid into the fund to date. It is a good measure of performance before the end of a fund's life

Tracking Error - This is a measure of the standard deviation of a portfolio's returns in relation to the performance of its designated market benchmark.

Treynor Ratio - Similar to Sharpe ratio but utilizes beta rather than excess risk as determined by standard deviation. It is calculated by taking the excess rate of return above the risk free rate divided by beta to derive the absolute rate of return per unit of risk. A higher value indicates a product has achieved better historical risk-adjusted performance.

Up Market Capture - The ratio of average portfolio performance over the designated benchmark during periods of positive returns. A higher value indicates better product performance.

Mariner Institutional compiled this report for the sole use of the client for which it was prepared. Mariner Institutional is responsible for evaluating the performance results of the Total Fund along with the investment advisors by comparing their performance with indices and other related peer universe data that is deemed appropriate. Mariner Institutional uses the results from this evaluation to make observations and recommendations to the client. Mariner Institutional uses time-weighted calculations which are founded on standards recommended by the CFA Institute. The calculations and values shown are based on information that is received from custodians. Mariner Institutional analyzes transactions as indicated on the custodian statements and reviews the custodial market values of the portfolio. As a result, this provides Mariner Institutional with a reasonable basis that the investment information presented is free from material misstatement. This methodology of evaluating and measuring performance provides Mariner Institutional with a practical foundation for our observations and recommendations. Nothing came to our attention that would cause Mariner Institutional to believe that the information presented is significantly misstated.

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***IMPORTANT DISCLOSURE INFORMATION RE COALITION GREENWICH BEST INVESTMENT CONSULTANT AWARD (formerly known as the Greenwich Quality Leader Award):**
The awards are not indicative of any future performance. The awards or any other rankings and/or recognition by unaffiliated rating services and/or publications should not be construed as a guarantee that a client will experience a certain level of results or satisfaction, nor should it be construed as a current or past endorsement by any of our clients. No fee was paid to participate in this award survey.
The 2024-25 award was issued in February 2025, based on data from February to September of 2024. The 2023 award was issued in April 2024, based on data from Feb to November of 2023. The 2022 award was issued in April 2023, based on data from Feb to November of 2022. The 2021 award was issued in April of 2022, based on data from July to October 2021. Data was collected via interviews conducted by Coalition Greenwich. The 2024 and 2023 awards were issued to Mariner Institutional (formerly AndCo Consulting). The 2021 and 2022 awards were issued to AndCo, prior to becoming Mariner Institutional. The methodology: For the 2024-25 Coalition Greenwich Best Investment Consultant Award for Overall U.S. Investment Consulting – Midsize Consultants – Between February and September 2024, Crisil Coalition Greenwich conducted interviews with 699 individuals from 563 of the largest tax-exempt funds in the United States. For the 2023 Greenwich Best Investment Consultant Award for Overall U.S. Investment Consulting – Midsize Consultants – Between February and November 2023, Coalition Greenwich conducted interviews with 708 individuals from 575 of the largest tax-exempt funds in the United States. For the 2022 Greenwich Best Investment Consultant Award for Overall U.S. Investment Consulting – Midsize Consultants – Between February and November 2022, Coalition Greenwich conducted interviews with 727 individuals from 590 of the largest tax-exempt funds in the United States. For the 2021 Greenwich Best Investment Consultant Award – Overall U.S. Investment Consulting – Midsize Consultants – Between July and October 2021, Coalition Greenwich conducted interviews with 811 individuals from 661 of the largest tax-exempt funds in the United States. These U.S.-based institutional investors are corporate, public, union, and endowment and foundation funds with either pension or investment pool assets greater than $150 million. Study participants were asked to provide quantitative and qualitative evaluations of their asset management and investment consulting providers, including qualitative assessments of those firms soliciting their business and detailed information on important market trends.

MARINER

Access to a wealth of knowledge and solutions.

TO: General Manager

FROM: Chief Information Officer

SUBJECT: Information Technology Division (ITD) Report for April 2025

DATE: May 9, 2025

Innovation

Desktop Support staff continue to be on schedule for the June 2025 completion of the deployment of upgraded minicomputers to the Central Environmental Lab.

The IT Help Desk processed 347 work orders and requests for assistance in April, ensuring the availability of computing resources to those working locally and remotely.

Work is progressing on the upgrade of the Pre-treatment Information Management System (PIMS), scheduled to go live in fall 2025. This is a complex upgrade, as it involves multiple integrations with other enterprise applications that are also undergoing changes.

Programming staff are working in coordination with the Customer Care Center and Newport News Water Works Customer Service and IT teams to integrate the delinquent accounts process from the Customer Care & Billing (CC&B) system into the Newport News Water Works billing system. This integration will automate the shut-off and turn-on functions of smart meters for HRSD's Newport News Water Works customer accounts that are in the delinquency process, requiring shut-off and/or turn-ons.

Senior Systems Engineers continued work on network switch replacements at HRSD pump stations and participated in several planning meetings related to various construction projects at HRSD treatment plants to provide input on technology items.

Senior System Engineers are continuing efforts to relocate technology equipment in the existing Central Environmental Lab (CEL) in preparation for demolition. The relocation has taken more time than anticipated due to the availability of vendors needing to assist in some of the relocation efforts.

Staff worked with Operations to complete the final phases of go-live stabilization for the new Electronic Data System (EDS) and began work in preparation to shut down the old system which should occur in May 2025.

The Cybersecurity team worked with CrowdStrike to conduct a network penetration test. The test provided a real-time assessment of our security controls and identified key areas needing improvement.

Cybersecurity staff worked on improving response processes and playbooks with our core cybersecurity partners. These updates will enhance our ability to detect and respond to threats quickly, strengthen our defenses, and improve overall cyber resilience.

Community Engagement

The Cybersecurity staff are leading efforts to help Operational Technology (OT) cybersecurity partners develop affordable, bundled solutions for the broader water and wastewater sector. Partners are now working together to combine their services to address common cybersecurity gaps in smaller utilities.

Information Technology and Customer Care Center staff are completing final testing of the enhancements to the Meridan IDEA Customer Engagement Portal. The enhanced functionality is on schedule to go-live in early June 2025.

Talent

Interviews were conducted for the vacant Web Portal Programmer position. Internal candidate Ms. Leira Sechong was selected. She will begin her new position on May 12th.

Second Interviews were conducted for the Director of IT Operations. External candidate, Mr. Eric Sessions, was selected. Mr. Sessions will begin his new position with HRSD in September after formally retiring from the United States Navy.

Mrs. Jacquie Harrison, an IT Senior Project Manager was elected the Club Growth Director of Toastmaster District 66 which is composed of over seventy clubs with more than one-thousand members.

Respectfully,

Mary Corby
Chief Information Officer

TO: General Manager/Chief Executive Officer

FROM: Chief Operating Officer

SUBJECT: Operations Monthly Report for April 2025

DATE: May 13, 2025

Community Engagement

Staff participated in several community events as follows:

1. Mr. Sam McAdoo, Director of Small Communities Division (SCD), attended the April Meeting for the Town of Urbanna's Town Council Meeting where he presented on what HRSD's role is on the Middle Peninsula and SCD's response to a recent Wet Weather Event that impacted the town in March.

2. SCD and South Shore (SS) Interceptor Operations staff responded to a force main break on an Accomack County Force Main. Staff were able to isolate and then repair a broken air vent connection. The force main will be transferring to HRSD and the County had no resources available to perform the repair.

3. On April 4, NS Interceptor Operations staff participated in a Touch-A-Truck event at Knollwood Elementary School in the City of Newport News. This outreach was done at the request of the school administration to introduce students to utilities and potential future career paths. HRSD staff enjoyed engaging with the students.

4. NS Interceptor Operations staff met with JCSA and the City of Hampton. HRSD Operations staff along with planning staff met with our counterparts at the locality level to discuss coordination of development, operations and capacity concerns.

5. On April 7, SS Interceptor Operations held a locality collaboration meeting with the City of Virginia Beach Operations staff to discuss operational issues, initiatives, and projects.

6. On April 9, SS Interceptor Operations staff attended a spring event at Norfolk State University. Shawn Heselton, Director of SS Interceptor Operations, Mackenzie Rickard, Interceptor Specialist, and Shirley Smith, SS Design and Construction Project Manager, hosted a table to provide students, faculty, and staff information about HRSD. They also presented information on the Introducing Future Leaders to Opportunities in Water (InFLOW) program that Virginia Water Environment Association (VWEA) sponsors.

7. On April 16, SS Interceptor Operations staff attended a spring event at Hampton University. Mackenzie Rickard hosted a table to provide students, faculty, and staff information about HRSD. She also presented information on the Introducing Future Leaders to Opportunities in Water (InFLOW) program that Virginia Water Environment Association (VWEA) sponsors.

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.

- Additional info related to the BH spill: On April 20th, approximately 200 gallons of mixed process liquid overflowed from a manhole near the back fence. The line may have had a blockage causing the backup. The plant staff used the pipe hunter to clear the lines and will periodically clear them until plant closure to prevent future occurrences, as this pipe gradually becomes clogged from process scum and other solids.

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.

The Williamsburg Treatment Plant (WBTP) had two odor scrubber exhaust exceptions for scrubber effluent hydrogen sulfide (H_2S) levels above 5 parts per million (ppm). Both were caused by an increase in influent H_2S levels for sodium hypochlorite being fed.

Additional Topics of Interest:

1. On the Advanced Nutrient Removal Improvements and SWIFT Project at the James River Treatment Plant, walls were formed and concrete poured on the new secondary clarifier and the upper deck of the Moving Bed BioReactor (MBBR) pump station and junction splitter box. Electrical, mechanical, interior trim, and finish work continued on the new administration building. Grading and the placing of stone was performed around the building to prepare for construction of parking areas. Piping and electrical rough in continued in SWIFT buildings #1 and #2 and the methanol building. The contractor also continued work on yard piping. At the main electrical building radiators and overhead exhaust piping were installed for the generators. Hatches were set in place on the moving bed bioreactor and SWIFT influent tanks.

2. WBTP's wet weather procedures were reviewed with staff and changes were made to improve response time. During two recent weather events, rapid increases in the plant's influent flow impacted final effluent quality before additional tankage could be placed in service. The revised wet weather procedures place empty tanks in service at lower flow rates, increases condition monitoring, and allow for earlier response by supplemental staff. WBTP staff will be trained in the new wet weather procedures.

3. On April 3, DEQ performed a full site evaluation on Atlantic Treatment Plant (ATP) air permit. During this inspection DEQ found that we operate the emergency generators for use in a demand response program (Power curtailment through NRG). Originally DEQ requested a corrective action to include this use of the emergency generators in the facility's active permit. On April 17, our facility's representatives supplied a response to the RCA (Request for Corrective Action) issue stating that they maintain that the generator usage in question falls under ISO-declared emergency use. DEQ accepted this as compliance as long as HRSD qualifies the use as an ISO declared emergency for every operation of the emergency generators. NGR will provide documentation to us for all power curtailments that the plant is

requested to participate in. We will keep this documentation on file for DEQ's review. The plant was found to be in full compliance.

4. ATP installed the new cover panels for influent screen #1, which were previously damaged by a high flow event and could not be reused. Since this initial event that caused the damage, the Treatment Process Engineers worked with the IAPs to make programming changes on the influent bar screens in hopes to prevent future damage during future wet weather events. Since the closure of the Ches-Eliz Plant, ATP experiences drastic increases in flow, both diurnally, or on a dry weather day, and more specifically during even a minor wet weather event.

5. HRSD continues to work with both our internal hauling team, as well as an external contractor, in clearing all biosolids from the two biosolids storage pads at the ATP. So far, one pad is completely cleared, and the south pad should be cleared within the next two months. The intent is to continue to haul all new solids, and once the pads are cleared of biosolids, the hope is to stay that way until we determine the best long-term solution for ATP and HRSD.

6. On April 29, Nansemond Treatment Plant (NTP) staff found PdNA (Partial deNitrification-Anammox) media released into Aeration Tank #6, which was then picked up by the NRCY (Nitrate Recycle) flow stream and released through the biological processes, to include the secondary clarifiers, and then minimally, to the contact tank. Staff, North and South Shore Interceptor crews, and staff from the VIP Plant, along with contractors responded to recover the media into early May. This recovery process will continue for months to come, but at a much lower response required from staff to remove the remaining media as it makes its way through the system.

7. The total volume of SWIFT recharge into the Potomac aquifer from the Research Center for the month of April was 12.5 million gallons (MG) (45 % Recharge Time based on 650gpm).

8. On March 7, SWIFT Water saw its first PFOA detection at 1.01 ng/L and since then, SWIFT personnel have been monitoring its concentration closely. PFOA concentrations remained below 4 ng/L and the granular activated carbon (GAC) vessel #1 will be replaced in May.

9. The King William Treatment Plant experienced multiple equipment failures. A float in EQ tank #1 was intermittently failing and shutting both treatment trains down which required several late-night responses, and the plant had to be run in hand by SCD and NS Electrical and Instrumentation (E&I) staff while the problem could be identified and corrected. Multiple issues with the plants air system also required re-valving and re-balancing plant air between the 2 treatment trains to allow for proper denitrification.

10. NS Interceptor operations had one Miss Utility No-Show during the month. This no-show was the result of an 811 Miss Utility computer glitch where the ticket was not transmitted to HRSD until after the due date. Miss Utility technical staff are looking into the issue as to how this could happen. To date, no resolution has been provided to HRSD.

11. NS Operations personnel assisted with Condition Assessment activities along Yorktown IFM and Lucas Creek IFM where Smartballs were inserted with ultrasonic technology to identify gas pockets and leaks. These free-floating sensors were retrieved at the headworks of York River Treatment Plant and James River Treatment Plant.

12. NS Operations personnel assisted with the insertion and removal of line stops along Dare Road in York County and College Creek in Williamsburg. Both operations were done to facilitate the CIP replacement of broken valves along these force mains.

13. NS Operations staff along with staff from HRSD's facility support met and planned out how to internalize the pump and haul efforts at Lawnes Point. Within a week of this meeting HRSD staff took over pump and haul of Lawnes Point (previously contracted to Atlantic Heating and Cooling). This effort will save HRSD roughly $100,000 per year in contracting costs.

14. On April 2, SS Interceptor Operations staff assisted the City of Suffolk with the installation of a new branch valve on Holland Road by operating a system valve to isolate their force main.

15. On April 3, SS Interceptor Operations staff assisted the City of Chesapeake with the replacement of a city branch valve on Gum Road by operating a system valve to isolate their force main.

16. On April 4, SS Interceptor Operations staff assisted the City of Norfolk with a force main failure on East Main Street. Staff operated a system branch valve allowing city staff to complete the repair.

17. On April 9 and 10, SS Interceptor Operations staff assisted with condition assessment of the force main from Suffolk Pump Station to NTP by utilizing the Smartball technology.

18. On April 25, SS Interceptor Operations staff helped VIP staff by removing approximately two cubic yards of sludge that was spilled.

19. The NS Electrical Manager is coordinating with Saunders Contracting, the electrical contractor, to replace the Variable Frequency Drives (VFD's) and New Nitrified Recycle/Carbon Recycled (NRCY/CRCY) to complete Capital Improvement Project (CIP) (NP013000) MCC Replacement Project at NTP.

20. E&I staff worked with Automotive to replace the radiator and test the generator at Freeman Avenue PS. Staff also disconnected the standby generator and reconnected the station generator. A two-hour test was performed without any issues. Interceptors have been informed that the station generator is now back in service, and the standby unit is ready to be returned to NS complex.

21. E&I staff participated in the successful completion of cutover testing for the new Ovation SCADA System at Surry School Complex Pump Station (PS). Final site testing was completed by staff from the E&I, North Shore Interceptors, and Small Communities (SC) departments, in conjunction with staff from CEC and Emerson, the automation and controls contractors. These sites are now active on the new Ovation SCADA systems.

22. E&I staff assisted Infralogix, the preventative maintenance contractor, with conducting annual thermographic heat inspections at Boat Harbor Treatment Plant (BHTP) and Nansemond Treatment Plant (NTP). These inspections are performed to identify potential issues (i.e. loose connections, faulty components, etc.) within the electrical systems.

23. The Material Transportation & Logistics Staff has hauled 38 loads of Ash for a total of 398.12 dry tons. Staff have hauled 112 loads of PCS, in addition to 66 loads of TWAB for a total of 4,150.885 wet tons. Staff have also hauled 73 loads from ATP to McGill for the month of April, for a total weight of 1,308.15 wet tons. Staff performed training at Lawnes Point and have

added this to the weekly liquid hauling schedule where they pump and haul this every Monday, pulling five loads (30,000 gallons) to keep the tank empty.

Financial Stewardship

1. The Machine Shop (MS) had 18 work orders during the month of April, with two complete pump rebuilds. One of the more notable jobs included manufacturing 24 bronze packing gland bolts for NS Operations. Packing gland bolts from the manufacturer cost $5,502.96 for a total of 24. The MS spent $700.00 on materials, which generated savings of about $4,800.00. Another job included repairing a directional arrow board that fell off tuck #331. To complete the repair, the MS purchased new stainless steel roll pins and cotter pins and cut and welded new support brackets to re-secure the sign to the vehicle.

2. SS Interceptor Operations has taken on rebuilding pump station grinders in lieu of utilizing the manufacturer replacement program. The in-housework costs approximately $3,500 while the replacement program is about $40,000 for savings of $36,500.

3. SS Interceptor Operations has taken on bypass pump preventative maintenance (PM) instead of relying on the manufacturer's PM contract. The in-house maintenance can save approximately between $5,000 to $10,000 per year to service the 38 pumps.

Innovation

1. Mr. Jeff Sparks, the Director of Digital Water, has established a new program to develop a centralized hub for sensor data and metadata, effectively a one-stop shop for accessing all key information about a given sensor. The goal is to provide a comprehensive and streamlined view that includes:

    a. Recent time series data for the signal of interest, along with data from parallel instruments.
    b. Recent signal range, shown in context with historical ranges and recent ranges from parallel instruments.
    c. Current sensor noise, benchmarked against both historical noise levels and recent noise from parallel instruments.
    d. Recent validation data from the primary sensor as well as parallel instruments (with the proposal that this data be housed in WIMS).
    e. Integrated GPT support, allowing users to click a link and chat with a GPT trained on sensor O&M manuals, guidance from HRSD documentation, and other relevant sources.

Talent

1. Ms. Marissa Metcalf, plant operator at WBTP, passed her Class three Virginia Wastewater Works License exam.

2. Mr. Jeremiah Burford, SCD Operations Manager, completed the coursework for his MBA at William and Mary University. He will be graduating in May.

3. Mr. John Robinson was promoted from Heavy Equipment Operator to Systems Operator (SCD).

4. On April 8, SS Interceptor Operations staff conducted semi-annual training at the Chesapeake-Elizabeth Treatment Plant. Staff completed several training stations demonstrating the fundamentals of trenching and shoring, utility locating, bypass pump installation, full circle clamp installation, air vent replacement, pipe fitting and valve installation, and de-ragging of pumps. 45 SS Interceptor Operations staff attended the full-day training.

5. SS Interceptor Operations welcomed Mr. Michael Twark, Interceptor Assistant on April 14.

6. SS Interceptor Operations has promoted Mr. William Simmons to Interceptor Technician.

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	3	4		
2.7	# of PS Annual PMs Performed (SS)	53	2	3	5	3	1	1	8	1	6	7		
2.7	# of Backup Generator PMs Performed	4.6	6	10	5	8	3	3	7	4	7	3		
2.8	# of FM Air Release Valve PMs Performed (NS)	234	397	483	515	539	273	343	288	234	381	421		
2.8	# of FM Air Release Valve PMs Performed (SS)	1,550	208	164	64	83	99	92	132	178	81	141		
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	2,524	4,379		
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	3,426	1,004		

TO: General Manager

FROM: Acting Chief People Officer

SUBJECT: Talent Management Monthly Report for April 2025

DATE: May 11, 2025

Talent

The Talent Management (TM) Division made notable strides in workforce development, talent acquisition, and enhancing employee safety and security. Key accomplishments include the Safety and Security Department launching unannounced inspections across all work centers to promote a safe work environment; the Learning and Development Department initiating a new Succession Planning Taskforce to guide long-term planning for HRSD and developing a career pathway for SWIFT operators; and the Human Resources Department advancing strategic recruitment efforts to attract top talent while preparing for Open Enrollment.

Human Resources (HR): The HR team is excited to announce the selection of a candidate for our Talent Acquisition Specialist vacancy, and we look forward to welcoming a new team member next month. Additionally, recruitment efforts are underway to fill two newly created Human Resources Coordinator positions.

Preparations for Open Enrollment have been completed, with enrollment meetings scheduled to begin next month. Progress also continues on the transition of our 457 plans to our new recordkeeper, Nationwide.

Participation in HRSD's Wellness Program continues to grow steadily. A variety of offerings—including plan education, wellness-related presentations, individual and group coaching, and virtual guided meditation sessions—remain ongoing. The review of data from the previous Wellness Program cycle is now complete: 434 employees and spouses will receive a monetary incentive, and 415 employees qualify for the wellness health insurance plan.

Learning and Development (L&D): This month marked several key milestones for the L&D Team. We concluded our final FOIA training session and will be uploading an online version for future use, closing out this important compliance initiative. In parallel, we launched our new Succession Planning Taskforce with strong engagement across departments, setting the foundation for long-term talent sustainability.

We also welcomed our new Workforce Development Specialist, Alexandria Pircer, enhancing our capacity to support organizational growth and career development initiatives.

As part of our work center team building efforts, we facilitated a StrengthsFinder workshop for the North Shore Design & Construction team to foster team building and enhance collaboration.

Lastly, we began working in coordination with the Design & Construction SWIFT Team to outline next steps in developing a structured learning pathway for future SWIFT operators. This collaboration is expected to yield a scalable development model aligned with operational readiness and workforce development goals.

Safety and Security: During the second quarter of 2025, the Safety team began conducting unscheduled safety inspections across nine work centers within the Operations Division. In addition, weekly construction safety walks were completed at Nansemond, James River, and the new Lucas Creek Pump Station. All required safety training sessions were also conducted, including Emergency Response Training for both Water Quality staff and personnel at the Main Office Complex.

In April, the Safety team continued collaborating with Concentra Medical Center to complete annual respirator fit testing for employees required to wear respirators. Additionally, in recognition of National Distracted Driving Awareness Month, Safety launched an internal campaign encouraging HRSD employees to review an educational flyer on distracted driving and participate in the "Heads-Up Distracted Driving Challenge."

Two auto accidents/property damage incidents and five work-related injuries requiring medical attention were reported.

Respectfully submitted,

Brenda Matesig

Acting Chief People Officer

TO: General Manager/ Chief Executive Officer

FROM: Chief of Water Quality (CWQ)

SUBJECT: Monthly Report for April 2025

DATE: May 13, 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 five Permit Exceedances out of 47,106 Total Possible Exceedances.

   c. Pounds of Pollutants Removed in FY 2025 to date: 159.5 million pounds.

   d. The Williamsburg VPDES permit was reissued on 4/21/2025 with an effective date of May 1. The draft VIP VPDES permit has been posted for public notice (PN) and the Army Base VPDES permit PN should follow shortly.

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

   No civil penalties were issued in April.

3. Environmental and Regulatory Advocacy

   Chief participated in the following advocacy and external activities:

   a. Reviewed and rated twelve proposals for the Water Research Foundation's (WRF) funding opportunity WRF 5287: Method Refinement and Standardization for Microplastics Sample Collection and Analysis.

   b. Reviewed proposals and shortlisted teams for HRSD's General Engineering Services contract.

   c. Participated in a call for the National Association of Clean Water Agencies (NACWA) Biosolids Committee.

   d. Attended the monthly meeting of the Virginia Biosolids Council (VBC) as well as a meeting of the VBC Research Committee. The Research Committee is considering funding support for two projects related to per- and polyfluorylalkyl substances (PFAS) in biosolids and fate and transport through land application. HRSD will provide in-kind sampling support for one of the projects should the committee decide to support it.

   e. Submitted comments for EPA's Draft Human Health Water Quality Criteria for PFAS. EPA specifically proposed criteria for PFOA, PFOS and PFBS. Once

finalized, criteria become regulatory standards when they are incorporated into state water quality standards through each state's triennial review process.

f. Participated on DEQ's Nutrient General Permit Reissuance Technical Advisory Committee.

g. Co-chaired a committee meeting for the Chesapeake Bay Program's (CBP) Wastewater Treatment Workgroup (WWTWG) and held a separate small group meeting to specifically address the estimation of nutrient loads from exfiltration in the collection system.

h. Attended a meeting for the US Water Alliance's advisory group evaluating state policy needs to support regionalization.

i. Attended Virginia's Water and Wastewater Authority Association annual meeting to participate in policy discussions that impact HRSD operations.

j. Attended the kick-off meeting for Hampton Roads Water Supply Planning.

k. Attended the annual Environment Virginia Symposium to receive state environmental agency updates and attend policy and technical presentations.

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. Hanover County
2. Northumberland County
3. Westmoreland County

Talent

1. We welcomed Ian Geeson to the Technical Services Department (TSD) as a TSD Specialist.
2. Employee engagement teams from the Water Quality Services Building and the CEL coordinated a Water Quality Recognition event for all WQ employees.
3. The WQ Leadership team provided a "Water Quality Uncovered" virtual briefing for all WQ staff.

Community Engagement

1. Staff supported Microbial Source Tracking (MST) investigations in partnership with Hampton Roads localities. This work is required as part of HRSD's Integrated Plan. Sampling and analytical services were provided for the localities and projects identified below:
    a. City of Chesapeake (Southern Branch)
    b. City of Newport News (Hilton Beach)
    c. City of Hampton (southeast)
    d. City of Suffolk (downtown)
    e. City of Virginia Beach (Thalia Creek)
    f. James City County
2. Awarded a Strategic Environmental Grant funded by the Environmental Improvement Fund (EIF) in the amount of $10,000 to Horizons Hampton Roads. This money will support the organization's 6-week summer program of Meaningful Watershed Educational Experiences (MWEE), a program offered to 400+ students in K-8 grades in Norfolk, Portsmouth and Virginia Beach. The MWEE curriculum is designed to enhance environmental literacy, empower students as environmental stewards, and foster long-term environmental engagement by integrating partnerships and family engagement into the curriculum.
3. Provided tours of the SWIFT Research Center to an educational forum convened by the Alliance for the Chesapeake Bay and to the Virginia staff of the Chesapeake Bay Foundation.

Respectfully submitted,

Jamie Heisig-Mitchell
Chief of Water Quality

EFFLUENT SUMMARY FOR APRIL 2025

PLANT	FLOW mgd	% of Design	BOD mg/l	TSS mg/l	FC #/UBl	ENTERO #/UBl	TP mg/l	TP CY Avg	TN mg/l	TN CY Avg	CONTACT TANK EX
ARMY BASE	8.76	49%	3	3.5	1	1	0.26	0.31	4.6	4.5	23
ATLANTIC	42.45	79%	11	15	7	<1	NA	NA	NA	NA	7
BOAT HARBOR	13.67	55%	7	6.4	7	6	0.45	0.63	24	23	5
CENT. MIDDLESEX	0.014	57%	<2	1.2	<1	1	NA	NA	NA	NA	NA
JAMES RIVER	13.50	68%	5	6.2	3	<1	0.35	0.95	7.3	9.0	16
KING WILLIAM	0.095	95%	<2	<1.0	NA	1	0.038	0.19	2.4	4.5	NA
NANSEMOND	16.95	57%	6	9.1	4	<1	0.92	1.1	4.4	5.1	3
ONANCOCK	0.358	48%	<2	<1.0	1	1	0.066	0.078	2.1	2.9	NA
SUNSET BAY	0.014	34%	3	1.7	6	1	NA	NA	NA	NA	0
URBANNA	0.076	76%	5	14	9	15	3.5	3.1	14	16	NA
VIP	26.88	67%	4	2.3	2	1	0.18	0.21	6.0	5.3	5
WEST POINT	0.747	125%	16	9.0	1	1	2.2	2.6	12	16	0
WILLIAMSBURG	9.06	40%	5	4.1	22	7	0.59	0.49	2.6	3.3	16
YORK RIVER	13.73	92%	2	0.66	1	<1	0.14	0.50	3.4	5.1	10
	146.31										

	% of Capacity
North Shore	61%
South Shore	67%
Small Communities	74%

AIR EMISSIONS SUMMARY FOR APRIL 2025

	No. of Permit Deviations below 129 SSI Rule Minimum Operating Parameters							Part 503e Limits		
MHI PLANT	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
BOAT HARBOR	0	0	0	0	0	0	4	42	83	0
VIP	0	0	0	0	0	0	0	25	97	0
WILLIAMSBURG	0	0	3	0	0	0	1	12	83	0

ODOR COMPLAINTS

ARMY BASE	0
ATLANTIC	8
BOAT HARBOR	0
JAMES RIVER	0
NANSEMOND	0
VIP	0
WILLIAMIBURG	0
NS OPS	0
SS OPS	1
SCD	0
NON-HRSD	1

Items of Interest – April 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 83% or more.

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

An MHI stack test for nitrogen oxides (NOx) and lead (Pb) was completed successfully at VIP on April 15 with DEQ present. MHI # 1 met the 220 PPM NOx 129 emissions limit for the three on-hour run average.

AIR PERMITS and ODOR CONTROL

HRSD submitted the MHI's 129 annual compliance reports and the annual emission statements to DEQ.

There were a total of ten (10) odor control complaints this month.

Atlantic Plant received eight (8) complaints from our Ocean Lakes neighbors. Plant Staff responded to the complaints. The sources of the odors were the digesters, scrubber exhaust, and the solids pad. The scrubbers continue to be optimized, the digester foaming issue continues to be worked on, and the pads are being cleared. Communications provided responses to our neighbors. TSD recorded the complaints in the air permit required odor complaint log.

TSD received a complaint from a Chesapeake resident located on Neal Street between Dozier's and Washington Street pump stations. The homeowner is experiencing odors from within his residence and believes that HRSD's 2024 collection system rehabilitation work in the vicinity could be a potential cause. Odors inside the home can also arise when there are issues with faulty plumbing. The project team is working with the homeowner on a resolution which may involve further investigatory work such as smoke testing of the residence.

The ATP Outreach email received a non-HRSD odor complaint from a Portsmouth resident located nowhere near any HRSD assets. They were referred to the City of Portsmouth by Communications. No further complaints have been received.

TREATMENT
DEQ was notified of the following reportable events:

Boat Harbor
On April 20, a manhole on the southwest corner of the treatment plant was discovered to have overflowed sometime between the hours of 04:00 and 09:45. The overflow had already ceased when discovered but it was noticed that some material had made it into a storm drain which feeds an adjacent creek/James River. A mat was placed over the storm drain to prevent additional discharge and the manhole was cleaned out. Approximately 200 gallons of domestic waste and scum from secondary clarifiers were released to the James River.

Nansemond
On April 8, a low chlorine residual of 0.07 mg/L was recorded due to high flows and construction requiring bypass pumping from the Aeration Tanks to the Secondary Clarifiers. One of the Secondary Clarifiers received a disproportionate amount of flow, causing the increased chlorine demand on the Contact Tank resulting in a residual of <0.10 mg/L.

Williamsburg
On April 11, a chlorine residual sample was collected but could not be analyzed when the instrument would not zero during a wet weather event. The Secondary Clarifiers were hydraulically overloaded causing solids to spill over the effluent weir and into the Contact Tank. To relieve hydraulic stress on the secondary clarifier an additional primary, intermediate, and secondary clarifiers were placed in service. Sodium hypochlorite feed to the contact tank was increased significantly. The next chlorine residual sample was collected and recorded.

SYSTEM

On April 9, a contractor installing fiber optic cable struck a 16-inch PVC force main pipeline in the 6000 block of Curlew Drive in Norfolk. City and HRSD staff coordinated pump and haul efforts while the damaged 8-foot section of pipe could be isolated and repaired. Approximately 85,200 gallons of raw wastewater were released to the Nosehs Creek/Elizabeth River.

On April 13, staff found a failure on an 8-inch cast iron discharge force main, installed in 1955, coming from Norview Avenue PS. After further investigation, staff discovered a sharply deflected joint that appeared to have settled over time. Pump and haul services were utilized while the PS was shut down for excavation and repairs. The joint was replaced with a five-foot section of pipe sleeved on both sides. Approximately 470 gallons of raw wastewater were released to a storm drain to Wayne Creek, an Elizabeth River tributary.

SYSTEM/TREATMENT, SMALL COMMUNITIES, AND EASTERN SHORE

Dendron
On April 21, a leak was discovered by a fence contractor at the newly constructed School Complex Pump Station on New Design Rd. The project contractor located the leak between the bypass pump and discharge isolation valve. The isolation valve was closed, stopping the leak, and repairs were made. Approximately 300 gallons of raw wastewater were released to the ground.

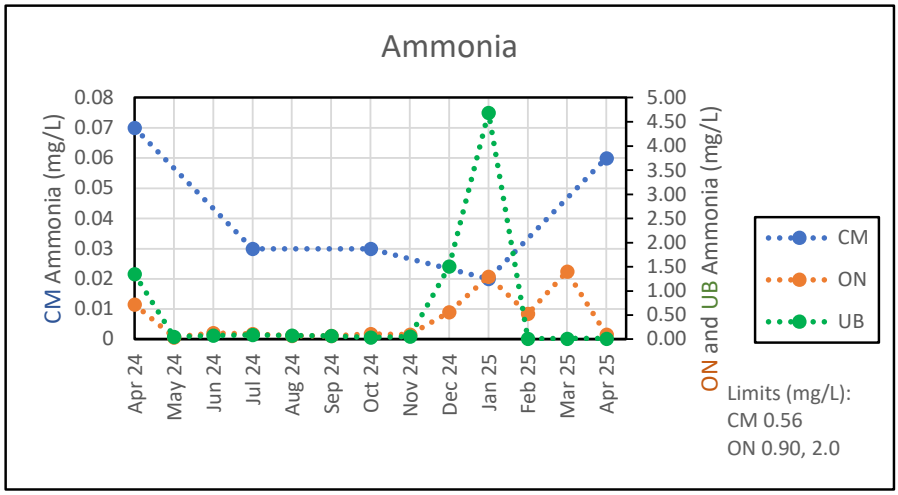
King William TP
On April 11, an equalization (EQ) tank overflowed during a severe wet weather event (1.84”) while staff were on site working an alarm call for the EQ tank pumps faulting out. HRSD staff utilized pump and haul and were able to restore the EQ tank pumps by adjusting the voltage settings in the Variable Frequency Drives. Approximately 150 gallons of raw wastewater were released to the ground.

On April 25, while a contractor performed pump and haul from an EQ tank, the driver of the vacuum truck failed to engage their parking brake. The truck rolled into an above ground tank, breaking the valve from the truck, and released 3,200 gallons of raw wastewater to the ground.

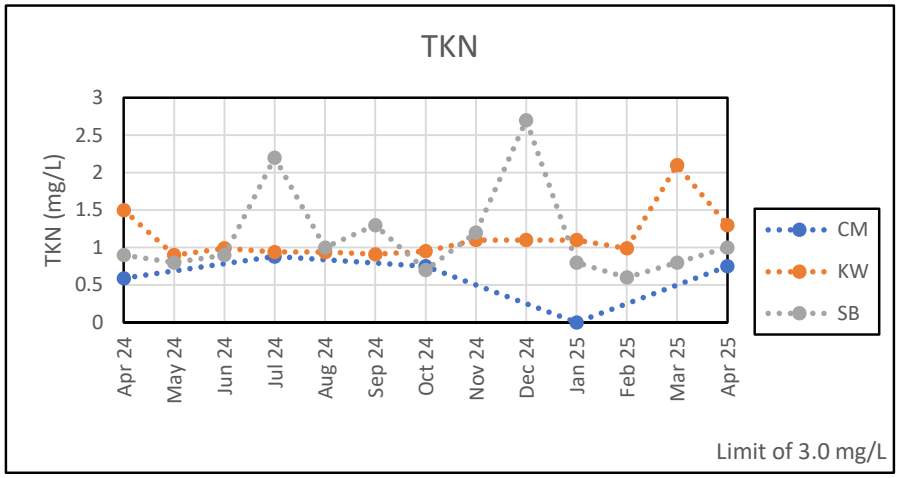
West Point collection system
On April 11, a severe wet weather event (1.82”) inundated the service area. The following releases were reported:

- The WP-MH-0020 manhole near the Thompson Ave PS in West Point experienced a wastewater overflow. Staff monitored the overflow and utilized a vactor truck to pull water from upstream of the Thompson Ave PS and haul the wastewater to the West Point TP. Approximately 103,250 gallons of raw wastewater were released to the ground and Mattaponi River.
- The WP-MH-0017 manhole at King William Ave in West Point experienced a wastewater overflow. Staff monitored the overflow and spread lime on affected areas. Approximately 94,850 gallons of raw wastewater were released to the ground and Pamunkey River.

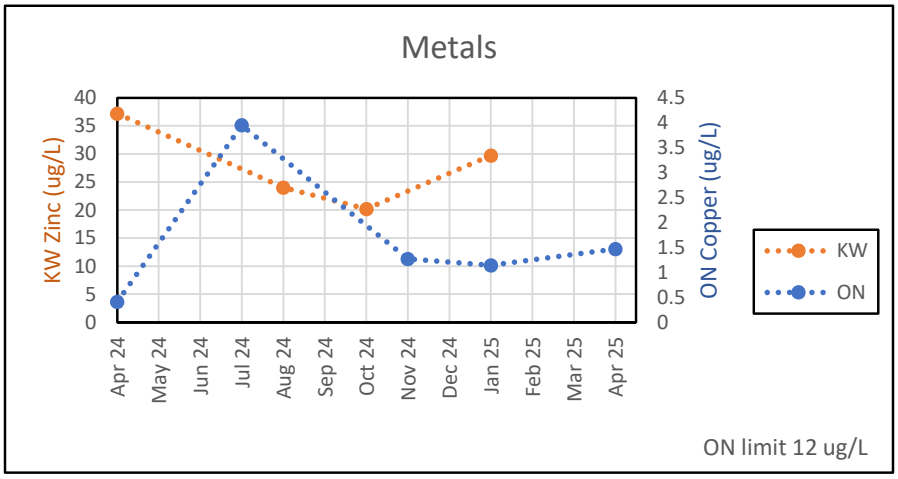
	Ammonia		
	CM	ON	UB
Apr 24	0.07	0.72	1.4
May 24		0.04	0.05
Jun 24		0.13	0.08
Jul 24	0.03	0.11	0.09
Aug 24		0.07	0.08
Sep 24		0.07	0.07
Oct 24	0.03	0.11	0.04
Nov 24		0.10	0.06
Dec 24		0.56	1.5
Jan 25	0.02	1.3	4.7
Feb 25		0.53	0.01
Mar 25		1.4	0.02
Apr 25	0.06	0.10	0.02



	TKN		
	CM	KW	SB
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
Mar 25		2.1	0.80
Apr 25	0.75	1.3	1.0



	Zinc	Copper
	KW	ON
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		
Mar 25		
Apr 25		1.5



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 (April 2025)**
  - Submitted draft report to HRSD for review.
- **Upcoming Tasks (May 2025)**
  - Submit final report.

IT Governance

- **Completed Tasks (April 2025)**
  - Submitted report internally for quality review.
- **Upcoming Tasks (May 2025)**
  - Submit draft report to HRSD for review.
  - Submit final report.

Talent Management Investigations (planning only)

- **Completed Task (April 2025)**
  - Reviewed and finalized deliverables.
- **Upcoming Tasks (May 2025)**
  - Present deliverables to HRSD for review and commentary.
  - Issue final deliverables.

Model 3

- **Completed Task (April 2025)**
  - Prepared report for draft issuance.
- **Upcoming Tasks (May 2025)**
  - Submit draft report for review.
  - Submit final report.

Risk Assessment Refresh

- **Completed Tasks (April 2025)**
  - Analyzed responses received from all surveys.
- **Upcoming Tasks (May 2025)**
  - Finalize the annual audit plan.
  - Coordinate Commission presentation.

Bid Assessment

- **Completed Tasks (April 2025)**
  - Received and reviewed secondary documentation.
  - Met with HRSD POC to discuss next steps.
- **Upcoming Tasks (May 2025)**
  - Conduct an onsite workshop with HRSD POC and third-party stakeholders.
  - Continue drafting deliverables.

II. Upcoming Audits

- Billing and Accounts Receivable (May 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.

		Recommendations		
Audit / Project	**Next Follow-up**	**Closed**	**Open**	**Total**
Safety Division	May 2025	2	1	3
Freedom of Information Act (FOIA)	May 2025	0	1	1
Personally Identifiable Information (PII)	May 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
May 27, 2025

Strategic Planning Measure	Mar-25	Apr-25	FY-25
Educational and Outreach Events	26	36	160
Number of Community Partners	14	4	57
Number of Technical Presentations	8	1	47
Number of Technical Publications	0	0	1
Revenue vs. Budget	79%	88%	49%
Wastewater Expenses vs. Budget	60%	67%	37%
Accounts Receivable (HRSD)	$51,783,340	$49,639,385	$49,476,129
Aging Accounts Receivable	35.60%	36.10%	33.16%
Turnover Rate wo Retirements	0.22%	0.56%	4.21%
Turnover Rate w Retirements	0.45%	0.67%	6.58%
Avg Time to Hire	2 months 28 days	2 months 28 days	3 months 1 days
Number of Vacancies	72	72	64
Average number of applicants per position	6.3	6.5	9.8
Percentage of positions filled with internal applicants	45.2%	23.3%	25.7%
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)	9.16	6.43	4.43
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.	N/A	N/A	0
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.	N/A	N/A	*
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.	N/A	N/A	0
Cumulative CIP Spend	$446,760,000	***	$446,760,000

*Not currently tracking due to constraints collecting the data.
** Updated after EPA Quarterly Report submittal.
***Billing is one month behind

Strategic Measures
May 27, 2025

Technical Presentations			
Date	**Division**	**Presenter**	**Presentation**
4/10/2025	Operations	Germano Salazar-Benites	Lecture about the SWIFT program to University of Southern California environmental engineering department

Community Partners		
Date	**Division**	**Event**
04/01/2025	Operations	Urbanna Town Council
04/11/2025	Engineering	Alliance for the Chesapeake Bay - Clean and Green Growth in Virginia
04/19/2025	Engineering	League of Voters - South Hampton Roads
04/24/2025	Engineering	VWEA's Education Seminar

Strategic Measures
May 27, 2025

Educational Outreach			
Date	**Division**	**Event**	**Community Partner**
4/1/2025	Operations	ATP Tour - Landstown High School	Landstown High School
4/2/2025	Engineering	St. Helena Elementary School - Bay in a Bottle	St. Helena Elementary School
4/2/2025	Engineering	Yates Elementary STEM Night	Yates Elementary School
4/2/2025	Communications	SWIFT RC Friends & Family tour	HRSD employees and family
4/2/2025	Communications	SWIFT RC tour and activity Grassfield HS STEM Academy	Chesapeake Public Schools
4/4/2025	Communications	Career Day - Richard Bowling Elementary School	Norfolk Public Schools
4/9/2025	Engineering	NSU Spring Water Tabling Event	Norfolk State University
4/10/2025	Operations	Project meeting WRF 5183 Advancing PdNA Full-Scale Applications	Water Research Foundation
4/11/2025	Engineering	Clean and Green Growth in Virginia	Alliance for the Chesapeake Bay
4/11/2025	Engineering	STEM Day	Deep Creek Elementary
4/11/2025	Communications	STEM Day - Deep Creek Elementary School	Chesapeake Public Schools
4/11/2025	Communications	SWIFT RC tour - Alliance for the Chesapeake Bay	Alliance for the Chesapeake Bay
4/11/2025	Engineering	SWIFT RC tour - Alliance for the Chesapeake Bay	Alliance for the Chesapeake Bay
4/11/2025	Water Quality	SWIFT RC tour - Alliance for the Chesapeake Bay	Alliance for the Chesapeake Bay
4/11/2025	General Management	SWIFT RC tour - Alliance for the Chesapeake Bay	Alliance for the Chesapeake Bay
4/14/2025	Operations	Participation in Virginia Peninsula Chamber Innovators Exchange Boston, Massachusetts	Virginia Peninsula Chamber Innovators
4/14/2025	Communications	HRSD/SWIFT presentation to WaterWise Educator Professional Development Summit	Virginia Department of Conservation and Recreation
4/16/2025	Operations	ECPI Advisory Board Meeting	ECPI
4/19/2025	Engineering	Presented the SWIFT Program Virtually	League of Women Voters - South Hampton Roads

Strategic Measures
May 27, 2025

Educational Outreach			
Date	**Division**	**Event**	**Community Partner**
4/19/2025	Communications	Earth Day Celebration event - HRSD tabling and activities	Virginia Living Museum
4/22/2025	Operations	ATP Tour - Earth Action Day with Ocean Lakes High School	Ocean Lakes High School
4/22/2025	Communications	Earth Action Day at Atlantic Treatment Plant	Virginia Beach City Public Schools
4/22/2025	Operations	Earth Action Day at Atlantic Treatment Plant	Virginia Beach City Public Schools
4/22/2025	Water Quality	Earth Action Day at Atlantic Treatment Plant	Virginia Beach City Public Schools
4/23/2025	Water Quality	SWIFT RC Tour - Chesapeake Bay Foundation	Chesapeake Bay Foundation
4/23/2025	Operations	SWIFT RC Tour - Chesapeake Bay Foundation	Chesapeake Bay Foundation
4/24/2025	Engineering	VWEA Student Design Competition	VWEA
4/25/2025	Engineering	VWEA's Education Seminar	VWEA
4/25/2025	Engineering	Earth Day Event	United Way
4/25/2025	Engineering	VWEA Podcast on Collaborative Project Delivery	VWEA
4/25/2025	Communications	Joint Base Langley-Eustis Air Power Over Hampton Roads (APOHR) STEM Expo	JB Langley-Eustis
4/26/2025	Engineering	2025 Return to Our Roots Earth Day	NAACP
4/26/2025	Communications	A&N Electric Cooperative Arbor Day Event	A&N Electrical Cooperative
4/26/2025	Communications	Return to Our Roots Earth Day event	Town of Exmore
4/26/2025	Communications	Environmental Festival at Bluebird Gap Farm	Hampton Clean City Commission
4/26/2025	Water Quality	Environmental Festival at Bluebird Gap Farm	Hampton Clean City Commission
4/28/2025	Communications	Classroom activity, Just Throw it Away - Frank W Cox High School	Virginia Beach City Public Schools
4/29/2025	Communications	SWIFT Tour - The Living Water Middle & High School	The Living Water School
4/29/2025	Communications	SWIFT Tour - USAF Joint Base Langley-Eustis	JB Langley-Eustis

Strategic Measures
May 27, 2025

Educational Outreach			
Date	**Division**	**Event**	**Community Partner**
4/30/2025	Engineering	CEEVC Seminar - What Does the Future Hold?	Old Dominion University
4/30/2025	Communications	SWIFT Tour - Blair Middle School	Norfolk Public Schools
4/30/2025	Communications	SWIFT Tour - Tidewater Community College Geology Class	Tidewater Community College
4/30/2025	Communications	SWIFT Tour- ODU Public Health Graduate Class	Old Dominion University
4/30/2025	Engineering	SWIFT Tour - Blair Middle School	Norfolk Public Schools
4/30/2025	Engineering	SWIFT Tour- ODU Public Health Graduate Class	Old Dominion University
4/30/2025	Engineering	SWIFT Tour - Tidewater Community College Geology Class	Tidewater Community College

Resource: Eddie Abisaab

INFORMATIONAL AGENDA ITEM 23.c.1. – May 27, 2025

Subject: Cedar Lane Pump Station Influent Gravity Failure Emergency Declaration

Recommended Action: No action is required.

CIP Project: Western Branch Sewer System Gravity Improvements (NP012400)

Regulatory Requirement: Rehab Action Plan Phase 2 (12/31/2025 Completion)

Brief: An emergency declaration was authorized on April 14, 2025 due to a failure on a 30-inch vitrified clay influent gravity pipeline at the Cedar Lane Pump Station in the City of Portsmouth. The failure is believed to be caused by significant crown corrosion of the pipe. Coincidentally, the pipeline will be replaced with the Western Branch Sewer System Gravity Improvements Capital Improvement Program (CIP) project (NP012400) that is currently finalizing design in the next few months.

On March 6, 2025, HRSD South Shore Interceptor Operations staff found a sinkhole in the Cedar Lane Pump Station yard. Staff investigated and found the gravity pipeline failure. They immediately installed an upstream plug and bypass system to keep the flow from further degrading the pipe which could expand the sinkhole potentially compromising the nearby 24-inch force main and Dominion Energy power poles. A significant amount of HRSD time and resources are needed to maintain the plug and bypass system.

HRSD staff will utilize Hazen and Sawyer (Hazen) and Bridgeman Civil, Inc. (BCI) to complete the replacement of the 30-inch gravity main and corresponding manholes, install a more expansive bypass pumping system, and restore the area impacted by the failure and construction. The attached map depicts the break location.

Analysis of Cost: The estimated cost of this work is $1,200,000 and will be funded by the CIP 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.

Schedule:

Emergency Declaration	April 2025
Construction	May 2025
Project Completion	July 2025

Resource: Eddie Abisaab

Cedar Lane Pump Station Influent Gravity Failure
Emergency Declaration
Photos




D8781
godwin
a xylem brand

Resource: Jay Bernas

REVISED AGENDA ITEM 24. – May 27, 2025

Subject: Closed Meeting

Recommended Action: Approve a motion to go into closed meeting to consider legal matters pertaining to probable litigation and consultation with legal counsel regarding specific legal matters requiring the provision of legal advice as provided for in Code of Virginia §2.2-3711A7 and A8.

Exemption Description:

A7. Consultation with legal counsel and briefings by staff members or consultants pertaining to actual or probable litigation, where such consultation or briefing in open meeting would adversely affect the negotiating or litigating posture of the public body. For the purposes of this subdivision, "probable litigation" means litigation that has been specifically threatened or on which the public body or its legal counsel has a reasonable basis to believe will be commenced by or against a known party. Nothing in this subdivision shall be construed to permit the closure of a meeting merely because an attorney representing the public body is in attendance or is consulted on a matter.

A8. Consultation with legal counsel employed or retained by a public body regarding specific legal matters requiring the provision of legal advice by such counsel. Nothing in this subdivision shall be construed to permit the closure of a meeting merely because an attorney representing the public body is in attendance or is consulted on a matter.

Resource: Jay Bernas

AGENDA ITEM 25. – May 27, 2025

Subject: Reconvened Meeting

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

11. Subordinate Wastewater Revenue Bonds Series 2025A
Bonds

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE DISTRICT OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

No. R-_ $_____

HAMPTON ROADS SANITATION DISTRICT
(VIRGINIA)
SUBORDINATE WASTEWATER REVENUE BOND,
SERIES 2025A

INTEREST RATE	MATURITY DATE	DATED DATE	CUSIP
%	____ _, 202_	_____	409327 ___

Registered Owner: _____
Principal Amount: _____ Dollars

Hampton Roads Sanitation District (the "District"), a political subdivision of the Commonwealth of Virginia, by the Hampton Roads Sanitation District Commission (the "Commission"), the Commission of the District, for value received, promises to pay, but solely from the sources and in the manner hereinafter provided, to the registered owner named above, or registered assigns, the principal amount set forth above on the Maturity Date set forth above, upon the presentation and surrender hereof, at the Corporate Trust Office of [_____] (the "Bond Registrar") located on the date hereof at [_____]. The District also promises to pay, solely from such sources, interest on this Bond (calculated based upon a [360-day year consisting of twelve 30-day months]) from the Interest Payment Date (as defined below) next preceding the date on which it is authenticated, unless it is authenticated on an Interest Payment Date, in which event it shall bear interest from such date, or unless it is authenticated prior to its dated date in which event it shall bear interest from its date, payable on _____ 1 and ____ 1 of each year, commencing _____ 1, 202_ (each, an "Interest Payment Date"), at the rate per annum set forth above until the principal sum hereof is paid. The interest so payable and punctually paid or duly provided for, on any Interest Payment Date, will, as provided in the Bond Resolution hereinafter referred to, be paid to the person in whose name this Bond is registered at the close of business on the Regular Record Date for such interest, which shall be the fifteenth (15th) day (whether or not a business day) of the calendar month next preceding such Interest Payment Date. [Revise if interest is

payable solely at maturity] Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the registered owner on such Regular Record Date, and may be paid to the person in whose name this Bond is registered at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Paying Agent hereinafter mentioned, notice whereof being given to the registered owners not less than ten (10) days prior to such Special Record Date, or may be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Bonds of this series may be listed and upon such notice as may be required by such exchange, or as more fully provided in said Bond Resolution. All such payments shall be made in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

This Bond is one of a duly authorized series of revenue bonds of the District, designated "Hampton Roads Sanitation District (Virginia) Subordinate Wastewater Revenue Bonds, Series 2025A" (the "Bonds"), issued pursuant to a resolution (the "Bond Resolution") adopted by the Commission on May 27, 2025. The Bonds are issued as Subordinate Obligations within the meaning of the Trust Agreement, dated as of October 1, 2011, between the District and The Bank of New York Mellon Trust Company, N.A., Pittsburgh, Pennsylvania, as Trustee (in such capacity. the "Trustee"), as amended and restated as of March 1, 2016, as further amended and restated as of July 1, 2024, as amended and supplemented from time to time (the "Trust Agreement"). The Net Revenues (as defined in the Trust Agreement) are pledged to secure the payment of the principal of and interest on the Bonds. The Bonds and such pledge of Net Revenues shall be expressly subordinate and junior to the Lien (as defined in the Trust Agreement) on Net Revenues created pursuant to the Trust Agreement in favor of Senior Obligations (as defined in the Trust Agreement) of the District, to the extent and in the manner set forth below:

> In the event (a) of any insolvency or bankruptcy proceedings, and any receivership, liquidation, reorganization, arrangement or other similar proceedings in connection therewith, relative to the District or to its property, or in the event of any proceedings for voluntary liquidation, dissolution or other winding-up of the District whether or not involving insolvency or bankruptcy, (b) any Subordinate Obligation is declared or otherwise becomes due and payable before its expressed maturity because of the occurrence of an event of default occurring under the documents pursuant to which such Subordinate Obligation is issued; and such declaration has not been rescinded and annulled, or (c) any Event of Default under the Trust Agreement shall occur and be continuing with respect to any Senior Obligation and (1) written notice of such default shall have been given to the District and (2) judicial proceedings shall be commenced in respect of such Event of Default within 180 days in the case of a default in payment of principal or interest on Senior Obligations and within 90 days in the case of any other default after the giving of such notice, then the Holders of Senior Obligations shall be entitled to receive payment in full of all principal, premium and interest on all Senior Obligations before the Holders of the Subordinate Obligations are entitled to receive any payment on account of principal or interest upon the Subordinate Obligations.

The Bonds are being issued for the purpose of providing funds, together with other available funds, (i) to provide short-term interim financing for a portion of the costs of the District's 2026-2035 Capital Improvement Program and (ii) to pay certain expenses incurred in connection with the issuance of the Bonds by the District.

This Bond is issued and the Bond Resolution has been adopted under and pursuant to the Constitution and laws of the Commonwealth of Virginia, and particularly in conformity with the provisions, restrictions and limitations of Chapter 66 of the Acts of Assembly of Virginia of 1960, as amended. Capitalized terms used in this Bond and not otherwise defined shall have the meaning set forth in the Bond Resolution or the Trust Agreement.

THIS BOND IS A SPECIAL, SUBORDINATE OBLIGATION OF THE DISTRICT PAYABLE SOLELY FROM THE NET REVENUES, ON A SUBORDINATE AND JUNIOR BASIS TO SENIOR OBLIGATIONS OF THE DISTRICT SECURED UNDER THE TRUST AGREEMENT, AND ANY OTHER FUNDS AVAILABLE FOR SUCH PURPOSE. THIS BOND SHALL NOT BE DEEMED TO CONSTITUTE A DEBT, OR A PLEDGE OF THE FAITH AND CREDIT, OF THE COMMONWEALTH OF VIRGINIA OR OF ANY COUNTY, CITY, TOWN OR POLITICAL SUBDIVISION THEREOF. THE ISSUANCE OF THIS BOND SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE COMMONWEALTH OF VIRGINIA OR ANY COUNTY, CITY, TOWN OR POLITICAL SUBDIVISION THEREOF TO LEVY OR TO PLEDGE ANY FORM OF TAXATION WHATEVER THEREFOR.

The Bonds are issuable as fully registered Bonds in denominations of $5,000 or any whole multiple thereof. Bonds may be exchanged at the Corporate Trust Office of the Bond Registrar for the delivery of Bonds, in the manner and subject to the limitations and conditions provided in the Bond Resolution, for an equal aggregate principal amount of Bonds of the same series and maturity, of other authorized denominations and bearing interest at the same rate.

The transfer of this Bond is registrable by the registered owner hereof in person or by his or her attorney or legal representative at the Corporate Trust Office of the Bond Registrar for the delivery of Bonds, but only in the manner and subject to the limitations and conditions provided in the Bond Resolution and upon surrender and cancellation of this Bond. Upon any such registration of transfer, the District shall execute and the Bond Registrar shall authenticate and deliver in exchange for this Bond a new Bond or Bonds, registered in the name of the transferee, of authorized denominations, in an aggregate principal amount equal to the principal amount of this Bond, of the same series and maturity and bearing interest at the same rate.

[The Bonds are not subject to redemption prior to maturity.][Insert redemption provisions here.]

This Bond is issued with the intent that the laws of the Commonwealth of Virginia shall govern its construction.

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

Neither the members, officers or employees of the Commission or the District, nor any person executing this Bond, is liable personally hereon or subject to any personal liability or accountability by reason of issuance hereof.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Bond Resolution until it shall have been authenticated by the execution by the Bond Registrar of the certificate of authentication endorsed hereon.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the Hampton Roads Sanitation District has caused this Bond to be executed in its name and on its behalf with the facsimile signatures of the Chair and the Secretary of the Hampton Roads Sanitation District Commission and a facsimile of the official seal of said Commission to be printed hereon and this Bond to be dated the _ day of ____, 202_.

HAMPTON ROADS SANITATION DISTRICT

By:_____
Chair of the Hampton Roads
Sanitation District Commission

By:_____
Secretary of the Hampton Roads
Sanitation District Commission

[Seal]

CERTIFICATE OF AUTHENTICATION

Date of authentication: _____ _, 202_

This Bond is a Bond issued under the provisions of the within-mentioned Bond Resolution.

_____
as Bond Registrar

By_____
Authorized Signatory

[FORM OF ASSIGNMENT]

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

_____

_____

_____

[Please Print or Typewrite Name and Address of Transferee]

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ _____attorney to register the transfer of the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Date: _____

Signature Guaranteed:

_____

NOTICE: Signature(s) must be guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion Program (STAMP) or similar program.

_____

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

$_____
HAMPTON ROADS SANITATION DISTRICT
SUBORDINATE WASTEWATER REVENUE BONDS
SERIES 2025A

BOND PURCHASE AGREEMENT

_____ _, 2025

Hampton Roads Sanitation District
1434 Air Rail Avenue
Virginia Beach, Virginia 23455
Attn: Steven G. de Mik, Deputy General Manager and Chief Financial Officer

Ladies and Gentlemen:

The undersigned, _____ (the "Representative"), offers to enter into this Bond Purchase Agreement (this "Agreement") between the Hampton Roads Sanitation District (the "District"), a political subdivision of the Commonwealth of Virginia (the "Commonwealth"), and the Representative, acting on behalf of itself, _____, and _____, as the Underwriters (collectively, the "Underwriters"), for the purchase by the Underwriters and the sale by the District of the District's $_____ Subordinate Wastewater Revenue Bonds, Series 2025A (the "Bonds"). This offer is made subject to acceptance, which will be evidenced by the District's execution and delivery to the Underwriters of this Agreement at or before 11:00 p.m., Virginia Beach, Virginia, time, on _____ __, 2025, and, if not so accepted, will be subject to withdrawal by the Representative upon notice delivered to the District at any time thereafter.

The District has heretofore delivered to the Representative the Preliminary Official Statement of the District with respect to the Bonds, dated _____ __, 2025 (the "Preliminary Official Statement"), and will deliver an Official Statement in final form, dated _____ __, 2025 (the "Official Statement"), as provided herein. Capitalized terms used herein and not otherwise defined herein shall have the meanings given such terms in the Official Statement.

1. Agreement to Purchase and Sell; Good Faith Deposit. Upon the terms and conditions, and based upon the representations, warranties and agreements set forth herein, the Underwriters hereby agree to purchase from the District for offering to the public and the District hereby agrees to sell and deliver to the Underwriters, all (but not less than all) of the Bonds. The Underwriters intend to make an initial public offering of all of the Bonds at prices no higher than, or yields no lower than, those shown in the Official Statement. Subject to Section 3 hereof, the Underwriters reserve the right to lower such initial offering prices as they deem necessary in connection with the marketing of the Bonds. The Underwriters may offer and sell the Bonds to certain dealers (including dealers depositing the bonds into investment trusts) and others at prices different from the public offering price[s] stated on the inside cover page of the Official Statement.

The Bonds shall be dated the date of delivery thereof and shall mature in the principal amounts, bear interest at the rate[s], and be subject to the redemption provisions, all as described in the Official Statement and in Exhibit A attached hereto. The Bonds shall be secured as set forth in the Official Statement. The aggregate purchase price of the Bonds shall be $_____ (representing the sum of the $_____ par amount of the Bonds, plus an original issue premium of $_____, less an underwriting discount of $_____ on the Bonds).

The Representative has delivered to the District, and the District acknowledges receipt of, a wire transfer in the aggregate amount of $_____, representing the good faith deposit of the Underwriters. At the Closing (as defined in Section 7 below), the good faith deposit, exclusive of any interest earned on such amount, which shall accrue to the benefit of the District, will be deducted from the amount payable by the Underwriters with respect to the aggregate purchase price of the Bonds (and applied by the District as proceeds of the Bonds), and the Underwriters will pay $_____ (representing the $_____ purchase price, less the $_____ good faith deposit). If the District fails to deliver the Bonds at the Closing, or if the District is unable on or before the Closing to satisfy the conditions to the Underwriters' obligations contained in this Agreement, or if the obligations of the Underwriters are terminated for any reason permitted by this Agreement, the good faith deposit (with no credit for interest thereon) will be returned to the Representative. If the Underwriters fail (other than for a reason permitted in this Agreement) to accept and pay for the Bonds upon their tender by the District as provided in this Agreement, the good faith deposit will be retained by the District as full liquidated damages for such failure and for any and all defaults on the part of the Underwriters, and the delivery of the good faith deposit will constitute satisfaction, and will result in full release and discharge of the Underwriters and their affiliates from all claims and damages for such failure and for any and all defaults. The Underwriters and the District understand that in such event the actual damages of the District may be greater or may be less than the good faith deposit. Accordingly, the Underwriters hereby waive any right to claim that the actual damages of the District are less than such sum, and the acceptance of this offer by the District shall constitute a waiver of any right the District may have to additional damages from the Underwriters.

2. Description of the Bonds; Public Offering. (a) The Bonds are authorized to be issued pursuant to the provisions of Chapter 66 of the Acts of Assembly of Virginia of 1960, as amended (the "Enabling Act"), a resolution adopted on May 27, 2025 (the "Bond Resolution"), by the Hampton Roads Sanitation District Commission (the "Commission"), the governing body of the District, and a [Fiscal Agent Agreement], dated as of ____ 1, 2025 (the "Fiscal Agent Agreement"), between the District and _____, as fiscal agent (in such capacity, the "Fiscal Agent"). The Bonds are being issued as Subordinate Obligations, within the meaning of the Trust Agreement, dated as of October 1, 2011, as amended and restated as of March 1, 2016, as amended, and as further amended and restated as of July, 2024, as supplemented, by and between the District and The Bank of New York Mellon Trust Company, N.A., as trustee (as amended, restated and supplemented, the "Trust Agreement").

(b) The proceeds of the Bonds are being used to provide short-term interim financing for (i) a portion of the costs of the District's Capital Improvement Program and (ii) certain expenses incurred in connection with the issuance of the Bonds by the District.

(c) To assist the Underwriters in complying with Rule 15c2-12 (the "Rule") under the Securities Exchange Act of 1934, as amended (the "1934 Act"), the District will execute a Continuing Disclosure Agreement, dated as of the Closing Date (as defined in Section 7 below), for the benefit of the holders of the Bonds (the "Continuing Disclosure Agreement"). The District will agree in the Continuing Disclosure Agreement to provide annual financial information and operating data and notices of the occurrence of specified events. A description of the Continuing Disclosure Agreement is set forth in, and a form of such agreement is attached as an appendix to, the Preliminary Official Statement and the Official Statement. This Agreement, the Fiscal Agent Agreement, and the Continuing Disclosure Agreement are hereinafter collectively referred to as the "District Documents."

(d) The District consents to the use of any name, seal, logo or emblem owned by or associated with it in any of the Underwriters' sales, promotional, advertising or marketing material, or in any other form publicly used by the Underwriters.

3. Concurrent Delivery of Official Statement; Establishment of Issue Price of the Bonds. (a) Upon the acceptance, execution and delivery of this Agreement by the District, the District will deliver to the Representative a sufficient number of copies of the final version of the Official Statement, which shall be signed by the Chair or the Vice Chair of the Commission, the General Manager/Chief Executive Officer, and the Deputy General Manager/Chief Financial Officer of the District, to enable the Underwriters to comply with the Rule. The Underwriters' approval of the Official Statement will be conclusively evidenced by the Representative's execution and delivery of this Agreement.

(b) The Representative, on behalf of the Underwriters, agrees to assist the District in establishing the issue price of the Bonds and shall execute and deliver to the District on the Closing Date an "issue price" or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit E, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Representative, the District and Bond Counsel (as defined herein), to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds.

(c) The District will treat the first price at which 10% of each maturity of the Bonds (the "10% test") is sold to the public as the issue price of that maturity. At or promptly after the execution of this Agreement, the Representative shall report to the District the price or prices at which the Underwriters have sold to the public each maturity of Bonds.

(d) The Representative confirms that the Underwriters have offered all of the Bonds to the public on or before the date hereof for purchase at the offering price or prices, or priced to yield, as set forth in Exhibit A attached hereto (the "initial offering price").

Exhibit A also sets forth, as of the date of this Agreement, the maturities, if any, of the Bonds for which the 10% test has not been satisfied and for which District and the Representative, on behalf of the Underwriters, agree that the restrictions set forth in the next sentence shall apply to each such maturity of the Bonds, which will allow the District to treat the initial offering price to the public of each such maturity of the Bonds as of the date hereof as the issue price of that maturity (the "hold-the-offering-price rule"). So long as the hold-the-offering-price rule remains

applicable to any maturity of the Bonds, the Underwriters will neither offer nor sell any Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the date hereof and ending on the earlier of the following:

(1) the close of the fifth (5th) business day after the date hereof; and

(2) the date on which the Underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Representative shall promptly advise the District after the close of the fifth (5th) business day after the date hereof whether it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

Initial disclosure of maturities that have met the 10% test will be made after the signing of this Agreement, at the earlier of (1) all tickets having been entered by the Representative and (2) 5:00 p.m. Eastern Time, on _____ __, 2025.

The District acknowledges that, in making the representation set forth in this subsection, the Representative will rely on (i) the agreement of each Underwriter to comply with the requirements for establishing the issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer that is a member of the selling group to comply with the requirements for establishing the issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an Underwriter or a dealer that is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing the issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, as set forth in the third-party distribution agreement and the related pricing wires. The District further acknowledges that each Underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing the issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, and that no Underwriter shall be liable for the failure of any other Underwriter or of any dealer that is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing the issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule.

(e) The Representative confirms that:

(i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the Representative is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution

agreement, as applicable, (A) to comply with the hold-the-offering-price rule in each case if and for so long as directed by the Representative and as set forth in the related pricing wires, (B) to promptly notify the Representative of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and (C) to acknowledge that, unless otherwise advised by the Underwriter, dealer, or broker-dealer, the Representative shall assume that each order submitted by the Underwriter, dealer, or broker-dealer is a sale to the public, and

(ii) any agreement among underwriters or selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to comply with the hold-the-offering-price rule if and for so long as directed by the Representative or the Underwriter or dealer and as set forth in the related pricing wires.

(f) The Underwriters acknowledge that sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being defined below) shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(i) "maturity" means Bonds with the same credit and payment terms; Bonds with different maturity dates, or with the same maturity date but different stated interest rates, are treated as separate maturities,

(ii) "public" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an underwriter or a related party,

(iii) "underwriter" means (A) any person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public), and

(iv) a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a

corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

4. Representations Warranties and Covenants of the District. The District represents and warrants to, and agrees with, the Underwriters as follows:

(a) The District is a political subdivision of the Commonwealth duly created and validly existing under the laws of the Commonwealth;

(b) The District has complied with all applicable provisions of the Constitution and laws of the Commonwealth, including the Enabling Act, with respect to the consummation of all of the transactions contemplated by the Official Statement and the District Documents, and has full right, power and authority to enter into the District Documents, to adopt the Bond Resolution, to issue, sell and deliver the Bonds to the Underwriters pursuant to the Bond Resolution and this Agreement, to prepare the Preliminary Official Statement and the Official Statement and to authorize the distribution thereof by the Underwriters and to carry out and consummate all transactions contemplated by the Official Statement and the District Documents, and with respect to the Bonds, the District has complied, and as of the Closing Date will have complied, with the District Documents and the laws of the Commonwealth applicable thereto;

(c) The District is authorized under the provisions of the Enabling Act to issue the Bonds for the purposes described in the Bond Resolution, this Agreement, and the Official Statement;

(d) The Bond Resolution has been duly adopted by the Commission at a meeting duly called and held and duly and validly authorizes the issuance, sale and delivery of the Bonds and the execution and delivery of the District Documents, and the Bond Resolution, as of the date hereof, has not been amended, modified or repealed, in any material respect (other than as contemplated herein or by the Official Statement);

(e) The Commission has duly and validly authorized all necessary action to be taken by it or the District for (i) the issuance, sale, and delivery of the Bonds upon the terms set forth herein, (ii) the execution, delivery, and performance of the District Documents, (iii) the carrying out, giving effect to, and consummation of the transactions contemplated hereby, and (iv) the consent to the distribution by the Underwriters of the Official Statement;

(f) The District Documents, when executed by the other parties thereto, if any, will have been duly and validly executed and delivered by the District and will be in full force and effect as to the District, and such District Documents constitute legal, valid and binding obligations of the District, enforceable in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws and principles of equity relating to or affecting the enforcement of creditors' rights; and the Bonds, when issued, authenticated and delivered to the Underwriters in accordance with the Bond Resolution will constitute legal, valid and binding obligations of the District enforceable in accordance with their terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws and principles of equity relating to or affecting the enforcement of creditors' rights;

(g) Except as described in the Preliminary Official Statement and the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity before or by any court, governmental agency or public board or body, pending or, to the best knowledge of the District, threatened against the District that (i) may affect the existence of the District or the titles or rights of its officers to their respective offices, (ii) may affect or that seeks to prohibit, restrain or enjoin (A) the sale, issuance or delivery of the Bonds, or (B) the District's collection of revenues of from its wastewater system, (iii) in any way contests or affects the validity or enforceability of the District Documents, (iv) contests in any way the completeness or accuracy of the Official Statement, or (v) contests the powers of the District or, to the best knowledge of the District, any authority or proceedings for the issuance, sale or delivery of the Bonds, the District Documents or any of them or the transactions contemplated thereby, nor, to the best knowledge of the District, is there any basis therefor wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Bonds, the Bond Resolution or any of the other District Documents;

(h) The District is not in any material respect in breach of or default under any applicable constitutional provision, law or administrative regulation of the Commonwealth of Virginia or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, ordinance, resolution, agreement or other instrument to which the District is a party or to which the District or any of the property or assets of the District are otherwise subject; no event has occurred and is continuing that constitutes or with the passage of time or the giving of notice, or both, would constitute a default or event of default by the District under any such instrument; and the execution and delivery of this Agreement and the other District Documents, and the compliance with the provisions thereof, will not conflict with or constitute on the part of the District a violation of, breach of, or default under (i) the Enabling Act, (ii) in any material respect, any indenture, mortgage, lease or note agreement or any other material agreement or instrument to which the District is a party or by which the District is bound, or (iii) any constitutional provision or statute or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the District or any of its activities or properties;

(i) All consents, approvals, authorizations and orders of governmental or regulatory authorities that are required to be obtained by the District in connection with the execution and delivery of this Agreement and the other District Documents and the consummation of the transactions contemplated thereby to be consummated on or before the Closing Date have been or will be, at Closing, duly obtained and in full force and effect; provided, that no representation or warranty is expressed as to any action required under applicable federal or state securities laws or Blue Sky laws of any jurisdiction in connection with the issuance and sale of the Bonds;

(j) At the time of the District's acceptance hereof and (unless an event occurs of the nature described in Section 5(b)) at all times subsequent hereto during the period up to and including twenty-five (25) days after the end of the underwriting period, as hereinafter defined, the Official Statement was and will be true and correct in all material respects and did not and will not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, no representation or warranty is made as to any of the information described in the proviso of Section 4(o) below;

(k) If the Official Statement is supplemented or amended pursuant to Section 5(b), at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto during the period up to and including twenty-five (25) days after the end of the underwriting period, the Official Statement as so supplemented or amended will be true and correct in all material respects and will not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, no representation or warranty is made as to any of the Excluded Information, as defined below;

(l) The District will execute and deliver the Continuing Disclosure Agreement, at or prior to the Closing, in substantially the form attached to the Official Statement as "APPENDIX C – FORM OF CONTINUING DISCLOSURE AGREEMENT;"

(m) During the 5-year period ending on the date hereof, except as set forth in the Official Statement, the District has not failed in any material respect to comply with all previous undertakings made by it of the type specified in paragraph (b)(5)(i) of the Rule;

(n) During the 5-year period ending on the date hereof, except as set forth in the Official Statement, no notice of the type specified in paragraph (b)(5)(i)(D) of the Rule has been filed by or on behalf of the District;

(o) (i) Other than the Excluded Information, as defined below, the information contained in the Preliminary Official Statement was, as of its date, and the Official Statement is, and as of the date hereof and as of the Closing Date will be, true and correct in all material respects and does not and will not, as applicable, contain any untrue statement of a material fact or omit to state a material fact that is necessary to make the statements contained therein, in the light of the circumstances under which they were made, not misleading, and (ii) notwithstanding the foregoing, the District has not provided the information in and does not provide any assurance that the information relating to "Price or Yield" of the Bonds and CUSIP numbers on the inside cover, or the first paragraph of page (iv) thereof, or contained in the sections or appendices, as the case may be, captioned "TAX MATTERS," "UNDERWRITING," "APPENDIX B – PROPOSED OPINION OF BOND COUNSEL," and "APPENDIX D – THE DEPOSITORY TRUST COMPANY" (collectively, the "Excluded Information") in the Official Statement is true and correct in all material respects;

(p) The financial statements of, and other financial information regarding the District in the Preliminary Official Statement and the Official Statement and Appendix A thereto, present fairly the financial position and results of the operations of the District as of the dates and for the periods therein set forth; and the audited financial statements have been prepared in accordance with accounting principles generally accepted in the United States;

(q) The District will cause the Fiscal Agent to authenticate and deliver the Bonds when ready for delivery;

(r) To the District's knowledge, neither the Securities and Exchange Commission ("SEC") nor the securities commission of any jurisdiction has issued or threatened to issue any order preventing or suspending the use of the Official Statement;

(s) No person, whether generally or through an enterprise, fund, or account of such person, other than the District, is committed by contract or other arrangement structured to support payment of all, or part, of the obligations on the Bonds for purposes of and within the meaning of the Rule;

(t) Any certificate signed by any of the District's authorized officers and delivered to the Representative shall be deemed a representation and warranty by the District to the Underwriters as to the statements made therein;

(u) The District shall cooperate with the Underwriters in the qualification of the Bonds for offering and sale and the determination of their eligibility for investment under the laws of such jurisdictions, to the extent applicable, as the Representative may request; provided that the District shall not be required to qualify as a foreign corporation in, or submit to the general jurisdiction of, any other state or to file any general or special consent to service of process under the laws of any jurisdiction;

(v) The District shall not knowingly take or omit to take any action that, under existing law, may adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Bonds;

(w) Prior to the Closing Date, the District will not amend, terminate or rescind the Bond Resolution; and

(x) The District acknowledges and agrees that (i) the Underwriters are not acting as municipal advisors within the meaning of Section 15B of the 1934 Act; (ii) the primary role of the Underwriters, as underwriters, is to purchase securities, for resale to investors, in an arm's length commercial transaction between the District and the Underwriters, and the Underwriters have financial and other interests that differ from those of the District; (iii) the Underwriters are acting solely as principals and are not acting as municipal advisors, financial advisors or fiduciaries to the District and have not assumed any advisory or fiduciary responsibility to the District with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriters have provided other services or are currently providing other services to the District on other matters); (iv) the only obligations the Underwriters have to the District with respect to the transaction contemplated hereby expressly are set forth in this Agreement; and (v) the District has consulted its own financial, municipal, legal, accounting, tax and other advisors, as applicable, to the extent it has deemed appropriate.

All representations, warranties and agreements of the District shall remain operative and in full force and effect, regardless of any investigations made by any Underwriter or on the Underwriters' behalf, and shall survive the delivery of the Bonds.

5. Compliance with the Rule; Other Covenants.

(a) The Preliminary Official Statement has been deemed final by the District in accordance with the Rule and remains as such on the date hereof. The District ratifies and consents to the distribution and use by the Underwriters on or before the date hereof, in connection with the public offering of the Bonds, of the Preliminary Official Statement. The District agrees to supply, at the District's expense, within seven (7) business days after the date hereof and in any event not later than two (2) business days before the Closing, sufficient quantities of the Official Statement to enable the Representative to send copies of the Official Statement to any potential customer upon request in compliance with paragraph (b)(4) of the Rule and the rules and regulations of the Municipal Securities Rulemaking Board ("MSRB"). Delivery of such copies of the Official Statement shall constitute the District's approval and authorization thereof for use in connection with the public offering and sale by the Underwriters of the Bonds. The Official Statement shall be in substantially the same form as the Preliminary Official Statement and, other than information permitted to have been omitted by the Rule, the District shall only make such other additions, deletions and revisions in the Official Statement that are approved by the Representative. The District agrees to deliver to the Representative an electronic copy of the Official Statement in a form that permits the Representative to satisfy its obligations under the rules and regulations of the MSRB and the SEC. The Representative agrees to file the Official Statement with the MSRB in compliance with MSRB Rule G-32.

(b) The District covenants and agrees to notify the Representative if, during the period commencing on the date hereof through the date twenty-five (25) days after the "end of the underwriting period," as hereinafter defined, any event shall occur including, but not limited to, any material adverse change in the financial position, results of operations or condition, financial or otherwise, of the District, and of which the District has knowledge, that would cause the Official Statement to contain any untrue or incorrect statement of a material fact or to omit to state a material fact that should be included therein for the purpose for which the Official Statement is to be used or that is necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and, if in the reasonable opinion of the Representative such event requires any amendment or supplement to the Official Statement, the District will at the District's expense promptly amend or supplement the Official Statement in a form and manner jointly approved by the District and the Representative. Anything in this Section 5(b) to the contrary notwithstanding, in no event shall the District be under any obligation to perform any continuing due diligence or monitoring to determine if any event described in this Section 5(b) has occurred subsequent to the end of the underwriting period. The "end of the underwriting period" means the Closing Date unless the Representative advises in writing on such Closing Date that as of such date there remains an unsold balance of the Bonds, in which case the "end of the underwriting period" means the date as of which the Representative notifies the District that the Underwriters no longer retain an unsold balance of the Bonds for sale to the public.

(c) Subject to Section 9, the District shall furnish such information, execute such instruments and take such other action in cooperation with the Representative as the Representative may reasonably request to qualify the Bonds for offering and sale under the securities or "blue sky" laws of such states and other jurisdictions of the United States as the Representative may designate; provided, however, the District shall not be obligated to accept, or consent to accept,

service of process, or to appoint an agent to accept service of process, outside the Commonwealth of Virginia.

(d) The Representative agrees on behalf of the Underwriters that the Bonds will only be offered pursuant to the Official Statement and only in jurisdictions where such offer is legal and that a copy of the final version of the Official Statement will be delivered to each purchaser of the Bonds.

6. Conditions to Underwriters' Obligations. The Underwriters' obligation to purchase and pay for the Bonds shall be subject to the performance by the District of its obligations to be performed hereunder and in the documents delivered at the Closing, and the accuracy in all material respects of the representations and warranties contained hereunder and shall also be subject to the satisfaction of each of the following conditions, both as of the date hereof and the Closing Date:

(a) The Representative shall not have discovered any material error, misstatement or omission in the representations and warranties made by the District in this Agreement, which representations and warranties will be deemed to have been made again at and as of the time of the Closing and will then be true, accurate and complete in all material respects;

(b) The Bond Resolution, the Enabling Act and the District Documents shall be in full force and effect and shall not have been amended, modified or supplemented, and the Official Statement shall not have been supplemented or amended, except as may have been agreed or consented to by the Representative;

(c) At the time of the Closing, all official action of the District relating to this Agreement, the Bonds and the other District Documents shall be in full force and effect and shall not have been amended, modified or supplemented except as otherwise agreed to by the Representative;

(d) At the time of the Closing, there shall have been no material adverse change in the condition, financial or otherwise, of the District from that set forth in the Official Statement that in the reasonable judgment of the Representative makes it impracticable to market the Bonds on the terms and in the manner contemplated in the Official Statement;

(e) The Representative shall have received the Official Statement, and each supplement or amendment, if any, to it, executed on behalf of the District by its General Manager/Chief Executive Officer and its Deputy General Manager/Chief Financial Officer and a fully executed copy of each of the District Documents;

(f) The Representative shall have received from Norton Rose Fulbright US LLP, Bond Counsel for the District ("Bond Counsel"), an approving opinion with respect to the Bonds, dated the Closing Date and addressed to the District, in substantially the form set forth in Appendix B to the Official Statement;

(g) The Representative shall have received from Bond Counsel a supplemental opinion or opinions with respect to the Bonds, dated the Closing Date and addressed to the Underwriters, in substantially the form set forth as Exhibit B hereto;

(h) The Representative shall have received from Sands Anderson PC, general counsel to the District, the opinion dated the Closing Date and addressed to the Underwriters (or shall receive a reliance letter with respect thereto), in substantially the form set forth in Exhibit C hereto;

(i) The Representative shall have received from AquaLaw PLC, special counsel to the District, the opinion dated the Closing Date and addressed to the Underwriters (or shall receive a reliance letter with respect thereto), in substantially the form set forth in Exhibit D hereto;

(j) The Representative shall have received from _____, counsel to the Underwriters, an opinion dated the Closing Date and addressed to the Underwriters, in form and satisfactory acceptable to the Representative;

(k) The Representative shall have received (i) a certificate of the General Manager/Chief Executive Officer and the Deputy General Manager/Chief Financial Officer of the District setting forth facts, estimates and circumstances (including covenants of the District) in existence on the Closing Date sufficient to support the conclusion that it is not expected that the proceeds of the Bonds (or other amounts provided by the District) will be used in a manner that would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, and applicable rules and regulations, and (ii) an executed Information Return for Tax-Exempt Bond Issues (Internal Revenue Service Form 8038-G) in a form satisfactory to Bond Counsel for filing, executed by a duly authorized officer of the District;

(l) The Representative shall have received a certificate of the District as to the receipt of payment for the Bonds;

(m) A certificate, dated the Closing Date, signed by the General Manager/Chief Executive Officer of the District to the effect that (a) the representations and agreements of the District contained herein are true and correct in all material respects as of the date of the Closing, and the District has complied with all of the agreements and satisfied all of the conditions in the District Documents to be performed or satisfied at or prior to the Closing; (b) except as described in the Official Statement, no litigation is pending or, to his knowledge, threatened, (i) seeking to restrain or enjoin the execution or delivery of any of the District Documents, (ii) in any way contesting or affecting any authority for the Bond Resolution or any District Document, (iii) in any way contesting the creation, existence or powers of the District or the application of the proceeds of the Bonds, or (iv) which, if adversely determined, could materially adversely affect the District's financial position or operating condition or the transactions contemplated by the Official Statement or any District Document; and (c) the Official Statement is true and correct in all material respects and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, except no review has been made of the Excluded Information;

(n) A certificate, dated the Closing Date, signed by the General Manager/Chief Executive Officer of the District, in form and substance satisfactory to the Representative, to the effect that (i) the financial statements of the District as of June 30, 2024, fairly represent the receipts, expenditures, assets, liabilities and cash balances of such amounts and, insofar as presented, other funds of the District as of the dates and for the periods therein set forth and (ii) except as disclosed in the Official Statement, since June 30, 2024, no materially adverse change has occurred, or any development involving a prospective material change, in the financial position or results of operations of the District, and the District has not incurred since June 30, 2024, any material liabilities other than in the ordinary course of business or as set forth in or contemplated by the Official Statement;

(o) The Representative shall have received confirmation of short-term rating[s] from [Moody's Investors Service, Inc. ("Moody's"), and S&P Global Ratings, a division of S&P Global Inc. ("S&P")], indicating that the Bonds have been rated "___" [and "___," respectively,] which rating[s] shall remain in effect on the Closing Date;

(p) The Representative shall have received a copy of the Blanket Letter of Representations to DTC relating to the Bonds signed by the District;

(q) The Representative shall have received a certificate of the Fiscal Agent, wherein the Fiscal Agent shall represent that it can perform the duties and obligations with respect to the Bonds imposed upon it by the Fiscal Agent Agreement; and

(r) The Representative shall have received a certified copy of the Bond Resolution and PDF copies of the executed District Documents and such other legal opinions, certificates, instruments and other documents as the Representative or Bond Counsel reasonably may request.

If the District shall be unable to satisfy or cause to be satisfied any material (in the sole judgment of the Representative) condition to the obligations of the Underwriters contained in this Agreement, or if the obligations of the Underwriters shall be terminated for any reason permitted by this Agreement, this Agreement shall terminate, and neither the Underwriters nor the District shall be under any further obligations or liabilities hereunder, except for the return or retention of the good faith deposit as provided in Section 1 hereof and the respective obligations of the District and the Underwriters for the payment of expenses as provided in Section 9 hereof, which obligations shall continue in full force and effect.

7. Closing. By 11:00 a.m. Virginia Beach, Virginia time, on _____ __, 2025, or such other time or date as shall otherwise be mutually agreed upon by the District and the Representative (such date is herein sometimes called the "Closing Date"), the District will deliver or cause to be delivered to the Underwriters either through the facilities of The Depository Trust Company ("DTC"), or as shall otherwise have been mutually agreed upon by the District and the Representative, the Bonds and, subject to the terms and conditions hereof, the Underwriters will accept such delivery and pay to the District the purchase price of the Bonds as set forth in Section 1 hereof, such purchase price to be payable in same day Federal Funds. Such delivery and such acceptance and payment are herein sometimes called the "Closing." Delivery of the other documents as aforesaid shall be made at the offices of Bond Counsel in Washington, D.C. The Bonds shall be made available to the Underwriters, or delivered at their direction to such place and

at such time as shall be mutually agreed upon, prior to the Closing. At the direction of the Underwriters, the District will deliver the Bonds in definitive form for registration through the book-entry-only system of registration as described in the Official Statement, registered in the name of Cede & Co., as nominee for DTC. It is anticipated that the CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such numbers nor any error with respect thereto shall constitute a cause for failure or refusal by the Underwriters to accept delivery of the Bonds in accordance with the terms of this Agreement.

8. Termination. The Representative may terminate the obligation of the Underwriters to purchase the Bonds by notification to the District in writing, if between the date hereof and the Closing:

(1) legislation shall have been enacted by the Congress of the United States or the General Assembly of the Commonwealth or legislation shall have been or a decision shall have been rendered by a court of the United States or the Commonwealth, or a ruling, resolution, regulation, or temporary regulation, release, or announcement shall have been made or shall have been proposed to be made by the Treasury Department of the United States or the Internal Revenue Service, or other federal or Commonwealth authority, with respect to federal or Commonwealth taxation upon revenues or other income of the general character of that to be derived by the District from its operations, or upon interest received on obligations of the general character of the Bonds that, in the Representative's reasonable judgment, materially adversely affects the market price or the marketability of the Bonds or the Underwriters' ability to enforce contracts for the sale of the Bonds;

(2) legislation shall have been enacted by Congress or recommended for passage by the President of the United States, or a decision by a court of the United States shall be rendered, or a ruling, regulation, or statement by or on behalf of the SEC or any other agency of the federal government having jurisdiction of the subject matter shall be made, to the effect that the Bonds or the Bond Resolution are not exempt from the registration, qualification or other requirements of the Securities Act of 1933, as amended, the 1934 Act, or the Trust Indenture Act of 1939, as amended;

(3) legislation shall have been enacted by the Congress of the United States to become effective on or prior to the Closing, or a decision of a court of the United States shall be rendered, or a stop order, ruling, regulation or proposed regulation by or on behalf of the SEC or other agency having jurisdiction over the subject matter shall be issued or made, to the effect that the issuance, sale and delivery of the Bonds or the District is in violation of the federal securities laws, including the Securities Act of 1933, as amended, the 1934 Act, or the Trust Indenture Act of 1939, as amended, or with the purpose or effect of otherwise prohibiting the offering, issuance, sale or delivery of the Bonds as contemplated hereby or by the Official Statement or of obligations of the general character of the Bonds;

(4) an event shall have occurred that (A) makes untrue or incorrect in any material respect, as of the time of such event, any statement or information contained in the Preliminary Official Statement or the Official Statement or that is not reflected in the Preliminary Official Statement or the Official Statement but should be reflected therein in order to make the statements and information contained therein not misleading in any material respect and (B) in the

Representative's reasonable judgment, materially adversely affects the market price or the marketability of the Bonds or the Underwriters' ability to enforce contracts for the sale of the Bonds;

(5) there shall have occurred (whether or not foreseeable) any engagement in, or escalation of hostilities or other national or international calamity or crisis, or any material adverse change in the financial or economic conditions affecting the United States, the effect of such engagement, escalation, calamity, crisis or change on the financial markets of the United States being such as, in the Representative's reasonable judgment, would have a material adverse impact on the market price or marketability of the Bonds or the Underwriters' ability to enforce contracts for the sale of the Bonds;

(6) a general suspension of trading on the New York Stock Exchange or other major exchange shall be in force, or minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices for securities shall have been required and be in force on any such exchange, whether by virtue of determination by that exchange or by order of the SEC or any other governmental authority having jurisdiction or a general banking moratorium shall have been declared by federal, Commonwealth of Virginia or State of New York authorities;

(7) a material disruption in securities settlement, payment or clearance services affecting the Bonds shall have occurred; or

(8) any litigation shall be instituted or be pending on the Closing Date to restrain or enjoin the issuance, sale or delivery of the Bonds, or in any way contesting or affecting any authority for or the validity of the proceedings authorizing and approving the Enabling Act, the Bond Resolution, the District Documents or the existence or powers of the District.

9. Expenses. Except as set forth herein, the Underwriters shall not be under any obligation to pay, and the District agrees to pay, any expenses incident to the performance of the District's obligations hereunder, including but not limited to: (i) the cost of preparation of the Bond Resolution; (ii) the costs of the preparation and printing of the definitive Bonds; (iii) the fees and disbursements of Bond Counsel; (iv) the fees and disbursements of the accountants, advisors and consultants retained by the District; (v) the cost of publication of all required notices; (vi) the disbursements of District officials and employees and any expenses incurred by the Underwriters on behalf of the District's employees and representatives that are incidental to implementing this Agreement, including without limitation meals, transportation, and lodging of such employees and representatives; (vii) fees for the rating on the Bonds; and (viii) the cost of the preparation and printing of a reasonable number of copies of the Official Statement and any amendments or supplements thereto and a reasonable number of copies required for distribution in connection with the public offering of the Bonds.

The Underwriters shall pay the fees and disbursements of Underwriters' counsel, the cost of preparation and printing of this Agreement, all advertising expenses in connection with the public offering of the Bonds and all other expenses incurred by them in connection with the public offering and distribution of the Bonds, including the cost of printing any Preliminary and Final Blue Sky Memoranda and all other underwriting documents. The District shall not be under any

obligation to pay any such expenses incident to the performance of the obligations of the Underwriters hereunder.

10. Notices. Any notice or other communication to be given under this Agreement may be given by delivering the same in writing (a) to the District at the District's address set forth above, with a copy to PFM Financial Advisors LLC, 4350 North Fairfax Drive, Suite 590, Arlington, Virginia 22203, Attention: Sarah Frey, Director, and (b) to the Representative at _____, Attention: _____.

11. Successors and Assigns. This Agreement is made solely for the benefit of the District and the Underwriters (including the successors or assigns of the Underwriters), and no other person shall acquire or have any right hereunder or by virtue hereof. All of the representations, warranties and agreements of the District contained in this Agreement shall remain operative and in full force and effect, and shall survive the delivery of the Bonds, regardless of any investigations made by or on behalf of the Underwriters.

12. Counterparts. This Agreement may be executed in one or more counterparts, each of which will be regarded as an original and all of which will constitute one and the same document.

13. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia, without regard to its choice of laws principles.

14. Entire Agreement. This Agreement is the entire agreement of the parties, superseding all prior agreements, and may not be modified except in writing signed by the parties hereto.

[Remainder of Page Intentionally Left Blank]

15. Effective Date. This Agreement shall become effective upon the execution of the acceptance hereof by the District and shall be valid and enforceable as of the time of such acceptance and approval.

Very truly yours,

_____
_____
_____

By: _____,
as representative

By:_____
Title:

HAMPTON ROADS SANITATION DISTRICT

By:_____
Deputy General Manager/Chief Financial Officer

[Signature page to Bond Purchase Agreement for Hampton Roads Sanitation District Subordinate Wastewater Revenue Bonds, Series 2025A]

EXHIBIT A

$_____
HAMPTON ROADS SANITATION DISTRICT
SUBORDINATE WASTEWATER REVENUE BONDS,
SERIES 2025A

Maturities, Amounts, Interest Rates and Prices[s]

Year of Maturity (____ 1)	Principal Amount	Interest Rate	Price

Redemption Provisions

[to come]

10% Test

[The 10% test referred to in Section 3(d) of this Agreement has been satisfied for each maturity of the Bonds.][, except for the Bonds maturing _____.]

[Remainder of Page Intentionally Left Blank]

EXHIBIT B

SUPPLEMENTAL OPINION OF BOND COUNSEL

_____ __, 2025

_____
_____, _____

_____
_____, _____

_____
_____, _____

$_____
HAMPTON ROADS SANITATION DISTRICT
SUBORDINATE WASTEWATER REVENUE BONDS,
SERIES 2025A

Ladies and Gentlemen:

We have delivered to you copies of our approving opinion as Bond Counsel, dated this date, rendered in connection with the issuance by the Hampton Roads Sanitation District, a political subdivision of the Commonwealth of Virginia (the "District"), for the purchase by the Underwriters and the sale by the District of the District's $_____ Subordinate Wastewater Revenue Bonds, Series 2025A (the "Bonds"). The Bonds are issued pursuant to the provisions of Chapter 66 of the Acts of Assembly of Virginia of 1960, as amended (the "Enabling Act"), and a resolution adopted on May 27, 2025 (the "Bond Resolution"), by the Hampton Roads Sanitation District Commission (the "Commission"), the governing body of the District.

You may rely upon our approving opinions as if each were addressed to you.

At your request, we have reviewed, in addition to the proceedings and other papers described in our approving opinions, the following:

(a) the Bond Purchase Agreement, dated _____ _, 2025, between you and the District (the "Purchase Agreement");

(b) the Preliminary Official Statement, dated _____ _, 2025, with respect to the Bonds, together with the final version of the Official Statement, dated _____ _, 2025, with respect to the Bonds (the "Official Statement"); and

(c) the Continuing Disclosure Agreement, dated the date hereof (the "Continuing Disclosure Agreement").

Based on the foregoing and upon such other information and papers as we consider necessary for the purposes of rendering this opinion, we are of the opinion that:

1. The Purchase Agreement and the Continuing Disclosure Agreement have been duly authorized, executed and delivered by the District and, assuming their due authorization, execution and delivery by the other parties thereto, constitute valid and legally binding agreements of the District, enforceable against the District in accordance with their terms. The enforceability of the Purchase Agreement and the Continuing Disclosure Agreement may be limited by bankruptcy, insolvency, moratorium, reorganization or other laws affecting creditors' rights generally and may be subject to judicial discretion.

2. The offering, sale and delivery of the Bonds do not require their registration under the Securities Act of 1933, as amended. No opinion is expressed with respect to the necessity of the registration of the Bonds under the "Blue Sky" or securities laws of any state, federal district, territory or possession of the United States.

In our capacity as Bond Counsel, we have participated in the preparation and have reviewed those portions of the Official Statement contained under the captions "THE SERIES 2025A BONDS," "SECURITY AND SOURCES OF PAYMENT," "TAX MATTERS," and "CONTINUING DISCLOSURE" (other than information under such caption with respect to the District's compliance with previous undertakings under Rule 15c2-12, as to which no opinion is expressed) and in Appendices B and C. In our opinion, the statements relating to the Bonds and the summaries of documents, statutes and opinions contained in the sections of the Official Statement referred to above fairly summarize the material provisions of the Bonds and the documents, statutes and opinions referred to therein. We offer no other opinion or view as to the information contained in the Official Statement.

This letter is furnished by us in our capacity as Bond Counsel to the District. No attorney-client relationship has existed or exists between our firm and the addresses hereof in connection with the Bonds, the Official Statement or by virtue of this opinion. This opinion is delivered to, and is solely for the benefit of, the addressees hereof and is not to be used, circulated, quoted or otherwise referred to or relied upon by any person other than you. This opinion is not intended to be relied upon by the Fiscal Agent (as described in the Purchase Agreement) or the holders or the beneficial owners of the Bonds.

Very truly yours,

EXHIBIT C

OPINION OF SANDS ANDERSON PC
COUNSEL FOR THE DISTRICT

_____ __, 2025

_____, _____

_____
_____, _____

Norton Rose Fulbright US LLP
Washington, D.C.

$_____
HAMPTON ROADS SANITATION DISTRICT
SUBORDINATE WASTEWATER REVENUE BONDS,
SERIES 2025A

Ladies and Gentlemen:

We have acted as general counsel to the Hampton Roads Sanitation District (the "District") in connection with the issuance and sale of the above-referenced bonds (the "Bonds"). The Bonds are being pursuant to a resolution relating to the Bonds adopted by the Hampton Roads Sanitation District Commission, the governing body of the District, on May 27, 2025 (the "Bond Resolution"). Unless otherwise defined, the capitalized terms used in this opinion have the meanings set forth in the Bond Purchase Agreement (as hereinafter defined).

In connection with our opinion, we have examined the following:

(1) Chapter 66 of the Acts of Assembly of Virginia of 1960, as amended (the "Enabling Act");

(2) the Bond Resolution;

(3) the [Fiscal Agent Agreement], dated as of _____ 1, 2025 (the "Fiscal Agent Agreement"), between the District and _____, as fiscal agent (in such capacity, the "Fiscal Agent");

(4) the Bonds;

(5) the Bond Purchase Agreement, dated _____ __, 2025 (the "Bond Purchase Agreement"), between the underwriters named therein and the District;

(6) the Preliminary Official Statement, dated _____ __, 2025 (the "Preliminary Official Statement"), and the Official Statement, dated _____ __, 2025 (the "Official Statement"), prepared in connection with the offering of the Bonds; and

(7) the Continuing Disclosure Agreement, dated as of _____ __, 2025 (the "Continuing Disclosure Agreement"), delivered by the District for the benefit of the Underwriters and the holders of the Bonds.

The Fiscal Agent Agreement, the Continuing Disclosure Agreement, and the Bond Purchase Agreement are referred to collectively as the "District Documents."

As to questions of fact material to this opinion, we have relied upon representations of, and the compliance as of the date hereof with the covenants by, the District contained in the District Documents, certifications of public officials furnished to us, and certifications and representations contained in certificates of the District and others delivered at Closing; provided that nothing has come to our attention that would lead us to believe that reliance upon such representations and certifications is unreasonable. We have assumed that (i) all signatures on documents, certificates, and instruments examined by us are genuine, (ii) all documents, certificates, and instruments submitted to us as originals are authentic, and (iii) all documents, certificates, and instruments submitted to us as copies conform to the originals. In addition, we have assumed that all documents, certificates, and instruments relating to this financing have been duly authorized, executed, and delivered by all parties thereto.

Based upon the foregoing, as of the date hereof, we are of the opinion that:

1. The District is a political subdivision of the Commonwealth of Virginia duly created and validly existing under the Enabling Act and has full power and authority under the Enabling Act to (i) adopt the Bond Resolution, (ii) execute and deliver the District Documents and the Bonds, (iii) issue, sell and deliver the Bonds pursuant to the Bond Resolution, and (iv) consummate the transactions contemplated by, and perform its obligations under, the District Documents. The directors and officers of the District identified in the District's general certificate delivered the date hereof have been duly appointed and are qualified to serve as such.

2. The Bond Resolution has been duly adopted, complies with the Enabling Act and is in full force and effect on this date. The Bonds and the District Documents have been duly authorized, executed and delivered by the District and assuming due authorization, execution and delivery by the other parties thereto constitute legal, valid and binding agreements of the District enforceable in accordance with their terms except to the extent their enforceability may be limited by bankruptcy, reorganization or similar laws affecting creditors' rights generally and by general equitable principles.

3. The District has duly approved the Official Statement and its use in connection with the public offering of the Bonds.

4. The authorization, execution and delivery of the District Documents and the Bonds and the performance by the District of its obligations thereunder will not conflict with or constitute a violation or breach of or default under (i) any federal or Virginia constitutional provision or any other provision of Virginia law, (ii) to the best of our knowledge, any material agreement or other

material instrument to which the District is a party or by which the District is bound, or (iii) to the best of our knowledge, any order, rule or regulation of any court or governmental agency or body having jurisdiction over the District or any of its properties.

5. Based on our familiarity with the affairs of the District, but without having undertaken to determine independently the accuracy or completeness of the statements contained in the Preliminary Official Statement as of its date, together with the final version of the Official Statement as of its date and as of the date hereof, each with respect to the Bonds, nothing has come to our attention which would lead us to believe that the information in the Preliminary Official Statement or the Official Statement (exclusive of the financial and statistical information contained therein) under the captions "PLAN OF FINANCING," "HAMPTON ROADS SANITATION DISTRICT," "THE SERVICE AREA," "THE SYSTEM (exclusive of the information under " – State Consent Agreement and EPA Consent Decree")," "FINANCIAL MANAGEMENT," and "LITIGATION" insofar as it pertains to the District or the System, contains an untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. Except as disclosed in the Preliminary Official Statement and the Official Statement, no litigation or other proceedings are pending or, to the best of our knowledge after due inquiry with respect thereto, threatened in any court or other tribunal of competent jurisdiction, state or federal, in any way (a) restraining or enjoining the issuance, sale or delivery of any of the Bonds or the collection of revenues of the System by the District, (b) questioning or affecting the validity of the Bonds, the Bond Resolution or the District Documents, (c) questioning or affecting the validity of any of the proceedings for the authorization, sale, execution, registration, issuance or delivery of the Bonds, (d) questioning or affecting the organization or existence of the District or the title to the offices of the officers thereof or (e) contesting in any material respect the completeness or accuracy of the Preliminary Official Statement or the Official Statement. The District has expressly disclosed that the District and the United States Environmental Protection Agency ("EPA") have modified the consent agreement with the Commonwealth of Virginia and the Order from EPA into a federal consent decree lodged with the Federal District Court for the Eastern District of Virginia. Such consent decree could impose penalties and other relief, as set forth in the Official Statement under "THE SYSTEM – State Consent Agreement and EPA Consent Decree." A separate opinion will be issued by AquaLaw PLC as to these matters, and we express no opinion as to these matters.

6. All authorizations, approvals, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction that are required for the due authorization of the Bond Resolution, the District Documents and the Bonds have been duly obtained, provided that no opinion is expressed with respect to the necessity of the registration of the Bonds under the "Blue Sky" or securities laws of any state, federal district, territory or possession of the United States.

7. To the best of our knowledge after due inquiry, the District is not in breach of or default under any applicable law or administrative regulation of the Commonwealth of Virginia or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the District is a party or is otherwise subject, which breach or default would materially adversely affect the District's ability to enter into or perform its obligations under the District Documents, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default

under any such instrument and which would materially adversely affect the District's ability to enter into or perform its obligations under the District Documents.

Our services as counsel to the District have been limited to rendering the foregoing opinions based on our review of such legal proceedings as we deem necessary to make the statements herein contained. Wherever in this letter an opinion is qualified by the phrase "to our knowledge" or words of like import, it shall mean that we have no actual knowledge to the contrary of the matter or matters so qualified and that no such knowledge to the contrary has come to us during the course of our representation of the District in connection with this transaction, but that we have conducted no independent investigation of such matter or matters or otherwise sought verification thereof, except as may be expressly set forth herein. We have not examined any documents or other information concerning the business or financial resources of the District, and therefore we express no opinion as to the accuracy or completeness of any information that may have been relied upon by any purchaser of the Bonds in making its decision to purchase the Bonds.

We express no opinion as to (i) the status of interest on the Bonds for federal or state income tax purposes, (ii) compliance with federal and state laws regulating securities, (iii) the perfection or priority of any liens or security interests, (iv) any matter which may be governed by the law of any jurisdictions other than the Commonwealth and the United States of America, or (v) any other matter not expressly set forth above. Finally, we do not undertake to advise you of any changes in the opinions expressed herein resulting from matters that might hereafter come or be brought to our attention.

This letter is furnished by us in our capacity as counsel for the District. No attorney-client relationship has existed or exists between our firm and the addressees hereof in connection with the Bonds, the Official Statement or by virtue of this opinion. This opinion is delivered to, and is solely for the benefit of, the addressees hereof and is not to be used, circulated, quoted or otherwise referred to or relied upon by any person other than you. This opinion may not be relied upon by the Fiscal Agent or the holders of the Bonds.

SANDS ANDERSON PC

By_____

EXHIBIT D

FORM OF OPINION OF AQUALAW PLC,
SPECIAL COUNSEL TO THE DISTRICT

_____ __, 2025

Hampton Roads Sanitation District
Virginia Beach, Virginia

_____, _____

_____
_____, _____

_____
_____, _____

$_____
HAMPTON ROADS SANITATION DISTRICT
SUBORDINATE WASTEWATER REVENUE BONDS,
SERIES 2025A

Ladies and Gentlemen:

We are writing as outside environmental counsel to the Hampton Roads Sanitation District ("HRSD") regarding statements made in the Preliminary Official Statement, dated ____ __, 2025 (the "Preliminary Official Statement"), and the Official Statement, dated ____ __, 2025 (the "Official Statement"), of HRSD concerning federal and State enforcement initiatives for HRSD's sewage collection system. These initiatives relate to the portion of HRSD's system that serves localities in the Hampton Roads, Virginia, region.

Specifically, we are writing to confirm that the statements contained in the Preliminary Official Statement and in the Official Statement under the caption "THE SYSTEM – State Consent Agreement and EPA Consent Decree" present a fair and accurate summary of the matters purported to be summarized therein. These statements do not contain an untrue statement of a material fact. Nor do they omit to state any material fact necessary in order to make such statements, in the light of the circumstances under which they were made, not misleading with respect to the Preliminary Official Statement, as of its date, and with respect to the Official Statement, as of the date of the Official Statement and as of the date hereof.

Sincerely,

AquaLaw PLC

EXHIBIT E

$_____
HAMPTON ROADS SANITATION DISTRICT
SUBORDINATE WASTEWATER REVENUE BONDS,
SERIES 2025A

ISSUE PRICE CERTIFICATE
(Hold-the-Offering-Price Rule)

The undersigned, on behalf of _____ (the "**Representative**"), and the other members of the underwriting syndicate (together, the "**Underwriting Group**"), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the "**Bonds**") of Hampton Roads Sanitation District (the "**Issuer**").

1. ***Initial Offering Price of the Hold-the-Offering-Price Maturities***.

(a) The Underwriting Group offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the "**Initial Offering Prices**") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

(b) As set forth in the Bond Purchase Agreement, dated ____ __, 2025, the members of the Underwriting Group agreed in writing on or prior to the Sale Date that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, they would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "**hold-the-offering-price rule**"), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail or other third-party distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail or other third-party distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

2. ***Defined Terms***.

(a) *Hold-the-Offering-Price Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the "**Hold-the-Offering-Price Maturities**."

(b) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which the Underwriters sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(c) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(d) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(e) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is ____ __, 2025.

(f) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail or other third-party distribution agreement participating in the initial sale of the Bonds to the Public).

[Final certificate may include standard representations regarding callable premium bonds and computations performed by the underwriter (e.g., yield and weighted average maturity) as may be required by the Issuer.]

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Representative's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate with respect to the Bonds and with respect to compliance with the federal income tax rules affecting the Bonds, and by Norton Rose Fulbright US LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds. The representations set forth herein are not necessarily based on personal knowledge, and, in certain cases, the undersigned is relying on representations made by the other members of the Underwriting Group.

_____
On behalf of the Underwriters, including itself

By: _____
Name:
Title:

Dated: ____ __, 2025

SCHEDULE A

INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES
(*Attached*)

SCHEDULE B
PRICING WIRE OR EQUIVALENT COMMUNICATION
(*Attached)*

PRELIMINARY OFFICIAL STATEMENT DATED _____ __, 2025

NEW ISSUE – BOOK-ENTRY ONLY

[Moody's "___"
S&P]: "___"
(See "RATINGS" herein)

In the opinion of Bond Counsel, under current law and assuming compliance with certain tax covenants and requirements of the Internal Revenue Code of 1986, as amended (the "Code"), as described herein, interest on the Series 2025A Bonds will not be includable in the gross income of the owners thereof for federal income tax purposes. The District's Enabling Act provides that the Series 2025A Bonds, their transfer and the income therefrom, including any profit made on the sale thereof, shall be free and exempt from taxation by the Commonwealth of Virginia and by any political subdivision thereof. See "TAX MATTERS" herein for further information.

$_____*

Hampton Roads Sanitation District, Virginia
Subordinate Wastewater Revenue Bonds, Series 2025A

Dated: Date of Issue **Due: _____ 1, 2026**

The Hampton Roads Sanitation District (the "District") is issuing the above-captioned bonds (the "Series 2025A Bonds") to provide short-term interim financing for (i) a portion of the costs of the District's Capital Improvement Program (as defined herein), and (ii) to pay certain expenses incurred in connection with the issuance of the Series 2025A Bonds by the District. See "PLAN OF FINANCING" and "SOURCES AND USES OF FUNDS" herein.

The Series 2025A Bonds are issuable as registered bonds without coupons and will be initially registered only in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), serving as securities depository for the Series 2025A Bonds. The Series 2025A Bonds will be available to purchasers in denominations of $5,000 principal amount and any whole multiple thereof only under the book-entry system maintained by DTC through brokers and dealers that are, or that act through, DTC Participants. Principal, premium, if any, and interest will be paid by ____ , as Fiscal Agent, to DTC or its nominee, which will remit the payments to the DTC Participants for subsequent disbursement. See "THE SERIES 2025A BONDS – Book-Entry Only System" herein. Interest on the Series 2025A Bonds is payable [at maturity on _____ 1, 2026].

The Series 2025A Bonds are Subordinate Obligations, within the meaning of the Trust Agreement, dated as of October 1, 2011, as amended and restated as of March 1, 2016, as amended, and as further amended and restated as of July 1, 2024, as supplemented (as so amended, restated and supplemented, the "Trust Agreement"), between the District and The Bank of New York Mellon Trust Company, N.A., as trustee (in such capacity, the "Trustee"), and are expressly subordinate and junior to the Lien on Net Revenues (each as defined in the Trust Agreement) created pursuant to the Trust Agreement in favor of Senior Obligations (as defined in the Trust Agreement) of the District. See "SECURITY AND SOURCES OF PAYMENT" herein.

The Series 2025A Bonds are not subject to redemption prior to maturity.

Because the Series 2025A Bonds provide short-term interim financing, the District contemplates (and the Commission has authorized) the principal of and the interest on the Series 2025A Bonds to be paid with one or more of the following: (i) the proceeds of bonds of the District issued as Senior Obligations under the Trust Agreement, (ii) draws on one or more of the WIFIA Bonds (as defined and described herein) previously issued by the District on a draw-down basis, (iii) the proceeds of grants received from the Commonwealth of Virginia Department of Environmental Quality or other governmental third parties, (iv) the proceeds of new short-term interim subordinate bonds of the District, and (v) other District funds that may be available for such purpose. No assurance can be given, however, as to future market conditions, the availability of grants, or the availability of District funds in amounts sufficient to pay the principal of and interest on the Series 2025A Bonds. The District has not covenanted with the owners of the Series 2025A Bonds (or otherwise) to maintain liquidity at any particular level.

THE SERIES 2025A BONDS ARE SPECIAL, SUBORDINATE OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY FROM THE NET REVENUES, ON A SUBORDINATE AND JUNIOR BASIS TO SENIOR OBLIGATIONS OF THE DISTRICT SECURED UNDER THE TRUST AGREEMENT, AND ANY OTHER FUNDS AVAILABLE FOR SUCH PURPOSE. SEE "SECURITY AND SOURCES OF PAYMENT" HEREIN. THE SERIES 2025A BONDS SHALL NOT BE DEEMED TO CONSTITUTE A DEBT, OR A PLEDGE OF THE FAITH AND CREDIT, OF THE COMMONWEALTH OF VIRGINIA OR OF ANY COUNTY, CITY, TOWN OR POLITICAL SUBDIVISION THEREOF. THE ISSUANCE OF THE SERIES 2025A BONDS SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE COMMONWEALTH OF VIRGINIA OR ANY COUNTY, CITY, TOWN OR POLITICAL SUBDIVISION THEREOF TO LEVY OR TO PLEDGE ANY FORM OF TAXATION WHATEVER THEREFOR.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to making an informed investment decision.

The Series 2025A Bonds are offered when, as and if issued, subject to the approving opinion of Norton Rose Fulbright US LLP, Washington, D.C., Bond Counsel, and to certain other conditions. Certain legal matters will be passed upon for the District by its General Counsel, Sands Anderson PC, Richmond, Virginia, and for the Underwriters by _____. The Series 2025A Bonds are expected to be available for delivery to The Depository Trust Company in New York, New York, on or about ____ __, 2025.

[Senior Manager]

[Co-manager] **[Co-manager]**

____ __, 2025

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

* Preliminary, subject to change

**$_____*
Hampton Roads Sanitation District, Virginia
Subordinate Wastewater Revenue Bonds,
Series 2025A**

**MATURITY, AMOUNT, INTEREST RATE AND PRICE
CUSIP Number: 409327 ---†**

Due ------- 1	Principal Amount	Interest Rate	Price
2026	$_____	%	

† CUSIP® is a registered trademark of the American Bankers Association. The CUSIP number listed above is provided solely for the convenience of bondholders only, and the District does not make any representation with respect to such number or undertake any responsibility for its accuracy. The CUSIP number is subject to change after the issuance of the Series 2025A Bonds as a result of various subsequent actions.

* Preliminary, subject to change

HAMPTON ROADS SANITATION DISTRICT

COMMISSIONERS

STEPHEN C. RODRIGUEZ, *Chair*

WILLIE LEVENSTON, JR. *Vice Chair*

FREDERICK N. ELOFSON, CPA
VISHNU K. LAKDAWALA, Ph.D.
ELIZABETH A. TARASKI, Ph.D.
MICHAEL E. GLENN
NANCY J. STERN
ANN W. TEMPLEMAN

STAFF

JAY A. BERNAS, P.E.
General Manager and Chief Executive Officer

STEVEN G. de MIK, CPA
Deputy General Manager and
Chief Financial Officer

EDDIE M. ABISAAB, P.E.
Chief Operating Officer

CHARLES B. BOTT, Ph.D., P.E.
Chief Technology Officer

MARY H. CORBY
Chief Information Officer

JAMIE HEISIG-MITCHELL
Chief of Water Quality

BRUCE W. HUSSELBEE, Ph.D., P.E.
Chief Engineer

BRENDA MATESIG
Acting Chief People Officer

LEILA E. RICE, APR
Chief Communications Officer

ELIZABETH I. SCOTT
Commission Secretary

COUNSEL, ADVISOR, FISCAL AGENT

SANDS ANDERSON PC
General Counsel

PFM FINANCIAL ADVISORS LLC
Financial Advisor

NORTON ROSE FULBRIGHT US LLP
Bond Counsel

AQUALAW PLC
Special Counsel

Fiscal Agent and Bond Registrar

HRSD Service Area

Facilities include the following:

1. Atlantic, Virginia Beach
2. Army Base, Norfolk
3. Virginia Initiative, Norfolk
4. Nansemond, Suffolk
5. Boat Harbor, Newport News
6. James River, Newport News
7. Williamsburg, James City County
8. York River, York County
9. West Point, King William County
10. King William, King William County
11. Central Middlesex, Middlesex County
12. Urbanna, Middlesex County
13. Onancock, Accomack County
14. Nassawadox, Northampton County

Serving the Cities of Chesapeake, Hampton, Newport News, Norfolk, Poquoson, Portsmouth, Suffolk, Virginia Beach, Williamsburg and the Counties of Accomack, Gloucester, Isle of Wight, James City, King and Queen, King William, Mathews, Middlesex, Northampton, Surry* and York

*Excluding the Town of Claremont



CERTAIN STATEMENTS INCLUDED IN THIS OFFICIAL STATEMENT CONSTITUTE "FORWARD-LOOKING STATEMENTS" WITHIN THE MEANING OF SECTION 27A OF THE SECURITIES ACT OF 1933, AS AMENDED, AND SECTION 21E OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED. SUCH STATEMENTS ARE GENERALLY IDENTIFIABLE BY TERMS SUCH AS "PLAN," "PROJECT," "EXPECT," "ANTICIPATE," "INTEND," "BELIEVE," "ESTIMATE," "BUDGET" OR OTHER SIMILAR WORDS. THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVES KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS THAT MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY RESULTS, PERFORMANCES OR ACHIEVEMENTS EXPRESS OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. EXCEPT AS SPECIFICALLY SET FORTH HEREIN, THE DISTRICT DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS DUE TO CHANGES IN ITS EXPECTATIONS OR SUBSEQUENT EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED.

This Official Statement speaks as of its date except where specifically noted otherwise and is subject to change without notice. Neither the delivery of this Official Statement, nor any sale made hereunder, nor any filing of this Official Statement shall under any circumstances create an implication that there has been no change in the affairs of the District since the date of this Official Statement or imply that any information herein is accurate or complete as of any later date.

The Series 2025A Bonds are exempt from registration under the Securities Act of 1933, as amended. As obligations of a political subdivision of the Commonwealth of Virginia, the Series 2025A Bonds are also exempt from registration under the securities laws of Virginia.

No dealer, salesman or any other person has been authorized to give any information or to make any representation, other than the information and representations contained herein, in connection with the offering of the Series 2025A Bonds, and, if given or made, such information or representations must not be relied upon. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy any of the Series 2025A Bonds in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibility to investors under the federal securities laws as applied to the facts and circumstances of the transactions contemplated by this Official Statement, but the Underwriters do not guarantee the accuracy or completeness of such information.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information and links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined in, Securities and Exchange Commission Rule 15c2-12.

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Appendix A – Annual Comprehensive Financial Report for the Fiscal Year ended June 30, 2024, including as a part thereof, the Basic Financial Statements and Related Auditor's Report for the Fiscal Year ended June 30, 2024, as rendered by Cherry Bekaert LLP
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Appendix D – The Depository Trust Company

Official Statement

Hampton Roads Sanitation District, Virginia

Relating to its
$_____*
Subordinate Wastewater Revenue Bonds,
Series 2025A

INTRODUCTION

This Official Statement, which includes the cover and inside cover pages hereof, the map and the appendices hereto, sets forth information concerning the Hampton Roads Sanitation District (the "District" or "HRSD") and the District's $_____* aggregate principal amount of Subordinate Wastewater Revenue Bonds, Series 2025A (the "Series 2025A Bonds").

The Series 2025A Bonds are being issued in accordance with the provisions of Chapter 66 of the Acts of Assembly of Virginia of 1960, as amended (the "Enabling Act"). On May 27, 2025, the Hampton Roads Sanitation District Commission (the "Commission"), the governing body of the District, adopted a resolution (the "Bond Resolution") authorizing the issuance of the Series 2025A Bonds.

The District is issuing the Series 2025A Bonds provide short-term interim financing for (i) a portion of the costs of the District's Capital Improvement Program (as amended from time to time, the "Capital Improvement Program" or "CIP") and (ii) certain expenses incurred in connection with the issuance of the Series 2025A Bonds by the District. See "PLAN OF FINANCING" and "SOURCES AND USES OF FUNDS" herein.

The Series 2025A Bonds are issued as Subordinate Obligations, within the meaning of the Trust Agreement, dated as of October 1, 2011, as amended and restated as of March 1, 2016, as amended, and as further amended and restated as of July 1, 2024, as supplemented (as so amended, restated and supplemented, the "Trust Agreement"), between the District and The Bank of New York Mellon Trust Company, N.A., as trustee (in such capacity, the "Trustee"), and are expressly subordinate and junior to the lien on Net Revenues (as defined in the Trust Agreement and described herein) created pursuant to the Trust Agreement in favor of Senior Obligations (as defined in the Trust Agreement) of the District. See "SECURITY AND SOURCES OF PAYMENT" herein.

THE SERIES 2025A BONDS ARE SPECIAL, SUBORDINATE OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY FROM THE NET REVENUES, ON A SUBORDINATE AND JUNIOR BASIS TO SENIOR OBLIGATIONS OF THE DISTRICT SECURED UNDER THE TRUST AGREEMENT, AND ANY OTHER FUNDS AVAILABLE FOR SUCH PURPOSE. SEE "SECURITY AND SOURCES OF PAYMENT" HEREIN. THE SERIES 2025A BONDS SHALL NOT BE DEEMED TO CONSTITUTE A DEBT, OR A PLEDGE OF THE FAITH AND CREDIT, OF THE COMMONWEALTH OF VIRGINIA OR OF ANY COUNTY, CITY, TOWN OR POLITICAL SUBDIVISION THEREOF. THE ISSUANCE OF THE SERIES 2025A BONDS SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE COMMONWEALTH OF

* Preliminary, subject to change

VIRGINIA OR ANY COUNTY, CITY, TOWN OR POLITICAL SUBDIVISION THEREOF TO LEVY OR TO PLEDGE ANY FORM OF TAXATION WHATEVER THEREFOR.

This Official Statement contains a brief description of the Series 2025A Bonds and the District, including its service area, governance and information regarding its operations and finances.

Appendix A contains the District's Annual Comprehensive Financial Report for the Fiscal Year ended June 30, 2024, and includes additional information regarding the District's operations and financial condition.

PLAN OF FINANCING

Series 2025A Bonds

Proceeds of the Series 2025A Bonds will be applied to provide short-term interim financing for (i) a portion of the costs of the District's Capital Improvement Program, and (ii) certain expenses incurred in connection with the issuance of the Series 2025A Bonds by the District. See "THE SYSTEM – Capital Improvement Program."

Although the Commission has authorized multiple sources to repay the Series 2025A Bonds (see "– Future Financings" below), the District's current plan is to repay the Series 2025A Bonds with proceeds of the 2024 WIFIA Bond (as defined and described herein under "SECURITY AND SOURCES OF PAYMENT – Outstanding Senior Obligations – *WIFIA Bonds*"). The 2024 WIFIA Bond is authorized to fund the same projects that the District anticipates funding with proceeds of the Series 2025A Bonds. To date, the District has no outstanding draws on the 2024 WIFIA Bond. The 2024 WIFIA Bond has an interest rate of 4.15%. Based on current market conditions, the District anticipates that using the Series 2025A Bonds as short-term interim financing will generate debt service savings relative to drawing on the 2024 WIFIA Bond during construction.

As described under "THE SYSTEM – System Improvements and Innovation," the District has developed an innovative managed aquifer recharge program called the Sustainable Water Initiative for Tomorrow ("SWIFT"). The District anticipates that all or a significant portion of the proceeds of the Series 2025A Bonds will be used to provide short-term interim financing for a portion of the SWIFT construction at the District's Boat Harbor and Nansemond Treatment Plants. The District believes that SWIFT has multiple environmental benefits, including addressing the challenges of declining aquifer levels, land subsidence and saltwater intrusion, and providing regional nutrient credits for urban stormwater and other needs.

Future Financings

The District anticipates that it will finance a portion of its Capital Improvement Program through the issuance of additional Senior Obligations and Subordinate Obligations. See "SECURITY AND SOURCES OF PAYMENT – Outstanding Senior Obligations" and " – Additional Senior Obligations; Additional Subordinate Obligations." Any acceleration of the Capital Improvement Program could result in an acceleration of the timing and, potentially, an increase in the size of any issuance of indebtedness by the District.

The District has entered into a Second Amended and Restated Credit Agreement, dated as of June 30, 2022, with Bank of America, N.A., as further amended and supplemented (as so amended and supplemented, the "Credit Agreement"), pursuant to which the bank provided a revolving line of credit in the aggregate principal amount of up to $300,000,000 (the "Line of Credit"). The most recent amendment

to the Credit Agreement has extended its termination date to June 30, 2026. The Line of Credit constitutes a Subordinate Obligation under the Trust Agreement and is secured on a junior and subordinate basis from the lien on Net Revenues securing Senior Obligations. As of July __, 2025, the aggregate outstanding principal amount on the Line of Credit is $[_____].

Because the Series 2025A Bonds provide short-term interim financing, the District contemplates (and the Commission has authorized) the principal of and the interest on the Series 2025A Bonds to be paid with one or more of the following: (i) the proceeds of bonds of the District issued as Senior Obligations under the Trust Agreement, (ii) draws on one or more of the WIFIA Bonds (as defined and described herein) previously issued by the District on a draw-down basis, (iii) the proceeds of grants received from the Commonwealth of Virginia Department of Environmental Quality or other governmental third parties, (iv) the proceeds of new short-term interim subordinate bonds of the District, and (v) other District funds that may be available for such purpose. No assurance can be given, however, as to future market conditions, the availability of grants, or the availability of District funds in amounts sufficient to pay the principal of and interest on the Series 2025A Bonds. The District has not covenanted with the owners of the Series 2025A Bonds (or otherwise) to maintain liquidity at any particular level.

SOURCES AND USES OF FUNDS

The estimated sources and uses of funds in connection with the issuance of the Series 2025A Bonds are set out in the table below.

Sources

Principal Amount of Series 2025A Bonds	$
Total Sources of Funds	$

Uses

Capital Improvement Program Costs	$
Underwriters' Discount	
Costs of Issuance	
Total Uses of Funds	$

THE SERIES 2025A BONDS

Description

The Series 2025A Bonds will be dated, bear interest and mature as set forth on the cover and inside cover page of this Official Statement. Interest on the Series 2025A Bonds will be calculated on the basis of a 360-day year of twelve 30-day months. The Series 2025A Bonds are issuable as registered bonds without coupons in the denomination of $5,000 or any whole multiple thereof, as provided in the Trust Agreement. Interest on the Series 2025A Bonds will be payable at maturity on _____ 1, 2026.

Book-Entry Only System

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Series 2025A Bonds. The Series 2025A Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for the Series 2025A

Bonds and will be deposited with DTC. Additional information respecting DTC and its book entry system is contained in Appendix D.

The information in this section and in Appendix D concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

DTC may discontinue providing its services as depository with respect to the Series 2025A Bonds at any time by giving reasonable notice to the District. Under such circumstances, if a successor depository is not obtained, certificates for the Series 2025A Bonds are required to be printed and delivered to the beneficial owners of the Series 2025A Bonds.

The District may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, certificates for the Series 2025A Bonds will be printed and delivered to the beneficial owners of the Series 2025A Bonds.

Series 2025A Bonds Not Subject to Redemption

The Series 2025A Bonds are not subject to redemption prior to maturity.

SECURITY AND SOURCES OF PAYMENT

THE SERIES 2025A BONDS ARE SPECIAL, SUBORDINATE OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY FROM THE NET REVENUES, ON A SUBORDINATE AND JUNIOR BASIS TO SENIOR OBLIGATIONS OF THE DISTRICT SECURED UNDER THE TRUST AGREEMENT, AND ANY OTHER FUNDS AVAILABLE FOR SUCH PURPOSE. THE SERIES 2025A BONDS SHALL NOT BE DEEMED TO CONSTITUTE A DEBT, OR A PLEDGE OF THE FAITH AND CREDIT, OF THE COMMONWEALTH OF VIRGINIA OR OF ANY COUNTY, CITY, TOWN OR POLITICAL SUBDIVISION THEREOF. THE ISSUANCE OF THE SERIES 2025A BONDS SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE COMMONWEALTH OF VIRGINIA OR ANY COUNTY, CITY, TOWN OR POLITICAL SUBDIVISION THEREOF TO LEVY OR TO PLEDGE ANY FORM OF TAXATION WHATEVER THEREFOR.

General; Subordination to Senior Obligations

The Series 2025A Bonds are Subordinate Obligations, within the meaning of the Trust Agreement. The District's Net Revenues (as defined in the Trust Agreement) are pledged to secure the payment of the principal of and interest on the Bonds. The Bonds and such pledge of Net Revenues shall be expressly subordinate and junior to the Lien (as defined in the Trust Agreement) on Net Revenues created pursuant to the Trust Agreement in favor of Senior Obligations (as defined in the Trust Agreement) of the District, to the extent and in the manner described below.

Under the Trust Agreement, in the event (a) of any insolvency or bankruptcy proceedings, and any receivership, liquidation, reorganization, arrangement or other similar proceedings in connection therewith, relative to the District or to its property, or in the event of any proceedings for voluntary liquidation, dissolution or other winding-up of the District whether or not involving insolvency or bankruptcy, (b) any Subordinate Obligation is declared or otherwise becomes due and payable before its expressed maturity because of the occurrence of an event of default occurring under the documents pursuant to which such Subordinate Obligation is issued, and such declaration has not been rescinded and annulled, or (c) any event of default under the Trust Agreement shall occur and be continuing with respect to any Senior Obligation

and (1) written notice of such default shall have been given to the District and (2) judicial proceedings shall be commenced in respect of such event of default within 180 days in the case of a default in payment of principal or interest on Senior Obligations and within 90 days in the case of any other default after the giving of such notice, then the Holders of Senior Obligations shall be entitled to receive payment in full of all principal, premium and interest on all Senior Obligations before the Holders of the Subordinate Obligations are entitled to receive any payment on account of principal or interest upon the Subordinate Obligations.

Authorized Sources of Repayment for Series 2025A Bonds

Because the Series 2025A Bonds provide short-term interim financing, the District contemplates (and the Commission has authorized) the principal of and the interest on the Series 2025A Bonds to be paid with one or more of the following: (i) the proceeds of bonds of the District issued as Senior Obligations under the Trust Agreement, (ii) draws on one or more of the WIFIA Bonds (as defined and described herein) previously issued by the District on a draw-down basis, (iii) the proceeds of grants received from the Commonwealth of Virginia Department of Environmental Quality or other governmental third parties, (iv) the proceeds of new short-term interim subordinate bonds of the District, and (v) other District funds that may be available for such purpose.

The District's current plan is to repay the Series 2025A Bonds with draws on the 2024 WIFIA Bond, as described below under " – Outstanding Senior Obligations –*WIFIA Bonds.*" No assurance can be given, however, as to future market conditions, the availability of grants, or the availability of District funds in amounts sufficient to pay the principal of and interest on the Series 2025A Bonds. The District has not covenanted with owners of the Series 2025A Bonds (or otherwise) to maintain liquidity at any particular level.

No Financial Covenants for Series 2025A Bonds; No Rights Under Trust Agreement

The owners of the Series 2025A Bonds do not benefit from any financial or operating covenants of the District.

In addition, the Trust Agreement states that it does not confer upon any person, firm or corporation, other than the Trustee, the Bond Registrar for the Senior Bonds (as defined below), the District and the owners of the Senior Obligations, any right, remedy or claim, legal or equitable, under or by reason of the Trust Agreement or any provision being intended to be for the sole and exclusive benefit of the Trustee, the District, the Bond Registrar for the Senior Bonds and the owners of the Senior Obligations.

Outstanding Senior Obligations

Under the Trust Agreement, the Series 2025A Bonds are expressly subordinate and junior to the Lien on Net Revenues (each as defined in the Trust Agreement) created pursuant to the Trust Agreement in favor of Senior Obligations (as defined in the Trust Agreement) of the District.

Set out below is a description of the Senior Obligations outstanding as of July __, 2025. The bonds of the District described under the sub-captions "– *Publicly Held Bonds"* and *"– WIFIA Bonds"* below are referred to collectively herein as "Senior Bonds."

Publicly Held Bonds. As of July __, 2025, the District has outstanding [seven] series of publicly held Bonds constituting Senior Obligations under the Trust Agreement, including its Wastewater Revenue Bonds, Series 2016A (the "Series 2016A Bonds"), of which $_____ principal amount is outstanding, its variable rate Wastewater Revenue Bonds, Series 2016B (the "Series 2016B Bonds," and together with the

Series 2016A Bonds, the "Series 2016 Bonds"), of which $_____ principal amount is outstanding, its Wastewater Revenue Bonds, Refunding Series 2017A (the "Series 2017 Bonds"), of which $_____ principal amount is outstanding, its Wastewater Revenue Bonds, Series 2018A (the "Series 2018 Bonds"), of which $_____ principal amount is outstanding, its Wastewater Revenue Bonds, Refunding Series 2019A (Federally Taxable) (the "Series 2019 Bonds"), of which $_____ principal amount is outstanding, its Wastewater Revenue Bonds, Refunding Series 2024A (the "Series 2024A Bonds"), of which $_____ principal amount is outstanding, and its Wastewater Revenue Bonds, Series 2024B (the "Series 2024B Bonds"), of which $_____ principal amount is outstanding.

WIFIA Bonds. The District issued its Wastewater Revenue Bond, Series 2020 (Federally Taxable) (the "2020 WIFIA Bond"), its Wastewater Revenue Bond, Series 2021 (Federally Taxable) (the "2021 WIFIA Bond"), and its Wastewater Revenue Bond, Series 2024C (Federally Taxable) (the "2024 WIFIA Bond") to the United States Environmental Protection Agency (the "WIFIA Lender") in accordance with the Water Infrastructure Finance and Innovation Act of 2014, as amended, and pursuant to the terms of the WIFIA Master Agreement, dated as of September 28, 2020 (the "WIFIA Master Agreement"), and the separate WIFIA Loan Agreements with respect to each such Bond (the "WIFIA Loan Agreements"), each by and between the WIFIA Lender and the District. Proceeds of the 2020 WIFIA Bond will be used to finance the District's SWIFT – Tranche 1 Project, proceeds of the 2021 WIFIA Bond will be used to finance the District's SWIFT – Tranche 2 Project, and proceeds of the 2024 WIFIA Bond will be used to finance the District's SWIFT – Tranche 3 Project.

The 2020 WIFIA Bond, the 2021 WIFIA Bond, and the 2024 WIFIA Bond are secured as Senior Obligations under the Trust Agreement and are referred to herein, collectively with any other Senior Obligations issued to the WIFIA Lender under the WIFIA Master Agreement, as "WIFIA Bonds."

The 2020 WIFIA Bond is in the principal amount of up to $225,865,648, bearing interest on the amount drawn under the related WIFIA Loan Agreement. The final maturity date of the 2020 WIFIA Bond is the earlier of (a) April 1, 2060, and (b) the principal payment date thereon immediately preceding the date that is 35 years following the Substantial Completion Date, as defined in the WIFIA Master Agreement.

The 2021 WIFIA Bond is in the principal amount of up to $476,581,587, plus interest that may be capitalized in accordance with the related WIFIA Loan Agreement and added to the principal amount of the 2021 WIFIA Bond, subject to a maximum accreted amount of $528,581,587. The final maturity date of the 2021 WIFIA Bond is the earlier of (a) June 1, 2060, and (b) the principal payment date thereon immediately preceding the date that is 35 years following the Substantial Completion Date, as defined in the WIFIA Master Agreement.

The 2024 WIFIA Bond is in the principal amount of up to $268,087,870, bearing interest on the amount drawn under the related WIFIA Loan Agreement. The final maturity date of the 2024 WIFIA Bond is the earlier of (a) January 1, 2059, and (b) the principal payment date thereon immediately preceding the date that is 35 years following the Substantial Completion Date, as defined in the WIFIA Master Agreement.

As of July __, 2025, (i) the outstanding principal amount of the 2020 WIFIA Bond was $_____, with an undrawn principal amount of $_____, (ii) the outstanding principal amount of the 2021 WIFIA Bond was $_____, with an undrawn principal amount of $_____, including potentially capitalizable interest, and (iii) the outstanding principal amount of the 2024 WIFIA Bond was $_____, with an undrawn principal amount of $_____.

VRA Revolving Loan Fund Indebtedness. Since 1993 the District has borrowed over $453 million from the Virginia Clean Water Revolving Loan Fund administered by the Virginia Resources Authority and issued, in evidence of its obligations to repay such loans, 25 issues of bonds that are outstanding Senior

Indebtedness and recognized as such under the Trust Agreement (the "VRA Obligations" and collectively, with the Series 2016 Bonds, the Series 2017 Bonds, the Series 2018 Bonds, the Series 2019 Bonds, the Series 2024A Bonds, the Series 2024B Bonds, the WIFIA Bonds, and other Senior Bonds or additional VRA Obligations issued from time to time under the provisions of the Trust Agreement, the "Senior Obligations"). As of July _, 2025, the outstanding drawn amount of the VRA Obligations was $___ million, with an undrawn authorized amount of $__ million.

Generally, after an initial period where no interest accrues on such VRA Obligations, interest accrues on the disbursed principal of the outstanding VRA Obligations at interest rates ranging from 1.0% to 2.85% per annum, and principal and interest are payable in installments over the terms of the VRA Obligations. The VRA Obligations have been issued for various improvements and upgrades at several of the District's treatment plants. The Senior Bonds are on parity under the Trust Agreement with the Outstanding VRA Obligations as to their lien on the Net Revenues of the District.

Additional Senior Obligations; Additional Subordinate Obligations

Under the Trust Agreement, the District may issue additional Senior Obligations, including additional Senior Bonds and VRA Obligations, for the District's Capital Improvement Program or to refund outstanding Senior Obligations subject to the District's demonstrating its compliance with the conditions for the incurrence thereof under the Trust Agreement or qualifying for an exception thereto. The District anticipates that it will finance a portion of its Capital Improvement Program with future issues of additional Senior Obligations.

The District may also issue additional Subordinate Obligations (on a parity with the Series 2025A Bonds) without limitation.

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DEBT SERVICE REQUIREMENTS FOR SENIOR OBLIGATIONS

Fiscal Year Ending June 30	Outstanding Senior Obligation Debt Service[1,2]
2026	$
2027	
2028	
2029	
2030	
2031	
2032	
2033	
2034	
2035	
2036	
2037	
2038	
2039	
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2049	
2050	
2051	
2052	
2053	
2054	
2055	
2056	
2057	
2058	
2059	
2060	
TOTAL[3]	$

(1) Total Principal and Interest payments on the District's Senior Obligations as of July __, 2025. Assumes the District makes the maximum allowable draws on the WIFIA Bonds and the VRA Obligations, including the portions of such loans that are undrawn as of the date of this Official Statement. Includes assumed debt service on the 2024 WIFIA Bond, which the District anticipates using to repay the Series 2025A Bonds. See " – Outstanding Senior Obligations – *WIFIA Bonds*" and " – *VRA Revolving Loan Fund Indebtedness*" above.

(2) The Series 2016B Bonds, which constitute Variable Rate Indebtedness, are assumed to bear interest at the rate of [3.06]% per annum, which is 120% of the average rate on the Series 2016B Bonds during the [first] quarter of 2025. No assurance can be given, however, that the rates on the Series 2016B Bonds will not be higher than assumed above.

(3 Totals may not add to totals due to rounding. Debt service is shown in the fiscal year in which the same comes due.

HAMPTON ROADS SANITATION DISTRICT

Authorization and Purpose

Creation of the District was approved in a 1940 public referendum authorized by the Virginia General Assembly. A political subdivision of the Commonwealth of Virginia (the "Commonwealth"), the District was established as a governmental instrumentality to provide for the public health and welfare. Chapter 66, Acts of the Assembly of 1960, validated and confirmed prior legislation creating the District and repealed earlier acts of the Virginia General Assembly enacted with respect to the District.

The District was created for the specific purpose of abating pollution in the Hampton Roads area of Virginia through the interception of existing wastewater outfalls, the construction of wastewater treatment facilities and the installation of interceptors throughout the service area. The District does not provide water, solid waste disposal or storm water mitigation. The cities, counties and military establishments the District serves provide those services. With the exception of the Counties of Accomack, King William, King and Queen, Middlesex, Mathews, Northampton, and Surry, excluding the Town of Claremont, the collection system, consisting of lateral sewers and sub trunk facilities that carry wastewater from industries, homes, apartments and businesses to the District's interceptor system, are the responsibility of the various cities, counties and military establishments within the District.

The District is a separate legal entity from the various cities, towns, counties and military establishments within the District. See " – The Commission" below.

History

The District traces its origins to 1925, when the Virginia Department of Health condemned a large oyster producing area in Hampton Roads. The closure resulted in the Virginia General Assembly creating in 1927 a "Commission to Investigate and Survey the Seafood Industry of Virginia." Subsequent studies recommended a public body to construct and operate a sewage system in the area.

In 1934, the Virginia General Assembly created the Hampton Roads Sanitation Disposal Commission with instructions to plan the elimination of pollution in Hampton Roads. Recommendations were made to the General Assembly which resulted in the Sanitary Districts Law of 1938, along with "An Act to provide for and create the Hampton Roads Sanitation District." In a referendum held on November 5, 1940, a majority of the voters approved the creation of the District.

The District's first construction project, the Warwick County Trunk Sewer, began on June 26, 1946. The District commenced operations on July 1, 1946, using facilities acquired from the United States Government. The District's first treatment plant, the Army Base Plant, commenced operations on October 14, 1947. Since that time, the facilities of the District have been expanded to provide wastewater treatment service to all major population centers within its boundaries.

The Commission

The District operates under the direction of its governing body, the Hampton Roads Sanitation District Commission (the "Commission"), comprised of eight members appointed by the Governor for staggered terms of four years. Members of the Commission may be reappointed without limitation and may be suspended or removed by the Governor at his pleasure. The Commission annually elects one of its members as Chair and another as Vice Chair. Under the Enabling Act, the eight members of the Commission must be residents of the cities and counties of the District as follows: one member from the City of Norfolk; one from the City of Virginia Beach; one from the City of Newport News, the City of

Williamsburg or James City County; one from the City of Hampton or the City of Poquoson or York County; one from the City of Chesapeake; one from the City of Suffolk, Isle of Wight County or Surry County; one from Accomack County, Northampton County, Gloucester County, King William County, Mathews County, Middlesex County, or King and Queen County; and one from the City of Portsmouth.

The Commission is empowered, among other things, to (1) construct and improve, extend, enlarge, reconstruct, maintain, equip, repair and operate a wastewater system or systems, either within or without or partly within and partly without the corporate limits of the District, and to construct wastewater improvements within the corporate limits of the District, (2) issue the District's bonds, payable solely from revenues, to pay all or part of the cost of a wastewater system, (3) fix, revise, charge and collect rates, fees and charges for the use of and for the services of any system operated by the District, (4) enter into contracts with any unit, including counties, cities and other authorities, relating to the furnishing of services of the District, and (5) acquire real or personal property necessary in connection with wastewater systems or wastewater improvements.

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The current members of the Commission and their biographies are set forth below.

Commissioners	**Residence**	**Occupation**	**Term Expires June 7,**
Stephen C. Rodriguez, *Chair*	Chesapeake	Inspector, VDOT Construction Division	2028
Willie Levenston, Jr., *Vice Chair*	Portsmouth	Retired Supervisor Electronics Engineer, Norfolk Naval Shipyard	2027
Frederick N. Elofson, CPA,	Newport News	Retired Certified Public Accountant and Personal Financial Specialist, Dixon Hughes Goodman LLP	2026
Michael E. Glenn	Norfolk	President, Luna Development Services, LLC	2027
Vishnu K. Lakdawala, Ph.D.	Virginia Beach	Associate Professor, Electrical and Computer Engineering, Old Dominion University	2026
Nancy J. Stern	Belle Haven	Retired Chief Executive Officer, Eastern Shore Rural Health System	[2025]
Elizabeth A. Taraski, Ph.D.	Suffolk	Retired President/CEO, Nansemond River Preservation Alliance	[2025]
Ann W. Templeman	Hampton	Senior Business Support Analyst, Virginia Natural Gas	2028

Stephen C. Rodriguez, *Chair*. Mr. Rodriguez, a member of the Commission since October 5, 2012, is the retired owner and president of Cruco Inc., which provided construction services in Hampton Roads. He currently works in the Construction Division for the Virginia Department of Transportation (VDOT). Mr. Rodriguez previously served as chair of the Foundation for Virginia Natural Resources, chair of the OBX Hospital Board, and past president of the Deep Creek Ruritan Club. He has also served on the Chesapeake School Board, the Chesapeake Hospital Authority, the Chesapeake Economic Development Authority, and the board of directors of Opportunity, Inc. He is an alumnus of Old Dominion University and holds a bachelor's degree in civil engineering technology and a certificate in civic leadership. Mr. Rodriguez resides in the City of Chesapeake.

Willie Levenston, Jr., *Vice Chair*. Mr. Levenston, a member of the Commission since September 9, 2014, earned his Bachelor of Science in Engineering from Southern University in Baton Rouge, Louisiana. He retired from the Norfolk Naval Shipyard in 2008 after more than 40 years of service. In his capacity as Supervisor Electronics Engineer, Mr. Levenston was responsible for Surface Ship Exterior

Radio Communications, Secure/Communication Information Processing, Naval Tactical Data Systems, Search Radar, Electronics Countermeasure/Navigational Aids, and the Submarine Communication sections. Mr. Levenston resides in the City of Portsmouth.

Frederick N. Elofson, CPA, *Commissioner*. Mr. Elofson, a member of the Commission since July 1, 2006, is a Certified Public Accountant and retired senior partner in Dixon Hughes Goodman LLP, in Newport News. He earned a bachelor's degree in accounting from West Virginia University and has nearly 40 years of accounting experience. A former chair of the board and treasurer of the Peninsula Chamber of Commerce, Mr. Elofson remains active in numerous professional and civic organizations. He is a past treasurer and board member of the Schooner Virginia Project, a past president of the Peninsula Estate Planning Council, treasurer and Sunday School teacher at First Baptist Church Newport News, member of the Committee on Investments for the City of Newport News Retirement Fund and has been honored as a Chamber of Commerce Volunteer of the Year. Mr. Elofson resides in the City of Newport News.

Michael E. Glenn, *Commissioner*. Mr. Glenn, a member of the Commission since May 13, 2008, is president of Luna Development Services, LLC. The firm, which offers full-service general contracting and real estate development services, is a Certified Virginia Minority Business Enterprise. Before founding his firm in 2004, Mr. Glenn was Director of Operations, Real Estate Services and Contracts for Troutman Sanders, LLP. He also has served as a development executive for Armada Hoffler Development and as a Wachovia Bank vice president. Mr. Glenn received a bachelor's degree in psychology, with a minor in biology, from Old Dominion University. Mr. Glenn resides in the City of Norfolk.

Vishnu K. Lakdawala, Ph.D., *Commissioner*. Dr. Lakdawala, a member of the Commission since June 8, 2002, obtained his undergraduate degree in electrical engineering from Bangalore University in India in 1972 and his Master of Engineering in High Voltage Engineering from Indian Institute of Science in 1974. He worked as Research and Development Engineer in Jyoti Limited for three years in the high voltage instrument transformers division. He received his Ph.D. in electrical engineering from the University of Liverpool in 1980. After serving as senior research associate in the Department of Electrical Engineering and Electronics in the University of Liverpool for a year, he joined Oak Ridge National Laboratory, Oak Ridge, Tennessee, where he conducted research for a year. He joined the faculty of Old Dominion University in 1983 as Assistant Professor in the Department of Electrical and Computer Engineering. He is currently the Chief Departmental Advisor and Associate Professor of Electrical and Computer Engineering. Dr. Lakdawala has served as the president and chairman of the Board of Trustees of the Hindu Temple of Hampton Roads. Dr. Lakdawala received the National Association of Clean Water Agencies ("NACWA") 2019 National Environmental Achievement Award for Local Public Service, honoring his transformative leadership, technical understanding, focus on community engagement, and deep commitment to the environment as an HRSD Commissioner. Dr. Lakdawala resides in the City of Virginia Beach.

Nancy J. Stern, *Commissioner*. Ms. Stern, a member of the Commission since August 6, 2021, served the Eastern Shore Rural Health System, Inc. for over 30 years in various positions, recently retiring as Chief Executive Officer. Her prior roles there include Chief Operating Officer, Director of Human Resources and Director of Health Education. She served on Governor Bob McDonnell's Task Force and ConnectVA Governing Board, and on Governor Tim Kaine's Health Reform Commission. Ms. Stern also served on the board of the Virginia Primary Care/Virginia Community Healthcare Association for 18 years with three of those years as Board President. She earned a Bachelor of Science from West Chester University and earned Certification in Health Care Management/Administration from Old Dominion University. Ms. Stern resides in Belle Haven, Virginia.

Elizabeth A. Taraski, Ph.D., *Commissioner*. Dr. Taraski, a member of the Commission since June 8, 2017, Dr. Taraski retired in 2023 after serving 12 years as President/CEO of the Nansemond River

Preservation Alliance in Suffolk, Virginia. Previously she served in senior fundraising management positions at Old Dominion University and the University of Richmond. Before moving to Virginia in 1998, Dr. Taraski served as the Director, Administration and Industrial Relations, Multi-lifecycle Engineering Research Center, New Jersey Institute of Technology. Dr. Taraski currently serves as the Community Chair, Former Nansemond Ordnance Depot (FNOD) Restoration Advisory Board. Dr. Taraski has been a member of the Suffolk Rotary since 2016 and served as the Club's President in 2023. Other community activities include the Southeastern Virginia Community Foundation Scholarship Committee and Suffolk Business Women's Club. Dr. Taraski holds a Ph.D. from Seton Hall University; a Master of Science degree from New York University and a Master of Education degree from Rutgers University and completed her doctoral internship at the Alfred P. Sloan Foundation, NYC. Dr. Taraski resides in the City of Suffolk.

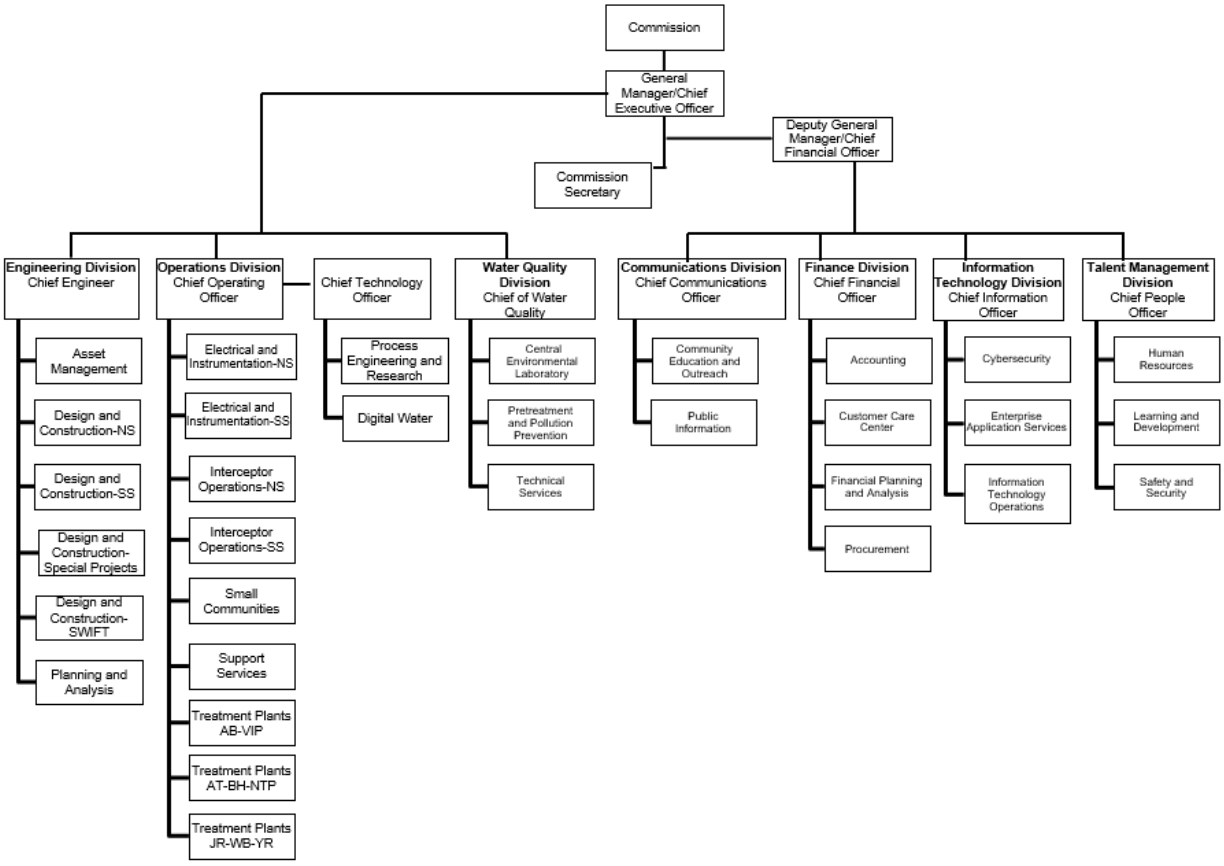
Ann W. Templeman, *Commissioner*. Ms. Templeman, a member of the Commission since December 3, 2021, is a Senior Business Support Analyst for Virginia Natural Gas with more than 30 years of experience in a variety of areas critical to effective utility management. She earned a Masters of Business Administration from Old Dominion University and a Bachelor of Science in Business Management from Virginia Tech. Ms. Templeman previously served on the HRSD Commission from January 27, 2017, until May 1, 2019. Ms. Templeman resides in the City of Hampton.

Management and Staff

The District is managed through seven divisions, which are organized into functional departments with their principal responsibilities summarized after the District's organizational chart set out on the following page.

[Remainder of page intentionally left blank.]

HRSD Organizational Chart



Communication

- Community Relations: Develops and provides community outreach and engagement around HRSD construction, infrastructure development and new initiatives.
- Community Education: Develops and provides educational materials, presentations, facility tours and outreach related to HRSD's services, mission and vision.

[Remainder of page intentionally left blank.]

Engineering

- Design & Construction: Delivers capital projects in a manner consistent with HRSD's quality standards.
- Planning & Analysis: Manages numerous diverse functions including Hydraulic Modeling, Geographic Information System (GIS), Data Analysis and Records Management System and plans the capital infrastructure required to meet the region's future wastewater needs.
- Asset Management: Responsible for the Computerized Maintenance Management System (CMMS), Condition Assessment, and Emergency Management procedures to extend the life of assets at the lowest life cycle cost.

Finance

- Accounting: Handles fiscal affairs such as preparing financial statements, budgets, management reports and payroll.
- Procurement: Responsible for purchasing, renting, leasing or otherwise acquiring goods, professional and non-professional services, and certain construction services, managing supplier relationships and disposing of surplus property.
- Customer Care Center: Handles billing, payments, collections, maintenance of customer accounts and liaison with HRSD's customers.
- Financial Planning and Analysis: Responsible for planning and financing the Capital Improvement Program (CIP), debt management and grants compliance and is the functional lead for the Enterprise Resource Process system.

Information Technology

- Enterprise Data Services: Responsible for application integration and support, data management and systems analysis and support.
- Cybersecurity: Responsible for ensuring the confidentiality, integrity and availability of all HRSD infrastructure, information systems and business data from malicious threats.
- Information Technology Operations: Supports departments in achieving their goals and objectives, providing the requisite hardware, software, storage and network connectivity to meet business and operational requirements.

Operations

- Electrical and Energy Management: Researches innovative, cost-effective ways of managing HRSD's energy consumption more effectively.
- Interceptor Operations North Shore: Operates and maintains miles of interceptor pipelines and pump stations ensuring wastewater is conveyed to each treatment plant in the Cities of Hampton, Newport News, Poquoson and Williamsburg, the Counties of Gloucester, James City and York.
- Interceptor Operations South Shore: Operates and maintains miles of interceptor pipelines and pump stations ensuring wastewater is conveyed to each treatment plant in the Cities of Chesapeake, Norfolk, Portsmouth, Suffolk and Virginia Beach and the County of Isle of Wight.
- Small Communities: Operates and maintains the treatment plants and associated sewer collection systems in the Counties of the Middle Peninsula and the Town of West Point, the County of Surry, and Towns of Nassawadox and Onancock on the Eastern Shore.
- Support Systems: Responsible for the maintenance of the HRSD fleet, all buildings, operation of two carpentry shops, a full-service machine shop and managing an infrastructure assessment team.
- Treatment: Operates and maintains the Army Base, Atlantic, Virginia Initiative, Boat Harbor, James River, Nansemond, Williamsburg and York River treatment plants.
- Technology: Researches new technologies with a focus on rapid deployment of innovative solutions and water quality.

Talent Management

• Human Resources (HR):	Responsible for recruitment and outreach, new employee onboarding, benefits administration, compensation and classification, employee relations, HRSD's wellness program, workers' compensation, employee records, retirement, and HR policies.
• Organizational Development and Training:	Oversees HRSD's Apprenticeship Program and is dedicated to developing and supporting HRSD's strategic plan and key initiatives to promote training, and education.
• Safety and Security:	Responsible for Occupational Safety & Health Compliance, safety programs, employee safety training, safety records, industrial hygiene monitoring, occupational health screening, safety audits, accident investigations, compliance reporting, and risk management support.

Water Quality

• Central Environmental Laboratory:	Uses the Environmental Data Management System (EDMS) and other tools to provide analytical support for numerous monitoring, research and regulatory purposes.
• Pretreatment & Pollution Prevention:	Monitors wastewater conveyed to treatment plants using the Pretreatment Information Management System (PIMS) and other tools, and implements its Industrial Wastewater Discharge Regulations to protect treatment plant staff, facilities and processes, in addition to ensuring protection of water quality and the beneficial reuse of recovered resources.
• Technical Services:	Responsible for activities including environmental monitoring, specialized sampling, treatment process and research studies, the Municipal Assistance Program (MAP) to assist localities, state and federal regulatory advocacy, as well as all reporting required by HRSD permits.

The District's administration is overseen by a General Manager/Chief Executive Officer, supported by eight chiefs and their staffs. For Fiscal Year 2026, the District has budgeted for 969 full-time employees. Current staffing is sufficient to operate all existing facilities. None of its employees is currently represented by a union.

The following individuals are responsible for the daily management and affairs of the District (with titles changed, where appropriate, to conform to the District's current organizational chart).

Jay A. Bernas, P.E., MBA, *General Manager and Chief Executive Officer*

Jay Bernas was promoted to General Manager and Chief Executive Officer in February 2022. Before his promotion to General Manager and Chief Executive Officer, Mr. Bernas served as Chief Financial Officer for six years, Director of Planning and Analysis for 10 years, and was responsible for planning HRSD's Capital Improvement Program, performing business case analyses, system capacity analyses to support regional growth and managing four technical sections: Geographic Information Systems, Data Analysis, Hydraulic Modeling and Capital Planning. Prior to joining HRSD, he was a project manager with the City of Virginia Beach. Mr. Bernas graduated from Old Dominion University in 1995 with a bachelor's degree in Civil Engineering and earned his MBA from the College of William and Mary in 2013. He also has completed the Kenan-Flagler Water and Wastewater Leadership Program and was part of the 2008 class for LEAD Hampton Roads. He received the George Robert House, Jr. Award for the young public administrator of the year from the American Society for the Public Administration in 2006 and was recognized by Inside Business as a "Top Forty under 40" in 2011. Appointed by the Virginia Beach City Council to serve on the Planning Commission from 2006-2013, Mr. Bernas was its chair for the last two years of his tenure. He was elected to the Board of Trustees for the $1.4 billion Virginia Investment Pool in 2018 and serves on the audit subcommittee. He was elected in 2020 to NACWA, a national leader in clean water advocacy, and serves on NACWA's audit committee.

Steven G. de Mik, CPA, MBA, *Deputy General Manager and Chief Financial Officer*

Steve de Mik, who joined HRSD in 2008, was promoted to Deputy General Manager and Chief Financial Officer in July 2022. Mr. de Mik provides broad oversight and strategic direction to various divisions, specifically Finance, Information Technology, Talent Management and Communications. He previously served as Chief Operating Officer from 2015 to 2022. In that role, he led a staff of over 500 responsible for the complex operation and maintenance of HRSD's treatment plants, interceptor systems, and electrical and instrumentation infrastructure as well as various support services. His initial role at HRSD was Chief Financial Officer, where he was responsible for HRSD's general financial and business functions, including financial reporting, investment portfolio, debt and risk management, and customer billing. Before joining HRSD, Mr. de Mik served for seven years as the Director of Finance and Business Services for the City of Norfolk. A certified public accountant, he holds an MBA from the College of William and Mary and has completed the Kenan-Flagler Water and Wastewater Leadership Program, the Virginia Natural Resources Leadership Program and CIVIC Leadership Institute. He received a bachelor's degree in accounting and business administration from Southwest Baptist University in Bolivar, Missouri. Mr. de Mik also serves as a board chair and treasurer for Heart for Orphans, a nonprofit organization based in the City of Williamsburg, Virginia.

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

Eddie Abisaab joined HRSD in 2008 and was named Chief Operating Officer in July 2022. In that role, he leads a staff of over 530 who are responsible for the complex operation and maintenance of HRSD's treatment plants, interceptor collection systems, water technology and research, and electrical and instrumentation infrastructure as well as various support services such as fleet management, infrastructure assessment, carpentry, and a machine shop. In his previous position as the Director of Design and Construction on North Shore, Mr. Abisaab was responsible for the execution of HRSD's Capital Improvement and Operational Infrastructure projects. Prior to joining HRSD, he worked as an engineer and project manager for both the private and public sectors. Mr. Abisaab holds a Bachelor of Science in Civil Engineering from West Virginia University, and a Master of Science in Engineering Management from Marshall University. He is a licensed Professional Engineer (PE), Project Management Professional (PMP), and certified by the Institute for Sustainable Infrastructure (ISI) as an Envision Sustainability Professional (ENV SP). Mr. Abisaab is actively involved with the Water Environment Federation (WEF)

and served for four years on the Board of Directors of the Virginia Water Environment Association (VWEA) and as President in 2016-2017. He is also currently serving as VWEA's Treasurer.

Charles B. Bott, Ph.D., P.E., *Chief Technology Officer*

Dr. Charles B. Bott joined HRSD in 2009 and is the Chief Technology Officer. He manages technology innovation and research and development for HRSD's wastewater treatment plants and interceptor system. Dr. Bott is also an Adjunct Professor in the Departments of Civil and Environmental Engineering at Virginia Polytechnic Institute and State University ("Virginia Tech") and Old Dominion University. He was formerly an Associate Professor in the Department of Civil and Environmental Engineering at the Virginia Military Institute and a consulting engineer with Parsons Engineering Science. Dr. Bott has a bachelor's degree in Civil Engineering from the Virginia Military Institute, a master's degree in Environmental Engineering from the Johns Hopkins University, and a Ph.D. in Civil and Environmental Engineering from Virginia Tech. He is a fellow of the WEF and a member of the Science and Technology Advisory Committee to the Chesapeake Bay Program Executive Council, and a member of the National Science Foundation Engineering Directorate Advisory Committee. Dr. Bott is a professional engineer in Virginia, a board certified Environmental Engineer, and a licensed Wastewater Treatment Plant Operator – Virginia Class I. He is a two-time winner of the WEF Harrison Prescott Eddy Medal for outstanding contribution to wastewater principles/processes research, he was a previous member of the WEF Board of Trustees. Dr. Bott's technical interests include municipal and industrial wastewater treatment, process engineering as well as renewable energy generation and resource efficiency. He has specific expertise in the areas of advanced water treatment technologies, chemical and biological phosphorus removal, nitrification/denitrification, nutrient recovery, deammonification/anammox, biological treatment process modeling and design, and biogas conditioning. Important areas of focus are mainstream shortcut nitrogen removal, processes for biological treatment intensification, and technologies for potable reuse.

Mary H. Corby, *Chief Information Officer*

Mary Corby became Chief Information Officer in November 2024. She joined HRSD in October 1996 as a Programmer Analyst working on enterprise financial systems for the Finance and Administration division. She has held a variety of roles over the years at HRSD, with her last position being the Director of Enterprise Application Services. Ms. Corby has over 34 years of professional experience in the technology and utility industry. Ms. Corby received a Bachelor of Science degree in Computer Information Systems from High Point University, is a member of the Water Environment Federation, the Water and Wastewater CIO Forum, and has completed the Kenan-Flagler Water and Wastewater Leadership Program.

Jamie Heisig-Mitchell, *Chief of Water Quality*

Jamie Heisig-Mitchell became Chief of Water Quality in November 2022, overseeing the Central Environmental Laboratory (CEL), Pretreatment and Pollution Prevention (P3), and the Technical Service Division (TSD). In her previous position as Director of TSD, she managed staff involvement in environmental and wastewater monitoring and research as well as assuming responsibility for HRSD's permit negotiations and oversight of regulatory compliance with Clean Water Act, Clean Air Act, and Safe Drinking Water Act programs. Ms. Heisig-Mitchell serves on the board of the Virginia Association of Municipal Wastewater Agencies (VAMWA) and the University of Colorado Boulder's Water Reuse Advisory Board, is Chair of VAMWA's Water Quality Committee, Co-Chair of the NACWA Water Quality Committee, Past-President of the Virginia Biosolids Council, member of the Eastern Virginia Medical School's Institutional Biosafety Committee, and has served on numerous Virginia Department of Environmental Quality Advisory Panels and Subcommittees. Ms. Heisig-Mitchell received her Master of Science from Old Dominion University in Norfolk, Virginia.

Bruce W. Husselbee, Ph.D., P.E., BCEF, DBIA, *Chief Engineer*

Bruce Husselbee became Chief Engineer in July 2005. Before his promotion to this senior leadership position, he was a Project Manager in the HRSD Design and Construction Department for nine years. Mr. Husselbee previously worked in the consulting engineering field for 12 years prior to joining HRSD. He holds a bachelor's degree in Civil Engineering, a master's degree in Environmental Engineering from George Washington University and a Ph.D. in Coastal Engineering form Old Dominion University. He also has completed the Kenan-Flagler Water and Wastewater Leadership Program. He is active in a number of professional organizations including the Old Dominion University Civil and Environmental Engineering Visiting Council, the Design-Build Institute of America and the WEF Utility Management Committee. He is a member of the Board of Directors of the Design Build Institute of America.

Brenda Matesig, *Acting Chief People Officer*

Brenda Matesig became Acting Chief People Officer in January 2025. She began her career in Human Resources in July 1990 after completing a part-time internship with HRSD. Over the past three decades, she has held multiple roles, in all facets of Human Resources. Ms. Matesig earned her MBA from Regent University in 2019 and holds several respected certifications, including Professional in Human Resources (PHR), SHRM Senior Certified Professional (SHRM-SCP), and PSHRA Senior Certified Professional (PSHRA-SCP).

Leila E. Rice, APR, *Chief Communications Officer*

Leila Rice, who joined HRSD in March 2017, directs and guides overall strategic communication initiatives, internal and external communications, media relations, crisis communications, branding, social media, and community relations and community education programs. She previously served as Public Affairs Manager for Elizabeth River Crossings, where she managed internal and external communications, media relations and community outreach for the Elizabeth River Tunnels Project. Her experience also includes serving as Community and Media Relations Manager for Norfolk-based non-profit agency ForKids, Inc., and more than 20 years of radio and television media experience. Ms. Rice holds a Bachelor of Arts in Communication Arts from James Madison University and received her Accreditation in Public Relations in 2017. She is a member and former officer of the Public Relations Society of America, Hampton Roads Chapter, and also a member of WEF. She serves on the NACWA Communications and Public Affairs Committee and on the Board of Directors for the Foodbank of Southeastern Virginia and the Eastern Shore.

Awards

HRSD has received numerous awards for excellence in plant operations and maintenance, environmental engineering and design, public education, and financial reporting. To date, its treatment plants have earned 400 awards for outstanding compliance with National Pollutant Discharge Elimination System ("NPDES") permits since 1986, when the recognition program was established.

Awards and honors received during the year ended June 30, 2024, include the Best Project Award for Atlantic Treatment Plant Thermal Hydrolysis Process (THP) and Fats, Oils, and Grease (FOG) Receiving Station by Engineering News and Record (ENR); the 2024 Top Projects Award by Wastewater Digest for the Surry Hydraulic Improvements and Interceptor Force Main; the American Council of Engineering Companies Virginia Grand Award for HRSD's Climate Change Planning Study; the National Association of Clean Water Agencies (NACWA) National Environmental Achievement Awards in the categories of Public Information and Education, Watershed Collaboration, and Workforce Development. HRSD also received 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." HRSD also earned the Award for Outstanding Achievement in Popular Annual Financial Reporting from the Government Finance Officers Association for its First Popular Annual Financial Report, issued in Fall 2024 for the Fiscal Year ended June 2023. The HRSD Finance Department also earned the George F. Ames PISCES award in the Innovative Finance category from the Environmental Protection Agency (EPA).

HRSD employees and leaders honored and recognized for their work and service include Dr. Charles Bott, awarded the Frederick George Pohland Medal; Commissioner Vishnu Lakdawala, receiving the NACWA 2019 Public Service Award; and Dr. Jim Pletl, receiving the NACWA Distinguished Service Award before his retirement from HRSD.

THE SERVICE AREA

The District provides service to approximately 5,000 square miles of land area within the boundaries of its service area. The geographical limits are shown on the map behind the inside front cover and include the following localities:

City of Chesapeake
City of Hampton
City of Newport News
City of Norfolk
City of Poquoson
City of Portsmouth
City of Suffolk
City of Virginia Beach
City of Williamsburg
Accomack County
Gloucester County
Isle of Wight County
James City County
King and Queen County
King William County
Mathews County
Middlesex County
Northampton County
Surry County (excluding Town of Claremont)
York County

The District and the Commission are independent of the localities served by the District. See "HAMPTON ROADS SANITATION DISTRICT – Authorization and Purpose" and " – The Commission."

The District's Enabling Act includes provisions for adding territory to the District. From time to time, adjacent Counties have requested to have their jurisdictional area added to the territory within the District. In 2020, for example, the Counties of Northampton and Accomack on Virginia's Eastern Shore were added to the District.

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Population Growth

The area within the District has experienced substantial urban and suburban development and consequent population growth. The historical population within the District is presented below. Presently, the District contains more than 20% of the population of the Commonwealth of Virginia.

Historical Population Growth in the District

Year	Population[(1)]	Population Increase[(2)]
1960	660,338	-
1970	973,247	47%
1980	1,085,332	12
1990	1,431,000	32
2000	1,551,000	8
2010	1,674,917	8
2020	1,813,000	8
2024	1,829,281	1

(1) Sources: 1960-2020, United States Bureau of the Census; 2024, Weldon Cooper Center.

(2) Increase in population includes both increases in population within the District's original service area, as well as the expansion of the District's service area.

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The District's top ten ratepayers represented 8.0% of the District's total rate base, as measured by wastewater treatment charges, in Fiscal Year 2024. The following table compares the top ten ratepayers in Fiscal Year 2024 with the top ten ratepayers in Fiscal Year 2015.

Wastewater Treatment Charges
Ten Largest Customers

Customer	Type	Fiscal Year 2024 Amount[1]	Fiscal Year 2024 % of Total	Fiscal Year 2015 Amount[1]	Fiscal Year 2015 % of Total
U.S. Navy - Norfolk Naval Base	Military Facility	$9,776	2.30%	$4,614	2.1%
Anheuser - Busch, Inc.	Brewery	4,010	0.90	3,240	1.50
Huntington Ingalls Industries	Shipbuilding	3,001	0.70	1,288	0.60
Norfolk Naval Shipyard	Military Ship Repair	2,963	0.70	1,843	0.80
U.S. Air Force-Langley Air Force Base[2]	Military Facility	2,551	0.60	-	-
Joint Expeditionary Base Little Creek – Fort Story	Military Facility	2,519	0.60	1,606	0.70
City of Norfolk	Municipality	2,437	0.60	1,792	0.80
Norfolk Redevelopment & Housing Authority	Housing Authority	2,432	0.60	1,614	0.70
City of Virginia Beach	Municipality	1,964	0.50	1,164	0.50
Oceana Naval Air Station / Dam Neck[2]	Military Facility	1,903	0.50	-	-
Smithfield Foods[2]	Meat Processor	-	-	3,281	1.50
Sentara Healthcare[2]	Healthcare	-	-	1,076	0.50
Totals[3]		**$33,556**	**8.0%**	**$21,518**	**9.7%**

(1) Dollar amounts in thousands.
(2) Table only includes customer data for years in which a customer was one of the District's ten largest customers.
(3) Totals may not add due to rounding.

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Wastewater Flow

During the past five years, the number of service connections has grown by 2.1%. Billed water consumption has declined by approximately 0.9% during such period because of conservation efforts on the part of utility customers fostered by increasing water and sewer rates, improved construction materials and the installation of low flow plumbing fixtures.

Wastewater Flows and Service Connections

Fiscal Year Ended June 30	Average Daily Wastewater Flow[1]	Total Billed Wastewater Flow[1,2]	Service Connections (Thousands)
2020	140.9	110	478
2021	154.4	111	481
2022	132.3	111	484
2023	135.1	109	486
2024	145.8	109	488

(1) Millions of Gallons per Day (MGD).
(2) Water meters are read for billing purposes by the participating jurisdictions.

Expansion of Service Area

In most instances, the routine expansion of the service area results from the extension of the interceptor system performed at the request of a local government when growth or flow warrants. However, these interceptor lines will generally not be constructed based on speculation that future service areas will develop as planned unless the local jurisdiction(s) provides financial assistance.

Environmental Risks

The Hampton Roads region, in which the District operates, is vulnerable to the impacts of flooding, which are projected to increase in severity. The combination of land subsidence and rising ocean levels increase the risk of higher tides and higher storm surges. Additionally, heavy rainfall events are projected to increase in intensity and frequency, which may result in localized flooding as streams overtop their banks and stress existing stormwater systems. See "THE SYSTEM – Environmental Priorities and Efforts" herein.

THE SYSTEM

The Wastewater System consists of eight major treatment plants (225 million gallons per day (MGD) capacity), six smaller plants (aggregating approximately 1.63 MGD capacity) and its combined interceptor systems consisting of 139 pump and pressure reducing stations and approximately 538 miles of interceptors and collection sewer ranging in diameter from 6 to 66 inches. The interceptors, which are gravity and force mains, convey wastewater from the point of delivery by municipalities, industry and other users of the Wastewater System to the District's treatment plants.

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The following table identifies the location of the District's major treatment plants, their design capacities and, for the Fiscal Year ended June 30, 2024, their average daily flows.

Treatment System Capacity & Flows
(Millions of Gallons per Day)

Major Treatment Facilities	Average Design Capacity	FY 2024 Annual Average Daily Flow
Army Base [Norfolk]	18.0	10.6
Atlantic [Virginia Beach]	54.0	44.8
Boat Harbor [Newport News]	25.0	12.0
James River [Newport News]	20.0	11.8
Nansemond [Suffolk]	30.0	16.6
Virginia Initiative [Norfolk]	40.0	30.0
Williamsburg [James City County]	22.5	8.1
York River [York County]	15.0	12.0
TOTALS[(1)]	224.5	145.8

[(1)] Totals may not add due to rounding.

In addition to the major facilities described above, the District operates six additional small wastewater treatment plants: two in Middlesex County with a combined capacity of 0.125 MGD, one in the Town of West Point (King William County) with a capacity of 0.60 MGD, one in King William County with a capacity of 0.10 MGD, one in the Town of Onancock (Accomack County) with a capacity of 0.75 MGD, and one in Lawnes Point (Isle of Wight County) with a capacity of 0.05 MGD. The interceptor system for these localities includes 46 pumping stations. HRSD is responsible for the collection, conveyance and treatment of wastewater, in the Counties of King William, King and Queen, Middlesex, Mathews, and portions of Northampton and Accomack Counties.

System Improvements and Innovations

HRSD completed significant renewals and improvements to its treatment plants, pump stations, interceptor sewers, operational and administrative facilities in recent years. Electrical equipment upgrades throughout all HRSD facilities were made to replace aging system components as well as meet new arc flash safety requirements. The on-going infrastructure renewal program has replaced a number of major interceptor pipelines and pump stations in the southern portion of the District's service area. Improvements included several projects associated with taking the Chesapeake-Elizabeth Treatment Plant (CETP) offline, the Virginia Beach Boulevard Force Main Phase VI project, the Elbow Road Pressure Reducing Station project, and upgrades to six existing power reducing stations throughout the South Shore system. Also instrumental to the closure of CETP was the construction of a five-million-gallon wet weather storage facility and pump station attached to a City of Virginia Beach skate park facility. In Norfolk, HRSD acquired the Robin Hood Road pump station to improve system functionality associated with the existing Chesapeake Boulevard pump station. In the Peninsula portion of the service area, major interceptor pipelines and pump station improvements were executed, including the completion of the West Avenue and 35th Street force main in Newport News, the Bloxom's Corner force main in Hampton, the Smithfield Interim Pressure reducing station in Isle of Wight County, the Hampton Trunk 'A' force main in Hampton, the Patrick Henry pump station interconnect force main in Newport News, the Morrison pump station

discharge force main replacement in Newport News, and the Kingsmill pump station piping replacement and wet well rehabilitation in James City County.

HRSD owns approximately 139 pump stations and pressure reducing stations that use various control scenarios using programmable controls to maintain various set points throughout the interceptor system. To provide a more reliable control and monitoring system, new control panels have been placed at nearly every station and system control points within the last three years. The Supervisory Control and Data Acquisition (SCADA) system, currently nearing the end of the deployment phase, allows for future capacity optimization control regimes, including real time control and predictive measures to get the most out of the interceptor system.

A comprehensive metering network installed throughout the Wastewater System aids in optimizing system operations and provides flow data to HRSD's dynamic hydraulic model for calibration and validation purposes. The hydraulic model is one of the most sophisticated sewer modeling efforts in the country and is used to guide placement and sizing of future system improvements to cost effectively address wet weather peak flows. In addition, HRSD uses a hydraulic model to evaluate new connections to the system to ensure capacity, size new pipelines and pump stations, develop contingency scenarios and improve system operational efficiency. The hydraulic model was instrumental in HRSD's decision to take the CETP offline and divert the flow to use available capacity at the Atlantic Treatment Plant (ATP). HRSD estimates that the 30-year net present value of savings realized from this decision is approximately $200 million.

In 2017, both the Town of Surry and Surry County transferred their treatment plants and collections systems to HRSD. The Town of Surry Wastewater Treatment Plant was in immediate need of major repairs and had a consent order deadline to take the plant offline before December 31, 2022. Due to the high capital, operations and maintenance costs associated with new treatment plants, HRSD constructed a 132,000 linear foot pipeline project, and eight pump stations to convey flow from these communities to the Nansemond Treatment Plant at an estimated cost of $50 million. This project also included the closure of the Town of Surry and Surry County Wastewater Treatment Plants.

HRSD directed significant effort to meet mass discharge limits on nitrogen and phosphorus as a result of the six-state efforts to restore the Chesapeake Bay. As a result of the capital projects at the York River, Nansemond, Army Base James River, and the Virginia Initiative Plant (VIP) Treatment Plants, HRSD continues to meet stringent nutrient limits. Through the use of creative design and phased construction, HRSD deploys cost-effective adaptive technologies to take advantage of the existing facilities and the diversity of treatment processes at each plant. In June 2019, the Virginia State Water Control Board adopted new protective criteria for chlorophyll in the James River. The new criteria were the result of a seven-year study designed to identify the causes and consequences of algal blooms and develop models to estimate their occurrence by linking chlorophyll to nutrients and other environmental factors. HRSD's wasteload allocations defined by the current nutrient general permit are in compliance with the new criteria. Due to the high cost of nutrient upgrades, the CETP was shut down and its flow diverted to the Atlantic Treatment Plant, which is an ocean discharge plant that does not require nutrient removal.

Even more stringent nutrient discharge limits will come into effect in 2026 for nitrogen, along with a series of incremental reductions in phosphorus in 2028, 2030, and 2032. To meet the 2026 nitrogen requirements, two large capital projects are now in construction. These include upgrades at James River Treatment Plant (JRTP) and the closure of Boat Harbor Treatment Plant (BHTP) with the transfer of flow to Nansemond Treatment Plant (NTP) and the expansion of that facility to accommodate the increased flow. The BHTP closure project will include the construction of a large pump station on the BHTP property, installation of a 54-inch force main under the James River, and installation of a network of force mains to NTP.

The District has developed an innovative managed aquifer recharge program called the Sustainable Water Initiative for Tomorrow (SWIFT) to address the challenges of declining aquifer levels, land subsidence and saltwater intrusion, and provide additional benefits to the region, including nutrient credits for urban stormwater and other needs. SWIFT will add advanced water treatment (AWT) to up to three of the District's existing treatment plants to produce approximately 50 MGD of water that meets drinking water standards and is compatible with the receiving aquifer. Water meeting drinking water standards (SWIFT Water) will be recharged into the Potomac Aquifer System to counter the aquifer challenges described above. In support of SWIFT, the District constructed and is operating a 1 MGD demonstration facility, known as the SWIFT Research Center at the Nansemond Treatment Plant. The center demonstrates, on a meaningful scale, that AWT produces SWIFT Water that meets primary drinking water standards and is compatible with the receiving aquifer. The first full-scale SWIFT facility is in construction at the James River Treatment Plant with a rated capacity of 16 MGD including AWT and recharge wells. This facility is expected to come online in 2026, and these upgrades are an important part of meeting 2026 nitrogen and future phosphorus limits.

The SWIFT program includes multiple barriers of control for the treatment and removal of contaminants and pathogens, including per - and polyfluoroalkyl substances (PFAS). The first major barrier is source control in which HRSD enforces stringent regulatory limits on the industries that discharge into the District's wastewater facilities so that water generated from SWIFT facilities complies with Safe Drinking Water Act requirements for recharge to a potable aquifer. The SWIFT facility itself includes multiple control barriers, including ozonation, biofiltration and granular activated carbon (GAC) adsorption prior to ultraviolet disinfection. The use of GAC provides treatment of PFAS to comply with the recently released National Primary Drinking Water Regulation for PFAS. As a further means of aquifer protection, critical control points (CCPs) have been identified throughout the treatment process, allowing real-time process monitoring with the ability to redirect any water not meeting specifications away from the aquifer recharge wells to be managed instead by the wastewater facility and in compliance with its receiving stream discharge permit (Virginia Pollutant Discharge Elimination System (VPDES)).

In addition, the District has initiated a substantial capital project to add SWIFT to the expanded Nansemond Treatment Plant (50 MGD) with an AWT capacity of 33 MGD. The design-build team has been selected to deliver this project, and detailed design is anticipated to extend into 2025, with startup expected in 2028. This facility is key to meeting future phosphorus limits.

The last measure needed to meet the final 2032 phosphorus limits is a tertiary treatment upgrade at the VIP Treatment Plant. This project is in the early feasibility design stages, and the project will be constructed in a manner that allows the potential future conversion to SWIFT AWT and recharge.

The District continues to pursue renewable energy projects, such as the Atlantic Treatment Plant Digester Gas Combined Heat and Power (CHP) project completed in 2013. This project feeds internal combustion engines with treated digester gas to meet up to 40% of the 2.5 megawatt demand of the treatment plant and provides heating to the administration buildings and digesters. The digester gas treatment system uses a biological hydrogen sulfide gas scrubber, which was the first municipal installation in North America. In 2020, the District also implemented at the Atlantic Treatment Plant a system that increases biogas generation by receiving and processing restaurant-derived fats, oils, and grease (brown grease) containing water and converting it to additional digester gas.

In 2008, HRSD worked with the Navy to use the Atlantic Treatment Plant's effluent to act as a heat sink for a large Navy facility located adjacent to the plant. This system, similar in function to a geothermal system, saves the Navy $3 million per year and won a Federal Facility Presidential Award in 2009. The District has installed its first photovoltaic array at the SWIFT Research Center, a 60 kW system that supplies approximately one-quarter of the SWIFT Research Center's operating power demand.

The District is currently starting up a new process (Greasezilla) at Nansemond Treatment Plant to recover brown grease in the form of ship bunker fuel, and is currently evaluating proposals for a new public-private partnership for the production of renewable natural gas at the Atlantic Treatment Plant that will further reduce its operations carbon footprint and potentially generate revenue associated with the sale of commodity energy products.

HRSD owns and operates the second Ostara nutrient recovery facility in the United States. The patented Ostara process recovers phosphorus and nitrogen from the wastewater treatment process, rather than releasing it into the Chesapeake Bay, and converts it to a slow-release, high-phosphorus content, commercial fertilizer. As part of the Nansemond Treatment Plant expansion, and in response to more stringent future phosphorus limits, the Ostara nutrient recovery facility is currently under construction to increase the capacity of the facility, to add an additional phosphorus stripping step, and to switch to a more cost effective source of magnesium, the combined impact of which will be roughly quadruple the current struvite production rate.

The District is a leading agency in wastewater research and development. In collaboration with an international group of researchers and other third parties, the District played a major role in patenting a process using mainstream external selectors to improve biomass settleability and stabilize biological phosphorus removal. This technology was installed at the James River Treatment Plant in 2015 and in one train at the Urbanna Treatment Plant in 2016. In addition, the District is collaborating with an international group of agencies and academic institutions to study a revolutionary wastewater process using a relatively new bacterium called anammox. The District started operating the first two full-scale sidestream treatment processes using anammox in the Western Hemisphere at York River Treatment Plant and James River Treatment Plant. HRSD developed and patented (pending) a new control system for one of those processes, known as the AnitaMox process.

HRSD operates the first documented full-scale mainstream nutrient removal process using anammox at the York River Treatment Plant in an emerging application known as partial denitrification-anammox (PdNA). The implementation of PdNA was completed internally by HRSD staff for minimal capital investment, resulting in the savings of approximately $1 million per year in chemicals and energy and avoiding a substantial conventional nutrient removal capital project. This was based on about eight years of pilot testing and research. HRSD, in collaboration with others, patented a suite of technologies associated with the treatment of nitrogen using low energy, low carbon, and intensified (smaller tanks) processes and based on mainstream nitrite shunt and deammonification (anammox). In the current applications, this technology suite is known as AvN-PdNA. HRSD has also implemented mainstream PdNA at James River Plant as part of the nutrient upgrades that are currently in construction, and the Nansemond Treatment Plant will include mainstream PdNA as part of the expansion project.

The District disposes of its biosolids by composting, land applying or incineration. The District considers biosolids beneficially reused when they are used for bulk land application, composting by a third-party contractor, and distribution and marketing of Class A/EQ biosolid products. In calendar year 2024, the District considered __% of its biosolids beneficially reused. Based on the scheduled completion of ongoing projects, the District estimates that over 50% of its biosolids will be beneficially reused by calendar year 2026.

Capital Improvement Program

The District's Capital Improvement Program is designed to meet regulatory requirements, including both nutrient reduction and sanitary sewer overflow reduction, aging infrastructure renewals and replacements, biosolids management and increased capacity. The District uses a ten-year planning horizon for the CIP. The CIP is updated each year and modified as circumstances dictate. The Commission

approves the overall program and the first year of the plan and appropriates funds on an individual project basis. The District also employs a CIP project prioritization program using a decision-analysis based process. This process allows each proposed project to be considered objectively against the merits of other proposed projects. Individual projects are scored using performance measures based on risk reduction and ranked. After the CIP review team considers each project score for consistency, the CIP leadership team makes final decisions on project acceptability and develops a prioritized project schedule based on projected capital funding availability.

The District has undertaken an Integrated Plan that will use innovative approaches to removing nutrients from the Chesapeake Bay and assist with other regional issues such as aquifer recharge and land subsidence. The centerpiece of the Integrated Plan is the SWIFT program, which will further treat plant effluent to drinking water standards and use it to recharge the Potomac aquifer. The 2026-2035 CIP includes $1.4 billion for the SWIFT program. The Integrated Plan also addresses sanitary sewer overflows (SSO) and has allocated $200 million for projects that will have the largest impact towards reducing SSO's during wet weather events.

The 2026-2035 CIP includes approximately $3.4 billion in interceptor system, treatment plant, water reuse, and other facility improvements. Of that total, $258 million is identified for the rehabilitation and upgrade of wastewater treatment plants. A number of interceptor sewer projects, totaling approximately $424 million, are in the planning, design or construction phase. These planned projects are proposed to address aging infrastructure issues within the District's extensive interceptor sewer piping system. Upgrades to aging sewer pump stations and new pump stations to serve Hampton Roads are an important part of the CIP, with over $268 million of such improvements planned in the next ten years. The CIP includes $304 million in anticipated biosolids management improvements.

The following table sets forth the District's anticipated sources of funds for the Capital Improvement Plan in Fiscal Years 2026 through 2030.

CIP, Fiscal Years 2026 to 2030
(Dollar amounts in thousands)
(As of Fiscal Years ending June 30)

	2026	2027	2028	2029	2030	Total (2026-30)
Revenue Bonds	$161,705	-	-	-	-	$161,705
Va. Clean Water Revolving Fund Loan	40,000	$40,000	$40,000	$40,000	$40,000	200,000
Draw on WIFIA Bonds	220,000	48,088	-	-	-	268,088
Water Quality Improvement Fund (WQIF) Grants[1]	100,000	212,000	415,658	180,988	80,000	988,645
HRSD Cash	266,849	154,989	151,402	200,915	309,905	1,084,060
Reimbursements	4,644	1,000	-	-	-	5,644
Line of Credit (Negative = Pay Off)	(84,198)	82,923	(98,725)	-	-	(100,000)
tal Sources for Capital Expenditures[2]	$709,000	$539,000	$508,335	$421,903	$429,905	$2,608,143

[1] The timing and amount of the Water Quality Improvement Fund (WQIF) grants is dependent on funding provided by the Commonwealth and is subject to change. HRSD plans to adjust its funding sources, if needed, based on the receipt of WQIF grants.

[2] Totals may not add due to rounding.

The District plans to fund the Capital Improvement Program through a combination of cash and debt financing as shown in the above table. The CIP also includes $1.25 billion in funding in Fiscal Years 2031 through 2035, of which $200 million is planned to be funded with debt proceeds and $1.05 million with operating cash.

In addition to its ten-year planning horizon, the District undertakes preliminary planning for its CIP through 2045. While subject to change, the District estimates additional capital expenditures of $3.12 billion for years 2036-2045, with approximately 40% to be financed with new debt. Capital expenditures include estimated costs associated with the RWWMP, as defined and discussed under " – State Consent Agreement and EPA Consent Decree" below.

The proposed new debt conservatively assumes a combination of interim financing, and federal and state subsidized funding. HRSD continues to seek the lowest cost of capital by using the Virginia Clean Water Revolving Loan Fund (VCWRLF) and Water Infrastructure Finance and Innovation Act (WIFIA) loans described above. For example, based on current market conditions and the lower interest rates available through the capital markets, the District anticipates using proceeds of the Series 2025A Bonds to fund, on an interim basis, a portion of projects previously planned to be funded with proceeds of WIFIA Bonds. HRSD is currently drawing down three closed loans in the WIFIA program, with maximum draws totaling $970.5 million, and one VCWRLF loan totaling $80 million. See "SECURITY AND SOURCES OF PAYMENT – Outstanding Senior Obligations." The District will continue to monitor market conditions to obtain the most advantageous method of future CIP financing.

Regulation and Permits

The Virginia State Water Control Law (Chapter 3.1, Title 62.1, Code of Virginia, 1950, as amended) provides that the plans and specifications for wastewater facilities to be constructed be approved by the Virginia Department of Health and the Virginia Department of Environmental Quality. The District operates all of its plants and interceptor systems under permits issued by the Virginia Department of Environmental Quality.

In addition to the regulatory issues described under " – State Consent Agreement and EPA Consent Decree," the Commonwealth's Phase 3 Watershed Implementation Plan for the Chesapeake Bay Total Maximum Daily Load (TMDL) requires additional nutrient reductions phased in from 2026-2032. Compliance with the required reductions relies on additional capital investment at multiple HRSD facilities. Beyond this, the District is not aware of any pending federal or Commonwealth regulatory requirements proposed in the Federal Register or the Virginia Register that, in themselves, would require significant expenditures for additional capital improvements; however, the District cannot predict the scope or effect of future federal or Commonwealth regulatory actions that could require significant expenditures for capital improvements.

As a matter of practice, HRSD manages its operational and capital planning to mitigate compliance risk associated with uncertainty in the regulatory environment. This approach favors flexibility and adaptive management. This type of risk mitigation also requires HRSD to engage directly in highly consequential state and federal policy and regulatory development to remain abreast of regulatory considerations and contribute to the scientific discourse where possible. HRSD's solids management strategy is an example of such an approach. Flexibility was increased through the implementation of a Thermal Hydrolysis Process (THP) at the Atlantic Treatment Plant, a process which significantly reduced the volume of biosolids produced at the plant, creating a pathogen-free biosolids product and increasing options for the end use of the material. HRSD's current portfolio of management options for the solids generated at all of its facilities includes incineration, landfilling, composting, and land application as conditions allow. These options allow HRSD to pivot as new regulations or new treatment technologies

become available. As a stakeholder in the protection of public health and the environment, HRSD participates in research funded by the Environmental Protection Agency (EPA) and other grant funding institutions to better understand the potential risk associated with chemical contaminants in solids along with evaluating varying treatment technologies that may be effective at removing chemical contaminants of concern.

HRSD also leverages its Pretreatment and Pollution Prevention program as a key part of its risk management strategy, driving upstream controls of potential contaminants of concern, particularly where greater gains can be achieved through controlling the contaminants at their source. HRSD carries this concept of source control or pollutant minimization to the residential level as well, working with regional entities to educate residents about their role in reducing the introduction of problematic chemical contaminants into the wastewater stream.

State Consent Agreement and EPA Consent Decree

On December 19, 2014, the Commonwealth of Virginia entered into a long-term State Consent Agreement (the "2014 Consent Agreement") with 14 of the localities that HRSD serves. The 2014 Consent Agreement requires the localities to perform long-term management, operations and maintenance of their sewer systems in support of HRSD's efforts to provide long-term regional wet weather wastewater capacity. HRSD is not a party to the 2014 Consent Agreement. Instead, HRSD's obligation to provide regional wet weather sewer capacity is now solely imposed through its federal consent decree (the "Consent Decree"). HRSD entered into the Consent Decree with the Commonwealth and the United States Environmental Protection Agency ("EPA").

The Consent Decree was entered by the Federal District Court for the Eastern District of Virginia (the "District Court") on February 23, 2010. The Consent Decree has been amended six times, most recently on January 19, 2024 (the "Amended Consent Decree").

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

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

The Amended Consent Decree authorizes HRSD to submit the RWWMP as part of an Integrated Management Plan ("IMP"). HRSD intends to use the IMP approach to facilitate the timing and financing of both its RWWMP and its SWIFT Program. The SWIFT Program will assist the Commonwealth to meet its Chesapeake Bay nutrient reduction commitments and save HRSD's 14 localities approximately $1 to $2 billion in avoided Chesapeake Bay-related storm water control costs.

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

Environmental Priorities and Efforts

Since its inception in 1940, the District has served the Hampton Roads region with its mission of protecting public health and the waters of Hampton Roads. The District's vision is that the District's communities will have clean waterways and reliable water resources for generations to come. SWIFT is the District's newest water treatment innovation, as described in detail above under " – System Improvements and Innovations."

To better understand the effects of rising sea levels, the District commissioned a comprehensive sea-level rise impact study that concluded in May 2023. The study provided a foundation to address the next 80 years of flooding-related impacts and prioritized flood mitigation projects across all of the District's facilities. As of Fiscal Year 2025, flood mitigation projects were incorporated into the long-term capital planning process, with an average of $5 million in projects to be completed per year over the next fifty years.

In recent years, the District also updated its standards to increase the freeboard three feet above the Federal Emergency Management Agency (FEMA)'s 100-year flood elevation and adopted design standards for assets that require using the U.S. Army Corps of Engineers' sea-level rise tool.

Asset Management Program

The District's Asset Management Plan is a dynamic model that leverages data from multiple systems and calculates the likelihood and consequence of failure for each asset in the District's infrastructure portfolio to determine the remaining useful life and replacement year. HRSD uses business intelligence (dashboard) software that is integrated with other enterprise systems, such as its Geographic Information System (mapping system), Enterprise Resource Planning System (financial reporting, human relations, procurement, payroll and budgeting system), and its Supervisory Control and Data Acquisition System (industrial control system that allows the District to monitor and in certain cases control pump station operations) to display the latest condition, performance, and reliability of each asset as well as a long-term capital investment forecast. The dynamic Asset Management Plan provides the District with the ability to filter by facility, asset class, unit process, and other categories to make the best decisions for sustaining asset performance and prioritizing capital investments.

Cybersecurity

The District, like many other public entities, relies on a technology environment to conduct its operations. As such, it may face multiple cybersecurity threats including but not limited to, hacking, viruses, malware, and other such attacks on computer or other sensitive digital systems and networks. There can be no assurance that any security and operational control measures implemented by the District will be completely successful to guard against and prevent cyber threats and attacks. The result of any such attack

could affect operations and digital networks, and the costs of remedying any such damage could be significant.

In 2019, the District developed an Information Technology governance plan and technology roadmap, that included risk management, business continuity, and new technology integration. The District is implementing this plan over time, at a total estimated cost of approximately $15.5 million between FY 2019 and 2026.

Since April of 2020, the District's Cybersecurity Department has included a dedicated Chief Information Security Officer. The Chief Information Security Office maintains an Information Technology Security Policy in accordance with applicable standards and laws. The policy defines minimum security requirements for the District's assets including the managerial, operational, and technical protection requirement and controls to ensure the confidentiality, integrity, and availability of the District's IT assets; and compliance with requirements of applicable federal, and state law and the District's policies and regulations.

The District maintains a comprehensive cyber insurance coverage policy that covers breach related expenses, liability and extortion. In addition, the District maintains crime insurance, which includes computer related fraud.

On November 17, 2020, the District was the subject of a ransomware attack. The District and its cybersecurity consultants worked to restore all of the business systems to normal operations without paying any ransom. The District did not experience any negative material impact on its operations as a result of the attack. Because of the District's robust safeguards, the District did not lose any data as a result of the attack.

FINANCIAL MANAGEMENT

General

Through its annual budget process, management seeks to ensure that operating revenues are sufficient to meet operating expenses and sufficient reserves are available in the event actual billings do not meet budgetary expectations. The upgrades and expansion of new treatment plants and extensions and improvements of the interceptor system are financed by a combination of operating revenues and debt financing. The following table sets out the District's operating results and debt service coverage for the Fiscal Years ended June 30, 2020, through June 30, 2024.

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Summary of Operating Expenses and Debt Service Coverage
(Dollar Amounts in Thousands)
(As of Fiscal Years ended June 30)[1]

	2020	2021	2022	2023	2024
Operating Revenues					
Wastewater Treatment Charges	$318,585	$325,817	$352,414	$383,115	$422,784
Miscellaneous	3,447	3,952	5,532	4,820	4,157
Total Operating Revenues	$322,032	$329,769	$357,946	$387,935	$426,941
Operating Expenses					
Wastewater Treatment	$122,393	$132,820	$134,135	$149,532	$167,327
General and Administrative	46,949	48,691	45,673	53,995	60,152
Total Operating Expenses, excluding Depreciation	$169,342	$181,511	$179,808	$203,527	$227,479
Non-Operating Revenues (Expenses)					
Wastewater Facility Charges	$6,444	$7,379	$7,072	$7,293	$7,153
Investment Income	5,876	471	(1,651)	6,068	13,673
Bond Interest Subsidy[2]	2,205	2,167	2,052	2,015	1,622
Capital Distributions to Localities[3]	-	(376)	(13)	(2,422)	(2005)
Bond Issuance Costs	(1,290)	(682)	(311)	(98)	(1,000)
Net Non-Operating Revenues (Expenses)	$13,235	$8,959	$7,149	$12,856	$19,443
Net Revenues (GAAP)	$165,925	$157,217	$185,287	$197,264	$218,905
Add Back: Operating Expenses on Improvements not Owned by HRSD	-	376	13	2,422	2,005
Net Revenues (Adjusted)	$165,925	$157,593	$185,300	$199,686	$220,910
Senior Debt Service[4]	$59,011	$59,213	$61,017	$66,391	$76,894
Senior Debt Service Coverage Ratio (GAAP)	2.81	2.66	3.04	2.97	2.85
Senior Debt Service Coverage Ratio[4] (Adjusted Cash Basis)	2.81	2.66	3.04	3.01	2.87

(1) Revenues and Operating Expenses presented in accordance with generally accepted accounting principles; debt service presented on a cash basis (i.e. debt service actually due during the related Fiscal Year).

(2) Actual Federal Subsidy received from the federal government relating to interest on the District's Wastewater Revenue Bonds, Series 2009B (Federally Taxable-Issuer Subsidy-Build America Bonds), which were redeemed as a whole on May 9, 2024, and are no longer outstanding.

(3) Operating Expenses on improvements not owned by HRSD are funded through HRSD's Capital Improvement Plan from sources that may include cash, debt, grants, and other sources. Such expenses are excluded from the definition of Operating Expenses under the Trust Agreement.

(4) Calculated based on actual debt service payable on a current year basis. Includes debt service on the District's obligations (none of which remain outstanding) that were senior in right of payment to the Bonds and other Senior Obligations, and excludes debt service on Subordinate Obligations.

Pension Fund and Other Post-Retirement Benefits. For a description of the District's participation in the Virginia Retirement System, a defined benefit plan offered by the Commonwealth of Virginia, and of the post-retirement health benefits for qualifying employees of the District, see the District's Annual Comprehensive Financial Report attached as Appendix A hereto.

Debt Management. The Commission has adopted a comprehensive financial policy designed to promote sound financial management. The policy addresses, but is not limited to, the following areas: reserves, budgetary principles, internal controls, debt affordability, debt management, risk management, derivatives and investments. The Commission has the right to change the financial policy from time to time.

The policy requires minimum debt service coverage requirements in excess of its obligations under the Trust Agreement. It also requires cash contributions to its capital program of not less than 15% of each year's capital improvement program. Additionally, the policy establishes parameters for the investment of idle funds.

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Projected Operating Results. The following table shows projected Revenues and Current Expenses for the Fiscal Years ending June 30, 2025, through June 30, 2029, inclusive.

Summary of Projected Revenues and Current Expenses
(Dollar Amounts in Thousands)
(As of Fiscal Years ending June 30)[1]

	2025	2026	2027	2028	2029
Operating Revenues[2]	$452,127	$497,914	$540,860	$573,407	$593,322
Non-Operating Revenues	15,065	19,655	15,080	15,826	16,863
Less Operating Expenses Excluding Depreciation	(275,722)	(292,854)	(351,570)	(378,456)	(352,476)
Net Revenues	$191,470	$224,725	$204,369	$210,777	$257,710
Senior Debt Service[2][3][4]	$87,770	$108,000	$111,745	$114,448	$123,169
Senior Debt Service Coverage Ratio (Adjusted)[2][3][4]	2.18	2.08	1.83	1.84	2.09
Key Assumptions[5]					
Rate Increases	9.0%	9.0%	9.0%	6.5%	4.0%
Change in Consumption	0.0%	0.0%	0.0%	-0.25%	-0.4%
Key Inflation Trends					
Average Inflation	4.6%	5.3%	4.3%	3.9%	3.9%
Personal Expenses	10.0%	10.0%	12.0%	5.0%	5.0%
Healthcare Rates	5.2%	5.2%	5.2%	5.2%	5.2%
Contractual Services	5.0%	8.0%	5.0%	5.0%	5.0%
Costs of Issuance	$300	-	-	-	-

(1) Totals may not add due to rounding.
(2) Revenues and Operating Expenses presented in accordance with generally accepted accounting principles; Debt service presented on a cash basis (i.e. debt service actually due during the related Fiscal Year).
(3) Debt service does not include principal and interest on the Line of Credit or the Series 2025A Bonds. See "PLAN OF FINANCING – Future Financings" herein.
(4) Assumes debt service on variable rate Series 2016B Bonds of [3.60]% per annum. No assurance can be given, however, that the rate on the Series 2016B Bonds will not be higher than assumed above.
(5) While the District believes the assumptions set forth above are reasonable, actual results may vary.

Budgeting and Accounting

Budgetary Controls. The District adopts an annual operating budget and a 10-year Capital Improvement Plan. The budget is approved on or before June 30 of each year. The District maintains budgetary controls on a departmental basis, and the General Manager/Chief Executive Officer is authorized to transfer funds among departments without Commission approval. With the exception of capital projects, unencumbered funds lapse at year end. As part of the budget process, the District adopts a long-range financial forecast.

Financial Statements. In accordance with accounting principles generally accepted in the United States, the District's audited general purpose financial statements are prepared on an accrual basis of accounting. The District's audited basic financial statements and the report thereon by Cherry Bekaert LLP, for the Fiscal Year ended June 30, 2024, are included in Appendix A. The District's independent auditor, Cherry Bekaert LLP, has not been engaged to perform and has not performed, since the date of its report included in Appendix A, any procedures on the financial statements addressed in that report. Cherry Bekaert LLP also has not performed any procedures relating to this Official Statement.

The Government Finance Officers Association of the United States and Canada has awarded a Certificate of Achievement for excellence in Financial Reporting to the District for its annual comprehensive financial reports for [40] consecutive Fiscal Years. In order to be awarded a Certificate of Excellence, a governmental unit must publish an easily readable and efficiently organized annual comprehensive financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

FY 2025 Budget; Interim financial reports. The District's FY 2025 Budget represents total revenue and expense increases of $38.7 million, or 9.0% over the adopted FY 2024 Budget. This increase was supported with a 9.0% rate increase plus increases in other revenue sources such as investment income. Third quarter interim (unaudited) financial results for FY 2025 indicate that revenues exceeded budgetary estimates by approximately __% and that expenses were under budget by approximately __%. The interim financial report summarizes the results of the District'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.

The District publishes unaudited financial reports at www.hrsd.com/investor-relations. Such reports are not incorporated into this Official Statement by reference, and the District reserves the right to modify the content and timing of such reports in the future or to eliminate them altogether.

Rates

The District periodically reviews its rate structure and revises its charges as necessary to generate the revenues required to meet its current financial obligations. The most recent general increase in rates became effective July 1, 2025. The District's full rate schedule appears on the District's website, www.hrsd.com.

Currently, the District's typical residential customer pays less than $50 per month for sewage interception and treatment services provided by the District. The District's sewage interception and treatment charge generally is one of the smallest public service utility bills its customers receive. Generally, the District bills and collects directly from its customers on a monthly, bimonthly, or quarterly basis depending upon the community. The jurisdictions provide the meter readings, which are the basis of the District's billing operation.

The District charges surcharge rates to recover costs in direct proportion to volume and pollutant concentrations in excess of typical residential wastewater. Industrial users are typically permitted facilities requiring periodic effluent sampling.

The District provides billing services to several of the jurisdictions it serves, including Chesapeake, Norfolk, Smithfield, Suffolk, King William, Urbanna and Surry County (excluding the Town of Claremont). The combined bill can include jurisdictional charges for water, solid waste disposal, sewage collection, storm water mitigation and District charges for sewage interception and treatment. To date, these services have been provided at no cost to assist the jurisdictions and customers the District serves to minimize the number of bills the customers receive and number of payments they need to make.

Rate-Making Process

The Enabling Act provides that the Commission is to fix and revise rates, fees and charges to provide funds that, with other funds available for such purposes, will be sufficient at all times (a) to pay the cost of maintaining, repairing and operating the Wastewater System and all improvements thereto,

including reserves for such purpose and for renewals and replacements and necessary extensions and additions to the Wastewater System, (b) to pay the principal of and the interest on such revenue bonds as the same shall become due and to provide reserves therefor, (c) to pay costs associated with a customer assistance program, and (d) to provide a margin of safety for making such payments.

The Enabling Act provides that before any revision of rates, fees and charges shall become effective the Commission shall publish a copy thereof for four consecutive weeks in a newspaper of general circulation within the District. If, on or before the last publication, the governing body of any city or county constituting a part of the District or five hundred or more qualified voters residing within the District file a petition with the Virginia State Corporation Commission complaining of the proposed revision, the State Corporation Commission may by order suspend the placing in effect of such revision for a period not exceeding sixty days from the filing of any such petition during which time it shall investigate whether such revision is just and equitable and in accordance with the provisions of the Enabling Act. If the State Corporation Commission does not enter an order suspending, approving or disapproving such revision within sixty days from the filing of any such petition, such revision will be deemed to be in effect. The District or the party or parties filing a petition may appeal to the Supreme Court of Virginia from any such order as may be entered by the State Corporation Commission.

Collection of Unpaid Wastewater Treatment Charges

The Enabling Act provides that if any bill for wastewater treatment charges is not paid in full when the same becomes due, the owner, tenant or occupant of such lot or parcel of land shall, until wastewater treatment charges are paid, cease to dispose of wastewater or industrial wastes originating from or on such property by discharge thereof directly or indirectly into the Wastewater System, and if such owner, tenant or occupant does not cease such discharge within two months after the delinquent fees and charges are due, it shall be the duty of each public or private agency supplying water to such property, within five days after receipt of notice of such facts from the District, to cease supplying water to such property. If the water supply is not stopped, the District has the power to enter into any public or private property to shut off the property's water supply.

The District participates in the Virginia Set-Off Debt Collection Program administered by the Virginia Department of Taxation. This program provides a means for government units and courts to collect delinquent debts by attaching individual income tax refunds and certain state lottery winnings. Jurisdictions participating in the Hampton Roads Utility Billing Service (which is managed by the District) may have the District submit their balances along with the District's. This benefits the jurisdictions since, under the Debt Set-Off Collection Program, the District has a higher payoff priority than counties and cities.

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The following table shows the District's treatment charge collection rate for the last ten Fiscal Years.

Collection Rate

Fiscal Year Ended June 30	Percentage of Wastewater Treatment Charges Collected
2015	99.1%
2016	99.1
2017	99.1
2018	99.3
2019	99.2
2020	99.3
2021	99.3
2022	99.6
2023	99.3
2024	98.9

Insurance

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; employee dishonesty; injuries to employees; and natural disasters. HRSD purchases commercial insurance for specific types of coverage including property, liability, auto, crime, public officials and workers' compensation. Claim settlements and judgments not covered by commercial insurance are covered by operating resources. The amount of settlements did not exceed insurance coverage for each of the past three Fiscal Years. The District also has a self-insured health, dental and vision care benefits program for all employees.

LITIGATION

There is no litigation pending in any court (either state or federal) or, to the knowledge of the District, threatened against the District that in any way questions or affects the validity of or the security for the Series 2025A Bonds or that would have a material adverse effect on the District's condition, financial or otherwise.

APPROVAL OF LEGAL PROCEEDINGS

The Series 2025A Bonds are offered subject to the approving opinion of Norton Rose Fulbright US LLP, Washington, D.C., Bond Counsel. Certain legal matters will be passed upon for the District by its General Counsel, Sands Anderson PC, Richmond, Virginia, and for the Underwriters by _____, _____, _____.

TAX MATTERS

Opinion of Bond Counsel

The District will covenant in a tax certificate to comply with certain provisions of the Internal Revenue Code of 1986 (the "Code") relating to the exclusion from gross income of the interest on the Series

2025A Bonds for federal income tax purposes. In the opinion of Norton Rose Fulbright US LLP, Bond Counsel, under current law, and assuming continuing compliance by the District with such covenants and subject to the provisions of this section, interest on the Series 2025A Bonds will not be includable in gross income of the owners of the Series 2025A Bonds for federal income tax purposes. Interest on the Series 2025A Bonds will be includable in the gross income of the owners thereof retroactive to the date of issue of the Series 2025A Bonds in the event of a failure by the District to comply with applicable requirements of the Code and its covenants regarding use, expenditure, and investment of the proceeds of the Series 2025A Bonds and timely payment of certain investment earnings to the United States Treasury. No opinion is rendered by Bond Counsel as to the effect on the exclusion from gross income of the interest on the Series 2025A Bonds for federal income tax purposes of any action taken or not taken without the approval of Bond Counsel or upon the advice or approval of counsel other than Bond Counsel.

Interest on the Series 2025A Bonds will not be an item of tax preference for purposes of the federal alternative minimum tax under the Code on individuals.

[For taxable years beginning after 2022,] the Code imposes a minimum tax of 15 percent of the adjusted financial statement income of certain large corporations, generally consisting of corporations (other than S corporations, regulated investment companies and real estate investment trusts) with more than one billion dollars in average annual adjusted financial statement income, determined over a three-year period. For this purpose, adjusted financial statement income generally consists of the net income or loss of the taxpayer set forth on the taxpayer's applicable financial statement for such taxable year, subject to various adjustments, but is not reduced for interest earned on tax-exempt obligations, such as the Series 2025A Bonds. Prospective purchasers that could be subject to this minimum tax should consult with their own tax advisors regarding the potential impact of owning the Series 2025A Bonds.

Original Issue Discount

[Note: entire section subject to revision if bond maturity is one year or less]The excess, if any, of the amount payable at maturity of any maturity of the Series 2025A Bonds purchased as part of the initial public offering over the issue price thereof constitutes original issue discount. The amount of original issue discount that has accrued and is properly allocable to an owner of any maturity of the Series 2025A Bonds with original issue discount (a "Discount Bond") will be excluded from gross income for federal income tax purposes to the same extent as interest on the Series 2025A Bonds. In general, the issue price of a maturity of the Series 2025A Bonds is the first price at which a substantial amount of Series 2025A Bonds of that maturity was sold (excluding sales to bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents, or wholesalers), which may differ from the price for such maturity shown on the inside cover page of this Official Statement, and the amount of original issue discount accrues in accordance with a constant yield method based on the compounding of interest. A purchaser's adjusted basis in a Discount Bond is to be increased by the amount of such accruing discount for purposes of determining taxable gain or loss on the sale or other disposition of such Discount Bonds for federal income tax purposes.

Original issue discount that accrues in each year to an owner of a Discount Bond is included in the calculation of the distribution requirements of certain regulated investment companies and may result in some of the collateral federal income tax consequences discussed herein. Consequently, an owner of a Discount Bond should be aware that the accrual of original issue discount in each year may result in additional distribution requirements or other collateral federal income tax consequences although the owner of such Discount Bond has not received cash attributable to such original issue discount in such year.

The accrual of original issue discount and its effect on the redemption, sale, or other disposition of a Discount Bond that is not purchased in the initial offering at the first price at which a substantial amount

of such Series 2025A Bonds is sold to the public may be determined according to rules that differ from those described above. A purchaser of a Discount Bond should consult his or her tax advisors with respect to the determination for federal income tax purposes of the amount of original issue discount with respect to such Discount Bond and with respect to state and local tax consequences of owning and disposing of such Discount Bond.

Bond Premium

[Note: entire section subject to revision if bond maturity is one year or less]The excess, if any, of the tax basis of a maturity of Series 2025A Bonds purchased as part of the initial public offering to a purchaser (other than a purchaser who holds such Series 2025A Bonds as inventory, stock in trade, or for sale to customers in the ordinary course of business) over the amount payable at maturity is "Bond Premium." Bond Premium is amortized over the term of such maturity for federal income tax purposes (or, in the case of a bond with bond premium callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such bond). No deduction is allowed for such amortization of Bond Premium; however, Bond Premium is treated as an offset to qualified stated interest received on the Series 2025A Bonds. An owner of such Series 2025A Bonds is required to decrease his adjusted basis in such Series 2025A Bonds by the amount of amortizable Bond Premium attributable to each taxable year such Series 2025A Bonds are held. Purchasers of such Series 2025A Bonds should consult their tax advisors with respect to the precise determination for federal income tax purposes of the treatment of Bond Premium upon sale, redemption or other disposition of such Series 2025A Bonds and with respect to state and local income tax consequences of owning and disposing of such Series 2025A Bonds.

Backup Withholding

Interest paid on the Series 2025A Bonds is subject to information reporting in a manner similar to interest paid on taxable obligations. While this reporting requirement does not by itself, affect the excludability of interest on the Series 2025A Bonds from gross income for federal income tax purposes, the reporting requirement causes the payment of interest on the Series 2025A Bonds to be subject to backup withholding if such interest is paid to beneficial owners who (i) are not "exempt recipients," and (ii) either fail to provide certain identifying information (such as the beneficial owner's taxpayer identification number) in the required manner or have been identified by the Internal Revenue Service as having failed to report all interest and dividends required to be shown on their income tax returns. Generally, individuals are not exempt recipients, whereas corporations and certain other entities generally are exempt recipients. Amounts withheld from a payment to a beneficial owner under the backup withholding rules would be allowed as a refund or a credit against such beneficial owner's federal income tax liability provided the required information is furnished to the Internal Revenue Service.

Other Tax Consequences

The Code contains other provisions (some of which are noted below) that could result in tax consequences, upon which Bond Counsel expresses no opinion, as a result of ownership of the Series 2025A Bonds or the inclusion in certain computations of interest on the Series 2025A Bonds that is excluded from gross income for purposes of federal income taxation.

Ownership of tax-exempt obligations may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, life insurance companies, property and casualty insurance companies, certain foreign corporations doing business in the United States, certain S Corporations with excess passive income, individual recipients of Social Security or Railroad Retirement benefits, owners of an interest in a financial asset securitization investment trust (FASIT), corporations

subject to the alternative minimum tax on adjusted financial statement earnings, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations and taxpayers who may be eligible for the earned income tax credit.

PROSPECTIVE PURCHASERS OF THE SERIES 2025A BONDS SHOULD CONSULT THEIR TAX ADVISORS AS TO THE APPLICABILITY AND IMPACT OF ANY SUCH COLLATERAL TAX CONSEQUENCES.

Future Tax Developments

Future or pending legislative proposals, if enacted, regulations, rulings or court decisions may cause interest on the Series 2025A Bonds to be subject, directly or indirectly, to federal income taxation or to state or local income taxation, or may otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. Legislation or regulatory actions and future or pending proposals may also affect the economic value of the federal or state tax exemption or the market value of the Series 2025A Bonds. Prospective purchasers of the Series 2025A Bonds should consult their tax advisors regarding any future, pending or proposed federal or state tax legislation, regulations, rulings or litigation as to which Bond Counsel expresses no opinion.

Virginia Taxes

The Enabling Act provides that the Series 2025A Bonds, their transfer and the income therefrom, including any profit made on the sale thereof, shall be free and exempt from taxation by the Commonwealth of Virginia and by any political subdivision thereof.

UNDERWRITING

Pursuant and subject to the terms and conditions set forth in a Bond Purchase Agreement (the "Purchase Agreement"), dated ___ _, 2025, between the District and _____ and _____ (the "Underwriters"), for whom _____, is acting as representative, the Underwriters will agree to purchase from the District, and the District will agree to sell to the Underwriters, all, but not less than all, of the Series 2025A Bonds at a purchase price that results in an Underwriters' discount of $_____. The Underwriters have supplied the information as to the price shown on the inside cover page.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Under certain circumstances, the Underwriters and their affiliates may have certain creditor or other rights against the District and its affiliates in connection with such activities. In the course of their various business activities, the Underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities or instruments of the District (directly, as collateral securing other obligations or otherwise) or persons and entities with relationships with the District. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long or short positions in such assets, securities and instruments.

[note: additional underwriter selling agent disclosure to be added, if applicable.]

FINANCIAL ADVISOR

The District has retained PFM Financial Advisors LLC, Arlington, Virginia, as financial advisor (the "Financial Advisor") in connection with the issuance of the Series 2025A Bonds. Although the Financial Advisor assisted in the review of this Official Statement, the Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement. The Financial Advisor is a financial advisory, investment management and consulting organization and is not engaged in the business of underwriting municipal securities.

RATINGS

The Series 2025A Bonds have been assigned a rating of "__" by [Moody's Investors Service, Inc. ("Moody's"), and "__" by S&P Global Ratings, a division of S&P Global Inc. ("S&P")]. Such ratings reflect only the view of such organizations, and a fuller explanation of the significance of such ratings may be obtained from the rating agencies. A rating is not a recommendation to buy, sell or hold the Series 2025A Bonds. The District furnished [Moody's and S&P] with certain information regarding its policies, practices and finances, including information that is not included in this Official Statement.

There is no assurance that such policies, practices and finances or such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by [Moody's or S&P]. Any such downward revision or withdrawal could have an adverse effect on the market price of the Series 2025A Bonds.

CONTINUING DISCLOSURE

The Securities and Exchange Commission has adopted Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (the "Rule"). In general, the Rule prohibits an underwriter from purchasing or selling municipal securities, such as the Series 2025A Bonds, unless it has determined that the issuer of such securities and other persons deemed to be material "obligated persons" have committed to provide to The Electronic Municipal Market Access ("EMMA") system administered by the Municipal Securities Rulemaking Board (i) on an annual basis, certain financial information and operating data ("Annual Reports"), and audited financial statements, if available, or such unaudited financial statements as may be required by the Rule, and (ii) notice of various events described in the Rule ("Event Notices").

The District will covenant in the Continuing Disclosure Agreement (the form of which appears in Appendix C) for the benefit of the holders of the Series 2025A Bonds to provide to EMMA annually, not later than December 31 of each year, commencing December 31, 2025, Annual Reports with respect to itself, as issuer. Similarly, the District will promptly provide Event Notices with respect to the Series 2025A Bonds to EMMA. In the five years preceding the date of this Official Statement, the District has materially complied with its other undertakings under the Rule.

The Continuing Disclosure Agreement requires the District to provide only that information that is subject to the terms of the Continuing Disclosure Agreement and only at specific times. The District may, from time to time, provide certain information and data in addition to that required by the Continuing Disclosure Agreement. If the District chooses to provide such information and data, it has no obligation to update such information or data or to include it in a future disclosure.

The sole remedy for a default under the Continuing Disclosure Agreement is to bring an action for specific performance of the District's covenants hereunder, and no assurance can be provided as to the outcome of any such proceeding.

MISCELLANEOUS

All summaries or descriptions in this Official Statement of the provisions of the Enabling Act, the Series 2025A Bonds, and the Bond Resolution are made subject to all of the detailed provisions thereof to which reference is made for further information. Such summaries do not purport to be complete statements of any or all of the provisions thereof. Copies of the Bond Resolution are available upon request to the District at the following address: 1434 Air Rail Avenue, Virginia Beach, Virginia 23455, Phone (757) 460-2261.

Any statement in this Official Statement involving matters of opinion whether or not expressly so stated is intended as such and not as a representation of fact. The execution and delivery of this Official Statement have been duly authorized by the Commission.

/s/_____
Chair
Hampton Roads Sanitation District Commission

/s/_____
General Manager and Chief Executive Officer
Hampton Roads Sanitation District

/s/_____
Deputy General Manager and Chief Financial Officer
Hampton Roads Sanitation District

APPENDIX A

Annual Comprehensive Financial Report for the Fiscal Year ended June 30, 2024, including as a part thereof, the Basic Financial Statements and Related Auditor's Report for the Fiscal Year ended June 30, 2024, as rendered by Cherry Bekaert LLP[(1)(2)]

[(1)] This Appendix comprises the District's Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2024. In order to preserve cross-references within such pages, this Appendix has not been repaginated and, accordingly, retains the original pagination.

[(2)] Cherry Bekaert LLP, the District's independent auditor, has not been engaged to perform and has not performed, since the date of its report included in this Appendix, any procedures on the financial statements addressed in that report. Cherry Bekaert LLP also has not performed any procedures relating to this Official Statement.

APPENDIX B

PROPOSED OPINION OF BOND COUNSEL

____ __, 2025

Hampton Roads Sanitation District Commission
Virginia Beach, Virginia

We have examined Chapter 66 of the Acts of Assembly of Virginia of 1960, as amended (the "Act"), and certified copies of the proceedings of the Hampton Roads Sanitation District Commission (the "Commission"), the governing body of Hampton Roads Sanitation District (a political subdivision of the Commonwealth of Virginia and herein sometimes called the "District"), authorizing the issuance of the below-captioned bonds (the "Bonds") pursuant to a resolution adopted by the Commission on [May 27,] 2025 (the "Bond Resolution").

$_____
HAMPTON ROADS SANITATION DISTRICT

Subordinate Wastewater Revenue Bonds,
Series 2025A

Pursuant to the Bond Resolution, the Bonds are issued as Subordinate Obligations, within the meaning of the Trust Agreement, dated as of October 1, 2011, as amended and restated as of March 1, 2016, as amended, and as further amended and restated as of July 1, 2024, as supplemented (the "Trust Agreement"), between the District and The Bank of New York Mellon Trust Company, N.A., as trustee (in such capacity, the "Trustee"), and are expressly subordinate and junior to the Lien on Net Revenues (each as defined in the Trust Agreement) created pursuant to the Trust Agreement in favor of Senior Obligations (as defined in the Trust Agreement) of the District.

For purposes of the opinions in paragraphs 1, 2 and 3 below, we have relied upon the opinion of Sands Anderson PC to the effect that the Bond Resolution was duly adopted.

We have also examined one of the Bonds, as executed and authenticated.

Based upon such examination, we are of the opinion that:

1. The Bonds have been duly authorized, executed and issued to provide interim, short-term financing for certain improvements included as part of the District's Capital Improvement Program and to pay certain costs of issuing the Bonds.

2. The Bonds are special subordinate obligations of the District payable solely from the Net Revenues, on a subordinate and junior basis to Senior Obligations of the District secured under the Trust Agreement, and any other funds available for such purpose. The Bonds not constitute a debt of the Commonwealth of Virginia or of any county, city, town or political subdivision thereof, or a pledge of the faith and credit of the Commonwealth of Virginia or of any county, city, town or political subdivision thereof. The issuance of the Bonds does not directly or indirectly or contingently obligate the Commonwealth of Virginia or any county, city, town or political subdivision thereof to levy or to pledge any form of taxation whatever therefor.

3. Assuming continuing compliance by the District with its covenants to comply with the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), and except as provided in the following sentence, interest on the Bonds is not includable in the gross income of the owners thereof for federal income tax purposes under current law. Interest on the Bonds will be includable in the gross income of the owners thereof retroactive to the date of issue of the Bonds in the event of a failure by the District to comply with applicable requirements of the Code and its covenants regarding use, expenditure, and investment of the proceeds of the Bonds and the timely payment of certain investment earnings to the United States Treasury, and we render no opinion as to the effect on the exclusion from gross income of the interest on the Bonds for federal income tax purposes of any action taken or not taken without our approval or upon the advice or approval of counsel other than us.

4. Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax on individuals.

5. As provided by the Act, the Bonds, their transfer and the income therefrom, including any profit made on the sale thereof, shall be free and exempt from taxation by the Commonwealth of Virginia and any political subdivision thereof.

The Code contains other provisions that could result in tax consequences, as to which we render no opinion, as a result of ownership of the Bonds or the inclusion in certain computations (including without limitation those related to the corporate alternative minimum tax) of interest that is excluded from gross income.

The enforceability of the Bonds and the obligations of the District with respect thereto are subject to applicable bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights generally and to general principles of equity (regardless of whether enforcement is sought in proceedings in equity or law).

Respectfully submitted,

APPENDIX C

FORM OF
CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this "Disclosure Agreement"), dated as of ____ _, 2025, is executed and delivered by Hampton Roads Sanitation District (the "District") in connection with the issuance by the District of its Subordinate Wastewater Revenue Bonds, Series 2025A (the "Bonds"), pursuant to the provisions of a resolution adopted on [May 27, 2025] (the "Resolution"), by the Hampton Roads Sanitation District Commission, the District's governing body. The proceeds of the Bonds are being used by the District to provide funds to finance certain improvements included as part of the District's Capital Improvement Program. The District hereby covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the District for the benefit of the holders of the Bonds and in order to assist the Participating Underwriters (defined below) in complying with the Rule (defined below). The District acknowledges that it is undertaking primary responsibility for any reports, notices or disclosures that may be required under this Disclosure Agreement.

SECTION 2. Definitions. The following capitalized terms in this Disclosure Agreement shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"Dissemination Agent" shall mean the District, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the District and which has filed with the District a written acceptance of such designation.

"Filing Date" shall have the meaning given to such term in Section 3(A) hereof.

"Financial Obligation" means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that "financial obligation" shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

"Fiscal Year" shall mean the twelve-month period at the end of which financial position and results of operations are determined. Currently, the District's Fiscal Year begins July 1 and continues through June 30 of the next calendar year.

"Holder" or "holder" shall mean, for purposes of this Disclosure Agreement, any person who is a record owner or beneficial owner of a Bond.

"Listed Events" shall mean any of the events listed in subsection (b)(5)(i)(C) of the Rule, which are as follows:

(i) principal and interest payment delinquencies;

(ii) non-payment related defaults, if material;

(iii) unscheduled draws on debt service reserves reflecting financial difficulties;

(iv) unscheduled draws on credit enhancements reflecting financial difficulties;

(v) substitution of credit or liquidity providers, or their failure to perform;

(vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

(vii) modifications to rights of security holders, if material;

(viii) bond calls, if material, and tender offers;

(ix) defeasances;

(x) release, substitution, or sale of property securing repayment of the Bonds, if material;

(xi) rating changes;

(xii) bankruptcy, insolvency, receivership or similar event of the District;

(xiii) the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and appointment of a successor or additional paying agent or the change of name of a paying agent, if material;

(xiv) appointment of a successor or additional paying agent or the change of name of a paying agent, if material;

(xv) incurrence of a Financial Obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the District, any of which affect security holders, if material; and

(xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the District, any of which reflect financial difficulties.

For these purposes, (a) any event described in the immediately preceding paragraph (xii) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the District in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers of the District in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or

jurisdiction over substantially all of the assets or business of the District, and (b) the District intends the words used in the immediately preceding paragraphs (xv) and (xvi) and the definition of Financial Obligation in this Section 2 to have the same meanings as when they are used in the Rule, as evidenced by SEC Release No. 34-83885, dated August 20, 2018.

"MSRB" means the Municipal Securities Rulemaking Board.

"Participating Underwriters" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with the offering of such Bonds.

"Repository" shall mean The Electronic Municipal Market Access ("EMMA") system administered by the Municipal Securities Rulemaking Board. EMMA is recognized as a National Repository for purposes of the Rule.

"Rule" shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

SECTION 3. Provision of Annual Reports.

A. The District shall, or shall cause the Dissemination Agent to, provide to the Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. Such Annual Report shall be filed on a date (the "Filing Date") that is not later than December 31 after the end of any Fiscal Year (commencing with its Fiscal Year ended June 30, 2025). Not later than ten (10) days prior to the Filing Date, the District shall provide the Annual Report to the Dissemination Agent (if applicable). In such case, the Annual Report (i) may be submitted as a single document or as separate documents comprising a package, (ii) may cross-reference other information as provided in Section 4 of this Disclosure Agreement and (iii) shall include the District's audited financial statements or, if audited financial statements are not available, such unaudited financial statements as may be required by the Rule. In any event, audited financial statements of the District must be submitted, if and when available, together with or separately from the Annual Report.

B. The annual financial statements of the District shall be prepared on the basis of generally accepted accounting principles and will be audited. Copies of the audited annual financial statements, which may be filed separately from the Annual Report, will be filed with the Repository when they become publicly available.

C. If the District fails to provide an Annual Report to the Repository by the date required in subsection A hereto or to file its audited annual financial statements with the Repository when they become publicly available, the District shall send a notice to the Repository in substantially the form attached hereto as Exhibit B.

SECTION 4. Content of Annual Reports. Except as otherwise agreed, any Annual Report required to be filed hereunder shall contain or incorporate by reference, at a minimum, annual financial information relating to the District, including operating data, updating such information relating to the District as described in Exhibit A, all with a view toward assisting the Participating Underwriters in complying with the Rule.

Any or all of such information may be incorporated by reference from other documents, including official statements of securities issues with respect to which the District is an "obligated person" (within the meaning of the Rule), which have been filed with the Repository or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available

from the Repository. The District shall clearly identify each such other document so incorporated by reference.

SECTION 5. Reporting of Listed Events. The District will provide within ten business days to the Repository, notice of any of the Listed Events.

SECTION 6. Termination of Reporting Obligation. The District's obligations under this Disclosure Agreement shall terminate upon the earlier to occur of the legal defeasance and final retirement of all the Bonds.

SECTION 7. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the District shall be the Dissemination Agent.

SECTION 8. Amendment. Notwithstanding any other provision of this Disclosure Agreement, the District may amend this Disclosure Agreement, if such amendment is supported by an opinion of independent counsel with expertise in federal securities laws, to the effect that such amendment is permitted or required by the Rule.

SECTION 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Disclosure Agreement, the District shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. Any person referred to in Section 12 (other than the District) may take such action as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to file its Annual Report or to give notice of a Listed Event. The holders of not less than a majority in aggregate principal amount of Bonds Outstanding may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to challenge the adequacy of any information provided pursuant to this Disclosure Agreement, or to enforce any other obligation of the District hereunder. A default under this Disclosure Agreement shall not be deemed an event of default under the Resolution or the Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure of the District to comply herewith shall be an action to compel performance. Nothing in this provision shall be deemed to restrict the rights or remedies of any holder pursuant to the Securities Exchange Act of 1934, the rules and regulations promulgated thereunder, or other applicable laws.

SECTION 11. Format of Filings. Unless otherwise required by the Repository, all notice, documents and information provided to the Repository pursuant to this Disclosure Agreement shall be provided to EMMA, the current Internet address of which is www.emma.msrb.org. All notices, documents and information provided to the EMMA shall be provided in an electronic format prescribed by the Repository (currently, portable document format (pdf) which must be word-searchable except for non-textual elements) and shall be accompanied by identifying information as prescribed by the Repository.

SECTION 12. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the District, the Participating Underwriters and the holders from time to time of the Bonds, and shall create no rights in any other person or entity.

HAMPTON ROADS SANITATION DISTRICT

By: _____
Deputy General Manager and
Chief Financial Officer

EXHIBIT A

CONTENT OF ANNUAL REPORT
HAMPTON ROADS SANITATION DISTRICT

(a) **Financial Information**. Updated information including summary financial results, treatment charge collection rate, revenue collections from the District's largest customers, and a five-year comparison of revenues, expenses, debt service and debt service coverage ratios.

(b) **Debt Information**. Updated information including the debt service requirements of long-term indebtedness.

(c) **Operating Data.** Updated operating data including wastewater flows to the Wastewater System and its major treatment plants, the treatment capacities of its major treatment plants, total billed wastewater flows, and changes in rates and charges.

In general, the foregoing will include information as of the end of the most recent fiscal year or as of the most recent practicable date. Where information for the fiscal year just ended is provided, it may be preliminary and unaudited. Where information has historically been provided for more than a single period, comparable information will in general be provided for the same number of periods where valid and available. Where comparative demographic or economic information for the District and the United States as a whole is contemporaneously available and, in the judgment of the District, informative, such information may be included. Where, in the judgment of the District, an accompanying narrative is required to make data presented not misleading, such narrative will be provided.

EXHIBIT B

NOTICE OF FAILURE TO FILE ANNUAL REPORT
[AUDITED ANNUAL FINANCIAL STATEMENTS]

Re: HAMPTON ROADS SANITATION DISTRICT
SUBORDINATE WASTEWATER REVENUE BONDS,
SERIES 2025A

CUSIP NO.: 409327 _____

Bonds Dated: _____ _, 2025

NOTICE IS HEREBY GIVEN that Hampton Roads Sanitation District has not provided an Annual Report [Audited Annual Financial Statements] as required by Section 3 of the Continuing Disclosure Agreement, which was entered into in connection with the above-named bonds, the proceeds of which were used to provide short-term interim financing for certain improvements included as part of the District's Capital Improvement Program. [The District anticipates that the Annual Report [Audited Annual Financial Statements] will be filed by _____.]

Dated: _____

HAMPTON ROADS SANITATION DISTRICT

By _____

APPENDIX D

THE DEPOSITORY TRUST COMPANY

The Depository Trust Company (DTC), the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provision of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2.2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation, and Emerging Markets Clearing Corporation, (NSCC, FICC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2025A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2025A Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2025A Bond (the "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2025A Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2025A Bonds, except if use of the book-entry system for the Series 2025A Bonds is discontinued.

To facilitate subsequent transfers, all Series 2025A Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2025A Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2025A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2025A Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial

Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2025A Bonds unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2025A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, premium, if any, and interest payments on the Series 2025A Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

12. Wastewater Revenue Bonds Series 2025B
Bonds

$_____
HAMPTON ROADS SANITATION DISTRICT
WASTEWATER REVENUE BONDS,
SERIES 2025_

BOND PURCHASE AGREEMENT

_____, 2025

Hampton Roads Sanitation District
1434 Air Rail Avenue
Virginia Beach, Virginia 23455
Attn: Steven G. de Mik, Deputy General Manager and Chief Financial Officer

Ladies and Gentlemen:

The undersigned, _____ (the "Representative"), offers to enter into this Bond Purchase Agreement (this "Agreement") between the Hampton Roads Sanitation District (the "District"), a political subdivision of the Commonwealth of Virginia (the "Commonwealth"), and the Representative, acting on behalf of itself, _____, and _____, as the Underwriters (collectively, the "Underwriters"), for the purchase by the Underwriters and the sale by the District of the District's $_____ Wastewater Revenue Bonds, Series 2025_ (the "Bonds"). This offer is made subject to acceptance, which will be evidenced by the District's execution and delivery to the Underwriters of this Agreement at or before 11:00 p.m., Virginia Beach, Virginia, time, on _____, 2025, and, if not so accepted, will be subject to withdrawal by the Representative upon notice delivered to the District at any time thereafter.

The District has heretofore delivered to the Representative the Preliminary Official Statement of the District with respect to the Bonds, dated _____, 2025 (the "Preliminary Official Statement"), and will deliver an Official Statement in final form, dated _____, 2025 (the "Official Statement"), as provided herein. Capitalized terms used herein and not otherwise defined herein shall have the meanings given such terms in the Official Statement.

1. Agreement to Purchase and Sell; Good Faith Deposit. Upon the terms and conditions, and based upon the representations, warranties and agreements set forth herein, the Underwriters hereby agree to purchase from the District for offering to the public and the District hereby agrees to sell and deliver to the Underwriters, all (but not less than all) of the Bonds. The Underwriters intend to make an initial public offering of all of the Bonds at prices no higher than, or yields no lower than, those shown in the Official Statement. Subject to Section 3 hereof, the Underwriters reserve the right to lower such initial offering prices as they deem necessary in connection with the marketing of the Bonds. The Underwriters may offer and sell the Bonds to certain dealers (including dealers depositing the bonds into investment trusts) and others at prices different from the public offering prices stated on the inside cover page of the Official Statement.

The Bonds shall be dated the date of delivery thereof and shall mature in the principal amounts, bear interest at the rates, and be subject to the redemption provisions, all as described in the Official Statement and in Exhibit A attached hereto. The Bonds shall be secured as set forth in the Official Statement. The aggregate purchase price of the Bonds shall be $_____ (representing the sum of the $_____ par amount of the Bonds, plus an original issue premium of $_____, less an underwriting discount of $_____ on the Bonds).

The Representative has delivered to the District, and the District acknowledges receipt of, a wire transfer in the aggregate amount of $_____, representing the good faith deposit of the Underwriters. At the Closing (as defined in Section 7 below), the good faith deposit, exclusive of any interest earned on such amount, which shall accrue to the benefit of the District, will be deducted from the amount payable by the Underwriters with respect to the aggregate purchase price of the Bonds (and applied by the District as proceeds of the Bonds), and the Underwriters will pay $_____ (representing the $_____ purchase price, less the $_____ good faith deposit). If the District fails to deliver the Bonds at the Closing, or if the District is unable on or before the Closing to satisfy the conditions to the Underwriters' obligations contained in this Agreement, or if the obligations of the Underwriters are terminated for any reason permitted by this Agreement, the good faith deposit (with no credit for interest thereon) will be returned to the Representative. If the Underwriters fail (other than for a reason permitted in this Agreement) to accept and pay for the Bonds upon their tender by the District as provided in this Agreement, the good faith deposit will be retained by the District as full liquidated damages for such failure and for any and all defaults on the part of the Underwriters, and the delivery of the good faith deposit will constitute satisfaction, and will result in full release and discharge of the Underwriters and their affiliates from all claims and damages for such failure and for any and all defaults. The Underwriters and the District understand that in such event the actual damages of the District may be greater or may be less than the good faith deposit. Accordingly, the Underwriters hereby waive any right to claim that the actual damages of the District are less than such sum, and the acceptance of this offer by the District shall constitute a waiver of any right the District may have to additional damages from the Underwriters.

2. Description of the Bonds; Public Offering. (a) The Bonds are authorized to be issued pursuant to the provisions of Chapter 66 of the Acts of Assembly of Virginia of 1960, as amended (the "Enabling Act"), a resolution adopted on May 27, 2025 (the "Bond Resolution"), by the Hampton Roads Sanitation District Commission (the "Commission"), the governing body of the District, and the Trust Agreement, dated as of October 1, 2011, as amended and restated as of March 1, 2016, as amended, and as further amended and restated as of July 1, 2024, by and between the District and The Bank of New York Mellon Trust Company, N.A., as further supplemented by the _____ Supplemental Trust Agreement, dated as of _____ 1, 2025 (as amended, restated and supplemented, the "Trust Agreement").

(b) The proceeds of the Bonds are being used to (i) to finance or refinance a portion of the cost of the District's Capital Improvement Program, and (ii) to pay certain expenses incurred in connection with the issuance of the Series 2025_ Bonds by the District.

(c) To assist the Underwriters in complying with Rule 15c2-12 (the "Rule") under the Securities Exchange Act of 1934, as amended (the "1934 Act"), the District will execute a Continuing Disclosure Agreement, dated as of the Closing Date (as defined in Section 7 below),

for the benefit of the holders of the Bonds (the "Continuing Disclosure Agreement"). The District will agree in the Continuing Disclosure Agreement to provide annual financial information and operating data and notices of the occurrence of specified events. A description of the Continuing Disclosure Agreement is set forth in, and a form of such agreement is attached as an appendix to, the Preliminary Official Statement and the Official Statement. This Agreement, the Trust Agreement, and the Continuing Disclosure Agreement are hereinafter collectively referred to as the "District Documents."

(d) The District consents to the use of any name, seal, logo or emblem owned by or associated with it in any of the Underwriters' sales, promotional, advertising or marketing material, or in any other form publicly used by the Underwriters.

3. Concurrent Delivery of Official Statement; Establishment of Issue Price of the Bonds. (a) Upon the acceptance, execution and delivery of this Agreement by the District, the District will deliver to the Representative a sufficient number of copies of the final version of the Official Statement, which shall be signed by the Chair or the Vice Chair of the Commission, the General Manager/Chief Executive Officer, and the Deputy General Manager/Chief Financial Officer of the District, to enable the Underwriters to comply with the Rule. The Underwriters' approval of the Official Statement will be conclusively evidenced by the Representative's execution and delivery of this Agreement.

(b) The Representative, on behalf of the Underwriters, agrees to assist the District in establishing the issue price of the Bonds and shall execute and deliver to the District on the Closing Date an "issue price" or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit E, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Representative, the District and Bond Counsel (as defined herein), to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds.

(c) The District will treat the first price at which 10% of each maturity of the Bonds (the "10% test") is sold to the public as the issue price of that maturity. At or promptly after the execution of this Agreement, the Representative shall report to the District the price or prices at which the Underwriters have sold to the public each maturity of Bonds.

(d) The Representative confirms that the Underwriters have offered all of the Bonds to the public on or before the date hereof for purchase at the offering price or prices, or priced to yield, as set forth in Exhibit A attached hereto (the "initial offering price").

Exhibit A also sets forth, as of the date of this Agreement, the maturities, if any, of the Bonds for which the 10% test has not been satisfied and for which District and the Representative, on behalf of the Underwriters, agree that the restrictions set forth in the next sentence shall apply to each such maturity of the Bonds, which will allow the District to treat the initial offering price to the public of each such maturity of the Bonds as of the date hereof as the issue price of that maturity (the "hold-the-offering-price rule"). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriters will neither offer nor sell any Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the date hereof and ending on the earlier of the following:

(1) the close of the fifth (5th) business day after the date hereof; and

(2) the date on which the Underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Representative shall promptly advise the District after the close of the fifth (5th) business day after the date hereof whether it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

Initial disclosure of maturities that have met the 10% test will be made after the signing of this Agreement, at the earlier of (1) all tickets having been entered by the Representative and (2) 5:00 p.m. Eastern Time, on _____, 2025.

The District acknowledges that, in making the representation set forth in this subsection, the Representative will rely on (i) the agreement of each Underwriter to comply with the requirements for establishing the issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer that is a member of the selling group to comply with the requirements for establishing the issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an Underwriter or a dealer that is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing the issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, as set forth in the third-party distribution agreement and the related pricing wires. The District further acknowledges that each Underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing the issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, and that no Underwriter shall be liable for the failure of any other Underwriter or of any dealer that is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing the issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule.

(e) The Representative confirms that:

(i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the Representative is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable, (A) to comply with the hold-the-offering-price rule in each case if and for so long as directed by the Representative and as set forth in the related pricing wires, (B) to promptly notify the Representative of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating

in the initial sale of the Bonds to the public (each such term being used as defined below), and (C) to acknowledge that, unless otherwise advised by the Underwriter, dealer, or broker-dealer, the Representative shall assume that each order submitted by the Underwriter, dealer, or broker-dealer is a sale to the public, and

(ii) any agreement among underwriters or selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to comply with the hold-the-offering-price rule if and for so long as directed by the Representative or the Underwriter or dealer and as set forth in the related pricing wires.

(f) The Underwriters acknowledge that sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being defined below) shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(i) "maturity" means Bonds with the same credit and payment terms; Bonds with different maturity dates, or with the same maturity date but different stated interest rates, are treated as separate maturities,

(ii) "public" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an underwriter or a related party,

(iii) "underwriter" means (A) any person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public), and

(iv) a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

4. Representations Warranties and Covenants of the District. The District represents and warrants to, and agrees with, the Underwriters as follows:

(a) The District is a political subdivision of the Commonwealth duly created and validly existing under the laws of the Commonwealth;

(b) The District has complied with all applicable provisions of the Constitution and laws of the Commonwealth, including the Enabling Act, with respect to the consummation of all of the transactions contemplated by the Official Statement and the District Documents, and has full right, power and authority to enter into the District Documents, to adopt the Bond Resolution, to issue, sell and deliver the Bonds to the Underwriters pursuant to the Trust Agreement and this Agreement, to prepare the Preliminary Official Statement and the Official Statement and to authorize the distribution thereof by the Underwriters and to carry out and consummate all transactions contemplated by the Official Statement and the District Documents, and with respect to the Bonds, the District has complied, and as of the Closing Date will have complied, with the District Documents and the laws of the Commonwealth applicable thereto;

(c) The District is authorized under the provisions of the Enabling Act to issue the Bonds for the purposes described in the Trust Agreement and the Official Statement;

(d) The Bond Resolution has been duly adopted by the Commission at a meeting duly called and held and duly and validly authorizes the issuance, sale and delivery of the Bonds pursuant to the Trust Agreement and the execution and delivery of the District Documents, and the Bond Resolution and the Trust Agreement, as of the date hereof, have not been amended, modified or repealed, in any material respect (other than as contemplated herein or by the Official Statement);

(e) The Commission has duly and validly authorized all necessary action to be taken by it or the District for (i) the issuance, sale, and delivery of the Bonds upon the terms set forth herein, (ii) the execution, delivery, and performance of the District Documents, (iii) the carrying out, giving effect to, and consummation of the transactions contemplated hereby, and (iv) the consent to the distribution by the Underwriters of the Official Statement;

(f) The District Documents, when executed by the other parties thereto, if any, will have been duly and validly executed and delivered by the District and will be in full force and effect as to the District, and such District Documents constitute legal, valid and binding obligations of the District, enforceable in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws and principles of equity relating to or affecting the enforcement of creditors' rights; and the Bonds, when issued, authenticated and delivered to the Underwriters in accordance with the Bond Resolution will constitute legal, valid and binding obligations of the District enforceable in accordance with their terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws and principles of equity relating to or affecting the enforcement of creditors' rights;

(g) Except as described in the Preliminary Official Statement and the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity before or by any court, governmental agency or public board or body, pending or, to the best knowledge of the District, threatened against the District that (i) may affect the existence of the District or the titles or rights of its officers to their respective offices, (ii) may affect or that seeks to prohibit, restrain or enjoin (A) the sale, issuance or delivery of the Bonds or (B) the collection or payment

of the Net Revenues or the pledge and assignment thereof by the District to make payments on the Bonds, (iii) in any way contests or affects the validity or enforceability of the District Documents, (iv) contests in any way the completeness or accuracy of the Official Statement, or (v) contests the powers of the District or, to the best knowledge of the District, any authority or proceedings for the issuance, sale or delivery of the Bonds, the District Documents or any of them or the transactions contemplated thereby, nor, to the best knowledge of the District, is there any basis therefor wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Bonds, the Bond Resolution or any of the other District Documents;

(h) The District is not in any material respect in breach of or default under any applicable constitutional provision, law or administrative regulation of the Commonwealth of Virginia or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, ordinance, resolution, agreement or other instrument to which the District is a party or to which the District or any of the property or assets of the District are otherwise subject; no event has occurred and is continuing that constitutes or with the passage of time or the giving of notice, or both, would constitute a default or event of default by the District under any such instrument; and the execution and delivery of this Agreement and the other District Documents, and the compliance with the provisions thereof, will not conflict with or constitute on the part of the District a violation of, breach of, or default under (i) the Enabling Act, (ii) in any material respect, any indenture, mortgage, lease or note agreement or any other material agreement or instrument to which the District is a party or by which the District is bound, or (iii) any constitutional provision or statute or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the District or any of its activities or properties;

(i) All consents, approvals, authorizations and orders of governmental or regulatory authorities that are required to be obtained by the District in connection with the execution and delivery of this Agreement and the other District Documents and the consummation of the transactions contemplated thereby to be consummated on or before the Closing Date have been or will be, at Closing, duly obtained and in full force and effect; provided, that no representation or warranty is expressed as to any action required under applicable federal or state securities laws or Blue Sky laws of any jurisdiction in connection with the issuance and sale of the Bonds;

(j) At the time of the District's acceptance hereof and (unless an event occurs of the nature described in Section 5(b)) at all times subsequent hereto during the period up to and including twenty-five (25) days after the end of the underwriting period, as hereinafter defined, the Official Statement was and will be true and correct in all material respects and did not and will not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, no representation or warranty is made as to any of the information described in the proviso of Section 4(o) below;

(k) If the Official Statement is supplemented or amended pursuant to Section 5(b), at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto during the period up to and including twenty-five (25) days after the end of the underwriting period, the Official Statement as so supplemented or amended will be true and correct in all material respects and will not contain

any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, no representation or warranty is made as to any of the Excluded Information, as defined below;

(l) The District will execute and deliver the Continuing Disclosure Agreement, at or prior to the Closing, in substantially the form attached to the Official Statement as "APPENDIX E – FORM OF CONTINUING DISCLOSURE AGREEMENT;"

(m) During the 5-year period ending on the date hereof, except as set forth in the Official Statement, the District has not failed in any material respect to comply with all previous undertakings made by it of the type specified in paragraph (b)(5)(i) of the Rule;

(n) During the 5-year period ending on the date hereof, except as set forth in the Official Statement, no notice of the type specified in paragraph (b)(5)(i)(D) of the Rule has been filed by or on behalf of the District;

(o) (i) Other than the Excluded Information, as defined below, the information contained in the Preliminary Official Statement was, as of its date, and the Official Statement is, as of the date hereof, and as of the Closing Date will be, true and correct in all material respects and does not and will not, as applicable, contain any untrue statement of a material fact or omit to state a material fact that is necessary to make the statements contained therein, in the light of the circumstances under which they were made, not misleading, and (ii) notwithstanding the foregoing, the District has not provided the information in and does not provide any assurance that the information relating to "Price or Yield" of the Bonds and CUSIP numbers on the inside cover, or the first paragraph of page (iv) thereof, or contained in the sections or appendices, as the case may be, captioned "TAX MATTERS," "UNDERWRITING," "APPENDIX D – PROPOSED OPINION OF BOND COUNSEL," and "APPENDIX F – THE DEPOSITORY TRUST COMPANY" (collectively, the "Excluded Information") in the Official Statement is true and correct in all material respects;

(p) The financial statements of, and other financial information regarding the District in the Preliminary Official Statement and the Official Statement and Appendix A thereto, present fairly the financial position and results of the operations of the District as of the dates and for the periods therein set forth; and the audited financial statements have been prepared in accordance with accounting principles generally accepted in the United States;

(q) The District will cause the Trustee to authenticate and deliver the Bonds when ready for delivery;

(r) To the District's knowledge, neither the Securities and Exchange Commission ("SEC") nor the securities commission of any jurisdiction has issued or threatened to issue any order preventing or suspending the use of the Official Statement;

(s) No person, whether generally or through an enterprise, fund, or account of such person, other than the District, is committed by contract or other arrangement structured to support payment of all, or part, of the obligations on the Bonds for purposes of and within the meaning of the Rule;

(t) Any certificate signed by any of the District's authorized officers and delivered to the Representative shall be deemed a representation and warranty by the District to the Underwriters as to the statements made therein;

(u) Prior to the Closing Date, except as otherwise contemplated by the Official Statement, the Issuer shall not create, assume or guarantee any indebtedness payable from, or pledge or otherwise encumber, the Net Revenues or other assets, properties, funds or interests that will be pledged as security or be available as a source of payment for the Bonds pursuant to the Resolution and the Trust Agreement;

(v) The District shall cooperate with the Underwriters in the qualification of the Bonds for offering and sale and the determination of their eligibility for investment under the laws of such jurisdictions, to the extent applicable, as the Representative may request; provided that the District shall not be required to qualify as a foreign corporation in, or submit to the general jurisdiction of, any other state or to file any general or special consent to service of process under the laws of any jurisdiction;

(w) The District shall not knowingly take or omit to take any action that, under existing law, may adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Bonds;

(x) Prior to the Closing Date, the District will not amend, terminate or rescind the Bond Resolution or the Trust Agreement without the prior written consent of the Representative, provided, however, that the execution and delivery of the _____ Supplemental Trust Agreement in connection with the Bonds is expressly permitted; and

(y) The District acknowledges and agrees that (i) the Underwriters are not acting as municipal advisors within the meaning of Section 15B of the 1934 Act; (ii) the primary role of the Underwriters, as underwriters, is to purchase securities, for resale to investors, in an arm's length commercial transaction between the District and the Underwriters, and the Underwriters have financial and other interests that differ from those of the District; (iii) the Underwriters are acting solely as principals and are not acting as municipal advisors, financial advisors or fiduciaries to the District and have not assumed any advisory or fiduciary responsibility to the District with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriters have provided other services or are currently providing other services to the District on other matters); (iv) the only obligations the Underwriters have to the District with respect to the transaction contemplated hereby expressly are set forth in this Agreement; and (v) the District has consulted its own financial, municipal, legal, accounting, tax and other advisors, as applicable, to the extent it has deemed appropriate.

All representations, warranties and agreements of the District shall remain operative and in full force and effect, regardless of any investigations made by any Underwriter or on the Underwriters' behalf, and shall survive the delivery of the Bonds.

5. Compliance with the Rule; Other Covenants.

(a) The Preliminary Official Statement has been deemed final by the District in accordance with the Rule and remains as such on the date hereof. The District ratifies and consents

to the distribution and use by the Underwriters on or before the date hereof, in connection with the public offering of the Bonds, of the Preliminary Official Statement. The District agrees to supply, at the District's expense, within seven (7) business days after the date hereof and in any event not later than two (2) business days before the Closing, sufficient quantities of the Official Statement to enable the Representative to send copies of the Official Statement to any potential customer upon request in compliance with paragraph (b)(4) of the Rule and the rules and regulations of the Municipal Securities Rulemaking Board ("MSRB"). Delivery of such copies of the Official Statement shall constitute the District's approval and authorization thereof for use in connection with the public offering and sale by the Underwriters of the Bonds. The Official Statement shall be in substantially the same form as the Preliminary Official Statement and, other than information permitted to have been omitted by the Rule, the District shall only make such other additions, deletions and revisions in the Official Statement that are approved by the Representative. The District agrees to deliver to the Representative an electronic copy of the Official Statement in a form that permits the Representative to satisfy its obligations under the rules and regulations of the MSRB and the SEC. The Representative agrees to file the Official Statement with the MSRB in compliance with MSRB Rule G-32.

(b) The District covenants and agrees to notify the Representative if, during the period commencing on the date hereof through the date twenty-five (25) days after the "end of the underwriting period," as hereinafter defined, any event shall occur including, but not limited to, any material adverse change in the financial position, results of operations or condition, financial or otherwise, of the District, and of which the District has knowledge, that would cause the Official Statement to contain any untrue or incorrect statement of a material fact or to omit to state a material fact that should be included therein for the purpose for which the Official Statement is to be used or that is necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and, if in the reasonable opinion of the Representative such event requires any amendment or supplement to the Official Statement, the District will at the District's expense promptly amend or supplement the Official Statement in a form and manner jointly approved by the District and the Representative. Anything in this Section 5(b) to the contrary notwithstanding, in no event shall the District be under any obligation to perform any continuing due diligence or monitoring to determine if any event described in this Section 5(b) has occurred subsequent to the end of the underwriting period. The "end of the underwriting period" means the Closing Date unless the Representative advises in writing on such Closing Date that as of such date there remains an unsold balance of the Bonds, in which case the "end of the underwriting period" means the date as of which the Representative notifies the District that the Underwriters no longer retain an unsold balance of the Bonds for sale to the public.

(c) Subject to Section 9, the District shall furnish such information, execute such instruments and take such other action in cooperation with the Representative as the Representative may reasonably request to qualify the Bonds for offering and sale under the securities or "blue sky" laws of such states and other jurisdictions of the United States as the Representative may designate; provided, however, the District shall not be obligated to accept, or consent to accept, service of process, or to appoint an agent to accept service of process, outside the Commonwealth of Virginia.

(d) The Representative agrees on behalf of the Underwriters that the Bonds will only be offered pursuant to the Official Statement and only in jurisdictions where such offer is legal

and that a copy of the final version of the Official Statement will be delivered to each purchaser of the Bonds.

6. Conditions to Underwriters' Obligations. The Underwriters' obligation to purchase and pay for the Bonds shall be subject to the performance by the District of its obligations to be performed hereunder and in the documents delivered at the Closing, and the accuracy in all material respects of the representations and warranties contained hereunder and shall also be subject to the satisfaction of each of the following conditions, both as of the date hereof and the Closing Date:

(a) The Representative shall not have discovered any material error, misstatement or omission in the representations and warranties made by the District in this Agreement, which representations and warranties will be deemed to have been made again at and as of the time of the Closing and will then be true, accurate and complete in all material respects;

(b) The Bond Resolution, the Enabling Act and the District Documents shall be in full force and effect and shall not have been amended, modified or supplemented, and the Official Statement shall not have been supplemented or amended, except as may have been agreed or consented to by the Representative;

(c) At the time of the Closing, all official action of the District relating to this Agreement, the Bonds and the other District Documents shall be in full force and effect and shall not have been amended, modified or supplemented except as otherwise agreed to by the Representative;

(d) At the time of the Closing, there shall have been no material adverse change in the condition, financial or otherwise, of the District from that set forth in the Official Statement that in the reasonable judgment of the Representative makes it impracticable to market the Bonds on the terms and in the manner contemplated in the Official Statement;

(e) The Representative shall have received the Official Statement, and each supplement or amendment, if any, to it, executed on behalf of the District by its General Manager/Chief Executive Officer and its Deputy General Manager/Chief Financial Officer and a fully executed copy of each of the District Documents;

(f) The Representative shall have received from Norton Rose Fulbright US LLP, Bond Counsel for the District ("Bond Counsel"), an approving opinion with respect to the Bonds, dated the Closing Date and addressed to the District, in substantially the form set forth in Appendix D to the Official Statement;

(g) The Representative shall have received from Bond Counsel a supplemental opinion or opinions with respect to the Bonds, dated the Closing Date and addressed to the Underwriters, in substantially the form set forth as Exhibit B hereto;

(h) The Representative shall have received from Sands Anderson PC, general counsel to the District, the opinions dated the Closing Date and addressed to the Underwriters (or shall receive a reliance letter with respect thereto), in substantially the forms set forth in Exhibit C hereto;

(i) The Representative shall have received from AquaLaw PLC, special counsel to the District, the opinion dated the Closing Date and addressed to the Underwriters (or shall receive a reliance letter with respect thereto), in substantially the form set forth in Exhibit D hereto;

(j) The Representative shall have received from _____, counsel to the Underwriters, an opinion dated the Closing Date and addressed to the Underwriters, in form and satisfactory acceptable to the Representative;

(k) The Representative shall have received (i) a certificate of the General Manager/Chief Executive Officer and the Deputy General Manager/Chief Financial Officer of the District setting forth facts, estimates and circumstances (including covenants of the District) in existence on the Closing Date sufficient to support the conclusion that it is not expected that the proceeds of the Bonds (or other amounts provided by the District) will be used in a manner that would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, and applicable rules and regulations, and (ii) an executed Information Return for Tax-Exempt Bond Issues (Internal Revenue Service Form 8038-G) in a form satisfactory to Bond Counsel for filing, executed by a duly authorized officer of the District;

(l) The Representative shall have received a certificate of the District as to the receipt of payment for the Bonds;

(m) A certificate, dated the Closing Date, signed by the General Manager/Chief Executive Officer of the District to the effect that (a) the representations and agreements of the District contained herein are true and correct in all material respects as of the date of the Closing, and the District has complied with all of the agreements and satisfied all of the conditions in the District Documents to be performed or satisfied at or prior to the Closing; (b) except as described in the Official Statement, no litigation is pending or, to his knowledge, threatened, (i) seeking to restrain or enjoin the execution or delivery of any of the District Documents, (ii) in any way contesting or affecting any authority for the Bond Resolution or any District Document, (iii) in any way contesting the creation, existence or powers of the District or the application of the proceeds of the Bonds, or (iv) which, if adversely determined, could materially adversely affect the District's financial position or operating condition or the transactions contemplated by the Official Statement or any District Document; and (c) the Official Statement is true and correct in all material respects and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, except no review has been made of the Excluded Information;

(n) A certificate, dated the Closing Date, signed by the General Manager/Chief Executive Officer of the District, in form and substance satisfactory to the Representative, to the effect that (i) the financial statements of the District as of June 30, 2024, fairly represent the receipts, expenditures, assets, liabilities and cash balances of such amounts and, insofar as presented, other funds of the District as of the dates and for the periods therein set forth and (ii) except as disclosed in the Official Statement, since June 30, 2024, no materially adverse change has occurred, or any development involving a prospective material change, in the financial position or results of operations of the District, and the District has not incurred since June 30, 2024, any

material liabilities other than in the ordinary course of business or as set forth in or contemplated by the Official Statement;

(o) The Representative shall have received confirmation of long-term ratings from Moody's Investors Service, Inc. ("Moody's"), and S&P Global Ratings, a division of S&P Global Inc. ("S&P"), indicating that the Bonds have been rated "___" and "__," respectively. which ratings shall remain in effect on the Closing Date;

(p) The Representative shall have received a copy of the Blanket Letter of Representations to DTC relating to the Bonds signed by the District;

(q) The Representative shall have received a certificate of the Trustee, wherein the Trustee shall represent that it can perform the duties and obligations with respect to the Bonds imposed upon it by the Trust Agreement; and

(r) The Representative shall have received a certified copy of the Bond Resolution and PDF copies of the executed District Documents and such other legal opinions, certificates, instruments and other documents as the Representative or Bond Counsel reasonably may request.

If the District shall be unable to satisfy or cause to be satisfied any material (in the sole judgment of the Representative) condition to the obligations of the Underwriters contained in this Agreement, or if the obligations of the Underwriters shall be terminated for any reason permitted by this Agreement, this Agreement shall terminate, and neither the Underwriters nor the District shall be under any further obligations or liabilities hereunder, except for the return or retention of the good faith deposit as provided in Section 1 hereof and the respective obligations of the District and the Underwriters for the payment of expenses as provided in Section 9 hereof, which obligations shall continue in full force and effect.

7. Closing. By 11:00 a.m. Virginia Beach, Virginia time, on _____, 2025, or such other time or date as shall otherwise be mutually agreed upon by the District and the Representative (such date is herein sometimes called the "Closing Date"), the District will deliver or cause to be delivered to the Underwriters either through the facilities of The Depository Trust Company ("DTC"), or as shall otherwise have been mutually agreed upon by the District and the Representative, the Bonds and, subject to the terms and conditions hereof, the Underwriters will accept such delivery and pay to the District the purchase price of the Bonds as set forth in Section 1 hereof, such purchase price to be payable in same day Federal Funds. Such delivery and such acceptance and payment are herein sometimes called the "Closing." Delivery of the other documents as aforesaid shall be made at the offices of Bond Counsel in Washington, D.C. The Bonds shall be made available to the Underwriters, or delivered at their direction to such place and at such time as shall be mutually agreed upon, prior to the Closing. At the direction of the Underwriters, the District will deliver the Bonds in definitive form for registration through the book-entry-only system of registration as described in the Official Statement, registered in the name of Cede & Co., as nominee for DTC. It is anticipated that the CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such numbers nor any error with respect thereto shall constitute a cause for failure or refusal by the Underwriters to accept delivery of the Bonds in accordance with the terms of this Agreement.

8. Termination. The Representative may terminate the obligation of the Underwriters to purchase the Bonds by notification to the District in writing, if between the date hereof and the Closing:

(1) legislation shall have been introduced in, or enacted by, the Congress of the United States or the General Assembly of the Commonwealth or legislation shall have been reported out of committee of either body or be pending in committee of either body, or a decision shall have been rendered by a court of the United States or the Commonwealth, or a ruling, resolution, regulation, or temporary regulation, release, or announcement shall have been made or shall have been proposed to be made by the Treasury Department of the United States or the Internal Revenue Service, or other federal or Commonwealth authority, with respect to federal or Commonwealth taxation upon revenues or other income of the general character of that to be derived by the District from its operations, or upon interest received on obligations of the general character of the Bonds that, in the Representative's reasonable judgment, materially adversely affects the market price or marketability of the Bonds or the Underwriters' ability to enforce contracts for the sale of the Bonds;

(2) legislation shall have been introduced in or enacted by or a bill shall be favorably reported out of committee of either house of Congress or recommended for passage by the President of the United States, or a decision by a court of the United States shall be rendered, or a ruling, regulation, proposed regulation or statement by or on behalf of the SEC or any other agency of the federal government having jurisdiction of the subject matter shall be made, to the effect that the Bonds, the Resolution or the Trust Agreement are not exempt from the registration, qualification or other requirements of the Securities Act of 1933, as amended, the 1934 Act, or the Trust Indenture Act of 1939, as amended;

(3) legislation shall have been enacted by the Congress of the United States to become effective on or prior to the Closing, or a decision of a court of the United States shall be rendered, or a stop order, ruling, regulation or proposed regulation by or on behalf of the SEC or other agency having jurisdiction over the subject matter shall be issued or made, to the effect that the issuance, sale and delivery of the Bonds or the District is in violation of the federal securities laws, including the Securities Act of 1933, as amended, the 1934 Act, or the Trust Indenture Act of 1939, as amended, or with the purpose or effect of otherwise prohibiting the offering, issuance, sale or delivery of the Bonds as contemplated hereby or by the Official Statement or of obligations of the general character of the Bonds;

(4) an event shall have occurred that (A) makes untrue or incorrect in any material respect, as of the time of such event, any statement or information contained in the Preliminary Official Statement or the Official Statement or that is not reflected in the Preliminary Official Statement or the Official Statement but should be reflected therein in order to make the statements and information contained therein not misleading in any material respect and (B) in the Representative's reasonable judgment, materially adversely affects the market price or marketability of the Bonds or the Underwriters' ability to enforce contracts for the sale of the Bonds;

(5) there shall have occurred (whether or not foreseeable) any engagement in, or escalation of hostilities or other national or international calamity or crisis, or any material adverse

change in the financial or economic conditions affecting the United States, the effect of such engagement, escalation, calamity, crisis or change on the financial markets of the United States being such as, in the Representative's reasonable judgment, would have a material adverse impact on the market price or marketability of the Bonds or the Underwriters' ability to enforce contracts for the sale of the Bonds;

(6) a general suspension of trading on the New York Stock Exchange or other major exchange shall be in force, or minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices for securities shall have been required and be in force on any such exchange, whether by virtue of determination by that exchange or by order of the SEC or any other governmental authority having jurisdiction or a general banking moratorium shall have been declared by federal, Commonwealth of Virginia or State of New York authorities;

(7) a material disruption in securities settlement, payment or clearance services affecting the Bonds shall have occurred; or

(8) any litigation shall be instituted or be pending on the Closing Date to restrain or enjoin the issuance, sale or delivery of the Bonds, or in any way contesting or affecting any authority for or the validity of the proceedings authorizing and approving the Enabling Act, the Bond Resolution, the District Documents or the existence or powers of the District.

9. Expenses. Except as set forth herein, the Underwriters shall not be under any obligation to pay, and the District agrees to pay, any expenses incident to the performance of the District's obligations hereunder, including but not limited to: (i) the cost of preparation of the Bond Resolution; (ii) the costs of the preparation and printing of the definitive Bonds; (iii) the fees and disbursements of Bond Counsel; (iv) the fees and disbursements of the accountants, advisors and consultants retained by the District; (v) the cost of publication of all required notices; (vi) the disbursements of District officials and employees and any expenses incurred by the Underwriters on behalf of the District's employees and representatives that are incidental to implementing this Agreement, including without limitation meals, transportation, and lodging of such employees and representatives; (vii) fees for the rating on the Bonds; and (viii) the cost of the preparation and printing of a reasonable number of copies of the Official Statement and any amendments or supplements thereto and a reasonable number of copies required for distribution in connection with the public offering of the Bonds.

The Underwriters shall pay the fees and disbursements of Underwriters' counsel, the cost of preparation and printing of this Agreement, all advertising expenses in connection with the public offering of the Bonds and all other expenses incurred by them in connection with the public offering and distribution of the Bonds, including the cost of printing any Preliminary and Final Blue Sky Memoranda and all other underwriting documents. The District shall not be under any obligation to pay any such expenses incident to the performance of the obligations of the Underwriters hereunder.

10. Notices. Any notice or other communication to be given under this Agreement may be given by delivering the same in writing (a) to the District at the District's address set forth above, with a copy to PFM Financial Advisors LLC, 4350 North Fairfax Drive, Suite 590,

Arlington, Virginia 22203, Attention: Sarah Frey, Director, and (b) to the Representative at _____, _____, Attention: _____.

11. Successors and Assigns. This Agreement is made solely for the benefit of the District and the Underwriters (including the successors or assigns of the Underwriters), and no other person shall acquire or have any right hereunder or by virtue hereof. All of the representations, warranties and agreements of the District contained in this Agreement shall remain operative and in full force and effect, and shall survive the delivery of the Bonds, regardless of any investigations made by or on behalf of the Underwriters.

12. Counterparts. This Agreement may be executed in one or more counterparts, each of which will be regarded as an original and all of which will constitute one and the same document.

13. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia, without regard to its choice of laws principles.

14. Entire Agreement. This Agreement is the entire agreement of the parties, superseding all prior agreements, and may not be modified except in writing signed by the parties hereto.

[Remainder of Page Intentionally Left Blank]

15. Effective Date. This Agreement shall become effective upon the execution of the acceptance hereof by the District and shall be valid and enforceable as of the time of such acceptance and approval.

Very truly yours,

_____
_____
_____

By: _____
as representative

By:_____
Director

HAMPTON ROADS SANITATION DISTRICT

By:_____
Deputy General Manager and Chief
Financial Officer

[Signature page to Bond Purchase Agreement for Hampton Roads Sanitation District, Wastewater Revenue Bonds, Series 2025_]

EXHIBIT A

$_____
HAMPTON ROADS SANITATION DISTRICT
WASTEWATER REVENUE BONDS,
SERIES 2025_

Maturities, Amounts, Interest Rates and Yields*

Year of Maturity (____ 1)	Principal Amount	Interest Rate	Priced to Yield*
	$	%	%

*Yield to first optional redemption date of ____ 1, 20__

Redemption Provisions

Optional Redemption. The Bonds are subject to redemption prior to their respective maturities on or after ___ 1, 20__, at the option of the District, in whole or in part (in increments of $5,000) at any time, at a redemption price equal to ___% of the principal amount of such Bonds to be redeemed, plus the unpaid interest accrued thereon to the date fixed for redemption.

[Remainder of Page Intentionally Left Blank]

Mandatory Sinking Fund Redemption.

The Bonds due on ____ 1, 20__, are subject to mandatory sinking fund redemption on July 1 in the following years in the following principal amounts ("Sinking Fund Requirements") at a redemption price equal to the principal amount thereof, together with interest accrued to the date of redemption.

Term Bonds due ____ 1, 20__

Year	Sinking Fund Requirement
20__	$
20__	
20__	
20__	†

† Unamortized balance at maturity.

In the event of a partial optional redemption or purchase of such term bonds, the District will credit the principal amount of such term bonds so purchased or redeemed against the Sinking Fund Requirements for the remaining term bonds outstanding in such amounts and in such years as it in its sole discretion shall determine.

10% Test

The 10% test referred to in Section 3(d) of this Agreement has been satisfied for each maturity of the Bonds [other than the Bonds maturing _____].

[Remainder of Page Intentionally Left Blank]

EXHIBIT B

SUPPLEMENTAL OPINION OF BOND COUNSEL

_____, 2025

_____
_____

_____
_____

_____
_____

$_____
HAMPTON ROADS SANITATION DISTRICT
WASTEWATER REVENUE BONDS,
SERIES 2025_

Ladies and Gentlemen:

We have delivered to you copies of our approving opinion as Bond Counsel, dated this date, rendered in connection with the issuance by the Hampton Roads Sanitation District, a political subdivision of the Commonwealth of Virginia (the "District"), for the purchase by the Underwriters and the sale by the District of the District's $_____ Wastewater Revenue Bonds, Series 2025_ (the "Bonds"). The Bonds are issued pursuant to the provisions of Chapter 66 of the Acts of Assembly of Virginia of 1960, as amended (the "Enabling Act"), a resolution adopted on May 27, 2025 (the "Bond Resolution"), by the Hampton Roads Sanitation District Commission (the "Commission"), the governing body of the District, and the Trust Agreement, dated as of October 1, 2011, as amended and restated as of as amended and restated as of March 1, 2016, as amended, and as further amended and restated as of July 1, 2024, between the District and The Bank of New York Mellon Trust Company, N.A., as further supplemented by the _____ Supplemental Trust Agreement, dated as of _____ 1, 2025 (collectively, the "Trust Agreement").

You may rely upon our approving opinions as if each were addressed to you.

At your request, we have reviewed, in addition to the proceedings and other papers described in our approving opinions, the following:

(a) the Bond Purchase Agreement, dated _____, 2025, between you and the District (the "Purchase Agreement");

(b) the Preliminary Official Statement, dated _____, 2025, with respect to the Bonds, together with the final version of the Official Statement, dated _____, 2025, with respect to the Bonds (the "Official Statement"); and

(c) the Continuing Disclosure Agreement, dated the date hereof (the "Continuing Disclosure Agreement").

Based on the foregoing and upon such other information and papers as we consider necessary for the purposes of rendering this opinion, we are of the opinion that:

1. The Purchase Agreement and the Continuing Disclosure Agreement have been duly authorized, executed and delivered by the District and, assuming their due authorization, execution and delivery by the other parties thereto, constitute valid and legally binding agreements of the District, enforceable against the District in accordance with their terms. The enforceability of the Purchase Agreement and the Continuing Disclosure Agreement may be limited by bankruptcy, insolvency, moratorium, reorganization or other laws affecting creditors' rights generally and may be subject to judicial discretion.

2. The offering, sale and delivery of the Bonds do not require their registration under the Securities Act of 1933, as amended, and the Trust Agreement is exempt from qualification as a trust indenture under the Trust Indenture Act of 1939, as amended. No opinion is expressed with respect to the necessity of the registration of the Bonds under the "Blue Sky" or securities laws of any state, federal district, territory or possession of the United States.

In our capacity as Bond Counsel, we have participated in the preparation and have reviewed those portions of the Official Statement contained under the captions "THE SERIES 2025_ BONDS," "SECURITY AND SOURCES OF PAYMENT," "TAX MATTERS," and "CONTINUING DISCLOSURE" (other than information under such caption with respect to the District's compliance with previous undertakings under Rule 15c2-12, as to which no opinion is expressed) and in Appendices B, C, D, and E. In our opinion, the statements relating to the Bonds and the summaries of documents, statutes and opinions contained in the sections of the Official Statement referred to above fairly summarize the material provisions of the Bonds and the documents, statutes and opinions referred to therein. We offer no other opinion or view as to the information contained in the Official Statement.

This letter is furnished by us in our capacity as Bond Counsel to the District. No attorney-client relationship has existed or exists between our firm and the addresses hereof in connection with the Bonds, the Official Statement or by virtue of this opinion. This opinion is delivered to, and is solely for the benefit of, the addressees hereof and is not to be used, circulated, quoted or otherwise referred to or relied upon by any person other than you. This opinion is not intended to be relied upon by the Trustee (as described in the Purchase Agreement) or the holders or the beneficial owners of the Bonds.

Very truly yours,

EXHIBIT C

OPINIONS OF SANDS ANDERSON PC
COUNSEL FOR THE DISTRICT

_____, 2025

_____
_____

_____
_____

_____
_____

Norton Rose Fulbright US LLP
Washington, D.C.

$_____
HAMPTON ROADS SANITATION DISTRICT
WASTEWATER REVENUE BONDS,
SERIES 2025_

Ladies and Gentlemen:

We have acted as general counsel to the Hampton Roads Sanitation District (the "District") in connection with the issuance and sale of the above-referenced bonds (the "Bonds"). The Bonds are being issued under the Trust Agreement, dated as of October 1, 2011, as amended and restated as of March 1, 2016, and as amended and restated as of July 1, 2024, between the District and The Bank of New York Mellon Trust Company, N.A., as trustee (in such capacity, the "Trustee"), as amended. The Bonds are secured by such Trust Agreement, as further supplemented by the _____ Supplemental Trust Agreement, dated as of _____ 1, 2025, between the District and the Trustee (collectively, the "Trust Agreement"). Unless otherwise defined, the capitalized terms used in this opinion have the meanings set forth in the Bond Purchase Agreement (as hereinafter defined).

In connection with our opinion, we have examined the following:

(1) Chapter 66 of the Acts of Assembly of Virginia of 1960, as amended (the "Enabling Act");

(2) the resolution relating to the Bonds adopted by the Hampton Roads Sanitation District Commission, the governing body of the District, on May 27, 2025 (the "Bond Resolution");

(3) the Trust Agreement;

(4) the Bonds;

(5) the Bond Purchase Agreement, dated _____, 2025 (the "Bond Purchase Agreement"), between you and the District;

(6) the Preliminary Official Statement, dated _____, 2025 (the "Preliminary Official Statement"), and the Official Statement, dated _____, 2025 (the "Official Statement"), prepared in connection with the offering of the Bonds; and

(7) the Continuing Disclosure Agreement, dated as of _____, 2025 (the "Continuing Disclosure Agreement"), delivered by the District for the benefit of the Underwriters and the holders of the Bonds.

The Trust Agreement, the Continuing Disclosure Agreement, and the Bond Purchase Agreement are referred to collectively as the "District Documents."

As to questions of fact material to this opinion, we have relied upon representations of, and the compliance as of the date hereof with the covenants by, the District contained in the District Documents, certifications of public officials furnished to us, and certifications and representations contained in certificates of the District and others delivered at Closing; provided that nothing has come to our attention that would lead us to believe that reliance upon such representations and certifications is unreasonable. We have assumed that (i) all signatures on documents, certificates, and instruments examined by us are genuine, (ii) all documents, certificates, and instruments submitted to us as originals are authentic, and (iii) all documents, certificates, and instruments submitted to us as copies conform to the originals. In addition, we have assumed that all documents, certificates, and instruments relating to this financing have been duly authorized, executed, and delivered by all parties thereto.

Based upon the foregoing, as of the date hereof, we are of the opinion that:

1. The District is a political subdivision of the Commonwealth of Virginia duly created and validly existing under the Enabling Act and has full power and authority under the Enabling Act to (i) adopt the Bond Resolution, (ii) execute and deliver the District Documents and the Bonds, (iii) issue, sell and deliver the Bonds pursuant to the Trust Agreement, and (iv) consummate the transactions contemplated by, and perform its obligations under, the District Documents. The directors and officers of the District identified in the District's general certificate delivered the date hereof have been duly appointed and are qualified to serve as such.

2. The Bond Resolution has been duly adopted, complies with the Enabling Act and is in full force and effect on this date. The Bonds and the District Documents have been duly authorized, executed and delivered by the District and assuming due authorization, execution and delivery by the other parties thereto constitute legal, valid and binding agreements of the District enforceable in accordance with their terms except to the extent their enforceability may be limited by bankruptcy, reorganization or similar laws affecting creditors' rights generally and by general equitable principles.

3. The District has duly approved the Official Statement and its use in connection with the public offering of the Bonds.

4. The authorization, execution and delivery of the District Documents and the Bonds and the performance by the District of its obligations thereunder will not conflict with or constitute a violation or breach of or default under (i) any federal or Virginia constitutional provision or any other provision of Virginia law, (ii) to the best of our knowledge, any material agreement or other material instrument to which the District is a party or by which the District is bound, or (iii) to the best of our knowledge, any order, rule or regulation of any court or governmental agency or body having jurisdiction over the District or any of its properties.

5. Based on our familiarity with the affairs of the District, but without having undertaken to determine independently the accuracy or completeness of the statements contained in the Preliminary Official Statement as of its date, together with the final version of the Official Statement as of its date and as of the date hereof, each with respect to the Bonds, nothing has come to our attention which would lead us to believe that the information in the Preliminary Official Statement or the Official Statement (exclusive of the financial and statistical information contained therein) under the captions "PLAN OF FINANCING," "HAMPTON ROADS SANITATION DISTRICT," "THE SERVICE AREA," "THE SYSTEM (exclusive of the information under " – State Consent Agreement and EPA Consent Decree")," "FINANCIAL MANAGEMENT," and "LITIGATION" insofar as it pertains to the District or the System, contains an untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. Except as disclosed in the Preliminary Official Statement and the Official Statement, no litigation or other proceedings are pending or, to the best of our knowledge after due inquiry with respect thereto, threatened in any court or other tribunal of competent jurisdiction, state or federal, in any way (a) restraining or enjoining the issuance, sale or delivery of any of the Bonds or the collection of revenues of the System by the District or the pledge of revenues under the Trust Agreement, (b) questioning or affecting the validity of the Bonds, the Bond Resolution or the District Documents, (c) questioning or affecting the validity of any of the proceedings for the authorization, sale, execution, registration, issuance or delivery of the Bonds, (d) questioning or affecting the organization or existence of the District or the title to the offices of the officers thereof or (e) contesting in any material respect the completeness or accuracy of the Preliminary Official Statement or the Official Statement. The District has expressly disclosed that the District and the United States Environmental Protection Agency ("EPA") have modified the consent agreement with the Commonwealth of Virginia and the Order from EPA into a federal consent decree lodged with the Federal District Court for the Eastern District of Virginia. Such consent decree could impose penalties and other relief, as set forth in the Official Statement under "THE SYSTEM – State Consent Agreement and EPA Consent Decree." A separate opinion will be issued by AquaLaw PLC as to these matters, and we express no opinion as to these matters.

6. All authorizations, approvals, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction that are required for the due authorization of the Bond Resolution, the District Documents and the Bonds have been duly obtained, provided that no opinion is expressed with respect to the necessity of the registration of the Bonds under the "Blue Sky" or securities laws of any state, federal district, territory or possession of the United States.

7. To the best of our knowledge after due inquiry, the District is not in breach of or default under any applicable law or administrative regulation of the Commonwealth of Virginia or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the District is a party or is otherwise subject, which breach or default would materially adversely affect the District's ability to enter into or perform its obligations under the District Documents, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument and which would materially adversely affect the District's ability to enter into or perform its obligations under the District Documents.

Our services as counsel to the District have been limited to rendering the foregoing opinions based on our review of such legal proceedings as we deem necessary to make the statements herein contained. Wherever in this letter an opinion is qualified by the phrase "to our knowledge" or words of like import, it shall mean that we have no actual knowledge to the contrary of the matter or matters so qualified and that no such knowledge to the contrary has come to us during the course of our representation of the District in connection with this transaction, but that we have conducted no independent investigation of such matter or matters or otherwise sought verification thereof, except as may be expressly set forth herein. We have not examined any documents or other information concerning the business or financial resources of the District, and therefore we express no opinion as to the accuracy or completeness of any information that may have been relied upon by any purchaser of the Bonds in making its decision to purchase the Bonds.

We express no opinion as to (i) the status of interest on the Bonds for federal or state income tax purposes, (ii) compliance with federal and state laws regulating securities, (iii) the perfection or priority of any liens or security interests, (iv) any matter which may be governed by the law of any jurisdictions other than the Commonwealth and the United States of America, or (v) any other matter not expressly set forth above. Finally, we do not undertake to advise you of any changes in the opinions expressed herein resulting from matters that might hereafter come or be brought to our attention.

This letter is furnished by us in our capacity as counsel for the District. No attorney-client relationship has existed or exists between our firm and the addressees hereof in connection with the Bonds, the Official Statement or by virtue of this opinion. This opinion is delivered to, and is solely for the benefit of, the addressees hereof and is not to be used, circulated, quoted or otherwise referred to or relied upon by any person other than you. This opinion may not be relied upon by the Trustee or the holders of the Bonds.

SANDS ANDERSON PC

By_____

_____, 2025

The Bank of New York Mellon Trust Company, N.A.,
as Trustee
Pittsburgh, Pennsylvania

_____
_____

_____
_____

_____
_____

$_____
HAMPTON ROADS SANITATION DISTRICT
WASTEWATER REVENUE BONDS,
SERIES 2025_

Ladies and Gentlemen:

We have served as general counsel to the Hampton Roads Sanitation District (the "District") in connection with the issuance and sale of the above-captioned bonds (the "Bonds"). The Bonds are being issued under the Trust Agreement, dated as of October 1, 2011, as amended and restated as of March 1, 2016, and as amended and restated as of July 1, 2024, between the District and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), as amended. The Bonds are secured by such Trust Agreement, as further supplemented by the _____ Supplemental Trust Agreement, dated as of _____ 1, 2025, between the District and the Trustee (collectively, the "Trust Agreement"). Unless otherwise defined, the capitalized terms used in this opinion have the meanings set forth in the Trust Agreement.

In connection with our opinion, we have examined the following:

(1) Chapter 66 of the Acts of Assembly of Virginia of 1960, as amended;

(2) the resolution relating to the Bonds adopted by the Hampton Roads Sanitation District Commission, the governing body of the District, on May 27, 2025 (the "Resolution");

(3) the Trust Agreement; and

(4) the Bonds.

As to questions of fact material to this opinion, we have relied upon representations of, and the compliance as of the date hereof with the covenants by, the District contained in the Trust Agreement, certifications of public officials furnished to us, and certifications and representations contained in certificates of the District and others delivered in connection with the issuance of the

Bonds; provided that nothing has come to our attention that would lead us to believe that reliance upon such representations and certifications is unreasonable. We have assumed that all signatures on documents, certificates, and instruments examined by us are genuine, all documents, certificates, and instruments submitted to us as originals are authentic, and all documents, certificates, and instruments submitted to us as copies conform to the originals. In addition, we have assumed that all documents, certificates, and instruments relating to the Bonds have been duly authorized, executed, and delivered by all parties to them other than the District.

Based upon the foregoing and upon such other information and documents as we consider necessary, we are of the opinion that:

(1) the District has the power and authority to execute and deliver the Trust Agreement and the Bonds and to consummate the transactions contemplated by such instruments; and

(2) the Trust Agreement and the Bonds have been duly authorized, executed and delivered by the District.

Our services as counsel to the District have been limited to rendering the foregoing opinions based on our review of such legal proceedings as we deem necessary to make the statements herein contained. Wherever in this letter an opinion is qualified by the phrase "to our knowledge" or words of like import, it shall mean that we have no actual knowledge to the contrary of the matter or matters so qualified and that no such knowledge to the contrary has come to us during the course of our representation of the District in connection with this transaction, but that we have conducted no independent investigation of such matter or matters or otherwise sought verification thereof, except as may be expressly set forth herein. We have not examined any documents or other information concerning the business or financial resources of the District, and therefore we express no opinion as to the accuracy or completeness of any information that may have been relied upon by any purchaser of the Bonds in making its decision to purchase the Bonds.

We express no opinion as to (i) the status of interest on the Bonds for federal or state income tax purposes, (ii) compliance with federal and state laws regulating securities, or the necessity for the registration of the Bonds or the qualification of the Trust Agreement under applicable law, including the Securities Act of 1933, as amended, and the Trust Indenture Act of 1939, as amended, (iii) the perfection or priority of any liens or security interests, (iv) any matter that may be governed by the law of any jurisdictions other than the Commonwealth of Virginia and the United States of America, or (v) any other matter not expressly set forth above. Finally, we do not undertake to advise you of any changes in the opinions expressed herein resulting from matters that might hereafter come or be brought to our attention.

SANDS ANDERSON PC

By: _____

EXHIBIT D

FORM OF OPINION OF AQUALAW PLC,
SPECIAL COUNSEL TO THE DISTRICT

_____, 2025

Hampton Roads Sanitation District
Virginia Beach, Virginia

_____
_____

_____
_____

_____
_____

$_____
HAMPTON ROADS SANITATION DISTRICT
WASTEWATER REVENUE BONDS,
SERIES 2025_

Ladies and Gentlemen:

We are writing as outside environmental counsel to the Hampton Roads Sanitation District ("HRSD") regarding statements made in the Preliminary Official Statement, dated _____, 2025 (the "Preliminary Official Statement"), and the Official Statement, dated _____, 2025 (the "Official Statement"), of HRSD concerning federal and State enforcement initiatives for HRSD's sewage collection system. These initiatives relate to the portion of HRSD's system that serves localities in the Hampton Roads, Virginia, region.

Specifically, we are writing to confirm that the statements contained in the Preliminary Official Statement and in the Official Statement under the caption "THE SYSTEM – State Consent Agreement and EPA Consent Decree" present a fair and accurate summary of the matters purported to be summarized therein. These statements do not contain an untrue statement of a material fact. Nor do they omit to state any material fact necessary in order to make such statements, in the light of the circumstances under which they were made, not misleading with respect to the Preliminary Official Statement, as of its date, and with respect to the Official Statement, as of the date of the Official Statement and as of the date hereof.

Sincerely,

AquaLaw PLC

EXHIBIT E

$_____
HAMPTON ROADS SANITATION DISTRICT
WASTEWATER REVENUE BONDS,
SERIES 2025_

ISSUE PRICE CERTIFICATE
(Hold-the-Offering-Price Rule)

The undersigned, on behalf of _____ (the "**Representative**"), and the other members of the underwriting syndicate (together, the "**Underwriting Group**"), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the "**Bonds**") of Hampton Roads Sanitation District (the "**Issuer**").

1. ***Initial Offering Price of the Hold-the-Offering-Price Maturities***.

(a) The Underwriting Group offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the "**Initial Offering Prices**") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

(b) As set forth in the Bond Purchase Agreement, dated _____, 2025, the members of the Underwriting Group agreed in writing on or prior to the Sale Date that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, they would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "**hold-the-offering-price rule**"), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail or other third-party distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail or other third-party distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

2. ***Defined Terms***.

(a) *Hold-the-Offering-Price Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the "**Hold-the-Offering-Price Maturities**."

(b) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which the Underwriters sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(c) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(d) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(e) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is _____, 2025.

(f) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail or other third-party distribution agreement participating in the initial sale of the Bonds to the Public).

[Final certificate may include standard representations regarding callable premium bonds and computations performed by the underwriter (e.g., yield and weighted average maturity) as may be required by the Issuer.]

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Representative's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate with respect to the Bonds and with respect to compliance with the federal income tax rules affecting the Bonds, and by Norton Rose Fulbright US LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds. The representations set forth herein are not necessarily based on personal knowledge, and, in certain cases, the undersigned is relying on representations made by the other members of the Underwriting Group.

_____,
On behalf of the Underwriters, including itself

By: _____
Name:
Title:

Dated: _____, 2025

SCHEDULE A

INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES

(*Attached*)

SCHEDULE B
PRICING WIRE OR EQUIVALENT COMMUNICATION
(*Attached)*

HAMPTON ROADS SANITATION DISTRICT

and

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,

as ESCROW AGENT

_____

Escrow Deposit Agreement relating to
Wastewater Revenue Bonds, [Refunding] Series _____

Dated as of _____, 202_

ESCROW DEPOSIT AGREEMENT

This ESCROW DEPOSIT AGREEMENT, dated as of _____, 202_ (this "Agreement"), is by and between Hampton Roads Sanitation District (the "District") and The Bank of New York Mellon Trust Company, N.A., as trustee under the Trust Agreement, under the Amended and Restated Trust Agreement, dated as of March 1, 2016, as amended and supplemented, as further amended and restated by the Amended and Restated Trust Agreement, dated as of July, 1 2024, as supplemented (the "Trust Agreement"), and its successor or successors and any other corporation that may be substituted in its place pursuant to the Trust Agreement and as Paying Agent for the Defeased Bonds (as hereinafter defined) (in such capacity, the "Trustee") and as escrow agent hereunder (hereinafter referred to, in either or both capacities, as the "Escrow Agent").

WHEREAS, the District has authorized and issued multiple series of Bonds under the Trust Agreement; and

WHEREAS, the District wishes to defease [all] [a portion] of its outstanding Wastewater Revenue Bonds, [Refunding] Series _____, such Obligations being more particularly identified in **Exhibit A** (the "Defeased Bonds");

WHEREAS, the District has determined to issue its Wastewater Revenue Bonds, Refunding Series 202_ (the "Series 202_ Bonds") under the Trust Agreement;

WHEREAS, pursuant to the Trust Agreement, the Trustee will transfer a portion of the proceeds of the Series 202_ Bonds to the Escrow Agent, along with certain other money, to enable the Escrow Agent to purchase securities in order to pay the Defeased Bonds and discharge and satisfy the covenants, agreements and other obligations of the District to the holders of the Defeased Bonds under the Trust Agreement; and

WHEREAS, the purchase and deposit of Escrow Securities (as defined below) and the deposit of the Cash Amount (as defined below) with the Trustee will accomplish the discharge and satisfaction of the covenants, agreements and other obligations of the District to the holders of the Defeased Bonds under the Trust Agreement;

NOW THEREFORE, in consideration of the foregoing and of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

1. All capitalized terms used herein and not otherwise defined herein shall have the same meanings in this Agreement as such terms are given in the Trust Agreement. Reference herein to or citation herein of any provisions of the Trust Agreement shall be deemed to incorporate the same as a part hereof in the same manner and with the same effect as if the same were fully set forth herein.

2. The Bank of New York Mellon Trust Company, N.A., is hereby appointed as Escrow Agent by the District and, by its execution and delivery hereof, The Bank of New York Mellon Trust Company, N.A., accepts appointment as Escrow Agent hereunder.

3. There is hereby created and established with the Escrow Agent a special and irrevocable fund designated the "Hampton Roads Sanitation District 20__ Defeasance Escrow Deposit Fund" (the "Escrow Fund") to be held by the Escrow Agent separate and apart from all other funds of the District or the Escrow Agent.

On _____. 202_, the District shall cause to be transferred Series 202_ Bond proceeds in the amount of $_____ (the "Escrow Deposit") to the Escrow Agent, and the Escrow Agent shall acknowledge receipt of the Escrow Deposit.

The District directs the Escrow Agent, and the Escrow Agent agrees, to deposit the Escrow Deposit in the Escrow Fund and to apply amounts credited to the Escrow Fund to the purchase of the Defeasance Obligations listed in **Exhibit B** (such Defeasance Obligations together with any Defeasance Obligations substituted therefor and any Defeasance Obligations purchased pursuant to paragraphs (4) or (5) hereof are collectively referred to herein as the "Escrow Securities"), which, as provided in paragraph (6) hereof, are intended to mature at times and in amounts sufficient (excluding reinvestment earnings) to pay principal or redemption price of and interest when due on the Defeased Bonds, as applicable. Except as otherwise provided below under subparagraph (b) of paragraph (4) with respect to the Escrow Securities, the Escrow Agent shall have no power or duty to invest any money held hereunder or to make substitutions of the Escrow Securities held hereunder or to sell, transfer, or otherwise dispose of the Escrow Securities or money acquired hereunder except in accordance with written instructions of the District. Any amounts derived from Escrow Securities not required to be applied to the payment of the principal or redemption price of and interest when due on the Defeased Bonds shall, to the extent practicable, be reinvested at the written direction of the District.

4. (a) Other than as hereinafter provided in this paragraph (4), or in paragraph (5) below, with respect to any amounts received from principal or interest payments on such Escrow Securities (as defined above) remaining in the Escrow Fund, and principal or redemption price of and interest due or to become due on the Defeased Bonds, the Escrow Agent shall leave such amounts received from the maturing principal of and interest on the Escrow Securities to the extent not then used to pay the principal or redemption price of or interest on the Defeased Bonds uninvested in the Escrow Fund.

(b) The District hereby directs the Escrow Agent to enter into this Agreement, and to invest and reinvest the amount held in the Escrow Fund pursuant to the terms hereof. The Escrow Agent hereby agrees that it will take all of the actions required to be taken by it in its capacity as Trustee under the Trust Agreement and as Escrow Agent hereunder in order to effectuate this Agreement. The liability of the Escrow Agent for the payment of the Defeased Bonds, pursuant to this paragraph and the Trust Agreement shall be limited to the application thereto of the Escrow Securities and the interest earnings thereon available for such purposes in the Escrow Fund. The Escrow Agent shall have no responsibility for any investment losses resulting from the investment, reinvestment, liquidation or substitution of Escrow Securities in accordance with the written direction of the District or the failure of the District to provide timely written investment direction, if it shall become necessary. The Escrow Agent shall invest amounts held in the Escrow Fund in accordance with the terms of this Agreement, but in the absence of reinvestment instructions from the District (if the same become necessary), the Escrow Agent shall hold the money held by it hereunder uninvested, and shall not be liable for the payment of any interest on such uninvested

funds. The Escrow Agent, at the written direction of the District and upon receipt of the opinions and certificates described below, shall invest and reinvest in Defeasance Obligations any money remaining from time to time in the Escrow Fund until needed to provide for the payment of the principal or redemption price of and interest on the Defeased Bonds, except as provided by paragraph (5) below. Such money shall be reinvested at the direction of the District in Defeasance Obligations maturing no later than when required to meet an interest or principal payment on the Defeased Bonds, and at such interest rates or yields and for such periods that the District shall direct, provided that the Escrow Agent shall have received (i) a written opinion of a lawyer or a firm of lawyers nationally recognized in the field of municipal finance and satisfactory to the Escrow Agent (an "Opinion of Counsel") to the effect that such reinvestment of such money and the interest rates or yields on such money and substitute Defeasance Obligations will not adversely affect the exclusion of interest on the Series 202_ Bonds and the Defeased Bonds from gross income for federal income tax purposes and (ii) a certification from a nationally recognized verification agent that, immediately following such transaction, the principal of and interest on the Defeasance Obligations in the Escrow Fund when due and paid will, without reinvestment, together with any other money or securities held in the Escrow Fund for such purpose, be sufficient to pay the principal of, redemption premium, if any, and interest on the Defeased Bonds when due.

5. The District may withdraw from the Escrow Fund at any time money or Defeasance Obligations not then or thereafter needed to pay the principal or redemption price of and interest due or to become due on the Defeased Bonds resulting from any activity described in paragraphs (3) or (4) above or any other action of the District permitted by the Trust Agreement (including that certain of the Defeased Bonds have ceased to be Outstanding by virtue of the fact that such Defeased Bonds have been acquired by the Escrow Agent or the Trustee at the direction of the District) or this Agreement; the District shall provide to the Trustee a certification from a nationally recognized verification agent that after any such withdrawal the principal of and interest on the money and securities on deposit in the Escrow Fund, together with other money or securities held in the Escrow Fund for such purpose, shall be sufficient to pay without reinvestment, when due, the principal or redemption price of and interest on the Defeased Bonds.

6. The District hereby represents, warrants and certifies to the Escrow Agent that the Escrow Securities deposited in the Escrow Fund are and shall be Defeasance Obligations and that the Escrow Securities mature at such times and in such amounts such that, based solely upon calculations and certifications made to it by _____, verification agent, the maturing principal of and the interest on the Escrow Securities and the cash in the amount of $____ not applied to the purchase of the Escrow Securities (the "Cash Amount"), collectively, will be sufficient to pay when due the principal or redemption price, if applicable, of and interest due and to become due on the Defeased Bonds, on and prior to the redemption date or maturity date thereof, as the case may be, provided that amounts received from the Escrow Securities and not needed to pay amounts due on the Defeased Bonds, on the date received shall be held uninvested until applied to pay amounts due on the Defeased Bonds, or reinvested as provided in paragraph (4), all in accordance with and in satisfaction of the provisions of the Trust Agreement and this Agreement.

7. The District hereby irrevocably designates the Defeased Bonds maturing on ___ 1, 202_, for redemption on the date set forth in **Exhibit A** hereto. The form of the notice of defeasance and redemption required to be mailed pursuant to the requirements of the Trust Agreement is attached hereto as **Appendix A,** and the District hereby irrevocably instructs the

Trustee to deliver such notice at the time and in the manner required by the Trust Agreement. The District directs the Escrow Agent, and the Escrow Agent agrees, to cause the notice of defeasance and redemption to be sent to The Electronic Municipal Market Access system administered by the Municipal Securities Rulemaking Board ("EMMA") within five (5) days after the date of this Agreement, such notice to be substantially in the form set forth in **Appendix A**.

8. The District irrevocably covenants that it will take, or cause to be taken, all actions necessary to cause the Defeased Bonds scheduled to mature on ____ 1, 202_, to be redeemed on the date set forth in **Exhibit A** hereto, and the Escrow Agent shall have no obligation or liability with respect thereto, except as set forth in this Agreement.

9. The deposit of the Escrow Securities and money in the Escrow Fund shall constitute an irrevocable deposit in trust solely for the payment of the Defeased Bonds, and the principal of and interest earnings on such Escrow Securities and money shall be used solely for such purposes, as necessary, subject to paragraphs (4) and (5) hereof.

10. Neither the District nor the Escrow Agent shall sell, transfer or otherwise dispose of the Escrow Securities or the funds held uninvested under this Agreement, except as otherwise provided in paragraphs (4) and (5) hereof and except that the Escrow Agent may effect the transfer of such Escrow Securities or funds to a successor escrow agent in accordance with the Trust Agreement relating to the transfer of rights and property to successor trustees.

11. Subject to the provisions of paragraphs (4) and (5) hereof, the lien and pledge hereby created shall be irrevocable and the holders of the Defeased Bonds shall have an express lien on all money and Escrow Securities deposited in the Escrow Fund pursuant to paragraphs (3), (4) and (5) hereof and the interest earnings thereon until paid out, used and applied in accordance with this Agreement. Nothing in this Agreement shall be deemed to imply that the Defeased Bonds have been paid or deemed paid by reason of the execution of this Agreement.

12. In consideration of the services rendered by the Escrow Agent under this Agreement, the District agrees to and shall pay to the Escrow Agent such fees and expenses as the District and the Escrow Agent shall agree in writing, including all reasonable expenses, charges, counsel fees and other disbursements incurred by the Escrow Agent or by its attorneys, agents and employees in and about the performance of their powers and duties hereunder, from any money of the District lawfully available therefor, and the Escrow Agent shall have no lien, claim, or right of setoff whatsoever upon or against any of the Escrow Securities, Defeasance Obligations, or the funds held uninvested in said Escrow Fund for the payment of such fees and expenses. The District further agrees, to the extent permitted by law, to indemnify and save the Escrow Agent, any successor escrow agent, and its officers, directors, agents, and employees harmless against any extraordinary expenses, services or liabilities that it may incur as a result of entering into this Agreement or that it may incur in the exercise and performance of its powers and duties hereunder and which are not due to the Escrow Agent's willful misconduct or bad faith. If the Escrow Agent shall be subsequently called upon by the District to exercise any discretionary rights or powers that are vested in the Escrow Agent by this Agreement but not expressly mandated by this Agreement, then the Escrow Agent shall be under no obligation to exercise such rights or powers unless such the District shall have offered to the Escrow Agent security or indemnity satisfactory to the Escrow Agent against the costs, expenses and liabilities that might be incurred by it in

compliance with such request or direction. The provisions of this paragraph (12) shall survive the discharge of this Agreement or the earlier resignation or removal of the Escrow Agent.

13. The District hereby acknowledges that the rights, duties, immunities and indemnities of the Trustee set out in Article IX of the Trust Agreement, and the obligations of the District in respect thereof shall be applicable to the Trustee in its capacity as Escrow Agent hereunder.

14. The Escrow Agent will have no duties or responsibilities to the District or any other person in connection herewith except those specifically provided herein and will not be responsible for anything done or omitted to be done by it except for its own negligence, gross negligence, willful or intentional misconduct or default in the performance of any obligation imposed on it hereunder.

15. The Escrow Agent may consult with legal counsel or other experts concerning its duties hereunder, and the opinion of such counsel will be full and complete authority and protection to the Escrow Agent as to any action taken or omitted by it in good faith and in accordance with such opinion.

The Escrow Agent may conclusively rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties.

The Escrow Agent may perform its duties hereunder by or through attorneys, agents, receivers, or employees. The Escrow Agent shall not be obligated to use or risk its own funds in the performance of its duties hereunder or to pay the principal of, premium, if any, or interest on the Defeased Bonds.

Anything in this Agreement to the contrary notwithstanding, in no event shall the Escrow Agent be liable for special, indirect, punitive or consequential loss or damages of any kind whatsoever (including but not limited to lost profits), even if the Escrow Agent has been advised of the likelihood of such loss or damage and regardless of the form of action.

16. Notices. (a) All notices and communications to the District shall be addressed in writing to:

Steven G. de Mik
Deputy General Manager and Chief Financial Officer
Hampton Roads Sanitation District
1434 Air Rail Avenue
Virginia Beach, Virginia 23455

or at such other address as is furnished from time to time by the District.

All notices and communications to the Escrow Agent shall be addressed in writing to:

The Bank of New York Mellon Trust Company, N.A.,
as Escrow Agent
500 Ross Street, 12th Floor
Pittsburgh, Pennsylvania, 15262
Attention: Corporate Trust - Public Finance

or at such other address as is furnished from time to time by the Escrow Agent.

(b) The Escrow Agent shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this Agreement and delivered using Electronic Means (as defined below); provided, however, that the District shall provide to the Escrow Agent an incumbency certificate listing officers with the authority to provide such Instructions ("Authorized Officers") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the District whenever a person is to be added or deleted from the listing. If the District elects to give the Escrow Agent Instructions using Electronic Means and the Escrow Agent in its discretion elects to act upon such Instructions, the Escrow Agent's understanding of such Instructions shall be deemed controlling. The District understands and agrees that the Escrow Agent cannot determine the identity of the actual sender of such Instructions and that the Escrow Agent shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Escrow Agent have been sent by such Authorized Officer. The District shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Escrow Agent and that the District and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and authentication keys upon receipt by the District. The Escrow Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Escrow Agent's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The District agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Escrow Agent, including without limitation the risk of the Escrow Agent acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Escrow Agent and that there may be more secure methods of transmitting Instructions than the method(s) selected by the District; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Escrow Agent immediately upon learning of any compromise or unauthorized use of the security procedures.

"Electronic Means" shall mean the following communications methods: e-mail, secure electronic transmission containing applicable authorization codes, passwords or authentication keys issued by the Escrow Agent, or another method or system specified by the Escrow Agent as available for use in connection with its services hereunder.

17. The Escrow Agent may resign and thereby become discharged from the trusts hereby created, by written notice mailed to the District by registered or certified mail. Such

resignation shall take effect upon the appointment of a new Escrow Agent hereunder and acceptance of the trusts hereby created. The Escrow Agent shall continue to serve as Escrow Agent until a successor is appointed by the District, and the Escrow Agent may, after 60 days subsequent to its resignation, petition the Circuit Court of the City of Virginia Beach, Virginia, for the appointment of a successor Escrow Agent if one has not yet been appointed.

18. This Agreement shall terminate when the Escrow Agent shall have transferred all amounts to be transferred hereunder in accordance with **Exhibit C** hereto.

19. This Agreement and the rights and duties of the parties hereunder shall be governed by, and construed in accordance with, the domestic law of the Commonwealth of Virginia without regard to choice of law principles.

20. If any one or more of the covenants or agreements provided in this Agreement on the part of the District or the Escrow Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, each such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.

21. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have each caused this Agreement to be executed by their duly authorized officers as of the date first above written.

HAMPTON ROADS SANITATION DISTRICT

By:_____
Steven G. de Mik
Deputy General Manager and Chief Financial Officer

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
as Escrow Agent

By:_____
Name:
Title:

[Signature Page to Escrow Deposit Agreement]

EXHIBIT A

Defeased Bonds

Wastewater Revenue Bonds, [Refunding] Series 20--

Maturity (1)	Principal Amount	Redemption Date	Redemption Price	CUSIPs

EXHIBIT B

Defeasance Obligations

Maturity Date	Type	Interest Rate	Price	Par Amount	Principal Cost	Accrued Interest	Total Cost
		___%	-%	$_____	$_____	$____	$_____
Total				$_____	$_____	$____	$_____

Cash Amount = $____.

EXHIBIT C

Escrow Cash Flows

Payment Date	Interest	Principal Redeemed	Total
__/1/202_	$____	$____	$____
Total	$____	$____	$____

APPENDIX A

FORM OF NOTICE OF DEFEASANCE AND REDEMPTION

HAMPTON ROADS SANITATION DISTRICT, VIRGINIA
Wastewater Revenue Bonds, [Refunding] Series 20--
Dated Date: _____, 20_
Maturity or Redemption Date: ____ , 20_

Maturity (____1)	Principal Amount	Redemption or Maturity Price	CUSIPs*
	$	100%	409327 ___
		100	409327 ___

NOTICE IS HEREBY GIVEN by Hampton Roads Sanitation District (the "District") to the holders of the Bonds described above (the "Defeased Bonds") that (i) pursuant to the terms of an Escrow Deposit Agreement, dated as of _____, 202_ (the "Escrow Agreement"), between the District and The Bank of New York Mellon Trust Company, N.A., in its capacity as escrow agent (in such capacity, the "Escrow Agent"), Defeasance Obligations and cash in an amount that, together with interest thereon, will provide for the payment in full of the interest on the Defeased Bonds to their maturity or earliest redemption date, as set forth above, and the principal amount of the Defeased Bonds on their redemption or maturity date, as applicable, has been deposited in escrow with the Escrow Agent, and (ii) the Defeased Bonds scheduled to mature on ____ 1, 202_, are hereby called for redemption, and shall be redeemed on the redemption date and at the redemption price (expressed as a percentage of the principal amount of such Bonds) referred to above. together with the interest accrued thereon to the redemption date.

The Bonds will become and be due and payable by wire transfer to The Depository Trust Company, New York, New York, or its nominee, as registered owner of the Bonds. From ____ 1, 202_, interest on the above-described Bonds will cease to accrue.

[Remainder of Page Intentionally Blank]

* None of the District, the Escrow Agent or the Trustee shall be responsible for the accuracy of the CUSIP numbers provided above. The CUSIP numbers are provided solely for the convenience of the bondholders. This column indicates the CUSIP numbers that were assigned upon the original issuance of the Defeased Bonds and does not reflect subsequent changes, if any.

Payers are required to withhold 24% of the amount paid upon redemption to those bondholders who have not returned a correctly completed Form W-9 entitled "Payer's Request for Taxpayer Identification Number." If you need a copy of the Form W-9, you should be able to obtain one at your local bank or IRS Service Center. Please return a correctly completed Form W9 with your bonds to avoid any such withholding.

Dated: _____. 202_

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,

_____

as Trustee under the Trust Agreement and as Escrow Agent

NEW ISSUE – BOOK-ENTRY ONLY

Moody's "___"
S&P: "___"
(See "RATINGS" herein)

In the opinion of Bond Counsel, under current law and assuming compliance with certain tax covenants and requirements of the Internal Revenue Code of 1986, as amended (the "Code"), as described herein, interest on the Series 2025_ Bonds will not be includable in the gross income of the owners thereof for federal income tax purposes. The District's Enabling Act provides that the Series 2025_ Bonds, their transfer and the income therefrom, including any profit made on the sale thereof, shall be free and exempt from taxation by the Commonwealth of Virginia and by any political subdivision thereof. See "TAX MATTERS" herein for further information.

$_____*
Hampton Roads Sanitation District, Virginia
Wastewater Revenue Bonds,
Series 2025_

Dated: Date of Issue **Due: As shown on the inside cover**

The above-captioned bonds (the "Series 2025_ Bonds") are being issued under a Trust Agreement, dated as of October 1, 2011, as amended and restated as of March 1, 2016, as amended, and as further amended and restated as of July 1, 2024, as supplemented (the "Trust Agreement"), between the Hampton Roads Sanitation District (the "District") and The Bank of New York Mellon Trust Company, N.A., as trustee (in such capacity, the "Trustee"). The proceeds of the Series 2025_ Bonds will be used, together with other available funds of the District, (i) to finance [or refinance] a portion of the cost of the District's Capital Improvement Program (as defined herein), and (ii) to pay certain expenses incurred in connection with the issuance of the Series 2025_ Bonds by the District. See "PLAN OF FINANCING" and "SOURCES AND USES OF FUNDS" herein.

The Series 2025_ Bonds are issuable as registered bonds without coupons and will be initially registered only in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), serving as securities depository for the Series 2025_ Bonds. The Series 2025_ Bonds will be available to purchasers in denominations of $5,000 principal amount and any whole multiple thereof only under the book-entry system maintained by DTC through brokers and dealers that are, or that act through, DTC Participants. Principal, premium, if any, and interest will be paid by the Trustee, as bond registrar, to DTC or its nominee, which will remit the payments to the DTC Participants for subsequent disbursement. See "THE SERIES 2025_ BONDS – Book-Entry Only System" herein. Interest on the Series 2025_ Bonds is payable on each January 1 and July 1, commencing _____1, 202_.

The Series 2025_ Bonds are subject to optional redemption and mandatory sinking fund redemption prior to maturity as described herein. "THE SERIES 2025_ BONDS – Redemption Provisions" herein.

THE SERIES 2025_ BONDS ARE SPECIAL OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY FROM THE NET REVENUES AND OTHER FUNDS PLEDGED TO SECURE THE SERIES 2025_ BONDS UNDER THE TRUST AGREEMENT. THE SERIES 2025_ BONDS SHALL NOT BE DEEMED TO CONSTITUTE A DEBT, OR A PLEDGE OF THE FAITH AND CREDIT, OF THE COMMONWEALTH OF VIRGINIA OR OF ANY COUNTY, CITY, TOWN OR POLITICAL SUBDIVISION THEREOF. THE ISSUANCE OF THE SERIES 2025_ BONDS SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE COMMONWEALTH OF VIRGINIA OR ANY COUNTY, CITY, TOWN OR POLITICAL SUBDIVISION THEREOF TO LEVY OR TO PLEDGE ANY FORM OF TAXATION WHATEVER THEREFOR.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to making an informed investment decision.

The Series 2025_ Bonds are offered when, as and if issued, subject to the approving opinion of Norton Rose Fulbright US LLP, Washington, D.C., Bond Counsel, and to certain other conditions. Certain legal matters will be passed upon for the District by its General Counsel, Sands Anderson PC, Richmond, Virginia, and for the Underwriters by _____, _____, _____. The Series 2025_ Bonds are expected to be available for delivery to The Depository Trust Company in New York, New York, on or about _____, 2025.

Senior Manager

Co-Manager **Co-Manager**

_____, 2025

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

* Preliminary, subject to change

$_____*
Hampton Roads Sanitation District, Virginia
Wastewater Revenue Bonds,
Series 2025_

MATURITIES, AMOUNTS, INTEREST RATES AND PRICE OR YIELD
Base CUSIP Number: 409327†

Due July 1	Principal Amount	Interest Rate	Priced to Yield	CUSIP† Suffix
20__	$	%	%	
20__				
20__				
20__				
20__				
20__				
20__				
20__				
20__				

$_____ __% Term Bonds due July 1, 20__ – Priced to Yield __% – CUSIP Suffix ___†

† CUSIP® is a registered trademark of the American Bankers Association. The CUSIP numbers listed above are provided solely for the convenience of bondholders only, and the District does not make any representation with respect to such numbers or undertake any responsibility for their accuracy. The CUSIP numbers are subject to change after the issuance of the Series 2025_ Bonds as a result of various subsequent actions including, but not limited to, a defeasance as a whole or in part of the Series 2025_ Bonds.

* Preliminary, subject to change

HAMPTON ROADS SANITATION DISTRICT

COMMISSIONERS

STEPHEN C. RODRIGUEZ, *Chair*

WILLIE LEVENSTON, JR. *Vice Chair*

FREDERICK N. ELOFSON, CPA
VISHNU K. LAKDAWALA, Ph.D.
ELIZABETH A. TARASKI, Ph.D.
MICHAEL E. GLENN
NANCY J. STERN
ANN W. TEMPLEMAN

STAFF

JAY A. BERNAS, P.E.
General Manager and Chief Executive Officer

STEVEN G. de MIK, CPA
Deputy General Manager and
Chief Financial Officer

EDDIE M. ABISAAB, P.E.
Chief Operating Officer

CHARLES B. BOTT, Ph.D., P.E.
Chief Technology Officer

MARY H. CORBY
Chief Information Officer

JAMIE HEISIG-MITCHELL
Chief of Water Quality

BRUCE W. HUSSELBEE, Ph.D., P.E.
Chief Engineer

BRENDA MATESIG
Acting Chief People Officer

LEILA E. RICE, APR
Chief Communications Officer

ELIZABETH I. SCOTT
Commission Secretary

COUNSEL, ADVISOR, TRUSTEE

SANDS ANDERSON PC
General Counsel

PFM FINANCIAL ADVISORS LLC
Financial Advisor

NORTON ROSE FULBRIGHT US LLP
Bond Counsel

AQUALAW PLC
Special Counsel

Trustee and Bond Registrar

HRSD Service Area

Facilities include the following:

1. Atlantic, Virginia Beach
2. Army Base, Norfolk
3. Virginia Initiative, Norfolk
4. Nansemond, Suffolk
5. Boat Harbor, Newport News
6. James River, Newport News
7. Williamsburg, James City County
8. York River, York County
9. West Point, King William County
10. King William, King William County
11. Central Middlesex, Middlesex County
12. Urbanna, Middlesex County
13. Onancock, Accomack County
14. Nassawadox, Northampton County

Serving the Cities of Chesapeake, Hampton, Newport News, Norfolk, Poquoson, Portsmouth, Suffolk, Virginia Beach, Williamsburg and the Counties of Accomack, Gloucester, Isle of Wight, James City, King and Queen, King William, Mathews, Middlesex, Northampton, Surry* and York

*Excluding the Town of Claremont



CERTAIN STATEMENTS INCLUDED IN THIS OFFICIAL STATEMENT CONSTITUTE "FORWARD-LOOKING STATEMENTS" WITHIN THE MEANING OF SECTION 27A OF THE SECURITIES ACT OF 1933, AS AMENDED, AND SECTION 21E OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED. SUCH STATEMENTS ARE GENERALLY IDENTIFIABLE BY TERMS SUCH AS "PLAN," "PROJECT," "EXPECT," "ANTICIPATE," "INTEND," "BELIEVE," "ESTIMATE," "BUDGET" OR OTHER SIMILAR WORDS. THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVES KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS THAT MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY RESULTS, PERFORMANCES OR ACHIEVEMENTS EXPRESS OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. EXCEPT AS SPECIFICALLY SET FORTH HEREIN, THE DISTRICT DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS DUE TO CHANGES IN ITS EXPECTATIONS OR SUBSEQUENT EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED.

This Official Statement speaks as of its date except where specifically noted otherwise and is subject to change without notice. Neither the delivery of this Official Statement, nor any sale made hereunder, nor any filing of this Official Statement shall under any circumstances create an implication that there has been no change in the affairs of the District since the date of this Official Statement or imply that any information herein is accurate or complete as of any later date.

The Series 2025_ Bonds are exempt from registration under the Securities Act of 1933, as amended. As obligations of a political subdivision of the Commonwealth of Virginia, the Series 2025_ Bonds are also exempt from registration under the securities laws of Virginia.

No dealer, salesman or any other person has been authorized to give any information or to make any representation, other than the information and representations contained herein, in connection with the offering of the Series 2025_ Bonds, and, if given or made, such information or representations must not be relied upon. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy any of the Series 2025_ Bonds in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibility to investors under the federal securities laws as applied to the facts and circumstances of the transactions contemplated by this Official Statement, but the Underwriters do not guarantee the accuracy or completeness of such information.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information and links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined in, Securities and Exchange Commission Rule 15c2-12.

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Appendix B – Certain Definitions
Appendix C – Summary of Certain Provisions of the Trust Agreement
Appendix D – Proposed Opinion of Bond Counsel
Appendix E – Form of Continuing Disclosure Agreement
Appendix F – The Depository Trust Company

Official Statement

Hampton Roads Sanitation District, Virginia

Relating to its
$_____*
Wastewater Revenue Bonds,
Series 2025_

INTRODUCTION

This Official Statement, which includes the cover and inside cover pages hereof, the map and the appendices hereto, sets forth information concerning the Hampton Roads Sanitation District (the "District" or "HRSD") and the District's $_____* aggregate principal amount of Wastewater Revenue Bonds, Series 2025_ (the "Series 2025_ Bonds").

The Series 2025_ Bonds are being issued in accordance with the provisions of Chapter 66 of the Acts of Assembly of Virginia of 1960, as amended (the "Enabling Act"). On May 27, 2025, the Hampton Roads Sanitation District Commission (the "Commission"), the governing body of the District, authorized by resolution the issuance of the Series 2025_ Bonds. The Commission is issuing the Series 2025_ Bonds for the purpose of providing funds, together with other available funds, (i) to finance [or refinance] a portion of the costs of the District's Capital Improvement Program (as amended from time to time, the "Capital Improvement Program" or "CIP") and (ii) to pay certain expenses incurred in connection with the issuance of the Series 2025_ Bonds by the District. See "PLAN OF FINANCING" and "SOURCES AND USES OF FUNDS" herein.

The Series 2025_ Bonds are special obligations of the District payable solely from the Net Revenues (hereinafter defined) derived by the District from the operation of its Wastewater System (hereinafter defined) and other funds pledged to secure the Series 2025_ Bonds under the Trust Agreement (hereinafter defined). See "SECURITY AND SOURCES OF PAYMENT" and "THE SYSTEM" herein. The Commission has determined to provide for the issuance of the Series 2025_ Bonds under the trust agreement entered into by and between the District and The Bank of New York Mellon Trust Company, N.A., as trustee (in such capacity, the "Trustee"), dated as of October 1, 2011, as amended and restated as of March 1, 2016, as amended, as further amended and restated as of July 1, 2024 (the "Amended and Restated Trust Agreement"), as supplemented by the Thirteenth Supplemental Trust Agreement, dated as of _____, 2025 (the "Thirteenth Supplemental Trust Agreement" and together with the Amended and Restated Trust Agreement, as so supplemented and as the same may be amended and further supplemented, the "Trust Agreement"), each by and between the District and the Trustee.

This Official Statement contains a brief description of the Series 2025_ Bonds and the District, including its service area, governance and information regarding its operations and finances.

Appendix A contains the District's Annual Comprehensive Financial Report for the Fiscal Year ended June 30, 2024, and includes additional information regarding the District's operations and financial condition. Appendix B contains the definitions of certain terms used in this Official Statement. Capitalized terms used but not defined herein shall have the meanings given to such terms in the Trust Agreement.

* Preliminary, subject to change

Brief descriptions and summaries of certain provisions of the Series 2025_ Bonds, the Trust Agreement and the Thirteenth Supplemental Trust Agreement are included in Appendix C.

PLAN OF FINANCING

Series 2025_ Bonds

A portion of the proceeds of the Series 2025_ Bonds will be applied to finance or refinance a portion of the costs of the Capital Improvement Program. See "THE SYSTEM – Capital Improvement Program."

As described under "THE SYSTEM – System Improvements and Innovation," the District has developed an innovative managed aquifer recharge program called the Sustainable Water Initiative for Tomorrow ("SWIFT"). The District anticipates that a significant portion of the proceeds of the Series 2025_ Bonds will be used to fund a portion of the SWIFT construction at the District's Boat Harbor and Nansemond Treatment Plants. The District believes that SWIFT has multiple environmental benefits, including addressing the challenges of declining aquifer levels, land subsidence and saltwater intrusion, and providing regional nutrient credits for urban stormwater and other needs.

Future Financings

The District anticipates that it will finance a portion of its Capital Improvement Program through the issuance of Additional Bonds, WIFIA Bonds, VRA Obligations (each as hereinafter defined), and other Indebtedness (as hereinafter defined). See "SECURITY AND SOURCES OF PAYMENT – Outstanding Senior Obligations" and " – Additional Senior Obligations." Any acceleration of the Capital Improvement Program could result in an acceleration of the timing and, potentially, an increase in the size of any issuance of Indebtedness by the District.

The District has entered into a Second Amended and Restated Credit Agreement, dated as of June 30, 2022, with Bank of America, N.A., as further amended and supplemented (as so amended and supplemented, the "Credit Agreement"), pursuant to which the bank provided a revolving line of credit in the aggregate principal amount of up to $300,000,000 (the "Line of Credit"). The most recent amendment to the Credit Agreement has extended its termination date to June 30, 2026. The Line of Credit constitutes a Subordinate Obligation under the Trust Agreement and is secured on a junior and subordinate basis from the lien on Net Revenues securing Senior Obligations (as defined herein). As of _____, 2025, the aggregate outstanding principal amount on the Line of Credit is $[_____].

[Remainder of page intentionally left blank.]

SOURCES AND USES OF FUNDS

The estimated sources and uses of funds in connection with the issuance of the Series 2025_ Bonds are set out in the table below.

Sources

Principal Amount of Series 2025_ Bonds	$_____.00
Plus Original Issue Premium	
Total Sources of Funds	$

Uses

Deposit to Construction Fund	$
Underwriters' Discount	
Costs of Issuance	
Total Uses of Funds	$

THE SERIES 2025_ BONDS

Description

The Series 2025_ Bonds will be dated, bear interest and mature as set forth on the cover and inside cover page of this Official Statement. Interest on the Series 2025_ Bonds will be calculated on the basis of a 360-day year of twelve 30-day months. The Series 2025_ Bonds are issuable as registered bonds without coupons in the denomination of $5,000 or any whole multiple thereof, as provided in the Trust Agreement. Interest will be payable on each January 1 and July 1, commencing _____1, 202_, to the person in whose name such bond is registered as of the applicable Regular Record Date, which is December 15 for interest due on January 1 and June 15 for interest due on July 1.

Book-Entry Only System

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Series 2025_ Bonds. The Series 2025_ Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of the Series 2025_ Bonds and will be deposited with DTC. Additional information respecting DTC and its book entry system is contained in Appendix F.

The information in this section and in Appendix F concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

DTC may discontinue providing its services as depository with respect to the Series 2025_ Bonds at any time by giving reasonable notice to the District. Under such circumstances, if a successor depository is not obtained, certificates for the Series 2025_ Bonds are required to be printed and delivered to the beneficial owners of the Series 2025_ Bonds.

The District may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, certificates for the Series 2025_ Bonds will be printed and delivered to the beneficial owners of the Series 2025_ Bonds.

Redemption Provisions

Optional Redemption.

The District may, at its option, redeem the Series 2025_ Bonds prior to their respective maturities, as a whole or in part, on any date, beginning July 1, 2035*, at a redemption price equal to the principal amount thereof, together with interest accrued to the date fixed for redemption.

Selection of Series 2025_ Bonds for Redemption.

Series 2025_ Bonds may be redeemed only in increments of $5,000 or whole multiples thereof. If less than all the Series 2025_ Bonds are called for redemption, the Series 2025_ Bonds or portions thereof will be redeemed from the maturities selected by the District. If less than all of the Series 2025_ Bonds of a maturity are to be redeemed, the particular Series 2025_ Bonds of such maturity are to be selected for redemption as the Trustee in its sole discretion shall determine. If a portion of a Series 2025_ Bond is called for redemption, a new Series 2025_ Bond in a principal amount equal to the unredeemed portion thereof will be issued to the bondholder upon the surrender thereof.

Mandatory Redemption.

The Series 2025_ Bonds due on July 1, 20__* are subject to mandatory sinking fund redemption on July 1 in the following years in the following principal amounts ("Sinking Fund Requirements") at a redemption price equal to the principal amount thereof, together with interest accrued to the date of redemption.

Term Bonds due July 1, 20__*

Year	Sinking Fund Requirement
20__	$
20__	
20__	
20__	†

† Unamortized balance at maturity.

In the event of a partial optional redemption or purchase of such term bonds, the District will credit the principal amount of such term bonds so purchased or redeemed against the Sinking Fund Requirements for the remaining term bonds outstanding in such amounts and in such years as it in its sole discretion shall determine.

Notice of Redemption

Notice of redemption is to be given not more than 60 nor less than 30 days before the redemption date by first class mail to the registered owner or owners of the Series 2025_ Bonds or portions thereof to be redeemed; provided, however, that any defect in such notice or the failure so to mail any such notice to any owners of any Series 2025_ Bonds will not affect the validity of the proceedings for the redemption of any other Series 2025_ Bonds. **During the period that DTC or its nominee is the registered holder of the Series 2025_ Bonds, the Bond Registrar will not be responsible for mailing notices of redemption to the beneficial owners of the Series 2025_ Bonds. See " – Book-Entry Only System" above and Appendix F.** Each such notice will set forth the Series 2025_ Bonds or portions thereof to be redeemed, the date fixed for redemption, the redemption price to be paid, and if less than all the Series 2025_ Bonds

* Preliminary, subject to change

will be called for redemption, the maturities of the Series 2025_ Bonds to be redeemed and shall otherwise comply with Securities Exchange Act of 1934 Release No. 34-23856, dated December 3, 1986, including the requirement that notice be given to all organizations registered with the Securities and Exchange Commission as securities depositories, and to one or more information services of national recognition that disseminate redemption information with respect to tax-exempt securities. If any Series 2025_ Bond is to be redeemed in part only, the notice of redemption will state also that on or after the redemption date, upon surrender of such Series 2025_ Bond, a new Series 2025_ Bond in an authorized denomination and in principal amount equal to the unredeemed portion of such Series 2025_ Bond will be issued.

Any notice of optional redemption of the Series 2025_ Bonds may state that it is conditioned upon there being available an amount of money sufficient to pay the redemption price, consisting of par plus interest accrued and unpaid to the redemption date, and any conditional notice so given may be rescinded at any time before the payment of the redemption price if any such condition so specified is not satisfied. If a redemption does not occur after a conditional notice is given due to an insufficient amount of funds on deposit with the Trustee, the corresponding notice of redemption will be deemed to be revoked.

If the District gives an unconditional notice of redemption, then on the redemption date the Series 2025_ Bonds called for redemption will become due and payable. If the District gives a conditional notice of redemption and money to pay the redemption price of the affected Series 2025_ Bonds has been set aside in escrow with the Trustee for the purpose of paying such Series 2025_ Bonds, then on the redemption date such Series 2025_ Bonds will become due and payable. In either case, if on the redemption date the Trustee holds money to pay the Series 2025_ Bonds called for redemption, thereafter no interest will accrue on those Series 2025_ Bonds, and a Bondholder's right will be to receive payment of the redemption price upon surrender of those Series 2025_ Bonds.

SECURITY AND SOURCES OF PAYMENT

THE SERIES 2025_ BONDS ARE SPECIAL OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY FROM THE NET REVENUES AND OTHER FUNDS PLEDGED TO SECURE THE SERIES 2025_ BONDS UNDER THE TRUST AGREEMENT. THE SERIES 2025_ BONDS SHALL NOT BE DEEMED TO CONSTITUTE A DEBT, OR A PLEDGE OF THE FAITH AND CREDIT, OF THE COMMONWEALTH OF VIRGINIA OR OF ANY COUNTY, CITY, TOWN OR POLITICAL SUBDIVISION THEREOF. THE ISSUANCE OF THE SERIES 2025_ BONDS SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE COMMONWEALTH OF VIRGINIA OR ANY COUNTY, CITY, TOWN OR POLITICAL SUBDIVISION THEREOF TO LEVY OR TO PLEDGE ANY FORM OF TAXATION WHATEVER THEREFOR.

General

Principal of and interest on the Series 2025_ Bonds will be payable from "Net Revenues" of the District pledged to the payment thereof and money held in certain funds and accounts under the Trust Agreement.

"Net Revenues" means all revenues received by the District from its Wastewater System less Operating Expenses, provided, that Net Revenues does not include any Transition Charge (as defined in the Trust Agreement).

The realization of amounts to be derived upon the enforcement of the Series 2025_ Bonds will depend upon the exercise of various remedies specified in the Trust Agreement. These and other remedies may, in many respects, require judicial action of a nature that is often subject to discretion and delay. Under existing laws, the remedies specified in the Trust Agreement may not be readily available or may be limited.

A court may decide not to order the specific performance of the covenants contained in the Trust Agreement. The various legal opinions to be delivered concurrently with the delivery of the Series 2025_ Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by state and federal laws, rulings and decisions affecting remedies and by bankruptcy, fraudulent conveyance, moratorium, reorganization and other laws affecting the enforcement of creditors' rights generally.

Under the Trust Agreement, the District is subject to covenants relating to the existence of liens on Property and maintenance of a specified Long-Term Debt Service Coverage Ratio relating to, among other things, incurrence of Indebtedness. See " – Limitation on Creation of Liens" and " – Limitations on Indebtedness" in Appendix C hereto.

Rate Covenant

In the Trust Agreement, the District covenants to set and revise its rates and charges for facilities, services and products such that the Net Revenues, calculated at the end of each Fiscal Year, will equal at least 120% of the sum of the Principal and Interest Requirements (as defined in the Trust Agreement) on Senior Obligations (the "Rate Covenant"). If, for any reason, the Net Revenues are insufficient to satisfy the foregoing covenant, the District shall within one hundred and twenty (120) days adjust and increase its rates, fees and other charges (to the extent permitted by the Enabling Act) or reduce its current expenses so as to provide sufficient Net Revenues to satisfy the Rate Covenant.

On or before the last day of each Fiscal Year, the District will review the adequacy of its rates, fees and other charges for the next Fiscal Year, and, if such review indicates the District's rates, fees and other charges are insufficient to satisfy the Rate Covenant, the District will promptly take appropriate action to increase its rates, fees and other charges or reduce its current expenses to cure any deficiency. See " – Rate Covenant" in Appendix C hereto.

Outstanding Senior Obligations

The Series 2025_ Bonds are Senior Obligations secured on a parity with all other Senior Obligations by the Lien on Net Revenues (each as defined under the Trust Agreement.

Set out below is a description of the Senior Obligations outstanding as of _____ __, 2025. The bonds of the District described under the sub-captions "– *Publicly Held Bonds"* and *"– WIFIA Bonds"* below, together with any Additional Bonds issued under the Trust Agreement, are referred to collectively herein as "Bonds."

Publicly Held Bonds. As of _____, 2025, the District has outstanding [seven] series of publicly held Bonds constituting Senior Obligations under the Trust Agreement, including its Wastewater Revenue Bonds, Series 2016A (the "Series 2016A Bonds"), of which $_____ principal amount is outstanding, its variable rate Wastewater Revenue Bonds, Series 2016B (the "Series 2016B Bonds," and together with the Series 2016A Bonds, the "Series 2016 Bonds"), of which $_____ principal amount is outstanding, its Wastewater Revenue Bonds, Refunding Series 2017A (the "Series 2017 Bonds"), of which $_____ principal amount is outstanding, its Wastewater Revenue Bonds, Series 2018A (the "Series 2018 Bonds"), of which $_____ principal amount is outstanding, its Wastewater Revenue Bonds, Refunding Series 2019A (Federally Taxable) (the "Series 2019 Bonds"), of which $_____ principal amount is outstanding, its Wastewater Revenue Bonds, Refunding Series 2024A (the "Series 2024A Bonds"), of which $_____ principal amount is outstanding, and its Wastewater Revenue Bonds, Series 2024B (the "Series 2024B Bonds"), of which $_____ principal amount is outstanding.

WIFIA Bonds. The District issued its Wastewater Revenue Bond, Series 2020 (Federally Taxable) (the "2020 WIFIA Bond"), its Wastewater Revenue Bond, Series 2021 (Federally Taxable) (the "2021 WIFIA Bond"), and its Wastewater Revenue Bond, Series 2024C (Federally Taxable) (the "2024 WIFIA Bond") to the United States Environmental Protection Agency (the "WIFIA Lender") in accordance with the Water Infrastructure Finance and Innovation Act of 2014, as amended, and pursuant to the terms of the WIFIA Master Agreement, dated as of September 28, 2020 (the "WIFIA Master Agreement"), and the separate WIFIA Loan Agreements with respect to each such Bond (the "WIFIA Loan Agreements"), each by and between the WIFIA Lender and the District. Proceeds of the 2020 WIFIA Bond will be used to finance the District's SWIFT – Tranche 1 Project, proceeds of the 2021 WIFIA Bond will be used to finance the District's SWIFT – Tranche 2 Project, and proceeds of the 2024 WIFIA Bond will be used to finance the District's SWIFT – Tranche 3 Project.

The 2020 WIFIA Bond, the 2021 WIFIA Bond, and the 2024 WIFIA Bond are secured as Senior Obligations under the Trust Agreement and are referred to herein, collectively with any other Senior Obligations issued to the WIFIA Lender under the WIFIA Master Agreement, as "WIFIA Bonds."

The 2020 WIFIA Bond is in the principal amount of up to $225,865,648, bearing interest on the amount drawn under the related WIFIA Loan Agreement. The final maturity date of the 2020 WIFIA Bond is the earlier of (a) April 1, 2060, and (b) the principal payment date thereon immediately preceding the date that is 35 years following the Substantial Completion Date, as defined in the WIFIA Master Agreement.

The 2021 WIFIA Bond is in the principal amount of up to $476,581,587, plus interest that may be capitalized in accordance with the related WIFIA Loan Agreement and added to the principal amount of the 2021 WIFIA Bond, subject to a maximum accreted amount of $528,581,587. The final maturity date of the 2021 WIFIA Bond is the earlier of (a) June 1, 2060, and (b) the principal payment date thereon immediately preceding the date that is 35 years following the Substantial Completion Date, as defined in the WIFIA Master Agreement.

The 2024 WIFIA Bond is in the principal amount of up to $268,087,870, bearing interest on the amount drawn under the related WIFIA Loan Agreement. The final maturity date of the 2024 WIFIA Bond is the earlier of (a) January 1, 2059, and (b) the principal payment date thereon immediately preceding the date that is 35 years following the Substantial Completion Date, as defined in the WIFIA Master Agreement.

As of _____, 2025, (i) the outstanding principal amount of the 2020 WIFIA Bond was $_____, with an undrawn principal amount of $_____, (ii) the outstanding principal amount of the 2021 WIFIA Bond was $_____, with an undrawn principal amount of $_____, including potentially capitalizable interest, and (iii) the outstanding principal amount of the 2024 WIFIA Bond was $_____, with an undrawn principal amount of $_____.

VRA Revolving Loan Fund Indebtedness. Since 1993 the District has borrowed over $453 million from the Virginia Clean Water Revolving Loan Fund administered by the Virginia Resources Authority and issued, in evidence of its obligations to repay such loans, 25 issues of bonds that are outstanding Senior Indebtedness and recognized as such under the Trust Agreement (the "VRA Obligations" and collectively, with the Series 2016 Bonds, the Series 2017 Bonds, the Series 2018 Bonds, the Series 2019 Bonds, the Series 2024A Bonds, the Series 2024B Bonds, the Series 2025_ Bonds, when, as and if issued, the WIFIA Bonds, and other Bonds or additional VRA Obligations issued from time to time under the provisions of the Trust Agreement, the "Senior Obligations"). As of _____, 2025, the outstanding drawn amount of the VRA Obligations was $___ million, with an undrawn authorized amount of $__ million.

Generally, after an initial period where no interest accrues on such VRA Obligations, interest accrues on the disbursed principal of the outstanding VRA Obligations at interest rates ranging from 1.0%

to 2.85% per annum, and principal and interest are payable in installments over the terms of the VRA Obligations. The VRA Obligations have been issued for various improvements and upgrades at several of the District's treatment plants. See the table "DEBT SERVICE REQUIREMENTS FOR SENIOR OBLIGATIONS" and " – Limitation on Creation of Liens" in Appendix C. The Series 2025_ Bonds are on parity under the Trust Agreement with the Outstanding VRA Obligations as to their lien on the Net Revenues of the District.

Additional Senior Obligations

Under the Trust Agreement, the District may issue Additional Senior Obligations, including Additional Bonds and VRA Obligations, for the District's Capital Improvement Program or to refund outstanding Senior Obligations subject to the District's demonstrating its compliance with the conditions for the incurrence thereof under the Trust Agreement or qualifying for an exception thereto. The District anticipates that it will finance a portion of its Capital Improvement Program with future issues of Additional Senior Obligations. See " – Limitations on Indebtedness" in Appendix C.

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DEBT SERVICE REQUIREMENTS FOR SENIOR OBLIGATIONS

Fiscal Year Ending June 30	Series 2025[-] Bonds Principal	Series 2025[-] Bonds Interest	Total Series 2025_ Bond Debt Service	Outstanding Senior Obligations Debt Service[1,2]	Total Senior Obligations Debt Service[3]
2026		$	$	$	$
2027					
2028					
2029					
2030					
2031					
2032					
2033					
2034					
2035					
2036					
2037					
2038					
2039					
2040					
2041					
2042					
2043					
2044					
2045					
2046					
2047					
2048					
2049					
2050					
2051					
2052					
2053					
2054					
2055					
2056					
2057					
2058					
2059					
2060	-	-	-		
TOTAL[3]	$	$	$	$	$

[1] Total Principal and Interest payments on the District's Senior Obligations as of _____, 2025, not including debt service on the Series 2025_ Bonds. Assumes the District makes the maximum allowable draws on the WIFIA Bonds and the VRA Obligations, including the portions of such loans that are undrawn as of the date of this Official Statement. See " – Outstanding Senior Obligations – *WIFIA Bonds*" and " – *VRA Revolving Loan Fund Indebtedness*" above.

[2] The Series 2016B Bonds, which constitute Variable Rate Indebtedness, are assumed to bear interest at the rate of [3.06]% per annum, which is 120% of the average rate on the Series 2016B Bonds during the [first] quarter of 2025. No assurance can be given, however, that the rates on the Series 2016B Bonds will not be higher than assumed above.

[3] Totals may not add to totals due to rounding. Debt service is shown in the fiscal year in which the same comes due.

HAMPTON ROADS SANITATION DISTRICT

Authorization and Purpose

Creation of the District was approved in a 1940 public referendum authorized by the Virginia General Assembly. A political subdivision of the Commonwealth of Virginia (the "Commonwealth"), the District was established as a governmental instrumentality to provide for the public health and welfare. Chapter 66, Acts of the Assembly of 1960, validated and confirmed prior legislation creating the District and repealed earlier acts of the Virginia General Assembly enacted with respect to the District.

The District was created for the specific purpose of abating pollution in the Hampton Roads area of Virginia through the interception of existing wastewater outfalls, the construction of wastewater treatment facilities and the installation of interceptors throughout the service area. The District does not provide water, solid waste disposal or storm water mitigation. The cities, counties and military establishments the District serves provide those services. With the exception of the Counties of Accomack, King William, King and Queen, Middlesex, Mathews, Northampton, and Surry, excluding the Town of Claremont, the collection system, consisting of lateral sewers and sub trunk facilities that carry wastewater from industries, homes, apartments and businesses to the District's interceptor system, are the responsibility of the various cities, counties and military establishments within the District.

The District is a separate legal entity from the various cities, towns, counties and military establishments within the District. See " – The Commission" below.

History

The District traces its origins to 1925, when the Virginia Department of Health condemned a large oyster producing area in Hampton Roads. The closure resulted in the Virginia General Assembly creating in 1927 a "Commission to Investigate and Survey the Seafood Industry of Virginia." Subsequent studies recommended a public body to construct and operate a sewage system in the area.

In 1934, the Virginia General Assembly created the Hampton Roads Sanitation Disposal Commission with instructions to plan the elimination of pollution in Hampton Roads. Recommendations were made to the General Assembly which resulted in the Sanitary Districts Law of 1938, along with "An Act to provide for and create the Hampton Roads Sanitation District." In a referendum held on November 5, 1940, a majority of the voters approved the creation of the District.

The District's first construction project, the Warwick County Trunk Sewer, began on June 26, 1946. The District commenced operations on July 1, 1946, using facilities acquired from the United States Government. The District's first treatment plant, the Army Base Plant, commenced operations on October 14, 1947. Since that time, the facilities of the District have been expanded to provide wastewater treatment service to all major population centers within its boundaries.

The Commission

The District operates under the direction of its governing body, the Hampton Roads Sanitation District Commission (the "Commission"), comprised of eight members appointed by the Governor for staggered terms of four years. Members of the Commission may be reappointed without limitation and may be suspended or removed by the Governor at his pleasure. The Commission annually elects one of its members as Chair and another as Vice Chair. Under the Enabling Act, the eight members of the Commission must be residents of the cities and counties of the District as follows: one member from the City of Norfolk; one from the City of Virginia Beach; one from the City of Newport News, the City of

Williamsburg or James City County; one from the City of Hampton or the City of Poquoson or York County; one from the City of Chesapeake; one from the City of Suffolk, Isle of Wight County or Surry County; one from Accomack County, Northampton County, Gloucester County, King William County, Mathews County, Middlesex County, or King and Queen County; and one from the City of Portsmouth.

The Commission is empowered, among other things, to (1) construct and improve, extend, enlarge, reconstruct, maintain, equip, repair and operate a wastewater system or systems, either within or without or partly within and partly without the corporate limits of the District, and to construct wastewater improvements within the corporate limits of the District, (2) issue the District's bonds, payable solely from revenues, to pay all or part of the cost of a wastewater system, (3) fix, revise, charge and collect rates, fees and charges for the use of and for the services of any system operated by the District, (4) enter into contracts with any unit, including counties, cities and other authorities, relating to the furnishing of services of the District, and (5) acquire real or personal property necessary in connection with wastewater systems or wastewater improvements.

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The current members of the Commission and their biographies are set forth below.

Commissioners	Residence	Occupation	Term Expires June 7,
Stephen C. Rodriguez, *Chair*	Chesapeake	Inspector, VDOT Construction Division	2028
Willie Levenston, Jr., *Vice Chair*	Portsmouth	Retired Supervisor Electronics Engineer, Norfolk Naval Shipyard	2027
Frederick N. Elofson, CPA,	Newport News	Retired Certified Public Accountant and Personal Financial Specialist, Dixon Hughes Goodman LLP	2026
Michael E. Glenn	Norfolk	President, Luna Development Services, LLC	2027
Vishnu K. Lakdawala, Ph.D.	Virginia Beach	Associate Professor, Electrical and Computer Engineering, Old Dominion University	2026
Nancy J. Stern	Belle Haven	Retired Chief Executive Officer, Eastern Shore Rural Health System	[2025]
Elizabeth A. Taraski, Ph.D.	Suffolk	Retired President/CEO, Nansemond River Preservation Alliance	[2025]
Ann W. Templeman	Hampton	Senior Business Support Analyst, Virginia Natural Gas	2028

Stephen C. Rodriguez, *Chair*. Mr. Rodriguez, a member of the Commission since October 5, 2012, is the retired owner and president of Cruco Inc., which provided construction services in Hampton Roads. He currently works in the Construction Division for the Virginia Department of Transportation (VDOT). Mr. Rodriguez previously served as chair of the Foundation for Virginia Natural Resources, chair of the OBX Hospital Board, and past president of the Deep Creek Ruritan Club. He has also served on the Chesapeake School Board, the Chesapeake Hospital Authority, the Chesapeake Economic Development Authority, and the board of directors of Opportunity, Inc. He is an alumnus of Old Dominion University and holds a bachelor's degree in civil engineering technology and a certificate in civic leadership. Mr. Rodriguez resides in the City of Chesapeake.

Willie Levenston, Jr., *Vice Chair*. Mr. Levenston, a member of the Commission since September 9, 2014, earned his Bachelor of Science in Engineering from Southern University in Baton Rouge, Louisiana. He retired from the Norfolk Naval Shipyard in 2008 after more than 40 years of service. In his capacity as Supervisor Electronics Engineer, Mr. Levenston was responsible for Surface Ship Exterior

Radio Communications, Secure/Communication Information Processing, Naval Tactical Data Systems, Search Radar, Electronics Countermeasure/Navigational Aids, and the Submarine Communication sections. Mr. Levenston resides in the City of Portsmouth.

Frederick N. Elofson, CPA, *Commissioner*. Mr. Elofson, a member of the Commission since July 1, 2006, is a Certified Public Accountant and retired senior partner in Dixon Hughes Goodman LLP, in Newport News. He earned a bachelor's degree in accounting from West Virginia University and has nearly 40 years of accounting experience. A former chair of the board and treasurer of the Peninsula Chamber of Commerce, Mr. Elofson remains active in numerous professional and civic organizations. He is a past treasurer and board member of the Schooner Virginia Project, a past president of the Peninsula Estate Planning Council, treasurer and Sunday School teacher at First Baptist Church Newport News, member of the Committee on Investments for the City of Newport News Retirement Fund and has been honored as a Chamber of Commerce Volunteer of the Year. Mr. Elofson resides in the City of Newport News.

Michael E. Glenn, *Commissioner*. Mr. Glenn, a member of the Commission since May 13, 2008, is president of Luna Development Services, LLC. The firm, which offers full-service general contracting and real estate development services, is a Certified Virginia Minority Business Enterprise. Before founding his firm in 2004, Mr. Glenn was Director of Operations, Real Estate Services and Contracts for Troutman Sanders, LLP. He also has served as a development executive for Armada Hoffler Development and as a Wachovia Bank vice president. Mr. Glenn received a bachelor's degree in psychology, with a minor in biology, from Old Dominion University. Mr. Glenn resides in the City of Norfolk.

Vishnu K. Lakdawala, Ph.D., *Commissioner*. Dr. Lakdawala, a member of the Commission since June 8, 2002, obtained his undergraduate degree in electrical engineering from Bangalore University in India in 1972 and his Master of Engineering in High Voltage Engineering from Indian Institute of Science in 1974. He worked as Research and Development Engineer in Jyoti Limited for three years in the high voltage instrument transformers division. He received his Ph.D. in electrical engineering from the University of Liverpool in 1980. After serving as senior research associate in the Department of Electrical Engineering and Electronics in the University of Liverpool for a year, he joined Oak Ridge National Laboratory, Oak Ridge, Tennessee, where he conducted research for a year. He joined the faculty of Old Dominion University in 1983 as Assistant Professor in the Department of Electrical and Computer Engineering. He is currently the Chief Departmental Advisor and Associate Professor of Electrical and Computer Engineering. Dr. Lakdawala has served as the president and chairman of the Board of Trustees of the Hindu Temple of Hampton Roads. Dr. Lakdawala received the National Association of Clean Water Agencies ("NACWA") 2019 National Environmental Achievement Award for Local Public Service, honoring his transformative leadership, technical understanding, focus on community engagement, and deep commitment to the environment as an HRSD Commissioner. Dr. Lakdawala resides in the City of Virginia Beach.

Nancy J. Stern, *Commissioner*. Ms. Stern, a member of the Commission since August 6, 2021, served the Eastern Shore Rural Health System, Inc. for over 30 years in various positions, recently retiring as Chief Executive Officer. Her prior roles there include Chief Operating Officer, Director of Human Resources and Director of Health Education. She served on Governor Bob McDonnell's Task Force and ConnectVA Governing Board, and on Governor Tim Kaine's Health Reform Commission. Ms. Stern also served on the board of the Virginia Primary Care/Virginia Community Healthcare Association for 18 years with three of those years as Board President. She earned a Bachelor of Science from West Chester University and earned Certification in Health Care Management/Administration from Old Dominion University. Ms. Stern resides in Belle Haven, Virginia.

Elizabeth A. Taraski, Ph.D., *Commissioner*. Dr. Taraski, a member of the Commission since June 8, 2017, Dr. Taraski retired in 2023 after serving 12 years as President/CEO of the Nansemond River

Preservation Alliance in Suffolk, Virginia. Previously she served in senior fundraising management positions at Old Dominion University and the University of Richmond. Before moving to Virginia in 1998, Dr. Taraski served as the Director, Administration and Industrial Relations, Multi-lifecycle Engineering Research Center, New Jersey Institute of Technology. Dr. Taraski currently serves as the Community Chair, Former Nansemond Ordnance Depot (FNOD) Restoration Advisory Board. Dr. Taraski has been a member of the Suffolk Rotary since 2016 and served as the Club's President in 2023. Other community activities include the Southeastern Virginia Community Foundation Scholarship Committee and Suffolk Business Women's Club. Dr. Taraski holds a Ph.D. from Seton Hall University; a Master of Science degree from New York University and a Master of Education degree from Rutgers University and completed her doctoral internship at the Alfred P. Sloan Foundation, NYC. Dr. Taraski resides in the City of Suffolk.

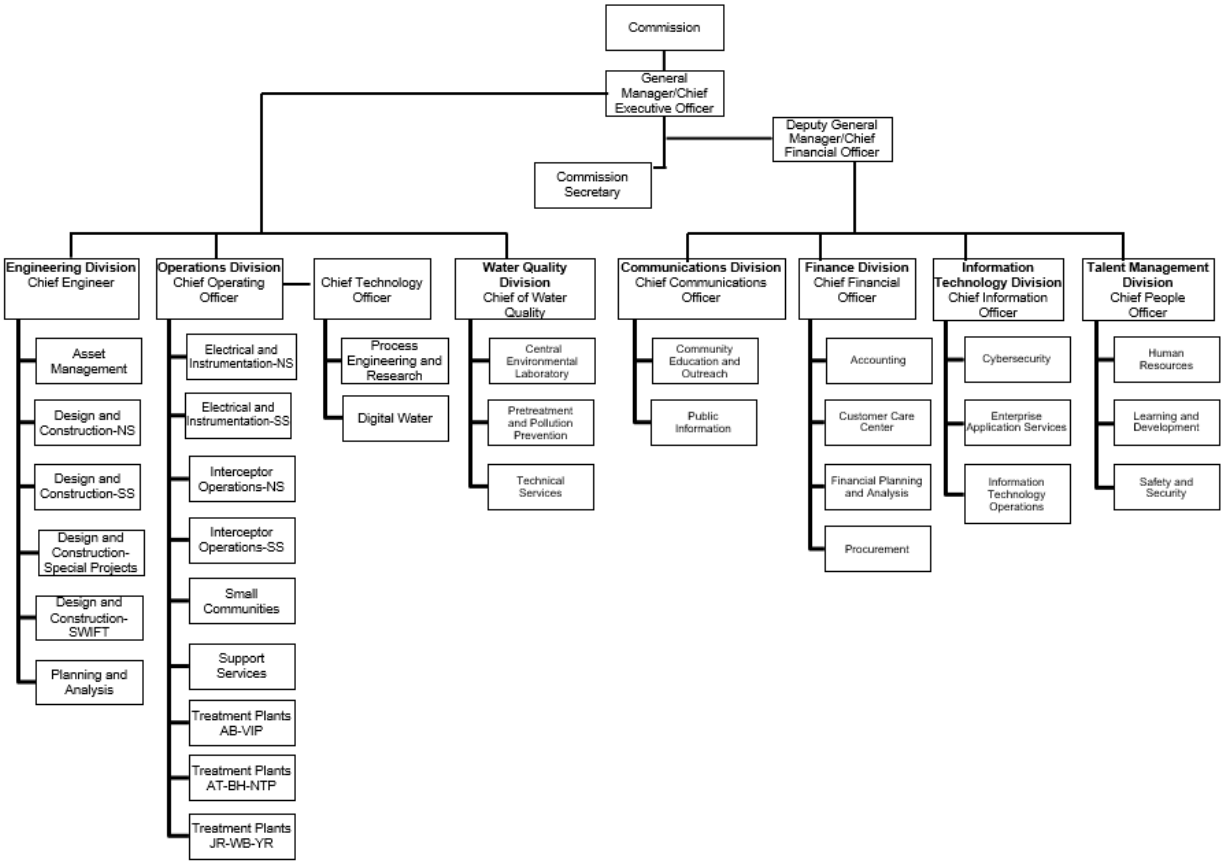
Ann W. Templeman, *Commissioner*. Ms. Templeman, a member of the Commission since December 3, 2021, is a Senior Business Support Analyst for Virginia Natural Gas with more than 30 years of experience in a variety of areas critical to effective utility management. She earned a Masters of Business Administration from Old Dominion University and a Bachelor of Science in Business Management from Virginia Tech. Ms. Templeman previously served on the HRSD Commission from January 27, 2017, until May 1, 2019. Ms. Templeman resides in the City of Hampton.

Management and Staff

The District is managed through seven divisions, which are organized into functional departments with their principal responsibilities summarized after the District's organizational chart set out on the following page.

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HRSD Organizational Chart



Communication

- Community Relations: Develops and provides community outreach and engagement around HRSD construction, infrastructure development and new initiatives.
- Community Education: Develops and provides educational materials, presentations, facility tours and outreach related to HRSD's services, mission and vision.

[Remainder of page intentionally left blank.]

Engineering

- Design & Construction: Delivers capital projects in a manner consistent with HRSD's quality standards.
- Planning & Analysis: Manages numerous diverse functions including Hydraulic Modeling, Geographic Information System (GIS), Data Analysis and Records Management System and plans the capital infrastructure required to meet the region's future wastewater needs.
- Asset Management: Responsible for the Computerized Maintenance Management System (CMMS), Condition Assessment, and Emergency Management procedures to extend the life of assets at the lowest life cycle cost.

Finance

- Accounting: Handles fiscal affairs such as preparing financial statements, budgets, management reports and payroll.
- Procurement: Responsible for purchasing, renting, leasing or otherwise acquiring goods, professional and non-professional services, and certain construction services, managing supplier relationships and disposing of surplus property.
- Customer Care Center: Handles billing, payments, collections, maintenance of customer accounts and liaison with HRSD's customers.
- Financial Planning and Analysis: Responsible for planning and financing the Capital Improvement Program (CIP), debt management and grants compliance and is the functional lead for the Enterprise Resource Process system.

Information Technology

- Enterprise Data Services: Responsible for application integration and support, data management and systems analysis and support.
- Cybersecurity: Responsible for ensuring the confidentiality, integrity and availability of all HRSD infrastructure, information systems and business data from malicious threats.
- Information Technology Operations: Supports departments in achieving their goals and objectives, providing the requisite hardware, software, storage and network connectivity to meet business and operational requirements.

Operations

- Electrical and Energy Management: Researches innovative, cost-effective ways of managing HRSD's energy consumption more effectively.
- Interceptor Operations North Shore: Operates and maintains miles of interceptor pipelines and pump stations ensuring wastewater is conveyed to each treatment plant in the Cities of Hampton, Newport News, Poquoson and Williamsburg, the Counties of Gloucester, James City and York.
- Interceptor Operations South Shore: Operates and maintains miles of interceptor pipelines and pump stations ensuring wastewater is conveyed to each treatment plant in the Cities of Chesapeake, Norfolk, Portsmouth, Suffolk and Virginia Beach and the County of Isle of Wight.
- Small Communities: Operates and maintains the treatment plants and associated sewer collection systems in the Counties of the Middle Peninsula and the Town of West Point, the County of Surry, and Towns of Nassawadox and Onancock on the Eastern Shore.
- Support Systems: Responsible for the maintenance of the HRSD fleet, all buildings, operation of two carpentry shops, a full-service machine shop and managing an infrastructure assessment team.
- Treatment: Operates and maintains the Army Base, Atlantic, Virginia Initiative, Boat Harbor, James River, Nansemond, Williamsburg and York River treatment plants.
- Technology: Researches new technologies with a focus on rapid deployment of innovative solutions and water quality.

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Talent Management

- Human Resources (HR): Responsible for recruitment and outreach, new employee onboarding, benefits administration, compensation and classification, employee relations, HRSD's wellness program, workers' compensation, employee records, retirement, and HR policies.
- Organizational Development and Training: Oversees HRSD's Apprenticeship Program and is dedicated to developing and supporting HRSD's strategic plan and key initiatives to promote training, and education.
- Safety and Security: Responsible for Occupational Safety & Health Compliance, safety programs, employee safety training, safety records, industrial hygiene monitoring, occupational health screening, safety audits, accident investigations, compliance reporting, and risk management support.

Water Quality

- Central Environmental Laboratory: Uses the Environmental Data Management System (EDMS) and other tools to provide analytical support for numerous monitoring, research and regulatory purposes.
- Pretreatment & Pollution Prevention: Monitors wastewater conveyed to treatment plants using the Pretreatment Information Management System (PIMS) and other tools, and implements its Industrial Wastewater Discharge Regulations to protect treatment plant staff, facilities and processes, in addition to ensuring protection of water quality and the beneficial reuse of recovered resources.
- Technical Services: Responsible for activities including environmental monitoring, specialized sampling, treatment process and research studies, the Municipal Assistance Program (MAP) to assist localities, state and federal regulatory advocacy, as well as all reporting required by HRSD permits.

The District's administration is overseen by a General Manager/Chief Executive Officer, supported by eight chiefs and their staffs. For Fiscal Year 2026, the District has budgeted for 969 full-time employees. Current staffing is sufficient to operate all existing facilities. None of its employees is currently represented by a union.

The following individuals are responsible for the daily management and affairs of the District (with titles changed, where appropriate, to conform to the District's current organizational chart).

Jay A. Bernas, P.E., MBA, *General Manager and Chief Executive Officer*

Jay Bernas was promoted to General Manager and Chief Executive Officer in February 2022. Before his promotion to General Manager and Chief Executive Officer, Mr. Bernas served as Chief Financial Officer for six years, Director of Planning and Analysis for 10 years, and was responsible for planning HRSD's Capital Improvement Program, performing business case analyses, system capacity analyses to support regional growth and managing four technical sections: Geographic Information Systems, Data Analysis, Hydraulic Modeling and Capital Planning. Prior to joining HRSD, he was a project manager with the City of Virginia Beach. Mr. Bernas graduated from Old Dominion University in 1995 with a bachelor's degree in Civil Engineering and earned his MBA from the College of William and Mary in 2013. He also has completed the Kenan-Flagler Water and Wastewater Leadership Program and was part of the 2008 class for LEAD Hampton Roads. He received the George Robert House, Jr. Award for the young public administrator of the year from the American Society for the Public Administration in 2006 and was recognized by Inside Business as a "Top Forty under 40" in 2011. Appointed by the Virginia Beach City Council to serve on the Planning Commission from 2006-2013, Mr. Bernas was its chair for the last two years of his tenure. He was elected to the Board of Trustees for the $1.4 billion Virginia Investment Pool in 2018 and serves on the audit subcommittee. He was elected in 2020 to NACWA, a national leader in clean water advocacy, and serves on NACWA's audit committee.

Steven G. de Mik, CPA, MBA, *Deputy General Manager and Chief Financial Officer*

Steve de Mik, who joined HRSD in 2008, was promoted to Deputy General Manager and Chief Financial Officer in July 2022. Mr. de Mik provides broad oversight and strategic direction to various divisions, specifically Finance, Information Technology, Talent Management and Communications. He previously served as Chief Operating Officer from 2015 to 2022. In that role, he led a staff of over 500 responsible for the complex operation and maintenance of HRSD's treatment plants, interceptor systems, and electrical and instrumentation infrastructure as well as various support services. His initial role at HRSD was Chief Financial Officer, where he was responsible for HRSD's general financial and business functions, including financial reporting, investment portfolio, debt and risk management, and customer billing. Before joining HRSD, Mr. de Mik served for seven years as the Director of Finance and Business Services for the City of Norfolk. A certified public accountant, he holds an MBA from the College of William and Mary and has completed the Kenan-Flagler Water and Wastewater Leadership Program, the Virginia Natural Resources Leadership Program and CIVIC Leadership Institute. He received a bachelor's degree in accounting and business administration from Southwest Baptist University in Bolivar, Missouri. Mr. de Mik also serves as a board chair and treasurer for Heart for Orphans, a nonprofit organization based in the City of Williamsburg, Virginia.

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

Eddie Abisaab joined HRSD in 2008 and was named Chief Operating Officer in July 2022. In that role, he leads a staff of over 530 who are responsible for the complex operation and maintenance of HRSD's treatment plants, interceptor collection systems, water technology and research, and electrical and instrumentation infrastructure as well as various support services such as fleet management, infrastructure assessment, carpentry, and a machine shop. In his previous position as the Director of Design and Construction on North Shore, Mr. Abisaab was responsible for the execution of HRSD's Capital Improvement and Operational Infrastructure projects. Prior to joining HRSD, he worked as an engineer and project manager for both the private and public sectors. Mr. Abisaab holds a Bachelor of Science in Civil Engineering from West Virginia University, and a Master of Science in Engineering Management from Marshall University. He is a licensed Professional Engineer (PE), Project Management Professional (PMP), and certified by the Institute for Sustainable Infrastructure (ISI) as an Envision Sustainability Professional (ENV SP). Mr. Abisaab is actively involved with the Water Environment Federation ("WEF")

and served for four years on the Board of Directors of the Virginia Water Environment Association (VWEA) and as President in 2016-2017. He is also currently serving as VWEA's Treasurer.

Charles B. Bott, Ph.D., P.E., *Chief Technology Officer*

Dr. Charles B. Bott joined HRSD in 2009 and is the Chief Technology Officer. He manages technology innovation and research and development for HRSD's wastewater treatment plants and interceptor system. Dr. Bott is also an Adjunct Professor in the Departments of Civil and Environmental Engineering at Virginia Polytechnic Institute and State University ("Virginia Tech") and Old Dominion University. He was formerly an Associate Professor in the Department of Civil and Environmental Engineering at the Virginia Military Institute and a consulting engineer with Parsons Engineering Science. Dr. Bott has a bachelor's degree in Civil Engineering from the Virginia Military Institute, a master's degree in Environmental Engineering from the Johns Hopkins University, and a Ph.D. in Civil and Environmental Engineering from Virginia Tech. He is a fellow of the WEF and a member of the Science and Technology Advisory Committee to the Chesapeake Bay Program Executive Council, and a member of the National Science Foundation Engineering Directorate Advisory Committee. Dr. Bott is a professional engineer in Virginia, a board certified Environmental Engineer, and a licensed Wastewater Treatment Plant Operator – Virginia Class I. He is a two-time winner of the WEF Harrison Prescott Eddy Medal for outstanding contribution to wastewater principles/processes research, he was a previous member of the WEF Board of Trustees. Dr. Bott's technical interests include municipal and industrial wastewater treatment, process engineering as well as renewable energy generation and resource efficiency. He has specific expertise in the areas of advanced water treatment technologies, chemical and biological phosphorus removal, nitrification/denitrification, nutrient recovery, deammonification/anammox, biological treatment process modeling and design, and biogas conditioning. Important areas of focus are mainstream shortcut nitrogen removal, processes for biological treatment intensification, and technologies for potable reuse.

Mary H. Corby, *Chief Information Officer*

Mary Corby became Chief Information Officer in November 2024. She joined HRSD in October 1996 as a Programmer Analyst working on enterprise financial systems for the Finance and Administration division. She has held a variety of roles over the years at HRSD, with her last position being the Director of Enterprise Application Services. Ms. Corby has over 34 years of professional experience in the technology and utility industry. Ms. Corby received a Bachelor of Science degree in Computer Information Systems from High Point University, is a member of the Water Environment Federation, the Water and Wastewater CIO Forum, and has completed the Kenan-Flagler Water and Wastewater Leadership Program.

Jamie Heisig-Mitchell, *Chief of Water Quality*

Jamie Heisig-Mitchell became Chief of Water Quality in November 2022, overseeing the Central Environmental Laboratory (CEL), Pretreatment and Pollution Prevention (P3), and the Technical Service Division (TSD). In her previous position as Director of TSD, she managed staff involvement in environmental and wastewater monitoring and research as well as assuming responsibility for HRSD's permit negotiations and oversight of regulatory compliance with Clean Water Act, Clean Air Act, and Safe Drinking Water Act programs. Ms. Heisig-Mitchell serves on the board of the Virginia Association of Municipal Wastewater Agencies (VAMWA) and the University of Colorado Boulder's Water Reuse Advisory Board, is Chair of VAMWA's Water Quality Committee, Co-Chair of the NACWA Water Quality Committee, Past-President of the Virginia Biosolids Council, member of the Eastern Virginia Medical School's Institutional Biosafety Committee, and has served on numerous Virginia Department of Environmental Quality Advisory Panels and Subcommittees. Ms. Heisig-Mitchell received her Master of Science from Old Dominion University in Norfolk, Virginia.

Bruce W. Husselbee, Ph.D., P.E., BCEF, DBIA, *Chief Engineer*

Bruce Husselbee became Chief Engineer in July 2005. Before his promotion to this senior leadership position, he was a Project Manager in the HRSD Design and Construction Department for nine years. Mr. Husselbee previously worked in the consulting engineering field for 12 years prior to joining HRSD. He holds a bachelor's degree in Civil Engineering, a master's degree in Environmental Engineering from George Washington University and a Ph.D. in Coastal Engineering form Old Dominion University. He also has completed the Kenan-Flagler Water and Wastewater Leadership Program. He is active in a number of professional organizations including the Old Dominion University Civil and Environmental Engineering Visiting Council, the Design-Build Institute of America and the WEF Utility Management Committee. He is a member of the Board of Directors of the Design Build Institute of America.

Brenda Matesig, *Acting Chief People Officer*

Brenda Matesig became Acting Chief People Officer in January 2025. She began her career in Human Resources in July 1990 after completing a part-time internship with HRSD. Over the past three decades, she has held multiple roles, in all facets of Human Resources. Ms. Matesig earned her MBA from Regent University in 2019 and holds several respected certifications, including Professional in Human Resources (PHR), SHRM Senior Certified Professional (SHRM-SCP), and PSHRA Senior Certified Professional (PSHRA-SCP).

Leila E. Rice, APR, *Chief Communications Officer*

Leila Rice, who joined HRSD in March 2017, directs and guides overall strategic communication initiatives, internal and external communications, media relations, crisis communications, branding, social media, and community relations and community education programs. She previously served as Public Affairs Manager for Elizabeth River Crossings, where she managed internal and external communications, media relations and community outreach for the Elizabeth River Tunnels Project. Her experience also includes serving as Community and Media Relations Manager for Norfolk-based non-profit agency ForKids, Inc., and more than 20 years of radio and television media experience. Ms. Rice holds a Bachelor of Arts in Communication Arts from James Madison University and received her Accreditation in Public Relations in 2017. She is a member and former officer of the Public Relations Society of America, Hampton Roads Chapter, and also a member of WEF. She serves on the NACWA Communications and Public Affairs Committee and on the Board of Directors for the Foodbank of Southeastern Virginia and the Eastern Shore.

Awards

HRSD has received numerous awards for excellence in plant operations and maintenance, environmental engineering and design, public education, and financial reporting. To date, its treatment plants have earned 400 awards for outstanding compliance with National Pollutant Discharge Elimination System ("NPDES") permits since 1986, when the recognition program was established.

Awards and honors received during the year ended June 30, 2024, include the Best Project Award for Atlantic Treatment Plant Thermal Hydrolysis Process (THP) and Fats, Oils, and Grease (FOG) Receiving Station by Engineering News and Record (ENR); the 2024 Top Projects Award by Wastewater Digest for the Surry Hydraulic Improvements and Interceptor Force Main; the American Council of Engineering Companies Virginia Grand Award for HRSD's Climate Change Planning Study; the National Association of Clean Water Agencies (NACWA) National Environmental Achievement Awards in the categories of Public Information and Education, Watershed Collaboration, and Workforce Development. HRSD also received 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." HRSD also earned the Award for Outstanding Achievement in Popular Annual Financial Reporting from the Government Finance Officers Association for its First Popular Annual Financial Report, issued in Fall 2024 for the Fiscal Year ended June 2023. The HRSD Finance Department also earned the George F. Ames PISCES award in the Innovative Finance category from the Environmental Protection Agency (EPA).

HRSD employees and leaders honored and recognized for their work and service include Dr. Charles Bott, awarded the Frederick George Pohland Medal; Commissioner Vishnu Lakdawala, receiving the NACWA 2019 Public Service Award; and Dr. Jim Pletl, receiving the NACWA Distinguished Service Award before his retirement from HRSD.

THE SERVICE AREA

The District provides service to approximately 5,000 square miles of land area within the boundaries of its service area. The geographical limits are shown on the map behind the inside front cover and include the following localities:

City of Chesapeake
City of Hampton
City of Newport News
City of Norfolk
City of Poquoson
City of Portsmouth
City of Suffolk
City of Virginia Beach
City of Williamsburg
Accomack County
Gloucester County
Isle of Wight County
James City County
King and Queen County
King William County
Mathews County
Middlesex County
Northampton County
Surry County (excluding Town of Claremont)
York County

The District and the Commission are independent of the localities served by the District. See "HAMPTON ROADS SANITATION DISTRICT – Authorization and Purpose" and " – The Commission."

The District's Enabling Act includes provisions for adding territory to the District. From time to time, adjacent Counties have requested to have their jurisdictional area added to the territory within the District. In 2020, for example, the Counties of Northampton and Accomack on Virginia's Eastern Shore were added to the District.

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Population Growth

The area within the District has experienced substantial urban and suburban development and consequent population growth. The historical population within the District is presented below. Presently, the District contains more than 20% of the population of the Commonwealth of Virginia.

Historical Population Growth in the District

Year	Population[(1)]	Population Increase[(2)]
1960	660,338	-
1970	973,247	47%
1980	1,085,332	12
1990	1,431,000	32
2000	1,551,000	8
2010	1,674,917	8
2020	1,813,000	8
2024	1,829,281	1

(1) Sources: 1960-2020, United States Bureau of the Census; 2024, Weldon Cooper Center.

(2) Increase in population includes both increases in population within the District's original service area, as well as the expansion of the District's service area.

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The District's top ten ratepayers represented 8.0% of the District's total rate base, as measured by wastewater treatment charges, in Fiscal Year 2024. The following table compares the top ten ratepayers in Fiscal Year 2024 with the top ten ratepayers in Fiscal Year 2015.

Wastewater Treatment Charges
Ten Largest Customers

Customer	Type	Fiscal Year 2024 Amount[1]	Fiscal Year 2024 % of Total	Fiscal Year 2015 Amount[1]	Fiscal Year 2015 % of Total
U.S. Navy - Norfolk Naval Base	Military Facility	$9,776	2.30%	$4,614	2.1%
Anheuser - Busch, Inc.	Brewery	4,010	0.90	3,240	1.50
Huntington Ingalls Industries	Shipbuilding	3,001	0.70	1,288	0.60
Norfolk Naval Shipyard	Military Ship Repair	2,963	0.70	1,843	0.80
U.S. Air Force-Langley Air Force Base[2]	Military Facility	2,551	0.60	-	-
Joint Expeditionary Base Little Creek – Fort Story	Military Facility	2,519	0.60	1,606	0.70
City of Norfolk	Municipality	2,437	0.60	1,792	0.80
Norfolk Redevelopment & Housing Authority	Housing Authority	2,432	0.60	1,614	0.70
City of Virginia Beach	Municipality	1,964	0.50	1,164	0.50
Oceana Naval Air Station / Dam Neck[2]	Military Facility	1,903	0.50	-	-
Smithfield Foods[2]	Meat Processor	-	-	3,281	1.50
Sentara Healthcare[2]	Healthcare	-	-	1,076	0.50
Totals[3]		**$33,556**	**8.0%**	**$21,518**	**9.7%**

(1) Dollar amounts in thousands.
(2) Table only includes customer data for years in which a customer was one of the District's ten largest customers.
(3) Totals may not add due to rounding.

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Wastewater Flow

During the past five years, the number of service connections has grown by 2.1%. Billed water consumption has declined by approximately 0.9% during such period because of conservation efforts on the part of utility customers fostered by increasing water and sewer rates, improved construction materials and the installation of low flow plumbing fixtures.

Wastewater Flows and Service Connections

Fiscal Year Ended June 30	Average Daily Wastewater Flow[1]	Total Billed Wastewater Flow[1,2]	Service Connections (Thousands)
2020	140.9	110	478
2021	154.4	111	481
2022	132.3	111	484
2023	135.1	109	486
2024	145.8	109	488

(1) Millions of Gallons per Day (MGD).
(2) Water meters are read for billing purposes by the participating jurisdictions.

Expansion of Service Area

In most instances, the routine expansion of the service area results from the extension of the interceptor system performed at the request of a local government when growth or flow warrants. However, these interceptor lines will generally not be constructed based on speculation that future service areas will develop as planned unless the local jurisdiction(s) provides financial assistance.

Environmental Risks

The Hampton Roads region, in which the District operates, is vulnerable to the impacts of flooding, which are projected to increase in severity. The combination of land subsidence and rising ocean levels increase the risk of higher tides and higher storm surges. Additionally, heavy rainfall events are projected to increase in intensity and frequency, which may result in localized flooding as streams overtop their banks and stress existing stormwater systems. See "THE SYSTEM – Environmental Priorities and Efforts" herein.

THE SYSTEM

The Wastewater System consists of eight major treatment plants (225 million gallons per day (MGD) capacity), six smaller plants (aggregating approximately 1.63 MGD capacity) and its combined interceptor systems consisting of 139 pump and pressure reducing stations and approximately 538 miles of interceptors and collection sewer ranging in diameter from 6 to 66 inches. The interceptors, which are gravity and force mains, convey wastewater from the point of delivery by municipalities, industry and other users of the Wastewater System to the District's treatment plants.

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The following table identifies the location of the District's major treatment plants, their design capacities and, for the Fiscal Year ended June 30, 2024, their average daily flows.

Treatment System Capacity & Flows
(Millions of Gallons per Day)

Major Treatment Facilities	Average Design Capacity	FY 2024 Annual Average Daily Flow
Army Base [Norfolk]	18.0	10.6
Atlantic [Virginia Beach]	54.0	44.8
Boat Harbor [Newport News]	25.0	12.0
James River [Newport News]	20.0	11.8
Nansemond [Suffolk]	30.0	16.6
Virginia Initiative [Norfolk]	40.0	30.0
Williamsburg [James City County]	22.5	8.1
York River [York County]	15.0	12.0
TOTALS[(1)]	224.5	145.8

(1) Totals may not add due to rounding.

In addition to the major facilities described above, the District operates six additional small wastewater treatment plants: two in Middlesex County with a combined capacity of 0.125 MGD, one in the Town of West Point (King William County) with a capacity of 0.60 MGD, one in King William County with a capacity of 0.10 MGD, one in the Town of Onancock (Accomack County) with a capacity of 0.75 MGD, and one in Lawnes Point (Isle of Wight County) with a capacity of 0.05 MGD. The interceptor system for these localities includes 46 pumping stations. HRSD is responsible for the collection, conveyance and treatment of wastewater, in the Counties of King William, King and Queen, Middlesex, Mathews, and portions of Northampton and Accomack Counties.

System Improvements and Innovations

HRSD completed significant renewals and improvements to its treatment plants, pump stations, interceptor sewers, operational and administrative facilities in recent years. Electrical equipment upgrades throughout all HRSD facilities were made to replace aging system components as well as meet new arc flash safety requirements. The on-going infrastructure renewal program has replaced a number of major interceptor pipelines and pump stations in the southern portion of the District's service area. Improvements included several projects associated with taking the Chesapeake-Elizabeth Treatment Plant (CETP) offline, the Virginia Beach Boulevard Force Main Phase VI project, the Elbow Road Pressure Reducing Station project, and upgrades to six existing power reducing stations throughout the South Shore system. Also instrumental to the closure of CETP was the construction of a five-million-gallon wet weather storage facility and pump station attached to a City of Virginia Beach skate park facility. In Norfolk, HRSD acquired the Robin Hood Road pump station to improve system functionality associated with the existing Chesapeake Boulevard pump station. In the Peninsula portion of the service area, major interceptor pipelines and pump station improvements were executed, including the completion of the West Avenue and 35th Street force main in Newport News, the Bloxom's Corner force main in Hampton, the Smithfield Interim Pressure reducing station in Isle of Wight County, the Hampton Trunk 'A' force main in Hampton, the Patrick Henry pump station interconnect force main in Newport News, the Morrison pump station

discharge force main replacement in Newport News, and the Kingsmill pump station piping replacement and wet well rehabilitation in James City County.

HRSD owns approximately 139 pump stations and pressure reducing stations that use various control scenarios using programmable controls to maintain various set points throughout the interceptor system. To provide a more reliable control and monitoring system, new control panels have been placed at nearly every station and system control points within the last three years. The Supervisory Control and Data Acquisition (SCADA) system, currently nearing the end of the deployment phase, allows for future capacity optimization control regimes, including real time control and predictive measures to get the most out of the interceptor system.

A comprehensive metering network installed throughout the Wastewater System aids in optimizing system operations and provides flow data to HRSD's dynamic hydraulic model for calibration and validation purposes. The hydraulic model is one of the most sophisticated sewer modeling efforts in the country and is used to guide placement and sizing of future system improvements to cost effectively address wet weather peak flows. In addition, HRSD uses a hydraulic model to evaluate new connections to the system to ensure capacity, size new pipelines and pump stations, develop contingency scenarios and improve system operational efficiency. The hydraulic model was instrumental in HRSD's decision to take the CETP offline and divert the flow to use available capacity at the Atlantic Treatment Plant (ATP). HRSD estimates that the 30-year net present value of savings realized from this decision is approximately $200 million.

In 2017, both the Town of Surry and Surry County transferred their treatment plants and collections systems to HRSD. The Town of Surry Wastewater Treatment Plant was in immediate need of major repairs and had a consent order deadline to take the plant offline before December 31, 2022. Due to the high capital, operations and maintenance costs associated with new treatment plants, HRSD constructed a 132,000 linear foot pipeline project, and eight pump stations to convey flow from these communities to the Nansemond Treatment Plant at an estimated cost of $50 million. This project also included the closure of the Town of Surry and Surry County Wastewater Treatment Plants.

HRSD directed significant effort to meet mass discharge limits on nitrogen and phosphorus as a result of the six-state efforts to restore the Chesapeake Bay. As a result of the capital projects at the York River, Nansemond, Army Base James River, and the Virginia Initiative Plant (VIP) Treatment Plants, HRSD continues to meet stringent nutrient limits. Through the use of creative design and phased construction, HRSD deploys cost-effective adaptive technologies to take advantage of the existing facilities and the diversity of treatment processes at each plant. In June 2019, the Virginia State Water Control Board adopted new protective criteria for chlorophyll in the James River. The new criteria were the result of a seven-year study designed to identify the causes and consequences of algal blooms and develop models to estimate their occurrence by linking chlorophyll to nutrients and other environmental factors. HRSD's wasteload allocations defined by the current nutrient general permit are in compliance with the new criteria. Due to the high cost of nutrient upgrades, the CETP was shut down and its flow diverted to the Atlantic Treatment Plant, which is an ocean discharge plant that does not require nutrient removal.

Even more stringent nutrient discharge limits will come into effect in 2026 for nitrogen, along with a series of incremental reductions in phosphorus in 2028, 2030, and 2032. To meet the 2026 nitrogen requirements, two large capital projects are now in construction. These include upgrades at James River Treatment Plant (JRTP) and the closure of Boat Harbor Treatment Plant (BHTP) with the transfer of flow to Nansemond Treatment Plant (NTP) and the expansion of that facility to accommodate the increased flow. The BHTP closure project will include the construction of a large pump station on the BHTP property, installation of a 54-inch force main under the James River, and installation of a network of force mains to NTP.

The District has developed an innovative managed aquifer recharge program called the Sustainable Water Initiative for Tomorrow (SWIFT) to address the challenges of declining aquifer levels, land subsidence and saltwater intrusion, and provide additional benefits to the region, including nutrient credits for urban stormwater and other needs. SWIFT will add advanced water treatment ("AWT") to up to three of the District's existing treatment plants to produce approximately 50 MGD of water that meets drinking water standards and is compatible with the receiving aquifer. Water meeting drinking water standards (SWIFT Water) will be recharged into the Potomac Aquifer System to counter the aquifer challenges described above. In support of SWIFT, the District constructed and is operating a 1 MGD demonstration facility, known as the SWIFT Research Center at the Nansemond Treatment Plant. The center demonstrates, on a meaningful scale, that AWT produces SWIFT Water that meets primary drinking water standards and is compatible with the receiving aquifer. The first full-scale SWIFT facility is in construction at the James River Treatment Plant with a rated capacity of 16 MGD including AWT and recharge wells. This facility is expected to come online in 2026, and these upgrades are an important part of meeting 2026 nitrogen and future phosphorus limits.

The SWIFT program includes multiple barriers of control for the treatment and removal of contaminants and pathogens, including per - and polyfluoroalkyl substances (PFAS). The first major barrier is source control in which HRSD enforces stringent regulatory limits on the industries that discharge into the District's wastewater facilities so that water generated from SWIFT facilities complies with Safe Drinking Water Act requirements for recharge to a potable aquifer. The SWIFT facility itself includes multiple control barriers, including ozonation, biofiltration and granular activated carbon (GAC) adsorption prior to ultraviolet disinfection. The use of GAC provides treatment of PFAS to comply with the recently released National Primary Drinking Water Regulation for PFAS. As a further means of aquifer protection, critical control points (CCPs) have been identified throughout the treatment process, allowing real-time process monitoring with the ability to redirect any water not meeting specifications away from the aquifer recharge wells to be managed instead by the wastewater facility and in compliance with its receiving stream discharge permit (Virginia Pollutant Discharge Elimination System (VPDES)).

In addition, the District has initiated a substantial capital project to add SWIFT to the expanded Nansemond Treatment Plant (50 MGD) with an AWT capacity of 33 MGD. The design-build team has been selected to deliver this project, and detailed design is anticipated to extend into 2025, with startup expected in 2028. This facility is key to meeting future phosphorus limits.

The last measure needed to meet the final 2032 phosphorus limits is a tertiary treatment upgrade at the VIP Treatment Plant. This project is in the early feasibility design stages, and the project will be constructed in a manner that allows the potential future conversion to SWIFT AWT and recharge.

The District continues to pursue renewable energy projects, such as the Atlantic Treatment Plant Digester Gas Combined Heat and Power (CHP) project completed in 2013. This project feeds internal combustion engines with treated digester gas to meet up to 40% of the 2.5 megawatt demand of the treatment plant and provides heating to the administration buildings and digesters. The digester gas treatment system uses a biological hydrogen sulfide gas scrubber, which was the first municipal installation in North America. In 2020, the District also implemented at the Atlantic Treatment Plant a system that increases biogas generation by receiving and processing restaurant-derived fats, oils, and grease (brown grease) containing water and converting it to additional digester gas.

In 2008, HRSD worked with the Navy to use the Atlantic Treatment Plant's effluent to act as a heat sink for a large Navy facility located adjacent to the plant. This system, similar in function to a geothermal system, saves the Navy $3 million per year and won a Federal Facility Presidential Award in 2009. The District has installed its first photovoltaic array at the SWIFT Research Center, a 60 kW system that supplies approximately one-quarter of the SWIFT Research Center's operating power demand.

The District is currently starting up a new process (Greasezilla) at Nansemond Treatment Plant to recover brown grease in the form of ship bunker fuel, and is currently evaluating proposals for a new public-private partnership for the production of renewable natural gas at the Atlantic Treatment Plant that will further reduce its operations carbon footprint and potentially generate revenue associated with the sale of commodity energy products.

HRSD owns and operates the second Ostara nutrient recovery facility in the United States. The patented Ostara process recovers phosphorus and nitrogen from the wastewater treatment process, rather than releasing it into the Chesapeake Bay, and converts it to a slow-release, high-phosphorus content, commercial fertilizer. As part of the Nansemond Treatment Plant expansion, and in response to more stringent future phosphorus limits, the Ostara nutrient recovery facility is currently under construction to increase the capacity of the facility, to add an additional phosphorus stripping step, and to switch to a more cost effective source of magnesium, the combined impact of which will be roughly quadruple the current struvite production rate.

The District is a leading agency in wastewater research and development. In collaboration with an international group of researchers and other third parties, the District played a major role in patenting a process using mainstream external selectors to improve biomass settleability and stabilize biological phosphorus removal. This technology was installed at the James River Treatment Plant in 2015 and in one train at the Urbanna Treatment Plant in 2016. In addition, the District is collaborating with an international group of agencies and academic institutions to study a revolutionary wastewater process using a relatively new bacterium called anammox. The District started operating the first two full-scale sidestream treatment processes using anammox in the Western Hemisphere at York River Treatment Plant and James River Treatment Plant. HRSD developed and patented (pending) a new control system for one of those processes, known as the AnitaMox process.

HRSD operates the first documented full-scale mainstream nutrient removal process using anammox at the York River Treatment Plant in an emerging application known as partial denitrification-anammox (PdNA). The implementation of PdNA was completed internally by HRSD staff for minimal capital investment, resulting in the savings of approximately $1 million per year in chemicals and energy and avoiding a substantial conventional nutrient removal capital project. This was based on about eight years of pilot testing and research. HRSD, in collaboration with others, patented a suite of technologies associated with the treatment of nitrogen using low energy, low carbon, and intensified (smaller tanks) processes and based on mainstream nitrite shunt and deammonification (anammox). In the current applications, this technology suite is known as AvN-PdNA. HRSD has also implemented mainstream PdNA at James River Plant as part of the nutrient upgrades that are currently in construction, and the Nansemond Treatment Plant will include mainstream PdNA as part of the expansion project.

The District disposes of its biosolids by composting, land applying or incineration. The District considers biosolids beneficially reused when they are used for bulk land application, composting by a third-party contractor, and distribution and marketing of Class A/EQ biosolid products. In calendar year 2024, the District considered __% of its biosolids beneficially reused. Based on the scheduled completion of ongoing projects, the District estimates that over 50% of its biosolids will be beneficially reused by calendar year 2026.

Capital Improvement Program

The District's Capital Improvement Program is designed to meet regulatory requirements, including both nutrient reduction and sanitary sewer overflow reduction, aging infrastructure renewals and replacements, biosolids management and increased capacity. The District uses a ten-year planning horizon for the CIP. The CIP is updated each year and modified as circumstances dictate. The Commission

approves the overall program and the first year of the plan and appropriates funds on an individual project basis. The District also employs a CIP project prioritization program using a decision-analysis based process. This process allows each proposed project to be considered objectively against the merits of other proposed projects. Individual projects are scored using performance measures based on risk reduction and ranked. After the CIP review team considers each project score for consistency, the CIP leadership team makes final decisions on project acceptability and develops a prioritized project schedule based on projected capital funding availability.

The District has undertaken an Integrated Plan that will use innovative approaches to removing nutrients from the Chesapeake Bay and assist with other regional issues such as aquifer recharge and land subsidence. The centerpiece of the Integrated Plan is the SWIFT program, which will further treat plant effluent to drinking water standards and use it to recharge the Potomac aquifer. The 2026-2035 CIP includes $1.4 billion for the SWIFT program. The Integrated Plan also addresses sanitary sewer overflows (SSO) and has allocated $200 million for projects that will have the largest impact towards reducing SSO's during wet weather events.

The 2026-2035 CIP includes approximately $3.4 billion in interceptor system, treatment plant, water reuse, and other facility improvements. Of that total, $258 million is identified for the rehabilitation and upgrade of wastewater treatment plants. A number of interceptor sewer projects, totaling approximately $424 million, are in the planning, design or construction phase. These planned projects are proposed to address aging infrastructure issues within the District's extensive interceptor sewer piping system. Upgrades to aging sewer pump stations and new pump stations to serve Hampton Roads are an important part of the CIP, with over $268 million of such improvements planned in the next ten years. The CIP includes $304 million in anticipated biosolids management improvements.

The following table sets forth the District's anticipated sources of funds for the Capital Improvement Plan in Fiscal Years 2026 through 2030.

[Remainder of page intentionally left blank.]

CIP, Fiscal Years 2026 to 2030
(Dollar amounts in thousands)
(As of Fiscal Years ending June 30)

	2026	2027	2028	2029	2030	Total (2026-30)
Revenue Bonds	$161,705	-	-	-	-	$161,705
Va. Clean Water Revolving Fund Loan	40,000	$40,000	$40,000	$40,000	$40,000	200,000
WIFIA Bonds	220,000	48,088	-	-	-	268,088
Water Quality Improvement Fund (WQIF) Grants[1]	100,000	212,000	415,658	180,988	80,000	988,645
HRSD Cash	266,849	154,989	151,402	200,915	309,905	1,084,060
Reimbursements	4,644	1,000	-	-	-	5,644
Line of Credit (Negative = Pay Off)	(84,198)	82,923	(98,725)	-	-	(100,000)
Total Sources for Capital Expenditures[2]	$709,000	$539,000	$508,335	$421,903	$429,905	$2,608,143

[1] The timing and amount of the Water Quality Improvement Fund (WQIF) grants is dependent on funding provided by the Commonwealth and is subject to change. HRSD plans to adjust its funding sources, if needed, based on the receipt of WQIF grants.
[2] Totals may not add due to rounding.

The District plans to fund the Capital Improvement Program through a combination of cash and debt financing as shown in the above table. The CIP also includes $1.25 billion in funding in Fiscal Years 2031 through 2035, of which $200 million is planned to be funded with debt proceeds and $1.05 million with operating cash.

In addition to its ten-year planning horizon, the District undertakes preliminary planning for its CIP through 2045. While subject to change, the District estimates additional capital expenditures of $3.12 billion for years 2036-2045, with approximately 40% to be financed with new debt. Capital expenditures include estimated costs associated with the RWWMP discussed under " – State Consent Agreement and EPA Consent Decree" below.

The proposed new debt conservatively assumes a combination of interim financing, and federal and state subsidized funding. HRSD continues to seek the lowest cost of capital by using the Virginia Clean Water Revolving Loan Fund (VCWRLF) and Water Infrastructure Finance and Innovation Act (WIFIA) loans. [For example, based on current market conditions and the lower interest rates available through the capital markets, the District anticipates using proceeds of the Series 2025A Bonds to fund, on an interim basis, a portion of projects previously planned to be funded with proceeds of WIFIA Bonds]. HRSD is currently drawing down three closed loans in the WIFIA program, with maximum draws totaling $970.5 million, and one VCWRLF loan totaling $80 million. See "SECURITY AND SOURCES OF PAYMENT – Outstanding Senior Obligations." The District will continue to monitor market conditions to obtain the most advantageous method of future CIP financing.

Regulation and Permits

The Virginia State Water Control Law (Chapter 3.1, Title 62.1, Code of Virginia, 1950, as amended) provides that the plans and specifications for wastewater facilities to be constructed be approved by the Virginia Department of Health and the Virginia Department of Environmental Quality. The District

operates all of its plants and interceptor systems under permits issued by the Virginia Department of Environmental Quality.

In addition to the regulatory issues described under " – State Consent Agreement and EPA Consent Decree," the Commonwealth's Phase 3 Watershed Implementation Plan for the Chesapeake Bay Total Maximum Daily Load (TMDL) requires additional nutrient reductions phased in from 2026-2032. Compliance with the required reductions relies on additional capital investment at multiple HRSD facilities. Beyond this, the District is not aware of any pending federal or Commonwealth regulatory requirements proposed in the Federal Register or the Virginia Register that, in themselves, would require significant expenditures for additional capital improvements; however, the District cannot predict the scope or effect of future federal or Commonwealth regulatory actions that could require significant expenditures for capital improvements.

As a matter of practice, HRSD manages its operational and capital planning to mitigate compliance risk associated with uncertainty in the regulatory environment. This approach favors flexibility and adaptive management. This type of risk mitigation also requires HRSD to engage directly in highly consequential state and federal policy and regulatory development to remain abreast of regulatory considerations and contribute to the scientific discourse where possible. HRSD's solids management strategy is an example of such an approach. Flexibility was increased through the implementation of a Thermal Hydrolysis Process (THP) at the Atlantic Treatment Plant, a process which significantly reduced the volume of biosolids produced at the plant, creating a pathogen-free biosolids product and increasing options for the end use of the material. HRSD's current portfolio of management options for the solids generated at all of its facilities includes incineration, landfilling, composting, and land application as conditions allow. These options allow HRSD to pivot as new regulations or new treatment technologies become available. As a stakeholder in the protection of public health and the environment, HRSD participates in research funded by the Environmental Protection Agency (EPA) and other grant funding institutions to better understand the potential risk associated with chemical contaminants in solids along with evaluating varying treatment technologies that may be effective at removing chemical contaminants of concern.

HRSD also leverages its Pretreatment and Pollution Prevention program as a key part of its risk management strategy, driving upstream controls of potential contaminants of concern, particularly where greater gains can be achieved through controlling the contaminants at their source. HRSD carries this concept of source control or pollutant minimization to the residential level as well, working with regional entities to educate residents about their role in reducing the introduction of problematic chemical contaminants into the wastewater stream.

State Consent Agreement and EPA Consent Decree

On December 19, 2014, the Commonwealth of Virginia entered into a long-term State Consent Agreement (the "2014 Consent Agreement") with 14 of the localities that HRSD serves. The 2014 Consent Agreement requires the localities to perform long-term management, operations and maintenance of their sewer systems in support of HRSD's efforts to provide long-term regional wet weather wastewater capacity. HRSD is not a party to the 2014 Consent Agreement. Instead, HRSD's obligation to provide regional wet weather sewer capacity is now solely imposed through its federal consent decree (the "Consent Decree"). HRSD entered into the Consent Decree with the Commonwealth and the United States Environmental Protection Agency ("EPA").

The Consent Decree was entered by the Federal District Court for the Eastern District of Virginia (the "District Court") on February 23, 2010. The Consent Decree has been amended six times, most recently on January 19, 2024 (the "Amended Consent Decree").

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

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

The Amended Consent Decree authorizes HRSD to submit the RWWMP as part of an Integrated Management Plan ("IMP"). HRSD intends to use the IMP approach to facilitate the timing and financing of both its RWWMP and its SWIFT Program. The SWIFT Program will assist the Commonwealth to meet its Chesapeake Bay nutrient reduction commitments and save HRSD's 14 localities approximately $1 to $2 billion in avoided Chesapeake Bay-related storm water control costs.

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

Environmental Priorities and Efforts

Since its inception in 1940, the District has served the Hampton Roads region with its mission of protecting public health and the waters of Hampton Roads. The District's vision is that the District's communities will have clean waterways and reliable water resources for generations to come. SWIFT is the District's newest water treatment innovation, as described in detail above under " – System Improvements and Innovations."

To better understand the effects of rising sea levels, the District commissioned a comprehensive sea-level rise impact study that concluded in May 2023. The study provided a foundation to address the next 80 years of flooding-related impacts and prioritized flood mitigation projects across all of the District's facilities. As of Fiscal Year 2025, flood mitigation projects were incorporated into the long-term capital planning process, with an average of $5 million in projects to be completed per year over the next fifty years.

In recent years, the District also updated its standards to increase the freeboard three feet above the Federal Emergency Management Agency (FEMA)'s 100-year flood elevation and adopted design standards for assets that require using the U.S. Army Corps of Engineers' sea-level rise tool.

Asset Management Program

The District's Asset Management Plan is a dynamic model that leverages data from multiple systems and calculates the likelihood and consequence of failure for each asset in the District's infrastructure portfolio to determine the remaining useful life and replacement year. HRSD uses business intelligence (dashboard) software that is integrated with other enterprise systems, such as its Geographic Information System (mapping system), Enterprise Resource Planning System (financial reporting, human relations, procurement, payroll and budgeting system), and its Supervisory Control and Data Acquisition System (industrial control system that allows the District to monitor and in certain cases control pump station operations) to display the latest condition, performance, and reliability of each asset as well as a long-term capital investment forecast. The dynamic Asset Management Plan provides the District with the ability to filter by facility, asset class, unit process, and other categories to make the best decisions for sustaining asset performance and prioritizing capital investments.

Cybersecurity

The District, like many other public entities, relies on a technology environment to conduct its operations. As such, it may face multiple cybersecurity threats including but not limited to, hacking, viruses, malware, and other such attacks on computer or other sensitive digital systems and networks. There can be no assurance that any security and operational control measures implemented by the District will be completely successful to guard against and prevent cyber threats and attacks. The result of any such attack could affect operations and digital networks, and the costs of remedying any such damage could be significant.

In 2019, the District developed an Information Technology governance plan and technology roadmap, that included risk management, business continuity, and new technology integration. The District is implementing this plan over time, at a total estimated cost of approximately $15.5 million between FY 2019 and 2026.

Since April 2020, the District's Cybersecurity Department has included a dedicated Chief Information Security Officer. The Chief Information Security Office maintains an Information Technology Security Policy in accordance with applicable standards and laws. The policy defines minimum security requirements for the District's assets including the managerial, operational, and technical protection requirement and controls to ensure the confidentiality, integrity, and availability of the District's IT assets; and compliance with requirements of applicable federal, and state law and the District's policies and regulations.

The District maintains a comprehensive cyber insurance coverage policy that covers breach related expenses, liability and extortion. In addition, the District maintains crime insurance, which includes computer related fraud.

On November 17, 2020, the District was the subject of a ransomware attack. The District and its cybersecurity consultants worked to restore all of the business systems to normal operations without paying any ransom. The District did not experience any negative material impact on its operations as a result of the attack. Because of the District's robust safeguards, the District did not lose any data as a result of the attack.

FINANCIAL MANAGEMENT

General

Through its annual budget process, management seeks to ensure that operating revenues are sufficient to meet operating expenses and sufficient reserves are available in the event actual billings do not meet budgetary expectations. The upgrades and expansion of new treatment plants and extensions and improvements of the interceptor system are financed by a combination of operating revenues and debt financing. The following table sets out the District's operating results and debt service coverage for the Fiscal Years ended June 30, 2020, through June 30, 2024.

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Summary of Operating Expenses and Debt Service Coverage
(Dollar Amounts in Thousands)
(As of Fiscal Years ended June 30)[1]

	2020	2021	2022	2023	2024
Operating Revenues					
Wastewater Treatment Charges	$318,585	$325,817	$352,414	$383,115	$422,784
Miscellaneous	3,447	3,952	5,532	4,820	4,157
Total Operating Revenues	$322,032	$329,769	$357,946	$387,935	$426,941
Operating Expenses					
Wastewater Treatment	$122,393	$132,820	$134,135	$149,532	$167,327
General and Administrative	46,949	48,691	45,673	53,995	60,152
Total Operating Expenses, excluding Depreciation	$169,342	$181,511	$179,808	$203,527	$227,479
Non-Operating Revenues (Expenses)					
Wastewater Facility Charges	$6,444	$7,379	$7,072	$7,293	$7,153
Investment Income	5,876	471	(1,651)	6,068	13,673
Bond Interest Subsidy[2]	2,205	2,167	2,052	2,015	1,622
Capital Distributions to Localities[3]	-	(376)	(13)	(2,422)	(2005)
Bond Issuance Costs	(1,290)	(682)	(311)	(98)	(1,000)
Net Non-Operating Revenues (Expenses)	$13,235	$8,959	$7,149	$12,856	$19,443
Net Revenues (GAAP)	$165,925	$157,217	$185,287	$197,264	$218,905
Add Back: Operating Expenses on Improvements not Owned by HRSD	-	376	13	2,422	2,005
Net Revenues (Adjusted)	$165,925	$157,593	$185,300	$199,686	$220,910
Debt Service[4]	$59,011	$59,213	$61,017	$66,391	$76,894
Debt Service Coverage Ratio (GAAP)	2.81	2.66	3.04	2.97	2.85
Debt Service Coverage Ratio[4] (Adjusted Cash Basis)	2.81	2.66	3.04	3.01	2.87

(1) Revenues and Operating Expenses presented in accordance with generally accepted accounting principles; Debt service presented on a cash basis (i.e. debt service actually due during the related Fiscal Year).

(2) Actual Federal Subsidy received from the federal government relating to interest on the District's Wastewater Revenue Bonds, Series 2009B (Federally Taxable-Issuer Subsidy-Build America Bonds), which were redeemed as a whole on May 9, 2024, and are no longer outstanding.

(3) Operating Expenses on improvements not owned by HRSD are funded through HRSD's Capital Improvement Plan from sources that may include cash, debt, grants, and other sources. Such expenses are excluded from the definition of Operating Expenses under the Trust Agreement.

(4) Calculated based on actual debt service payable on a current year basis. Includes debt service on the District's obligations (none of which remain outstanding) that were senior in right of payment to the Bonds and other Senior Obligations, and excludes debt service on Subordinate Obligations.

Pension Fund and Other Post-Retirement Benefits. For a description of the District's participation in the Virginia Retirement System, a defined benefit plan offered by the Commonwealth of Virginia, and

of the post-retirement health benefits for qualifying employees of the District, see the District's Annual Comprehensive Financial Report attached as Appendix A hereto.

Debt Management. The Commission has adopted a comprehensive financial policy designed to promote sound financial management. The policy addresses, but is not limited to, the following areas: reserves, budgetary principles, internal controls, debt affordability, debt management, risk management, derivatives and investments. The Commission has the right to change the financial policy from time to time.

The policy requires minimum debt service coverage requirements in excess of its obligations under the Trust Agreement. It also requires cash contributions to its capital program of not less than 15% of each year's capital improvement program. Additionally, the policy establishes parameters for the investment of idle funds.

Projected Operating Results. The following table shows projected Revenues and Current Expenses for the Fiscal Years ending June 30, 2025, through June 30, 2029, inclusive.

Summary of Projected Revenues and Current Expenses
(Dollar Amounts in Thousands)
(As of Fiscal Years ending June 30)[1]

	2025	2026	2027	2028	2029
Operating Revenues[2]	$452,127	$497,914	$540,860	$573,407	$593,322
Non-Operating Revenues	15,065	19,655	15,080	15,826	16,863
Less Operating Expenses Excluding Depreciation	(275,722)	(292,854)	(351,570)	(378,456)	(352,476)
Net Revenues	$191,470	$224,725	$204,369	$210,777	$257,710
Debt Service[2][3][4]	$87,770	$108,000	$111,745	$114,448	$123,169
Debt Service Coverage Ratio (Adjusted)[2][3][4]	2.18	2.08	1.83	1.84	2.09
Key Assumptions[5]					
Rate Increases	9.0%	9.0%	9.0%	6.5%	4.0%
Change in Consumption	0.0%	0.0%	0.0%	-0.25%	-0.4%
Key Inflation Trends					
Average Inflation	4.6%	5.3%	4.3%	3.9%	3.9%
Personal Expenses	10.0%	10.0%	12.0%	5.0%	5.0%
Healthcare Rates	5.2%	5.2%	5.2%	5.2%	5.2%
Contractual Services	5.0%	8.0%	5.0%	5.0%	5.0%
Costs of Issuance	$300	-	-	-	-

(1) Totals may not add due to rounding.
(2) Revenues and Operating Expenses presented in accordance with generally accepted accounting principles; Debt service presented on a cash basis (i.e. debt service actually due during the related Fiscal Year).
(3) Debt service does not include principal and interest on the Line of Credit [and other Subordinate Obligations] or the Series 2025_ Bonds. See "PLAN OF FINANCING – Future Financings" herein.
(4) Assumes debt service on variable rate Series 2016B Bonds of [3.6]% per annum. No assurance can be given, however, that the rate on the Series 2016B Bonds will not be higher than assumed above.
(5) While the District believes the assumptions set forth above are reasonable, actual results may vary.

Budgeting and Accounting

Budgetary Controls. The District adopts an annual operating budget and a 10-year Capital Improvement Plan. The budget is approved on or before June 30 of each year. The District maintains budgetary controls on a departmental basis, and the General Manager/Chief Executive Officer is authorized to transfer funds among departments without Commission approval. With the exception of capital projects, unencumbered funds lapse at year end. As part of the budget process, the District adopts a long-range financial forecast.

Financial Statements. In accordance with accounting principles generally accepted in the United States, the District's audited general purpose financial statements are prepared on an accrual basis of accounting. The District's audited basic financial statements and the report thereon by Cherry Bekaert LLP, for the Fiscal Year ended June 30, 2024, are included in Appendix A. The District's independent auditor, Cherry Bekaert LLP, has not been engaged to perform and has not performed, since the date of its report included in Appendix A, any procedures on the financial statements addressed in that report. Cherry Bekaert LLP also has not performed any procedures relating to this Official Statement.

The Government Finance Officers Association of the United States and Canada has awarded a Certificate of Achievement for excellence in Financial Reporting to the District for its annual comprehensive financial reports for [40] consecutive Fiscal Years. In order to be awarded a Certificate of Excellence, a governmental unit must publish an easily readable and efficiently organized annual comprehensive financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

FY 2025 Budget; Interim financial reports. The District's FY 2025 Budget represents total revenue and expense increases of $38.7 million, or 9.0% over the adopted FY 2024 Budget. This increase was supported with a 9.0% rate increase plus increases in other revenue sources such as investment income. Third quarter interim (unaudited) financial results for FY 2025 indicate that revenues exceeded budgetary estimates by approximately __% and that expenses were under budget by approximately __%. The interim financial report summarizes the results of the District'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.

The District publishes unaudited financial reports at www.hrsd.com/investor-relations. Such reports are not incorporated into this Official Statement by reference, and the District reserves the right to modify the content and timing of such reports in the future or to eliminate them altogether.

Rates

The District periodically reviews its rate structure and revises its charges as necessary to generate the revenues required to meet its current financial obligations. The most recent general increase in rates became effective July 1, 2025. The District's full rate schedule appears on the District's website, www.hrsd.com.

Currently, the District's typical residential customer pays less than $50 per month for sewage interception and treatment services provided by the District. The District's sewage interception and treatment charge generally is one of the smallest public service utility bills its customers receive. Generally, the District bills and collects directly from its customers on a monthly, bimonthly, or quarterly basis depending upon the community. The jurisdictions provide the meter readings, which are the basis of the District's billing operation.

The District charges surcharge rates to recover costs in direct proportion to volume and pollutant concentrations in excess of typical residential wastewater. Industrial users are typically permitted facilities requiring periodic effluent sampling.

The District provides billing services to several of the jurisdictions it serves, including Chesapeake, Norfolk, Smithfield, Suffolk, King William, Urbanna and Surry County, excluding the Town of Claremont. The combined bill can include jurisdictional charges for water, solid waste disposal, sewage collection, storm water mitigation and District charges for sewage interception and treatment. To date, these services have been provided at no cost to assist the jurisdictions and customers the District serves to minimize the number of bills the customers receive and number of payments they need to make.

Rate-Making Process

The Enabling Act provides that the Commission is to fix and revise rates, fees and charges to provide funds that, with other funds available for such purposes, will be sufficient at all times (a) to pay the cost of maintaining, repairing and operating the Wastewater System and all improvements thereto, including reserves for such purpose and for renewals and replacements and necessary extensions and additions to the Wastewater System, (b) to pay the principal of and the interest on such revenue bonds as the same shall become due and to provide reserves therefor, (c) to pay costs associated with a customer assistance program, and (d) to provide a margin of safety for making such payments.

The Enabling Act provides that before any revision of rates, fees and charges shall become effective the Commission shall publish a copy thereof for four consecutive weeks in a newspaper of general circulation within the District. If, on or before the last publication, the governing body of any city or county constituting a part of the District or five hundred or more qualified voters residing within the District file a petition with the Virginia State Corporation Commission complaining of the proposed revision, the State Corporation Commission may by order suspend the placing in effect of such revision for a period not exceeding sixty days from the filing of any such petition during which time it shall investigate whether such revision is just and equitable and in accordance with the provisions of the Enabling Act. If the State Corporation Commission does not enter an order suspending, approving or disapproving such revision within sixty days from the filing of any such petition, such revision will be deemed to be in effect. The District or the party or parties filing a petition may appeal to the Supreme Court of Virginia from any such order as may be entered by the State Corporation Commission.

Collection of Unpaid Wastewater Treatment Charges

The Enabling Act provides that if any bill for wastewater treatment charges is not paid in full when the same becomes due, the owner, tenant or occupant of such lot or parcel of land shall, until wastewater treatment charges are paid, cease to dispose of wastewater or industrial wastes originating from or on such property by discharge thereof directly or indirectly into the Wastewater System, and if such owner, tenant or occupant does not cease such discharge within two months after the delinquent fees and charges are due, it shall be the duty of each public or private agency supplying water to such property, within five days after receipt of notice of such facts from the District, to cease supplying water to such property. If the water supply is not stopped, the District has the power to enter into any public or private property to shut off the property's water supply.

The District participates in the Virginia Set-Off Debt Collection Program administered by the Virginia Department of Taxation. This program provides a means for government units and courts to collect delinquent debts by attaching individual income tax refunds and certain state lottery winnings. Jurisdictions participating in the Hampton Roads Utility Billing Service (which is managed by the District) may have

the District submit their balances along with the District's. This benefits the jurisdictions since, under the Debt Set-Off Collection Program, the District has a higher payoff priority than counties and cities.

The following table shows the District's treatment charge collection rate for the last ten Fiscal Years.

Collection Rate

Fiscal Year Ended June 30	Percentage of Wastewater Treatment Charges Collected
2015	99.1%
2016	99.1
2017	99.1
2018	99.3
2019	99.2
2020	99.3
2021	99.3
2022	99.6
2023	99.3
2024	98.9

Insurance

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; employee dishonesty; injuries to employees; and natural disasters. HRSD purchases commercial insurance for specific types of coverage including property, liability, auto, crime, public officials and workers' compensation. Claim settlements and judgments not covered by commercial insurance are covered by operating resources. The amount of settlements did not exceed insurance coverage for each of the past three Fiscal Years. The District also has a self-insured health, dental and vision care benefits program for all employees. See " – Insurance" and " – Insurance and Condemnation Proceeds" in Appendix C.

LITIGATION

There is no litigation pending in any court (either state or federal) or, to the knowledge of the District, threatened against the District that in any way questions or affects the validity of or the security for the Series 2025_ Bonds or that would have a material adverse effect on the District's condition, financial or otherwise.

APPROVAL OF LEGAL PROCEEDINGS

The Series 2025_ Bonds are offered subject to the approving opinion of Norton Rose Fulbright US LLP, Washington, D.C., Bond Counsel. Certain legal matters will be passed upon for the District by its General Counsel, Sands Anderson PC, Richmond, Virginia, and for the Underwriters by _____, _____, _____.

TAX MATTERS

Opinion of Bond Counsel

The District will covenant in a tax certificate to comply with certain provisions of the Internal Revenue Code of 1986 (the "Code") relating to the exclusion from gross income of the interest on the Series 2025_ Bonds for federal income tax purposes. In the opinion of Norton Rose Fulbright US LLP, Bond Counsel, under current law, and assuming continuing compliance by the District with such covenants and subject to the provisions of this section, interest on the Series 2025_ Bonds will not be includable in gross income of the owners of the Series 2025_ Bonds for federal income tax purposes. Interest on the Series 2025_ Bonds will be includable in the gross income of the owners thereof retroactive to the date of issue of the Series 2025_ Bonds in the event of a failure by the District to comply with applicable requirements of the Code and its covenants regarding use, expenditure, and investment of the proceeds of the Series 2025_ Bonds and timely payment of certain investment earnings to the United States Treasury. No opinion is rendered by Bond Counsel as to the effect on the exclusion from gross income of the interest on the Series 2025_ Bonds for federal income tax purposes of any action taken or not taken without the approval of Bond Counsel or upon the advice or approval of counsel other than Bond Counsel.

Interest on the Series 2025_ Bonds will not be an item of tax preference for purposes of the federal alternative minimum tax under the Code on individuals.

For taxable years beginning after 2022, the Code imposes a minimum tax of 15 percent of the adjusted financial statement income of certain large corporations, generally consisting of corporations (other than S corporations, regulated investment companies and real estate investment trusts) with more than one billion dollars in average annual adjusted financial statement income, determined over a three-year period. For this purpose, adjusted financial statement income generally consists of the net income or loss of the taxpayer set forth on the taxpayer's applicable financial statement for such taxable year, subject to various adjustments, but is not reduced for interest earned on tax-exempt obligations, such as the Series 2025_ Bonds. Prospective purchasers that could be subject to this minimum tax should consult with their own tax advisors regarding the potential impact of owning the Series 2025_ Bonds.

Original Issue Discount

The excess, if any, of the amount payable at maturity of any maturity of the Series 2025_ Bonds purchased as part of the initial public offering over the issue price thereof constitutes original issue discount. The amount of original issue discount that has accrued and is properly allocable to an owner of any maturity of the Series 2025_ Bonds with original issue discount (a "Discount Bond") will be excluded from gross income for federal income tax purposes to the same extent as interest on the Series 2025_ Bonds. In general, the issue price of a maturity of the Series 2025_ Bonds is the first price at which a substantial amount of Series 2025_ Bonds of that maturity was sold (excluding sales to bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents, or wholesalers), which may differ from the price for such maturity shown on the inside cover page of this Official Statement, and the amount of original issue discount accrues in accordance with a constant yield method based on the compounding of interest. A purchaser's adjusted basis in a Discount Bond is to be increased by the amount of such accruing discount for purposes of determining taxable gain or loss on the sale or other disposition of such Discount Bonds for federal income tax purposes.

Original issue discount that accrues in each year to an owner of a Discount Bond is included in the calculation of the distribution requirements of certain regulated investment companies and may result in some of the collateral federal income tax consequences discussed herein. Consequently, an owner of a Discount Bond should be aware that the accrual of original issue discount in each year may result in

additional distribution requirements or other collateral federal income tax consequences although the owner of such Discount Bond has not received cash attributable to such original issue discount in such year.

The accrual of original issue discount and its effect on the redemption, sale, or other disposition of a Discount Bond that is not purchased in the initial offering at the first price at which a substantial amount of such Series 2025_ Bonds is sold to the public may be determined according to rules that differ from those described above. A purchaser of a Discount Bond should consult his or her tax advisors with respect to the determination for federal income tax purposes of the amount of original issue discount with respect to such Discount Bond and with respect to state and local tax consequences of owning and disposing of such Discount Bond.

Bond Premium

The excess, if any, of the tax basis of a maturity of Series 2025_ Bonds purchased as part of the initial public offering to a purchaser (other than a purchaser who holds such Series 2025_ Bonds as inventory, stock in trade, or for sale to customers in the ordinary course of business) over the amount payable at maturity is "Bond Premium." Bond Premium is amortized over the term of such maturity for federal income tax purposes (or, in the case of a bond with bond premium callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such bond). No deduction is allowed for such amortization of Bond Premium; however, Bond Premium is treated as an offset to qualified stated interest received on the Series 2025_ Bonds. An owner of such Series 2025_ Bonds is required to decrease his adjusted basis in such Series 2025_ Bonds by the amount of amortizable Bond Premium attributable to each taxable year such Series 2025_ Bonds are held. Purchasers of such Series 2025_ Bonds should consult their tax advisors with respect to the precise determination for federal income tax purposes of the treatment of Bond Premium upon sale, redemption or other disposition of such Series 2025_ Bonds and with respect to state and local income tax consequences of owning and disposing of such Series 2025_ Bonds.

Backup Withholding

Interest paid on the Series 2025_ Bonds is subject to information reporting in a manner similar to interest paid on taxable obligations. While this reporting requirement does not by itself, affect the excludability of interest on the Series 2025_ Bonds from gross income for federal income tax purposes, the reporting requirement causes the payment of interest on the Series 2025_ Bonds to be subject to backup withholding if such interest is paid to beneficial owners who (i) are not "exempt recipients," and (ii) either fail to provide certain identifying information (such as the beneficial owner's taxpayer identification number) in the required manner or have been identified by the Internal Revenue Service as having failed to report all interest and dividends required to be shown on their income tax returns. Generally, individuals are not exempt recipients, whereas corporations and certain other entities generally are exempt recipients. Amounts withheld from a payment to a beneficial owner under the backup withholding rules would be allowed as a refund or a credit against such beneficial owner's federal income tax liability provided the required information is furnished to the Internal Revenue Service.

Other Tax Consequences

The Code contains other provisions (some of which are noted below) that could result in tax consequences, upon which Bond Counsel expresses no opinion, as a result of ownership of the Series 2025_ Bonds or the inclusion in certain computations of interest on the Series 2025_ Bonds that is excluded from gross income for purposes of federal income taxation.

Ownership of tax-exempt obligations may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, life insurance companies, property and casualty insurance companies, certain foreign corporations doing business in the United States, certain S Corporations with excess passive income, individual recipients of Social Security or Railroad Retirement benefits, owners of an interest in a financial asset securitization investment trust (FASIT), corporations subject to the alternative minimum tax on adjusted financial statement earnings, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations and taxpayers who may be eligible for the earned income tax credit.

PROSPECTIVE PURCHASERS OF THE SERIES 2025_ BONDS SHOULD CONSULT THEIR TAX ADVISORS AS TO THE APPLICABILITY AND IMPACT OF ANY SUCH COLLATERAL TAX CONSEQUENCES.

Future Tax Developments

Future or pending legislative proposals, if enacted, regulations, rulings or court decisions may cause interest on the Series 2025_ Bonds to be subject, directly or indirectly, to federal income taxation or to state or local income taxation, or may otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. Legislation or regulatory actions and future or pending proposals may also affect the economic value of the federal or state tax exemption or the market value of the Series 2025_ Bonds. Prospective purchasers of the Series 2025_ Bonds should consult their tax advisors regarding any future, pending or proposed federal or state tax legislation, regulations, rulings or litigation as to which Bond Counsel expresses no opinion.

Virginia Taxes

The Enabling Act provides that the Series 2025_ Bonds, their transfer and the income therefrom, including any profit made on the sale thereof, shall be free and exempt from taxation by the Commonwealth of Virginia and by any political subdivision thereof.

UNDERWRITING

Pursuant and subject to the terms and conditions set forth in a Bond Purchase Agreement (the "Purchase Agreement"), dated _____, 2025, between the District and _____, _____, and _____ (the "Underwriters"), for whom _____, is acting as representative, the Underwriters will agree to purchase from the District, and the District will agree to sell to the Underwriters, all, but not less than all, of the Series 2025_ Bonds at a purchase price that results in an Underwriters' discount of $_____. The Underwriters have supplied the information as to the prices shown on the inside cover page.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Under certain circumstances, the Underwriters and their affiliates may have certain creditor or other rights against the District and its affiliates in connection with such activities. In the course of their various business activities, the Underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities or instruments of the District (directly, as collateral securing other obligations or otherwise) or persons and entities with relationships

with the District. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long or short positions in such assets, securities and instruments.

FINANCIAL ADVISOR

The District has retained PFM Financial Advisors LLC, Arlington, Virginia, as financial advisor (the "Financial Advisor") in connection with the issuance of the Series 2025_ Bonds. Although the Financial Advisor assisted in the review of this Official Statement, the Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement. The Financial Advisor is a financial advisory, investment management and consulting organization and is not engaged in the business of underwriting municipal securities.

RATINGS

The Series 2025_ Bonds have been assigned a rating of "___" by Moody's Investors Service, Inc. ("Moody's"), and "___" by S&P Global Ratings, a division of S&P Global Inc. ("S&P"). Such ratings reflect only the view of such organizations, and a fuller explanation of the significance of such ratings may be obtained from the rating agencies. A rating is not a recommendation to buy, sell or hold the Series 2025_ Bonds. The District furnished Moody's and S&P with certain information regarding its policies, practices and finances, including information that is not included in this Official Statement.

There is no assurance that such policies, practices and finances or such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by Moody's or S&P. Any such downward revision or withdrawal could have an adverse effect on the market price of the Series 2025_ Bonds.

CONTINUING DISCLOSURE

The Securities and Exchange Commission has adopted Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (the "Rule"). In general, the Rule prohibits an underwriter from purchasing or selling municipal securities, such as the Series 2025_ Bonds, unless it has determined that the issuer of such securities and other persons deemed to be material "obligated persons" have committed to provide to The Electronic Municipal Market Access ("EMMA") system administered by the Municipal Securities Rulemaking Board (i) on an annual basis, certain financial information and operating data ("Annual Reports"), and audited financial statements, if available, or such unaudited financial statements as may be required by the Rule, and (ii) notice of various events described in the Rule ("Event Notices").

The District will covenant in the Continuing Disclosure Agreement (the form of which appears in Appendix E) for the benefit of the holders of the Series 2025_ Bonds to provide to EMMA annually, not later than December 31 of each year, commencing December 31, 2025, Annual Reports with respect to itself, as issuer. Similarly, the District will promptly provide Event Notices with respect to the Series 2025_ Bonds to EMMA. In the five years preceding the date of this Official Statement, the District has materially complied with its other undertakings under the Rule.

The Continuing Disclosure Agreement requires the District to provide only that information that is subject to the terms of the Continuing Disclosure Agreement and only at specific times. The District may, from time to time, provide certain information and data in addition to that required by the Continuing

Disclosure Agreement. If the District chooses to provide such information and data, it has no obligation to update such information or data or to include it in a future disclosure.

The sole remedy for a default under the Continuing Disclosure Agreement is to bring an action for specific performance of the District's covenants hereunder, and no assurance can be provided as to the outcome of any such proceeding.

MISCELLANEOUS

All summaries or descriptions in this Official Statement of the provisions of the Enabling Act, the Series 2025_ Bonds, and the Trust Agreement are made subject to all of the detailed provisions thereof to which reference is made for further information. Such summaries do not purport to be complete statements of any or all of the provisions thereof. Copies of the Trust Agreement are available upon request to the District at the following address: 1434 Air Rail Avenue, Virginia Beach, Virginia 23455, Phone (757) 460-2261.

Any statement in this Official Statement involving matters of opinion whether or not expressly so stated is intended as such and not as a representation of fact. The execution and delivery of this Official Statement have been duly authorized by the Commission.

/s/_____
Chair
Hampton Roads Sanitation District Commission

/s/_____
General Manager and Chief Executive Officer
Hampton Roads Sanitation District

/s/_____
Deputy General Manager and Chief Financial Officer
Hampton Roads Sanitation District

APPENDIX A

Annual Comprehensive Financial Report for the Fiscal Year ended June 30, 2024, including as a part thereof, the Basic Financial Statements and Related Auditor's Report for the Fiscal Year ended June 30, 2024, as rendered by Cherry Bekaert LLP[(1)2]

[(1)] This Appendix comprises the District's Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2024. In order to preserve cross-references within such pages, this Appendix has not been repaginated and, accordingly, retains the original pagination.

[(2)] Cherry Bekaert LLP, the District's independent auditor, has not been engaged to perform and has not performed, since the date of its report included in this Appendix, any procedures on the financial statements addressed in that report. Cherry Bekaert LLP also has not performed any procedures relating to this Official Statement.

APPENDIX B

CERTAIN DEFINITIONS

The following is a brief summary of certain definitions of certain terms contained in the Trust Agreement and the Thirteenth Supplemental Trust Agreement and used in this Official Statement. This summary does not purport to be complete or definitive and qualified in its entirety by reference to the Trust Agreement and the Thirteenth Supplemental Trust Agreement, copies of which are available for examination at the offices of the Trustee.

"**Additional Bonds**" means Bonds, if any, issued by the District after the Effective Date of the Trust Agreement, pursuant to the Trust Agreement, including Additional Bonds issued in exchange for other such Additional Bonds or in replacement for mutilated, destroyed, stolen or lost Additional Bonds.

"**Audited Financial Statements**" means the annual financial statements of the District as audited and reported on by a firm of independent public accountants, for a twelve-month period constituting a Fiscal Year or other period indicated, prepared in accordance with generally accepted accounting principles.

"**Balloon Long-Term Indebtedness**" means Long-Term Indebtedness 25% or more of the principal payments of which is due in a single year, which portion of the principal is not required by the documents pursuant to which such Indebtedness is issued to be amortized by redemption prior to such date.

"**Bond Registrar**" means the Bond Registrar at the time serving as such under the Trust Agreement whether the original or a successor bond registrar.

"**Bond Fund**" means the Hampton Roads Sanitation District (Virginia) Bond Fund created and so designated pursuant to the Trust Agreement.

"**Bonds**" means the Series 2016 Bonds, the Series 2017 Bonds, the Series 2018 Bonds, the Series 2019 Bonds, the 2020 WIFIA Bond, the 2021 WIFIA Bond, the Series 2024A Bonds, the Series 2024B Bonds, the Series 2025_ Bonds, and any Additional Bonds under the Trust Agreement, including such Bonds issued in exchange for other such Bonds and Bonds issued in replacement for and upon the cancellation of mutilated Bonds or in lieu of and in substitution for destroyed, stolen or lost Bonds pursuant to the Trust Agreement.

"**Business Day**" means any day on which banks located in the city in which the designated corporate trust office of the Trustee is located (as of the date of this Official Statement, Pittsburgh, Pennsylvania) and in New York, New York, are open for commercial banking purposes.

"**Capital Appreciation Bonds**" means Bonds the interest on which is compounded at the rates and on the dates set forth in the Series Agreement authorizing the issuance of such Bonds and is payable upon redemption or on the maturity date of such Bonds. Nothing in the Trust Agreement prohibits the District from designating in such Series Agreement any such Bonds by a name other than Capital Appreciation Bonds.

"**Coincidental Maximum Annual Debt Service**" means the highest amount of debt service due and payable on the Senior Obligations in the then-current or any succeeding Fiscal Year determined by reference to the Principal and Interest Requirements.

"**Commission**" means the Hampton Roads Sanitation District Commission, which is the governing body of the District.

"**Commonwealth**" means the Commonwealth of Virginia.

"**Construction Fund**" means the Hampton Roads Sanitation District (Virginia) Construction Fund created and so designated pursuant to the Trust Agreement.

"**Contracted Services**" means services rendered or facilities provided to the District for the performance for or on behalf of the District of functions similar to those performed by the District from a specific project, projects or systems, pursuant to a contract, whether a financing lease, a service agreement or another arrangement.

"**Credit Facility**" means a line of credit, letter of credit, standby bond purchase agreement or similar credit enhancement or liquidity facility, including self-liquidity provided by the District, established to provide credit or liquidity support for Indebtedness.

"**Cross-over Date**" means, with respect to Cross-over Refunding Indebtedness, the date on which the principal portion of the related Cross-over Refunded Indebtedness is to be paid or redeemed from the proceeds of such Cross-over Refunding Indebtedness.

"**Cross-over Refunded Indebtedness**" means Indebtedness refunded by Cross-over Refunding Indebtedness.

"**Cross-over Refunding Indebtedness**" means Indebtedness issued for the purpose of refunding other Indebtedness if the proceeds of such refunding Indebtedness are irrevocably deposited in escrow to secure the payment on the applicable redemption date or maturity date of the refunded Indebtedness, and the earnings on such escrow deposit (i) are required to be applied to pay interest on such refunding Indebtedness until the Cross-over Date and (ii) are not to be used directly or indirectly to pay interest on the refunded Indebtedness.

"**Current Interest Bonds**" means Bonds the interest on which is payable on the Interest Payment Dates provided therefor in the Series Agreement authorizing the issuance of such Bonds.

"**Debt Service Component of Contracted Services**" means that part of the payment for Contracted Services for which the District is obligated to pay that the chief financial officer of the District shall have determined in writing in an Officer's Certificate at the time the District commits to receive such Contracted Services to be for the purpose of paying a fixed charge or the principal of and interest on obligations, directly or indirectly associated with rendering the Contracted Services, of the person providing the Contracted Services.

"**Debt Service Reserve Fund**" means the Hampton Roads Sanitation District (Virginia) Debt Service Reserve Fund created and so designated by the Trust Agreement.

"**Debt Service Reserve Fund Requirement**" means (i) on the date of issuance of the Series 2025_ Bonds, zero (0) and (ii) if, and to the extent, the District in its sole discretion determines to fund the Debt Service Reserve Fund, the Debt Service Reserve Fund Requirement specified in a Series Agreement.

"**Defaulted Interest**" means any interest on any Bond which is payable, but is not punctually paid or duly provided for, on any Interest Payment Date.

"**Defeasance Obligations**" means, with respect to the Series 2025_ Bonds, noncallable (i) Government Obligations, (ii) senior debt obligations issued or guaranteed by, or investments otherwise stripped from senior debt obligations issued by, any federal agency, instrumentality, corporation, or

government-sponsored enterprise, including but not limited to: (1) Federal Home Loan Bank System, (2) Export-Import Bank of the United States, (3) Federal Financing Bank, (4) Government National Mortgage Association, (5) Federal Home Loan Mortgage Company, (6) Federal Housing Administration, (7) Private Export Funding Corp, (8) Federal National Mortgage Association, (9) Federal Farm Credit Bank, (10) Resolution Funding Corporation, including interest strips and principal strips, (11) Rural Economic Community Development Administration (formerly, Farmers Home Administration), (iii) evidences of ownership of a proportionate interest in specified Government Obligations, which Government Obligations are held by a bank or trust company organized and existing under the laws of the United States of America or any state thereof in the capacity of custodian, (iv) obligations issued pursuant to Section 21B(d)(3) of the Federal Home Loan Bank Act, as amended by Section 511(a) of the Financial Institutions Reform, Recovery and Enforcement Act of 1989, and commonly known as "interest strips" of the Resolution Funding Corporation, (v) Defeased Municipal Obligations, (vi) United States Agency for International Development ("US AID") guaranteed notes (including stripped securities) provided that any US AID security shall mature at least 10 Business Days prior to any cash flow or escrow requirement, and (vii) evidences of ownership of a proportionate interest in specified Defeased Municipal Obligations, which Defeased Municipal Obligations are held by a bank or trust company organized and existing under the laws of the United States of America or any state thereof in the capacity as custodian.

"**Defeased Municipal Obligations**" means, except as otherwise provided in a Series Agreement, obligations of state or local government municipal bond issuers which are rated at the time of acquisition the highest rating by at least two of the three Rating Agencies, meeting the following conditions:

(i) (A) such obligations are not to be redeemed prior to maturity or the Trustee has been given irrevocable instructions concerning their call for redemption, and (B) the issuer of such obligations has covenanted not to redeem such obligations other than as set forth in such instructions;

(ii) such obligations are secured by Government Obligations that may be applied only to interest, principal, and premium payments on such obligations;

(iii) the principal of and interest on such Government Obligations (plus any cash in the escrow fund with respect to such pre-refunded obligations) are sufficient to meet the liabilities of the obligations;

(iv) the Government Obligations serving as security for the obligations are held by an escrow agent or trustee; and

(v) such Government Obligations are not available to satisfy any other claims, including those against the trustee or escrow agent.

"**Derivative Agreement**" means, without limitation, (i) any contract known as or referred to or which performs the function of an interest rate swap agreement, forward payment conversion agreement or futures contract; (ii) any contract providing for payments based on levels of, or changes or differences in, interest rates or other indices; (iii) any contract to exchange cash flows or payments or series of payments; (iv) any type of contract called, or designed to perform the function of, interest rate floors or caps, options, puts or calls, to hedge or minimize any type of financial risk, including, without limitation, payment, rate or other financial risk; and (v) any other type of contract or arrangement that the District determines is to be used, or is intended to be used, to manage or reduce the cost of Indebtedness, to convert any element of Indebtedness from one form to another or to protect against any type of financial risk or uncertainty.

"**Derivative Agreement Counterparty**" means, with respect to a Derivative Agreement, the person that is identified in such agreement as the counterparty to, or contracting party with, the District.

"**Derivative Indebtedness**" means all or any portion of Indebtedness of the District that bears interest at

(a) a variable rate for any period of time meeting the following requirements: (i) the District has issued or entered into a Derivative Agreement in respect of all or such portion of such Indebtedness, and (ii) such Derivative Agreement provides that, during the period that such Indebtedness bears interest at a variable rate, the District will pay a fixed rate and the provider of the Derivative Agreement will pay a variable rate, then in such case such Indebtedness, taken together with the Derivative Agreement, is to be deemed to result in a net fixed rate payable by the District for such period of time (the "Hedged Fixed Rate"), for so long as the District and the party(ies) with whom the District has entered into the Derivative Agreement makes all payments required to be made by the terms of the Derivative Agreement, or

(b) a fixed rate for any period of time meeting the following requirements: (i) the District has issued or entered into a Derivative Agreement in respect of all or such portion of such Indebtedness, and (ii) such Derivative Agreement provides that during the period that such Indebtedness bears interest at a fixed rate the District will pay a variable rate and the provider of the Derivative Agreement will pay a fixed rate, then such Indebtedness, taken together with the Derivative Agreement, is to be deemed to result in a net variable rate payable by the District for such period of time (the "Hedged Variable Rate"), assuming the District and the party(ies) with whom the District has entered into the Derivative Agreement make all payments required to be made by the terms of the Derivative Agreement.

"**District**" means the Hampton Roads Sanitation District, a political subdivision of the Commonwealth of Virginia.

"**District Representative**" means each of the persons at the time designated to act on behalf of the District in a written certificate furnished to the Trustee, which certificate is to contain the specimen signature(s) of such person(s) and is to signed on behalf of the Commission by its Chair or Vice Chair or the General Manager/Chief Executive Officer of the District.

"**Effective Date**" means the date on which the Trust Agreement was executed and delivered in accordance with the provisions thereof (July 16, 2024).

"**Financial Statements**" means the unaudited financial statements of the District for the Fiscal Year or other period indicated, pro forma or otherwise, and containing the same financial information as the Audited Financial Statements.

"**Fiscal Year**" means the twelve-month period beginning on July 1 of one calendar year and ending on June 30 of the following calendar year or such other twelve-month period designated by the Commission.

"**Government Obligations**" means direct obligations of, or obligations the timely payment of principal of and interest on which are fully and unconditionally guaranteed by, the United States of America.

"**Hedged Fixed Rate**" means Hedged Fixed Rate as defined in the definition of Derivative Indebtedness.

"**Hedged Variable Rate**" means Hedged Variable Rate as defined in the definition of Derivative Indebtedness.

"**Holder**" means an owner of any Senior Obligation issued in other than bearer form.

"**Indebtedness**" means (i) all indebtedness of the District for borrowed money, (ii) all installment sales, conditional sales and capital lease obligations incurred or assumed by the District, and (iii) the Debt Service Component of Contracted Services.

"**Independent Consultant**" means a firm or firms which are not, and no member, stockholder, director, officer, trustee or employee of which is, an officer, director, trustee or employee of the District, and which is a professional management or engineering consultant of national repute for having the skill and experience necessary to render the particular report required by the provision of the Trust Agreement in which such requirement appears.

"**Independent Insurance Consultant**" means a firm or person selected by the District, who is not an officer, director, trustee or employee of the District, and which or who is qualified to survey risks and to recommend insurance coverage for wastewater treatment systems and organizations engaged in such operations and is selected by the District.

"**Interest Payment Date**" means each date described as such in a Series Agreement and, for the Series 2025_ Bonds, means each _____ 1 and _____ 1, beginning _____1, 2026.

"**Interest Requirements**" for any Fiscal Year means the amount that is required to pay interest on all Outstanding Senior Obligations.

"**Investment Obligations**" means any and all investment obligations authorized by (A) the Investment of Public Funds Act, being Section 2.2-4500 *et seq*., Code of Virginia, 1950, as amended, (B) the Government Non-Arbitrage Investment Act, being Section 2.2-4700 *et seq*., Code of Virginia, 1950, as amended, and (C) successor statutes to those described in (A) and (B) above, as the same may be from time to time amended.

"**Issuance Costs**" means all issuance costs incurred in connection with the Bonds. Examples of such issuance costs include, but are not limited to, the following, if any: (a) counsel fees; (b) financial advisor fees incurred in connection with the issuance of the Bonds; (c) Rating Agency fees; (d) depository fees incurred in connection with the issuance of the Bonds; (e) trustee, paying agent, bond registrar and certifying and authenticating agent fees related to the issuance of the Bonds; (f) accountant fees related to the issuance of the Bonds; (g) printing costs; (h) costs incurred in connection with the required public approval process; and (i) costs of engineering and feasibility studies necessary to the issuance of the Bonds.

"**Issuance Fund**" means the Hampton Roads Sanitation District (Virginia) Issuance Fund created and so designated by the Trust Agreement.

"**Lien**" means any mortgage, deed of trust or pledge of, security interest in or encumbrance on any Property of the District that secures any Indebtedness or any other obligation of the District.

"**Long-Term Debt Service Coverage Ratio**" means, for any period of time, the ratio determined by dividing the Net Revenues by the Coincidental Maximum Annual Debt Service.

"**Long-Term Debt Service Requirement**" means, for any period of 12 consecutive calendar months for which such determination is made, the aggregate of the payments to be made in respect of

principal and interest (whether or not separately stated) on Outstanding Long-Term Indebtedness during such period, also taking into account:

(i) with respect to Balloon Long-Term Indebtedness that is not amortized by the terms thereof (a) the amount of principal that would be payable in such period if such principal were amortized from the date of incurrence thereof over a period of the lesser of 30 years and the number of years until the final maturity of such Indebtedness on a level debt service basis, at an interest rate equal to the market rate for a fixed rate obligation set forth in an opinion, delivered to the District and the Trustee, of a banking institution, an investment banking institution or an independent registered municipal advisor, selected by the District and knowledgeable in municipal finance, as the interest rate at which the District could reasonably expect to borrow the same by incurring Indebtedness with the same term as the period assumed above; provided, however, that if the date of calculation is within 12 calendar months of the actual final maturity of such Indebtedness, the full amount of principal payable at maturity is to be included in such calculation or (b) principal payments or deposits with respect to Indebtedness secured by an irrevocable letter of credit issued by, or an irrevocable line of credit with, a bank or other financial institution, provided such credit arrangement is rated in one of the three highest rating categories by at least two of the Rating Agencies or rated in the highest short-term rating category by at least two of the Rating Agencies, nominally due in the last Fiscal Year in which such Indebtedness matures may, at the option of the District, be treated as if such principal payments or deposits were due as specified in any credit agreement issued in connection with such letter of credit, line of credit or insurance policy or pursuant to the repayment provisions of such letter of credit, line of credit or insurance policy, and interest on such Indebtedness after such Fiscal Year is to be assumed to be payable pursuant to the terms of such credit agreement or repayment provisions;

(ii) with respect to Long-Term Indebtedness that is Variable Rate (but not Hedged Fixed Rate) Indebtedness, the interest on such Indebtedness is to be calculated at 120% of the rate which is equal to the average of the actual interest rates which were in effect (weighted according to the length of the period during which each such interest rate was in effect) for the most recent twelve-month period immediately preceding the date of calculation for which such information is available (or shorter period if such information is not available for a twelve-month period), except that with respect to new Variable Rate Indebtedness the interest rate for such Indebtedness for the initial interest rate period is 120% of the average of the SIFMA Swap Index for last 12 whole months for which such Index is available and thereafter will be calculated as set forth above;

(iii) with respect to any Credit Facility, (a) to the extent that such Credit Facility has not been used or drawn upon, the principal and interest relating to such Credit Facility will not be included in the Long-Term Debt Service Requirement and (b) to the extent such Credit Facility has been drawn upon, the payment provisions of such Credit Facility with respect to repayment of principal and interest thereon will be included in the Long-Term Debt Service Requirement;

(iv) with respect to Derivative Indebtedness, (i) for any historical computation, the interest on such Indebtedness is to be calculated by adding (A) the amount of interest payable by the District on such Derivative Indebtedness pursuant to its terms and (B) the amount of regularly scheduled payments made by the District pursuant to the Derivative Agreement and subtracting (C) the amount of regularly scheduled payments made by the Derivative Agreement Counterparty pursuant to the Derivative Agreement; (ii) for any historical pro forma or forecasted computation, if the Derivative Agreement Counterparty has a long-term credit rating of at least "A" (without regard to any rating refinement or gradation by numerical modifier or otherwise) assigned to it by at least one Rating Agency then rating the Indebtedness and does not have a long-term rating of less than "A" (without regard to any rating refinement or gradation by numerical modifier or

otherwise) from any Rating Agency then rating the Indebtedness and has not defaulted on its payment obligations thereunder as of the date of computation, the interest on such Derivative Indebtedness is to be calculated at the Hedged Fixed Rate or the Hedged Variable Rate, as the case may be; and (iii) in all other instances, the amount of interest payable by the District on such Derivative Indebtedness is to be calculated as if such Derivative Agreement had not been executed; and

(v) in the case of Indebtedness having the benefit of a Credit Facility that provides for a term loan facility that requires the payment of the principal in one year or more, the Indebtedness is to be considered Balloon Long-Term Indebtedness and is to be assumed to have the maturity schedule described in paragraph (i)(a) of this definition;

provided, however, that (i) interest is to be excluded from the determination of Long-Term Debt Service Requirement to the extent the same is provided from the proceeds of the Long-Term Indebtedness, (ii) the aggregate of the payments to be made with respect to principal and interest on Outstanding Long-Term Indebtedness will not include principal and interest payable from Qualified Escrow Funds, and (iii) principal is to be excluded from the determination of Long-Term Debt Service Requirement on Short-Term Indebtedness described in paragraph (c) under the caption " – Limitations on Indebtedness" in Appendix C.

"**Long-Term Indebtedness**" means all obligations having a maturity of a term longer than one year for borrowed money incurred or assumed by the District, including (a) Short-Term Indebtedness if secured by a Credit Facility containing a commitment to provide financing to retire such Short-Term Indebtedness and such commitment provides for the repayment of principal on terms that would, if such commitment were implemented, constitute Long-Term Indebtedness, and (b) the current portion of Long-Term Indebtedness, for any of the following:

(1) money borrowed for an original term, or renewable at the option of the borrower for a period from the date originally incurred, longer than one year;

(2) leases that are required to be capitalized in accordance with generally accepted accounting principles having an original term, or renewable at the option of the lessee for a period from the date originally incurred, longer than one year;

(3) installment sale or conditional sale contracts having an original term in excess of one year; and

(4) the Debt Service Component of Contracted Services in connection with Contracted Services rendered or provided pursuant to a contract having an original term of more than one year.

"**Net Book Value**" when used in connection with Property, Plant and Equipment or other Property, means the value of such property, net of accumulated depreciation, as recognized by the District in conformity with generally accepted accounting principles.

"**Net Revenues**" means all revenues received by the District from its Wastewater System less Operating Expenses, provided that Net Revenues will not include any Transition Charge.

"**Officer's Certificate**" means a certificate signed by a District Representative. Each Officer's Certificate presented pursuant to the Trust Agreement is to state that it is being delivered pursuant to (and is to identify the section or subsection of), and incorporate by reference and use in all appropriate instances all terms defined in, the Trust Agreement. Each Officer's Certificate is to state (i) that the terms thereof

are in compliance with the requirements of the section or subsection pursuant to which such Officer's Certificate is delivered or to state in reasonable detail the nature of any non-compliance and the steps being taken to remedy such non-compliance and (ii) that it is being delivered together with any opinions, schedules, statements or other documents required in connection therewith.

"**Operating Expenses**" means those current expenses paid by the District that may be required to pay the cost of maintaining, repairing and operating the Wastewater System, including, but not limited to, reasonable and necessary usual expenses of administration, operation, maintenance and repair, costs for billing and collecting the rates, fees and other charges for the use of or the services furnished by the Wastewater System, insurance premiums, credit enhancement and liquidity support fees, legal, engineering, auditing and financial advisory expenses, expenses and compensation of the Trustee, and deposits into a self-insurance program. Operating Expenses excludes allowance for depreciation and amortization and expenditures for extraordinary maintenance or repair or improvements. Operating Expenses also excludes expenses for improvements that will not be owned by the District but that will, in the reasonable determination of the Commission, as evidenced by a resolution thereof, maintain or improve the integrity of the Wastewater System.

"**Opinion of Bond Counsel**" means an opinion in writing signed by an attorney or firm of attorneys acceptable to the Trustee and experienced in the field of municipal bonds whose opinions are generally accepted by purchasers of municipal bonds.

"**Opinion of Counsel**" means an opinion in writing signed by an attorney or firm of attorneys who may be counsel for the District or other counsel selected by the District.

"**Outstanding**," when used with reference to Bonds or other Senior Obligations, means, as of a particular date, all Bonds and other Senior Obligations theretofore issued under the Trust Agreement, except:

(1) Bonds and other Senior Obligations theretofore cancelled by the Bond Registrar or delivered to the Bond Registrar for cancellation;

(2) Bonds and other Senior Obligations for the payment of which money, Defeasance Obligations, or a combination of both, sufficient to pay, on the date when such Bonds or other Senior Obligations are to be paid, the principal amount of, and the interest accruing to such date on, the Bonds or other Senior Obligations, as applicable, to be paid, has been deposited with the Trustee or the Bond Registrar in trust for the Holders of such Bonds or other Senior Obligations; Defeasance Obligations shall be deemed to be sufficient to pay Bonds and other Senior Obligations on a specified date if the principal of and the interest on such Defeasance Obligations, when due, will be sufficient to pay on such date the principal of, and the interest accruing on, such Bonds or other Senior Obligations to such date;

(3) Bonds and other Senior Obligations in exchange for or in lieu of which other Bonds or Senor Obligations have been issued; and

(4) Bonds and other Senior Obligations deemed to have been paid in accordance with the provisions for defeasance contained in such Bonds or Senior Obligations (See " – Defeasance" in Appendix C);

provided, however, that Bonds and other Senior Obligations owned or held by or for the account of the District or any affiliate or any subsidiary or controlled affiliate of the District shall not be deemed Outstanding Bonds or Outstanding Senior Obligations for the purpose of any consent or other action or any

calculation of Outstanding Bonds or Outstanding Senior Obligations provided for in the articles of the Trust Agreement relating to default and remedies, Supplements and release of the Trust Agreement, and neither the District nor any affiliate, subsidiary or controlled affiliate of the District as registered owners of such Bonds or other Senior Obligations shall be entitled to consent or take any other action provided for in default and remedies, Supplements and release of the Trust Agreement. Notwithstanding the foregoing, Bonds or other Senior Obligations owned or held for the account of the District or an or any affiliate or any subsidiary or controlled affiliate of the District shall not be deemed to be paid unless the District delivers, or causes such Bonds or other Senior Obligations to be delivered, to the Trustee with the express written instructions of a District Representative directing the Trustee to cancel such Bonds or other Senior Obligations in accordance with the procedures set forth in the Trust Agreement.

"**Principal and Interest Requirements**" for any Fiscal Year means the sum of the Principal Requirements and Interest Requirements for such Fiscal Year.

"**Principal Payment Date**" means each date described as such in a Series Agreement.

"**Principal Requirements**" for any Fiscal Year means the amount required to pay the principal of all Senior Obligations coming due in such Fiscal Year.

"**Property**" means any and all rights, titles and interests in and to any and all property whether real or personal, tangible or intangible and wherever situated.

"**Property, Plant and Equipment**" means all Property of the District which is property, plant and equipment under generally accepted accounting principles.

"**Qualified Escrow Funds**" means amounts deposited in a segregated escrow fund, or other similar fund or account, in connection with the issuance of Indebtedness which fund is required by the documents establishing such fund to be applied toward the District's payment obligations with respect to principal, premium, if any, or interest on (a) the Indebtedness secured thereby which is issued under the documents establishing such fund or (b) Indebtedness secured thereby which was issued prior to the establishment of such fund.

"**Qualified Reserve Fund Substitute**" means (i) an irrevocable letter of credit, naming the Trustee as beneficiary, issued by any domestic or foreign bank, or any branch or agency thereof, whose long-term debt obligations are rated in one of the two highest rating categories by at least two of the Rating Agencies that will rate such obligations, or (ii) a policy of reserve fund insurance naming the Trustee as beneficiary, issued by an insurance company or financial institution whose claims paying ability is rated in one of the two highest rating categories by at least two of the Rating Agencies that rate such obligations, in either case (A) in an amount not less than the Debt Service Reserve Fund Requirement, (B) the terms of which allow the Trustee to make the draws required to fund the Debt Service Reserve Fund if and as required (See " – Debt Service Reserve Fund; Qualified Reserve Fund Substitute" in Appendix C) and (C) that provides that the issuer of which has not been given a lien on any portion of the property of the District unless such lien also secures the Bonds on a parity basis.

"**Rate Covenant**" means the rate covenant of the District set out in the Trust Agreement and described under the caption " – Rate Covenant" in Appendix C hereto.

"**Rating Agency**" or "**Rating Agencies**" means one or more of Fitch Ratings, Inc., Moody's Investors Service, Inc., or S&P Global Ratings, a division of S&P Global Inc., for so long as it is a nationally recognized statistical rating organization and any new nationally recognized statistical rating organization.

"**Senior Obligations**" means Bonds and VRA Obligations.

"**Series Agreement**" means a supplemental trust agreement entered into or the resolution adopted by the Commission providing for the issuance of Senior Obligations pursuant to the Trust Agreement. A Series Agreement will include any Officer's Certificate delivered by a District Representative or Representatives to whom authority has been delegated by the terms of the Series Agreement to provide the details of such Series Obligations and, for purposes of additional VRA Obligations, a Series Agreement will include such resolutions adopted by the Commission or financing agreements authorized thereby specifying the details of such additional VRA Obligations.

"**Short-Term Indebtedness**" means all obligations for borrowed money, other than the current portion of Long-Term Indebtedness, incurred or assumed by the District for any of the following:

(1) money borrowed for an original term, or renewable at the option of the borrower for a period from the date originally incurred, of one year or less;

(2) leases that are capitalized in accordance with generally accepted accounting principles having an original term, or renewable at the option of the lessee for a period from the date originally incurred, of one year or less; and

(3) installment purchase or conditional sale contracts having an original term of one year or less.

"**SIFMA Swap Index**" means The Securities Industry and Financial Market Association Municipal Swap Index as of the most recent date for which such index was published or such other weekly, high-grade index comprised of seven-day, tax-exempt variable rate demand notes published by Bloomberg, or its successor, or otherwise designated by The Securities Industry and Financial Market Association; provided, however, that, if such index is no longer available or its successor, the "SIFMA Swap Index" will mean such other reasonably comparable index selected by the remarketing agent appointed by the District in connection with Variable Rate Indebtedness.

"**Subordinate Obligations**" means Indebtedness of the District the terms of which shall provide that it shall be subordinate and junior in right of payment to the prior payment in full of the Senior Obligations to the extent and in the manner set forth below:

In the event (a) of any insolvency or bankruptcy proceedings, and any receivership, liquidation, reorganization, arrangement or other similar proceedings in connection therewith, relative to the District or to its Property, or in the event of any proceedings for voluntary liquidation, dissolution or other winding-up of the District whether or not involving insolvency or bankruptcy, (b) any Subordinate Obligation is declared or otherwise becomes due and payable before its expressed maturity because of the occurrence of an event of default occurring under the documents pursuant to which such Subordinate Obligation is issued; and such declaration has not been rescinded and annulled, or (c) any Event of Default under the Trust Agreement shall occur and be continuing with respect to any Senior Obligation and (1) written notice of such default shall have been given to the District and (2) judicial proceedings shall be commenced in respect of such Event of Default within 180 days in the case of a default in payment of principal or interest on Senior Obligations and within 90 days in the case of any other default after the giving of such notice, then the Holders of Senior Obligations shall be entitled to receive payment in full of all principal, premium and interest on all Senior Obligations before the Holders of the Subordinate Obligations are entitled to receive any payment on account of principal or interest upon the Subordinate Obligations.

"**Supplement**" means an agreement, including a Series Agreement, supplemental to, and authorized and executed pursuant to the terms of, the Trust Agreement.

"**Tax Certificate**" means a certificate or comparable instrument of the District that contains undertakings of the District with reference to Tax-Exempt Senior Obligations.

"**Tax-Exempt**" with reference to Bonds or other Senior Obligations means any Bonds or Senior Obligations so designated in the related Series Agreement.

"**Total Operating Revenues**" means, with respect to the District, as to any period of time, total operating revenues as determined in accordance with generally accepted accounting principles.

"**Transition Charge**" means any rates, fees, charges or surcharges relating to the Wastewater System or the customers thereof established by irrevocable rate order or other action or instrument, and applicable to or by the District, in conjunction with the issuance of debt or other securities under a separate resolution, indenture or similar instrument (other than the Trust Agreement or other instrument securing Indebtedness secured by revenues of the Wastewater System) to the extent such rates, fees, charges or surcharges are pledged or otherwise encumbered or conveyed as security for such debt or other securities.

"**Trust Agreement**" means the trust agreement entered into by and between Hampton Roads Sanitation District and The Bank of New York Mellon Trust Company, N.A., as Trustee, dated as of October 1, 2011, as amended and restated as of March 1, 2016, as amended, as further amended and restated as of July 1, 2024, and effective on the Effective Date, including any Series Agreement and any other trust agreement amendatory thereto or supplemental thereto.

"**Variable Rate Indebtedness**" means any portion of Indebtedness the interest rate on which is not established at the time of incurrence at a fixed or constant rate until maturity.

"**VRA Obligations**" means the District's VRA Obligations or other evidences of indebtedness heretofore issued, and such additional Senior Obligations issued to VRA payable on a parity with Senior Obligations issued pursuant to the Trust Agreement.

"**Wastewater System**" means the wastewater treatment system of the District, as it may at any time exist, and includes all improvements and expansions thereof and additions thereto except as may otherwise be provided by resolution of the Commission.

APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT

The following is a brief summary of certain provisions of the Trust Agreement. This summary does not purport to be complete or definitive and qualified in its entirety by reference to the Trust Agreement, a copy of which is available for examination at the offices of the Trustee.

Establishment of Funds

The Trust Agreement provides for an Issuance Fund, a Construction Fund, a Bond Fund, and a Debt Service Reserve Fund. It requires that the money and securities in each Fund be held in trust by the Trustee and applied as provided in the Trust Agreement, and pending such application be subject to a lien and charge in favor of the Holders and for the further security of the Holders until paid or transferred pursuant to the Trust Agreement.

Issuance Fund and Construction Fund

The Trust Agreement requires that money in the Issuance Fund be applied to the payment of Issuance Costs incurred in connection with the issuance of the Bonds to be financed from Bond proceeds. Money in the Construction Fund will be applied to Capital Improvement Program Costs. Unexpended fund balances in the Issuance Fund and the Construction Fund will be applied as directed by the District, except as otherwise provided in the applicable Series Agreement.

The District may, in any Series Agreement, create Subfunds within the Issuance Fund and the Construction Fund or authorize the Trustee to create such Subfunds when it deems it desirable or convenient for tracking deposits and expenditures.

Bond Fund

The District will make payments directly to the Trustee for deposit in the Bond Fund in amounts sufficient to pay in full, when due, all Bonds issued under the Trust Agreement, together with the interest thereon. In the event the balance in the Bond Fund is insufficient for such purposes, upon notification by the Trustee, the District is to deliver to the Trustee an amount sufficient to cure the same. If such amount is insufficient, the Trustee is required to transfer to the Bond Fund the amount necessary to remedy the deficiency from the Debt Service Reserve Fund.

Debt Service Reserve Fund; Qualified Reserve Fund Substitute

No funds are on deposit in the Debt Service Reserve Fund as of the date of this Official Statement, and none will be deposited to the credit of the Debt Service Reserve Fund upon the delivery of the Series 2025_ Bonds. If the District elects to fund the Debt Service Reserve Fund, then an amount equal to the Debt Service Reserve Fund Requirement, as the same shall be specified in a Supplement, shall be deposited to the Debt Service Reserve Fund Requirement.

The Trustee will use amounts in the Debt Service Reserve Fund to make transfers to the Bond Fund to the extent necessary to pay interest on and principal of the Bonds, whenever and to the extent that the money on deposit in the Bond Fund is insufficient for such purposes and the District has failed to cure such deficiency.

The District may, at any time, deliver to the Trustee a Qualified Reserve Fund Substitute. In such event, if the District also delivers to the Trustee a written statement setting forth the proposed use of the cash and Investment Obligations then on deposit to the credit of the Debt Service Reserve Fund, accompanied by an Opinion of Bond Counsel to the District, addressed to the Trustee, to the effect that such proposed use will not cause the interest on the Tax-Exempt Bonds to be includable in the gross income of the owners thereof for purposes of federal income taxation, the Trustee is to transfer to the District all amounts on deposit to the credit of the Debt Service Reserve Fund. If any Qualified Reserve Fund Substitute is in effect, the Trustee is to give such notices and execute such documents as required to assure that funds (i) are available in such amounts and at such times to assure timely payment of principal of and interest on the Bonds and (ii) are drawn to fund the Debt Service Reserve Fund in an amount equal to the Debt Service Reserve Fund Requirement at least six months prior to the expiration date of the Qualified Reserve Fund Substitute unless (a) the Trustee has received a substitute Qualified Reserve Fund Substitute to replace such expiring Qualified Reserve Fund Substitute or (b) the expiration date of the expiring Qualified Reserve Fund Substitute is no earlier than the final stated maturity date of the Bonds.

Payment of Principal and Interest

The District will cause to be paid, when due, the principal of (whether at maturity, by acceleration or otherwise) and interest on the Bonds at the places, on the dates and in the manner provided in the Trust Agreement and in said Bonds; provided that it is understood that the Bonds are not general obligations of the District but are special obligations and are payable solely from Net Revenues derived by the District from its Wastewater System and the money attributable to proceeds of Bonds and the income from the investment thereof and not from any other fund or source. To secure the prompt payment of the principal and purchase price of, redemption premium, if any, and the interest on the Senior Obligations and the performance by the District of its other obligations under the Trust Agreement, the District grants to the Trustee a security interest in its Net Revenues.

Investment of Money

Money held for the credit of all funds and accounts created under the Trust Agreement is to be continuously invested and reinvested by the Trustee in Investment Obligations, to the extent practicable in accordance with the instructions of a District Representative. The Trust Agreement requires that any Investment Obligations mature not later than the respective dates when the money held for the credit of such funds or accounts will be required for the purposes intended; provided, however, that Investment Obligations deposited in the Debt Service Reserve Fund mature no later than the final maturity date of the Bonds secured by the Debt Service Reserve Fund.

Unless a Qualified Reserve Fund Substitute is in effect, the District is to reimburse the Debt Service Reserve Fund for any loss resulting from a decline in the value of Investment Obligations in which money held for the credit of the Debt Service Reserve Fund is invested if on any date of valuation the amount on deposit in the Debt Service Reserve Fund is less than the Debt Service Reserve Fund Requirement.

Investment Obligations acquired with money and credited to any fund or account established under the Trust Agreement are required to be held by or under the control of the Trustee and will be deemed at all times to be part of such fund or account in which such money was originally held. Interest accruing on such Investment Obligation and any profit or loss realized upon the disposition or maturity of such investment will be credited to or charged against such fund or account. The Trustee is required to sell at the best price attainable or reduce to cash a sufficient amount of such Investment Obligations whenever it is necessary to provide money to make any payment or transfer of money from any such fund or account. The Trustee will not be liable or responsible for any loss resulting from any such investment.

Valuation

For the purpose of determining the amount on deposit in any fund or account, Investment Obligations in which money in such fund or account is invested are to be valued (a) if such Investment Obligations mature, or are subject to redemption at the option of the holder thereof, within five years or less from the date of valuation thereof, such Investment Obligations are to be valued at amortized cost, and (b) if such Investment Obligations mature, or are subject to redemption at the option of the holder thereof, more than five years from the date of valuation thereof, such Investment Obligations are to be valued at the market value or the amortized cost thereof, whichever is lower.

The Trustee will value the Investment Obligations in the funds and accounts five Business Days prior to each Interest Payment Date. In addition, subject to prior notice, the Investment Obligations will be valued by the Trustee at any time requested by the District Representative, but not more than once in any calendar month other than as provided in the Trust Agreement.

Limitations on Indebtedness

The District may issue Additional Bonds or incur other Senior Obligations, provided that, after giving effect to all other Indebtedness incurred by the District, such Additional Bonds, other Senior Obligations and Subordinate Obligations are incurred only in the manner and pursuant to the terms set forth below:

(a) Long-Term Indebtedness may be incurred if, prior to incurrence of the Long-Term Indebtedness, there is delivered to the Trustee:

(i) an Officer's Certificate of a District Representative certifying that the Long-Term Debt Service Coverage Ratio for the most recent period of twelve (12) full consecutive calendar months preceding the date of delivery of the certificate of the District Representative for which there are Financial Statements available, adjusted for revenues and expenses resulting from anticipated new customers and any planned program of rate increases that has been approved by the Commission, taking all Long-Term Indebtedness incurred after such period and the proposed Long-Term Indebtedness into account as if such Long-Term Indebtedness had been incurred at the beginning of such period, is not less than 120%;

(ii) an Officer's Certificate of a District Representative certifying that the District is expected to comply with the Rate Covenant set forth in the Trust Agreement for the five Fiscal Years following the date of issuance of the proposed Long-Term Indebtedness. Such certificate is to be accompanied by a statement of the relevant assumptions upon which such pro forma Financial Statements for the District are based, including but not limited to, adjustments to revenues and expenses resulting from anticipated new customers and any planned program of rate increases that has been approved by the Commission;

(iii) if the Long-Term Indebtedness is authorized for any purpose other than the refunding of the outstanding Senior Obligations, an Officer's Certificate of a District Representative to the effect, and to the extent applicable, that in his or her opinion (a) the improvements or property to which the proceeds from the issuance of the Long-Term Indebtedness are to be applied will be a part of the Wastewater System, (b) the proceeds of the Long-Term Indebtedness and other specified sources will be sufficient to pay the estimated cost of such improvements or property, (c) the period of time that will be required to complete such improvements or acquire such property, and (d)(1) the proceeds of the Long-Term Indebtedness are necessary to complete the project to be financed thereby, (2) the failure to make such

improvements or acquire or construct such property will result in an interruption or reduction of Net Revenues, or (3) during the first two Fiscal Years following the completion of the improvements or the acquisition of the property, the projected Net Revenues will satisfy the Rate Covenant described below. In providing this certificate, the District Representative may take into consideration future Wastewater System rate increases, provided that such rate increases have been duly approved by the Commission and any other person and entity required to give approval for the rate increase to become effective. In addition, he or she may take into consideration additional future revenues of the Wastewater System to be derived under then existing contractual agreements entered into by the District and from reasonable estimates of growth in the customer base of the District; or

(iv) an Officer's Certificate of a District Representative certifying compliance with the Rate Covenant (see " – Rate Covenant" below) for the most recent period of 12 full consecutive calendar months for which there are Financial Statements available preceding the date of delivery of the certificate; provided that the District has covenanted in the WIFIA Master Agreement not to issue Long-Term Indebtedness in reliance on the test described in this sub-paragraph (iv) during the period any WIFIA Bonds are outstanding.

(b) Long-Term Indebtedness may be incurred for the purpose of refunding Outstanding Long-Term Indebtedness if, either (i) a certificate of an independent financial advisor to the effect that, the Long-Term Indebtedness issued to refund Outstanding Senior Obligations will have, in the aggregate, a lower Long-Term Debt Service Requirement than the Long-Term Debt Service Requirement on the Senior Obligations to be refunded with the proceeds thereof, or (ii) an Officer's Certificate of a District Representative to the effect that during the first two complete Fiscal Years following the issuance of the refunding Long-Term Indebtedness, the projected Net Revenues will satisfy the Rate Covenant described under " – Rate Covenant" below. In providing the certificate described in clause (b), the Officer's Certificate may take into account the factors described in the last two sentences of subsection (a)(iii) of this Section. In addition, the Trustee shall receive an Opinion of Counsel stating that upon the incurrence of such proposed Long-Term Indebtedness and application of the proceeds thereof (on the Cross-over Date, in the case of Cross-over Refunding Indebtedness), the Outstanding Long-Term Indebtedness to be refunded thereby will no longer be Outstanding.

(c) Short-Term Indebtedness may be incurred as a Senior Obligation subject to the same tests that apply to the incurrence of Senior Obligations generally; provided, however, that notwithstanding such limitation, the District may incur as a Senior Obligation from time to time and have outstanding at any one time Short-Term Indebtedness in an amount up to 10% of its Total Operating Revenues as reflected in the Financial Statements of the District for the most recent period of twelve consecutive months for which Financial Statements are available, and provided, further, that the District may incur Short-Term Indebtedness secured by a Credit Facility without limitation. Short-Term Indebtedness may be incurred as Subordinate Obligations without compliance with the tests that apply to the incurrence of Senior Obligations.

(d) Additional VRA Obligations may be incurred by the District subject to the delivery of an Officer's Certificate of a District Representative demonstrating compliance with the incurrence test for the issuance of Long-Term Indebtedness described above in paragraphs (a) or (b) above and the Rate Covenant described below, *provided*, *however*, anything in the Trust Agreement notwithstanding, the District may make such additional covenants in a supplemental resolution, financing agreement or other agreement authorizing and securing VRA Obligations as may be required by VRA as a condition of purchasing such VRA Obligations.

(e) Subordinate Obligations may be incurred without limitation.

(f) For purposes of demonstrating compliance with the incurrence test for the issuance of Long-Term Indebtedness described above in paragraph (a), the District may (but is not required to) elect in the applicable Series Agreement to treat all or any Senior Obligations authorized in a Credit Facility (including, for example and without limitation, a self-liquidity arrangement provided by the District, a line of credit or a liquidity facility supporting a commercial paper program), but not immediately issued or incurred under such Credit Facility, as subject to such incurrence test as of a single date, notwithstanding that none, or less than all, of the authorized principal amount of such Senior Obligations have been issued or incurred as of such date.

(g) Notwithstanding the foregoing provisions regarding limitations on Indebtedness described above, nothing contained in the Trust Agreement will preclude the District from incurring any obligation under a Credit Facility.

Rate Covenant

(a) The District has covenanted and agreed in the Trust Agreement that it will fix and collect rates, fees and other charges for the use of and for services furnished or to be furnished by the Wastewater System, and will from time to time revise such rates, fees and other charges so that in each Fiscal Year the Net Revenues will equal at least 120% of the Principal and Interest Requirements. If, for any reason, the Net Revenues are insufficient to satisfy the foregoing covenant, the District shall within one hundred twenty (120) days adjust and increase its rates, fees and other charges (to the extent permitted by the Enabling Act), or reduce its operating and maintenance expenses so as to provide sufficient Net Revenues to satisfy such requirement.

(b) If at any time the District fails to comply with its Rate Covenant described in paragraph (a) above, the District is to immediately notify the Trustee, such notice also containing an Officer's Certificate of a District Representative as to (i) the amount of the deficiency in Net Revenues that existed for the applicable period and the rates, fees and other charges which must be established by the District to cure such deficiency, and (ii) during the Fiscal Year in which the certificate is delivered, the projected Net Revenues will satisfy the Rate Covenant made by the District and described in paragraph (a) above, or, if not, the rates, fees and other charges the District must establish to satisfy such rate covenant. In addition, the District agrees, to the extent permitted by law, to take appropriate action to increase its rates, fees and other charges or reduce its Operating Expenses to cure any deficiency.

(c) On or before the last day of each Fiscal Year, the District will review the adequacy of its rates, fees and other charges for the next Fiscal Year, and, if such review indicates the District's rates, fees and other charges are insufficient to satisfy the Rate Covenant described in paragraph (a) above, the District is to promptly take appropriate action to increase its rates, fees and other charges or reduce its operating and maintenance expenses to cure any deficiency.

Limitation on Creation of Liens

The District agrees that it will not create or permit the existence of any Lien on its Property or upon its Net Revenues other than Permitted Liens.

"Permitted Liens" consist of the following:

(a) Liens arising by reason of good faith deposits with the District in connection with leases of real estate, bids or contracts (other than contracts for the payment of money), deposits by the District to secure public or statutory obligations, or to secure, or in lieu of, surety, stay or appeal bonds, and deposits as security for the payment of taxes or assessments or other similar charges;

(b) Any Lien arising by reason of deposits with, or the giving of any form of security to, any governmental agency or any body created or approved by law or governmental regulation for any purpose at any time as required by law or governmental regulation as a condition to the transaction of any business or the exercise of any privilege or license, or to enable the District to maintain self-insurance or to participate in any funds established to cover any insurance risks or in connection with any workers' compensation, unemployment insurance, pension or profit sharing plans or other social security, or to share in the privileges or benefits required for companies participating in such arrangements;

(c) Any judgment lien against the District so long as such judgment is being contested in good faith and execution thereon is stayed;

(d) (i) Rights reserved to or vested in any municipality or public authority by the terms of any right, power, franchise, grant, license, permit or provision of law, affecting any Property; (ii) any liens on any Property for taxes, assessments, levies, fees, water and sewer rents, and other governmental and similar charges and any liens of mechanics, materialmen, laborers, suppliers or vendors for work or services performed or materials furnished in connection with such Property, which are not due and payable or which are not delinquent or which, or the amount or validity of which, are being contested and execution thereon is stayed or, with respect to liens of mechanics, materialmen, laborers, suppliers or vendors, have been due for less than 90 days; (iii) easements, rights-of-way, servitudes, restrictions, oil, gas or other mineral reservations and other minor defects, encumbrances, and irregularities in the title to any Property which do not materially impair the use of such Property or materially and adversely affect the value thereof; (iv) to the extent that it affects title to any Property, the Trust Agreement; and (v) landlord's liens;

(e) Any Lien that was existing on the date of authentication and delivery of the first Bonds issued under the Trust Agreement (October 20, 2011); provided that no such Lien may be increased, extended, renewed or modified to apply to any Property of the District not subject to such Lien on such date or to secure Indebtedness not Outstanding on the date of issuance of such Bonds, unless such Lien as so extended, renewed or modified otherwise qualifies as a Permitted Lien under the Trust Agreement;

(f) Any lien on pledges, gifts or grants to be received in the future, including any income derived from the investment thereof;

(g) Any Lien securing Senior Obligations on a parity basis;

(h) Any Liens on Property received by the District through gifts, grants or bequests, such liens being due to restrictions on such gifts, grants or bequests of Property or the income thereon;

(i) Any Lien on moveable equipment securing Indebtedness incurred to purchase such moveable equipment, provided that the total of such Indebtedness does not exceed 15% of the Net Book Value of the Property, Plant and Equipment of the District as shown on the Financial Statements for the prior Fiscal Year; and

(j) Any Lien on Net Revenues securing Subordinate Indebtedness; provided that such Lien is expressly subordinate and junior to the Lien on Net Revenues granted to the Trustee for the payment of principal of, redemption premium, if any, and the interest on the Senior Obligations and to secure the prompt payment of the and the performance by the District of its other obligations under the Trust Agreement.

Designation of Funds

No later than the last Business Day of each month, the District will specifically earmark cash, cash equivalents or marketable securities or any combination thereof in an amount equal to the interest on and the principal of Bonds that will accrue in the next month, taking into account any scheduled maturities of interest or principal scheduled to become due and payable in such month and the funds theretofore earmarked for such purpose. The District may assume that both interest and principal accrue daily from the prior payment date or date of issuance but not more than 12 months prior to a payment date.

Maintenance of Properties

The District covenants in the Trust Agreement:

(a) At all times, to cause its Property to be maintained, preserved and kept in good repair, working order and condition and all needed and proper repairs, renewals and replacements thereof to be made; provided, however, that nothing described in this paragraph (a) will be construed to (i) prevent it from ceasing to operate any portion of its Property, if in its judgment (supported, in the case of such a cessation other than in the ordinary course of business by an opinion or certificate of an Independent Consultant) it is advisable not to operate the same, or if it intends to sell or otherwise dispose of the same and within a reasonable time endeavors to effect such sale or other disposition, or (ii) obligate it to retain, preserve, repair, renew or replace any Property, leases, rights, privileges or licenses no longer used or, in the judgment of the Commission, useful in the conduct of its business;

(b) To do all things reasonably necessary to conduct its affairs and carry on its business and operations in such manner as to comply with any and all applicable laws of the United States and the Commonwealth of Virginia and duly observe and conform to all valid orders, regulations or requirements of any governmental authority relative to the conduct of its business and the ownership of its Properties; provided, nevertheless, that nothing contained in the Trust Agreement requires it to comply with, observe and conform to any such law, order, regulation or requirement of any governmental authority so long as the validity thereof or the applicability thereof to it is contested in good faith;

(c) To pay promptly all lawful taxes, governmental charges and assessments at any time levied or assessed upon or against it or its Property; provided, however, that it will have the right to contest in good faith any such taxes, charges or assessments or the collection of any such sums and pending such contest may delay or defer payment thereof;

(d) To pay promptly or otherwise satisfy and discharge all of its Indebtedness and all demands and claims against it as and when the same become due and payable, other than any thereof (exclusive of the Indebtedness created and Outstanding under the Trust Agreement) whose validity, amount or collectability is being contested in good faith;

(e) At all times to comply with all terms, covenants and provisions of any Liens at such time existing upon its Property or any part thereof or securing any of its Indebtedness; and

(f) To procure and maintain all necessary licenses and permits for the operation of its Wastewater System;

provided, however, that it need not comply with the covenants described in this section if and to the extent that the Commission determines in good faith, evidenced by a resolution of the Commission, that such

compliance is not in its best interests and that lack of such compliance would not materially impair its ability to pay its Indebtedness when due.

Insurance

(a) The District agrees that it will maintain, or cause to be maintained, the following types of insurance, subject to the provisions described in subsection (b) below, in such amounts as, in its judgment, are adequate to protect it and its Property and operations from material financial loss: (i) comprehensive general liability insurance, and (ii) property coverage on an "all risk" basis.

(b) If the District is self-insured (excluding deductibles) for any coverage described in (a) above, the District is to provide the Trustee a report of an Independent Insurance Consultant selected by the District not less than every three years, which report is to state whether the anticipated funding of any self-insurance fund is sufficient, and if not, the required funding to obtain such result, and any such self-insurance coverage will be reviewed by the Independent Insurance Consultant not less frequently than annually. If the Independent Insurance Consultant determines in any such report that the anticipated funding of any self-insurance fund is not sufficient, the District covenants that it will undertake to fund such self-insurance fund in the manner recommended by the Independent Insurance Consultant.

Insurance and Condemnation Proceeds

(a) Amounts that do not exceed 20% of the Net Book Value of the Property, Plant and Equipment of the District received by the District as insurance proceeds with respect to any casualty loss or as condemnation awards may be used in such manner as the District may determine, including, without limitation, applying such money to the partial payment or prepayment of any Indebtedness in accordance with the terms thereof and of any pertinent Supplement.

(b) Amounts that exceed 20% of the Net Book Value of the Property, Plant and Equipment received by the District as insurance proceeds with respect to any casualty loss or as condemnation awards will be applied in such manner as the District may determine; provided, however, that the District is to notify the Trustee and within 12 months after the casualty loss or taking, deliver to the Trustee a report of an Independent Consultant stating the Independent Consultant's recommendations, including recommendations as to the use of such proceeds or awards, to cause the Long-Term Debt Service Coverage Ratio for each of the two periods of 12 full consecutive calendar months following the date on which such proceeds or awards are expected to have been fully applied to be not less than 120%, or, if in the opinion of the Independent Consultant the attainment of such level is impracticable, at the highest practicable level.

Annual Budget

The District covenants that on or before the first day of the last month preceding the beginning of each Fiscal Year the Commission will adopt a budget of operating and non-operating revenues and expenses for the ensuing Fiscal Year.

Events of Default

Events of Default under the Trust Agreement are as follows: (a) payment of the purchase price of any Bond shall not be made by the District when the same shall become due and payable; or (b) payment of any installment of interest on any Bond is not made by the District when the same becomes due and payable; or (c) payment of the principal of any Bond is not made by the District when the same becomes due and payable, whether at maturity or by acceleration or otherwise; or (d) default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Trust

Agreement or any Supplement to the Trust Agreement, including any covenant, condition, agreement or provision in the Trust Agreement applicable to the District and incorporated by reference in the Trust Agreement, and such default continues for 30 days after receipt by the District of a written notice from the Trustee specifying such default and requiring the same to be remedied; provided, however, if prior to the expiration of such 30 day period the District institutes action reasonably designed to cure such default, no Event of Default is to be deemed to have occurred upon the expiration of such 30-day period for so long as the District pursues such curative action with reasonable diligence and provided that such curative action can be completed within a reasonable time.

Remedies for Default

Upon the happening and continuance of an Event of Default, the Trustee may take the following remedial steps: (i) in the case of an Event of Default described in clauses (a), (b) or (c) under " – Events of Default" above, the Trustee may take whatever action at law or in equity is necessary or desirable to collect the payments then due under the Trust Agreement or the Bonds; and (ii) in the case of an Event of Default described in clause (d) under " – Events of Default" above, the Trustee may take whatever action at law or in equity is necessary or desirable to enforce performance, observance or compliance by the District with any covenant, condition, agreement or provision under the Trust Agreement.

Upon the happening and continuance of an Event of Default, the Trustee may, and upon the written request of the Holders of not less than a majority in aggregate principal amount of Bonds then Outstanding is required to, by notice in writing to the District, declare the principal of all Bonds then Outstanding (if not then due and payable) to be due and payable immediately.

However, if at any time after the principal of Bonds has been declared to be due and payable, and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under the Trust Agreement, (i) money has accumulated in or has been paid into the Bond Fund sufficient to pay the principal of all matured Bonds and all arrears of interest, if any, upon all Bonds then Outstanding (except the principal of any Bond not then due and payable by its terms and the interest accrued on such Bond since the last Interest Payment Date), and the charges, compensations, expenses, disbursements, advances and liabilities of the Trustee and (ii) all amounts then payable by the District under the Trust Agreement have been paid or a sum sufficient to pay the same has been deposited with the Trustee, and (iii) every other default known to the Trustee in the observance or performance of any covenant, condition or agreement contained in the Bonds or in the Trust Agreement (other than a default in the payment of the principal of such Bonds then due only because of a declaration of acceleration of maturities) has been remedied to the satisfaction of the Trustee, then the Trustee may, and upon the written request of the Holders of not less than a majority in aggregate principal amount of Bonds not then due and payable by their terms (Bonds then due and payable only because of a declaration of acceleration will not be deemed to be due and payable by their terms) and then Outstanding is required to, by written notice to the District, rescind and annul such declaration and its consequences, but no such rescission or annulment will extend to or affect any subsequent Event of Default or impair any right consequent thereon.

Upon the happening and continuance of an Event of Default, the Trustee may, and upon the written request of the Holders of not less than a majority in aggregate principal amount of Bonds then Outstanding, and upon satisfactory indemnification, is required to, proceed either at equity or at law, or by proceedings in the office of any board or officer having jurisdiction to protect and enforce its rights and the rights of the Holders under the laws of the Commonwealth of Virginia or under the Trust Agreement as the Trustee, being advised by counsel chosen by the Trustee, deems most effectual to protect and enforce such rights. The Holders of not less than a majority in aggregate principal amount of Bonds then Outstanding, upon indemnification satisfactory to the Trustee, have the right to direct the method and place of all remedial

proceedings to be taken by the Trustee, provided that such direction is in accordance with law and the provisions of the Trust Agreement.

Restrictions upon Actions by Individual Holders

Except for the right of any Holder to enforce the payment of the principal of and interest on such Holder's Bond, no Holder will have any right to institute any suit, action or proceeding in equity or at law on any Bond or for the execution of any trust under the Trust Agreement or for any other remedy under the Trust Agreement unless (a) such Holder previously has given to the Trustee written notice of the particular Event of Default, (b) also the Holders of not less than a majority in aggregate principal amount of Bonds then Outstanding have made a request of the Trustee after the right to exercise such powers or right of action has accrued, and such Holder has afforded the Trustee a reasonable opportunity either to proceed to exercise the powers granted in the Trust Agreement or to institute such action, suit or proceedings in its or their name, and (c) there has been offered to the Trustee reasonable security and indemnity against the costs, expenses and liabilities (including attorney's fees, costs and expenses to be incurred therein or thereby, and the Trustee has refused or neglected to comply with such request within a reasonable time. Notwithstanding the foregoing provisions and without complying therewith, the Holders of not less than a majority in aggregate principal amount of Bonds then Outstanding may institute any such suit, action or proceeding in their own names for the benefits of all Holders of the Bonds.

Notice of Default to Holders

The Trustee is required to give written notice to all Holders of the occurrence of any Event of Default within 30 days after the Trustee has actual notice thereof, provided, however, except upon the occurrence of an Event of Default due to failure by the District to make payments of any installment of interest on or principal or purchase price of any Bond when the same become due and payable within 30 days after the Trustee received notice of the same, the Trustee may withhold such notice to the Holders if in its opinion such withholding is in the interest of the Holders.

Pro-Rata Application of Funds

Notwithstanding anything in the Trust Agreement to the contrary, if at any time the money in the Bond Fund is not sufficient to pay the interest on or the principal of Bonds as the same become due and payable (either by their terms or by acceleration of maturities under the provisions of the Trust Agreement), such money, together with any money then available or thereafter becoming available for such purpose, is to be applied, subject to the compensation and indemnification to the Trustee and Bond Registrar, as follows:

(a) if the principal of all Bonds has not become or has not been declared due and payable, all such money in the Bond Fund is to be applied:

first: to the payment to the persons entitled thereto of all installments of interest on Bonds then due and payable in the order in which such installments became due and payable and, if the amount available is not sufficient to pay in full any particular installment, then to the payment, ratably according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in such Bonds;

second: to the payment to the persons entitled thereto of the unpaid principal of any Bonds that have become due and payable (other than Bonds called for redemption for the payment of which money is held pursuant to the provisions of the Trust Agreement),

in the order of their due dates, and, if the amount available is not sufficient to pay in full the principal of Bonds due and payable on any particular date, then to the payment ratably according to the amount of such principal due on such date, to the persons entitled thereto without any discrimination or preference; and

third: to the payment of the interest on and the principal of Bonds, to the purchase and retirement of Bonds due to the redemption of Bonds in accordance with the Trust Agreement and the applicable Series Agreement.

(b) If the principal of all Bonds has become or has been declared due and payable, all such money is to be applied to the payment of principal and interest then due upon the Bonds without preference to the persons entitled thereto, without preference or priority of principal over interest or interest over principal, or of any installment of interest over any other installment of interest or any Bond over any other Bond ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto, without any discrimination or preference.

(c) If the principal of all Bonds has been declared due and payable and if such declaration is thereafter rescinded and annulled due to the remediation of an Event of Default, then, subject to the provisions described in paragraph (b) of this section, in the event that the principal of all Bonds later becomes due and payable or is declared due and payable, the money then remaining in and thereafter accruing to the Bond Fund is to be applied in accordance with the provisions described in paragraph (a) above.

Supplemental Trust Agreements without Consent of Holders

The District and the Trustee may without the consent of or notice to any of the Holders, enter into agreements supplemental to the Trust Agreement as are substantially consistent with the terms and provisions of the Trust Agreement:

(a) to cure any ambiguity or formal defect or omission, to correct or supplement any provision of the Trust Agreement that may be inconsistent with any other provision of the Trust Agreement, to make any other provisions with respect to matters or questions arising under the Trust Agreement, or to modify, alter, amend, add to or rescind, in any particular, any of the terms or provisions contained in the Trust Agreement, or

(b) to grant to or confer upon the Trustee for the benefit of the Holders any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Holders or the Trustee, or

(c) to add to the provisions of the Trust Agreement other conditions, limitations and restrictions thereafter to be observed, or

(d) to add to the covenants and agreements of the District in the Trust Agreement other covenants and agreements thereafter to be observed by the District or to surrender any right or power reserved in the Trust Agreement to or conferred upon the District, or

(e) to permit the qualification of the Trust Agreement under any federal statute now or hereafter in effect or under any state Blue Sky law, and, in connection therewith, if the District so determines, to add to the Trust Agreement or any supplemental trust agreement such other terms, conditions and provisions as may be permitted or required by such federal statute or Blue Sky law, or

(f) to provide for the issuance of Bonds under a book-entry system, or

(g) to make any other change in the Trust Agreement that, in the judgment of the District, expressed in a resolution of the Commission, and the Trustee, each of which may rely upon a written Opinion of Counsel, will not materially and adversely affect the Holders of the Bonds of each series that will be affected by such supplement.

Modification of Trust Agreement with Consent of Holders

The Holders of not less than a majority of the aggregate principal amount of Bonds then Outstanding will have the right to consent to and approve the execution and delivery by the District and the acceptance by the Trustee of such trust agreement or trust agreements supplemental to the Trust Agreement as deemed necessary or desirable by the District for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, the Trust Agreement; provided, however, that nothing contained in the Trust Agreement will permit, or be construed as permitting (a) an extension of the maturity of the principal of or the interest on any Bonds issued under the Trust Agreement without the consent of the Holders of such Bonds, or (b) a reduction in the principal amount of any Bonds or the rate of interest thereon without the consent of the Holders of such Bonds, or (c) the creation of a pledge of receipts and revenues superior to the pledge created by the Trust Agreement without the consent of the Holders of all Bonds Outstanding, or (d) a preference or priority of any Bond over any other Bond without the consent of the Holders of all Bonds Outstanding, or (e) a reduction in the aggregate principal amount of Bonds required for consent to such supplemental trust agreement without the consent of the Holders of all Bonds Outstanding.

If the District requests the Trustee to enter into any supplemental trust agreement described in the immediately preceding paragraph, the Trustee will cause notice of the proposed supplemental trust agreement to be mailed to all Holders. If the Holders of not less than a majority in aggregate principal amount of Bonds Outstanding at the time of the execution of such supplemental trust agreement have consented to and approved the execution, no Holder will have any right to object to the adoption of such supplemental trust agreement.

Defeasance

(a) When the Bonds become due and payable and the whole amount of the principal and the interest so due and payable upon all Bonds is required to be paid, and (b) if the Bonds have not become due and payable, the Trustee or the Bond Registrar holds, sufficient money or Defeasance Obligations, or a combination of money and Defeasance Obligations, the principal of and the interest on which, when due and payable, will provide sufficient money to pay the principal of, and the interest on, all Bonds then Outstanding to the maturity date or dates of such Bonds and (c) sufficient funds also have been provided or provision has been made for paying all other obligations payable under the Trust Agreement by the District, then and in that case the right, title and interest of the Trustee in the funds and accounts mentioned in the Trust Agreement will thereupon cease, determine and become void and, on demand of the District and upon being furnished with an opinion, satisfactory to the Trustee, of counsel approved by the Trustee, to the effect that all conditions precedent to the release of the Trust Agreement have been satisfied, the Trustee will release the Trust Agreement and will execute such documents to evidence such release as may reasonably be required by the District and will turn over to the District any surplus in, and all balances remaining in, all funds and accounts.

Otherwise, the Trust Agreement will continue to be and remain in full force and effect; provided, that, in the event Defeasance Obligations are deposited with and held by the Trustee or the Bond Registrar as provided for above, (i) the Trustee will nevertheless retain such rights, powers and privileges under the Trust Agreement as may be necessary and convenient in respect of the Bonds for the payment of the

principal and interest for which such Defeasance Obligations have been deposited, and (ii) the Bond Registrar will retain such rights, powers and privileges under the Trust Agreement as may be necessary and convenient for the registration, transfer and exchange of Bonds.

Release of Thirteenth Supplemental Trust Agreement

When (a) the Series 2025_ Bonds have become due and payable in accordance with their terms or otherwise as provided in the Thirteenth Supplemental Trust Agreement, the whole amount of the principal and the interest so due and payable upon all Series 2025_ Bonds is paid, (b) if the Series 2025_ Bonds have not become due and payable in accordance with their terms, the Trustee or the Bond Registrar holds, sufficient money or Defeasance Obligations, or a combination of money and Defeasance Obligations, the principal of and the interest on which, when due and payable, will provide sufficient money to pay the principal of, and the interest on, all Series 2025_ Bonds then Outstanding to the maturity date or dates of such Series 2025_ Bonds and (c) sufficient funds also have been provided or provision made for paying all other obligations payable under the Thirteenth Supplemental Trust Agreement by the District, then and in that case the right, title and interest of the Trustee in the funds and accounts mentioned in the Thirteenth Supplemental Trust Agreement will thereupon cease, determine and become void and, on demand of the District and upon being furnished with an opinion, in form and substance satisfactory to the Trustee, of Bond Counsel, to the effect that all conditions precedent to the release of the Thirteenth Supplemental Trust Agreement and the defeasance of the Series 2025_ Bonds have been satisfied, the Trustee is to release the Thirteenth Supplemental Trust Agreement and is to execute such documents to evidence such release as may reasonably be required by the District and, subject to the provisions of the Trust Agreement, is to turn over to the District any surplus in, and all balances remaining in, all funds and accounts.

Removal of Trustee

The Trustee may be removed at any time by an instrument or concurrent instruments in writing, (i) executed by the Holders of not less than a majority in aggregate principal amount of Bonds then Outstanding and filed with the District, or (ii) so long as no Event of Default has occurred and is continuing, an instrument executed by the District, not less than 60 days before such removal is to take effect as stated in said instrument or instruments. The Trustee may also be removed at any time for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provisions of the Trust Agreement with respect to the duties and obligations of the Trustee by any court of competent jurisdiction upon the application of the District or the Holders of not less than a majority in aggregate principal amount of Bonds then Outstanding.

APPENDIX D

PROPOSED OPINION OF BOND COUNSEL

_____, 2025

Hampton Roads Sanitation District Commission
Virginia Beach, Virginia

We have examined Chapter 66 of the Acts of Assembly of Virginia of 1960, as amended (the "Act"), and certified copies of the proceedings of the Hampton Roads Sanitation District Commission (the "Commission"), the governing body of Hampton Roads Sanitation District (a political subdivision of the Commonwealth of Virginia and herein sometimes called the "District"), authorizing the execution and delivery of the trust agreement, by and between Hampton Roads Sanitation District and The Bank of New York Mellon Trust Company, N.A., as Trustee, dated as of October 1, 2011, as amended and restated as of March 1, 2016, as amended, as further amended and restated as of July 1, 2024 (the "Amended and Restated Trust Agreement"), as supplemented by the Thirteenth Supplemental Trust Agreement, dated as of _____, 2025 (the "Thirteenth Supplemental Trust Agreement" and together with the Amended and Restated Trust Agreement, as so supplemented and as the same may be amended and further supplemented, the "Trust Agreement"), each by and between the District and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), and the issuance of

$_____
HAMPTON ROADS SANITATION DISTRICT

Wastewater Revenue Bonds,
Series 2025_

Dated, maturing, subject to redemption, and bearing interest,
all as provided in the Trust Agreement.

Pursuant to the Trust Agreement, as security for the payment of the amounts due on the above-captioned bonds (the "Bonds"), the District has pledged its Net Revenues to the Trustee. The District's Net Revenues consist of all revenues derived by the District from the Wastewater System (as defined in the Trust Agreement) except such part of such revenues as may be required to pay the cost of maintaining, repairing and operating such Wastewater System.

For purposes of the opinions in paragraphs 1, 2 and 3 below, we have relied upon the opinion of Sands Anderson PC to the effect that the resolutions of the Commission authorizing the Bonds and approving the Trust Agreement were duly adopted.

We have also examined one of the Bonds, as executed and authenticated.

Based upon such examination, we are of the opinion that:

1. The Bonds have been duly authorized, executed and issued for the purpose of providing funds, together with other available funds, to finance certain improvements included as part of the District's Capital Improvement Program and to pay certain costs of issuing the Bonds.

2. The Trust Agreement has been duly authorized and executed by the District and, assuming due authorization and execution by the Trustee, is a valid, binding and enforceable obligation of the District in accordance with its terms.

3. As provided by the Act, the Bonds, their transfer and the income therefrom, including any profit made on the sale thereof, shall be free and exempt from taxation by the Commonwealth of Virginia and any political subdivision thereof. The Bonds are valid and binding special obligations of the District payable solely from the Net Revenues and other funds pledged as security therefor under the Trust Agreement.

4. The Bonds do not constitute a debt of the Commonwealth of Virginia or of any county, city, town or political subdivision thereof, or a pledge of the faith and credit of the Commonwealth of Virginia or of any county, city, town or political subdivision thereof. The issuance of the Bonds does not directly or indirectly or contingently obligate the Commonwealth of Virginia or any county, city, town or political subdivision thereof to levy or to pledge any form of taxation whatever therefor.

5. Assuming continuing compliance by the District with its covenants to comply with the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), and except as provided in the following sentence, interest on the Bonds is not includable in the gross income of the owners thereof for federal income tax purposes under current law. Interest on the Bonds will be includable in the gross income of the owners thereof retroactive to the date of issue of the Bonds in the event of a failure by the District to comply with applicable requirements of the Code and its covenants regarding use, expenditure, and investment of the proceeds of the Bonds and the timely payment of certain investment earnings to the United States Treasury, and we render no opinion as to the effect on the exclusion from gross income of the interest on the Bonds for federal income tax purposes of any action taken or not taken without our approval or upon the advice or approval of counsel other than us.

6. Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax on individuals.

The Code contains other provisions that could result in tax consequences, as to which we render no opinion, as a result of ownership of the Bonds or the inclusion in certain computations (including without limitation those related to the corporate alternative minimum tax) of interest that is excluded from gross income.

The enforceability of the Trust Agreement and the obligations of the District with respect to such documents described above are subject to applicable bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights generally and to general principles of equity (regardless of whether enforcement is sought in proceedings in equity or law).

Respectfully submitted,

APPENDIX E

FORM OF
CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this "Disclosure Agreement"), dated as of _____, 2025, is executed and delivered by Hampton Roads Sanitation District (the "District") in connection with the issuance by the District of its Wastewater Revenue Bonds, Series 2025_ (the "Bonds"), pursuant to the provisions of the trust agreement, by and between the District and The Bank of New York Mellon Trust Company, N.A., as Trustee, dated as of October 1, 2011, as amended and restated as of March 1, 2016, as amended, as further amended and restated as of July 1, 2024 (the "Amended and Restated Trust Agreement"), as supplemented by the Thirteenth Supplemental Trust Agreement, dated as of _____, 2025 (the "Thirteenth Supplemental Trust Agreement" and together with the Amended and Restated Trust Agreement, as so supplemented, and as the same may be amended and further supplemented, the "Trust Agreement"), by and between the District and The Bank of New York Mellon Trust Company, N.A., as trustee. The proceeds of the Bonds are being used by the District to provide funds to finance certain improvements included as part of the District's Capital Improvement Program. The District hereby covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the District for the benefit of the holders of the Bonds and in order to assist the Participating Underwriters (defined below) in complying with the Rule (defined below). The District acknowledges that it is undertaking primary responsibility for any reports, notices or disclosures that may be required under this Disclosure Agreement.

SECTION 2. Definitions. In addition to the definitions set forth in the Trust Agreement, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"Dissemination Agent" shall mean the District, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the District and which has filed with the District a written acceptance of such designation.

"Filing Date" shall have the meaning given to such term in Section 3(A) hereof.

"Financial Obligation" means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that "financial obligation" shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

"Fiscal Year" shall mean the twelve-month period at the end of which financial position and results of operations are determined. Currently, the District's Fiscal Year begins July 1 and continues through June 30 of the next calendar year.

"Holder" or "holder" shall mean, for purposes of this Disclosure Agreement, any person who is a record owner or beneficial owner of a Bond.

"Listed Events" shall mean any of the events listed in subsection (b)(5)(i)(C) of the Rule, which are as follows:

(i) principal and interest payment delinquencies;

(ii) non-payment related defaults, if material;

(iii) unscheduled draws on debt service reserves reflecting financial difficulties;

(iv) unscheduled draws on credit enhancements reflecting financial difficulties;

(v) substitution of credit or liquidity providers, or their failure to perform;

(vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

(vii) modifications to rights of security holders, if material;

(viii) bond calls, if material, and tender offers;

(ix) defeasances;

(x) release, substitution, or sale of property securing repayment of the Bonds, if material;

(xi) rating changes;

(xii) bankruptcy, insolvency, receivership or similar event of the District;

(xiii) the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and appointment of a successor or additional paying agent or the change of name of a paying agent, if material;

(xiv) appointment of a successor or additional paying agent or the change of name of a paying agent, if material;

(xv) incurrence of a Financial Obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the District, any of which affect security holders, if material; and

(xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the District, any of which reflect financial difficulties.

For these purposes, (a) any event described in the immediately preceding paragraph (xii) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar

officer for the District in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers of the District in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District, and (b) the District intends the words used in the immediately preceding paragraphs (xv) and (xvi) and the definition of Financial Obligation in this Section 2 to have the same meanings as when they are used in the Rule, as evidenced by SEC Release No. 34-83885, dated August 20, 2018.

"MSRB" means the Municipal Securities Rulemaking Board.

"Participating Underwriters" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with the offering of such Bonds.

"Repository" shall mean The Electronic Municipal Market Access ("EMMA") system administered by the Municipal Securities Rulemaking Board. EMMA is recognized as a National Repository for purposes of the Rule.

"Rule" shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

SECTION 3. Provision of Annual Reports.

A. The District shall, or shall cause the Dissemination Agent to, provide to the Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. Such Annual Report shall be filed on a date (the "Filing Date") that is not later than December 31 after the end of any Fiscal Year (commencing with its Fiscal Year ended June 30, 2025). Not later than ten (10) days prior to the Filing Date, the District shall provide the Annual Report to the Dissemination Agent (if applicable). In such case, the Annual Report (i) may be submitted as a single document or as separate documents comprising a package, (ii) may cross-reference other information as provided in Section 4 of this Disclosure Agreement and (iii) shall include the District's audited financial statements or, if audited financial statements are not available, such unaudited financial statements as may be required by the Rule. In any event, audited financial statements of the District must be submitted, if and when available, together with or separately from the Annual Report.

B. The annual financial statements of the District shall be prepared on the basis of generally accepted accounting principles and will be audited. Copies of the audited annual financial statements, which may be filed separately from the Annual Report, will be filed with the Repository when they become publicly available.

C. If the District fails to provide an Annual Report to the Repository by the date required in subsection A hereto or to file its audited annual financial statements with the Repository when they become publicly available, the District shall send a notice to the Repository in substantially the form attached hereto as Exhibit B.

SECTION 4. Content of Annual Reports. Except as otherwise agreed, any Annual Report required to be filed hereunder shall contain or incorporate by reference, at a minimum, annual financial information relating to the District, including operating data, updating such information relating to the

District as described in Exhibit A, all with a view toward assisting the Participating Underwriters in complying with the Rule.

Any or all of such information may be incorporated by reference from other documents, including official statements of securities issues with respect to which the District is an "obligated person" (within the meaning of the Rule), which have been filed with the Repository or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the Repository. The District shall clearly identify each such other document so incorporated by reference.

SECTION 5. Reporting of Listed Events. The District will provide within ten business days to the Repository, notice of any of the Listed Events.

SECTION 6. Termination of Reporting Obligation. The District's obligations under this Disclosure Agreement shall terminate upon the earlier to occur of the legal defeasance and final retirement of all the Bonds.

SECTION 7. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the District shall be the Dissemination Agent.

SECTION 8. Amendment. Notwithstanding any other provision of this Disclosure Agreement, the District may amend this Disclosure Agreement, if such amendment is supported by an opinion of independent counsel with expertise in federal securities laws, to the effect that such amendment is permitted or required by the Rule.

SECTION 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Disclosure Agreement, the District shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. Any person referred to in Section 12 (other than the District) may take such action as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to file its Annual Report or to give notice of a Listed Event. The holders of not less than a majority in aggregate principal amount of Bonds Outstanding may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to challenge the adequacy of any information provided pursuant to this Disclosure Agreement, or to enforce any other obligation of the District hereunder. A default under this Disclosure Agreement shall not be deemed an event of default under the Trust Agreement or the Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure of the District to comply herewith shall be an action to compel performance. Nothing in this provision shall be deemed to restrict the rights or remedies of any holder pursuant to the Securities Exchange Act of 1934, the rules and regulations promulgated thereunder, or other applicable laws.

SECTION 11. Format of Filings. Unless otherwise required by the Repository, all notice, documents and information provided to the Repository pursuant to this Disclosure Agreement shall be provided to EMMA, the current Internet address of which is www.emma.msrb.org. All notices, documents and information provided to the EMMA shall be provided in an electronic format prescribed by the Repository (currently, portable document format (pdf) which must be word-searchable except for non-textual elements) and shall be accompanied by identifying information as prescribed by the Repository.

SECTION 12. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the District, the Participating Underwriters and the holders from time to time of the Bonds, and shall create no rights in any other person or entity.

HAMPTON ROADS SANITATION DISTRICT

By: _____
Deputy General Manager and
Chief Financial Officer

EXHIBIT A

CONTENT OF ANNUAL REPORT
HAMPTON ROADS SANITATION DISTRICT

(a) **Financial Information**. Updated information including summary financial results, treatment charge collection rate, revenue collections from the District's largest customers, and a five-year comparison of revenues, expenses, debt service and debt service coverage ratios.

(b) **Debt Information**. Updated information including the debt service requirements of long-term indebtedness.

(c) **Operating Data.** Updated operating data including wastewater flows to the Wastewater System and its major treatment plants, the treatment capacities of its major treatment plants, total billed wastewater flows, and changes in rates and charges.

In general, the foregoing will include information as of the end of the most recent fiscal year or as of the most recent practicable date. Where information for the fiscal year just ended is provided, it may be preliminary and unaudited. Where information has historically been provided for more than a single period, comparable information will in general be provided for the same number of periods where valid and available. Where comparative demographic or economic information for the District and the United States as a whole is contemporaneously available and, in the judgment of the District, informative, such information may be included. Where, in the judgment of the District, an accompanying narrative is required to make data presented not misleading, such narrative will be provided.

EXHIBIT B

NOTICE OF FAILURE TO FILE ANNUAL REPORT
[AUDITED ANNUAL FINANCIAL STATEMENTS]

Re: HAMPTON ROADS SANITATION DISTRICT
WASTEWATER REVENUE BONDS,
SERIES 2025_

CUSIP NO.: 409327 _____

Bonds Dated: _____, 2025

NOTICE IS HEREBY GIVEN that Hampton Roads Sanitation District has not provided an Annual Report [Audited Annual Financial Statements] as required by Section 3 of the Continuing Disclosure Agreement, which was entered into in connection with the above-named bonds, the proceeds of which were used to finance certain improvements included as part of the District's Capital Improvement Program. [The District anticipates that the Annual Report [Audited Annual Financial Statements] will be filed by _____.]

Dated: _____

HAMPTON ROADS SANITATION DISTRICT

By _____

APPENDIX F

THE DEPOSITORY TRUST COMPANY

The Depository Trust Company (DTC), the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provision of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2.2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation, and Emerging Markets Clearing Corporation, (NSCC, FICC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2025_ Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2025_ Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2025_ Bond (the "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2025_ Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2025_ Bonds, except if use of the book-entry system for the Series 2025_ Bonds is discontinued.

To facilitate subsequent transfers, all Series 2025_ Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2025_ Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2025_ Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2025_ Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial

Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Series 2025_ Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2025_ Bonds unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2025_ Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, premium, if any, and interest payments on the Series 2025_ Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

_____ SUPPLEMENTAL TRUST AGREEMENT

by and between

HAMPTON ROADS SANITATION DISTRICT

and

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
as Trustee

Dated as of _____ 1, 202_

Securing

$_____

Wastewater Revenue Bonds,
Series 2025_

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EXHIBIT A – FORM OF 2025_ BONDS

THIS _____ SUPPLEMENTAL TRUST AGREEMENT, dated for convenience of reference as of _____ 1, 2025 (this "Supplemental Trust Agreement"), by and between

HAMPTON ROADS SANITATION DISTRICT,

a political subdivision of the Commonwealth of Virginia, by Hampton Roads Sanitation District Commission, the governing body of said District, and

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,

a national banking association duly incorporated and validly existing under the laws of the United States of America and having a Corporate Trust Office in Pittsburgh, Pennsylvania, which is authorized under such laws to exercise trust powers and is subject to examination by federal authority (said banking corporation and any bank or trust company becoming successor Trustee under this Supplemental Trust Agreement being hereinafter sometimes called the "Trustee"), supplements the Trust Agreement, dated as of October 1, 2011 (the "Original Trust Agreement"), as amended and restated as of March 1, 2016, as amended, and as further amended and restated as of July 1, 2024 (the "Amended and Restated Trust Agreement"), between the District and The Bank of New York Mellon Trust Company, N.A. (the Amended and Restated Trust Agreement, as amended and supplemented from time to time, the "Trust Agreement"),

WITNESSETH:

WHEREAS, the Hampton Roads Sanitation District (the "District") was duly created under and pursuant to Chapter 407 of the Acts of Assembly of Virginia of 1940, and the Hampton Roads Sanitation District Commission (the "Commission"), created by said Chapter 407, is the governing body of the District; and

WHEREAS, by virtue of Chapter 66 of the Acts of Assembly of Virginia of 1960, as amended (said Chapter 66 as so amended being hereinafter sometimes called the "Enabling Act"), the Commission is authorized and empowered, among other things:

(a) to construct, improve, extend, enlarge, reconstruct, maintain, equip, repair and operate a wastewater treatment system or systems, either within or without or partly within and partly without the corporate limits of the District,

(b) to issue, at one time or from time to time, revenue bonds, notes or other obligations of the District payable solely from the special funds provided under the authority of the Enabling Act and pledged for their payment, for the purpose of refunding the outstanding bonds, including the payment of any redemption premium thereon, paying the cost of a wastewater treatment system or systems and extensions and additions thereto, and providing funds for any other authorized purpose of the Commission, and

(c) to fix, revise, charge and collect rates, fees and other charges for the use of, and for the services and facilities furnished or to be furnished by, any such wastewater treatment system; and

WHEREAS, the Commission has determined to provide for the issuance under the Trust Agreement at this time of revenue bonds of the District in the aggregate principal amount of _____ Dollars ($_____) (the "2025_ Bonds") for the purpose of providing funds, together with other available funds, (i) to finance a portion of the costs of its [2026-2035] Capital Improvement Program and (ii) to pay certain expenses incurred in connection with the issuance of the 2025_ Bonds by the District; and

WHEREAS, the District is entering into this Supplemental Trust Agreement for the purpose of fixing the details of the 2025_ Bonds; and

WHEREAS, the Trustee has accepted the trusts created by this Supplemental Trust Agreement and in evidence thereof has joined in the execution hereof;

NOW, THEREFORE, THIS SUPPLEMENTAL TRUST AGREEMENT WITNESSETH: that in consideration of the premises, of the acceptance by the Trustee of the trusts hereby created, and of the purchase and acceptance of 2025_ Bonds by the Holders (as defined in the Trust Agreement) thereof, and also for and in consideration of the sum of One Dollar in hand paid by the Trustee at or before the execution and delivery of this Supplemental Trust Agreement, and for other good and valuable consideration, the receipt whereof is hereby acknowledged, and for the purpose of fixing and declaring the terms and conditions upon which 2025_ Bonds are to be issued, authenticated, delivered, secured and accepted by all persons who shall from time to time be or become Holders thereof, and to secure the payment of all 2025_ Bonds at any time issued and Outstanding under this Supplemental Trust Agreement and the interest thereon according to their tenor, purport and effect, and to secure the performance and observance of all the covenants, agreements and conditions, express or implied, therein and herein contained, the Commission has executed and delivered this Supplemental Trust Agreement in the name of and on behalf of the District, and has agreed and covenanted, and does hereby agree and covenant, with the Trustee and with the respective Holders, from time to time, of 2025_ Bonds, or any part thereof, as follows:

(end of Preamble)

ARTICLE I.

DEFINITIONS

Section 1.1 Meaning of Words and Terms. In addition to words and terms defined in the Trust Agreement, which words and terms are used herein as therein defined, or elsewhere in this Supplemental Trust Agreement, the following words and terms as used in this Supplemental Trust Agreement shall have the following meanings, unless some other meaning is plainly intended.

"Closing" means the date on which this Supplemental Trust Agreement becomes legally effective, the same being the date on which the 2025_ Bonds are delivered against payment therefor.

"Defeasance Obligations" means noncallable (i) Government Obligations, (ii) senior debt obligations issued or guaranteed by, or investments otherwise stripped from senior debt obligations issued by, any federal agency, instrumentality, corporation, or government-sponsored enterprise, including but not limited to: (1) Federal Home Loan Bank System, (2) Export-Import Bank of the United States, (3) Federal Financing Bank, (4) Government National Mortgage Association, (5) Federal Home Loan Mortgage Company, (6) Federal Housing Administration, (7) Private Export Funding Corp, (8) Federal National Mortgage Association, (9) Federal Farm Credit Bank, (10) Resolution Funding Corporation, including interest strips and principal strips, (11) Rural Economic Community Development Administration (formerly, Farmers Home Administration), (iii) evidences of ownership of a proportionate interest in specified Government Obligations, which Government Obligations are held by a bank or trust company organized and existing under the laws of the United States of America or any state thereof in the capacity of custodian, (iv) obligations issued pursuant to Section 21B(d)(3) of the Federal Home Loan Bank Act, as amended by Section 511(a) of the Financial Institutions Reform, Recovery and Enforcement Act of 1989, and commonly known as "interest strips" of the Resolution Funding Corporation, (v) Defeased Municipal Obligations, (vi) United States Agency for International Development ("US AID") guaranteed notes (including stripped securities) provided that any US AID security shall mature at least 10 business days prior to any cash flow or escrow requirement, and (vii) evidences of ownership of a proportionate interest in specified Defeased Municipal Obligations, which Defeased Municipal Obligations are held by a bank or trust company organized and existing under the laws of the United States of America or any state thereof in the capacity as custodian.

"Defeased Municipal Obligations" means obligations of state or local government municipal bond issuers which are rated the highest rating by at least two of the three Rating Agencies, meeting the following conditions:

(i) (A) such obligations cannot be redeemed prior to maturity or (B) the trustee for which has been given irrevocable instructions concerning their call for redemption, and the issuer of such obligations has covenanted not to redeem such obligations other than as set forth in such instructions;

(ii) such obligations are secured by Government Obligations that may be applied only to interest, principal, and premium payments on such obligations;

(iii) the principal of and interest on such Government Obligations (plus any cash in the escrow fund with respect to such pre-refunded obligations) are sufficient to meet the liabilities of the obligations;

(iv) the Government Obligations serving as security for the obligations are held by an escrow agent or trustee; and

(v) such Government Obligations are not available to satisfy any other claims, including those against the trustee or escrow agent.

"**Electronic Means**" means, e-mail, secure electronic transmission containing applicable authorization codes, passwords or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services under this Supplemental Trust Agreement.

"Interest Payment Date" means each _____ 1 and ____ 1, commencing _____ 1, 202_, to and including _____ 1, 20__.

"Principal Payment Date" means ___ 1 of each of the years set forth in the tables in Section 2.1 and Section 2.3 below.

"**Regular Record Date**" means the fifteenth day (whether or not a business day) of the calendar month next preceding each Interest Payment Date.

"**Tax Certificate**" means the certificate, including the exhibits thereto, of that name delivered by the District in connection with the issuance of the 2025_ Bonds.

Section 1.2 Rules of Construction. This Supplemental Trust Agreement shall have the same rules of construction as are provided for the Trust Agreement in its Section 102. Any provision of this Supplemental Trust Agreement referring to actions to be taken by the District shall be deemed to refer to the Commission to the extent that the Enabling Act authorizes the Commission to take such action instead of the District.

(end of Article I)

ARTICLE II.

DETAILS OF THE 2025_ BONDS

Section 2.1 Details of 2025_ Bonds. The 2025_ Bonds shall be issued in accordance with and secured by the Trust Agreement, including in particular the provisions of Section 209 of the Trust Agreement, as supplemented by this Supplemental Trust Agreement, as Current Interest Bonds in the aggregate principal amount of $_____ for the purposes set forth in Section 209 of the Trust Agreement and the Preamble of this Supplemental Trust Agreement, shall be dated their date of delivery, shall be designated "Wastewater Revenue Bonds, Series 2025_," shall be numbered R-1 and upwards, shall be issued in substantially the form set forth in Exhibit A hereto, shall bear interest (based on a 360-day year consisting of twelve 30-day months) from their dated date until their payment, such interest to the maturity thereof being payable semi-annually on the Interest Payment Dates, _____ 1 and ____ 1 in each year, commencing _____ 1, 202_, at the following rates, and shall be stated to mature on ____ 1, as the case may be, in the following years and amounts:

Due ----- 1	Principal Amount	Interest Rate

Section 2.2 Optional Redemption. From any available money, the District may, at its option, redeem the 2025_ Bonds prior to their respective maturities, as a whole or in part, on any date beginning ___ 1, 20__, at a redemption price equal to the principal amount thereof, together with interest accrued to the date fixed for redemption.

[Remainder of page intentionally left blank.]

Section 2.3 Mandatory Redemption. The 2025_ Bonds due on ____ 1, 20__, are term bonds subject to mandatory sinking fund redemption on _____ 1 in the following years in the following principal amounts ("Sinking Fund Requirements") at a redemption price equal to par, together with interest accrued to the date of redemption:

Series 2025_ Term Bonds due _____ 1, 20__

Year	Sinking Fund Requirement
	†

† Unamortized balance at maturity.

Section 2.4 Selection of 2025_ Bonds to be Redeemed. The 2025_ Bonds shall be redeemed only in the minimum denomination authorized in Section 202 of the Trust Agreement or in whole multiples of such minimum denomination. In selecting 2025_ Bonds for redemption, the Trustee shall treat each 2025_ Bond as representing the number of 2025_ Bonds that is obtained by dividing the principal amount of such 2025_ Bond by the minimum denomination authorized by this Supplemental Trust Agreement. Except while the 2025_ Bonds are held in a Book-Entry Only system, and subject to its rules, if less than all of the 2025_ Bonds of a particular maturity shall be called for redemption, the particular 2025_ Bonds or portions of 2025_ Bonds to be redeemed shall be selected by the Trustee by such method as the Trustee in its sole discretion shall determine.

Section 2.5 Redemption Notice. At least thirty (30), but not more than sixty (60), days before the redemption date of any 2025_ Bonds, whether such redemption be in whole or in part, the Trustee shall cause a notice of such redemption, in the name of the District, to be mailed, certified mail, return receipt requested to all Holders owning 2025_ Bonds to be redeemed in whole or in part, but any defect in such notice or the failure so to mail any such notice to any Holder owning any 2025_ Bonds shall not affect the validity of the proceedings for the redemption of any other 2025_ Bonds. Each such notice shall set forth the 2025_ Bonds or portions thereof to be redeemed, the date fixed for redemption, the redemption price to be paid, and if less than all the 2025_ Bonds shall be called for redemption, the maturities of the 2025_ Bonds to be redeemed and, if less than all of the 2025_ Bonds of any one maturity then Outstanding shall be called for redemption, the distinctive numbers and letters, if any, of such 2025_ Bonds to be redeemed and, in the case of 2025_ Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed. If any 2025_ Bond is to be redeemed in part only, the notice of redemption shall state also that on or after the redemption date, upon surrender of such 2025_ Bond, a new 2025_ Bond in principal amount equal to the unredeemed portion of such 2025_ Bond and of the same maturity will be issued.

Section 2.6 Effect of Calling for Redemption. On the date fixed for redemption, notice having been mailed in the manner and under the conditions hereinabove provided, the 2025_ Bonds or portions thereof called for redemption shall become due and payable at the redemption price provided therefor, plus accrued interest to such date; provided, however, that the District may

direct that the notice of an optional redemption may state that the call for redemption is expressly conditioned on there being on deposit with the Trustee on the redemption date sufficient money to effect the redemption at the applicable redemption price plus accrued interest, if any, and if such money shall not be so on deposit, the call for redemption shall be deemed cancelled, void and of no effect and all 2025_ Bonds called for such redemption shall remain Outstanding and if presented for payment, such 2025_ Bonds shall be returned forthwith to their registered owners. If money or Government Obligations, or a combination of both, sufficient to pay the redemption price of the 2025_ Bonds to be redeemed, plus accrued interest thereon to the date fixed for redemption, are held by the Bond Registrar in trust for the Holders of 2025_ Bonds to be redeemed, interest on the 2025_ Bonds called for redemption shall cease to accrue after the date fixed for redemption; such 2025_ Bonds shall cease to be entitled to any benefits or security under this Supplemental Trust Agreement or to be deemed Outstanding; and the Holders of such 2025_ Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof, plus accrued interest to the date of redemption. 2025_ Bonds and portions of 2025_ Bonds for which irrevocable instructions to pay or to call for redemption on one or more specified dates have been given to the Trustee and the Bond Registrar in form satisfactory to them shall not thereafter be deemed to be Outstanding under this Supplemental Trust Agreement and shall cease to be entitled to the security of or any rights under the Trust Agreement as supplemented by this Supplemental Trust Agreement, other than rights to receive payment of the redemption price thereof and accrued interest thereon, to be given notice of redemption in the manner provided in Section 2.5, and, to the extent hereinafter provided, to receive 2025_ Bonds for any unredeemed portions of 2025_ Bonds if money or Defeasance Obligations, or a combination of both, sufficient to pay the redemption price of such 2025_ Bonds or portions thereof, together with accrued interest thereon to the date upon which such 2025_ Bonds are to be paid or redeemed, are held in separate accounts by the Trustee or the Bond Registrar in trust for the holders of such 2025_ Bonds.

Section 2.7 Redemption of Portion of 2025_ Bonds. If a portion of an Outstanding 2025_ Bond shall be selected for redemption, the Holder thereof or his attorney or legal representative shall present and surrender such 2025_ Bond to the Bond Registrar for payment of the principal amount thereof so called for redemption and the redemption premium, if any, on such principal amount, and the District shall execute and the Bond Registrar shall authenticate and deliver to or upon the order of such registered owner or his legal representative, without charge therefor, for the unredeemed portion of the principal amount of the 2025_ Bond so surrendered, a 2025_ Bond of the same maturity and bearing interest at the same rate.

Section 2.8 Cancellation. 2025_ Bonds so redeemed, presented and surrendered shall be cancelled upon the surrender thereof.

Section 2.9 Use of Defeasance Obligations to Redeem 2025_ Bonds. For purposes of this Article, Defeasance Obligations shall be deemed to be sufficient to pay or redeem 2025_ Bonds on a specified date if the principal of and the interest on such Defeasance Obligations, when due, will be sufficient to pay on such date the redemption price of, and the interest accruing on, such 2025_ Bonds to such date.

(end of Article II)

ARTICLE III.

APPLICATION OF THE PROCEEDS OF THE 2025A BONDS

Section 3.1 Creation of Subfunds. For purposes of convenience and to enable the District to track the proceeds from the sale of the 2025_ Bonds, the Trustee shall establish (i) the "Series 2025_ Issuance Subfund" (the "Issuance Subfund") within the Issuance Fund and (ii) the "Series 2025_ Construction Subfund (the "Construction Subfund") within the Construction Fund.

The creation of such Subfunds shall not be deemed to create a preference in favor of the holders of the 2025_ Bonds with respect to amounts on deposit therein.

Section 3.2 Application of the Proceeds of the 2025_ Bonds. Simultaneously with the delivery of the 2025_ Bonds, the proceeds of the 2025_ Bonds shall be applied by the Trustee as follows:

(1) to the credit of the Issuance Subfund, the amount of $_____; and

(2) to the credit of the Construction Subfund, the amount of $_____.

(end of Article III)

ARTICLE IV.

TAX COVENANTS

Section 4.1 Covenant as to Arbitrage. The District agrees that money on deposit in any fund or account maintained in connection with the 2025_ Bonds, whether or not such money was derived from the proceeds of the sale of the 2025_ Bonds or from any other sources, and whether or not the 2025_ Bonds are Outstanding hereunder, (i) will not be used in a manner that would cause the 2025_ Bonds to be, and (ii) will be used in a manner that will cause the 2025_ Bonds not to be, "arbitrage bonds" within the meaning of Section 148 of the Code and applicable regulations thereunder. The District shall observe and not violate the requirements of Section 148 of the Code and any such applicable regulations. The Trustee agrees that, to the extent, if any, that it exercises discretion over the investment of funds, money on deposit in any fund or account maintained in connection with the 2025_ Bonds, whether or not such money was derived from the proceeds of the sale of the 2025_ Bonds or from any other sources, and whether or not the 2025_ Bonds are Outstanding hereunder, will not be used in a manner that the Trustee actually knows would cause the 2025_ Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code and applicable regulations thereunder; and, to that end, to the extent that it exercises discretion over the investment of funds, the Trustee shall not knowingly violate the requirements of Section 148 of the Code and any applicable regulations thereunder. The Trustee shall be protected in relying upon any investment instruction of the District given in compliance with the provisions of this Supplemental Trust Agreement and the Tax Certificate. In the event the District is of the opinion that it is necessary to restrict or limit the yield on the investment of money held by the Trustee pursuant to this Supplemental Trust Agreement, or to use such money in certain manners, in order to avoid the 2025_ Bonds being considered "arbitrage bonds" within the meaning of Section 148 of the Code and the regulations thereunder as such may be applicable to the 2025_ Bonds at such time, the District may issue to the Trustee a written certificate to such effect and appropriate instructions, in which event the Trustee shall take such action as is necessary to restrict or limit the yield on such investment or to use such money in accordance with such certificate and instructions, irrespective of whether the Trustee shares such opinion. The Trustee shall be required to take such action only if the District or a District Representative shall specify the specific Investment Obligations in which the Trustee is to invest money in order to effect the restriction or limitation provided for in the preceding sentence.

Section 4.2 Exclusion From Gross Income Covenant. The District covenants that it will not take any action that will, or fail to take any action which failure will, cause interest on the 2025_ Bonds to become includable in the gross income of the owners thereof for federal income tax purposes pursuant to the provisions of the Code and regulations promulgated thereunder.

[Remainder of page intentionally left blank]

Section 4.3 Payment of Rebate. The District shall cause to be paid, at the times described in the Tax Certificate, the Rebate Requirement (as defined in the Tax Certificate) to the United States Government. The obligation of the District to make such payments shall survive the termination of this Supplemental Trust Agreement.

(end of Article IV)

ARTICLE V.

DEFEASANCE

Section 5.1 Release of this Supplemental Trust Agreement. When (a)(i) the 2025_ Bonds secured hereby shall have become due and payable in accordance with their terms or otherwise as provided in this Supplemental Trust Agreement, the whole amount of the principal and the interest so due and payable upon all 2025_ Bonds shall be paid, or (ii) if the 2025_ Bonds shall not have become due and payable in accordance with their terms, the Trustee or the Bond Registrar shall hold, sufficient money or Defeasance Obligations, or a combination of money and Defeasance Obligations, the principal of and the interest on which, when due and payable, will provide sufficient money to pay the principal of, and the interest on, all 2025_ Bonds then Outstanding to the maturity date or dates of such 2025_ Bonds and (b) sufficient funds shall also have been provided or provision made for paying all other obligations payable hereunder by the District, then and in that case the right, title and interest of the Trustee in the funds and accounts mentioned in this Supplemental Trust Agreement shall thereupon cease, determine and become void and, on demand of the District and upon being furnished with an opinion, in form and substance satisfactory to the Trustee, of counsel approved by the Trustee, to the effect that all conditions precedent to the release of this Supplemental Trust Agreement and the defeasance of the 2025_ Bonds have been satisfied and, if the 2025_ Bonds are to be redeemed more than ninety (90) days after the date the escrow therefor is established, a verification report prepared by an independent firm of certified public accountants or other qualified financial consultants stating that the money and Defeasance Obligations, together with investment earnings thereon, delivered to or held by the Trustee or Bond Registrar, will be sufficient to pay the principal and redemption price of, and interest on the 2025_ Bonds called for redemption to their maturity or redemption date, as applicable, the Trustee shall release this Supplemental Trust Agreement and shall execute such documents to evidence such release as may reasonably be required by the District and, subject to the provisions of the Trust Agreement, shall turn over to the District any surplus in, and all balances remaining in, all funds and accounts relating to the 2025_ Bonds. Otherwise, this Supplemental Trust Agreement shall be, continue and remain in full force and effect; provided, that, in the event Defeasance Obligations shall be deposited with and held by the Trustee or the Bond Registrar as hereinabove provided, (x) the Trustee shall nevertheless retain such rights, powers and privileges under this Supplemental Trust Agreement as may be necessary and convenient in respect of the 2025_ Bonds for the payment of the principal and interest for which such Defeasance Obligations have been deposited, and (y) the Bond Registrar shall retain such rights, powers and privileges under this Supplemental Trust Agreement as may be necessary and convenient for the registration, transfer and exchange of 2025_ Bonds.

(1) All money and Defeasance Obligations held by the Trustee (or the Bond Registrar) pursuant to this Section shall be held in trust and applied to the payment, when due, of the obligations payable therewith. If the District shall pay or cause to be paid to the Owners of less than all of the Outstanding 2025_ Bonds the principal of and interest on such 2025_ Bonds, or such portions thereof, such 2025_ Bonds, or such portions thereof, shall cease to be entitled to any lien, benefit or security under this Supplemental Trust Agreement.

(2) Any Outstanding 2025_ Bond (or any portion thereof) shall be deemed to have been paid for the purposes of subsection (a) or (b) of the first paragraph of this Section 5.1 when (i)

there shall have been deposited with the Trustee or any other Depository either money in an amount which, or Defeasance Obligations the principal of and the interest on which when due, and without any reinvestment thereof, will provide money in an amount which, together with the money, if any, deposited with or held by the Trustee or any Depository or Paying Agent and available therefor, shall be sufficient to pay when due the principal of and interest due and to become due on such 2025_ Bond (or portion thereof) on or prior to the maturity date thereof, (ii) in the event such 2025_ Bond is not to mature within the next succeeding sixty (60) days, the District shall have given the Trustee irrevocable instructions to give notice to the Owner of such 2025_ Bond (or portion thereof) stating that money or Defeasance Obligations have been deposited with the Trustee or any other Depository as provided in this Article V and that such 2025_ Bond (or portion thereof) is deemed to have been paid in accordance with this Article V and stating the maturity date upon which money is to be available for the payment of the principal thereof and interest thereon and (iii) provisions satisfactory to the Trustee shall have been made for the payment of the Trustee's and the Bond Registrar's fees and expenses, and any Paying Agent's or other Depository's fees and all fees and expenses payable by the District in connection with the defeasance of such 2025_ Bond.

(3) The money and Defeasance Obligations deposited with the Trustee or any other Depository pursuant to this Section and all payments of principal or interest on any such Defeasance Obligations shall not be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on the 2025_ Bonds (or portions thereof) deemed to have been paid in accordance with this Section.

(4) If 2025_ Bonds (or portions thereof) are deemed to have been paid in accordance with the provisions of this Article by reason of the deposit with the Trustee or any other Depository of money or Defeasance Obligations, no amendment to the provisions of this Section which would adversely affect the Owners of such 2025_ Bonds (or portions thereof) shall be made without the consent of each Owner affected thereby.

(5) All money and Defeasance Obligations held pursuant to this Article shall be held in trust and applied to the payment, when due, of the 2025_ Bonds (or portions thereof) payable therewith.

(end of Article V)

ARTICLE VI.

MISCELLANEOUS

Section 6.1 Manner of Giving Notice. All notices, demands and requests to be given to or made hereunder by the District or the Trustee shall be given or made in writing and shall be deemed to be properly given or made if sent by United States registered mail, return receipt requested, postage prepaid, addressed as follows:

(a) As to the District—

Hampton Roads Sanitation District
1434 Air Rail Avenue
Virginia Beach, Virginia 23455
Attention: General Manager/Chief Executive Officer

(b) As to the Trustee—

The Bank of New York Mellon Trust Company, N.A.
500 Ross Street, 12th Floor
Pittsburgh, Pennsylvania 15262
Attention: Corporate Trust Department

(c) As to the Bond Registrar—

The Bank of New York Mellon Trust Company, N.A.
500 Ross Street, 12th Floor
Pittsburgh, Pennsylvania 15262
Attention: Corporate Trust Department

Any such notice, demand or request may also be transmitted to the appropriate above-mentioned party by telecopy or telephone and shall be deemed to be properly given or made at the time of such transmission if, and only if, such transmission of notice shall be confirmed in writing and sent as specified above.

The Trustee agrees to accept and act upon instructions or directions, including funds transfer instructions ("Instructions"), pursuant to this Indenture or any other document reasonably relating to the Bonds sent by the District by Electronic Means, provided, however, that the District shall provide to the Trustee an incumbency certificate listing designated persons with the authority to provide such Instructions and containing specimen signatures of such designated persons, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. If the District elects to give the Trustee Instructions by Electronic Means and the Trustee, in its discretion, elects to act upon such Instructions, the Trustee's understanding of such Instructions shall be deemed controlling. The District understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by a designated person listed on the incumbency certificate provided to the Trustee have been sent by such designated person. The District shall be responsible for ensuring that only designated persons transmit such

Instructions to the Trustee and that the District and all designated persons are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords or authentication keys upon receipt by the District. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such Instructions notwithstanding such Instructions conflict or are inconsistent with a subsequent written Instruction. The District agrees (i) to assume all risks arising out of the use of such Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the District; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

Any of such addresses may be changed at any time upon written notice of such change sent by United States registered mail, postage prepaid, to the other parties by the party effecting the change.

All documents received by the Trustee under the provisions of this Supplemental Trust Agreement, or photographic copies thereof, shall be retained in its possession until this Supplemental Trust Agreement shall be released under the provisions of Section 5.1 of this Supplemental Trust Agreement, subject at all reasonable times to the inspection of the District and any Holder and the agents and representatives thereof.

Section 6.2 Substitute Mailing. If, because of the temporary or permanent suspension of postal service, the District or the Trustee shall be unable to mail any notice required to be given by the provisions of this Supplemental Trust Agreement, the District or the Trustee shall give notice in such other manner as in the judgment of the District or the Trustee shall most effectively approximate mailing (but, if by unsecured facsimile or electronic transmission, then in compliance with and subject to the provisions of Section 6.1 above) and the giving of notice in such manner shall for all purposes of this Supplemental Trust Agreement be deemed to be in compliance with the requirement for the mailing thereof.

Section 6.3 Parties, Bond Registrar and Holders Alone Have Rights under Trust Agreement. Except as herein otherwise expressly provided, nothing in this Supplemental Trust Agreement, express or implied, is intended or shall be construed to confer upon any person, firm or corporation, other than the Trustee, the Bond Registrar, the District and the Holders, any right, remedy or claim, legal or equitable, under or by reason of this Supplemental Trust Agreement or any provision being intended to be and being for the sole and exclusive benefit of the Trustee, the District, the Bond Registrar and the Holders.

Section 6.4 Effect of Partial Invalidity. In case any one or more of the provisions of this Supplemental Trust Agreement or the 2025_ Bonds shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Supplemental Trust Agreement or the 2025_ Bonds, but this Supplemental Trust Agreement and the 2025_

Bonds shall be construed and enforced as if such illegal or invalid provisions had not been contained therein. In case any covenant, stipulation, obligation or agreement contained in the 2025_ Bonds or this Supplemental Trust Agreement shall for any reason be held to be in violation of law, then such covenant, stipulation, obligation or agreement shall be deemed to be the covenant, stipulation, obligation or agreement of the Commission or the District to the full extent permitted by law.

Section 6.5 Effect of Covenants. All covenants, stipulations, obligations and agreements of the District contained in this Supplemental Trust Agreement shall be deemed to be covenants, stipulations, obligations and agreements of the District to the full extent permitted by the Constitution and laws of the Commonwealth. This Supplemental Trust Agreement is adopted with the intent that the laws of the State shall govern its construction.

Section 6.6 No Recourse Against Members, Officers or Employees of Commission or District. No recourse under, or upon, any statement, obligation, covenant, or agreement contained in this Supplemental Trust Agreement, or in any 2025_ Bond hereby secured, or in any document or certification whatsoever, or under any judgment obtained against the Commission or the District or by the enforcement of any assessment or by any legal or equitable proceeding by virtue of any constitution or statute or otherwise or under any circumstances, shall be had against any member, officer or employee, as such, of the Commission or the District, either directly or through the Commission or the District, respectively, or otherwise, for the payment for or to, the Commission or the District or any receiver of either of them, or for, or to, any Holder or otherwise, of any sum that may be due and unpaid upon any such 2025_ Bond. Any and all personal liability of every nature, whether at common law or in equity or by statute or by constitution or otherwise, of any such member, officer or employee, as such, to respond by reason of any act or omission on his or her part or otherwise, for the payment for, or to, the Commission or the District or any receiver of either of them, or for, or to, any Holder or otherwise, of any sum that may remain due and unpaid upon the 2025_ Bonds hereby secured, is hereby expressly waived and released as an express condition of, and in consideration for, the execution of this Supplemental Trust Agreement and the issuance of the 2025_ Bonds.

Section 6.7 Dealing in 2025_ Bonds. The Trustee and the Bond Registrar and their directors, officers, employees or agents may in good faith, buy, sell, own, hold and deal in any 2025_ Bonds issued under the provisions of this Supplemental Trust Agreement and may join in any action which any Holder may be entitled to take with like effects as if such Trustee were not a Trustee and such bank or trust company were not the Bond Registrar under this Supplemental Trust Agreement.

Section 6.8 Legal Holidays. In any case where the date of maturity of principal of and interest on the 2025_ Bonds shall be on a day on which banking institutions at the place of payment are authorized by law to remain closed, then payment of such principal and interest need not be made on such date but may be made on the next succeeding day not a day on which banking institutions are authorized by law to remain closed with the same force and effect as if made on the date of maturity, and in the case of such payment, no interest shall accrue for the period from and after such date.

Section 6.9 Multiple Counterparts. This Supplemental Trust Agreement may be executed in multiple counterparts, each of which shall be regarded for all purposes as an original, and such counterparts shall constitute but one and the same instrument.

Section 6.10 Headings. Any heading preceding the text of the several articles hereof, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Supplemental Trust Agreement, nor shall they affect its meaning, construction or effect.

Section 6.11 Further Authority. The officers of the Commission or the District, attorneys, engineers and other agents or employees of the Commission or the District are hereby authorized to do all acts and things required of them by this Supplemental Trust Agreement and the Agreement for the full, punctual and complete performance of all of the terms, covenants and agreements contained in the 2025_ Bonds and this Supplemental Trust Agreement.

(end of Article VI)

IN WITNESS WHEREOF, the Hampton Roads Sanitation District has caused these presents to be signed in its name and on its behalf and attested by its duly authorized officers and to evidence its acceptance of the trusts hereby created, the Trustee has caused these presents to be signed in its name and on behalf by its duly authorized officer, all as of the first day of ____, 2025.

HAMPTON ROADS SANITATION DISTRICT

(Seal)

By: _____
Steven G. de Mik,
Deputy General Manager and Chief Financial Officer

Attest:

By: _____
Secretary

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Trustee

By: _____
Name:
Title:

(Seal)

[Signature Page to _____ Supplemental Trust Agreement]

EXHIBIT A

FORM OF 2025_ BONDS

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE DISTRICT OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

No. R-__ $

HAMPTON ROADS SANITATION DISTRICT
(VIRGINIA)
WASTEWATER REVENUE BOND,
SERIES 2025_

INTEREST RATE	MATURITY DATE	DATED DATE	CUSIP
%	___ 1, 20__		409327 _____

Registered Owner:
Principal Amount: _____

Hampton Roads Sanitation District (the "District"), a political subdivision of the Commonwealth of Virginia, by the Hampton Roads Sanitation District Commission (the "Commission"), the Commission of the District, for value received, promises to pay, but solely from the sources and in the manner hereinafter provided, to the registered owner named above, or registered assigns, the principal amount set forth above on the Maturity Date set forth above, upon the presentation and surrender hereof, at the Corporate Trust Office of The Bank of New York Mellon Trust Company N.A. (the "Bond Registrar") located on the date hereof at The Bank of New York Mellon Trust Company, N.A., 500 Ross Street, 12th Floor, Pittsburgh, Pennsylvania 15262. The District also promises to pay, solely from such sources, interest on this Bond (calculated based upon a 360-day year consisting of twelve 30-day months) from the Interest Payment Date (as defined below) next preceding the date on which it is authenticated, unless it is authenticated on an Interest Payment Date, in which event it shall bear interest from such date, or unless it is authenticated prior to its dated date in which event it shall bear interest from its date, payable on _____ 1 and ____ 1 of each year, commencing _____ 1, 202_ (each, an "Interest Payment Date"), at the rate per annum set forth above until the principal sum hereof is paid. The

interest so payable and punctually paid or duly provided for, on any Interest Payment Date, will, as provided in the Trust Agreement hereinafter referred to, be paid to the person in whose name this Bond is registered at the close of business on the Regular Record Date for such interest, which shall be the fifteenth (15th) day (whether or not a business day) of the calendar month next preceding such Interest Payment Date. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the registered owner on such Regular Record Date, and may be paid to the person in whose name this Bond is registered at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Trustee hereinafter mentioned, notice whereof being given to the registered owners not less than ten (10) days prior to such Special Record Date, or may be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Bonds of this series may be listed and upon such notice as may be required by such exchange, or as more fully provided in said Trust Agreement. All such payments shall be made in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

This Bond is one of a duly authorized series of revenue bonds of the District, designated "Hampton Roads Sanitation District (Virginia) Wastewater Revenue Bonds, Series 2025_" (the "Bonds"), issued under a trust agreement, dated as of October 1, 2011, between the District and The Bank of New York Mellon Trust Company, N.A., Pittsburgh, Pennsylvania, as Trustee (said banking corporation and any bank or successor trustee under the Trust Agreement being hereinafter referred to as the "Trustee"), as amended and restated as of March 1, 2016, as amended, as further amended and restated as of July 1, 2024, and supplemented by the _____ Supplemental Trust Agreement, dated as of _____ 1, 202_, and as the same may be amended and supplemented from time to time (the "Trust Agreement"). The Bonds are being issued for the purpose of providing funds, together with other available funds, (i) to finance a portion of the costs of its [2025-2034] Capital Improvement Program and (ii) to pay certain expenses incurred in connection with the issuance of the 2025_ Bonds by the District. Capitalized terms used in this Bond and not otherwise defined shall have the meanings set forth in the Trust Agreement.

This Bond is issued and the Trust Agreement was made and entered into under and pursuant to the Constitution and laws of the Commonwealth of Virginia, and particularly in conformity with the provisions, restrictions and limitations of Chapter 66 of the Acts of Assembly of Virginia of 1960, as amended. Capitalized terms used in this Bond and not otherwise defined shall have the meaning set forth in the Trust Agreement.

The District has agreed to perform, observe and comply with certain covenants, conditions and agreements set forth in the Trust Agreement. The District may incur additional indebtedness, including bonds and other indebtedness secured by the Trust Agreement on a *pari passu* basis with the Bonds for the purposes, under the terms and conditions and to the extent described therein.

This Bond is a special obligation of the District and is payable solely from Net Revenues (as defined in the Trust Agreement) derived by the District from its Wastewater System (as defined in the Trust Agreement) and the money attributable to proceeds of the Bonds and the income from the investment thereof and not from any other fund or source. This Bond shall not be deemed to constitute a debt, or a pledge of the faith and credit, of the Commonwealth of Virginia or of any county, city, town or political subdivision thereof. The issuance of this Bond shall not directly or

indirectly or contingently obligate the Commonwealth of Virginia or any county, city, town or political subdivision thereof to levy or to pledge any form of taxation whatever therefor.

The Bonds are issuable as fully registered Bonds in denominations of $5,000 or any whole multiple thereof. Bonds may be exchanged at the Corporate Trust Office of the Bond Registrar for the delivery of Bonds, in the manner and subject to the limitations and conditions provided in the Trust Agreement, for an equal aggregate principal amount of Bonds of the same series and maturity, of other authorized denominations and bearing interest at the same rate.

The transfer of this Bond is registrable by the registered owner hereof in person or by his attorney or legal representative at the Corporate Trust Office of the Bond Registrar for the delivery of Bonds, but only in the manner and subject to the limitations and conditions provided in the Trust Agreement and upon surrender and cancellation of this Bond. Upon any such registration of transfer, the District shall execute and the Bond Registrar shall authenticate and deliver in exchange for this Bond a new Bond or Bonds, registered in the name of the transferee, of authorized denominations, in an aggregate principal amount equal to the principal amount of this Bond, of the same series and maturity and bearing interest at the same rate.

[The District may, at its option, redeem the Bonds prior to their respective maturities, as a whole or in part, on any date, beginning _____ 1, 20__, at a redemption price equal to the principal amount of the Bonds to be redeemed, together with interest accrued to the date fixed for redemption.]

[The Bonds are also subject to mandatory sinking fund redemption on the dates and in the amounts set forth in the Trust Agreement.]

The owner of this Bond shall have no right to enforce the provisions of the Trust Agreement or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Trust Agreement, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in this Trust Agreement and except that any registered owner may institute action to enforce the payment of the principal of or the interest on such owner's Bond.

Upon the occurrence of certain events, and on the conditions, in the manner and with the effect set forth in the Trust Agreement, the principal of all Bonds then Outstanding under the Trust Agreement may become or may be declared due and payable before the stated maturities thereof, together with the interest accrued thereon.

Modifications or alterations of the Trust Agreement or any trust agreement supplemental thereto may be made only to the extent and in the circumstances permitted by the Trust Agreement.

This Bond is issued with the intent that the laws of the Commonwealth of Virginia shall govern its construction.

All acts, conditions and things required to happen, exist and be performed precedent to and in the issuance of this Bond and the execution of the Trust Agreement have happened, exist and have been performed as so required.

Neither the members, officers or employees of the Commission or the District, nor any person executing this Bond, is liable personally hereon or subject to any personal liability or accountability by reason of issuance hereof.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Trust Agreement until it shall have been authenticated by the execution by the Bond Registrar of the certificate of authentication endorsed hereon.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the Hampton Roads Sanitation District has caused this Bond to be executed in its name and on its behalf with the facsimile signatures of the Chair and the Secretary of the Hampton Roads Sanitation District Commission and a facsimile of the official seal of said Commission to be printed hereon and this Bond to be dated the __ day of _____, 202_.

HAMPTON ROADS SANITATION DISTRICT

By _____
Chair

By _____
Secretary

[Seal]

CERTIFICATE OF AUTHENTICATION

Date of authentication: _____

This Bond is a Bond issued under the provisions of the within-mentioned Trust Agreement.

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
as Bond Registrar

By_____
Authorized Signatory

[FORM OF ASSIGNMENT]

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

_____

_____

_____

[Please Print or Typewrite Name and Address of Transferee]

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ _____attorney to register the transfer of the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Date: _____

Signature Guaranteed:

_____

NOTICE: Signature(s) must be guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion Program (STAMP) or similar program.

_____

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

14. HRSD 457 Plan and Adoption of Trust Agreement
Exhibits A-D

GOVERNMENTAL 457(b) PLAN
ADOPTION AGREEMENT

By executing this Governmental 457(b) Plan Adoption Agreement (the "Agreement"), the undersigned Employer agrees to establish or continue a 457(b) Plan for its Employees. The Plan adopted by the Employer consists of the Governmental 457(b) Basic Plan Document (the "BPD") and the elections made under this Agreement (collectively referred to as the "Plan"). An Employer may jointly co-sponsor the Plan by signing a Participating Employer Adoption Page, which is attached to this Agreement. **This Plan is effective as of the Effective Date identified on the Signature Page of this Agreement.**

In completing the provisions of this Adoption Agreement, unless designated otherwise, selections under the Deferral column apply to all Salary Deferrals (including Roth Deferrals and Catch-Up Contributions).

[***Note:*** *Certain vendor agreements associated with the Plan may restrict the application of certain Plan provisions. Additionally, some State and local laws may restrict the election of certain provisions under the Plan. Please consult with legal counsel to assess the impact of State laws, local laws and/or applicable vendor agreements on the Plan*.]

SECTION 1
EMPLOYER INFORMATION

1-1 **EMPLOYER INFORMATION.**

Name: Hampton Roads Sanitation District

Address: 1434 Air Rail Avenue

City, State, Zip Code: Virginia Beach, VA 23455

Telephone: (757) 460-7307

1-2 **EMPLOYER IDENTIFICATION NUMBER (EIN).** 54-6001749

1-3 **TYPE OF EMPLOYER.** (Optional)

[***Note****: To adopt this Plan, the Employer must be a State, political subdivision of a State, or any agency or instrumentality of a State or political subdivision of a State, as provided under Code §457(e)(1)(A). A non-governmental tax-exempt organization, as described under Code §457(e)(1)(B), may not adopt this Plan*.]

☐ (a) State

☐ (b) Political Subdivision of a State

☑ (c) Agency or Instrumentality of a State

☐ (d) Other governmental entity: (Describe) _____

1-4 **EMPLOYER'S TAX YEAR END.** (Optional) The Employer's tax year ends June 30

1-5 **RELATED EMPLOYERS.** (Optional) List any Related Employers. A Related Employer must execute a Participating Employer Adoption Page for Employees of that Related Employer to participate in this Plan.

_____

SECTION 2
PLAN INFORMATION

2-1 **PLAN NAME.** Hampton Roads Sanitation District 457 Plan and Trust

Original Effective Date: October 31, 1980

Restatement Effective Date: July 31, 2025

Plan identifier (optional): _____

2-2 **TYPE OF PLAN.** This Plan is a Governmental 457(b) Plan.

☐ The Plan is intended to be a FICA Replacement Plan (as defined under Section 3.08 of the BPD).

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2-3 **TYPE OF CONTRIBUTIONS. (Check all that apply.)**

☑ (a) Salary Deferral Contributions
☐ (b) Employer Matching Contributions
☐ (c) Employer Contributions
☑ (d) Rollover Contributions

2-4 **PLAN YEAR.**

☑ (a) Calendar year.
☐ (b) The 12-consecutive month period ending on _____ each year.
☐ (c) Other: _____

2-5 **PLAN ADMINISTRATOR.**

☑ (a) The Employer identified in AA §1-1.
☐ (b) Name: _____
Address: _____
Telephone: _____

2-6 **FROZEN PLAN.** Check this AA §2-6 if the Plan is a frozen Plan to which no contributions will be made. (See Section 3.01(c) of the BPD).

☐ This Plan is a frozen Plan effective _____

[***Note:*** *As a frozen Plan, the Employer will not make any contributions with respect to Plan Compensation earned after such date and no Participant will be permitted to make any contributions to the Plan after such date. In addition, no Employee will become a Participant after the date the Plan is frozen.*]

2-7 **DEFINITION OF DISABLED.** An individual is considered Disabled for purposes of applying the provisions of this Plan if:

☐ (a) The individual is covered by the Employer's disability insurance plan and is determined to be disabled under such plan.
☑ (b) The individual is determined to be disabled by the Social Security Administration under Section 223(d) of the Social Security Act for purposes of determining eligibility for Social Security benefits.
☑ (c) The Plan Administrator determines an individual is unable to engage in any substantial gainful activity by reason of a medically determinable physical or mental impairment that can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months. The permanence and degree of such impairment shall be supported by medical evidence. The Plan Administrator may establish reasonable procedures for determining whether a Participant is Disabled.

[***Note****: An Employer may elect any or all of the elections above. If more than one is selected, the hierarchy for determining whether an individual is considered Disabled is in the order listed above, unless described otherwise under separate administrative procedures or as described below*.]

☐ (d) Alternative definition of Disabled: _____

[***Note:*** *Any alternative definition described in this subsection (d) will apply uniformly to all Participants under the Plan. The Employer may describe different definitions of Disabled for different purposes under the plan.*]

SECTION 3
ELIGIBLE EMPLOYEES

3-1 **ELIGIBLE EMPLOYEES.** In addition to the Employees identified in Section 2.02 of the BPD, the following Employees are excluded from participation under the Plan with respect to the contribution source(s) identified in this AA §3-1. (See Sections 2.02(d) and (e) of the BPD for rules regarding the effect on Plan participation if an Employee changes between an eligible and ineligible class of employment.)

Deferral	Match	ER	
☑	☐	☐	(a) No exclusions.
☐	☐	☐	(b) Collectively Bargained Employees (as defined in Section 1.11 of the BPD), unless the Collective Bargaining Agreement provides otherwise.

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Deferral	Match	ER	
☐	☐	☐	(c) Non-resident aliens who receive no compensation from the Employer which constitutes U.S. source income.
☐	☐	☐	(d) Employees who normally work less than ____ hours a week.
☐	☐	☐	(e) Employees eligible for a 401(k), a 403(b) plan or another 457(b) plan sponsored by the Employer.
☐	☐	☐	(f) Part-Time Employees (as defined in Section 1.39 of the BPD).
☐	☐	☐	(g) Seasonal Employees (as defined in Section 1.57 of the BPD).
☐	☐	☐	(h) Temporary Employees (as defined in Section 1.60 of the BPD).
☐	☐	☐	(i) Employees in an appointed or elected position.
☐	☐	☐	(j) Employees paid on an hourly basis.
☐	☐	☐	(k) Employees paid on a salaried basis.
☐	☐	☐	(l) All other Employees except Part-Time, Temporary and Seasonal Employees.
☐	☐	☐	(m) Other: _____

3-2 **INDEPENDENT CONTRACTORS.** Unless elected otherwise under subsection (a) below, Independent Contractors (as defined in Section 1.35 of the BPD) of the Employer are excluded from participation in the Plan.

Deferral	Match	ER	
☐	☐	☐	(a) Independent Contractors may participate in the Plan.
☐	☐	☐	(b) Describe any special rules applicable to Independent Contractors: _____

[***Note:*** *Select under subsection (a) the types of contributions for which Independent Contractors are eligible. If the Employer elects to allow Independent Contractors to participate in the Plan, the term Employee as used in the Plan shall include the eligible Independent Contractors, as appropriate*.]

SECTION 4
MINIMUM AGE AND SERVICE REQUIREMENTS

4-1 **ELIGIBILITY REQUIREMENTS – MINIMUM AGE AND SERVICE.** An Eligible Employee (as defined in AA §3-1) who satisfies the minimum age and service conditions under this AA §4-1 will be eligible to participate under the Plan as of such Eligible Employee's Entry Date (as defined in AA §4-2 below).

(a) **Service Requirement.** An Eligible Employee must complete the following minimum service requirements to participate in the Plan.

Deferral	Match	ER	
☑	☐	☐	(1) There is no minimum service requirement for participation in the Plan.
☐	☐	☐	(2) One Year of Service (as defined in Section 2.03(a)(1) of the BPD and AA §4-3).
☐	☐	☐	(3) The completion of at least ____ Hours of Service during the first ___ months of employment (or the first ___ days of employment) or the completion of a Year of Service (as defined in AA §4-3), if earlier.
			☐ (i) An Employee who completes the required Hours of Service satisfies eligibility at the end of the designated period, regardless if the Employee actually works for the entire period.
			☐ (ii) An Employee who completes the required Hours of Service must also be employed continuously during the designated period of employment. (See Section 2.03(a)(1) of the BPD for rules regarding the application of this subsection (ii).)
☐	☐	☐	(4) The completion of ___ Hours of Service during an Eligibility Computation

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Deferral	Match	ER	
			Period. [***Note:*** *If this (4) is chosen, an Employee satisfies the service requirement immediately upon completion of the designated Hours of Service.*]
☐	☐	☐	(5) Full-time Employees are eligible to participate as set forth in subsection (i). Employees who are "part-time" Employees must complete a Year of Service (as defined in AA §4-3). For this purpose, a full-time Employee is any Employee not defined in subsection (ii).

(i) Full-time Employees must complete the following minimum service requirements to participate in the Plan:

☐ (A) There is no minimum service requirement for participation in the Plan.

☐ (B) The completion of at least ____ Hours of Service during the first ____ months of employment or the completion of a Year of Service (as defined in AA §4-3), if earlier.

☐ (C) Under the Elapsed Time method as defined in AA §4-3 below.

☐ (D) Describe: _____

(ii) Part-time Employees must complete a Year of Service (as defined in AA §4-3).

☐ (A) For this purpose, a part-time Employee is any Employee whose normal work schedule is less than:

☐ (I) ____ hours per week.

☐ (II) ____ hours per month.

☐ (III) ____ hours per year.

☐ (B) Describe part-time Employees for this purpose: _____

[***Note:*** *A part-time employee must be described as an individual who works less than a specified number of hours during a standard work week.*]

☐	☐	☐	(6) Eligibility service will be determined under the Elapsed Time method as described in AA§4-3 below.
☐	☐	☐	(7) Describe eligibility conditions: _____
☐	☐	☐	Describe eligibility conditions: _____

(b) **Minimum Age Requirement.** An Eligible Employee (as defined in AA §3-1) must have attained the following age with respect to the contribution source(s) identified in this AA §4-1(b).

Deferral	Match	ER	
☑	☐	☐	(1) There is no minimum age for Plan eligibility.
☐	☐	☐	(2) Age 21.
☐	☐	☐	(3) Age ___.

☐ (c) **Special eligibility rules.** The following special eligibility rules apply with respect to the Plan: _____

[***Note:*** *This subsection (c) may be used to apply the eligibility conditions selected under this AA §4-1 separately with respect to different Employee groups or different contribution formulas under the Plan.*]

4-2 **ENTRY DATE.** An Eligible Employee who satisfies the minimum age and service requirements in AA §4-1 shall be eligible to participate in the Plan as of such Eligible Employee's Entry Date. For this purpose, the Entry Date is the following date with respect to the contribution source(s) identified under this AA §4-2. [***Note:*** *If any of (b) – (g) is completed for a contribution source, also complete one of (h) – (l) for the same contribution source.*]

Deferral	Match	ER	
☑	☐	☐	(a) **Immediate.** The date the minimum age and service requirements are satisfied.
☐	☐	☐	(b) **Semi-annual.** The first day of the 1st and 7th month of the Plan Year.
☐	☐	☐	(c) **Quarterly.** The first day of the 1st, 4th, 7th and 10th month of the Plan Year.
☐	☐	☐	(d) **Monthly.** The first day of each calendar month.

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Deferral	Match	ER	
☐	☐	☐	(e) **Payroll period.** The first day of the payroll period.
☐	☐	☐	(f) **The first day of the Plan Year.**
☐	☐	☐	(g) **Describe Entry Date:** _____

An Eligible Employee's Entry Date (as defined above) is determined based on when the Employee satisfies the minimum age and service requirements in AA §4-1. For this purpose, an Employee's Entry Date is the Entry Date:

Deferral	Match	ER	
☐	☐	☐	(h) **next following** satisfaction of the minimum age and service requirements.
☐	☐	☐	(i) **coinciding with or next following** satisfaction of the minimum age and service requirements.
N/A	☐	☐	(j) **nearest** the satisfaction of the minimum age and service requirements.
N/A	☐	☐	(k) **preceding** the satisfaction of the minimum age and service requirements.
N/A	☐	☐	(l) **coinciding with or preceding** the satisfaction of the minimum age and service requirements.

This section may be used to describe any special rules for determining Entry Dates under the Plan. For example, if different Entry Date provisions apply for the same contribution sources with respect to different groups of Employees, such different Entry Date provisions may be described below.

Deferral	Match	ER	
☐	☐	☐	(m) **Describe** special rules for determining Entry Dates under the Plan: _____

4-3 **DEFAULT ELIGIBILITY RULES.** In applying the minimum age and service requirements under AA §4-1 above, the following default rules apply with respect to all contribution sources under the Plan:

- **Year of Service.** An Employee earns a Year of Service for eligibility purposes upon completing 1,000 Hours of Service during an Eligibility Computation Period. Hours of Service are calculated based on actual hours worked during the Eligibility Computation Period. (See Section 1.33 of the BPD for the definition of Hours of Service.)
- **Eligibility Computation Period.** If one Year of Service is required for eligibility, the Plan will determine subsequent Eligibility Computation Periods on the basis of Plan Years (see Section 2.03(a)(2)(i) of the BPD). If more than one Year of Service is required for eligibility, the Plan will determine subsequent Eligibility Computation Periods on the basis of Anniversary Years (see Section 2.03(a)(2)(ii) of the BPD).

To override the default eligibility rules, complete the applicable sections of this AA §4-3. If this AA §4-3 is not completed for a particular contribution source, the default eligibility rules apply.

Deferral	Match	ER	
☐	☐	☐	(a) **Year of Service.** Instead of 1,000 Hours of Service, an Employee earns a Year of Service upon the completion of ____ Hours of Service during an Eligibility Computation Period.
☐	☐	☐	(b) **Eligibility Computation Period.** The Plan will use Anniversary Years for all Eligibility Computation Periods.
☐	☐	☐	(c) **Elapsed Time method.** [***Note:*** *Check the same contribution source as checked in AA §4-1(a) above.*] Eligibility service will be determined under the Elapsed Time method. An Eligible Employee (as defined in AA §3-1) must complete a period of service, as designated below, to participate in the Plan. (See Section 2.03(a)(5) of the BPD.)

☐ (1) For Deferral, must complete a ____ period of service
☐ (2) For Match, must complete a _____ period of service
☐ (3) For ER, must complete a ____ period of service

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Deferral	Match	ER		
☐	☐	☐	(d)	**Equivalency Method**. For purposes of determining an Employee's Hours of Service for eligibility, the Plan will use the Equivalency Method (as defined in Section 2.03(a)(4) of the BPD). The Equivalency Method will apply to: ☐ (1) All Employees. ☐ (2) Employees who are not paid on an hourly basis. For Employees for whom the Employer maintains hourly records, eligibility will be determined based on actual hours worked. If this (d) is checked, Hours of Service for eligibility will be determined under the following Equivalency Method. ☐ (3) **Monthly.** 190 Hours of Service for each month worked. ☐ (4) **Weekly.** 45 Hours of Service for each week worked. ☐ (5) **Daily.** 10 Hours of Service for each day worked. ☐ (6) **Semi-monthly.** 95 Hours of Service for each semi-monthly period worked. ☐ (7) **Hours worked.** 870 hours worked treated as 1,000 Hours of Service and 435 hours worked treated as 500 Hours of Service. ☐ (8) **Regular time hours.** 750 regular time hours treated as 1,000 Hours of Service and 375 regular time hours treated as 500 Hours of Service.
☑	☐	☐	(e)	**Special eligibility provisions.** The following special eligibility provisions apply: No Service required for Eligibility

4-4 **EFFECTIVE DATE OF MINIMUM AGE AND SERVICE REQUIREMENTS.** The minimum age and/or service requirements under AA §4-1 apply to all Employees under the Plan. An Employee will participate with respect to all contribution sources under the Plan as of such Employee's Entry Date, taking into account all service with the Employer, including service earned prior to the Effective Date.

To allow Employees employed on a specified date to enter the Plan without regard to the minimum age and/or service conditions, complete this AA §4-4.

Deferral	Match	ER		
☐	☐	☐	(a)	**Automatic Eligibility.** An Eligible Employee who is employed by the Employer on the following designated date will enter the Plan on the designated date without regard to minimum age and/or service conditions: ☐ (1) the Effective Date of this Plan (as designated on the Employer Signature Page, as applicable) ☐ (2) the date the Plan is executed by the Employer (as indicated on the Employer Signature Page) ☐ (3) _____ [*insert date*]
☐	☐	☐	(b)	**Describe** other effective date provisions: _____

4-5 **SERVICE WITH PREDECESSOR EMPLOYER.** Service with the following Predecessor Employers will be counted for purposes of determining eligibility, vesting and/or allocation conditions under this Plan.

☐ (a) Identify Predecessor Employer(s):

The Plan will count service with the following Predecessor Employers:

	Name of Predecessor Employer	Eligibility	Vesting	Allocation Conditions
☐ (1)	_____	☐	☐	☐

☐ (b) The following special rules apply with respect to service with a Predecessor Employer: _____

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SECTION 5
COMPENSATION DEFINITIONS

5-1 **TOTAL COMPENSATION.** Total Compensation is based on the definition set forth under this AA §5-1. See Section 1.61 of the BPD for a specific definition of the various types of Total Compensation.

☐ (a) W-2 Wages

☑ (b) Code §415 Compensation

☐ (c) "Simplified" Code §415 Compensation

☐ (d) Wages under Code §3401(a)

[*For purposes of determining Total Compensation, each definition includes pre-tax contributions to a Code §125 cafeteria plan, Code §401(k), Code §403(b) or a Code §457 plan, and qualified transportation fringes under Code §132(f)(4).*]

5-2 **POST-SEVERANCE COMPENSATION.**

(a) **Exclusion of post-severance compensation from Total Compensation.** Total Compensation (as defined in Section 1.61 of the BPD) includes post-severance compensation, to the extent provided in Section 1.61(b) of the BPD. For this purpose, severance pay is always excluded from the definition of Plan Compensation. Other post-severance compensation paid within 2½ months after severance from employment with the Employer or the end of the calendar year in which severance occurs is included in Plan Compensation, unless excluded under this subsection (a). See Section 1.61(b) of the BPD.

The following amounts paid after a Participant's severance from employment are excluded from Plan Compensation.

☐ (1) **Unused leave payments.** Payment for unused accrued bona fide sick, vacation, or other leave, but only if the Employee would have been able to use the leave if employment had continued.

☐ (2) **Deferred compensation.** Payments received by an Employee pursuant to a nonqualified unfunded deferred compensation plan, but only if the payment would have been paid to the Employee at the same time if the Employee had continued in employment and only to the extent that the payment is includible in the Employee's gross income.

(b) **Continuation payments for disabled Participants.** Unless designated otherwise under this subsection (b), Total Compensation does not include continuation payments for disabled Participants. To count Total Compensation paid after Severance from Employment on account of disability (as defined in Code §22(e)(3)), check the box below.

☐ **Payments to disabled Participants.** Total Compensation shall include post-severance compensation paid to a Participant who is permanently and totally disabled, as defined in Code §22(e)(3).

5-3 **PLAN COMPENSATION.** Plan Compensation is **Total Compensation** (as defined in AA §5-1 above) with the following exclusions described below.

Deferral	Match	ER	
☑	☐	☐	(a) No exclusions.
N/A	☐	☐	(b) Salary Deferrals (as defined in Section 1.55 of the BPD), pre-tax contributions to a cafeteria plan or a Code §457 plan, and qualified transportation fringes under Code §132(f)(4) are excluded.
☐	☐	☐	(c) All fringe benefits (cash and noncash), reimbursements or other expense allowances, moving expenses, deferred compensation, and welfare benefits are excluded.
☐	☐	☐	(d) Compensation above $___ is excluded.
☐	☐	☐	(e) Amounts received as a bonus are excluded.
☐	☐	☐	(f) Amounts received as commissions are excluded.
☐	☐	☐	(g) Overtime payments are excluded.
☐	☐	☐	(h) Shift differentials are excluded.
☐	☐	☐	(i) Exclusions as described by the applicable Collective Bargaining Agreement.
☐	☐	☐	(j) Amounts received for services performed for a non-signatory Related Employer are excluded. [***Note:*** *If this subsection is not elected, amounts received for services*

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Deferral	Match	ER	
			performed for a non-signatory Related Employer are INCLUDED in Plan Compensation.]
☐	☐	☐	(k) "Deemed §125 compensation" as defined under Total Compensation. (See Section 1.61(d) of the BPD.)
☐	☐	☐	(l) Amounts received after Severance from Employment are excluded.
☐	☐	☐	(m) Differential Pay (as defined in Section 1.61(e) of the BPD) is excluded.
☐	☐	☐	(n) Describe adjustments to Plan Compensation: _____

5-4 **PERIOD FOR DETERMINING COMPENSATION.**

(a) **Compensation Period.** Plan Compensation will be determined on the basis of the following period(s) for the contribution sources identified in this AA §5-4. [***Note:*** *If a period other than Plan Year applies for any contribution source, any reference to the Plan Year as it refers to Plan Compensation for that contribution source will be deemed to be a reference to the period designated under this AA §5-4.*]

Deferral	Match	ER	
☑	☐	☐	(1) The Plan Year.
☐	☐	☐	(2) The calendar year ending in the Plan Year.
☐	☐	☐	(3) The Employer's fiscal tax year ending in the Plan Year.
☐	☐	☐	(4) The 12-month period ending on _____ which ends during the Plan Year.

(b) **Compensation while a Participant.** Unless provided otherwise under this subsection (b), in determining Plan Compensation, only compensation paid while an individual is a Participant under the Plan with respect to a particular contribution source will be taken into account.

To count compensation for the entire Plan Year for a particular contribution source, including compensation paid while an individual is not a Participant with respect to such contribution source, check below. (See Section 1.45 of the BPD.)

Deferral	Match	ER	
☐	☐	☐	All compensation paid during the Plan Year will be taken into account, including compensation earned while an individual is not a Participant.

SECTION 6
EMPLOYER CONTRIBUTIONS

6-1 **EMPLOYER CONTRIBUTIONS.** Is the Employer authorized to make Employer Contributions under the Plan?

☐ Yes

☑ No [*If No, skip to Section 6A.*]

[***Note:*** *Any Employer Contribution made pursuant to this AA §6 will count towards the Code §457(e)(15) Maximum Contribution Limit. See Section 5.01 of the BPD.*]

6-2 **EMPLOYER CONTRIBUTION FORMULA.** For the period designated in AA §6-4(a) below, the Employer will make the following Employer Contributions on behalf of Participants who satisfy the allocation conditions designated in AA §6-5 below. Any Employer Contribution authorized under this AA §6-2 will be allocated in accordance with the allocation formula selected under AA §6-3 and AA §6-4, as applicable.

☐ (a) **Discretionary contribution.** The Employer will determine in its sole discretion how much, if any, it will make as an Employer Contribution.

☐ (b) **Fixed contribution.**

- ☐ (1) _____% of each Participant's Plan Compensation.
- ☐ (2) $____ for each Participant.
- ☐ (3) The Employer Contribution will be determined in accordance with the personal service contract or employment contract applicable to the Participant.
- ☐ (4) The Employer Contribution will be determined in accordance with any Collective Bargaining Agreement(s) addressing retirement benefits of Collectively Bargained Employees under the Plan.

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☐ (c) **Service-based contribution.** The Employer will make:

☐ (1) **Discretionary.** A discretionary contribution determined as a uniform percentage of Plan Compensation or a uniform dollar amount for each period of service designated below.

☐ (2) **Fixed percentage.** ___% of Plan Compensation paid for each period of service designated below.

☐ (3) **Fixed dollar.** $___ for each period of service designated below.

The service-based contribution selected under this (c) will be based on the following periods of service:

☐ (4) Each Hour of Service

☐ (5) Each week of employment

☐ (6) Describe period: _____

The service-based contribution is subject to the following rules:

☐ (7) Describe any special provisions that apply to service-based contribution: _____

☐ (d) **FICA Replacement Contribution.** (See Section 3.08 of the BPD).

☐ (1) The Employee will make the 7.5% of Plan Compensation mandatory contribution.

☐ (2) The Employer will make the 7.5% of Plan Compensation mandatory contribution.

☐ (3) The Employee will make a mandatory contribution equal to ___% of Plan Compensation and the Employer will make a mandatory contribution equal to ___% of Plan Compensation.

[***Note:*** *The combined Employer and Employee contribution must equal at least 7.5% of Plan Compensation.*]

☐ (e) **Contributions of accrued sick, PTO and/or vacation leave.**

☐ (1) The Employer will make and allocate Employer Contributions of amounts of accrued unpaid sick leave as follows: _____

☐ (2) The Employer will make and allocate Employer Contributions of amounts of accrued unpaid PTO leave as follows: _____

☐ (3) The Employer will make and allocate Employer Contributions of amounts of accrued unpaid vacation leave as follows: _____

☐ (f) Describe Employer Contribution formula: _____

6-3 **ALLOCATION FORMULA.**

☐ (a) **Pro rata allocation.** The Employer Contribution under AA §6-2(a) will be allocated as:

☐ (1) a uniform percentage of Plan Compensation or

☐ (2) a uniform dollar amount

☐ (b) **Allocation under fixed Employer Contribution.** If a fixed Employer Contribution is selected in AA §6-2(b), the Employer Contribution will be allocated in accordance with the selections made in AA §6-2(b).

☐ (c) **Discretionary allocation.** The Employer Contribution under AA §6-2(a) will be allocated in the sole discretion of the Employer in a manner solely determined by the Employer.

☐ (d) **Service-based allocation.** The service-based Employer Contribution selected in AA §6-2(c) will be allocated in accordance with the selections made in AA §6-2(c).

☐ (e) **Describe other allocation method:** _____

6-4 **SPECIAL RULES.** No special rules apply with respect to Employer Contributions under the Plan, except to the extent designated under this AA §6-4.

☐ (a) **Period for determining Employer Contributions.** In determining the amount of the Employer Contributions to be allocated under this AA §6, the Employer Contribution will be based on Plan Compensation paid during the Plan Year, unless this (a) is selected and one of (1) – (4) is selected below.

Alternatively, the Employer may elect to base the Employer Contributions on Plan Compensation paid during the following period:

☐ (1) Plan Year quarter ☐ (2) calendar month

☐ (3) payroll period ☐ (4) Other: _____

[***Note:*** *Although Employer Contributions are determined on the basis of Plan Compensation paid during the period designated under this subsection (a), this does not require the Employer to actually make contributions or allocate contributions on the basis of such period.*]

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☐ (b) **Limit on Employer Contributions.** The Employer Contribution elected in AA §6-2 may not exceed:

☐ (1) ___% of Plan Compensation

☐ (2) $___

☐ (3) Describe: _____

☐ (c) **Offset of Employer Contribution.**

☐ (1) A Participant's allocation of Employer Contributions under AA §6-2 of this Plan is reduced by contributions under _____[*insert name of plan(s)*].

☐ (2) In applying the offset under this subsection, the following rules apply: _____

☐ (d) **Special rules.** The following special provisions apply with respect to Employer Contributions: _____

6-5 **ALLOCATION CONDITIONS.** A Participant who has otherwise satisfied all conditions to receive an Employer Contribution, must satisfy any allocation conditions designated under this AA §6-5 to receive an allocation of Employer Contributions under the Plan. [***Note:*** *The Plan may not impose allocation conditions on FICA Replacement Contributions.*]

☐ (a) **No allocation conditions** apply with respect to Employer Contributions under the Plan.

☐ (b) **Employment condition.** An Employee must be employed with the Employer on the last day of the Plan Year.

☐ (c) **Minimum service condition.** An Employee must be credited with at least:

☐ (1) ____ Hours of Service during the Plan Year.

☐ (2) ____ consecutive days of employment with the Employer during the Plan Year.

☐ (3) ____ consecutive months of employment with the Employer during the Plan Year.

☐ (d) **Application to a specified period.** The allocation conditions selected under this AA §6-5 apply on the basis of the Plan Year. Alternatively, if an employment or minimum service condition applies under this AA §6-5, the Employer may elect under this subsection to apply the allocation conditions on a periodic basis as set forth below. See Section 3.06(a) of the BPD for a description of the rules for applying the allocation conditions on a periodic basis.

☐ (1) **Period for applying allocation conditions.** Instead of the Plan Year, the allocation conditions set forth under subsection (2) below apply with respect to the following periods:

☐ (i) Plan Year quarter

☐ (ii) calendar month

☐ (iii) payroll period

☐ (iv) Other: _____

☐ (2) **Application to allocation conditions.** If this subsection (2) is checked to apply allocation conditions on the basis of specified periods, to the extent an employment or minimum service allocation condition applies under this AA §6-5, such allocation condition will apply based on the period selected under subsection (1) above, unless designated otherwise below:

☐ (i) Only the employment condition will be based on the period selected in subsection (1) above.

☐ (ii) Only the minimum service condition will be based on the period selected in subsection (1) above.

☐ (iii) Describe any special rules: _____

☐ (e) **Exceptions.**

☐ (1) The above allocation condition(s) will **not** apply if an Employee, during the Plan Year:

☐ (i) dies.

☐ (ii) has a Severance from Employment due to becoming Disabled.

☐ (iii) becomes Disabled.

☐ (iv) has a Severance from Employment after attaining Normal Retirement Age.

☐ If this box is checked, this waiver of allocation conditions applies only once during the Participant's employment with the Employer. Thus, if an Employee is rehired after such a waiver was applied to such Employee, the waiver of allocation conditions will not apply to a subsequent Severance from Employment.

☐ (v) has a Severance from Employment after attaining Early Retirement Age.

☐ If this box is checked, this waiver of allocation conditions applies only once during the Participant's employment with the Employer. Thus, if an Employee is rehired after such a waiver was applied to such Employee, the waiver of allocation conditions will not apply to a subsequent Severance from Employment.

☐ (vi) is on an authorized leave of absence from the Employer.

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☐ (2) The exceptions selected under subsection (1) do not apply to:

☐ (i) an employment condition designated under this AA §6-5.

☐ (ii) a minimum service condition designated under this AA §6-5.

☐ (iii) a Discretionary Employer Contribution.

☐ (iv) a Fixed Employer Contribution.

☐ (f) **Equivalency Method**. For purposes of determining an Employee's Hours of Service for allocation purposes, the Plan will use the Equivalency Method (as defined in Section 2.03(a)(4) of the BPD). The Equivalency Method will apply to:

☐ (1) All Employees.

☐ (2) Only Employees for whom the Employer does not maintain hourly records. For all other Employees, actual hours worked will be used.

☐ (g) **Elapsed Time Method**. For purposes of determining an Employee's service for allocation purposes, the Plan will use the Elapsed Time Method.

☐ (h) **Describe** any special rules governing the allocation conditions under the Plan: _____

6-6 **OPTIONAL TREATMENT OF EMPLOYER CONTRIBUTIONS AS ROTH CONTRIBUTIONS.** Unless elected otherwise below, a Participant may not elect to treat a nonforfeitable Employer Contribution made on behalf of such Participant as a Roth contribution.

☐ (a) A Participant MAY elect to treat a nonforfeitable Employer Contribution made on behalf of such Participant as a Roth contribution. [***Note:*** *The Employer and/or Plan Administrator will develop operational procedures to assist in administering this election*.]

☐ (b) Describe any special rules relating to the optional treatment of nonforfeitable Employer Contributions as a Roth contribution: _____

6-7 **SPECIAL RULES APPLICABLE TO EMPLOYER CONTRIBUTIONS.** The following special rules apply to Employer Contributions: _____

SECTION 6A
SALARY DEFERRALS

6A-1 **SALARY DEFERRALS.** Are Employees permitted to make Salary Deferrals under the Plan?

☑ Yes

☐ No [*If "No" is checked, skip to Section 6B.*]

6A-2 **MAXIMUM LIMIT ON SALARY DEFERRALS.** Unless designated otherwise under this AA §6A-2, a Participant may defer any amount up to the Code §457(e)(15) Maximum Contribution Limit.

☐ (a) **Salary Deferral Limit.** A Participant may not defer an amount in excess of:

☐ (1) _____% of Plan Compensation.

☐ (2) $_____.

[***Note:*** *If both (1) and (2) are checked, the deferral limit is the lesser of the amounts selected.*]

Any limit described in subsection (1) or (2) above applies with respect to the following period:

☐ (3) Plan Year.

☐ (4) the portion of the Plan Year during which the individual is eligible to participate.

☐ (5) each separate payroll period during which the individual is eligible to participate.

☐ (b) **Limits on Salary Deferrals on bonus payments.** [***Note:*** *This §6A-2(b) only may be selected if bonus payments are not excluded under AA §5-3.*]

☐ (1) The same limits specified in (a)(1) and (a)(2) above apply to bonus and non-bonus Plan Compensation. Employees may defer any amounts out of bonus payments, subject to the Code §457(e)(15) Maximum Contribution Limit and any other limit on Salary Deferrals under this AA 6A-2. The Employer may impose special limits on bonus payments under the Salary Deferral Election or in separate administrative procedures.

☐ (2) A Participant may defer up to ____% (*not to exceed 100%*) of any bonus payment (subject to the Code §457(e)(15) Maximum Contribution Limit) without regard to any other limits described under this AA §6A-2. The Employer may impose special limits on bonus payments under the Salary Reduction Agreement election or in separate administrative procedures.

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☐ (3) Describe special rules applicable to deferrals on bonus payments: _____

(c) **Deferral of sick, vacation, PTO and back pay.** Unless otherwise elected below, a Participant may elect to defer accrued sick pay, accrued vacation pay, accrued PTO pay, or back pay if: (1) such pay is otherwise included in Plan Compensation; (2) the Participant timely enters into a Salary Reduction Agreement with respect to such pay; and (3) the Participant is an Employee in the month of deferral.

☐ A Participant may NOT defer accrued sick pay, accrued vacation pay, accrued PTO or back pay.

☐ (d) **Describe** any other limits that apply with respect to Salary Deferrals under the Plan: _____

6A-3 **MINIMUM DEFERRAL RATE.** Unless designated otherwise under this AA §6A-3, no minimum deferral requirement applies under the Plan. Alternatively, a Participant must defer at least the following amount in order to make Salary Deferrals under the Plan.

☐ (a) ___% of Plan Compensation for a payroll period.

☐ (b) $___ for a payroll period.

☐ (c) Describe. _____

6A-4 **CATCH-UP CONTRIBUTIONS.** Age 50 Catch-Up Contributions and Special 457 Catch-Up Contributions (as defined in Section 3.03(d) and (e) of the BPD) are permitted under the Plan, unless designated otherwise under this AA §6A-4.

☐ (a) Age 50 Catch-Up Contributions are not permitted under the Plan.

☐ (b) Special 457 Catch-Up Contributions are not permitted under the Plan.

☐ (c) Describe any special rules applicable to the Age 50 Catch-Up Contributions or Special 457 Catch-Up Contributions:

_____

6A-5 **ROTH DEFERRALS.**

(a) **Availability of Roth Deferrals.**

☑ (1) Roth Deferrals are permitted under the Plan.

☐ (2) Roth Deferrals are not permitted under the Plan.

[***Note:*** *If Roth Deferrals are effective as of a date later than the Effective Date of the Plan, designate such special Effective Date in AA §6A-8 below.*]

(b) **Distribution of Roth Deferrals.** Unless designated otherwise under this subsection, to the extent a Participant takes a distribution or withdrawal from such Participant's Salary Deferral Account(s), the Participant may designate the extent to which such distribution is taken from the Pre-Tax Deferral Account or from the Roth Deferral Account. If a Participant fails to designate the Account, the Plan Administrator may distribute amounts pursuant to a separate administrative policy.

Alternatively, the Employer may designate the order of distributions for the distribution types listed below:

☐ (1) **Distributions and withdrawals.**

☐ (i) Any distribution will be taken on a pro rata basis from the Participant's Pre-Tax Deferral Account and Roth Deferral Account.

☐ (ii) Any distribution will be taken first from the Participant's Roth Deferral Account and then from the Participant's Pre-Tax Deferral Account.

☐ (iii) Any distribution will be taken first from the Participant's Pre-Tax Deferral Account and then from the Participant's Roth Deferral Account.

☐ (2) **Distribution of Excess Deferrals.**

☐ (i) Distribution of Excess Deferrals will be made from Roth and Pre-Tax Deferral Accounts in the same proportion that deferrals were allocated to such Accounts for the calendar year.

☐ (ii) Distribution of Excess Deferrals will be made first from the Roth Deferral Account and then from the Pre-Tax Deferral Account.

☐ (iii) Distribution of Excess Deferrals will be made first from the Pre-Tax Deferral Account and then from the Roth Deferral Account.

(c) **In-Plan Roth Conversions.** Unless elected under this AA §6A-5(c), the Plan does not permit a Participant to make an In-Plan Roth Conversion under the Plan. To override this provision to allow Participants to make an In-Plan Roth Conversion, subsection (1) must be checked.

☑ (1) **Effective date.** Effective January 1, 2013 [*not earlier than 1/1/2013*], a Participant may elect to convert all or any portion of such Participant's non-Roth vested Account Balance to an In-Plan Roth Conversion Account.

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[***Note:*** *The Plan must provide for Roth Deferrals under AA §6A-5(a) as of the effective date designated in this subsection (1). An election under this subsection (1) does not affect an In-Plan Roth Conversion that was allowed under prior Plan provisions.*]

(2) **In-Service Distribution.**

☐ (i) For a Participant to convert such Participant's eligible contributions to Roth through an In-Plan Roth Conversion, the Participant need not be eligible to take a distribution from the Plan. [***Note****: If this subsection (i) is checked, a Participant may convert any or all of the eligible contribution sources to Roth Deferrals through an In-Plan Roth Conversion.*]

☑ (ii) For a Participant to convert such Participant's eligible contributions to Roth through an In-Plan Roth Conversion, a Participant must be eligible for a distribution of any amounts converted to Roth Deferrals through an In-Plan Roth Conversion. Thus, only amounts that are eligible for distribution under AA §9 are eligible for In-Plan Roth Conversion.

(3) **Contribution sources.** An Employee may elect to make an In-Plan Roth Conversion from all available contribution sources under the Plan. To override this default provision and limit the contribution sources available for In-Plan Roth Conversion, select the applicable contribution sources below:

☐ (i) Pre-tax Salary Deferrals

☐ (ii) Employer Contributions

☐ (iii) Matching Contributions

☐ (iv) Rollover Contributions

☐ (v) Describe: _____

(4) **Limits applicable to In-Plan Roth Conversions.** No special limits apply with respect to In-Plan Roth Conversions, unless designated otherwise under this subsection (4).

☐ (i) Roth conversions may only be made from contribution sources that are fully vested (i.e., 100% vested).

☐ (ii) A Participant may not make an In-Plan Roth Conversion of less than $___ (may not exceed $1,000).

☑ (iii) A Participant may not make an In-Plan Roth Conversion of any outstanding loan amount.

[***Note****: If this subsection (iii) is not checked, a Participant may convert amounts that are attributable to an outstanding loan, to the extent the loan relates to a contribution source that is eligible for conversion under subsection (3) above.*]

☐ (iv) Only Participants who are current Employees are allowed to make In-Plan Roth Conversions.

☐ (v) The ability to make In-Plan Roth Conversions is limited to the following events: _____

☐ (vi) Describe: _____

(5) **Amounts available to pay federal and state taxes generated from an In-Plan Roth Conversion.** No special provisions apply to allow Participants to withdraw funds to pay federal or state taxes generated from an In-Plan Roth Conversion, except as provided otherwise under this subsection (5).

☐ (i) **In-service distribution.** If the Plan does not otherwise permit an in-service distribution at the time of the In-Plan Roth Conversion and this subsection (i) is checked, a Participant may elect to take an in-service distribution solely to pay taxes generated from the In-Plan Roth Conversion to the extent such in-service distribution would otherwise be permitted under Section 8.03 of the BPD.

[***Note:*** *If this subsection (i) is checked, a Participant may take an in-service distribution only to the extent such distribution would otherwise be permitted under the provisions of Section 8.03 of the BPD.*]

☐ (ii) **Participant loan.** Generally, a Participant may request a loan from the Plan to the extent permitted under Section 13 of the BPD and AA Appendix B. However, to the extent a Participant loan is not otherwise allowed and this subsection (ii) is selected, a Participant may receive a Participant loan solely to pay taxes generated from an In-Plan Roth Conversion.

[***Note:*** *If this subsection (ii) is selected and Participant loans are not otherwise authorized under the Plan, any Participant loan made pursuant to this subsection (ii) will be made in accordance with the default loan policy described in Section 13 of the BPD.*]

(6) **Distribution from In-Plan Roth Conversion Account.** Distributions from the In-Plan Roth Conversion Account will be permitted in the same manner as permitted for Roth Deferrals, as set forth under AA §9-2, unless designated otherwise under this subsection (6).

☐ Describe distribution options: _____

☐ (d) **Describe** any special rules that apply to Roth Deferrals under the Plan: _____

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6A-6 **SALARY REDUCTION AGREEMENT ELECTIONS.**

(a) **Change or revocation of Salary Reduction Agreement election:** A Participant's election to change or resume a Salary Reduction Agreement election will be effective as set forth under the Salary Reduction Agreement or other written procedures adopted by the Plan Administrator. Unless the Salary Reduction Agreement or other written procedures adopted by the Plan Administrator provide otherwise, a Participant may revoke a Salary Reduction Agreement election (on a prospective basis) at any time.

(b) **Salary deferral elections of rehired participants:** Unless designated otherwise below, a Participant's affirmative Salary Reduction Agreement to defer (or to not defer) will cease upon Severance from Employment and the Participant will need to make a new election upon rehire.

☐ **Participant's affirmative election does not cease upon Severance from Employment.** If this subsection (b) is selected, a terminated Participant's affirmative Salary Reduction Agreement election to defer (or to not defer) **will not cease** upon Severance from Employment and the Participant's affirmative Salary Reduction Agreement election to defer (or to not defer) in effect at the time of Severance from Employment will apply upon rehire.

[***Note:*** *The Employer may modify the rules applicable to rehired Employees under the Salary Reduction Agreement or other administrative procedures*.]

6A-7 **AUTOMATIC CONTRIBUTION ARRANGEMENT.** No automatic contribution provisions apply under Section 3.03(c) of the BPD, unless provided otherwise under this AA §6A-7. *[**Note:** Some States through anti-garnishment laws or otherwise may not allow Automatic Contribution Arrangements.*]

☐ (a) **Automatic deferral election.** Upon becoming eligible to make Salary Deferrals under the Plan (pursuant to AA §3 and AA §4), a Participant will be deemed to have entered into a Salary Deferral Election for each payroll period, unless the Participant completes a Salary Reduction Agreement election (subject to the limitations under AA §6A-2 and AA §6A-3) in accordance with procedures adopted by the Plan Administrator.

☐ (1) **Effective date of Automatic Contribution Arrangement.** The automatic deferral provisions under this AA §6A-7 are effective as of:

☐ (i) The Effective Date of this Plan as set forth under the Employer Signature Page.

☐ (ii) _____ [*insert date*]

☐ (iii) As set forth under a prior Plan document.

[***Note:*** *If this subsection (iii) is checked, the automatic deferral provisions under this AA §6A-7 will apply as of the original Effective Date of the automatic contribution arrangement. Unless provided otherwise under this AA §6A-7, an Employee who is automatically enrolled under a prior Plan document will continue to be automatically enrolled under the current Plan document.*]

☐ (2) **Automatic Contribution Arrangement.** Check this subsection (2) if the Plan is designated as an Automatic Contribution Arrangement, as described under Section 3.03(c) of the BPD. [***Note:*** *Unless an election is made under this AA §6A-7 that is inconsistent with the requirements of an Eligible Automatic Contribution Arrangement (EACA), the Automatic Contribution Arrangement will qualify as an EACA, as described in Section 3.03(c) of the BPD.*]

☐ (i) **Automatic Contribution Arrangement features determined under separate administrative procedures.** The Employer has described the features of its Automatic Contribution Arrangement in a separate administrative policy which is incorporated by reference into this Plan. To the extent that either (ii) or (iii) below is not completed, those features of the Automatic Contribution Arrangement will be determined by the terms of a separate administrative policy.

☐ (ii) **Automatic deferral percentage.**

☐ (A) ___% of Plan Compensation

☐ (B) $___

☐ (iii) **Automatic increase.** If elected under this subsection (iii), the automatic deferral amount will increase each Plan Year by the following amount. (See Section 3.03(c) of the BPD.)

☐ (A) ___% of Plan Compensation

☐ (B) $_____

☐ (C) Describe: _____

Any automatic increase elected under this subsection (iii) will not cause the automatic deferral amount to exceed:

☐ (D) ___% of Plan Compensation

☐ (E) $_____

☐ (F) Describe: _____

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(3) **Application of automatic deferral provisions.** The automatic deferral election under subsection (2) will apply to new Participants and existing Participants as set forth under this subsection (3).

(i) **New Participants.** The automatic deferral provisions apply to all Participants who become eligible on or after the effective date.

(ii) **Current Participants.** The automatic deferral provisions apply to all other eligible Participants as follows:

☐ (A) Automatic deferral provisions apply to all current Participants who have not entered into a Salary Deferral Election (including an election not to defer under the Plan).

☐ (B) Automatic deferral provisions apply to all current Participants who have not entered into a Salary Deferral Election that is at least equal to the automatic deferral amount under subsection (2)(ii). Current Participants who have made a Salary Deferral Election that is less than the automatic deferral amount or who have not made a Salary Deferral Election will automatically be increased to the automatic deferral amount unless the Participant enters into a new Salary Deferral election on or after the effective date of the automatic deferral provisions.

☐ (C) Automatic deferral provisions do not apply to current Participants. Only new Participants described in subsection (i) above are subject to the automatic deferral provisions.

☐ (D) Describe: _____

(iii) **Treatment of automatic deferrals.** Any Salary Deferrals made pursuant to an automatic deferral election will be treated as Pre-Tax Salary Deferrals, unless designated otherwise under this subsection (iii).

☐ Any Salary Deferrals made pursuant to an automatic deferral election will be treated as Roth Deferrals. [***Note:*** *This subsection (iii) may only be checked if Roth Deferrals are permitted under AA §6A-5.*]

☐ (iv) **Expiration of affirmative deferral elections.** Unless this subsection (iv) is elected, for purposes of the automatic deferral provisions of the Plan, a Participant's affirmative elective deferral election will not expire. If this subsection (iv) is elected, a Participant's affirmative deferral election will expire:

☐ (A) at the end of each Plan Year.

☐ (B) Describe date that the affirmative election will expire: _____

If a Participant fails to complete a new affirmative deferral election subsequent to the prior election expiring, the Participant becomes subject to the automatic deferral percentage as specified in the Plan pursuant to the automatic contribution arrangement provisions. Each year, the Participant can always complete a new affirmative election and designate a new deferral percentage.

[***Note:*** *Any Salary Deferral Election (including an election not to defer under the Plan) made after the effective date of the automatic deferral provisions will override such automatic deferral provisions.*]

(4) **Application of automatic increase.** Unless designated otherwise under this subsection (4), if an automatic increase is selected under subsection (2)(iii) above, the automatic increase will take effect as of the first day of the second Plan Year following the Plan Year in which the automatic deferral election first becomes effective with respect to a Participant. (See Section 3.03(c)(2)(iii) of the BPD.)

☐ (i) **First Plan Year.** Instead of applying as of the second Plan Year, the automatic increase described in subsection (2)(iii) takes effect as of the appropriate date (as designated under subsection (iii) below) within the first Plan Year following the date automatic contributions begin.

☐ (ii) **Designated Plan Year.** Instead of applying as of the second Plan Year, the automatic increase described in subsection (2)(iii) takes effect as of the appropriate date (as designated under subsection (iii) below) within the _____ Plan Year following the Plan Year in which the automatic deferral election first becomes effective with respect to a Participant.

☐ (iii) **Effective date.** The automatic increase described under subsection (2)(iii) is generally effective as of the first day of the Plan Year. If this subsection (iii) is checked, instead of becoming effective on the first day of the Plan Year, the automatic increase will be effective on:

☐ (A) The anniversary of the Participant's date of hire.

☐ (B) The anniversary of the Participant's first automatic deferral contribution.

☐ (C) The first day of each calendar year.

☐ (D) Other date: _____

☐ (iv) **Special rules:** _____

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(5) **Treatment of Employees who have a Severance from Employment and who are rehired.** Unless designated otherwise below, in applying the automatic deferral provisions under this AA§6A-7, including the automatic increase provisions, a rehired Participant is treated as a new Employee (regardless of the amount of time since the rehired Employee had a Severance from Employment).

☐ (i) **Rehired Employees not treated as new Employee.** In applying the automatic deferral provisions under this AA§6A-7, including the automatic increase provisions, a rehired Participant is not treated as a new Employee. Thus, for example, a rehired Participant's deferral percentage will be calculated based on the date the individual first began making automatic deferrals under the Plan.

☐ (ii) **Describe special rules applicable to rehired employees:** _____

☐ (b) **Permissible Withdrawals under Automatic Contribution Arrangement.**

☐ (1) **Permissible withdrawals allowed.** If the Plan satisfies the requirements for an EACA (as set forth in Section 3.03(c) of the BPD), a Participant who has Salary Deferrals contributed to the Plan pursuant to an automatic deferral election under this AA §6A-7 may elect to withdraw such contributions (and earnings attributable thereto) within 90 days after the date such Salary Deferrals would otherwise have been included in gross income, unless designated otherwise under subsection (3) below. Unless elected otherwise below, if a Participant does not make automatic deferrals to the Plan for an entire Plan Year (e.g., due to Severance from Employment), the Plan may allow such Participant to take a permissive withdrawal, but only with respect to default contributions made after the Participant's return to employment.

☐ The ability to take permissible withdrawals does not apply to rehired Participants, even if such Participants have not made automatic deferrals to the Plan for an entire Plan Year due to Severance from Employment.

☐ (2) **No permissible withdrawals.** Although the Plan contains an automatic deferral election that is designed to satisfy the requirements of an EACA, the permissible withdrawal provisions under this subsection (b) are not available.

☐ (3) **Time period for electing a permissible withdrawal.** Instead of a 90-day election period, a Participant must request a permissible withdrawal no later than _____ [*may not be less than 30 or more than 90*] days after the date the Plan Compensation from which such Salary Deferrals are withheld would otherwise have been included in gross income.

☐ (c) **Other automatic contribution provisions:** _____

6A-8 **SPECIAL DEFERRAL EFFECTIVE DATES.** Unless designated otherwise under this AA §6A-8, a Participant is eligible to make Salary Deferrals under the Plan as of the Effective Date of the Plan (as designated in the Employer Signature Page). However, in no case may a Participant begin making Salary Deferrals prior to the later of the date the Employee becomes a Participant, the date the Participant executes a Salary Reduction Agreement or the date the Plan is adopted or effective. (See Section 3.03(a) of the BPD.)

To designate a later Effective Date for Salary Deferrals or Roth Deferrals, complete this AA §6A-8.

☐ (a) **Salary Deferrals.** A Participant is eligible to make Salary Deferrals under the Plan as of:

☐ (1) the date the Plan is executed by the Employer (as indicated on the Employer Signature Page).

☐ (2) _____ (insert date).

☑ (b) **Roth Deferrals.** The Roth Deferral provisions under AA §6A-5 are effective as of May 24, 2011. [***Note:*** *If Roth Deferrals are permitted under AA §6A-5 above, Roth Deferrals are effective as of the Effective Date applicable to Salary Deferrals under this AA §6A-8, unless a later date is designated under this subsection.*]

SECTION 6B
MATCHING CONTRIBUTIONS

6B-1 **MATCHING CONTRIBUTIONS.** Is the Employer authorized to make Matching Contributions under the Plan?

☐ Yes

☑ No [*Check this box if there are no Matching Contributions. If "No" is checked, skip to Section 7.*]

[***Note:*** *Any Matching Contribution made pursuant to this AA §6B will count towards the Code §457(e)(15) Maximum Contribution Limit. See Section 5.01 of the BPD.*]

6B-2 **MATCHING CONTRIBUTION FORMULA:** For the period designated in AA §6B-5 below, the Employer will make the following Matching Contribution on behalf of Participants who satisfy the allocation conditions under AA §6B-6 below.

☐ (a) **Discretionary match.** The Employer will determine in its sole discretion how much, if any, it will make as a Matching Contribution and how such Matching Contribution is allocated to Participants.

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☐ (b) **Fixed match.** The Employer will make a Matching Contribution for each Participant equal to:

☐ (1) ____% of Salary Deferrals made for each period designated in AA §6B-5 below.

☐ (2) $____ for each period designated in AA §6B-5 below.

☐ (3) The Employer Contribution will be determined in accordance with the personal service contract or employment contract applicable to the Participant.

☐ (4) The Employer Contribution will be determined in accordance with any Collective Bargaining Agreement(s) addressing retirement benefits of Collectively Bargained Employees under the Plan.

☐ (c) **Tiered match.** The Employer will/may make a Fixed/Discretionary Matching Contribution to all Participants based on the following tiers of Salary Deferrals.

☐ (1) **Tiers as percentage of Plan Compensation.**

Salary Deferrals	Fixed Match	Discretionary Match
☐ (i) Up to __% of Plan Compensation	_____%	☐
☐ (ii) From __% up to __% of Plan Compensation	_____%	☐
☐ (iii) From __% up to __% of Plan Compensation	_____%	☐
☐ (iv) From __% up to __% of Plan Compensation	_____%	☐

☐ (2) **Tiers as dollar amounts.**

Salary Deferrals	Fixed Match	Discretionary Match
☐ (i) Up to $____	_____%	☐
☐ (ii) From $____ up to $____	_____%	☐
☐ (iii) From $____ up to $____	_____%	☐
☐ (iv) Above $____	_____%	☐

☐ (d) **Year of Service match.** The Employer will/may make a fixed %/Discretionary Matching Contribution as a uniform percentage of Salary Deferrals to all Participants based on Years of Service with the Employer.

Years of Service	Matching %	Discretionary Match
☐ (1) From ____ up to ____ Years of Service	_____%	☐
☐ (2) From ____ up to ____ Years of Service	_____%	☐
☐ (3) From ____ up to ____ Years of Service	_____%	☐
☐ (4) From ____ up to ____ Years of Service	_____%	☐
☐ (5) Years of Service equal to and above ____	_____%	☐

For this purpose, a Year of Service is each Plan Year during which an Employee completes at least 1,000 Hours of Service. Alternatively, a Year of Service is: _____

☐ (e) **Other Matching Contribution Formula:** _____

6B-3 **CONTRIBUTIONS ELIGIBLE FOR MATCHING CONTRIBUTIONS ("ELIGIBLE CONTRIBUTIONS").** Unless designated otherwise under this AA §6B-3, all Salary Deferrals, including any Roth Deferrals, Age 50 Catch-Up Contributions and Special 457 Catch-Up Contributions, are eligible for the Matching Contributions designated under AA §6B-2.

☐ (a) **Matching Contributions.** Only the following contribution sources are eligible for a Matching Contribution under AA §6B-2:

☐ (1) Pre-tax Salary Deferrals

☐ (2) Roth Deferrals

☐ (3) Age 50 Catch-Up Contributions

☐ (4) Special 457 Catch-Up Contributions

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☐ (b) **Application of Matching Contributions to elective deferrals made under another plan maintained by the Employer.** If this subsection is checked, the Matching Contributions described in AA §6B-2 will apply to elective deferrals made under another plan maintained by the Employer.

☐ (1) The Matching Contribution designated in AA §6B-2 above will apply to elective deferrals under the following plan maintained by the Employer: _____

☐ (2) The following special rules apply in determining the amount of Matching Contributions under this Plan with respect to elective deferrals under the plan described in subsection (1): _____

[***Note:*** *This subsection may be used to describe special provisions applicable to Matching Contributions provided with respect to elective deferrals under another plan maintained by the Employer, including another Code §457(b) plan, a §401(a) qualified plan, or Code §403(b) plan.*]

☐ (c) **Special rules.** The following special rules apply for purposes of determining the Matching Contribution under this AA §6B-3: _____

6B-4 **LIMITS ON MATCHING CONTRIBUTIONS.** In applying the Matching Contribution formula(s) selected under AA §6B-2 above, the following limits apply.

☐ (a) **No limits apply.** All Salary Deferrals are eligible for Matching Contributions.

☐ (b) **Limit on Salary Deferrals.** The Matching Contribution formula(s) selected in AA §6B-2 above apply only to Salary Deferrals that do not exceed:

☐ (1) _____% of Plan Compensation.

☐ (2) $_____.

☐ (3) A discretionary amount determined by the Employer.

☐ (c) **Limit on Matching Contributions.** The total Matching Contribution provided under the formula(s) selected in AA §6B-2 above will not exceed:

☐ (1) __% of Plan Compensation.

☐ (2) $_____.

☐ (d) **Special limits:** _____

6B-5 **PERIOD FOR DETERMINING MATCHING CONTRIBUTIONS.** The Matching Contribution formula(s) selected in AA §6B-2 above (including any limitations on such amounts under AA §6B-4) are based on Salary Deferrals for the **Plan Year**. To apply a different period for determining the Matching Contributions and limits under AA §6B-2 and AA §6B-4, check one of (a) – (d) below.

☐ (a) payroll period ☐ (b) Plan Year quarter

☐ (c) calendar month ☐ (d) Other: _____

[***Note:*** *Although Matching Contributions (and any limits on those Matching Contributions) will be determined on the basis of the period designated under this AA §6B-5, this does not require the Employer to actually make contributions or allocate contributions on the basis of such period. See Section 3.04(c) of the BPD for a discussion of the "true up" requirements applicable to Matching Contributions.*]

6B-6 **ALLOCATION CONDITIONS.** A Participant who has otherwise satisfied all conditions to receive a Matching Contribution, must satisfy any allocation conditions designated under this AA §6B-6 to receive an allocation of Matching Contributions under the Plan.

☐ (a) **No allocation conditions** apply with respect to Matching Contributions under the Plan.

☐ (b) **Employment condition.** An Employee must be employed with the Employer on the last day of the Plan Year.

☐ (c) **Minimum service condition.** An Employee must be credited with at least:

☐ (1) ____ Hours of Service during the Plan Year.

☐ (2) ____ consecutive days of employment with the Employer during the Plan Year.

☐ (3) ____ consecutive months of employment with the Employer during the Plan Year.

☐ (d) **Application to a specified period.** The allocation conditions selected under this AA §6B-6 apply on the basis of the Plan Year. Alternatively, if an employment or minimum service condition applies under this AA §6B-6, the Employer may elect under this subsection to apply the allocation conditions on a periodic basis as set forth below. (See Section 3.06(a) of the BPD for a description of the rules for applying the allocation conditions on a periodic basis.)

☐ (1) **Period for applying allocation conditions.** Instead of the Plan Year, the allocation conditions set forth under subsection (2) below apply with respect to the following periods:

☐ (i) Plan Year quarter

☐ (ii) calendar month

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☐ (iii) payroll period

☐ (iv) Other: _____

☐ (2) **Application to allocation conditions.** To the extent an employment or minimum service allocation condition applies under this AA §6B-6, such allocation condition will apply based on the period selected under subsection (1) above, unless designated otherwise below:

☐ (i) Only the employment condition will be based on the period selected in subsection (1) above.

☐ (ii) Only the minimum service condition will be based on the period selected in subsection (1) above.

☐ (iii) Describe any special rules: _____

☐ (e) **Exceptions.**

☐ (1) The above allocation condition(s) will **not** apply if the Employee, during the Plan Year:

☐ (i) dies.

☐ (ii) has a Severance from Employment due to becoming Disabled.

☐ (iii) becomes Disabled.

☐ (iv) has a Severance from Employment after attaining Normal Retirement Age.

☐ If this box is checked, this waiver of allocation conditions applies only once during the Participant's employment with the Employer. Thus, if an Employee is rehired after such a waiver was applied to such Employee, the waiver of allocation conditions will not apply to a subsequent Severance from Employment.

☐ (v) has a Severance from Employment after attaining Early Retirement Age.

☐ If this box is checked, this waiver of allocation conditions applies only once during the Participant's employment with the Employer. Thus, if an Employee is rehired after such a waiver was applied to such Employee, the waiver of allocation conditions will not apply to a subsequent Severance from Employment.

☐ (vi) is on an authorized leave of absence from the Employer.

☐ (2) The exceptions selected under subsection (1) do not apply to:

☐ (i) an employment condition designated under this AA §6B-6.

☐ (ii) a minimum service condition designated under this AA §6B-6.

☐ (iii) a Discretionary Matching Contribution.

☐ (iv) a Fixed Matching Contribution.

☐ (f) **Equivalency Method**. For purposes of determining an Employee's Hours of Service for allocation purposes, the Plan will use the Equivalency Method (as defined in Section 2.03(a)(4) of the BPD). The Equivalency Method will apply to:

☐ (1) All Employees.

☐ (2) Only Employees for whom the Employer does not maintain hourly records. For Employees for whom the Employer maintains hourly records, eligibility will be determined based on actual hours worked.

☐ (g) **Elapsed Time Method**. For purposes of determining an Employee's service for allocation purposes, the Plan will use the Elapsed Time Method

☐ (h) **Describe** any special rules governing the allocation conditions under the Plan: _____

6B-7 **OPTIONAL TREATMENT OF MATCHING CONTRIBUTIONS AS ROTH CONTRIBUTIONS.** Unless elected otherwise below, a Participant may not elect to treat a nonforfeitable Matching Contribution made on behalf of such Participant as a Roth Deferrals.

☐ (a) A Participant MAY elect to treat a nonforfeitable Matching Contribution made on behalf of such Participant as a Roth Deferral. [***Note:*** *The Employer and/or Plan Administrator will develop operational procedures to assist in administering this election.*]

☐ (b) Describe special any special rules relating to the optional treatment of nonforfeitable Matching Contributions as a Roth Deferral: _____

6B-8 **OPTIONAL TREATMENT OF QUALIFIED STUDENT LOAN PAYMENTS AS SALARY DEFERRALS FOR MATCHING CONTRIBUTIONS.** Unless elected otherwise below, Qualified Student Loan Payments are not treated as Salary Deferrals for Matching Contribution purposes under the Plan.

☐ (a) Effective ____ (no earlier than the first day of the Plan Year beginning after December 31, 2023), the Employer elects to make Matching Contributions on account of Qualified Student Loan Payments, as provided under BPD Section 3.04(e). The Employer may develop procedures to assist in the administration of this election and/or may specify any special rules under subsection (b) below.

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☐ (b) Describe any special rules applicable to the optional treatment of Qualified Student Loan Payments as Salary Deferrals for Matching Contribution purposes: _____

6B-9 **SPECIAL RULES APPLICABLE TO MATCHING CONTRIBUTIONS.** The following special rules apply to Matching Contributions: _____

SECTION 7
RETIREMENT AGES

7-1 **NORMAL RETIREMENT AGE.** For purposes of applying the Special 457 Catch-Up Contribution under AA §6A-4(b) (and vesting, allocation and other provisions of the Plan referring to Normal Retirement Age, if applicable), Normal Retirement Age under the Plan is:

☐ (a) Age ____ (not earlier than age 65 or later than age 70 ½).

☐ (b) The earlier of age ____ (not earlier than age 65 or later than age 70 ½) or the date immediate retirement benefits are authorized under a pension plan maintained by the Employer (as set forth under Section 5.04(b) of the BPD).

☐ (c) The Participant may designate a Normal Retirement Age that is on or after the earlier of age 65 or the date immediate retirement benefits are authorized under a pension plan maintained by the Employer (as set forth under Section 5.04(b) of the BPD) but not later than age 70½.

☐ (d) The Participant may designate a Normal Retirement Age that is on or after age ____ (not earlier than age 65) but not later than age ____ (not later than age 70½).

☑ (e) Describe Normal Retirement Age: The Participant may designate a Normal Retirement Age that is between age 55 and age 70 1/2

Normal Retirement Age for Qualified Police (elect if applicable):

☐ (f) Age ____ (not earlier than age 40 or later than age 70 ½).

☐ (g) The earlier of age ____ (not earlier than age 40 or later than age 70 ½) or the date immediate retirement benefits are authorized under a pension plan maintained by the Employer (as set forth under Section 5.04(c) of the BPD).

☐ (h) The Participant may designate a Normal Retirement Age that is on or after the earlier of age 40 or the date immediate retirement benefits are authorized under a pension plan maintained by the Employer (as set forth under Section 5.04(b) of the BPD) but not later than age 70½.

☐ (i) The Participant may designate a Normal Retirement Age that is on or after age 65 but not later than age 70½.

☐ (j) Describe Normal Retirement Age for Qualified Police: _____

Normal Retirement Age for Firefighters (elect if applicable):

☐ (k) Age ____ (not earlier than age 40 or later than age 70 ½).

☐ (l) The earlier of age ____ (not earlier than age 40 or later than age 70 ½) or the date immediate retirement benefits are authorized under a pension plan maintained by the Employer (as set forth under Section 5.04(c) of the BPD).

☐ (m) The Participant may designate a Normal Retirement Age that is on or after the earlier of age 40 or the date immediate retirement benefits are authorized under a pension plan maintained by the Employer (as set forth under Section 5.04(b) of the BPD) but not later than age 70½.

☐ (n) The Participant may designate a Normal Retirement Age that is on or after age 65 but not later than age 70½.

☐ (o) Describe Normal Retirement Age for Firefighters: _____

[***Note:*** *A Participant's Normal Retirement Age must be the same as such Participant's normal retirement age under any other 457(b) plans sponsored by the Employer. The designation of a Normal Retirement Age under the Plan does not compel retirement with the Employer.*]

SECTION 8
VESTING AND FORFEITURES

8-1 **CONTRIBUTIONS SUBJECT TO VESTING.** Does the Plan provide for Employer Contributions under AA §6 or Matching Contributions under AA §6B that are subject to vesting?

☐ Yes

☑ No [*If "No" is checked, skip to Section 9.*]

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[***Note**: The imposition of a vesting schedule creates a substantial risk of forfeiture with respect to the contributions subject to the vesting schedule. If a contribution is subject to a substantial risk of forfeiture, such contribution is not counted toward the Maximum Contribution Limit until the substantial risk of forfeiture lapses (i.e., the contributions are vested.). Where an amount is subject to a substantial risk of forfeiture, gains or losses allocable to the amount deferred, through the date that the substantial risk of forfeiture lapses, are taken into account in determining the amount that is considered deferred in the year in which the substantial risk of forfeiture lapses.*]

8-2 **VESTING SCHEDULE.** The vesting schedule under the Plan is as follows for both Employer Contributions and Matching Contributions, to the extent authorized under AA §6 and AA §6B. See Section 7.02(a) of the BPD for a description of the various vesting schedules under this AA §8-2. (Note: If the Employer imposes a vesting schedule, Employer Contributions and Matching Contributions, and attributable earnings, will count towards the Code §457(e)(15) Maximum Contribution Limit for the year in which the amounts become vested.)

ER	**Match**	
☐	☐	(a) Full and immediate vesting.
☐	☐	(b) 3-year cliff vesting schedule
☐	☐	(c) 6-year graded vesting schedule
☐	☐	(d) Modified vesting schedule
		____% immediately on Plan participation
		____% after 1 Year of Service
		____% after 2 Years of Service
		____% after 3 Years of Service
		____% after 4 Years of Service
		____% after 5 Years of Service
		100% after 6 Years of Service
☐	☐	(e) Other: _____

8-3 **VESTING SERVICE.** In applying the vesting schedules under this AA §8, the following service with the Employer is excluded.

☐ (a) None, all service with the Employer counts for vesting purposes.

☐ (b) Service before the original Effective Date of this Plan is excluded. (See Section 7.06 of the BPD for rules regarding Predecessor Service.)

☐ (c) Service completed before the Employee's ____ birthday is excluded.

8-4 **FULL VESTING.** An Employee's vesting percentage increases to 100% if, while employed with the Employer, the Employee:

☐ (a) dies.

☐ (b) has a Severance from Employment due to becoming Disabled.

☐ (c) becomes Disabled.

☐ (d) attains Normal Retirement Age.

☐ (e) Other: _____

☐ (f) Not applicable. No increase in vesting applies.

8-5 **DEFAULT VESTING RULES.** In applying the vesting requirements under this AA §8, the following default rules apply.

- **Year of Service.** An Employee earns a Year of Service for vesting purposes upon completing 1,000 Hours of Service during a Vesting Computation Period. Hours of Service are calculated based on actual hours worked during the Vesting Computation Period.
- **Vesting Computation Period.** The Vesting Computation Period is the Plan Year.

To override the default vesting rules, complete the applicable sections of this AA §8-5. If this AA §8-5 is not completed, the default vesting rules apply.

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ER	Match	
☐	☐	(a) **Year of Service.** Instead of 1,000 Hours of Service, an Employee earns a Year of Service upon the completion of ____ [*must be less than 1,000*] Hours of Service during a Vesting Computation Period.
☐	☐	(b) **Vesting Computation Period.** Instead of the Plan Year, the Vesting Computation Period is:

☐ (1) The 12-month period beginning with the anniversary of the Employee's date of hire.

☐ (2) Describe: _____

[***Note:*** *Any Vesting Computation Period described in (2) must be a 12-consecutive month period and must apply uniformly to all Participants.*]

☐	☐	(c) **Elapsed Time Method.** Vesting service will be determined under the Elapsed Time Method. (See Section 7.03(b) of the BPD.)
☐	☐	(d) **Equivalency Method**. For purposes of determining an Employee's Hours of Service for vesting, the Plan will use the Equivalency Method (as defined in Section 7.03(a)(2) of the BPD). The Equivalency Method will apply to:

☐ (1) All Employees.

☐ (2) Employees who are not paid on an hourly basis. For Employees paid on an hourly basis, vesting will be determined based on actual hours worked.

If this (d) is checked, Hours of Service for vesting will be determined under the following Equivalency Method.

☐ (3) **Monthly.** 190 Hours of Service for each month worked.

☐ (4) **Weekly.** 45 Hours of Service for each week worked.

☐ (5) **Daily.** 10 Hours of Service for each day worked.

☐ (6) **Semi-monthly.** 95 Hours of Service for each semi-monthly period.

☐ (7) **Hours worked.** 870 hours worked treated as 1,000 Hours of Service and 435 hours worked treated as 500 Hours of Service.

☐ (8) **Regular time hours.** 750 regular time hours treated as 1,000 Hours of Service and 375 regular time hours treated as 500 Hours of Service.

8-6 **ALLOCATION OF FORFEITURES.** The Employer may decide in its discretion how to treat forfeitures under the Plan. Alternatively, the Employer may designate under this AA §8-6 how forfeitures occurring during a Plan Year will be treated. [***Note:*** *No elections are required under this AA §8-6, if the Employer decides to use its discretion on how to treat forfeitures.*]

Any forfeitures occurring during a Plan Year will be:

ER	Match	
☐	☐	(a) N/A. All contributions are 100% vested. [*Do not complete the rest of this AA §8-6.*]
☐	☐	(b) Reallocated as additional Employer Contributions or as additional Matching Contributions.
☐	☐	(c) Used to reduce Employer and/or Matching Contributions.

For purposes of subsection (b) or (c), forfeitures will be applied:

☐	☐	(d) for the Plan Year in which the forfeiture occurs.
☐	☐	(e) for the Plan Year following the Plan Year in which the forfeitures occur.

Prior to applying forfeitures under subsection (b) or (c):

☐	☐	(f) Forfeitures may be used to pay Plan expenses. (See Section 7.08(c) of the BPD.)
☐	☐	(g) Forfeitures may not be used to pay Plan expenses.

In determining the amount of forfeitures to be reallocated under subsection (b), the same allocation conditions apply as for the source for which the forfeiture is being allocated under AA §6-5 or AA §6B-6, unless designated otherwise below.

☐	☐	(h) Forfeitures are not subject to any allocation conditions.
☐	☐	(i) Forfeitures are subject to a last day of employment allocation condition.

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ER	Match	
☐	☐	(j) Forfeitures are subject to a ____ Hours of Service minimum service requirement.

In determining the treatment of forfeitures under this AA §8-6, the following special rules apply:

☐	☐	(k) Describe: _____

8-7 **SPECIAL RULES REGARDING CASH-OUT DISTRIBUTIONS.**

(a) **Additional allocations.** If a Participant who has a Severance from Employment receives a complete distribution of such Participant's vested Account Balance while still entitled to an additional allocation, the forfeiture provisions do not apply until the Participant receives a distribution of the additional amounts to be allocated.

To modify the default forfeiture rules, complete this AA §8-7(a).

☐ The forfeiture provisions will apply if a Participant who has a Severance from Employment takes a complete distribution, regardless of any additional allocations during the Plan Year.

(b) **Timing of forfeitures.** A Participant who receives an Involuntary Cash-Out Distribution (as described in AA §9-4(a)) is treated as having an immediate forfeiture of such Participant's nonvested Account Balance.

To modify the forfeiture timing rules to delay the occurrence of a forfeiture upon an Involuntary Cash-Out Distribution, complete this AA §8-7(b).

☐ A forfeiture will occur at the end of the ____ year following the Involuntary Cash-Out Distribution.

8-8 **SPECIAL VESTING RULES.**

ER	Match	
☐	☐	**Describe special vesting provisions**: _____

SECTION 9
DISTRIBUTION PROVISIONS

9-1 **AVAILABLE FORMS OF DISTRIBUTION.**

Lump sum distribution. Unless selected otherwise under subsection (e) below, a Participant may take a distribution of such Participant's entire vested Account Balance in a single lump sum.

Additional distribution options. To provide for additional distribution options, check the applicable distribution forms under this AA §9-1. If a lump sum distribution will not be provided under the Plan, check (e) below and indicate that no lump sum distribution is available under the Plan.

☑ (a) **Partial lump sum.** A Participant may take a distribution of less than the entire vested Account Balance upon Severance from Employment.

☐ **Minimum partial lump sum amount.** A Participant may not take a partial lump sum distribution of less than $____.

☐ (b) **Installment distributions.** A Participant may take a distribution over a specified period not to exceed the life or life expectancy of the Participant (and a designated beneficiary).

☑ (c) **Installment distribution for required minimum distributions.** A Participant may take an installment distribution solely to the extent necessary to satisfy the required minimum distribution rules under Section 9 of the BPD.

☐ (d) **Annuity distributions.** A Participant may elect to have the Plan Administrator use the Participant's vested Account Balance to purchase an annuity.

☑ (e) **Describe:** Repetitive payments

[***Note:*** *Any additional distribution option described in (e) will apply uniformly to all Participants under the Plan and may not be subject to the discretion of the Employer or Plan Administrator.*]

9-2 **PERMISSIBLE DISTRIBUTION EVENTS.**

☑ (a) **Distribution events.** A Participant may withdraw all or any portion of such Participant's vested Account Balance, to the extent designated, upon the occurrence of the event(s) selected under this AA §9-2.

Deferral	Match	ER	
☐	☐	☐	(1) No in-service distributions are permitted.
☑	☐	☐	(2) The attainment of age 70 1/2 (no earlier than age 59½).

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Deferral	Match	ER	
☑	☐	☐	(3) The occurrence of an Unforeseeable Emergency, as described in Section 8.08 of the BPD. ☐ Participants who receive a distribution on the occurrence of an Unforeseeable Emergency may not make Salary Deferrals to the Plan for a period of 6 months.
☐	☐	☐	(4) A Qualified Birth or Adoption Distribution, as described in Section 8.14 of the BPD.
☐	☐	☐	(5) Upon a deemed Severance from Employment when an individual is on active duty for a period of at least 30 days while performing service in the Uniformed Services, as described under Section 15.05(c) of the BPD.
☐	☐	☐	(6) An Emergency Personal Expense Distribution, as described in BPD Section 8.18.
☐	☐	☐	(7) A Domestic Abuse Distribution, as described in BPD Section 8.19.
☐	☐	☐	(8) A Qualified Disaster Recovery Distribution, as described in Section 8.17 of the BPD.
☐	☐	☐	(9) A Qualified Long-Term Care Distribution, as described in Section 8.20 of the BPD. **[*Note: Qualified Long-Term Care Distributions are not available under the Plan until after December 29, 2025*.]**

☐ (b) **Rollover Contributions.** Unless designated otherwise under this subsection (b), a Participant may withdraw amounts attributable to Rollover Contributions at any time. If this subsection (b) is selected, amounts attributable to Rollover Contributions may be distributed only upon the occurrence of the following event(s):

- ☐ (1) No in-service distributions are permitted.
- ☐ (2) The attainment of age _____.
- ☐ (3) The occurrence of an Unforeseeable Emergency, as described in Section 8.08 of the BPD.
- ☐ (4) The Participant qualifies for a Qualified Birth or Adoption Distribution, as described in Section 8.14 of the BPD.
- ☐ (5) Upon a deemed Severance from Employment when an individual is on active duty for a period of at least 30 days while performing service in the Uniformed Services, as described under Section 15.05(c) of the BPD.
- ☐ (6) Describe: _____

☑ (c) **Distribution of Smaller Amounts.**

- ☐ (1) The Employer has discretion to make distribution of smaller amounts as described in Section 8.06 of the BPD.
- ☑ (2) The Participant may withdraw a distribution of smaller amounts as described in Section 8.06 of the BPD.
- ☐ (3) Special rules applicable to the distribution of smaller amounts: _____

☐ (d) **Describe any special distribution rules applicable to a Participant's Transfer Account:** _____

9-3 **SPECIAL RULES FOR IN-SERVICE DISTRIBUTIONS.**

☐ (a) In-service distributions will only be permitted if the Participant is 100% vested in the amounts being withdrawn.

☐ (b) A Participant may take no more than ___ in-service distribution(s) in a Plan Year.

☐ (c) A Participant may not take an in-service distribution of less than $___.

☑ (d) A Participant may not take a distribution after Severance from Employment for the following in-service distributions elected under AA §9-2.

- ☑ (1) Unforeseeable Emergency Distributions.
- ☐ (2) Qualified Birth or Adoption Distributions.
- ☐ (3) Emergency Personal Expense Distributions.
- ☐ (4) Domestic Abuse Distributions.
- ☐ (5) Qualified Long-Term Care Distributions.

☐ (e) Describe any special in-service distribution rules: _____

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9-4 **PARTICIPANT AND SPOUSAL CONSENT.**

(a) **Involuntary Cash-Out Distribution.** A Participant who has a Severance from Employment with a vested Account Balance of $5,000 (or $7,000, effective for distributions made after December 31, 2023) or less will receive an Involuntary Cash-Out Distribution in the form of a lump sum distribution, unless elected otherwise under this AA §9-4. If a Participant's vested Account Balance exceeds $5,000 (or $7,000, effective for distributions made after December 31, 2023), the Participant generally must consent to a distribution from the Plan, except to the extent provided otherwise under this AA §9-4.

☐ (1) **No Involuntary Cash-Out Distributions.** The Plan does not provide for Involuntary Cash-Out Distributions. A Participant who has a Severance from Employment must consent to any distribution from the Plan. (See Section 14.02(a) of the BPD for special rules upon Plan termination.)

☑ (2) **Involuntary Cash-Out Distribution threshold.** Instead of a vested Account Balance Involuntary Cash-Out Distribution threshold of $5,000 (or $7,000, effective for distributions made after December 31, 2023), a Participant who has a Severance from Employment will receive an Involuntary Cash-Out Distribution:

☑ (i) If the Participant's vested Account Balance is less than or equal to $1,000.

☐ (ii) Regardless of the value of the Participant's vested Account Balance (i.e., a Participant who has a Severance from Employment always will receive an Involuntary Cash-Out Distribution and no Participant consent is required).

☐ (3) **Application of Automatic Rollover rules.**

☐ (i) The Automatic Rollover rules described in Section 8.09(f) of the BPD do not apply to any Involuntary Cash-Out Distribution below $1,000, unless elected otherwise under this subsection (i). If this subsection (i) is checked, the Automatic Rollover provisions apply to all Involuntary Cash-Out Distributions (including those below $1,000).

☐ (ii) The Automatic Rollover rules only apply to Involuntary Cash-Out Distributions of Participants who have not attained Normal Retirement Age or age 62, if later.

☐ (4) **Distribution upon attainment of stated age.** Participant consent will not be required with respect to distributions made upon attainment of Normal Retirement Age (or age 62, if later), regardless of the value of the Participant's vested Account Balance.

(5) **Treatment of Rollover Contributions.** In determining whether a Participant's vested Account Balance exceeds the Involuntary Cash-Out threshold for purposes of applying the distribution rules under this AA §9-4 and the Automatic Rollover provisions under Section 8.09(f) of the BPD, Rollover Contributions will be:

☐ (i) excluded.

☑ (ii) included.

(b) **Spousal consent.** Spousal consent is not required for a Participant to receive a distribution or name an alternate Beneficiary, unless designated otherwise under this subsection (b).

☐ (1) **Distribution consent.** A Participant's spouse must consent to any distribution or loan, provided the Participant's vested Account Balance exceeds $____.

☐ (2) **Consent to Beneficiary.** A Participant's spouse must consent to naming someone other than the spouse as Beneficiary under the Plan.

☐ (3) **Spousal consent rights determined under administrative policy.** The Employer will establish spousal consent rights for the Plan under a separate administrative policy.

☐ (c) **Describe** any special rules relating to Participant or spousal consent: _____

9-5 **TIMING OF DISTRIBUTIONS.** The Plan Administrator will make distributions to a Participant (or Beneficiary) as soon as administratively feasible after the occurrence of an event, such as Severance from Employment, that allows a Participant or Beneficiary to receive a distribution. The Plan may condition the receipt of a distribution on Participant and/or spousal consent, as specified under AA §9-4.

9-6 **DETERMINATION OF BENEFICIARY.**

(a) **Default beneficiaries.** Under Section 8.05(c) of the BPD, to the extent a Beneficiary has not been named by the Participant (subject to the spousal consent rules) to receive all or any portion of the deceased Participant's death benefit, such amount shall be distributed to the Participant's surviving spouse (if the Participant was married at the time of death) who shall be considered the designated Beneficiary. If the Participant does not have a surviving spouse at the time of death, distribution will be made to the Participant's surviving children (including legally adopted children, but not including step-children), as designated Beneficiaries, in equal shares. If the Participant has no surviving children, distribution will be made to the Participant's estate.

☑ If this subsection (a) is checked, the default beneficiaries under Section 8.05(c) of the BPD are modified as follows:

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☐ (1) The Plan adopts the default beneficiary rules under Section 8.05(c) of the BPD, except, if the Participant does not have a surviving spouse at the time of death, distribution will be made to the Participant's children (including legally adopted children, but not including step-children), as designated Beneficiaries, **per stirpes.**

☐ (2) The Plan adopts the default beneficiary rules under Section 8.05(c) of the BPD, except, if the Participant does not have a surviving spouse at the time of death, distribution will be made to the Participant's estate.

☐ (3) The Plan adopts the default beneficiary rules under Section 8.05(c) of the BPD, except, if the Participant does not have a surviving spouse at the time of death, distribution will be made in the following order of priority: (1) to the Participant's children (including legally adopted children, but not including step-children), as designated Beneficiaries, **per stirpes; (2)** if there are no children, then to the Participant's surviving parents; and (3) if there are no surviving parents, to the Participant's estate.

☑ (4) Describe other modifications to the default beneficiaries under Section 8.05(c) of the BPD: To the extent a Beneficiary has not been named by the Participant to receive all of any portion of the deceased Participants death benefit, such amount shall be distributed to the Participants surviving Spouse. If the Participant does not have a surviving Spouse, distribution will be made to the Participants surviving children (including legally adopted children, but not including step-children) in equal shares by right of representation (one share for each surviving child and one share for each child who predeceases the Participant with living descendants). If the Participant has no surviving children, distribution will be made to the Participants surviving parents in equal shares. If the Participant has no surviving parents, distribution will be made to the Participants estate.

[***Note**: The description of the modifications to the default beneficiaries must be sufficiently clear for the Plan Administrator to determine the beneficiaries and the method of distribution of the Participant's death benefit.*]

(b) **One-year marriage rule.** For purposes of determining whether an individual is considered the surviving spouse of the Participant, the determination is based on the marital status as of the date of the Participant's death, unless designated otherwise under this subsection (b).

☐ If this subsection (b) is checked, in order to be considered the surviving spouse, the Participant and surviving spouse must have been married for the entire one-year period ending on the date of the Participant's death. If the Participant and surviving spouse are not married for at least one year as of the date of the Participant's death, the spouse will not be treated as the surviving spouse for purposes of applying the distribution provisions of the Plan.

(c) **Divorce of spouse.** Unless elected otherwise under this subsection (c), if a Participant designates such Participant's spouse as Beneficiary and subsequent to such Beneficiary designation, the Participant and spouse are divorced, the designation of the spouse as Beneficiary under the Plan is automatically rescinded as set forth under Section 8.05 of the BPD.

☐ If this subsection (c) is checked, a Beneficiary designation will not be rescinded upon divorce of the Participant and spouse.

[***Note:** Section 8.05 of the BPD and this subsection (c) will be subject to the provisions of a Beneficiary designation entered into by the Participant. Thus, if a Beneficiary designation specifically overrides the election under this subsection (c), the provisions of the Beneficiary designation will control. See Section 8.05 of the BPD.*]

9-7 QUALIFIED DISTRIBUTIONS FOR RETIRED PUBLIC SAFETY OFFICERS.

Unless otherwise elected below, a Participant who is an eligible retired public safety officer may elect, after Severance from Employment, to have qualified health insurance premiums deducted from amounts to be distributed from the Plan that would otherwise be includible in gross income, and to have such amounts paid directly to the insurer or group health plan. (See Section 8.13 of the BPD.)

☐ If this subsection is checked, a Participant who is an eligible retired public safety officer may **NOT** elect to have qualified health insurance premiums deducted from amounts to be distributed from the Plan.

9-8 REQUIRED MINIMUM DISTRIBUTIONS

(a) **Required Beginning Date.** In applying the required minimum distribution rules under Section 9 of the BPD, the Required Beginning Date is the later of attainment of age 72 (age 70 ½ for Participants who attained age 70 ½ prior to January 1, 2020) or Severance from Employment. To override this default provision, check this subsection (a).

☐ The Required Beginning Date is the date the Employee attains age 72 (age 70 ½ for Participants who attained age 70 ½ prior to January 1, 2020), even if the Employee is still employed with the Employer.

(b) **Temporary Waiver for 2020 - Default if Participant failed to elect.** For purposes of applying the required minimum distribution rules for the 2020 calendar year, effective January 1, 2020 (or such later date as designated below), a

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Participant (including an Alternate Payee or beneficiary of a deceased Participant) who was eligible to receive a required minimum distribution for the 2020 calendar year could elect whether to receive the 2020 RMD or 2020 Extended RMD (as defined in Section 9.05(a) of the BPD). If a Participant did not specifically elect to take the 2020 RMD or 2020 Extended RMD from the Plan, such distribution was not made for the 2020 calendar year. The Employer may modify this default rule below, provided such modification satisfies the requirements under Code §401(a)(9)(I) and any applicable IRS guidance. (The temporary waiver for 2020 does not apply to Plans that are established after 2020 and no elections are required for such Plans.)

☐ (1) **2020 RMDs and 2020 Extended RMDs were made.** 2020 RMDs and 2020 Extended RMDs were made to Participants who were otherwise required to receive a required minimum distribution for the 2020 calendar year, unless the Participant elected to not receive such distribution.

☐ (2) **2020 RMDs were not made, but 2020 Extended RMDs were made.** 2020 RMDs were not made for the 2020 calendar year, but 2020 Extended RMDs were made for the 2020 calendar year, unless the Participant elected otherwise.

☐ (3) **2020 RMDs were made, but 2020 Extended RMDs were not made.** 2020 RMDs were made for the 2020 calendar year, but 2020 Extended RMDs were not made for the 2020 calendar year, unless the Participant elected otherwise.

(4) **Direct Rollovers.** Unless elected otherwise below, the Plan offered a Direct Rollover only for distributions that were Eligible Rollover Distributions in the absence of Code §401(a)(9)(I).

Instead of the default above, the following were treated as Eligible Rollover Distributions in 2020:

☐ (i) 2020 RMDs

☐ (ii) 2020 RMDs and 2020 Extended RMDs

☐ (iii) 2020 RMDs, but only if paid with an additional amount that is an Eligible Rollover Distribution without regard to Code §401(a)(9)(I)

☐ (iv) Describe: _____

☐ (5) **Describe other modifications of the default participant election rules:** _____

☐ (6) **Effective date.** Instead of January 1, 2020, the effective date of the amendment providing for a choice of whether a Participant or beneficiary could receive 2020 RMDs was effective: _____

☐ (7) **Describe any special rules, including any special effective dates, the Plan applied to RMDs for 2020:** _____

(c) **Required minimum distribution elections or rules.** Unless the Employer elects otherwise under this AA §9-8(c), RMDs under the Plan when the Participant dies prior to the Required Beginning Date shall be made as follows: (1) if the Participant does not have a Designated Beneficiary, distributions must satisfy the 5-year rule under Code §401(a)(9)(B)(ii); (2) if the participant has a Designated Beneficiary that is not an Eligible Designated Beneficiary, distributions must satisfy the 10-year rule; or (3) if the Participant has an Eligible Designated Beneficiary, distributions must satisfy the life expectancy rule. To override this default provision, complete (1) and/or (2) below.

☑ (1) **Application of life expectancy and 10-year rules to Eligible Designated Beneficiaries.** Instead of the default, the Plan will apply the following rule:

☐ (i) The life expectancy rule applies to all Eligible Designated Beneficiaries.

☐ (ii) The 10-year rule applies to all Eligible Designated Beneficiaries.

☐ (iii) The entire interest of an Eligible Designated Beneficiary will be distributed by the end of the ____ calendar year [may not be greater than 9th] following the year the Participant dies.

☑ (iv) The Participant or Eligible Designated Beneficiary may elect to apply either the 10-year rule or the life expectancy rule to determine the required minimum distributions when the Participant dies before such Participant's Required Beginning Date. If no election is timely made:

☑ (A) the life expectancy rule applies to all Eligible Designated Beneficiaries.

☐ (B) the 10-year rule applies to all Eligible Designated Beneficiaries.

☐ (C) the 10-year rule, reduced to _____ years, applies to all Eligible Designated Beneficiaries.

☐ (v) Describe the manner (including effective date) in which the 10-year rule and life expectancy rule apply to Eligible Designated Beneficiaries: _____

☐ (2) **Special rules.** Describe any special rules that apply for purposes of the required minimum distribution rules under Code §401(a)(9): _____

[***Note:*** *Any special rules for determining required minimum distributions for calendar years beginning on or after January 1, 2022 (or such later date as specified in applicable regulations or guidance) must comply with proposed Treas. Reg §§1.401(a)(9)-1 through 1.401(a)(9)-9 issued on February 24, 2022 (or subsequent applicable final regulations).*]

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9-9 **SPECIAL DISTRIBUTION RULES.**

☐ **Describe any additional distribution options or rules:** _____

SECTION 10
MISCELLANEOUS PROVISIONS

10-1 **PLAN VALUATION.** The Plan is valued **annually**, as of the last day of the Plan Year. In addition, the Plan will be valued on the following dates:

Deferral	Match	ER	
☑	☐	☐	(a) **Daily.** The Plan is valued at the end of each business day during which the New York Stock Exchange is open.
☐	☐	☐	(b) **Monthly.** The Plan is valued at the end of each month of the Plan Year.
☐	☐	☐	(c) **Quarterly.** The Plan is valued at the end of each Plan Year quarter.
☐	☐	☐	(d) **Describe:** _____

[***Note:*** *The Employer may elect operationally to perform interim valuations.*]

10-2 **SPECIAL RULES FOR DETERMINING AMOUNT OF INCOME OR LOSS.** The following special rules apply in determining the amount of income or loss allocated to Participants' Accounts: _____

10-3 **MILITARY SERVICE PROVISIONS -- BENEFIT ACCRUALS.** The benefit accrual provisions under Section 15.05(b) of the BPD do not apply. To apply the benefit accrual provisions under Section 15.05(b) of the BPD, check the box below.

☑ (a) **Eligibility for Plan benefits.** Check this box if the Plan will provide the benefits described in Section 15.05(b) of the BPD. If this box is checked, an individual who dies or becomes disabled in qualified military service will be treated as reemployed for purposes of determining entitlement to benefits under the Plan.

☐ (b) **Describe special rules applicable to military service:** _____

10-4 **AUTOMATIC PORTABILITY TRANSACTIONS.** If elected below or as set forth in separate administrative procedures, the Employer may elect to accept amounts pursuant to an automatic portability transaction as described in Code §4975(f)(12) and BPD Section 4.03.

☐ (a) **Plan will accept automatic portability transactions.** Check this box if the Plan will accept amounts pursuant to an automatic portability transaction as described in Code §4975(f)(12) and BPD Section 4.03.

☐ (b) **Describe special rules applicable automatic portability transactions:** _____

10-5 **GOVERNING LAW.** Unless designated otherwise below, the provisions of this Plan shall be construed, administered, and enforced in accordance with the provisions of applicable Federal Law and, to the extent applicable, the laws of the state in which the Employer has its principal place of business.

☐ The provisions of the Plan shall be construed, administered, and enforced in accordance with the provisions of applicable Federal Law and, to the extent applicable, the laws of the state of _____.

10-6 **OTHER SPECIAL RULES APPLICABLE TO THIS PLAN.** The following special rules, including the applicability of any vendor agreements, apply to this Plan: _____

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APPENDIX A
SPECIAL EFFECTIVE DATES

☐ A-1 **Eligible Employees.** The definition of Eligible Employee under AA §3 is effective as follows:

_____

☐ A-2 **Minimum age and service conditions.** The minimum age and service conditions and Entry Date provisions specified in AA §4 are effective as follows:

_____

☐ A-3 **Compensation definitions.** The compensation definitions under AA §5 are effective as follows:

_____

☐ A-4 **Employer Contributions.** The Employer Contribution provisions under AA §6 are effective as follows:

_____

☐ A-5 **Salary Deferrals.** The Salary Deferral provisions under AA §6A are effective as follows:

_____

☐ A-6 **Matching Contributions.** The Matching Contribution provisions under AA §6B are effective as follows:

_____

☐ A-7 **Retirement ages.** The retirement age provisions under AA §7 are effective as follows:

_____

☐ A-8 **Vesting and forfeiture rules.** The rules regarding vesting and forfeitures under AA §8 are effective as follows:

_____

☐ A-9 **Distribution provisions.** The distribution provisions under AA §9 are effective as follows:

_____

☐ A-10 **Miscellaneous provisions.** The provisions under AA §10 are effective as follows:

_____

☐ A-11 **Special effective date provisions for merged plans.** If any Code §457(b) plan has been merged into this Plan, the following provisions apply:

_____

☐ A-12 **Other special effective dates:**

_____

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APPENDIX B
LOAN POLICY

Use this Appendix B to identify elections dealing with the administration of Participant loans. These elections may be changed without amending this Agreement by substituting an updated Appendix B with new elections.

B-1 Are **PARTICIPANT LOANS** permitted? (See Section 13 of the BPD.)

☐ (a) Yes
☑ (b) No

B-2 **LOAN PROCEDURES.**

☐ (a) Loans will be provided under the default loan procedures set forth in Section 13 of the BPD, unless modified under this Appendix B.

☐ (b) Loans will be provided under a separate written loan policy.

[***Note:*** *If this subsection (b) is checked, do not complete the rest of this Appendix B.*]

B-3 **AVAILABILITY OF LOANS.** Participant loans are available to all Participants and Beneficiaries. Participant loans are not available to a former Employee or Beneficiary. To override this default provision, complete this AA §B-3.

☐ A former Employee or Beneficiary who has a vested Account Balance may request a loan from the Plan.

B-4 **LOAN LIMITS.** The default loan policy under Section 13.03 of the BPD allows Participants to take a loan provided all outstanding loans do not exceed 50% of the Participant's vested Account Balance. To override the default loan policy to allow loans up to $10,000, even if greater than 50% of the Participant's vested Account Balance, check this AA §B-4.

☐ A Participant may take a loan equal to the greater of $10,000 or 50% of the Participant's vested Account Balance.

[***Note:*** *If this AA §B-4 is checked, the Participant may be required to provide adequate security as required under Section 13.06 of the BPD.*]

B-5 **NUMBER OF LOANS.** The default loan policy under Section 13.04 of the BPD restricts Participants to one loan outstanding at any time. To override the default loan policy and permit Participants to have more than one loan outstanding at any time, complete (a) or (b) below.

☐ (a) A Participant may have ____ loans outstanding at any time.

☐ (b) There are no restrictions on the number of loans a Participant may have outstanding at any time.

B-6 **LOAN AMOUNT.** The default loan policy under Section 13.04 of the BPD provides that a Participant may not receive a loan of less than $1,000. To modify the minimum loan amount or to add a maximum loan amount, complete this AA §B-6.

☐ (a) There is no minimum loan amount.

☐ (b) The minimum loan amount is $_____.

☐ (c) The maximum loan amount is $_____.

B-7 **INTEREST RATE.** The default loan policy under Section 13.05 of the BPD provides for an interest rate commensurate with the interest rates charged by local commercial banks for similar loans. To override the default loan policy and provide a specific interest rate to be charged on Participant loans, complete this AA §B-7.

☐ (a) The prime interest rate

☐ plus ____ percentage point(s).

☐ (b) Describe: _____

[***Note:*** *Any interest rate described in this AA §B-7 must be reasonable and must apply uniformly to all Participants.*]

B-8 **PURPOSE OF LOAN.** The default loan policy under Section 13.02 of the BPD provides that a Participant may receive a Participant loan for any purpose. To modify the default loan policy to restrict the availability of Participant loans, complete this AA §B-8.

☐ A Participant may only receive a Participant loan under the following circumstances: _____

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B-9 **APPLICATION OF LOAN LIMITS.** If Participant loans are not available from all contribution sources, the limitations under Code §72(p) and the adequate security requirements of the Department of Labor regulations will be applied by taking into account the Participant's entire Account Balance. To override this provision, complete this AA §B-9.

☐ The loan limits and adequate security requirements will be applied by taking into account only those contribution Accounts which are available for Participant loans.

B-10 **CURE PERIOD.** The Plan provides that a Participant incurs a loan default if a Participant does not repay a missed payment by the end of the calendar quarter following the calendar quarter in which the missed payment was due. To override this default provision to apply a shorter cure period, complete this AA §B-10.

☐ The cure period for determining when a Participant loan is treated as in default will be _____ days (cannot exceed 90) following the end of the month in which the loan payment is missed.

B-11 **PERIODIC REPAYMENT – PRINCIPAL RESIDENCE.** If a Participant loan is for the purchase of a Participant's primary residence, the loan repayment period for the purchase of a principal residence may not exceed ten (10) years.

☐ (a) The Plan does not permit loan payments to exceed five (5) years, even for the purchase of a principal residence.

☐ (b) The loan repayment period for the purchase of a principal residence may not exceed _____ years (may not exceed 30).

☐ (c) Loans for the purchase of a Participant's primary residence may be payable over any reasonable period commensurate with the period permitted by commercial lenders for similar loans.

B-12 **SEVERANCE FROM EMPLOYMENT.** Section 13.10 of the BPD provides that a Participant loan becomes due and payable in full upon the Participant's Severance from Employment. To override this default provision, complete this AA §B-12.

☐ A Participant loan will not become due and payable in full upon the Participant's Severance from Employment.

B-13 **DIRECT ROLLOVER OF A LOAN NOTE.** Section 13.10(b) of the BPD provides that upon Severance from Employment a Participant may request the Direct Rollover of a loan note. To override this default provision, complete this AA §B-13.

☐ A Participant may **not** request the Direct Rollover of the loan note upon Severance from Employment.

B-14 **LOAN RENEGOTIATION.** The default loan policy provides that a Participant may renegotiate a loan, provided the renegotiated loan separately satisfies the reasonable interest rate requirement, the adequate security requirement, the periodic repayment requirement and the loan limitations under the Plan. The Employer may restrict the availability of renegotiations to prescribed purposes provided the ability to renegotiate a Participant loan is available on a non-discriminatory basis. To override the default loan policy and restrict the ability of a Participant to renegotiate a loan, complete this AA §B-14.

☐ (a) A Participant may **not** renegotiate the terms of a loan.

☐ (b) The following special provisions apply with respect to renegotiated loans: _____

B-15 **SOURCE OF LOAN.** Participant loans may be made from all available contribution sources, to the extent vested, unless designated otherwise under this AA §B-15.

☐ Participant loans will not be available from the following contribution sources: _____

B-16 **SPOUSAL CONSENT**. Spousal consent is not required for a Participant to receive a loan. To override this provision, complete this AA §B-16.

☐ Spousal consent is required to receive a Participant loan.

B-17 **MODIFICATIONS TO DEFAULT LOAN PROVISIONS.**

☐ The following special rules will apply with respect to Participant loans under the Plan: _____

[***Note:*** *Any provision under this AA §B-17 must satisfy the requirements under Code §72(p) and the regulations thereunder and will control over any inconsistent provisions of the Plan dealing with the administration of Participant loans.*]

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APPENDIX C
ADMINISTRATIVE ELECTIONS

Use this Appendix C to identify certain elections dealing with the administration of the Plan. These elections may be changed without re-executing this Agreement by substituting an updated Appendix C with new elections.

C-1 **DIRECTION OF INVESTMENTS.** Are Participants permitted to direct investments?

☐ (a) No

☑ (b) Yes

Specify Accounts:

☑ (1) All Accounts

☐ (2) Pre-Tax Salary Deferral Account

☐ (3) Roth Deferral Account

☐ (4) Matching Contribution Account

☐ (5) Employer Contribution Account

☐ (6) Rollover Contributions Account

☐ (7) Transfer Account

☐ (8) Other: _____

☐ (c) Describe any special rules that apply for purposes of direction of investments: _____

C-2 **ROLLOVER CONTRIBUTIONS.** Does the Plan accept **Rollover Contributions**?

☐ (a) No

☑ (b) Yes

☑ (1) If this subsection (1) is checked, an Employee may make a Rollover Contribution to the Plan prior to becoming a Participant in the Plan.

☐ (2) Check this subsection (2) if the Plan will accept Rollover Contributions from former Employees with an Account Balance under the Plan.

☑ (3) Describe any special rules for accepting Rollover Contributions: From any Eligible Retirement Plan eligible to be rolled into this Plan excluding After-Tax contributions

[***Note:*** *The Employer may designate in this subsection (3), or in separate written procedures, the extent to which it will accept rollovers from designated plan types. For example, the Employer may decide not to accept rollovers from certain designated plans (e.g., 403(b) plans, §457 plans or IRAs). Any special rollover procedures will apply uniformly to all Participants under the Plan.*]

C-3 **QDRO PROCEDURES.** Do the **default QDRO procedures** under Section 11.06 of the BPD apply?

☑ (a) No

☐ (b) Yes

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EMPLOYER SIGNATURE PAGE

PURPOSE OF EXECUTION. This Signature Page is being executed to effect:

☐ (a) The adoption of a **new plan**, effective _____ [*Date can be no earlier than the first day of the Plan Year in which the Plan is adopted*].

☑ (b) The **restatement** of an existing plan, effective July 31, 2025 [*Date can generally be no earlier than the first day of the Plan Year in which the Plan is adopted*].

(1) Name of Plan(s) being restated: Hampton Roads Sanitation District 457 Plan and Trust

(2) The original effective date of the plan(s) being restated: October 31, 1980

☐ (c) An **amendment** of the Plan. If this Plan is being amended, the updated pages of the Adoption Agreement may be substituted for the original pages in the Adoption Agreement. All prior Employer Signature Pages should be retained as part of this Adoption Agreement.

(1) Effective Dates(s) of amendment: _ [*Date can generally be no earlier than the first day of the Plan Year in which the Plan is adopted*]

(2) Name of plan being amended: _____

(3) The original effective date of the plan(s) being amended: _____

(4) Identify the section(s) of the Adoption Agreement being amended: _____

Hampton Roads Sanitation District
(Name of Employer)

Jay Bernas — CEO and General Manager
(Name of authorized representative) — *(Title)*

(Signature) — *(Date)*

Employers should consult with legal counsel to ensure that the Plan meets applicable federal, State and local law requirements.

The IRS does not maintain a pre-approved plan program or a determination letter program for Code §457(b) plans. Employers who want the Internal Revenue Service to review their Code §457(b) plan document or consider any other document form issue may request a private letter ruling. See Revenue Procedure 2023-1 (or annual successor Revenue Procedure) for details.

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TRUST DECLARATION

Effective date of Trust Declaration: July 31, 2025

The Trustee's Investment Powers are:

☐ (a) **Discretionary.** A Trustee is a Discretionary Trustee to the extent the Trustee has exclusive authority and discretion with respect to the investment, management or control of Plan assets.

☐ (b) **Nondiscretionary.** A Trustee is a Directed Trustee with respect to the investment of Plan assets to the extent the Trustee is subject to the direction of the Plan Administrator or the Employer.

☐ (c) **No Trustee.** Plan is funded exclusively with custodial accounts, annuity contracts, and/or insurance contracts. (See Section 12.12 of the BPD.)

☑ (d) **Determined under a separate trust agreement.**

Name of Trustee: Nationwide Trust Company, FSB

Title of Trust Agreement: Nationwide Trust Agreement

Address: 3 Nationwide Plaza

Columbus, OH 43215

Description of any special Trustee powers:

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GOVERNMENTAL 457(b) PLAN
BASIC PLAN DOCUMENT

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SECTION 1
PLAN DEFINITIONS

This Section contains definitions for common terms that are used throughout the Plan. All capitalized terms under the Plan are defined in this Section or in the relevant section of the Plan document where such term is used.

1.01 **Account.** The separate Account that the Plan Administrator maintains for each Participant under the Plan. A Participant may have any (or all) of the following separate Accounts under the Plan:

- Pre-tax Deferral Account
- Roth Deferral Account
- Employer Contribution Account
- Matching Contribution Account
- Rollover Contribution Account
- Roth Rollover Contribution Account
- In-plan Roth Conversion Account
- Transfer Account

The Plan Administrator will maintain separate Accounts for the vested and non-vested portions of any Account.

The Plan Administrator may establish other Accounts, as it deems necessary, for the proper administration of the Plan.

1.02 **Account Balance.** Account Balance shall mean a Participant's (or Beneficiary's) balances in all of the Accounts that the Plan Administrator maintains for the Participant (or Beneficiary) under the Plan.

1.03 **Adoption Agreement ("Agreement" or "AA").** The Adoption Agreement contains the elective provisions that an Employer may complete to supplement or modify the provisions under the Plan. Each adopting Employer must complete and execute the Adoption Agreement. Employers adopting the Plan (other than the Employer that executes the Signature Page of the Adoption Agreement) must execute a Participating Employer Adoption Page under the Adoption Agreement ("Participating Employer Adoption Page"). An Employer may adopt more than one Adoption Agreement associated with this Plan document. Each executed Agreement is treated as a separate Plan.

1.04 **Age 50 Catch-Up Contributions.** Salary Deferrals made to the Plan that are in excess of an otherwise applicable Plan limit and that are made by Participants who are age 50 or over by the end of their taxable years. See Section 3.03(d).

1.05 **Age 50 Catch-Up Contribution Limit.** The annual limit applicable to Age 50 Catch-Up Contributions as set forth in Section 3.03(d)(1).

1.06 **Alternate Payee.** A person designated to receive all or a portion of the Participant's benefit pursuant to a QDRO. See Section 11.06.

1.07 **Anniversary Years.** An alternative period for measuring Eligibility Computation Periods (under Section 2.03(a)(2)) and Vesting Computation Periods (under Section 7.04). An Anniversary Year is any 12-month period which commences with the Employee's Employment Commencement Date or which commences with the anniversary of the Employee's Employment Commencement Date.

1.08 **Annuity Starting Date**. The date a Participant commences distribution from the Plan. If a Participant commences distribution with respect to a portion of such Participant's Account Balance, a separate Annuity Starting Date applies to any subsequent distribution. If distribution is made in the form of an annuity, the Annuity Starting Date may be treated as the first day of the first period for which annuity payments are made.

1.09 **Beneficiary.** A person designated by the Participant (or by the terms of the Plan) to receive a benefit under the Plan upon the death of the Participant.

1.10 **Code.** The Internal Revenue Code of 1986, as amended.

1.11 **Collectively Bargained Employee.** An Employee who is included in a unit of Employees covered by a collective bargaining agreement between the Employer and Employee representatives and whose retirement benefits are subject to good faith bargaining. Such Employees may be excluded from the Plan if designated under AA §3-1(b). See Section 2.02(b)(1) for additional requirements related to the exclusion of Collectively Bargained Employees.

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1.12 **Computation Period.** The 12-consecutive month period used for measuring whether an Employee completes a Year of Service for eligibility or vesting purposes.

(a) **Eligibility Computation Period.** The 12-consecutive month period used for measuring Years of Service for eligibility purposes. See Section 2.03(a)(2).

(b) **Vesting Computation Period.** The 12-consecutive month period used for measuring Years of Service for vesting purposes. See Section 7.04.

1.13 **Custodian.** The company(ies) that hold custodial accounts held under the Plan.

1.14 **Designated Beneficiary.** A Beneficiary who is designated by the Participant (or by the terms of the Plan) for purposes of the required minimum distribution rules under Code §401(a)(9).

1.15 **Differential Pay.** Certain payments made by the Employer to an individual while the individual is performing service in the Uniformed Services.

1.16 **Direct Rollover.** A rollover, at the Participant's direction, of all or a portion of the Participant's vested Account Balance directly to an Eligible Retirement Plan.

1.17 **Disabled.** An individual is considered Disabled for purposes of applying the provisions of this Plan if the individual meets the definition of Disabled elected by the Employer under AA §2-7 or as defined in separate administrative procedures. If the Plan references a third-party determination of a Participant being Disabled, the Plan Administrator may rely on such determination. A Disabled Participant may make Salary Deferrals to the extent such Participant has eligible Plan Compensation to defer and has not had a Severance from Employment.

1.18 **Distribution Calendar Year.** A calendar year for which a minimum distribution is required. See Section 9.

1.19 **Effective Date.** The date this Plan, including any restatement or amendment of this Plan, is effective. (See the Employer Signature Page of the Adoption Agreement ("Employer Signature Page").

1.20 **Elapsed Time.** A special method for crediting service for eligibility or vesting. See Section 2.03(a)(5) for more information on the Elapsed Time method of crediting service for eligibility purposes and Section 7.03(b) for more information on the Elapsed Time method of crediting service for vesting purposes. Also see Section 3.06 for information on the Elapsed Time method for allocation conditions.

1.21 **Eligible Employee.** An Employee who is not excluded from participation under Section 2.02 of the Plan or AA §3-1.

1.22 **Eligible Rollover Distribution.** An amount distributed from the Plan that is eligible for rollover to an Eligible Retirement Plan, as defined under Section 8.09(a) of the Plan.

1.23 **Eligible Retirement Plan.** A plan described under Section 8.09(b) of the Plan.

1.24 **Employee.** An Employee is any individual employed by the Employer (including any Related Employer). An Independent Contractor is not an Employee. An Employee is not eligible to participate under the Plan if the individual is not an Eligible Employee under Section 2.02. The term Employee does not include a leased employee.

1.25 **Employer.** Except as otherwise provided, Employer means the Employer that adopts this Plan and any Related Employer. (See **Section 16** of the Plan for rules that apply to Employers that execute a Participating Employer Adoption Page.) The Employer must be a State, political subdivision of a State, or any agency or instrumentality of a State or political subdivision of a State, as provided under Code §457(e)(1)(A).

1.26 **Employer Contributions.** Contributions the Employer makes pursuant to AA §6. See Section 3.02.

1.27 **Employment Commencement Date.** The date the Employee first performs an Hour of Service for the Employer.

1.28 **Entry Date.** The date on which an Employee becomes a Participant upon satisfying the Plan's minimum age and service conditions. See Section 2.03(b).

1.29 **Equivalency Method.** An alternative method for crediting Hours of Service for purposes of eligibility and vesting. See Section 2.03(a)(4) for eligibility provisions and Section 7.03(a)(2) for vesting provisions.

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1.30 **Excess Amount.** Amounts which exceed the Code §457(b) Maximum Contribution Limit.

1.31 **FICA Replacement Plan.** This Plan may qualify as a FICA Replacement Plan under Code §3121(b)(7)(F) if the requirements under Section 3.08 are satisfied.

1.32 **Governmental Plan.** A Governmental Plan is a Plan established and maintained for its Employees by a State, and any agency or instrumentality of a State or political subdivision of a State as described in Code §457(e)(1)(A).

1.33 **Hour of Service.** Each Employee of the Employer will receive credit for each Hour of Service such Employee works for purposes of applying the eligibility, vesting and allocation rules under the Plan. An Employee will not receive credit for the same Hour of Service under more than one category listed below.

(a) **Performance of duties.** Hours of Service include each hour for which an Employee is paid, or entitled to payment, for the performance of duties for the Employer. These hours will be credited to the Employee for the computation period in which the duties are performed.

(b) **Nonperformance of duties.** Hours of Service include each hour for which an Employee is paid, or entitled to payment, by the Employer on account of a period of time during which no duties are performed (irrespective of whether the employment relationship has terminated) due to vacation, holiday, illness, incapacity (including disability), layoff, jury duty, military duty or leave of absence. No more than 501 hours of service will be credited under this paragraph for any single continuous period (whether or not such period occurs in a single Computation Period). Hours under this paragraph will be calculated and credited pursuant to §2530.200b-2 of the Department of Labor Regulations which is incorporated herein by this reference.

(c) **Back pay award.** Hours of Service include each hour for which back pay, irrespective of mitigation of damages, is either awarded or agreed to by the Employer. The same Hours of Service will not be credited both under subsection (a) or subsection (b), as the case may be, and under this subsection (c). These hours will be credited to the Employee for the Computation Period(s) to which the award or agreement pertains rather than the Computation Period in which the award, agreement or payment is made.

(d) **Related Employers.** Hours of Service will be credited for employment with any Related Employer.

1.34 **Includible Compensation.** As used under this Plan, the term Includible Compensation has the same meaning as Total Compensation, as defined in **Section 1.61** of the Plan.

1.35 **Independent Contractor.** An individual that provides goods or services to the Employer under terms specified in a contract or within some other type of agreement. Generally, an individual is an Independent Contractor if the Employer has the right to control or direct only the result of the individual's work and not what will be done and how it will be done. An Independent Contractor is not an Employee unless designated otherwise under AA §3-2.

1.36 **Matching Contributions.** Matching Contributions are contributions made by the Employer on behalf of a Participant on account of Salary Deferrals made by such Participant, as designated under AA §6B.

1.37 **Maximum Contribution Limit.** The limit on contributions made to the Plan as described under **Section 5** of the Plan.

1.38 **Normal Retirement Age.** The age selected under AA §7-1.

1.39 **Part-Time Employee.** Unless defined otherwise under AA §3-1(l), a Part-Time Employee is an Employee who is normally scheduled to work 20 or fewer hours per week. Notwithstanding the foregoing, if the Employer is a post-secondary educational institution, an Employee who is a teacher shall not be considered a Part-Time Employee if such Employee normally has classroom hours of one-half or more of the number of classroom hours designated by the Employer as constituting full-time employment, provided that such designation is reasonable under all of the facts and circumstances.

1.40 **Participant.** Except as provided under AA §3-1, a Participant is an Employee (or former Employee) who has satisfied the conditions for participating under the Plan, as described in Section 2.03 and AA §4-1. A Participant also includes any Employee (or former Employee) who has an Account Balance under the Plan, including an Account Balance derived from a rollover or transfer from another plan or IRA. A Participant is entitled to share in an allocation of contributions or forfeitures under the Plan for a given year only if the Participant is an Eligible Employee as defined in Section 2.02, and satisfies the allocation conditions set forth in Section 3.06.

An Employee is treated as a Participant with respect to Salary Deferrals once the Employee has satisfied the eligibility conditions under AA §4-1 for making such contributions, even if the Employee chooses not to actually make such contributions

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to the Plan. An Employee is treated as a Participant with respect to Matching Contributions once the Employee has satisfied the eligibility conditions under AA §4-1 for receiving such contributions, even if the Employee does not receive a Matching Contribution because of the Employee's failure to make contributions eligible for the Matching Contribution.

1.41 **Participating Employer.** An Employer that adopts this Plan by executing the Participating Employer Adoption Page. See **Section 16** for the rules applicable to Participating Employers.

1.42 **Period of Severance.** A continuous period of time during which the Employee is not employed by the Employer, and which is used to determine an Employee's Participation under the Elapsed Time method. See Section 2.03(a)(5) for rules regarding eligibility and Section 7.03(b) for rules regarding vesting.

1.43 **Plan.** The Plan is the deferred compensation plan, established or continued by the Employer for the benefit of its Employees under this Plan document, which is to be interpreted and operated in compliance with the requirements of Code §457(b) and applicable regulations. The Employer must be an eligible employer under Code §457(e)(1)(A) to establish the Plan and the Plan must satisfy the requirements of Treas. Reg. 1.457(b). The Plan consists of the Basic Plan Document (BPD) and the elections made under the Adoption Agreement. The Basic Plan Document is the portion of the Plan that contains the non-elective provisions. The Employer may supplement or modify the Basic Plan Document through its elections in the Adoption Agreement or by separate governing documents. If the Employer adopts more than one Adoption Agreement under this Plan, then each executed Adoption Agreement represents a separate Plan.

1.44 **Plan Administrator.** The Plan Administrator is the person designated to be responsible for the administration and operation of the Plan. Unless otherwise designated by the Employer, the Plan Administrator is the Employer. If another Employer has executed a Participating Employer Adoption Page, the Employer referred to in this Section is the Employer that executes the Employer Signature Page.

1.45 **Plan Compensation.** Plan Compensation is Total Compensation, as modified under AA §5-3, which is actually paid to an Employee during the determination period (as defined in subsection (a) below). In determining Plan Compensation, the Employer may elect under AA §5-3 to exclude all Salary Deferrals, pre-tax contributions to a cafeteria plan or a Code §457 plan, and qualified transportation fringes under Code§132(f)(4). In addition, the Employer may elect under AA §5-3 to exclude other designated elements of compensation.

Plan Compensation generally includes amounts an Employee earns with a Participating Employer and amounts earned with a Related Employer (even if the Related Employer has not executed a Participating Employer Adoption Page). However, the Employer may elect under AA §5-3(j) to exclude all amounts earned with a Related Employer that has not executed a Participating Employer Adoption Page.

(a) **Determination period.** Unless designated otherwise under AA §5-4(a), Plan Compensation is determined based on the Plan Year. Alternatively, the Employer may elect under AA §5-4 to determine Plan Compensation on the basis of the calendar year ending in the Plan Year or any other 12-month period ending in the Plan Year. If the determination period is the calendar year or other 12-month period ending in the Plan Year, for any Employee whose date of hire is less than 12 months before the end of the designated 12-month period, Plan Compensation will be determined over the Plan Year.

(b) **Partial period of participation.** If an Employee is a Participant for only part of a Plan Year, Plan Compensation may be determined over the entire Plan Year or over the period during which such Employee is a Participant. In determining whether an Employee is a Participant for purposes of applying this subsection (b), the Employee's status will be determined solely with respect to the contribution type for which the definition of Plan Compensation is being determined. Plan Compensation does not include any amounts paid for any period while an individual is not an Eligible Employee (as defined in Section 2.02).

1.46 **Plan Year.** The 12-consecutive month period designated under AA §2-4 on which the records of the Plan are maintained.

1.47 **Pre-Tax Deferrals.** Pre-Tax Deferrals are a Participant's Salary Deferrals that are not includible in the Participant's gross income at the time deferred.

1.48 **Predecessor Employer.** An employer that previously employed the Employees of the Employer.

1.49 **Qualified Domestic Relations Order (QDRO).** A domestic relations order that provides for the payment of all or a portion of the Participant's benefits to an Alternate Payee and satisfies the requirements under Code §414(p). See Section 11.06.

1.50 **Reemployment Commencement Date.** The first date upon which an Employee is credited with an Hour of Service following a break in employment service (or Period of Severance, if the Plan is using the Elapsed Time method of crediting service).

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1.51 **Related Employer.** A Related Employer means a controlled group of employers under common control. This determination is made consistent with the principles set forth under Treas. Reg.§1.414(c)-5 and any other guidance issued by the IRS relating to control groups of tax-exempt or governmental employers. For purposes of applying the provisions under this Plan, the Employer and any Related Employers are treated as a single Employer, unless specifically stated otherwise. See **Section 16.05** for operational rules that apply when the Employer is a member of a Related Employer group. Also see **Section 2.02(c)** or **Section 16** for rules regarding participation of Employees of Related Employers.

1.52 **Required Beginning Date.** The date by which minimum distributions must commence under the Plan. See **Section 9.03(f)**.

1.53 **Rollover Contribution.** A contribution made by an Employee to the Plan attributable to an Eligible Rollover Distribution, as defined under **Section 8.09(a)** of the Plan. See Section 3.05 for rules regarding the acceptance of Rollover Contributions under this Plan.

1.54 **Roth Deferrals.** Roth Deferrals are Salary Deferrals that are includible in the Participant's gross income at the time deferred and have been irrevocably designated as Roth Deferrals in the Participant's Salary Reduction Agreement. A Participant's Roth Deferrals will be maintained in a separate Account containing only the Participant's Roth Deferrals and gains and losses attributable to those Roth Deferrals.

1.55 **Salary Deferrals.** Amounts contributed to the Plan at the election of the Participant, in lieu of cash compensation, which are made pursuant to a Salary Reduction Agreement or other deferral mechanism, and which are not includible in the gross income of the Employee pursuant to Code §457. Salary Deferrals may include Roth Deferrals and Pre-Tax Deferrals.

1.56 **Salary Reduction Agreement.** A written agreement between a Participant and the Employer, whereby the Participant elects to have a specific percentage or dollar amount withheld from such Participant's Plan Compensation and the Employer agrees to contribute such amount into the 457(b) Plan. See Section 3.03(a).

1.57 **Seasonal Employee.** An Employee who normally works on a full-time basis less than five months during any year.

1.58 **Severance from Employment.** The Employee ceases to be employed by the Employer maintaining the Plan due to death, retirement or other severance from employment as provided under Treas. Reg. §1.457-6(b)(1). An Independent Contractor is considered to have a Severance from Employment upon the expiration of the contract under which the services are performed as provided under Treas. Reg. §1.457-6(b)(2). An Independent Contractor will be deemed to have a Severance from Employment if: (1) no amount will be paid from the Plan before a date that is at least 12 months after the contract expires, and (2) no amount payable to the Participant on the date described in (1) is paid if, before such date, the Participant performs services for the employer as an Independent Contractor or as an Employee.

1.59 **Special 457 Catch-Up Contributions.** A special catch-up contribution allowed for certain Employees as permitted under Code §457(b)(3) and described under **Section 5.04**.

1.60 **Temporary Employee.** Any Employee performing services under a contractual arrangement with the Employer of two years or less duration. Possible contract extensions may be considered in determining the duration of a contractual arrangement, but only if, under the facts and circumstances, there is a significant likelihood that the Employee's contract will be extended. Future contract extensions are considered significantly likely to occur for purposes of this rule if:

(a) on average 80 percent of similarly situated Employees have had bona fide offers to renew their contracts in the immediately preceding two academic or calendar years; or

(b) the Employee with respect to whom the determination is being made has a history of contract extensions with respect to such Employee's current position.

An Employee is not considered a Temporary Employee solely because such Employee is included in a unit of Employees covered by a collective bargaining agreement of two years or less duration.

1.61 **Total Compensation.** A Participant's compensation for services with the Employer. The term Total Compensation as used in this Plan has the same meaning as "includible compensation" as defined under Treas. Reg. §1.457-2(g). As used under this Plan, the terms Total Compensation and Includible Compensation have the same meaning. Total Compensation may be defined in AA §5-1 to be either W-2 Wages, Wages under Code §3401(a), or Code §415 Compensation. Each definition of Total Compensation includes Salary Deferrals, elective contributions to a cafeteria plan under Code §125 or to an eligible deferred compensation plan under Code §401(k) or Code §403(b), and elective contributions that are not includible in the Employee's gross income as a qualified transportation fringe under Code §132(f)(4). In the case of a Participant who for a taxable year excludes from gross income under Code §131 a qualified foster care payment which is a difficulty of care payment, the

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Participant's Total Compensation shall be increased by the amount of the excludable difficulty of care payments made by the Employer.

For an Independent Contractor, Total Compensation means the income reportable by the Employer for services performed for the Employer by the Independent Contractor.

Unless described otherwise under AA §5-3(k), a reference to elective contributions under a Code §125 cafeteria plan includes any amounts that are not available to a Participant in cash in lieu of group health coverage because the Participant is unable to certify that such Participant has other health coverage. Such "deemed §125 compensation" will be treated as an amount under Code §125 only if the Employer does not request or collect information regarding the Participant's other health coverage as part of the enrollment process for the health plan.

(a) **Definition of Total Compensation.** The Employer may elect under AA §5-1 to define Total Compensation as any of the following definitions:

(1) **W-2 Wages.** Wages within the meaning of Code §3401(a) and all other payments of compensation to an Employee by the Employer (in the course of the Employer's trade or business) for which the Employer is required to furnish the Employee a written statement under Code §6041(d), 6051(a)(3), and 6052, determined without regard to any rules under Code §3401(a) that limit the remuneration included in wages based on the nature or location of the employment or the services performed.

(2) **Wages under Code §3401(a).** Wages within the meaning of Code §3401(a) for the purposes of income tax withholding at the source but determined without regard to any rules that limit the remuneration included in wages based on the nature or location of the employment or the services performed.

(3) **Code §415 Compensation.** Wages, salaries, fees for professional services and other amounts received for personal services actually rendered in the course of employment with the Employer (without regard to whether or not such amounts are paid in cash) to the extent that the amounts are includible in gross income. Such amounts include, but are not limited to, commissions, compensation for services on the basis of a percentage of profits, tips, bonuses, fringe benefits, and reimbursements or other expense allowances under a nonaccountable plan (as described in Treas. Reg. §1.62-2(c)), and excluding the following:

(i) Employer contributions to a plan of deferred compensation which are not includible in the Employee's gross income for the taxable year in which contributed, or Employer contributions (other than Salary Deferrals) under a Simplified Employee Pension Plan (as described in Code §408(k)), or any distributions from a plan of deferred compensation.

(ii) Amounts realized from the exercise of a non-qualified stock option, or when restricted stock (or property) held by the Employee either becomes freely transferable or is no longer subject to a substantial risk of forfeiture.

(iii) Amounts realized from the sale, exchange or other disposition of stock acquired under a qualified stock option.

(iv) Other amounts which received special tax benefits, or contributions made by the Employer (other than elective deferrals) towards the purchase of an annuity contract described in Code §403(b) (whether or not the contributions are actually excludable from the gross income of the Employee).

(b) **Post-Severance Compensation.** Total Compensation includes compensation that is paid after an Employee severs employment with the Employer, provided the compensation is paid by the later of 2½ months after severance from employment with the Employer maintaining the Plan or the end of the calendar year that includes such date of severance from employment. For this purpose, compensation paid after severance of employment may only be included in Total Compensation to the extent such amounts would have been included as compensation if they were paid prior to the Employee's severance from employment.

For purposes of applying this subsection (b), unless designated otherwise under AA §5-2(a), the following amounts that are paid after a Participant's Severance from Employment are included in Total Compensation:

(1) **Regular pay.** Compensation for services during the Employee's regular working hours, or compensation for services outside the Employee's regular working hours (such as overtime or shift differential), commissions, bonuses, or other similar payments;

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(2) **Unused leave payments.** Payment for unused accrued bona fide sick, vacation, or other leave, but only if the Employee would have been able to use the leave if employment had continued; and

(3) **Deferred compensation.** Payments received by an Employee pursuant to a nonqualified unfunded deferred compensation plan, but only if the payment would have been paid to the Employee at the same time if the Employee had continued in employment and only to the extent that the payment is includible in the Employee's gross income.

Other post-severance payments (such as severance pay, parachute payments within the meaning of Code §280G(b)(2), or post-severance payments under a nonqualified unfunded deferred compensation plan that would not had been paid if the Employee had continued in employment) are not included as Total Compensation, even if such amounts are paid within the time period described in this subsection (b).

In determining the amount of a Participant's Employer Contributions, Matching Contributions or Salary Deferrals, Plan Compensation may not include any amounts that do not satisfy the requirements of this subsection (b) or subsection (c). If Total Compensation is defined to include post-severance compensation, the Employer may elect to exclude all such compensation paid after severance from employment from the definition of Plan Compensation under AA §5-3(l) or may elect to exclude any of the specific types of post-severance compensation defined in subsections (1), (2) and/or (3) above, by designating such compensation types under AA §5-3(n).

(c) **Continuation payments for disabled Participants.** Unless designated otherwise under AA §5-2(b), Total Compensation does not include compensation paid to a Participant who is permanently and totally disabled (as defined in Code §22(e)(3)). For this purpose, compensation is the compensation the Participant would have received for the year if the Participant was paid at the rate of compensation paid immediately before becoming permanently and totally disabled (if such compensation is greater than the Participant's compensation determined without regard to this subsection (c)), provided contributions made with respect to amounts treated as compensation under this subsection (c) are nonforfeitable when made.

If elected under AA §5-2(b), such amounts will be included as Total Compensation, notwithstanding the rules under subsection (b).

(d) **Deemed §125 compensation.** A reference to elective contributions under a Code §125 cafeteria plan includes any amounts that are not available to a participant in cash in lieu of group health coverage because the Participant is unable to certify that such Participant has other health coverage. Such deemed §125 compensation will be treated as an amount under Code §125 only if the Employer does not request or collect information regarding the Participant's other health coverage as part of the enrollment process for the health plan. If the Employer elects under AA §5-3(k) to exclude deemed §125 compensation from the definition of Plan Compensation, such exclusion also will apply for purposes of determining Total Compensation under this **Section 1.61**.

(e) **Differential Pay.** In the case of an individual who receives Differential Pay from the Employer:

(1) such individual will be treated as an Employee of the Employer making the payment, and

(2) the Differential Pay shall be treated as wages and will be included in calculating an Employee's Total Compensation under the Plan.

If all Employees performing service in the Uniformed Services are entitled to receive Differential Pay on reasonably equivalent terms and are eligible to make contributions based on the payments on reasonably equivalent terms, the Plan shall not be treated as failing to meet the requirements of any provision described in Code §414(u)(1)(C) by reason of any contribution or benefit based on Differential Pay. The Employer may elect to exclude Differential Pay from the definition of Plan Compensation under AA §5-3(m).

For purposes of this subsection (d), Differential Pay means any payment which is made by an Employer to an individual while the individual is performing service in the Uniformed Services while on active duty for a period of more than 30 days and represents all or a portion of the wages the individual would have received from the Employer if the individual were performing services for the Employer. In applying the provisions of this subsection (d), Uniformed Services are services as described in Code §3401(h)(2)(A).

1.62 **Valuation Date.** The date or dates upon which Plan assets are valued. Plan assets will be valued as of the last day of each Plan Year. In addition, the Employer may elect under AA §10-1 to establish additional Valuation Dates. Notwithstanding any election under AA §10-1, the Trustee and the Employer and/or the Plan Administrator may agree to more frequent valuation dates.

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1.63 **Year of Service.** A Year of Service is a 12-consecutive month period ("Computation Period") during which an Employee completes 1,000 Hours of Service. For purposes of applying the eligibility rules under Section 2.03 of the Plan, an Employee will earn a Year of Service if such Employee completes 1,000 Hours of Service with the Employer during an Eligibility Computation Period (as defined in Section 2.03(a)(2)). For purposes of applying the vesting rules under Section 7.03, an Employee will earn a Year of Service if such Employee completes 1,000 Hours of Service with the Employer during a Vesting Computation Period (as defined in Section 7.04). The Employer may elect under AA §4-3(a) (for eligibility purposes) and AA §8-5(a) (for vesting purposes) to require the completion of any other number of Hours of Service to earn a Year of Service. Alternatively, the Employer may elect to apply the Elapsed Time method (for eligibility and/or vesting purposes) in calculating an Employee's Years of Service under the Plan.

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SECTION 2
ELIGIBILITY AND PARTICIPATION

2.01 **Eligibility.** In order to participate in the Plan, an Employee must be an Eligible Employee (as defined in Section 2.02) and must satisfy the Plan's minimum age and service conditions (as defined in Section 2.03). Once an Employee satisfies the Plan's minimum age and service conditions, such Employee shall become a Participant on the appropriate Entry Date (as selected in AA §4-2). An Employee who meets the minimum age and service requirements set forth herein, but who is not an Eligible Employee, will be eligible to participate in the Plan only upon becoming an Eligible Employee.

(a) **Salary Deferrals.** An Employee who is not excluded from participation under Section 2.02(b) will become an Eligible Participant under the Plan for purposes of making Salary Deferrals as of the Entry Date elected in the Agreement following the satisfaction of the age and service conditions specified in AA §4-1. The Employer will contribute a Participant's Salary Deferrals to the Plan on behalf of the Participant. To be eligible to make Salary Deferrals, an Eligible Participant must complete a Salary Reduction Agreement. A Salary Reduction Agreement election is not effective unless the Participant enters into the Agreement before the Plan Compensation to which it applies is paid or made available.

(b) **Employer Contributions and Matching Contributions.** An Employee who is not excluded from participation under Section 2.02(b) will become an Eligible Participant under the Plan for purposes of receiving Employer Contributions and Employer Matching Contributions (as applicable) as of the Entry Date elected in the Agreement following the satisfaction of the age and service conditions specified in AA §4-1.

2.02 **Eligible Employees**. Unless specifically excluded under AA §3-1 or this Section 2.02, all Employees of the Employer are Eligible Employees. AA §3-1 lists various classes of Employees that may be excluded from Plan participation. If an Employee is not an Eligible Employee (e.g., such Employee is a member of a class of Employees excluded under AA §3-1), that individual may not participate under the Plan, unless such Employee subsequently becomes an Eligible Employee.

(a) **Only Employees or Independent Contractors may participate in the Plan.** To participate in the Plan, an individual must be an Employee or, if elected under the Adoption Agreement, an Independent Contractor. If an Employer elects to cover Independent Contractors, such Independent Contractors will be treated as an Employee under the Plan. The Employer may describe special rules applicable to Independent Contractors under AA §3-2(b). If an individual who is classified as a non-Employee is later determined by the Employer, or by a court or other government agency, to be an Employee of the Employer, the reclassification of such individual as an Employee will not create retroactive rights to participate in the Plan. A leased employee is not eligible to participate in the Plan.

(b) **Excluded Employees.** The Employer may elect under AA §3-1 to exclude designated classes of Employees. The Employer may elect to exclude different classes of Employees for different contribution sources under the Plan.

(1) **Collectively Bargained Employees.** The Employer may elect under AA §3-1(b) to exclude Collectively Bargained Employees, unless the Collective Bargaining Agreement provides otherwise. For this purpose, a Collectively Bargained Employee is an Employee who is included in a unit of Employees covered by a collective bargaining agreement between the Employer and Employee representatives and whose retirement benefits are subject to good faith bargaining.

(2) **Nonresident aliens.** The Employer may elect under AA §3-1(c) to exclude Employees who are nonresident aliens. For this purpose, a nonresident alien is neither a citizen of the United States nor a resident of the United States for U.S. tax purposes (as defined in Code §7701(b)), and who does not have any earned income (as defined in Code §911) for the Employer that constitutes U.S. source income (within the meaning of Code §861). If a nonresident alien Employee has U.S. source income, such Employee is treated as satisfying this definition if all of such Employee's U.S. source income from the Employer is exempt from U.S. income tax under an applicable income tax treaty.

(3) **Employees who normally work fewer than a certain number of hours per week.** The Employer may elect under AA §3-1(d) to exclude Employees who normally work fewer than a certain number of hours per week.

(c) **Employees of Related Employers.** If the Employer is a member of a Related Employer group, Employees of each member of the Related Employer group may participate under this Plan, provided the Related Employer executes a Participating Employer Adoption Page. If a Related Employer does not execute a Participating Employer Adoption Page, any Employees of such Related Employer are not eligible to participate in the Plan. See **Section 16** for rules regarding participation of Employees of Related Employers.

(d) **Ineligible Employee becomes Eligible Employee.** If an Employee changes status from an ineligible Employee to an

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Eligible Employee, such Employee will become a Participant immediately on the date such Employee changes status to an Eligible Employee, provided the Employee has satisfied the Plan's minimum age and service conditions (with respect to Employer Contributions) and has passed the Entry Date (as defined in AA §4-2) that would otherwise have applied had the Employee been an Eligible Employee. If the Employee's original Entry Date (determined as if the Employee was always an Eligible Employee) has not passed as of the date the Employee becomes an Eligible Employee, the Employee will not become a Participant until such Entry Date. If an ineligible Employee has not satisfied the Plan's minimum age and service conditions applicable to Employer Contributions at the time such Employee becomes an Eligible Employee, such Employee will become a Participant on the appropriate Entry Date following satisfaction of the Plan's minimum age and service requirements. The requirements for the timing of participation under this subsection (d) are deemed satisfied with respect to Salary Deferrals if the Employee is permitted to commence making Salary Deferrals under the Plan as soon as administratively feasible after the Employee is eligible to participate in the Plan. The Employer may modify these rules under AA §4-3(e) of the Plan or in separate written procedures.

(e) **Eligible Employee becomes ineligible Employee.** If an Employee ceases to qualify as an Eligible Employee (i.e., the Employee changes status from an eligible class to an ineligible class of Employees), such Employee will immediately cease to participate in the Plan. If such Employee should subsequently become an Eligible Employee, such Employee will be able to participate in the Plan in accordance with subsection (d) above.

2.03 **Minimum Age and Service Conditions.** AA §4-1 contains specific elections as to the minimum age and service conditions which an Employee must satisfy prior to becoming eligible to participate under the Plan.

(a) **Application of age and service conditions.** The Employer may elect under AA §4-1 to impose minimum age and service conditions that an Employee must satisfy in order to participate under the Plan.

(1) **Year of Service.** In applying the minimum service requirements under AA §4-1, an Employee will earn a Year of Service if the Employee completes at least 1,000 Hours of Service with the Employer during an Eligibility Computation Period (as defined in subsection (2) below). The Employer may modify the definition of Year of Service under AA §4-3(a) to require some other number of Hours of Service to earn a Year of Service. An Employee will receive credit for a Year of Service, as of the end of the Eligibility Computation Period during which the Employee completes the required Hours of Service needed to earn a Year of Service. An Employee need not be employed for the entire Eligibility Computation Period to receive credit for a Year of Service, provided the Employee completes the required Hours of Service during such period.

(2) **Eligibility Computation Periods.** In determining whether an Employee has earned a Year of Service for eligibility purposes, an Employee's initial Eligibility Computation Period is the 12-month period beginning on the Employee's Employment Commencement Date. Subsequent Eligibility Computation Periods will either be based on Plan Years or Anniversary Years (as set forth in AA §4-3).

(i) **Plan Years.** If the Employer elects under AA §4-3 to base subsequent Eligibility Computation Periods on Plan Years, the Plan will begin measuring Years of Service on the basis of Plan Years beginning with the first Plan Year commencing after the Employee's Employment Commencement Date. Thus, for the first Plan Year following the Employee's Employment Commencement Date, the initial Eligibility Computation Period and the first Plan Year Eligibility Computation Period may overlap.

(ii) **Anniversary Years.** If the Employer elects under AA §4-3 to base subsequent Eligibility Computation Periods on Anniversary Years, the Plan will measure Years of Service after the initial Eligibility Computation Period on the basis of 12-month periods commencing with the anniversaries of the Employee's Employment Commencement Date.

(3) **Hours of Service.** In calculating an Employee's Hours of Service for purposes of applying the eligibility rules under this Section 2.03, the Employer will count the actual Hours of Service an Employee works during the year. The Employer may elect under AA §4-3(c) or (d) to use the Equivalency Method or Elapsed Time method (instead of counting the actual Hours of Service an Employee works). (See subsections (4) and (5) below for a description of the Equivalency Method and Elapsed Time method of crediting service.)

(4) **Equivalency Method.** Instead of counting actual Hours of Service in applying the minimum service conditions under this Section 2.03, the Employer may elect under AA §4-3(d) to determine Hours of Service based on the Equivalency Method. Under the Equivalency Method, an Employee receives credit for a specified number of Hours of Service based on the period or hours worked with the Employer.

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(i) **Monthly.** Under the monthly Equivalency Method, an Employee is credited with 190 Hours of Service for each calendar month during which the Employee completes at least one Hour of Service with the Employer.

(ii) **Daily.** Under the daily Equivalency Method, an Employee is credited with 10 Hours of Service for each day during which the Employee completes at least one Hour of Service with the Employer.

(iii) **Weekly.** Under the weekly Equivalency Method, an Employee is credited with 45 Hours of Service for each week during which the Employee completes at least one Hour of Service with the Employer.

(iv) **Semi-monthly.** Under the semi-monthly Equivalency Method, an Employee is credited with 95 Hours of Service for each semi-monthly period during which the Employee completes at least one Hour of Service with the Employer.

(v) **Hours worked.** Under the hours worked Equivalency method, 870 hours worked is treated as 1,000 Hours of Service and 435 hours worked treated as 500 Hours of Service.

(vi) **Regular time hours.** Under the regular time hours Equivalency Method, 750 regular time hours is treated as 1,000 Hours of Service and 375 regular time hours treated as 500 Hours of Service.

(5) **Elapsed Time method.** Instead of counting actual Hours of Service in applying the minimum service requirements under this Section 2.03, the Employer may elect under AA §4-3(c) to apply the Elapsed Time method for calculating an Employee's service with the Employer. Under the Elapsed Time method, an Employee receives credit for the aggregate period of time worked for the Employer commencing with the Employee's first day of employment (or Reemployment Commencement Date, if applicable) and ending on the date the Employee begins a Period of Severance which lasts at least 12 consecutive months. In calculating an Employee's aggregate period of service, an Employee receives credit for any Period of Severance that lasts less than 12 consecutive months. If an Employee's aggregate period of service includes fractional years, such fractional years are expressed in terms of days or months, as the Plan Administrator determines operationally on a consistent basis.

(i) **Period of Severance.** For purposes of applying the Elapsed Time method, a Period of Severance is any continuous period of time during which the Employee is not employed by the Employer. A Period of Severance begins on the date the Employee retires, quits or is discharged, or if earlier, the 12-month anniversary of the date on which the Employee is first absent from service for a reason other than retirement, quit or discharge.

In the case of an Employee who is absent from work for maternity or paternity reasons, the 12-consecutive month period beginning on the first anniversary of the first date of such absence shall not constitute a Period of Severance. For purposes of this paragraph, an absence from work for maternity or paternity reasons means an absence (i) by reason of the pregnancy of the Employee, (ii) by reason of the birth of a child of the Employee, (iii) by reason of the placement of a child with the Employee in connection with the adoption of such child by the Employee, or (iv) for purposes of caring for a child of the Employee for a period beginning immediately following the birth or placement of such child.

(ii) **Related Employers.** For purposes of applying the Elapsed Time method, service will be credited for employment with any Related Employer.

(6) **Amendment of age and service requirements.** If the Plan's minimum age and service conditions are amended, an Employee who is a Participant immediately prior to the effective date of the amendment is deemed to satisfy the amended requirements. This provision may be modified under the special Effective Date provisions under Appendix A of the Adoption Agreement.

(b) **Entry Dates for Salary Deferrals, Employer Contributions and Matching Contributions.** Once an Eligible Employee satisfies the minimum age and service conditions (as set forth in AA §4-1), the Employee will be eligible to participate under the Plan as of such Employee's Entry Date (as set forth in AA §4-2). The Employer may elect different Entry Dates with respect to Salary Deferrals, Matching Contributions and Employer Contributions.

2.04 **Participation on Effective Date of Plan.** An Employee who has satisfied the minimum age and service conditions and reached such Employee's Entry Date as of the Effective Date of the Plan will be eligible to participate in the Plan as of such Effective Date. If an Employee has satisfied the minimum age and service conditions as of the Effective Date of the Plan but has not yet reached such Employee's Entry Date, the Employee will be eligible to participate on the appropriate Entry Date. The Employer

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may modify this rule under AA §4-4 by electing to treat all Employees employed on the Effective Date of the Plan as Participants (regardless of whether they have satisfied the Plan's minimum age and service conditions) or by designating a specific date as of which all Eligible Employees will be deemed to be a Participant, (regardless of whether the Employee has otherwise satisfied the minimum age and service conditions).

2.05 **Service with Predecessor Employers.** Unless the Employer elects otherwise, if the Employer maintains the plan of a Predecessor Employer, any service with such Predecessor Employer is treated as service with the Employer for purposes of applying the provisions of this Plan. If the Employer does not maintain the plan of a Predecessor Employer, service with such Predecessor Employer does not count for eligibility purposes under this Section 2, unless the Employer specifically designates under AA §4-5 to credit service with such Predecessor Employer for eligibility. If the Employer takes into account service with a Predecessor Employer, such service will count for purposes of eligibility under this Section 2, vesting under Section 7 (see Section 7.06) and for purposes of the allocation conditions under Section 3.06 (see Section 3.07), as designated under AA §4-5.

2.06 **Rehired Employees.** If a terminated Employee is subsequently rehired, such Employee will be eligible to participate in the Plan on such Employee's Reemployment Commencement Date, if the Employee is an Eligible Employee and the Employee had satisfied the Plan's minimum age and service conditions prior to such Employee's termination of employment. If a rehired Employee had not satisfied the Plan's minimum age and service conditions prior to termination of employment, such Employee is eligible to participate in the Plan on the appropriate Entry Date following satisfaction of the eligibility requirements under this Section 2. The Employer may modify the eligibility rules for rehired Employees under separate administrative procedures.

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SECTION 3
PLAN CONTRIBUTIONS

This Section 3 describes the type of contributions that may be made to the Plan. The type of contributions that may be made to the Plan and the method for allocating such contributions may vary depending on the type of Plan involved. (See **Section 5** for a discussion of the limits that apply to any contributions made under the Plan.)

3.01 Types and Timing of Contributions.

(a) **Types of Contributions**. An Employer may designate under AA §6 the amount and type of contributions that may be made under this Plan. To share in a contribution under the Plan, an Employee must satisfy all of the conditions for being a Participant (as described in Section 2) and must satisfy any allocation conditions (as described in Section 3.06) applicable to the particular type of contribution.

(b) **Timing of Contributions.** The Employer must make contributions to the Plan within a reasonable period of time for the proper administration of the Plan.

(c) **Frozen Plan.** The Employer may designate under AA §2-6 that the Plan is a frozen Plan. As a frozen Plan, the Employer will not make any Employer Contributions or Matching Contributions with respect to Plan Compensation earned after the date identified in AA §2-6 and no Participant will be permitted to make Salary Deferrals to the Plan for any period after the date identified in AA §2-6. The Plan Administrator may establish administrative policies relating to a frozen plan, including the acceptance of Rollover Contributions into the Plan.

3.02 Employer Contribution Formulas. If elected under AA §6, the Employer may make an Employer Contribution to the Plan, in accordance with the contribution formula selected under AA §6-2. Any Employer Contribution authorized under the Plan must be allocated in accordance with a definite allocation formula as set forth in AA §6-3. To receive an allocation of Employer Contributions, a Participant must satisfy any allocations conditions designated under the Plan, as described in Section 3.06 below.

The Employer may elect under AA §6-2 to make any of the following Employer Contributions. If the Employer elects more than one Employer Contribution formula, each formula is applied separately. The Employer's aggregate Employer Contribution for a Plan Year will be the sum of the Employer Contributions under all such formulas.

(a) **Discretionary Employer Contribution.** If elected in AA §6-2(a), the Employer may decide on an annual basis how much (if any) it wishes to contribute to the Plan as an Employer Contribution.

(b) **Fixed Employer Contribution.** If elected in AA §6-2(b), the Employer will make a fixed contribution to the Plan as a designated percentage of Plan Compensation, as a uniform dollar amount or in accordance with a personal service contract, employment contract, or a Collective Bargaining Agreement.

(c) **Service-based Employer Contribution.** If elected in AA §6-2(c), the Employer may make a contribution based on an Employee's service with the Employer during the Plan Year (or other period designated under AA §6-4(a)). The Employer may elect to make the service-based contribution as a discretionary contribution or as a fixed contribution.

(d) **Other Employer Contributions.** The Employer may make other types of Employer Contributions, including FICA Replacement Contributions, as described in AA §§6-2(d) and (e).

(e) **Optional treatment of Employer Contributions as Roth Deferrals.** As provided under §402A(a)(2) as added by the SECURE 2.0 Act of 2022 (SECURE 2.0), if elected by the Employer under AA §6-6, a Participant may elect to treat a nonforfeitable Employer Contribution as a Roth Deferral. The Plan Administrator may adopt administrative procedures consistent with Code §402A(a)(2) and applicable guidance.

3.03 Salary Deferrals. The Employer may elect under AA §6A to authorize Participants to make Salary Deferrals under the Plan. The Employer will transfer Salary Deferral amounts withheld from a Participant's Plan Compensation to the Trust within a reasonable period appropriate for the proper administration of Participant's Accounts. Such amounts withheld will be deposited into each Participant's Salary Deferral Account under the Plan.

(a) **Salary Reduction Agreement.** In order to make Salary Deferrals under the Plan, a Participant must enter into a Salary Reduction Agreement which authorizes the Employer to withhold a specific dollar amount or a specific percentage from the Participant's Plan Compensation. The Salary Reduction Agreement election may permit a Participant to specify a different percentage or dollar amount be withheld from specified components of Plan Compensation, such as base pay, bonuses, commissions, etc. The Employer may apply special limits on the amount of Salary Deferrals that may be deferred from bonus payments under AA §6A-2(b) or may apply special deferral limits applicable to bonus payments

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under the Salary Reduction Agreement, without regard to any limitations selected under the Adoption Agreement. In addition, the Salary Reduction Agreement may provide the conditions on which a Participant's affirmative Salary Reduction Agreement election will expire. If an Employee's Salary Reduction Agreement election expires, such Participant can always complete a new affirmative election and designate a new deferral percentage. If a Participant's affirmative election expires, the Salary Reduction Agreement may provide that the Participant' expiring Salary Reduction Agreement election remains in effect and may increase by a designated amount unless the Participant affirmatively elects otherwise. A Salary Reduction Agreement may only relate to Plan Compensation that is not currently available at the time the Salary Reduction Agreement is completed.

A Salary Reduction Agreement is not effective unless the Participant enters into the Agreement before the date the compensation subject to such Salary Reduction Agreement would otherwise be paid to the Participant.

With respect to rehired Employees who are eligible to participate in the Plan, such Employees must enter into a new Salary Reduction Agreement upon reemployment. The Plan Administrator may revise this requirement under its administrative procedures.

(b) **Change in Salary Reduction Agreement election.** An Employee is permitted to enter into a new Salary Reduction Agreement or to modify or terminate an existing Salary Reduction Agreement as provided under administrative procedures or as specified in the Salary Reduction Agreement. A change in a Salary Reduction Agreement election is not effective unless the Participant changes the Salary Reduction Agreement before the Plan Compensation to which it applies is paid or made available.

(c) **Automatic deferral election.** The Employer may elect under AA §6A-7 to provide for an automatic deferral election under the Plan. If the Employer elects to apply an automatic deferral election, the Employer will automatically withhold the amount designated under AA §6A-7 from Participants' Plan Compensation, unless the Participant completes a Salary Reduction Agreement electing a different deferral amount (including a zero deferral amount). If an automatic deferral election applies under the Plan, such election will not apply to Participants who have entered into a Salary Reduction Agreement for an amount equal to or greater than the automatic deferral amount designated under AA §6A-7. The Employer also may elect to apply the automatic deferral election only to Participants who become eligible to participate after a specified date. Any Salary Deferrals withheld pursuant to an automatic deferral election will be deposited into the Participant's Salary Deferral Account. If a Participant's Salary Reduction Agreement expires and the Participant fails to complete a new affirmative Salary Reduction Agreement subsequent to the prior Salary Reduction Agreement expiring, the Participant becomes subject to the automatic deferral percentage as specified in the Plan pursuant to the automatic contribution arrangement provisions. (See AA §6A-7(a)(3)(iv).) Each year, the Participant may always complete a new affirmative election and designate a new deferral percentage.

The Plan may provide under AA §6A-7 that the automatic deferral amount will automatically increase by a designated percentage or dollar amount each Plan Year, as described below.

Prior to the time an automatic deferral election first goes into effect, the Participant must receive written notice concerning the effect of the automatic deferral election and such Participant's right to elect a different level of deferral under the Plan, including the right to elect not to defer. After receiving the notice, a Participant must have a reasonable time to enter into a new Salary Reduction Agreement before any automatic deferral election goes into effect.

(1) **Eligible Automatic Contribution Arrangement (EACA).** To the extent an Automatic Contribution Arrangement satisfies the requirements of an EACA for a Plan Year, as set forth below, such Automatic Contribution Arrangement will automatically qualify as an EACA for purposes of applying the special rules applicable to EACAs described in subsection (3) below. If an Automatic Contribution Arrangement does not satisfy the requirement for an EACA for an entire Plan Year, the Automatic Contribution Arrangement will not be eligible for the special EACA provisions under subsection (3) for such Plan Year. However, the Automatic Contribution Arrangement continues to apply for such Plan Year.

(2) **Definition of Eligible Automatic Contribution Arrangement (EACA).** The Plan will qualify as an EACA if the Plan provides for an automatic deferral election (as described in subsection (i)) and provides an annual written notice as described in subsection (iv) below. Any Salary Deferrals withheld pursuant to an automatic deferral election will be deposited into the Participant's Salary Deferral Account.

(i) **Automatic deferral election.** To qualify as an EACA, each Employee eligible to participate in the Plan must have a reasonable opportunity after receipt of the notice described in subsection (iv) to make an affirmative election to defer (or an election not to defer) under the Plan before any automatic deferral election goes into effect. If an automatic deferral election applies under the Plan, such election will not apply to Participants who have entered into a Salary Reduction Agreement for an amount equal to or greater than the automatic deferral amount designated under AA §6A-7. The Employer also may elect to

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apply the automatic deferral election only to Participants who become eligible to participate after a specified date.

An automatic deferral election ceases to apply with respect to any Participant who makes an affirmative election (that remains in effect) to make Salary Deferrals or to not have any Salary Deferrals made on such Participant's behalf. Salary Deferrals made pursuant to an automatic deferral election will cease as soon as administratively feasible after a Participant makes an affirmative deferral election.

Unless elected otherwise under AA §6A-7(a)(5)(i), a Participant's affirmative election to defer (or to not defer) will cease upon termination of employment. If a terminated Participant's affirmative election to defer (or to not defer) ceases upon termination of employment, the Participant will be subject to the automatic deferral provisions of this subsection (i) upon rehire, including the default election provisions and the notice requirements under subsection (iv) below.

(ii) **Uniformity requirement.** If a newly eligible Participant does not make an affirmative deferral election, such Participant will be treated as having elected to make Salary Deferrals in an amount equal to a uniform percentage of Plan Compensation as set forth in AA §6A-7. For this purpose, an automatic deferral election will not fail to be a uniform percentage of Plan Compensation merely because:

(A) The deferral percentage varies based on the number of years of participation in the Plan (e.g., due to the application of an automatic increase provisions);

(B) The automatic deferral election does not reduce a Salary Reduction Agreement election in effect immediately prior to the effective date of the automatic deferral election; or

(C) The rate of Salary Deferrals is limited so as not to exceed the limits of Code §457(b).

(iii) **Automatic increase.** The Plan may provide under AA §6A-7 that the automatic deferral amount will automatically increase by a designated percentage each Plan Year. Unless designated otherwise under AA §6A-7, in applying any automatic deferral increase under AA §6A-7, the initial deferral amount will apply for the period that begins when the employee first participates in the automatic contribution arrangement and ends on the last day of the following Plan Year. The automatic increase will apply for each Plan Year beginning with the Plan Year immediately following the initial deferral period and for each subsequent Plan Year. For example, if a Participant makes such Participant's first automatic deferral for the period beginning July 1, 2020, and no special election is made under AA §6A-7, the first automatic increase would take effect on January 1, 2022 (assuming the Plan is using a calendar Plan Year) which is the first day of the Plan Year beginning after the first Plan Year following the period for which the Participant makes such Participant's first automatic deferral under the Plan.

(iv) **Annual notice requirement.** Each Participant must receive a written notice describing the Participant's rights and obligations under the Plan which is sufficiently accurate and comprehensive to apprise the Participant of such rights and obligations and is written in a manner calculated to be understood by the average Plan Participant. The annual notice only needs to be provided to those Participants who are covered under the Automatic Contribution Arrangement. If it is impractical to provide the annual notice to a newly eligible Participant before the date such individual becomes eligible to participate under the Plan, the notice will be treated as timely if it is provided as soon as practicable after such date and the Participant is permitted to defer from Plan Compensation earned beginning on the date of participation.

(A) **Contents of annual notice.** To qualify as an EACA, the annual notice must include a description of contributions under the Plan; the type and amount of Plan Compensation that may be deferred under the Plan; the administrative requirements for making and changing Salary Reduction Agreement elections; and the withdrawal and vesting provisions under the Plan. In addition, to qualify as an EACA, the annual notice must include a description of:

(I) the level of Salary Deferrals which will be made on the Participant's behalf if such Participant does not make an affirmative election;

(II) the Participant's right under the EACA to elect not to have Salary Deferrals made on the Participant's behalf (or to elect to have such Salary Deferrals made in a different amount or percentage of Plan Compensation);

(III) how contributions under the EACA will be invested and, if the Plan provides for Participant direction of investment, how Salary Deferrals made pursuant to an automatic

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deferral election will be invested in the absence of an investment election by the Participant; and

(IV) the Participant's right to make a permissible withdrawal (as described under subsection (3)(i) below), if applicable, and the procedures to elect such a withdrawal.

In addition to any other election periods provided under the Plan, each eligible Participant may make or modify such Participant's Salary Reduction Agreement election during the 30-day period immediately following receipt of the annual notice.

(v) **Timing of annual notice.** The annual notice must be provided within a reasonable period before the beginning of each Plan Year (or, in the year an Employee becomes an Eligible Employee, within a reasonable period before the Employee becomes an Eligible Employee). In addition, a notice satisfies the timing requirements only if it is provided sufficiently early so that the Employee has a reasonable period of time after receipt of the notice and before the first Salary Deferral made under the arrangement to make an alternative Salary Reduction Agreement election. The annual notice will be deemed timely if it is provided to each Eligible Employee at least 30 days (and no more than 90 days) before the beginning of each Plan Year. In the case of an Employee who does not receive the notice within such period because the Employee becomes an Eligible Employee after the 90th day before the beginning of the Plan Year, the timing requirement is deemed to be satisfied if the notice is provided no more than 90 days before the Employee becomes an Eligible Employee (and no later than the date the Employee becomes an Eligible Employee).

(vi) **Timing of automatic deferral.** Generally, the automatic deferral will commence as of the date the Employee is otherwise eligible to make Salary Deferrals under the Plan, if the Employee had completed a Salary Reduction Agreement. However, an automatic deferral will be treated as timely if the deferral is made pursuant to reasonable administrative procedures established by the Plan Administrator. If the Plan provides an Employee with a written notice as described above no later than 30 days after such Employee's Entry Date, provides the Employee with the opportunity to make an affirmative Salary Reduction Agreement up to 30 days after the notice is provided, and in the absence of the Employee's affirmative Salary Reduction Agreement, provides that automatic deferrals will commence as soon as administratively practicable following the last day of the 30 day period, then the Plan will be treated as having a reasonable administrative procedure.

(3) **Special Rules for Eligible Automatic Contribution Arrangement (EACA).** If the Plan provides for an automatic deferral election provision under AA §6A-7 and such automatic deferral election qualifies as an EACA, the Employer may elect to offer special permissible withdrawals (as set forth in subsection (i) below). To qualify as an EACA, the Plan must satisfy the provisions of subsection (2) for the entire Plan Year.

(i) **Permissible Withdrawals under EACA.** If so elected under AA §6A-7 of the Adoption Agreement, any Employee who has Salary Deferrals contributed to the Plan pursuant to an automatic deferral election under an EACA may elect to withdraw such contributions (and earnings attributable thereto) in accordance with the requirements of this subsection (i). A permissible withdrawal under this subsection (i) may be made without regard to any elections under AA §9 and will not cause the Plan to fail the prohibition on in-service distributions.

(A) **Amount of distribution.** A distribution satisfies the requirement of this subsection (i) if the distribution is equal to the amount of Salary Deferrals made pursuant to the automatic deferral election through the effective date of the withdrawal election (as described in subsection (C)) adjusted for allocable gains and losses as of the date of the distribution.

The distribution amount determined under this subsection (A) may be reduced by any generally applicable fees. However, the Plan may not charge a greater fee for a permissible distribution under this subsection (i) than applies with respect to other Plan distributions.

(B) **Timing of permissive withdrawal election.** An election to withdraw Salary Deferrals under this subsection (i) must be made no later than 90 days after the date of the first default Salary Deferral under the EACA. The date of the first default Salary Deferral is the date that the Plan Compensation from which such Salary Deferrals are withheld would otherwise have been included in gross income. The Employer may designate an alternative period for making permissive withdrawals under AA §6A-7.

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(C) **Effective date of permissible withdrawal.** The effective date of a permissible withdrawal election cannot be later than the pay date for the second payroll period that begins after the election is made or, if earlier, the first pay date that occurs at least 30 days after the election is made. If a Participant does not make automatic deferrals to the Plan for an entire Plan Year (e.g., due to termination of employment), the Plan may allow such Participant to take a permissive withdrawal, but only with respect to default contributions made after the Participant's return to employment.

(D) **Consequences of permissible withdrawal.** Any amount distributed under this subsection (i) is includible in the Participant's gross income for the taxable year in which the distribution is made. However, the portion of any distribution consisting of Roth Deferrals is not included in an Participant's gross income a second time. Unless the Participant affirmatively elects otherwise, any withdrawal request will be treated as an affirmative election to stop having Salary Deferrals made on the Participant's behalf as of the date specified in subsection (C) above.

(E) **Forfeiture of Matching Contributions.** In the case of any withdrawal made under this subsection (i), any Matching Contributions made with respect to such withdrawn Salary Deferrals must be forfeited.

(d) **Age 50 Catch-Up Contributions.** Unless elected otherwise under AA §6A-4, a Participant who is aged 50 or over by the end of such Participant's taxable year beginning in the calendar year may make Age 50 Catch-Up Contributions under the Plan, provided such Age 50 Catch-Up Contributions are in excess of an otherwise applicable limit under the Plan. For this purpose, an otherwise applicable Plan limit is a limit in the Plan that applies to Salary Deferrals without regard to Age 50 Catch-up Contributions.

(1) **Age 50 Catch-Up Contribution Limit.** Age 50 Catch-Up Contributions for a Participant for a taxable year may not exceed the Age 50 Catch-Up Contribution Limit. The Age 50 Catch-Up Contribution Limit for taxable years beginning in 2023 is $7,500. The Age 50 Catch-Up Contribution Limit will be adjusted for cost-of-living increases under Code §414(v)(2)(C). Effective for taxable years beginning after December 31, 2024, the Age 50 Catch-Up Contribution Limit is increased to the greater of $10,000 or 150% of the regular Age 50 Catch-Up Contribution Limit for Employees who have attained ages 60, 61, 62 and 63. For taxable years beginning after 2025, the increased Catch-Up Contribution Limit will be adjusted for cost-of-living increases.

(2) **Age 50 Catch-Up Contributions not subject to Maximum Contribution Limit.** Age 50 Catch-up Contributions are not subject to the Maximum Contribution Limit, as described in **Section 5** of the Plan.

(3) **Treatment of certain Age 50 Catch-Up Contributions as Roth Deferrals.** Effective for taxable years beginning after December 31, 2025 (as provided for under IRS Notice 2023-62), in the case of a Participant whose wages (as defined in Code §3121(a) for the preceding calendar year from the Employer exceed $145,000 (indexed for inflation), Age 50 Catch-Up Contributions must be Roth Deferrals made pursuant to an Employee election, as required under Code §414(v)(7)(A). In addition, any Eligible Employee regardless of wages must be allowed to make Age 50 Catch-Up Contributions.

(i) **Administrative transition period under IRS Notice 2023-62.** IRS Notice 2023-62 provides for an administrative transition period with respect to the requirements under Code §414(v)(7)(A) for taxable years beginning in 2024 and 2025. Specifically, until taxable years beginning after December 31, 2025, any Age 50 Catch-Up Contributions will be treated as satisfying the requirements of section 414(v)(7)(A), even if the contributions are not designated as Roth Deferrals, and a Plan that does not provide for Roth Deferrals will be treated as satisfying the requirements of section 414(v)(7)(B). During this administrative transition period, the Employer may apply the rules (or portion of the rules) under Code §414(v)(7), either by Plan amendment or administrative procedures, in any reasonable manner in order to transition into compliance with Code §414(v)(7) for taxable years beginning after December 31, 2025.

(ii) **Good-faith application of the rules under Code §414(v)(7).** The Employer and Plan Administrator may apply the rules of Code §414(v)(7), including during the administrative transition period under IRS Notice 2023-62, in a reasonable and good-faith manner pending further guidance from the IRS.

(e) **Special 457 Catch-Up Contributions.** Unless elected otherwise under AA §6A-4, a Participant may make Special 457 Catch-Up Contributions as limited under **Section 5.04**.

(f) **Deferral of sick, vacation, PTO and back pay.** Unless otherwise elected in AA §6A-2, a Participant may elect to defer accumulated sick pay, accumulated vacation pay, accumulated PTO or back pay if: (1) a Salary Reduction Agreement is

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entered into before the amount become currently available, and (2) the Participant is an Employee in the month of deferral, as provided under Treas. Reg. §1.457-4(d). With respect to sick pay, vacation pay, PTO pay or back pay that is payable before a Participant has a Severance from Employment, the Salary Reduction Agreement may be entered into before the amount becomes currently available, even if that is the month in which such amounts become payable. If the deferral is automatic, the Salary Reduction Agreement requirement in (1) is deemed satisfied by the terms of the Plan.

(g) **Roth Deferrals.** If elected under AA §6A-5, a Participant may designate all or a portion of such Participant's Salary Deferrals as Roth Deferrals. For this purpose, a Roth Deferral is a Salary Deferral that satisfies the following conditions.

(1) **Irrevocable election.** The Participant makes an irrevocable election (at the time the Participant enters into a Salary Reduction Agreement) designating all or a portion of such Participant's Salary Deferrals as Roth Deferrals. The irrevocable election applies with respect to Salary Deferrals that are made pursuant to such election. A Participant may modify or change a Salary Reduction Agreement to increase or decrease the amount of Salary Deferrals designated as Roth Deferrals, provided such change or modification applies only with respect to Salary Deferrals made after such change or modification.

(2) **Subject to immediate taxation.** To the extent a Participant designates all or a portion of such Participant's Salary Deferrals as Roth Deferrals, such amounts will be includible in the Participant's income at the time the Participant would have received the contribution amounts in cash if the Employee had not made the Salary Reduction Agreement election.

(3) **Separate account.** Any amounts designated as Roth Deferrals will be maintained by the Plan in a separate Roth Deferral Account. The Plan will credit and debit all contributions and withdrawals of Roth Deferrals to such separate Account. The Plan will separately allocate gains, losses, and other credits and charges to the Roth Deferral Account on a reasonable basis that is consistent with such allocations for other Accounts under the Plan. However, in no event may the Plan allocate forfeitures under the Plan to the Roth Deferral Account. The Plan will separately track Participants' accumulated Roth Deferrals and the earnings on such amounts.

(4) **Satisfaction of Salary Deferral requirements.** Roth Deferrals are subject to the same requirements as apply to Salary Deferrals. Thus, Roth Deferrals are subject to the following requirements:

(i) Roth Deferrals are always 100% vested.

(ii) Roth Deferrals are subject to the contribution limits, as described in **Section 5**

(iii) Roth Deferrals are subject to the same distribution restrictions as apply to Salary Deferrals.

(iv) Roth Deferrals are subject to the required minimum distribution requirements under Code §401(a)(9).

(5) **Rollover of Roth Deferrals.**

(i) **Rollovers from this Plan.** For purposes of the rollover rules, a Direct Rollover of a distribution from a Participant's Roth Deferral Account will only be made to another Roth Deferral Account under a governmental 457(b) plan, a qualified plan described in Code §401(a) or an annuity contract or custodial account described in Code §403(b) or to a Roth IRA described in §408A, and only to the extent the rollover is permitted under the rules of Code §402(c).

(ii) **Rollovers to this Plan.** Subject to the provisions under **Section 4**, a Participant may make a Rollover Contribution to a Roth Deferral Account only if the rollover is a Direct Rollover from another Roth Deferral Account only to the extent the rollover is permitted under the rules of Code §402(c). A rollover of Roth Deferrals may not be made to this Plan from a Roth IRA. Any rollover of Roth Deferrals to this Plan will be held in a separate Roth Rollover Contribution Account.

(iii) **Minimum rollover amount.** The Plan Administrator may decide whether or not to provide for a Direct Rollover (including an Automatic Rollover) for distributions from a Participant's Roth Deferral Account if it is reasonably expected (at the time of the distribution) that the total amount the Participant will receive as a distribution during the calendar year will total less than $200. In addition, the Plan Administrator may decide whether or not to take into account any distribution from a Participant's Roth Deferral Account in determining whether distributions from a Participant's other Accounts are reasonably expected to total less than $200 during a year. For purposes of applying the Automatic Rollover provisions under **Section 8.09(f)**, a Participant's Roth Deferral Account and the Participant's other Accounts are treated as accounts held under separate plans.

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(iv) **Separate treatment of Roth Deferrals.** The provisions under **Section 8.09** that allow a Participant to elect a Direct Rollover of only a portion of an Eligible Rollover Distribution but only if the amount rolled over is at least $500 is applied by treating any amount distributed from the Participant's Roth Deferral Account as a separate distribution from any amount distributed from the Participant's other Accounts in the Plan, even if the amounts are distributed at the same time.

(h) **In-Plan Roth Conversions.** The Employer may elect under the Adoption Agreement to permit In-Plan Roth Conversions under the Plan. For this purpose, an In-Plan Roth Conversion is a conversion of amounts held in a Participant's Plan Account, other than a Roth Deferral Account or Roth Rollover Contribution Account, into the Participant's In-Plan Roth Conversion Account under the Plan, pursuant to Code §402A(c)(4). Any election to make an In-Plan Roth Conversion during a taxable year may not be changed after the In-Plan Roth Conversion is completed.

An In-Plan Roth Conversion may be elected by a Participant, a Spousal beneficiary, or an Alternate Payee who is a spouse or former spouse. To the extent the term "Participant" is used for purposes of determining eligibility to make an In-Plan Roth Conversion, such term will also include a Spousal beneficiary and an Alternate Payee who is a spouse or former spouse.

To permit In-Plan Roth Conversions §6A-5(c) of the Adoption Agreement must be completed. In addition, the Plan must provide for Roth Deferrals under AA §6A-5(a) as of the date the In-Plan Roth Conversion is permitted under the Plan. If In-Plan Roth Conversions are not specifically authorized under AA §6A-5(c) of the Adoption Agreement, Participants may not make an In-Plan Roth Conversion.

(1) **Amounts Eligible for In-Plan Roth Conversion.** If elected under the Adoption Agreement, a Participant may convert any portion of such Participant's vested Account Balance (other than amounts attributable to Roth Deferrals or Roth Deferral rollovers) to an In-Plan Roth Conversion Account. Unless elected otherwise under the Adoption Agreement, a Participant need not be eligible to receive a distribution from the Plan at the time of the In-Plan Roth Conversion.

In addition, an In-Plan Roth Conversion will not be treated as a distribution for the following purposes:

(i) **Participant loans.** A Participant loan directly transferred in an In-Plan Roth Conversion without changing the repayment schedule is not treated as a new loan. The Employer may elect to not permit Participant loans to be distributed as part of an In-Plan Roth Conversion.

(ii) **Mandatory withholding.** An In-Plan Roth Conversion is not subject to 20% mandatory withholding under Code §3405(c).

(2) **Effect of In-Plan Roth Conversion.** A Participant must include in gross income the taxable amount of an In-Plan Roth Conversion. For this purpose, the taxable amount of an In-Plan Roth Conversion is the fair market value of the distribution reduced by any basis in the converted amounts. If the distribution includes Employer securities, the fair market value includes any net unrealized appreciation within the meaning of Code §402(e)(4). If an outstanding loan is rolled over as part of an In-Plan Roth Conversion, the amount includible in gross income includes the balance of the loan.

(3) **Contribution Sources.** Unless elected otherwise under the Adoption Agreement, an In-Plan Roth Conversion may be made from any contribution source under the Plan, other than a Roth Deferral Account or Roth Rollover Contribution Account. The Employer may elect to limit the contribution sources that are eligible for In-Plan Roth Conversion. In addition, the Employer may elect to limit In-Plan Roth Conversions to contribution accounts that are 100% vested.

3.04 **Matching Contributions.** The Employer may elect under AA §6B to authorize Matching Contributions under the Plan. If the Employer elects more than one Matching Contribution formula under AA §6B-2, each formula is applied separately. A Participant's aggregate Matching Contributions will be the sum of the Matching Contributions under all such formulas. Any Matching Contribution made under the Plan will be allocated to Participants' Matching Contribution Account. To receive an allocation of Matching Contributions, a Participant must satisfy any allocations conditions designated under the Plan, as described in Section 3.06 below.

(a) **Contributions eligible for Matching Contributions.** The Matching Contribution formula(s) applies to Salary Deferrals, to the extent authorized under the Plan.

(b) **Period for determining Matching Contributions.** AA §6B-5 sets forth the period for which the Matching Contribution formula(s) applies. The period designated in AA §6B-5 applies for purposes of determining the amount of

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Salary Deferrals taken into account in applying the Matching Contribution formula(s) and in applying any limits on the amount of Salary Deferrals that may be taken into account under the Matching Contribution formula(s).

(c) **True-up contributions.** If the Employer makes Matching Contributions more frequently than annually, the Employer may have to make "true-up" contributions for Participants. Such "true-up" contributions will be required if the Employer actually contributes Matching Contributions to the Plan on a more frequent basis than is used for purposes of determining the amount of Salary Deferrals taken into account under AA §6B-5. For example, if the Plan limits Matching Contributions on the basis of Salary Deferrals for the Plan Year, but the Employer contributes the Matching Contributions on a quarterly basis, the Employer may have to make a "true-up" contribution to any Participant based on Salary Deferrals for the Plan Year. If a "true-up" contribution is required under this subsection (c), the Employer may make such additional contribution as required to satisfy the contribution requirements under the Plan.

(d) **Optional treatment of Matching Contributions as Roth contributions.** As provided under §402A(a)(2) as added by SECURE 2.0, if elected by the Employer under AA §6B-7, a Participant may elect to treat a nonforfeitable Matching Contribution as a Roth contribution. The Plan Administrator may adopt administrative procedures consistent with Code §402A(a)(2) and applicable guidance.

(e) **Treatment of Qualified Student Loan Payments as Salary Deferrals for Matching Contributions.** Effective for Plan Years beginning after December 31, 2023, the Employer may elect under AA §6B-8 to treat "Qualified Student Loan Payments" as Salary Deferrals for purposes of receiving Matching Contributions.

(1) **Definition of Qualified Student Loan Payment.** The term Qualified Student Loan Payment means a payment made by an Eligible Employee in repayment of a Qualified Education Loan (as defined in Code §221(d)(1)) incurred by the Eligible Employee to pay Qualified Higher Education Expenses, but only:

(i) to the extent such payments in the aggregate for the year do not exceed an amount equal to:

(A) the limitation applicable under Code §457(e)(15) for the year (or, if lesser, the Eligible Employee's Total Compensation for the year), reduced by:

(B) the elective deferrals made by the Eligible Employee for such year, and

(ii) if the Eligible Employee certifies annually to the Employer that such payment has been made on such loan.

(2) **Definition of Qualified Higher Education Expenses.** The term Qualified Higher Education Expenses means the cost of attendance (as defined in §472 of the Higher Education Act of 1965, as in effect on the day before the date of the enactment of the Taxpayer Relief Act of 1997) at an Eligible Educational Institution (as defined in Code §221(d)(2)).

(3) **Conditions for Treatment of Qualified Student Loan Payments as Salary Deferrals for Matching Contributions.** A Matching Contributions made to the Plan on account of a Qualified Student Loan Payment shall be treated as a Matching Contribution under the Plan if:

(i) the Plan provides Matching Contributions on account of Salary Deferrals at the same rate as contributions on account of Qualified Student Loan Payments,

(ii) the Plan provides Matching Contributions on account of Qualified Student Loan Payments only on behalf of Eligible Employees otherwise eligible to receive Matching Contributions on account of Salary Deferrals,

(iii) all Eligible Employees who receive Matching Contributions on account of Salary Deferrals are eligible to receive Matching Contributions on account of Qualified Student Loan Payments, and

(iv) the Plan provides that Matching Contributions on account of Qualified Student Loan Payments vest in the same manner as Matching Contributions on account of Salary Deferrals.

3.05 **Rollover Contributions.** If elected under AA Appendix C or under separate administrative procedures, the Plan may accept Rollover Contributions. The requirements applicable to Rollover Contributions are set forth under **Section 4**.

3.06 **Allocation Conditions.** In order to receive an allocation of Employer Contributions (other than Salary Deferrals) or an allocation of Matching Contributions, a Participant must satisfy any allocation conditions designated under AA §6-5 or AA

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§6B-6, as applicable. If the Employer elects under AA §6-5(c) or AA §6B-6(c) to apply a minimum service requirement, the Employer may elect to base such minimum service requirement on the basis of Hours of Service or on the basis of consecutive days or months of employment under the Elapsed Time method. If an Employee's aggregate period of service includes fractional years, such fractional years are expressed in terms of days or months, as the Plan Administrator determines operationally on a consistent basis.

(a) **Application to designated period.** Instead of applying the allocation conditions on the basis of the Plan Year, the Employer may apply the allocation conditions on the basis of designated periods, if the Employer describes the methodology under the Special Rules under AA§6-4 or 6B-6.

(b) **Special rule for year of Plan termination.** A last day employment condition automatically applies for any Plan Year in which the Plan is terminated, regardless of whether the Employer has elected to apply a last day employment condition under the Agreement. Thus, the Employer will not be obligated to make an Employer Contribution or Matching Contribution for the Plan Year in which the Plan terminates, unless the Employer provides for an Employer Contribution and/or Matching Contribution in its Plan termination amendment. If there are unallocated forfeitures at the time of Plan termination, such forfeitures will be allocated to Participants under the Plan's procedures for allocating forfeitures.

3.07 **Service with Predecessor Employers.** Unless otherwise designated under the Adoption Agreement, if the Employer maintains the plan of a Predecessor Employer, any service with such Predecessor Employer is treated as service with the Employer for purposes of applying the allocation conditions under Section 3.06. If the Employer does not maintain the plan of a Predecessor Employer, service with such Predecessor Employer does not count for purposes of applying the allocation conditions under Section 3.06, unless the Employer specifically designates under AA §4-5 to credit service with such Predecessor Employer.

3.08 **FICA Replacement Plan.** An Employee who satisfies the requirements as a Qualified Participant under subsection (b) will be exempt from FICA tax as provided under Code §3121(b)(7)(F) if the requirements under this Section 3.08 are satisfied. The Plan may be identified as a FICA Replacement Plan under AA §2-2.

(a) **Minimum retirement benefit requirement.** The Plan must provide a minimum retirement benefit as set forth under this subsection (a). For this purpose, the Plan satisfies the minimum retirement benefit requirement with respect to an Employee if allocations to the Employee's Account (without regard to any earnings allocated to the Employee's Account) are at least 7.5% of the Employee's Plan Compensation for service with the Employer. Matching Contributions by the Employer may be taken into account for this purpose.

(1) **Definition of Plan Compensation.** The definition of Plan Compensation used in determining whether the minimum retirement benefit requirement under this subsection (a) is satisfied must be at least equal to the Employee's base pay, provided such designation is reasonable under all the facts and circumstances. Thus, the Employer may elect under AA §5-3 to exclude items such as overtime pay, bonuses, or fringe benefits.

(2) **Reasonable rate of earnings.** An Employee's Account must be credited with a reasonable rate of earnings. This requirement is satisfied if Employees' Accounts are held in a separate trust that is subject to general fiduciary standards and are credited with actual earnings under the Plan.

(3) **Employee Contributions.** Contributions from both the Employer and Employee may be used to make up the 7.5% allocation requirement under subsection (a). If the Plan only provides for Employee Contributions, the Plan will satisfy the minimum benefit requirement under subsection (a) if the total Employee Contributions are at least 7.5% of Plan Compensation.

(b) **Qualified Participant.** An Employee is a Qualified Participant under the Plan with respect to the services performed on a given day if, on that day, the Employee has satisfied all conditions (other than vesting) for receiving an allocation under the Plan that meets the minimum retirement benefit requirement under subsection (a). An Employee will be a Qualified Participant on any day with respect to compensation earned during a period ending on that day and beginning on or after the beginning of the Plan Year, regardless of whether the allocations were made or accrued before the effective date of Code §3121(b)(7)(F).

(1) **Part-Time, Seasonal and Temporary Employees.** A Part-Time, Seasonal, or Temporary Employee is not a Qualified Participant on a given day unless any benefit relied upon to meet the minimum benefit requirement under subsection (a) is 100% vested. A Part-Time, Seasonal or Temporary Employee's benefit is considered 100% vested on a given day if on that day the Employee is unconditionally entitled to a single-sum distribution on account of death or separation from service of an amount that is at least equal to 7.5% of Plan Compensation for all periods of service taken into account in determining whether the Employee's benefit meets the minimum retirement benefit requirement under subsection (a).

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(2) **Alternative lookback rule.** The Employer may elect to apply the alternative lookback rule described in Treas. Reg. §31.3121(b)(7)-2(d)(3) in determining whether an Employee is a Qualified Participant. Under the alternative lookback rule, an Employee may be treated as a Qualified Participant throughout a calendar year if the Employee is a Qualified Participant at the end of the Plan Year ending in the previous calendar year. For this purpose, if the alternative lookback rule is used, an Employee may be treated as a Qualified Participant on any given day during the first Plan Year of participation if it is reasonable on such day to believe that the Employee will be a Qualified Participant on the last day of such Plan Year.

(c) **Special rule for short period.** An Employee may not be treated as a Qualified Participant if Plan Compensation for less than a full plan year or other 12-month period is regularly taken into account in determining allocations to the Employee's Account for the Plan Year unless, under all of the facts and circumstances, such arrangement is not a device to avoid the imposition of FICA taxes. For example, an arrangement under which Plan Compensation taken into account under AA §5-3 is limited to the contribution base described in Code §3121(x)(1) is not considered a device to avoid FICA taxes by reason of such limitation.

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SECTION 4
ROLLOVER CONTRIBUTIONS, TRANSFERS AND AUTOMATIC PORTABILITY TRANSACTIONS

This Section provides the rules regarding Rollover Contributions and transfers that may be made under this Plan. The Plan Administrator has the authority under Section 11 to accept Rollover Contributions under this Plan and to enter into transfer agreements concerning the transfer of assets from another plan to this Plan.

4.01 **Rollover Contributions**. As allowed under applicable law and regulations, an Employee may make a Rollover Contribution to this Plan from an Eligible Retirement Plan, if the special accounting rule is satisfied and the acceptance of rollovers is elected under the Adoption Agreement or if the Plan Administrator adopts administrative procedures regarding the acceptance of Rollover Contributions. The Employee's Rollover Contributions are always 100% vested. If Rollover Contributions are permitted, an Employee may make a Rollover Contribution to the Plan even if the Employee is not an eligible Participant with respect to any or all other contributions under the Plan, unless otherwise prohibited under separate administrative procedures adopted by the Plan Administrator. An Employee who makes a Rollover Contribution to this Plan prior to becoming an Eligible Participant shall be treated as a Participant only with respect to such Rollover Contributions but shall not be treated as an eligible Participant until such Employee otherwise satisfies the eligibility conditions under the Plan.

A Participant may make a Rollover Contribution to a Roth Deferral Account only if the rollover is a Direct Rollover from another Roth Deferral Account under an Eligible Retirement Plan and only to the extent the rollover is permitted under the rules of Code §402(c). A rollover of Roth Deferrals may not be made to this Plan from a Roth IRA. Any rollover of Roth Deferrals to this Plan will be held in a separate Roth Rollover Contribution Account.

Effective for years beginning after December 31, 2017, the period during which a Qualified Plan Loan Offset Amount may be contributed to the Plan as a Rollover Contribution is extended from 60 days after the date of the offset to the due date (including extensions) for filing the individual's Federal income tax return for the taxable year in which the Plan loan offset occurs. A Qualified Plan Loan Offset Amount is a Plan loan offset amount that is treated as distributed from a tax-qualified retirement plan described in Code §401(a) or Code §403(a), a Code §403(b) plan, or a governmental plan under Code §457(b) solely by reason of termination of the Plan or failure to meet the repayment terms of the loan because of Severance from Employment.

Notwithstanding any other provision of the Plan, the Plan Administrator may accept any Rollover Contribution that satisfies the requirements, including the time period to make Rollover Contributions, under Code §402(c) and applicable IRS regulations and other guidance. Thus, for example, the Plan Administrator may accept a Rollover Contribution as provided under Revenue Procedure 2016-47 relating to the waiver of the 60-day rollover period and acceptable self-certification by an Employee.

A Participant may withdraw amounts from such Participant's Rollover Contribution Account(s) at any time, in accordance with the distribution rules under Section 8, except as restricted under AA §9.

(a) **Special Accounting Rule for Rollovers**. The Plan must maintain two separate Rollover Contribution Accounts, if necessary. One Rollover Contribution Account may receive Rollover Contributions from:

(1) a qualified plan described in §401(a) of the Code;

(2) a tax sheltered annuity plan described in §403(b) of the Code;

(3) an individual retirement account described in §408(a) of the Code; and

(4) an individual retirement annuity described in §408(b) of the Code.

The other Rollover Account may receive Rollover Contributions only from a governmental 457 plan described in §457(b) of the Code. Neither Rollover Contribution Account may include any amount that is not attributable to a Rollover Contribution.

(b) **Refusal of Rollover Contributions.** The Plan Administrator may refuse to accept a Rollover Contribution if the Plan Administrator reasonably believes the Rollover Contribution: (a) is not being made from a proper plan or IRA; (b) is not being made timely after receipt of the amounts from another plan or IRA; (c) could jeopardize the Plan status under Code §457(b); or (d) could create adverse tax consequences for the Plan or the Employer. Prior to accepting a Rollover Contribution, the Plan Administrator may require the Employee to provide satisfactory evidence establishing that the Rollover Contribution meets the requirements of this Section and applicable rollover rules.

If the Plan accepts a Rollover Contribution that is later determined to be an invalid Rollover Contribution, the Plan Administrator must distribute the invalid amount, plus any earnings attributable thereto, to the Employee within a

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reasonable time after such determination.

The Plan Administrator may use the criteria set forth in IRS Revenue Ruling 2014-9, as well as other evidence, in reasonably determining whether a Rollover Contribution is valid.

4.02 **Transfers to the Plan.** As allowed under applicable laws, regulations and other guidance, the Plan Administrator may accept a transfer of funds from another governmental 457(b) plan. Such transfers must meet the conditions set forth under Treas. Reg. §1.457-10(b), if applicable. The Plan Administrator may not accept a transfer from a 457(b) plan of a tax-exempt employer, a 403(b) plan or a 401(a) qualified plan.

4.03 **Automatic Portability Transactions.** The Employer, either in AA §10-4 or through administrative procedures, may elect to accept amounts pursuant to an automatic portability transaction as described in Code §4975(f)(12). The Employer is not responsible for meeting, or ensuring the satisfaction of, the requirements applicable to an automatic portability provider as defined under Code §4975(f)(12)(A)(ii).

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SECTION 5
LIMITS ON CONTRIBUTIONS

5.01 **Maximum Contribution Limit.** Annual contributions on behalf of a Participant for a taxable year may not exceed the Maximum Contribution Limit.

(a) **Components of the Maximum Contribution Limit.** The Maximum Contribution Limit consists of one or more of the following - the Basic Annual Limit, the Age 50 Catch-Up Limit and the Special 457 Catch-Up Limit.

(b) **Limitation Period.** The relevant limitation period is the taxable year of the Participant.

(c) **Contributions Subject to the Maximum Contribution Limitation.** Contributions that are subject to the Maximum Contribution Limit include Salary Deferral Contributions and Employer Contributions, including Employer Matching Contributions. Rollover Contributions and transfers are not subject to the Maximum Contribution Limit. If a contribution is subject to a substantial risk of forfeiture, such contribution is not counted toward the Maximum Contribution Limit until the substantial risk of forfeiture lapses. Where an amount is subject to a substantial risk of forfeiture, gains or losses allocable to the amount deferred, through the date that the substantial risk of forfeiture lapses, are taken into account in determining the amount that is considered deferred in the year in which the substantial risk of forfeiture lapses.

5.02 **Basic Annual Limit.** The Basic Annual Limit is the lesser of (i) the applicable dollar amount specified under Code §457(e)(15) for the relevant taxable year or (ii) 100% of the Participant's Includible Compensation (without any adjustments, but subject to the maximum limitation as may apply under Code§401(a)(17)) for the taxable year. The applicable dollar amount under Code §457(e)(15) is $22,500 for 2023 and will be adjusted for cost-of-living increases, if applicable.

5.03 **Age 50 Catch-Up Limit.** The Age 50 Catch-Up Limit only applies to a Participant who attains age 50 by the end of the relevant taxable year. The Age 50 Catch-Up Limit is the applicable amount specified under Code §414(v) for the relevant taxable year. The Age 50 Catch-Up Contribution Limit for taxable years beginning in 2023 is $7,500. The Age 50 Catch-Up Contribution Limit will be adjusted for cost-of-living increases under Code §414(v)(2)(C). The Age 50 Catch-Up Limit does not apply for any taxable year for which a higher limitation applies under the Special 457 Catch-Up Limit, if available under the Plan. If both the Age 50 Catch-Up Limit and the Special Catch-Up Limit apply, the applicable limit is determined under Treas. Reg. §1.457-4(c)(2)(ii).

Effective for taxable years beginning after December 31, 2024, for Participants who have attained 60, 61, 62 or 63 before the close of the applicable taxable year, an adjusted Age 50 Catch-Up Limit applies. The adjusted limit is the greater of (a) $10,000 (adjusted for inflation) or (b) an amount equal to 150% of the otherwise applicable Age 50 Catch-Up Limit for the taxable year.

5.04 **Special 457 Catch-Up Limit.** For one or more of the Participant's last three taxable years ending before the Participant's Normal Retirement Age, the Maximum Contribution Limit is an amount not in excess of the lesser of (i) twice the dollar amount in effect under Code §457(e)(15) or (ii) the underutilization limitation.

(a) **Underutilization Limitation.** The sum of (i) the Maximum Contribution Limit under the Basic Annual Limit for the relevant taxable year, plus the Maximum Contribution Limit for any prior taxable year or years, less the amount of contributions for such taxable year or years (disregarding any Age 50 Catch-Up Contributions).

(b) **Normal Retirement Age.** The Employer will elect a Normal Retirement Age under the Agreement. Normal Retirement Age may be any age that is on or after the earlier of age 65 or the age at which the Participant has the right to retire and receive, under the Employer's pension plan (if any), immediate retirement benefits without actuarial reduction because of retirement before a specified date and that is not later than age 70 ½. Alternatively, the Employer may elect to allow the Participant to designate a Normal Retirement Age within these ages. If an Employer sponsors more than one 457(b) plan, any Participant may only have one Normal Retirement Age.

(c) **Special Rule for Qualified Police and Firefighters.** An Employer with a Plan that covers qualified police and firefighters (as defined under Code §415(b)(2)(H)(ii)(I)) may elect a Normal Retirement Age that is earlier than that specified under subsection (b), but in no event may the Normal Retirement Age be earlier than age 40. Alternatively, the Employer may elect to allow a qualified police or firefighter Participant to designate a Normal Retirement Age that is between age 40 and age 70 ½.

5.05 **Excess Deferrals under the Plan.** If contributions, as described under **Section 5.01(c)**, to a Participant under the Plan exceed the Maximum Contribution Limit for a taxable year, the Plan must distribute the excess deferrals (i.e., the amounts that exceed the Maximum Contribution Limit) to the Participant, with allocable net income, as soon as administratively practicable after the

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Plan determines that the amount is an excess deferral. For purposes of determining whether contributions exceed the Maximum Contribution Limit, all 457(b) plans of the Employer, including plans of Related Employers, are treated as a single plan.

5.06 **Excess Deferrals Arising from Application of the Individual Limitation.** The Plan may distribute excess deferrals that arise from application of the Individual Limitation. The Plan may distribute the excess deferrals to the Participant, with allocable net income, as soon as administratively practicable after the Plan determines that the amount is an excess deferral. The Participant must inform the Plan Administrator of the excess deferrals.

(a) **Individual Limitation.** The Individual Limitation (as set forth under Code §457(c)) equals the Basic Annual Limitation, plus the Age 50 Catch-Up Limitation or the Special 457 Catch-Up Limitation, applied by taking into account the combined annual contributions for the Participant for any taxable year under all Code §457(b) plans. For this purpose, contributions to all Code §457(b) plans, whether sponsored by a governmental employer or a tax-exempt employer, are counted toward the Individual Limitation.

(b) **Special Rules for Catch-Up Amounts under Multiple 457(b) Plans.** For purposes of applying the Individual Limitation, the Special 457 Catch-Up is taken into account only to the extent that the annual contribution is made for a Participant under a 457(b) plan if permitted under the Special 457 Catch-Up rules. In addition, if a Participant has annual contributions under more than one 457(b) plan and the applicable catch-up amount under the Age 50 Catch-Up and the Special 457 Catch-Up rules is not the same for each such 457(b) plan for the taxable year, the Individual Limitation is determined using the catch-up amount under whichever plan has the largest catch-up amount applicable to the Participant.

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SECTION 6
SPECIAL RULES AFFECTING THIS GOVERNMENTAL 457(b) PLAN

6.01 **Plan Adoption as Governmental Plan.** Only an Employer that is an eligible employer as defined under Code §457(e)(1)(A) may adopt this Plan. As a Governmental Plan, the Plan is not subject to the requirements under Title I of ERISA.

6.02 **Failure to Satisfy Requirements of Code §457(b) Applicable to Governmental Code §457(b) Plans.** If the Plan fails to satisfy any applicable requirement under Code §457(b) or applicable regulations, the Plan is treated as not meeting such requirement as of the first Plan Year beginning more than 180 days after the date of notification by the Internal Revenue Service, unless the Employer corrects the inconsistency before the first day of such Plan Year. The Employer may use any available IRS correction program to fix errors in the Plan's compliance with the requirements under Code §457.

6.03 **Reporting to Internal Revenue Service and Participants.** The Employer will report contributions to the Plan and distributions from the Plan at the time and in the manner prescribed by the Internal Revenue Service.

6.04 **Taxation of Distributions.** Amounts deferred under the Plan are includible in gross income in the taxable year in which the amounts are actually paid from the Plan. See Treas. Reg. §1.457-7 for special rules applicable to Governmental Plans.

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SECTION 7
PARTICIPANT VESTING AND FORFEITURES

7.01 **Vesting of Contributions.** A Participant's vested interest in such Participant's Employer Contribution Account and Matching Contribution Account is determined based on the vesting schedule elected in the Adoption Agreement. A Participant is always fully vested in such Participant's Salary Deferral Account and Rollover Contribution Account.

The imposition of a vesting schedule creates a substantial risk of forfeiture with respect to the contributions subject to the vesting schedule. If a contribution is subject to a substantial risk of forfeiture, such contribution is not counted toward the Maximum Contribution Limit until the substantial risk of forfeiture lapses (i.e., the contributions are vested). Where an amount is subject to a substantial risk of forfeiture, gains or losses allocable to the amount deferred, through the date that the substantial risk of forfeiture lapses, are taken into account in determining the amount that is considered deferred in the year in which the substantial risk of forfeiture lapses.

7.02 **Vesting Schedules.** A Participant's vested interest in such Participant's Employer Contribution Account and/or Matching Contribution Account is determined by multiplying the Participant's vesting percentage (determined under the applicable vesting schedule selected in AA §8) by the total amount under the applicable Account.

(a) **Vesting schedule.** The Employer may choose any of the vesting schedules described in this subsection (a) as the normal vesting schedule with respect to Employer Contributions.

(1) **Full and immediate vesting schedule.** Under the full and immediate vesting schedule, the Participant is always 100% vested in such Participant's Account Balance.

(2) **3-year cliff vesting schedule.** Under the 3-year cliff vesting schedule, a Participant is 100% vested after 3 Years of Service. Prior to the third Year of Service, the vesting percentage is zero.

(3) **6-year graded vesting schedule.** Under the 6-year graded vesting schedule, a Participant vests in such Participant's Employer Contribution Account and/or Matching Contribution Account in the following manner:

After 2 Years of Service – 20% vesting
After 3 Years of Service – 40% vesting
After 4 Years of Service – 60% vesting
After 5 Years of Service – 80% vesting
After 6 Years of Service – 100% vesting

(4) **Modified vesting schedule.** Under the modified vesting schedule, the Employer may designate the vesting percentage that applies for each Year of Service.

(b) **Special vesting rules.**

(1) **Separate Accounting.** The Plan Administrator will maintain separate accounting for the vested and non-vested portions of any Employer Contribution Account and/or Matching Contribution Account.

(2) **100% vesting upon death, becoming Disabled, or attaining Normal Retirement Age.** The Employer may elect under AA §8-4 to allow a Participant's vesting percentage to automatically increase to 100% if the Participant dies, terminates employment due to becoming Disabled, attains Normal Retirement Age and/or for other designated reasons.

7.03 **Year of Service.** An Employee's position on the vesting schedule is dependent on the Employee's Years of Service with the Employer. Generally, an Employee will earn a vesting Year of Service for each Vesting Computation Period during which the Employee completes at least 1,000 Hours of Service. Alternatively, the Employer may elect under AA §8-5(a) to modify the definition of Year of Service to require completion of any other number of Hours of Service or may elect to calculate Years of Service using the Elapsed Time method (as defined in subsection (b) below).

(a) **Hours of Service.** Unless the Employer elects to use the Elapsed Time method under AA §8-5(c), vesting Years of Service will be determined based on an Employee's Hours of Service earned during the Vesting Computation Period.

(1) **Actual Hours of Service.** In determining an Employee's vesting Years of Service, the Employer will credit an Employee with the actual Hours of Service earned during the Vesting Computation Period, unless the Employer elects under AA §8-5(d) to determine Hours of Service using the Equivalency Method.

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(2) **Equivalency Method.** Instead of counting actual Hours of Service in applying the Plan's vesting schedules, the Employer may elect under AA §8-5(d) to determine Hours of Service based on the Equivalency Method. Under the Equivalency Method, an Employee receives credit for a specified number of Hours of Service based on the period or hours worked with the Employer.

(i) **Monthly.** Under the monthly Equivalency Method, an Employee is credited with 190 Hours of Service for each calendar month during which the Employee completes at least one Hour of Service with the Employer.

(ii) **Weekly.** Under the weekly Equivalency Method, an Employee is credited with 45 Hours of Service for each week during which the Employee completes at least one Hour of Service with the Employer.

(iii) **Daily.** Under the daily Equivalency Method, an Employee is credited with 10 Hours of Service for each day during which the Employee completes at least one Hour of Service with the Employer.

(iv) **Semi-monthly.** Under the semi-monthly Equivalency Method, an Employee is credited with 95 Hours of Service for each semi-monthly period during which the Employee completes at least one Hour of Service with the Employer.

(v) **Hours worked.** Under the hours worked Equivalency method, 870 hours worked is treated as 1,000 Hours of Service and 435 hours worked treated as 500 Hours of Service.

(vi) **Regular time hours.** Under the regular time hours Equivalency Method, 750 regular time hours is treated as 1,000 Hours of Service and 375 regular time hours treated as 500 Hours of Service.

(3) **Employee need not be employed for entire Vesting Computation Period.** If an Employee completes the required Hours of Service during a Vesting Computation Period, the Employee will receive credit for a Year of Service as of the end of such Vesting Computation Period, even if the Employee is not employed for the entire Vesting Computation Period.

(b) **Elapsed Time method.** Instead of using Hours of Service in applying the Plan's vesting schedules, the Employer may elect under AA §8-5(c) to apply the Elapsed Time method for calculating an Employee's vesting service with the Employer. Under the Elapsed Time method, an Employee receives credit for the aggregate period of time worked for the Employer commencing with the Employee's first day of employment (or Reemployment Commencement Date, if applicable) and ending on the date the Employee begins a Period of Severance which lasts at least 12 consecutive months. In calculating an Employee's aggregate period of service, an Employee receives credit for any Period of Severance that lasts less than 12 consecutive months. If an Employee's aggregate period of service includes fractional years, such fractional years are expressed in terms of days.

(1) **Period of Severance.** For purposes of applying the Elapsed Time method, a Period of Severance is any continuous period of time during which the Employee is not employed by the Employer. A Period of Severance begins on the date the Employee retires, quits or is discharged, or if earlier, the 12-month anniversary of the date on which the Employee is first absent from service for a reason other than retirement, quit or discharge.

In the case of an Employee who is absent from work for maternity or paternity reasons, the 12-consecutive month period beginning on the first anniversary of the first date of such absence shall not constitute a Period of Severance. For purposes of this paragraph, an absence from work for maternity or paternity reasons means an absence (i) by reason of the pregnancy of the Employee, (ii) by reason of the birth of a child of the Employee, (iii) by reason of the placement of a child with the Employee in connection with the adoption of such child by the Employee, or (iv) for purposes of caring for a child of the Employee for a period beginning immediately following the birth or placement of such child.

(2) **Related Employers.** For purposes of applying the Elapsed Time method, service will be credited for employment with any Related Employer.

7.04 **Vesting Computation Period.** Generally, the Vesting Computation Period is the Plan Year. Alternatively, the Employer may elect under AA §8-5(b) to use the 12-month period commencing on the Employee's date of hire (or Reemployment Commencement Date, if applicable) and each subsequent 12-month period commencing on the anniversary of such date or the Employer may elect to use any other 12-consecutive month period as the Vesting Computation Period.

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7.05 **Excluded service.** Generally, all service with the Employer counts for purposes of applying the Plan's vesting schedules. However, the Employer may elect under AA §8-3 to exclude certain service with the Employer in calculating an Employee's vesting Years of Service.

7.06 **Service with Predecessor Employers.** If the Employer maintains the plan of a Predecessor Employer, any service with such Predecessor Employer is treated as service with the Employer for purposes of applying the provisions of this Plan, unless otherwise specified by the Employer in the Adoption Agreement. If the Employer does not maintain the plan of a Predecessor Employer, service with such Predecessor Employer does not count for vesting purposes under this Section 7, unless the Employer specifically designates under AA §4-5 to credit service with such Predecessor Employer for vesting.

7.07 **Forfeiture of Benefits.** A Participant will forfeit the nonvested portion of such Participant's Employer Contribution and/or Matching Contribution Account at such time as the Plan Administrator determines a forfeiture event has occurred. The Plan Administrator has the responsibility to determine the amount of a Participant's forfeiture. Until an amount is forfeited pursuant to this Section 7.07, a Participant's entire Account must remain in the Plan and continue to share in gains and losses. A Participant will not forfeit any of such Participant's nonvested Account until the occurrence of a total distribution to the Participant or Beneficiary or the occurrence of a distributable event as described under the Plan.

7.08 **Allocation of Forfeitures.** The Employer may decide in its discretion how to treat forfeitures under the Plan. Alternatively, the Employer may designate under AA §8-6 how forfeitures occurring during a Plan Year will be treated.

(a) **Reallocation as additional contributions.** The Employer may elect in AA §8-6 to reallocate forfeitures as additional contributions under the Plan. If the Employer elects to reallocate forfeitures as additional contributions, the Employer may elect, in its discretion, to allocate such amounts as additional Employer Contributions and/or additional Matching Contributions. Forfeitures allocated under this subsection (a) will be allocated in the same manner as selected under AA §6-3 or AA §6B-2 with respect to the contribution type being allocated. If no allocation method is selected for a particular contribution type, forfeitures will be reallocated as a pro rata allocation (as described in AA §6-3(a)) if such amount is reallocated as an additional Employer Contribution or as a discretionary Matching Contribution (as described in AA §6B-2(a)) if such amount is reallocated as an additional Matching Contribution. In applying the provisions of this subsection (a), no allocation of forfeitures will be made to any Participant with respect to forfeitures that arise out of such Participant's own Account.

(b) **Reduction of contributions.** The Employer may elect in AA §8-6 to use forfeitures to reduce Employer Contributions and/or Matching Contributions under the Plan. If the Employer elects to use forfeitures to reduce contributions, the Employer may, in its discretion, use such forfeitures to reduce Employer Contributions, Matching Contributions, or both. The Employer may adjust its contribution deposits in any manner, provided the total Employer Contributions made for the Plan Year properly take into account the forfeitures that are to be used to reduce such contributions for that Plan Year. If contributions are allocated over multiple allocation periods, the Employer may reduce its contribution for any allocation periods within the Plan Year in which the forfeitures are to be allocated so that the total amount allocated for the Plan Year is proper.

(c) **Payment of Plan expenses.** The Employer may elect under AA §8-6 to first use forfeitures to pay Plan expenses for the Plan Year in which the forfeitures would otherwise be applied. If any forfeitures remain after the payment of Plan expenses under this subsection, the remaining forfeitures will be allocated as selected under AA §8-6.

(d) **Frozen Plans.** If the Plan holds any unallocated forfeitures at the time the Plan is frozen, such forfeitures may be allocated in accordance with this Section 7.08, regardless of any contrary elections under AA §8-6.

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SECTION 8
PLAN DISTRIBUTIONS

A Participant may receive a distribution of such Participant's vested Account Balance at the time and in the manner provided under this Section 8.

8.01 **Distribution Options.** Distributions from the Plan may be made in the form of a lump sum of the Participant's entire vested Account Balance, a single sum distribution of a portion of the Participant's vested Account Balance, installments, annuity payments or other form of distribution, as elected by the Employer under the Agreement. In addition, distribution options may be available as provided under a guaranteed income product to the extent such distribution options are consistent with the requirements of Code §457(b). The Plan Administrator will make distributions to a Participant (or Beneficiary) as soon as administratively feasible after the occurrence of an event, such as Severance from Employment, that allows a Participant or Beneficiary to receive a distribution. The Plan may condition the receipt of a distribution on Participant and/or spousal consent, as specified under AA §9-4.

Subject to the automatic rollover rules under **Section 8.09(f)** of the Plan, a Participant who has a Severance from Employment (or a Beneficiary entitled to a distribution after the death of a Participant) with a vested Account Balance of $5,000 ($7,000, effective for distributions after December 31, 2023) or less generally will receive an Involuntary Cash-Out Distribution in the form of a lump sum distribution. An Involuntary Cash-Out Distribution is any distribution that is made from the Plan without the Participant's consent. If a Participant's vested Account Balance exceeds $5,000 ($7,000, effective for distributions after December 31, 2023), the Participant generally must consent to a distribution from the Plan. The Employer may specify alternative Involuntary Cash-Out Distribution thresholds and Participant and spousal consent requirements for the Plan under AA §9-4 or under separate administrative procedures.

Notwithstanding other provisions of the Plan, the Employer may operate the Plan to provide relief from certain rules relating to in-service distributions and loans for Participants who are victims of certain qualified natural disasters, as set forth under applicable IRS or legislative guidance. The Plan Administrator shall document through administrative procedures or otherwise the manner in which the Plan operationally applied this relief.

8.02 **Amount Eligible for Distribution.** For purposes of determining the amount a Participant may receive as a distribution from the Plan, a Participant's Account Balance is determined as of the Valuation Date that immediately precedes the date the Participant receives a distribution from the Plan. For this purpose, the Participant's Account Balance must be increased for any contributions allocated to the Participant's Account since the most recent Valuation Date and must be reduced for any distributions the Participant received from the Plan since the most recent Valuation Date. A Participant does not share in any allocation of gains or losses attributable to the period between the Valuation Date and the date of the distribution under the Plan, unless the Plan Administrator establishes an alternative policy.

8.03 **Permissible Distribution Events.** A Participant may receive a distribution from the Plan on account of a Severance from Employment. The Employer may, but is not required to, elect under AA §9-2(a) to allow certain in-service distributions. (See **Section 8.06** for the special rules for the distribution of smaller amounts.) However, as required under Code §457(d), in no event may the Plan make distributions earlier than:

(a) The calendar year in which a Participant attains age 59½;

(b) The date a Participant qualifies for an Unforeseeable Emergency distribution, as described under **Section 8.08**;

(c) The date a Participant qualifies for a Qualified Birth or Adoption Distribution, as described under **Section 8.14**;

(d) With respect to amounts invested in a Lifetime Income Investment, as described under **Section 8.15**, the date that is 90 days prior to the date that such Lifetime Income Investment may no longer be held as an investment option under the Plan;

(e) The date a Participant is required to receive a distribution under the required minimum distribution rules in **Section 9** of the Plan;

(f) The date a Participant is treated as having a Severance from Employment during any period the individual is performing service in the Uniformed Services for purposes of receiving a Plan distribution under Code §457(d). If an individual elects to receive a distribution while on military leave, the individual may not make Salary Deferrals under the Plan during the 6-month period beginning on the date of the distribution.

(g) The date a Participant qualifies for an Emergency Personal Expense Distribution, as described in **Section 8.18**.

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(h) The date a Participant qualifies for a Domestic Abuse Distribution, as described in **Section 8.19**.

(i) The date a participant qualifies for a Qualified Long-Term Care Distribution, as described in **Section 8.20**. **[Note – Qualified Long-Term Care Distributions are not available until after December 29, 2025.]**

If the Employer does not elect to allow in-service distributions under AA §9-2(a), then no distributions are allowed until a Participant has a Severance from Employment.

8.04 **Severance from Employment.** An Employee has a Severance from Employment if the Employee dies, retires or otherwise has a severance from employment. In general, an Independent Contractor is considered to have a Severance from Employment upon the expiration of the contract under which services are performed for the Employer, if the expiration constitutes a good faith and complete termination of the contractual relationship.

8.05 **Distribution Upon Death.** Upon death and subject to the required minimum distribution rules in **Section 9**, a Participant's vested Account Balance will be distributed to the Participant's Beneficiary(ies) in accordance with this Section. The form of benefit payable with respect to a deceased Participant will depend on whether the Participant dies before or after distribution of such Participant's Account Balance has commenced.

(a) **Death after commencement of benefits.** Subject to the required minimum distribution rules under Code §401(a)(9), if a Participant begins receiving a distribution of benefits under the Plan, and subsequently dies prior to receiving the full value of such Participant's vested Account Balance, the remaining benefit may continue to be paid to the Participant's Beneficiary(ies) in accordance with the form of payment that has already commenced. Alternatively, the Plan Administrator, in its discretion, may cash-out the remaining value of the Participant's benefit without the consent of the Beneficiary(ies).

(b) **Death before commencement of benefits.** If a Participant dies before commencing distribution of benefits under the Plan, the Participant's Beneficiary(ies) will receive an Involuntary Cash-Out Distribution, unless elected otherwise under AA §9-4 or under separate administrative procedures. In no event will any death benefit be paid in a manner that is inconsistent with the required minimum distribution rules under Code §401(a)(9).

(c) **Determining a Participant's Beneficiary.** The determination of a Participant's Beneficiary(ies) to receive any death benefits under the Plan will be based on the Participant's Beneficiary designation under the Plan. If a Participant does not designate a Beneficiary to receive the death benefits under the Plan, distribution will be made to the default Beneficiaries, as set forth in subsection (3) below.

(1) **Post-retirement death benefit.** If a Participant dies after commencing distribution of benefits under the Plan (but prior to receiving a distribution of such Participant's entire vested Account Balance under the Plan), the Beneficiary of any post-retirement death benefit is determined in accordance with the Beneficiary selected under the distribution options in effect prior to death.

(2) **Pre-retirement death benefit.** If a Participant dies before commencing distribution of such Participant's benefits under the Plan, the surviving spouse (determined at the time of the Participant's death) will be treated as the sole Beneficiary, unless:

(i) there is a valid contrary Beneficiary designation,

(ii) there is no surviving spouse, or

(iii) the spouse makes a valid disclaimer.

(3) **Default beneficiaries.** To the extent a Beneficiary has not been named by the Participant (subject to the spousal consent rule discussed above) and is not designated under the terms of this Plan or the Adoption Agreement to receive all or any portion of the deceased Participant's death benefit, such amount shall be distributed to the Participant's surviving spouse (if the Participant was married at the time of death) who shall be considered the Designated Beneficiary. If a Participant is legally divorced, the former spouse is not considered the default Beneficiary. If the Participant does not have a surviving spouse at the time of death, distribution will be made to the Participant's surviving children (including legally adopted children, but not including step-children), as designated Beneficiaries, in equal shares. If the Participant has no surviving children, distribution will be made to the Participant's estate. The Employer may modify the default beneficiary rules described in this subparagraph under AA §9-6.

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(4) **Identification of Beneficiaries.** The Plan Administrator may request proof of the Participant's death and may require the Beneficiary to provide evidence of such Participant's right to receive a distribution from the Plan in any form or manner the Plan Administrator may deem appropriate. The Plan Administrator's determination of the Participant's death and of the right of a Beneficiary to receive payment under the Plan shall be conclusive. If a distribution is to be made to a minor or incompetent Beneficiary, payments may be made to the person's legal guardian, conservator recognized under state law, or custodian in accordance with the Uniform Gifts to Minors Act or similar law as permitted under the laws of the state where the Beneficiary resides. The Plan Administrator or Trustee will not be liable for any payments made in accordance with this subsection (4) and will not be required to make any inquiries with respect to the competence of any person entitled to benefits under the Plan.

(5) **Death of Beneficiary.** Unless specified otherwise in the Participant's Beneficiary designation form or under AA §9-6, if a Beneficiary does not predecease the Participant but dies before distribution of the death benefit is made to the Beneficiary, the death benefit will be paid to the Beneficiary's estate. If the Participant and the Participant's Beneficiary die simultaneously and the Participant's Beneficiary designation form does not address simultaneous death, the determination of the death beneficiary will be determined under any state simultaneous death laws, to the extent applicable. If no applicable state law applies, the death benefit will be paid to the any contingent beneficiaries named under the Participant's beneficiary designation. If there are no contingent beneficiaries, the death benefit will be paid to the Participant's default beneficiaries, as described in subsection (3).

(6) **Divorce from Spouse.** If a Participant designates such Participant's spouse as Beneficiary and subsequent to such Beneficiary designation, the Participant and spouse are divorced, the designation of the spouse as Beneficiary under the Plan is automatically rescinded unless specifically provided otherwise under the Plan, a divorce decree or QDRO, or unless the Participant enters into a new Beneficiary designation naming the prior spouse as Beneficiary. In addition, the provisions under this subsection (6) will not apply if the Participant has entered into a Beneficiary designation that specifically overrides the provisions of this subsection (6).

(d) **Slayer Rule.** Notwithstanding anything to the contrary in the Plan, if the Plan Administrator receives notice prior to distribution of a Participant's vested Account Balance that an individual is responsible for the death of such Participant, then no payment of benefits with respect to such Participant will be made under any provision of the Plan to such individual. An individual will be treated as being responsible for the death of a Participant for purposes of the foregoing sentence only if, by virtue of such individual's involvement in the death of the Participant, such individual's entitlement to any interest in assets of the deceased could be denied (whether or not there is in fact any such entitlement) under any applicable state law, including, without limitation, laws governing intestate succession, wills, jointly-owned property, bonds, and life insurance. For purposes of the Plan, any such responsible individual will be deemed to have predeceased the Participant. The Plan Administrator shall withhold distribution of benefits otherwise payable under the Plan for such period of time as is necessary or appropriate under the circumstances to make a determination with regard to the application of this section.

8.06 **Distributions of Smaller Amounts.** The Employer may elect under the AA §9-2(c) to allow for distribution of all or a portion of the Participant's Account Balance, provided the conditions set forth under subsection (a) are satisfied.

(a) **Conditions for Distribution.** In order for a Plan to make distributions under this Section 8.06, the following conditions must be satisfied: (i) the Participant's total Account Balance which is not attributable to rollover contributions is not in excess of $5,000 (or $7,000, effective for distributions made after December 31, 2023) (or such other dollar limit specified under Code §411(a)(11)(A)), (ii) the Participant has not received an Employer Contribution or made a Salary Reduction Contribution during the two-year period ending on the date of distribution and (iii) the Plan has not made a prior distribution to the Participant under this Section 8.06.

(b) **Participant Election.** The Employer may elect under the AA §9-2(c) to allow a Participant to receive a distribution under this Section 8.06 at the Participant's (or Beneficiary's) request, provided the conditions in subsection (a) are satisfied.

8.07 **Distributions under a Qualified Domestic Relations Order.** The plan may make distributions to an Alternate Payee pursuant to a Qualified Domestic Relations Order (as described in Section 11.06 of the Plan, even if the amounts subject to the QDRO are not otherwise distributable.

8.08 **Unforeseeable Emergency Distribution.** If elected by the Employer in AA§9-2, a Participant may receive an in-service distribution on account of an Unforeseeable Emergency. If elected under AA §9-2(a)(3), Participants who receive a distribution on the occurrence of an Unforeseeable Emergency may not make Salary Deferrals to the Plan for a period of six (6) months after the date of the Unforeseeable Emergency distribution.

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(a) **Amount available for distribution.** A Participant may receive a distribution on account of an Unforeseeable Emergency of any portion of such Participant's vested benefit (including earnings thereon) up to the amount reasonably necessary to satisfy the emergency need (which may include any amounts necessary to pay any federal, state, or local income taxes or penalties reasonably anticipated to result from the distribution).

(b) **Definition of Unforeseeable Emergency.** An Unforeseeable Emergency is a severe financial hardship resulting from (i) an illness or accident of the Participant or Beneficiary, the Participant's or Beneficiary's spouse or the Participant's or Beneficiary's dependent; (ii) loss of the Participant's or Beneficiary's property due to casualty; or (iii) similar extraordinary or unforeseeable circumstances arising as a result of events beyond the control of the Participant or Beneficiary (such as the need to pay medical expenses or funeral expenses). Imminent foreclosure of or eviction from the Participant's or Beneficiary's primary residence; the need to pay for medical expenses, including non-refundable deductibles, as well as for the cost of prescription drug medication; the need to pay for the funeral expenses of a spouse or a dependent (as defined in IRC §152(a)) may constitute Unforeseeable Emergencies. However, the purchase of a home and the payment of college tuition generally are not Unforeseeable Emergencies. The Plan Administrator will determine based on relevant facts and circumstances whether a Participant or Beneficiary is faced with an Unforeseeable Emergency permitting a distribution.

(c) **Availability of Other Resources.** The Plan may not make a distribution on account of an Unforeseeable Emergency to the extent that the emergency is or may be relieved through reimbursement or compensation from insurance or otherwise; by liquidation of the Participant's assets without causing financial hardship; or by cessation of Salary Deferrals under the Plan.

(d) **Employee certification.** In determining whether a distribution to a Participant is made when the Participant is faced with an Unforeseeable Emergency, the Plan Administrator may (but is not required to) rely on a written certification by the Participant that the distribution is: (1) made when the Participant is faced with an Unforeseeable Emergency of a type which is described in Section 8.08(b) of the Plan; (2) not in excess of the amount required to satisfy the emergency need; and (3) that the Participant has no alternative means reasonably available to satisfy such emergency need. This Section 8.08(d) will be administered consistent with any applicable guidance or regulations issued by the Internal Revenue Service.

8.09 **Direct Rollovers.** Notwithstanding any provision in the Plan to the contrary, a Participant may elect to have all or any portion of an Eligible Rollover Distribution paid directly to an Eligible Retirement Plan in a Direct Rollover. If a Participant elects a Direct Rollover of only a portion of an Eligible Rollover Distribution, the Plan Administrator may require that the amount being rolled over equals at least $500.

For purposes of this Section 8.09, a Participant includes a Participant or former Participant. In addition, this Section applies to any distribution from the Plan made to a Participant's surviving spouse or to a Participant's spouse or former spouse who is the Alternate Payee under a QDRO.

If it is reasonable to expect (at the time of the distribution) that the total amount the Participant will receive as a distribution during the calendar year will total less than $200, the Employer need not offer the Participant a Direct Rollover option with respect to such distribution.

(a) **Eligible Rollover Distribution.** An Eligible Rollover Distribution is any distribution of all or any portion of a Participant's Account Balance, except for the following distributions:

(1) any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or Life Expectancy) of the Participant or the joint lives (or joint Life Expectancies) of the Participant and the Participant's Beneficiary, or for a specified period of ten years or more;

(2) any distribution to the extent such distribution is a required minimum distribution under **Section 9**;

(3) the portion of any distribution that is not includible in gross income;

(4) any distribution if it is reasonably expected (at the time of the distribution) that the total amount the Participant will receive as a distribution during the calendar year will total less than $200; or

(5) the portion of any distribution that is a distribution of excess deferrals as described under **Section 5.05**; or

(6) a distribution on account of an Unforeseeable Emergency.

(b) **Eligible Retirement Plan.** An Eligible Retirement Plan is:

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(1) an individual retirement account described in §408(a) of the Code;

(2) an individual retirement annuity described in §408(b) of the Code;

(3) an annuity plan described in §403(a) of the Code;

(4) a qualified plan described in §401(a) of the Code;

(5) a tax sheltered annuity plan described in §403(b) of the Code;

(6) a governmental 457 plan described in §457(b) of the Code; or

(7) Any other eligible retirement plan designated under Code §402(c)(8)(B).

(c) **Direct Rollover.** A Direct Rollover is a payment made directly from the Plan to the Eligible Retirement Plan specified by the Participant (or surviving spouse). The Plan Administrator may develop reasonable procedures for accommodating Direct Rollover requests.

(d) **Direct Rollover notice.** A Participant entitled to an Eligible Rollover Distribution must receive a written explanation of such Participant's right to a Direct Rollover, the tax consequences of not making a Direct Rollover, and, if applicable, any available special income tax elections. The notice must be provided within 30 – 180 days prior to the date of distribution. The Direct Rollover notice must be provided to all Participants, unless the total amount the Participant will receive as a distribution during the calendar year is expected to be less than $200.

(e) **Direct Rollover by Non-Spouse Beneficiary.** A non-spouse beneficiary (as defined in Code §401(a)(9)(E)) may elect to directly rollover an eligible rollover distribution to an individual retirement account under Code §408(a) or an individual retirement annuity under Code §408(b). In order to be able to roll over the distribution, the distribution otherwise must satisfy the definition of an Eligible Rollover Distribution (as defined in Code §402(c)). A non-spouse beneficiary rollover is subject to the rules under Code §457(e)(16) relating to the application of Code §402(c) and Code §402(f).

(f) **Automatic Rollovers.**

(1) **Automatic Rollover requirements.** If a Participant is entitled to an Involuntary Cash-Out Distribution (as defined in subsection (2)), and the Participant does not elect to receive a distribution of such amount (either as a Direct Rollover to an Eligible Retirement Plan or as a direct distribution to the Participant), then the Plan Administrator may pay the distribution in a Direct Rollover to an individual retirement plan (IRA) designated by the Plan Administrator. (The Automatic Rollover provisions under this subsection apply to any Involuntary Cash-Out Distribution for which the Participant fails to consent to a distribution, without regard to whether the Participant can be located.)

(2) **Involuntary Cash-Out Distribution.** An Involuntary Cash-Out Distribution is any distribution that is made from the Plan without the Participant's consent. Unless elected otherwise under AA §9-4(a)(3), an Involuntary Cash-Out Distribution, for purposes of applying the Automatic Rollover requirements, does not include any amounts below $1,000.

(3) **Treatment of Rollover Contributions.** Unless elected otherwise under AA §9-4(a)(5), for purposes of determining whether a mandatory distribution is greater than $1,000, the portion of the Participant's distribution attributable to any Rollover Contribution is excluded.

8.10 **Sources of Distribution.** Unless provided otherwise in separate administrative provisions adopted by the Plan Administrator, in applying the distribution provisions under this Article 8, distributions will be made on a pro rata basis from all Accounts from which a distribution is permitted under this Article. Alternatively, the Plan Administrator may permit Participants to direct the Plan Administrator as to which Account the distribution is to be made. Regardless of a Participant's direction as to the source of any distribution, the tax effect of such a distribution will be governed by Code §457 and the regulations there under. Nothing in this Article precludes the Plan from making a distribution in the form of property, or other in-kind distribution.

8.11 **Transfers from the Plan to another Code §457(b) Plan.** The Plan may provide for the transfer of all or a portion of a Participant's (or Beneficiary's) vested Account Balance to another eligible governmental plan within the meaning of Code §457(b) and Treasury Regulation §1.457-2(f) if the conditions below are satisfied: Upon the transfer of assets under this Section, the Plan's liability to pay benefits to the Participant or Beneficiary under this Plan shall be discharged to the extent of

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the amount so transferred for the Participant or Beneficiary. The Administrator may require such documentation from the receiving plan as it deems appropriate or necessary to comply with this Section (for example, to confirm that the receiving plan is an eligible governmental plan, and to assure that the transfer is permitted under the receiving plan) or to effectuate the transfer pursuant to Treas. Reg. §1.457-10 (b).

(a) Requirements for post-severance plan-to-plan transfers among eligible governmental plans. A transfer from this Plan to another eligible governmental plan is permitted if the following conditions are met:

(1) The receiving plan provides for the receipt of transfers;

(2) The Participant or Beneficiary whose amounts are being transferred will have an amount immediately after the transfer at least equal to the amount with respect to that Participant or Beneficiary immediately before the transfer; and

(3) The participant has had a Severance from Employment with the Employer and is performing services for the entity maintaining the receiving plan.

(b) Requirements for plan-to-plan transfers of all plan assets of eligible governmental plan. A transfer from the Plan to another eligible governmental plan is permitted if the following conditions are met:

(1) The transfer is from the Plan an eligible governmental plan to another eligible governmental plan within the same State;

(2) All of the assets held by the Plan are transferred;

(3) The receiving plan provides for the receipt of transfers;

(4) The Participant or Beneficiary whose amounts deferred are being transferred will have an amount immediately after the transfer at least equal to the amount with respect to that Participant or Beneficiary immediately before the transfer; and

(5) The Participants or Beneficiaries whose amounts are being transferred are not eligible for additional contributions in the receiving plan unless they are performing services for the entity maintaining the receiving plan.

(c) Requirements for plan-to-plan transfers among eligible governmental plans of the Employer. A transfer from the Plan to another eligible governmental plan is permitted if the following conditions are met:

(1) The transfer is to another eligible governmental plan of the Employer;

(2) The receiving plan provides for the receipt of transfers;

(3) The Participant or Beneficiary whose amounts are being transferred will have an amount immediately after the transfer at least equal to the amount deferred with respect to that Participant or Beneficiary immediately before the transfer; and

(4) The Participant or Beneficiary whose amounts are being transferred is not eligible for additional contributions in the receiving plan unless the Participant or Beneficiary is performing services for the entity maintaining the receiving plan.

8.12 **Permissive Service Credit Transfers.** If a Participant is also a participant in a tax-qualified defined benefit governmental plan (as defined in Code §414(d)) that provides for the acceptance of plan-to-plan transfers with respect to the Participant, then the Participant, if permitted by the Employer, may elect to have any portion of the Participant's Account Balance transferred to the defined benefit governmental plan (without regard to whether the defined benefit governmental plan is maintained by the Employer). A transfer under this Section may be made before the Participant has had a Severance from Employment. A transfer may be made under this Section only if the transfer is either for the purchase of permissive service credit (as defined in Code §415(n)(3)(A)) under the receiving defined benefit governmental plan or a repayment to which Code §415 does not apply by reason of Code §415(k)(3).

8.13 **Qualified Distributions for Retired Public Safety Officers.** A Participant who is an eligible retired public safety officer may elect, after Severance from Employment, to have qualified health insurance premiums deducted from amounts to be distributed from the Plan that would otherwise be includible in gross income, and to have such amounts paid directly to the insurer or

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group health plan. The distribution shall be excluded from the Participant's gross income to the extent that the aggregate amount of the distribution does not exceed the lesser of the amount used to pay the qualified health insurance premiums of the Participant, the Participant's spouse, and the Participant's dependents (as defined in Code §152), or $3,000, determined by aggregating all distributions with respect to the Participant that are used to pay qualified health insurance premiums from all eligible retirement plans of the Employer.

(a) **Qualified health insurance premiums.** The term "qualified health insurance premiums" means premiums for coverage for the Participant, the Participant's spouse, and the Participant's dependents (as defined in Code Section 152) by an accident or health insurance plan (including under a self-insured plan) or qualified long-term care insurance contract (within the meaning of Code Section 7702B(b)).

(b) **Eligible retired public safety officer.** The term "eligible retired public safety officer" means an individual who separated from service, either by reason of disability or after attainment of Normal Retirement Age, as a public safety officer with the Employer. For this purpose, a public safety officer is an individual serving the Employer in an official capacity, with or without compensation, as a law enforcement officer, a firefighter, a chaplain, or a member of a rescue squad or ambulance crew.

8.14 **Qualified Birth or Adoption Distributions.** Effective no earlier than for Plan Years beginning after December 31, 2019, if elected under AA §9-2(a), the permissible in-service distribution events may include Qualified Birth or Adoption Distributions. Under AA §9-3, the Plan may prohibit Participants who have terminated employment from taking Qualified Birth or Adoption Distributions.

(a) **Definitions.**

(1) **Qualified Birth or Adoption Distribution.** A Qualified Birth or Adoption Distribution (as defined under Code §72(t)(2)(H)(iii)(I)) is a distribution from the Plan to an individual if made during the one-year period beginning on the date on which a child of the individual is born or on which the legal adoption by the individual of an Eligible Adoptee is finalized.

(2) **Eligible Adoptee.** An Eligible Adoptee (as defined under Code §72(t)(2)(H)(iii)(II)) is any individual (other than a child of the Employee's spouse) who has not attained age 18 or is physically or mentally incapable of self-support. The determination of whether an individual is physically or mentally incapable of self-support is made in the same manner as the determination of whether an individual is disabled under Code §72(m)(7), which defines when an individual is disabled for purposes of the exception to the 10% additional tax under Code §72(t)(2)(A)(iii).

(b) **$5,000 limitation.** The Plan is not treated as violating any Code requirement merely because it treats a distribution (that would otherwise be a Qualified Birth or Adoption Distribution) to an individual as a Qualified Birth or Adoption Distribution, provided that the aggregate amount of such distributions to that individual from all plans maintained by the Employer does not exceed $5,000.

(1) Each parent may receive a Qualified Birth or Adoption Distribution of up to $5,000 with respect to the same child or Eligible Adoptee.

(2) An individual is permitted to receive Qualified Birth or Adoption Distributions with respect to the birth of more than one child or the adoption of more than one Eligible Adoptee if the distributions are made during the 1-year period following the date on which the children are born or the legal adoption for the Eligible Adoptees is finalized.

(c) **Recontributions to applicable Eligible Retirement Plans.** Any portion of a Qualified Birth or Adoption Distribution may, at any time during the 3-year period beginning on the day after the date on which such distribution was received, be recontributed to an applicable Eligible Retirement Plan to which an Eligible Rollover Distribution can be made. (With respect to any Qualified Birth or Adoption Distribution made on or before December 29, 2022, a Participant may recontribute any portion of the Qualified Birth or Adoption Distribution after such distribution and before January 1, 2026.) If the Employer adds the ability for Plan Participants to receive Qualified Birth or Adoption Distributions to the Plan, a Participant who has received a Qualified Birth or Adoption Distribution may recontribute, up to the amount that was distributed from the Plan to the Participant, provided the Participant otherwise is eligible to make contributions (other than recontributions of Qualified Birth or Adoption Distributions) to the Plan. In the case of a recontribution made with respect to a Qualified Birth or Adoption Distribution from an applicable Eligible Retirement Plan other than an IRA, an individual is treated as having received the distribution as an Eligible Rollover Distribution (as defined in Code §402(c)(4)) and as having transferred the amount to an applicable Eligible Retirement Plan in a direct trustee-to-trustee transfer within 60 days of the distribution.

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(d) **Other applicable rules.** The following rules apply to Qualified Birth or Adoption Distributions:

(1) A distribution to an individual will not be treated as a Qualified Birth or Adoption Distribution with respect to any child or Eligible Adoptee unless the individual includes the name, age, and the Taxpayer Identification Number (TIN) of the child or Eligible Adoptee on the individual's tax return.

(2) A Qualified Birth or Adoption Distribution is includible in gross income, but it is not subject to the 10% additional tax under Code §72(t)(1).

(3) In making a determination whether an individual is eligible for a Qualified Birth or Adoption Distribution, the Employer or Plan Administrator is permitted to rely on reasonable representations from the individual, unless the Employer or Plan Administrator has actual knowledge to the contrary.

(4) A Qualified Birth or Adoption Distribution is not treated as an Eligible Rollover Distribution for purposes of the direct rollover rules of Code §401(a)(31), the notice requirement under Code §402(f), and the mandatory withholding rules under Code §3405.

8.15 **Portability of lifetime income options.** Effective for Plan Years beginning after December 31, 2019 and as provided under Code §457(d)(1)(A)(iv), the Plan may allow a Qualified Distribution of a Lifetime Income Investment and a distribution of a Lifetime Income Investment in the form of a Qualified Plan Distribution Annuity Contract, provided such distribution is made within the 90-day period ending on the date when the Lifetime Income Investment is no longer authorized to be held as an investment option under the Plan. The Plan Administrator may administratively apply the rules of Code §457(d)(1)(A)(iv) to any applicable Plan investment meeting the definition of a Lifetime Income Investment.

Definitions.

(a) **Qualified Distribution.** A Qualified Distribution is a direct trustee-to-trustee transfer to an Eligible Retirement Plan.

(b) **Lifetime Income Investment.** A Lifetime Income Investment, as defined under Code §401(a)(38)(B)(ii), is an investment option designed to provide an Employee with election rights (1) that are not uniformly available with respect to other investment options under the Plan and (2) that are rights to a Lifetime Income Feature available through a contract or other arrangement offered under the Plan, as defined under Code §401(a)(38)(B)(ii). The Plan Administrator will determine whether an investment option under the Plan is a Lifetime Income Investment.

(c) **Lifetime Income Feature.** As defined under Code §401(a)(38)(B)(iii), a Lifetime Income Feature is (1) a feature that guarantees a minimum level of income annually (or more frequently) for at least the remainder of the life of the Employee or the joint lives of the Employee and the Employee's designated Beneficiary, or (2) an annuity payable on behalf of the Employee under which payments are made in substantially equal periodic payments (not less frequently than annually) over the life of the Employee or the joint lives of the Employee and the Employee's designated Beneficiary.

(d) **Qualified Plan Distribution Annuity Contract.** A Qualified Plan Distribution Annuity Contract is an annuity contract purchased for a Participant and distributed to the Participant by the Plan, as defined under Code §401(a)(38)(B)(iv).

8.16 **Special Disaster-Related Rules under the Taxpayer Certainty and Disaster Tax Relief Act of 2020.** This Section 8.16 incorporates the provisions of the Taxpayer Certainty and Disaster Tax Relief Act of 2020 §302 relating to special disaster-related rules applicable to governmental Code §457(b) plans. The provisions of this Section 8.16 apply only to the extent a distribution or loan was made to a qualified individual as provided under Disaster Tax Relief Act of 2020 §302. If the Plan did not operationally apply the rules under this Section 8.16, such provisions do not apply to the Plan. The Plan Administrator documented through administrative procedures (including designating accounts from which special disaster-related distributions and loans could have been taken) or otherwise the manner in which the Plan operationally applied the rules under this Section 8.16. To the extent this Section 8.16 applies to the Plan, these provisions supersede any inconsistent provisions of the Plan or loan program. The Plan Administrator

(a) **Eligibility for Qualified Disaster Distribution.** If administratively permitted by the Plan Administrator, a Participant could have taken a Qualified Disaster Distribution without regard to any distribution restrictions otherwise applicable under the Plan.

(1) **Definitions.**

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(i) **Qualified Disaster Distribution.** A Qualified Disaster Distribution (as defined under the Disaster Tax Relief Act of 2020 §302(a)(4)(A)) is a distribution from the Plan made:

(A) on or after the first day of the Incident Period of a Qualified Disaster and before June 25, 2021, and

(B) to an individual whose principal place of abode at any time during the Incident Period of such Qualified Disaster was located in the Qualified Disaster Area with respect to such Qualified Disaster and who had sustained an economic loss by reason of such Qualified Disaster.

(ii) **Qualified Disaster Area.** A Qualified Disaster Area is any area with respect to which a major disaster was declared, during the period that began on January 1, 2020, and ended on February 25, 2021, by the President under Robert T. Stafford Disaster Relief and Emergency Assistance Act §401 if the Incident Period of the disaster with respect to which such declaration was made began on or after December 28, 2019, and ended on or before December 27, 2020. Such term did not include any area with respect to which such a major disaster had been so declared only by reason of COVID–19.

(iii) **Qualified Disaster.** A Qualified Disaster is, with respect to any Qualified Disaster Area, the disaster by reason of which a major disaster was declared with respect to such area.

(iv) **Incident Period.** An Incident Period is, with respect to any Qualified Disaster, the period specified by the Federal Emergency Management Agency as the period during which such disaster occurred (except that such period shall not be treated as ending after January 26, 2021).

(2) **Limit on amount of Qualified Disaster Distributions.** The aggregate amount of Qualified Disaster Distributions received by an individual for any taxable year (from all plans maintained by the Employer and any member of a controlled group which includes the Employer) could not have exceeded the excess (if any) of $100,000, over the aggregate amounts treated as Qualified Disaster Distributions received by such individual for all prior taxable years.

(3) **Qualified Disaster Distributions treated as meeting certain Plan distribution requirements.** A Qualified Disaster Distribution is treated as meeting the requirements of Code §457(d)(1)(A).

(b) **Repayment of Qualified Disaster Distribution.** As provided under the Disaster Tax Relief Act of 2020 §302(a)(3), a Participant who received a Qualified Disaster Distribution from the Plan or another eligible retirement plan (as defined in Code §402(c)(8)(B)) may, at any time during the three-year period beginning on the day after the receipt of such distribution, make one or more Rollover Contributions to the Plan in an aggregate amount that does not exceed the amount of such Qualified Disaster Distribution. This subsection (b) only applies if the Plan permits Rollover Contributions.

(c) **Special Loan Rules.** As provided under the Disaster Tax Relief Act of 2020 §302(c), the Plan Administrator could (but was not required to) revise the applicable loan requirements under the Plan to reflect (1) and (2) below.

(1) **Increased Participant loan limits.** Notwithstanding the Participant loan limitations under the Plan, for purposes of determining the permissible Participant loans for a Qualified Individual during the 180-day period beginning on December 27, 2020, the loan limit under Code §72(p)(2)(A) could have been applied by substituting "$100,000" for "$50,000" and the adequate security requirement under Code §72(p)(2)(A)(ii) could have been applied using "the Participant's vested Account Balance" rather than "one-half (½) of the Participant's vested Account Balance." A Qualified Individual for this purpose was any Participant whose principal place of abode at any time during the Incident Period of any Qualified Disaster was located in the Qualified Disaster Area with respect to such Qualified Disaster, and who had sustained an economic loss by reason of such Qualified Disaster.

(2) **Delayed loan repayment date.** If a Qualified Individual (as defined in Section 8.16(c)(1) above) had an outstanding Participant loan on or after the first day of the Incident Period of a Qualified Disaster and ending on the date which is 180 days after the last day of the Incident Period:

(i) The due date for repayment of the Participant loan could have been delayed for one year;

(ii) any subsequent repayments with respect to such loan could have been appropriately adjusted to reflect the delay in the due date under Section 8.16(c)(2)(i) and any interest accruing during such delay; and

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(iii) in determining the five-year period and the term of the loan under Code §72(p)(2)(B) and (C), the one-year delay period described in Section 8.16(c)(2)(i) could have been disregarded.

8.17 **Qualified Disaster Recovery Distributions and loans from the Plan.** This Section 8.17 incorporates §331 of SECURE 2.0 relating to special disaster-related rules for retirement plans. The provisions of this Section 8.17 will apply only to the extent a distribution or loan has been made to a qualified individual as provided under SECURE 2.0. If the Plan does not operationally apply the rules under this Section 8.17, such provisions do not apply to the Plan. The Plan Administrator must document under administrative procedures the operational application of this Section 8.17. To the extent this Section 8.17 applies to the Plan, the provisions of this Section 8.17 supersede any inconsistent provisions of the Plan or loan program.

(a) **Eligibility for Qualified Disaster Recovery Distribution.** A qualified individual (as determined under Section 8.17(a)(1)(i) below) may, if permitted by the Plan Administrator, take a Qualified Disaster Recovery Distribution without regard to other distribution restrictions otherwise applicable under the Plan.

(1) **Definitions**

(i) **Qualified Disaster Recovery Distribution.** A Qualified Disaster Recovery Distribution is a distribution made (1) on or after the first day of the Incident Period of the applicable Qualified Disaster and before 180 days after the Applicable Date with respect to such disaster and (2) to a qualified individual whose principal place of abode at any time during the incident period of such Qualified Disaster is located in the Qualified Disaster Area with respect to such Qualified Disaster and who has sustained an economic loss by reason of such Qualified Disaster.

(ii) **Qualified Disaster.** Qualified Disaster is any disaster with respect to which a major disaster has been declared by the President under §401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act after December 27, 2020.

(iii) **Qualified Disaster Area.** A Qualified Disaster Area is, with respect to any Qualified Disaster, the area with respect to which the major disaster was declared under the Robert T. Stafford Disaster Relief and Emergency Assistance Act.

(iv) **Incident Period.** The Incident Period is, with respect to any Qualified Disaster, the period specified by the Federal Emergency Management Agency as the period during which such disaster occurred.

(v) **Applicable Date.** The Applicable Date is the latest of: (1) December 29, 2022; (2) the first day of the Incident Period with respect to the Qualified Disaster, or (3) the date of the disaster declaration with respect to the Qualified Disaster.

(2) **Limit on amount of Qualified Disaster Recovery Distributions.** The aggregate amount of Qualified Disaster Recovery Distributions received by an individual (from all plans maintained by the Employer, including any Related Employer) may not exceed $22,000 with respect to the same Qualified Disaster.

(b) **Repayment of Qualified Disaster Recovery Distribution.** A Participant who received a Qualified Disaster Recovery Distribution from the Plan may, at any time during the 3-year period beginning on the day after the receipt of such distribution, make one or more rollover contributions to an Eligible Retirement Plan (including this Plan) in an aggregate amount that does not exceed the amount of such Qualified Disaster Recovery Distribution. This subsection (b) only applies if the Eligible Retirement Plan permits rollover contributions.

(c) **Special Loan Rules.** As provided under Code §72(p)(6) as added by §331(c) of SECURE 2.0, the Plan Administrator is authorized (but not required) to revise the applicable loan requirements under the Plan to reflect (1) and (2) below.

(1) **Increased Participant loan limits.** Notwithstanding the Participant loan limitations under the Plan, for purposes of determining the permissible Participant loans for qualified individuals during the applicable periods (as provided for under Code §72(p)(6)(A)), the loan limit under Code §72(p)(2)(A) shall be applied by substituting "$100,000" for "$50,000" and the adequate security requirement under Code §72(p)(2)(A) (ii) may be applied using "the Participant's vested Account Balance" rather than "one-half (½) of the Participant's vested Account Balance."

(2) **Delayed loan repayment date.** If a qualified individual has an outstanding Participant loan on or after the qualified beginning date (as provided under Code §72(p)(6)(B)), and the due date for repayment of such loan

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occurs during the applicable period beginning on the qualified beginning date (as described under the applicable disaster relief law):

(i) the due date for repayment of the Participant loan shall be delayed for one year;

(ii) any subsequent repayments with respect to such loan shall be appropriately adjusted to reflect the delay in the due date under subsection (i) and any interest accruing during such delay; and

(iii) in determining the five-year period and the term of the loan under Code §72(p)(2)(B) and (C), the one-year delay period described in subsection (i) shall be disregarded.

8.18 **Emergency Personal Expense Distributions.** Effective for distributions after December 31, 2023, the Employer may elect under AA §9-2 to allow Emergency Personal Expense Distributions.

(a) **Definition of Emergency Personal Expense Distribution.** The term Emergency Personal Expense Distribution means any distribution from the Plan to a Participant for purposes of meeting unforeseeable or immediate financial needs relating to necessary personal or family emergency expenses. The Plan Administrator may rely on a Participant's written certification that such Participant satisfies the conditions of the preceding sentence in determining whether any distribution is an Emergency Personal Expense Distribution.

(b) **Limits and other rules applicable to Emergency Personal Expense Distributions.**

(1) **Annual Limitation.** The Plan may treat only one distribution per calendar year as an Emergency Personal Expense Distribution.

(2) **Dollar Limitation.** The amount which the Plan may treat as an Emergency Personal Expense Distribution by any Participant in any calendar year shall not exceed the lesser of $1,000 or an amount equal to the excess of:

(i) the individual's total nonforfeitable Account Balance, determined as of the date of each such distribution, over

(ii) $1,000.

(3) **Participant may repay amount distributed.** Any portion of an Emergency Personal Expense Distribution may, at any time during the 3-year period beginning on the day after the date on which such distribution was received, be recontributed to an applicable Eligible Retirement Plan to which an Eligible Rollover Distribution can be made. If the Employer adds the ability for Plan Participants to receive Emergency Personal Expense Distributions to the Plan, a Participant who has received an Emergency Personal Expense Distribution may recontribute, up to the amount that was distributed from the Plan to the Participant, provided the Participant otherwise is eligible to make contributions (other than recontributions of Emergency Personal Expense Distributions) to the Plan. In the case of a recontribution made with respect to an Emergency Personal Expense Distribution from an applicable Eligible Retirement Plan other than an IRA, an individual is treated as having received the distribution as an Eligible Rollover Distribution (as defined in Code §402(c)(4)) and as having transferred the amount to an applicable Eligible Retirement Plan in a direct trustee-to-trustee transfer within 60 days of the distribution.

(4) **Limitation on subsequent distributions.** If a Participant's distribution is treated as an Emergency Personal Expense Distribution in any calendar year, no amount may be treated as such a distribution during the immediately following three (3) calendar years with respect to the Plan unless:

(i) such previous distribution is fully repaid to the Plan pursuant, or

(ii) the aggregate of the Salary Deferrals, Matching Contributions and Employer Contributions to the Plan subsequent to such previous distribution is at least equal to the amount of such previous distribution which has not been so repaid.

(5) **Exemption Of Distributions From Trustee To Trustee Transfer And Withholding Rules.** For purposes of Code §§401(a)(31), 402(f), and 3405, an Emergency Personal Expense Distribution shall not be treated as an Eligible Rollover Distribution.

8.19 **Domestic Abuse Distributions.** Effective for distributions after December 31, 2023, the Employer may elect

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under AA §9-2 to allow Domestic Abuse Distributions.

(a) **Definition of Domestic Abuse Distribution.** The term Domestic Abuse Distribution is a distribution made to a Participant during the 1-year period beginning on any date on which the Participant is a victim of Domestic Abuse by a spouse or a domestic partner. The Plan Administrator may rely on a Participant's written certification that such Participant satisfies the conditions of receiving a Domestic Abuse Distribution.

(b) **Definition of Domestic Abuse.** The term Domestic Abuse means physical, psychological, sexual, emotional, or economic abuse, including efforts to control, isolate, humiliate, or intimidate the victim, or to undermine the victim's ability to reason independently, including by means of abuse of the victim's child or another family member living in the household.

(c) **Limits and other rules applicable to Domestic Abuse Distributions.**

(1) **Limitation.** The aggregate amount which may be treated as a Domestic Abuse Distribution to a Domestic Abuse victim by any individual shall not exceed an amount equal to the lesser of:

(i) $10,000 (adjusted for inflation after 2024), or

(ii) 50 percent of the victim's nonforfeitable Account Balance under the Plan.

(2) **Participant may repay amount distributed.** Any portion of a Domestic Abuse Distribution may, at any time during the 3-year period beginning on the day after the date on which such distribution was received, be recontributed to an applicable Eligible Retirement Plan to which an Eligible Rollover Distribution can be made. If the Employer adds the ability for Plan Participants to receive Domestic Abuse Distributions to the Plan, a Participant who has received a Domestic Abuse Distribution may recontribute, up to the amount that was distributed from the Plan to the Participant, provided the Participant otherwise is eligible to make contributions (other than recontributions of Domestic Abuse Distributions) to the Plan. In the case of a recontribution made with respect to a Domestic Abuse Distribution from an applicable Eligible Retirement Plan other than an IRA, an individual is treated as having received the distribution as an Eligible Rollover Distribution (as defined in Code §402(c)(4)) and as having transferred the amount to an applicable Eligible Retirement Plan in a direct trustee-to-trustee transfer within 60 days of the distribution.

8.20 **Qualified Long-Term Care Distributions.** Effective for distributions after December 29, 2025, the Employer may elect under AA §9-2 to allow Qualified Long-Term Care Distributions.

(a) **Definition of Qualified Long-Term Care Distribution.** The term Qualified Long-Term Care Distribution' means so much of the distributions made during the taxable year as does not exceed, in the aggregate, the least of the following:

(1) The amount paid by or assessed to the Employee during the taxable year for or with respect to Certified Long-Term Care Insurance for the Employee or the Employee's Spouse (or other family member of the Employee as provided by the Secretary of the Treasury.

(2) An amount equal to 10% of the nonforfeitable Account Balance of the Employee under the Plan.

(3) $2,500 (adjusted for inflation).

(b) **Definition of Certified Long-Term Care Insurance.** The term Certified Long-Term Care Insurance means:

(1) A qualified long-term care insurance contract (as defined in Code §7702B(b)) covering qualified long-term care services (as defined in Code §7702B(c)),

(2) Coverage of the risk that an insured individual would become a chronically ill individual (within the meaning of Code §101(g)(4)(B)) under a rider or other provision of a life insurance contract which satisfies the requirements of Code §101(g)(3) (determined without regard to subparagraph (D) thereof), or

(3) Coverage of qualified long-term care services under a rider or other provision of an insurance or annuity contract which is treated as a separate contract under Code §7702B(e) and satisfies the requirements of Code §7702B(g). Such coverage must provide meaningful financial assistance in the event the insured needs home based or nursing home care. Coverage shall not be deemed to provide meaningful financial assistance unless

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benefits are adjusted for inflation and consumer protections are provided, including protection in the event the coverage is terminated.

(c) **Long-Term Care Premium Statement.** No distribution shall be treated as a Qualified Long-Term Care Distribution unless a Long-Term Care Premium Statement with respect to the Employee has been filed with the Plan. A Long-Term Care Premium Statement is a statement provided by the issuer of long-term care coverage, upon request by the owner of such coverage, which includes (1) the name and taxpayer identification number of such issuer, (2) a statement that the coverage is Certified Long-Term Care Insurance, (3) identification of the Employee as the owner of such coverage, (4) identification of the individual covered and such individual's relationship to the Employee, (5) the premiums owed for the coverage for the calendar year, and (6) such other information as the Secretary of the Treasury may require. A Long-Term Care Premium Statement will be accepted only if the issuer has completed a disclosure to the Secretary of the Treasury for the specific coverage product to which the statement relates.

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SECTION 9
REQUIRED MINIMUM DISTRIBUTIONS

A Participant's entire interest under the Plan will be distributed, or begin to be distributed, to the Participant no later than the Participant's Required Beginning Date (as defined in subsection **9.03(f)**). All distributions required under this Section 9 will be determined and made in accordance with Code §401(a)(9) and applicable regulations. For purposes of applying the required minimum distribution rules under this Section 9, any distribution made in a form other than a lump sum must be made over one of the following periods (or a combination thereof): (1) the life of the Participant; (2) the life of the Participant and a Designated Beneficiary; (3) a period certain not extending beyond the life expectancy of the Participant; or (4) a period certain not extending beyond the joint and last survivor life expectancy of the Participant and a Designated Beneficiary.

The required minimum distribution rules under this Section 9 are intended to reflect the amendments made to Code §401(a)(9) by the Setting Every Community Up for Retirement Enhancement Act (SECURE Act) and should be interpreted consistent with Code §401(a)(9), as amended, and applicable regulatory guidance. The requirements of Code §401(a)(9) as in effect pursuant to the SECURE Act and as interpreted by applicable regulatory guidance are incorporated by reference into this Section 9. The Plan Administrator may adopt administrative procedures relating to required minimum distributions consistent with Code §401(a)(9) and applicable regulatory guidance. The Plan Administrator also may apply the rules relating to required minimum distributions enacted under SECURE 2.0.

9.01 Required Minimum Distributions during Participant's lifetime.

(a) **Amount of Required Minimum Distribution for each Distribution Calendar Year.** During the Participant's lifetime, the minimum amount that will be distributed for each Distribution Calendar Year is the lesser of:

(1) the quotient obtained by dividing the Participant's Account Balance by the distribution period set forth in the Uniform Lifetime Table found in Treas. Reg. §1.401(a)(9)-9, Q&A-2, using the Participant's age as of the Participant's birthday in the Distribution Calendar Year; or

(2) if the Participant's sole Designated Beneficiary for the Distribution Calendar Year is the Participant's spouse, the quotient obtained by dividing the Participant's Account Balance by the number in the Joint and Last Survivor Table set forth in Treas. Reg. §1.401(a)(9)-9, Q&A-3, using the Participant's and spouse's attained ages as of the Participant's and spouse's birthdays in the Distribution Calendar Year.

(b) **Lifetime Required Minimum Distributions continue through year of Participant's death.** Required minimum distributions will be determined under this Section 9.01 beginning with the first Distribution Calendar Year and continuing up to, and including, the Distribution Calendar Year that includes the Participant's date of death.

9.02 Required Minimum Distribution Rules After Participant's Death. Effective for distributions with respect to Employees who die after December 31, 2021, the SECURE Act amendments to Code §401(a)(9) apply to required minimum distributions. For Employees who died before January 1, 2022, the Code §401(a)(9) rules effective before the effective date of the SECURE Act apply.

(a) **10-year rule.** As provided under Code §401(a)(9)(H)(i), if a Participant dies before the distribution of the Participant's entire vested Account Balance (regardless of whether the Participant dies before, on or after beginning required minimum distributions), the entire vested Account Balance of the Participant will be distributed to the Designated Beneficiary no later than the end of the calendar year that includes the 10th anniversary of the date of the Participant's death. This is referred to as the "10-year rule."

(1) **Exception to 10-year rule for Eligible Designated Beneficiaries.** As provided under Code §401(a)(9)(H)(ii) and Code §401(a)(9)(B)(iii), if any portion of the Participant's interest is payable to an Eligible Designated Beneficiary, such portion may be distributed (in accordance with applicable regulations) over the life of such Eligible Designated Beneficiary (or over a period not extending beyond the life expectancy of such Eligible Designated Beneficiary), provided such distribution commence on or before the end of the calendar year following the calendar year in which the Participant died (except as provided under Code §401(a)(9)(B)(iv) relating to a surviving spouse) or such later date as the Secretary of Treasury may prescribe by regulations. This is referred to as the "life expectancy rule." If the conditions of this exception are not satisfied, the 10-year rule under subparagraph (1) applies.

(2) **Elective provisions for Eligible Designated Beneficiaries.** Unless the Employer elects otherwise under the AA §9-8(c), required minimum distributions under the Plan when the Participant dies prior to the Required Beginning Date shall be made as follows: (1) if the Participant does not have a Designated Beneficiary, distributions must satisfy the 5-year rule under Code §401(a)(9)(B)(ii); (2) if the participant has a Designated

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Beneficiary that is not an Eligible Designated Beneficiary, distributions must satisfy the 10-year rule; or (3) if the Participant has an Eligible Designated Beneficiary, distributions must satisfy the life expectancy rule.

Alternatively, the Employer may elect under AA §9-8(c) to (1) apply the life expectancy rule, (2) apply the 10-year rule (including a fixed number of years than less than 10), or (3) allow the Participant or the Eligible Designated Beneficiary to elect whether the 10-year rule or the life expectancy rule applies. If the Participant or Eligible Designated Beneficiary is allowed to elect whether the life expectancy rule or the 10-year rule applies and such Participant or Eligible Designated Beneficiary does not timely make such an election, then the Employer must elect under AA §9-8(c) whether the life expectancy rule or the 10-year rule applies.

(i) **Timing of election.** Any Participant or Eligible Designated Beneficiary election permitted under this Section §9.02(a)(2) must be made no later than end of the earlier of the calendar year by which distributions must be made in order to satisfy the 10-year rule and the calendar year in which distributions would be required to begin in order to satisfy the requirements of the life expectancy rule or, if applicable, by the time of the permitted delay if the surviving Spouse is the sole beneficiary as provided under Code §401(a)(9)(B)(iv).

(ii) **Irrevocable election.** If a Participant or Eligible Designated Beneficiary elects under this Section 9.2(a)(2) to apply either the 10-year rule or the life expectancy rule, then, as of the last date the election may be made, the election is irrevocable with respect to the Eligible Designated Beneficiary (and all subsequent Designated Beneficiaries and applies to all subsequent calendar years.

(3) **Rules upon death of an Eligible Designated Beneficiary.** Generally, if an Eligible Designated Beneficiary dies before the Participant's entire vested Account Balance is distributed, the life expectancy rule shall not apply to any beneficiary of such Eligible Designated Beneficiary and the remainder of such portion shall be distributed by the end of the 10th calendar year following the calendar year of the death of such Eligible Designated Beneficiary.

(4) **Permitted delay for surviving spouse beneficiaries.** If the Participant's surviving spouse is the employee's sole beneficiary, then the commencement of distributions under Section 9.02(a)(1) may be delayed until the end of the calendar year in which the Participant would have attained age 72 (or the calendar year in which the Participant would have attained age 70½ in the case of a Participant born before July 1, 1949).

(5) **Death of an Eligible Designated Beneficiary.** If an Eligible Designated Beneficiary dies before the Participant's entire vested Account Balance is distributed, the exception under subparagraph (1) above shall not apply to any beneficiary of such Eligible Designated Beneficiary and the remainder of such portion shall be distributed by the end of the calendar year that includes the 10th anniversary of the date of the Eligible Designated Beneficiary's death.

(6) **No Designated Beneficiary.** If there is no Designated Beneficiary as of the date of the Participant's death who remains a Beneficiary as of September 30 (or such other date allowed under applicable regulatory guidance) of the year immediately following the year of the Participant's death, the Participant's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(b) **Special rule in case of certain trusts for disabled or chronically ill Eligible Designated Beneficiary.** The Plan may apply the special rules for certain "applicable multi-beneficiary trusts" as described under Code §§401(a)(9)(H)(iv) and (v).

9.03 **Definitions.**

(a) **Designated Beneficiary.** A Beneficiary designated by the Participant (or the Plan), whose life expectancy may be taken into account to calculate minimum distributions, pursuant to Code §401(a)(9) and Treas. Reg. §1.401(a)(9)-4.

(b) **Eligible Designated Beneficiary.** The term Eligible Designated Beneficiary means, with respect to any Participant, any Designated Beneficiary who, as of the date of death of the Participant, is:

(1) the surviving spouse of the Participant;

(2) a child of the Participant who has not reached the age of majority (within the meaning of Code §401(a)(9)(F);

(3) disabled (within the meaning of Code §72(m)(7));

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(4) a chronically ill individual (within the meaning of Code §7702B(c)(2), except that the requirements of subparagraph (A)(i) thereof shall only be treated as met if there is a certification that, as of such date, the period of inability described in such subparagraph with respect to the individual is an indefinite one which is reasonably expected to be lengthy in nature); or

(5) an individual not described in any of the preceding subclauses who is not more than 10 years younger than the Participant.

Subject to Code §401(a)(9)(F), a child described in section (b)(2) above shall cease to be an Eligible Designated Beneficiary as of the date the child reaches the age of majority and any remainder of the portion of the child's interest to which Code §401(a)(9)(H)(ii) applies shall be distributed no later than the December 31 of the 10th year following the year of the Participant's death.

(c) **Distribution Calendar Year.** A calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first Distribution Calendar Year is the calendar year immediately preceding the calendar year that contains the Participant's Required Beginning Date. For distributions beginning after the Participant's death, the first Distribution Calendar Year is the calendar year in which distributions are required to begin pursuant to Section 9.01. The required minimum distribution for the Participant's first Distribution Calendar Year will be made on or before the Participant's Required Beginning Date. The required minimum distribution for other Distribution Calendar Years, including the required minimum distribution for the Distribution Calendar Year in which the Participant's Required Beginning Date occurs, will be made on or before December 31 of that Distribution Calendar Year.

(d) **Life expectancy.** For purposes of determining a Participant's required minimum distribution amount, life expectancy is computed using one of the following tables, as appropriate: (1) Single Life Table, (2) Uniform Life Table, or (3) Joint and Last Survivor Table found in Treas. Reg. §1.401(a)(9)-9.

(e) **Account Balance.** For purposes of determining a Participant's required minimum distribution, the Participant's Account Balance is determined based on the Account Balance as of the last Valuation Date in the calendar year immediately preceding the Distribution Calendar Year (the "valuation calendar year") increased by the amount of any contributions or forfeitures allocated to the Account Balance as of dates in the calendar year after the Valuation Date and decreased by distributions made in the calendar year after the Valuation Date. The Account Balance for the valuation calendar year includes any amounts rolled over or transferred to the Plan either in the valuation calendar year or in the Distribution Calendar Year if distributed or transferred in the valuation calendar year.

(f) **Required Beginning Date.** Unless designated otherwise under AA §9-8(a), a Participant's Required Beginning Date under the Plan is April 1 that follows the end of the calendar year in which the later of the following two events occurs:

(1) the Participant attains age 73 (age 70½ for Participants who attained age 70 ½ before January 1, 2020 or age 72 for Participants who attained age 72 before January 1, 2023) or

(2) the Participant retires from employment with the Employer.

9.04 **Special Rules.**

(a) **Forms of Distribution.** Unless the Participant's interest is distributed in the form of an annuity purchased from an insurance company or in a lump sum on or before the Required Beginning Date, as of the first Distribution Calendar Year distributions will be made in accordance with this Section 9. If the Participant's interest is distributed in the form of an annuity purchased from an insurance company, distributions thereunder will be made in accordance with the requirements of Code §401(a)(9) and the regulations.

(b) **Treatment of trust beneficiaries as Designated Beneficiaries.** As allowed under applicable regulatory guidance, if a trust is properly named as a Beneficiary under the Plan, the beneficiaries of the trust will be treated as the Designated Beneficiaries (or Eligible Designated Beneficiaries) of the Participant solely for purposes of determining the distribution period under this Section 9 with respect to the trust's interests in the Participant's vested Account Balance. The beneficiaries of a trust will be treated as Designated Beneficiaries (or Eligible Designated Beneficiaries) for this purpose only if, during any period during which required minimum distributions are being determined by treating the beneficiaries of the trust as Designated Beneficiaries (or Eligible Designated Beneficiaries), the following requirements are met:

(1) the trust is a valid trust under state law, or would be but for the fact there is no corpus;

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(2) the trust is irrevocable or will, by its terms, become irrevocable upon the death of the Participant;

(3) the beneficiaries of the trust who are beneficiaries with respect to the trust's interests in the Participant's vested Account Balance are identifiable from the trust instrument; and

(4) the Plan Administrator receives the documentation described in Treas. Reg. §1.401(a)(9)-4.

If the foregoing requirements are satisfied and the Plan Administrator receives such additional information as it may request, the Plan Administrator may treat such beneficiaries of the trust as Designated Beneficiaries.

(c) Modification of Minimum Distribution Rules Relating to Qualified Longevity Annuity Contracts.

(1) The following provisions modify the required minimum distribution rules under this Section 9.04(c) of the Plan to conform the rules to final Trea. Reg. §1.401(a)(9)-6 relating to the purchase of Qualifying Longevity Annuity Contracts (QLACs). The Plan will apply the provisions consistent with the requirements under the Treas. Reg. §§1.401(a)(9)-5 and 1.401(a)(9)-6, as amended. If the IRS revises these regulations or provides other relevant guidance on QLACs to reflect changes made by the SECURE Act and/or SECURE 2.0, the rules under this Section 9.04(c) are to be interpreted consistent with the revisions or guidance.

(2) Effective/Applicability Dates.

(i) General effective dates. This subsection (c) applies to contracts purchased on or after July 2, 2014. If on or after July 2, 2014, an existing contract is exchanged for a contract that satisfies the requirements of this subsection (h), the new contract will be treated as purchased on the date of the exchange and the fair market value of the contract that is exchanged for a QLAC will be treated as a premium paid with respect to the QLAC.

(ii) Delayed applicability date for requirement that contract state that it is intended to be QLAC. An annuity contract purchased before January 1, 2016, will not fail to be a QLAC merely because the contract does not satisfy the requirement of subsection (4)(i)(F) below, provided that:

(A) When the contract (or a certificate under a group annuity contract) is issued, the Employee is notified that the annuity contract is intended to be a QLAC; and

(B) The contract is amended (or a rider, endorsement or amendment to the certificate is issued) no later than December 31, 2016, to state that the annuity contract is intended to be a QLAC.

(3) Account Balance for Determining Minimum Distributions. For purposes of determining a Participant's required minimum distribution as described under this Section 9.04(c) of the Plan, the Participant's Account Balance, as defined under Section 9.03(e) of the Plan, does not include the value of any Qualifying Longevity Annuity Contract (QLAC), described under subsection 4 below and Treas. Reg. §1.401(a)(9)–6, Q&A - 17, that is held under the Plan.

(4) Rules Applicable to Qualifying Longevity Annuity Contracts.

(i) Definition of Qualifying Longevity Annuity Contracts. A Qualifying Longevity Annuity Contract (QLAC) is an annuity contract that is purchased from an insurance company for an Employee and that, in accordance with the rules of application of this subsection (4) and Treas. Reg. §1.401(a)(9)-6, Q&A - 17, satisfies each of the following requirements:

(A) Premiums for the contract satisfy the requirements of subsection (ii) of this Section 9.04(c);

(B) The contract provides that distributions under the contract must commence not later than a specified annuity starting date that is no later than the first day of the month next following the 85th anniversary of the Employee's birth;

(C) The contract provides that, after distributions under the contract commence, those distributions must satisfy the requirements of this Article and Treas. Reg. §1.401(a)(9) (other than the requirement that annuity payments commence on or before the Required Beginning Date);

(D) The contract does not make available any commutation benefit, cash surrender right, or other similar feature;

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(E) No benefits are provided under the contract after the death of the employee other than the benefits described in Subsection (iii) below;

(F) When the contract is issued, the contract (or a rider or endorsement with respect to that contract) states that the contract is intended to be a QLAC; and

(G) The contract is not a variable contract under Code §817, an indexed contract, or a similar contract, except to the extent provided by the Commissioner of the Internal Revenue Service in revenue rulings, notices, or other guidance published in the Internal Revenue Bulletin.

(ii) **Limitations on premiums.**

(A) **In general.** The premiums paid with respect to the contract on a date satisfy the requirements of this subsection (ii) if they do not exceed the lesser of the dollar limitation in subsection (B) below .

(B) **Dollar limitation.** The dollar limitation is an amount equal to the excess of:

(I) $200,000 (as adjusted under Section (d)(2) of Treas. Reg. §1.401(a)(9)-6, Q&A - 17), over

(II) The sum of:

(a) The premiums paid before that date with respect to the contract; and

(b) The premiums paid on or before that date with respect to any other contract that is intended to be a QLAC and that is purchased for the Employee under the Plan, or any other plan, annuity, or account described in Code §§ 401(a), 403(a), 403(b), or 408 or eligible governmental plan under Code §457(b).

(iii) **Payments after death of the Employee.**

(A) **Surviving spouse is sole Designated Beneficiary.**

(I) **Death on or after annuity starting date.** If the Employee dies on or after the annuity starting date for the contract and the Employee's surviving spouse is the sole Designated Beneficiary under the contract, then except as provided in Treas. Reg. §1.401(a)(9)-6, Q&A-17(c)(4), the only benefit permitted to be paid after the Employee's death is a life annuity payable to the surviving spouse where the periodic annuity payment is not in excess of 100 percent of the periodic annuity payment that is payable to the Employee.

(II) **Death before annuity starting date.**

(a) Amount of annuity. If the employee dies before the annuity starting date and the employee's surviving spouse is the sole Designated Beneficiary under the contract then except as provided in paragraph in Treas. Reg. §1.401(a)(9)-6, Q&A-17(c)(4), the only benefit permitted to be paid after the Employee's death is a life annuity payable to the surviving spouse where the periodic annuity payment is not in excess of 100 percent of the periodic annuity payment that would have been payable to the Employee as of the date that benefits to the surviving spouse commence. However, the annuity is permitted to exceed 100 percent of the periodic annuity payment that would have been payable to the employee to the extent necessary to satisfy the requirement to provide a Qualified Preretirement Survivor Annuity.

(b) Commencement date for annuity. Any life annuity payable to the surviving spouse under subsection (a) above must commence no later than the date on which the annuity payable to the Employee would have commenced under the contract if the Employee had not died.

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(B) Surviving spouse is not sole beneficiary.

(I) Death on or after annuity starting date. If the Employee dies on or after the annuity starting date for the contract and the Employee's surviving spouse is not the sole Designated Beneficiary under the contract, then except as provided in Treas. Reg. §1.401(a)(9)-6, Q&A-17(c)(4), the only benefit permitted to be paid after the Employee's death is a life annuity payable to the Designated Beneficiary where the periodic annuity payment is not in excess of the applicable percentage (determined under paragraph Treas. Reg. §1.401(a)(9)-6, Q&A-17(c)(2)(iii)) of the periodic annuity payment that is payable to the Employee.

(II) Death before annuity starting date.

(a) Amount of annuity. If the Employee dies before the annuity starting date and the Employee's surviving spouse is not the sole Designated Beneficiary under the contract, then except as provided in Treas. Reg. §1.401(a)(9)-6, Q&A - 17 (c)(4), the only benefit permitted to be paid after the Employee's death is a life annuity payable to the Designated Beneficiary where the periodic annuity payment is not in excess of the applicable percentage (determined under Treas. Reg. §1.401(a)(9)-6, Q&A-17(c)(2)(iii) of the periodic annuity payment that would have been payable to the Employee as of the date that benefits to the Designated Beneficiary commence under this subsection (a).

(b) Commencement date for annuity. In any case in which the employee dies before the annuity starting date, any life annuity payable to a Designated Beneficiary under this subsection (b) must commence by the last day of the calendar year immediately following the calendar year of the Employee's death.

(iv) Rules of application.

(A) Rules relating to premiums.

(I) Reliance on representations. For purposes of the limitation on premiums described in Subsections (ii)(B) and (ii)(C) above, unless the Plan Administrator has actual knowledge to the contrary, the Plan Administrator may rely on an Employee's representation (made in writing or such other form as may be prescribed by the Commissioner of the Internal Revenue Service) of the amount of the premiums described in subsections (ii)(B)(II)(b) and (ii)(C)(II)(b) above, but only with respect to premiums that are not paid under a plan, annuity, or contract that is maintained by the Employer or Related Employer.

(II) Consequences of excess premiums.

(a) General Rule. If an annuity contract fails to be a QLAC solely because a premium for the contract exceeds the limits under subsection (b) below, then the contract is not a QLAC beginning on the date that premium payment is made unless the excess premium is returned to the non-QLAC portion of the Employee's account in accordance with Treas. Reg. §1.401(a)(9)-6, Q&A-17 (d)(1)(ii)(B). If the contract fails to be a QLAC, then the value of the contract may not be disregarded under A–3(d) of Treas. Reg. §1.401(a)(9)–5 as of the date on which the contract ceases to be a QLAC.

(b) Correction in year following year of excess. If the excess premium is returned (either in cash or in the form of a contract that is not intended to be a QLAC) to the non-QLAC portion of the Employee's account by the end of the calendar year following the calendar year in which the excess premium was originally paid, then the contract will not be treated as exceeding the limits under this subsection (b) at any time, and the value of the contract will not be included in the Employee's Account Balance. If the excess premium (including the fair market value of an annuity contract that is not intended to be a QLAC, if applicable) is returned to the non-QLAC portion of the Employee's account after the last valuation date for the calendar year in which the excess premium was originally paid, then the Employee's account balance for that calendar year must be increased to reflect

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that excess premium in the same manner as an Employee's Account Balance is increased under Treas. Reg. §1.401(a)(9)–7, A–2 to reflect a rollover received after the last valuation date.

(c) **Return of excess premium not a commutation benefit.** If the excess premium is returned to the non-QLAC portion of the Employee's account as described in Treas. Reg. §1.401(a)(9)-6, Q&A-17(d)(1)(ii)(B), it will not be treated as a violation of the requirement in subsection (4)(i)(D) above that the contract not provide a commutation benefit.

(III) **Application of 25-percent limit.** For purposes of the 25-percent limit under Subsection (ii)(C) above, an Employee's Account Balance on the date on which premiums for a contract are paid is the account balance as of the last valuation date preceding the date of the premium payment, adjusted as follows. The Account Balance is increased for contributions allocated to the account during the period that begins after the valuation date and ends before the date the premium is paid and decreased for distributions made from the account during that period.

(B) **Dollar and age limitations subject to adjustments.**

(I) **Dollar limitation.** In the case of calendar years beginning on or after January 1, 2015, the $125,000 amount under Subsection (ii)(B)(I) will be adjusted at the same time and in the same manner as the limits are adjusted under Code §415(d), except that the base period shall be the calendar quarter beginning July 1, 2013, and any increase under this Subsection that is not a multiple of $10,000 will be rounded to the next lowest multiple of $10,000.

(II) **Age limitation.** The maximum age set forth in Subsection (i)(B) above may be adjusted to reflect changes in mortality, with any such adjusted age to be prescribed by the Commissioner of the Internal Revenue Service in revenue rulings, notices, or other guidance published in the Internal Revenue Bulletin.

(III) **Prospective application of adjustments.** If a contract fails to be a QLAC because it does not satisfy the dollar limitation in Subsection (ii)(B) above or the age limitation in Subsection (i)(B) above, any subsequent adjustment that is made pursuant to Subsections (iv)(B)(I) or (iv)(B)(II) above will not cause the contract to become a QLAC.

(C) **Determination of whether contract is intended to be a QLAC.** If a contract fails to be a QLAC at any time for a reason other than an excess premium described in Treas. Reg. §1.401(a)(9)-6, Q&A-17(d)(1)(ii), then as of the date of purchase the contract will not be treated as a QLAC (for purposes of A–3(d) of Treas. Reg. §1.401(a)(9)–5) or as a contract that is intended to be a QLAC as of the date of purchase.

(D) **Group annuity contract certificates.** The requirement under Subsection (i)(F) above that the contract state that it is intended to be a QLAC when issued is satisfied if a certificate is issued under a group annuity contract and the certificate, when issued, states that the Employee's interest under the group annuity contract is intended to be a QLAC.

(d) **Other SECURE 2.0 modifications to required minimum distribution rules.**

(1) **Increases in payments under a commercial annuity.** Effective for calendar years beginning after December 29, 2022, the Plan may apply the rules under Code §401(a)(9)(J), as added by §201 of SECURE 2.0, relating to certain increases in payments under a commercial annuity. As provided under Code §401(a)(9)(J), the required minimum distribution rules applicable to the Plan shall not prohibit a commercial annuity (within the meaning of Code §3405(e)(6)) from providing one or more of the following types of payments on or after the Annuity Starting Date:

(i) annuity payments that increase by a constant percentage, applied not less frequently than annually, at a rate that is less than 5 percent per year;

(ii) a lump sum payment that: (I) results in a shortening of the payment period with respect to an annuity or a full or partial commutation of the future annuity payments, provided that such lump sum is determined

using reasonable actuarial methods and assumptions, as determined in good faith by the issuer of the contract, or (II) accelerates the receipt of annuity payments that are scheduled to be received within the ensuing 12 months, regardless of whether such acceleration shortens the payment period with respect to the annuity, reduces the dollar amount of benefits to be paid under the contract, or results in a suspension of annuity payments during the period being accelerated;

(iii) an amount which is in the nature of a dividend or similar distribution, provided that the issuer of the contract determines such amount using reasonable actuarial methods and assumptions, as determined in good faith by the issuer of the contract, when calculating the initial annuity payments and the issuer's experience with respect to those factors; or

(iv) a final payment upon death that does not exceed the excess of the total amount of the consideration paid for the annuity payments, less the aggregate amount of prior distributions or payments from or under the contract.

(2) **Partial annuitization.** As provided under §204 of SECURE 2.0, effective as December 29, 2022 and subject to a reasonable good faith interpretation until IRS issues applicable regulations, an Employee may elect to receive the required minimum distribution amount for a Distribution Calendar Year to be calculated as the excess of the Total Required Amount (as defined below) for such Distribution Calendar Year over the Annuity Amount (as defined below) for such year.

(i) **Total Required Amount.** The term Total Required Amount, with respect to a Distribution Calendar Year means the amount which would be required to be distributed under Treas. Reg. §1.401(a)(9)–5 (or any successor regulation) for such year, determined by treating the Account Balance as of the last valuation date in the immediately preceding calendar year as including the value on that date of all annuity contracts which were purchased with a portion of the Account and from which payments are made in accordance with Treas. Reg. §1.401(a)(9)–6.

(ii) **Annuity Amount.** The term Annuity Amount, with respect to a Distribution Calendar Year, is the total amount distributed in such year from all annuity contracts described in paragraph (1).

(3) **Modification of required minimum distribution rules for special needs trusts.** Effective for calendar years beginning after December 29, 2022, for purposes of complying with the required minimum distribution rules under Code §401(a)(9), the Plan may apply the provisions of §337 of SECURE 2.0 relating to special needs trusts.

(4) **Roth Deferrals.** Effective for taxable years beginning after December 31, 2023, but not with respect to distributions required before January 1, 2024, but are permitted to be paid on or after such date, the pre-death minimum distribution rules under Code §401(a)(9)(A) do not apply to Roth Deferral Accounts, Roth Rollover Contribution Accounts or In-plan Roth Conversion Accounts.

(5) **Special rule for surviving Spouse of Employee.** Effective for calendar years beginning after December 31, 2023, if the sole Designated Beneficiary is the surviving Spouse of the Employee and such Spouse elects to be treated as the deceased Employee for purposes of the required minimum distribution rules under Code §401(a)(9), then the rules under Code §401(a)(9)(B)(iv) apply. The Plan Administrator may apply these rules in a good-faith manner until the IRS issues applicable guidance.

(i) **Impact of Spouse's election.** If the surviving Spouse elects treatment as the deceased Employee for purposes of the required minimum distribution rules under Code §401(a)(9), the following special rules apply.

(A) The surviving Spouse will be treated as if the surviving Spouse were the Employee.

(B) The date on which required minimum distributions must begin shall not be earlier than the date on which the Employee would have attained the applicable age.

(C) If the surviving Spouse dies before the distributions to such Spouse begin, the surviving Spouse is treated as the Employee.

(D) The applicable distribution period for distribution calendar years after the distribution calendar year including the Employee's date of death is determined under the uniform lifetime table.

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(ii) **Spouse election.** The Spouse's election under this BPD Section 9.04(d)(5) shall be made at such time and in such manner as prescribed by the Secretary of the Treasury, shall include a timely notice to the Plan Administrator, and once made may not be revoked except with the consent of the Secretary of the Treasury.

9.05 Required Minimum Distributions for 2020.

(a) **Temporary waiver of required minimum distribution rules for 2020.** As provided under Code §401(a)(9)(I), added by CARES Act §2203 and effective as of January 1, 2020 (or such later date designated under AA §9-8(b)), the required minimum distribution rules under Section 9 of the Plan did not apply for the 2020 calendar year. A Participant or beneficiary who would have been required to receive a required minimum distribution for the 2020 calendar year (or a Participant with a Required Beginning Date of April 1, 2021 who would have received a required minimum distribution in 2021 for the 2020 calendar year) ("2020 RMD"), but for the enactment of Code §401(a)(9)(I), and who would have satisfied that requirement by receiving a distribution that is either (1) equal to the 2020 RMD, or (2) one or more payments (that include the 2020 RMD) in a series of substantially equal periodic payments made at least annually and expected to last for the life (or life expectancy) of the Participant, the joint lives (or joint life expectancies) of the Participant and the Participant's Designated Beneficiary, or for a period of at least 10 years ("2020 Extended RMD"), may have elected whether to receive the 2020 RMD or the 2020 Extended RMD. If a Participant did not specifically elect to take the 2020 RMD or 2020 Extended RMD from the Plan, such distribution was not made for the 2020 calendar year. The Employer may modify this default rule under AA §9-8(b), provided such modification satisfies the requirements under Code §401(a)(9)(I) and any applicable IRS guidance.

In addition, solely for purposes applying the Direct Rollover provisions of the Plan, certain additional distributions in 2020, as elected by the Employer under AA §9-8(b), were treated as Eligible Rollover Distributions. If no election is made by the Employer in AA §9-8(b), the Plan offered a Direct Rollover only for distributions that were Eligible Rollover Distributions in the absence of Code §401(a)(9)(I).

If all or any portion of a distribution made during 2020 was treated as an Eligible Rollover Distribution but would not be treated as such if the required minimum distribution requirements under Section 9 of the Plan had applied during 2020, such distribution could not be treated as an Eligible Rollover Distribution for purposes of the Direct Rollover rules, Code §457(e)(16)(B) and Code §3405(c).

(b) **Special rules regarding the temporary waiver of required minimum distribution rules for 2020.** In applying the provisions of Section 9 of the Plan for the 2020 calendar year, the following special rules apply:

(1) The Required Beginning Date with respect to any individual shall be determined without regard to this Section 9.05 for purposes of applying Section 9 of the Plan for calendar years after 2020;

(2) If Code §401(a)(9)(B)(ii) applies, the five-year period described in such provision shall be determined without regard to the 2020 calendar year.

(3) If the Plan permits a Participant or beneficiary to elect whether the 5-year rule or the life expectancy rule applies in determining required minimum distributions and the election period would end in the 2020 calendar year, the Plan Administrator may extend the election deadline to the end of 2021.

(4) The Plan Administrator and Participants may apply the transitional relief and special rules under Code §401(a)(9)(I) and IRS Notice 2020-51 relating to the temporary waiver of required minimum distributions for 2020 in any reasonable and consistent manner.

(5) The Employer may describe any special rules applicable to the temporary waiver of the required minimum distribution rules for 2020 under AA §9-8(b).

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SECTION 10
INVESTMENT VEHICLES AND PARTICIPANT ACCOUNTS

10.01 **Participant Accounts.** The Plan Administrator will establish and maintain a separate Account (or multiple Accounts, if appropriate) for each Participant to reflect the Participant's entire interest under the Plan. To the extent applicable, the Plan Administrator may establish and maintain separate sub-Accounts for a Participant. Accounts may include, but are not limited to:

- Pre-tax Deferral Account
- Roth Deferral Account
- Employer Contribution Account
- Matching Contribution Account
- Rollover Contribution Account
- Roth Rollover Contribution Account
- In-plan Roth Conversion Account
- Transfer Account

The Plan Administrator will maintain separate Accounts for the vested and non-vested portions of any Account. The Plan Administrator also must maintain two separate Rollover Contribution Accounts for a Participant, if necessary, as provided under Section 4.01(a) of the Plan.

10.02 **Value of Participant Accounts.** The value of a Participant's Account consists of the fair market value of the Participant's share of the Plan assets.

(a) **Periodic valuation.** The Trustee (as identified under the Trust Declaration page) must value Plan assets at least annually.

(b) **Daily valuation.** If the Employer elects daily valuation under AA §10-1(a) or, if in operation, the Employer elects to have the Plan daily valued, the Plan Administrator may adopt reasonable procedures for performing such valuations. Unless otherwise set forth in the written procedures, a daily valued Plan will have its assets valued at the end of each business day during which the New York Stock Exchange is open. The Plan Administrator has authority to interpret the provisions of this Plan in the context of a daily valuation procedure. This includes, but is not limited to, the determination of the value of the Participant's Account for purposes of Participant loans, distribution and consent rights, and corrective distributions under Section 6.

(c) **Interim valuations.** The Plan Administrator may perform interim valuations.

10.03 **Adjustments to Participant Accounts.** Unless the Plan Administrator adopts other reasonable administrative procedures, as of each Valuation Date under the Plan, each Participant's Account is adjusted in the following manner.

(a) **Distributions and forfeitures from a Participant's Account.** A Participant's Account will be reduced by any distributions and forfeitures from the Account since the previous Valuation Date.

(b) **Contributions and forfeitures allocated to a Participant's Account.** A Participant's Account will be credited with any contribution or forfeiture allocated to the Participant since the previous Valuation Date.

(c) **Net income or loss.** A Participant's Account will be adjusted for any net income or loss in accordance with the provisions under Section 10.04.

10.04 **Procedures for Determining Net Income or Loss.** The Plan Administrator may establish any reasonable procedures for determining net income or loss. Such procedures may be reflected in a funding agreement governing the applicable investments under the Plan.

10.05 **Investments under the Plan.** The Trustee or other person(s) responsible for the investment of Plan assets is authorized to invest Plan assets in any prudent investment consistent with the funding policy of the Plan. Investment options include, but are not limited to, the following: common and preferred stock or other equity securities (including stock bought and sold on margin); corporate bonds; open-end or closed-end mutual funds; money market accounts; certificates of deposit; debentures; commercial paper; put and call options; limited partnerships; mortgages; U.S. Government obligations, including U.S. Treasury notes and bonds; real and personal property having a ready market; life insurance or annuity policies; commodities; savings accounts; notes; securities issued by the Trustee and/or its affiliates, as permitted by law; and lifetime guaranteed income

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products. All of the terms and provisions of any common/collective trust fund or group trust into which Plan assets are invested are incorporated by reference into the provisions of the Trust (as identified under the Trust Declaration page) for this Plan.

(a) **Individual/Pooled Accounts.** The Plan may maintain individual or pooled accounts for Participants.

(b) **Participant direction of investments.** If the Plan permits Participant direction of investments, the Plan Administrator, along with the Trustee must adopt investment procedures for such direction. The investment procedures should set forth the permissible investment options available for Participant direction, the timing and frequency of investment changes, and any other procedures or limitations applicable to Participant direction of investment.

The Employer may elect to limit Participant direction of investment to specific types of contributions. If Participant direction of investments is permitted, the Employer will designate how accounts will be invested in the absence of proper affirmative direction from the Participant. Except as otherwise provided in this Plan, neither the Employer nor Trustee will be liable to the Participant or Beneficiary for any loss resulting from action taken at the direction of the Participant.

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SECTION 11
PLAN ADMINISTRATION AND OPERATION

11.01 **Plan Administrator.** The Employer is the Plan Administrator, unless the Employer designates in writing an alternative Plan Administrator. The Plan Administrator has the responsibilities described in this Section 11.

11.02 **Designation of Alternative Plan Administrator.** The Employer may designate another person or persons as he Plan Administrator by name, by reference to the person or group of persons holding a particular position, by reference to a procedure under which the Plan Administrator is designated, or by reference to a person or group of persons charged with the specific responsibilities of Plan Administrator.

(a) **Acceptance of responsibility by designated Plan Administrator.** If the Employer designates an alternative Plan Administrator, the designated Plan Administrator must accept its responsibilities in writing. The Employer and the designated Plan Administrator jointly will determine the time period for which the alternative Plan Administrator will serve.

(b) **Multiple alternative Plan Administrators.** If the Employer designated more than one person as an alternative Plan Administrator, such Plan Administrators shall act by majority vote, unless the group delegates particular Plan Administrator duties to a specific person.

(c) **Resignation or removal of designated Plan Administrator.** A designated Plan Administrator may resign by delivering a written notice of resignation to the Employer. The Employer may remove a designated Plan Administrator by delivering a written notice of removal. If a designated Plan Administrator resigns or is removed, and no new alternative Plan Administrator is designated, the Employer is the Plan Administrator.

(d) **Employer responsibilities.** If the Employer designates an alternative Plan Administrator, the Employer will provide in a timely manner all appropriate information necessary for the Plan Administrator to perform its duties. This information includes, but is not limited to, Participant compensation data, Employee employment, service and termination information, and other information the Plan Administrator may require. The Plan Administrator may rely on the accuracy of any information and data provided by the Employer.

11.03 **Duties, Powers, and Responsibilities of the Plan Administrator.** The Plan Administrator will administer the Plan for the exclusive benefit of the Plan Participants and Beneficiaries, and in accordance with the terms of the Plan. If the terms of the Plan are unclear, the Plan Administrator may interpret the Plan, provided such interpretation is consistent with the rules of Code §457(b) and is performed in a uniform and nondiscriminatory manner. This right to interpret the Plan is an express grant of discretionary authority to resolve ambiguities in the Plan document and to make discretionary decisions regarding the interpretation of the Plan's terms, including who is eligible to participate under the Plan, and the benefit rights of a Participant or Beneficiary. Unless an interpretation or decision is determined to be arbitrary and capricious, the Plan Administrator will not be held liable for any interpretation of the Plan terms or decision regarding the application of a Plan provision.

(a) **Delegation of duties, powers and responsibilities.** The Employer, as Plan Administrator, may delegate its duties, powers or responsibilities to one or more persons. Such delegation must be in writing and accepted by the person or persons receiving the delegation. The Employer may not delegate responsibilities to Plan Participants. The Employer must agree to such delegation by an alternative Plan Administrator.

(b) **Specific Plan Administrator responsibilities.** The Plan Administrator has the general responsibility to control and manage the operation of the Plan. This responsibility includes, but is not limited to, the following:

(1) To interpret and enforce the provisions of the Plan and applicable rules under Code §457(b) including those related to Plan eligibility, vesting, benefits and other tax requirements;

(2) To communicate with the appropriate persons with respect to the crediting of Plan contributions, the disbursement of Plan distributions and other relevant matters

(3) To develop separate procedures (if necessary) consistent with the terms of the Plan to assist in the administration of the Plan, including the adoption of a separate or modified loan policy (see Section 13), procedures for direction of investment by Participants (see Section 10.05(b)), procedures for determining whether domestic relations orders are QDROs (see Section 11.06), and procedures for the determination of investment earnings to be allocated to Participants' Accounts (see Section 10.03);

(4) To maintain all records necessary for tax and other administration purposes;

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(5) To furnish and to file all appropriate notices, reports and other information to Participants, Beneficiaries, the Employer, the Trustee and government agencies (as necessary);

(6) To provide information relating to Plan Participants and Beneficiaries;

(7) To retain the services of other persons, including investment managers, attorneys, consultants, advisers and others, to assist in the administration of the Plan;

(8) To review and decide on claims for benefits under the Plan; and

(9) To correct any defect or error in the operation of the Plan.

11.04 Plan Administration Expenses.

(a) Reasonable Plan administration expenses. All reasonable expenses related to plan administration may be paid from Plan assets, except to the extent the expenses are paid (or reimbursed) by the Employer. For this purpose, Plan expenses include, but are not limited to, all reasonable costs, charges and expenses incurred in connection with the administration of the Plan.

(b) Plan expense allocation. The Plan Administrator may allocate plan expenses among the accounts of Plan Participants. The Plan Administrator has authority to allocate these expenses either proportionally based on the value of the Account Balances or pro rata based on the number of Participants in the Plan. The Plan Administrator will determine the proper method for allocating expenses in accordance with such reasonable rules as the Plan Administrator deems appropriate under the circumstances. Unless the Plan Administrator decides otherwise, the following expenses will be allocated to the Participant's Account relative to which the expense is incurred: distribution expenses, including those relating to lump sums, installments, QDROs, hardship, in-service and required minimum distributions; loan expenses; participant direction expenses, including brokerage fees; and benefit calculations.

11.05 Delegation of Administrative Responsibilities. Generally, the Employer has responsibility to administer the Plan. These responsibilities include compliance with Code §457(b) and other tax requirements. However, the Employer may allocate such responsibilities to a third party, provided such third party agrees to such allocation of responsibilities. An Employer may not allocate administrative responsibilities to Plan Participants.

11.06 Qualified Domestic Relations Orders (QDROs).

(a) In general. The Plan Administrator must develop written procedures for determining whether a domestic relations order is a QDRO and for administering distributions under a QDRO. For this purpose, the Plan Administrator may use the default QDRO procedures set forth in subsection (h) below or may develop separate QDRO procedures.

(b) Definitions related to Qualified Domestic Relations Orders (QDROs).

(1) QDRO. A QDRO is a domestic relations order that creates or recognizes the existence of an Alternate Payee's right to receive, or assigns to an Alternate Payee the right to receive, all or a portion of the benefits payable with respect to a Participant under the Plan. (See Code §414(p).) The QDRO must contain certain information and meet other requirements described in this Section 11.06.

(2) Domestic relations order. A domestic relations order is a judgment, decree, or order (including the approval of a property settlement) that is made pursuant to state domestic relations law (including community property law) or under the laws of an Indian tribal government, a subdivision of such an Indian tribal government, or an agency or instrumentality of either.

(3) Alternate Payee. An Alternate Payee must be a spouse, former spouse, child, or other dependent of a Participant.

(4) Revision of QDRO. A domestic relations order otherwise meeting the requirements to be a QDRO under Code §414(p)(3) shall not fail to be treated as a QDRO solely because:

(i) the order is issued after, or revises, another domestic relations order or QDRO; or

(ii) of the time at which the order is issued, including orders issued after the death of the Participant.

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Any QDRO described in this Section 11.06 shall be subject to the same requirements and protections which apply to QDROs under Code §414(p)(7).

(c) **Recognition as a QDRO.** To be a QDRO, an order must be a domestic relations order (as defined in subsection (b)(2) above) that relates to the provision of child support, alimony payments, or marital property rights for the benefit of an Alternate Payee. The Plan Administrator is not required to determine whether the court or agency issuing the domestic relations order had jurisdiction to issue an order, whether state law is correctly applied in the order, whether service was properly made on the parties, or whether an individual identified in an order as an Alternate Payee is a proper Alternate Payee under state law.

(d) **Contents of QDRO.** A QDRO must contain the following information:

(1) the name and last known mailing address of the Participant and each Alternate Payee;

(2) the name of each plan to which the order applies;

(3) the dollar amount or percentage (or the method of determining the amount or percentage) of the benefit to be paid to the Alternate Payee; and

(4) the number of payments or time period to which the order applies.

(e) **Impermissible QDRO provisions.**

(1) The order must not require the Plan to provide an Alternate Payee or Participant with any type or form of benefit, or any option, not otherwise provided under the Plan;

(2) The order must not require the Plan to provide for increased benefits (determined on the basis of actuarial value); and

(3) The order must not require the Plan to pay benefits to an Alternate Payee that are required to be paid to another Alternate Payee under another order previously determined to be a QDRO.

(f) **Immediate distribution to Alternate Payee.** Even if a Participant is not eligible to receive an immediate distribution from the Plan, an Alternate Payee may receive a QDRO benefit immediately in a lump sum, provided such distribution is consistent with the QDRO provisions.

(g) **Fee for QDRO determination.** The Plan Administrator may condition the making of a QDRO determination on the payment of a fee by a Participant or an Alternate Payee (either directly or as a charge against the Participant's Account).

(h) **Default QDRO procedure.** If the Plan Administrator chooses this default QDRO procedure or if the Plan Administrator does not establish a separate QDRO procedure, this subsection (h) will apply as the procedure the Plan Administrator will use to determine whether a domestic relations order is a QDRO. This default QDRO procedure incorporates the requirements set forth below.

(1) **Access to information.** The Plan Administrator will provide access to Plan and Participant benefit information sufficient for a prospective Alternate Payee to prepare a QDRO. Such information might include the summary plan description, other relevant plan documents, and a statement of the Participant's benefit entitlements. The disclosure of this information is conditioned on the prospective Alternate Payee providing to the Plan Administrator information sufficient to reasonably establish that the disclosure request is being made in connection with a domestic relations order.

(2) **Notifications to Participant and Alternate Payee.** The Plan Administrator will promptly notify the affected Participant and each Alternate Payee named in the domestic relations order of the receipt of the order. The Plan Administrator will send the notification to the address included in the domestic relations order. Along with the notification, the Plan Administrator will provide a copy of the Plan's procedures for determining whether a domestic relations order is a QDRO.

(3) **Alternate Payee representative.** The prospective Alternate Payee may designate a representative to receive copies of notices and Plan information that are sent to the Alternate Payee with respect to the domestic relations order.

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(4) **Evaluation of domestic relations order.** Within a reasonable period of time, the Plan Administrator will evaluate the domestic relations order to determine whether it is a QDRO. A reasonable period will depend on the specific circumstances. The domestic relations order must contain the information described in subsection (d). If the order is only deficient in a minor respect, the Plan Administrator may supplement information in the order from information within the Plan Administrator's control or through communication with the prospective Alternate Payee.

(i) **Separate accounting.** Upon receipt of a domestic relations order, the Plan Administrator will separately account for and preserve the amounts that would be payable to an Alternate Payee until a determination is made with respect to the status of the order. During the period in which the status of the order is being determined, the Plan Administrator will take whatever steps are necessary to ensure that amounts that would be payable to the Alternate Payee, if the order were a QDRO, are not distributed to the Participant or any other person. The separate accounting requirement may be satisfied, at the Plan Administrator's discretion, by a segregation of the assets that are subject to separate accounting.

(ii) **Separate accounting until the end of "18-month period."** The Plan Administrator will continue to separately account for amounts that are payable under the QDRO until the end of an "18-month period." The "18-month period" will begin on the first date following the Plan's receipt of the order upon which a payment would be required to be made to an Alternate Payee under the order. If, within the "18-month period," the Plan Administrator determines that the order is a QDRO, the Plan Administrator must pay the Alternate Payee in accordance with the terms of the QDRO. If, however, the Plan Administrator determines within the "18-month period" that the order is not a QDRO, or, if the status of the order is not resolved by the end of the "18-month period," the Plan Administrator may pay out the amounts otherwise payable under the order to the person or persons who would have been entitled to such amounts if there had been no order. If the order is later determined to be a QDRO, the order will apply only prospectively; that is, the Alternate Payee will be entitled only to amounts payable under the order after the subsequent determination.

(iii) **Preliminary review.** The Plan Administrator will perform a preliminary review of the domestic relations order to determine if it is a QDRO. If this preliminary review indicates the order is deficient in some manner, the Plan Administrator will allow the parties to attempt to correct any deficiency before issuing a final decision on the domestic relations order. The ability to correct is limited to a reasonable period of time.

(iv) **Notification of determination.** The Plan Administrator will notify in writing the Participant and each Alternate Payee of the Plan Administrator's decision as to whether a domestic relations order is a QDRO. In the case of a determination that an order is not a QDRO, the written notice will contain the following information:

(A) references to the Plan provisions on which the Plan Administrator based its decision;

(B) an explanation of any time limits that apply to rights available to the parties under the Plan (such as the duration of any protective actions the Plan Administrator will take); and

(C) a description of any additional material, information, or modifications necessary for the order to be a QDRO and an explanation of why such material, information, or modifications are necessary.

(v) **Treatment of Alternate Payee.** If an order is accepted as a QDRO, the Plan Administrator will act in accordance with the terms of the QDRO as if it were a part of the Plan. An Alternate Payee will be considered a Beneficiary under the Plan and be afforded the same rights as a Beneficiary. The Plan Administrator will provide any appropriate disclosure information relating to the Plan to the Alternate Payee.

11.07 **Missing Participant or Beneficiary and Uncashed Checks.** The Employer may attempt to locate missing Participants by following Department of Labor or IRS guidance on generally accepted search methods prior to any involuntary cash-out distribution or automatic rollover. The Employer also will provide direction for the handling of any uncashed distribution checks.

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SECTION 12
TRUST AGREEMENT

12.01 **Creation of Trust.** By adopting this Plan, the Employer creates a Trust (as identified under the Trust Declaration page) to hold the assets of the Plan (or, in the event that this Plan document represents an amendment of the Plan, the Employer hereby amends the terms of the Trust maintained in connection with the Plan). The Trustee (as identified under the Trust Declaration page) is the owner of the Plan assets held by the Trust. The Trustee is to hold the Plan assets for the exclusive benefit of Plan Participants and Beneficiaries. Plan Participants and Beneficiaries do not have ownership interests in the assets held by the Trust. The Employer may adopt a separate trust agreement in lieu of the trust provisions under this Section.

12.02 **Trustee.** The Trustee identified in the Trust Declaration under the Agreement shall act either as a Discretionary Trustee or as a Directed Trustee, as identified under the Agreement.

(a) **Discretionary Trustee.** A Trustee is a Discretionary Trustee to the extent the Trustee has exclusive authority and discretion with respect to the investment, management or control of Plan assets. Notwithstanding a Trustee's designation as a Discretionary Trustee, a Trustee's discretion is limited, and the Trustee shall be considered a Directed Trustee, to the extent the Trustee is subject to the direction of the Plan Administrator or the Employer.

(b) **Directed Trustee.** A Trustee is a Directed Trustee with respect to the investment of Plan assets to the extent the Trustee is subject to the direction of the Plan Administrator or the Employer. The Trustee does not have any discretionary authority with respect to the investment of Plan assets. In addition, the Trustee is not responsible for the propriety of any directed investment made pursuant to this Section and shall not be required to consult or advise the Employer regarding the investment quality of any directed investment held under the Plan.

The Trustee shall be advised in writing regarding the retention of investment powers by the Employer or the appointment of an investment manager with power to direct the investment of Plan assets. Any such delegation of investment powers will remain in force until such delegation is revoked or amended in writing. The Employer is deemed to have retained investment powers under this subsection to the extent the Employer directs the investment of Participant Accounts for which affirmative investment direction has not been received.

A Directed Trustee must act solely in accordance with the direction of the Plan Administrator, the Employer, or any employees or agents of the Employer.

The Employer may direct the Trustee to invest in any media in which the Trustee may invest, as described in Section 12.04. However, the Employer may not borrow from the Trust or pledge any of the assets of the Trust as security for a loan to itself; buy property or assets from or sell property or assets to the Trust; charge any fee for services rendered to the Trust; or receive any services from the Trust on a preferential basis.

12.03 **Trustee's Responsibilities Regarding Administration of Trust.** This Section outlines the Trustee's powers, rights and duties under the Plan with respect to the administration of the investments held in the Plan. The Trustee's administrative duties are limited to those described in this Section 12.03; the Employer is responsible for any other administrative duties required under the Plan or by applicable law.

(a) The Trustee will receive all contributions made under the terms of the Plan. The Trustee is not obligated in any manner to ensure that such contributions are correct in amount or that such contributions comply with the terms of the Plan. In addition, the Trustee is under no obligation to request that the Employer make contributions to the Plan. The Trustee is not liable for the manner in which such amounts are deposited or the allocation between Participant's Accounts, to the extent the Trustee follows the written direction of the Plan Administrator or Employer.

(b) The Trustee will make distributions from the Trust in accordance with the written directions of the Plan Administrator or other authorized representative. To the extent the Trustee follows such written direction, the Trustee is not obligated in any manner to ensure a distribution complies with the terms of the Plan, that a Participant or Beneficiary is entitled to such a distribution, or that the amount distributed is proper under the terms of the Plan. If there is a dispute as to a payment from the Trust, the Trustee may decline to make payment of such amounts until the proper payment of such amounts is determined by a court of competent jurisdiction, or the Trustee has been indemnified to its satisfaction.

(c) The Trustee may employ agents, attorneys, accountants and other third parties to provide counsel on behalf of the Plan, where the Trustee deems advisable. The Trustee may reimburse such persons from the Trust for reasonable expenses and compensation incurred as a result of such employment. The Trustee shall not be liable for the actions of such persons, provided the Trustee acted prudently in the employment and retention of such persons. In addition, the Trustee will not be liable for any actions taken as a result of good faith reliance on the advice of such persons.

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12.04 **Trustee's Responsibility Regarding Investment of Plan Assets.** In addition to the powers, rights and duties enumerated under this Section, the Trustee has whatever powers are necessary to carry out its duties in a prudent manner. The Trustee's powers, rights and duties may be supplemented or limited by a separate trust agreement, investment policy, funding agreement, or other binding document entered into between the Trustee and the Plan Administrator which designates the Trustee's responsibilities with respect to the Plan. A separate trust agreement must be consistent with the terms of this Plan and must comply with all requirements of Code §457 and regulations there under.

(a) The Trustee shall be responsible for the safekeeping of the assets of the Trust in accordance with the provisions of this Plan.

(b) The Trustee may invest, manage and control the Plan assets in a manner that is consistent with the Plan's funding policy and investment objectives. The Trustee may invest in any investment, which the Trustee deems advisable and prudent, subject to the proper written direction of the Plan Administrator or the Employer. The Trustee is not liable for the investment of Plan assets to the extent the Trustee is following the proper direction of the Plan Administrator, the Employer, a Participant, or other person or persons duly appointed by the Employer to provide investment direction. In addition, the Trustee does not guarantee the Trust in any manner against investment loss or depreciation in asset value or guarantee the adequacy of the Trust to meet and discharge any or all liabilities of the Plan.

(c) The Trustee may retain such portion of the Plan assets in cash or cash balances as the Trustee may, from time to time, deem to be in the best interests of the Plan, without liability for interest thereon.

(d) The Trustee may collect and receive any and all moneys and other property due the Plan and to settle, compromise, or submit to arbitration any claims, debts, or damages with respect to the Plan, and to commence or defend on behalf of the Plan any lawsuit, or other legal or administrative proceedings.

(e) The Trustee may hold any securities or other property in the name of the Trustee or in the name of the Trustee's nominee, and may hold any investments in bearer form, provided the books and records of the Trustee at all times show such investment to be part of the Trust.

(f) The Trustee may exercise any of the powers of an individual owner with respect to stocks, bonds, securities or other property, including the right to vote upon such stocks, bonds or securities; to give general or special proxies or powers of attorney; to exercise or sell any conversion privileges, subscription rights, or other options; to participate in corporate reorganizations, mergers, consolidations, or other changes affecting corporate securities (including those in which it or its affiliates are interested as Trustee); and to make any incidental payments in connection with such stocks, bonds, securities or other property.

(g) The Trustee may borrow or raise money on behalf of the Plan in such amount, and upon such terms and conditions, as the Trustee deems advisable. The Trustee may issue a promissory note as Trustee to secure the repayment of such amounts and may pledge all, or any part, of the Trust as security.

(h) The Trustee, upon the written direction of the Plan Administrator, is authorized to enter into a transfer agreement with the Trustee of another Code §457 plan and to accept a transfer of assets from such retirement plan on behalf of any Employee of the Employer. The Trustee is also authorized, upon the written direction of the Plan Administrator, to transfer some or all of a Participant's vested Account Balance to another Code §457 plan on behalf of such Participant.

(i) The Trustee is authorized to execute, acknowledge and deliver all documents of transfer and conveyance, receipts, releases, and any other instruments that the Trustee deems necessary or appropriate to carry out its powers, rights and duties hereunder.

(j) If the Employer maintains more than one Plan, the assets of such Plans may be commingled for investment purposes. The Trustee must separately account for the assets of each Plan. A commingling of assets, as described in this paragraph, does not cause the Trusts maintained with respect to the Employer's Plans to be treated as a single Trust, except as provided in a separate document authorized in the first paragraph of this Section 12.04.

(k) If the Trustee is a bank or similar financial institution, the Trustee is authorized to invest in any type of deposit of the Trustee (including its own money market fund) at a reasonable rate of interest.

12.05 **More than One Person as Trustee.** If the Plan has more than one person acting as Trustee, the Trustees may allocate the Trustee responsibilities by mutual agreement and Trustee decisions will be made by a majority vote (unless otherwise agreed to by the Trustees) or as otherwise provided in a separate trust agreement or other binding document.

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12.06 **Annual Valuation.** The Plan assets will be valued at least on an annual basis. The Employer may designate more frequent valuation dates. The Trustee and Plan Administrator may agree to value the Trust on a more frequent basis, and/or to perform an interim valuation of the Trust.

12.07 **Reporting to Plan Administrator and Employer.** Within a reasonable time following the end of each Plan Year, the Trustee will file with the Employer an accounting of its administration of the Trust from the date of its last accounting. The accounting will include a statement of cash receipts, disbursements and other transactions effected by the Trustee since the date of its last accounting, and such further information as the Trustee and/or Employer deems appropriate. Upon receipt of such information, the Employer must promptly notify the Trustee of its approval or disapproval of the information.

12.08 **Reasonable Compensation.** The Trustee shall be paid reasonable compensation in an amount agreed upon by the Plan Administrator and Trustee. The Trustee also will be reimbursed for any reasonable expenses or fees incurred in its function as Trustee. The Plan will pay the reasonable compensation and expenses incurred by the Trustee, unless the Employer pays such compensation and expenses.

12.09 **Resignation and Removal of Trustee.** The Trustee may resign at any time by delivering to the Employer a written notice of resignation at least thirty (30) days prior to the effective date of such resignation, unless the Employer consents in writing to a shorter notice period. The Employer may remove the Trustee at any time, with or without cause, by delivering written notice to the Trustee at least 30 days prior to the effective date of such removal. The Employer may remove the Trustee upon a shorter written notice period if the Employer reasonably determines such shorter period is necessary to protect Plan assets. Upon the resignation, removal, death or incapacity of a Trustee, the Employer may appoint a successor Trustee which, upon accepting such appointment, will have all the powers, rights and duties conferred upon the preceding Trustee. In the event there is a period of time following the effective date of a Trustee's removal or resignation before a successor Trustee is appointed, the Employer is deemed to be the Trustee. During such period, the Trust continues to be in existence and legally enforceable, and the assets of the Plan shall continue to be protected by the provisions of the Trust.

12.10 **Indemnification of Trustee.** Except to the extent that it is judicially determined that the Trustee has acted with gross negligence or willful misconduct, the Employer shall indemnify the Trustee (whether or not the Trustee has resigned or been removed) against any liabilities, losses, damages, and expenses, including attorney, accountant, and other advisory fees, incurred as a result of:

(a) any action of the Trustee taken in good faith in accordance with any information, instruction, direction, or opinion given to the Trustee by the Employer, the Plan Administrator, or legal counsel of the Employer, or any person or entity appointed by any of them and authorized to give any information, instruction, direction, or opinion to the Trustee;

(b) the failure of the Employer, the Plan Administrator, or any person or entity appointed by any of them to make timely disclosure to the Trustee of information which any of them or any appointee knows or should know if it acted in a reasonably prudent manner; or

(c) any breach of fiduciary duty by the Employer, the Plan Administrator or any person or entity appointed by any of them, other than such a breach which is caused by any failure of the Trustee to perform its duties under this Trust.

The duties and obligations of the Trustee shall be limited to those expressly imposed upon it by this instrument or subsequently agreed upon by the parties. Responsibility for administrative duties required under the Plan or applicable law not expressly imposed upon or agreed to by the Trustee shall rest solely with the Employer.

The Employer agrees that the Trustee shall have no liability with regard to the investment or management of illiquid Plan assets transferred from a prior Trustee, and shall have no responsibility for investments made before the transfer of Plan assets to it, or for the viability or prudence of any investment made by a prior Trustee, including those represented by assets now transferred to the custody of the Trustee, or for any dealings whatsoever with respect to Plan assets before the transfer of such assets to the Trustee. The Employer shall indemnify and hold the Trustee harmless for any and all claims, actions or causes of action for loss or damage, or any liability whatsoever relating to the assets of the Plan transferred to the Trustee by any prior Trustee of the Plan, including any liability arising out of or related to any act or event, including prohibited transactions, occurring prior to the date the Trustee accepts such assets, including all claims, actions, causes of action, loss, damage, or any liability whatsoever arising out of or related to that act or event, although that claim, action, cause of action, loss, damage, or liability may not be asserted, may not have accrued, or may not have been made known until after the date the Trustee accepts the Plan assets. Such indemnification shall extend to all applicable periods, including periods for which the Plan is retroactively restated to comply with any tax law or regulation.

12.11 **Appointment of Custodian.** The Plan Administrator may appoint a Custodian to hold all or any portion of the Plan assets. A Custodian has the same powers, rights and duties as a Directed Trustee. The Custodian will be protected from any liability with

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respect to actions taken pursuant to the direction of the Trustee, Plan Administrator, the Employer, or other third party with authority to provide direction to the Custodian.

12.12 **Satisfaction of Trust Requirement Using Custodial Accounts or Annuity Contracts.** The Employer may satisfy the trust requirement of Code §457(g) as provided under Treas. Reg. §1.457-8(a)(3)(iii).

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SECTION 13
PARTICIPANT LOANS

13.01 **Availability of Participant Loans.** The Employer may elect under AA Appendix B to permit Participants to take loans from their vested Account Balance under the Plan. If the Employer elects to permit loans under the Plan, the Employer may elect to use the default loan policy under this Section 13, as modified under AA Appendix B, or may establish an outside loan policy for purposes of administering Participant loans under the Plan. If the Employer adopts a separate written loan policy, the terms of such separate loan policy will control over the terms of this Plan with respect to the administration of any Participant loans. Any separate written loan policy must satisfy the requirements under Code §72(p) and the regulations thereunder. Participant loans are subject to the terms of any vendor agreements or contracts associated with the Plan.

To receive a Participant loan, a Participant must sign a promissory note along with a pledge or assignment of the portion of the Account Balance used for security on the loan. The loan will be evidenced by a legally enforceable agreement which specifies the amount and term of the loan, and the repayment schedule.

Effective for Participant loans made after December 20, 2019, the Plan may not make any Participant loan through any credit card or any similar arrangement.

13.02 **Must be Available in Reasonably Equivalent Manner.** Participant loans must be made available to Participants in a reasonably equivalent manner. The Employer may elect under AA §B-8 to limit the availability of Participant loans to specified events.

13.03 **Loan Limitations.** A Participant loan may not be made to the extent such loan (when added to the outstanding balance of all other loans made to the Participant) exceeds the lesser of:

(a) $50,000 (reduced by the excess, if any, of the Participant's highest outstanding balance of loans from the Plan during the one-year period ending on the day before the date on which such loan is made, over the Participant's outstanding balance of loans from the Plan as of the date such loan is made) or

(b) one-half (½) of the Participant's vested Account Balance, determined as of the Valuation Date coinciding with or immediately preceding such loan, adjusted for any contributions or distributions made since such Valuation Date.

In applying the limitations under this Section 13.03, all plans maintained by the Employer are aggregated and treated as a single plan. In addition, any assignment or pledge of any portion of the Participant's interest in the Plan and any loan, pledge, or assignment with respect to any insurance contract purchased under the Plan will be treated as loan under this Section.

13.04 **Limit on Amount and Number of Loans.** Unless elected otherwise under AA §B-5 and/or AA §B-6, or under a separate written loan policy, a Participant may not receive a Participant loan of less than $1,000 nor may a Participant have more than one Participant loan outstanding at any time.

(a) **Loan renegotiation.** A Participant may renegotiate a loan without violating the one outstanding loan requirement to the extent such renegotiated loan is a new loan (i.e., the renegotiated loan separately satisfies the reasonable interest rate requirement under Section 13.05, the adequate security requirement under Section 13.06, and the periodic repayment requirement under Section 13.07) and the renegotiated loan does not exceed the limitations under Section 13.03 above, treating both the replaced loan and the renegotiated loan as outstanding at the same time. However, if the term of the renegotiated loan does not end later than the original term of the replaced loan, the replaced loan may be ignored in applying the limitations under Section 13.03 above.

(b) **Participant must be creditworthy.** The Plan Administrator may refuse to make a loan to any Participant who is determined to be not creditworthy. For this purpose, a Participant is not creditworthy if, based on the facts and circumstances, it is reasonable to believe that the Participant will not repay the loan. A Participant who has defaulted on a previous loan from the Plan and has not repaid such loan (with accrued interest) at the time of any subsequent loan will be treated as not creditworthy until such time as the Participant repays the defaulted loan (with accrued interest).

13.05 **Reasonable Rate of Interest.** All Participant loans will be charged a reasonable rate of interest. For this purpose, the interest rate charged on a Participant loan must be commensurate with the interest rates charged by persons in the business of lending money for loans under similar circumstances. The Employer may identify alternative methods for determining a reasonable rate of interest under AA §B-7 or under a separate written loan policy. The Plan Administrator must periodically review its interest rate assumptions to ensure the interest rate charged on Participant loans is reasonable.

If a Participant is in "military service" while such Participant has an outstanding Participant loan, the applicable interest charged on such loan during the period while the Participant is in "military service" will not exceed 6% per year provided the Participant provides written notice and a copy of such Participant's call-up or extension orders to the Plan Administrator within

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180 days following the Participant's termination or release from "military service." For this purpose, "military service" is as defined in the Soldier's and Sailor's Civil Relief Act of 1940 as modified by the Servicemembers Civil Relief Act of 2003. The Participant may voluntarily waive this 6% interest limitation and the Plan Administrator may petition the court to retain the original interest rate if the ability to repay is not affected by the Participant's activation to military duty.

13.06 **Adequate Security.** All Participant loans must be adequately secured. The Participant's vested Account Balance shall be used as security for a Participant loan provided the outstanding balance of all Participant loans made to such Participant does not exceed 50% of the Participants vested Account Balance, determined immediately after the origination of each loan. The Plan Administrator may require a Participant to provide additional collateral to receive a Participant loan if the Plan Administrator determines such additional collateral is required to protect the interests of Plan Participants. A separate loan policy or written modifications to this loan policy may prescribe alternative rules for obtaining adequate security. However, the 50% rule in this paragraph may not be replaced with a greater percentage.

13.07 **Periodic Repayment.** A Participant loan must provide for level amortization with payments to be made not less frequently than quarterly. A Participant loan must be payable within a period not exceeding five (5) years from the date the Participant receives the loan from the Plan, unless the loan is for the purchase of the Participant's principal residence, in which case the loan must be payable within a reasonable time commensurate with the repayment period permitted by commercial lenders for similar loans. Loan repayments must be made through payroll withholding, except to the extent the Plan Administrator determines payroll withholding is not practical given the level of a Participant's wages, the frequency with which the Participant is paid, or other circumstances. If a Participant's paycheck is insufficient to make both Salary Deferrals and loan repayments, the Plan Administrator may establish an administrative procedure establishing the hierarchy for Salary Deferrals and loan repayments.

(a) **Unpaid leave of absence.** A Participant with an outstanding Participant loan may suspend loan payments to the Plan for up to 12 months for any period during which the Participant is on an unpaid leave of absence. Upon the Participant's return to employment (or after the end of the 12-month period, if earlier), the Participant's outstanding loan will be re-amortized over the remaining period of such loan to make up for the missed payments. The re-amortized loan may extend beyond the original loan term so long as the loan is paid in full by whichever of the following dates comes first: (1) the date which is five (5) years from the original date of the loan (or the end of the suspension, if sooner), or (2) the original loan repayment deadline (or the end of the suspension period, if later) plus the length of the suspension period.

Alternatively, upon a Participant's return to employment (or after the end of the 12-month period, if earlier), the Plan Administrator may allow the Participant's outstanding loan payments to resume at the same loan payment amount as of the time of the loan suspension, with a balloon payment of the remaining balance due by the earlier of (1) the date which is five (5) years from the original date of the loan (or the end of the suspension, if sooner), or (2) the original loan repayment deadline (or the end of the suspension period, if later) plus the length of the suspension period.

(b) **Military leave.** A Participant with an outstanding Participant loan also may suspend loan payments for any period such Participant is on military leave, in accordance with Code §414(u)(4). Upon the Participant's return from military leave (or the expiration of five years from the date the Participant began military leave, if earlier), loan payments will recommence under the amortization schedule in effect prior to the Participant's military leave, without regard to the five-year maximum loan repayment period. Alternatively, the loan may be re-amortized to require a different level of loan payment, as long as the amount and frequency of such payments are not less than the amount and frequency under the amortization schedule in effect prior to the Participant's military leave.

13.08 **Designation of Accounts.** Unless designated otherwise under a separate loan procedure, Participant loans will first be taken proportionately from the Participant's Employer Contribution Account and Matching Contribution Account, to the extent the Participant has a vested interest in such Accounts and subject to the loan limits under Section 13.03. If a Participant's total vested Account Balance attributable to the Employer Contribution and Matching Contribution Accounts is not sufficient to satisfy the amount of the loan, the Participant loan will next be taken from the Participant's Salary Deferral Account. Finally, the loan will be taken from the Participant's Rollover Contribution Account.

A Participant loan will be treated as a segregated investment on behalf of the individual Participant for whom the loan is made. Each payment of principal and interest paid by a Participant on such Participant's loan shall be credited to the Participant's Accounts and investment funds within such Accounts in the same manner as allocated under the above paragraph.

13.09 **Procedures for Loan Default.** Unless elected otherwise in AA Appendix B or in a separate written loan agreement, a Participant will be considered to be in default with respect to a loan if any scheduled repayment with respect to such loan is not made by the end of the calendar quarter following the calendar quarter in which the missed payment was due.

If a Participant defaults on a Participant loan, the Plan may not offset the Participant's Account Balance until the Participant is otherwise entitled to an immediate distribution of the portion of the Account Balance which will be offset and such amount being offset is available as security on the loan, pursuant to Section 13.06. For this purpose, a loan default is treated as an

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immediate distribution event to the extent the law does not prohibit an actual distribution of the type of contributions which would be offset as a result of the loan default. The Participant may repay the outstanding balance of a defaulted loan (including accrued interest through the date of repayment) at any time. Pending the offset of a Participant's Account Balance following a defaulted loan, the following rules apply to the amount in default.

(a) Interest continues to accrue on the amount in default until the time of the loan offset or, if earlier, the date the loan repayments are made current or the amount is satisfied with other collateral.

(b) A subsequent offset of the amount in default is not reported as a taxable distribution, except to the extent the taxable portion of the default amount was not previously reported by the Plan as a taxable distribution.

(c) The post-default accrued interest included in the loan offset is not reported as a taxable distribution at the time of the offset.

A separate loan policy or written modifications to this loan policy may modify the procedures for determining a loan default.

13.10 Termination of Employment.

(a) **Offset of outstanding loan.** Unless elected otherwise in AA Appendix B or in a separate written loan agreement, a Participant loan becomes due and payable in full immediately upon the Participant's termination of employment. Upon a Participant's termination, the Participant may repay the entire outstanding balance of the loan (including any accrued interest) within a reasonable period following termination of employment. If the Participant does not repay the entire outstanding loan balance, the Participant's vested Account Balance will be reduced by the remaining outstanding balance of the loan, to the extent such Account Balance is available as security on the loan, pursuant to Section 13.06, and the remaining vested Account Balance will be distributed in accordance with the distribution provisions under Section 8. If the outstanding loan balance of a deceased Participant is not repaid, the outstanding loan balance shall be treated as a distribution to the Participant and shall reduce the death benefit amount payable to the Beneficiary.

(b) **Direct Rollover.** Unless elected otherwise in AA Appendix B or in a separate written loan agreement, upon termination of employment, a Participant may request a Direct Rollover of the loan note (provided the distribution is an Eligible Rollover Distribution) to another qualified plan which agrees to accept a Direct Rollover of the loan note. A Participant may not engage in a Direct Rollover of a loan to the extent the Participant has already received a deemed distribution with respect to such loan.

(c) **Modified loan policy.** A separate loan policy or written modifications to this loan policy may modify this Section 13.10, including, but not limited to: (1) a provision to permit loan repayments to continue beyond termination of employment; (2) to prohibit the Direct Rollover of a loan note; and (3) to provide for other events that may accelerate the Participant's repayment obligation under the loan.

13.11 Amendment of Plan to Eliminate Participant Loans. The Plan may be amended at any time to eliminate Participant loans on a prospective basis. However, the elimination of a Participant loan feature may not result in the acceleration of payment of any existing Participant loans, unless the terms of the Participant loan permit such acceleration.

13.12 Mergers, Transfers or Direct Rollovers from another Plan/Change in Loan Record Keeper. Except as otherwise provided in an Investment Arrangement and related loan agreement, and subject to applicable requirements in Code §72(p) and the regulations thereunder, any Participant loan transferred into the Plan as the result of a merger, consolidation, or plan to plan transfer, or rolled over to the Plan from another plan, shall be administered in accordance with the provisions of the note reflecting such loan, and shall remain outstanding until repaid in accordance with its terms, except that the Participant may be permitted to renegotiate the terms of the loan to the extent necessary to ensure the administration of such loan continues to satisfy the requirements of Code §72(p) and the regulations thereunder. In addition, if there is a change in the person or persons to whom the record keeping of Participant loans has been delegated, a loan shall continue to be administered in accordance with the provisions of the note reflecting such loan, and shall remain outstanding until repaid in accordance with its terms, except that the Participant may be permitted to renegotiate the terms of a loan to the extent necessary to ensure the administration of the loan after the change in the loan record keeper continues to satisfy the requirements of Code §72(p) and the regulations thereunder, regardless of any contrary election under AA §B-14.

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SECTION 14
PLAN AMENDMENTS, TERMINATION, MERGERS, EXCHANGES AND TRANSFERS

14.01 Plan Amendments.

(a) **Amendment by the Employer.** The Employer shall have the right at any time to amend the Plan. (The ability to amend the Plan as authorized under this subsection (a) applies only to the Employer that executes the Signature Page of the Adoption Agreement. Any amendment to the Plan by the Employer under this subsection (a) also applies to any other Employer that participates under the Plan as a Participating Employer.) Such amendments include, but are not limited to:

(1) The Employer may change any optional selections under the Adoption Agreement.

(2) The Employer may add additional language or provisions to the Plan.

(3) The Employer may change the administrative selections under AA Appendix C by replacing the appropriate page(s) within the Adoption Agreement. Such amendment does not require re-execution of the Employer Signature Page.

(4) The Employer may amend administrative provisions of the Plan document, including the name of the Plan, Employer, Trustee, and Plan Administrator.

(5) The Employer may add or change provisions permitted under the Plan and/or specify or change the effective date of a provision as permitted under the Plan and correct obvious and unambiguous typographical errors and/or cross-references that merely correct a reference but that do not in any way change the original intended meaning of the provisions.

(b) **Reduction of Account Balance.** No amendment to the plan shall be effective to the extent that it has the effect of reducing a Participant's Account Balance.

14.02 **Plan Termination.** The Employer may terminate (or freeze) this Plan at any time, as provided under Treas. Reg. §1.457-10. The Employer will amend the Plan as necessary to effectuate a Plan termination.

(a) **Distribution upon Plan termination.** Upon the termination of the Plan, the Plan Administrator shall direct the distribution of Account Balances to Participants in accordance with the provisions under Section 8 as soon as administratively practicable after termination of the Plan. Regardless of the elections made in the Agreement, upon Plan termination, the Plan Administrator may make a lump sum payout of a Participant's vested Account Balance without the consent of the Participant or Beneficiaries.

(b) **Termination upon merger, liquidation or dissolution of the Employer.** The Plan may terminate upon the liquidation or dissolution of the Employer provided however, that in any such event, arrangements may be made for the Plan to be continued by any successor to the Employer.

(c) **Missing Participants.** Upon termination of the Plan, if any Participant cannot be located after a reasonable diligent search, the Plan Administrator may make a direct rollover to an IRA selected by the Plan Administrator. An automatic rollover under this subsection (c) may be made on behalf of any missing Participant, regardless of the value of such Participant's vested Account Balance.

14.03 **Merger or Consolidation.** In the event the Plan is merged or consolidated with another plan, each Participant must be entitled to a benefit immediately after such merger or consolidation that is at least equal to the benefit the Participant would have been entitled to if the Plan terminated immediately before such merger or consolidation.

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SECTION 15
MISCELLANEOUS

15.01 **Exclusive Benefit.** Except as provided under this Section 15, no part of the Plan assets may revert to the Employer prior to the satisfaction of all liabilities under the Plan nor will such Plan assets be used for, or diverted to, a purpose other than the exclusive benefit of Participants or their Beneficiaries.

No amendment may authorize or permit any portion of the assets held under the Plan to be used for or diverted to a purpose other than the exclusive benefit of Participants or their Beneficiaries, except to the extent such assets are used to pay taxes or administrative expenses of the Plan. An amendment also may not cause or permit any portion of the assets held under the Plan to revert to or become property of the Employer.

15.02 **Return of Employer Contributions.** Upon written request by the Employer, the Trustee may return any Employer Contributions made because of a mistake of fact to the Employer.

15.03 **Alienation or Assignment.** Except as permitted under applicable statute or regulation, a Participant or Beneficiary may not assign, alienate, transfer or sell any right or claim to a benefit or distribution from the Plan, and any attempt to assign, alienate, transfer or sell such a right or claim shall be void, except as permitted by statute or regulation. Any such right or claim under the Plan shall not be subject to attachment, execution, garnishment, sequestration, or other legal or equitable process. This prohibition against alienation or assignment also applies to the creation, assignment, or recognition of a right to a benefit payable with respect to a Participant pursuant to a domestic relations order, unless such order is determined to be a QDRO pursuant to Section 11.06.

15.04 **Participants' Rights.** The adoption of this Plan by the Employer does not give any Participant, Beneficiary, or Employee a right to continued employment with the Employer and does not affect the Employer's right to discharge an Employee or Participant at any time. This Plan also does not create any legal or equitable rights in favor of any Participant, Beneficiary, or Employee against the Employer or Plan Administrator. Unless the context indicates otherwise, any amendment to this Plan is not applicable to determine the benefits accrued (and the extent to which such benefits are vested) by a Participant or former Employee whose employment terminated before the effective date of such amendment, except where application of such amendment to the terminated Participant or former Employee is required by statute, regulation or other guidance of general applicability. Where the provisions of the Plan are ambiguous as to the application of an amendment to a terminated Participant or former Employee, the Plan Administrator has the authority to make a final determination on the proper interpretation of the Plan.

15.05 **Military Service.** To the extent required under Code §414(u), an Employee who returns to employment with the Employer following a period of qualified military service will receive any contributions, benefits and service credit required under Code §414(u), provided the Employee satisfies all applicable requirements under the Code and regulations. In determining the amount of contributions under Code §414(u), Plan Compensation will be deemed to be the compensation the Employee would have received during the period while in military service based on the rate of pay the Employee would have received from the Employer but for the absence due to military leave. If the compensation the Employee would have received during the leave is not reasonably certain, Plan Compensation will be equal to the Employee's average compensation from the Employer during the twelve (12) month period immediately preceding the military leave or, if shorter, the Employee's actual period of employment with the Employer.

(a) **Death benefits under qualified military service.** In the case of a Participant who dies while performing qualified military service (as defined in Code §414(u)), the survivors of the Participant are entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service) provided under the Plan as though the Participant resumed and then terminated employment on account of death. This provision is effective with respect to deaths occurring on or after January 1, 2007.

(b) **Benefit accruals.** If elected under AA §10-3, for benefit accrual purposes, the Plan will treat an individual who dies or becomes disabled (as defined under the terms of the Plan) while performing qualified military service (as defined in Code §414(u)) with respect to the Employer, as if the individual has resumed employment in accordance with the individual's reemployment rights under the Uniformed Services Employment and Reemployment Rights Act (USERRA) on the day preceding death or disability (as the case may be) and terminated employment on the actual date of death or disability. This provision is effective with respect to deaths and disabilities occurring on or after January 1, 2007.

(1) This subsection (b) shall apply only if all individuals performing qualified military service with respect to the Employer maintaining the plan who die or became disabled as a result of performing qualified military service prior to reemployment by the employer are credited with service and benefits on reasonably equivalent terms.

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(2) The amount of employee contributions and the amount of elective deferrals of an individual treated as reemployed under this subsection (b) shall be determined on the basis of the individual's average actual employee contributions or elective deferrals for the lesser of:

(i) the 12-month period of service with the Employer immediately prior to qualified military service, or

(ii) if service with the Employer is less than such 12-month period, the actual length of continuous service with the Employer.

(c) **Plan distributions.** Notwithstanding the provisions regarding the treatment of Differential Pay and if elected under AA §9-2(a), an individual may be treated as having a Severance from Employment during any period the individual is performing service in the Uniformed Services for purposes of receiving a Plan distribution under Code §457(d). If an individual elects to receive a distribution while on military leave, the individual may not make Salary Deferrals under the Plan during the 6-month period beginning on the date of the distribution.

(d) **Make-Up Contributions.** A Participant who is reemployed following a qualified military leave shall have the right to make up any Salary Deferrals or After-Tax Employee Contributions to which such Participant would have been entitled but for the fact the Participant was on qualified military leave. The Employer will also make any Employer Contributions and Matching Contributions the Participant would have earned during the period of qualified military leave had the Participant remained employed during such period. The Employer will only be required to make Matching Contributions if the reemployed Participant makes up the underlying contributions that were eligible for the Matching Contributions.

In determining the amount of Make-Up Contributions, a Participant may make under this subsection (d), a Participant will be treated as earning Plan Compensation during the period the Participant was on qualified military leave equal to:

(1) the rate of pay the Participant would have received from the Employer during such period had the Participant not been on qualified military leave, or

(2) if the Plan Compensation the Participant would have received during such period was not reasonably certain, the Participant's average Plan Compensation during the 12-month period immediately preceding the qualified military leave (or the entire period of employment, if shorter).

If the Employer is required under this subsection (d) to make Employer Contributions for a reemployed Participant, the Employer must make such Employer Contributions not later than 90 days after the date of reemployment or the date the Employer Contributions are otherwise due for the year in which the military service was performed. For Salary Deferrals and After-Tax Employee Contributions, a Participant who is reemployed following a qualified military leave may make up such contributions during the period beginning on the date of reemployment and ending on the earlier of the date that is three times the length of the military service period or 5 years from the date of reemployment. Any required Matching Contributions must be made in the same manner as other Matching Contribution under the Plan following the Participant's contribution of the amounts eligible for the Matching Contributions.

Any make up contributions under this subsection (d) are subject to the Code §457(b) Basic Annual Limit under **Section 5** for the year for which the make-up contribution would have been made had the Participant not been on qualified military leave.

15.06 **Annuity Contracts.** Any annuity contract distributed under the Plan must be nontransferable. In addition, the terms of any annuity contract purchased and distributed to a Participant or Beneficiary must comply with all requirements under this Plan.

15.07 **Use of IRS compliance programs.** Nothing in this Plan document should be construed to limit the availability of the IRS' compliance programs, An Employer may take whatever corrective actions are permitted under the IRS compliance programs, as is deemed appropriate by the Plan Administrator or Employer.

15.08 **Governing Law.** The provisions of this Plan shall be construed, administered, and enforced in accordance with the provisions of applicable Federal Law and, to the extent applicable, the laws of the state in which the Employer has its principal place of business. Alternatively, the Employer may designate the governing state law under AA §10-5.

15.09 **Waiver of Notice.** Any person entitled to a notice under the Plan may waive the right to receive such notice, to the extent such a waiver is not prohibited by law, regulation or other pronouncement.

15.10 **Use of Electronic Media.** The Plan Administrator may use telephonic or electronic media to satisfy any notice requirements required by this Plan, to the extent permissible under regulations (or other generally applicable guidance). In addition, a

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Participant's consent to immediate distribution may be provided through telephonic or electronic means, to the extent permissible under regulations (or other generally applicable guidance). The Plan Administrator also may use telephonic or electronic media to conduct plan transactions such as enrolling participants, making (and changing) salary reduction elections, electing (and changing) investment allocations, applying for Plan loans, and other transactions, to the extent permissible under regulations (or other generally applicable guidance).

15.11 **Severability of Provisions.** In the event that any provision of this Plan shall be held to be illegal, invalid or unenforceable for any reason, the remaining provisions under the Plan shall be construed as if the illegal, invalid or unenforceable provisions had never been included in the Plan.

15.12 **Binding Effect.** The Plan, and all actions and decisions made thereunder, shall be binding upon all applicable parties, and their heirs, executors, administrators, successors and assigns.

15.13 **Same-Sex Spouses.** Effective June 26, 2013, to the extent applicable to Governmental Plans, any Plan rule that applies because a Participant is married must be applied with respect to a Participant who is married to an individual of the same sex. See Notice 2015-86, Notice 2014-19, Rev. Rul. 2013-17, and the decision in U.S. v Windsor, 570 U.S. 12 (2013). For example, under the required minimum distribution rules of Code §401(a)(9) and the rollover rules of Code §402(c), certain options are provided for a surviving spouse that are not available to a non-spouse beneficiary. These options must be provided to a same-sex spouse.

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SECTION 16
PARTICIPATING EMPLOYERS

16.01 **Participation by Participating Employers.** A Related Employer may elect to participate under this Plan by executing a Participating Employer Adoption Page. A Participating Employer may not contribute to this Plan unless it executes the Participating Employer Adoption Page.

16.02 **Participating Employer Adoption Page.**

(a) **Application of Plan provisions.** By executing a Participating Employer Adoption Page, a Participating Employer adopts all the provisions of the Plan, including the elective choices made by the signatory Employer under the Adoption Agreement. The Participating Employer may elect under the Participating Employer Adoption Page to modify the elective provisions under the Adoption Agreement as they apply to the Participating Employer.

(b) **Plan amendments.** In addition, unless provided otherwise under the Participating Employer Adoption Page, a Participating Employer is bound by any amendments made to the Plan in accordance with Section 14.01.

(c) **Trust Declaration.** The Participating Employer agrees to use the same Trustee(s) as is designated on the Trust Declaration under the Agreement, except as provided in a separate agreement.

16.03 **Compensation of Related Employers.** In applying the provisions of this Plan, Total Compensation includes amounts earned with a Related Employer, regardless of whether such Related Employer executes a Participating Employer Adoption Page. The Employer may elect under AA §5-3(j) to exclude amounts earned with a Related Employer that does not execute a Participating Employer Adoption Page for purposes of determining an Employee's Plan Compensation.

16.04 **Discontinuance of Participation by a Participating Employer.** A Participating Employer may discontinue its participation under the Plan at any time. To document a Participating Employer's cessation of participation, the following procedures should be followed: (1) the Participating Employer should adopt a resolution that formally terminates active participation in the Plan as of a specified date, (2) the Employer that has executed the Employer Signature Page should re-execute such page, indicating an amendment by page substitution through the deletion of the Participating Employer Adoption Page executed by the withdrawing Participating Employer, and (3) the withdrawing Participating Employer should provide any notices to its Employees that are required by law. Discontinuance of participation means that no further benefits accrue after the effective date of such discontinuance with respect to employment with the withdrawing Participating Employer. The portion of the Plan attributable to the withdrawing Participating Employer may continue as a separate plan, under which benefits may continue to accrue, through the adoption by the Participating Employer of a successor plan (which may be created through the execution of a separate Adoption Agreement by the Participating Employer) or by spin-off of the portion of the Plan attributable to such Participating Employer followed by a merger or transfer into another existing plan, as specified in a merger or transfer agreement.

16.05 **Operational Rules for Related Employer Groups.** If an Employer has one or more Related Employers, the Employer and such Related Employer(s) constitute a Related Employer group. In such case, the following rules apply to the operation of the Plan.

(a) If the term "Employer" is used in the context of administrative functions necessary to the operation, establishment, maintenance, or termination of the Plan, only the Employer executing the Employer Signature Page under the Adoption Agreement, and any Related Employer executing a Participating Employer Adoption Page, is treated as the Employer.

(b) Hours of Service are determined by treating all members of the Related Employer group as the Employer, except as specifically provided in the Plan.

(c) The term Excluded Employee is determined by treating all members of the Related Employer group as the Employer, except as specifically provided in the Plan.

(d) Compensation is determined by treating all members of the Related Employer group as the Employer, except as specifically provided in the Plan.

(e) An Employee is not treated as terminated from employment if the Employee is employed by any member of the Related Employer group.

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In all other contexts, the term "Employer" generally means a reference to all members of the Related Employer group, unless the context requires otherwise. If the terms of the Plan are ambiguous with respect to the treatment of the Related Employer group as the Employer, the Plan Administrator has the authority to make a final determination on the proper interpretation of the Plan.

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AMENDMENT TO IMPLEMENT DEEMED IRA

ARTICLE 1; PREAMBLE

1.1 **Adoption**. The Employer hereby adopts this Amendment to the Plan identified below in order to implement the deemed IRA provisions of Code §408(q)

1.2 **Superseding of inconsistent provisions**. This Amendment supersedes the provisions of the Plan to the extent those provisions are inconsistent with the provisions of this Amendment. Except as otherwise provided in this Amendment, terms defined in the Plan will have the same meaning in this Amendment.

1.3 **References.** Except as otherwise provided in this Amendment, any "Section" reference in this Amendment refers only to this Amendment and is not a reference to the Plan. The Article and Section numbering in this Amendment is solely for purposes of this Amendment, and does not relate to the Plan article, section, or other numbering designations.

1.4 **Intention; construction**. The purpose of this amendment is to amend the Plan in accordance with Code §408(p) while retaining the status of the plan as a qualified plan, a 403(b) plan, or a governmental 457(b) plan and shall be interpreted in accordance therewith.

1.5 **Effect of restatement of Plan.** If the Employer restates the Plan then this Amendment shall remain in effect after such restatement unless the provisions in this Amendment are restated or otherwise become obsolete (e.g., if the Plan is restated onto a plan document which incorporates these provisions).

ARTICLE 2; IDENTIFICATION; ELECTIONS

2.1 **Identifying information.**

A. Name of Plan: Hampton Roads Sanitation District 457 (b) Deferred Compensation

B. Type of Plan (check one)
(a) [ ] Qualified defined contribution plan
(b) [ ] 403(b) plan
(c) [✔] Governmental 457(b) Plan

2.2 **Effective date.** The Plan permits Deemed IRAs effective as of Plan Years beginning after July 31st 2025. (Note: The Deemed IRA provisions must be in effect when the Plan accepts the Deemed IRA contributions).

2.3 **Type of IRA contributions.** The plan permits the following Deemed IRAs *(choose one)*:

(a) [ ] Traditional IRAs.
(b) [ ] Roth IRAs.
(c) [✔] Traditional IRAs or Roth IRAs as the Participant elects at the time of contribution.

2.4 **Type of account.** A Participant's Deemed IRA contributions will be held in the following form of account: *(Choose one)*:

(a) [✔] Individual Retirement Account described in Code §408(a).
(b) [ ] Individual Retirement Annuity described in Code §408(b).
(c) [ ] Individual Retirement Account or Annuity as the Participant elects at the time of contribution.

ARTICLE 3; IN-SERVICE PENSION DISTRIBUTIONS

3.1 **Deemed IRA contributions allowed.** A Participant can make a Deemed IRA contribution to the Plan on or after the effective date specified in Section 2.2. Such contributions will be of the type specified in Section 2.3 and will be held in the account type specified in Section 2.4.

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3.2 **Trustee or Custodian.** A trustee or custodian satisfying the requirements of Code §408(a)(2) must hold Deemed IRA contributions accounts. If the Trustee holding the Deemed IRA contribution assets is a non-bank trustee, the Trustee, upon receipt of notice from the Commissioner of Internal Revenue that substitution is required because the Trustee has failed to comply with the requirements of Treas. Reg. §1.408-2(e), will substitute another Trustee in its place.

3.3 **Additional IRA requirements.** All Deemed IRA contributions: (a) must be made in cash; (b) are subject to the IRA contribution limit under Code §408(a)(1) ($6,000 in 2021), including cost-of-living adjustments under Code §219(b)(5)(C) and, as to Catch-Up Eligible Participants, to the IRA Catch-Up limit of ($1,000 in 2021); and (c) must be 100% Vested.

3.4 **Not for deposit of SEP or SIMPLE IRA amounts/no Rollover Contributions.** An Employer which maintains a SEP or a SIMPLE IRA may not deposit contributions under these arrangements to the Deemed IRA contribution accounts. A Participant may not make a Rollover Contribution to his or her Deemed IRA contribution account.

3.5 **Deemed Roth IRA Contributions.**

(a) Contribution Limit. A Participant's contribution to the Deemed Roth IRA and to all other Roth IRAs for a Taxable Year may not exceed the lesser of the amount described in Section 3.3 or the Participant's Compensation under Section 3.5(c). However, if (i) and/or (ii) below apply, the maximum (non-rollover) contribution that can be made to all of the Participant's Roth IRAs (including to this Deemed Roth IRA which must not be a rollover contribution) for a Taxable Year is the smaller amount determined under (i) or (ii).

(i) General. The maximum contribution is phased out ratably between certain levels of modified adjusted gross income ("modified AGI," defined in Section 3.5(b)) as provided in Code §408A(c)(3).

(ii) Roth and non-Roth IRA contributions. If the Participant makes (non-rollover) contributions to both Roth and non-Roth IRAs for a Taxable Year, the maximum contribution that can be made to all of the Participant's Roth IRAs for that Taxable Year is reduced by the contributions made to the Participant's non-Roth IRAs for the Taxable Year.

(iii) Conversion. A Participant may convert a Deemed non-Roth IRA Contributions Account to a Deemed Roth IRA Contributions Account in accordance with Treas. Reg. §1.408A-4. A Participant may not effect a conversion by means of contributing a Rollover Contribution to his or her Deemed IRA under this Plan.

(b) Modified AGI. For purposes of Section 3.5(a), a Participant's modified AGI for a Taxable Year is defined in Code §408A(c)(3)(C)(i) and does not include any amount included in adjusted gross income as a result of a non-Roth IRA conversion.

(c) Compensation. For purposes of Section 3.5(a), Compensation is defined as wages, salaries, professional fees, or other amounts derived from or received for personal services actually rendered (including, but not limited to commissions paid salesmen, compensation for services on the basis of a percentage of profits, commissions on insurance premiums, tips, and bonuses) and includes earned income, as defined in Code §401(c)(2) (reduced by the deduction the Self-Employed Individual takes for contributions made to a self-employed retirement plan). For purposes of this definition, Code §401(c)(2) shall be applied as if the term "trade or business" for purposes of Code §1402 included service described in subsection (c)(6). Compensation does not include amounts derived from or received as earnings or profits from property (including but not limited to interest and dividends) or amounts not includible in gross income. Compensation also does not include any amount received as a pension or annuity or as deferred compensation. Compensation includes any amount includible in the Participant's gross income under Code §71 with respect to a divorce or separation instrument described in Code §71(b)(2)(A). In the case of a married Participant filing a joint return, the greater compensation of his or her spouse is treated as the Participant's Compensation, but only to the extent that such spouse's compensation is not being used for

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purposes of the spouse making a contribution to a Roth IRA or a deductible contribution to a non-Roth IRA.

3.6 **Accounting and Investments.** The Plan Administrator may cause Deemed IRA contributions to be held and invested: (1) in a separate trust for each Participant; (2) as a single trust holding all Participant Deemed IRA contributions; or (3) as part of a single trust holding all of the assets of the Plan. If the Plan Administrator establishes a single trust under clause (2) or (3), the Plan Administrator must account separately for each Participant's Deemed IRA contributions and for the Earnings attributable thereto. If the Deemed IRA contributions are invested in an individual retirement annuity, the Plan Administrator may establish separate annuity contracts for each Participant's Deemed IRA contributions or may establish a single annuity contract for all Participants, with separate accounting for each Participant. If the Plan Administrator establishes a single annuity contract, such contract must be separate from any other annuity contract under the Plan. The Plan Administrator also may invest Deemed IRA contributions in any common or collective fund. The Trust provisions otherwise apply to the investment of Deemed IRA contributions except that no part of such contributions may be invested in life insurance contracts and a Participant may not borrow from a Deemed IRA contributions Account or take such amounts into account in determining the maximum amount available for a loan from the Participant's other Plan assets. The Plan Administrator or Trustee/Custodian may not cause Deemed IRA contribution accounts to be commingled with any non-Plan assets. Any Deemed IRA contribution account is established for the exclusive benefit of the affected Participant and his or her Beneficiaries. No part of the Trust attributable to Deemed IRA contributions may be invested in collectibles as described in Code §408(m), except as may be permitted under Code §408(m)(3).

3.7 **Participant Contribution and Designation.** A Participant may make Deemed IRA contributions directly or through payroll withholding as the Plan Administrator may permit. At the time of the Participant's contribution (or when the Deemed IRA contribution is withheld from payroll), the Participant must designate the contribution as a Deemed IRA contribution and, if applicable, also must designate whether the contribution is traditional or Roth and whether the account is an individual retirement account or an individual retirement annuity.

3.8 **Treatment as IRA.** For all purposes of the Code except as otherwise provided in this Article 3, Deemed IRA contributions are subject to the IRA rules under Code §§408 and 408A as applicable. Deemed IRA contributions are not annual additions under Code §415 and are not subject to any otherwise applicable testing of nondiscrimination of amounts of contributions. After January 1, 2020, a Participant will not be barred from making Deemed IRA contributions on account of attainment of age 70½ or any other age.

3.9 **Reporting.** The Deemed IRA contribution Trustee or Custodian must comply with all Code §408(i) reporting requirements, including providing required information regarding RMDs.

3.10 **Distributions.** A Participant may request and receive distribution of his or her Deemed IRA Account at any time, subject the requirements of the required minimum distribution ("RMD") rules of Code §401(a)(9) and the regulations thereunder as applicable to IRAs. For purposes of the RMD rules, (1) the Participant's required beginning date with regard to the Deemed IRA contribution accounts is April 1 of the calendar year following the calendar year in which the Participant attains age 72; (2) if the Deemed IRA contribution account is a Roth Account, there are no lifetime RMDs; and (3) to the extent that the provisions of the Plan differ, RMDs from Deemed IRA contribution accounts otherwise are subject to the required minimum distribution rules applicable to IRAs under Code §§408(a)(6) or 408A(c)(5) as applicable, and under the corresponding Treasury regulations, which are incorporated by reference herein.

This Amendment has been executed _____, 2025.

Name of Employer: Hampton Roads Sanitation District

By: _____

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Nationwide Trust Company, FSB
Deemed IRA Trust Agreement
(The "Agreement")

This Agreement including the Schedule of Investments is made and entered into by and between **Hampton Roads Sanitation District** ("Sponsor") and Nationwide Trust Company, as Trustee ("NTC") pursuant to the **Hampton Roads Sanitation District Deferred Compensation Plan** ("Plan") to establish the Deemed IRA Trust Account for **Hampton Roads Sanitation District Deferred Compensation Plan Trust** ("Account").

By signing below, signatories on behalf of the Sponsor and the Plan acknowledge that they have received the Agreement inclusive of all Schedules listed above and agree to all terms. Further, they represent that they have the authority to enter into, on behalf of the Sponsor and the Plan, a contractual relationship with NTC with respect to these documents and will be subject to all rights and obligations contained therein.

Printed Sponsor Name

Sponsor Signature Date

Title

Printed Name

Signature Date

Title

Printed Name

Signature Date

Title

By signing below, NTC has agreed to and accepted all rights and obligations contained herein.

NTC

Acceptance Date

ARTICLE I — PURPOSE

The Sponsor adopts this Agreement on behalf of the Plan and represents and warrants that: (i) the Plan is a qualified employer plan as defined under Section 408(q) of the Internal Revenue Code of 1986, as amended ("Code") and intends to keep such Plan in compliance therewith; (ii) the Employer of all individuals eligible to participate in the Plan is a state, political subdivision of a state, or an agency or instrumentality of either; and (iii) the Plan allows eligible employees of Employer to make voluntary employee contributions to a separate account that meets the requirements under Section 408(q) and which are to be held in trust hereunder separate and apart from other assets of the Plan.

ARTICLE II — DEFINITIONS

Account — The trust account established herein by which NTC will only hold the assets of the Plan that represent voluntary employee contributions to the Plan under Section 408(q) and will not include any other assets of the Plan.

Business Day — A day on which NTC and New York Stock Exchange are both open for business.

Effective Date — The date on which the Account is created by NTC's acceptance of cash or other assets on behalf of the Sponsor. Prior to the Effective Date, NTC shall have no responsibility hereunder.

Employer(s) — The employer(s) of the Participants in the Plan.

Funding Vehicle(s) — As permitted by applicable law, may include one or more (i) group annuity contracts, (ii) mutual funds or other securities made available under the Agreement, (iii) securities held in self-directed brokerage accounts made available by NTC, (iv) depository accounts with an insured depository institution as defined under Section 3 of the Federal Deposit Insurance Act; or (v) any other investment vehicle(s) mutually acceptable to NTC and Sponsor via an amendment to this Agreement or separate schedule.

Original Signature — An authentic, hardcopy, non-reproduced signature of the Sponsor or its designee.

Participant — A person for whom benefits are provided under this Agreement, in accordance with the Plan.

Plan — The Plan identified on the front page of this Agreement, including any written plan document and trust provisions.

Required Format — Acceptable format for submitting information to NTC as prescribed by NTC and on transaction forms prescribed by NTC.

Signature — Either the Original Signature or an Original Signature that has been replicated by photocopy, electronic means, or fax.

Successor — The trustee or custodian appointed by the Sponsor who succeeds NTC.

Written Instruction(s) — Any notices, instructions or other instruments required to be in writing with Signature (or Original Signature, where so indicated) from NTC, Sponsor, or its designee. Written Instructions may take the form of a letter, electronic communication through an on-line communication system mutually agreeable to the parties; or a facsimile transmission.

ARTICLE III — THE ACCOUNT

The Sponsor advises NTC that the Account shall be funded as described herein. The Sponsor hereby authorizes NTC to take any action required to establish and maintain any Funding Vehicle(s) designated by the Sponsor under this Agreement.

NTC has entered into arrangements with a number of providers to make available certain Funding Vehicles for possible inclusion in the Account. The assets of the Account shall consist of the Funding Vehicle(s). Except as otherwise provided for in connection with a Funding Vehicle that is a depository product, the Account and any funds invested pursuant to this Agreement are not insured by the Federal Deposit Insurance Corporation ("FDIC"), are not deposits or other obligations of NTC and are not guaranteed by NTC. The value of the Account is subject to investment risks, including possible loss of principal. NTC agrees to hold and administer the Account in accordance with this Agreement.

To the extent permitted by the Plan, NTC, at the direction of the Sponsor or its designee, shall accept an eligible rollover distribution and/or eligible direct rollover under the then applicable sections of the Code. NTC shall not be under any duty to require payment of any contributions to the Account, if any, or to see that any payment made to it is computed in accordance with the provisions of the Plan. NTC shall continue to administer the Account in accordance with this Agreement until its obligations are discharged and satisfied.

No person entitled to any benefits under the Account shall have any right to assign or encumber his or her interest in any such benefits and those benefits shall not in any way be subject to the claims of his or her creditors or liable to attachment, execution, or other process of law except to the extent required by applicable law or as specifically provided for by the Plan.

The Sponsor authorizes NTC to commingle assets of the Account, as applicable, in a common trust fund or common investment fund as permitted by Section 408(a)(5) of the Code, including in a master custodial account for purposes of facilitating the omnibus trading of assets of the Account and for any other purposes consistent with Section 408(q)(1)(B).

ARTICLE IV — GENERAL ADMINISTRATIVE RESPONSIBILITIES OF NTC

NTC is authorized to take any action set forth below with respect to the Account:

Accept instructions in the Required Format from the Sponsor or its designee regarding the allocation, distribution or other disposition of the assets of the Account and all matters relating thereto;

Cause any portion or all of the Account to be issued, held, or registered in the individual name of NTC, in the name of its nominee, in an affiliated securities depository, or in such other form as may be required or permitted under applicable law (however, the records of NTC shall indicate the true ownership of such property);

Employ such agents and counsel, including legal counsel, as NTC determines to be reasonably necessary to manage and protect the assets held in the Account, to handle controversies that may arise under this Agreement, or to defend itself successfully against allegations of a fiduciary breach, and to pay such agents and counsel their compensation from the Account unless such compensation is otherwise paid by the Sponsor;

Commence, maintain, or defend any litigation necessary in connection with the administration of the Account, except that NTC shall not be obligated to do so unless it is to be indemnified to its satisfaction against all expenses and liabilities sustained or anticipated by reason thereof;

Hold part or all of the Account uninvested as may be necessary or appropriate;

Withhold the appropriate taxes from any distribution, remit such taxes with the relevant government authorities, and report such payments on the informational returns prescribed by such authorities, identifying itself as the payor of such distributions;

Forward to the Sponsor, for exercise, all proxies solicited in regards to mutual funds and collective investment funds, if applicable; vote, on behalf of the Plan and in accordance with the instructions provided by the Sponsor, all proxies that are returned by the Sponsor; and abstain from voting proxies that are not returned by the Sponsor; and

Take all other acts necessary for the proper administration of the Account.

ARTICLE V — INVESTMENT RESPONSIBILITY

In its capacity as directed trustee or custodian, NTC shall have no investment management responsibility or liability with respect to the Account or any other assets held under the Plan. Plan contributions or other assets received by NTC shall be allocated in accordance with Written Instructions. As directed trustee or custodian, NTC does not warrant or guarantee the performance of any Funding Vehicle(s) selected by the Sponsor or Participants.

The Sponsor, or other party designated under the Plan, shall have full responsibility for the selection of the Funding Vehicle(s) and the management, disposition, and investment of assets of the Account. NTC shall comply with Written Instructions concerning those assets, subject to restrictions, if any, imposed by the Funding Vehicle(s) and the operation of any securities markets. Except to the extent required by applicable law or otherwise provided in this Agreement, NTC shall have no duty to review, initiate action, or make recommendations regarding the Account or its investments.

The Sponsor is responsible for reading any and all prospectuses, specimen and final contracts, proposals and/or other materials which disclose information pertaining to applicable charges, interest rates, terms and conditions of any contract between the Plan or Account and any party, including contracts related to the Funding Vehicle(s). NTC shall transmit such communications to the Sponsor. NTC shall have no duty to respond to communications related to securities or other property held in the Account (including, but not limited to, tender offers and class action communications).

NTC shall not be liable for any loss which results from the exercise of investment control by a Sponsor, Participant or beneficiary, or designated investment manager. If a Participant who has investment authority under the terms of the Plan fails to provide investment direction, the Sponsor shall direct the investment of the Participant's account.

No one providing investment advice to the Plan, Sponsor, Participant or other party is acting as an agent of NTC.

ARTICLE VI — CONTRIBUTIONS NOT RECOVERABLE

Except as described in the Purpose section of this Agreement and to the extent permitted by the Plan and applicable law, under no circumstances shall any part of the Account be recoverable by the Sponsor or be used other than for the exclusive purposes of providing benefits to Participants and their beneficiaries and paying reasonable expenses of the Plan prior to the satisfaction of all liabilities to Participants and their beneficiaries; provided, however, a contribution by a Sponsor or a Participant made as a result of a mistake of fact that is discovered within one (1) year after the contribution is made shall be returned to the Sponsor or Participant as soon as administratively feasible, if the Sponsor so requests and the Funding Vehicle(s) permits.

ARTICLE VII —ACCOUNT RECORDS AND REPORTS

NTC shall maintain accurate records and detailed accounts of all investments, receipts, disbursements, earnings, and other transactions related to the Account, and those records shall be available at all reasonable times to the Sponsor.

ARTICLE VIII — FIDUCIARY RESPONSIBILITIES AND LIABILITIES

NTC may rely upon any information provided by the Sponsor or its designee. NTC, the Sponsor, and all other fiduciaries under the Plan and this Agreement intend that each party shall be solely responsible for those specific duties and powers assigned to it. Each party may rely upon any direction, information, or action of another party as being proper under the Plan and this Agreement. NTC shall not be required by the Sponsor or its designee to engage in any action, or make any investment which constitutes a prohibited transaction or is otherwise contrary to the provisions of applicable law, the Code, or the terms of the Plan, if any, or this Agreement.

NTC shall be responsible only for those functions which have been assigned to it under this Agreement and shall have no responsibility to perform any duty of the Sponsor, or other fiduciary, required by the Plan or applicable law. NTC shall have no duty to determine the rights or benefits of any person having or claiming an interest under the Plan or this Agreement.

Except as otherwise provided in the Agreement, including any schedules thereto, any action to be taken by NTC under the Agreement shall be taken upon Written Instruction from the Sponsor or its designee. NTC shall comply with such instructions and shall incur no liability for any loss which may result from any action or failure of action on its part due to its compliance with such Written Instructions.

ARTICLE IX — LIMITATION OF LIABILITY

To the extent permitted by applicable law, NTC shall not be liable for any failure or delay in the performance of its obligations under this Agreement arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including, without limitation, acts of God; earthquakes; fires; floods; wars; civil or military disturbances; sabotage; epidemics; riots; interruptions, loss or malfunction of utilities, computer (hardware or software) or communications services; accidents; labor disputes; acts of civil or military authority or government actions.

ARTICLE X — RELIANCE ON COUNSEL AND INDEMNIFICATION

NTC may consult with, and act upon the advice of counsel (who may be counsel for the Sponsor), regarding its responsibilities under this Agreement. To the extent permitted under applicable law, the Sponsor shall indemnify and hold harmless NTC, its officers, employees, and agents from and against all liabilities, losses, expenses, and claims (including reasonable attorneys' fees and costs of defense) arising as a result of:

Acts or omissions to act with respect to the Plan or Account by persons unrelated to NTC;
NTC's action or inaction with respect to the Plan or Account resulting from reliance on the action or inaction of unrelated persons;

Any violation by any unrelated person of the provisions of the Code or applicable laws, unless NTC commits a breach of its duties by reason of its gross negligence or willful misconduct;

Any decision by the Sponsor, any Participant or any other fiduciary to acquire, retain, or dispose of any security or other property of the Account;

Any violation or breach by a fiduciary or other person associated with the Plan which occurred prior to the Effective Date; or

NTC's acts, omissions and conduct, and those of its agents, in their official capacity, except to the extent that such documented loss or expense results from negligence directly and solely attributable to NTC or its agents, or from an intentional violation by them of any provision of this Agreement.

Such obligation to indemnify shall extend to any liability or expense that arises as a result of the inaccuracy of any representation made, any action taken or failure to act, or any violation of this Agreement, the terms of the Plan by the Sponsor, its designee, any fiduciary of the Plan, and their agents, employees and officers under this Agreement or otherwise related to the administration of the Account. NTC shall not be required to give any bond or other security for the faithful performance of its duties under this Agreement except to the extent required by applicable law.

ARTICLE XI — NTC'S USE OF AFFILIATED COMPANIES

NTC may enter into agreements and share information with its affiliates in performing responsibilities under this Agreement and any other applicable agreement. Investments made in accordance with the Agreement, may include mutual funds or other investments advised by affiliates of NTC. The investment advisers of such investments may be affiliates of NTC and may derive investment management and other fees for services provided.

ARTICLE XII — NTC'S COMPENSATION AND EXPENSES

NTC will be compensated for services at mutually agreed upon rates. NTC will receive additional reasonable compensation for any extraordinary services or computations required as agreed upon by the Sponsor and NTC in advance. NTC may withdraw amounts from the Account for its compensation, and for any expenses as described herein, unless such amounts are paid by the Sponsor within sixty (60) days after mailing of a written billing by NTC.

ARTICLE XIII — TAXES

Until advised to the contrary by the Sponsor, NTC shall assume that the Account is exempt from federal, state, local and foreign income taxes. NTC shall not be responsible for filing any federal, state, local or foreign tax and informational returns relating to the Plan or Account.

NTC shall notify the Sponsor of any taxes levied upon or assessed against the Account. If NTC does not receive Written Instructions within thirty (30) days of such notification, NTC will pay the tax from the Account. If the Sponsor wishes to contest the tax assessment, it must give appropriate Written Instructions to NTC within thirty (30) days of notification. NTC shall not be required to bring any legal actions or proceedings to contest the validity of any tax assessments unless NTC is to be indemnified to its satisfaction against loss or expense related to such actions or proceedings, including reasonable attorneys' fees.

ARTICLE XIV — AMENDMENT

Notwithstanding any other provision of the Agreement, NTC may amend the Agreement at any time by providing written notice to the Sponsor not less than thirty (30) days prior to the effective date of such change, or at any time in the event NTC determines that such amendment is necessary to comply with any applicable legal or regulatory requirements.

No person except for an authorized officer has the legal capacity to change this Agreement otherwise, or to bind NTC to other commitments not covered within this Agreement.

ARTICLE XV — RESIGNATION, REMOVAL AND TERMINATION

NTC may resign at any time after providing at least thirty (30) days notice via Written Instructions to the Sponsor. The Sponsor may remove NTC by delivery of Written Instructions, to take effect at a date specified therein, which shall not be less than thirty (30) days after the delivery of such Written

Instructions with Original Signature to NTC, unless Funding Vehicle provisions specify otherwise. Notwithstanding the foregoing, NTC may retain responsibilities per the terms of this Agreement over assets remaining at NTC beyond the thirty (30) day timeframe, concurrent with Funding Vehicle provisions.

The Agreement will be terminated at such time as the Account is terminated; the Funding Vehicle(s) are redeemed in full, upon the resignation or removal of NTC as trustee of the Account, or upon the termination by Sponsor of any separate agreement with NTC or Nationwide Retirement Solutions, Inc. that relates to the services provided by NTC under this Agreement. The discontinuance of contributions to the Account shall not, by itself, terminate the Account.

NTC is authorized to reserve such sum of money as it may deem advisable for payment of its fees and expenses in connection with the settlement of the Account, and any balance of such reserve remaining after the payment of such fees and expenses shall be paid to the Successor by NTC.

ARTICLE XVI — SUCCESSOR

Upon resignation or removal of NTC, the Sponsor shall appoint a Successor and the Sponsor shall notify NTC of such appointment by Written Instructions with Signature. NTC shall transfer the assets of the Account, subject to any applicable fees as described in the Agreement to such Successor.

If either party has given notice of termination and upon the expiration of the advance notice period no party has accepted an appointment as Successor, NTC will have the right to commence an action in the nature of an interpleader (or other appropriate action) and seek to deposit the assets of the Account in a court of competent jurisdiction in Franklin County, Ohio, for administration until a Successor may be appointed and accepts the transfer of the assets. The Sponsor will be responsible for any costs incurred as a result of such action and/or transfer, as well as any expenses of NTC which are incurred in carrying out its duties under this Agreement in such a situation.

ARTICLE XVII — GOVERNING LAW

The Account will be administered in the State of Ohio, and its validity, construction, and all rights hereunder shall be governed by the Code, Home Owners' Loan Act of 1933 and, to the extent not pre-empted, by the laws of Ohio. All contributions to the Account shall be deemed to occur in Ohio.

ARTICLE XIII — IDENTITY VERIFICATION NOTICE

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies certain persons or entities that open an account. When an account is opened, NTC may ask for the name, address and other information that will allow NTC to identify the entity or person that sponsors the Plan. NTC may also ask for a copy of identifying documents, such as a driver's license, government-issued business license, or other documents.

ARTICLE XIX — RULES OF CONSTRUCTION

The Agreement, together with all attached schedules and any applicable contracts related to Funding Vehicle(s), shall constitute the entire Agreement. The Plan and this Agreement shall be read and construed together. By signing this Agreement, the Sponsor represents to NTC that the Plan conforms to and is consistent with the provisions of this Agreement. Should the Plan need to be amended to conform to the provisions of this Agreement, the Sponsor is responsible for such amendments. The terms of this Agreement shall prevail over terms of the Plan in cases of conflict.

ARTICLE XX — WAIVER

Failure of either party to insist upon strict compliance with any of the conditions of the Agreement shall not be construed as a waiver of any of such conditions, but the same shall remain in full force and effect. No waiver of any provision of the Agreement shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver.

ARTICLE XXI — REFERENCES

Unless the context clearly indicates to the contrary, a reference to a statute, regulation, document, or provision shall be construed as referring to any subsequently enacted, adopted, or re-designated statute or regulation or executed counterpart.

ARTICLE XXII — SEVERABILITY

If any provision of the Agreement shall be held by a court of competent jurisdiction to be invalid, illegal, or unenforceable, the remaining provisions shall continue to be effective.

ARTICLE XXIV — MUTUAL FUND DISCLOSURE

The Sponsor acknowledges that Nationwide and its affiliates receive payments in connection with the sale and servicing of investments allocated to participant Plan accounts ("Investment Option Payments"). The Investment Option Payments include mutual fund service fee payments, which are described in detail at www.nrsforu.com, and other payments received from investment option providers.

Schedule of Investments
("Investment Authorization")

WHEREAS, NTC and the Sponsor have entered into an Agreement in which the assets of the Plan are to be held, invested and distributed; and

WHEREAS, the authority to select the Funding Vehicles under the Plan resides with the Sponsor; and

WHEREAS, NTC and Sponsor agree that NTC may act upon Written Instructions from the Sponsor;

NOW THEREFORE, the Sponsor authorizes NTC to establish an account for each Funding Vehicle set forth below

1. On the Effective Date, the Funding Vehicles in the Plan shall be:

   Vanguard 500 Index Admiral
   T. Rowe Price Inst. Large Cap Core Growth
   Dodge & Cox Stock I
   Vanguard Mid Cap Index Admiral
   JPMorgan Mid Cap Growth R6
   Allspring Special Mid Cap Value R6
   Vanguard Extended Market Index Admiral
   Vanguard Small Cap Index Adm.
   Vanguard Explorer
   American Beacon Small Cap Value
   Vanguard Real Estate Index Admiral
   Vanguard Total World Stock Index Admiral
   Vanguard Developed Markets Index Admiral
   Vanguard Emerging Markets Stock Index Admiral
   Baird Aggregate Bond Inst.
   PIMCO Global Opportunities (USD Hedged) Inst.
   Vanguard Inflation Protected Securities Admiral
   PGIM High Yield R6
   Vanguard Federal Money Market Fund
   T. Rowe Price Balanced I
   T. Rowe Price Retirement 2015 I
   T. Rowe Price Retirement 2020 I
   T. Rowe Price Retirement 2025 I
   T. Rowe Price Retirement 2030 I
   T. Rowe Price Retirement 2035 I
   T. Rowe Price Retirement 2040 I
   T. Rowe Price Retirement 2045 I
   T. Rowe Price Retirement 2050 I
   T. Rowe Price Retirement 2055 I
   T. Rowe Price Retirement 2060 I
   T. Rowe Price Retirement 2065 I
   Nationwide True Flex Fixed

The Funding Vehicle(s) may be modified at any time to include mutually agreeable options via written instructions from the Sponsor or its designee to NTC.