



HRSD Commission Meeting Agenda
9:00 a.m. – July 22, 2025

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

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

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

<u>No.</u>	<u>Topic</u>	<u>Resource</u>
	Call to Order	Chair
1.	Closed Meeting	Bernas
2.	Reconvened Meeting	Bernas
3.	Public Comments Not Related to the Agenda	Secretary
4.	Consent Agenda	Bernas
5.	O&N Committee Report Briefing	Bernas
6.	Election of Officers	Chair
7.	Commission Governance Guidelines Revisions	Bernas
8.	Ethics Policy Revisions	Bernas
9.	Freedom of Information Act (FOIA) – Access to Public Records Policy Revisions	Bernas
10.	Remote Participation and All-Virtual Meetings Policy Revisions	Bernas

<u>No.</u>	<u>Topic</u>	<u>Resource</u>
11.	Procurement Policy and Appendices Revisions and Additions	Murphy/Husselbee
12.	Fleet Management Fiscal Year 2026 Initial Appropriation	Abisaab
13.	Virginia Initiative Plant Aeration Tank and Primary Clarifier Gate Replacement Initial Appropriation – Non-Regulatory and Task Order (>\$200,000)	Husselbee
14.	Williamsburg Treatment Plant Solids Handling Improvements Initial Appropriation – Non-Regulatory, Contract Award (>\$200,000)	Husselbee
15.	York River Treatment Plant Switchgear and Motor Control Center Replacements Initial Appropriation – Non-Regulatory and Contract Award	Husselbee
16.	Water Technology and Research Annual Update	Bott
17.	Nansemond SWIFT Facility Approval of Stipulated Price	Husselbee/Zuravnsky
18.	Capital Improvement Program (CIP) Update	Husselbee
19.	New Business	Bernas
20.	Unfinished Business	Bernas
21.	Commissioner Comments	Chair
22.	Informational Items	Bernas

Next Regular Commission Meeting: August 26, 2025 in Virginia Beach, VA.

AGENDA ITEM 1. – July 22, 2025

Subject: Closed Meeting

Recommended Action: Approve a motion to go into closed meeting to consider legal matters pertaining to actual and 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.

AGENDA ITEM 2. – July 22, 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.

AGENDA ITEM 3. – July 22, 2025

Subject: Public Comments Not Related to the Agenda

AGENDA ITEM 4. – July 22, 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. [Cisco Network Hardware and Software License & Support](#) \$800,000
 2. [Gas Chromatography/Mass Spectrometry \(GC/MS\) Equipment, Installation, and Support](#) \$991,415
 3. [Real Estate Legal Counsel Services](#)

Pender & Coward	\$500,000
Kaufman & Canoles PC	\$500,000
 4. [Portable Steam Boiler Rental and Services](#) \$990,615
 5. [ZeeWeed® Membrane Replacement](#) \$234,725
- c. Task Orders (>\$200,000)
 1. [Army Base 24-Inch and 20-Inch Transmission Main Replacements](#) \$266,526
- d. Regulatory Capital Improvement Project – Additional Appropriation <\$10,000,000
 1. [Birchwood Trunk 24-Inch and 30-Inch Force Main at Independence Boulevard Replacement Phase II](#) \$250,331
 2. [Lee Avenue-Wesley Street Horizontal Valve Replacement](#) \$684,043

CONSENT AGENDA ITEM 4.b.1. – July 22, 2025

Subject: Cisco Network Hardware and Software License & Support
Contract Award (>\$200,000)

Recommended Action: Award a contract to CDW LLC DBA CDW Government LLC in the amount of \$800,000

Regulatory Requirement: None

Type of Procurement: Use of Existing Contract Vehicle

Contract Description: This contract is for the purchase of Cisco SmartNet network equipment, software, and associated support services to replace HRSD's existing Cisco network hardware, which has reached its end-of-life (EOL) status. The current hardware is no longer eligible for essential software licenses and support due to its EOL designation. The replacement equipment and software will ensure continued network functionality and security. Ongoing support beyond the initial one-year period for license maintenance and technical support will be integrated into HRSD's existing Cisco SmartNet contract.

Upon evaluation of the County of Fairfax contract terms and conditions, as a public agency, HRSD is eligible to use the contract awarded to CDW Government LLC.

Analysis of Cost: This procurement utilizes the Fairfax County cooperative agreement for Information Technology Hardware and Software purchases through CDW. This agreement enables HRSD to secure the Cisco SmartNet equipment, software, and support at an approximate 61% discount off the retail price, optimizing cost efficiency for the replacement of the EOL hardware.

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

CONSENT AGENDA ITEM 4.b.2. – July 22, 2025

Subject: Gas Chromatography/Mass Spectrometry (GC/MS) Equipment, Installation, and Support
Contract Award (>\$200,000)

Recommended Action: Award a contract to Agilent Technologies Inc. in the amount of \$198,283 for one year with four renewal options and an estimated cumulative value of \$991,415.

CIP Project: GN020500

Regulatory Requirement: VPDES or Other Regulatory Sampling Requirement (CEL projects)

Budget	\$1,080,000
Previous Expenditures and Encumbrances	(<u>\$745,477</u>)
Available Balance	\$334,524

Type of Procurement: Sole Source

HRSD Estimate: \$290,000/1 yr

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

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

Contract Description: This contract is for the purchase of a GC/MS instrument and parts for use at the Central Environmental Lab (CEL). The GC/MS instrument is critical support of SWIFT research and testing. It is primarily used for analysis of semi-volatile organic compounds in wastewater and industrial wastes and volatile organic compounds in drinking water. All analyses are in accordance with Environmental Protection Agency method regulations.

Agilent equipment has been integrated successfully with the Laboratory Information Management System (LIMS) and specific validation requirements and methods have been developed and published by CEL using this brand instrument.

Services include installation and annual maintenance support after the one year warranty period.

Analysis of Cost: The cost is found to be fair and reasonable based on past purchase history for the exact same instrument and support services purchased through Agilent Technologies. HRSD is receiving a preferred customer discount of 35 percent as well as an equipment trade in credit towards purchase of new.

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

CONSENT AGENDA ITEM 4.b.3. – July 22, 2025

Subject: Real Estate Legal Counsel Services
Contract Award (>\$200,000)

Recommended Actions:

- a. Award a contract for Real Estate Legal Counsel Services to Pender & Coward in the estimated amount of \$100,000 for year one with four annual renewal options and an estimated cumulative value in the amount of \$500,000.
- b. Award a contract for Real Estate Legal Counsel Services to Kaufman & Canoles PC in the estimated amount of \$100,000 for year one with four annual renewal options and an estimated cumulative value in the amount of \$500,000.

Regulatory Requirement: None

Type of Procurement: Competitive Negotiation

A Public Notice was issued on May 22, 2025. Two firms submitted proposals on June 18, 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. Two firms were short-listed, interviewed, and technically ranked as listed below:

Proposers	Technical Points	Recommended Selection Ranking
Pender & Coward	93	1
Kaufman & Canoles PC	88	1

The Committee recommends awards to Pender & Coward and Kaufman & Canoles PC, whose professional qualifications and proposed services best serve the interest of HRSD.

Contract Description and Analysis of Cost: These contracts are agreements for both firms to provide general and specific legal advice and counsel to HRSD staff related to matters of real estate law on a task by task basis. The firms will prepare legal opinions, reports, and advice when necessary. Review and assist in preparation of resolutions, contracts of sale, deeds, and other conveyances, and other related documents for real estate transactions. Tasks will be assigned to each firm based on their expertise, availability, and experience in similar assignments. Actual authorization will be addressed through individual Task Orders or Amendments. Funding for this work will be from the HRSD Operating Budget and/or the Capital Improvement Budget. The cost for these services is comparable to rates used by other firms for similar efforts.

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

CONSENT AGENDA ITEM 4.b.4. – July 22, 2025

Subject: Portable Steam Boiler Rental and Services
Contract Award (>\$200,000)

Recommended Action: Award a contract to Power Mechanical Inc. in the amount of \$198,123 for one year with four renewal options and an estimated cumulative value of \$990,615.

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 3, 2025, and one bid was received on April 14, 2025, as listed below:

Bidder	Bid Amount
Power Mechanical Inc.	\$198,123

HRSD Estimate:

\$203,283/1 yr

Contract Description: This contract is for rental of a 350hp portable steam boiler with deaerator, silencer and hoses for use at the Atlantic Treatment Plant (ATP). This will be used as backup for the Thermal Hydraulic Process (THP) steam boiler which includes noise dampening features to better serve the surrounding neighborhood. Services include quarterly preventive maintenance checks and annual inspections.

Analysis of Cost: The cost is found to be fair and reasonable based on current boiler rental services in place at ATP and associated costs.

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

CONSENT AGENDA ITEM 4.b.5. – July 22, 2025

Subject: ZeeWeed® Membrane Replacement
Contract Award (>\$200,000)

Recommended Action: Award a contract to ZENON Environmental Corp. in the amount of \$234,725.

Regulatory Requirement: None

Type of Procurement: Sole Source

HRSD Estimate: \$234,725

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

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

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

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

CONSENT AGENDA ITEM 4.c.1. – July 22, 2025

Subject: Army Base 24-Inch and 20-Inch Transmission Main Replacements
Task Order (>\$200,000)

Recommended Action: Approve a task order with Hazen and Sawyer in the amount of \$266,526.

CIP Project: AB010000

Regulatory Requirement: None

Budget	\$27,343,000
Previous Expenditures and Encumbrances	(\$3,192,503)
Available Balance	<u>\$24,150,497</u>

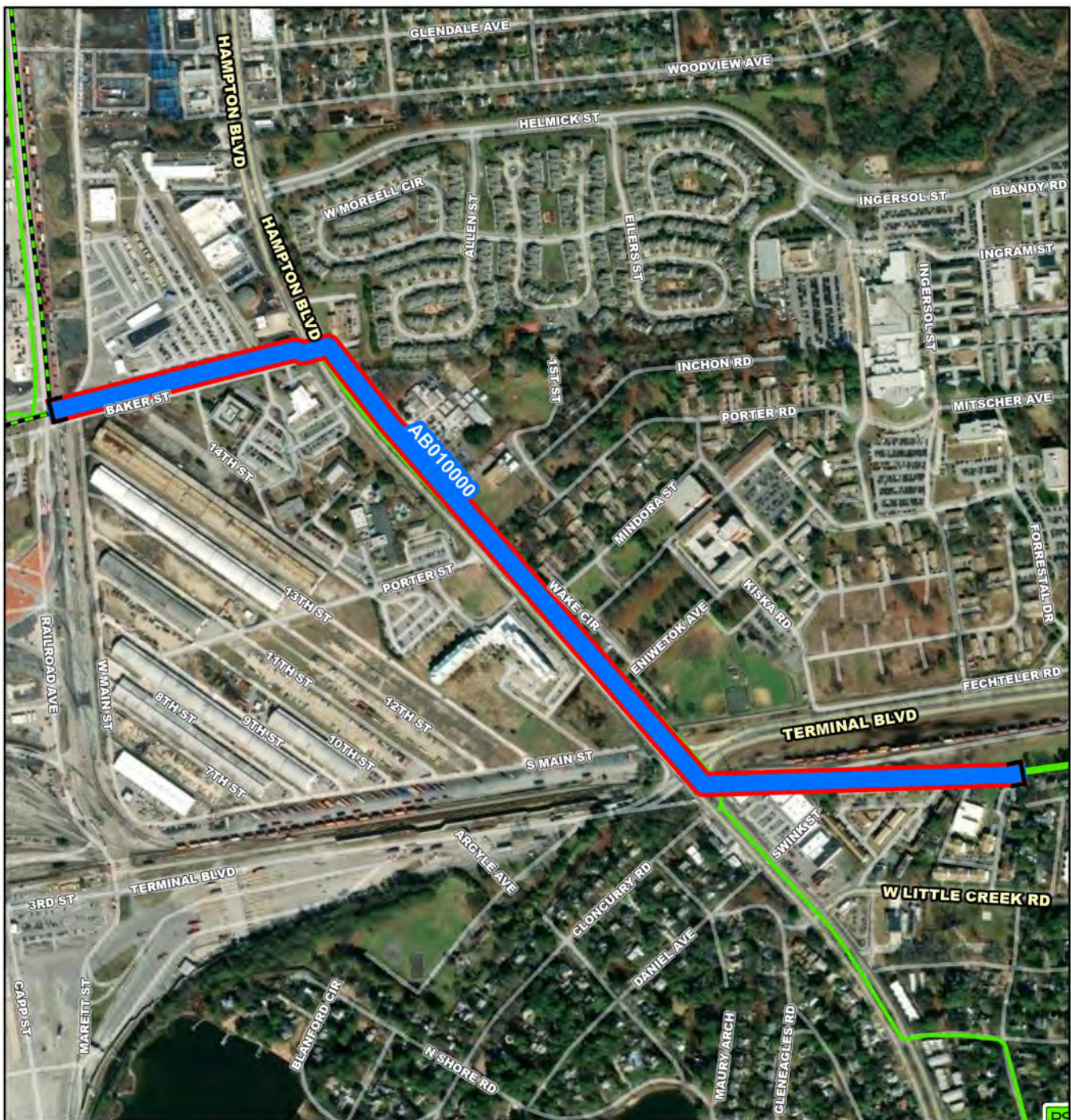
Contract Status with Task Orders:	Amount
Original Contract with Hazen and Sawyer	\$964,185
Total Value of Previous Task Orders	\$370,171
Requested Task Order	\$266,526
Total Value of All Task Orders	\$636,697
Revised Contract Value	\$1,600,882
Engineering Services as % of Construction	11.4%

Project Description: This project will replace approximately 4,650 linear feet of 24-inch and 20-inch cast iron pipe and 20-inch reinforced concrete pipe. A single 36-inch line is planned to replace the existing 1956 24-inch and 20-inch twin lines along the current alignment of Hampton Boulevard and Baker Street. This project also includes abandoning a portion of line SG-003, a section of gravity pipe from MH-SG-003-3889 to MH-SG-003-3747 at the intersection of Baker Street and Hampton Boulevard that is not in service and is deteriorating. The EPA Rehabilitation Phase II portion of this original project has been addressed. The attached [map](#) depicts the project location.

Project Justification: This project will address specific sections of SF-004 that were designed and built in 1956 according to the plans inherited from the City of Norfolk. The same plans show an existing 20-inch concrete line, now HRSD line number SF-005. Since SF-005 was turned over to HRSD in 1956, it is at least 50 years old. Both lines have multiple repairs installed by HRSD and repair history prior to HRSD ownership is unknown. Multiple branch valves along this alignment are 1948 or 1956 valves that are difficult to repair or get replacement parts. The valve guide AB-2005 area will be included in the condition assessment portion of the CIP. This area has several valves indicated as inoperable and an abandoned dead-end section of pipe. These lines are the main interceptors conveying wastewater from the City of Norfolk to the Army Base Treatment Plant. This project also includes abandoning the gravity line SF-002. Flow is currently bypassing this section of pipe and the pipe is in poor condition from tuberculation and infiltration.

Task Order Description and Analysis of Cost: This project was placed on hold due to concerns with the project costs, and this task order will provide final design services of the replacement of two parallel force mains. The cost is based on negotiated cost and is in agreement with other similar efforts of similar size and complexity.

<u>Schedule:</u>	Design	July 2025
	Bid	January 2026
	Construction	April 2026
	Project Completion	March 2028



AB010000

- Project Interceptor Line
- Project Interceptor Point
- Project Location 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

0 250 500 1,000 1,500 2,000 Feet

AB010000

Army Base 24-Inch and 20-Inch Transmission Main Replacements

N
W E
S

CIP Location

CONSENT AGENDA ITEM 4.d.1. – July 22, 2025

Subject: Birchwood Trunk 24-Inch and 30-Inch Force Main at Independence Boulevard Replacement Phase II
Additional Appropriation - Regulatory Required Capital Improvement Project (<\$10,000,000)

Recommended Action: Appropriate additional funding in the amount of \$250,331.

CIP Project: CE011300

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

Budget	\$4,232,651
Previous Expenditures and Encumbrances	(\$3,910,315)
Available Balance	\$322,336
Proposed Change Order No. 1 to Bridgeman Civil	(\$520,606)
Proposed Contingency	(\$52,061)
Project Shortage/Requested Additional Funding	(\$250,331)
Revised Total Project Authorized Funding	\$4,482,982

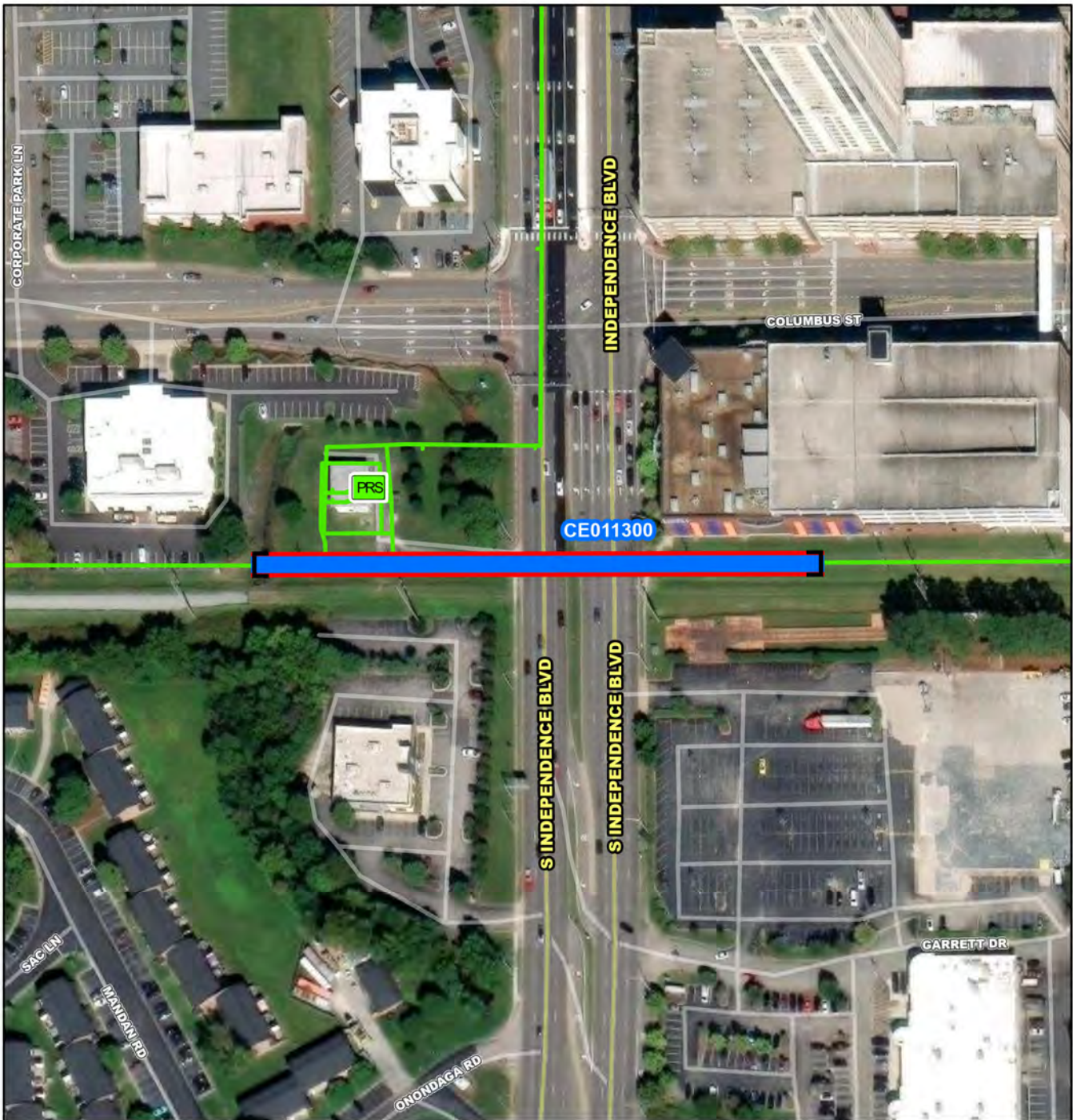
Project Description: This project will replace approximately 170 linear feet of 24-inch HRSD force main, rehabilitate via cured-in-place-pipe (CIPP) method approximately 200 linear feet of 24-inch HRSD force main and replace an associated City of Virginia Beach 12-inch force main crossing Independence Boulevard just south of Cleveland Street. The attached [map](#) depicts the project location.

Project Justification: In December 2009, a leak was identified on the force main SF-120 in Independence Boulevard just south of the abandoned railroad tracks south of Cleveland Street. The leak was excavated and repaired under an emergency declaration. Additional repairs on the line have been made since 2009.

Funding Description and Analysis of Cost: Additional project funding is required to satisfy a pending change order with Bridgeman Civil. The project required a considerable amount of additional work and contract time to complete. Additional work included conflicts with a Dominion Energy overhead power line that shut down the project for approximately 2 weeks, additional helical piles, the addition of 80 linear feet of 24-inch diameter force main, additional restraining rods, additional equipment rental, accommodating multiple attempts to relocate the City force main and reconnect to the HRSD force main after the City line was mismarked twice, installation of a 24-inch diameter steel casing pipe inside a 30-inch pipe in order for the pipe to serve as a host for the CIPP liner, and repair of crack/leak in the HRSD 24-inch force main.

The additional costs and contract time extension were negotiated by both the Engineer and HRSD. The change order, in the amount of \$520,606, does not require Commission approval; however, the cost of the additional work exceeds the current balance available for this project. The requested additional funding includes a 10% contingency to account for unforeseen conditions during the site restoration phase of the project.

Schedule: Construction August 2024
Project Completion July 2025



CE011300

- Project Interceptor Line
- Project Interceptor Point
- Project Location Point
- Project Area

Legend

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

0 55 110 220 330 440 Feet

CE011300

**Birchwood Trunk 24-Inch and 30-Inch Force Main at
Independence Boulevard Replacement Phase II**



CIP Location



CONSENT AGENDA ITEM 4.d.2. – July 22, 2025

Subject: Lee Avenue-Wesley Street Horizontal Valve Replacement
Additional Appropriation - Regulatory Required Capital Improvement Project
(<\$10,000,000)

Recommended Action: Appropriate additional funding in the amount of \$684,043.

CIP Project: VP014800

Regulatory Requirement: Rehab Action Plan Phase 2 (05/05/2025 Completion)

Budget	\$7,802,679
Previous Expenditures and Encumbrances	(\$7,193,785)
Available Balance	\$608,895
Proposed Change Order No. 2 to Bridgeman Civil, Inc.	(\$1,192,937)
Proposed Contingency	(\$100,000)
Project Shortage/Requested Additional Funding	(\$684,042)
Revised Total Project Authorized Funding	\$8,486,721

Contract Status with Change Orders:	Amount	Cumulative % of Contract
Original Contract with Contractor	\$6,280,000	
Total Value of Previous Change Orders	\$16,905	0.27%
Requested Change Order	\$1,192,937	
Total Value of All Change Orders	\$1,209,842	19.3%
Revised Contract Value	\$7,489,842	

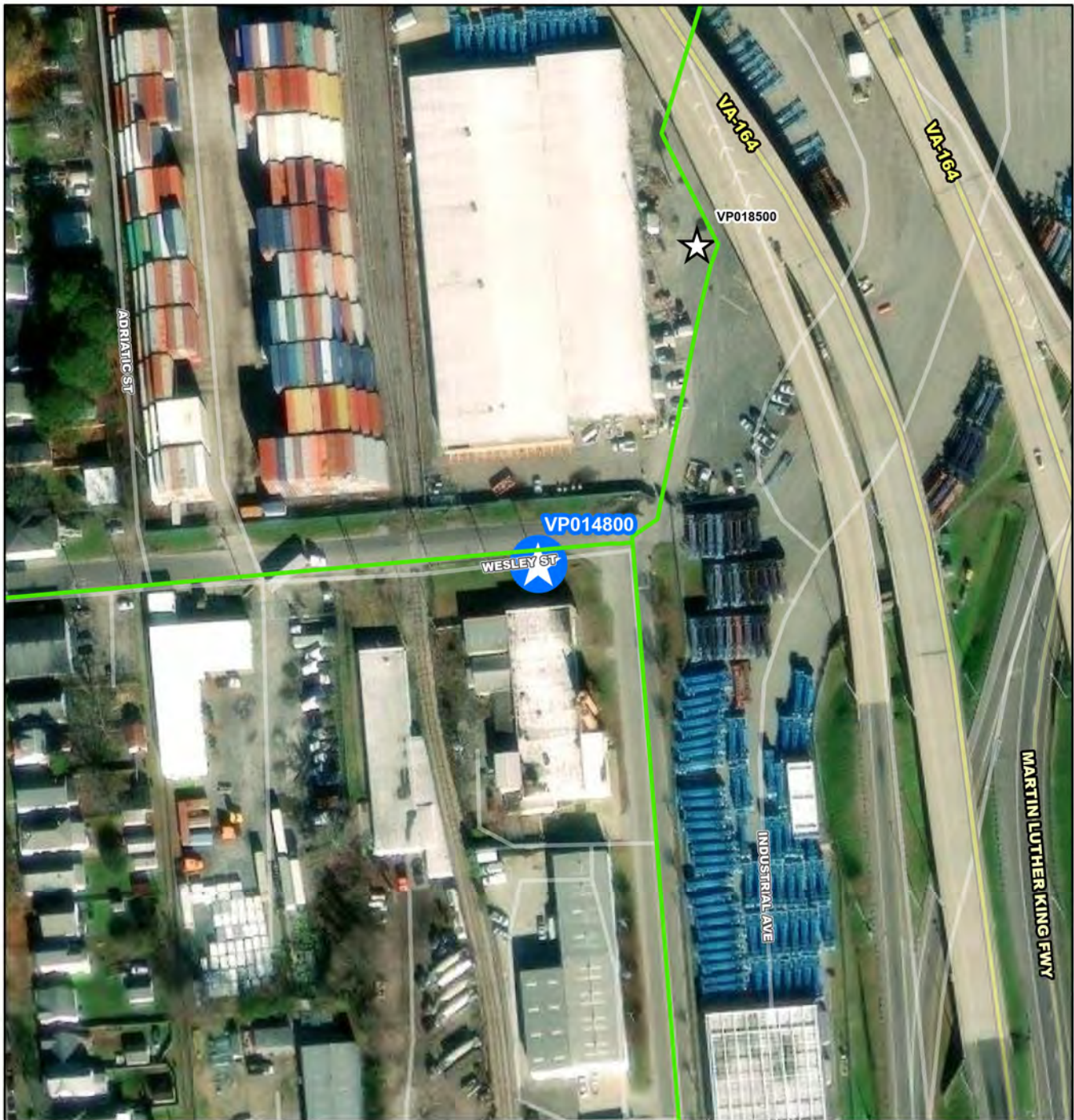
Time (Additional Calendar Days)		137
---------------------------------	--	-----

Project Description: This project will replace the inoperable 36-inch horizontal gate valve and install a new 48-inch valve at the intersection of Lee Avenue and Wesley Street in the City of Portsmouth. A Preliminary Engineering Report for the recommendations was completed in November 2007. The attached [map](#) depicts the project location.

Project Justification: The 36-inch horizontal gate valve is currently stuck in the open position and, due to the configuration of the valve, will not close to allow flow isolation of force main line number SF-220 in case of a failure. Line SF-220 is a 36-inch reinforced concrete pipe (RCP) force main that was constructed in 1946. The installation of a new 48-inch valve on force main line number SF-221 where SF-221 intersects with SF-220 will allow flow isolation of SF-221 to the north and south of the intersection. Line SF-221 is a 48-inch RCP force main, approximately 15,000 linear feet (LF), and was constructed in 1946 with isolation valves only located at each end. The two new valves will ensure proper operation in the event of a failure on these force mains.

Funding Description and Analysis of Cost: This change order includes additional labor and material for a 42-inch plug valve (in lieu of the originally planned 48-inch plug valve), additional helical piles, removal of concrete casing, relocation of Virginia Port Authority’s fire line, and additional pavement restoration. The change order also includes a credit for pipe locating services, which were provided by Hazen and Sawyer. This change order includes additional labor and material for a 42-inch plug. Additional appropriation of \$684,043 is requested for the change order and an additional \$100,000 in contingency to complete construction. After negotiations and detailed reviews between BCI, RK&K, and HRSD, the change order is determined to be reasonable for the scope of work.

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



VP014800

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

Legend

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

0 45 90 180 270 360 Feet

VP014800

Lee Avenue-Wesley Street Horizontal Valve Replacement



CIP Location



AGENDA ITEM 5. – July 22, 2025

Subject: O&N Committee Report
Briefing

Recommended Action: No action is required.

Brief: The O&N Committee Chair will provide a report of the committee's activity.

AGENDA ITEM 6. – July 22, 2025

Subject: Election of Officers

Recommended Action: Elect a Chair and Vice-Chair of the Commission for the coming fiscal year.

Brief: The Commission is required by the Enabling Act to elect a Chair and Vice-Chair each year. The Commission Chair appointed Commissioners Glenn, Levenston, and Stern to the Operations and Nominations Committee in May.

The Committee will make its nominating report at the July meeting.

AGENDA ITEM 7. – July 22, 2025

Subject: Commission Governance Guidelines
Revisions

Recommended Action: Approve revised policy.

Brief: The Commission Governance Guidelines is one of several policies specifically identified as requiring periodic review by the Operations & Nominations (O&N) Committee.

Staff presented changes to the Operations & Nominations Committee at their June 24, 2025 meeting as follows:

- Section 1.B.1. – clarification on Commissioner Principles policy on all-virtual meetings
- Section 1.B.3. – clarification on the O&N Committee review of Commission policies
- Section 1.D.
 - added clarification on public comments and reservations to make public comments
 - added clarification on attendee virtual and in-person reservations
- Section 3.A.3. – updated the posting timeline of the Commission agenda
- Section 3.B. – added clarification of the Commission Meeting format

In addition, minor housekeeping edits have been made throughout the policy.

Staff is not aware of any additional changes to be made at this time. The revised [policy](#) has been reviewed by legal counsel, Sands Anderson.



Commission Governance Guidelines

Adopted May 22, 2007

Revised ~~September 24, 2024~~ July 22, 2025

Effective August 1, 2025

The Commission is charged with managing and controlling the functions and affairs of Hampton Roads Sanitation District (HRSD). -HRSD's operations are accomplished by its employees under the supervision of the General Manager/CEO.

These governance guidelines are intended to support the Commission in its oversight role, which is set forth in the Acts of Assembly 1960, as amended (the Enabling Act). -Some additional Commission responsibilities are specified in HRSD's Trust Agreements or required by federal or state laws.

The Commission and HRSD's management recognize that the interests of HRSD are advanced by responsibly addressing the concerns of constituencies, including employees, customers and the communities in which HRSD provides services. The Commission will review these Guidelines regularly in its continuing effort to achieve this goal.

SECTION 1. ROLE AND FUNCTION OF THE COMMISSION

A. Composition

1. The Commission consists of eight members appointed by the Governor of Virginia to four-year terms.
2. At the time of their appointment and throughout their term of appointment, Commissioners must reside in the territory within the District from which they were appointed. -Moving from this territory terminates that Commissioner's appointment.
3. Unless otherwise terminated in accordance with the Enabling Act, a Commissioner's term continues until the successor is appointed. -Any person appointed to fill a vacancy shall serve for the unexpired term.
4. Commissioners are eligible for reappointment without limitation to the number of terms. -Members may be suspended or removed at the Governor's pleasure.
5. Commissioners receive no salary but are compensated for travel and expenses associated with meeting attendance or while otherwise



Commission Governance Guidelines

Adopted May 22, 2007

Revised ~~September 24, 2024~~ July 22, 2025

Effective August 1, 2025

engaged in the discharge of their duties at the rate paid to members of the Commonwealth Transportation Board.

6. Each Commissioner shall be covered by a public official's liability policy paid for by HRSD.

B. Commissioner Principles

1. Commissioners are expected to devote as much time and attention as necessary to discharge their duties. This includes attending monthly Commission meetings and the meetings of any committees on which they may serve. ~~Commissioners should notify the Commission Secretary whenever they are unable to attend a scheduled meeting. Commissioners may participate remotely in accordance with the [Policy on Remote Participation and All-Virtual Meetings](#)~~[Policy](#). Commissioners must notify the Chair of their desire to participate remotely prior to the meeting. ~~Commissioners also may be asked to participate in special events and to represent HRSD at public meetings.~~
2. Commissioners shall be mindful of the best interest of the HRSD service area at large as opposed to those of the localities in which they reside.
3. Individual Commissioners may serve as liaisons to officials in the communities in which they reside or other localities within HRSD's service area.
4. Commissioners are expected to recuse themselves from discussion and abstain from voting on matters in which they may have a personal or professional conflict, and to announce the recusal or abstention in advance.

C. Structure

1. The Commission shall annually elect one of its members as Chair and another as Vice-Chair.



Commission Governance Guidelines

Adopted May 22, 2007

Revised ~~September 24, 2024~~ July 22, 2025

Effective August 1, 2025

2. The Commission's advisory committees are (1) Finance and (2) Operations and Nominations (O&N). -These committees report to the Commission as needed. -The Commission may elect to form a new standing or special committee or to disband an existing committee. The Commission Chair annually appoints the members and chairs of these committees. -Committees are composed of three Commissioners and two are required for a quorum. -All Commissioners are invited to participate in Committee meetings.
3. Committee meetings shall be scheduled as needed. The Commission Chair shall be an ex-officio member of all committees, with voice and vote. -However, the Commission Chair shall not be counted in determining the number required for a Committee quorum or in determining whether or not a quorum is present.
 - a. The Finance Committee shall:
 - Review the financial forecast, annual operating and capital budgets, and rate schedules and report to the Commission prior to adoption
 - Select both internal and external auditors
 - Review the work plan and receive reports from the internal auditor
 - Ensure the audit of the financial statements is completed and receive the audit report from the external auditor
 - Receive the Annual Comprehensive Financial Report; and
 - Review other financial related matters as may be referred to the Finance Committee by the Commission Chair.
 - b. The O&N Committee shall:
 - Nominate officers for consideration annually and
 - Review Commission policies as required or directed by the Commission, including, but not limited to:
 - (1) Commission Governance Guidelines
 - (2) Ethics ~~Policy~~



Commission Governance Guidelines

Adopted May 22, 2007

Revised ~~September 24, 2024~~ July 22, 2025

Effective August 1, 2025

- (3) Virginia Freedom of Information Act ~~Policy~~
compliance
- (4) Remote Participation *and All-Virtual Meetings* ~~Policy~~

D. Operation

1. The Commission has the authority to adopt bylaws and to make rules and regulations for the management of its affairs and the conduct of its business.
2. Unless otherwise announced, the Commission meets on the fourth Tuesday of each month January through October and on the third Tuesday of November and December. ~~Special meetings are held when necessary. The General Manager/CEO sets the meeting agendas with advice from the Division Chiefs and the Chair. Agendas, with any relevant accompanying information or reports, are distributed to the Commissioners prior to meetings for review. When circumstances require, items may be added to the agenda after it has been distributed.~~
3. Four members shall constitute a quorum and the affirmative vote of four members shall be necessary for any action taken by the Commission. No vacancy in the membership of the Commission shall impair the right of a quorum to exercise all the rights and perform all the duties of the Commission.
4. The rules contained in the current edition of ***Rosenberg's Rules of Order*** shall govern the Commission in all cases to which they are applicable and in which they are not inconsistent with state law or any special rules of order the Commission may adopt.
5. *The Commission reserves the right to place time limits on public comments. Reservations to make public comment must be received by noon one business day prior to the meeting at which public comment will be made.*



Commission Governance Guidelines

Adopted May 22, 2007

Revised ~~September 24, 2024~~ July 22, 2025

Effective August 1, 2025

- ~~4.6.~~ *Reservations are required to receive a link to attend a meeting virtually (except for all-virtual meetings), address the Commission, submit written comments to be read into the minutes, or to request accommodations to attend a meeting in-person. Reservations, other than requests for reasonable accommodation under the Americans with Disabilities Act, must be submitted by noon one business day prior to the meeting.*
- ~~5.7.~~ All meetings of the Commission, including Committee Meetings and Workshops, are public meetings and shall be held in conformance with the Virginia Freedom of Information Act. ~~Remote participation in~~ *public* meetings shall be in accordance with the *Policy on Remote Participation and All-Virtual Meetings* ~~policy~~.
- ~~6.8.~~ Workshops shall be scheduled as needed to allow informal dialogue on a topic or narrow range of topics. ~~Appropriate staff shall be available to brief and facilitate as well as provide subject matter expertise. No official actions shall be taken during workshops.~~

E. Enabling Act Authorizations

The Acts of Assembly authorize and empower the Commission to perform a variety of specified acts by means of its own officers, agents and employees or by contracts with any persons. ~~Some of the most significant authorizations are:~~

1. To construct, improve, extend, enlarge, reconstruct, maintain, equip, repair and operate a sewage disposal system or systems, with or without associated water systems.
2. To issue revenue bonds, notes or other obligations.
3. To fix and collect rates, fees and other charges for HRSD services and facilities.
4. To acquire land, structures, property, rights, rights-of-way, easements, and other property interests by purchase, lease, grant or the exercise



Commission Governance Guidelines

Adopted May 22, 2007

Revised ~~September 24, 2024~~ July 22, 2025

Effective August 1, 2025

of the right of eminent domain in connection with sewage disposal systems or associated water systems.

5. To employ, at its discretion, consulting engineers, attorneys, accountants, construction and financial experts, managers and other such officers, employees and agents as may be necessary, and to fix their compensation.
6. To sue and to be sued.
7. To prevent any person, jurisdiction or corporation from discharging into District waters any sewage, industrial wastes or other refuse that would pollute these waters.
8. To seek civil penalties or civil charges against owners in violation of pretreatment standards in permits or other requirements of HRSD's approved industrial waste control program.
9. To make and enter into all contracts and agreements necessary or incidental to the performance of its duties and execution of its powers.
10. The Commission does not have the power to mortgage, pledge, encumber or otherwise dispose of any part of the sewerage system or associated water systems except that which may no longer be necessary or useful for the Commission's purposes.



Commission Governance Guidelines

Adopted May 22, 2007

Revised ~~September 24, 2024~~ July 22, 2025

Effective August 1, 2025

SECTION 2. HRSD MANAGEMENT AND THE COMMISSION

Newly appointed Commissioners will receive a briefing from the General Manager/CEO and Division Chiefs regarding matters related to HRSD's mission and core services. At a minimum, Commissioners are briefed on Commission adopted policies, operations, financial matters and strategic directions. The Commission Secretary will provide information related to the [Virginia Freedom of Information Act](#) and Commission membership. In addition, new Commissioners may tour HRSD facilities as their schedules permit and be introduced to the chief elected officials of their localities as appropriate and practical to facilitate effective working relationships.

Commissioners have complete access to the General Manager/CEO and the Deputy General Manager, who each may refer them to Division Chiefs or other appropriate resources for assistance. -The Secretary and Assistant Secretary of the Commission shall assist Commissioners with matters related to scheduling, expense reimbursement, access to information and meeting attendance.

A. Staff Relations

1. The Commission appoints a General Manager/CEO, who serves at the pleasure of the Commission. -As the chief executive officer, the Commission delegates day-to-day operations to the General Manager/CEO within the broad framework of Commission established policies, budget and strategies. -The Commission shall review the General Manager/CEO's performance and set compensation at least annually.
2. The Commission appoints a Secretary, Assistant Secretary and a Treasurer who serve in these roles at the pleasure of the Commission. These appointments are made from existing staff positions. The Commission fixes their compensation through the annual budget process as these positions are in the HRSD position classification and compensation system.
3. The Commission periodically reviews and assesses the compensation paid to all HRSD employees as part of the annual budget process.



Commission Governance Guidelines

Adopted May 22, 2007

Revised ~~September 24, 2024~~ July 22, 2025

Effective August 1, 2025

4. The Commission has delegated to the General Manager/CEO the responsibility to establish and maintain appropriate human resource policies.

B. Financial Oversight

1. The Commission approves HRSD's Financial Policy.
2. The Commission approves the Annual Operating and Capital Budgets, Capital Improvement Program (CIP), Financial Forecast and Rate Schedules. HRSD's CIP is the result of significant work by all the departments in evaluating and recommending Capital Improvement Projects that ensure regulatory compliance, provide for adequate infrastructure reinvestment and meet the future growth needs of Hamptons Roads.
3. The Finance Committee meets as required to perform their financial oversight duties, including overseeing its auditors, and reports to the Commission regarding these activities.

C. Signatory Authorization

Documents requiring the signature of HRSD shall be signed by such officer or officers as the Commission may from time to time designate. If signature is authorized by a vote of the Commission, the authorization should also include the identification of the officer, or officers permitted to sign the approved document on behalf of HRSD. The General Manager/CEO and the Deputy General Manager/CFO are authorized to sign on behalf of HRSD in the ordinary course of business any and all documents not requiring specific Commission approval. Additionally, the Commission has authorized the General Manager/CEO to delegate formal signatory authority to Senior Management and their staff as necessary for the effective operations of HRSD.

The Commission Secretary shall maintain a record of all specific signatory authorizations.



Commission Governance Guidelines

Adopted May 22, 2007

Revised ~~September 24, 2024~~ July 22, 2025

Effective August 1, 2025

SECTION 3. COMMISSION MEETINGS

A. Commission Meeting Agenda

1. The Commission shall approve policies that govern HRSD business processes, significant financial practices, or service to localities except for those policies specifically delegated to the General Manager/CEO.
2. The Commission Meeting agenda shall be structured to ensure efficient and effective use of Commissioner's time and expertise.
3. The Commission Meeting agenda shall be prepared by the General Manager/CEO and distributed to the Commission typically ~~five calendar~~ ~~three~~ *business* days prior to the meeting ~~date~~. -Public notice of the meeting ~~and posting of the agenda~~ shall be in accordance with the Virginia Freedom of Information Act (§ 2.2-3700 et. Seq. of the Code of Virginia). -The General Manager/CEO shall review the agenda with the Commission Chair prior to the meeting.
4. The Commission Meeting agenda is comprised of Regular Agenda, Consent Agenda and Informational Items.
 - Regular Agenda Items each require an individual vote by the Commission.
 - Consent Agenda Items generally reflect more routine business items and are grouped and may be voted on by the Commission in a singular vote. Consent Agenda items shall be limited to items meeting the requirements for Commission approval as detailed herein but not typically warranting a full briefing due to the nature of the action or previous communication with the Commission. Any item may be moved from the Consent Agenda to the Full Agenda when determined by the General Manager/CEO or any Commission member to be significant or warrant a discussion.
 - Informational Items are for information purposes and do not require an action by the Commission.



Commission Governance Guidelines

Adopted May 22, 2007

Revised ~~September 24, 2024~~ July 22, 2025

Effective August 1, 2025

B. Commission Meeting Format

Item <i>(In alphabetical order)</i>	Regular Agenda	Consent Agenda	No Action Required/ Informational/ Recognition
Agreements*	• Design or Construction >\$50,000 • Real property - Permanent use of • Real property - Temporary use of >1 year • HRSD Assets use of >\$200,000 • Multiple years and >\$200,000 • Obligates financial or personnel resources >\$200,000 • Cost Sharing or Reimbursement Agreements > \$200,000 • Intellectual Property Rights, Royalties and Licenses • Service Area Expansion • Sewer Service Agreements • Transfer of Assets to other entity • Transfer of Assets to HRSD		
<i>Agreements*</i>	• <i>Cost Sharing or Reimbursement Agreements > \$200,000</i>	<i><\$200,000 if required by other party</i>	
Agreements – Grants or contributions of value (Receipt and Award)*	>\$200,000	<\$200,000 if required by granting agency	
Agreements – Nutrient Trading Agreements*	>\$200,000 per year		



Commission Governance Guidelines

Adopted May 22, 2007

Revised ~~September 24, 2024~~ July 22, 2025

Effective August 1, 2025

Item <i>(In alphabetical order)</i>	Regular Agenda	Consent Agenda	No Action Required/ Informational/ Recognition
Agreements – Purchasing* • Contract Awards • Purchase Orders • Task Orders		>\$200,000 or initial award when future awards are expected to exceed \$200,000	
Change Orders		>25% of original contract value or \$50,000, or whichever is greater	
Alternative Project Delivery Methods	• Use of Delivery Method • Comprehensive Agreement • Guaranteed Maximum Price • Stipulated Price • Vendor Proposal Compensation >\$200,000 (Approval and Payment)		
Audit Reports and Updates			✓
Awards and Recognition Earned or Granted			✓
Budget	• Operating Budget • Capital Budget • Capital Improvement Program – 10-year program without authorization of specific projects • Financial Forecast • Rate Schedule		
Capital Improvement Project – Non-Regulatory	• New CIP • Initial Appropriation • Additional Appropriation ≥\$1,000,000 • Reduction in Scope and/or Appropriation >25%	Additional Appropriation <\$1,000,000	



Commission Governance Guidelines

Adopted May 22, 2007

Revised ~~September 24, 2024~~ July 22, 2025

Effective August 1, 2025

Item <i>(In alphabetical order)</i>	Regular Agenda	Consent Agenda	No Action Required/ Informational/ Recognition
Capital Improvement Project – Regulatory	• New CIP • Initial Appropriation $\geq \\$10,000,000$ • Additional Appropriation $\geq \\$10,000,000$ • Reduction in Scope and/or Appropriation $>25\%$	Initial or Additional Appropriation $< \$10,000,000$	
Debarment of a Vendor	✓		
Emergency Declaration			✓
Monthly Reports			✓
Personnel	• Selection of General Manager/CEO, Secretary, Treasurer		• Employee length of service ≥ 20 years • Employee promotion (E1, L3, L4, P4, P5) • New employee (E1, L3, L4, P4, P5)
Policies – New, Modified, Amended or Reissued	✓		
Real Property	• Public Hearing for Acquisition by Condemnation or other means • Easement Acquisition, Dedication or Disposition $> \\$50,000$	Vacation of Easement	
Real Property – Sale, Lease or Conveyance of HRSD property	✓		
Regulations	• HRSD Enforcement Response Plan • HRSD Industrial Wastewater Discharge Regulations		
Rejection of Bids	$> \$200,000$		
Selection of Commission Consultants	• Auditors • Legal Counsel		



Commission Governance Guidelines

Adopted May 22, 2007

Revised ~~September 24, 2024~~ July 22, 2025

Effective August 1, 2025

* Addendums or other changes where the Commission has authorized the General Manager/CEO to execute same, substantially as presented, together with such changes, modifications and deletions as the General Manager/CEO may deem necessary will not be presented for Commission approval unless recommended by legal counsel.



Commission Governance Guidelines

Adopted May 22, 2007

Revised ~~September 24, 2024~~ July 22, 2025

Effective August 1, 2025

SECTION 4. ANNUAL CALENDAR OF COMMISSION TOPICS *(As needed)*

Topic	Schedule	Frequency
EPA Consent Decree Update and Public Meeting	January	Annually
Capital Improvement Program Update	January	Quarterly
Evaluate General Manager/CEO's Performance	January	Annually
Commission Work Session to review Budget	February	Annually
Finance Committee Meeting to review CIP	March	Annually
Commission Work Session to review Budget	March	Annually
Capital Improvement Program Update	April	Quarterly
Finance Committee Meeting to review Budget	April	Annually
Receive Finance Committee report on Budget	April	Annually
Appoint Operations & Nominations (O&N) Committee	May	Annually
Approve Annual Operating and Capital Budgets, Capital Improvement Program, Financial Forecast and Rate Schedules	May	Annually
O&N Committee Meeting after Regular Meeting	May	Annually
O&N Committee Meeting before Regular Meeting	June	Annually
Election of Officers	June	Annually
Appoint Finance Committee	June-July	Annually
Capital Improvement Program Update	July	Quarterly
Commission Work Session – Ethics, FOIA and Governance Guidelines Training	August	Annually
Water Technology and Research Update	August	Annually
Finance Committee Meeting to Review Annual Comprehensive Financial Report (ACFR)	October	Annually
Capital Improvement Program Update	October	Quarterly
Diversity Procurement Report	October	Annually
Receive Finance Committee's Report on ACFR	October	Annually

SECTION 5. ADVISORY ROLE OF FORMER COMMISSIONERS

So as not to lose the benefit of the insights gained during their years of service, former Commissioners may be asked to serve in an advisory role following the end of their term. -Equipment required to facilitate communications with the General Manager/CEO and Commission officers may be provided to those serving in an advisory role.



Commission Governance Guidelines

Adopted May 22, 2007

Revised ~~September 24, 2024~~ July 22, 2025

Effective August 1, 2025

Approved:

Stephen C. Rodriguez~~Willie~~
~~Levenston, Jr.~~

Date

Commission ~~Vice~~ Chair

Attest:

Elizabeth I. Scott~~Jennifer L. Gascio~~
Commission Secretary

Date

Commission Seal

AGENDA ITEM 8. – July 22, 2025

Subject: Ethics Policy
Revisions

Recommended Action: Approve revised policy.

Brief: The Ethics Policy is one of several policies specifically identified as requiring annual review by the Operations and Nominations (O&N) Committee in the Commission Governance Guidelines. The Commission approved the original Ethics Policy in October 2015 in response to the Ethics Reform Bill passed during the 2015 session. An argument could be made (and has in the past) that Chapter 31 of Title 2.2, the State and Local Government Conflict of Interests Act does not apply to HRSD as we fall somewhere between a state agency and a local government. Despite this ambiguity, HRSD desires to continue to operate as a model governmental entity, so staff proposed the policy, and the Commission adopted it.

Minor housekeeping edits have been made throughout the policy in addition to updates to an employee or the Commission contracting with the sale of property.

Staff is not aware of any additional changes to be made at this time. The revised [policy](#) has been reviewed by legal counsel, Sands Anderson.

1.0 Purpose and Need

As a public body, gaining and keeping the trust of the public is paramount. HRSD Commissioners and employees are committed to maintaining high ethical standards in every aspect of their business as members of a public body. -As a political subdivision of the Commonwealth, HRSD Commissioners and employees are committed to complying with all applicable laws and regulations governing ethics and conflicts of interest. -**This policy is applicable to all HRSD Commissioners and employees.**

2.0 Definitions

Conflict of Interest – A situation in which a person is in a position to derive personal benefit from actions or decisions made in their official capacity.

Gift – Any gratuity, favor, discount, entertainment, hospitality, loan, forbearance, or other item having a monetary value. It includes services as well as gifts of transportation, local travel, lodgings and meals, whether provided in-kind, by purchase of a ticket, payment in advance or reimbursement after the expense has been incurred.

Not a Gift – For the purposes of this policy the following are not considered gifts:

- Gifts with a value of less than \$20
- Offer of a ticket, coupon, admission or pass if such item is **not** used
- Honorary degrees
- Food or beverage consumed, and mementos received at an event at which an individual is performing official duties or is a speaker
- Registration or attendance fees (not travel costs) at an event at which individual is a speaker or event coordinator
- Unsolicited awards of appreciation or recognition (plaque, trophy, wall or desk memento)
- Gifts from relatives or Personal Friends
- A devise or an inheritance
- Travel paid for by the United States government or any of its territories, or any state or political subdivision of such state
- Travel, meals and activities directly associated with and paid for by a professional association that HRSD pays dues to on behalf of the agency or individual as part of their official duties
- Scholarships awarded competitively
- Travel related to an official meeting of HRSD; and

- Travel, lodging, meals, activities and logo clothing and related similar items associated with recruitment activities for permanent employment outside of HRSD while employed in an intern position

HRSD Commissioner – A non-salaried citizen member of the HRSD Commission.

Immediate Family – Includes spouse, children, parents, brothers and sisters, and any other person living in the same household as the employee. (*Code of Virginia*, § 2.2-4368).

Intern Positions – On-the-job experience for high school students, college and university students, or post-graduate adults, hired on a part-time seasonal or part-time temporary basis.

Official Responsibility - Administrative or operating authority, whether intermediate or final, to initiate, approve, disapprove or otherwise affect a procurement transaction, or any claim resulting therefrom.

Pecuniary Interest Arising from the Procurement - A personal interest in a contract as defined in the State and Local Government Conflict of Interests Act (§ [2.2-3100](#) et seq.).

Personal Friend – An individual whose relationship with an HRSD employee or HRSD Commissioner pre-dates employment/appointment with HRSD and the relationship has a history of gift exchange or with whom a personal relationship developed totally unrelated to the employee's or HRSD Commissioner's position with HRSD.

Procurement Transaction - All functions that pertain to the obtaining of any goods, services or construction, including description of requirements, selection and solicitation of sources, preparation and award of contract, and all phases of contract administration.

Public employee - Any person employed by a public body, including elected officials or appointed members of governing bodies.

Widely Attended Event – An event to which at least 25 persons have been invited or there is a reasonable expectation that at least 25 persons will attend the event and the event is open to individuals (i) who are members of a public, civic, charitable or professional organization, (ii) who are from a particular industry or profession, or (iii) who represent persons interested in a particular

issue.- Golf outings are never considered a widely attended event or a part of a widely attended event.

3.0 Guiding Principles

All HRSD employees having official responsibility for Procurement Transactions shall conduct business in a fair and impartial manner with the avoidance of any impropriety or appearance of impropriety.- Transactions relating to the expenditure of public funds require the highest degree of public trust.

Except as may be specifically allowed by the *Code of Virginia* § 2.2-3112, subdivisions B 1, 2, and 3, no HRSD employee having official responsibility for a Procurement Transaction shall participate in that transaction on behalf of HRSD when the employee knows that:

- The employee is contemporaneously employed by a bidder, offeror, or contractor involved in the Procurement Transaction; or,
- The employee, the employee's partner, or any member of the employee's immediate family holds a position with a bidder, offeror, or contractor such as an officer, director, trustee, partner or the like, or is employed in a capacity involving personal and substantial participation in the Procurement Transaction, or owns or controls an interest of more than five percent; or
- The employee, the employee's partner, or any member of the employee's immediate family has a pecuniary interest arising from the Procurement Transaction; or
- The employee, the employee's partner, or any member of the employee's immediate family is negotiating or has an arrangement concerning prospective employment with a bidder, offeror, or contractor.

No HRSD employee having administrative or operating authority, whether intermediate or final, to initiate, approve, disapprove, or otherwise affect a Procurement Transaction, or any claim resulting there from:

- Shall solicit, demand, accept, or agree to accept from a bidder, offeror, contractor, or subcontractor any payment, loan, subscription, advance, deposit of money, services or anything of more than nominal or minimal value present or promised, unless consideration of substantially equal or greater value is exchanged; (*Code of Virginia*, § 2.2-4371)

COMMISSION ADOPTED POLICY
Ethics



Adopted: October 27, 2015

Revised ~~June 24, 2024~~ July 22, 2025
Effective: ~~July 1, 2025~~ August 1, 2025

Page 4 of 6

- Shall accept employment from any bidder, offeror, or contractor with whom the employee dealt in an official capacity concerning Procurement Transactions for a period of one year from the cessation of employment by HRSD unless the employee or former employee provides written notification to HRSD prior to commencement of employment by that bidder, offeror, or contractor. (*Code of Virginia*, § 2.2-4370)

HRSD Commissioners and employees shall conduct themselves beyond reproach. -Improprieties or the appearance of improprieties will not be tolerated. The following prohibitions apply to HRSD Commissioners, employees and their Immediate Families:

- Soliciting, accepting or receiving any single Gift with a value in excess of \$100 or any combination of Gifts with an aggregate value in excess of \$100 within any calendar year from any entity or person seeking to contract with HRSD. Gifts with a value of less than \$20 are not subject to aggregation for purposes of this prohibition.
- Having a Personal Interest in or benefiting from any contract with HRSD other than the employee's own employment contract. -Where such interest pre-exists, it shall be disclosed and the HRSD Commissioner or employee shall refrain from voting on or acting on behalf of HRSD in any manner in relation to the contract.
- Participating in a transaction with HRSD where the employee has a Personal Interest in or may benefit from the transaction. -Such interest shall be disclosed and the HRSD Commissioner or employee shall refrain from voting on or acting on behalf of HRSD in any manner in relation to the transaction.
- For a period of 12 months post-employment or appointment, HRSD Commissioners and Employees at the Director Level or above are prohibited from engaging in transactions for compensation with HRSD. - All other former employees must provide a written notification to HRSD prior to any such engagement.

Food, beverages, mementos, entertainment or the cost of admission may be accepted when such a Gift is accepted or received while in attendance at a Widely Attended Event and is associated with the event.

No person shall be in violation of this policy if the Gift is not used by such person and the Gift is returned to the sender or delivered to a charitable organization within a reasonable period of time.

COMMISSION ADOPTED POLICY
Ethics



Adopted: October 27, 2015

Revised: ~~June 24, 2024~~ July 22, 2025
Effective: ~~July 1, 2025~~ August 1, 2025

Page 5 of 6

HRSD Commissioners and employees shall not engage in any prohibited conduct described in Virginia Code § 2.2-3103, as amended.

No member, officer, agent or employee of the Commission shall contract with the Commission or be interested, either directly or indirectly, in any contract with the Commission, or in the sale of any property, either real or personal, to the Commission. This section shall not prevent any member, officer, agent or employee of the Commission from granting to the Commission, for a nominal consideration, any right of way, easement or lease. (Enabling Act § 44).

4.0 Procedures

This policy shall be communicated and provided to all HRSD Commissioners and employees upon commencement of appointment/employment and an acknowledgement of such shall be retained permanently in each employee's personnel file [Enterprise Resource Planning (ERP) System]. -HRSD Commissioners' acknowledgements shall be retained by the Commission Secretary.

HRSD Commissioners or employees who have a Personal Interest in a company doing business with HRSD, or believe they have any other conflict requiring disclosure, shall disclose those interests immediately upon discovery of the personal interest in a company doing business with HRSD or other potential conflict. The Conflict of Interest Disclosure Form will include name and address of company doing business with HRSD, name and position of person at the company, as well as start and end date of the conflict.

HRSD Commissioners or employees who receive Gifts at widely attended events that exceed \$100 in value shall disclose those gifts within 60 days of receiving a gift. -The Gift Disclosure Form will include the name of the company/vendor giving the gift, estimated value and date received.

Employee disclosure forms will be available in the ERP system. -HRSD Commissioner disclosure forms shall be obtained through, filed with and retained by the Commission Secretary. -All disclosure forms may be reviewed by legal counsel.

Training on the Ethics Policy shall be provided to all HRSD employees on a biannual basis with records of attendance maintained in the ERP system. Training on the Ethics Policy will be provided to HRSD Commissioners at time of appointment and periodically thereafter.

COMMISSION ADOPTED POLICY
Ethics



Adopted: October 27, 2015

Revised ~~June 24, 2024~~ July 22, 2025
Effective: ~~July 1, 2025~~ August 1, 2025

Page 6 of 6

5.0 Responsibility and Authority

This policy shall be reviewed annually by the Operations and Nominations Committee and revised as required to conform to current law and regulations.

Approved:

Stephen C. Rodriguez
Commission Chair

Date

Attest:

~~Jennifer L. Cascio~~
Elizabeth I. Scott
Commission Secretary

Date

Commission Seal

AGENDA ITEM 9. – July 22, 2025

Subject: Freedom of Information Act (FOIA) – Access to Public Records Policy Revisions

Recommended Action: Approve revised policy.

Brief: Staff recommends the following changes to the FOIA Policy:

- Section 3.3.6 updated fee schedule for FY-2026 rates

Minor housekeeping edits have been made throughout the policy.

Staff is not aware of any additional changes to be made at this time. The revised [policy](#) has been reviewed by legal counsel, Sands Anderson.

COMMISSION ADOPTED POLICY
***Freedom of Information Act – Access
to Public Records***



Adopted:

December 21, 2004

Revised: ~~September 24, 2024~~ July 22,
Effective: 2025

~~July 1, 2025~~ August 1, 2025

Page 1 of 12

1.0 Purpose and Need

HRSD is occasionally requested to provide records in accordance with the Virginia Freedom of Information Act (FOIA), found in §§ 2.2-3700 through 2.2-3715 of the Code of Virginia. FOIA guarantees the ~~people~~-citizens of the Commonwealth, representatives of newspapers and magazines with circulation in the Commonwealth, and representatives of radio and television stations broadcasting in or into the Commonwealth access to public records ~~held by public bodies, public officials and public employees~~. All public records are presumed open unless an exemption is invoked or otherwise prohibited by law.

2.0 Definitions (See also Virginia Code § 2.2-3701)

2.1 **Information** – as used in the exclusions established by Code of Virginia §§ 2.2-3705.1 through 2.2-3705.7, means the content within a public record that references a specifically identified subject matter, and shall not be interpreted to require the production of information that is not embodied in a public record.

2.2 **Public Records** (also referred to herein as “Records”) – all writings and recordings that consist of letters, words or numbers, or their equivalent, set down by handwriting, typewriting, printing, ~~photostatting~~ Photostatting, photography, magnetic impulse, optical or magneto-optical form, mechanical or electronic recording or other form of data compilation, however stored, and regardless of physical form or characteristics, prepared or owned by, or in the possession of a public body or its officers, employees or agents in the transaction of public business.

~~2.3 **Records Held by Others**—records consisting of studies, reports, plans, specifications and other project-related information prepared by consultants, contractors, suppliers and vendors working directly for HRSD as part of a specific project or service contract.~~

~~2.4~~ 2.3 **Working Papers** – records prepared by or for the HRSD General Manager for their personal or deliberative use.

3.0 FOIA Rights and Responsibilities

In an effort to increase awareness of the public’s right to information, Virginia requires all public agencies to make their FOIA compliance doctrine “*FOIA Rights and Responsibilities: The Rights of the Requesters and the Responsibilities of HRSD*” available. This section includes:

COMMISSION ADOPTED POLICY
***Freedom of Information Act – Access
to Public Records***



Adopted:

December 21, 2004

Revised: ~~September 24, 2024~~ July 22,
Effective: 2025

~~July 1, 2025~~ August 1, 2025

Page 2 of 12

- A “plain language” explanation of the rights of the requester under FOIA, the procedure to obtain records, and the responsibilities of HRSD in complying with FOIA;
- Information on how to reach HRSD’s designated FOIA Officer;
- A general description of the types of public records maintained by HRSD and exemptions in law that permit or require such public records to be withheld from release; and
- HRSD’s policy on records it routinely withholds as permitted by FOIA.
- Policies *explaining how HRSD assesses charges for accessing or searching for requested records, including the current fees charged for accessing and searching for requested records and compliance* ~~complying with the following statement, which is provided herein in accordance~~ with Virginia Code § 2.2-3704.1(A)(6) *quoted below*:-

“A public body may make reasonable charges not to exceed its actual cost incurred in accessing, duplicating, supplying, or searching for the requested records and shall make all reasonable efforts to supply the requested records at the lowest possible cost. No public body shall impose any extraneous, intermediary, or surplus fees or expenses to recoup the general costs associated with creating or maintaining records or transacting the general business of the public body. Any duplicating fee charged by a public body shall not exceed the actual cost of duplication. Prior to conducting a search for records, the public body shall notify the requester in writing that the public body may make reasonable charges not to exceed its actual cost incurred in accessing, duplicating, supplying, or searching for requested records and inquire of the requester whether he would like to request a cost estimate in advance of the supplying of the requested records as set forth in subsection F of § 2.2-3704 of the Code of Virginia.”

3.1 The Rights of Requesters

COMMISSION ADOPTED POLICY
***Freedom of Information Act – Access
to Public Records***



Adopted:

December 21, 2004

Revised: ~~September 24, 2024~~ July 22,
Effective: 2025

~~July 1, 2025~~ August 1, 2025

Page 3 of 12

- Requesters have the right to request to inspect or receive copies of public records, or both. Only HRSD employees will access information and public records stored electronically.
- HRSD may, *and routinely does*, require the requester to provide their name and legal address.
- Requesters have the right to request that any charges for the requested records be estimated in advance. HRSD must notify- the requester in writing that it may make reasonable charges not to exceed its actual cost incurred in accessing, duplicating, supplying, or searching for the requested records and inquire if the requester would like to request a cost estimate in advance of supplying the requested records. If a cost estimate is requested, the period of time for HRSD's response to the records request does not begin until it receives a response regarding the estimate. If there is no response from the requester within 30 days following provision of the estimate, HRSD will consider the request withdrawn.
- Records may be requested by U.S. Mail, fax, email, in person, or over the phone. FOIA does not require the use of any particular method to convey the request. FOIA also does not require that the request be in writing, nor does the request need to state that the records *are* being requested ~~are~~-pursuant to FOIA. From a practical perspective, it is helpful for all parties for requests to be submitted in writing to create a record of the request and provide HRSD with a clear statement of what records -are being requested. This helps to prevent misunderstanding over a verbal request. However, HRSD cannot refuse to respond to a FOIA request if the requester elects not to submit it in writing.
- Requesters must identify the records they are seeking with reasonable specificity. This is a common-sense standard. It does not refer to or limit the volume or number of records requested; instead, it requires the requester to be specific enough to allow HRSD to identify and locate the records being sought.
- HRSD is only required to provide existing public records. FOIA gives requesters a right to inspect or receive a copy of records. It does not apply to a situation where -general questions about the work of HRSD are asked, nor does it require HRSD to create a record that does not exist.

COMMISSION ADOPTED POLICY
***Freedom of Information Act – Access
to Public Records***



Adopted:

December 21, 2004

Revised: ~~September 24, 2024~~ July 22,
Effective: 2025

~~July 1, 2025~~ August 1, 2025

Page 4 of 12

- Requesters may choose to receive electronic records in any format used by HRSD in the regular course of business. For example, requesters may elect to receive those records electronically, via email, on a computer disk or flash drive, or to receive a printed copy of those records.
- If HRSD has questions about a records request, please cooperate with staff's efforts to clarify the type of records being sought, or to attempt to reach a reasonable agreement about a response to a large or complex request. Making a FOIA request is not an adversarial process, but discussion may be needed to understand what records are being sought in the request.
- To request records from HRSD or ask questions about requesting records, please contact the designated FOIA officer:

~~Jennifer Gaseio~~ Elizabeth I. Scott
FOIA Officer
HRSD
PO Box 5911
Virginia Beach, Virginia 23471-0911
757.460.7003
foia@hrsd.com

- In addition, the Freedom of Information Advisory Council (FOIA Council) is available to answer any questions about FOIA. The [FOIA](#) Council was created in the legislative branch of state government to issue opinions on the operation and application of FOIA, to publish educational materials, and to provide training about FOIA. However, please be aware that the [FOIA](#) Council is not a records repository and does not process records requests on behalf of other public bodies, nor is the [FOIA](#) Council an investigative or enforcement agency. The [FOIA](#) Council may be contacted by or by phone at 804.698-1810 or toll free at 866.448.4100 or by email at foiacouncil@dls.virginia.gov.
- If the requester believes that their FOIA rights have been violated, they may file a petition in district or circuit court to compel compliance with FOIA. Alternatively, the requester may contact the FOIA Council for a nonbinding advisory opinion.

COMMISSION ADOPTED POLICY
***Freedom of Information Act – Access
to Public Records***



Adopted:

December 21, 2004

Revised: ~~September 24, 2024~~ July 22,
Effective: 2025

~~July 1, 2025~~ August 1, 2025

Page 5 of 12

- The FOIA Council also accepts comments on the quality of assistance provided to the requester by HRSD. The comment form is available online at <http://foiacouncil.dls.virginia.gov/sample%20letters/welcome.htm>.

3.2 The Responsibilities of HRSD in Responding to Requests

- HRSD must respond within five working days of receiving a *valid* request *under FOIA*. "Day One" is considered the working day after a request is received. The five-day period does not include weekends, state holidays, or when HRSD is closed for business.
- The reason for the request for public records is irrelevant, and the requester is not obligated to state why they want the records.
- FOIA requires HRSD to make one of the following responses to a *valid* request within the five working day time period:
 - (1) The requested records are provided in their entirety.
 - (2) The requested records are withheld in their entirety because they are subject to a specific statutory exemption. If all of the records are being withheld, HRSD must send a written response identifying the volume and subject matter of the records being withheld and stating the specific section of the Code of Virginia that authorizes withholding the records.
 - (3) The requested records are provided in part but are withheld in part. HRSD cannot withhold an entire record if only a portion of it is subject to an exemption. In this instance, HRSD will redact the portion of the record that may be withheld and provide the remainder of the record. HRSD must provide a written response stating, with reasonable particularity, the subject matter of the withheld portions and the specific section of the Code of Virginia that authorizes the withholding of the records.
 - (4) ~~That~~ the requested records cannot be found or do not exist. Only documents that exist will be made available for inspection or produced. It is not the responsibility of HRSD to create any documents to respond to a request. However, if HRSD knows that

COMMISSION ADOPTED POLICY
***Freedom of Information Act – Access
to Public Records***



Adopted:

December 21, 2004

Revised: ~~September 24, 2024~~ July 22,
Effective: 2025

~~July 1, 2025~~ August 1, 2025

Page 6 of 12

another public body has the requested records, contact information for the other public body will be included in the response.

(5) If it is not practically possible for HRSD to provide the requested records or to determine whether they are available within the five work-day period, *HRSD must also notify the requester and include*ing an explanation of the conditions that make the response impossible. Thereafter, HRSD shall have seven additional workdays, for a total of 12 working days, to respond to the request.

- If the request is for a very large number of records, or the request is complex, and HRSD believes that *it*~~we~~ cannot provide the records within 12 working days without disrupting ~~our~~ other operational responsibilities, HRSD may petition the circuit court for *the City of Virginia Beach, or other circuit court having proper venue, for* additional time to respond to the request. However, HRSD will make a reasonable effort to reach an agreement with the requester concerning the production or the records before petitioning the court for additional time.
- The time periods and responses described above may be tolled or adjusted consistent with the cost-related provisions of FOIA and this Policy.
- The FOIA Officer shall take all necessary precautions for preservation and safekeeping of the records.
- If HRSD receives a request for records related to public safety that are excluded under clauses (a) or (b) of Code of Virginia § 2.2-3705.2(14), HRSD shall notify the Secretary of Public Safety and Homeland Security, or their designee of such request and the response made by HRSD to the request.

3.3 Costs

FOIA allows HRSD to charge for the actual costs of responding to FOIA requests. This would include items like staff time spent searching for the requested records, copying costs, or any other costs directly related to supplying the requested records. No charges will include general overhead costs and HRSD will not impose any extraneous, intermediary, or surplus fees or expenses to recoup the general costs associated with creating or maintaining records or transacting the general business of HRSD. Any duplicating fee charged by HRSD shall not exceed the actual cost of duplication.

COMMISSION ADOPTED POLICY
***Freedom of Information Act – Access
to Public Records***



Adopted:

December 21, 2004

Revised: ~~September 24, 2024~~ **July 22,**
Effective: ~~2025~~

~~July 1, 2025~~ **August 1, 2025**

Page 7 of 12

If HRSD estimates that it will cost more than \$200 to respond to a request, a deposit, not to exceed the amount of the estimate, shall be required before proceeding with the request. The period for providing a response to the request does not include the time between when a deposit is requested and when a requester responds.

All deposits shall be paid by credit card, check or money order payable to HRSD and mailed or delivered to HRSD's office at 1434 Air Rail Avenue, Virginia Beach, Virginia 23455. Any outstanding balance will be immediately due and payable by the requester upon providing the requested records. Any balance remaining from the deposit shall be returned to the requester.

If a requester owes HRSD money from a previous FOIA request that has remained unpaid for more than 30 days, HRSD may require payment of the past-due bill before responding to a new FOIA request.

- 3.3.1 **Labor Costs:** Time necessary to respond to the request, including to locate, retrieve, and/or reproduce records will be charged at the hourly rate for the staff person responding to the request as listed in the fee schedule below.
- 3.3.2 **Paper Copies:** Cost for providing paper copies will be based on prices established in HRSD's copier (machine usage fee) and paper supply contracts as listed in the fee schedule below. Larger drawings and blueprints will be copied by outside contractors and charged at their usual rate. Postage and other material fees will be charged at their actual costs.
- 3.3.3 **Electronic Records:** Costs for providing electronic records will be charged at the hourly rate as listed in the fee schedule below. Any materials such as flash drives provided to the requester will be charged at their actual costs.
- 3.3.4 There will be no mark-up or profit charged to the above-mentioned costs nor shall HRSD charge any extraneous, intermediary, or surplus fees or expenses to recoup the general costs associated with creating or maintaining records or transacting the business of HRSD. HRSD will make all reasonable efforts to supply the requested records at the lowest possible cost, including utilizing the appropriate staff person to respond to the request.

COMMISSION ADOPTED POLICY
***Freedom of Information Act – Access
to Public Records***



Adopted:

December 21, 2004

Revised: ~~September 24, 2024~~ **July 22,**
Effective: ~~2025~~

~~July 1, 2025~~ **August 1, 2025**

Page 8 of 12

3.3.5 Charges may be waived if the request is specific and limited such that responsive electronic records can be found and produced for less than \$200. However, HRSD maintains the right to recover all costs incurred consistent with FOIA.

3.3.6 Fee Schedule

- Paper Copies:

Size	Cost per Page
8 ½" x 11"	\$0.13
8 ½" x 14"	\$0.14
11" x 17"	\$0.15

COMMISSION ADOPTED POLICY
Freedom of Information Act – Access
to Public Records



Adopted:

December 21, 2004

Revised:

~~September 24, 2024~~ July 22,

Effective: 2025

~~July 1, 2025~~ August 1, 2025

Page 9 of 12

- Rate of person searching for records:

Grade	Hourly Rate	Title (<i>Examples, not inclusive</i>)
4	\$22 \$24	Administrative Assistant
5	\$25 \$27	Accounts Payable Coordinator Accounts Receivable Technician
6	\$27 \$29	Accounts Receivable Specialist Coordinator Technician
7	\$31 \$34	<i>Customer Care Supervisor</i> ProCard and Contract Administrator Procurement Specialist Public Information Specialist
8	\$36 \$39	Accounts Payable Supervisor Commission Secretary/FOIA Officer Contract Specialist Data Analyst Specialist Real Estate Manager Senior Procurement Specialist
9	\$41 \$45	Analyst Chief Systems Operator Chief Maintenance Management Occupational Health & Safety Professional Supervising Specialist Planning Engineer Senior Programmer Analyst
10	\$47 \$51	Administrator Engineer Human Resources Business Partner Programmer Senior Data Analyst Senior Real Estate Manager Superintendent
11	\$54 \$59	Cybersecurity Analyst Hydrogeologist Manager Procurement Analyst Scientist Senior Systems Engineer
12	\$63 \$68	Process Engineers Senior Project Manager
13	\$72 \$78	Director Oracle Developer Programming Development Manager Security Manager

COMMISSION ADOPTED POLICY
***Freedom of Information Act – Access
to Public Records***



Adopted:

December 21, 2004

Revised: ~~September 24, 2024~~ July 22,
Effective: 2025

~~July 1, 2025~~ August 1, 2025

Page 10 of
12

Grade
14

Hourly Rate
~~\$87~~\$93

Title (*Examples, not inclusive*)
Chief

3.4 Types of Records

Records maintained by HRSD include, for example, -HRSD Commission meeting minutes, record drawings, and contracts into which HRSD has entered. If unsure as to whether HRSD has the record(s) being sought, please contact the HRSD FOIA Officer directly.

3.5 Commonly Used Exemptions

The Code of Virginia allows any public body to withhold certain records from public disclosure in its discretion. For a full list of exemptions, see the Code of Virginia § 2.2-3705.1 *et seq.* Exemptions HRSD may use include, but are not limited to, the following:

- Personnel records § 2.2-3705.1 (1)
- Records subject to attorney-client privilege § 2.2-3705.1 (2)
- Records compiled exclusively for use in closed meetings § 2.2-3705.1 (5)
- Vendor proprietary information software § 2.2-3705.1 (6)
- Appraisals and cost estimates of real property subject to a proposed purchase, sale or lease, prior to the completion of such purchase, sale or lease § 2.2-3705.1 (8)
- Information relating to the negotiation and award of a contract, prior to a contract being awarded § 2.2-3705.1 (12)
- The portions of records that contain account numbers or routing information for any credit card, debit card or any other account with a financial institution of any person or public body § 2.2-3705.1 (13)
- Documentation that describes the design, function, operation or access control features of any security system § 2.2-3705.2 (14)
- Proprietary records and trade secrets § 2.2-3705.6
- General Manager's correspondence and working papers § 2.2-3705.7 (2)
- Customer account information § 2.2-3705.7 (7)
- Information and records containing written advice of counsel, information protected by attorney-client privilege, and legal memoranda and other work product for litigation or administrative investigations § 2.2-3705.1 (2), (3)

COMMISSION ADOPTED POLICY
***Freedom of Information Act – Access
to Public Records***



Adopted:

December 21, 2004

Revised:

Effective:

~~September 24, 2024~~ July 22,

2025

~~July 1, 2025~~ August 1, 2025

Page 11 of
12

- Information, such as social security numbers, made confidential under other laws.

3.6 Policy Regarding the Use of Exemptions

HRSD reserves the right to withhold, exempt or redact any and all records that are allowed or required to be withheld, exempted, redacted, or excluded from production by law. It is HRSD's policy to withhold any information and records to protect:

- the privacy of HRSD personnel and officials,
- the property and pecuniary interests of HRSD,
- the privacy of customers,
- legal advice, work product, or attorney-client privilege,
- HRSD's interests related to administrative investigations and litigation,
- matters for discussion in closed meeting of the HRSD Commission, and
- the safety of HRSD systems and facilities, and the public generally.

3.7 Resources available to the public:

- [Chapter 37 of Title 2.2](#) of the Code of Virginia, as amended, also known as [The Virginia Freedom of Information Act](#);
- the [FOIA Council](#); and
- the [Virginia Coalition for Open Government](#).

COMMISSION ADOPTED POLICY
Freedom of Information Act – Access
to Public Records



Adopted:

December 21, 2004

Revised: ~~September 24, 2024~~ July 22,
Effective: 2025

~~July 1, 2025~~ August 1, 2025

Page 12 of
12

4.0 HRSD's Procedures

- 4.1 Any requests for public records *submitted under FOIA* should be immediately forwarded to the FOIA Officer, who will log when and by whom the request was received. The FOIA Officer will provide the General Manager with a copy of each request and seek their guidance on obtaining legal advice, if necessary, and determining who should respond. The FOIA Officer will coordinate the response and assure the request is acted upon in the prescribed amount of time, logging the response date. The Chief Communications Officer will serve as backup FOIA Officer when necessary.
- 4.2 The FOIA Officer shall be trained by legal counsel *for HRSD*, the FOIA Council, or through an online course offered *or approved* by the FOIA Council. Training shall be completed as required by the Code of Virginia.

Approved:

Stephen C. Rodriguez~~Willie Levenston,~~
~~Jr.~~
Commission ~~Vice~~-Chair

Date

Attest:

Jennifer L. Cascio~~Elizabeth I. Scott~~

Date

Commission Secretary

Commission Seal

AGENDA ITEM 10.– July 22, 2025

Subject: Remote Participation and All-Virtual Meetings Policy
Revisions

Recommended Action: Approve the revised policy.

Brief: The Remote Participation Policy is one of several policies specifically identified as requiring annual review by the Operations & Nominations (O&N) Committee and adoption by the Commission.

The Commission formally adopted a Remote Participation Policy on July 28, 2015. There have been several changes to the Code of Virginia related to remote participation since that time, the most recent being during the 2025 Legislative Session.

Minor housekeeping edits have been made throughout the policy.

Staff is not aware of any additional changes to be made at this time. The revised [policy](#) has been reviewed by legal counsel, Sands Anderson.

COMMISSION ADOPTED POLICY

Remote Participation and All-Virtual Meetings



First Adopted: July 28, 2015

Revised: ~~June 25, 2024~~ July 22, 2025
Effective: ~~July 1, 2024~~ August 1, 2025

Page 1 of 7

1.0 Purpose and Need

- a. Except as provided in this policy, the HRSD Commission ("Commission") does not conduct any meeting wherein public business is discussed or transacted through telephonic, video, electronic, or other electronic communication means where the Commissioners are not physically assembled. In accordance with the Virginia Freedom of Information Act, § 2.2-3701 et seq. of the Code of Virginia of 1950, as amended (the "Act"), the Commission desires to adopt this policy to reflect (1) when individual Commissioners may participate remotely in public meetings and (2) when all-virtual public meetings are allowed.
- b. This policy is intended to apply to Commission meetings, committee, subcommittee or other Commission established public meetings (collectively referred to as "HRSD Public Meetings"). As permitted under VA Code § 2.2-3708.3(D), the Commission adopts this policy on behalf of its committees, subcommittees, and any other entity however designated of the Commission that performs delegated functions of the Commission or advises the Commission. This policy shall apply to any committee, subcommittee, or other designated entity's use of individual remote participation and all-virtual public meetings and shall be interpreted to give it such effect.
- c. This policy shall apply to the entire membership of the Commission and without regard to the identity of the Commissioner requesting remote participation or the matters that will be considered or voted on at the HRSD public meeting.
- d. The policy shall not prohibit or restrict any individual member of the Commission who is participating in an all-virtual meeting or who is using remote participation from voting on matters before the Commission.

2.0 Definitions and Explanations

- a. **Caregiver** – An adult who provides care for a person with a disability as defined in Va. Code § [51.5-40.1](#) and is related by blood, marriage, or adoption to, or is the legally appointed guardian of, the person with a disability for whom they are caring.
- b. **Personal matter** – Examples include but are not limited to personal, family or business matters that prevent attendance at the meeting

COMMISSION ADOPTED POLICY

Remote Participation and All-Virtual Meetings



First Adopted: July 28, 2015

Revised: ~~June 25, 2024~~ July 22, 2025
Effective: ~~July 1, 2024~~ August 1, 2025

Page 2 of 7

location; severe weather conditions or unexpected traffic or travel conditions that prevent travel to the meeting location.

- c. ***Physical disability or other medical condition of Commissioner*** – Examples include but are not limited to temporary hospitalization or confinement to home, contagious illness, or any temporary or permanent physical disability that prevents travel to the meeting location by the Commissioner.
- d. ***Medical condition of a family member of a Commissioner*** – is limited to those situations in which the family member's medical condition requires the Commissioner to provide care for the family member and thus prevents the Commissioner from physically attending the meeting.
- e. ***Quorum*** — Four members of the Commission ~~physically~~ assembled in one location shall constitute a quorum for a Commission Meeting. For purposes of determining whether a quorum is physically assembled, a Commissioner who uses remote participation counts toward the *physical* quorum as if they were physically present if the Commissioner is (i) a Caregiver-, or (ii) a person with a disability as defined in Va. Code § [51.5-40.1](#).

3.0 Guiding Principles for Individual Commissioners to Participate Remotely in HRSD Public Meetings when a Quorum is Physically Present

- a. Commissioners shall make every effort to physically attend every meeting of the Commission. However, the Commission desires to adopt this policy to allow Commissioners to participate remotely in those circumstances recognized under Va. Code § 2.2-3708.3(B) when physical attendance is not reasonably possible.
- b. When a Commissioner participates remotely in an HRSD public meeting, the Commissioner shall avoid using a mobile device while driving.

3.1 Procedures for an Individual Commissioner to Participate Remotely in an HRSD Public Meeting

- a. In order to permit a Commissioner to participate in an HRSD public meeting by electronic means, a quorum must be physically assembled at the noticed meeting location. Arrangements also must be made for the

COMMISSION ADOPTED POLICY

Remote Participation and All-Virtual Meetings



First Adopted: July 28, 2015

Revised: ~~June 25, 2024~~ July 22, 2025
Effective: ~~July 1, 2024~~ August 1, 2025

Page 3 of 7

voice of the remote participant to be heard by all persons at the noticed meeting location.

- b. In advance of a properly noticed HRSD public meeting, a Commissioner who is unable to attend shall notify the Chair of the Commission or the Committee one of the following reasons the Commissioner cannot attend:
- (1) the Commissioner has a physical disability or medical condition that prevents the Commissioner from physically attending the meeting;
 - (2) the Commissioner is a person with a disability as defined in Va. Code § [51.5-40.1](#) and the disability prevents the member's physical attendance;
 - (3) a family member of the Commissioner has a medical condition that requires the Commissioner to provide care for the family member and prevents the Commissioner from attending the meeting;
 - (4) the Commissioner is a Caregiver who must provide care for a person with a disability at the time the HRSD public meeting is being held;
 - (5) the Commissioner's principal residence is located more than 60 miles from the meeting location identified in the required notice for the meeting and the Commissioner accordingly desires to participate remotely; or
 - (6) the Commissioner has a personal matter which prevents the Commissioner from attending the meeting. The Commissioner shall identify with specificity the nature of the personal reason the Commissioner cannot attend.
 - (a) Remote participation due to a personal matter is limited to three (3) meetings per Commissioner per calendar year out of the twelve (12) required meetings of the Commission held each calendar year.
 - (b) Remote participation in a Committee meeting for personal reasons is limited to two (2) meetings per calendar year.
- c. The specific reason that the Commissioner is unable to attend the meeting and the remote location from which the Commissioner participates will be recorded in the meeting minutes. The remote location does not need to be open to the public and it may be identified in the minutes by a general description.
- d. Individual participation from a remote location must be approved by majority vote of a quorum of the Commissioners physically assembled at

COMMISSION ADOPTED POLICY

Remote Participation and All-Virtual Meetings



First Adopted: July 28, 2015

Revised: ~~June 25, 2024~~ July 22, 2025
Effective: ~~July 1, 2024~~ August 1, 2025

Page 4 of 7

the noticed meeting location. If the HRSD Commission votes to disapprove of a Commissioner's participation from a remote location because such participation would violate this policy, such disapproval will be recorded in the minutes with specificity.

4.0 Guiding Principles for All-Virtual HRSD Public Meetings

The Commission desires that whenever possible all HRSD public meetings should be conducted in person in accordance with FOIA and all laws and regulations governing open public meetings. However, the Commission recognizes that certain circumstances may arise where it is in the best interest of the Commission that an all-virtual meeting be held. This policy recognizes in accordance with Va. Code § 2.2-3708.2 when all virtual meetings may be held due to a declared emergency. Additionally, the Commission has determined that it would be in its best interest to adopt a policy pursuant to Va. Code § 2.2-3708.3(D) to allow for all-virtual HRSD public meetings in accordance with Va. Code § 2.2-3708.3(C).

4.1 Procedures for All-Virtual HRSD Public Meetings When There is a Declared Emergency

- a. The Commission may meet by electronic communication means without a quorum physically assembled at one location when the Governor has declared a state of emergency in accordance with Va. Code § 44-146.17, or the locality in which the Commission is located has declared a local state of emergency pursuant to Va. Code § 44-146.21, provided:
 - (1) The catastrophic nature of the declared emergency makes it impracticable or unsafe to assemble a quorum in a single location; and
 - (2) The purpose of the meeting is to provide for the continuity of operations of the Commission or the discharge of its lawful purposes, duties, and responsibilities.
- b. If it holds a meeting pursuant to this section, the Commission shall:
 - (1) Give public notice using the best available method given the nature of the emergency contemporaneously with the notice provided Commissioners;

COMMISSION ADOPTED POLICY

Remote Participation and All-Virtual Meetings



First Adopted: July 28, 2015

Revised: ~~June 25, 2024~~ July 22, 2025
Effective: ~~July 1, 2024~~ August 1, 2025

Page 5 of 7

- (2) Make arrangements for public access to the meeting through electronic communications means, including videoconferencing if already used by the Commission; and
 - (3) Provide the public with the opportunity to comment at those meetings when public comment is customarily received.
- c. For any meeting conducted pursuant to this section, the nature of the emergency, the fact that the meeting was held by electronic communication means, and the type of electronic communication means by which the meeting was held shall be stated in the minutes of the meeting.

4.2 Procedures for All-Virtual HRSD Public Meetings When There is No Declared Emergency

- a. In order to hold an all-virtual HRSD public meeting when there is no declared emergency, the following procedures must be followed:
 - (1) The required meeting notice for the HRSD public meeting will indicate that the meeting will be an all-virtual meeting and contain a statement notifying the public that this all-virtual meeting method shall not be changed unless HRSD provides a new meeting notice in accordance with the provisions of Va. Code § [2.2-3707](#);
 - (2) Public access to the all-virtual public meeting is provided via electronic communication means;
 - (3) The electronic communication means used allows the public to hear respectively all Commissioners participating in the all-virtual public meeting and, when audio-visual technology is available, to see Commissioners as well. When audio-visual technology is available, a Commissioner shall, for purposes of a quorum, be considered absent from any portion of the meeting during which visual communication with the member is voluntarily disconnected or otherwise fails or during which audio communication involuntarily fails;
 - (4) A phone number or other live contact information is provided to alert the Commission if the audio or video transmission of the meeting provided by HRSD fails. HRSD must monitor such designated means of communication during the meeting, and the HRSD public meeting, as appropriate, shall take a recess until public access is restored if the transmission fails for the public;

COMMISSION ADOPTED POLICY

Remote Participation *and* All-Virtual Meetings



First Adopted: July 28, 2015

Revised: ~~June 25, 2024~~ July 22, 2025
Effective: ~~July 1, 2024~~ August 1, 2025

Page 6 of 7

- (5) A copy of the proposed agenda and all agenda packets and, unless exempt, all materials furnished to the Commissioners for the HRSD public meeting is made available to the public in electronic format at the same time that such materials are provided to the Commissioners;
- (6) The public is afforded the opportunity to comment through electronic means, including by way of written comments, at those public meetings when public comment is customarily received;
- (7) No more than two members of the Commission are together in any one remote location unless that remote location is open to the public to physically access it; *and*
- (8) If a closed session is held during an all-virtual public HRSD public meeting, transmission of the meeting to the public resumes before the Commissioners vote to certify the closed meeting as required by subsection D of Va. Code § 2.2-3712.;

(8)

b. Limitations on *all*-virtual HRSD Public Meetings.;

~~(1)~~ **Commission Meetings.** The Commission shall not convene an all-virtual public ~~Commission~~ meeting (i) more than six (6) times per calendar year based on a schedule of twelve (12) meetings per calendar year, or 50% of the Commission meetings held per calendar year, whichever is fewer; or (ii) consecutively with another all-virtual HRSD Commission Meeting.

(1)

(2) **Committee or Sub-Committee Meetings.** Committees or Sub-Committees of the Commission shall not convene an all-virtual public meeting (i) more than 50% of the number of those meetings per calendar year, or (ii) consecutively with another all-virtual public meeting of the Committee or Sub-Committee.

(1)

~~(a)~~ Minutes of all-virtual HRSD public meetings held by electronic communication means are taken as required by Va. Code § 2.2-3707 and include the fact that the meeting was held by electronic communication means and the type of electronic communication means by which the meeting was held. If the participation of a Commissioner from a remote location pursuant to this subsection is disapproved because such participation would violate this policy, such disapproval shall be recorded in the minutes with specificity.

c.

COMMISSION ADOPTED POLICY

Remote Participation and All-Virtual Meetings



First Adopted: July 28, 2015

Revised: ~~June 25, 2024~~ July 22, 2025
Effective: ~~July 1, 2024~~ August 1, 2025

Page 7 of 7

5.0 Responsibility and Authority

In accordance with Va. Code § 2.2-3708.3(D) this policy must be reviewed and adopted annually. Accordingly, the O&N Committee shall review this policy annually for presentation to and adoption by the Commission.

Approved:

Stephen C. Rodriguez
Commission Chairman

Date

Attest:

~~Jennifer L. Cascio~~ Elizabeth I. Scott

Date

Commission Secretary

Commission Seal

AGENDA ITEM 11. – July 22, 2025

Subject: Procurement Policy and Appendices
Revisions and Additions

Recommended Action: No action is required.

Brief: The Virginia Public Procurement Act (VPPA) requires local governing bodies to adopt specific policies defining local procedures for specific portions of the VPPA. HRSD's Procurement Policy and the Appendices have been revised, reorganized, and new appendices have been added to better align with those requirements and are as follows:

Old Appendices

A Design Build (DB) & Construction
Management (CM) Contracting
B Participation of SWAM
C Negotiations with Lowest Bidder*
D Debarment
E Withdrawal of Bids
F Public-Private Education Facilities
and Infrastructure Act (PPEA)

New Appendices

A – Participation of SWAM
B – Negotiations with Lowest Bidder*
C – Debarment
D – Withdrawal of Bids
E – (new) Faith-Based Organizations
F1 – (new) Design Build Contracting
F2 – (new) Construction Management
G – PPEA

*Appendix B- Negotiations with Lowest Bidder (formerly Appendix C) remains unchanged.

Summary of Key Changes:

Procurement Policy

- Sole Source procedures updated to include internal process prior to Commission approval
- Emergency procedures updated to include written notice
- Real Property definition updated
- Added Military Family-Owned Business to the defined classifications for Employment Service Organizations which include Small, Women-owned, Minority-Owned, Service-Disabled Veteran- Owned (SWaM) businesses
- Added reference to the following:
 - § 2.2-4311, Employment Discrimination by contractor prohibited; required contract provisions
 - § 2.2-4311.1, Compliance with federal, state, and local laws, and federal immigration law; required contract provisions
 - § 2.2-4311.2, Compliance with state law; foreign and domestic businesses authorized to transact business in the Commonwealth
 - § 2.2-4311.3, Compliance with state law; contract terms inconsistent with state law
 - § 2.2-4311.4, Procurement of imported goods; forced and indentured child labor prohibition
- All references to previous appendices have been updated to the new appendices
- Added reference to § 2.2-4343.1 Faith-Based Organizations separate from SWaM

- Added reference to § 2.2-4378 Design-Build Contracts & Construction Management Contracts
- Added “The Chief Engineer or his/her designee has authority to expend funds up to \$50,000 to acquire easements (temporary or permanent.”
- Added Commission approval requirements for “PPEA Proposals” and “PPEA Interim Agreement” and “Comprehensive Agreements” projected to exceed \$200,000
- Added Commission approval requirement for “Determination of Non-responsibility” when the projected value of the contract will be in excess of \$200,000
- Added under Real Property “Acquisition by condemnation, following public hearing”
- Effective date of the policy updates to be July 1, 2025

Appendix A (formerly Appendix B) Participation of SWaM

- Added language to align with VPPA §2.2-4310 which now includes Military Family-owned businesses as defined in §2.2-4310(F)
- Removed reference to Faith-Based Organizations

Appendix B (formerly Appendix C) Negotiations with Lowest Bidder

- No changes

Appendix C (formerly Appendix D) Debarment

- Added section 2.1 Debarment for Unsatisfactory Performance
- Added section 2.2 Debarment for Failure to use E-Verify

Appendix D (formerly Appendix E) Withdrawal of Bids

- Added more specific language related to clerical mistakes versus judgement mistakes

Appendix E (new) Contracting with Faith-Based Organizations

- This was originally located in Appendix A (formerly Appendix B), Participation with SWaM. It was determined that it falls under a separate section of the VPPA §2.2-4343.1 and should be addressed in a separate appendix in the procurement policy.

New Appendix F1 (formerly Appendix A) Design-Build Contracting

This was previously part of Appendix A but is being moved to Appendix F1 and is being separated from Construction Management Contracting which will now be Appendix F2.

- All references to Construction Management Contracting have been removed
- Added required reference to Code of Virginia § 2.2-4300-2.2-4383, Design-Build Procedures Adopted by the Secretary of Administration (effective December 17, 2024)
- Updated and added definitions and procedures
- Moved Emergency Procurement to its own section 4.0
- Added new sections “5.0 Reporting Requirements” and “6.0 Exceptions to this Policy”

New Appendix F2 (formerly Appendix A) Construction Management Contracting

- All references to Design-Build Contracting have been removed
- Added required reference to Code of Virginia § 2.2-4300-2.2-4383; Construction Management Procedures Adopted by the Secretary of Administration (effective December 17, 2024)
- Added and updated language in section 2.0 Definitions and 3.0 Procedures
- Moved Emergency Procurement to its own section 4.0
- Added new sections “5.0 Reporting Requirements” and “6.0 Exceptions to this Policy”

New Appendix G (formerly Appendix F) Public-Private Education Facilities and Infrastructure Act (PPEA)

- Added link to current PPEA enacted by Virginia General Assembly
- Added definitions and additional procedures
- Added language for three stages of fees; application fee, initial review fee, and evaluation fee
- Added additional language in 3.1.3 & 3.2 to reference the Procurement Policy and the Commission approval requirements
- In the Notice and Posting section additional notice requirements were added “Notice to Affected Jurisdictions”, “Notice to Stakeholders”, and “Posting of Conceptual Proposals”
- Added language in 4.0 to include General Manager/CEO and Commission’s authority

Minor housekeeping edits have been made throughout the policy and appendices.

The revised [policy](#) has been reviewed by legal counsel, Sands Anderson and is being provided for Commission review and comment and will be presented for Commission action at the August meeting.

COMMISSION ADOPTED POLICY

Procurement Policy



Adopted: December 16, 2014

Revised: ~~June 25, 2024~~ July 22, 2025

Page 1 of 9

1.0 Purpose and Need

All procurement shall be in accordance with the Code of Virginia § 2.2-4300, the Virginia Public Procurement Act (VPPA), as supplemented herein.

2.0 Guiding Principles

1. HRSD is committed to competitive procurement practices that are accountable to our ratepayers and the public, ethical, impartial, professional, transparent and fully in accordance with applicable law.
2. The Director of Procurement is responsible for the purchase, rent, lease, or ~~otherwise acquiring~~ *acquisition of* goods, professional and non-professional services, and certain construction services. In addition, the Director of Procurement is responsible for control and disposal of *surplus*, excess, obsolete, and salvageable materials and equipment.

The Director of Procurement shall establish procedures consistent with this policy and may designate other HRSD staff to act on his/her behalf.

3. The Chief Engineer is responsible for procurement of professional and non-professional services related to the study, design, construction, real estate and property acquisition associated with capital improvement projects or facility projects.

The Chief Engineer shall establish procedures consistent with this policy and may designate other HRSD staff to act on his/her behalf.

4. Except for small purchases (less than \$10,000) and certain easement acquisitions, no employee ~~has the authority~~ *is authorized* to enter into any purchase agreement or contract except the Director of Procurement or the Chief Engineer or such other employee as may be designated by the General Manager/Chief Executive Officer.
5. Fair market value shall be the basis of all real estate acquisitions with appropriate compensation for related restoration and/or inconvenience. Additional costs, in accordance with applicable state law, shall be included as required in procurement through eminent domain procedures.

3.0 Definitions

Agreement/Contract. ~~An~~ *A written* understanding, ~~in writing,~~ between two or more competent parties, under which one party agrees to certain performance as

COMMISSION ADOPTED POLICY

Procurement Policy



Adopted: December 16, 2014

Revised: ~~June 25, 2024~~ July 22, 2025

Page 2 of 9

defined in the agreement and the second party agrees to ~~compensation~~ *compensate the first party* for the performance rendered in accordance with the conditions of the agreement.

Fair Market Value. The price for ~~an item~~ *a good or service* upon which purchaser and supplier agree in an open market when both are fully acquainted with market conditions.

Total Value. Cost of all related procurement actions, even across fiscal years, that are known at the time of the procurement action including delivery, assembly, start-up, warranty, etc. Each procurement action must be able to meet the business objective individually, without the need for additional procurement actions.

4.0 Procedures

1. Generally, competition shall be sought for all procurement with the following exceptions:
 - a. Purchase of goods or services other than professional services where the Total Value will not exceed \$10,000. Related purchases shall not be divided into separate actions to meet this threshold.
 - b. Sole Source – Purchase of goods or services where there is only one source practicably available. The requesting division shall provide a written determination supporting the *use of sole source purchasing* to the Director of Procurement for approval. The ~~HRSD Commission must approve all sole sources above \$200,000~~ *request for approval shall include the identity of the specific vendor and specific, the description of the intended application, of the product, and the location of the facility or building where it is intended to be used.*

Where the cost of the resulting contract will be above \$200,000, the requesting division shall provide a written determination supporting the use of sole source purchasing to the Director of Procurement for approval. approval following the procedures above must first be given by the Director of Procurement, then the General Manager/Chief Executive Officer and finally the HRSD Commission must approve the use of sole source purchasing
 - c. Emergency – Where emergency actions are required to protect public safety, public health, HRSD employees or property or the

COMMISSION ADOPTED POLICY

Procurement Policy



Adopted: December 16, 2014

Revised: ~~June 25, 2024~~ July 22, 2025

Page 3 of 9

environment, a contract can be awarded without competition upon a written emergency declaration, approved by the General Manager/Chief Executive Officer. ~~Competition~~ *Such competition as is practicable under the circumstances* should be sought ~~if possible with emergency contracts~~ even if typical procurement procedures cannot be fully followed. *HRSD shall issue a written notice stating that the contract is being awarded on an emergency basis, and identifying that which is being procured, the contractor selected, and the date on which the contract was or will be awarded.*

- d. Real Property – Where *purchase, lease or other form of* acquisition ~~or lease~~ is required in support of HRSD facilities.
2. In accordance with § 2.2-4303G., competitive sealed bids or competitive negotiation is not required for purchase of goods and services other than professional services where the **total value of the procurement will not exceed \$10,000**. The following procedure shall be followed:
 - a. A minimum of one quote is required. ~~When possible, though multiple quotes should be obtained~~ *are preferred*. Use of *Small businesses and businesses owned by Women, Minorities, Military families, Service-Disabled Veterans, and Employment Services Organizations* ~~small businesses and businesses owned by women, minorities, and service-disabled veterans~~ is encouraged for all procurement actions whenever possible.
 - b. Purchase is normally made using an HRSD ProCard.
 - c. Purchase may be made by any HRSD employee granted purchasing authority by their division chief.
 - d. Basis of award shall be a determination that the stated need will be met, and the price is fair and reasonable.
 3. In accordance with § 2.2-4303G., competitive sealed bids or competitive negotiation is not required for purchase of goods and services other than professional services where **the total value of the procurement will be greater than \$10,000 and does not to exceed \$200,000**. The following procedure shall be followed:
 - a. Purchases shall be initiated by the submission of a requisition to *the* Procurement *Department* or *the* Engineering *Division*.

COMMISSION ADOPTED POLICY

Procurement Policy



Adopted: December 16, 2014

Revised: ~~June 25, 2024~~ July 22, 2025

Page 4 of 9

- b. An unsealed (informal) quote shall be solicited by *the* Procurement *Department* or *the* Engineering *Division* from three sources in response to an Invitation for Bid (IFB) or Request for Proposal (RFP).
 - c. Basis of award shall be lowest responsive and responsible bidder, offeror or best value as determined by criteria included in the IFB or RFP.
4. In accordance with § 2.2-4303G., competitive negotiation is not required for purchase of **professional services where the total value of the procurement will not exceed \$80,000**. The following procedure shall be followed:
 - a. Purchases shall be initiated by the submission of a requisition to *the* Procurement *Department* or *the* Engineering *Division*.
 - b. An unsealed (informal) quote shall be solicited by *the* Procurement *Department* or *the* Engineering *Division* from three sources in response to an IFB or RFP.
 - c. Basis of award shall be lowest responsive and responsible offeror or best value as determined by criteria included in the IFB or RFP.
- ~~5. In accordance with §2.2-4308, design-build or construction management contracts shall be in accordance with Appendix A of this policy.~~
- ~~6.5. In accordance with § 2.2-4310-B, HRSD promotes the use of *Small businesses and businesses owned by Women, Minorities, Military families, Service-Disabled Veterans, and Employment Services Organizations, as such terms are defined in §2.2-4310(F)*, ~~small businesses and businesses owned by women, minorities, military family, service-disabled veterans, and employment services organizations~~ in procurement transactions in accordance with Appendix BA of this policy.~~
6. In accordance with §§ 2.2-4311, -4311.1, -4311.2, and -4311.4, *HRSD includes in every contract over \$10,000, provisions prohibiting the contractor from discrimination in employment, prohibiting the contractor from knowingly employing unauthorized aliens, requiring that the contractor be authorized to conduct business in Virginia, and prohibiting the contractor from using forced or indentured child labor in the performance of the contract. Further, HRSD requires the contractor to include the same provisions in any subcontracts that exceed \$10,000.*

COMMISSION ADOPTED POLICY

Procurement Policy



Adopted: December 16, 2014

Revised: ~~June 25, 2024~~ July 22, 2025

Page 5 of 9

7. *In accordance with § 2.2-4311.3, HRSD shall state in every contract that any term or provision that (i) makes the contract subject to, governed by, or interpreted under the laws of another state or country or (ii) requires or permits any litigation or other dispute resolution proceeding arising from the contract to be conducted in another state or country shall be void. Instead, the contract shall be deemed to provide for the application of the law of the Commonwealth of Virginia, without regard to the contract's choice of law provisions, and to provide for jurisdiction in the courts of the Commonwealth.*
- ~~7.8.~~ *In accordance with § 2.2-4316, comments concerning specifications or other provisions in IFB or RFP must be submitted and received in accordance with the procedures specified in the IFB or RFP for comment submittal.*
- ~~8.9.~~ In accordance with § 2.2-4318, if the bid from the lowest responsive, responsible bidder exceeds available funds, *HRSD may enter into negotiations* ~~may be entered~~ with the apparent low bidder to obtain a contract price within available funds in accordance with [Appendix ~~CB~~](#) of this policy.
- ~~9.10.~~ In accordance with § 2.2-4321, contractors may be debarred from contracting for particular types of supplies, services, insurance or construction, for specified periods of time in accordance with [Appendix ~~DC~~](#) of this policy.
- ~~10.11.~~ In accordance with § 2.2-4330C, bids may be withdrawn due to error for other than construction contracts in accordance with [Appendix ~~ED~~](#) of this policy.
12. In accordance with § 2.2-4343.1, *HRSD does not discriminate against faith-based organizations and may enter into contracts with such organizations in accordance with [Appendix E](#) of this policy.*
13. *In accordance with § 2.2-4378, et seq., design-build contracts shall be procured in accordance with [Appendix F-1](#) of this policy and construction management contracts shall be procured in accordance with [Appendix F-2](#) of this policy.*
- ~~14.14.~~ *In accordance with § 56-575.3:1, a project under the Public-Private Education Facilities and Infrastructure Act shall be *procured* in accordance with [Appendix ~~EG~~](#) of this policy.*

COMMISSION ADOPTED POLICY

Procurement Policy



Adopted: December 16, 2014

Revised: ~~June 25, 2024~~ July 22, 2025

Page 6 of 9

~~12.15.~~ *The Chief Engineer (or his/her designee) has authority to expend funds up to \$50,000- to acquire easements (temporary or permanent).*

5.0 Approvals

The following actions specifically require the approval of the HRSD Commission before executing unless executed under an approved emergency declaration:

1. **Agreements.** ~~Contracts~~ *To enter into contracts* or purchase orders where the total value is projected to exceed \$200,000.
2. **Sole Source Procurement.** ~~Initial~~ *To proceed with a sole source determination for specific vendor, item(s) and location(s) procurement where the Total Value is projected total value of the contract is expected to exceed \$200,000-(\$.* *The HRSD Commission approval must include the vendor's name, the item(s) to be procured, and the physical location of the HRSD facility or building (§ 2.2-4303 E).*
3. **Modifications to Agreements (Task Orders).** ~~Where the Total Value~~ *To modify or amend an agreement where the total value of the contract following the modification or amendment is projected to exceed \$200,000.*
4. **Cooperative Procurement.** ~~Where the Total Value of HRSD's~~ *To participate in a cooperative procurement where the total value of HRSD's participation is projected to exceed \$200,000 (§ 2.2-4304).*
5. **Change Orders.** (§ 2.2-4309). ~~Where the Total Value~~ *To execute a change order that amends the original contract award so that the total value exceeds 25 percent of the original contract award or increases the original contract award by \$50,000, whichever is greater.*
6. **Rejection of all Bids.** ~~Where~~ *To reject all bids in response to a solicitation where the Total Value total value of the resulting contract is projected to exceed have been in excess of \$200,000 (§ 2.2-4319).*
7. **Design-Build or Construction Management Agreements.** *To issue a procurement for construction using a design-build or construction management method of contracting (§ 2.2-4306 4378, et. seq. and as required by the procedures at Appendix F-1 or Appendix F-2 of this policy, respectively).*
8. **Design-Build Proposal Compensation.** Where the ~~Total Value~~ *value of the compensation* is projected to exceed \$200,000.

COMMISSION ADOPTED POLICY

Procurement Policy



Adopted: December 16, 2014

Revised: ~~June 25, 2024~~ July 22, 2025

Page 7 of 9

9. **PPEA Proposals.** *To either (i) accept an unsolicited PPEA proposal and invite competing proposals where the total value of the resulting agreement(s) is projected to exceed \$200,000, or (ii) solicit PPEA proposals for a qualifying project, in accordance with the procedures at Appendix G of this policy.*
10. **PPEA Interim Agreements and Comprehensive Agreements.** *To enter into an Interim Agreement or Comprehensive Agreement negotiated in accordance with the procedures at Appendix G of this policy.*
- ~~9.11.~~ **Debarment.** (§ 2.2-4321).
- ~~10.12.~~ **Determination of Non-responsibility.** (§ 2.2-4359). *To issue a written determination of non-responsibility to the apparent low bidder to an ITB where the total value of the resulting contract is projected to have been in excess of \$200,000 (§ 2.2-4319).*
- ~~11.13.~~ **Real Property.**
 - a. *Acquisition by condemnation, following a public hearing.* ~~Acquisition by condemnation in accordance with the Code of Virginia §15.2~~
 - ~~a.b.~~ Acquisitions by purchase, lease, grant or conveyance
 - ~~b.c.~~ Sale, lease or permanent encumbrance of HRSD property
 - ~~c.d.~~ Easements or Right of Entry Agreements (temporary or permanent) with value in excess of \$50,000
 - ~~d.e.~~ Vacation of existing easement(s)
12. **Intellectual Property.** ~~All~~ *To execute any* Intellectual Property Rights ~~Agreements~~ *Agreement* and Royalty Distribution ~~Agreements~~ *Agreement*.
13. **Agreements with other Entities.** ~~Agreements~~ *To execute an Agreement* which ~~include~~ *includes* any of the following criteria:
 - a. Design or construction of infrastructure with a constructed value in excess of \$50,000
 - b. Provides use of real property for temporary (greater than one year) or permanent use
 - c. *Provides* use of assets valued at more than \$200,000

COMMISSION ADOPTED POLICY

Procurement Policy



Adopted: December 16, 2014

Revised: ~~June 25, 2024~~ July 22, 2025

Page 8 of 9

- d. Provides a service or other benefit that spans multiple years and *its value is* greater than \$200,000
- e. Obligates significant financial or personnel resources (\$200,000 or more)

6.0 Ethics

HRSD employees involved in the procurement process are expected to maintain high ethical standards. In addition to HRSD's Standards of Conduct and HRSD's Ethics Policy, the following State laws apply:

- 1. Virginia Public Procurement Act (VPPA) (§ 2.2-4300).
- 2. Ethics in Public Contracting (§ 2.2-4367).
- 3. Virginia Governmental Frauds Act (§ 18.2-498.1) and Articles 2 (§ 18.2-438) and 3 (§ 18.2-446) of Chapter 10 of Title 18.2.
- 4. State and Local Government Conflict of Interests Act (§ 2.2-3100).

7.0 Responsibility and Authority

The effective date of this policy is July 1, 2025. This policy was developed in accordance with HRSD's Enabling Act and the Code of Virginia. Any changes this policy shall be made in writing and approved by the HRSD Commission.

HRSD's General Manager/Chief Executive Officer and the Director of Procurement are the designated administrators of this policy. The Director of Procurement shall have the day-to-day responsibility and authority for implementing the provisions of this policy.

Approved:

Stephen Rodriguez
Commission Chair

Date

Attest:

Elizabeth Scott
~~Jennifer L. Gasco~~
Commission Secretary

Date

COMMISSION ADOPTED POLICY
Procurement Policy



Adopted: December 16, 2014

Revised: ~~June 25, 2024~~ July 22, 2025

Page 9 of 9

Commission Seal

COMMISSION ADOPTED POLICY
Procurement Policy – Appendix *AB*
Participation of SWaM



Adopted: December 16, 2014

Revised: ~~June 25, 2024~~ July 22,
2025

Page 1 of 3

1.0 Purpose and Need

This policy is ~~in accordance~~ *intended to comply* with §2.2-4310 ~~B of the Virginia Code~~ to facilitate the participation of ~~small~~ *Small* businesses and businesses owned by ~~women, minorities, military family, service-disabled veterans~~ *Women, Minorities, Military families, Service-Disabled Veterans*, and ~~employment services organizations~~ *Employment Services Organizations, as such terms are defined in §2.2-4310(F)*, in HRSD procurement transactions.

HRSD is committed to ensuring fair consideration of all contractors and suppliers in its day-to-day purchase or lease of goods and services. HRSD recognizes that working with a wide range of contractors and suppliers provides an open, competitive and diverse business environment.

HRSD recognizes its responsibilities to the communities that it serves and the society in which it conducts business. The inclusion of ~~small, women~~ *Small, Women*-owned, ~~minority~~ *Minority*-owned, ~~military family~~ *Military Family*-owned, ~~service-disabled veteran~~ *Service-Disabled Veteran*-owned, and ~~employment services organizations~~ *(Employment Services Organizations (hereinafter collectively referred to as "SWaM"))* businesses must be a function of our normal, day-to-day purchasing activities. No potential contractor or supplier will be precluded from consideration on the basis of race, religion, color, sex, sexual orientation, gender identity, national origin, age, disability, status as a service-disabled veteran, status as a military family, or any other basis prohibited by state law relating to discrimination in employment. (Code of Virginia, § 2.2-~~4310A~~ *4310(A)*).

Therefore, HRSD's policy is to actively solicit and encourage SWaM businesses to participate in procurement opportunities through equally fair and open competition for all contracts. Every employee who is involved in procurement decisions for the purchase of goods or services is charged with ~~making~~ giving every consideration to using qualified SWaM businesses in a manner that is consistent with state and federal laws and regulations. Further, each of HRSD's contractors and suppliers are encouraged to provide for the participation of SWaM businesses through partnerships, joint ventures, subcontracts and other contractual opportunities.

~~HRSD shall not accept a bad business deal or a lower quality contractor, supplier, product or service in order~~ *In striving* to achieve greater participation of *qualified* SWaM businesses ~~into do business with HRSD~~, HRSD ~~procurement is not required to and shall not compromise its demands for quality with respect to~~

COMMISSION ADOPTED POLICY
Procurement Policy – Appendix *AB*
Participation of SWaM



Adopted: December 16, 2014

Revised: ~~June 25, 2024~~ July 22,
2025

Page 2 of 3

contractors, suppliers, products, or services or the economic reasonableness of any business transaction.

As an integral part of the company-wide culture, HRSD does not discriminate because of race, religion, color, sex, sexual orientation, gender identity, national origin, age, disability, status as a service-disabled veteran, status as a military family, or any other basis prohibited by law. ~~Additionally, in procuring goods or services or in making disbursements, HRSD shall not (i) discriminate against a faith-based organization on the basis of the organization's religious character or (ii) impose conditions that (a) restrict the religious character of the faith-based organization, except, in accordance with Virginia Code §2.2-4343.1(F), that no funds shall be expended on contracts for religious worship, instruction, or proselytizing, or (b) impair, diminish, or discourage the exercise of religious freedom by the recipients of such goods, services, or disbursements.~~

2.0 Procedures

The Procurement Department shall:

1. Ensure SWaM businesses have the maximum practicable opportunity in procurement and contractual activities
2. Apprise potential SWaM businesses of HRSD's procurement activities
3. Identify SWaM businesses for HRSD solicitations
4. Promote the use of- SWaM contractors through formal and informal training classes
5. Maintain diversity procurement data of contracts and subcontracts awarded to SWaM businesses
6. Monitor, evaluate, and report on the utilization of SWaM contractors at least annually to the HRSD Commission
7. Include qualified businesses selected from the HRSD centralized contractor/supplier database, the Virginia Department of Small Business and Supplier Diversity -(Code of Virginia, § 2.2-4310),- consistent with this policy whenever soliciting quotes or qualifications

All employees with purchasing responsibility or who are involved in procurement decisions for goods and services shall give every consideration to using qualified

COMMISSION ADOPTED POLICY
Procurement Policy – Appendix AB
Participation of SWaM



Adopted: December 16, 2014

Revised: ~~June 25, 2024~~ July 22,
2025

Page 3 of 3

SWaM contractors/suppliers and consult with the Procurement Department as required to identify SWaM contractors/suppliers.

Certified Minority Business Enterprise (MBE). No contractor/supplier shall be considered a Small Business Enterprise, a Minority-Owned Business Enterprise, a Women-Owned Business Enterprise, Military Family –Owned Business Enterprise or a Service-Disabled Veteran-Owned Business Enterprise unless certified as such by the Virginia Department of Small Business and Supplier Diversity-.

3.0 Responsibility and Authority

Under the direction of the Chief Financial Officer, the Director of Procurement, as well as the Chief Engineer, shall be responsible for overall development, management and implementation of this policy.

COMMISSION ADOPTED POLICY
Procurement Policy – Appendix B
Negotiation with Lowest Responsible Bidder



Adopted: December 16, 2014	Reviewed: July 22, 2025 Revised: June 25, 2024	Page 1 of 1
----------------------------	---	-------------

1.0 Purpose and Need

If the bid from the lowest responsive, responsible bidder exceeds available funds, HRSD may negotiate with the apparent low bidder to obtain a contract price within available funds in accordance with this policy.

2.0 Procedures

Unless all bids are cancelled or rejected, HRSD reserves the right to negotiate with the lowest responsive, responsible bidder to obtain a contract price within the funds available. The term “available funds” shall mean those funds which were budgeted by the requested HRSD division for the contract prior to the issuance of the written Invitation for Bids. The procurement record in the Procurement Department shall include documentation of the “available funds” prior to the issuance of the IFB.

Negotiations with the lowest responsive, responsible bidder may include both modifications of the bid price and the Scope of Work/Specifications to be performed.

HRSD shall initiate such negotiations by written notice to the lowest responsive, responsible bidder that its bid exceeds the available funds and that HRSD wishes to negotiate a lower contract price. The times, places, and manner of negotiating shall be agreed to by HRSD and the lowest responsive, responsible bidder.

If a mutually acceptable price cannot be negotiated, all bids shall be rejected. A new IFB cannot be issued without HRSD modifying the scope or specification to match the available funds. Shopping for bids shall not be permitted.

3.0 Responsibility and Authority

Under the direction of the Chief Financial Officer, the Director of Procurement, as well as the Chief Engineer, shall be responsible for overall development, management and implementation of this policy.

COMMISSION ADOPTED POLICY
Procurement Policy – Appendix CD
Debarment



Adopted: December 16, 2014

Revised: ~~June 25, 2024~~ July 22, 2025

Page 1 of 2

1.0 Purpose and Need

To ensure HRSD receives the best value with all procurement actions, contractors that fail to meet HRSD standards may be debarred and prevented from being awarded work from HRSD for a specified period of time. Debarment is a serious action and shall only be pursued when continued use of a particular contractor threatens HRSD's ability to meet regulatory requirements, requires inordinate levels of inspection, administration or supervision, poses a legal, financial or reputational risk to HRSD or a locality partner or the contractor has previously demonstrated the inability to meet HRSD schedules or quality requirements, provides poor references or is in active litigation related to HRSD work or similar projects.

2.0 Procedures

The Director of Procurement or Chief Engineer shall regularly evaluate prospective contractors to determine eligibility for contracting for particular types of supplies, services, insurance or construction.

2.1 Debarment for Unsatisfactory Performance

If a determination is made that a prospective contractor should not be eligible, the Director of Procurement or Chief Engineer shall submit a written report notifying the contractor of the proposed debarment and specified period of time, ~~disclosing. The report shall recite the~~ factual support for the ~~contractor's unsatisfactory performance~~ ~~determination that the contractor performed~~ ~~unsatisfactorily~~ and/or other reasons for the proposed debarment, ~~and allowing the contractor an opportunity. The report shall also present the recommended action to be taken with respect to the contractor. HRSD shall allow the contractor~~ to inspect any documents relating to the proposed debarment within five (5) business days after receipt of notification ~~and to. Additionally, the contractor may~~ submit rebuttal information within ten (10) business days after receipt of notification.

The Director of Procurement or Chief Engineer shall revise the report ~~if and~~ as appropriate within five (5) business days after receipt of rebuttal information ~~and submit the. The~~ revised report ~~shall be submitted~~ to the contractor and the General Manager/Chief Executive Officer.

The General Manager/Chief Executive Officer shall submit the revised report and recommended action to the HRSD attorney for review and to the Commission for action. The Director of Procurement or Chief Engineer shall notify the contractor of the Commission's final determination including, if debarred, the basis of the debarment and the term of the debarment.

COMMISSION ADOPTED POLICY
Procurement Policy – Appendix *CD*
Debarment



Adopted: December 16, 2014

Revised: ~~June 25, 2024~~ July 22, 2025

Page 2 of 2

2.2 Debarment for failure to use E-Verify.

"E-Verify program" means the electronic verification of work authorization program of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (P.L. 104-208), Division C, Title IV, § 403(a), as amended, operated by the U.S. Department of Homeland Security, or a successor work authorization program designated by the U.S. Department of Homeland Security or other federal agency authorized to verify the work authorization status of newly hired employees under the Immigration Reform and Control Act of 1986 (P.L. 99-603).

Any contractor with more than an average of 50 employees for the previous 12 months entering into a contract in excess of \$50,000 with HRSD to perform work or provide services pursuant to such contract shall register and participate in the E-Verify program to verify information and work authorization of its newly hired employees performing work pursuant to such public contract.

Any such contractor who fails to comply with the requirements to participate in E-Verify shall be debarred from contracting with HRSD for a period of up to one year, or until the contractor registers and participates in the E-Verify program whichever occurs first.

After ascertaining that a contractor has not registered for nor is participating in the E-Verify program, the Director of Procurement or Chief Engineer shall notify the contractor that it is debarred and the reasons for its debarment. HRSD shall allow the contractor to submit rebuttal information within ten (10) business days after receipt of notification. Upon HRSD's receipt from contractor of reliable evidence to substantiate its registration and participation in E-Verify, the contractor shall no longer be disbarred.

3.0 Responsibility and Authority

Under the direction of the Chief Financial Officer, the Director of Procurement, as well as the Chief Engineer, shall be responsible for overall development, management and implementation of this policy.

COMMISSION ADOPTED POLICY
Procurement Policy – Appendix DE
Withdrawal of Bids



Adopted: December 16, 2014

Revised: ~~June 25, 2024~~ July 22, 2025

Page 1 of 1

1.0 Purpose and Need

Occasionally a bidder requests to withdraw a bid due to a mistake. It is not in HRSD's best interest to force a bidder to perform if the bidder ~~actually made an error in their bid preparation.~~ *made a clerical mistake as opposed to a judgment mistake, and the clerical mistake was actually due to an unintentional arithmetic error or an unintentional omission of a quantity of work, labor or material made directly in the compilation of a bid, which unintentional arithmetic error or unintentional omission can be clearly shown by objective evidence drawn from inspection of original work papers, documents and materials used in the preparation of the bid sought to be withdraw.* However, in a competitive bid environment, bidders cannot be allowed to withdraw bids without just cause as this practice can undermine the integrity of the bidding process. HRSD shall follow these procedures to protect the integrity of the bidding process when considering a request to withdraw a bid.

2.0 Procedures

For bids on construction projects, withdrawal procedures shall be in accordance with §2.2-4330 where the bidder shall give notice in writing of his claim of right to withdraw his bid within two business days after the conclusion of the bid opening procedure and shall submit original work papers with such notice.

For bids other than construction bids, the same withdrawal procedures shall be followed.

The Director of Procurement or the Chief Engineer will review the request to withdraw and make a determination based on the evidence provided in accordance with §2.2-4330.

3.0 Responsibility and Authority

Under the direction of the Chief Financial Officer, the Director of Procurement, as well as the Chief Engineer, shall be responsible for overall development, management and implementation of this policy.

COMMISSION ADOPTED POLICY
Procurement Policy – Appendix AF-1
Design-Build Contracting



Adopted: December 16, 2014

Revised: ~~June 25, 2024~~ July 22, 2025

Page 1 of 13

1.0 Purpose and Need

~~A design-bid-build may not be in the best interest of HRSD. These non-traditional procurement methods shall only be used in accordance with this policy. Procedures~~ While the project delivery method utilizing competitive sealed bid process remains bidding is the preferred method of construction procurement for HRSD, a contract for construction on a design-build fixed price or on a construction management basis may be used, provided a written determination made in advance is approved by the Commission which sets forth that and the default method of procurement for HRSD construction contracts. However, competitive sealed bidding is ~~either~~ not always practicable ~~or not~~ nor fiscally advantageous for ~~Use of~~ complex construction projects. Design-Build Contracts — Design-Build contracts contracts, formed with a firm that provides both professional design and construction services, are intended to minimize the project risk and to reduce the delivery schedule by overlapping the design phase and construction phase of a project.

Pursuant to the Virginia Public Procurement Act, Virginia Code §§ 2.2–4300, et seq. (VPPA) and Virginia Code Title 2.2 Chapter 43.1 (§§ 2.2-4378, et seq.) (Chapter 43.1) and consistent with the guidance adopted by the Virginia Secretary of Administration, the Commission, an authorized public body as defined by Virginia Code § 2.2-4301, has, by resolution, adopted the following procedures (Procedures) for utilizing, when appropriate, design-build contracts for projects. The provisions of the VPPA shall remain applicable. In the event of any conflict between Chapter 43.1 and the VPPA, Chapter 43.1 shall control.

2.0 Definitions

- 2.1. "Complex project" means a construction project that includes one or more of the following significant components: difficult site location, unique equipment, specialized building systems, multifaceted program, accelerated schedule, historic designation, or intricate phasing or some other aspect that makes the design-bid-build project delivery method not practical.
- 2.2. "Design-bid-build" means a project delivery method in which a public body sequentially awards two separate contracts, the first for professional services to design the project and the second utilizing competitive sealed bidding for construction of the project according to the design.
- 2.3. "Design-build contract" means a contract between a public body and another party in which the party contracting with the public body agrees to both design and build the structure, or other item specified in the contract.

COMMISSION ADOPTED POLICY
Procurement Policy – Appendix AF-1
Design-Build Contracting



Adopted: December 16, 2014

Revised: ~~June 25, 2024~~ July 22, 2025

Page 2 of 13

3.0 Procedure for Design-Build Contracts

3.1. Criteria for Use of Design-Build as a Construction *Delivery Method*.

- 3.1.1. **General.** Design-build procurement shall include a two-step competitive negotiation process consistent with Chapter 43.1 and the Design-Build Construction ~~Management~~ Procedures As Adopted by the Secretary of Administration (effective December 17, 2024) for state public bodies. Design-build contracts may be ~~approved for use on projects where the project complexity will benefit from the early selection of a construction manager or when value engineering and/or constructability analysis is desirable. Construction management may be~~ utilized on projects where the project ~~cost is expected to be less than the project cost threshold established in the procedures adopted by the Secretary of Administration for utilizing construction management contracts, provided that~~ (i) the project is a complex project; and (ii) the project procurement method is approved by the Commission. ~~The written approval of the Commission shall be maintained in the procurement file. Contracts shall be awarded on a fixed price or not-to-exceed price basis.~~
- 3.1.2. **Virginia Licensed Engineer.** Public bodies using design-build procurement must have Virginia-licensed engineers or architects in their employ or under their control. HRSD has in its employ, has under its control or will retain as necessary such Virginia-licensed engineers with the necessary professional competence to advise HRSD regarding use of design-build for a specified construction project. These Virginia-licensed engineers will assist HRSD with preparation of the Request for Qualifications (RFQ), Request for Proposal (RFP), and evaluation of proposals received in response to the RFQ and RFP.
- 3.1.3. **Written Recommendation to Use Design-Build.** In advance of initiating a design-build procurement, the Chief Engineer, or his or her designee, shall prepare a ~~report documenting in writing that for a specific construction project;~~ written report explaining the basis for the Chief Engineer's recommendation to utilize design-build for the specific project. The report shall include a determination of the project's complexity, and explain why, for the specific project, (i) a ~~Design-Build~~ design-build contract is more advantageous than a competitive sealed bid construction contract; (ii) ~~why~~ there is a benefit to HRSD by using a design-build contract; and (iii) ~~why~~ competitive sealed bidding is not practical or fiscally advantageous; ~~and (iv) these justifications shall be stated in the Request for Qualifications.~~ This report shall be submitted to the General Manager/Chief Executive Officer for approval. *If the General Manager/Chief Executive Officer approves the recommendation, it shall be submitted to the Commission for determination.*

COMMISSION ADOPTED POLICY
Procurement Policy – Appendix AF-1
Design-Build Contracting



Adopted: December 16, 2014

Revised: ~~June 25, 2024~~ July 22, 2025

Page 3 of 13

~~2.1.1. Design-Build construction projects involve retaining a party that provides both professional design and construction services. Construction Management projects involve retaining a firm to coordinate and administer contracts for construction services and may also include, if provided in the contract, the direct furnishing of construction services. Design-Build services shall be procured using a two-step competitive negotiation process which shall consider both technical capabilities and price for the services required for the project. Construction Management services shall be awarded and initiated no later than the completion of the Schematic Phase of design.~~

~~Design-Build and Construction Management Firms.~~ The Director of Engineering shall obtain qualified Design-Build and Construction Management firms to provide needed services. A list of firms shall be accumulated through solicitation and other methods.
3.1.4. Commission Determination. *If the Commission accepts the recommendation to pursue a design-build procurement model, it shall adopt the Chief Engineer's report or draft its own written determination stating that the design-bid-build project delivery method is not practicable or fiscally advantageous and documenting the basis for the determination to utilize design-build, including the determination of the project's complexity. The determination shall be included in the RFQ and be maintained in the procurement file.*

3.1.5. Proprietary Information. *Proposers shall be allowed to clearly designate portions of their submissions as trade secrets or proprietary information pursuant to Virginia Code § 2.2-4342. HRSD will take reasonable measures to safeguard from unauthorized disclosure such information properly designated as such, to the extent permitted by law.*

3.2. Selection of Qualified Proposers (Step 1).

3.2.1. Pre-qualification. *HRSD shall conduct a prequalification process to determine which design-build firms are qualified to receive the Request for Proposals. The list of firms shall include Small businesses and businesses owned by Women, Minorities, Military families, Service-Disabled Veterans, and Employment Services Organizations, as such terms are defined in § 2.2-4310(F) ~~small, women-owned, minority-owned or service-disabled veteran-owned businesses.~~ All proposers shall have a licensed Class "A" contractor registered in Virginia and an Architect or Engineer registered in Virginia as part of the project team*

3.2.2. Request for Qualification (Content of RFQ). ~~A RFQ. HRSD shall be prepared for each project and approved by the Chief Engineer. The RFQ~~

COMMISSION ADOPTED POLICY
Procurement Policy – Appendix AF-1
Design-Build Contracting



Adopted: December 16, 2014

Revised: ~~June 25, 2024~~ July 22, 2025

Page 4 of 13

~~shall state the criteria and goals of the project, the~~ *prepare an RFQ that states the* time and place for receipt of qualifications, the ~~factors to be used in evaluating qualifications, the~~ contractual terms and conditions, *the Commission's facility requirements, the criteria and goals of the project, the building and site criteria, the site and survey data (if applicable),* any unique capabilities or qualifications required of the design-builder, any project specific requirements for the particular project, *the criteria to be used to evaluate RFQ responses, and other relevant information.*

3.2.3 The RFQ *must be approved by the Chief Engineer and* shall normally consist of the following sections, unless modified by the Chief Engineer:

Cover Sheet

I. Introduction and/or Background

II. Instructions to Proposers

III. Scope of Work

IV. Tentative Procurement Schedule

V. Attachments

3.2.3. **Form of Responses.** *HRSD will include in the RFQ if responses may be submitted electronically and/or via paper response.*

3.2.4. **Evaluation Committee.** *The Chief Engineer shall appoint an Evaluation Committee ("Committee") which shall consist of at least three staff members of the HRSD, including a licensed professional engineer or architect. If possible, the Committee shall include a licensed design professional. The members of the Committee shall have experience relevant to the project, with background in such areas as design, construction, contracts, project management operations, and maintenance. HRSD shall consult with its attorney to determine whether legal counsel should be involved.*

~~3.2.2.~~ 3.2.5. **Public Notice.** *At least 30 days prior to the date set for receipt of qualification proposals, public notice of the RFQ ("Public Notice of the RFQ shall") will be posted, at least ten (10) business days prior to receipt of proposals for design-build or construction management services on the HRSD website and/or the Virginia Department of General Services central electronic procurement website, known as eVA, at least thirty (30) days prior to ("eVA"). HRSD shall send the date set for receipt of qualification proposals. The Public Notice shall be sent directly to firms that have requested to be notified of work and may be sent to those firms believed to be qualified to perform the work. The Public Notice shall also be sent directly to organizations promoting Small businesses and businesses owned by Women, Minorities, Military families, Service-Disabled Veterans, and Employment*

COMMISSION ADOPTED POLICY
Procurement Policy – Appendix AF-1
Design-Build Contracting



Adopted: December 16, 2014

Revised: ~~June 25, 2024~~ July 22, 2025

Page 5 of 13

Services Organizations, as such terms are defined in § 2.2-4310(F) small, women-owned, minority-owned and service-disabled veteran-owned businesses and to similar businesses that have requested to be notified and/or are believed to be qualified to perform the work. *HRSD may send Public Notice to those firms believed to be qualified to perform the work.* An affidavit shall be placed in the project file certifying the advertising date and method.

~~3.2.3.3.2.6.~~ **Contacts by Proposers.** ~~Proposers~~*The RFQ shall provide notice to prospective proposers that they may* ~~contact only the HRSD representative designated in the RFQ related to submit comments and questions pertaining regarding the RFQ, in writing, to the project. contact person identified in the RFQ.~~ Responses to *the comments and* questions which are relevant to the work will be documented and addenda will be ~~issued to all proposers who have requested a copy of the RFQ.~~ **Selection Committee.** ~~A Selection Committee shall evaluate the Statements of Qualifications (SOQ) and short-list proposers for further consideration. The Selection Committee~~*posted in the same place and manner as the Public Notice. Comments and questions submitted to any individual at HRSD that is not the identified contact person shall consist of at least three (3) qualified HRSD staff members appointed by the Chief Engineer. The members of the Selection Committee shall have experience relevant to the project, with backgrounds in such areas as design, construction, contracts, project management and operations/maintenance*~~not receive a response.~~

~~**Statements of Qualifications.** The Selection Committee shall request a SOQ from any firm desiring consideration. The SOQ shall provide the information requested in the RFQ. Firms submitting a SOQ shall provide the electronic document by the date and time listed in the RFQ.~~

~~3.2.4.3.2.7.~~ **Pre-Proposal Conference.** A pre-proposal conference may be held ~~for complex or large projects~~ to ensure clarity, review potential problems with the Scope of Work, and answer questions related to the project. Attendance at the pre-proposal conference may be optional or mandatory as specified in the RFQ. If attendance is mandatory, ~~SOQ's shall be considered only~~*HRSD will not consider Statements of Qualification (SOQ) from firms who attended that did not attend the pre-proposal conference and/or did not* met the *RFQ* requirements ~~listed in the RFQ~~ related to the pre-proposal conference.

~~3.2.5.3.2.8.~~ **Opening of Statement of Qualifications.** The Chief Engineer or his/her designee shall document receipt of the SOQs at the specified time and place. *Any firm desiring consideration must submit an SOQ no later than the time and date the RFQ states is the deadline for submittal. SOQs* not received at the specified time will not be considered.

COMMISSION ADOPTED POLICY
Procurement Policy – Appendix AF-1
Design-Build Contracting



Adopted: December 16, 2014

Revised: ~~June 25, 2024~~ July 22, 2025

Page 6 of 13

~~3.2.6.~~ **3.2.9. Changes to the RFQ.** The Committee shall determine whether any changes to the RFQ should be made to clarify errors, omissions or ambiguities or to incorporate project improvements or additional details. If such changes are required, an addendum shall be issued.

3.2.10. Evaluation of Statement of Qualifications ~~(Short-List Step).~~ The Committee shall evaluate the SOQs. The Committee may waive minor informalities in a SOQ but shall eliminate from further consideration any proposer determined to be non-responsive or deemed not fully qualified, responsible or suitable. Prior design-build experience *or previous experience with HRSD* shall not be ~~required~~ *considered* as a prerequisite *or factor* for ~~consideration or award~~ *prequalification* of a contract. However, ~~in the Committee shall evaluate a proposer's experience for a period of a contractor, ten prior years to determine whether the selection committee may consider the experience offeror has constructed, by any method of each contractor on comparable project delivery, at least three projects similar in program and size.~~

~~3.2.7.~~ **3.2.11. Reference Check and Other Information.** The ~~Selection Committee shall then select (short-list) two (2) or more responsive proposers based on the SOQ submitted in response to the RFQ. The Selection~~ Committee either individually or as a group at any point in the evaluation may contact some or all references recommended by the proposer. The Committee may use the information gained during the reference checks in the evaluation. The Committee may ask questions or request additional information from any proposer.

3.2.12. Request for Proposals (RFP). ~~A RFP shall be prepared for each project and approved by the Chief Engineer.~~ **Short-List.** *The Committee shall determine those deemed fully qualified and suitable with respect to the criteria established for the project. The Committee shall then select (short list) three to five proposers to receive the RFP. The short list may have less than three proposers to receive the RFP if there are less than three responses to the RFQ.*

3.2.13. Basis for Denial of Prequalification. *A proposer may be denied prequalification only as specified under Virginia Code § 2.2-4317, but the short list shall also be based upon the RFQ criteria.*

3.2.14. Notice of Prequalification Status. *At least 30 days prior to the date established for the submission of proposals, HRSD shall advise in writing each proposer which sought prequalification whether that proposer has been prequalified. Prequalified proposers that are not selected for the short list shall*

COMMISSION ADOPTED POLICY
Procurement Policy – Appendix AF-1
Design-Build Contracting



Adopted: December 16, 2014

Revised: ~~June 25, 2024~~ July 22, 2025

Page 7 of 13

likewise be provided the reasons for such decision. In the event that a proposer is denied prequalification, the written notification to such proposer shall state the reasons for such denial of prequalification and the factual basis of such reasons.

3.3. Selection of a Design-Builder (Step 2).

3.3.1. Request for Proposals. *HRSD shall prepare an RFP and send to the firms on the short list and request submission of formal proposals. The RFP must be approved by the Chief Engineer. In selecting the design builder, HRSD may consider the experience of each design-builder on comparable design-build projects. The criteria for award shall be included in the RFP. The RFP shall provide further details not described in the RFQ and shall include the factors to be used in evaluating each proposal. The RFP shall also include details regarding the project quality and performance requirements, conceptual design documents and information regarding the proposer's Contract Cost Limit (CCL) to determine the best value in response to the RFP. The RFP shall also advise whether responses may be submitted electronically and/or via paper response.*

~~**2.1.2. Technical Proposals.** The Selection Committee shall initially request a technical proposal from those firms that were short-listed. The technical proposals shall provide the information requested in the RFP. Firms submitting a technical proposal shall provide the electronic document by the date and time listed in the RFP.~~

3.3.2. Opening Contacts from Proposers. *The RFP shall provide notice to prospective proposers that they may submit comments and questions regarding the RFP, including specifications, in writing, to the contact person identified in the RFP. Responses to the comments and questions which are relevant to the work will be documented and addenda will be issued to all proposers who have received the RFP. Comments and questions submitted to any individual at HRSD that is not the identified contact person shall not receive a response.*

3.3.3. Bifurcated Proposal Evaluation. *The RFP process shall include a separate technical proposal evaluation stage and a cost proposal evaluation stage requiring that the proposals consist of two parts - a Technical Proposal and a Cost Proposal. Both the Technical and Cost Proposals shall be concurrently submitted but separately sealed. The Cost Proposal will include a (CCL) based on the project scope of work and other information provided in the RFP and any subsequent changes to the RFP. The Committee may waive minor informalities in a both the Technical Proposal and the Cost Proposal but shall*

COMMISSION ADOPTED POLICY
Procurement Policy – Appendix AF-1
Design-Build Contracting



Adopted: December 16, 2014

Revised: ~~June 25, 2024~~ July 22, 2025

Page 8 of 13

eliminate from further consideration any Proposer determined to be non-responsive or deemed not fully qualified, responsible, or suitable. Proposer shall submit its Proposal no later than the time and date the RFP states is the deadline for submittal. Failure to submit a Proposal prior to the due date and time will be cause for rejection by HRSD.

- 3.3.1. **Receipt of Technical Proposals.** *Sealed Technical Proposals shall be submitted to the Committee.* The Chief Engineer or his/her designee shall *receive and* document the receipt of the technical proposals at the specified time and place. ~~Technical proposals not received~~
- 3.3.2. **Receipt of Cost Proposals.** *Sealed Cost Proposals shall be submitted to the HRSD Contract Specialist who shall document the receipt of the Cost Proposal at the specified time* ~~will not be considered~~ *and place and who shall secure and keep the Cost Proposal sealed until evaluation of the Technical Proposals and the design adjustments are completed.*
- 3.3.3. **Preliminary Evaluation of Technical Proposals.** The Committee shall review each Technical Proposal to first determine whether the proposals are responsive to the requirements of the RFP. The Committee shall then evaluate and document (score) the Technical Proposal from the short-listed proposers based on an evaluation plan specified in the RFP. The Committee shall keep confidential a preliminary ranking of the Technical Proposals. The Committee may cancel or reject any and all Technical Proposals. *The Chief Engineer shall prepare a report documenting the reasons for the cancellation or rejection.* ~~technical proposals. The Chief Engineer shall prepare a report documenting the reasons for the cancellation or rejection. The Selection~~ The Committee may waive informalities in the technical ~~proposals~~ *proposal*.
- 3.3.4. **Conferences During Preliminary Evaluation.** The Committee may hold a question-and-answer conference with any or all proposers to clarify or verify the contents of a Technical Proposal. The conference may be in person or by telephone. Each proposer shall be allotted the same fixed amount of time for any conference held as part of the selection. Proposers shall be encouraged to elaborate on their qualifications, proposed services, relevant experience and details of the Technical Proposal for the project. Proprietary information from competing proposers shall not be disclosed to the public or to competitors.
- 3.3.5. **Changes to RFP.** Based upon a review of the Technical Proposal and discussions with each short-listed proposer, the Committee shall determine whether any changes to the RFP should be made to clarify errors, omissions or ambiguities or to incorporate project improvements or additional details. If

COMMISSION ADOPTED POLICY
Procurement Policy – Appendix AF-1
Design-Build Contracting



Adopted: December 16, 2014

Revised: ~~June 25, 2024~~ July 22, 2025

Page 9 of 13

such changes are required, an addendum shall be provided to each proposer. If addenda are issued by the Committee, proposers will be given an opportunity to revise their Technical Proposals.

- 3.3.6. **Final Evaluation of Technical Proposals.** At the conclusion of the Technical Proposal evaluation stage, the *Committee shall evaluate (and rank if technical rankings are to be considered as a criterion for award) the technical proposals. The* Committee will meet to discuss each ~~proposer. Technical Proposal based upon the criteria contained in the RFP.~~ After the discussion ~~is completed~~, each team member will be given an opportunity to adjust their score. The Committee shall document and keep confidential a final ranking of the Technical Proposals. *Should the Committee determine, in writing and at its sole discretion, that only one proposer is fully qualified or that one proposer is clearly more highly qualified than the others under consideration, a contract may be negotiated and awarded to that proposer after approval by the Commission.* This documentation shall occur before any Cost Proposals are ~~received~~ reviewed by HRSD. *Otherwise, the Committee shall evaluate the Cost Proposals.*
- 3.3.7. ~~**Price Proposals.** The Selection Committee shall request a price proposal from those firms short-listed during the price proposal evaluation stage. The price proposal shall provide the information requested in the RFP including any and all addendums. The price proposal will include a (CCL) based on the project scope of work and other information provided in the RFP and any subsequent changes to the RFP. Firms submitting a price proposal shall provide the requested information by the date and time listed in the RFP. For Construction Management contracts, price~~**Evaluation of Cost Proposals.** *The HRSD Contract Specialist shall provide the Cost Proposals to the Chief Engineer. The Committee shall open the Cost Proposals, review the Cost Proposals, and apply the criteria for award as specified in the RFP and any addenda. Price* shall be a critical basis for award of the contract. Unless approved by the Commission in advance of issuance of the Public Notice, the price component for selection of a design-builder shall be a significant portion of the weighted score. *The Committee shall document and keep confidential the results of each Cost Proposal.*
- 3.3.8. ~~**Opening of Price Proposals.** The Chief Engineer or his/her designee shall open and document receipt of the price proposals at the specified time and place. Price proposals not received at the specified time will not be considered.~~**Evaluation of Price Proposals.** ~~The Selection Committee shall review each price proposal to determine whether the proposals are responsive to the requirements of the RFP and any and all addenda. The~~

COMMISSION ADOPTED POLICY
Procurement Policy – Appendix AF-1
Design-Build Contracting



Adopted: December 16, 2014

Revised: ~~June 25, 2024~~ July 22, 2025

Page 10 of 13

~~Selection Committee shall document and keep confidential the results of each price proposal.~~ **Final Evaluation and Recommendation to Award a Contract.** ~~The Selection~~ *The contract shall be awarded to the proposer who is fully qualified and has been determined to have provided the best value in response to the RFP. The* Committee Chair shall tabulate the Technical and Cost proposal scores as listed in the RFP to determine the recommended firm. The Committee shall prepare a report documenting the process, summarizing the results and ~~recommending the~~ *making its recommendation on the selection of a design-builder to the Chief Engineer based on its evaluations of the Technical and Cost Proposals and all amendments thereto.*

~~3.3.8.~~ **3.3.9. Contract Negotiation.** Upon concurrence with the recommendation of the Committee, the Chief Engineer or his/her designee shall negotiate a contract with the recommended firm. Otherwise, the Chief Engineer or his/her designee shall formally terminate negotiations with the proposer ranked first and shall negotiate with the proposer ranked second, and so on, until a satisfactory agreement can be negotiated. The Chief Engineer shall inform the General Manager/Chief Executive Officer of the results of the negotiation. The General Manager/Chief Executive Officer shall receive Commission approval of award to the recommended firm. The Commission may cancel or reject any and all proposals.

~~3.3.9.~~ **3.3.10. Award of Design-Build Contract.** Upon approval by the Commission, the Chief Engineer shall forward all contract, bond and insurance forms to the selected firm for signature. The contract shall be prepared using the standard HRSD format approved by the Chief Engineer and reviewed by the HRSD attorney.

3.3.11. Notification of Award. *HRSD will notify all proposers who submitted proposals which proposer was selected for the project. In the alternative, HRSD may notify all proposers who submitted proposals of HRSD's intent to award the contract to a particular proposer at any time after the Commission has approved the award to the design-builder. When the terms and conditions of multiple awards are so provided in the RFP, awards may be made to more than one proposer.*

~~3.3.10.~~ **3.3.12. Inspection of Proposals.** Any proposer may inspect the proposal documents after opening of the price proposals but prior to award of the contract. All records, subject to public disclosure under the Virginia Freedom of Information Act, shall be open to public inspection only after award of the contract. *Upon request, documentation of the process used for the final selection shall be made available to the unsuccessful proposers.*

COMMISSION ADOPTED POLICY
Procurement Policy – Appendix AF-1
Design-Build Contracting



Adopted: December 16, 2014

Revised: ~~June 25, 2024~~ July 22, 2025

Page 11 of 13

~~**Emergency Procurement.** A contract for design build or construction management services may be negotiated and awarded without competitive negotiation if the General Manager/Chief Executive Officer determines there is an emergency. The procurement of these services will be made using as much competition as practical under the circumstances. The Chief Engineer shall submit a report documenting the basis of the emergency and the selection of the particular firm. The Chief Engineer shall prepare a notice stating the contract is being awarded on an emergency basis and identifying what is being procured, the firm selected and the date the contract was or will be awarded. The notice shall be placed on the HRSD Internet website on the day HRSD awards or announces its decision to award, whichever comes first or as soon thereafter as practical.~~

3.4. Procedures After the Award.

3.4.1. Notification of Subcontractor Bid Package Advertisement. *HRSD may post on eVA or HRSD's website when and where the design-builder plans to advertise bid packages for subcontracting opportunities when appropriate.*

3.4.2. Freedom of Information Act and Access to Documents. *As required by Chapter 43.1, HRSD shall post all documents open to public inspection pursuant to Virginia Code § 2.2-4342 that are issued or received by the HRSD on HRSD's website or eVA.*

3.4.3. Proposal Compensation. Proposal Compensation on designated design-build procurement efforts *will be provided to* short-listed firms that are not selected but have fully complied with all aspects of the RFQ and RFP may be provided proposal compensation (stipend) under certain conditions. The value of the proposal compensation will be determined on a case-by-case basis. Commission approval shall be required when the recommended amount exceeds \$200,000 for any single payment.

3.4.4. Procedure for Changes to Design-Build Contracts

All changes to the Contract shall be by a formal Change Order as mutually agreed to by the firm and HRSD. The method of making such changes and any limits shall be in accordance with the Contract Documents. Change Orders shall be negotiated by HRSD staff and such actions reported to the Chief Engineer with recommendations for approval. Change Orders exceeding \$50,000 or 25% of the original contract amount, whichever is greater, shall be submitted to the Commission for approval prior to authorization. All Change Orders shall be executed by the firm and the Chief Engineer or his/her designee.

COMMISSION ADOPTED POLICY
Procurement Policy – Appendix AF-1
Design-Build Contracting



Adopted: December 16, 2014

Revised: ~~June 25, 2024~~ July 22, 2025

Page 12 of 13

Extra work by the firm may be authorized by a written Work Change Directive within limits of authorization provided above with later inclusion in the Contract by formal Change Order.

In case of disputes as to the value of extra work, HRSD, within the limits of authorization provided above, may issue a directive in accordance with the Contract Documents to proceed with the work so as to not impede the progress and cause unnecessary delay and expense to the parties involved. The directive shall acknowledge the dispute by the firm, and the dispute shall be resolved at a later date.

3.4.5. Procedure for Progress Payments

Progress payments shall be paid in accordance with the Contract Documents. Requests for progress payments shall be prepared by the firm and approved by HRSD staff and the Chief Engineer. Requests for progress payments shall generally be submitted to HRSD on a monthly basis with payments by HRSD to the firm within the period of time specified in the Contract Documents.

Progress payments shall be based on unit prices, schedules of values, and other agreed-upon specified basis. Each progress payment shall represent the amount of completed work and materials on site to be incorporated into the work as accepted and approved, less the specified retainage and less previous payments. Payment for materials on site shall be in accordance with the Contract Documents.

Progress payments may be reduced or withheld in accordance with the Contract Documents. Retainage may be reduced or increased in accordance with the Contract Documents.

3.4.6. Procedure for Final Payments

Final acceptance, payment, and release of claims shall be in accordance with the Contract Documents. Requests for final payments shall be prepared by the firm, certified and approved by HRSD staff and approved by the Chief Engineer.

4.0 Emergency Procurement.

A contract for design-build services may be negotiated and awarded without competitive negotiation if the General Manager/Chief Executive Officer determines there is an emergency. The procurement of these services will be made using as

COMMISSION ADOPTED POLICY
Procurement Policy – Appendix AF-1
Design-Build Contracting



Adopted: December 16, 2014

Revised: ~~June 25, 2024~~ July 22, 2025

Page 13 of 13

much competition as practical under the circumstances. The Chief Engineer shall submit a report documenting the basis of the emergency and the selection of the particular firm. The Chief Engineer shall prepare a notice stating the contract is being awarded on an emergency basis and identifying what is being procured, the firm selected and the date the contract was or will be awarded. The notice shall be placed on the HRSD Internet website on the day HRSD awards or announces its decision to award, whichever comes first or as soon thereafter as practical.

5.0 Reporting requirements.

- 5.1. *HRSD shall report no later than November 1 of each year to the Director of the Commonwealth's Department of General Services on all completed capital projects in excess of \$2 million.*
- 5.2. *The report shall include at a minimum (i) the procurement method utilized, (ii) the project budget, (iii) the actual project cost, (iv) the expected timeline, (v) the actual completion time, (vi) if such project was a construction management or design-build project, the qualifications that made the project complex, and (vii) any post-project issues.*

6.0 Exceptions to this Policy.

The request for any exception to the procedures outlined in this Policy shall be reviewed by HRSD's attorney prior to submission to the Commission.

7.0 Responsibility and Authority.

~~Under the direction of the~~ The Chief Engineer, shall be responsible for overall development, management and implementation of this policy.

Legislative References: Code of Virginia §§ 2.2-4300-2.2-4383; Design-Build Procedures Adopted by the Secretary of Administration (effective December 17, 2024), attached as Exhibit to A-1.

COMMISSION ADOPTED POLICY
Procurement Policy – Appendix AF-2
Construction Management Contracting



Adopted: December 16, 2014

Revised: ~~June 25, 2024~~ July 22, 2025

Page 1 of 15

1.0 Purpose and Need.

~~Design-build and construction management contracting methods provide opportunity for HRSD to contract for specific projects where traditional design-bid-build may not be in the best interest of HRSD. These non-traditional procurement methods shall only be used in accordance with this policy.~~ **Procedures** While the project delivery method utilizing competitive sealed bid process remains bidding is the preferred and the default method of construction procurement for HRSD, a contract for construction on a design-build fixed price or on a construction management basis may be used, provided a written determination made in advance is approved by the Commission which sets forth that construction contracts. However, competitive sealed bidding is either not always practicable or not nor fiscally advantageous. **Criteria for Use of Design-Build Contracts — Design-Build contracts are intended to minimize for complex construction projects. In these cases, the construction management contracting method may better meet the needs of HRSD because it permits the project risk early selection of a construction manager or because value engineering and to reduce the delivery schedule by overlapping the design phase and construction phase of a project. /or constructability analysis is desired.**

~~Criteria for Use of~~ Pursuant to the Virginia Public Procurement Act, Virginia Code §§ 2.2-4300, et seq. (VPPA) and Virginia Code Title 2.2 Chapter 43.1 (§§ 2.2-4378, et seq.) (Chapter 43.1) and consistent with the guidance adopted by the Virginia Secretary of Administration, the Commission, an authorized public body as defined by Virginia Code § 2.2-4301, has, by resolution, adopted the following procedures (Procedures) for utilizing, when appropriate, construction management contracts for projects. The provisions of the VPPA shall remain applicable. In the event of any conflict between Chapter 43.1 and the VPPA, Chapter 43.1 shall control.

2.0 Definitions.

- 2.1. “Complex project” means a construction project that includes one or more of the following significant components: difficult site location, unique equipment, specialized building systems, multifaceted program, accelerated schedule, historic designation, or intricate phasing or some other aspect that makes the design-bid-build project delivery method not practical.
- 2.2. “Construction management contract” means a contract in which a firm is retained by the owner to coordinate and administer contracts for construction services for

COMMISSION ADOPTED POLICY
Procurement Policy – Appendix AF-2
Construction Management Contracting



Adopted: December 16, 2014

Revised: ~~June 25, 2024~~ July 22, 2025

Page 2 of 15

the benefit of the owner and may also include, if provided in the contract, the furnishing of construction services to the owner.

~~2.1.~~2.3. *"Design-bid-build" means a project delivery method in which a public body sequentially awards two separate contracts, the first for professional services to design the project and the second utilizing competitive sealed bidding for construction of the project according to the design.*

COMMISSION ADOPTED POLICY
Procurement Policy – Appendix AF-2
Construction Management Contracting



Adopted: December 16, 2014

Revised: ~~June 25, 2024~~ July 22, 2025

Page 3 of 15

3.0 Procedure for Construction Management Contracts

3.1 Criteria for Use of Construction Management as a Construction Delivery Method

3.1.1. General. Construction management procurement shall include a two-step competitive negotiation process consistent with Chapter 43.1 and the Construction Management Procedures As Adopted by the Secretary of Administration (effective December 17, 2024) for state public bodies. Construction management contracts may be ~~approved for use on projects where the project complexity will benefit from the early selection of a construction manager or when value engineering and/or constructability analysis is desirable.~~ Construction management may be utilized on projects where the project ~~cost is expected to be less than the project cost threshold established in the procedures adopted by the Secretary of Administration for utilizing construction management contracts, provided that~~ (i) the project is a complex project; and (ii) the project procurement method is approved by the Commission. ~~The written approval of the Commission shall be maintained in the procurement file.~~ Construction management contracts shall be awarded on a fixed price or not-to-exceed price basis.

3.1.2. Virginia Licensed Engineer. Public bodies using construction management procurement must have Virginia-licensed engineers or architects in their employ or under their control. HRSD has in its employ or under its control or will retain as necessary such Virginia-licensed engineers with the professional competence to advise HRSD regarding use of construction management for a specified construction project. These Virginia-licensed engineers will assist HRSD with preparation of the Request for Qualifications (RFQ), Request for Proposal (RFP), and evaluation of proposals received in response to the RFQ and RFP.

Written Recommendation to Use Construction Management. In advance of initiating a construction management procurement, the Chief Engineer, or his or her designee, shall prepare a written report explaining the basis for the Chief Engineer's recommendation to utilize construction management for a specific project. The report shall include a determination of the project's complexity, and explain why, for the

~~3.1.2.3.1.3. **General.** The Chief Engineer shall prepare a report documenting in writing that for a specific construction project, (i) a construction management contract is more advantageous than a competitive sealed design-bid-build construction contract; (ii) why there is a benefit to HRSD by using a~~

COMMISSION ADOPTED POLICY
Procurement Policy – Appendix AF-2
Construction Management Contracting



Adopted: December 16, 2014

Revised: ~~June 25, 2024~~ July 22, 2025

Page 4 of 15

construction management contract; and (iii) ~~why~~ competitive sealed bidding is not practical or fiscally advantageous; ~~and (iv) these justifications shall be stated in the Request for Qualifications.~~ This report shall be submitted to the General Manager/Chief Executive Officer for approval. *If the General Manager/Chief Executive Officer approves the recommendation, it shall be submitted to the Commission.*

~~3.1.3. Construction Management projects involve retaining a firm to coordinate and administer contracts for construction services and may also include, if provided in the contract, the direct furnishing of construction services. Construction Management services shall be awarded and initiated no later than the completion of the Schematic Phase of design.~~

~~3.1.4. **Design-Build and Construction Management Firms.** The Director of Engineering shall obtain qualified Design-Build and Construction Management firms to provide needed services. A list of firms shall be accumulated through solicitation and other methods.~~ **Commission Determination.** *If the Commission accepts the recommendation to pursue a construction management procurement model, it shall adopt the Chief Engineer's report or draft its own written determination stating that the design-bid-build project delivery method is not practicable or fiscally advantageous and documenting the basis for the determination to utilize construction management, including the determination of the project's complexity. The determination shall be included in the RFQ and be maintained in the procurement file.*

3.1.5. Proprietary Information. *Proposers shall be allowed to clearly designate portions of their submissions as trade secrets or proprietary information pursuant to Virginia Code § 2.2-4342. HRSD will take reasonable measures to safeguard from unauthorized disclosure such information properly designated as such, to the extent permitted by law.*

3.2. Selection of Qualified Proposers. (Step 1)

3.2.1. Pre-qualification. *HRSD shall conduct a prequalification process to determine which construction management firms are qualified to receive the Request for Proposals. The list of firms shall include Small businesses and businesses owned by Women, Minorities, Military families, Service-Disabled Veterans, and Employment Services Organizations, as such terms are defined in § 2.2-4310(F)*~~small, women-owned, minority-owned or service-disabled veteran-~~

COMMISSION ADOPTED POLICY
Procurement Policy – Appendix AF-2
Construction Management Contracting



Adopted: December 16, 2014

Revised: ~~June 25, 2024~~ July 22, 2025

Page 5 of 15

~~owned businesses.~~ All proposers shall have a licensed Class "A" contractor registered in Virginia as part of the project team.

3.2.2. Request for Qualification (Content of RFQ). HRSD shall ~~be prepared for each project and approved by the Chief Engineer. The RFQ shall state the criteria and goals of the project, the~~ prepare an RFQ that states the time and place for receipt of qualifications, the ~~factors to be used in evaluating qualifications, the~~ contractual terms and conditions, ~~the criteria and goals of the project, the Commission's facility requirements, the building and site criteria, site and survey data (if applicable),~~ any unique capabilities or qualifications required of the contractor, any project specific requirements for the particular project, ~~the criteria to be used to evaluate RFQ responses, and other relevant information.~~

~~3.2.2.~~ **3.2.3.** The RFQ ~~must be approved by the Chief Engineer and~~ shall normally consist of the following sections unless modified by the Chief Engineer:

Cover Sheet

I. Introduction and/or Background

II. Instructions to Proposers

III. Scope of Work

IV. Tentative Procurement Schedule

V. Attachments

3.2.4. Method of Submission of Responses. HRSD will include in the RFQ if responses may be submitted electronically and/or via paper response.

3.2.5. Evaluation Committee. The Chief Engineer shall appoint an Evaluation Committee ("Committee") which shall consist of at least three staff members of the HRSD, including a licensed professional engineer or architect. If possible, the Committee shall include a licensed design professional. The members of the Committee shall have experience relevant to the project, with backgrounds in such areas as design, construction, contracts, project management operations, and maintenance. HRSD shall consult with its attorney to determine whether legal counsel should be involved.

~~3.2.3.~~ **3.2.6. Public Notice.** At least 30 days prior to the date set for receipt of qualification proposals, public notice of the RFQ ("Public Notice ~~of the RFQ~~") shall be posted, ~~at least ten (10) business days prior to receipt of proposals for design-build or construction management services~~ on the HRSD website. ~~For Construction management services, the Public Notice shall also be~~

COMMISSION ADOPTED POLICY
Procurement Policy – Appendix AF-2
Construction Management Contracting



Adopted: December 16, 2014

Revised: ~~June 25, 2024~~ July 22, 2025

Page 6 of 15

~~published on the Commonwealth of Virginia's and/or the Virginia Department of General Services~~ central electronic procurement website, ~~known as~~ ("eVA, at least thirty (30) days prior to"). ~~HRSD shall send the date set for receipt of qualification proposals. The Public Notice shall be sent directly to firms that have requested to be notified of work and may be sent to those firms believed to be qualified to perform the work. The Public Notice shall also be sent directly to organizations promoting Small businesses and businesses owned by Women, Minorities, Military families, Service-Disabled Veterans, and Employment Services Organizations, as such terms are defined in § 2.2-4310(F) small, women-owned, minority-owned and service-disabled veteran-owned businesses and to similar businesses that have requested to be notified and/or are believed to be qualified to perform the work. HRSD may send Public Notice to those firms believed to be qualified to perform the work.~~ An affidavit shall be placed in the project file certifying the advertising date and method.

~~3.2.4.3.2.7. Contacts by Proposers. Proposers~~ The RFQ shall provide notice to prospective proposers that they may ~~contact only the HRSD representative designated in the RFQ related to submit comments and questions pertaining regarding the RFQ, in writing, to the project. contact person identified in the RFQ.~~ Responses to ~~these the comments and~~ questions which are relevant to the work will be documented and addenda will be ~~issued to all proposers who have requested a copy of the RFQ.~~ **Selection Committee.** A Selection Committee shall evaluate the Statements of Qualifications (SOQ) and short-list proposers for further consideration. The Selection Committee ~~posted in the same place and manner as the Public Notice.~~ Comments and questions submitted to any individual at HRSD that is not the identified contact person shall ~~consist of at least three (3) qualified HRSD staff members appointed by the Chief Engineer. The members of the Selection Committee shall have experience relevant to the project, with backgrounds in such areas as design, construction, contracts, project management and operations/maintenance~~ not receive a response.

~~3.1.4. Statements of Qualifications. The Selection Committee shall request a SOQ from any firm desiring consideration. The SOQ shall provide the information requested in the RFQ. Firms submitting a SOQ shall provide the electronic document by the date and time listed in the RFQ.~~

~~3.2.5.3.2.8. Pre-Proposal Conference. A pre-proposal conference may be held for complex or large projects~~ to ensure clarity, review potential problems with the Scope of Work, and answer questions related to the project. Attendance at the pre-proposal conference may be optional or mandatory as specified in the

COMMISSION ADOPTED POLICY
Procurement Policy – Appendix AF-2
Construction Management Contracting



Adopted: December 16, 2014

Revised: ~~June 25, 2024~~ July 22, 2025

Page 7 of 15

RFQ. If attendance is mandatory, ~~SOQ's shall be considered only~~ *HRSD will not consider Statements of Qualification (SOQ) from those firms who attended that did not attend the pre-proposal conference and met or did not meet the RFQ requirements listed in the RFQ related to the pre-proposal conference.*

~~3.2.6.~~ **3.2.9. Opening of Statement of Qualifications.** ~~The Chief Engineer or his/her designee shall document receipt of the SOQ's~~ *SOQs at the specified time and place. SOQ's Any firm desiring consideration must submit an SOQ no later than the time and date the RFQ states is the deadline for submittal. SOQs not received at the specified time will not be considered.*

~~3.2.7.~~ **3.2.10. Changes to the RFQ.** *The Committee shall determine whether any changes to the RFQ should be made to clarify errors, omissions or ambiguities or to incorporate project improvements or additional details. If such changes are required, an addendum shall be issued.*

3.2.11. Evaluation of Statement of Qualifications ~~– (Short List Step) –~~. *The Committee shall evaluate the SOQs. The Committee may waive minor informalities in a SOQ but shall eliminate from further consideration any proposer determined to be non-responsive or deemed not fully qualified, responsible or suitable. Prior construction-management experience or previous experience with HRSD shall not be required* ~~considered~~ *as a prerequisite or factor for consideration or award* ~~prequalification~~ *of a contract. However, in the selection* ~~Committee shall evaluate a proposer's experience for a period of a contractor, ten prior years to determine whether the selection committee may consider the experience offeror has constructed, by any method of each contractor on comparable project delivery, at least three projects similar in program and size.~~

3.2.12. Reference Check and Other Information. *The Committee either individually or as a group at any point in the evaluation may contact some or all references recommended by the proposer. The Committee may use the information gained during the reference checks in the evaluation. The Committee may ask questions or request additional information from any proposer.*

3.2.13. Short List. *The Committee shall determine those deemed fully qualified and suitable with respect to the criteria established for the project. The Committee shall then select (short list) two (2) or more responsive* ~~three to five~~ *proposers based on the SOQ submitted in response to receive the RFP. The short list*

COMMISSION ADOPTED POLICY
Procurement Policy – Appendix AF-2
Construction Management Contracting



Adopted: December 16, 2014

Revised: ~~June 25, 2024~~ July 22, 2025

Page 8 of 15

may have less than three proposers if there are less than three responses to the RFQ.

3.2.14. Basis for Denial of Prequalification. *A proposer may be denied prequalification only as specified under Virginia Code § 2.2-4317, but the short list shall also be based upon the RFQ criteria.*

~~3.2.8.~~ **3.2.15. Reference Check and Other Information.** *The Committee either individually or as a group at any point in the evaluation may contact some or all references recommended by the proposer. The ~~Selection~~ Committee may use the information gained during the reference checks in the evaluation. The ~~Selection~~ Committee may ask questions or request additional information from any proposer.*

3.2.16. Notice of Prequalification Status. *At least 30 days prior to the date established for the submission of proposals, HRSD shall advise in writing each proposer which sought prequalification whether that proposer has been prequalified. Prequalified proposers that are not selected for the short list shall likewise be provided the reasons for such decision. In the event that a proposer is denied prequalification, the written notification to such proposer shall state the reasons for such denial of prequalification and the factual basis of such reasons.*

3.3. Selection of a Construction Manager. (Step 2)

3.3.1. Request for Proposals. *HRSD shall prepare an RFP. ~~A RFP shall be prepared for each project~~ and approved by the Chief Engineer. ~~The RFP shall be sent the RFP to the firms on the short list.~~ The RFP shall provide further details not described in the RFQ and shall include the factors to be used in evaluating each proposal. ~~For Design-Build contracts, the RFP shall include details regarding the project quality and performance requirements, conceptual design documents and information regarding the proposer's Contract Cost Limit (CCL) to determine the best value in response to the RFP. For Construction Management contracts, the RFP shall define the allowable level of direct construction involvement by the proposer.~~ ~~The RFP shall~~ describe details regarding the proposer's CCL and define the pre-design, design, bid and construction phase services required. ~~The Construction Management firm will procure the subcontractors services by publicly advertising and~~ ~~The RFP shall define the allowable level of direct construction involvement by the proposer. In the case of a non-infrastructure project, the allowable level of direct construction involvement by the proposer shall be~~*

COMMISSION ADOPTED POLICY
Procurement Policy – Appendix AF-2
Construction Management Contracting



Adopted: December 16, 2014

Revised: ~~June 25, 2024~~ July 22, 2025

Page 9 of 15

defined as no more than 10% of the construction work as measured by the cost of work with the remaining 90% to be performed by the construction manager's subcontractors. In all construction management contracts, the construction manager will procure the subcontractors' services by publicly advertised competitive sealed bidding to the maximum extent practicable. Documentation shall be placed in the file detailing the reasons any work is not procured by publicly advertised competitive sealed bidding. ~~The RFP process shall include a separate technical proposal evaluation stage and a price proposal evaluation stage.~~

3.3.2. Method of Submission of Proposals. The RFP shall ~~initially request~~ *also advise whether responses may be submitted electronically and/or via paper response.*

3.3.3. Contacts from Proposers. *The RFP shall provide notice to prospective proposers that they may submit comments and questions regarding the RFP, including specifications, in writing, to the contact person identified in the RFP. Responses to the comments and questions which are relevant to the work will be documented and addenda will be issued to all proposers who have received the RFP. Comments and questions submitted to any individual at HRSD that is not the identified contact person shall not receive a ~~technical~~ response.*

~~3.3.2.~~ **3.3.4. Bifurcated Proposal Evaluation.** *The RFP process shall include a separate Technical Proposal ~~from those firms that were short-listed. The technical~~ evaluation stage and a Cost Proposal evaluation stage requiring that the proposals ~~shall provide the~~ consist of two parts - a Technical Proposal and a Cost Proposal. Both the Technical and Cost Proposals shall be concurrently submitted but separately sealed. The Cost Proposal will include a (CCL) based on the project scope of work and other information ~~requested in the RFP. Firms submitting a technical proposal shall provide the electronic document by the date and provided in the RFP and any subsequent changes to the RFP.~~ The Committee may waive minor informalities in both the Technical Proposal and the Cost Proposal but shall eliminate from further consideration any proposer determined to be non-responsive or deemed not fully qualified, responsible, or suitable. Proposer shall submit its proposals no later than the time ~~listed in the RFP~~ and date the RFP states is the deadline for submittal. Failure to submit proposals prior to the due date and time will be cause for rejection by HRSD.*

3.3.5. Receipt of Technical Proposals. *Sealed Technical Proposals shall be submitted to the Committee. The Chief Engineer or his or her designee shall*

COMMISSION ADOPTED POLICY
Procurement Policy – Appendix AF-2
Construction Management Contracting



Adopted: December 16, 2014

Revised: ~~June 25, 2024~~ July 22, 2025

Page 10 of 15

receive and document the receipt of the Technical Proposals at the specified time and place. ~~Technical proposals not received~~

~~3.3.3.3.3.6.~~ **Receipt of Cost Proposals.** *Sealed Cost Proposals shall be submitted to the HRSD Contract Specialist who shall document the receipt of the Cost Proposal at the specified time and place and who shall secure and keep the Cost Proposal sealed until evaluation of the Technical Proposals and the design adjustments are completed.*

~~3.3.4.3.3.7.~~ **Preliminary Evaluation of Technical Proposals.** The Committee shall review each Technical Proposal to first determine whether the proposals are responsive to the requirements of the RFP. The Committee shall then evaluate and document (score) the Technical Proposal from the short-listed proposers based on an evaluation plan specified in the RFP. The Committee shall keep confidential a preliminary ranking of the Technical Proposals. The Committee may cancel or reject any and all Technical Proposals. *The Chief Engineer shall prepare a report documenting the reasons for the cancellation or rejection. technical proposals. The Chief Engineer shall prepare a report documenting the reasons for the cancellation or rejection.* The Committee may waive informalities in the Technical Proposal.

~~3.3.5.3.3.8.~~ **Conferences During Preliminary Evaluation.** The Committee may hold a question-and-answer conference with any or all proposers to clarify or verify the contents of a Technical Proposal. The conference may be in person or by telephone. Each proposer shall be allotted the same fixed amount of time for any conference held as part of the selection. Proposers shall be encouraged to elaborate on their qualifications, proposed services, relevant experience and details of the Technical Proposal for the project. Proprietary information from competing proposers shall not be disclosed to the public or to competitors.

~~3.3.6.3.3.9.~~ **Changes to RFP.** Based upon a review of the Technical Proposal and discussions with each short-listed proposer, the Committee shall determine whether any changes to the RFP should be made to clarify errors, omissions or ambiguities or to incorporate project improvements or additional details. If such changes are required, an addendum shall be provided to each proposer. If addenda are issued by the Committee, proposers will be given an opportunity to revise their Technical Proposals.

~~3.3.7.3.3.10.~~ **Final Evaluation of Technical Proposals.** At the conclusion of the Technical Proposal evaluation stage, the *Committee shall evaluate (and rank if technical rankings are to be considered as a criterion for award) the Technical Proposals.* The Committee will meet to discuss each Technical Proposal *based*

COMMISSION ADOPTED POLICY
Procurement Policy – Appendix AF-2
Construction Management Contracting



Adopted: December 16, 2014

Revised: ~~June 25, 2024~~ July 22, 2025

Page 11 of 15

upon the criteria contained in the RFP. After the discussion ~~is completed~~, each team member will be given an opportunity to adjust their score. The Committee shall document and keep confidential a final ranking of the Technical Proposals. *Should the Committee determine, in writing and at its sole discretion, that only one proposer is fully qualified or that one proposer is clearly more highly qualified than the others under consideration, a contract may be negotiated and awarded to that proposer after approval by the Commission.* This documentation shall occur before any Cost Proposals are ~~received~~ reviewed by HRSD. *Otherwise, the Committee shall evaluate the Cost Proposals.*

~~3.3.8.3.3.11. Price Proposals. The Selection Committee shall request a price proposal from those firms short-listed during the price proposal evaluation stage. The price proposal shall provide the information requested in the RFP including any and all addendums. The price proposal will include a (CCL) based on the project scope of work and other information provided in the RFP and any subsequent changes to the RFP. Firms submitting a price proposal shall provide the requested information by the date and time listed in the RFP. For Construction Management contracts, price~~**Evaluation of Cost Proposals.** *The HRSD Contract Specialist shall provide the Cost Proposals to the Chief Engineer. The Committee shall open the Cost Proposals, review the Cost Proposals, and apply the criteria for award as specified in the RFP and any addenda. Price shall be a critical basis for award of the contract. Unless approved by the Commission in advance of issuance of the Public Notice, the price component for selection of a contractor shall be a significant portion of the weighted score. The Committee shall document and keep confidential the results of each Cost Proposal.*

~~3.1.5. Opening of Price Proposals. The Chief Engineer or his/her designee shall open and document receipt of the price proposals at the specified time and place. Price proposals not received at the specified time will not be considered.~~

~~3.1.6. Evaluation of Price Proposals. The Selection Committee shall review each price proposal to determine whether the proposals are responsive to the requirements of the RFP and any and all addenda. The Selection Committee shall document and keep confidential the results of each price proposal.~~

~~3.3.9.3.3.12. Final Evaluation and Recommendation to Award a Contract.~~ *The contract shall be awarded to the proposer who is fully qualified and has been*

COMMISSION ADOPTED POLICY
Procurement Policy – Appendix AF-2
Construction Management Contracting



Adopted: December 16, 2014

Revised: ~~June 25, 2024~~ July 22, 2025

Page 12 of 15

determined to have provided the best value in response to the RFP. In selecting the contractor, HRSD may consider the experience of each contractor on comparable construction management projects. The Committee Chair shall tabulate the Technical and Cost Proposal scores as listed in the RFP to determine the recommended firm. The Committee shall prepare a report documenting the process, summarizing the results and recommending making its recommendation on the selection of a contractor to the Chief Engineer based on its evaluations of the Technical and Cost Proposals and all amendments thereto.

~~3.3.10-3.3.13.~~ **Contract Negotiation.** Upon concurrence with the recommendation of the Committee, the Chief Engineer or his/her designee shall negotiate a contract with the recommended firm. Otherwise, the Chief Engineer or his/her designee shall formally terminate negotiations with the proposer ranked first and shall negotiate with the proposer ranked second, and so on, until a satisfactory agreement can be negotiated. The Chief Engineer shall inform the General Manager/Chief Executive Officer of the results of the negotiation. The General Manager/Chief Executive Officer shall receive Commission approval of award to the recommended firm. The Commission may cancel or reject any and all proposals.

~~3.3.11-3.3.14.~~ **Award of Construction Management Contract.** Upon approval by the Commission, the Chief Engineer shall forward all contract, bond and insurance forms to the selected firm for signature. The contract shall be prepared using the standard HRSD format approved by the Chief Engineer and reviewed by the HRSD attorney. *The contract shall be entered into no later than the completion of the schematic phase of design, unless prohibited by authorization of funding restrictions.*

~~3.3.12-3.3.15.~~ **Notification of Award.** *HRSD will notify all proposers who submitted proposals which proposer was selected for the project. In the alternative, HRSD may notify all proposers who submitted proposals of HRSD's intent to award the contract to a particular proposer at any time after the Commission has approved the award to the contractor. When the terms and conditions of multiple awards are so provided in the RFP, awards may be made to more than one proposer.*

~~3.3.13-3.3.16.~~ **Inspection of Proposals.** Any proposer may inspect the proposal documents after opening of the price proposals but prior to award of the contract. All records, subject to public disclosure under the Virginia Freedom of Information Act, shall be open to public inspection only after award of the

COMMISSION ADOPTED POLICY
Procurement Policy – Appendix AF-2
Construction Management Contracting



Adopted: December 16, 2014

Revised: ~~June 25, 2024~~ July 22, 2025

Page 13 of 15

contract. *Upon request, documentation of the process used for the final selection shall be made available to the unsuccessful proposers.*

~~**Emergency Procurement.** A contract for design-build or construction management services may be negotiated and awarded without competitive negotiation if the General Manager/Chief Executive Officer determines there is an emergency. The procurement of these services will be made using as much competition as practical under the circumstances. The Chief Engineer shall submit a report documenting the basis of the emergency and the selection of the particular firm. The Chief Engineer shall prepare a notice stating the contract is being awarded on an emergency basis and identifying what is being procured, the firm selected and the date the contract was or will be awarded. The notice shall be placed on the HRSD Internet website on the day HRSD awards or announces its decision to award, whichever comes first or as soon thereafter as practical.~~

~~**Proposal Compensation.** Proposal Compensation on designated Design-Build procurement efforts, short-listed firms that are not selected but have fully complied with all aspects of the RFQ and RFP may be provided proposal compensation (stipend) under certain conditions. The value of the proposal compensation will be determined on a case-by-case basis. Commission approval shall be required when the recommended amount exceeds \$200,000 for any single payment.~~ **3.4. Procedures After the Award.**

3.4.1. Notification of Subcontractor Bid Package Advertisement. *HRSD may post on eVA or HRSD's website when and where the construction manager plans to advertise bid packages for subcontracting opportunities when appropriate.*

3.4.2. Freedom of Information Act and Access to Documents. *As required by Chapter 43.1, HRSD shall post all documents open to public inspection pursuant to Virginia Code § 2.2-4342 that are issued or received by the HRSD on HRSD's website or eVA.*

3.4.4. Procedure for Changes to Construction Management Contracts. All changes to the Contract shall be by a formal Change Order as mutually agreed to by the firm and HRSD. The method of making such changes and any limits shall be in accordance with the contract documents. Change Orders shall be negotiated by HRSD staff and such actions reported to the Chief Engineer with recommendations for approval. Change Orders exceeding \$50,000 or 25% of the original contract amount, whichever is greater, shall be submitted to the Commission for approval prior to authorization. All Change Orders shall be executed by the firm and the Chief Engineer or his/her designee.

COMMISSION ADOPTED POLICY
Procurement Policy – Appendix AF-2
Construction Management Contracting



Adopted: December 16, 2014

Revised: ~~June 25, 2024~~ July 22, 2025

Page 14 of 15

Extra work by the firm may be authorized by a written Work Change Directive within limits of authorization provided above with later inclusion in the Contract by formal Change Order.

In case of disputes as to the value of extra work, HRSD, within the limits of authorization provided above, may issue a directive in accordance with the contract documents to proceed with the work so as to not impede the progress and cause unnecessary delay and expense to the parties involved. The directive shall acknowledge the dispute by the firm, and the dispute shall be resolved at a later date.

- 3.4.5. **Procedure for Progress Payments.** Progress payments shall be paid in accordance with the contract documents. Requests for progress payments shall be prepared by the firm and approved by HRSD staff and the Chief Engineer. Requests for progress payments shall generally be submitted to HRSD on a monthly basis with payments by HRSD to the firm within the period of time specified in the contract documents.

Progress payments shall be based on unit prices, schedules of values, and other agreed-upon specified basis. Each progress payment shall represent the amount of completed work and materials on site to be incorporated into the work as accepted and approved, less the specified retainage and less previous payments. Payment for materials on site shall be in accordance with the contract documents.

Progress payments may be reduced or withheld in accordance with the contract documents. Retainage may be reduced or increased in accordance with the contract documents.

- 3.4.6. **Procedure for Final Payments.** Final acceptance, payment, and release of claims shall be in accordance with the contract documents. Requests for final payments shall be prepared by the firm, certified and approved by HRSD staff and approved by the Chief Engineer.

4.0 Emergency Procurement.

A contract for construction management services may be negotiated and awarded without competitive negotiation if the General Manager/Chief Executive Officer determines there is an emergency. The procurement of these services will be made using as much competition as practical under the circumstances. The Chief Engineer shall submit a report documenting the basis of the emergency and the selection of the particular firm. The Chief Engineer shall prepare a notice stating

COMMISSION ADOPTED POLICY
Procurement Policy – Appendix AF-2
Construction Management Contracting



Adopted: December 16, 2014

Revised: ~~June 25, 2024~~ July 22, 2025

Page 15 of 15

the contract is being awarded on an emergency basis and identifying what is being procured, the firm selected and the date the contract was or will be awarded. The notice shall be placed on the HRSD Internet website on the day HRSD awards or announces its decision to award, whichever comes first or as soon thereafter as practical.

5.0 Reporting requirements.

5.1. *HRSD shall report no later than November 1 of each year to the Director of the Commonwealth's Department of General Services on all completed capital projects in excess of \$2 million.*

5.2. *The report shall include at a minimum (i) the procurement method utilized, (ii) the project budget, (iii) the actual project cost, (iv) the expected timeline, (v) the actual completion time, (vi) if such project was a construction management or design-build project, the qualifications that made the project complex, and (vii) any post-project issues.*

6.0 Exceptions to this Policy.

The request for any exception to the procedures outlined in this Policy shall be reviewed by HRSD's attorney prior to submission to the Commission.

7.0 Responsibility and Authority.

~~Under the direction of t~~The Chief Engineer, shall be responsible for overall development, management and implementation of this policy.

Leg Refs: Code of Virginia §§ 2.2-4300-2.2-4383; Construction Management Procedures Adopted by the Secretary of Administration (effective December 17, 2024), attached as Exhibit to F-2.

COMMISSION ADOPTED POLICY
Procurement Policy – Appendix FG
PPEA



Adopted: December 15, 2014

Revised: ~~June 25, 2024~~ July 22, 2025

Page 1 of 13

1.0 Purpose and Need

This policy is ~~intended~~*adopted* to encourage competition and guide ~~the~~*HRSD's* procurement *and selection* of projects under Public-Private Education Facilities and Infrastructure Act, of 2002, Virginia Code § 56-575.1 et seq., as amended (the "PPEA"). *The provisions of the PPEA, as amended, are incorporated into this policy by reference, as if set forth herein verbatim. A copy of the current PPEA enacted by the Virginia General Assembly can be accessed at:*

<https://law.lis.virginia.gov/vacodefull/title56/chapter22.1/>.

The Commission adopts this policy, and the procedures and guidelines contained herein, to comply with the requirements of the PPEA. In the event of a conflict between this policy and any provision of PPEA, the PPEA provision shall govern, and the policy shall be interpreted and applied in a manner that will conform to the requirements of the PPEA.

The Virginia Public Procurement Act, Va. Code § 2.2-4300 et seq. ("VPPA") does not apply to proposals and agreements under the PPEA. However, the PPEA requires that Proposals be evaluated in a manner consistent with certain competitive selection procedures referenced within VPPA. See Virginia Code § 56-575.16. This policy has incorporated the PPEA's requirements for implementation of competitive selection procedures.

2.0 Definitions

As used in this policy, unless otherwise defined herein, all terms shall have the meanings as defined in the PPEA.

2.1 "Enabling Act" means 1960 Acts of Assembly, c. 66, as amended

2.2 "HRSD Commission" means the Hampton Roads Sanitation District Commission as established by the Enabling Act, being the appropriating body for HRSD.

2.3 "Proposal" means either an unsolicited proposal, a competing proposal, or a solicited proposal submitted to HRSD under the PPEA and this policy, as the context requires.

2.4 "VFOIA" means the Virginia Freedom of Information Act, Virginia Code § 2.2-3700 et seq.

3.0 Procedures

COMMISSION ADOPTED POLICY
Procurement Policy – Appendix ~~FG~~
PPEA



Adopted: December 15, 2014

Revised: ~~June 25, 2024~~ July 22, 2025

Page 2 of 13

~~General.~~ **3.1. Unsolicited proposals.**

A private entity may initiate a PPEA process by submitting an unsolicited proposal for a qualifying project to HRSD for consideration.

The General Manager/CEO is hereby designated as the HRSD official to whom PPEA inquiries and unsolicited proposals must be directed.

3.1.1. Application, Review, and Evaluation Fees.

Every unsolicited proposal shall be accompanied by an application fee in the amount of One Thousand Dollars (\$1,000.00).

If an unsolicited proposal is not rejected at the application stage and will be reviewed for possible acceptance, the proposer shall remit a review fee in an amount determined to be reasonable by HRSD to cover the costs associated with review by staff, attorneys, and other qualified professionals to (i) determine whether the proposal is a qualifying project under the PPEA, (ii) determine whether the proposal meets all other requirements for further consideration under the PPEA and this policy, and (iii) assess the merits of the proposal as being in the best interest of HRSD and its ratepayers. During the initial review, HRSD may require additional fees to adequately review the proposal based on the scope and complexity of the proposal and its related qualifying project(s), as well as the need for Commission approval in accordance with the Procurement Policy.

Upon HRSD's decision to accept an unsolicited proposal for competition, the proposer and any competing proposer selected for further evaluation shall be required to pay an evaluation fee calculated at the rate of one percent (1.0%) of the reasonably anticipated total cost of the proposed project, or other amount stipulated by HRSD, but not more than \$50,000. The evaluation fee shall be paid by the proposer at the time of the submittal of the subsequent phase of the proposal detail consistent with the protocols established for the procurement under Sec. 3.1.5 of this policy.

Additional fees may be imposed on and paid by the proposers throughout the processing, review, and evaluation of the unsolicited and competing proposals if and as HRSD reasonably anticipates incurring costs in excess of the collected fees.

COMMISSION ADOPTED POLICY
Procurement Policy – Appendix FG
PPEA



Adopted: December 15, 2014

Revised: ~~June 25, 2024~~ July 22, 2025

Page 3 of 13

In the event the total fees paid by a proposer exceed the HRSD's total costs incurred in processing, reviewing, and evaluating the proposal, HRSD will reimburse the difference.

3.1.2. Contents; format.

Every unsolicited proposal shall be accompanied by the materials and information required by PPEA § 56-575.4(A)(1) through (9), unless specifically waived by HRSD as unnecessary for consideration of whether to accept the unsolicited proposal for initial evaluation or additional consideration. The private entity shall also provide such additional material and information as HRSD may reasonably request related to the qualifying project.

3.1.3. Acceptance or Rejection.

Upon receipt by HRSD of an unsolicited proposal, HRSD will determine whether or not to accept the proposal for further consideration. HRSD will consider only those unsolicited proposals which: (i) comply with requirements of the PPEA and this policy, (ii) contain sufficient information for a meaningful evaluation of the public need for the qualifying project and public benefits, financial and non-financial, and (iii) are provided in an appropriate format.

HRSD may reject any unsolicited proposal at any time. If HRSD rejects an unsolicited proposal that purports to develop specific cost savings, it will specify the basis for the rejection. An unsolicited proposal rejected by HRSD prior to posting of public notice shall be returned to the private entity together with all fees and accompanying documentation.

Following the initial review stage, if an unsolicited proposal is accepted by HRSD for additional evaluation and competition, public notice of the proposal and a request for competing proposals shall be given as provided below. Approval of the Commission is required prior to accepting an unsolicited proposal and inviting competing proposals where the total value of the resulting agreement(s) is projected to exceed \$200,000.

3.1.4. Public Notice of an Unsolicited Proposal.

3.1.4.1. Notice of Receipt

Within ten (10) working days after acceptance of an unsolicited proposal for additional evaluation and competition, HRSD will post a copy of the

COMMISSION ADOPTED POLICY
Procurement Policy – Appendix FG
PPEA



Adopted: December 15, 2014

Revised: ~~June 25, 2024~~ July 22, 2025

Page 4 of 13

unsolicited proposal so that it is available for public inspection in accordance with the posting requirements of PPEA § 56-575.17(A), which shall include, without limitation, posting on the Commonwealth of Virginia's electronic procurement website. Records and information exempt from VFOIA requirements shall not be required to be posted or otherwise made available for public inspection.

3.1.4.2. Solicitation of Competing Proposals

Contemporaneous with an accepted unsolicited proposal being posted for public inspection, HRSD will also post notice, in a manner consistent with PPEA § 56-575.17(A), that HRSD will receive competing proposals. The period of time during which competing proposals may be submitted will be specified in the notice and established, in HRSD's sole discretion, to encourage competition and public-private partnerships in accordance with the goals of the PPEA. The period of time for submission of competing proposals will be no fewer than 45 days from the date of posting the solicitation.

The solicitation notice shall set forth a description of the unsolicited proposal in sufficient detail to encourage the submission of competitive proposals and identify how interested proposers may view or obtain a copy of the unsolicited proposal and other information relevant to the submission of competing proposals and the evaluation protocols established under Section 3.1.5 of this policy.

3.1.5. Evaluation Process: Unsolicited and Competing Proposals.

HRSD will evaluate an accepted unsolicited proposal, and any competing proposals, for approval using one of the following evaluation procedures:

3.1.5.1. Competitive negotiation process

HRSD may utilize the competitive negotiation process described in this policy to evaluate the proposals upon a written determination that such process would be advantageous to HRSD and the public based on (i) the probable scope, complexity, or priority of the project; (ii) risk sharing including guaranteed cost or completion guarantees, added value or debt or equity investments proposed by the private entity; or (iii) an increase in funding, dedicated revenue source or other economic benefit that would not otherwise be available.

COMMISSION ADOPTED POLICY
Procurement Policy – Appendix FG
PPEA



Adopted: December 15, 2014

Revised: ~~June 25, 2024~~ July 22, 2025

Page 5 of 13

If HRSD proceeds with competitive negotiations, the process shall be consistent with the procurement of “nonprofessional services” by competitive negotiation as set forth in VPPA § 2.2-4302.2 and § 2.2-4310(B). The written protocol shall include elements and evaluation factors best suited to the type of project that is the subject of the accepted unsolicited proposal.

When using the process described in this subsection, HRSD shall not be required to select the proposal with the lowest price offer but may consider price as one factor in evaluating the proposals received. Other factors that may be considered include (i) the proposed cost of the qualifying facility; (ii) the general reputation, industry experience, and financial capacity of the private entity; (iii) the proposed design of the qualifying project; (iv) the eligibility of the facility for accelerated selection, review, and documentation timelines under the HRSD’s guidelines; (v) local citizen, ratepayer, and government comments; (vi) benefits to the public, localities, and ratepayers; (vii) the private entity’s compliance with a minority business enterprise participation plan or good faith effort to comply with the goals of such plan; (viii) the private entity’s plans to employ local contractors and residents; and (ix) other criteria that HRSD deems appropriate.

Prior to the posting of public notices as referenced above, above, a written protocol for evaluating proposals received must be approved by the Director of Procurement, Chief Engineer, and Legal Counsel as being consistent with the statutory provisions referenced in this subsection.

3.1.5.2. Competitive sealed bidding

Unless proceeding pursuant to a competitive negotiation process, HRSD will utilize a competitive bidding process, consistent with the procedures for competitive sealed bidding, as set forth in Virginia Code § 2.2-4302.1 and § 2.2-4310(B). Prior to the posting of public notices as referenced above, a written protocol for the competitive bid process shall be established, including such elements and evaluation factors as may be best suited for the type of project that is the subject of the unsolicited proposal and must be approved by the Director of Procurement, Chief Engineer, and Legal Counsel as being consistent with the statutory provisions referenced in this subsection.

3.2. Solicited Proposals

COMMISSION ADOPTED POLICY
Procurement Policy – Appendix FG
PPEA



Adopted: December 15, 2014

Revised: ~~June 25, 2024~~ July 22, 2025

Page 6 of 13

Following approval by the Commission in accordance with the Procurement Policy, HRSD may initiate a PPEA process by requesting proposals or inviting bids from private entities for the development or operation of qualifying projects. Within its solicitation, HRSD shall specify reasonable selection criteria established consistent with Section 3.3 and the evaluation and selection protocol established under Section 3.2.1.

3.2.1. Evaluation Process: Solicited Proposals.

When soliciting and evaluating proposals, HRSD may utilize procurement protocols that are consistent with the procedures in Section 3.1.5 of this policy and informed by the procedures implemented in Procurement Policy Appendices F-1 and F-2. Unless proceeding under a protocol as described in Section 3.1.5(b), HRSD shall make a written determination that such other process would be advantageous to HRSD and the public based on (i) the probable scope, complexity, or priority of the project; (ii) risk sharing including guaranteed cost or completion guarantees, added value or debt or equity investments proposed by the private entity; or (iii) an increase in funding, dedicated revenue source or other economic benefit that would not otherwise be available. Prior to the posting of public notice of the solicitation as referenced below, a written protocol for evaluating proposals received must be approved by the Director of Procurement, Chief Engineer, and Legal Counsel as being consistent with this policy and the PPEA.

3.2.2. Notice of Solicitation.

HRSD will post notice of its PPEA solicitation in a manner consistent with PPEA § 56-575.17(A). HRSD may provide any additional notice that it deems appropriate to encourage competition and the purposes of the PPEA.

3.3. Evaluation and Approval of Proposals.

3.3.1. Evaluation.

The HRSD Commission finds that analysis of proposals, including the specifics, advantages, disadvantages, and the long- and short-term costs of such proposals shall be performed by employees of HRSD. To the extent deemed necessary or beneficial by the General Manager, or designee, HRSD is authorized to engage the services of qualified professionals, which may include an architect, professional engineer, or certified public accountant, not otherwise employed by HRSD, to provide independent analysis regarding the

COMMISSION ADOPTED POLICY
Procurement Policy – Appendix ~~FG~~
PPEA



Adopted: December 15, 2014

Revised: ~~June 25, 2024~~ July 22, 2025

Page 7 of 13

specifics, advantages, disadvantages, and the long- and short-term costs of proposals.

Any protocol established in accordance with Section 3.1.5 or 3.2.1 of this policy shall include reasonable project-specific criteria for choosing among competing proposals. Project-specific criteria shall be appropriate to the framework selected by HRSD for evaluation of proposals (competitive negotiation or competitive bidding).

HRSD may reject any proposal or cancel a PPEA solicitation at any time.

Timelines for evaluation, selection, and approval of proposals will depend on many factors, including complexity of the qualifying project, the number of proposals received, staff workload, and HRSD Commission meeting schedules.

Following the required public hearing, and upon completion of the Committee's review and evaluation of the proposals consistent with the protocol established under this policy, the Director of Procurement or Chief Engineer shall prepare final recommendations on selection and approval for the General Manager's consideration.

3.3.2. Approval.

HRSD will approve one or more proposals if it determines that:

- a. There is a public need for, and benefit derived from, the qualifying project.*
- b. The estimated cost of the qualifying project is reasonable in relation to similar facilities; and*
- c. The private entity's plans will result in the timely development or operation of the qualifying project*

3.3.3. Selection.

HRSD shall select the private entity which, in its opinion, has made the best proposal and provides the best value, and shall begin negotiation of an interim or comprehensive agreement with that private entity. Upon approval of a proposal, HRSD shall establish a date for the commencement of activities related to the qualifying project which may be extended from time to time.

COMMISSION ADOPTED POLICY
Procurement Policy – Appendix ~~FG~~
PPEA



Adopted: December 15, 2014

Revised: ~~June 25, 2024~~ July 22, 2025

Page 8 of 13

Approval of any proposal shall be subject to the private entity entering into an interim agreement (if appropriate) and a comprehensive agreement with HRSD pursuant to the PPEA and this policy.

3.4. Interim and Comprehensive Agreements.

3.4.1 General. Prior to developing or operating the qualifying project, the selected private entity shall enter into a comprehensive agreement with HRSD. Prior to entering a comprehensive agreement, an interim agreement may be entered into that permits a private entity to perform compensable activities related to the project. Any interim or comprehensive agreement shall define the rights and obligations of HRSD and the private entity with regard to the project. The interim and comprehensive agreements and any amendments thereto must be approved by the HRSD Commission.

3.4.2. Interim Agreement Terms.– Prior to or in connection with the negotiation of the comprehensive agreement, HRSD may enter into an interim agreement with the private entity proposing the development or operation of the qualifying project. The scope of an interim agreement may include, but is not limited to:

1. Project planning and development;
2. Design and engineering;
3. Environmental analysis and mitigation;
4. Survey;
5. Ascertaining the availability of financing for the proposed facility through financial and revenue analysis;
6. Establishing a process and timing of the negotiation of the comprehensive agreement; and
7. Any other provisions related to any aspect of the development or operation of a qualifying project that the parties may deem appropriate prior to the execution of a comprehensive agreement.

3.4.3. Comprehensive Agreement Terms. Prior to developing or operating the qualifying project, the selected private entity shall enter into a comprehensive agreement with HRSD. The comprehensive agreement shall define the rights and obligations of HRSD and the private entity with regard to the project.

COMMISSION ADOPTED POLICY
Procurement Policy – Appendix FG
PPEA



Adopted: December 15, 2014

Revised: ~~June 25, 2024~~ July 22, 2025

Page 9 of 13

As provided by the PPEA, the terms of the comprehensive agreement shall include, but not be limited to:

1. The delivery of maintenance, performance, and payment bonds or letters of credit in connection with any acquisition, design, construction, improvement, renovation, expansion, equipping, maintenance, or operation of the qualifying project, in the forms and amounts satisfactory to HRSD and in compliance with § 2.2-4337 for those components of the qualifying project that involve construction;
2. The review and approval of plans and specifications for the qualifying project by HRSD;
3. The rights of HRSD to inspect the qualifying project to ensure compliance with the comprehensive agreement;
4. The maintenance of a policy or policies of liability insurance or self-insurance reasonably sufficient to insure coverage of the project and the tort liability to the public and employees and to enable the continued operation of the qualifying project;
5. The monitoring of the practices of the private entity by HRSD to ensure proper maintenance, safety, use, and management of the qualifying project;
6. The terms under which the private entity will reimburse HRSD for services provided;
7. The policy and procedures that will govern the rights and responsibilities of HRSD and the private entity in the event that the comprehensive agreement is terminated or there is a material default by the private entity including the conditions governing assumption of the duties and responsibilities of the private entity by HRSD and the transfer or purchase of property or other interests of the private entity by HRSD;
8. The terms under which the private entity will file appropriate financial statements on a periodic basis;
9. The mechanism by which user fees, lease payments, or service payments, if any, may be established from time to time upon agreement of the parties. Any payments or fees shall be the same for persons using the

COMMISSION ADOPTED POLICY
Procurement Policy – Appendix ~~FG~~
PPEA



Adopted: December 15, 2014

Revised: ~~June 25, 2024~~ July 22, 2025

Page 10 of 13

facility under like conditions and that will not materially discourage use of the qualifying project;

- a. A copy of any service contract shall be filed with HRSD;
- b. A schedule of the current user fees or lease payments shall be made available by the private entity to any member of the public upon request;
- c. Classifications according to reasonable categories for assessment of user fees may be made.

10. The terms and conditions under which HRSD will contribute financial resources, if any, for the qualifying project;

11. The terms and conditions under which existing site conditions will be assessed and addressed, including identification of the responsible party for conducting the assessment and taking necessary remedial action;

12. The terms and conditions under which HRSD will be required to pay money to the private entity and the amount of any such payments for the project;

13. The terms and conditions under which the qualifying project may be developed or operated in phases or segments;

~~13.~~ 14. Other requirements of the PPEA or other applicable law; and

~~14.~~ 15. Such other terms and conditions as HRSD determines serve the public purpose of the PPEA.

3.5. Notice and Posting ~~requirements.~~ Requirements.

3.5.1. *Notice to Affected Jurisdictions.*

If a private entity requests approval from, or submits a proposal to, HRSD under the authority in PPEA § 56-575.4 and this policy, then the private entity must provide each affected jurisdiction with a copy of its request or proposal. If HRSD has requested proposals or invited bids for qualifying projects pursuant to PPEA § 56-575.4(B) and policy Section 3.2, then HRSD may elect to provide each affected jurisdiction with copies of the submitted proposals on behalf of private entities, which election shall be identified in the solicitation. Each affected jurisdiction will have 60 days from the receipt of the

COMMISSION ADOPTED POLICY
Procurement Policy – Appendix FG
PPEA



Adopted: December 15, 2014

Revised: ~~June 25, 2024~~ July 22, 2025

Page 11 of 13

proposal to submit written comments to HRSD and to indicate whether the proposed qualifying project is compatible with (i) its Comprehensive Plan, (ii) its infrastructure development plans, or (iii) its capital improvements budget or other government spending plan. Comments received within the 60-day period shall be given consideration by HRSD; however, no negative inference shall be drawn from the absence of comment by an affected jurisdiction.

3.5.2. Notice to Stakeholders.

In its sole discretion, HRSD may require proposers to provide notice, or a copy, of its request or proposal to stakeholders that HRSD believes may have an interest in or be affected by the proposed qualifying project. Such requirement, and the relevant stakeholders, will be identified by HRSD in the solicitation for proposals or competing proposals.

3.5.3. Posting of Conceptual Proposals.

If accepted by HRSD, conceptual proposals submitted in accordance with this policy and subsection A or B of PPEA § 56-575.4 shall be posted on HRSD's website or on the Virginia Department of General Services' central electronic procurement website within 10 working days after acceptance. At least one copy of accepted proposals shall be made available for public inspection by HRSD. Nothing in this policy shall be construed to prohibit the posting of the conceptual proposals by additional means deemed appropriate by HRSD so as to provide maximum notice to the public of the opportunity to inspect the proposals.

3.5.4. Notice of Public Hearing on Proposals.

In addition to the posting requirements of ~~Virginia Code §~~ PPEA § 56-575.17(A)(2), *if HRSD determines that any proposals received warrant further consideration*, HRSD shall advertise for a public hearing to discuss proposals it has received ~~prior to execution of the negotiated~~ *during the proposal review process. Such hearing shall be held at least 30 days prior to entering into an interim or comprehensive agreements. Such hearing agreement and* may occur at a regularly scheduled meeting of the ~~Board~~ *HRSD Commission*. Such notice shall be *advertised* at least ~~30~~ *7 calendar* days prior to the public hearing. Public comments may be submitted to HRSD at any time during the notice period and prior to the public hearing. After the public hearing and the end of the public comment period, no additional posting shall be required based on any public comment received.

COMMISSION ADOPTED POLICY
Procurement Policy – Appendix FG
PPEA



Adopted: December 15, 2014

Revised: ~~June 25, 2024~~ July 22, 2025

Page 12 of 13

3.5.5. *Notice of Proposed Agreement.*

Once the negotiation phase for the development of an interim or a comprehensive agreement is complete and a decision to award has been made, the proposed agreement shall be posted in the following manner:

1. On the HRSD website prior to the execution of the agreement.
2. In addition to the posting requirements, a copy of the proposals shall be made available for public inspection. Trade secrets, financial records, or other records of the private entity excluded from disclosure under the provisions of subdivision 11 of Virginia Code § 2.2-3705.6 shall not be required to be posted, except as otherwise agreed to by the HRSD and the private entity.
3. Any studies and analyses considered by HRSD in its review of a proposal shall be disclosed ~~at some point~~ prior to the execution of an interim or comprehensive agreement.

3.5.6. *Availability of Procurement Records.*

Once an interim agreement or a comprehensive agreement has been entered into, ~~the~~ HRSD shall make procurement records available for public inspection, upon request.

1. Such procurement records shall include documents protected from disclosure during the negotiation phase on the basis that the release of such documents would have an adverse effect on the financial interest or bargaining position of HRSD or the private entity in accordance.
2. Such procurement records shall not include:
 - a. trade secrets of the private entity as defined in the Uniform Trade Secrets Act (Virginia Code § 59.1-336 *et seq.*) or
 - b. financial records, including balance sheets or financial statements of the private entity that are not generally available to the public through regulatory disclosure or otherwise.

~~Actual timelines will depend on many factors, including complexity of the project, number of proposals received, staff workload, and Commission meeting schedules.~~

4.0 Responsibility and Authority.

COMMISSION ADOPTED POLICY
Procurement Policy – Appendix ~~FG~~
PPEA



Adopted: December 15, 2014

Revised: ~~June 25, 2024~~ July 22, 2025

Page 13 of 13

The General Manager/CEO is authorized to act as the HRSD Commission's agent for administration and interpretation of this policy. If the policy does not expressly require an action to be taken by the HRSD Commission, then any action specified to be taken by HRSD may be taken by the General Manager or any person(s) to whom that officer delegates responsibility for such action in writing.

Under the direction of the Chief Financial Officer, the Director of Procurement, ~~as well as~~ *and* the Chief Engineer, shall be responsible for overall development, management, and implementation of this policy *on behalf of the HRSD Commission and HRSD.*

The General Manager/CEO is authorized to establish a standing working group of HRSD employees, to be responsible for evaluating proposals, negotiating terms and conditions for any interim or comprehensive agreement, and for making recommendations to the General Manager/CEO on those matters.

The HRSD Commission retains the sole authority to (i) accept unsolicited PPEA proposal and invite competing proposals where the total value of the resulting agreement(s) is projected to exceed \$200,000, (ii) approve the solicitation of PPEA proposals for a qualifying project, and (iii) review and approve any proposed interim agreement or comprehensive agreement, and amendments thereto, prior to execution.

AGENDA ITEM 12. – July 22, 2025

Subject: Fleet Management Fiscal Year 2026
Initial Appropriation

Recommended Action: Appropriate total project funding in the amount of \$2,949,430.

CIP Project: GN021400

Project Description: This project will provide for the replacement of aging fleet vehicles and the purchase of additional vehicles to meet the needs of the organization for Fiscal Year (FY) 2026. Vehicles are considered for replacement based on several criteria, including maintenance costs that exceed 75% of the original purchase price, odometer readings over 100,000 miles, vehicle age of more than 10 years, and limited availability of replacement parts.

Funding Description: The initial appropriation for the project is based on cost estimates from vehicle manufacturers and state contracts. Funding for the additional fiscal years in the CIP will be requested each year. Planned replacements for FY-2026 are included in the table below. Actual replacements may change within the total appropriation based on final purchase price, delivery schedule, or other emerging needs.

Funding includes a 10% contingency for inflation and supply chain issues.

Vehicle No.	Department	New Vehicle to be Purchased	Vehicle Replacement Cost
30	Construction Support Team	Ford F-350 Super Duty Utility Body	\$92,000
86	North Shore Interceptors	Freightliner M2 Crane Utility Body	\$235,000
94	North Shore Interceptors	Ford F-250 Super Duty Utility Body	\$82,000
80	Construction Support Team	Ford F-350 Super Duty Utility Body	\$92,000
349	North Shore Interceptors	Ford F-550 Super Duty Utility Body	\$177,500
331	South Shore Interceptors	Peterbilt 536 Crash Truck	\$193,000
263	North Shore Interceptors	Ford F-250 Super Duty Utility Body	\$82,000
100	South Shore Interceptors	Freightliner M2 Crane Utility Body	\$235,000
189	North Shore Engineering	Nissan Sentra	\$23,500
191	York River Treatment Plant	Kalmar Ottawa T2 (yard tractor)	\$141,300
New	South Shore Operations	Medium Excavator	\$97,000
New	South Shore Operations	Rubber Track Loader	\$115,000
New	South Shore Operations	Ford F-250 Super Cab Utility Body	\$82,000
New	Asset Management	Ford F-250 Super Cab Utility Body	\$82,000

Vehicle No.	Department	New Vehicle to be Purchased	Vehicle Replacement Cost
New	Asset Management	Ford F-250 Super Cab Utility Body	\$82,000
New	Asset Management	Ford F-250 Super Cab Utility Body	\$82,000
New	Asset Management	Ford F-250 Super Cab Utility Body	\$82,000
New	Material Transportation & Logistics	Peterbilt Tractor with Wet Kit	\$228,000
New	Material Transportation & Logistics	Peterbilt Tractor with Wet Kit	\$228,000
New	Material Transportation & Logistics	40FT. Dump Trailer	\$125,000
New	Material Transportation & Logistics	40FT. Dump Trailer	\$125,000
		<i>Estimated Cost</i>	\$2,681,300
		<i>Contingency (10%)</i>	\$268,130
		<i>Total</i>	\$2,949,430

Schedule: Individual purchases will occur throughout the fiscal year.

AGENDA ITEM 13. – July 22, 2025

Subject: Virginia Initiative Plant Aeration Tank and Primary Clarifier Gate Replacement
Initial Appropriation – Non-Regulatory and Task Order (>\$200,000)

Recommended Actions:

- a. Appropriate total project funding in the amount of \$16,642,626.
- b. Approve a task order with Hazen and Sawyer in the amount of \$249,055.

CIP Project: VP019800

Regulatory Requirement: None

Project Description: This project will involve the replacement of 16 aeration tank slide gates and 18 primary clarifier slide gates with new motorized stainless steel slide gates. The project will also include the development of an On-Call Treatment Plant Services Contract.

Project Justification: The gates are over 34 years old and at the end of their design life. The fiberglass wrap and gate core have been found to be damaged or showing signs of damage at many locations, and they are becoming difficult to operate. Motorizing the gates will allow for more efficient operation and the ability to exercise the gates more frequently as well as provide flexibility for controlling aerobic volume. The On-Call Treatment Plant Services Contract will be utilized to assist with emergencies and smaller tasks and projects at treatment plants across HRSD. Typical projects may include mechanical work, concrete work, yard piping, and structural work.

Task Order Description: This task order will develop the new On-Call Treatment Plant Services Contract and evaluate bids or proposals. The task order is anticipated to be completed within six months. The schedule shown below is for the gate replacement.

Analysis of Cost: The cost for this task order is based on the number of hours anticipated to complete this effort and the hourly rates agreed upon in the General Engineering Services annual contract. The task order amount is reasonable for the amount of effort and complexity anticipated.

<u>Schedule:</u>	Design	August 2025
	Bid	May 2026
	Construction	July 2026
	Project Completion	June 2031

AGENDA ITEM 14. – July 22, 2025

Subject: Williamsburg Treatment Plant Solids Handling Improvements
Initial Appropriation – Non-Regulatory, Contract Award (>\$200,000)

Recommended Actions:

- a. Appropriate total project funding in the amount of \$30,509,938.
- b. Award a contract to Hazen and Sawyer in the amount of \$1,173,884.

CIP Project: WB013900

Regulatory Requirement: None

Type of Procurement: Competitive Negotiation

A Public Notice was issued on February 4, 2025. Four firms submitted proposals on March 11, 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
Hazen and Sawyer	91.0	1
Black and Veatch Corporation	89.9	2
Brown and Caldwell	83.6	3

The Committee recommends award to Hazen and Sawyer, whose professional qualifications and proposed services best serve the interest of HRSD.

Project Description: This project will rehabilitate both 48-year-old incinerators and address dewatering building deficiencies. To facilitate required electrical upgrades, this project will also replace motor control centers previously identified for replacement due to end of useful life. Dewatering building deficiencies that will be addressed include replacing the dewatered cake conveyor system, repairing and improving the building ventilation system, protecting centrifuge controls, and providing adequate odor control.

Project Justification: The existing burners and controls are obsolete and finding replacement parts is difficult. The burners also require manual intervention when lighting. The new burners will be more fuel efficient, provide reliable, remote lighting from the plant's distributed control system, and have improved controls. Overhaul of the by-pass stacks and dampers and installation of the feed chute extensions will better seal the incinerators, keeping air out and resulting in less fuel usage and improved emissions control. The Total Hydrocarbon Continuous Emission Monitoring (THC CEM) system is obsolete and unreliable and is not able to meet regulatory Environmental Protection Agency Office of Water's Part 503 Subpart E requirements

for monitoring. It is being replaced in an earlier project. Dewatered cake conveyors in the dewatering building are difficult to access for maintenance and require expensive, contract rigging equipment for maintenance of screw conveyors. Failure of any of nine screw conveyors results in the shut-down of dewatering and incinerator operations. Hydrogen sulfide (H₂S) gases are not adequately removed from the building resulting in the corrosion of ventilation duct and equipment and centrifuge and other controls. Employees carry H₂S meters while in the building and evacuate when H₂S levels are high.

Contract Description: This contract is for preliminary engineering phase services.

Funding Description and Analysis of Cost: The estimated total project cost is \$30,509,938 and is based on an AACE Class 5 cost estimate completed by HRSD as well as negotiated fees for the preliminary engineering phase. The estimated project cost consists of \$965,659 for the preliminary engineering phase, \$208,225 for preliminary engineering additional services, \$3,397,050 for the design phase, \$179,053 for the preconstruction phase, construction costs of \$19,404,008, closeout costs of \$136,743 and contingency funds in the amount of \$6,219,200. A fee of \$965,659 (excluding additional services) was negotiated with Hazen and Sawyer and is approximately 4.98% of the current estimated construction cost. The higher than typical proposed fee for PER when compared to the anticipated construction cost can be justified by a few reasons. First, this project will evaluate many different processes and areas of the plant requiring input, evaluation and site visits from multiple engineering disciplines. The PER will include evaluation of process mechanical for cake transfer and loading, incineration and non-potable water (NPW) piping, evaluation of the site for improvements related to NPW, electrical and odor control, a structural evaluation for new equipment loading and hoisting equipment, an extensive electrical evaluation, an HVAC evaluation to include odor control, and an evaluation of instrumentation and control systems. Further, embedded in these evaluations are multiple alternatives analyses to determine the best path forward for design of cake transfer and loadout as well as multiple alternatives for electrical items associated with new motor control centers and switchgear. These analyses will each come with a high-level cost estimate as a part of the overall opinion of probable construction cost to help inform the decision-making process. Lastly HRSD's CIP document for this project indicated a potential preliminary engineering phase cost of \$1,455,323 which is 24% higher than the proposed fee from Hazen and Sawyer. This indicates that there is recognition of the complex and detailed analysis that needs to be completed for this project to adequately inform the design.

<u>Schedule:</u>	PER	August 2025
	Design Delay	May 2026
	Design	July 2026
	Bid Delay	December 2027
	Preconstruction	February 2028
	Construction	May 2028
	Project Completion	May 2031

AGENDA ITEM 15. – July 22, 2025

Subject: York River Treatment Plant Switchgear and Motor Control Center Replacements
Initial Appropriation – Non-Regulatory and Contract Award

Recommended Actions:

- a. Appropriate total project funding in the amount of \$15,444,000.
- b. Award a contract to HDR Engineering, Inc. in the amount of \$585,348.

CIP Project: YR015000

Regulatory Requirement: None

Type of Procurement: Competitive Negotiation

A Public Notice was issued on February 24, 2025. Two firms submitted proposals on April 2, 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. Two firms were short-listed, interviewed, and technically ranked as listed below:

Proposers	Technical Points	Recommended Selection Ranking
HDR Engineering, Inc.	88.9	1
Kennedy/Jenks Consultants, Inc.	86.7	2

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

Project Description: HRSD has identified twelve motor control centers and one Switchgear that need to be replaced due to age and condition. These critical electrical assets were installed in the mid-1980's.

Project Justification: The multiple motor control centers and Switchgear noted above have reached the end of their useful life. Replacement parts are no longer available in many cases and industry requirements have changed significantly since installation. The replacement of these assets will also improve the Plant's operational reliability and provide a betterment for employee safety.

Contract Description: The subject Contract is for Engineering Design Services to provide a Preliminary Engineering Report (PER). Once the PER is completed, HRSD and HDR will enter into a subsequent Contract for the remaining services contemplated in the solicitation including: Final Design, Bid Phase Services, Construction Administration, Construction Inspections, and Startup/Training.

Analysis of Cost: The cost is based primarily on the labor required to produce a PER using information gathered and design effort over three principal Tasks; Existing Conditions assessment, Alternatives Analysis, and the PER itself. The initial appropriation of \$15,444,000 is based on internal estimates. Complexities associated with this project include an assessment of multiple alternatives at six discrete work areas. Considerations for operational reliability, Manual of Permitted Operations, and redundancy will be addressed in the effort. The rates in the proposal are consistent with similar Consultant fee schedules. Although the percentage of PER to Construction cost at 5% is higher than desired, the up front effort proposed to thoroughly assess existing conditions and multiple alternatives justifies the increase.

<u>Schedule:</u>	PER	June 2026
	Design	September 2027
	Bid	October 2027
	Construction	October 2031
	Project Completion	October 2032

AGENDA ITEM 16. – July 22, 2025

Subject: Water Technology and Research
Annual Update

Recommended Action: No action is required.

Brief: This update will provide an overview of projects and studies targeted at developing and implementing more cost-effective technologies for solids handling, nutrient removal and recovery, and advanced water treatment.

AGENDA ITEM 17. – July 22, 2025

Subject: Nansemond SWIFT Facility
Approval of Stipulated Price

Recommended Action: Approve a Stipulated Price of \$608,717,209 to the Comprehensive Agreement with Garney Companies, Inc.

CIP Project: GN016380

Regulatory Requirement: Integrated Plan - SWIFT

Budget	\$633,354,186
Previous Expenditures and Encumbrances	(\$576,339,983)
Available Balance	<u>\$57,014,203</u>

Project Description: This project will design, construct, and commission advanced water treatment infrastructure capable of converting up to 38 million gallons per day of highly treated wastewater into SWIFT Water at the Nansemond Treatment Plant (NTP). The facility will also distribute SWIFT Water to a series of wells located within, and adjacent to NTP that will recharge the Potomac aquifer. The project scope includes mixing systems, flocculation and sedimentation basins, ozone disinfection, biologically active filters, granular activated carbon contactors, ultra-violet light disinfection, ion exchange, chlorine contact tanks, electrical, instrumentation and control systems, site grading, yard piping, SWIFT Water distribution and well backflush piping, and well enclosures.

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

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

Stipulated Price Description and Analysis of Cost: This project is being procured through the Design-Build delivery method. On April 23, 2024, the Commission approved a Comprehensive Agreement with Garney Companies, Inc. (Garney) with a Contract Cost Limit (CCL) of \$574,278,000. Having completed the 60 percent design, received the Erosion and Sediment Control permit from the City of Suffolk (Suffolk), and submitted an application for site plan approval to Suffolk, a Stipulated Price has been negotiated with the Design-Build Team.

The original CCL price was based on the Basis of Design Report (BODR), which has since been revised. Changes to the project have resulted in a net increase of approximately \$34.4M and include:

1. Acceptance of Value Engineering proposals that reduced the project cost
2. Upgrades to the treatment process, including considerations for management of perfluoroalkyl and polyfluoroalkyl substances (PFAS)
3. Improvements for operational efficiency and flexibility
4. Additional electrical equipment for reliability and safety

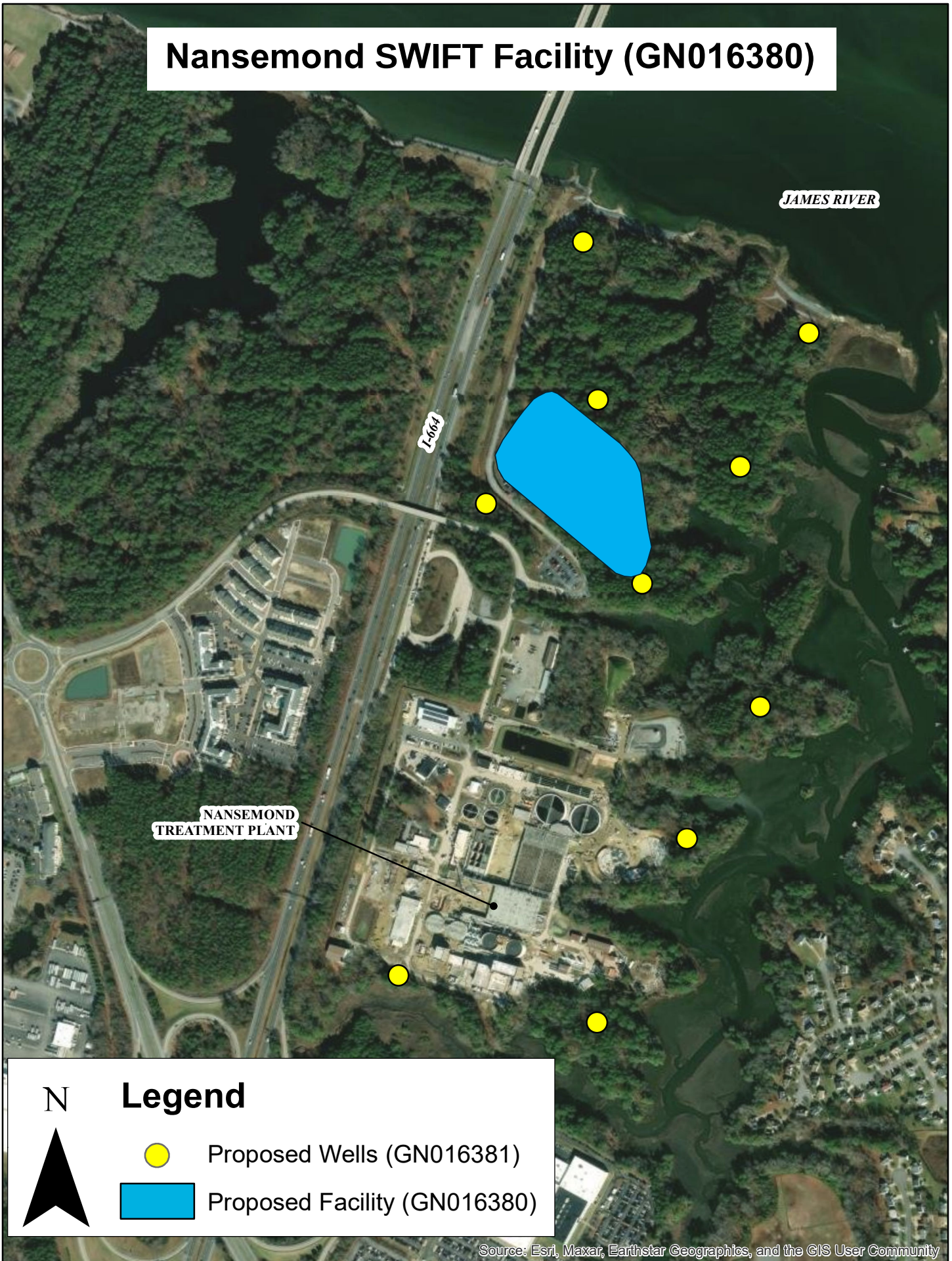
5. Relocation of one managed aquifer recharge well and associated infrastructure due to the movement of an off-site well location
6. Modified allowances to accommodate specific unknown conditions

The costs were prepared by Garney and reviewed with HRSD and HRSD's Owner's Consultant, AECOM. A breakdown of the costs was provided. Staff agrees and recommends the Comprehensive Agreement be amended to include the new Stipulated Price. Since the increased cost is within the previously approved contingency, no additional appropriation is needed for this project.

Staff will provide a briefing during the meeting.

<u>Schedule:</u>	Stipulated Price	July 2025
	Substantial Completion	March 2029
	Project Completion	September 2029

Nansemond SWIFT Facility (GN016380)



Source: Esri, Maxar, Earthstar Geographics, and the GIS User Community

AGENDA ITEM 18. – July 22, 2025

Subject: Capital Improvement Program (CIP)
Update

Recommended Action: No action is required.

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

AGENDA ITEM 19. – July 22, 2025

Subject: New Business

AGENDA ITEM 20. – July 22, 2025

Subject: Unfinished Business

AGENDA ITEM 21. – July 22, 2025

Subject: Commissioner Comments

AGENDA ITEM 22. – July 22, 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](#)

July 11, 2025

Re: General Manager's Report



Environmental Responsibility

Staff continue to make progress on Integrated Plan 2.0. Director of Environmental Quality (DEQ) Director, Mike Rolband, met with the Environmental Protection Agency (EPA). Region 3's Administrator on the idea and they are interested. They asked HRSD to submit a formal request to the EPA.

Our Water Quality Division's Municipal Assistance Program (MAP) provides high-quality scientific data to municipal agencies and regional authorities throughout the Commonwealth. In Fiscal Year (FY) 2025, HRSD was reimbursed by 43 different entities for almost \$1.2 million of work.

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.

- Number of Permit Exceedances out of 56,527 Possible Exceedances from FY 2025 to date: five (5) exceedances
- Pounds of Pollutants Removed in FY 2025 to date: 192 million pounds.

Water Quality: No civil penalties were issued in June.



Financial Stewardship

Staff met with Delegate David Bulova, Senator Jeremy McPike, House and Senate budget finance staff and Chesapeake Bay Commission staff to discuss HRSD's upcoming Water Quality Improvement Fund (WQIF) request.

Interim year-end results showed revenues exceeding expenses. Water consumption ended up 2.1% higher, driving higher than projected revenues, and expenses came in below budget forecasts.



Talent

Staff held our quarterly leadership retreat with Chiefs and Directors on June 25. We discussed our upcoming implementation of rewards and recognition, reviewed and updated disciplinary actions and reviewed Integrated Plan 2.0.

HRSD celebrated Wastewater Professionals Day on June 26. It was a great opportunity to recognize the great work our team does to protect public health and the environment.

Safety and Information Technology are working on a mass notification system to be used for emergencies.



Community Engagement

I presented HRSD's vision for our Water Tech Innovation Ecosystem at the Peninsula Chamber's Rising Tide series. The feedback we received was that it was the best Rising Tide event they've done this year.

I provided a tour of the SWIFT Research Center to Bruce Katz, Hampton Roads Alliance's consultant on the Regional Playbook. He was very impressed and wants me to be in his newsletter which is distributed globally.



Innovation

I met with Imagine H2O about formally adding them to our Innovation Ecosystem and they are interested. Between Imagine H2O and Xylem Innovation Labs, they are the two top water tech-focused incubators in the world.

Staff will be holding a "Shark Tank" style event in August to evaluate five Xylem Innovation Lab startups to test their tech at HRSD.

The Engineering Division is testing a new nondestructive testing of concrete and masonry structures using Echo Assessment to find flaws such as cracks, delaminations, and voids.

I was one of six US Delegates selected out of 150 applications for a WEF-sponsored tour of Denmark's remarkable Industrial Symbiosis. This was a timely and amazing experience to see how they efficiently and effectively leverage circular water economy concepts to do profitable sustainability.

HRSD staff had an impactful paper published in the Journal of Water Reuse on SWIFT and pathogen removal in carbon-based advanced treatment trains.

I look forward to seeing you in Newport News at 9:00 a.m. on Tuesday, July 22, 2025.

Respectfully submitted,

Jay Bernas

Jay Bernas, P.E.
General Manager/CEO

TO: General Manager/CEO

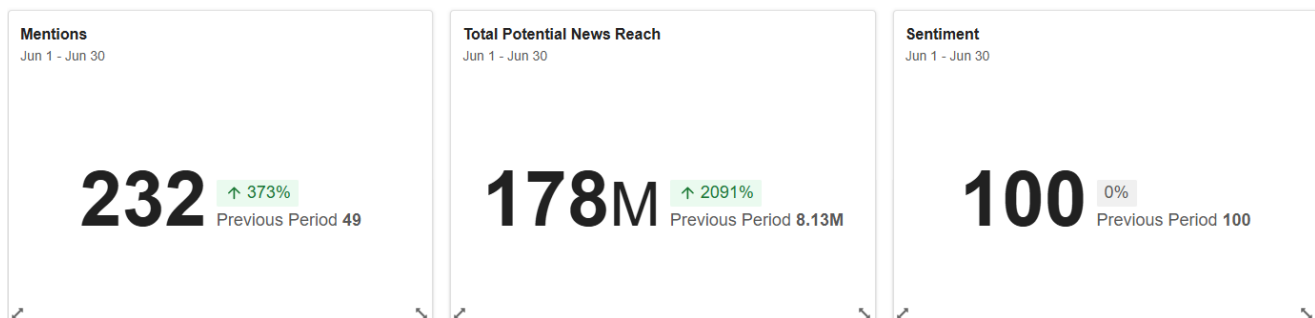
FROM: Chief Communications Officer

SUBJECT: Monthly Report for June 2025

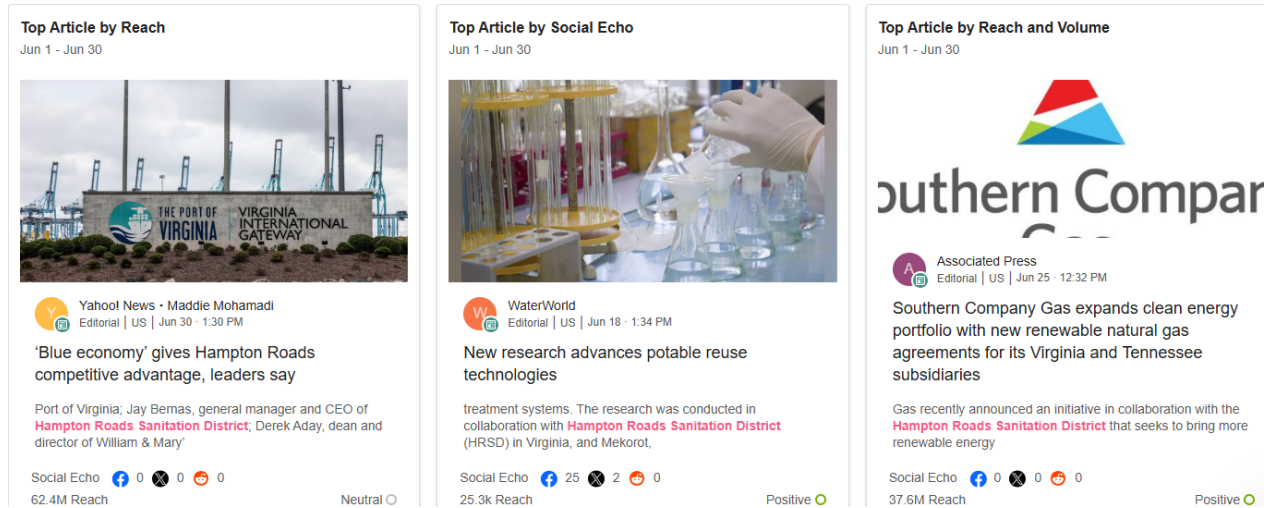
DATE: July 10, 2025

A. Publicity and Promotion

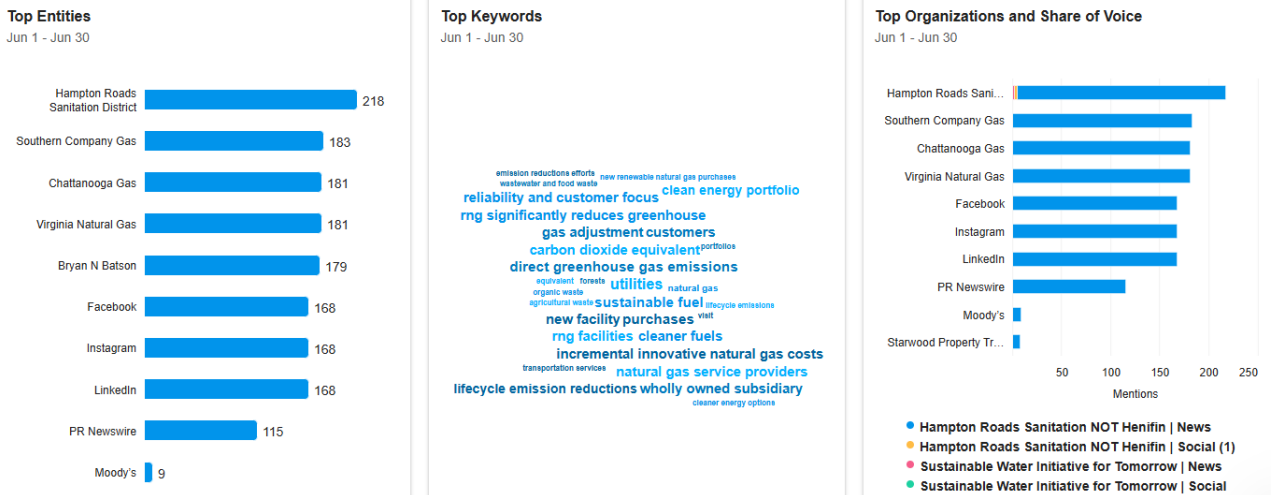
1. HRSD and the Sustainable Water Initiative For Tomorrow (SWIFT) were mentioned or featured in nine stories this month. Topics included:
 - a. HRSD rate increases (stories in Smithfield and Williamsburg papers)
 - b. Moody's Ratings assigns MIG 1 to HRSD revenue bonds
 - c. Groundbreaking Water treatment Research Advances Potable Reuse Technologies
 - d. Renewable Gas partnership with Virginia Natural Gas at Atlantic Treatment Plant
 - e. Editorial: Promising federal bill could help curb Chesapeake Bay pollution
 - f. Peninsula leaders aim to leverage tech assets to develop innovation district
 - g. 'Blue economy' gives Hampton Roads competitive advantage, leaders say
2. Analysis of Media Coverage
 - a. Key results for June



b. Top-performing news content

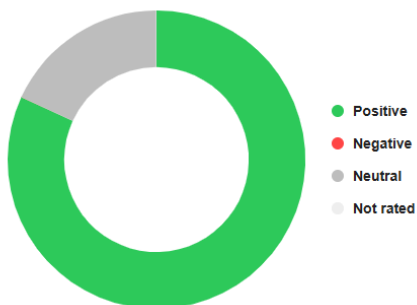


c. Top entities and keywords

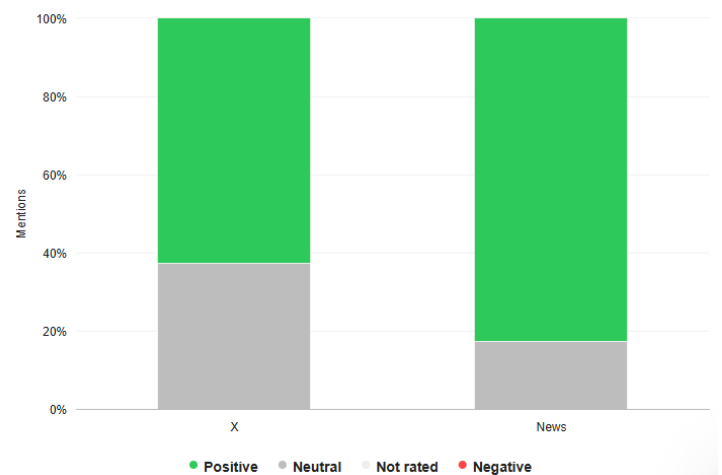


d. How favorable is the content?

Sentiment Share of Voice
Jun 1 - Jun 30

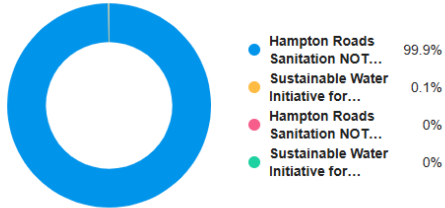


Sentiment by Source Type
Jun 1 - Jun 30

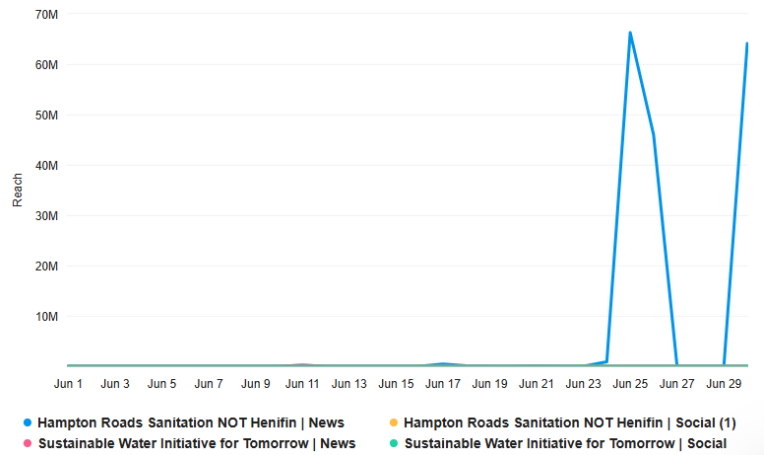


e. What is the potential reach?

Share of Voice by Reach
Jun 1 - Jun 30

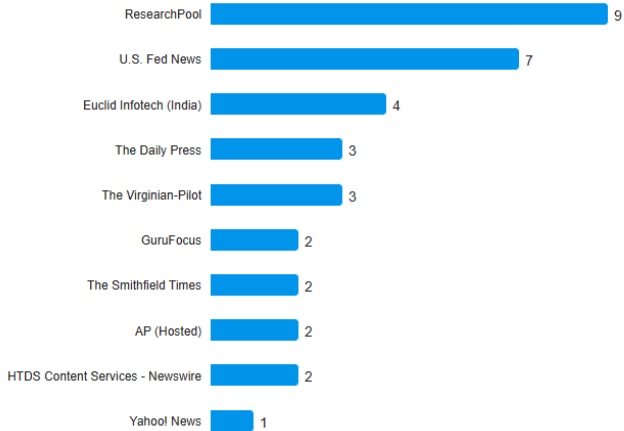


Potential News Reach
Jun 1 - Jun 30

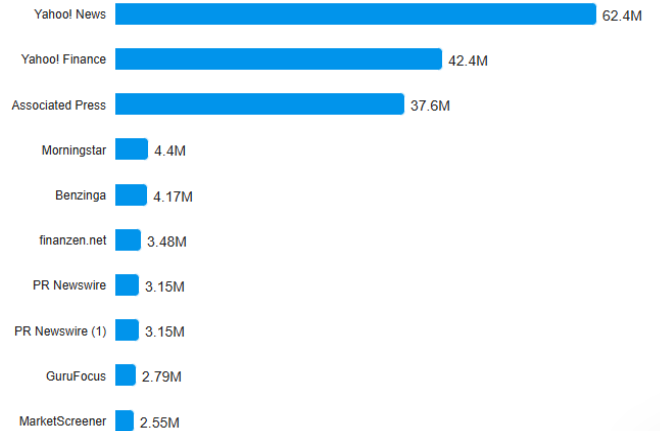


f. Top publishers

Top Publications by Mentions
Jun 1 - Jun 30



Top Publications by Editorial Reach
Jun 1 - Jun 30

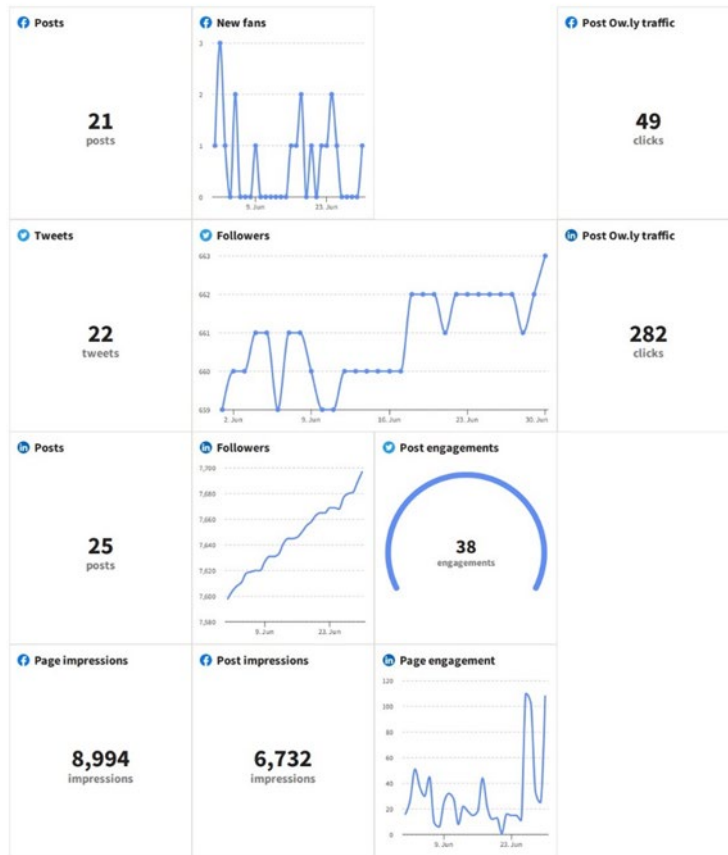




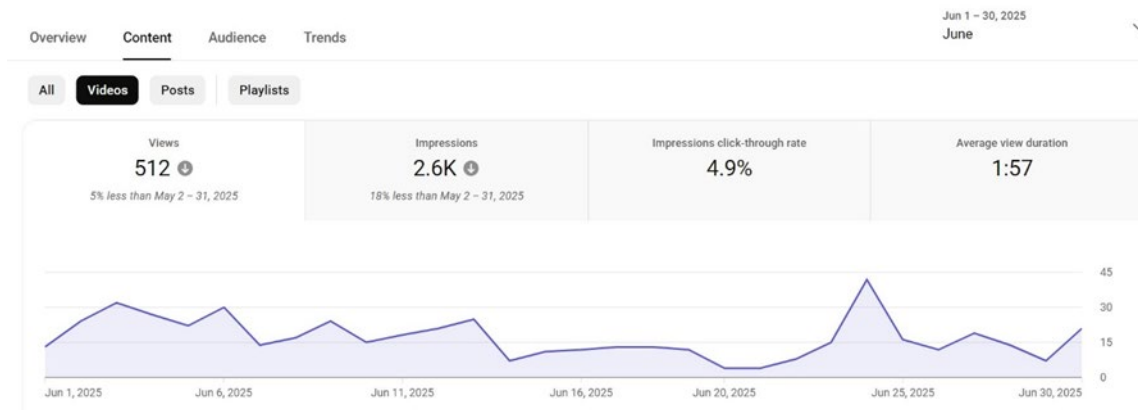
Community Engagement

B. Social Media and Online Engagement

1. Metrics – Facebook, X and LinkedIn

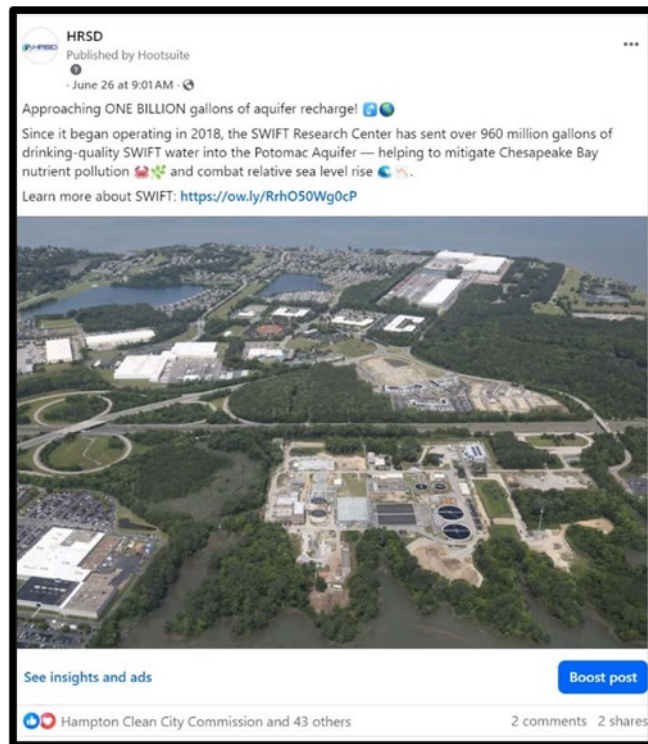


2. YouTube

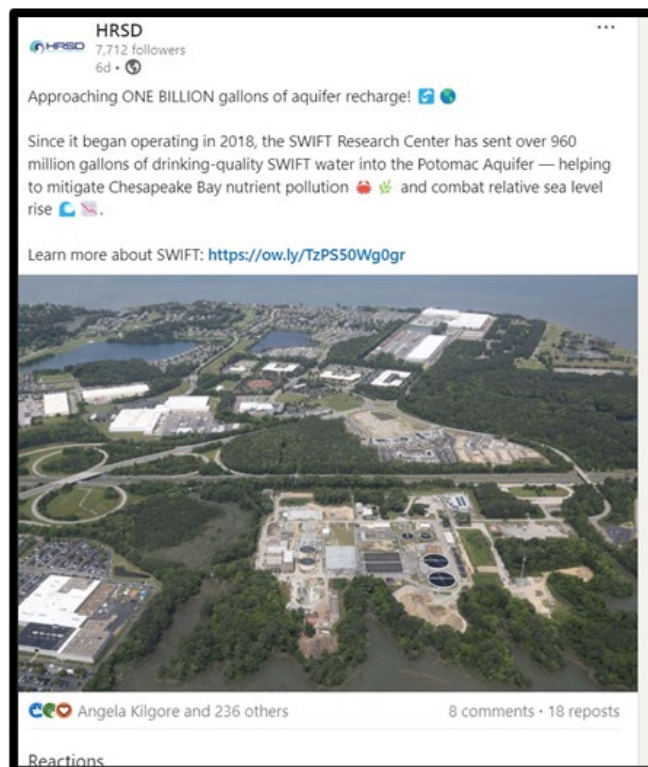


3. Top posts on Facebook, Twitter, and YouTube

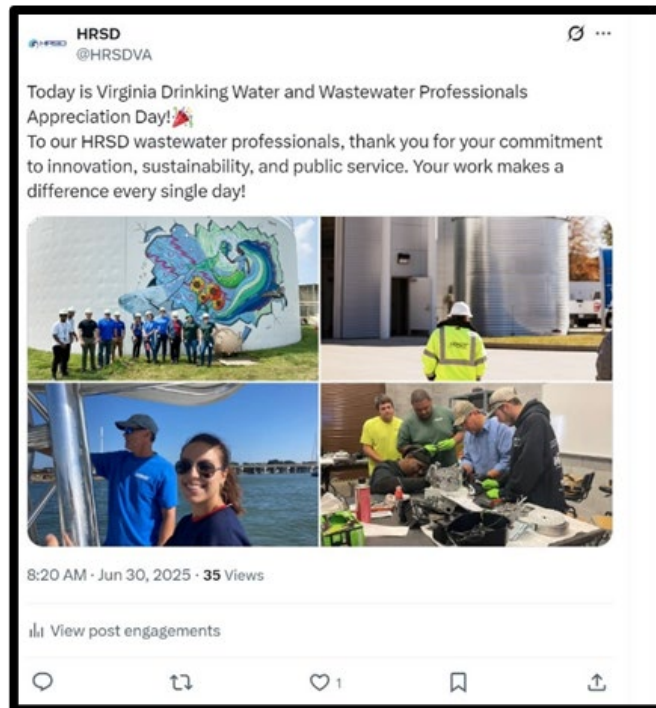
a. Top Facebook post



b. Top LinkedIn Post



c. Top X Post



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

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

4. Website and Social Media Impressions and Visits

a. Facebook:

- (1) 8,994 page impressions
- (2) 6,694 post impressions reaching 6,430 users.
- (3) Facebook Engagement of 339 (315 reactions, 13 shares, and 11 comments)

b. X: 5.68% engagement rate

c. HRSD.com/SWIFTVA.com: 880 page visits

- d. LinkedIn Impressions:
 - (1) 25,817 page impressions
 - (2) 22,070 post impressions
- e. YouTube: 512 views
- f. NextDoor unique impressions: 17,319 post impressions from 24 targeted neighborhood postings and two regionwide postings.
- g. Blog Posts (0):
- h. Construction Project Page Visits – 1,396 total visits (not including direct visits from home page, broken down as follows:
 - (1) 1,379 visits to individual pages
 - (2) 17 to the status page

C. Education and Outreach Activity Highlights

CCO joined GM/CEO and other senior leadership to provide a tour of the SWIFT Research Center to members of the Peninsula Chamber. Community Outreach and Education Specialists and HRSD Ambassadors participated in nine outreach events reaching more than 300 people across the service region. Community partners included Portsmouth Public Schools, Youth Volunteer Corps, Newport News Waterworks and Virginia Challenge Academy. Public Information Specialists participated in two project-related presentations to community civic leagues and have additional outreach planned for the coming months to keep communities updated as projects achieve critical milestones.

Community Outreach and Education Specialists attended the Virginia Association of Environmental Education Board meeting, the askHRgreen All Hands meeting and Project notices were distributed to 4,629 customers for 16 different projects across the service area this month. The department distributed and posted 12 construction notices/notices to neighbors, one news release and two traffic advisories HRSD.com Newsroom.

D. Internal Communications

CCO participated in the following internal meetings and events:

1. SWIFT Community Commitment Plan steering committee meeting
2. Security Team meeting
3. ROCI Partnering workshop

4. Solids Management meeting
5. Finance Coordinator Interviews
6. Chief People Officer interviews
7. HRSD SWIFT website review
8. Bi-weekly General Manager (GM) briefings
9. Discharge Monitoring Report (DMR), SWIFT Quality Steering Team (QST), and HRSD QST meetings
10. Check-in meetings with Deputy General Manager (DGM)
11. CCO conducted biweekly Communications department status meetings and weekly one-on-one check-in meetings.
12. Staff participated in 26 project progress and/or construction meetings along with additional communication planning meetings with various project managers, plant staff, internal and external stakeholders.



Talent

Professional development activities and pursuits for June included the following:

- CCO and staff attended Cybersecurity training, ProCard training, and Emergency Response Training
- Public Information Specialist attended a Graphic Design Webinar and several LinkedIn Learning courses

Respectfully,

Leila Rice, APR

Chief Communications Officer

TO: General Manager

FROM: Chief Engineer

SUBJECT: Monthly Engineering Report for June 2025

DATE: July 11, 2025



Environmental Responsibility

HRSD has been working closely with the United States Geological Survey (USGS) to better understand land subsidence in the region. This effort has included the installation of several extensometers. These devices are used to measure the relative vertical movement of the land in relation to a fixed elevation. Extensometers have been installed at HRSD's Nansemond Treatment Plant and Middle Peninsula Operations Center. The latest installation will be located at the HRSD James River Treatment Plant. The USGS will be installing a borehole which extends down to bedrock. After completion of this effort, a steel rod is installed which allows for the measurement of very small movements of the land in relation to a fixed elevation related to the depth of bedrock. This work is underway with the well drilling effort approximately 25% complete. As the SWIFT Program reaches completion at the James River Treatment Plant, knowledge of land movement will be valuable as we design and install future recharge sites throughout the region.

The Chesapeake Bay Foundation oversees an annual "Clean the Bay Day." This year's event was held on Saturday, June 7th. Engineering Division staff assisted with this effort as part of HRSD sponsored cleanup teams and working with our consultant firms at various locations throughout the region. Working closely with other HRSD staff members and the consultants that help HRSD on many projects, is a good way to build closer ties and help to remove debris that could enter local waterways.



Financial Stewardship

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

CIP Spending (\$M):

	Current Period	FYTD
Actual	64.92	615.64
Plan	67.40	718.50

Final CIP invoices for FY 2025 are still being received but estimates indicate that total CIP spending will be approximately \$700M. The CIP spending target for FY 2025 was \$820M. This plan-to-actual-spend ratio is 85%, which has been the average over the past 5 years. This is by

far HRSD's largest CIP spend in one fiscal year. This high level of spending will continue for the next few years as the Sustainable Water Initiative for Tomorrow (SWIFT) Program continues to be delivered. Operating costs for the Engineering Division were below planned levels in FY 2025. We ended the FY at 96% of the planned Operating Budget spending. This spending limitation was primarily due to unfilled positions over the FY.



Talent

Recruitment continues to be an important focus for the Engineering Division. We recently hired Mr. Milorad Radovic to fill the open Contract Specialist position in the Special Project Department. Milorad has years of experience in the Finance Division and will be able to use this background and knowledge to benefit our two groups. The Engineering Division is now fully staffed and will be adding two new positions later this year in the Asset Management Department.

Training and continuous learning are critical to the success of the Engineering Division. Each year our target is to provide each staff member with 40 hours of training. We ended FY 2025 with a combined average of 25 hours of training/employee. This level of training is below past years and an effort will be made to improve the level of training in the coming year. This metric has extra importance since we have added many new staff members in the past year.



Community Engagement

HRSD has been a long-time member of the Hampton Roads Utility and Heavy Contractors Association (HRUHCA). This group includes many of the contractors that assist HRSD with our many construction efforts. This trade organization is a good way for HRSD to interact with and find common ground with the construction industry in Hampton Roads. On June 11th, HRSD participated in HRUHCA's Engineer's Night. This event brings together engineers and contractors to discuss areas of common interest. We presented information about future opportunities and how to do business with HRSD. We continue to look for ways to engage more contractors in our work and HRUHCA is one way to promote the construction industry in Hampton Roads.

The Larchmont Area Sanitary Sewer Improvements project has reached the construction phase with numerous pump station improvements underway. HRSD has met numerous times with the local civic league as the design and construction phase of the work unfolds. A recent meeting has highlighted concerns with the plan for the new pump station at Hanover Avenue. HRSD will be working closely with the City of Norfolk and the local civic league to find ways to address the concerns of neighbors. This project has been very challenging as we look to retrofit aging infrastructure in very congested and fully developed neighborhoods.



Innovation

The Engineering Division continues to strive to improve the process for Development Review. This process allows external parties to request information related to existing infrastructure and make requests to connect new or modified connections to the regional sewer system. Since we serve such a large geographical area and the types of requests can vary greatly, a system that is flexible and user friendly is needed. We have worked with the IT Division to customize a software application known as APEX to automate these processes. A beta version of the program is being tested and training material is being created. We should have this new system available for use by end-users later this year.

Condition assessment of buried pipelines continues to be a significant focus. Since many of our existing gravity sewer and sewer force main piping cannot be taken out of service for inspection, new technologies continue to be explored. One technology that has shown to be effective is known as Impact Echo Assessment (IEA). Impact-echo is a method for nondestructive testing of concrete and masonry structures that is based on the use of impact-generated stress (sound) waves that propagate through concrete and masonry and are reflected by internal flaws and external surfaces. Impact-echo can be used to determine the location and extent of flaws such as cracks, delaminations, voids, honeycombing, and debonding in concrete pipes and tanks. The IEA method has become a standard technique used on buried concrete pipes that typically cannot be taken out of service. It is often used to verify the structural integrity of large diameter pre-stressed concrete cylinder pipes. One significant advantage is that it can be used to understand the condition of these pipes even though the pipe includes numerous components (steel cylinder, reinforcing wire and concrete).

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 June 2025

DATE: July 13, 2025



Financial Stewardship

In anticipation of a sale of wastewater revenue bonds in July, Moody's Investors' Service assigned HRSD's Subordinate Wastewater Revenue Bonds, Series 2025A a short-term rating of MIG 1 (*best quality*) and affirmed an Aa1 long-term rating on outstanding revenue bonds. S&P Global Ratings assigned HRSD a short-term rating of SP-1+ (*very strong capacity to pay debt service*) and affirmed a long-term rating of "AA+". Both ratings agencies indicated the outlook for these ratings as stable. The July bond sale is intended to act as a "bridge loan" to create debt service savings relative to HRSD's previously closed on WIFIA loan with an interest rate of 4.15 percent.

Field staff delivered 3,286 warning door tags and disconnected water service to 1,345 accounts during June 2025. Reduced disconnection activity is due to a legislative moratorium prohibiting disconnection of residential water service when temperatures are forecasted at 92 degrees or higher within 24-hours.

Staff successfully implemented a file transfer processes with one of our locality partners to initiate remote disconnection business processes. Once the weather disconnection moratorium ends, staff anticipate a significant improvement in severance activities relating to the locality utilizing remote disconnection. Staff are also making outbound collection calls and in-person visits to residential and commercial past due accounts, resulting in approximately \$587,000 in payments during June.

The Call Center team emailed 1,584 after call surveys, receiving 120 responses and an overall 89 percent favorable score. 2,942 outbound text reminders of past due balances were sent, resulting in 1,759 (60%) payments made.

Interim year-end financial results for the year are favorable with estimated revenues exceeding budgetary projections by six percent and expenses below budget by eight percent. Billed consumption, which is the driver for the vast majority of HRSD's revenues exceeded budgetary estimates by 2.1 percent.

Interest Income is significantly higher than original budgetary estimates. Approximately \$9.2 million in interest revenues are from earnings on bond proceeds that were not anticipated to be available when the budget was originally adopted. Additionally, approximately \$4.9 million is from interest earnings on funds set aside for the Capital Improvement Plan. Additional interest income is earned when capital improvement costs lag the pace of original spend estimates.

DEQ required that \$9.8 million of the \$17.7 million grant funds received for Atlantic Treatment Plant (ATP) capital improvements be used to prepay the outstanding tax-exempt debt. The Commission approved to increase the operating budget to provide funding for the additional debt service payment in fiscal year 2025.

A. Interim Financial Report

1. Operating Budget for the Period Ended June 30, 2025.

	Amended Budget	Current YTD	Current YTD as % of Budget (100% Budget to Date)	Prior YTD as % of Prior Year Budget
Operating Revenues				
Wastewater	\$ 442,031,000	\$ 448,884,019	102%	101%
Surcharge	1,400,000	1,531,663	109%	97%
Indirect Discharge	3,970,000	4,374,336	110%	105%
Fees	3,172,000	4,344,624	137%	128%
Municipal Assistance	837,000	1,163,207	139%	137%
Miscellaneous	1,982,000	1,955,915	99%	149%
Total Operating Revenue	453,392,000	462,253,764	102%	101%
Non Operating Revenues				
Facility Charge	6,170,000	7,103,265	115%	117%
Interest Income	7,300,000	26,102,695	358%	454%
Build America Bond Subsidy	-	-	0%	100%
Other	330,000	673,895	204%	86%
Total Non Operating Revenue	13,800,000	33,879,855	246%	199%
Total Revenues	467,192,000	496,133,619	106%	104%
Transfers from Reserves	36,466,681	36,466,681	100%	100%
Total Revenues and Transfers	<u>\$ 503,658,681</u>	<u>\$ 532,600,300</u>	106%	104%
Operating Expenses				
Personal Services	\$ 80,140,274	\$ 78,245,024	98%	100%
Fringe Benefits	30,767,169	27,395,566	89%	98%
Materials & Supplies	15,245,514	13,894,581	91%	84%
Transportation	2,382,779	1,854,587	78%	86%
Utilities	16,643,039	15,805,112	95%	104%
Chemical Purchases	16,974,110	14,463,539	85%	87%
Contractual Services	57,868,703	41,348,130	71%	74%
Major Repairs	16,778,801	7,743,547	46%	53%
Capital Assets	2,361,019	698,907	30%	41%
Miscellaneous Expense	4,171,177	5,045,416	121%	92%
Total Operating Expenses	243,332,585	206,494,409	85%	88%
Debt Service and Transfers				
Debt Service	104,690,691	103,158,503	99%	107%
Transfer to CIP	155,635,405	155,635,405	100%	100%
Transfer to Risk management	-	-	0%	100%
Total Debt Service and Transfers	260,326,096	258,793,908	99%	102%
Total Expenses and Transfers	<u>\$ 503,658,681</u>	<u>\$ 465,288,317</u>	92%	95%

Please note: FY25 Amended budget was increased by \$9.8m due to VRA principal payment processed due to grant funds received.

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 June 30, 2025.

HRSD - RESERVE AND CAPITAL ACTIVITY

June 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	485,287,861					-
Line of Credit						41,697,999
VRA Draws						284,119,407
WIFIA Draws						138,925,397
Grants						
Series 2024B					268,087,870	
Series 2024B Interest					9,214,546	
Transfers In				155,635,405		
Sources of Funds	485,287,861	-	-	155,635,405	277,302,416	464,742,803
Total Funds Available	\$ 725,546,358	\$ 22,307,000	\$ 4,799,555	\$ 193,104,327	\$ 277,302,416	\$ 464,742,803
Current Year Uses of Funds						
Cash Disbursements	309,454,402			21,247,433	133,372,544	464,742,803
Transfers Out	155,635,405					
Uses of Funds	465,089,807	-	-	21,247,433	133,372,544	464,742,803
End of Period - June 30, 2025	\$ 260,456,551	\$ 22,307,000	\$ 4,799,555	\$ 171,856,894	\$ 143,929,872	\$ -
Unrestricted Funds	\$ 437,113,000					

4. Capital Improvements Budget and Activity Summary for Active Projects for the Period Ended June 30, 2025.

HRSD - SOURCES OF FUNDS

June 30, 2025

Primary Source	Beginning Market Value July 1, 2024	YTD Contributions	YTD Withdrawals	YTD Income Earned	Ending Market Value June 30, 2025	Allocation of Funds	Credit Quality	Current Mo Avg Yield
BOA Corp Disbursement Account	\$ 31,786,393	\$ 1,221,246,984	\$ 1,210,378,400	\$ 919,065	\$ 43,574,042	11.8%	N/A	2.11%
VIP Stable NAV Liquidity Pool	178,789,050	335,531,126	202,000,000	11,955,482	324,275,658	88.2%	AAAm	4.40%
Total Primary Source	\$ 210,575,443	\$ 1,556,778,110	\$ 1,412,378,400	\$ 12,874,547	\$ 367,849,700	100.0%		

VIP Stable NAV Liquidity Pool performed 0.01% above to the Va Local Government Investment Pool's (the market benchmark) in the month of June 2025.

Secondary Source	Beginning Market Value July 1, 2024	YTD Contributions	YTD Withdrawals	YTD Income Earned & Realized G/L	Ending Market Value June 30, 2025	Ending Cost	LTD Mkt Adj	Yield to Maturity at Market
VIP 1-3 Year High Quality Bond Fund	65,915,924	-	13,502	2,855,110	69,597,188	70,147,735	(550,547)	3.81%
Total Secondary Source	\$ 65,915,924	\$ -	\$ 13,502	\$ 2,855,110	\$ 69,597,188	\$ 70,147,735	\$ (550,547)	

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

	Total	Fund Alloc
Total Primary Source	\$ 367,849,700	84.1%
Total Secondary Source	69,597,188	15.9%
TOTAL SOURCES	\$ 437,446,888	100.0%

5. Active Capital Grants: Nine active and nine are pending award or agreement.

Grants by status: Six active awards, two awards pending fully executed agreement, eight applications are under review by funders, two pre-applications were approved with full applications underway. Two grants were closed in June.

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 6/30/25
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	\$ -	\$ -
FY25 Defense Community Infrastructure Grant	DOD	Army Base Treatment Plant Transmission Force Mail Replacement	AB01000	6/27/2025	\$ 11,628,043	\$ -	\$ -
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	7/1/2021	\$ 120,000	\$ 120,000	\$ 108,000
Decarbonization of Water Resource Recovery Facilities	DOE-AECOM	Technological Upscaling of the PdNA Process for Decarbonization with Mainstream Deammonification	n/a	3/23/2023	\$ 240,000	\$ 240,000	\$ -
National Water Research Institute (Honorarium)	NWRI	Independent Advisory Panel for Colorado Nutrient Limits	n/a	4/8/2025	\$ 5,000	\$ 5,000	\$ 750
State Economic and Infrastructure Development (SEID) Grant Program	SCRC	Design for North Churchill Interceptor Force Main Segmental Replacement at Swannanoa Drive (Portsmouth)	NP015800	5/28/2025	\$ 350,000	\$ -	\$ -
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	ES010100	11/28/2022	\$ 8,367,000	\$ 4,183,500	\$ 4,183,500
Grant Name	Funder	Project	CIP#	Application Submitted	Amount Requested	HRSD Award Amount	Reimbursement Rcvd as of 6/30/25
Non-Point Source Funding	VDEQ	Gloucester Septic to Sewer (Pay for Performance)	n/a	2/3/2024	\$ 1,180,000	\$ 1,180,000	\$ -
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	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	\$ 25,032
Wildlife & Sport Fish Restoration, Boating Infrastructure Grant Program	VDH-DOI	FY26 Boater Education and Pump-Out Program	n/a	3/24/2025	\$ 69,900	\$ 60,000	\$ -
Water Research Foundation Project / Oceankind Project 5278	WRF	Nitrogen Reduction Solutions for Ocean Discharges #42260	n/a	9/12/2024	\$ 45,000	\$ 45,000	\$ -
					\$830,431,066	\$ 7,141,200	\$ 4,317,282

6. Debt Management Overview

HRSD - Debt Outstanding (\$000's)					June 30, 2025	
May 2025			Jun 2025			
Principal		Principal			Interest	
Balance	Payments	Draws	Capitalized Interest	Balance	Payments	
Fixed Rate	\$ 1,755,223	\$ (13,604)	\$ 14,902	\$ 730	\$ 1,757,251	\$ (859)
Variable Rate	50,000	-	-	-	50,000	(106)
Line of Credit	92,781	-	-	-	92,781	(320)
Total	\$ 1,898,004	\$ (13,604)	\$ 14,902	\$ 730	\$ 1,900,032	\$ (1,285)

HRSD- Series 2016VR Bond Analysis			June 27, 2025
	HRSD Series		Deviation to
	SIFMA Index	2016VR	SIFMA
Maximum	4.71%	4.95%	0.24%
Average	1.51%	1.02%	-0.49%
Minimum	0.01%	0.01%	0.00%
As of 06/27/25	1.92%	1.75%	-0.17%

Since October 20, 2011 HRSD has averaged 102 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	\$ 457,024,319	4%	Ongoing	
WIFIA Tranche 3	EPA	\$ 346,069,223	\$ -	100%	July 2025	
Clean Water Program 2024	DEQ	\$ 80,000,000	\$ 41,540,606	48%	Ongoing	

7. Financial Performance Metrics for the Period Ended June 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	\$ 437,113,000		656
Risk Management Reserve	(4,799,555)	(8)	648
Capital (PAYGO only)	(171,856,894)	(257)	391
Adjusted Days Cash on Hand	\$ 260,456,551		391

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

June 30, 2025

Primary Source	Beginning Market Value July 1, 2024	YTD Contributions	YTD Withdrawals	YTD Income Earned	Ending Market Value June 30, 2025	Allocation of Funds	Credit Quality	Current Mo Avg Yield
BOA Corp Disbursement Account	\$ 31,786,393	\$ 1,221,246,984	\$ 1,210,378,400	\$ 919,065	\$ 43,574,042	11.8%	N/A	2.11%
VIP Stable NAV Liquidity Pool	178,789,050	335,531,126	202,000,000	11,955,482	324,275,658	88.2%	AAAm	4.40%
Total Primary Source	\$ 210,575,443	\$ 1,556,778,110	\$ 1,412,378,400	\$ 12,874,547	\$ 367,849,700	100.0%		

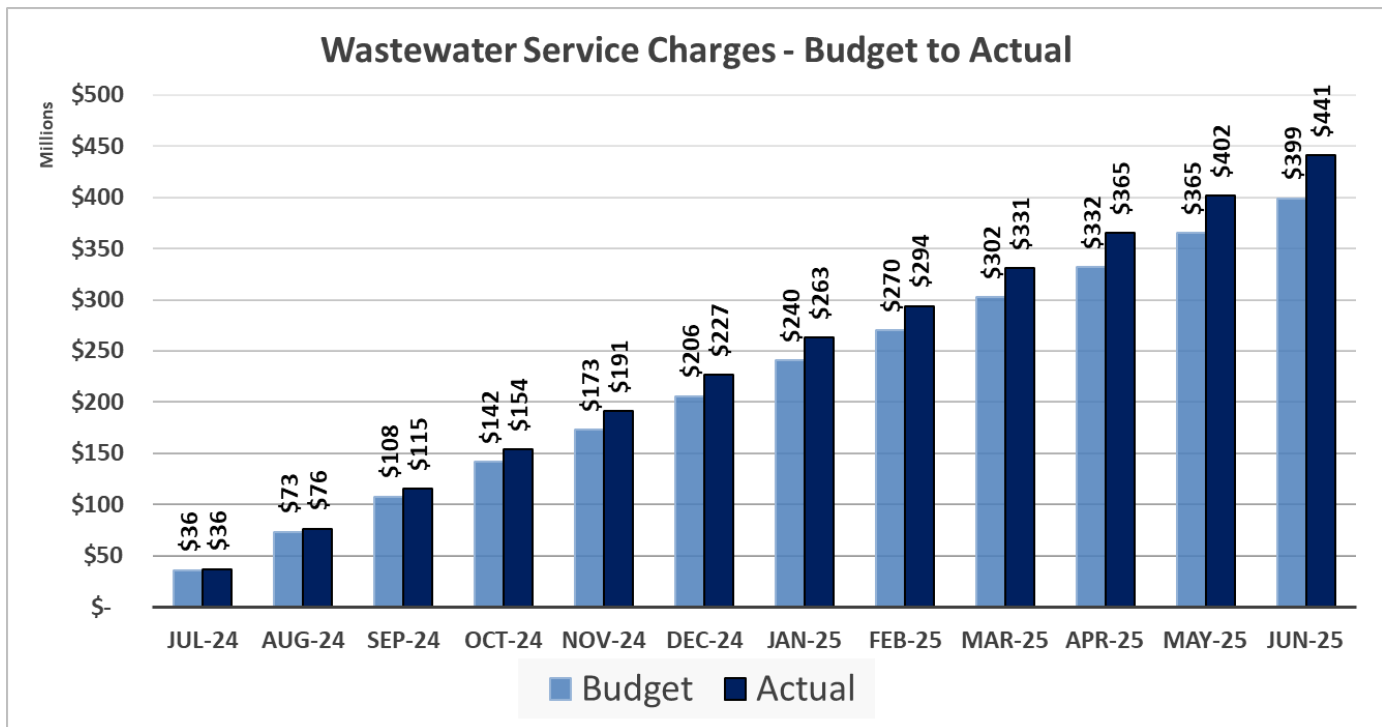
VIP Stable NAV Liquidity Pool performed 0.01% above to the Va Local Government Investment Pool's (the market benchmark) in the month of June 2025.

Secondary Source	Beginning Market Value July 1, 2024	YTD Contributions	YTD Withdrawals	YTD Income Earned & Realized G/L	Ending Market Value June 30, 2025	Ending Cost	LTD Mkt Adj	Yield to Maturity at Market
VIP 1-3 Year High Quality Bond Fund	65,915,924	-	13,502	2,855,110	69,597,188	70,147,735	(550,547)	3.81%
Total Secondary Source	\$ 65,915,924	\$ -	\$ 13,502	\$ 2,855,110	\$ 69,597,188	\$ 70,147,735	\$ (550,547)	

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

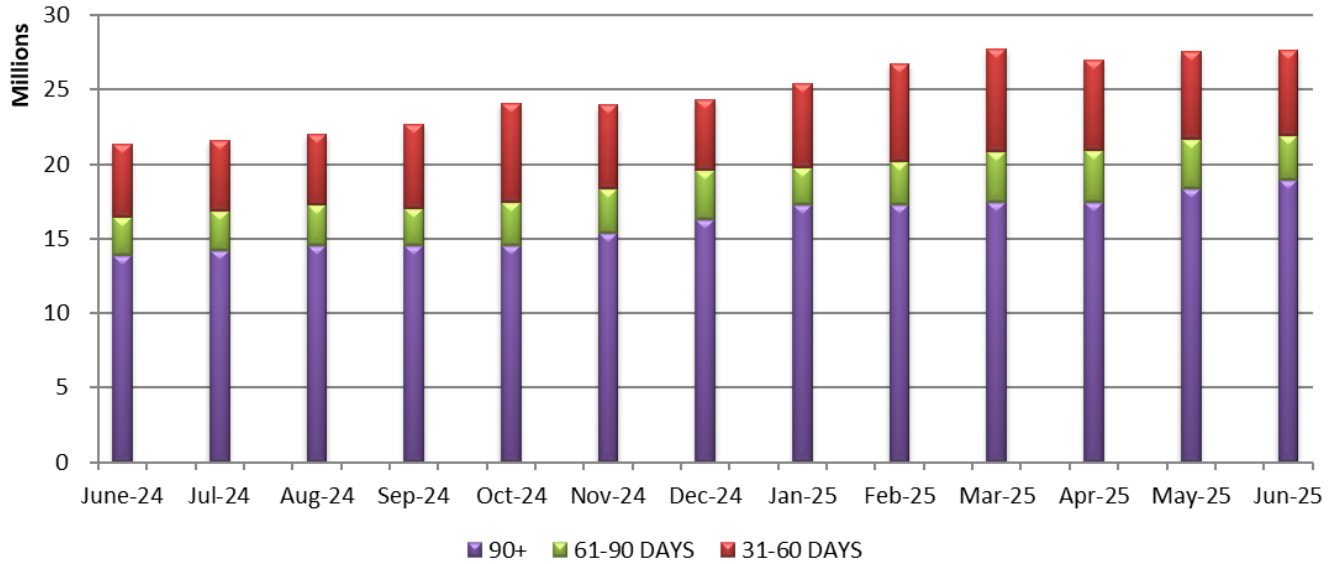
	Total	Fund Alloc
Total Primary Source	\$ 367,849,700	84.1%
Total Secondary Source	69,597,188	15.9%
TOTAL SOURCES	\$ 437,446,888	100.0%

8. Summary of Billed Consumption



Summary of Billed Consumption (,000s ccf)							
	<u>% Difference</u>			<u>% Difference</u>		<u>% Difference</u>	
	<i>FY2025</i>						
	<i>Cumulative</i>	<i>FY2025</i>		<i>Cumulative</i>		<i>Cumulative 3</i>	<i>From 3 Year</i>
<i>Month</i>	<i>Budget</i>	<i>Cumulative</i>	<i>From</i>	<i>FY2024</i>	<i>From</i>	<i>Year Average</i>	<i>Year Average</i>
	<i>Estimate</i>	<i>Actual</i>	<i>Budget</i>	<i>Actual</i>	<i>FY2024</i>		
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	48,830	1.7%	48,760	0.1%	48,383	0.9%
June	52,500	53,606	2.1%	53,206	0.8%	52,999	1.1%

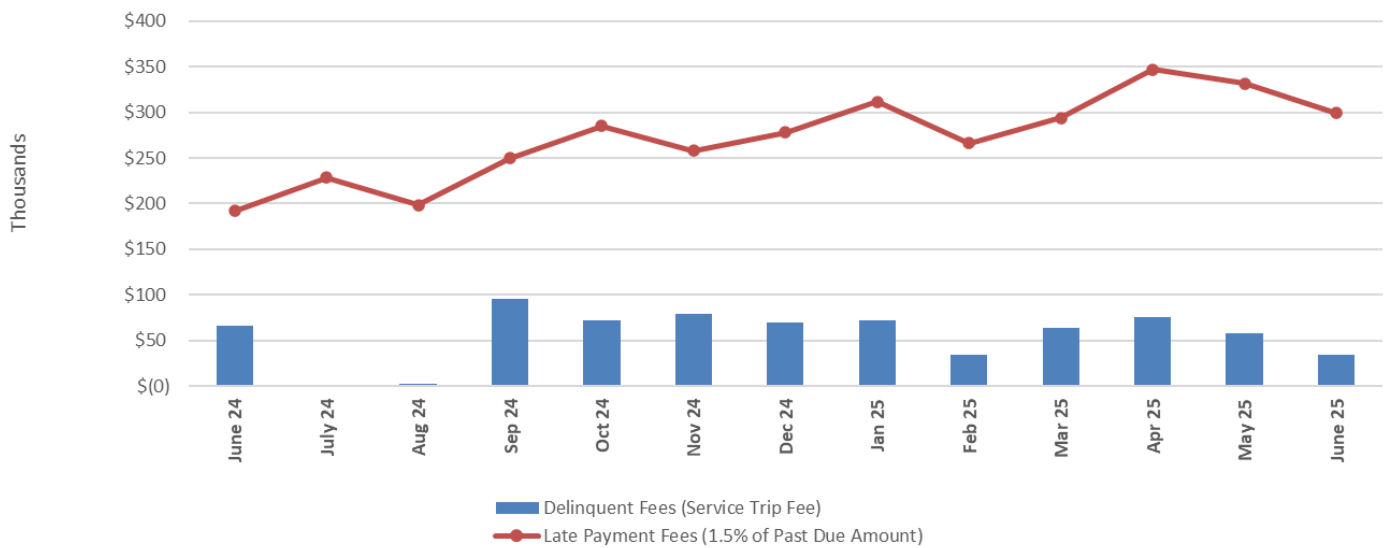
HRSD Accounts Receivable Aging +30 Days

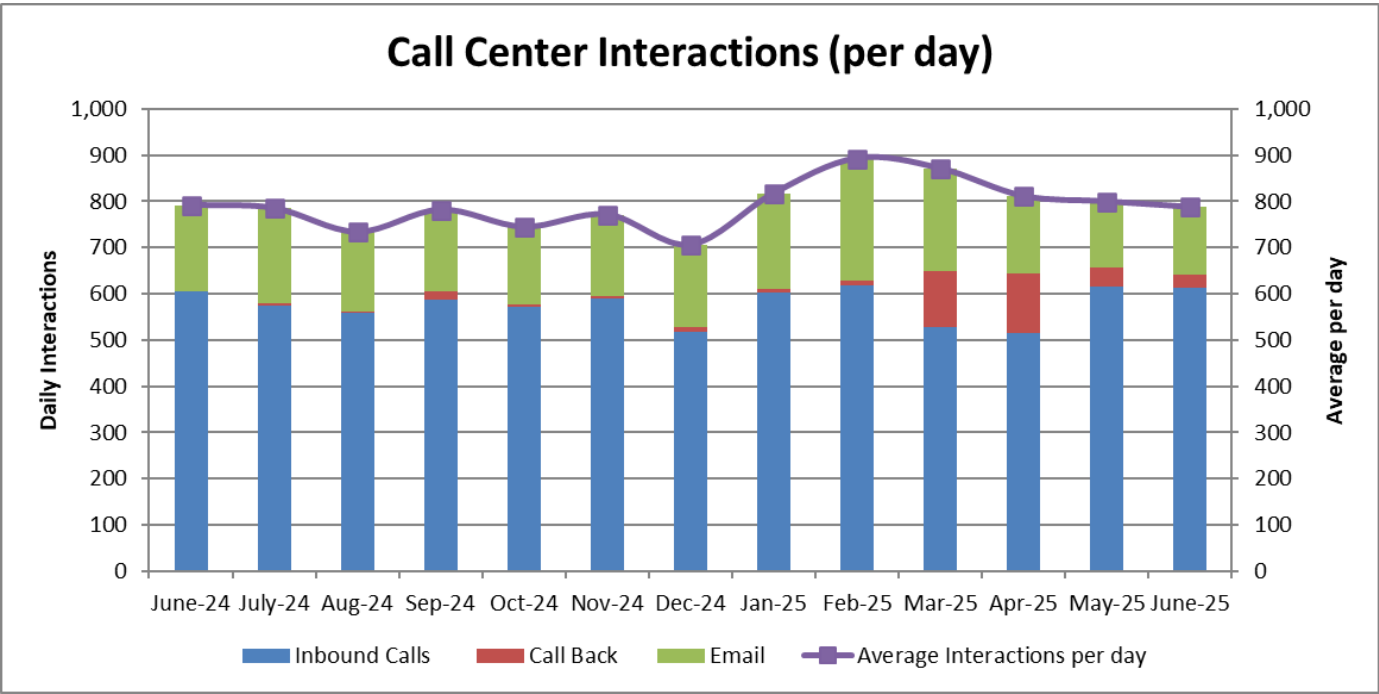
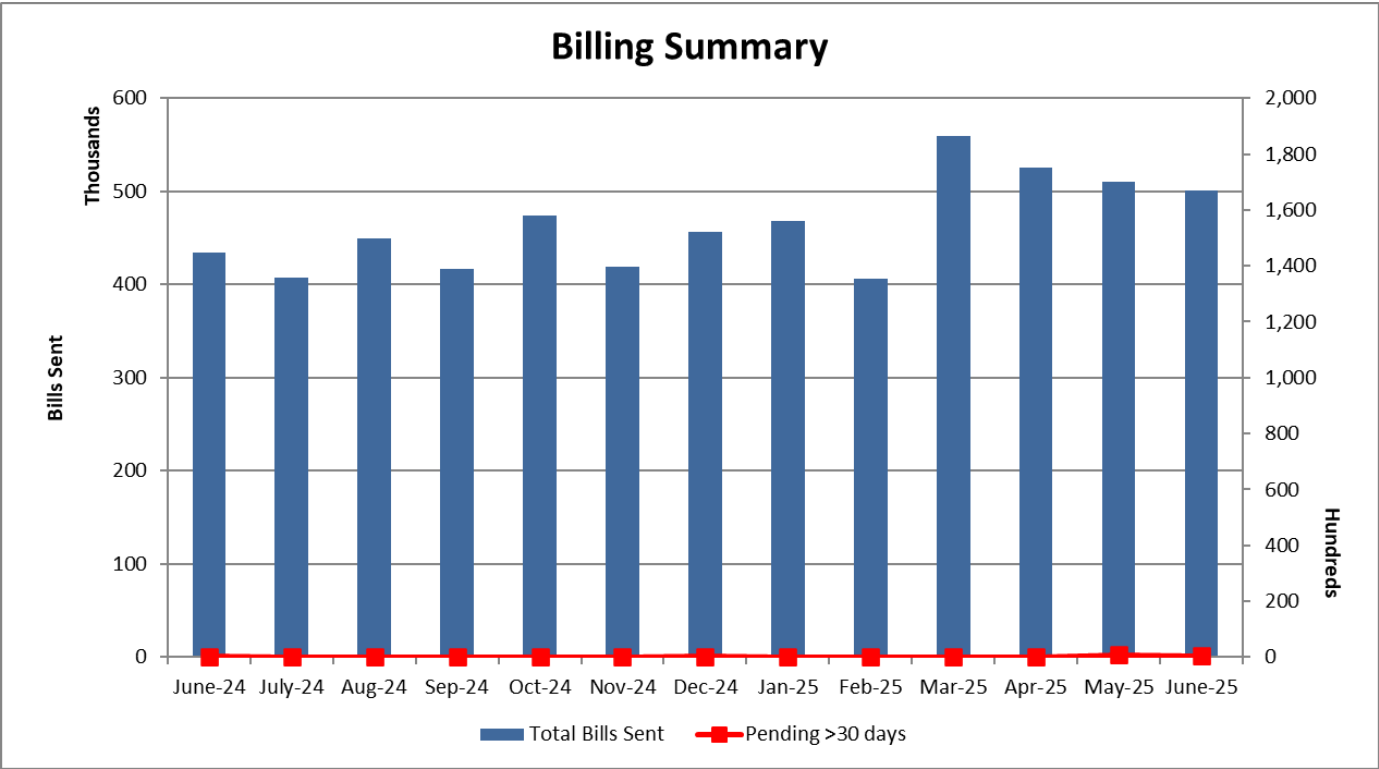


B. Customer Care Center

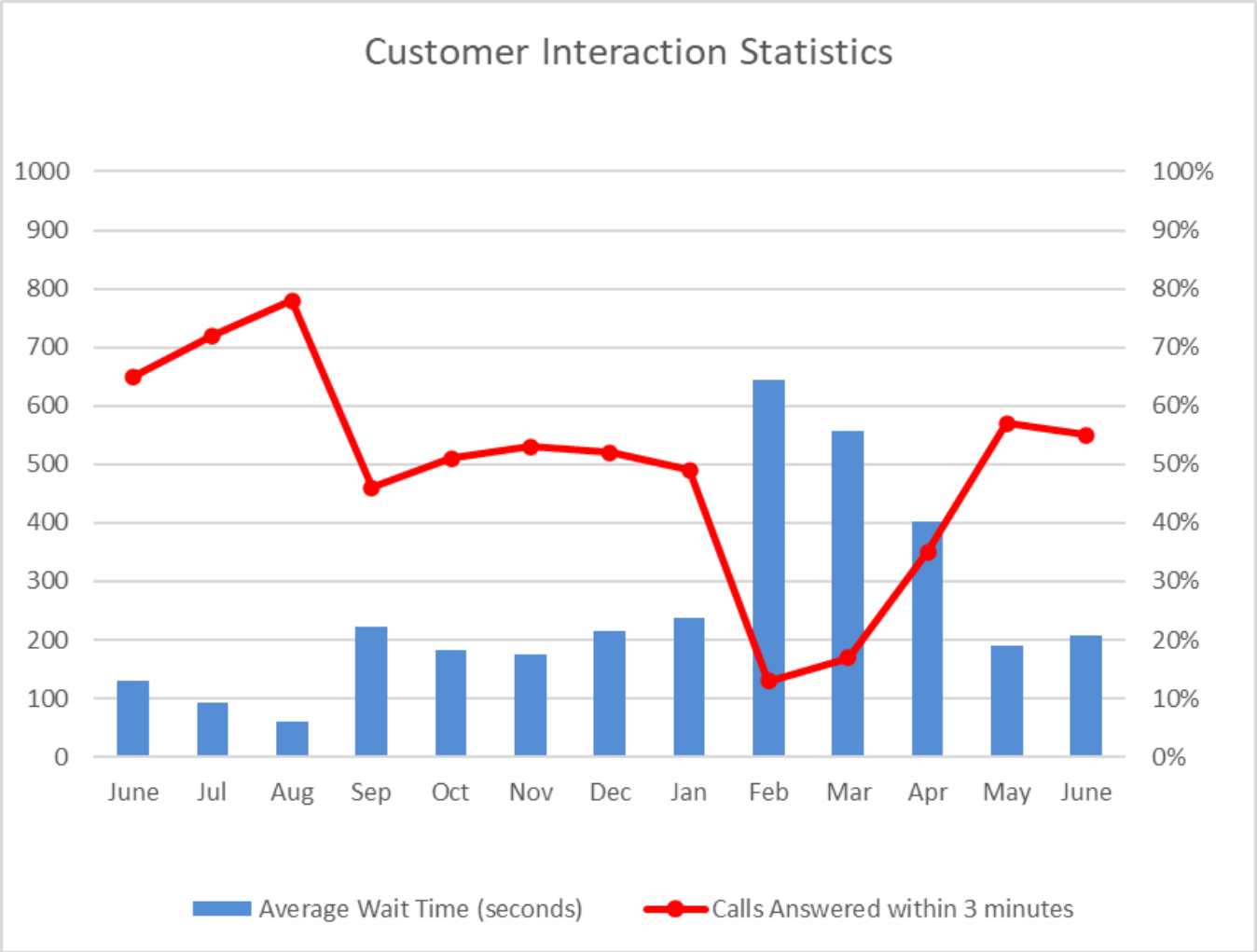
1. Accounts Receivable Overview

Delinquent & Late Payment Fees

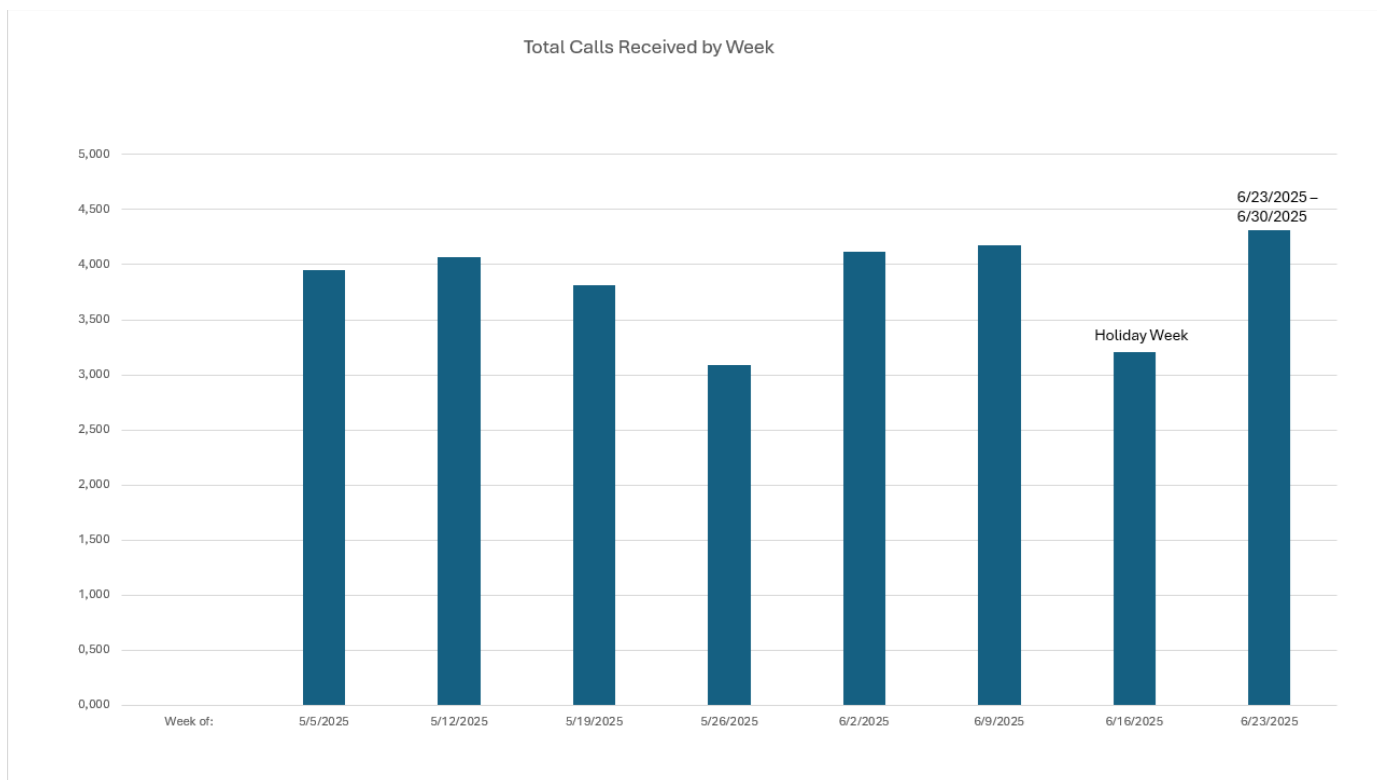




2. Customer Care Center Statistics



Customer Interaction Statistics	June	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
Calls Answered within 3 minutes	65%	72%	78%	46%	51%	53%	52%	49%	13%	17%	35%	57%	55%
Average Wait Time (seconds)	131	92	60	222	183	176	214	237	643	556	403	190	208
Calls Abandoned	11%	9%	6%	18%	16%	16%	19%	21%	45%	44%	30%	16%	19%



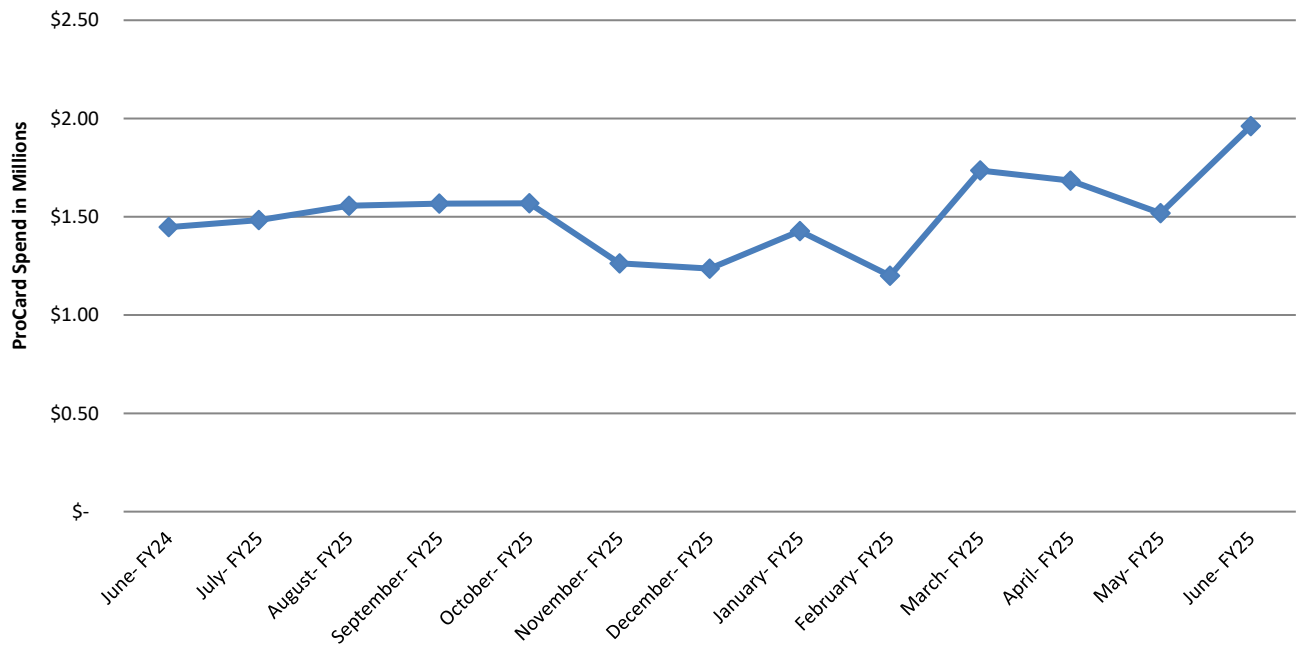
C. Procurement Statistics

Savings	Current Period	FYTD
Competitive Savings ¹	\$1,082,125	\$2,986,553
Negotiated Savings ²	\$9,750	\$73,047
Salvage Revenues	\$2,216	\$226,633
Corporate VISA Card - Estimated Rebate	\$29,223	\$271,203

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

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

ProCard Spend FY25



Respectfully,

Steven G. de Mik

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

TO: General Manager

FROM: Chief Information Officer

SUBJECT: Information Technology Division (ITD) Report for June 2025

DATE: June 7, 2025



Innovation

The IT Help Desk processed 347 work orders and requests for assistance in June.

Senior Systems Engineers have been working on network connectivity upgrades with several jurisdictions. James City Service Authority (JCSA) and City of Williamsburg cutovers are planned for completion at the end of June.

Senior Systems Engineers continued work on network switch replacements at HRSD pump stations. They continued to participate in planning meetings related to various construction projects at HRSD treatment plants to provide input on technology items.

Senior System Engineers continued their efforts working with Electrical & Instrumentation to complete the relocation of technology equipment in the existing Central Environmental Lab (CEL) in preparation for demolition.

Staff continue to support post go-live stabilization for the new Electronic Data System (EDS) and began work to shut down old EDS servers to prep the equipment for salvage.

The results of the CrowdStrike network penetration test were completed. Cybersecurity staff and Senior System Engineers continue with remediation efforts to address the identified vulnerabilities from the CrowdStrike penetration testing.

Cybersecurity continued implementation work on the solution to improve network segmentation.

Programming staff and IT Project Management participated in kickoff meetings for ARDOQ Enterprise Architect software. This software will assist Information Technology in managing software application lifecycle and strategic planning.

Information Technology staff worked with the Customer Care Center staff to successfully complete a Customer Care and Billing (CC&B) financial transaction archival project in early June. Approximately 330,043,703 zero balance financial transactions from 541,796 accounts were archived. These financial transactions existed on accounts older than July 1, 2013. The success of this project helped reduce the size of the system database and created improved efficiencies in the system.

Staff successfully upgraded the SAP Business Objects reporting software.

Staff worked on testing and coding changes to adapt to the City of Portsmouth implementation of their new billing system. The billing system went live on June 23, 2025. Staff continue working on post go-live stabilization.

Programming staff worked on efforts to migrate the City of Williamsburg from a Customer Care & Billing (CC&B) model 4 to a model 1 billing partner. Go live is planned for July 1, 2025, and is on schedule.



Community Engagement

Programming staff participated in the go-live cutover of the Meridan IDEA Customer Engagement Portal version 1.2 in early June. They continue to be engaged in post-go-live stabilization efforts with Customer Care staff.



Talent

Interviews were conducted for one of two vacant Oracle Developer - ERP positions. External candidate Mr. Uday Revankar was selected. Mr. Revankar will begin his new position in July. Recruiting efforts are continuing for the second vacant position.

Interviews were conducted for the vacant IT Portfolio Project Manager position. Internal candidate, Mrs. Heather Huling, was selected to fill the role.

Mary Corby and Coleen Moody along with several ERP Business Analysts attended the Oracle Ascend Conference in early June. The conference covered topics such as Oracle's product roadmaps, artificial intelligence (AI), cloud management, implementation paths to the Oracle Cloud, product development, database features and cybersecurity. The team returned with improved insight into Oracle's roadmap for on-premises and cloud-based applications. The conference executive day provided the ability to network with Oracle product strategy Vice Presidents and executives from global corporations using Oracle's suite of ERP products.

Respectfully,

Mary Corby

Chief Information Officer

TO: General Manager/Chief Executive Officer

FROM: Chief Operating Officer

SUBJECT: Operations Monthly Report for June 2025

DATE: July 9, 2025



Community Engagement

South Shore (SS) Interceptor Operations held a series of locality collaboration meetings with the City of Suffolk and the City of Virginia Beach Operations staff to discuss operational issues, initiatives, and projects. On June 17, staff attended a City of Virginia Beach vacuum station tour to better understand the system and the impact to the HRSD system in Northern Virginia Beach.



Environmental Responsibility

Treatment and Interceptor System Reportable Items:

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

Internal 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.

1. The Williamsburg Treatment Plant (WBTP) had an odor scrubber exhaust exception for scrubber effluent hydrogen sulfide (H₂S) levels exceeding five parts per million. This occurred when influent H₂S level increased, requiring a pH setpoint adjustment and an increase in chemical feed.
2. Army Base Treatment Plant (ABTP) lost odor control system B Train #1 for more than one hour on June 4, and returned to service on June 6, following planned maintenance to install new parts.

Additional Topics of Interest:

1. On the Advanced Nutrient Removal Improvements and Sustainable Water Initiative for Tomorrow (SWIFT) Project at the James River Treatment Plant, leak tests were performed on the new secondary clarifier and the secondary effluent junction/splitter box. Grating was installed on the junction/splitter box. At the new administration building, the contractor worked on punch list items. Grading and stone placement continued around the building in preparation for parking area construction. The main electrical building was energized. Piping, cable and equipment installation continued in SWIFT Buildings #1 and #2. At the methanol facility, work focused on installing electrical and fire protection equipment and the contractor continued work on yard piping.

2. An HRSD customer in West Point filed a complaint to DEQ regarding a sanitary sewer overflow that occurred on their property. Small Communities Department (SCD) and NS Interceptor Operations staff have been working with the customer to restore damage to their fence and detached garage caused by the spill. In addition, the manhole on the customers property was raised, and functional changes were made to the upstream Pamunkey Pump Station (PS) to prevent future spills at this location.
3. The total volume of SWIFT recharge into the Potomac aquifer for the month of June was 7.37 million gallons (MG) (26.4 % Recharge Time based on 650gpm).
4. Electrical and Instrumentation (E&I) staff installed a replacement nitrate and ammonia wet chemical analyzers for the SWIFT Research Center at NTP. The previous analyzers are no longer supported in the United States. To reduce cost and minimize downtime, the Jarbalyzer design was modified to fit into the existing enclosures. These analyzers are critical for monitoring control points and are about half the cost of comparable analyzer replacements.
5. E&I staff began construction of an autosampler that may be used at treatment plants without a night shift operator (partially attended facilities). The Treatment Department identified a need to preserve regulatory composite nutrient samples automatically to meet permit requirements. Currently the night shift operator manually pours the composite sample into containers with preservation pre-charged by the Central Environmental Lab (CEL). The new autosampler will collect a flow weighted composite sample and automatically preserve it.
6. E&I staff assisted the CEL project, with coordinating Dominion Energy (DE) outages, to facilitate replacement of a 1000 kVA transformer. A new transformer was installed due to the existing transformer obstructing the new CEL building site.
7. Material Transportation & Logistics Staff hauled 37 loads of ash, totaling 341.7 dry tons. They also hauled 88 loads of primary clarifier solids, and 20 loads of thickened waste activated biosolids for a combined total of 2,987.13 wet tons (half-month total). Additionally, 73 loads were hauled from the Atlantic Treatment Plant to McGill Composting Facility in Waverly, totaling 1,196.75 wet tons.
8. On June 10, SS Interceptor Operations assisted the City of Virginia Beach with a force main failure on Potters Road near South Great Neck Road. Staff operated a system branch valve allowing the city to complete their work.



Financial Stewardship

1. SCD Staff removed and installed new membranes on both trains for the King William Treatment Plant. The old membranes became fouled, and the plant was restricted to around 95,000 gpd of flow requiring extensive pump and haul costs and efforts. The new membranes are currently keeping up with influent flow and have been treating over 105,000 gpd for most of June. This effort resulted in cost savings of approximately \$20,000.
2. SCD Eastern Shore staff installed new membranes for train #3 of the Onancock Treatment Plant. Staff also worked with Veolia to install new "LEAP" big bubble aeration upgrades to the train three as well. Train #2 is now the only train left to be upgraded next year. This effort resulted in cost savings of approximately \$25,000.

3. After a proposed 63% price increase for landscaping, ABTP has taken on landscaping services in-house. This effort will result in annual cost savings of \$26,000.
4. The Machine Shop (MS) had nine work orders this month. This included full pump rebuilds for both NS and SS Interceptor Operations. Additionally, two pump shafts were fabricated for Freeman PS. MS staff also submitted a revised on-the-job training skills book based on percentage completion, which will replace the current hour-based format. For reference, it costs between \$8,000 to \$15,000 to repair each pump at a non-HRSD machine shop and the process can take anywhere from 6 months to a year. It takes less than two months to complete by our MS staff.
5. On June 9, SS Interceptor Operations assisted NTP by cleaning the Regional Residuals Facility removing approximately six cubic yards of material from the grit traps, well, and manhole to keep the facility operating at peak efficiency. This effort resulted in cost savings of approximately \$4,000.



Innovation

1. An important paper was published in the journal *Water Reuse* concerning SWIFT and pathogen removal in carbon-based advanced treatment trains. This paper is the culmination of the work that was done to address questions posed to HRSD by the National Water Research Institute panel review of the SWIFT treatment train regarding the validation of pathogen removal.
Samantha Hogard; Kathleen Yetka; Robert Pearce; Hannah Thompson; Kyle Curtis; Raul Gonzalez; and Charles Bott, 2025, Demonstrating pathogen reduction in coagulation/flocculation/sedimentation, ozone, and biofiltration indirect potable water reuse treatment trains. *Water Reuse*, <https://doi.org/10.2166/wrd.2025.111>
2. SCD staff installed the first gateway and 10 remote monitoring sites for a new FloVac vacuum monitoring system for the Mathews County collection system. This system allows us to see real time system conditions and set alarms for low vacuum conditions and vacuum pit issues.
3. NS Interceptor Operations continued design work on flow augmentation changes for Lodge Road PS to deploy a recirculation diversion back into the wet well to enhance pump performance and asset longevity. This in-house project will be constructed by NS Interceptor Operations staff and is intended to help the pumps operate more consistently within the preferred operating range.
4. NS and SS Interceptor Operations staff began working with the Security Manager to explore the potential implementation a pilot program for the iLOQ master smart lock system. This proprietary, cellphone based locking technology features cloud-based database administration and could potentially replace all padlocks and unmanned facility doors locks within the HRSD system. Additionally, it can be integrated with our existing CCURE card swipe access system for enhanced overall security.



Talent

1. At the WBTP plant operators Mr. Scott DeLucia and Mr. Aaron Royal passed the Class 2 and Class 3 Virginia Wastewater Works License exam, respectively.
2. Mr. Howard Cook, SCD Operator for the Eastern Shore, passed his Class 2 Virginia Wastewater Works License exam.
3. NS Interceptor Operations welcomed two engineering interns, Ms. Avery Jackson from Old Dominion University, and Mr. Kevin Chan from Virginia Tech. They will be assisting the engineering support group on projects and initiatives for the next two months.
4. SS Interceptor Operations welcomed Mr. Josh Cilla, Engineering Intern, from James Madison University (JMU) on June 9. Mr. Cilla will be assisting the engineering support group on projects and initiatives for the next two months.
5. On June 16, Mr. Shawn Heselton, Director of SS Interceptor Operations presented on Exploring All Perspectives to the Water Environment Federation (WEF) Water Leadership Institute that discussed the importance of inclusion in the water sector.
6. On June 18, Mr. Shawn Heselton presented Bridging Perspectives to the WEF Operator Training cohort about the importance of differences, fairness, and belonging.

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	0	3
2.7	# of PS Annual PMs Performed (SS)	53	2	3	5	3	1	1	8	1	6	7	11	2
2.7	# of Backup Generator PMs Performed	4.6	6	10	5	8	3	3	7	4	7	3	8	7
2.8	# of FM Air Release Valve PMs Performed (NS)	234	397	483	515	539	273	343	288	234	381	421	306	256
2.8	# of FM Air Release Valve PMs Performed (SS)	1,550	208	164	64	83	99	92	132	178	81	141	385	24
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	1,466	1,118
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	823	1,519

TO: General Manager

FROM: Acting Chief People Officer

SUBJECT: Talent Management Monthly Report for June 2025

DATE: July 9, 2025



Talent

The Talent Management (TM) Division made significant strides in workforce development, talent acquisition, and organizational safety. Highlights include Safety and Security's successful promotion of National Safety Month and development of a new Mass Communication policy, Learning and Development's introduction of a new leadership training framework and representation at the NEWEA Workforce Conference; and Human Resources' advancement of strategic recruitment, filling two key coordinators roles and leading Leadership Forum discussions on a new recognition and rewards program and disciplinary policy updates.

Human Resources (HR): The HR team continued its efforts to fill key vacancies. Two offers have been extended and accepted for the HR Coordinator positions, while recruitment efforts remain active for the HR Business Partner role.

At the recent Leadership Forum, HR led discussions on two important topics: the upcoming Employee Recognition and Rewards program, and updates to the disciplinary policy as part of broader realignment efforts.

Progress also continues on the transition of HRSD's 457 plans to our new recordkeeper, Nationwide. Informational letters have been distributed to all participants, and employee meetings are scheduled for July to guide staff through the next steps.

Participation in HRSD's Wellness Program continues to grow. With the new Wellness Year starting on March 1st, renewed offerings such as plan education, wellness presentations, individual and group coaching, and virtual guided meditation sessions remain active and well-received.

Learning and Development (L&D): In June, the L&D team focused on both internal leadership development and external engagement to support workforce innovation and future readiness.

By request, Dr. Christina Perez presented the keynote address at the NEWEA Workforce Development Conference in Massachusetts on June 4. The keynote highlighted HRSD's efforts to strengthen workforce development, emphasizing scalable models, cross-sector partnerships, and investment in leadership pipelines.

Progressing through their leadership journey, the LAMA cohort engaged in several targeted development exercises this month. Participants practiced feedback strategies as supervisors, applied insights from their StrengthsFinder training through individualized coaching sessions, and took part in discussions on ethical leadership to deepen their decision-making and accountability practices.

Finally, during the quarterly Leadership Forum, the redesigned training framework was presented. The new framework is designed to offer greater clarity, flexibility, and alignment with workforce development goals. Early-stage development is now underway, with a phased rollout planned to begin early next year.

Safety and Security: In June, the Safety and Security Department completed unscheduled safety inspections at eight Operations work centers. Weekly construction safety walks proceeded as scheduled to maintain safe working conditions for HRSD employees. Lastly, Safety conducted 26 safety training sessions for various work centers.

June marked National Safety Month, and staff organized a variety of activities aimed at encouraging all HRSD staff to actively participate in fostering a culture of safety. The month's themes focused on Continuous Improvement, Employee Engagement, Roadway Safety and Wellbeing. In addition, Safety is collaborating with all work centers to establish individual Safety Committees. Each committee will be composed of four to six members who will meet monthly for discussions and facility walkthroughs. The initiative is designed to promote open communication between the Safety team and HRSD employees across the organization.

As part of the security initiatives, the Safety and Security Department is finalizing the Mass Notification Policy which is expected to be distributed to HRSD staff by the end of July. In addition, the department is working on developing a Fencing Policy and updating several key documents, including the Crisis Management Plan, Damage Assessment Plan and the Emergency Preparedness Program.

Six auto accidents/property damage incidents and zero work-related injuries requiring medical attention were reported.

Respectfully submitted,

Brenda Matesig

TO: General Manager/ Chief Executive Officer

FROM: Chief of Water Quality (CWQ)

SUBJECT: Monthly Report for June 2025

DATE: July 9, 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 56,527 Total Possible Exceedances.
- c. Pounds of Pollutants Removed in FY 2025 to date: 191.7 million pounds.
- d. King William TP received a warning letter dated June 5 for the TKN exceedances and SSO that occurred in March 2025. West Point TP received a warning letter dated June 24 for the SSO occurring on April 11.
- e. HRSD received a draft James River VPDES permit on June 23, and the Army Base VPDES permit was reissued in June with an effective date of July 1 2025.

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

No civil penalties were issued in June.

3. Environmental and Regulatory Advocacy

Chief participated in the following advocacy and external activities:

- a. Participated in a workshop for the Water Research Foundation's (WRF) 5171: Cost-Effective Approaches for Control of Multiple Constituents of Emerging Concern (CEC), a project which is working toward developing watershed-wide CEC management approaches to reduce environmental and human health risk.
- b. Attended a Membership Development committee meeting for Virginia Forever.
- c. Attended a meeting of the Virginia Biosolids Council (VBC) focused on reviewing and approving a suite of new fact sheets for public education on biosolids issues. These completed fact sheets are posted on the [VBC website](#).

- d. Co-chaired a committee meeting for the Chesapeake Bay Program's (CBP) Wastewater Treatment Workgroup (WWTWG) as part of an on-going effort to update wastewater-related loadings in the Phase 7 Watershed Model.
- e. Participated in the CBP Water Quality Goal Implementation Team (WQGIT) meeting.
- f. Participated in the Virginia-Maryland Chesapeake Bay Total Maximum Daily Load (TMDL) Tracking Team to discuss updates affecting wastewater and stormwater management program in both states.
- g. Attended a meeting for the Island County Utility's Technical Advisory Group, providing guidance and input on policies for decentralized wastewater treatment.
- h. Attended the Virginia Association of Municipal Wastewater Agencies (VAMWA) Board meeting and quarterly member meeting. Also attended a meeting of the VAMWA Biosolids Committee. The key issue in each of these was related to biosolids management and developing proactive monitoring and source controls for Per- and Polyfluorylalkyl Substances (PFAS).



Financial Stewardship

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

- 1. HRSD provided sampling and analytical services to the following to support monitoring required for their respective Virginia Permit Discharge Elimination System (VPDES) permits:
 - a. City of Franklin
 - b. Northumberland County
 - c. Westmoreland County
- 2. [MAP Billed Reimbursements](#) for service provided from April 1 to June 30, 2025.
- 3. [MAP Invoice Summary](#) for the second Quarter 2025 calendar year.
- 4. Participated with the General Manager in a small group legislative briefing on HRSD's Enhanced Nutrient Removal Certainty Program (ENRCP) and the expected grant needs from the Water Quality Improvement Fund (WQIF).



Talent

1. P3 performed interviews for the two vacant South Shore field office Technician vacancies. Matthew Hubbard, a HRSD Boater Education intern, and Lindsey Sestak, a Senior Environmental Specialist at Maryland Environmental Services, were selected.
2. P3 also conducted interviews for the vacant Administrative Technician position. Shardaë Davis, an Accounts Receivable Technician in the Customer Care Center, was selected.
3. The CEL received the Quarterly Safety Award honoring the best inspection for a small work center.
4. Provided a briefing on Integrated Plan 2.0 at the Leadership Forum.



Community Engagement

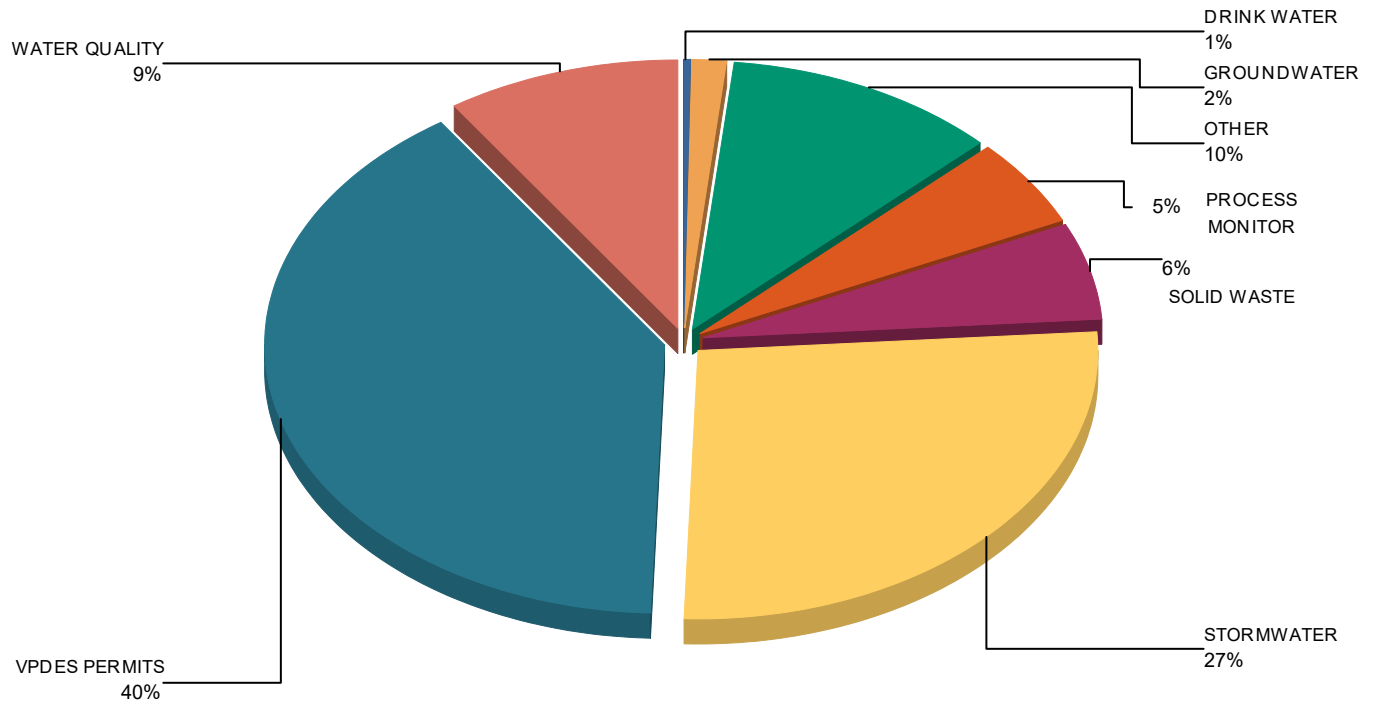
1. Staff supported Microbial Source Tracking (MST) investigations in partnership with Hampton Roads localities. This work is required as part of HRSD's Integrated Plan. Sampling and analytical services were provided for the localities and projects identified below:
 - a. City of Chesapeake (Southern 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. P3 staff and Boater Education interns assisted with pump outs at the 49th annual Norfolk Harborfest.

Respectfully submitted,

Jamie Heisig-Mitchell
Chief of Water Quality

Municipal Assistance Billed Reimbursements per Service From 04/01/2025 to 06/30/2025

Attachment 1



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

Municipal Assistance Invoice Summary

From 04/01/2025 - 06/30/2025

Municipality	Reimbursements	Reimbursements Fiscal Year 2025
Accomack County	\$4,908.60	\$13,686.82
Augusta County Service Authority	\$4,400.94	\$4,400.94
Boise	\$0.00	\$128.34
Buckingham County	\$336.60	\$1,040.57
CITY OF CHESAPEAKE UTILITIES	\$3,552.29	\$8,163.97
City of Chesapeake	\$0.00	\$845.20
City of Emporia	\$291.90	\$1,147.53
City of Franklin	\$0.00	\$8,000.79
City of Fredericksburg	\$6,774.46	\$21,015.15
City of Hampton	\$8,326.25	\$30,279.00
City of Norfolk	\$19,774.56	\$38,927.67
City of Norfolk-Dept of Utilities	\$4,028.00	\$8,130.85
City of Portsmouth	\$6,275.45	\$22,164.93
City of Roanoke	\$1,875.00	\$4,725.00
City of Suffolk	\$10,968.57	\$16,836.89
City of Virginia Beach	\$7,029.54	\$25,953.33
DCLS Wastewater Surveillance	\$7,797.40	\$381,180.52
HRPDC	\$65,250.00	\$195,750.00
Hanover County	\$56,720.55	\$85,613.14
Henrico County	\$2,053.23	\$8,071.55
Hopewell RWTF	\$15,287.61	\$25,679.79
James City County Service Authority	\$0.00	\$604.35
Lynnhaven River NOW	\$381.09	\$1,397.33
New Kent County	\$10,563.24	\$74,670.74
Northampton County WWTP	\$2,663.46	\$12,322.41
Northumberland County - Callao WWTP	\$2,477.88	\$9,989.15
Prince William County	\$6,029.23	\$6,029.23
Rivanna Water and Sewer Authority	\$16,593.19	\$16,593.19
ST BRIDES CORRECTIONAL CTR WWTP	\$372.68	\$1,738.26
Spotsylvania County FMC	\$1,335.82	\$3,747.26
St Brides Corr Ctr WWTP	\$2,405.56	\$9,233.81
Stafford County	\$0.00	\$108.63
Town of Cape Charles-VAW	\$6,492.11	\$40,424.46
Town of Drakes Branch	\$0.00	\$1,949.77

Town of Round Hill	\$0.00	\$196.91
Town of South Hill	\$364.12	\$364.12
Upper Occoquan Service Authority	\$10,935.93	\$16,074.90
Virginia Aquarium & Marine Science Ctr	\$609.84	\$9,359.59
Virginia Beach LGPS Routine Monitoring	\$3,810.80	\$8,251.84
Virginia Department of Health	\$11,940.24	\$46,899.83
Virginia Department of Health-Shellfish	\$0.00	\$150.00
Western VA Water Authority	\$0.00	\$178.58
Westmoreland County	\$1,798.91	\$7,515.85
<i>Totals:</i>	<u>\$304,425.05</u>	<u>\$1,169,542.19</u>

EFFLUENT SUMMARY FOR JUNE 2025

PLANT	FLOW mgd	% of Design	BOD mg/l	TSS mg/l	FC #/UBI	ENTERO #/UBI	TP mg/l	TP CY Avg	TN mg/l	TN CY Avg	CONTACT TANK EX
ARMY BASE	8.54	47%	0	1.8	2	<1	0.20	0.29	5.3	4.9	21
ATLANTIC	45.93	85%	9	9.4	3	1	NA	NA	NA	NA	18
BOAT HARBOR	11.12	44%	15	5.1	24	2	0.81	0.80	30	25	5
CENT. MIDDLESEX	0.016	65%	<2	1.9	<1	<1	NA	NA	NA	NA	NA
JAMES RIVER	11.92	60%	5	3.3	1	<1	0.34	0.76	6.1	8.3	18
KING WILLIAM	0.098	98%	<2	2.3	NA	1	0.053	0.14	2.1	3.8	NA
NANSEMOND	17.37	58%	7	12	15	<1	2.5	1.6	5.7	5.3	11
ONANCOCK	0.262	35%	<2	0.42	1	2	0.47	0.16	2.2	2.7	NA
CHINCOTEAGUE (SB)	0.019	48%	2	<1.0	1	2	NA	NA	NA	NA	0
URBANNA	0.076	76%	2	8.3	3	2	6.2	4.0	17	16	NA
VIP	25.73	64%	2	1.8	3	<1	0.30	0.23	3.7	5.1	4
WEST POINT	0.645	107%	12	6.6	1	2	1.9	2.4	12	15	1
WILLIAMSBURG	8.37	37%	7	3.0	4	1	0.70	0.60	2.3	2.9	6
YORK RIVER	11.63	78%	2	1.6	1	2	0.30	0.42	3.6	4.7	16
	141.73										

% of
Capacity

North Shore
South Shore
Small Communities

52%
69%
63%

AIR EMISSIONS SUMMARY FOR JUNE 2025

	No. of Permit Deviations below 129 SSI Rule Minimum Operating Parameters							Part 503e Limits		
	Temp 12 hr ave (F)	Venturi(s) PD 12 hr ave (in. WC)	Precooler Flow 12 hr ave (GPM)	Venturi Flow 12 hr ave (GPM)	Tray/PBs Flow 12 hr ave (GPM)	Scrubber pH 3 hr ave	Any Bypass Stack Use	THC Mo. Ave (PPM)	THC DC (%)	BZ Temp Daily Ave Days >Max
MHI PLANT										
BOAT HARBOR	0	0	0	0	0	0	0	20	84	0
VIP	0	0	0	0	0	0	0	29	99	0
WILLIAMSBURG	0	0	0	0	0	0	1	13	83	0

ODOR COMPLAINTS

ARMY BASE	0
ATLANTIC	10
BOAT HARBOR	0
JAMES RIVER	1
NANSEMOND	1
VIP	0
WILLIAMIBURG	0
YORK RIVER	0
NS OPS	2
SS OPS	0
SCD	0
NON-HRSD	1

Items of Interest – June 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 no (O) 129 operating parameter deviations and one (1) minor use of the emergency bypass stack (<60 minutes), and no (O) reportable uses of the MHI bypass (>60 minutes).

On June 15, DEQ issued HRSD VIP an inspection report that deemed the stack test for MHI # 2 in compliance.

AIR PERMITS and ODOR CONTROL

June 25, submitted to DEQ new source review air permit application for the diesel engine emergency generators to be constructed as a part of the new Boat Harbor Pump Station (BHPS). HRSD is expecting a 90-day turnaround time for BHPS's new air permit from DEQ.

Virginia Natural Gas's DEQ air permit application requesting a permit exemption for the renewable natural gas (RNG) facility to be located at the Atlantic plant is still pending review. Once the exemption is issued HRSD will undertake an air permit modification for Atlantic that will capture the RNG facility onsite along with the new flares going in and the shutdown of the combined heat power (CHP) process.

There was a total of fourteen (14) odor control complaints this month.

Atlantic plant received ten (10) complaints from our Ocean Lakes neighbors. Nine of the complaints came from one resident located at 1760 Kitimal Drive just 1400' north of the plant. We suspect they are primarily smelling the digester gas-based odors. Plant staff respond to these complaints and take corrective action as needed. The sources of the odors are usually the digesters, scrubber exhaust, or solids pad activity. The scrubbers continue to be optimized, the digester foaming issue continues to be worked on, and the pads are being cleared. Communications personnel provides responses to our neighbors as appropriate. TSD records the complaints in the air permit required odor complaint log.

HRSD received one (1) odor complaint from the property manager of Attain Apartments at Harborview that is located across highway 664. The identified location of the odors was some 1500' to the west northwest of Nansemond plant. Plant staff confirmed an odor scrubber was out of service for maintenance that day and since been brought back online. This may have been the source of the odor

complaint. No further complaints have been received while continued normal plant operations take place.

North Shore Operations received two (2) complaints from a Kingsmill resident located near the Kingsmill air relief vent (ARV) near Busch Road in James City County. Interceptors' personnel responded and found only deodorant block odors right at the ARV that is located inside a manhole. TSD has established hydrogen sulfide (H₂S) monitoring at the manhole to determine H₂S concentrations from which decisions on odor mitigation can be made based on the extent of the problem.

One (1) non-HRSD complaint from a Hampton resident was received by the Atlantic Outreach email address. There are no HRSD assets at or near the complainant's location. Communications referred them to the City of Hampton for further investigation.

TREATMENT

DEQ was notified of the following reportable events:

Boat Harbor

On June 18, a sodium hypochlorite (hypo) leak was discovered coming from a tubing vault. The tubing failure is believed to have occurred on June 17 while an operator pumped against a closed valve causing the band clamps on the hypo tube to give way. Staff were able to recover 150 gallons of the released hypo with only 25 gallons being unrecoverable from the asphalt, curb, and ground.

SYSTEM/TREATMENT, SMALL COMMUNITIES, AND EASTERN SHORE

King William Collection System

On June 8, high flows during a rain event inundated the collection system area causing high wet well conditions at two pump stations. Staff responded to McCauley Park PS and found the stop float controlling the pumps had fallen to a lower level which caused both station pumps to run for an extended duration. Additionally, at Acquinton Church PS the permanent mounted standby pump failed to start due to a low voltage/overcrank condition. Both of the regular station submersible pumps, and a trailer mounted bypass pump were running but the high level at the station caused an overflow at manhole KW-MH-C20. Solid debris was removed and lime spread to affected areas. Approximately 6,000 gallons of raw wastewater were released to the ground and Moncuin Creek.

On June 29, a wet weather event inundated the collection system area resulting in an overflow of low rim manhole KW-MH-C20. Extended pump runs from Kennington PS and McCauley Park PS overwhelmed the Main PS. Solid debris were removed and lime spread to affected areas. Approximately 1,000 gallons of raw wastewater were released to the ground and Moncuin Creek.

King William TP received a warning letter dated June 5 for the TKN exceedances and SSO that occurred in March 2025.

Urbanna

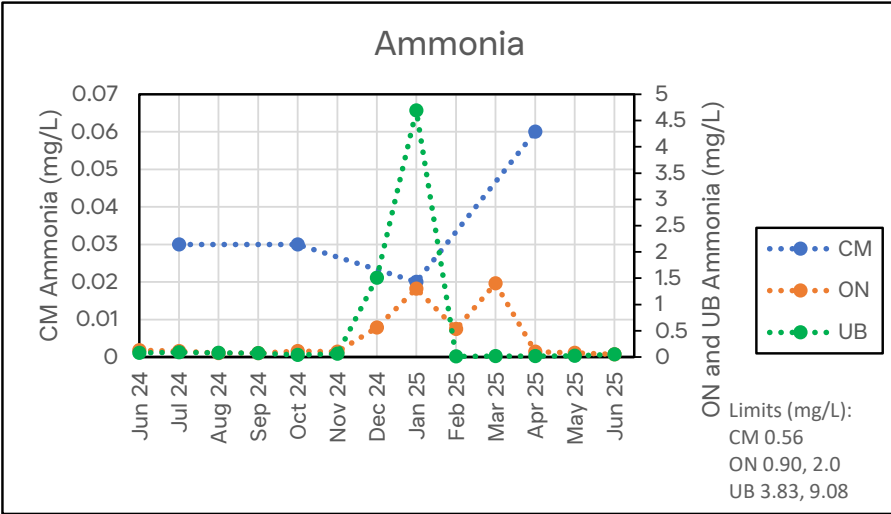
During the week of June 15, a composite sample was collected. All analytes poured off from that sample container were later flagged as IS1, non-representative sample or sampling point due to a sample collection error. While investigating the issue, an additional composite sample was collected on Saturday June 21. However, this sample did not receive the required preservation for ammonia, resulting in no valid ammonia data for the week of June 15. Additionally, there was a mismatch in sample number between final effluent and raw influent to characterize the TSS percent removal performance. The permit requires that influent and effluent be sampled and analyzed at the same frequency. One additional effluent sample was inadvertently collected. This additional data point for the effluent had no influence on demonstrating that the facility effectively achieved 85% removal of TSS.

West Point

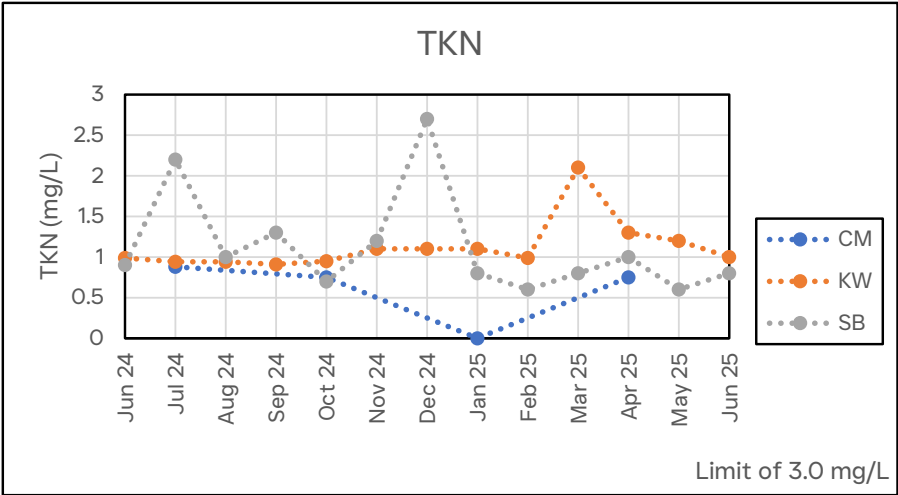
On June 7, the number two secondary clarifier overflowed due to a tertiary system PLC failure during a storm event with a total rainfall of 1.50". The system failure caused the pumps to stop sending flow from the pump station to the filter and it also prevented the high-level bypass valve from opening. Staff quickly mitigated the spill by manually opening the bypass valve at the tertiary pump station and the bypass valve that diverts influent flow to the storage pond. Approximately 11,200 gallons of secondary clarifier effluent were released to the ground and to Mattaponi River.

West Point TP received a warning letter dated June 24 for the SSO occurring on April 11.

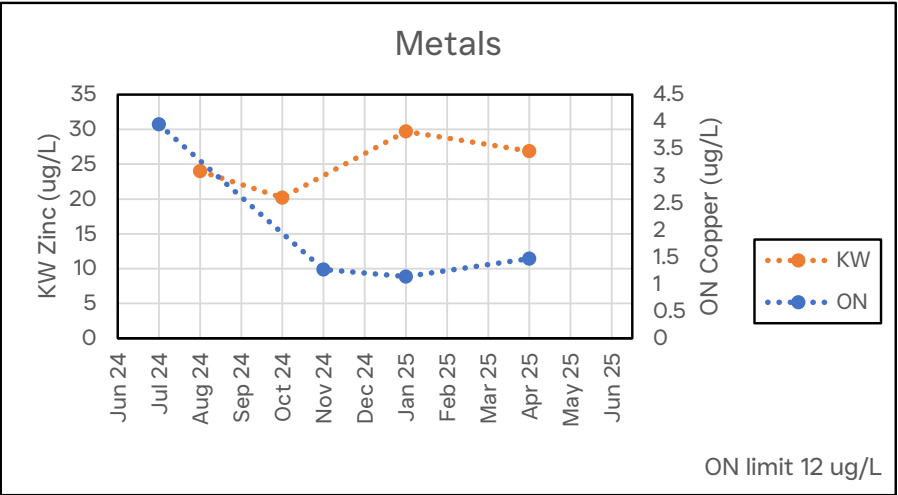
	Ammonia		
	CM	ON	UB
Jun 24		0.13	0.08
Jul 24	0.03	0.11	0.09
Aug 24		0.07	0.08
Sep 24		0.07	0.07
Oct 24	0.03	0.11	0.04
Nov 24		0.10	0.06
Dec 24		0.56	1.5
Jan 25	0.02	1.3	4.7
Feb 25		0.53	0.01
Mar 25		1.4	0.02
Apr 25	0.06	0.10	0.02
May 25		0.08	0.02
Jun 25		0.05	0.05



	TKN		
	CM	KW	SB
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
May 25		1.2	0.60
Jun 25		1.0	0.80



	Zinc	Copper
	KW	ON
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	27	1.5
May 25		
Jun 25		



Strategic Measures
July 2025

Strategic Planning Measure		May 2025	June 2025	FY-25
SM1	Educational and Outreach Events	15	13	187
SM2	Number of Community Partners	18	12	105
SM3	Number of Technical Presentations	1	1	49
SM21	Number of Technical Publications	3	1	6
SM4	Revenue vs. Budget	96%	106%	58%
SM5	Wastewater Expenses vs. Budget	76%	85%	44%
SM8	Accounts Receivable (HRSD)	\$51,348,731	\$54,440,843	\$50,045,906
SM9	Aging Accounts Receivable	35.80%	34.80%	33.52%
SM10	Turnover Rate wo Retirements	0.56%	0.56%	5.33%
SM11	Turnover Rate w Retirements	0.56%	0.78%	7.92%
SM12	Avg Time to Hire	2 months 18 days	2 months 14 days	2 months 28 days
SM13	Number of Vacancies	72	68	71
SM14	Average number of applicants per position	9.8	7.8	9.7
SM15	Percentage of positions filled with internal applicants	28.0%	11.3%	25.2%
SM16	Recruitment source Return on Investment	*	*	*
SM17	Average time required (days) to onboard new employees, including from initial posting of position to candidates' first day	*	*	*
SM18	Customer Call Wait Time (mins)	3.10	3.28	4.22
SM19	Capacity Related Overflows with Stipulated Penalties (Reported Quarterly)	**	**	*
SM20	Non-Capacity Related Overflows with Stipulated Penalties (Reported Quarterly)	**		*
SM21	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
SM22	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	*
SM23	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
SM24	Cumulative CIP Spend	\$615,640,000	***	\$615,640,000

*Not currently tracking due to constraints collecting the data.

** Updated after EPA Quarterly Report submittal.

***Billing is one month behind

Strategic Measures

June 2025

Community Partners

Date	Division	Event
06/01/2025	Operations	City of Suffolk
06/02/2025	Communications	Virginia Challenge Academy
06/03/2025	Communications	Norfolk Academy
06/04/2025	Communications	HRSD employees
06/05/2025	Communications	Newport News Waterworks
06/05/2025	Communications	Virginia Living Museum
06/10/2025	Communications	NACWA
06/16/2025	Operations	Water Environment Federation
06/17/2025	Operations	City of Virginia Beach
06/24/2025	Communications	Camp Answer
06/25/2025	Communications	Portsmouth Public Schools
06/25/2025	Communications	Youth Volunteer Corps

Educational Outreach

Date	Division	Event	Community Partner
6/2/2025	Communications	SWIFT RC tour - Virginia Challenge Academy	Virginia Challenge Academy
6/3/2025	Communications	SWIFT RC tour - Norfolk Academy	Norfolk Academy
6/4/2025	Communications	SWIFT RC tour - HRSD staff	HRSD employees
6/5/2025	Communications	Virginia Living Museum - Naturally Speaking Evnet	Virginia Living Museum
6/5/2025	Communications	Newport News Waterworks Safety & Health Fair	Newport News Waterworks
6/10/2025	Communications	Presentation on HRSD Ambassador program to NACWA Strategic Communications Conference	NACWA
6/24/2025	Communications	SWIFT RC tour - Camp Answer	Camp Answer
6/25/2025	Communications	SWIFT RC tour & activity - Youth Volunteer Corps	Youth Volunteer Corps
6/25/2025	Communications	SWIFT RC tour - TriO Upward Bound	Portsmouth Public Schools

Technical Presentations

Date	Division	Presentation	Presenter
6/1/2025	N/A	No technical presentations this month.	N/A

Strategic Measures

June 2025

Technical Publications				
Date	Division	Publication Title	HRSD Author(s)	Location
6/1/2025	N/A	No publications for this month	N/A	N/A

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

Bid Assessment

- **Completed Tasks (June 2025)**
 - Continued developing timeline visualization document and draft deliverables.
 - Presented onsite workshop agenda to HRSD for review.
- **Upcoming Tasks (July 2025)**
 - Conduct onsite workshop with HRSD POC and third-party stakeholders (7/21).
 - Provide HRSD with draft deliverables for review (7/31).

Aging and Arrears Assessment (planning only)

- **Completed Tasks (June 2025)**
 - Confirmed objectives and approach for the assessment with Customer Care.
 - Conducted process meeting with Customer Care and requested documentation.
- **Upcoming Tasks (July 2025)**
 - Review and document processes; conduct data analytics.
 - Draft opportunities to mitigate losses and provide process improvement opportunities.

IT Governance

- **Completed Tasks (June 2025)**
 - Prepared draft report for issuance.
- **Upcoming Tasks (July 2025)**
 - Submit draft report to HRSD for review (7/18).

Operational Technology Security and Resilience

- **Completed Tasks (June 2025)**
 - Conducted discussions and finalized contacts for obtaining management responses (based on involvement throughout the audit process).
- **Upcoming Tasks (July 2025)**
 - Obtain and document management responses (7/25).

Report issuance is pending receipt of management responses. Through discussions, SC&H is in the process of working with the appropriate contacts and obtaining management responses. The timing of the report is dependent on the receipt and confirmation of management's response.

Model 3

- **Completed Task (June 2025)**
 - Drafted the memo to capture management responses.
 - Requested management responses.
- **Upcoming Tasks (July 2025)**
 - Obtain and document management responses (7/18).
 - Finalize and prepare the memo with management responses (7/25).

Note: The Model 3 final report was issued on June 3, 2025. The memo is an additional document added to capture responses for issues identified in the report. Issuance of the memo is pending receipt of management responses. SC&H is in the process of obtaining management responses. The timing of the memo is dependent on the receipt and confirmation of management's response.

Risk Assessment Refresh

- **Completed Tasks (June 2025)**
 - Planned for leadership discussions about audit topics.
- **Upcoming Tasks (July 2025)**
 - Finalize audit plan and determine delivery/presentation method.

Talent Management Investigations (planning only)

- **Completed Task (June 2025)**
 - Presented Final memo to HRSD.
 - Completed project.

II. Upcoming Audits

- To be determined upon FY26 audit plan completion.

III. Management Action Plan Status

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

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

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

Audit / Project	Next Follow-up	Recommendations		
		Closed	Open	Total
Safety Division	July 2025	2	1	3
Freedom of Information Act (FOIA)	July 2025	0	1	1
Personally Identifiable Information (PII)	July 2025	0	3	3
AP, ProCard	July 2025	1	2	3
Closed Audit/Projects (x21)	Closed	135	0	135
Totals		138	7	145