HRSD Commission Meeting Agenda
9:00 a.m. – August 25, 2026

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

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

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

No.	Topic	Resource
	Call to Order	Chair
1.	Awards and Recognition	Bernas
2.	Public Comments Not Related to the Agenda	Secretary
3.	Consent Agenda	Bernas
4.	Chincoteague Design and Onancock Solids Handling Design Projects	de Mik
5.	Wastewater Revenue Bonds Tender Offer	de Mik
6.	1434 Air Rail Switchgear Controls Upgrade	Abisaab
7.	Beaver Dam Discharge Force Main Replacement	Scarano
8.	Cedar Lane Pump Station (PS104) Modifications	Scarano
9.	Pottery Off-line Storage Facility	Scarano
10.	Atlantic Treatment Plant Odor and Solids Improvements 2023	Scarano
11.	Williamsburg Treatment Plant Erosion Mitigation	Scarano

No.	Topic	Resource
12.	FIAlab FIALYZER Flow Injection Analyzers and Preventive Maintenance	Mitchell
13.	Douglas Avenue Interceptor Force Main (SF-219) Emergency Repairs	Scarano
14.	Water Technology and Research Update	Sparks
15.	Finance Committee Appointment	Bernas
16.	New Business	Bernas
17.	Unfinished Business	Bernas
18.	Commissioner Comments	Chair
19.	Informational Items	Bernas

Next Regular Commission Meeting: September 22, 2026, in Virginia Beach

AGENDA ITEM 1. – August 25, 2026

Subject: Awards and Recognition

Recommended Action: No action is required.

Brief: HRSD is pleased to announce the following:

a. **Commissioner Reappointment**

Governor Spanberger has reappointed current Commission members Vishnu Lakdawala of Virginia Beach and Elizabeth Andrews of Williamsburg to continue their service on the HRSD Commission. HRSD has received notice of the reappointments and is awaiting the official commission documents. This marks the sixth reappointment for Commissioner Lakdawala and the first reappointment for Commissioner Andrews, who was previously appointed to fill an unexpired term.

b. **New Employee Introduction**

Mr. Keegan Ankofski was recently hired as an Operations Manager in the South Shore Interceptors. Keegan is a licensed Engineer with 15 years of experience in the wastewater industry and holds a bachelor's degree in civil engineering technology from Old Dominion University. Keegan began his career with HRSD in 2011 as a Public Works Academy Intern shortly after graduating from high school. During his nearly 11 years with HRSD, he gained extensive experience in wastewater conveyance, operations and maintenance, engineering, and leadership. Most recently, he spent four years with Hazen and Sawyer, where he further expanded his experience in wastewater conveyance design, engineering, and project management. In his new role, Keegan will be leading the engineering support group at South Shore Interceptors.

Mr. Ryan Delo was recently hired as a Senior Project Manager in the Engineering Department. Ryan is a licensed Professional Engineer and Envision Sustainability Professional with 27 years of experience in water distribution and wastewater collection system design. Ryan holds a bachelor’s and master’s degree in environmental engineering from Old Dominion University. Ryan recently worked at RK&K for over 21 years, providing consulting engineering services to HRSD and other localities in the region. Ryan has experience in the evaluation, design, and construction of gravity and pressure pipelines, pumping stations including pressure-reducing stations, and off-line storage systems. Ryan will be managing design and construction projects with the South Shore Design and Construction group.

Dr. Thomas Westfall was recently hired as an Operations Manager in the Small Communities Department. Thomas is a licensed Professional Engineer with eight years of experience in water resource engineering. He holds a PhD in Civil and Environmental Engineering from Monash University, Australia. He recently worked as an assistant researcher at Monash University and was previously a water resource engineer. Thomas has experience in hydraulic modeling, data analysis, and quantifying resilience of complex systems. Thomas will be managing the Small Communities Department, overseeing the operations of the Middle Peninsula, Surry County, and Eastern Shore Treatment Plants and collection systems. Thomas is an active participant in the Nansemond River Preservation Alliance and the American Society of Civil Engineers.

Resource: Jay Bernas

AGENDA ITEM 2. – August 25, 2026

<u>Subject</u>: Public Comments Not Related to Agenda

AGENDA ITEM 3. – August 25, 2026

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. Citric Acid Blanket Purchase Agreement — $323,825

2. Customer Cloud Service Implementation – Oracle Jurisdiction Interface Rewrite

   Additional Funding — $1,424,343
   Oracle America, Inc. — $2,860,000

c. Task Orders (>$200,000)

1. Park Avenue Pump Station Replacement

   Additional Funding — $1,994,188
   Gannett Fleming TranSystems (GFT) — $254,735
   Bridgeman Civil, Inc. — $998,960

2. Williamsburg Treatment Plant Solids Handling Improvements — $5,157,254

d. Non-Regulatory Capital Improvement Project – Additional Appropriation <$1,000,000

1. King William Collection System Capacity Improvements

   Additional Funding — $298,131
   Hazen — $378,154

e. Regulatory Capital Improvement Project – Initial Appropriation <$10,000,000

1. Nansemond Recharge Well Off-Site Land Acquisition — $100,000

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

1. Nansemond Treatment Plant Anaerobic Digester Capacity Improvements — $786,192

   Additional Funding — $736,192
   HDR

CONSENT AGENDA ITEM 3.b.1. – August 25, 2026

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

Recommended Action: Award a contract to Univar USA Inc. in the amount of $64,765 for one year with four renewal options and an estimated cumulative value of $323,825.

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 July 9, 2026, and two bids were received on July 24, 2026 as listed below:

Bidder	Bid Amount
Univar USA Inc.	$64,765
Chemrite Incorporated	$73,239

HRSD Estimate: $70,643/1-yr

Contract Description: This contract is to supply and deliver a 50 percent solution of citric acid to HRSD treatment plants on an as needed basis. This product is used to clean the membranes at the Onancock treatment plant, the dryer at the Nansemond Struvite Recovery Facility (SRF) and the ultra-violet system at the SWIFT Research Center.

Analysis of Cost: This is an estimated use contract being awarded to the incumbent from the previous five-year term. Cost is found to be fair and reasonable based on the competitive bid results compared to the HRSD Estimate. This is based on the FY-27 budget projections and estimated annual usage.

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

CONSENT AGENDA ITEM 3.b.2. – August 25, 2026

Subject: Customer Cloud Service Implementation – Oracle Jurisdiction Interface Rewrite
Additional Appropriation - Non-Regulatory Capital Improvement Project (<$1,000,000)
Contract Award (>$200,000)

Recommended Actions:

a. Appropriate additional funding in the amount of $1,740,183.

b. Award a contract to Oracle America, Inc. in the amount of $2,860,000.

CIP Project: AD012800

Regulatory Requirement: None

	Project Cost & Appropriation Summary	CIP Project Summary
Capital Improvement Program Estimate (July 1, 2026)		$10,185,840
Funds Appropriated to Date	$9,870,000	
Expenditures and Encumbrances Already Incurred	(8,197,318)	
Available Balance	$1,672,682	
Proposed Contract Award to Oracle America, Inc.	$2,860,000	
Proposed Contingency	$552,865	
Revised Total Remaining Project Costs	$3,412,865	
Expenditures and Encumbrances Already Incurred	($8,197,318)	
New Project Cost Estimate	$11,610,183	$11,610,183
Additional Appropriation Needed	$1,740,183	
Favorable (Unfavorable) Variance to CIP		($1,424,343)

Project Description: This project will implement the Customer Cloud Service (CCS) platform. This platform will have 5 environments: one production, two test, two development. Implementation of CCS will also provide the opportunity to implement four other modules not currently available to on-premise clients: Meter Data management, Lifecycle management, Test accelerator, and Oracle Utilities Analytics. This project will build the interfaces between CCS and customer portal, bill print, and mobile workforce applications.

Project Justification: The current on premise Customer Care and Billing System (CCB) will no longer be supported by Oracle. In an effort to maintain business continuity, HRSD will need to implement a new platform that is cloud hosted.

<u>Contract Description</u>: This contract is for consulting services to rewrite the highly customized and mission critical jurisdiction software interface currently used by the on-premises Oracle CCB system to work with the new Oracle CCS platform. Model one and model two billing partners provide billing, consumption and adjustment files daily to HRSD. This highly complex interface is the means in which data from the localities are consumed into the billing system. Each locality provides different file formats and data in different structures due to each one having a different vendor and metering system within their own billing systems.

The current interface is not cloud compatible. The rewrite of this interface will include elimination of obsolete code due to the newer out of the box and enhanced functionality available with the CCS product.

<u>Type of Procurement:</u> This contract is a sole source procurement due to Oracle America, Inc., being the original developer of the jurisdiction interface for the CCB system, and the product owner of CCS. Oracle is the only party that can do so while guaranteeing continued support and upgradability within the Oracle cloud environment.

<u>Analysis of Cost</u>: The cost is based on negotiated labor rates and estimated travel costs that are consistent with the 2026 HRSD Reimbursable Charges for Professional and Non-Professional Services Guidelines and labor rates from similar projects resulting in an estimated 40 percent savings.

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

<u>Schedule</u>:	License Purchase	12/2025
	Implementation Bid	01/2026
	Implementation	07/2026
	Project Completion	06/2028

CONSENT AGENDA ITEM 3.c.1. – August 25, 2026

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

Recommended Actions:

a. Appropriate additional project funding in the amount of $1,994,188.

b. Approve a task order with Gannett Fleming TranSystems (GFT) in the amount of $254,735.

c. Approve a task order with Bridgeman Civil, Inc. in the amount of $998,960.

CIP Project: VP018000

Regulatory Requirement: Rehab Action Plan Phase 2 (7/1/2027 Completion)

	Project Cost & Appropriation Summary	CIP Project Summary
Capital Improvement Program Estimate (July 1, 2026)		$18,235,588
Funds Appropriated to Date	$16,500,706	
Expenditures and Encumbrances Already Incurred	($16,500,251)	
Available Balance	$455	
Proposed Change Order to Contractor (Shaw)	$414,866	
Proposed Task Order to Engineer (GFT)	$254,735	
Proposed Task Order to Contractor (Bridgeman Civil)	$998,960	
Proposed Legal Fees	$144,751	
Proposed Contingency	$181,331	
Revised Total Remaining Project Costs	$1,994,643	
Expenditures and Encumbrances Already Incurred	$16,500,251	
New Project Cost Estimate	$18,494,894	$18,494,894
Additional Appropriation Needed	$1,994,188	
Favorable (Unfavorable) Variance to CIP		($259,306)

Contract Status with Change Orders:	Amount	Cumulative % of Contract
Original Contract with Contractor (Shaw)	$11,414,000	
Total Value of Previous Change Orders	$982,814	8.6%
Requested Change Order	$414,866	
Total Value of All Change Orders	$1,397,680	12.2%

Revised Contract Value	$12,811,680	

Contract Status with Task Orders:	Amount
Original Contract with Engineer (GFT)	$177,355
Total Value of Previous Task Orders	$3,095,844
Requested Task Order	$254,735
Total Value of All Task Orders	$3,350,579
Revised Contract Value	$3,527,934

Contract Status with Task Orders:	Amount
Original Contract with Contractor (Bridgeman)	$0
Requested Task Order	$998,960
Total Value of All Task Orders	$998,960
Revised Contract Value	$998,960

Project Description: This project is to design and construct a replacement pump station for the existing 1922 Park Avenue Pump Station (PS), based on the recommendations of the Park Avenue and Ferebee Avenue Pump Station Study (VP011010). This project is to include installation of an emergency generator/pump and address the replacement/rehabilitation of 50 linear feet (LF) of the 24-inch gravity influent line. The attached map depicts the project location

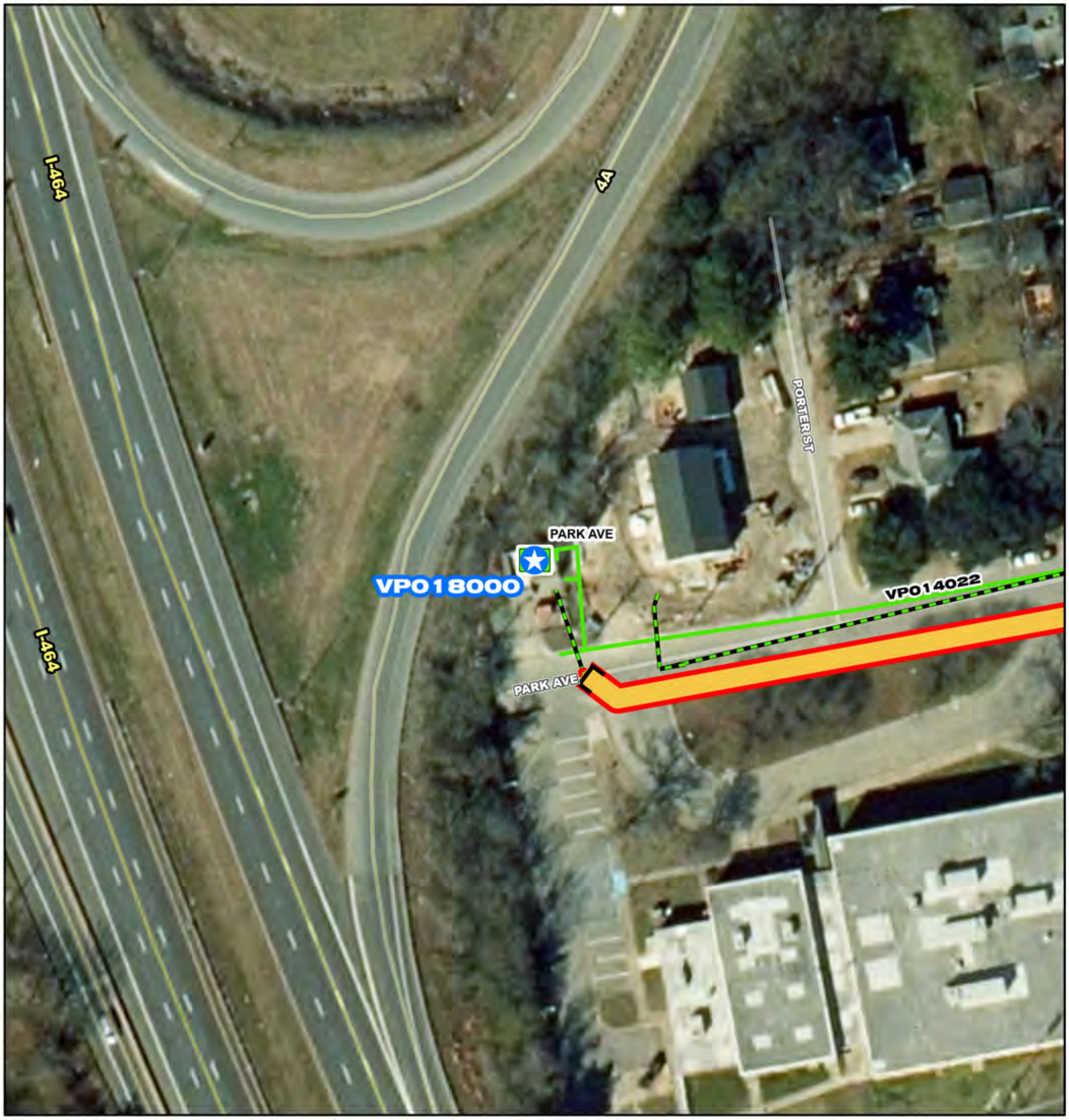
Project Justification: This project will evaluate and implement the replacement of Park Avenue PS. This facility was inspected in August 2013, as part of a Condition Assessment Program administered by Brown and Caldwell. Park Avenue PS was recommended for replacement and/or upgrades under Phase 2 in the Rehabilitation Action Plan. This facility experiences operational issues related to aging equipment and structure. Park Avenue PS currently receives flows from HRSD's Ferebee Avenue PS in addition to flow from several city pump stations. An in-house hydraulic evaluation in 2014 identified several alternatives for revising the alignment and connectivity (to gravity or to the force main system) of the Ferebee Avenue Pump Station effluent force main, which may significantly impact the future capacity needs and design of the Park Avenue Pump Station. Preliminary engineering evaluation of these two stations was conducted jointly.

Task Order Description and Analysis of Cost: This task order with GFT will provide additional construction related services, pre-construction services for the demolition of the existing station, and a pump station performance analysis. The negotiated cost is based on previously agreed-upon billing rates and anticipated hours needed until project completion.

Task Order Description and Analysis of Cost: This task order with Bridgeman Civil is for the demolition of the existing Park Avenue PS, installation of stormwater infiltration BMP, paving, pipeline abandonment, and other minor close-out items that were removed from Shaw Construction's contract. The cost of the task order is based on pre-negotiated rates under the annual Sewer Repair and Condition Assessment Services Agreement. The design engineer prepared an independent cost estimate that was consistent with the proposed task order price and, therefore, recommends approval.

<u>Funding Description</u>: A change order was negotiated with Shaw Construction for several miscellaneous items to close out their construction contract. The cost of the additional work exceeds the current balance available for this project. A contingency of $181,331 is also included in this funding request to accommodate any unforeseen conditions.

<u>Schedule</u>: Project Completion July 2027



VP018000
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

Feet
0 25 50 100 150 200

VP018000

Park Avenue Pump Station Replacement

HRSD

N
W E
S

CIP Location

CONSENT AGENDA ITEM 3.c.2. – August 25, 2026

Subject: Williamsburg Treatment Plant Solids Handling Improvements
Task Order (>$200,000)

Recommended Action: Approve a task order for design with Hazen and Sawyer in the amount of $5,157,254.

CIP Project: **WB013900**

Regulatory Requirement: None

Contract Status with Task Orders:	Amount
Original Contract with Engineer	$1,173,884
Total Value of Previous Task Orders	$0
Requested Task Order	$5,157,254
Total Value of All Task Orders	$5,157,254
Revised Contract Value	$6,331,138

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 bypass stacks and dampers and installation of the feed chute extensions will improve sealing of the incinerators, keeping air out and resulting in less fuel usage and improved emissions control. Dewatered cake conveyors in the dewatering building are difficult to access for maintenance and require expensive, contract rigging equipment to maintain the screw conveyors. Failure of any of nine screw conveyors results in the shutdown of dewatering and incinerator operations. Hydrogen sulfide (H2S) gases are not adequately removed from the building, resulting in the corrosion of ventilation ductwork, equipment, centrifuges, and other controls. Employees are required to carry H2S meters while in the building and evacuate when H2S levels are detected.

Analysis of Cost: The cost for design phase services is based on a negotiated fee with Hazen and Sawyer and is in agreement with other similar efforts from firms.

Schedule:

Design	September 2026
Bid	July 2028
Construction	November 2028
Project Completion	November 2031

CONSENT AGENDA ITEM 3.d.1. – August 25, 2026

Subject: King William Collection System Capacity Improvements
Additional Appropriation - Non-Regulatory Capital Improvement Project
(<$1,000,000) and Task Order (>$200,000)

Recommended Actions:

a. Appropriate additional funding in the amount of $298,131.

b. Approve a task order for preliminary engineering services with Hazen in the amount of $378,154.

CIP Project: MP016100

Regulatory Requirement: None

Contract Status with Task Orders:	**Amount**
Original Contract with Engineer	0
Total Value of Previous Task Orders	$69,977
Requested Task Order	$378,154
Total Value of All Task Orders	$448,131
Revised Contract Value	$448,131

Project Description: This project will study, design, and construct needed improvements throughout the King William Collection System to accommodate projected population growth and increased flow projections. This Project will include storage tank(s), automated valves, purchase of diesel bypass pumps, treatment plant headworks upgrades, and the construction of a duplex pump station and corresponding interceptor pipeline to intercept Purina flows so that the King William Pump Station rehab project can be eliminated and 7,200 linear feet of associated gravity system can be abandoned and Inflow and Infiltration (I&I) reduced from the overall system. The attached map depicts the project location.

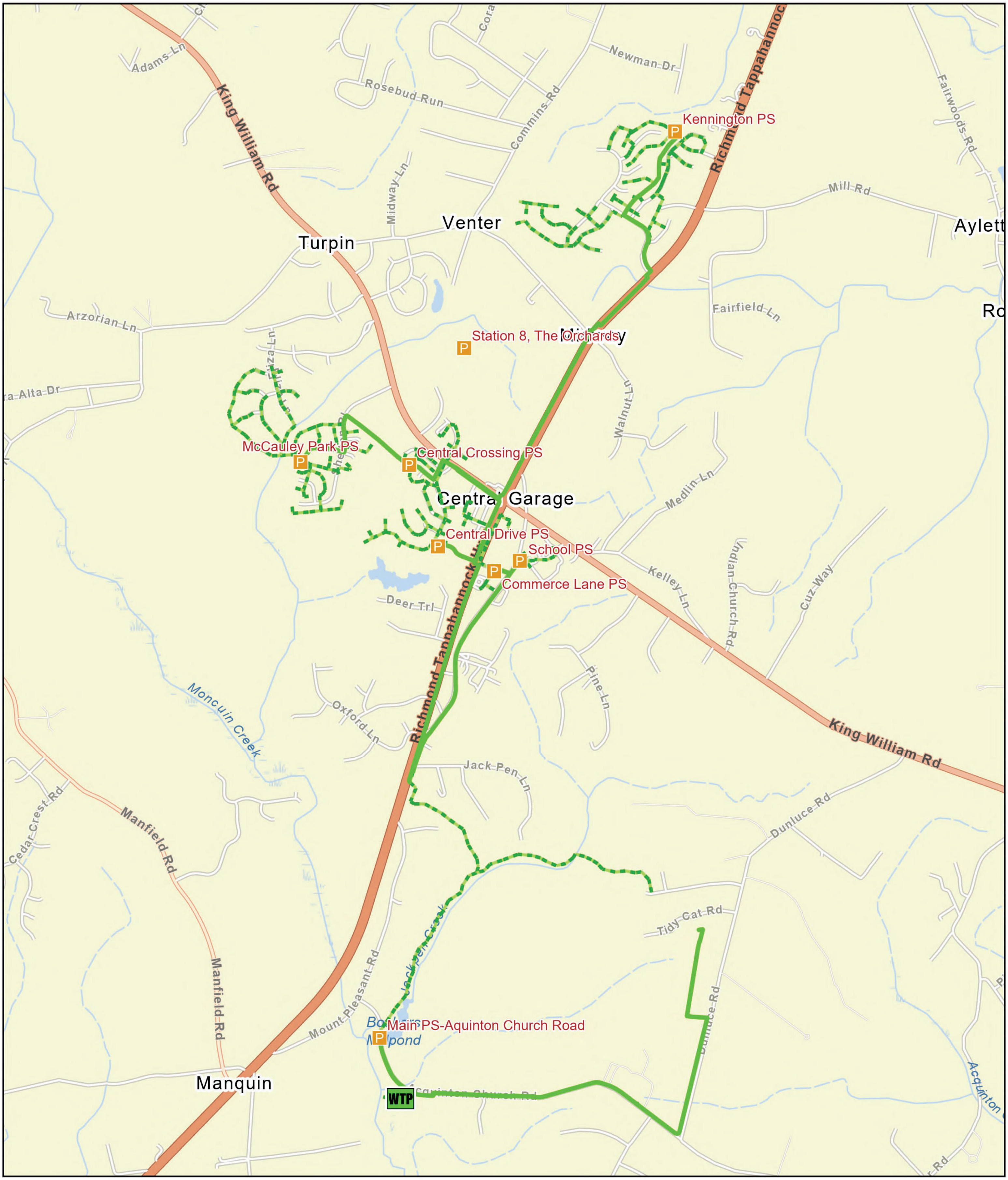
Project Justification: With the construction of the new Orchards Development, over 800 new homes will be added to the King William Collection System with an average daily flow of approximately 272,000 gallons per day (gpd). The existing King William Main Pump Station is undersized for this increased flow and, with the current flows near 100,000 gpd, relies on diesel bypass bumps to run multiple times a day to keep the station from overflowing. Even with the new membranes being installed at the King William Treatment Plant, flows will need to be stored in both the collection system and storage tanks to help equalize flow through the treatment plant and allow for maintenance activities on process equipment without having excessive pump and haul operations throughout the system. A small duplex pump station with corresponding force main will allow for the abandonment of the King William Main Pump Station and associated 7,200 linear feet of gravity sewer main and eliminate the need for the King William Main Pump Station Rehabilitation Project (MP015800).

<u>Task Order Description</u>: This task order is for Preliminary Engineering Report (PER) services.

<u>Funding Description and Analysis of Cost</u>: A fee of $378,154 was negotiated with Hazen as part of their General Engineering Services contract with HRSD. The cost for this lump sum task order is based on negotiated rates, subconsultant work, survey work, and an estimate of the time the consultant will need to develop the PER. The fee compares favorably to other projects with a similar scope of work.

<u>Schedule</u>:

PER	September 2026
Design	June 2027
Bid	June 2028
Construction	October 2028
Project Completion	April 2031



King William Collection System Capacity Improvements (MP016100)

CONSENT AGENDA ITEM 3.e.1. – August 25, 2026

Subject: Nansemond Recharge Well Off Site Land Acquisition
Initial Appropriation - Regulatory Required Capital Improvement Project (<$10,000,000)

Recommended Action: Appropriate project funding for legal and real estate services in the amount of $100,000.

CIP Project: GN016348

Regulatory Requirement: Integrated Plan – SWIFT

Project Description: This project will fund the purchase of land and easements that are needed to construct the off-site Nansemond Recharge Wells, monitoring well cluster, associated facilities, and linear assets, which will be designed and constructed under separate projects.

Project Justification: Acquiring property outside of Nansemond Treatment Plant (NTP) is necessary because there is insufficient space within the NTP property to accommodate the total number of recharge wells with the required spacing to minimize interference between wells.

Funding Description: The requested appropriation amount is based only on an estimate of legal costs and real estate services associated with acquisition of up to five proposed parcels and associated easements for Nansemond off-site Managed Aquifer Recharge (MAR) well sites, and one monitoring well site. The requested amount is estimated based on legal fees incurred and real estate services performed from previously acquired properties in the northern Suffolk, Virginia area.

Once one or more properties are identified and recommended for acquisition, staff will request Commission approval for those properties and the associated amount of additional appropriation. The total FY 2027 Capital Improvement Program (CIP) budget was established in March 2026 based on potential costs estimated for acquiring properties from multiple landowners in northern Suffolk near the NTP.

CONSENT AGENDA ITEM 3.f.1. – August 25, 2026

Subject: Nansemond Treatment Plant Anaerobic Digester Capacity Improvements Additional Appropriation - Regulatory Required Capital Improvement Project (<$10,000,000) and Task Order (>$200,000)

Recommended Actions:

a. Appropriate additional funding for preliminary engineering services in the amount of $786,192.

b. Approve a task order with HDR in the amount of $736,192.

CIP Project: NP015900

Regulatory Requirement: Enhanced Nutrient Reduction Certainty Program (2023-2032 Completion)

Contract Status with Task Orders:	Amount
Original Contract with Engineer	$381,832
Total Value of Previous Task Orders	$0
Requested Task Order	$736,192
Total Value of All Task Orders	$736,192
Revised Contract Value	$1,118,024

Project Description: This project will add additional digestion capacity at the Nansemond Treatment Plant (NTP), likely in the form of a third 1MG (nominal) anaerobic digester tank, to meet solids loading requirements following the closure of the Boat Harbor Treatment Plant (BHTP), NTP SWIFT and anticipated future (37 MGD) flow conditions. Siting of new facilities and process integration with the existing digestion, biogas, and dewatering systems will be critical aspects of this project.

This project will also include the replacement of the floating covers on existing digesters 1 and 2, as well as facilities for solids pumping and electrical capacity upgrades.

Project Justification: NTP is currently undergoing an upgrade from 30 MGD to 50 MG rated design flow (NP013820) to allow closure of the BHTP in 2026 and SWIFT facilities will be constructed for operation beginning in 2028 under the Nansemond SWIFT Facility (GN016380) project. Increased solids loading with these facilities online will result in operational risk (digester upset) and regulatory risk (insufficient solids retention time to meet Class B biosolids requirements) during maximum month loading conditions and any time a single digester is out of service. This project is proposed in lieu of separate solids management facilities as part of NTP SWIFT.

Task Order Description: This task order will provide preliminary engineering phase services for this project.

Additional electrical requirements, solids pumping and rheology, and digester sitting were discussed in detail during the project study phase. These scope items will be further refined during this phase of this project.

<u>Funding Description and Analysis of Cost</u>: The cost is based on a negotiated fee of $736,192 with HDR engineering to deliver a Preliminary Engineering Report for this project.

<u>Schedule</u>:	PER	September 2026
	Design	March 2027
	Bid	July 2028
	Construction	January 2029
	Project Completion	July 2031

Resource: Steve de Mik

AGENDA ITEM 4. – August 25, 2026

Subject: Chincoteague Design and Onancock Solids Handling Design Projects Grant Agreement

Recommended Action: Approve the terms and conditions of the Grant Agreement with the Environmental Protection Agency (EPA) for the Chincoteague Design project and the Onancock Solids Handling Design project, and authorize the General Manager to execute same, substantially as presented, together with such changes, modifications and deletions as the General Manager may deem necessary.

CIP Projects: ES010500, ES010800

Agreement Description: This agreement between the Environmental Protection Agency (EPA) and HRSD is for two Design-only projects. The award is funded through FY 2024 Congressionally Directed Spending and is managed by EPA. This grant project will complete the full design documents for the Chincoteague Treatment Plant and Onancock Solids Handling.

The total FY 2026 budget for both Chincoteague Treatment Plant Design and Onancock Solids Handling Design is $2,618,021. The total grant award is $1,562,500, with $1,250,000 Federal share and $312,500 required HRSD cost share.

HRSD's legal counsel, Sands Anderson PC, reviewed the attached Agreement.

U.S. ENVIRONMENTAL PROTECTION AGENCY

Grant Agreement

GRANT NUMBER (FAIN): 953A0282 **MODIFICATION NUMBER:** 0 **PROGRAM CODE:** CG	**DATE OF AWARD** 05/15/2026
TYPE OF ACTION: New	**MAILING DATE** 05/20/2026
PAYMENT METHOD: ASAP - EPA Prior Approval	**ACH#** PEND

RECIPIENT TYPE: Special District	**Send Payment Request to:** R3communityprojects@epa.gov
RECIPIENT:	**PAYEE:**
Hampton Roads Sanitation District P.O. BOX 5912 Virginia Beach, VA 23471-0912 **EIN:** 54-1721019	Hampton Roads Sanitation District P.O. BOX 5912 Virginia Beach, VA 23471-0912

PROJECT MANAGER	EPA PROJECT OFFICER	EPA GRANT SPECIALIST
Shirley Smith 1434 Air Rail Avenue Virginia Beach, VA 23455-3002 **Email:** slsmith@hrsd.com **Phone:** 757-460-4248	Walter Higgins Four Penn Center, 1600 John F. Kennedy Boulevard, 3WD32 Philadelphia, PA 19103-2852 **Email:** Higgins.Walter@epa.gov **Phone:** 215-814-5476	Haley McAlpine Grants Management Section, 3MD22 Four Penn Center, 1600 John F. Kennedy Boulevard Philadelphia, PA 19103-2852 **Email:** McAlpine.Haley@epa.gov **Phone:** 215-814-5281

PROJECT TITLE AND DESCRIPTION

Eastern Shore Sewer Improvements: Chincoteague Treatment Plant Design and Onancock Treatment Plant Solids Handling Design

This agreement provides funding to Hampton Roads Sanitation District to plan and design two wastewater improvement projects as directed in the 2024 Consolidated Appropriations Act or as identified in an approved Technical Correction if one has been approved for this project. The activities to be performed include the execution and implementation of a wastewater infrastructure planning and design project. Workplan activities consist of two design projects; design of the Chincoteague Wastewater Treatment Plant Improvements and design of the Onancock Wastewater Treatment Plant Solids Handling Upgrades. The anticipated deliverables include an engineered design for each of the Chincoteague and Onancock Wastewater Treatment Plant projects. The expected outcomes include the design plans and specifications needed for construction improvements to the wastewater treatment plants. The intended beneficiaries include the residents and patrons of towns of Chincoteague and Onancock, VA. No subawards are included in this assistance agreement.

BUDGET PERIOD	PROJECT PERIOD	TOTAL BUDGET PERIOD COST	TOTAL PROJECT PERIOD COST
10/01/2023 - 06/30/2028	10/01/2023 - 06/30/2028	$ 1,562,500.00	$ 1,562,500.00

NOTICE OF AWARD

Based on your Application dated 03/23/2026 including all modifications and amendments, the United States acting by and through the US Environmental Protection Agency (EPA) hereby awards $ 1,250,000.00. EPA agrees to cost-share 80.00% of all approved budget period costs incurred, up to and not exceeding total federal funding of $ 1,250,000.00. Recipient's signature is not required on this agreement. The recipient demonstrates its commitment to carry out this award by either: 1) drawing down funds within 21 days after the EPA award or amendment mailing date; or 2) not filing a notice of disagreement with the award terms and conditions within 21 days after the EPA award or amendment mailing date. If the recipient disagrees with the terms and conditions specified in this award, the authorized representative of the recipient must furnish a notice of disagreement to the EPA Award Official within 21 days after the EPA award or amendment mailing date. In case of disagreement, and until the disagreement is resolved, the recipient should not draw down on the funds provided by this award/amendment, and any costs incurred by the recipient are at its own risk. This agreement is subject to applicable EPA regulatory and statutory provisions, all terms and conditions of this agreement and any attachments.

ISSUING OFFICE (GRANTS MANAGEMENT OFFICE)	AWARD APPROVAL OFFICE
ORGANIZATION / ADDRESS	**ORGANIZATION / ADDRESS**
U.S. EPA, Region 3, US EPA Region 3, 3MD22 Four Penn Center, 1600 John F. Kennedy Boulevard Philadelphia, PA 19103-2852	U.S. EPA, Region 3, Water Division (3WD00) R3 - Region 3 Four Penn Center, 1600 John F. Kennedy Boulevard Philadelphia, PA 19103-2852

THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY

Digital signature applied by EPA Award Official Catharine McManus - Deputy Regional Administrator	**DATE** 05/15/2026

EPA Funding Information

FUNDS	FORMER AWARD	THIS ACTION	AMENDED TOTAL
EPA Amount This Action	$ 0	$ 1,250,000	$ 1,250,000
EPA In-Kind Amount	$ 0	$ 0	$ 0
Unexpended Prior Year Balance	$ 0	$ 0	$ 0
Other Federal Funds	$ 0	$ 0	$ 0
Recipient Contribution	$ 0	$ 312,500	$ 312,500
State Contribution	$ 0	$ 0	$ 0
Local Contribution	$ 0	$ 0	$ 0
Other Contribution	$ 0	$ 0	$ 0
Allowable Project Cost	$ 0	$ 1,562,500	$ 1,562,500

Assistance Program	Statutory Authority	Regulatory Authority
66.202 - Congressionally Mandated Projects	2024 Consolidated Appropriations Act (PL118-42)	2 CFR 200, 2 CFR 1500 and 40 CFR 33

Fiscal

Site Name	Req No	FY	Approp. Code	Budget Organization	PRC	Object Class	Site/Project	Cost Organization	Obligation / Deobligation
-	2603LA0056	25	E5C	0324CFZ	000B80	4192	-	-	$ 1,250,000
									$ 1,250,000

Budget Summary Page

Table A - Object Class Category (Non-Construction)	Total Approved Allowable Budget Period Cost
1. Personnel	$ 0
2. Fringe Benefits	$ 0
3. Travel	$ 0
4. Equipment	$ 0
5. Supplies	$ 0
6. Contractual	$ 1,562,500
7. Construction	$ 0
8. Other	$ 0
9. Total Direct Charges	$ 1,562,500
10. Indirect Costs: 0.00 % Base	$ 0
11. Total (Share: Recipient 20.00 % Federal 80.00 %)	$ 1,562,500
12. Total Approved Assistance Amount	$ 1,250,000
13. Program Income	$ 0
14. Total EPA Amount Awarded This Action	$ 1,250,000
15. Total EPA Amount Awarded To Date	$ 1,250,000

Administrative Conditions

General Terms and Conditions

The recipient agrees to comply with the current Environmental Protection Agency (EPA) general terms and conditions available at: https://www.epa.gov/grants/epa-general-terms-and-conditions-effective-october-1-2025-or-later

These terms and conditions are in addition to the assurances and certifications made as a part of the award and the terms, conditions, or restrictions cited throughout the award.

The EPA repository for the general terms and conditions by year can be found at: https://www.epa.gov/grants/grant-terms-and-conditions#general.

A. Correspondence Condition

The terms and conditions of this agreement require the submittal of reports, specific requests for approval, or notifications to EPA. Unless otherwise noted, all such correspondence should be sent to the following email addresses:

- Federal Financial Reports (SF-425): RTPFC-Grants@epa.gov with copy to grant specialist of record.
- All other forms/certifications/assurances, Indirect Cost Rate Agreements, requests for extensions of the budget and project period, amendment requests, requests for other prior approvals, updates to recipient information (including email addresses, changes in contact information or changes in authorized representatives) and other notifications: Grant specialist and project officer of record.
- Payment requests (if applicable): RTPFC-Grants@epa.gov.
- Quality Assurance documents, work plan revisions, equipment lists, programmatic reports and deliverables: project officer of record.

B. Pre-Award Costs

In accordance with 2 CFR 1500.9, the recipient may charge otherwise allowable pre-award costs (both Federal and non-Federal cost sharing) incurred from 10/1/2023 to the actual award date provided that such costs were contained in the approved application and all costs are incurred within the approved budget period.

C. Prior Approval of Payments for EPA Community Grants

Payment Requests are to be completed on Standard Form 270, "Request for Advance or Reimbursement" and submitted to the EPA Grants Office with a copy to the EPA Project Officer. This form and instructions for completing it can be found at https://www.epa.gov/grants/epa-grantee-forms. The requests will report cumulative expenditures both (Federal and non-Federal) incurred under the grant. EPA will approve payments for allowable expenditures at the ratio shown in the latest Agreement.

Under this payment mechanism, the recipient submits for EPA approval the Standard Form 270 along with supporting cost documentation via email to R3communityprojects@epa.gov, the EPA Project Officer and the EPA Grants Management Specialist listed on this award document. Attachments must be submitted in pdf or other acceptable software format (e.g., DocuSign) and the Standard Form 270 must be electronically or digitally signed by your organization's authorized representative or their designee in accordance with EPA's Recipient/Applicant Information Notice (RAIN), Establishment of Standards for Submission of Administrative and Financial Assistance Agreement Forms/Documents with Electronic or Digital Signatures by Email. Documentation to support costs claimed for reimbursement include copies of bills (vouchers, invoices, etc.), along with a description of services rendered, time spent, and charges. The table below provides examples of acceptable documentation. Also, as a reminder, please refer to the Grant-Specific Programmatic Terms and Conditions of this award for additional information regarding procurement documentation submission requirements.

After review and written notification of EPA's approval, the recipient will request funds via the U.S. Treasury's Automated Standard Application for Payment (ASAP) system for **80**% of the total allowable expenditures shown on the Standard Form 270 (i.e., the Federal share) for the period covered by the request. EPA may pay 100% of the allowable expenditures reported for the period of the request for grants for which the cost share requirement has been waived by EPA. Payment for costs approved by EPA and authorized for drawdown by the recipient via the ASAP System will be credited to the recipient's designated financial institution (See Financial Information in the EPA General Terms and Conditions applicable to this award). Any questioned or disallowed costs will be detailed in writing by EPA's Grants Management Officer.

SUPPORTING DOCUMENTATION BY BUDGET CATEGORY	
BUDGET CATEGORY	**ACCEPTABLE DOCUMENTATION**
1. PERSONNEL (for both EPA-funded and non-EPA funded employees whose services will count towards the recipient's cost share) Records must: •Meet the requirements in 2 CFR 200.430(g) for producing accurate information regarding actual hours an employee worked performing the EPA agreement.•Reflect 100% of actual hours worked daily and the projects, programs or activities worked, not estimated amounts or percentages. They must also reflect non-working hours used during the pay period. •Be certified by an appropriate recipient manager indicating that the hours shown as worked in support of the EPA assistance agreement were actually spent on activities approved and eligible under the agreement for which the costs are claimed•Contain names of employees charging time to the agreement, with explicit indication of number	

of hours charged, the hourly rate, and the total amount thereof charged.	
1a. Working Hours	• Copies of time sheets or equivalent records
1b. Non-Working Hours (e.g., sick leave, annual leave, holiday pay, etc.) being charged to the agreement if not covered by a leave rate or included in fringe benefits.	• A schedule or report showing the non-working hour cost calculations and amounts claimed, including the applicable accruals and distribution methodologies for the periods used in the calculations.
2. FRINGE BENEFITS – Ff applicable, approved fringe rate or actual costs per employee.	• A schedule or report showing the fringe benefit cost calculations per employee, per pay period being claimed for payment and charged to the assistance agreement. Individual items included in approved fringe benefit rates must be identified.
3. INDIRECT COSTS – Must have an approved indirect cost rate agreement covering the period for the indirect costs being claimed or opt to use up to a 15% de minimis rate of Modified Total Direct Costs. See the General Terms and Conditions for additional information.	• A schedule or report showing the indirect costs calculations and amounts claimed and charged to the assistance agreement, including the applicable rates and cost basis for the periods used in the calculations.
4. TRAVEL Note: First class/business class travel costs are not allowable.	• Listing of trips taken, trip dates, location, purpose, and actual costs incurred.• Copy of signed and dated authorization documents for each trip. • Written certification by employee's supervisor or other authorized official that the trip took place.• Copy of signed and dated travel vouchers showing actual expenditures
5. EQUIPMENT – Records must show equipment items, quantity, unit cost, and total amount consistent with the PO and RFP.	• Copy of procurement requests• Copy of vendor invoices• Quotes or bid announcements as required
6. SUPPLIES	• Invoices showing supply items, quantity, unit cost, and total amount consistent with the Purchase Order.• Copy of procurement requests• Copy of vendor invoices• Quotes or bid announcements as required
7. CONTRACTUAL The contract agreement must include all applicable clauses stipulated at 2 CFR Part 200.327 and Appendix II. NOTE: per the grant-specific programmatic Terms and Conditions of the award, all contracts should have already been reviewed and approved by the Project Officer.Contracts for Architectural and Engineering services are included in this	• Documents showing quotes or bid announcements as required.• Evidence of the selection decision and a cost and price analysis• Copy of contractor invoices

category.The costs for consultant compensation that are charged to the EPA assistance agreement (including cost shares) must not exceed the consultant cap (Level IV of the Executive Schedule) as described at 2 CFR 1500.10	
8. CONSTRUCTION This category includes contracts for general construction and other contractor costs for activities described in EPA's Small and Disadvantaged Business (DBE) rule at 40 CFR 33.103.	• Documents showing quotes or bid announcements as applicable.• Evidence of the selection decision and a cost and price analysis• Copy of contractor and vendor invoices
9. OTHER If subaward costs are being claimed, a copy of the executed subaward agreement must be provided. The subaward agreement must comply with the requirements of the subaward term and condition of the EPA award and 2 CFR 200.331 and 200.332.	• Invoices showing items, quantity, unit cost, and total amount. As applicable ensure there are:• Copies of procurement requests• Copy of vendor invoices• Quotes or bid announcements as required• Documentation of participant support cost payments approved in the budget• Cost Calculations/Allocations of shared costs like rent, utilities, etc.

Programmatic Conditions

GRANT-SPECIFIC PROGRAMMATIC TERMS AND CONDITIONS FOR EPA COMMUNITY GRANTS

A. Performance Reporting (2 CFR 200.329)

The recipient agrees to submit performance reports to the EPA Project Officer no later than 30 calendar days after the end of each federal fiscal quarter (reports due January 30, April 30, July 30, and October 30). The final performance report must be submitted no later than 120 calendar days after the period of performance.

Performance reports must relate financial data and project or program accomplishments to performance goals and objectives and include brief information on each of the following areas, as applicable: 1) a comparison of accomplishments to the outputs/outcomes established in the assistance agreement workplan for the reporting period; 2) explanations on why established outputs/outcomes were not met; and 3) additional information, analysis, and explanation of cost overruns or higher-than-expected unit costs.

Additionally, the recipient agrees to notify the EPA when a significant development occurs that could impact the award. Significant developments include events that enable meeting milestones and objectives sooner or at less cost than anticipated or that produce different beneficial results than originally planned. Significant developments also include problems, delays, or adverse conditions which will impact the ability to meet the milestones or objectives of the award, including outputs/outcomes specified in the assistance agreement work plan. If the significant developments negatively impact the award, the recipient must include information on their plan for corrective action and any assistance needed to resolve the situation.

B. Project changes (2 CFR 200.308)

Consistent with 2 CFR 200.308, the recipient must request prior written approval from EPA for the following program and budget-related reasons, including but not limited to: changes which alter the project performance standards; changes in the scope or objectives of the project (even if there is no associated budget revision requiring prior written approval) or substantially altering the design of the project; changes in key personnel (including employees and contractors) that are identified by name or position in the Federal award; the disengagement from a project for more than three months, or a 25% reduction in time and effort devoted to the Federal award over the course of the period of performance, by the approved project director or principal investigator; the inclusion, unless waived by the EPA, of costs that require prior approval in accordance with subpart E to 2 CFR Part 200 as applicable; the transfer funds between construction and non-construction budget categories; significantly delaying or accelerating the project schedule; or substantially altering the facilities plan, design drawings and specifications, or the location, size, capacity, or quality of any major part of the project. Note, depending on the type of change, the Agency Award Official or Grant Management Officer may need to make the final determination.

C. Right of Access (2 CFR 200.337)

EPA will have access to all records which are pertinent to the assistance agreement (including fiscal, procurement, and engineering data and files), and EPA may conduct site visits and inspections related to progress of the assistance agreement workplan activities. This term and condition supplements the requirements in the “Access to Records” General Term and Condition.

• Procurement Document Submission

(1) With the exception of projects that qualify for the procurement flexibilities in the FY 2024 Consolidated Appropriations Act (P.L. 118-42) discussed below in term and condition D. Procurement, the recipient shall submit a copy of all proposed and/or executed contracts for services (including professional and construction), supplies, and equipment over the simplified acquisition threshold as defined in CFR Part 200.1 to the EPA Project Officer for review. The submittal of the proposed and/or executed contracts must include procurement records.

(a) Recipient agrees to submit plans and specifications, requests for proposals, invitations for bids, scopes of work, and/or plans and specifications to the EPA Project Officer for review prior to advertising for bids, or as soon as practicable thereafter if a contract has been executed or performance under the contract has begun. Recipient will also submit any addenda to these documents to the EPA Project Officer for review prior to the opening of bids, or as soon as practicable thereafter if a contract has been executed or performance under the contract has begun.

(b) Recipient agrees to submit to the EPA Project Officer, within ten calendar days after a bid opening, or as soon as practicable thereafter if a contract has been executed or performance under the contract has begun, the bid package of the lowest responsive, responsible bidder for review prior to the award of a contract, or as soon as practicable thereafter if a contract has been executed or performance under the contract has begun. The bid package will include a bid tabulation, a copy of the proof of advertising, the bid bond of the low bidder, the Minority Business Enterprise (MBE) / Women's Business Enterprise (WBE) proposed utilization by the low bidder with a statement from Recipient that the efforts taken by the low bidder meet the statutory/regulatory requirements, and the recommendation to award a contract to the low bidder.

(c) Recipient agrees to submit to the EPA Project Officer for review any proposed and/or executed contract for services, such as architectural/engineering or grant management or construction, prior to signing each contract, or as soon as practicable thereafter if a contract has been executed or performance under the contract has begun, as well as any change orders executed after the award of the contract. A description of the process used to procure those services will also be submitted. To be accepted as allowable project costs, such procurements/contracts must comply with all statutory and regulatory requirements, including 40 U.S.C. 1101 et seq. (the Brooks Act) or an equivalent State qualifications-based procurement requirement, as applicable; 2 CFR Part 200; 2 CFR Part 1500; and/or 40 CFR Part 33.

(2) Recipients that qualify for the procurement flexibilities discussed below in term and condition D. Procurement, must provide to the EPA upon request solicitation documents (e.g., Request for Proposals or Request for Qualifications), contracts, and/or any other pertinent documents relating to the process used to enter the contract.

(3) All recipients, to include those that qualify for the procurement flexibilities in the FY 2024 Consolidated Appropriations Act (P.L. 118-42) discussed below in term and condition D. Procurement must comply with the requirements in the Davis-Bacon Act, American Iron and Steel (AIS), and Build

America, Buy America (BABA) in any procurements and resulting contracts as applicable. These requirements include incorporating the appropriate prevailing wage determinations and AIS/BABA in the solicitation documents.

D. Procurement

The FY 2024 Consolidated Appropriations Act (P.L. 118-42), which was signed into law on March 9, 2024, states:

Provided further, That the funds made available under this heading for Community Project Funding/Congressionally Directed Spending grants in this or prior appropriations Acts are not subject to compliance with Federal procurement requirements for competition and methods of procurement applicable to Federal financial assistance, if a Community Project Funding/Congressionally Directed Spending recipient has procured services or products through contracts entered into prior to the date of enactment of this legislation that complied with state and/or local laws governing competition.

This provision was carried forward in the FY 2025 Full-Year Continuing Appropriations and Extensions Act (P.L. 119-4). Accordingly, “prior to the date of enactment of this legislation” means contracts entered into prior to March 15, 2025.

(a) Recipients with projects identified in the FY 2024 or prior (i.e., FY 2022 and FY 2023) Appropriations Acts are not subject to compliance with Federal procurement requirements for competition and methods of procurement applicable to Federal financial assistance if the recipient has:

- procured services or products through contracts entered into prior to March 15, 2025; and
- complied with state and/or local laws governing competition (including laws/policies relating to participation by disadvantaged business enterprises or equivalent, as applicable, and method of procurement).

The recipient must provide a written statement to the EPA Project Officer affirming any contracts entered into prior to March 15, 2025, complied with state and/or local laws governing competition (including laws/policies relating to participation by disadvantaged business enterprises or equivalent as applicable, and method of procurement). The statement must also include the date the contracts were entered into. The contract will be considered covered by the provision upon receipt of written confirmation from EPA.

The recipient must retain documentation (e.g., solicitation documents, procurement certifications from state and/or local officials) demonstrating compliance of such contracts with state and/or local laws governing competition, including such laws relating to participation by disadvantaged business enterprises or equivalent as applicable.

(a)(1) Contract Amendments after March 15, 2025, and FY 2024 Procurement Flexibility

Recipients with projects identified in the FY 2024 or prior (i.e., FY 2022 and FY 2023) Appropriations Acts may not be subject to compliance with Federal procurement requirements for competition and methods of procurement applicable to Federal financial assistance (with the exception noted below in paragraph (a)(2) for contract modifications over the Simplified Acquisition Threshold in effect at the time of award) for contract amendments that occur after March 15, 2025, if the recipient has:

(i) procured services or products through contracts entered into prior to March 15, 2025;

(ii) entered into said contracts in compliance with state and/or local laws governing competition (including laws/policies relating to participation by disadvantaged business enterprises or equivalent, as applicable, and method of procurement); and

(iii) complied with state and/or local laws relating to contract amendments as applicable.

The recipient must provide a written statement to the EPA Project Officer affirming any contracts entered into prior to March 15, 2025, and contract amendments after that date, complied with state and/or local laws governing competition (including laws/policies relating to participation by disadvantaged business enterprises or equivalent as applicable, and method of procurement). The statement must also include the date the contracts and contract amendments were entered into. The contracts and contract amendments will be considered covered by the provision upon receipt of written confirmation from EPA.

The recipient must retain documentation (e.g., solicitation documents, procurement certifications from state and/or local officials) demonstrating compliance of such contracts and amendments with state and/or local laws governing competition, including such laws relating to participation by disadvantaged business enterprises or equivalent as applicable.

(2) Consistent with 2 CFR 200.324, the recipient further agrees that for all contract modifications/amendments in excess of the Simplified Acquisition Threshold in effect at the time of award, the recipient will perform a cost or price analysis.

(b) All other recipients who do not qualify for the procurement flexibilities discussed in section (a) must procure all services (professional, construction, etc.), supplies, and equipment awarded under this grant in accordance with all applicable federal requirements, including: 40 U.S.C. 1101 et seq. (the Brooks Act) or an equivalent State qualifications-based procurement requirement, as applicable; 2 CFR Part 200; 2 CFR Part 1500; and/or 40 CFR Part 33. This includes all services (professional, construction, etc.), supplies, and equipment for which costs are approved as preaward costs.

(c) Recipient must comply with the procurement processes for architectural and engineering (A/E) services as described in 40 U.S.C. 1101 et seq., or an equivalent State qualifications-based requirement.

Where equivalent State qualifications-based requirements are complied with, the source of the requirement (e.g., existing State legislation or regulation, etc.) must be stated, and a certification from the Governor of the State that the State's A/E procurement requirements are equivalent to 40 U.S.C. 1101 et seq. must accompany the grant application. In lieu of a certification from the Governor, the Attorney General's certification submitted with each grant application may include this certification. The requirements of 40 U.S.C. 1101 et seq. include:

•Public announcement of the solicitation (e.g., public announcement of a Request for Qualifications);

•Evaluation and ranking of the submitted qualifications statements based on established, publicly available criteria (e.g., criteria identified in the solicitation);

Evaluation criteria should be based on demonstrated competence and qualifications for the type of professional services required (e.g., past performance, specialized experience, and technical competence in the type of work required);

•Discussion with at least three firms to consider anticipated concepts and compare alternative methods for furnishing services;

•Selection of at least three firms considered to be the most highly qualified to provide the services required; and

•Contract negotiation with the most highly qualified firm to determine compensation that is fair and reasonable based on a clear understanding of the project scope, complexity, professional nature, and the estimated value of the services to be rendered;

In the event that the recipient is unable to negotiate a satisfactory contract with the firm, the recipient shall formally terminate negotiations and then undertake negotiations with the next most qualified of the selected firms, continuing the process until an agreement is reached. If the recipient is unable to negotiate a satisfactory contract with any of the selected firms, the agency head shall select additional firms in order of their competence and qualification and continue negotiations in accordance with this section until an agreement is reached.

In the event that the State has no existing equivalent qualifications-based requirement for procurement, the federal requirements in 40 U.S.C. 1101 et seq. apply.

(d) All recipients, to include those that qualify for the procurement flexibilities discussed in section (a), must comply with the requirements in the Davis-Bacon Act, American Iron and Steel (AIS), and Build America, Buy America (BABA) in any procurements and resulting contracts as applicable. These requirements include incorporating the appropriate prevailing wage determinations and AIS/BABA in the solicitation documents.

E. Cybersecurity Condition

(a) The recipient agrees that when collecting and managing environmental data under this assistance agreement, it will protect the data by following all applicable State or Tribal law cybersecurity requirements.

(b) (1) EPA must ensure that any connections between the recipient's network or information system and EPA networks used by the recipient to transfer data under this agreement, are secure. For purposes of this Section, a connection is defined as a dedicated persistent interface between an Agency IT system and an external IT system for the purpose of transferring information. Transitory, user-controlled connections such as website browsing are excluded from this definition.

If the recipient's connections as defined above do not go through the Environmental Information Exchange Network or EPA's Central Data Exchange, the recipient will contact the EPA Project Officer no later than 90 days after the date of this award and work with the designated Regional/Headquarters Information Security Officer to ensure that the connections meet EPA security requirements, including entering into Interconnection Service Agreements as appropriate. This condition does not apply to manual entry of data by the recipient into systems operated and used by EPA's regulatory programs for the submission of reporting and/or compliance data.

(2) The recipient agrees that any subawards it makes, under this agreement will require the subrecipient

to comply with the requirements in (b)(1) if the subrecipient's network or information system is connected to EPA networks to transfer data to the Agency using systems other than the Environmental Information Exchange Network or EPA's Central Data Exchange. The recipient will be in compliance with this condition: (i) by including this requirement in subaward agreements; and (ii) during subrecipient monitoring deemed necessary by the recipient under 2 CFR 200.332(e), by inquiring whether the subrecipient has contacted the EPA Project Officer. Nothing in this condition requires the recipient to contact the EPA Project Officer on behalf of a subrecipient or to be involved in the negotiation of an Interconnection Service Agreement between the subrecipient and EPA.

F. Signage

The FY 2022 Consolidated Appropriations Act (Pub. Law 117-103), FY 2023 Consolidated Appropriations Act (Pub. Law 117- 328), and FY 2024 Consolidated Appropriations Act (Pub. Law 118-42) provide that those federal requirements that would apply to a Clean Water State Revolving Fund (CWSRF) or Drinking Water State Revolving Fund (DWSRF) project grant recipient shall apply to a grantee receiving a Community Grant. Consequently, these Appropriations Acts extend Signage requirements applicable to SRF projects to Community Grants. The recipient agrees to comply with the SRF Signage Guidelines in order to enhance public awareness of EPA assistance agreements nationwide.

Basic Requirements

Recipients should note that they have the option of selecting different implementation options depending on the location, project type, and available resources. The costs of compliance with the signage requirements are allowable under the grant, provided the costs are reasonable.

Summary of Options

The SRF Signage Guidelines present a number of options which communities can explore to implement EPA's signage policy. The option selected should meet all of the Basic Requirements above while remaining cost-effective and accessible to a broad audience. The following strategies are acceptable options for communities to follow:

Standard signage

• Posters or wall signage in a public building or location

• Newspaper or periodical advertisement for project construction, groundbreaking ceremony, or operation of the new or improved facility

• Online signage placed on community website or social media outlet

• Press release

Each of these options is described in more detail in the sections below.

Implementation Option: Standard Signage

EPA recommends that large projects that involve significant expansion or construction of a new facility elect to publicize through standard signage. This option should be selected for projects where the sign would be near a major road or thoroughfare or where the facility is in a location at which this would effectively publicize the upgrades. Some facilities will not find this an appropriate or cost-effective solution. For example, investing in a large road sign for a facility that is located in a rural area or where access is limited to a smaller service road would likely not be an optimal solution.

Signs can also be located away from the project site if there is another reasonable alternative. For example, a community may elect to place a sign advertising the project near a body of water that receives discharge from a particular facility.

Recipients selecting projects that will implement this requirement through use of a traditional sign should ensure the following are included:

• The name of the facility, project, and community

• Project cost (total grant award amount, i.e., federal share plus recipient contribution)

• The EPA and Recipient logos (EPA logo may only be used on a sign)

If the EPA logo is displayed along with logos of other participating entities, the EPA logo must not be displayed in a manner that implies that EPA itself is conducting the project. Instead, the EPA logo must be accompanied with a statement indicating that the recipient received financial assistance from EPA for the project. As provided in the sign specifications from the EPA Office of Public Affairs (OPA), the EPA logo is the identifier for assistance agreement projects. Recipients are responsible to comply with the sign specifications provided by the OPA, available at https://www.epa.gov/grants/epa-logo-seal-specifications-signage-produced-epa-assistance-agreement-recipients. To obtain the appropriate EPA logo graphic file, the recipient should send a request directly to OPA and include the EPA Project Officer in the communication; contact information can be found at https://www.epa.gov/aboutepa/using-epa-seal-and-logo#download.

Implementation Option: Posters, Brochures, and/or Pamphlets

Smaller projects, projects located in rural areas, and other efforts may find that it is more cost-effective and practical to advertise efforts through creation of a poster or smaller sign. If the project involves nonpoint source or green infrastructure components, those can be described at the discretion of the recipient.

The poster or brochure and acknowledgement should be visible, as well as a website or other source of information for individuals that may be curious about the Community Grants program. The recipient may also implement this option as a short pamphlet that is placed in one of the locations noted below for community members to read.

Posters, brochures, and/or pamphlets should be placed in a public location that is accessible to a wide audience of community members. This can include, but is not limited to:

• Town or City Hall

• Community Center

- Locally owned or operated park or recreational facility

- Public Library

- County/municipal government facilities

- Court house or other public meeting space

Given the low cost for producing multiple copies of the same poster, brochure, and/or pamphlet, communities can explore options for displaying these posters in several locations simultaneously. This would achieve the overall objective of reaching a broad audience and publicizing the project.

Projects that will implement this requirement through use of posters, brochures, and/or pamphlets should ensure the following are included:

- Name of facility, project, and community

- Project is wholly or partially funded with EPA funding

- Brief description of project

- Brief description of the water quality benefits the project will achieve

Implementation Option: Newsletters, Periodicals, and/or Press Releases

For communities where there is no suitable public space or where advertisement through signage is unlikely to reach community members effectively, projects can be advertised in a community newsletter or similar periodical. States can use guidelines from their standard public notice practices. For new construction, if a groundbreaking ceremony is to be held, an announcement could publicize or accompany publicity for this event.

In some cases, it may be appropriate for the recipient to issue a formal press release announcing construction of a new facility. Distributing a single prepared statement concisely summarizing the project purpose and the joint funding from EPA and community resources can reach a wide audience as the statement goes through multiple news outlets.

If the recipient decides on a public and/or media event to publicize the accomplishment of significant events related to the project as a result of EPA support, the recipient must provide EPA with at least ten working days' notice of the event and the opportunity to attend and participate in the event.

Recipients that will implement this requirement through use of a newsletter, periodical, or press release should ensure the following are included:

- Name of facility, project, and community

- Project is wholly or partially funded with EPA funding

- Brief description of the project

• Brief listing of water quality benefits to be achieved

Implementation Option: Inserts and/or Pamphlets in Water/Sewer Bills

Utilities can consider including a single-page insert within water and sewer bills that are mailed to residents and users in the affected community. This approach would effectively publicize the project to those individuals directly benefitting from the project. The flyer or insert could emphasize the environmental and public health benefits to the community.

Recipients that will implement this requirement through use of inserts and/or pamphlets in water/sewer bills should ensure the following are included:

• Name of facility, project, and community

• Project is wholly or partially funded with EPA funding

• Brief description of the project

• Brief listing of water quality benefits to be achieved

Implementation Option: Online and/or Social Media Publicity

Many communities are increasingly finding that the internet is the most cost-effective approach to publicizing their projects and reaching a broad audience of stakeholders. Online “signage” should follow the minimum information guidelines above and may appear on the town, community, and/or facility website if available. In some cases, communities may be active on social media sites such as Facebook or X, formally known as Twitter. These can be used as an opportunity for publicizing projects and information about how EPA funds are being used in the community.

These online announcements/notices may be appropriate for settings where physical signage would not be visible to a wide audience. They can be a more cost-effective option than traditional signs or publicity in print media outlets. This option may be most useful where the community's website is a well-recognized source of information for its residents.

In the case of some projects, such as nonpoint source, there might be additional opportunities for online publicity through partner agencies or organizations. This could take place either on the organization's website or through other social media outlets.

Projects that will implement this requirement through use of online and/or social media publicity should ensure the following are included:

• Name of facility, project, and community

• Project was wholly or partially funded with EPA funding

• Brief description of the project

• Brief listing of water quality benefits to be achieved

Suggested Language for Alternate Options

For any of the alternate implementation options listed above, recipients have discretion to structure their signage as they see appropriate. The language below is offered as an option for use in posters, pamphlets, brochures, press releases, and/or online materials. Communities may consider using the following:

“Construction of upgrades and improvements to the [Name of Facility, Project Location, or WWTP] were financed by the grant funding administered by the U.S. Environmental Protection Agency (EPA). EPA's Community Grant Program. This project will (description of project) and will provide water quality benefits [details specifying particular benefits] for community residents and businesses in and near (name of town, city, and/or water body or watershed to benefit from project.)

For projects in certain areas, recipients should consider whether it is appropriate to include additional details about the project. Specific benefits, such as reduction of CSO events, lessening of nutrient pollution, reducing contaminant levels or water pumping costs, or improvements to a particular water body, may be of interest to community residents. In these cases, including additional detail would further serve to showcase positive efforts financed by EPA. Additionally, recipients may elect to detail improvements in energy efficiency or water conservation achieved by project upgrades. If the project includes green infrastructure components such as rain gardens and green roofs that have environmental and aesthetic benefits to the community, these can be described briefly as well. Again, this additional information can be included at the discretion of the recipient when it is appropriate, given the project type, location, and the type of signage or publicity effort selected.

G. Public or Media Events

The recipient will notify the EPA Project Officer listed in this award document of public or media events publicizing the accomplishment of significant events related to the project as a result of EPA support and provide the opportunity for attendance and participation by federal representatives with at least ten working days' notice.

H. Federal Cross-cutting Requirements/Other Applicable Federal Laws

Recipient must comply with federal cross-cutting requirements as well as other applicable federal laws as provided in EPA's Community Grants Program Final Implementation Guidance. For additional information on cross-cutting requirements, as well as applicability for recipients and subrecipients, visit https://www.epa.gov/grants/epa-subaward-cross-cutter-requirements.

I. American Iron and Steel (AIS)

AIS requirements apply to this award agreement based on the directive Congressional language in the FY 2022, FY 2023, and FY 2024 Consolidated Appropriations Acts' (i.e., “Applicable Federal requirements that would apply to a Clean Water State Revolving Fund or Drinking Water State Revolving Fund project grant recipient shall apply to a grantee receiving a CPF grant under this section"). AIS requirements apply to State Revolving Fund assistance agreements signed on or after January 17, 2014, including all treatment works projects funded by a CWSRF assistance agreement and all public water system projects funded by a DWSRF assistance agreement.

(a) Definitions. As used in this award term and condition—

(1) “iron and steel products” mean the following products made primarily of iron or steel, where “primarily” means 50% or greater iron/steel, measured by materials costs: lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural steel, reinforced precast concrete, and ferrous construction materials.

(2) “steel” means an alloy that includes at least 50 percent iron, between .02 and 2 percent carbon, and may include other elements.

(b) Domestic preference.

(1) This award term and condition requires that all iron and steel products used for a project for the construction, alteration, maintenance or repair of a public water system or treatment work are produced in the United States except as provided in paragraph (b)(2) of this section and condition. “Produced in the United States means all manufacturing processes, beginning with initial melting, must occur in the United States.

(2) This requirement shall not apply in any case or category of cases in which the Administrator of the Environmental Protection Agency finds that—

(i) applying the requirement would be inconsistent with the public interest;

(ii) iron and steel products are not produced in the United States in sufficient and reasonably available quantities and of a satisfactory quality; or

(iii) inclusion of iron and steel products produced in the United States will increase the cost of the overall project by more than 25 percent.

(3) The Build America, Buy America (BABA) Act requirements do not supersede the AIS requirements, and both provisions still apply and work in conjunction. Compliance with AIS requirements meets the BABA requirements for iron and steel.

(c) Request for a Waiver under (b)(2) of this section

(1) Any recipient request to use foreign iron or steel products in accordance with paragraph

(b)(2) of this section shall include adequate information for federal Government evaluation of the request, including—

(i) A description of the foreign and domestic iron and/or steel, ;

(ii) Unit of measure;

(iii) Quantity;

(iv) Cost;

(v) Time of delivery or availability;

(vi) Location of the project;

(vii) Name and address of the proposed supplier; and

(viii) A detailed justification of the reason for use of foreign iron or steel products cited in accordance with paragraph (b)(2) of this section.

(2) If the Administrator receives a request for a waiver under this section, the waiver request shall be made available to the public for at least 15 days prior to making a finding based on the request.

(3) Unless the Administrator issues a waiver of this term, use of foreign iron and steel products is noncompliant with Section 608 of the Clean Water Act and Section 1452(a)(4) of the Safe Drinking Water Act.

(d) This term and condition shall be applied in a manner consistent with United States obligations under international agreements.

J. Build America, Buy America Act (BABA)

This term and condition supplements the “Build America, Buy America” term and condition included in EPA's General Terms and Conditions.

(a) Definitions.

For legal definitions and sourcing requirements, the recipient must consult the EPA Build America, Buy America website, 2 CFR Part 184, and the Office of Management and Budget's (OMB) Memorandum M-24-02 Implementation Guidance on Application of Buy America Preference in Federal Financial Assistance Programs for Infrastructure.

(b) Waiver Request.

(1) When necessary, recipients may apply for a waiver from these requirements.

(2) A request to waive the application of the domestic content procurement preference must be in writing and submitted following the waiver instructions under the Water Programs section athttps://www.epa.gov/baba/build-america-buy-america-baba-epa-programs.

(3) Waiver requests are subject to public comment for at least 15 days prior to making a finding based on the request.

(4) Waiver requests are subject to review by the Office of Management and Budget's Made in America Office.

(5) There may be instances where an award qualifies, in whole or in part, for an existing waiver described athttps://www.epa.gov/baba/build-america-buy-america-baba-approved-waivers .

(6) The U.S. Environmental Protection Agency may grant a waiver based upon one of the exceptions as established in Section 70914(b) of the Infrastructure Investment and Jobs Act and further described in the Office of Management and Budget Memorandum M-24-02.

(7) Any recipient waiver request to use foreign iron, steel, manufactured products, and/or construction materials in an infrastructure project shall include adequate information for the Federal Government evaluation of the request, including—

i. The Federal Award Identification Number (FAIN);

ii Location and description of the project;

iii. Total cost of infrastructure expenditures, including federal and non-federal funds, as well as the source of any additional federal funds, if any;

iv. List of iron or steel item(s), manufactured products, and construction material(s) proposed to be excepted from Buy America requirements, including name, cost, country(ies) of origin (if known), relevant Product Services Code (PSC) and North American Industry Classification System (NAICS) code for each, unit of measure, quantity, time of delivery or availability, and name and address of the proposed supplier;

v. Project schedule including earliest targeted installation dates of items requested to be waived;

vi. A detailed justification of the reason for use of foreign iron, steel, manufactured products, and/or construction materials;

vii. Recipient's Unique Entity Identifier (UEI);

vii. Anticipated impact if no waiver is issued; and

viii. A certification that the federal official or assistance recipient made a good faith effort to solicit bids for domestic products supported by terms included in requests for proposals, contracts, and nonproprietary communications with the prime contractor.

(8) Unless a waiver applies, use of foreign iron, steel, manufactured products, and/or construction materials that are consumed in, incorporated into, or affixed to an infrastructure project is noncompliant with this term and condition pursuant to the Infrastructure Investment and Jobs Act, Pub. L. No. 117-58, including Build America, Buy America Act, Pub. L. No. 117-58 §§70901-52.

(c) Waiver Evidence Submission.

(1) The recipient must maintain documentation of any use of materials which are considered de minimis and are covered by an existing waiver (e.g. miscellaneous, generally low-cost products that are essential

for construction and are incorporated into the physical structure of the project) with grant project files for a period of three years from the date of submission of the final expenditure report, in accordance with 2 CFR 200.334.

(2) If the recipient seeks coverage under an existing general applicability BABA waiver, the recipient agrees to submit available evidence to the EPA Project Officer to support such a determination as identified in the BABA waiver. The recipient shall maintain this evidence with grant project files for a period of three years from the date of submission of the final expenditure report, in accordance with 2 CFR 200.334.

K. Environmental Review

This project consists of activities listed in paragraphs 40 C.F.R. 6.204(a)(2)(i)-(x)). No separate NEPA documentation needs to be developed for use of a NEPA CATEX determination under 40 C.F.R. 6.204 (a)(2) and the recipient may only draw down funds for activities listed in paragraphs 40 C.F.R. 6.204(a)(2)(i)-(x). Recipient shall not draw down the EPA funds or make any expenditures to meet a cost share obligation, for construction-related activities such as destruction, excavation, modification of existing structures, ground-disturbing work including rehabilitation and replacement activities, modifying, removing or demolishing structures, or other improvements to real property If the scope of the project changes, the recipient understands that additional environmental review may be necessary.

L. Davis-Bacon Labor Standards

1. Program Applicability

1. Program Name: Community Grants Program
2. Statutes requiring compliance with Davis-Bacon:

- Consolidated Appropriations Act, 2022 (P.L. 117-103);
- Consolidated Appropriations Act, 2023 (P.L. 117-328); and
- Consolidated Appropriations Act, 2024 (P.L. 118-42)

3. Activities subject to Davis-Bacon:

- For Community Grants Projects that are inclusive of CWSRF-eligible activities: Treatment works constructed in whole or in part with assistance made available by the FY 2022, FY 2023, and/or FY 2024 Consolidated Appropriations Acts discussed in section b.
- For Community Grants Projects that are inclusive of DWSRF-eligible activities: Any construction project carried out in whole or part with assistance made available by the FY 2022, FY 2023, and/or FY 2024 Consolidated Appropriations Acts discussed in section b.

4. The recipient must work with the appropriate authorities to determine wage classifications for the

specific project(s) or activities subject to Davis Bacon under this grant (or cooperative agreement).

2. Davis-Bacon and Related Acts

Davis-Bacon and Related Acts (DBRA) is a collection of labor standards provisions administered by the Department of Labor, that are applicable to grants involving construction. These labor standards include the:

- Davis-Bacon Act, which requires payment of prevailing wage rates for laborers and mechanics on construction contracts of $2,000 or more;
- Copeland “Anti-Kickback” Act, which prohibits a contractor or subcontractor from inducing an employee into giving up any part of the compensation to which he or she is entitled; and
- Contract Work Hours and Safety Standards Act, which requires overtime wages to be paid for over 40 hours of work per week, under contracts in excess of $100,000

3. Recipient Responsibilities When Entering Into and Managing Contracts:

1. Solicitation and Contract Requirements:
    1. Include the Correct Wage Determinations in Bid Solicitations and Contracts: Recipients are responsible for complying with the procedures provided in 29 CFR 1.6 when soliciting bids and awarding contracts.
    2. Include DBRA Requirements in All Contracts: Include the following text on all contracts under this grant:

“By accepting this contract, the contractor acknowledges and agrees to the terms provided in the DBRA Requirements for Contractors and Subcontractors Under EPA Grants.”

2. After Award of Contract:
    2. Approve and Submit Requests for Additional Wages Rates: Work with contractors to request additional wage rates if required for contracts under this grant, as provided in 29 CFR 5.5(a)(1)(iii).
    3. Provide Oversight of Contractors to Ensure Compliance with DBRA Provisions: Ensure contractor compliance with the terms of the contract, as required by 29 CFR 5.6.

4. Recipient Responsibilities When Establishing and Managing Additional Subawards:

1. Include DBRA Requirements in All Subawards (including Loans):

Include the following text on all subawards under this grant:

"By accepting this award, the EPA subrecipient acknowledges and agrees to the terms and conditions provided in the DBRA Requirements for EPA Subrecipients."

2. Provide Oversight to Ensure Compliance with DBRA Provisions: Recipients are responsible for oversight of subrecipients and must ensure subrecipients comply with the requirements in 29 CFR 5.6.

5. The contract clauses set forth in this Term & Condition, along with the correct wage determinations, will be considered to be a part of every prime contract covered by Davis-Bacon and Related Acts (see 29 CFR 5.1), and will be effective by operation of law, whether or not they are included or incorporated by reference into such contract, unless the Department of Labor grants a variance, tolerance, or exemption. Where the clauses and applicable wage determinations are effective by operation of law under this paragraph, the prime contractor must be compensated for any resulting increase in wages in accordance with applicable law.

M. Real Property

In accordance with 2 CFR 200.311, title to real property acquired or improved under this agreement will vest upon acquisition in the recipient. The property must be used for the originally authorized purpose as long as needed for that purpose, during which time the recipient must not dispose of or encumber its title or other interests.

The regulations at 49 CFR Part 24 apply to purchases of real property and the relocation of persons. Further, for Community Grants projects that are inclusive of Drinking Water State Revolving fund eligible activities, under section 1452(a)(2)(E) of the Safe Drinking Water Act, funds shall not be used for the acquisition of real property or interests therein, unless the acquisition is integral to a project and the purchase is from a willing seller.

Recordation

As authorized by 2 CFR 200.316, if the recipient uses EPA funding to purchase real property or to improve real property, the recipient must record a lien or similar notice which reflects the Federal interest in the real property records for the jurisdiction in which the real property is located. The lien or similar notice must indicate that the real property has been acquired or improved with federal funding and that use, and disposition conditions apply to the real property. The lien or similar notice must also provide the percentage of the purchase price funded by the EPA. The federal interest in the property cannot be defeated by recipient's failure to file an appropriate notice.

The recipient shall ensure that the federal interest in the real property has been protected in accordance with applicable State and local law when acquiring and recording the property. The statement of federal interest must be approved in form and substance to the EPA Award Official prior to recordation.

The recipient must provide the EPA with a written statement from a licensed attorney in the jurisdiction where the property is located, certifying that the federal interest in the real property has been protected in accordance with applicable State and local law in obtaining and recording the property. The attorney's statement, along with a certified copy of the deed reflecting the recordation of the Federal Interest, must be returned to the EPA Award Official. The EPA Award Official may not release any or a portion of the Federal award funds until the recipient has complied with this provision, unless other arrangements satisfactory to the Award Official are made.

Without releasing or excusing the recipient from these obligations, the recipient, by execution of the financial assistance award or by expending Federal financial assistance funds (in the case of a subrecipient), authorizes the EPA Award Official to file such notices and continuations as it determines to be necessary or convenient to disclose and protect the Federal Interest in the property.

Disposition

Disposition. When real property is no longer needed for the originally authorized purpose, the recipient must obtain disposition instructions from EPA. The instructions will provide for one of the following alternatives:

a. Retain title after compensating EPA. The amount paid to EPA will be computed by applying EPA's percentage of participation in the cost of the original purchase (and costs of any improvements) to the fair market value of the property. However, in those situations where recipient is disposing of real property acquired or improved with a federal award and acquiring replacement real property under the same federal award, the net proceeds from the disposition may be used as an offset to the cost of the replacement property.

b. Sell the property and compensate EPA. The amount due to EPA will be calculated by applying EPA's percentage of participation in the cost of the original purchase (and cost of any improvements) to the proceeds of the sale after deduction of any actual and reasonable selling and fixing-up expenses. If the federal award has not been closed out, the net proceeds from sale may be offset against the original cost of the property. When recipient is directed to sell property, sales procedures must be followed that provide for competition to the extent practicable and result in the highest possible return.

c. Transfer title to EPA or to a third party designated/approved by EPA. The recipient is entitled to be paid an amount calculated by applying the recipient's percentage of participation in the purchase of the real property (and cost of any improvements) to the current fair market value of the property.

Reporting

Consistent with 2 CFR 200.330, the recipient (or subrecipient) must submit reports at least annually on the status of real property in which EPA retains an interest, unless the Federal interest in the real property extends 15 years or longer.

In those instances where the Federal interest attached is for a period of 15 years or more, the Federal awarding agency or pass-through entity, at its option, may require the non-Federal entity to report at various multi-year frequencies, not to exceed a five-year reporting period.

AGENDA ITEM 5. – August 25, 2026

Subject: Wastewater Revenue Bonds Tender Offer Resolution

Recommended Action: Adopt a resolution authorizing a tender offer for the purchase of Hampton Roads Sanitation District wastewater revenue bonds.

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

In June the Commission was briefed on a potential transaction in which HRSD would offer to buy its outstanding 2019A taxable bonds from current bondholders through a "tender offer". Under this approach, HRSD would offer to purchase the bonds from investors at current market prices plus a premium. Bonds tendered and accepted by HRSD would be financed through the issuance of tax-exempt refunding bonds, generating debt service savings. Bondholder participation in the tender offer is voluntary, and the level of participation will not be known until after the tender offer is launched. Typically, a participation rate of 20 to 30 percent is generally considered successful.

Latest estimates, provided by Bank of America, project a participation rate of approximately 20.6 percent based on research they have done with current bondholders. An updated net present value on the savings, as of August 6, 2026, at this participation rate is $1.72 million or 5.25 percent of par.

A traditional refunding of the Series 2019A bonds does not generate savings under current market conditions, and given the bonds' relatively low coupon rates, meaningful future savings opportunities are unlikely.

The success of a tender transaction is inherently uncertain and depends on the willingness of bondholders to sell their existing bonds. Compared to traditional refunding, the tender process is more complex and requires additional transaction time, coordination, and expense. HRSD may incur transaction costs of approximately $150,000 even if the tender is ultimately unsuccessful. However, tender transactions are an established financing tool in the municipal market and have recently been completed by both the City of Norfolk and the Commonwealth of Virginia.

The resolution formally approves the tender offer. In addition, it approves the form of the Invitation, the document which establishes the terms and conditions of the tender offer. The resolution also appoints Bank of America as dealer manager and Globic Advisors as information agent. The dealer manager and information agent will assist HRSD in identifying bondholders who may wish to tender their 2019A bonds and work with HRSD's trustee to ensure that the tender process is executed efficiently. The resolution also approves a form of dealer manager agreement, which will govern how Bank of America will act on HRSD's behalf and determines its compensation.

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

Hampton Roads Sanitation District
Resolution of
August 25, 2026

HAMPTON ROADS SANITATION DISTRICT COMMISSION

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A RESOLUTION
AUTHORIZING A TENDER OFFER FOR
THE PURCHASE OF
HAMPTON ROADS SANITATION DISTRICT
WASTEWATER REVENUE BONDS

Adopted August 25, 2026

RESOLUTION AUTHORIZING A TENDER OFFER FOR
THE PURCHASE OF HAMPTON ROADS SANITATION DISTRICT
WASTEWATER REVENUE BONDS

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

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

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

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

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

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

WHEREAS, the District has executed and delivered a Trust Agreement, dated as of October 1, 2011, as amended and restated as of March 1, 2016, as further amended and restated as of July 1, 2024, as heretofore supplemented (the "Trust Agreement"), between the District and the trustee named therein (in such capacity, the "Trustee"), to provide for the issuance of Bonds (as defined in the Trust Agreement) payable solely from the Net Revenues (as defined in the Trust Agreement) derived by the District from its Wastewater System (as defined in the Trust Agreement) and the money attributable to proceeds of the Bonds and the income from the investment thereof;

WHEREAS, the District has heretofore issued, and may hereinafter issue, Bonds in accordance with, and which remain outstanding under, the Trust Agreement and VRA Obligations (each as defined in the Trust Agreement, and collectively, "Senior Obligations");

WHEREAS, Section 704(e) of the Trust Agreement permits the District to issue, and has heretofore issued and may hereinafter issue, Subordinate Obligations (as defined in the Trust Agreement) without limitations, provided that such Subordinate Obligations shall provide that they are subordinate and junior in right of payment to the prior payment in full of the Senior Obligations issued thereunder;

WHEREAS, the Commission, by resolution adopted May 26, 2026 authorized the issuance of one or more series of Bonds of the District (the "Refunding Bonds"), for the purpose of providing funds, together with other available funds, to (i) refund, refinance, or pay at or before maturity any or all Senior Obligations (including VRA Obligations, as defined herein) and any or all Subordinate Obligations and (ii) pay certain expenses incurred in connection with the issuance of the Refunding Bonds by the District;

WHEREAS, in connection with issuance of one or more series of the Refunding Bonds, the District may be able to achieve debt service savings by offering to purchase certain of the District's outstanding Senior Obligations that are not currently callable for redemption from the holders thereof and using a portion of the proceeds of such Refunding Bonds to pay the purchase price of all or a portion of the Senior Obligations tendered for purchase by the holders thereof;

WHEREAS, the Commission has determined to authorize a tender offer (the "Tender Offer") to the holders of certain of the District's outstanding Senior Obligations (such Senior Obligations, the "Target Bonds"), to provide for the payment of the purchase price allocable to principal of any or all of such Senior Obligations tendered by the holders thereof pursuant to the Tender Offer (such Senior Obligations tendered for purchase pursuant to the Tender Offer and accepted for purchase by the District, the "Tendered Bonds") with a portion of the proceeds of one or more series of Refunding Bonds and to provide for the payment of interest of such Tendered Bonds with other available funds of the District;

WHEREAS, the Tender Offer will be made in accordance with, and pursuant to the terms and conditions of, an Invitation to Tender Bonds (each, as the same may be modified or amended in accordance with the terms thereof, the "Invitation") to be delivered to the holders of the Target Bonds and other related communication (the Invitation and such other information being collectively referred to as the "Material");

WHEREAS, to facilitate the Tender Offer by soliciting offers to tender for purchase from the holders of the Target Bonds, the District will appoint one or more investment banking firms selected from among those firms replying to a request for qualifications solicited by the District in June 2026 (the "Dealer Manager RFP") to serve as dealer manager for the Tender Offer (each, a "Dealer Manager");

WHEREAS, to assist the District and the Dealer Manager in the dissemination of the Invitation and other Material and communications with the holders of the Target Bonds, the District will appoint an information agent to serve as information agent for the Tender Offer (the "Information Agent");

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

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

Section 2. Authorization of Tender Offer and Distribution of Invitation. The Commission hereby authorizes and directs the delivery from time to time of one or more Invitations to the holders of the Target Bonds inviting such holders to tender them to the District for purchase, in substantially the form of the Invitation presented at the meeting of the Commission in which this Resolution was approved, with any such modifications thereto as the Chair of the Commission, the Vice Chair of the Commission, the General Manager/Chief Executive Officer of the District and the Deputy General Manager/Chief Financial Officer of the District (each, a "Delegate"), any of whom may act, with the advice of counsel, may deem necessary or appropriate; such delivery shall be conclusive evidence of the approval and authorization thereof by the District.

The Commission further authorizes the Delegates to deliver the other Material described in the Invitation or made in furtherance of the Tender Offer and such other documents, certificates, undertakings, agreements or other instruments as they, with the advice of counsel, may deem necessary or appropriate to effectuate the transactions contemplated by the Invitation.

Section 3. Appointment of Dealer Manager and Authorization of Dealer Manager Agreement. The Commission hereby authorizes and approves the selection of BofA Securities, Inc., as lead Dealer Manager, in connection with the Tender Offer. The Delegates are further authorized to appoint other Dealer Managers from time to time, acting in consultation with PFM Financial Advisors LLC, Financial Advisor to the District (the "Financial Advisor"), among those investment banking firms that submitted responses to the Dealer Manager RFP.

The Commission hereby authorizes and directs the execution and delivery by the District of one or more Dealer Manager Agreements (each, a "Dealer Manager Agreement") by one or more Delegates, in substantially the form of the Dealer Manager Agreement presented at the meeting of the Commission in which this Resolution was approved, with any such modifications thereto as one or more Delegates, with the advice of counsel, may deem necessary or appropriate; such delivery shall be conclusive evidence of the approval and authorization thereof by the District.

Section 4. Appointment of Information Agent. The Commission hereby authorizes and approves the selection of Globic Advisors Inc., as Information Agent, in connection with the Tender Offer.

Section 5. Use of Bond Proceeds; Other Funds of the District. The District may use proceeds of one or more series of Refunding Bonds to pay the purchase price of the Tendered Bonds, all as to be provided in the Supplemental Agreement or Supplemental Agreements relating to applicable Refunding Bonds. A Delegate is further authorized to use other available funds of the District to pay the accrued interest on such Tendered Bonds to the date of purchase thereof by the District.

Section 6. Target Bonds and Purchase of Target Bonds. The Commission authorizes that the Target Bonds included in the Invitation should initially consist of the District's Subordinate Wastewater Revenue Bonds, Refunding Series 2019A (Federally Taxable). A Delegate is authorized to include other Target Bonds in an Invitation if the purchase of such Target Bonds is expected, as of the date of the Invitation, to produce aggregate net present value debt service savings achieved as a result of the purchase of such Target Bonds with the proceeds of one or more Refunding Bonds equal to at least three percent (3%) of the par amount of the Target

Bonds, calculated net of transaction costs (the "Savings Target"); provided, however, that the Commission hereby determines that it will be in the best interests of the District to purchase any Target Bonds without meeting the foregoing criterion if a Delegate, with the advice of the District's Financial Advisor, determines that it is otherwise in the District's best interests to purchase such Target Bonds without regard to such criterion.

The purchase of any Target Bonds tendered by the holders thereof after the expiration date of the Tender Offer shall be subject to the satisfaction of the Savings Target.

Section 7. Cancellation of Tendered Bonds. Any Target Bonds tendered for purchase by the holders thereof and selected by the District in accordance with the Invitation, subject to Section 6, hereof, shall become Tendered Bonds, and upon the purchase by the District of such Tendered Bonds, the Tendered Bonds shall be presented to the Trustee for cancellation in accordance with the terms of the Trust Agreement.

Section 8. Further Actions. The Delegates are each authorized and directed (without limitation except as may be expressly set forth herein) to take such action and to execute and deliver any such documents, certificates, undertakings, agreements or other instruments as they, with the advice of counsel, may deem necessary or appropriate to effectuate the transactions contemplated by the Invitation, the other Material and each Dealer Manager Agreement.

Section 9. Delegates' Certificate. Each Delegate may execute a certificate or certificates evidencing the determinations made or other actions carried out pursuant to the authority granted in this Resolution, and any such certificate shall be conclusive evidence of the actions or determinations as stated therein.

Section 10. Ratification of Prior Acts. The actions heretofore taken by the District Representatives in connection with the proposed Tender Offer are hereby ratified and confirmed.

Section 11. Sunset Provision. No Invitation may be delivered pursuant to the authority provided by this Resolution after May 31, 2027.

Section 12. Effective Date. This Resolution shall take effect immediately upon its passage.

[END OF RESOLUTION]

Adopted by the Hampton Roads Sanitation District Commission on August 25, 2026.

____
Stephen C. Rodriguez, Chair

AGENDA ITEM 6. – August 25, 2026

Subject: 1434 Air Rail Avenue Switchgear Controls Upgrade
Initial Appropriation – Non-Regulatory

Recommended Action: Appropriate total project funding in the amount of $450,000.

CIP Project: GN023200

Regulatory Requirement: None

Project Description: This project is to design and fabricate a new switchgear control system by retrofitting the existing control system that has reached the end of its useful life. The programmable logic controller and protective relays are obsolete, and replacement parts are no longer supported. The project will include a new, modernized control platform for monitoring, control, and protection. In addition, all control wire modifications which are necessary to interface the new equipment are included. The project will include the installation, testing, commissioning, and spare parts support of the new switchgear controls system.

Project Justification: The existing control and protection platforms have reached obsolescence, presenting a risk of prolonged downtime in the event of a component failure. Replacement of failed components would necessitate substantial engineering effort and extended lead times, which would compromise the facility's ability to ensure reliable emergency power availability. The two 750 kW standby diesel Carter CAT generators support the Building 1434 and Building 1436 electrical loads in the event of a utility power loss and are critical to prevent process disruptions and unplanned extended power outages.

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

Schedule:	Construction	February 2027
	Project Completion	March 2027

Resource: Jeff Scarano

AGENDA ITEM 7. – August 25, 2026

Subject: Beaver Dam Discharge Force Main Replacement
Initial Appropriation – Non-Regulatory

Recommended Action: Appropriate project funding for preplanning services in the amount of $41,280.

CIP Project: MP016000

Regulatory Requirement: None

Project Description: This project involves the replacement of approximately 3,600 linear feet of 6-inch ductile iron pipe. The replacement will occur along the section of piping located on the discharge side of the Beaver Dam Pump Station, extending to 6936 Main Street in Gloucester County. The attached map depicts the project location.

Project Justification: Due to anticipated growth and development in Middlesex, Mathews, and Gloucester Counties, the existing 6-inch ductile iron force main is expected to become undersized. To accommodate the projected increase in flow, it will be necessary to upgrade the force main to a larger size. Furthermore, Gloucester is currently facing hydraulic challenges within their systems, which may impact the overall efficiency and performance of the regional infrastructure. Upgrading the force main will address these issues and ensure the system can reliably handle future demand.

Task Order Description: This task order is for preplanning services with HDR utilizing their General Engineering Services contract.

Funding Description and Analysis of Cost: The fee of $41,280 is estimated to be sufficient to fund the preplanning phase of this project. The cost for this task order is not to exceed the amount based on negotiated rates and subconsultant proposals. These costs compare favorably to other projects with a similar scope of work.

Schedule:

Pre-Planning	September 2026
PER	December 2027
Design	July 2028
Bid	January 2030
Construction	April 2030
Project Completion	October 2031

MP016000

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

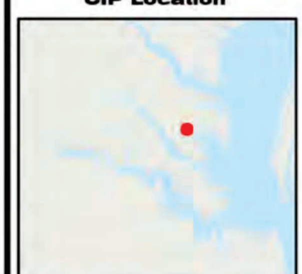
Legend

- 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

0 165 330 660 990 1,320 Feet

N W E S

CIP Location



MP016000

Beaver Dam Discharge Force Main Replacement

HRSD

Resource: Jeff Scarano

AGENDA ITEM 8. – August 25, 2026

Subject: Cedar Lane Pump Station (PS 104) Modifications
Initial Appropriation – Non-Regulatory & Task Order (>$200,000)

Recommended Actions:

a. Appropriate project funding for design and bid phases services in the amount of $319,520

b. Approve a task order with Hazen & Sawyer in the amount of $277,843

CIP Project: NP016120

Regulatory Requirement: None

Project Description: This project will perform targeted rehabilitation of the Cedar Lane Pump Station (PS 104), which was originally constructed in 1963. The proposed upgrades include extensive wet well rehabilitation, installation of a new wet well exhaust fan and odor control system, and associated electrical, instrumentation, and control upgrades to support the replaced systems. The attached map depicts the project location.

Project Justification: This project will address the extensive concrete wall loss and surface degradation identified during a July 2025 internal investigation, as well as the findings of the Cedar Lane PS Study (CIP NP016100) completed in January 2026. Elevated concentrations of hydrogen sulfide, combined with insufficient ventilation, have accelerated deterioration over the past 19 years. Rehabilitation efforts completed in 2007 are no longer effective in protecting the concrete walls from continued degradation, leaving the wet well structure vulnerable to further deterioration. The installation of an adequate ventilation system will minimize hydrogen sulfide saturation time within the wet well, thereby increasing the service life of the materials used to rehabilitate it. In addition, the odor control system will mitigate potential odor impacts during atmospheric discharge. Electrical, instrumentation, and control upgrades associated with the pump station improvements will also be included.

Task Order Description: This task order will provide design and bid phase services under HRSD's General Engineering Services contract with Hazen & Sawyer.

Analysis of Cost: Initial appropriation is requested to fund the design and bid phase only. The initial appropriation amount of $319,520 is based on Hazen & Sawyer's task order fee plus a 15% contingency. The lump sum task order fee was developed utilizing Hazen & Sawyer's established rate schedule in their General Engineering Services contract and an estimation of hours required to complete the design and bid phases. The fee has been evaluated and determined to be reasonable and matches the level of scope requested by the HRSD Project Manager.

Schedule:

Design	September 2026
Bid	June 2027
Construction	August 2027
Project Completion	August 2028

NP016120

- 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

Feet
0 25 50 100 150 200

NP016120

Cedar Lane Pump Station (PS 104) Modifications

HRSD

N
W E
S

CIP Location

Resource: Jeff Scarano

AGENDA ITEM 9. – August 25, 2026

Subject: Pottery Off-line Storage Facility
Initial Appropriation – Non-Regulatory and Task Order (>$200,000)

Recommended Actions:

a. Appropriate project funding for preliminary engineering services in the amount of $355,322.

b. Approve a task order with Hazen and Sawyer in the amount of $323,020.

CIP Project: WB014300

Regulatory Requirement: None

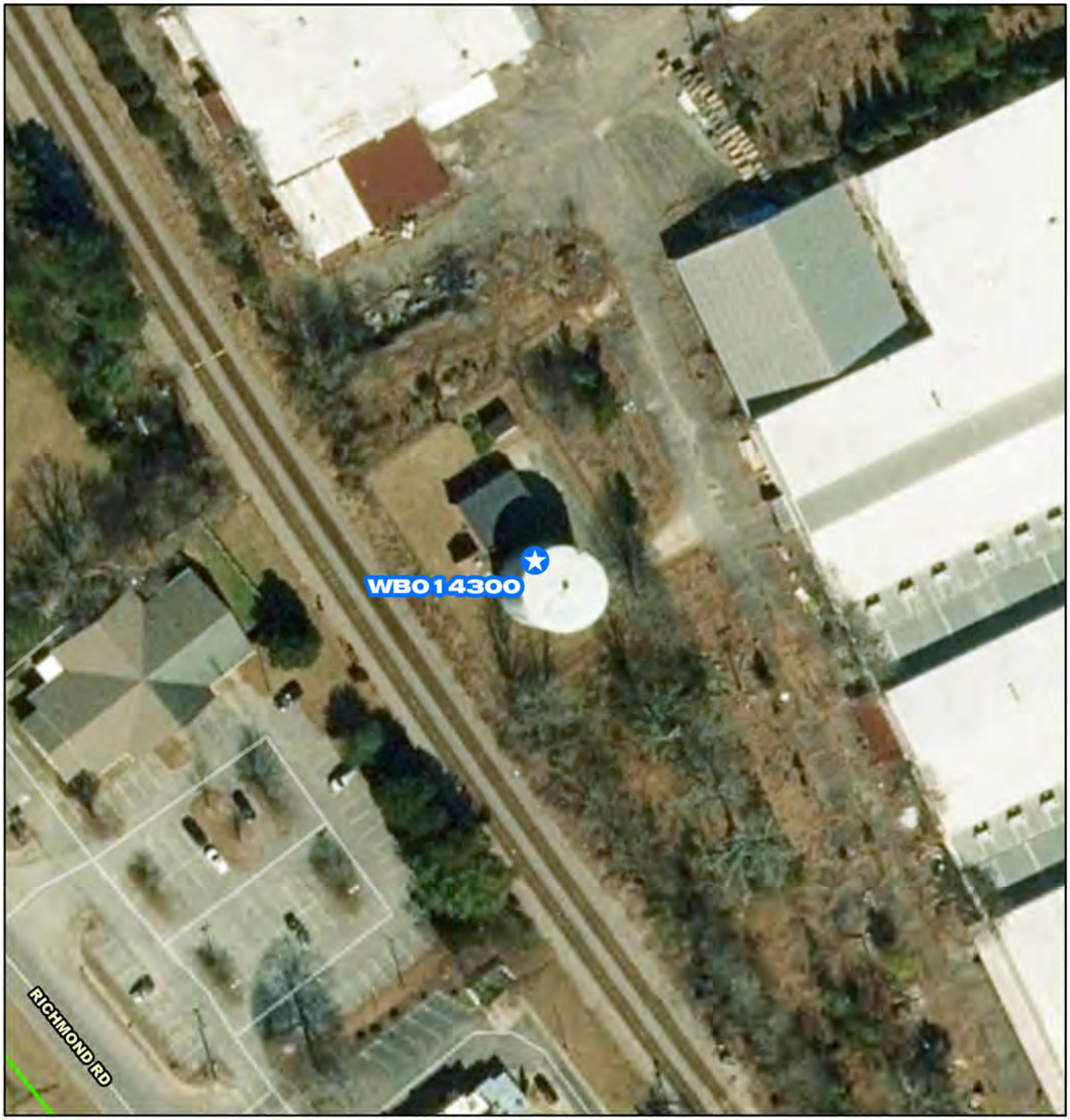
Project Description: This project will repurpose the existing 500,000-gallon James City Service Authority (JCSA) water tank by formally removing it from JCSA's potable water distribution system and constructing the facilities necessary to integrate the tank into the HRSD sanitary system for off-line storage. As part of this effort, JCSA is willing to donate the existing tank, associated facilities, and property to HRSD so the tank can be converted into an off-line wet-weather storage asset serving the northern portion of the Williamsburg system. The project is also anticipated to include approximately 550 feet of 12-inch connecting pipeline, interior tank recoating, structural tank upgrades, on-site electrical improvements, site upgrades, underground piping, pumping equipment, SCADA/telemetry integration, and other site-specific improvements. The attached map depicts the project location.

Project Justification: HRSD and JCSA have an opportunity to provide pressure relief and additional system capacity in the northern portion of the Williamsburg Treatment Plant (WBTP) Service Area. JCSA has determined that its existing 500,000-gallon potable water tank is no longer required for drinking water distribution. Rather than investing capital funds to decommission and demolish the facility, JCSA has offered to transfer the tank and the associated property to HRSD at no cost, allowing the asset to be repurposed for capacity management for the regional sanitary sewer system. This portion of the Williamsburg system has historically experienced elevated pressure conditions and frequent Sanitary Sewer Overflows (SSOs) during wet-weather events significantly below the 5-year level of service. By diverting peak wet-weather flows into this tank, HRSD can reduce system pressures and prevent SSOs during events below the 5-year threshold. Because the facility is already constructed, the cost per gallon of storage is likely substantially lower than building a new storage facility. Additionally, bringing this storage online may reduce the scale and cost of future improvements required to fully meet the 5-year level of service.

Task Order Description: This task order will provide Preliminary Engineering Services for this project.

Funding Description and Analysis of Cost: The initial appropriation of $355,322 is for preliminary engineering phase services based on negotiated rates from Hazen and Sawyer's General Engineering Services contract and is in alignment with similar efforts from other firms. This appropriation request includes a 10% contingency amount of $32,302.

Schedule:	PER	September 2026
	Design	June 2027
	Bid	January 2028
	Construction	April 2028
	Project Completion	April 2029



WB014300

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

Feet
0 25 50 100 150 200

WB014300

Pottery Off-line Storage Facility

HRSD

N
W E
S

CIP Location

AGENDA ITEM 10. – August 25, 2026

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

Recommended Action: Approve a GMP of $738,899 to the Comprehensive Agreement with Crowder Construction Company.

CIP Project: AT016000

Regulatory Requirement: None

Contract Status with Change Orders:	Amount
Original CMAR Contract	$1,194,000
GMP 1	$11,895,316
GMP 2	$3,534,807
Proposed GMP 3	$738,899
Revised Contract Value	$17,508,007

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

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

Guaranteed Maximum Price (GMP) and Analysis of Cost: This project was procured through the Construction Manager at Risk (CMAR) delivery process. On September 24, 2024, the Commission approved an Agreement with Crowder Construction Company for Basic CMAR Services. Two GMPs have been approved to date in response to an Emergency Designation for elements of the Project. GMP 3 includes the procurement of motor control centers (MCC) for the solids handling building. This equipment is being procured early due to the long lead times and will be installed under a future work package.

The equipment prices were obtained through competitive bidding performed by the CMAR. Bids were received and opened on June 17, 2026, and a detailed breakdown of the bid prices was reviewed by the Engineer. HRSD staff, the Construction Manager, and Engineer discussed the bids and selected the MCC manufacturer that will provide the best value to HRSD. Staff recommends the Comprehensive Agreement be amended to include GMP 3.

Staff will provide a briefing during the meeting.

Schedule: Overall Project Completion March 2030

AGENDA ITEM 11. – August 25, 2026

Subject: Williamsburg Treatment Plant Erosion Mitigation
Initial Appropriation – Non-Regulatory & Task Order (>$200,000)

Recommended Actions:

a. Appropriate project funding for design and easement acquisition in the amount of $965,007.

b. Approve a task order with Kimley-Horn Associates, Inc. in the amount of $369,929.

CIP Project: WB014600

Regulatory Requirement: None

Project Description: This project will repair or replace various segments of five stormwater conveyance channels at the Williamsburg Treatment Plant (WBTP). Where applicable, work will include installing new storm drain pipes, riprap, and best management practices (BMPs); redirecting runoff to stabilized locations; clearing trees for access; stream channel restoration; and reforesting disturbed areas.

Project Justification: Severe erosion was identified across multiple segments of the channels, resulting in surrounding soil degradation and downstream sediment accumulation. Several eroded areas pose an immediate threat to plant infrastructure, site vegetation, and the ecology of the James River. Repairing these stormwater systems ensures continued compliance with the Virginia Erosion and Stormwater Management Act.

Task Order Description: A preplanning study was previously completed by Kimley-Horn. Thus, this task order will provide design, easement acquisition, and pre-bid services for structural improvements and repairs required to reduce stormwater velocities and mitigate ongoing and future erosion across five stormwater conveyance channels at the WBTP.

Analysis of Cost: The proposed task order fee of $369,929 is based on the negotiated hourly labor rates in Kimley-Horn's Environmental Services contract and an evaluated level of effort appropriate for this scope. The remaining requested appropriation of $595,078 accounts for anticipated easement acquisition costs in the amount of $400,000 and project contingencies in the amount of $195,078. The proposed engineering fee and total appropriation are considered reasonable and well-aligned with the project requirements.

Schedule:

Design	September 2026
Bid	October 2028
Construction	March 2029
Project Completion	April 2031

AGENDA ITEM 12. – August 25, 2026

Subject: FIAlab FIALYZER Flow Injection Analyzers and Preventive Maintenance
Initial Appropriation – Non-Regulatory
Contract Award (>$200,000)

Recommended Actions:

a. Appropriate total project funding in the amount of $300,000.

b. Award a contract to FIAlab Instruments, Inc. in the amount of $242,577 for one year with two renewal options and an estimated cumulative value of $278,839.

CIP Project: GN022200

Regulatory Requirement: None

Type of Procurement: Sole Source

Project Description: This project will provide analytical equipment for the Water Quality Department for Fiscal Year 2027.

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

Contract Description: This contract is for the purchase of four FIAlab FIALYZER flow injection analyzers for the Central Environmental Lab (CEL). The analyzers are essential in the analysis of total kjeldah nitrogen, nitrate, orthophosphate, cyanide, total phenol, and alkalinity data. This data is reported to the Virginia Department of Environmental Quality to document compliance with HRSD's Virginia Pollutant Elimination System (VPDES) permits and to the EPA to document compliance with federal Underground Injection Control permits for SWIFT.

Three analyzers are replacements for existing aging instruments that are no longer covered under a preventive maintenance plan as of 2025.

Analysis of Cost: This cost is found to be fair and reasonable based on past purchase history for similar instruments and support services purchased through FIAlab. HRSD is receiving a preferred customer discount of three percent on the purchase of the new instruments, a ten percent discount on support services, and instrument trade-in credits toward the purchase of new instruments.

The initial purchase of the instruments, which includes the first-year preventive maintenance at $242,577, is being charged to CIP, with the two future renewal years at a cumulative cost of $36,262 being budgeted and paid through the operating budget.

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

Schedule: Project Completion July 2027

Resource: Jeff Scarano

AGENDA ITEM 13. – August 25, 2026

Subject: Douglas Avenue Interceptor Force Main (SF-219) Emergency Repairs
New CIP and Initial Appropriation – Non-Regulatory

Recommended Actions:

a. Approve a new CIP project.

b. Appropriate project funding in the amount of $2,500,000.

CIP Project: VP020600

Regulatory Requirement: None

Project Description: This project includes emergency repairs to a section of 30-inch diameter, 1940s vintage Reinforced Concrete Cylinder Pipe (RCCP) interceptor force main near 100 Rolfe Terrace in Portsmouth. Repairs will consist of replacing approximately 40 feet of RCCP to include the associated clean-up, restoration, and environmental services between the intersections of Douglas Avenue and Rolfe Terrace. The attached map depicts the project location.

Project Justification: On the evening of August 4, 2026, staff received a call from the City of Portsmouth Public Utilities about a potential force main failure on Douglas Avenue near the intersection of Douglas Avenue and Rolfe Terrace (Rolfe Terrace ends at Hull Creek which is a tributary of the Western Branch of the Elizabeth River) in Portsmouth. Staff immediately responded and discovered a section of the roadway thrust up from the substantial amount of flow. The failure appeared to be from our 30-inch RCCP force main that was installed in 1943. This is a dead-end section of pipe that serves a major portion of northern Portsmouth. After the initial response, flow management, emergency repairs, and further investigations, HRSD issued an emergency declaration on August 10, 2026. The failure at 100 Rolfe Terrace was determined to be caused by severe internal corrosion along the crown of the pipe due to an unidentified, unvented high point in the force main. Additional condition assessment will be performed during preliminary design to determine if other portions of this interceptor should be included in this phase of work.

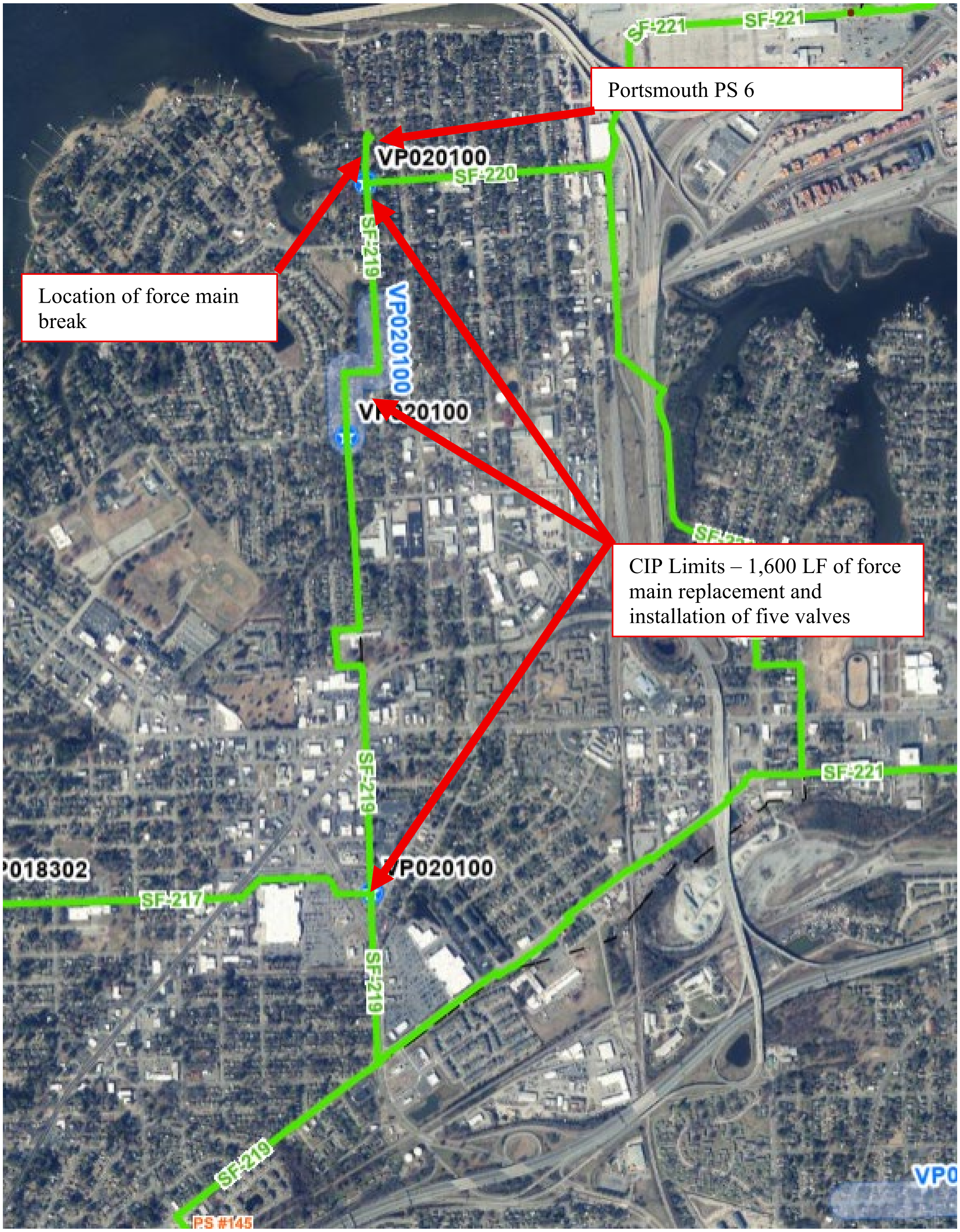
HRSD staff utilized Hazen and Sawyer (Hazen) and Bridgeman Civil, Inc. (BCI) to perform condition assessment activities and the initial emergency response and repair work to include clean up and restoration; thus, these same firms will be utilized for completion of the restoration efforts and environmental services.

Analysis of Cost: The cost is based on the construction work order and engineering task orders that have been developed as the emergency has progressed. These estimated costs include the emergency response, pump and haul of several pump stations, excavation and repair of the failed force main, force main condition assessment, restoration, emergency engineering design services, construction administration, construction inspection, as well as contingency. The cost estimate is in accordance with the emergency declaration estimate in the amount of $2,500,000.

Staff will provide a briefing during the meeting.

Schedule:		
	Emergency Declaration	August 2026
	Construction	August 2026
	Project Completion	September 2026

MAP


SF-221
SF-221
Portsmouth PS 6
VP020100
SF-220
SF-219
Location of force main break
VP020100
VP020100
CIP Limits – 1,600 LF of force main replacement and installation of five valves
SF-219
SF-221
VP020100
SF-217
SF-219
SF-219
PS #145

Resource: Jeff Sparks

AGENDA ITEM 14. – August 25, 2026

Subject: Water Technology and Research
Annual Update

Recommended Action: No action is required.

Brief: Staff will present a vision for how AI could support HRSD Operations over the next decade, beginning with an intelligence hierarchy coordinated by a central Operations Agent (Eddy) with a range of capabilities supporting Treatment & Interceptors. The presentation will examine how HRSD's Enterprise Data Platform can provide the foundation for this approach by making trusted, accessible data available across Operations and to emerging AI capabilities. From there, it will explore one potential future in which enterprise data, AI, automation, computer vision, and robotics come together to shape how we plan, operate, and maintain HRSD's systems.

Resource: Jay Bernas

AGENDA ITEM 15. – August 25, 2026

Subject: Finance Committee Appointment
Fiscal Year 2027

Recommended Action: Chair to appoint the Finance Committee.

Brief: In accordance with the HRSD Commission Governance Guidelines (adopted October 2013), the Commission maintains two standing committees: (1) Finance and (2) Operations and Nominations (O&N). These committees report as needed to the full Commission.

The Finance Committee meets periodically to review HRSD's financing activities, budgets, and annual audits. Three members of the Commission are appointed each year by the Chair to serve on the Finance Committee for a one-year term.

The Finance Committee will meet as follows for FY-2027:

• Annual Comprehensive Financial Report (ACFR) review	October 22, 2026
• Budget review (after regular meeting)	January 26, 2027
• CIP review and prioritization	March 2027
• Budget review (after regular meeting)	March 23, 2027
• Budget review	March/April 2027
• Other financial issues	As needed

All meetings of the Finance Committee are public meetings subject to the Virginia Freedom of Information Act (FOIA) requirements. Committee members serve at the pleasure of the Chair without limitation as to the number of one-year terms. Committee members continue serving until a replacement is appointed by the Chair.

Resource: Jay Bernas

AGENDA ITEM 16. – August 25, 2026

Subject: New Business

Resource: Jay Bernas

AGENDA ITEM 17. – August 25, 2026

<u>Subject</u>: Unfinished Business

Resource: Commission Chair

AGENDA ITEM 18. – August 25, 2026

<u>Subject</u>: Commissioner Comments

Resource: Jay Bernas

AGENDA ITEM 19. – August 25, 2026

Subject: Informational Items

Recommended Action: No action is required.

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

a. Management Reports

   (1) General Manager

   (2) Communications

   (3) Engineering

   (4) Finance

   (5) Information Technology

   (6) Operations

   (7) Talent Management

   (8) Water Quality

   (9) Report of Internal Audit Activities

b. Strategic Measures Summary

c. Emergency Declarations

   (1) Portsmouth Outlet Sewer D&E Div A (Douglas Avenue) Emergency Repair

HRSD
Sustainable, Innovative Wastewater Treatment

Post Office Box 5911
Virginia Beach, VA 23471-0911
757.460.7003
hrsd.com

August 18, 2026

Re: General Manager’s Report

Environmental Responsibility

HRSD recorded zero permit exceedances out of 4,655 total possible exceedances to date in Fiscal Year 2027, and we have removed 15.03 million pounds of pollutants from the region's waterways.

One civil penalty was issued in July: C&M Industries of Norfolk paid an $8,000 penalty after tampering with HRSD sampling equipment during a wastewater survey and exceeding permitted limits for vanadium and zinc. Because interfering with regulatory sampling equipment is a serious offense, we sought the maximum penalty available for that portion of the violation.

Our King William collection system received a warning letter on July 21 following a rain-driven overflow. Heavy rainfall overwhelmed a low-lying manhole, releasing approximately 4,000 gallons of raw wastewater to the ground and a nearby creek, though our backup pumps operated properly throughout and staff completed cleanup promptly.

A summer thunderstorm produced a waterspout that came ashore as a tornado at our Boat Harbor Treatment Plant (BHTP), damaging equipment on our secondary clarifiers (the tanks where solids settle out of treated wastewater) along with nearby roofing. Treatment operations continued without interruption while repairs were underway.

A storm-related power outage combined with a contractor's error caused an overflow at our James River Treatment Plant (JRTP) during ongoing construction testing. Staff recovered the large majority of the spill, with about 0.2 million gallons unrecovered from the ground.

A separate incident in Norfolk released roughly 400 gallons of wastewater into a storm drain after a fitting vibrated loose on an emergency pump at a pump station. Staff caught and corrected the issue the same day it occurred.

Our High-Priority Inflow/Infiltration Reduction Program (HPIIRP) team re-ran our regional hydraulic model in response to an Environmental Protection Agency (EPA) information request tied to our Consent Decree. The team confirmed that our wet-weather investments have already achieved at least a 50% reduction in modeled Sanitary Sewer Overflows (SSO) — well ahead of the 47% reduction target set for 2030.

Our Pretreatment and Pollution Prevention (P3) Program notified all permitted industrial users that quarterly PFAS monitoring will begin this fall. This new requirement is tied to legislation passed in this year's Virginia General Assembly session.

Financial Stewardship

Our finances remain in a healthy position early in Fiscal Year 2027, with revenues and expenses generally tracking in line with the adopted budget. Billed water consumption for July came in about 7% above our budget estimate and roughly 7.3% above the same month last year, which matters because approximately 95% of HRSD's revenue is driven directly by how much water our customers use and discharge. We established our $350 million commercial paper program (a short-term borrowing tool) with a closing set for August that will also retire our outstanding line of credit, and we repaid $224 million in bridge-financing bonds using federally subsidized WIFIA loan proceeds — a maneuver expected to save ratepayers $10.71 million over time.

Customer Care continued to balance collections with compassion this month. Past-due balances declined in the 61-90 and 90+ day aging categories, and in accordance with state law, we suspended residential disconnections on days exceeding 92 degrees, redirecting that field time toward commercial collections instead. Customer satisfaction remained strong, with after-call surveys yielding a 91% favorable rating.

Talent

Human Resources led 24 new recruitment campaigns in July, with 25 job offers accepted, including a new Organizational Development and Change Manager who brings expertise in coaching and facilitation.

Learning & Development delivered 640 hours of training to 100 employees in July. Staff also piloted our annual compliance training in a new online learning platform ahead of its full rollout in January.

All Atlantic Treatment Plant (ATP) operators earned at least their Class 2 operator license by the end of July, reflecting our continued investment in operator credentialing. Several new hires also joined our interceptor and facilities maintenance teams this month.

Community Engagement

HRSD hosted EPA Administrator Lee Zeldin, Congresswoman Jenn Kiggans, EPA Associate Deputy Administrator Travis Voyles, Region 3 EPA Administrator Amy Van Blarcom-Lackey, Ferguson CEO Kevin Murphy, Garney CEO David Burkhart, and HRSD's Chair Steve Rodriguez. Staff presented on HRSD's innovations and asked EPA to terminate our Consent Decree, which aligns with EPA's Pillar 3, Cooperative Federalism.

Chris Stephan and John Dano presented on regional sanitary service capacity to the James City County Board of Supervisors in late July. The presentation drew praise from JCSA General Manager Doug Powell for its clarity, and HRSD will continue collaborating with JCSA on capital and operational improvements in northern Williamsburg.

Sam McAdoo, Director of our Small Communities Department, met with Congresswoman Jen Kiggans' staff on July 20 to discuss the Tangier Island Wastewater Treatment Plant. The conversation covered collection systems and potential future project timelines.

Our Communications team recorded 10 media mentions of HRSD or SWIFT this month, reaching an estimated 384 million people. Coverage focused primarily on wastewater reuse, PFAS treatment, and groundwater sustainability in the region.

We hosted our 33rd Annual Pretreatment Excellence and Pollution Prevention Awards Luncheon on July 29th. The event recognizes local industries for strong environmental compliance performance. Congressman Bobby Scott and a staff member from Congresswoman Kiggans office attended.

Engineering and Water Quality staff led multiple tours of our SWIFT sites and Central Environmental Laboratory project throughout the month. Visitors included Department of Environmental Quality (DEQ) Clean Water Financing staff, Deep Creek High School students, and members of the Project Management Institute of Hampton Roads.

Staff were part of filming a BBC docuseries focusing on our collaboration with the Chesapeake Bay Foundation, HRSD, and Pentair – a global water company. This will be shown at WEFTEC and other conferences globally. The filmmakers have 23 Emmys.

Innovation

I was a webinar speaker focused on "The Path to Piloting in Water Utilities" held by Climatehaven, an incubator for the University of Connecticut and Yale, and The Water Council.

Our Engineering team's use of distributed temperature sensing — a technology that pinpoints sources of inflow and infiltration in our pipes with sub-meter precision — has reduced rehabilitation costs by an estimated $890,000 against a $350,000 investment.

Asset Management continued piloting an AI-powered chatbot with startup firm TeamSolve to help staff mine years of maintenance records for actionable insights. North Shore Interceptor data is being used to expand this pilot given its strong data quality.

Our IT Division deployed Microsoft's CoPilot Chat as an approved workplace AI assistant in late July, giving staff access to AI tools directly within Word, Excel, and other Microsoft applications under enterprise-grade security standards. IT also continued building out a new Purdue Level 3.5 network architecture, which strengthens the security boundary between our business and plant-control systems.

In Operations, we began the design phase of a keyless "iLOQ" lock system that will replace padlocks at unmanned remote facilities using mobile-device-based access control. This builds on a successful pilot already completed at two sites.

Similar to previous years, we're observing anammox activity occurring in the aerobic portion of the mainstream Integrated Fixed Film-Activated Sludge (IFAS) process at the JRTP. The exact mechanism at play appears to be a mix of several overlapping nitrogen-removal pathways happening at once, which makes it a particularly interesting operational finding. We've launched a pilot study at the plant to better understand this activity and see if we can harness it to maximize nitrogen removal going forward.

I look forward to seeing you in Virginia Beach at 9:00 a.m. on Tuesday, August 25, 2026.

Respectfully submitted,

Jay Bernas

Jay Bernas, P.E.
General Manager/CEO

TO: General Manager

FROM: Chief Communications Officer

SUBJECT: Monthly Report for July 2026

DATE: July 12, 2026

A. Publicity and Promotion

1. HRSD and/or the Sustainable Water Initiative For Tomorrow (SWIFT) were mentioned or featured in 10 different stories this month. Top themes:

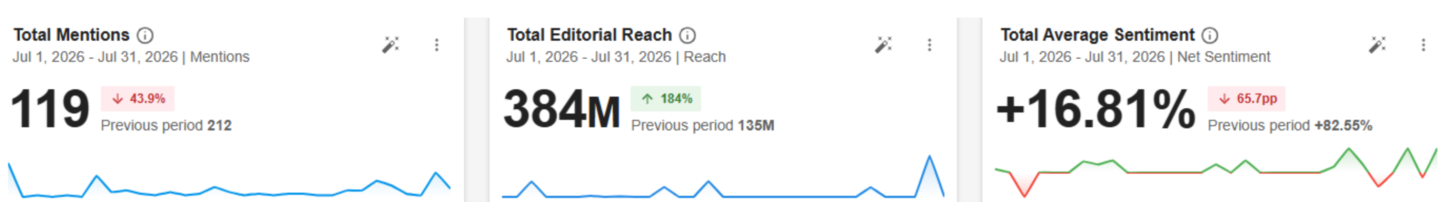
   a. **Wastewater reuse and resource recovery** – articles examine indirect potable reuse, wastewater as a recoverable resource, and emerging approaches that use wastewater treatment to support carbon removal. Water Magazine, WaterBriefing, Smart Water Magazine, Yahoo! News, Carbon Herald, Substack

   b. **Water quality and environmental resilience** – coverage highlights PFAS treatment, Chesapeake Bay restoration, water reuse, sea-level rise, saltwater intrusion, and research into wastewater treatment. Smart Water Magazine, Yahoo! News, Carbon Herald, Yahoo! News

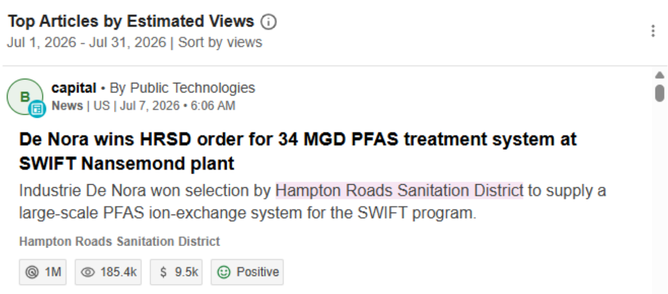
   c. **Stormwater and groundwater pressures from growth** – Articles address aging stormwater systems, groundwater sustainability, saltwater intrusion, and stormwater considerations associated with new development in James City County and Hampton Roads. Substack, Yahoo! News, Substack, Substack

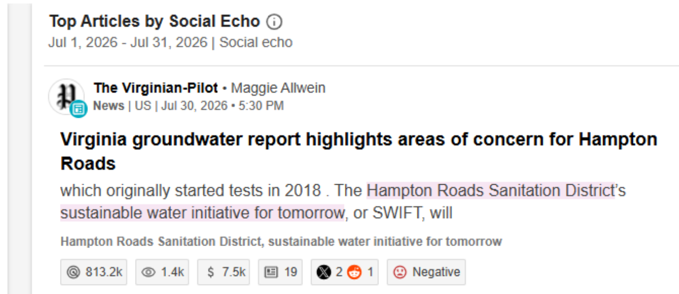
2. Analysis of Media Coverage

   a. Key results for July

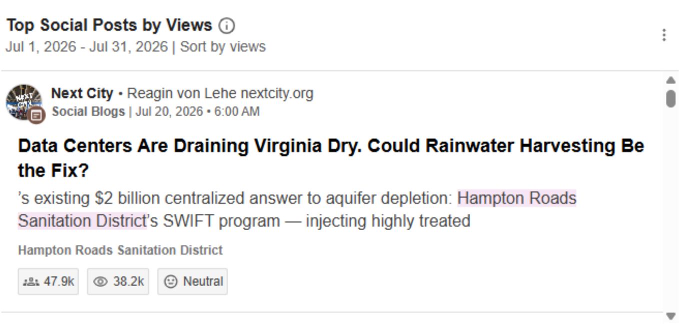


b. Top performing news content

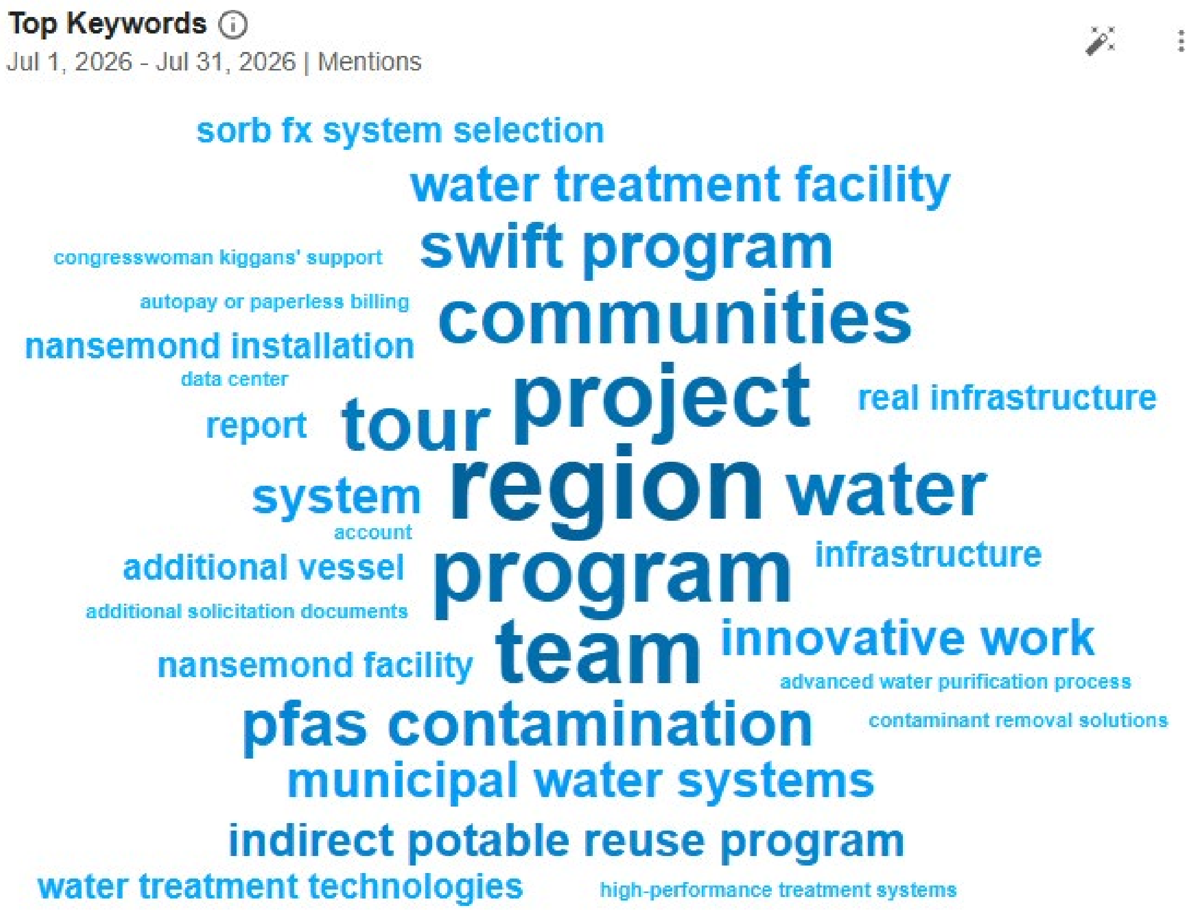


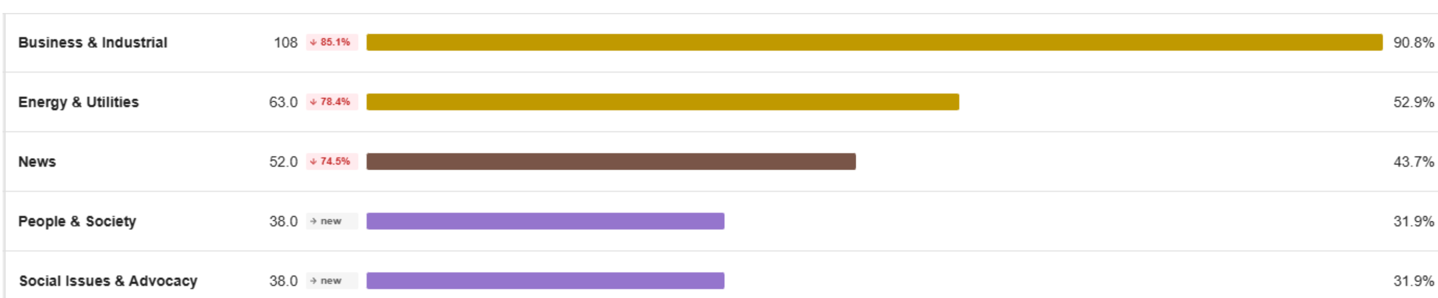


c. Top Social Posts by Views and Engagement

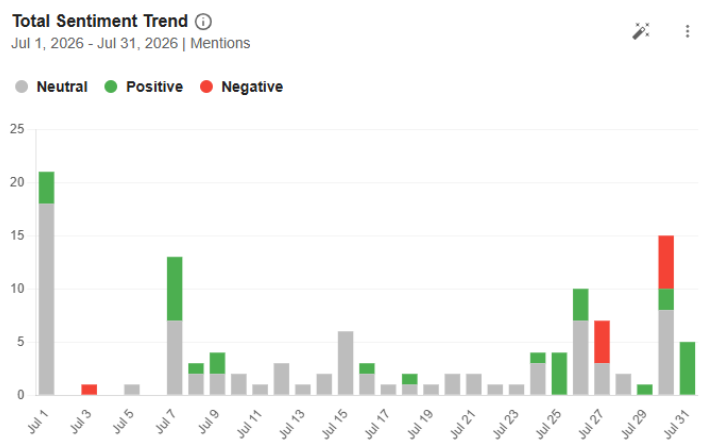


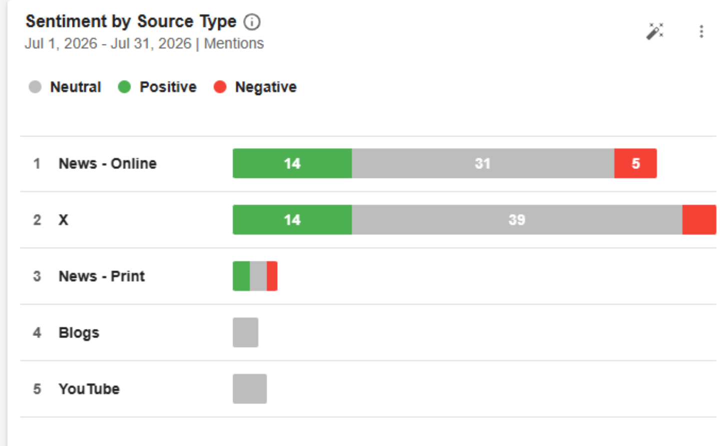
d. Top Key Words and Topics





e. How favorable is the content?

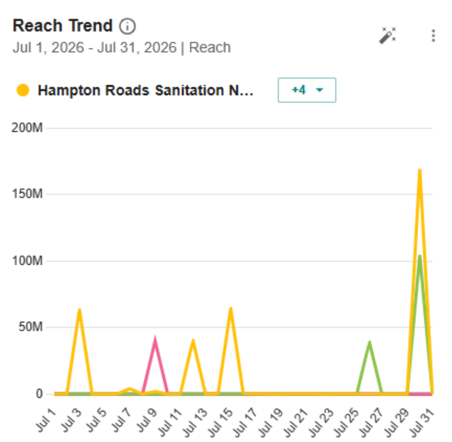


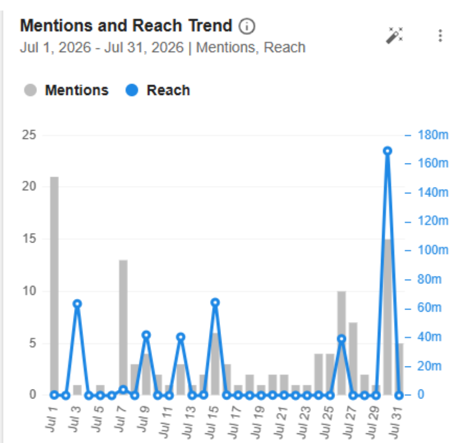


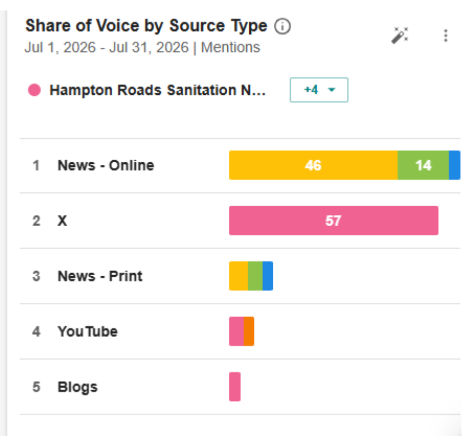
Context related to negative sentiment:

- **July 3 -** relates back to James City County stormwater issues where HRSD is mentioned in the story overall but is not the source of negative sentiment.
- **July 27 –** X posts relate primarily to Congresswoman Kiggins, but HRSD is mentioned because the post was a reply to her post about visiting HRSD's SWIFT Research Center
- **July 30 –** Negative sentiment centers on groundwater concerns in Hampton Roads, specifically, James City County and potential issues for local governments and infrastructure.

f. What is the potential reach?







g. Who's Driving the Conversation?

Top Journalists by Mentions

Jul 1, 2026 - Jul 31, 2026 | Sort by mentions

Sort by Mentions

1	Maggie Allwein	4
2	Sasha Ranevska	1
3	Mary Bailey	1
4	Gabrielle Harmon	1

Top Journalists by Social Echo

Jul 1, 2026 - Jul 31, 2026 | Social echo

Sort by Social Echo

1	Maggie Allwein	3 (4 mentions)
2	Sasha Ranevska	1 (1 mention)
3	Mary Bailey	N/A (1 mention)
4	Gabrielle Harmon	N/A (1 mention)

Top Social Authors by Posts

Jul 1, 2026 - Jul 31, 2026 | Sort by mentions

Sort by Mentions

1	Smart Water Magazine 💧	17
2	SuperRichFred	9
3	mistyBlue67	6
4	HRSD	4
5	LuckyLucy 🌷	2
6	Congresswoman Jen Kigg…	2

Top Social Authors by Engagement

Jul 1, 2026 - Jul 31, 2026 | Sort by engagement

Sort by Engagement

1	Congresswoman Jen Kigg…	43 (2 mentions)
2	Smart Water Magazine 💧	20 (17 mentions)
3	Rep. Bobby Scott	7 (1 mention)
4	Kiggan's Poolboy	7 (2 mentions)
5	Virginia Beach	4 (1 mention)
6	HRSD	4 (4 mentions)

Top Publications by Mentions

Jul 1, 2026 - Jul 31, 2026

Sort by Mentions

1	Indian Government Tender…	7
2	U.S. Fed News	6
3	Substack	4
4	Targeted News Service (P…	4
5	Yahoo! News	3
6	States News Service	2

Top Publications by Social Echo

Jul 1, 2026 - Jul 31, 2026

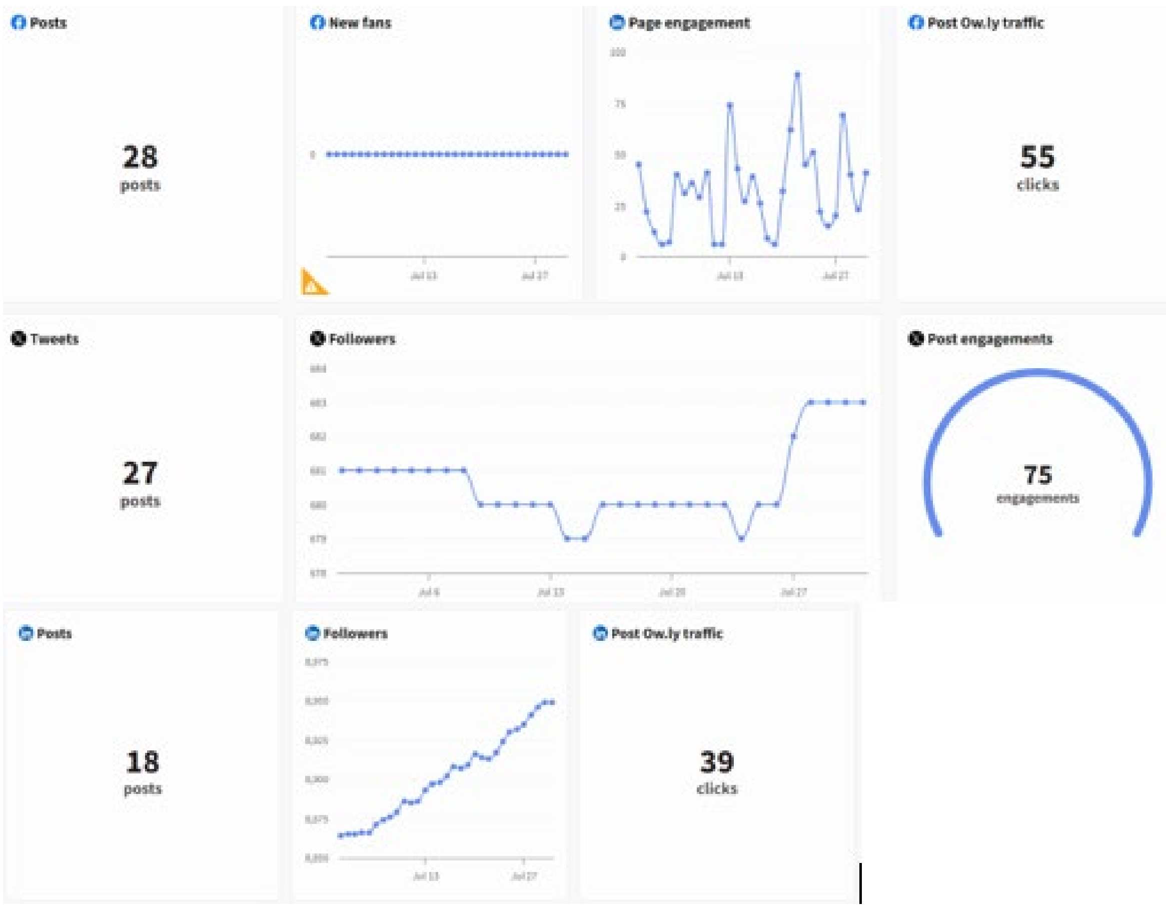
Sort by Engagement

1	The Virginian-Pilot	22 (1 mention)
2	WaterWorld	2 (1 mention)
3	Indian Chemical News	1 (1 mention)
4	Carbon Herald	1 (1 mention)
5	Chemical Engineering	N/A (1 mention)
6	U.S. Fed News	N/A (6 mentions)

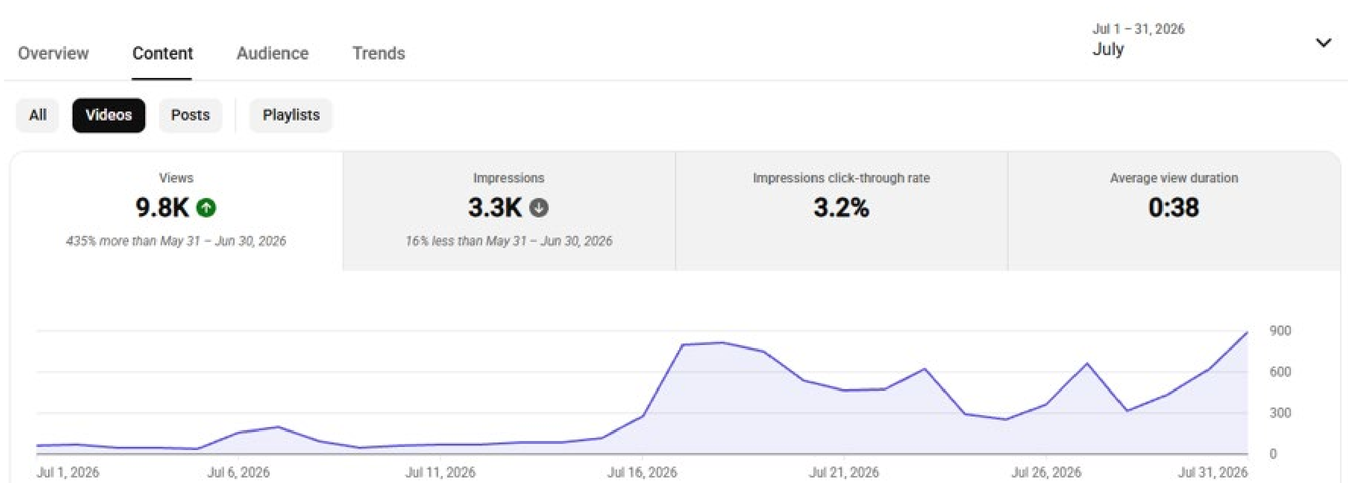
Community Engagement

B. <u>Social Media and Online Engagement</u>

1. Metrics – Facebook, X and LinkedIn



2. YouTube

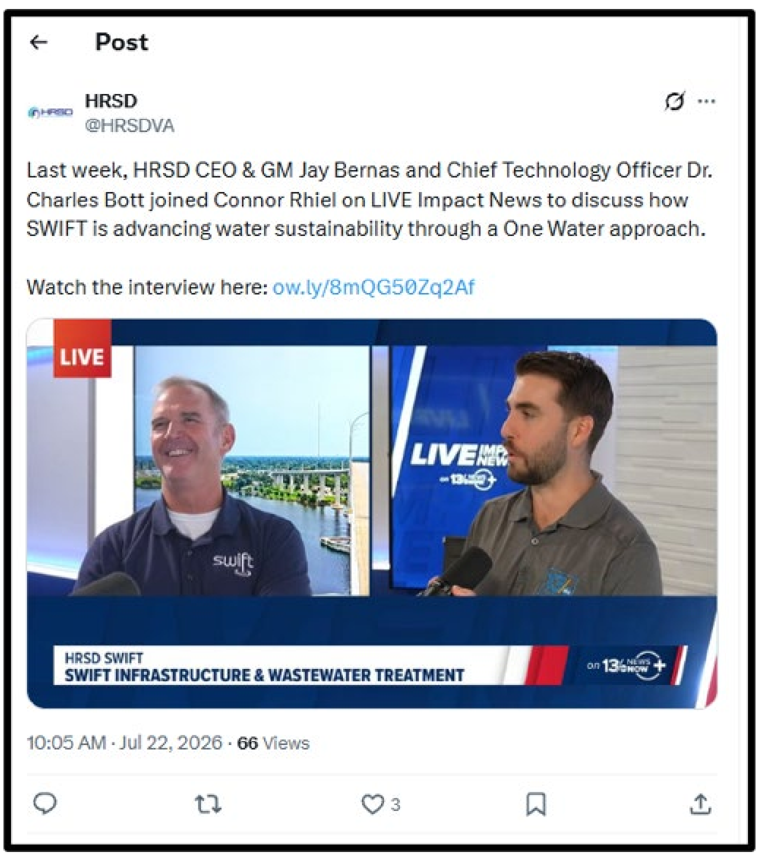


3. Top posts on Facebook, Twitter, and YouTube

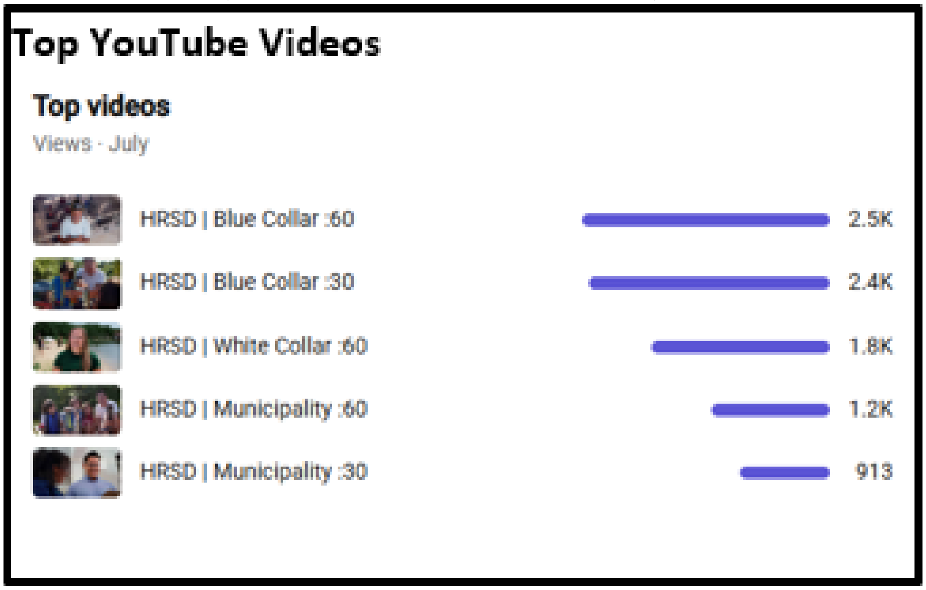
a. Top Facebook post

b. Top LinkedIn Post

c. Top X Post



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



4. Website and Social Media Impressions and Visits

a. Facebook:

(1) 927,471 page views

(2) Facebook Engagement of 2,271 (266 reactions, 23 shares, and seven comments)

(3) 25, 028 post views

b. X: 5.54% engagement rate

c. HRSD.com/SWIFTVA.com: 920 page visits

d. LinkedIn:

(1) 29,179 page impressions

(2) 11,998 post impressions

(3) 1,014 page engagements

e. YouTube: 9,826 views

f. NextDoor unique impressions: 31,748 post impressions from 19 targeted neighborhood postings and four regionwide postings.

g. Instagram Overview:

(1) 7,605 profile views

(2) 4,768 post views reaching 22,453 people and an engagement of 175

h. Blog Posts: 0

i. Construction Project Page Visits – 2,060 total

C. Education and Outreach Activity Highlights

1. 07/05/26 – SWIFT Research Center (SWIFT RC) tour for Department of Environmental Quality staff and interns

2. 07/20/2026 – Atlantic Treatment Plant tour and activity for An Achievable Dream Academy

3. 07/29/2026 -- HRSD/SWIFT information table at HRSD Pretreatment Excellence and Pollution Prevention Awards Luncheon

4. 07/30/2026 – SWIFT RC tour and activity for Youth Volunteer Corps Hampton Roads

5. 06/16/2026 – SWIFT RC tour and activity for PPS Camp Answer

6. Newsroom postings:

   a. Construction notices –13
   b. News releases – 0
   c. Traffic Advisories - 2

D. Meetings, Planning and other Communications

CCO participated in the following meetings and events:

1. Communication Plan development workshop with Hampton Roads Planning District Commission (HRPDC), Potomac Aquifer Recharge Oversite Committee (PAROC)Potomac Aquifer Recharge Monitoring Laboratory (PARML) staff

2. Participated in hurricane tabletop exercise

3. Site scouting and interview coordination for Pentair's BBC documentary shoot

4. SWIFT documentary storyboard planning session

5. SWIFT Research Center tour and presentations for EPA Administrator, Congresswoman Kiggins, and EPA Region 3 administrator

6. Attended Pretreatment Excellence and Pollution Prevention Awards Luncheon

7. HRSD.com weekly redesign meetings

8. SWIFT monthly communications status call

9. Bi-weekly General Manager (GM) briefings

10. Discharge Monitoring Report (DMR), SWIFT Quality Steering Team (QST), and HRSD QST meetings

11. Check-in meetings with Deputy General Manager (DGM)

12. Monthly check in meeting with Chief Operating Officer

13. CCO conducted biweekly Communications department status meetings and weekly one-on-one check-in meetings.

14. Staff participated in 32 project progress and/or construction meetings in addition to communication planning meetings with various project managers, plant staff, internal and external stakeholders.

15. Communications Manager attended the Regional Public Information Subcommittee meeting and coordinated a 30-minute media interview featuring HRSD GM/CEO and Chief Technology Officer.

16. North Shore Public Information Specialist presented a four-hour training titled, “H2Overview Wednesday – Communications”

Talent

Professional development and internal communications activities and pursuits for July:

- Public Information Specialist for South Shore attended “Beyond the Headlines: Climate News Trends and Communication Strategy”

Respectfully,

Leila Rice, APR

Chief Communications Officer

TO: General Manager

FROM: Chief Engineer

SUBJECT: Monthly Engineering Report for July 2026

DATE: August 11, 2026

Environmental Responsibility

- The High Priority I/I Reduction Program Team assisted with HRSD's response to the recent EPA request for additional information related to the conversion of our Consent Decree to a State Consent Order. The Team quickly updated, quality-checked, and re-ran the regional hydraulic model (RHM) and determined that all of HRSD's past and current wet weather investments have resulted in at least a 50% reduction in modeled SSOs – which is well ahead of the 47% reduction goal by 2030 as stated in our Consent Decree.

Financial Stewardship

- The Fiscal Year 2028 Capital Improvement Program (CIP) is projected to be nearly $770 million, and July exceeded projections by 31 percent. SWIFT will continue to be a major portion of the capital program; however, six of the eight major SWIFT projects will be completed before the end of 2026.

Capital Improvement Program Spending ($M)

	Current Period	FY to date
Actual	$98.0	$98.0
Plan	$75.1	$75.1

- Engineering staff are working toward finalizing the transfer agreement for the Dozier's Corner pump station and upstream gravity sewer from HRSD to the City of Chesapeake after the completion of the associated CIP project. This transfer will redistribute assets that the City can more effectively and efficiently manage.

- The High Priority I/I Reduction Program Team contacted nearly 50 contractors about upcoming work in JCSA and York County and received 12 bids. The strong response provides flexibility to further evaluate contractor qualifications and pricing to identify the best value for this work package and highlights the significant interest from the market in the Program.

Talent

- Staff retention and recruitment remain significant priorities as Engineering added six new positions in Fiscal Year 2027. One position is currently advertised, and Engineering hopes to have most of these positions filled by January 1st. North Shore Design and Construction welcomed Stella Koutoupi to their team on July 6th. Stella was most recently an Engineer for JCSA, but before that, she was a Planning Engineer in Planning and Analysis – we're happy to have her return to HRSD!

- Lauren Zuravnsky was interviewed about SWIFT for the 30th edition of Smart Water magazine - https://smartwatermagazine.com/print-edition/30

Community Engagement

- Engineering staff (along with Water Quality and Operations staff) hosted multiple tours to project sites this month. Tim Marsh and his Central Environmental Laboratory project team hosted members of the Project Management Institute of Hampton Roads to his Central Environmental Laboratory (CEL) project. Staff also coordinated a 4-day shadowing program with two Deep Creek High School students to multiple SWIFT sites, the SWIFT Summer Research Workshop presentations, the CEL project site, the existing CEL facilities, and a Smart Ball installation with Asset Management.

- Lauren Zuravnsky hosted Virginia DEQ Clean Water Financing and Assistance Program staff who visited the SWIFT Research Center and Nansemond Treatment Plant on July 2nd for a conversation regarding project funding and a project site visit.

- Kayla McCoy presented her Larchmont Program and gave a tour of the construction sites to HRSD interns in early July. The interns will be developing strategic communications plans for this Program and presenting these to HRSD staff in August.

- Nick Taschner attended the South Norfolk Civic League meeting on July 13 to address citizen concerns following their 4th of July Parade.

Innovation

- As part of the High Priority I/I Reduction Program, distributed temperature sensing (DTS) technology was used to focus the I/I rehabilitation efforts in two locality basins by quantifying and pinpointing I/I sources in the collection system with sub-meter accuracy. The $350,000 investment in DTS reduced rehabilitation costs by approximately $890,000.

- Staff participated in a workshop with Pentair to evaluate opportunities to partner with HRSD and pilot Pentair's innovative Xcentric impeller design at an HRSD pumping station. A team has been formed and is evaluating potential pilot locations to assess the advertised non-clog capabilities and wider operating ranges of the Xcentric impeller, compared to the existing HRSD pumps at the selected station. This pilot is of particular interest to HRSD because many of the non-clog pumps currently in the HRSD system tend to have a narrower allowable operating range due to the designs of the impellers and shafts.

Jeff Scarano, PE, BCEE, DBIA

TO: General Manager/CEO

FROM: Deputy General Manager and Chief Financial Officer

SUBJECT: Monthly Report for July 2026

DATE: August 12, 2026

Financial Stewardship

Debt and Grants Management

Staff successfully stabilized its $350 million extendable commercial paper program and set a August closing date for the first issuance which will also retire the outstanding line of credit.

Staff submitted a Water Quality Improvement Fund grant application amounting to $499 million for the Nansemond SWIFT project.

In July 2025, staff issued $224 million in subordinate wastewater revenue bonds as a one-year bridge loan. Those bonds were fully repaid this month using HRSD's federally subsidized WIFIA loan proceeds. This bridge-financing strategy generated $10.71 million in present-value savings.

Accounting & Interim Financial Reports

Staff began interim year-end processing for FY-2026 and preparations for developing the 2026 financial statements.

Early FY-2027 interim financial results indicate that revenues and expenses are generally aligning with the adopted budget.

Capital spending was significant this month with over $98.0 million in cash disbursements.

Summary of Billed Consumption (,000s ccf)

			% Difference		% Difference		% Difference
Month	*FY2027 Cumulative Budget Estimate*	*FY2027 Cumulative Actual*	*From Budget*	*Cumulative FY2026 Actual*	*From FY2026*	*Cumulative 3 Year Average*	*From 3 Year Average*
July	4,550	4,870	7.0%	4,536	7.3%	4,557	6.9%
Aug	9,100	-		9,205		9,385	
Sept	13,696	-		13,682		13,956	
Oct	18,206	-		18,219		18,648	
Nov	22,338	-		22,425		22,950	
Dec	26,732	-		26,490		27,095	
Jan	31,412	-		31,400		31,745	
Feb	35,483	-		35,582		35,855	
March	39,831	-		39,592		39,888	
Apr	43,898	-		44,081		44,180	
May	48,378	-		48,581		48,724	
June	53,000	-		53,084		53,299	

Customer Care

Past-due balances decreased in the 61–90 and 90+ aging categories. In accordance with state law, staff continued suspending residential service disconnections on days when temperatures exceeded 92 degrees, redirecting field efforts to commercial collections and partner locality support.

Staff delivered 1,405 warning door tags and disconnected 1,715 accounts. Customer call volume averaged 4,200 calls per week.

Staff sent 15,778 text reminders, resulting in 8,607 payments—a 54 percent response rate. Customer satisfaction remained strong, with after-call surveys yielding a 91 percent favorable rating.

A. Entity Wide Interim Financial Report & Summary of Reserves

Hampton Roads Sanitation District
Interim Financial Report
Funds Analysis
For the Period Ending July 31, 2026

	Operating Fund	Operating Grants	Capital Fund	Total
Inflows				
Wastewater Treatment Charges	$ 46,283,371	$ -	$ -	$ 46,283,371
Interest Income	1,288,306	-	-	1,288,306
Grants	-	-	-	-
Debt Issuances	-	-	3,734,924	3,734,924
Transfers-In	-	-	15,283,538	15,283,538
Total Inflows	47,571,677	-	19,018,462	66,590,139
Outflows				
Operational	36,447,034	1,541	-	36,448,575
Debt Service	6,409,329	-	-	6,409,329
Capital	-	-	98,025,004	98,025,004
Transfers-Out	15,283,538	-	-	15,283,538
Total Outflows	58,139,901	1,541	98,025,004	156,166,446
Net Change in Reserves	(10,568,224)	(1,541)	(79,006,542)	(89,576,307)
Beginning Reserves	306,346,380	(24,606)	156,872,491	463,194,265
Ending Reserves	**$ 295,778,156**	**$ (26,147)**	**$ 77,865,949**	**$ 373,617,958**
Ending Reserves Summary				
Unrestricted				
General	$ 253,269,602	$ (26,147)	$ -	$ 253,243,455
Risk	4,799,554	-	-	4,799,554
PayGo	-	-	66,592,799	66,592,799
Total Unrestricted Reserves	258,069,156	(26,147)	66,592,799	324,635,808
Restricted				
Debt Service	37,709,000	-	-	37,709,000
Bond Proceeds	-	-	-	-
McGill Escrow	-	-	11,273,150	11,273,150
Total Ending Reserves	**$ 295,778,156**	**$ (26,147)**	**$ 77,865,949**	**$ 373,617,958**

Notes to Entity Wide Interim Financial Report and Summary of Reserves

The Entity Wide Interim Financial Report and Summary of Reserves summarizes the results of HRSD's operations and capital improvements on a basis of accounting that differ from generally accepted accounting principles. Revenues are recorded when received and expenses are generally recorded when paid. No provision is made for non-cash items such as depreciation and bad debt expense.

Reserves represent the balance of HRSD's cash and investments classified into functional purposes.

B. Operating Fund Interim Financial Report - Budget to Actual

Hampton Roads Sanitation District
Operating Fund Interim Financial Report
Budget to Actual
For the Period Ending July 31, 2026

	Amended Budget	Current YTD	Current YTD as % of Budget (8% Budget to Date)	Prior YTD as % of Prior Year Budget
Operating Revenues				
Wastewater	$ 527,302,950	$ 45,822,082	9%	8%
Surcharge	1,750,350	108,620	6%	7%
Indirect Discharge	3,264,250	396,377	12%	12%
Fees	4,787,000	339,580	7%	9%
Municipal Assistance	771,000	137,169	18%	17%
Miscellaneous	1,201,000	17,386	1%	3%
Total Operating Revenue	539,076,550	46,821,214	9%	8%
Non Operating Revenues				
Facility Charge	6,740,000	634,715	9%	11%
Interest Income	12,968,000	1,161,901	9%	16%
Other	1,657,000	21,710	1%	1%
Total Non Operating Revenue	21,365,000	1,818,326	9%	13%
Total Revenues	560,441,550	48,639,540	9%	8%
Transfers from Reserves	-	-	0%	0%
Total Revenues and Transfers	$ 560,441,550	$ 48,639,540	9%	8%
Operating Expenses				
Personal Services	$ 97,641,986	$ 7,045,262	7%	7%
Fringe Benefits	34,787,266	2,668,568	8%	7%
Materials & Supplies	14,259,813	442,950	3%	2%
Transportation	2,331,883	22,114	1%	4%
Utilities	18,214,075	804,296	4%	5%
Chemical Purchases	17,114,350	492,393	3%	4%
Contractual Services	63,788,208	4,090,591	6%	8%
Major Repairs	11,291,969	456,413	4%	2%
Capital Assets	750,214	53,400	7%	24%
Miscellaneous Expense	5,114,418	214,056	4%	13%
Total Operating Expenses	265,294,182	16,290,043	6%	7%
Debt Service and Transfers				
Debt Service	111,745,000	6,409,329	6%	6%
Transfer to CIP	183,402,368	15,283,538	8%	8%
Total Debt Service and Transfers	295,147,368	21,692,867	7%	7%
Total Expenses and Transfers	$ 560,441,550	$ 37,982,910	7%	7%

Notes to Operating Fund Interim Financial Report – Budget to Actual

The Operating Interim Financial Report – Budget to Actual is intended to summarize financial results on an accounting basis similar to the Annual Operating Budget. The basis of accounting differs from generally accepted accounting principles and from the Entity Wide Interim Financial Report. 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.

C. Capital Fund – Project Length Summary of Activity

HRSD-PROJECT ANALYSIS				July 31, 2026
Classification/ Treatment Service Area	Appropriated Funds	Project to Date Expenditures	Encumbrances	Available
Administration	$ 117,738,289	$ 46,258,382	$ 52,281,800	$ 19,198,107
Army Base	49,704,075	15,595,621	5,918,674	28,189,780
Atlantic	222,966,180	85,436,659	25,622,774	111,906,747
Boat Harbor	508,365,299	430,062,351	26,213,758	52,089,190
Ches-Eliz	29,279,118	15,306,122	679,592	13,293,404
Eastern Shore	68,576,326	47,483,497	1,166,744	19,926,085
James River	365,412,866	318,476,489	15,742,173	31,194,204
Middle Peninsula	106,773,987	29,690,178	11,446,015	65,637,794
Nansemond	568,090,436	437,143,307	113,469,213	17,477,916
Surry	57,978,543	52,885,251	387,606	4,705,686
VIP	327,396,066	183,591,852	67,624,398	76,179,816
Williamsburg	103,635,475	13,606,217	1,550,358	88,478,900
York River	113,585,421	77,791,111	1,941,666	33,852,644
General	1,704,860,291	769,794,680	636,439,395	298,626,216
	$ 4,344,362,372	$ 2,523,121,717	$ 960,484,166	$ 860,756,489

D. Summary of Debt Activity

HRSD- Debt Analysis				July 31, 2026
(in thousands)	Fixed Rate	Variable Rate	Line of Credit	Total
Beginning Balance 7/1/26	$ 1,991,164	$ 50,000	$ 92,462	$ 2,133,626
Add:				
New Debt	227,595	-	-	227,595
Capitalized Interest	785	-	-	785
Less:				
Principal Payments	(223,909)	-	-	(223,909)
Ending Balance 07/31/26	$ 1,995,635	$ 50,000	$ 92,462	$ 2,138,097
FY27 YTD Interest Payments	$ (11,617)	$ (97)	$ (243)	$ (11,957)

HRSD- Series 2016 Variable Rate Bond Analysis — **July 31, 2026**

	SIFMA Index	HRSD Series 2016VR	Deviation to SIFMA
Maximum	4.71%	4.95%	0.24%
Average	1.64%	1.12%	-0.52%
Minimum	0.01%	0.01%	0.00%
As of 07/31/26	2.16%	2.15%	-0.01%

Since October 20, 2011 HRSD has averaged 112 basis points on Variable Rate Debt

Subsidised Debt Activity

Source	Funder	Loan Amount	Current Drawn Total	% Remain	Initial Draw Date - Projected
VCWRLF 2026 CIP Project	DEQ	$ 60,000,000	$ 4,257,251	93%	May 2026
VCWRLF Emerging Contaminants	DEQ	$ 15,031,209	$ 1,145,028	92%	June 2026
WIFIA Tranche 3	EPA	$ 346,069,223	$ 223,860,000	35%	July 2026
CFPF ABTP Generator Control Replacement	DCR	$ 6,439,410	$ -	100%	July 2026

E. Cash and Investment Summary

Operating Liquidity Accounts		Beginning Market Value July 1, 2026		YTD Contributions		YTD Withdrawals		YTD Income Earned		Ending Market Value July 31, 2026	Allocation of funds	Current Mo Avg Yield
BOA Corp Disbursement Account	$	21,599,711	$	370,687,051	$	382,654,349	$	44,744	$	9,677,157	3.2%	2.05%
BOA Operating Accounts		14,115,126		85,948,389		89,915,882		-		10,147,633	3.4%	2.05%
Truist Accounts		-		11,273,150		-		-		11,273,150	3.7%	0.00%
BNY Mellon Account		6,772,167		13,306,314		6,116,635		2,180		13,964,026	4.6%	3.57%
SNAP & SLG Accounts		208		-		208		0		0	0.0%	3.80%
VIP Stable NAV Liquidity Pool		349,066,324		3,734,932		97,000,000		1,012,122		256,813,378	85.1%	3.79%
Operating Liquidity Accounts	**$**	**391,553,536**	**$**	**484,949,836**	**$**	**575,687,074**	**$**	**1,059,046**	**$**	**301,875,344**	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 July 2026.

Total Return Account		Beginning Market Value July 1, 2026		YTD Contributions		YTD Withdrawals		YTD Income Earned & Realized G/L		Ending Market Value July 31, 2026	Yield to Maturity at Market
VIP 1-3 Year High Quality Bond Fund		71,640,937		-		1,177		229,260		71,742,614	4.26%
Total Return Account	**$**	**71,640,937**	**$**	**-**	**$**	**1,177**	**$**	**229,260**	**$**	**71,742,614**	

VIP 1-3 Year High Quality Bond Fund performed 0.03% below to the ICE BofA ML 1-3 yr AAA-AA Corp/Gov Index (the market benchmark) in July 2026.

		Total	Fund Alloc
Operating Liquidity Accounts	$	301,875,344	80.8%
Total Return Account	$	71,742,614	19.2%
TOTAL	**$**	**373,617,958**	**100.0%**

F. Financial Performance Metrics Adjusted Days Cash on Hand

HRSD - UNRESTRICTED CASH				July 31, 2026
Can be used for any purpose since it is not earmarked for a specific use.				
			Days Cash on Hand	Adjusted Days Cash on Hand
Total Cash	**$**	**373,617,958**		**514**
Restricted Cash	$	(48,982,150)	(67)	447
Unrestricted Cash	**$**	**324,635,808**		**447**
Risk Management Reserve		(4,799,555)	(7)	440
Capital (PAYGO only)		(66,592,798)	(92)	348
Adjusted Days Cash on Hand	**$**	**253,243,456**		**348**

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

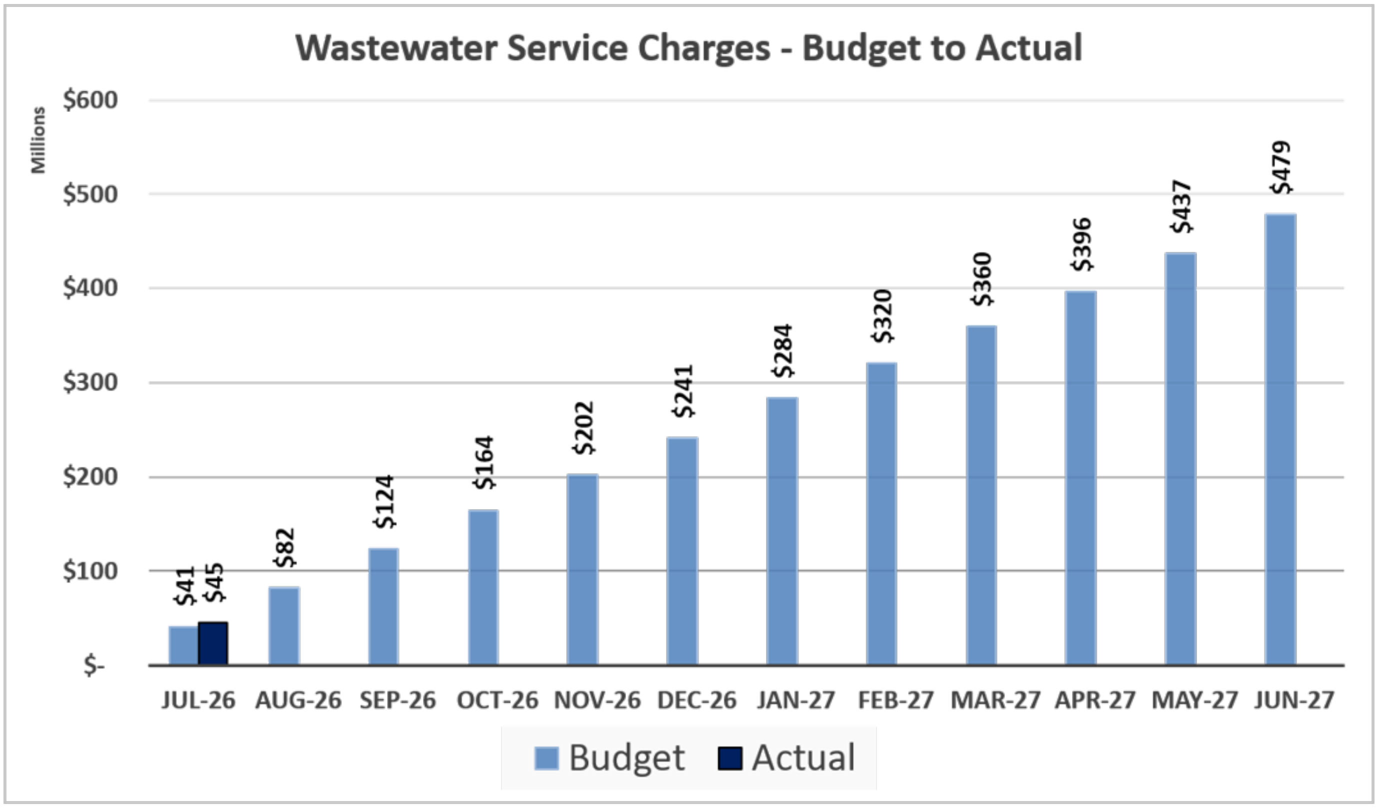
Adjusted Days Cash on Hand Policy Minimum is 270-365 days.

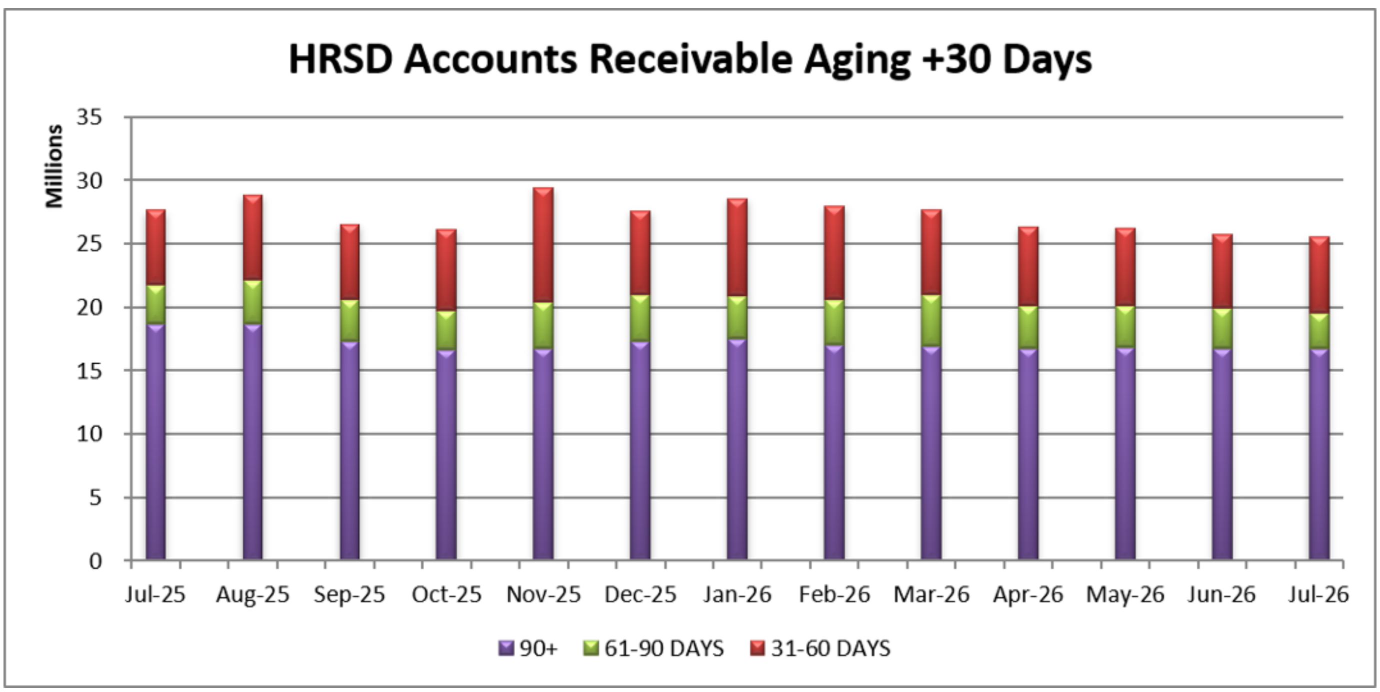
G. Summary of Grant Applications, Awards and Activity

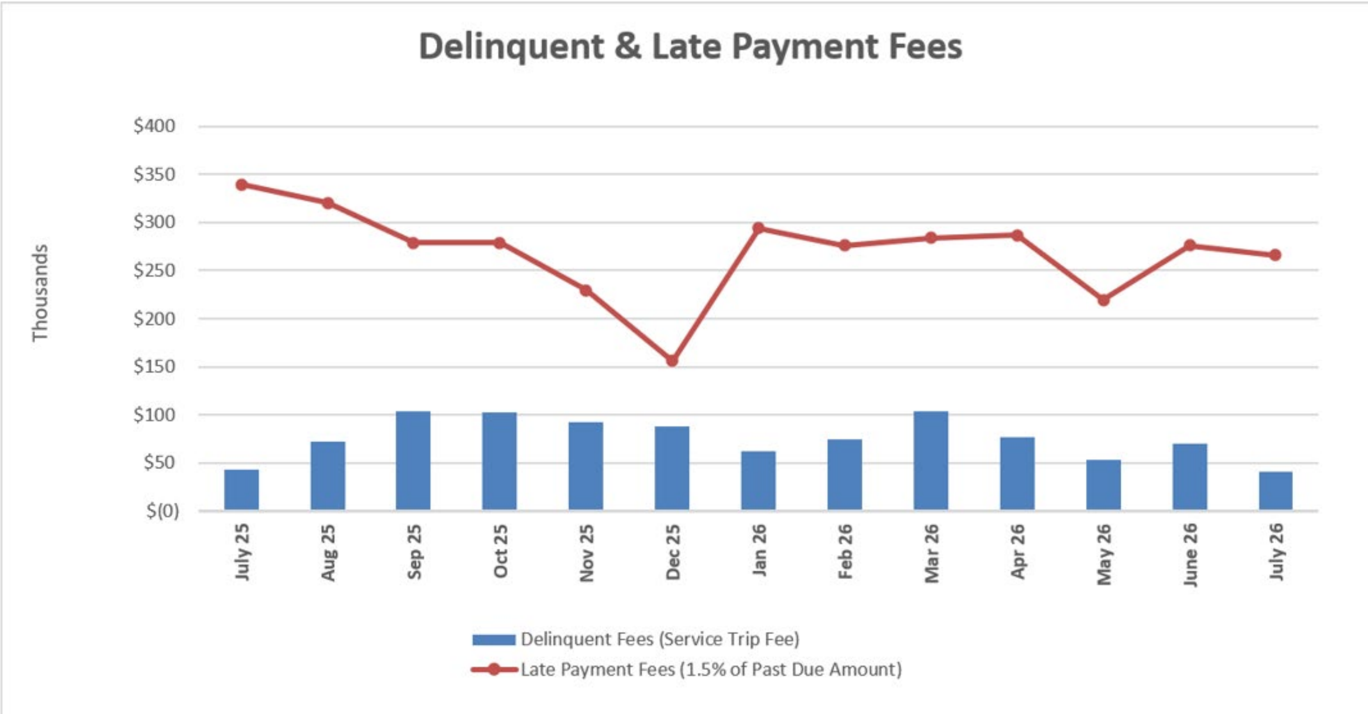
Active Capital Grants							
Grant Name	**Funder**	**Project**	**CIP#**	**Application Submitted**	**Amount Requested**	**HRSD Award Amount**	**Reimbursement as of 07/31/26**
Community Flood Preparedness Fund	VDCR	Dozier's Corner Pump Station Replacement	AT015400	12/4/2024	$ 6,265,669	$ 6,265,669	$ -
Community Flood Preparedness Fund	VDCR	Onancock Treatment Plant Administrative Building Design	ES010300	10/30/2024	$ 374,400	$ 374,400	$ -
Water Quality Improvement Fund	VDEQ	Boat Harbor Pump Station and Conveyance	BH015700 BH015701 BH015710 BH015720 GN016345 GN016346	3/4/2024	$ 311,286,392	$ 294,300,592	$ 67,000,000
Water Quality Improvement Fund	VDEQ	James River Advanced Nutrient Reduction Improvements (ANRI) SWIFT	GN016360 GN016361 GN016362 JR013400	3/23/2023	$ 344,741,547	$ 331,384,307	$ -
					$ 662,668,008	**$ 632,324,968**	**$ 67,000,000**

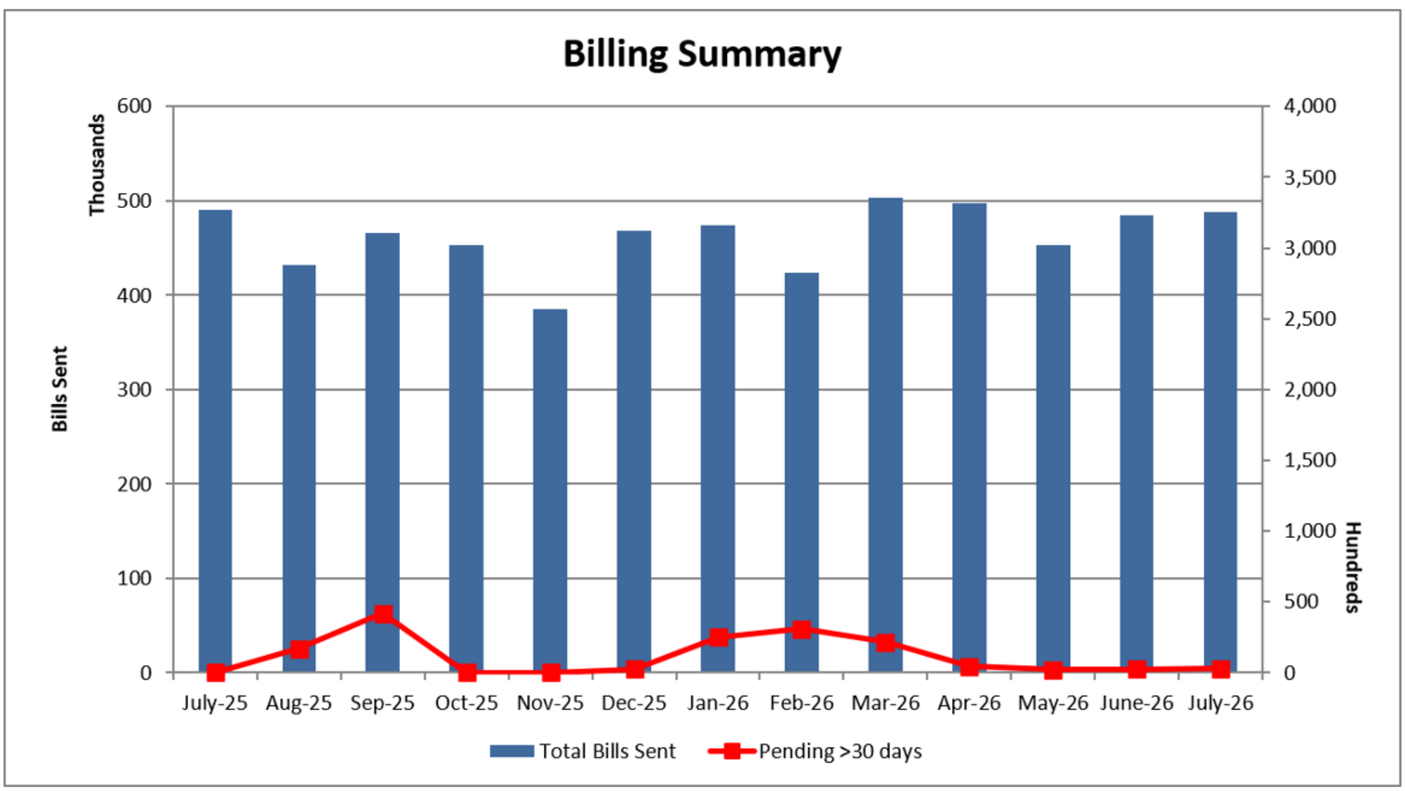
Active Non-Capital Grants							
Grant Name	**Funder**	**Project**	**CIP#**	**Application Submitted**	**Amount Requested**	**HRSD Award Amount**	**Reimbursement as of 07/31/26**
Non-Point Source Funding	VDEQ	Gloucester Septic to Sewer (Pay for Performance)	n/a	2/3/2024	$ 1,180,000	$ 1,180,000	$ 35,327
					$ 1,180,000	**$ 1,180,000**	**$ 35,327**

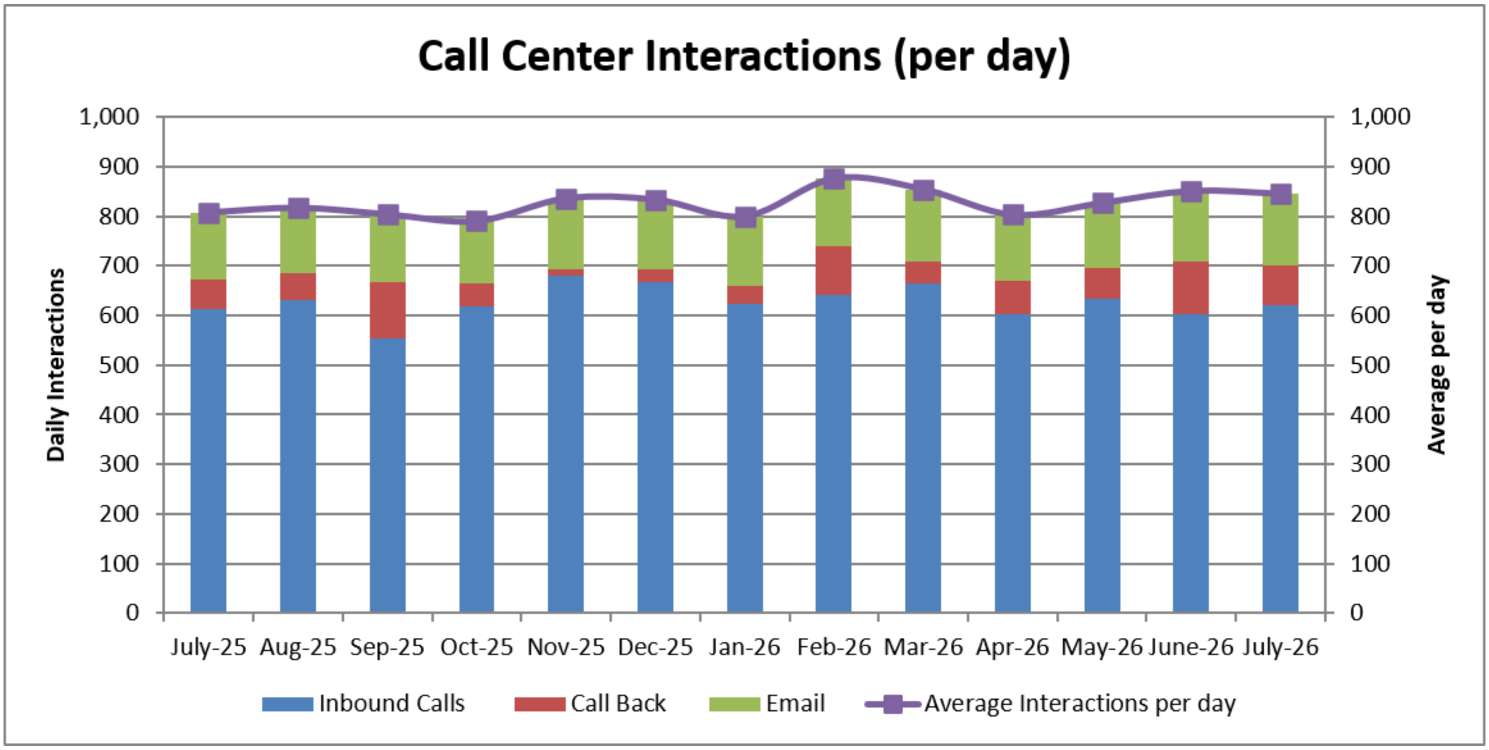
H. Customer Care Center – Key Statistics

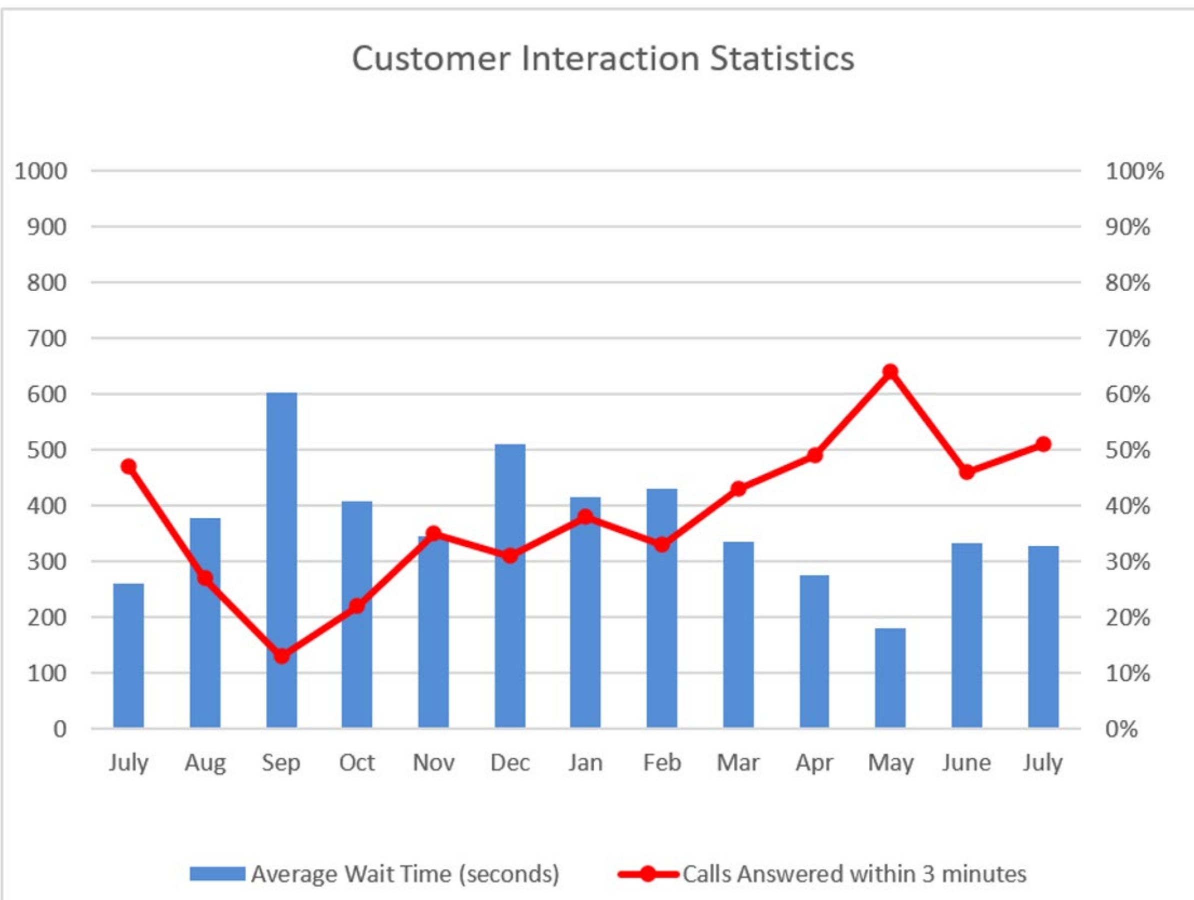




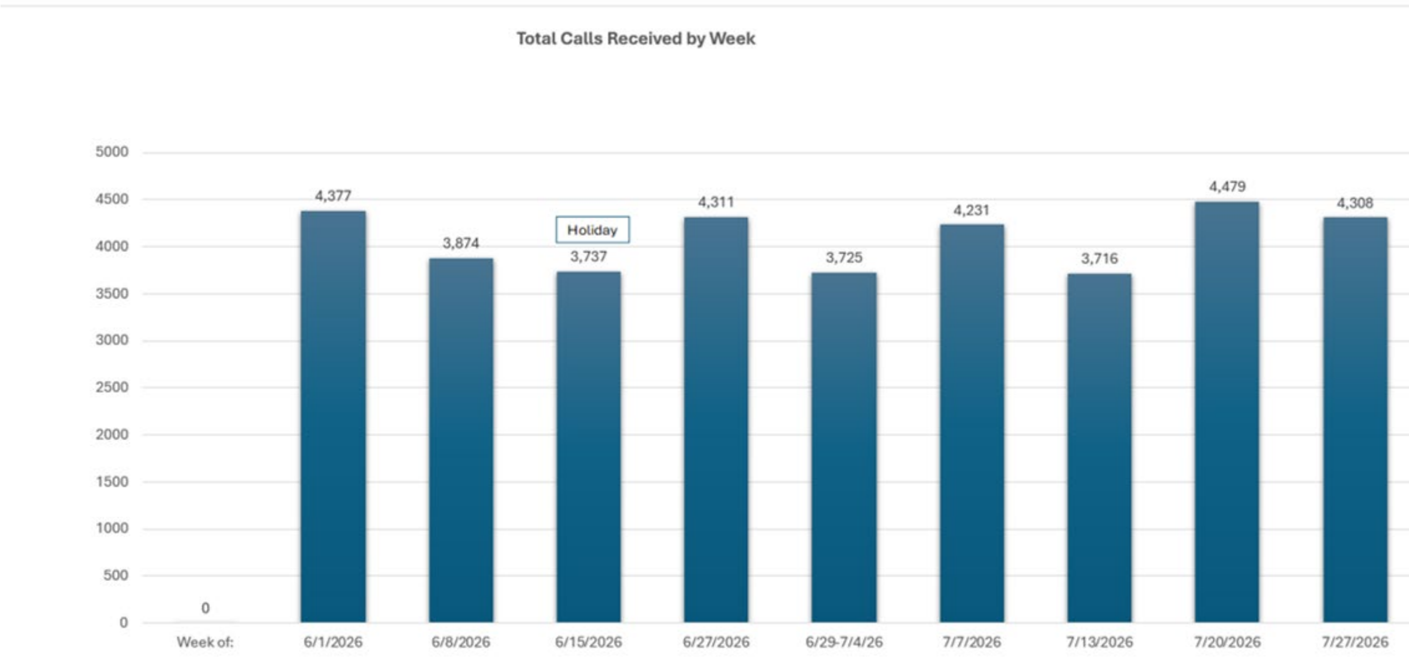

Delinquent & Late Payment Fees
Thousands
$400
$350
$300
$250
$200
$150
$100
$50
$(0)
July 25
Aug 25
Sep 25
Oct 25
Nov 25
Dec 25
Jan 26
Feb 26
Mar 26
Apr 26
May 26
June 26
July 26
Delinquent Fees (Service Trip Fee)
Late Payment Fees (1.5% of Past Due Amount)


Billing Summary
Thousands
Bills Sent
600
500
400
300
200
100
0
4,000
3,500
3,000
2,500
2,000
1,500
1,000
500
0
Hundreds
July-25
Aug-25
Sep-25
Oct-25
Nov-25
Dec-25
Jan-26
Feb-26
Mar-26
Apr-26
May-26
June-26
July-26
Total Bills Sent
Pending >30 days


Call Center Interactions (per day)
1,000
900
800
700
600
500
400
300
200
100
0
Daily Interactions
Average per day
July-25
Aug-25
Sep-25
Oct-25
Nov-25
Dec-25
Jan-26
Feb-26
Mar-26
Apr-26
May-26
June-26
July-26
Inbound Calls
Call Back
Email
Average Interactions per day


Customer Interaction Statistics
1000
900
800
700
600
500
400
300
200
100
0
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
July
Aug
Sep
Oct
Nov
Dec
Jan
Feb
Mar
Apr
May
June
July
Average Wait Time (seconds)
Calls Answered within 3 minutes

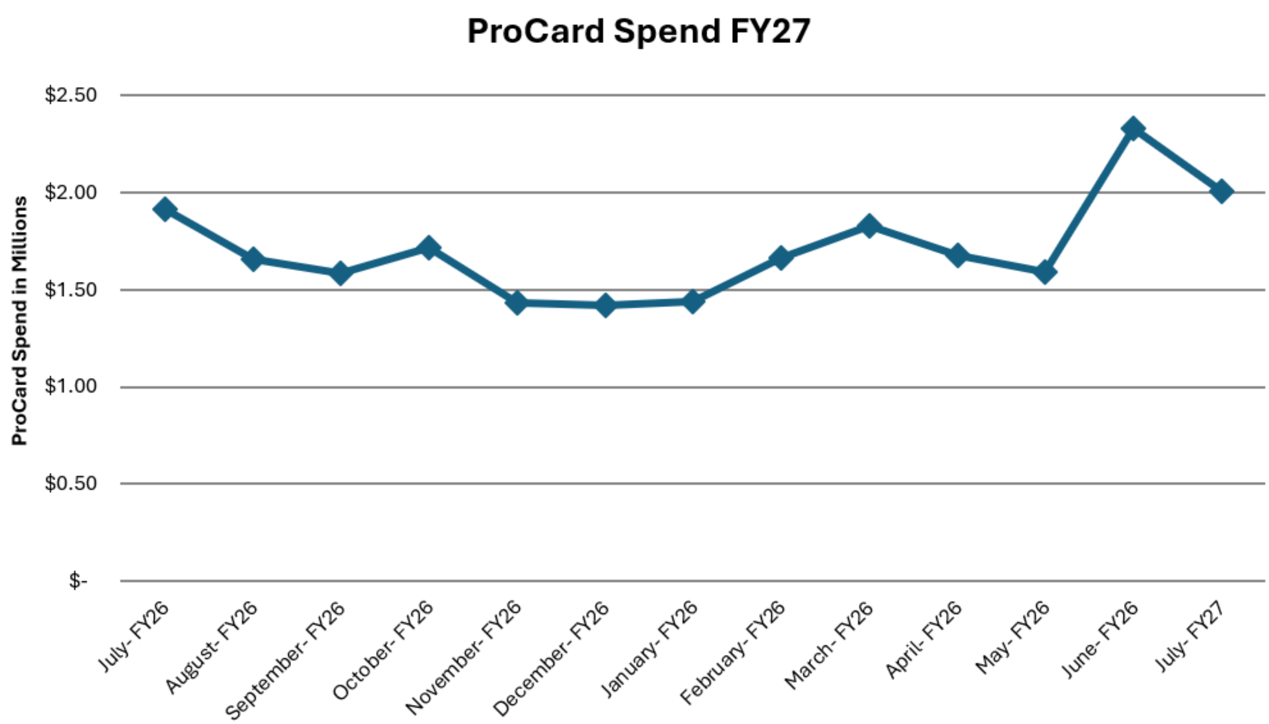
Customer Interaction Statistics	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July
Calls Answered within 3 minutes	47%	27%	13%	22%	35%	31%	38%	33%	43%	49%	64%	46%	51%
Average Wait Time (seconds)	262	379	604	409	346	512	417	431	336	277	181	333	328
Calls Abandoned	22%	28%	42%	33%	25%	32%	27%	23%	20%	16%	12%	20%	19%



Item #	Strategic Planning Measure	Unit	July 2026
	Accounts Receivable (HRSD)	Dollars	$54,132,291
	Aging Accounts Receivable	Percentage of receivables greater than 90 days	30.8%

I. Procurement Statistics

Savings	Current Period	FYTD
Competitive Savings	$8,931	$8,931
Negotiated Savings	$689	$689
Salvage Revenues	$5,375	$5,375
Corporate VISA Card - Estimated Rebate	$29,923	$29,923



Respectfully,

Steven G. de Mik

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

Attachments:
Quarterly Performance Report, 4th Quarter FY 2026
Retiree Health Plan Investment Performance Review

Hampton Roads Sanitation District
Qtrly Performance Report
For the Quarter Ending June 30, 2026

Total Portfolio Summary

Operating Strategies	June 30, 2026	March 31, 2026
Primary Source	$ 370,666,035	$ 431,179,112
Secondary Source	71,640,937	71,374,558
	$ 442,306,972	**$ 502,553,670**

Primary Source Summary

The Primary Source Portfolio consists of BAML Corp Disbursement Account $21.6M and VaCo/VML VIP Stable NAV Liquidity Pool $349.07M. BAML Corp Disbursement Account returned 1.79% as of June 30, 2026. VIP LIQ Pool Fund 30 Day Avg Net Yield was 3.78% as of June 30, 2026. 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 2026. VaCo/VML VIP Stable NAV Liquidity Pool's weighted average credit rating was A-1 for the quarter.

Secondary Source Summary

The Secondary Source Portfolio consists of VaCo/VML VIP 1-3 Year High Quality Bond Fund. VIP 1-3 Year High Quality Bond Fund's Yield to Maturity at Market was 4.16% in June, which was 0.01% below the ICE BofA ML 1-3 yr AAA-AA Corp/Gov Index (the market benchmark) performance. The weighted average credit rating for VaCo/VML VIP 1-3 Year High Quality Bond Fund's portfolio was AA for the quarter.

Retirement Health Plan Trust	June 30, 2026	March 31, 2026	$ Gain/(Loss)	% Gain/(Loss)
Investment Assets	93,997,723	86,424,517	7,573,206	8.76%
Liquidity Assets	53,800	53,334	466	0.87%
Combined Assets	**$ 94,051,523**	**$ 86,477,851**	**$ 7,573,672**	**8.76%**

Retiree Health Plan Trust Summary

The Retiree Health Plan Trust portfolio returned 8.76% (Investment assets) for the quarter ended June 30, 2026.Economic growth remained resilient, as geopolitical concerns eased, corporate earnings and investor enthusiasm surrounding AI fueled another leg higher in risk assets. U.S. stocks recovered quickly from last quarter volatility and finished the quarter near record highs. Technology remained the market leader, driven by semiconductor manufacturers and companies supporting AI infrastructure, while improving market breadth allowed small- and mid-cap stocks, Industrials, and Financials to participate more meaningfully in the rally. International equities also advanced, with emerging markets benefiting from significant exposure to semiconductor production and AI supply chains. Bond markets generated modest positive returns despite higher Treasury yields and evolving interest rate expectations. Strong corporate fundamentals supported investment-grade and high-yield credit, allowing corporate bonds to outperform comparable government securities. Interest rate volatility remained elevated as markets weighed persistent inflation against easing energy prices and changing Federal Reserve expectations. Although policymakers maintained current policy rates, investors increasingly priced in the possibility that interest rates could remain elevated for longer. Investors will continue focusing on several key themes through the remainder of the year, including the sustainability of AI-driven earnings growth, the trajectory of inflation and Federal Reserve policy, and whether broader market participation continues alongside elevated equity valuations.

Hampton Roads Sanitation District
Retiree Health Plan

Investment Performance Review

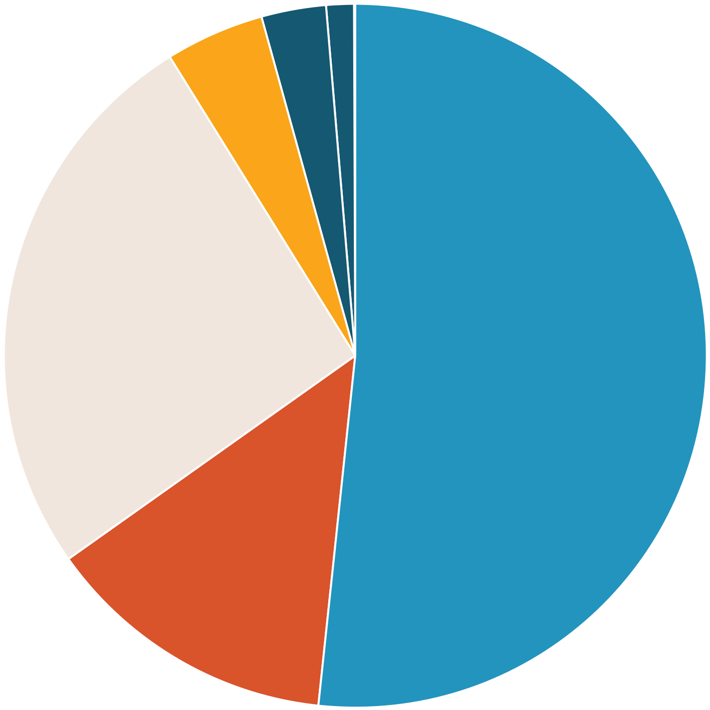
Period Ending July 31, 2026

MARINER

Financial Reconciliation Year to Date

	Market Value 01/01/2026	Net Transfers	Contributions	Distributions	Management Fees	Other Expenses	Return On Investment	Market Value 07/31/2026
Total Fund - Combined Assets	88,514,605	-	-	-1,083,456	-17,260	-13,220	6,149,263	93,549,932
Total Fund - Investment Assets	88,461,734	-	-	-1,083,456	-17,260	-13,212	6,148,167	93,495,973

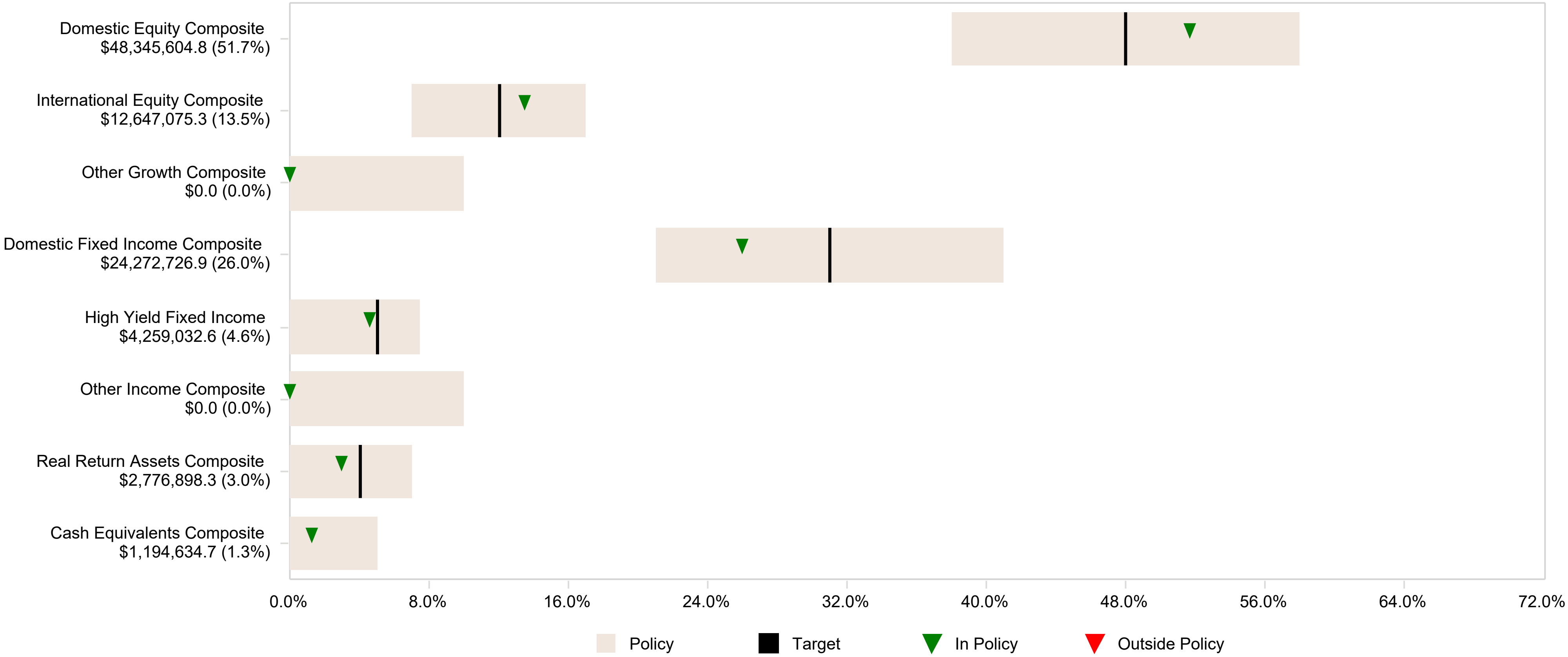
Jul-2026 : $93,549,932



Allocation

	Market Value	Allocation
Domestic Equity Composite	48,345,605	51.7
International Equity Composite	12,647,075	13.5
Domestic Fixed Income Composite	24,272,727	25.9
High Yield Fixed Income	4,259,033	4.6
Real Return Assets Composite	2,776,898	3.0
Cash Equivalents Composite	1,194,635	1.3
Total Fund - Liquidity Assets	53,960	0.1

Executive Summary



Asset Allocation Compliance

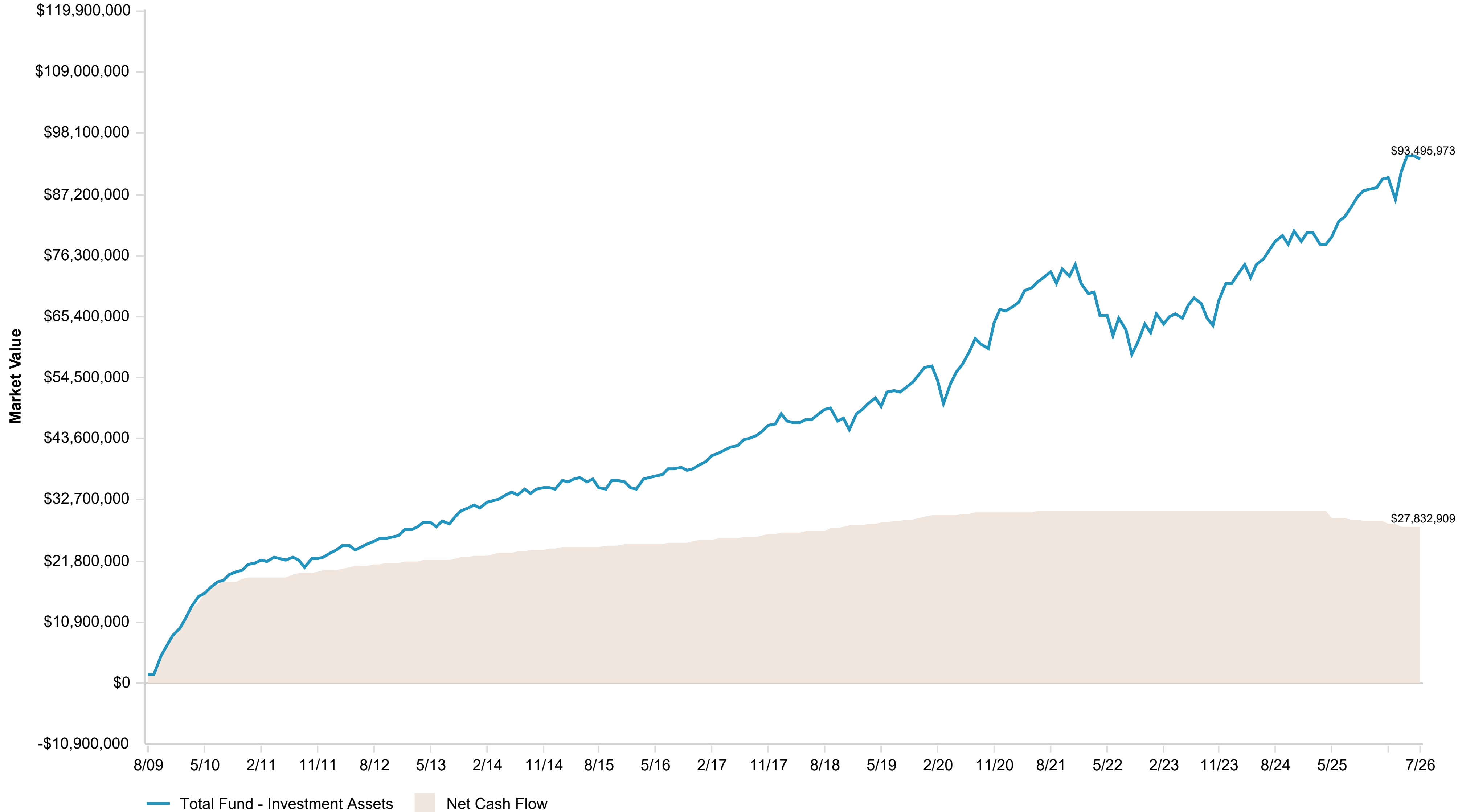
	Asset Allocation $	Current Allocation (%)	Target Allocation (%)	Minimum Allocation (%)	Maximum Allocation (%)
Total Fund - Investment Assets	**93,495,973**	**100.0**	**100.0**	**N/A**	**N/A**
Domestic Equity Composite	48,345,605	51.7	48.0	38.0	58.0
International Equity Composite	12,647,075	13.5	12.0	7.0	17.0
Other Growth Composite	-	0.0	0.0	0.0	10.0
Domestic Fixed Income Composite	24,272,727	26.0	31.0	21.0	41.0
High Yield Fixed Income	4,259,033	4.6	5.0	0.0	7.5
Other Income Composite	-	0.0	0.0	0.0	10.0
Real Return Assets Composite	2,776,898	3.0	4.0	0.0	7.0
Cash Equivalents Composite	1,194,635	1.3	0.0	0.0	5.0

	Allocation		Performance(%)									
	Market Value $	%	MTH	QTR	YTD	1 YR	3 YR	5 YR	7 YR	10 YR	Inception	Inception Date
Total Fund - Combined Assets	**93,549,932**	**100.0**										
Total Fund - Investment Assets (Net of Fees)	**93,495,973**	**99.9**	**-0.58**	**2.48**	**7.00**	**14.45**	**12.06**	**5.96**	**8.72**	**8.41**	**8.35**	**Sep-2009**
Blended Benchmark			-0.60	2.46	6.71	13.97	12.24	6.37	8.56	8.17	8.15	
Total Equity Composite	**60,992,680**	**65.2**	**-0.38**	**4.00**	**10.99**	**21.15**	**-**	**-**	**-**	**-**	**21.24**	**Oct-2023**
Vanguard Total Stock Market ETF (VTI)	**48,345,605**	**51.7**	**-0.50 (51)**	**4.25 (53)**	**10.50 (56)**	**19.83 (47)**	**18.78 (25)**	**11.73 (29)**	**15.13 (24)**	**14.52 (20)**	**19.68 (26)**	**Apr-2020**
Russell 3000 Index			-0.47	4.26	10.35	19.60	18.76	11.82	15.19	14.56	19.73	
All Cap Blend Median			-0.47	4.30	11.23	19.45	15.84	9.70	12.82	12.29	18.19	
International Equity Composite	**12,647,075**	**13.5**	**0.07**	**3.03**	**12.92**	**26.52**	**-**	**-**	**-**	**-**	**20.40**	**Oct-2023**
Dodge & Cox International Stock I (DODFX)	**2,323,710**	**2.5**	**1.34 (89)**	**6.30 (53)**	**14.88 (55)**	**30.25 (54)**	**-**	**-**	**-**	**-**	**-**	**Nov-2024**
MSCI EAFE Value Index (Net)			5.75	7.17	15.93	33.90	21.97	14.48	12.57	10.50	31.15	
Foreign Large Value Median			4.14	6.36	15.59	31.05	19.86	12.40	12.16	9.70	28.03	
Vanguard Total International Stock ETF (VXUS)	**7,344,865**	**7.9**	**-1.05 (70)**	**2.30 (76)**	**12.85 (32)**	**27.23 (27)**	**16.80 (38)**	**8.85 (39)**	**10.52 (40)**	**9.37 (38)**	**15.07 (40)**	**Apr-2020**
MSCI AC World ex USA (Net)			0.34	4.77	14.08	28.46	17.39	9.22	10.40	9.43	14.89	
Foreign Median			0.88	4.17	11.22	23.34	15.54	7.79	10.04	9.00	14.41	
Harding Loevner International Equity (HLMIX)	**1,474,256**	**1.6**	**0.55 (53)**	**4.71 (38)**	**15.32 (17)**	**28.69 (21)**	**14.81 (56)**	**6.55 (61)**	**10.05 (50)**	**9.31 (40)**	**10.85 (63)**	**Jul-2020**
MSCI AC World ex USA (Net)			0.34	4.77	14.08	28.46	17.39	9.22	10.40	9.43	12.75	
Foreign Median			0.88	4.17	11.22	23.34	15.54	7.79	10.04	9.00	12.07	
Goldman Sachs GQG Ptnrs Intl Opportunities (GSIMX)	**1,504,245**	**1.6**	**3.27 (22)**	**0.21 (89)**	**8.14 (72)**	**15.98 (74)**	**13.89 (62)**	**8.29 (45)**	**11.20 (30)**	**-**	**15.22 (67)**	**Sep-2023**
MSCI AC World ex USA (Net)			0.34	4.77	14.08	28.46	17.39	9.22	10.40	9.43	19.81	
Foreign Median			0.88	4.17	11.22	23.34	15.54	7.79	10.04	9.00	17.78	
Total Fixed Income Composite	**28,531,760**	**30.5**	**-1.08**	**-0.58**	**-0.33**	**2.96**	**-**	**-**	**-**	**-**	**5.90**	**Oct-2023**
Domestic Fixed Income Composite	**24,272,727**	**25.9**	**-1.20**	**-0.75**	**-0.64**	**2.74**	**-**	**-**	**-**	**-**	**5.74**	**Oct-2023**
Baird Core Plus (BCOIX)	**8,267,702**	**8.8**	**-1.19 (16)**	**-0.58 (23)**	**-0.41 (33)**	**2.98 (41)**	**4.50 (31)**	**0.23 (26)**	**1.74 (25)**	**2.12 (28)**	**2.58 (18)**	**May-2014**
Blmbg. U.S. Aggregate Index			-1.30	-0.76	-0.69	2.71	3.73	-0.40	0.99	1.35	1.88	
Intermediate Core-Plus Bond Median			-1.34	-0.73	-0.55	2.86	4.23	-0.12	1.40	1.78	2.11	
DoubleLine Core Fixed Income (DBLFX)	**8,160,509**	**8.7**	**-1.10 (9)**	**-0.91 (78)**	**-0.94 (82)**	**2.52 (74)**	**4.32 (45)**	**0.21 (27)**	**1.24 (62)**	**1.72 (56)**	**1.67 (58)**	**Sep-2017**
Blmbg. U.S. Aggregate Index			-1.30	-0.76	-0.69	2.71	3.73	-0.40	0.99	1.35	1.47	
Intermediate Core-Plus Bond Median			-1.34	-0.73	-0.55	2.86	4.23	-0.12	1.40	1.78	1.76	

See the disclosure page at the end of the report.

	Allocation		Performance(%)									
	Market Value $	%	MTH	QTR	YTD	1 YR	3 YR	5 YR	7 YR	10 YR	Inception	Inception Date
iShares Core US Aggregate Bond ETF (AGG)	**7,844,517**	**8.4**	**-1.30 (64)**	**-0.75 (58)**	**-0.56 (45)**	**2.71 (44)**	**3.69 (56)**	**-0.42 (45)**	**0.96 (57)**	**1.31 (57)**	**2.85 (51)**	**Feb-2023**
Blmbg. U.S. Aggregate Index			-1.30	-0.76	-0.69	2.71	3.73	-0.40	0.99	1.35	2.88	
Intermediate Core Bond Median			-1.22	-0.70	-0.61	2.65	3.74	-0.45	1.02	1.37	2.86	
High Yield Fixed Income	**4,259,033**	**4.6**	**-0.44**	**0.40**	**1.44**	**4.23**	**-**	**-**	**-**	**-**	**5.24**	**Nov-2024**
MainStay MacKay High Yield Corp Bond Fund (MHYSX)	**4,259,033**	**4.6**	**-0.44 (77)**	**0.40 (56)**	**1.44 (61)**	**4.23 (72)**	**6.92 (77)**	**3.95 (39)**	**4.72 (32)**	**5.20 (28)**	**4.11 (38)**	**Jun-2021**
ICE BofA U.S. High Yield Index			-0.29	0.45	1.59	5.02	8.17	3.99	4.80	5.41	4.21	
High Yield Bond Median			-0.26	0.45	1.60	4.73	7.52	3.71	4.37	4.78	3.88	
Real Return Assets Composite	**2,776,898**	**3.0**	**0.00**	**2.08**	**3.84**	**7.34**	**-**	**-**	**-**	**-**	**0.99**	**Oct-2023**
Boyd Watterson GSA Fund	**2,776,898**	**3.0**	**0.00 (-)**	**2.08 (-)**	**3.84 (-)**	**7.34 (-)**	**0.76 (-)**	**1.84 (-)**	**3.41 (-)**	**-**	**3.44 (-)**	**Jul-2019**
NCREIF Office Total Return			-	-	-	-	-	-	-	-	-	
IM U.S. Open End Private Real Estate (SA+CF) Median			-	-	-	-	-	-	-	-	-	
Cash Equivalents Composite	**1,194,635**	**1.3**	**0.30**	**0.89**	**2.06**	**3.76**	**-**	**-**	**-**	**-**	**4.54**	**Oct-2023**
First American Government Obligation - Z- (FGZXX)	**1,194,635**	**1.3**	**0.30 (-)**	**0.89 (-)**	**2.06 (-)**	**3.76 (-)**	**4.59 (-)**	**3.59 (-)**	**2.71 (-)**	**2.29 (-)**	**1.76 (-)**	**Jan-2004**
ICE BofAML 3 Month U.S. T-Bill			0.33	0.92	2.08	3.82	4.61	3.59	2.77	2.37	1.80	
Money Market-Taxable Median			-	-	-	-	-	-	-	-	-	
Total Fund - Liquidity Assets	**53,960**	**0.1**	**0.30**	**0.89**	**2.07**	**3.78**	**4.55**	**3.56**	**2.69**	**2.27**	**1.35**	**Sep-2009**
First American Government Obligation - Z (FGZXX)	**53,960**	**0.1**	**0.30 (-)**	**0.89 (-)**	**2.07 (-)**	**3.78 (-)**	**4.55 (-)**	**3.57 (-)**	**2.70 (-)**	**2.28 (-)**	**1.75 (-)**	**Jan-2004**
ICE BofAML 3 Month U.S. T-Bill			0.33	0.92	2.08	3.82	4.61	3.59	2.77	2.37	1.80	
Money Market-Taxable Median			-	-	-	-	-	-	-	-	-	

Schedule of Investable Assets



Schedule of Investable Assets

Periods Ending	Beginning Market Value $	Net Cash Flow $	Gain/Loss $	Ending Market Value $	%Return
Inception	1,494,091	26,338,818	65,663,064	93,495,973	8.35

Data prior to 10/1/2023 was provided by the prior consultant.

As of 10/1/2023, Mariner began calculating client level returns for the underlying strategies and the asset class composites. Prior to this date, product returns are shown where possible. This data was not provided by the prior consultant.

Returns for periods greater than one year are annualized.

Active Return	- Arithmetic difference between the manager's performance and the designated benchmark return over a specified time period.
Alpha	- A measure of the difference between a portfolio's actual performance and its expected return based on its level of risk as determined by beta. It determines the portfolio's non-systemic return, or its historical performance not explained by movements of the market.
Beta	- A measure of the sensitivity of a portfolio to the movements in the market. It is a measure of the portfolio's systematic risk.
Consistency	- The percentage of quarters that a product achieved a rate of return higher than that of its benchmark. Higher consistency indicates the manager has contributed more to the product's performance.
Distributed to Paid In (DPI)	- The ratio of money distributed to Limited Partners by the fund, relative to contributions. It is calculated by dividing cumulative distributions by paid in capital. This multiple shows the investor how much money they got back. It is a good measure for evaluating a fund later in its life because there are more distributions to measure against.
Down Market Capture	- The ratio of average portfolio performance over the designated benchmark during periods of negative returns. A lower value indicates better product performance
Downside Risk	- A measure similar to standard deviation that utilizes only the negative movements of the return series. It is calculated by taking the standard deviation of the negative quarterly set of returns. A higher factor is indicative of a riskier product.
Excess Return	- Arithmetic difference between the manager's performance and the risk-free return over a specified time period.
Excess Risk	- A measure of the standard deviation of a portfolio's performance relative to the risk free return.
Information Ratio	- This calculates the value-added contribution of the manager and is derived by dividing the active rate of return of the portfolio by the tracking error. The higher the Information Ratio, the more the manager has added value to the portfolio.
Public Market Equivalent (PME)	- Designs a set of analyses used in the Private Equity Industry to evaluate the performance of a Private Equity Fund against a public benchmark or index.
R-Squared	- The percentage of a portfolio's performance that can be explained by the behavior of the appropriate benchmark. A high R-Squared means the portfolio's performance has historically moved in the same direction as the appropriate benchmark.
Return	- Compounded rate of return for the period.
Sharpe Ratio	- Represents the excess rate of return over the risk free return divided by the standard deviation of the excess return. The result is an absolute rate of return per unit of risk. A higher value demonstrates better historical risk-adjusted performance.
Standard Deviation	- A statistical measure of the range of a portfolio's performance. It represents the variability of returns around the average return over a specified time period.
Total Value to Paid In (TVPI)	- The ratio of the current value of remaining investments within a fund, plus the total value of all distributions to date, relative to the total amount of capital paid into the fund to date. It is a good measure of performance before the end of a fund's life
Tracking Error	- This is a measure of the standard deviation of a portfolio's returns in relation to the performance of its designated market benchmark.
Treynor Ratio	- Similar to Sharpe ratio but utilizes beta rather than excess risk as determined by standard deviation. It is calculated by taking the excess rate of return above the risk free rate divided by beta to derive the absolute rate of return per unit of risk. A higher value indicates a product has achieved better historical risk-adjusted performance.
Up Market Capture	- The ratio of average portfolio performance over the designated benchmark during periods of positive returns. A higher value indicates better product performance.

Mariner Institutional compiled this report for the sole use of the client for which it was prepared. Mariner Institutional is responsible for evaluating the performance results of the Total Fund along with the investment advisors by comparing their performance with indices and other related peer universe data that is deemed appropriate. Mariner Institutional uses the results from this evaluation to make observations and recommendations to the client. Mariner Institutional uses time-weighted calculations which are founded on standards recommended by the CFA Institute. The calculations and values shown are based on information that is received from custodians. Mariner Institutional analyzes transactions as indicated on the custodian statements and reviews the custodial market values of the portfolio. As a result, this provides Mariner Institutional with a reasonable basis that the investment information presented is free from material misstatement. This methodology of evaluating and measuring performance provides Mariner Institutional with a practical foundation for our observations and recommendations. Nothing came to our attention that would cause Mariner Institutional to believe that the information presented is significantly misstated.

This performance report is based on data obtained by the client's custodian(s), investment fund administrator, or other sources believed to be reliable. While these sources are believed to be reliable, the data providers are responsible for the accuracy and completeness of their statements. Clients are encouraged to compare the records of their custodian(s) to ensure this report fairly and accurately reflects their various asset positions.

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***IMPORTANT DISCLOSURE INFORMATION RE COALITION GREENWICH BEST INVESTMENT CONSULTANT AWARD (formerly known as the Greenwich Quality Leader Award):**
The awards are not indicative of any future performance. The awards or any other rankings and/or recognition by unaffiliated rating services and/or publications should not be construed as a guarantee that a client will experience a certain level of results or satisfaction, nor should it be construed as a current or past endorsement by any of our clients. No fee was paid to participate in this award survey.
The 2024-25 award was issued in February 2025, based on data from February to September of 2024. The 2023 award was issued in April 2024, based on data from Feb to November of 2023. The 2022 award was issued in April 2023, based on data from Feb to November of 2022. The 2021 award was issued in April of 2022, based on data from July to October 2021. Data was collected via interviews conducted by Coalition Greenwich. The 2024 and 2023 awards were issued to Mariner Institutional (formerly AndCo Consulting). The 2021 and 2022 awards were issued to AndCo, prior to becoming Mariner Institutional. The methodology: For the 2024-25 Coalition Greenwich Best Investment Consultant Award for Overall U.S. Investment Consulting – Midsize Consultants – Between February and September 2024, Crisil Coalition Greenwich conducted interviews with 699 individuals from 563 of the largest tax-exempt funds in the United States. For the 2023 Greenwich Best Investment Consultant Award for Overall U.S. Investment Consulting – Midsize Consultants – Between February and November 2023, Coalition Greenwich conducted interviews with 708 individuals from 575 of the largest tax-exempt funds in the United States. For the 2022 Greenwich Best Investment Consultant Award for Overall U.S. Investment Consulting – Midsize Consultants – Between February and November 2022, Coalition Greenwich conducted interviews with 727 individuals from 590 of the largest tax-exempt funds in the United States. For the 2021 Greenwich Best Investment Consultant Award – Overall U.S. Investment Consulting – Midsize Consultants – Between July and October 2021, Coalition Greenwich conducted interviews with 811 individuals from 661 of the largest tax-exempt funds in the United States. These U.S.-based institutional investors are corporate, public, union, and endowment and foundation funds with either pension or investment pool assets greater than $150 million. Study participants were asked to provide quantitative and qualitative evaluations of their asset management and investment consulting providers, including qualitative assessments of those firms soliciting their business and detailed information on important market trends.

TO: General Manager/ Chief Executive Officer

FROM: Chief Information Officer

SUBJECT: Information Technology Division (ITD) Report for July 2026

DATE: August 12, 2026

Innovation

IT Operations Activities:

Help Desk:

Opened Work Orders	Closed Work Orders
503	467

Systems Engineering:

- The Linux team continued the building out of the new Web Application Firewall (WAF) to strengthen application security and improve threat protection.
- Monthly system patching activities continue, to maintain system security, stability, and compliance.
- Work began on corrections to gaps discovered during the credential store testing to validate security credential management and integration capabilities.
- Planning and analysis began for the impending Core Switch upgrades.
- Systems Engineers supported the Army Base administration building move-in.
- Staff met with Verizon to begin removal of equipment from the PTF building at the decommissioned Chesapeake-Elizabeth plant.
- Planning and Configuration work for new Wireless Access Points at the Virginia Initiative Plant were conducted.
- Continued infrastructure modernization initiatives through ongoing hardware lifecycle management, network optimization, and storage migration planning activities to improve reliability, scalability, and long-term platform supportability.
- Provided engineering support for Windows Server infrastructure, virtualization platforms, and enterprise services through system maintenance, configuration management, and operational support activities to ensure continued availability of critical business systems.
- Build out of enhancements and configurations to the monitoring software for the top-end SCADA system continue.
- Continued network and cloud support for the Digital Water department AI initiatives.
- A new Windows Server Update Services (WSUS) has been configured and deployed to control the updating of Microsoft products updates on network devices. This provides IT administrators with the ability to centrally manage, approve and distribute Microsoft updates.

Database Administrators (DBA):

- DBA’s have been doing research and development on SQL Server 2025 Vector Search and AI capabilities
- Supported code changes and databases for the Enfotech iPacs upgrade.
- Implemented enhanced database profile for security controls.
- Performed monthly critical patch updates to all database systems.

Enterprise Applications Services:

Newly Opened Work Orders	Closed Work Orders
220	212

- Customer Care & Billing (CC&B) programming staff worked on gathering report inventory and requirements in preparation for the Customer Cloud Service (CCS) implementation workshops expected to begin in September.
- Enterprise Resource Planning (ERP) programming staff began work on data cleanup and documentation initiatives in preparation for a future move to the Oracle Cloud.
- IT Geographic Information Systems (GIS) staff have been working on ESRI ArcGIS Utility Network migration.
- Installation and configuration of a GEONEXUS GIP system was initiated by IT GIS staff.
- IT GIS staff is developing a new Real Estate lookup app to assist Engineering’s Real Estate Managers. Testing is expected to begin in early August.
- The Web Portals programming staff continued collaboration with the Communications Division on the redesign of the HRSD.com website. User Acceptance Testing is expected to begin in early August with an expect go-live in early October.
- Web Portal’s programming staff continued coordination with the Planning & Analysis work center to finalize a new SharePoint site that will be used to collaborate with locality partners.

Cybersecurity:

- Continued finalization of the cybersecurity architecture, controls, and supporting technologies for HRSD’s new Purdue Level 3.5 network environment. This establishes a secure foundation for Digital Water, Operations, and future Operational Technology (OT) modernization initiatives. Cybersecurity is conducting targeted proofs of concept and technical validation of key solutions to identify the strongest combination of security, operational functionality, scalability, and long-term value. The resulting architecture will strengthen segmentation between enterprise and operational environments, enable secure access and information exchange, and materially improve HRSD’s cybersecurity posture and operational resiliency.

Division collective work efforts:

Description	Projects In Progress	Projects In Queue
Large Maintenance Projects	14	8
Other Enterprise Projects	59	25
Total Projects	**73**	**33**

- Desktop Support Analysts and Senior System Engineers continue the Microsoft Intune mobile device management role out. Currently 531 devices and 60 phones have been configured.
- Microsoft CoPilot Chat was deployed to the organization in late July. Microsoft CoPilot Chat is an approved AI Assistant for work and is available within all Microsoft applications such as Word, Excel, PowerPoint, Outlook and Teams. Copilot Chat follows enterprise-grade security, privacy and compliance standards.
- Accounting and Human Resources have been added to the pilot test group for the Microsoft 365 Purview work related to Data Governance and Data Loss Prevention (DLP).

Community Engagement

- Cybersecurity staff conducted in-person meetings with the local FBI field office and established relationships with new points of contact to strengthen HRSD's ability to rapidly coordinate federal investigative, intelligence, forensic, and incident-response support when needed. These engagements reinforce HRSD's strategy of establishing trusted relationships before an incident occurs and complement ongoing collaboration with Department of Homeland Security (DHS), CISA and other federal, Commonwealth, and regional partners, expanding the network of external resources available to support HRSD during significant cybersecurity events.
- HRSD Cybersecurity continues to actively support and participate in Cyber Fortress; a collaborative cyber exercise focused on strengthening the resilience of Virginia's critical infrastructure and operational technology environments. Participation alongside the Virginia National Guard's 91st Cyber Brigade, U.S. Cyber Command, Dragos, and local, state, federal, military, and private-sector partners provides HRSD an opportunity to exercise cyber-defense and incident-response capabilities, strengthen operational relationships, exchange Operational Technology (OT) threat intelligence and lessons learned, and further mature HRSD's cybersecurity and operational-resilience capabilities.

Talent

- Nina Charlem, WebPortal Programmer, gave a presentation on HRSD's Information Technology Division and career paths to HRSD's summer interns.
- Interviews took place for the vacant IT Senior Project Manager position. A candidate has been selected.

Respectfully,

Mary Corby
Chief Information Officer

TO: General Manager/Chief Executive Officer

FROM: Chief Operating Officer

SUBJECT: Operations Monthly Report for July 2026

DATE: August 12, 2026

Community Engagement

Staff participated in several community events as follows:

1. On July 6, North Shore (NS) Interceptor Operations staff hosted representatives from Isle of Wight County, the Town of Smithfield, and the City of Suffolk for our semiannual locality coordination meeting.

2. On July 11, Ms. Mackenzie Rickard, Engineering Specialist with South Shore (SS) Interceptor Operations, volunteered in the Pop-Up City event held in the Virginia Beach Town Center. She supported HRSD Ambassadors Program Science, Technology, Engineering, and Mathematics (STEM) activity alongside local architectural, engineering and construction firms to engage youth and promote careers in the industry.

3. On July 20, Mr. Sam McAdoo, Director of Small Communities Department (SCD), attended a meeting with Congresswoman Jen Kiggans' staff to discuss the Tangier Island Wastewater Treatment Plant and collection systems, including potential future projects and associated timelines.

4. On July 23, SS Interceptor Operations staff met with City of Virginia Beach Public Utilities to discuss operational issues, ongoing initiatives, and upcoming projects.

5. On July 28, Mr. Chris Stephan, Director of NS Interceptor Operations, and Mr. John Dano, Director of Planning and Analysis, presented to the James City County Board of Supervisors, which also serves as the Board of Directors for the James City Service Authority. The presentation focused on regional sanitary service capacity in northern Williamsburg and HRSD/JCSA collaborating on capital and operational project improvements. Mr. Doug Powell, General Manager of JCSA, provided positive feedback and was very appreciative of the clarity of the presentation. HRSD will continue to collaborate with JCSA on this issue for the foreseeable future.

6. On July 29, Ms. Mackenzie Rickard and Mr. Shawn Heselton, Director of SS Interceptor Operations, facilitated a mentor meeting for the 2026 Future Leaders to Opportunities in Water (InFLOW) program, sponsored by the Virginia Water Environment Association (VWEA) and the Virginia Section of the American Water Works Association (VA AWWA). The meeting covered program expectations, updates, and upcoming activities.

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.

> On July 31, SS Interceptor Operations responded to a high well alarm at the Robin Hood Road Pump Station in Norfolk. Staff discovered a discharge pipe fitting on the emergency pump had vibrated loose, causing sanitary sewer sewage to spill into the nearby parking lot. Staff immediately turned off the pump and secured the fitting. Approximately 400 gallons were lost into a storm drain that ultimately flows into Wayne Creek, with approximately 100 gallons were recovered.

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.

Additional Topics of Interest:

1. At the James River Treatment Plant, (JRTP) work continued on the Advanced Nutrient Removal Improvements and Sustainable Water Initiative for Tomorrow (SWIFT) projects, including secondary clarifier improvements, ozone system startup and troubleshooting, chemical systems piping and electrical installation, and filter gravel and sand placement.

2. At the Williamsburg Treatment Plant (WBTP) staff adjusted treatment for higher-than-normal loadings from the brewery, which have resulted in increased effluent nutrient concentrations.

3. At the York River Treatment Plant (YRTP), staff completed cleanout, inspection, and maintenance on the primary digester and returned to two digester operations, increasing detention times and improving performance.

4. The Atlantic Treatment Plant (ATP) received one noise complaint during July related to the plant's rental boiler. Staff are installing a fence with noise mitigation material around the unit to reduce the potential for noise to reach the neighboring residences. Previous testing conducted by the Technical Services Department (TSD) confirmed that boiler noise remains well below allowable limits at the property line. A project is underway to replace the rental boiler with a permanent installation providing redundant capacity for the aging plant boiler.

5. The ATP Reliability and Odor Control Improvements (ROCI) project contractor completed the stack tie-ins on Odor Control System (OCS) D, with all four stacks now connected to the new carbon addition system. The electrical tie-in, and the carbon fan bump test were completed on July 21 and all loop checks were completed on July 30. System balancing is scheduled for the first week of August. This new system will help further reduce odors from the odor scrubber exhaust.

6. A major thunderstorm produced a waterspout that moved ashore as a tornado at the Boat Harbor Treatment Plant (BHTP). The storm damaged the secondary clarifier sludge blanket depth pole masts, poles, diamond decking, and handrail on all six tanks, as well as nearby roofing and ladder

cages. Treatment processes remained operational; no major structural tank damage occurred, and repairs are underway.

7. The total volume of SWIFT recharge into the Potomac aquifer from the Research Center for July was 2.33 million gallons (MG), representing approximately 7.64 percent recharge time based on 650 gallons per minute (gpm). Recharge operations were impacted by the following:

    a. Inconsistent influent flow after the bypass was initially completed
    b. Tie-in of new influent line at chlorine contact tanks for Advanced Nutrient Reduction Improvement (ANRI)
    c. Ultraviolet valves were not operating properly
    d. Cleaning Flocculation/Sedimentation due to influent tie-in for ANRI
    e. Failure of ozone destruct blower early in the month; unit is still out of service

8. Struvite buildup occurred in the centrate line at the Nansemond Treatment Plant (NTP) and was cleared by staff. The Struvite recovery facility (SRF) startup date has been delayed, primarily due to programming issues. Staff are working with the project team to identify opportunities to move the startup earlier in 2027.

9. SCD and Asset Management staff reviewed closed circuit television (CCTV) findings for West Point and developed a game plan for Eastern Shore collection systems. CCTV work is scheduled for the Eastern Shore this fall.

10. SCD staff replaced both pumps at the King William Main Pump Station with larger pumps to mitigate spill potential during high system flows. The replacement increased pump station flow rates by 40 percent and eliminated the need to operate bypass pumps during peak diurnal flows. This work, combined with activating the 10-inch force main in King William, will provide a much more resilient system during wet weather conditions.

11. Condition Assessment identified significant metal loss on the upper shell sections of Virginia Initiative Plant Incinerator Furnace #1, attributed to elevated temperatures accelerating chemical reactions. A proposed CIP has been drafted and will be scoped in the coming months.

12. Condition Assessment and SS Interceptor Operations staff performed a leak and gas pocket detection on the Southern Loop in Chesapeake. The ball was inserted into the Elbow Road Pressure Reducing Station (PRS) and retrieved from the screens in ATP. The data is currently being analyzed to identify potential unvented high points along approximately 16 miles of force main.

Financial Stewardship

1. Material Transportation & Logistics staff hauled 43 loads of ash totaling 352 dry tons. Staff also hauled 160 loads of Primary Clarifier Solids (PCS) and 132 loads of Thickened Waste Activated Biosolids (TWAB), totaling 1,659,000 gallons, from the Army Base Treatment Plant (ABTP). Additionally, staff hauled 77 loads from ATP to the McGill Composting Facility, totaling 1,667 wet tons; 67 loads from NTP, totaling 1,378 wet tons; and 5 loads from the WBTP, totaling 95 wet tons. Lawnes Point continues to be pumped and hauled weekly, averaging five to six loads per week, or approximately 30,000–36,000 gallons, to Hardy Pump Station. After a screw conveyor failure at WBTP interrupted normal solids handling operations, staff deployed two 40-foot dump trailers on July 26 and an additional trailer on July 28, allowing continued production and hauling of biosolids cake to the McGill Composting Facility while repairs are underway.

2. Facilities Maintenance purchased a new 10T HVAC system for the Administration building at NTP and used a contractor for the installation only, resulting in approximately $15,000 in cost savings.

3. Construction Support Team (CST) Projects:

    a. ATP: the team began replacing the Aeration tank #3 drain valves. Well points were set and replacement will begin the first week of August. The work should be completed by mid-August. By performing this work internally, the team is saving HRSD hundreds of thousands of dollars in labor costs compared with bids ranging from $480,000 to $1,575,000.

    b. YRTP: The team completed all forming, compaction, and rebar installation for the 16' x 8' and 10' x 10' concrete slabs. The slabs are prepared and ready for concrete placement later. Concrete placement is currently on hold pending ENI's completion of their work.

    c. King William Treatment Plant: The team completed backfilling of all trenches that were hydro excavated for ENI's scope of work. All work has been completed as scheduled.

    d. BHTP: The team completed potholing and utility depth verification. They cut through approximately 12 inches of asphalt and hydro excavated to the required depths. A total of eight potholes were completed to locate and verify existing utilities.

    e. ABTP: The team began installation of weir covers on Tank #1. This is the final tank requiring weir cover installations for the plant. The expected completion date is July 31, 2026.

4. On July 21, SS Interceptor Operations partnered with NTP staff to clean the Regional Residuals Facility, removing approximately ten cubic yards of material from the grit traps to maintain peak operating efficiency. By working together and leveraging internal resources, this effort achieved daily cost savings of approximately $10,000.

Innovation

1. Similar to previous years, we are again seeing anammox activity in the aerobic portion of the mainstream integrated fixed film-activated sludge (IFAS) process at JRTP. This remains a notable operational phenomenon, with an ambiguous combination of partial nitritation-anammox (PNA), partial denitrification-anammox, and simultaneous nitrification/denitrification occurring simultaneously. A pilot study has been initiated at JRTP to explore this and maximize nitrogen removal by PNA.

2. Mr. Chris Stephan, Director of NS Interceptor Operations, initiated the study and design phase of the iLOQ security upgrade project. This project will replace the padlocks and door locks at all remote, unmanned facilities throughout HRSD. This project is the result of a highly successful pilot performed at the Providence Road Off-Line Storage Facility and at NTP. The iLOQ system is a keyless product that uses mobile device technology to control and record site access via a managed digital system.

3. Asset Management staff are working with TeamSolve, a startup artificial intelligence (AI) firm, to expand the pilot for the Computerized Maintenance Management System (CMMS) chatbot. The tool has promising operational use for mining historical maintenance and workload data using a simple chatbot. NS Interceptors data will be used in this expanded pilot, as data quality and consistency will demonstrate the full capacity of the tool.

Talent

1. All Atlantic Plant Operators have received at least their Class 2 license as of the end of July.

2. NS Interceptor Operations welcomed Ms. Quianna Williams as a Maintenance Operator.

3. SCD welcomed Mr. Thomas Westfall as an Operations Manager and promoted Mr. Joe Ranieri to Lead Operator on the Eastern Shore.

4. Facilities Maintenance welcomed Mr. Tyler Dolfman as a Facilities Maintenance Technician.

5. The vacated CMMS Analyst position in Asset Management was converted into a Maintenance Analyst position to more effectively support operational work centers with asset and work order creation, spare parts inventory, inspections, contract administration, and to continue the CMMS helpdesk support.

6. SS Interceptor Operations welcomed Ms. Christina Gonzales as a Maintenance Assistant; Mr. Brandon Harvin as a Heavy Equipment Operator; and Mr. Bryan Payne as a Foreman.

Respectfully submitted,

Eddie M. Abisaab, PE, PMP
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	2											
2.7	# of PS Annual PMs Performed (SS)	53	0											
2.7	# of Backup Generator PMs Performed	4.6	7											
2.8	# of FM Air Release Valve PMs Performed (NS)	234	415											
2.8	# of FM Air Release Valve PMs Performed (SS)	1,550	200											
2.9	# of Linear Feet of Gravity Clean (NS)	2,417	2,899											
2.9	# of Linear Feet of Gravity Clean (SS)	2,417	0											
2.9	# of Linear Feet of Gravity CCTV Inspection	3,300	397											

TO: General Manager

FROM: Chief People Officer

SUBJECT: Talent Management Monthly Report for July 2026

DATE: August 10, 2026

Talent

Continuous Learning / Innovation

Commitment to Excellence

Talent Management

Talent Management advanced workforce priorities with 24 recruitment campaigns, 25 accepted offers, key HR policy updates, and continued growth in recognition and wellness participation. Learning & Development delivered 640 hours of training to 100 employees, expanded apprenticeship and career development programs, and piloted compliance training in Cornerstone. Safety & Security strengthened workplace preparedness through inspections, training, construction safety walks, emergency planning, and expanded safety staffing.

Human Resources (HR)

Talent Acquisition & Staffing

HR continued to address critical staffing needs and strengthen the recruitment pipeline.

- **24** new recruitment campaigns launched.
- **25** job offers accepted including the new **Organizational Development and Change Manager**, bringing expertise in organizational development, coaching, facilitation, and change management.

Policy Development

Staff continued reviewing and revising HRSD policies, with particular emphasis on **corrective action and grievance procedures.**

Policies Disseminated or Updated:

- Sick Leave
- Promotions
- Pay at Separation
- Workplace Privacy and Recording Devices
- Standards of Conduct

Recognition & Rewards

The **Awardco** recognition and rewards platform saw continued engagement:

- **21.79%** of HRSD staff logged into the platform.
- **259 employees** recognized their peers.
- **87 employees** received service anniversary recognition.
- **90 employees** received birthday recognition.

Employee Wellness

Participation in HRSD's Wellness Program continues to grow. The **2026–2027 Wellness year** began with strong engagement in the new **Vitality** platform.

Current registrations:

- **616 employees**
- **83 spouses**

Learning and Development (L&D)

July training impact:
100 employees completed L&D training
640 total hours of employee, team, and leadership development

Leadership & Workforce Development

L&D focused on leadership development, training delivery, and expanding access to workforce resources.

Training Delivered

The LAMA cohort completed **Conflict Management & Change Management** training focused on navigating resistance and difficult transitions.
L&D also delivered:

- Teamwork and Problem Solving

- Emotional Intelligence
- Real Colors

These courses supported employee effectiveness, communication, and team dynamics.

Compliance Training
HR's annual compliance training was successfully **piloted in the new online learning management system (LMS) Cornerstone**, providing valuable insights to refine the process ahead of its full launch in January.

Workforce Resources
L&D met with the **Engineering Division** to connect employees with available training, development, and career resources.

Professional Development
Two L&D employees attended **InstructureCon**, the annual conference for Canvas, HRSD's apprenticeship learning management system. The conference provided opportunities to:

- Learn about new Canvas features
- Enhance system knowledge
- Participate in hands-on training

Apprenticeships & Career Development
L&D hosted **5 LIFT (Learning, Internship, and Future Talent) sessions** and welcomed **19 apprentices** through New Apprentice Orientation.
The team also:

- Held the **Apprentice Mentoring Program (AMP) Appreciation Lunch**.
- Supported apprentices in the General Wastewater Construction course as they built **5 Little Libraries** for donation to work centers, expanding L&D's free library initiative.
- Collaborated with apprenticeship and career development staff to develop an **introductory wastewater course** based on apprenticeship coursework for Engineering's new employee onboarding.

Career Pathways
The Career Pathways Program:

- Welcomed **12 new participants** through treatment plant outreach.
- Celebrated **3 promotions.**
- Provided career planning and resume preparation services to H2O interns through the new LIFT Program.

Safety and Security

Safety Operations

July Safety Inspections & Training	
Activity	Metric
Safety Inspections	18
Safety Training Sessions	11
Construction Site Walks	17
Contractor Safety Briefings	5

Emergency Response Preparedness

Staff are developing the annual Emergency Response Training for the Main Office Complex in September and October 2026.

The program will cover:

- Fire safety and emergency evacuation
- Active-shooter response
- Stop the Bleed training

Industrial Hygiene

Safety & Security conducted several industrial hygiene activities, including:

- Monthly chemical fume hood inspections at:
    - Water Quality Building
    - Central Environmental Laboratory (CEL)
    - Virginia Initiative Plant (VIP)
    - Boat Harbor
    - Williamsburg
- Annual air-vent sampling

Contractor & Construction Safety

To reinforce contractor compliance, Safety & Security conducted 5 contractor safety briefings covering HRSD safety rules, policies, and procedures for work performed on HRSD property.

The department also completed 17 construction safety walks focused on:

- Assessing field conditions
- Identifying and addressing potential hazards
- Confirming compliance with applicable regulations
- Verifying adherence to HRSD safety standards

Department Expansion

Safety & Security is expanding with the addition of two Occupational Health and Safety Professional positions.

These positions will strengthen field presence by:

- Providing on-site safety guidance
- Delivering additional training
- Helping ensure work centers remain safe and secure each day

Hiring status: Interviews have been conducted, one candidate has accepted a position, and a second interview is scheduled with another candidate.

Physical Security

Physical security activities during July included:

- Inspections at the Urbanna and Central Middlesex treatment plants.
- A site walk at the James River Treatment Plant to verify construction fencing was properly installed and secured to prevent unauthorized access.
- Investigation of a gate-camera issue at James River.
- Evaluation of new construction areas, including the Nansemond SWIFT facility, to plan future placement of security cameras and perimeter fencing.

Because surveillance cameras are a critical component of site security, these efforts support both current security needs and future facility planning.

Emergency Preparedness

HRSD's Executive and Director Leadership Team participated in the annual hurricane tabletop exercise.

The exercise was designed to:

- Evaluate organizational preparedness for a hurricane emergency.
- Confirm that the Hurricane Plan remains current and effective.
- Ensure team members understand their assigned roles and responsibilities.
- Identify potential gaps.
- Strengthen coordination.

- Reinforce HRSD’s ability to respond effectively during a hurricane.

Safety Performance

July Incident Summary		
Event	July	Previous Month
Auto Accident/property damage incident	3	3
Work-related injuries requiring medical attention	3	2
Accidents resulting in lost time	2	0

Respectfully submitted,

Christina Gibson
Chief People Officer

TO: General Manager/ Chief Executive Officer

FROM: Chief of Water Quality (CWQ)

SUBJECT: Monthly Report for July 2026

DATE: August 12, 2026

Environmental Responsibility

HRSD's Regulatory Activities:

- Monthly Discharge Monitoring Report (DMR) Summary and Items of Interest: Effluent and Air Emissions Summary.
- 0 Permit Exceedances out of 4,655 Total Possible Exceedances to date in FY2027.
- 15.03 million pounds of pollutants removed to date in FY2027.
- A warning letter for King William collections system was received on July 21.

Pretreatment and Pollution Prevention (P3) Program Highlights:

- One civil penalty was issued in July to C & M Industries, Incorporated – Norfolk
    - An Enforcement Order was issued to C&M Industries, Incorporated (C&M) in July 2026 for the following violations: denying HRSD's ability to collect samples from the permitted sampling point during a wastewater survey sampling event in March 2026; and vanadium and zinc permit limit exceedances that occurred in May 2026.

      On March 13, 2026, C&M staff removed HRSD sampling equipment from the permitted sampling point without HRSD authorization. Tampering with HRSD sampling equipment prevented HRSD from collecting regulatory samples and resulted in HRSD having to extend the survey sampling event.

      A Show-Cause meeting was held with C&M staff on April 29, 2026. In response to the incident, the facility met with all employees to stress the importance of not touching HRSD sampling equipment and the need to report all incidents to C&M leadership. HRSD sought cost recovery for the additional staff time associated with extending the sampling event. A cost recovery of $636.40 was paid in full on April 29, 2026.

      No specific source was identified as a result of the vanadium and zinc violations; however, the facility did initiate more inspection and training from these exceedances.

      The Enforcement Order, which included a civil penalty of $8,000, was accepted and paid in full on July 28, 2026. Of note, maximum penalty was sought for the violation of tampering with HRSD equipment due to the severity.

- The P3 Department notified all permitted direct Industrial Users of the requirement to perform quarterly PFAS monitoring beginning in Quarter 4 of 2026. This requirement is directly related to legislation passed during the 2026 Regular Virginia General Assembly Session.
- Hosted the 33rd Annual Pretreatment Excellence and Pollution Prevention Awards Luncheon on July 29th at the Hilton Norfolk The Main.

Environmental and Regulatory Advocacy

Chief participated in the following advocacy and external activities:

- National Association of Clean Water Agencies (NACWA) Annual Utility Leadership Meeting, co-chairing the Water Quality Committee meeting. Discussions at the committee focused heavily on drivers for reducing nutrient discharges to surface waters.

- American Water Works Association (AWWA) and NACWA workshop on State of the Science for Microplastics. Microplastics were included in EPA's draft Candidate Contaminant List 6. With increasing interest regarding the presence of microplastics in drinking water, AWWA and NACWA are working together to define the current state of the science and identify priority areas for research. Key among those is developing a health-based definition for microplastics and identifying the reliable sampling and analytical methodologies capable of producing consistent results for comparison with any defined health-based thresholds.

- Co-chaired a meeting of the Chesapeake Bay Program's Wastewater Treatment Workgroup (WWTWG) to finalize the WWTWG's recommendation of E3 (Everything, Everywhere, by Everyone) for wastewater related inputs to the Phase 7 Watershed Model. These E3 inputs are meant to identify idealized point source load controls across the watershed if money and resources were not limited. Controls must be reliable and widely achievable. The WWTWG is recommending wastewater concentration limits of 3 mg/L TN and 0.1 mg/L TP for major wastewater facilities. These recommendations will be provided to the CBP's Clean Water Goal Team in August.

- Norfolk Innovation Corridor (NIC) Environmental Subcommittee meeting to discuss a fall educational seminar on resilience related innovations.

Financial Stewardship

Per- and Polyfluoroalkyl Substances (PFAS) Driven Expenditures

- In response to promulgated and pending regulations related to the control of PFAS, HRSD has made strategic investments to support compliance with regulations that affect both our SWIFT Program and our Biosolids Management Program. In addition, HRSD continues to invest in research to inform more cost-effective management approaches, such as source control and alternative treatment technologies. To better understand costs associated with PFAS management, these costs are tracked and will be reported annually.

- The capital expenditure (CAPEX) from 2018 through today is approximately $12.6 million dollars.

- Currently projected future CAPEX for the next 5 years is an additional $18.6M.

    - This future CAPEX is offset by the May 2026 Funding Agreement between HRSD and the Virginia Resources Authority for a principal forgiveness loan not-to-exceed $15,039,209 to cover the capital costs associated with Ion Exchange treatment for Nansemond SWIFT. This grant is funded through EPA as part of an Emerging Contaminants Grant created by the Infrastructure Investment and Jobs Act (IIJA).

- Current Operational Expenses (OPEX) are approximately $800,000 annually.

- Future OPEX is predicted to grow as full scale SWIFT facilities at James River and Nansemond come on-line. Future projections over the next 5 years increases OPEX by approximately $3.6M.

HRSD’s Municipal Assistance Program (MAP)

- Provided sampling and analytical services on a cost-reimbursement basis to the following:

    - City of Chesapeake
    - Harrisonburg-Rockingham Regional Sewer Authority (HRRSA)
    - Louisa County
    - Northumberland County
    - Westmoreland County

Talent

- Conducted interviews for a P3 Technician position. Ms. Charlotte Fowler, a recent CNU graduate, was selected for the position.
- Mark Feltner, Environmental Scientist for air permitting activities, retired after 34 years of service.

Community Engagement

Microbial Source Tracking (MST) partnering localities and projects.

- City of Chesapeake (Southern Branch)
- City of Hampton (Southeast)
- City of Roanoke
- City of Suffolk (Downtown)
- James City County

Respectfully submitted,

Jamie S. Heisig-Mitchell
Chief of Water Quality

EFFLUENT SUMMARY FOR JULY 2026

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	8.39	47%	1	2.9	2	2	1.0	0.38	3.3	3.8	27
ATLANTIC	46.59	86%	8	14	1	1	NA	NA	NA	NA	15
BOAT HARBOR	9.37	37%	5	2.6	3	2	0.93	0.55	10	13	8
CENT. MIDDLESEX	0.015	62%	<2	3.2	<1	1	NA	NA	NA	NA	NA
JAMES RIVER	10.61	53%	1	3.4	1	1	0.11	0.33	2.6	4.0	10
KING WILLIAM	0.102	102%	<2	1.3	NA	1	0.11	0.25	2.7	2.5	NA
NANSEMOND	16.93	56%	6	7.4	6	1	1.7	1.2	3.4	4.1	1
ONANCOCK	0.254	34%	<2	<1.0	<1	1	0.73	0.26	2.7	4.2	NA
CHINCOTEAGUE (SB)	0.026	66%	<2	<1.0	29	3	NA	NA	NA	NA	0
URBANNA	0.066	66%	2	6.8	6	2	4.3	3.7	16	14	NA
VIP	24.88	62%	3	1.8	3	2	1.1	0.45	4.7	3.9	17
WEST POINT	0.343	57%	16	7.4	2	2	4.0	3.5	17	19	1
WILLIAMSBURG	8.63	38%	3	3.3	2	4	1.2	1.0	3.5	2.9	25
YORK RIVER	10.07	67%	1	0.89	1	1	0.18	0.20	3.7	5.1	11
	136.28										

	% of Capacity
North Shore	47%
South Shore	68%
Small Communities	47%

King William Reuse 0.071

AIR EMISSIONS SUMMARY FOR JULY 2026

MHI PLANT	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
BOAT HARBOR	0	0	0	0	0	0	1	8	99	0
VIP	0	0	0	0	0	0	0	21	96	0
WILLIAMSBURG	0	0	0	0	0	2	0	37	65	0

ODOR COMPLAINTS

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

Items of Interest – July 2026

MULTIPLE HEARTH INCINERATION (MHI)

Total Hydrocarbon (THC) monthly averages (not to exceed 100 ppm) were met by all three operating MHI plants (Boat Harbor, Virginia Initiative, and Williamsburg). The THC continuous emissions monitoring (CEM) valid data capture was 65% or more.

The three operating MHI plants had two (2) 129 operating parameter deviations, zero (0) minor uses of the emergency bypass stack (<60 minutes), and one (1) reportable uses of the MHI bypass (>60 minutes).

On 7/2/26 we received DEQ's final approval of VIP's 129/MMMM MHI #2 stack test results from their 4/30/2025 test. The results demonstrated full compliance with 129 emission limits, with all parameters falling at or below 75% of their respective limits.

On 7/30/26 the six-month 129/MMMM Deviation Reports for the period of 1/1/26-6/30/26 were submitted to DEQ for the four Title V permitted treatment plants.

AIR PERMITS and ODOR CONTROL

In July, we submitted the Semi-Annual Compliance Reports (SACRs) for the reporting period of 1/1/26-6/30/26 for the diesel generators at Boat Harbor and Nansemond Treatment Plants as required under NESHAP RICE rules (Subpart ZZZZ). The SACRs were submitted to both DEQ and EPA by the 7/31/26 deadline and there were no deviations identified.

On 7/30/26 we provided DEQ with requested additional information regarding the Form 7 application amending Atlantic Treatment Plant's air permit to replace the candlestick flares with the new enclosed flares, as well as remove the CHP engines.

There was a total of six (6) odor complaints received this month:

Atlantic Treatment Plant received three (3) odor complaints in July, however only one (1) of these was determined to be related to odors from ATP. This complaint came from the neighbor on Kitimal Drive. Plant staff investigated and took corrective actions as needed. The other two (2) non-HRSD/ATP complaints received by the plant came from different residents in Virginia Beach, one complaining of odors from the Landstown SPSA facility and the other regarding odors from their bathroom water supply. Communications Division personnel provided responses as appropriate and TSD recorded the complaints in the air permit required odor complaint log.

NS Ops received two (2) odor complaints related to the new Willard PS. These complaints came from the neighboring couple whose residence backs up directly to the PS property. It was determined both complaints were caused by OCS equipment issues. Corrective actions have been implemented follow-up communication was provided to the neighbors on these actions. Staff from Communications, NS Ops, and TSD have been working together to provide responses to these complaints and keep these neighbors informed as we continue to monitor and minimize odors from the station.

York River Treatment Plant received one (1) odor complaint from the neighbor on Back Creek Rd. YR Ops investigated and did not identify any issues or unusual/strong odors at the time the complaint was received. They have been in the process of cleaning out one of their digesters, causing more frequent discharges from the PRV of the remaining in-service digester. Work to finalize the cleaning and leak testing of the out-of-service digester is underway and it will be back in service as soon as possible.

TREATMENT

<u>James River</u>
On July 13, during maintenance activities, a tripped breaker resulted in a loss of chlorination for less than an hour. The tripped breaker was reset and the operator returned the disinfection pump to service.

On July 20, a storm related power outage and a contractor error resulted in an overflow of Secondary Clarifier Effluent (SCE). A gate had been locked out in the open position to prevent automatic closure during construction. During testing, the contractor unlocked the gate and failed to lock it back in the open position after testing was complete. With the loss of power, the gate automatically failed to a closed position. With this gate closed, the SCE being pumped to the new SWIFT construction for testing backed up and flowed down the telescopic scum valves to an equalization (EQ) basin. Due to construction and testing the pumps in the EQ basin were in the off position. Once the EQ basin was full, flow backed up into drain lines and overflowed in two places. Staff were able to recover 2.34 MG of the overflow, with 0.198 MG of SCE being unrecoverable from the ground.

<u>Nansemond</u>
On July 5, contractors left the priming valve open on a temporary dry prime pump supplying flow to the plant Waste Activated Solids (WAS) line. The following day, July 6, the WAS line was found leaking on the ground due to the valve remaining open. Approximately 235 gallons of WAS were released to the ground.

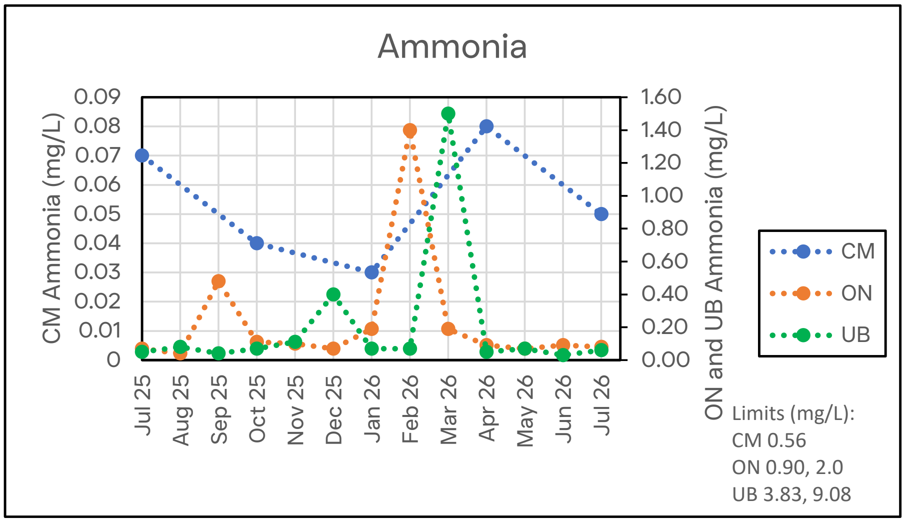
SYSTEM

On July 31, an overflow occurred at the Robin Hood Rd PS (PS 167) in Norfolk due to a loose Bauer fitting on the discharge side of an emergency pump. The issue was discovered when staff responded to the high well alarm. Staff turned off the pump, secured the discharge line, and ran the large wet weather pump to address station flows. The parking lot was dammed to contain the 500 gallon release; approximately 100 gallons were removed by vac truck, and lime was spread on affected areas. Approximately 400 gallons of raw wastewater were released to the storm drain in the Wayne Creek watershed.

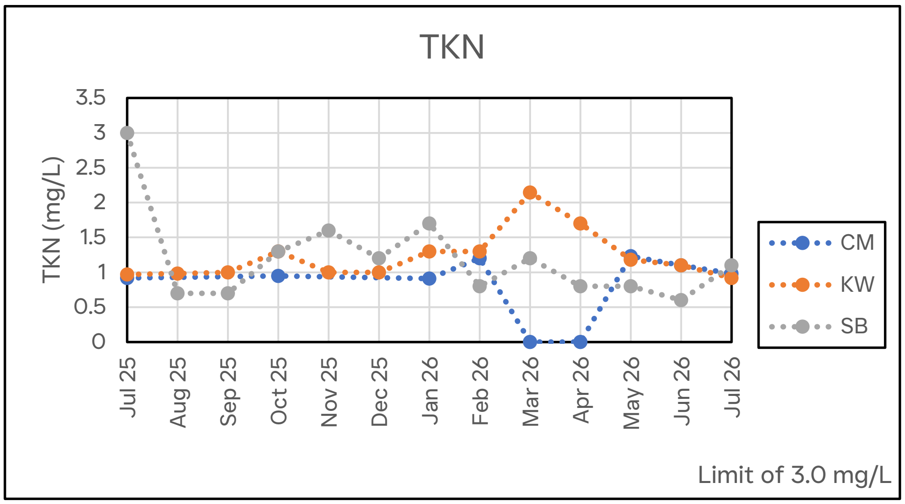
SYSTEM/TREATMENT, SMALL COMMUNITIES, AND EASTERN SHORE

King William collection system
On July 21, heavy rainfall (2.15") inundated the area resulting in an overflow of low rim manhole KW-MH-C20. Staff confirmed both station pumps and the permanent mounted diesel bypass pumps were operating properly. Staff cleaned and spread lime on the affected area. Approximately 4,000 gallons of raw wastewater were released to the ground and Moncuin Creek.

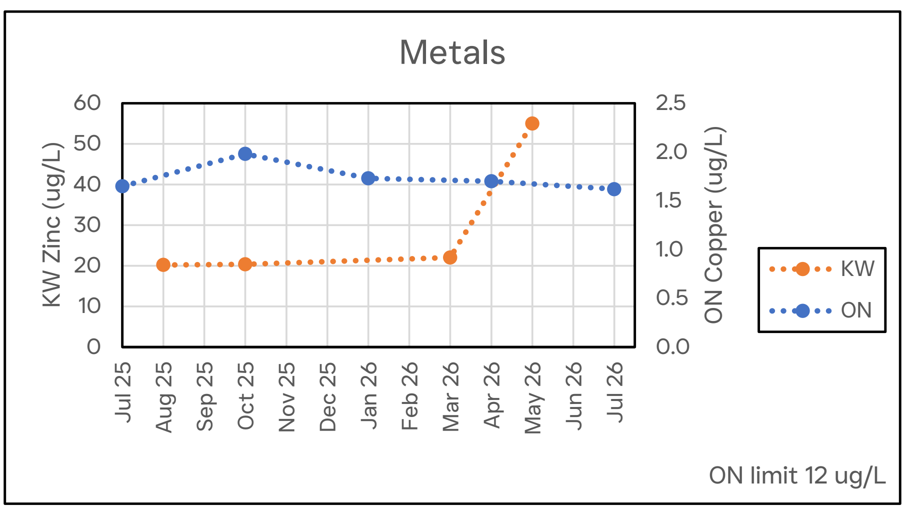
	Ammonia		
	CM	ON	UB
Jul 25	0.07	0.07	0.05
Aug 25		0.04	0.08
Sep 25		0.48	0.04
Oct 25	0.04	0.11	0.07
Nov 25		0.10	0.11
Dec 25		0.07	0.40
Jan 26	0.03	0.19	0.07
Feb 26		1.4	0.07
Mar 26		0.19	1.5
Apr 26	0.08	0.09	0.05
May 26		0.07	0.07
Jun 26		0.09	0.03
Jul 26	0.05	0.08	0.06



	TKN		
	CM	KW	SB
Jul 25	0.92	0.97	3.0
Aug 25		0.98	0.70
Sep 25		1.0	0.70
Oct 25	0.95	1.3	1.3
Nov 25		1.0	1.6
Dec 25		1.0	1.2
Jan 26	0.91	1.3	1.7
Feb 26	1.2	1.3	0.80
Mar 26	<0.40	2.1	1.2
Apr 26	<0.40	1.7	0.80
May 26	1.23	1.2	0.80
Jun 26	1.1	1.1	0.60
Jul 26	0.98	0.92	1.1



	Zinc	Copper
	KW	ON
Jul 25		1.7
Aug 25	20	
Sep 25		
Oct 25	20	2.0
Nov 25		
Dec 25		
Jan 26		1.7
Feb 26		
Mar 26	22	
Apr 26		1.7
May 26	55	
Jun 26		
Jul 26		1.6



Hampton Roads Sanitation District
Internal Audit Status
July 31, 2026

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

Grants Management

- **Completed Tasks (July 2026)**
  - Performed fieldwork/test procedures; communicated with HRSD re: questions/comments.
  - Continued drafting report.
- **Upcoming Tasks (August 2026)**
  - Finalize and communicate fieldwork results.
  - Communicate fieldwork observations.
  - Provide draft report to HRSD for review.

AI Governance and Operations

- **Completed Tasks (July 2026)**
  - Conducted walkthrough meetings.
  - Developed and finalized audit program.
  - Developed and provided testing request list.
  - Started testing phase.
- **Upcoming Tasks (August 2026)**
  - Follow up on open request list items.
  - Obtain, review and validate testing documentation.
  - Continue testing
  - Conduct additional meeting to discuss documentation as needed.

Accounts Payable

- **Completed Tasks (July 2026)**
  - Met with HRSD to discuss preliminary audit objectives.
  - Created documentation and scheduled entrance meeting with HRSD.
- **Upcoming Tasks (August 2026)**
  - Conduct entrance meeting with HRSD (8/5).
  - Schedule and conduct process understanding meetings with HRSD.
  - Begin drafting planning documentation (flowcharts, RCM, audit program).

II. Upcoming Internal Audits

- Patch Management: IT Audit (October 2026)

III. Management Action Plan Status

SC&H performs on-going management action plan (MAP) monitoring for completed internal audits/projects.

- SC&H begins MAP follow-up approximately one year following the completion of each audit and periodically follows up until conclusion.
- For each recommendation noted in an audit report, SC&H gains an understanding of the steps performed to address the action plan and obtains evidence to confirm implementation, when available.

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

		Recommendations		
Audit / Project	**Next Follow-up**	**Closed**	**Open**	**Total**
Personally Identifiable Information (PII)	August 2026	1	2	3
CEL Assessment	August 2026	0	5	5
Closed Audit/Projects (x23)	Closed	142	0	142
	Totals	143	7	150

Strategic Measures
July 2026

Strategic Planning Measure	Department	July-26	FY-27
Educational and Outreach Events	Communications	11	11
Number of Community Partners	Communications	9	9
Number of Technical Presentations	All	1	1
Number of Technical Publications	All	1	1
Revenue vs. Budget	Finance	9%	9%
Wastewater Expenses vs. Budget	Finance	6%	6%
Accounts Receivable (HRSD)	Finance	$54,132,291	$54,132,291
Aging Accounts Receivable	Finance	30.80%	30.80%
Turnover Rate wo Retirements	Talent Management	0.11%	0.55%
Turnover Rate w Retirements	Talent Management	0.42%	0.97%
Avg Time to Hire (Posting to Acceptance)	Talent Management	3 months 10 days	3 months 10 days
Number of Vacancies	Talent Management	92	62
Average number of applicants per position	Talent Management	4.8	4.8
Percentage of positions filled with internal applicants	Talent Management	14.3%	14.3%
Recruitment source Return on Investment	Talent Management	*	*
Avg Time to Hire (Acceptance to NEO)	Talent Management	22.05	*
Customer Call Wait Time (mins)	Finance	0.23	0.23
Capacity Related Overflows with Stipulated Penalties (Reported Quarterly)	Water Quality / ENG	*	*
Non-Capacity Related Overflows with Stipulated Penalties (Reported Quarterly)	Water Quality / ENG	*	*
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.	Operations	1 months 0 days	0
GAS CONSUMPTION: Tons of carbon produced per million gallons of wastewater treated Energy consumed (gas (scfm) and electricity (kWh)) per million gallons of wastewater treated.	Operations	0	*
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.	Operations	0	0
Cumulative CIP Spend	Engineering	$98,000,000	$98,000,000

*Not currently tracking due to constraints collecting the data.
** Updated after EPA Quarterly Report submittal.
***Billing is one month behind

Strategic Measures

July 2026

Community Partners		
Date	**Division**	**Event**
07/05/2026	Communications	SWIFT RC tour - DEQ staff and interns
07/11/2026	Engineering	HRSD information table at AIA Pop-Up City
07/11/2026	Operations	HRSD information table at AIA Pop-Up City
07/11/2026	Operations	HRSD information table at AIA Pop-Up City
07/20/2026	Operations	Atlantic Treatment Plant tour and activity
07/20/2026	Communications	Atlantic Treatment Plant tour and activity
07/25/2026	General Management	SWIFT Tour and presentation for EPA Administrator, Congresswoman Kiggins, EPA Region-3 administrator
07/25/2026	Operations	SWIFT Tour and presentation for EPA Administrator, Congresswoman Kiggins, EPA Region-3 administrator
07/25/2026	Communications	SWIFT Tour and presentation for EPA Administrator, Congresswoman Kiggins, EPA Region-3 administrator
07/25/2026	Engineering	SWIFT Tour and presentation for EPA Administrator, Congresswoman Kiggins, EPA Region-3 administrator
07/29/2026	Communications	HRSD/SWIFT information table - HRSD P2 luncheon
07/30/2026	Communications	SWIFT RC tour and activity - Youth Volunteer Corps Hampton Roads

Strategic Measures

July 2026

Educational Outreach

Date	Division	Event	Community Partner
7/5/2026	Communications	SWIFT RC tour - DEQ staff and interns	Department of Environmental Quality
7/11/2026	Engineering	HRSD information table at AIA Pop-Up City	AIA Coastal Virginia
7/11/2026	Operations	HRSD information table at AIA Pop-Up City	AIA Coastal Virginia
7/17/2026	Engineering	VA AWWA Model Water Tower Competition at Smith Mountain Lake Water Treatment Facility	VA AWWA
7/20/2026	Operations	Atlantic Treatment Plant tour and activity	An Achievable Dream Academy
7/20/2026	Communications	Atlantic Treatment Plant tour and activity	An Achievable Dream Academy
7/25/2026	General Management	SWIFT Tour and presentation for EPA Administrator, Congresswoman Kiggins, EPA Region-3 administrator	EPA
7/25/2026	Operations	SWIFT Tour and presentation for EPA Administrator, Congresswoman Kiggins, EPA Region-3 administrator	EPA
7/25/2026	Communications	SWIFT Tour and presentation for EPA Administrator, Congresswoman Kiggins, EPA Region-3 administrator	EPA
7/25/2026	Engineering	SWIFT Tour and presentation for EPA Administrator, Congresswoman Kiggins, EPA Region-3 administrator	EPA
7/29/2026	Communications	HRSD/SWIFT information table - HRSD P2 luncheon	HRSD Pretreatment and Pollution Prevention Dept
7/30/2026	Communications	SWIFT RC tour and activity - Youth Volunteer Corps Hampton Roads	Youth Volunteer Corps Hampton Roads
7/30/2026	Engineering	VWEA VA AWWA One Water in Action – WRF Utility Case Studies for Planning and Program Management	VWEA and VA AWWA
7/31/2026	Engineering	STEM Camp - Tidewater Community College	Tidewater Community College

Technical Presentations

Date	Division	Presentation	Presenter

Technical Publications

Date	Division	Publication Title	HRSD Author(s)	Location

Resource: Eddie Abisaab

INFORMATIONAL AGENDA ITEM. 19.c.1 – August 25, 2026

Subject: Portsmouth Outlet Sewer D&E Div A (Douglas Avenue) Emergency Repair Emergency Declaration

Recommended Action: No action is required.

CIP Project: **VP020600** Douglas Avenue Interceptor Force Main (SF-219) Improvements Phase I

Regulatory Requirement: None

Brief: An emergency declaration was authorized on August 4, 2026, due to a force main failure involving a 30-inch Reinforced Concrete Pipe (RCP) installed in 1943 in the City of Portsmouth. The official failure analysis is forthcoming; however, the current assessment is that the pipe failed due to internal corrosion at an unvented high spot.

On August 4, 2026, Hampton Roads experienced an abrupt and substantial rainfall event that caused heavy localized flooding and extremely elevated system flows and pressures in the affected areas. The primary rain gauge at Pinners Point recorded a maximum rainfall of 0.54 inches in 15 minutes, with 1.58 inches falling within one hour. Total rainfall recorded at this gauge during the event was 3.46 inches. After the rainfall subsided, the City of Portsmouth notified HRSD of a potential force main failure near the intersection of Rolfe Terrace and Douglas Avenue. Staff responded to the site and identified a significant rupture beneath the Douglas Avenue pavement, with flows estimated at approximately 12,000 gallons per minute (gpm).

Diverting system flow to isolate this force main was not possible. To investigate the failure and complete the necessary repairs, staff implemented a significant pump-and-haul operation in coordination with the City of Portsmouth and closed a series of mainline valves to isolate the affected section of pipe. A total of 3,142,500 gallons of sewage was spilled during the event, with approximately 5,000 gallons recovered. This resulted in an estimated 3,137,500 gallons entering the storm sewer system, which drains to Hull Creek, a tributary of the Elizabeth River.

Staff utilized Bridgeman Civil, Inc. (BCI) to replace two sections of RCP with PVC pipe and associated couplings. As part of the restoration effort, BCI mobilized a long-arm excavator and construction matting to remove grit and debris from the vacant parcel and from areas of the waterway that were accessible from shore. A substantial amount of debris and grit remains in Hull Creek, resulting in ongoing discussions with residents and regulatory agencies. Consultation with Hazen and Sawyer (Hazen) will inform the planning and execution of additional remediation efforts in the near future.

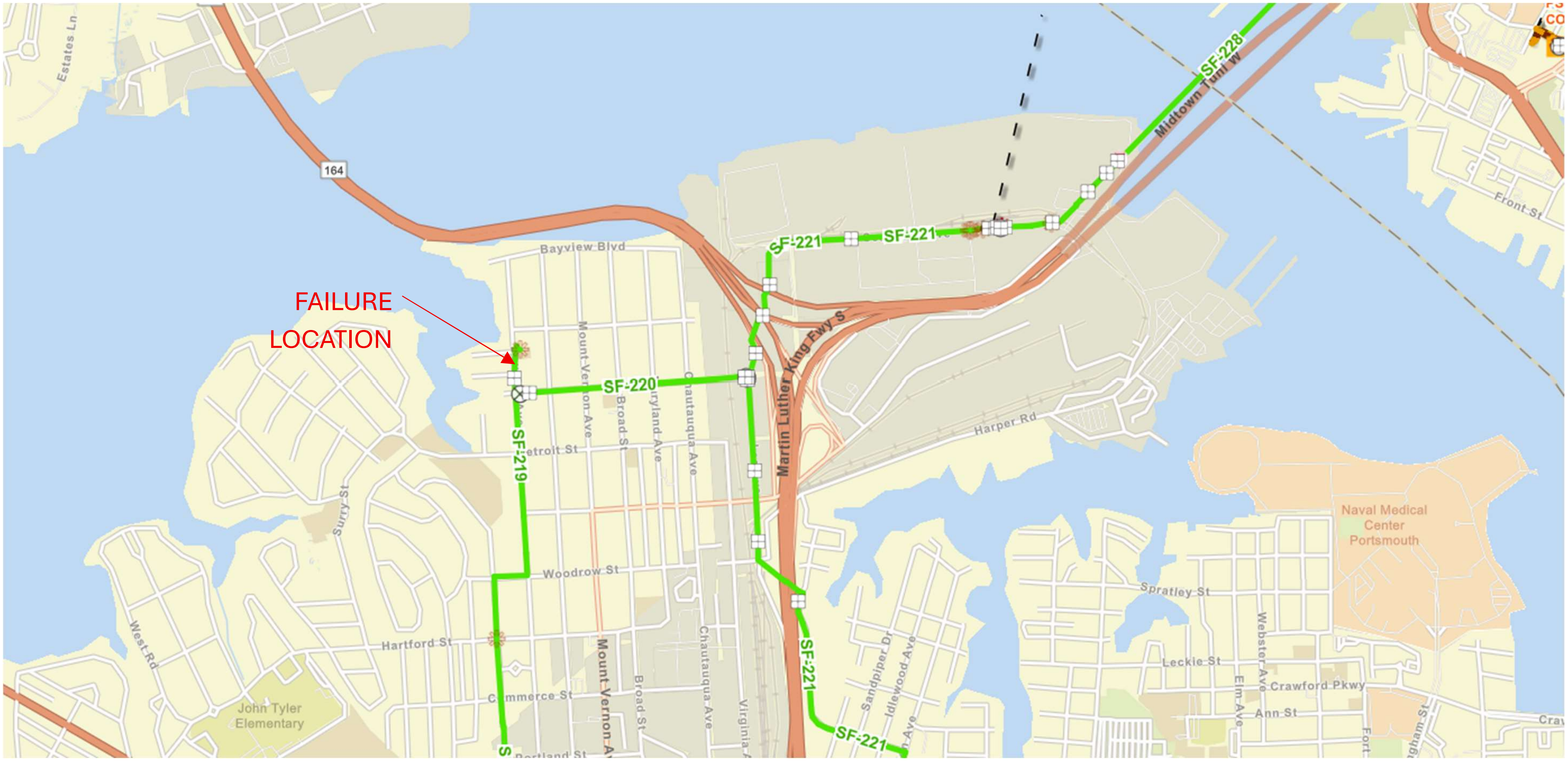
HRSD staff utilized Hazen to provide construction administration and inspection services. BCI provided pump-and-haul services, exploratory construction, force main replacement, and site restoration.

The attached map depicts the break location.

<u>Analysis of Cost</u>: The estimated cost of this work is $2,500,000 and will be funded by the VP020100 Douglas Avenue Interceptor Force Main (SF-219) Improvements Phase I CIP Project. The cost estimate includes project management, emergency engineering design services, construction administration and inspection, repair work, segmental replacement of the damaged pipe, site restoration, dredging of Hulls Creek, and contingency. The cost is based on engineer review. These estimates have been reviewed by staff and are considered reasonable.

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

<u>Schedule</u>:	Emergency Declaration	August 2026
	Construction	August 2026
	Project Completion	September 2026


FAILURE
LOCATION
SF-219
SF-220
SF-221
SF-228
Bayview Blvd
Detroit St
Woodrow St
Hartford St
Commerce St
Portland St
Mount Vernon Ave
Broad St
Maryland Ave
Chautauqua Ave
Virginia Ave
Martin Luther King Fwy S
Midtown Tunl W
Harper Rd
Naval Medical
Center
Portsmouth
Spratley St
Leckie St
Crawford Pkwy
Ann St
Webster Ave
Elm Ave
Front St
Sandpiper Dr
Idlewood Ave
Surry St
West Rd
Estates Ln
John Tyler
Elementary
164