Finance Division
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Internal Management Procedures Related to Extendable Commercial Paper

Maximum Program Size	$350,000,000
Maximum Original Maturity	150 days from date of issuance
Maximum Extended Maturity	270 days from date of issuance (up to 120 days beyond a 150-day original maturity)
Last Day to Issue Notes as Currently Authorized	February 5, 2028

1.0 Background

Hampton Roads Sanitation District ("HRSD" or the "District") maintains an Extendable Commercial Paper (“ECP") program to provide short-term financing for capital expenditures and other authorized purposes.

ECP offers access to short-term financing without the need for external credit facilities or an ongoing commitment of daily self-liquidity. Instead, ECP relies on an extension option and the District’s capacity to refinance ECP during any such extended period.

The District's ECP Notes (the "ECP Notes", and individually, an "ECP Note") are issued with an original maturity date of no more than 150 days at a market-based rate determined by J.P. Morgan Securities LLC ("JP Morgan"). The principal of maturing ECP Notes will be paid with the proceeds of new ECP Notes at each original maturity date until such time that the District determines to refinance all of portion of the outstanding ECP Notes with a long-term bond issue, with other interim financing, or to pay down the balance with available funds.

If the District is unable to issue new ECP Notes in an amount sufficient to pay the principal of any outstanding ECP Notes on their original maturity date, the maturity date for such outstanding ECP Notes will be extended to the extended maturity date, which is 270 days from the original issuance date to allow an extended period for the ECP Notes to be refinanced with another source of funds. Extended ECP Notes pay interest at an Extended Rate, which will, in almost every instance be a rate higher than the original interest rate and is established by a pre-determined formula, that is intended to compensate investors for the extension and incentivize a redemption of the extended ECP Notes as soon as possible.

2.0 Key Program Attributes

The District may issue ECP Notes as tax-exempt notes or taxable notes, up to an aggregate outstanding principal amount of $350,000,000.

ECP Notes are interest-bearing and cannot be redeemed prior to the original maturity date. Interest is payable upon each original maturity date, even if the maturity date on any ECP Notes is extended to the extended maturity date. If any ECP Notes are extended to the extended maturity date, interest accruing on the ECP Notes from the original maturity date will be payable on the earlier of the extended maturity date and the redemption date. The District will ensure that funds sufficient to pay interest accrued are transferred to or otherwise available at the Issuing and Paying Agent ("IPA"), Zions Bancorporation, National Association (“Zions”) no later than 10:00 a.m. ET on the original maturity date.

If extended, the ECP Notes are redeemable on any business day prior to the extended maturity date at par plus accrued interest, with not less than one and not more than 25 days of notice.

3.0 Purpose of Procedures

These procedures describe the tasks associated with prudent management of the ECP program and document how the District will manage the program’s liquidity risks. Specifically, these procedures:

- Set forth the timeline and steps the District will follow when issuing ECP Notes and approaching the original maturity date of outstanding ECP Notes;
- Outline procedures in the event of an inability to issue ECP Notes in an amount sufficient to pay the principal of maturing ECP Notes on their original maturity date; and
- Identify individuals and provide contact information for persons responsible for following the procedures.

These procedures will be reviewed by the District at least annually and updated as necessary to reflect changes in program parameters, market practices, or personnel.

4.0 Risk Mitigation

To help manage ECP risks, HRSD will strive to maintain authorization to issue Wastewater Revenue Bonds in an amount sufficient to refund the ECP Notes up to the maximum program authorization.

As needed, HRSD may use unrestricted cash and investments to repay ECP. Prior to the use of unrestricted cash and investments, HRSD will consider the impact on its compliance with the Adjusted Days Cash on Hand policy within its comprehensive Financial Policy. The District will also consider any impact on the self-liquidity HRSD has identified as a possible source available to pay its variable rate Wastewater Revenue Bonds, Series 2016B.

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5.0 Maturity Concentration Limits and Maturity Date Limitations

To reduce the District's exposure to market disruption and risk associated with each roll of existing ECP at its original maturity date, the District's strong preference is to structure ECP Notes such that no more than $70,000,000 matures within any rolling 30-calendar-day window.

Prior to the submission of any issuance request or remarketing direction, HRSD's Designated Representative (as defined in Appendix A) will verify compliance with this limit. In the event that scheduling constraints, market conditions, or operational requirements would cause a proposed maturity to result in a breach of this limit, the Designated Representative, in consultation with its Financial Advisor and Bond Counsel, will determine if there are adequate protections in place to mitigate the risk associated with the heightened concentration of maturing ECP.

The District's strong preference is to avoid having original maturity dates on the first or last day of each fiscal and calendar year (i.e., January 1st, December 31st, June 30th, and July 1st) or on dates that coincide with the release of Federal Open Market Committee (FOMC) meeting results.

6.0 Issuance of ECP Notes

The primary individuals at the District responsible for processing the issuance of new ECP Notes are the Designated Representatives listed in Appendix A, which may be modified from time to time by delivery of a revised Designation Certificate (in the form used in connection with the initial closing of the Notes) to Zions and JP Morgan, as required by Section 2.04 of the IPA Agreements, the Dealer Agreements and the Construction Account Agreements. Flow charts summarizing the details of this section of the IPAs can be found in Appendix B.

The Designated Representatives will have the responsibility to ensure the following procedures are followed to issue ECP Notes:

- Prior to the submission of any issuance request, the Designated Representative must confirm that existing authorization is available to fund the proposed issuance of ECP Notes.
- No Notes may be issued after February 5, 2028.
- For any issuance of Notes, the District will provide JP Morgan with the proposed issuance request and key details, such as the proposed issuance date, the principal amount and the tax status. The District and JP Morgan will discuss and determine the appropriate original maturity date, in consideration of the limitations described in Section 5.0 Maturity Concentration Limits and Maturity Date Limitations. The District will generally target making requests and having maturity date discussions with JP Morgan one to three business days before a proposed note issuance.
- At the same time the District notifies JP Morgan of a Note issuance, the District will submit Exhibit D (the Issuance Request, without Exhibit A to Exhibit D) to Zions — preferably one to three business days before the proposed issuance and, in any event, no later than 11:00 a.m. Eastern Time (ET) on the issuance date. Exhibit D should be addressed to the entire Zions team (Natalie, Patrick, Adam & back-office).
- On the morning of the proposed issuance, JP Morgan will offer ECP Notes for sale and share the final Note details (e.g., interest rate, maturity date) with HRSD and Zions. HRSD will then

complete and submit Exhibit A to Exhibit D (reflecting the final Note details) to Zions no later than 12:00 noon Eastern Time (ET) on the issuance date. The JP Morgan Direct Issuance Report is to be attached to Exhibit A.
- Following submission of Exhibit A to Exhibit D, the District will complete and submit to Zions (i) Exhibit B to the Issuance Request, directing Zions as to the deposit and disbursement of the proceeds of the ECP Notes, and (ii) for each series of ECP Notes issued, a separate Form of Requisition (Exhibit A to the Construction Account Agreement for that series), together with Schedule 1 thereto identifying the items to be paid, requesting disbursement of proceeds from the applicable Construction Account. Each Form of Requisition requires the signatures of two Designated Representatives.
- Zions will submit the trade to DTC (via the DTC MMI Same Day Funds Settlement System) and deliver the Notes to JP Morgan against payment. Zions completes and delivers each Note by 12:30 p.m. ET, and JP Morgan pays in immediately available funds by 2:00 p.m. ET on the issuance date.
- A Designated Representative is to inform HRSD's Bond Counsel and Financial Advisor of the details of any new Note issuance.

7.0 Rollover of Existing ECP Notes

Unless the District elects to repay ECP Notes at their original maturity date from available funds of the District, the District will issue new ECP Notes on or before the original maturity date for outstanding ECP Notes in an amount sufficient to pay the principal of such ECP Notes.

- At the original maturity of outstanding ECP Notes, the District intends to pay interest from funds on hand and repay the principal of such outstanding ECP Notes with the proceeds of new ECP Notes (absent an election to repay the principal as described in Section 8.0). The District intends to send interest payments to Zions at least one business day prior to each original maturity date; funds must be received no later than 10:00 a.m. ET on the original maturity date. In order for funds to earn interest on the same day at Zions, for most investment options, the funds must be received prior to 3:30 p.m.
- In connection with the issuance of new ECP Notes to pay the principal of outstanding ECP Notes, the District and JP Morgan will discuss and determine the appropriate original maturity date, in consideration of the limitations described in Section 5.0 Maturity Concentration Limits and Maturity Date Limitations. The District will generally target having maturity date discussions with JP Morgan one to three business days before the original maturity date of the outstanding ECP Notes.
- On the morning of the rollover, JP Morgan will inform the District and Zions of the ECP Note details (e.g., interest rate, maturity date). No further approval or documentation is required from the District regarding the rollover.

8.0 Repayment of Existing ECP Notes at Original Maturity

The District may elect to repay ECP Notes at original maturity using cash or the proceeds of other lawfully available funds.

In the event that the District determines to repay, rather than using the proceeds of new ECP Notes to pay the principal of outstanding ECP Notes on their original maturity date, the Designated Representatives will have the responsibility to ensure the following procedures are followed:

- Not less than one week prior to the original maturity date of any ECP Notes, the District will identify a source for repayment and confirm that funds will be available on the maturity date.
- Not less than one week prior to the original maturity date of any ECP Notes, the District will contact JP Morgan to communicate the District's intention to repay the Notes at their original maturity date.
- Not later than 10:00 a.m. ET on the original maturity date, the District will deliver immediately available federal funds to Zions in an amount sufficient to pay maturing principal and accrued interest.

9.0 Inability to Issue New ECP Notes and Extension of Maturity

The inability to pay the principal of outstanding ECP Notes on their original maturity date with the proceeds of new ECP Notes, resulting in an extension of maturity of such outstanding ECP Notes, will be treated as an extraordinary event that must be urgently addressed to avert an event of default. Should the District elect to address such event with a long-term financing transaction, execution of such financing will be treated with urgency to ensure the process can be completed within the required timeline.

By policy, the District will not elect to extend the maturity of ECP Notes from the original maturity date to the extended maturity date unless the District is notified by JP Morgan it cannot issue new ECP Notes in an amount sufficient to pay the principal of outstanding ECP Notes on their original maturity date.

In the event that the District is notified JP Morgan cannot issue new ECP Notes in an amount sufficient to pay the principal of outstanding ECP Notes on their original maturity date, the Designated Representatives will have the responsibility to ensure the following procedures are followed:

- Immediately notify the Chief Financial Officer of the such inability and instruct JP Morgan to continue its efforts to place new ECP Notes;
- To elect to extend the maturity of the ECP Notes, a Designated Representative will deliver an Extension Request (in the form of Exhibit E to the IPA Agreement) to both Zions and JP Morgan no later than 10:00 a.m. ET on the original maturity date. If the principal of the ECP Notes is not paid on the original maturity date, the maturity will extend automatically to the extended maturity date even absent such notice;
- Verify that Zions provides proper notice of the extension — to DTC by 11:30 a.m. ET, and to each rating agency then rating the ECP Notes and to EMMA by 5:00 p.m. ET, in each case on the original maturity date — as set forth in Sections 2.02 and 3.06(d) of the IPA Agreement;
- Coordinate with the Financial Advisor, who will determine the Extended Rate (the penalty rate) based on the Prevailing Ratings as of 11:00 a.m. ET on the original maturity date and reset it each Thursday thereafter until the extended maturity date or earlier redemption, as provided in Section 3.06(c) of the IPA Agreement;

- Within three business days, meet with the District's Financial Advisor and Bond Counsel to identify sources of funds to redeem the ECP Notes bearing interest at an Extended Rate. The financing team will evaluate the following options:
  - Refunding transaction (short or long-term)
  - Internal liquidity: Unrestricted cash and investments
  - External liquidity: CP Credit Agreement, if available
  - Other lawfully available financing mechanisms as determined appropriate
- Within five business days, commence steps required to execute the planned redemption. The District shall strive to execute the redemption well in advance of the extended maturity date.

10.0 JP Morgan Communication and Market Monitoring

In furtherance of maintaining reliable access to the short-term capital markets, the District will engage in regular communication with JP Morgan regarding market conditions. JP Morgan will send the Designated Representatives weekly market updates via electronic mail describing short-term interest rate trends, commercial paper market conditions, investor demand, and related developments that may affect the issuance of ECP Notes. These updates are intended to supplement, and not replace, communication required in connection with specific issuance or maturity events.

In addition to the regular updates, the District expects JP Morgan to proactively notify the District of any market conditions or developments that could reasonably be expected to adversely affect its ability to place ECP Notes. Such conditions may include, but are not limited to, unusual market volatility, reduced investor demand for ECP or comparable short-term instruments, material rate dislocations, or any JP Morgan concerns regarding its ability to place new ECP Notes in amounts sufficient to pay the principal of outstanding ECP Notes at their original maturity dates. Any such concerns will immediately be shared with the District's Chief Financial Officer.

August 7, 2026

Steve de Mik Chief Financial Officer Date

Appendix A Contacts

The following individuals are Designated Representatives of the District for purposes of these procedures and the ECP program documents. The individuals listed below are authorized, by virtue of their positions, to execute ECP Notes, provide binding issuance, investment, repayment, and extension instructions to Zions and JP Morgan, and to sign any related certificates or confirmations required under the ECP program documents, unless otherwise limited by action of the Commission. This list shall be updated from time to time by delivery of a revised Designation Certificate (in the form used in connection with the initial Note closing) to Zions and JP Morgan.

Designated Representatives

Title	Name	Contact Information
General Manager and Chief Executive Officer	Jay Bernas	Email: jbernas@hrsd.com
Deputy General Manager and Chief Financial Officer	Steve de Mik	Phone: 757.460.7240 Email: sdemik@hrsd.com
Director of Financial Planning and Analysis	Erin Girardi	Phone: 757.460.7026 Email: egirardi@hrsd.com
Business Process Engineer	Ryan Radspinner	Phone: 757.374.0260 Email: rradspinner@hrsd.com
Director of Accounting	Kassandra Pagan	Phone: 757.460.7319 Email: kpagan@hrsd.com

The following individuals are HRSD's primary contacts to assist with the ECP program, as needed.

Key Contacts Outside of HRSD

Title	Name / Firm	Contact Information
Financial Advisor PFM Financial Advisors LLC	Sarah Frey Vieen Leung	Phone: 571.527.5124 Email: freys@pfm.com Phone: 215.557.1282 Email: leungv@pfm.com
Bond Counsel Norton Rose Fulbright	Peter Canzano Matt Hughey	Phone: 202.662.4760 Email: peter.canzano@nortonrosefulbright.com Phone: 212.318.3353 Email: matt.hughey@nortonrosefulbright.com
Issuing and Paying Agent Zions Bank	Natalie Alviani Patrick Smith Alex Reid, AVP Safekeeping Administrator Back-Office	Phone: 412.208.0171 Email: Natalie.alviani@zionsbank.com Phone: 412.208.0176 Email: Patrick.smith@zionsbank.com Phone: 801.844.7745 Email: Alex.Reid@zionsbank.com Email: commercialpaper@zionsbank.com
Dealer JP Morgan	Kent Lawrence David Elmquist Noah Villanueva Short-Term Muni Desk	Phone: 919.278.1638 Email: kent.w.lawrence@jpmorgan.com Phone: 212.834.3261 Email: david.elmquist@jpmorgan.com Phone: 212.834.3261 Email: noah.villanueva@jpmchase.com Phone: 212.834.7224 Email: JP_Muni_CP@jpmorgan.com

Appendix B **Issuance, Refinancing & Extension Flow Charts (Front and Back Office)**

Legend — Steps shaded green and marked with the HRSD logo require action by the HRSD team. Steps shown in blue are performed by JP Morgan, Zions (as IPA), or the Financial Advisor (PFM).

B-1. Issuance of ECP Notes

HRSD Designated Representative confirms available program authorization/capacity and verifies the $70 million rolling 30-day maturity concentration limit (§5.0).	*1–3 business days before issuance*
HRSD District notifies JP Morgan of the proposed issuance request and key details (issuance date, principal amount, tax status); District and JP Morgan agree on the proposed original maturity date.	*1–3 business days before issuance*
HRSD District submits Exhibit D (Issuance Request, without Exhibit A) to the entire Zions IPA team.	*1–3 business days before issuance (preferred); no later than 11:00 a.m. ET on issuance date*
Morning of issuance: JP Morgan offers ECP Notes for sale and reports final Note details (rate, maturity) to the District and Zions.	*Issuance date, a.m.*
HRSD District completes and submits Exhibit A to Exhibit D (final Note details) to Zions.	*By 12:00 noon ET on issuance date*
HRSD District submits Exhibit B to the Issuance Request (direction on use of proceeds) and, for each series issued, a separate Form of Requisition with Schedule 1 to Zions. Each Requisition requires two Designated Representative signatures.	*Issuance date, following submission of Exhibit A*

↓

Zions verifies the Maximum Principal Amount is not exceeded, assigns the CUSIP, completes and authenticates the Note.	*By 12:30 p.m.*

↓

Zions inputs the trade to DTC (via the DTC MMI SDFS system) and delivers the Notes to JP Morgan against payment.	*Zions delivers by 12:30 p.m.; JP Morgan pays by 2:00 p.m.*

↓

Zions receives the sale proceeds, applies them to pay the principal [but not interest] of any maturing Notes, and transfers the net proceeds to the Construction Account per Designated Representative instruction (§5.04 of the IPA Agreement).	*Same day (issuance date)*

↓

HRSD Designated Representative informs HRSD's Bond Counsel and Financial Advisor of the issuance details.	*Issuance date*

B-2. Issuance of new ECP Notes to pay outstanding ECP Notes at Original Maturity Date (Successful Roll)

HRSD District and JP Morgan discuss and agree on the targeted new original maturity date for the roll (subject to §5.0 concentration limits).	*1–3 business days before original maturity*

↓

HRSD District delivers funds sufficient to pay accrued interest to Zions.	*By 10:00 a.m. on the original maturity date (target 1 business day prior)*

↓

Morning of maturity: JP Morgan issues new ECP Notes in an amount sufficient to pay the principal of outstanding ECP Notes; proceeds of the new Notes pay the maturing principal; JP Morgan informs the District and Zions of the new ECP Note details.	*Original maturity date, a.m.*

↓

Zions inputs the details of the new ECP Notes to DTC via the DTC MMI SDFS system (retiring the maturing ECP Note and issuing the new ECP Note); JP Morgan takes delivery against payment.	*Original maturity date; DTC by 2:00 p.m.*

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B-3. Inability to Issue new ECP Notes to pay outstanding ECP Notes & Extension of Maturity

JP Morgan notifies the District that it cannot place new ECP Notes in an amount to pay Outstanding ECP Notes at their original maturity date.	*Original maturity date, a.m.*

↓

HRSD District immediately notifies the CFO and instructs JP Morgan to continue its efforts to place new ECP Notes.	*Immediately*

↓

HRSD To elect extension, a Designated Representative delivers an Extension Request (Exhibit E to the IPA Agreement) to Zions and JP Morgan. If principal is not paid, maturity extends automatically.	*By 10:00 a.m. on the original maturity date*

↓

Financial Advisor determines the Extended Rate from the Prevailing Ratings; the rate resets each Thursday.	*11:00 a.m. on the original maturity date; weekly thereafter*

↓

Zions gives extension notices — to DTC, and to the rating agencies and EMMA.	*DTC by 11:30 a.m.; agencies & EMMA by 5:00 p.m.*

↓

HRSD District meets with Financial Advisor and Bond Counsel to identify redemption funding (refunding, internal cash, CP Credit Agreement, or other lawful source).	*Within 3 business days*

↓

HRSD District commences redemption steps; redemption of extended Notes requires 1–25 calendar days' notice to Zions.	*Within 5 business days*

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