



October 8, 2024

**Notice of Listed Event – Incurrence of Financial Obligation**

In accordance with the continuing disclosure undertakings made by the Hampton Roads Sanitation District (the “District”) in connection with the issuance of the bonds identified on Exhibit 1 hereto (the “Bonds”), the District is providing notice of its incurrence of a financial obligation.

On September 30, 2024, the District issued its Wastewater Revenue Bond, Series 2024C (Federally Taxable) (the “2024 Bond”) to the United States Environmental Protection Agency (the “WIFIA Lender”) pursuant to the terms of the WIFIA Master Agreement, dated as of September 28, 2020, as amended and restated as of September 30, 2024 (the “WIFIA Master Agreement”), and the WIFIA Loan Agreement, dated as of September 30, 2024 (the “WIFIA 2024 Loan Agreement”), each by and between the WIFIA Lender and the District. Proceeds of the 2024 Bond will be used to finance the District’s Sustainable Water Initiative for Tomorrow (SWIFT) – Tranche 3 Project.

Capitalized terms used but not otherwise defined herein shall have the same meanings assigned to them in the WIFIA Master Agreement.

The 2024 Bond is in the principal amount of up to \$268,087,870, bears interest on the amount drawn under the WIFIA 2024 Loan Agreement at the rate of 4.15% per annum, payable on each January 1 and July 1, beginning with the first January 1 or July 1 after the initial draw on the Series 2024 Bond, and matures on January 1, 2059. Principal of the 2024 Bond is to be repaid in semi-annual installments on January 1 and July 1 of each year, beginning on January 1, 2039.

The 2024 Bond is being issued pursuant to, and secured in accordance with, the Trust Agreement, dated as of October 1, 2011, as amended and restated as of March 1, 2016, as amended, as further amended and restated as of July 1, 2024, and effective July 16, 2024, and as thereafter amended and supplemented (the “Trust Agreement”), including pursuant to the Twelfth Supplemental Trust Agreement, dated as of September 30, 2024 (the “Twelfth Supplemental Trust Agreement”), each by and between the District and The Bank of New York Mellon Trust Company, N.A., as trustee (in such capacity, the “Trustee”).

Under the Trust Agreement and the Twelfth Supplemental Trust Agreement, as security for the payment of the amounts due on the 2024 Bond, the District has pledged its Net Revenues to the Trustee on a parity with all other Senior Obligations (including VRA Obligations).

**Finance Department • PO Box 5915, Virginia Beach, VA 23471-0915 • 757.460-2261 • Fax 757.460.8763**

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**Our Promise:** We promise to treat wastewater and recover natural resources to protect public health and the environment.

**Our Vision:** Our communities will have clean waterways and reliable water resources for generations to come.

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Copies (with certain information redacted) of the WIFIA Master Agreement (Exhibit 2), the WIFIA 2024 Loan Agreement (Exhibit 3), and the Twelfth Supplemental Trust Agreement (collectively, the “2024 Bond Documents”) (Exhibit 4) are attached to this Notice.

The District does not anticipate providing periodic notice of the execution of draws under the WIFIA 2024 Loan Agreement, unless required under its Rule 15c2-12 undertakings (for example in the event of a material modification to any of the 2024 Bond Documents). The District does, however, reserve the right to make additional voluntary filings with respect to the 2024 Bond and the 2024 Bond Documents in the future.

No representation is made as to the correctness of the CUSIP numbers (Exhibit 1) either on the Bonds or in this Notice.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven G. de Mik", with a stylized flourish at the end.

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

	Bond Series	Maturity Date	CUSIP #
	Wastewater Revenue Bonds, Series 2016A	August 1, 2024	409327HC0
	Wastewater Revenue Bonds, Series 2016A	August 1, 2025	409327HU0
	Wastewater Revenue Bonds, Series 2016A	August 1, 2025	409327HD8
	Wastewater Revenue Bonds, Series 2016A	August 1, 2026	409327HV8
	Wastewater Revenue Bonds, Series 2016A	August 1, 2027	409327JU8
	Wastewater Revenue Bonds, Series 2016A	August 1, 2028	409327JV6
	Wastewater Revenue Bonds, Series 2016A	August 1, 2029	409327HG1
	Wastewater Revenue Bonds, Series 2016A	August 1, 2032	409327HW6
	Wastewater Revenue Bonds, Series 2016A	August 1, 2035	409327HS5
	Wastewater Revenue Bonds, Series 2016A	August 1, 2036	409327HT3
	Variable Rate Wastewater Revenue Bonds - Series 2016B	August 1, 2046	409327HZ9
	Wastewater Revenue Bonds - Series 2017A	October 1, 2027	409327JA2
	Wastewater Revenue Bonds - Series 2017A	October 1, 2028	409327JB0
	Wastewater Revenue Bonds - Series 2017A	October 1, 2029	409327JC8
	Wastewater Revenue Bonds - Series 2017A	October 1, 2030	409327JD6
	Wastewater Revenue Bonds - Series 2017A	October 1, 2031	409327JE4
	Wastewater Revenue Bonds - Series 2017A	October 1, 2032	409327JF1
	Wastewater Revenue Bonds - Series 2017A	October 1, 2033	409327JG9
	Wastewater Revenue Bonds - Series 2017A	October 1, 2037	409327JK0
	Wastewater Revenue Bonds - Series 2017A	October 1, 2038	409327JL8
	Wastewater Revenue Bonds - Series 2017A	October 1, 2039	409327JM6
	Wastewater Revenue Bonds - Series 2017A	October 1, 2040	409327JN4
	Wastewater Revenue Bonds - Series 2017A	October 1, 2041	409327JP9
	Wastewater Revenue Bonds - Series 2017A	October 1, 2042	409327JQ7
	Wastewater Revenue Bonds - Series 2017A	October 1, 2043	409327JR5
	Wastewater Revenue Bonds - Series 2018A	October 1, 2024	409327KC6
	Wastewater Revenue Bonds - Series 2018A	October 1, 2025	409327KD4
	Wastewater Revenue Bonds - Series 2018A	October 1, 2026	409327KE2
	Wastewater Revenue Bonds - Series 2018A	October 1, 2027	409327KF9
	Wastewater Revenue Bonds - Series 2018A	October 1, 2028	409327KG7
	Wastewater Revenue Bonds - Series 2018A	October 1, 2029	409327KH5
	Wastewater Revenue Bonds - Series 2018A	October 1, 2030	409327KJ1
	Wastewater Revenue Bonds - Series 2018A	October 1, 2031	409327KK8
	Wastewater Revenue Bonds - Series 2018A	October 1, 2032	409327KL6
	Wastewater Revenue Bonds - Series 2018A	October 1, 2033	409327KM4
	Wastewater Revenue Bonds Refunding Series 2019A	February 1, 2025	409327LD3
	Wastewater Revenue Bonds Refunding Series 2019A	February 1, 2026	409327LE1
	Wastewater Revenue Bonds Refunding Series 2019A	February 1, 2027	409327LF8
	Wastewater Revenue Bonds Refunding Series 2019A	February 1, 2028	409327LG6
	Wastewater Revenue Bonds Refunding Series 2019A	February 1, 2029	409327LH4
	Wastewater Revenue Bonds Refunding Series 2019A	February 1, 2030	409327LJ0
	Wastewater Revenue Bonds Refunding Series 2019A	February 1, 2031	409327LK7
	Wastewater Revenue Bonds Refunding Series 2019A	February 1, 2032	409327LL5
	Wastewater Revenue Bonds Refunding Series 2019A	February 1, 2033	409327LM3
	Wastewater Revenue Bonds Refunding Series 2019A	February 1, 2034	409327LN1
	Wastewater Revenue Bonds Refunding Series 2019A	February 1, 2035	409327LP6
	Wastewater Revenue Bonds Refunding Series 2019A	February 1, 2039	409327LQ4
	Wastewater Revenue Bonds Refunding, Series 2024A	November 1, 2024	409327LT8
	Wastewater Revenue Bonds Refunding, Series 2024A	November 1, 2025	409327LU5

**EXHIBIT 1**  
**CONTINUED**

	<b>Bond Series</b>	<b>Maturity Date</b>	<b>CUSIP #</b>
	Wastewater Revenue Bonds Refunding, Series 2024A	November 1, 2026	409327LV3
	Wastewater Revenue Bonds Refunding, Series 2024A	November 1, 2027	409327LW1
	Wastewater Revenue Bonds Refunding, Series 2024A	November 1, 2028	409327LX9
	Wastewater Revenue Bonds Refunding, Series 2024A	November 1, 2029	409327LY7
	Wastewater Revenue Bonds Refunding, Series 2024A	November 1, 2030	409327LZ4
	Wastewater Revenue Bonds Refunding, Series 2024A	November 1, 2031	409327MA8
	Wastewater Revenue Bonds Refunding, Series 2024A	November 1, 2032	409327MB6
	Wastewater Revenue Bonds Refunding, Series 2024A	November 1, 2033	409327MC4
	Wastewater Revenue Bonds Refunding, Series 2024A	November 1, 2034	409327MD2
	Wastewater Revenue Bonds Refunding, Series 2024A	November 1, 2035	409327ME0
	Wastewater Revenue Bonds Refunding, Series 2024A	November 1, 2036	409327MF7
	Wastewater Revenue Bonds Refunding, Series 2024A	November 1, 2037	409327MG5
	Wastewater Revenue Bonds Refunding, Series 2024A	November 1, 2038	409327MH3
	Wastewater Revenue Bonds Refunding, Series 2024A	November 1, 2039	409327MJ9
	Wastewater Revenue Bonds Refunding, Series 2024B	July 1, 2039	409327MK6
	Wastewater Revenue Bonds Refunding, Series 2024B	July 1, 2040	409327ML4
	Wastewater Revenue Bonds Refunding, Series 2024B	July 1, 2041	409327MM2
	Wastewater Revenue Bonds Refunding, Series 2024B	July 1, 2042	409327MN0
	Wastewater Revenue Bonds Refunding, Series 2024B	July 1, 2043	409327MP5
	Wastewater Revenue Bonds Refunding, Series 2024B	July 1, 2044	409327MQ3
	Wastewater Revenue Bonds Refunding, Series 2024B	July 1, 2045	409327MR1
	Wastewater Revenue Bonds Refunding, Series 2024B	July 1, 2046	409327MS9
	Wastewater Revenue Bonds Refunding, Series 2024B	July 1, 2049	409327MT7
	Wastewater Revenue Bonds Refunding, Series 2024B	July 1, 2054	409327MU4
	WIFIA Loan - SWIFT - Tranche 1 Project	April 1, 2060	409327LR2
	WIFIA Loan - SWIFT - Tranche 2 Project	June 1, 2060	409327LS0
	WIFIA Loan - SWIFT - Tranche 3 Project	January 1, 2059	409327MV2



**UNITED STATES  
ENVIRONMENTAL PROTECTION AGENCY  
WIFIA MASTER AGREEMENT**

**with**

**HAMPTON ROADS SANITATION DISTRICT**

**for the**

**HRSD MASTER PROGRAM FOR WASTEWATER SYSTEM IMPROVEMENTS**

**Dated as of September 28, 2020,  
as Amended and Restated as of September 30, 2024**

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## WIFIA MASTER AGREEMENT

**THIS WIFIA MASTER AGREEMENT** (this “**Agreement**”), dated as of September 30, 2024, (i) is by and between **HAMPTON ROADS SANITATION DISTRICT**, a political subdivision of the Commonwealth of Virginia (the “**Commonwealth**”), with an address at 1434 Air Rail Avenue, Virginia Beach, VA 23455 (the “**Borrower**”), acting by and through the **HAMPTON ROADS SANITATION DISTRICT COMMISSION**, the governing body of the Borrower (the “**Commission**”), and the **UNITED STATES ENVIRONMENTAL PROTECTION AGENCY**, an agency of the United States of America, acting by and through the Administrator of the Environmental Protection Agency (the “**Administrator**”), with an address at 1200 Pennsylvania Avenue NW, Washington, DC 20460 (the “**WIFIA Lender**”), and (ii) amends and restates the WIFIA Master Agreement, dated as of September 28, 2020 (the “**Original Agreement**”), by and between the Borrower and the WIFIA Lender.

### RECITALS:

WHEREAS, the Congress of the United States of America enacted the Water Infrastructure Finance and Innovation Act, as amended by Section 1445 of the Fixing America’s Surface Transportation Act of 2015, as further amended by Section 5008 of the Water Infrastructure Improvements For the Nation Act of 2016 and by Section 4201 of America’s Water Infrastructure Act of 2018 (collectively, as the same may be amended from time to time, the “**Act**” or “**WIFIA**”), which is codified as 33 U.S.C. §§ 3901-3914;

WHEREAS, the Act authorizes the WIFIA Lender to enter into agreements to provide financial assistance with one or more eligible entities to make secured loans with appropriate security features to finance a portion of the eligible costs of projects eligible for assistance;

WHEREAS, the Borrower submitted an application for WIFIA financial assistance on March 27, 2020 (the “**Application**”);

WHEREAS, the Borrower has proposed the development and construction of multiple Projects (as defined herein) with respect to the Wastewater System (as defined herein), and desires to obtain WIFIA financial assistance for each Project;

WHEREAS, the Borrower and the WIFIA Lender are entering into this Agreement to set forth certain common terms and conditions applicable to each prospective WIFIA financing;

WHEREAS, the Borrower will request, from time to time, that the WIFIA Lender make a WIFIA Loan (as defined herein) to be used to pay a portion of the Eligible Project Costs (as defined herein) for each Project;

WHEREAS, subject to the terms and conditions set forth herein and in each WIFIA Loan Agreement (as defined herein) and the Act, the WIFIA Lender proposes to make funding available to the Borrower for a portion of the Eligible Project Costs of each Project through the purchase of a WIFIA Bond (as defined herein) to be issued by the Borrower for each Project;

WHEREAS, the WIFIA Lender entered into the Original Agreement in reliance upon, among other things, the information and representations of the Borrower set forth in the Application and the supporting information provided by the Borrower; and

WHEREAS, the Borrower has amended and restated the Subordinate Trust Agreement (as defined in the Original Agreement) in order to reflect the discharge and defeasance of the Senior Trust Agreement (as defined in the Original Agreement), and the Borrower and the WIFIA Lender desire to amend and restate the Original Agreement to reflect the amendment and restatement of the Subordinate Trust Agreement.

NOW, THEREFORE, the premises being as stated above, and for good and valuable consideration, the receipt and sufficiency of which are acknowledged to be adequate, and intending to be legally bound hereby, it is hereby mutually agreed by and between the Borrower and the WIFIA Lender as follows:

## ARTICLE I DEFINITIONS AND INTERPRETATION

Section 1     Definitions. Unless the context otherwise requires, capitalized terms used in this Agreement shall have the meanings set forth below in this Section 1 or as otherwise defined in this Agreement. Any term used in this Agreement that is defined by reference to any other agreement shall continue to have the meaning specified in such agreement, whether or not such agreement remains in effect.

“**Act**” means the Act as defined in the recitals hereto.

“**Additional Bonds**” has the meaning provided in the Trust Agreement.

“**Additional Construction Contract**” means, with respect to each Project, each Construction Contract entered into after the applicable WIFIA Loan Agreement Effective Date.

“**Additional Senior Obligations**” means any Senior Obligations issued or incurred after the Amendment Effective Date.

“**Administrator**” has the meaning provided in the preamble hereto.

“**Aggregate Master Program Amount**” means one billion three hundred twenty-two million seven hundred thirteen thousand fifty-four Dollars (\$1,322,713,054).

“**Agreement**” has the meaning provided in the preamble hereto.

“**Amendment Effective Date**” means the date of this Agreement.

“**Anticipated WIFIA Loan Disbursement Schedule**” has, for each WIFIA Loan, the meaning provided in Section 1 (*Definitions*) of the applicable WIFIA Loan Agreement.



**“Anti-Corruption Laws”** means all laws, rules and regulations of any Governmental Authority with jurisdiction over the Borrower from time to time concerning or relating to bribery or corruption.

**“Anti-Money Laundering Laws”** means all U.S. and other applicable laws, rules and regulations of any Governmental Authority with jurisdiction over the Borrower from time to time concerning or related to anti-money laundering, including but not limited to those contained in the Bank Secrecy Act and the Patriot Act.

**“Application”** has the meaning provided in the recitals hereto.

**“Bank Secrecy Act”** means the Bank Secrecy Act of 1970, as amended, and the regulations promulgated thereunder.

**“Bankruptcy Related Event”** means, with respect to the Borrower, (a) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of the Borrower or any of its debts, or of a substantial part of the assets thereof, under any Insolvency Laws, or (ii) the appointment of a receiver, trustee, liquidator, custodian, sequestrator, conservator or similar official for the Borrower or for a substantial part of the assets thereof and, in any case referred to in the foregoing subclauses (i) and (ii), such proceeding or petition shall continue undismissed for sixty (60) days or an order or decree approving or ordering any of the foregoing shall be entered; (b) the Borrower shall (i) apply for or consent to the appointment of a receiver, trustee, liquidator, custodian, sequestrator, conservator or similar official therefor or for a substantial part of the assets thereof, (ii) generally not be paying its debts as they become due unless such debts are the subject of a bona fide dispute, or become unable to pay its debts generally as they become due, (iii) fail to make a payment of WIFIA Debt Service in accordance with the provisions of Section 8 (Payment of Principal and Interest) and such failure is not cured within thirty (30) days following notification by the WIFIA Lender of failure to make such payment, (iv) make a general assignment for the benefit of creditors, (v) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition with respect to it described in clause (a) of this definition, (vi) commence a voluntary proceeding under any Insolvency Law, or file a voluntary petition seeking liquidation, reorganization, an arrangement with creditors or an order for relief, in each case under any Insolvency Law, (vii) file an answer admitting the material allegations of a petition filed against it in any proceeding referred to in the foregoing subclauses (i) through (v), inclusive, of this clause (b), or (viii) take any action for the purpose of effecting any of the foregoing, including seeking approval or legislative enactment by any Governmental Authority to authorize commencement of a voluntary proceeding under any Insolvency Law; (c) (i) the Trustee shall commence a process pursuant to which all or a substantial part of the Pledged Collateral may be sold or otherwise disposed of in a public or private sale or disposition pursuant to a foreclosure of the Liens thereon securing any Indebtedness, or (ii) the Trustee shall commence a process pursuant to which all or a substantial part of the Pledged Collateral may be sold or otherwise disposed of pursuant to a sale or disposition of such Pledged Collateral in lieu of foreclosure; or (d) any receiver, trustee, liquidator, custodian, sequestrator, conservator or similar official with respect to the Borrower shall transfer, pursuant to directions issued by any holder of Bonds, funds on deposit in any of the Funds and Accounts upon the occurrence and during the continuation of an Event of Default under this Agreement or an event of default under any Trust Document for application to the prepayment

or repayment of any principal amount of the Indebtedness other than in accordance with the provisions of this Agreement and the Trust Documents.

**“Base Case Financial Model”** means a financial model prepared by the Borrower forecasting the capital costs of the Wastewater System (including the Master Program) and the rates, revenues, operating expenses and major maintenance requirements of the Wastewater System for a period of at least ten (10) years from the date of such Base Case Financial Model, and based upon assumptions and methodology provided by the Borrower and acceptable to the WIFIA Lender as of the Effective Date, which model shall be provided to the WIFIA Lender as a fully functional Microsoft Excel-based financial model or such other format requested by the WIFIA Lender.

**“Bond Fund”** means the Hampton Roads Sanitation District (Virginia) Bond Fund created and so designated by Section 501 (*Establishment of Funds*) of the Trust Agreement.

**“Bonds”** means the Existing Bonds (including the WIFIA Bonds existing on the Amendment Effective Date) and any Additional Bonds (including the WIFIA Bonds issued after the Amendment Effective Date) issued by the Borrower subsequent to the issuance of and on parity with the Existing Bonds under Section 209 (*Terms and Conditions for Incurrence of Additional Senior Obligations*) of the Trust Agreement, including Bonds issued in exchange for other such Bonds pursuant to Section 205 (*Exchange of Bonds*) of the Trust Agreement or in replacement for mutilated, destroyed, stolen or lost Bonds pursuant to Section 211 (*Mutilated, Destroyed, Stolen or Lost Bonds*) of the Trust Agreement.

**“Borrower”** has the meaning provided in the preamble hereto.

**“Borrower Fiscal Year”** means (a) as of the Effective Date, a fiscal year of the Borrower commencing on July 1 of any calendar year and ending on June 30 of the immediately succeeding calendar year or (b) such other fiscal year as the Borrower may hereafter adopt after giving thirty (30) days’ prior written notice to the WIFIA Lender in accordance with Section 15(f) (*Negative Covenants – Fiscal Year*).

**“Borrower’s Authorized Representative”** means any District Representative (for purposes of the Trust Agreement) who shall also be designated as such pursuant to Section 21 (*Borrower’s Authorized Representative*).

**“Business Day”** means any day other than a Saturday, a Sunday or a day on which offices of the Government or the Commonwealth are authorized to be closed or on which commercial banks are authorized or required by law, regulation or executive order to be closed in New York, New York, Virginia Beach, Virginia, or in the jurisdiction in which the Corporate Trust Office (as defined in the Trust Agreement) of the Trustee is located.

**“Capital Improvement Program Costs”** means and includes all items of cost that may be paid from the proceeds of Indebtedness of the Borrower including the items referred to in Section 402 (*Construction Fund*) of the Trust Agreement.

**“Capitalized Interest Period”** means, with respect to each WIFIA Loan Agreement, if applicable, the period from (and including) the applicable WIFIA Loan Agreement Effective Date

to (but excluding) the date that is six (6) months prior to the applicable First Payment Date, subject to earlier termination as set forth in Section 8(a)(iii) (Payment of Principal and Interest – Payment of WIFIA Debt Service).

“**Closing Certificate**” has the meaning provided in Section 11(a)(viii) (*Conditions Precedent – Conditions Precedent to Effectiveness of this Agreement*).

“**Commission**” has the meaning provided in the preamble hereto.

“**Commonwealth**” has the meaning provided in the preamble hereto.

“**Congress**” means the Congress of the United States of America.

“**Construction Contract**” means, with respect to any Project, any prime contract entered into by the Borrower with respect to such Project that involves any construction activity (such as demolition, site preparation, civil works construction, installation, remediation, refurbishment, rehabilitation, or removal and replacement services). For the avoidance of doubt, “Construction Contract” shall include each Existing Construction Contract for the relevant Project and, upon the effectiveness thereof, each Additional Construction Contract for such Project.

“**Construction Contractor**” means any Person (other than the Borrower) that is a party to a Construction Contract.

“**Construction Fund**” means the Hampton Roads Sanitation District (Virginia) Construction Fund created and so designated by Section 402 (*Construction Fund*) of the Trust Agreement.

“**Construction Period**” means, with respect to each WIFIA Loan Agreement, the period from the applicable WIFIA Loan Agreement Effective Date through the applicable Substantial Completion Date.

“**Construction Period Servicing Fee**” has the meaning provided in Section 10(a)(ii) (*Fees and Expenses*) and, for each WIFIA Loan, shall be in the amount specified in Section 10(a)(ii) (*Fees and Expenses*) of the applicable WIFIA Loan Agreement and paid in accordance with Section 10(a)(ii) and Section 10(b) (*Fees and Expenses*) hereof.

“**Construction Schedule**” has, for each Project, the meaning provided in Section 1 (*Definitions*) of the applicable WIFIA Loan Agreement.

“**Contracted Services**” means services rendered or facilities provided to the Borrower for the performance for or on behalf of the Borrower of functions similar to those performed by the Borrower from a specific project, projects or systems, pursuant to a contract, whether a financing lease, a service agreement or another arrangement.

“**Control**” means, when used with respect to any particular Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or partnership or other ownership

interests, by contract or otherwise, and the term **“Controlled by”** has the meaning correlative to the foregoing.

**“CPI”** means the Consumer Price Index for All Urban Consumers (CPI-U) for the U.S. City Average for All Items, 1982-84=100 (not seasonally adjusted) or its successor, published by the Bureau of Labor Statistics and located at <https://www.bls.gov/news.release/cpi.t01.htm>.

**“Credit Facility”** means a line of credit, letter of credit, standby bond purchase agreement or similar credit enhancement or liquidity facility, including self-liquidity provided by the Borrower, established to provide credit or liquidity support for Indebtedness.

**“Debt Service Component of Contracted Services”** means that part of the payment for Contracted Services for which the Borrower is obligated to pay that the chief financial officer of the Borrower shall have determined in writing in an Officer’s Certificate at the time the Borrower commits to receive such Contracted Services to be for the purpose of paying a fixed charge or the principal of and interest on obligations, directly or indirectly associated with rendering the Contracted Services, of the person providing the Contracted Services.

**“Debt Service Reserve Fund”** means the Hampton Roads Sanitation District (Virginia) Debt Service Reserve Fund created and so designated by Section 501 (*Establishment of Funds*) of the Trust Agreement.

**“Default”** means any event or condition that, with the giving of notice, the passage of time, or both, would be an Event of Default.

**“Default Rate”** means, with respect to each WIFIA Loan, an interest rate equal to the sum of (a) the applicable WIFIA Interest Rate plus (b) two hundred (200) basis points, but in no event greater than the maximum interest rate permitted by law.

**“Development Default”** means, with respect to any Project, (a) the Borrower abandons work related to a Project or fails, in the reasonable judgment of the WIFIA Lender, to diligently prosecute the work related to such Project or (b) the Borrower fails to achieve Substantial Completion of such Project within two (2) years following the Projected Substantial Completion Date set forth in the relevant WIFIA Loan Agreement as of the applicable WIFIA Loan Agreement Effective Date, unless such failure shall occur by reason of Uncontrollable Force that is not due to the fault of the Borrower.

**“District Representative”** has the meaning provided in the Trust Agreement.

**“Dollars”** and **“\$”** means the lawful currency of the United States of America.

**“Effective Date”** means the date of the Original Agreement.

**“Eighth Supplemental Trust Agreement”** has the meaning provided in Schedule 15(a)(ii) (*Additional Bonds Test*).

**“Eligible Project Costs”** means, with respect to each Project, amounts in the Project Budget relating to such Project that have been approved by the WIFIA Lender and which are paid

by or for the account of the Borrower in connection with such Project (including, as applicable, Project expenditures incurred prior to the receipt of WIFIA credit assistance), which shall arise from the following:

- (a) development-phase activities, including planning, feasibility analysis (including any related analysis necessary to carry out an eligible project), revenue forecasting, environmental review, permitting, preliminary engineering and design work and other preconstruction activities;
- (b) construction, reconstruction, rehabilitation, and replacement activities;
- (c) the acquisition of real property or an interest in real property (including water rights, land relating to such Project and improvements to land), environmental mitigation (including acquisitions pursuant to Section 3905(8) of Title 33 of the United States Code), construction contingencies, and acquisition of equipment; or
- (d) capitalized interest necessary to meet market requirements, reasonably required reserve funds, capital issuance expenses, and other carrying costs during construction;

provided that such Eligible Project Costs must be consistent with all other applicable federal law, including the Act.

**“Eligible Project Costs Documentation”** has the meaning provided in Section 1 of Exhibit C (*Requisition Procedures and Form of Requisition – General Requirements*).

**“EMMA”** means the Electronic Municipal Market Access system as described in 1934 Act Release No. 59062 and maintained by the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, as amended, and its successors.

**“Enabling Act”** means Chapter 66 of the Acts of Assembly of Virginia of 1960, as amended.

**“Environmental Laws”** has the meaning provided in Section 12(p) (*Representations and Warranties of Borrower – Environmental Matters*).

**“EPA”** means the United States Environmental Protection Agency.

**“Event of Default”** has the meaning provided in Section 17(a) (*Events of Default and Remedies*).

**“Existing Bonds”** means the Bonds outstanding under the Trust Agreement on the Amendment Effective Date, as shown on Schedule III (*Existing Indebtedness*).

**“Existing Construction Contracts”** means, with respect to any Project, each Construction Contract existing as of the applicable WIFIA Loan Agreement Effective Date, as set forth in Schedule 12(n) (*Construction Contracts*) to the applicable WIFIA Loan Agreement.

**“Federal Fiscal Year”** means the fiscal year of the Government, which is the twelve (12) month period that ends on September 30 of the specified calendar year and begins on October 1 of the preceding calendar year.

**“Final Disbursement Date”** means, with respect to each WIFIA Loan, the earliest of (a) the date on which such WIFIA Loan has been disbursed in full; (b) the last anticipated date of disbursement set forth in the then-current Anticipated WIFIA Loan Disbursement Schedule for such WIFIA Loan; (c) the date on which the Borrower has certified to the WIFIA Lender that it will not request any further disbursements under such WIFIA Loan; (d) the date on which the WIFIA Lender terminates its obligations relating to disbursements of any undisbursed amounts of such WIFIA Loan in accordance with Section 17 (*Events of Default and Remedies*); and (e) the date that is one (1) year after the Substantial Completion Date of the Project relating to such WIFIA Loan.

**“Final Maturity Date”** has, for each WIFIA Loan, the meaning provided in Section 1 (*Definitions*) of the applicable WIFIA Loan Agreement.

**“Financial Statements”** has the meaning provided in Section 12(t) (*Representations and Warranties of Borrower – Financial Statements*).

**“First Payment Date”** has, for each WIFIA Loan, the meaning provided in Section 1 (*Definitions*) of the applicable WIFIA Loan Agreement.

**“Flow of Funds”** means the requirements specified in Section 502 (*Payments and Funds Received*) of the Trust Agreement as of the Amendment Effective Date, a copy of which is attached hereto as Schedule 7(d) (*Flow of Funds*).

**“Funds and Accounts”** means the Bond Fund, the Debt Service Reserve Fund, the Issuance Fund and the Construction Fund.

**“GAAP”** means generally accepted accounting principles for U.S. state and local governments, as established by the Government Accounting Standards Board (or any successor entity with responsibility for establishing accounting rules for governmental entities), in effect from time to time in the United States of America.

**“Government”** means the United States of America and its departments and agencies.

**“Governmental Approvals”** means all authorizations, consents, approvals, waivers, exceptions, variances, filings, permits, orders, licenses, exemptions and declarations of or with any Governmental Authority.

**“Governmental Authority”** means any federal, state, provincial, county, city, town, village, municipal or other government or governmental department, commission, council, court, board, bureau, agency, authority or instrumentality (whether executive, legislative, judicial, administrative or regulatory), of or within the United States of America or its territories or possessions, including the Commonwealth and its counties and municipalities, and their respective courts, agencies, instrumentalities and regulatory bodies, or any entity that acts “on behalf of” any of the foregoing, whether as an agency or authority of such body.



**“Indebtedness”** means (a) all indebtedness of the Borrower for borrowed money, (b) all installment sales, conditional sales and capital lease obligations incurred or assumed by the Borrower, and (c) the Debt Service Component of Contracted Services.

**“Indemnatee”** has the meaning provided in Section 32 (*Indemnification*).

**“Initial Disbursement Date”** means, with respect to any WIFIA Loan, the date of the first disbursement thereof.

**“Insolvency Laws”** means the United States Bankruptcy Code, 11 U.S.C. § 101 *et seq.*, as from time to time amended and in effect, and any state bankruptcy, insolvency, receivership, conservatorship or similar law now or hereafter in effect.

**“Interest Payment Date”** has, for each WIFIA Loan, the meaning provided in Section 1 (*Definitions*) of the applicable WIFIA Loan Agreement.

**“Investment Grade Rating”** means a rating no lower than ‘BBB-’, ‘Baa3’, ‘bbb-’, ‘BBB (low)’ from a Nationally Recognized Rating Agency, and the term **“Investment Grade”** has the meaning correlative to the foregoing.

**“Issuance Costs”** has the meaning set forth in Section 401(c) (*Issuance Fund*) of the Trust Agreement.

**“Issuance Fund”** means the Hampton Roads Sanitation District (Virginia) Issuance Fund created and so designated by Section 401 (*Issuance Fund*) of the Trust Agreement.

**“Lien”** has the meaning provided in the Trust Agreement.

**“Loan Amortization Schedule”** has, for each WIFIA Loan, the meaning provided in Section 1 (*Definitions*) of the applicable WIFIA Loan Agreement.

**“Master Availability Period”** means the period from the Effective Date until the date that is ten (10) years following the Effective Date.

**“Master Program”** means the Borrower’s anticipated improvements to the Wastewater System through the development and construction of each Project component as set forth on Schedule I (*Master Program Schedule*).

**“Master Program Budget”** means the total estimated aggregate budget for the Project components attached to this Agreement as Schedule II (*Master Program Budget*), as updated from time to time to reflect updated Project Budgets as provided in Section 11(b)(vii)(B) (*Conditions Precedent – Conditions Precedent to Effectiveness of Each WIFIA Loan Agreement*), or as otherwise amended from time to time with approval of the WIFIA Lender in its sole discretion.

**“Material Adverse Effect”** means a material adverse effect on (a) the Wastewater System, the Master Program or the Pledged Collateral, (b) the business, operations, properties, condition (financial or otherwise) or prospects of the Borrower (other than any change that would not reasonably be expected to affect the ability of the Borrower to enter into or deliver, or perform or

comply with its obligations under, this Agreement or any other Related Document), (c) the legality, validity or enforceability of any material provision of any Related Document, (d) the ability of the Borrower to enter into, perform or comply with any of its material obligations under any Related Document, (e) the validity, enforceability or priority of the Liens provided under the Trust Agreement on the Pledged Collateral or (f) the WIFIA Lender's rights or remedies available under any Related Document.

**“Nationally Recognized Rating Agency”** means any nationally recognized statistical rating organization identified as such by the Securities and Exchange Commission.

**“NEPA”** means the National Environmental Policy Act of 1969, as amended, and any successor statute of similar import, and regulations thereunder, in each case as in effect from time to time.

**“NEPA Determination”** means, with respect to each Project, the final NEPA decision, in the form of a Finding of No Significant Impact, Categorical Exclusion, or Record of Decision, issued for such Project by EPA in accordance with NEPA.

**“Net Revenues”** means all revenues received by the District from the Wastewater System less Operating Expenses, provided that Net Revenues shall not include any Transition Charge.

**“Non-Debarment Certificate”** means a certificate, signed by the Borrower's Authorized Representative, as to the absence of debarment, suspension or voluntary exclusion from participation in Government contracts, procurement and non-procurement matters with respect to the Borrower and its principals (as defined in 2 C.F.R. § 180.995 and supplemented by 2 C.F.R. 1532.995), substantially in the form attached hereto as Exhibit B (*Form of Non-Debarment Certificate*).

**“Non-Lobbying Certificate”** means a certificate, signed by the Borrower's Authorized Representative, with respect to the prohibition on the use of appropriated funds for lobbying pursuant to 49 C.F.R. § 20.100(b), substantially in the form attached hereto as Exhibit D (*Form of Non-Lobbying Certificate*).

**“OFAC”** means the Office of Foreign Assets Control of the United States Department of the Treasury.

**“Officer's Certificate”** means a certificate signed by the Borrower's Authorized Representative. Each Officer's Certificate presented pursuant to the Trust Agreement shall state that it is being delivered pursuant to (and shall identify the section or subsection of), and shall incorporate by reference and use in all appropriate instances all terms defined in, the Trust Agreement. Each Officer's Certificate shall state (a) that the terms thereof are in compliance with the requirements of the section or subsection pursuant to which such Officer's Certificate is delivered or shall state in reasonable detail the nature of any non-compliance and the steps being taken to remedy such non-compliance and (b) that it is being delivered together with any opinions, schedules, statements or other documents required in connection therewith.

**“Operating Expenses”** means those current expenses paid by the Borrower that may be required to pay the cost of maintaining, repairing and operating the Wastewater System, including

reasonable and necessary usual expenses of administration, operation, maintenance and repair, costs for billing and collecting the rates, fees and other charges for the use of or the services furnished by the Wastewater System, insurance premiums, credit enhancement and liquidity support fees, legal, engineering, auditing and financial advisory expenses, expenses and compensation of the Trustee, and deposits into a self-insurance program. Operating Expenses shall exclude allowance for depreciation and amortization and expenditures for extraordinary maintenance or repair or improvements. Operating Expenses shall also exclude expenses for improvements that will not be owned by the Borrower but which will, in the reasonable determination of the Commission, as evidenced by a resolution thereof, maintain or improve the integrity of the Wastewater System.

**“Operating Period Servicing Fee”** has the meaning provided in Section 10(a)(iii) (*Fees and Expenses*).

**“Organizational Documents”** means the Enabling Act.

**“Original Agreement”** has the meaning provided in the preamble hereto.

**“Outstanding”** has the meaning provided in the Trust Agreement.

**“Outstanding WIFIA Loan Balance”** means, with respect to each WIFIA Loan, (a) the aggregate principal amount of such WIFIA Loan drawn by the Borrower minus (b) the aggregate principal amount of such WIFIA Loan repaid by the Borrower, as determined in accordance with Section 8(d) (*Payment of Principal and Interest – Adjustments to Loan Amortization Schedule*).

**“Patriot Act”** means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, as amended, and all regulations promulgated thereunder.

**“Payment Date”** means each Interest Payment Date and each Principal Payment Date.

**“Payment Default”** has the meaning provided in Section 17(a)(i) (*Events of Default and Remedies – Payment Default*).

**“Permitted Liens”** has the meaning provided in the Trust Agreement.

**“Person”** means and includes an individual, a general or limited partnership, a joint venture, a corporation, a limited liability company, a trust, an unincorporated organization and any Governmental Authority.

**“Pledged Collateral”** means the Net Revenues, all money and securities held by the Trustee in the Bond Fund and in the Debt Service Reserve Fund and, if applicable to the relevant WIFIA Loan until applied in payment of any item of the Issuance Costs or Capital Improvement Program Costs in accordance with Section 403 (*Requisitions from Issuance Fund and Construction Fund*) of the Trust Agreement, all money and securities in the Issuance Fund and the Construction Fund.

**“Principal Payment Date”** has, for each Project, the meaning provided in Section 1 (*Definitions*) of the applicable WIFIA Loan Agreement.

**“Prior Trust Agreement”** means that certain trust agreement, between the Borrower and the Trustee, dated as of October 1, 2011, as amended and restated as of March 1, 2016, and as amended by the Amendment, effective as of November 20, 2019, and as further supplemented and amended, prior to the execution and delivery of the Trust Agreement.

**“Project”** has, for each WIFIA Loan Agreement, the meaning provided in Section 1 (*Definitions*) thereof.

**“Project Budget”** has, for each Project, the meaning provided in Section 1 (*Definitions*) of the applicable WIFIA Loan Agreement.

**“Project Closing Certificate”** has the meaning provided in Section 11(b)(viii) (*Conditions Precedent – Conditions Precedent to Effectiveness of Each WIFIA Loan Agreement*).

**“Project Term Sheet”** means a term sheet substantially in the form attached hereto as Exhibit K (*Form of WIFIA Project Term Sheet*) entered into by the Borrower and the WIFIA Lender in respect of each WIFIA Loan.

**“Projected Substantial Completion Date”** has, for each WIFIA Loan, the meaning provided in Section 1 (*Definitions*) of the applicable WIFIA Loan Agreement.

**“Property”** has the meaning provided in the Trust Agreement.

**“Public Benefits Report”** has the meaning provided in Section 16(e) (*Reporting Requirements – Public Benefits Report*).

**“Rate Covenant”** has the meaning provided in Section 14(a) (*Affirmative Covenants – Rate Covenant*).

**“Related Documents”** means the WIFIA Loan Documents and the Trust Documents.

**“Requisition”** has the meaning provided in Section 4(b) (*Disbursement Conditions*).

**“Sanctioned Person”** means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by OFAC or the U.S. Department of State, (b) any Person operating, organized or resident in a country or territory that is itself the subject or target of any Sanctions, or (c) any Person owned or Controlled by any such Person or Persons.

**“Sanctions”** means economic or financial sanctions or trade embargoes imposed, administered, or enforced from time to time by the Government, including those administered by OFAC or the U.S. Department of State.

**“Senior Management”** means one or more of the following senior management employees of the Borrower: General Manager and Chief Executive Officer, Deputy General Manager and Chief Financial Officer, Chief Engineer, Chief Operating Officer, Chief Technology Officer, Chief

of Water Quality, Chief Communications Officer, Chief Information Officer and Chief People Officer. If any titles of such senior management employees change, “**Senior Management**” shall include such senior management employees of the Borrower holding positions with different titles but exercising similar functions as those previously named.

“**Senior Obligations**” means Bonds and VRA Obligations.

“**Series Agreement**” means a supplemental trust agreement entered into or the resolution adopted by the Commission providing for the issuance of Senior Obligations pursuant to Section 209 (*Terms and Conditions for Incurrence of Additional Senior Obligations*) of the Trust Agreement. A Series Agreement shall include any Officer’s Certificate delivered by the Borrower’s Authorized Representative to whom authority has been delegated by the terms of the Series Agreement to provide the details of such Senior Obligations and, for purposes of additional VRA Obligations, a Series Agreement shall include such resolutions adopted by the Commission or financing agreements authorized thereby specifying the details of such additional VRA Obligations. The term “Series Agreement” includes (a) all Series Agreements entered into pursuant to Section 209 (*Terms and Conditions for Incurrence of Additional Senior Obligations*) of the Prior Trust Agreement and (b) all WIFIA Series Agreements.

“**Servicer**” means such entity or entities as the WIFIA Lender shall designate from time to time to perform, or assist the WIFIA Lender in performing, certain duties hereunder.

“**Servicing Fee**” means any Servicing Set-Up Fee, any Construction Period Servicing Fee or the Operating Period Servicing Fee.

“**Servicing Set-Up Fee**” has the meaning provided in Section 10(a)(i) (*Fees and Expenses*) and, for each WIFIA Loan, shall be in the amount provided in Section 10(a)(i) (*Fees and Expenses*) of the applicable WIFIA Loan Agreement and paid in accordance with Section 10(a)(i) (*Fees and Expenses*) hereof.

“**Subordinate Obligations**” has the meaning provided in the Trust Agreement.

“**Substantial Completion**” means, with respect to each Project, the stage at which such Project is able to perform the functions for which it was designed.

“**Substantial Completion Date**” means, with respect to each Project, the date on which the Borrower certifies to the WIFIA Lender, with evidence satisfactory to the WIFIA Lender, that Substantial Completion for such Project has occurred.

“**Supplement**” means an agreement, including a Series Agreement, supplemental to, and authorized and executed pursuant to the terms of, the Trust Agreement or the Prior Trust Agreement.

“**Total Project Costs**” means, with respect to each Project, (a) the costs paid or incurred or to be paid or incurred by the Borrower in connection with or incidental to the acquisition, design, construction and equipping of such Project, including legal, administrative, engineering, planning, design, insurance and financing (including costs of issuance); (b) amounts, if any, required by the WIFIA Loan Documents or the Trust Documents to be paid into any fund or account upon the

incurrence of the WIFIA Loan or any other Indebtedness, in each case in respect of such Project; (c) payments when due (whether at the maturity of principal, the due date of interest, or upon prepayment) in respect of any Indebtedness of the Borrower or any Credit Facility maintained by the Borrower, in each case in connection with such Project (other than the WIFIA Loan); and (d) costs of equipment and supplies and initial working capital and reserves required by the Borrower for the commencement of operation of such Project, including general administrative expenses and overhead of the Borrower.

**“Transition Charge”** means any rates, fees, charges or surcharges relating to the Wastewater System or the customers thereof established by irrevocable rate order or other action or instrument, and applicable to or by the Borrower, in conjunction with the issuance of debt or other securities under a separate resolution, indenture or similar instrument (other than the Trust Agreement or other instrument securing Indebtedness secured by revenues of the Wastewater System) to the extent such rates, fees, charges or surcharges are pledged or otherwise encumbered or conveyed as security for such debt or other securities.

**“Trust Agreement”** means that certain trust agreement, between the Borrower and the Trustee, dated as of October 1, 2011, as amended and restated as of March 1, 2016, and as amended by the Amendment, effective as of November 20, 2019, as further supplemented, as amended and restated as of July 1, 2024, and effective on July 16, 2024, and as further amended and supplemented from time to time in accordance with the terms thereof and hereof.

**“Trust Documents”** means the Trust Agreement, the Supplements, the VRA Agreements and the VRA Intercreditor Agreement.

**“Trustee”** means The Bank of New York Mellon Trust Company, N.A. and any bank or trust company becoming successor trustee under the Trust Agreement.

**“Twelfth Supplemental Trust Agreement”** has the meaning provided in Schedule 15(a)(ii) (*Additional Bonds Test*).

**“UCC”** means the Uniform Commercial Code, as in effect from time to time in the Commonwealth.

**“Uncontrollable Force”** means any cause beyond the control of the Borrower, including: (a) a hurricane, tornado, flood or similar occurrence, landslide, earthquake, fire or other casualty, strike or labor disturbance, freight embargo, act of a public enemy, explosion, war, blockade, terrorist act, insurrection, riot, general arrest or restraint of government and people, civil disturbance or similar occurrence, sabotage, pandemic, or act of God (provided that the Borrower shall not be required to settle any strike or labor disturbance in which it may be involved) or (b) the order or judgment of any federal, state or local court, administrative agency or governmental officer or body, if it is not also the result of willful or negligent action or a lack of reasonable diligence of the Borrower and the Borrower does not control the administrative agency or governmental officer or body; provided that the diligent contest in good faith of any such order or judgment shall not constitute or be construed as a willful or negligent action or a lack of reasonable diligence of the Borrower.



**“Unique Entity Identifier”** means, with respect to any Person, the unique entity identifier issued by the Government through SAM.gov for such Person.

**“Updated Financial Model”** means the Borrower’s annual rate and financial planning model, demonstrating to the satisfaction of the WIFIA Lender that the Borrower has developed and identified adequate revenues to implement a plan for operating, maintaining and repairing the Master Program over its useful life, and including (a) the Borrower’s capital improvement plan, major maintenance plan, projected rates and charges, projected Net Revenues and Operating Expenses for a reasonable projection period consistent with the Borrower’s operating and financial planning, and projected debt outstanding and annual debt service, and (b) evidence of compliance with the Rate Covenant for the most recent Borrower Fiscal Year for which Financial Statements are available and the projected Rate Covenant coverages for such reasonable projection period consistent with the Borrower’s operating and financial planning.

**“VRA”** means the Virginia Resources Authority, as Administrator of the Virginia Water Facilities Revolving Fund.

**“VRA Agreement”** means any financing agreement, indenture, bond, credit agreement, note, reimbursement agreement, letter of credit, guarantee or other agreement, instrument or document pursuant to which any VRA Obligation is incurred or secured by the Borrower.

**“VRA Intercreditor Agreement”** means that certain Intercreditor Agreement, dated as of September 28, 2020, by and among the Borrower, the Trustee and the VRA, as the same may be amended or modified to reflect the execution and delivery of the Trust Agreement and this Agreement.

**“VRA Obligations”** means the Indebtedness of the Borrower set forth on Exhibit A (VRA Obligations) to the Trust Agreement and Schedule III (Existing Indebtedness) to this Agreement and any Indebtedness issued to VRA pursuant to the Trust Agreement payable on a parity therewith.

**“Wastewater System”** means the wastewater treatment system of the Borrower as it may at any time exist, and includes all improvements and expansions thereof and additions thereto except as may otherwise be provided by resolution of the Commission.

**“Weighted Average Life”** means, with respect to any WIFIA Loan, as of any date of determination, the number of years (rounded to the nearest one-twelfth (1/12<sup>th</sup>)) obtained by dividing (a) the sum of the Weighted Payments with respect to such WIFIA Loan by (b) the Outstanding WIFIA Loan Balance with respect to such WIFIA Loan.

**“Weighted Payment”** means, with respect to any WIFIA Loan, as of any date of determination, each product obtained by multiplying (a) the amount of principal with respect to such WIFIA Loan payable as of any Principal Payment Date under the applicable WIFIA Loan Agreement by (b) the number of years (rounded to the nearest one-twelfth (1/12<sup>th</sup>)) that will elapse between such date of determination and such Principal Payment Date.

**“WIFIA”** has the meaning provided in the recitals hereto.

“**WIFIA Bonds**” means, collectively, each “WIFIA Bond” as defined in Section 1 (*Definitions*) of each WIFIA Loan Agreement.

“**WIFIA CUSIP Number**” has the meaning provided in Section 11(b)(viii)(G) (*Conditions Precedent – Conditions Precedent to Effectiveness of this Agreement*).

“**WIFIA Debt Service**” means, with respect to each WIFIA Loan, for any Payment Date occurring on or after the First Payment Date for such WIFIA Loan, the principal portion of the Outstanding WIFIA Loan Balance and any interest payable thereon (including interest accruing after the date of any filing by the Borrower of any petition in bankruptcy or the commencement of any bankruptcy, insolvency or similar proceeding with respect to the Borrower and interest accruing at the Default Rate during the continuance of an Event of Default), in each case (a) as set forth on Exhibit B (*WIFIA Debt Service*) of the applicable WIFIA Loan Agreement and (b) due and payable on such Payment Date in accordance with the provisions of Section 8(a) (*Payment of Principal and Interest – Payment of WIFIA Debt Service*).

“**WIFIA Interest Rate**” means, for each WIFIA Loan, the rate specified in Section 6 (*Interest Rate*) of the applicable WIFIA Loan Agreement, which shall be computed in accordance with Section 6 (*Interest Rate*) hereof.

“**WIFIA Lender**” has the meaning provided in the preamble hereto.

“**WIFIA Lender’s Authorized Representative**” means the Administrator and any other Person who shall be designated as such pursuant to Section 22 (*WIFIA Lender’s Authorized Representative*).

“**WIFIA Loan**” has, for each WIFIA Loan Agreement, the meaning provided in Section 1 (*Definitions*) thereof.

“**WIFIA Loan Agreement**” means, for each WIFIA Loan, a loan agreement substantially in the form attached hereto as Exhibit L (*Form of WIFIA Loan Agreement*) entered into by the Borrower and the WIFIA Lender in respect of the relevant Project.

“**WIFIA Loan Agreement Effective Date**” has, for each WIFIA Loan Agreement, the meaning provided in Section 1 (*Definitions*) thereof.

“**WIFIA Loan Commitment Amount**” has the meaning provided in Section 3(a) (*WIFIA Loans Under the Master Program*).

“**WIFIA Loan Documents**” means this Agreement, the WIFIA Bonds, the WIFIA Loan Agreements, the WIFIA Resolutions, and the WIFIA Series Agreements.

“**WIFIA Loan Request**” has the meaning provided in Section 4(a) (*Disbursement Conditions*).

“**WIFIA Resolutions**” means, collectively, the resolutions adopted by the Commission authorizing the execution and delivery of this Agreement, the WIFIA Loan Agreements and

corresponding WIFIA Bonds, and certain related actions by the Borrower in connection with the issuance of the WIFIA Loans.

“**WIFIA Series Agreement**” has, for each WIFIA Loan Agreement, the meaning provided in Section 1 (*Definitions*) thereof.

Section 2      Interpretation.

(a) Unless the context shall otherwise require, the words “hereto,” “herein,” “hereof” and other words of similar import refer to this Agreement as a whole.

(b) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders and vice versa.

(c) Words importing the singular number shall include the plural number and vice versa unless the context shall otherwise require.

(d) The words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation.”

(e) Whenever the Borrower’s knowledge is implicated in this Agreement or the phrase “to the Borrower’s knowledge” or a similar phrase is used in this Agreement, the Borrower’s knowledge or such phrase(s) shall be interpreted to mean to the best of the Borrower’s knowledge after reasonable and diligent inquiry. Unless the context shall otherwise require, references to any Person shall be deemed to include such Person’s successors and permitted assigns.

(f) Unless the context shall otherwise require, references to the preamble, recitals, sections, subsections, clauses, schedules, exhibits, appendices and provisions are to the preamble to, or the applicable recitals, sections, subsections, clauses, schedules, exhibits, appendices and provisions of, this Agreement.

(g) The schedules and exhibits to this Agreement, and the appendices and schedules to such exhibits, are hereby incorporated by reference and made an integral part of this Agreement.

(h) The headings or titles of this Agreement and its sections, schedules or exhibits, as well as any table of contents, are for convenience of reference only and shall not define or limit its provisions.

(i) Unless the context shall otherwise require, all references to any resolution, contract, agreement, lease or other document shall be deemed to include any amendments or supplements to, or modifications or restatements or replacements of, such documents that are approved from time to time in accordance with the terms thereof and hereof.

(j) Every request, order, demand, application, appointment, notice, statement, certificate, consent or similar communication or action hereunder by any party shall, unless

otherwise specifically provided, be delivered in writing in accordance with Section 31 (Notices) and signed by a duly authorized representative of such party.

(k) References to “disbursements of WIFIA Loan proceeds” or similar phrasing shall be construed as meaning the same thing as “paying a portion of the purchase price of the WIFIA Bonds.”

(l) Whenever this Agreement requires a change in principal amount, interest rate or amortization schedule of any WIFIA Loan, it is intended that such change be reflected in the corresponding WIFIA Bond. Whenever there is a prepayment of any WIFIA Loan, it is intended that such prepayment be implemented through a prepayment of the corresponding WIFIA Bond.

(m) If any provision of this Agreement (or any other WIFIA Loan Document) conflicts with any provision of a WIFIA Loan Agreement, the provisions of such WIFIA Loan Agreement shall prevail.

## **ARTICLE II THE WIFIA LOAN**

### Section 3      WIFIA Loans Under the Master Program.

(a) Subject to the terms and conditions set forth in this Agreement and, with respect to each WIFIA Loan requested pursuant to the terms hereof, the terms and conditions set forth in the relevant WIFIA Loan Agreement (and Project Term Sheet related thereto), the Borrower may request WIFIA Loans for the Projects under the Master Program from time to time during the Master Availability Period in an aggregate principal amount for (i) the Master Program, not to exceed the Aggregate Master Program Amount and (ii) each Project component, not to exceed the principal amount set forth in Schedule II (Master Program Budget) for such Project component (such principal amount, the “**WIFIA Loan Commitment Amount**”); provided that (x) the aggregate WIFIA Loan Commitment Amount at any time shall not exceed the Aggregate Master Program Amount and (y) the availability of the WIFIA Loan for each Project shall be subject to the availability of budgetary authority at the time the WIFIA Loan Request is made, such availability of budgetary authority shall be determined by the WIFIA Lender in accordance with the Act and applicable law. WIFIA Loan proceeds to be drawn shall be disbursed from time to time to pay for Eligible Project Costs for the applicable Project in accordance with Section 4 (Disbursement Conditions), Section 11(c) (Conditions Precedent – Conditions Precedent to Disbursements), and the terms of the applicable WIFIA Loan Agreement related thereto.

(b) Prior to the execution of the relevant WIFIA Loan Agreement, (i) any Project component included in Schedule I (Master Program Schedule) and Schedule II (Master Program Budget) may be replaced with one or more other Project components and (ii) any WIFIA Loan Commitment Amount included in Schedule II (Master Program Budget) may be adjusted as necessary, so long as, following such adjustment, (x) the maximum principal amount of the relevant WIFIA Loan, together with the amount of any other credit assistance provided under the Act to the Borrower, would not exceed forty-nine percent (49%) of reasonably anticipated Eligible Project Costs for such Project and (y) the aggregate WIFIA Loan Commitment Amount does not

exceed the Aggregate Master Program Amount. In connection with any such modification, the Borrower shall amend Schedule I (Master Program Schedule) and Schedule II (Master Program Budget) by submitting a revised version thereof to the WIFIA Lender no later than thirty (30) days prior to the proposed effective date of such modification, together with a detailed explanation of the reasons therefor. Each such revised schedule shall become effective upon the WIFIA Lender's approval thereof, which approval shall be granted in the WIFIA Lender's sole discretion.

#### Section 4      Disbursement Conditions.

(a) From time to time after the Effective Date but in any event (x) not more than once every sixty (60) days and (y) no later than one hundred eighty (180) days prior to the end of the Master Availability Period, the Borrower may, with respect to each Project, request that the WIFIA Lender enter into a WIFIA Loan Agreement and related WIFIA Loan Documents in respect of such Project by delivering to the WIFIA Lender a written notice in the form of Exhibit F (Form of WIFIA Loan Request) (a "**WIFIA Loan Request**"), which shall specify the Project to which such WIFIA Loan Request relates, together with (i) a description of the Project, (ii) the most recent Updated Financial Model or financial plan delivered to the WIFIA Lender in accordance with Section 16(a) (Reporting Requirements – Updated Financial Model; Financial Plan), and (iii) such additional information relating to the Project as may be requested by the WIFIA Lender; provided that a WIFIA Loan Request shall not be required in connection with the initial WIFIA Loan Agreement; provided further that no more than five (5) WIFIA Loan Requests shall be delivered during the Master Availability Period. For each Project, the WIFIA Lender and the Borrower shall, subject to the terms and conditions set forth herein and the applicable WIFIA Loan Agreement, promptly and in good faith, negotiate, finalize and enter into the Project Term Sheet, WIFIA Loan Agreement and the other WIFIA Loan Documents related to such Project.

(b) WIFIA Loan proceeds shall be disbursed solely in respect of Eligible Project Costs (i) paid or incurred and approved for payment by or on behalf of the Borrower in connection with the applicable Project and (ii) consistent with the provisions of Section 401 (*Issuance Fund*) of the Trust Agreement with respect to Issuance Costs and Section 402 (*Construction Fund*) of the Trust Agreement with respect to Capital Improvement Program Costs. If the Borrower intends to utilize WIFIA Loan proceeds to make progress payments for construction work with respect to such Project, the Borrower shall demonstrate to the satisfaction of the WIFIA Lender that such progress payments are commensurate with the cost of the work that has been completed. Each disbursement of any WIFIA Loan shall be made pursuant to a requisition and certification (a "**Requisition**") in the form set forth in Appendix One (Form of Requisition) to Exhibit C (Requisition Procedures and Form of Requisition), along with all documentation and other information required thereby, submitted by the Borrower to, and approved by, the WIFIA Lender, all in accordance with the procedures of Exhibit C (Requisition Procedures and Form of Requisition) and subject to the requirements of this Section 4 and the conditions set forth in Section 11(c) (*Conditions Precedent – Conditions Precedent to Disbursements*) and Section 11(b) (*Conditions Precedent – Conditions Precedent to Disbursements*) of the applicable WIFIA Loan Agreement; provided that no disbursement of WIFIA Loan proceeds shall be made after the Final Disbursement Date with respect to such WIFIA Loan. Each Requisition shall include a certification by the Borrower certifying that the amount for which reimbursement or payment is being requested has not been reimbursed or paid by any previous disbursement of WIFIA Loan proceeds.

(c) The Borrower shall deliver copies of each Requisition to the WIFIA Lender and the Servicer (if any) on or before the first (1<sup>st</sup>) Business Day of each month for which a disbursement is requested. If the WIFIA Lender shall expressly approve a Requisition or shall not expressly deny a Requisition, disbursements of funds shall be made on the fifteenth (15<sup>th</sup>) day of the month for which a disbursement has been requested, or on the next succeeding Business Day if such fifteenth (15<sup>th</sup>) day is not a Business Day. Express WIFIA Lender approval or denial shall be substantially in the form annexed hereto as Appendix Two (*[Approval]/[Disapproval] of the WIFIA Lender*) to Exhibit C (*Requisition Procedures and Form of Requisition*). In no event shall disbursements be made more than once each month.

(d) Subject to this Section 4 (*Disbursement Conditions*), any scheduled disbursement (as reflected in the applicable Anticipated WIFIA Loan Disbursement Schedule) that remains undrawn as of its scheduled date shall automatically be available for succeeding scheduled disbursement dates, up to the Final Disbursement Date for the relevant WIFIA Loan, with the effect of automatically updating such Anticipated WIFIA Loan Disbursement Schedule without the need for the WIFIA Lender's approval. The Borrower may amend the Anticipated WIFIA Loan Disbursement Schedule by submitting a revised version thereof to the WIFIA Lender no later than thirty (30) days prior to the proposed effective date of such amendment, together with a detailed explanation of the reasons for such revisions. Such revised Anticipated WIFIA Loan Disbursement Schedule shall become effective upon the WIFIA Lender's approval thereof, which approval shall be granted in the WIFIA Lender's sole discretion.

Section 5 Term. The term of each WIFIA Loan shall extend from the applicable WIFIA Loan Agreement Effective Date to the Final Maturity Date of such WIFIA Loan or to such earlier date as all amounts due or to become due to the WIFIA Lender under such WIFIA Loan Agreement have been irrevocably paid in full in immediately available funds.

Section 6 Interest Rate. With respect to each WIFIA Loan, interest will accrue and be computed on each Outstanding WIFIA Loan Balance from time to time at the relevant WIFIA Interest Rate on the basis of a three hundred sixty (360) day year of twelve (12) thirty (30)-day months; provided that upon the occurrence of (a) any Payment Default, the Borrower shall pay interest on the Outstanding WIFIA Loan Balance at the Default Rate from (and including) its due date to (but excluding) the date of actual payment and (b) any Event of Default other than pursuant to Section 17(a)(i) (*Events of Default and Remedies – Payment Default*), the Borrower shall pay interest on the Outstanding WIFIA Loan Balance at the Default Rate from (and including) the date of such occurrence to (but excluding) the earlier of the date on which (i) such Event of Default has been cured or waived (if applicable) in accordance with the terms of this Agreement and the relevant WIFIA Loan Agreement and (ii) such Outstanding WIFIA Loan Balance has been irrevocably paid in full in immediately available funds. Interest on each WIFIA Loan shall accrue and be payable only on those amounts for which a Requisition has been submitted and funds (or such portion of funds as have been approved by the WIFIA Lender) have been disbursed to the Borrower for use on the relevant Project in accordance with Section 4 (*Disbursement Conditions*).

Section 7 Security and Priority; Flow of Funds.

(a) Each WIFIA Loan shall be evidenced by a WIFIA Bond registered in the name of the WIFIA Lender. Each WIFIA Bond shall constitute a special obligation of the



Borrower, secured by a Lien on the Pledged Collateral in accordance with the provisions of the Trust Agreement and the WIFIA Series Agreement. The Lien on the Pledged Collateral securing the obligations under the Trust Agreement and the WIFIA Loan Documents with respect to each WIFIA Loan shall be (i) *pari passu* in right of payment and right of security to the Lien in favor of the other Senior Obligations and (ii) senior in right of payment and right of security to the Lien in favor of the Subordinate Obligations. Each WIFIA Bond shall constitute a Bond under the Trust Agreement.

(b) Except for Permitted Liens, the Pledged Collateral will be free and clear of any pledge, Lien, charge or encumbrance thereon or with respect thereto that is of equal rank with or senior to the pledge of the Borrower created under the Trust Documents for the benefit of the holders of Senior Obligations (including the WIFIA Lender). All organizational, regulatory or other necessary action on the part of the Borrower with respect to the foregoing has been duly and validly taken.

(c) The Borrower shall not use Net Revenues to make any payments or satisfy any obligations other than in accordance with the provisions of this Section 7 and the Trust Documents (including the right to use Net Revenues to make payments on Senior Obligations and Subordinate Obligations) and shall not apply any portion of the Net Revenues in contravention of this Agreement or the Trust Documents.

(d) Net Revenues received by the Trustee shall be applied in the order of priority described and in accordance with the Flow of Funds.

(e) The creation and enforcement of the security interests created under the Trust Agreement shall be governed by, and subject to the limitations imposed by, the internal laws of the Commonwealth (including the Enabling Act and Virginia Code Section 2.2-4902.1), without regard to any conflict of law principles.

## Section 8      Payment of Principal and Interest.

### (a)      Payment of WIFIA Debt Service.

(i) For each WIFIA Loan, on each Payment Date with respect to such WIFIA Loan occurring on or after the applicable First Payment Date, the Borrower shall pay the applicable WIFIA Debt Service by making (A) semi-annual payments of interest on each Interest Payment Date, (B) annual or semi-annual payments (as required pursuant to the terms of the applicable WIFIA Loan Agreement) of principal on each Principal Payment Date, and (C) payments of any other amounts on each other date on which payment thereof is required to be made hereunder or under the applicable WIFIA Loan Agreement (including the applicable Final Maturity Date and any other date on which payment is due hereunder or thereunder or under the applicable WIFIA Bond by reason of the mandatory prepayment or the acceleration of the maturity of such WIFIA Loan or otherwise) (in each case on such dates specified in the applicable WIFIA Loan Agreement); provided that if any such date is not a Business Day, payment shall be made on the next Business Day following such date. Payments of WIFIA Debt Service shall be made in the amounts and on the Payment Dates as set forth in Exhibit B (*WIFIA Debt Service*) attached

to the applicable WIFIA Loan Agreement, as the same may be revised pursuant to Section 8(d) (Payment of Principal and Interest – Adjustments to Loan Amortization Schedule). Each principal payment shall equal the product of the Outstanding WIFIA Loan Balance of the applicable WIFIA Loan as of the Final Disbursement Date thereof multiplied by the percentage set forth for such corresponding Principal Payment Date in Exhibit B (WIFIA Debt Service) attached to the applicable WIFIA Loan Agreement, and shall be calculated in such a manner that the applicable Outstanding WIFIA Loan Balance shall be reduced to \$0 on the Final Maturity Date with respect to such WIFIA Loan.

(ii) Notwithstanding anything herein to the contrary, each Outstanding WIFIA Loan Balance and any accrued interest thereon shall be due and payable in full on the earlier of the Final Maturity Date of the related WIFIA Loan and, to the extent applicable, the date such WIFIA Loan is required to be prepaid pursuant to Section 9(a) (Prepayment – Mandatory Prepayment) or accelerated pursuant to Section 803 (*Acceleration of Maturities*) of the Trust Agreement.

(iii) No payment of the principal of or interest on any WIFIA Loan is required to be made during any Capitalized Interest Period (if applicable as set forth in the relevant WIFIA Loan Agreement). On each Payment Date occurring during the applicable Capitalized Interest Period, and on the day immediately following the end of such Capitalized Interest Period, interest accrued on the applicable WIFIA Loan in the six (6) month period ending immediately prior to such date (or such shorter period if such Capitalized Interest Period ends on a date other than the date immediately prior to an Interest Payment Date) shall be capitalized and added to the relevant Outstanding WIFIA Loan Balance. The accrual of interest on amounts capitalized during the applicable Capitalized Interest Period pursuant to this Section 8(a)(iii) shall commence on the date such amounts are added to the relevant Outstanding WIFIA Loan Balance. Within thirty (30) days after the end of the applicable Capitalized Interest Period, the WIFIA Lender shall give written notice to the Borrower stating the Outstanding WIFIA Loan Balance of the related WIFIA Loan as of the close of business on the last day of such Capitalized Interest Period, which statement thereof shall be deemed conclusive absent manifest error; provided that no failure to give or delay in giving such notice shall affect any payment obligation or other obligation of the Borrower hereunder or under any other WIFIA Loan Document to which the Borrower is a party. Notwithstanding the foregoing, the applicable Capitalized Interest Period shall end immediately upon written notification to the Borrower by the WIFIA Lender that an Event of Default under the relevant WIFIA Loan Agreement has occurred, in which case the provisions of this Section 8(a)(iii) shall no longer apply and payments of principal and interest shall be currently due and payable in accordance with the terms hereof and of such WIFIA Loan Agreement and interest shall no longer be capitalized.

(b) WIFIA Bond. As evidence of the Borrower's obligation to repay each WIFIA Loan, the Borrower shall issue and deliver to the WIFIA Lender, on or prior to the applicable WIFIA Loan Agreement Effective Date, a WIFIA Bond substantially in the form of Exhibit A (Form of WIFIA Bond), having the maximum principal amount specified in the WIFIA Loan Agreement for such WIFIA Loan, bearing interest at the applicable WIFIA Interest Rate and having principal and interest payable on the same dates as those set forth in such WIFIA Loan

Agreement. Any payment in respect of any WIFIA Bond shall be treated as a payment in respect of the corresponding WIFIA Loan, and any prepayment of principal in respect of any WIFIA Loan shall be treated as a redemption in respect of the corresponding WIFIA Bond.

(c) Manner of Payment. Payments under the WIFIA Loan Agreements (and the corresponding WIFIA Bonds, which payments shall not be duplicative) shall be made by wire transfer on or before each applicable Payment Date in Dollars and in immediately available funds (without counterclaim, offset or deduction) in accordance with the payment instructions provided by the WIFIA Lender prior to the relevant payment, as may be modified in writing from time to time by the WIFIA Lender; provided that the failure to provide updated payment instructions shall not affect in any manner the Borrower's obligations hereunder or under any other WIFIA Loan Document. Payments shall be made by the Borrower or the Trustee with funds then on deposit in the Bond Fund in accordance with Section 503 (*Application of Money in Bond Fund*) and, if applicable, Section 504 (*Application of Money in Debt Service Reserve Fund; Qualified Reserve Fund Substitute*) in each case of the Trust Agreement.

(d) Adjustments to Loan Amortization Schedule.

(i) The Borrower shall have the right to (i) propose the parameters of the Loan Amortization Schedule with respect to any WIFIA Loan prior to the execution and delivery of the relevant WIFIA Loan Agreement and (ii) propose modifications to the Loan Amortization Schedule with respect to any WIFIA Loan exercisable once on or prior to the date that is forty-five (45) days preceding the First Payment Date with respect to such WIFIA Loan, such modifications to be submitted by the Borrower to the WIFIA Lender and the Trustee in an updated Exhibit B to the relevant WIFIA Loan Agreement with adjustments to the column titled "Principal Payment as a % of Aggregate Amount of All Disbursements"; provided that (x) the form of and any modification to the Loan Amortization Schedule shall be reasonably acceptable to the WIFIA Lender, (y) the Weighted Average Life of such WIFIA Loan shall not exceed thirty-four (34) years measured as of the Initial Disbursement Date of such WIFIA Loan and (z) each Loan Amortization Schedule shall comply with all applicable requirements under this Agreement, the relevant WIFIA Loan Agreement, the Trust Agreement and law.

(ii) Each Outstanding WIFIA Loan Balance will be (A) increased on each occasion on which the WIFIA Lender disburses proceeds of the applicable WIFIA Loan under the applicable WIFIA Loan Agreement by the amount of such disbursement of loan proceeds and (B) decreased upon each payment or prepayment of the Outstanding WIFIA Loan Balance for the applicable WIFIA Loan by the amount of principal so paid. The WIFIA Lender may in its discretion at any time and from time to time, or when so requested by the Borrower, advise the Borrower and the Trustee by written notice of the amount of such Outstanding WIFIA Loan Balance as of the date of such notice, and its determination of such amount in any such notice shall be deemed conclusive absent manifest error. Amounts borrowed and repaid may not be reborrowed.

(iii) The WIFIA Lender is hereby authorized to modify each Loan Amortization Schedule from time to time, in accordance with the principles set forth below in this Section 8(d), to reflect (A) any change to the Outstanding WIFIA Loan Balance for

the applicable WIFIA Loan, (B) any change to the date and amount of any principal or interest due and payable or to become due and payable by the Borrower under this Agreement or the corresponding WIFIA Loan Agreement, and (C) such other information as the WIFIA Lender may determine is necessary for administering such WIFIA Loan or such WIFIA Loan Agreement. Any calculations described above shall be rounded up to the nearest whole cent. Any adjustments or revisions to such Loan Amortization Schedule as a result of changes in such Outstanding WIFIA Loan Balance shall be applied to reduce future payments due on the corresponding WIFIA Loan in any order of maturity as directed by written notice given by the Borrower to the WIFIA Lender prior to such adjustment or revision (and in the absence of any such written direction from the Borrower, in the inverse order of maturity). Absent manifest error, the WIFIA Lender's determination of such matters as set forth on Exhibit B (WIFIA Debt Service) attached to each WIFIA Loan Agreement shall be conclusive evidence thereof; provided that neither the failure to make any such recordation nor any error in such recordation shall affect in any manner the Borrower's obligations hereunder or under any other WIFIA Loan Document. The WIFIA Lender shall provide the Borrower and the Trustee with a copy of such Exhibit B (WIFIA Debt Service) as revised pursuant to this Section 8(d)(iii), but no failure to provide or delay in providing the Borrower or the Trustee with such copy shall affect any of the obligations of the Borrower under this Agreement or the other WIFIA Loan Documents. Any adjustments or revisions to a Loan Amortization Schedule shall be deemed to update the amortization schedule attached as Schedule A to the corresponding WIFIA Bond *mutatis mutandis*.

## Section 9      Prepayment.

(a)      Mandatory Prepayment. Any proceeds received by the Trustee from the VRA pursuant to the terms of the VRA Intercreditor Agreement shall be applied, on a *pro rata* basis with any other Bonds (based on the then outstanding principal balance thereof), to the payment or prepayment of such Bonds (including the WIFIA Bonds) in immediately available funds. The proceeds of any such partial prepayment of the WIFIA Bonds shall be applied in accordance with Section 9(d) (*Prepayment – General Prepayment Instructions*).

(b)      Optional Prepayments. The Borrower may optionally prepay any WIFIA Loan in whole or in part (and, if in part, the amounts thereof to be prepaid shall be determined by the Borrower; provided that such prepayments shall be in principal amounts of at least \$1,000,000 or any integral multiple of \$1.00 in excess thereof), from time to time, but not more than once during any Borrower Fiscal Year, without penalty or premium, by paying to the WIFIA Lender the principal amount of the WIFIA Loan to be prepaid, together with the unpaid interest accrued on the amount of principal so prepaid to the date of such prepayment, which shall be a Payment Date under the applicable WIFIA Loan Agreement unless otherwise agreed by the WIFIA Lender; provided further that any WIFIA Loan may be prepaid in full at any time without penalty. Each prepayment of a WIFIA Loan pursuant to this Section 9(a) shall be made in such principal amount as shall be specified by the Borrower in a written notice delivered to the WIFIA Lender not less than ten (10) days or more than thirty (30) days prior to the date set for prepayment, unless otherwise agreed by the WIFIA Lender. At any time between delivery of such written notice and the applicable optional prepayment, the Borrower may, without penalty or premium, rescind its announced optional prepayment by further written notice to the WIFIA Lender. Anything in this

Section 9(a) to the contrary notwithstanding, the failure by the Borrower to make any optional prepayment shall not constitute a breach or default under this Agreement or the applicable WIFIA Loan Agreement.

(c) Borrower's Certificate. Each prepayment pursuant to this Section 9 shall be accompanied by a certificate signed by the Borrower's Authorized Representative identifying the provision of this Agreement pursuant to which such prepayment is being made and containing a statement of the principal amount being repaid and a calculation in reasonable detail of the amount of interest due in connection with such prepayment.

(d) General Prepayment Instructions. Upon the WIFIA Lender's receipt of confirmation that payment in full in immediately available funds of the entire Outstanding WIFIA Loan Balance with respect to any WIFIA Loan and any unpaid interest, fees and expenses with respect thereto has occurred as a result of a prepayment, the WIFIA Lender shall surrender the corresponding WIFIA Bond to the Trustee or its representative at the principal corporate office of the Trustee. If the Borrower prepays only part of the unpaid balance of principal of any WIFIA Loan, the WIFIA Lender may make a notation on Exhibit B (WIFIA Debt Service) attached to the applicable WIFIA Loan Agreement, indicating the amount of principal of and interest on such WIFIA Loan then being prepaid. Absent manifest error, the WIFIA Lender's determination of such matters as set forth on such Exhibit B (WIFIA Debt Service) shall be conclusive evidence thereof; provided that neither the failure to make any such recordation nor any error in such recordation shall affect in any manner the Borrower's obligations hereunder or under any other WIFIA Loan Document. All partial prepayments of principal shall be applied to reduce future payments due on the applicable WIFIA Loan in any order of maturity as directed by written notice given by the Borrower to the WIFIA Lender at or prior to such prepayment (and in the absence of any such written direction from the Borrower, in the inverse order of maturity). If such funds have not been so paid on the prepayment date, such principal amount of such WIFIA Loan shall continue to bear interest until payment thereof at the rate provided in the applicable WIFIA Loan Agreement.

#### Section 10 Fees and Expenses.

(a) The Borrower shall pay to the WIFIA Lender for each WIFIA Loan:

(i) a servicing set-up fee equal to the amount specified in clause (a) of Section 10 (*Fees and Expenses*) of the applicable WIFIA Loan Agreement (the "**Servicing Set-Up Fee**"), which shall be due and payable within thirty (30) days after receipt of an invoice from the WIFIA Lender with respect thereto (or, if earlier, the Initial Disbursement Date of the related WIFIA Loan);

(ii) an annual construction period servicing fee equal to the amount specified in clause (b) of Section 10 (*Fees and Expenses*) of the applicable WIFIA Loan Agreement (the "**Construction Period Servicing Fee**"), which shall accrue on the first Business Day of the then-current Federal Fiscal Year and shall be due and payable on or prior to each November 15 during the Construction Period under the applicable WIFIA Loan Agreement (including the Federal Fiscal Year during which the applicable Substantial Completion Date occurs); provided that the initial Construction Period



Servicing Fee shall be due and payable within thirty (30) days after receipt of an invoice from the WIFIA Lender with respect thereto (or, if earlier, the Initial Disbursement Date of the related WIFIA Loan), in an amount pro-rated from the applicable WIFIA Loan Agreement Effective Date through the last day of the then-applicable Federal Fiscal Year; and

(iii) an annual operating period servicing fee equal to the amount specified in clause (c) of Section 10 (*Fees and Expenses*) of the applicable WIFIA Loan Agreement (the “**Operating Period Servicing Fee**”), which shall accrue on the first Business Day of the then-current Federal Fiscal Year and shall be due and payable on or prior to each November 15, beginning with the first November 15 following the end of the Federal Fiscal Year during which the applicable Substantial Completion Date occurs until (and including) the applicable Final Maturity Date; provided that any Operating Period Servicing Fee due and payable with respect to any Federal Fiscal Year during which such Final Maturity Date occurs shall be equal to the pro-rata monthly portion of the then applicable Operating Period Servicing Fee multiplied by the number of partial or whole months remaining between October 1 and such Final Maturity Date.

(b) The amount of each Construction Period Servicing Fee (other than the initial Construction Period Servicing Fee) and each Operating Period Servicing Fee shall be adjusted in proportion to the percentage change in CPI for the calendar year immediately preceding the calendar year during which such fee is due. The WIFIA Lender shall notify the Borrower of the amount of each such fee at least thirty (30) days before payment is due, which determination shall be conclusive absent manifest error.

(c) Expenses. The Borrower agrees, whether or not the transactions hereby contemplated shall be consummated, to reimburse the WIFIA Lender on demand from time to time, within thirty (30) days after receipt of any invoice from the WIFIA Lender, for any and all fees, costs, charges, and expenses incurred by it (including the fees, costs, and expenses of its legal counsel, financial advisors, auditors and other consultants and advisors) in connection with the negotiation, preparation, execution, delivery, and performance of this Agreement and the other WIFIA Loan Documents and the transactions hereby and thereby contemplated, including attorneys’, and engineers’ fees and professional costs, including all such fees, costs, and expenses incurred as a result of or in connection with:

(i) the review of each WIFIA Loan Request and the negotiation, preparation, execution, delivery, and performance of each Project Term Sheet, WIFIA Loan Agreement, and the other WIFIA Loan Documents related to the relevant Project;

(ii) the enforcement of or attempt to enforce, or the protection or preservation of any right or claim under, the Liens on the Pledged Collateral or any provision of this Agreement or any of the other WIFIA Loan Documents or the rights of the WIFIA Lender thereunder;

(iii) any amendment, modification, waiver, or consent with respect to this Agreement or any other Related Document; and

(iv) any work-out, restructuring, or similar arrangement of the obligations of the Borrower under this Agreement or the other WIFIA Loan Documents, including during the pendency of any Event of Default.

(d) The obligations of the Borrower under this Section 10 shall survive the payment or prepayment in full or transfer of any WIFIA Loan, the enforcement of any provision of this Agreement or the other WIFIA Loan Documents, any amendments, waivers or consents with respect thereto, any Event of Default, and any such workout, restructuring, or similar arrangement.

### **ARTICLE III CONDITIONS PRECEDENT**

#### Section 11     Conditions Precedent.

(a) Conditions Precedent to Effectiveness of this Agreement. Notwithstanding anything in this Agreement to the contrary, this Agreement shall not become effective until each of the following conditions precedent has been satisfied or waived in writing by the WIFIA Lender in its sole discretion (which the WIFIA Lender acknowledges were satisfied or waived prior to the Effective Date):

(i) The Borrower shall have duly executed and delivered to the WIFIA Lender this Agreement and the applicable WIFIA Resolution, each in form and substance satisfactory to the WIFIA Lender.

(ii) The Borrower shall have delivered to the WIFIA Lender complete and fully executed copies of each Trust Document, together with any amendments, supplements, waivers or modifications thereto, that has been entered into on or prior to the Effective Date, along with a certification in the Closing Certificate that each such document is complete, fully executed and in full force and effect, and that all conditions contained in such documents that are necessary to the closing of the WIFIA transactions contemplated hereby have been fulfilled.

(iii) The Borrower shall have delivered to the WIFIA Lender a copy of its Organizational Documents as in effect on the Effective Date, along with a certification in the Closing Certificate that such Organizational Documents are in full force and effect.

(iv) The Borrower shall have delivered to the WIFIA Lender all further instruments and documents (including any resolutions, ordinances, and supplements) other than the WIFIA Loan Documents as are necessary for the Borrower to execute and deliver, and to perform its obligations under, this Agreement and to consummate and implement the transactions contemplated by this Agreement.

(v) Counsel to the Borrower shall have delivered to the WIFIA Lender legal opinions satisfactory to the WIFIA Lender in its sole discretion (including those opinions set forth in Exhibit E-1 (*Opinions Required from Counsel to Borrower*)) and bond counsel to the Borrower shall have delivered to the WIFIA Lender legal opinions

satisfactory to the WIFIA Lender in its sole discretion (including those opinions set forth in Exhibit E-2 (*Opinions Required from Bond Counsel*)).

(vi) The Borrower shall have delivered to the WIFIA Lender the Non-Debarment Certificate.

(vii) The Borrower shall have delivered to the WIFIA Lender the Non-Lobbying Certificate.

(viii) The Borrower shall have delivered to the WIFIA Lender a certificate, signed by the Borrower's Authorized Representative, substantially in the form attached hereto as Exhibit G-1 (*Form of Closing Certificate*) (the "**Closing Certificate**") (x) designating the Borrower's Authorized Representative, (y) confirming such person's position and incumbency and (z) certifying as to the satisfaction of the following conditions precedent:

(A) the aggregate of all funds committed to the development and construction of the Projects under the Master Program as set forth in the Base Case Financial Model and in the Master Program Budget is sufficient to carry out the Master Program, pay all Total Project Costs anticipated for the Master Program and achieve substantial completion for each Project component by its projected substantial completion date (as set forth on Schedule I (*Master Program Schedule*) under the column titled "Substantial Completion");

(B) the Borrower has developed, and identified adequate revenues to implement, a plan for operating, maintaining and repairing the Projects during their useful lives;

(C) the Borrower has (x) obtained a Federal Employer Identification Number, (y) obtained a DUNS Number, and (z) registered with, and obtained confirmation of active registration status from, the federal System for Award Management ([www.SAM.gov](http://www.SAM.gov));

(D) the representations and warranties of the Borrower set forth in this Agreement and in each other Related Document to which the Borrower is a party are true and correct in all material respects on and as of the date hereof, except to the extent that such representations and warranties expressly relate to an earlier date, in which case such representations and warranties were true and correct in all material respects as of such earlier date; and

(E) other than the events and conditions disclosed in the Voluntary Notice of the Borrower dated and posted to EMMA on May 26, 2020, no Material Adverse Effect, or any event or condition that could reasonably be expected to have a Material Adverse Effect, has occurred or arisen since March 27, 2020.

(ix) The Borrower shall have delivered to the WIFIA Lender a Base Case Financial Model in form and substance acceptable to the WIFIA Lender, along with a



certification in the Closing Certificate that such Base Case Financial Model, based on the assumptions and limitations set forth therein, (A) demonstrates that projected Net Revenues are sufficient to meet the Loan Amortization Schedules, (B) demonstrates compliance with the Rate Covenant for each Borrower Fiscal Year through each Final Maturity Date, (C) reflects principal amortization and interest payment schedules acceptable to the WIFIA Lender and (D) demonstrates that the Borrower has developed, and identified adequate revenues to implement, a plan for operating, maintaining and repairing each Project over its useful life.

(x) The Borrower shall have delivered to the WIFIA Lender (A) certificates of insurance along with a certification in the Closing Certificate that such insurance certificates are true and correct and demonstrate compliance with the requirements of Section 14(f) (Affirmative Covenants – Insurance) and (B) at the WIFIA Lender's request, copies of such insurance policies and/or, if applicable, documents pertaining to the Borrower's self-insurance program.

(xi) The Borrower shall have delivered to the WIFIA Lender the Borrower's Financial Statements for the most recent Borrower Fiscal Year for which such Financial Statements are available.

(xii) The Borrower shall have paid in full all invoices delivered by the WIFIA Lender to the Borrower as of the Effective Date for the fees and expenses of the WIFIA Lender's counsel and financial advisors and any auditors or other consultants retained by the WIFIA Lender for the purposes hereof.

(xiii) The Borrower shall have delivered to the WIFIA Lender a complete and fully executed copy of the VRA Intercreditor Agreement in form and substance satisfactory to the WIFIA Lender.

(xiv) The Borrower shall have delivered such other agreements, documents, instruments, opinions and other items required by the WIFIA Lender, all in form and substance satisfactory to the WIFIA Lender.

(b) Conditions Precedent to Effectiveness of Each WIFIA Loan Agreement. Notwithstanding anything in this Agreement to the contrary, no WIFIA Loan Agreement shall become effective until each of the following conditions precedent has been satisfied or waived in writing by the WIFIA Lender in its sole discretion:

(i) The Borrower shall have duly executed and delivered to the WIFIA Lender (A) except with respect to the initial WIFIA Loan Agreement, a WIFIA Loan Request that complies with the provisions of Section 4(a) (Disbursement Conditions), (B) a Project Term Sheet with respect to the applicable Project and (C) the WIFIA Loan Agreement and each other WIFIA Loan Document with respect to such Project, in each case in form and substance satisfactory to the WIFIA Lender.

(ii) The Borrower shall have delivered to the WIFIA Lender complete and fully executed copies of each Existing Construction Contract with respect to the applicable Project, together with any amendments, waivers or modifications thereto, along

with a certification in the applicable Project Closing Certificate that each such document is complete, fully executed and in full force and effect.

(iii) To the extent not previously delivered to the WIFIA Lender, the Borrower shall have delivered to the WIFIA Lender copies of any Trust Document entered into after the Effective Date, along with a certification in the Closing Certificate that each such document is complete, fully executed and in full force and effect.

(iv) Counsel to the Borrower shall have delivered to the WIFIA Lender legal opinions satisfactory to the WIFIA Lender in its sole discretion (including those opinions set forth in Exhibit E-1 (*Opinions Required from Counsel to Borrower*)) and bond counsel to the Borrower shall have delivered to the WIFIA Lender legal opinions satisfactory to the WIFIA Lender in its sole discretion (including those opinions set forth in Exhibit E-2 (*Opinions Required from Bond Counsel*)), in each case for the relevant Project.

(v) The Borrower shall have delivered to the WIFIA Lender the Non-Debarment Certificate for the relevant Project.

(vi) The Borrower shall have delivered to the WIFIA Lender the Non-Lobbying Certificate for the relevant Project.

(vii) The Borrower shall have delivered to the WIFIA Lender (A) a Project Budget for the relevant Project and (B) a revised Master Program Budget reflecting such Project Budget.

(viii) The Borrower shall have delivered to the WIFIA Lender a Project Closing Certificate with respect to the relevant Project, signed by the Borrower's Authorized Representative, substantially in the form attached hereto as Exhibit G-2 (*Form of Project Closing Certificate*) (x) confirming that the Borrower's Authorized Representative previously designated and such person's position and incumbency as previously provided to the WIFIA Lender remain unchanged and in full force and effect (or if changed, designating such new Borrower's Authorized Representative and confirming such person's position and incumbency, in form and substance satisfactory to the WIFIA Lender) and (y) certifying as to the satisfaction of the following conditions precedent (and, if requested by the WIFIA Lender, shall have provided evidence satisfactory to the WIFIA Lender of such satisfaction):

(A) the aggregate of all funds committed to the development and construction of such Project as set forth in the applicable Project Budget and the related revised Master Budget, as applicable, are sufficient to carry out such Project, pay all Total Project Costs anticipated for such Project and achieve Substantial Completion for such Project by the applicable Projected Substantial Completion Date;

(B) the Borrower has obtained all Governmental Approvals required to have been obtained as of the WIFIA Loan Agreement Effective Date (x) in connection with such Project and (y) to execute and deliver, and perform its

obligations under the WIFIA Loan Documents, and all such Governmental Approvals are final, non-appealable, and in full force and effect (and are not subject to any notice of violation, breach, or revocation);

(C) as of the applicable WIFIA Loan Agreement Effective Date, (x) the maximum principal amount of the relevant WIFIA Loan, together with the amount of any other credit assistance provided under the Act to the Borrower, does not exceed forty-nine percent (49%) of the reasonably anticipated Eligible Project Costs for such Project and (y) the total federal assistance provided to such Project, including the maximum principal amount of the relevant WIFIA Loan, does not exceed eighty percent (80%) of Total Project Costs for such Project;

(D) the Borrower is in compliance with NEPA and any applicable federal, state or local environmental review and approval requirements with respect to such Project, and, if requested by the WIFIA Lender, has provided evidence satisfactory to the WIFIA Lender of such compliance, including true, accurate and complete copies of the relevant NEPA Determination and any supplements thereto, which shall be in full force and effect and shall not have been withdrawn or materially amended;

(E) the Borrower has developed, and identified adequate revenues to implement, a plan for operating, maintaining and repairing such Project during its useful life;

(F) the Borrower has maintained (1) the Federal Employer Identification Number provided to the WIFIA Lender as a condition precedent to the Effective Date, (2) a Unique Entity Identifier and provided the same to the WIFIA Lender and (3) an active registration status with the federal System for Award Management ([www.SAM.gov](http://www.SAM.gov));

(G) (1) with respect to the initial WIFIA Loan Agreement, the Borrower has obtained a CUSIP number for the initial WIFIA Loan (the “**WIFIA CUSIP Number**”) for purposes of monitoring through EMMA, and (2) with respect to each other WIFIA Loan Agreement, the Borrower has (x) maintained such WIFIA CUSIP Number and (y) confirmed that the expiration date of such WIFIA CUSIP Number is no earlier than the Final Maturity Date of the relevant WIFIA Loan or extended the expiration date of the WIFIA CUSIP Number to be no earlier than the Final Maturity Date of the relevant WIFIA Loan;

(H) the representations and warranties of the Borrower set forth in the relevant WIFIA Loan Agreement and in each other Related Document to which the Borrower is a party are true and correct in all material respects on and as of the WIFIA Loan Agreement Effective Date, except to the extent that such representations and warranties expressly relate to an earlier date, in which case such representations and warranties were true and correct in all material respects as of such earlier date; provided that, to the extent necessary to make the corresponding representation and warranty true and complete as of the relevant WIFIA Loan

Agreement Effective Date, the Borrower shall have delivered an updated version of Schedule 12(f) (Litigation) and/or Schedule 12(p) (Environmental Matters) in form and substance satisfactory to the WIFIA Lender in its sole discretion;

(I) the Borrower's Organizational Documents remain in full force and effect, and no amendments or modifications have been made to the Organizational Documents since the Effective Date that have not been delivered to the WIFIA Lender;

(J) no Material Adverse Effect, or any event or condition that could reasonably be expected to have a Material Adverse Effect, has occurred or arisen since the Effective Date; and

(K) as of the relevant WIFIA Loan Agreement Effective Date, no Default or Event of Default and no event of default under any other Related Document shall have occurred and be continuing.

(ix) The Borrower shall have provided evidence to the WIFIA Lender's satisfaction of the assignment by at least one (1) Nationally Recognized Rating Agency of a public Investment Grade Rating on the applicable WIFIA Loan, along with a certification in the Project Closing Certificate that no such rating has been reduced to a rating below Investment Grade, revoked, withdrawn or suspended as of the applicable WIFIA Loan Agreement Effective Date.

(x) The Borrower shall have delivered to the WIFIA Lender the most recent Updated Financial Model or financial plan in compliance with the requirements of Section 16(a) (Reporting Requirements – Updated Financial Model; Financial Plan).

(xi) The Borrower shall have delivered to the WIFIA Lender a Public Benefits Report.

(xii) The Borrower shall have delivered to the WIFIA Lender the Borrower's Financial Statements for the most recent Borrower Fiscal Year for which such Financial Statements are available.

(xiii) The Borrower shall have provided the WIFIA Lender records of any Eligible Project Costs with respect to the relevant Project incurred prior to the relevant WIFIA Loan Agreement Effective Date in form and substance satisfactory to the WIFIA Lender.

(xiv) To the extent not previously paid, the Borrower shall have paid in full (A) any outstanding Servicing Fees due and payable under Section 10 (Fees and Expenses) and (B) all invoices delivered by the WIFIA Lender to the Borrower on or prior to the relevant WIFIA Loan Agreement Effective Date for the fees and expenses of the WIFIA Lender's counsel and financial advisors and any auditors or other consultants retained by the WIFIA Lender for the purposes of the WIFIA Loan Documents.

(xv) The Borrower shall have delivered to the WIFIA Lender the Civil Rights Pre-Award Compliance Review Report: EPA Form 4700-4 with respect to the relevant Project.

(xvi) The Borrower shall have delivered such other agreements, documents, instruments, opinions and other items reasonably required by the WIFIA Lender, all in form and substance satisfactory to the WIFIA Lender.

(c) Conditions Precedent to Disbursements. Notwithstanding anything in this Agreement to the contrary, the WIFIA Lender shall have no obligation to make any disbursement of any proceeds with respect to any WIFIA Loan to the Borrower until each of the following conditions precedent with respect to such WIFIA Loan has been satisfied or waived in writing by the WIFIA Lender in its sole discretion:

(i) The Borrower shall have provided to the WIFIA Lender evidence satisfactory to the WIFIA Lender that (A) the aggregate amount of all disbursements of such WIFIA Loan (including the requested disbursement) will not exceed (1) the maximum principal amount of such WIFIA Loan, (2) the amount of the Eligible Project Costs with respect to the applicable Project paid or incurred by the Borrower, and (3) the cumulative disbursements through the end of the current Federal Fiscal Year as set forth in the applicable Anticipated WIFIA Loan Disbursement Schedule; (B) the Borrower has sufficient available funds committed to such Project, which together with funds that remain available and not yet drawn under such WIFIA Loan, will be sufficient to pay the reasonably anticipated remaining Total Project Costs with respect to such Project; and (C) the total federal assistance provided to such Project, including the maximum principal amount of such WIFIA Loan, does not exceed eighty percent (80%) of such Total Project Costs.

(ii) The Borrower shall have delivered to the WIFIA Lender the most recent Updated Financial Model or financial plan in compliance with the requirements of Section 16(a) (*Reporting Requirements – Updated Financial Model*).

(iii) The Borrower shall have delivered to the WIFIA Lender a Requisition that complies with the provisions of Section 4 (*Disbursement Conditions*) (including satisfactory Eligible Project Costs Documentation relating to such Requisition), and the WIFIA Lender shall have approved (or be deemed to have approved in accordance with Section 4(b) (*Disbursement Conditions*)) such Requisition. The Borrower's Authorized Representative shall also certify in such Requisition that:

(A) all Governmental Approvals required to have been obtained as of the time of such disbursement for the development, construction, operation and maintenance of the relevant Project have been issued and are in full force and effect (and are not subject to any notice of violation, breach or revocation);

(B) each of the insurance policies obtained by the Borrower and by any applicable Construction Contractor in satisfaction of the requirements in Section 14(f) (*Affirmative Covenants – Insurance*) is in full force and effect, and no

notice of termination thereof has been issued by the applicable insurance provider and received by the Borrower;

(C) at the time of, and immediately after giving effect to, any disbursement of WIFIA Loan proceeds then currently requested, (1) no Default or Event of Default hereunder and no event of default under any other Related Document shall have occurred and be continuing and (2) no event that, with the giving of notice or the passage of time or both, would constitute an event of default under any other Related Document shall have occurred and be continuing;

(D) no Material Adverse Effect, or any event or condition that could reasonably be expected to result in a Material Adverse Effect, shall have occurred since the Effective Date;

(E) the Borrower, and to the best of its knowledge, each of its contractors and subcontractors at all tiers with respect to the relevant Project, has complied with all applicable laws, rules, regulations and requirements, including 40 U.S.C. §§3141-3144, 3146, and 3147 (relating to Davis-Bacon Act requirements) (and regulations relating thereto) and 33 U.S.C. §3914 (relating to American iron and steel products). Each Construction Contract requires that supporting documentation, such as certified payroll records and certifications for all iron and steel products used for the relevant Project, be maintained by such contractors and subcontractors and available for review upon request by the WIFIA Lender; and

(F) the representations and warranties of the Borrower set forth in this Agreement (including Section 12 (*Representations and Warranties of Borrower*)) and in each other Related Document shall be true and correct as of each date on which any disbursement of the applicable WIFIA Loan is made, except to the extent such representations and warranties expressly relate to an earlier date (in which case, such representations and warranties shall be true and correct as of such earlier date).

(iv) To the extent not previously delivered to the WIFIA Lender, the Borrower shall have provided copies of any Construction Contracts with respect to the applicable Project (including any amendments, modifications or supplements thereto) entered into after the applicable WIFIA Loan Agreement Effective Date, along with a certification in the applicable Requisition that each such document is complete, fully executed and in full force and effect.

(v) To the extent not previously delivered to the WIFIA Lender, the Borrower shall have delivered to the WIFIA Lender copies of any Trust Documents entered into after the applicable WIFIA Loan Agreement Effective Date, along with a certification in the applicable Requisition that each such document is complete, fully executed and in full force and effect.



(vi) The Borrower shall have paid in full (A) any outstanding Servicing Fees due and payable under Section 10 (*Fees and Expenses*) and (B) all invoices received from the WIFIA Lender as of the date of disbursement of the relevant WIFIA Loan for the fees and expenses of the WIFIA Lender's counsel and financial advisors and any auditors or other consultants retained by the WIFIA Lender for the purposes of the WIFIA Loan Documents.

#### **ARTICLE IV REPRESENTATIONS AND WARRANTIES**

Section 12 Representations and Warranties of Borrower. The Borrower hereby represents and warrants that, as of the Effective Date (other than with respect to the representations and warranties contained in Section 12(k) (*Representations and Warranties of Borrower – Credit Ratings*) and Section 12(n) (*Representations and Warranties of Borrower – Construction Contracts*)) and as of each WIFIA Loan Agreement Effective Date and, as to each of the representations and warranties below other than those contained in Section 12(b) (*Representations and Warranties of Borrower – Officers' Authorization*), the first sentence of Section 12(f) (*Representations and Warranties of Borrower – Litigation*), Section 12(k) (*Representations and Warranties of Borrower – Credit Ratings*), and Section 12(n) (*Representations and Warranties of Borrower – Construction Contracts*), as of each date on which any disbursement of a WIFIA Loan is requested or made:

(a) Organization; Power and Authority. The Borrower is a political subdivision created and validly existing under the laws of the Commonwealth, has full legal right, power and authority to enter into the Related Documents then in existence, to execute and deliver this Agreement and the other Related Documents, and to carry out and consummate all transactions contemplated hereby and thereby, and has duly authorized the execution, delivery and performance of this Agreement and the other Related Documents (it being understood that the authorization and powers of the Borrower are governed by, and subject to the limitations imposed by, the internal laws of the Commonwealth (including the Enabling Act), without regard to any conflict of law principles).

(b) Officers' Authorization. As of the Effective Date and as of each WIFIA Loan Agreement Effective Date, the officers of the Borrower executing (or that previously executed) the Related Documents, and any certifications or instruments related thereto, are (or were at the time of such execution) duly and properly in office and fully authorized to execute the same.

(c) Due Execution; Enforceability. Each of the Related Documents in effect as of any date on which this representation and warranty is made, and to which the Borrower is a party has been duly authorized, executed and delivered by the Borrower and constitutes the legal, valid and binding agreement of the Borrower enforceable against the Borrower in accordance with its terms, except as such enforceability (i) may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally and (ii) is subject to general principles of equity (regardless of whether enforceability is considered in equity or at law).

(d) Non-Contravention. The execution and delivery of the Related Documents to which the Borrower is a party, the consummation of the transactions contemplated by the Related Documents, and the fulfillment of or compliance with the terms and conditions of all of the Related Documents, will not (i) conflict with the Borrower's Organizational Documents, (ii) conflict in any material respect with, or constitute a violation, breach or default (whether immediately or after notice or the passage of time or both) by the Borrower of or under, any applicable law, administrative rule or regulation, any applicable court or administrative decree or order, or any indenture, mortgage, deed of trust, loan agreement, lease, contract or other agreement or instrument to which the Borrower is a party or by which it or its properties or assets are otherwise subject or bound, or (iii) result in the creation or imposition of any Lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Borrower, other than Permitted Liens.

(e) Consents and Approvals. No consent or approval of any trustee, holder of any indebtedness of the Borrower or any other Person, and no consent, permission, authorization, order or license of, or filing or registration with, any Governmental Authority is necessary in connection with (i) the execution and delivery by the Borrower of the Related Documents, except as have been obtained or made and as are in full force and effect or (ii) (A) the consummation of any transaction contemplated by any of the Related Documents or (B) the fulfillment of or compliance by the Borrower with the terms and conditions of any of the Related Documents, except as have been obtained or made and as are in full force and effect or, if not required to be obtained or made as of the date this representation and warranty is made, as can reasonably be expected to be obtained or made in the ordinary course on commercially reasonable terms and conditions when needed.

(f) Litigation. As of the Effective Date and as of each WIFIA Loan Agreement Effective Date, except as set forth in Schedule 12(f) (Litigation), to the knowledge of the Borrower, there is no action, suit, proceeding, inquiry or investigation in any case before or by any court or other Governmental Authority pending or threatened against or affecting the Wastewater System (including the Master Program) or the ability of the Borrower to execute, deliver and perform its obligations under the Related Documents. To the knowledge of the Borrower, there is no action, suit, proceeding, inquiry or investigation before or by any court or other Governmental Authority pending or threatened against or affecting the Wastewater System, the Master Program, the Borrower or the assets, properties or operations of the Borrower, that in any case could reasonably be expected to result in a Material Adverse Effect.

(g) Security Interests. (i) The Trust Agreement, the WIFIA Series Agreement, the Enabling Act and Virginia Code Section 2.2-4902.1 establish, and (ii) the Borrower has taken all necessary action to pledge, assign, and grant, in each case in favor of the Trustee for the benefit of all holders of Senior Obligations (including the WIFIA Lender), legal, valid, binding and enforceable Liens on the Pledged Collateral purported to be created, pledged, assigned, and granted pursuant to and in accordance with the Trust Documents, irrespective of whether any Person has notice of the pledge and without the need for any physical delivery, recordation, filing, or further act. Such Liens are in full force and effect, are *pari passu* with the Lien on the Pledged Collateral in favor of the other Senior Obligations and are senior to the Lien on the Pledged Collateral in favor of the Subordinate Obligations. The Borrower is not in breach of any covenants set forth in this Agreement, including Section 14(b) (Affirmative Covenants – Securing Liens) or



in the Trust Documents with respect to the matters described in Section 14(b) (*Affirmative Covenants – Securing Liens*). All documents and instruments have been recorded or filed for record in such manner and in such places as are required and all other action as is necessary or desirable has been taken to establish a legal, valid, binding, and enforceable Lien on the Pledged Collateral in favor of the Trustee for the benefit of all holders of Senior Obligations (including the WIFIA Lender), and all taxes and filing fees that are due and payable in connection with the execution, delivery or recordation of any Trust Documents or any instruments, certificates or financing statements in connection with the foregoing, have been paid. Article 9 of the UCC does not govern the attachment, validity, enforceability or priority of the security interest in the Pledged Collateral granted pursuant to the Trust Agreement and the WIFIA Series Agreement.

(h) No Debarment. The Borrower has fully complied with its verification obligations under 2 C.F.R. § 180.320 and confirms, based on such verification, that, to its knowledge, neither the Borrower nor any of its principals (as defined in 2 C.F.R. § 180.995 and supplemented by 2 C.F.R. § 1532.995) is debarred, suspended or voluntarily excluded from participation in Government contracts, procurement or non-procurement matters or delinquent on a Government debt as more fully set forth in the certificate delivered pursuant to Section 11(a)(vi) (*Conditions Precedent – Conditions Precedent to Effectiveness of this Agreement*) or Section 11(b)(v) (*Conditions Precedent – Conditions Precedent to Effectiveness of Each WIFIA Loan Agreement*).

(i) Accuracy of Representations and Warranties. The representations, warranties and certifications of the Borrower set forth in this Agreement and the other Related Documents are, in all material respects, true and correct, except to the extent such representations and warranties expressly relate to an earlier date (in which case, such representations and warranties were, in all material respects, true and correct as of such earlier date).

(j) Compliance with Laws.

(i) The Borrower, and to the best of its knowledge, each of its contractors and subcontractors at all tiers with respect to the Master Program, has complied with all applicable laws, rules, regulations and requirements, including 40 U.S.C. §§3141-3144, 3146, and 3147 (relating to Davis-Bacon Act requirements) (and regulations relating thereto) and 33 U.S.C. §3914 (relating to American iron and steel products).

(ii) To further such compliance, the Borrower has included in all contracts with respect to the Master Program (A) the contract clauses relating to the Davis-Bacon Act requirements that are set forth in the Code of Federal Regulations, Title 29 Part 5.5 and (B) requirements that its contractors shall (1) comply with all applicable laws, rules, regulations, and requirements set forth in this Section 12(j) and follow applicable federal guidance and (2) incorporate in all subcontracts (and cause all subcontractors to include in lower tier subcontracts) such terms and conditions as are required to be incorporated therein by any applicable laws, rules, regulations and requirements set forth in this Section 12(j) (including with respect to the Davis-Bacon Act requirements).

(iii) No notices of violation of any applicable law have been issued, entered or received by the Borrower or, to the Borrower's knowledge and solely with

respect to the Master Program, by any contractor or subcontractor with respect to the Master Program, other than, in each case, notices of violations that are immaterial.

(iv) The Borrower is not (A) a Sanctioned Person or (B) in violation of or, since the date that is five (5) years prior to the Effective Date, has violated: (1) any applicable Anti-Money Laundering Laws; (2) any applicable Sanctions; (3) any applicable Anti-Corruption Laws; or (4) any applicable anti-drug trafficking, anti-terrorism, or anti-corruption laws, civil or criminal. To the knowledge of the Borrower, there are no pending or threatened claims or investigations by any Governmental Authority against, or any internal investigations conducted by, the Borrower with respect to any possible or alleged violations of any Sanctions, Anti-Money Laundering Laws, Anti-Corruption Laws, or any anti-drug trafficking or anti-terrorism laws. No use of proceeds of any WIFIA Loan or any other transaction contemplated by this Agreement or any other Related Document will violate any applicable Sanctions, Anti-Money Laundering Laws, or Anti-Corruption Laws, or any applicable anti-drug trafficking or anti-terrorism laws.

(k) Credit Ratings. As of any WIFIA Loan Agreement Effective Date, (i) the corresponding WIFIA Loan has received a public Investment Grade Rating from at least one (1) Nationally Recognized Rating Agency, (ii) written evidence of such rating has been provided to the WIFIA Lender, and (iii) no such rating has been reduced to a rating below Investment Grade, revoked, withdrawn or suspended.

(l) No Defaults. No Default or Event of Default, and no default or event of default by the Borrower under any other Related Document, has occurred and is continuing.

(m) Governmental Approvals. All Governmental Approvals required to have been obtained as of the Effective Date and required to have been obtained as of any subsequent date on which this representation is made (or deemed made) for the undertaking and completion by the Borrower of the Master Program, and for the operation and management thereof, have been obtained or effected and are in full force and effect and there is no basis for, nor proceeding that is pending or threatened that could reasonably be expected to result in, the revocation of any such Governmental Approval. The Borrower is not in default (and no event has occurred and is continuing that, with the giving of notice or the passage of time or both, could constitute a default) with respect to any such Governmental Approval, which default could reasonably be expected to result in a Material Adverse Effect.

(n) Construction Contracts. As of any WIFIA Loan Agreement Effective Date, attached as Schedule 12(n) (*Construction Contracts*) to the applicable WIFIA Loan Agreement is a list of the Existing Construction Contracts as of such WIFIA Loan Agreement Effective Date. With respect to each Construction Contract executed as of any date on which this representation and warranty is made, such Construction Contract is in full force and effect.

(o) Information. The information furnished by, or on behalf of, the Borrower to the WIFIA Lender, when taken as a whole, is true and correct in all material respects (other than for projections and other forward-looking statements contained in the Base Case Financial Model and any Updated Financial Model or financial plan which have been made in good faith and based on reasonable assumptions) and does not contain any untrue statement of a material fact or omit

to state any material fact necessary to make the statements contained therein not misleading as of the date made or furnished.

(p) Environmental Matters. Except as set forth in Schedule 12(p) (*Environmental Matters*), the Borrower is in compliance with all laws applicable to the Wastewater System (including the Master Program) relating to (i) air emissions, (ii) discharges to surface water or ground water, (iii) noise emissions, (iv) solid or liquid waste disposal, (v) the use, generation, storage, transportation or disposal of toxic or hazardous substances or wastes, (vi) biological resources (such as threatened and endangered species), and (vii) other environmental, health or safety matters, including all laws applicable to the Wastewater System (including the Master Program) (collectively, the “**Environmental Laws**”). All Governmental Approvals for the Master Program relating to Environmental Laws have been, or, when required, will be, obtained and are (or, as applicable, will be) in full force and effect. Except as set forth in Schedule 12(p) (*Environmental Matters*), the Borrower has not received any written communication or notice, whether from a Governmental Authority, employee, citizens group, or any other Person, that alleges that the Borrower is not in compliance with all Environmental Laws and Governmental Approvals relating thereto in connection with the Master Program and, to the Borrower’s knowledge, there are no circumstances that may prevent or interfere with compliance in the future by the Borrower with any such Environmental Law or Governmental Approval. The Borrower has provided to the WIFIA Lender all material assessments, reports, results of investigations or audits, and other material information in the possession of or reasonably available to the Borrower regarding the Borrower’s or each Project’s compliance with (A) Environmental Laws and (B) Governmental Approvals that are required for the Master Program and relate to Environmental Laws.

(q) Sufficient Rights. The Borrower possesses, or has a reasonable basis to conclude that it can obtain, either valid legal and beneficial title to, leasehold title in, or other valid legal or beneficial rights with respect to the real property relating to the Wastewater System (including the Master Program), in each case as is necessary and sufficient as of the date this representation is made for the construction, operation, maintenance and repair of the Wastewater System (including the Master Program). As of any date on which this representation and warranty is made, the Construction Contracts then in effect and the Governmental Approvals that have then been obtained are in full force and effect and create rights in the Borrower sufficient to enable the Borrower to own, construct, operate, maintain and repair the Wastewater System (including the Master Program) and to perform its obligations under the Construction Contracts.

(r) Insurance. The Borrower is in compliance with all insurance obligations required under the Related Documents as of any date on which this representation and warranty is made. To the extent the Borrower self-insures, the Borrower’s self-insurance program is actuarially sound.

(s) No Liens. Except for Permitted Liens, the Borrower has not created, and is not under any obligation to create, and has not entered into any transaction or agreement that would result in the imposition of, any Lien on the Pledged Collateral, the Wastewater System, the Master Program, the properties or assets in relation to the Master Program, or the Borrower’s rights in any of the foregoing.

(t) Financial Statements. Each income statement, balance sheet and statement of operations and cash flows delivered to the WIFIA Lender pursuant to Section 11(a)(xi) (Conditions Precedent – Conditions Precedent to Effectiveness of this Agreement), Section 11(b)(xii) (Conditions Precedent – Conditions Precedent to Effectiveness of Each WIFIA Loan Agreement) and Section 16(b) (Reporting Requirements – Annual Financial Statements) (collectively, “**Financial Statements**”) has been prepared in accordance with GAAP and presents fairly, in all material respects, the financial condition of the Borrower as of the respective dates of the balance sheets included therein and the results of operations of the Borrower for the respective periods covered by the statements of income included therein. Except as reflected in such Financial Statements, there are no liabilities or obligations of the Borrower of any nature whatsoever for the periods to which such Financial Statements relate that are required to be disclosed in accordance with GAAP.

(u) Securities Laws. Under existing law, the WIFIA Bonds may be issued and sold without registration under the Securities Act of 1933, as amended, and any Commonwealth blue sky laws, and the Trust Agreement is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.

(v) Taxes. The Borrower is not required to file tax returns with any Governmental Authority.

(w) Sufficient Funds. In the reasonable opinion of the Borrower, the amount of the WIFIA Loans, when combined with all other funds committed for the development and construction of the Projects as set forth under the various sources of funds in the Base Case Financial Model will be sufficient to carry out the Master Program, pay all Total Project Costs anticipated for the development and construction of the Projects and achieve Substantial Completion with respect to each Project by the Projected Substantial Completion Date with respect to such Project.

(x) Sovereign Immunity. The Borrower either has no immunity from the jurisdiction of any court of competent jurisdiction or from any legal process therein which could be asserted in any action to enforce the obligations of the Borrower under any of the Related Documents to which it is a party or the transactions contemplated hereby or thereby, including the obligations of the Borrower hereunder and thereunder, or, to the extent that the Borrower has such immunity, the Borrower has waived such immunity to the extent permitted by applicable law pursuant to Section 14(n) (Affirmative Covenants – Immunity) (which the Borrower represents and the WIFIA Lender acknowledges applicable law does not permit as of the Effective Date).

(y) Patriot Act. To the extent that the Patriot Act is applicable to the Borrower, the Borrower has established an anti-money laundering compliance program pursuant to the Patriot Act.

(z) No Federal Debt. The Borrower has no delinquent federal debt (including tax liabilities but excluding any delinquencies that have been resolved with the appropriate federal agency in accordance with the standards of the Debt Collection Improvement Act of 1996).

Section 13     Representations and Warranties of WIFIA Lender. The WIFIA Lender represents and warrants that:

(a)     Power and Authority. The WIFIA Lender has all requisite power and authority to make the WIFIA Loan and to perform all transactions contemplated by the Related Documents to which it is a party.

(b)     Due Execution; Enforceability. The Related Documents to which it is a party have been duly authorized, executed and delivered by the WIFIA Lender, and are legally valid and binding agreements of the WIFIA Lender, enforceable in accordance with their terms.

(c)     Officers' Authorization. The officers of the WIFIA Lender executing each of the Related Documents to which the WIFIA Lender is a party are duly and properly in office and fully authorized to execute the same on behalf of the WIFIA Lender.

## **ARTICLE V COVENANTS**

Section 14     Affirmative Covenants. The Borrower covenants and agrees as follows until the date each WIFIA Bond and all of the obligations of the Borrower under this Agreement and each WIFIA Loan Agreement (other than contingent indemnity obligations to the extent applicable) are irrevocably paid in full in immediately available funds and the WIFIA Lender no longer has any commitment to make disbursements to the Borrower, unless the WIFIA Lender waives compliance in writing:

(a)     Rate Covenant. The Borrower shall comply with the requirements specified in Section 705 (*Rate Covenant*) of the Trust Agreement (such requirements, the “**Rate Covenant**”), a copy of which Section as of the Amendment Effective Date is attached hereto as Schedule 14(a) (*Rate Covenant*).

(b)     Securing Liens. The Borrower shall at any and all times, to the extent permitted by law, pass, make, do, execute, acknowledge and deliver, all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable in connection with assuring, conveying, granting, assigning, securing and confirming the Liens on the Pledged Collateral (whether now existing or hereafter arising) granted to the Trustee for the benefit of the holders of all Senior Obligations (including the WIFIA Lender) pursuant to the Trust Agreement and the WIFIA Series Agreement, or intended so to be granted pursuant to the Trust Agreement and the WIFIA Series Agreement, or which the Borrower may become bound to grant, and the Borrower shall at all times, to the extent permitted by law, maintain the Pledged Collateral free and clear of any pledge, Lien, charge or encumbrance thereon or with respect thereto that has priority over, or equal rank with, the Liens created by the Trust Agreement and the WIFIA Series Agreement, other than as permitted by the Trust Documents and this Agreement, and duly take all organizational, regulatory or other necessary action on the part of the Borrower to that end. The Borrower shall at all times, to the extent permitted by law, defend, preserve and protect the Liens on the Pledged Collateral granted pursuant to the Trust Agreement and the WIFIA Series Agreement for the benefit of the WIFIA Lender against all claims and demands of all Persons whomsoever, subject to Permitted Liens.

(c) Use of Proceeds. The Borrower shall use the proceeds of the WIFIA Loans for purposes permitted by applicable law, this Agreement and the other Related Documents.

(d) Prosecution of Work; Verification Requirements.

(i) The Borrower shall diligently prosecute the work relating to the Master Program and complete each Project in accordance with the Construction Schedule, the Governmental Approvals in connection with such Project, and prudent utility practice.

(ii) The Borrower shall comply with Subpart C of 2 C.F.R. Part 180, as supplemented by Subpart C of 2 C.F.R. Part 1532 (relating to debarment), including the verification requirements set forth in 2 C.F.R. §§ 180.300 and 180.320, and shall include in its contracts with respect to the Project similar terms or requirements for compliance.

(e) Operations and Maintenance. The Borrower shall comply with the requirements specified in Section 707 (*Covenants as to Maintenance of Properties, Etc.*) of the Trust Agreement.

(f) Insurance.

(i) The Borrower shall comply with the requirements specified in Section 708 (*Insurance*) of the Trust Agreement.

(ii) The Borrower shall cause all liability insurance policies that it maintains (and, during each Construction Period, that are maintained by any Construction Contractor with respect to the applicable Project), other than workers' compensation insurance, to reflect the WIFIA Lender as an additional insured to the extent of its insurable interest.

(iii) Promptly upon request by the WIFIA Lender, the Borrower shall deliver to the WIFIA Lender copies of any underlying insurance policies obtained by or on behalf of the Borrower in respect of the Master Program. All such policies shall be available at all reasonable times for inspection by the WIFIA Lender, its agents and representatives.

(g) Maintain Legal Structure. To the extent permitted by law, the Borrower shall not take any action to adversely affect its existence as a political subdivision of the Commonwealth organized and existing under the laws of the Commonwealth.

(h) Investment of Money. The Borrower shall comply with the requirements set forth in Section 602 (*Investment of Money*) of the Trust Agreement.

(i) Compliance with Laws.

(i) The Borrower shall, and shall by written contract require its contractors and subcontractors at all tiers with respect to the Master Program, to comply with all applicable laws, rules, regulations and requirements, including: 40 U.S.C. §§3141-



3144, 3146, and 3147 (relating to Davis-Bacon Act requirements) (and regulations relating thereto) and 33 U.S.C. §3914 (relating to American iron and steel products).

(ii) To further such compliance, the Borrower shall include in all contracts with respect to the Master Program (A) the contract clauses relating to the Davis-Bacon Act requirements that are set forth in the Code of Federal Regulations, Title 29 Part 5.5 and (B) requirements that its contractors (1) shall comply with all applicable laws, rules, regulations, and requirements set forth in this Section 14(i) and follow applicable federal guidance and (2) incorporate in all subcontracts (and cause all subcontractors to include in lower tier subcontracts) such terms and conditions as are required to be incorporated therein by any applicable laws, rules, regulations and requirements set forth in this Section 14(i) (including with respect to the Davis-Bacon Act requirements).

(iii) No use of proceeds of any WIFIA Loan or any other transaction contemplated by this Agreement or any other Related Document shall violate any applicable Sanctions, Anti-Money Laundering Laws, or Anti-Corruption Laws, or any applicable anti-drug trafficking or anti-terrorism laws.

(j) Material Obligations. The Borrower shall pay its material obligations payable from revenues of the Wastewater System promptly and in accordance with their terms and pay and discharge promptly all taxes, assessments and governmental charges or levies imposed upon it or upon such revenues or other assets of the Wastewater System, before the same shall become delinquent or in default, as well as all lawful and material claims for labor, materials and supplies or other claims that, if unpaid, might give rise to a Lien upon the Wastewater System or any part thereof or on the Net Revenues or the other Pledged Collateral; provided that such payment and discharge shall not be required with respect to any such tax, assessment, charge, levy, claim or Lien so long as the validity or amount thereof shall be contested by the Borrower in good faith by appropriate proceedings, and so long as the Borrower shall have set aside adequate reserves with respect thereto in accordance with and to the extent required by GAAP, applied on a consistent basis.

(k) SAM Registration. The Borrower shall obtain prior to the Effective Date (and provide such registration information to the WIFIA Lender) and maintain through each Final Disbursement Date an active registration status with the federal System for Award Management ([www.SAM.gov](http://www.SAM.gov)) (or any successor system or registry).

(l) Unique Entity Identifier. The Borrower shall (i) obtain prior to the (A) Effective Date, a Data Universal Numbering System Number and (B) WIFIA Loan Effective Date with respect to the Tranche 3 WIFIA Loan referred to in Schedule II hereto (and provide to the WIFIA Lender), a Unique Entity Identifier and (ii) maintain the Unique Entity Identifier through the Final Maturity Date of each WIFIA Loan.

(m) Insurance and Condemnation Proceeds. The Borrower shall comply with the requirements set forth in Section 709 (*Insurance and Condemnation Proceeds*) of the Trust Agreement.

(n) Immunity. Solely to the extent the Borrower has authority to do so under applicable law (which the Borrower represents and the WIFIA Lender acknowledges it does not have as of the Effective Date), the Borrower agrees to waive any immunity it may have as a governmental entity from lawsuits, other actions and claims, and any judgments with respect to the enforcement of any of the obligations of the Borrower under this Agreement or any other WIFIA Loan Document, to the fullest extent permitted by applicable law.

(o) Accounting and Audit Procedures.

(i) The Borrower shall establish fiscal controls and accounting procedures sufficient to assure proper accounting for all (A) Net Revenues, Operating Expenses, capital expenses, depreciation, reserves, debt issued and outstanding and debt payments and (B) Project-related costs, WIFIA Loan requisitions submitted, WIFIA Loan proceeds received, payments made by the Borrower with regard to the Projects, and other sources of funding for the Projects (including amounts paid from such sources for Project costs so that audits may be performed to ensure compliance with and enforcement of this Agreement). The Borrower shall use accounting, audit and fiscal procedures conforming to GAAP, including, with respect to the WIFIA Loans, accounting of principal and interest payments, disbursements, prepayments and calculation of interest and principal amounts Outstanding.

(ii) The Borrower shall have a single or program-specific audit conducted in accordance with 2 C.F.R. Part 200 Subpart F and 31 U.S.C. § 7502 for 2020 and annually thereafter, except to the extent biennial audits are permitted for the Borrower pursuant to 2 C.F.R. § 200.504 and 31 U.S.C. § 7502(b). Upon reasonable notice, the Borrower shall cooperate fully in the conduct of any periodic or compliance audits conducted by the WIFIA Lender, or designees thereof, pursuant to 40 C.F.R. Part 35, 31 U.S.C. § 7503(b), or 31 U.S.C. § 6503(h) and shall provide full access to any books, documents, papers or other records that are pertinent to the Master Program or the WIFIA Loans to the WIFIA Lender, or the designee thereof, for any such project or programmatic audit.

(p) Access; Records.

(i) So long as any WIFIA Loan or any portion thereof shall remain outstanding and until five (5) years after such WIFIA Loan shall have been paid in full, the WIFIA Lender shall have the right, upon reasonable prior notice, to visit and inspect any portion of the relevant Project, to examine books of account and records of the Borrower relating to such Project, to make copies and extracts therefrom at the Borrower's expense, and to discuss the Borrower's affairs, finances and accounts relating to such Project with, and to be advised as to the same by, its officers and employees and its independent public accountants (and by this provision the Borrower irrevocably authorizes its independent public accountants to discuss with the WIFIA Lender the affairs, finances and accounts of the Borrower, whether or not any representative of the Borrower is present, it being understood that nothing contained in this Section 14(p) is intended to confer any right to exclude any such representative from such discussions), all at such reasonable times and intervals as the WIFIA Lender may request. The Borrower agrees to pay all out-of-pocket



expenses incurred by the WIFIA Lender in connection with the WIFIA Lender's exercise of its rights under this Section 14(p) at any time when an Event of Default shall have occurred and be continuing.

(ii) The Borrower shall maintain and retain all files relating to the Master Program and the WIFIA Loans until five (5) years after the later of the date on which (A) all rights and duties under this Agreement and under the WIFIA Loan Agreements and corresponding WIFIA Bonds (including payments) have been fulfilled and any required audits have been performed and (B) any litigation relating to Master Program, the WIFIA Loans, this Agreement or the WIFIA Loan Agreements is finally resolved or, if the WIFIA Lender has reasonable cause to extend such date, a date to be mutually agreed upon by the WIFIA Lender and the Borrower. The Borrower shall provide to the WIFIA Lender in a timely manner all records and documentation relating to the Master Program that the WIFIA Lender may reasonably request from time to time.

**Section 15 Negative Covenants.** The Borrower covenants and agrees as follows until the date each WIFIA Bond and all of the obligations of the Borrower under this Agreement and each WIFIA Loan Agreement (other than contingent indemnity obligations to the extent applicable) are irrevocably paid in full in immediately available funds and the WIFIA Lender no longer has any commitment to make disbursements to the Borrower, unless the WIFIA Lender waives compliance in writing:

(a) Indebtedness.

(i) The Borrower shall not create, incur or suffer to exist (A) any Indebtedness the payments of which are senior or prior in right to the payment by the Borrower of any Bond outstanding under the Trust Agreement (including the WIFIA Bonds) or (B) any Indebtedness with respect to the Master Program that is secured by a dedicated revenue source other than Net Revenues.

(ii) The Borrower shall not issue or incur any Additional Senior Obligations (including any WIFIA Bond) except in accordance with all requirements and conditions set forth in Section 704 (*Limitations on Indebtedness*) of the Trust Agreement and Section 5.2 (*Additional Restriction on the Incurrence of Additional Indebtedness*) of the Twelfth Supplemental Trust Agreement, a copy of which Sections as of the Amendment Effective Date is attached hereto as Schedule 15(a)(ii) (*Additional Bonds Test*).

(b) No Lien Extinguishment or Adverse Amendments. The Borrower shall not, and shall not permit any Person to, without the prior written consent of the WIFIA Lender, (i) extinguish or impair the Liens on the Pledged Collateral granted pursuant to the Trust Agreement and the WIFIA Series Agreement, (ii) amend, modify, replace or supplement any WIFIA Loan Document or the VRA Intercreditor Agreement or in each case permit a waiver of any provision thereof, (iii) amend, modify, replace, supplement, terminate or assign any VRA Agreement or permit a waiver of any provision thereof in each case in a manner that could reasonably be expected to materially adversely affect the WIFIA Lender in connection with the WIFIA Loans, the Pledged Collateral or the WIFIA Lender's rights or remedies under any Related Document or (iv) amend,

modify, replace, supplement, terminate or assign the Trust Agreement or any Supplement or permit a waiver of any provision thereof in each case in a manner that could reasonably be expected to materially adversely affect the WIFIA Lender in connection with the WIFIA Loans in a disproportionate manner compared to other holders of Senior Obligations; provided that this covenant shall not prohibit any Supplement permitted to be made without the consent of any holder of Senior Obligations pursuant to Section 1101 (*Supplemental Trust Agreements without Consent of Holders*) of the Trust Agreement.

(c) No Prohibited Liens. The Borrower shall not create or suffer to be created or permit the existence of any Lien on Property now owned or hereafter acquired by it or upon the Net Revenues other than Permitted Liens.

(d) Restricted Payments and Transfers. The Borrower shall not permit Net Revenues, or any funds in any of the Funds and Accounts, to be paid or transferred or otherwise applied for purposes that would violate the terms of the Trust Agreement or the Enabling Act.

(e) No Prohibited Sale, Lease or Assignment. The Borrower shall not sell, lease or assign its rights in and to the Wastewater System (including the Master Program) or a substantial portion of the assets included in the Wastewater System (including the Master Program) in each case unless such sale, lease or assignment is made in accordance with Section 707(a) (*Covenants as to Maintenance of Properties, Etc.*) of the Trust Agreement.

(f) Fiscal Year. The Borrower shall not at any time adopt any fiscal year other than the Borrower Fiscal Year, except with thirty (30) days' prior written notice to the WIFIA Lender.

(g) Mergers and Acquisitions. The Borrower shall not, and shall not agree to, reorganize, consolidate with or merge into another Person unless (i) such reorganization, merger or consolidation is with or into another entity created or established by Commonwealth law and such reorganization, merger or consolidation is mandated by Commonwealth law or (ii) such reorganization, merger or consolidation will not adversely affect or impair the sufficiency of Net Revenues for the payment of debt service on all Senior Obligations. In either case, the Borrower shall provide to the WIFIA Lender or post to EMMA under the WIFIA CUSIP Number, no later than sixty (60) days prior to the date of reorganization, consolidation or merger, prior written notice of such reorganization, consolidation or merger and the agreements and documents authorizing the reorganization, consolidation or merger. In addition, the Borrower shall provide all information concerning such reorganization, consolidation or merger as shall have been reasonably requested by the WIFIA Lender.

(h) No Defeasance. Notwithstanding anything to the contrary in any document, no WIFIA Loan shall be subject to defeasance and no amounts in respect of any WIFIA Loan shall be considered or deemed to have been paid until the WIFIA Lender shall have received irrevocable payment in immediately available funds in accordance with the requirements for payment set forth in this Agreement and the WIFIA Loan Agreements.

## Section 16 Reporting Requirements.

(a) Updated Financial Model; Financial Plan. The Borrower shall provide to the WIFIA Lender, not later than ninety (90) days after the beginning of each Borrower Fiscal Year, (i) an Updated Financial Model or (ii) a financial plan either (A) in the form of, and containing substantially similar information to, **Exhibit M** (*Form of Annual Budget*) or (B) demonstrating to the satisfaction of the WIFIA Lender that the Borrower has developed and identified adequate revenues to implement a plan for operating, maintaining and repairing the Master Program over its useful life, and including (x) the Borrower's capital improvement plan, major maintenance plan, projected rates and charges, projected Net Revenues and Operating Expenses for a reasonable projection period consistent with the Borrower's operating and financial planning, and projected debt outstanding and annual debt service, and (y) evidence of compliance with the Rate Covenant for the most recent Borrower Fiscal Year for which Financial Statements are available and the projected Rate Covenant coverages for such reasonable projection period consistent with the Borrower's operating and financial planning.

(b) Annual Financial Statements. The Borrower shall deliver to the WIFIA Lender or post to EMMA under the WIFIA CUSIP Number, on an annual basis as soon as available, but (x) if the applicable Borrower Fiscal Year ended on June 30, no later than December 27 of such year, and (y) if the applicable Borrower Fiscal Year ended on a date other than June 30, no later than one hundred eighty (180) days after the end of such Borrower Fiscal Year: a copy of the audited income statement and balance sheet of the Borrower as of the end of such Borrower Fiscal Year and the related audited statements of operations and of cash flow of the Borrower for such Borrower Fiscal Year: (i) setting forth in each case in comparative form the figures for the previous fiscal year, (ii) certified without qualification or exception, or qualification as to the scope of the audit, by an independent public accounting firm selected by the Borrower, and (iii) which shall be complete and correct in all material respects and shall be prepared in reasonable detail and in accordance with GAAP applied consistently throughout the periods reflected therein (except, with respect to the annual financial statements, for changes approved or required by the independent public accountants certifying such statements and disclosed therein).

(c) Construction Contracts and Specifications. The Borrower shall deliver to the WIFIA Lender, no later than thirty (30) days prior to (i) bid advertisement for each Project, a copy of the final specifications relating to the development and construction of such Project, demonstrating compliance with all applicable federal requirements and including a summary of the scope of work thereunder and (ii) any notice to proceed for such Project, a copy of the relevant portion of the related executed Construction Contract (including the cover page and executed signature pages) demonstrating compliance with all applicable federal requirements.

(d) Construction Reporting. The WIFIA Lender shall have the right in its sole discretion to monitor (or direct its agents to monitor) the development of the Master Program, including environmental compliance, design, and construction of the Projects. The Borrower shall be responsible for administering construction oversight of each Project in accordance with applicable federal, state and local governmental requirements. The Borrower agrees to cooperate in good faith with the WIFIA Lender in the conduct of such monitoring by promptly providing the WIFIA Lender with any Construction Contracts and such reports, documentation or other information in each case as shall be requested by the WIFIA Lender or its agents, including any independent engineer reports, documentation or information. During the period through Substantial Completion of each Project, the Borrower shall furnish to the WIFIA Lender, on a

quarterly basis, a report on the status of such Project, substantially in the form of Exhibit H (*Form of Quarterly Report*). The report shall be executed by the Borrower's Authorized Representative and, for any quarterly period, shall be delivered to the WIFIA Lender within thirty (30) days following the end of such quarterly period (or if such day is not a Business Day, on the next following Business Day). If the then-current projection for the Substantial Completion Date of any Project is a date later than the Projected Substantial Completion Date of such Project, the Borrower shall provide in such report a description in reasonable detail to the reasonable satisfaction of the WIFIA Lender of the reasons for such projected delay, an estimate of the impact of such delay on the capital and operating costs of the Wastewater System (if any), and a certification of the Borrower's Authorized Representative that the new date could not reasonably be expected to result in a Material Adverse Effect.

(e) Public Benefits Report. With respect to each Project, the Borrower shall deliver to the WIFIA Lender a report, in the form of Exhibit J (*Form of Public Benefits Report*) (the "**Public Benefits Report**"), (i) no later than the applicable WIFIA Loan Agreement Effective Date, (ii) within ninety (90) days following the applicable Substantial Completion Date and (iii) within ninety (90) days following the fifth (5<sup>th</sup>) anniversary of such Substantial Completion Date. The Borrower agrees that information described under this Section 16(e) may be made publicly available by the WIFIA Lender at its discretion.

(f) Modifications to Total Project Costs. With respect to each Project, for the period through the applicable Substantial Completion Date, the Borrower shall provide the WIFIA Lender with written notification at least thirty (30) days prior to instituting any increase to the Total Project Costs for such Project in an amount equal to or greater than fifteen percent (15%), which notification shall set forth the nature of the proposed increase. The Borrower's notice shall demonstrate that the proposed increase is consistent with the provisions of this Agreement and the applicable WIFIA Loan Agreement, is necessary or beneficial to such Project, does not materially impair the WIFIA Lender's security or the Borrower's ability to comply with its obligations under the Related Documents (including any financial ratios or covenants included therein), and could not reasonably be expected to result in a Material Adverse Effect.

(g) Operations and Maintenance. The WIFIA Lender shall have the right, in its sole discretion, to monitor (or direct its agents to monitor) each Project's operations and, as the WIFIA Lender may reasonably request from time to time, to receive reporting on the operation and management of each Project, and copies of any contracts relating to the operation and maintenance of each Project. The Borrower agrees to cooperate in good faith with the WIFIA Lender in the conduct of such monitoring by promptly providing the WIFIA Lender with such reports, documentation, or other information reasonably requested by the WIFIA Lender. The WIFIA Lender has the right, in its sole discretion, to retain such consultants or advisors, to carry out the provisions of this Section 16(g).

(h) Notices.

(i) The Borrower shall, within fifteen (15) Business Days (or such other time as specified below) after the Borrower learns of the occurrence, give the WIFIA Lender notice of any of the following events or receipt of any of the following notices, as applicable, setting forth details of such event:

(A) Substantial Completion: the occurrence of Substantial Completion of each Project, such notice to be provided in the form set forth in Exhibit I (*Form of Certificate of Substantial Completion*);

(B) Defaults; Events of Default: any Default or Event of Default;

(C) Litigation: (1) the filing of any litigation, suit or action, or the commencement of any proceeding, against the Borrower before any arbitrator, Governmental Authority, alternative dispute resolution body, or other neutral third-party, or the receipt by the Borrower in writing of any threat of litigation, suit, action, or proceeding, or of any written claim against the Borrower that, in each case, could reasonably be expected to have a Material Adverse Effect, and any material changes in the status of such litigation, suit, action or claim, and (2) any judgments against the Borrower that could reasonably be expected to have a Material Adverse Effect, either individually or in the aggregate;

(D) Delayed Governmental Approvals: any failure to receive or delay in receiving any Governmental Approval or making any required filing, notice, recordation or other demonstration to or with a Governmental Authority, in each case to the extent such failure or delay will or could reasonably be expected to result in a delay to any major milestone date (including any Projected Substantial Completion Date) set forth in any Construction Schedule, together with a written explanation of the reasons for such failure or delay and the Borrower's plans to remedy or mitigate the effects of such failure or delay;

(E) Environmental Notices: any material notice of violation or material change in finding under any Environmental Law related to the Master Program or any material changes to a NEPA Determination;

(F) Amendments: except as otherwise agreed by the WIFIA Lender in writing, copies of fully executed amendments, modifications, replacements or supplements to any Related Document within ten (10) days following execution thereof; provided that such notice can be accomplished through the posting of the relevant documents on EMMA under the WIFIA CUSIP Number;

(G) Related Document Defaults: any material breach or default or event of default on the part of the Borrower or any other party under any Related Document; provided that such notice can be accomplished through the posting of the relevant documents on EMMA under the WIFIA CUSIP Number;

(H) Uncontrollable Force: the occurrence of any Uncontrollable Force that could reasonably be expected to materially and adversely affect the Master Program;

(I) Ratings Changes: any change in the rating assigned to any WIFIA Loan or any other Indebtedness, in each case by any Nationally Recognized Rating Agency that has provided a public rating on such indebtedness, and any

notices, reports or other written materials (other than those that are ministerial in nature) received from any such rating agencies; provided that such notice can be accomplished through the posting of the relevant documents on EMMA under the WIFIA CUSIP Number;

(J) 2 C.F.R. § 180.350 Notices: any notification required pursuant to 2 C.F.R. § 180.350, whether attributable to a failure by the Borrower to disclose information previously required to have been disclosed or due to the Borrower or any of its principals meeting any of the criteria set forth in 2 C.F.R. § 180.335;

(K) Issuance of Indebtedness: copies of any final issuing instrument (together with any continuing disclosure documents, resolutions or official statements in connection therewith) prepared in connection with the incurrence of any Additional Senior Obligations; provided that such notice can be accomplished through the posting of the relevant documents on EMMA under the WIFIA CUSIP Number;

(L) Postings on EMMA: the posting of any document on EMMA in accordance with the requirements of any continuing disclosure agreement or similar document with respect to any outstanding Indebtedness relating to annual financial information and operating data and the reporting of significant events; provided that such notice can be accomplished through the posting of the relevant documents on EMMA under the WIFIA CUSIP Number; and

(M) Other Adverse Events: the occurrence of any other event or condition, including any notice of breach from a contract counterparty or any holder of any Indebtedness, that could reasonably be expected to result in a Material Adverse Effect or have a material and adverse effect on the Master Program.

(ii) Within thirty (30) calendar days after receipt of a request by the WIFIA Lender, the Borrower's Authorized Representative shall provide a statement setting forth the actions the Borrower proposes to take with respect to any of the matters described in clause (i) above. The Borrower shall also provide the WIFIA Lender with any further information reasonably requested by the WIFIA Lender from time to time concerning the matters described in clause (i) above.

(i) Requested Information. The Borrower shall, at any time while any WIFIA Loan remains outstanding, promptly deliver to the WIFIA Lender such additional information regarding the business, financial, legal or organizational affairs of the Borrower or regarding the Master Program or the Pledged Collateral as the WIFIA Lender may from time to time reasonably request.



## ARTICLE VI EVENTS OF DEFAULT

### Section 17     Events of Default and Remedies.

(a) An “**Event of Default**” shall exist under this Agreement and each WIFIA Loan Agreement if any of the following occurs; provided that any event described in Section 17(a)(iii) (*Events of Default and Remedies – Development Default*) or Section 17(a)(xi) (*Events of Default and Remedies – Additional Events of Default*) shall be an Event of Default solely under the WIFIA Loan Agreement for the relevant Project to which such event relates and not under this Agreement or any other WIFIA Loan Agreement:

(i) Payment Default. The Borrower shall fail to pay when due any principal of, or interest on, any WIFIA Loan when and as the payment thereof shall be required under this Agreement (including Section 8 (*Payment of Principal and Interest*)), any WIFIA Loan Agreement, any WIFIA Bond or on any Final Maturity Date (each such failure, a “**Payment Default**”) and such failure continues for a period of five (5) days.

(ii) Covenant Default. The Borrower shall fail to observe or perform any covenant, agreement or obligation of the Borrower under this Agreement, any WIFIA Loan Agreement or any other WIFIA Loan Document (other than in the case of any Payment Default or any Development Default), and such failure shall not be cured within thirty (30) days after the earlier to occur of (A) receipt by the Borrower from the WIFIA Lender of written notice thereof or (B) the date on which a member of the Senior Management of the Borrower acquires actual knowledge of such failure; provided that if such failure is capable of cure but cannot reasonably be cured within such thirty (30) day cure period, then no Event of Default shall be deemed to have occurred or be continuing under this Section 17(a)(ii), and such thirty (30) day cure period shall be extended by up to one hundred fifty (150) additional days, if and so long as (x) within such thirty (30) day cure period the Borrower shall commence actions reasonably designed to cure such failure and shall diligently pursue such actions until such failure is cured and (y) such failure is cured within one hundred eighty (180) days of the date specified in either (A) or (B) above, as applicable.

(iii) Development Default. A Development Default shall occur, and such failure continues for a period of ninety (90) days.

(iv) Misrepresentation Default. Any of the representations, warranties or certifications of the Borrower made in or delivered pursuant to the WIFIA Loan Documents (or in any certificates delivered by the Borrower in connection with the WIFIA Loan Documents) shall prove to have been false or misleading in any material respect when made or deemed made (or any representation and warranty or certification that is subject to a materiality qualifier shall prove to have been false or misleading in any respect); provided that no Event of Default shall be deemed to have occurred under this Section 17(a)(iv) if and so long as (A) such misrepresentation is not intentional, (B) such misrepresentation is not a misrepresentation in respect of Section 12(h) (*Representations and Warranties of Borrower – No Debarment*), Section 12(j) (*Representations and*

*Warranties of Borrower – Compliance with Laws*) or Section 12(y) (Representations and Warranties of Borrower – Patriot Act), (C) in the reasonable determination of the WIFIA Lender, such misrepresentation has not had, and would not reasonably be expected to result in, a Material Adverse Effect, (D) in the reasonable determination of the WIFIA Lender, the underlying issue giving rise to the misrepresentation is capable of being cured, (E) the underlying issue giving rise to the misrepresentation is cured by the Borrower within thirty (30) days after the date on which the Borrower first became aware (or reasonably should have become aware) of such misrepresentation, and (F) the Borrower diligently pursues such cure during such thirty (30) day period.

(v) Acceleration of Senior Obligations. Any acceleration shall occur of the maturity of any Senior Obligation, or any Senior Obligation due and payable on the final maturity date thereof shall not be paid in full.

(vi) Cross Default with Trust Documents. Any default shall occur in respect of the performance of any covenant, agreement or obligation of the Borrower under any Trust Document, and such default shall be continuing after the giving of any applicable notice and the expiration of any applicable grace period specified in such Trust Document (as the case may be) with respect to such default, and the Borrower shall have failed to cure such default or to obtain an effective written waiver thereof in accordance with the terms thereof.

(vii) Material Adverse Judgment. Any final, non-appealable judgment related to the Pledged Collateral, the Wastewater System or the Master Program shall be entered against the Borrower and the same shall remain undischarged for a period of thirty (30) consecutive days during which execution shall not be effectively stayed if such judgment has a Material Adverse Effect.

(viii) Occurrence of a Bankruptcy Related Event. A Bankruptcy Related Event shall occur.

(ix) Invalidity of WIFIA Loan Documents. (A) Any WIFIA Loan Document ceases to be in full force and effect (other than as a result of the termination thereof in accordance with its terms) or becomes void, voidable, illegal or unenforceable or the Borrower contests in any manner the validity or enforceability of any WIFIA Loan Document to which it is a party or denies it has any further liability under any WIFIA Loan Document to which it is a party, or purports to revoke, terminate or rescind any WIFIA Loan Document to which it is a party; (B) the Trust Agreement and the WIFIA Series Agreement cease (other than as expressly permitted thereunder) to grant a valid and binding lien on any material portion of the Pledged Collateral other than as a result of actions or a failure to act by, and within the control of, the WIFIA Lender, and with the priority purported to be created thereby; or (C) any event occurs that results in the material impairment in the priority of the WIFIA Lender's Lien on the Pledged Collateral or in the value of such Pledged Collateral.

(x) Cessation of System Operations. Following any Substantial Completion Date, operation of all, or substantially all, of the primary portions of the



Wastewater System shall cease for a continuous period of not less than one hundred eighty (180) days unless (A) such cessation of operations shall occur by reason of an Uncontrollable Force that is not due to the fault of the Borrower (and which the Borrower could not reasonably have avoided or mitigated) or (B) the Borrower shall either be self-insured in an amount sufficient to cover, or shall have in force an insurance policy or policies under which the Borrower is entitled to recover amounts sufficient to pay (and may use such amounts to pay), debt service for all Senior Obligations (including WIFIA Debt Service) and costs and expenses of the Borrower during such cessation of operations.

(xi) Additional Events of Default. Any additional Event of Default specified in a WIFIA Loan Agreement occurs.

(b) Upon the occurrence of any Bankruptcy Related Event, all obligations of the WIFIA Lender hereunder and under the WIFIA Loan Agreements with respect to the disbursement of any undisbursed amounts of any WIFIA Loan shall automatically be deemed terminated.

(c) Upon the occurrence of any Event of Default hereunder or under any WIFIA Loan Agreement, the WIFIA Lender, by written notice to the Borrower, may exercise any or all of the following remedies:

(i) the WIFIA Lender may suspend or terminate all of its obligations hereunder and under the relevant WIFIA Loan Agreement with respect to the disbursement of any undisbursed amounts of the relevant WIFIA Loan;

(ii) the WIFIA Lender may apply the Default Rate provisions of Section 6 (Interest Rate) hereunder with respect to the relevant WIFIA Loan;

(iii) the WIFIA Lender may suspend or debar the Borrower from further participation in any Government program administered by the WIFIA Lender and to notify other departments and agencies of such default; and/or

(iv) subject to any limitations, as applicable, on the exercise by holders of Senior Obligations of any remedies set forth in the Trust Agreement and the Enabling Act, the WIFIA Lender shall be entitled and empowered to institute any actions or proceedings at law or in equity for the collection of any sums due and unpaid under this Agreement, the relevant WIFIA Loan Agreement and corresponding WIFIA Bond, or the other applicable WIFIA Loan Documents, and may prosecute any such judgment or final decree against the Borrower and collect in the manner provided by law out of the property of the Borrower the moneys adjudged or decreed to be payable, and the WIFIA Lender shall have all of the rights and remedies of a creditor, and may take such other actions at law or in equity as may appear necessary or desirable to collect all amounts payable by the Borrower under this Agreement, the relevant WIFIA Loan Agreement and corresponding WIFIA Bond, or the other applicable WIFIA Loan Documents then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Borrower under this Agreement, the relevant WIFIA Loan Agreement and corresponding WIFIA Bond, or the other applicable WIFIA Loan Documents.

(d) Pursuant to Section 803 (*Acceleration of Maturities*) of the Trust Agreement, upon the happening and continuance of any Event of Default (as defined in the Trust Agreement), the Trustee may, and upon the written request of the holders of not less than a majority in aggregate principal amount of Bonds then Outstanding shall, declare the principal of all Bonds then Outstanding (if not then due and payable) to be due and payable immediately, and upon such declaration the Outstanding WIFIA Loan Balance with respect to each WIFIA Loan shall thereupon forthwith become immediately due and payable, together with the interest accrued thereon and all fees, costs, expenses, indemnities and other amounts payable under this Agreement and the other WIFIA Loan Documents, all without presentment, demand, notice, declaration, protest or other requirements of any kind, all of which are hereby expressly waived.

(e) No action taken pursuant to this Section 17 shall (i) relieve the Borrower from its obligations pursuant to this Agreement, the WIFIA Loan Agreements and corresponding WIFIA Bonds, or the other Related Documents, all of which shall survive any such action or (ii) limit the WIFIA Lender's rights under the Trust Documents, including Article VIII (*Events of Default and Remedies*) of the Trust Agreement.

(f) The authorization and enforcement of remedies against the Borrower under the Trust Agreement shall be governed by, and subject to the limitations imposed by, the internal laws of the Commonwealth (including the Enabling Act), without regard to any conflict of law principles.

## **ARTICLE VII MISCELLANEOUS**

Section 18 Disclaimer of Warranty. The WIFIA Lender makes no warranty or representation, either express or implied, as to the value, design, condition, merchantability or fitness for a particular purpose or fitness for use of any Project or any portion thereof or any other warranty with respect thereto. In no event shall the WIFIA Lender be liable for any incidental, indirect, special or consequential damages incidental to or arising out of this Agreement, the Master Program or any Project or the existence, furnishing, functioning or use of any Project or any item or products or services provided for in this Agreement.

Section 19 No Personal Recourse. No official, employee or agent of the WIFIA Lender or the Borrower or any Person executing this Agreement or any of the other WIFIA Loan Documents shall be personally liable under this Agreement or such other WIFIA Loan Documents by reason of the issuance, delivery or execution hereof or thereof.

Section 20 No Third Party Rights. The parties hereby agree that this Agreement creates no third party rights against the Borrower, the Government, or the WIFIA Lender, solely by virtue of the WIFIA Loans, and, solely to the extent the Borrower has authority to do so under applicable law, the Borrower agrees to indemnify and hold the WIFIA Lender, the Servicer (if any), the Administrator, and the Government harmless, in accordance with Section 32 (*Indemnification*), from any lawsuit or claim arising in law or equity solely by reason of any WIFIA Loan (it being understood that, as of the Effective Date, the Borrower represents and the WIFIA Lender acknowledges it does not have the authority under applicable law to provide any such indemnification or hold harmless any such Person), and that no third party creditor of the

Borrower shall have any right against the WIFIA Lender with respect to any WIFIA Loan made pursuant to this Agreement.

Section 21 Borrower's Authorized Representative. The Borrower shall at all times have appointed a Borrower's Authorized Representative by designating such Person or Persons from time to time to act on the Borrower's behalf pursuant to a written certificate furnished to the WIFIA Lender and the Servicer, if any, containing the specimen signature or signatures of such Person or Persons and signed by the Borrower.

Section 22 WIFIA Lender's Authorized Representative. The WIFIA Lender hereby appoints the Director of the WIFIA Program, whose notice details are set forth below in Section 31 (Notices), to serve as the WIFIA Lender's Authorized Representative under this Agreement until such time as a successor or successors shall have been appointed. Thereafter, the successor in office shall serve as the WIFIA Lender's Authorized Representative. The WIFIA Lender shall provide notice to the Borrower within a reasonable time period following the succession.

Section 23 Servicer. The WIFIA Lender may from time to time designate another entity or entities to perform, or assist the WIFIA Lender in performing, the duties of the Servicer or specified duties of the WIFIA Lender under this Agreement and the WIFIA Loan Agreements and corresponding WIFIA Bonds. The WIFIA Lender shall give the Borrower written notice of the appointment of any successor or additional Servicer and shall enumerate the duties or any change in duties to be performed by any Servicer. Any references in this Agreement to the WIFIA Lender shall be deemed to be a reference to the Servicer with respect to any duties which the WIFIA Lender shall have delegated to such Servicer. The WIFIA Lender may at any time assume the duties of any Servicer under this Agreement and the WIFIA Loan Agreements and corresponding WIFIA Bonds. The Borrower shall cooperate and respond to any reasonable request of the Servicer for information, documentation or other items reasonably necessary for the performance by the Servicer of its duties hereunder.

Section 24 Amendments and Waivers. No amendment, modification, termination, or waiver of any provision of this Agreement, the WIFIA Loan Agreements or the corresponding WIFIA Bonds shall in any event be effective without the prior written consent of each of the parties hereto and thereto.

Section 25 Governing Law. This Agreement and the WIFIA Loan Agreements shall be governed by the federal laws of the United States of America, if and to the extent such federal laws are applicable, and the internal laws of the Commonwealth of Virginia, if and to the extent such federal laws are not applicable.

Section 26 Severability. In case any provision in or obligation under this Agreement shall be invalid, illegal, or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

Section 27 Successors and Assigns. This Agreement shall be binding upon the parties hereto and their respective permitted successors and assigns and shall inure to the benefit



of the parties hereto and their permitted successors and assigns. Neither the Borrower's rights or obligations under this Agreement, the WIFIA Loan Agreements or the corresponding WIFIA Bonds nor any interest herein or therein may be assigned or delegated by the Borrower without the prior written consent of the WIFIA Lender.

Section 28 Remedies Not Exclusive. No remedy conferred or reserved to the WIFIA Lender under this Agreement, the WIFIA Loan Agreements or the corresponding WIFIA Bonds is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or thereunder or now or hereafter existing at law or in equity or by statute.

Section 29 Delay or Omission Not Waiver. No delay or omission of the WIFIA Lender to exercise any right or remedy provided under this Agreement, the WIFIA Loan Agreements or the corresponding WIFIA Bonds upon a default of the Borrower (except a delay or omission pursuant to a written waiver) shall impair any such right or remedy or constitute a waiver of any such default or acquiescence herein or therein. Every right and remedy given by this Agreement, the WIFIA Loan Agreements, the corresponding WIFIA Bonds or by law to the WIFIA Lender may be exercised from time to time and as often as may be deemed expedient by the WIFIA Lender.

Section 30 Counterparts. This Agreement and any amendments, waivers, consents or supplements hereto in connection herewith may be executed in any number of counterparts and by the different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute one and the same instrument; signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are physically attached to the same document. Electronic delivery of an executed counterpart of a signature page of this Agreement or of any document or instrument delivered in connection herewith in accordance with Section 31 (*Notices*) shall be effective as delivery of an original executed counterpart of this Agreement or such other document or instrument, as applicable.

Section 31 Notices. Notices hereunder shall be (a) in writing, (b) effective as provided below and (c) given by (i) nationally recognized courier service, (ii) hand delivery, or (iii) email, in each case to:

If to WIFIA Lender:	Environmental Protection Agency [REDACTED] 1200 Pennsylvania Avenue NW Washington, D.C. 20460 Attention: [REDACTED] Email: [REDACTED]
If to Borrower:	Hampton Roads Sanitation District 1434 Air Rail Avenue Virginia Beach, VA 23455 Attention: [REDACTED] Email: [REDACTED]

Unless otherwise instructed by the WIFIA Lender's Authorized Representative, all notices to the WIFIA Lender should be made by email to the email address noted above for the WIFIA Lender. Notices required to be provided herein shall be provided to such different addresses or to such further parties as may be designated from time to time by a Borrower's Authorized Representative, with respect to notices to the Borrower, or by the WIFIA Lender's Authorized Representative, with respect to notices to the WIFIA Lender or the Servicer. Each such notice, request or communication shall be effective (x) if delivered by hand or by nationally recognized courier service, when delivered at the address specified in this Section 31 (or in accordance with the latest unrevoked written direction from the receiving party) and (y) if given by email, when such email is delivered to the address specified in this Section 31 (or in accordance with the latest unrevoked written direction from the receiving party); provided that notices received on a day that is not a Business Day or after 5:00 p.m. Eastern Time on a Business Day will be deemed to be effective on the next Business Day.

Section 32 Indemnification. Solely to the extent the Borrower has authority to do so under applicable law (which the Borrower represents and the WIFIA Lender acknowledges it does not have as of the Effective Date), the Borrower shall, to the extent permitted by law, indemnify the WIFIA Lender and any official, employee, agent, advisor or representative of the WIFIA Lender (each such Person being herein referred to as an "**Indemnatee**") against, and hold each Indemnatee harmless from, any and all losses, claims, damages, liabilities, fines, penalties, costs and expenses (including the fees, charges and disbursements of any counsel for any Indemnatee and the costs of environmental remediation), whether known, unknown, contingent or otherwise, incurred by or asserted against any Indemnatee arising out of, in connection with, or as a result of (a) the execution, delivery and performance of this Agreement or any of the other Related Documents, (b) the WIFIA Loans or the use of the proceeds thereof, or (c) the violation of any law, rule, regulation, order, decree, judgment or administrative decision relating to the environment, the preservation or reclamation of natural resources, the management, release or threatened release of any hazardous material or to health and safety matters; in each case arising out of or in direct relation to the Master Program; provided that such indemnity shall not, as to any Indemnatee, be available to the extent that such losses, claims, damages, liabilities, fines, penalties, costs or related expenses are determined by a court of competent jurisdiction by final and non-appealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnatee. In case any action or proceeding is brought against an Indemnatee by reason of any claim with respect to which such Indemnatee is entitled to indemnification hereunder, the Borrower shall be entitled, at its expense, to participate in the defense thereof; provided that such Indemnatee has the right to retain its own counsel, at the Borrower's expense, and such participation by the Borrower in the defense thereof shall not release the Borrower of any liability that it may have to such Indemnatee. Any Indemnatee against whom any indemnity claim contemplated in this Section 32 is made shall be entitled, after consultation with the Borrower and upon consultation with legal counsel wherein such Indemnatee is advised that such indemnity claim is meritorious, to compromise or settle any such indemnity claim. Any such compromise or settlement shall be binding upon the Borrower for purposes of this Section 32. Nothing herein shall be construed as a waiver of any legal immunity that may be available to any Indemnatee. To the extent permitted by applicable law (which the Borrower represents and the WIFIA Lender acknowledges applicable law does not permit with respect to the Borrower as of the Effective Date), neither the Borrower nor the WIFIA Lender shall assert, and each of the Borrower and the WIFIA Lender hereby waives, any claim against any Indemnatee or the Borrower, respectively, on any theory of liability, for

special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any of the other Related Documents, the other transactions contemplated hereby and thereby, the WIFIA Loans or the use of the proceeds thereof, *provided* that nothing in this sentence shall limit the Borrower's indemnity obligations to the extent such damages are included in any third party claim in connection with which an Indemnitee is entitled to indemnification hereunder. All amounts due to any Indemnitee under this Section 32 shall be payable promptly upon demand therefor. The obligations of the Borrower under this Section 32 shall survive the payment or prepayment in full or transfer of any WIFIA Loan, the enforcement of any provision of this Agreement or the other Related Documents, any amendments, waivers (other than amendments or waivers in writing with respect to this Section 32) or consents in respect hereof or thereof, any Event of Default, and any workout, restructuring or similar arrangement of the obligations of the Borrower hereunder or thereunder.

Section 33 Sale of WIFIA Loans. The WIFIA Lender shall not sell any WIFIA Loan at any time prior to the Substantial Completion Date of the Project relating to such WIFIA Loan. After any such date, the WIFIA Lender may sell such WIFIA Loan to another entity or reoffer such WIFIA Loan into the capital markets only in accordance with the provisions of this Section 33. Such sale or reoffering shall be on such terms as the WIFIA Lender shall deem advisable. However, in making such sale or reoffering the WIFIA Lender shall not change the terms and conditions of such WIFIA Loan without the prior written consent of the Borrower in accordance with Section 24 (*Amendments and Waivers*). The WIFIA Lender shall provide, at least sixty (60) days prior to any sale or reoffering of such WIFIA Loan, written notice to the Borrower of the WIFIA Lender's intention to consummate such a sale or reoffering; *provided* that no such notice shall be required during the continuation of any Event of Default. The provision of any notice pursuant to this Section 33 shall neither (x) obligate the WIFIA Lender to sell nor (y) provide the Borrower with any rights or remedies in the event the WIFIA Lender, for any reason, does not sell such WIFIA Loan.

Section 34 Effectiveness. This Agreement shall be effective on the Amendment Effective Date.

Section 35 Termination. This Agreement shall terminate upon the irrevocable payment in full in immediately available funds by the Borrower of all Outstanding WIFIA Loan Balances, together with all accrued interest, fees and expenses with respect thereto; *provided* that the indemnification requirements of Section 32 (*Indemnification*) (as applicable), the reporting and record keeping requirements of Section 14(p) (*Affirmative Covenants – Access; Records*) and the payment requirements of Section 10 (*Fees and Expenses*) shall survive the termination of this Agreement as provided in such sections.

Section 36 Integration. This Agreement and the other WIFIA Loan Documents constitute the entire contract between the parties relating to the subject matter hereof and supersedes any and all previous agreements and understandings, oral or written, relating to the subject matter hereof.

Section 37 Amendment and Restatement; No Novation. It is the intent of the Borrower and the WIFIA Lender that this Agreement not constitute a novation of the obligations and liabilities existing under the Original Agreement or evidence repayment of any such

obligations and liabilities and that this Agreement amends and restates in its entirety the Original Agreement and re-evidences the obligations of the Borrower outstanding thereunder. On and after the Amendment Effective Date, each reference in any WIFIA Loan Document to the “WIFIA Loan Agreement”, “therein”, “thereof”, “thereunder” or words of similar import when referring to the Original Agreement shall mean, and shall hereafter be, a reference to the Original Agreement, as amended and restated by this Agreement. The Borrower hereby agrees, acknowledges and confirms that (a) the Pledged Collateral granted in favor of the WIFIA Lender pursuant to the WIFIA Loan Documents shall continue without any diminution thereof and shall remain in full force and effect on and after the Amendment Effective Date, except as specifically modified by the terms hereof and (b) each of the other WIFIA Loan Documents is and shall continue to be in full force and effect and each is hereby in all respects ratified and confirmed.

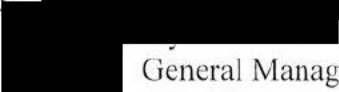
*[The remainder of this page intentionally left blank; signature pages immediately follow.]*



IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

**HAMPTON ROADS SANITATION DISTRICT,**  
by its authorized representative

By: 

  
General Manager and  
Chief Executive Officer

**UNITED STATES ENVIRONMENTAL  
PROTECTION AGENCY**, acting by and through  
the Administrator of the Environmental Protection  
Agency

By: 

Name: Michael S. Regan 

Title: Administrator

## **SCHEDULE I**

### **MASTER PROGRAM SCHEDULE**

The Master Program is the Borrower's Sustainable Water Initiative for Tomorrow (SWIFT), which includes project components to (a) upgrade existing treatment works and build wells to replenish the Potomac groundwater aquifer with highly treated water and (b) design and construct new facilities and other improvements to improve the water quality of the Chesapeake Bay and reduce surface water discharges of treated effluent. The Master Program includes project components such as the following:

- (1) SWIFT Facilities (James River, York River, Nansemond, Williamsburg, VIP SWIFT);
- (2) SWIFT Recharge and Monitoring Well Services (James River, York River, Nansemond, Williamsburg, VIP SWIFT);
- (3) Boat Harbor Treatment Plant Pump Station Conversion and Transmission Force Main (Sections 1 and 2);
- (4) Advanced Nutrient Reduction Improvements (James River, Nansemond);
- (5) Land Acquisition (James River SWIFT, VIP SWIFT, Boat Harbor);
- (6) VIP SWIFT Tertiary Site Work and Preliminary Engineering; and
- (7) Program Management of SWIFT Full-Scale Implementation.

## SCHEDULE II

### MASTER PROGRAM BUDGET

Project Component Name	Total Estimated Project Cost	WIFIA Loan Commitment Amount (≤49%)	Percentage of Aggregate Master Program Amount
Tranche 1 WIFIA Loan <ul style="list-style-type: none"> <li>James River SWIFT Facility</li> <li>James River Recharge Wells (On Site)</li> <li>James River Advanced Nutrient Reduction Improvements (“ANRI”)</li> <li>SWIFT Program Management</li> </ul>	\$460,950,303	\$225,865,648	17.1%
Tranche 2 WIFIA Loan <ul style="list-style-type: none"> <li>Boat Harbor Treatment Plant Pump Station Conversion</li> <li>Boat Harbor Transmission Force Main Sections 1-2</li> <li>James River Recharge Wells (Off Site)</li> <li>James River ANRI</li> <li>Nansemond ANRI Phases I-II</li> <li>Nansemond SWIFT Facility</li> <li>James River SWIFT Land Acquisition</li> <li>Boat Harbor Treatment Plant Pump Station Land Acquisition</li> <li>Boat Harbor Transmission Force Main Land Acquisition</li> </ul>	\$972,615,484	\$476,581,587	36.0%
Tranche 3 WIFIA Loan <ul style="list-style-type: none"> <li>James River SWIFT Facility</li> <li>James River Recharge Wells</li> <li>Boat Harbor Treatment Plant Pump Station Conversion</li> <li>Boat Harbor Transmission Force Main Sections 1-2</li> <li>James River ANRI</li> <li>Nansemond ANRI Phases I-II</li> <li>Nansemond SWIFT Facility</li> </ul>	\$739,412,802	\$268,087,870	20.3%

<ul style="list-style-type: none"> <li>• Boat Harbor Treatment Plant Pump Station Land Acquisition</li> <li>• Boat Harbor Transmission Force Main Land Acquisition</li> </ul>			
Tranche 4 WIFIA Loan <ul style="list-style-type: none"> <li>• Nansemond Recharge Wells (Onsite and Offsite) and Integration</li> <li>• VIP SWIFT Tertiary Facility</li> <li>• VIP SWIFT Land Acquisition</li> <li>• VIP SWIFT Tertiary Preliminary Engineering</li> <li>• VIP SWIFT Tertiary Site Work</li> <li>• Program Contingency</li> </ul>	\$782,156,594	\$352,177,949	26.6%
<b>Total</b>	<b>\$2,955,135,183</b>	<b>\$1,322,713,054</b>	<b>100%</b>

### SCHEDULE III

#### EXISTING INDEBTEDNESS

##### A. Existing Senior Obligations

	Existing Bonds: Agreement/Series	Outstanding Principal (\$)
1.	Wastewater Revenue Bonds, Series 2016A issued pursuant to the Third Supplemental Trust Agreement, dated Mar 17 2016, maturing on Aug 1, 2043 <sup>1</sup>	\$77,040,000
2.	Wastewater Revenue Bonds, Series 2016B issued pursuant to the Fourth Supplemental Trust Agreement, dated April 1 2016, maturing on Aug 1, 2046	\$50,000,000
3.	Wastewater Revenue Bonds, Refunding Series 2017A issued pursuant to the Fifth Supplemental Trust Agreement, dated Dec 19, 2017, maturing on Oct 1, 2043	\$72,055,000
4.	Wastewater Revenue Bonds, Series 2018A issued pursuant to the Sixth Supplemental Trust Agreement, dated Feb 6, 2018, maturing on Oct 1, 2047 <sup>2</sup>	\$16,010,000
5.	Wastewater Revenue Bonds, Refunding Series 2019A (Federally Taxable) issued pursuant to the Seventh Supplemental Trust Agreement, dated Oct 2, 2019, maturing on Feb 1, 2039	\$192,855,000
6.	Wastewater Revenue Bond, Series 2020 (Federally Taxable) issued pursuant to the Eighth Supplemental Trust Agreement, dated September 28, 2020, maturing on April 1, 2060. <sup>3</sup>	\$225,865,648
7.	Wastewater Revenue Bond, Series 2021 (Federally Taxable) issued pursuant to the Ninth Supplemental Trust Agreement, dated September 9, 2021, maturing on June 1, 2060. <sup>4</sup>	\$476,581,587

<sup>1</sup> Maturity date represents the original final maturity date, which differs from the final maturity of currently outstanding debt.

<sup>2</sup> Maturity date represents the original final maturity date, which differs from the final maturity of currently outstanding debt.

<sup>3</sup> Funds are still being drawn. Outstanding principal reflects the full loan amount, not the amount drawn to date.

<sup>4</sup> Funds are still being drawn. Outstanding principal reflects the full loan amount, not the amount drawn to date.



8.	Wastewater Revenue Bonds, Series 2024A issued pursuant to the Tenth Supplemental Trust Agreement, dated May 23, 2024, maturing on November 1, 2039	\$115,585,000
9.	Wastewater Revenue Bonds, Series 2024B issued pursuant to the Tenth Supplemental Trust Agreement, dated August 8, 2024, maturing on July 1, 2054	\$240,775,000
<b>Existing VRA Obligations: SRF Loan Agreements between the Borrower and VRA</b>		

10.	\$40,330,298 Sewer Revenue Bond, dated February 26, 2004 (Chesapeake-Elizabeth Treatment Plant Project), as amended on January 9, 2013, and November 19, 2021, maturing on June 1, 2027	\$7,378,796
11.	\$1,235,000 Sewer Revenue Bond, dated July 29, 2005 (Army Base Treatment Plant Project), as amended on January 9, 2013, maturing on April 1, 2026	\$154,134
12.	\$7,339,600 Sewer Revenue Bond, dated June 22, 2006 (Atlantic Wastewater Treatment Plant Project), as amended on January 9, 2013, and November 19, 2021, maturing on February 1, 2027	\$1,128,208
13.	\$1,605,200 Sewer Revenue Bond, dated June 22, 2006 (Colonial Williamsburg Pump Station Project), as amended on January 9, 2013, and November 19, 2021, maturing on July 1, 2027	\$293,128
15.	\$30,000,000 Sewer Revenue Bond, dated December 17, 2008 (York River Wastewater Treatment Plant Project), as amended on January 15, 2015 maturing on Mar 1, 2031	\$11,750,876
16.	\$19,410,226 Wastewater Revenue Bond, Series 2009, dated May 28, 2009 (Nansemond Treatment Plant Project), as amended on September 11, 2015, February 17, 2022, and August 31, 2023, maturing on March 1, 2031	\$7,589,225
17.	\$13,718,671 Wastewater Revenue Bond, Series 2009, dated November 20, 2009 (James River Treatment Plant Project), as amended on September 11, 2015, February 17, 2022, and August 31, 2023, maturing on March 1, 2031 <sup>5,6</sup>	\$4,966,036

<sup>5</sup> The par amount in the description of the Series Agreement represents the initial authorization amount of the loan, which differs from the final loan amount.

<sup>6</sup> Maturity date represents the original final maturity date, which differs from the final maturity of currently outstanding debt.



18.	\$11,418,372 Wastewater Revenue Bond, Series 2009, dated December 18, 2009 (Interceptor System Metering Project), as amended on September 11, 2015, February 17, 2022, and August 31, 2023, maturing on March 1, 2031 <sup>7</sup>	\$3,918,450
19.	\$5,924,715 Wastewater Revenue Bond, Series 2010, dated June 29, 2010 (Williamsburg Oxidation Towers Project), as amended on August 31, 2016, February 17, 2022, and August 31, 2023, maturing on September 1, 2031 <sup>8,9</sup>	\$2,237,802
20.	\$50,000,000 Wastewater Revenue Bond, Series 2010, dated June 29, 2010 (Army Base Wastewater Treatment Plant Project), as amended on August 31, 2016 and January 30, 2020 maturing on Sept 1, 2032	\$23,197,025
21.	\$7,583,771 Wastewater Revenue Bond, Series 2010, dated June 29, 2010 (Boat Harbor Treatment Project), as amended on August 31, 2016 and January 30, 2020, maturing on September 1, 2031	\$3,100,672
22.	\$6,318,000 Wastewater Revenue Bond, Series 2012, dated March 13, 2012 (Atlantic Treatment Plant: Digester Gas to Energy Project), as amended on January 30, 2020, and November 19, 2021, maturing on February 1, 2033	\$3,078,986
23.	\$57,273,700 Sanitation District Wastewater Revenue Bond (Atlantic Treatment Plant Project), dated August 10, 2017 maturing on March 1, 2046	\$51,689,514
24.	\$1,000,000 Wastewater Revenue Bond (Ferguson Park Interceptor Project), dated August 10, 2017 maturing on Mar 1, 2047	\$689,184
25.	\$3,205,554 Wastewater Revenue Bond (Lucas Creek Interceptor Project), dated October 26, 2017 maturing on October 1, 2047	\$2,500,499
26.	\$1,095,595 Wastewater Revenue Bond (Rodman Avenue Pump Station Project), dated November 29, 2017 maturing on June 1, 2043	\$885,415

<sup>7</sup> The par amount in the description of the Series Agreement represents the initial authorization amount of the loan, which differs from the final loan amount.

<sup>8</sup> Maturity date represents the original final maturity date, which differs from the final maturity of currently outstanding debt.

<sup>9</sup> The par amount in the description of the Series Agreement represents the initial authorization amount of the loan, which differs from the final loan amount.

27.	\$8,314,638 Wastewater Revenue Bond (Boat Harbor Treatment Plant Switchgear and Controls Replacements), dated March 20, 2019, maturing on December 1, 2040	\$6,486,237
28.	\$8,677,684 Wastewater Revenue Bond (Orcutt Avenue and Mercury Boulevard Gravity Sewer Improvements), dated March 20, 2019, maturing on February 1, 2049	\$7,029,445
25.	\$4,989,671 Wastewater Revenue Bond (Deep Creek Project), dated November 21, 2019, maturing on December 1, 2040	\$4,295,269
26.	\$3,896,616 Wastewater Revenue Bond (Huxley – Middle Ground Project), dated November 21, 2019, maturing on August 1, 2040	\$3,224,318
27.	\$3,500,000 Wastewater Revenue Bond (Treatment Plant Project), dated November 21, 2019, maturing on October 1, 2040	\$3,000,996
28.	\$100,000,000 Wastewater Revenue Bond (CIP Project), dated June 1, 2020, maturing on March 1, 2042	\$90,728,349
29.	\$100,000,000 Wastewater Revenue Bond (CIP Project), dated April 29, 2022, maturing on December 1, 2043	\$100,000,000
30.	\$26,063,013 Wastewater Revenue Bond (2022 Eastern Shore Project), dated April 29, 2022, maturing on October 1, 2043 <sup>10</sup>	\$26,063,013
31.	\$80,000,000 Wastewater Revenue Bond (CIP Project), dated May 30, 2024, maturing on October 1, 2045 <sup>11</sup>	\$80,000,000

## **B. Existing Subordinate Obligations**

	<b>Agreement/Series</b>	<b>Outstanding Principal (\$)</b>
1.	Second Amended and Restated Credit Agreement between HRSD and Bank of America, N.A., dated June 30, 2022, as amended, maturing on June 30, 2025	\$99,999,700

<sup>10</sup> Funds are still being drawn. Outstanding principal reflects the full loan amount, not the amount drawn to date.

<sup>11</sup> Funds are still being drawn. Outstanding principal reflects the full loan amount, not the amount drawn to date.

**SCHEDULE IV**

**[RESERVED]**

## SCHEDULE 7(d)

### FLOW OF FUNDS

Reference is made to Section 502 (*Payments and Funds Received*) of the Trust Agreement, and the requirements and conditions contained therein as in effect on the Amendment Effective Date are provided verbatim below and are hereby incorporated. Capitalized terms used in this Schedule 7(d) shall have the respective meanings assigned to such terms in the Trust Agreement.

“Section 502. Payments and Funds Received. The District shall make payments directly to the Trustee for deposit in the Bond Fund in amounts sufficient to pay in full, when due (whether by maturity, acceleration or otherwise), all Bonds issued under this Trust Agreement, together with the interest thereon. Such payments shall be due and payable as follows:

(a) to the credit of the Bond Fund, on the Business Day next preceding each Interest Payment Date, an amount equal to the interest payable on the Bonds on such Interest Payment Date;

(b) to the credit of the Bond Fund, on the Business Day next preceding each Principal Payment Date, an amount equal to the principal of the Bonds due on such Principal Payment Date; and

(c) any amount that may from time to time be required to enable the District to pay the principal of and interest due on Bonds upon acceleration.

Each payment shall be equal to the sum of the amounts specified above in paragraphs (a) to (c), inclusive.

On the Payment Date following a date on which the District shall have failed to pay to the Trustee the sum of the amounts specified in paragraphs (a) to (c) above or on which an investment loss shall have been charged to the Bond Fund in accordance with Section 602 of this Trust Agreement, the District shall pay, in addition to the payment then due, an amount equal to the deficiency in payment or the amount of such loss, unless such deficiency or loss shall have been remedied. To the extent that the investment earnings are transferred or credited to the Bond Fund in accordance with this Trust Agreement or amounts are transferred or credited to such Fund as a result of the application of Bond proceeds or a transfer of surplus funds from the Issuance Fund or otherwise, future payments shall be proportionately reduced by the amount so credited unless such transfer is made to cure deficiencies in such Fund to which the transfer is made.

Unless a Qualified Reserve Fund Substitute shall then be in effect, there shall be due and payable directly to the Trustee as a required payment from the District, on the twenty-fifth (25th) day of each month, (i) beginning in the month following the month in which money is transferred from the Debt Service Reserve Fund to the Bond Fund to cure a deficiency therein pursuant to Section 504 of this Trust Agreement, into the Debt Service Reserve Fund one-twelfth (1/12) of the amount or amounts so transferred until the amount then on deposit in the Debt Service Reserve Fund is equal to the Debt Service Reserve Fund Requirement and (ii) beginning in the month following a valuation made in accordance with Section 603 of this Trust Agreement in which the amount on deposit in the Debt Service Reserve Fund is less than the Debt Service Reserve Fund

Requirement and a loss resulting from a decline in the value of Investment Obligations held for the credit of the Debt Service Reserve Fund is computed, into the Debt Service Reserve Fund, one-sixth (1/6) of the amount of such loss until the amount of such loss is reimbursed. Such payments shall be increased as may be necessary in any month to make up any previous deficiency in any of such monthly payments.

If, after giving effect to the credits specified below, any installment of payments made by the District should be insufficient to enable the Trustee to make the deposits required above, the Trustee shall give the District telephonic notice thereof, promptly confirmed in writing, and request that each future installment of payments due from the District be increased as may be necessary to make up any previous deficiency in any of the required payments and to make up any deficiency or loss in any of the above-mentioned funds.

To the extent that investment earnings are credited to the Bond Fund in accordance with Section 602 of this Trust Agreement or amounts are credited thereto as a result of the application of Bond proceeds or a transfer of investment earnings on any other fund or account held by the Trustee, or otherwise, future deposits to the Bond Fund shall be reduced by the amount so credited, and the payments due from the District in the months following the date upon which such amounts are credited shall be reduced by the amounts so credited.”

## **SCHEDULE 12(f)**

### **LITIGATION (as of the Effective Date)**

*(C. Robert Johnson, III, et al. v. City of Suffolk and Hampton Roads Sanitation District, Supreme Court of Virginia, Record Number 191563)* In 2018, oystermen leasing oyster beds in the Nansemond River filed a petition for declaratory judgment against the City of Suffolk and the Borrower alleging that they had intentionally designed and operated their storm water system (Suffolk) and sanitary sewers (both) to discharge contaminants onto the oystermen's oyster beds (leased from the Virginia Marine Resources Commission), resulting in condemnation of their oysters by the Virginia Department of Health. In September 2019, the Suffolk Circuit Court granted demurrers filed by Suffolk and the Borrower and dismissed the oystermen's petition. On May 18, 2020, the Supreme Court of Virginia agreed to hear the oystermen's appeal. Briefing was completed by late July, oral arguments are estimated to occur later this year.

*(Petition of the Hampton Roads Sanitation District to Add the County of Northampton to the District; Case No. CL20000073-00).* The Borrower filed a petition in the Circuit Court for the County of Northampton pursuant to Section 48 of the Enabling Act seeking the Court's approval to add the entire County of Northampton to the Borrower's territory. The Court has ordered a public hearing on October 2, 2020 to receive and hear any objections to the addition of such territory to the Borrower and may then or thereafter grant such petition with any such modifications as the Court may deem advisable and that do not enlarge the territory proposed to be added to the Borrower.

*(Petition of the Hampton Roads Sanitation District to Add the County of Accomack to the District; Case No. 20CL186).* The Borrower filed a petition in the Circuit Court for the County of Accomack pursuant to Section 48 of the Enabling Act seeking the Court's approval to add the entire County of Accomack to the Borrower's territory. The Court has ordered a public hearing on October 2, 2020 to receive and hear any objections to the addition of such territory to the Borrower and may then or thereafter grant such petition with any such modifications as the Court may deem advisable and that do not enlarge the territory proposed to be added to the Borrower.

## **SCHEDULE 12(p)**

### **ENVIRONMENTAL MATTERS (as of the Effective Date)**

The Borrower has agreed to a fifth amendment to its ongoing federal consent decree with the United States Environmental Protection Agency (“USEPA”) and the Commonwealth of Virginia (“Commonwealth”). That fifth amendment is expected to be lodged with the federal court in October 2020 and entered by the court by January 2021. The fifth amendment includes a schedule for wastewater system improvements that accommodates the Projects. That schedule requires that the Borrower implement \$200 million worth of sewer overflow control projects between 2020 and 2030 and then another \$200 million in sewer overflow control projects between 2030 and 2040. These two sets of projects reflect further priority system improvements that the Borrower is to implement along with the Projects. The fifth amendment gives the Borrower until 2032 to complete the Projects. Finally, the fifth amendment provides that, if the Borrower does not fully implement the Projects or delays full implementation past 2032, then EPA can require the Borrower to accelerate some or all of the second group of sewer overflow control projects (totaling approximately \$200 million) to offset the avoided investment in the Projects.



## **SCHEDULE 14(a)**

### **RATE COVENANT**

Reference is made to Section 705 (*Rate Covenant*) of the Trust Agreement, and the requirements and conditions contained therein as in effect on the Amendment Effective Date, which are set forth verbatim below. Capitalized terms used in this Schedule 14(a) shall have the respective meanings assigned to such terms in the Trust Agreement.

“Section 705. **Rate Covenant.** (a) The District covenants and agrees that it will fix and collect rates, fees and other charges for the use of and for services furnished or to be furnished by the Wastewater System, and will from time to time revise such rates, fees and other charges so that in each Fiscal Year the Net Revenues will equal at least 120% of the Principal and Interest Requirements. If, for any reason, the Net Revenues are insufficient to satisfy the foregoing covenant, the District shall within one hundred twenty (120) days adjust and increase its rates, fees and other charges (to the extent permitted by the Enabling Act), or reduce its operating and maintenance expenses so as to provide sufficient Net Revenues to satisfy such requirement.

(b) If at any time the District fails to comply with its Rate Covenant in subsection (a) of this Section 705, the District shall immediately notify the Trustee, such notice also containing an Officer’s Certificate of a District Representative as to (i) the amount of the deficiency in Net Revenues that existed for the applicable period and the rates, fees and other charges which must be established by the District to cure such deficiency, and (ii) during the Fiscal Year in which the certificate is delivered, the projected Net Revenues will satisfy the Rate Covenant made by the District in subsection (a) of this Section, or, if not, the rates, fees and other charges the District must establish to satisfy such rate covenant. In addition, the District shall, to the extent permitted by law, take appropriate action to increase its rates, fees and other charges or reduce its Operating Expenses to cure any deficiency.

(c) On or before the last day of each Fiscal Year, the District shall review the adequacy of its rates, fees and other charges for the next Fiscal Year, and, if such review indicates the District’s rates, fees and other charges are insufficient to satisfy the Rate Covenant in subsection (a) of this Section, the District shall promptly take appropriate action to increase its rates, fees and other charges or reduce its operating and maintenance expenses to cure any deficiency.”

## **SCHEDULE 15(a)(ii)**

### **ADDITIONAL BONDS TEST**

Reference is made to (a) Section 704 (*Limitations on Indebtedness*) of the Trust Agreement and the requirements and conditions contained therein as in effect on the Amendment Effective Date and (b) Section 5.2 (*Additional Restriction on the Incurrence of Additional Indebtedness*) of that certain Twelfth Supplemental Trust Agreement, dated as of the Amendment Effective Date, by and between the Borrower and the Trustee (the “**Twelfth Supplemental Trust Agreement**”) and the requirements and conditions contained therein, in each case which are set forth verbatim below. Capitalized terms used in this Schedule 15(a)(ii) shall have the respective meanings assigned to such terms in the Trust Agreement or in the Twelfth Supplemental Trust Agreement, as applicable.

“Section 704. **Limitations on Indebtedness.** The District covenants and agrees that it will not issue any Additional Bonds or incur any other Senior Obligations if, after giving effect to all other Indebtedness incurred by the District, such Indebtedness could not be incurred pursuant to this Section 704. Any Additional Senior Obligations and Subordinate Obligations may be incurred only in the manner and pursuant to the terms set forth in this Section 704.

(a) Long-Term Indebtedness may be incurred if prior to incurrence of the Long-Term Indebtedness there is delivered to the Trustee:

(i) an Officer’s Certificate of a District Representative certifying that the Long-Term Debt Service Coverage Ratio for the most recent period of twelve (12) full consecutive calendar months preceding the date of delivery of the certificate of the District Representative for which there are Financial Statements available, adjusted for revenues and expenses resulting from anticipated new customers and any planned program of rate increases that has been approved by the Commission, taking all Long-Term Indebtedness incurred after such period and the proposed Long-Term Indebtedness into account as if such Long-Term Indebtedness had been incurred at the beginning of such period, is not less than one hundred twenty percent (120%); or

(ii) an Officer’s Certificate of a District Representative certifying that the District is expected to comply with the Rate Covenant set forth in Section 705 of this Trust Agreement for the five Fiscal Years following the date of issuance of the proposed Long-Term Indebtedness. Such certificate shall be accompanied by a statement of the relevant assumptions upon which such pro forma Financial Statements for the District are based including, but not limited to, adjustments to revenues and expenses resulting from anticipated new customers and any planned program of rate increases that has been approved by the Commission; or

(iii) if the Long-Term Indebtedness is authorized for any purpose other than the refunding of the outstanding Senior Obligations, an Officer’s Certificate of a District Representative to the effect, and to the extent applicable, that in his or her opinion (a) the

improvements or property to which the proceeds from the issuance of the Long-Term Indebtedness are to be applied will be a part of the Wastewater System, (b) the proceeds of the Long-Term Indebtedness and other specified sources will be sufficient to pay the estimated cost of such improvements or property, (c) the period of time which will be required to complete such improvements or acquire such property, and (d)(1) the proceeds of the Long-Term Indebtedness are necessary to complete the project to be financed thereby, (2) the failure to make such improvements or acquire or construct such property will result in an interruption or reduction of Net Revenues, or (3) during the first two Fiscal Years following the completion of the improvements or the acquisition of the property, the projected Net Revenues will satisfy the Rate Covenant in Section 705 hereof. In providing this certificate, the District Representative may take into consideration future Wastewater System rate increases, provided that such rate increases have been duly approved by the Commission and any other person and entity required to give approval for the rate increase to become effective. In addition, he or she may take into consideration additional future revenues of the Wastewater System to be derived under then existing contractual agreements entered into by the District and from reasonable estimates of growth in the customer base of the District; or

(iv) an Officer's Certificate of a District Representative certifying compliance with the Rate Covenant set forth in Section 705 of this Trust Agreement for the most recent period of twelve (12) full consecutive calendar months for which there are Financial Statements available preceding the date of delivery of the certificate.

(b) Long-Term Indebtedness may be incurred for the purpose of refunding Outstanding Long-Term Indebtedness if either (i) a certificate of an independent financial advisor to the effect that, the Long-Term Indebtedness issued to refund Outstanding Senior Obligations will have, in the aggregate, a lower Long-Term Debt Service Requirement than the Long-Term Debt Service Requirement on the Senior Obligations to be refunded with the proceeds thereof, or (ii) an Officer's Certificate of a District Representative to the effect that during the first two complete Fiscal Years following the issuance of the refunding Long-Term Indebtedness, the projected Net Revenues will satisfy the Rate Covenant in Section 705 hereof. In providing the certificate described in this clause (b), the Officer's Certificate may take into account the factors described in the last two sentences of subsection (a)(iii) of this Section. In addition, the Trustee shall receive an Opinion of Counsel stating that upon the incurrence of such proposed Long-Term Indebtedness and application of the proceeds thereof (on the Cross-over Date, in the case of Cross-over Refunding Indebtedness), the Outstanding Long-Term Indebtedness to be refunded thereby will no longer be Outstanding.

(c) Short-Term Indebtedness may be incurred as a Senior Obligation subject to the same tests that apply to the incurrence of Senior Obligations generally; provided, however, that notwithstanding such limitation, the District may incur as a Senior Obligation from time to time and have outstanding at any one time Short-Term Indebtedness in an amount up to 10% of its Total Operating Revenues as reflected in the Financial Statements of the District for the most recent period of twelve consecutive months for which Financial Statements are available and provided, further, that the District may incur Short-Term Indebtedness secured by a Credit Facility without limitation. Short-Term Indebtedness may be incurred as Subordinate Obligations without compliance with the tests that apply to the incurrence of Senior Indebtedness.

(d) Additional VRA Obligations may be incurred by the District subject to the delivery of an Officer's Certificate of a District Representative demonstrating compliance with Sections 704(a) or (b) and 705(a) hereof, *provided, however*, anything in this Trust Agreement notwithstanding, the District may make such additional covenants in a supplemental resolution, financing agreement or other agreement authorizing and securing a VRA Obligation as may be required by VRA as a condition of purchasing such VRA Obligations.

(e) Subordinate Obligations may be incurred without limitation.

(f) For purposes of demonstrating compliance with the incurrence test set forth in subsection (a) of this Section 704, the District may (but is not required to) elect in the applicable Series Agreement to treat all or any Senior Obligations authorized in a Credit Facility (including, for example and without limitation, a self-liquidity arrangement provided by the District, a line of credit or a liquidity facility supporting a commercial paper program), but not immediately issued or incurred under such Credit Facility, as subject to such incurrence test as of a single date, notwithstanding that none, or less than all, of the authorized principal amount of such Senior Obligations shall have been issued or incurred as of such date.

(g) Notwithstanding the foregoing provisions of this Section 704, nothing herein contained shall preclude the District from incurring any obligation under a Credit Facility."

**"Section 5.2. Additional Restriction on the Incurrence of Additional Indebtedness.** The District covenants that, for purposes of demonstrating compliance with Section 704 of the Trust Agreement (Limitations on Indebtedness), clause (iv) of Section 704(a) of the Trust Agreement shall be deemed not to apply during the Master Availability Period (as defined in the WIFIA Master Agreement) or while there are Outstanding any Bonds (including the 2020 Bond) held by the WIFIA Lender."

**EXHIBIT A**

**FORM OF WIFIA BOND**

*Interest on this bond is not excludable from the gross income of the registered owner hereof for federal income tax purposes.*

**No. R-[●]**

**HAMPTON ROADS SANITATION DISTRICT  
(VIRGINIA)  
WASTEWATER REVENUE BOND,  
SERIES [●]  
(FEDERALLY TAXABLE)**

<b><u>Maturity</u> <u>Date</u></b>	<b><u>Interest</u> <u>Rate</u></b>	<b><u>Dated</u></b>	<b><u>CUSIP</u></b>
[●]	[●]	[●]	[●]

**Registered Owner: UNITED STATES ENVIRONMENTAL PROTECTION AGENCY**

**Maximum Principal Amount: [●] DOLLARS (\$[●])**

Hampton Roads Sanitation District (the “District”), a political subdivision of the Commonwealth of Virginia, by the Hampton Roads Sanitation District Commission (the “Commission”), the Commission of the District, for value received, promises to pay, but solely from the sources and in the manner hereinafter provided, to the registered owner named above, acting by and through the Administrator of the Environmental Protection Agency or its assigns (the “WIFIA Lender”), the lesser of (x) the Maximum Principal Amount set forth above and (y) the aggregate unpaid principal amount of all disbursements (the “Disbursements”) made by the WIFIA Lender (such lesser amount being hereinafter referred to as the “Outstanding Principal Sum”), together with accrued and unpaid interest (including, if applicable, interest at the Default Rate in accordance with that certain WIFIA Loan Agreement, dated [●], by and between the WIFIA Lender and the District (the “WIFIA [●] Loan Agreement”)), on the Outstanding Principal Sum and all fees, costs and other amounts payable in connection therewith, all as more fully described in the WIFIA [●] Loan Agreement. The principal hereof shall be payable in the manner and at the place provided in the WIFIA [●] Loan Agreement in accordance with Exhibit B (*WIFIA Debt Service*) to the WIFIA [●] Loan Agreement, as revised from time to time in accordance with the WIFIA [●] Loan Agreement and that certain WIFIA Master Agreement, dated September 28, 2020, as amended and restated as of September 30, 2024, by and between the WIFIA Lender and the District (the “WIFIA Master Agreement”), until paid in full (which Exhibit B, as modified from time to time in accordance with the terms of the WIFIA [●] Loan Agreement and the WIFIA Master Agreement, is incorporated in and is a part of this Bond). The WIFIA Lender is hereby authorized to modify the loan amortization schedule included in Exhibit B to the WIFIA [●] Loan Agreement from time to time in accordance with the terms of the WIFIA Master Agreement and the WIFIA [●] Loan Agreement to reflect the amount of each disbursement made thereunder and

the date and amount of principal or interest paid by the District thereunder. Any adjustments or revisions to the loan amortization schedule included in Exhibit B to the WIFIA [●] Loan Agreement shall be deemed to update the amortization schedule attached as Schedule A hereto *mutatis mutandis*. Absent manifest error, the WIFIA Lender's determination of such matters as set forth on Exhibit B to the WIFIA [●] Loan Agreement shall be conclusive evidence thereof; provided, however, that neither the failure to make any such recordation nor any error in such recordation shall affect in any manner the District's obligations hereunder or under any other WIFIA Loan Document (as defined in the WIFIA Master Agreement).

Payments on this Bond are to be made in accordance with Section 8(c) (Payment of Principal and Interest – Manner of Payment) and Section 31 (Notices) of the WIFIA Master Agreement as the same become due. Principal of and interest on this Bond shall be paid in funds available on or before the due date and in any lawful coin or currency of the United States of America that at the date of payment is legal tender for the payment of public and private debts. If the Substantial Completion Date occurs on any date prior to [insert date that is 35 years before the Due Date], the due date of this Bond shall be deemed to be amended to the Principal Payment Date immediately preceding the date that is thirty-five (35) years following such Substantial Completion Date without any further action required on the part of the Borrower or the WIFIA Lender and such amendment shall in no way amend, modify or affect the other provisions of this Bond without the prior written agreement of the WIFIA Lender. Any such amendment shall be reflected in a revised Exhibit B to the WIFIA Loan Agreement.

Interest on this Bond shall accrue and be computed on the Outstanding WIFIA Loan Balance from time to time at the interest rate stated above, on the basis of a three hundred sixty (360) day year comprised of twelve (12) thirty (30) day months; provided that upon the occurrence of any event of default under Section 17(a) of the WIFIA Master Agreement, interest on this Bond shall be computed on the Outstanding WIFIA Loan Balance at the Default Rate in accordance with the provisions of Section 6 of the WIFIA Master Agreement.

This Bond is issued under a trust agreement, dated as of October 1, 2011, between the District and The Bank of New York Mellon Trust Company, N.A., Pittsburgh, Pennsylvania, as Trustee (said banking corporation and any bank or successor trustee under the Trust Agreement being hereinafter referred to as the "Trustee"), as amended and restated as of March 1, 2016, as amended, as further amended and restated as of July 1, 2024, and effective on July 16, 2024, and as the same may be amended and supplemented from time to time (the "Trust Agreement"), including pursuant to the [●] Supplemental Trust Agreement dated as of [●] (the "[●] Supplemental Agreement"). The Bond is being issued for the purpose of providing funds, together with other available funds, (i) to finance a portion of the eligible costs of the Project and (ii) to pay a portion of the expenses incurred in connection with the issuance of this Bond by the District. Reference is made to the WIFIA Master Agreement and the WIFIA [●] Loan Agreement for further terms and conditions relating to the obligations of the District hereunder and thereunder, which terms and conditions shall for all purposes have the same effect as if fully set forth herein. All capitalized terms used in this Bond and not defined herein shall have the meanings set forth in the [●] Supplemental Agreement, or if not defined therein, in the Trust Agreement.

This Bond may be prepaid at the option of the District in whole or in part (and, if in part, the principal installments and amounts thereof to be prepaid are to be determined in accordance with the WIFIA [●] Loan Agreement; provided that such prepayments shall be in principal amounts of at least \$1,000,000 or any integral multiple of \$1 in excess thereof), from time to time, but not more than once in any Fiscal Year, without penalty or premium, by paying to the WIFIA Lender all or part of the principal amount of this Bond in accordance with the [●] WIFIA Loan Agreement.

This Bond shall be subject to mandatory prepayment on the terms and conditions set forth in the WIFIA Master Agreement, the WIFIA [●] Loan Agreement and the Trust Agreement.

This Bond is issued and the Trust Agreement was made and entered into under and pursuant to the Constitution and laws of the Commonwealth of Virginia, and particularly in conformity with the provisions, restrictions and limitations of Chapter 66 of the Acts of Assembly of Virginia of 1960, as amended.

The District has agreed to perform, observe and comply with certain covenants, conditions and agreements set forth in the Trust Agreement. The District may incur additional indebtedness, including bonds and other indebtedness secured by the Trust Agreement on a *pari passu* basis (collectively, “Senior Obligations”) for the purposes, under the terms and conditions and to the extent described therein and in the WIFIA Master Agreement.

This Bond is a special obligation of the District and is payable solely from Net Revenues derived by the District from its Wastewater System and the money attributable to proceeds of the Bond and the income from the investment thereof and not from any other fund or source. This Bond shall not be deemed to constitute a debt, or a pledge of the faith and credit, of the Commonwealth of Virginia or of any county, city, town or political subdivision thereof. The issuance of this Bond shall not directly or indirectly or contingently obligate the Commonwealth of Virginia or any county, city, town or political subdivision thereof to levy or to pledge any form of taxation whatever therefor.

This Bond is issued as a fully registered Bond. The transfer of this Bond is registrable by the registered owner hereof in person or by his attorney or legal representative at the corporate trust office of the Bond Registrar for the delivery of the Bond, but only in the manner and subject to the limitations and conditions provided in the Trust Agreement and upon surrender and cancellation of this Bond. Upon any such registration of transfer, the District shall execute and the Bond Registrar shall authenticate and deliver in exchange for this Bond a new Bond, registered in the name of the transferee, in a principal amount equal to the then outstanding principal amount of this Bond, of the same series and maturity and bearing interest at the same rate.

The Holder of this Bond shall have no right to enforce the provisions of the Trust Agreement or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Trust Agreement, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Trust Agreement and except that the Holder of this Bond may institute action to enforce the payment of the principal of or the interest on this Bond. Any delay on the part of the Holder of this Bond in exercising any right



hereunder shall not operate as a waiver of any such right, and any waiver granted with respect to one default shall not operate as a waiver in the event of any subsequent default.

Upon the occurrence of certain events, and on the conditions, in the manner and with the effect set forth in the Trust Agreement, the Outstanding principal amount of this Bond may become or may be declared due and payable before the stated maturity thereof, together with the interest accrued thereon.

Modifications or alterations of the Trust Agreement or any trust agreement supplemental thereto may be made only to the extent and in the circumstances permitted by the Trust Agreement.

This Bond shall be governed by the laws of the Commonwealth of Virginia without regard to choice of law principles.

All acts, conditions and things required to happen, exist and be performed precedent to and in the issuance of this Bond have happened, exist and have been performed as so required.

Neither the members, officers or employees of the Commission or the District, nor any person executing this Bond, is liable personally hereon or subject to any personal liability or accountability by reason of issuance hereof.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Trust Agreement until it shall have been authenticated by the execution by the Bond Registrar of the certificate of authentication endorsed hereon.

**IN WITNESS WHEREOF**, the Hampton Roads Sanitation District has caused this Bond to be executed in its name and on its behalf with the [facsimile] signatures of the Chair and the Secretary of the Hampton Roads Sanitation District Commission and [a facsimile of] the official seal of said Commission to be impressed hereon and this Bond to be dated the Dated Date.

**HAMPTON ROADS SANITATION DISTRICT**

By \_\_\_\_\_  
Chair  
Hampton Roads Sanitation District Commission

By \_\_\_\_\_  
Secretary  
Hampton Roads Sanitation District Commission

[Seal]

## **CERTIFICATE OF AUTHENTICATION**

Date of authentication: \_\_\_\_\_

This Bond is a Bond issued under the provisions of the within-mentioned Trust Agreement.

**THE BANK OF NEW YORK MELLON  
TRUST COMPANY, N.A.,**  
as Bond Registrar

By \_\_\_\_\_  
Authorized Signatory

**[FORM OF ASSIGNMENT]**

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

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[Please Print or Typewrite Name and Address of Transferee]

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_ attorney to register the transfer of the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Date: \_\_\_\_\_

Signature Guaranteed:

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NOTICE: Signature(s) must be guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion Program (STAMP) or similar program.

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NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

**SCHEDULE A**

**Disbursement and Payments Schedule**

Maximum Principal Amount: \$[●]

<b>Payment Date [or Disbursement Date]</b>	<b>Amount Disbursed</b>	<b>Principal Amount Paid or Prepaid</b>	<b>Outstanding Principal Sum</b>

## EXHIBIT B

### FORM OF NON-DEBARMENT CERTIFICATE

The undersigned, on behalf of Hampton Roads Sanitation District (the “**Borrower**”), hereby certifies that the Borrower has fully complied with its verification obligations under 2 C.F.R. § 180.320 and hereby further confirms, based on such verification, that, to its knowledge, the Borrower and its principals (as defined in 2 C.F.R. § 180.995 and supplemented by 2 C.F.R. 1532.995):

(a) are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any federal department or agency;

(b) have not within a three (3) year period preceding the WIFIA Loan Agreement Effective Date been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(c) are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state or local) with commission of any of the offenses enumerated in paragraph (b) of this certification; and

(d) have not within a three (3) year period preceding the WIFIA Loan Agreement Effective Date had one or more public transactions (federal, state or local) terminated for cause or default.

Capitalized terms used in this certificate and not defined shall have the respective meanings assigned to such terms in the WIFIA Master Agreement, dated as of September 28, 2020, as amended and restated as of September 30, 2024, by and between the Borrower and the United States Environmental Protection Agency, acting by and through the Administrator of the Environmental Protection Agency.

Dated: \_\_\_\_\_

**HAMPTON ROADS SANITATION DISTRICT,**  
by its authorized representative

By: \_\_\_\_\_  
Name:  
Title:

## EXHIBIT C

### REQUISITION PROCEDURES AND FORM OF REQUISITION

This Exhibit C sets out the procedures which the Borrower agrees to follow in submitting Requisitions for the disbursement of WIFIA Loan proceeds in respect of the Eligible Project Costs incurred in connection with each Project. Section 1 sets out the manner in which Requisitions are to be submitted and reviewed. Sections 2 through 4 set out the circumstances in which the WIFIA Lender may reject or correct Requisitions submitted by the Borrower or withhold a disbursement. The Borrower expressly agrees to the terms hereof, and further agrees that (i) the rights of the WIFIA Lender contained herein are in addition to (and not in lieu of) any other rights or remedies available to the WIFIA Lender under (x) that certain WIFIA Master Agreement, dated as of September 28, 2020, as amended and restated as of September 30, 2024, by and between the WIFIA Lender and the Borrower (the “**WIFIA Master Agreement**”) and (y) the WIFIA Loan Agreement by and between the WIFIA Lender and the Borrower with respect to the applicable Project (the “**WIFIA Loan Agreement**”), and (ii) nothing contained herein shall be construed to limit the rights of the WIFIA Lender to take actions including administrative enforcement action and actions for breach of contract against the Borrower if it fails to perform its obligations under the WIFIA Loan Agreement during the term thereof. All capitalized terms used and not defined herein shall have the meanings set forth in the WIFIA Master Agreement and the WIFIA Loan Agreement.

Section 1. General Requirements. All requests by the Borrower for the disbursement of WIFIA Loan proceeds shall be made by electronic mail or overnight delivery service by submission to the WIFIA Lender, in accordance with Section 31 (Notices) of the WIFIA Master Agreement, of a Requisition, in form and substance satisfactory to the WIFIA Lender and completed and executed by the Borrower’s Authorized Representative. The form of Requisition is attached as Appendix One (Form of Requisition) to this Exhibit C.

Supporting documentation should be submitted with the Requisition. If the Borrower anticipates that it will draw down all or a portion of the proceeds of the WIFIA Loan to reimburse the Borrower for Eligible Project Costs paid by or on behalf of the Borrower prior to such disbursement of WIFIA Loan proceeds, whether paid from funds of the Borrower or proceeds of Indebtedness issued by the Borrower, including for the purpose of paying or redeeming such Indebtedness, the Borrower shall deliver appropriate documentation, including invoices and records, evidencing such incurred or paid Eligible Project Costs (the “**Eligible Project Costs Documentation**”). The Eligible Project Costs Documentation must provide sufficient detail to enable the WIFIA Lender to verify that such costs are Eligible Project Costs paid by the Borrower, in connection with the reimbursement of such Eligible Project Costs. The WIFIA Lender shall review the Eligible Project Costs Documentation for compliance with WIFIA disbursement requirements, and any amounts approved by the WIFIA Lender as Eligible Project Costs will be disbursed at such time as the Borrower submits a Requisition in respect of such approved amounts.

The WIFIA Lender agrees to promptly send to the Borrower in accordance with Section 31 (Notices) of the WIFIA Master Agreement, an acknowledgement of receipt of each Requisition in the form attached as Appendix Two ([Approval]/[Disapproval] of the WIFIA Lender) to this Exhibit C setting forth the date of receipt by the WIFIA Lender of such Requisition and setting



forth the Business Day on which disbursement will be made absent denial by the WIFIA Lender. All disbursement requests must be received by the WIFIA Lender at or before 5:00 P.M. Eastern Time on the first (1<sup>st</sup>) Business Day of a calendar month in order to obtain disbursement by the fifteenth (15<sup>th</sup>) day of such calendar month or, if either such day is not a Business Day, the next succeeding Business Day. If a Requisition is approved by the WIFIA Lender, the WIFIA Lender will notify the Borrower of such approval and of the amount so approved.

Section 2. Rejection. A Requisition may be rejected in whole or in part by the WIFIA Lender if it is: (a) submitted without signature; (b) submitted under signature of a Person other than the Borrower's Authorized Representative; (c) submitted after prior disbursement of all proceeds of the WIFIA Loan; (d) submitted without adequate Eligible Project Costs Documentation, including (i) copies of invoices and records evidencing the Eligible Project Costs, (ii) a summary of the progress of construction of the Project and a general description of the work done for which the funds being requisitioned are being applied (or a certification that no change has occurred since the date of the latest quarterly report provided pursuant to Section 16(d) (Reporting Requirements – Construction Reporting) of the WIFIA Master Agreement), and (iii) a copy of the most recent update to the Borrower's risk register, if requested by the WIFIA Lender.

The WIFIA Lender will notify the Borrower of any Requisition so rejected, and the reasons therefor. Any Requisition rejected for the reasons specified above (other than Section 2(c) above) must be resubmitted in proper form in order to be considered for approval. If a Requisition exceeds the balance of the WIFIA Loan proceeds remaining to be disbursed, the request will be treated as if submitted in the amount of the balance so remaining, and the WIFIA Lender will so notify the Borrower.

Section 3. Correction. A Requisition containing an apparent mathematical error will be corrected by the WIFIA Lender, after telephonic or email notification to the Borrower, and will thereafter be treated as if submitted in the corrected amount.

Section 4. Withholding. The WIFIA Lender shall be entitled to withhold approval (in whole or in part) of any pending or subsequent requests for the disbursement of WIFIA Loan proceeds if: (a) a Default or an Event of Default shall have occurred and be continuing; (b) the Borrower (i) knowingly takes any action, or omits to take any action, amounting to fraud or violation of any applicable law, in connection with the transactions contemplated hereby; (ii) prevents or materially impairs the ability of the WIFIA Lender to monitor compliance by the Borrower with applicable law pertaining to the Project or with the terms and conditions of the WIFIA Loan Agreement; (iii) fails to observe or comply with any applicable law, or any term or condition of the WIFIA Loan Agreement; (iv) fails to satisfy the conditions set forth in Section 4 (Disbursement Conditions) and Section 11(b) (Conditions Precedent – Conditions Precedent to Effectiveness of Each WIFIA Loan Agreement) of the WIFIA Master Agreement; or (v) fails to deliver Eligible Project Costs Documentation satisfactory to the WIFIA Lender at the times and in the manner specified by the WIFIA Master Agreement and the WIFIA Loan Agreement; provided that in the case of clause (v), the WIFIA Lender may, in its sole discretion, partially approve a disbursement request in respect of any amounts for which adequate Eligible Project Costs has been provided and may, in its sole discretion, disburse in respect of such properly documented amounts.

## APPENDIX ONE TO EXHIBIT C

### FORM OF REQUISITION

United States Environmental Protection Agency<sup>12</sup>

1200 Pennsylvania Avenue NW

Washington, D.C. 20460

Attention: WIFIA Director

Re: [●] Project (WIFIA [insert loan number])

Ladies and Gentlemen:

Pursuant to Section 4 (*Disbursement Conditions*) of (i) that certain WIFIA Master Agreement by and between HAMPTON ROADS SANITATION DISTRICT (the “**Borrower**”) and the UNITED STATES ENVIRONMENTAL PROTECTION AGENCY, acting by and through the Administrator of the Environmental Protection Agency (the “**WIFIA Lender**”), dated as of September 28, 2020, as amended and restated as of September 30, 2024 (the “**WIFIA Master Agreement**”), and (ii) that certain WIFIA Loan Agreement by and between the Borrower and the WIFIA Lender, dated as of [●] (the “**WIFIA Loan Agreement**”), the Borrower hereby requests disbursement in the amount set forth below in respect of Eligible Project Costs paid or incurred by the Borrower. Capitalized terms used but not defined herein have the meaning set forth in the WIFIA Master Agreement and the WIFIA Loan Agreement.

In connection with this Requisition the undersigned, as the Borrower’s Authorized Representative, hereby represents and certifies the following:

1.	<b>Project name</b>	[ ]
2.	<b>Borrower name</b>	Hampton Roads Sanitation District
3.	<b>WIFIA reference number</b>	[ ]
4.	<b>Requisition number</b>	[ ]
5.	<b>Requested disbursement amount</b>	\$[ ]
6.	<b>Requested disbursement date (the “Disbursement Date”)</b>	[ ]
7.	<b>Total amounts previously disbursed under the WIFIA Loan Agreement</b>	\$[ ]
8.	<b>Wire instructions</b>	[ ]

9. The amounts hereby requisitioned have been paid or incurred and approved for payment by or on behalf of the Borrower for Eligible Project Costs and have not been paid for or reimbursed by any previous disbursement from WIFIA Loan proceeds. No portion of the amounts requisitioned will be applied to pay for Eligible Project Costs that have been

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<sup>12</sup> If there is a Servicer for the WIFIA Loan, provide a copy to the Servicer as well and include its notice details here.

previously paid, or are expected to be paid, with proceeds of debt of the Borrower that is not the WIFIA Loan.

10. The aggregate amount of all disbursements of the WIFIA Loan (including the amount requested under this Requisition) does not exceed (a) the maximum principal amount of the WIFIA Loan, (b) the amount of Eligible Project Costs paid or incurred by the Borrower, and (c) the cumulative disbursements through the end of the current Federal Fiscal Year as set forth in the Anticipated WIFIA Loan Disbursement Schedule.
11. The Borrower has sufficient available funds committed to the Project, which together with funds that remain available and not yet drawn under the WIFIA Loan, will be sufficient to pay the reasonably anticipated remaining Total Project Costs.
12. The total federal assistance provided to the Project, including the maximum principal amount of the WIFIA Loan, does not exceed eighty percent (80%) of Total Project Costs.
13. The Borrower has obtained all Governmental Approvals required to have been obtained as of the date hereof and as of the Disbursement Date (immediately after giving effect to the above-requested disbursement of WIFIA Loan proceeds), for the development, construction, operation and maintenance of the Project and each such Governmental Approval has been issued and is in full force and effect (and is not subject to any notice of violation, breach or revocation).
14. Each of the insurance policies maintained by the Borrower in satisfaction of Section 14(f) (Affirmative Covenants – Insurance) of the WIFIA Master Agreement is in full force and effect, and no notice of termination thereof has been issued by the applicable insurance provider and received by the Borrower.
15. As of the date hereof and on the Disbursement Date (immediately after giving effect to the above-requested disbursement of WIFIA Loan proceeds), (a) no Default or Event of Default, and no event of default under any other Related Document and (b) no event that, with the giving of notice or the passage of time or both, would constitute an event of default under any Related Document, in each case, has occurred and is continuing. No Material Adverse Effect, or any event or condition that could reasonably be expected to have a Material Adverse Effect, has occurred or arisen since the Effective Date.
16. The Borrower, and to the best of its knowledge, each of its contractors and subcontractors at all tiers with respect to the Project, has complied with all applicable laws, rules, regulations and requirements, including 40 U.S.C. §§3141-3144, 3146, and 3147 (relating to Davis-Bacon Act requirements) (and regulations relating thereto) and 33 U.S.C. §3914 (relating to American iron and steel products). Each Construction Contract requires that supporting documentation, such as certified payroll records and certifications for all iron and steel products used for the Project, be maintained by such contractors and subcontractors and available for review upon request by the WIFIA Lender.
17. The representations and warranties of the Borrower set forth in the WIFIA Master Agreement and in each other Related Document are true and correct as of the date hereof and as of the Disbursement Date, except to the extent such representations and warranties



expressly relate to an earlier date (in which case, such representations and warranties are true and correct as of such earlier date).

18. Each Construction Contract and Trust Document that has been delivered by the Borrower to the WIFIA Lender pursuant to Section 11(b)(ii) (*Conditions Precedent – Conditions Precedent to Effectiveness of Each WIFIA Loan Agreement*), Section 11(b)(iii) (*Conditions Precedent – Conditions Precedent to Effectiveness of Each WIFIA Loan Agreement*), Section 11(c)(iv) (*Conditions Precedent – Conditions Precedent to Disbursements*) and Section 11(c)(v) (*Conditions Precedent – Conditions Precedent to Disbursements*) is complete, fully executed and in full force and effect.
19. The current estimated percentage of physical completion of the Project is [ ]%. The Borrower is in compliance with Section 16(d) (*Reporting Requirements – Construction Reporting*) and no change has occurred since the date of the most recently delivered quarterly construction progress report that could reasonably be expected to cause a Material Adverse Effect.
20. All documentation evidencing the Eligible Project Costs to be reimbursed to the Borrower by the above-requested disbursement has been delivered by the Borrower to the WIFIA Lender at the times and in the manner specified by the WIFIA Master Agreement and the WIFIA Loan Agreement, including the details set forth below:

								WIFIA USE ONLY	
Vendor or Contractor Name <sup>13</sup>	Invoice Number <sup>14</sup>	Invoice Date	Payment Date	Invoice Amount	WIFIA Requested Amount <sup>15</sup>	Activity Type <sup>16</sup>	Description of Activity <sup>17</sup>	Approved Amount	Notes

The undersigned acknowledges that if the Borrower makes a false, fictitious, or fraudulent claim, statement, submission, or certification to the Government in connection with the Project, the

<sup>13</sup> If seeking reimbursement for internal costs, enter “Internally financed activities.”

<sup>14</sup> Vendor’s number indicated on the invoice sent to the Borrower.

<sup>15</sup> If the amount requested for reimbursement by the WIFIA Lender is less than the total amount of the invoice, include an explanation for the difference.

<sup>16</sup> Specify whether activity is: (a) **Development phase activity**, which includes planning, preliminary engineering, design, environmental review, revenue forecasting and other pre-construction activities; (b) **Construction**, which includes construction, reconstruction, rehabilitation and replacement activities; (c) **Acquisition of real property**, which includes acquiring an interest in real property, environmental mitigation, construction contingencies and acquisition of equipment; (d) **Carrying costs**, including capitalized interest, as necessary to meet market requirements, reasonably required reserve funds, capital issuance expenses and other carrying costs during construction; (e) **WIFIA fees**, including for application and credit processing; or (f) **Other**, with an explanation in the “Description of Activity” column.

<sup>17</sup> Provide a brief description of the activities included in the invoice for which WIFIA funds are being requested and any other notes that will aid in the review of the disbursement request.

Government reserves the right to impose on the Borrower the penalties of 18 U.S.C. § 1001, to the extent the Government deems appropriate.

*[Signature Page Follows]*

Date: \_\_\_\_\_

HAMPTON ROADS SANITATION  
DISTRICT, by its authorized representative

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

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

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

## APPENDIX TWO TO EXHIBIT C

### [APPROVAL] [DISAPPROVAL] OF THE WIFIA LENDER<sup>18</sup>

Requisition Number [ ] is [approved in the amount of \$[ ]]  
[approved in part in the amount of \$[ ]] [not approved, for the reasons set forth in Annex A attached hereto,] by the WIFIA Lender (as defined herein) pursuant to Section 4 (Disbursement Conditions) of (i) that certain WIFIA Master Agreement, dated as of September 28, 2020, as amended and restated as of September 30, 2024, by and between Hampton Roads Sanitation District (the “**Borrower**”) and the United States Environmental Protection Agency, acting by and through the Administrator of the Environmental Protection Agency (the “**WIFIA Lender**”) and (ii) that certain WIFIA Loan Agreement, dated as of [●], by and between the Borrower and the WIFIA Lender.

Any determination, action or failure to act by the WIFIA Lender with respect to the Requisition set forth above, including any withholding of a disbursement, shall be at the WIFIA Lender’s sole discretion, and in no event shall the WIFIA Lender be responsible for or liable to the Borrower for any and/or all consequence(s) which are the result thereof.

**UNITED STATES ENVIRONMENTAL  
PROTECTION AGENCY**, acting by and through  
the Administrator of the Environmental Protection  
Agency

By: \_\_\_\_\_  
WIFIA Lender’s Authorized Representative

Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Dated: \_\_\_\_\_

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<sup>18</sup> To be delivered to the Borrower. If there is any partial or full denial of approval, the WIFIA Lender should provide a separate attachment setting forth the reasons for such partial or full denial of approval.



## EXHIBIT D

### FORM OF NON-LOBBYING CERTIFICATE

The undersigned, on behalf of HAMPTON ROADS SANITATION DISTRICT (the “**Borrower**”), hereby certifies, to the best of his or her knowledge and belief, that:

(a) No Federal appropriated funds have been paid or will be paid, by or on behalf of the Borrower, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the making of the WIFIA Loan.

(b) If any funds other than proceeds of the WIFIA Loan have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the WIFIA Loan, the Borrower shall complete and submit Standard Form-LLL, “Disclosure Form to Report Lobbying,” in accordance with its instructions.

(c) The Borrower shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when the WIFIA Lender (as defined below) entered into (i) that certain WIFIA Master Agreement by and between the Borrower and the United States Environmental Protection Agency, acting by and through the Administrator of the Environmental Protection Agency (the “**WIFIA Lender**”), dated as of September 28, 2020, as amended and restated as of September 30, 2024 (the “**WIFIA Master Agreement**”), and (ii) that certain WIFIA Loan Agreement by and between the Borrower and the WIFIA Lender, dated as of [●] (the “**WIFIA Loan Agreement**”). Submission of this certification is a prerequisite to the effectiveness of the WIFIA Master Agreement and the WIFIA Loan Agreement imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Capitalized terms used in this certificate and not defined shall have the respective meanings assigned to such terms in the WIFIA Master Agreement.

Date: [ ]

*[Signature Page Follows]*

**HAMPTON ROADS SANITATION DISTRICT,**  
by its authorized representative

By: \_\_\_\_\_  
Name:  
Title:

## **EXHIBIT E-1**

### **OPINIONS REQUIRED FROM COUNSEL TO BORROWER**

[●], 20[●]

#### **Hampton Roads Sanitation District Wastewater Revenue Bond, Series [●] (Federally Taxable)**

United States Environmental Protection Agency  
Washington, D.C.

We have acted as counsel to the Hampton Roads Sanitation District (the “District”) in connection with the issuance and sale of the above-captioned bond (the “[●] Bond”). We have examined Chapter 66 of the Acts of Assembly of Virginia of 1960, as amended (the “Enabling Act”), and certified copies of proceedings of the Hampton Roads Sanitation District Commission (the “Commission”), the governing body of the District, authorizing the execution and delivery of a Trust Agreement, dated as of October 1, 2011, as amended and restated as of March 1, 2016, as amended and supplemented, as further amended and restated as of July 1, 2024, and effective as of July 16, 2024, and as the same has been amended and supplemented from time to time (the “Trust Agreement”), including pursuant to the [●] Supplemental Trust Agreement, dated as of [●] (the “[●] Supplemental Agreement”), each by and between the District and The Bank of New York Mellon Trust Company, N.A., as trustee (in such capacity, the “Trustee”), and documents relating to the issuance and sale by the District of its Wastewater Revenue Bond, Series [●] (Federally Taxable) (the “[●] Bond”). The [●] Bond is being purchased on the date hereof by the United States Environmental Protection Agency, acting by and through the Administrator of the Environmental Protection Agency (the “EPA”), pursuant to the terms of that certain WIFIA Master Agreement, dated as of September 28, 2020, as amended and restated as of September 30, 2024 (the “WIFIA Master Agreement”), and that certain WIFIA Loan Agreement dated as of [●] (the “WIFIA [●] Loan Agreement”), each by and between the EPA and the District. Capitalized terms used but not otherwise defined herein shall have the same meanings assigned to them in the WIFIA Master Agreement.

Without undertaking to verify the same by independent investigation, we have relied on certifications by representatives of the District as to certain facts relevant to the opinions expressed herein. We do not purport to express an opinion on any laws of any jurisdiction other than those of the Commonwealth of Virginia (the “Commonwealth”) and the United States of America.

Pursuant to the Trust Agreement, as security for the payment of the amounts due on the [●] Bond, the District has pledged its Net Revenues to the Trustee.

For purposes of the opinions expressed below, we have assumed (a) the authenticity of all documents submitted to us as originals, (b) the conformity to the originals of all documents submitted as certified or photostatic copies and the authenticity of the originals thereof, (c) the genuineness of all signatures not witnessed by us, and (d) the due authorization, execution and delivery of all documents by all parties (other than the due authorization, execution and delivery

by the District) and the validity, binding effect and enforceability thereof (other than the binding effect and enforceability thereof upon the District).

Based upon such examination, we are of the opinion that:

1. The creation of the District has been ratified, validated and confirmed by the Enabling Act, and the District constitutes a valid and existing political subdivision of the Commonwealth.

2. The District has lawful authority to acquire, construct, improve, extend, enlarge, reconstruct, maintain, equip, repair, and operate its Wastewater System, to issue the [●] Bond to the EPA, and to enter into, and to perform its obligations under, the [●] Supplemental Agreement, the WIFIA Master Agreement, the WIFIA [●] Loan Agreement, and the VRA Intercreditor Agreement.

3. The WIFIA Master Agreement, the WIFIA [●] Loan Agreement, and the VRA Intercreditor Agreement have been duly authorized, executed and delivered by the District and constitute valid and binding agreements of the District enforceable against the District in accordance with their terms; provided the enforceability of the obligations of the District under the WIFIA Master Agreement, the WIFIA [●] Loan Agreement, and the VRA Intercreditor Agreement may be limited or otherwise affected by (a) bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other laws affecting the rights of creditors generally and (b) principles of equity, whether considered at law or in equity. In addition, the obligation of the District to make any payments on the WIFIA Loan (as defined in the WIFIA [●] Loan Agreement), as evidenced by the [●] Bond, is payable solely from the Net Revenues and other funds pledged as security therefor under the Trust Agreement, and does not constitute a debt of the Commonwealth or of any county, city, town or political subdivision thereof, nor a pledge of the faith and credit of the Commonwealth or of any county, city, town or political subdivision thereof. The issuance of the [●] Bond does not directly or indirectly or contingently obligate the Commonwealth or any county, city, town or political subdivision thereof to levy or to pledge any form of taxation whatever therefor.

4. No authorization, consent, or other approval of, or registration, declaration or other filing with any governmental authority of the United States of America or of the Commonwealth is required on the part of the District for the execution and delivery by the District of, and the performance of the District under, the [●] Supplemental Agreement, the Trust Agreement, the VRA Intercreditor Agreement, the WIFIA Master Agreement, the WIFIA [●] Loan Agreement, and the [●] Bond, other than authorizations, consents, approvals, registrations, declarations and filings that have already been obtained or made by or on behalf of the District.

5. The execution and delivery by the District of, and compliance with the provisions of, the [●] Supplemental Agreement, the WIFIA Master Agreement, the WIFIA [●] Loan Agreement, the Trust Agreement, the VRA Intercreditor Agreement, and the [●] Bond do not (i) violate the Enabling Act, (ii) violate the law of the United States of America or of the Commonwealth or (iii) conflict with or constitute a breach of or default under any Related Document or any other material agreement or other instrument known to us to which the District

is a party, or to our knowledge, after due inquiry, any court order, consent decree, statute, rule, regulation or any other law to which the District is subject.

6. The District is not an investment company required to register under the Investment Company Act of 1940, as amended.

7. To our knowledge, after due inquiry, except as set forth in Schedules 12(f) and 12(p) to the WIFIA Master Agreement, there are no actions, suits, proceedings or investigations against the Borrower by or before any court, arbitrator or any other governmental authority in connection with the WIFIA Master Agreement, the WIFIA [●] Loan Agreement, the [●] Bond, the Trust Agreement, the [●] Supplemental Agreement, the VRA Intercreditor Agreement, or the Wastewater System (including the Master Program) that are pending.

The foregoing opinions with respect to the WIFIA Master Agreement and the WIFIA [●] Loan Agreement are subject to the limitation that, notwithstanding the provisions of Section 2 of the WIFIA Master Agreement and the WIFIA [●] Loan Agreement, respectively, no opinion is given with respect to any amendments or supplements to, or modifications or restatements or replacements of, the WIFIA Master Agreement and the WIFIA [●] Loan Agreement made after the date hereof.

In addition to the assumptions, exclusions, conditions, qualifications and limitations set forth above and in the numbered opinion paragraphs herein, as well as those customary matters relevant hereto but not detailed herein, the opinions expressed herein are also subject to the following qualifications:

i. No opinion is given herein with respect to the enforceability of any provision requiring the payment of attorney's fees other than "reasonable" attorneys' fees under the circumstances for which payment or reimbursement is sought.

ii. No opinion is given herein with respect to (a) compliance with securities laws, environmental laws, labor laws, pension and employee benefit laws and regulations, privacy laws, insurance laws, intellectual property laws, antitrust laws or in respect of the viability or feasibility of the Project or the ability to construct or operate it as expected, (b) the title, status of encumbrances or any other real property aspect as to the Project, (c) local laws or laws relating to zoning, land use or subdivision of real property, (d) fiduciary duties, (e) foreign asset control, foreign investment in the United States, national security, terrorism, or money laundering (including, without limitation, the USA PATRIOT Act of 2001, as amended, and §721 of the Defense Production Act of 1950, as amended), (f) the effect of racketeering or criminal or civil forfeiture laws, (g) the Dodd-Frank Wall Street Reform and Consumer Protection Act and any rules and regulations promulgated thereunder, (h) commodities laws, including as regards swaps and other derivatives (except where specifically provided), (i) the effect of the law of any jurisdiction (other than the Commonwealth) that limits the rate(s) of interest that may be charged or collected, (j) any mandatory choice of law rule, and (k) whether the loans made under the WIFIA [●] Loan Agreement will comply with (1) any statutory, regulatory or other loan limits applicable to the EPA, (2) any laws, rules or regulations that prescribe permissible and lawful investments for the EPA, (3) any judicial or administrative decisions, orders, rulings, directives, policies or

other interpretations addressing any of the laws, rules and regulations listed in this paragraph, or (4) any filing or notice requirements relating to any of the matters mentioned in this paragraph.

iii. We have not made any investigation concerning the Project or other financial resources of the District, and no opinion is given herein with respect to the accuracy or completeness of any information that may have been relied upon by the EPA in making the decision to enter into the WIFIA Master Agreement, the WIFIA [●] Loan Agreement or any related contracts or arrangements.

iv. No opinion is expressed herein with respect to any provision that purports to permit the exercise of rights without notice or without providing an opportunity to cure failures to perform.

v. No opinion is expressed herein with respect to any provision in any document regarding severability.

vi. No opinion is expressed herein with respect to any provision that would alter the terms or rights and obligations of the parties based on course of dealing, course of performance or the like, or that provides that failure or delay in taking action may not constitute a waiver of rights.

vii. Whenever a statement herein is qualified by the phrase “to our knowledge,” it is intended to indicate that, during the course of our representation of the District in connection with the transactions described in this letter, no information that would give us current actual knowledge of the inaccuracy of such statement has come to the attention of those attorneys in this firm who have rendered legal services in connection with such representation. However, except where otherwise stated in this letter regarding reasonable investigations we have undertaken, we have not undertaken any independent investigation to determine the accuracy of any such statement, and any limited inquiry undertaken by us during the preparation of this letter should not be regarded as such an investigation; no inference as to our knowledge of any matters bearing on the accuracy of any such statement should be drawn from the fact of our representation of the District.

viii. Whenever a statement herein is qualified by the phrase “due inquiry,” it is intended to indicate our due diligence review conducted during the course of our representation of the District in connection with the transactions and documents described in this letter, including participation in conferences with representatives of the District during which the transactions or documents described in this letter related matters were discussed, our review of written statements and representations of the District, and records and certifications provided by the District.

This letter is furnished by us in our capacity as counsel to the District. No attorney-client relationship has existed or exists between our firm and the addressees hereof in connection with the [●] Supplemental Agreement, the WIFIA Master Agreement, the WIFIA [●] Loan Agreement and the [●] Bond or by virtue of this opinion.

This letter is furnished to the addressees in connection with the transaction described above and may not be relied upon by anyone other than the addressee. This letter may not be further circulated, quoted, or relied upon or otherwise referred to for any other purpose without our prior written consent, except that (1) you may furnish a copy of this letter for information (but not reliance) (a) to your auditors and professional advisors, (b) pursuant to lawful order or legal process

of any court or governmental agency, (c) to governmental regulatory agencies having jurisdiction over you, (d) to third parties in connection with their requests submitted under the Freedom of Information Act (5 U.S.C. §552), provided this letter is subject to disclosure thereunder unless determined to be exempt from disclosure in accordance with 5 U.S.C. §552(b) and 49 C.F.R. §§7.23 and 7.29, (e) in connection with any legal action to which you are a party arising out of your participation in the Project, and (f) to your permitted assignees in connection with an assignment (or proposed assignment) of your rights under the WIFIA Loan Documents to such assignees, and such assignees may rely on this opinion as if it were addressed and had been delivered to them on the date of this opinion, unless statements in this opinion would be affected by the status of such assignees, and (2) this letter may be included in any transcript of proceedings prepared in connection with the execution and delivery of the WIFIA [●] Loan Agreement.

Respectfully submitted,



## EXHIBIT E-2

### OPINIONS REQUIRED FROM BOND COUNSEL

[●], 20[●]

Hampton Roads Sanitation District Commission  
Virginia Beach, Virginia

#### **Hampton Roads Sanitation District Wastewater Revenue Bond, Series [●] (Federally Taxable)**

Ladies and Gentlemen:

We have examined Chapter 66 of the Acts of Assembly of Virginia of 1960, as amended (the “Enabling Act”), and certified copies of proceedings of the Hampton Roads Sanitation District Commission (the “Commission”), the governing body of Hampton Roads Sanitation District (a political subdivision of the Commonwealth of Virginia and herein sometimes called the “District”), authorizing the execution and delivery of a Trust Agreement dated as of October 1, 2011, as amended and restated as of March 1, 2016, as amended and supplemented, as further amended and restated as of July 1, 2024, and effective as of July 16, 2024, and as the same has been amended and supplemented from time to time (the “Trust Agreement”), including pursuant to the [●] Supplemental Trust Agreement dated as of [●] (the “[●] Supplemental Agreement”), each by and between the District and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), and documents relating to the issuance and sale by the District of its Wastewater Revenue Bond, Series [●] (Federally Taxable) (the “[●] Bond”). The [●] Bond is being purchased on the date hereof by the United States Environmental Protection Agency, acting by and through the Administrator of the Environmental Protection Agency (the “EPA”), pursuant to the terms of that certain WIFIA Master Agreement dated as of September 28, 2020, as amended and restated as of September 30, 2024 (the “WIFIA Master Agreement”), and that certain WIFIA Loan Agreement dated as of [●] (the “WIFIA [●] Loan Agreement”), each by and between the EPA and the District. Reference is made to the form of the [●] Bond for information concerning its purposes and details, including payment and prepayment provisions. Capitalized terms used but not otherwise defined herein shall have the same meanings assigned to them in the Trust Agreement.

The District is issuing the [●] Bond secured on a parity with all outstanding Senior Obligations (consisting of Bonds and VRA Obligations) previously issued by the District. The District may hereafter issue additional Senior Obligations secured on a parity with the [●] Bond and any existing Senior Obligations in compliance with the terms of the Trust Agreement and the [●] Supplemental Agreement. The Trust Agreement also permits the issuance of Subordinate Obligations that are junior and subordinate in right of payment to the prior payment in full of the Senior Obligations.

Without undertaking to verify the same by independent investigation, we have relied on certifications by representatives of the District as to certain facts relevant to this Opinion.

Based on the foregoing and in accordance with customary opinion practice, we are of the opinion that:

(1) The [●] Supplemental Agreement is authorized and permitted by the Trust Agreement and complies with its terms. The [●] Supplemental Agreement has been duly authorized, executed and delivered by the District and, assuming its due authorization, execution and delivery by the Trustee, constitutes a valid and binding agreement of the District enforceable against the District in accordance with its terms.

(2) The Trust Agreement has been duly authorized, executed and delivered by the District, and, assuming the due authorization, execution and delivery by the Trustee, constitutes a valid and binding agreement of the District enforceable against the District in accordance with its terms. Pursuant to the Trust Agreement, the District has granted to the Trustee a valid security interest in the Net Revenues, irrespective of whether any party has notice of such security interest and without the need for any physical delivery, recordation, filing or further act. The District has taken all necessary actions to authorize the Net Revenues to be applied in the manner set forth in the Trust Agreement, the WIFIA Master Agreement and the WIFIA [●] Loan Agreement. The District has complied with the requirements of Commonwealth of Virginia law to pledge to the Trustee, and has so pledged, all money and securities held by the Trustee in the Bond Fund and the Debt Service Reserve Fund.

(3) The issuance of the [●] Bond is permitted under the terms of the Trust Agreement. The [●] Bond has been duly authorized and issued by the District in accordance with the Enabling Act, constitutes a valid and binding special obligation of the District payable as to principal and interest solely from the Net Revenues and other funds pledged as security therefor under the Trust Agreement. The [●] Bond ranks *pari passu* in right of payment and right of security with all other Senior Obligations and senior in right of payment and right of security to all Subordinate Obligations. The [●] Bond and the interest thereon do not constitute a debt of the Commonwealth of Virginia or of any county, city, town or political subdivision thereof, or a pledge of the faith and credit of the Commonwealth of Virginia or of any county, city, town or political subdivision thereof. The issuance of the [●] Bond does not directly or indirectly or contingently obligate the Commonwealth of Virginia or any county, city, town or political subdivision thereof to levy or to pledge any form of taxation whatever therefor.

(4) The District has covenanted to fix and collect rates, fees and other charges for the use of and for services furnished or to be furnished by the Wastewater System, and from time to time to revise such rates, fees and other charges so that in each Fiscal Year the Net Revenues will be equal to the Principal and Interest Requirements (as defined in the Trust Agreement) and will provide certain reserves therefor.

(5) The rights of the holder of the [●] Bond and the enforceability of such rights, including the enforcement by the Trustee of the obligations of the District under the Trust Agreement and the [●] Supplemental Agreement, may be limited or otherwise affected by (a) bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other laws affecting the rights of creditors generally and (b) principles of equity, whether considered at law or in equity.

(6) Interest on the [●] Bond is not excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended. We express no opinion regarding any federal tax consequences of the ownership of or receipt or accrual of interest on the [●] Bond.

Our services as bond counsel to the District have been limited to delivering the foregoing Opinion based on our review of such proceedings and documents as we deem necessary to approve the validity of the [●] Bond. We express no opinion herein as to the financial resources of the District, its ability to provide for payment of the [●] Bond or the accuracy or completeness of any information that may have been relied upon by the EPA in making its decision to purchase the [●] Bond.

Very truly yours,

[●], 20[●]

United States Environmental Protection Agency  
Washington, D.C.

**Hampton Roads Sanitation District  
Wastewater Revenue Bond, Series [●] (Federally Taxable)**

Ladies and Gentlemen:

We have examined Chapter 66 of the Acts of Assembly of Virginia of 1960, as amended (the “Enabling Act”), and certified copies of proceedings of the Hampton Roads Sanitation District Commission (the “Commission”), the governing body of Hampton Roads Sanitation District (a political subdivision of the Commonwealth of Virginia and herein sometimes called the “District”), authorizing the execution and delivery of a Trust Agreement dated as of October 1, 2011, as amended and restated as of March 1, 2016, as amended and supplemented, as further amended and restated as of July 1, 2024, and effective as of July 16, 2024, and as the same has been amended and supplemented from time to time (the “Trust Agreement”), including pursuant to the [●] Supplemental Trust Agreement dated as of [●] (the “[●] Supplemental Agreement”), each by and between the District and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), and documents relating to the issuance and sale by the District of its Wastewater Revenue Bond, Series [●] (Federally Taxable) (the “[●] Bond”). The [●] Bond is being purchased on the date hereof by the United States Environmental Protection Agency, acting by and through the Administrator of the Environmental Protection Agency (the “EPA”), pursuant to the terms of that certain WIFIA Master Agreement dated as of September 28, 2020, as amended and restated as of September 30, 2024 (the “WIFIA Master Agreement”), and that certain WIFIA Loan Agreement dated as of [●] (the “WIFIA [●] Loan Agreement”), each by and between the EPA and the District. Capitalized terms used but not otherwise defined herein shall have the same meanings assigned to them in the WIFIA Master Agreement.

We understand that you separately are receiving the opinions of Norton Rose Fulbright USA LLP, special general counsel to the District, and AquaLaw, PLC, special environmental counsel to the District, both dated the date hereof and addressed to you, as to certain matters set forth therein, and we express no opinion thereon.

Without undertaking to verify the same by independent investigation, we have relied on certifications by representatives of the District as to certain facts relevant to this Opinion. We do not purport to express an opinion on any laws of any jurisdiction other than those of the Commonwealth of Virginia and the United States of America.

For purposes of the opinions expressed below, we have assumed (a) the authenticity of all documents submitted to us as originals, (b) the conformity to the originals of all documents submitted as certified or photostatic copies and the authenticity of the originals thereof, (c) the genuineness of all signatures not witnessed by us, and (d) the due authorization, execution and delivery of all documents by all parties (other than the due authorization, execution and delivery by the District) and the validity, binding effect and enforceability thereof (other than the binding effect and enforceability thereof upon the District).

Based on the foregoing and in accordance with customary opinion practice, we are of the opinion that:

(1) The creation of the District has been ratified, validated and confirmed by the Enabling Act, and the District constitutes a valid and existing political subdivision of the Commonwealth.

(2) The District has lawful authority to acquire, construct, improve, extend, enlarge, reconstruct, maintain, equip, repair and operate its Wastewater System, to issue the [●] Bond to the EPA, and to enter into the [●] Supplemental Agreement, the WIFIA Master Agreement and the WIFIA [●] Loan Agreement.

(3) The WIFIA Master Agreement and the WIFIA [●] Loan Agreement have been duly authorized, executed and delivered by the District and constitute valid and binding agreements of the District enforceable against the District in accordance with their terms; provided the enforceability of the obligations of the District under the WIFIA Master Agreement and the WIFIA [●] Loan Agreement may be limited or otherwise affected by (a) bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other laws affecting the rights of creditors generally and (b) principles of equity, whether considered at law or in equity. In addition, the obligation of the District to make any payments on the WIFIA Loan (as defined in the WIFIA [●] Loan Agreement), as evidenced by the [●] Bond, is payable solely from the Net Revenues and other funds pledged as security therefor under the Trust Agreement, and does not constitute a debt of the Commonwealth of Virginia or of any county, city, town or political subdivision thereof, nor a pledge of the faith and credit of the Commonwealth of Virginia or of any county, city, town or political subdivision thereof.

The foregoing opinions with respect to the WIFIA Master Agreement and the WIFIA [●] Loan Agreement are subject to the limitation that, notwithstanding the provisions of Section 2 of the WIFIA Master Agreement and the WIFIA [●] Loan Agreement, respectively, no opinion is given with respect to any amendments or supplements to, or modifications or restatements or replacements of, the WIFIA Master Agreement and the WIFIA [●] Loan Agreement made after the date hereof.

In addition to the assumptions, exclusions, conditions, qualifications and limitations set forth above and in the numbered opinion paragraphs herein, as well as those customary matters relevant hereto but not detailed herein, the opinions expressed herein are also subject to the following qualifications:

i. No opinion is given herein with respect to the enforceability of any provision requiring the payment of attorney's fees other than "reasonable" attorneys' fees under the circumstances for which payment or reimbursement is sought.

ii. No opinion is given herein with respect to (a) compliance with securities laws, environmental laws, labor laws, pension and employee benefit laws and regulations, privacy laws, insurance laws, intellectual property laws, antitrust laws or in respect of the viability or feasibility of the Project or the ability to construct or operate it as expected, (b) the title, status of encumbrances or any other real property aspect as to the Project, (c) local laws or laws relating to

zoning, land use or subdivision of real property, (d) fiduciary duties, (e) foreign asset control, foreign investment in the United States, national security, terrorism, or money laundering (including, without limitation, the USA PATRIOT Act of 2001, as amended, and §721 of the Defense Production Act of 1950, as amended), (f) the effect of racketeering or criminal or civil forfeiture laws, (g) the Dodd-Frank Wall Street Reform and Consumer Protection Act and any rules and regulations promulgated thereunder, (h) commodities laws, including as regards swaps and other derivatives (except where specifically provided), (i) the effect of the law of any jurisdiction (other than the Commonwealth of Virginia) that limits the rate(s) of interest that may be charged or collected, (j) any mandatory choice of law rule, and (k) whether the loans made under the WIFIA [●] Loan Agreement will comply with (1) any statutory, regulatory or other loan limits applicable to the EPA, (2) any laws, rules or regulations that prescribe permissible and lawful investments for the EPA, (3) any judicial or administrative decisions, orders, rulings, directives, policies or other interpretations addressing any of the laws, rules and regulations listed in this paragraph, or (4) any filing or notice requirements relating to any of the matters mentioned in this paragraph.

iii. We have not made any investigation concerning the Project or other financial resources of the District, and no opinion is given herein with respect to the accuracy or completeness of any information that may have been relied upon by EPA in making the decision to enter into the WIFIA Master Agreement, the WIFIA [●] Loan Agreement or any related contracts or arrangements.

iv. No opinion is expressed herein with respect to any provision that purports to permit the exercise of rights without notice or without providing an opportunity to cure failures to perform.

v. No opinion is expressed herein with respect to any provision in any document regarding severability.

vi. No opinion is expressed herein with respect to any provision that would alter the terms or rights and obligations of the parties based on course of dealing, course of performance or the like, or that provides that failure or delay in taking action may not constitute a waiver of rights.

This Opinion is furnished, at the request of our client the District, to the addressees in connection with the transaction described above and may not be relied upon by anyone other than the addressee. This Opinion may not be further circulated, quoted, or relied upon or otherwise referred to for any other purpose without our prior written consent, except that (1) you may furnish a copy of this letter for information (but not reliance) (a) to your auditors and professional advisors, (b) pursuant to lawful order or legal process of any court or governmental agency, (c) to governmental regulatory agencies having jurisdiction over you, (d) to third parties in connection with their requests submitted under the Freedom of Information Act (5 U.S.C. §552), provided this Opinion is subject to disclosure thereunder unless determined to be exempt from disclosure in accordance with 5 U.S.C. §552(b) and 49 C.F.R. §§7.23 and 7.29, (e) in connection with any legal action to which you are a party arising out of your participation in the Project; and (f) to your permitted assignees in connection with an assignment (or proposed assignment) of your rights under the WIFIA Loan Documents to such assignees, and such assignees may rely on this opinion as if it were addressed and had been delivered to them on the date of this opinion, unless statements

in this opinion would be affected by the status of such assignees; and (2) this Opinion may be included in any transcript of proceedings prepared in connection with the execution and delivery of the WIFIA [●] Loan Agreement.

The opinions expressed herein are given as of the date hereof under existing law, and we undertake no obligation to advise the addressee of any changes of applicable law or other matters that may come to our attention after the date hereof that may affect the opinions expressed herein.

Very truly yours,



[●], 20[●]

United States Environmental Protection Agency  
Washington, D.C.

**Hampton Roads Sanitation District  
Wastewater Revenue Bond, Series [●] (Federally Taxable)**

Ladies and Gentlemen:

Reference is made to our opinion delivered today as Bond Counsel (the “Bond Counsel Opinion”) to Hampton Roads Sanitation District (the “District”) relating to the issuance of the above-referenced Bond. We hereby advise you that we now deliver the Bond Counsel Opinion for your benefit as well as for the benefit of District and you are entitled to rely upon the Bond Counsel Opinion as if it were addressed to you.

We are furnishing this letter solely for your benefit at the request of our client, the District. It is not to be relied on by any other person or firm.

Very truly yours,

**EXHIBIT F**  
**FORM OF WIFIA LOAN REQUEST**

*[Letterhead of Borrower]*

[Date]<sup>19</sup>

United States Environmental Protection Agency  
WIFIA Director  
[REDACTED]

1200 Pennsylvania Avenue NW  
Washington, DC 20460  
[REDACTED]

**Project:** [●] Project (WIFIA *[insert loan number]*)

Dear Director:

This loan request is provided pursuant to Section 4(a) (*Disbursement Conditions*) of that certain WIFIA Master Agreement, dated as of September 28, 2020, as amended and restated as of September 30, 2024 (the “**WIFIA Master Agreement**”), by and between Hampton Roads Sanitation District (the “**Borrower**”) and the United States Environmental Protection Agency, acting by and through the Administrator of the Environmental Protection Agency (the “**WIFIA Lender**”). Unless otherwise defined herein, all capitalized terms in this loan request have the meanings assigned to those terms in the WIFIA Master Agreement.

I, the undersigned, in my capacity as the Borrower’s Authorized Representative and not in my individual capacity, do hereby request that the WIFIA Lender, in accordance with, and subject to the terms and conditions of, the WIFIA Master Agreement, enter into a WIFIA Loan Agreement and related WIFIA Loan Documents with respect to [●] Project (the “**Project**”).

- (a) The Project consists of *[describe the Project]*.
- (b) Attached hereto as Annex A is the most recent [Updated Financial Model] [financial plan] delivered to the WIFIA Lender.
- (c) *[Such additional information relating to the Project as may be requested by the WIFIA Lender.]*

**HAMPTON ROADS SANITATION DISTRICT,**  
by its authorized representative

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<sup>19</sup> To be dated no later than 180 days prior to the end of the Master Availability Period.

By: \_\_\_\_\_  
Name:  
Title:

**ANNEX A TO EXHIBIT F**  
**[UPDATED FINANCIAL MODEL] [FINANCIAL PLAN]**

## EXHIBIT G-1

### FORM OF CLOSING CERTIFICATE

September 28, 2020

Reference is made to that certain WIFIA Master Agreement, dated as of September 28, 2020 (the “WIFIA Master Agreement”), by and between Hampton Roads Sanitation District (the “Borrower”) and the United States Environmental Protection Agency, acting by and through the Administrator (the “WIFIA Lender”). Capitalized terms used in this certificate and not defined shall have the respective meanings ascribed to such terms in the WIFIA Master Agreement.

In connection with Section 11(a) (*Conditions Precedent – Conditions Precedent to Effectiveness of this Agreement*) of the WIFIA Master Agreement, the undersigned, [●], as Borrower’s Authorized Representative, does hereby certify on behalf of the Borrower and not in his/her personal capacity, as of the date hereof:

(a) pursuant to Section 11(a)(viii) of the WIFIA Master Agreement, attached hereto as Annex A is an incumbency certificate that lists all persons, together with their positions and specimen signatures, who are duly authorized by the Borrower to execute the Related Documents to which the Borrower is or will be a party, and who have been appointed as a Borrower’s Authorized Representative in accordance with Section 21 (*Borrower’s Authorized Representative*) of the WIFIA Loan Agreement;

(b) pursuant to Section 11(a)(ii) of the WIFIA Master Agreement, attached hereto as Annex B are copies of each Trust Document, together with any amendments, supplements, waivers or modifications thereto, that has been entered into on or prior to the Effective Date, and each such document is complete, fully executed, and in full force and effect, and all conditions contained in such documents that are necessary to the closing of the WIFIA transactions contemplated hereby have been fulfilled;

(c) pursuant to Section 11(a)(iii) of the WIFIA Master Agreement, attached hereto as Annex C is a copy of the Borrower’s Organizational Documents, as in effect on the Effective Date, which Organizational Documents are in full force and effect;

(d) pursuant to Section 11(a)(iv) of the WIFIA Master Agreement, the Borrower has delivered all instruments and documents (including any resolutions, ordinances, and supplements) other than the WIFIA Loan Documents as are necessary for the Borrower to execute and deliver, and to perform its obligations under, the WIFIA Master Agreement and to consummate and implement the transactions contemplated by the WIFIA Master Agreement;

(e) pursuant to Section 11(a)(viii)(A) of the WIFIA Master Agreement, the aggregate of all funds committed to the development and construction of the Projects under the Master Program as set forth in the Base Case Financial Model and in the Master Program Budget is sufficient to carry out the Master Program, pay all Total Project Costs anticipated for the Master Program and achieve substantial completion for each Project component by its projected substantial completion date (as set forth on Schedule I (*Master Program Schedule*) under the column titled “Substantial Completion”);

(f) pursuant to Section 11(a)(viii)(B) of the WIFIA Master Agreement, the Borrower has developed, and identified adequate revenues to implement, a plan for operating, maintaining and repairing the Projects during their useful lives;

(g) pursuant to Section 11(a)(viii)(C) of the WIFIA Master Agreement, (i) the Borrower's Federal Employer Identification Number is 54-6001749, (ii) the Borrower's Data Universal Numbering System number is 077932770, and (iii) the Borrower has registered with, and obtained confirmation of active registration status from, the federal System for Award Management (www.SAM.gov), which confirmation is attached hereto as Annex D;

(h) pursuant to Section 11(a)(viii)(D) of the WIFIA Master Agreement, the representations and warranties of the Borrower set forth in the WIFIA Master Agreement and in each other Related Document to which the Borrower is a party are true and correct in all material respects on and as of the date hereof, except to the extent that such representations and warranties expressly relate to an earlier date, in which case such representations and warranties were true and correct in all material respects as of such earlier date;

(i) pursuant to Section 11(a)(viii)(E) of the WIFIA Master Agreement, other than the events and conditions disclosed in the Voluntary Notice of the Borrower dated and posted to EMMA on May 26, 2020, no Material Adverse Effect, or any event or condition that could reasonably be expected to have a Material Adverse Effect, has occurred or arisen since March 27, 2020;

(j) pursuant to Section 11(a)(ix) of the WIFIA Master Agreement, attached hereto as Annex E is the Base Case Financial Model, which, based on the assumptions and limitations set forth therein, (i) demonstrates that projected Net Revenues are sufficient to meet the Loan Amortization Schedules, (ii) demonstrates compliance with the Rate Covenant for each Borrower Fiscal Year through each Final Maturity Date, (iii) reflects principal amortization and interest payment schedules acceptable to the WIFIA Lender, (iv) demonstrates that the Borrower has developed, and identified adequate revenues to implement, a plan for operating, maintaining and repairing each Project over its useful life and (v) otherwise meets the requirements of such Section 11(a)(ix); and

(k) pursuant to Section 11(a)(x) of the WIFIA Master Agreement, attached hereto as Annex F are certificates of insurance, and such insurance certificates are true and correct and demonstrate compliance with the requirements of Section 14(f) (*Affirmative Covenants – Insurance*) of the WIFIA Loan Agreement.

IN WITNESS WHEREOF, the undersigned has executed this certificate as of the date first mentioned above.

**HAMPTON ROADS SANITATION DISTRICT,**

by its authorized representative

By: \_\_\_\_\_  
Name:  
Title:

**ANNEX A TO EXHIBIT G-1**

**INCUMBENCY CERTIFICATE**

The undersigned certifies that he/she is the [Secretary] of Hampton Roads Sanitation District, a political subdivision organized under the laws of the Commonwealth of Virginia (the “Borrower”), and as such he/she is authorized to execute this certificate and further certifies that the following persons have been elected or appointed, are qualified, and are now acting as officers or authorized persons of the Borrower in the capacity or capacities indicated below, and that the signatures set forth opposite their respective names are their true and genuine signatures. He/She further certifies that any of the officers listed below is authorized to sign agreements and give written instructions with regard to any matters pertaining to the WIFIA Loan Documents as the Borrower’s Authorized Representative (each as defined in that certain WIFIA Loan Agreement, dated as of the date hereof, between the Borrower and the United States Environmental Protection Agency, acting by and through the Administrator):

<u>Name</u>	<u>Title</u>	<u>Signature</u>
[_____]	[_____]	_____
[_____]	[_____]	_____
[_____]	[_____]	_____
[_____]	[_____]	_____
[_____]	[_____]	_____

IN WITNESS WHEREOF, the undersigned has executed this certificate as of this [●] day of [●], 2020.

**HAMPTON ROADS SANITATION DISTRICT,**

by its authorized representative

By: \_\_\_\_\_  
Name:  
Title:



## EXHIBIT G-2

### FORM OF PROJECT CLOSING CERTIFICATE

[●], 202[●]

Reference is made to that certain WIFIA Master Agreement, dated as of September 28, 2020, as amended and restated as of September 30, 2024 (the “WIFIA Master Agreement”), by and between Hampton Roads Sanitation District (the “Borrower”) and the United States Environmental Protection Agency, acting by and through the Administrator (the “WIFIA Lender”) and that certain WIFIA Loan Agreement, dated as of [●] (the “WIFIA Loan Agreement”), by and between the Borrower and the WIFIA Lender. Capitalized terms used in this certificate and not defined shall have the respective meanings ascribed to such terms in the WIFIA Loan Agreement, or if not defined therein, the WIFIA Master Agreement.

In connection with Section 11(b) (*Conditions Precedent – Conditions Precedent to Effectiveness of Each WIFIA Loan Agreement*) of the WIFIA Master Agreement and Section 11(a) (*Conditions Precedent – Conditions Precedent to Effectiveness*) of the WIFIA Loan Agreement, the undersigned, [●], as Borrower’s Authorized Representative, does hereby certify on behalf of the Borrower and not in his/her personal capacity, as of the date hereof:

(a) pursuant to Section 11(b)(viii) of the WIFIA Master Agreement, [the Borrower’s Authorized Representative previously designated and such person’s position and incumbency previously provided to the WIFIA Lender remain unchanged and in full force and effect] [attached hereto as Annex [●] is an incumbency certificate that lists all persons, together with their positions and specimen signatures, who are duly authorized by the Borrower to execute the Related Documents to which the Borrower is or will be a party, and who have been appointed as a Borrower’s Authorized Representative in accordance with Section 21 (*Borrower’s Authorized Representative*) of the WIFIA Master Agreement];

(b) pursuant to Section 11(b)(ii) of the WIFIA Master Agreement, attached hereto as Annex [●] are copies of each Existing Construction Contract with respect to the Project, together with any amendments, waivers or modifications thereto, and each such document is complete, fully executed, and in full force and effect;

(c) pursuant to Section 11(b)(iii) of the WIFIA Master Agreement, [no Trust Document has been entered into after the Effective Date] [attached hereto as Annex [●] are copies of each Trust Document entered into after the Effective Date, and each such document is complete, fully executed and in full force and effect];

(d) pursuant to Section 11(b)(viii)(A) of the WIFIA Master Agreement, the aggregate of all funds committed to the development and construction of the Project as set forth in the Project Budget [and the related revised Master Budget] are sufficient to carry out the Project, pay all Total Project Costs anticipated for the Project and achieve Substantial Completion of the Project by the Projected Substantial Completion Date;

(e) pursuant to Section 11(b)(viii)(B) of the WIFIA Master Agreement, the Borrower has obtained all Governmental Approvals required to have been obtained as of the

WIFIA Loan Agreement Effective Date (i) in connection with the Project and (ii) to execute and deliver, and perform its obligations under the WIFIA Loan Documents, and each such Governmental Approval is final, non-appealable and in full force and effect (and is not subject to any notice of violation, breach or revocation);

(f) pursuant to Section 11(b)(viii)(C) of the WIFIA Master Agreement, (i) the maximum principal amount of the WIFIA Loan, together with the amount of any other credit assistance provided under the Act to the Borrower, does not exceed forty-nine percent (49%) of the reasonably anticipated Eligible Project Costs for the Project and (ii) the total federal assistance provided to the Project, including the maximum principal amount of the WIFIA Loan, does not exceed eighty percent (80%) of Total Project Costs for the Project;

(g) pursuant to Section 11(b)(viii)(D) of the WIFIA Master Agreement, the Borrower is in compliance with NEPA and any applicable federal, state or local environmental review and approval requirements with respect to the Project [and attached hereto as Annex [●] is a true, accurate and complete copy of the NEPA Determination with respect to the Project, which NEPA Determination is in full force and effect and has not been withdrawn or materially amended];

(h) pursuant to Section 11(b)(viii)(E) of the WIFIA Master Agreement, the Borrower has developed, and identified adequate revenues to implement, a plan for operating, maintaining and repairing the Project during its useful life;

(i) pursuant to Section 11(b)(viii)(F) of the WIFIA Master Agreement, the Borrower has maintained (i) the Borrower's Federal Employer Identification Number provided to the WIFIA Lender as a condition precedent to the Effective Date, (ii) the Borrower's Unique Entity Identifier number provided to the WIFIA Lender as a condition precedent to the Effective Date, and (iii) active registration status with the federal System for Award Management ([www.SAM.gov](http://www.SAM.gov));

(j) pursuant to Section 11(b)(viii)(G) of the WIFIA Master Agreement, [the WIFIA CUSIP Number is 409327 [ ]] [the Borrower (i) has maintained the WIFIA CUSIP Number and (ii) [confirms that the expiration date of the WIFIA CUSIP Number is no earlier than the Final Maturity Date] [has extended the expiration date of the WIFIA CUSIP Number to be no earlier than the Final Maturity Date]];

(k) pursuant to Section 11(b)(viii)(H) of the WIFIA Master Agreement, the representations and warranties of the Borrower set forth in the WIFIA Loan Agreement and in each other Related Document to which the Borrower is a party are true and correct in all material respects on and as of the WIFIA Loan Agreement Effective Date, except to the extent that such representations and warranties expressly relate to an earlier date, in which case such representations and warranties were true and correct in all material respects as of such earlier date [and attached as Annex [●] is an updated version of [Schedule 12(f) (*Litigation*) [and] [Schedule 12(p) (*Environmental Matters*)] necessary to make the corresponding representation and warranty true and complete as of the WIFIA Loan Agreement Effective Date];

(l) pursuant to Section 11(b)(viii)(I) of the WIFIA Master Agreement, the Borrower's Organizational Documents remain in full force and effect, and no amendments or modifications have been made to the Organizational Documents since the Effective Date that have not been delivered to the WIFIA Lender;

(m) pursuant to Section 11(b)(viii)(J) of the WIFIA Master Agreement, no Material Adverse Effect, or any event or condition that could reasonably be expected to have a Material Adverse Effect, has occurred or arisen since the Effective Date;

(n) pursuant to Section 11(b)(viii)(K) of the WIFIA Master Agreement, no Default or Event of Default and no event of default under any Related Document shall have occurred and be continuing; [and]

(o) pursuant to Section 11(b)(ix) of the WIFIA Master Agreement, none of the rating letters delivered to the WIFIA Lender pursuant to such Section 11(b)(ix) has been reduced to a rating below Investment Grade, revoked, withdrawn or suspended as of the WIFIA Loan Agreement Effective Date; [and]

(p) [*any other attachments and provision as may apply to the WIFIA Loan Agreement*].

IN WITNESS WHEREOF, the undersigned has executed this certificate as of the date first mentioned above.

**HAMPTON ROADS SANITATION DISTRICT,**

by its authorized representative

By: \_\_\_\_\_  
Name:  
Title:

## EXHIBIT H

### FORM OF QUARTERLY REPORT

United States Environmental Protection Agency

WIFIA Director

1200 Pennsylvania Avenue NW

Washington, DC 20460

Re: [●] Project (WIFIA [insert loan number])

This Quarterly Report for the period of [ ] is provided pursuant to Section 16(d) (Reporting Requirements – Construction Reporting) of that certain WIFIA Master Agreement by and between Hampton Roads Sanitation District (“**the Borrower**”) and the United States Environmental Protection Agency, acting by and through the Administrator of the Environmental Protection Agency (the “**WIFIA Lender**”), dated as of September 28, 2020, as amended and restated as of September 30, 2024 (the “**WIFIA Master Agreement**”). Unless otherwise defined herein, all capitalized terms in this Quarterly Report have the meanings assigned to those terms in the WIFIA Master Agreement.

#### (i) Amount Expended

Construction Contract	Original Contract Amount	Change Orders to Date	Total Estimated Costs	Estimated Costs to Complete	Costs Earned or Paid Through Previous Reporting period	Current Reporting Period Costs Earned or Paid	Total Costs Earned or Paid to date	% Costs Earned or Paid to Date
<b>TOTAL</b>								

#### (ii) Construction Progress, Governmental Approvals, Updated Schedule

Assessment of overall construction progress:

Notice of receipt of relevant Governmental Approvals since the Effective Date and since the prior Quarterly Report:

Assessment of construction progress compared to Construction Schedule provided in the prior Quarterly Report:

Construction Contract	NTP Effective Date	Original Time for Completion (days)	Original Contract Completion (date)	Time Added to Date (days)	Current Contract Completion (date)	Days Elapsed	% Contract Duration

**(iii) Substantial Completion Date**

**Current projection for the Substantial Completion Date:**

If the current projection for the substantial completion date is later than previously reported in the prior Quarterly Report, provide a description in reasonable detail for such projected delay:

--

**(iv) Material Problems (if any):**

Detailed description of all material problems (including actual and anticipated cost and/or schedule overruns, if any), encountered or anticipated in connection with the construction of the Project during the preceding quarter, together with an assessment of how such problems may impact the Construction Schedule and the meeting of critical dates thereunder and a detailed description of the proposed solutions to any such problems:

--

**(v) Proposed or pending change orders that exceed the threshold set out in Section 16(f) (*Reporting Requirements – Modifications to Total Project Costs*) of the WIFIA Master Agreement or could reasonably be expected to result in a Material Adverse Effect:**

--

**(vi) Other matters related to the Project:**

--



(vii) With respect to any Eligible Project Costs that have been incurred during this reporting period, the documentation evidencing such Eligible Project Costs are attached, with details set below, or have otherwise been submitted to the WIFIA Lender in a form satisfactory to the WIFIA Lender:

Vendor or Contractor Name <sup>20</sup>	Invoice Number <sup>21</sup>	Invoice Date	Payment Date	Invoice Amount	WIFIA Requested Amount <sup>22</sup>	Activity Type <sup>23</sup>	Description of Activity <sup>24</sup>	WIFIA USE ONLY	
								Approved Amount	Notes

[Signature Page Follows]

<sup>20</sup> If seeking reimbursement for internal costs, enter "Internally financed activities."

<sup>21</sup> Vendor's number indicated on the invoice sent to the Borrower.

<sup>22</sup> If the amount requested for reimbursement by the WIFIA Lender is less than the total amount of the invoice, include an explanation for the difference.

<sup>23</sup> Specify whether activity is: (a) **Development phase activity**, which includes planning, preliminary engineering, design, environmental review, revenue forecasting and other pre-construction activities; (b) **Construction**, which includes construction, reconstruction, rehabilitation and replacement activities; (c) **Acquisition of real property**, which includes acquiring an interest in real property, environmental mitigation, construction contingencies and acquisition of equipment; (d) **Carrying costs**, including capitalized interest, as necessary to meet market requirements, reasonably required reserve funds, capital issuance expenses and other carrying costs during construction; (e) **WIFIA fees**, including for application and credit processing; or (f) **Other**, with an explanation in the "Description of Activity" column.

<sup>24</sup> Provide a brief description of the activities included in the invoice for which WIFIA funds are being requested and any other notes that will aid in the review of the disbursement request.

Date: \_\_\_\_\_

**HAMPTON ROADS SANITATION DISTRICT,**  
by its authorized representative

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

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

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

## EXHIBIT I

### FORM OF CERTIFICATE OF SUBSTANTIAL COMPLETION

*[Letterhead of Borrower]*

*[Date]*

Environmental Protection Agency  
WIFIA Director  
[REDACTED]

1200 Pennsylvania Avenue NW  
Washington, DC 20460

**Project:** [●] Project (WIFIA *[insert loan number]*)

Dear Director:

This certificate is provided pursuant to Section 16(h)(i)(A) (*Reporting Requirements – Notices – Substantial Completion*) of that certain WIFIA Master Agreement (the “**WIFIA Master Agreement**”), dated as of September 28, 2020, as amended and restated as of September 30, 2024, by and between Hampton Roads Sanitation District (the “**Borrower**”) and the United States Environmental Protection Agency, acting by and through the Administrator of the Environmental Protection Agency (the “**WIFIA Lender**”).

Unless otherwise defined herein, all capitalized terms in this certificate have the meanings assigned to those terms in the WIFIA Master Agreement.

I, the undersigned, in my capacity as the Borrower’s Authorized Representative and not in my individual capacity, do hereby certify to the WIFIA Lender that:

- (a) on *[insert date Substantial Completion requirements were satisfied]*, the Project satisfied each of the requirements for Substantial Completion set forth in the *[insert reference to the concession agreement, design-build or similar agreement for the Project]*;
- (b) Substantial Completion has been declared under each of the above-referenced agreements and copies of the notices of Substantial Completion under such agreements are attached to this certification; and
- (c) Substantial Completion, as defined in the WIFIA Loan Agreement, has been achieved.

**HAMPTON ROADS SANITATION DISTRICT,**  
by its authorized representative

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

Name:

Title:



## EXHIBIT J

### FORM OF PUBLIC BENEFITS REPORT

Reference is made to (i) that certain WIFIA Master Agreement by and between Hampton Roads Sanitation District (the “**Borrower**”) and the United States Environmental Protection Agency, acting by and through the Administrator of the Environmental Protection Agency (the “**WIFIA Lender**”), dated as of September 28, 2020, as amended and restated as of September 30, 2024 (the “**WIFIA Master Agreement**”), and (ii) that certain WIFIA Loan Agreement by and between the Borrower and the WIFIA Lender, dated as of [●] (the “**WIFIA Loan Agreement**”). Capitalized terms used and not defined herein shall have the meanings set forth in the WIFIA Loan Agreement.

Pursuant to Section 11(b)(xi) (*Conditions Precedent – Conditions Precedent to Effectiveness of Each WIFIA Loan Agreement*) and Section 16(e) (*Reporting Requirements – Public Benefits Report*) of the WIFIA Master Agreement, the Borrower is providing this Public Benefits Report in connection with the [●] Project (WIFIA [insert loan number]):

(i) **The estimated interest savings the Borrower is realizing through the use of the WIFIA Loan compared to comparable market rate financing:**

The estimated interest savings from use of the WIFIA Loan compared to a comparable market rate financing is \$[ ] million on a gross savings basis and \$[ ] million on a present value basis.

(ii) **With respect to the report delivered [no later than the WIFIA Loan Agreement Effective Date][within ninety (90) days following the Substantial Completion Date][within ninety (90) following the fifth (5<sup>th</sup>) anniversary of the Substantial Completion Date], the number of jobs projected to be created by the Project during the period described below:**

The Borrower projects [ ] jobs to be created by the Project during the period between [[(1)] the Effective Date and the Substantial Completion Date]<sup>25</sup> [and] [[(2)] the Substantial Completion Date and the fifth anniversary of the Substantial Completion Date].<sup>26</sup>

(iii) **Whether the Project will assist the Borrower in complying with applicable regulatory requirements, and if so, a narrative description describing such enhancements:**

[ ].

(iv) **The amount by which the Project will [assist the Borrower (measured by percent annually) in reducing levels of Nitrogen, Phosphorus, biochemical oxygen demand (BOD) and total suspended solids (TSS)][increase the volume of potable water**

---

<sup>25</sup> Include for both the reports delivered (i) prior to the Effective Date and (ii) 90 days following the Substantial Completion Date.

<sup>26</sup> Include for both the reports delivered (i) prior to the Effective Date and (ii) 90 days following the fifth anniversary of the Substantial Completion Date.

**produced (measured in MGD annually)][increase the volume of water recycled, recharged or redirected (measured in MGD annually)][increase Class [A][B] biosolids (measured in tons annually)]<sup>27</sup>:**

[ ].

---

<sup>27</sup> Include one of the bracketed items as applicable.

**EXHIBIT K**

**FORM OF WIFIA PROJECT TERM SHEET**

*[Attached.]*

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

[●], 20[●]

Hampton Roads Sanitation District  
1434 Air Rail Avenue  
Virginia Beach, VA 23455

RE: WIFIA Loan Term Sheet for the Sustainable Water Initiative for Tomorrow (SWIFT) –  
Tranche [●] Project with Hampton Roads Sanitation District (WIFIA Project No. [●]VA)

Ladies and Gentlemen:

This WIFIA Loan Term Sheet (this “**Term Sheet**”) constitutes (a) the approval of the United States Environmental Protection Agency, acting by and through the Administrator of the Environmental Protection Agency (hereinafter, the “**USEPA**”), of the application for credit assistance of the Borrower (as defined below) submitted on March 27, 2020 (the “**Application**”) and (b) the agreement of USEPA to provide financing for the above-referenced project (as further described below, the “**Project**”) in the form of a secured loan (the “**WIFIA Loan**”), pursuant to the Water Infrastructure Finance and Innovation Act (“**WIFIA**”), § 5021 *et seq.* of Public Law 113-121 (as amended by Public Law 114-94, Public Law 114-322 and Public Law 115-270) (the “**Act**”), codified as 33 U.S.C. §§ 3901-3914, subject in all respects to (i) the terms and conditions contained herein, (ii) the terms and conditions contained in that certain WIFIA Master Agreement, dated as of September 28, 2020, as amended and restated as of September 30, 2024, by and between the WIFIA Lender (as defined below) and the Borrower (the “**WIFIA Master Agreement**”), and (iii) the execution and delivery of the WIFIA loan agreement with respect to the Project to be entered into on or after the date hereof (the “**WIFIA Loan Agreement**”) on terms and conditions acceptable to USEPA contained therein. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the WIFIA Loan Agreement or, if not defined therein, the WIFIA Master Agreement.

USEPA’s agreement to provide WIFIA credit assistance to the Project is based upon the Application and the supplemental information and documents, including the base case financial model, provided to USEPA. This Term Sheet is an agreement of USEPA only to the terms specified herein, which may be modified or supplemented by USEPA in its discretion at any time and from time to time during the course of its due diligence and credit approval process.

By executing this Term Sheet, the Borrower confirms its agreement to reimburse USEPA for any and all fees and expenses that USEPA incurs for legal counsel, financial advice, and other consultants in connection with the evaluation of the Project and the negotiation and preparation of the WIFIA Loan Agreement and related documents (whether or not any such agreement is ultimately executed).

This Term Sheet shall be governed by the federal laws of the United States of America if and to the extent such federal laws are applicable, and the internal laws of the Commonwealth of Virginia, if and to the extent such federal laws are not applicable.

### INDICATIVE TERMS OF THE WIFIA LOAN

WIFIA LENDER	United States Environmental Protection Agency, an agency of the United States of America, acting by and through the Administrator of the Environmental Protection Agency (the “ <b>WIFIA Lender</b> ”).
BORROWER	Hampton Roads Sanitation District, a political subdivision of the Commonwealth of Virginia (the “ <b>Borrower</b> ”).
PROJECT	The “ <b>Project</b> ” means the Borrower’s Sustainable Water Initiative for Tomorrow (SWIFT) – Tranche [●] Project, located at [various locations within the Borrower’s service area], as further described in Schedule III ( <i>Project</i> ) to the WIFIA Loan Agreement.
WIFIA LOAN AMOUNT	A maximum principal amount (sum of disbursements) not to exceed \$[●]; <u>provided</u> that (a) the maximum principal amount of the WIFIA Loan, together with the amount of any other credit assistance provided under the Act, shall not exceed forty-nine percent (49%) of reasonably anticipated Eligible Project Costs for the Project and (b) the total federal assistance for the Project, including but not limited to the maximum principal amount of the WIFIA Loan and all federal grants, shall not exceed eighty percent (80%) of Total Project Costs for the Project.
INTEREST RATE	<p>The WIFIA Loan shall bear interest at a fixed rate, calculated by adding one basis point (0.01%) to the rate of securities of a similar maturity (based on the weighted-average life of the WIFIA Loan) as published, on the execution date of the WIFIA Loan Agreement, in the United States Treasury Bureau of Public Debt’s daily rate table for State and Local Government Series (SLGS) securities, currently located on the Internet at <a href="https://www.treasurydirect.gov/GA-SL/SLGS/selectSLGSDate.htm">https://www.treasurydirect.gov/GA-SL/SLGS/selectSLGSDate.htm</a>.</p> <p>Interest shall accrue and be computed on the Outstanding WIFIA Loan Balance on the basis of a 360-day year of twelve (12) thirty (30) day months.</p> <p>The WIFIA Loan shall also bear default interest at a rate of two hundred (200) basis points above the otherwise applicable interest rate, at such times and upon such terms as provided in the WIFIA Master Agreement.</p>
PAYMENT DATES	<p>Principal of the WIFIA Loan shall be repaid in semi-annual installments on [●] 1 and [●] 1 of each year, beginning on [●] 1, 20[●].</p> <p>Interest on the WIFIA Loan shall be paid in arrears on [●] 1 and [●] 1 of each year, beginning on the [●] 1 or [●] 1 immediately</p>

	<p>following the Initial Disbursement Date with respect to the WIFIA Loan.</p> <p>The debt service payment commencement date shall in no event be later than five (5) years after the Substantial Completion Date of the Project.</p>
FINAL MATURITY DATE	The earlier of (a) [●] 1, 20[●] and (b) the Principal Payment Date immediately preceding the date that is thirty-five (35) years following the Substantial Completion Date.
PROJECTED SUBSTANTIAL COMPLETION DATE	[●].
DEDICATED SOURCE OF REPAYMENT	<p>The dedicated source of repayment for the WIFIA Loan shall be Net Revenues (as defined below) in accordance with the terms of the Trust Agreement and the WIFIA Master Agreement.</p> <p><b>“Net Revenues”</b> means all revenues received by the Borrower from its Wastewater System less Operating Expenses, <u>provided</u> that Net Revenues shall not include any Transition Charge.</p> <p><b>“Operating Expenses”</b> means those current expenses paid by the Borrower that may be required to pay the cost of maintaining, repairing and operating the Wastewater System, including reasonable and necessary usual expenses of administration, operation, maintenance and repair, costs for billing and collecting the rates, fees and other charges for the use of or the services furnished by the Wastewater System, insurance premiums, credit enhancement and liquidity support fees, legal, engineering, auditing and financial advisory expenses, expenses and compensation of the Trustee, and deposits into a self-insurance program. Operating Expenses shall exclude allowance for depreciation and amortization and expenditures for extraordinary maintenance or repair or improvements. Operating Expenses shall also exclude expenses for improvements that will not be owned by the Borrower but which will, in the reasonable determination of the Commission, as evidenced by a resolution thereof, maintain or improve the integrity of the Wastewater System.</p>
SECURITY AND LIEN PRIORITY	<p>The Borrower’s obligation to repay the WIFIA Loan shall be evidenced by the WIFIA Bond, which shall constitute a “Bond” issued under and as defined in the Trust Agreement.</p> <p>The WIFIA Bond shall constitute a special obligation of the Borrower payable solely from the Net Revenues and other funds pledged to secure Bonds issued under the Trust Agreement. Such other funds shall consist of all money and securities held by the Trustee in the Bond Fund and in the Debt Service Reserve Fund</p>

	<p>(if and to the extent funded) and, if applicable to the WIFIA Loan until applied in payment of any item of the Issuance Costs or Capital Improvement Program Costs in accordance with Section 403 (<i>Requisitions from Issuance Fund and Construction Fund</i>) of the Trust Agreement, all money and securities in the Issuance Fund and the Construction Fund. Pursuant to the Trust Agreement, prompt payment of the principal of and interest on the Senior Obligations (including the WIFIA Bond) is secured by a lien on the Net Revenues and such other funds.</p> <p>The lien on revenues and funds securing Bonds issued under the Trust Agreement (including the WIFIA Bond) shall be (a) <i>pari passu</i> in right of payment and right of security to the lien in favor of the other Senior Obligations and (b) senior in right of payment and right of security to the lien in favor of the Subordinate Obligations.</p>
FLOW OF FUNDS	<p>For purposes of Bonds issued under the Trust Agreement (including the WIFIA Bond), the Trustee shall apply the amounts received as Net Revenues in accordance with the requirements specified in Section 502 (<i>Payments and Funds Received</i>) of the Trust Agreement (the “<b>Flow of Funds</b>”).</p> <p>As of the WIFIA Loan Agreement Effective Date, the Flow of Funds provides, <i>inter alia</i>, that payments shall be due and payable as follows:</p> <ul style="list-style-type: none"> <li>(a) to the credit of the Bond Fund, on the Business Day next preceding each Interest Payment Date, an amount equal to the interest payable on the Bonds on such Interest Payment Date;</li> <li>(b) to the credit of the Bond Fund, on the Business Day next preceding each Principal Payment Date, an amount equal to the principal of the Bonds due on such Principal Payment Date; and</li> <li>(c) any amount that may from time to time be required to enable the Borrower to pay the principal of and interest due on Bonds upon acceleration.</li> </ul> <p>Each payment shall be equal to the sum of the amounts specified above in paragraphs (a) to (c), inclusive.</p>
PREPAYMENT	<p>Any proceeds received by the Trustee from the VRA pursuant to the terms of the VRA Intercreditor Agreement shall be applied, on a <i>pro rata</i> basis with any other Bonds (based on the then outstanding principal balance thereof), to the payment or prepayment of such Bonds (including the WIFIA Bond) in immediately available funds. The proceeds of any such partial prepayment of the WIFIA Bond shall be applied in accordance with the WIFIA Master Agreement.</p>

	<p>The Borrower may optionally prepay the WIFIA Loan in whole or in part, from time to time, but not more than once during any Borrower Fiscal Year, without penalty or premium; <u>provided</u> that any such prepayment shall be made on a Payment Date unless otherwise agreed by the WIFIA Lender and in a minimum principal amount of \$1,000,000 or any integral multiple of \$1.00 in excess thereof, and otherwise in accordance with the WIFIA Loan Agreement; <u>provided further</u> that the WIFIA Loan may be prepaid in full at any time without penalty.</p>
RATE COVENANT	<p>The Borrower shall comply with the requirements specified in Section 705 (<i>Rate Covenant</i>) of the Trust Agreement (such requirements, the “<b>Rate Covenant</b>”).</p> <p>As of the WIFIA Loan Agreement Effective Date, the Rate Covenant provides, <i>inter alia</i>, that the Borrower shall fix and collect rates, fees and other charges for the use of and for services furnished or to be furnished by the Wastewater System, and will from time to time revise such rates, fees and other charges so that in each Borrower Fiscal Year the Net Revenues will equal at least one hundred twenty percent (120%) of the Principal and Interest Requirements (as defined in the Trust Agreement). If, for any reason, the Net Revenues are insufficient to satisfy the foregoing covenant, the Borrower shall within one hundred twenty (120) days adjust and increase its rates, fees and other charges (to the extent permitted by, and following the procedure required by, the Enabling Act (as defined in the Trust Agreement)), or reduce its operating and maintenance expenses so as to provide sufficient Net Revenues to satisfy such requirement.</p>
ADDITIONAL INDEBTEDNESS	<p>The Borrower shall not create, incur or suffer to exist (a) any Indebtedness the payments of which are senior or prior in right to the payment by the Borrower of any Bond outstanding under the Trust Agreement (including the WIFIA Bond) or (b) any Indebtedness with respect to the Master Program that is secured by a dedicated revenue source other than Net Revenues.</p> <p>The Borrower shall not issue or incur any Additional Senior Obligations (including the Obligations under each WIFIA loan agreement under the Master Program) except in accordance with all applicable requirements and conditions set forth in Section 704 (<i>Limitations on Indebtedness</i>) of the Trust Agreement; <u>provided</u> that clause (iv) of Section 704(a) of the Trust Agreement shall be deemed not to apply during the Master Availability Period or while there are Outstanding any Bonds (including the WIFIA Bond) held by the WIFIA Lender.</p>



RESTRICTED PAYMENTS AND TRANSFERS	The Borrower shall not permit Net Revenues, or any funds in any of the Funds and Accounts, to be paid or transferred or otherwise applied for purposes that would violate the terms of the Trust Agreement or the Enabling Act.
WIFIA LOAN DOCUMENTATION	The WIFIA Loan shall be subject to the preparation, execution and delivery of the WIFIA Loan Agreement, the WIFIA Bond and any other loan documentation required by the WIFIA Lender in connection therewith, in each case acceptable to the WIFIA Lender and the Borrower, which will contain certain conditions precedent, representations and warranties, affirmative and negative covenants, events of default, and other provisions as agreed between the WIFIA Lender and the Borrower, in each case in accordance with the terms of the WIFIA Master Agreement.
GOVERNING LAW	Federal laws of the United States of America, if and to the extent such federal laws are applicable, and the internal laws of the Commonwealth of Virginia, if and to the extent such federal laws are not applicable.
COUNTERPARTS	This Term Sheet, and any amendments, waivers, consents or supplements hereto may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument. Signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are physically attached to the same document. Electronic delivery of an executed counterpart of a signature page shall be effective as delivery of an original executed counterpart.

*[Signature pages follow]*

If the foregoing terms are acceptable, please countersign this letter in the space indicated below.

Sincerely,

**UNITED STATES ENVIRONMENTAL  
PROTECTION AGENCY**, acting by and  
through the Administrator of the United States  
Environmental Protection Agency

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

Name:

Title: Administrator

ACKNOWLEDGED AND AGREED:

**HAMPTON ROADS SANITATION DISTRICT,**  
by its authorized representative

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

Name:

Title:

**EXHIBIT L**  
**FORM OF WIFIA LOAN AGREEMENT**

*[Attached.]*

**UNITED STATES  
ENVIRONMENTAL PROTECTION AGENCY**

**WIFIA LOAN AGREEMENT**

**for up to \$[●]**

**with**

**HAMPTON ROADS SANITATION DISTRICT**

**for the**

**[*INSERT PROJECT NAME*]  
(WIFIA – N[*insert loan number*])**

**Dated as of [●], 20[●]**

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## **SCHEDULES**

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## **EXHIBITS**

**EXHIBIT A** – Anticipated WIFIA Loan Disbursement Schedule

**EXHIBIT B** – WIFIA Debt Service

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<sup>28</sup> **Note to Form:** Include only if applicable.

<sup>29</sup> **Note to Form:** Include only if applicable.

## WIFIA LOAN AGREEMENT

**THIS WIFIA LOAN AGREEMENT** (this “**Agreement**”), dated as of [●], 20[●], is by and between **HAMPTON ROADS SANITATION DISTRICT**, a political subdivision of the Commonwealth of Virginia, with an address at 1434 Air Rail Avenue, Virginia Beach, VA 23455 (the “**Borrower**”), acting by and through the **HAMPTON ROADS SANITATION DISTRICT COMMISSION**, the governing body of the Borrower (the “**Commission**”), and the **UNITED STATES ENVIRONMENTAL PROTECTION AGENCY**, an agency of the United States of America, acting by and through the Administrator of the Environmental Protection Agency, with an address at 1200 Pennsylvania Avenue NW, Washington, DC 20460 (the “**WIFIA Lender**”).

### RECITALS:

WHEREAS, the Congress of the United States of America enacted the Water Infrastructure Finance and Innovation Act, as amended by Section 1445 of the Fixing America’s Surface Transportation Act of 2015, as further amended by Section 5008 of the Water Infrastructure Improvements For the Nation Act of 2016 and by Section 4201 of America’s Water Infrastructure Act of 2018, which is codified as 33 U.S.C. §§ 3901-3914;

WHEREAS, the Act authorizes the WIFIA Lender to enter into agreements to provide financial assistance with one or more eligible entities to make secured loans with appropriate security features to finance a portion of the eligible costs of projects eligible for assistance;

WHEREAS, the Borrower and the WIFIA Lender entered into that certain WIFIA Master Agreement, dated as of September 28, 2020, as amended and restated as of September 30, 2024 (as so amended, the “**WIFIA Master Agreement**”), pursuant to which the parties thereto have set forth certain common terms and conditions applicable to each WIFIA loan and project under the Master Program;

WHEREAS, the Borrower has submitted a WIFIA Loan Request, dated [●] (the “**Project WIFIA Loan Request**”), to the WIFIA Lender pursuant to the WIFIA Master Agreement and thereby requested that the WIFIA Lender make the WIFIA Loan (as defined below) in a principal amount not to exceed \$[●] to be used to pay a portion of the Eligible Project Costs related to the Project (as defined below);

WHEREAS, as of the date hereof, the Administrator has approved WIFIA financial assistance for the Project to be provided in the form of the WIFIA Loan, subject to the terms and conditions contained herein and in the WIFIA Master Agreement;

WHEREAS, based on the Project WIFIA Loan Request, the Application, the WIFIA Master Agreement and the representations, warranties and covenants set forth herein and therein, the WIFIA Lender proposes to make funding available to the Borrower through the purchase of the WIFIA Bond (as defined below) to be issued by the Borrower, upon the terms and conditions set forth herein and in the WIFIA Master Agreement;



WHEREAS, the Borrower agrees to repay any amount due pursuant to this Agreement and the WIFIA Bond in accordance with the terms and provisions of this Agreement, the WIFIA Master Agreement, the WIFIA Bond and the Trust Agreement; and

WHEREAS, the WIFIA Lender has entered into this Agreement in reliance upon, among other things, the information and representations of the Borrower set forth in the Project WIFIA Loan Request, the Application, the WIFIA Master Agreement, and the supporting information provided by the Borrower.

NOW, THEREFORE, the premises being as stated above, and for good and valuable consideration, the receipt and sufficiency of which are acknowledged to be adequate, and intending to be legally bound hereby, it is hereby mutually agreed by and between the Borrower and the WIFIA Lender as follows:

## ARTICLE I DEFINITIONS AND INTERPRETATION

Section 1. **Definitions.** Each capitalized term used in this Agreement (including in the recitals hereto) and not otherwise defined herein shall have the meaning assigned to such term in the WIFIA Master Agreement. Any term used in this Agreement (including in the recitals hereto) that is defined by reference to any other agreement shall continue to have the meaning specified in such agreement, whether or not such agreement remains in effect. In addition, as used in this Agreement (including in the recitals hereto), the following terms have the following meanings:

“**Agreement**” has the meaning provided in the preamble hereto.

“**Anticipated WIFIA Loan Disbursement Schedule**” means the schedule set forth in Exhibit A (*Anticipated WIFIA Loan Disbursement Schedule*), reflecting the anticipated disbursement of proceeds of the WIFIA Loan, as such schedule may be amended from time to time pursuant to Section 4 (*Disbursement Conditions*).

“**Construction Schedule**” means (a) the initial schedule or schedules on which the construction timetables for the Project are set forth, attached as Schedule II (*Construction Schedule*), and (b) any updates thereto included in the periodic reports submitted to the WIFIA Lender pursuant to Section 16(d) (*Reporting Requirements – Construction Reporting*) of the WIFIA Master Agreement most recently approved by the WIFIA Lender.

“**Final Maturity Date**” means the earlier of (a) [●] (or such earlier date as is set forth in an updated Exhibit B (*WIFIA Debt Service*) pursuant to Section 8(d) (*Payment of Principal and Interest – Adjustments to Loan Amortization Schedule*) of the WIFIA Master Agreement); and (b) the Principal Payment Date immediately preceding the date that is thirty-five (35) years following the Substantial Completion Date.

“**First Payment Date**” means the earlier to occur of (a) [●] and (b) the Payment Date on or immediately preceding the fifth (5<sup>th</sup>) anniversary of the Substantial Completion Date.

“**Interest Payment Date**” means each [●] and [●].

“**Loan Amortization Schedule**” means the loan amortization schedule reflected in the applicable column of Exhibit B (WIFIA Debt Service), as amended from time to time in accordance with Section 8(d) (Payment of Principal and Interest – Adjustments to Loan Amortization Schedule) of the WIFIA Master Agreement.

“**Principal Payment Date**” means each [●] [and [●]<sup>30</sup>].

“**Project**” means [insert short description of project][, as described in further detail in Schedule III (Project)].<sup>31</sup>

“**Project Budget**” means the budget for the Project attached to this Agreement as Schedule I (Project Budget) showing a summary of Total Project Costs with a breakdown of all Eligible Project Costs and the estimated sources and uses of funds for the Project.

“**Project WIFIA Loan Request**” has the meaning provided in the recitals hereto.

“**Projected Substantial Completion Date**” means [●], as such date may be adjusted in accordance with Section 16(d) (Reporting Requirements – Construction Reporting) of the WIFIA Master Agreement.

“**WIFIA Bond**” means the Bond issued and delivered by the Borrower in substantially the form of Exhibit A (Form of WIFIA Bond) to the WIFIA Master Agreement.

“**WIFIA Loan**” means the secured loan made by the WIFIA Lender to the Borrower on the terms and conditions set forth herein, in the WIFIA Master Agreement and in the WIFIA Bond, pursuant to the Act, in a principal amount not to exceed \$[●], to be used in respect of Eligible Project Costs with respect to the Project.

“**WIFIA Loan Agreement Effective Date**” means the date of this Agreement.

“**WIFIA Master Agreement**” has the meaning provided in the recitals hereto.

“**WIFIA Resolution**” means that certain [Resolution Authorizing the Issuance and Award of a Hampton Roads Sanitation District Wastewater Revenue Bond], adopted by the Commission on [●], 20[●], authorizing the execution and delivery of this Agreement and the WIFIA Bond and certain related actions by the Borrower in connection with the issuance of the WIFIA Loan.

“**WIFIA Series Agreement**” means that certain [●] Supplemental Trust Agreement, dated as of [●], 20[●], by and between the Borrower and the Trustee.

## Section 2. Interpretation.

(a) Except as otherwise expressly provided herein, the rules of interpretation set forth in Section 2 of the WIFIA Master Agreement shall apply herein, *mutatis mutandis*, as if

<sup>30</sup> **Note to Form:** Include second Principal Payment Date only if semi-annual payments of principal will be made.

<sup>31</sup> **Note to Form:** Schedule to be included if the WIFIA Lender determines additional details describing the Project are necessary.

set out in this Agreement in full (and as if each reference therein to “this Agreement” were a reference to this Agreement, and each reference to any “WIFIA Loan” or any “WIFIA Bond” were a reference, respectively, to the WIFIA Loan or the WIFIA Bond as such terms are defined in this Agreement).

(b) This Agreement is one of the WIFIA Loan Agreements referenced in the WIFIA Master Agreement.

## **ARTICLE II THE WIFIA LOAN**

Section 3. WIFIA Loan Amount. The principal amount of the WIFIA Loan shall not exceed \$[●]. WIFIA Loan proceeds available to be drawn shall be disbursed from time to time in accordance with Section 4 (Disbursement Conditions) hereof and Section 11(c) (Conditions Precedent – Conditions Precedent to Disbursements) of the WIFIA Master Agreement.

Section 4. Disbursement Conditions. The WIFIA Loan shall be disbursed in accordance with Section 4 (Disbursement Conditions) of the WIFIA Master Agreement.

Section 5. [Reserved].

Section 6. Interest Rate. The interest rate with respect to the Outstanding WIFIA Loan Balance for the WIFIA Loan shall be [●] and [●] hundredths percent ([●]%) per annum.<sup>32</sup> Interest will accrue and be computed on the Outstanding WIFIA Loan Balance from time to time pursuant to, and otherwise in accordance with, with Section 6 (Interest Rate) of the WIFIA Master Agreement.

Section 7. [Reserved].

Section 8. Payment of Principal and Interest.

(a) Payment of WIFIA Debt Service. Payments of WIFIA Debt Service shall be made by the Borrower on each Payment Date occurring on or after the First Payment Date as provided in Section 8(a) (Payment of Principal and Interest – Payment of WIFIA Debt Service) of the WIFIA Master Agreement.

(b) WIFIA Bond. As evidence of the Borrower’s obligation to repay the WIFIA Loan, the Borrower shall issue and deliver to the WIFIA Lender, on or prior to the WIFIA Loan Agreement Effective Date, the WIFIA Bond substantially in the form of Exhibit A (Form of WIFIA Bond) to the Master Agreement, having a maximum principal amount of \$[●].

Section 9. Prepayment. The WIFIA Bond shall be prepaid in accordance with Section 9(a) (Prepayment – Mandatory Prepayment) of the WIFIA Master Agreement. The Borrower may

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<sup>32</sup> **Note to Form:** The WIFIA Interest Rate shall be calculated by adding one (1) basis point (0.01%) to the rate of securities of a similar maturity (based on the weighted-average life of the WIFIA Loan) as published, on the WIFIA Loan Agreement Effective Date, in the United States Treasury Bureau of Public Debt’s daily rate table for State and Local Government Series (SLGS) securities, currently located on the Internet at <https://www.treasurydirect.gov/GA-SL/SLGS/selectSLGSDate.htm>.

prepay the WIFIA Loan in accordance with Section 9(b) (*Prepayment – Optional Prepayments*) of the WIFIA Master Agreement.

Section 10. Fees and Expenses. The Borrower shall pay to the WIFIA Lender, in each case pursuant to and in accordance with Section 10 (*Fees and Expenses*) of the WIFIA Master Agreement:

- (a) a one-time Servicing Set-Up Fee equal to \$[●];
- (b) an annual Construction Period Servicing Fee equal to \$[●] per annum; provided that the initial Construction Period Servicing Fee shall be in a pro-rated amount equal to \$[●] in accordance with Section 10(a)(ii) (*Fees and Expenses*) of the WIFIA Master Agreement; and
- (c) an Operating Period Servicing Fee equal to \$[●] per annum; and
- (d) any other applicable fees, costs, charges and expenses pursuant to, and otherwise in accordance with, Section 10 (*Fees and Expenses*) of the WIFIA Master Agreement.

### **ARTICLE III CONDITIONS PRECEDENT**

Section 11. Conditions Precedent.

(a) Conditions Precedent to Effectiveness. The effectiveness of this Agreement is subject to the satisfaction, or the WIFIA Lender's written waiver, as determined by the WIFIA Lender in its sole discretion, of each of the conditions precedent to the effectiveness of this Agreement set forth in Section 11(b) (*Conditions Precedent – Conditions Precedent to Effectiveness of Each WIFIA Loan Agreement*) of the WIFIA Master Agreement (each of which is incorporated by reference herein, *mutatis mutandis*, as if set out in this Agreement in full and as if each reference therein to any "Project," any "WIFIA Loan," any "WIFIA Bond," or any "WIFIA Loan Agreement" were a reference, respectively, to the Project, the WIFIA Loan, the WIFIA Bond, or this Agreement (as such terms are defined in this Agreement)).

(b) Conditions Precedent to Disbursements. Notwithstanding anything in this Agreement to the contrary, the WIFIA Lender's obligation to make any disbursement of the WIFIA Loan to the Borrower (including the initial disbursement hereunder) is subject to the satisfaction or the WIFIA Lender's written waiver, as determined by the WIFIA Lender in its sole discretion, of each of the conditions precedent to disbursements set forth in Section 11(c) (*Conditions Precedent – Conditions Precedent to Disbursements*) of the WIFIA Master Agreement (each of which is incorporated by reference herein, *mutatis mutandis*, as if set out in this Agreement in full and as if each reference therein to any "WIFIA Loan" or any "WIFIA Loan Agreement" were a reference, respectively, to the WIFIA Loan or this Agreement (as such terms are defined in this Agreement)).

### **ARTICLE IV REPRESENTATIONS AND WARRANTIES**

Section 12. Representations and Warranties of Borrower. The representations and warranties set out in Section 12 (*Representations and Warranties of Borrower*) of the WIFIA Master Agreement shall be made on the WIFIA Loan Agreement Effective Date and as of each date on which any disbursement of the WIFIA Loan is requested or made, except as otherwise expressly provided in Section 12 of the WIFIA Master Agreement. Each such representation and warranty is incorporated by reference herein, *mutatis mutandis*, for the benefit of the WIFIA Lender as if set out in this Agreement in full (and as if each reference therein to “this Agreement” were a reference to this Agreement and as if each reference therein to (a) any “Project” or the “Master Program”, (b) any “WIFIA Loan” or (c) any “WIFIA Bond” were a reference, respectively, to (i) the Project, (ii) the WIFIA Loan or (iii) the WIFIA Bond (as such terms are defined in this Agreement)). The Borrower acknowledges that it makes such representations and warranties with the intention of inducing the WIFIA Lender to enter into this Agreement and the other WIFIA Loan Documents and to advance the WIFIA Loan to the Borrower, and that the WIFIA Lender has entered into this Agreement and the other WIFIA Loan Documents on the basis of, and in full reliance on, each such representation and warranty.

Section 13. Representations and Warranties of WIFIA Lender. The representations and warranties set out in Section 13 (*Representations and Warranties of WIFIA Lender*) of the WIFIA Master Agreement shall be made on the WIFIA Loan Agreement Effective Date, *mutatis mutandis*, for the benefit of the Borrower as if set out in this Agreement in full (and as if each reference therein to any “WIFIA Loan” were a reference to the WIFIA Loan (as such term is defined in this Agreement)).

## **ARTICLE V COVENANTS**

Section 14. Covenants. The Borrower covenants and agrees, until the date the WIFIA Loan and all of the obligations of the Borrower under the WIFIA Loan Documents with respect to the WIFIA Loan or the Project (other than contingent indemnity obligations) have been irrevocably paid in full in immediately available funds and the WIFIA Lender no longer has any commitment to make disbursements under this Agreement to the Borrower, unless the WIFIA Lender waives compliance in writing, to comply with each of the covenants set forth in the WIFIA Master Agreement, including Section 14 (*Affirmative Covenants*), Section 15 (*Negative Covenants*) and Section 16 (*Reporting Requirements*) of the WIFIA Master Agreement, which covenants are incorporated by reference herein *mutatis mutandis* as if fully set forth herein (and as if each reference therein to “this Agreement” were a reference to this Agreement and as if each reference therein to (a) any “Project” or the “Master Program,” (b) any “WIFIA Loan” or (c) any “WIFIA Bond” were a reference, respectively, to (i) the Project, (ii) the WIFIA Loan or (iii) the WIFIA Bond (as such terms are defined in this Agreement)).

Section 15. [Reserved].

Section 16. [Reserved].

## **ARTICLE VI EVENTS OF DEFAULT**

Section 17. Events of Default and Remedies.

(a) Each Event of Default set out in Section 17 (Events of Default and Remedies) of the WIFIA Master Agreement shall constitute an Event of Default under this Agreement, except as otherwise expressly provided in Section 17 (Events of Default and Remedies) of the WIFIA Master Agreement. [In addition, it shall be an Event of Default under this Agreement if any of the following occur:

(i) [*insert additional Events of Default specific to the Project*].]<sup>33</sup>

(b) Upon the occurrence and during the continuation of any Event of Default hereunder, the WIFIA Lender shall have each of the rights and remedies to which it is entitled as provided in and with the same effect as described in Section 17 (Events of Default and Remedies) of the WIFIA Master Agreement.

**ARTICLE VII  
MISCELLANEOUS**

Section 18. Governing Law. This Agreement shall be governed by the federal laws of the United States of America, if and to the extent such federal laws are applicable, and the internal laws of the Commonwealth, if and to the extent such federal laws are not applicable.

Section 19. Effectiveness. This Agreement shall be effective on the WIFIA Loan Agreement Effective Date.

Section 20. Termination. This Agreement shall terminate upon the irrevocable payment in full in immediately available funds by the Borrower of the Outstanding WIFIA Loan Balance, together with all accrued interest, fees and expenses with respect thereto; provided that the indemnification requirements of Section 32 (Indemnification) of the Master WIFIA Agreement, as incorporated herein, the reporting and record keeping requirements of Section 14(p) (Affirmative Covenants – Access; Records) of the WIFIA Master Agreement, as incorporated herein, and the payment requirements of Section 10 (Fees and Expenses) shall survive the termination of this Agreement as provided in such sections.

Section 21. Miscellaneous. Article VII (Miscellaneous) of the WIFIA Master Agreement (other than Sections 25 (Governing Law), 34 (Effectiveness) and 35 (Termination) of the WIFIA Master Agreement) shall be incorporated in this Agreement, *mutatis mutandis*, as if set out in this Agreement in full (and as if each reference therein to “this Agreement” were a reference to this Agreement and as if each reference therein to (a) any “Project” or the “Master Program”, (b) any “WIFIA Loan” or (c) any “WIFIA Bond” were a reference, respectively, to (i) the Project, (ii) the WIFIA Loan or (iii) the WIFIA Bond (as such terms are defined in this Agreement)).

[*The remainder of this page intentionally left blank; signature pages immediately follow.*]

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<sup>33</sup> **Note to Form:** WIFIA Lender to include additional Events of Default if applicable.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

**HAMPTON ROADS SANITATION DISTRICT,**  
by its authorized representative

By: \_\_\_\_\_  
Name:  
Title:

**UNITED STATES ENVIRONMENTAL  
PROTECTION AGENCY**, acting by and through  
the Administrator of the Environmental Protection  
Agency

By: \_\_\_\_\_  
Name:  
Title: Administrator



**SCHEDULE I**  
**PROJECT BUDGET**

<b>SOURCES OF FUNDS</b>	<b>AMOUNT (\$ USD)</b>	<b>PERCENTAGE (%)</b>
[ ]		
<b>Total Sources of Funds</b>		
<b>USES OF FUNDS</b>	<b>AMOUNT (\$ USD)</b>	<b>PERCENTAGE (%)</b>
[ ]		
<b>Total Uses of Funds</b>		
<b>Total Eligible Project Costs</b>		
<b>Total Project Costs</b>		

**SCHEDULE II**  
**CONSTRUCTION SCHEDULE**

*[To be provided by Borrower]*

[SCHEDULE III]<sup>34</sup>

[PROJECT]

*[Insert description of Project]*

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<sup>34</sup> **Note to Form:** Include only if applicable.

**[SCHEDULE 12(f)**  
**LITIGATION]**<sup>35</sup>

<b>No.</b>	<b>Parties</b>	<b>Date Initiated</b>	<b>Description</b>	<b>Venue</b>

---

<sup>35</sup> **Note to Form:** Include only if applicable.

**SCHEDULE 12(n)**

**CONSTRUCTION CONTRACTS**

<b>Contract Name</b>	<b>Effective Date</b>	<b>Construction Contractor</b>	<b>Amount</b>	<b>Description</b>

**EXHIBIT A**

**ANTICIPATED WIFIA LOAN DISBURSEMENT SCHEDULE**

Federal Fiscal Year

Amount

---

**Total**

**\$[●]**

**EXHIBIT B**  
**WIFIA DEBT SERVICE<sup>36</sup>**

*[See attached]*

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<sup>36</sup> **Note to Form:** WIFIA Lender to provide on the WIFIA Loan Agreement Effective Date.

**EXHIBIT M**  
**FORM OF ANNUAL BUDGET**

*[Attached.]*



# ANNUAL BUDGET

**Fiscal Year 2025**  
(July 1, 2024 - June 30, 2025)



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# INTRODUCTION

ANNUAL BUDGET / HAMPTON ROADS SANITATION DISTRICT



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## General Manager's Introduction

The voters of Virginia took the bold step in 1940 to address pollution in the Hampton Roads by approving a referendum creating the Hampton Roads Sanitation District (HRSD). That public approval capped a 15-year grassroots campaign that began when the shell-fishing beds in the Hampton Roads were closed by the Virginia Department of Health. At the time, over 30 million gallons of untreated sewage was being dumped into the waters of the Hampton Roads each day. It would take the United States Congress another 32 years to tackle the issue of water pollution on a national scale, finally passing the Clean Water Act in 1972.

Over the past 84 years, HRSD has developed into one of the premier wastewater treatment organizations in the nation. With 14 treatment facilities capable of treating 226 million gallons of wastewater each day from twenty cities and counties, HRSD has eliminated the discharge of untreated sewage into the waters of coastal Virginia from the homes and businesses within our region. However, there is more work to be done to further improve water quality as well as preserve our continued investment in wastewater infrastructure.

The Governor-appointed, eight-member HRSD Commission approved this Fiscal Year 2025 budget at its regular meeting on May 28, 2024. The Commission and the HRSD staff worked diligently to balance our focus on stewardship of our ratepayers' hard-earned dollars with our promise of stewardship of the waters of the Hampton Roads. The cost of wastewater treatment continues to rise as historic inflation is impacting every sector of the economy. However, wastewater treatment is still a bargain in Hampton Roads, with the typical household paying about one-penny per gallon for this essential service that protects public health and our treasured local waterways.

### Chesapeake Bay Restoration

The Chesapeake Bay is a national treasure as the nation's largest estuary but suffers from nutrient pollution from three major sources: agricultural runoff, stormwater and wastewater. With more than 18 million people living in the Chesapeake Bay watershed, wastewater is responsible for approximately 20 percent of the excess nutrients discharged into the Bay. Since 2006, HRSD has invested over \$500 million in new process technology improvements and millions in annual operating costs to meet increasingly stringent federally mandated nutrient reduction limits. Unfortunately, it is not enough. The Commonwealth of Virginia has focused its efforts on removing more nutrients from HRSD wastewater facilities to meet statewide commitments required in the upper portions of the Chesapeake Bay, and to offset delays in meeting nutrient reduction goals largely in unregulated sectors such as agriculture. As a result, the General Assembly in 2021 passed legislation creating the Enhanced Nutrient Removal Certainty Program. This legislative mandate commits HRSD to invest nearly \$2 billion in nutrient removal and related treatment upgrades, with a major portion of this work required to be completed by 2026. The remainder of the program must be completed by 2032. These projects, many of which HRSD planned to accomplish, are now critically needed over a more compressed timeline, reducing HRSD's flexibility in implementing the most cost-effective strategies and likely increasing the overall costs.

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

The regional sewer system, although never designed to handle stormwater, fills with rainwater runoff, groundwater and tidal water during larger storms. When the regional system fills beyond its capacity, a sanitary sewer overflow (SSO) occurs onto local streets. As part of the Clean Water Act, the Environmental Protection Agency (EPA) has made minimizing these types of events a national priority; but it comes at a tremendous financial burden. SSOs in Hampton Roads are relatively rare, since the regional system has separate stormwater and sanitary sewer pipes, as opposed to a combined system that is common in larger cities. HRSD remains committed to eliminating SSOs; however, the impact of those transient events on local water quality is minimal and the benefits of their elimination is nearly unperceivable.

In 2014, as part of the EPA negotiations and to save the region money, HRSD and the cities and counties HRSD serves (collectively, Localities) agreed to a cooperative regional approach to increase the region's wet weather flow capacity. Even though HRSD does not own the Localities' collection systems in the metropolitan region of Hampton Roads, HRSD agreed to make prioritized capacity-related improvements to its and the Localities' systems resulting in a significant reduction of overall program compliance costs.

More recently, the EPA has shifted to a more prioritized "one water" approach through their Integrated Planning framework. The Integrated Planning framework allows entities to "best prioritize capital investments and achieve



our human health and water quality objectives.” After years of negotiations with EPA and other key stakeholders, HRSD’s Integrated Plan was approved on February 8, 2022. The plan was a collaborative effort between HRSD, EPA, the Virginia Department of Environmental Quality (DEQ) and the Localities that allows us to prioritize our region’s most important water quality issues.

## HRSD’s SWIFT Program Offers Multiple Benefits and Saves the Region \$5 Billion

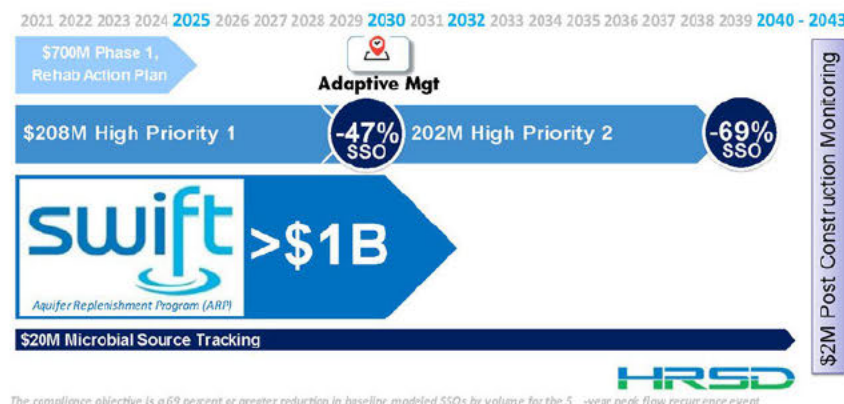
At the heart of the Integrated Plan is HRSD’s Sustainable Water Initiative for Tomorrow (SWIFT) program. This program will take HRSD’s already highly treated water that would otherwise be discharged into the James and Elizabeth rivers and further treat it to meet drinking water standards to be used to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

- Provide a sustainable source of groundwater*
- Slow the rate of land subsidence due to over withdrawal of the aquifer*
- Block saltwater intrusion by creating a pressurized freshwater barrier, and*
- Significantly reduce HRSD’s nutrient discharges to the James and Elizabeth rivers.*

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

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

- \$99 million in improvements as part of our Rehabilitation Action Plan Phase 2 by 2025; current estimate is \$391million.*
- \$214 million of High Priority Wet Weather Projects from 2020 to 2030 to remove 47 percent of projected SSO volume; current estimate is \$238 million.*
- \$196 million of additional High Priority Wet Weather Projects from 2031 to 2040 to remove an additional 22 percent of SSO volume for a total reduction of 69 percent; current estimate is \$205 million.*
- Over \$1 billion spent on SWIFT through 2032; current estimate is \$2.6 billion, and*
- \$20 million in microbial source tracking through 2040.*



The compliance objective is a 69 percent or greater reduction in baseline modeled SSOs by volume for the 5 -year peak flow recurrence event



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

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

### **Pursuing Innovative Solutions to Reduce Costs and Protect Water Quality**

HRSD continues to lead international research efforts to reduce the cost of removing nutrients from wastewater and to intensify treatment processes. HRSD's research work is leveraged through partnerships with leading universities and other innovative wastewater utilities throughout the world. Putting the knowledge gained into practice has already yielded a significant return on our investment by reducing operating costs for nutrient removal, as well as minimizing the need for certain capital investments. These efforts have reduced HRSD's energy and chemical costs by nearly \$40 million over the past 10 years.

### **Financing a Sustainable Water Future**

HRSD is investing in the regional wastewater infrastructure to ensure we leave a fully functional system to the next generation. While HRSD continues to focus on making the right investments at the right time in Hampton Roads, across the nation the need for investment in all infrastructure continues to grow. The American Society of Civil Engineers' 2021 Infrastructure Report Card graded the current state of wastewater infrastructure at a D+. The US Water Alliance's Report, The Economic Benefits of Investing in Water Infrastructure, estimates the unmet water investment at over \$81 billion per year. The report highlights the lack of adequate federal investment in wastewater infrastructure, showing the drop in federal investment from 63 percent in 1977 to less than 4 percent in 2017. State, regional and local governments have had to fill that funding gap, passing on significant rate increases as utilities must price service to recover full costs.

With 76 percent of HRSD's \$2.6 billion five-year CIP necessitated by changing environmental regulations, HRSD must continue to raise its rates. To lower costs to its ratepayers, HRSD seeks the lowest cost of capital to finance its infrastructure requirements. HRSD is the largest borrower in the Commonwealth of Virginia Clean Water Revolving Loan Funds (VCWRLF) issued by the DEQ and the Virginia Resources Authority. VCWRLF is a federally subsidized program that offers up to a 1.5 percent interest rate subsidy for 20-year loans. HRSD also secured \$1.05 billion in federally subsidized Water Infrastructure Finance and Innovation Act (WIFIA) programmatic loans for SWIFT. Approximately, \$700 million of those loans have a locked-in interest rate of 1.78 percent. These strategies, when compared to current market rates, will save our ratepayers over \$600 million. HRSD is also actively applying for Virginia Water Quality Improvement Fund (WQIF) grants to help fund the required nutrient reduction projects, but funds are dependent on General Assembly appropriations.

### **The Community's Role**

Our ratepayers can help control their costs by helping us control ours. Ensuring storm water runoff from downspouts, area drains, and sump pumps is not directed to the sanitary sewer system, and ensuring privately-owned service piping is well maintained and leak free will reduce the amount of extraneous water entering the sewer system. Collecting fats, oils and grease in a container for disposal in the trash, as opposed to pouring them down the drain, reduces wastewater system maintenance and operating costs. Proper disposal of unused medications (and other substances) prevents them from reaching our treatment plants, which are not designed for removal of such

substances. Our ratepayers can make a difference by not flushing unused medications down the sink or the toilet and avoid using “flushable” wipes as they do not break down and clog our system. Every flush counts.

As we reflect on nearly 84 years of protecting public health and the waters of Hampton Roads, we remember the mandate so boldly declared by those environmentally concerned Virginians in 1940. It was their foresight that allows us to enjoy the waters of Hampton Roads today. It will take our continued innovation, investment and foresight to ensure future generations will inherit clean waterways and be able to keep them clean.



Jay A. Bernas, PE  
General Manager

## Principal Officials

May 1, 2024

### COMMISSIONERS

STEPHEN C. RODRIGUEZ

*Chair*

FREDERICK N. ELOFSON, CPA

*Vice Chair*

MICHAEL E. GLENN  
NANCY J. STERN

VISHNU K. LAKDAWALA, Ph.D.  
ELIZABETH A. TARASKI, Ph.D.

WILLIE LEVENSTON, JR.  
ANN W. TEMPLEMAN

### STAFF

JAY A. BERNAS, P.E.

*General Manager/Chief Executive  
Officer*

STEVEN G. DE MIK, CPA

*Deputy General Manager/  
Chief Financial Officer*

EDDIE M. ABISAAB,  
P.E., PMP, ENV SP  
*Chief Operating Officer*

CHARLES B. BOTT,  
Ph.D., P.E., BCEE  
*Chief Technology Officer*

DONALD C. CORRADO  
*Chief Information Officer*

BRUCE W. HUSSELBEE,  
Ph.D., P.E.  
*Chief Engineer*

JAMIE HEISIG-MITCHELL  
*Chief of Water Quality*

DORISSA T. PITTS-PAIGE,  
PHR, IPMA-SCP, SHRM-SCP  
*Chief People Officer*

LEILA E. RICE, APR  
*Chief Communications Officer*

JENNIFER I. CASCIO  
*Commission Secretary*

ELIZABETH I. SCOTT  
*Assistant Commission Secretary*

### COUNSEL, ADVISOR, TRUSTEE

Sands Anderson PC  
*General Counsel*

PFM Financial Advisors LLC  
*Financial Advisor*

Norton Rose Bulbright US LLP  
*Bond Counsel*

Aqualaw PLC  
*Special Counsel*

The Bank of New York Mellon  
*Trustee and Bond Registrar*

## Key Facts

### SERVICE AREA AND OPERATIONS

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

### OPERATION AND FACILITIES

No. of Positions (FY-2025)	947
Miles of Pipelines	693 Miles
Wastewater Treated	140 million gallons per day average
Wastewater Capacity	226 million gallons per day

### FINANCIAL INFORMATION

#### Bond Ratings

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

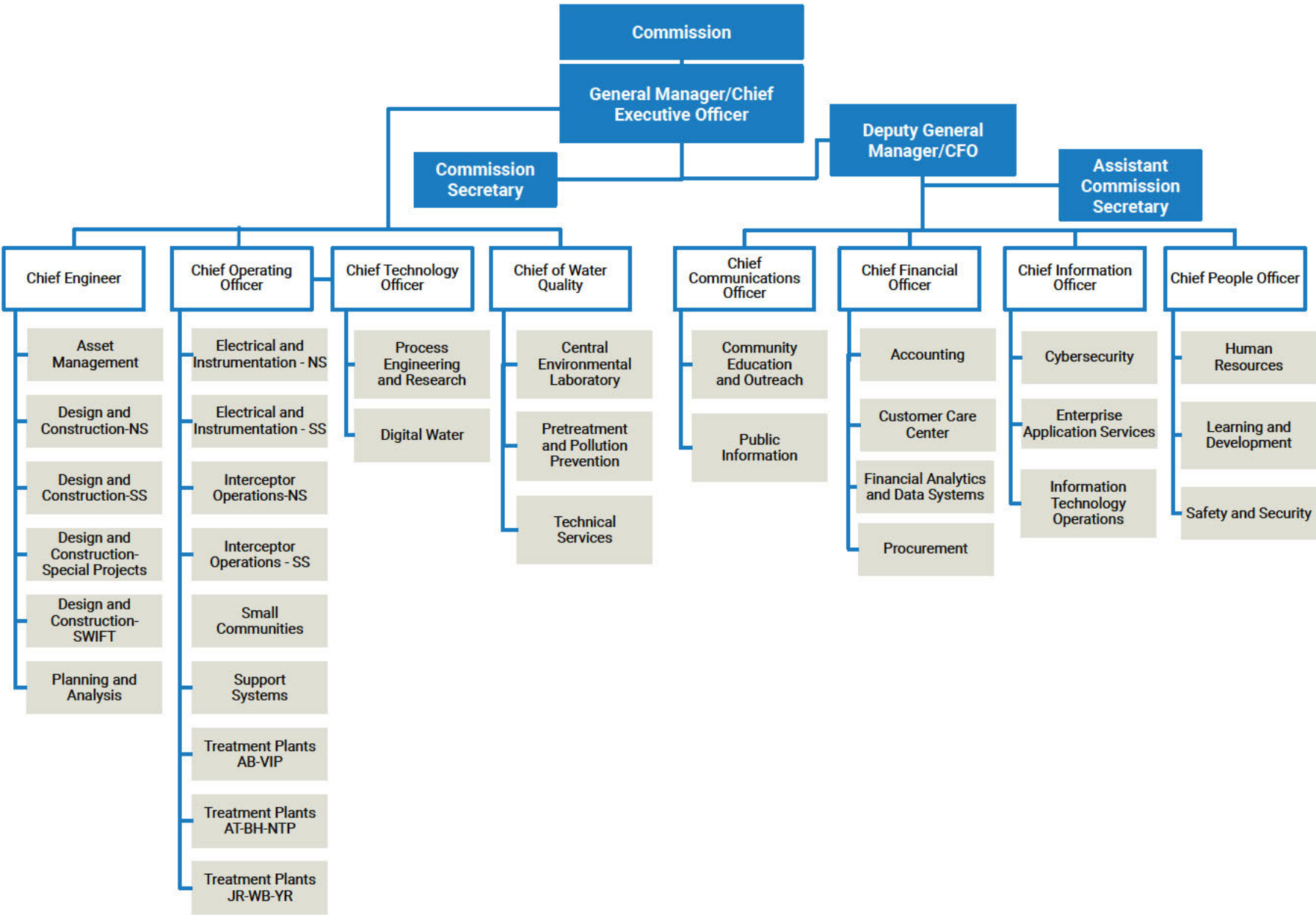
Operating Budget (FY-2025)	\$ 467,192,000
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## Service Area



Organization Chart

July 1, 2024





## History

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

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

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

HRSD began operations on July 1, 1946, using facilities acquired from the United States Government. The Warwick County Trunk Sewer, HRSD's first construction project, began on June 26, 1946, and was funded by HRSD's \$6.5 million Primary Pledge Sewer Revenue Bonds, dated March 1, 1946. The first treatment plant, the Army Base Plant, began operation on October 14, 1947. Since that time, the facilities of HRSD have grown to provide sanitary sewer service to all major population centers in southeastern Virginia. The population served has increased from nearly 288,000 in 1940 to about 1.9 million in 2024.

Throughout its rich history HRSD has earned many of its industry's most prestigious awards. This tradition continued as HRSD received the Water Resources Utility of the Future Today award from the Water Environment Federation as well as the Virginia Municipal League Innovation Award with locality partner, York County, for the first full-scale deammonification plant in the world and HRSD's patented Partial Denitrification Anammox (PdNA) process at York Treatment Plant.

Additional awards and honors received during the year ended June 30, 2024 include the 2024 National Association of Clean Water Agencies National Environmental Achievement Award in the Public Information and Education Video Category for its "National Infrastructure Week: James River Treatment Plant SWIFT Improvements" video. The HRSD Finance Division also earned the George F. Ames PISCES award in the Innovative Finance category from the Environmental Protection Agency (EPA).

## Rate Schedules

### WASTEWATER TREATMENT RATE SCHEDULE

Service	FY-2025		FY-2024	
Flow (monthly basis)				
Per CCF *	\$	8.28	\$	7.60
Minimum charge (per day)		0.30		0.30
Surcharge, per milligrams/liter per CCF	In Excess of		In Excess of	
Biochemical Oxygen Demand (BOD)	297 mg/L	\$ 0.000182	297 mg/L	\$ 0.000185
Total Suspended Solids (TSS)	282 mg/L	0.000613	282 mg/L	0.000612
Total Phosphorus (TP)	7 mg/L	0.009169	7 mg/L	0.009258
Total Kjeldahl Nitrogen (TKN)	57 mg/L	0.002868	57 mg/L	0.002784
Surcharge, per 100 pounds				
Biochemical Oxygen Demand (BOD)	297 mg/L	\$ 2.91	297 mg/L	\$ 2.96
Total Suspended Solids (TSS)	282 mg/L	9.82	282 mg/L	9.80
Total Phosphorus (TP)	7 mg/L	146.87	7 mg/L	148.30
Total Kjeldahl Nitrogen (TKN)	57 mg/L	45.94	57 mg/L	44.59
Nutrient Credits				
Asset Charge (\$/pound/year)				
Total Suspended Solids (TSS)	\$	8.69	\$	8.39
Total Phosphorus (TP)		60.30		58.55
Total Nitrogen (TN)		13.91		13.49
Operational Charge (\$/pound)				
Total Suspended Solids (TSS)	\$	0.1241	\$	0.1274
Total Phosphorus (TP)		1.1284		1.0226
Total Nitrogen (TN)		0.2893		0.2897
Other Approved Hauled Wastes (per gallon)	\$	0.1812	\$	0.1812
Fats, Oils, and Grease (FOG) (per gallon)		0.3658		0.3517
Town Wholesale Treatment (per 1000 gallons)		3.55		3.55
Residential flat rate (per day)	\$	2.17	\$	2.00

\* CCF = 100 Cubic Feet (approximately 748 gallons)

### VOLUME BASED FACILITY RATE SCHEDULE

Meter Size	FY-2025		FY-2024	
5/8 Inch	\$	2,430	\$	2,420
3/4 Inch		4,210		4,210
1 Inch		7,410		7,410
1 ½ Inch		18,395		18,395
2 Inch		35,825		35,825
3 Inch		91,665		91,665
4 Inch		178,485		178,485
6 Inch		456,620		456,620
8 Inch		889,185		889,185
10 Inch		1,491,070		1,491,070
12 Inch		2,274,730		2,274,730
14 Inch		3,251,050		3,251,050
16 Inch		4,429,645		4,429,645



## SMALL COMMUNITIES RATE SCHEDULE

Flow (monthly basis per 1,000 gallons)	FY-2025	FY-2024
Small Communities (except for King William)	\$ 17.41	\$ 16.08
King William	17.61	16.31
Residential flat rate (per day)		
Small Communities Treatment and Collections (except for King William)	\$ 2.39	\$ 2.21
King William	2.42	2.24
Small Communities Treatment Only	2.17	2.00
Unmetered Accounts	2.17	2.00
Minimum charge - metered accounts (per day)	0.30	0.30

## FEES

	FY-2025	FY-2024
Damaged meter/antenna (plus cost of meter/antenna)	\$ 250	\$ 250
Damaged lock	100	100
Service restoration	100	100
Meter reading (customer-owned meter)	75	75
Inaccessible meter	50	50
Access card replacement	25	25
Returned payments	25	25
Delinquency service trip	15	15
Account documentation	10	10
Deduction meter	2	2

## Reader's Guide to the Annual Budget

### PURPOSE

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

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

### ANNUAL BUDGET OVERVIEW

HRSD's Annual Budget contains the following sections:

#### Financial Forecast

This section provides a high level, 20-year forecast of projected wastewater treatment rate increases, operating revenues and expenses, capital improvements and related funding sources, amounts contributed to and fiscal year-end balances of cash and investment reserves, and selected financial ratios that help to measure the financial health of HRSD. The forecast is an inflationary based model where trends from past fiscal years and proposed operating budgets are used to forecast future operating needs. Transfers to reserves and to the Capital budget are forecast to be in amounts that are not less than parameters established within HRSD's Financial Policy. Debt service is based on different sources of future funding: Virginia Clean Water Revolving Fund, Water Infrastructure Finance and Innovation Act (WIFIA), interim financing and revenue bonds. Interest rates are based on known rates or historical averages.

#### Operating Budget

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

#### Capital Budget

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

The Summary Schedule details the funding sources for capital improvements as well as planned expenditures.

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

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

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

## BUDGETARY PROCESS

HRSD prepares its Annual Budget under the provisions of its enabling legislation and its Trust Agreement, dated March 1, 2008. In accordance with those provisions, the following process is used to adopt the Annual Budget:

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

## BUDGETARY ACCOUNTING AND CONTROL

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

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

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

## Glossary of Financial Terms

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

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

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

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

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

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

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

year's planned capital improvements be funded with cash.

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

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

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

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

**Total Debt Service (Adjusted):** Calculated in accordance with HRSD's Subordinate Trust Agreement, the ratio determined by dividing the Net Revenues by annual debt service. In such calculation, funds spent on Locality Assets may be excluded from the calculation of Net Revenues under the circumstances described within the definitions of Net Revenues and Operating Expenses. Annual debt service will be based on actual principal and interest payments during the year (i.e., not accrual based).

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

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





# FINANCIAL FORECAST

ANNUAL BUDGET / HAMPTON ROADS SANITATION DISTRICT



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Financial Forecast (in thousands)		2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
Operating Budget Forecast																					
Projected Annual Water Consumption Decline		0.0%	-0.1%	-0.2%	-0.3%	-0.4%	-0.4%	-0.6%	-0.6%	-0.6%	-0.6%	-0.6%	-0.6%	-0.6%	-0.6%	-0.6%	-0.6%	-0.6%	-0.6%	-0.6%	-0.6%
Projected Cost Increase, \$/ccf		\$0.68	\$0.75	\$0.81	\$0.54	\$0.57	\$0.60	\$0.64	\$0.67	\$0.71	\$0.75	\$0.57	\$0.60	\$0.62	\$0.64	\$0.67	\$0.70	\$0.72	\$0.75	\$0.78	\$0.81
Projected Wastewater Rate , \$/ccf		\$8.28	\$9.03	\$9.84	\$10.38	\$10.95	\$11.55	\$12.19	\$12.86	\$13.57	\$14.32	\$14.89	\$15.49	\$16.11	\$16.75	\$17.42	\$18.12	\$18.84	\$19.59	\$20.37	\$21.18
Average Monthly Bill		\$45.54	\$49.62	\$53.98	\$56.80	\$59.68	\$62.70	\$65.78	\$68.98	\$72.35	\$75.89	\$78.44	\$81.11	\$83.85	\$86.66	\$89.58	\$92.63	\$95.73	\$98.94	\$102.26	\$105.69
Revenues																					
Operating Revenues		\$ 452,127	\$ 490,832	\$ 532,554	\$ 559,489	\$ 586,991	\$ 615,819	\$ 645,209	\$ 675,761	\$ 707,960	\$ 741,772	\$ 766,104	\$ 791,616	\$ 817,790	\$ 844,610	\$ 872,552	\$ 901,593	\$ 931,226	\$ 961,917	\$ 993,646	\$ 1,026,389
Non-operating Revenues		15,065	13,783	14,416	15,120	15,518	16,195	16,636	17,356	17,709	18,060	18,435	19,333	19,718	20,116	20,527	20,953	21,948	22,385	22,878	23,388
Total Revenues		467,192	504,615	546,971	574,609	602,509	632,014	661,845	693,117	725,668	759,832	784,538	810,950	837,508	864,726	893,080	922,547	953,173	984,303	1,016,524	1,049,777
		YOY Op Rev	8.6%	8.5%	5.1%	4.9%	4.9%	4.8%	4.7%	4.8%	4.8%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%
Operating Expenses																					
Personal Services		80,140	88,154	96,088	100,893	105,937	111,234	116,796	122,636	126,315	130,104	134,007	138,027	142,168	146,433	150,826	155,351	160,012	164,812	169,756	174,849
Fringe Benefits		30,765	30,617	32,579	34,152	35,801	37,532	39,349	41,255	42,917	44,651	46,460	48,347	50,317	52,373	54,518	56,758	59,097	61,538	64,088	66,750
Materials And Supplies		26,511	28,632	30,350	32,171	33,779	35,468	37,242	39,104	40,277	41,485	42,730	44,012	45,332	46,692	48,093	49,535	51,021	52,552	54,129	55,753
Transportation		1,240	1,339	1,420	1,505	1,580	1,659	1,742	1,829	1,884	1,941	1,999	2,059	2,121	2,184	2,250	2,317	2,387	2,458	2,532	2,608
Transportation Fuels		1,116	1,205	1,277	1,354	1,422	1,493	1,568	1,646	1,695	1,746	1,799	1,852	1,908	1,965	2,024	2,085	2,148	2,212	2,278	2,347
Utilities		16,512	17,833	18,903	20,037	21,039	22,091	23,196	24,355	25,086	25,839	26,614	27,412	28,235	29,082	29,954	30,853	31,778	32,732	33,714	34,725
Chemical Purchases		16,539	17,862	18,934	20,070	21,074	22,127	23,234	24,396	25,127	25,881	26,658	27,457	28,281	29,130	30,003	30,904	31,831	32,786	33,769	34,782
Contractual Services		38,080	41,126	43,183	45,342	47,609	49,989	52,489	55,113	56,766	58,469	60,224	62,030	63,891	65,808	67,782	69,816	71,910	74,067	76,289	78,578
Consulting Services		2,446	2,568	2,696	2,831	2,973	3,121	3,277	3,441	3,611	3,784	3,961	4,142	4,327	4,516	4,709	4,906	5,104	5,304	5,506	5,710
Miscellaneous Expenses		9,152	9,508	9,879	10,267	10,671	11,092	11,531	11,990	12,350	12,720	13,102	13,495	13,900	14,317	14,746	15,189	15,644	16,114	16,597	17,095
Bond Issuance Cost		300	-	-	-	-	-	-	-	-	-	1,477	-	-	-	-	-	1,548	-	-	-
Capital Assets		1,055	1,087	1,120	1,153	1,188	1,223	1,260	1,298	1,337	1,377	1,418	1,461	1,505	1,550	1,596	1,644	1,694	1,744	1,797	1,851
Other Costs (SWIFT O&M, Plant Consolidation)		-	779	9,623	24,442	27,045	40,162	43,147	56,583	60,442	63,935	66,549	92,704	96,472	100,392	104,471	108,715	133,745	139,164	144,801	150,667
Total Operating Appropriations from Budget		223,857	240,711	266,053	294,217	310,118	337,193	354,830	383,645	397,742	411,799	426,796	462,731	478,118	494,034	510,497	527,526	567,304	584,804	604,514	624,910
		YOY Op Exp	7.5%	10.5%	10.6%	5.4%	8.7%	5.2%	8.1%	3.7%	3.5%	3.6%	8.4%	3.3%	3.3%	3.3%	3.3%	7.5%	3.1%	3.4%	3.4%
Existing Debt Service		79,809	86,841	96,440	98,312	108,065	107,884	108,419	103,647	101,806	100,855	100,413	97,487	97,546	97,307	90,460	90,300	90,347	90,090	90,023	89,839
Projected Debt Service (Clean Water, WIFIA, LOC)		7,891	8,390	10,681	13,303	23,034	29,069	35,759	41,705	47,336	51,820	71,922	66,463	79,343	83,735	87,873	91,459	112,076	107,191	111,127	115,133
Total Debt Service		87,700	95,231	107,121	111,615	131,099	136,953	144,178	145,352	149,141	152,675	172,335	163,950	176,889	181,042	178,332	181,758	202,423	197,281	201,150	204,972
Transfer to Risk Management Reserve																					
		-	113	147	152	156	161	166	171	176	181	187	192	198	204	210	216	223	230	237	244
Transfer to General Reserve (Unrestricted Cash)		-	15,740	25,341	28,164	15,901	27,075	17,638	28,815	14,096	14,058	14,996	35,935	15,388	15,916	16,463	17,029	39,778	17,500	19,710	20,396
Transfer to Capital Improvement Plan (PAYGO)		155,635	152,820	148,308	140,462	145,234	130,632	145,032	135,134	164,514	181,120	170,225	148,142	166,915	173,529	187,577	196,016	143,446	184,488	190,913	199,254
Total Appropriations for Debt Service and Transfers		243,335	263,903	280,918	280,393	292,391	294,821	307,014	309,472	327,927	348,033	357,743	348,219	359,390	370,691	382,583	395,020	385,869	399,499	412,010	424,867
Total Appropriations																					
		\$ 467,192	\$ 504,615	\$ 546,971	\$ 574,609	\$ 602,509	\$ 632,014	\$ 661,845	\$ 693,117	\$ 725,668	\$ 759,832	\$ 784,538	\$ 810,950	\$ 837,508	\$ 864,726	\$ 893,080	\$ 922,547	\$ 953,173	\$ 984,303	\$ 1,016,524	\$ 1,049,777

Capital Improvement Budget Forecast

Beginning Capital Reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sources of Funds																					
Debt funded (Revenue Bonds and Interim Financing)		-	-	-	-	-	-	-	-	-	-	249,906	-	-	-	-	-	261,916	-	-	-
Va Clean Water Revolving Loan Fund		40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
WIFIA		385,693	211,144	277,872	80,000	80,000	80,000	63,414	-	-	-	-	-	-	-	-	-	-	-	-	-
Water Quality Improvement Fund (WQIF) Grants		246,457	234,000	58,393	45,500	68,022	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HRSD - Cash		155,635	152,820	148,308	140,462	145,234	130,632	145,032	135,134	164,514	181,120	170,225	148,142	166,915	173,529	187,577	196,016	143,446	184,488	190,913	199,254
Reimbursements		24,831	3,348	1,500	1,500	9,306	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Line of Credit (Negative = Paid Off)		(32,616)	(2,311)	(65,073)	77,538	(17,562)	(632)	1,554	74,866	45,486	28,880	(210,131)	71,316	43,085	36,471	22,423	22,067	(195,362)	31,314	33,148	31,926
Total Capital Resources		820,000	639,000	461,000	385,000	325,000	250,000	250,000	250,000	250,000	250,000	250,000	259,458	250,000	250,000	250,000	258,084	250,000	255,803	264,061	271,181
Uses of Funds - Capital Expenditures		820,000	639,000	461,000	385,000	325,000	250,000	250,000	250,000	250,000	250,000	250,000	259,458	250,000	250,000	250,000	258,084	250,000	255,803	264,061	271,181
Ending Capital Resources		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Reserves Balance Forecast

Total Unrestricted Cash	\$ 385,407	\$ 398,444	\$ 419,421	\$ 439,891	\$ 460,720	\$ 473,354	\$ 505,558	\$ 524,645	\$ 568,297	\$ 599,142	\$ 603,430	\$ 617,475	\$ 651,834	\$ 674,568	\$ 705,289	\$ 730,974	\$ 718,404	\$ 777,175	\$ 803,547	\$ 832,528
PAYGO (includes beginning balance, if available)	155,635	152,820	148,308	140,462	145,234	130,632	145,032	135,134	164,514	181,120	170,225	148,142	166,915	173,529	187,577	196,016	143,446	184,488	190,913	199,254
Risk Reserve	4,800	4,913	5,060	5,212	5,368	5,529	5,695	5,866	6,042	6,223	6,410	6,602	6,800	7,004	7,214	7,431	7,654	7,883	8,120	8,364
Adjusted Unrestricted Cash	\$ 224,972	\$ 240,711	\$ 266,053	\$ 294,217	\$ 310,118	\$ 337,193	\$ 354,830	\$ 383,645	\$ 397,742	\$ 411,799	\$ 426,796	\$ 462,731	\$ 478,118	\$ 494,034	\$ 510,497	\$ 527,526	\$ 567,304	\$ 584,804	\$ 604,514	\$ 624,910
Daily Cost to Operate	\$ 613	\$ 659	\$ 729	\$ 806	\$ 850	\$ 924	\$ 972	\$ 1,051	\$ 1,090	\$ 1,128	\$ 1,169	\$ 1,268	\$ 1,310	\$ 1,354	\$ 1,399	\$ 1,445	\$ 1,554	\$ 1,602	\$ 1,656	\$ 1,712
Adjusted Days Cash on Hand (excludes PAYGO and Risk)	367 days	365 days	365 days	365 days	365 days	365 days	365 days	365 days	365 days	365 days	365 days	365 days	365 days	365 days	365 days	365 days	365 days	365 days	365 days	365 days



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# OPERATING BUDGET

ANNUAL BUDGET / HAMPTON ROADS SANITATION DISTRICT



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## Operating Budget

	FY-2025	Adopted FY-2024	Increase/ (Decrease)	Percent Change
<b>Operating Revenues</b>				
Wastewater Treatment Charges	\$ 450,655,000	\$ 414,801,000	\$ 35,854,000	8.6%
Miscellaneous	1,472,000	1,320,000	152,000	11.5%
Total-Operating Revenue	452,127,000	416,121,000	36,006,000	8.7%
<b>Non-Operating Revenues</b>				
Wastewater Facility Charges	6,170,000	6,095,000	75,000	1.2%
Investment Earnings	7,300,000	3,000,000	4,300,000	143.3%
Build America Bond Subsidy	-	1,954,000	(1,954,000)	(100.0%)
Other	1,595,000	1,320,000	275,000	20.8%
Total Non-Operating Revenues	15,065,000	12,369,000	2,696,000	21.8%
<b>Total Revenues</b>	<b>467,192,000</b>	<b>428,490,000</b>	<b>38,702,000</b>	<b>9.0%</b>
<b>Total Revenues and Transfers</b>	<b>\$ 467,192,000</b>	<b>\$ 428,490,000</b>	<b>\$ 38,702,000</b>	<b>9.0%</b>
<b>Operating Appropriations</b>				
General Management	\$ 615,657	\$ 538,146	\$ 77,511	14.4%
Communications	1,181,727	599,962	581,765	97.0%
Finance	18,951,800	17,365,168	1,586,632	9.1%
Information Services	22,299,631	18,642,412	3,657,219	19.6%
Talent Management	3,724,877	3,071,396	653,481	21.3%
Operations	140,778,854	134,935,571	5,843,283	4.3%
Engineering	11,602,046	9,206,395	2,395,651	26.0%
Water Quality	18,837,760	18,299,074	538,686	2.9%
General Expenses	5,864,243	4,204,506	1,659,737	39.5%
Total-Operating Appropriations	223,856,595	206,862,630	16,993,965	8.2%
<b>Appropriations for Debt Service and Transfers</b>				
Debt Service	87,700,000	76,150,000	11,550,000	15.2%
Transfer to CIP	155,635,405	145,217,370	10,418,035	7.2%
Transfer to Risk Management Reserve	-	260,000	(260,000)	(100.0%)
Total Appropriations for Debt Service and Transfers	243,335,405	221,627,370	21,708,035	9.8%
<b>Total Appropriations</b>	<b>\$ 467,192,000</b>	<b>\$ 428,490,000</b>	<b>\$ 38,702,000</b>	<b>9.0%</b>

## Operating Budget Summary

	General Management	Communications	Finance	Information Technology	Talent Management	Operations	Engineering
Personal Services	\$ 359,946	\$ 487,955	\$ 8,355,688	\$ 7,901,833	\$ 2,408,933	\$ 44,959,922	\$ 7,608,950
Fringe Benefits	92,711	154,772	3,202,849	2,515,023	843,243	18,306,191	2,549,149
Materials & Supplies	10,000	275,000	88,154	1,352,400	70,000	10,301,960	45,415
Transportation	12,500	16,500	24,500	28,100	27,500	2,173,169	32,836
Utilities	-	-	238,122	1,436,000	-	14,200,218	-
Chemical Purchases	-	-	-	-	-	16,539,326	-
Contractual Services	120,000	214,000	6,767,514	7,530,675	28,000	20,671,553	1,050,200
Major Repairs	-	-	-	1,235,000	-	11,413,008	-
Capital Assets	-	-	-	-	-	1,055,400	-
Miscellaneous Expense	20,500	33,500	274,973	300,600	347,201	1,158,107	315,496
<b>Operating Appropriations</b>	<b>\$ 615,657</b>	<b>\$ 1,181,727</b>	<b>\$ 18,951,800</b>	<b>\$ 22,299,631</b>	<b>\$ 3,724,877</b>	<b>\$ 140,778,854</b>	<b>\$ 11,602,046</b>

Full-time Positions:							
Current	2	4	105	59	21	537	59
Changes	-	-	4	7	5	19	3
Budgeted	2	4	109	66	26	556	62

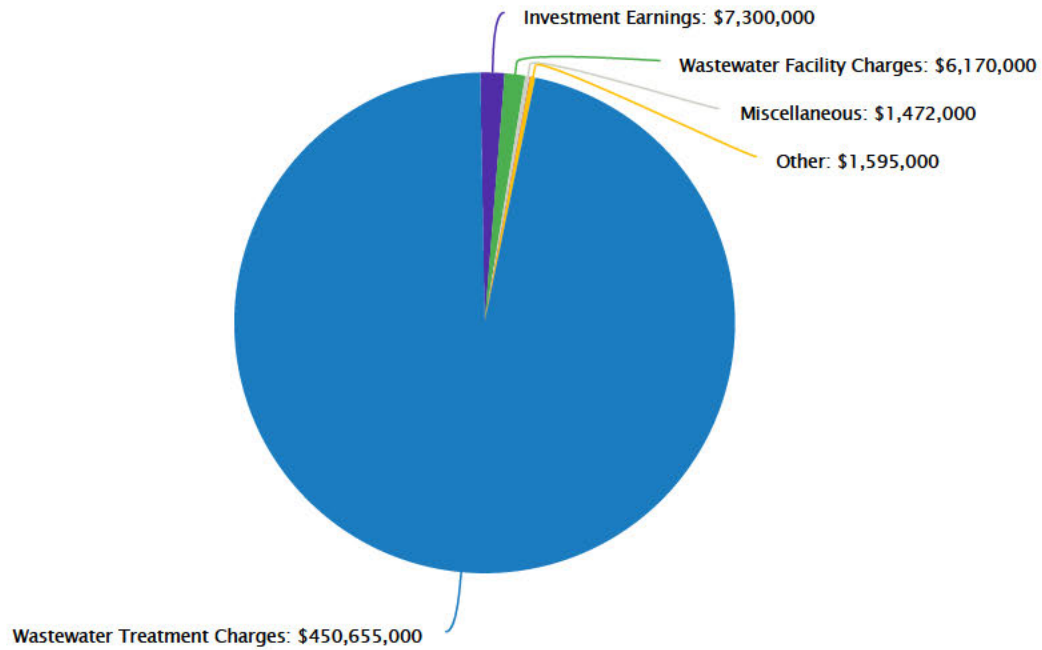
## Operating Budget Summary

	Water Quality	General Expenses	FY-2025	Percent of Budget	FY-2024	FY25 vs FY24 Inc/(Dec)	Percent Change
Personal Services	\$ 10,737,647	\$ (2,680,600)	\$ 80,140,274	17.2%	\$ 70,450,193	\$ 9,690,081	13.8%
Fringe Benefits	4,254,993	(1,153,709)	30,765,222	6.6%	28,485,720	2,279,502	8.0%
Materials & Supplies	1,678,000	22,000	13,842,929	3.0%	14,768,127	(925,198)	(6.3%)
Transportation	40,962	-	2,356,067	0.5%	1,993,014	363,053	18.2%
Utilities	2,808	635,000	16,512,148	3.5%	16,749,019	(236,871)	(1.4%)
Chemical Purchases	-	-	16,539,326	3.5%	17,093,255	(553,929)	(3.2%)
Contractual Services	1,518,000	8,073,980	45,973,922	9.8%	42,019,975	3,953,947	9.4%
Major Repairs	20,000	-	12,668,008	2.7%	10,354,024	2,313,984	22.3%
Capital Assets	-	-	1,055,400	0.2%	1,064,500	(9,100)	(0.9%)
Miscellaneous Expense	585,350	967,572	4,003,299	0.9%	3,821,803	181,496	4.7%
<b>Operating Appropriations</b>	<b>\$ 18,837,760</b>	<b>\$ 5,864,243</b>	<b>\$ 223,856,595</b>	<b>47.9%</b>	<b>\$ 206,799,630</b>	<b>\$ 17,056,965</b>	<b>8.2%</b>
Debt Service Costs			87,700,000	18.8%	76,150,000	11,550,000	15.2%
Transfer to CIP			155,635,405	33.3%	145,217,370	10,418,035	7.2%
Transfer to Risk Management			-	-%	260,000	(260,000)	(100.0%)
<b>Appropriations for Debt Service and Transfers</b>			<b>243,335,405</b>	<b>52.1%</b>	<b>221,627,370</b>	<b>21,708,035</b>	<b>9.8%</b>
			<b>\$ 467,192,000</b>	<b>100.0%</b>	<b>\$ 428,490,000</b>	<b>38,765,000</b>	<b>9.0%</b>
Full-time Positions:							
Current	123		910				
Changes	-		38				
Budgeted	123		948				

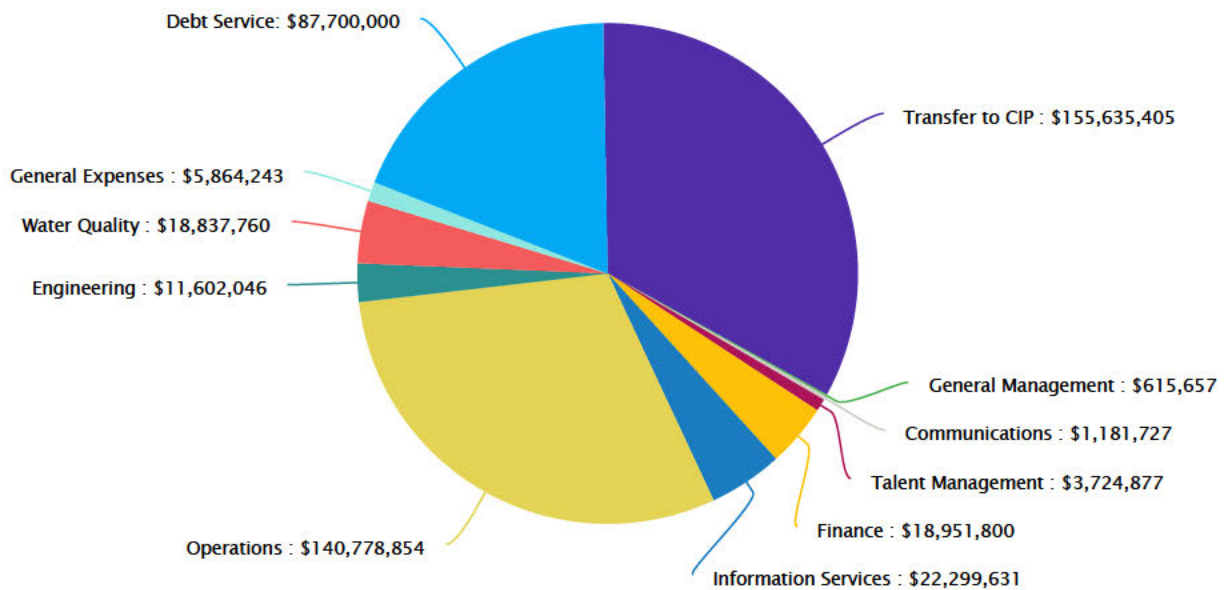


## Operating Budget Charts

### Revenues and Transfers In \$467,192,000



### Expenses and Transfers Out \$467,192,000



## General Management

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

### Expenditure Budget

	FY-2025 Budget	FY-2024 Budget	FY25 vs FY24 Inc/(Dec)	Percent Change
Personal Services	\$359,946	\$373,138	\$(13,192)	(3.5%)
Fringe Benefits	92,711	92,009	702	0.8%
Material & Supplies	10,000	10,000	-	-%
Transportation	12,500	12,500	-	-%
Contractual Services	120,000	20,000	100,000	500.0%
Miscellaneous	20,500	30,500	(10,000)	(32.8%)
<b>Total</b>	<b>\$615,657</b>	<b>\$538,146</b>	<b>\$77,511</b>	<b>14.4%</b>

### Positions

	Adopted FY-2025	Amended FY-2024	FY25 vs FY24
<b>Total</b>	<b>2</b>	<b>2</b>	<b>-</b>

**GENERAL MANAGEMENT**

2 Full time employees

**General Management**

2 Full time employees

## Communications

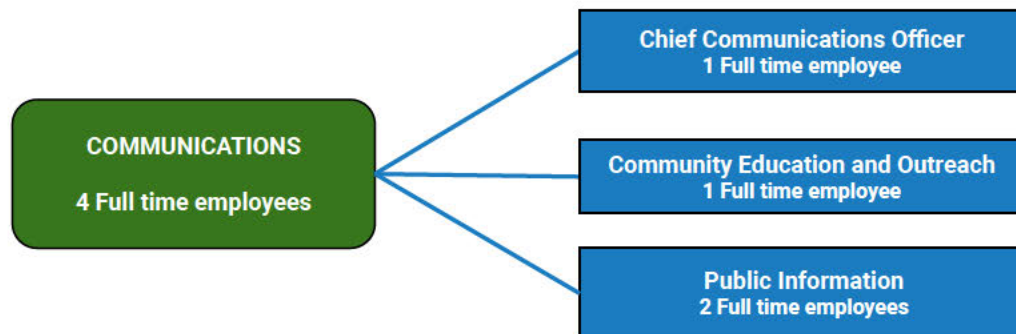
The Communications Division supports HRSD's Promise and Vision through public outreach, community engagement, educational programming and environmental and locality partnerships. The Division manages communications strategy, internal and external communications, media relations and branding through numerous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

### Expenditure Budget

	FY-2025 Budget	FY-2024 Budget	FY25 vs FY24 Inc/(Dec)	Percent Change
Personal Services	\$ 487,955	\$ 401,623	\$ 86,332	21.5%
Fringe Benefits	154,772	135,039	19,733	14.6%
Material & Supplies	275,000	9,500	265,500	2794.7%
Transportation	16,500	14,500	2,000	13.8%
Contractual Services	214,000	35,500	178,500	502.8%
Miscellaneous	33,500	3,800	29,700	781.6%
<b>Total</b>	<b>\$ 1,181,727</b>	<b>\$ 599,962</b>	<b>\$ 581,765</b>	<b>97.0%</b>

### Positions

	Adopted FY-2025	Amended FY-2024	FY25 vs FY24
<b>Total</b>	<b>4</b>	<b>4</b>	<b>-</b>





## Finance

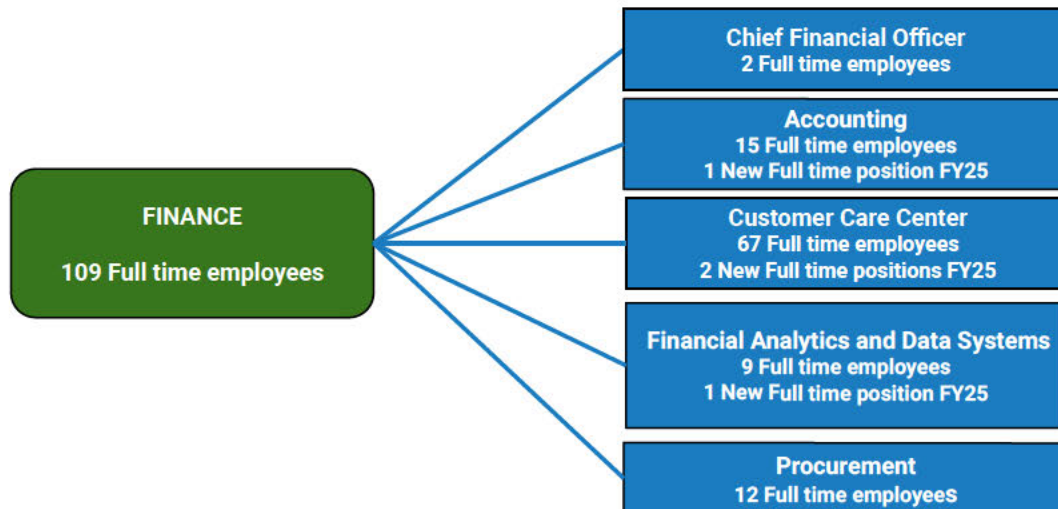
The Finance Division is responsible for HRSD's general financial and business functions, including financial reporting, investment portfolio, debt and risk management and customer billing. The Accounting Department handles fiscal affairs such as preparing statements, budgets, management reports and payroll.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

### Expenditure Budget

	FY-2025 Budget	FY-2024 Budget	FY25 vs FY24 Inc/(Dec)	Percent Change
Personal Services	\$ 8,355,688	\$ 7,821,681	\$ 534,007	6.8%
Fringe Benefits	3,202,849	3,104,592	98,257	3.2%
Material & Supplies	88,154	102,784	(14,630)	(14.2%)
Transportation	24,500	23,650	850	3.6%
Utilities	238,122	282,000	(43,878)	(15.6%)
Contractual Services	6,767,514	5,722,389	1,045,125	18.3%
Miscellaneous	274,973	308,072	(33,099)	(10.7%)
<b>Total</b>	<b>\$ 18,951,800</b>	<b>\$ 17,365,168</b>	<b>\$ 1,586,632</b>	<b>9.1%</b>

### Positions

	Adopted FY-2025	Amended FY-2024	FY25 vs FY24
<b>Total</b>	<b>109</b>	<b>105</b>	<b>4</b>



## Information Technology

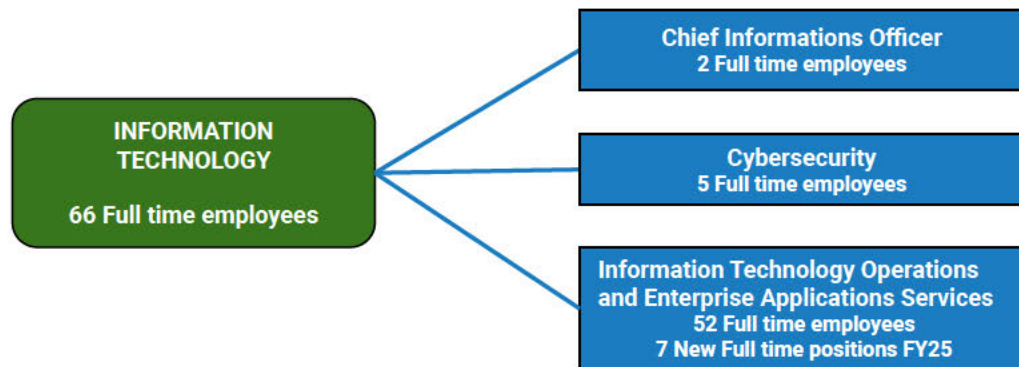
The Information Technology Division is responsible for HRSD's computer systems, communication systems, network systems, cyber security and data management functions. The Information Technology Operations Department assists HRSD Divisions in achieving their missions by ensuring all required hardware, storage and network devices are accessible and available to support all business and operational requirements. The Enterprise Application Services Department is responsible for data management, storage and all software supporting HRSD operations. Cybersecurity Department personnel are responsible for programming industrial controls, automation at HRSD operation facilities, and evaluating and eliminating cyber security threats.

### Expenditure Budget

	FY-2025 Budget	FY-2024 Budget	FY25 vs FY24 Inc/(Dec)	Percent Change
Personal Services	\$ 7,901,833	\$ 6,506,396	\$ 1,395,437	21.4%
Fringe Benefits	2,515,023	2,085,746	429,277	20.6%
Material & Supplies	1,352,400	1,634,800	(282,400)	(17.3%)
Transportation	28,100	22,700	5,400	23.8%
Utilities	1,436,000	1,421,000	15,000	1.1%
Contractual Services	7,530,675	5,785,270	1,745,405	30.2%
Major Repairs	1,235,000	823,000	412,000	50.1%
Miscellaneous	300,600	363,500	(62,900)	(17.3%)
<b>Total</b>	<b>\$ 22,299,631</b>	<b>\$ 18,642,412</b>	<b>\$ 3,657,219</b>	<b>19.6%</b>

### Positions

	Adopted FY-2025	Amended FY-2024	FY25 vs FY24
<b>Total</b>	<b>66</b>	<b>59</b>	<b>7</b>



## Talent Management

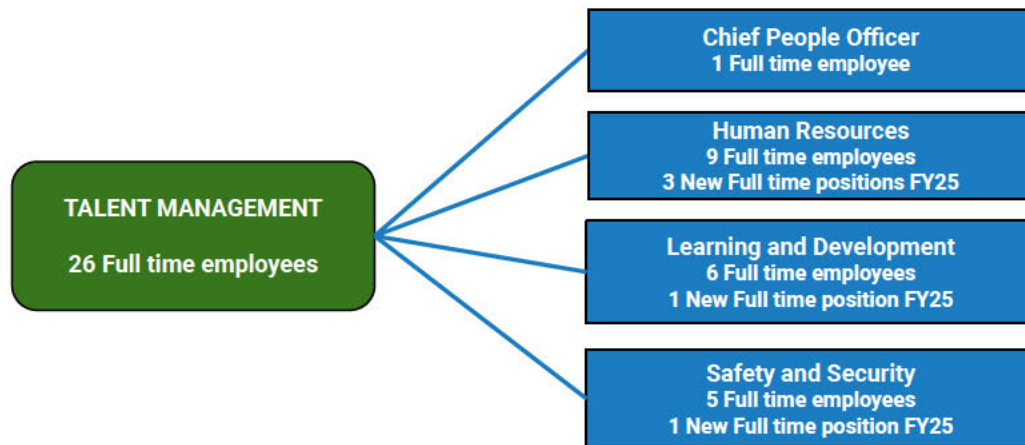
The Talent Management Division attracts, develops, and retains a talented diverse workforce and ensures employee safety. The Human Resources Department is responsible for recruitment and outreach, new employee onboarding, benefits administration, compensation and classification, employee relations, HRSD's wellness program, workers' compensation, employee records, retirement, and HR policies. The Learning & Development (L&D) Department oversees HRSD's Apprenticeship Program and is dedicated to developing and supporting HRSD's strategic plan and key initiatives to promote training, education, and experiential experiences. The Safety and Security Department is responsible for Occupational Safety & Health Compliance, safety programs, employee safety training, safety records, industrial hygiene monitoring, occupational health screening, safety audits, accident investigations, compliance reporting, and risk management support.

### Expenditure Budget

	FY-2025 Budget	FY-2024 Budget	FY25 vs FY24 Inc/(Dec)	Percent Change
Personal Services	\$ 2,408,933	\$ 1,942,297	\$ 466,636	24.0%
Fringe Benefits	843,243	691,649	151,594	21.9%
Material & Supplies	70,000	79,000	(9,000)	(11.4%)
Transportation	27,500	15,000	12,500	83.3%
Contractual Services	28,000	23,500	4,500	19.1%
Miscellaneous	347,201	319,950	27,251	8.5%
<b>Total</b>	<b>\$ 3,724,877</b>	<b>\$ 3,071,396</b>	<b>\$ 653,481</b>	<b>21.3%</b>

### Positions

	Adopted FY-2025	Adopted FY-2024	FY25 vs FY24
<b>Total</b>	<b>26</b>	<b>21</b>	<b>5</b>





## Operations

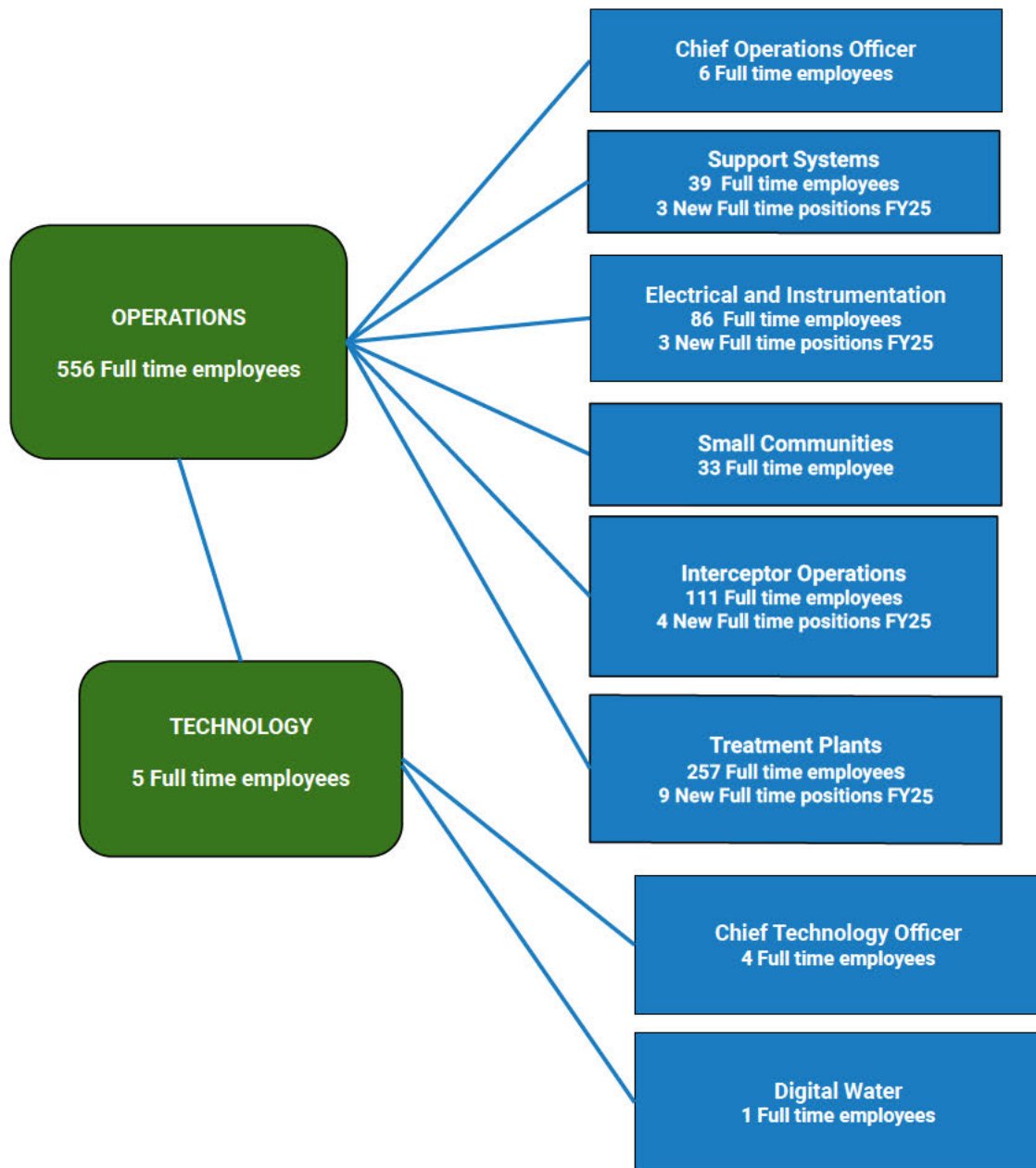
The Operations Division is responsible for operating and maintaining HRSD's treatment plants, pump stations, pipelines, buildings and equipment. HRSD provides wastewater treatment services for over 1.9 million people in 20 cities, counties and towns. The Treatment Plant Departments include 9 wastewater treatment plants in the Hampton Roads service area. Services to small communities that are in the HRSD service area are provided by the Small Communities Department (SCD). The SCD operates four smaller treatment plants and the associated sewer collection systems for four counties on the Middle Peninsula and the Town of West Point. The SCD also includes the operation of two treatment plants and the associated sewer collection systems in the County of Surry. Finally, the SCD operates two treatment plants and the associated sewer collection services for the Towns of Chincoteague and Onancock on the Eastern Shore of Virginia. The Electrical and Instrumentation Department supports the electrical and instrumentation maintenance and construction needs of all HRSD facilities as well as programming industrial controls and automation at HRSD facilities. The Interceptor Departments operate and maintain over 500 miles of interceptor pipelines and over 100 pump stations ensuring wastewater is conveyed to each treatment plant. The Support Systems Department is responsible for the maintenance of the HRSD fleet, all buildings, operation of two carpentry shops, and a full-service machine shop. This Department is also responsible for energy management and research to find innovative, cost-effective ways of managing our energy consumption more effectively. The Technology Division's primary purpose is to research new technologies with a focus on rapid deployment of innovative solutions and water quality. The Digital Water Department creates innovative strategies to help HRSD save on chemical and energy costs; minimize the potential for environmental harm; make smart financial decisions regarding capital improvement and asset management; and streamline and facilitate frontline operations to automate what can and should be automated.

### Expenditure Budget

	FY-2025 Budget	FY-2024 Budget	FY25 vs FY24 Inc/(Dec)	Percent Change
Personal Services	\$ 44,959,922	\$ 42,081,052	\$ 2,878,870	6.8%
Fringe Benefits	18,306,191	16,941,679	1,364,512	8.1%
Material & Supplies	10,301,960	10,964,593	(662,633)	(6.0%)
Transportation	2,173,169	1,837,623	335,546	18.3%
Utilities	14,200,218	14,466,011	(265,793)	(1.8%)
Chemical Purchases	16,539,326	17,093,255	(553,929)	(3.2%)
Contractual Services	20,671,553	19,875,161	796,392	4.0%
Major Repairs	11,413,008	9,487,624	1,925,384	20.3%
Capital Assets	1,055,400	1,064,500	(9,100)	(0.9%)
Miscellaneous	1,158,107	1,124,073	34,034	3.0%
<b>Total</b>	<b>\$ 140,778,854</b>	<b>\$ 134,935,571</b>	<b>\$ 5,843,283</b>	<b>4.3%</b>

## Operations (Continued)

	Positions		
	Adopted FY-2025	Amended FY-2024	FY25 vs FY24
<b>Total</b>	<b>556</b>	<b>537</b>	<b>19</b>



## Engineering

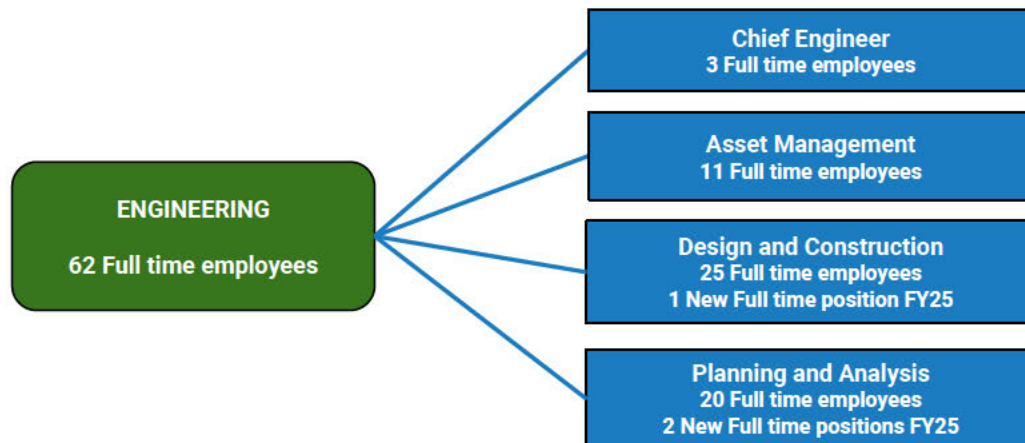
The Engineering Division is responsible for facility planning, design and construction and related support. The Asset Management Department is responsible for the Computerized Maintenance Management System (CMMS), Condition Assessment, and Emergency Management procedures to extend the life of assets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

### Expenditure Budget

	FY-2025 Budget	FY-2024 Budget	FY25 vs FY24 Inc/(Dec)	Percent Change
Personal Services	\$ 7,608,950	\$ 5,772,963	\$ 1,835,987	31.8%
Fringe Benefits	2,549,149	1,963,395	585,754	29.8%
Material & Supplies	45,415	34,450	10,965	31.8%
Transportation	32,836	26,179	6,657	25.4%
Contractual Services	1,050,200	1,182,000	(131,800)	(11.2%)
Miscellaneous	315,496	227,408	88,088	38.7%
<b>Total</b>	<b>\$ 11,602,046</b>	<b>\$ 9,206,395</b>	<b>\$ 2,395,651</b>	<b>26.0%</b>

### Positions

	Adopted FY-2025	Amended FY-2024	FY25 vs FY24
<b>Total</b>	<b>62</b>	<b>59</b>	<b>3</b>



## Water Quality

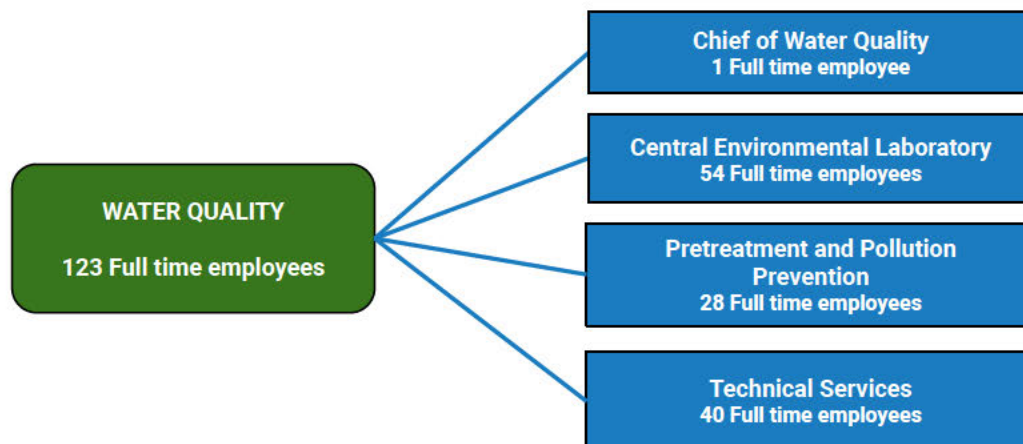
The Water Quality (WQ) Division's mission is to provide quality environmental services to support HRSD and its partners. This division helps ensure compliance with HRSD environmental permits and leads regulatory advocacy through the work of three divisions. The Central Environmental Laboratory (CEL)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

### Expenditure Budget

	FY-2025 Budget	FY-2024 Budget	FY25 vs FY24 Inc/(Dec)	Percent Change
Personal Services	\$ 10,737,647	\$ 9,789,769	\$ 947,878	9.7%
Fringe Benefits	4,254,993	3,821,385	433,608	11.3%
Material & Supplies	1,678,000	1,907,000	(229,000)	(12.0%)
Transportation	40,962	40,862	100	0.2%
Utilities	2,808	2,808	-	-%
Contractual Services	1,518,000	2,078,000	(560,000)	(26.9%)
Major Repairs	20,000	43,400	(23,400)	(53.9%)
Miscellaneous	585,350	615,850	(30,500)	(5.0%)
<b>Total</b>	<b>\$ 18,837,760</b>	<b>\$ 18,299,074</b>	<b>\$ 538,686</b>	<b>2.9%</b>

### Positions

	Adopted FY-2025	Amended FY-2024	FY25 vs FY24
<b>Total</b>	<b>123</b>	<b>123</b>	<b>-</b>



## General Expenses, Debt Service and Transfers

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

Expenditure Budget				
	FY-2025 Budget	FY-2024 Budget	FY25 vs FY24 Inc/(Dec)	Percent Change
Personal Services	\$ (2,680,600)	\$ (4,238,725)	\$ 1,558,125	36.8%
Fringe Benefits	(1,153,709)	(349,774)	(803,935)	(229.8%)
Material & Supplies	22,000	26,000	(4,000)	(15.4%)
Utilities	635,000	577,200	57,800	10.0%
Contractual Services	8,073,980	7,298,155	775,825	10.6%
Miscellaneous	967,572	891,650	75,922	8.5%
<b>Total General Expenses</b>	<b>\$ 5,864,243</b>	<b>\$ 4,204,506</b>	<b>\$ 1,659,737</b>	<b>39.5%</b>
Publically Sold Bonds - Principal	13,100,000	24,650,000	(11,550,000)	(46.9%)
Publically Sold Bonds - Interest	40,900,000	25,025,000	15,875,000	63.4%
Loans - Principal and Interest	33,700,000	26,475,000	7,225,000	27.3%
<b>Total Debt Service</b>	<b>87,700,000</b>	<b>76,150,000</b>	<b>11,550,000</b>	<b>15.2%</b>
Transfer to CIP	155,635,405	145,217,370	10,418,035	(46.9%)
Transfer to Risk Management	-	260,000	(260,000)	(100.0%)
<b>Total Transfers</b>	<b>155,635,405</b>	<b>145,477,370</b>	<b>10,158,035</b>	<b>7.0%</b>
<b>Total Debt Service and Transfers</b>	<b>\$243,335,405</b>	<b>\$221,627,370</b>	<b>\$ 21,708,035</b>	<b>9.8%</b>



A close-up photograph of a metal faucet with water dripping from it. The water forms a series of droplets falling into a blurred background. The image is used as a background for the document cover.

# CAPITAL BUDGET

ANNUAL BUDGET / HAMPTON ROADS SANITATION DISTRICT



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## Capital Budget

HRSD prepares a Capital Improvement Program (CIP) each year for the capital projects currently underway or proposed for the future. The first year of the CIP is authorized as the Capital Budget for FY-2025 in the amount of \$820 million.. The remaining years (FY-2026 to FY-2034) include all known projects planned for these years; however, approval of the plan does not authorize the Capital Budgets for those years. Each year's Capital Budget will be approved during the budget process for the specific year.

The ten-year Capital Improvement Program for FY-2025 to FY-2034 highlights the anticipated cost of each project and the fiscal year(s) in which the work is expected to occur. All costs listed in the CIP are stated in current year dollars and total approximately \$4.1 billion.

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

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

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

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

## Capital Budget

CIP Budget Forecast (in thousands)	FY-2025 to FY-2034	FY-2025	FY-2026	FY-2027	FY-2028	FY-2029
Beginning Capital Reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bonds	-	-	-	-	-	-
VCWRLF	400,000	40,000	40,000	40,000	40,000	40,000
WIFIA	1,178,123	385,693	211,144	277,872	80,000	80,000
WQIF	652,372	246,457	234,000	58,393	45,500	68,022
Cash	1,498,891	155,635	152,820	148,308	140,462	145,234
Grants and Other Reimbursements	40,485	24,831	3,348	1,500	1,500	9,306
Transfer from Line of Credit	110,129	(32,616)	(2,312)	(65,073)	77,538	(17,562)
Total Capital Resources	3,880,000	820,000	639,000	461,000	385,000	325,000
Capital Expenditures	3,880,000	820,000	639,000	461,000	385,000	325,000
<b>Ending Capital Reserves</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Capital Expenditures (in thousands)	FY-2025 to FY-2034	FY-2025	FY-2026	FY-2027	FY-2028	FY-2029
Administration	\$ 113,041	\$ 21,091	\$ 21,855	\$ 18,558	\$ 7,384	\$ 6,503
Army Base	29,189	10,502	5,378	2,118	6,372	4,789
Atlantic	319,423	39,948	54,423	52,188	55,948	48,714
Boat Harbor	291,100	174,625	49,715	21,751	20,017	1,025
Chesapeake-Elizabeth	24,831	4,922	5,839	6,914	1,849	3,032
Eastern Shore	32,650	17,827	9,054	922	4,846	-
James River	217,302	70,371	56,701	33,956	15,019	14,211
Middle Peninsula	71,620	25,495	24,940	17,072	4,103	10
Nansemond	372,572	208,775	82,338	27,496	19,721	10,073
Surry	6,141	6,071	71	-	-	-
Virginia Initiative Plant	232,027	76,295	63,821	34,644	27,302	9,201
Williamsburg	146,905	9,722	16,813	18,652	21,751	26,122
York River	85,765	28,346	23,644	2,931	3,440	7,322
General	1,629,316	197,314	224,408	248,061	240,026	230,109
Future Improvements	510,351	-	-	-	-	-
<b>Subtotal</b>	<b>4,082,233</b>	<b>891,304</b>	<b>639,000</b>	<b>485,263</b>	<b>427,778</b>	<b>361,111</b>
Program Spend Rate	95%	92%	100%	95%	90%	90%
<b>Total Expenditures</b>	<b>\$ 3,880,000</b>	<b>\$ 820,000</b>	<b>\$ 639,000</b>	<b>\$ 461,000</b>	<b>\$ 385,000</b>	<b>\$ 325,000</b>

## Capital Budget

CIP Budget Forecast (in thousands)	FY-2030	FY-2031	FY-2032	FY-2033	FY-2034
Beginning Capital Reserves	\$ -	\$ -	\$ -	\$ -	\$ -
Bonds	-	-	-	-	-
VCWRLF	40,000	40,000	40,000	40,000	40,000
WIFIA	80,000	63,414	-	-	-
WQIF	-	-	-	-	-
Grants and Other Reimbursements	130,632	145,032	135,134	164,514	181,120
Cash	-	-	-	-	-
Transfer from Line of Credit	(632)	1,554	74,866	45,486	28,880
Total Capital Resources	250,000	250,000	250,000	250,000	250,000
Capital Expenditures	250,000	250,000	250,000	250,000	250,000
Ending Capital Reserves	\$ -	\$ -	\$ -	\$ -	\$ -

Capital Expenditures (in thousands)	FY-2030	FY-2031	FY-2032	FY-2033	FY-2034
Administration	\$ 6,814	\$ 7,154	\$ 7,512	\$ 7,888	\$ 8,282
Army Base	30	-	-	-	-
Atlantic	40,563	27,294	115	115	115
Boat Harbor	222	1,431	1,992	7,853	12,471
Chesapeake-Elizabeth	2,274	-	-	-	-
Eastern Shore	-	-	-	-	-
James River	8,400	2,466	16,174	1	1
Middle Peninsula	-	-	-	-	-
Nansemond	9,353	7,898	4,452	1,047	1,424
Surry	-	-	-	-	-
Virginia Initiative Plant	5,001	3,014	2,562	5,076	5,111
Williamsburg	18,035	15,106	9,490	8,185	3,028
York River	17,934	2,148	-	-	-
General	107,991	109,045	103,396	85,914	83,050
Future Improvements	61,161	74,444	104,307	133,921	136,518
Subtotal	277,778	250,000	250,000	250,000	250,000
Program Spend Rate	90%	100%	100%	100%	100%
Total Expenditures	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000

**FY-2024 to FY-2025**  
**Cash Flow Projections (in thousands)**

CIP No	Project Name	Total 2025 to 2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
<b>Administration</b>												
AD012500	Cybersecurity Practice & Procedure Initiative	\$ 7,910	\$ 4,127	\$ 3,783	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
AD012600	Central Environmental Laboratory Expansion and Rehabilitation	38,617	12,055	12,672	12,672	1,204	13	-	-	-	-	-
AD012700	Capital Improvement Program Labor Program	61,605	-	5,400	5,886	6,180	6,489	6,814	7,154	7,512	7,888	8,282
AD012730	Capital Improvement Program Internal Labor FY25	4,909	4,909	-	-	-	-	-	-	-	-	-
	<b>Subtotal</b>	113,041	21,091	21,855	18,558	7,384	6,503	6,814	7,154	7,512	7,888	8,282
<b>Army Base</b>												
AB010000	Army Base 24-Inch and 20-Inch Transmission Main Replacements	\$ 12,784	\$ -	\$ -	\$ 1,593	\$ 6,372	\$ 4,789	\$ 30	\$ -	\$ -	\$ -	\$ -
AB010500	Section W Force Main Replacement	2,677	1,600	1,070	8	-	-	-	-	-	-	-
AB011900	Army Base Treatment Plant Administration Building Renovation (2021)	8,131	7,496	635	-	-	-	-	-	-	-	-
AB012100	Army Base Treatment Plant Generator Control Replacement	3,926	1,407	2,001	518	-	-	-	-	-	-	-
AB012200	Army Base Treatment Plant PdNA Process Conversion	1,672	-	1,672	-	-	-	-	-	-	-	-
	<b>Subtotal</b>	29,189	10,502	5,378	2,118	6,372	4,789	30	-	-	-	-
<b>Atlantic</b>												
AT011520	Shipp's Corner Pressure Reducing Station Modifications	\$ 219	\$ 219	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
AT011900	Great Bridge Interceptor Extension 16-Inch Replacement	12,538	5,550	6,930	57	-	-	-	-	-	-	-
AT012920	Atlantic Treatment Plant Access Road Extension	11,352	1,300	430	5,865	3,730	28	-	-	-	-	-
AT013000	Washington District Pump Station Area Sanitary Sewer Improvements	3,559	3,525	33	-	-	-	-	-	-	-	-
AT013010	Washington District Pump Station Replacement	17,020	5,076	5,076	5,076	1,746	46	-	-	-	-	-
AT013110	South Norfolk Area Gravity Sewer Improvements, Phase II	6,507	4,593	1,914	-	-	-	-	-	-	-	-
AT013700	Atlantic Trunk Interceptor Force Main Relocation (VDOT Laskin Road Betterment)	229	-	172	57	-	-	-	-	-	-	-
AT014000	Lynnhaven-Great Neck IFM (SF-021) Relocation	2,185	362	1,818	4	-	-	-	-	-	-	-
AT014100	Suffolk Regional Landfill Transmission Force Main	4,000	4,000	-	-	-	-	-	-	-	-	-
AT014301	Chesapeake I-H Reduction Phase II	20,496	1,449	5,317	5,492	5,492	2,746	-	-	-	-	-
AT014303	Chesapeake Pump Station Capacity Improvements (AT-HPP-01C)	1,031	-	-	-	-	-	-	-	-	-	-
AT014304	Chesapeake Gravity Main Capacity Improvements	2,304	-	-	-	11	21	21	21	21	21	21
AT014600	Kempsville Interceptor Force Main Replacement - Phase I	8,621	-	207	557	2,402	3,840	1,615	-	-	-	-
AT015200	Cedar Road Interceptor Force Main Replacement Phase I	6,705	4	171	405	1,920	2,935	1,270	-	-	-	-
AT015300	High Priority Projects Round 2 Project 2	31,967	-	-	-	47	94	94	94	94	94	94
AT015400	Doziers Corner Pump Station Replacement	11,975	1,120	2,881	2,881	2,881	2,173	38	-	-	-	-

**FY-2024 to FY-2025**  
**Cash Flow Projections (in thousands)**

CIP No	Project Name	Total 2025 to 2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
AT015500	Atlantic Treatment Plant Secondary Clarifier Effluent Weir Replacement and Enhancements	664	664	-	-	-	-	-	-	-	-	-
AT015800	Atlantic Treatment Plant Liquid Side Odor Evaluation and Improvements	1,160	127	212	207	207	207	191	9	-	-	-
AT015900	Atlantic Treatment Plant Gravity Belt Thickener and Pre-Dewatering Polymer Improvements	4,352	195	689	873	873	873	804	46	-	-	-
AT016000	Atlantic Treatment Plant Odor and Solids Improvements 2023	144,843	3,188	21,968	23,362	23,956	24,118	24,267	23,983	-	-	-
AT016100	Atlantic Treatment Plant Solids Curing Facility and Pad Improvements	11,553	685	1,875	2,283	2,283	2,283	2,097	46	-	-	-
AT016300	Cedar Road Interceptor Force Main Replacement Phase II	15,233	-	-	338	667	4,282	6,938	3,008	-	-	-
AT016400	Great Bridge Interceptor Force Main Emergency Replacement (SF-180)	5,294	5,294	-	-	-	-	-	-	-	-	-
AT016500	Atlantic Treatment Plant Digester Improvements	19,656	1,920	3,882	3,513	3,513	3,513	3,228	88	-	-	-
AT016600	Great Bridge Boulevard Interceptor Force Main (SF-164) Segmental Replacement at Oak Bridge-Glenleigh	9,215	622	700	117	6,221	1,555	-	-	-	-	-
AT016700	Providence Road Interceptor Force Main (SF-165) Segmental Replacement at Depositor Lane	1,304	55	149	1,100	-	-	-	-	-	-	-
<b>Subtotal</b>		<b>319,423</b>	<b>39,948</b>	<b>54,423</b>	<b>52,188</b>	<b>55,948</b>	<b>48,714</b>	<b>40,563</b>	<b>27,294</b>	<b>115</b>	<b>115</b>	<b>115</b>
<b>Boat Harbor</b>												
BH013020	Willard Avenue Pump Station Replacement	\$ 5,703	\$ 5,697	\$ 6	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
BH014220	Hampton Trunk Sewer Extension Divisions I and J Relocation Phase II	1,090	1,088	2	-	-	-	-	-	-	-	-
BH014600	46th Street Diversion Sewer Rehabilitation Replacement	147	146	1	-	-	-	-	-	-	-	-
BH014610	46th Street Diversion Sewer Rehabilitation Replacement, HII-NNS	1,931	1,931	-	-	-	-	-	-	-	-	-
BH014900	Hampton Trunk Sewer Extension Division K Gravity Improvements	1,030	1,024	6	-	-	-	-	-	-	-	-
BH015700	Boat Harbor Treatment Plant Pump Station Conversion	110,186	75,220	31,333	3,633	-	-	-	-	-	-	-
BH015710	Boat Harbor Treatment Plant Transmission Force Main Section 1 (Subaqueous)	64,372	63,794	578	-	-	-	-	-	-	-	-
BH015720	Boat Harbor Treatment Plant Transmission Force Main Section 2 (Land)	37,596	24,592	13,004	-	-	-	-	-	-	-	-
BH015730	Boat Harbor Treatment Plant Decommission and Demolition	34,950	603	2,323	15,118	16,906	-	-	-	-	-	-
BH015802	Claremont Pump Station Upgrade (BH-HPP-01B)	13,283	-	-	-	-	-	-	-	-	255	493
BH015803	Chesapeake Avenue Interceptor Improvements (BH-HPP-01C)	17,944	-	-	-	-	-	-	-	-	401	645
BH016100	High Priority Projects Round 2 Project 3	31,408	-	-	-	111	222	222	1,121	1,152	942	5,078
BH016200	Inflow Reduction Program - Phase II	9,795	530	2,462	3,000	3,000	803	-	-	-	-	-



**FY-2024 to FY-2025**  
**Cash Flow Projections (in thousands)**

CIP No	Project Name	Total 2025 to 2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
BH016300	Bayshore Pump Station Replacement	13,660	-	-	-	-	-	-	310	840	6,255	6,255
	<b>Subtotal</b>	291,100	174,625	49,715	21,751	20,017	1,025	222	1,431	1,992	7,853	12,471
<b>Chesapeake-Elizabeth</b>												
CE011300	Birchwood Trunk 24-Inch and 30-Inch Force Main at Independence Boulevard Replacement Phase II	\$ 1,726	\$ 1,726	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE011600	Poplar Hall Davis Corner Trunk 24-Inch Gravity Sewer Improvements	2,295	2,033	262	-	-	-	-	-	-	-	-
CE011810	Chesapeake-Elizabeth Treatment Plant Decommissioning	12,391	481	5,458	6,453	-	-	-	-	-	-	-
CE011841	Oceana Off-line Storage Facility Land Acquisition	532	532	-	-	-	-	-	-	-	-	-
CE011850	Atlantic Service Area Automated Diversion Facilities Phase I	150	150	-	-	-	-	-	-	-	-	-
CE012100	Witchduck Road Interceptor Force Main Improvements	7,736	-	119	462	1,849	3,032	2,274	-	-	-	-
	<b>Subtotal</b>	24,831	4,922	5,839	6,914	1,849	3,032	2,274	-	-	-	-
<b>Eastern Shore</b>												
ES010100	Eastern Shore Infrastructure Improvements - Transmission Force Main Phase I	\$ 9,422	\$ 9,380	\$ 42	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ES010300	Onancock Treatment Plant Administration Building Upgrade	4,515	114	87	184	4,130	-	-	-	-	-	-
ES010400	Northern Accomack Wastewater Conveyance, Treatment, and Disposal Study	173	173	-	-	-	-	-	-	-	-	-
ES010500	Chincoteague Treatment Plant Improvements	6,530	2,412	4,118	-	-	-	-	-	-	-	-
ES010600	Onancock Meter Replacement	2,290	2,290	-	-	-	-	-	-	-	-	-
ES010800	Onancock Treatment Plant Solids Handling Improvements	7,220	2,520	4,678	22	-	-	-	-	-	-	-
ES010900	Riverside Nassawadox Treatment Plant Decommissioning	843	838	5	-	-	-	-	-	-	-	-
ES011000	Onancock Pump Station Improvements	1,658	100	125	717	717	-	-	-	-	-	-
	<b>Subtotal</b>	32,650	17,827	9,054	922	4,846	-	-	-	-	-	-
<b>James River</b>												
JR011730	Jefferson Avenue Interceptor Force Main Replacement Phase III	\$ 3,963	\$ 3,962	\$ 2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
JR013200	Lucas Creek-Woodhaven Interceptor Force Main Replacement Phase II	500	500	-	-	-	-	-	-	-	-	-
JR013400	James River Treatment Plant Advanced Nutrient Reduction Improvements	122,357	54,546	48,716	19,094	-	-	-	-	-	-	-
JR013401	James River Treatment Plant MIFAS Conversion Emergency	1,072	715	357	-	-	-	-	-	-	-	-
JR013410	James River Treatment Plant Outfall Modifications	891	222	580	89	-	-	-	-	-	-	-
JR013500	Lucas Creek Pump Station Replacement	10,099	8,077	2,021	1	-	-	-	-	-	-	-
JR013610	James River Treatment Plant Automation Improvements Phase I	9	3	3	3	1	-	-	-	-	-	-
JR013700	Newport News I-I Reduction	16,146	796	3,987	4,545	4,545	2,273	-	-	-	-	-

**FY-2024 to FY-2025**  
**Cash Flow Projections (in thousands)**

CIP No	Project Name	Total 2025 to 2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
JR014000	Center Avenue Force Main Replacement	20,002	-	-	-	-	-	1,381	2,442	16,174	1	1
JR014100	James River Treatment Plant Viewshed Improvements	447	147	66	234	-	-	-	-	-	-	-
JR014200	Kiln Creek Interceptor Force Main Replacement	10,785	851	-	7,447	2,485	1	-	-	-	-	-
JR014300	Morrison Pump Station Replacement	14,239	-	625	1,375	3,446	4,794	3,997	3	-	-	-
JR014400	James River Treatment Plant Primary Clarifier Pipe Rehabilitation	6,339	-	-	336	564	2,815	2,602	22	-	-	-
JR014410	James River Treatment Plant Primary Clarifier Pipes (1 and 2)	550	550	-	-	-	-	-	-	-	-	-
JR014500	James River Treatment Plant Digester and Thickening Building Heating Systems Replacements	9,904	3	343	830	3,978	4,329	420	-	-	-	-
<b>Subtotal</b>		<b>217,302</b>	<b>70,371</b>	<b>56,701</b>	<b>33,956</b>	<b>15,019</b>	<b>14,211</b>	<b>8,400</b>	<b>2,466</b>	<b>16,174</b>	<b>1</b>	<b>1</b>
<b>Middle Peninsula</b>												
MP011700	Middle Peninsula Interceptor Systems Pump Station Control and SCADA Upgrades and Enhancements	\$ 30	\$ 11	\$ 11	\$ 8	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
MP013300	King William Treatment Plant Improvements Phase II	4,554	4,549	5	-	-	-	-	-	-	-	-
MP013500	Middlesex Collection System-Cooks Corner	1	1	-	-	-	-	-	-	-	-	-
MP013710	Middlesex Interceptor System Program Phase II-Saluda Pump Station	2,964	987	988	988	1	-	-	-	-	-	-
MP013720	Middlesex Interceptor System Program Phase II-Hartfield Pump Station	7,025	2,340	2,342	2,342	2	-	-	-	-	-	-
MP013730	Middlesex Interceptor System Program Phase II-Transmission Force Main	31,159	10,385	10,386	10,387	2	-	-	-	-	-	-
MP013810	Middlesex Interceptor System Program Phase III (Deltaville)	6,159	-	-	2,056	4,093	10	-	-	-	-	-
MP014700	Small Communities Rehabilitation Phase IV	352	350	3	-	-	-	-	-	-	-	-
MP014800	Small Communities Rehabilitation Phase V	695	451	239	4	-	-	-	-	-	-	-
MP015000	Sharon Road Gravity Sewer Improvements	1,071	742	327	2	-	-	-	-	-	-	-
MP015100	West Point Pump Station 4 (Thompson Avenue) Rehabilitation	593	591	2	-	-	-	-	-	-	-	-
MP015300	King William Central Crossing Pump Station Rehabilitation	1,629	1,495	135	-	-	-	-	-	-	-	-
MP015500	Small Communities Rehabilitation Phase VI	3,005	1,592	1,409	4	-	-	-	-	-	-	-
MP015600	West Point Treatment Plant Final Effluent Pump Station Improvements	3,374	574	2,780	20	-	-	-	-	-	-	-
MP015610	West Point Treatment Plant Generator Installation	1,130	517	612	1	-	-	-	-	-	-	-
MP015700	West Point Treatment Plant Secondary Clarifier Improvements	3,175	385	2,780	10	-	-	-	-	-	-	-
MP015800	King William Main Pump Station Improvements	4,480	302	2,922	1,250	5	-	-	-	-	-	-

**FY-2024 to FY-2025  
Cash Flow Projections (in thousands)**

CIP No	Project Name	Total 2025 to 2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
MP015900	Middle Peninsula Wastewater Master Plan	224	224	-	-	-	-	-	-	-	-	-
	<b>Subtotal</b>	71,620	25,495	24,940	17,072	4,103	10	-	-	-	-	-
<b>Nansemond</b>												
NP010620	Suffolk Pump Station Replacement	\$ 33,808	\$ 11,451	\$ 13,725	\$ 8,633	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NP012400	Western Branch Sewer System Gravity Improvements	8,919	5,022	3,897	-	-	-	-	-	-	-	-
NP013000	Nansemond Treatment Plant Motor Control Center Replacements	1,909	1,637	273	-	-	-	-	-	-	-	-
NP013700	Nansemond Treatment Plant Struvite Recovery Facility Improvements	12,135	11,198	936	-	-	-	-	-	-	-	-
NP013820	Nansemond Treatment Plant Advanced Nutrient Reduction Improvements Phase II	162,496	138,933	23,563	-	-	-	-	-	-	-	-
NP013901	Chesapeake I-I Reduction Phase I	38,427	1,923	9,298	10,882	10,882	5,441	-	-	-	-	-
NP014000	Wilroy Pressure Reducing Station and Off-line Storage Facility	52,747	24,203	26,349	2,196	-	-	-	-	-	-	-
NP014500	Nansemond Treatment Plant Regional Residuals Facility Upgrade	992	992	-	-	-	-	-	-	-	-	-
NP014700	Nansemond Treatment Plant Digester Capacity Upgrades	13,875	11,889	1,986	-	-	-	-	-	-	-	-
NP014800	High Priority Projects Round 2 Project 8	22,781	-	-	-	147	295	295	295	295	1,047	1,424
NP014900	Nansemond Treatment Plant Interceptors Storage Yard	390	357	33	-	-	-	-	-	-	-	-
NP015100	Nansemond Treatment Plant Administration Building Replacement	11,748	35	353	3,869	7,490	-	-	-	-	-	-
NP015400	Nansemond Treatment Plant Solids Drying Feasibility and Site Study	300	-	171	129	-	-	-	-	-	-	-
NP015500	Town of Dendron Discharge Force Main Replacement	1,955	1,019	936	-	-	-	-	-	-	-	-
NP015600	Lawnes Point Treatment Plant, Pump Station, and Force Main Conversion	7,855	-	-	-	-	-	433	3,265	4,158	-	-
NP015700	George Washington Interceptor Force Main Extension Part 2 (SF-140) Segmental Replacement at St. Julian's Creek	617	47	180	390	-	-	-	-	-	-	-
NP015800	North Churchill Interceptor Force Main (SF-206) Segmental Replacement at Swannanoa Drive	902	68	262	571	-	-	-	-	-	-	-
NP015900	Nansemond Treatment Plant Anaerobic Digester Capacity Improvements	19,700	-	375	825	1,200	4,338	8,625	4,338	-	-	-
	<b>Subtotal</b>	372,572	208,775	82,338	27,496	19,721	10,073	9,353	7,898	4,452	1,047	1,424
<b>Surry</b>												
SU010400	Surry Force Main and Pump Station-Dominion Power Extension	\$ 6,141	\$ 6,071	\$ 71	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>Subtotal</b>	6,141	6,071	71	-	-	-	-	-	-	-	-

**FY-2024 to FY-2025**  
**Cash Flow Projections (in thousands)**

CIP No	Project Name	Total 2025 to 2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
<b>Virginia Initiative Plant</b>												
VP010920	Norview Estabrook Division I 18-Inch Force Main Replacement Phase II, Section 2	\$ 2,499	\$ 2,499	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
VP014010	Ferebee Avenue Pump Station Replacement	13,386	5,373	8,013	-	-	-	-	-	-	-	-
VP014022	Sanitary Sewer Replacement 1950 - Part 2	12,236	6,674	5,562	-	-	-	-	-	-	-	-
VP014700	Ingleside Road Pump Station Replacement	464	464	-	-	-	-	-	-	-	-	-
VP014800	Lee Avenue-Wesley Street Horizontal Valve Replacement	3,131	3,131	-	-	-	-	-	-	-	-	-
VP015320	Larchmont Area Sanitary Sewer Improvements	48,194	16,595	15,684	15,684	115	115	-	-	-	-	-
VP015410	City Park Pump Station (PS 106) Replacement	10,151	4,200	4,200	1,750	-	-	-	-	-	-	-
VP015420	Luxembourg Pump Station (PS 113) Replacement and Ashland Sewer Extension	25,597	10,592	10,592	4,413	-	-	-	-	-	-	-
VP015430	Chesapeake Boulevard Pump Station (PS 105) Replacement and Norfolk Pump Station (PS 57) Rehabilitation	19,083	193	4	4	18,883	-	-	-	-	-	-
VP016500	Norview-Estabrook Division I 12- Inch Force Main Replacement	1,823	1,823	-	-	-	-	-	-	-	-	-
VP016700	Norview-Estabrook Division I 18-Inch Force Main Replacement Phase III	2,094	2,094	-	-	-	-	-	-	-	-	-
VP017120	Central Norfolk Area Gravity Sewer Improvements Phase II	3,839	3,821	18	-	-	-	-	-	-	-	-
VP018000	Park Avenue Pump Station Replacement	5,811	4,981	830	-	-	-	-	-	-	-	-
VP018301	VIP Service Area I-H Reduction Phase I (PORTS)	7,314	1,384	3,360	2,533	38	-	-	-	-	-	-
VP018302	Portsmouth Pump Station Upgrades (VIP-HPP-04B)	12,533	-	-	-	-	-	-	-	-	-	-
VP018303	VIP Service Area I-H Reduction Phase III (PORTS)	8,344	1,544	3,840	2,920	40	-	-	-	-	-	-
VP018304	Camden Avenue Pump Station Upgrades (VIP-HPP-04D)	6,522	-	-	-	-	167	201	176	1,055	1,969	1,969
VP018305	Camden Avenue Gravity Improvements (VIP-HPP-04E)	7,554	-	-	-	-	125	195	198	1,255	2,312	2,312
VP018400	State Street Pressure Reducing Station and Offline Storage (VIP- HPP-05)	22,533	-	-	-	89	178	178	178	178	178	178
VP018500	Elizabeth River Crossing Reliability Improvements	112	111	1	-	-	-	-	-	-	-	-
VP018800	Virginia Initiative Plant Administration Building Renovation	9,588	3,479	3,479	2,629	-	-	-	-	-	-	-
VP019000	Colley Ave Pump Station Pump Replacement	1,576	788	788	-	-	-	-	-	-	-	-
VP019100	Virginia Initiative Plant Incinerator Burner Replacement	368	368	-	-	-	-	-	-	-	-	-
VP019200	Virginia Initiative Plant Motor Control Center Replacements	8,608	4,491	4,117	-	-	-	-	-	-	-	-
VP019300	Norfolk I-H Reduction	11,625	653	2,543	3,372	3,372	1,686	-	-	-	-	-
VP019400	High Priority Projects Round 2 Project 5	17,787	-	-	-	37	74	74	74	74	617	652

**FY-2024 to FY-2025  
Cash Flow Projections (in thousands)**

CIP No	Project Name	Total 2025 to 2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
VP019700	Plume Street Pump Station Replacement (SS-PS-121)	6,181	250	-	551	1,210	3,337	834	-	-	-	-
VP019800	Virginia Initiative Plant Aeration Tank and Primary Clarifier Gate Replacement	15,312	788	788	788	3,520	3,520	3,520	2,388	-	-	-
<b>Subtotal</b>		<b>232,027</b>	<b>76,295</b>	<b>63,821</b>	<b>34,644</b>	<b>27,302</b>	<b>9,201</b>	<b>5,001</b>	<b>3,014</b>	<b>2,562</b>	<b>5,076</b>	<b>5,111</b>
<b>Williamsburg</b>												
WB012500	Lodge Road Pump Station Upgrades	\$ 1,873	\$ -	\$ -	\$ -	\$ 49	\$ 195	\$ 1,015	\$ 610	\$ 3	\$ -	\$ -
WB013100	Williamsburg Treatment Plant Outfall Flow Control System Repairs	3,927	3,923	4	-	-	-	-	-	-	-	-
WB013200	York County I-I Reduction	31,602	1,581	7,861	8,864	8,864	4,432	-	-	-	-	-
WB013201	Lodge Road Pump Station Extended Wet Well	221	-	9	14	23	51	83	41	-	-	-
WB013202	Williamsburg Crossing Pressure Reducing Station, Force Main and Storage Tank Improvements	19,181	-	-	-	212	423	423	940	1,199	1,199	2,797
WB013400	Williamsburg Treatment Plant Headworks Influent and Effluent Pipe Rehabilitation	3,087	270	1,522	1,295	-	-	-	-	-	-	-
WB013500	Williamsburg Treatment Plant Intermediate Clarifier Wet Weather and Phosphorus Removal System Improvements	10,205	385	721	-	-	-	-	-	-	-	-
WB013600	Williamsburg Treatment Plant Influent Loading Reduction Improvements	32,440	2,025	4,232	5,063	7,040	7,040	7,040	-	-	-	-
WB013700	North Trunk IFM Part A (NF-002) Replacement	1,994	-	-	-	-	-	-	-	-	-	173
WB013800	Williamsburg Treatment Plant Distributed Control System Improvements	4,960	-	-	40	475	4,066	379	-	-	-	-
WB013810	Williamsburg Treatment Plant Distributed Control System Improvements (Gravity Thickener Building)	571	571	-	-	-	-	-	-	-	-	-
WB013900	Williamsburg Treatment Plant Solids Handling Improvements	23,637	8	1,401	2,306	2,169	6,219	6,219	5,270	44	-	-
WB013910	Williamsburg Treatment Plant Emissions Monitoring System	500	500	-	-	-	-	-	-	-	-	-
WB014000	Williamsburg Treatment Plant Systems Coatings Rehabilitation	4,285	458	1,063	1,063	1,063	640	-	-	-	-	-
WB014100	Williamsburg Treatment Plant FOG and Cake Receiving Improvements	31,330	-	-	8	1,857	3,056	2,876	8,244	8,244	6,986	58
<b>Subtotal</b>		<b>146,905</b>	<b>9,722</b>	<b>16,813</b>	<b>18,652</b>	<b>21,751</b>	<b>26,122</b>	<b>18,035</b>	<b>15,106</b>	<b>9,490</b>	<b>8,185</b>	<b>3,028</b>
<b>York River</b>												
YR010300	Foxridge, Woodland Road and Fox Hill Road Gravity Sewer Rehabilitation	\$ 4,025	\$ 4,022	\$ 4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
YR010520	Magruder Mercury Interceptor Force Main Replacement - Section B	11,958	2,609	8,625	723	-	-	-	-	-	-	-
YR010530	Magruder Mercury Interceptor Force Main Replacement - Section C	6,913	-	-	-	111	630	6,173	-	-	-	-
YR010900	Tabb Pressure Reducing Station and Offline Storage Facility	29,471	16,826	12,626	19	-	-	-	-	-	-	-

**FY-2024 to FY-2025**  
**Cash Flow Projections (in thousands)**

CIP No	Project Name	Total 2025 to 2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
YR011900	Bethel-Poquoson Force Main Part III Replacement	338	286	53	-	-	-	-	-	-	-	-
YR013900	York River System Isolation Valve Installation and Replacement	457	457	-	-	-	-	-	-	-	-	-
YR014000	York River Treatment Plant Administration Building Renovation	198	198	-	-	-	-	-	-	-	-	-
YR014200	LaSalle Avenue Boat Harbor to York River Interconnect Force Main	16,815	-	-	-	1,139	4,503	9,572	1,600	-	-	-
YR014300	Bethel-Poquoson Force Main Phase II (Wythe Creek Road) Replacement	515	515	-	-	-	-	-	-	-	-	-
YR014600	Bethel-Poquoson Force Main Part IV Replacement-Wythe Creek Exposed Crossing	708	708	-	-	-	-	-	-	-	-	-
YR014700	Coliseum PRS Off-Line Storage Tank Odor Control Upgrades	435	431	4	-	-	-	-	-	-	-	-
YR014900	York River DEMON Upgrades	430	287	143	-	-	-	-	-	-	-	-
YR015000	York River Treatment Plant Switchgear and Motor Control Center Replacements	13,500	2,007	2,189	2,189	2,189	2,189	2,189	547	-	-	-
	<b>Subtotal</b>	<b>85,765</b>	<b>28,346</b>	<b>23,644</b>	<b>2,931</b>	<b>3,440</b>	<b>7,322</b>	<b>17,934</b>	<b>2,148</b>	-	-	-
<b>General</b>												
GN013300	Treatment Plant Grease Handling Facilities	\$ 8	\$ 8	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
GN014900	North Shore Gravity Sewer Improvements Phase I	1,387	1,387	-	-	-	-	-	-	-	-	-
GN015000	South Shore Gravity Sewer Improvements Phase I	1,305	1,305	-	-	-	-	-	-	-	-	-
GN015300	Interceptor System Valve Improvements Phase I	2,638	2,634	4	-	-	-	-	-	-	-	-
GN015400	South Shore Aerial Crossing Improvements	189	189	-	-	-	-	-	-	-	-	-
GN015800	North Shore Automated Diversion Facilities	785	785	-	-	-	-	-	-	-	-	-
GN016311	Outfall Dispersion Modeling for Full Scale SWIFT	1,021	100	-	-	-	-	229	230	230	232	-
GN016320	Program Management of SWIFT Full Scale Implementation	39,149	6,499	6,499	6,499	3,780	3,743	3,978	2,754	2,765	2,631	-
GN016331	SWIFT Managed Aquifer Recharge Services	129	129	-	-	-	-	-	-	-	-	-
GN016344	James River Land Improvements - Phase I	2,287	2,287	-	-	-	-	-	-	-	-	-
GN016346	Boat Harbor Transmission Force Main Land Acquisition	3,577	3,577	-	-	-	-	-	-	-	-	-
GN016347	James River Land Improvements - Phase II	2,287	426	995	866	-	-	-	-	-	-	-
GN016360	James River SWIFT Facility	141,809	99,081	30,641	12,087	-	-	-	-	-	-	-
GN016362	James River Recharge Wells (Off Site)	15,281	14,796	484	-	-	-	-	-	-	-	-
GN016363	James River Recharge Well Enhancements	305	102	198	5	-	-	-	-	-	-	-
GN016380	Nansemond SWIFT Facility	562,811	33,370	132,799	132,430	132,311	131,901	-	-	-	-	-
GN016381	Nansemond Recharge Wells	67,341	939	13,318	35,367	17,522	195	-	-	-	-	-
GN016382	Nansemond Recharge Wells (Off Site)	55,089	758	10,899	28,848	14,402	182	-	-	-	-	-
GN016383	Nansemond Recharge Well Integration	55,997	467	582	5,824	37,252	11,871	-	-	-	-	-

**FY-2024 to FY-2025  
Cash Flow Projections (in thousands)**

CIP No	Project Name	Total 2025 to 2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
GN016390	VIP SWIFT Tertiary Preliminary Engineering	5,377	2,116	3,261	-	-	-	-	-	-	-	-
GN016391	VIP SWIFT Tertiary Site Work	32,021	-	-	1,045	23,027	7,949	-	-	-	-	-
GN016392	VIP SWIFT Tertiary Facility	323,886	-	-	8,145	4,328	67,470	83,943	80,000	80,000	-	-
GN016700	Treatment Plant Solids Handling Replacement Phase II	11,068	1,720	5,333	4,006	9	-	-	-	-	-	-
GN017200	Interceptor Systems Pump Station Control and SCADA Upgrades and Enhancements Phase II	2,081	1,921	160	-	-	-	-	-	-	-	-
GN017300	Treatment Plant Dewatering Improvement Program	18,594	-	-	-	-	-	-	-	2,721	5,442	5,442
GN017400	Treatment Plant Dewatering Replacement Phase III	9,101	2,209	4,588	2,304	-	-	-	-	-	-	-
GN017500	Fleet Management Program	6,611	-	1,653	1,653	1,653	1,653	-	-	-	-	-
GN017900	Solids System Improvements for Army Base MHI Offline	1,277	1,277	-	-	-	-	-	-	-	-	-
GN018600	North Shore Galvanic Cathodic Protection Rehabilitation	1,878	1,251	616	11	-	-	-	-	-	-	-
GN018700	South Shore Galvanic Cathodic Protection Rehabilitation Phase I	2,618	668	1,922	28	-	-	-	-	-	-	-
GN018800	South Shore Galvanic Cathodic Protection Rehabilitation Phase II	2,519	1,699	809	11	-	-	-	-	-	-	-
GN018900	Pump Station Motor Control Center Replacements - Phase I	2,531	799	799	799	133	-	-	-	-	-	-
GN019300	Fleet Management (FY24)	2,079	2,079	-	-	-	-	-	-	-	-	-
GN019400	Water Quality Department Instrumentation Equipment Program	5,221	-	755	755	755	755	755	755	692	-	-
GN019600	Interceptor Systems Pump Station Control and SCADA Upgrades and Enhancements Phase III	10,296	1,134	2,130	3,833	3,195	5	-	-	-	-	-
GN019700	Treatment Plant Dewatering Improvement Phase IV	8,646	2,163	4,569	1,912	1	-	-	-	-	-	-
GN019800	Treatment Plant Dewatering Improvement Phase V	3,492	-	-	229	354	2,053	856	-	-	-	-
GN019900	Treatment Plant Dewatering Improvement Phase VI	3,492	-	-	-	-	229	354	2,053	856	-	-
GN020000	Solar Panel Installation Phase I	1,088	-	25	304	304	304	152	-	-	-	-
GN020100	VIP and Army Base Treatment Plant Secondary Clarifier Weir Cover Installation	1,067	914	152	-	-	-	-	-	-	-	-
GN020200	Treatment Plant Fire Suppression System Upgrades	800	800	-	-	-	-	-	-	-	-	-
GN020300	High Priority Inflow and Infiltration Reduction Program	1,032	578	454	-	-	-	-	-	-	-	-
GN020400	Fleet Management (FY25)	4,030	4,030	-	-	-	-	-	-	-	-	-
GN020500	Water Quality Department Instrumentation Equipment (FY25)	1,080	1,080	-	-	-	-	-	-	-	-	-
GN020600	Development Plan 2025	500	239	261	-	-	-	-	-	-	-	-
GN020700	Hypochlorite Generation Facility	19,490	-	-	100	-	800	6,090	12,167	333	-	-
GN020800	North Shore Pump Station Influent Valve Installations	700	698	3	-	-	-	-	-	-	-	-
GN020900	Microbial Source Tracking Identified Locality Repair Program	4,500	-	500	1,000	1,000	1,000	1,000	-	-	-	-
GN020910	Microbial Source Tracking Identified Locality Repairs (FY25)	300	300	-	-	-	-	-	-	-	-	-



**FY-2024 to FY-2025**  
**Cash Flow Projections (in thousands)**

CIP No	Project Name	Total 2025 to 2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
GN021000	Regional Granular Activated Carbon Reactivation Facility	226,043	-	-	-	-	-	10,635	11,087	15,799	77,608	77,608
GN021100	Biosolids Data Visualization and Management Tool	300	300	-	-	-	-	-	-	-	-	-
GN021200	Conceptual Project Development (FY25)	500	500	-	-	-	-	-	-	-	-	-
<b>Subtotal</b>		1,629,316	197,314	224,408	248,061	240,026	230,109	107,991	109,045	103,396	85,914	83,050
<b>Future Improvements</b>												
IP020000	Infrastructure Risk Reduction Program	510,351	-	-	-	-	-	61,161	74,444	104,307	133,921	136,518
<b>Subtotal</b>		510,351	-	-	-	-	-	61,161	74,444	104,307	133,921	136,518
<b>CIP TOTAL</b>		4,082,233	891,304	639,000	485,263	427,778	361,111	277,778	250,000	250,000	250,000	250,000



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**UNITED STATES  
ENVIRONMENTAL PROTECTION AGENCY  
WIFIA LOAN AGREEMENT**

**for up to \$268,087,870**

**with**

**HAMPTON ROADS SANITATION DISTRICT**

**for the**

**SUSTAINABLE WATER INITIATIVE FOR TOMORROW  
(SWIFT) – TRANCHE 3 PROJECT  
(WIFIA – N19153VA)**

**Dated as of September 30, 2024**

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## **SCHEDULES**

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## **EXHIBITS**

**EXHIBIT A** – [Reserved]

**EXHIBIT B** – WIFIA Debt Service



## WIFIA LOAN AGREEMENT

**THIS WIFIA LOAN AGREEMENT** (this “**Agreement**”), dated as of September 30, 2024, is by and between **HAMPTON ROADS SANITATION DISTRICT**, a political subdivision of the Commonwealth of Virginia, with an address at 1434 Air Rail Avenue, Virginia Beach, VA 23455 (the “**Borrower**”), acting by and through the **HAMPTON ROADS SANITATION DISTRICT COMMISSION**, the governing body of the Borrower (the “**Commission**”), and the **UNITED STATES ENVIRONMENTAL PROTECTION AGENCY**, an agency of the United States of America, acting by and through the Administrator of the Environmental Protection Agency, with an address at 1200 Pennsylvania Avenue NW, Washington, DC 20460 (the “**WIFIA Lender**”).

### RECITALS:

WHEREAS, the Congress of the United States of America enacted the Water Infrastructure Finance and Innovation Act, as amended by Section 1445 of the Fixing America’s Surface Transportation Act of 2015, as further amended by Section 5008 of the Water Infrastructure Improvements For the Nation Act of 2016 and by Section 4201 of America’s Water Infrastructure Act of 2018, which is codified as 33 U.S.C. §§ 3901-3915;

WHEREAS, the Act authorizes the WIFIA Lender to enter into agreements to provide financial assistance with one or more eligible entities to make secured loans with appropriate security features to finance a portion of the eligible costs of projects eligible for assistance;

WHEREAS, the Borrower submitted an application for WIFIA financial assistance on March 27, 2020, and supplemented such application on May 20, 2024, and the Borrower and the WIFIA Lender entered into that certain WIFIA Master Agreement, dated as of September 28, 2020 and amended and restated as of September 30, 2024 (as so amended, the “**WIFIA Master Agreement**”), pursuant to which the parties thereto have set forth certain common terms and conditions applicable to each WIFIA loan and project under the Master Program;

WHEREAS, the Borrower has submitted a WIFIA Loan Request, received May 22, 2024 (the “**Project WIFIA Loan Request**”), to the WIFIA Lender pursuant to the WIFIA Master Agreement and thereby requested that the WIFIA Lender make the WIFIA Loan (as defined below) in a principal amount not to exceed \$268,087,870 to be used to pay a portion of the Eligible Project Costs related to the Project (as defined below);

WHEREAS, as of the date hereof, the Administrator has approved WIFIA financial assistance for the Project to be provided in the form of the WIFIA Loan, subject to the terms and conditions contained herein and in the WIFIA Master Agreement;

WHEREAS, based on the Project WIFIA Loan Request, the Application, the WIFIA Master Agreement and the representations, warranties and covenants set forth herein and therein, the WIFIA Lender proposes to make funding available to the Borrower through the purchase of the WIFIA Bond (as defined below) to be issued by the Borrower, upon the terms and conditions set forth herein and in the WIFIA Master Agreement;

WHEREAS, the Borrower agrees to repay any amount due pursuant to this Agreement and the WIFIA Bond in accordance with the terms and provisions of this Agreement, the WIFIA Master Agreement, the WIFIA Bond and the Trust Agreement; and

WHEREAS, the WIFIA Lender has entered into this Agreement in reliance upon, among other things, the information and representations of the Borrower set forth in the Project WIFIA Loan Request, the Application, the WIFIA Master Agreement, and the supporting information provided by the Borrower.

NOW, THEREFORE, the premises being as stated above, and for good and valuable consideration, the receipt and sufficiency of which are acknowledged to be adequate, and intending to be legally bound hereby, it is hereby mutually agreed by and between the Borrower and the WIFIA Lender as follows:

## **ARTICLE I DEFINITIONS AND INTERPRETATION**

Section 1. **Definitions.** Each capitalized term used in this Agreement (including in the recitals hereto) and not otherwise defined herein shall have the meaning assigned to such term in the WIFIA Master Agreement. Any term used in this Agreement (including in the recitals hereto) that is defined by reference to any other agreement shall continue to have the meaning specified in such agreement, whether or not such agreement remains in effect. In addition, as used in this Agreement (including in the recitals hereto), the following terms have the following meanings:

“**Agreement**” has the meaning provided in the preamble hereto.

“**Anticipated WIFIA Loan Disbursement Schedule**” means the anticipated disbursement schedule reflected in the applicable column of Exhibit B (*WIFIA Debt Service*), setting forth the anticipated disbursement of proceeds of the WIFIA Loan, as such schedule may be amended from time to time pursuant to Section 4 (*Disbursement Conditions*).

“**Construction Schedule**” means (a) the initial schedule or schedules on which the construction timetables for the Project are set forth, attached as Schedule II (*Construction Schedule*), and (b) any updates thereto included in the periodic reports submitted to the WIFIA Lender pursuant to Section 16(d) (*Reporting Requirements – Construction Reporting*) of the WIFIA Master Agreement most recently approved by the WIFIA Lender.

“**Final Maturity Date**” means the earlier of (a) January 1, 2059 (or such earlier date as is set forth in an updated Exhibit B (*WIFIA Debt Service*) pursuant to Section 8(d) (*Payment of Principal and Interest – Adjustments to Loan Amortization Schedule*) of the WIFIA Master Agreement); and (b) the Principal Payment Date immediately preceding the date that is thirty-five (35) years following the Substantial Completion Date.

“**First Payment Date**” means the earlier to occur of (a) the January 1 or July 1 immediately following the Initial Disbursement Date and (b) the Payment Date on or immediately preceding the fifth (5<sup>th</sup>) anniversary of the Substantial Completion Date.

“**Interest Payment Date**” means each January 1 and July 1.

**“Loan Amortization Schedule”** means the loan amortization schedule reflected in the applicable column of Exhibit B (*WIFIA Debt Service*), as amended from time to time in accordance with Section 8(d) (*Payment of Principal and Interest – Adjustments to Loan Amortization Schedule*) of the WIFIA Master Agreement.

**“Principal Payment Date”** means each January 1 and July 1, beginning on the date set forth as the “Initial Principal Payment Date” on the Loan Amortization Schedule.

**“Project”** means the Borrower’s Sustainable Water Initiative for Tomorrow (SWIFT) – Tranche 3 Project, located at various locations within the Borrower’s service area, as described in further detail in Schedule III (*Project*).

**“Project Budget”** means the budget for the Project attached to this Agreement as Schedule I (*Project Budget*) showing a summary of Total Project Costs with a breakdown of all Eligible Project Costs and the estimated sources and uses of funds for the Project.

**“Project WIFIA Loan Request”** has the meaning provided in the recitals hereto.

**“Projected Substantial Completion Date”** means March 30, 2029, as such date may be adjusted in accordance with Section 16(d) (*Reporting Requirements – Construction Reporting*) of the WIFIA Master Agreement.

**“WIFIA Bond”** means the Bond issued and delivered by the Borrower in substantially the form of Exhibit A (*Form of WIFIA Bond*) to the WIFIA Master Agreement.

**“WIFIA Loan”** means the secured loan made by the WIFIA Lender to the Borrower on the terms and conditions set forth herein, in the WIFIA Master Agreement and in the WIFIA Bond, pursuant to the Act, in a principal amount not to exceed \$268,087,870, to be used in respect of Eligible Project Costs with respect to the Project.

**“WIFIA Loan Agreement Effective Date”** means the date of this Agreement.

**“WIFIA Master Agreement”** has the meaning provided in the recitals hereto.

**“WIFIA Resolution”** means that certain Resolution Authorizing the Issuance and Award of a Hampton Roads Sanitation District Wastewater Revenue Bond, adopted by the Commission on September 24, 2024, authorizing the execution and delivery of this Agreement and the WIFIA Bond and certain related actions by the Borrower in connection with the issuance of the WIFIA Loan.

**“WIFIA Series Agreement”** means that certain Twelfth Supplemental Trust Agreement, dated as of September 30, 2024, by and between the Borrower and the Trustee.

## Section 2. Interpretation.

(a) Except as otherwise expressly provided herein, the rules of interpretation set forth in Section 2 of the WIFIA Master Agreement shall apply herein, *mutatis mutandis*, as if set out in this Agreement in full (and as if each reference therein to “this Agreement” were a

reference to this Agreement, and each reference to any “WIFIA Loan” or any “WIFIA Bond” were a reference, respectively, to the WIFIA Loan or the WIFIA Bond as such terms are defined in this Agreement).

(b) This Agreement is one of the WIFIA Loan Agreements referenced in the WIFIA Master Agreement.

## **ARTICLE II THE WIFIA LOAN**

Section 3. WIFIA Loan Amount. The principal amount of the WIFIA Loan shall not exceed \$268,087,870. WIFIA Loan proceeds available to be drawn shall be disbursed from time to time in accordance with Section 4 (Disbursement Conditions) hereof and Section 11(c) (Conditions Precedent – Conditions Precedent to Disbursements) of the WIFIA Master Agreement.

Section 4. Disbursement Conditions. The WIFIA Loan shall be disbursed in accordance with Section 4 (Disbursement Conditions) of the WIFIA Master Agreement.

Section 5. [Reserved].

Section 6. Interest Rate. The interest rate with respect to the Outstanding WIFIA Loan Balance for the WIFIA Loan shall be four and fifteen hundredths percent (4.15%) per annum. Interest will accrue and be computed on the Outstanding WIFIA Loan Balance from time to time pursuant to, and otherwise in accordance with, with Section 6 (Interest Rate) of the WIFIA Master Agreement.

Section 7. [Reserved].

Section 8. Payment of Principal and Interest.

(a) Payment of WIFIA Debt Service. Payments of WIFIA Debt Service shall be made by the Borrower on each Payment Date occurring on or after the First Payment Date as provided in Section 8(a) (Payment of Principal and Interest – Payment of WIFIA Debt Service) of the WIFIA Master Agreement. No portion of the interest payable on the WIFIA Loan is intended to be capitalized and added to the Outstanding WIFIA Loan Balance.

(b) WIFIA Bond. As evidence of the Borrower’s obligation to repay the WIFIA Loan, the Borrower shall issue and deliver to the WIFIA Lender, on or prior to the WIFIA Loan Agreement Effective Date, the WIFIA Bond substantially in the form of Exhibit A (Form of WIFIA Bond) to the Master Agreement, having a maximum principal amount of \$268,087,870.

Section 9. Prepayment. The WIFIA Bond shall be prepaid in accordance with Section 9(a) (Prepayment – Mandatory Prepayment) of the WIFIA Master Agreement. The Borrower may prepay the WIFIA Loan in accordance with Section 9(b) (Prepayment – Optional Prepayments) of the WIFIA Master Agreement.

Section 10. Fees and Expenses. The Borrower shall pay to the WIFIA Lender, in each case pursuant to and in accordance with Section 10 (Fees and Expenses) of the WIFIA Master Agreement:

- (a) a one-time Servicing Set-Up Fee equal to \$30,740;
- (b) an annual Construction Period Servicing Fee equal to \$30,740 per annum; provided that the initial Construction Period Servicing Fee shall be in a pro-rated amount equal to \$0 in accordance with Section 10(a)(ii) (Fees and Expenses) of the WIFIA Master Agreement;
- (c) an Operating Period Servicing Fee equal to \$9,220 per annum; and
- (d) any other applicable fees, costs, charges and expenses pursuant to, and otherwise in accordance with, Section 10 (Fees and Expenses) of the WIFIA Master Agreement.

### **ARTICLE III CONDITIONS PRECEDENT**

#### Section 11. Conditions Precedent.

(a) Conditions Precedent to Effectiveness. The effectiveness of this Agreement is subject to the satisfaction, or the WIFIA Lender's written waiver, as determined by the WIFIA Lender in its sole discretion, of each of the conditions precedent to the effectiveness of this Agreement set forth in Section 11(b) (Conditions Precedent – Conditions Precedent to Effectiveness of Each WIFIA Loan Agreement) of the WIFIA Master Agreement (each of which is incorporated by reference herein, *mutatis mutandis*, as if set out in this Agreement in full and as if each reference therein to any "Project," any "WIFIA Loan," any "WIFIA Bond," or any "WIFIA Loan Agreement" were a reference, respectively, to the Project, the WIFIA Loan, the WIFIA Bond, or this Agreement (as such terms are defined in this Agreement)).

(b) Conditions Precedent to Disbursements. Notwithstanding anything in this Agreement to the contrary, the WIFIA Lender's obligation to make any disbursement of the WIFIA Loan to the Borrower (including the initial disbursement hereunder) is subject to the satisfaction or the WIFIA Lender's written waiver, as determined by the WIFIA Lender in its sole discretion, of each of the conditions precedent to disbursements set forth in Section 11(c) (Conditions Precedent – Conditions Precedent to Disbursements) of the WIFIA Master Agreement (each of which is incorporated by reference herein, *mutatis mutandis*, as if set out in this Agreement in full and as if each reference therein to any "WIFIA Loan" or any "WIFIA Loan Agreement" were a reference, respectively, to the WIFIA Loan or this Agreement (as such terms are defined in this Agreement)).

### **ARTICLE IV REPRESENTATIONS AND WARRANTIES**

Section 12. Representations and Warranties of Borrower. The representations and warranties set out in Section 12 (Representations and Warranties of Borrower) of the WIFIA Master Agreement shall be made on the WIFIA Loan Agreement Effective Date and as of each date on which any disbursement of the WIFIA Loan is requested or made, except as otherwise

expressly provided in Section 12 of the WIFIA Master Agreement. Each such representation and warranty is incorporated by reference herein, *mutatis mutandis*, for the benefit of the WIFIA Lender as if set out in this Agreement in full (and as if each reference therein to “this Agreement” were a reference to this Agreement and as if each reference therein to (a) any “Project” or the “Master Program”, (b) any “WIFIA Loan” or (c) any “WIFIA Bond” were a reference, respectively, to (i) the Project, (ii) the WIFIA Loan or (iii) the WIFIA Bond (as such terms are defined in this Agreement)). The Borrower acknowledges that it makes such representations and warranties with the intention of inducing the WIFIA Lender to enter into this Agreement and the other WIFIA Loan Documents and to advance the WIFIA Loan to the Borrower, and that the WIFIA Lender has entered into this Agreement and the other WIFIA Loan Documents on the basis of, and in full reliance on, each such representation and warranty.

Section 13. Representations and Warranties of WIFIA Lender. The representations and warranties set out in Section 13 (*Representations and Warranties of WIFIA Lender*) of the WIFIA Master Agreement shall be made on the WIFIA Loan Agreement Effective Date, *mutatis mutandis*, for the benefit of the Borrower as if set out in this Agreement in full (and as if each reference therein to any “WIFIA Loan” were a reference to the WIFIA Loan (as such term is defined in this Agreement)).

## **ARTICLE V COVENANTS**

Section 14. Covenants. The Borrower covenants and agrees, until the date the WIFIA Loan and all of the obligations of the Borrower under the WIFIA Loan Documents with respect to the WIFIA Loan or the Project (other than contingent indemnity obligations) have been irrevocably paid in full in immediately available funds and the WIFIA Lender no longer has any commitment to make disbursements under this Agreement to the Borrower, unless the WIFIA Lender waives compliance in writing, to comply with each of the covenants set forth in the WIFIA Master Agreement, including Section 14 (*Affirmative Covenants*), Section 15 (*Negative Covenants*) and Section 16 (*Reporting Requirements*) of the WIFIA Master Agreement, which covenants are incorporated by reference herein *mutatis mutandis* as if fully set forth herein (and as if each reference therein to “this Agreement” were a reference to this Agreement and as if each reference therein to (a) any “Project” or the “Master Program,” (b) any “WIFIA Loan” or (c) any “WIFIA Bond” were a reference, respectively, to (i) the Project, (ii) the WIFIA Loan or (iii) the WIFIA Bond (as such terms are defined in this Agreement)).

Section 15. [Reserved].

Section 16. [Reserved].

## **ARTICLE VI EVENTS OF DEFAULT**

Section 17. Events of Default and Remedies.

(a) Each Event of Default set out in Section 17 (*Events of Default and Remedies*) of the WIFIA Master Agreement shall constitute an Event of Default under this

Agreement, except as otherwise expressly provided in Section 17 (Events of Default and Remedies) of the WIFIA Master Agreement.

(b) Upon the occurrence and during the continuation of any Event of Default hereunder, the WIFIA Lender shall have each of the rights and remedies to which it is entitled as provided in and with the same effect as described in Section 17 (Events of Default and Remedies) of the WIFIA Master Agreement.

## **ARTICLE VII MISCELLANEOUS**

Section 18. Governing Law. This Agreement shall be governed by the federal laws of the United States of America, if and to the extent such federal laws are applicable, and the internal laws of the Commonwealth, if and to the extent such federal laws are not applicable.

Section 19. Effectiveness. This Agreement shall be effective on the WIFIA Loan Agreement Effective Date.

Section 20. Termination. This Agreement shall terminate upon the irrevocable payment in full in immediately available funds by the Borrower of the Outstanding WIFIA Loan Balance, together with all accrued interest, fees and expenses with respect thereto; provided that the indemnification requirements of Section 32 (Indemnification) of the Master WIFIA Agreement, as incorporated herein, the reporting and record keeping requirements of Section 14(p) (Affirmative Covenants – Access; Records) of the WIFIA Master Agreement, as incorporated herein, and the payment requirements of Section 10 (Fees and Expenses) shall survive the termination of this Agreement as provided in such sections.

Section 21. Miscellaneous. Article VII (Miscellaneous) of the WIFIA Master Agreement (other than Sections 25 (Governing Law), 34 (Effectiveness) and 35 (Termination) of the WIFIA Master Agreement) shall be incorporated in this Agreement, *mutatis mutandis*, as if set out in this Agreement in full (and as if each reference therein to “this Agreement” were a reference to this Agreement and as if each reference therein to (a) any “Project” or the “Master Program”, (b) any “WIFIA Loan” or (c) any “WIFIA Bond” were a reference, respectively, to (i) the Project, (ii) the WIFIA Loan or (iii) the WIFIA Bond (as such terms are defined in this Agreement)).


*[The remainder of this page intentionally left blank; signature pages immediately follow.]*



IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

**HAMPTON ROADS SANITATION DISTRICT,**  
by its authorized representative

By: 

 y A. Bernas  
General Manager and  
Chief Executive Officer

**UNITED STATES ENVIRONMENTAL  
PROTECTION AGENCY**, acting by and through  
the Administrator of the Environmental Protection  
Agency

By: 

Name: Michael S. Regan

Title: Administrator

**SCHEDULE I**  
**PROJECT BUDGET**

<b>SOURCES OF FUNDS</b>		
WIFIA Loan	268,087,870	36%
Clean Water SRF	73,600,000	10%
Revenue Bonds	268,087,870	36%
Cash	129,637,062	18%
<b>Total Sources</b>	<b>\$739,412,802</b>	<b>100%</b>

<b>USES OF FUNDS</b>		
<b>Project Element</b>	<b>Construction</b>	<b>Total</b>
James River SWIFT (GN016360)	\$112,268,181	\$112,268,181
James River Onsite Recharge Wells (GN016361)	\$6,395,122	\$6,395,122
BH015700 Boat Harbor Treatment Plant Pump Station Conversion	\$159,030,866	\$159,030,866
BH015710 Boat Harbor Treatment Plant Transmission Force Main Section 1	\$85,668,325	\$85,668,325
BH015720 Boat Harbor Treatment Plant Transmission Force Main Section 2	\$22,256,000	\$22,256,000
GN016362 James River Recharge Wells	\$7,778,000	\$7,778,000
JR013400 James River Advanced Nutrient Reduction Improvements	\$26,755,715	\$26,755,715
NP013820 Nansemond Advanced Nutrient Reduction Improvements Phase II	\$55,052,854	\$55,052,854
GN016380 Nansemond SWIFT Facility	\$258,181,900	\$258,181,900
GN016345 Boat Harbor Treatment Plant Pump Station Conversion Land Acquisition	\$3,025,839	\$3,025,839
GN016346 Boat Harbor Transmission Force Main Land Acquisition	\$3,000,000	\$3,000,000
<b>Total Eligible Project Costs</b>	<b>\$739,412,802</b>	<b>\$739,412,802</b>
<b>Total Project Costs</b>	<b>\$739,412,802</b>	<b>\$739,412,802</b>

**SCHEDULE II**

**CONSTRUCTION SCHEDULE**

<b>Project Component Name</b>	<b>Design Completion</b>	<b>Construction Start</b>	<b>Substantial Completion</b>
James River SWIFT (GN016360)	1/31/2023	2/07/2022	04/13/2026
James River Onsite Recharge Wells (GN016361)	12/31/2021	12/31/2021	10/10/2023
SWIFT Program Management (GN016320)	6/30/2033	N/A	N/A
Boat Harbor Treatment Plant Pump Station Conversion (BH015700)	6/20/2023	5/15/2023	10/26/2026
Boat Harbor Treatment Plant Transmission Force Main Section 1 (BH015710)	7/03/2023	5/23/2023	6/30/2025
Boat Harbor Treatment Plant Transmission Force Main Section 2 (BH015720)	2/28/2024	7/18/2024	1/09/2026
James River Offsite Recharge Wells (GN016362)	12/21/2021	11/14/2022	6/29/2025
James River Advanced Nutrient Reduction Improvements (JR013400)	1/31/2023	1/04/2022	4/13/2026
Nansemond Advanced Nutrient Reduction Improvements Phase I (NP013810)	7/31/2021	8/31/202	7/07/2021
Nansemond Advanced Nutrient Reduction Improvements Phase II (NP013820)	12/31/2023	3/01/2023	12/15/2025
Nansemond SWIFT Facility (GN016380)	9/30/2025	6/30/2025	3/30/2029
James River SWIFT Land Acquisition (GN016343)	3/31/2022	3/31/2022	3/31/2022
Boat Harbor Treatment Plant Pump Station Conversion Land Acquisition (GN016345)	12/30/2022	12/30/2022	12/30/2022
Boat Harbor Transmission Force Main Land Acquisition (GN016346)	8/26/2024	8/27/2024	8/27/2024

## **SCHEDULE III**

### **PROJECT**

The Project, the Borrower's Sustainable Water Initiative for Tomorrow (SWIFT) – Tranche 3 Project, consists of the design and construction of new facilities and other improvements to improve the water quality of the Chesapeake Bay. The Project includes the following components:

- (1) James River SWIFT Facility, which includes the design, supply, construction, and commissioning of new facilities that will apply advanced water treatment to highly treated wastewater from the James River Treatment Plant ("JRTP"), with the resulting water meeting drinking water quality standards and compatible with the Potomac Aquifer;
- (2) SWIFT Recharge and Monitoring Well Services, which includes the construction and development of three recharge wells and one on-site monitoring well within the boundaries of the JRTP site; and
- (3) Program Management of SWIFT Full-Scale Implementation, which includes the management of (a) the delivery of the advanced water treatment facilities, recharge wells, monitoring wells, associated pumping and piping systems to support groundwater augmentation, (b) the delivery of the wastewater treatment plant improvements and outfall modifications as necessary to ensure successful SWIFT implementation at proposed facilities, (c) the implementation of the processes, procedures, and systems needed to design, procure, construct, permit, manage, and integrate the new SWIFT related assets into the Borrower's existing systems, and (d) the transaction of the new SWIFT assets to the Borrower's operations and life cycle asset management.
- (4) Boat Harbor Treatment Plant Pump Station Conversion and Transmission Force Main Sections 1 and 2, which includes the conversion of the Boat Harbor Treatment Plant ("BHTP") into a pumping station (including equalization and headworks facilities), the subaqueous crossing of the James River to convey flow to the Nansemond Treatment Plant ("NTP"), and the on-land connection of Section 1 to the NTP;
- (5) James River Advanced Nutrient Reduction Improvements, which includes the design, supply, construction, and commissioning of improvements (including nutrient reduction measures) to the secondary treatment process at the JRTP, in order to provide stable source water quality that meets the influent requirements of the full scale SWIFT facility at the JRTP, and may include demolition of existing facilities as needed to complete this work;
- (6) James River Recharge Wells, which includes the construction and development of seven (7) off-site recharge wells and services for the development, logging, testing and conditioning of the well associated with SWIFT at the JRTP site;

- (7) Nansemond SWIFT Facility, which includes the design and construction of advanced water treatment facilities needed to produce SWIFT water at the NTP;
- (8) Nansemond Advanced Nutrient Reduction Improvements Phases 1 and 2, which includes the planning, design and construction of improvements to the NTP to support reliable treatment of raw, screened wastewater from the BHTP service area and raw influent from the NTP service area; and
- (9) Land Acquisition, which includes the purchase and acquisition of land (a) from the City of Newport News to accommodate the construction of infrastructure for the James River SWIFT project, (b) for the BHTP pump station conversion, and (c) to accommodate the Boat Harbor transmission force main of seven recharge wells and one monitoring well.

**SCHEDULE 12(n)****CONSTRUCTION CONTRACTS**

<b>Contract Name</b>	<b>Effective Date</b>	<b>Construction Contractor</b>	<b>Amount</b>	<b>Description</b>
BH015700 Boat Harbor Treatment Plant Pump Station Conversion	May 23, 2023	MEB General Contractors Inc.	\$169,447,000.00	Construction contract
BH015710 Boat Harbor Treatment Plant Transmission Force Main Section 1(Subaqueous)	April 26, 2022	Garney Companies, Inc.	\$141,862,736.72	Construction contract
BH015720 Boat Harbor Treatment Plant Transmission Force Main Section 2 (Land)	June 25, 2024	Garney Companies, Inc.	\$49,360,500.00	Construction contract
GN016360 James River SWIFT Facility	January 26, 2021	Ulliman Schutte – Alberici Joint Venture	\$285,377,300.00	Construction contract
GN016362 James River Recharge Wells (Off Site)	May 24, 2022	A.C. Schultes of Md., Inc.	\$42,998,200.00	Construction contract
GN016380 Nansemond SWIFT Facility	April 23, 2024	Garney Companies, Inc.	\$574,278,000.00	Construction contract
JR013400 James River Treatment Plant Advanced Nutrient Reduction Improvements	January 26, 2021	Ulliman Schutte – Alberici Joint Venture	\$249,122,998.00	Construction contract
NP013820 Nansemond Treatment Plant Advanced Nutrient Reduction Improvements Phase II	February 22, 2022	Garney Companies, Inc.	\$309,330,229.00	Construction contract



**EXHIBIT A**  
**[RESERVED]**

**EXHIBIT B**  
**WIFIA DEBT SERVICE**

*[See attached]*

**TWELFTH SUPPLEMENTAL TRUST AGREEMENT**

**by and between**

**HAMPTON ROADS SANITATION DISTRICT**

**and**

**THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,  
as Trustee**

**Dated as of September 30, 2024**

**Securing**

**Maximum Principal Amount of**

**\$268,087,870.00**

**Wastewater Revenue Bond  
Series 2024C  
(Federally Taxable)**

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EXHIBIT A – FORM OF 2024C Bond

**THIS TWELFTH SUPPLEMENTAL TRUST AGREEMENT**, dated for convenience of reference as of September 30, 2024 (this “**Supplemental Trust Agreement**”), by and between

**HAMPTON ROADS SANITATION DISTRICT,**

a political subdivision of the Commonwealth of Virginia, by Hampton Roads Sanitation District Commission, the governing body of said District, and

**THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,**

a national banking association duly incorporated and validly existing under the laws of the United States of America and having a Corporate Trust Office in Pittsburgh, Pennsylvania, which is authorized under such laws to exercise trust powers and is subject to examination by federal authority (said banking corporation and any bank or trust company becoming successor Trustee under this Supplemental Trust Agreement being hereinafter sometimes called the “**Trustee**”), supplements the Trust Agreement, dated as of October 1, 2011 (the “**Original Trust Agreement**”), as amended and restated as of March 1, 2016, as amended, and as further amended and restated as of July 1, 2024, and effective on July 16, 2024 (the “**Amended and Restated Trust Agreement**”), between the District and The Bank of New York Mellon Trust Company, N.A. (the Amended and Restated Trust Agreement, as amended and supplemented from time to time, the “**Trust Agreement**”),

**WITNESSETH:**

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

**WHEREAS**, by virtue of Chapter 66 of the Acts of Assembly of Virginia of 1960, as amended (said Chapter 66 as so amended being hereinafter sometimes called the “**Enabling Act**”), the Commission is authorized and empowered, among other things:

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

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

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

**WHEREAS**, the District has applied for financial assistance from the United States Environmental Protection Agency, an agency of the United States of America, acting by and through the Administrator of the Environmental Protection Agency (the “**WIFIA Lender**”) in order to finance eligible projects which qualify for financing under the Water Infrastructure Finance and Innovation Act, as amended by Section 1445 of the Fixing America’s Surface Transportation Act of 2015, as further amended by Section 5008 of the Water Infrastructure Improvements for the Nation Act of 2016 and by Section 4201 of America’s Water Infrastructure Act of 2018; and

**WHEREAS**, the District, acting by and through the Commission, and the WIFIA Lender entered into that certain WIFIA Master Agreement, dated as of September 28, 2020, as amended and restated as of September 30, 2024 (the “**WIFIA Master Agreement**”), pursuant to which the District may request certain loans for eligible projects under a master program; and

**WHEREAS**, the District, acting by and through the Commission, and the WIFIA Lender desire to enter into that certain WIFIA Loan Agreement, dated as of the date of execution and delivery thereof (the “**WIFIA 2024 Loan Agreement**”), pursuant to which the WIFIA Lender will make a loan to the District in the form of principal advances in an aggregate amount up to \$268,087,870.00 (the “**WIFIA Loan**”) to pay a portion of the eligible costs related to the Sustainable Water Initiative for Tomorrow (SWIFT) – Tranche 3 Project (as further described in the WIFIA 2024 Loan Agreement, the “**Project**”); and

**WHEREAS**, the Commission has determined to provide for the issuance under the Trust Agreement at this time of a revenue bond of the District (the “**2024C Bond**”) in the form of a draw-down bond, in a principal amount equal to the aggregate amount of draws thereunder up to Two Hundred Sixty-Eight Million Eighty-Seven Thousand Eight Hundred Seventy Dollars (\$268,087,870.00), to evidence the District’s payment obligation to the WIFIA Lender, in its capacity as the Holder of the 2024C Bond, for amounts drawn, from time to time, under the WIFIA 2024 Loan Agreement; and

**WHEREAS**, the District is entering into this Supplemental Trust Agreement for the purpose of fixing the details of the 2024C Bond; and

**WHEREAS**, the Trustee has accepted the trusts created by this Supplemental Trust Agreement and in evidence thereof has joined in the execution hereof;

**NOW, THEREFORE, THIS SUPPLEMENTAL TRUST AGREEMENT WITNESSETH:** that in consideration of the premises, of the acceptance by the Trustee of the trusts and duties hereby created, and of the purchase and acceptance of the 2024C Bond by the Holder (as defined in the Trust Agreement) thereof, and also for other good and valuable consideration, the receipt whereof is hereby acknowledged, and for the purpose of fixing and declaring the terms and conditions upon which the 2024C Bond is to be issued, authenticated, delivered, secured and accepted by all persons who shall from time to time be or become the Holder thereof, and to secure the payment of the 2024C Bond under this Supplemental Trust Agreement and the interest thereon according to its tenor, purport and effect, and to secure the performance and observance of all the covenants, agreements and conditions, express or implied, therein and herein contained, the Commission has executed and delivered this Supplemental Trust Agreement



in the name of and on behalf of the District, and has agreed and covenanted, and does hereby agree and covenant, with the Trustee and with the Holder, from time to time, of the 2024C Bond, or any part thereof, as follows:

(end of Preamble)

## ARTICLE I

### DEFINITIONS

**Section 1.1 Meaning of Words and Terms.** In addition to words and terms defined in the Trust Agreement, which words and terms are used herein as therein defined, or elsewhere in this Supplemental Trust Agreement, the following words and terms as used in this Supplemental Trust Agreement shall have the following meanings, unless some other meaning is plainly intended.

**“2024C Bond”** means the draw-down Hampton Roads Sanitation District (Virginia) Wastewater Revenue Bond, Series 2024C (Federally Taxable), in the Maximum Principal Amount of \$268,087,870.00.

**“Amended and Restated Trust Agreement”** has the meaning ascribed to such term in the preamble hereto.

**“Commission”** has the meaning ascribed to such term in the recitals hereto.

**“Default Rate”** means an interest rate equal to the sum of (a) the applicable interest rate on the 2024C Bond *plus* (b) two hundred (200) basis points, but in no event greater than the maximum interest rate permitted by law.

**“District”** has the meaning ascribed to such term in the recitals hereto.

**“Electronic Means”** means, e-mail, secure electronic transmission containing applicable authorization codes, passwords or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services under this Supplemental Trust Agreement.

**“Enabling Act”** has the meaning ascribed to such term in the recitals hereto.

**“First Payment Date”** means the January 1 or July 1 immediately following the Initial Disbursement Date with respect to the WIFIA Loan.

**“Instructions”** has the meaning ascribed to such term in Section 6.1.

**“Interest Payment Date”** means each January 1 and July 1, commencing on the First Payment Date.

**“Maximum Principal Amount”** means \$268,087,870.00.

**“Original Trust Agreement”** has the meaning ascribed to such term in the preamble hereto.

**“Outstanding WIFIA Loan Balance”** means the aggregate principal amount of the WIFIA Loan drawn by the District, *minus* the aggregate principal amount of the WIFIA Loan repaid by the District, as determined in accordance with Section 8(d) of the WIFIA Master Agreement.

**“Payment Date”** means each Interest Payment Date and each Principal Payment Date.

**“Principal Payment Date”** means January 1, 2039, and each January 1 and July 1 thereafter until the final maturity date of January 1, 2059, unless adjusted in accordance with the WIFIA 2024 Loan Agreement.

**“Project”** has the meaning ascribed to such term in the recitals hereto.

**“Substantial Completion”** means the stage at which the Project is able to perform the functions for which it was designed.

**“Substantial Completion Date”** means the date on which the District certifies to the WIFIA Lender, with evidence satisfactory to the WIFIA Lender, that Substantial Completion for the Project has occurred.

**“Trust Agreement”** has the meaning ascribed to such term in the preamble hereto.

**“Trustee”** has the meaning ascribed to such term in the preamble hereto.

**“WIFIA 2024 Loan Agreement”** has the meaning ascribed to such term in the recitals hereto.

**“WIFIA Lender”** has the meaning ascribed to such term in the recitals hereto.

**“WIFIA Loan”** has the meaning ascribed to such term in the recitals hereto.

**“WIFIA Master Agreement”** has the meaning ascribed to such term in the recitals hereto.

**Section 1.2 Rules of Construction.** This Supplemental Trust Agreement shall have the same rules of construction as are provided for the Trust Agreement in its Section 102. Any provision of this Supplemental Trust Agreement referring to actions to be taken by the District shall be deemed to refer to the Commission to the extent that the Enabling Act authorizes the Commission to take such action instead of the District.

(end of Article I)

## ARTICLE II

### DETAILS OF THE 2024C BOND

#### Section 2.1 Details of 2024C Bond.

(a) The 2024C Bond shall be issued in accordance with and secured by the Trust Agreement, including in particular the provisions of Section 209 of the Trust Agreement, as supplemented by this Supplemental Agreement, as a Current Interest Bond, in a principal amount not to exceed the Maximum Principal Amount, for the purposes set forth in Section 209 of the Trust Agreement and the Preamble of this Supplemental Trust Agreement. The 2024C Bond shall be issued as a single, registered bond, shall be dated its date of delivery, shall be designated the "Hampton Roads Sanitation District (Virginia) Wastewater Revenue Bond, Series 2024C (Federally Taxable)," shall be numbered R-1, and shall be issued in substantially the form set forth in Exhibit A hereto.

(b) Upon the written request of the District, the Bond Registrar shall authenticate and deliver the 2024C Bond as a draw-down bond to the WIFIA Lender in the Maximum Principal Amount.

(c) Interest on the 2024C Bond shall accrue and be computed on the Outstanding WIFIA Loan Balance from time to time at the rate set forth in the 2024C Bond on the basis of a three hundred sixty (360) day year comprised of twelve (12) thirty (30) day months; provided that upon the occurrence of an event of default under Section 17(a) of the WIFIA Master Agreement, interest on the 2024C Bond shall be computed on the Outstanding WIFIA Loan Balance at the Default Rate in accordance with the provisions of Section 6 of the WIFIA Master Agreement.

(d) Payments due on the 2024C Bond shall be made as follows: (i) semi-annual payments of interest on each Interest Payment Date, (ii) payments of principal on each Principal Payment Date, and (iii) payments of any other amounts on each other date on which payment thereof is required to be made under the WIFIA Master Agreement or under the WIFIA 2024 Loan Agreement; provided in the case of each of the payments referenced in the preceding clauses (i), (ii) and (iii), such payments are made in accordance with the WIFIA Master Agreement and the WIFIA 2024 Loan Agreement.

(e) Any payment in respect of the 2024C Bond shall be treated as a payment in respect of the WIFIA Loan, and any prepayment of principal in respect of the WIFIA Loan shall be treated as a redemption in respect of the 2024C Bond.

(f) Any adjustments or revisions to the loan amortization schedule set forth in Exhibit B to the WIFIA 2024 Loan Agreement shall be deemed to update the amortization schedule attached as Schedule A to the 2024C Bond *mutatis mutandis*.

(g) The provisions for the manner and place of payment of the 2024C Bond shall be in accordance with Section 8(c) of the WIFIA Master Agreement, including the wire instructions set forth in Schedule IV thereof, as the same may be modified in writing from time to time by the WIFIA Lender.

(h) In accordance with the provisions of Section 502 of the Trust Agreement, the District shall make payments directly to the Trustee for deposit to the Bond Fund established in the Trust Agreement in amounts sufficient to pay, when due, the principal of and interest on the 2024C Bond.

(i) In accordance with the provisions of Section 503 and, if applicable, Section 504 of the Trust Agreement, the Trustee shall make payments, when due, of principal of and interest on the 2024C Bond from the funds on deposit in the Bond Fund established in the Trust Agreement.

**Section 2.2 Optional Prepayment.** From any available moneys, the District may, at its option, prepay the 2024C Bond, in whole or in part (and, if in part, the amounts thereof to be prepaid shall be determined by the District; provided that such prepayments shall be in principal amounts of at least \$1,000,000 or any integral multiple of \$1.00 in excess thereof), without penalty or premium, in accordance with Section 9 of the WIFIA Master Agreement and Section 9 of the WIFIA 2024 Loan Agreement.

**Section 2.3 Prepayment Notice.** The District shall send notice of any prepayment of the 2024C Bond to the WIFIA Lender not less than ten (10) days or more than thirty (30) days prior to the date set for prepayment, unless otherwise agreed by the WIFIA Lender. Such notice shall identify the principal amount to be prepaid and the date for such prepayment. At any time between delivery of such written notice and the applicable optional prepayment, the District may, without penalty or premium, rescind the announced optional prepayment by further written notice to the WIFIA Lender. The failure by the District to make any optional prepayment shall not constitute a breach or default under the Trust Agreement, the WIFIA Master Agreement or the WIFIA 2024 Loan Agreement. Upon making any prepayment, the District shall promptly give notice of the same to the Trustee.

**Section 2.4 Cancellation.** Upon the payment or prepayment of the 2024C Bond in full in immediately available funds, the WIFIA Lender shall surrender the 2024C Bond to the Trustee, and the Trustee shall cancel the 2024C Bond upon surrender thereof.

**Section 2.5 Mandatory Prepayment.** The 2024C Bond is subject to acceleration and mandatory prepayment on the terms and conditions set forth in Section 803 of the Trust Agreement and Section 9(a) of the WIFIA Master Agreement, respectively.

**Section 2.6 WIFIA Lender Consent Required for Defeasance.** Notwithstanding the provisions of Section 1201 of the Trust Agreement, the 2024C Bond may not be defeased before its maturity or redemption date without the prior written consent of and upon the terms set by the WIFIA Lender.

(end of Article II)

## **ARTICLE III**

### **APPLICATION OF THE PROCEEDS OF THE 2024C BOND**

#### **Section 3.1    Application of the Proceeds of the 2024C Bond.**

(a)     The proceeds of all principal advances under the 2024C Bond shall be requisitioned as and when needed from the WIFIA Lender in accordance with Section 4 of the WIFIA Master Agreement and Section 4 of the WIFIA 2024 Loan Agreement. Such proceeds shall be used to pay, or reimburse the District for, Eligible Project Costs (as defined in the WIFIA Master Agreement); provided that such costs shall also constitute, for purposes of the Trust Agreement, Issuance Costs of the 2024C Bond or Capital Improvement Program Costs related to the Project. Such proceeds, as and when requisitioned, shall be disbursed directly by the WIFIA Lender to the District, and no deposit shall be required to the Issuance Fund or the Construction Fund established under the Trust Agreement.

(b)     No proceeds of the 2024C Bond or other funds of the District shall be deposited in the Debt Service Reserve Fund established in the Trust Agreement. If the District shall hereafter elect to fund such Debt Service Reserve Fund, the provisions of Section 504 of the Trust Agreement shall control.

(end of Article III)

## ARTICLE IV

### RELEASE

**Section 4.1 Release of this Supplemental Trust Agreement.** When (a) the 2024C Bond secured hereby shall have become due and payable in accordance with its terms or otherwise as provided in this Supplemental Trust Agreement and the whole amount of the principal and the interest so due and payable upon the 2024C Bond shall have been paid in full in immediately available funds, and (b) sufficient funds shall also have been provided or provision made for paying all other obligations payable hereunder by the District, then and in that case the right, title and interest of the Trustee in the funds and accounts mentioned in this Supplemental Trust Agreement shall thereupon cease, determine and become void and, on demand of the District and upon being furnished with an opinion, in form and substance satisfactory to the Trustee, of counsel approved by the Trustee, to the effect that all conditions precedent to the release of this Supplemental Trust Agreement and the payment of the 2024C Bond have been satisfied, the Trustee shall release this Supplemental Trust Agreement and shall execute such documents to evidence such release as may reasonably be required by the District and, subject to the provisions of the Trust Agreement, shall turn over to the District any surplus in, and all balances remaining in, all funds and accounts related to the 2024C Bond. Otherwise, this Supplemental Trust Agreement shall be, continue and remain in full force and effect.

(end of Article IV)

## ARTICLE V

### ADDITIONAL COVENANTS RELATED TO WIFIA LENDER

**Section 5.1 Application of Proceeds Received from the VRA.** Any proceeds received by the Trustee from the VRA pursuant to the terms of that certain Intercreditor Agreement, dated as of September 28, 2020, as amended and restated as of September 30, 2024, by and among the District, the Trustee and the VRA, shall be applied by the Trustee promptly, on a *pro rata* basis among all of the Bonds in accordance with the provisions of Section 805(a) of the Trust Agreement.

**Section 5.2 Additional Restriction on the Incurrence of Additional Indebtedness.** The District covenants that, for purposes of demonstrating compliance with Section 704 of the Trust Agreement (Limitations on Indebtedness), clause (iv) of Section 704(a) of the Trust Agreement shall be deemed not to apply during the Master Availability Period (as defined in the WIFIA Master Agreement) or while there are Outstanding any Bonds (including the 2024C Bond) held by the WIFIA Lender.

**Section 5.3 Modifications to this Article V.** Notwithstanding anything to the contrary in Section 1102 of the Trust Agreement or any other provision of the Trust Agreement or this Supplemental Trust Agreement, neither Section 5.1 above nor Section 5.2 above shall be modified without the prior written consent of the WIFIA Lender.

(end of Article V)



## ARTICLE VI

### MISCELLANEOUS

**Section 6.1 Manner of Giving Notice.** All notices, demands and requests to be given to or made hereunder by the District or the Trustee shall be given or made in writing and shall be deemed to be properly given or made if sent by United States registered mail, return receipt requested, postage prepaid, addressed as follows:

- (a) As to the District—

Hampton Roads Sanitation District  
1434 Air Rail Avenue  
Virginia Beach, Virginia 23455  
Attention: General Manager/Chief Executive Officer

- (b) As to the Trustee—

The Bank of New York Mellon Trust Company, N.A.  
500 Ross Street, 12<sup>th</sup> Floor  
Pittsburgh, Pennsylvania 15262  
Attention: Corporate Trust Department

- (c) As to the Bond Registrar—

The Bank of New York Mellon Trust Company, N.A.  
500 Ross Street, 12<sup>th</sup> Floor  
Pittsburgh, Pennsylvania 15262  
Attention: Corporate Trust Department

Any such notice, demand or request may also be transmitted to the appropriate above-mentioned party by telecopy or telephone and shall be deemed to be properly given or made at the time of such transmission if, and only if, such transmission of notice shall be confirmed in writing and sent as specified above.

The Trustee agrees to accept and act upon instructions or directions, including funds transfer instructions (“**Instructions**”), pursuant to the Trust Agreement or any other document reasonably relating to the 2024C Bond sent by the District by Electronic Means, provided, however, that the District shall provide to the Trustee an incumbency certificate listing designated persons with the authority to provide such Instructions and containing specimen signatures of such designated persons, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. If the District elects to give the Trustee Instructions by Electronic Means and the Trustee, in its discretion, elects to act upon such Instructions, the Trustee’s understanding of such Instructions shall be deemed controlling. The District understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by a designated person listed on the incumbency certificate provided to the Trustee have been sent by such designated person. The District shall be responsible for ensuring that only designated persons

transmit such Instructions to the Trustee and that the District and all designated persons are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords or authentication keys upon receipt by the District. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such Instructions notwithstanding such Instructions conflict or are inconsistent with a subsequent written Instruction. The District agrees (i) to assume all risks arising out of the use of such Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the District; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

Any of such addresses may be changed at any time upon written notice of such change sent by United States registered mail, postage prepaid, to the other parties by the party effecting the change.

All documents received by the Trustee under the provisions of this Supplemental Trust Agreement, or photographic copies thereof, shall be retained in its possession until this Supplemental Trust Agreement shall be released under the provisions of Section 4.1 of this Supplemental Trust Agreement, subject at all reasonable times to the inspection of the District and any Holder and the agents and representatives thereof.

**Section 6.2 Substitute Mailing.** If, because of the temporary or permanent suspension of postal service, the District or the Trustee shall be unable to mail any notice required to be given by the provisions of this Supplemental Trust Agreement, the District or the Trustee shall give notice in such other manner as in the judgment of the District or the Trustee shall most effectively approximate mailing (but, if by unsecured facsimile or electronic transmission, then in compliance with and subject to the provisions of Section 6.1 above) and the giving of notice in such manner shall for all purposes of this Supplemental Trust Agreement be deemed to be in compliance with the requirement for the mailing thereof.

**Section 6.3 Parties, Bond Registrar and the Holder of 2024C Bond Alone Have Rights under Trust Agreement.** Except as herein otherwise expressly provided, nothing in this Supplemental Trust Agreement, express or implied, is intended or shall be construed to confer upon any person, firm or corporation, other than the Trustee, the Bond Registrar, the District and the Holder of the 2024C Bond, any right, remedy or claim, legal or equitable, under or by reason of this Supplemental Trust Agreement or any provision being intended to be and being for the sole and exclusive benefit of the Trustee, the District, the Bond Registrar and the Holder of the 2024C Bond.

**Section 6.4 Effect of Partial Invalidity.** In case any one or more of the provisions of this Supplemental Trust Agreement or the 2024C Bond shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Supplemental Trust Agreement or the 2024C Bond, but this Supplemental Trust Agreement and the 2024C Bond shall be construed and enforced as if such illegal or invalid provisions had not been contained therein. In case any covenant, stipulation, obligation or agreement contained in the 2024C Bond or this Supplemental Trust Agreement shall for any reason be held to be in violation of law, then such covenant, stipulation, obligation or agreement shall be deemed to be the covenant, stipulation, obligation or agreement of the Commission or the District to the full extent permitted by law.

**Section 6.5 Effect of Covenants; Governing Law.** All covenants, stipulations, obligations and agreements of the District contained in this Supplemental Trust Agreement shall be deemed to be covenants, stipulations, obligations and agreements of the District to the full extent permitted by the Constitution and laws of the Commonwealth of Virginia. This Supplemental Trust Agreement shall be governed by the laws of the Commonwealth of Virginia without regard to choice of law principles.

**Section 6.6 No Recourse Against Members, Officers or Employees of Commission or District.** No recourse under, or upon, any statement, obligation, covenant, or agreement contained in this Supplemental Trust Agreement, or in the 2024C Bond hereby secured, or in any document or certification whatsoever, or under any judgment obtained against the Commission or the District or by the enforcement of any assessment or by any legal or equitable proceeding by virtue of any constitution or statute or otherwise or under any circumstances, shall be had against any member, officer or employee, as such, of the Commission or the District, either directly or through the Commission or the District, respectively, or otherwise, for the payment for or to, the Commission or the District or any receiver of either of them, or for, or to, any Holder or otherwise, of any sum that may be due and unpaid upon the 2024C Bond. Any and all personal liability of every nature, whether at common law or in equity or by statute or by constitution or otherwise, of any such member, officer or employee, as such, to respond by reason of any act or omission on his or her part or otherwise, for the payment for, or to, the Commission or the District or any receiver of either of them, or for, or to, any Holder or otherwise, of any sum that may remain due and unpaid upon the 2024C Bond hereby secured, is hereby expressly waived and released as an express condition of, and in consideration for, the execution of this Supplemental Trust Agreement and the issuance of the 2024C Bond.

**Section 6.7 Legal Holidays.** In any case where a Payment Date is not a Business Day, then payment of such principal and interest need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on such Payment Date, and in the case of such payment, no interest shall accrue for the period from and after such date.

**Section 6.8 Multiple Counterparts.** This Supplemental Trust Agreement may be executed in multiple counterparts, each of which shall be regarded for all purposes as an original, and such counterparts shall constitute but one and the same instrument.

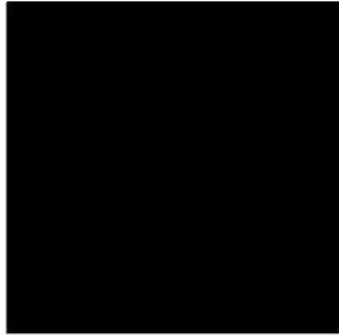
**Section 6.9 Headings.** Any heading preceding the text of the several articles hereof, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Supplemental Trust Agreement, nor shall they affect its meaning, construction or effect.

**Section 6.10 Further Authority.** The officers of the Commission or the District, attorneys, engineers and other agents or employees of the Commission or the District are hereby authorized to do all acts and things required of them by this Supplemental Trust Agreement and the Trust Agreement for the full, punctual and complete performance of all of the terms, covenants and agreements contained in the 2024C Bond and this Supplemental Trust Agreement.

(end of Article VI)

IN WITNESS WHEREOF, the Hampton Roads Sanitation District has caused these presents to be signed in its name and on its behalf and attested by its duly authorized officers and to evidence its acceptance of the trusts hereby created, the Trustee has caused these presents to be signed in its name and on behalf by its duly authorized officer, all as of the 30<sup>th</sup> day of September, 2024.

(Seal)



**HAMPTON ROADS SANITATION  
DISTRICT**

By:

[Redacted signature]

Steven G. de Mik  
Deputy General Manager/Chief Financial Officer  
Hampton Roads Sanitation District Commission

Attest:

By

[Redacted signature]

n Roads Sanitation District  
Commission

**THE BANK OF NEW YORK MELLON  
TRUST COMPANY, N.A., as Trustee**

By:

\_\_\_\_\_  
Authorized Officer

IN WITNESS WHEREOF, the Hampton Roads Sanitation District has caused these presents to be signed in its name and on its behalf and attested by its duly authorized officers and to evidence its acceptance of the trusts hereby created, the Trustee has caused these presents to be signed in its name and on behalf by its duly authorized officer, all as of the 30th day of September, 2024.

**HAMPTON ROADS SANITATION  
DISTRICT**

(Seal)

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

Steven G. de Mik

Deputy General Manager/Chief Financial Officer  
Hampton Roads Sanitation District Commission

Attest:

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

Secretary  
Hampton Roads Sanitation District  
Commission

**THE BANK OF NEW YORK MELLON  
TRUST COMPANY, N.A., as Trustee**

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

Authorized Officer

EXHIBIT A

FORM OF 2024C BOND

*Interest on this bond is not excludable from the gross income of the registered owner hereof for federal income tax purposes.*

No. R-1

HAMPTON ROADS SANITATION DISTRICT  
(VIRGINIA)  
WASTEWATER REVENUE BOND,  
SERIES 2024C  
(FEDERALLY TAXABLE)

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Dated</u>	<u>CUSIP</u>
January 1, 2059	4.15%	September 30, 2024	409327 MV2

Registered Owner: UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Maximum Principal Amount: TWO HUNDRED SIXTY-EIGHT MILLION EIGHTY-SEVEN THOUSAND EIGHT HUNDRED SEVENTY AND 00/100 DOLLARS  
(\$268,087,870.00)

Hampton Roads Sanitation District (the “District”), a political subdivision of the Commonwealth of Virginia, by the Hampton Roads Sanitation District Commission (the “Commission”), the Commission of the District, for value received, promises to pay, but solely from the sources and in the manner hereinafter provided, to the registered owner named above, acting by and through the Administrator of the Environmental Protection Agency or its assigns (the “WIFIA Lender”), the lesser of (x) the Maximum Principal Amount set forth above and (y) the aggregate unpaid principal amount of all disbursements (the “Disbursements”) made by the WIFIA Lender (such lesser amount being hereinafter referred to as the “Outstanding Principal Sum”), together with accrued and unpaid interest (including, if applicable, interest at the Default Rate in accordance with that certain WIFIA Loan Agreement, dated as of September 30, 2024, by and between the WIFIA Lender and the District (the “WIFIA 2024 Loan Agreement”)), on the Outstanding Principal Sum and all fees, costs and other amounts payable in connection therewith, all as more fully described in the WIFIA 2024 Loan Agreement. The principal hereof shall be payable in the manner and at the place provided in the WIFIA 2024 Loan Agreement in accordance with Exhibit B (WIFIA Debt Service) to the WIFIA 2024 Loan Agreement, as revised from time to time in accordance with the WIFIA 2024 Loan Agreement and that certain WIFIA Master Agreement, dated as of September 28, 2020, as amended and restated as of September 30, 2024, by and between the WIFIA Lender and the District (the “WIFIA Master Agreement”), until paid

in full (which Exhibit B, as modified from time to time in accordance with the terms of the WIFIA 2024 Loan Agreement and the WIFIA Master Agreement, is incorporated in and is a part of this Bond). The WIFIA Lender is hereby authorized to modify the loan amortization schedule included in Exhibit B to the WIFIA 2024 Loan Agreement from time to time in accordance with the terms of the WIFIA Master Agreement and the WIFIA 2024 Loan Agreement to reflect the amount of each disbursement made thereunder and the date and amount of principal or interest paid by the District thereunder. Any adjustments or revisions to the loan amortization schedule included in Exhibit B to the WIFIA 2024 Loan Agreement shall be deemed to update the amortization schedule attached as Schedule A hereto *mutatis mutandis*. Absent manifest error, the WIFIA Lender's determination of such matters as set forth on Exhibit B to the WIFIA 2024 Loan Agreement shall be conclusive evidence thereof; provided, however, that neither the failure to make any such recordation nor any error in such recordation shall affect in any manner the District's obligations hereunder or under any other WIFIA Loan Document (as defined in the WIFIA Master Agreement).

Payments on this Bond are to be made in accordance with Section 8(c) (Payment of Principal and Interest – Manner of Payment) and Section 31 (Notices) of the WIFIA Master Agreement as the same become due. Principal of and interest on this Bond shall be paid in funds available on or before the due date and in any lawful coin or currency of the United States of America that at the date of payment is legal tender for the payment of public and private debts.

Interest on this Bond shall accrue and be computed on the Outstanding WIFIA Loan Balance from time to time at the interest rate stated above, on the basis of a three hundred sixty (360) day year comprised of twelve (12) thirty (30) day months; provided that upon the occurrence of any event of default under Section 17(a) of the WIFIA Master Agreement, interest on this Bond shall be computed on the Outstanding WIFIA Loan Balance at the Default Rate in accordance with the provisions of Section 6 of the WIFIA Master Agreement.

This Bond is issued under a trust agreement, dated as of October 1, 2011, between the District and The Bank of New York Mellon Trust Company, N.A., Pittsburgh, Pennsylvania, as Trustee (said banking corporation and any bank or successor trustee under the Trust Agreement being hereinafter referred to as the "Trustee"), as amended and restated as of March 1, 2016, as amended, as further amended and restated as of July 1, 2024, and effective on July 16, 2024, as the same may be amended and supplemented from time to time (the "Trust Agreement"), including pursuant to the Twelfth Supplemental Trust Agreement dated as of September 30, 2024 (the "Twelfth Supplemental Agreement"). The Bond is being issued for the purpose of providing funds, together with other available funds, (i) to finance a portion of the eligible costs of the Project and (ii) to pay a portion of the expenses incurred in connection with the issuance of this Bond by the District. Reference is made to the WIFIA Master Agreement and the WIFIA 2024 Loan Agreement for further terms and conditions relating to the obligations of the District hereunder and thereunder, which terms and conditions shall for all purposes have the same effect as if fully set forth herein. All capitalized terms used in this Bond and not defined herein shall have the meanings set forth in the Twelfth Supplemental Agreement, or if not defined therein, in the Trust Agreement.



This Bond may be prepaid at the option of the District in whole or in part (and, if in part, the principal installments and amounts thereof to be prepaid are to be determined in accordance with the WIFIA 2024 Loan Agreement; provided that such prepayments shall be in principal amounts of at least \$1,000,000 or any integral multiple of \$1 in excess thereof), from time to time, but not more than once in any Fiscal Year, without penalty or premium, by paying to the WIFIA Lender all or part of the principal amount of this Bond in accordance with the WIFIA 2024 Loan Agreement.

This Bond shall be subject to mandatory prepayment on the terms and conditions set forth in the WIFIA Master Agreement, the WIFIA 2024 Loan Agreement and the Trust Agreement.

This Bond is issued and the Trust Agreement was made and entered into under and pursuant to the Constitution and laws of the Commonwealth of Virginia, and particularly in conformity with the provisions, restrictions and limitations of Chapter 66 of the Acts of Assembly of Virginia of 1960, as amended.

The District has agreed to perform, observe and comply with certain covenants, conditions and agreements set forth in the Trust Agreement. The District may incur additional indebtedness, including bonds and other indebtedness secured by the Trust Agreement on a pari passu basis with this Bond for the purposes, under the terms and conditions, and to the extent described therein and in the WIFIA Master Agreement.

This Bond is a special obligation of the District and is payable solely from Net Revenues derived by the District from its Wastewater System and the money attributable to proceeds of the Bond and the income from the investment thereof and not from any other fund or source. This Bond shall not be deemed to constitute a debt, or a pledge of the faith and credit, of the Commonwealth of Virginia or of any county, city, town or political subdivision thereof. The issuance of this Bond shall not directly or indirectly or contingently obligate the Commonwealth of Virginia or any county, city, town or political subdivision thereof to levy or to pledge any form of taxation whatever therefor.

This Bond is issued as a fully registered Bond. The transfer of this Bond is registrable by the registered owner hereof in person or by his attorney or legal representative at the Corporate Trust Office of the Bond Registrar for the delivery of the Bond, but only in the manner and subject to the limitations and conditions provided in the Trust Agreement and upon surrender and cancellation of this Bond. Upon any such registration of transfer, the District shall execute and the Bond Registrar shall authenticate and deliver in exchange for this Bond a new Bond, registered in the name of the transferee, in a principal amount equal to the then outstanding principal amount of this Bond, of the same series and maturity and bearing interest at the same rate.

The Holder of this Bond shall have no right to enforce the provisions of the Trust Agreement or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Trust Agreement, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Trust Agreement and except that the Holder of this Bond may institute action to enforce the payment of the principal of or the interest on this Bond. Any delay on the part of the Holder of this Bond in exercising any right

hereunder shall not operate as a waiver of any such right, and any waiver granted with respect to one default shall not operate as a waiver in the event of any subsequent default.

Upon the occurrence of certain events, and on the conditions, in the manner and with the effect set forth in the Trust Agreement, the Outstanding principal amount of this Bond may become or may be declared due and payable before the stated maturities thereof, together with the interest accrued thereon.

Modifications or alterations of the Trust Agreement or any trust agreement supplemental thereto may be made only to the extent and in the circumstances permitted by the Trust Agreement.

This Bond shall be governed by the laws of the Commonwealth of Virginia without regard to choice of law principles.

All acts, conditions and things required to happen, exist and be performed precedent to and in the issuance of this Bond and the execution of the Trust Agreement have happened, exist and have been performed as so required.

Neither the members, officers or employees of the Commission or the District, nor any person executing this Bond, is liable personally hereon or subject to any personal liability or accountability by reason of issuance hereof.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Trust Agreement until it shall have been authenticated by the execution by the Bond Registrar of the certificate of authentication endorsed hereon.

**IN WITNESS WHEREOF**, the Hampton Roads Sanitation District has caused this Bond to be executed in its name and on its behalf with the [facsimile] signatures of the [Vice] Chair and the Secretary of the Hampton Roads Sanitation District Commission and [a facsimile of] the official seal of said Commission to be impressed hereon and this Bond to be dated the Dated Date.

**HAMPTON ROADS SANITATION DISTRICT**

By \_\_\_\_\_  
[Vice] Chair  
Hampton Roads Sanitation District Commission

By \_\_\_\_\_  
Secretary  
Hampton Roads Sanitation District Commission

[Seal]

## **CERTIFICATE OF AUTHENTICATION**

Date of authentication: \_\_\_\_\_

This Bond is a Bond issued under the provisions of the within-mentioned Trust Agreement.

**THE BANK OF NEW YORK MELLON  
TRUST COMPANY, N.A.,**  
as Bond Registrar

By \_\_\_\_\_  
Authorized Signatory

**[FORM OF ASSIGNMENT]**

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

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[Please Print or Typewrite Name and Address of Transferee]

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_ attorney to register the transfer of the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Date: \_\_\_\_\_

Signature Guaranteed:

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NOTICE: Signature(s) must be guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion Program (STAMP) or similar program.

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NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.