ANNUAL BUDGET

For Fiscal Year 2026

(July 1, 2025 - June 30, 2026)

HRSD

Sustainable, Innovative Wastewater Treatment

HAMPTON ROADS SANITATION DISTRICT

A Political Subdivision of the
Commonwealth of Virginia

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HRSD

Sustainable, Innovative Wastewater Treatment

INTRODUCTION

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General Manager/CEO's Introduction

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

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

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

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

Chesapeake Bay Restoration

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

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

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

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

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

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

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

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

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

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

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

** Provide a sustainable source of groundwater*

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

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

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

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

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

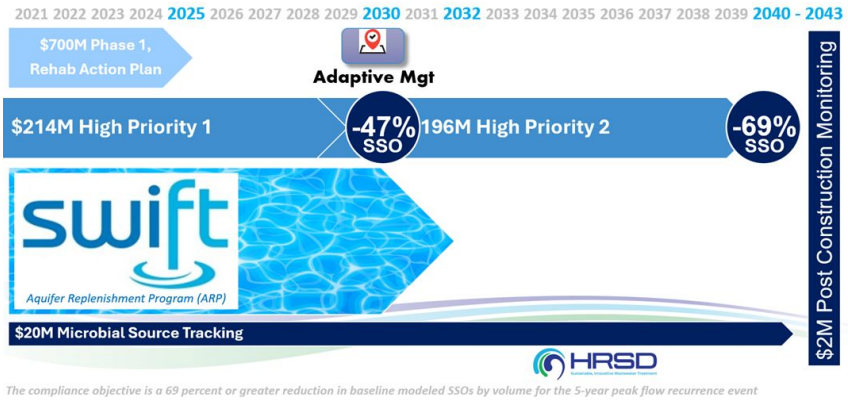
** $214 million of High Priority Wet Weather Projects from 2020 to 2030 to remove 47 percent of projected SSO volume*

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

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

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

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



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

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

Pursuing Innovative Solutions to Reduce Costs and Protect Water Quality

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

Financing a Sustainable Water Future

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

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

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

The Community's Role

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

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

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

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

Sincerely,

Jay A. Bernas, PE

General Manager/CEO

Principal Officials

May 1, 2025

COMMISSIONERS

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

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BRENDA MATESIG, *PHR, PSHRA-SCP, SHRM-SCP*
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JAMIE HEISIG-MITCHELL
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LEILA E. RICE, APR
Chief Communications Officer

ELIZABETH I. SCOTT
Commission Secretary

COUNSEL, ADVISOR, TRUSTEE

Sands Anderson PC
General Counsel

PFM Financial Advisors LLC
Financial Advisor

Norton Rose Fulbright US LLP
Bond Counsel

Aqualaw PLC
Special Counsel

The Bank of New York Mellon
Trustee and Bond Registrar

Key Facts

SERVICE AREA AND OPERATIONS	
Date Established	November 5, 1940
Communities Served	20 communities encompassing 4,998 square miles
Population Served	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. About 1.9 million, nearly one-fifth of Virginia's population, reside in HRSD's service area.

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

FINANCIAL INFORMATION

Bond Ratings

Ratings Agency	Long-Term Ratings	Short-Term Ratings
Standard & Poor's	AA+	A-1+
Fitch Ratings	AA	F1
Moody's Investors Service	Aa1	MIG 1

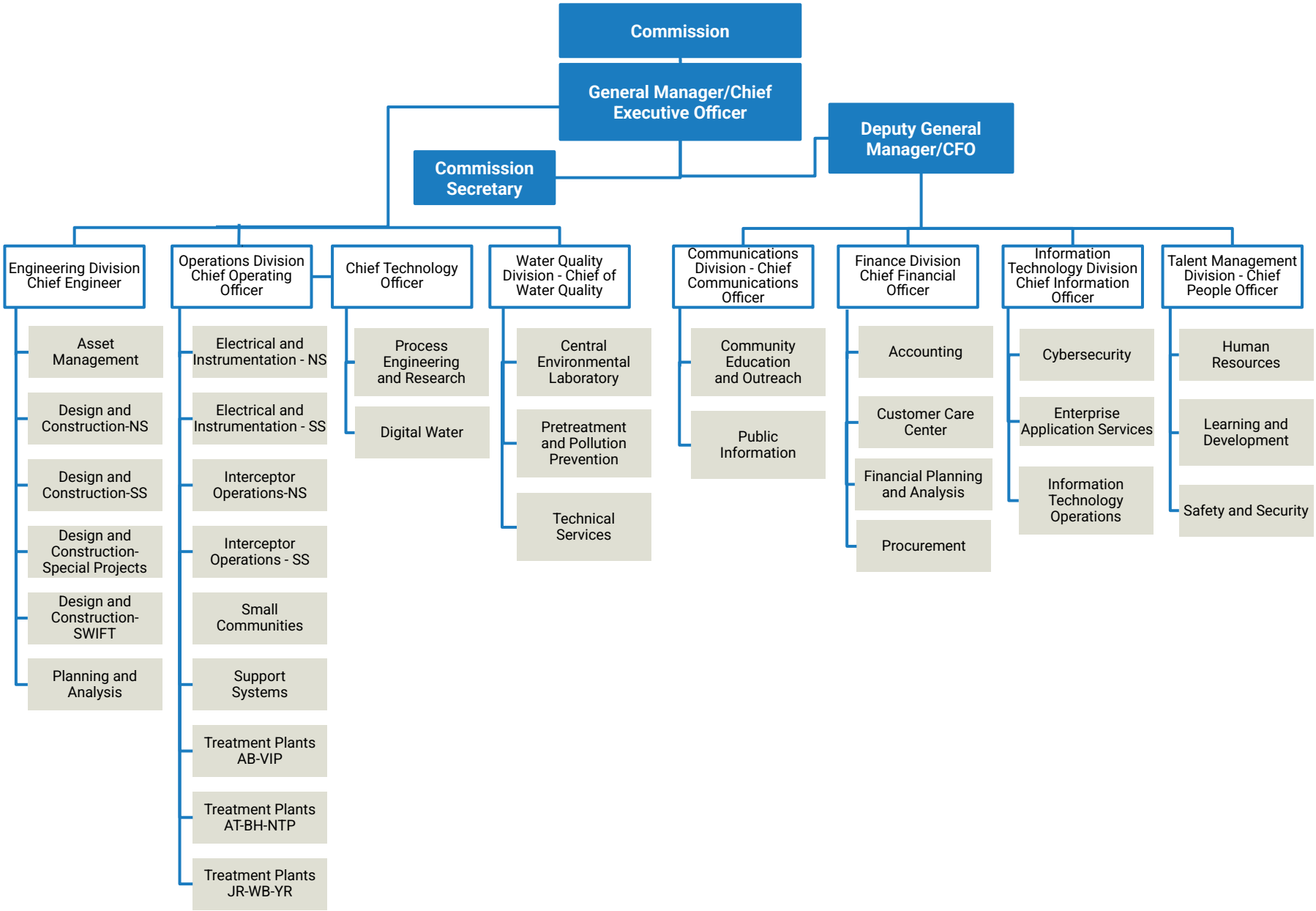
Operating Budget

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

Service Area

Organization Chart

July 1, 2025



History

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

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

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

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

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

Additional awards and honors received during the year ended June 30, 2024 include the Best Project Award for Atlantic Treatment Plant Thermal Hydrolysis Process (THP) and Fats, Oils, and Grease (FOG) Receiving Station by Engineering News and Record (ENR); the 2024 Top Projects Award by Wastewater Digest for the Surry Hydraulic Improvements and Interceptor Force Main; the American Council of Engineering Companies Virginia Grand Award for HRSD's Climate Change Planning Study; the National Association of Clean Water Agencies (NACWA) National Environmental Achievement Awards in the categories of Public Information and Education, Watershed Collaboration, and Workforce Development. HRSD was also pleased to receive the 2024 Engineering Achievement Award presented by the Engineers Club of Hampton Roads for the "Boat Harbor Treatment Plant Force Main Section 1 – James River Crossing Project."

Rate Schedule

WASTEWATER TREATMENT RATE SCHEDULE

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

* CCF = 100 Cubic Feet (approximately 748 gallons)

VOLUME BASED FACILITY RATE SCHEDULE

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

SMALL COMMUNITIES RATE SCHEDULE

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

FEES

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

Reader's Guide to the Annual Budget

PURPOSE

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

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

ANNUAL BUDGET OVERVIEW

HRSD's Annual Budget contains the following sections:

Financial Forecast

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

Operating Budget

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

Capital Budget

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

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

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

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

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

BUDGETARY PROCESS

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

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

BUDGETARY ACCOUNTING AND CONTROL

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

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

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

Glossary of Financial Terms

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

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

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

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

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

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

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

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

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

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

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

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

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

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

HRSD

Sustainable, Innovative Wastewater Treatment

FINANCIAL FORECAST

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Financial Forecast

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

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

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

HRSD Financial Forecast

2026 - 2035

(in thousands)

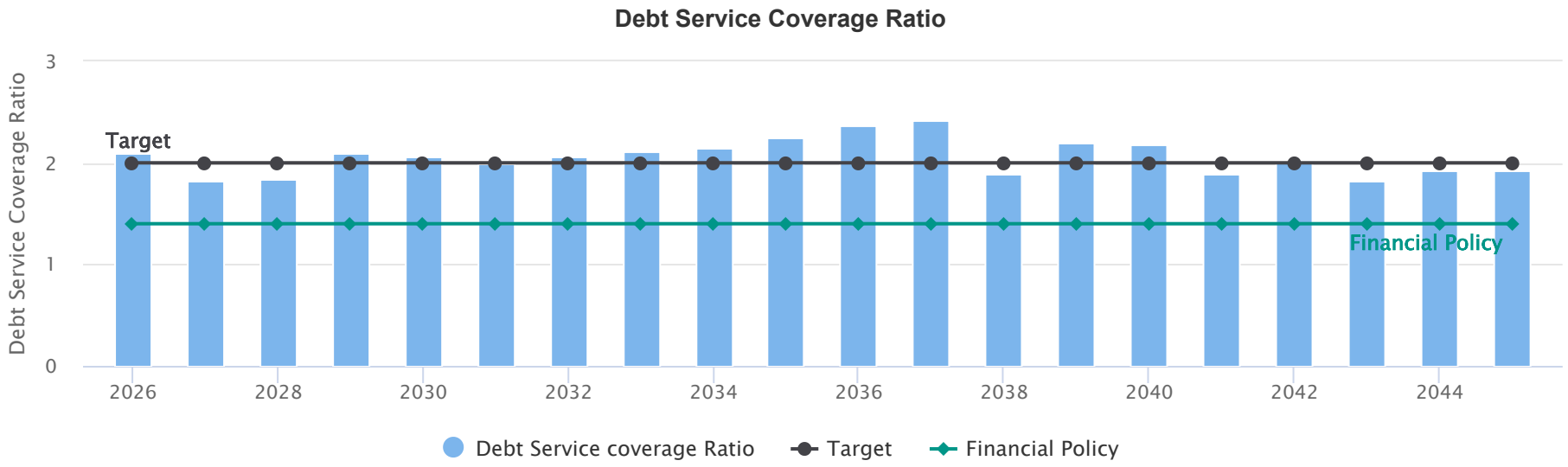
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Operating Budget										
Revenues	$ 517,579	$ 555,939	$ 589,233	$ 610,186	$ 631,410	$ 651,824	$ 672,967	$ 694,743	$ 717,273	$ 740,544
Operating Expenses	236,478	265,951	294,667	334,552	351,029	370,518	388,217	400,986	414,189	427,840
Debt Service	108,000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

HRSD Financial Forecast

2036 - 2045

(in thousands)

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



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OPERATING BUDGET

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Operating Budget

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

Operating Budget Summary

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

Full-time Positions:

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

Operating Budget Summary

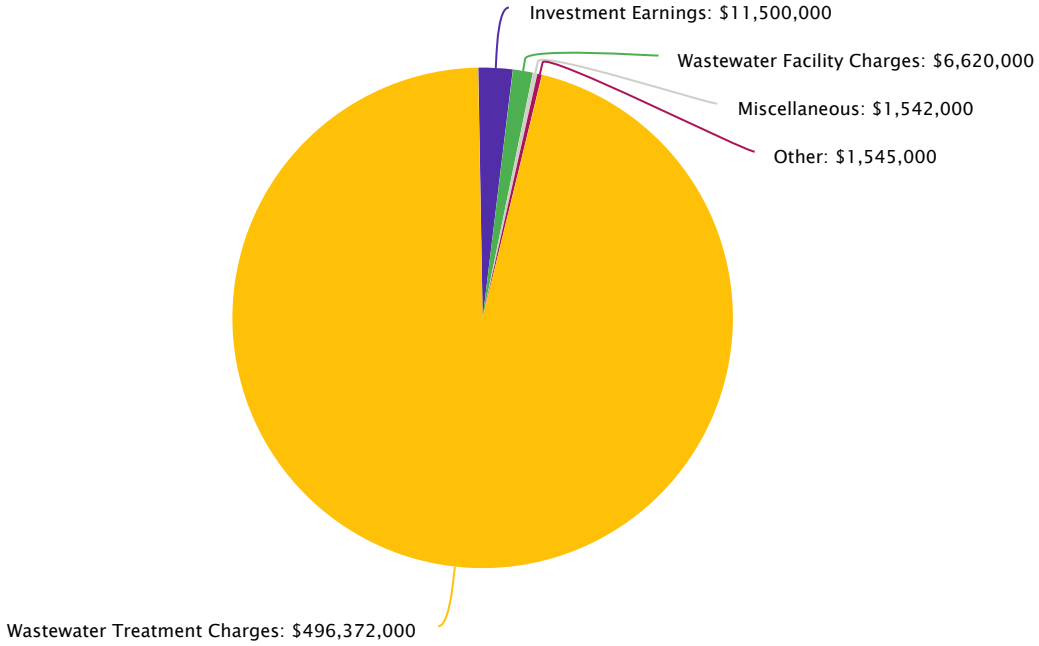
	Water Quality	General Expenses	FY-2026 Budget	Percent of Budget	FY-2025 Budget	FY26 vs FY25 Inc/(Dec)	Percent Change
Personal Services	$ 11,673,166	$ (4,509,999)	$ 86,931,718	16.8%	$ 80,140,274	$ 6,791,444	8.5%
Fringe Benefits	4,218,662	(1,092,756)	31,343,890	6.1%	30,765,222	578,668	1.9%
Material & Supplies	2,568,416	164,000	15,133,792	2.9%	13,842,929	1,290,863	9.3%
Transportation	59,250	-	2,669,455	0.5%	2,356,067	313,388	13.3%
Utilities	2,808	672,000	17,875,955	3.5%	16,512,148	1,363,807	8.3%
Chemical Purchases	-	-	18,487,242	3.6%	16,539,326	1,947,916	11.8%
Contractual Services	1,522,500	8,042,046	47,039,656	9.1%	45,973,922	1,065,734	2.3%
Major Repairs	159,000	-	11,732,392	2.3%	12,668,008	(935,616)	(7.4%)
Capital Assets	-	-	856,900	0.2%	1,055,400	(198,500)	(18.8%)
Miscellaneous	636,950	1,276,550	4,406,656	0.9%	4,003,299	403,357	10.1%
Operating Approporiations	**$ 20,840,752**	**$ 4,551,841**	**$ 236,477,656**	**45.7%**	**$ 223,856,595**	**$ 12,621,061**	**5.6%**
Debt Service Costs		108,000,000	108,000,000	20.9%	87,700,000	20,300,000	23.1%
Transfer to CIP		173,101,344	173,101,344	33.4%	155,635,405	17,465,939	11.2%
Appropriations for Debt Service and Transfers		**281,101,344**	**281,101,344**	**54.3%**	**243,335,405**	**37,765,939**	**15.5%**
Total	**$ 20,840,752**	**$285,653,185**	**$ 517,579,000**	**100.0%**	**$ 467,192,000**	**50,387,000**	**10.8%**

Full-time Positions:

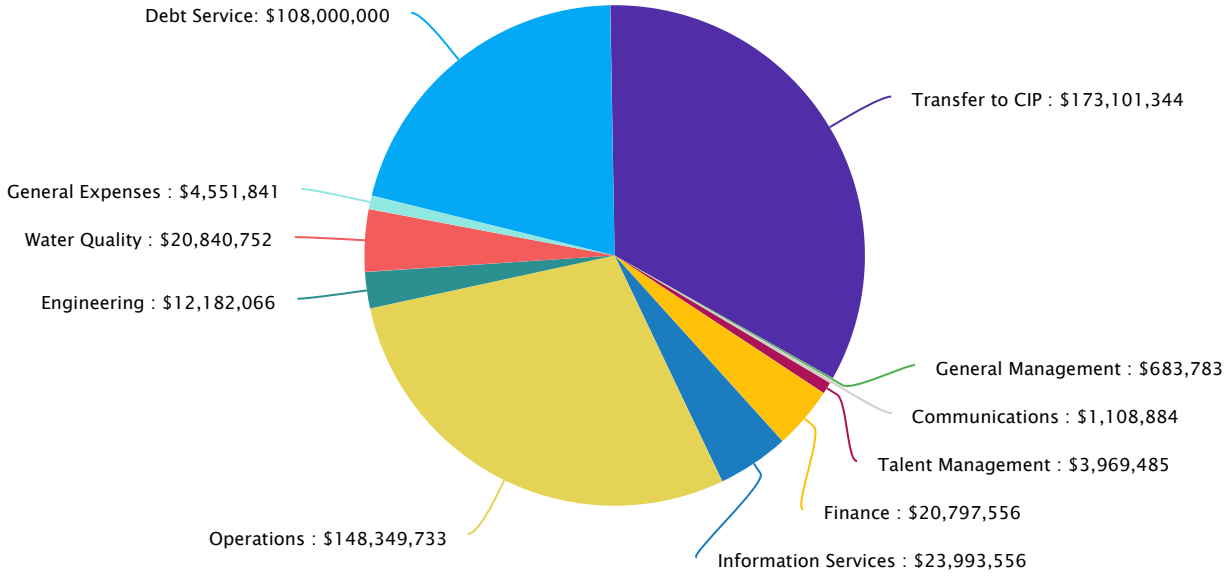
	Water Quality	Total Positions
FY-2025 Amended Budget	125	953
New FY-2026 Positions	2	16
FY-2026 Budget	127	969

Operating Budget Charts

Revenues and Transfers In
$517,579,000



Expenses and Transfers Out
$517,579,000



General Management

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

Expenditure Budget

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

Positions

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

Communications

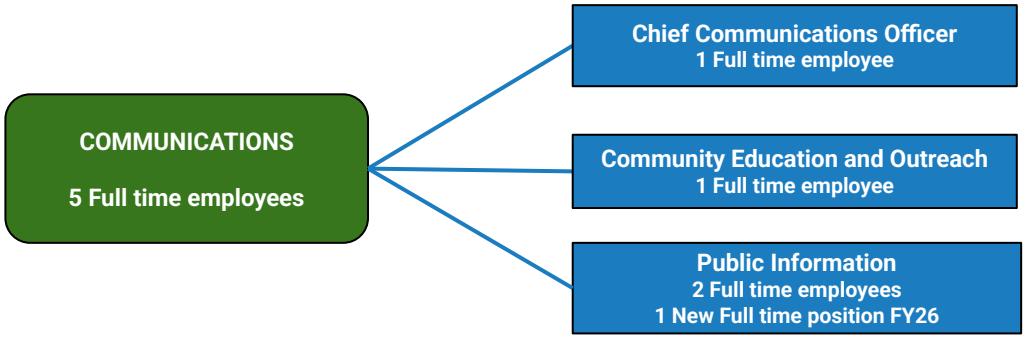
The Communications Division supports HRSD's Promise and Vision through public outreach, community engagement, educational programming and environmental and locality partnerships. The Division manages communications strategy, internal and external communications, media relations and branding through numerous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

Expenditure Budget

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

Positions

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



Finance

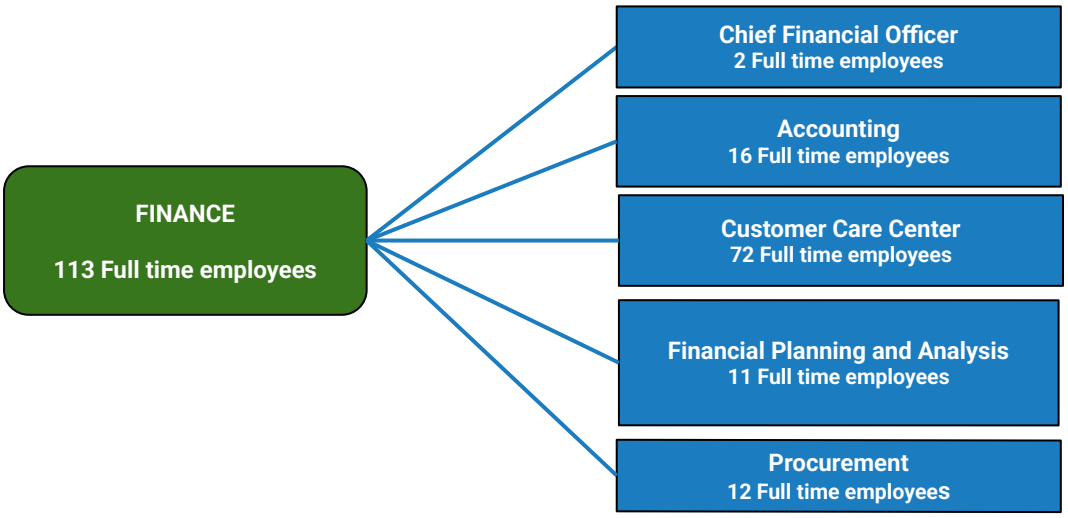
The Finance Division is responsible for HRSD's general financial and business functions, including financial reporting, investment portfolio, debt and risk management and customer billing. The Accounting Department handles fiscal affairs such as preparing financial statements, budgets, management reports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

Expenditure Budget

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

Positions

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



Information Technology

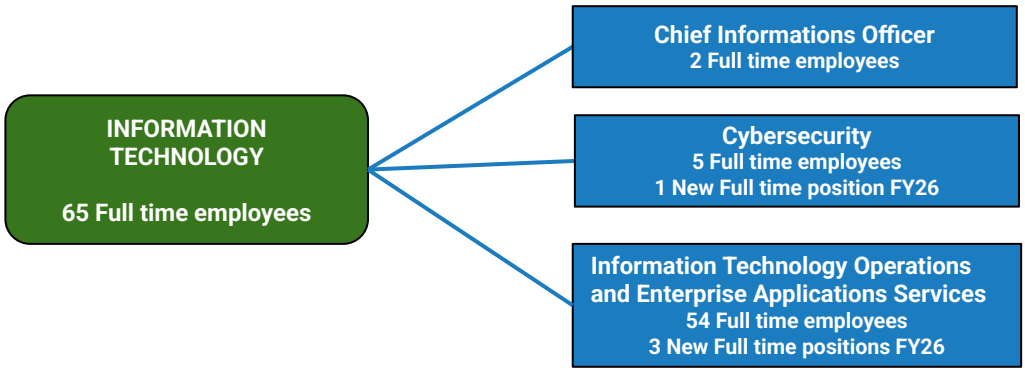
The Information Technology Division is responsible for HRSD's computer systems, communication systems, network systems, cybersecurity, and data management functions. The Information Technology Operations Department assists HRSD Divisions in achieving their missions by ensuring all required hardware,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

Expenditure Budget

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

Positions

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



Talent Management

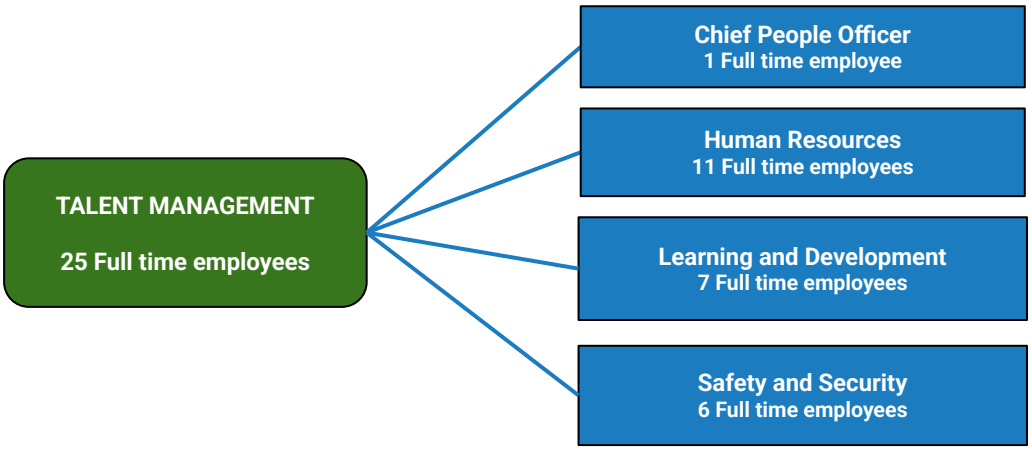
The Talent Management Division is committed to our employees, dedicated to safety, and devoted to our belief in the power of learning. The Human Resources Department is responsible for fostering a culture of inclusivity to attract, retain and develop the best talent through outreach and strategic talent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

Expenditure Budget

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

Positions

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



Operations

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

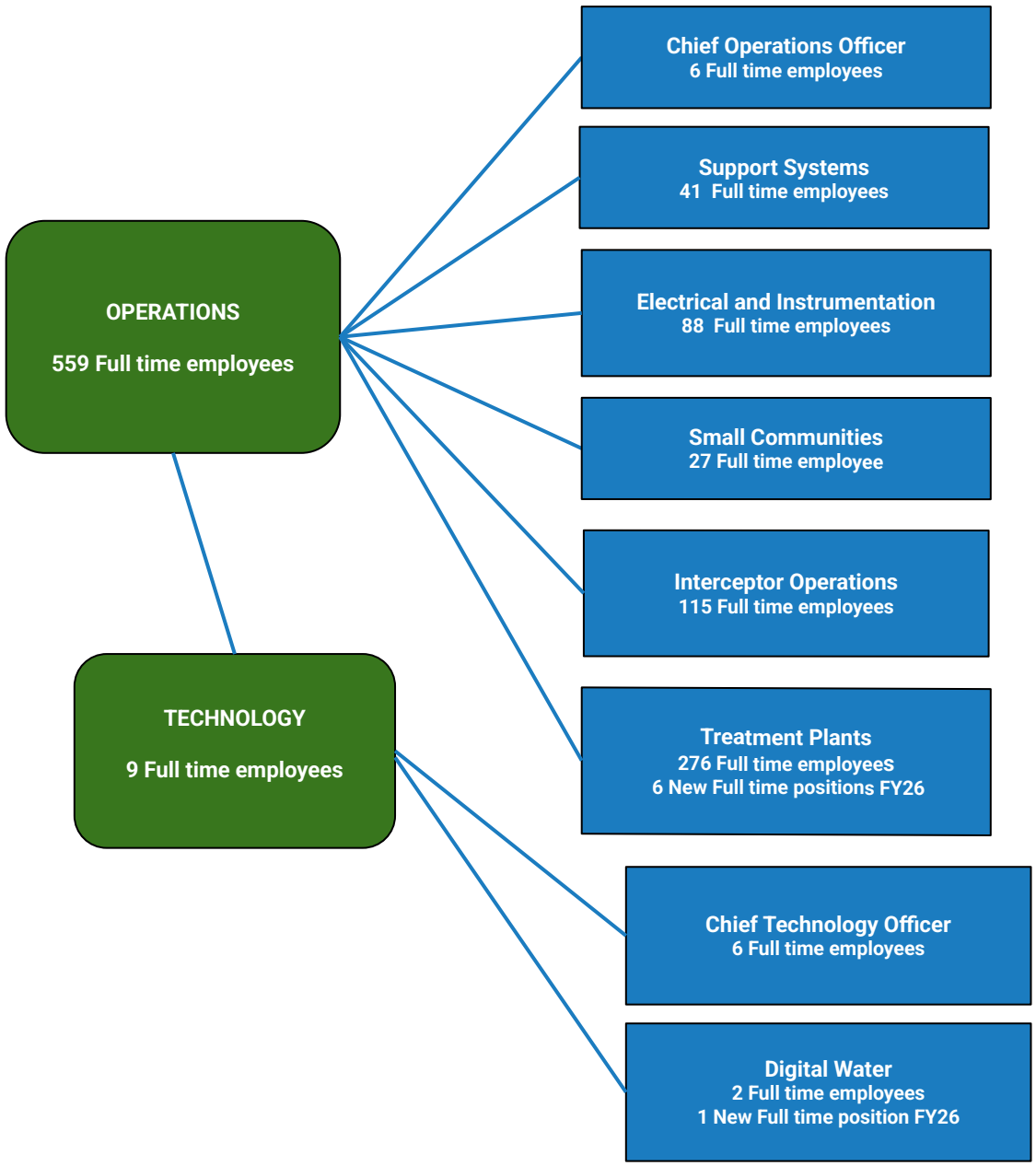
Expenditure Budget

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

Operations (Continued)

Positions

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



Engineering

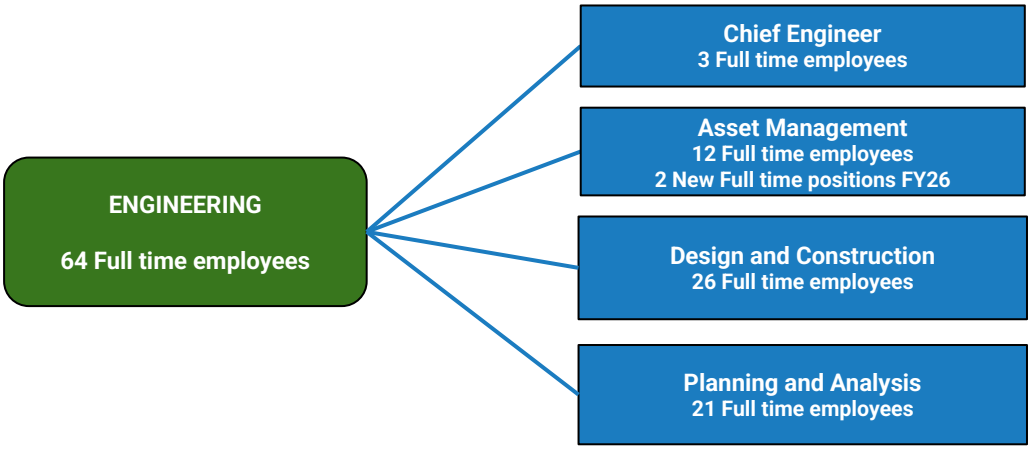
The Engineering Division is responsible for facility planning, design and construction and related support. The Asset Management Department is responsible for the Computerized Maintenance Management System (CMMS), Condition Assessment to extend the life of assets at the lowest life cycle cost. The Design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

Expenditure Budget

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

Positions

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



Water Quality

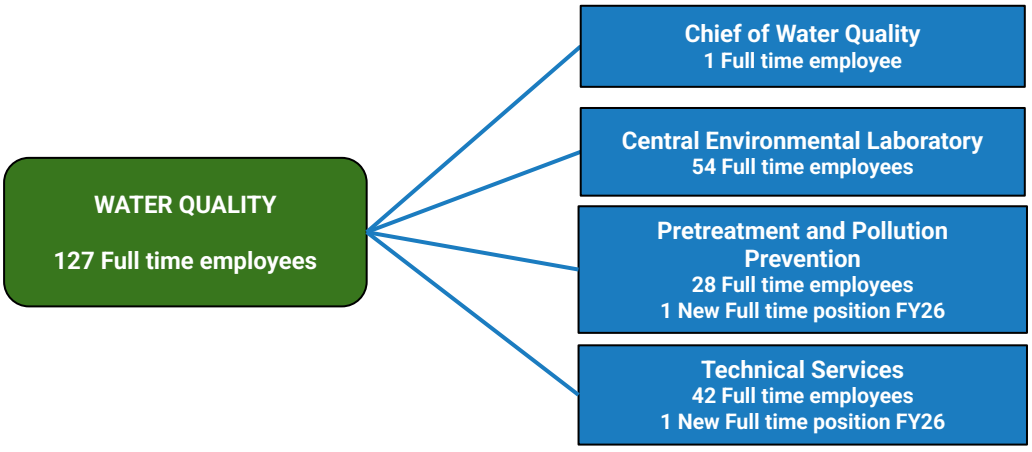
The Water Quality (WQ) Division's mission is to provide quality environmental services to support HRSD and its partners. This division helps ensure compliance with HRSD environmental permits and leads regulatory advocacy through the work of three divisions. The Central Environmental Laboratory (CEL)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

Expenditure Budget

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

Positions

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



General Expenses, Debt Service and Transfers

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

Expenditure Budget

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

HRSD

Sustainable, Innovative Wastewater Treatment

CAPITAL BUDGET

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Capital Budget

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

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

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

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

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

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

Capital Budget

CIP Budget Forecast (in thousands)	FY-2026 to FY-2035	FY-2026	FY-2027	FY-2028	FY-2029	FY-2030
Beginning Capital Reserves	$ 255,453	$ 255,453	$ -	$ -	$ 88,334	$ 171,903
Bonds	-	-	-	-	-	-
VCWRLF	400,000	40,000	40,000	40,000	40,000	40,000
WIFIA	268,088	220,000	48,088	-	-	-
WQIF	1,141,996	100,000	212,000	415,658	180,988	80,000
Cash	1,481,093	173,101	154,989	151,402	112,581	138,002
Grants and Other Reimbursements	5,644	4,644	1,000	-	-	-
Transfer from Line of Credit	(100,000)	(84,198)	82,923	(98,725)	-	-
Total Capital Resources	3,452,274	709,000	539,000	508,334	421,903	429,905
Capital Expenditures	3,418,000	709,000	539,000	420,000	250,000	250,000
Ending Capital Reserves	**$ 34,274**	**$ -**	**$ -**	**$ 88,334**	**$ 171,903**	**$ 179,905**

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

Capital Budget

CIP Budget Forecast (in thousands)	FY-2031	FY-2032	FY-2033	FY-2034	FY-2035
Beginning Capital Reserves	$ 179,905	$ 170,343	$ 160,469	$ 128,125	$ 77,804
Bonds	-	-	-	-	-
VCWRLF	40,000	40,000	40,000	40,000	40,000
WIFIA	-	-	-	-	-
WQIF	67,925	60,425	25,000	-	-
Grants and Other Reimbursements	132,513	139,700	152,656	159,679	166,470
Cash	-	-	-	-	-
Transfer from Line of Credit	-	-	-	-	-
Total Capital Resources	420,343	410,469	378,125	327,804	284,274
Capital Expenditures	250,000	250,000	250,000	250,000	250,000
Ending Capital Reserves	**$ 170,343**	**$ 160,469**	**$ 128,125**	**$ 77,804**	**$ 34,274**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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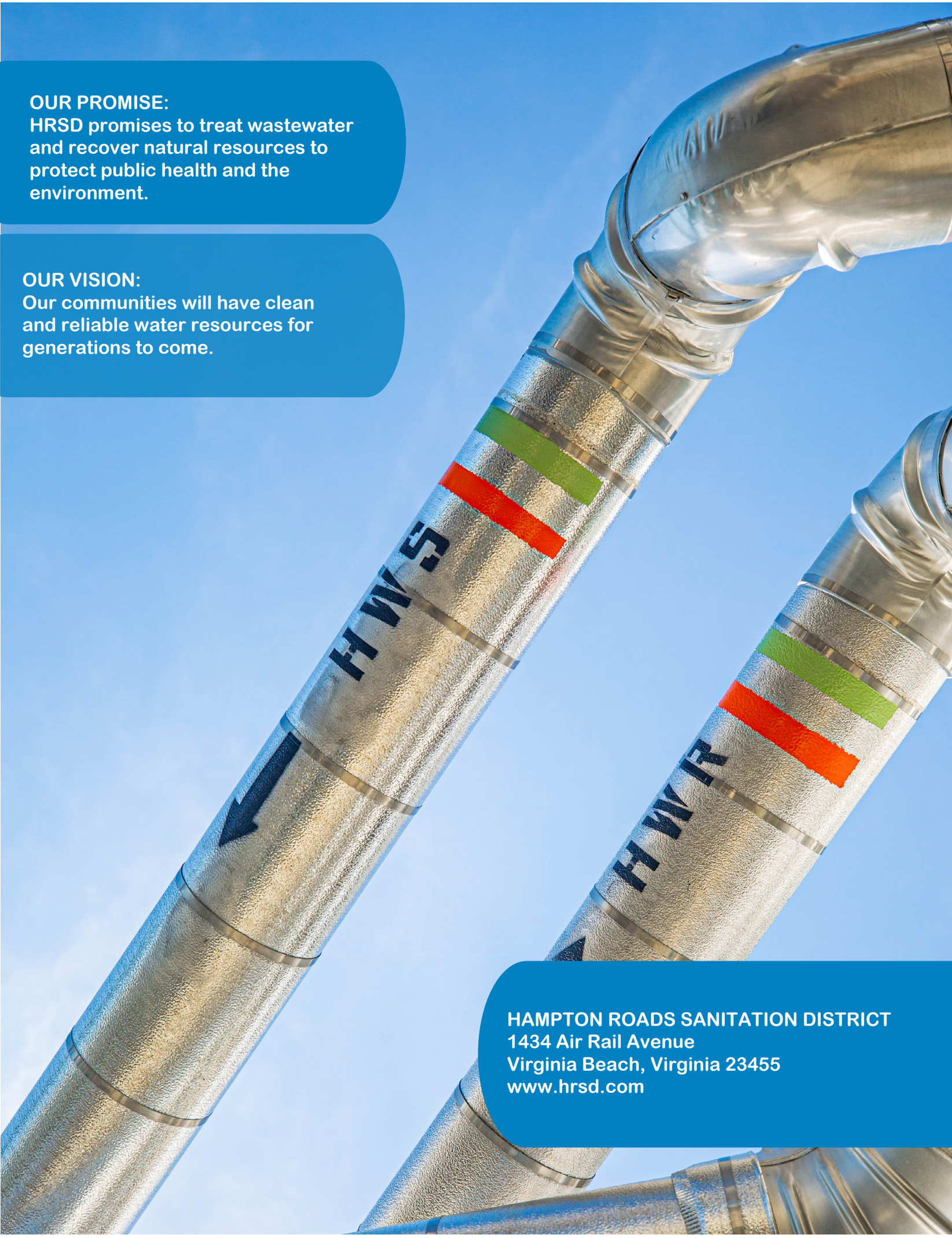

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