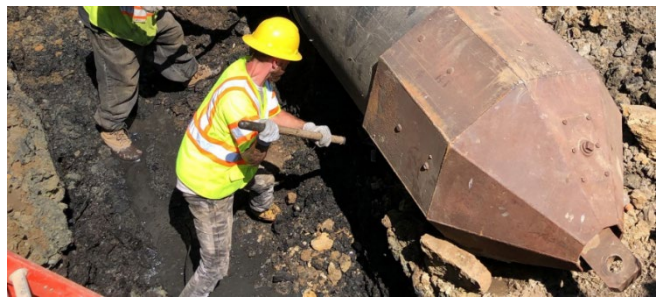


HAMPTON ROADS SANITATION DISTRICT PROGRAMMATIC LOAN

STATE PROGRAM: Virginia Department of Environmental Quality

ASSISTANCE RECIPIENT: Hampton Roads Sanitation District

ASSISTANCE AMOUNT: \$100M



PROJECT DESCRIPTION

The Hampton Roads Sanitation District (HRSR) has \$1.1 billion in system repairs and improvements to be completed by 2040 in response to a Consent Decree to reduce sanitary sewer overflows in its service area. HRSR needs a flexible financing partner to implement its adaptive management approach and meet its goal to prioritize the greatest public health and community benefits for public dollars invested. Virginia's Clean Water Revolving Loan Fund (VCWRLF) worked in collaboration with HRSR and the Virginia Resources Authority (VRA) to create a programmatic agreement that uses a \$100 million loan to pay for 48 individual projects across 18 localities, thereby creating a consistent source of funding and flexibility to the sub-projects, while protecting HRSR from fluctuations in the bond market.

Because of this programmatic loan, a considerable amount of time has been saved and many legal fees have been avoided, while locking in a low interest rate of 1.15% that will result in savings of \$32.8 million. A tracking tool co-managed and continually updated by HRSR and VCWRLF ensures individual projects are not receiving reimbursement for expenses unless program requirements are met. The tool has also helped monitor the draw-down of the loan to balance planning and design expenses with construction expenses. In addition, one project in the loan is co-funded with a federal Water Infrastructure Finance and Innovation Act programmatic loan, which has allowed HRSR to achieve the lowest capital cost for that program. The improvement and growth of HRSR's wastewater system through this creative financing mechanism serves as an example for VCWRLF in promoting regionalization as a path towards universal access to wastewater treatment for all Virginians.

To read more about this case study, please visit <https://www.epa.gov/system/files/documents/2023-04/piscs-2022-compendium.pdf>.