



## Agenda

Alexandria Renew Enterprises Board of Directors Meeting -  
Tuesday, January 19, 2021 6:00 p.m.  
Virtual

No.	Item	Presenter	Action Required
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Due to the COVID-19 pandemic emergency, the January 19, 2021 Board of Directors meeting of Alexandria Renew Enterprises is being held electronically pursuant to Virginia Code Section 2.2-3708.2 (A)(3), the Continuity of Government ordinance adopted by the City Council on June 20, 2020 and/or Section 4.0-00(g) in HB29 and HB30 to undertake essential business.

The Board of Directors and staff are participating from remote locations through a video conference call on Zoom.

### Links:

[https://zoom.us/webinar/register/WN\\_cML84oz-T5quDUNOMvnsIlg](https://zoom.us/webinar/register/WN_cML84oz-T5quDUNOMvnsIlg)

After registering, you will receive a confirmation email containing information about joining the webinar.

Submission of written statements is encouraged. Written statements may be emailed to the Board Secretary at [lorna.huff@alexrenew.com](mailto:lorna.huff@alexrenew.com).

Public comment will be received at this meeting. If you wish to speak during public comment, please email or call the Board Secretary (703) 721-3500 ext. 2260 in advance so you can be put on the speakers list. A recording of the meeting will be posted on the alexrenew.com website after the meeting.

1.	Call Meeting to Order (6:00 p.m.)	Chairman	
2.	Approval of Agenda (6:03 p.m.)	Chairman	Approval
3.	Explanation of Required Procedures for an Electronic Meeting (6:15 p.m.)	Mr. Rak	Information
4.	Public Comment Period (6:35 p.m.)	Chairman	
5.	Consent Calendar (6:37 p.m.) (Minutes of December 15, 2020 Meeting) <b>(Tab 1)</b>	Chairman	Approval
6.	New Business (6:57 p.m.)	Chairman	Approval
	A. Review and Approve Resolutions Authorizing Sewer Revenue Bond Issuance: <b>(Tab 2)</b>	Ms. Pallansch	
	i. Water Infrastructure Financing & Innovation Act (WIFIA)		
	ii. Commonwealth Clean Water Revolving Loan Fund (CWRLF)		
	iii. Amendments to Existing Financing Agreements with Virginia Resources Authority (VRA)		
7.	Board of Director Reports (7:10 p.m.)	Chairman	Information
	A. AlexRenew Board/City Council Workgroup Update	Chairman	
8.	AlexRenew Monthly Outcomes Update (7:20 p.m.) <b>(Tab 3)</b>	Ms. Pallansch	Information
9.	Adjourn (7:22 p.m.)	Chairman	

*Times shown in parentheses are approximate. If you need an interpreter, translator, materials in alternate format or other accommodations, please call (703) 721-3500 ext. 2260 at least three business days prior to the meeting.*

**The next Regular Board meeting is scheduled for Tuesday, February 16, 2021 @ 6:00 p.m.**

Minutes of the 878<sup>th</sup> Meeting – Virtual  
***“Celebrating Over 60 Years of Continuous Environmental Excellence”***  
Alexandria Renew Enterprises  
6:00 p.m., Tuesday, December 15, 2020

On Tuesday, December 15, 2020, the Alexandria Renew Enterprises Board of Directors held a virtual Board of Directors meeting with the following present:

Members: Mr. John Hill, Chairman  
Mr. James Beall, Vice Chairman,  
Mr. William Dickinson, Secretary-Treasurer  
Mr. Bruce Johnson, Member  
Ms. Adriana Caldarelli, Member

Staff: Ms. Karen Pallansch, General Manager & Chief Executive Officer  
Ms. Liliana Maldonado, Deputy General Manager  
Ms. Christine McIntyre, Director of Finance  
Mr. Blake Hamilton, Director of Environmental Performance  
Ms. Allison Deines, Senior Policy Analyst  
Ms. Caitlin Feehan, RiverRenew Program Manager  
Ms. Lorna Huff, Secretary to the Board

Counsel: Mr. Jonathan Rak, McGuireWoods LLP

Fairfax County  
Representative: Mr. Shahram Mohsenin, Director of Wastewater Planning Division

City Representative: Ms. Erin Bevis-Carver, Acting Division Chief  
T&ES/Sanitary Sewer Infrastructure Division

Consultants: Mr. Justin Carl, Brown & Caldwell, Owner’s Advisor

Call to Order

The Chairman called the meeting to order at 6:02 p.m.

Approval of Agenda

The Chairman requested that members review the Agenda and inquired if there were changes. There being no changes, the Chairman requested a motion to approve the Agenda. Mr. Dickinson moved and Mr. Beall seconded. The Chairman called the roll with all members voting Aye.

Explanation of Virtual Meeting Processes

The Chairman recognized Mr. Rak who provided the following statement:  
The December 15, 2020 meeting of the Alexandria Renew Enterprises Board of Directors is being held electronically pursuant to Virginia Code Section 2.2-3708.2(A)(3), the Continuity of Government

ordinance adopted by the City Council on June 20, 2020 and/or Section 4-0.00(g) in HB29 and HB30 to undertake essential business. All of the members of the Board and staff are participating from remote locations through a video conference call on Zoom. Public notice of the meeting includes the link for web access and phone numbers for dial-in access. In accordance with the applicable law, this meeting is being recorded and the recording will be posted on the Alexandria Renew website following the meeting.

In compliance with the special procedures for electronic meetings, only items necessary to continue operations of Alexandria Renew and the discharge of its lawful purposes, duties, and responsibilities will be discussed during today's meeting. All votes during this meeting will require a roll call.

Please let me know if you have any questions about the procedures for this meeting.

#### Public Comment Period

The Chairman inquired if there were any members of the public in attendance and wishing to speak. Ms. Pallansch noted that Ms. Ailing Bressman, a local engineer, who is interested in the RiverRenew program, attended but did not wish to speak. There were no additional members of the public in attendance and wishing to speak and the Chairman moved to the Consent Calendar.

#### Consent Calendar

The Chairman noted the Minutes of the November 17 meeting and inquired if Board members had questions or comments. Mr. Dickinson requested two points of clarification. The first point raised was on page 2 in the second paragraph regarding the effect of the Covid-19 vaccine on wastewater surveillance testing and the second point was on CEO Report Item regarding the final placement of RTN signage. Ms. Pallansch confirmed that the response regarding the effect of Covid-19 vaccine and wastewater surveillance testing is correct. The second point about the RTN signage placement in the tunnel superstructure is incorrect and will be removed from the Minutes. Mr. Dickinson then requested information on QR codes. The Chairman explained QR codes and their usage. There were no additional questions or comments on the Minutes and The Chairman requested a motion to approve the Minutes as corrected. Mr. Beall moved and Mr. Dickinson seconded. The Chairman called the roll with all members voting aye.

There were no additional questions or comments and the Chairman moved to New Business.

#### New Business

##### A. Meet & Greet the Traylor Shae Team

###### **Discussion**

The Chairman recognized Ms. Pallansch who reported that it would be advantageous to introduce the principal members of the Traylor Shae Joint Venture (TSJV) team to the Board. Ms. Pallansch recognized Mr. Carl and Mr. Mike Krulc, Project Sponsor who reviewed TSJV qualifications for the RiverRenew tunnel project. The core team from the DC Water Clean Rivers and Blue Plains tunnel project will be working on the RiverRenew waterfront tunnel and

Hooffs Run projects. They have extensive experience working on similar CSO and tunnel projects in various locations around the country. The TSJV has a strong local presence through Jacobs who has completed many design projects for Alexandria Renew in the past.

Core team members include Jean-Marc Wehrli, Project Manager, Chris Hebert, Vice President, Underground Division Manager, Traylor Bros., Inc., Mike Jatczak, Pursuit Manager; Jim Marquadt, Project Sponsor; Mark Johnson, CE, Project Design Director, Richard Taylor, Design Coordinator, Samer Sadek, Phd, PE, Design Manager; Jeff Brandt, PE, Construction Manager; Ryan Nelson, Pump Station Construction Manager. Members have worked together on various tunnel projects around the world with dozens of years of experience among the group.

TSJV has extensive experience working in conditions similar to the RiverRenew project with tight working conditions and heavy public activity. Local project experience in addition to the DC Clean Waters projects is the Purple Line Light Rail project in Montgomery County, Maryland.

The Chairman noted 200 plus years of experience among the group and reported that TSJV was an impressive group. He inquired about any unique challenges associated with the RiverRenew project given its tunnel size in relation to similar projects. Mr. Krulc reported that most projects present their own challenges. The design bid build contract used for the RiverRenew procurement makes the contractors involved work together to get the project completed on time. Having many contractors in close proximity on smaller space projects can present challenges. He reported that members of the TSJV are professional and have worked together on multiple projects over the years. He did not anticipate any issues.

The Chairman thanked the TSJV members and inquired if Board members had questions or comments. The Vice Chair echoed the Chairman's comments and he is looking forward to working with the team.

Ms. Pallansch inquired about the RiverRenew tunnel size. Mr. Krulc reported that the tunnel size is on the smaller side relative to similar tunnel projects. It is about half the size of the Blue Plains tunnel. Mr. Herbert followed up that the technology for the tunnel-boring machine (TBM) is generally the same regardless of tunnel size. Mr. Dickinson inquired about procurement of the TBM. Mr. Krulc reported that for soft ground tunneling, it is typical to purchase a custom machine. The TBM for the RiverRenew project will be manufactured in Germany and take approximately 12 months. The manufacturer has been working through the pandemic months and there have been no issues with on time delivery. The RiverRenew TBM is expected in mid-2022.

The Chairman thanked the members of the TSJV and reported that they are looking forward to additional briefings from the team. The Chairman thanked the CEO and her team.

The Chairman moved to the CEO Report.

#### CEO Reports

The Chairman recognized Ms. Pallansch who noted her written report. She noted that spending was currently in line with the budget on both the operating and capital side. The trend in delinquencies was

leveling out on a month-by-month basis. She reported that debt service and cash are above policy minimums but noted that the WIFIA and Virginia Revolving Water Clean Fund closings taking place in January and February and AlexRenew will take on more debt.

The Chairman inquired on service disconnections. Ms. Pallansch reported there has been a moratorium on utility disconnections. The call center has been informing residents and setting up payment plans to assist with delinquencies.

As part of this effort, the CEO noted that Governor Northam has signed the budget, which included \$100 million in Cares Act Funds delegated for utilities for delinquent accounts over 60 days and over 30 days. AlexRenew applied for \$900 thousand dollars and received approximately \$437 thousand dollars. The program is for account holders meeting the specific criteria of having delinquencies related to the Covid-19 pandemic. The program is fast-tracked and AlexRenew will need to return any unused funds to the City of Alexandria by January 27, 2021. AlexRenew's communications program around this includes sending out 1,800 first class letters to account holders who meet eligibility requirements and requiring them to complete an application. A section on their monthly bills provides information about the program, and a web story about this is featured on AlexRenew's website. AlexRenew is additionally working with the City's social services department to identify eligible citizens.

The Chairman noted that was a good story and would pass on the information to Treasury. Ms. Pallansch reported that she would forward the link on the website and report back to the Board on results. Ms. Caldarelli inquired whether there would be an opportunity to go back for additional funds. Ms. Pallansch reported it is a one-time-payment going directly to the utility through a credit to the customer account. Mr. Dickinson inquired on customer eligibility. Ms. Pallansch reported that the funds are available for residential and commercial customers. Government entities are not eligible for funds.

The Chairman inquired if members had additional questions or comments. Mr. Dickinson commended staff on the article in the local media on the RTN. Ms. Pallansch reported that the communications team had done a good job and thanked him for the feedback. Mr. Beall inquired on the RiverRenew outstanding easements. There are two residential easements due at the end of the month. Both homeowners agree with the terms and are working with their lenders for final approval. The two outstanding permits are from the National Park Service. They will close over the next few weeks. Mr. Johnson inquired whether TSJV would provide a high-level list of milestones for the project. Ms. Pallansch reported the first of these milestones is a 180-day schedule due at the end of the month with ongoing updates.

There were no additional questions or comments and the Chairman wished the members happy holidays and requested a motion to adjourn. Mr. Beall moved and Mr. Dickinson seconded. The Chairman called the roll with all members voting Aye.

The meeting adjourned at 7:12 p.m.

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Secretary-Treasurer



**Board of Directors**  
John Hill, Chair  
James Beall, Vice Chair  
William Dickinson, Sec'y-Treas  
Bruce Johnson  
Adriana Caldarelli

**Chief Executive Officer**  
Karen L. Pallansch, P.E., BCEE

**General Counsel**  
McGuireWoods, LLP

## INTERNAL MEMORANDUM

TO: AlexRenew Board of Directors

FROM: Karen Pallansch, Chief Executive Officer

DATE: January 19, 2021

SUBJECT: Alexandria-only Action Item – Review and Approval of Three (3) Bond Resolutions Authorizing Sewer Revenue Bond Issuances and Rate Reduction on Existing Sewer Revenue Bonds

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### Issue:

AlexRenew is prepared to execute the capital funding plan for the RiverRenew program through the issuance of two new sewer revenue bonds and also seeks to refinance five prior series of revenue bonds for interest cost savings. To approve and authorize the necessary transactions, Bond Resolutions have been prepared as follows:

- 1) Resolution authorizing sewer revenue bond issuance through Water Infrastructure Financing and Innovation Act (WIFIA) program.
- 2) Resolution authorizing sewer revenue bond issuance through Commonwealth's Clean Water Revolving Loan Fund (CWRLF)
- 3) Resolution authorizing amendments to existing financing agreements with Virginia Resources Authority (VRA) to reduce cost of funds

### Recommendation:

The CEO and legal counsel respectfully recommend the Board approve the three (3) Bond Resolutions.

### Budget and Funding:

Issuance of the new sewer revenue bonds through the WIFIA and CWRLF programs will provide needed capital funding for the RiverRenew program. The financing agreement amendments pertaining to existing debt will provide interest cost savings through the life of the loans.

### Discussion:

AlexRenew has been developing capital funding plans for the significant capital needs of the RiverRenew program for several years. The program is being funded from a variety of sources including AlexRenew PAYGO (cash), state grant funding, capital contributions from Fairfax

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Alexandria's Water Transformers

A decorative graphic at the bottom of the page consisting of a blue, wavy splash of water with a white droplet at the peak of the wave.

County, and debt financing. In February 2019 the Board endorsed a plan to seek the debt financing portion from the two programs described above – the federal WIFIA program and the Commonwealth’s CWRLF. The proposed WIFIA loan is sized to be up to \$320,992,641 to fund up to 49% of the Tunnel System project and the CWRLF funding of up to \$185,650,000 is sized to fund a portion of the ongoing Building J Demolition and Lab Relocation project as well as provide additional funding for the Tunnel System project. Both loans offer low, subsidized interest rates, and allow AlexRenew to draw the funds as needed so that the debt increases gradually. The debt is structured to be repaid through October 1, 2059 and annual payments increase gradually as the project approaches completion in 2025, which allows the rate increases needed to support the debt to be implemented gradually per Board guidance.

The COVID-19 pandemic caused an economic downturn that resulted in long-term interest rates decreasing significantly. The interest rate on both the WIFIA and CWRLF loans will be set at closing and remain fixed for the life of the loan. The WIFIA loan is scheduled to close in late January and the CWRLF in early February. Prior to scheduling the loan closings, AlexRenew underwent a rigorous due diligence process to assure both lenders and an outside credit rating agency that it could afford to repay the proposed debt while maintaining its fiscal strength. The terms of both loans are materially similar to the provisions in AlexRenew’s existing Indenture and debt agreements and require AlexRenew to provide project and compliance reporting to the agencies through the life of the projects.

The favorable interest rate environment also offered an opportunity for AlexRenew to negotiate with VRA to reduce the cost of funds on five (5) existing series of bonds – the Series 2004, 2006A, 2006B, 2014A, and 2014B bonds, totaling \$23,024,928. These bonds currently bear interest at an average of 2.4% and the new rates average 1.13%, creating over \$1.3 million in interest cost savings for AlexRenew in fiscal years 2021-2036.

The Bond Resolutions attached for your consideration authorize the Chairman, Chief Executive Officer and staff, as applicable, to sign the necessary closing documents and take other such actions as may be needed.

**Congruence with AlexRenew Strategic Plan:**

This action supports the strategic outcome of Effective Financial Stewardship.

**ACTION TAKEN:**

APPROVED: \_\_\_\_\_

DISAPPROVED: \_\_\_\_\_

APPROVED WITH MODIFICATION: \_\_\_\_\_

MODIFICATIONS: \_\_\_\_\_

**CITY OF ALEXANDRIA, VIRGINIA SANITATION AUTHORITY**

**RESOLUTION AUTHORIZING AND APPROVING THE ISSUANCE, AWARD AND SALE OF THE CITY OF ALEXANDRIA, VIRGINIA SANITATION AUTHORITY SEWER REVENUE BOND TO 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, AND SETTING FORTH THE FORM, DETAILS AND PROVISIONS FOR THE PAYMENT THEREOF**

**WHEREAS**, the City of Alexandria, Virginia, Sanitation Authority d/b/a Alexandria Renew Enterprises ("**Alexandria Renew**") is a public body politic and corporate of the Commonwealth of Virginia (the "**Commonwealth**") created pursuant to the Virginia Water and Waste Authorities Act, Chapter 51, Title 15.2 of the Code of Virginia of 1950, as amended (the "**Act**").

**WHEREAS**, the Board of Directors of Alexandria Renew (the "**Board**") have determined that it is necessary and desirable to issue a sewer revenue bond (the "**Bond**"), and to use the proceeds thereof, along with other available funds, if any (i) to finance the RiverRenew Tunnel System Project, as described in Alexandria Renew's Capital Improvement Program, as it may be amended from time to time (the "**Project**") and (ii) to pay the costs of issuing the Bond.

**WHEREAS**, the Bond will be sold by Alexandria Renew to or at the direction of 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**"), pursuant to the terms of a Loan Agreement (the "**Loan Agreement**") between Alexandria Renew and the WIFIA Lender, to be dated as of a date specified by the WIFIA Lender.

**WHEREAS**, the Bond will be issued as parity indebtedness ("**Parity Indebtedness**") under the Master Indenture of Trust dated as of March 15, 1999 (as supplemented and amended, the "**Master Trust Indenture**"), between Alexandria Renew and U.S. Bank National Association, as successor trustee (the "**Trustee**"), and a supplemental indenture between Alexandria Renew and the Trustee (the "**WIFIA Supplement**" and the Master Trust Indenture as supplemented by the WIFIA Supplement, the "**Master Indenture**"). The Bond will be secured by a pledge of the net revenues (as more particularly defined in the Master Indenture, the "**Net Revenues**") derived by Alexandria Renew from the ownership and operation of its sewage disposal and sewer systems (as more particularly defined in the Loan Agreement, the "**System**").

**WHEREAS**, the foregoing arrangements will be reflected in the Loan Agreement and the WIFIA Supplement, forms of which have been filed in Alexandria Renew's records.

**NOW, THEREFORE, IN FURTHERANCE OF THE PUBLIC PURPOSE FOR WHICH THE CITY OF ALEXANDRIA, VIRGINIA, SANITATION AUTHORITY WAS CREATED, BE IT RESOLVED THAT:**

**1. Authorization of Bond and Use of Proceeds.** The Board hereby determines that it is in the best interest of Alexandria Renew to contract a debt and to issue the Bond in the

maximum principal amount of \$321,000,000, and to award and sell the Bond to or at the direction of the WIFIA Lender, all pursuant to the Act and the terms of this Resolution, the Master Indenture and the Loan Agreement. The Board hereby finds that the issuance of the Bond will promote the health, safety, welfare, morals and propriety of the citizens served by Alexandria Renew and will promote the governmental purposes of the Act. Accordingly, the Board hereby authorizes the issuance, award and sale of the Bond in accordance with the terms of this Resolution and the Loan Agreement. The Bond shall be known as the "City of Alexandria, Virginia, Sanitation Authority, Sewer Revenue Bond" or such other designation as the Chief Executive Officer of Alexandria Renew (the "**Chief Executive Officer**") or the Chairman of Alexandria Renew (the "**Chairman**") (either of whom may act) may approve. The Board hereby covenants that the proceeds from the issuance and sale of the Bond shall be used, together with other available funds, if any, as described in the Recitals.

**2. Details of Bond.** The Bond shall be issued as a single bond in fully registered form, shall be dated the date of its issuance and delivery shall bear interest at a fixed rate, not to exceed 3.75% per annum and shall also bear default interest as described in the Loan Agreement. The maturity and the principal and payment schedule shall be set forth in the form of the Bond and approved by the Chief Executive Officer or the Chairman (either of whom may act); provided that the final maturity of the Bond shall be no later than 40 years from its date of issuance.

**3. Pledge of Net Revenues and Parity Indebtedness.** The Bond shall be a limited obligation of Alexandria Renew and, except to the extent payable from the proceeds of the sale of the Bond or the income, if any, derived from the investment thereof, is payable exclusively from the Net Revenues of the System which are hereby pledged to pay the principal of on the Bond pursuant to the terms of the Master Indenture and the Loan Agreement. The Board hereby determines that the Bond shall be issued as Parity Indebtedness under the Master Indenture. The Board hereby acknowledges that as Parity Indebtedness the Bond will be secured equally and ratably with Alexandria Renew's outstanding Parity Indebtedness or Bonds (as defined in the Master Indenture) and any Parity Indebtedness or Bonds issued in the future, subject to Section 2.1(b) of the Master Indenture. Neither the Commonwealth nor any of its political subdivisions, including Alexandria Renew, shall be obligated to pay the principal of or interest on the Bond or other costs incident to it except from the revenues and any other money or property pledged for such purpose, and neither the faith and credit nor the taxing power of the Commonwealth or any of its political subdivisions, including Alexandria Renew, is pledged to the payment of the principal of or interest on the Bond or other costs incident to it. The issuance of the Bond does not directly, indirectly or contingently obligate the Commonwealth or any of its political subdivisions, including Alexandria Renew, to levy any taxes for the payment of the Bond.

**4. Project Part of System.** The Board hereby confirms that the Project shall constitute part of the System.

**5. Form of Bond.** The Bond shall be in substantially the form attached to the WIFIA Supplement and on file in Alexandria Renew's records, with such variations, insertions or deletions as may be approved by the Chairman or the Chief Executive Officer (either of whom may act). There may be endorsed on the Bond such legend or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any usage or requirement of law with respect thereto.

6. **Redemption of Bond.** The Bond shall be subject to optional and mandatory redemption at the direction of Alexandria Renew, upon the terms set forth in the Bond and the Loan Agreement.

7. **Execution and Delivery of Bond.** The Board hereby authorizes and directs the Chairman or the Chief Executive Officer (either of whom may act) to execute the Bond. The Board hereby authorizes and directs the Secretary-Treasurer to affix the seal of Alexandria Renew to the executed Bond and to attest it and then to deliver the Bond to or at the direction of the WIFIA Lender upon payment of the first principal advance thereunder.

8. **Parity Debt Service Fund Accounts.** The Board hereby authorizes the creation of a series-specific Bond Account in the Parity Debt Service Fund described in Section 7.5 of the Master Indenture. The Board hereby covenants that Alexandria Renew shall use money in such Bond Account to make payments on the Bond when due.

9. **Approval of WIFIA Supplement and Loan Agreement.** The Board hereby approves the form of the WIFIA Supplement and the Loan Agreement, with such changes, insertions or omissions as may be approved by the Chief Executive Officer or the Chairman (either of whom may act). The Board hereby authorizes the Chief Executive Officer or the Chairman (either of whom may act) to complete the Loan Agreement with the final terms and details of the Bond as determined pursuant to paragraph 2. The Board hereby authorizes the Chief Executive Officer or the Chairman (either of whom may act) to execute and deliver the Loan Agreement and such other documents and certificates as such officer may consider necessary in connection therewith.

10. **Evidence of Approval.** The approval or determination of all of the details and provisions of the Bond, the WIFIA Supplement, the Loan Agreement and all other documents executed under the Authority of this Resolution shall be evidenced conclusively by the execution and delivery of the Bond, the WIFIA Supplement, the Loan Agreement and such other document by the officer or officers authorized hereby.

11. **Further Actions; Authorized Representative.** The Board hereby authorizes and directs the Chairman and the Chief Executive Officer and such officers and agents of Alexandria Renew as may be designated by either of them to take such further actions as they deem necessary regarding, the issuance and sale of the Bond and the execution, delivery and performance of the Loan Agreement, including, without limitation, the execution and delivery of the draft WIFIA Lender's term sheet dated January 11, 2021, as amended or supplemented from time to time, and closing documents and certificates. All such actions previously taken by such officers and agents are ratified and confirmed. The Board hereby designates the Chief Executive Officer as Alexandria Renew's authorized representatives for purposes of the Loan Agreement. The authorization granted in this Resolution to the Chairman, Chief Executive Officer, Secretary-Treasurer may be carried out by the Vice Chairman, Assistant or Acting Secretary, as applicable, or such other officer as any of the named officers may designate in writing.

12. **Filing of Resolution.** The Board hereby directs counsel to Alexandria Renew to file a certified copy of this Resolution with the Circuit Court of the City of Alexandria, Virginia, pursuant to Section 15.2-5126 of the Code of Virginia of 1950, as amended.

13. **Effective Date.** This Resolution shall take effect immediately.

[Signature Page Follows]

Adopted January 19, 2021

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Secretary-Treasurer

[Signature Page to Bond Resolution]

**CITY OF ALEXANDRIA, VIRGINIA SANITATION AUTHORITY**

**RESOLUTION AUTHORIZING AND APPROVING THE ISSUANCE, AWARD AND SALE OF THE CITY OF ALEXANDRIA, VIRGINIA SANITATION AUTHORITY, SEWER REVENUE BOND, TO THE VIRGINIA RESOURCES AUTHORITY, AS ADMINISTRATOR OF THE VIRGINIA WATER FACILITIES REVOLVING FUND AND SETTING FORTH THE FORM, DETAILS AND PROVISIONS FOR THE PAYMENT THEREOF**

**WHEREAS**, the City of Alexandria, Virginia, Sanitation Authority d/b/a Alexandria Renew Enterprises ("**Alexandria Renew**") is a public body politic and corporate of the Commonwealth of Virginia (the "**Commonwealth**") created pursuant to the Virginia Water and Waste Authorities Act, Chapter 51, Title 15.2 of the Code of Virginia of 1950, as amended (the "**Act**").

**WHEREAS**, the Board of Directors of Alexandria Renew (the "**Board**") have determined that it is necessary and desirable to issue a sewer revenue bond (the "**Bond**"), and to use the proceeds thereof, along with other available funds, if any (i) to finance all or a portion of the costs of the RiverRenew program, as it may be amended by the Board from time to time, together with related expenses and (ii) to pay the costs of issuing the Bond (the "**Project**").

**WHEREAS**, the Bond will be sold by Alexandria Renew to or at the direction of the Virginia Resources Authority ("**VRA**"), as Administrator of the Virginia Water Facilities Revolving Fund (the "**Fund**"), pursuant to the terms of a Financing Agreement (the "**Financing Agreement**") between Alexandria Renew and VRA, as Administrator of the Fund, to be dated as of a date specified by VRA.

**WHEREAS**, the Bond will be issued as parity indebtedness ("**Parity Indebtedness**") under the Master Indenture of Trust dated as of March 15, 1999 (as supplemented and amended, the "**Master Indenture**"), between Alexandria Renew and U.S. Bank National Association, as successor trustee (the "**Trustee**"). The Bond will be secured by a pledge of the net revenues (as more particularly defined in the Master Indenture, the "**Net Revenues**") derived by Alexandria Renew from the ownership and operation of its sewage disposal and sewer systems (as more particularly defined in the Financing Agreement, the "**System**").

**WHEREAS**, the foregoing arrangements will be reflected in the Financing Agreement, a form of which has been filed in Alexandria Renew's records.

**NOW, THEREFORE, IN FURTHERANCE OF THE PUBLIC PURPOSE FOR WHICH THE CITY OF ALEXANDRIA, VIRGINIA, SANITATION AUTHORITY WAS CREATED, BE IT RESOLVED THAT:**

**1. Authorization of Bond and Use of Proceeds.** The Board hereby determines that it is in the best interest of Alexandria Renew to contract a debt and to issue the Bond in the maximum principal amount of \$185,650,000, and to award and sell the Bond to or at the direction of VRA, all pursuant to the Act and the terms of this Resolution, the Master Indenture and the Financing Agreement. The Board hereby finds that the issuance of the Bond will promote the health, safety, welfare, morals and propriety of the citizens served by Alexandria Renew and will

promote the governmental purposes of the Act. Accordingly, the Board hereby authorizes the issuance, award and sale of the Bond in accordance with the terms of this Resolution and the Financing Agreement. The Bond shall be known as the "City of Alexandria, Virginia, Sanitation Authority, Sewer Revenue Bond" or such other designation as Chief Executive Officer of Alexandria Renew (the "**Chief Executive Officer**") or the Chairman of Alexandria Renew (the "**Chairman**") (either of whom may act) may approve. The Board hereby covenants that the proceeds from the issuance and sale of the Bond shall be used, together with other available funds, if any, as described in the Recitals.

**2. Details of Bond.** The Bond shall be issued as a single bond in fully registered form, shall be dated the date of its issuance and delivery and shall bear a Cost of Funds (as defined in the Financing Agreement) at a rate not to exceed five percent per annum. The maturity and the principal and Cost of Funds payment schedule shall be set forth in the form of the Bond and approved by the Chief Executive Officer or the Chairman (either of whom may act); provided that the final maturity of the Bond shall be no later than 30 years from its date of issuance.

**3. Pledge of Net Revenues and Parity Indebtedness.** The Bond shall be a limited obligation of Alexandria Renew and, except to the extent payable from the proceeds of the sale of the Bond or the income, if any, derived from the investment thereof, is payable exclusively from the Net Revenues of the System which are hereby pledged to pay the principal of and Cost of Funds on the Bond pursuant to the terms of the Master Indenture and the Financing Agreement. The Board hereby determines that the Bond shall be issued as Parity Indebtedness under the Master Indenture. The Board hereby acknowledges that as Parity Indebtedness the Bond will be secured equally and ratably with Alexandria Renew's outstanding Parity Indebtedness or Bonds (as defined in the Master Indenture) and any Parity Indebtedness or Bonds issued in the future, subject to Section 2.1(b) of the Master Indenture. Neither the Commonwealth nor any of its political subdivisions, including Alexandria Renew, shall be obligated to pay the principal of or Cost of Funds on the Bond or other costs incident to it except from the revenues and any other money or property pledged for such purpose, and neither the faith and credit nor the taxing power of the Commonwealth or any of its political subdivisions, including Alexandria Renew, is pledged to the payment of the principal of or Cost of Funds on the Bond or other costs incident to it. The issuance of the Bond does not directly, indirectly or contingently obligate the Commonwealth or any of its political subdivisions, including Alexandria Renew, to levy any taxes for the payment of the Bond.

**4. Project Part of System.** The Board hereby confirms that the Project shall constitute part of the System.

**5. Form of Bond.** The Bond shall be in substantially the form attached as Exhibit A to the Financing Agreement and on file in Alexandria Renew's records, with such variations, insertions or deletions as may be approved by the Chief Executive Officer or the Chairman (either of whom may act). There may be endorsed on the Bond such legend or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any usage or requirement of law with respect thereto.

**6. Redemption of Bond.** The Bond shall be subject to optional redemption at the direction of Alexandria Renew, upon the terms set forth in the Bond and the Financing Agreement.

7. **Execution and Delivery of Bond.** The Board hereby authorizes and directs the Chief Executive Officer or the Chairman (either of whom may act) to execute the Bond. The Board hereby authorizes and directs the Secretary-Treasurer to affix the seal of Alexandria Renew to the executed Bond and to attest it and then to deliver the Bond to or at the direction of VRA upon payment of the first principal advance thereunder. An authorized representative or other designee of VRA shall enter the amount and date of each principal advance as provided in the Certificate of Advances attached to the Bond when the proceeds of such advance are delivered to Alexandria Renew.

8. **Parity Debt Service Fund Accounts.** The Board hereby authorizes the creation of a series-specific Bond Account in the Parity Debt Service Fund described in Section 7.5 of the Master Indenture. The Board hereby covenants that Alexandria Renew shall use money in such Bond Account to make payments on the Bond when due.

9. **Approval of Financing Agreement.** The Board hereby approves the form of the Financing Agreement, with such changes, insertions or omissions as may be approved by the Chairman. The Board hereby authorizes the Chief Executive Officer or the Chairman (either of whom may act) to complete the Financing Agreement with the final terms and details of the Bond as determined pursuant to paragraph 2. The Board hereby authorizes the Chief Executive Officer or the Chairman (either of whom may act) to execute and deliver the Financing Agreement and such other documents and certificates as such officer may consider necessary in connection therewith.

10. **Evidence of Approval.** The approval or determination of all of the details and provisions of the Bond, the Financing Agreement and all other documents executed under the Authority of this Resolution shall be evidenced conclusively by the execution and delivery of the Bond, the Financing Agreement and such other document by the officer or officers authorized hereby.

11. **Tax Documents.** If required by VRA, the Board hereby authorizes the Chief Executive Officer of Alexandria Renew (the "**Chief Executive Officer**") to execute a Tax Compliance Agreement or any related document (the "**Tax Documents**") setting forth the expected use and investment of the proceeds of the Bond and containing such covenants as may be required by VRA or otherwise necessary in order to comply with the applicable provisions of the Internal Revenue Code of 1986, as amended (the "**Code**"), including the provisions of Section 148 of the Code and applicable regulations relating to "arbitrage bonds." If required by VRA, the Board hereby covenants that the proceeds from the issuance and sale of the Bond will be invested and expended as set forth in the Tax Documents, which will be delivered simultaneously with the issuance and delivery of the Bond, and that Alexandria Renew shall comply with the other covenants and representations contained therein.

12. **Further Actions; Authorized Representative.** The Board hereby authorizes and directs the Chairman and the Chief Executive Officer and such officers and agents of Alexandria Renew as may be designated by either of them to take such further actions as they deem necessary regarding, the issuance and sale of the Bond and the execution, delivery and performance of the Financing Agreement, including, without limitation, the execution and delivery of VRA's commitment letter of November 17, 2020, as amended or supplemented from time to time, and

closing documents and certificates. All such actions previously taken by such officers and agents are ratified and confirmed. The Board hereby designates the Chief Executive Officer as Alexandria Renew's authorized representatives for purposes of the Financing Agreement. The authorization granted in this Resolution to the Chairman, Chief Executive Officer, Secretary-Treasurer may be carried out by the Vice Chairman, Assistant or Acting Secretary, as applicable, or such other officer as any of the named officers may designate in writing.

**13. Filing of Resolution.** The Board hereby directs counsel to Alexandria Renew to file a certified copy of this Resolution with the Circuit Court of the City of Alexandria, Virginia, pursuant to Section 15.2-5126 of the Code of Virginia of 1950, as amended.

**14. Effective Date.** This Resolution shall take effect immediately.

[Signature Page Follows]

Adopted January 19, 2021

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Secretary-Treasurer

[Signature Page to Bond Resolution]

**CITY OF ALEXANDRIA, VIRGINIA SANITATION AUTHORITY**

**RESOLUTION AUTHORIZING THE EXECUTION OF AMENDMENTS TO FINANCING AGREEMENTS BETWEEN THE CITY OF ALEXANDRIA, VIRGINIA SANITATION AUTHORITY AND THE VIRGINIA RESOURCES AUTHORITY, AS ADMINISTRATOR OF THE VIRGINIA WATER FACILITIES REVOLVING FUND, AND AMENDMENTS TO PRIOR BONDS OF THE CITY OF ALEXANDRIA, VIRGINIA SANITATION AUTHORITY TO DECREASE THE COST OF FUNDS THEREON**

**WHEREAS**, the City of Alexandria, Virginia, Sanitation Authority d/b/a Alexandria Renew Enterprises ("**Alexandria Renew**") is a public body politic and corporate of the Commonwealth of Virginia (the "**Commonwealth**") created pursuant to the Virginia Water and Waste Authorities Act, Chapter 51, Title 15.2 of the Code of Virginia of 1950, as amended (the "**Act**").

**WHEREAS**, on December 14, 2000, U.S. Bank National Association ("**U.S. Bank**"), on behalf of the Virginia Resources Authority ("**VRA**"), as Administrator of the Virginia Water Facilities Revolving Fund (the "**Fund**"), acquired from Alexandria Renew a Sewer Revenue Bond, Series 2000B (the "**2000B Local Bond**"), in the original principal amount of \$65,300,000, pursuant to a Financing Agreement dated as of December 1, 2000, as amended by the Amendment to Financing Agreement dated as June 20, 2006 (collectively, the "**2000B Financing Agreement**"), between the Borrower and VRA.

**WHEREAS**, on June 25, 2004, U.S. Bank, on behalf of VRA, as Administrator of the Fund, acquired from Alexandria Renew a Sewer Revenue Bond, Series 2004 (the "**2004 Local Bond**"), in the original principal amount of \$22,000,000, pursuant to a Financing Agreement dated as of June 1, 2004 (the "**2004 Financing Agreement**"), between the Borrower and VRA.

**WHEREAS**, on January 20, 2006, U.S. Bank, on behalf of VRA, as Administrator of the Fund, acquired from Alexandria Renew a Sewer Revenue Bond, Series 2006 (the "**2006 Local Bond**"), in the original principal amount of \$3,000,000, pursuant to a Financing Agreement dated as of January 1, 2006 (the "**2006 Financing Agreement**"), between the Borrower and VRA.

**WHEREAS**, on June 29, 2006, U.S. Bank, on behalf of VRA, as Administrator of the Fund, acquired from Alexandria Renew a Sewer Revenue Bond, Series 2006B (the "**2006B Local Bond**"), in the original principal amount of \$12,000,000, pursuant to a Financing Agreement dated as of June 1, 2006 (the "**2006B Financing Agreement**"), between the Borrower and VRA.

**WHEREAS**, on November 10, 2008, U.S. Bank, on behalf of VRA, as Administrator of the Fund, acquired from Alexandria Renew a Sewer Revenue Bond, Series 2008B (the "**2008B Local Bond**"), in the original principal amount of \$9,265,000, pursuant to a Financing Agreement dated as of November 1, 2008 (the "**2008B Financing Agreement**"), between the Borrower and VRA.

**WHEREAS**, on December 31, 2009, U.S. Bank, on behalf of VRA, as Administrator of the Fund, acquired from Alexandria Renew a Sewer Revenue Bond, Series 2009 (the "**2009 Local**

**Bond**"), in the original principal amount of \$15,000,000, pursuant to a Financing Agreement dated as of December 1, 2009 (the "**2009 Financing Agreement**"), between the Borrower and VRA.

**WHEREAS**, on November 30, 2011, U.S. Bank, on behalf of VRA, as Administrator of the Fund, acquired from Alexandria Renew a Sewer Revenue Bond, Series 2011 (the "**2011 Local Bond**"), in the original principal amount of \$8,115,767, pursuant to a Financing Agreement dated as of November 1, 2011 (the "**2011 Financing Agreement**"), between the Borrower and VRA.

**WHEREAS**, on June 19, 2014, U.S. Bank, on behalf of VRA, as Administrator of the Fund, acquired from Alexandria Renew a Sewer Revenue Bond, Series 2014A (the "**2014A Local Bond**"), in the original principal amount of \$12,500,000, pursuant to a Financing Agreement dated as of June 1, 2014 (the "**2014A Financing Agreement**"), between the Borrower and VRA.

**WHEREAS**, on June 19, 2014, U.S. Bank, on behalf of VRA, as Administrator of the Fund, acquired from Alexandria Renew a Sewer Revenue Bond, Series 2014B (the "**2014B Local Bond**"), in the original principal amount of \$2,500,000, pursuant to a Financing Agreement dated as of June 1, 2014 (the "**2014B Financing Agreement**"), between the Borrower and VRA.

**WHEREAS**, on October 19, 2014, U.S. Bank, on behalf of VRA, acquired from Alexandria Renew a Sewer Revenue and Refunding Bond, Series 2014C (the "**2014C Local Bond**"), in the original principal amount of \$19,515,000, pursuant to a Local Bond Sale and Financing Agreement dated as of October 2, 2014 (the "**2014C Financing Agreement**"), between the Borrower and VRA.

**WHEREAS**, on April 24, 2017, U.S. Bank, on behalf of VRA, acquired from Alexandria Renew a Sewer Revenue and Refunding Bond, Series 2017 (the "**2017 Local Bond**"), in the original principal amount of \$23,000,000, pursuant to a Local Bond Sale and Financing Agreement dated as of March 31, 2017 (the "**2017 Financing Agreement**"), between the Borrower and VRA.

**WHEREAS**, on October 24, 2019, U.S. Bank, on behalf of VRA, as Administrator of the Fund, acquired from Alexandria Renew a Sewer Revenue Bond, Series 2019 (the "**2019 Local Bond**," and together with the 2000B Local Bond, 2004 Local Bond, 2006 Local Bond, 2006B Local Bond, 2008B Local Bond, 2009 Local Bond, 2011 Local Bond, 2014A Local Bond, 2014B Local Bond, 2014C Local Bond and 2017 Local Bond, the "**Local Bonds**"), in the original principal amount of \$10,400,000, pursuant to a Financing Agreement dated as of October 1, 2019 (the "**2019 Financing Agreement**," and together with the 2000B Financing Agreement, 2004 Financing Agreement, 2006 Financing Agreement, 2006B Financing Agreement, 2008B Financing Agreement, 2009 Financing Agreement, 2011 Financing Agreement, 2014A Financing Agreement, 2014B Financing Agreement, 2014C Financing Agreement and 2017 Financing Agreement, the "**Financing Agreements**"), between the Borrower and VRA.

**WHEREAS**, Alexandria Renew with the consent of VRA and the Virginia Department of Environmental Quality ("**DEQ**"), proposes to amend one or more of the Financing Agreements to decrease the interest rate on the respective Local Bond, and to reduce the debt service payments thereunder.

**WHEREAS**, a draft of a form of Amendment to the Financing Agreement (each an "**Amendment Agreement**") between Alexandria Renew and VRA, which, among other things, amends certain provisions of the applicable Financing Agreements, including the continuing disclosure covenants and the debt service payments under the applicable Financing Agreement, has been filed in Alexandria Renew's records.

**WHEREAS**, a draft of a form of Allonge (each an "**Allonge**"), which shall be attached to the applicable Local Bonds, and which evidences the reduction in respective debt service payments on the Local Bonds, has been filed in Alexandria Renew's records.

**WHEREAS**, it appears to be in the best interests of Alexandria Renew to amend the applicable Financing Agreements and Local Bonds.

**NOW, THEREFORE, IN FURTHERANCE OF THE PUBLIC PURPOSE FOR WHICH THE CITY OF ALEXANDRIA, VIRGINIA, SANITATION AUTHORITY WAS CREATED, BE IT RESOLVED THAT:**

**1. Authorization of Amendment Agreements and Forms of Allonges.** The Board of Directors of Alexandria Renew (the "**Board**") hereby determines that it is in the best interest of Alexandria Renew to execute and deliver the Amendment Agreements and the Allonges for the Local Bonds. The Board authorizes the execution and delivery of the Amendment Agreements and the Allonges. The Board hereby finds that the execution and delivery of the Amendment Agreements and the Allonges will promote the health, safety, welfare, morals and propriety of the citizens served by Alexandria Renew and will promote the governmental purposes of the Act

**2. Approval of Amendment Agreements.** The form of the Amendment Agreement on file in Alexandria Renew's records is hereby approved. The Chairman of Alexandria Renew (the "**Chairman**") and the Chief Executive Officer of Alexandria Renew (the "**Chief Executive Officer**") (either of whom may act) are hereby authorized to execute the Amendment Agreements in substantially such form, with such completions, omissions, insertions, and changes that are not inconsistent with this Resolution, as may be approved by the Chairman or the Chief Executive Officer, whose approval shall be evidenced conclusively by the execution and delivery of the Amendment Agreements.

**3. Execution of Allonges.** The form of the Allonge on file in Alexandria Renew's records is hereby approved. The Chairman and the Chief Executive Officer (either of whom may act) are hereby authorized and directed to execute and deliver the Allonges in substantially such form, to reflect the same amended terms as contained in the respective Amendment Agreement, together with such other completions, omissions, insertions, and changes that are not inconsistent with this Resolution and the Amendment Agreements, as may be approved by the Chairman or Chief Executive Officer, whose approval shall be evidenced conclusively by the execution and delivery of the Allonges. The Secretary-Treasurer or any Assistant or Acting Secretary of the Board is hereby authorized to attest or countersign the Allonges and affix the seal of Alexandria Renew thereon.

**4. Tax Documents.** If required by VRA, the Board hereby authorizes the Chief Executive Officer to execute a Tax Compliance Agreement or any related document (the "**Tax**

**Documents**") setting forth the expected use and investment of the proceeds of the Local Bonds and containing such covenants as may be required by VRA or otherwise necessary in order to comply with the applicable provisions of the Internal Revenue Code of 1986, as amended (the "**Code**"), including the provisions of Section 148 of the Code and applicable regulations relating to "arbitrage bonds." If required by VRA, the Board hereby covenants that the proceeds from the Local Bonds will be invested and expended as set forth in the Tax Documents, which will be delivered simultaneously with the issuance and delivery of the Allonges, and that Alexandria Renew shall comply with the other covenants and representations contained therein.

**5. Other Actions.** All other actions of the officers of Alexandria Renew in conformity with the purposes and intent of this Resolution, and in furtherance of the execution and delivery of the Amendment Agreements and Allonges are ratified, approved, and confirmed. The officers of Alexandria Renew are authorized and directed to execute and deliver all certificates and other instruments, including, but not limited to, an amendment to or a new tax certificate related to the Local Bonds, that such officer may consider necessary or desirable in connection with the transactions authorized pursuant to this Resolution.

**6. Filing of Resolution.** The Board hereby directs counsel to Alexandria Renew to file a certified copy of this Resolution with the Circuit Court of the City of Alexandria, Virginia, pursuant to Section 15.2-5126 of the Code of Virginia of 1950, as amended.

**7. Effective Date.** This Resolution shall take effect immediately.

Adopted January 19, 2021

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Secretary-Treasurer

[Signature Page to Bond Resolution]

## CEO Board Report December 2020

Dear Members of the Board of Alexandria Renew Enterprises,

During the Board’s monthly meeting held on December 15, 2020, the Alexandria Renew Enterprises (AlexRenew) Board received a presentation from the RiverRenew Tunnel Design Build team, Traylor-Shea Joint Venture (TSJV). TSJV highlighted their extensive experience working on similar CSO and tunnel projects. Local project experience includes the DC Clean Waters projects and the Purple Line Light Rail project in Montgomery County, Maryland.

The Commonwealth of Virginia is still operating under a State of Emergency due to the COVID 19 pandemic. In December, two new cases of COVID 19 were reported on the AlexRenew campus. There has been no impact on our process due to these new cases. AlexRenew has been able to maintain staffing levels and adequate supply of PPE to ensure the continuity of operations.

On December 7, 2020, AlexRenew was awarded \$439,736.80 of CARES Act funds from the Commonwealth to help customers who are experiencing financial hardship due to COVID 19 and are not current on their bills. As part of the initial outreach, AlexRenew launched an online eligibility form and sent letters to notify the 1,525 customers who are eligible for this program.

### Operational Excellence

Precipitation for December at the Reagan National Airport was 5.08 inches, which is above the Washington, D.C. historical average precipitation of 3.05 inches for the month. There were no overflows in the collection system or at the plant during the month.

Biosolids production for December was 1,867 wet tons, all of which was beneficially used through land application in the Virginia counties of Fauquier, Hanover, King George, and King and Queen. The biosolids were land applied as Class B biosolids.

AlexRenew experienced high-flow conditions following the precipitation event that occurred on December 24, 2020. This caused the plant to experience upset conditions, requiring AlexRenew to enable a bypass at the filters on December 24 and December 25. All bypassed flow was disinfected and discharged. AlexRenew exceeded weekly limits for TSS and TP for the week. AlexRenew met all other VPDES effluent parameters for the month.

Treatment	Daily Average Flow MGD	Carbonaceous Biochemical Oxygen Demand (Monthly Average) mg/L	Total Suspended Solids (Monthly Average) mg/L	Ammonia (as N) (Monthly Average) mg/L	Dissolved Oxygen (Minimum) mg/L	Total Nitrogen <sup>1</sup> (Annual Average) mg/L	Total Nitrogen LOAD (YTD) lb	Total Phosphorus (Monthly Average) mg/L	Total Phosphorus LOAD (YTD) lb
Permit	54.0	5.0	6.0	Seasonal <sup>2</sup>	6.0	3.0	493,381	0.18	29,603
Reported	45.3	<QL	5.7	0.11	8.7	2.6	302,522	0.16	12,876

## NOTES

1. Total Nitrogen expressed as year-to-date average.
2. Ammonia has seasonal limits: **November – January: 8.4 mg/L**

## Public Engagement and Trust

### **Tours and Events**

In December, the exhibit from AlexRenew's artist in residence, sTo Len, was featured in the Washington Post. The exhibit, called *Renewal*, ran through December 27 and featured prints, photographs, and artefacts that the artist made and collected during his art residency.

### **Customer Service**

Customer Service received 1,251 calls in November with 47% opting for self-service. Average call answer time was 19 seconds. Call center staff also answered 155 emails.

### **Social Media and Website**

Seventy percent of people who engaged with us on Facebook during December were from the City of Alexandria; the majority (66 percent) were women and 33 percent were men. We had 235 organic engagements on Facebook. We currently have 3,483 Facebook fans. AlexRenew had 266 organic engagements on Twitter, 20 on LinkedIn, and 6 on Instagram. We have a total of 3,393 followers on Twitter, 2,319 on LinkedIn, and 193 Instagram followers. Our website had 5,267 sessions and 11,403 page views during December, an increase from the previous month. We had 113 visitors click through to our website from social media. The RiverRenew website had 507 visitors and 1,519 page views.

## Watershed Stewardship

Please reference the RiverRenew Board of Directors Dashboard for updates on RiverRenew.

## Adaptive Culture

From April 30, 2018, we have logged 414,872.99 hours without a lost time accident.

Thank you for your ongoing dedicated service to AlexRenew.

Regards,

Karen Pallansch  
Chief Executive Officer

# Monthly Financial Report

**Month:** December 2020

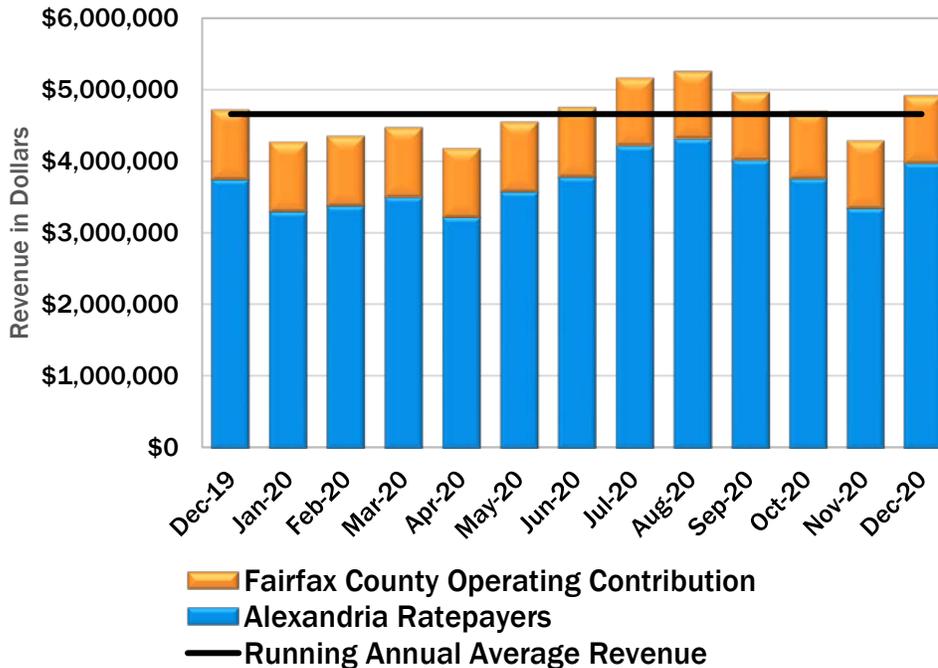
## Overview

Monthly performance of AlexRenew’s annual approved budget is reviewed and evaluated against actual to planned spend rates, historical trends, appropriate benchmarks and internal financial policies, to ensure overall organizational financial stability.

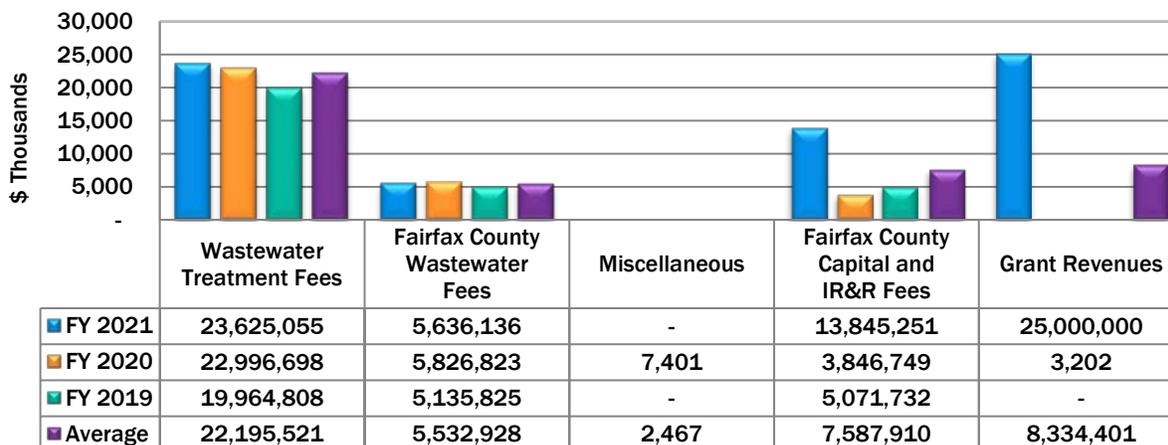
## Revenues

- FY21 operating revenues total \$29.3 million through the end of December with approximately \$23.6 million in Wastewater Treatment Charge revenue and \$5.6 million collected from Fairfax County. Wastewater Treatment Charge revenue is approximately \$628 thousand (2.73%) more compared to the same time period in FY20, and \$3.9 million (20%) above the Fiscal 2021 YTD budget. Data indicates a slight increase month-over-month in customer revenue in December 2020. December revenues are, however, consistent with historical averages. Accounting/Finance staff will continue to monitor the trend in coming months.
- Our revenue performance is primarily driven by billed flows that may be impacted by seasonality and by the Virginia American Water meter reading process, which can vary month-to-month.
- The Fairfax County operating expense charge and IR&R contribution YTD are on budget respectively. Fairfax County capital outlay contributions are also in-line with capital expenditures.

## Monthly Wastewater Treatment Fee Revenue



### Annual Revenue and Capital Contributions 3 Year Comparison



### Annual Operating Fund Revenues 3 Year Comparison



## Expenses

FY21 operating and maintenance expenses are approximately 11% or \$1.58 million under our year-to-date budget, representing a spend rate of 44.4%. An overall decrease in Operations and Maintenance costs and Chemicals accounts primarily for this variance.

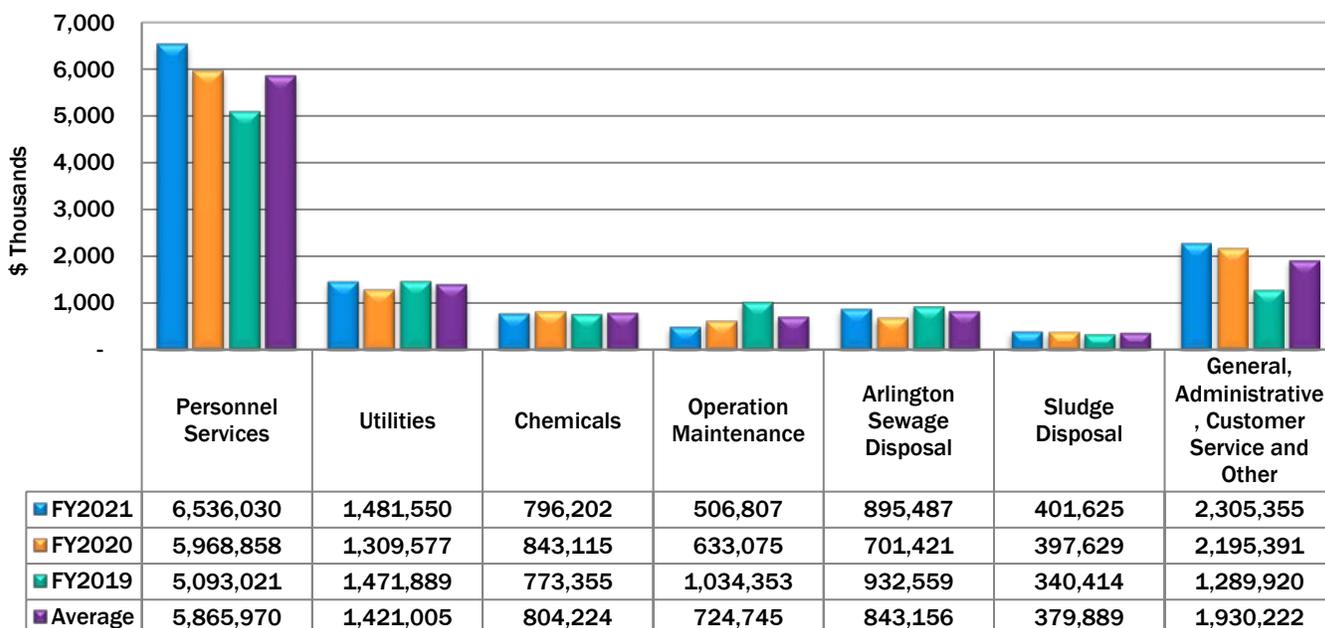
Capital outlay expenses are \$36.09 million year-to-date, representing a spend rate of 59.3%.

At six (6) months into our fiscal year, our overall spend rate is 52.4% of our total budget.

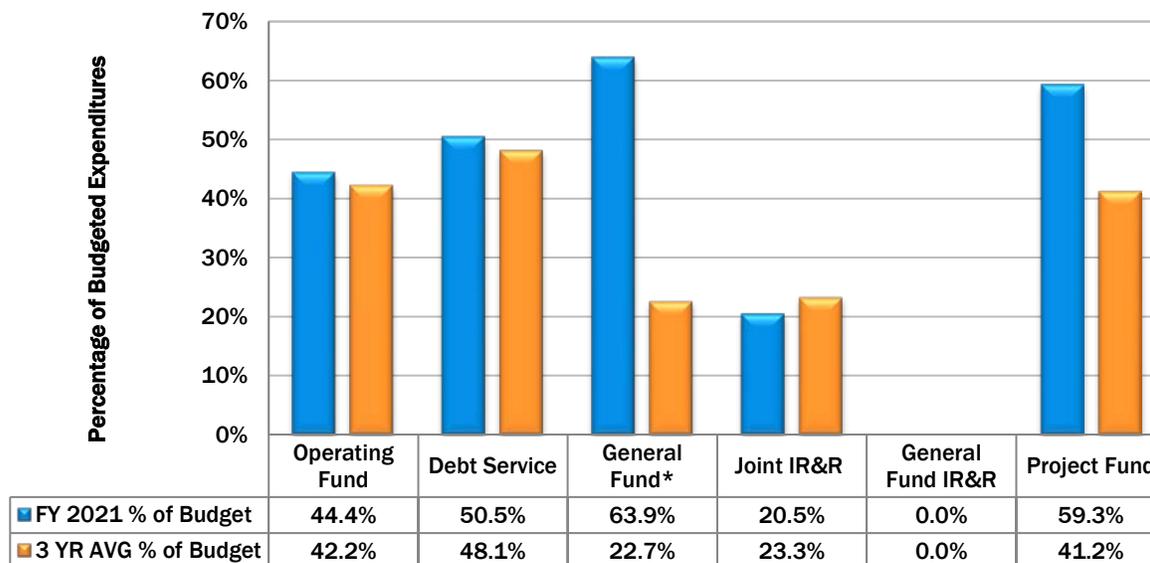
## Expenses By Fund

ACTUAL VS. BUDGET Through December 2020					SPEND RATE		
(\$ Millions)	FY 2021	FYTD 2021	3 YR AVG	FYTD 2021	FY 2021	3 YR AVG	Variance FY21
Expenses (By Fund)	BUDGET	ACTUAL	ACTUAL	BUDGET	% of Budget	% of Budget	to 3 YR AVG
Operating Fund	\$ 28.39	\$ 12.61	\$ 11.92	\$ 14.20	44.4%	42.2%	2.2%
Debt Service	14.12	7.13	6.99	7.06	50.5%	48.1%	2.4%
General Fund*	2.28	1.46	0.92	1.14	63.9%	22.7%	41.2%
Joint IR&R	5.63	1.15	1.21	2.82	20.5%	23.3%	-2.8%
General Fund IR&R	0.25	-	-	0.13	0.0%	0.0%	0.0%
Project Fund	60.86	36.09	17.83	30.43	59.3%	41.2%	18.1%
<b>Total</b>	<b>\$ 111.53</b>	<b>\$ 58.45</b>	<b>\$ 38.86</b>	<b>\$ 55.77</b>	<b>52.4%</b>	<b>40.6%</b>	<b>11.8%</b>

## Annual Operating Expenses 3 Year Comparison



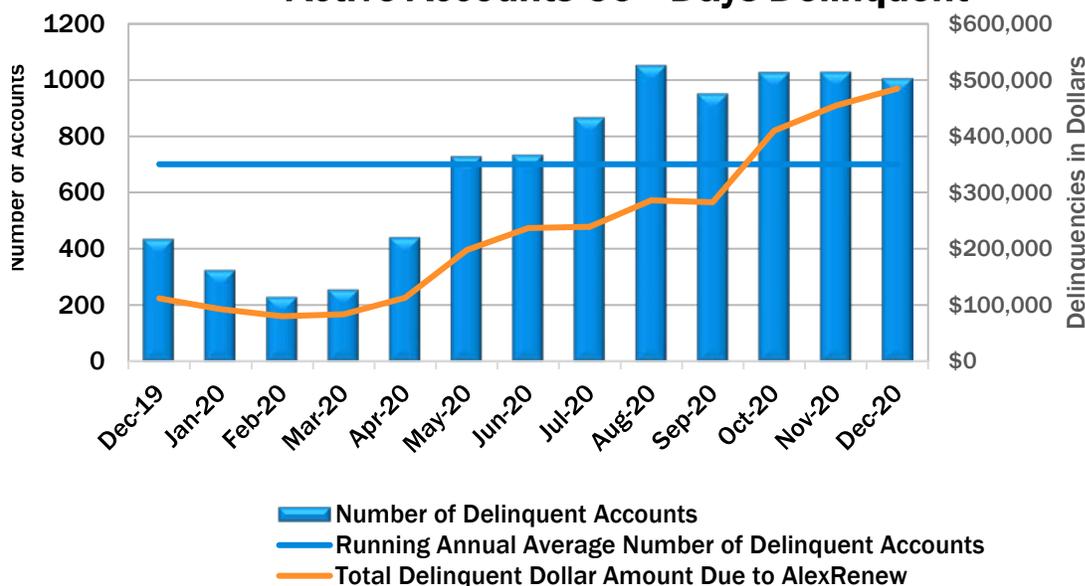
## Expenditure Budget Comparison By Fund FY 21 vs. 3 Year Average



### Delinquencies

The number of accounts that are delinquent by more than 60 days decreased month-over-month, from 1,031 accounts in November to 1,008 in December. The total dollar amount owed to AlexRenew from these accounts increased to \$484,832, largely driven by the fact that account holders with larger dollar value balances fell delinquent, while smaller dollar amount accounts paid off their balances. As with all delinquent customers, AlexRenew’s customer service professionals will perform outreach to try to bring the accounts current, initiate a payment plan and/or evaluate their eligibility for relief funding.

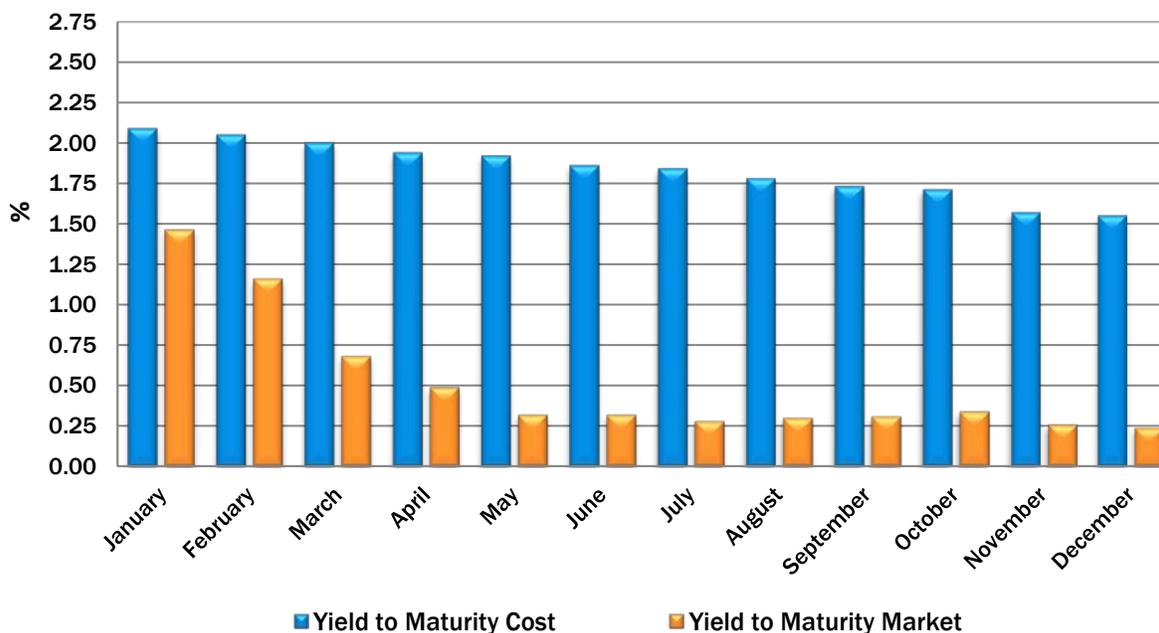
### Active Accounts 60+ Days Delinquent



## Investments

PFM Investment Advisors manages approximately \$21 million of AlexRenew's \$28.0 million investment portfolio. The following graph demonstrates current earnings on investments of approximately 1.57%; a level significantly higher than general bank deposit earnings rates.

### Investment Yield Percentage to Maturity (Investments managed by PFM) Through December 2020

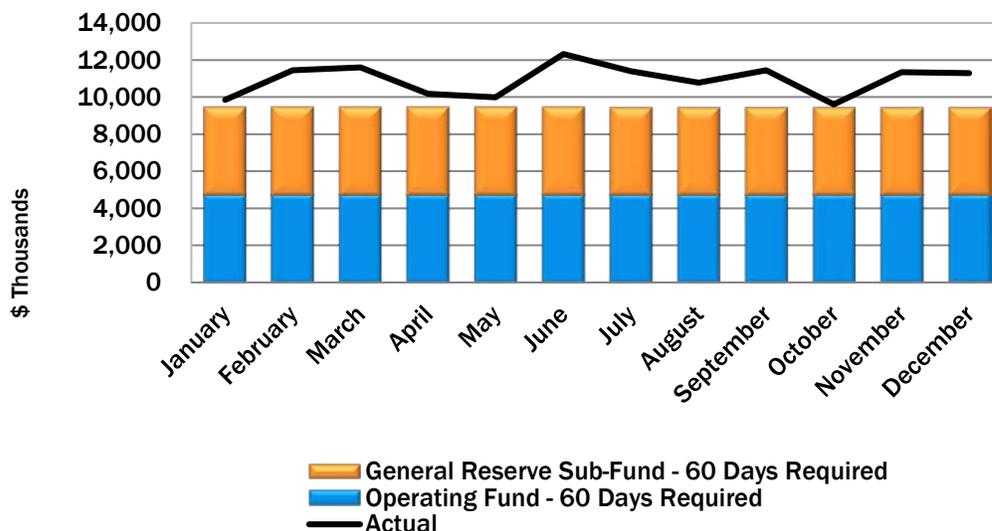


## Cash Reserves

Our Indenture requires that we maintain a balance on deposit in our Operating Fund equal to not less than 60 days of budgeted operating expenses. AlexRenew's Financial Policy requires a balance on deposit in our General Reserve sub-Fund also equal to not less than 60 days of budgeted operating expenses. In total, these combined compliance conditions require AlexRenew to maintain at least 120 days cash on hand, and for FY21 this equals a minimum of \$9,462,334. The chart and graph below demonstrate that AlexRenew currently exceeds this requirement.

Board Policy 120 Days Cash Reserves	Actual	Percentage of Goal
<b>As of December, 2020</b>		
Total Operating Cash	\$ 4,148,273	
Total Certificates of Deposit (Cash Equivalent)	\$ 2,857,235	
CARE ACT COVID19 Funding Balance	\$ (439,737)	
Total Operating Cash	<u>\$ 6,565,771</u>	
Total General Reserve Sub-Fund Cash	<u>4,731,167</u>	
Total Operating and General Reserve Sub-Fund Cash	<u>11,296,938</u>	119%

### Cash Reserve Policy

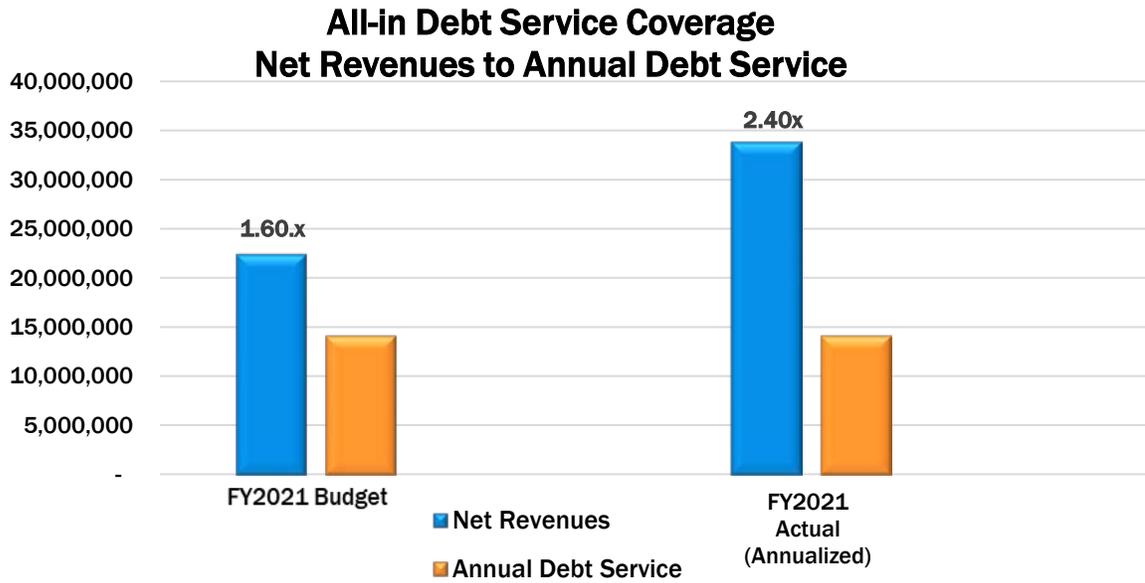


### Debt Service Coverage

Our Indenture also requires AlexRenew to maintain minimum debt service coverage such that Revenues less Operating Expenses or Net Revenues (each term as defined in the Indenture) is at least 1.10x our parity debt service due in any fiscal year. Compliance with our Board-approved financial policies requires AlexRenew to maintain a higher minimum debt service coverage of at least 1.50x applying the same criteria as defined above.

In both cases, AlexRenew currently exceeds its compliance standard as indicated in the graph below. The 1.6x designated in the graph below represents projected coverage for FY21 based on actual results to date. We also note our anticipated coverage of 2.40x based on original FY21 budget expectations. As a result, we are well ahead of our budgeted projection, as well as our minimum policy.

Financial Policy Compliance - All-In Debt Service Coverage	FY 2021 Actual	FY 2021 Budget
<b>Gross Revenues Available for Debt Service Coverage:</b>		
Wastewater Treatment Charges - Alexandria Ratepayers	47,250,110	39,492,000
Fairfax County Operating Expense Charge	11,272,272	11,272,272
Reimbursement from other systems	-	-
Investment Income	557,185	115,000
Less Restricted Investment Income	-	-
<b>Total</b>	<b>59,079,567</b>	<b>50,879,272</b>
<b>LESS Operating Expenses</b>	<b>(25,228,112)</b>	<b>(28,386,991)</b>
<b>Net Revenues [a]</b>	<b>33,851,455</b>	<b>22,492,281</b>
<b>Annual Debt Service [b]</b>	<b>14,123,976</b>	<b>14,123,976</b>
<b>Calculated All-In Debt Coverage [a/b]</b>	<b>2.40x</b>	<b>1.60x</b>
<b>Financial Policy Target</b>	<b>≥1.50x</b>	<b>≥1.50x</b>



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## **Glossary:**

### Revenue Fund

All revenue receipts of Alexandria Renew are deposited in the Revenue Fund.

### The Operating Fund

The Operating Fund accounts for the administration and maintenance of the wastewater treatment system. By Board policy, the Operating Fund shall maintain 120 days of cash in reserve as established by Board Policy.

### Parity Debt Service Fund

The Parity Debt Fund shall have deposited in it one-twelfth (1/12th) of the annual required debt payment due within the budget year. Deposits are restricted funds for use to make semiannual payments in accordance with the Alexandria Renew Trust Agreements.

### Joint Improvement, Renewal & Replacement (IRR) Fund

The IR&R Fund receives deposits directly from Fairfax County (60% of IR&R budget) and from AlexRenew customer revenue (40% of IR&R budget) for asset renewal of joint use facilities. The contribution to the IRR Fund is 0.7% of the total amount of capital expenditures made subsequent to October 1, 1997, for the joint portion of the system, as set forth by the service agreement with Fairfax County.

### Project Fund

The Project Fund records the cost of each joint use capital project included in the Alexandria Renew Capital Improvement Plans (CIP).

The plans for current and future capital projects, both joint and City only, is summarized in a Ten-Year CIP. City use only CIP are accounted for within the General Fund.

### General Fund

The General Fund serves as reserve fund to be used for any lawful purpose of the Authority. Deposits to the General Fund are made from the Revenue Fund after all other fund expenditures and requirements have been satisfied. Alexandria Renew principally uses the General Fund to finance specific capital improvements and to provide sufficient reserves in accordance with policy.

# RiverRenew Board of Directors Dashboard

MONTH ENDING: DECEMBER 31, 2020

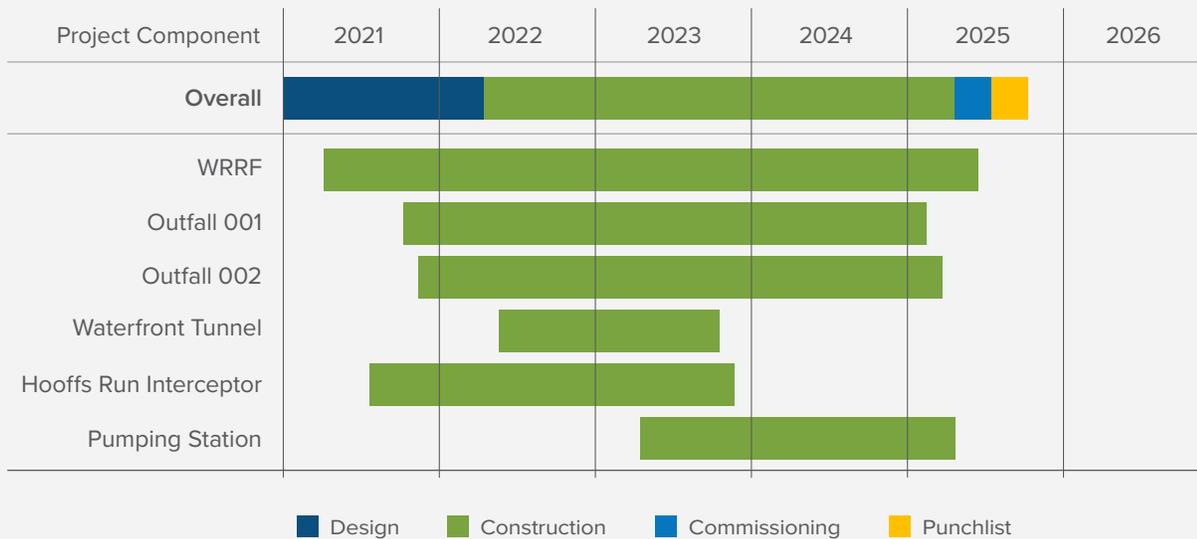


RiverRenew is a program owned and implemented by AlexRenew, Alexandria's wastewater treatment provider.

## RiverRenew Overview

To improve the waterways that connect us, AlexRenew is implementing RiverRenew to prevent 130 million gallons of combined sewage from polluting Alexandria's local rivers and streams each year. Three out of four RiverRenew projects were completed at AlexRenew's Water Resource Recovery Facility (WRRF) in 2020. The remaining project includes the construction of a new tunnel to connect AlexRenew's WRRF to four existing combined sewer outfalls in Alexandria.

## RiverRenew Tunnel Project Design-Build Schedule

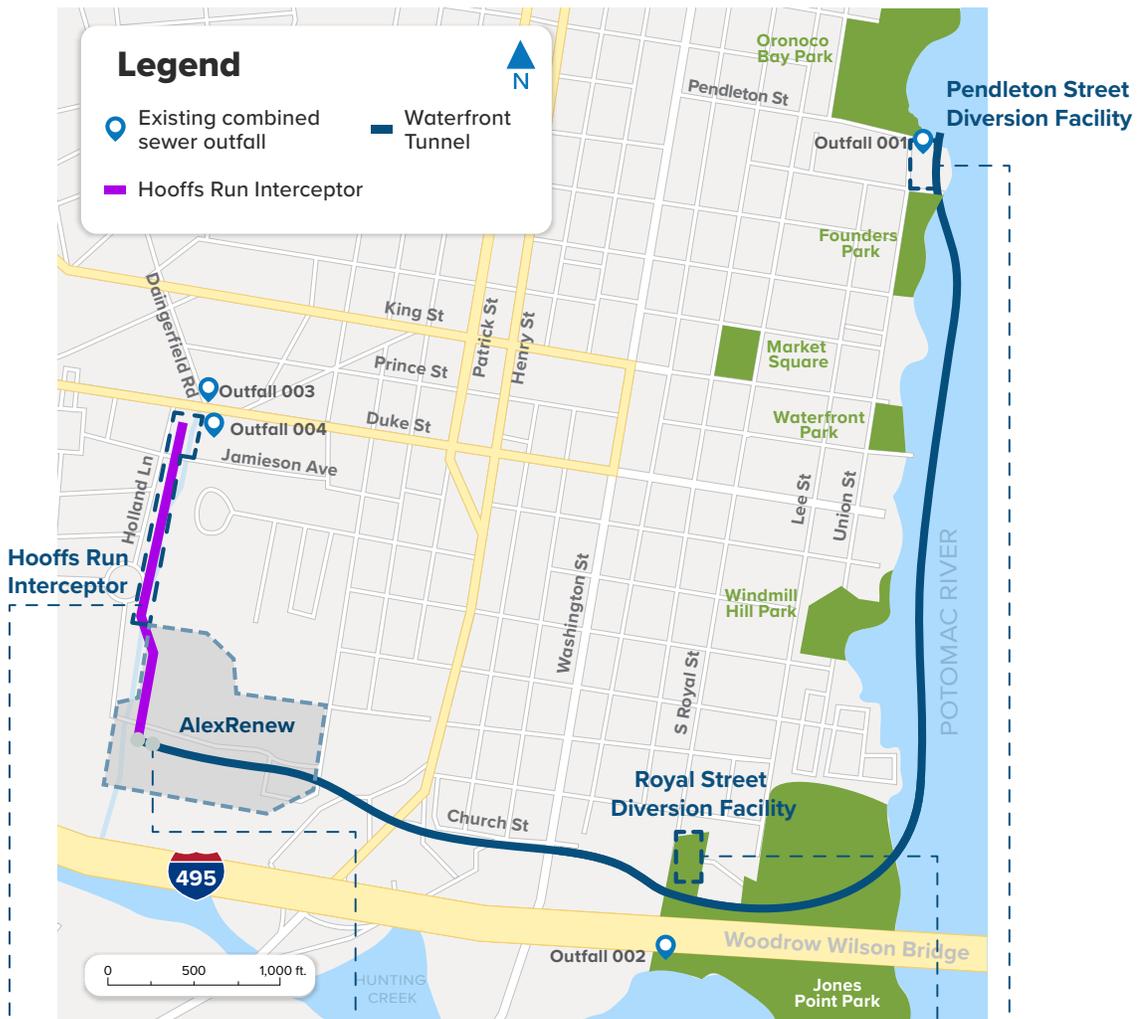


THREE-MONTH LOOK AHEAD	
Date:	Activity:
Jan. 7, 2021	AlexRenew Board/City Council CSO Workgroup Meeting No. 10
Feb. 2021	Stakeholder Advisory Group Meeting No. 1
Feb. 2021	Community Listening Session
Feb. 2021	24/7 Construction Hotline Established
Through Mar. 2021	Permitting and Design Ongoing

SUMMARY OF MAJOR DELAYS	
Issue:	Impact:

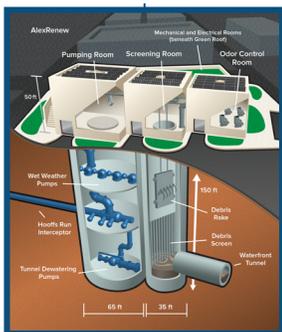
# RiverRenew Tunnel Project Snapshot

The Tunnel Project includes the following major components: a two-mile-long, 12-foot-wide, 100-foot deep tunnel; a six-foot-wide sanitary sewer interceptor; diversion facilities to capture combined sewer discharges; and two pumping stations.

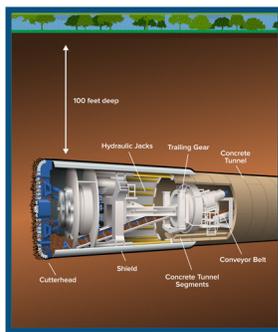


**Hooffs Run Interceptor**

**Construction:**  
Summer 2021-Summer 2024

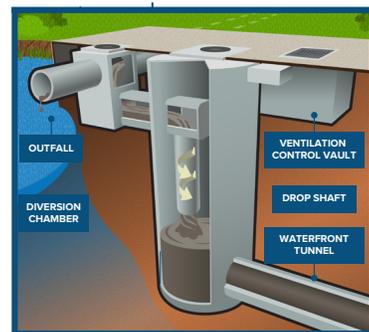


**Tunnel Dewatering and Wet Weather Pumping Station**



**Tunnel Boring Machine**

Click [here](#) to watch an animated video about RiverRenew and learn how the Waterfront Tunnel will be constructed.



**Diversion Facility**

**Pendleton Street Diversion Facility Construction:**  
Fall 2021-Winter 2024

**Royal Street Diversion Facility Construction:**  
Fall 2021-Fall 2024

Click [here](#) for an introduction to diversion facilities from two RiverRenew engineers.

# Status of RiverRenew Tunnel Project Components

## Waterfront Tunnel



0%

## Pendleton Street



0%

## Royal Street



0%

## Hooffs Run Interceptor



0%

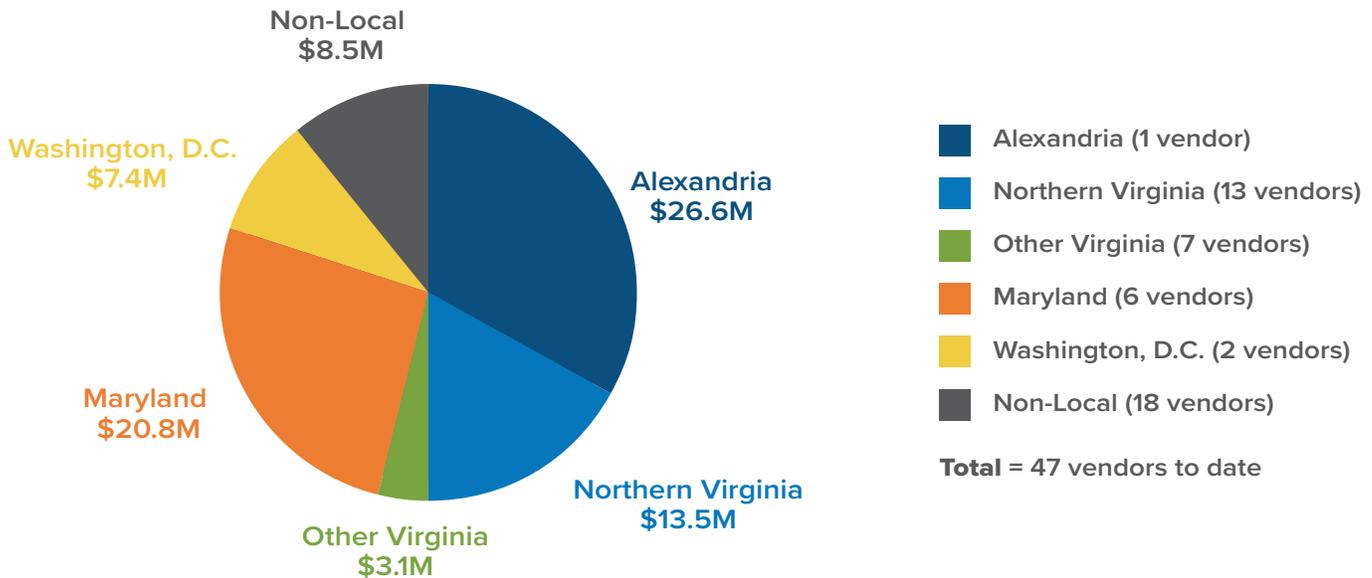
## Pumping Station



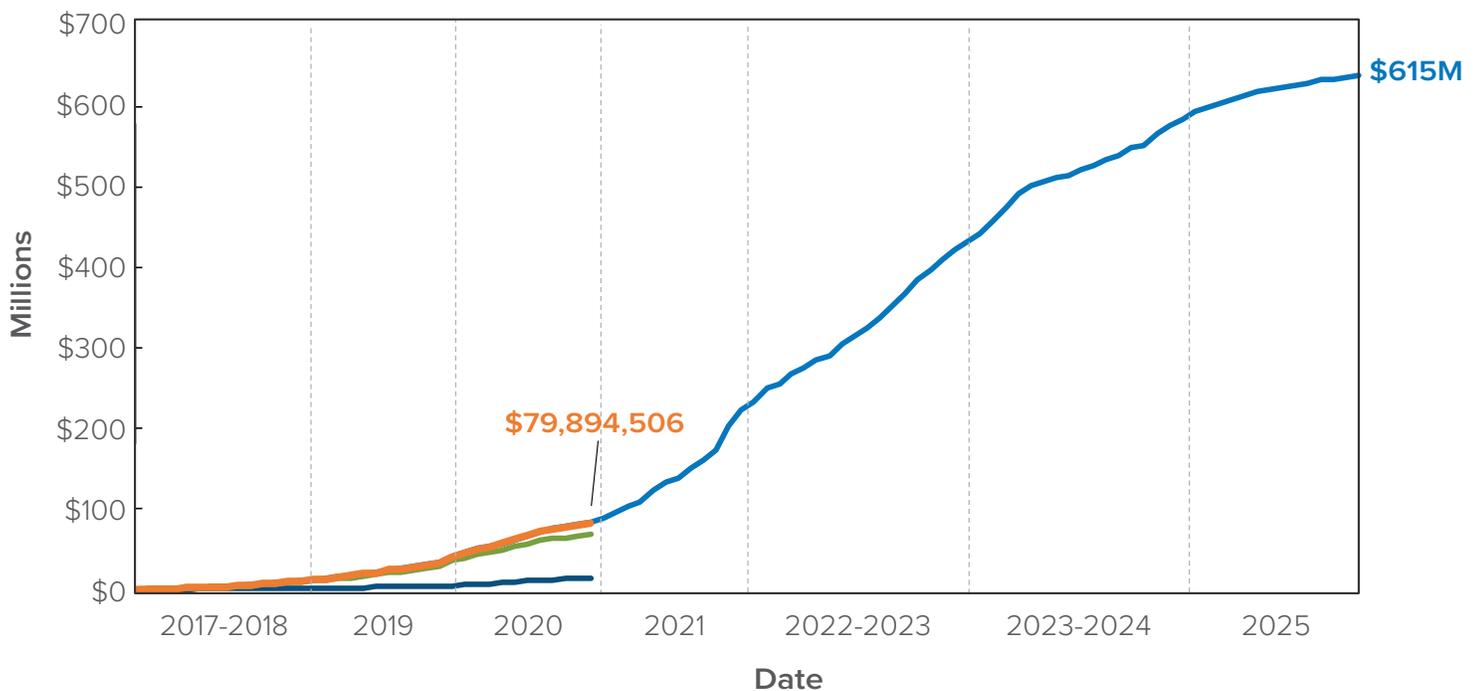
0%

# RiverRenew Program Costs to Date

## RiverRenew Spend to Date by Locality



## RiverRenew Cash Flow Analysis



### Current Planned Projection:

- Total Program Spend to Date
- Anticipated Projection Based on Tunnel Project Award
- Total Fairfax County Spend to Date
- Total AlexRenew Spend to Date

# RiverRenew Community Outreach



## Education

**Education** initiatives are intended to engage audiences of all ages and help them learn more about RiverRenew and its technical components.

### Highlights:

- New construction progress highlights, including promoting the **completion of the RTN demo** and **final preparation of the Holland Lane Lot**



## Council-Board Workgroup

The **Council-Board Workgroup** comprises two members from AlexRenew's Board of Directors and two members from the Alexandria City Council.

### Next Meeting:

- January 7, 2021: 5:00–6:30 p.m.



## Community Meetings

**Community meetings** are presentations given to various stakeholder groups, including the SAG, and community listening sessions. These presentations can be delivered in person or virtually.

### Highlights:

- SAG members selected and notified

### Looking Ahead:

- SAG members to be announced in early January 2021
- First SAG Meeting: February 2021
- Community Listening Session: February 2021



## Digital Programming

**Digital programming** keeps the community connected to RiverRenew, with regular program updates on RiverRenew.com, featured content on AlexRenew's social media pages during "Tunnel Takeover Tuesdays," and distribution of *The River Renewer*, a quarterly newsletter promoting updates and milestones to more than 500 contacts.

### Highlights:

- A **program update** and social media post announcing Notice to Proceed issued on December 1
- An **animated slideshow** of the Building J demolition progress shared on social media
- **The River Renewer, Winter 2020:** Q4 email newsletter

## Decommissioning and Demolishing

## Building J

Learn more and check out our progress at [RiverRenew.com/building-j](http://RiverRenew.com/building-j)



## Community Events

Participating in or co-sponsoring **community events** strengthens AlexRenew's relationship with its water and community partners.

### Highlights:

- AlexRenew's Artist-In-Residence sTo Len's "Renewal" on display at the Torpedo Factory – 10/3/20-12/27/20



## Community Days

**Community days** feature project-specific events to celebrate construction progress on the Tunnel Project and engage the community along the way.

# Monthly Construction Spotlight



## Completing the 108 to 116 Million Gallons per Day Project

This month, AlexRenew delivered the first phase of RiverRenew with the on-time completion of the 108 to 116 Million Gallons per Day Project.

To reach this milestone, AlexRenew completed upgrades to and testing of six primary effluent pumps to increase their capacity from 108 to 116 million gallons per day. In November, these pumps were tested to ensure they met the design intent, achieving substantial completion of the project.

With the pumps up and running, this additional front-end capacity will help manage wet weather flows and assist in preventing 130 million gallons of combined sewage from entering local waterways.

Visit [RiverRenew.com/front-end-capacity](https://www.RiverRenew.com/front-end-capacity) to watch a series of videos shared with the community about the expansion project.

## Investing in Healthier Waterways for Alexandria

To learn more, visit [www.RiverRenew.com](https://www.RiverRenew.com)

