

AlexRenew Board of Directors Meeting

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Agenda

Alexandria Renew Enterprises Board of Directors Meeting
Tuesday, February 16, 2021@ 6:00 p.m.
Virtual

No.	Item	Presenter	Action Required
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Due to Covid-19 pandemic emergency, the February 16, 2021 Alexandria Renew Enterprises Board of Directors meeting 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 videoconference call on Zoom.

Links:

Topic: Regular Board of Directors Meeting

Register in advance for this webinar:

https://zoom.us/webinar/register/WN_cML84oz-T5quDUNOMvnslg

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.

Public comment will also be received at this meeting. If you wish to speak during public comment, please email or call the Board Secretary at (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 To Order (6:00 p.m.)	Chairman	
2.	Approval of Agenda (6:02 p.m.)	Chairman	Approval
3.	Explanation of Required Procedures for an Electronic Meeting (6:05 p.m.)	Mr. Rak	Information
4.	Public Comment Period (6:17 p.m.)	Chairman	
5.	Consent Calendar (6: 20 p.m.) A. Minutes (Meeting held January 19, 2021) (Tab 1)	Chairman	Approval
6.	Unfinished Business (6:21 p.m.) A. None	Chairman	
7.	New Business (7:05 p.m.) A. AlexRenew Customer Rates Update B. Request for Board Member Participation on Ellen Pickering Award Selection Committee (Tab 2)	Chairman Mr. Ori, Raftelis Ms. Pallansch	
8.	AlexRenew Monthly Outcomes Update (7:15 p.m.) (Tab 3)	Ms. Pallansch	Information
9.	Adjourn (7:20 p.m.)	Chairman	

Times shown in parentheses are approximate and serve as guidelines

If you need an interpreter, translator, materials in alternate formats or other accommodations to access this service, activity or program, please call (703) 721-3500 ext. 2260 at least three business days prior to the meeting.

The next Board of Directors meeting is scheduled for Tuesday, March 16, 2021

Chairman- John Hill • Vice Chairman- Jim Beall
• Secretary-Treasurer-William Dickinson
• Members- Bruce Johnson, Adriana Caldarelli

Minutes of the 879th Meeting – Virtual
“Celebrating Over 60 Years of Continuous Environmental Excellence”
Alexandria Renew Enterprises
6:00 p.m., Tuesday, January 19, 2021

On Tuesday, January 19, 2021, 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, Chief Executive Officer
Ms. Liliana Maldonado, Chief Environmental Performance Officer
Ms. Christine McIntyre, Chief Financial Officer
Mr. Blake Hamilton, Director of Environmental Performance
Ms. Allison Deines, Director of Research & Strategy Engagement
Ms. Caitlin Feehan, RiverRenew Program Director
Ms. Lorna Huff, Secretary to the Board

Counsel: Mr. T.W. Bruno, McGuireWoods LLP

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

City Representative: Mr. Lu Zhang, T&ES/Sanitary Sewer Infrastructure Division

Consultants: Ms. Sara Frey, PFM
Mr. Justin Carl, Brown & Caldwell, Owner’s Advisor

Call to Order

The Chairman called the meeting to order at 6:00 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. Beall moved and Mr. Dickinson seconded. The Chairman called the roll with all members voting Aye.

Explanation of Virtual Meeting Processes

The Chairman recognized Mr. Bruno who provided the following statement:
Due to the Covid-19 pandemic emergency, the January 19, 2021, 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. The Board Secretary reported there were no members of the public in attendance who wished to speak. The Chairman closed the public comment period and moved to the Consent Calendar.

Consent Calendar

The Chairman noted the Minutes of the December 15, 2020 meeting and inquired if Board members had questions or comments. There were no questions or comments on the Minutes and the Chairman requested a motion to approve the Minutes. Mr. Dickinson moved and Mr. Beall seconded. The Chairman called the roll with all members voting aye.

There were no additional questions or comments. In order to resolve technical issues with the audio for the Finance and Audit Committee Chairman, Mr. Hill moved ahead in the Agenda to the Board of Director Reports.

Board of Director Reports

A. City Council/AlexRenew Board Workgroup Update

Discussion

The Chairman reported that he and Mr. Beall attended a meeting of the City Council/AlexRenew Board Workgroup. In attendance were Mayor Wilson, Councilwoman Jackson, members of the new Stakeholder Advisory Group (SAG) and the Traylor Shea Joint Venture team (TSJV). The TSJV reviewed their prior experience with tunnel projects and unique qualifications to complete the RiverRenew project.

The SAG contains new and returning members. Their first meeting is in February. The Chairman encouraged all members of the Board to attend the meeting if possible. The Chairman reported that he was impressed with the progress on the RiverRenew project. Mr. Beall and Mr. Dickinson concurred and commended the Traylor Shea and AlexRenew teams.

CEO Monthly Outcome Reports

The Chairman recognized Ms. Pallansch who noted her written report and inquired if members had questions or comments. She reported on the RiverRenew Dashboard updates focusing on the tunnel program itself and the work of the design build team. She noted that the updated Dashboard would include a three-month look ahead, community outreach, and a review of project costs. She requested that members review the Dashboard and advise her of additional information they would like to see included.

Ms. Pallansch reported that the Deputy City Manager requested volunteers to assist the Virginia Department of Health with providing vaccines. Ms. Pallansch and other members of AlexRenew staff participated and reported that it was well run and organized. She thanked the City for allowing AlexRenew staff the opportunity to participate. Mr. Dickinson inquired on the status of AlexRenew staff who had contracted Covid-19. Ms. Pallansch reported one staff member hospitalized. He recovered and retired as previously scheduled. All other members who tested positive recovered and cleared to return to work.

Ms. Pallansch reported that the number of delinquent accounts fluctuates as accounts are cleared and added. AlexRenew received Cares Act Funding and the deadline for submissions extended to February. To date, AlexRenew had processed 149 applications in-house using about 20% of grant funds.

New Business

Proposed Resolutions Authorizing Sewer Revenue Bond Issuance

Discussion

The Chairman recognized Ms. Pallansch who provided background on the Sewer Revenue bonds issuance to support the RiverRenew program. Ms. Pallansch noted that the final resolution allows AlexRenew to take advantage of low interest rates and the current market conditions to better manage existing debt. She reported that the additional two resolutions provide flexibility for AlexRenew to manage debt related to the RiverRenew program. Ms. Pallansch commended the hard work and expertise of Ms. Frey from PFM, Mr. Bruno from McGuireWoods, and our rate consultants with Raftelis, under the leadership of Ms. McIntyre leading to successful negotiations.

The CEO further reported that she was grateful for the contributions of City staff, the legislative delegation for cost sharing agreements, and grant funding through the Commonwealth.

Ms. McIntyre gave a brief overview of AlexRenew's Capital Funding Plan and some context for funding the RiverRenew program. She noted that the RiverRenew program is the largest capital funding program in the history of the City of Alexandria with a total project estimated cost of \$615 million. She reviewed the changes from the previous Capital Funding Plan from February 2020. AlexRenew had not received State grants at that time and the tunnel system design-build contract had not been awarded.

Ms. McIntyre then reviewed the current Capital Funding Plan for the program based on market conditions and funding sources. AlexRenew Paygo or cash is \$35 million or 6% of the project. Fairfax

County Capital Contributions are 8% or \$48.4 million; State grant funding is 4% or \$25 million; a bond authorization for \$25 million in the Virginia budget amendment is not included until received. Debt financing will encompass approximately 49% from the Water Infrastructure Finance and Innovation Act (WIFIA); with the balance from the Commonwealth of Virginia's Clean Water Revolving Loan Fund (CWRLF) administered by the Virginia Resources Authority (VRA); Both programs are draw as you go. AlexRenew is not obligated to draw the full amount authorized. The amounts are an up to limit with WIFIA being \$321 million and CWRLF at \$185 million. Additionally, if another \$25 million grant becomes available, the amount of debt will be reduced from both the WIFIA and the CWRLF programs.

The WIFIA program is a new federal program designed to work in conjunction with state programs. The project ceiling is 49%. Ms. McIntyre reported that the current plan for capital funding provides the benefits and flexibility of a long maturity date. Debt increases gradually as loan proceeds are drawn to reimburse AlexRenew for expenses incurred. There are flexible repayment terms with no penalties for early repayment. Ms. McIntyre noted that current market conditions are making for very low rates for debt financing. WIFIA has pegged their rate to the thirty-year Treasury rate. The range for this is approximately 1.85 percent and will be locked in for the term of the loan. The CWRLF rate is subsidized at below market rates. It is currently locked in at 1.35% plus .01%. It will be set at closing based on prior month's rates. Closing is planned for February 4, 2021.

Ms. McIntyre then reviewed current debt service payments as the project proceeds to completion in 2025. At the Board's request, this was structured to ensure that rate increases are gradual and not extreme in any one year. Using WIFIA bonds offers \$92 million interest cost savings over a public market alternative due to subsidized interest rates and program flexibilities.

With the WIFIA program, AlexRenew required a public rating. AlexRenew was able to receive the highest possible rating of AAA from S&P and a similarly strong confidential rating from Moody's. The rating is public and will be maintained annually going forward. She reported that this adds an element of oversight and transparency to AlexRenew's financials and debt associated with RiverRenew.

Mr. Johnson inquired about AlexRenew's letter of credit debt and refinancing. Ms. McIntyre reported that we put \$39 million line of credit in place for interim financing. We have drawn on that for the first tunnel payment. It is drawn for approximately \$30 million dollars that will likely be paid off with debt proceeds. She further reported that she is working with PFM to determine whether to keep open or not.

Mr. Beall inquired on repayment of WIFIA and requested confirmation that we do not begin repayment until 2025. Ms. McIntyre noted that is correct. It is structured to repay the CWRLF debt first as the WIFIA loan provides more flexibility in repayment schedule.

Ms. McIntyre referred to a slide showing that preliminary financial projections show proposed debt for RiverRenew is affordable while maintaining Board financial policy coverages and liquidity.

Loan terms for WIFIA and CWRLF accepted AlexRenew's credit in the same package as AlexRenew provides to its lenders. Both programs include ongoing audit, compliance, and reporting requirements, which AlexRenew is prepared to satisfy.

While not providing a rates review, Ms. McIntyre briefly discussed how the capital funding plan minimizes impacts to customers.

Mr. Hill referred to a projected rate increase slide and inquired on staff confidence in current rate projections. Ms. McIntyre reported that staff is confident in projections barring any unforeseen capital needs that may arise.

Ms. McIntyre then reviewed the interest rate reductions outside of the RiverRenew program where five series of AlexRenew bonds identified by PFM, are eligible for interest rate reductions with a rate reduction from 2.4% to 1.13%.

Mr. Hill inquired if there were any questions or comments from Board members. Mr. Dickinson inquired on the interest rate not to exceed 3.75% clause. Ms. McIntyre reported that the not to exceed is outside parameter in case market conditions change drastically. He additional inquired about the term Allonge. Mr. Bruno reported that an Allonge is an amendment.

Mr. Johnson inquired whether rate increases of \$20 to \$28 extend about 40 years. Ms. McIntyre reported that the rate increases extend to 2025. There will be standard rate increases in the future as necessary.

Ms. Caldarelli inquired whether a worst-case scenario of a 3.75 interest rate have been run. Ms. McIntyre reported that we have run numbers with debt. The two that we tracked current plus 2%. Will be locked-in as long as we stick to closing date.

Mr. Hill inquired whether there were additional questions or comments from members. There being none, he requested a motion to approve all three Resolutions. As a point of order, Mr. Bruno recommended that each Resolution be voted on separately.

The Chairman entertained a motion to authorize the CEO execute a bond issuance through Water Infrastructure Financing and Innovation Act (WIFIA) program. Mr. Dickinson moved and Mr. Beall seconded. The Chairman called the roll with all members voting Aye.

The Chairman entertained a motion to authorize the CEO execute a bond issuance through Clean Water Revolving Loan Fund (CWRLF). Mr. Beall moved and Mr. Dickinson seconded. The Chairman called the roll with all members voting Aye.

The Chairman entertained a motion to approve a Resolution authorizing amendments to existing finance Agreements with the Virginia Resources Authority (VRA). Ms. Caldarelli moved and Mr. Dickinson seconded. The Chairman called the roll with all members voting Aye.

There was no additional business and the Chairman requested a motion to adjourn. Mr. Dickinson moved and Mr. Beall seconded. The Chairman called the roll with all members voting Aye.

The meeting adjourned at 7:00 p.m.

Secretary-Treasurer

DRAFT



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: February 16, 2021
SUBJECT: Alexandria-Only Action Item: Request for Board Member Participation on the 2021 Ellen Pickering Environmental Excellence Award Selection Committee

Issue:

The AlexRenew Board of Directors has a representative on the annual Selection Committee to choose the 2021 recipient of the Ellen Pickering Environmental Excellence Award.

Recommendation:

Staff respectfully recommends that the Board select a Board Member to serve as AlexRenew's Board of Directors' representative on the Ellen Pickering Environmental Excellence Award Selection Committee.

Budget and Funding:

There is no budget associated with this request.

Discussion:

For over ten years, AlexRenew has partnered with the City of Alexandria Environmental Policy Commission to help coordinate and present the Ellen Pickering Environmental Excellence Award. This annual award formally recognizes outstanding community members or groups who have demonstrated a commitment to protecting the natural environment and promoting environmental sustainability within the City of Alexandria. The Selection Committee typically is made up of a member of Mrs. Pickering's family, a member of the AlexRenew Board of Directors, a member of AlexRenew staff, and two members of the Environmental Policy Commission. Board members who have served on this committee recently include John Hill (2015 -2017) and Patti Turner (2018-2019). Note: The award was not given in 2020.

The Ellen Pickering Environmental Excellence Award is named to honor Mrs. Pickering's lifelong dedication to preservation and conservation in the City of Alexandria. Frances Ellen Pickering, a long-time City activist, first gained recognition for her lobbying efforts that, over 40 years ago, helped to create the Mount Vernon Trail between Alexandria and Washington. An active preservationist and conservationist, she was deeply committed to preserving and enhancing the City's waterfront. She urged the adoption of the City's Open Space Plan, lobbied to preserve Founders Park and protect it from high-rise development, and implemented the planting of 1,000 citizen-donated cherry trees during her tenure as chair of the Alexandria Beautification Commission.

Mrs. Pickering was elected to City Council as an independent, serving for one term between 1976 and 1979. She also served on numerous City boards and commissions, including the Alexandria Beautification

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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 highlight on the left side, extending across the width of the page.

Commission, the Alexandria Sanitation Authority, the Ad Hoc Committee on Potomac Yard, the Potomac Greens Task Force, and the Open Space Steering Committee. She also chaired the Northern Virginia Conservation Council for many years. She won two Salute to Women Awards from the City's Commission on Women. She was also an active member of the League of Women Voters and the Alexandria chapter of the American Association of University Women.

The following paragraphs detail on the award's timing, criteria and topics, and the expectations for the Selection Committee's commitment.

Timing: The nomination deadline is Thursday, March 25, 2021. **The award will be presented at the City Council Meeting on April 17, 2021.** Details of the schedule will be determined by the Selection Committee.

Nomination Criteria: Citizens nominated for the Ellen Pickering Environmental Excellence Award must be residents of the City of Alexandria. Groups, clubs, organizations, and corporations must operate within the City of Alexandria. The actions of the nominees must have a direct impact on the environment and natural resources within the City of Alexandria.

Contributions to be Considered: Contribution related to the following areas are considered applicable to the award criteria: natural resource preservation, energy conservation, climate change mitigation, education outreach regarding environmental sustainability, water preservation, water conservation, waste reduction and/or materials reuse/recycling, and promotion of clean air.

Level of Committee Commitment: Selection Committee members will be required to review nominations and meet to discuss rankings and select an award recipient. The Selection Committee will score the nominations individually and meet (preferably via teleconference) to select an award recipient. Estimated time commitment is four hours.

Congruence with AlexRenew Strategic Plan:

This action enables AlexRenew's strategy of Watershed Stewardship.

ACTION TAKEN:

APPROVED: _____ DISAPPROVED: _____

APPROVED WITH MODIFICATION: _____

MODIFICATIONS: _____

CEO Board Report January 2021

Dear Members of the Board of Alexandria Renew Enterprises,

During its meeting held on January 19, 2021, the Alexandria Renew Enterprises (AlexRenew) Board unanimously approved motions to authorize AlexRenew to execute bond issuances through Water Infrastructure Financing and Innovation Act (WIFIA) program and the Clean Water Revolving Loan Fund (CWRLF) programs to fund the RiverRenew program. A third resolution was approved authorizing amendments to reduce rates on existing finance Agreements with the Virginia Resources Authority (VRA).

The Commonwealth of Virginia is still operating under a State of Emergency due to the COVID 19 pandemic. In January, there were no new positive cases of COVID 19 reported by AlexRenew employees. Eleven AlexRenew employees have volunteered with the Alexandria Health Department to support Phase 1a and 1b COVID 19 vaccine distribution in the City.

In January, AlexRenew received 198 applications for CARES Act COVID relief funds for a total of \$102,486.

Operational Excellence

Precipitation for January at the Reagan National Airport was 2.07 inches of rain and 2.30 inches of snow, which, when combined, is above the Washington, D.C. historical average precipitation of 2.81 inches for the month. There were no overflows in the collection system or at the plant during the month.

Biosolids production for January was 1,868 wet tons, all of which was beneficially used through land application in the Virginia counties of Essex, Fauquier, King William, and Caroline. The biosolids were land applied as Class B biosolids.

AlexRenew met all Virginia Pollutant Discharge Elimination System (VPDES) effluent parameters for January 2021.

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 ¹ (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 ²	6.0	3.0	493,381	0.18	29,603
Reported	39.4	<QL	2.3	0.31	9.4	2.0	20,584	0.07	722

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

Customer Service

Customer Service received 1,192 calls in November with 52% opting for self-service. Average call answer time was 26 seconds. Call center staff also answered 158 emails.

Social Media and Website

Seventy percent of people who engaged with us on Facebook during January were from the City of Alexandria; the majority (66 percent) were women and 33 percent were men. We had 118 organic engagements on Facebook, 92 organic engagements on Twitter, 64 on LinkedIn, and 3 on Instagram. We have a total of 3,477 followers on Facebook. 3,356 followers on Twitter, 2,319 on LinkedIn, and 194 Instagram followers. Our website had 7,264 sessions and 11,568 page views during January. We had 95 visitors click through to our website from social media. The RiverRenew website had 989 visitors and 1,995 page views.

Watershed Stewardship

See RiverRenew Dashboard.

Adaptive Culture

From September 30, 2020, we have logged 58,446 hours without a lost time accident.

Thank you for your ongoing dedicated service to AlexRenew.

Regards,

Karen Pallansch
Chief Executive Officer

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Regards,

Karen Pallansch
Chief Executive Officer

Monthly Financial Report

Month: January 2021

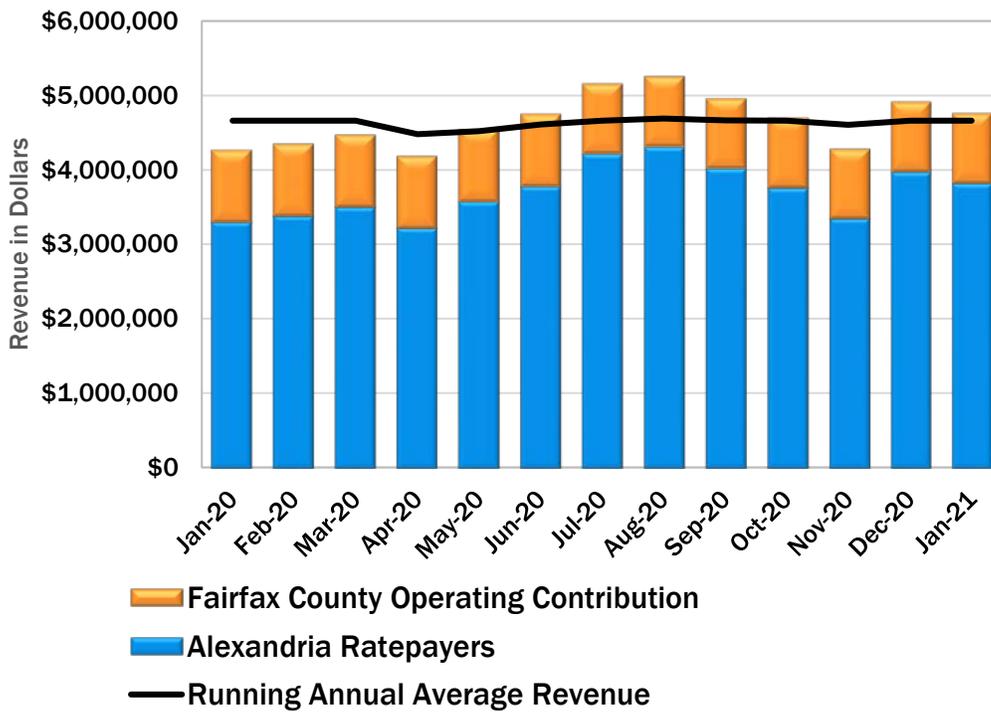
Overview

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.

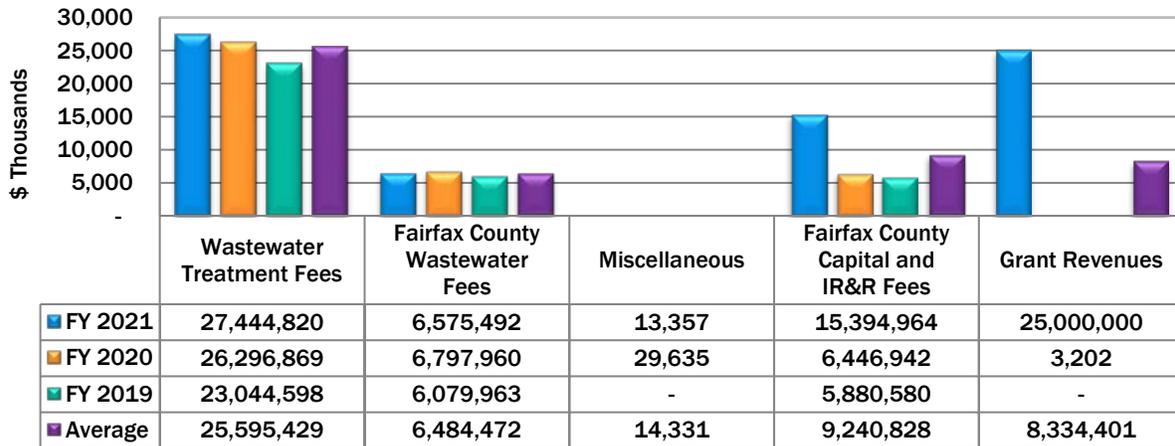
Revenues

- FY21 operating revenues total \$34.0 million through the end of January with approximately \$27.4 million in Wastewater Treatment Charge revenue and \$6.6 million collected from Fairfax County. Wastewater Treatment Charge revenue is approximately \$1.1 million (4.37%) more compared to the same time period in FY20, and \$4.4 million (19%) above the Fiscal 2021 YTD budget. Data indicates a slight decrease month-over-month in customer revenue in January 2021. January revenues are, however, consistent with historical averages. Finance staff will continue to monitor the trend in coming months.
- 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.

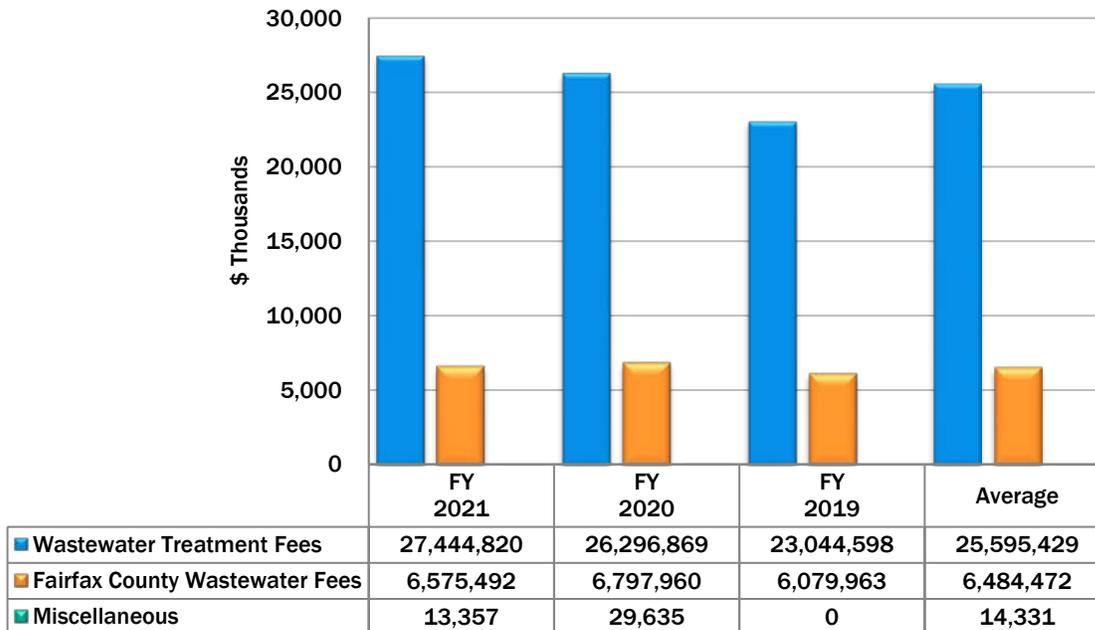
Monthly Wastewater Treatment Fee Revenue



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 \$1.87 million under the year-to-date budget, representing a spend rate of 51.7%. An overall decrease in Operations and Maintenance costs and Utilities accounts primarily for this variance.

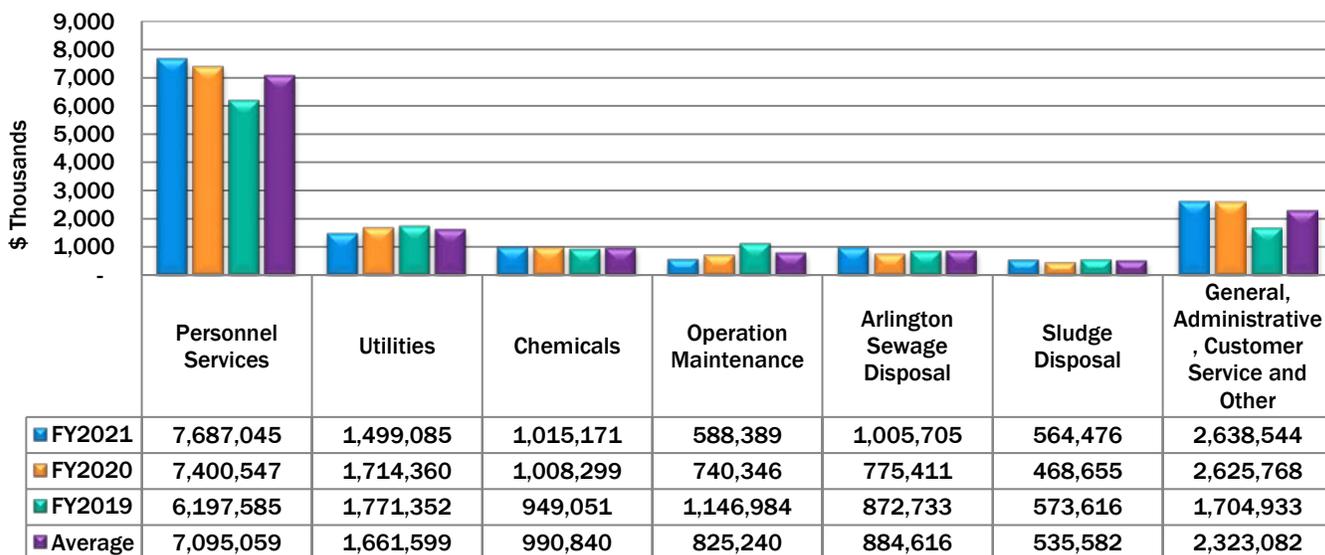
Capital outlay expenses are \$38.63 million year-to-date, representing a spend rate of 63.5%.

At seven (7) months into the fiscal year, the overall spend rate is 58.6% of the total budget.

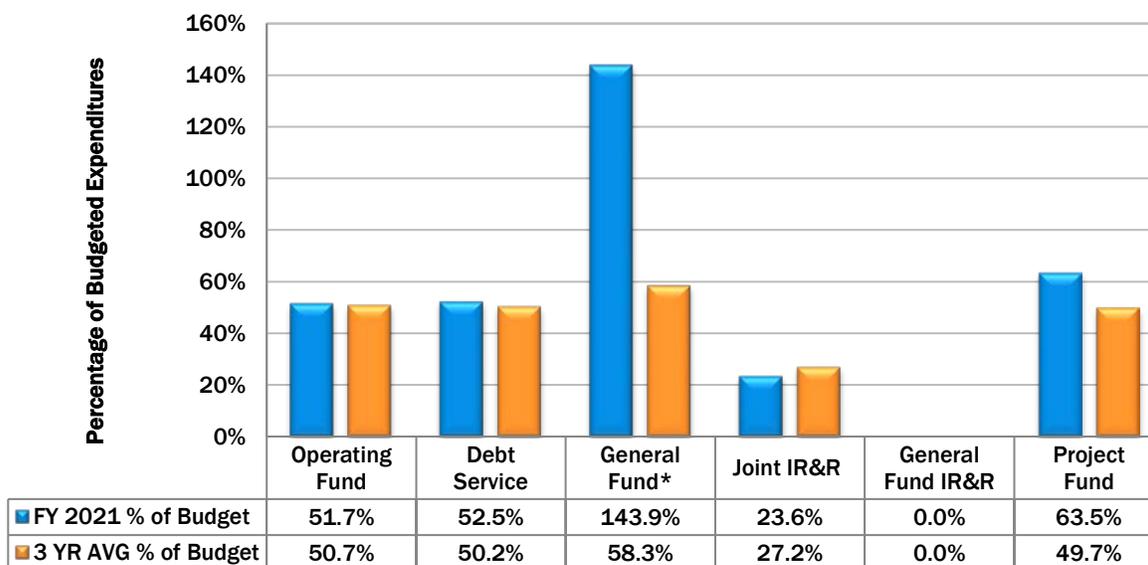
Expenses By Fund

(\$ Millions)	ACTUAL VS. BUDGET Through January 2021				SPEND RATE		
	FY 2021 BUDGET	FYTD 2021 ACTUAL	3 YR AVG ACTUAL	FYTD 2021 BUDGET	FY 2021 % of Budget	3 YR AVG % of Budget	Variance FY21 to 3 YR AVG
Operating Fund	\$ 28.39	\$ 14.69	\$ 14.30	\$ 16.56	51.7%	50.7%	1.1%
Debt Service	14.12	7.41	7.29	8.24	52.5%	50.2%	2.3%
General Fund*	2.28	3.28	2.37	1.33	143.9%	58.3%	85.6%
Joint IR&R	5.63	1.33	1.41	3.28	23.6%	27.2%	-3.6%
General Fund IR&R	0.25	-	-	0.15	0.0%	0.0%	0.0%
Project Fund	60.86	38.63	21.51	35.50	63.5%	49.7%	13.8%
Total	\$ 111.53	\$ 65.33	\$ 46.88	\$ 65.06	58.6%	49.0%	9.6%

Annual Operating Expenses 3 Year Comparison



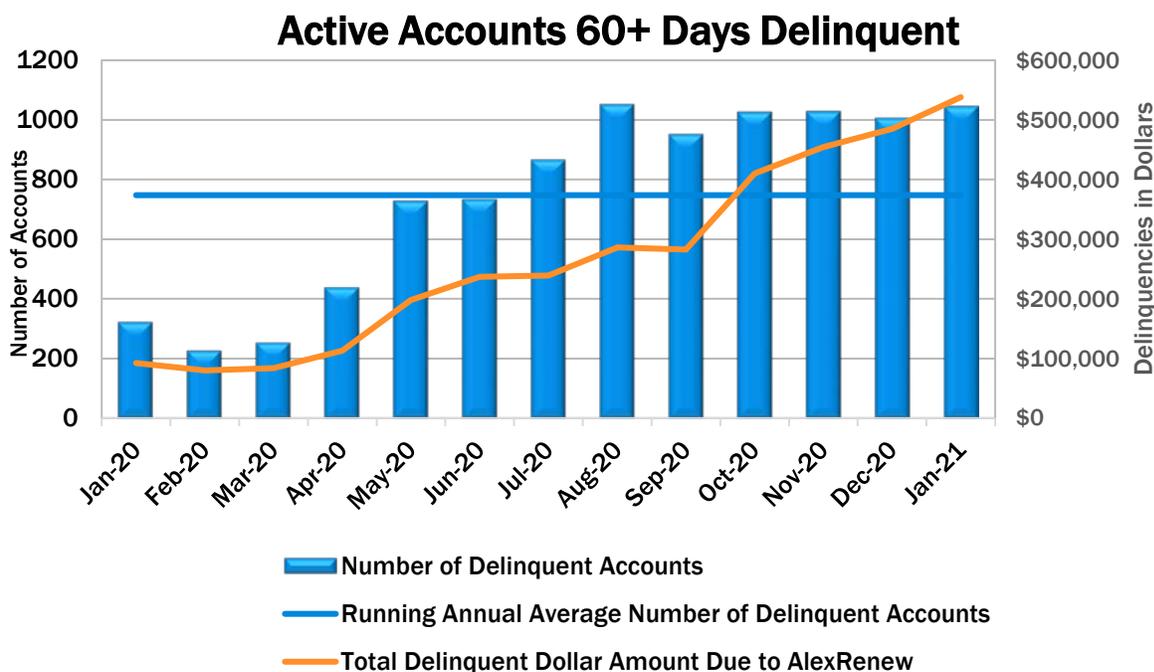
Expenditure Budget Comparison By Fund FY 21 vs. 3 Year Average



* Increase in General Fund expenditures due to Alexandria-only RiverRenew easement payment

Delinquencies

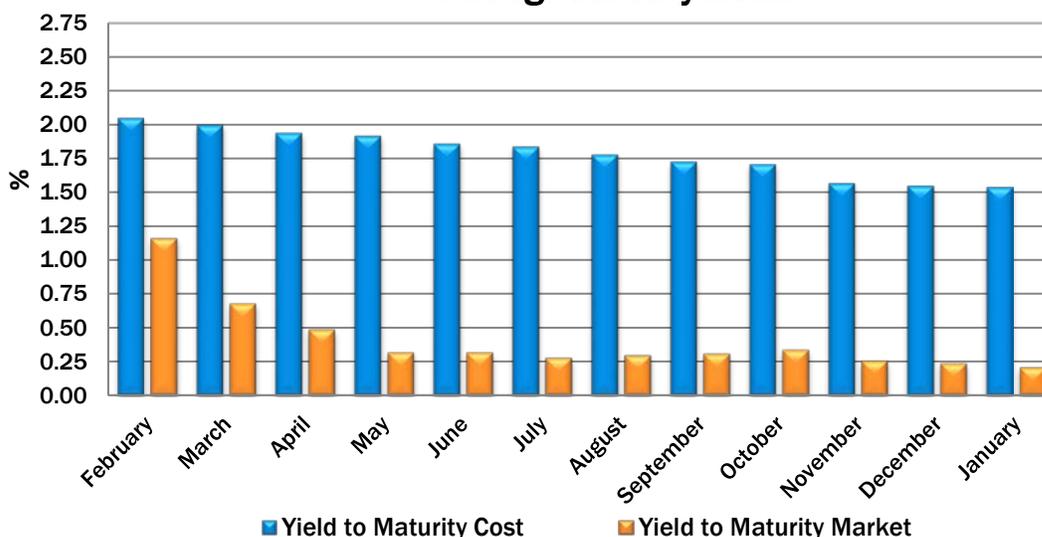
The number of accounts that are delinquent by more than 60 days increased month-over-month, from 1,008 accounts in December to 1,048 in January. The total dollar amount owed to AlexRenew from these accounts increased to \$538,096, largely driven by the fact that account holders with larger dollar value balances fell delinquent. As with all delinquent customers, AlexRenew’s customer service professionals continue to help customers bring accounts current, initiate a payment plan and/or evaluate eligibility for relief funding.



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.

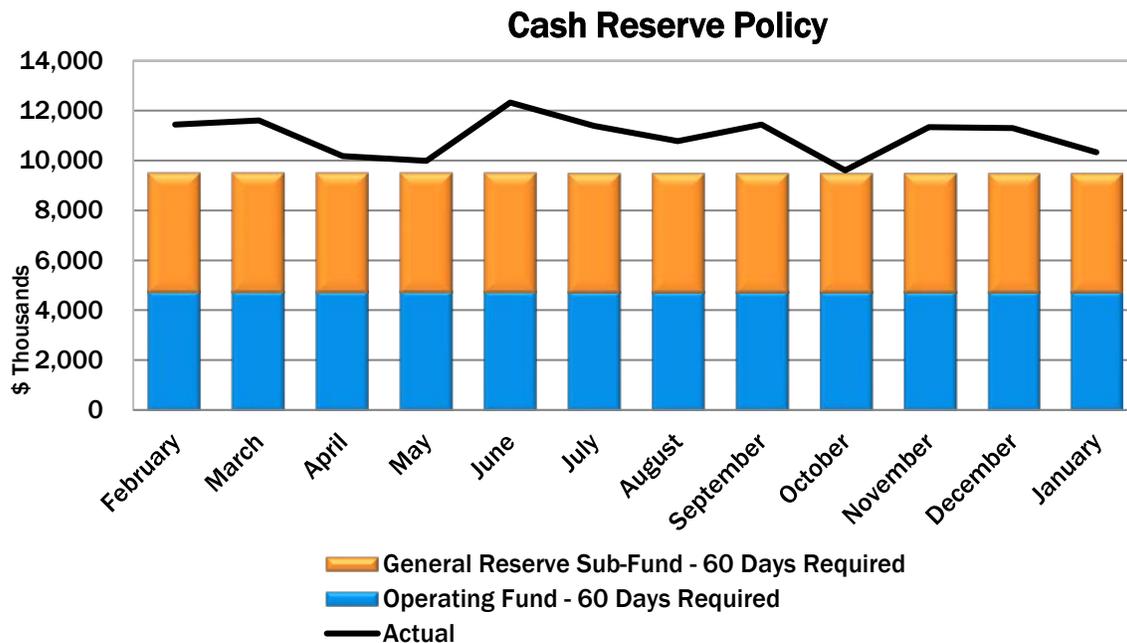
**Investment Yield Percentage to Maturity
 (Investments managed by PFM)
 Through January 2021**



Cash Reserves

The 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
As of January, 2021		
Total Operating Cash	\$ 3,175,465	
Total Certificates of Deposit (Cash Equivalent)	\$ 2,859,669	
CARE ACT COVID19 Funding Balance	\$ (439,737)	
Total Operating Cash	<u>\$ 5,595,397</u>	
Total General Reserve Sub-Fund Cash	<u>4,731,167</u>	
Total Operating and General Reserve Sub-Fund Cash	<u>10,326,564</u>	109%



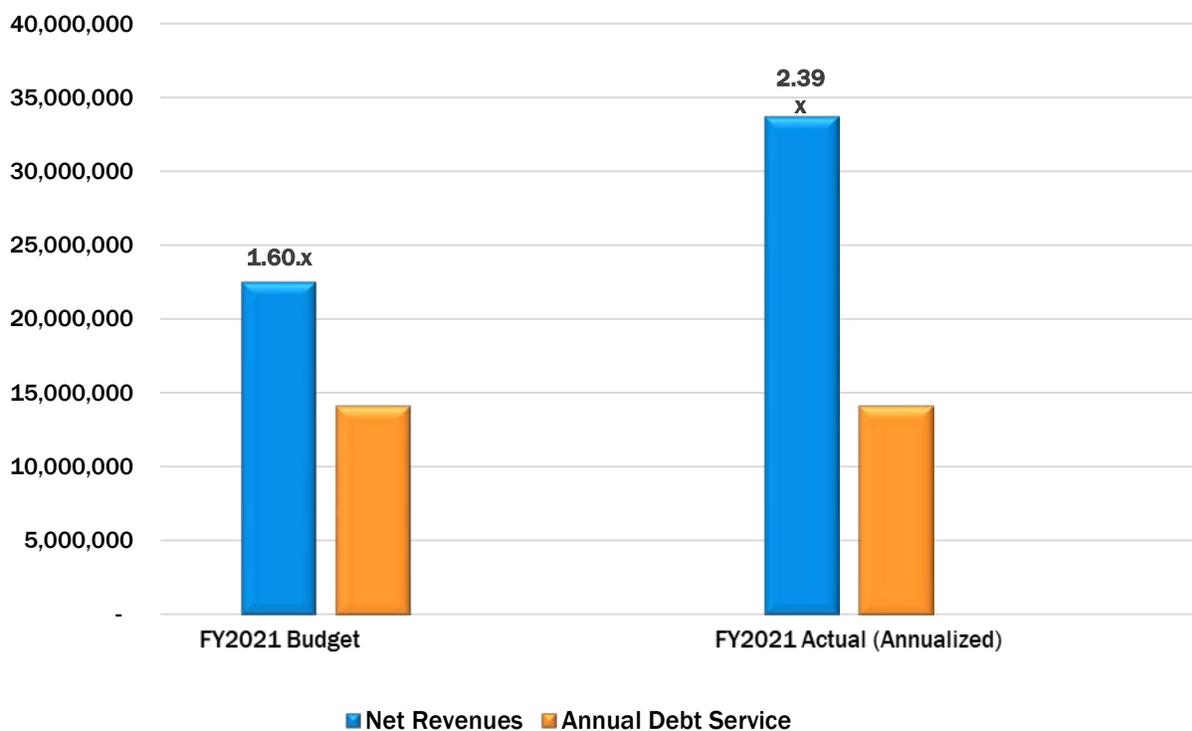
Debt Service Coverage

The 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 the 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. Note the anticipated coverage of 2.39x based on original FY21 budget expectations. As a result, AlexRenew is currently trending ahead of budgeted projections and minimum coverage policy.

Financial Policy Compliance - All-In Debt Service Coverage	FY 2021 Actual	FY 2021 Budget
Gross Revenues Available for Debt Service Coverage:		
Wastewater Treatment Charges - Alexandria Ratepayers	47,048,263	39,492,000
Fairfax County Operating Expense Charge	11,272,272	11,272,272
Reimbursement from other systems	22,898	-
Investment Income	538,125	115,000
Less Restricted Investment Income	-	-
Total	58,881,558	50,879,272
LESS Operating Expenses	(25,181,852)	(28,386,991)
Net Revenues [a]	33,699,705	22,492,281
Annual Debt Service [b]	14,123,976	14,123,976
Calculated All-In Debt Coverage [a/b]	2.39x	1.60x
Financial Policy Target	≥1.50x	≥1.50x

All-in Debt Service Coverage Net Revenues to Annual Debt Service



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



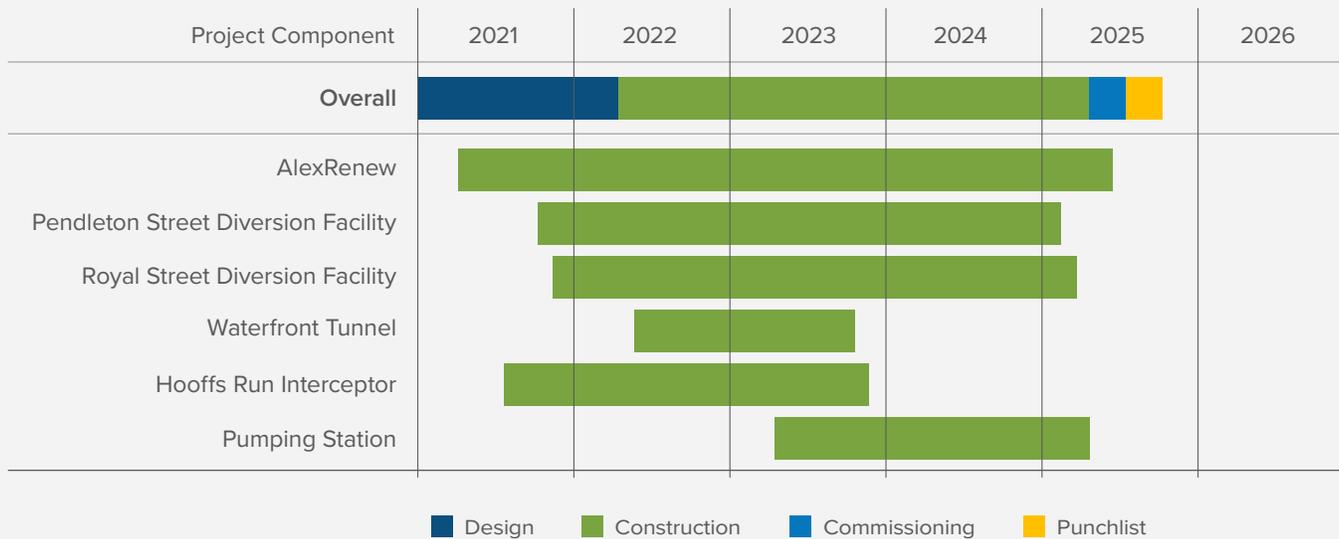
MONTH ENDING: JANUARY 31, 2021

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 largely 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 the four existing combined sewer outfalls in Alexandria.

RiverRenew Tunnel Project Design-Build Schedule

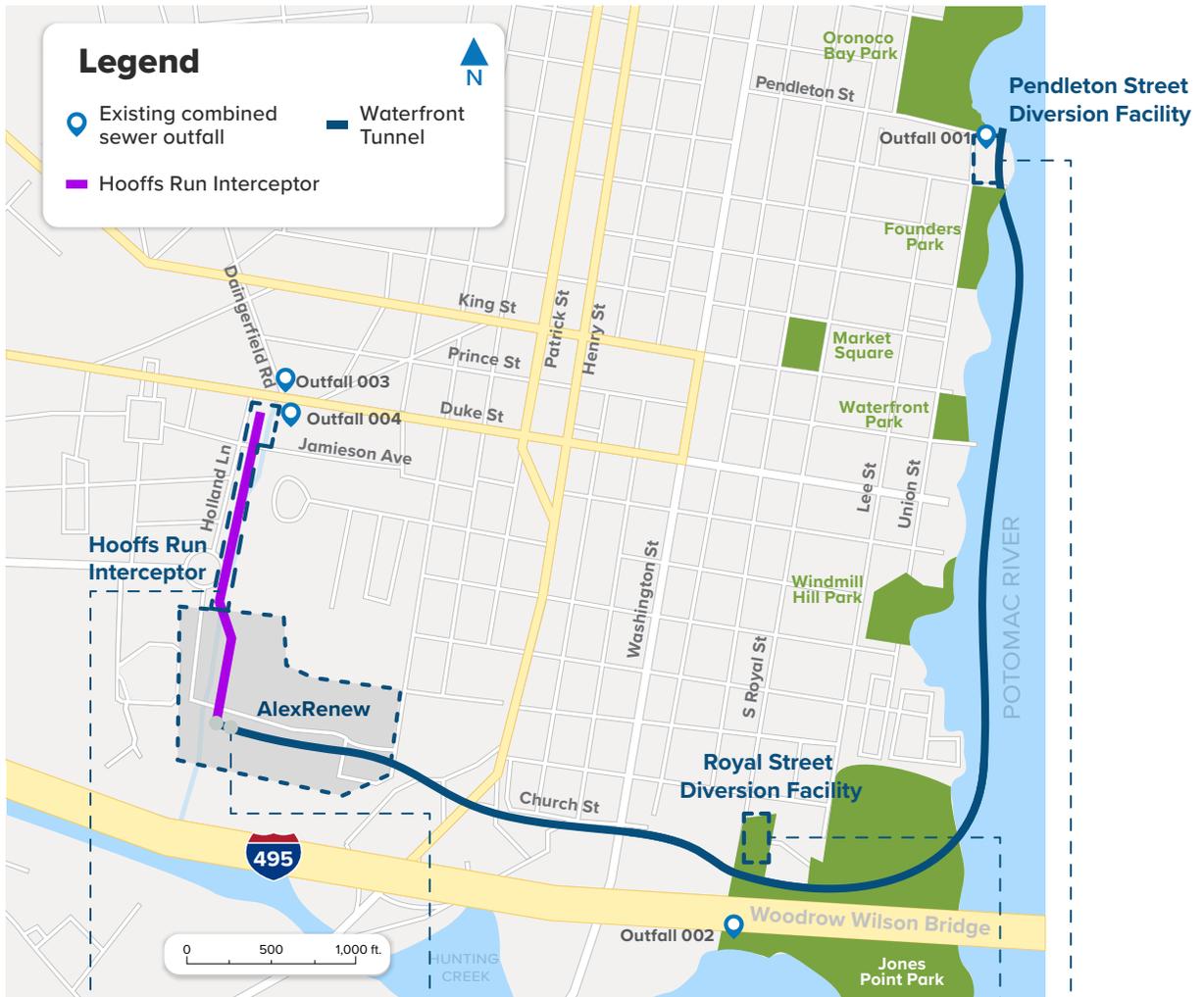


THREE-MONTH LOOK AHEAD	
Date:	Activity:
Feb. 18	Stakeholder Advisory Group Meeting No. 1
Feb. 25	Community Listening Session
Feb. 2021	Construction Hotline Established
Through Mar. 2021	Ongoing Permitting and Design
Apr. 2021	Holland Lane Site Mobilization

SUMMARY OF MAJOR DELAYS	
Issue:	Impact:

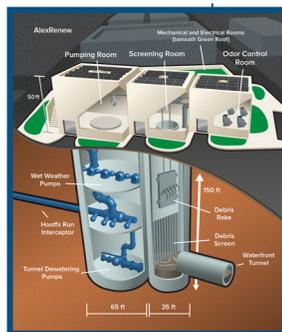
RiverRenew Tunnel Project Snapshot

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.

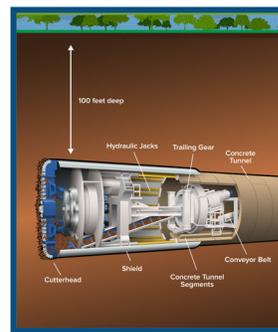


Hooffs Run Interceptor

Construction:
Summer 2021-Summer 2024

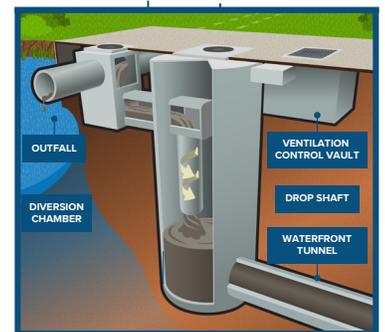


Tunnel Dewatering and Wet Weather Pumping Station



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 Diversion Facility



0%

Royal Street Diversion Facility



0%

Hooffs Run Interceptor



0%

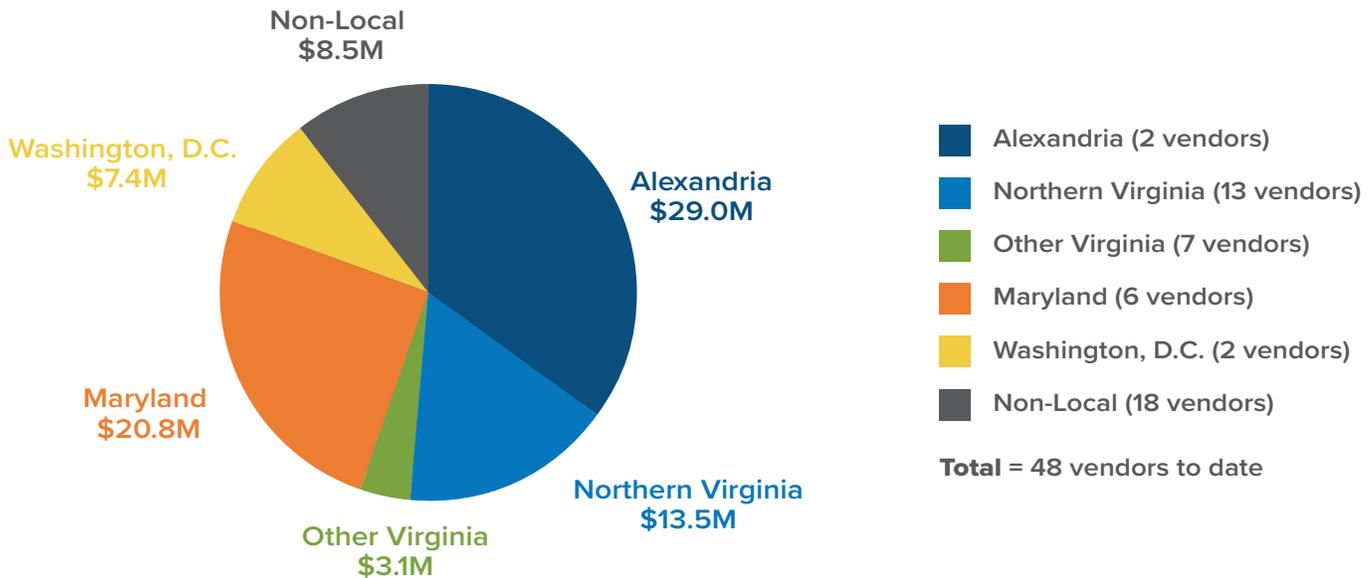
Pumping Station



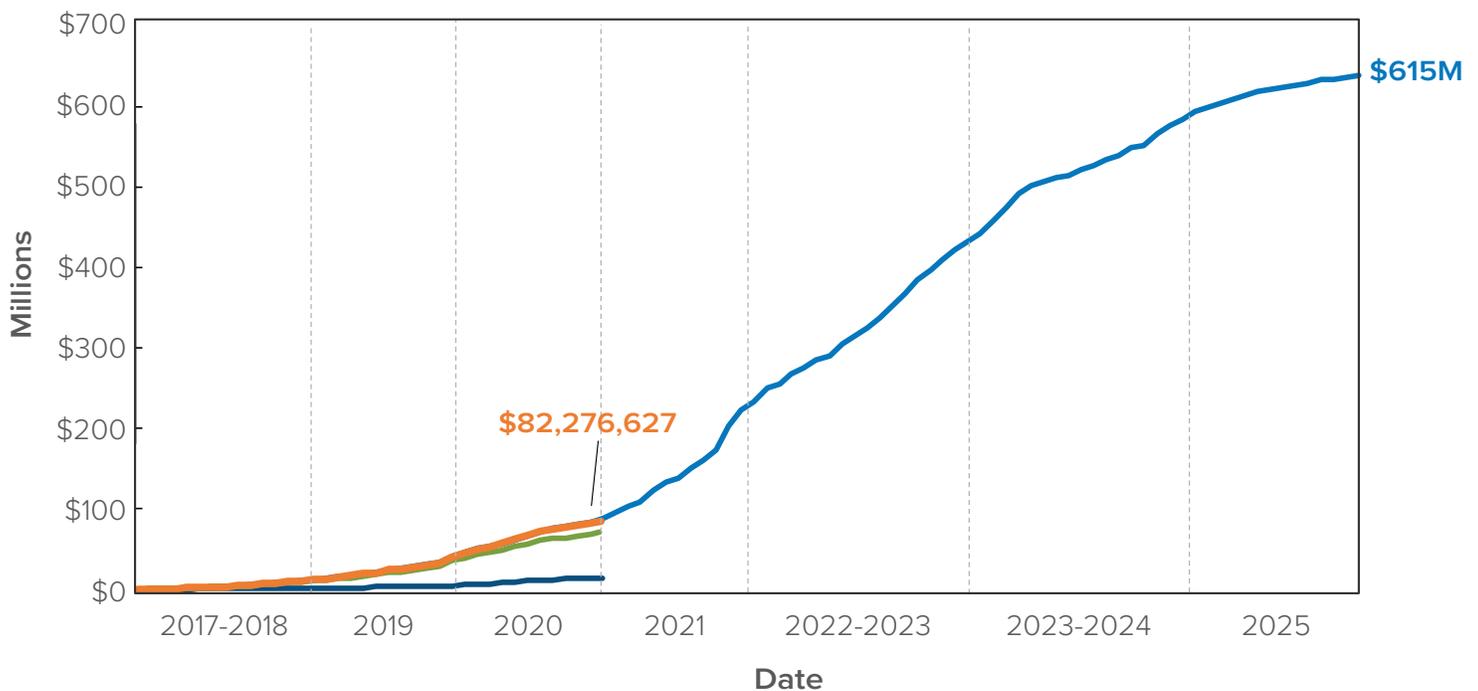
0%

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:

- A new construction progress highlight celebrating the completion of the [Holland Lane Lot](#)



Setting the stage at **Holland Lane**



Council-Board Workgroup

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

Highlights:

- Virtual meeting on January 7, 2021: [Click here](#) to view the meeting recording

Next Meeting:

- April 2021: Date to be announced



Community Events

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



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:

- Social posts [announcing](#) the selected 2021-2022 SAG members and promoting the group's [first virtual meeting](#)

Introducing the 2021–2022 RiverRenew SAG!

Meet the selected representatives and keep an eye out for meeting details at [RiverRenew.com/sag](#)



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:

- 2021-2022 SAG members [introduced to the community](#): January 5, 2021

Looking Ahead:

- [First SAG Meeting](#): February 18, 2021
- [First Community Listening Session](#): February 25, 2021



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



Setting the Stage at Holland Lane

Located just outside of AlexRenew's campus, the Holland Lane Lot has been fully transformed into a construction staging area to support the Tunnel Project. To prepare the lot, about 3,000 cubic yards of gravel — enough to cover one and a half football fields at one-foot depth — were placed to create a stable working surface. Additionally, about one half-mile of fencing and screening was installed to secure the perimeter of the lot.

This work was completed with minimal disruption to the community. Two adjacent roads, Holland Lane and Limerick Street (just east of Bartholomew Street), will be closed to the public through 2025.

Over the next few months, the Traylor-Shea team will mobilize to the lot to store materials, equipment, and temporary office trailers to support adjacent construction work at AlexRenew through 2025. No Tunnel Project components will be constructed on the lot.

Visit RiverRenew.com/Holland-Lane to learn more and follow the journey toward the lot's completion.

Investing in Healthier Waterways for Alexandria

To learn more, visit www.RiverRenew.com

