



Agenda

Alexandria Renew Enterprises Board of Directors Annual Meeting
Tuesday, July 20, 2021@ 6:00 p.m.
1800 Limerick Street, Ed Semonian Boardroom

No.	Item	Presenter	Action Required
1	Call To Order (6:00 p.m.)	Chairman	
2	Approval of Agenda (6:02 p.m.)	Chairman	Approval
3	Public Comment Period (6:12 p.m.)	Chairman	Information
4	Consent Calendar (6:20 p.m.) A. Minutes (Meeting held June 15, 2021) (Tab 1)	Chairman	Approval
5	Unfinished Business (6:21 p.m.) A. None	Chairman	Approval
6	New Business (6:25 p.m.) A. Election of Officers	Chairman	Approval
7	AlexRenew Monthly Outcomes Update (6:40 p.m.) (Tab 2)	Ms. Pallansch	Information
8	Closed Session to discuss a personnel matter	Chairman	
9	Adjourn (6:45 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, September 21, 2021@ 6:00 p.m.

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

Minutes of the 884th Meeting – Virtual
“Celebrating Over 60 Years of Continuous Environmental Excellence”
Alexandria Renew Enterprises
6:00 p.m., Tuesday, June 15, 2021

On Tuesday, June 15, 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
Ms. Allison Deines, Director of Research & Strategy Engagement
Ms. Lorna Huff, Secretary to the Board

Counsel: Mr. Jonathan Rak, General Counsel, McGuireWoods LLP

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

City Representative: Ms. Erin Bevis-Carver 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 6:01 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. Rak who provided the following statement:
Due to the Covid-19 pandemic emergency, the June 15, 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.

Mr. Rak noted that City Council is encouraging in person meetings of its Boards and Commissions beginning July 1. The AlexRenew Board and staff will meet in person at the July 20 meeting.

Public Comment Period

There were no members of the public in attendance wishing to speak and the Chairman moved to the Consent Calendar.

Consent Calendar

- A. Board Minutes of May 18, 2021 Meeting
- B. Board Minutes of May 22, 2021 Public Hearing on Rates and FY22 Budget

The Chairman requested that members review the Minutes of the May 18, 2021 and May 22, 2021 Public Hearing. He inquired if members had questions or comments. There were no questions or comments. The Chairman requested a motion to approve the Consent Calendar. Mr. Dickinson moved and Mr. Beall seconded. The Chairman called the roll with all members voting Aye.

Unfinished Business

- A. Review and Approve FY22-FY23 Rate Adjustment

Discussion

Board members have discussed the FY22-23 Rate Adjustment at several meetings over the past few months. There were no questions or comments from members. The Chairman requested a motion to approve the FY22-23 Rate Adjustment. Mr. Beall moved and Mr. Dickinson seconded. The Chairman called the roll with all members voting Aye. See attached Resolution.

- B. Review and Approve FY22 Operating and Capital Budget

The Chairman moved to the FY22 Operating and Capital Budget. He inquired if members had further discussion or comments. Mr. Dickinson inquired about advancing the schedule of work on the Commonwealth Interceptor to alleviate flooding in Del Ray. Ms. Pallansch reported the Commonwealth Interceptor is a separate sanitary sewer. Advancing the work on the Commonwealth Interceptor would not alleviate storm water flooding in Del Ray.

There was no further discussion and the Chairman requested a motion to approve the budget as

presented. Ms. Caldarelli moved and Mr. Johnson seconded, the Chairman called the roll with all members voting Aye.

New Business

A. Review and Approve RiverRenew Owner's Advisor Fifth Year Scope of Services & Budget for Amendment No.

Discussion

The Chairman recognized the CEO who noted the contract was initiated five years ago with Brown & Caldwell acting as AlexRenew's Owner's Advisor and Program Manager. The contract ramps up each year and peaks as construction begins. Brown and Caldwell provides third party contracts, easements, and works with the contractor during the design build phase. The Chairman inquired if members had questions. Mr. Beall inquired about the contract renewal and Mr. Johnson inquired whether Brown & Caldwell billed for services rendered at set rates and that whether left over money was returned to AlexRenew. Ms. Pallansch reported that the Brown and Caldwell contract renews annually. In response to Mr. Johnson's inquiry, reported that no money is returned, it carries over into next year's Task Order.

Mr. Johnson requested the payment per year for Brown and Caldwell. Ms. Pallansch reported that the requested information is available on the dashboard but they would retrieve the information.

The Chairman inquired if members had additional questions or comments. There being none, he requested a motion to approve. Ms. Caldarelli moved and Mr. Beall seconded. The Chairman called the roll with all members voting Aye.

B. Review and Adopt an Electronic Participation Policy for AlexRenew Board of Directors

Discussion

The Chairman recognized Mr. Rak who reviewed the policy allowing Board members to participate electronically in Board meetings by telephone or via Zoom under certain conditions. The proposed policy for Board adoption adheres to Freedom of Information Act (FOIA) requirements.

Board Member Temporary or Permanent Disability

Board members may participate in meetings electronically if either a Board member or a family member has a medical condition that requires the member to provide care for that family member and, therefore, is unable to attend the meeting in person. Members can attend electronically and there is no limitation to the number of times this can be exercised.

This requires the member to inform the Board Secretary and Chairman in advance to indicate that member will participate electronically.

Personal Matter

Board members may participate electronically for a personal matter. Board members are required to explain the nature of the personal matter. Members are limited to the greater of 2 meetings in a calendar year or 25% of the Board meetings, whichever is greater. AlexRenew Board members could exercise 3 times per year. An example of a personal matter is if a member were on travel and was unable to attend in person. The restrictions attached are FOIA requirements on the policy as drafted and presented.

State of Emergency

Section 4 of the Policy recognizes the possibility of a State of Emergency.

The Policy tracks with all the requirements of FOIA and Counsel recommends that the Board adopt this policy effective as of July 1, 2021.

Mr. Hill and Mr. Dickinson inquired about providing video recordings of meetings whether members attend electronically or not. Mr. Rak reported that providing the video recordings to the public is no longer required due to the end of the State of Emergency. It is in the Board's prerogative to have this; however, given the challenges and amount of bandwidth needed for storage, the Board may want to consider audio only recordings to the public. Ms. Pallansch reported that staff is looking into this option and will return to the Board with a recommendation.

Mr. Johnson inquired and requested clarification on a "personal matter" and on what grounds the Chairman could reject a member's request to attend electronically as well as the total number of meetings that members can attend electronically.

Mr. Rak reported there is no criteria for determining what constitutes a sufficient personal reason but the Chairman would use discretion and want to accommodate a member who has a reason. Other than exceeding the number of times in a calendar year, there would be no reason to deny a member's request.

Mr. Johnson inquired whether Board committee meetings are included in the total number of meetings for members to attend electronically. Mr. Rak provided the following interpretation for members.

Mr. Rak reported that his interpretation is that committee meetings are a separate category and have a separate allotment of absences than electronic participation at the full Board meeting. If a member attends a committee meeting electronically for a committee that he/she is not a member of, the member is entitled to attend that meeting electronically, without limitation. The electronic participation would be tracked separately by full Board meeting and Committee meeting meaning 25% of full Board meetings and 25% of Committee meetings. Mr. Rak further interprets "The Chair" as the Chair of the full Board and the Chair of the specific Committee.

Mr. Johnson requested that the Minutes reflect the General Counsel's interpretation of the 25% attendance rule for the proposed electronic participation policy.

There was no further discussion of the Policy and the Chairman requested a motion to approve and adopt the new policy. Mr. Johnson moved and Mr. Dickinson seconded. The Chairman called the roll with all members voting Aye.

The Chairman encouraged all members to attend the July Board meeting in person if possible to see the changes to the site and Boardroom.

Mr. Johnson requested a tour of the grounds to see construction progression for himself and other members who wish to attend. Ms. Pallansch suggested a 4:30 p.m. start time with members touring the new lab. AlexRenew staff will provide the appropriate personal protective equipment (PPE) for the tour.

CEO Monthly Outcome Reports

The Chairman recognized Ms. Pallansch who noted that members had her written report and inquired if there were questions or comments. She wanted to provide information on items that had not appeared in the Report.

Ms. Pallansch reported on the progress of AlexRenew's and the Virginia Department of Environmental Quality (DEQ) negotiations to combine the plant permit and the CSO permit to a single permit and DEQ's Consent Order for an overflow due to wet weather. The final permit will be an agreement to implement the RiverRenew project and implement a supplemental environmental program to remove invasive species in and around the Nutrient Management Facility (NMF) and the plant.

The CEO requested feedback from members on the changes to the RiverRenew Dashboard.

Ms. Pallansch completed her report and inquired if members had questions or comments.

Mr. Johnson discussed a slide from a recent rate presentation on the costs associated with Alexandria's One Water System and the impact of the rate increases on low-income citizens. He inquired if the slide had been shared with members of Alexandria's One Water System and have efforts been made to address the rising costs of these utilities fees for low income citizens.

Ms. Pallansch reported that the information is shared with the Department of Housing and the Legislative Director's Office of the City of Alexandria. The City is focused on affordable housing as a means to assist low-income citizens. Ms. Pallansch was not aware of any discussions at VAW and shared that AlexRenew's goal is to maintain financial stability with upcoming increases in O&M, chemicals, and energy costs associated with full implementation of RiverRenew. AlexRenew will continue to seek out grant funding when available and pursue lower debt service to assist as well.

Ms. Pallansch suggested that a request from members to raise this issue with their elected officials from a one water perspective might be a good place to start.

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 6:51 p.m.

Secretary-Treasurer

DRAFT

RESOLUTION TO ADOPT AND CHANGE CERTAIN RATES, FEES AND CHARGES

BE IT RESOLVED, that the City of Alexandria, Virginia Sanitation Authority d/b/a Alexandria Renew Enterprises, Inc., adopts the following Rates, Rules and Regulations schedule:

Description	Meter Size	Current Effective July 1, 2020	Proposed Effective July 1, 2021	Proposed Effective July 1, 2022
		Per 1,000 Gallons	Per 1,000 Gallons	Per 1,000 Gallons
Individually Metered Residential Service - Wastewater Treatment Charge	All Meters	\$8.13	\$8.69	\$9.26
Commercial Service - Wastewater Treatment Charge	All Meters	\$8.13	\$8.69	\$9.26

Description	Meter Size	Current Effective July 1, 2020	Proposed Effective July 1, 2021	Proposed Effective July 1, 2022
Residential Base Charge	All Meters	\$11.54	\$12.34	\$13.14
Commercial Base Charge	5/8"	\$34.63	\$37.02	\$39.42
	¾"	\$34.63	\$37.02	\$39.42
	1"	\$86.59	\$92.55	\$98.55
	1-1/2"	\$173.17	\$185.10	\$197.10
	2"	\$277.08	\$296.16	\$315.36
	3"	\$519.52	\$555.30	\$591.30
	4"	\$865.87	\$925.50	\$985.50
	6"	\$1,731.74	\$1,851.00	\$1,971.00
	8"	\$2,770.79	\$2,961.60	\$3,153.60
Minimum Deposit Based on Meter Size		\$0.00	\$0.00	\$0.00
Residential Customer Activation Fee		\$15.00	\$15.00	\$15.00

This Resolution shall take effect July 1, 2021.

Adopted this 15th day of June, 2021

Secretary-Treasurer

Chairman

CEO Board Report June 2021

Dear Members of the Board of Alexandria Renew Enterprises,

During the Board meeting held on June 15th, the Board approved the fiscal year 2022 budget and wastewater treatment rate increases of 6.9 percent starting on July 1, 2021, and 6.5 percent starting on July 1, 2022. The adjustment will help fund the mandated RiverRenew program, which requires completion by July 1, 2025, and also supports upgrades at our wastewater treatment facility to clean wastewater and manage additional wet weather flows.

AlexRenew actively participates with national organizations to make the case for increased federal funding for water infrastructure. As a result of this national work, the U.S. House of Representatives recently passed the INVEST Act, H.R. 3684, a \$715 billion proposal that includes increased funding for water infrastructure. In April, the Senate passed S. 914, the Drinking Water and Wastewater Infrastructure Act which provides \$35 billion over 5 years. The House and Senate will now begin negotiating a final agreement based on the two bills, which will possibly be included in an infrastructure package later this year.

On June 30th, Governor Northam let the COVID-19 State of Emergency expire. Since February, there have been no new reported cases of COVID-19 on the AlexRenew campus. AlexRenew continues to work to reopen the campus to visitors.

Operational Excellence

Precipitation for June at the Reagan National Airport was 5.51 inches of rain, which is above the Washington, D.C. historical average precipitation of 3.78 inches for the month.

On Friday, June 11, AlexRenew experienced overflows at the Four Mile Run Pump Station and the Hooffs Run Junction Chamber due to 4.09 inches of rainfall in 24 hours. AlexRenew estimates the overflow volumes to be approximately 42,000 gallons and 400,000 gallons, respectively. We have notified the Virginia Department of Environmental Quality (DEQ). The Water Resources and Recovery Facility (WRRF) operated at higher flows with no incidents.

Biosolids production for June was 2,086 wet tons, all of which was beneficially used through land application in the Virginia counties of King George, Orange, and Louisa. The biosolids were land applied as Class B biosolids.

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

Treatment	Daily Average Flow	Carbonaceous Biochemical Oxygen Demand	Total Suspended Solids	Ammonia (as N)	Dissolved Oxygen	Total Nitrogen ¹	Total Nitrogen LOAD	Total Phosphorus	Total Phosphorus LOAD
		(Monthly Average)	(Monthly Average)	(Monthly Average)	(Minimum)	(Annual Average)	(YTD)	(Monthly Average)	(YTD)
	MGD	mg/L	mg/L	mg/L	mg/L	mg/L	lb	mg/L	lb
Permit	54.0	5.0	6.0	Seasonal ²	6.0	3.0	493,381	0.18	29,603
Reported	39.1	<QL	3.8	0.16	8.3	2.2	170,797	0.10	5,603

NOTES

1. Total Nitrogen expressed as year-to-date average.
2. Ammonia has seasonal limits: **April – October: 1.0 mg/L**

Public Engagement and Trust

In June, AlexRenew was selected to be part of the national wastewater surveillance program that is being run by the Center for Disease Control and Prevention (CDC) and Health and Human Services (HHS). AlexRenew is collecting influent samples and providing those to a laboratory for sample analysis and reporting. Since sampling began, SARS-CoV-2 virus has been detected in three of the four wastewater samples provided; however, normalized virus concentration levels remain low and are tracking with Alexandria Health Department COVID-19 case data.

In partnership with One Water Alexandria, dates for the virtual 2021 Water Discovery Days have been set. Activities will start on Sunday, September 26, and continue through Saturday, October 2. The week will be filled with community and STEM-based activities for all ages. More information will be shared as events are finalized.

Customer Service

Customer service received 1,326 calls in June with 47 percent opting for self-service. Average call answer time was 26 seconds. Call center staff answered 161 emails.

Social Media and Website

Seventy percent of people who engaged with us on Facebook during June were from the City of Alexandria - the majority (66 percent) were women, and 34 percent were men. AlexRenew had 130 engagements on Facebook during the month of June. We currently have 3,460 Facebook Followers. AlexRenew had 66 organic engagements on Twitter and 54 on Linked-In. Our website had 6,294 sessions and 9,639 page views. We had 29 visitors click through to the website from social media. The RiverRenew website had 458 visitors and 1,303 page views during June.

Watershed Stewardship

AlexRenew has been working in partnership with other CSO communities in the Commonwealth to make the case for a portion of the \$4.3 billion of Virginia's Coronavirus State and Local Fiscal Recovery (CSLFR) Funds (Attachment 1). The Commonwealth of Virginia will receive CSLFR Funds as part of the funding set aside specifically for states in the America's Rescue Plan Act. In June, Senator Adam Ebbin wrote a letter in support of this ask (Attachment 2). Governor Northam and the General Assembly will allocate the State's portion of the CSLFR Funds during a special session beginning August 2.

See attached RiverRenew Dashboard for further updates. (Attachment 3)

Adaptive Culture

From September 20, 2020, we have logged 119,274 hours without a lost time accident.

Financial Stewardship

See attached monthly financial report. (Attachment 4)

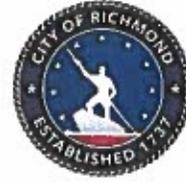
Thank you for your ongoing dedicated service to AlexRenew and our water environment.

Regards,

Karen Pallansch
Chief Executive Officer



Lynchburg
VIRGINIA



June 22, 2021

The Honorable Ralph S. Northam
Governor of Virginia
Patrick Henry Building, Third Floor
1111 East Broad Street
Richmond, Virginia 23219

RE: Alexandria Renew Enterprises, City of Lynchburg, City of Richmond; collective request for American Rescue Plan Act funds to support Combined Sewer Overflow projects

Dear Governor Northam:

The American Rescue Plan Act (ARPA) provides that Coronavirus State and Local Fiscal Recovery Funds can be used for water and wastewater projects, among certain other infrastructure, as well to respond to the public health emergency.¹ The ARPA Interim Final Rule also states that water quality-related projects that would qualify for the U.S. Environmental Protection Agency's Clean Water State Revolving Fund and Drinking Water State Revolving Fund are eligible for ARPA funds.²

We write to ask that you consider in your ARPA spending proposals to the General Assembly that a significant appropriation be made to Alexandria Renew Enterprises ("AlexRenew," aka, Alexandria Sanitation Authority), the City of Lynchburg, and the City of Richmond to support the extraordinary costs associated with federal- and state-mandated remediation to each locality's combined sewer overflow (CSO) projects.

Our communities are the only three in the Commonwealth that have ongoing costly CSO remediation projects. The mandated projects have over the years significantly impacted our ratepayers and our debt capabilities.

- AlexRenew's CSO project is estimated at \$615 million. Approximately \$115 million has been spent. Approximately \$500 million remains to be spent.
- City of Lynchburg's CSO project is estimated at \$350 million. Approximately \$300+ million has been spent. Approximately \$50 million remains to be spent.
- City of Richmond's CSO project is estimated at \$1.3 billion. Approximately \$312 million has been spent. Approximately \$883 million remains to be spent.

¹ American Rescue Plan Act, §§ 602(c)(1)(D), 603(c)(1)D

² Interim Final Rule, p. 63

Each of our CSO projects is different in scale. Each has adopted a design and construction plan best suited for its ratepayers (and which has been approved by the Virginia Department of Environmental Quality). Each has different financial impacts.

While it is difficult to compare one CSO community's project to another, we have attempted to provide you certain information that we believe will be helpful to you.

The attached sets forth the following CSO project information for each community:

- History and Progress to Date
- Remaining Project Tasks to be Completed
- Impacts to Local Ratepayers and Disadvantaged Residents
- Environmental Benefits
- ARPA Funding Request

We all are grateful for the Commonwealth's support over the years for our respective CSO projects. Our partnership with the Commonwealth has lessened impacts to our ratepayers.

The American Rescue Plan Act provides an excellent opportunity for the Commonwealth to appropriate extraordinary funds to make great headway on these massive public works projects – to make major advances in clean water and to alleviate financial burdens to our communities.

We remain available to work with you and your staff to discuss in greater detail our respective CSO projects and how ARPA investments will be helpful.

Sincerely,



John Hill
Chairman
Alexandria Renew Enterprises



MaryJane Dolan
Mayor
City of Lynchburg



Levar M. Stoney
Mayor
City of Richmond

cc: S. Clark Mercer, Chief of Staff
Aubrey L. Layne, Jr., Secretary of Finance
Matthew J. Strickler, Secretary of Natural Resources



Lynchburg
VIRGINIA



June 22, 2021

Memorandum

TO: House Appropriations Committee Staff
Senate Finance and Appropriations Committee Staff

FR: Alexandria Renew Enterprises
Karen L. Pallansch, PE
703.721.3500
Karen.Pallansch@AlexRenew.com

City of Lynchburg
Timothy A. Mitchell, PE
434.455.4252
Timothy.Mitchell@Lynchburgva.gov

City of Richmond
Patrick J. Bradley
804.646.4646
Patrick.Bradley@Richmondgov.com

RE: Combined Sewer Overflow Projects

The following information responds to requests for detailed information regarding our respective CSO projects.

Our communities are the only three in the Commonwealth that have ongoing costly CSO remediation projects. The mandated projects have over the years significantly impacted our ratepayers and our debt capabilities.

- AlexRenew's CSO project is estimated at \$615 million. Approximately \$115 million has been spent. Approximately \$500 million remains to be spent.
- City of Lynchburg's CSO project is estimated at \$350 million. Approximately \$300+ million has been spent. Approximately \$50 million remains to be spent.
- City of Richmond's CSO project is estimated at \$1.3 billion. Approximately \$312 million has been spent. Approximately \$883 million remains to be spent.

Each of our CSO projects is different in scale. Each has adopted a design and construction plan best suited for its ratepayers (and which has been approved by the Virginia Department of Environmental Quality). Each has different financial impacts.

While it is difficult to compare one CSO community's project to another, we have attempted to provide you certain information that we believe will be helpful to you.

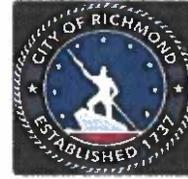
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Lynchburg
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Executive Summary

Overview of CSO Projects

Alexandria Renew Enterprises
City of Lynchburg
City of Richmond

The Alexandria, Lynchburg, and Richmond combined sewer overflow (CSO) projects are different in size, design and construction approach, and community impacts. It is difficult to compare them.

This document provides a general overview of the Alexandria, Lynchburg, and Richmond CSO projects and top-line information to certain common topics. Information under each topic is sometimes necessarily described differently.

For more detailed information, please see the succeeding pages, which were prepared by each CSO community.

Alexandria Renew Enterprises

- **History and Progress to Date**
 - CSO infrastructure dates to mid-1800s
 - CSO system covers 1 sq. miles (540 acres)
 - 2017 General Assembly mandate to complete project by July 1, 2025
 - \$115 M spent to date; \$500 M left to spend by July 1, 2025
 - Construction on project's major element: 2-mile, 12-ft. wide, 120-ft. deep tunnel (\$583 M) began in December 2020
- **Remaining CSO Work to Be Done**
 - Project's major element: 2-mile, 12-ft. wide, 120-ft. deep tunnel (\$583 M)
 - \$500 M left to spend on executed contract; average annual rate increase over 8%
- **Impacts to Local Ratepayers**
 - Rate increases have been underway since 1999 to fund nutrient reduction
 - 2017 General Assembly mandated fast-track completion date (July 1, 2025) for \$615 M project is creating "rate shock"
 - CSO-related rate increases started in 2019; average annual rate increase over 8%
 - Alexandria has five low-income census tracts; 10.3% of City's population is below poverty line; 36.6% of City's population is people of color
 - By 2025, ratepayers will have contributed approximately \$5,000 per household

- CSO project puts AlexRenew at maximum debt capacity for 38 years (disallowing debt capacity to address other needs)
- **Environmental Benefits**
 - Raw sewage overflow events will be reduced from 70 to 4 or fewer annually
 - CSO remediation project will capture 98% of combined sewer flows
 - Raw sewage overflow volume will be reduced by 120 million gallons
 - Corresponding improvements will include pedestrian trails, new habitat, park improvements, solar, other green infrastructure
- **ARPA Funding Request**
 - \$583 M for 2-mile tunnel project currently underway and scheduled for completion by 2025

City of Lynchburg

- **History and Progress to Date**
 - CSO infrastructure dates to mid-1800s
 - CSO covers 9.4 sq. miles (6,000 acres)
 - City began CSO mapping in mid-1970s; created CSO plan in 1989; entered judicial Consent Order in 1993
 - By 2021, City has closed 115 of 132 overflow outfalls
 - Revised Consent Order entered in 2015 to allow amended design/construction approach (treatment plant upgrade), which will save more than \$220 M
 - \$300+ M spent to date; \$50 M left to spend over 10-15 years (by 2036)
- **Remaining CSO Work to Be Done**
 - Four (4) main project tasks covering 11 CSO outfall controls or closures as well as other major collection, conveyance, and treatment infrastructure
 - CSO remediation project will capture 95% of overflow volume
 - \$50 M left to spend
- **Impacts to Local Ratepayers**
 - City is 7th most fiscally stressed locality in Virginia (DHCD index)
 - 19.5% of City population is below poverty line
 - For past 30 years, City has had among highest annual sewer rates in Virginia
 - More than 4,500 households have sewer bills exceeding 4% of household income
 - To date, City has spent on CSO-related work more than \$17,600 per household
- **Environmental Benefits**
 - All federal Clean Water Act water quality-based requirements will be met
 - Both the presumptive and demonstrative approach will be met by over 95% reduction in overflow volume and meeting goals of the James River bacteria TMDL
 - Significant streetscape, parks, and other infrastructure improvements throughout the City
- **ARPA Funding Request**
 - \$50 M would allow the City to complete CSO work in the next 5 years (by 2026)

City of Richmond

- **History and Progress to Date**
 - CSO infrastructure dates to mid-1800s
 - CSO system covers 18.75 sq. miles (12,000 acres)
 - City completed first CSO study in 1970; completed major retention basin in 1983; created control plan in 1988; entered State Special Order by Consent in 2005
 - 2020 General Assembly mandated City to develop Interim CSO plan by July 1, 2021 and a Final CSO plan by July 1, 2024, with aggressive mandated CSO construction completion date by July 1, 2035
 - City has completed 15 of 19 projects in 2005 Special Order by Consent
 - CSO work completed to date enabling capture of 91% of overflow volume
 - \$312 M spent to date; \$929 M remains to be spent by 2035

- **Remaining CSO Work to Be Done**
 - Currently in Phase 3 of three-phase CSO plan
 - Three (3) ongoing major tasks currently in design or construction, totaling nearly \$46 M; Interim and Final CSO plans currently in development, totaling nearly \$884 M.
 - \$929 M left to spend

- **Impacts to Local Ratepayers**
 - City population is approximately 230,000
 - City is an Environmental Justice community, per statute
 - 23.2% of City population is below poverty line; 54% of City's population is people of color
 - City has increased sewer rates 2.6% (annual average) over the last four years
 - City has among highest annual sewer rates in Virginia
 - For City ratepayers to fund remaining CSO work, average household sewer bill will increase to \$2,200 annually; this will push the City's 23 poorest census tracts, which represent 33% of City housing units, past EPA affordability thresholds by 2040

- **Environmental Benefits**
 - Bacteria is primary metric to assess James River recreational use water quality standards
Additional CSO work will help reduce bacteria and achieve recreational use compliance
 - CSO remediation project, upon completion (2035), will capture 99% of overflow volume

- **ARPA Funding Request**
 - Interim CSO Plan: \$33.3 M
 - Final CSO Plan: \$850 M
 - Total Need: \$883.3 M



Lynchburg
VIRGINIA



Detailed Information Combined Sewer Overflow Projects

Alexandria Renew Enterprises

Karen L. Pallansch, PE
Chief Executive Officer
Alexandria Renew Enterprises
1800 Limerick Street
Alexandria, Virginia 22314
703.721.3500
Karen.Pallansch@AlexRenew.com

City of Lynchburg

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Director, Water Resources
City of Lynchburg 525 Taylor Street
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Timothy.Mitchell@Lynchburgva.gov

City of Richmond

Patrick J. Bradley
Deputy Director
Department of Public Utilities
City of Richmond
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Alexandria Renew Enterprises RiverRenew CSO Remediation Program

Background

The City of Alexandria's (City) sewer system dates to the mid-1800's, covers approximately 15.4 square miles, and includes both separate and combined sewer systems (CSS). The CSS is approximately 540 acres and generally located in the Old Town area of the City.

Wastewater flows generated in the City are treated at the Alexandria Renew Enterprises (AlexRenew) Water Resource Recovery Facility (WRRF). AlexRenew was the first Authority created in 1952 under the Virginia Water and Wastes Authorities Act, for the express purpose of collecting, intercepting and treating the City's wastewater. The WRRF is regional in nature, accepting wastewater by wholesale agreement with Fairfax County. The WRRF was constructed in the 1950s, beginning its operations in July 1956. A small portion of the City's separate sewer system flows to the Arlington County Water Pollution Control Facility (WPCF).

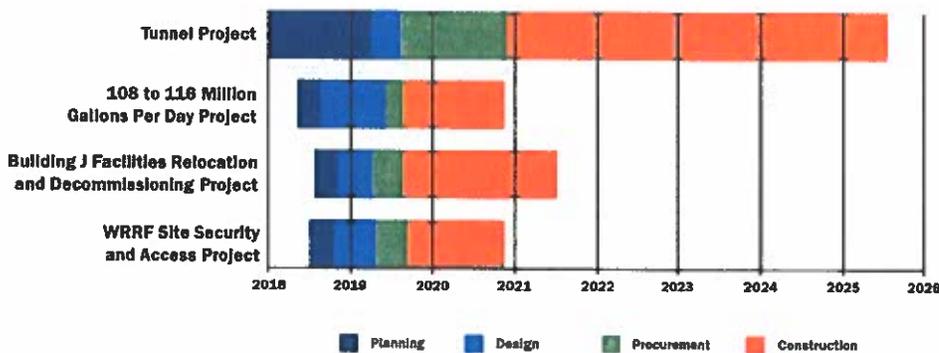


Under dry weather conditions flows collected in the CSS are conveyed to AlexRenew's WRRF. During periods of rainfall, the capacity of the CSS is exceeded and combined sewer flows are discharged directly to Hunting Creek, Hooffs Run, and the Potomac River through four permitted outfalls.

The City received a VPDES permit for the operation of its CSS in 1995. In 2016, the City submitted a Long Term Control Plan Update (LTCPU) as required by its VPDES permit to DEQ. AlexRenew was concurrently developing a plan to address wet weather from its member jurisdictions, the City and Fairfax County to alleviate sanitary sewer overflows from the Hooffs Run Junction Chamber.

The 2017 General Assembly session enacted a law accelerating the schedule provided in the City's Final 2016 LTCPU Report (2017 VA. Acts. Reg. Session Ch. 827 (uncodified)) (2017 CSO Law). The 2017 CSO Law requires 1) "By July 1, 2023, (the City shall) initiate construction activities necessary to bring the CSO outfalls into compliance"; 2) "By July 1, 2025, (the City shall) bring the CSO outfalls into compliance with Virginia Law, the Federal Clean Water Act, and the Presumption Approach described in the EPA CSO Control Policy, unless a higher level of control is necessary to comply with a TMDL", and; 3) "The City shall report annually to VDEQ on progress". In addition, the General Assembly required VDEQ to determine what actions by the City are necessary to attain compliance no later than July 1, 2018.

The 2017 CSO Law Imposed One of the Most Aggressive Schedules of Its Kind in the United States



It was determined that the best solution available to the City was one that combined the City's 2017 CSO Law solution with AlexRenew's program to address jurisdictional wet weather issues causing SSO's at points just prior to its facility. To that end, the City transferred the ownership of its four CSS outfalls to AlexRenew on July 2, 2018. This action also transferred the financing, design, permitting, construction, operation and maintenance of the solution to AlexRenew. AlexRenew, in an effort to communicate this program as their own within the community, has branded the CSO remediation program as 'RiverRenew'.

Substantial funding assistance is needed to ensure the successful implementation of the RiverRenew program. As an Authority under the VWWAA, AlexRenew has limited methods for revenue generation, being limited only to the rates charged to its account holders. AlexRenew receives no other revenue from the ratepayers or the City. Fairfax County is a wholesale customer and pays based on actual flow received at the WRRF. The aggressiveness of the construction schedule, which is one of the shortest design and construction schedules in the country for a project of this size and magnitude, and the transfer of the outfalls to AlexRenew with no financial support or ability to set rates in advance to build reserves associated with the program is resulting in rate shock to the 26,000 sewer account holders in the City. Because of the very small size of the CSS area, all community members will absorb the costs of the RiverRenew program. Current projections show a \$20 per month per account minimum increase in bills required to fund the up to 40-year debt service for this program. Additionally, AlexRenew will be burdened with a maximum debt capacity for about 38 years, limiting its ability to respond to needed asset renewals and updates to regulatory requirements in a timely fashion.

CSO Project Overview and Status

In June 2021, AlexRenew completed three (3) projects at its WRRF in support of RiverRenew totaling a capital cost of **\$32 million**. These projects included:

- Building J Facilities Relocation and Decommissioning Project: relocation of Building “J” existing uses (laboratory, locker rooms, plant chiller system) and Building “J” demolition necessary to build permanent RiverRenew CSO facilities;
- 108 to 116 Million Gallons per day Project: increase of primary pumping capacity to 116 million gallons per day; and
- WRRF Site Security and Access Project: upgrades to existing access and security systems to support follow-on construction work.

Table 1. Capital Cost Associated with Completed RiverRenew Projects

Project	Date Completed	Capital Cost (\$millions)
Building J Facilities Relocation and Decommissioning Project	June 2021	\$25.5
108 to 116 Million Gallons per Day Project	December 2020	\$5.0
WRRF Site Security and Access Project	December 2020	\$1.5

AlexRenew is currently completing the final design and construction of the largest project in the RiverRenew portfolio, the Tunnel Project, with a capital value of **\$582.8 million**. The Tunnel Project is the largest infrastructure project in the history of Alexandria and includes:

- A two-mile-long, 12-foot wide, 120-foot-deep storage and conveyance tunnel;
- 40-foot wide shafts and other structures design to divert CSO flows from the existing combined sewers;
- Six-foot-wide sewer interceptor;
- Two 12-story-deep pumping stations with capacities of 20 and 130 million gallons per day; and
- A four-story superstructure.

The Tunnel Project was awarded in December 2020 and is on-schedule to be substantially complete by July 2025. To date, AlexRenew has expended \$83 million on the planning, preliminary design, procurement, and construction associated with the Tunnel Project.

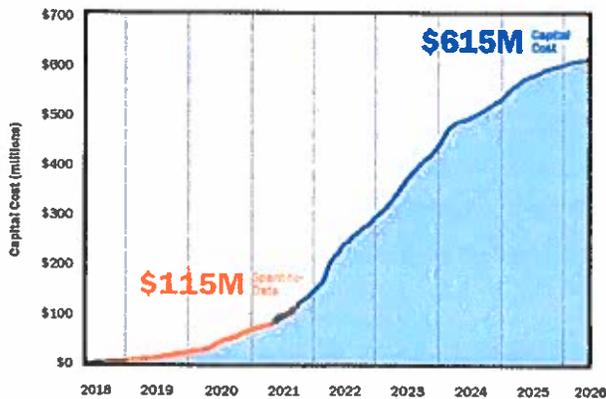


Tunnel Project

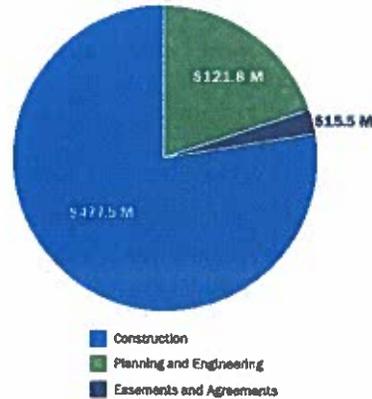
Remaining CSO Project Spending

Approximately \$500 million remains to be expended on RiverRenew between June 2021 and July 2025 (note: cost curve below depicts AlexRenew fiscal years; July 1 through June 30).

RiverRenew will Expend \$615 Million Over 7 Years to Comply with the 2017 CSO Law



Breakdown of \$615M RiverRenew Capital Cost



Financial Impact of CSO Project on Ratepayers

AlexRenew has been required to increase sewer rates since 1999 to fund the Nutrient Reduction Program necessary to meet the requirements of the Chesapeake Bay Act and its newest mission, RiverRenew. This has led to an average annual change in the monthly AlexRenew sewer bill of 5.7%. The average annual inflation rate for the same period is 2.1%. Rates have been increasing substantially for several decades, funding large infrastructure investments in support of local, regional and state water quality improvements.

The RiverRenew program is largely funded through sewer rate increases imposed on City of Alexandria residents. The State-mandated deadline in the 2017 CSO Law disallowed AlexRenew the ability to spread reasonable rate adjustments over a longer planning period; this places a significant financial burden on residents. A \$615 million program with no planned reserves and a hyper fast completion schedule necessarily subjects ratepayers to "rate shock."

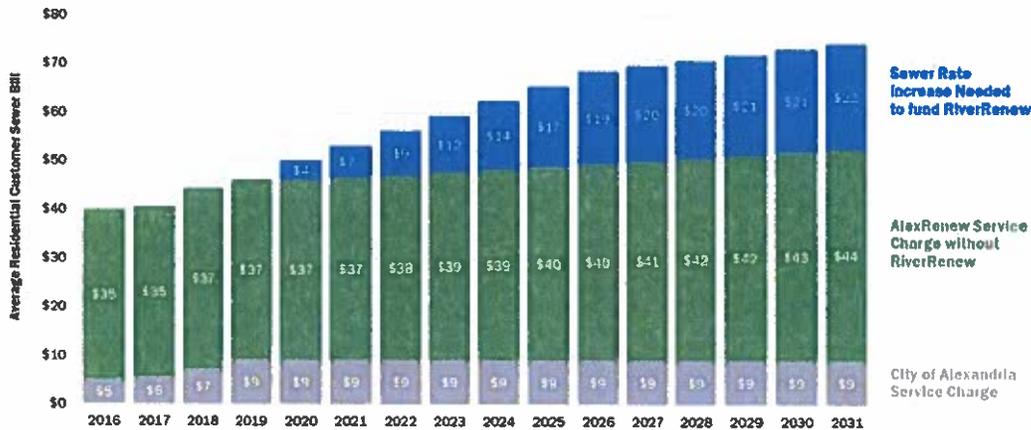
In July 2019, AlexRenew implemented its first sewer rate increase for RiverRenew. By 2025, sewer rate increases are estimated to increase sharply and total over \$20 per month, this charge additive to current sewer bills. Based on current projections, Alexandria residents will have contributed approximately \$5,000 per household to fund this project through 2025.

The City has five (5) qualified low-income census tracts. The most recent census data shows that 10.3% of the City's population is living below the poverty line and 36.6% of the population are people of color.



* AlexRenew eliminated its account charge in 2014, creating a revenue neutral adjustment.

RiverRenew will Have a Significant Impact on Community Sewer Bills Over a Very Short Period of Time



Given RiverRenew’s significant cost and mandated deadline, AlexRenew is exhausting all possible funding resources, including cash, grants, and debt. Table 2 summarizes the funding, both grant and loans which need repayment, received to date to support the implementation of RiverRenew.

Table 2. Funding Sources to Support the Implementation of RiverRenew

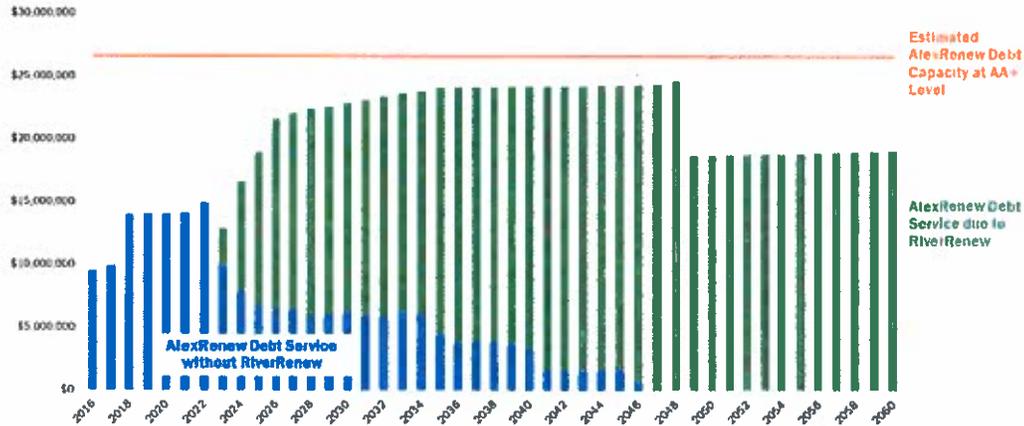
VCWRLF Loans	State Grants	WIFIA Loans	ARPA Loans	Other (e.g. USACE)	Total
\$185 million	\$50 million	\$321 million	\$0	\$0	\$556 million

In addition to the CSS improvements, AlexRenew also completed the Nutrient Reduction Program update at its WRRF from 1999 – 2016. This plant wide upgrade was required for AlexRenew to comply with the Chesapeake Bay TMDL. In order to fund this approximately \$500M program, AlexRenew received \$45M in Water Quality Improvement grants and \$135M from VCWRLF loans. Currently, AlexRenew has a balance of \$48M remaining on the loans. These loans will be paid in full by September 1, 2025.

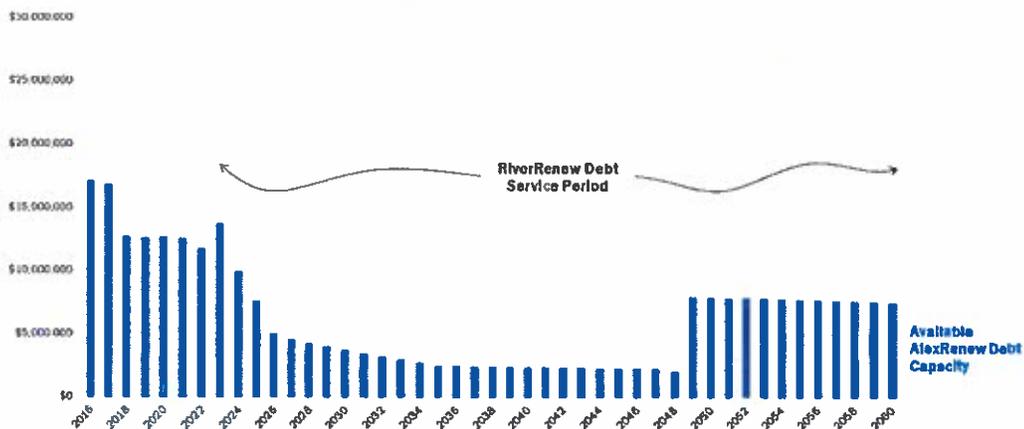
Historically, AlexRenew has maintained strong financial planning, performance, and management. AlexRenew received its first ever bond rating due to issuance of debt through the WIFIA program. AlexRenew received an AAA rating from Standard & Poor’s.

The magnitude of future capital investments facing AlexRenew for regulatory compliance, including RiverRenew, will strain financial metrics without significant rate increases. AlexRenew’s debt capacity will be constrained for the next 38 years in order to implement RiverRenew.

AlexRenew will Incur Significant Debt Service Over Decades to Implement RiverRenew



AlexRenew's Flexibility to Respond to Changing Regulatory and Climatic Conditions will be Significantly Restricted by RiverRenew Debt

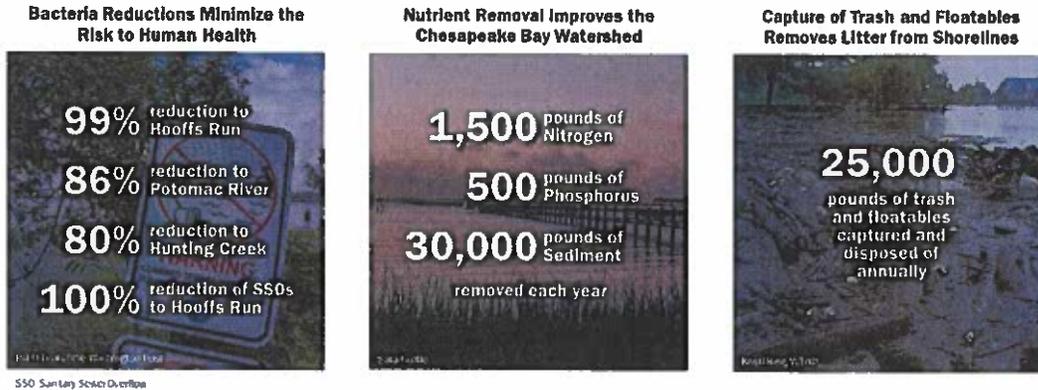


Environmental Benefits

RiverRenew will prevent millions of gallons of combined sewage from polluting local waterways and provide benefit to the Chesapeake Bay watershed. This will create safer, cleaner, healthier waterways for the community, wildlife, and future generations.

RiverRenew will reduce the frequency of combined sewer overflows from 70 to less than 4 events each year, while reducing overflow volume by approximately 120 million gallons. Additionally, RiverRenew will capture and treat 98 percent of combined sewer system flows. It will eliminate sanitary sewer overflows located just upstream of the WRRF.

RiverRenew will Improve the Waterways that Connect Us



AlexRenew's post-construction enhancement efforts will bring the community closer to its waterways. Along Hooffs Run, the riparian buffer will be enhanced and will include a new boardwalk trail, habitat creation and native plantings will provide the community with opportunities to interact with natural resources. A new promenade will connect the community to the Potomac River, and Jones Point Park will be improved with native plantings. These enhancements were developed collaboratively with the community and allow AlexRenew's customers to see and recognize their substantial investment in water quality.

Investment in Water Quality Infrastructure Provides Multiple Civic and Environmental Benefits



AlexRenew is striving to make sustainability a key element of RiverRenew to optimize the economic, environmental, and social performance of new and existing infrastructure. As such, the Tunnel Project includes a green roof and solar panel array on the pumping station building, reclaimed water extensions, and green infrastructure to help protect natural resources.

Specific Fund Needs

AlexRenew will have one of the highest sewer bills in the Commonwealth upon completion of its investments into the RiverRenew program and its continued regular investments into its WRRF. Rate shock is being felt by our ratepayers throughout the city, especially those with affordability challenges or on fixed incomes. As an Authority regulated under the VWWAA, AlexRenew must charge fair and equitable rates to recover the full cost of service to all customers, thus limiting rate flexibility

based on ability to pay. Because of the severe impact to AlexRenew's debt capacity for the next 38 years, any mandated environmental updates to the plant will result in additional substantial rate increases, a regressive charge that will negatively impact our customer base.

AlexRenew is requesting financial assistance for the implementation of RiverRenew to help manage current and future rate shock and impacts and allow AlexRenew the debt capacity and financial flexibility to meet potential future compliance investments, as follows:

- RiverRenew Tunnel Project: **\$582.8 million**

This funding support will pay for the tunnel project part of the overall RiverRenew program. Funding at this level will recognize the investments made to date by AlexRenew to prepare for the project, respect the grant funding provided by the Commonwealth to date and provide to AlexRenew the financial stability and sustainability to meet its environmental mandate as regulations change in the years to come.



Lynchburg

VIRGINIA



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City of Lynchburg CSO Program - Background

Approximately one fifth of the City of Lynchburg area (6,000 acres out of 31,700 acres) was originally served by the combined sewer system (CSS) with a total of 132 overflow points with an annual overflow volume of over 1.2 billion gallons. The City of Lynchburg, Virginia is one of the few communities in the nation that took early actions to address its combined sewer overflow (CSO) issues shortly after the promulgation of the Clean Water Act. Since the 1970's, the City has actively working towards a solution to control the CSOs. The following is a summary of the major milestones of the CSO Program:

- Mid-1970s: City began to address CSOs by mapping out its entire combined sewer system and identifying the overflow points and outfalls.
- 1979: City completes the Infiltration/Inflow Evaluation Survey Report. Identified 132 overflow points.
- 1979-1989: City closed 24 CSO outfalls and gathered data needed for the CSO Long Term Control Plan (LTCP).
- 1989: City proactively completes "1989 CSO Study Update", five years before EPA published its 1994 CSO Policy and identifies three major components of the LTCP including: (1) CSS separation with option for convey and treat for downtown, (2) Interceptor replacement, (3) Rain leader disconnection program.
- 1993: City of Lynchburg and State Water Control Board (SWCB) entered into a Consent Special Order further implementing the 1989 plan.
- 2000: City completed an update of the 1989 study which recommended complete separation of CSS.
- 2009: City initiated its CSO LTCP Update study that takes a holistic approach to developing a plan to complete its CSO program and comply with water quality standards.
- 2014-2015: DEQ approves 2014 CSO LTCP Update Final Report and SWCB and City enter into a revised CSO Consent Special Order.
- 2015-present: City implementing remaining 10 CSO projects identified in CSO LTCP Update Final Report including \$54 million in wet weather upgrades to the Lynchburg Regional Wastewater Treatment Plant to double the wet weather capacity from 40 mgd to greater than 80 mgd.

By 2008, the City of Lynchburg had separated 75% of its combined sewer area, closed 110 overflow points (out of 132 original overflow points), and reduced 80% of its annual CSO volume. However, addressing the remaining major CSO outfalls that serve the centuries old downtown area had always been an anticipated challenge from both technical and financial perspectives. The City recognized that continued system-wide sewer separation was no longer a viable option to address the overall pollutant load reduction requirements set forth in the pending James River bacteria TMDL and Chesapeake Bay nutrient TMDL because of the unchecked pollutant loads from the municipal separate stormwater sewer system (MS4). To address this, the City of Lynchburg took an integrated approach for management of CSO, wastewater and stormwater, and launched a major re-evaluation of its CSO LTCP in 2009, three years before EPA published its Integrated Planning Framework in 2012. The updated CSO LTCP, which was approved by the Virginia Department of Environmental Quality (DEQ) in August 2014 and entered into the Special Consent Order with DEQ in 2015, will save Lynchburg more than \$220 million compared to the previous control plan and enabled Lynchburg to complete its CSO program within 10-15 years as opposed to over 40 years.

CSO Program Overview and Status

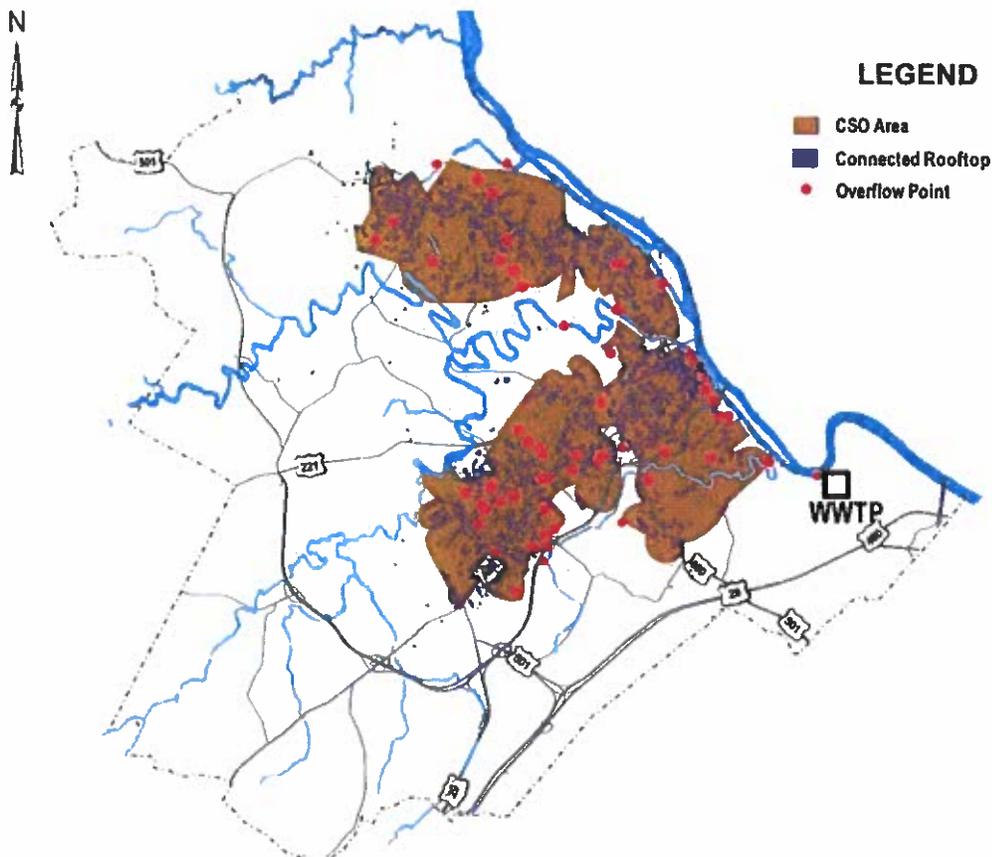
To date, since 1994, the City of Lynchburg has spent over \$300 million on the CSO Program. Over that same time period Lynchburg has spent another \$110 million on additional water quality projects.

VCWRLF Loans	Local Cash Funding	State Grants	Federal Grants	Total
\$169,000,000	\$47,000,000	\$68,000,000	\$22,000,000	\$307,000,000

Up until the 2014 CSO LTCP Update Final Report the CSO Program focused on Complete Separation, Interceptor Replacement, and Rain leader disconnection. Accomplishments to date:

- Reduced its combined sewer area from the original 6,000 acres to 950 acres as a result of numerous separation projects
- Closed 115 of its original 132 CSO outfalls
- Eliminated via separation or captured for treatment 93% of its combined sewage volume
- Completed approximately 30 miles of interceptor replacement
- Disconnected 220 acres (81%) of rooftops
- Doubled wet weather capacity of the Wastewater Treatment Plant to greater than 80 mgd

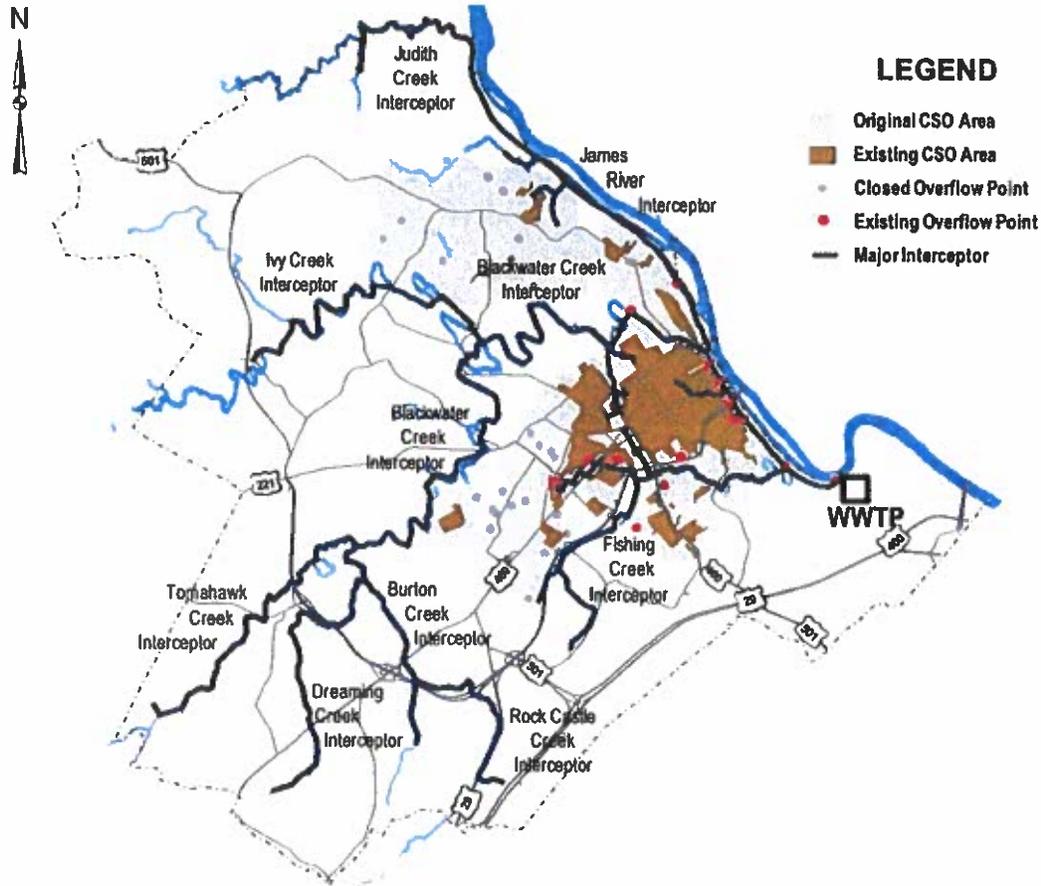
Original CSO Area and Overflow Points



Interceptor Replacement Projects

Priority	Project	Year Completed
1	Blackwater Creek Interceptor, Division 1 Blackwater Creek Interceptor, Division 2	1991
2	Fishing Creek Interceptor, Phase I Division 1	1992
3	Blackwater Creek Interceptor, Division 3 Blackwater Creek Interceptor, Division 4	1991 1994
4	Blackwater Creek Interceptor, Division 5	1994
5	Fishing Creek Interceptor, Phase I Division 2A Fishing Creek Interceptor, Phase I Division 2B	1992 1994
6	Blackwater Creek Interceptor, Division 8A	1994
7	Fishing Creek Interceptor, Phase I Division 3	1997
8	Fishing Creek Interceptor, Phase I Division 4	1997
9	Blackwater Creek Interceptor, Division 8B	1997
10	Ivy Creek Interceptor, Division 1A	1998
11	Ivy Creek Interceptor, Division 1B	1998
12	Ivy Creek Interceptor, Division 2	1999
13	Blackwater Creek Interceptor, Division 7	2000
14	Ivy Creek Interceptor, Division 3	1999
15	Blackwater Creek Interceptor, Division 6	2002
16	Fishing Creek Interceptor, Phase I Division 5	2000
17	James River Interceptor, Division 1	2009
18	James River Interceptor, Division 2	2011
19	Blackwater Creek Outfall – Meeting House Branch Interceptor	2008
20	James River Interceptor, Division 3A James River Interceptor, Division 3B	2015
21	James River Interceptor, Division 4 James River Interceptor, Division 5 James River Interceptor, Division 6	2013 2012 2011
22	Blackwater Creek Outfall – Monroe & 1 st Street Sanitary Replacement	2008
23	Pigeon Creek Interceptor, Phase I Pigeon Creek Interceptor, Phase II A Pigeon Creek Interceptor, Phase II B	2000 2004 2005
24	Fishing Creek Interceptor, Phase II – Kemper Street Spur	2011
	Ivy Creek Interceptor, Division 4A Ivy Creek Interceptor, Division 4B	1999
	Jefferson Park Interceptor (partial)–(Hillcrest Sewer Replacement #03076-S)	2005

Remaining CSO Area and Overflow Points



2014 CSO LTCP Update

The 2014 CSO LTCP Update identified 10 remaining priority projects. The following are the projects identified and their current status:

- 1) James River Interceptor replacement - Complete
- 2) CSO 125 separation - Complete
- 3) CSO 61 control - Complete
- 4) Wet weather pumping facility - Complete
- 5) Storage facility - Complete
- 6) Wet weather disinfection at the WWTP - Complete
- 7) CSO 70 control – Under design
- 8) Controls for CSOs 33, 34, and 14 – Under design
- 9) CSO 52 control – Under design
- 10) Controls for CSOs 11, 15, 17, 62, 66, and 116 – CSO 66 complete

In addition to these projects, the City is also continuing the rain leader disconnection program and completing some small separation projects.



Remaining CSO Program Spending and Schedule

The City of Lynchburg is developing preliminary engineering designs to complete the remaining projects in the 2014 LTCP (Special Order Projects 7, 8, 9 and 10) and as well as other CSO system optimization improvements. The estimated cost to complete these CSO projects approximately \$50 million, which includes the following components:

Special Order Project No. 7 – “CSO 70 Control” , including sewer separation of the combined sewer areas, replacement of existing interceptors, rehabilitation of existing sewers, and upgrade of CSO regulator for solids and floatable control	\$11,740,000
Special Order Project No. 8 – “Controls for CSOs 14, 33, & 34” , including complete sewer separation of CSO 34, closure of CSO 34 outfall, partial separation of CSO 33, replacement and rehabilitation of existing interceptors, in-line flow equalization, stormwater inflow reduction, and upgrade of CSO regulators for solids and floatable control	\$6,620,000
Special Order Project No. 9 – “CSO 52 Control” , including interceptor capacity improvements, installation of new underground storage facilities, and upgrade of CSO regulator for solids and floatable control	\$27,480,000
Special Order Project No. 10 – “Controls for CSOs 11, 15, 17, 62, 66, & 116” , including interceptor capacity improvements, potential flow equalization, upgrade of the CSO regulators for solids and floatable control	\$2,500,000
Other CSO System Optimization Improvements , including installation of green infrastructure at suitable locations to further reduce stormwater runoff entering the combined sewer system, installation of trash and sediment control at storm inlets where solids and floatable control is not feasible at the CSO outfall, implementation of real-time monitoring and control systems to optimize interceptor conveyance and inline storage as well as wet weather flow pumping operation	\$1,660,000
Total Remaining CSO Projects	\$50,000,000

With adequate funding the projects can be completed within the next five years.

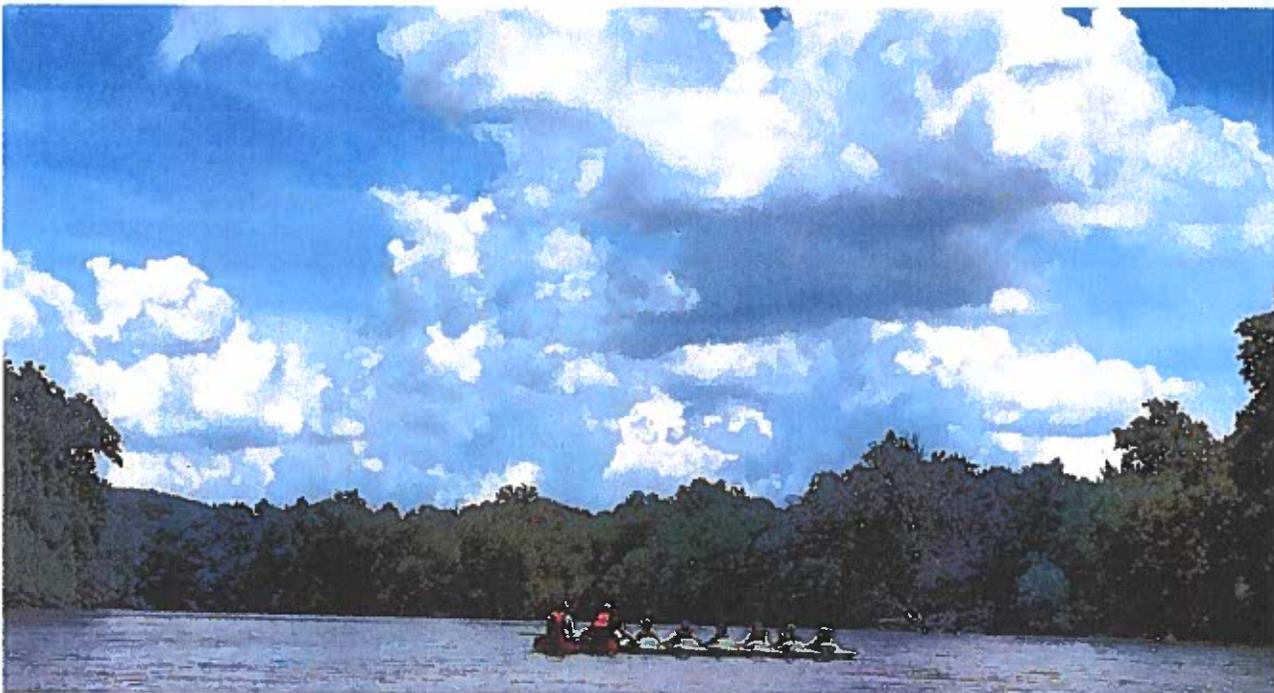
CSO Program Impact on Rate Payers

The City of Lynchburg ranks 7th of all localities in the State for fiscal stress the latest Department of Housing and Community Development report. The following summarizes the impacts of the CSO Program to the community:

- Median household income of just over \$43,000
- Poverty rate of 19.5%
- Sewer rates historically among the highest in the state
- Average annual sewer bill typically being greater than 1.3% of the median household income
- Over \$17,600 per household on the CSO program
- 4,252 households (24%) have sewer bills that exceed 4% of their household income with many of these households being in minority areas of the City
- Additional \$2,875 per household remaining to be spent to complete the program

CSO Program's Environmental Benefits

Lynchburg's plan not only meets the presumptive approach of EPA's CSO policy by greatly exceeding the 85% capture criteria (greater than 95%) but also meets the demonstrative approach by meeting all water quality based requirements of the Clean Water Act. The region has embarked on developing a Middle James River Vision Plan with stakeholders from Lynchburg and surrounding counties, The Central Virginia Planning District Commission, the James River Association and the National Parks Services to enhance the recreational use of the James River including swimming, boating, and fishing. Completion of the City of Lynchburg's CSO Program is a critical component of that plan.



Upon completion the remaining projects in the Long-Term Control Plan the following water quality benefits will be achieved:

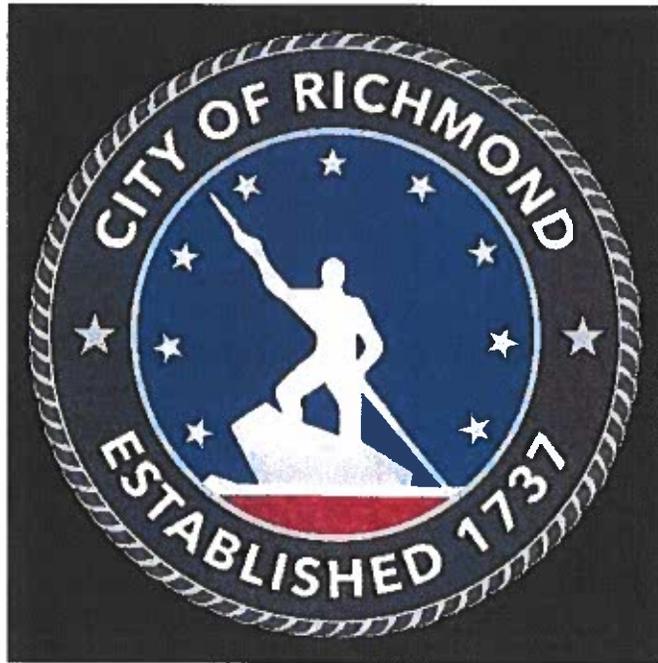
- Closing one additional CSO outfall (CSO 34).
- Reducing the number of overflow events at 12 of the 16 remaining CSO outfalls to less than 4 times in a typical year.
- Capturing more than 95% of the combined sewage volume for treatment at the wastewater treatment plant in a typical year.
- Providing solids and floatable control at all remaining CSO outfalls.
- Significantly reducing overflows in Blackwater Creek Park near a highly utilized public trail.
- Exceeds the goals of the James River Bacteria TMDL Implementation Plan

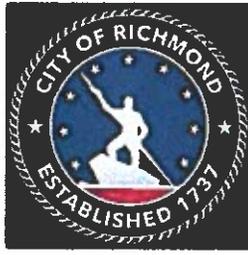
With funding support, Lynchburg expects to complete the remaining CSO projects within the next five years and advance the CSO program to the post-construction compliance monitoring phase. Lynchburg has developed a CSO post-construction monitoring program work plan which was approved by Virginia DEQ in 2020 and will include the post-construction monitoring requirements in its next NPDES permit effective in 2021.

Specific Funding Needs

The City of Lynchburg is facing significant infrastructure challenges with aging water and sewer systems with hundreds of miles of lines over 100 years old. It is estimated that over the next 20 years the City needs to invest nearly \$500 million in water and sewer infrastructure. The City of Lynchburg is requesting financial assistance to help minimize additional financial stress on our rate payers.

\$50 million to complete the CSO Program within the next 5 years.

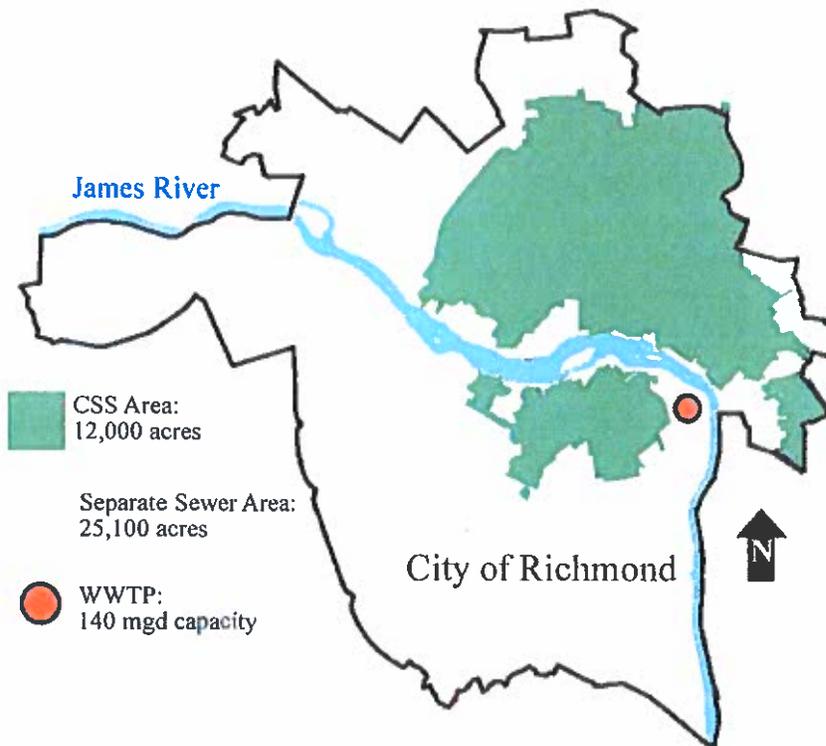




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History and Progress to Date

The City's combined sewer system (CSS) was installed in the mid-1800s, and was considered at the time to be an effective way to manage wastewater and flooding. The system carried combined sewage out of the City and into the James River. In the 1940s, the City began construction of an interceptor system, along the banks of the James River and its tributaries, to carry the combined sewage to the Wastewater Treatment Plant (WWTP), which was constructed in the 1950s.



For the past 50 years, the City has been proactively improving the CSS and the WWTP to reduce CSO volume:

- 1970: City completes first CSO Study
- 1983: City completes construction of 35 MG Shockoe Retention Basin
- 1988: City adopts Comprehensive Long Term Control Plan, ahead of the 1994 US EPA CSO Control Policy
- 2005: City was issued a Special Order by Consent to implement the 19 identified projects in the 2002 LTCP
- 2013: City starts work on integrated plan to better manage water resources. This resulted in DPU obtaining Virginia's first integrated permit in 2018.

As the City continued to progress through the implementation of its CSS improvement projects, the General Assembly enacted Senate Bill 1064 (2020 CSO Law). The law, which was incorporated by amendment into the City's 2005 Consent Order, requires the City to develop Interim and Final CSS Plans and calls for an aggressive implementation schedule. The City has a very high poverty rate and already has one of the higher sewer bills in the Commonwealth of Virginia, in order to fund the investments that have made into the CSS. The implementation of these Plans presents significant affordability concerns. Substantial funding assistance is absolutely necessary to ensure successful Plan implementation.

CSO Remediation Work Done To Date

The City has invested approximately \$312 million on the CSS improvements over three Phases which are detailed below:

Phase	Project	Date	Status	Project Cost (\$M)
1	Phase 1 Implementation	1970 - 1987	Complete	\$116.8
2	Phase 2 Implementation	1988 - 2003	Complete	\$127.1
3	LTCP Re-Evaluation Study SO #1: CSO Disinfection Study SO #2: Program Project Plan Study	2002 - 2006	Complete	\$3.3
	SO #3/4/5: Replacement of CSO Regulators 24, 25, 26	2005 - 2008	Complete	\$3.3
	SO #6: Fulton Bottom Separation	2010	Complete	\$0.8
	SO #7: Maury Street Separation	2011	Complete	\$2.2
	SO #8: Orleans & Nicholson Street Separation	2013	Complete	\$1.0
	SO #9: Oakwood In-line Equalization	2013	Complete	\$2.3
	SO #10/11/12: Replacement of CSO Regulators 12, 14, 39	2005 - 2016	Complete	\$6.0
	SO #13A-C: CSO 28A/E Separation, Design of CSO 04 Regulator Relocation	2008-2020	Complete	\$11.0
	SO #14: WWTP Expansion to 140 MGD (WWUV)	2014 - 2018	Complete	\$17.3
	SO #15A: WWTP Headworks Upgrade Design	2014 - 2019	Complete	\$1.9
	SO #17A: Shockoe Retention Basin Access Ramp & Cleaning	2010	Complete	\$8.1
	SO #17B: Shockoe Crossover Chamber Separation	2009	Complete	\$8.7
SO #17C: Shockoe Diversion Structure Improvements	2012	Complete	\$1.5	

	SO #17D: Shockoe Trash Raking Upgrade Design	2015 - 2020	Design in Progress	\$0.4
	SO #17E: Shockoe Crest Gate and Emergency Gate Rehabilitation Design	2014 - 2019	Design in Progress	\$0.3
Total				\$312M

It is estimated that the implementation of these improvements has provided the City with annual CSO capture rate of approximately 91%.

The City has received the following loans and grant funding to support the implementation of these projects:

VCWRLF Loans	State Grants ¹	Federal Grants	ARRA Loans	USACE/ Other	Total
\$24,279,620	\$41,633,164	\$48,284,950	\$2,573,942	\$3,337,000	\$120,108,676

1: \$27,771,836 in State Grants is scheduled to fund the Phase 3 SO# 15, and #17 Projects.

In addition to the CSS improvements, the City also completed the Nutrient Reduction Program update at the WWTP from 2008 – 2017. This plant wide upgrade was required for the City to comply with the Chesapeake Bay TMDL, but also addressed improvements to the WWTP's wet weather flow treatment reliability and bacteria disinfection performance. In order to fund this program, the City received \$50,131,031 in grants and \$55,289,955 from zero interest loans. Currently, the City has a balance of \$31,502,968 remaining on the loans which are required to be paid in full by 1/15/35.

Historically, Richmond has maintained strong credit ratings through sound financial planning, performance, and management

- Key financial strengths include liquidity (reserves) and debt service coverage
- Key challenges include debt load (leverage), aging infrastructure, and affordability
 - \$638 million in outstanding debt (water, wastewater and stormwater), or about 70% leverage, against \$912 million asset book value
 - Average age of sewer pipe (114 years), average age of water pipe (67 years)

Magnitude of future capital investments including CSO compliance will strain financial metrics without significant rate increases

- Challenges exacerbated by heightened concern for affordability

Increased leverage and reduced financial performance may negatively impact credit ratings

Remaining CSO Work to Be Done

The City has completed 15 of the 19 projects outlined in the 2005 Order. The 2020 CSO Law establishes specific timeframes for the development and implementation of Interim and Final Plans to reassess the remaining projects in the 2005 Order and address the remaining combined sewer overflows (CSOs). The remaining CSO projects are detailed below:

Phase	Project	Date	Status	Project Cost (\$M)
Phase 3	SO #15A: WWTP Headworks Upgrade	2021 – 2024	Construction in Progress	\$33.6
	SO #17D: Shockoe Trash Raking Upgrade Design	2022 – 2024	Design in Progress	\$6.3
	SO #17E: Shockoe Crest Gate and Emergency Gate Rehabilitation Design	2022 – 2024	Design in Progress	\$5.7
Interim Plan	Interim Plan Implementation	2021 – 2027	Design in Progress	\$33.3
Final Plan	Final Plan Implementation	2026-2035	Plan in Development	\$850
Total				\$929M

It is estimated that the implementation of the Interim and Final Plan projects will increase the City's annual CSO capture rate to as much as 99%. The development of the Final Plan is underway and is required to be complete by July 1, 2024. The estimated cost to implement the Final Plan will likely change as the proposed projects are further developed and selected.

CSO Project's Impact to Local Ratepayers

The City of Richmond is an environmental justice community under the Virginia Environmental Justice Act (VEJA). The most recent census data shows that 23.2% of the City's population is living below the poverty line and 54% of the population are people of color.

The City has had to increase sewer rates over the last four years to fund the WWTP Nutrient Reduction Program and the continued investment into the CSS:

Wastewater Utility Finances			
Rate Increase ¹	Bill % of MHI ²	FY 2020 Debt Coverage Ratio ³	FY 2020 Outstanding Bonds
2.61%	1.61%	2.01	\$385M

1: Average rate increase over last four years. Average Consumer Price Index (CPI) average over last four years is 1.87%.

2: 2005 Order mandated minimum value is 1.25%

3: 2005 Order mandated maximum value is 1.75

Currently, the US EPA affordability thresholds are exceeded for the first quintile of income.

If the City's rate payers were required to fund the implementation of the Interim and Final Plan to meet the mandated schedules, the typical annual sewer bill would increase to approximately \$2,200 per year. In this event, the US EPA affordability thresholds would be exceeded at the median income in the City's 23 poorest census tracts (30,000 housing units, 33% of the City's housing units) by 2040.

Environmental Benefits

The James River is a popular citizen and tourist destination for recreation (boating, kayaking, swimming, and fishing). Bacteria is the primary metric to assess whether the James River is meeting recreational use water quality standards. The additional reduction of combined sewage discharged into the James River, can help achieve compliance with the James River Bacteria TMDL, improve its use for recreation and fishing, and improve the public's perception of the river's water quality.

The City has been working with Virginia Commonwealth University (VCU) for over a decade to collect data and track bacteria reductions and improvements in the James River water quality. The City used these data to develop a water quality model of the James River to assess the impacts of the bacteria load discharged from the CSS and from other upstream sources. The VCU data and water quality modeling data show previous reductions in CSO volume have made improvements to the James River water quality.

The additional CSO volume reduction achieved with the implementation of the Interim and Final Plan projects will assist in bringing the James River into compliance with recreational water quality standards.

ARPA Funding Request

The City of Richmond has one of the highest sewer bills in the Commonwealth to fund investments into the CSS and WWTP. If the sewer bill is further increased to meet the mandated implementation schedule of the Interim and Final Plans, a much higher number of City residents will be unable to afford that bill. The City is requesting financial assistance for the implementation of these Plans to alleviate further strain on its rate payers:

- Interim Plan: \$33.3M
- Final Plan: \$850M
- Total: \$883.3M

SENATE OF VIRGINIA

ADAM P. EBBIN
30th SENATORIAL DISTRICT
PART OF ARLINGTON AND FAIRFAX COUNTIES,
AND PART OF THE CITY OF ALEXANDRIA
P.O. BOX 25415
ALEXANDRIA, VIRGINIA 22313
(771) 384-8857



COMMITTEE ASSIGNMENTS:
COMMERCE AND LABOR
FINANCE AND APPROPRIATIONS
GENERAL LAWS AND TECHNOLOGY
PRIVILEGES AND ELECTIONS
TRANSPORTATION

Ebbin 1

June 16, 2021

Via Electronic Mail

District32@senate.virginia.gov

The Honorable Janet D. Howell
Chair, Senate Finance and Appropriations Committee
Pocahontas Building, Room E509
900 East Main Street
Richmond, Virginia 23219

RE: Request for American Rescue Plan Act funding for Alexandria CSO project

Dear Chair Howell:

I write to encourage you and our Senate Finance and Appropriations Committee colleagues to support significant American Rescue Plan Act (ARPA) funds for the Alexandria combined sewer overflow (CSO) project.

Background

The Alexandria CSO project is required for compliance with the federal Clean Water Act. However, its July 1, 2025 completion date was mandated in 2017 by the General Assembly (SB 898). This General Assembly mandate is unprecedentedly aggressive for a local clean-water project of this magnitude.

Alexandria Renew Enterprises (“AlexRenew,” aka, the Alexandria Sanitation Authority) is the entity that owns the CSO infrastructure that is subject to the ongoing required work. The City of Alexandria transferred ownership of the affected CSO infrastructure to AlexRenew in July 2018. AlexRenew is responsible for the CSO project’s planning, design, financing, construction, and operations. AlexRenew and the City of Alexandria continue to work hand-in-hand on the project’s planning and execution.

Alexandria CSO Project Funding is Consistent with ARPA

The American Rescue Plan Act specifically allows State and Local Fiscal Recover Funds to be spent on water and wastewater infrastructure. (See, §§ 602(c)(1)(D), 603(c)(1)(D) of the Act; See, pp. 62-69 of the Interim Final Rule)

Notably, the “Interim Final Rule provides [state, local, and tribal] governments with wide latitude to identify investments in water and sewer infrastructure that of the highest priority for their own communities ... The Interim Final Rule does this by aligning types of eligible projects with the range of projects that can be supported by the U.S. Environmental Protection Agency’s (EPA) Clean Water State Revolving Fund (CWSRF) and Drinking Water State Revolving Fund (DWSRF).” (Interim Final Rule, p. 63)

Alexandria CSO Project Costs

The AlexRenew CSO project will cost approximately \$615 million. To date, AlexRenew has spent \$115 million. Approximately \$500 million remains to be spent between June 2021 and July 2025.

Financial Impact on Ratepayers

The AlexRenew CSO project will cause “rate shock” to local ratepayers. The General Assembly’s 2017 mandate that this project be completed by July 1, 2025, has disallowed AlexRenew from spreading out the costs over a longer period of time – hence, the very concentrated spike in rates and the resulting rate shock. Alexandria residents will have contributed approximately \$5,000 per household by July 2025.

It also is notable that the City of Alexandria has five qualified low-income census tracts. The most recent census data shows that 10.3% of the City’s population is living below the poverty line and 36.6% of the population are people of color.

Request for ARPA Funds for Alexandria CSO Project

I request that the Senate Finance and Appropriations Committee consider appropriating a substantial amount of ARPA funds to the Alexandria CSO project. Its remaining costs are approximately \$500 million. Any significant State-appropriated funding from ARPA funds will reduce the impact to local ratepayers.

Other Virginia CSO Projects

Alexandria is one of three Virginia cities with CSO projects that are mandated to be remediated to be in compliance with the federal Clean Water Act, the other two being Lynchburg and Richmond, who have been working on their CSO and combined sewer system projects for decades.

AlexRenew’s CSO project has approximately \$500 million in additional costs. Lynchburg has approximately \$50 million in additional costs. Richmond has approximately \$850 million in additional costs. In all, remaining costs total nearly \$1.5 billion.

Broadly speaking, ARPA provides a unique opportunity for the Commonwealth to provide substantial assistance to these decades-long public works projects that have left substantial financial challenges to these three historic Virginia cities.

Conclusion

The City of Alexandria and Alexandria Renew Enterprises have been collaborating for many years on the CSO project. The General Assembly exacerbated the challenge in 2017 with an aggressive July 1, 2025 completion date. This mandate is resulting in exorbitant local wastewater utility rates and an overwhelming decades-long debt burden on AlexRenew.

It is my hope that the Commonwealth will dedicate a substantial amount of ARPA funding to assist AlexRenew in its CSO work. I also believe we can use ARPA funds to assist all CSO communities in Virginia.

I am happy to work with you and SFAC staff to provide additional detailed information as we consider how ARPA funds might substantially help Alexandria and other CSO communities.

Sincerely,

A handwritten signature in blue ink that reads "Adam Ebbin". The signature is fluid and cursive, with a long horizontal stroke at the end of the name.

Adam P. Ebbin
Member, Virginia Senate

cc: Karen Pallansch, General Manager, Alexandria Renew Enterprises
Mark Jinks, City Manager, City of Alexandria
April Kees, Director, Senate Finance and Appropriations Committee
Jason Powell, Fiscal Analyst, Senate Finance and Appropriations Committee

RiverRenew Board of Directors Dashboard



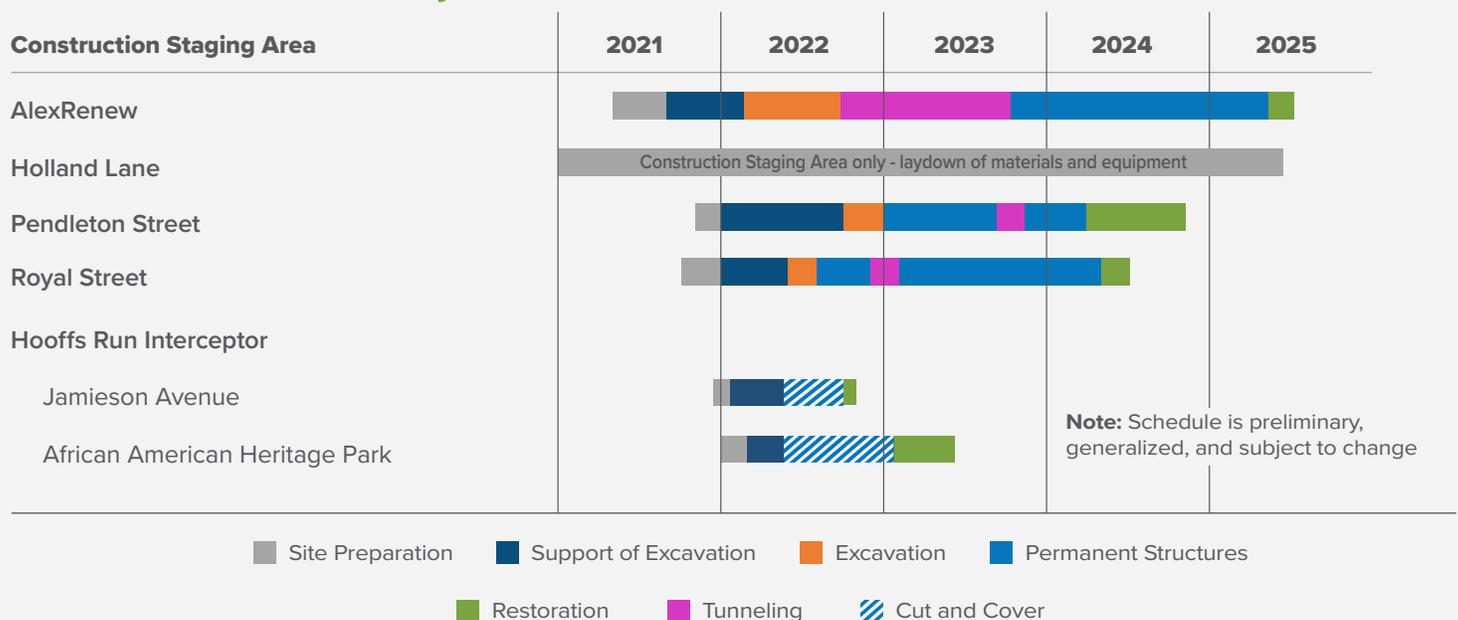
MONTH ENDING: JUNE 30, 2021

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 millions of 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 wastewater treatment plant in 2020. The remaining project includes the construction of a new tunnel to connect AlexRenew's wastewater treatment plant to the four existing combined sewer outfalls in Alexandria.

RiverRenew Tunnel Project Schedule



THREE-MONTH LOOK AHEAD			
Date:	Activity:	Date:	Activity:
Ongoing	Permitting and Design	Sept. 16	2021-2022 RiverRenew Stakeholder Advisory Group (SAG) Meeting No. 4
Ongoing	Field Surveys and Utility Locating	Sept. 23	Council Board Workgroup Meeting No. 12
Ongoing	Site Preparation at AlexRenew	Sept. 30	RiverRenew Tunnel Project Groundbreaking Ceremony
July 15	Pendleton Street Community Listening Session		
July 22	Royal Street Community Listening Session		

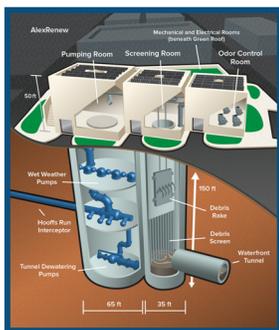
SUMMARY OF MAJOR DELAYS	
Date:	Activity:

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.

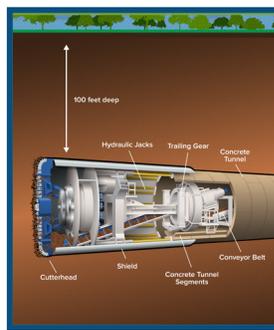


Hooffs Run Interceptor



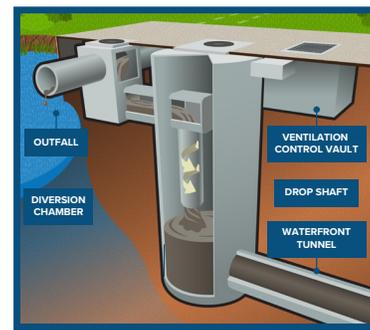
Pumping Station

Click [here](#) to take a 3D tour of RiverRenew's future pumping station.



Waterfront Tunnel

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



Diversion Facility

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

Status of RiverRenew Tunnel Project Components

■ Design
 ■ Construction

Waterfront Tunnel



Update: TBM Purchase Agreement executed.

60%

0%

Pendleton Street Diversion Facility



Update: Final design underway.

19%

0%

Royal Street Diversion Facility



Update: Final design underway.

19%

0%

Hooffs Run Interceptor



Update: Final design underway.

16%

0%

AlexRenew



Update: Mobilization and site preparation underway. Final design ongoing.

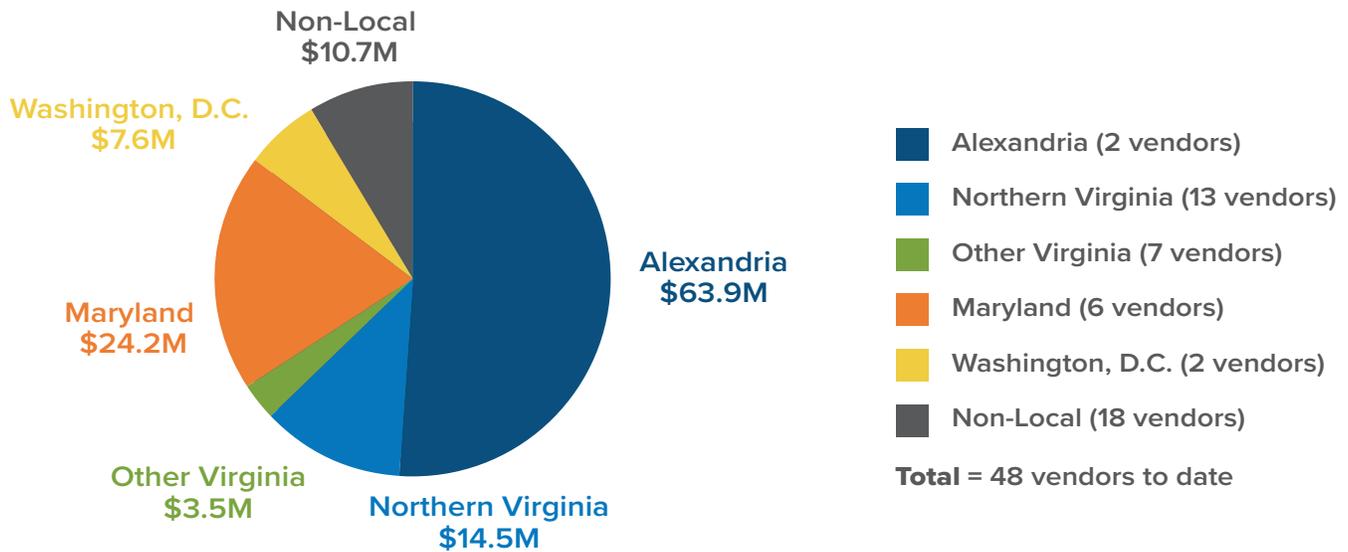
26%

1%

Note: As of Pay Application No. 4 for the Tunnel Project, processed June 10, 2021.

RiverRenew Program Costs to Date

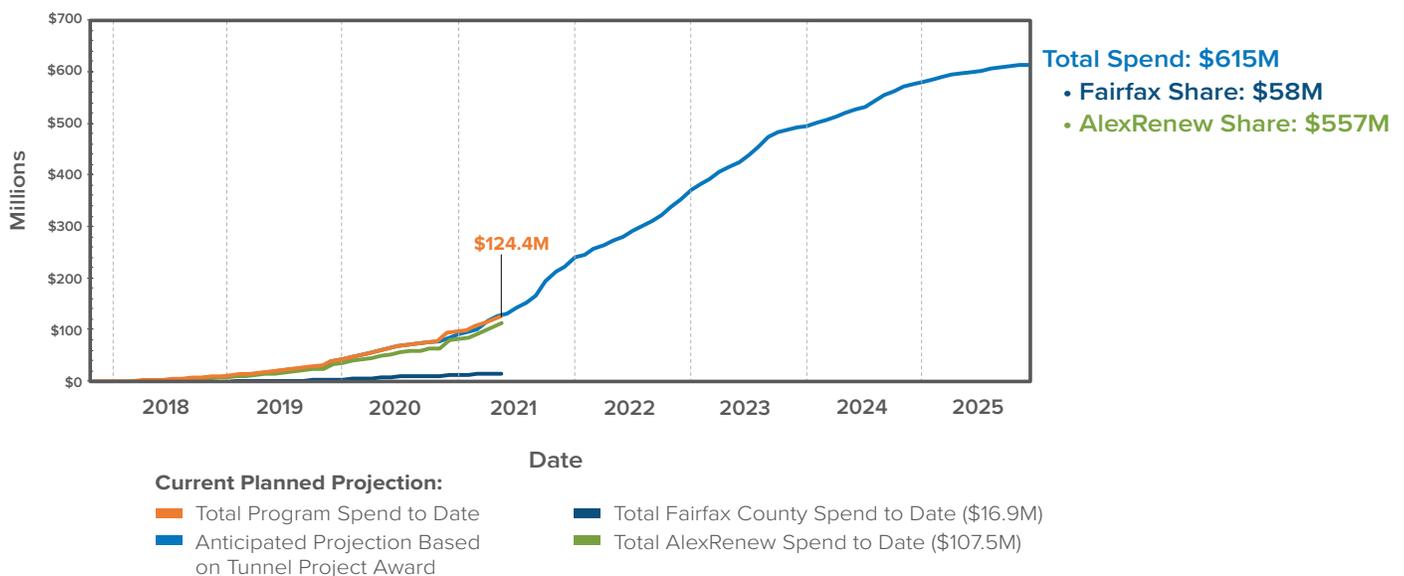
RiverRenew Spend to Date by Locality



RiverRenew Tunnel Project Contracts

Vendor	Role	Contract Type	Contract No.	Contract Date	Spent to Date (\$millions)
Traylor-Shea Joint Venture	Design-Builder Tunnel System Project	Design-Build	19-079	Dec 2020	\$31.1
Brown and Caldwell	Owner's Advisor	Professional Services	17-022	Nov 2017	\$45.5
EPC	Resident Engineering & Inspection Tunnel System Project	Professional Services	20-013	April 2020	\$1.8
Completed RiverRenew Wastewater Projects to Pave the Way for the Tunnel Project					\$45.9

RiverRenew Cash Flow Analysis



Note: As of Pay Application No. 4 for the Tunnel Project, processed June 10, 2021.

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.



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 Meeting No. 3: June 17, 2021
Click [here](#) to view the meeting recording.
- Community Listening Session (Hooffs Run Interceptor): June 24, 2021
Click [here](#) to view the meeting recording.

Looking Ahead:

- Community Listening Session (Pendleton Street): **July 15**
- Community Listening Session (Royal Street): **July 22**



Digital Programming

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

Highlights:

- The debut of the redesigned [RiverRenew.com](#) on June 25, 2021
- A **program update** highlighting mobilization and site preparation work at AlexRenew
- A **program update** announcing utility potholing field work in the community



Public Inquiries

The RiverRenew team is committed to keeping the community informed every step of the way, dedicating their time to addressing all **public inquiries** about the project.



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:

- **September 23**



Community Days

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

Looking Ahead:

- Groundbreaking Ceremony and Virtual Live Stream: September 30



Community Events

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

Monthly Construction Spotlight



Transforming AlexRenew into the Main Hub for Tunnel Project Construction

Tunnel Project work is underway at AlexRenew! Currently, construction crews are relocating utilities and installing fencing to support the construction of two 12-story deep shafts that will be used to construct the Waterfront Tunnel and then be built-out as AlexRenew's permanent pumping stations.

To learn more visit [RiverRenew.com/Construction/AlexRenew](https://www.RiverRenew.com/Construction/AlexRenew) or take a look back at our AlexRenew [Community Listening Session](#).

Building for the Future of Alexandria's Waterways

To learn more, visit www.RiverRenew.com



Monthly Financial Report

Month: June 2021

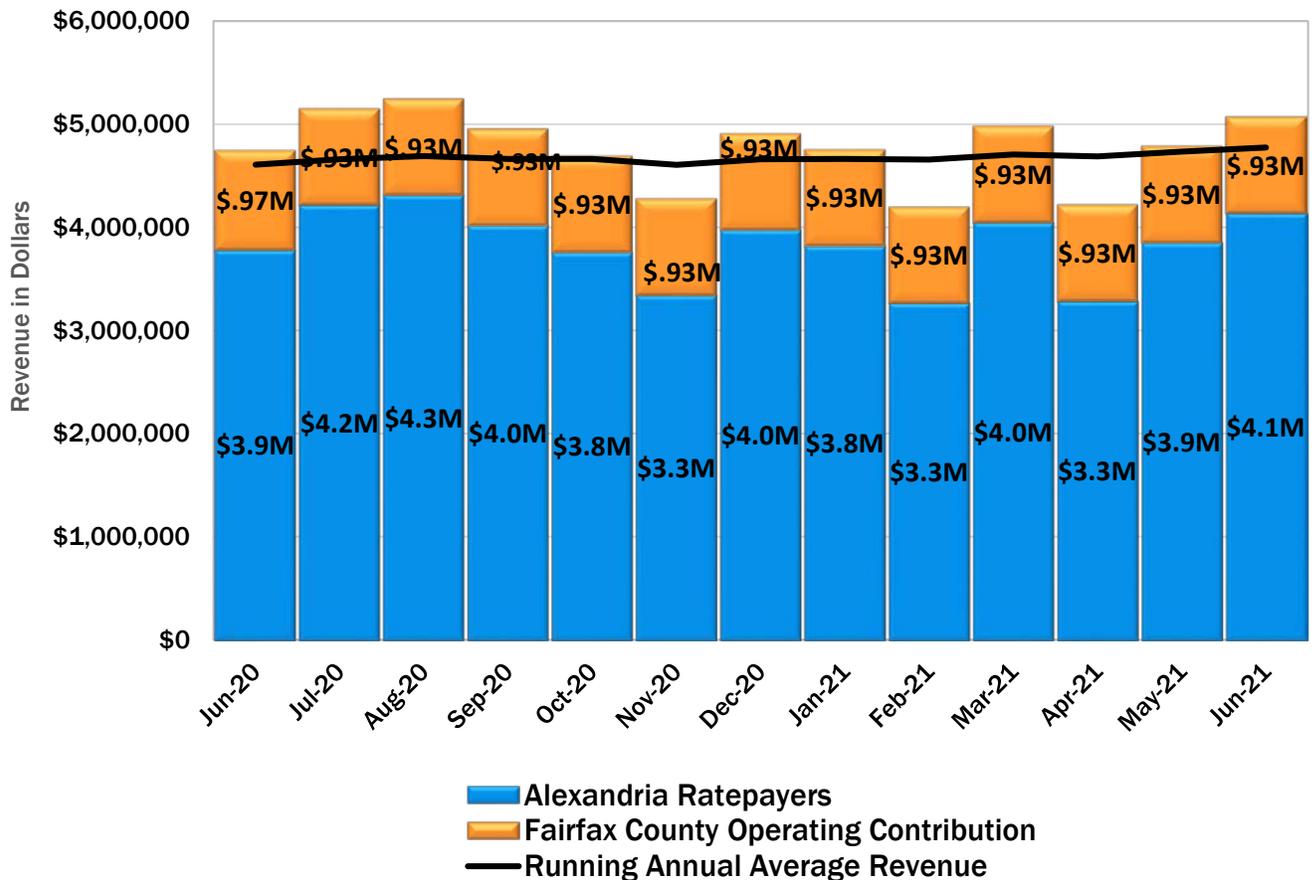
Overview

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.

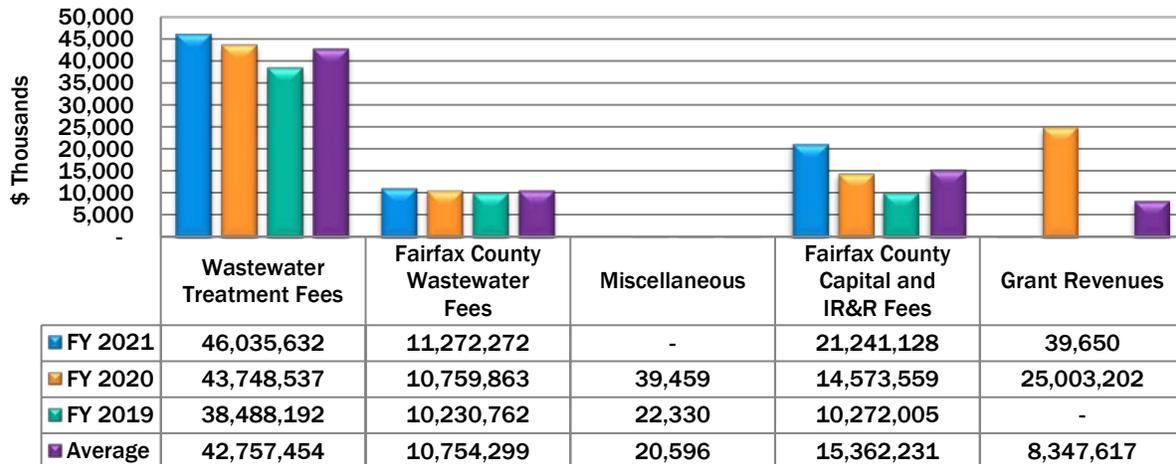
Revenues

- FY21 operating revenues total \$57.3 million through the end of June with approximately \$46 million in Wastewater Treatment Charge revenue and \$11.2 million collected from Fairfax County. Wastewater Treatment Charge revenue is approximately \$2.2 million (5.23%) more compared to the same time period in FY20, and \$6.5 million (16.6%) above the Fiscal 2021 YTD budget. Data indicates a slight increase month-over-month in customer revenue in June 2021. 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.

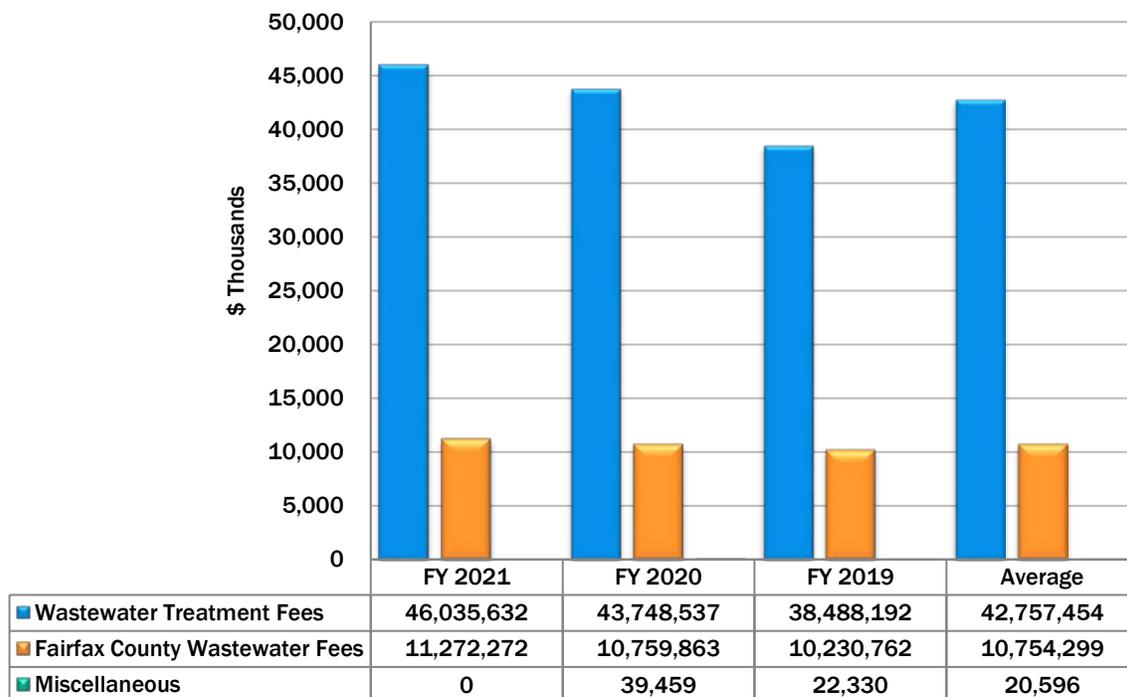
Monthly Wastewater Treatment Fee Revenue



Annual Revenue and Capital Contributions 3 Year Comparison



Annual Operating Fund Revenues 3 Year Comparison



Expenses

FY21 operating and maintenance expenses are approximately 10% or \$2.94 million under the year-to-date budget, representing a spend rate of 89.6%. An overall decrease in Operations and Maintenance, General Administrative costs, and personnel services accounts primarily for this variance.

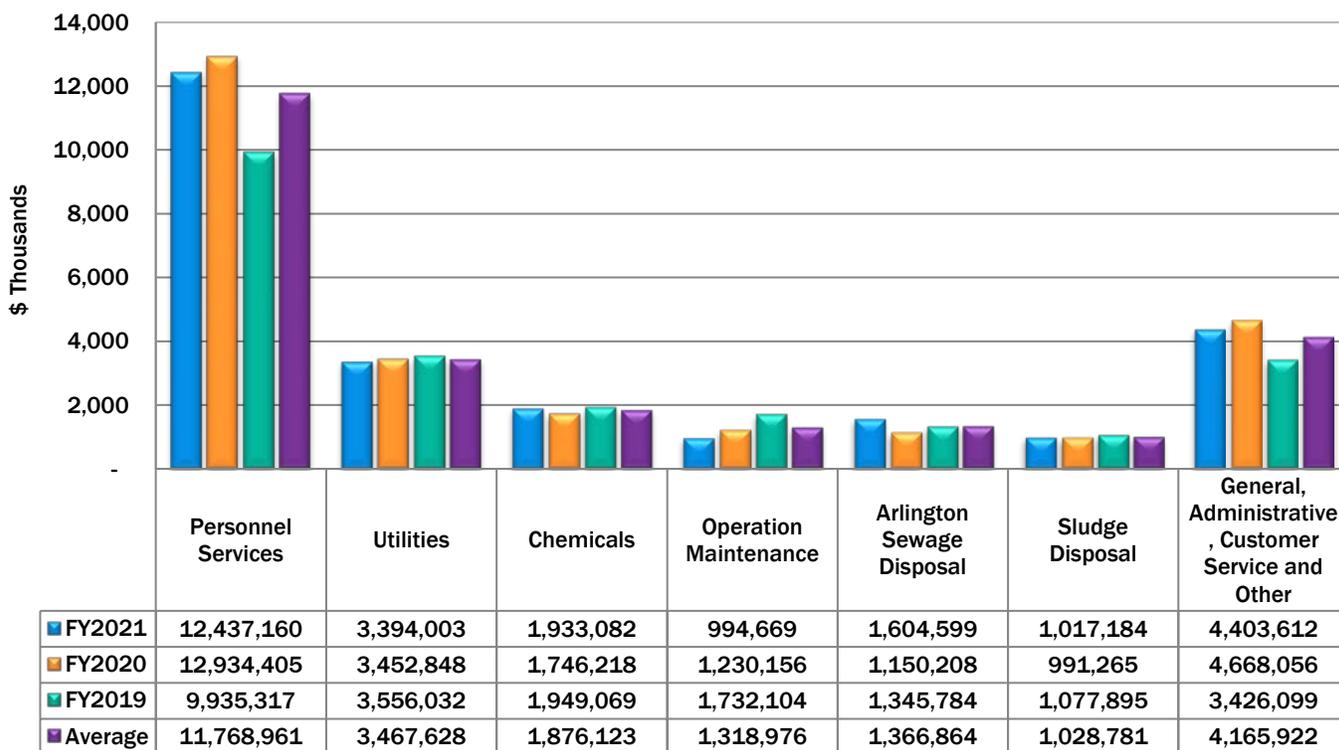
Capital outlay expenses are \$61.72 million year-to-date, representing a spend rate of 101.4%.

At twelve (12) months into the fiscal year, the overall spend rate is 104.1% of the total budget.

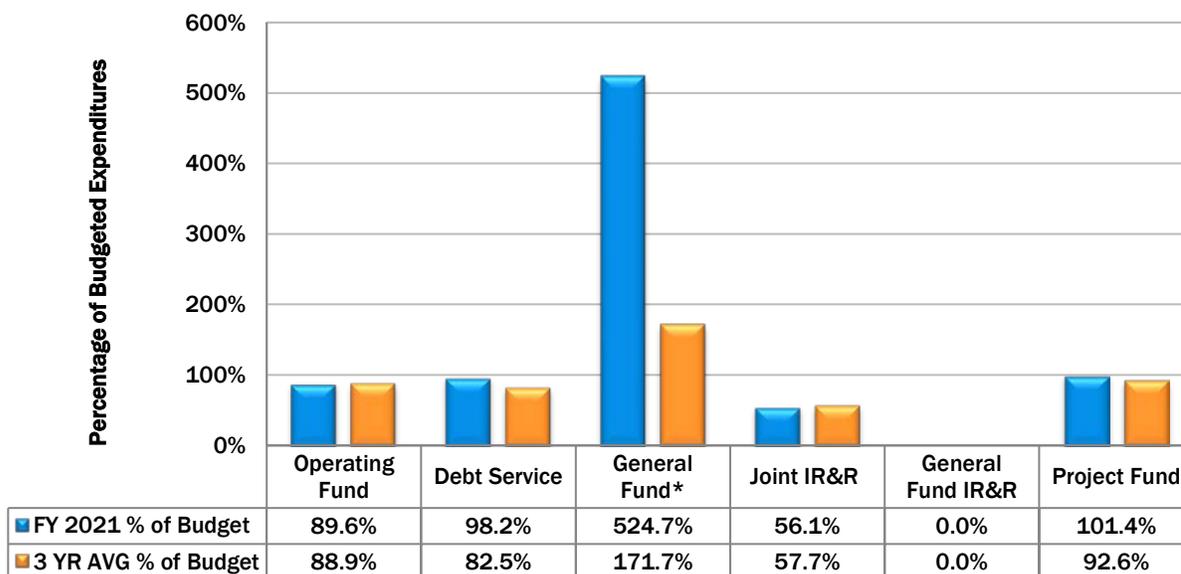
Expenses By Fund

ACTUAL VS. BUDGET Through June 2021					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	\$ 25.45	\$ 25.11	\$ 28.39	89.6%	88.9%	0.7%
Debt Service	14.12	13.86	11.99	14.12	98.2%	82.5%	15.6%
General Fund*	2.28	11.96	6.99	2.28	524.7%	171.7%	353.0%
Joint IR&R	5.63	3.16	3.00	5.63	56.1%	57.7%	-1.6%
General Fund IR&R	0.25	-	-	0.25	0.0%	0.0%	0.0%
Project Fund	60.86	61.72	40.10	60.86	101.4%	92.6%	8.8%
Total	\$ 111.53	\$ 116.15	\$ 87.18	\$ 111.53	104.1%	91.2%	13.0%

Annual Operating Expenses 3 Year Comparison



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

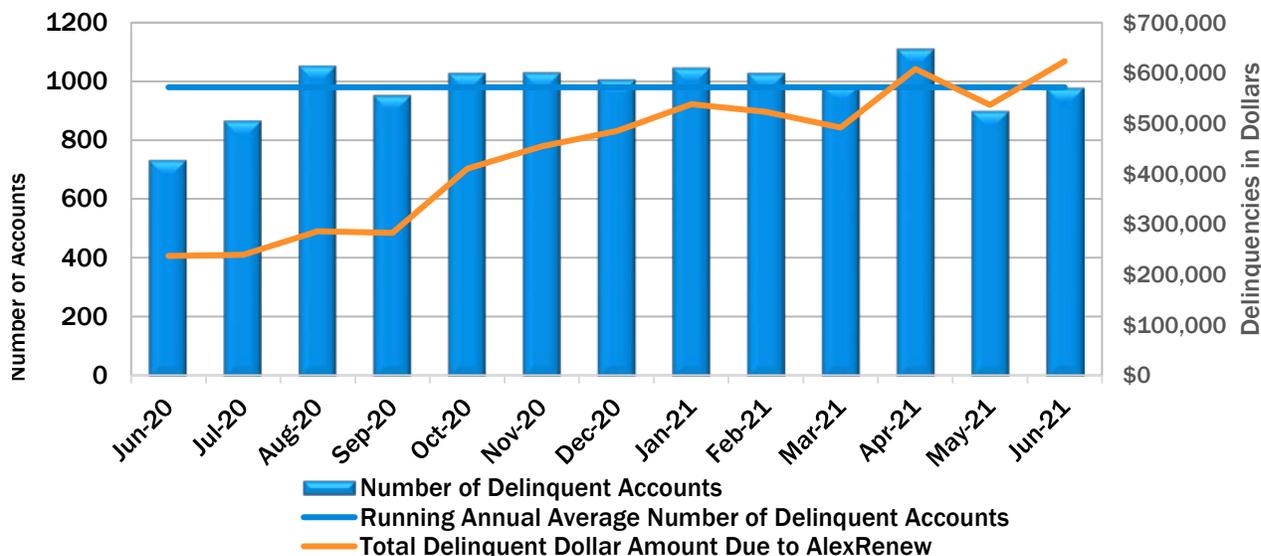


* Increase in General Fund expenditures due to Alexandria-only RiverRenew easement payments

Delinquencies

The number of accounts that are delinquent by more than 60 days increased month-over-month, from 902 accounts in May to 979 in June. The total dollar amount owed to AlexRenew from these accounts increased to \$623,389. AlexRenew continues to work with delinquent customers to establish payment plans, evaluate eligibility for relief programs, and otherwise assist them in bringing their accounts current.

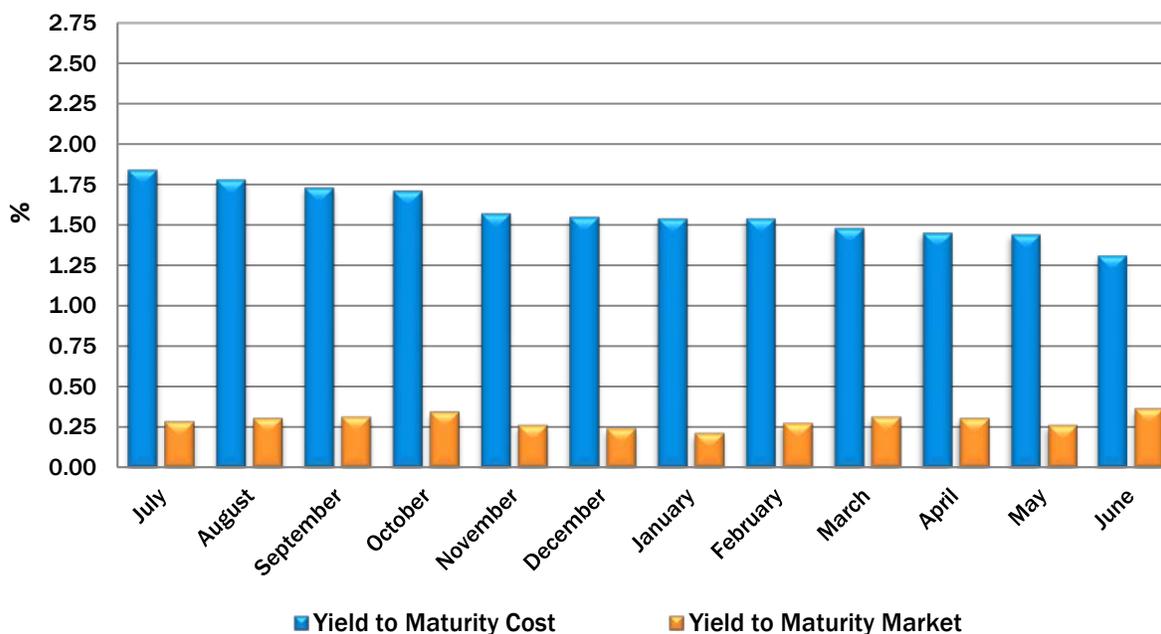
Active Accounts 60+ Days Delinquent



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 1.31%; a level significantly higher than general bank deposit earnings rates.

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

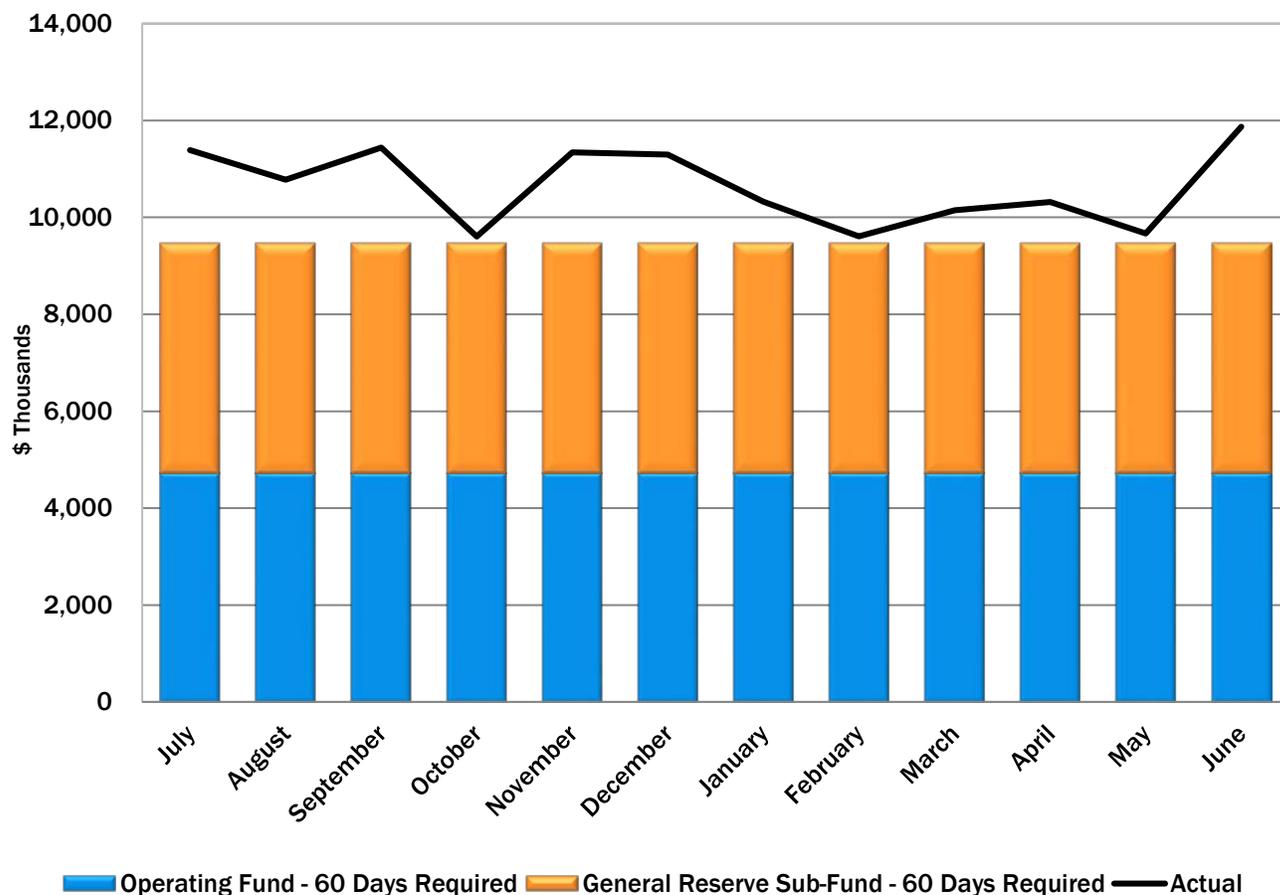


Cash Reserves

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 June, 2021		
Total Operating Cash	\$ 4,428,831	
Total Certificates of Deposit (Cash Equivalent)	\$ 2,861,587	
CARE ACT COVID19 Funding Balance	\$ (150,118)	
Total Operating Cash	<u>\$ 7,140,300</u>	
Total General Reserve Sub-Fund Cash	<u>4,731,167</u>	
Total Operating and General Reserve Sub-Fund Cash	<u>11,871,467</u>	125%

Cash Reserve Policy



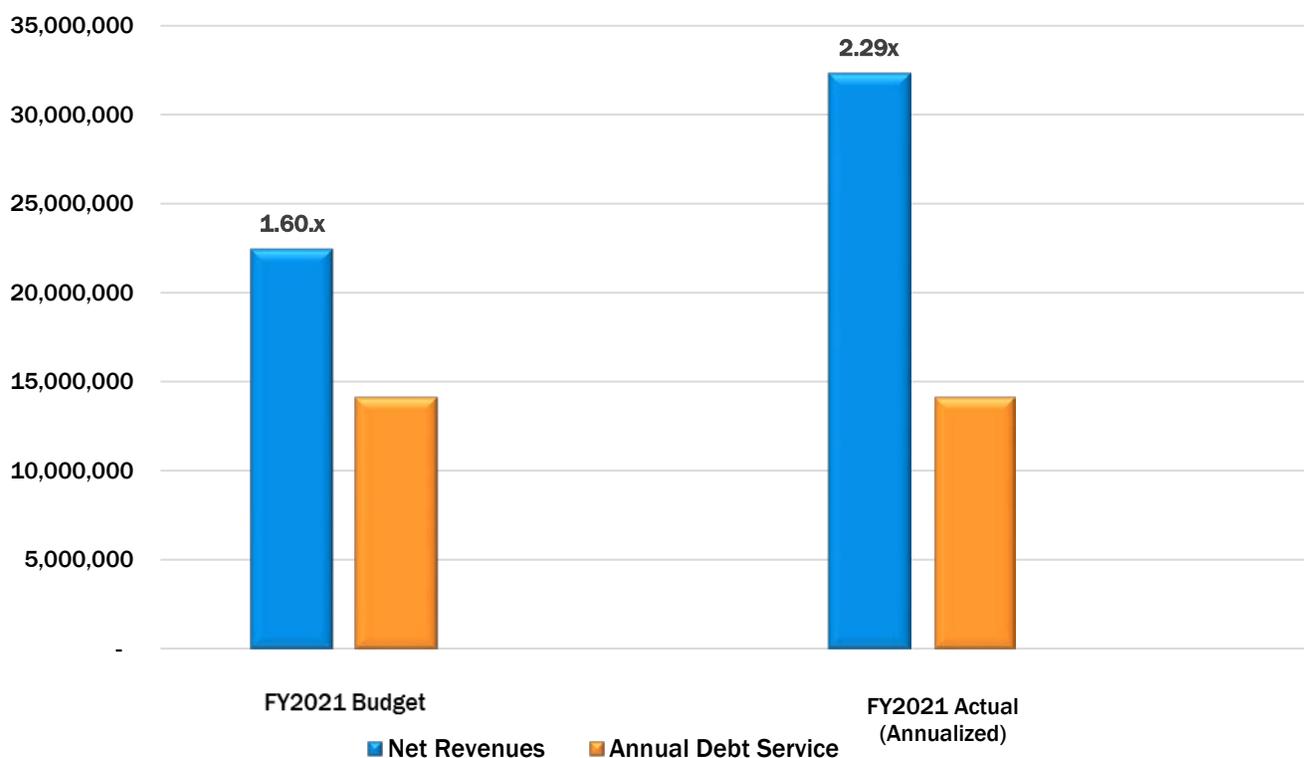
Debt Service Coverage

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 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 original FY21 budget expectations. Actual coverage will end the fiscal year at 2.29x, ahead of the budgeted projections due to stronger than budgeted revenue performance.

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	46,035,632	39,492,000
Fairfax County Operating Expense Charge	11,272,272	11,272,272
Reimbursement from other systems	-	-
Investment Income	482,642	115,000
Less Restricted Investment Income	-	-
Total	57,790,546	50,879,272
LESS Operating Expenses	(25,445,262)	(28,386,991)
Net Revenues [a]	32,345,284	22,492,281
Annual Debt Service [b]	14,123,976	14,123,976
Calculated All-In Debt Coverage [a/b]	2.29x	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.