

Minutes of a Public Hearing
AlexRenew
9:30 a.m., Saturday May 18, 2024

On May 18, 2024, the AlexRenew Board of Directors held a public hearing to receive comments on the FY2025 Proposed Operating and Capital Budget in the Edward Semonian Board Room at 1800 Limerick Street. The hearing was broadcast via Microsoft Teams.

The following were in attendance:

Members: Mr. John Hill, Chair
Mr. James Beall, Vice Chair
Ms. Adriana Caldarelli, Secretary-Treasurer
Mr. Mark Jinks, Member
Ms. Becky Hammer, Member

Staff: Mr. Justin Carl, General Manager/Chief Executive Officer
Ms. Amanda Waters, General Counsel and Deputy GM
Ms. Caitlin Feehan, Chief Administrative Officer
Mr. Lake Akinkugbe, Director of Finance
Ms. Lorna Huff, Executive Assistant to the Board

City Representative: Ms. Erin Bevis-Carver, Division Chief
Sanitary Infrastructure Division

Call to Order

The Chair called the meeting to order at 9:30 a.m.

Review of the Process

The Chair reviewed the process for the Board to receive oral and written comments on the FY2025 Proposed Operating and Capital Budget from members of the public.

Discussion

The Chair recognized Mr. Carl who reported that Ms. Feehan and Mr. Akinkugbe were going to present on the FY2025 Proposed Operating and Capital Budget and changes to the Winter Quarter Average calculation in AlexRenew's Rates, Rules, and Regulations document.

Ms. Feehan reviewed AlexRenew's governance structure, Strategic Goals noting their alignment with AlexRenew's FY2025 Operating and Capital Budget. Ms. Feehan provided an overview of the AlexRenew organization noting that it annually cleans 13 billion gallons of wastewater and serves over 300,000 customers in Alexandria and Fairfax County. An independent political subdivision, AlexRenew is governed by a 5-member citizen board.

AlexRenew's FY2025 Operating and Capital Budget is \$232.8 million, including an 18% decrease in Capital Outlay due to decreased spending on RiverRenew and a 36% increase in Debt Service to support RiverRenew, the Solids Upgrade Program, and Preliminary and Primary Systems Upgrade (PPSU). Additionally, the Operating Budget contains a 7% increase to support workforce investments. Staff expects an 11% increase in Operating Revenue due to an increase in billed flows as they return to pre-pandemic levels and a Board approved rate increase of 5.1%.

Mr. Akinkugbe discussed major projects in the CIP, including RiverRenew, PPSU, the Solids Upgrade Program, Tertiary System Upgrades, and Information Technology Upgrades, representing \$175.2 million

in Capital Expenses.

For FY2025, AlexRenew Debt Service Expenses are \$22.5 million. This includes \$12.4 million in loan payments for RiverRenew, \$3.2 million for loan payments for new capital projects, and \$6.7 million for previous upgrades at AlexRenew.

As part of the FY2025 budget cycle, AlexRenew has proposed to make minor modifications to the Winter Quarter Average (WQA) to eliminate the 4,000-gallon cap and set the cap based on average usage from December through February.

Next steps include the approval of the Budget and Winter Quarter Average adjustment by the Board at the June 18 Board meeting. AlexRenew's new fiscal year begins on July 1.

At 9:53 a.m., the Chair opened the public hearing to receive public comments on AlexRenew's FY2025 Proposed Operating and Capital Budget. There were no members of the public in attendance and wishing to speak, nor were there written comments submitted. The Chair closed the public hearing.

There being no additional business, the Chair requested a motion to adjourn. Ms. Caldarelli moved and Mr. Jinks seconded. The Board unanimously approved.

The meeting adjourned at 9:56 a.m.

APPROVED:



Secretary-Treasurer