



1800 Limerick Street  
Alexandria, VA 22314  
[alexrenew.com](http://alexrenew.com)

**Board of Directors**  
John Hill, Chair  
James Beall, Vice Chair  
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Mark Jinks  
Rebecca Hammer  
**Chief Executive Officer**  
Justin Carl, PE  
**General Counsel**  
Amanda Waters

August 2024

## Board of Directors Board Package

In line with the by-laws of Board, no regular Board meeting is held in August. The items below are presented in this package for Board review.

No.	Item	Presenter	Action
1.	AlexRenew Monthly Outcomes Update	-	-
2.	Draft Revised Delegation of Authority Board Policy	-	-
3.	Draft Resolution to Use Design-Build for the Tertiary Systems Upgrade Project	-	-

The draft items above will be considered at the next Regular Board of Directors meeting scheduled for Tuesday, September 17, 2024.

## Monthly Report

Reporting Period: July 1-31, 2024

This report represents a summary of AlexRenew's progress toward its strategic goals – Operational Excellence, Thriving Workforce, Strategic Partnerships, Environmental Sustainability, and Commitment to the Community for July 2024.

### 1 Operational Excellence

Performance of AlexRenew's operations is reviewed and evaluated monthly to oversee operational excellence and the proactive steps to meet current and future challenges.

#### 1.1 Water Resource Recovery Facility (WRRF) Performance

Precipitation for July was 4.82 inches of rain, which is above the historical average precipitation of 4.33 inches for the month.

AlexRenew met all Virginia Pollutant Discharge Elimination System (VPDES) effluent parameters for July 2024 as outlined in Table 1.1.

**Table 1.1.** Summary of VPDES Permit VA0025160 Effluent Parameters

	Average Flow	Carbonaceous Biochemical Oxygen Demand	Total Suspended Solids	Ammonia (as N)	Total Phosphorus	Dissolved Oxygen	Total Nitrogen	Total Nitrogen Load	Total Phosphorus Load
	MGD	Monthly Average (mg/L)	Monthly Average (mg/L)	Monthly Average (mg/L)	Monthly Average (mg/L)	Minimum (mg/L)	Annual Average (mg/L)	Year-to-Date (lb)	Year-to-Date (lb)
<b>Permit</b>	54.0	5.0	6.0	Seasonal (1)	0.18	6.0	3.0	493,381	29,603
<b>Reported</b>	30.6	< QL	5.0	0.05	0.11	6.6	2.5	171,477	5,316

Notes: (1) Ammonia has seasonal limits April – October: 1.0 mg/L

#### 1.2 Capital Improvement Program

Specific projects within AlexRenew's Capital Improvement Program (CIP) are highlighted monthly to support operational excellence.

In July 2023, the Board approved three (3) Job Order Contracts (JOC) to support AlexRenew's ongoing construction and maintenance needs. To date, a total of \$1.9 million of work has been completed under the JOC contracts. Table 1.2 summarizes the status of JOC task orders.

**Table 1.2.** Summary of JOC Task Orders

Task Order	Estimate	Status
Four Mile Run Pumping Station Valve Modifications	\$480,000	Work ongoing
Tertiary Settling Tank Valve Replacement	\$425,000	Work ongoing
WRRF General Housekeeping	\$350,000	Work ongoing
BRB Mixing System Improvements	\$200,000	Work ongoing
Building A Flare System Repairs	TBD	Scoping
Environmental Center Improvements	\$200,000	Work ongoing
Primary Sludge Pump Upgrades	TBD	Scoping
Digester Gas Mixing Compressors	TBD	Scoping
Plant Air Compressor Upgrades	\$645,000	Work ongoing
Primary Sludge Loop Cleaning and Valve Replacements	\$300,000	Work ongoing
Secondary Settling Tank Raw Activated Sludge Pipe Cleaning	\$125,000	Completed
Building L W1 Booster Pump Skid Replacement	\$265,000	Work ongoing
WRRF Tank Access Improvements	\$450,000	Work ongoing
Gravity Thickener No. 1 Improvements	\$100,000	Completed
Sodium Hypochlorite System Repairs	TBD	Scoping
Building M Fire Suppression System Upgrades	TBD	Scoping

### 1.3 RiverRenew

Updates on RiverRenew are outlined in the RiverRenew Dashboard.

### 1.4 Additional Capital Projects

Notice to Proceed for preconstruction services on the Preliminary and Primary System Upgrade Project was issued to Ulliman Schutte on July 23.

On July 23, AlexRenew issued a request for proposals (RFP) to procure construction management services to provide construction oversight of AlexRenew's capital upgrades. The selected team will oversee construction of the Solids Upgrade Program, the Preliminary and Primary System Upgrade Project, the Tertiary Systems Upgrade Project, the Centrate Pretreatment Project, and JOC task orders.

### 1.5 Recognition

On July 2, the Virginia Department of Environmental Quality (VDEQ) approved AlexRenew's participation as a Sustainability Partner in VDEQ's Virginia Environmental Excellence Program (VEEP).

## 2 Thriving Workforce

Efforts toward the thriving workforce strategic goal are highlighted monthly to report progress in investing in our staff and fostering a culture of belonging.

In July, AlexRenew conducted its sixth all-staff training in an ongoing series to build the organization's understanding and knowledge of asset management as AlexRenew transitions to a new software and framework.

Since August 3, 2023, AlexRenew has logged 205,011 hours without a lost time accident.

### **3 Strategic Partnerships**

AlexRenew continues to foster strategic partnerships that promote watershed-level thinking through collaboration and advocacy.

On July 31, AlexRenew hosted the Chesapeake Bay Foundation's Volunteers as Chesapeake Stewards (VoiCeS), providing an overview of our organization and our work to protect the waterways.

#### **3.1 Update on Supreme Court Decision**

On July 26, AlexRenew joined an amicus brief filed by the National Association of Clean Water Agencies (NACWA) with the US Supreme Court in an appeal addressing whether the Clean Water Act (CWA) allows EPA (or an authorized state like Virginia) to impose generic prohibitions in National Pollutant Discharge Elimination System permits. These provisions subject permittees to enforcement for exceedances of water quality standards without identifying specific limits to which their discharges must conform.

NACWA and 19 utilities from major US cities, along with eight state and regional clean water associations, urged the Court to eliminate ambiguous language in CWA permits that prevents clean water utilities from being able to depend on their permits to provide clear notice of the full extent of their CWA compliance obligations. Utilities must rely on their permits as the basis to efficiently plan, invest, operate, and maintain essential clean water infrastructure. Without clear regulatory targets, utilities are subject to enforcement action and injunctive relief, which can hinder water quality progress by unnecessarily increasing compliance costs. These costs are ultimately borne by ratepayers.

Since assuming the responsibility of the combined sewer outfalls and RiverRenew in 2018, AlexRenew is subject to compliance with Virginia Pollutant Discharge Elimination System (VPDES) Permit VA0025160. Unlike previous AlexRenew permits which included a single point of compliance (wastewater plant outfall), this permit established compliance requirements for a total of six (6) outfalls that discharge to Hunting Creek, Hooffs Run, and the Potomac River. Designs for upgrades to AlexRenew's wastewater treatment plant and the RiverRenew program are based on the criteria specified in AlexRenew's VPDES permit.

Oral argument before the Court is scheduled for October 16.

### **4 Environmental Sustainability**

Each month, progress is reported on AlexRenew's work toward environmental sustainability, with the goal of being good stewards of our resources to minimize our impact on the environment.

AlexRenew produced 2,413 wet tons of biosolids that were beneficially reused on farms in the Virginia counties of Fauquier, Louisa, and Frederick.

AlexRenew recycled 97.74 million gallons of water to support its operations. Plant processes used 3.04 million standard cubic feet of biogas produced on-site in the anaerobic digesters.

## 5 Commitment to the Community

Each month, progress is reported on AlexRenew's work toward strengthening connections with the public and providing affordable service.

### 5.1 FY2025 Operating and Capital Budget – Revenues and Expenses

Performance of AlexRenew's annual approved budget is reviewed and evaluated monthly to ensure overall organizational financial stability.

Table 5.1 summarizes AlexRenew revenues and expenditures for this period. Major takeaways for this period include:

- Wastewater Treatment Charge revenues (\$5.4 million) are trending slightly higher than projections;
- Operating and maintenance expenses are trending slightly below projections; and
- Total expenses (\$11.5 million) are currently trending lower than the budgeted expenses due to the timing of capital expenditures. This timing also impacts debt proceed revenues (\$2.4 million), which are lower than budgeted as most current capital expenditures are funded through debt.

**Table 5.1.** Revenues and Expenses for through July 2024

Revenues and Expenditures	Total FY2025 Budget	FY2025 To-Date	% of Budget To-Date	% of FY2025 Completed	Total FY2025 Projected
<b>Revenues</b>					
Wastewater Treatment Charge	60,420,321	5,454,717	9	8.5	60,500,000
Fairfax Operating Expense Charge	12,838,293	1,069,858	8	8.5	12,700,000
Fairfax IRR* and Capital Contributions	40,753,072	2,530,486	6	8.5	30,000,000
Debt Proceeds and Other Sources	118,784,403	2,404,170	2	8.5	103,600,000
<b>Total Revenues</b>	<b>232,796,090</b>	<b>11,459,231</b>	<b>5</b>	<b>8.5</b>	<b>206,800,000</b>
<b>Expenditures</b>					
Operating and Maintenance	35,295,594	2,814,584	8	8.5	34,500,000
Parity Debt Service	22,290,196	203,468	1	8.5	20,300,000
IRR*	11,755,900	1,076,390	9	8.5	11,800,000
Capital	163,454,400	7,364,790	5	8.5	140,200,000
<b>Total Expenditures</b>	<b>232,796,090</b>	<b>11,459,231</b>	<b>5</b>	<b>8.5</b>	<b>206,800,000</b>

\*IRR: Improvement, Renewal, and Replacement

The Master Indenture of Trust (Indenture) and Board Financial Policy require AlexRenew to maintain at least 120 days cash on hand. Additionally, the Indenture requires AlexRenew to maintain minimum debt service coverage of 1.1 times the parity debt service due in any fiscal year. The Board Financial Policy requires AlexRenew to maintain a higher minimum debt service coverage of at least 1.5 times. In both cases, AlexRenew currently exceeds its compliance standards as indicated in Tables 5.2a and 5.2b.

**Table 5.2a. Cash Reserves**

Item	FY2025 Budget	FY2025 Annualized	Percentage of Goal
Total Operating Cash	\$5,802,015	\$8,684,575	150%
Total General Reserve Sub-Fund Cash	\$5,802,015	\$5,802,015	100%
<b>Total</b>	<b>\$11,604,030</b>	<b>\$14,486,590</b>	<b>125% (150 days)</b>

**Table 5.2b. Debt Service Coverage**

Item	FY2025 Budget	FY2025 Annualized
Total Revenues	\$74,158,614	\$74,077,056
Less Operating Expenses	(\$35,295,594)	(\$34,500,000)
<b>Net Revenue</b>	<b>\$38,863,020</b>	<b>\$39,577,056</b>
<b>Annual Debt Service</b>	<b>\$22,290,196</b>	<b>\$20,300,000</b>
<b>Calculated Coverage</b>	<b>1.75 times</b>	<b>1.95 times</b>

## 5.2 Status of Customer Delinquencies

Figure 5.1 illustrates active AlexRenew accounts 60 or more days delinquent and total delinquent dollar amount owed over the last three (3) years. Major takeaways for this period include:

- The number of accounts delinquent by more than 60 days was 912, a decrease of 250 accounts month-over-month;
- The number of accounts delinquent by more than 60 days is the lowest since September 2021;
- The total dollar amount owed to AlexRenew from these accounts totaled \$1,121,903, a decrease of \$473,988 month-over-month;
- Approximately 68 percent of the delinquency value is from residential accounts; and
- 423 residential and 46 commercial accounts are on active payment plans.

Over the last several months, AlexRenew has been coordinating with a large commercial customer to repay its \$365,854.85 balance. The outstanding balance was paid in full on August 5 and reflected in Figure 5.1.

Throughout July, AlexRenew continued its outbound text messaging campaign focused on payment plans, enrolling 125 customer accounts through PromisePay. As of July 31, AlexRenew had 469 customers enrolled in payment plans, representing \$547,387 in scheduled payments. This value represents approximately 50% of the current (July) arrearage.

AlexRenew disconnected 25 customers for nonpayment in July. Three (3) of these customers paid their outstanding balance in full and 22 enrolled in payment plans.

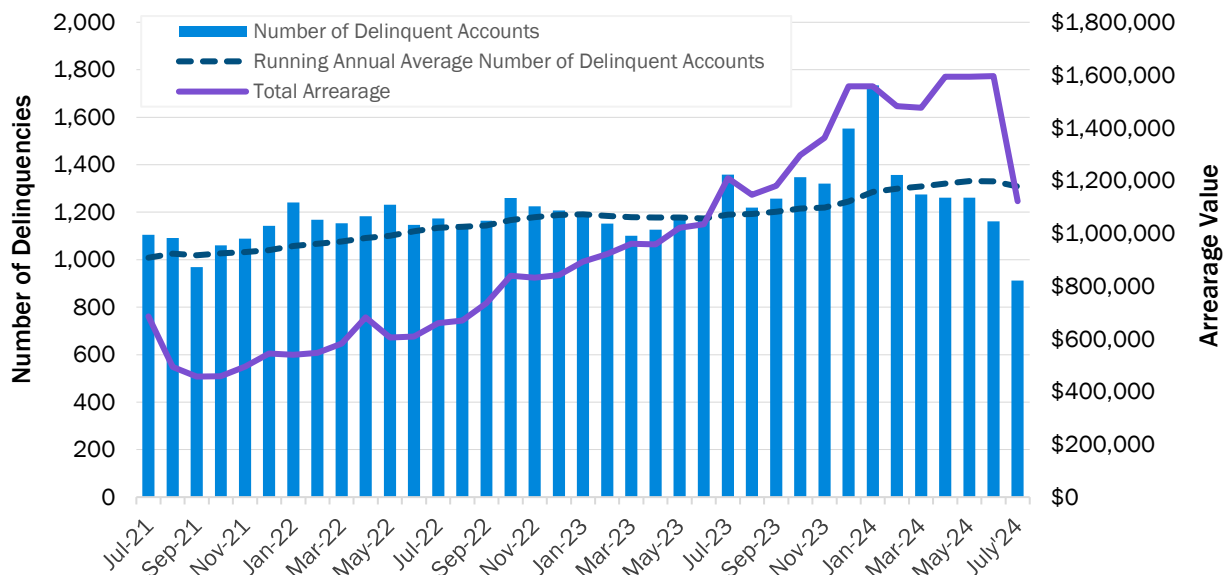


Figure 5.1. Active Accounts 60 or more days Delinquent

### 5.3 Customer Service and Community Engagement

AlexRenew shares a monthly summary of its community engagement and customer service statistics to highlight its contributions toward its commitment to engagement and trust.

On July 10, AlexRenew hosted the American Society of Highway Engineers for a RiverRenew tour.

AlexRenew welcomed an estimated total of 240 visitors from the following organizations that hosted meetings on the 6th floor of the Environmental Center in July: City of Alexandria (20), Capital Youth Empowerment Program (40), Alexandria City Public Schools (65), Alexandria A Capella Collective (80), and Chesapeake Bay Foundation (35).

AlexRenew customer service received a total of 1,151 calls. Average wait time before calls were answered was 25 seconds. Call center staff answered 607 emails.

### 5.4 Lifeline Emergency Assistance Program (LEAP)

As discussed at the July Board meeting, the minimum income requirement for LEAP was removed in July. Updates on LEAP are outlined in the LEAP Dashboard.

Please note, per a request by the Board, an additional page has been added to the LEAP Dashboard that highlights disbursements and remaining arrearage by account.

# RiverRenew Board of Directors Dashboard



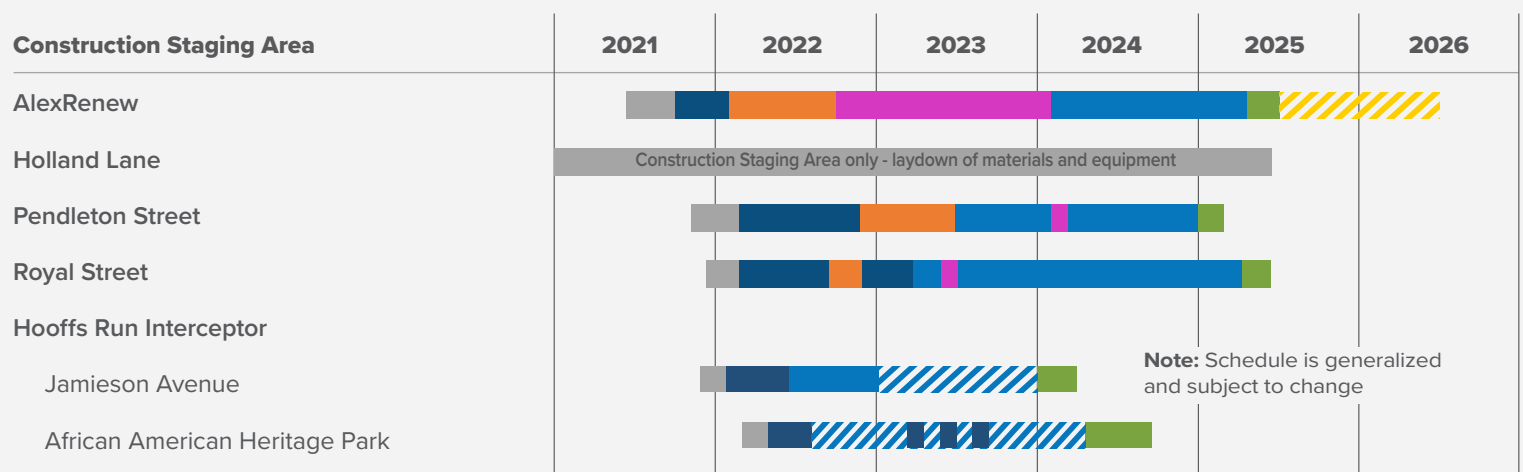
MONTH ENDING: JULY 31, 2024

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

## 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 of the four RiverRenew projects are complete. The remaining Tunnel Project includes the construction of a new tunnel to connect AlexRenew's wastewater treatment plant to the four existing combined sewer outfalls, as illustrated on Page 4 of this dashboard. The phases of construction for the five primary construction sites are illustrated in the schedule below.

## RiverRenew Tunnel Project Schedule



Site Preparation Support of Excavation Excavation Permanent Structures Restoration Tunneling Cut and Cover Project Extension

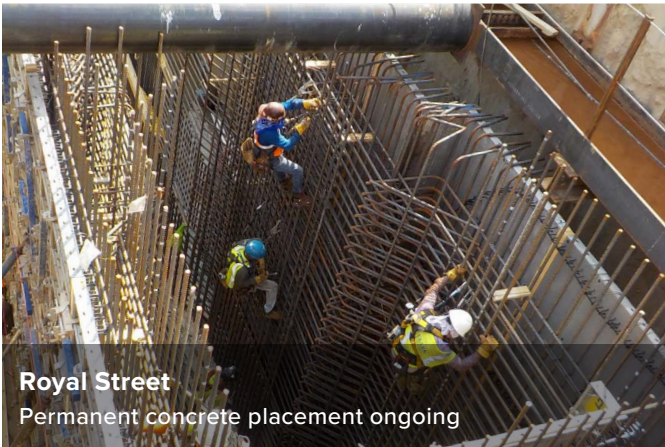
## Summary of Major Tunnel Project Delays

Date:	Activity:
12/2021	Monitoring potential supply chain issues due to ongoing pandemic.
12/2021	COVID outbreak at tunnel segment mold plant in Slovenia. Manufacturing for tunnel segment molds relocated to Turkey. Anticipated one-month delay on tunnel segment molds.
1/2022	Concrete for shaft slurry walls delayed due to weather, COVID impacts, shortage of CDL drivers due to Omicron spike, and lack of concrete materials in the Greater Metro D.C. area. Monitoring schedule impacts to critical path.
2/2022	TBM fabrication and delivery delayed by three weeks. Monitoring schedule impacts to critical path.
4/2023	Due to the events in January and February 2022 (noted above), the Tunnel Project is currently 60 days behind schedule. The delay will primarily impact scheduled work at the AlexRenew site.
9/2023	Due to the delays noted above, the Tunnel Project is currently 90 days behind schedule. The delay will primarily impact scheduled work at the AlexRenew site.
3/2024	Legislation to extend the project's statutory deadline by one year to July 1, 2026 signed into law on 3/8/24 (SB372) and 3/20/2024 (HB71).

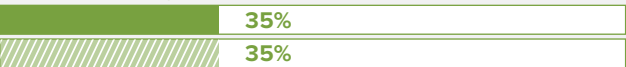
# RiverRenew Tunnel Project Design-Build Progress

## Overall Project Progress

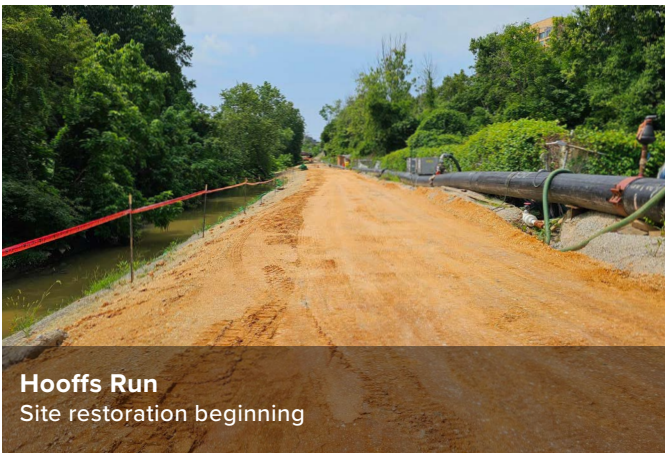
(Design and Construction)



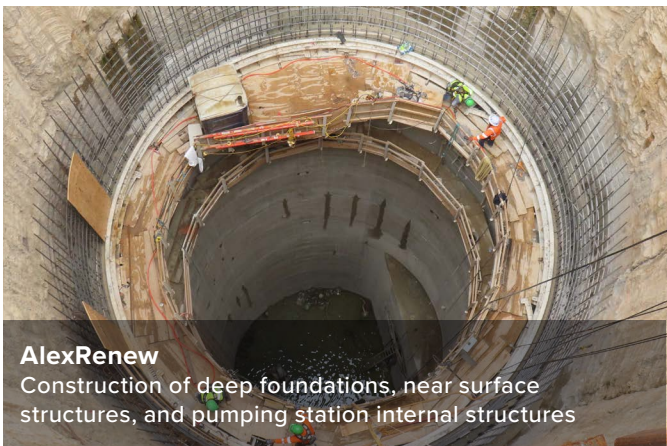
Construction Progress\*



Construction Progress\*



Construction Progress\*



Construction Progress\*



**LEGEND:** ■ Actual Progress ▨ Planned Progress

Actual Progress as of July 31, 2024. \*The planned progress for each construction staging area reflects the Design-Builder's schedule as of July 2024.

# RiverRenew Tunnel Project

## Six-Month Look-Ahead

### Work Hours

#### NORMAL WORK HOURS

Pendleton Street	7 a.m. – 6 p.m.
Royal Street	24/7
Hooffs Run	7 a.m. – 6 p.m.
AlexRenew	24/7

### Community Outreach

Event	Date
Pendleton Street Community Listening Session	Sept 16, 2024
Royal Street Community Listening Session	Sept 18, 2024
2024-2025 RiverRenew SAG Meeting No. 3	Sept 19, 2024

### Pendleton Street

#### MAJOR WORK ACTIVITIES

Activity	Date
Pile driving	Ongoing through Sept 2024
Permanent concrete structures construction	Ongoing through Winter 2024

#### PERMITS

Permit	Date
Building Permit - Shaft Mechanical, Electrical, and Plumbing	Sept 2024

### Hooffs Run

#### MAJOR WORK ACTIVITIES

Activity	Date
North of Jamieson Ave	
Site restoration	Ongoing through Summer 2024
African American Heritage Park	
Site restoration	Ongoing through Fall 2024

### Royal Street

#### MAJOR WORK ACTIVITIES

Activity	Date
Excavation for diversion facility	Ongoing through Fall 2024
Permanent concrete structures construction	Ongoing through Spring 2025
Permanent drop shaft concrete construction	Ongoing through Spring 2025

#### PERMITS

Permit	Date
Building Permit - Mechanical, Electrical, and Plumbing	Sept 2024

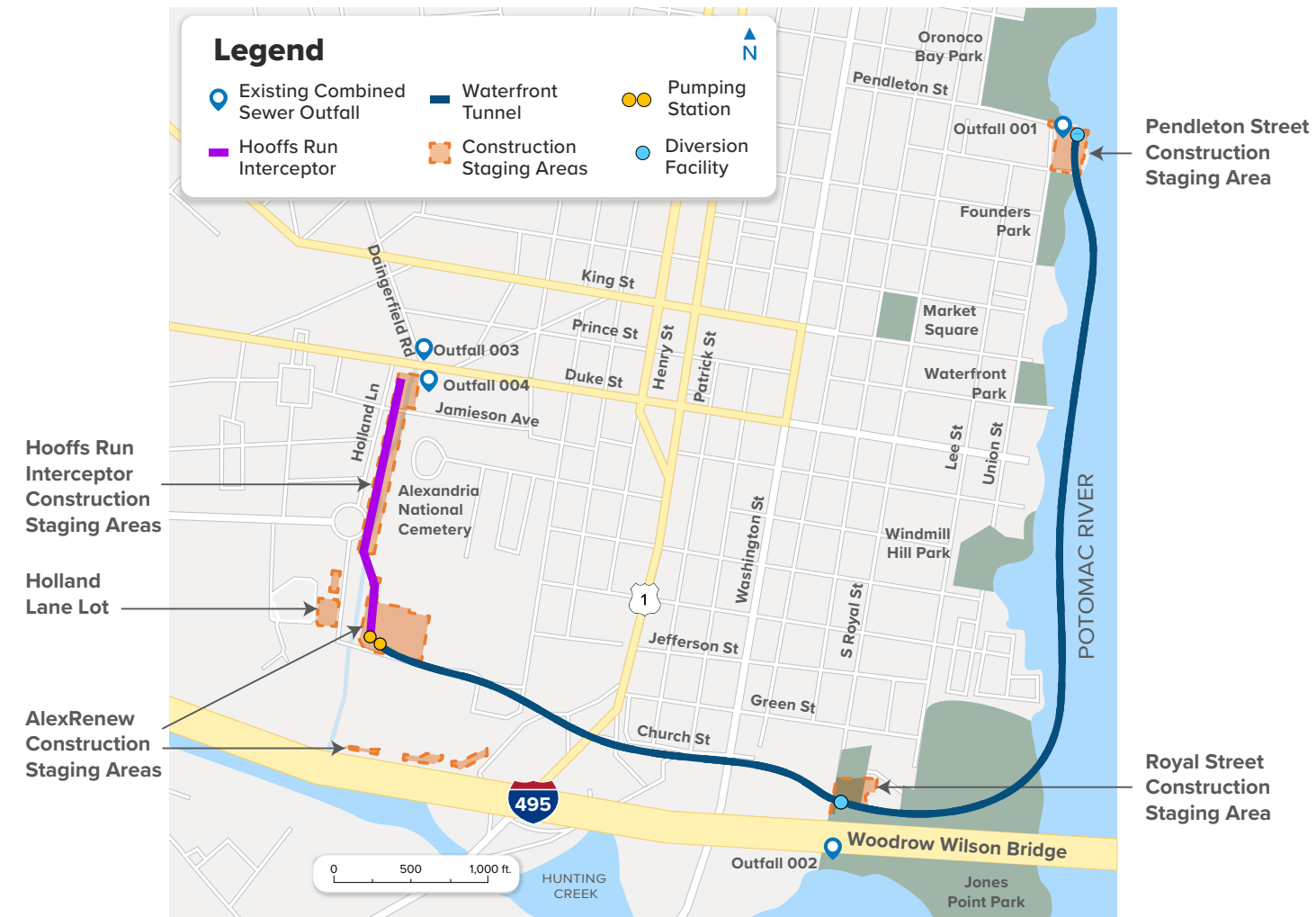
### AlexRenew

#### MAJOR WORK ACTIVITIES

Activity	Date
Permanent concrete structures support of excavation	Ongoing through Summer 2024
Superstructure slab on grade	Ongoing through Summer 2024
Permanent concrete structures construction	Ongoing through 2024
Pumping and screening shaft cast-in-place concrete internals	Ongoing through Fall 2024

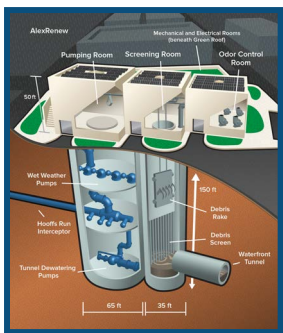
# RiverRenew Tunnel Project Snapshot

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.



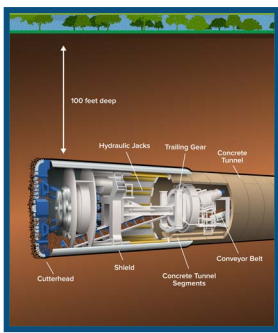
**Hooffs Run Interceptor**

Click [here](#) to learn more about activity at our Hooffs Run site.



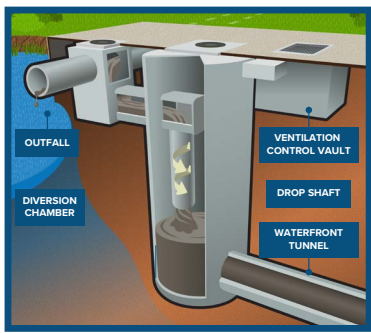
**Pumping Station**

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 was constructed.

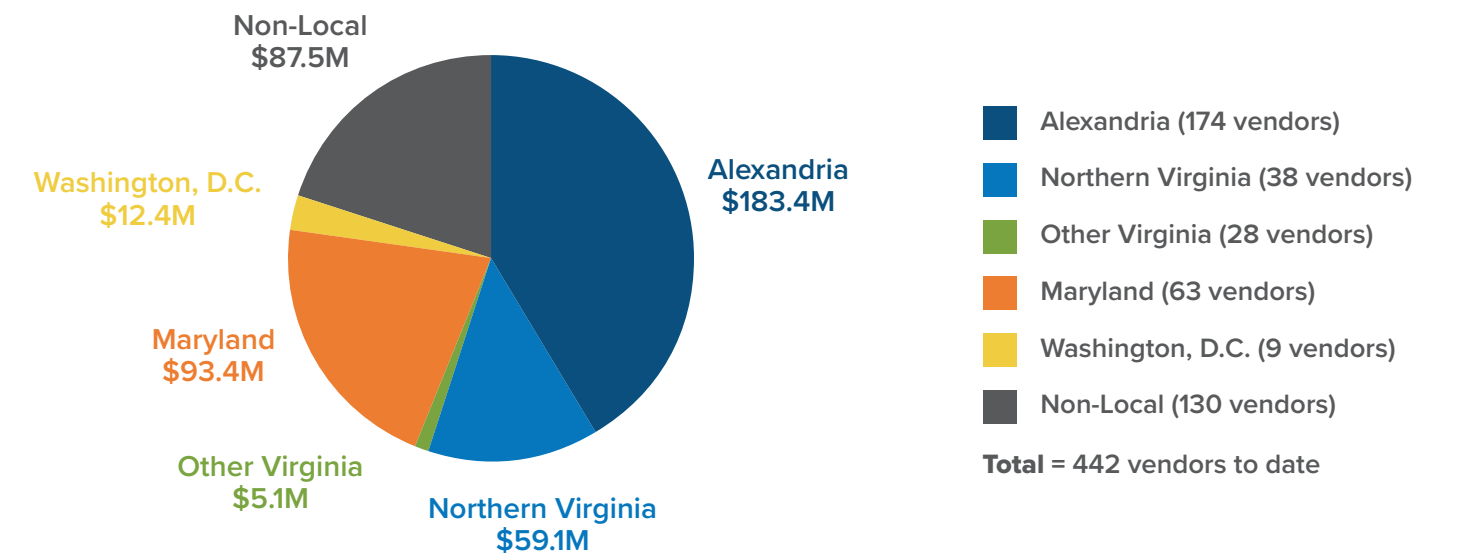


**Diversion Facility**

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

# RiverRenew Program Costs to Date

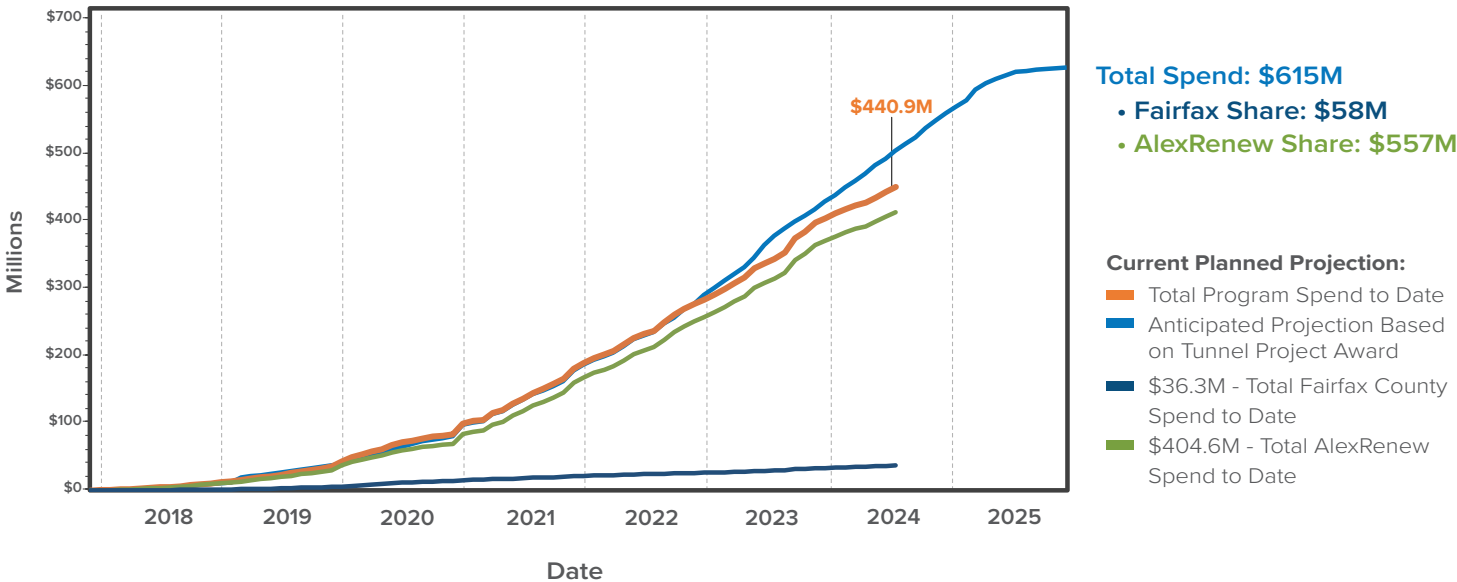
## RiverRenew Spend to Date by Locality



## 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	\$286.1
Brown and Caldwell	Owner's Advisor	Professional Services	17-022	Nov 2017	\$79.1
EPC	Resident Engineering & Inspection Tunnel System Project	Professional Services	20-013	Apr 2020	\$22.1
Completed RiverRenew Wastewater Projects to Pave the Way for the Tunnel Project					\$53.6

## RiverRenew Cash Flow Analysis



Note: As of July 31, 2024.

# RiverRenew Community Outreach



## Community Meetings

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

### Looking Ahead:

- 2024-2025 RiverRenew SAG Meeting No. 3:  
**September 19, 2024**



## Community Events

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

### Looking Ahead:

- Sip 'n See event at Pendleton Street: Thursdays between 11 a.m. and 1 p.m., until pile driving is complete
- Pendleton Street Community Listening Session:  
**September 16, 2024**
- Royal Street Community Listening Session:  
**September 18, 2024**



## 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:

- Hooffs Run Planting Day



## Digital Programming

**Digital programming** keeps the community connected to RiverRenew with regular program updates on RiverRenew.com, content on AlexRenew's social media pages, and distribution of *The River Renewer*, a quarterly newsletter promoting updates and milestones to more than 600 contacts.

### Highlights:

- A short **video** showing the inside of the Hooffs Run Interceptor's HGL Control Structure
- A unique **photo** of the reinforcing steel that will provide structural support to AlexRenew's screening shaft
- A **view** below the surface at the Royal Street diversion facility



## Council-Board Workgroup

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

### Looking Ahead:

- Council-Board Workgroup Meeting No. 23:  
**November 20, 2024 (final meeting)**



## Education

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

### Looking Ahead:

- A new printed banner at AlexRenew highlighting the internal structures of our pumping and screening shafts



# Monthly Construction Spotlight



## RiverRenew crews make significant progress on-site at AlexRenew

Construction continues at the AlexRenew site with concrete and rebar placement, utility work, deep foundation installation, and open-cut excavations.

Crews are also excavating to prepare for construction of the Hydraulic Grade Line (HGL) Control Structure. Affectionately known as the “Magic Box,” the structure’s unique configuration is designed to manage flows passively during multiple operational conditions.

First, the HGL Control Structure will deliver flows to AlexRenew’s plant for treatment. When the Hooffs Run Interceptor reaches capacity, the “Magic Box” will transfer excess flows to the Waterfront Tunnel. During intense storm conditions, it will direct flows to the wet weather pipes inside AlexRenew’s new pump station and then to the Outfall 004 Overflow Structure.

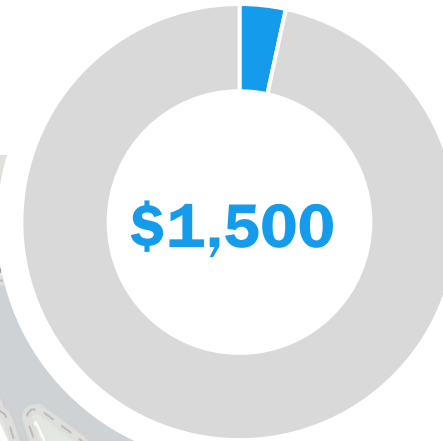
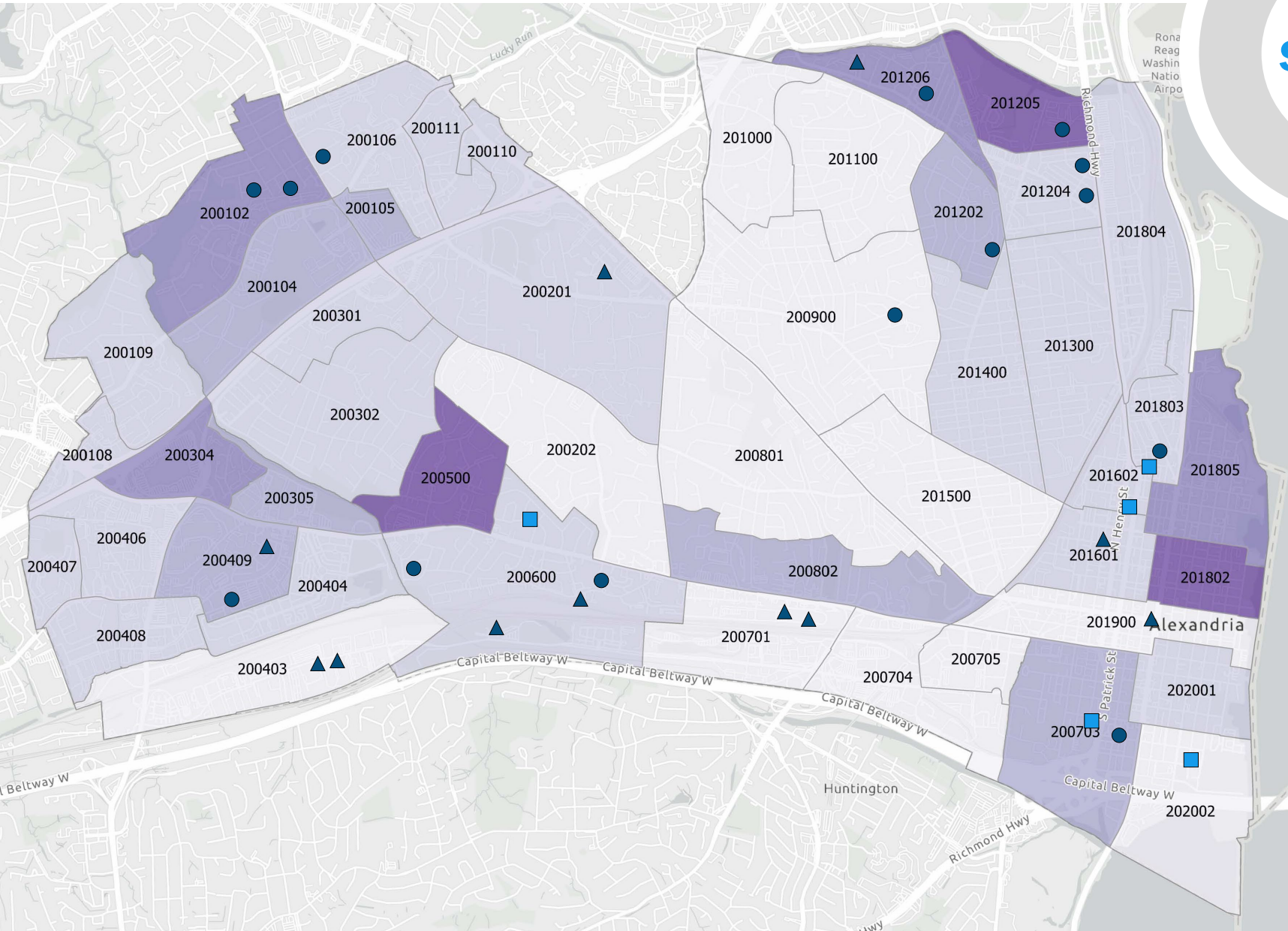
To date, the structure has been excavated 25 feet below grade, with about 12 more feet to go. Stay tuned as construction continues for this critical piece of infrastructure!

## Building for the Future of Alexandria’s Waterways

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



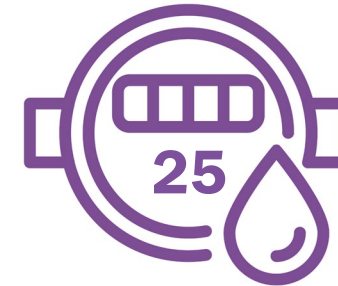
RiverRenew is a program owned and implemented by AlexRenew, Alexandria’s wastewater treatment authority.



\$69,894  
Remaining



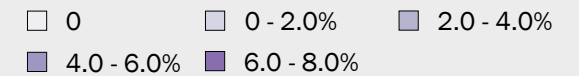
Customers Assisted



Service Disconnections  
for Nonpayment

## Legend

### Percentage of Households Receiving SNAP

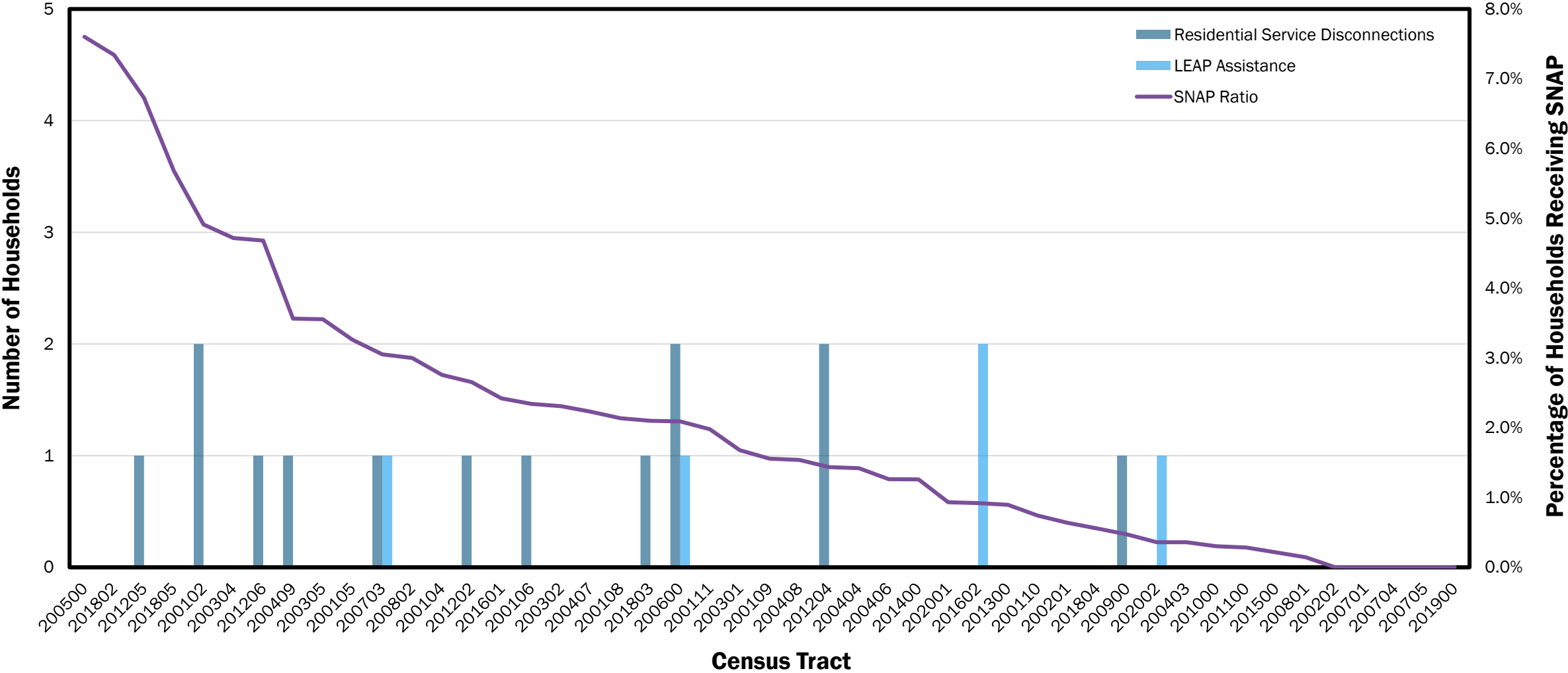


Averages: U.S. (12.5%); Virginia (3.0%); Alexandria (2.2%)

- Residential disconnections
- ▲ Commercial disconnections
- Residential customers receiving LEAP assistance

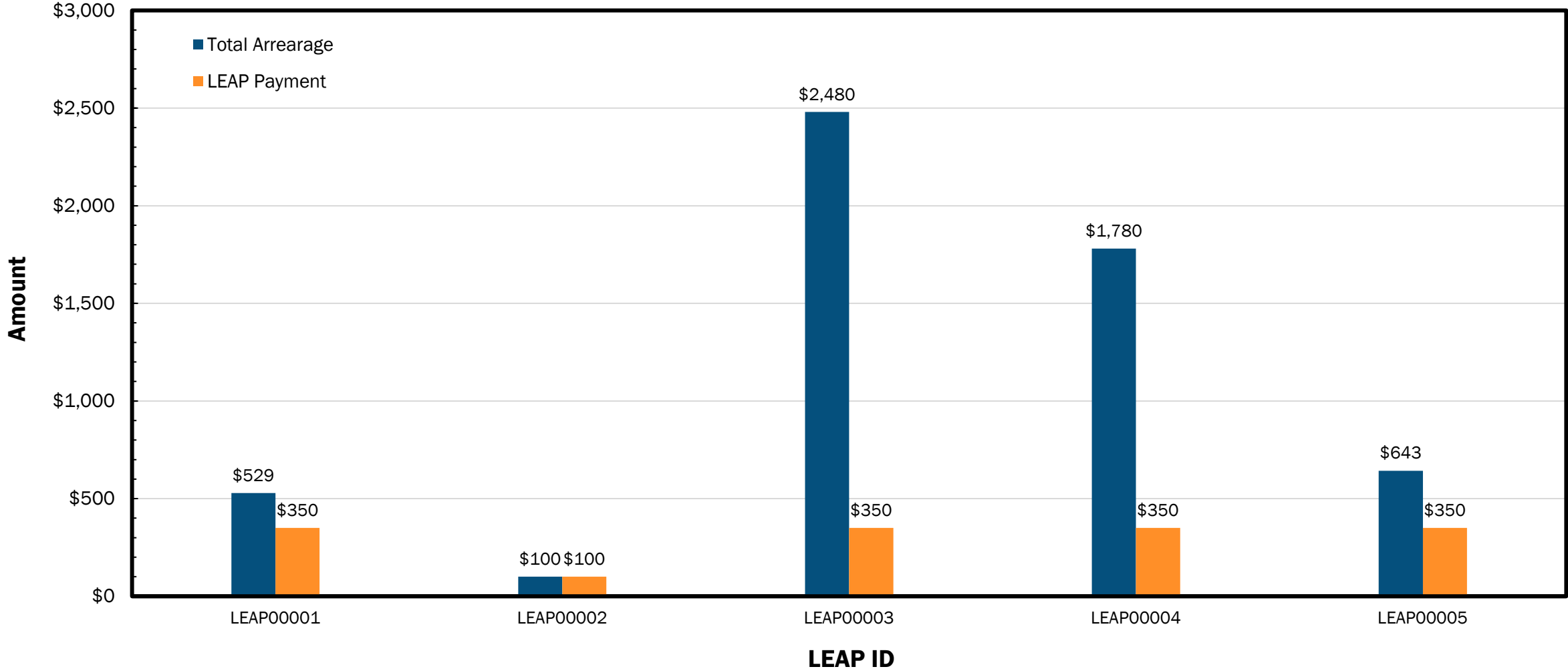
# LEAP Assistance, Service Disconnections, and SNAP Ratio by Census Tract

July 31, 2024



# LEAP Disbursements and Remaining Arrearage by Account

July 31, 2024





703.721.3500 | 1800 Limerick Street | Alexandria, Virginia 22314

AlexRenew.com f @ in

## MEMORANDUM

TO: AlexRenew Board of Directors

FROM: Justin Carl, General Manager and CEO

DATE: September 17, 2024

SUBJECT: Unfinished Business, Joint Use  
Approve revisions to Resolution Concerning Authority of Chief Executive Officer

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### Issue

The Board of Directors' (Board) delegated authority to the Chief Executive Officer (CEO) requires revision to align with Virginia Code and clarifications related to delegated authority in day-to-day practice.

### Recommendation

Staff respectfully requests the Board approve the revised Resolution Concerning Authority of Chief Executive Officer (Resolution).

### Budget and Funding

Not applicable.

### Discussion

The Resolution was adopted in January 2019 and revised in April 2022. The Resolution requires a revision to align with Virginia Code § 2.2-4309 related to contract modifications (change orders) and previous versions of the Resolution lacked sufficient detail to support staff understanding of the Board's delegated authority to the CEO.

The proposed changes create greater specificity and detail to support efficiency in AlexRenew's day-to-day operations, while ensuring the Board can review and approve contracts, items with material financial consequences, long-term obligations, and other instruments.

The revised Resolution was initially presented at the June Board meeting and revisited at the July Board meeting. Board comments have been incorporated into the version presented for Board approval.

**This action supports AlexRenew's strategic goal of Operational Excellence.**

**ACTION TAKEN**

Approved:

\_\_\_\_\_

Disapproved:

\_\_\_\_\_

Approved with Modification:

\_\_\_\_\_

Modification(s):

\_\_\_\_\_

\_\_\_\_\_

DRAFT

# City of Alexandria, Virginia Sanitation Authority Board Adopted Policy



**Title: Resolution Concerning Authority of Chief Executive Officer**

Date of Adoption: January 15, 2019

Date of Revision: April 19, 2022;  
September 17, 2024

Page 1 of 2

**WHEREAS**, pursuant to Section 15.2-5114 of Virginia Code (Code), the City of Alexandria, Virginia Sanitation Authority d/b/a AlexRenew (Authority) is authorized to contract for goods, services, insurance, and construction; acquire, manage, and dispose of property; borrow money; issue obligations and revenue bonds; and

**WHEREAS**, pursuant to Section 2.2-4302 of the Code, the Authority is authorized to adopt procurement resolutions and regulations consistent with the Virginia Public Procurement Act; and

**WHEREAS**, pursuant to Section 15.2-5113 of the Code, the Authority's Chief Executive Officer (CEO) shall perform such duties as may be delegated by the Board of Directors (Board); and

**WHEREAS**, pursuant to Article III, Section 5 of the Authority's Bylaws, the Board may specifically authorize the CEO to sign contracts and other instruments on behalf of the Authority.

**NOW, THEREFORE BE IT RESOLVED** that the Board does hereby authorize the CEO to sign on behalf of the Authority the following categories of contracts and other instruments that are in accordance with the general policies and directives of the Authority:

## 1. Professional Services

- a. New contracts with a value less than \$250,000.
- b. Renewals for contracts previously approved by the Board and in accordance with the contract's original term limitations.
- c. Task Orders and Annual Budgets for contracts previously approved by the Board where the total value is authorized in the adopted Operating and Capital Budget.
- d. Change Orders to a fixed-price contract where the total value is less than 25 percent of the amount of the contract or \$50,000, whichever is greater.

## 2. Construction

- a. New contracts with a value less than \$250,000.
- b. Renewals for contracts previously approved by the Board and in accordance with the contract's original term limitations.
- c. Task Orders for contracts previously approved by the Board where the total value is authorized in the adopted Operating and Capital Budget.
- d. Change Orders to a fixed-price contract where the total value is less than the percentage of the contract outlined in Table 1 or \$50,000, whichever is greater.

# City of Alexandria, Virginia Sanitation Authority Board Adopted Policy



**Title: Resolution Concerning Authority of Chief Executive Officer**

Date of Adoption: January 15, 2019

Date of Revision: April 19, 2022;  
September 17, 2024

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**Table 1.** Change Order Authority for Fixed-Price Construction Contracts

Total Contract Amount (\$ millions)	Change Order Authority (% of Total Contract Amount)
Under 25	25%
25-50	17%
50-100	10%
100-150	9%
150-200	8%
200-250	7.5%
Over 250	Develop specific delegation of authority language for the project

### 3. Goods and Services

- a. Any contract, purchase order, or amendment where the total value is authorized in the adopted Operating and Capital Budget.

### 4. Sole Source Determination in accordance with § 2.2-4303 (E) of Code of up to \$2 million and where the total value is authorized in the adopted Operating and Capital Budget.

### 5. Emergency Contracts in accordance with § 2.2-4303 (F) of Code and where the total value can be accommodated in the adopted Operating and Capital Budget. AlexRenew defines an emergency as a situation which has an immediate impact on the safety of staff and the general public, the protection of AlexRenew property, and the ability of AlexRenew to carry out its daily mission.

### 6. Non-monetary Interjurisdictional Agreements, Memoranda of Understanding/Agreement with other public entities.

### 7. Real Property

- a. Deeds of Easements (temporary and permanent) and vacation of existing easements
- b. Right of Entry Agreements
- c. Licenses

### 8. Financial Documents/Instruments necessary or beneficial for managing the Authority's funds.

### 9. Other documents or instruments expressly approved by the Board.

### 10. The CEO will report monthly to the Board on the use of this authority.

# City of Alexandria, Virginia Sanitation Authority Board Adopted Policy



Title: Resolution Concerning Authority of Chief Executive Officer

Date of Adoption: January 15, 2019

Date of Revision: April 19, 2022;  
~~June/July/September~~  
~~18/167, 2024~~September 17, 2024

Page 1 of 4

## RESOLUTION CONCERNING AUTHORITY OF CHIEF EXECUTIVE OFFICER

**WHEREAS**, pursuant to ~~VA Code~~ Section 15.2-5114 of Virginia Code (Code), ~~of the Virginia Code, the City of Alexandria, Virginia Sanitation Authority d/b/a AlexRenew (the "Authority")~~ Alexandria Renew is authorized to ~~contract for procure~~ goods, services, insurance, and construction; ~~acquire, manage, and dispose of property; borrow money; issue obligations and revenue bonds; consistent with the requirements of Section 2.2-4300 et seq. of the Virginia Code (the "Virginia Public Procurement Act");~~ and

**WHEREAS**, pursuant to Section 2.2-4302 of the ~~Virginia~~ Code, ~~Alexandria Renew the Authority~~ is authorized to adopt procurement resolutions and regulations consistent with the Virginia Public Procurement Act; ~~and~~

**WHEREAS**, pursuant to Section 15.2-5113 of the ~~Virginia~~ Code, the ~~Authority's~~ Chief Executive Officer of ~~Alexandria Renew the Authority (CEO)~~ shall perform such duties as may be delegated ~~to her them~~ by the Board ~~of Directors (Board)~~; and

**WHEREAS**, pursuant to Article III, Section 5 of the ~~Authority's~~ By-Laws ~~of the Authority~~, the Board may specifically authorize the ~~CEO Chief Executive Officer~~ to sign contracts and other instruments on behalf of the Authority.

**NOW, THEREFORE BE IT RESOLVED** that the Board ~~of Directors~~ does hereby authorize the ~~CEO Chief Executive Officer~~ to sign on behalf of the Authority the following categories of contracts and other instruments that are in accordance with the general policies and directives of the Authority:

### 1. Professional Services and Construction

- a. New contracts with a value less than \$250,000.
- b. Renewals for contracts previously approved by the Board and in accordance with previously established the contract's original term limitations.
- c. Contracts for goods or services authorized in the Annual Budget adopted by the Board, including except construction or professional services contracts for under \$2100,000 or more Task Orders and Annual Budgets for contracts previously approved by the Board where the total value is authorized in the adopted Operating and Capital Budget.

# City of Alexandria, Virginia Sanitation Authority Board Adopted Policy



**Title: Resolution Concerning Authority of Chief Executive Officer**

Date of Adoption: January 15, 2019

Date of Revision: April 19, 2022;  
~~June/July/September~~  
~~18/167, 2024~~September 17, 2024

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- d. Change Orders to a fixed-price contract where the total value is less than 25 percent of the amount of the contract or \$50,000, whichever is greater.

## 2. Construction

- a. New contracts with a value less than \$250,000.
- b. Renewals for contracts previously approved by the Board and in accordance with the contract's original term limitations.
- c. Task Orders for contracts previously approved by the Board where the total value is authorized in the adopted Operating and Capital Budget.
- d. Change Orders to a fixed-price contract where the total value is less than the percentage of the contract outlined in Table 1 25 percent of the amount of the contract or \$50,000, whichever is greater.

# City of Alexandria, Virginia Sanitation Authority Board Adopted Policy



Title: Resolution Concerning Authority of Chief Executive Officer

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~~June/July/September~~  
~~18/167, 2024~~September 17, 2024

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**Table 1.** Change Order Authority for Fixed-Price Construction Contracts

<u>Contract ValueTotal Contract Amount (\$ millions)</u>	<u>Change Order Authority (% of Total Contract Amount)</u>
<u>Under 25</u>	<u>25%</u>
<u>25-50</u>	<u>17%</u>
<u>50-100</u>	<u>10%</u>
<u>100-150</u>	<u>9%</u>
<u>150-200</u>	<u>8%</u>
<u>200-250</u>	<u>7.5%</u>
<u>Over 250</u>	<u>Develop specific delegation of authority language for the project</u>

### 3. Goods and Services

a. Any contract, purchase order, or amendment where the total value is authorized in the adopted Operating and Capital Budget.

4. Sole Source Determination in accordance with § 2.2-4303 (E) of Virginia eCode. E for specific vendor, item(s) and location(s) of up to \$2 million and where the total value is authorized in the adopted Operating and Capital Budget.

5. Emergency Ceontracts in accordance with § 2.2-4303 (F) of Virginia eCode of up to \$2 million and where the total value is authorized can be accommodated in the adopted Operating and Capital Budget. AlexRenew defines an emergency as a situation which has an immediate impact to on the safety of staff and the general public, the protection of AlexRenew property, and the ability of AlexRenew to carry out its daily mission.

1. , and any amendment or change order to a construction or professional services contract where the total value is less than 25 percent of the amount of the contract or \$50,000, whichever is greater, that would cause the total value of the contract to exceed \$100,000, or any such construction or professional services contract that exceeds its estimated value by greater than 30% or any amendment to a construction or professional services contract that would cause a contract to exceed \$100,000.

2. Contracts for goods or services and construction or professional services necessary for the RiverRenew project in individual amounts not to exceed \$2,000,000 provided such expenditures

# City of Alexandria, Virginia Sanitation Authority Board Adopted Policy



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~~June/July/September~~  
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~~are included in the capital improvement program for RiverRenew.~~

6. Non-monetary Interjurisdictional Agreements, Memoranda of Understanding/Agreement with other public entities.

7. Real PProperty

a. Deeds of Easements (temporary and permanent) and vacation of existing easements.

b. Right of Entry Agreements:

~~Leases.~~

c. Licenses:

8. Financial Ddocuments/I-or instruments necessary or beneficial for the managingement of the Authority's funds. Any documents or instruments pursuant to his or her authority as custodian of the funds of the Authority including:

9. Other documents or instruments expressly approved by the Board.

10. The CEO will report monthly toinform the Board of Directors ofn the ir-use of theseis authoritiesy in the Monthly Reporton a monthly basis to the Board.

Demands Upon Bonds.

3.; and

4. Other documents or instruments expressly approved by the Board.



703.721.3500 | 1800 Limerick Street | Alexandria, Virginia 22314

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## MEMORANDUM

TO: AlexRenew Board of Directors

FROM: Justin Carl, General Manager and CEO

DATE: September 17, 2024

SUBJECT: New Business, Joint Use  
Adopt a Resolution to Use Design-Build for the Tertiary Systems Upgrade Project

### Issue

Virginia Code §2.2-4303 requires the Board of Directors' (Board) to adopt a resolution for the use of construction management or design-build on a per project basis in advance of issuing a Request for Qualifications.

### Recommendation

Staff respectfully requests the Board adopt the attached 'Resolution Approving the Use of Design-Build for the Tertiary Systems Upgrade Project.'

### Budget and Funding

Not applicable.

### Discussion

AlexRenew operates a state-of-the-art wastewater treatment plant with strict permit limits for nitrogen, phosphorus, suspended solids, and other pollutants to meet reductions set by the Chesapeake Bay Total Maximum Daily Load. To achieve these reductions, AlexRenew's treatment plant uses primary, secondary, and tertiary treatment systems.

AlexRenew's tertiary treatment system includes a series of plate settlers, settling tanks, mixed-media filters, valving, pumps, and complex control networks. These processes are crucial to achieving AlexRenew's permit requirements and reducing turbidity prior to UV disinfection. The system was initially constructed in 1975 and received upgrades in 1985 and 2004. The system's equipment is reaching the end of its expected useful life and engineering assessments have identified several upgrades necessary to maintain its level of service and improve reliability.

The Tertiary Systems Upgrade Project (Project) will rehabilitate and upgrade the tertiary settling tanks and tertiary effluent filters. Upgrades to the eight (8) tertiary settling tanks include concrete repairs; the replacement of stop plates, gates, valves, piping systems, mixers, flocculators, chain and flight systems; and improvements to the instrumentation and controls system. Upgrades to the 22 effluent

filters include concrete repairs; replacement of filter media, valves, and piping systems; and cleaning of the underdrain system. Work on the Project must be completed while the plant remains active, requiring detailed safety plans, confined space entry, maintenance of flow designs, coordinated site utilization plans, and active coordination with other projects to ensure the plant's level of service is always maintained.

Given the Project's complexity, design-build offers significant advantages over traditional design-bid-build project delivery, as outlined in the following factors:

- **Consideration of non-price factors.** Consideration of non-price factors during the selection process allows AlexRenew to evaluate the contractor's experience in performing similar work, assess the contractor's approach to perform the work, and review the contractor's safety record, ensuring the procurement of a highly qualified contractor.
- **Early contractor engagement.** Early contractor engagement ensures that the contractor is part of the design process which allows contractor feedback on contract requirements and input on design development, mitigating the potential risk of costly change orders.
- **Collaboration between owner, designer, and contractor.** Design-build supports a collaborative approach between the owner, designer, and contractor to plan and execute the work in a way that reduces risk to AlexRenew's operations and is constructable and safe; ensuring plant performance and permit compliance.
- **Schedule acceleration.** Design-build offers a single procurement process and the ability to advance design and construction activities concurrently. This accelerates the Project's schedule, minimizing the risk of equipment downtime that currently occurs due to the complexity and age of the equipment.
- **Greater trust and transparency.** Open book cost estimating creates more trust and transparency among all parties, leading to better project outcomes.
- **Greater price certainty.** Design-build offers greater price certainty at an early design phase (60-90% design) leading to more accurate cash flows and budgets, necessary for reliable and predictable funding.

**This action supports AlexRenew's strategic goal of Operational Excellence.**

#### **ACTION TAKEN**

Approved: \_\_\_\_\_

Disapproved: \_\_\_\_\_

Approved with Modification: \_\_\_\_\_

Modification(s): \_\_\_\_\_  
\_\_\_\_\_



## **Resolution Approving the Use of Design-Build for the Tertiary Systems Upgrade Project**

**WHEREAS**, Virginia Code Ann. § 2.2-4382 (2024) requires a local public body to adopt a resolution for the use of construction management or design-build on a per project basis in advance of issuing a Request for Qualifications; and

**WHEREAS**, AlexRenew operates a state-of-the-art wastewater treatment plant with strict permit limits for nitrogen, phosphorus, total suspended solids, and other pollutants to meet reductions set by the Chesapeake Bay Total Maximum Daily Load;

**WHEREAS**, AlexRenew leverages a third, highly-automated advanced treatment stage, consisting of a series of plate settlers, settling tanks, 22 mixed-media filters, valving, pumps, and complex control networks (the “Tertiary System”) to meet its strict permit limits;

**WHEREAS**, Tertiary System upgrades are required to ensure the reliability, functionality, and level of service of the wastewater plant;

**WHEREAS**, Tertiary System upgrades must be completed while the wastewater plant remains active and access to the system is constrained, requiring complex siting arrangements for cranes, construction equipment, and plant traffic;

**WHEREAS**, construction activities and shutdowns associated with Tertiary System upgrades present risk to plant operations, level of service, safety, and permit compliance;

**WHEREAS**, project delivery through the traditional design-bid-build method presents the following risks to the Tertiary System upgrades:

- The competitive sealed bidding process (low bid) results in the selection of a contractor lacking technical competence to complete the work; causing delays, increased cost, and permit violations;
- The lack of contractor engagement during the design process results in differing expectations in contract requirements leading to increased change orders and cost;
- The linear competitive sealed bidding process presents the longest project schedule, delaying the necessary upgrades and risk of permit compliance;
- Bidding separate design and construction contracts increases cost and burden associated with staff administration;

**WHEREAS**, design-build project delivery reduces risk to the Tertiary System upgrades by:

- Considering non-price factors in selection, allowing AlexRenew to evaluate the experience and approach of contractors, ensuring a highly qualified contractor performs the work;
- Supporting early contractor engagement during the design process to provide feedback on contract requirements, mitigating the potential for costly change orders;

- Developing a collaborative environment between the owner, designer, and contractor to ensure the work is constructable, safe, and maintains plant level of service and permit compliance;
- Promoting trust and transparency in pricing through open book cost estimating;
- Providing greater price certainty at an early design phase leading to more accurate cash flows and budgets, necessary for reliable and predictable funding;
- Accelerating project schedule through a single procurement process and advancing design and construction activities concurrently;

**WHEREAS**, for the reasons stated above design-build is more advantageous than design-bid-build for the Tertiary Systems upgrades;

**WHEREAS**, the Request for Qualifications for the Tertiary Systems Upgrade Project will be issued in February 2025; and

**WHEREAS**, procurement for the Tertiary Systems upgrades will follow the requirements outlined in Virginia Code Ann. § 2.2-4382 and AlexRenew's 'Procedures for the Procurement of Construction Management At-Risk and Design-Build.'

**NOW, THEREFORE, BE IT RESOLVED** that the AlexRenew Board of Directors authorizes the use of design-build for the procurement and delivery of the Tertiary Systems upgrades.

Given under my hand on this 17th day of September 2024.

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**John B. Hill**

Chair, AlexRenew Board of Directors