

THE PATH TO PROGRESS

Annual Report 2024



A Message from the Board of Directors

AlexRenew began operations in 1956 as the Alexandria Sanitation Authority (ASA). The first Authority of its kind in the Commonwealth of Virginia, ASA was established with the sole mission to contribute to a cleaner Potomac River. At the time, discussions around objective water quality standards had just begun, and many Alexandrians considered ASA's cause a formidable one. Guided by a vision for healthier waterways, our staff persisted despite many challenges.

We may have a new name, but AlexRenew's mission remains the same — to protect public health and the waterways that connect us. Each year, our diverse and skilled team of wastewater professionals processes approximately 13 billion gallons of wastewater for our community, leveraging advanced wastewater technology to prevent 2,400 tons of nitrogen and 300 tons of phosphorus from entering our waterways.

In Fiscal Year 2024, AlexRenew continued to make investments in our community's waterways with its RiverRenew program, completing the construction of two major components of the project: the 2.2-mile-long Waterfront Tunnel and Hooffs Run Interceptor. When RiverRenew is complete, these new structures will capture and convey millions of gallons of combined sewage that would otherwise pollute the Potomac River.

This year, AlexRenew also launched its Lifeline Emergency Assistance Program (LEAP), which marked a first for the authority. LEAP is designed to help protect our community by providing emergency assistance to those facing challenges paying their bills.

The future for Alexandria and the Potomac River is bright thanks to the actions of our staff who have persisted over the last several decades in pursuit of a common goal. We are honored to build upon our legacy and push forward with new and innovative ways to protect our community and the waterways that connect us.



AlexRenew Board of Directors
(back, left to right)
James Beall
John Hill, Chair
(front, left to right)
Adriana Caldarelli
Mark Jinks
Rebecca Hammer

AlexRenew's Path to Progress

OUR MISSION

AlexRenew's mission is to treat wastewater to protect public health and the waterways that connect us.

OUR STRATEGIC PLAN & GOALS

AlexRenew's strategic plan guides decision-making throughout our organization and ensures we remain focused on what matters most as we plan our path ahead. In January of 2024, AlexRenew updated this important resource to better address new challenges, projects, and opportunities that will move our organization and community forward.

STRATEGIC GOALS

Operational Excellence
Taking proactive steps to meet current and future challenges

Thriving Workforce
Investing in our staff and fostering a culture of belonging

Strategic Partnerships
Promoting watershed-level thinking through collaboration and advocacy

Environmental Sustainability
Being good stewards of our resources to minimize our impact on the environment

Commitment to Community
Strengthening connections with the public and providing affordable service



Paving the Way Through Operational Excellence

Progress is often driven by innovation. In Fiscal Year 2024, AlexRenew began planning, designing, and implementing several projects that will allow our team to meet future regulatory demands, requirements, and flow trends, and address the impact of climate change to better serve our community. We’re simultaneously working to maximize performance and extend the life of assets and infrastructure. As we look to the future, AlexRenew will continue to invest in innovative technologies to increase efficiency and safeguard against emerging site and security risks.

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We’re committed to protecting our community and waterways for future generations.

Paul Carbary
Senior Operations & Maintenance Advisor



AlexRenew prevents 2,400 tons of nitrogen and 300 tons of phosphorus from entering Alexandria’s waterways each year.

MAJOR PROJECTS FOR FISCAL YEAR 2024



Solids Program Upgrade

Advanced designs to increase reliability around our solids process and procured contractor for short- and long-term planning



Preliminary and Primary Systems Upgrade

Advanced designs for process upgrades and procured contractor for short- and long-term planning



Asset Management Program

Planned and began implementation of program to maximize performance and minimize costs through the management of AlexRenew’s assets and infrastructure

RiverRenew

The RiverRenew program is the largest infrastructure project in the history of Alexandria. Once complete, it will prevent millions of gallons of combined sewage from polluting our waterways each year.

RiverRenew is a monumental undertaking that poses unique challenges to AlexRenew’s daily operations. AlexRenew completed the 2.2-mile-long Waterfront Tunnel and Hooffs Run Interceptor in Fiscal Year 2024. To do so, construction crews operated within a limited footprint on our wastewater plant, and the AlexRenew team accommodated additional traffic, construction equipment, and personnel as they ensured plant operations continued to run seamlessly.

As crews shift their attention to the construction of a 12-story underground pumping station that will be used to lift flows to the surface from the Waterfront Tunnel, AlexRenew will continue to adapt to meet new challenges head-on while delivering exceptional service to our community.

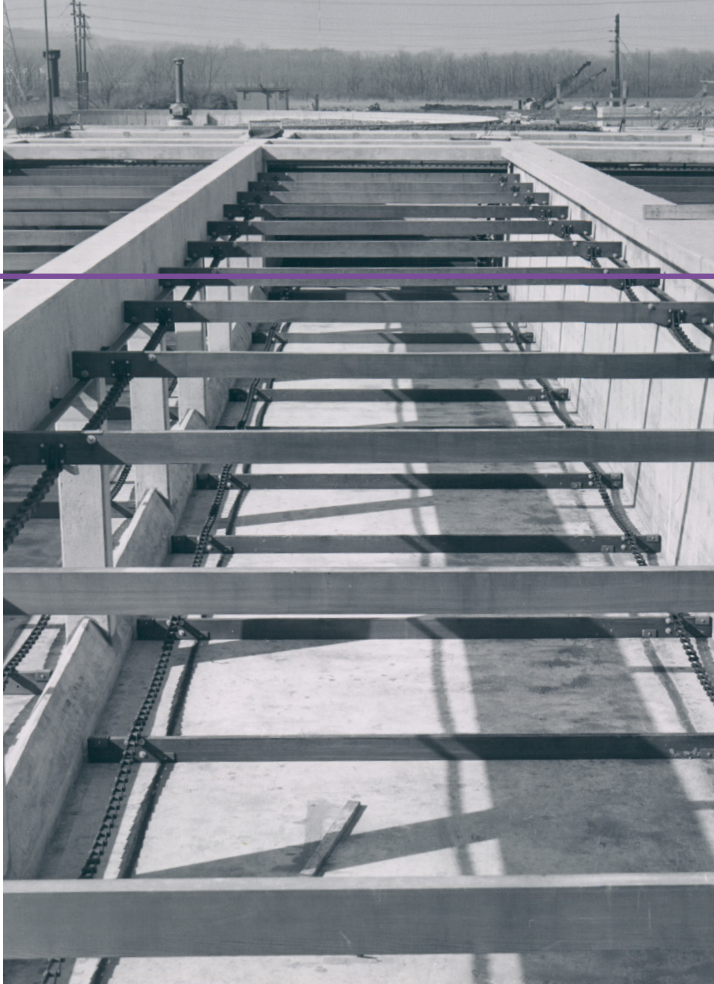


Future screening shaft at AlexRenew



Leading the Way in Sustainability

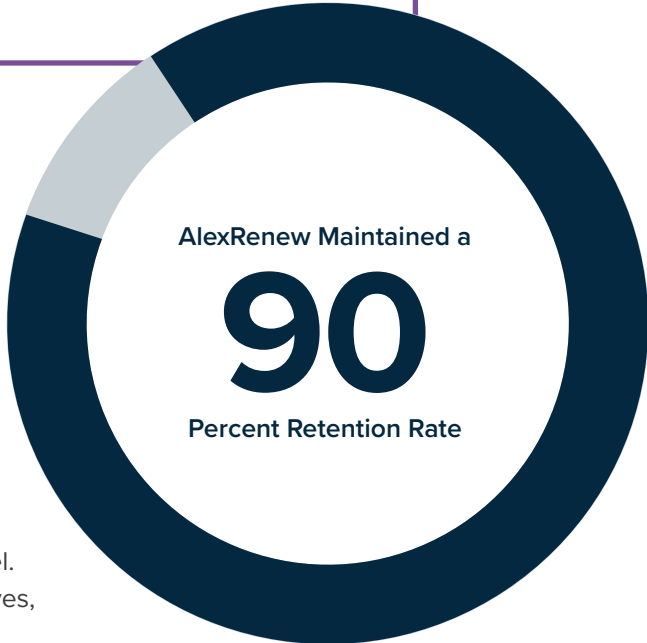
AlexRenew has a long history of planning, designing, and delivering sustainable solutions. Our facilities are often certified by groups like the Institute for Sustainable Infrastructure as well as Leadership in Energy and Environmental Design (LEED). As we look ahead, our team is focused on developing projects in ways that create less dependency on the electric grid, better utilize our resources, and pave the way for our community’s future.



Fostering a Culture of Belonging and Advancement

It takes a diverse and skilled group of wastewater professionals to manage the many complex processes and activities that occur at AlexRenew on a daily basis. Recruiting and retaining the top talent in our industry requires investing in staff and encouraging skill and professional development. In Fiscal Year 2024, our paid apprenticeship program celebrated five graduates, all obtaining certifications in their respective professions.

Through initiatives like employee-led committees, our comprehensive wellness program, and round-table discussions, we foster an equitable and inclusive culture at AlexRenew that ensures every member of our staff is provided opportunities to excel. This year, we added seven key positions to support ongoing initiatives, emerging technologies, and future projects.



Organization-wide Sustainability Plans

Creating less dependency on the grid for electricity throughout our organization



Reuse Biogas Reclaimed Water

Leveraging existing resources to reduce our footprint each year



Envision Sustainability Framework

Developing future upgrades to our Solids and Preliminary and Primary Systems sustainably using the Envision framework



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We truly appreciate these events each year.
Community Member
Pendleton Street
Community Listening Session

Community Listening Session



EcoCity Alexandria Event

Working for Our Community

AlexRenew’s commitment to the community is what truly sets us apart. We engage with a broad cross section of the community, actively listening to residents so that we can advance our mission in a way that benefits all those we serve. In 2024, our team attended a wide variety of community events throughout Alexandria; provided over 30 tours to more than 700 residents, students, and professionals; welcomed 3,500 employees, volunteers, and visitors from area nonprofits to leverage space on the sixth floor of our Environmental Center; and hosted over 1,000 community members at our Waterfront Tunnel Open House event.

Building Strategic Partnerships

Each year, our staff collaborates with local stakeholders to promote watershed-level thinking. We engage with advocacy associations, collaborate with peer utilities, and promote reasonable policies that support local needs. In Fiscal Year 2024, AlexRenew entered into an agreement with the City of Alexandria to provide city employees with office space. In exchange, the city will provide additional funding for AlexRenew’s emergency assistance program: LEAP. We also partnered with Alexandria Soccer Association (ASA), offering after-hours use of AlexRenew’s visitor lot for ASA players and parents at Limerick Field.



AlexRenew staff present at a 2024 industry conference



Hazel Day
Marking the end of Hazel's journey



City of Alexandria LGBTQ+ Pride Month Fair

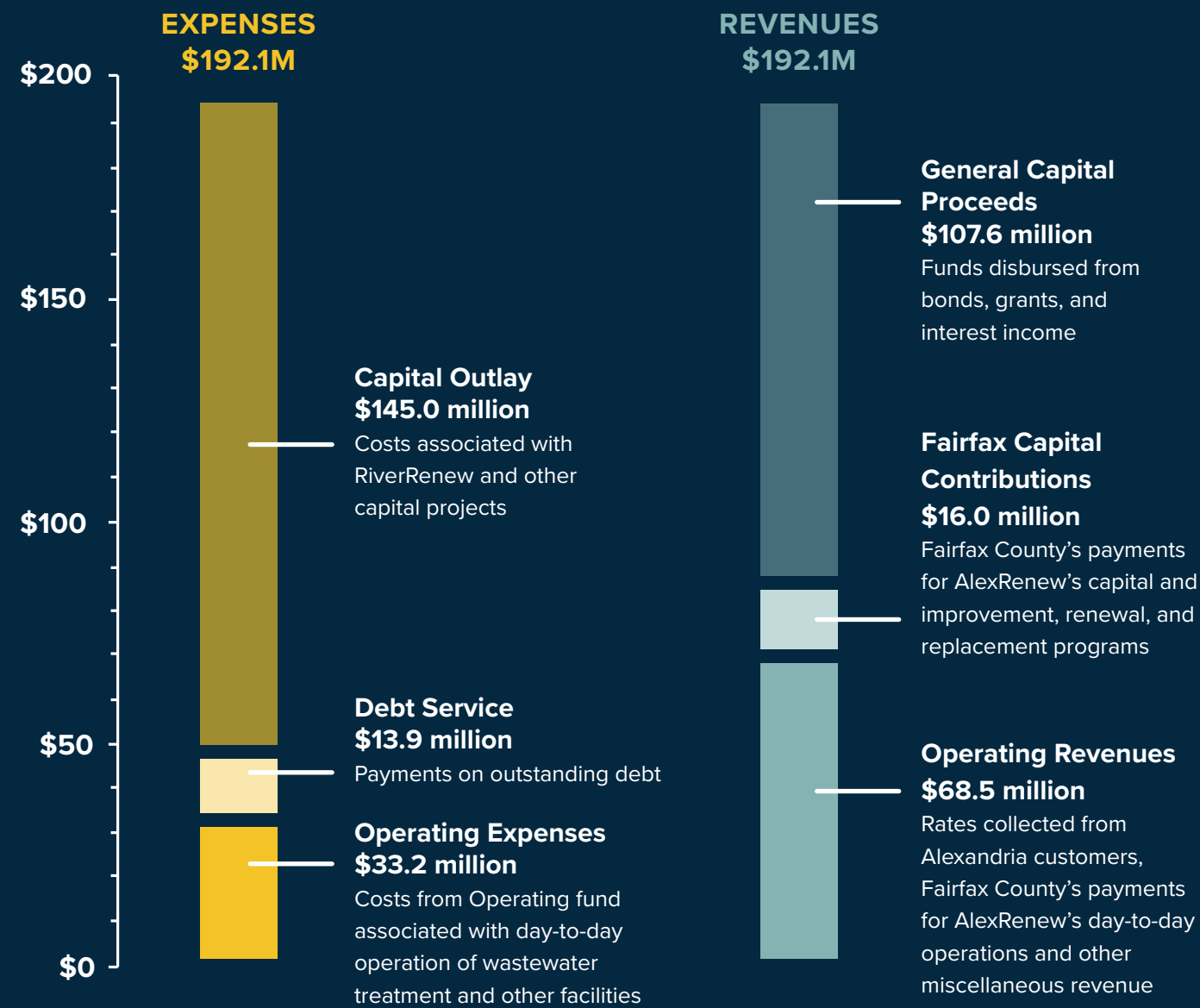
2024 Financial Summary

Each year, AlexRenew prepares a budget to support its ongoing commitment to deliver a healthier community and environment. The budget goes into effect on July 1 each year. In Fiscal Year 2024, AlexRenew expended \$192.1 million, which included capital outlay, payments on outstanding debt, and operating costs. Most of the capital spending was associated with expenditures on the RiverRenew Program (\$118 million), which moved into its fourth year of construction. Operating fund expenses increased by 8% over the previous year, primarily due

to increased investment in personnel. Debt repayment increased by 13% year-over-year due to the additional debt service costs associated with RiverRenew.

Operating revenues increased by 4% over the previous year to support the payment of debt service costs associated with RiverRenew, which is primarily bond funded. Capital contributions from Fairfax County for its share of capital costs remained consistent with recent years.

FISCAL YEAR 2024 EXPENSES AND REVENUES



FISCAL YEAR 2024 CONSOLIDATED FINANCIAL RESULTS

		Actual	Budget	\$ Variance	% Variance
Operating	(Net) Wastewater Revenue	56.3	53.7	2.6	-
	Fairfax Operating Charge	12.1	12.8	(0.7)	-
	Misc Revenue	0.0	-	0.0	-
	Interest Income	0.1	0.0	0.1	-
	Total Operating Revenue	68.5	66.5	2.0	3.0%
	Operating Expense	33.2	33.0	(0.2)	(0.6)
	Transfer to Debt Service & Capital	35.3	33.5	1.8	5.4%
Debt Service	Transfer From Operating Fund	13.5	16.4	(2.9)	-
	Interest Income	0.4	0.1	0.3	-
	Total Debt Service Revenue	13.9	16.5	(2.6)	(15.8%)
	Principal	8.6	10.6	2.0	-
	Interest	5.3	5.9	0.5	-
	Total Debt Service Expense	13.9	16.5	2.6	15.8%
Capital	Transfer From Operating Fund	21.9	17.1	4.8	-
	Fairfax Capital Contributions	16.0	36.4	(20.4)	-
	Interest Income	1.6	0.0	1.6	-
	Parity Debt Proceeds	116.5	153.7	(37.1)	-
	Net Change in Cash	(11.0)	6.2	(17.2)	-
	Total Capital Revenue	145.0	213.4	(68.3)	(32.1%)
	Total Capital Expense	145.0	213.4	68.3	32.1%

Note: Values may vary slightly due to rounding.

The table presented above summarizes AlexRenew’s actual operating, debt service, and capital expenses for Fiscal Year 2024 in comparison to the budgeted amounts. The table also illustrates the revenues that funded each expense category. AlexRenew’s financial policies require that Operating Revenues follow a specific “flow of funds.” Operating Revenues, in the form of rates collected from customers and payments received from Fairfax County as a wholesale customer are first used to pay Operating Expenses, then Debt Service, followed by Capital Expenses. This is represented as a “Transfer from Operating” under the latter two categories.

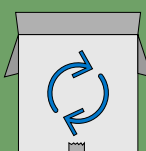
- Major takeaways in Fiscal Year 2024 illustrated by this table include:
- Higher operating revenue than budget estimates yielded \$2.0 million more than budgeted;
 - Operating expenses were slightly over budget;
 - Slower capital spending resulted in \$2.6 million less than budgeted for debt service expenses and \$1.6 million more revenue from capital interest income; and
 - The overall budget outcome resulted in no use of cash reserves for Capital Expenses. Instead, \$11.0 million was able to be added to cash reserves, which will be used toward future capital investments.

\$192.1
MILLION
EXPENDED

HOW FUNDS WERE USED IN FISCAL YEAR 2024

This infographic illustrates AlexRenew's Fiscal Year 2024 operating, capital, and debt expenses.

\$32.2
MILLION



PEOPLE, UTILITIES, AND CONSUMABLES

Does not include Arlington
operating costs

- Operating Expenses
- Capital Expenses
- Debt Service


ARLINGTON
VIRGINIA

\$3.5
MILLION

Payments to Arlington County for
treating a portion of Alexandria's
wastewater flows delivered outside
AlexRenew's service area

\$5.6
MILLION

COLLECTION SYSTEM IMPROVEMENTS

Pumping
Station

Solids
Processing

\$3.0
MILLION

SOLIDS UPGRADE PROGRAM

\$11.9
MILLION

WASTEWATER TREATMENT IMPROVEMENTS

Screening

Primary Settling

Biological Nutrient
Removal and
Secondary Settling

Tertiary Settling
and Filtration

UV Disinfection

\$118.0
MILLION

RIVERRENEW

\$3.0
MILLION

PRELIMINARY AND PRIMARY TREATMENT UPGRADE PROJECT

\$1.0
MILLION

TERTIARY SYSTEMS UPGRADE PROJECT

COMBINED SEWER OUTFALL

Waterfront Tunnel

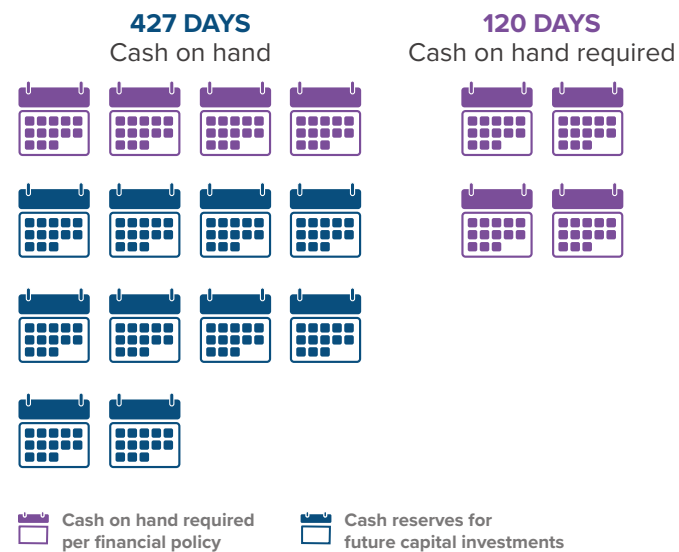
\$13.9
MILLION

DEBT SERVICE

Financial Health

AlexRenew's overall financial condition, as well as operating and capital investments in meeting water quality requirements remained strong and stable during Fiscal Year 2024. AlexRenew met or exceeded the minimum

standards established by its financial policies, maintaining a debt service coverage ratio of 2.5 and ending the Fiscal Year with unrestricted cash reserves equal to 427 days of operating expenses.



CASH RESERVES

AlexRenew's financial policies require the organization to maintain a minimum of 120 days of cash to cover operating and maintenance expenses. AlexRenew closed Fiscal Year 2024 with 427 days of cash on hand, exceeding the financial policy requirement fourfold. This is a key financial metric that demonstrates AlexRenew's financial liquidity and stability.

DEBT SERVICE COVERAGE

AlexRenew's financial policies require the organization to maintain minimum debt service coverage of 1.5 times. This means that net revenues must be 1.5 times greater than the total annual debt service payments. AlexRenew exceeded its budgetary projections and closed FY2024 with a debt service coverage of 2.5. This is a key financial metric that indicates AlexRenew's ability to meet its debt obligations.

	FY2024 Budget	FY2024 Actual
Net Revenue	\$33.5M	\$35.3M
Annual Debt Service	\$16.4M	\$13.9M
Debt Service Coverage Net Revenue divided by Annual Debt Service	2.0 times	2.5 times

AlexRenew Recognized by the Government Finance Officers Association



AlexRenew received the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting, which is the highest form of recognition for excellence in state and local government financial reporting. This is the 17th time AlexRenew has received this award.



AAA RATED GREEN BOND SALE

In June 2024, AlexRenew received \$50 million from its sale of Green Bonds to support its capital projects aimed at improving water quality in the Potomac River and Chesapeake Bay. The Green Bond sale marks a first for a wastewater authority in Virginia, and AlexRenew was named “Small Issuer of the Year” by national publication *The Bond Buyer* for this initiative.

Additionally, AlexRenew received the highest credit rating (AAA) from Standard and Poor's (S&P) for its Green Bond issuance. This exceptional rating allows AlexRenew to secure very low-cost financing, resulting in long-term savings for customers.



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1800 LIMERICK STREET | ALEXANDRIA, VIRGINIA 22314

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