

Minutes of the 926th Meeting
AlexRenew Board of Directors
6:00 p.m., Tuesday, February 18, 2025

On Tuesday, February 18, 2025, the AlexRenew Board of Directors held its regular meeting in the Edward Semonian Board Room at 1800 Limerick Street, and broadcast via Microsoft Teams, with the following present:

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

Staff: Mr. Justin Carl, General Manager/CEO
 Ms. Amanda Waters, General Counsel/Deputy GM
 Ms. Caitlin Feehan, Chief Administrative Officer
 Ms. Felicia Glapion, Chief Engineering Officer
 Mr. Lake Akinkugbe, Director of Finance
 Mr. Matt Robertson, Director of Communications
 Mr. Kevin Pilog, Engineering Manager
 Mr. Kyle Chan, Engineer II
 Ms. Lorna Huff, Executive Assistant to the Board & CEO

Fairfax County
Representative: Mr. Shahram Mohsenin, Chief Wastewater Division

City Representative: Mr. Lu Zhang
 Sanitary Sewer Infrastructure Division

Consultants: Ms. Sarah Frey, Director
 PFM Financial Advisors

1. Call to Order

The Chair called the meeting to order at 6:00 p.m.

2. Approval of Agenda

Board members reviewed the agenda. There being no questions or changes, Mr. Jinks moved and Ms. Hammer seconded. The Board unanimously approved.

3. Public Comment Period

There being no members of the public in attendance; the Chair closed the public comment period.

4. Consent Agenda

Members reviewed the Consent Agenda that contained the minutes from the January 21, 2025, meeting. There being no questions or comments, the Chair requested a motion to approve the Consent Agenda. Ms. Hammer moved and Mr. Jinks seconded. The Board unanimously approved.

5. Board Administrative Items

a. Finance and Audit Committee – March 11, 2025

The Finance and Audit Committee will meet to review the Preliminary Draft FY2026 Operating

and Capital Budget and proposed FY2026 and FY2027 rate recommendation.

b. Governance Committee – April 7, 2025

The Governance Committee will meet on Monday, April 7.

c. Staff Introductions/Board Calendar

Mr. Kyle Chan from AlexRenew, and Ms. Sarah Frey from PFM Advisors introduced themselves to the Board.

The following events were added to the FY2025 Board Calendar: Finance and Audit Committee Prep Meeting (February 26), Governance Committee Prep Meeting (March 26), and Hooffs Run Dedication Event (June 7).

Green Folder

Mr. Carl presented on the various approaches to calculating AlexRenew days cash in the General Fund. He requested that Mr. Jinks and Dr. Wone, in their capacity as members of the Finance and Audit Committee, consider a different structure to our current financial policy to show AlexRenew days cash. Members discussed which method was more significant from an operational perspective and whether multiple targets should be considered. The financial policy will be further discussed at the March 11 Finance and Audit Committee meeting.

Mr. Carl discussed the current rate adjustments and the rate structure alternatives as presented from the Board Retreat. Staff is currently conducting analysis to determine a larger sample size of customers for use in further rate structure evaluation, anticipated for discussion with the Board in April.

2025 UMC Conference – February 11-14, 2025

Mr. Beall and Mr. Jinks discussed their observations from the UMC Conference noting that organizations similar to AlexRenew face the same issues and challenges including PFAS, workforce numbers and development, biosolids, rate setting, rising costs, and affordability. Both reported it was worth the investment of time and money to attend. The 2026 UMC conference will be held in Charlotte, North Carolina.

6. Unfinished Business

a. Update on Environmental Justice Assessment

As a follow-up to the presentation in December, Mr. Carl and Ms. Waters provided a detailed overview of the Assessment, which evaluated whether AlexRenew's existing infrastructure, operations, and investments have had disparate impacts on Environmental Justice (EJ) communities using criteria related to social factors (quality of life), environmental concerns (odor, noise, sewer overflows), human health risks (exposure to overflows; air pollution from hauling), and economic consequences (rate impacts, property devaluation). The assessment also examined AlexRenew's policies and practices, including capital planning and procurement, to identify opportunities to strengthen EJ considerations in decision-making. Additionally, it reviewed our governance structure and community engagement efforts to ensure meaningful participation of EJ communities in planning and operational processes. The recommendations from the assessment will be incorporated into AlexRenew's strategic goal initiatives and tracked accordingly. Staff will provide periodic updates to the Board on implementation.

7. New Business

a. Presentation on Process Optimization.

The CEO recognized Mr. Kyle Chan, who provided an overview and background on AlexRenew's centrate pretreatment (CPT) system, the proposed upgrades to the system to improve reliability, and major project scope elements, and the capital costs related to design and construction, and timeline from November 2024 through August 2026 projected completion. Members asked questions about the CM contractor, the prequalification process, and performance guarantees.

b. Overview of 2025 Goals

Due to the late hour, Mr. Carl requested that the Overview of 2025 Goals be tabled to the next meeting. Members concurred and the Chair moved to table the Overview of 2025 Goals to the March meeting. Mr. Jinks seconded. The Board unanimously approved.

c. Review and Approve Revisions to Board Policy on Procedures for the Procurement of Construction Management At-Risk (CMAR) and Design-Build

Mr. Carl reported that on December 17, 2024 the Secretary for Administration published revisions to its procedures for the Procurement of Construction Management At-Risk and Design Build. AlexRenew's policy was updated to align with the updates to the procedures.

There were no questions or comments from the Board. The Chair requested a motion to approve the revised Policy. Mr. Beall moved and Ms. Hammer seconded. The Board unanimously approved.

d. Review and Approve a Resolution Authorizing an Increase to the Line of Credit Financing

Staff has approximately \$130 million spending on RiverRenew. Increasing the line of credit is to fund the remaining RiverRenew capital expenditures on an interim/emergency basis in the event that AlexRenew cannot draw on the WIFIA loan due to a Federal government shutdown, funding freeze, or other unforeseen event affecting the ability to draw Federally directed funds. Any balance on the line of credit would be repaid with WIFIA (or other) debt proceeds when available.

Members asked questions about Bank of America's approval, and interest rate setting. Dr. Wone noted a typo in the Line of Credit financing resolution. Mr. Carl reported the figure of \$120 million is the correct amount. There being no additional questions or comments, Mr. Jinks moved approved of the Resolution with Mr. Beall seconding. The Board unanimously approved.

**CITY OF ALEXANDRIA, VIRGINIA, SANITATION AUTHORITY
RESOLUTION APPROVING AN INCREASE OF THE LINE OF CREDIT FINANCING TO UP TO
\$120,000,000**

Resolution: 25-001

WHEREAS, the City of Alexandria, Virginia, Sanitation Authority d/b/a AlexRenew ("**AlexRenew**") is a public body politic and corporate of the Commonwealth of Virginia (the "**Commonwealth**") created pursuant to the Virginia Water and Waste Authorities Act, Chapter 51, Title 15.2 of the Code of Virginia of 1950, as amended (the "**Act**");

WHEREAS, the Board of Directors of AlexRenew (the "**Board**") previously authorized and AlexRenew previously entered into a \$60 million line of credit financing to finance the costs of capital projects on an interim basis, which expires on June 30, 2026;

WHEREAS, the Board desires to increase the amount available under the line of credit for advances and to maintain the current maturity date of borrowings under the line of credit (June 30, 2026), subject to the terms of this Resolution;

WHEREAS, AlexRenew's obligations under the line of credit are and will be evidenced by, among other things (i) Line of Credit Notes, Subordinate Series (or amendments to the existing notes, each a "Note") and (ii) a financing, credit or other such agreement (or an amendment to the existing financing agreement, each a "Financing Agreement") between AlexRenew and the line of credit lender; and

WHEREAS, each Note is and will be subordinate debt ("**Subordinate Debt**") under the Master Indenture of Trust dated as of March 15, 1999 (as supplemented and amended, the "**Master Indenture**"), between AlexRenew and U.S. Bank National Association, as successor trustee (the "**Trustee**"), and a supplemental indenture dated on or about the date of issuance of the Note between AlexRenew and the Trustee (or an amendment to an existing supplemental indenture, each a "**Supplemental Indenture**"), and each Note is and will be secured by a pledge of the net revenues (as more particularly defined in the Master Indenture, the "**Net Revenues**") derived by AlexRenew from the ownership and operation of its sewage disposal and sewer systems (as more particularly defined in the Financing Agreement, the "**System**"), subject to the terms of the Master Indenture regarding the status of Subordinate Debt.

NOW, THEREFORE, IN FURTHERANCE OF THE PUBLIC PURPOSE FOR WHICH THE CITY OF ALEXANDRIA, VIRGINIA, SANITATION AUTHORITY WAS CREATED, BE IT RESOLVED THAT:

Authorization of Note and Use of Proceeds. The Board hereby determines that it is in the best interest of AlexRenew to authorize an increase in the amount of its line of credit financing up to \$120,000,000, which is and will be evidenced by one or more Notes and Financing Agreements. The Board hereby finds that the line of credit financing will promote the health, safety, welfare, morals and propriety of the citizens served by AlexRenew and will promote the governmental purposes of the Act. Accordingly, the Board hereby authorizes the extension of the line of credit financing in accordance with the terms of this Resolution. Each Note shall be known as the "City of Alexandria, Virginia, Sanitation Authority, Line of Credit Note, Subordinate Series" or such other designation as the Chief Executive Officer may approve. The Board hereby covenants that the proceeds from each Note shall be used, together with other available funds, if any, to pay or refinance the costs of capital projects of AlexRenew and the costs of issuing each Note. The Board hereby authorizes AlexRenew to borrow, repay and reborrow amounts under each Financing Agreement and each Note on a revolving credit basis subject to the terms thereof and this Resolution. The Board authorizes the Chief Executive Officer to enter into future extensions of and amendments to the line of credit financing and new line of credit financings with other financial institutions from time to time, so long as such extensions and amendments and new lines of credit are not inconsistent with the intent of this Resolution and comply with the parameters in paragraph 2, including extensions and amendments that decrease the amount available under the line of credit financing.

Details of Note. (a) Each Note shall be issued (or reissued as the case may be) to or at the direction of the lender on terms that the Chief Executive Officer shall determine; provided, however, that the maximum principal amount of all outstanding Notes shall not exceed \$120,000,000 and the maturity date of any Note (including any renewal options) shall not be later than June 30, 2026.

(b) Subject to the parameters in subsection (a), the Board hereby authorizes the Chief Executive Officer to approve the final terms of each Note, such as the maturity date and amounts, redemption provisions, make-whole provisions, prices, interest rates and interest provisions, and any elections under the Internal Revenue Code of 1986, as amended (the "**Code**").

Authorization of Financing Agreement. The Board hereby authorizes the Chief Executive Officer to determine the final form of each Financing Agreement; provided that the form is not inconsistent with this Resolution, subject to the parameters in paragraph 2. The Board hereby authorizes the Chief Executive Officer to execute each Financing Agreement.

Pledge of Net Revenues and Subordinate Debt. (a) Each Note shall be a limited obligation of AlexRenew and, except to the extent payable from the proceeds of the issuance of a Note or the income, if any, derived from the investment thereof, is payable exclusively from the Net Revenues of the System. AlexRenew hereby renews its pledge of the Net Revenues to pay the principal of and premium, if any, and interest on each Note pursuant to the terms of the Master Indenture and each Financing Agreement. The Board hereby determines that each Note shall be issued as Subordinate Debt under the Master Indenture. The Board hereby acknowledges that as Subordinate Debt each Note will be secured equally and ratably with any outstanding Subordinate Debt and will be secured on a subordinate basis to AlexRenew's Bonds (as defined in the Master Indenture) and Parity Indebtedness (as defined in the Master Indenture) and any Bonds or Parity Indebtedness issued in the future, subject to Section 2.1(b) of the Master Indenture.

(b) Neither the Commonwealth of Virginia nor any of its political subdivisions, including AlexRenew, shall be obligated to pay the principal of or interest on any Note or other costs incident to it except from the revenues and any other money or property pledged for such purpose, and neither the faith and credit nor the taxing power of the Commonwealth of Virginia or any of its political subdivisions, including AlexRenew, is pledged to the payment of the principal of or interest on each Note or other costs incident to it. The issuance of each Note does not directly, indirectly or contingently obligate the Commonwealth of Virginia or any of its political subdivisions, including AlexRenew, to levy any taxes for the payment of any Note.

Form of Note. The Board hereby authorizes and directs the Chief Executive Officer to determine the final form of each Note; provided that the form is not inconsistent with this Resolution, subject to the parameters in paragraph 2. The Board hereby authorizes the Chair or the Chief Executive Officer to execute each Note. The Board hereby authorizes and directs the Secretary-Treasurer to affix the seal of AlexRenew to the executed Note and to attest the seal and then to deliver each Note to or at the direction of the Lender upon payment of the first principal advance thereunder.

Supplemental Indenture. The Board hereby authorizes and directs the Chief Executive Officer to determine the final form of each Supplemental Indenture; provided that the form is not inconsistent with this Resolution, subject to the parameters in paragraph 2. The Board hereby authorizes the Chief Executive Officer to execute each Supplemental Indenture.

Tax Compliance Agreement. Such officers of AlexRenew as may be requested are authorized and directed to execute and deliver a non-arbitrage certificate and tax compliance agreement (the "**Tax Compliance Agreement**") in a form to be approved by the officers of AlexRenew executing such document, whose approval shall be evidenced conclusively by the execution and delivery thereof.

Arbitrage Covenants. AlexRenew covenants that it shall neither take nor omit to take any action the taking or omission of which will cause each Note to be "arbitrage bonds" within the meaning of Section 148 of the Code, or otherwise cause interest on a Note to be includable in the gross income

of the registered owner thereof under existing law, to the extent any advance under the line of credit is intended to be tax-exempt. Without limiting the generality of the foregoing, AlexRenew shall comply with any provision of the Tax Certificate that may require AlexRenew at any time to rebate to the United States any part of the earnings derived from the investment of the gross proceeds of each Note, unless AlexRenew receives an opinion of nationally-recognized bond counsel that such compliance is not required to prevent interest on a Note from being includable in the gross income for federal income tax purposes of the registered owners thereof under existing law. AlexRenew shall pay any such required rebate from legally available funds.

Evidence of Approval. The approval or determination of all of the details and provisions of each Note, each Financing Agreement and all other documents executed under the authority of this Resolution shall be evidenced conclusively by the execution and delivery of each Note, each Financing Agreement and such other document by the officer or officers authorized hereby.

Further Actions; Authorized Representative. The Board hereby authorizes and directs the Chair and the Chief Executive Officer and such officers and agents of AlexRenew as may be designated by either of them to take such further actions as they deem necessary regarding, the line of credit financing and the execution, delivery and performance of the documents related thereto. All such actions previously taken by such officers and agents are ratified and confirmed. The Board hereby designates the Chair and the Chief Executive Officer as AlexRenew's authorized representatives for purposes of each Financing Agreement. The authorization granted in this Resolution to the Chair, Chief Executive Officer, Secretary-Treasurer may be carried out by the Vice Chair (in the case of the Chair), the Chief Financial Officer (in the case of the Chief Executive Officer), and the Assistant or Acting Secretary (in the case of the Secretary-Treasurer), or such other officer as any of the named officers may designate in writing. When this Resolution authorizes the Chair or the Chief Executive Officer to act, it shall be sufficient for either the act.

Filing of Resolution. The Board hereby directs counsel to AlexRenew to file a certified copy of this Resolution with the Circuit Court of the City of Alexandria, Virginia, pursuant to Section 15.2-5126 of the Code of Virginia of 1950, as amended.

Effective Date. This Resolution shall take effect upon adoption.

Adopted February 18, 2025

Secretary-Treasurer

e. **Request for Board Member Participation in the Ellen Pickering Environmental Excellence Award Selection Committee**

The Chair noted that the newest member of the Board traditionally participates in the Selection Committee. Dr. Wone agreed to serve on the Committee. The Chair moved that Dr. Wone be appointed to the Ellen Pickering Environmental Excellence Selection Committee. Ms. Hammer seconded. The Board unanimously approved. Staff will provide the details and dates of the awards ceremony.

8. Monthly Outcomes Update

The Chair reviewed the highlights of the Monthly Outcomes noting the PFAS results from December 2024.

Legislative Update

The General Assembly adjourns on Saturday, February 22, 2025 and reconvenes on April 2. Ms. Waters provided the update that Senate Bill 1319 was passed, which will require certain industrial sources to self-report use of PFAS. Staff already has plans to monitor industrial users. Senate Bill 962 also passed; it would require that all competitively bid construction projects require 8 percent of total labor hours be performed by apprentices. Staff is working with Virginia trade associations and has drafted a letter and talking points for the Governor requesting the Bill be sent to the public body procurement work group whose findings be considered before being sent to the General Assembly for passage.

Mr. Carl highlighted two awards won by AlexRenew from National Association of Clean Water Agencies (NACWA) for Environmental Achievement in the areas of Public Information and Education for a brochure developed to explain the tunnel boring machine and one in Workforce Development for the apprenticeship program.

Arrearages/LEAP Dashboard

Mr. Carl noted changes to the LEAP Dashboard to move certain data to the first page and requested Board feedback.

Mr. Robertson reported on AlexRenew delinquent accounts noting the decrease in in arrearages. AlexRenew performed few disconnections over the past several months due to weather. Currently there are 432 accounts with payment plans. Of \$21,000 spent on LEAP this period about \$16,000 is retroactive disbursements.

Members asked about sampling and Fairfax County relative to PFAS. Mr. Carl reported that staff performs the sampling on a quarterly basis. Mr. Mohsenin reported that Fairfax is requiring industrial users to begin monitoring as permits are renewed. Most of Fairfax customers are residential.

PhaseForward Dashboard

Mr. Carl referenced page 2 of the dashboard noting that staff issued the invitation to bid to prequalified contractors for the Process Optimization Project and hosted a pre-bid meeting and site tour to review the existing CPT process to be upgraded.

Mr. Jinks asked if the City was reimbursing AlexRenew for the 4 MGD analysis. Mr. Carl confirmed that the City will provide funding for the project, which will be addressed in a Memorandum of Understanding (MOU).

RiverRenew Dashboard

Mr. Carl referenced the pictures of the tunnel project highlights on page 3 and work being performed at the plant with the first story of the superstructure being visible on page 5.

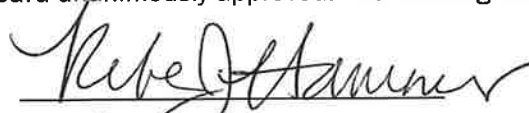
Ms. Waters reported on a minor revision to Agenda Item 7C regarding disqualification procedures and providing written notice to the contractor. Dr. Wone asked about the contractor's ability to cure. Mr. Carl reported that prior to sending the written notification, staff would reach out to the contractor to see if the issue can be fixed.

Mr. Beall asked if all members should attend the prep meetings for the upcoming March 11 Finance and Audit Committee and April 7 Governance Committee meetings. Mr. Carl reported that the prep meetings have public noticed but designed to be attended by the Committee members only.

The Chair asked if there were a motion to approve the revisions to the CM/DB Policy. Ms. Hammer moved and Mr. Jinks seconded. The Board unanimously approved.

There being no additional business, the Chair requested a motion to adjourn. Ms. Hammer moved and Mr. Beall seconded. The Board unanimously approved. The meeting was adjourned at 8:16 p.m.

APPROVED:


Secretary/Treasurer