

Tuesday, April 15, 2025 – 6:00 p.m.

Regular Board of Directors Meeting Agenda

In-person: AlexRenew Environmental Center (1800 Limerick St)
Ed Semonian Boardroom, Room 600

Virtual: [Microsoft Virtual Events Powered by Teams](#)

If you wish to provide public comment or a written statement, please contact Lorna Huff, Board Executive Assistant, at (703) 721-3500 ext. 2260 or lorna.huff@alexrenew.com in advance of the meeting. If you need an interpreter, translator, materials in alternate format or other accommodation, contact the Board Executive Assistant at least three business days prior to the meeting. A recording of the meeting will be posted on alexrenew.com following its conclusion.

No.	Time	Item	Presenter	Action
1.	6:00 p.m.	Call to Order	Chair	
2.	6:02 p.m.	Approval of Agenda	Chair	Motion
3.	6:05 p.m.	Public Comment Period	Chair	
4.	6:10 p.m.	Consent Agenda	Chair	Motion
		a. Minutes from March 18, 2025 meeting (Tab 1)		
5.	6:15 p.m.	Board Administrative Items	Chair	
		a. Finance & Audit Committee	Mr. Jinks	Information
		b. Recommendations from April 7, 2025 Governance Committee Meeting (Tab 2)	Mr. Beall	Motion
		c. Board Calendar (Tab 3)	Mr. Carl	
6.	6:35 p.m.	Unfinished Business	Chair	
		a. Consideration of Draft Fiscal Year 2026 Operating and Capital Budget; Consideration of a Resolution of Intent to Adopt and Change Rates, Fees, and Charges and Set Public Hearing for Saturday, May 17, at 9:30 a.m. (Tab 4)		Motion
7.	6:35 p.m.	New Business	Mr. Carl	
		a. Approval of Contract 25-012 for the Regional Biosolids Facility Feasibility Study (Tab 5)		Motion
		b. Approval of Amendment No. 02 to Contract 24-001 for the Biosolids Diversification Project (Tab 6)		Motion
		c. Presentation on Rate Structure Alternatives Analysis Customer Sample Size (Tab 7)		Information Information
		d. Presentation on Climate Change Study Update (Tab 8)		
8.	7:30 p.m.	AlexRenew Monthly Outcomes Update (Tab 9)	Mr. Carl	Information
9	7:40 p.m.	Closed Meeting: Consultation with legal counsel employed or retained by a public body regarding specific legal matters requiring the provision of legal advice by such counsel pursuant to Virginia Code § 2.2-3711.A.8		
10.	8:00 p.m.	Adjourn	Chair	

Times shown are approximate start times and serve as guidelines.

Minutes of the 927th Meeting
AlexRenew Board of Directors
6:00 p.m., Tuesday, March 18, 2025

On Tuesday, March 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
 Mr. Lake Akinkugbe, Director of Finance
 Mr. Matt Robertson, Director of Communications
 Mr. Kevin Pilog, Engineering Manager
 Ms. Lorna Huff, Executive Assistant to the Board & CEO

Fairfax County
Representative: Mr. Steve Winesett, Chief, Environmental Monitoring Branch

City Representative: Ms. Erin Bevis-Carver, Division Chief,
 T&ES/Sanitary Infrastructure Division

1. Call to Order

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

2. Approval of Agenda & Introductions

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

Mr. Steve Winesett, Fairfax County representative, and Mr. Jessyn Velazquez, Executive Assistant from AlexRenew introduced themselves.

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 February 18, 2025, meeting. There being no questions or comments, the Chair requested a motion to approve the Consent Agenda. Ms. Hammer moved and Dr. Wone seconded. The Board unanimously approved.

5. Board Administrative Items

a. Finance and Audit Committee – March 11, 2025 – Mr. Jinks

The Finance and Audit Committee met twice to discuss the FY2026 Operating and Capital Budget, FY2026 and FY2027 Rate Recommendation, and revisions to AlexRenew's Financial

Policy on days cash. The Committee recommends all items move forward for full Board consideration.

Mr. Jinks moved to approve the revised Financial Policy. Dr. Wone seconded. The board unanimously approved.

b. Governance Committee – April 7, 2025- Mr. Beall

The Governance Committee will hold a prep meeting on Wednesday, March 26, and a full Governance Committee meeting on Monday, April 7.

c. Board Calendar

Mr. Carl reported that the Alexandria Chamber's General Assembly breakfast is scheduled for Thursday, March 20. On Monday, March 31, AlexRenew and the City are holding a ribbon cutting ceremony to celebrate the completion and occupancy of the Environmental Center 5th floor space. City Council and Board members are invited.

The Ellen Pickering Environmental Excellence Award will be presented at the Del Ray Garden Fest on Sunday, April 27. Staff will provide Dr. Wone remarks in advance of the event.

Saturday, June 7, is Hooffs Run Dedication Day. The event will include the unveiling of new signage for the African American Heritage Park. Save-the-Date emails have been sent to all parties. The Hooffs Run Interceptor is now accepting flow.

6. New Business

Mr. Carl recognized Ms. Feehan and Mr. Akinkugbe who provided highlights for the FY2026 Operating and Capital Budget and FY2026 and FY2027 Rate Recommendation. Ms. Feehan reviewed the rate adjustment recommendation and major budget highlights, including capital investment at the plant for FY2026 including the RiverRenew and PhaseForward Programs and the IRR program.

a. Presentation on 4 MGD Expansion

Mr. Carl provided background on existing waste load allocations and the City's need for additional capacity due to projected growth. There is also the need to maintain Fairfax County's current capacity at 32.4 MGD. Staff has modeled and proposed that this expansion be accomplished concurrently with the Tertiary Systems Upgrade Project and reported cost savings and minimized risk if performed simultaneously.

After this project, the capacity allocation and cost share between AlexRenew and the City and the cost share between AlexRenew and Fairfax will change from 60/40 to 56/44. The procurement method will be performed under a progressive design-build. Members discussed the project timeline, and next steps.

b. Regional Biosolids Feasibility Study

Ms. Deines discussed the results of the Biosolids study commissioned by the Northern Virginia Regional Partnership. The Northern Virginia Regional Partnership is comprised of wastewater authorities who entered an MOU to investigate alternatives to land application in the Commonwealth. Members include AlexRenew, Prince William County, Loudoun Water, Fauquier County, and Upper Occoquan Service Authority (UOSA). Arlington County and Fairfax County will collaborate to provide technical review, data, and support. The study will review future biosolids production and disposal methods. AlexRenew will lead the procurement and contracting phase. Members discussed the number of proposals received for the study, timeline and project scope.

The Northern Virginia Regional Partnership will share in the cost of the study based on a percentage of their biosolids production which is not to exceed \$1 million. The Chair commended AlexRenew's leadership on this issue. There being no additional questions or comments, the Chair moved to the Overview of 2025 Initiatives

c. Overview of 2025 Initiatives

Mr. Carl reviewed AlexRenew's 2025 calendar year initiatives linked to AlexRenew's Strategic Outcomes. One of the largest initiatives is the commissioning of RiverRenew. Staff will provide a tour of the entire RiverRenew system to the Board and Fairfax County and City representatives. PhaseForward, the 4 MGD expansion, and climate change presentation are also priorities. Thriving workforce initiatives include opportunities for team building; hiring additional maintenance staff; and investments in onsite training. Updates are planned or in progress for a flow study, and service agreement updates. Sustainability plans include building sustainability into capital projects. Community Outreach includes sustainable rates and studies on an alternative rate structure as well as the Environmental Justice and LEAP programs.

d. Review and Approve Process Optimization Project (CPT)

The procurement for this project is design-bid-build. Four (4) contractors were prequalified and three (3) contractors submitted bids. The lowest qualified and responsible bidder was American Contracting & Environmental Services, Inc. (ACE) with a value of \$7,254,000. ACE built the previous Process Air Compressor system and is currently a JOC contractor. The CEO's delegation of authority was not added to the memo that was enclosed in the packet. The revised not to exceed amount is \$9,067,500 which includes the CEO's change order authority. There were no questions or comments, the chair requested a motion to approve. Mr. Beall moved, and Mr. Jinks seconded. The Board unanimously approved.

Be It Resolved That: The Board authorizes the CEO to execute a contract with ACE in an amount not to exceed \$9,067,500 for the Process Optimization Project, which includes the CEO's delegated change order authority for construction contracts under \$25 million.

8. Monthly Outcomes Update

Mr. Carl reviewed highlights of the Monthly Outcomes Update for February.

Legislative Update

Ms. Waters noted the General Assembly is adjourned until April 2, 2025. Staff has submitted a letter to the Governor on a procurement bill that required 8% of apprentice labor requesting that it be amended, vetoed or exemptions provided for wastewater utilities. The NACWA Fly-in is scheduled for April 8 and 9. UOSA, AlexRenew, and Loudoun Water are working to meet directly with the Virginia delegation to discuss affordability issues. Ms. Waters also referenced a summary on page 4 focusing on certain legal issues under the Clean Water Act.

AlexRenew won two awards from National Association of Clean Water Agencies (NACWA) in the areas of Public Information and Education.

Arrearages/LEAP Dashboard

Mr. Robertson updated the Board on delinquencies and LEAP distributions, noting six enrollments in LEAP for the month.

AlexRenew staff met with PromisePay to discuss a campaign that encourages rate payers to use a portion of their tax refunds towards paying their outstanding balances.

PhaseForward Dashboard

Nothing new to report.

RiverRenew Dashboard

Mr. Carl reviewed the changes to the RiverRenew Dashboard and referenced the photos taken for the month.

Closed Session

The Chair, pursuant to Section 2.2-3711(A)(8) of the Code of Virginia, moved the Board to enter into a closed meeting for the sole purpose of consultation with legal counsel on a service agreement. Beall seconded. The Board unanimously approved.

At 8:55 p.m. the Board returned to open meeting, and the following certification was unanimously adopted by the members: "Pursuant to 2.2-3712(D) of the Code of Virginia, it is hereby certified that to the best of each Member's knowledge, (1) only public business matters lawfully exempted from the open meeting requirements of the Virginia Freedom of Information Act, and (2) only public business matters identified in the motion by which this closed meeting was convened were heard, discussed, or considered by the AlexRenew Board."

All Members present voted via roll call:

Mr. Hill	Aye
Mr. Beall	Aye
Ms. Hammer	Aye
Mr. Jinks	Aye
Dr. Wone	Aye

There being no additional business, the Chair requested a motion to adjourn. Mr. Jinks moved and Mr. Beall seconded. The Board unanimously approved. The meeting was adjourned at 8:10 p.m.

APPROVED:

Secretary-Treasurer

Community Benefit Policy

Date of Adoption: October 2014

Date of Revision: April 19, 2022, April
15, 2025

Page 1 of 2

I. Policy Statement

As a public authority in the Commonwealth of Virginia, AlexRenew is committed to integrating community benefits into its programs and initiatives. This policy affirms our dedication to creating lasting, positive impacts across all communities we serve, and supports the philosophy that fostering a strong relationship with the community is equally beneficial to AlexRenew.

II. Policy Purpose

The purpose of this policy is to establish and document the multiple benefits that AlexRenew provides to the community through its operations, programs, and initiatives. It aims to support community needs by guiding future decisions that can enhance those benefits and embedding the principles of an anchor institution within the organization.

III. AlexRenew as an Anchor Institution

- A. The U.S. Environmental Protection Agency defines anchor institutions as organizations rooted in a specific location that have a long-term interest in the economic and social vitality of the surrounding community. Anchor institutions are often public service entities, like AlexRenew, who have a mission tied directly to the provision of critical services that increase the well-being of the community. Anchor institutions are also place-based; having a large physical infrastructure, such as AlexRenew's wastewater treatment plant, Environmental Center, pumping stations, sewer interceptors, and tunnel system.
- B. As an anchor institution, AlexRenew embeds the following characteristics into our operations, programs, and initiatives:
 - 1. AlexRenew views itself as a member of the community and approaches challenges and opportunities with a collaborative mindset.
 - 2. AlexRenew leverages partnerships with like-minded entities that are also invested in the communities they serve.
 - 3. AlexRenew is committed to operating in the community long-term to achieve positive, lasting impacts.

IV. Community Benefit Goals

- A. Community benefits are the positive social, economic, and environmental impacts that AlexRenew provides to the communities it serves. AlexRenew is committed to ensuring that these benefits are equitably distributed and responsive to community needs while investing in the health of our community and waterways.
- B. AlexRenew will actively communicate and engage with the public to foster trust, improve service,

and gain valuable insights into community needs as part of our ongoing operations, programs, and initiatives. These efforts also help the public better understand AlexRenew's purpose, operations, and challenges, leading to greater support for our programs and initiatives. AlexRenew will work to achieve the following community benefit goals in concert with its programs and initiatives:

1. Co-Benefits

- a. Co-benefits are defined as secondary or additional community enhancements that are integrated into projects to improve quality of life, build community support, and ensure projects meet local needs. Examples of AlexRenew co-benefits include Limerick Field, Environmental Center lobby and 6th floor space, educational exhibits at pumping stations, wayfinding signage, promenade at Pendleton Street, shared parking for soccer association, stream restoration, and park/green space improvements.
- b. AlexRenew will identify and incorporate co-benefits into the planning and development of AlexRenew's facilities.
- c. AlexRenew will also leverage space and resources to implement innovative solutions, promote sustainability initiatives, and minimize our environmental impact.

2. Education. AlexRenew will support Science, Technology, Engineering, Arts, and Mathematics (STEAM) through events and initiatives in local schools; foster interest in water industry careers by hosting tours and presentations for students, community members, industry groups, and stakeholders; and produce educational materials that support AlexRenew's programs and initiatives.
3. History and Culture. AlexRenew will promote an understanding of local history and culture as they relate to AlexRenew's programs and initiatives.
4. Community Collaboration and Volunteerism. AlexRenew will partner with local organizations to advance shared goals and encourage volunteerism for AlexRenew employees within the community.
5. Public Health and Well-being. AlexRenew will contribute to and support the City of Alexandria in its pursuit of community health goals through AlexRenew's programs and initiatives.
6. Workforce Recruitment and Development. AlexRenew will invest in workforce development programs for employees and local hiring initiatives to help build a skilled talent pipeline, ensure a reliable and knowledgeable workforce for the future, while boosting local jobs and creating meaningful career opportunities.

Rate-setting Policy

Date of Adoption: April 15, 2025

Date of Revision:

Page 1 of 6

I. Policy Statement

As a public authority in the Commonwealth of Virginia, AlexRenew must fully and equitably recover all costs of operating, maintaining, and expanding our wastewater infrastructure through our customers' wastewater bills. This Rate-setting Policy (policy) provides transparency and accountability to our customers, demonstrating our commitment to sound financial management, compliance, and responsible stewardship of public resources.

II. Policy Purpose

The purpose of this policy is to set forth prudent, consistent, and industry generally accepted methodologies for rate-setting. This policy outlines AlexRenew's rate-setting objectives, administration requirements, process for the establishment of a rate structure, and guidelines for setting rates, fees, and charges.

III. Rate-setting Objectives

This policy is governed by a broad range of rate-setting objectives that reflect the values and goals of the organization. These objectives support AlexRenew's unique positioning, characteristics, and needs as a wastewater authority in Alexandria, Virginia and serve to ensure that the rate-setting process reflects the organization's priorities.

- A. **Legality.** AlexRenew's rates will be consistent with local and state statutes and be within accepted practice and water industry standards.
- B. **Revenue Sufficiency.** AlexRenew's rates will ensure that adequate revenues are generated through rates to cover all operational costs, maintenance, and investments in infrastructure.
- C. **Revenue Stability.** AlexRenew's rates will generate stable and predictable revenues from year to year with a minimum of unexpected changes.
- D. **Rate Stability.** To the extent practicable, AlexRenew will seek to avoid drastic year-to-year rate adjustments.
- E. **Affordability.** AlexRenew aims to set affordable rates for all customers and provide payment assistance programs for those struggling to pay their wastewater bill.
- F. **Equitable, Fair, and Reasonable Rates.** AlexRenew will strive to set rates to recover costs from customers and customer classes in proportion to the costs of providing services to demonstrate that the rates are fair and equitable.
- G. **Minimization of Customer Impacts.** When establishing a new rate structure, AlexRenew will evaluate and work to mitigate potential impacts on different customers and customer classes prior

to implementation.

- H. Conservation. When establishing a rate structure, AlexRenew will consider ratios between fixed and variable cost recovery to encourage conservation of water among its customers.
- I. Simplicity and Ease of Understanding. AlexRenew's rates and associated communications will be presented in a straightforward manner, ensuring complete understanding by customers and stakeholders.
- J. Implementation. When establishing a rate structure, AlexRenew will consider challenges and difficulty associated with its implementation. This could include the availability of data, the ability to modify the customer billing system, changes to procedures and policies, and the additional effort to perform future rate adjustments.

IV. Administration

- A. AlexRenew was created by and operates pursuant to the Virginia Water and Waste Authorities Act (Authorities Act). AlexRenew's rates are governed by the Authorities Act and AlexRenew's 1999 Master Indenture of Trust (Master Indenture). The Authorities Act requires that rates set by AlexRenew be just and equitable, fair, and reasonable and also identifies factors that may be used to set rates in § 15.2-5136 of the Act, which states:
 - 1. *Rates, fees, and charges for the services of a sewer ...system shall be just and equitable, and may be based upon:*
 - a. *The quantity of water used or the number and size of sewer connections;*
 - b. *The number and kind of plumbing fixtures in use in the premises connected with the sewer or sewage disposal system;*
 - c. *The number or average number of persons residing or working in or otherwise connected with such premises or the type or character of such premises;*
 - d. *Any other factor affecting the use of the facilities furnished; or*
 - e. *Any combination of the foregoing factors.*
 - 2. *Water and sewer rates, fees and charges established by any authority shall be fair and reasonable. An authority may charge fair and reasonable rates, fees, and charges to create reserves for expansion of its water and sewer or sewage disposal systems. Such rates, fees, and charges shall be reviewed by the authority periodically and shall be adjusted, if necessary, to assure that they continue to be fair and reasonable...*
- B. AlexRenew's Master Indenture prohibits the provision of free service and requires AlexRenew to charge its customers for furnishing any services associated with the use of its wastewater infrastructure.
- C. The review and adoption of rates, fees, or charges by AlexRenew's Board of Directors will be conducted in accordance with §15.2-5136 of Virginia Code for public notice and public hearing procedures. Any changes in rates, fees, or charges will be reflected in revisions to AlexRenew's Rates, Rules, and Regulations.

V. Establishment of a Rate Structure

- A. AlexRenew's rate structure is based on industry recognized generally accepted methodologies (see References section) and includes the following major steps:

1. Forecast Demand Analysis;
2. Revenue Requirements Analysis;
3. Cost of Service Determination; and
4. Rate Structure Design.

- B. Forecast Demand Analysis

The first step in establishing a rate structure at AlexRenew is to project customer demand. This includes a historical review of customer data and billed wastewater flows to inform projections of future growth and demand. The analysis identifies trends to determine reasonable forecasts for the future and serves as the basis to estimate revenues.

- C. Revenue Requirements Analysis

This second step provides a projection of AlexRenew's net revenue requirements for a defined timeframe. Net revenue requirements are the revenue needed from rates to make up the difference between total costs (operating expenses, debt services, and capital outlay) and non-rate revenue (wholesale customer capital and operating contributions and general capital proceeds). The net revenue requirements must fully consider AlexRenew's Financial Policy obligations, including days cash on hand and debt service coverage.

- D. Cost of Service Determination

This third step allocates revenue requirements to customers based on their demands of AlexRenew's wastewater infrastructure and accounts for customer classes and usage characteristics.

- E. Rate Structure Design

The development of rate structure designs uses results from the revenue requirements analysis and cost of service determination to establish the target level of revenues for each customer class. This step includes customer bill impact analysis, using a representative sample that illustrates the general impacts to customers for a range of usage levels, including seasonal use.

VI. Rate Adjustment Recommendations

- A. During the annual fiscal year budget process and on an emergency basis, if needed, an analysis will be performed to ensure that projected revenues are adequate to meet proposed expenses. If revenues are not sufficient for the proposed expenses, staff will develop a rate adjustment recommendation to increase rates for consideration by the Board.
- B. Without amending this policy, the Board may adopt a rate recommendation that covers up to five (5) fiscal years. Any rate recommendation adopted over several years will be reevaluated in parallel with the annual fiscal year budget process.

VII. Miscellaneous Policies, Fees, and Charges

A. Winter Quarter Average (for individually metered residential single-family customers only)

1. Individually metered residential single-family customers may use water for outdoor uses such as irrigation and other landscaping needs during non-winter months. This flow does not typically enter the wastewater collection system; as such, wastewater charges for residential customers are based on water used during the winter quarter. This method is used to obtain a more representative measure of indoor water use that better approximates the true quantity of wastewater entering the wastewater collection system from the individually metered residential single-family customer's premise for treatment and disposal by AlexRenew.
2. AlexRenew's winter quarter average is structured as follows:
 - a. The individually metered residential single-family customer's monthly wastewater treatment charges (variable rate) are based on water meter readings at the customer's premise.
 - b. Individually metered residential single-family customers are billed wastewater treatment charges using a monthly wastewater treatment billing cap, determined annually.
 - c. The wastewater treatment billing cap per customer is based on the customer's average monthly metered water consumption (gallons), recognized on wastewater bills rendered during the winter quarter; defined as the months of December, January, and February.
 - d. The monthly wastewater treatment billing cap is not applied to or applicable for wastewater bills rendered during the winter quarter, since these months are used to calculate the winter quarter average.
 - e. A customer using less than 1,000 gallons per month or recording zero (0) water usage during any single month within the winter quarter will not be eligible for the billing cap. These customers will be billed based on their monthly metered water consumption (gallons).
 - f. If no wastewater bills are rendered to the customer for water service during the winter quarter, then the customer will be billed based on their monthly metered water consumption (gallons) up to a maximum of 12,000 gallons per month until a winter quarter average is established.

B. Reclaimed Water Rate

AlexRenew will set a reclaimed water rate based the volume of reclaimed water delivered to the customer's premise. All reclaimed water delivered to a customer will be metered.

C. Pretreatment Permit Fees

In accordance with federal and state regulations and City of Alexandria code, AlexRenew maintains and regulates an industrial pretreatment program. To recover costs associated with administering the pretreatment program, AlexRenew sets fees for permit applications and revisions, as well as annual fees for permitted significant and non-significant industrial users.

D. Deduct Meter Fee and Charges

1. AlexRenew operates a deduct meter program for commercial and industrial customers to account for wastewater flows that do not enter the collection system. These customers receive adjustments on their wastewater bills through the proper operation of the approved deduct meter(s).
2. AlexRenew administers a one-time deduct meter permit fee to cover the cost of an initial inspection and to update the customer's account. Additionally, AlexRenew charges fees to account for the administrative costs of monthly deduct meters readings. Additional charges may be imposed for accounts with deduct meters at different premises.

E. Other Charges

AlexRenew assesses charges for activation and termination of service. These include an activation fee for all customers opening a new AlexRenew account to establish or re-establish wastewater service. AlexRenew also assesses a fee to customers' whose water service has been disconnected for non-payment or for violation of the AlexRenew's Rates, Rules, and Regulations.

VIII. References

American Water Works Association. Principles of Water Rates, Fees, and Charges. 4th ed., American Water Works Association, 2000.

Raftelis, George A. Water and Wastewater Finance and Pricing: The Changing Landscape. CRC Press, 2015.

Water Environment Federation. Financing and Charges for Wastewater Systems. 4th ed., Water Environment Federation, 2018. Manual of Practice No. 27.

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Board Calendar of Events

April 2025							May 2025							June 2025							April						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S							
		1	2	3	4	5					1	2	3	1	2	3	4	5	6	7	2: Royal St Listening Session						
6	7	8	9	10	11	12	4	5	6	7	8	9	10	8	9	10	11	12	13	14	7: Governance Committee Meeting						
13	14	15	16	17	18	19	11	12	13	14	15	16	17	15	16	17	18	19	20	21	15: Regular Board of Directors Meeting						
20	21	22	23	24	25	26	18	19	20	21	22	23	24	22	23	24	25	26	27	28	27: Del Ray GardenFest						
27	28	29	30				25	26	27	28	29	30	31	29	30						May						
																					10: City of Alexandria's Eco-City Festival						
																					17: FY2026 Budget Public Hearing						
																					20: Regular Board of Directors Meeting						
																					26: Memorial Day Observed						
July 2025							August 2025							September 2025							June						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S							
		1	2	3	4	5						1	2		1	2	3	4	5	6	7: Hooffs Run Dedication Event						
6	7	8	9	10	11	12	3	4	5	6	7	8	9	7	8	9	10	11	12	13	17: Regular Board of Directors Meeting						
13	14	15	16	17	18	19	10	11	12	13	14	15	16	14	15	16	17	18	19	20	19: Juneteenth						
20	21	22	23	24	25	26	17	18	19	20	21	22	23	21	22	23	24	25	26	27	July						
27	28	29	30	31			24	25	26	27	28	29	30	28	29	30					1: Beginning of FY2026 Fiscal Year						
							31														4: Independence Day Observed						
																					15: Regular Meeting						
																					August						
																					No Board Meeting						
																					September						
																					1: Labor Day						
																					16: Regular Meeting						
																					20: AlexRenew Open House						
																					TBD: Pendleton St Dedication						

Legend

	Board of Directors Meeting
	AlexRenew Observed Holidays
	Finance and Audit Committee
	Governance Committee
	Staff Activities



Board Calendar of Events

October 2025							November 2025							December 2025							October						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	9: Waterway Clean-up at AlexRenew						
			1	2	3	4							1		1	2	3	4	5	6	21: Regular Meeting						
5	6	7	8	9	10	11	2	3	4	5	6	7	8	7	8	9	10	11	12	13	TBD: Governance Committee						
12	13	14	15	16	17	18	9	10	11	12	13	14	15	14	15	16	17	18	19	20	November						
19	20	21	22	23	24	25	16	17	18	19	20	21	22	21	22	23	24	25	26	27	11: Veterans Day						
26	27	28	29	30	31		23	24	25	26	27	28	29	28	29	30	31				18: Regular Meeting						
							30														27/28: Thanksgiving						
																					TBD: Finance and Audit Committee						
January 2026							February 2026							March 2026							December						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	16: Regular Meeting						
				1	2	3	1	2	3	4	5	6	7	1	2	3	4	5	6	7	24/25: Christmas Holiday						
4	5	6	7	8	9	10	8	9	10	11	12	13	14	8	9	10	11	12	13	14	January						
11	12	13	14	15	16	17	15	16	17	18	19	20	21	15	16	17	18	19	20	21	19: Martin Luther King Jr. Day						
18	19	20	21	22	23	24	22	23	24	25	26	27	28	22	23	24	25	26	27	28	20: Regular Meeting						
25	26	27	28	29	30	31	29	30						29	30	31					February						
																					17: Regular Meeting						
																					March						
																					17: Regular Meeting						
																					24-27: Utility Management Conference						
																					TBD: Finance and Audit Committee						

Legend

	Board of Directors Meeting
	AlexRenew Observed Holidays
	Finance and Audit Committee
	Governance Committee
	Staff Activities
	Conference

MEMORANDUM

TO: AlexRenew Board of Directors

FROM: Justin Carl, General Manager and CEO

DATE: April 15, 2025

SUBJECT: *New Business, Joint Use*
Consideration of Fiscal Year 2026 Draft Operating and Capital Budget; Consideration of a Resolution of Intent to Adopt and Change Rates, Fees, and Charges and Set Public Hearing

Issue

Each year, staff presents a draft operating and capital budget for the upcoming fiscal year to the Board for consideration. Additionally, if staff determines that currently projected revenues for the fiscal year are not sufficient for the proposed fiscal year's expenses, staff will develop a rate adjustment recommendation to increase rates for consideration by the Board. Following Board consideration and approval for public notice, the draft operating and capital budget and proposed rate adjustment recommendation will be presented at a public hearing for community input.

Recommendation

Staff respectfully requests the Board authorize the CEO to appropriately post notice of a public hearing to receive comments on the *Fiscal Year 2026 Draft Operating and Capital Budget* and proposed *Fiscal Years 2026 and 2027 Rate Recommendation* for Saturday, May 17, 2025, at 9:30 a.m.

Discussion

Staff is pleased to present the *Fiscal Year 2026 Draft Operating and Capital Budget* (Budget). The draft Budget ensures sufficient resources to support daily operations and anticipated capital upgrades to AlexRenew's infrastructure. The proposed \$258.3 million Budget includes \$40.9 million in operating expenses to support day-to-day wastewater treatment operations, \$20.2 million in debt service to pay down outstanding loans, and \$197.2 million in capital outlay to support capital investments in AlexRenew's assets through the RiverRenew and PhaseForward programs.

Additionally, staff is proposing a rate adjustment recommendation of 5.0 percent and 5.7 percent for Fiscal Years 2026 and 2027, respectively. The proposed rate adjustment recommendation is the fourth two-year rate adjustment since Fiscal Year 2020 that primarily supports the continued capital investment in the RiverRenew program.

The Fiscal Year 2026 draft Budget and Fiscal Years 2026 and 2027 rate recommendation are in alignment with the 2024-2029 Strategic Plan as well as previous presentations and direction set by the Board.

This action supports all AlexRenew’s strategic outcomes

ACTION TAKEN

Approved: _____

Disapproved: _____

Approved with Modification: _____

Modification(s): _____

Operating and Capital Budget

Fiscal Year 2026

July 1, 2025 – June 30, 2026

Alexandria, Virginia



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ALEXRENEW BOARD OF DIRECTORS

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James Beall, Vice Chair
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EXECUTIVE AND FINANCIAL STAFF

Justin Carl, PE, General Manager and Chief Executive Officer
Caitlin Feehan, PE, Chief Administrative Officer
Lake Akinkugbe, Director of Finance

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FY2026 OPERATING AND CAPITAL BUDGET EXECUTIVE SUMMARY

AlexRenew plays a vital role in building a healthier, more resilient community. Investing in wastewater infrastructure, supporting local businesses, and creating jobs each year enables AlexRenew to uphold the highest standards of operations and deliver on its mission to protect public health and the waterways that connect us.

The Draft Fiscal Year (FY) 2026 Operating and Capital Budget is \$258.3 million to ensure sufficient resources for daily operations and ongoing investments for AlexRenew’s infrastructure. The budget was developed in alignment AlexRenew’s financial policies, agreements with third parties, and 2024-2029 Strategic Plan, and reflects a high level of service to our stakeholders. Figure ES.1 summarizes the proposed FY2026 expenses and revenues.

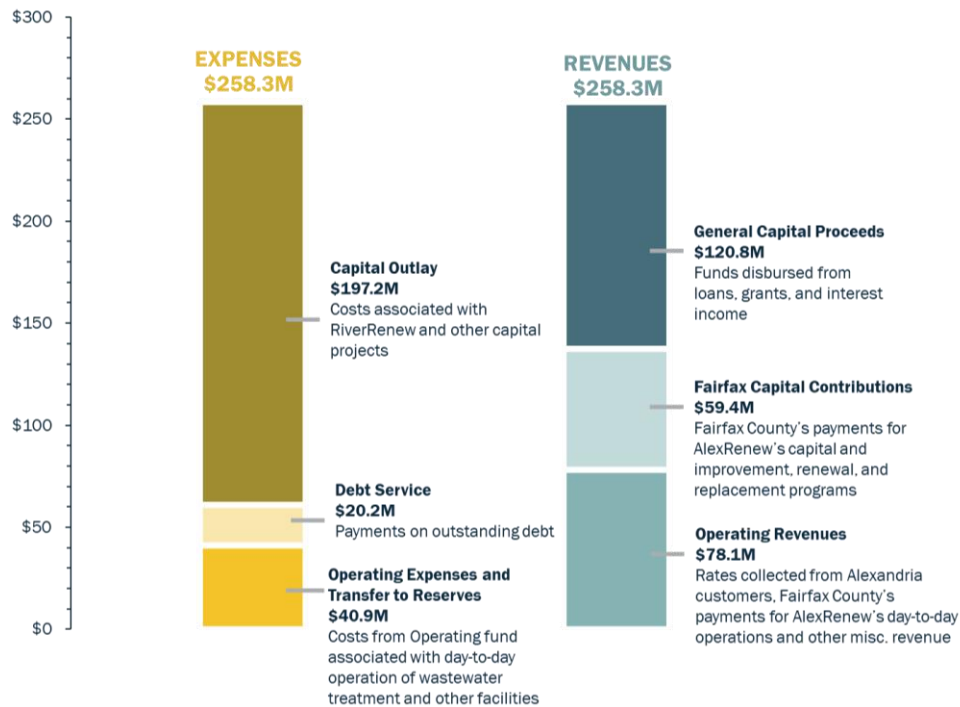


Figure ES.1. FY2026 Expenses and Revenues

ES.2 FY2026 Expenses

Approximately 76 percent of the proposed FY2026 expenses fund the anticipated capital outlay. Capital Outlay is anticipated to be \$197.2 million, of which \$96.0 million will support the ongoing RiverRenew program, which is anticipated to be commissioned in FY2026. Additionally, to support our evolving community, AlexRenew is making significant investments to improve the resiliency of its infrastructure through the PhaseForward program. The PhaseForward program includes a series of significant upgrades to critical wastewater processes that will allow AlexRenew to meet evolving regulatory requirements and continue to improve the resilience of AlexRenew’s infrastructure. PhaseForward includes four (4) major projects:

- **Biosolids Diversification Program.** Upgrades to meet emerging regulations, increase bioenergy production, and realize alternative beneficial end uses for biosolids. In FY2026, AlexRenew will

invest \$25.2 million in continued design, pre-construction, and construction phase services for a construction management at-risk contract and continue long-term planning for AlexRenew's biosolids future.

- **Headworks Renewal.** Improvements to ageing equipment that provides initial screening of debris larger than a pea and settling for solids as small as a grain of sand. The project will also construct new pumping systems to ensure that wastewater flows from the community through our wastewater treatment processes. In FY2026, AlexRenew will invest \$20.7 million in continued design and pre-construction phase services for a construction management at-risk contract.
- **Nutrient Reduction.** Rehabilitation of processes providing the final settling and filtration of wastewater to further reduce nutrient loads and allow for continued growth in our community. In FY2026, AlexRenew will invest \$2.5 million in design phase services.
- **Process Optimization.** Installation of new equipment to enhance our nutrient removal processes and continue to improve water quality in the Chesapeake Bay and its tributaries. In FY2026, AlexRenew will invest \$5.0 million in construction of the upgrades.

The PhaseForward and RiverRenew programs account for just over 75 percent of all capital expenses. The funding for these projects and the remaining capital budget is primarily through Fairfax County capital contributions, which is represented in the budget under Fairfax Capital Contributions; and through loans and bonds, which is represented in the budget under General Capital Proceeds. For FY2026, AlexRenew will continue to draw on the \$321 million Water Infrastructure Finance and Innovation Act (WIFIA) loan for the RiverRenew Tunnel project and the \$50 million in green bonds that AlexRenew sold in June 2024 for the PhaseForward Program.

AlexRenew anticipates continued use of its three Job Order Contracts for ongoing repairs and improvements to AlexRenew's assets through the \$12.7 million Improvement, Renewal, and Replacement (IRR) program.

The FY2026 operating expenses, which include a transfer to reserves is \$40.9 million, representing a 16.0 percent year-over-year increase. The increase in expenses is largely driven by the anticipated 6.5 percent investment in total personnel cost due to the addition of staff and a 16.1 percent year-over-year increase in chemicals due to rising costs. The increase also includes a \$2.5 million transfer to reserves to account for unforeseen events and emergencies (i.e. possible changes in regulations, impacts of federal layoffs on customer rate payments, or other operating costs).

ES.3 FY2026 Revenues

The anticipated operating revenue for FY2026 is \$78.1 million, up 6.6 percent from the FY2025 budget. The increase is driven by the proposed rate adjustment for FY2026, primarily to support the RiverRenew program. As part of the FY2026 budget, the AlexRenew Board of Directors (Board) will consider a proposed two-year rate adjustment that includes a 5.0 percent increase for FY2026 and a 5.7 percent increase for FY2027.

1 OVERVIEW OF ALEXRENEW

Established in 1952 by the Alexandria City Council, AlexRenew's mission is to clean wastewater to protect public health and Alexandria's waterways. AlexRenew is governed by an Alexandria City Council-appointed five-member citizen Board of Directors (Board) and is a political subdivision of the Commonwealth of Virginia created under the Virginia Water and Waste Authorities Act. AlexRenew is an independent, special-purpose government unit with administrative and fiscal independence from the City of Alexandria.

AlexRenew serves more than 300,000 people in Alexandria and parts of Fairfax County, Virginia. It currently maintains capital assets valued at approximately \$1.2 billion and treats approximately 38 MGD (up to 116 MGD during wet weather) of wastewater at its Water Resource Recovery Facility (WRRF), located in Alexandria, Virginia.

The City of Alexandria owns the majority of the collection system throughout Alexandria. AlexRenew owns and operates approximately 20 miles of large interceptors and trunk sewers to convey wastewater flows from the collection system to AlexRenew's WRRF. AlexRenew also operates and maintains five pump stations throughout Alexandria.

1.1 AlexRenew's Structure

AlexRenew is organized into five departments which work together to support the necessary functions of the organization:

- **Information Technology Department.** Responsible for managing and maintaining the Authority's network infrastructure and technology, including monitoring and implementing best practices to maintain the Authority's cybersecurity.
- **Administrative Department.** Includes finance, procurement, and communications. Responsible for managing the organization's finances and ensuring compliance with financial policies; procuring all goods, services, and construction in support of all other departments; and all communications both internally to staff and externally to AlexRenew's customers and other stakeholders in the community and region.
- **Water Quality Department.** Includes wastewater treatment operations, laboratory, and environmental sustainability. Responsible for the day-to-day testing, monitoring, and oversight of all treatment processes and equipment to ensure regulatory compliance and managing the organization's environmental management system and sustainability program.
- **Engineering Department.** Includes engineering and maintenance. Responsible for the implementation of all capital projects, the day-to-day preventive maintenance and repairs of equipment needed for wastewater treatment operations, and managing the organization's asset management program.
- **Human Resources Department.** Responsible for employee recruitment, selection, training, benefits, records, classification, and compensation, and ensuring compliance with local, state, and federal regulations governing all phases of personnel activities. This department is also responsible for the safety training for personnel, compliance with safety regulations, and the overall physical security of AlexRenew's WRRF, administrative building, and infrastructure.

Figure 1.1 illustrates each of these departments within AlexRenew's organizational structure, highlighting department responsibilities.



Figure 1.1. AlexRenew’s Organizational Structure and Departmental Responsibilities

1.2 AlexRenew’s Strategic Plan

In 2024, AlexRenew created its 2024-2029 Strategic Plan, which sets the framework to guide decision making throughout AlexRenew, ensuring each choice aligns with a greater vision for the organization. The Strategic Plan 2024-2029 lays out the vision, mission, and strategic goals of the organization, and objectives to achieve those goals. The strategic goals and objectives are integrated into AlexRenew’s daily operations, challenging the team to build a more resilient, sustainable, and equitable organization. The FY2026 Operating and Capital Budget was developed to support AlexRenew in executing on the Strategic Plan 2024-2029.

The strategic goals and identified objectives for 2024 through 2029 are outlined in Table 1.1 below.

Table 1.1. 2024-2029 Strategic Plan – Strategic Goals and Objectives

Strategic Goal	Description	Objectives
Operational Excellence	Taking proactive steps to meet current and future challenges	<ul style="list-style-type: none"> • Be a leader in the sector by innovating to meet stringent permit limits • Adapt to address contaminants of concern and changes in flow trends. • Proactively manage the impacts of climate change. • Maximize equipment availability while reducing the need to replace assets. • Leverage technology to advance efficiency and modernize operations. • Safeguard against current and emerging site and cybersecurity risks.
Thriving Workforce	Investing in our staff and fostering a culture of belonging	<ul style="list-style-type: none"> • Foster a diverse and inclusive work environment. • Upskill staff to meet the demands of a dynamic industry. • Promote a culture of continuous improvement.
Strategic Partnerships	Promoting watershed-level thinking through collaboration and advocacy	<ul style="list-style-type: none"> • Modernize intergovernmental agreements to effectively manage water resources. • Partner with local stakeholders to advance a holistic and resilient one water approach. • Engage with advocacy associations and peer utilities to promote reasonable and effective policies and regulations that are supportive of local needs.
Environmental Sustainability	Being good stewards of our resources to minimize our impact on the environment	<ul style="list-style-type: none"> • Integrate sustainability into infrastructure investments and operations. • Strive toward net carbon zero operations. • Recover and beneficially reuse resources from wastewater.
Commitment to the Community	Strengthening connections with the public and providing affordable service	<ul style="list-style-type: none"> • Provide affordable and equitable rates. • Develop innovative funding and financing strategies to support capital improvements. • Advance a sustainable customer assistance program. • Meaningfully engage the community and grow personal connections to water. • Mitigate disproportionate environmental impacts on the community. • Inspire younger audiences to develop the next generation of water professionals.

2 UNDERSTANDING THE BUDGET

AlexRenew’s budget is a financial instrument to ensure that AlexRenew has the financial resources to efficiently construct, operate, and maintain its assets to comply with state and federal law. Current operating expenses and capital outlay are estimates based on experience and judgment related to cost trends in labor, materials, and services required to operate and maintain AlexRenew’s facilities.

AlexRenew builds its budget from internal policies, its by-laws, and third-party agreements. These documents are further discussed in the following subsections.

2.1 Master Indenture of Trust

Established in 1999, AlexRenew’s Master Indenture of Trust (Indenture) is a legal agreement that mandates how AlexRenew will collect and use its revenues for operations, maintenance, and capital expenses. It sets requirements for the funds that are used for specific revenues, including requiring that wastewater treatment charges collected from Alexandria customers be deposited in a Revenue Fund. The Indenture also requires operating expense payments that are made by Fairfax County to AlexRenew, for its reserved capacity in the WRRF, are deposited in the Revenue Fund. Table 2.1 serves as a glossary that can be used to better understand the purpose, order of priority, and funding method for each of the Funds and Accounts established in the Indenture.

Table 2.1. Flow of Funds in the Master Indenture of Trust

Funds	Description
Revenue Fund	Revenues are initially deposited to the Revenue Fund and then transferred to other funds in the following order of priority. (1)
Operating Fund	Revenues are then deposited to the Operating Fund to pay operating expenses. At the end of each month, AlexRenew must ensure that 1/6 th (or 60 days) of annual budgeted operating expenses is deposited into the Operating Fund.
Bond Fund	Revenues are then deposited to the Bond Fund to pay debt service payments.
Debt Service Reserve Fund	Any required transfers to the debt service reserve account must be made.
Joint IRR Fund (2)	Revenues are then deposited to the Joint IRR Fund to meet required Joint IRR transfers per Fairfax Agreement.
General IRR Fund (2)	Revenues are then deposited to the General IRR Fund to meet required Alex-only specific IRR needs.
General Fund	Any remaining revenues are deposited within the General Fund.

(1) Revenues means all revenues, receipts, and other income derived or received by AlexRenew from owning and operating its system. This primarily includes AlexRenew Wastewater Treatment Charges and Fairfax County operating expense charges.

(2) Improvement, Renewal, and Replacement

2.2 AlexRenew’s Financial Policy

AlexRenew’s Board-approved financial policy guides AlexRenew’s financial management, capital planning, and debt financing. The annual budget is developed to comply with requirements established in the financial policy (as updated in March 2025), including:

- Demonstrating structural balance whereby current budgetary revenues are sufficient to meet current budgetary expenses (those that are ongoing in nature);
- Maintaining an Operating and Capital Days Cash on Hand minimum of 120 days and a Total Days Cash on Hand minimum of 270 days;

- Ensuring that revenues available to pay debt service are at least equal to 1.60 times the amount of debt service due in any fiscal year; and
- Funding the 10-year Capital Improvement Program with at least 15 percent cash and reserves.

2.3 Fairfax County Service Agreement

Fairfax County makes payments to AlexRenew under an amended and restated service agreement dated October 1, 1998 (Fairfax County Service Agreement). In accordance with the Fairfax County Service Agreement, Fairfax County pays a percentage of operations and maintenance expenses based upon sewer flow volume to AlexRenew's WRRF. Fairfax County also contributes to the IRR program and Capital Improvement Program (CIP), at predetermined levels, to allow for the upgrade and replacement of capital assets as they depreciate, and the acquisition of new assets associated with regulatory compliance.

2.4 Arlington County Service Agreement

The Arlington County Service Agreement is similar to the Fairfax County Service Agreement. This legal document, dated July 1, 1977, establishes the amount and timing for monies paid by AlexRenew to Arlington County for agreed-upon capacity at the Arlington County Water Pollution Control Plant that treats wastewater flows from the northwestern quadrant of the city.

2.5 Fairfax County Cost Share Memorandum of Understanding for RiverRenew Facilities

Fairfax County and AlexRenew established a memorandum of understanding between Fairfax County and AlexRenew, dated October 6, 2020, to define the cost share for RiverRenew facilities. The division of costs is incorporated into the RiverRenew capital funding as shown in the CIP.

2.6 Budget Timeline

AlexRenew uses a fiscal year cycle ending June 30. The FY2026 Operating and Capital Budget will encompass the 12-month period from July 1, 2025 – June 30, 2026. The budget is developed following the eight (8) steps identified in Figure 2.1.



Figure 2.1. Annual Budget Cycle

Staff begins work on the budget in September. Following the establishment of budget goals by the senior leadership, departments develop a preliminary draft forecast for departmental operating budgets. Both the Finance and Engineering Departments review the current CIP and make recommended updates to projects and anticipated financial projections. In November, the Finance Department consolidates the departmental operating budgets and the updated CIP into a preliminary draft forecast that is used to update AlexRenew’s rate model to identify rate options. Through January and February, staff develops the preliminary draft budget to present to the Board. The FY2026 Operating and Capital Budget, beginning with the preliminary draft budget, will follow the timeline for Board review presented in Figure 2.2.

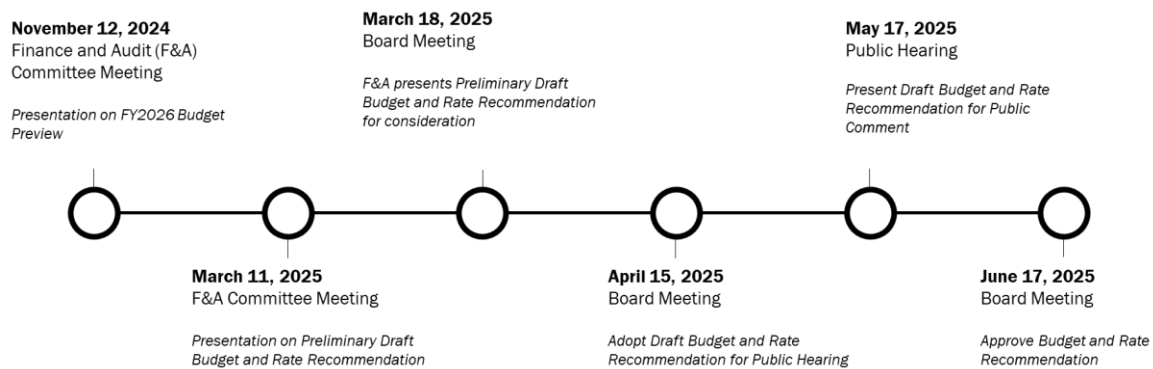


Figure 2.2. FY2026 Operating and Capital Budget Timeline

3 OVERVIEW OF FY2026 OPERATING AND CAPITAL BUDGET

AlexRenew begins its annual budget presentation by preparing a summary that combines all the estimated sources (revenues) and uses of funds (expenses) for the upcoming fiscal year. The primary purpose for this summary is to demonstrate that the overall FY2026 Operating and Capital Budget is in “structural” balance – which means all of the revenues and expenses are consistent with the historical financial performance, all balances that remain in the prescribed funds and accounts meet stated requirements, and if total revenues exceed total expenses, any potential excess funds are deposited in the General Fund to serve as reserves.

Tables 3.1 and 3.2 summarize the revenues and expenses associated with AlexRenew’s FY2026 Operating and Capital Budget, which total \$258.3 million, a 11.0 percent increase compared to the prior year.

Table 3.1. Summary of FY2026 Revenues

Revenue Categories		Adopted FY2025	Proposed FY2026	Annual Variance (%)
Operating Revenues	Wastewater Treatment Revenues	\$60,420,321	\$63,441,337	5.0%
	Fairfax County Operating Expense Charge	\$12,838,293	\$14,662,764	14.2%
	<i>Subtotal</i>	<i>\$73,258,614</i>	<i>\$78,104,102</i>	<i>6.6%</i>
Fairfax Capital Contributions	Fairfax County IRR Contribution	\$3,901,296	\$5,064,966	29.8%
	Fairfax County Capital Contribution	\$36,851,776	\$54,313,129	47.4%
	<i>Subtotal</i>	<i>\$40,753,072</i>	<i>\$59,378,095</i>	<i>45.7%</i>
General Capital Proceeds	Parity Debt Proceeds	\$112,618,224	\$113,393,095	0.7%
	Interest Income	\$900,000	\$1,700,000	88.9%
	Cash	\$5,266,179	\$5,743,222	9.1%
	<i>Subtotal</i>	<i>\$118,784,403</i>	<i>\$120,836,317</i>	<i>1.7%</i>
Total Revenues		\$232,796,090	\$258,318,513	11.0%

Table 3.2. Summary of FY2026 Expenses

Expense Categories		Adopted FY2025	Proposed FY2026	Annual Variance (%)
Operating Expenses	Personnel	\$17,210,991	\$18,334,520	6.5%
	Utilities	\$4,248,000	\$4,684,240	10.3%
	Chemicals	\$3,571,000	\$4,145,000	16.1%
	Operations and Maintenance	\$1,581,255	\$1,945,750	23.1%
	Arlington Sewage Disposal	\$1,800,000	\$1,900,000	5.6%
	Sludge Disposal	\$1,362,000	\$1,509,500	10.8%
	General, Administration, Customer Service, and Other	\$5,522,348	\$5,906,745	7.0%
	Transfer to Reserves	\$0	\$2,500,000	100.0%
	<i>Subtotal</i>	<i>\$35,295,594</i>	<i>\$40,925,755</i>	<i>16.0%</i>
Debt Service	Parity Debt Service	\$22,290,196	\$20,220,975	-9.3%
Capital Outlay	Joint IRR	\$9,933,900	\$11,640,800	17.2%
	Alex-only IRR	\$1,822,000	\$1,023,760	-43.8%
	RiverRenew	\$107,700,000	\$95,992,223	-10.9%
	General CIP (Alex-only)	\$10,844,400	\$13,900,000	28.2%
	General CIP (Joint)	\$44,910,000	\$74,615,000	66.1%
<i>Subtotal</i>		<i>\$175,210,300</i>	<i>\$197,171,783</i>	<i>12.5%</i>
Total Expenses		\$232,796,090	\$258,318,513	11.0%

Tables 3.3, 3.4, and 3.5 summarize the funding sources for the operating expenses, debt service, and capital outlay following the flow of funds set by the Indenture as discussed in Section 2.

Table 3.3. Operating Expenses Funding Sources and Flow of Funds

Item	Adopted FY2025	Proposed FY2026	Annual Variance (%)
Operating Expenses Funding Sources			
Wastewater Treatment Revenues	\$60,420,321	\$63,441,337	5.0%
Fairfax County Operating Charge	\$12,838,293	\$14,662,764	14.2%
Interest Income	\$100,000	\$85,000	-15.0%
Total Operating and Maintenance Funding Sources	\$73,358,614	\$78,189,102	6.6%
Operating Expenses and Transfer			
Personnel	\$17,210,991	\$18,334,520	6.5%
Utilities	\$4,248,000	\$4,684,240	10.3%
Chemicals	\$3,571,000	\$4,145,000	16.1%
Operations and Maintenance	\$1,581,255	\$1,945,750	23.1%
Arlington Sewage Disposal	\$1,800,000	\$1,900,000	5.6%
Sludge Disposal	\$1,362,000	\$1,509,500	10.8%
General, Administration, Customer Service, and Other	\$5,522,348	\$5,906,745	7.0%
Transfer to Reserves (1)	\$0	\$2,500,000	100.0%
<i>Subtotal</i>	<i>\$35,295,594</i>	<i>\$40,925,755</i>	<i>16.0%</i>
Debt Service Transfer			
Transfer to Parity Debt Service	\$21,565,196	\$19,880,975	-7.8%
<i>Subtotal</i>	<i>\$21,565,196</i>	<i>\$19,880,975</i>	<i>-7.8%</i>
Capital Outlay Transfer			
Transfer to Capital Outlay	\$16,497,825	\$17,382,372	5.4%
<i>Subtotal</i>	<i>\$16,497,825</i>	<i>\$17,382,372</i>	<i>5.4%</i>
Total Operating Expenses and Transfers	\$73,358,614	\$78,189,102	6.6%

(1) Transfer to reserves is to account for unforeseen events and emergencies (i.e. possible changes in regulations, impacts of federal layoffs on customer rate payments, or other operating costs)

Table 3.4. Debt Service Funding Sources and Flow of Funds

Item	Adopted FY2025	Proposed FY2026	Annual Variance (%)
Debt Service Funding Sources			
Transfer from Operating Revenue	\$21,565,196	\$19,880,975	-7.8%
Parity Interest Income	\$725,000	\$340,000	-53.1%
Total Debt Service Funding Sources	\$22,290,196	\$20,220,975	-9.3%
Debt Service Expenses			
Principal	\$13,788,763	\$10,974,262	-20.4%
Interest	\$8,501,433	\$9,246,713	8.8%
Debt Service Expenses	\$22,290,196	\$20,220,975	-9.3%

Table 3.5. Capital Outlay Funding Sources and Flow of Funds

Item	Adopted FY2025	Proposed FY2026	Annual Variance (%)
Capital Outlay Funding Sources			
Transfer from Operating Revenue	\$16,497,825	\$17,382,372	5.4%
Fairfax County IRR Contributions	\$3,901,296	\$5,064,966	29.8%
Fairfax County Capital Contributions	\$36,851,776	\$54,313,129	47.4%
Capital Interest Income	\$75,000	\$1,275,000	1600.0%
Cash	\$5,266,179	\$5,743,222	9.1%
Parity Debt Proceeds	\$112,618,224	\$113,393,095	0.7%
Total Capital Outlay Funding Sources	\$175,210,300	\$197,171,783	12.5%
Capital Outlay Expenses			
IRR	\$11,755,900	\$12,664,560	7.7%
Capital	\$163,454,400	\$184,507,223	12.9%
Total Capital Outlay Expenses	\$175,210,300	\$197,171,783	12.5%

3.1 Operating Revenues

Operating revenues comprise the rates collected from Alexandria customers (Wastewater Treatment Charges) and Fairfax County's payments for AlexRenew's day-to-day operations (Fairfax County Operating Expense). The projected Operating Revenue for FY2026 is \$78.1 million, up 6.6 percent from the prior year budget. The increase includes the proposed rate adjustment for FY2026 of 5.0 percent, which primarily supports the ongoing RiverRenew capital investments. Further detail on AlexRenew's proposed rate adjustments for both FY2026 and FY2027 is in Section 5.

3.2 Fairfax Capital Contributions

In accordance with the Fairfax County Service Agreement, Fairfax County contributes to the IRR program and CIP, at predetermined levels, to allow for the upgrade and replacement of capital assets as they depreciate, and the acquisition of new assets associated with regulatory compliance. The projected Fairfax IRR and Capital Contributions for FY2026 is \$59.4 million, up 45.7 percent from the prior year budget. The increase is primarily associated with PhaseForward capital investments.

3.3 General Capital Proceeds

General capital proceeds include funds disbursed from loans, bonds, grants, interest income, miscellaneous revenue, and cash reserves. This component of the budget is primarily comprised of funding from loans, bonds, interest income, and cash reserves as AlexRenew's CIP projects progress. The projected FY2026 General Capital Proceeds budget is \$120.8 million, increasing 1.7 percent from the prior year budget. The proceeds in FY2026 are largely from loans that will support ongoing RiverRenew capital investments.

3.4 Operating Expenses and Transfer to Reserves

Operating expenses represent the costs associated with day-to-day operation of wastewater treatment and other AlexRenew facilities. The proposed FY2026 Operating Expenses which include a transfer to reserves are \$40.9 million, representing a 16.0 percent year-over-year increase. The increase is largely driven by a 6.5 percent increase in personnel. In FY2026, AlexRenew will implement a maintenance apprenticeship program to provide knowledge transfer as senior staff retire, with an anticipated hiring of five (5) apprentices. Additionally, FY2026 includes the addition of an asset manager and technical trainer to support ongoing initiatives. These additions are summarized in Table 3.6, which compares

the FY2026 headcount to the FY2025 Approved Budget. The increase also includes a transfer to reserves of \$2.5 million to account for unforeseen events and emergencies (i.e. possible changes in regulations, impacts of federal layoffs on customer rate payments, or other operating costs).

Table 3.6. Full Time Equivalent (FTE) Summary

Department	Adopted FY2025	Proposed FY2026	FTE Impact
Executive Team	4.0	4.0	-
Information Technology Department	10.0	10.0	-
Administration Department	17.0	16.0	-
Water Quality Department	50.0	50.0	-
Engineering Department	39.0	45.0	6.0
Human Resources Department	6.0	7.0	1.0
Total	126.0	133.0	7.0

In addition to personnel costs, operations and maintenance costs increased by 23.1 percent. The increase is primarily associated with additional training to support the maintenance apprenticeship program, the incorporation of the completed Environmental Center 5th floor into the cleaning program, and an increase in preventive maintenance activities for boilers, chillers, and other equipment in FY2026. The Arlington Sewage Disposal projected cost increased by 5.6 percent. Chemicals increased 16.1 percent due to vendor cost increases associated with inflation and higher loadings to the WRRF. Utilities increased by 10.3 percent year-over-year. This increase in utilities aligns this year's projections with the FY2024 actual usage.

3.5 Debt Service

Debt Service is the annual money required to pay the principal and interest on outstanding debt. The FY2025 Debt Service budget is \$20.2 million, a decrease of 9.3 percent from the prior year. The decrease is associated with the retirement of and decrease in principal and interest payments for bonds that were procured between 2004 and 2006.

3.6 Capital Outlay

The proposed FY2026 Capital Outlay is projected to be \$197.2 million. The expenditures primarily include funding for capital investments to commission RiverRenew and to continue design and begin construction on PhaseForward projects. In March 2024, the Virginia General Assembly extended the mandate for RiverRenew by one year to July 1, 2026 to account for unforeseen delays. As a result of the extension, the proposed FY2026 Capital Outlay includes updates in anticipated spending in FY2026 that shifted costs from prior years to account for such delays. Given the extension in time, AlexRenew is conservatively estimating that overhead costs may increase by \$15 million, increasing the overall capital cost of the program, but this is based on the assumption that all allowances on the project will be spent.

AlexRenew also anticipates continued use of its three Job Order Contracts for ongoing repairs and improvements to AlexRenew's assets through the \$12.7 million IRR program. Table 3.7 provides a summary of the CIP program for FY2026.

Table 3.7. Proposed FY2026 Capital Program Summary (\$M)

Summary of Capital Expenses		Adopted FY2025	Proposed FY2026	% Change
IRR Program	Alex-only IRR	\$1.8	\$1.0	-43.8%
	Joint IRR	\$9.9	\$11.6	17.2%
	<i>Subtotal</i>	\$11.8	\$12.7	7.7%
CIP – General	Alex-only CIP	\$10.8	\$13.9	28.2%
	Joint CIP	\$44.9	\$74.6	66.1%
	<i>Subtotal</i>	\$55.8	\$88.5	58.8%
CIP – RiverRenew	RiverRenew Tunnel	\$107.7	\$96.0	-10.9%
	<i>Subtotal</i>	\$107.7	\$96.0	-10.9%
Total CIP/IRR Program Expenses		\$175.2	\$197.2	12.5%

4 THREE (3) YEAR BUDGET FORECAST

Each year, AlexRenew also presents a three (3) year budget forecast of anticipated revenues and expenses to comply with its financial policy. Tables 4.1 and 4.2 below present the budget forecast for the next three years, including FY2026.

Table 4.1. Three (3) Year Budget Forecast – Revenues

Revenue Categories		Proposed FY2026	Estimated FY2027	Estimated FY2028
Operating Revenues	Wastewater Treatment Charges	\$63,441,337	\$67,057,493	\$70,209,195
	Fairfax County Operating Charge	\$14,662,764	\$14,454,764	\$15,178,095
	<i>Subtotal</i>	\$78,104,102	\$81,512,258	\$85,387,290
Fairfax Capital Contributions	Fairfax County IRR Contribution	\$5,064,966	\$5,242,592	\$5,494,683
	Fairfax County Capital Contribution	\$54,313,129	\$67,890,000	\$62,430,000
	<i>Subtotal</i>	\$59,378,095	\$73,132,592	\$67,924,683
General Capital Proceeds	Debt Proceeds	\$113,393,095	\$42,000,000	\$27,000,000
	Interest Income	\$1,700,000	\$1,700,000	\$1,700,000
	Cash	\$5,743,222	\$3,515,892	\$4,385,729
	<i>Subtotal</i>	\$120,836,317	\$47,215,892	\$33,085,729
Total Revenues		\$258,318,513	\$201,860,741	\$186,397,703

Table 4.2. Three (3) Year Budget Forecast – Expenses

Expense Categories		Proposed FY2026	Estimated FY2027	Estimated FY2028
Operating and Maintenance Expenses	Personnel	\$18,334,520	\$19,251,246	\$20,213,808
	Utilities	\$4,684,240	\$4,918,452	\$5,164,375
	Chemicals	\$4,145,000	\$4,352,250	\$4,569,863
	Operations and Maintenance	\$1,945,750	\$2,043,038	\$2,145,189
	Arlington Sewage Disposal	\$1,900,000	\$1,995,000	\$2,094,750
	Sludge Disposal	\$1,509,500	\$1,584,975	\$1,664,224
	General, Administration, Customer Service, and Other	\$5,906,745	\$6,202,082	\$6,512,186
	Transfer to Reserves	\$2,500,000	\$0	\$0
	<i>Subtotal</i>	\$40,925,755	\$40,347,043	\$42,364,395
Debt Service	Parity Debt Service	\$20,220,975	\$21,510,154	\$21,454,922
Capital Outlay	Joint IRR	\$11,640,800	\$11,244,604	\$11,149,064
	Alex-only IRR	\$1,023,760	\$708,941	\$779,322
	CIP – RiverRenew	\$95,992,223	\$0	\$0
	CIP – General (Alex-only)	\$13,900,000	\$14,900,000	\$6,600,000
	CIP – General (Joint)	\$74,615,000	\$113,150,000	\$104,050,000
	<i>Subtotal</i>	\$197,171,783	\$140,003,545	\$122,578,386
Total Expenses		\$258,318,513	\$201,860,741	\$186,397,703

Tables 4.3 and 4.4 demonstrate AlexRenew's financial profile according to the budget projections, as measured by its two major financial metrics – days cash and debt service coverage.

As it relates to liquidity, AlexRenew's Indenture requires it to maintain at least 60 days cash on hand in the Operating Fund. AlexRenew's Financial Policy requires it to maintain an additional 60 days cash on hand in the General Reserve Sub-Fund, for a total days cash requirement of at least 120 days of Operating and Capital Days Cash on Hand. The Financial Policy also requires AlexRenew to maintain a

Total Days Cash on Hand minimum of 270 days. As it relates to debt service coverage, AlexRenew's Financial Policy requires net revenues cover annual debt service payments by 1.6 times. In both cases, the proposed FY2026 budget forecasts compliance with these policies and indicates a healthy financial profile.

Table 4.3. Summary of Compliance with Indenture and Financial Policy – Cash Reserves

Indenture and Financial Policy Compliance	Adopted FY2025	Proposed FY2026	Estimated FY2027	Estimated FY2028
Operating Fund	\$5,880,913	\$6,727,521	\$6,632,391	\$6,964,010
General Reserve Sub-Fund	\$5,802,015	\$6,727,521	\$6,632,391	\$6,964,010
Total Cash Reserve Requirement	\$11,682,928	\$13,455,043	\$13,264,781	\$13,928,020

Table 4.4. Summary of Compliance with Indenture and Financial Policy – Debt Service Coverage

Indenture and Financial Policy Compliance	Adopted FY2025	Proposed FY2026	Estimated FY2027	Estimated FY2028
Wastewater Treatment Charges	\$60,420,321	\$63,441,337	\$67,057,493	\$70,209,195
Fairfax County Operating Expense Charge	\$12,838,293	\$14,662,764	\$14,454,764	\$15,178,095
Interest Income	\$900,000	\$1,700,000	\$1,700,000	\$1,700,000
Gross Revenue Available for Debt Service	\$74,158,614	\$79,804,102	\$83,212,258	\$87,087,290
Operating Expenses	(\$35,295,594)	(\$40,925,755)	(\$40,347,043)	(\$42,364,395)
Net Revenues Available for Debt Service	\$38,863,021	\$38,878,347	\$42,865,215	\$44,722,895
Total Annual Debt Service	\$22,290,196	\$20,220,975	\$21,510,154	\$21,454,922
All-in Debt Service Coverage	1.74x	1.92x	1.99x	2.08x

The following fund statements, organized in accordance with the terms mandated in Article VII of the Indenture, are included as Appendix B to this document and provide additional detail for the three (3) year budget forecast:

- Revenue Fund Statement
- Fairfax County Contributions
- Operating Fund Statement
- Parity Debt Service Fund Statement
- IRR Fund Statement – Joint Use Facilities Account
- IRR Fund Statement – General Account
- General Fund Statement

5 DETERMINING RATES, CHARGES, AND REVENUE ESTIMATES

For more than twenty years, AlexRenew has employed rate modeling to analyze, evaluate, and implement an annual and long-term fee structure to support the financial obligations of the organization. AlexRenew has engaged an independent, third-party consultant to develop and monitor a rate model designed specifically for AlexRenew. This model is used to manage revenue performance in the current year and to forecast revenue requirements, based on anticipated operating and capital costs, each year over a 10-year time horizon.

In addition to rate modeling, the Board has adopted a strong financial policy to guide the approach to setting rates and maintaining a sustainable financial position. This policy targets key financial metrics, represents best practices, and ensures AlexRenew maintains cost-efficient operations while delivering superior public services for AlexRenew's customers and community.

5.1 Rate Modeling Process

Rate consultants review and update the AlexRenew rate model annually, upon completion and acceptance of AlexRenew's audited financial statements, and more frequently as necessary. This process, and the model, is heavily data-driven and uses historical and projected data comprised of billing statistics, historical financial data, the current budget, and capital plan forecasts. The rate consultants perform comprehensive due diligence exercises to validate all information provided by AlexRenew and obtained from other relevant sources. Once validation is complete, the rate consultants review their findings with AlexRenew leadership to discuss observed historical trends, comparison with prior forecasts, current projections, and adjustments for known conditions, such as contingency.

The projected revenues, and assumptions of additional debt and capital funding, are evaluated relative to AlexRenew's annual cash flow requirements and likely financial position at year-end. This iterative process allows AlexRenew and its rate consultants to examine how subtle changes to rates or assumptions today have the potential to materially influence financial position across the forecast. It also allows for sensitivity analysis and the ability to examine AlexRenew's financial profile under various hypothetical scenarios, which is instructive to management and provides a stronger basis for recommending the timing and magnitude of potential rate adjustments.

As a single, dominant revenue source that accounts for over 80 percent of operating revenues, the Wastewater Treatment Charges are critical to the funding of current operations and long-term financial viability. As a result, it is imperative to combine a thorough understanding of the rate modeling process, strict adherence to the terms of the Indenture, faithfulness to AlexRenew's financial policies, and the needs of the community when establishing rates and charges.

5.2 Rate Growth Assumptions

AlexRenew has historically modeled growth in Wastewater Treatment Charges of approximately 0.50-2.00 percent and Fairfax County Operating Charges of approximately 1.00-3.00 percent when determining rates and revenues over the forecast period.

5.3 Expenditure Growth Assumptions

AlexRenew has historically used consumer price index (CPI) to evaluate costs over the forecast period and has commonly assumed an inflation range of 2.0-5.0 percent.

5.4 Revenue Forecast Assumptions

Starting in FY2020, AlexRenew began implementing a multi-year phased rate increase initiative, primarily to fund capital expenditures including the RiverRenew program. The revenue assumptions included in this budget include annual rate increases that are proposed for FY2026 and FY2027, as further described in section 5.5.

5.5 Rate and Charges

The following schedule details the monthly rates and charges for all individually metered residential customers and commercial customers discharging sewage to and/or requiring wastewater treatment service from AlexRenew. Commercial wastewater customers include all commercial, industrial, government and other public agencies, master-metered residential, and all other accounts or customers not otherwise classified as individually metered residential customers.

A wastewater customer's monthly bill for wastewater interception, treatment, and discharge services is based on the sum of their: (1) base and (2) wastewater treatment (variable) charges, as determined by water meter readings conducted by Virginia American Water, at the customer premise. The base charge serves as the minimum monthly bill for sewer service for all customers served by AlexRenew.

The rate for FY2026 is projected to increase the average bill by approximately \$2.76/month and \$3.31/month in FY2027 (based on 4,000 gallons monthly usage). Based on current projections, these rate adjustments will allow AlexRenew to maintain its fiscal profile while funding the budget and capital program herein. Table 5.1 details proposed rate adjustments for FY2026 and FY2027.

Table 5.1. Proposed FY2026 and FY2027 Rate Adjustments

Charge	Meter Size	Current Monthly Cost FY2025	Proposed Monthly Cost FY2026	Proposed Monthly Cost FY2027
Residential Base	All Meters	\$14.57	\$15.29	\$16.16
Commercial Base	5/8 inch	\$43.68	\$45.87	\$48.48
	3/4 inch	\$43.68	\$45.87	\$48.48
	1 inch	\$109.19	\$114.68	\$121.20
	1-1/2 inch	\$218.38	\$229.35	\$242.40
	2 inch	\$349.41	\$366.96	\$387.84
	3 inch	\$655.14	\$688.05	\$727.20
	4 inch	\$1,091.90	\$1,146.75	\$1,212.00
	6 inch	\$2,183.80	\$2,293.50	\$2,424.00
	8 inch	\$3,494.08	\$3,669.60	\$3,878.40
Wastewater Treatment (Residential and Commercial)	All Meters	\$10.26	\$10.77	\$11.38

6 10-YEAR CAPITAL IMPROVEMENT AND IMPROVEMENT, RENEWAL, AND REPLACEMENT PROGRAMS

AlexRenew manages its capital projects through its CIP and its IRR Program. The CIP and IRR Program are summarized in a 10-year plan and is a key element in planning for and managing to future regulatory compliance through large-scale capital investments. AlexRenew's 10-year CIP and IRR program budget for FY2026-2035 is \$1,028.2 million.

The 10-year plan is an important tool used to formulate future project financing plans, maximize federal and state grant opportunities, proactively plan for the replacement or reconstruction of essential assets nearing the end of their service life, and schedule and coordinate the execution of multiple projects to minimize operational impact.

With RiverRenew nearing completion, AlexRenew is now focused on necessary improvements and upgrades to the WRRF through the design and construction of the PhaseForward projects through FY2030. In addition to the RiverRenew and PhaseForward programs, highlights of the FY2026-2035 CIP include:

- **Campus-wide Electrical Upgrades Program Project.** A program to overhaul AlexRenew's wastewater treatment plant's electrical grid and related infrastructure.
- **Commonwealth Interceptor Upgrade Project.** A project to evaluate alternatives, in coordination with the City of Alexandria, to mitigate excess inflow and infiltration into the Commonwealth Separate Sanitary Area.
- **Climate Change Adaptation Project.** A project to assess vulnerabilities to climate change impacts and implement engineering solutions to protect AlexRenew assets and personnel.
- **HVAC System Upgrade Project.** A project to assess, replace and upgrade the HVAC systems across AlexRenew's campus.

Tables C.1 and C.2 in Appendix C summarize the 10-year CIP expenses. Additionally project sheets for each major CIP program are provided in Appendix C.

6.1 CIP and IRR Program Funding

Funding sources for the CIP and IRR program include loans, grants, revenue bond issues, bank lines of credit, capital contributions from Fairfax County, and cash contributions from AlexRenew's operations and reserves. AlexRenew has used loan programs including the Virginia Department of Environmental Quality (VDEQ) Clean Water Revolving Loan Fund (CWRLF), Virginia Pooled Financing Program (VPFP), and Water Infrastructure Finance and Innovation Act (WIFIA) program.

Additional details on the loans can be found under the detailed Parity Debt Service Fund statement in Appendix B. Table 6.1 illustrates the anticipated capital funding sources over the 10-year period including the continued significant debt financing to be utilized to fund the high level of ongoing RiverRenew construction and upcoming PhaseForward construction.

Table 6.1. Summary of Anticipated Funding Sources for the 10-year Capital Program

Funding Sources	Proposed FY26	Est. FY27	Est. FY28	Est. FY29	Est. FY30	Est. FY31	Est. FY32	Est. FY33	Est. FY34	Est. FY35	10-year Total
Operating Revenue	\$17.4	\$20.1	\$22.0	\$18.9	\$20.0	\$21.3	\$23.2	\$25.5	\$27.2	\$27.6	\$223.0
Fairfax IRR Contributions	\$54.3	\$67.9	\$62.4	\$69.3	\$62.1	\$40.5	\$23.8	\$18.8	\$11.0	\$27.5	\$437.8
Fairfax Capital Contributions	\$5.1	\$5.2	\$5.5	\$4.8	\$4.4	\$4.5	\$4.5	\$4.6	\$5.1	\$5.3	\$49.1
Debt Proceeds	\$113.4	\$42.0	\$27.0	\$30.0	\$23.0	\$12.0	\$0.0	\$11.0	\$9.0	\$0.0	\$267.4
Grants	-	-	-	-	-	-	-	-	-	-	-
Interest Income	\$1.3	\$1.3	\$1.3	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0	\$10.8
Cash	\$5.7	\$3.5	\$4.4	\$4.0	\$4.6	\$3.7	\$4.0	\$4.0	\$4.5	\$1.4	\$40.1
Total Estimated CIP Funding	\$197.2	\$140.0	\$122.6	\$128.0	\$115.0	\$83.0	\$56.5	\$65.0	\$57.9	\$62.9	\$1,028.2

¹Projected debt proceeds total for FY2026 is rounded for purposes of the table.

The CIP and related funding strategies comply with all relevant AlexRenew financial policies including the required 15 percent cash funding requirement and sufficient projected net revenues to produce coverage of debt service requirements in excess of the 1.6x policy minimum.

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APPENDIX A

DEFINITIONS

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IRR Program. Improvement, Renewal, and Replacement Program

CIP. Capital Improvement Program

CPI. Consumer Price Index

Operating Revenues. Rates collected from Alexandria customers and Fairfax County's payments for AlexRenew's day-to-day operations

Fairfax Capital Contributions. Fairfax County's payments for AlexRenew's CIP and IRR program

General Capital Proceeds Cash disbursed from loans and grants to fund capital projects

Operating Expenses. Costs associated with day-to-day operation of wastewater treatment and other AlexRenew facilities

Debt Service. Payments on outstanding debt

Capital Outlay. Costs associated with capital projects and IRR projects

Capital Project. A capital project (generally greater than \$500,000) that involves expenditures to construct or acquire assets of a relatively permanent nature such as property, plant, and equipment with a useful life that exceeds approximately three years.

IRR Project. A capital project (generally ranging from \$5,000 to \$500,000) that involves expenditures to construct or acquire assets of a relatively permanent nature such as property, plant, and equipment with a useful life that exceeds approximately three years.

Alex-Only Capital Projects. Capital projects that are the responsibility of AlexRenew only.

Joint Capital Projects. Capital projects for which AlexRenew and Fairfax County share joint responsibility.

WRRF. Water Resource Recovery Facility.

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APPENDIX B

THREE (3) YEAR BUDGET FORECAST – FUND STATEMENTS

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REVENUE FUND STATEMENT

AlexRenew's Indenture establishes nine (9) funds into which monies may be deposited to manage operating and maintenance, non-operating, and capital obligations. The collection and deposit of monies typically occurs monthly at specified times and in specified amounts, and in a prescribed order of priority.

AlexRenew is required to collect and deposit Revenues, as defined in the Indenture, in the Revenue Fund and make monthly transfers to each of its actively managed funds. Deposits to the Revenue Fund do not include Fairfax County IRR payments or Capital Contributions. These dollars are deposited by Fairfax County directly into the Joint Use Facilities Account of the IRR Fund or the Project or General Funds for capital outlay reimbursements, as appropriate.

Table B.1 presents adopted, proposed, and estimated revenues expected to be received by AlexRenew for the period FY2026-2028. In addition, planned revenue transfers to various operating and non-operating funds are provided to highlight the use or purpose of the funds.

Table B.1. Revenue Fund Summary

Revenues and Transfers to Revenue Fund	Adopted FY2025	Proposed FY2026	Var %	Estimated FY2027	Estimated FY2028
Revenues					
Wastewater Treatment Charges	\$60,420,321	\$63,441,337	5.0%	\$67,057,493	\$70,209,195
Fairfax County Operating Charge	\$12,838,293	\$14,662,764	14.2%	\$14,454,764	\$15,178,095
Total Revenues	\$ 73,258,614	\$78,104,102	6.6%	\$81,512,258	\$85,387,290
Transfers					
Transfer to Operating Fund (1), (2)	\$35,195,594	\$40,840,755	16.0%	\$40,262,043	\$42,279,395
Transfer to Parity Debt Service Fund	\$21,565,196	\$19,880,975	-7.8%	\$21,170,154	\$21,114,922
Transfer to IRR Fund - Joint Use Facilities Account	\$2,704,353	\$11,640,800	330.4%	\$11,244,604	\$11,149,064
Transfer to IRR Fund - General Account	\$1,822,000	\$1,023,760	-43.8%	\$708,941	\$779,322
Transfer to General Fund	\$11,971,472	\$4,717,812	-60.6%	\$8,126,517	\$10,064,587
Total Uses	\$73,258,615	\$78,104,102	6.6%	\$81,512,258	\$85,387,290

(1) Includes entire Fairfax County Operating Charge

(2) Includes the \$2.5M in FY2026 that will be transferred reserves to account for unforeseen events and emergencies (i.e. possible changes in regulations, impacts of federal layoffs on customer rate payments or other operating costs)

FAIRFAX COUNTY CONTRIBUTIONS

Table B.2 presents the summary of Fairfax County Contributions for the period FY2026-2028 and demonstrates the method by which Fairfax County annual payments and contributions are determined based on the capacity rights Fairfax County currently receives under the Fairfax County Service Agreement. Fairfax County currently makes equal monthly Operating Expense charge installments into the Revenue Fund, equal monthly contributions into the Joint Use Facilities Account of the IRR Fund, and variable monthly capital contributions (formulaic reimbursements based actual capital expenditures) into the Project Fund.

Table B.2. Fairfax County Contributions Summary

Fairfax County Contributions	Adopted FY2025	Proposed FY2026	Var %	Estimated FY2027	Estimated FY2028
Operating Expense Charge					
Total Est. Operating Expenses	\$35,295,594	\$40,925,755	16.0%	\$40,347,043	\$42,364,395
Less Est. "Alex-Only" Expenses	\$(4,683,060)	\$(5,115,719)	9.2%	\$(5,043,380)	\$(5,295,549)
Net Est. Joint Op. Expenses	\$30,612,534	\$35,810,036	17.0%	\$35,303,662	\$37,068,846
Est. Fairfax County Net Flow	42.0%	41.0%	-2.4%	41.0%	41.0%
Est. Fairfax County Op. Charge	\$12,857,264	\$14,682,115	14.2%	\$14,474,502	\$15,198,227
Less Alex-Only Flow Charge	\$(18,971)	\$(19,350)	2.0%	\$(19,737)	\$(20,132)
Est. Fairfax County Op. Charge	\$12,838,293	\$14,662,764	14.2%	\$14,454,764	\$15,178,095
IRR Fund - Joint Contribution:					
Est. Joint Use Plant Investment	\$943,664,099	\$1,225,138,139	29.8%	\$1,268,103,069	\$1,329,080,218
Est. Joint Use IRR Funding Pct	0.7%	0.7%	0.0%	0.7%	0.7%
Additional Transfers					
Est. Joint Use IRR Investment	\$6,605,649	\$8,575,967	29.8%	\$8,876,721	\$9,303,562
Investment Allocation at 60%	\$6,143,253	\$7,975,649	29.8%	\$8,255,351	\$8,652,312
Investment Allocation at 49%	\$396,339	\$514,558	29.8%	\$532,603	\$558,214
Investment Allocation at 32%	\$66,056	\$85,760	29.8%	\$88,767	\$93,036
Total IRR - Joint Investment	\$6,605,649	\$8,575,967	29.8%	\$8,876,721	\$9,303,562
Fairfax County Allocation at 60%	\$3,685,952	\$4,785,390	29.8%	\$4,953,211	\$5,191,387
Fairfax County Allocation at 49%	\$194,206	\$252,133	29.8%	\$260,976	\$273,525
Fairfax County Allocation at 32%	\$21,138	\$27,443	29.8%	\$28,406	\$29,771
Total Fairfax County IRR - Joint Contribution	\$3,901,296	\$5,064,966	29.8%	\$5,242,592	\$5,494,683
AlexRenew Joint IRR Contribution	\$2,704,353	\$3,511,001	29.8%	\$3,634,130	\$3,808,878
Capital Project Contribution - Joint Use Facilities:					
Est. Joint Capital Improvements at 60%/40%	\$44,160,000	\$74,115,000	67.8%	\$113,150,000	\$104,050,000
Fairfax County Allocation at 60%	\$26,496,000	\$44,469,000	67.8%	\$67,890,000	\$62,430,000
Est. Joint Capital Improvements at 49%/51%	\$750,000	\$500,000	-33.3%	-	-
Fairfax County Allocation at 49%	\$367,500	\$245,000	-33.3%	-	-
Est. Joint Capital Improvements RiverRenew	\$64,083,402	\$78,379,997	22.3%	-	-
Fairfax County Allocation (1)	\$9,988,276	\$9,599,129	-3.9%	-	-
Est. Joint Capital Improvements at 32%/68%	-	-	0.0%	-	-
Fairfax County Allocation at 32%	-	-	0.0%	-	-
Total Fairfax County Capital Contribution	\$36,851,776	\$54,313,129	47.4%	\$67,890,000	\$62,430,000
Total Fairfax County Contributions	\$53,591,365	\$74,040,859	38.2%	\$87,587,356	\$83,102,778

(1) Fairfax County allocation based on Contractor Schedule of Values

OPERATING FUND STATEMENT

The Operating Fund is primarily funded with Wastewater Treatment Charges and is used for expenses incurred in the day-to-day operations. These are expected expenses that happen daily, weekly, or monthly. These expenses include personnel, utilities, chemicals, operations and maintenance, Arlington sewage disposal, sludge disposal, and other administrative expenses. The schedule below presents adopted and estimated Operating Fund revenue and expenses expected by AlexRenew for the period FY2026-2028.

The Operating Fund estimates in Table B.3 are in compliance with the financial policy to maintain a combined 120 days cash on hand which includes 60 days in the Operating Fund.

Table B.3. Operating Fund Summary

Operating Expenses Categories	Adopted FY2025	Proposed FY2026	Var %	Estimated FY2027	Estimated FY2028
Revenues					
Transfer from Revenue Fund	\$35,195,594	\$40,840,755	16.0%	\$40,262,043	\$42,279,395
Interest Income	\$100,000	\$85,000	-15.0%	\$85,000	\$85,000
Total	\$35,295,594	\$40,925,755	16.0%	\$40,347,042	\$ 42,364,395
Expenses					
Personnel	\$17,210,991	\$18,334,520	6.5%	\$19,251,246	\$20,213,808
Utilities	\$4,248,000	\$4,684,240	10.3%	\$4,918,452	\$5,164,375
Chemicals	\$3,571,000	\$4,145,000	16.1%	\$4,352,250	\$4,569,863
Operation Maintenance	\$1,581,255	\$1,945,750	23.1%	\$2,043,038	\$2,145,189
Arlington Sewage Disposal	\$1,800,000	\$1,900,000	5.6%	\$1,995,000	\$2,094,750
Sludge Disposal	\$1,362,000	\$1,509,500	10.8%	\$1,584,975	\$1,664,224
General, Admin, Cust. Service and Other	\$5,522,348	\$5,906,745	7.0%	\$6,202,082	\$6,512,186
Transfer to Reserves (2)	\$0	\$2,5005,000	100.0%	\$0	\$0
Total	\$35,295,594	\$40,925,755	16.0%	\$40,347,043	\$42,364,395
Excess (Deficiency) (1)	\$ (0)	\$846,608		(\$95,131)	\$331,620
Fund Balance – Beginning	\$5,880,913	\$5,880,913		\$6,727,521	\$6,632,391
Fund Balance – Ending (1)	\$5,880,913	\$6,727,521		\$6,632,391	\$6,964,010

(1) Operating Reserve Requirement of 60 days, per AlexRenew's Financial Policy

(2) Transfer to reserves is to account for unforeseen events and emergencies (i.e. possible changes in regulations, impacts of federal layoffs on customer rate payments or other operating costs)

PARITY DEBT SERVICE FUND STATEMENT

The Parity Debt Service Fund includes the amounts due to pay principal and interest on outstanding and projected AlexRenew debt. To date, AlexRenew has borrowed from the Virginia Clean Water Revolving Loan Fund (CWRLF) and Virginia Pooled Financing Program (VPFP) through the Virginia Resources Authority (VRA) as well as through the federal Water Infrastructure Finance and Innovation Act (WIFIA) loan program. In FY2024, AlexRenew issued its own bonds to fund PhaseForward projects. Within the context of the Indenture, capital funding in this manner is deemed parity debt. Table B.4 illustrates the debt service payment schedule for FY2026-2028 which includes repayment on the AlexRenew bonds.

Table B.4. Parity Debt Service Fund Summary

Parity Debt Service Fund	Adopted FY2025	Proposed FY2026	Estimated FY2027	Estimated FY2028
Revenues				
Transfer from Revenue Fund	\$21,565,196	\$19,880,975	\$21,170,154	\$21,114,922
Interest Income	\$725,000	\$340,000	\$340,000	\$340,000
Total Revenue	\$22,290,195	\$20,220,974	\$21,510,154	\$21,454,922
Expenditures				
VRA BOND SERIES 00B INTEREST	\$-	\$-	\$-	\$-
VRA BOND SERIES 00B PRINCIPAL	\$-	\$-	\$-	\$-
VRA BOND SERIES 04 INTEREST	\$3,543	\$-	\$-	\$-
VRA BOND SERIES 04 PRINCIPAL	\$708,669	\$-	\$-	\$-
VRA BOND SERIES 06 INTEREST	\$20,798	\$12,979	\$5,589	\$-
VRA BOND SERIES 06 PRINCIPAL	\$830,185	\$737,180	\$744,570	\$-
VRA BOND SERIES 09 INTEREST	\$129,186	\$105,178	\$80,512	\$55,171
VRA BOND SERIES 09 PRINCIPAL	\$876,692	\$900,700	\$925,366	\$950,707
VRA BOND SERIES 11 INTEREST	\$101,157	\$91,227	\$81,063	\$70,659
VRA BOND SERIES 11 PRINCIPAL	\$420,053	\$429,982	\$440,146	\$450,550
VRA BOND SERIES 14A INTEREST	\$96,566	\$88,520	\$80,373	\$72,123
VRA BOND SERIES 14A PRINCIPAL	\$641,705	\$649,751	\$657,899	\$666,148
VRA BOND SERIES 14B INTEREST	\$17,792	\$16,231	\$14,652	\$13,054
VRA BOND SERIES 14B PRINCIPAL	\$128,859	\$131,192	\$132,771	\$134,369
VRA BOND SERIES 14C/24B INTEREST	\$811,772	\$806,675	\$799,116	\$783,356
VRA BOND SERIES 14C/24B PRINCIPAL	\$305,000	\$-	\$295,000	\$320,000
VRA BOND SERIES 17A INTEREST	\$830,759	\$797,319	\$762,084	\$730,334
VRA BOND SERIES 17A PRINCIPAL	\$635,000	\$670,000	\$705,000	\$735,000
VRA BOND SERIES 19 INTEREST	\$66,347	\$53,510	\$51,260	\$50,360
VRA BOND SERIES 19 PRINCIPAL	\$101,000	\$300,000	\$100,000	\$100,000
VRA BOND SERIES 21 INTEREST	\$2,441,500	\$1,977,657	\$1,902,822	\$1,826,974
VRA BOND SERIES 21 PRINCIPAL	\$8,451,600	\$6,485,456	\$6,573,305	\$6,662,345
WIFIA BOND SERIES 21 INTEREST	\$1,516,500	\$3,030,167	\$4,029,479	\$4,525,883
WIFIA BOND SERIES 21 PRINCIPAL	-	-	\$191,272	\$366,264
ALEXRENEW BOND SERIES 24 INTEREST	\$2,465,514	\$2,267,250	\$2,232,875	\$2,196,625
ALEXRENEW BOND SERIES 24 PRINCIPAL	\$690,000	\$670,000	\$705,000	\$745,000
Total Expenses	\$22,290,196	\$20,220,975	\$21,510,154	\$21,454,922
Total Interest	\$8,501,433	\$9,246,713	\$10,039,825	\$10,324,539
Total Principal	\$13,788,763	\$10,974,262	\$11,470,329	\$11,130,383

IRR FUND STATEMENT – JOINT USE FACILITIES ACCOUNT

The IRR Fund – Joint Use Facilities Account funds the project costs associated with the upgrade of infrastructure and equipment for the portions of the facility used jointly by Alexandria and Fairfax County.

As noted in the accompanying schedule, contributions to the Joint Use Facilities Account are made annually by both AlexRenew and Fairfax County in a combined amount equal to 0.7 percent of AlexRenew’s estimated joint capital asset value. Fairfax County’s portion of the total contribution is also based on the allocation percentages detailed on page B-4 and affirmed in the Fairfax County Service Agreement. Table B.5 illustrates IRR-Joint project expenses for FY2026-2028 that are necessary for ongoing AlexRenew’s asset repairs and improvements.

Table B.5. IRR Fund – Joint Use Facilities Account Summary

IRR Fund - Joint Use Facilities Account	Adopted FY2025	Proposed FY2026	Var %	Estimated FY2027	Estimated FY2028
Revenues					
Revenue Fund Transfer	\$2,704,353	\$11,640,800	330.4%	\$11,244,604	\$11,149,064
Fairfax County Contribution	\$3,901,296	\$5,064,966	29.8%	\$5,242,592	\$5,494,683
Total Revenues	\$6,605,649	\$16,705,766	152.9%	\$16,487,196	\$16,643,748
Expenses					
Campus Wide Projects	\$2,500,000	\$3,000,000	20.0%	\$4,000,000	\$3,000,000
Collection System Projects	\$100,000	\$500,000	400.0%	\$366,640	\$403,304
Information Technology Projects	\$500,000	\$500,000	0.0%	\$500,000	\$550,000
Compliance Laboratory	\$10,000	\$10,800	8.0%	\$11,664	\$12,830
Preliminary / Primary Infrastructure	\$250,000	\$1,000,000	300.0%	\$291,600	\$ 320,760
Secondary Infrastructure	\$1,500,000	\$1,500,000	0.0%	\$1,620,000	\$1,782,000
Solids Infrastructure	\$1,000,000	\$1,000,000	0.0%	\$1,166,400	\$1,283,040
Tertiary Infrastructure	\$1,763,900	\$1,000,000	-43.3%	\$683,500	\$751,850
Odor Control System	\$500,000	\$500,000	0.0%	\$500,000	\$550,000
Power Distribution Monitors	\$30,000	\$100,000	233.3%	\$30,000	\$33,000
West Campus Projects	\$750,000	\$1,000,000	33.3%	\$874,800	\$962,280
Safety and Security	\$1,030,000	\$1,530,000	48.5%	\$1,200,000	\$1,500,000
Joint IRR Expenses	\$9,933,900	\$11,640,801	17.2%	\$11,244,604	\$11,149,065
Excess (Deficiency)	\$(3,328,251)	\$5,064,965		\$5,242,592	\$5,494,682
Fund Balance - Beginning	\$2,758,373	\$(569,878)		\$4,495,087	\$9,737,679
Fund Balance - Ending	\$(569,878)	\$4,495,087		\$9,737,679	\$15,232,361

IRR FUND STATEMENT – GENERAL ACCOUNT

The IRR Fund – General Account funds the project costs associated with the upgrade of infrastructure and equipment for the portions of the facility used for the benefit of the Alexandria only.

Contributions to the General Account are made annually for projects AlexRenew determines are necessary to maintain the safe and effective operation for collection system and Alexandria-only campus needs. Table B.6 illustrates IRR - Alex-Only project expenses for FY2026-2028 necessary for continued improvement, renewal, and replacement associated with Alexandria-only assets.

Table B.6. IRR Fund – General Account Summary

IRR Fund - General Account	Adopted FY2025	Proposed FY2026	Var %	Estimated FY2027	Estimated FY2028
Revenues					
Revenue Fund Transfer	\$1,822,000	\$1,023,760	-43.8%	\$708,941	\$779,322
Total Revenue	\$1,822,000	\$1,023,760	-43.8%	\$708,941	\$779,322
Expenses					
Campus Wide Projects	\$22,000	\$23,760	8.0%	\$25,661	\$27,714
Collection System Projects	\$1,800,000	\$1,000,000	-44.4%	\$683,280	\$751,608
Total Expenses	\$1,822,000	\$1,023,760	-43.8%	\$708,941	\$779,322

GENERAL FUND STATEMENT

The General Fund is the repository of funds remaining after deposits to all other Funds are made and may be used for any lawful purpose of AlexRenew. AlexRenew uses the General Fund to finance Alexandria-only capital improvements, contribute cash funding to the joint capital program, manage unanticipated expenditures, and maintain sufficient reserves to promote ongoing financial strength.

The General Fund balance is projected to decrease \$12,625,000 through FY2026, with a projected balance of \$22.7 million. Table B.7 illustrates the General Fund balance for the period FY2026-2028 and includes demonstration of financial policy compliance to maintain 60 days of cash reserves in the General Reserve Sub-Fund.

Table B.7. General Fund Summary

General Fund	Adopted FY2025	Proposed FY2026	Var %	Estimated FY2027	Estimated FY2028
Revenues					
Revenue Fund Transfer	\$ 11,971,472	\$ 4,717,812	-60.6%	\$ 8,126,517	\$ 10,064,587
Interest Income	75,000	1,275,000	1600.0%	1,275,000	1,275,000
Total Revenues	\$ 12,046,472	\$ 5,992,812	-50.3%	\$ 9,401,517	\$ 11,339,587
Expenses					
Alex-only General Capital Expenses	\$ 10,844,400	\$ 13,900,000	28.2%	\$ 14,900,000	\$ 6,600,000
Transfer to Joint CIP Project Fund	0	4,717,812	0.0%	8,126,517	10,064,587
Total Expenses	\$ 10,844,400	\$ 18,617,812	71.7%	\$ 23,026,517	\$ 16,664,587
Fund Balance Increase (Decrease)	\$ 1,202,072	\$ (12,625,000)		\$ (13,625,000)	\$ (5,325,000)
Fund Balance - Beginning	\$ 40,381,560	\$ 41,583,633		\$ 41,583,633	\$ 27,958,633
Fund Balance - Ending	\$ 41,583,633	\$ 28,958,633		\$ 27,958,633	\$ 22,633,633
General Reserve sub-Fund ¹	\$ (5,802,015)	\$ (6,727,521)		\$ (6,632,391)	\$ (6,964,010)
Available Balance	\$ 35,781,617	\$ 22,231,111	-37.9%	\$ 21,326,242	\$ 15,669,623

¹ Additional Operating Reserve Requirement of 60 days cash per Board-approved financial policy

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**APPENDIX C 10-YEAR CAPITAL IMPROVEMENT AND IMPROVEMENT,
RENEWAL, AND REPLACEMENT PROGRAMS – SUMMARY
AND PROJECT SHEETS**

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Table C.1. FY2026-2035 10-year CIP Program – Summary

Summary of Expenditures		Adopted FY2025	Proposed FY2026	Est. FY2027	Est. FY2028	Est. FY2029	Est. FY2030	Est. FY2031	Est. FY2032	Est. FY2033	Est. FY2034	Est. FY2035	10-year Total
IRR Program	Alex-only IRR	\$1.8	\$1.0	\$0.7	\$0.8	\$0.3	\$0.3	\$0.4	\$0.4	\$0.4	\$0.4	\$0.4	\$5.1
	Joint IRR	\$9.9	\$11.6	\$11.2	\$11.1	\$9.6	\$8.7	\$8.9	\$9.1	\$9.3	\$10.2	\$10.6	\$100.5
	<i>Subtotal</i>	\$11.8	\$12.7	\$12.0	\$11.9	\$9.9	\$9.1	\$9.3	\$9.5	\$9.7	\$10.6	\$11.0	\$105.6
CIP – General	Alex-only CIP	\$10.8	\$13.9	\$14.9	\$6.6	\$2.6	\$2.5	\$6.2	\$7.4	\$24.0	\$28.9	\$6.0	\$112.8
	Joint CIP	\$44.9	\$74.6	\$113.2	\$104.1	\$115.5	\$103.5	\$67.6	\$39.7	\$31.4	\$18.4	\$45.9	\$713.8
	<i>Subtotal</i>	\$55.8	\$88.5	\$128.1	\$110.7	\$118.1	\$105.9	\$73.7	\$47.1	\$55.4	\$47.3	\$51.9	\$826.6
CIP – RiverRenew	RiverRenew Tunnel Project	\$107.7	\$96.0	-	-	-	-	-	-	-	-	-	\$96.0
	<i>Subtotal</i>	\$107.7	\$96.0	-	-	-	-	-	-	-	-	-	\$96.0
Total CIP/IRR Program		\$175.2	\$197.2	\$140.0	\$122.6	\$128.0	\$115.0	\$83.0	\$56.5	\$65.0	\$57.9	\$62.9	\$1,028.2

Table C.2. FY2026-2035 10-year CIP Program – Detailed Expenses

Projects	Total Project	Prior Years	Proposed FY2026	Estimated FY2027	Estimated FY2028	Estimated FY2029	Estimated FY2030	Estimated FY2031	Estimated FY2032	Estimated FY2033	Estimated FY2034	Estimated FY2035	10-year Total
IRR Program													
Alex-only IRR													
IRR: Campus Wide Projects	\$ 0.3	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.3
IRR: Collection System Projects	\$ 6.6	\$ 1.8	\$ 1.0	\$ 0.7	\$ 0.8	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.4	\$ 0.4	\$ 4.8
Alex-only IRR Subtotal	\$ 6.9	\$ 1.8	\$ 1.0	\$ 0.7	\$ 0.8	\$ 0.3	\$ 0.3	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 5.1
Joint IRR													
IRR: Campus-Wide Projects	\$ 26.5	\$ 2.5	\$ 3.0	\$ 4.0	\$ 3.0	\$ 2.0	\$ 2.0	\$ 2.0	\$ 2.0	\$ 2.0	\$ 2.0	\$ 2.0	\$ 24.0
IRR: West Campus Projects	\$ 11.1	\$ 0.8	\$ 1.0	\$ 0.9	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.1	\$ 1.1	\$ 1.1	\$ 1.2	\$ 10.3
IRR: Preliminary and Primary Infrastructure	\$ 4.4	\$ 0.3	\$ 1.0	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 4.1
IRR: Secondary Infrastructure	\$ 20.3	\$ 1.5	\$ 1.5	\$ 1.6	\$ 1.8	\$ 1.8	\$ 1.9	\$ 1.9	\$ 2.0	\$ 2.0	\$ 2.1	\$ 2.2	\$ 18.8
IRR: Tertiary Infrastructure	\$ 9.7	\$ 1.8	\$ 1.0	\$ 0.7	\$ 0.8	\$ 0.7	\$ 0.7	\$ 0.8	\$ 0.8	\$ 0.8	\$ 0.8	\$ 0.9	\$ 7.9
IRR: Solids Infrastructure	\$ 14.4	\$ 1.0	\$ 1.0	\$ 1.2	\$ 1.3	\$ 1.3	\$ 1.3	\$ 1.4	\$ 1.4	\$ 1.5	\$ 1.5	\$ 1.6	\$ 13.4
IRR: Odor Control System	\$ 4.6	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.6	\$ 1.0	\$ -	\$ -	\$ -	\$ -	\$ 0.8	\$ 0.8	\$ 4.1
IRR: WRRF Safety and Security	\$ 7.6	\$ 1.0	\$ 1.5	\$ 1.2	\$ 1.5	\$ 0.8	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.3	\$ 0.3	\$ 0.3	\$ 6.5
IRR: Collection System Projects	\$ 2.4	\$ 0.1	\$ 0.5	\$ 0.4	\$ 0.4	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.2	\$ 0.2	\$ 2.3
IRR: Power Distribution Monitors	\$ 0.3	\$ 0.0	\$ 0.1	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ -	\$ -	\$ 0.3
IRR: Compliance Laboratory	\$ 0.1	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.1
IRR: Tunnel Cleaning/Inspection	\$ 3.6	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.7	\$ 3.6
IRR: Information Technology Projects	\$ 5.6	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.6	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 5.1
Joint IRR Subtotal	\$ 110.5	\$ 9.9	\$ 11.6	\$ 11.2	\$ 11.1	\$ 9.6	\$ 8.7	\$ 8.9	\$ 9.1	\$ 9.3	\$ 10.2	\$ 10.6	\$ 100.5
IRR Program Total	\$ 117.4	\$ 11.8	\$ 12.7	\$ 12.0	\$ 11.9	\$ 9.9	\$ 9.1	\$ 9.3	\$ 9.5	\$ 9.7	\$ 10.6	\$ 11.0	\$ 105.6
CIP - General													
Alex-only Capital Improvement Projects													
Commonwealth Interceptor Upgrade Project	\$ 73.0	\$ 4.8	\$ 0.5	\$ -	\$ -	\$ -	\$ 1.7	\$ 4.8	\$ 6.2	\$ 22.6	\$ 27.8	\$ 4.8	\$ 68.3
Arlington County Capital Contributions	\$ 25.9	\$ 4.7	\$ 5.3	\$ 6.0	\$ 4.5	\$ 2.0	\$ 0.2	\$ 0.8	\$ 0.6	\$ 0.8	\$ 0.6	\$ 0.6	\$ 21.3
Potomac Interceptor Rehabilitation	\$ 14.8	\$ -	\$ 7.0	\$ 7.8	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 14.8
Environmental Center 5th Floor Build-out	\$ 1.5	\$ 1.0	\$ 0.5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.5
Environmental Center Lobby Upgrades	\$ 2.0	\$ -	\$ -	\$ 0.5	\$ 1.5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2.0
Capital Financing Fees	\$ 6.7	\$ 0.7	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6	\$ 6.0
Alex-only Capital Improvement Projects Subtotal	\$ 123.9	\$ 11.1	\$ 13.9	\$ 14.9	\$ 6.6	\$ 2.6	\$ 2.5	\$ 6.2	\$ 7.4	\$ 24.0	\$ 28.9	\$ 6.0	\$ 112.8

Table C.2. FY2025-2034 10-year CIP Program – Detailed Expenses (continued)

Projects	Total Project	Prior Years	Estimated FY2026	Estimated FY2027	Estimated FY2028	Estimated FY2029	Estimated FY2030	Estimated FY2031	Estimated FY2032	Estimated FY2033	Estimated FY2034	Estimated FY2035	10-year Total
Joint Capital Improvement Projects													
Biosolids Diversification	\$ 315.2	\$ 9.7	\$ 25.2	\$ 61.7	\$ 58.1	\$ 55.0	\$ 46.5	\$ 9.3	\$ -	\$ -	\$ -	\$ -	\$ 255.8
Headworks Renewal	\$ 120.5	\$ 6.7	\$ 20.7	\$ 18.8	\$ 22.1	\$ 23.4	\$ 13.3	\$ 15.6	\$ -	\$ -	\$ -	\$ -	\$ 113.8
Nutrient Reduction	\$ 120.2	\$ 1.2	\$ 2.5	\$ 3.5	\$ 14.0	\$ 23.0	\$ 25.0	\$ 20.0	\$ 20.0	\$ 11.0	\$ -	\$ -	\$ 119.0
Information Technology Infrastructure Upgrades	\$ 22.8	\$ 11.5	\$ 2.6	\$ 2.6	\$ 1.1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5.0	\$ 11.3
Process Optimization	\$ 13.0	\$ 0.5	\$ 5.0	\$ 7.5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12.5
Campus-wide Electrical Upgrade Program	\$ 81.0	\$ 1.0	\$ 2.5	\$ 2.5	\$ 5.0	\$ 7.5	\$ 12.5	\$ 15.0	\$ 15.0	\$ 10.0	\$ 5.0	\$ 5.0	\$ 80.0
Buildings L and G Elevator Replacement	\$ 3.0	\$ 1.0	\$ 2.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2.0
Warehouse and Inventory Upgrade	\$ 12.6	\$ 0.1	\$ 3.2	\$ 4.3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5.0	\$ 12.5
Plantwide Sump and Drain System Updates	\$ 7.7	\$ -	\$ 0.2	\$ 0.5	\$ 0.5	\$ 1.5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5.0	\$ 7.7
Plant Effluent Water System Improvements	\$ 9.1	\$ -	\$ 2.3	\$ 1.8	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5.0	\$ 9.1
NMF Wet Well Modifications	\$ 10.0	\$ -	\$ 1.0	\$ -	\$ -	\$ 2.0	\$ 2.0	\$ -	\$ -	\$ -	\$ -	\$ 5.0	\$ 10.0
Secondary Settling Tanks Refurbishment	\$ 10.5	\$ -	\$ 1.5	\$ 2.0	\$ 2.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5.0	\$ 10.5
Security Services During Construction	\$ 9.4	\$ 1.4	\$ 0.8	\$ 0.8	\$ 0.8	\$ 0.8	\$ 0.8	\$ 0.8	\$ 0.8	\$ 0.8	\$ 0.8	\$ 0.8	\$ 8.0
Reclaimed Water System Upgrade	\$ 1.6	\$ -	\$ 0.5	\$ 0.3	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 1.6
WRRF HVAC System Upgrade	\$ 19.5	\$ -	\$ -	\$ -	\$ -	\$ 2.0	\$ 2.5	\$ 5.5	\$ 2.5	\$ 1.5	\$ 0.5	\$ 5.0	\$ 19.5
Plantwide Chemical System Updates	\$ 12.0	\$ -	\$ 2.0	\$ 5.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5.0	\$ 12.0
South Carlyle Partnership	\$ 1.1	\$ -	\$ -	\$ -	\$ -	\$ 0.2	\$ 0.3	\$ 0.3	\$ 0.3	\$ -	\$ -	\$ -	\$ 1.1
North Bridge Structural Upgrades	\$ 10.5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.5	\$ 1.0	\$ 1.0	\$ 3.0	\$ 5.0	\$ -	\$ 10.5
Climate Change Resiliency Program	\$ 13.3	\$ 0.6	\$ 0.5	\$ 0.3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5.0	\$ 7.0	\$ -	\$ 12.8
Biosolids Regional Facility	\$ 0.4	\$ -	\$ 0.4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.4
Boiler Improvement Project	\$ 3.5	\$ -	\$ 1.5	\$ 1.5	\$ 0.5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3.5
Website Project	\$ 0.3	\$ -	\$ 0.2	\$ 0.1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.3
Joint Capital Improvement Projects Subtotal	\$ 797.1	\$ 33.7	\$ 74.6	\$ 113.2	\$ 104.1	\$ 115.5	\$ 103.5	\$ 67.6	\$ 39.7	\$ 31.4	\$ 18.4	\$ 45.9	\$ 713.8
General CIP Total	\$ 921.0	\$ 44.8	\$ 88.5	\$ 128.1	\$ 110.7	\$ 118.1	\$ 105.9	\$ 73.7	\$ 47.1	\$ 55.4	\$ 47.3	\$ 51.9	\$ 826.6
CIP - RiverRenew Program													
RiverRenew Tunnel Project - Alex Only	\$184.6	\$167.0	\$17.6	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$17.6
RiverRenew Tunnel Project - Joint	\$445.4	\$367.0	\$78.4	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$78.4
RiverRenew Tunnel Project Total	\$630.0	\$534.0	\$96.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$96.0
AlexRenew CIP Total	\$ 1,668.4	\$ 590.5	\$ 197.2	\$ 140.0	\$ 122.6	\$ 128.0	\$ 115.0	\$ 83.0	\$ 56.5	\$ 65.0	\$ 57.9	\$ 62.9	\$ 1,028.2

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Campus-Wide Projects (Alex-only)

Project Location:

Various Alex-only
infrastructure

Description: Any improvement, rehabilitation, and replacement projects designated as Alexandria-only.

Justification: Provide funds for improvement, rehabilitation, and replacement projects associated with non-process Alexandria-only infrastructure.

Program: Improvement, Renewal, and Replacement (IRR) Program

Cost Share Category: Alexandria Only (0% Fairfax County / 100% AlexRenew)

Schedule: Ongoing IRR program

Status: Replacements or repairs, as needed

Project Financials:

Expenditure	Fiscal Year (\$M)											
	Prior Year	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total
Total	\$0.02	\$0.02	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	\$0.30
Financing												
AlexRenew	\$0.02	\$0.02	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	\$0.30
Fairfax	-	-	-	-	-	-	-	-	-	-	-	-
Lifetime Total:									-			

Note: Prior Year amount represents adopted FY2025 budget.

Collection System Projects

Project Location: Alex-only Facilities

Description: Continued improvement, rehabilitation, and replacement of Alex-only collection system assets such as interceptors and trunk sewers.

Justification: To maintain the full functionality and reliability of AlexRenew's collection system.

Program: Improvement, Renewal, and Replacement (IRR) Program

Cost Share Category: Alexandria Only (0% Fairfax County / 100% AlexRenew)

Schedule: Ongoing IRR program

Status: Replacements or repairs, as needed

Project Financials:

Expenditure	Fiscal Year (\$M)											
	Prior Year	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total
Total	\$1.80	\$1.00	\$0.68	\$0.75	\$0.31	\$0.32	\$0.33	\$0.34	\$0.35	\$0.36	\$0.38	\$4.81
Financing												
AlexRenew	\$1.80	\$1.00	\$0.68	\$0.75	\$0.31	\$0.32	\$0.33	\$0.34	\$0.35	\$0.36	\$0.38	\$4.81
Fairfax	-	-	-	-	-	-	-	-	-	-	-	-
Lifetime Total:									-			

Note: Prior Year amount represents adopted FY2025 budget.

Campus Wide Projects (Joint)

Project Location: WRRF – Campus-wide

Description: All improvement, rehabilitation, and replacement projects on infrastructure, equipment, and systems across campus.

Justification: To maintain the full functionality and reliability of campus-wide systems.

Program: Improvement, Renewal, and Replacement (IRR) Program

Cost Share Category: Joint (60% Fairfax County / 40% AlexRenew)

Schedule: Ongoing IRR program

Status: Replacements or repairs, as needed

Project Financials:

Expenditure	Fiscal Year (\$M)											
	Prior Year	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total
Total	\$2.50	\$3.00	\$4.00	\$3.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$24.00
Financing												
AlexRenew	\$1.00	\$1.80	\$1.60	\$1.20	\$0.80	\$0.80	\$0.80	\$0.80	\$0.80	\$0.80	\$0.80	\$10.20
Fairfax	\$1.50	\$2.70	\$2.40	\$1.80	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	\$15.30
Lifetime Total:										–		

Note: Prior Year amount represents adopted FY2025 budget.

West Campus Projects

Project Location: Environmental Center

Description: All improvement, rehabilitation, and replacement projects associated with the Environmental Center.

Justification: To maintain the full functionality of the Environmental Center.

Program: Improvement, Renewal, and Replacement (IRR) Program

Cost Share Category: Environmental Center (49% Fairfax County / 51% AlexRenew)

Schedule: Ongoing IRR program

Status: Replacements or repairs, as needed

Project Financials:

Expenditure	Fiscal Year (\$M)											
	Prior Year	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total
Total	\$0.75	\$1.00	\$0.87	\$0.96	\$0.97	\$1.00	\$1.03	\$1.06	\$1.10	\$1.13	\$1.18	\$10.32
Financing												
AlexRenew	\$0.38	\$0.51	\$0.45	\$0.49	\$0.50	\$0.51	\$0.53	\$0.54	\$0.56	\$0.58	\$0.60	\$5.26
Fairfax	\$0.37	\$0.49	\$0.43	\$0.47	\$0.48	\$0.49	\$0.51	\$0.52	\$0.54	\$0.55	\$0.58	\$5.05
Lifetime Total:									–			

Note: Prior Year amount represents adopted FY2025 budget.

Description:	All improvement, rehabilitation, and replacement projects associated with the preliminary and primary treatment systems.
Justification:	To maintain the full functionality and reliability of the preliminary and primary treatment processes.
Program:	Improvement, Renewal, and Replacement (IRR) Program
Cost Share Category:	Joint (60% Fairfax County / 40% AlexRenew)
Schedule:	Ongoing IRR program
Status:	Replacements or repairs, as needed

Project Financials:

Expenditure	Fiscal Year (\$M)											
	Prior Year	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total
Total	\$0.25	\$1.00	\$0.29	\$0.32	\$0.32	\$0.33	\$0.34	\$0.35	\$0.37	\$0.38	\$0.39	\$4.11
Financing												
AlexRenew	\$0.10	\$0.40	\$0.12	\$0.13	\$0.13	\$0.13	\$0.14	\$0.14	\$0.15	\$0.15	\$0.16	\$1.64
Fairfax	\$0.15	\$0.60	\$0.17	\$0.19	\$0.19	\$0.20	\$0.21	\$0.21	\$0.22	\$0.23	\$0.24	\$2.46
Lifetime Total:									–			

Note: Prior Year amount represents adopted FY2025 budget.

Description: All improvement, rehabilitation, and replacement projects associated with the secondary treatment systems.

Justification: To maintain the full functionality and reliability of the secondary treatment processes.

Program: Improvement, Renewal, and Replacement (IRR) Program

Cost Share Category: Joint (60% Fairfax County / 40% AlexRenew)

Schedule: Ongoing IRR program

Status: Replacements or repairs, as needed

Project Financials:

Expenditure	Fiscal Year (\$M)											
	Prior Year	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total
Total	\$1.50	\$1.50	\$1.62	\$1.78	\$1.80	\$1.86	\$1.91	\$1.97	\$2.03	\$2.09	\$2.19	\$18.75
Financing												
AlexRenew	\$0.60	\$0.60	\$0.65	\$0.71	\$0.72	\$0.74	\$0.76	\$0.79	\$0.81	\$0.84	\$0.88	\$7.50
Fairfax	\$0.90	\$0.90	\$0.97	\$1.07	\$1.08	\$1.11	\$1.15	\$1.18	\$1.22	\$1.25	\$1.32	\$11.25
Lifetime Total:									–			

Note: Prior Year amount represents adopted FY2025 budget.

Description: All improvement, rehabilitation, and replacement projects associated with the tertiary treatment systems.

Justification: To maintain the full functionality and reliability of the tertiary treatment processes.

Program: Improvement, Renewal, and Replacement (IRR) Program

Cost Share Category: Joint (60% Fairfax County / 40% AlexRenew)

Schedule: Ongoing IRR program

Status: Replacements or repairs, as needed

Project Financials:

Expenditure	Fiscal Year (\$M)											
	Prior Year	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total
Total	\$1.76	\$1.00	\$0.68	\$0.75	\$0.72	\$0.74	\$0.76	\$0.78	\$0.81	\$0.83	\$0.87	\$7.95
Financing												
AlexRenew	\$0.71	\$0.40	\$0.27	\$0.30	\$0.29	\$0.30	\$0.30	\$0.31	\$0.32	\$0.33	\$0.35	\$3.18
Fairfax	\$1.06	\$0.60	\$0.41	\$0.45	\$0.43	\$0.44	\$0.46	\$0.47	\$0.48	\$0.50	\$0.52	\$4.77
Lifetime Total:									–			

Note: Prior Year amount represents adopted FY2025 budget.

FY2026 Capital Budget
Solids Infrastructure

Project Location: WRRF – Solids Processes

Description: All improvement, rehabilitation, and replacement projects associated with the solids treatment systems.

Justification: To maintain the full functionality and reliability of the solids treatment processes.

Program: Improvement, Renewal, and Replacement (IRR) Program

Cost Share Category: Joint (60% Fairfax County / 40% AlexRenew)

Schedule: Ongoing IRR program

Status: Replacements or repairs, as needed

Project Financials:

Expenditure	Fiscal Year (\$M)											
	Prior Year	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total
Total	\$1.00	\$1.00	\$1.17	\$1.28	\$1.30	\$1.34	\$1.38	\$1.42	\$1.46	\$1.50	\$1.58	\$13.42
Financing												
AlexRenew	\$0.40	\$0.40	\$0.47	\$0.51	\$0.52	\$0.53	\$0.55	\$0.57	\$0.58	\$0.60	\$0.63	\$5.37
Fairfax	\$0.60	\$0.60	\$0.70	\$0.77	\$0.78	\$0.80	\$0.83	\$0.85	\$0.88	\$0.90	\$0.95	\$8.05
Lifetime Total:									–			

Note: Prior Year amount represents adopted FY2025 budget.

FY2026 Capital Budget
Odor Control System

Project Location: WRRF – Odor Control System

Description: All improvement, rehabilitation, and replacement projects associated with the plant odor control systems.

Justification: To maintain the full functionality and reliability of the plant odor control processes.

Program: Improvement, Renewal, and Replacement (IRR) Program

Cost Share Category: Joint (60% Fairfax County / 40% AlexRenew)

Schedule: Ongoing IRR program

Status: Replacements or repairs, as needed

Project Financials:

Expenditure	Fiscal Year (\$M)											
	Prior Year	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total
Total	\$0.50	\$0.50	\$0.50	\$0.55	\$1.00	-	-	-	-	\$0.75	\$0.79	\$4.09
Financing												
AlexRenew	\$0.20	\$0.20	\$0.20	\$0.22	\$0.40	-	-	-	-	\$0.30	\$0.32	\$1.64
Fairfax	\$0.30	\$0.30	\$0.30	\$0.33	\$0.60	-	-	-	-	\$0.45	\$0.47	\$2.45
Lifetime Total:									-			

Note: Prior Year amount represents adopted FY2025 budget.

WRRF Safety and Security

Project Location: WRRF – Campus-wide

Description: All improvement, rehabilitation, and replacement projects associated with safety and security systems at the plant.

Justification: To continuously improve the overall safety and security of AlexRenew employees, vendors, contractors, and visitors at the plant.

Program: Improvement, Renewal, and Replacement (IRR) Program

Cost Share Category: Joint (60% Fairfax County / 40% AlexRenew)

Schedule: Ongoing IRR program

Status: Replacements or repairs, as needed

Project Financials:

Expenditure	Fiscal Year (\$M)											
	Prior Year	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total
Total	\$1.03	\$1.53	\$1.20	\$1.50	\$0.82	\$0.23	\$0.24	\$0.24	\$0.25	\$0.26	\$0.27	\$6.54
Financing												
AlexRenew	\$0.41	\$0.61	\$0.48	\$0.60	\$0.33	\$0.09	\$0.09	\$0.10	\$0.10	\$0.10	\$0.11	\$2.62
Fairfax	\$0.62	\$0.92	\$0.72	\$0.90	\$0.49	\$0.14	\$0.14	\$0.15	\$0.15	\$0.15	\$0.16	\$3.92
Lifetime Total:									–			

Note: Prior Year amount represents adopted FY2025 budget.

Collection System Projects

Project Location: Joint Use Facilities

Description: All improvement, rehabilitation, and replacement needs for collection system assets that serve both the City and Fairfax County to maintain their useful life.

Justification: To maintain the full functionality and reliability of collection system.

Program: Improvement, Renewal, and Replacement (IRR) Program

Cost Share Category: Joint (60% Fairfax County / 40% AlexRenew)

Schedule: Ongoing IRR program

Status: Replacements or repairs, as needed

Project Financials:

Expenditure	Fiscal Year (\$M)											
	Prior Year	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total
Total	\$0.10	\$0.50	\$0.37	\$0.40	\$0.13	\$0.13	\$0.14	\$0.14	\$0.15	\$0.15	\$0.16	\$2.27
Financing												
AlexRenew	\$0.04	\$0.20	\$0.15	\$0.16	\$0.05	\$0.05	\$0.06	\$0.06	\$0.06	\$0.06	\$0.06	\$0.91
Fairfax	\$0.06	\$0.30	\$0.22	\$0.24	\$0.08	\$0.08	\$0.08	\$0.09	\$0.09	\$0.09	\$0.09	\$1.36
Lifetime Total:									–			

Note: Prior Year amount represents adopted FY2025 budget.

Power Distribution Monitors

Project Location: WRRF – Campus-wide

Description: All replacement, addition, and modernization of existing power monitors at the plant to renew obsolete power distribution monitor system.

Justification: To improve the functionality of the power distribution monitor system.

Program: Improvement, Renewal, and Replacement (IRR) Program

Cost Share Category: Joint (60% Fairfax County / 40% AlexRenew)

Schedule: Ongoing IRR program

Status: Replace monitors as needed

Project Financials:

Expenditure	Fiscal Year (\$M)											
	Prior Year	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total
Total	\$0.03	\$0.10	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	-	-	\$0.31
Financing												
AlexRenew	\$0.01	\$0.04	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	-	-	\$0.13
Fairfax	\$0.02	\$0.06	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02	-	-	\$0.19
Lifetime Total:										–		

Note: Prior Year amount represents adopted FY2025 budget.

Compliance Laboratory

Project Location:

WRRF – Building G
Laboratory

Description: All improvement, rehabilitation, and replacement projects associated with the compliance laboratory.

Justification: To maintain the full functionality and reliability of the compliance laboratory.

Program: Improvement, Renewal, and Replacement (IRR) Program

Cost Share Category: Joint (60% Fairfax County / 40% AlexRenew)

Schedule: Ongoing IRR program

Status: Replacements or repairs, as needed

Project Financials:

Expenditure	Fiscal Year (\$M)											
	Prior Year	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total
Total	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.02	\$0.02	\$0.14
Financing												
AlexRenew	\$0.00	\$0.00	\$0.00	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.05
Fairfax	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.08
Lifetime Total:										–		

Note: Prior Year amount represents adopted FY2025 budget.

Tunnel Cleaning/Inspection

Project Location: RiverRenew Tunnel

Description: Inspection and cleaning to optimize the functionality of the RiverRenew tunnel.

Justification: To ensure the reliability and performance of the tunnel

Program: Improvement, Renewal, and Replacement (IRR) Program

Cost Share Category: Joint (60% Fairfax County / 40% AlexRenew)

Schedule: Ongoing

Status: Replacements or repairs, as needed

Project Financials:

Expenditure	Fiscal Year (\$M)											
	Prior Year	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total
Total	-	-	-	-	-	\$0.55	\$0.57	\$0.58	\$0.60	\$0.62	\$0.65	\$3.57
Financing												
AlexRenew	-	-	-	-	-	\$0.22	\$0.23	\$0.23	\$0.24	\$0.25	\$0.26	\$1.43
Fairfax	-	-	-	-	-	\$0.33	\$0.34	\$0.35	\$0.36	\$0.37	\$0.39	\$2.14
Lifetime Total:										-		

Note: Prior Year amount represents adopted FY2025 budget.

Information Technology Projects

Project Location:

WRRF – Campus-
Wide

Description: Ongoing lifecycle replacement and expansion of information technology (IT) assets.

Justification: To maintain the full functionality and reliability of AlexRenew's IT assets.

Program: Improvement, Renewal, and Replacement (IRR) Program

Cost Share Category: Joint (60% Fairfax County / 40% AlexRenew)

Schedule: Ongoing IRR program

Status: Replacements or repairs, as needed

Project Financials:

Expenditure	Fiscal Year (\$M)											
	Prior Year	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total
Total	\$0.50	\$0.50	\$0.50	\$0.55	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50	\$0.53	\$5.08
Financing												
AlexRenew	\$0.20	\$0.20	\$0.20	\$0.22	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20	\$0.21	\$2.03
Fairfax	\$0.30	\$0.30	\$0.30	\$0.33	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.32	\$3.05
Lifetime Total:									–			

Note: Prior Year amount represents adopted FY2025 budget.

Commonwealth Interceptor Upgrade Project

Project Location:

Commonwealth
Interceptor

Description: The Commonwealth Interceptor is a separate sanitary sewer that collects flows from the Del Ray, Rosemont, and North Ridge neighborhoods (known as the Commonwealth Separate Sewer Area) in Alexandria. The interceptor has sufficient capacity to convey sanitary sewer flows to AlexRenew; however, during periods of intense rain, the Commonwealth Separate Sanitary Sewer Area (owned by the City) is overwhelmed by excess infiltration and inflow (I/I). This excess I/I can cause sewer flooding and basement backups. In coordination with the City, the project will identify and evaluate alternatives to mitigate capacity issues caused by excess I/I. Costs represent if alternative to upsize the Commonwealth Interceptor is determined to be best option.

Justification: To mitigate capacity issues from excess I/I to the Commonwealth Interceptor

Program: Capital Improvement Program

Cost Share Category: Alexandria Only (0% Fairfax County / 100% AlexRenew)

Schedule: Alternatives analysis in FY2023-2025, Design (if needed) in FY2030-2032, Construction (if needed) in FY2032-2035

Status: Alternatives analysis is underway.

Project Financials:

Expenditure	Fiscal Year (\$M)											
	Prior Years	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total
Total	\$4.75	\$0.50	-	-	-	\$1.65	\$4.81	\$6.16	\$22.55	\$27.77	\$4.81	\$68.25
Financing												
AlexRenew	\$4.75	\$0.50	-	-	-	\$1.65	\$4.81	\$6.16	\$22.55	\$27.77	\$4.81	\$68.25
Fairfax	-	-	-	-	-	-	-	-	-	-	-	-
Lifetime Total:									\$73.00			

Note: Prior Years amount represents actual spend through FY2024 and adopted FY2025 budget.

Arlington County Capital Contributions

Project Location: Arlington County WPCP

Description: Arlington County treats wastewater flows from the northwestern quadrant of the City of Alexandria at its Water Pollution Control Plant (WPCP). Established in the service agreement between AlexRenew and Arlington County (dated July 1, 1977), AlexRenew makes annual contributions to Arlington County's Capital Improvement Program based on the established capacity share to fund upgrades to the WPCP.

Justification: To ensure AlexRenew meets its obligations under the service agreement with Arlington County.

Program: Capital Improvement Program

Cost Share Category: Alexandria Only (0% Fairfax County / 100% AlexRenew)

Schedule: Ongoing

Status: Annual contributions support Arlington County's identified project in their CIP.

Project Financials:

Expenditure	Fiscal Year (\$M)											
	Prior Year	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total
Total	\$4.67	\$5.30	\$6.00	\$4.50	\$2.00	\$0.21	\$0.75	\$0.60	\$0.80	\$0.55	\$0.55	\$21.26
Financing												
AlexRenew	\$4.67	\$5.30	\$6.00	\$4.50	\$2.00	\$0.21	\$0.75	\$0.60	\$0.80	\$0.55	\$0.55	\$21.26
Fairfax	-	-	-	-	-	-	-	-	-	-	-	-
Lifetime Total:									\$25.93			

Note: Prior Year amount represents adopted FY2025 budget.

Potomac Interceptor Rehabilitation

Project Location: Potomac Interceptor

Description: AlexRenew's Potomac Interceptor collects combined sewer flows from the City of Alexandria's sewer system through Old Town. A previous condition assessment identified the need to rehabilitate a portion of the Potomac Interceptor due to pipe settlement. Project will inspect and rehabilitate the Potomac Interceptor to address any existing and new issues.

Justification: To improve the performance and reliability of the Potomac Interceptor

Program: Capital Improvement Program

Cost Share Category: Alexandria Only (0% Fairfax County / 100% AlexRenew)

Schedule: Design in FY2025-2026, Construction in FY2027-2029

Status: Planning is underway.

Project Financials:

Expenditure	Fiscal Year (\$M)											
	Prior Years	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total
Total	-	\$7.00	\$7.80	-	-	-	-	-	-	-	-	-
Financing												
AlexRenew	-	\$7.00	\$7.80	-	-	-	-	-	-	-	-	-
Fairfax	-	-	-	-	-	-	-	-	-	-	-	-
Lifetime Total:												-

Note: Prior Years amount represents actual spend through FY2024 and adopted FY2025 budget.

Environmental Center 5th Floor Build-out

Project Location:

Environmental Center
– 5th Floor

Description: The 5th floor of the Environmental Center was left unfurnished in the completion of the building to provide flexibility for future needs. The project will complete the build-out of the space to provide additional office and collaboration space, including temporary use by the City of Alexandria's Transportation and Environmental Services – Sanitary Infrastructure Division.

Justification: To optimize the use of existing infrastructure and space.

Program: Capital Improvement Program

Cost Share Category: Alexandria Only (0% Fairfax County / 100% AlexRenew)

Schedule: Design in FY2024-FY2025, Construction in FY2025-2026

Status: Construction of the 5th-floor space is underway.

Project Financials:

Expenditure	Fiscal Year (\$M)											
	Prior Years	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total
Total	\$1.00	\$0.50	-	-	-	-	-	-	-	-	-	\$0.50
Financing												
AlexRenew	\$1.00	\$0.50	-	-	-	-	-	-	-	-	-	\$0.50
Fairfax	-	-	-	-	-	-	-	-	-	-	-	-
Lifetime Total:										\$1.50		

Note: Prior Years amount represents actual spend through FY2024 and adopted FY2025 budget.

Environmental Center Lobby Upgrades

Project Location: Environmental Center

Description: Upgrade AlexRenew's administrative building's lobby. Improvements include updates to the educational exhibits to incorporate understanding of AlexRenew's new and existing assets and operations and security upgrades.

Justification: To educate visitors and the community about AlexRenew's work and mission

Program: Capital Improvement Program

Cost Share Category: Alexandria Only (0% Fairfax County / 100% AlexRenew)

Schedule: Design in FY2027, implementation in FY2028.

Status: Design to start in FY2027

Project Financials:

Expenditure	Fiscal Year (\$M)											
	Prior Years	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total
Total	-	-	\$0.50	\$1.50	-	-	-	-	-	-	-	\$2.00
Financing												
AlexRenew	-	-	\$0.50	\$1.50	-	-	-	-	-	-	-	\$2.00
Fairfax	-	-	-	-	-	-	-	-	-	-	-	-
Lifetime Total:									\$2.00			

Note: Prior Years amount represents actual spend through FY2024 and adopted FY2025 budget.

Capital Financing Fees

Project Location: Any AlexRenew asset

Description: Fees associated with the financing of the CIP program

Justification: Financing fees including financial advisory fees, legal fees, rate consultant work, loan applications fees, and serving fees for debt-funded capital projects.

Program: Capital Improvement Program

Cost Share Category: Alexandria Only (0% Fairfax County / 100% AlexRenew)

Schedule: Ongoing to support CIP

Status: As-needed

Project Financials:

Expenditure	Fiscal Year (\$M)											
	Prior Year	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total
Total	\$0.70	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60	\$6.00
Financing												
AlexRenew	\$0.70	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60	\$6.00
Fairfax	-	-	-	-	-	-	-	-	-	-	-	-
Lifetime Total:									\$6.70			

Note: Prior Year amount represents adopted FY2025 budget.

Description:	AlexRenew's solids processes are being evaluated under a Solids Master Plan (SMP). The SMP identified short-, medium-, and long-term recommendations to improve solids handling and meet future regulatory needs. Short- and medium-term improvements will be implemented through a Construction Management At-Risk (CMAR) contract.
Justification:	To improve the performance and reliability of the WRRF's solids processing.
Program:	Capital Improvement Program
Cost Share Category:	Joint (60% Fairfax County / 40% AlexRenew)
Schedule:	SMP: FY2021-FY2025 Short- and medium-term improvements: CMAR Construction – FY2025-2030 Long-term improvements: FY2031-2037
Status:	SMP completed in FY2025, CMAR is in progress.

Project Financials:

Expenditure	Fiscal Year (\$M)											
	Prior Years	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total
Total	\$9.73	\$25.20	\$61.72	\$58.07	\$55.00	\$46.50	\$9.31	-	-	-	-	\$255.80
Financing												
AlexRenew	\$3.89	\$10.08	\$24.69	\$23.23	\$22.00	\$18.60	\$3.72	-	-	-	-	\$102.32
Fairfax	\$5.84	\$15.12	\$37.03	\$34.84	\$33.00	\$27.90	\$5.59	-	-	-	-	\$153.48
Lifetime Total:									\$315.17			

Note: Prior Years amount represents actual spend through FY2024 and adopted FY2025 budget. Lifetime budget includes total capital cost through FY2037.

FY2026 Capital Budget
Headworks Renewal

Project Location: WRRF – Preliminary and Primary Systems

Description: Program to assess and upgrade AlexRenew’s preliminary and primary treatment systems that are reaching the end of their useful life. An initial assessment identified improvements that will be implemented through a Construction Manager At-Risk contract.

Justification: To improve the reliability and performance of the preliminary and primary systems.

Program: Capital Improvement Program

Cost Share Category: Joint (60% Fairfax County / 40% AlexRenew)

Schedule: Design in FY2025-2027 and Construction in FY2026-2031.

Status: CMAR contract began in FY2025.

Project Financials:

Expenditure	Fiscal Year (\$M)											
	Prior Years	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total
Total	\$6.65	\$20.70	\$18.78	\$22.08	\$23.40	\$13.27	\$15.57	-	-	-	-	\$113.80
Financing												
AlexRenew	\$2.66	\$8.28	\$7.51	\$8.83	\$9.36	\$5.31	\$6.23	-	-	-	-	\$45.52
Fairfax	\$3.99	\$12.42	\$11.27	\$13.25	\$14.04	\$7.96	\$9.34	-	-	-	-	\$68.28
Lifetime Total:										\$120.45		

Note: Prior Years amount represents actual spend through FY2024 and adopted FY2025 budget.

Nutrient Reduction

Project Location: WRRF – Building G

Description: Project to assess, repair, and upgrade the tertiary treatment system that is reaching the end of its useful life. The project will include tertiary filters, settling tanks, and chemical dosing systems.

Justification: Improved reliability of the tertiary systems.

Program: Capital Improvement Program

Cost Share Category: Joint (28% Fairfax County / 72% AlexRenew – cost share under development)

Schedule: Design of recommended repairs in FY2025. Construction is expected to start in FY2027.

Status: Assessment in progress.

Project Financials:

Expenditure	Fiscal Year (\$M)											Total
	Prior Years	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	
Total	\$1.20	\$2.50	\$3.50	\$13.95	\$23.00	\$25.00	\$20.00	\$20.00	\$11.00	-	-	\$118.95
Financing												
AlexRenew	\$0.87	\$1.80	\$2.53	\$10.07	\$16.60	\$18.05	\$14.44	\$14.44	\$7.94			\$85.86
Fairfax	\$0.33	\$0.70	\$0.97	\$3.88	\$6.40	\$6.95	\$5.56	\$5.56	\$5.56			\$33.09
Lifetime Total:									\$120.15			

Note: Prior Years amount represents actual spend through FY2024 and adopted FY2025 budget.

Information Technology Infrastructure Upgrades

Project Location:

Various

Description: AlexRenew's information technology (IT) equipment and applications are essential to ensuring the operations of the organization. Regular updates are necessary to modernize AlexRenew in the face of changing cybersecurity threats. Upgrades have been identified and are underway to various IT equipment and applications including AlexRenew's network and SCADA. Program also includes current project to upgrade AlexRenew's asset management software.

Justification: Ensure the cybersecurity of AlexRenew and improve tracking and management of asset operation/performance/reliability across the organization.

Program: Capital Improvement Program

Cost Share Category: Joint (60% Fairfax County / 40% AlexRenew)

Schedule: Implementation in FY2023-2028.

Status: Upgrades underway

Project Financials:

Expenditure	Fiscal Year (\$M)											
	Prior Years	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total
Total	\$11.50	\$2.63	\$2.50	\$1.05	-	-	-	-	-	-	\$5.00	\$11.18
Financing												
AlexRenew	\$4.60	\$1.05	\$1.00	\$0.42	-	-	-	-	-	-	\$2.00	\$4.47
Fairfax	\$6.90	\$1.58	\$1.50	\$0.63	-	-	-	-	-	-	\$3.00	\$6.71
Lifetime Total:									\$22.68			

Note: Prior Years amount represents actual spend through FY2024 and adopted FY2025 budget.

Process Optimization

Project Location: WRRF – Building 69

Description: The centrate pretreatment (CPT) facility provides energy-efficient ammonia removal and requires upgrades. Project will assess, repair, and improve the CPT system.

Justification: To improve the reliability and efficiency of the CPT process.

Program: Capital Improvement Program

Cost Share Category: Joint (60% Fairfax County / 40% AlexRenew)

Schedule: Implementation in FY2025-2027

Status: An assessment of the existing system was completed in FY2025. CPT facility improvements are in progress from FY2025 to FY2026.

Project Financials:

Expenditure	Fiscal Year (\$M)											Total
	Prior Years	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	
Total	\$0.50	\$5.00	\$7.50	-	-	-	-	-	-	-	-	\$12.50
Financing												
AlexRenew	\$0.20	\$2.00	\$3.00	-	-	-	-	-	-	-	-	\$5.00
Fairfax	\$0.30	\$3.00	\$4.50	-	-	-	-	-	-	-	-	\$7.50
Lifetime Total:									\$13.00			

Note: Prior Years amount represents actual spend through FY2024 and adopted FY2025 budget.

Campus-wide Electrical Upgrade Program

Project Location: WRRF – Campus-wide

Description: AlexRenew relies on the electrical grid throughout the WRRF's campus to ensure continuous operations of treatment equipment/processes. A program is needed to assess, design, and implement an overhaul of the WRRF's electrical grid and related infrastructure.

Justification: Ensure the reliability, safety, and efficiency of the WRRF's electrical systems.

Program: Capital Improvement Program

Cost Share Category: Joint (60% Fairfax County / 40% AlexRenew)

Schedule: Assessment and design in FY2025-2026, Construction in FY2027-2034

Status: Assessment to begin in FY2025.

Project Financials:

Expenditure	Fiscal Year (\$M)											
	Prior Years	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total
Total	\$1.00	\$2.50	\$2.50	\$5.00	\$7.50	\$12.50	\$15.00	\$15.00	\$10.00	\$5.00	\$5.00	\$80.00
Financing												
AlexRenew	\$0.40	\$1.00	\$1.00	\$2.00	\$3.00	\$5.00	\$6.00	\$6.00	\$4.00	\$2.00	\$2.00	\$32.00
Fairfax	\$0.60	\$1.50	\$1.50	\$3.00	\$4.50	\$7.50	\$9.00	\$9.00	\$6.00	\$3.00	\$3.00	\$48.00
Lifetime Total:									\$81.00			

Note: Prior Years amount represents actual spend through FY2024 and adopted FY2025 budget.

Buildings L and G Elevator Replacement

Project Location:

WRRF – Buildings
L & G

Description: The elevators in Buildings L and G are used daily to move people and equipment. Both Building L and G elevators are reaching end of useful life and require replacement.

Justification: To replace obsolete equipment and improve the reliability and performance of the elevators

Program: Capital Improvement Program

Cost Share Category: Joint (60% Fairfax County / 40% AlexRenew)

Schedule: Construction in FY2025

Status: Procurement anticipated for FY2024, and construction in FY2025.

Project Financials:

Expenditure	Fiscal Year (\$M)											
	Prior Years	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total
Total	\$1.00	\$2.00	-	-	-	-	-	-	-	-	-	\$2.00
Financing												
AlexRenew	\$0.40	\$0.80	-	-	-	-	-	-	-	-	-	\$0.80
Fairfax	\$0.60	\$1.20	-	-	-	-	-	-	-	-	-	\$1.20
Lifetime Total:									\$3.00			

Note: Prior Years amount represents actual spend through FY2024 and adopted FY2025 budget.

Warehouse and Inventory Upgrade

Project Location: WRRF – Building F

Description: AlexRenew warehouse is used to store spare parts, equipment, and supplies necessary to maintain treatment processes. The existing warehouse space has limited storage space. Project will repurpose an existing facility to serve as AlexRenew's centralized warehouse to provide additional space for storage and coordinate with ongoing asset management project.

Justification: To improve storage of and access to necessary spare parts, equipment, and supplies for maintaining AlexRenew's assets.

Program: Capital Improvement Program

Cost Share Category: Joint (60% Fairfax County / 40% AlexRenew)

Schedule: Planning and design in FY2024-2026, Construction in FY2026-2027.

Status: Planning and design underway.

Project Financials:

Expenditure	Fiscal Year (\$M)											
	Prior Years	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total
Total	\$0.10	\$3.20	\$4.30	-	-	-	-	-	-	-	\$5.00	\$12.50
Financing												
AlexRenew	\$0.04	\$1.28	\$1.72	-	-	-	-	-	-	-	\$2.00	\$5.00
Fairfax	\$0.06	\$1.92	\$2.58	-	-	-	-	-	-	-	\$3.00	\$7.50
Lifetime Total:										\$12.60		

Note: Prior Years amount represents actual spend through FY2024 and adopted FY2025 budget.

Plantwide Sump and Drain System Updates

Project Location: WRRF – Campus-wide

Description: The WRRF includes a system of various sump and drain infrastructure to remove fluids from process areas. Project will assess, repair, and modify of the sumps and drainage systems.

Justification: Improved reliability of the WRRF drainage network.

Program: Capital Improvement Program

Cost Share Category: Joint (60% Fairfax County / 40% AlexRenew)

Schedule: Assessment and implementation in FY2026-2029

Status: Project moved to start in FY2026.

Project Financials:

Expenditure	Fiscal Year (\$M)											
	Prior Years	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total
Total	-	\$0.20	\$0.50	\$0.50	\$1.50	-	-	-	-	-	\$5.00	\$7.70
Financing												
AlexRenew	-	\$0.08	\$0.20	\$0.20	\$0.60	-	-	-	-	-	\$2.00	\$3.08
Fairfax	-	\$0.12	\$0.30	\$0.30	\$0.90	-	-	-	-	-	\$3.00	\$4.62
Lifetime Total:									\$7.70			

Note: Prior Years amount represents actual spend through FY2024 and adopted FY2025 budget.

Plant Effluent Water System Improvements

Project Location:

WRRF – Building F

Description: AlexRenew's WRRF uses highly-treated plant effluent water instead of potable water to support operations. Upgrades to various components of the plant effluent water system are needed.

Justification: Increased reliability and efficiency of the plant effluent water system.

Program: Capital Improvement Program

Cost Share Category: Joint (60% Fairfax County / 40% AlexRenew)

Schedule: Design and construction in FY2026-2027.

Status: Project not yet started.

Project Financials:

Expenditure	Fiscal Year (\$M)											
	Prior Years	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total
Total	-	\$2.29	\$1.80	-	-	-	-	-	-	-	\$5.00	\$9.09
Financing												
AlexRenew	-	\$0.92	\$0.72	-	-	-	-	-	-	-	\$2.00	\$3.64
Fairfax	-	\$1.37	\$1.08	-	-	-	-	-	-	-	\$3.00	\$5.45
Lifetime Total:									\$9.09			

Note: Prior Years amount represents actual spend through FY2024 and adopted FY2025 budget.

NMF Wet Well Modifications

Project Location: Building 60 (NMF)

Description: AlexRenew's Nutrient Management Facility (NMF) was constructed to include a wet well that is no longer needed. Project will assess, design, and construct modifications to or eliminate the NMF wet well.

Justification: To modify the NMF wet well to ensure efficient performance of NMF.

Program: Capital Improvement Program

Cost Share Category: Joint (60% Fairfax County / 40% AlexRenew)

Schedule: Assessment in FY2026, Design and construction in FY2029-2030

Status: Project has not yet started.

Project Financials:

Expenditure	Fiscal Year (\$M)											
	Prior Years	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total
Total	-	\$1.00	-	-	\$2.00	\$2.00	-	-	-	-	\$5.00	\$10.00
Financing												
AlexRenew	-	\$0.40	-	-	\$0.80	\$0.80	-	-	-	-	\$2.00	\$4.00
Fairfax	-	\$0.60	-	-	\$1.20	\$1.20	-	-	-	-	\$3.00	\$6.00
Lifetime Total:									\$10.00			

Note: Prior Years amount represents actual spend through FY2024 and adopted FY2025 budget.

Secondary Settling Tanks Refurbishment

Project Location:

WRRF – Secondary
Settling Tanks

Description: AlexRenew uses settling tanks (SSTs) as part of its secondary treatment processes. The internal chain and flight systems used in the SSTs are reaching the end of their useful life and require replacement.

Justification: Improve the reliability and performance of the SSTs

Program: Capital Improvement Program

Cost Share Category: Joint (60% Fairfax County / 40% AlexRenew)

Schedule: Design in FY2025; Construction in FY2026-2027

Status: Equipment procurement to begin in FY2025.

Project Financials:

Expenditure	Fiscal Year (\$M)											
	Prior Years	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total
Total	-	\$1.50	\$2.00	\$2.00	-	-	-	-	-	-	\$5.00	\$10.50
Financing												
AlexRenew	-	\$0.60	\$0.80	\$0.80	-	-	-	-	-	-	\$2.00	\$4.20
Fairfax	-	\$0.90	\$1.20	\$1.20	-	-	-	-	-	-	\$3.00	\$6.30
Lifetime Total:									\$10.50			

Note: Prior Years amount represents actual spend through FY2024 and adopted FY2025 budget.

Security Services During Construction

Project Location: WRRF – Campus-wide

Description: AlexRenew uses security guards posted at entry points to monitor access to the WRRF. During major plant construction (i.e. RiverRenew and PhaseForward), additional guards are required to maintain plant security while allowing trucks to use additional WRRF gates.

Justification: To maintain site security during and support construction of RiverRenew Tunnel project and PhaseForward program.

Program: Capital Improvement Program

Cost Share Category: Joint (60% Fairfax County / 40% AlexRenew)

Schedule: Schedule aligns with the RiverRenew Tunnel Project and PhaseForward construction.

Status: Ongoing, as-needed to support truck routes

Project Financials:

Expenditure	Fiscal Year (\$M)											
	Prior Years	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total
Total	\$1.38	\$0.80	\$0.80	\$0.80	\$0.80	\$0.80	\$0.80	\$0.80	\$0.80	\$0.80	\$0.80	\$8.00
Financing												
AlexRenew	\$0.55	\$0.32	\$0.32	\$0.32	\$0.32	\$0.32	\$0.32	\$0.32	\$0.32	\$0.32	\$0.32	\$3.20
Fairfax	\$0.83	\$0.48	\$0.48	\$0.48	\$0.48	\$0.48	\$0.48	\$0.48	\$0.48	\$0.48	\$0.48	\$4.80
Lifetime Total:									\$9.38			

Note: Prior Years amount represents actual spend through FY2024 and adopted FY2025 budget.

Reclaimed Water System Upgrade

Project Location:

WRRF – Building F

Description: AlexRenew has the capability to produce reclaimed water (RW) for use on-site or in the community. The RW system requires upgrades to ensure it remains operational and reliable.

Justification: To meet future RW demands and maintain system performance and reliability.

Program: Capital Improvement Program

Cost Share Category: Joint (60% Fairfax County / 40% AlexRenew)

Schedule: Design in FY2025-2027, Construction in FY2029-2032

Status: Existing system performance was assessed under a previous study.

Project Financials:

Expenditure	Fiscal Year (\$M)											
	Prior Years	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total
Total	-	\$0.50	\$0.30	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$1.60
Financing												
AlexRenew	-	\$0.20	\$0.12	\$0.04	\$0.04	\$0.04	\$0.04	\$0.04	\$0.04	\$0.04	\$0.04	\$0.64
Fairfax	-	\$0.30	\$0.18	\$0.06	\$0.06	\$0.06	\$0.06	\$0.06	\$0.06	\$0.06	\$0.06	\$0.96
Lifetime Total:									\$1.60			

Note: Prior Years amount represents actual spend through FY2024 and adopted FY2025 budget.

WRRF HVAC System Upgrade

Project Location: WRRF – Campus-wide

Description: Assessment, replacement, and modification of HVAC systems across the AlexRenew campus.

Justification: Increased reliability and performance of campus HVAC systems.

Program: Capital Improvement Program

Cost Share Category: Joint (60% Fairfax County / 40% AlexRenew)

Schedule: Assessment, design, and construction in FY2029-2034

Status: Project has not yet started.

Project Financials:

Expenditure	Fiscal Year (\$M)											
	Prior Years	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total
Total	-	-	-	-	\$2.00	\$2.50	\$5.50	\$2.50	\$1.50	\$0.50	\$5.00	\$19.50
Financing												
AlexRenew	-	-	-	-	\$0.80	\$1.00	\$2.20	\$1.00	\$0.60	\$0.20	\$2.00	\$7.80
Fairfax	-	-	-	-	\$1.20	\$1.50	\$3.30	\$1.50	\$0.90	\$0.30	\$3.00	\$11.70
Lifetime Total:									\$19.50			

Note: Prior Years amount represents actual spend through FY2024 and adopted FY2025 budget.

Plantwide Chemical System Updates

Project Location: WRRF – Campus-wide

Description: AlexRenew uses chemicals for process control and permit compliance. These chemicals must be safely stored and distributed to multiple unit processes on-site. Chemical storage and distribution systems are approaching the end of their useful life.

Justification: Improve reliability and safety of the WRRF's chemical systems.

Program: Capital Improvement Program

Cost Share Category: Joint (60% Fairfax County / 40% AlexRenew)

Schedule: Planning and design in FY2026, Construction in FY2026-2027

Status: A chemical system study will be performed in FY2026.

Project Financials:

Expenditure	Fiscal Year (\$M)											
	Prior Years	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total
Total	-	\$2.00	\$5.00	-	-	-	-	-	-	-	\$5.00	\$12.00
Financing												
AlexRenew	-	\$0.80	\$2.00	-	-	-	-	-	-	-	\$2.00	\$4.80
Fairfax	-	\$1.20	\$3.00	-	-	-	-	-	-	-	\$3.00	\$7.20
Lifetime Total:										\$12.00		

Note: Prior Years amount represents actual spend through FY2024 and adopted FY2025 budget.

Description: The garage of the Environmental Center was designed to connect to the future Carlye Plaza II development. Engineering and/or construction oversight services are necessary to ensure that considerations for the protection of the Environmental Center and AlexRenew's operations are considered and coordinated with the design and construction of future development.

Justification: To protect the Environmental Center structure and maintain AlexRenew's operations during the Carlye Plaza II development's design and construction

Program: Capital Improvement Program

Cost Share Category: Joint (60% Fairfax County / 40% AlexRenew)

Schedule: Project will align with the Carlye Plaza II development's design and construction schedule, currently anticipated for FY2029-2032

Status: Project has not yet started.

Project Financials:

Expenditure	Fiscal Year (\$M)											
	Prior Years	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total
Total	-	-	-	-	\$0.20	\$0.30	\$0.30	\$0.30	-	-	-	\$1.10
Financing												
AlexRenew	-	-	-	-	\$0.08	\$0.12	\$0.12	\$0.12	-	-	-	\$0.44
Fairfax	-	-	-	-	\$0.12	\$0.18	\$0.18	\$0.18	-	-	-	\$0.66
Lifetime Total:									\$1.10			

Note: Prior Years amount represents actual spend through FY2024 and adopted FY2025 budget.

North Bridge Structural Upgrades

Project Location: WRRF – North Bridge

Description: AlexRenew's North Bridge, which was built in 1976, serves as a primary access point for all deliveries and hauling for WRRF operations. This project will assess, design, and implement any structural upgrades necessary.

Justification: Maintain the structural integrity of the North Bridge.

Program: Capital Improvement Program

Cost Share Category: Joint (60% Fairfax County / 40% AlexRenew)

Schedule: Design in FY2030-2032, Construction in FY2032-2034

Status: Project has not yet started.

Project Financials:

Expenditure	Fiscal Year (\$M)											
	Prior Years	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total
Total	-	-	-	-	-	\$0.50	\$1.00	\$1.00	\$3.00	\$5.00	-	\$10.50
Financing												
AlexRenew	-	-	-	-	-	\$0.20	\$0.40	\$0.40	\$1.20	\$2.00	-	\$4.20
Fairfax	-	-	-	-	-	\$0.30	\$0.60	\$0.60	\$1.80	\$3.00	-	\$6.30
Lifetime Total:									\$10.50			

Note: Prior Years amount represents actual spend through FY2024 and adopted FY2025 budget.

Climate Change Resiliency Program

Project Location: WRRF – Campus-wide

Description:	AlexRenew is susceptible to climate change impacts, including extreme temperatures and more frequent/intense weather events. This program assesses facility vulnerabilities to climate change impacts and implements engineering solutions to protect AlexRenew assets and personnel.
Justification:	Program aligns with AlexRenew’s strategic goal of Operational Excellence.
Program:	Capital Improvement Program
Cost Share Category:	Joint (60% Fairfax County / 40% AlexRenew)
Schedule:	Study/short-term initiatives to be completed in FY2027, long-term initiatives to begin implementation in FY2033.
Status:	Study to identify short- and long-term initiatives to be completed in FY2025.

Project Financials:

Expenditure	Fiscal Year (\$M)											
	Prior Years	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total
Total	\$0.59	\$0.50	\$0.25	-	-	-	-	-	\$5.00	\$7.00	-	\$12.75
Financing												
AlexRenew	\$0.24	\$0.20	\$0.10	-	-	-	-	-	\$2.00	\$2.80	-	\$5.10
Fairfax	\$0.35	\$0.30	\$0.15	-	-	-	-	-	\$3.00	\$4.20	-	\$7.65
Lifetime Total:									\$13.34			

Note: Prior Years amount represents actual spend through FY2024 and adopted FY2025 budget.

Biosolids Regional Facility

Project Location: WRRF – Campus-wide

Description: AlexRenew is conducting a feasibility study in collaboration with other norther Virginia wastewater authorities to investigate a regional biosolids treatment and handling facility. The facility could provide a long-term sustainable solution for AlexRenew’s biosolids. The study is the first phase of this project that will provide recommendations for future years.

Justification: This project supports AlexRenew’s strategic goal of Environmental Sustainability.

Program: Capital Improvement Program

Cost Share Category: Joint (60% Fairfax County / 40% AlexRenew) – the cost is additionally split across the other Virginia wastewater authorities that are participating

Schedule: Feasibility study completed in FY2026.

Status: Procurement in FY2025

Project Financials:

Expenditure	Fiscal Year (\$M)											
	Prior Years	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total
Total	-	\$0.40	-	-	-	-	-	-	-	-	-	\$0.40
Financing												
AlexRenew	-	\$0.16	-	-	-	-	-	-	-	-	-	\$0.16
Fairfax	-	\$0.24	-	-	-	-	-	-	-	-	-	\$0.24
Lifetime Total:									\$0.40			

Note: Prior Years amount represents actual spend through FY2024 and adopted FY2025 budget.

Boiler Improvement Project

Project Location:

Building A and
Building G

Description: AlexRenew's boilers are reaching the end of their useful life and require upgrades to address maintenance and operational challenges, including assessing the feasibility of adding a new boiler to optimize the boiler system.

Justification: Improve the reliability and performance of the boiler system

Program: Capital Improvement Program

Cost Share Category: Joint (60% Fairfax County / 40% AlexRenew)

Schedule: Design in FY2025-2026; Construction in FY2026-2028

Status: Design is underway

Project Financials:

Expenditure	Fiscal Year (\$M)											
	Prior Years	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total
Total	-	\$1.50	\$1.50	\$0.50	-	-	-	-	-	-	-	\$3.50
Financing												
AlexRenew	-	\$0.60	\$0.60	\$0.20	-	-	-	-	-	-	-	\$1.40
Fairfax	-	\$0.90	\$0.90	\$0.30	-	-	-	-	-	-	-	\$2.10
Lifetime Total:									\$3.50			

Note: Prior Years amount represents actual spend through FY2024 and adopted FY2025 budget.

Website Upgrade Project

Project Location: WRRF – Campus-wide

Description: AlexRenew is updating its existing website (AlexRenew.com) to be modern, user-friendly, and accessible for audiences, while working to enhance user engagement, support organizational objectives, and integrate necessary third-party services. AlexRenew will also be incorporating content from RiverRenew.com, to unset that website.

Justification: To ensure AlexRenew customers and community members continue to have access to critical information related to AlexRenew through an accessible and user-friendly website.

Program: Capital Improvement Program

Cost Share Category: Joint (60% Fairfax County / 40% AlexRenew)

Schedule: Implementation in FY2026-2027

Status: Procurement anticipated to start in FY2025

Project Financials:

Expenditure	Fiscal Year (\$M)											
	Prior Years	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total
Total	-	\$0.20	\$0.10	-	-	-	-	-	-	-	-	\$0.30
Financing												
AlexRenew	-	\$0.08	\$0.04	-	-	-	-	-	-	-	-	\$0.12
Fairfax	-	\$0.12	\$0.06	-	-	-	-	-	-	-	-	\$0.18
Lifetime Total:										\$0.30		

Note: Prior Years amount represents actual spend through FY2024 and adopted FY2025 budget.

RiverRenew Tunnel Project – Alex-Only

Project Location:

Various

Description: AlexRenew is constructing a tunnel, pumping stations, and sewer infrastructure to address combined sewer overflows in Alexandria. Improvements will bring Alexandria's four existing combined sewer outfalls into compliance. Program includes wastewater projects completed at the WRRF in advance of tunnel project construction.

Justification: A 2017 Virginia law required Alexandria's four existing combined sewer to be brought into compliance.

Program: Capital Improvement Program

Cost Share Category: Alexandria Only (0% Fairfax County / 100% AlexRenew)

Schedule: RiverRenew wastewater projects completed in FY2021. RiverRenew tunnel project construction in FY2021-2026

Status: Construction is underway.

Project Financials:

Expenditure	Fiscal Year (\$M)											
	Prior Years	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total
Total	\$166.98	\$17.61	-	-	-	-	-	-	-	-	-	\$17.61
Financing												
AlexRenew	\$166.98	\$17.61	-	-	-	-	-	-	-	-	-	\$17.61
Fairfax	-	-	-	-	-	-	-	-	-	-	-	-
Lifetime Total:									\$184.59			

Note: Prior Years amount represents actual spend through FY2024 and adopted FY2025 budget.

RiverRenew Tunnel Project – Joint

Project Location:

Various

Description: AlexRenew is constructing a tunnel, pumping stations, and sewer infrastructure to address combined sewer overflows in Alexandria. Improvements will bring Alexandria's four existing combined sewer outfalls into compliance. Program includes wastewater projects at the completed at the WRRF in advance of tunnel project construction.

Justification: A 2017 Virginia law required Alexandria's four existing combined sewer to be brought into compliance.

Program: Capital Improvement Program

Cost Share Category: Joint (60% Fairfax County / 40% AlexRenew)

Schedule: RiverRenew wastewater projects completed in FY2021. RiverRenew tunnel project construction in FY2021-2026

Status: Construction is underway

Project Financials:

Expenditure	Fiscal Year (\$M)											
	Prior Years	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total
Total	\$367.02	\$78.38	-	-	-	-	-	-	-	-	-	\$78.38
Financing												
AlexRenew	\$146.81	\$31.35	-	-	-	-	-	-	-	-	-	\$31.35
Fairfax	\$220.21	\$47.03	-	-	-	-	-	-	-	-	-	\$47.03
Lifetime Total:									\$445.40			

Note: Prior Years amount represents actual spend through FY2024 and adopted FY2025 budget.

**RESOLUTION OF INTENT
TO ADOPT AND CHANGE CERTAIN RATES, FEES, AND CHARGES**

BE IT RESOLVED, that the City of Alexandria, Virginia Sanitation Authority d/b/a AlexRenew, hereby signifies its intent to change certain rates, fees, and charges to become effective **July, 1, 2025** and hereby sets the date of **Saturday, May 17, 2025 at 9:30 a.m.** at AlexRenew's administrative office, 1800 Limerick Street, Alexandria, VA 22314 for a public hearing to receive comment regarding same. The meeting will be held in person and broadcast on Microsoft Teams.

BE IT FURTHER RESOLVED, that the Chief Executive Officer is hereby directed to have published in a newspaper having general circulation in the City of Alexandria, for two consecutive weeks, notice of the proposed change in the schedule of rates, fees, and charges, and the day and time of the public hearing.

The proposed rates, fees, and charges are:

Description	Meter Size	Current Effective July 1, 2024	Proposed Effective July 1, 2025	Proposed Effective July 1, 2026
Individually Metered Residential Service Wastewater Treatment Charge	All Meters	\$10.26	\$10.77	\$11.38
Commercial Service – Wastewater Treatment Charge				

Description	Meter Size	Current Effective July 1, 2024	Proposed Effective July 1, 2025	Proposed Effective July 1, 2026
Residential Base Charge	All Meters	\$14.57	\$15.29	\$16.16
Commercial Base Charge	5/8 inch	\$43.68	\$45.87	\$48.48
	3/4 inch	\$43.68	\$45.87	\$48.48
	1 inch	\$109.19	\$114.68	\$121.20
	1-1/2 inch	\$218.38	\$229.35	\$242.40
	2 inch	\$349.41	\$366.96	\$387.84
	3 inch	\$655.14	\$688.05	\$727.20
	4 inch	\$1,091.90	\$1,146.75	\$1,212.00
	6 inch	\$2,183.80	\$2,293.50	\$2,424.00
	8 inch	\$3,494.08	\$3,669.60	\$3,878.40
Minimum Deposit Based on Meter Size	-	\$0.00	\$0.00	\$0.00
Residential Customer Activation Fee	-	\$15.00	\$15.00	\$15.00

The new rates and charges shall be effective on July 1, 2025, and shall remain in effect until further revised. Any rates, fees, or charges not revised herein shall remain in effect until further revised.

Comments on AlexRenew's proposed Fiscal Year 2026 budget will also be received at the public hearing. The proposed Fiscal Year 2026 budget and AlexRenew's audited financial statements are available for examination by the public online at www.alexrenew.com. Copies will be made available upon request – phone (703) 721-3500 ext. 2260.

AlexRenew
Rebecca Hammer
Secretary – Treasurer

RATES, RULES, AND REGULATIONS

Effective July 1, 2025 (Proposed)

Revised and Approved:

Jun 18, 2013

Jul 23, 2013

Aug 19, 2014

Dec 16, 2014

Apr 21, 2015

Sep 20, 2016

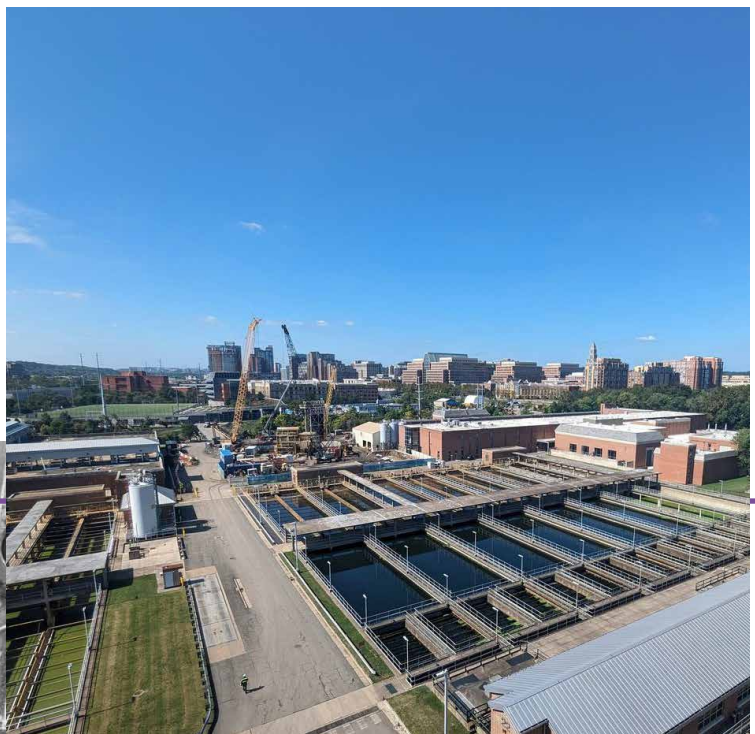
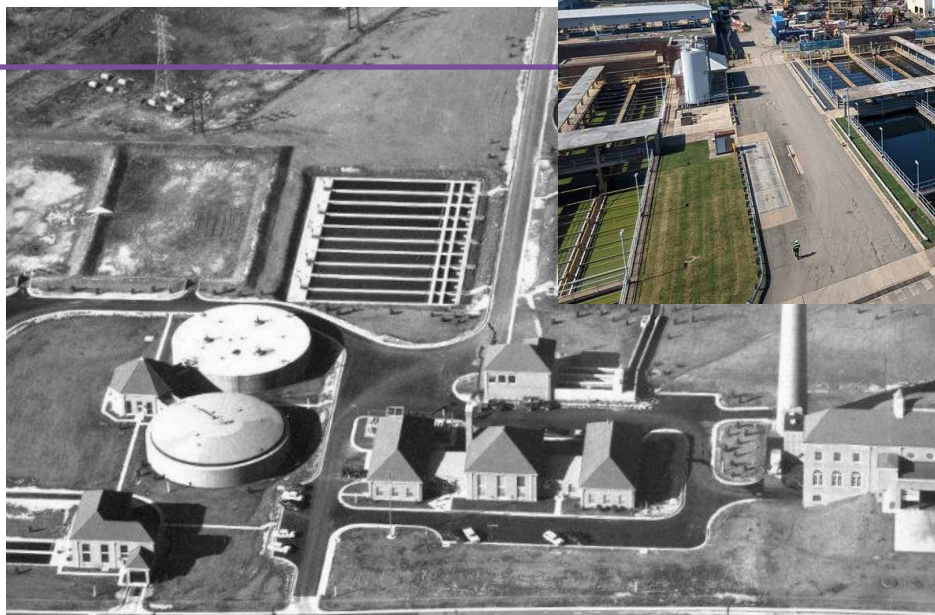
May 21, 2019

Jul 01, 2019

Jun 15, 2021

Jun 20, 2023

Jun 18, 2024



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I. RATES, FEES, AND CHARGES

Rates for Service

Schedule A – Wastewater

This schedule shall apply to all individually metered residential customers and commercial customers discharging sewage to and/or requiring wastewater treatment service by AlexRenew (wastewater customers). Commercial wastewater customers include all commercial, industrial, government and other public agencies, master-metered residential, and all other accounts or customers not classified as individually metered residential customers.

The wastewater customer's monthly bill for wastewater collection, treatment, and disposal services (sewer service) shall be based upon the sum of: i) the base charge and ii) the wastewater treatment charge calculated based on water meter readings at the customer premise. The base charge shall serve as the minimum monthly bill for sewer service for all customers receiving wastewater service from AlexRenew.

Wastewater Treatment Charge - A charge per 1,000 gallons of water consumption will be billed monthly for wastewater customers at the rates shown below.

Description	Meter Size	Current Effective July 1, 2024	Proposed Effective July 1, 2025	Proposed Effective July 1, 2026
Individually-metered Residential Service – Wastewater Treatment Charge ¹	All Meters	\$10.26 ²	\$10.77 ²	\$11.38 ²
Commercial Service – Wastewater Treatment Charge				

¹The Individually metered Residential Wastewater Treatment Charges are based upon the lesser of: a) a customer's actual monthly metered water use; or b) the customer's determined winter quarter average billing cap as further defined in subsequent sections of the Rates, Rules, and Regulations.

²Per 1,000 gallons

Base Charge - a charge per account predicated on the size of the meter size serving the customer premise, will be billed to all wastewater customers at the rates shown below.

Description	Meter Size	Current Effective July 1, 2024	Proposed Effective July 1, 2025	Proposed Effective July 1, 2026
Residential Base Charge	All Meters	\$14.57	\$15.29	\$16.16
Commercial Base Charge	5/8 inch	\$43.68	\$45.87	\$48.48
	3/4 inch	\$43.68	\$45.87	\$48.48
	1 inch	\$109.19	\$114.68	\$121.20
	1-1/2 inch	\$218.38	\$229.35	\$242.40
	2 inch	\$349.41	\$366.96	\$387.84
	3 inch	\$655.14	\$688.05	\$727.20
	4 inch	\$1,091.90	\$1,146.75	\$1,212.00
	6 inch	\$2,183.80	\$2,293.50	\$2,424.00
	8 inch	\$3,494.08	\$3,669.60	\$3,878.40
Minimum Deposit Based on Meter Size	-	\$0.00	\$0.00	\$0.00
Residential Customer Activation Fee	-	\$15.00	\$15.00	\$15.00

Winter Quarter Average Billing Cap:

Individually metered residential single-family customers may use water for outdoor uses such as irrigation and other landscaping needs during non-winter months. This flow does not typically enter the wastewater collection system; as such, Wastewater Treatment Charges for residential customers are based on water used during the winter quarter to obtain a more representative measure of indoor water use that better approximates the true quantity of wastewater entering the wastewater collection system from the individually metered residential single-family customer's premise for treatment and disposal by AlexRenew.

The individually metered residential single-family customer's monthly Wastewater Treatment Charges shall be based on water meter readings at the customer's premise. Individually metered residential single-family customers shall be billed the Wastewater Treatment Charges utilizing a monthly wastewater treatment billing cap that shall be determined annually. The wastewater treatment billing cap per customer shall be established based on the customer's average monthly metered water consumption (gallons) recognized on bills rendered during the winter quarter which is defined as the months of December, January, and February. The monthly wastewater treatment billing cap is not effective for bills rendered during the winter quarter.

A customer using less than 1,000 gallons per month or recording zero (0) water usage during any single month within the winter quarter will not be eligible for the billing cap. These customers will be billed based on their monthly metered water consumption (gallons). If no bills are rendered to the customer for water service during the winter quarter, then the customer will be billed based on their monthly metered water consumption (gallons) up to a maximum of 12,000 gallons per month until a winter quarter average is established.

The Wastewater Treatment Charges billed to commercial customers will be determined based on the total metered water delivered to the premise and shall not be eligible for the monthly winter

quarter average billing cap. To the extent a commercial customer has a water-only meter serving the property such metered water consumption would not be charged the Wastewater Treatment Charge. An example of a water-only service would include a meter exclusively used by the customer to measure outdoor water irrigation.

Customers receiving wastewater service only and obtaining water from sources other than Virginia American Water shall install a water meter on their water supply which will be read as the basis for calculating wastewater treatment charges. A charge shall be added to each bill to offset the cost of reading the independent customer's water meter.

Schedule B – Reuse (Reclaimed) Water

Customers which receive reclaimed water service from AlexRenew will pay a charge of \$1.77 per 1,000 gallons of metered reclaimed water delivered to the customer premise. All reclaimed water to be delivered to a customer premise will be metered.

Other Rates, Fees, and Charges

Schedule A – Pretreatment Permit Fee

In accordance with US EPA Regulations (40 CFR 403) and the Code of the City of Alexandria, Virginia, 1981, as amended, AlexRenew maintains and regulates an industrial pretreatment program.

Industrial users are those customers meeting the definition in Section 5-6-102(mm) of the Code of the City of Alexandria, Virginia, 1981, as amended.

Non-significant industrial users are those industrial users meeting the definition in Section 5-6-102(mm)(3) & (4) of the Code of the City of Alexandria, Virginia, 1981, as amended.

The annual Pretreatment Permit Fee for permitted industrial users shall be:

Significant Industrial User - \$1,500 per year.

Non-significant Industrial User - \$500 per year.

Additionally, the permit application fee is \$100 with an additional \$100 charged in the event of a permit revision. A permit includes pretreatment requirements, discharge limits, and special conditions for significant industrial user or categorical sites. The fee covers AlexRenew's costs in administering the permit and the permits are issued for up to five years. Lastly, Letters of Approval are issued for one-time discharges of limited duration for a fee of \$100.

Schedule B – Deduct Meters Charge

AlexRenew commercial and industrial customers that have a portion of their wastewater flow that does not enter the wastewater collection system may apply for a deduct meter. The application for a deduct meter must be certified by an independently licensed plumber. Customers participating in the deduct meter program shall receive flow adjustments for the billing of the Wastewater Treatment Charges only through the proper operation of the approved deduct meter(s). Residential customers are not eligible for deduct meters.

When a deduct meter permit is issued by AlexRenew to allow for a new connection and/or meter to be installed, a deduct meter permit fee shall be paid by the applicant. The permit fee is designed to defray the cost of the required deduct meter inspection at the time of meter installation and to establish the customer billing and service requirements at the time of installation.

The Deduct Meter Permit fee for users shall be \$500, paid in full at the time of application. This is a one-time application fee.

The charge for reading the Deduct Meter is \$50 per reading per account if all of the deduct meters billed to the account have the same premise address. If an account has different premise addresses associated with its Deduct Meters, there is a \$50 charge per reading at each specific premise address. This charge will be in addition to the payment of Base Charges for those commercial customers that have been approved for and have installed a deduct meter.

The charge for inspecting the Deduct Meter by AlexRenew shall be \$100 per inspection for each inspection performed after the installation of the Deduct Meter. An inspection of the Deduct Meter will be required every 2 years to verify the flow accuracy of the meter, condition, and other aspects associated with providing this service.

Schedule C – New Account Activation Charge

All Customers opening a new account to i) establish wastewater service or ii) re-establish wastewater treatment service will be charged a \$15.00 new account activation fee.

Schedule D – Service Termination Charge

All customers whose water service has been disconnected for non-payment for wastewater service or for violation of these Rules and Regulations will be assessed a non-negotiable service fee of \$50.00 added to the account. Payment of this charge, together with any arrears that may be due AlexRenew, may be required before utility the service is restored.

Customers will be charged a \$35.00 returned check fee per occurrence.

II. RULES AND REGULATIONS

Rule No. 1 – Definitions

Unless the context specifically indicates otherwise, the meaning of terms used in this publication of Rates, Rules, and Regulations shall be as follows:

- a. "AlexRenew" shall mean the City of Alexandria, Virginia Sanitation Authority d/b/a AlexRenew.
- b. "City of Alexandria" shall mean the City of Alexandria, Virginia.
- c. "City Sanitary Sewer Maintenance Fee" shall mean City of Alexandria's sanitary sewer maintenance fee calculated by multiplying the number of thousands of gallons of water consumption (based on water meter readings) by the rate established by the City of Alexandria from time to time and which rate is applied to all customers on a "per 1,000 gallons of billed water consumption" which will also serve as the same basis for billing the Wastewater Treatment Charges by AlexRenew. Amounts collected from this fee will be remitted to the City of Alexandria to fund the operations and maintenance of the City's sanitary sewer system and are not for use or considered as revenue by AlexRenew.
- d. "Customer" shall mean every property owner or tenant whose Premises are connected to the City of Alexandria wastewater collection system and shall be responsible for paying for the cost of receiving wastewater service. Normally, a customer is provided potable water by Virginia American Water. Each customer shall be served by a separate service connection.
 - i. "Residential Customer" shall mean every Customer whose Premises is a single-family dwelling connected to a water meter that serves only that dwelling.
 - ii. "Commercial Customer" shall mean every other Customer whose Premises is not a single-family dwelling individually connected to a water meter that serves only that dwelling. Commercial Customers include, but are not limited to, multi-family dwellings, whether the dwellings are leased or in a condominium form of ownership, other uses such as retail, office, government and other public agencies, and industrial, and all other accounts or customers not classified as (individually metered) residential customers.
- e. "Person" shall mean any individual, firm, company, association, society, corporation, or group.
- f. "Interceptor" shall mean a sewer conveyance line which is owned and controlled by AlexRenew.
- g. "Public Sewer" shall mean a sewer conveyance line that is, owned and maintained by the City of Alexandria.
- h. "Sewer Service Connection" shall mean the fittings through which the building sewer is joined to the public sewer and constitutes the point of service for AlexRenew. A "Cross-Connection" is an actual or potential link between the potable water supply (water safe for human consumption) and a non-potable source (any other type of liquid, gas or substance not fit for consumption and that can affect water quality).
- i. A "Sewer Meter" is a device utilized to measure the quantity of sewer discharge

into the Public Sewer from a premise.

- j. "Deduct Meter" shall mean the meter that is installed on the Commercial Customer property subsequent or downstream from the primary water meter that measures the amount of water that does not enter the wastewater collection system for such Customer. All water use by the Customer is assumed to be discharged to the wastewater collection system for treatment unless specifically identified through metering pursuant to a Deduct Meter. Water measured by the Deduct Meter is subtracted from the total water measured by the primary water meter to calculate the Wastewater Treatment Charges for the Customer.
- k. "Premises" shall mean:
 - i. Each residential dwelling structure.
 - ii. Each residential dwelling unit in a duplex, triplex, apartment building, or in any other building that is used for residential purposes.
 - iii. Each unit contained in a structure serving more than one tenant, lessee, or owner; and used for any purpose other than residential.
 - iv. Each structure or group of contiguous structures, that is owned, rented, or leased by one person and occupied by that person. The following shall also be considered one premise:
 - 1. Residence used as a rooming house
 - 2. Dwelling or building for transients
 - 3. Apartment building or residential condominium where the water utility bill is included in the rent or condominium fee.
- l. An "Extended Absence" is any absence greater than 60 days.
- m. "Water Company" shall mean Virginia American Water Company, its successors or assignees which provide potable water to customers within the City of Alexandria.

Rule No. 2 – General

- a. There shall be no free service rendered by AlexRenew, and, if any local, state, or federal government, or any department, agency or instrumentality thereof, or any other public body shall desire service to be rendered by AlexRenew, it shall apply for and receive such service pursuant to the rules and regulations herein contained and shall pay for the same at the established rates, fees, and other charges.
- b. The service pipes, building sewers, meters, piping and fixtures on the Customer's Premises shall be accessible to AlexRenew for observation or inspection at reasonable hours.
- c. Employees or agents of AlexRenew are expressly forbidden to demand or accept any compensation for any service rendered to its customers except as covered by its Rates, Rules, and Regulations.
- d. No employee or agent of AlexRenew shall have the right or authority to bind it by any promise, agreement, or representation contrary to the letter or intent of these Rules and Regulations.
- e. Any complaint against the service or employees of AlexRenew should be made in writing or electronically to AlexRenew.

Rule No. 3 – Special Contracts

AlexRenew may enter into contracts with any person, firm, or corporation, including municipalities, sanitary districts and other political subdivisions and public bodies, for the rendering of any wastewater service; provided, however, that the rates or charges to be paid thereunder shall not be less than an amount which is fair and equitable, taking into account the cost to AlexRenew for providing such service.

Rule No. 4 – Extension of Public Sewers

Applicants for service to a premises not already having direct access to an adequate existing public sewer must make application to the City of Alexandria to extend and/or upgrade the public sewer system. In addition to City ordinance requirements, applicants must provide, free of charge to AlexRenew, any easement necessary for installation, operation and maintenance of sanitary sewers or other facilities owned by AlexRenew.

Connections to the public sewers shall be regulated and authorized by the City of Alexandria. No private connection shall be permitted to any Interceptor or other facility owned or operated by AlexRenew unless expressly authorized in writing by AlexRenew.

It is the responsibility of the Water Company to establish and maintain cross-connection control programs to detect, prevent, and eliminate cross-connections that may create an imminent and substantial danger to the public health.

Rule No. 5 – Quantity and Quality Determinations for Continuing Service Charge

- a. The quantity of sewage discharged into the public wastewater system shall be assumed to be equal to the quantity of water registered by the water meter or meters measuring the entire flow to the premises; less those flows that are separately metered by AlexRenew through the installation of a Deduct Meter that serves only appliances and/or facilities that are not connected to the public sewer in any manner.
- b. Where discharge to the public sewer from a specific appliance or process is of significantly lesser volume than that registered by the meter, the quantity discharged may be measured as the basis for the quantity of sewer service. AlexRenew reserves the right, at its sole discretion, to estimate the quantity of sewer service required by such specialized appliance or process.
- c. AlexRenew reserves the right to determine the quantity and/or quality of sewage by any accurate method of measurement and/or analysis of discharge from the premises sewer. If the quantity is found to be in excess of the quantity measured by the customer's water meter or meters, the customer shall be back charged not less than six months on the basis of the greater flow and shall be required to install meter or meters in such a manner as may be specified by AlexRenew.
- d. If the quality of wastewater discharge does not comply with the requirements of AlexRenew, immediate steps shall be taken by the customer to comply, and costs of necessary analysis and compliance shall be paid by the customer.

Rule No. 6 – Meters and Meter Installation

- a. All water meters except Deduct Meters are installed, owned, maintained, and read by the Water Company. All customer meters are read monthly by the Water Company and the billed water use measured in thousand gallons and meter size used to

service the Customer as provided by the Water Company is provided to and relied upon by AlexRenew for purposes of billing its Customers the monthly Wastewater base charges and wastewater treatment charges. AlexRenew reserves the right to estimate the amount of wastewater flow if the water meter readings are considered inaccurate; AlexRenew correct billings to its Customers upon the receipt of subsequent corrected information as an adjustment in the subsequent bill for wastewater service or on some other basis as may be determined by AlexRenew .

- b. Deduct Meters will be read monthly by AlexRenew or its designee.
- c. The customer shall promptly notify Water Company and AlexRenew of any calibration failure, defect in, or damage to the meter or its connection.

Rule No. 7 – Sewer Meters

- a. AlexRenew may, at its sole discretion, enter into agreements with Commercial Customers to measure its sewer service through the use of a sewer meter or meters.
- b. The sewer meter shall be installed by the applicant, in a place readily accessible to AlexRenew for reading. If access is deemed unsafe by AlexRenew or its designee, Customer will be responsible for moving the sewer meter to an accessible location. Upon installation of the meter by the applicant, the sewer meter shall be contributed to and become the property of AlexRenew.

Rule No. 8 – Deduct Meters

- a. Where AlexRenew is to issue a permit for the use of a Deduct Meter, an application for Deduct Meter service shall be made by the property owner or their designated agent at the offices of AlexRenew.
- b. All customers with Deduct Meters are responsible for maintaining the Deduct Meter and remote read device in a good working condition. Meter shall be calibrated annually by an appropriate licensed contractor and results submitted to AlexRenew; if a Customer does not provide AlexRenew a copy of the deduct meter calibration results, AlexRenew reserves the right to discontinue the recognition of the deduct meter water flows in the application of Wastewater Treatment Charges.
- c. AlexRenew staff shall review the application fee from time to time and make a recommendation for any changes. All customers with Deduct Meters are responsible for the sub-meter and remote meter device and for readings to be performed.
- d. Should any meter and/or its appurtenances become damaged, including any damage that may result from allowing the meter to become frozen, it shall be the responsibility of the property owner to get the meter repaired. No Deduct Meter credit adjustment will be made for or during the period when the Deduct Meter is out of service for repair.

Rule No. 9 – Customer's Liability for Charges

- a. A Customer who has made an application for or received service at a Premises shall be held liable for all service furnished to such premises until such time as the Customer has properly notified the Water Company to discontinue the service for the account.

Rule No. 10 – Bills for Service

- a. Customers are responsible for furnishing their correct addresses and corresponding service information to the Water Company.
- b. Failure to receive bills will not be considered an excuse for nonpayment nor permit an extension of the date when the account will be considered delinquent.
- c. If bills are to be sent to an address other than the Premises served, the Water Company shall be notified by the Customer of any change of address.
- d. If requested in writing by the owner-customer, AlexRenew will send bills to and receive payments from agents or tenant-customers. However, this accommodation will in no way relieve the owner-customers of the liability for all charges, in accordance with the Virginia Water and Waste Authorities Act (Chapter 51, Title 15.2, Section 5100 et seq., Code of Virginia, 1950 as amended.)
- e. Payments shall be made by mail to the lockbox provider selected by AlexRenew or such other places or methods as may be designated by AlexRenew.
- f. AlexRenew reserves the right to correct any bills rendered in error.
- g. Each Customer, as defined in Rule No. I, shall be billed separately for service.
- h. Bills will be rendered monthly.

Rule No. 11 – Terms of Payment

- a. Bills for sewer service shall be payable on or before stated due date.
- b. If a bill is not paid within twenty-one (21) days after the billing due date, and payable, and after notice has been properly provided by AlexRenew to the Customer of record, water and wastewater service may be discontinued, and the wastewater deposit, if any, may be applied against such bill and any other arrears due by the Customer.
- c. There may be a lien upon the real estate for the amount of any rates, fees, and other charges made by AlexRenew to the owner or lessee or tenant of such real estate for the services rendered by AlexRenew to such real estate from and after the time when such rates, fees, and other charges are due and payable and for the interest which may accrue thereon.
- d. There shall be a handling charge corresponding to bank fees for all returned checks which have been submitted to AlexRenew for payment of any applicable charges.
- e. A late payment charge of ten percent of the unpaid balance on accounts not paid within 21 days of their billing date may be charged and collected by AlexRenew.
- f. AlexRenew may report the failure of a Customer to make payments within 95 days to appropriate credit reporting agencies in accordance with federal and state law.

Rule No. 12 – Abatement

There shall be no abatement of the service charges in whole or in part by reason of an extended absence of the customer, unless service has been discontinued at his request.

Rule No. 13 – Service Termination Fee

If any premise violates these Rules and Regulations and it has become necessary to discontinue water service, a non-negotiable service termination fee will be assessed and added to the account.

In cases where service disconnection has occurred, this charge, together with any arrears that may be due AlexRenew, shall be paid before the water will be turned on.

Rule No. 14– Discontinuance of Service

- a. Water service may be discontinued by AlexRenew, through the Water Company after ten (10) days' notice for any of the following reasons:
 - i. Nonpayment of any account for wastewater service, or for any fee or charge accruing under these Rates, Rules, and Regulations.
 - ii. Violation of any rule or regulation of AlexRenew.
- b. Service may be discontinued by one of the following methods:
 - i. Where water is supplied by the Water Company, supply will be cut off and the meter removed.
 - ii. Where water is furnished by the owner, or by other than the Water Company, AlexRenew reserves the right to (a) remove the sewer meter used for measuring the flow to the wastewater facilities, (b) seal the building drain or sewer, or (c) remove the connection to the public sewer.
- c. Discontinuing wastewater service or the supply of water to a premises for any reason shall not prevent AlexRenew from pursuing any lawful remedy by action at law or otherwise, for the collection of monies from the Customer.
- d. When service to a customer has been terminated for any of the above stated reasons, other than temporary vacancy of the premises, it will be renewed only after the conditions, circumstances, or practices which caused the service to be discontinued are corrected to the satisfaction of AlexRenew and may require payment of all charges due and payable by the Customer in accordance with these Rates, Rules, and Regulations.

Rule No. 15 – Restoration of Service

- a. When it becomes necessary to discontinue service to any Customer because of a violation of these Rates, Rules, and Regulations or because of nonpayment of any bill, charges shall be made as follows:
 - i. If service was discontinued only by turn-off of water supplying the Premises, the Customer may pay a connection charge as presented in Section 2, Schedule D of these Rates, Rules, and Regulations for turning on the water plus any arrears that may be due to AlexRenew for charges related to turn-off/turn-on and associated administrative costs.
 - ii. If service was discontinued by removal of the meter, or by sealing the building drain, or by removal of the connection to the public sewer, Customer shall pay as a charge the actual cost of restoring the service, including all labor, materials, and overhead plus 100% of said actual costs including labor, materials and overhead. Said charge shall be estimated by AlexRenew upon application for restoration of service and the Customer shall pay the amount of the estimate prior to restoration of service. Any adjustments in actual cost will be made upon completion of restoration of service.
- b. Restoration of service for nonpayment of wastewater service will only occur during regular business hours for AlexRenew . Same-day water service restoration will not

- be provided. It is the Customer's responsibility to ensure payment has been received by AlexRenew.
- c. If at the time of such discontinuance of service for nonpayment of bill the customer has not made a deposit, AlexRenew may require a deposit, whether Customer is property owner or not, as a guarantee of payment of future bills. Deposit shall equal the amount of the estimated bill for two regular billing periods and, in no case, be less than the minimum deposit established codified by these Rates, Rules, and Regulations, before the water and the corresponding wastewater service will be turned on. The deposit will be refunded when service has been discontinued, after deducting any charges due on final settlement of the Customer's account.
 - d. When a Customer has requested discontinuance of water service because of temporary vacancy, wastewater service is being furnished by AlexRenew, and where all bills have been paid, AlexRenew may charge a turn-on fee as presented in Section 2, Schedule D for the restoration of both water and wastewater service.

Rule No. 16 – Water Leaks and Adjustments

- a. In the event of a water leak, the Customer shall immediately notify the Water Company.
- b. AlexRenew is not responsible for maintaining the public water main and water service connection or individual Customer notifications.
- c. AlexRenew may consider, on a case-by-case basis, whether to adjust wastewater bills based on documented water leaks. Among the factors to be considered will be whether the Water Company accepts responsibility for the leak or potential misread of the meter. If an adjustment is made, the maximum amount will be 50% of the bill and a one-time courtesy adjustment will be allowed per Customer account owner.
- d. If a leak is found not to be the responsibility of AlexRenew, the Customer will be notified and shall have the leak repaired by a registered plumber at his expense.

Rule No. 17 – Refund policy

Customers that overpay an account in error shall not receive a refund of the over-payment unless the over payment is greater than two (2) times the average billing amount. Over-payments shall be credited to a Customer account and used to offset/pay the next bill due. In a situation where a refund is appropriate, AlexRenew will apply credits to the same credit card accounts rendering the payment. Customers making payments by check may apply for a check refund that may be made after a 30 day clearing period (no exceptions).

Rule No. 18 – Adjustment of Fixed Charges Based on Oversized Meters

Upon request of a Customer, the Chief Executive Officer (CEO) may apply the fixed charge for a smaller meter, if the CEO determines at his/her discretion that:

- a. The Customer's actual water usage over the multiple billing periods is significantly less than the typical consumption for the size of water meter installed; and
- b. The potential for significantly higher water usage in the future is unlikely based on one or more of the following factors:
 - i. Whether the meter combines fire flow and potable water uses;
 - ii. The size and use classification of the structure served limited water usage; and

- iii. Other legally binding use restrictions limit water usage.

AlexRenew further reserves the right to apply the fixed charge for the actual meter size if any of these factors change in the future.

DRAFT

III.AMENDMENT AND INTERPRETATION

AlexRenew reserves the right to revise and/or amend these Rates, Rules, and Regulations to interpret the meaning of all statements made herein.

DRAFT

IV.EFFECTIVE DATE

The Rates, Fees, and Other Charges; Rules and Regulations herein contained shall become effective as revised on July 1, 2025 and shall remain in effect thereafter until further revised

DRAFT

MEMORANDUM

TO: AlexRenew Board of Directors

FROM: Justin Carl, General Manager and CEO

DATE: April 15, 2025

SUBJECT: *New Business, Alexandria Only*
Review and Approve Contract 25-012 for the Northern Virginia Regional Biosolids Feasibility Study

Issue

Professional engineering services are required to conduct a feasibility study for long-term regional alternatives to land application of biosolids in collaboration with several Northern Virginia wastewater authorities.

Recommendation

Staff respectfully requests the Board of Directors (Board) authorize the Chief Executive Officer to execute Contract 25-012 with Brown and Caldwell to provide professional engineering services for the Northern Virginia Biosolids Feasibility Study in an amount of not-to-exceed \$1,375,000, which includes the CEO's delegated change order authority for professional services contracts. Justification for this recommendation is provided in the "Discussion" section of this memorandum.

Budget and Funding

AlexRenew's portion of the Feasibility Study is \$473,000 as an Alexandria only expense and the remaining costs will be jointly funded by the other wastewater authorities per a memorandum of understanding. Funding to cover expenses for May and June 2025 (estimated at \$80,000) is available in the Fiscal Year 2025 Capital Budget. Additionally, funding is included in the Draft Fiscal Year 2026 Capital Budget for the expenses between July 2025 through June 2026.

Discussion

Due to growing concerns about biosolids land application and in anticipation of stricter biosolids management regulations, AlexRenew, Fauquier County Water and Sanitation Authority, Loudoun Water, Prince William Water, and Upper Occoquan Service Authority (Authorities) determined the need to explore viable alternatives. In November 2024, the Authorities jointly signed a Memorandum of Understanding (MOU) that outlined the Feasibility Study scope of work, core team, contract management, maximum contract value, and cost share between the Authorities based on annual biosolids tonnage. The MOU determined that AlexRenew would execute a contract on behalf of the

Authorities to conduct the Study. Though not signatories to the MOU, Arlington and Fairfax counties will also participate in the Study, providing data and input throughout the process.

The scope of services for Contract 25-012 is categorized into six (6) major elements, which are further described in the sections below:

- Project Management Services;
- Alternatives Evaluation;
- Regional Case Studies Analysis;
- Business Case Evaluation;
- Regulatory Review; and
- Governance Analysis.

Project Management

Project management includes oversight of the resources, scope, schedule, and budget to track Feasibility Study progress and ensure its successful execution.

Alternatives Evaluation

The alternatives evaluation will consider 2040 estimates of biosolids production and quality from the Authorities, Fairfax County, and Arlington County. As part of this scope element, a technology screening will be completed to analyze potential biosolids management approaches that include thermal drying, incineration, pyrolysis, gasification, and hydrothermal liquefaction. Each technology will be evaluated across several factors, including the technology's maturity, scalability, reliability, flexibility in managing multiple feedstocks, required space for siting, implementation schedule, and experience with current installations.

In addition to technology screening, the alternatives evaluation will also include a siting analysis to assess potential locations for a regional biosolids facility based on site ownership, zoning, proximity to the Authorities, size, and potential hauling routes. The siting analysis will incorporate considerations for the footprint required for the various evaluated technologies.

Regional Case Studies Analysis

This scope element includes the survey of other regional biosolids facilities in the United States to leverage their experience and provide guidance on the establishment of regional biosolids facility. The case studies analysis will include conducting interviews with regional biosolids facilities and summarizing each facility's lessons learned and key takeaways related to governance, technologies, facility construction, and current operations.

Business Case Evaluation

The business case evaluation includes the development of a cost analysis for potential technologies and sites to justify the installation of a regional biosolids facility. This scope element will include estimating capital cost investments, conducting a life-cycle cost analysis, and consideration of alternative end use markets.

Regulatory Review

Regulatory review includes analysis of regulations and their potential to support or create challenges to implementing a regional biosolids facility. This scope element will involve a regulatory assessment of current and anticipated regulations on both the federal and state levels, with an emphasis on current trends in biosolids land application in the Commonwealth. The review will analyze concerns from current and pending regulations and factor the results into the technology evaluation.

Governance Analysis

Governance analysis will include the investigation of potential governance structures, funding strategies, and a risk analysis to support the Feasibility Study. This scope element will include a review of governance structures for other regional utilities that could be implemented by the Authorities and consideration of barriers to implementation (e.g. state law, bylaws, etc.). The analysis will also research potential funding sources and include a detailed risk assessment.

Procurement Process

AlexRenew issued Request for Proposals (RFP) 25-012 for a Northern Virginia Regional Biosolids Study as a competitive negotiation in accordance with the Virginia Public Procurement Act § 2.2—4302.2 on January 7, 2025. AlexRenew received three (3) proposals in February 2025, which were evaluated by the Authorities and partner organizations based on the criteria outlined in the RFP and summarized in Table 2.

Table 2. RFP 25-012 evaluation factors and weighting

Evaluation Criteria	Description	Weighting (percentage)
Team Organization and Key Personnel	Illustrates their team's structure for managing all aspects of the study and describes the individuals responsible for delivering study services	45
Related Project Experience	Demonstrates their experience with similar studies with examples of past experience in performing those services.	40
Project Approach	Demonstrates their understanding of the scope of work and describes how they will accomplish the goals of the study.	15

Following evaluation of the proposals, the team consisting of Brown and Caldwell (prime), Black & Veatch, AquaLaw, and several other subconsultants was selected as the highest-ranked proposer with 75 points. Comparatively, the other teams proposing on this RFP had a score of 66 and 28 points respectively. This demonstrated sufficient differentiation between the teams.

The successful proposal demonstrated substantial personnel experience with emerging biosolids technology feasibility analysis, regional biosolids facilities involving coordination among multiple, autonomous agencies, and biosolids regulations in Virginia. The proposal also demonstrated strong firm experience in managing a regional biosolids study for 10 utilities in Broward County, Florida. Under this study, the team evaluated thermal drying and emerging technologies, which resulted in subsequent analysis for the design and siting of a thermal dryer. Additionally, the firm experience

included technology evaluation and selection and the subsequent design for a drying and gasification system for a wastewater authority in Hershey, Pennsylvania.

The Brown and Caldwell team brings value to the Authorities and its partners by leveraging personnel with considerable knowledge and experience specific to regional biosolids projects and biosolids regulations in Virginia. Following selection, staff executed a satisfactory contract with Brown and Caldwell at a price considered fair and reasonable and pursuant to contractual terms and conditions. The contract has an initial one (1) year term, with the option to renew for three (3) additional one (1) year terms, if needed.

This action supports our strategic goal of Operational Excellence.

ACTION TAKEN

Approved:

Disapproved:

Approved with Modification:

Modification(s):

MEMORANDUM

TO: AlexRenew Board of Directors

FROM: Justin Carl, General Manager and CEO

DATE: April 15, 2025

SUBJECT: *New Business, Joint Use*
Review and approve Amendment No. 2 to Contract 24-001 with PC Construction to support the Biosolids Diversification Project

Issue

The Biosolids Diversification Project was procured as a construction management at-risk (CMAR) contract and structured as a series of amendments as part of an overall Guaranteed Maximum Price (GMP) to complete the work. To progress construction and procure equipment associated with Contract 24-001, approval of Amendment No. 2 by the Board of Directors (Board) is required.

Recommendation

Staff respectfully requests the Board authorize the Chief Executive Officer to execute Amendment No. 2 to Contract 24-001 with PC Construction for ongoing construction associated with the Biosolids Diversification Project in an amount of not-to-exceed \$14,641,764, which includes the CEO's delegated change order authority. Justification for this recommendation is provided in the "Discussion" section of this memorandum.

Budget and Funding

Funding for Amendment No. 2 to Contract 24-001 is included in the approved Fiscal Year 2025 and Draft Fiscal Year 2026 Capital Budgets. The cost for Amendment No. 2 is \$11,713,411 and is anticipated to be expended between May 2025 and February 2027.

Discussion

In July 2022, AlexRenew entered into an agreement with Stantec to develop a long-term plan (Plan) to upgrade and build resilience into our solids processing infrastructure. The Plan was developed to review the reliability and functionality of AlexRenew's solids infrastructure and adaptations necessary to meet future regulatory requirements.

The Plan identified several short-term upgrades to improve the reliability of aging equipment and maintain permit compliance; medium-term solutions to reduce the quantity of biosolids, diversify their end use, and minimize regulatory risk; and long-term concepts for adapting to future solids

management scenarios. This roadmap for upgrading solids infrastructure ensures a sustainable, resilient future for solids management at AlexRenew. The implementation of the Plan is hereinafter referred to as the Biosolids Diversification Project.

In May 2024, AlexRenew entered into an agreement with PC Construction through a construction CMAR contract to construct elements associated with the Biosolids Diversification Project. The CMAR contract is structured as a GMP to allow a phased approach to implement the short, medium, and long-term solids upgrades. The GMP consists of a series of amendments aligned with the Biosolids Diversification Project's phasing as illustrated in Figure 1.

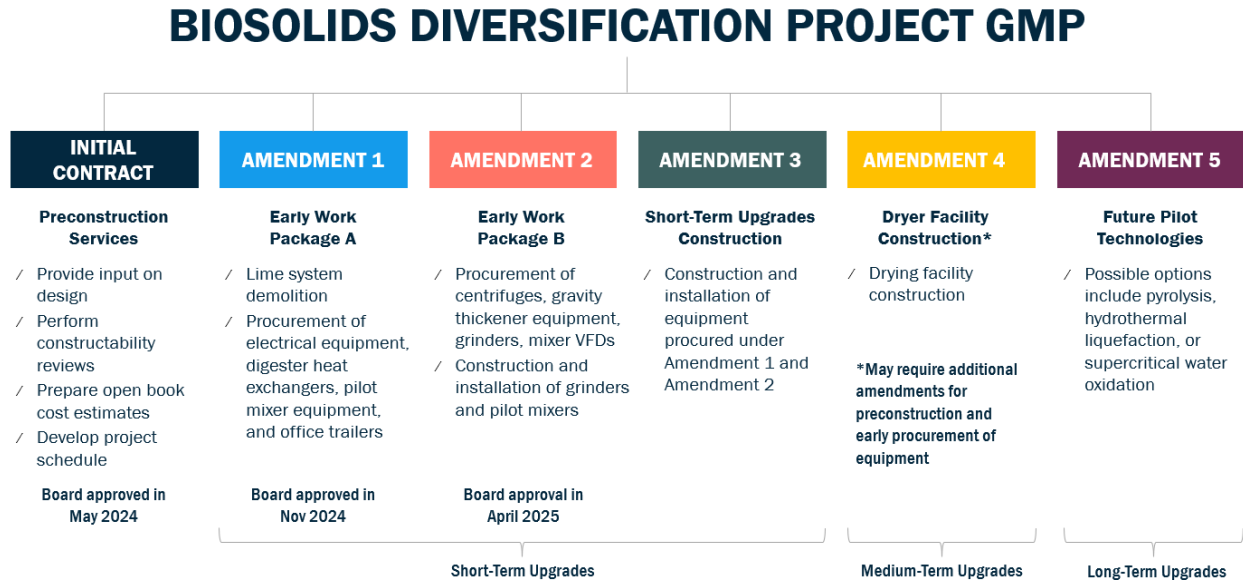


Figure 1. Contractual amendments associated with the Biosolids Diversification Project GMP

An initial contract with PC Construction for preconstruction services was approved by the Board in May 2024 for an amount of \$440,000. The preconstruction services phase includes a collaborative design development process between AlexRenew, the designer (Stantec), and contractor (PC Construction). This collaborative environment helped structure the proposed GMP amendments outlined in Figure 1. The first of these amendments, Amendment No. 1, was approved by the Board in November 2024 for an amount of \$5,877,486. The second of these amendments, Amendment No. 2, focuses on several work elements that include:

- Procurement of five (5) thickening centrifuges to replace equipment that has reached the end of its useful life;
- Procurement of four (4) dewatering centrifuges to replace equipment that has reached the end of its useful life;
- Procurement of three (3) gravity thickener mechanisms to improve the reliability and efficiency of the gravity thickening process;
- Procurement of four (4) Variable Frequency Drives (VFDs) for the new digester hydraulic mixing equipment;
- Procurement and installation of two (2) primary sludge grinders and two (2) primary sludge flow meters to replace obsolete equipment; and

- Installation and piloting of three (3) types of mixing equipment, procured under Amendment No. 1, to minimize the potential for ragging (fouling of the mixer due to the buildup of debris).

Issuing an amendment for the procurement of equipment mitigates the potential for supply chain delays and improves the overall construction schedule. The piloting of mixing equipment will support determining the best technology for AlexRenew to minimize ragging and improve operations. Overall, this work helps to improve the reliability of our solids processes, maintain compliance with our wastewater permit, and prepare us for future solids construction.

Pricing for Amendment No. 2 was done under an open-book model, which is a transparent and collaborative process between AlexRenew, Stantec, and PC Construction. Open-book pricing facilitates sharing and evaluating PC Construction's information on estimates, equipment quotes, communications with subcontractors, subcontractor costs, labor, and materials. This provides AlexRenew with a detailed and clear view of all costs, how they will be allocated, and how they will be expended. PC's cost for Amendment No. 2 is \$11,713,411, which aligns closely with the Engineer's estimate of \$12,083,191. Table 1 summarizes the details of Amendment No. 2 to Contract 24-001.

Table 1. Breakdown of Amendment No. 2 to Contract 24-001

Item	Cost
Self-performance of Work (Install of Pilot Mixers and Sludge Grinders)	\$470,671
Thickening Centrifuges	\$2,586,171
Dewatering Centrifuge	\$3,652,728
Gravity Thickener Mechanisms	\$1,200,000
Digester Mixing VFDs	\$700,460
Primary Sludge Grinders	\$141,181
Electrical work for Mixer Piloting and Sludge Grinders	\$98,544
General Conditions (contractor's indirect costs)	\$498,625
Subtotal	\$9,348,380
Contractor's Fee (8 percent)	\$747,870
Bonds and Insurance	\$123,661
Contractor Contingency	\$617,500
Project Contingency (Owner)	\$876,000
Total	\$11,713,411

For tracking purposes, Table 2 summarizes all Biosolids Diversification Project capital costs approved through April 2025, plus this Amendment.

Table 2. Summary of Biosolids Diversification Project capital costs through April 2025

Item	Entity	Cost
Planning and Design Services	Stantec	\$25,386,266
Construction Management Services (Nov 2024 – Jun 2025)	Brown & Caldwell	\$130,000
Preconstruction Services	PC Construction	\$440,000
Construction Services		
Amendment No. 1	PC Construction	\$5,877,486
Amendment No. 2 (for consideration under this memo)	PC Construction	\$11,713,411
Total		\$43,547,163

This action enables our strategy of Operational Excellence.

ACTION TAKEN

Approved: _____

Disapproved: _____

Approved with Modification: _____

Modification(s): _____



RATE STRUCTURE ALTERNATIVES ANALYSIS CUSTOMER SAMPLE SIZE

BOARD OF DIRECTORS MEETING | APRIL 15, 2025

Board of Directors Retreat

Action Items



The Board of Directors held a retreat on February 7-8, 2025 to review AlexRenew's rate-setting process and discuss alternative rate structures. Action items include:

Alternative rate structures to be evaluated

- Equivalent residential units
 - Variations on fixed vs variable charges
 - Tiered rates (single-family residential only, all customer classes)
- Volumetric-only rate

Data Refinement

- Assess bill impacts across a larger customer sample within commercial and other public agency customer class for each alternative rate structure
- Determine level of precision for Virginia American Water meter data

Phasing

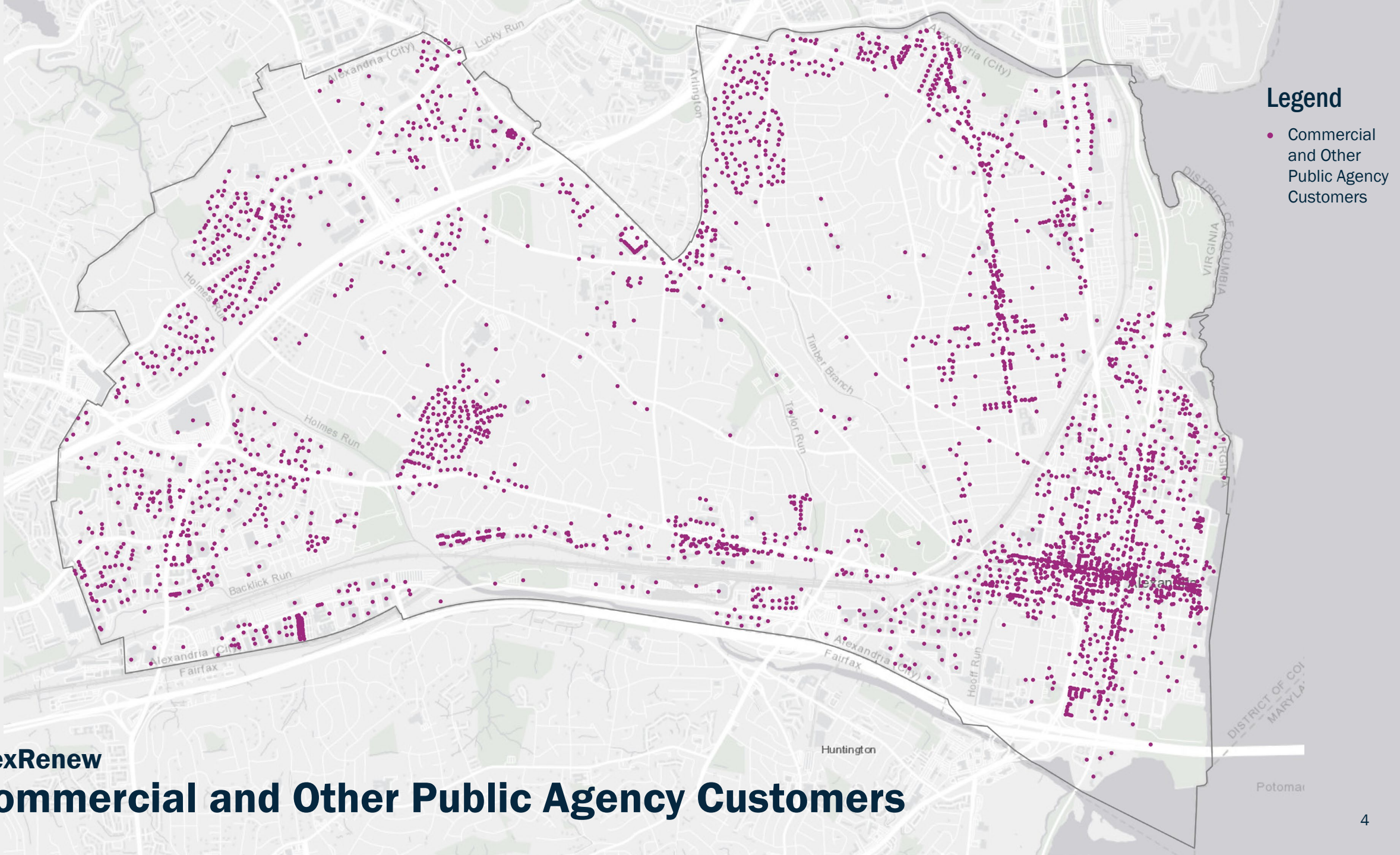
- Develop phasing plan for each alternative rate structure
- Update the Board's Resolution on Rate Adjustment Principles

Alternative Rate Structure

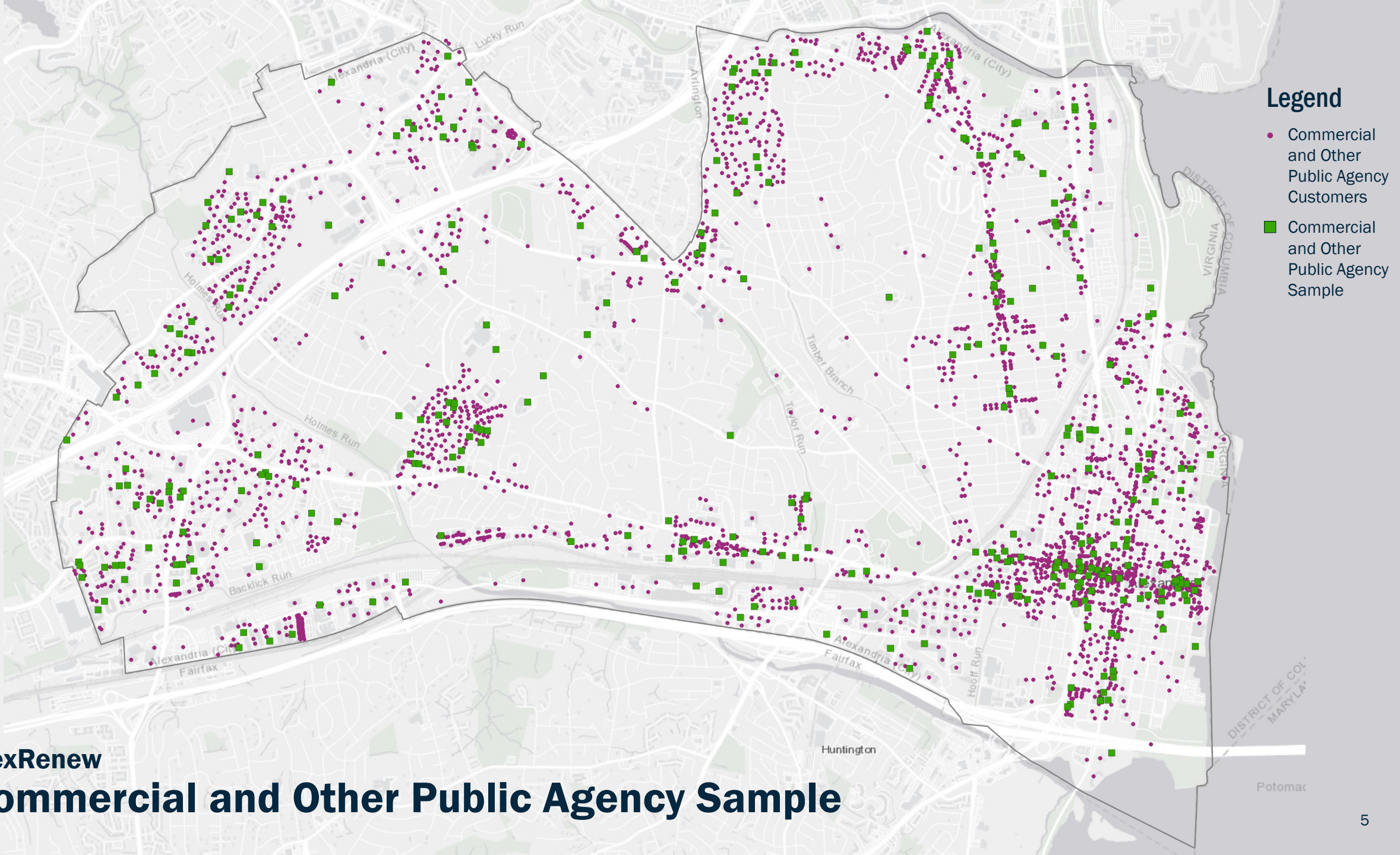
Equivalent Residential Units

As presented at the Board
of Directors Retreat on
February 8, 2025

	Single Family	Retail	Restaurant	Apt 1	Apt 2
Base Charge					
Current Base Charge	\$14.57	\$349.41	\$109.19	\$4,367.60	\$1,091.90
Proposed Base Charge	\$10.89	\$13.69	\$556.95	\$1,599.27	\$3,201.66
Change in Base Charge	(\$3.68)	(\$335.72)	\$447.76	(\$2,768.33)	\$2,109.76
Volumetric Charge					
Current Volumetric Charge	\$35.91	\$45.14	\$1,836.54	\$5,273.64	\$10,557.54
Proposed Volumetric Charge	\$35.91	\$45.14	\$1,836.54	\$5,273.64	\$10,557.54
Change in Volumetric Charge	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Bill					
Current Bill	\$50.48	\$394.55	\$1,945.73	\$9,641.24	\$11,649.44
Proposed Bill	\$46.80	\$58.83	\$2,393.49	\$6,872.91	\$13,759.20
Delta	(\$3.68)	(\$335.72)	\$447.76	(\$2,768.33)	\$2,109.76
Cost per thousand gallons	\$13.37	\$13.37	\$13.37	\$13.37	\$13.37

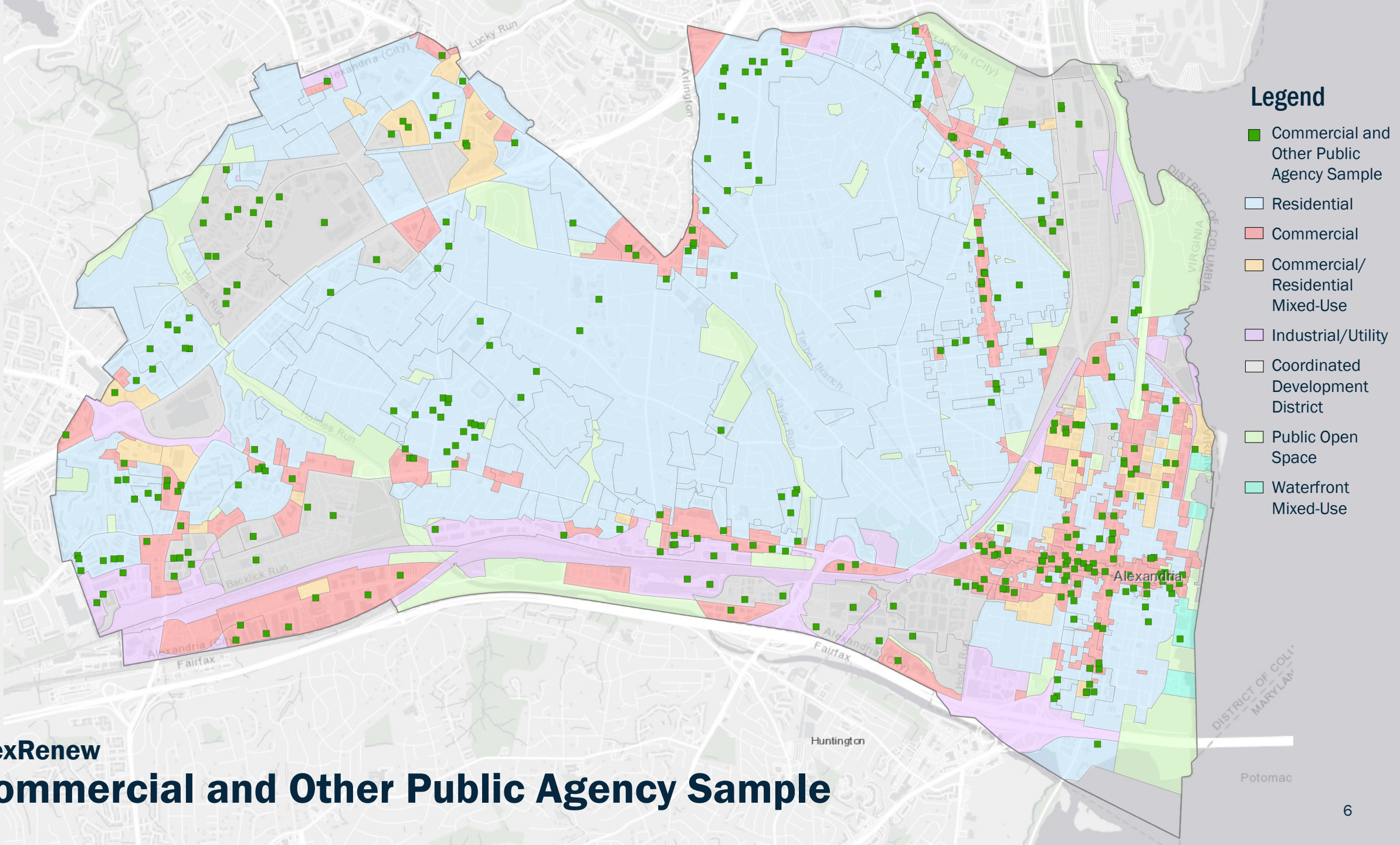


AlexRenew
Commercial and Other Public Agency Customers



AlexRenew
Commercial and Other Public Agency Sample

AlexRenew Commercial and Other Public Agency Sample



Commercial and Other Public Agency

Meter Size Distribution

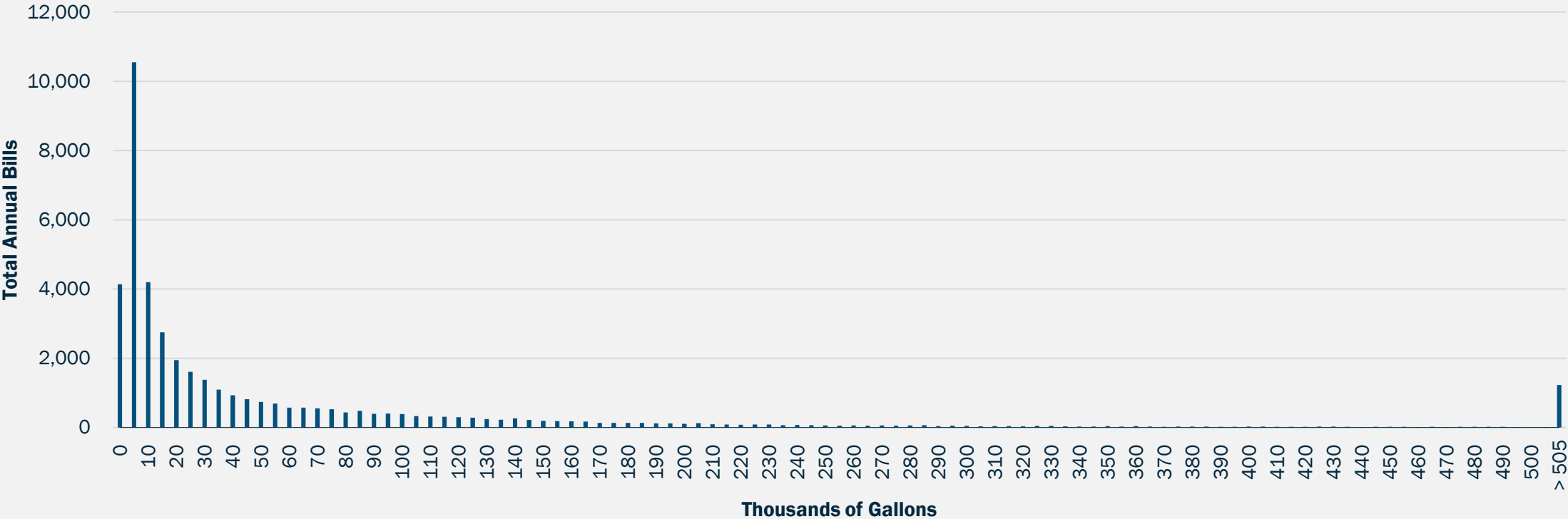
Meter Size	Total Population	Sample Population
5/8 inch	1,225	106
3/4 inch	22	1
1 inch	663	60
1-1/2 inch	440	47
2 inch	1,153	128
3 inch	-	-
4 inch	68	6
6 inch	-	-
8 inch	-	-
Total	3,571	348

- The number of samples is approximately 10% of the total population.
- The sample population is distributed across the meter size, representing between 5-11% of the total population’s meter distribution.

Total Population

Bill Frequency

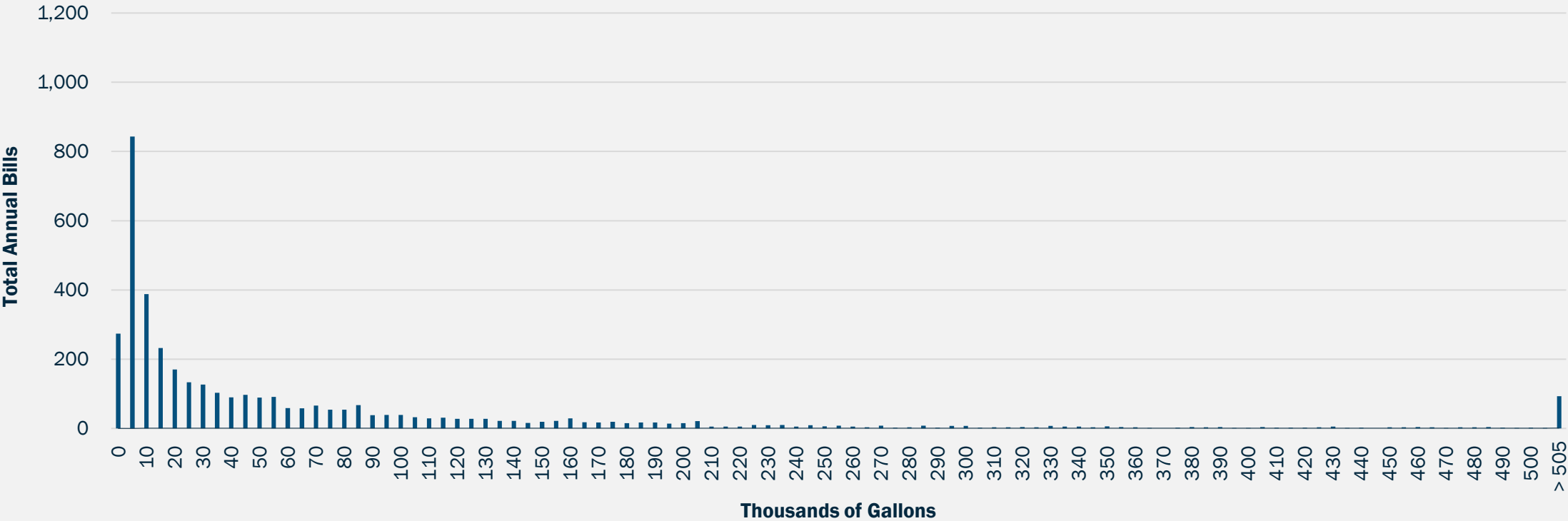
Approximately 50% of the commercial and OPA customers' bills are within the range of zero (0) to fifteen (15) kgals



Sample Population

Bill Frequency

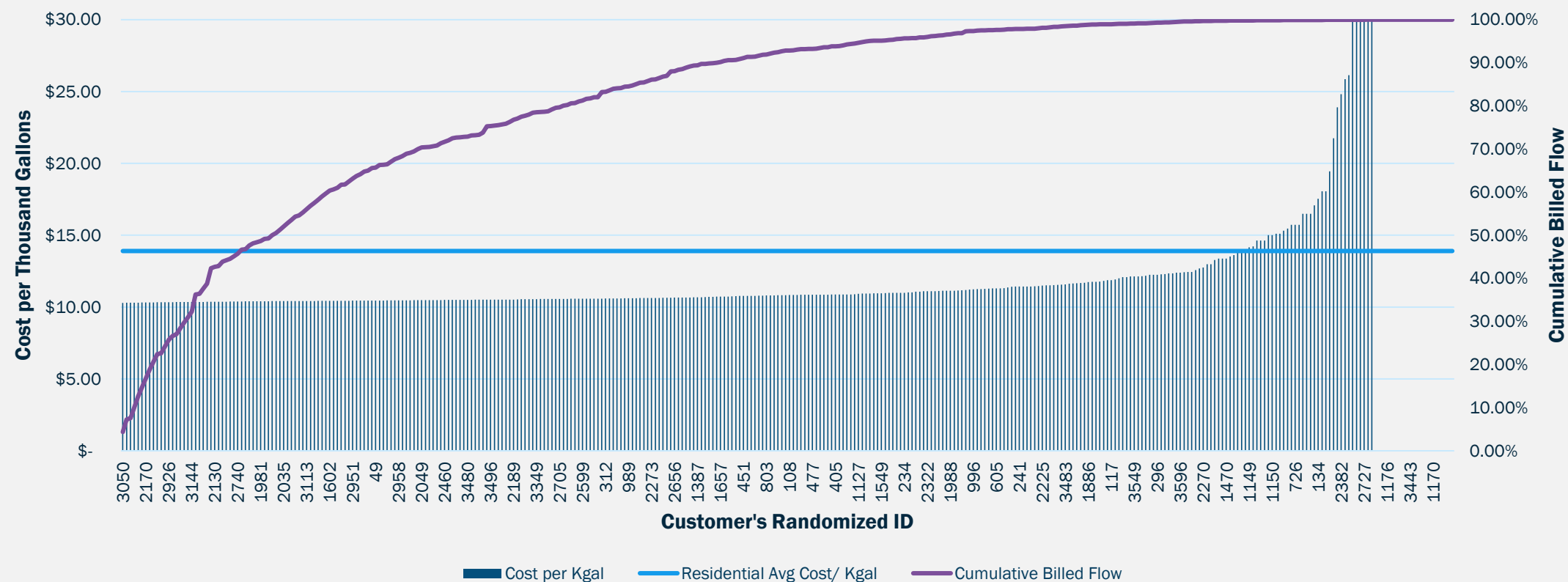
The sample population is representative of a similar trend with approximately 50% of the commercial and OPA customers' bills are within the range of zero (0) to fifteen (15) kgals – indicating the sample is representative of the total population.



Sample Population

Cost per Thousand Gallons

The graph illustrates that 50% of sample customers pay an average cost per kgal of less than \$10.43, less than the average residential customer pays \$13.90.



Next Steps

May 2025

Refine customer sample analysis with current customer data and ground-truth customers, where necessary

June 2025

Present any modifications to customer sample to Board

Spring 2025

Complete customer impacts analysis for rate structure options

July 2025

Present analysis to the Board





AlexRenew

CLIMATE CHANGE STUDY BACKGROUND AND APPROACH

BOARD OF DIRECTORS | APRIL 15, 2025

PRESENTATION OVERVIEW



01 Climate Study

Overview of climate study purpose and goals

02 Climate Modeling

Overview of greenhouse gas emissions and their effects on flooding, precipitation, and thermal stress

03 Vulnerability and Risk Assessment

Review approach to assessing climate change vulnerabilities and risks of AlexRenew assets

04 Next Steps

Review model results and finalize risk and mitigation evaluation

CLIMATE STUDY GOALS

1

PREVIOUS STUDIES AND LOCAL WORK

- Summarize previous studies and local work
 - RiverRenew Climate Analysis
 - City of Alexandria, 2023 Summary Report: Flood Modeling Update
 - Mid-Atlantic Regional Integrated Sciences and Assessments, 2023 MidAtlantic Regional Climate Impacts Summary and Outlook
 - Fairfax County, 2022 Climate Projections Report

2

VULNERABILITY AND RISK ASSESSMENT

- Establish study area and scope (assets and personnel)
- Improve understanding of climate hazards and stressors
- Identify potential vulnerabilities and conduct climate risk assessment

3

MITIGATION STRATEGIES

- Develop mitigation strategies and prioritize adaptation

GREENHOUSE GAS EMISSIONS

Greenhouse gas emissions have been steadily increasing since the 1960s, leading to a warmer atmosphere and climate impacts that include:

Sea Level Rise

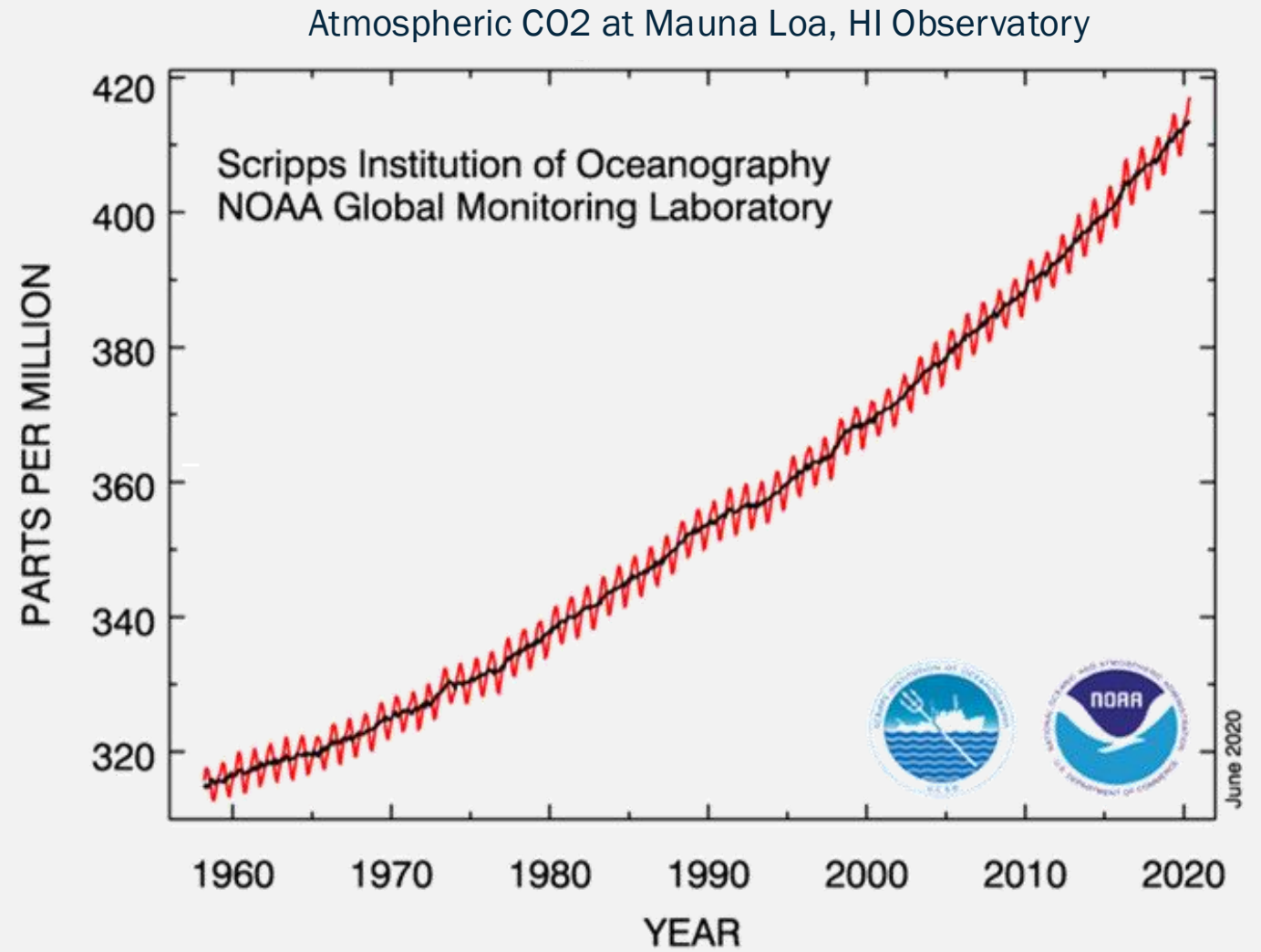
Increase in the level of the world's oceans due to melting polar ice and thermal expansion of water.

Extreme Precipitation

More intense rain or snowfall over a particular location over a short period of time.

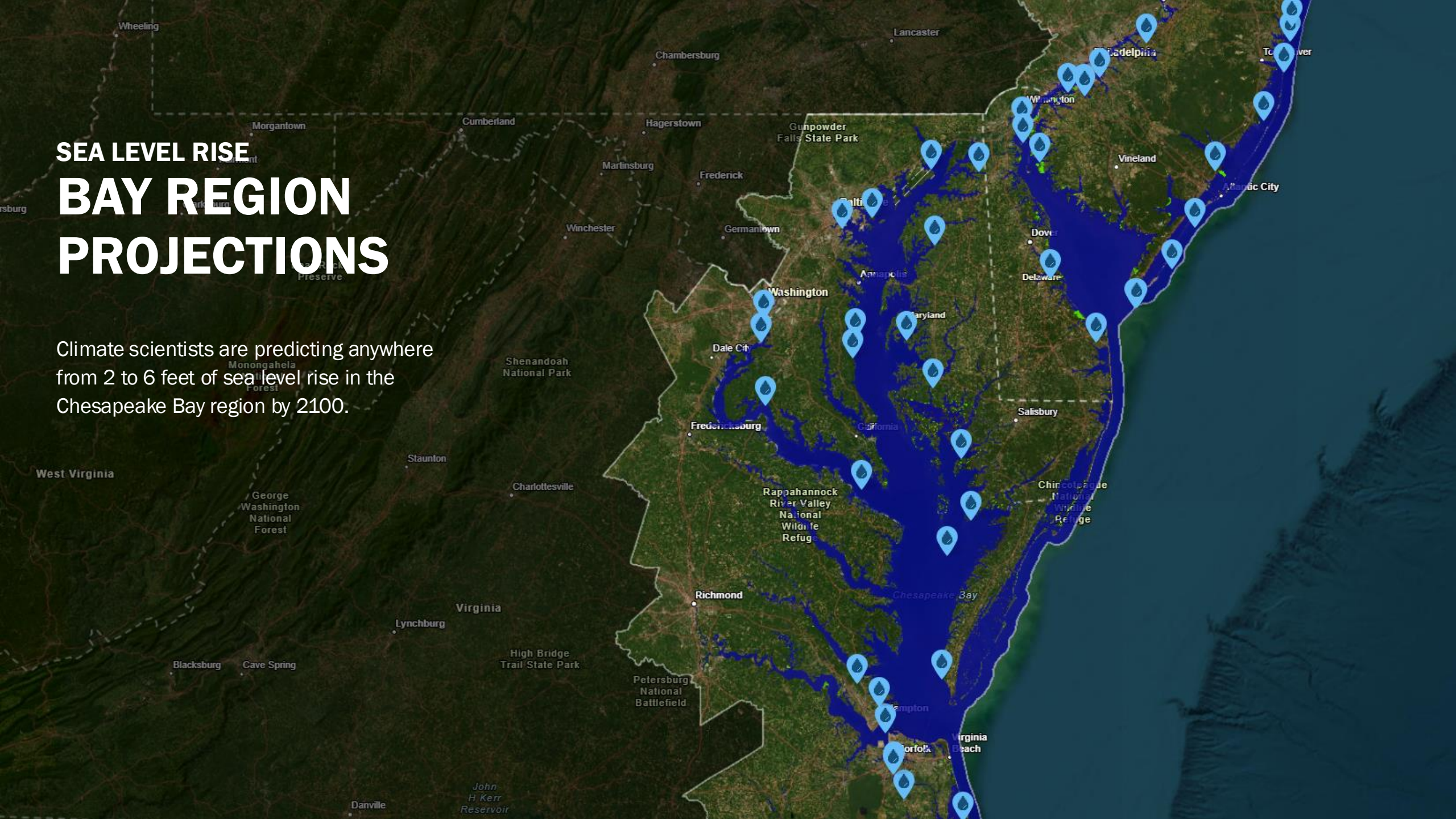
Thermal Stress

Accumulation of local, excess heat over a period of unusually hot days and nights.



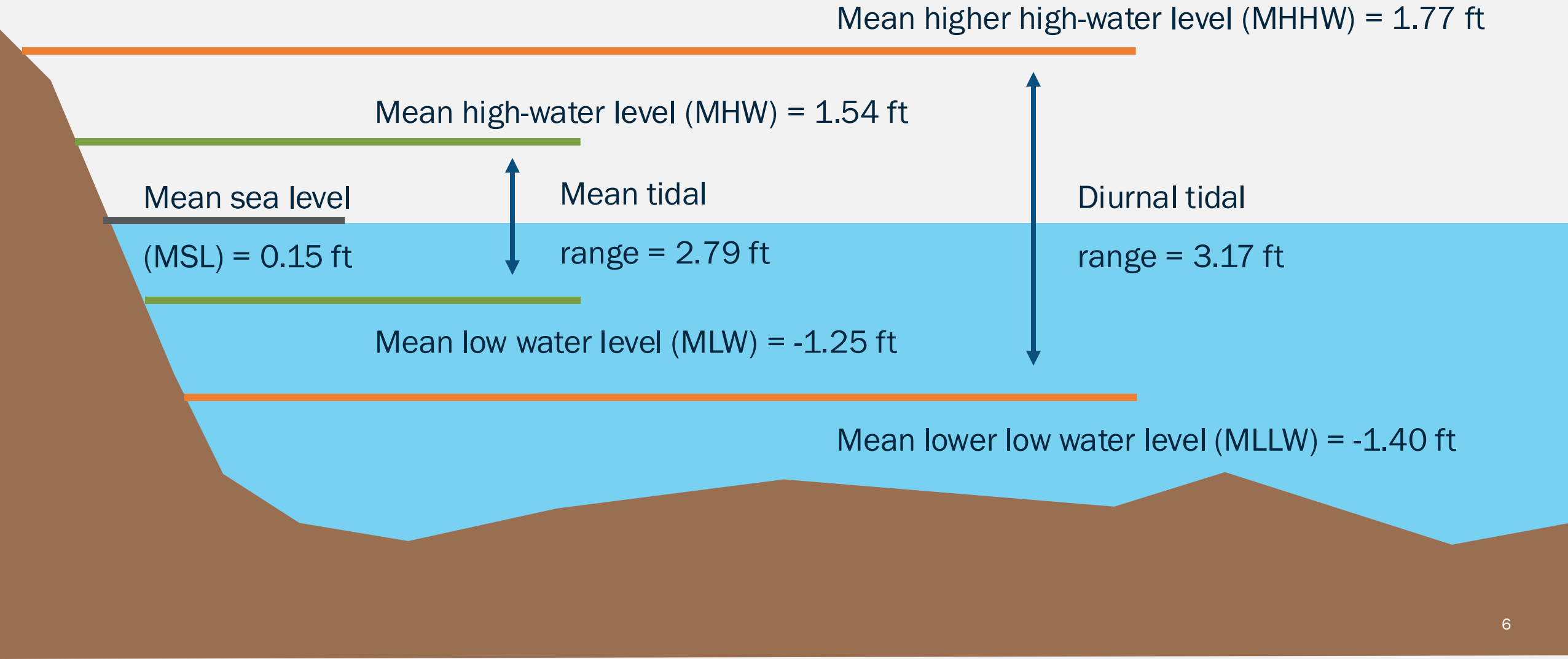
SEA LEVEL RISE BAY REGION PROJECTIONS

Climate scientists are predicting anywhere from 2 to 6 feet of sea level rise in the Chesapeake Bay region by 2100.



SEA LEVEL RISE

TYPICAL WATER LEVELS

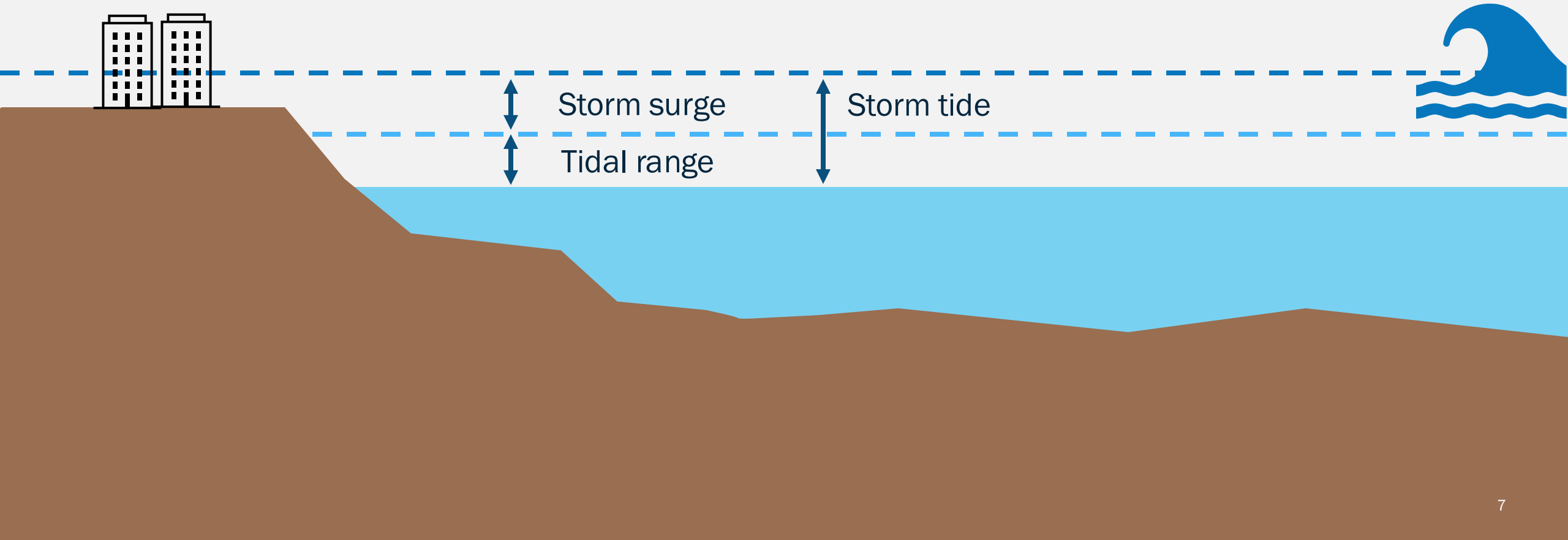


SEA LEVEL RISE

STORM TIDE

Storm surge is the additional water level caused by an approaching coastal storm

Storm tide is storm surge + astronomical tide rise

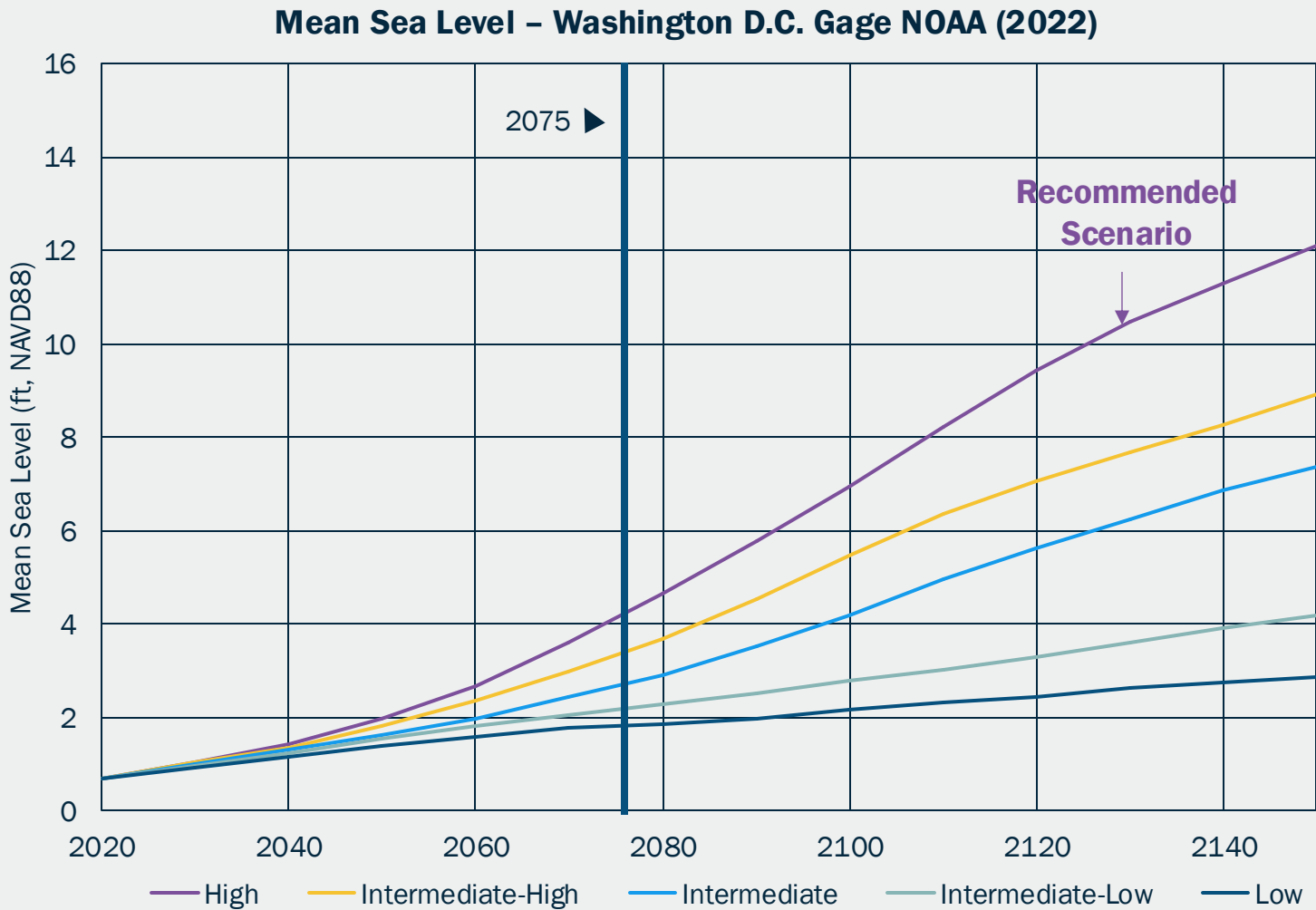


SEA LEVEL RISE

PROJECTIONS IN ALEXANDRIA

The U.S. Army Corps of Engineers developed a tool based on a variety of climate models to project sea level rise associated with greenhouse gas emissions scenarios.

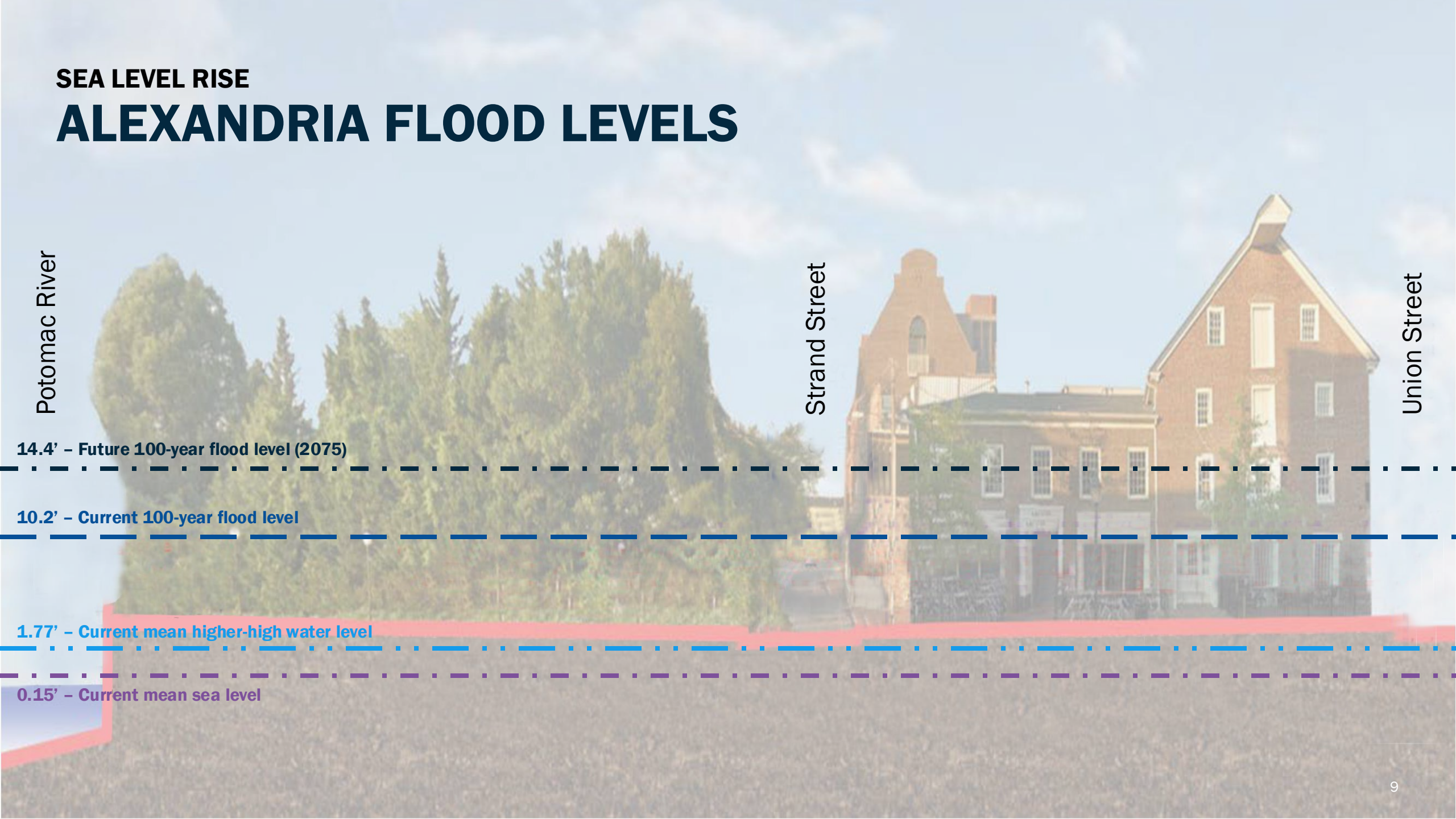
AlexRenew selected the high value for use in the coastal flood modeling because it is conservative and similar to what was selected for planning the RiverRenew facilities.



Source: National Oceanic and Atmospheric Administration (NOAA). 2022. Global and Regional Sea Level Rise Scenarios for the United States.

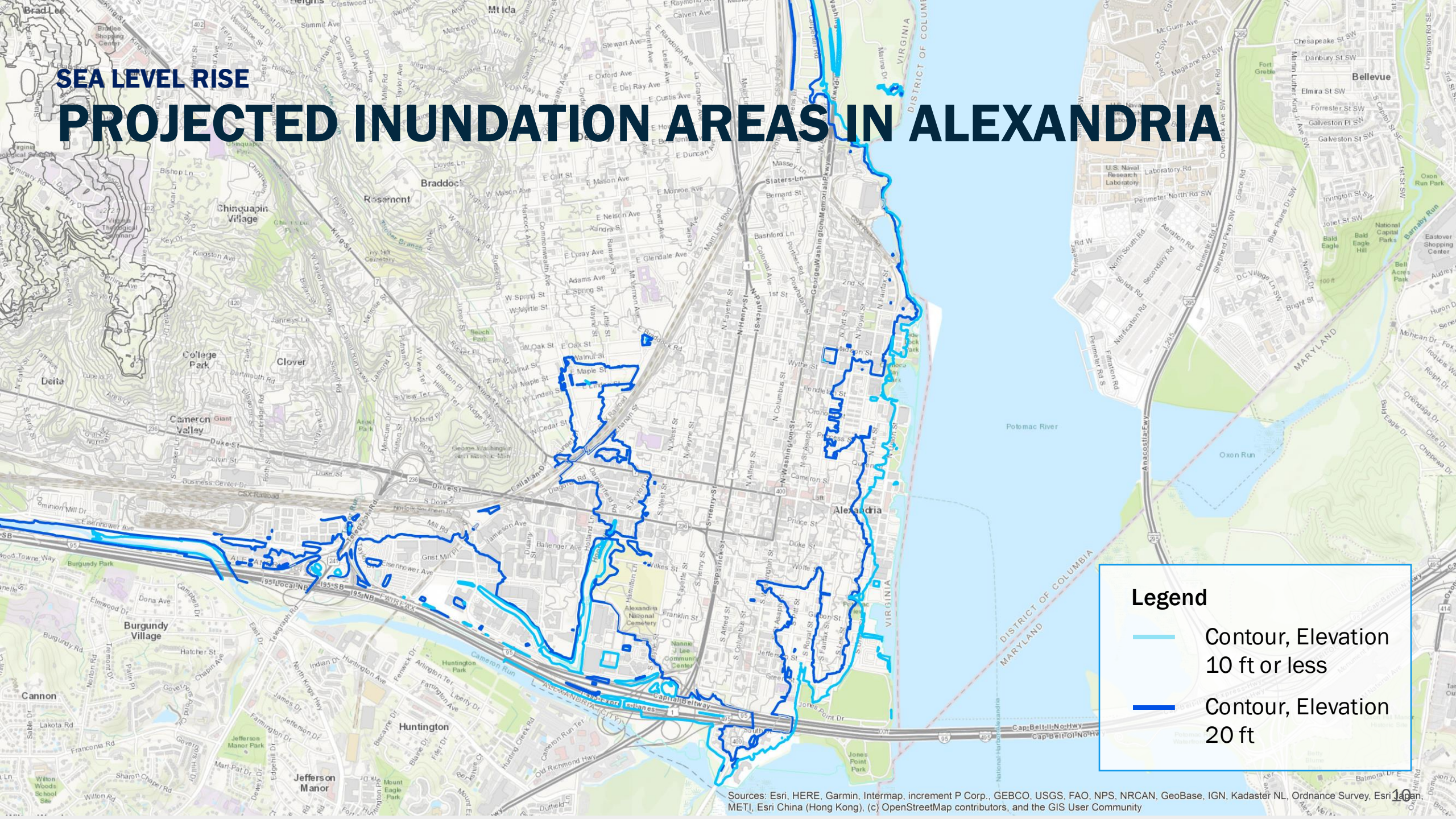
SEA LEVEL RISE

ALEXANDRIA FLOOD LEVELS



SEA LEVEL RISE

PROJECTED INUNDATION AREAS IN ALEXANDRIA



Legend

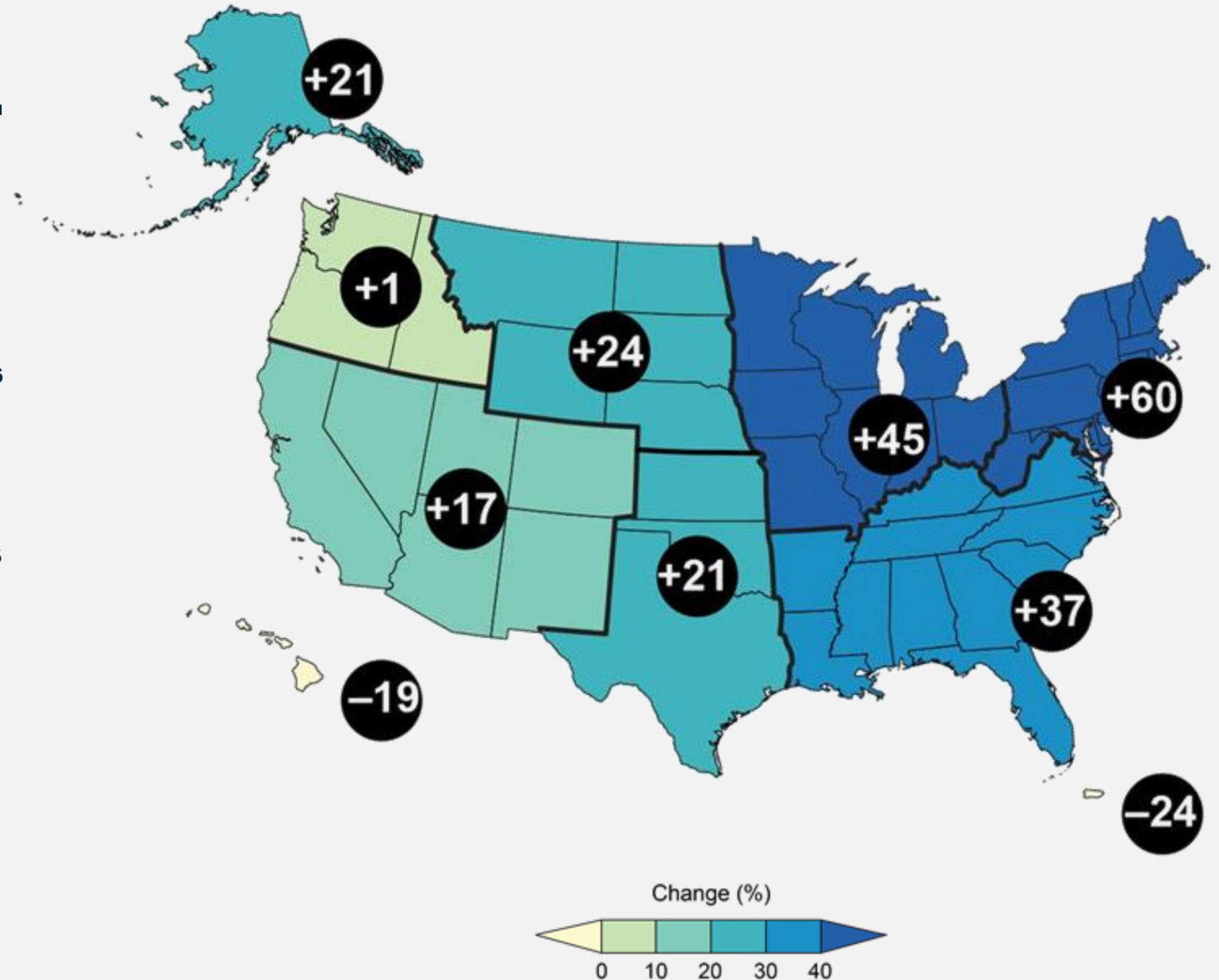
- Contour, Elevation 10 ft or less
- Contour, Elevation 20 ft

EXTREME PRECIPITATION CHANGE IN HEAVIEST 1 PERCENT OF DAYS

The frequency and intensity of **heavy precipitation events** have increased across much of the United States, particularly east of the Mississippi River.

This map depicts percent changes at the regional level of total precipitation falling on the heaviest 1 percent of days measured between 1958 and 2021.

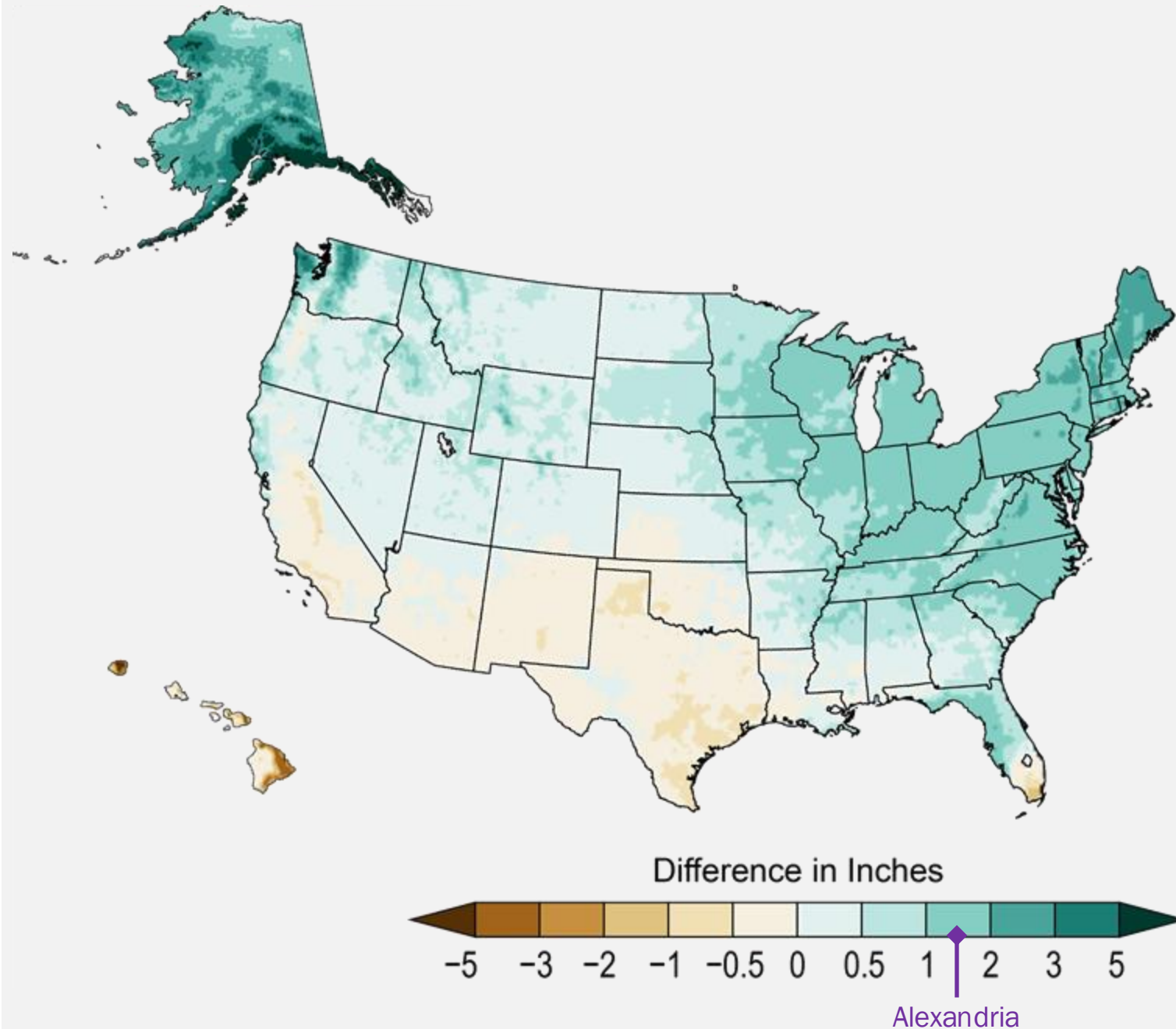
Source: U.S. Global Change Research Program, 2023: Fifth National Climate Assessment



EXTREME PRECIPITATION PROJECTED ANNUAL CHANGE BY 2050

Annual **precipitation projections** are projected to increase for much of the U.S. Differences in annual precipitation are projected to 2036-2065 and compared to 1991-2020. Future rainfall amounts represent an average of all available climate model projections.

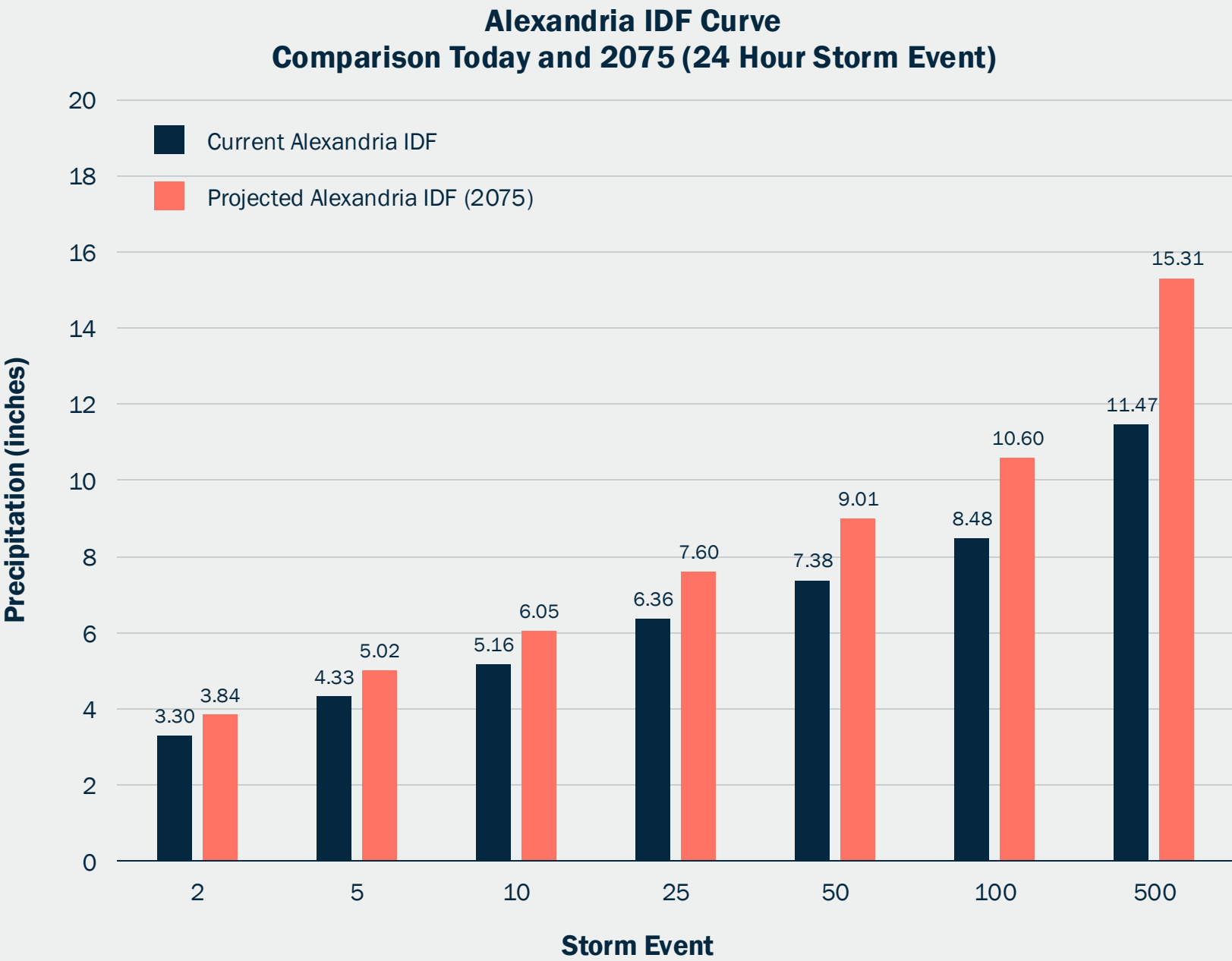
Source: U.S. Global Change Research Program, 2023: Fifth National Climate Assessment



EXTREME PRECIPITATION PROJECTIONS IN ALEXANDRIA

Intensity-duration-frequency curves (IDF curves) are graphical representations that illustrate the relationship between the intensity of precipitation, its duration, and frequency of occurrence over a specific time period.

Precipitation was projected to 2075. The future projected storm intensity, duration, and frequency increases were applied to the current rainfall baseline to predict new rainfall amounts for 10, 25, 50, 100, and 500-year rainfall events.



RIVERINE FLOODING

Riverine flooding occurs when a river overflows its banks and water flows into nearby areas.



1 Rain falls in upstream portion of watershed



Photo by Colleen McGrath-Herald/Mail Media



2 Downstream flows increase in rivers and streams

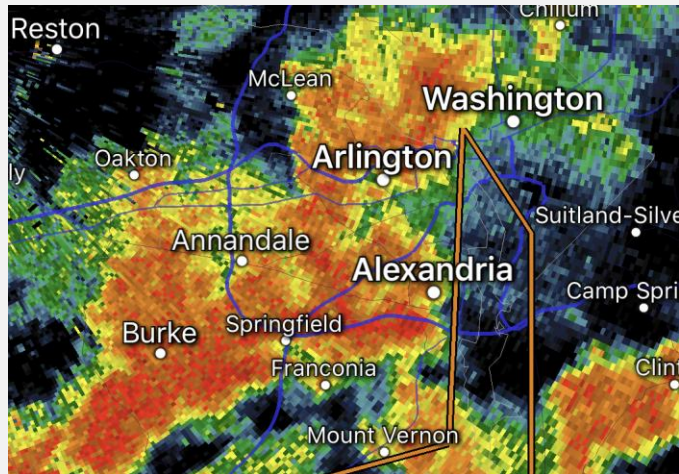


3 Delayed floods downstream in Alexandria



INTERIOR FLOODING

Interior flooding occurs when heavy localized rainfall overwhelms the stormwater sewer system

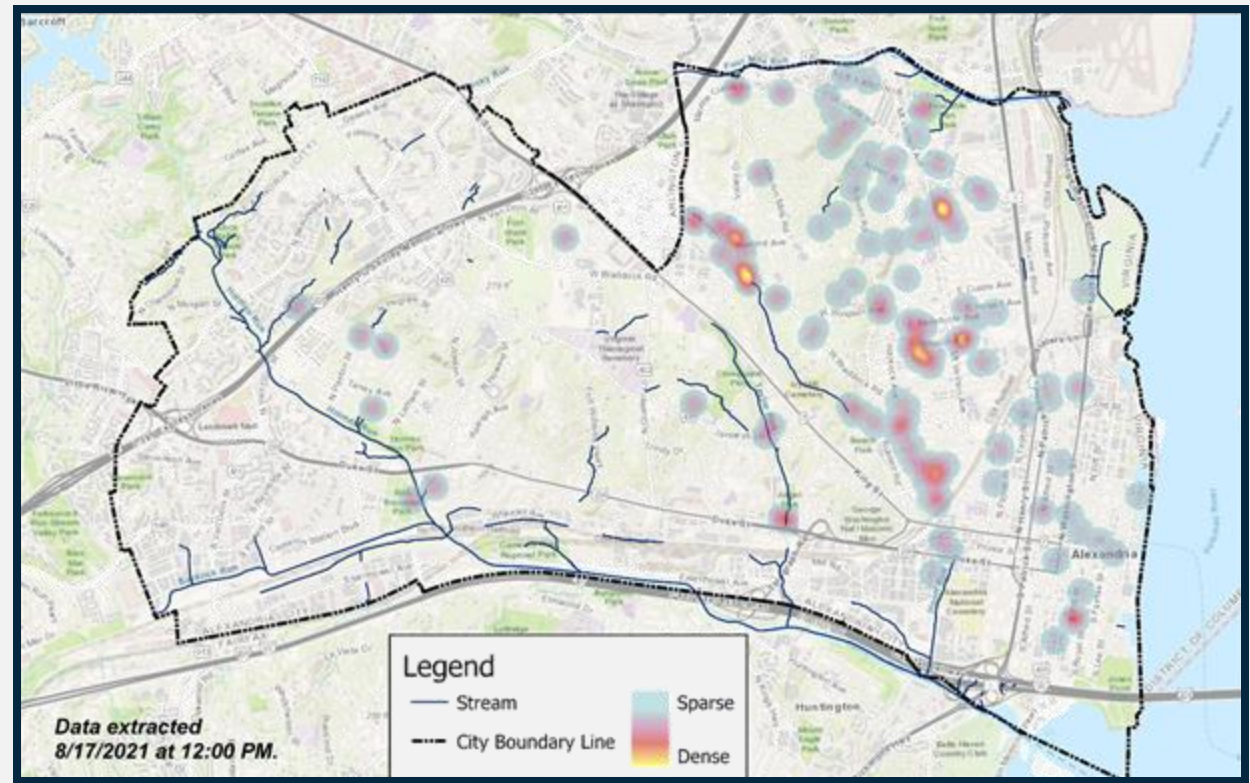


1 Intense, localized heavy rainfall



August 15th, 2021 Flash Flooding Event

Alex311 Service Request Heat Map



2 Localized, rapid flooding typically in areas with poor drainage or “bowls”

COASTAL FLOODING

Coastal flooding occurs because of high tides (sunny-day flooding) or storm surge



1 Wind and low pressure from oceanic storm system



2 High tide



3 Flooding in low-lying, coastal areas



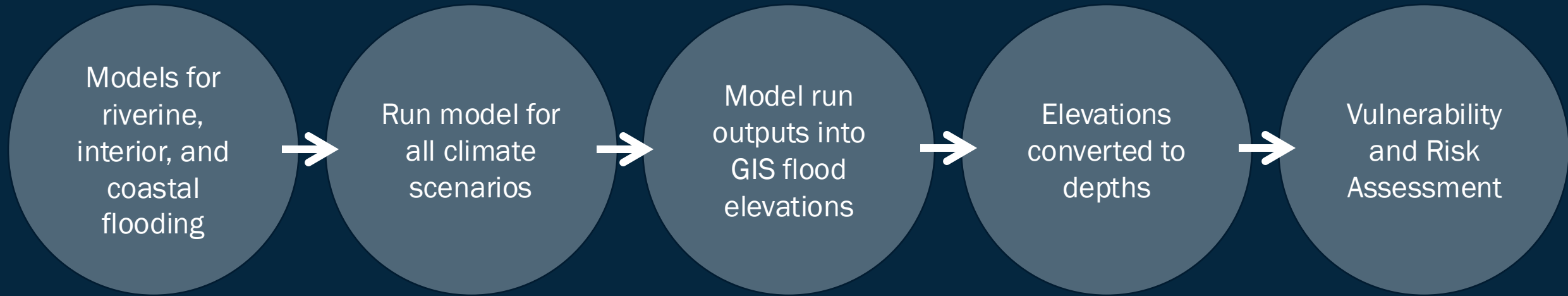
TRIPLE THREAT FLOODING



The City of New Orleans faces a triple threat:

- The city's low-lying areas are sinking (sea level rise)
- The river stage of the Mississippi can flow at high stage during the summer months (riverine flooding)
- The Gulf Coast is threatened by more frequent and more intense hurricanes (coastal flooding)

ALEXRENEW FLOOD MODELING APPROACH



Climate scenarios:

Riverine and Inland Flooding

15 climate scenarios

- Updated precipitation statistics
- Baseline, 2045, 2075
- 10, 25, 50, 100, 500-year storms

Coastal **Sunny Day**

6 climate scenarios

- High sea level rise curve
- Baseline, 2045, 2075
- Mean higher high water, king tide

Coastal **Storm Surge**

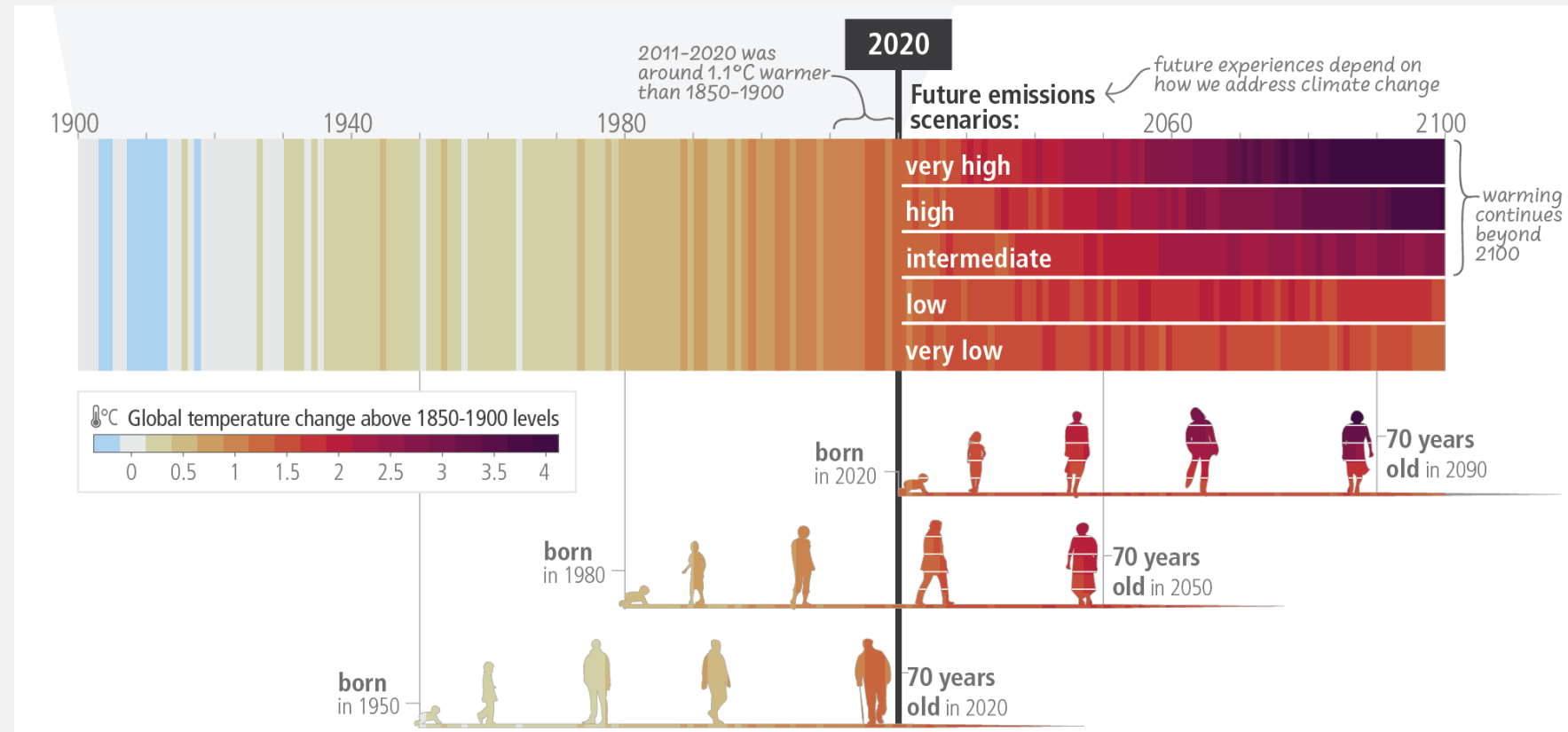
9 climate scenarios

- High sea level rise curve
- Baseline, 2045, 2075
- 10, 100, 500-year storms

THERMAL STRESS

GLOBAL TEMPERATURE CHANGE

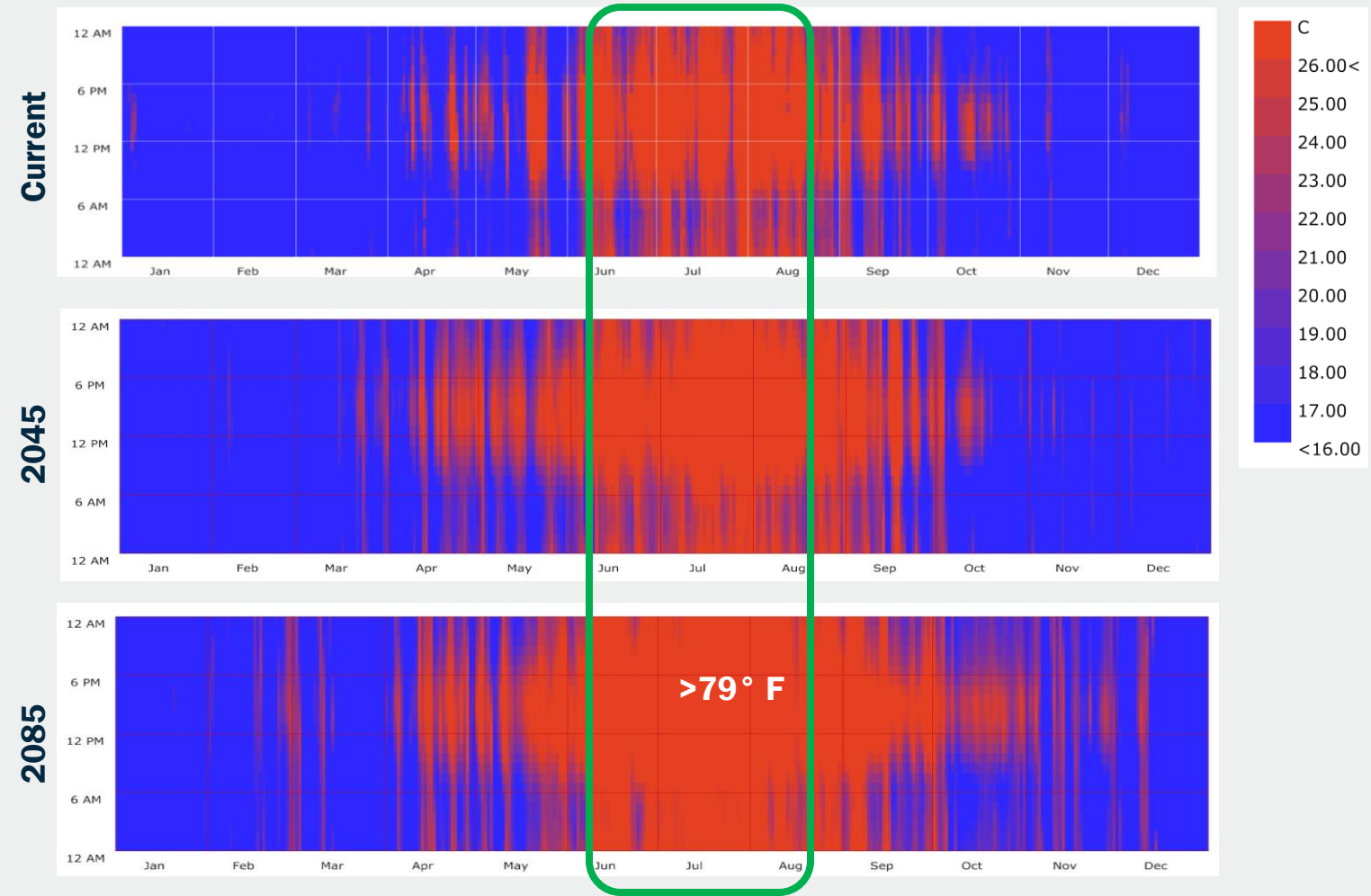
This graphic shows how observed (1900–2020) and projected (2021–2100) changes in global surface temperature will impact representative generations. Future projections (2021–2100) of changes in global surface temperature are shown for very low, low, intermediate, high, and very high greenhouse gas emissions scenarios.



Source: Intergovernmental Panel on Climate Change (IPCC), 2023: AR6 Assessment Report: Climate Change 2023

THERMAL STRESS

HIGH TEMPERATURE OCCURRENCES



Projections for 2045 and 2085 show an increase in both frequency and duration of high temperatures compared to current conditions. Future scenarios also show fewer nighttime cooling periods, highlighting increased thermal stress.

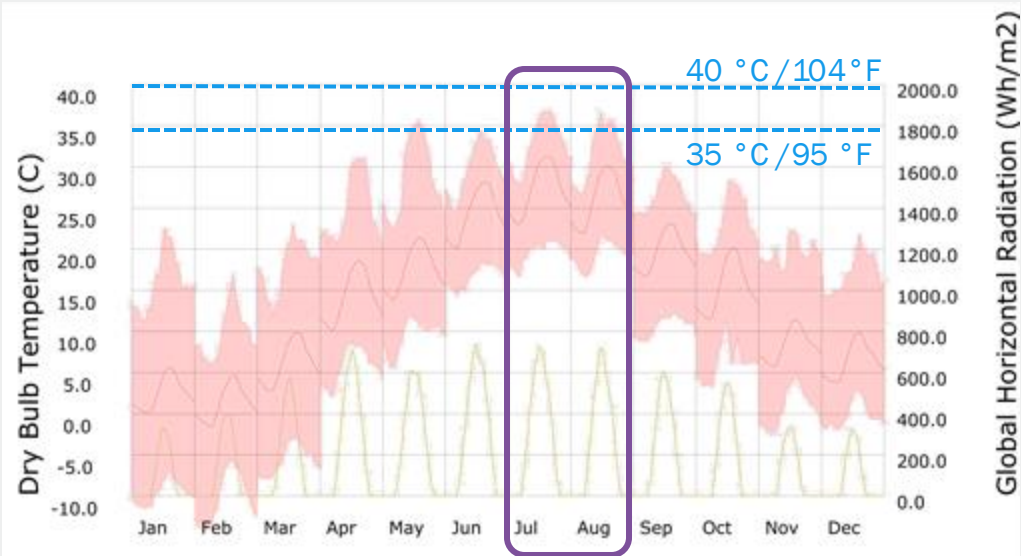
Red areas indicate hours in July and August when dry bulb temperatures exceed 79° F.

The dry bulb temperature refers to the air temperature as measured by a thermometer that is freely exposed to the air but shielded from radiation and moisture.

THERMAL STRESS

DIURNAL TEMPERATURE CHANGES

Current
1991-2003



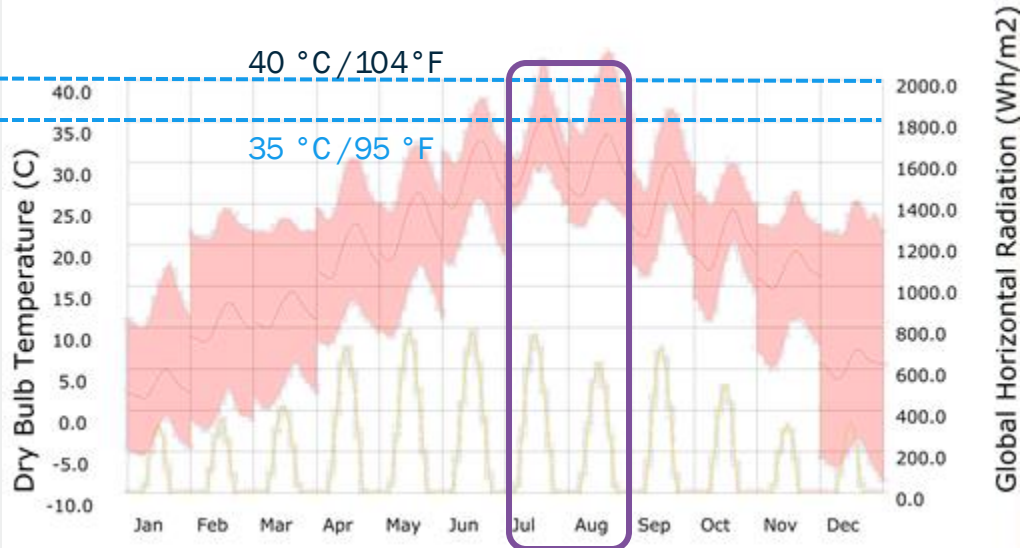
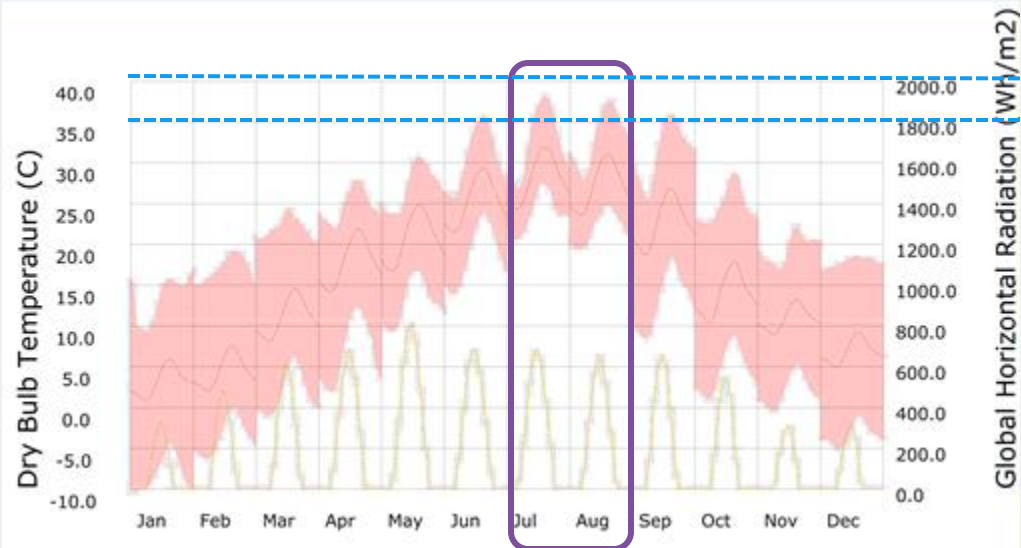
These curves illustrate that by 2085, maximum daily temperatures are projected to exceed 104 °F in July and August, with consistently higher temperatures across all hours of the day compared to baseline and 2045 scenarios.

Diurnal temperature refers to the difference between the minimum at night (low) and the maximum during the day (high).

LEGEND:

- Dry Bulb Temperature (Hourly Avg)
- Dry Bulb Temperature (Hourly Max and Min)

2045



2085

ALEXRENEW THERMAL MODELING APPROACH

Thermal
modeling for
hottest times of
the year



Model run
outputs into 3D
site model



Thermal impacts
simulated for
personnel and
equipment
indoors and
outdoors



Vulnerability and
Risk Assessment

Climate scenarios:

Indoor Thermal Hazards

6 climate scenarios

- Model cooling energy demand intensity
- Baseline, 2045, 2085
- July and August

Outdoor Thermal Hazards

9 climate scenarios

- Universal thermal climate Index for personnel
- Dry bulb temperature for equipment
- Baseline, 2045, 2085
- July and August

CLIMATE STUDY

VULNERABILITY

Climate models, infrastructure modeling, GIS and the asset management system were used to determine if an asset was vulnerable to flood and heat hazards in future climate scenarios. If an asset was determined to be vulnerable to a climate hazard it was assessed for risk.



Exposed

Is the asset exposed to the climate hazard?

Sensitive

Is the asset sensitive to the climate hazard?

No Adaptive Capacity

Are there any mitigating elements that reduce vulnerability?

CLIMATE RISK ASSESSMENT

RISK RANKING

Probability

Score (1-5)



×

Impact

Score (1-5)



=

Climate Risk

Score (1-25)



CLIMATE RISK ASSESSMENT

PROBABILITY

The probability of a climate impact (flooding or thermal stress) was modeled and then assigned a description and score according based on the table to the right.

Descriptor	Description	Score
No impact	The hazard has no impact on the receptor. There is either no exposure or no sensitivity.	NA
Highly Unlikely	Improbable that the hazard will result in an impact. Exposure is highly unlikely, or sensitivity is very limited.	1
Unlikely	Somewhat possible that an impact will occur associated with the hazard given that exposure can occur and there is some sensitivity.	2
Possible	An impact to the receptor occasionally results from the hazard given that exposure can occur and there is sensitivity.	3
Likely	The hazard will frequently result in an impact to that receptor given that it is sensitive to the hazard and exposure is likely.	4
Highly Likely	Almost certain that the hazard will cause an impact because the receptor is highly likely to be exposed and sensitivity is known.	5

CLIMATE RISK ASSESSMENT

IMPACT

Public Health and Safety	Regulatory Compliance	Financial Impacts	Production Impacts	Environmental Impact	Public Perception
Results in threat to public health and safety	Results in a permit violation, regulatory action, or loss of regulator trust	Results in a financial impact	Results in loss of processing capacity, product quality	Results in release of pollution that negative impacts land, air, or water	Results in a loss of public and stakeholder trust

IMPACT RATING


1	Minor Impacts
2	Moderate Impacts and likely can be mitigated
3	Significant Impacts can occur quickly or accumulate, mitigation is possible
4	Major Impacts are immediate, mitigation is limited
5	Impacts are severe, immediate, and cannot be mitigated


The impact of climate events was evaluated using AlexRenew’s asset management impact methodology. Ratings were imported from AlexRenew's asset management system for each asset and were reviewed to assess whether climate events would increase or decrease the impact to each factor.


CLIMATE STUDY













CLIMATE CHANGE IMPACTS
TO ALEXRENEW ASSETS

Legend

 High Impact

 Moderate Impact

 Low Impact

SCENARIOS	WRRF	INTERCEPTORS	PUMPING STATIONS	TUNNEL SYSTEM
Sea Level Rise (2075)				
Extreme Precipitation (2075)				
Thermal Stress (2085)				

NEXT STEPS

June 2025

Finalize risk and mitigation evaluation

September 2025

Present outcomes to Board

November 2025

Incorporate mitigation recommendations into PhaseForward

December 2025

Incorporate mitigation recommendations into 10-year CIP





Monthly Report

Reporting Period: March 1-31, 2025

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 March 2025.

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 March was 2.49 inches of rain which is below the historical average precipitation of 3.50 inches for the month.

AlexRenew met all Virginia Pollutant Discharge Elimination System (VPDES) effluent parameters for March 2025 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)
Permit	54.0	5.0	6.0	Seasonal (1)	0.18	6.0	3.0	493,381	29,603
Reported	33.1	<QL	3.3	0.19	0.11	8.6	2.4	58,734	2,798

Notes: (1) Ammonia seasonal limit for February – March: 6.9 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 \$4.4 million of work has been completed under the JOC contracts. Table 1.3 summarizes the status of JOC task orders.

Table 1.3. Summary of JOC Task Orders

Task Order	Estimate	Status
Tertiary Settling Tank Valve Replacement	\$425,000	Work ongoing
Building A Flare System Repairs	\$765,000	Work ongoing
Environmental Center Improvements	\$200,000	Work ongoing
Plant Air Compressor Upgrades	\$645,000	Work ongoing
Building L W1 Booster Pump Skid Replacement	\$265,000	Work ongoing
WRRF Tank Access Improvements	\$450,000	Work ongoing
Sodium Hypochlorite System Repairs	\$950,000	Work ongoing
Building M Fire Suppression System Upgrades	TBD	Scoping
Potomac Yard Pumping Station Repairs	\$225,000	Work ongoing
Ferric Chloride Pump Replacement (3)	\$100,000	Completed
Valve Train Chamber Emergency Repairs	\$590,000	Work ongoing
High-Capacity Drain Pump Repair	\$115,000	Work ongoing
Tertiary Settling Tank No. 1 Repair (2) (3)	\$420,000	Completed
Building L Sodium Hypochlorite Tank Repair	\$135,000	Work ongoing
Methanol System Improvements	\$510,000	Work ongoing
Pre-Pasteurization Heat Exchanger Cleaning (3)	\$45,000	Completed
NMF Valves Wiring Repairs	\$45,000	Work ongoing
Campus-wide Site Improvements	\$75,000	Work ongoing
Pre-Pasteurization Spare Parts (1) (2) (3)	\$575,000	Work ongoing
Building G Lab Repairs (1) (2) (3)	\$130,000	Completed

Notes: (1) New task order; (2) Estimate updated; (3) Status updated

1.3 RiverRenew

Updates on RiverRenew are outlined in the RiverRenew Dashboard.

1.4 PhaseForward

Updates on PhaseForward are outlined in the PhaseForward Dashboard.

1.5 Additional Capital Projects

In January 2025, AlexRenew issued a request for proposals (RFP) for professional engineering services to conduct a feasibility study for a regional biosolids facility. The RFP is a result of a memorandum of understanding signed in November 2024 between AlexRenew and other water and wastewater authorities in northern Virginia including Fauquier County Water and Sanitation Authority, Loudoun Water, Prince William Water, and Upper Occoquan Service Authority. The successful respondent from the RFP will conduct a feasibility study for long-term regional alternatives to land application of

biosolids. Three (3) proposals were received on February 18 and evaluated by a committee comprised of one representative from each of the wastewater authorities that signed the memorandum of understanding. This item is presented for Board approval in this month's Board package.

In March 2025, AlexRenew issued an RFP for Job Order Contracts (JOC) to support AlexRenew's ongoing construction and maintenance needs. The new JOCs will take the place of the current JOCs that were awarded in July 2023 and will align with updated term limits as established in the Virginia Public Procurement Act. Proposals are anticipated to be received in April 2025 and Board approval is anticipated for June 2025.

1.4 Basic Ordering Agreement Task Orders

In December 2024, the Board approved five (5) basic ordering agreements (BOA) to support AlexRenew's planning, design, and implementation of projects as part of AlexRenew's CIP program. Table 1.4 summarizes the status of BOA task orders issued as part of this procurement.

Table 1.4. Summary of BOA Task Orders

Task Order	Estimate	Status
Tertiary Systems Upgrade Project Owner's Advisor Services	\$750,000	Work ongoing
General Engineering Services	\$50,000	Work ongoing
PFAS Sampling Support	\$80,000	Work ongoing
Elevator Project – Engineering Services During Construction	\$200,000	Work ongoing
Building F Roof Design (1) (2) (3)	\$100,000	Work ongoing
Mark Center Pumping Station Evaluation Study (1) (2) (3)	\$125,000	Work ongoing

Notes: (1) New task order; (2) Estimate updated; (3) Status updated

1.5 Sole Source and Emergency Contracts

There were no sole source or emergency contracts executed in March.

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.

Throughout the month, staff continued to receive communication skills training to build relationships across the organization. Monthly CEO roundtable sessions also continued to receive constructive feedback on opportunities for improvement from staff.

Since August 3, 2023, AlexRenew has logged 337,544 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 March 24, Governor Youngkin vetoed SB 962/HB 2482, which would have required local public

bodies to mandate that registered apprentices account for a minimum of eight (8) percent of total labor hours on all capital projects.

AlexRenew held a ribbon-cutting ceremony on March 31 to welcome the City of Alexandria's Department of Transportation and Environmental Services to the 5th floor of the Environmental Center. The event marked an important moment for both organizations, as their shared mission and newly shared space will create additional opportunities for collaboration and help strengthen connections between AlexRenew, the City, and our community.



Figure 3.1. Councilman Canek Aguirre, City staff, and AlexRenew staff celebrate the completion of City and AlexRenew shared space on the 5th Floor of the Environmental Center on March 31

Staff supported key partners by participating in the Concerned Citizens Network of Alexandria's Lunch & Learns on March 14 and 21 and the Women's Leadership Forum, hosted by the Alexandria Chamber of Commerce on March 14.

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 and minimizing our impact on the environment.

AlexRenew produced 2,079 wet tons of biosolids that were beneficially reused on farms in the Virginia counties of Fauquier, Hanover, King William, and Culpepper. AlexRenew recycled 134 million gallons of water to support its operations. Plant processes used approximately 721,000 standard cubic feet of biogas that was produced onsite 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

The 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, including the following major takeaways:

- Wastewater Treatment Charge revenues (\$46.9 million) are trending higher than budget due to higher customer usage;
- Operating and maintenance expenses (\$26.2 million) are trending right at budget; and
- Total expenses (\$126.46 million) are currently trending lower than the budgeted expenses primarily due to the timing of spending associated with RiverRenew. This timing also impacts debt proceeds revenues (\$55.4 million), which are lower than budgeted since the majority of capital expenses are funded through debt.

Table 5.1. Revenues and Expenses through March 2025

Revenues and Expenses	Total FY2025 Budget	FY2025 To-Date	% of Budget To-Date	% of FY2025 Completed	Total FY2025 Projected
Revenues					
Wastewater Treatment Charge	60,420,321	46,898,679	78	75	62,700,000
Fairfax Operating Expense Charge	12,838,293	9,628,720	75	75	12,800,000
Fairfax IRR* and Capital Contributions	40,753,072	14,541,387	35	75	22,000,000
Debt Proceeds and Other Sources	118,784,403	55,396,101	47	75	86,500,000
Total Revenues	232,796,090	126,464,887	54	75	184,000,000
Expenses					
Operating and Maintenance	35,295,594	26,210,072	74	75	35,200,000
Parity Debt Service	22,290,196	20,213,063	90	75	20,300,000
IRR*	11,755,900	10,226,782	87	75	12,500,000
Capital	163,454,400	69,814,970	43	75	116,000,000
Total Expenses	232,796,090	126,464,887	54	75	184,000,000

*IRR: Improvement, Renewal, and Replacement

In March 2025, the Board adopted a revised Financial Policy that includes two metrics to ensure sufficient days cash on hand – Operating & Capital Days Cash on Hand and Total Days Cash on Hand. Days cash on hand or “days cash” is calculated by the dividing the amount of unrestricted cash by the annual operating expenses, times 365 (total days in any given fiscal year). Operating & Capital Days Cash includes only a portion of AlexRenew's unrestricted operating cash, while Total Days Cash includes all AlexRenew unrestricted cash and represents the days cash benchmark typically reviewed

by rating agencies.

Minimums required by the revised Financial Policy for Operating & Capital and Total Days Cash are 120 and 270 days, respectively. The revised Financial Policy also modified the minimum debt service coverage from 1.5 to 1.6 times. Debt service coverage is calculated by dividing net revenue by annual debt service. AlexRenew currently exceeds its Financial Policy cash reserves and debt service coverage requirements as indicated in Tables 5.2a and 5.2b.

Table 5.2a. Cash Reserves

Days Cash on Hand	Minimum	FY2025 Annualized	Percentage of Goal
Operating and Capital Days Cash on Hand (1)	120	144	120%
Total Days Cash on Hand (2)	270	839	310%

Table 5.2b. Debt Service Coverage

Item	FY2025 Budget	FY2025 Annualized
Total Revenues	\$74,158,614	\$77,103,520
Less Operating Expenses	(\$35,295,594)	(\$35,200,000)
Net Revenue	\$38,863,020	\$41,903,520
Annual Debt Service	\$22,290,196	\$20,300,000
Calculated Coverage	1.75 times	2.06 times

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 932, the same number of accounts noted last period;
- The total dollar amount owed to AlexRenew from these accounts totaled \$1,072,521, an increase of \$21,707 month-over-month; and
- Approximately 56 percent of the delinquency value is from residential accounts.

Throughout March, AlexRenew continued its communications campaign around LEAP and payment plans. As of March 31, AlexRenew had 417 accounts enrolled in payment plans, representing \$582,889 in scheduled payments. This value represents approximately 52 percent of the current (March) arrearage.

On behalf of AlexRenew, Virginia American Water disconnected eight (8) customers for nonpayment of their sewer bill in March. Of the customers who were disconnected, six (6) paid their balance in full, one (1) enrolled in a payment plan, one (1) account was closed, and none applied for a LEAP disbursement. Since July 2024, there have been 177 disconnections, of these, 14 accounts received a total of \$11,968 in LEAP disbursements.

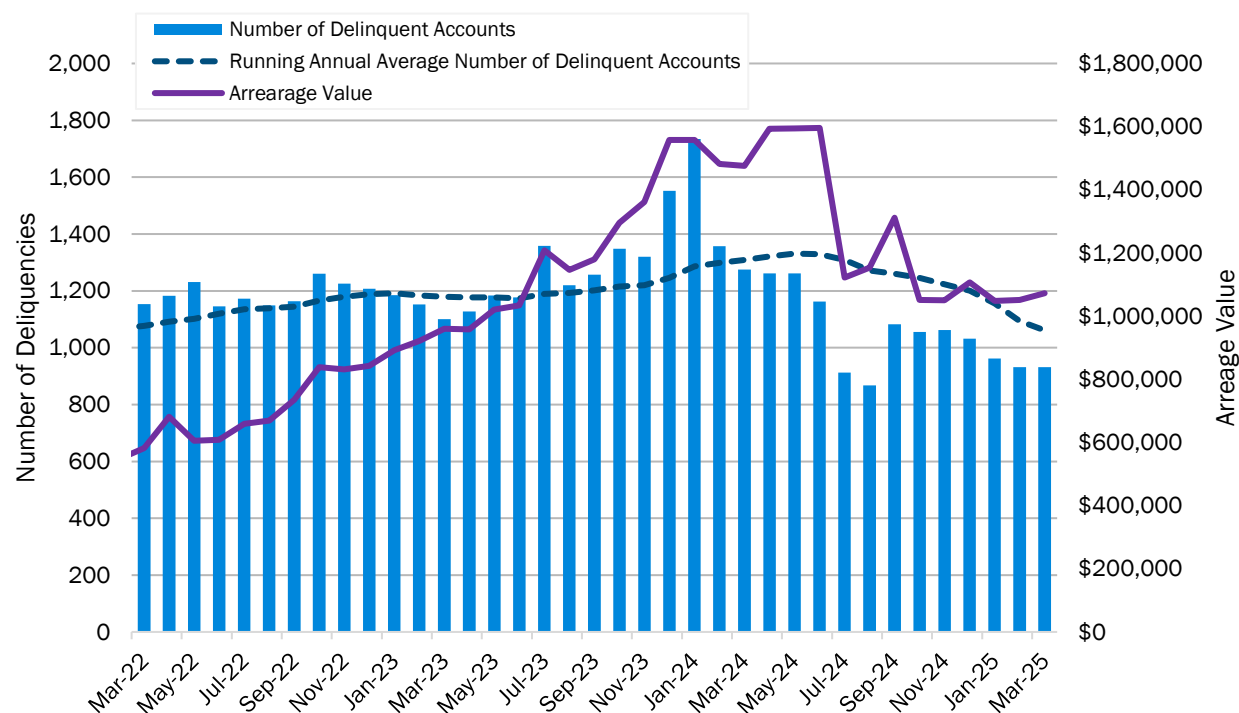


Figure 5.1. Active Accounts 60 or more days Delinquent

5.4 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.

Staff participated in several STEM and community events throughout the month of March, including:

- Alexandria City High School's STEM Academy Guest Speaker Series
- Career Day at Jefferson-Houston School (5th – 8th graders)
- Mount Vernon Community School Science Night
- Fairfax County Regional Science & Engineering Fair

AlexRenew also hosted its first Adopt-a-waterway cleanup effort associated with Hooffs Run and Hunting Creek on March 27. Staff collected trash, debris, and a surprising number of tires along both streams.



Figure 5.2. AlexRenew staff and contractors celebrate a successful waterway cleanup along Hooffs Run and Hunting Creek on March 27

AlexRenew welcomed an estimated total of 340 visitors from the following organizations that hosted meetings on the 6th floor of the Environmental Center in March: Alexandria A Capella Collective (120), Moms Demand Action (45), Alexandria Symphony Orchestra (30), City of Alexandria (25), Alexandria Soccer Association (50), Jack and Jill of America (40), and Alexandria City Public Schools (30).

AlexRenew customer service received a total of 780 calls. The average wait time before calls were answered was 1 minute and 14 seconds. Call center staff answered 325 emails.

5.5 Lifeline Emergency Assistance Program (LEAP)

Additional updates on LEAP are outlined in the LEAP Dashboard.

phaseforward

To support our evolving community, AlexRenew is making a significant investments to improve the resiliency of its infrastructure

DASHBOARD | MARCH 2025

The PhaseForward program includes a series of significant upgrades to critical wastewater processes that will allow us to meet evolving regulatory requirements and continue to improve the resilience of our infrastructure. PhaseForward includes four (4) major projects:

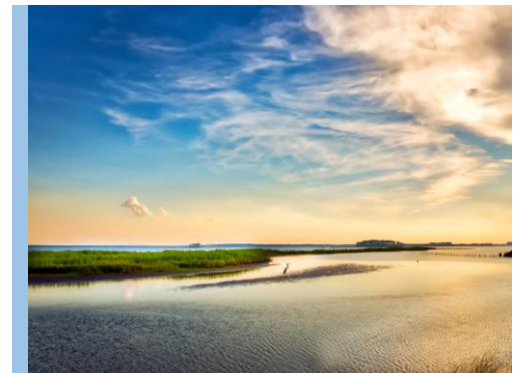
- Biosolids Diversification:** Upgrades to meet emerging regulations, increase bioenergy production, and realize alternative beneficial end uses for biosolids
- Headworks Renewal:** Improvements to aging equipment that provides initial screening of debris larger than a pea and settling for solids as small as a grain of sand. New pumping systems to ensure wastewater flows from the community through our wastewater treatment processes
- Process Optimization:** Installation of new equipment to enhance our nutrient removal processes and continue to improve water quality in the Chesapeake Bay and its tributaries
- Nutrient Reduction:** Rehabilitation of processes providing the final settling and filtration of wastewater to further reduce nutrient loads and allow for continued growth in our community



BIOSOLIDS



HEADWORKS

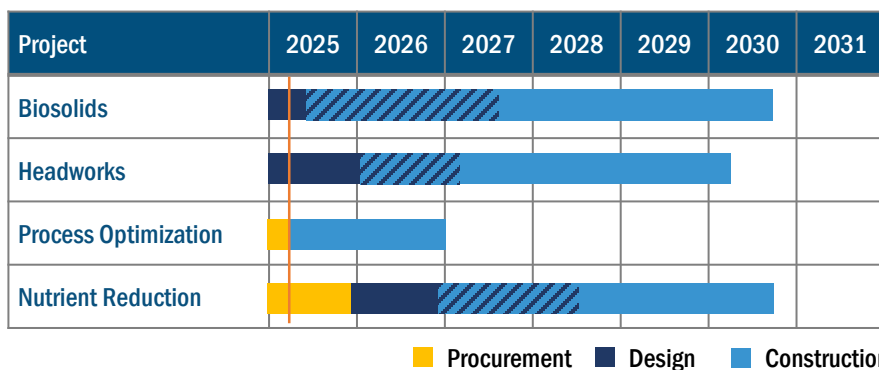


PROCESS OPTIMIZATION



NUTRIENT REDUCTION

PhaseForward schedule



PhaseForward spending (to date)

Project	Estimate (1)	Design	Construction	Total	% Local (2)
Biosolids	\$315M	\$6.3M	\$334,651	\$6.6M	91%
Headworks	\$120M	\$4.5M	\$0	\$4.5M	96%
Process Optimization	\$9.4M	\$0.9M	\$0	\$0.9M	100%
Nutrient Reduction	\$120M	\$0.9M	\$0	\$0.9M	100%
Total	\$568M	\$12.6M	\$0	\$12.9M	94%

Note: (1) Current capital cost estimates; (2) % Local spending from Alexandria, Northern Virginia, Maryland, and Washington, DC



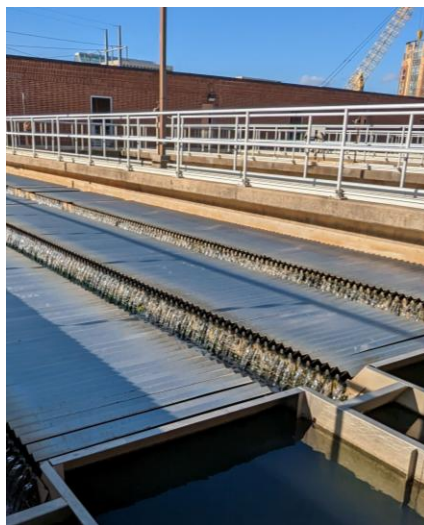
HEADWORKS RENEWAL

On March 6, the engineering team and designer engaged staff in a series of design input sessions. These sessions are part of an overall approach to solicit critical feedback into the design process and coincided with the 60 percent design for the primary settling systems.



Biosolids Diversification

The contractor solicited proposals for the procurement of thickening and dewatering centrifuges, gravity thickener equipment, and variable frequency drives.



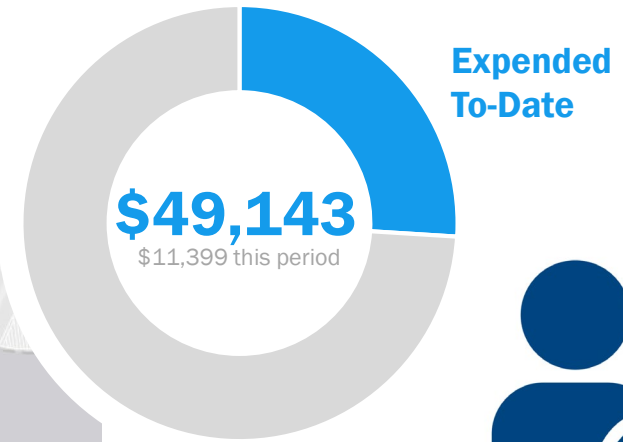
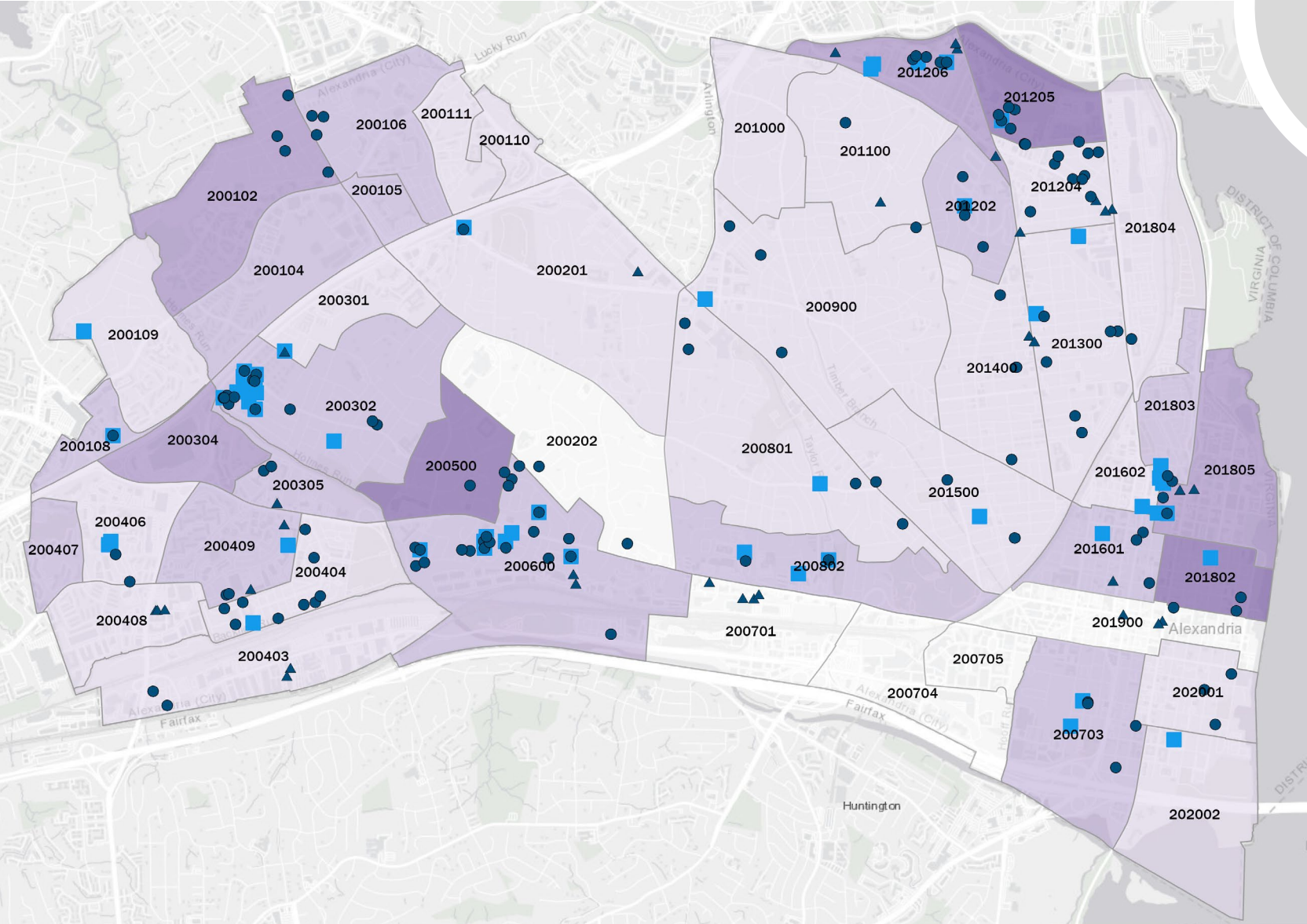
Nutrient Reduction

The Request for Qualifications for the first step in the procurement of a design-builder was finalized for release on April 8.



Process Optimization

Following Board approval in March 2025, a construction contract with ACE, Inc. was executed on March 24.



**Expended
To-Date**

\$155,225
Remaining
\$2,130 this period



Customers Assisted
15 customers assisted this period



**Service Disconnections
for Nonpayment**
8 customers disconnected this period

Legend

Percentage of Households Receiving SNAP

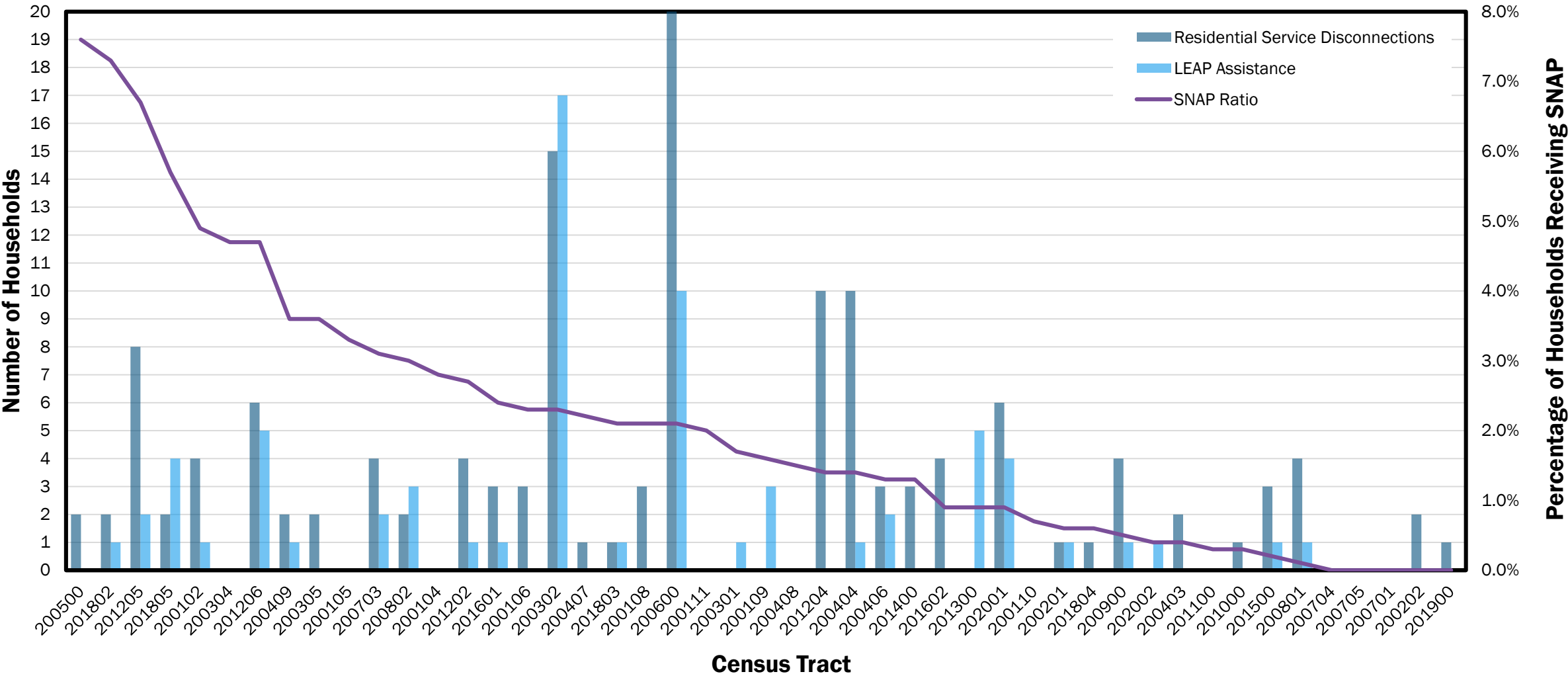
- 0
- 0 - 2.0%
- 2.0 - 4.0%
- 4.0 - 6.0%
- 6.0 - 8.0%

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

March 31, 2025

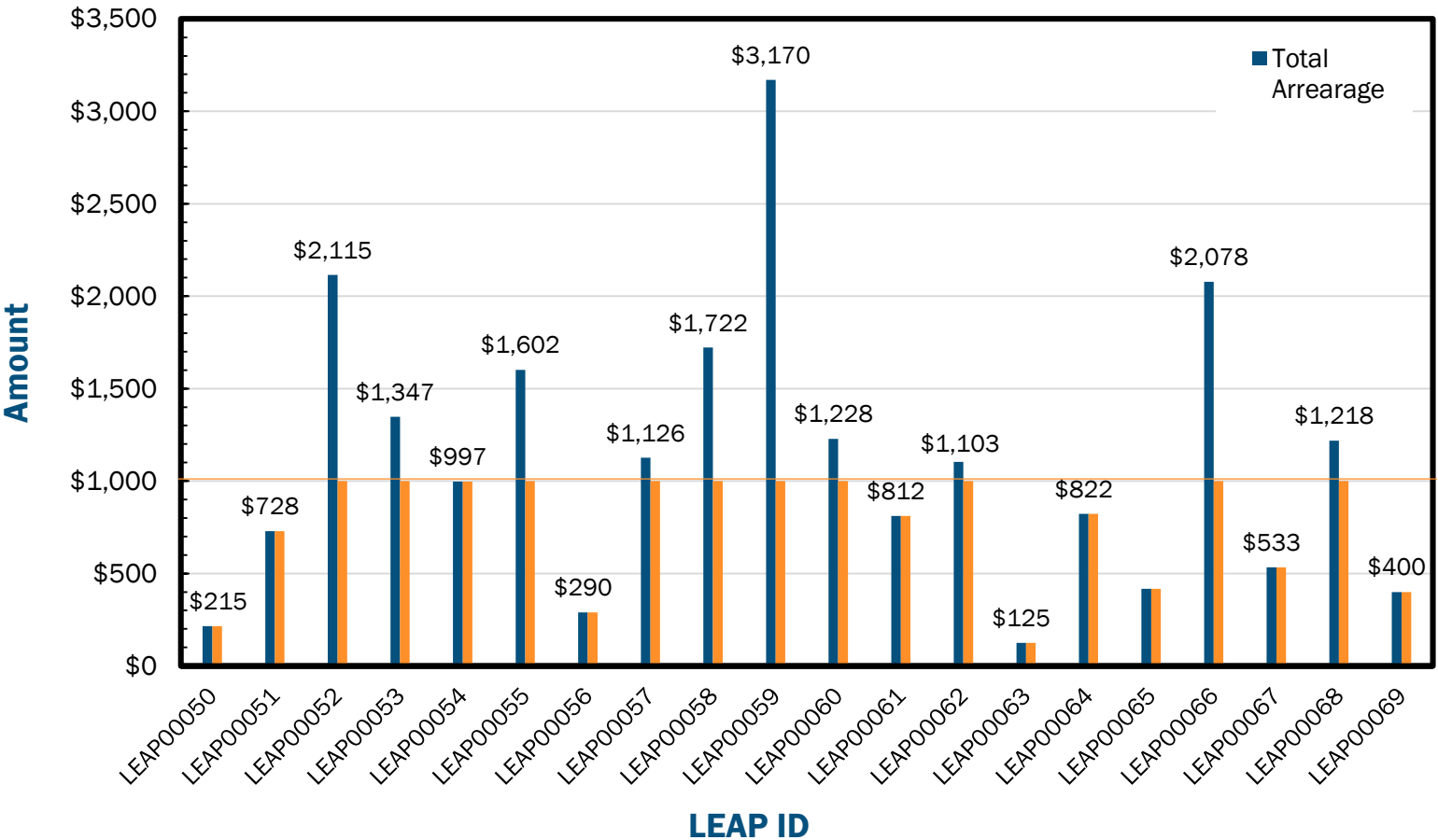


LEAP Disbursements and Remaining Arrearage by Account

March 31, 2025

(Feb. 2025 – Mar. 2025)

Disbursements (February 2025 – March 2025)



Disbursed	Arrearage	% of Arrearage
\$1,000	\$2,115	47.28%
\$1,000	\$1,347	74.24%
\$1,000	\$1,602	62.42%
\$1,000	\$1,126	88.81%
\$1,000	\$1,722	58.07%
\$1,000	\$3,170	31.55%
\$1,000	\$1,228	81.43%
\$1,000	\$1,103	90.66%
\$1,000	\$2,078	48.12%
\$1,000	\$1,218	82.10%
\$997	\$997	100.00%
\$822	\$822	100.00%
\$812	\$812	100.00%
\$728	\$728	100.00%
\$533	\$533	100.00%
\$417	\$417	100.00%
\$400	\$400	100.00%
\$290	\$290	100.00%
\$215	\$215	100.00%
\$125	\$125	100.00%
Average:	\$767	\$1,102 83%
Median:	\$999	\$1,050 95%

RiverRenew Board of Directors Dashboard



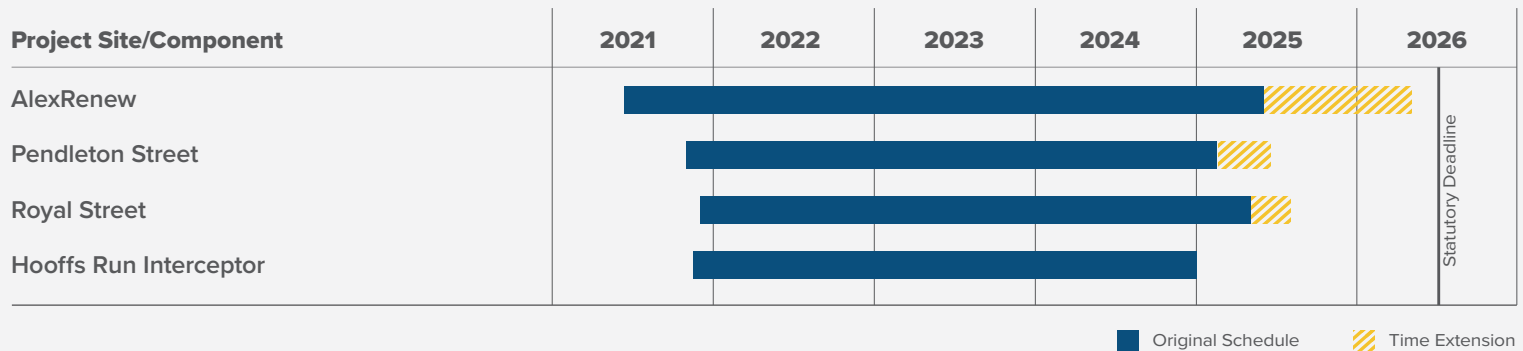
MONTH ENDING: MARCH 31, 2025

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 2 of this dashboard. The phases of construction for the four remaining primary construction sites are illustrated in the schedule below.

RiverRenew Tunnel Project Schedule

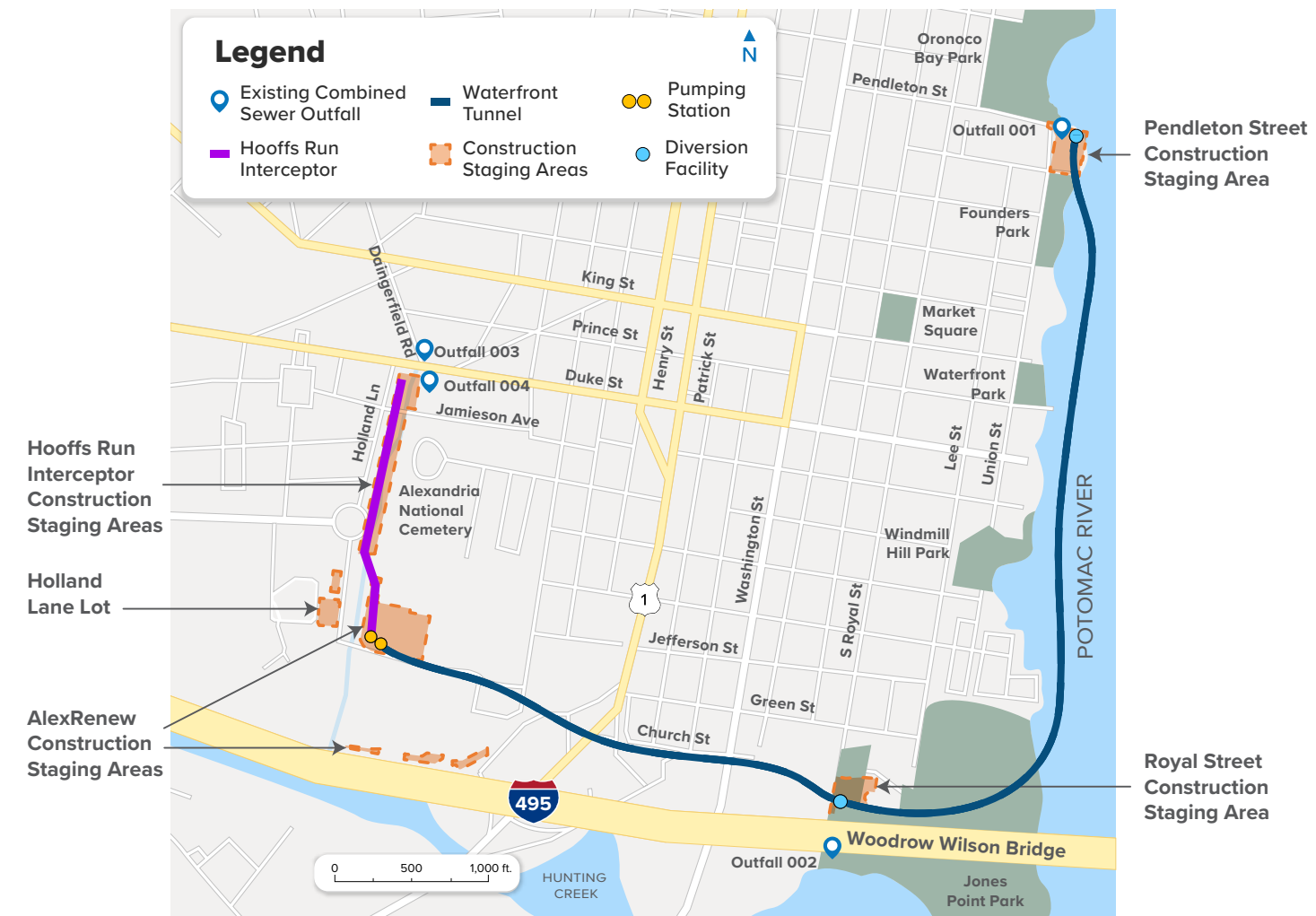


Summary of Major Tunnel Project Delays

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).

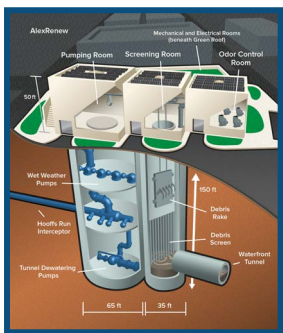
RiverRenew Tunnel Project Snapshot

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.



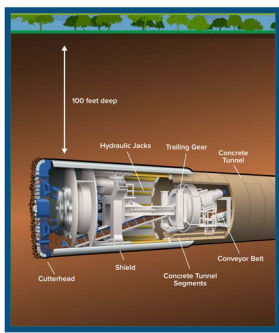
Hooffs Run Interceptor

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



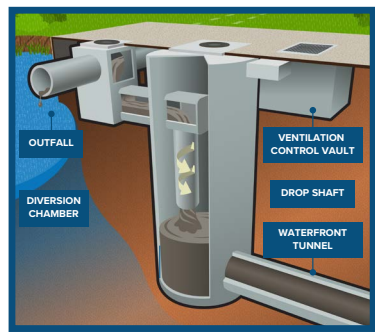
Pumping Station

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



Waterfront Tunnel

Complete!



Diversion Facility

Click [here](#) for an overview about diversion facilities.

RiverRenew Tunnel Project Highlights

Overall Project Progress

(Design and Construction)

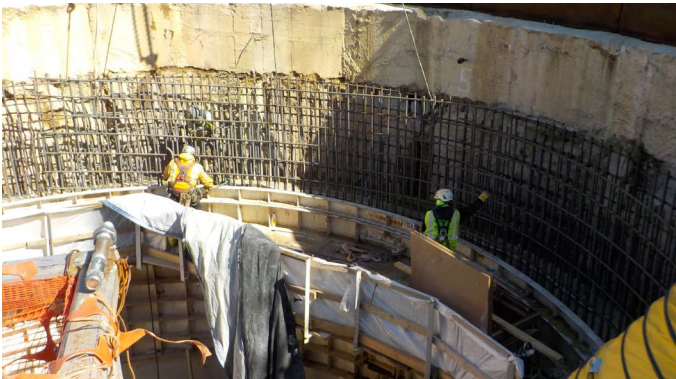
Actual

78%

Planned

91%

Royal Street Site



Ongoing

- Permanent concrete shaft internals
- Permanent concrete near surface structures
- Concrete vault for mechanical equipment

Upcoming

- Concrete shaft cover

Pendleton Street Site



Ongoing

- Permanent concrete and site backfill
- Concrete shaft cover

Upcoming

- Promenade construction and site restoration

Hooffs Run Site



Ongoing

- Site restoration
- Boardwalk construction

Upcoming

- Additional site restoration and landscaping

AlexRenew Site



Ongoing

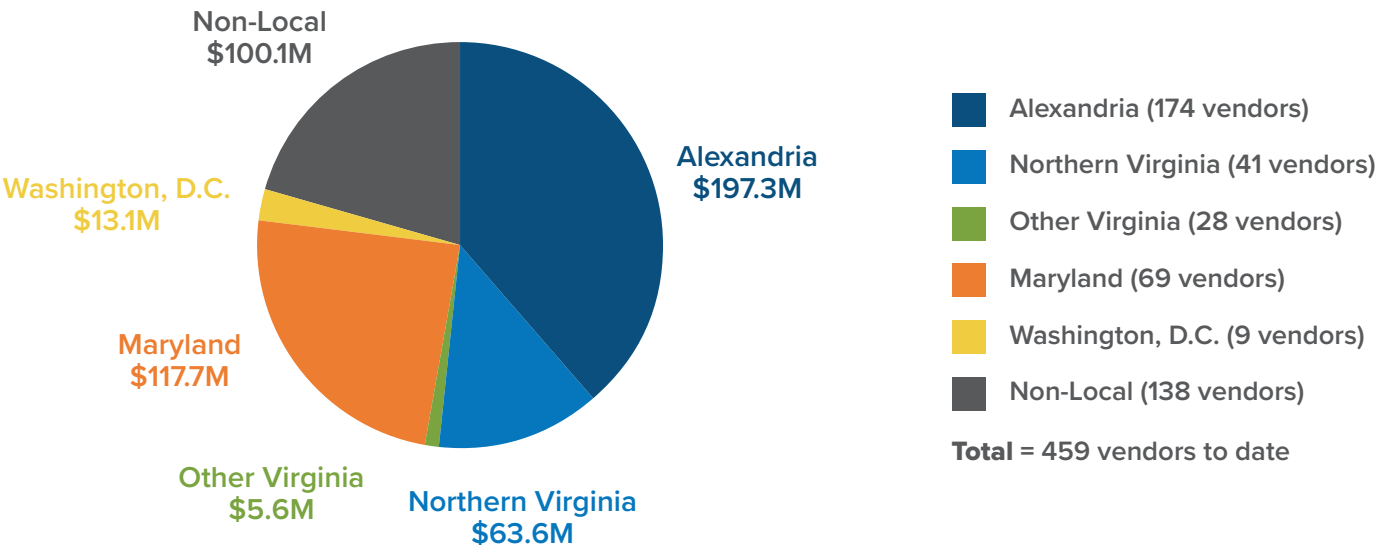
- Pumping station piping installation
- Superstructure floors, columns, and high roof
- Pumping station mechanical and electrical work

Upcoming

- Superstructure build-out

RiverRenew Program Costs to Date

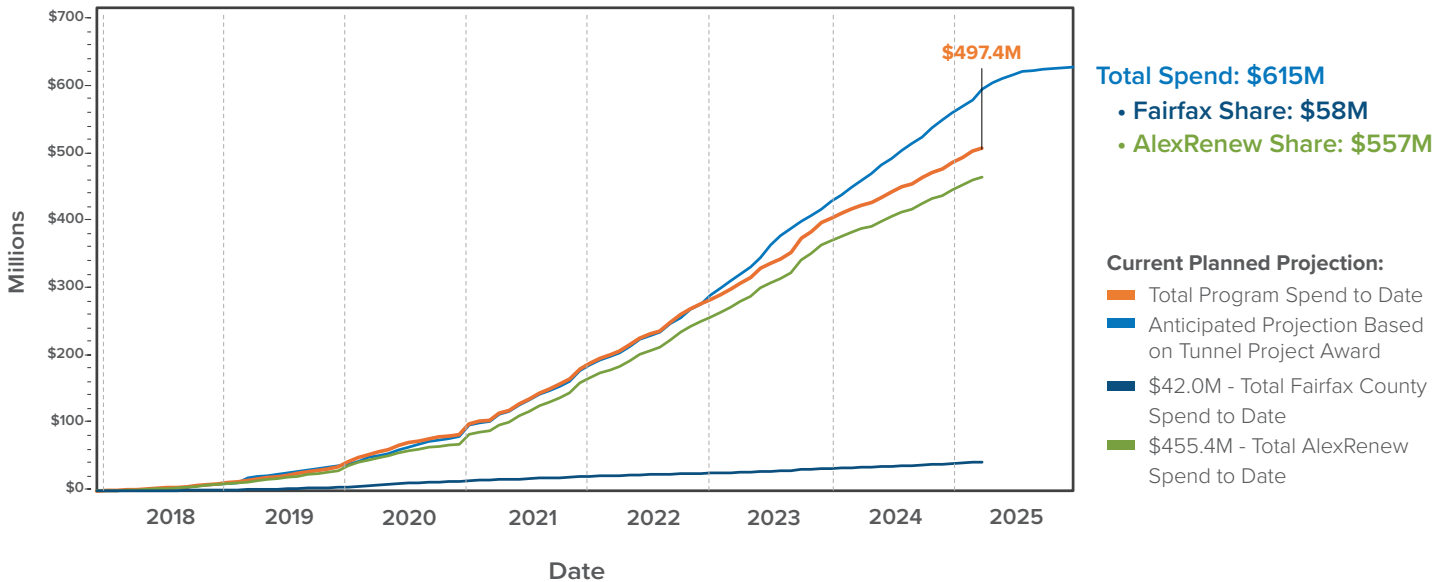
RiverRenew Spend to Date by Locality



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	\$332.8
Brown and Caldwell	Owner's Advisor	Professional Services	17-022	Nov 2017	\$84.0
EPC	Resident Engineering & Inspection Tunnel System Project	Professional Services	20-013	Apr 2020	\$27.0
Completed RiverRenew Wastewater Projects to Pave the Way for the Tunnel Project					\$53.6

RiverRenew Cash Flow Analysis



RiverRenew Community Outreach

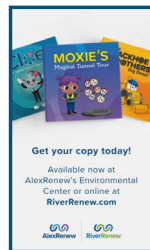


Education

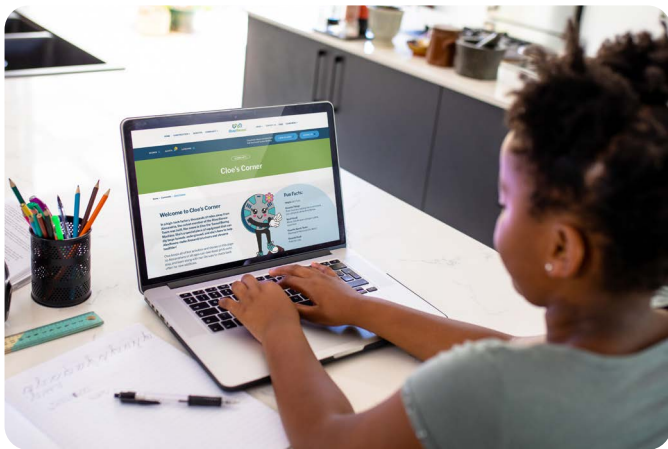
Education initiatives are intended to engage audiences of all ages and help them learn more about RiverRenew and its technical components.

Highlights:

- A **new animation** promoting free copies of the third Cloe and Friends storybook, Moxie's Magical Tunnel Tour



Discover all RiverRenew educational content on Cloe's Corner! [RiverRenew.com/cloes-corner](https://www.riverrenew.com/cloes-corner)

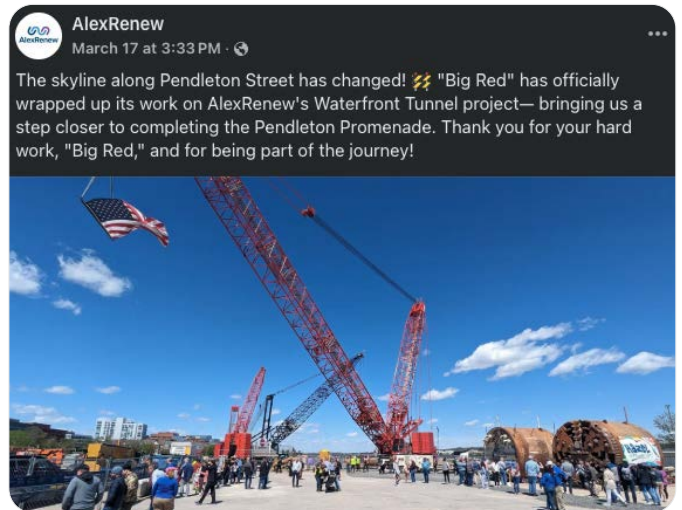


Digital Programming

Digital programming keeps the community connected to RiverRenew with regular program updates on [RiverRenew.com](https://www.riverrenew.com) and through AlexRenew's social media pages.

Highlights:

- A **peek** below the surface at our Royal Street Diversion Facility
- A **post** detailing all of the work Big Red has done to get the Pendleton Promenade closer to completion



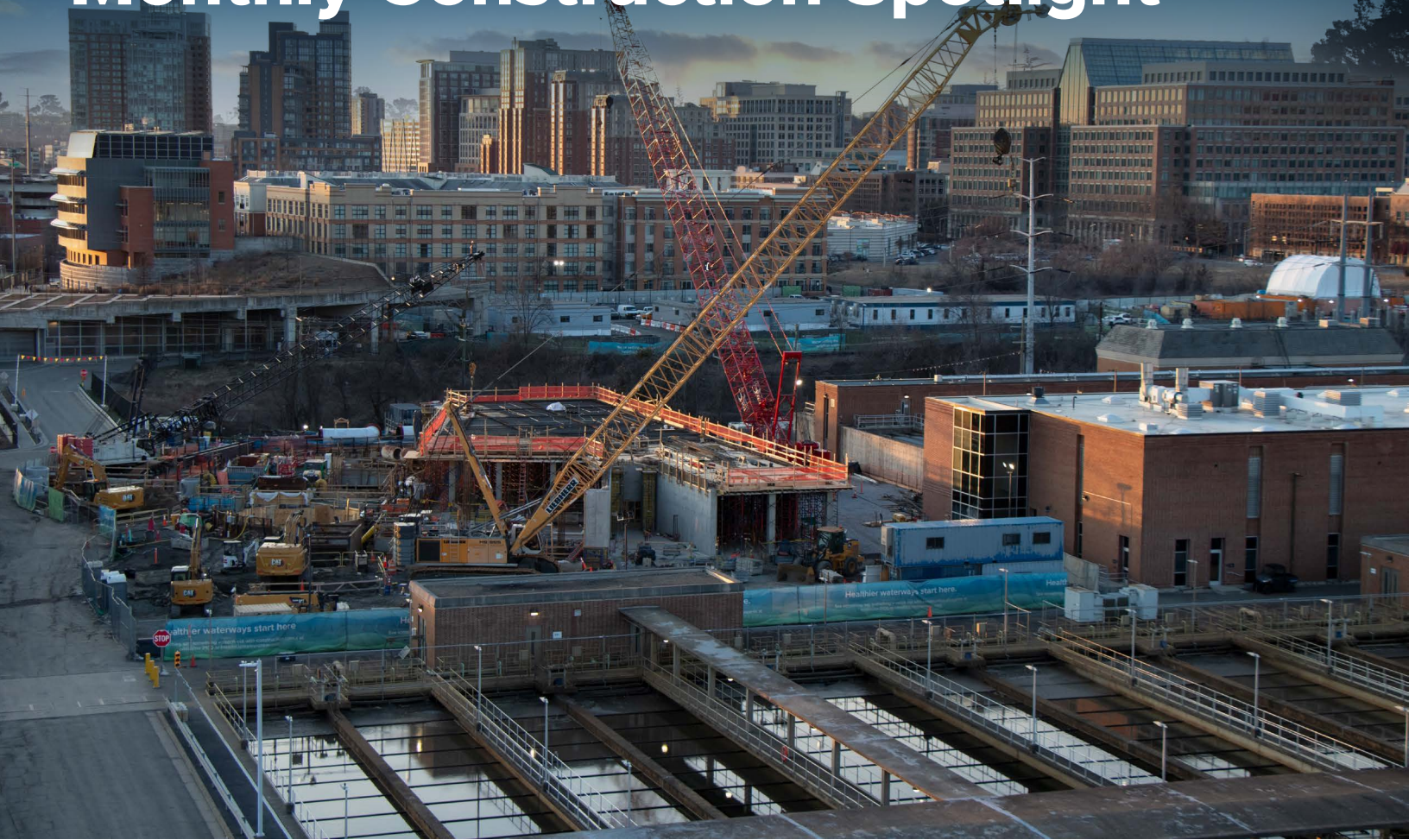
Community Days & Events

Community days feature project-specific events to celebrate construction progress on the Tunnel Project and engage the community along the way. Participating in or co-sponsoring **community events** strengthens AlexRenew's relationship with its water and community partners.

Looking Ahead:

- Hooffs Run Day: **June 7, 2025**

Monthly Construction Spotlight



Superstructure Taking Shape at AlexRenew

As construction at the outfall sites continues to wind down, crews are now largely focused on the remaining activities at the heart of AlexRenew’s wastewater treatment plant. Here, most of the construction activity is centered around the pumping stations that will dewater the tunnels and send the captured combined sewage through the treatment process. The pumping stations are housed in a 12-story-deep shaft and a 4-story building, which is currently taking shape on the surface of AlexRenew. When complete, the superstructure building will feature a training room for staff, a green roof, and solar panels. The project is anticipated to achieve a LEED silver rating — the first facility of its kind in the Commonwealth.

Building for the Future of Alexandria’s Waterways

To learn more, visit www.RiverRenew.com

