

Operating and Capital Budget

Fiscal Year 2026

July 1, 2025 – June 30, 2026

Alexandria, Virginia



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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 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 adopted FY2026 expenses and revenues.

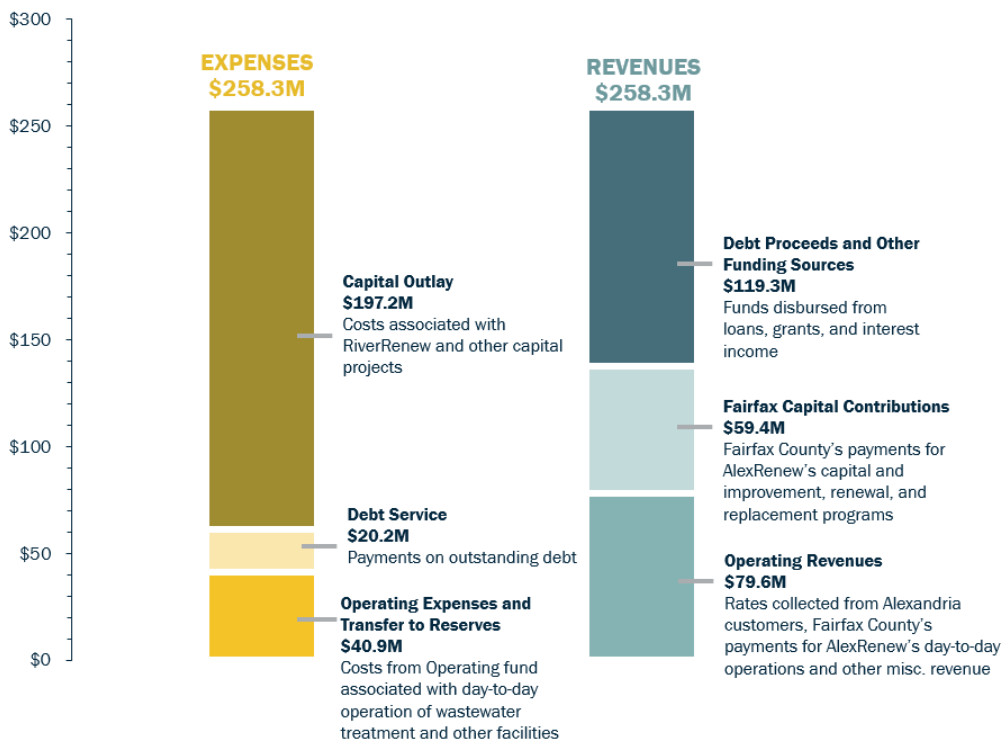


Figure ES.1. FY2026 Expenses and Revenues

ES.2 FY2026 Expenses

Approximately 76 percent of the adopted 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 Debt Proceeds and Other Funding Sources. 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 are \$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 costs 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 \$2.5 million in 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 revenues for FY2026 are \$79.6 million, up 8.7 percent from the FY2025 budget. The increase is primarily driven by the adopted rate adjustment for FY2026, to support the RiverRenew program. As part of the FY2026 budget, the AlexRenew Board of Directors (Board) will consider a adopted two-year rate adjustment that includes a 5.0 percent increase for FY2026 and a 5.7 percent increase for FY2027. The increase in revenues also includes a \$1.5 million increase in projected estimates of late fee, disconnection fee, and other administration fee collections. This increase is based on higher than anticipated revenues from fees in the current fiscal year following the reinstatement of late fees in May 2024 and resuming disconnections in July 2024.

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.

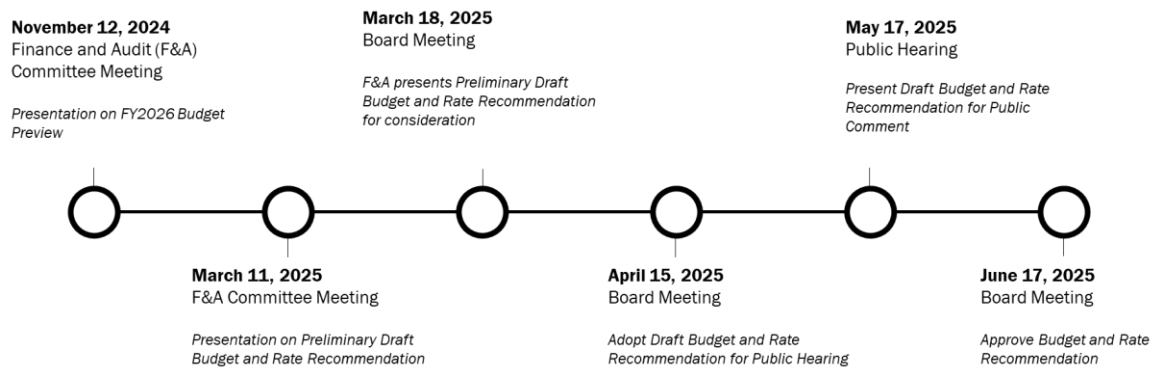


Figure 2.2. FY2026 Operating and Capital Budget Timeline

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 year-over-year.

Table 3.1. Summary of FY2026 Revenues

Revenue Categories		Adopted FY2025	Adopted FY2026	Annual Variance (%)
Operating Revenues	Wastewater Treatment Revenues	\$60,420,321	\$64,941,337	7.5%
	Fairfax County Operating Expense Charge	\$12,838,293	\$14,662,764	14.2%
	<i>Subtotal</i>	<i>\$73,258,614</i>	<i>\$79,604,102</i>	<i>8.7%</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>
Debt Proceeds and Other Funding Sources	WIFIA Loan Proceeds	\$82,618,224	\$86,393,095	4.6%
	Bond Proceeds	\$30,000,000	\$27,000,000	-10.0%
	Interest Income	\$900,000	\$1,700,000	88.9%
	Cash	\$5,266,179	\$4,243,222	-19.4%
	<i>Subtotal</i>	<i>\$118,784,403</i>	<i>\$119,336,317</i>	<i>0.5%</i>
Total Revenues		\$232,796,090	\$258,318,513	11.0%

Table 3.2. Summary of FY2026 Expenses

Expense Categories		Adopted FY2025	Adopted 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	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	Adopted FY2026	Annual Variance (%)
Operating Expenses Funding Sources			
Wastewater Treatment Revenues	\$60,420,321	\$64,941,337	7.5%
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	\$79,689,102	8.6%
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 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	\$18,882,372	14.5%
<i>Subtotal</i>	<i>\$16,497,825</i>	<i>\$18,882,372</i>	<i>14.5%</i>
Total Operating Expenses and Transfers	\$73,358,614	\$79,689,102	8.6%

(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	Adopted FY2026	Annual Variance (%)
Debt Service Funding Sources			
Transfer from Operating Revenue	\$21,565,196	\$19,880,975	-7.8%
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	Adopted FY2026	Annual Variance (%)
Capital Outlay Funding Sources			
Transfer from Operating Revenue	\$16,497,825	\$18,882,372	14.5%
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	\$4,243,222	-19.4%
WIFIA Loan Proceeds	\$82,618,224	\$86,393,095	4.6%
Bond Proceeds	\$30,000,000	\$27,000,000	-10.0%
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%

Table 3.6 provides a high level summary of sources and uses across all of AlexRenew's funds.

Table 3.6. All Funds Sources and Uses for the Adopted FY2026 Operating and Capital Budget

Sources	Revenue Fund	General Fund	Operating Fund	Debt Service Fund	Joint IRR Fund	General IRR Fund	All Funds
AlexRenew Wastewater Treatment Charges	\$64,941,337						\$64,941,337
Fairfax County Operating Charge	\$14,662,764						\$14,662,765
Fairfax County IRR Contributions					\$5,064,965		\$5,064,965
Fairfax County Capital Contributions		\$54,313,129					\$54,313,129
Interest Income		\$1,275,000	\$85,000	\$340,000			\$1,700,000
Interfund Transfers	\$(79,604,102)	\$11,282,778	\$40,840,755	\$19,880,975	\$6,575,835	\$1,023,760	\$0
WIFIA Proceeds		\$86,393,095					\$86,393,095
2024 Bond Proceeds		\$27,000,000					\$27,000,000
Cash		\$4,243,222					\$4,243,222
Total	\$0	\$184,507,223	\$40,925,755	\$20,220,975	\$11,640,800	\$1,023,760	\$258,318,513
Uses	Revenue Fund	General Fund	Operating Fund	Debt Service Fund	Joint IRR Fund	General IRR Fund	All Funds
Operating Expenses			\$40,925,755				\$40,925,755
Debt Service				\$20,220,975			\$20,220,975
Joint IRR Expenses					\$11,640,800		\$11,640,800
Alex-Only IRR Expenses						\$1,023,760	\$1,023,760
Alex-Only CIP Expenses		\$13,900,000					\$13,900,000
Joint CIP Expenses		\$170,607,223					\$170,607,223
Total	\$0	\$184,507,223	\$40,925,755	\$20,220,975	\$11,640,800	\$1,023,760	\$258,318,513

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 \$79.6 million, up 8.7 percent from the prior year budget. The increase primarily includes the adopted rate adjustment for FY2026 of 5.0 percent, which primarily supports the ongoing RiverRenew capital investments. The increase in revenues also includes a \$1.5 million increase in projected estimates of late fee, disconnection fee, and other administration fee collections. This increase is based on higher than anticipated revenues from fees in the current fiscal year following the reinstatement of late fees in May 2024 and resuming disconnections in July 2024. Further detail on AlexRenew's adopted 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 Debt Proceeds and Other Funding Sources

Debt proceeds and other funding sources 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 Debt Proceeds and Other Funding Sources budget is \$119.3 million, increasing 0.5 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 Reserves

Operating expenses represent the costs associated with day-to-day operation of wastewater treatment and other AlexRenew facilities. The adopted FY2026 Operating Expenses 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 3.7, which compares the FY2026 headcount to the FY2025 Approved Budget. The increase also includes \$2.5 million in 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).

Table 3.7. Full Time Equivalent (FTE) Summary

Department	Adopted FY2025	Adopted 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, increases in facilities maintenance, 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 FY2026 Capital Outlay is projected to be \$197.2 million. The expenditure primarily includes 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 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 Job Order Contracts for ongoing repairs and improvements to AlexRenew's assets through the \$12.7 million IRR program. Table 3.8 provides a summary of the CIP program for FY2026.

Table 3.8. Adopted FY2026 Capital Program Summary (\$M)

Summary of Capital Expenses		Adopted FY2025	Adopted FY2026	% Change
IRR Program	Alex-only IRR	\$1.8	\$1.0	-43.8%
	Joint IRR	\$9.9	\$11.6	17.2%
	<i>Subtotal</i>	<i>\$11.8</i>	<i>\$12.7</i>	<i>7.7%</i>
CIP – General	Alex-only CIP	\$10.8	\$13.9	28.2%
	Joint CIP	\$44.9	\$74.6	66.1%
	<i>Subtotal</i>	<i>\$55.8</i>	<i>\$88.5</i>	<i>58.8%</i>
CIP – RiverRenew	RiverRenew Tunnel	\$107.7	\$96.0	-10.9%
	<i>Subtotal</i>	<i>\$107.7</i>	<i>\$96.0</i>	<i>-10.9%</i>
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		Adopted FY2026	Estimated FY2027	Estimated FY2028
Operating Revenues	Wastewater Treatment Charges	\$64,941,337	\$67,892,993	\$71,083,964
	Fairfax County Operating Charge	\$14,662,764	\$15,351,639	\$16,074,970
	<i>Subtotal</i>	\$79,604,102	\$83,244,633	\$87,158,934
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
Debt Proceeds and Other Funding Sources	WIFIA Loan Proceeds	\$86,393,095	\$0	\$0
	Bond Proceeds	\$27,000,000	\$42,000,000	\$27,000,000
	Interest Income	\$1,700,000	\$1,700,000	\$1,700,000
	Cash	\$4,243,222	\$4,283,517	\$5,114,086
	<i>Subtotal</i>	\$119,336,317	\$47,983,517	\$33,814,086
Total Revenues		\$258,318,513	\$204,360,741	\$188,897,703

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

Expense Categories		Adopted 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	\$2,500,000	\$2,500,000
	<i>Subtotal</i>	\$40,925,755	\$42,847,043	\$44,864,395
Debt Service	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	\$204,360,741	\$188,897,703

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 adopted 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	Adopted FY2026	Estimated FY2027	Estimated FY2028
Operating Fund	\$5,880,913	\$6,727,521	\$7,043,349	\$7,374,969
General Reserve Sub-Fund	\$5,802,015	\$6,727,521	\$7,043,349	\$7,374,969
Total Cash Reserve Requirement	\$11,682,928	\$13,455,043	\$14,086,699	\$14,749,938

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

Indenture and Financial Policy Compliance	Adopted FY2025	Adopted FY2026	Estimated FY2027	Estimated FY2028
Wastewater Treatment Charges	\$60,420,321	\$64,941,337	\$67,892,993	\$71,083,964
Fairfax County Operating Expense Charge	\$12,838,293	\$14,662,764	\$15,351,639	\$16,074,970
Interest Income	\$900,000	\$1,700,000	\$1,700,000	\$1,700,000
Gross Revenue Available for Debt Service	\$74,158,614	\$81,304,102	\$84,944,633	\$88,858,934
Operating Expenses	(\$35,295,594)	(\$40,925,755)	(\$42,847,043)	(\$44,864,395)
Net Revenues Available for Debt Service	\$38,863,021	\$40,378,347	\$42,097,590	\$43,994,539
Total Annual Debt Service	\$22,290,196	\$20,220,975	\$21,510,154	\$21,454,922
All-in Debt Service Coverage	1.74x	2.00x	1.96x	2.05x

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
- 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 adopted 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 adopted rate adjustments for FY2026 and FY2027.

Table 5.1. Adopted FY2026 and FY2027 Rate Adjustments

Charge	Meter Size	Current Monthly Cost FY2025	Adopted Monthly Cost FY2026	Adopted 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

AlexRenew is currently studying its rate structure for possible major revisions as early as Fiscal Year 2027. As part of the Board's consideration of any adopted changes to AlexRenew's rate structure, AlexRenew will undertake a public input and feedback process, conducted in accordance with §15.2-5136 of Virginia Code for public notice and public hearing procedures.

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 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	Adopted FY26	Est. FY27	Est. FY28	Est. FY29	Est. FY30	Est. FY31	Est. FY32	Est. FY33	Est. FY34	Est. FY35	10-year Total
Operating Revenue	\$18.9	\$20.9	\$22.9	\$19.8	\$20.9	\$22.3	\$24.2	\$26.6	\$28.3	\$28.8	\$233.6
Fairfax IRR Contributions	\$5.1	\$5.2	\$5.5	\$4.8	\$4.4	\$4.5	\$4.5	\$4.6	\$5.1	\$5.3	\$49.1
Fairfax Capital Contributions	\$54.3	\$67.9	\$62.4	\$69.3	\$62.1	\$40.5	\$23.8	\$18.8	\$11.0	\$27.5	\$437.8
WIFIA Loan Proceeds	\$86.4	-	-	-	-	-	-	-	-	-	\$86.4
Bond Proceeds	\$27.0	\$42.0	\$27.0	\$30.0	\$23.0	\$12.0	\$0.0	\$11.0	\$9.0	\$0.0	\$181.0
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	\$4.2	\$2.7	\$3.5	\$3.1	\$3.7	\$2.7	\$3.0	\$2.9	\$3.4	\$0.3	\$29.5
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

Debt Proceeds and Other Funding Sources. Funds disbursed from loans, bonds, grants, interest income, miscellaneous revenue, and cash reserves.

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 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	Adopted FY2026	Var %	Estimated FY2027	Estimated FY2028
Revenues					
Wastewater Treatment Charges	\$60,420,321	\$64,941,337	7.5%	\$67,892,993	\$71,083,964
Fairfax County Operating Charge	\$12,838,293	\$14,662,764	14.2%	\$15,351,639	\$16,074,970
Total Revenues	\$ 73,258,614	\$79,604,102	8.7%	\$83,244,633	\$87,158,934
Transfers					
Transfer to Operating Fund (1), (2)	\$35,195,594	\$40,840,755	16.0%	\$40,262,043	\$42,279,395
Transfer to 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	\$6,575,834	143.2%	\$6,002,012	\$5,654,381
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	\$11,282,778	-5.8%	\$12,601,483	\$14,830,914
Total Uses	\$73,258,615	\$79,604,102	8.7%	\$83,244,633	\$87,158,934

(1) Includes entire Fairfax County Operating Charge

(2) Includes the \$2.5M in FY2026 that will be transferred 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)

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	Adopted FY2026	Var %	Estimated FY2027	Estimated FY2028
Operating Expense Charge					
Total Est. Operating Expenses	\$35,295,594	\$40,925,755	16.0%	\$42,847,043	\$44,864,395
Less Est. "Alex-Only" Expenses	\$(4,683,060)	\$(5,115,719)	9.2%	\$(5,355,880)	\$(5,608,049)
Net Est. Joint Op. Expenses	\$30,612,534	\$35,810,036	17.0%	\$37,491,162	\$39,256,346
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%	\$15,371,377	\$16,095,102
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%	\$15,351,639	\$16,074,970
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%	\$88,484,231	\$83,999,653

(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	Adopted FY2026	Var %	Estimated FY2027	Estimated FY2028
Revenues					
Transfer from Revenue Fund	\$35,195,594	\$40,840,755	16.0%	\$42,762,043	\$44,779,395
Interest Income	\$100,000	\$85,000	-15.0%	\$85,000	\$85,000
Total	\$35,295,594	\$40,925,755	16.0%	\$42,847,042	\$ 44,864,395
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	\$2,500,000	100.0%	\$2,500,000	\$2,500,000
Total	\$35,295,594	\$40,925,755	16.0%	\$42,847,042	\$ 44,864,395
Excess (Deficiency) (1)	\$ (0)	\$846,608		\$315,828	\$331,620
Fund Balance – Beginning	\$5,880,913	\$5,880,913		\$6,727,521	\$7,043,349
Fund Balance – Ending (1)	\$5,880,913	\$6,727,521		\$7,043,349	\$7,374,969

(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)

DEBT SERVICE FUND STATEMENT

The 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. Debt Service Fund Summary

Debt Service Fund	Adopted FY2025	Adopted 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	Adopted FY2026	Var %	Estimated FY2027	Estimated FY2028
Revenues					
Revenue Fund Transfer	\$2,704,353	\$6,575,834	143.2%	\$6,002,012	\$5,654,381
Fairfax County Contribution	\$3,901,296	\$5,064,966	29.8%	\$5,242,592	\$5,494,683
Total Revenues	\$6,605,649	\$11,640,801	17.2%	\$11,244,604	\$11,149,065
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)	(\$1)		-	-
Fund Balance - Beginning	\$2,758,373	\$(569,878)		\$(569,878)	\$(569,878)
Fund Balance - Ending	\$(569,878)	\$(569,878)		\$(569,878)	\$(569,878)

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	Adopted 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 \$925,506 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	Adopted FY2026	Var %	Estimated FY2027	Estimated FY2028
Revenues					
Revenue Fund Transfer	\$ 11,971,472	\$ 11,282,778	-5.8%	\$ 12,601,483	\$ 14,830,914
Fairfax Contribution	\$ 36,851,776	\$ 54,313,129	47.4%	\$ 67,890,000	\$ 62,430,000
WIFIA Loan Proceeds	\$ 82,618,224	\$ 86,393,095	4.6%	\$ -	\$ -
Bond Proceeds	\$ 30,000,000	\$ 27,000,000	-10.0%	\$ 42,000,000	\$ 27,000,000
Cash	\$ 5,266,179	\$ 4,243,222	-19.4%	\$ 4,283,517	\$ 5,114,086
Interest Income	75,000	1,275,000	1600.0%	1,275,000	1,275,000
Total Revenues	\$ 166,782,651	\$ 184,507,223	10.6%	\$ 128,050,000	\$ 110,650,000
Expenses					
Alex-only General Capital Expenses	\$ 10,844,400	\$ 13,900,000	28.2%	\$ 14,900,000	\$ 6,600,000
Joint General Capital Expenses	\$ 152,610,000	\$ 170,607,223		\$ 113,150,000	\$ 104,050,000
Total Expenses	\$ 163,454,400	\$ 184,507,223	12.9%	\$ 128,050,000	\$ 110,650,000
Fund Balance Increase (Decrease)	\$ 3,328,251	\$ -		\$ -	\$ -
Fund Balance - Beginning	\$ 66,695,928	\$ 70,024,180		\$ 70,024,180	\$ 70,024,180
Fund Balance - Ending	\$ 70,024,180	\$ 70,024,180		\$ 70,024,180	\$ 70,024,180
General Reserve sub-Fund ¹	\$ (5,802,015)	\$ (6,727,521)		\$ (7,043,349)	\$ (7,374,969)
Available Balance	\$ 64,222,164	\$ 63,296,658	-1.4%	\$ 62,980,830	\$ 62,649,211

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 of Expenditures and Funding Sources

Summary of Expenditures		Adopted FY2025	Adopted 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 Expenditures		\$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
Summary of Funding		Adopted FY2025	Adopted FY2026	Est. FY2027	Est. FY2028	Est. FY2029	Est. FY2030	Est. FY2031	Est. FY2032	Est. FY2033	Est. FY2034	Est. FY2035	10-year Total
Operating Revenues		\$16.5	\$18.9	\$19.3	\$21.3	\$20.7	\$21.9	\$23.3	\$25.3	\$27.7	\$29.5	\$29.0	\$236.9
Fairfax Capital Contributions		\$36.9	\$54.3	\$67.9	\$62.4	\$69.3	\$62.1	\$40.5	\$23.8	\$18.8	\$11.0	\$27.5	\$437.8
Fairfax IRR Contributions		\$3.9	\$5.1	\$5.2	\$5.5	\$4.8	\$4.4	\$4.5	\$4.5	\$4.6	\$5.1	\$5.3	\$49.1
WIFIA Loan Proceeds		\$112.6	\$86.4	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$86.4
Bond Proceeds		\$-	\$27.0	\$42.0	\$27.0	\$30.0	\$23.0	\$12.0	\$-	\$11.0	\$9.0	\$-	\$181.0
Grants		\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Interest Income		\$0.1	\$1.3	\$1.3	\$1.3	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0	\$10.8
Cash		\$5.3	\$4.2	\$4.3	\$5.1	\$2.2	\$2.7	\$1.7	\$1.9	\$1.8	\$2.3	\$0.1	\$26.2
Total CIP/IRR Program Funding Sources		\$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	Adopted 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	Adopted 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.

Biosolids Diversification

Project Location:

WRRF – Solids
Process Buildings

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.

FY2026 Capital Budget
Nutrient Reduction

Project Location: WRRF – Buildings G and 44

Description: Project to rehabilitate of processes providing the final settling and filtration of wastewater to further reduce nutrient loads and allow for continued growth in our community.

Justification: Rehabilitation is required to ensure the reliability, functionality, and level of service of the WRRF. Additionally, expanded WRRF capacity is needed to support City growth by 4 MGD. In order to expand capacity, additional nutrient reductions are necessary to comply with current load allocations permitted by the Chesapeake Bay Total Maximum Daily Load.

Program: Capital Improvement Program

Cost Share Category: Assumed Joint (60% Fairfax County / 40% AlexRenew) and funding from the City of Alexandria

Schedule: Procurement of design-builder in FY2025-2026. Construction is expected to start in FY2027.

Status: Procurement in progress.

Project Financials:

Expenditure	Fiscal Year (\$M)											
	Prior Years	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	10-year Total
Total	\$1.20	\$2.50	\$3.50	\$13.95	\$23.00	\$25.00	\$20.00	\$20.00	\$11.00	-	-	\$118.95
Financing												
AlexRenew	\$0.48	\$1.00	\$1.40	\$5.58	\$9.20	\$10.00	\$8.00	\$8.00	\$4.40	-	-	\$47.58
Fairfax	\$0.72	\$1.50	\$2.10	\$8.37	\$13.80	\$15.00	\$12.00	\$12.00	\$6.60	-	-	\$71.37
City of Alexandria	\$0.00	\$0.00	\$5.00	\$12.00	\$15.00	\$8.00	\$7.00	\$10.00	\$5.00			\$62.00
<i>Note: NOT INCLUDED IN BUDGET – 4 MGD growth portion of project is currently assumed to be funded in full by the City of Alexandria (2)</i>												
Joint-Use Funded Lifetime Total:									\$120.15			
City of Alexandria Funded Lifetime Total:									\$62.00			
Lifetime Total:									\$182.15			

Notes:

- (1) Prior Years amount represents actual spend through FY2024 and adopted FY2025 budget.
- (2) AlexRenew, Fairfax County, and the City of Alexandria are in discussions regarding funding options for the 4 MGD capacity expansion to accommodate City growth. This FY2026 budget assumes that the City of Alexandria funds the 4 MGD expansion portion of the Nutrient Reduction project with no contribution from AlexRenew or Fairfax County. Pending funding discussions and an eventual funding agreement, this assumption is subject to change and may result in another funding structure, such as a capacity rights sale or other option.

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 Carlyle 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 Carlyle 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 Carlyle 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 that were 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 that were 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 (Cost share varies by project component)

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	\$320.16	\$68.78	-	-	-	-	-	-	-	-	-	\$68.78
Fairfax	\$46.86	\$9.60	-	-	-	-	-	-	-	-	-	\$9.60
Lifetime Total:									\$445.40			

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



1800 Limerick Street | Alexandria, VA 22314
alexrenew.com

