

Tuesday, July 15, 2025 – 6:00 p.m.

## Regular Board of Directors Meeting Agenda

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

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

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

No.	Time	Item	Presenter	Action
1.	6:00 p.m.	Call to Order	Chair	
2.	6:02 p.m.	Approval of Agenda	Chair	Motion
3.	6:05 p.m.	Public Comment Period	Chair	
4.	6:10 p.m.	Consent Agenda	Chair	Motion
		a. Minutes from June 17, 2025 meeting (Tab 1)		
5.	6:15 p.m.	Board Administrative Items	Chair	Information
		a. Election of Officers		
		b. Board Calendar (Tab 2)		
		c. Finance & Audit Committee – November 12		
		d. Governance Committee – October 7		
		e. Board Retreat – February 20-21, 2026		
6.	6:25 p.m.	Unfinished Business		
		a. Presentation on Rate Structure Alternatives Bill Impact Analysis (Tab 3)	Mr. Carl	Information
7.	7:25 p.m.	New Business		
		a. Review and approval of Amendment No. 01 to Contract 24-020 for Headworks Renewal Project (Tab 4)	Mr. Carl	Motion
		b. Review and approval of Fiscal Year 2025 Write-off of Customer Accounts (Tab 5)		
		c. Review and approval of revisions to Payment Assistance Program Policy (Tab 6)		
		d. Presentation on Upcoming Biosolids Diversification Amendments (Tab 7)	Mr. Carl	Information
8.	7:55 p.m.	AlexRenew Monthly Report (Tab 8)	Mr. Carl	Information
9.	8:00 p.m.	Adjourn	Chair	

Times shown are approximate start times and serve as guidelines.

Minutes of the 930<sup>th</sup> Meeting  
AlexRenew Board of Directors  
6:00 p.m., Tuesday, June 17, 2025

On Tuesday, June 17, 2025, the AlexRenew Board of Directors held its regular meeting in the Ed Semonian Board Room at 1800 Limerick Street, and broadcast via Microsoft Teams, with the following present:

Members:	Mr. John Hill, Chair Mr. James Beall, Vice Chair Ms. Becky Hammer, Secretary-Treasurer Mr. Mark Jinks, Member Dr. Moussa Wone, Member
Staff:	Mr. Justin Carl, General Manager/CEO Ms. Amanda Waters, General Counsel/Deputy GM Ms. Caitlin Feehan, Chief Administrative Officer Ms. Felicia Glapion, Chief Engineering Officer Mr. Lake Akinkugbe, Director of Finance Mr. Matt Robertson, Director of Communications Mr. Kevin Pilog, Engineering Manager Mr. Kyle Chan, Engineer II Ms. Lorna Huff, Executive Assistant to the Board & CEO
Fairfax County Representative:	Mr. Shahram Mohsenin, Chief, Wastewater Planning and Monitoring Division
City Representative:	Ms. Erin Bevis-Carver, Chief T&ES/Sanitary Infrastructure Division
Consultants:	Mr. Ed Cronin, Senior Advisor, Brown and Caldwell Ms. Priyanka Saha, Civil Engineer, Brown and Caldwell

1. Call to Order

The Chair called the meeting to order at 6:01 p.m.

2. Approval of Agenda

There being no changes to the Agenda, the Vice Chair requested a motion to approve the agenda. Mr. Beall moved, and Ms. Hammer seconded. The Board unanimously approved.

3. Public Comment Period

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

4. Consent Agenda

The Chair requested that members review the Consent Agenda that contained the minutes from the May 17, 2025 Public Hearing, and the May 20 2025, Regular Meeting for approval. There being no questions or comments, Ms. Hammer moved to approve the Consent Agenda. Mr. Jinks seconded. The Board unanimously approved.

## 5. Board Administrative Items

- a. Board Calendar  
Mr. Carl reminded members about AlexRenew's Open House on September 7, 2025.
- b. Finance and Audit Committee – Next Meeting: November 12, 2025  
Mr. Jinks reported that the Board would approve the FY2026 Operating and Capital Budget and 2026 and 2027 Rate Recommendation later in the meeting.
- c. Governance Committee – Next Meeting: October 7, 2025  
The Chair reported that the Board will hold elections for officers and committee leadership positions at the July meeting.

The Chair recognized Mr. Carl who reported on AlexRenew's Safety Month. At the last meeting, Mr. Alex Rigby, AlexRenew's Safety Manager, discussed AlexRenew's Safety Month activities and SafeStart, AlexRenew's behavioral based safety program. As a follow-up to the discussion, Board members and Ms. Bevis-Carver shared their individual SafeStart stories and the lessons learned.

## 6. Unfinished Business

- a. Review and Approve FY2026 Operating and Capital Budget  
The Chair recognized Mr. Jinks to report on AlexRenew's FY2026 Operating and Capital Budget, FY2026 and FY2027 Rate Recommendations and revisions to the Rate-setting Policy. Mr. Jinks reviewed the budget process, noting AlexRenew's primary sources of revenue from direct billing of customers and contributions from Fairfax County. The Board and committee reviewed the budget and compiled 25 questions which staff addressed and incorporated into the final budget. The proposed FY2026 Operating and Capital Budget is \$258 million.  
  
The Chair commended Mr. Jinks's leadership and budget oversight, which provided members with confidence in the final document. The Chair requested that Mr. Jinks move to approve the budget. Mr. Jinks made a motion to approve the FY2026 Operating and Capital Budget; Dr. Wone seconded. The Board unanimously approved.
- b. Review and Approve Fiscal Years 2026-2027 Rate Recommendation  
The FY2026 Budget is funded by AlexRenew rates. A rate increase of 5.0% for FY2026 and 5.7% for FY2027 was recommended. Rate increases will primarily fund RiverRenew, with a portion of the increases associated with necessary increases to support plant operations. The Board and staff are currently exploring alternative rate structures, which may warrant changes to the FY2027 increase. Any such revision would require future Board action. Mr. Jinks moved to approve the rate increases for FY2026 and FY2027 as currently recommended. Ms. Hammer seconded. The Board unanimously approved.
- c. Review and Approve Revised Rate-setting Policy  
Mr. Jinks reported that the Rate-setting Policy has been in effect for many years. The current proposal amends the policy on late fees which were suspended during the pandemic and then restarted with enforcement through disconnections. Late fees are designed to incentivize timely bill payment. The late fee charge is listed as a 10% charge on the bill amount that is 21 days past due. Mr. Jinks moved to approve the Board's revised Rate-setting Policy. Dr. Wone seconded. The Board unanimously approved.

Staff Introductions

Mr. Kyle Chan, Engineer II from AlexRenew, and Mr. Ed Cronin, Senior Advisor from Brown and Caldwell, introduced themselves.

7. New Business

a. Review and Approve Contract 25-009 for Job Order Agreements.

Mr. Carl reviewed AlexRenew's Job Order Contracts (JOC) program that was initiated in 2023 with three initial JOC contractors. It has significantly improved operational efficiency by expediting asset renewal, reducing procurement burdens, and enabling maintenance staff to focus on core responsibilities. The program has also reduced the need for separate capital project procurements.

Although one year remained on the original three-year JOC term, staff initiated a new solicitation to replace an underperforming contractor and align with July 2024 updates to the Virginia Public Procurement Act (VPPA), which increased the individual task order limit from \$500,000 to \$1 million and extended the total contract term from three to four years.

RFP-25-009 was issued on March 11, 2025, as a competitive negotiation under Virginia Code § 2.2-4302.2. Four proposals were received, and staff recommends awarding contracts to three wastewater contractors—PC Construction, ACE Construction (both incumbents), and The Matthews Group (new)—and one building and facilities contractor, S Works (new). Staff will continue to update the Board monthly on JOC projects.

The Chair asked for an estimate of the amount of money we will spend over the course of the four contracts for the year. Mr. Carl reported that staff expects to spend approximately \$2.5 million over the four contractors and does not anticipate an increase.

There being no additional questions or comments, the Chair requested a motion to approve. Mr. Beall moved and Mr. Jinks seconded. The Board unanimously approved.

**Be It Resolved That:** The Board authorizes the CEO to execute Job Order Contracts with American Contracting and Environmental Services, (ACE); PC Construction Company (PC); S-Works Construction Corp. (S-Works) and the Matthews Group (TMG)

b. Presentation on Headworks Renewal Project

Mr. Carl reported that the purpose of these presentations is to provide the Board with a summary and timeline of each project prior to bringing any amendments to the Board for approval. He requested Board feedback on this process.

Mr. Carl recognized Mr. Chan, Assistant Project Manager of the Headworks Renewal Project. Mr. Chan provided an overview of the Headworks Renewal Project including project description and location of major processes and infrastructure upgrades included in the project. The Chair asked about the elevation of the primary settling tanks in terms of sea level rise and their risk. Mr. Chan and Mr. Carl reported that AlexRenew is performing a climate study, indicating the need for infrastructure to be 17 feet above sea level to reduce risks from climate change. The primary settling tanks are above the established 17 feet. Mr. Jinks asked about improvements once flow leaves the headworks. Mr. Chan reported staff should see a significant reduction in ragging issues at the primary sludge pumps. The Construction Manager At-Risk (CMAR) contract is with Ulliman Schutte and overall project schedule with construction begins in early 2026 and



proceeds through early 2030. Dr. Wone asked about design status. The design for each amendment is progressing at different schedules and so the designs are at various stages as well.

Mr. Chan then reviewed the GMP process. Mr. Jinks asked how staff handles changes in tariffs or regulations. Staff accounts for these by using owner and contractor contingencies. The Chair asked about contractor's general conditions which is contractor overhead. Mr. Chan then presented on the Headworks Renewal Amendments and Next Steps.

The Chair commended staff on the presentation's level of detail for the Board and the presentation.

c. Presentation on Commonwealth Infiltration and Inflow Study

The CEO recognized Mr. Cronin and Ms. Bevis-Carver who provided an update on the Commonwealth Infiltration and Inflow (I&I) Study, which has been studying potential alternatives to address I&I in the Commonwealth Sewershed Area.

The presentation provided an overview of the modeling performed to-date to investigate potential alternatives. Three modeling scenarios were presented: (1) no improvements, (2) full sewer rehabilitation, and (3) increasing the Commonwealth Interceptor size to 54 inches.

In response to Board questions, Ms. Bevis-Carver clarified that:

- Surveys focused on exterior sources of inflow, not basement drains.
- Existing linings along sewers within the Commonwealth Sewershed Area, installed in the 2000s, remain effective.
- She will follow up with data on the number of sewer linings installed during that period.
- UV curing is used where possible to minimize health impacts.
- Lined pipes are part of the City's capital improvement program and funded annually. Most pipes can be lined; replacements occur when warranted.
- Basement backups on Maple Avenue are due to capacity issues; next steps include evaluating alternatives and finalizing the study.

Ms. Hammer noted that pipe lining reduces plant flows, while upsizing the interceptor does not.

The Chair thanked the presenters and encouraged a long-term perspective in selecting a solution.

8. Monthly Outcomes Update

Mr. Carl referenced Tab 10 noting the RFP for the Nutrient Reduction Project is anticipated to be issued in July. Proposals are expected in September. Staff issued a Community Outreach and Communication services RFP for upgrading the website and providing a full suite of support for the communications team. On June 3, staff received 28 proposals which are being evaluated. Due to the overwhelming response, staff will bring to the Board in October instead of September.

Delinquencies and LEAP Dashboard & Delinquencies

Mr. Robertson provided an update on customer delinquencies and LEAP progress. He reported an 18-account decrease in delinquencies, with a corresponding reduction of \$26,000. Currently, approximately \$632,000—about 65% of total arrears—is under active payment plans.

LEAP provided \$17,254 in assistance to 25 customers this period, including several high-balance account holders.

#### Community Engagement

Mr. Robertson reported on community outreach in May. He thanked Board members for attending the Hooffs Run Dedication Day. He noted the event was well attended despite the weather.

The Chair referenced Table 5.1 asking about the lower than budgeted capital expenditures and debt service. Mr. Carl clarified that the RiverRenew projection included in the FY2025 capital budget was based on the former timeline, with the anticipated completion in July 2025. This estimate has resulted in a lower than budgeted actual expenditures for RiverRenew for the Fiscal Year.

#### PhaseForward Dashboard

Mr. Carl provided a progress report on ongoing work.

#### RiverRenew Dashboard

Mr. Carl thanked the Board for their attendance at the Hooffs Run Dedication Day. The Chair noted that the event felt more like a community event than an engineering event and requested Board member feedback. Mr. Beall noted that while Hooffs Run was an engineering accomplishment, most people were impressed by the restorations to the stream and cemetery. Dr. Wone commended AlexRenew on the relationship with the community. The Chair discussed AlexRenew's increased visibility since its name change.

The Board Retreat is scheduled for February 20-21, 2026. On Friday, a half-day event with Ms. Waters hosting a Governance game and then team building at Building Momentum.

Ms. Waters shared that she will be speaking on behalf of AlexRenew and the National Association of Clean Water Agencies (NACWA), along with members of the drinking water industry, and academia to brief members of Congress on PFAS CERCLA liability.

There being no additional business, the Chair requested a motion to adjourn. Mr. Jinks moved and Mr. Beall seconded. The Board unanimously approved.

The meeting adjourned at 8:01 p.m.

APPROVED:

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Secretary-Treasurer



## Board Calendar of Events

July 2025							August 2025							September 2025							July
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	1: Beginning of FY2026 Fiscal Year
		1	2	3	4	5						1	2		1	2	3	4	5	6	4: Independence Day Observed
6	7	8	9	10	11	12	3	4	5	6	7	8	9	7	8	9	10	11	12	13	15: Regular Meeting
13	14	15	16	17	18	19	10	11	12	13	14	15	16	14	15	16	17	18	19	20	18: COG CBPC Meeting
20	21	22	23	24	25	26	17	18	19	20	21	22	23	21	22	23	24	25	26	27	August
27	28	29	30	31			24	25	26	27	28	29	30	28	29	30					No Board Meeting
							31							31							September
October 2025							November 2025							December 2025							1: Labor Day
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	16: Regular Meeting
			1	2	3	4							1		1	2	3	4	5	6	October
5	6	7	8	9	10	11	2	3	4	5	6	7	8	7	8	9	10	11	12	13	7: Governance Committee Meeting
12	13	14	15	16	17	18	9	10	11	12	13	14	15	14	15	16	17	18	19	20	9: Waterway Clean-up at AlexRenew
19	20	21	22	23	24	25	16	17	18	19	20	21	22	21	22	23	24	25	26	27	18: Pendleton Dedication Event
26	27	28	29	30	31		23	24	25	26	27	28	29	28	29	30	31				21: Regular Meeting
							30														November
																					11: Veterans Day
																					12: Finance and Audit Committee
																					18: Regular Meeting
																					21: COG CBPC Meeting
																					27/28: Thanksgiving
																					December
																					16: Regular Meeting
																					24/25: Christmas Holiday

### Legend

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



## Board Calendar of Events

January 2026							February 2026							March 2026							January						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	19: Martin Luther King Jr. Day						
				1	2	3	1	2	3	4	5	6	7	1	2	3	4	5	6	7	20: Regular Meeting						
4	5	6	7	8	9	10	8	9	10	11	12	13	14	8	9	10	11	12	13	14	TBD: COG CBPC Meeting						
11	12	13	14	15	16	17	15	16	17	18	19	20	21	15	16	17	18	19	20	21	<b>February</b>						
18	19	20	21	22	23	24	22	23	24	25	26	27	28	22	23	24	25	26	27	28	17: Regular Meeting						
25	26	27	28	29	30	31	29	30						29	30	31					<b>March</b>						
																					17: Regular Meeting						
																					24-27: Utility Management Conference						
																					TBD: Finance and Audit Committee						
																					TBD: COG CBPC Meeting						
April 2026							May 2026							June 2026							<b>April</b>						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	21: Regular Meeting						
			1	2	3	4						1	2		1	2	3	4	5	6	TBD: Governance Committee						
5	6	7	8	9	10	11	3	4	5	6	7	8	9	7	8	9	10	11	12	13	<b>May</b>						
12	13	14	15	16	17	18	10	11	12	13	14	15	16	14	15	16	17	18	19	20	19: Regular Meeting						
19	20	21	22	23	24	25	17	18	19	20	21	22	23	21	22	23	24	25	26	27	TBD: Public Hearing						
26	27	28	29	30	31		24	25	26	27	28	29	30	28	29	30	31				<b>June</b>						
							31														16: Regular Meeting						

### Legend

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

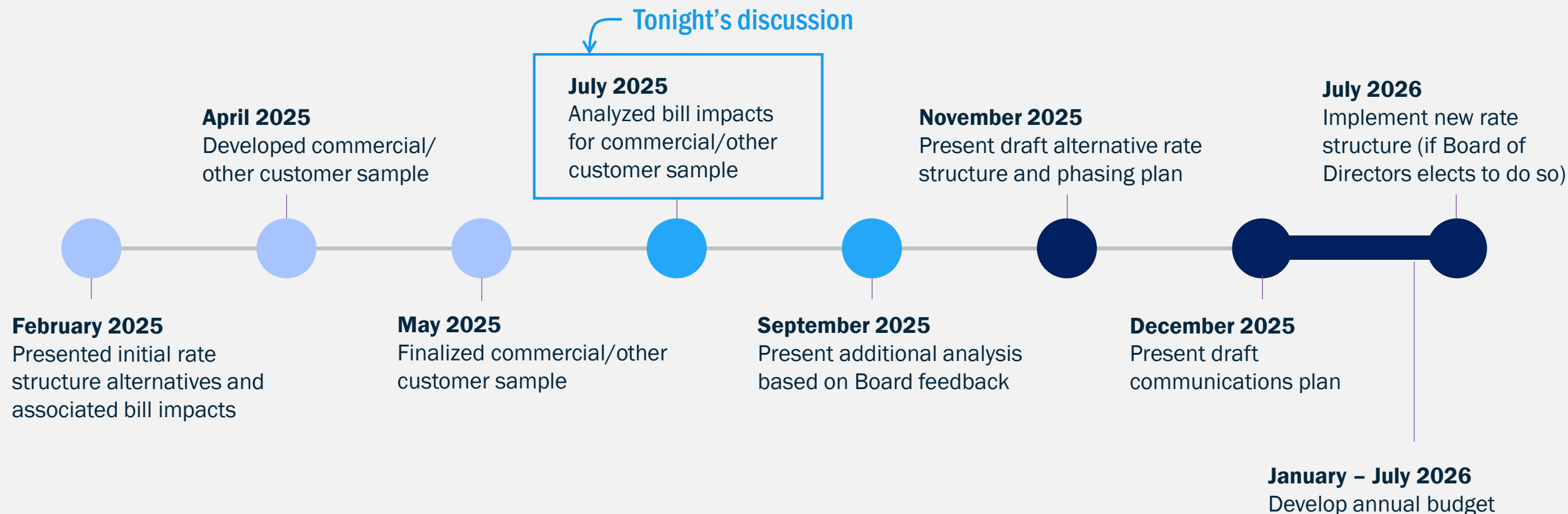




# RATE STRUCTURE ALTERNATIVES EVALUATION **BILL IMPACT ANALYSIS**


BOARD OF DIRECTORS MEETING | JULY 15, 2025

# Rate Structure Alternatives Evaluation Timeline



# Rate Structures Considered for Evaluation

Tonight's discussion



## Rate structures evaluated in this presentation:

- Equivalent residential unit rate structure
- Volumetric only rate structure (as a comparison to equivalent residential unit alternative)

## Equivalent residential unit rate structures to be further evaluated based on Board feedback:

- Tiered rates
- Variations on fixed vs. variable rates

Bill impact analysis focuses on the commercial and other public agencies sample population and is compared to an average residential customer



# AlexRenew Pricing Objectives

The pricing objectives reflect the values and goals of AlexRenew, ensuring that the rate-setting process reflects the organization's priorities.





## Legend

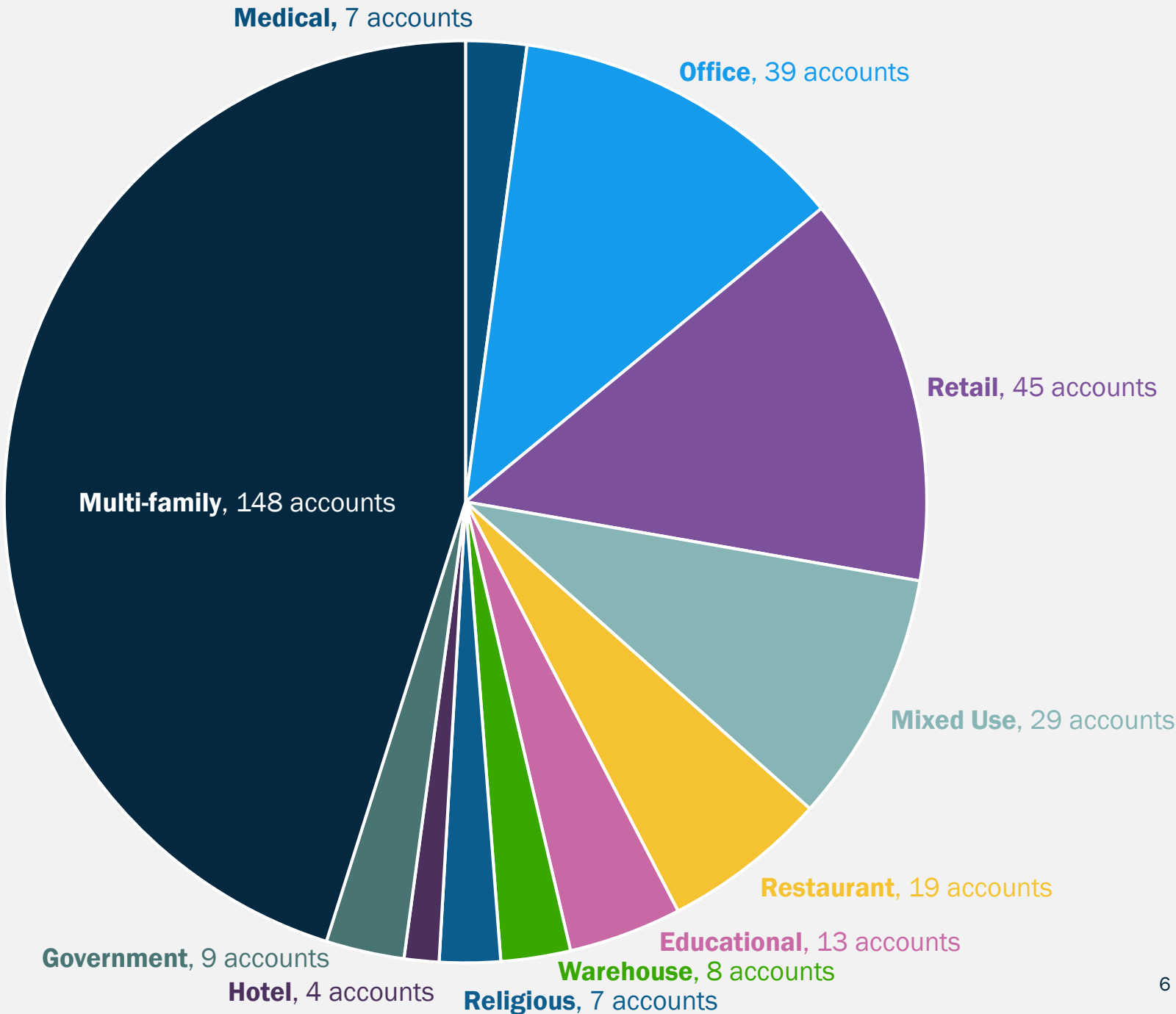
- Commercial and Other Public Agency Customers (3,571)
- Commercial and Other Public Agency Sample (328)

# Commercial and Other Public Agency Customer Sample

# Commercial and Other Public Agency Sample

AlexRenew developed a statistically representative sample of the Commercial and Other Public Agency classes to conduct a more detailed bill impact analysis for the proposed alternative rate structures.

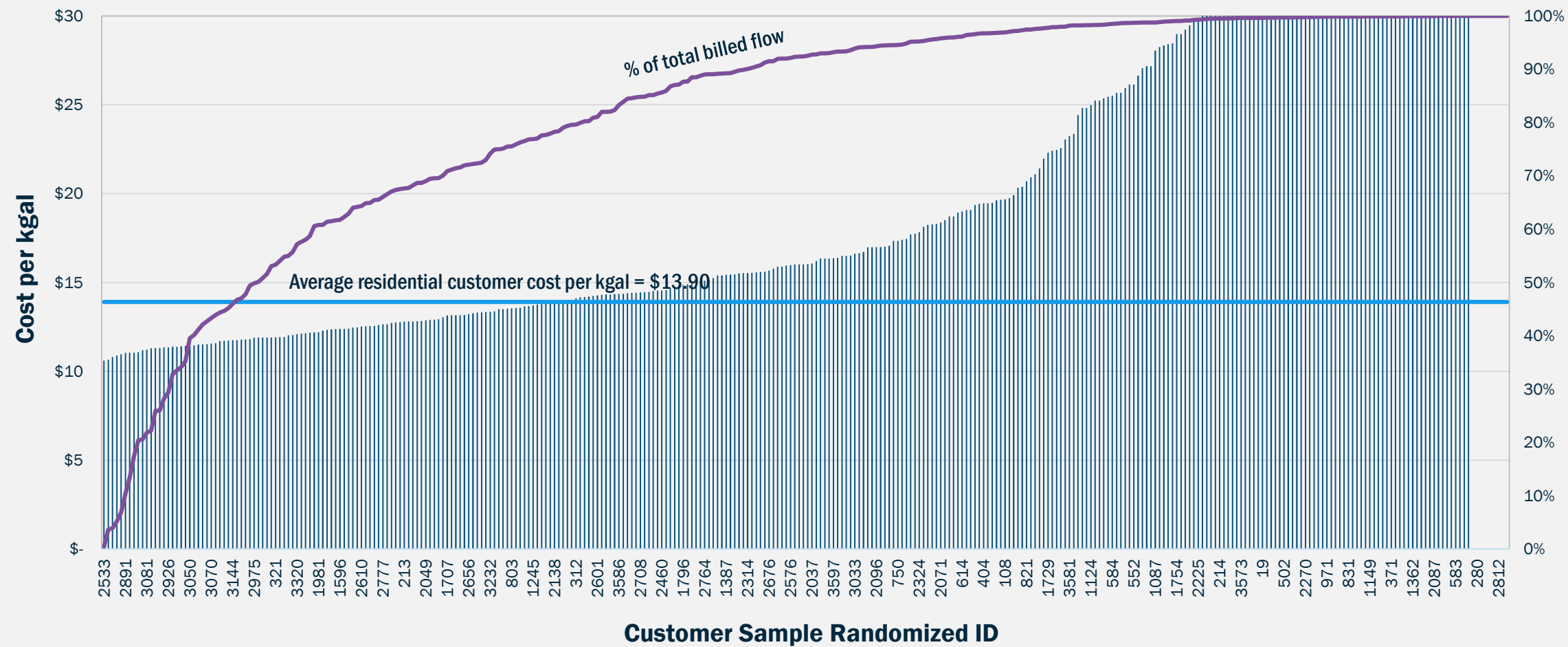
The sample size represents **328 customers**, which is approximately 10% of the total customers within the Commercial and Other Public Agency classes.





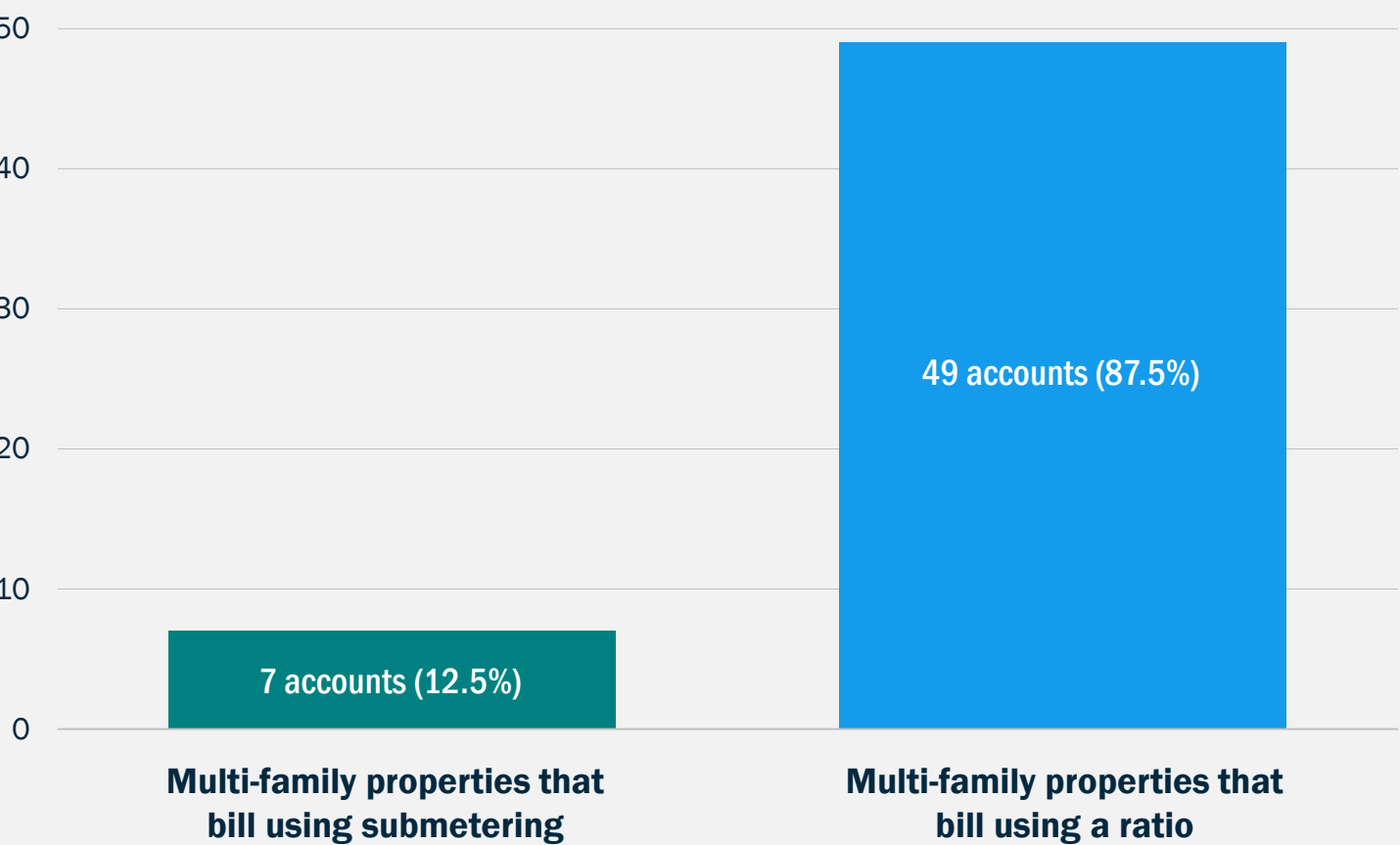
# Customer Sample Cost per kgal Distribution

As illustrated by this graph, customers within the Commercial and Other Public Agency sample pay a cost per kgal of approximately \$10 to \$30, compared to a residential customer’s average cost per kgal of \$13.90.



# Multi-family Billing Survey

AlexRenew is surveying multi-family residential buildings from the Commercial and Other Public Agency customer sample to understand how AlexRenew’s bill is distributed to tenants. As of July 2025, AlexRenew has received information from **56 of the 148** sample accounts.



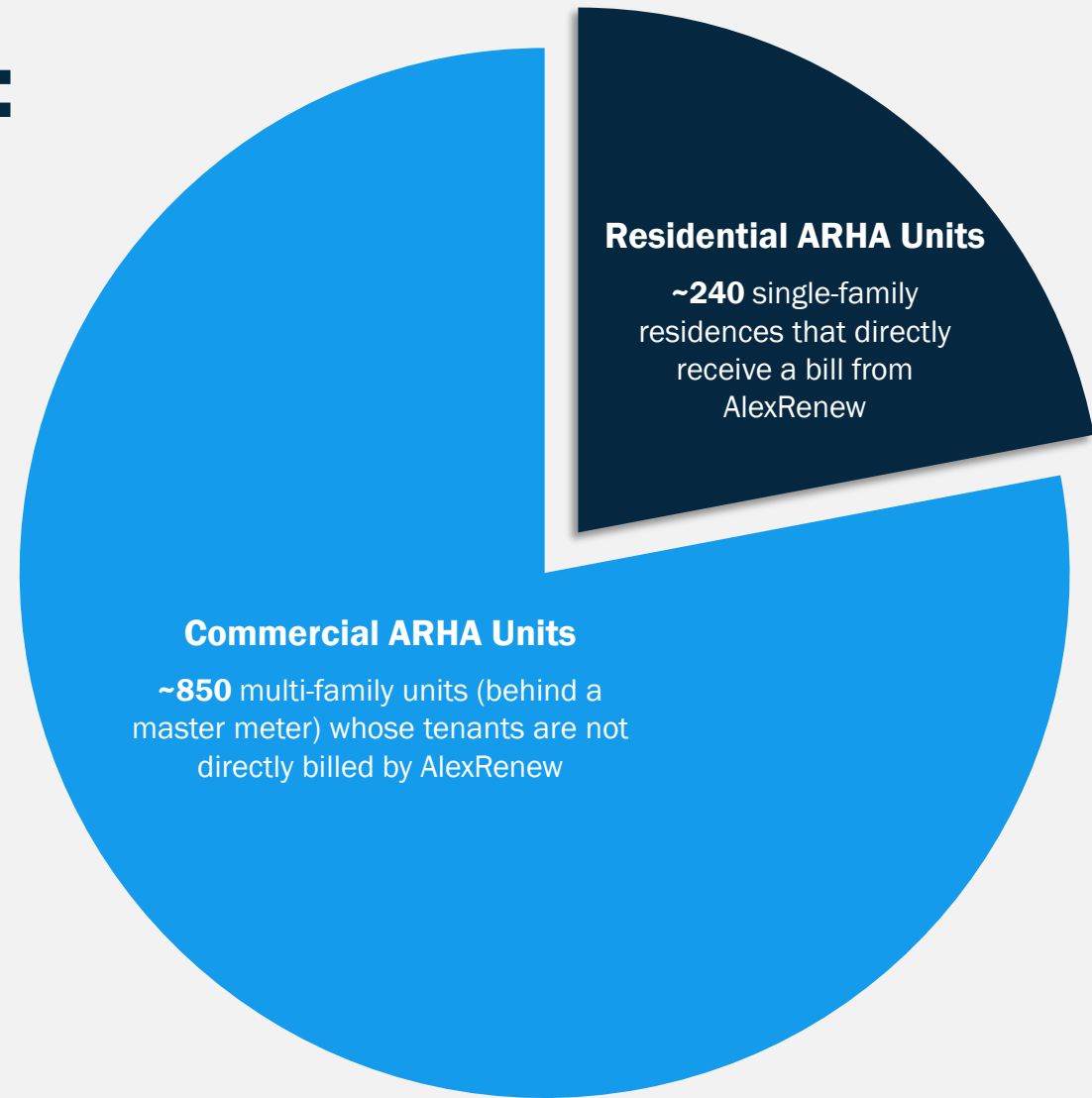
## Multi-family billing details based on survey results

- Property managers of multi-family residential buildings charge tenants in one of two ways:
  - Water usage from separate **submeters**; or
  - By a **ratio formula**, based on square footage, occupancy, number of bedrooms (listed in rental agreement)
- Billing is done either directly by the property manager or is contracted to a third-party service
- Third-party service processing fees range between \$3-5 per month, per bill

# Multi-family Billing Survey: ARHA Properties

The Alexandria Redevelopment and Housing Authority (ARHA) provides accommodations to persons of low-income at rents they can afford. Low-income is defined by federal, state and local regulations for programs administered by ARHA.

ARHA's approximate **1,100 units** fall into AlexRenew/Virginia American Water's residential and commercial customer classes.



**ARHA unit breakdown based on AlexRenew's current residential and commercial customer classes**



# Rate Structure Alternatives

Staff used the Commercial and Other Public Agency customer sample to analyze bill impacts for two rate structure alternatives. Bill impacts for each alternative were compared to the current rate structure.

## Alternative 1

### Current Rate Structure

- / Divided into a base charge and a volumetric charge
- / Base charge was developed based on adjusted meter equivalency factors established by the American Water Works Association

## Alternative 2

### Equivalent Residential Units (ERUs)

- / Updates the customer's base charge based on the number of ERUs associated with the customer account
- / ERU is determined based on billed flows compared to the average monthly flow of a single residential unit
- / Only affects the customer's base charge
- / Volumetric charge (billed flows) is not affected

## Alternative 3

### Volumetric Only

- / Eliminates customer's base charge completely
- / Customer is billed solely using the volumetric charge (billed flows)

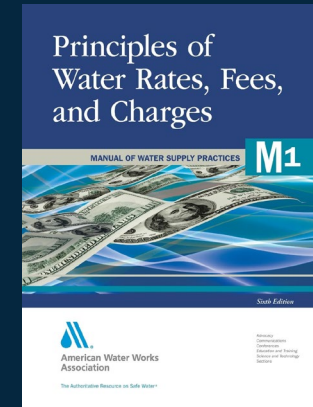
# Current Rate Structure

## Base Charge Overview

Current commercial and other public agency meter equivalency factors and base charges

Meter size	# of Commercial Meters	AWWA Equivalency Factor	Adjusted Equivalency Factor	Current Base Charge
5/8 inch	1,321	1.0	3.0	\$43.68
3/4 inch	19	1.5	4.5	\$43.68
1 inch	693	2.5	7.5	\$109.19
1-1/2 inch	449	5.0	15.0	\$218.38
2 inch	1,334	8.0	24.0	\$349.41
3 inch	0	15.0	45.0	\$655.14
4 inch	53	25.0	75.0	\$1,091.90
6 inch	0	50.0	150.0	\$2,183.80
8 inch	1	80.0	240.0	\$3,494.08

Values presented are representative of Fiscal Year 2025 rates



The American Water Works Association (AWWA) publishes instantaneous water flow relationships for various meter sizes that are commonly used by water and wastewater utilities for rate making purposes. These are referred to as equivalency factors.

◀ AlexRenew's current rate structure utilizes base charges predicated on adjusted AWWA meter equivalency factors. To promote equity and fairness between residential and customer classes, AWWA equivalency factors were adjusted by a factor of three (3) to account for higher water usage from commercial customers.

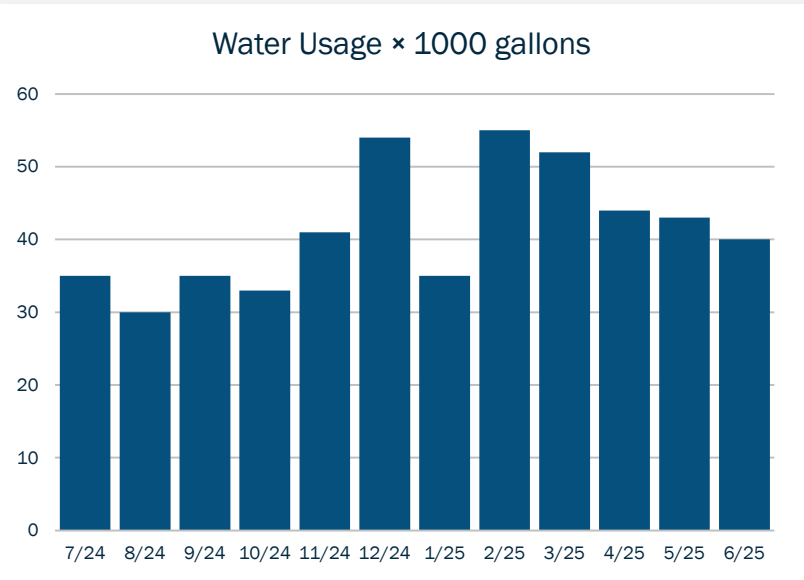
# Current Rate Structure

## Example Bill

kgal = 1,000 gallons

Current Charges		Bill Date: 06/25/25
Wastewater Treatment Charge (40 kgals)	\$410.40	
Base Charge (1-1/2-inch meter)	\$218.38	
Wastewater Treatment and Base Charges cover equipment, buildings and their major repair and replacement, and the water professionals, energy and other resources to treat wastewater		
City Sanitary Sewer System Capital Investment and Maintenance Fee	\$91.20	
Current Charges	\$719.98	
Find bill details on the back side of your statement		

Account Summary	
Customer Name	LOBLAW APTS
Account Number	1234567891
Service Address	1800 LIMERICK ST
Previous Bill Amount	\$0.00
Payments Received	\$0.00
Late Fee	\$0.00
Total Current Charges	\$719.98
Amount Due	\$719.98
Your current charges are due on 07/15/25	



Values presented are representative of Fiscal Year 2025 rates and Fiscal Year 2024 flows



# Current Rate Structure

## Bill Analysis Results

kgal = 1,000 gallons

Cost per kgal for all subcategories = \$10 - \$30

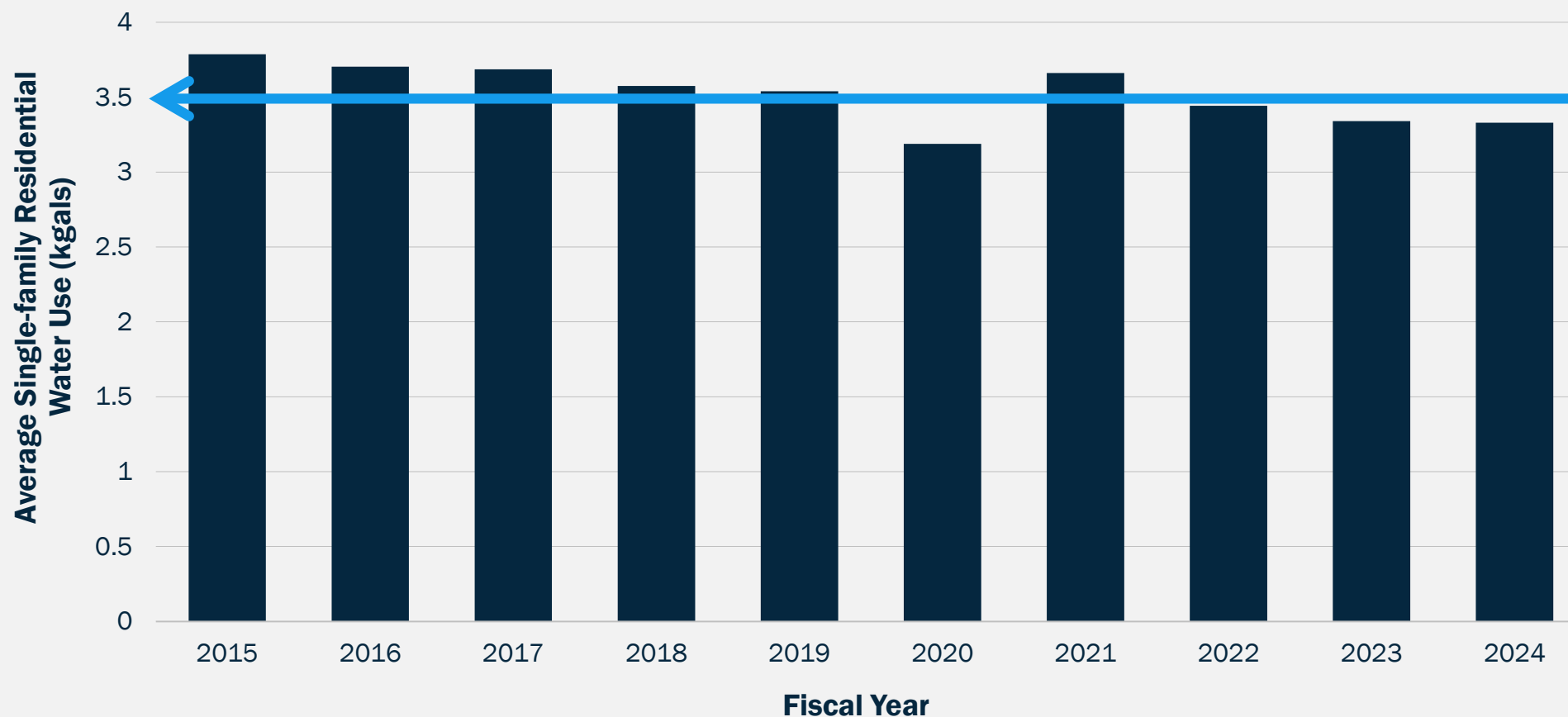
Subcategory	Accounts	ERUs	Average Existing Bill	Average New Bill	\$ Change	% Change
Warehouse	8	N/A	\$155.79	N/A	N/A	N/A
Medical	7	N/A	\$203.86	N/A	N/A	N/A
Retail	45	N/A	\$321.25	N/A	N/A	N/A
Religious	7	N/A	\$338.94	N/A	N/A	N/A
Mixed Use	29	N/A	\$459.20	N/A	N/A	N/A
Restaurant	19	N/A	\$479.93	N/A	N/A	N/A
Office	39	N/A	\$602.22	N/A	N/A	N/A
Educational	13	N/A	\$779.90	N/A	N/A	N/A
Government	9	N/A	\$1,088.51	N/A	N/A	N/A
Multi-family	148	N/A	\$2,039.93	N/A	N/A	N/A
Hotel	4	N/A	\$3,692.46	N/A	N/A	N/A
<b>Residential</b>	<b>13,700</b>	N/A	<b>\$47.92</b>	N/A	N/A	N/A

Values presented are representative of Fiscal Year 2025 rates and Fiscal Year 2024 flows and representative of the Commercial and Other Public Agency customer sample

## Equivalent Residential Unit (ERU)

# ERU Determination

An ERU rate structure creates a base charge based on a customer's impact from flows on the sewer system in relation to a single-family residential customer's impact. One (1) ERU is equal to the average monthly flow of a single-family residential customer.



**1 ERU =  
3.5 kgals**

If an ERU rate structure is implemented, staff would recommend reviewing the rolling 10-year average residential use annually and potential modification every 3-5 years

# Equivalent Residential Unit (ERU)

## ERU Establishment per Customer

The number of ERUs for each customer is established by dividing the customer’s average monthly flow (for a 12-month period) by one ERU’s flow.

If this rate structure is adopted, the average monthly flow would be based on flows from July 1 through June 30. This average would be updated each fiscal year and apply to the current fiscal year’s base charge.

Residential Single Family



Small Apartment Building



Large Apartment Building



Average monthly flow	3.5 kgal	41.4 kgal	203.7 kgal
Equivalent Residential Unit	3.5 kgal/ERU	3.5 kgal/ERU	3.5 kgal/ERU
Calculated ERUs	1.0 ERUs	11.8 ERUs	58.2 ERUs

# Equivalent Residential Unit (ERU) Base Charge Calculation

For this rate structure alternative, the ERU base charge was established to recover the same total base charge revenue that is recovered under the current rate structure. The ERU base charge was calculated by dividing the current total base charge revenue by the total calculated ERUs across all customer classes.

## Billed flows (Fiscal Year 2024)

Commercial class	3,358,530	kgals billed in Fiscal Year 2024
Other Public Agency class	135,098	kgals billed in Fiscal Year 2024
Total	3,493,628	Total kgals billed in Fiscal Year 2024
Monthly	291,136	kgals per month

## Calculated ERUs

Base Rate ERU Factor	3.5	Average kgals for 1 ERU
Calculated ERUs	83,182	Commercial and Other Public Agency kgals per month divided by Base Rate ERU Factor
Residential ERUs	23,954	Total residential accounts (1 to 1)
Total	107,135	Sum of Calculated and Residential ERUs

## Base Charge Revenue

Total Current Base Charge Revenue	\$14,000,757	Estimated based on Fiscal Year 2025 rates and Fiscal Year 2024 billing statistics
Monthly Base Charge Revenue	\$1,166,730	per month

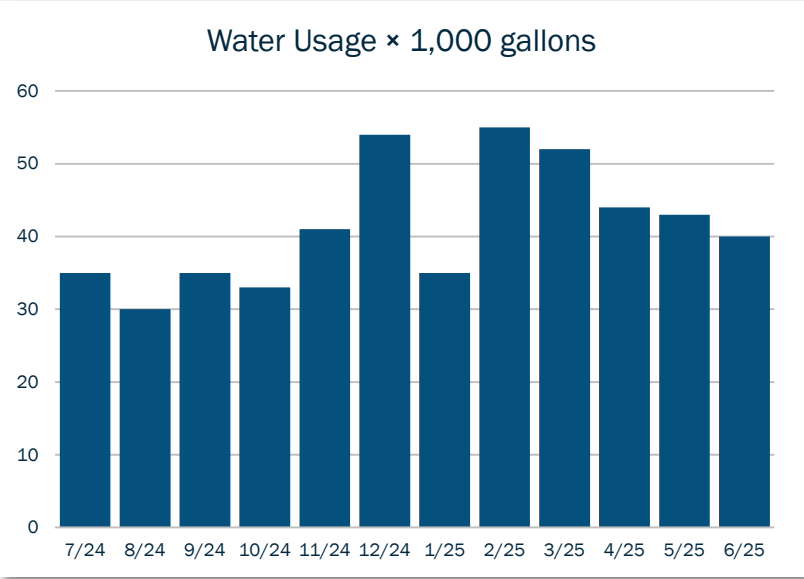
Calculated ERU Base Charge	\$10.89	Monthly Base Charge Revenues divided by Total ERUs
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# Equivalent Residential Unit (ERU) Example Bill

kgal = 1,000 gallons

Current Charges	Bill Date: 06/25/25
Wastewater Treatment Charge (40 kgal)	\$410.40
Base Charge (11.83 ERUs × \$10.89)	\$128.83
Equivalent Residential Unit (ERUs)	11.83
One (1) ERU equals 3.5 kgal which is the average daily water use of a single-family residential customer. ERUs are calculated by dividing the 12-month average monthly water in kgal by 3.5	
Base Charge per ERU	\$10.89
Wastewater Treatment and Base Charges cover equipment, buildings and their major repair and replacement, and the water professionals, energy and other resources to treat wastewater	
City Sanitary Sewer System Capital Investment and Maintenance Fee	\$91.20
Current Charges	\$630.43
Find bill details on the back side of your statement	

Account Summary	
Customer Name	LOBLAW APTS
Account Number	1234567891
Service Address	1800 LIMERICK ST
Previous Bill Amount	\$0.00
Payments Received	\$0.00
Late Fee	\$0.00
Total Current Charges	\$630.43
Amount Due	\$630.43
Your current charges are due on 07/15/25	



Values presented are representative of Fiscal Year 2025 rates and Fiscal Year 2024 flows

# Equivalent Residential Unit (ERU) Bill Impact Analysis Results

kgal = 1,000 gallons

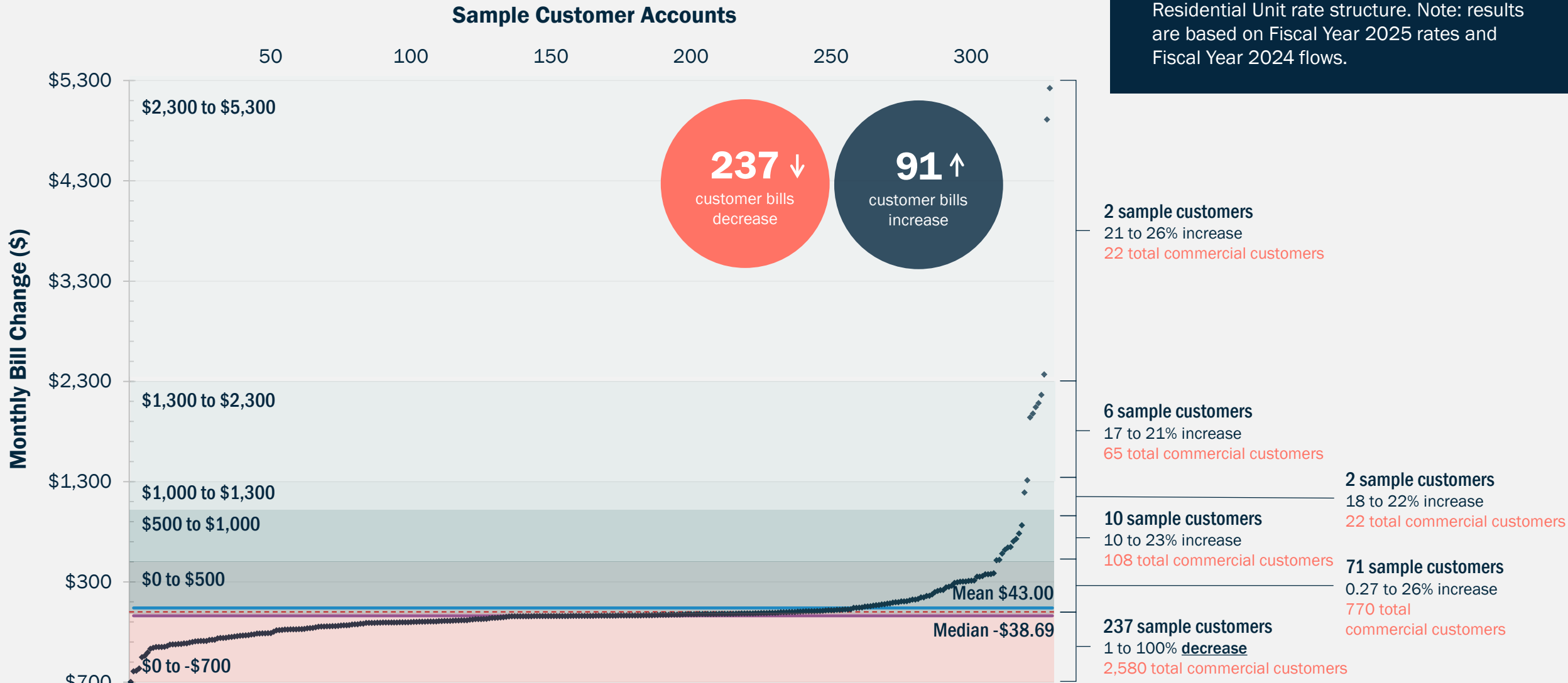
Cost per kgal for all subcategories = \$13.41

Subcategory	Accounts	ERUs	Average Existing Bill	Average New Bill	\$ Change	% Change
Medical	7	11	\$203.86	\$70.52	-\$133.34	-65%
Warehouse	8	15	\$155.79	\$85.64	-\$70.16	-45%
Religious	7	39	\$338.94	\$258.76	-\$80.18	-24%
Retail	45	237	\$321.25	\$246.64	-\$74.61	-23%
Office	39	392	\$602.22	\$470.31	-\$131.90	-22%
Educational	13	176	\$779.90	\$633.29	-\$146.61	-19%
Mixed Use	29	246	\$459.20	\$396.29	-\$62.91	-14%
Government	9	187	\$1,088.51	\$972.73	-\$115.79	-11%
Restaurant	19	186	\$479.93	\$459.20	-\$20.73	-4%
Hotel	4	343	\$3,692.46	\$4,015.33	\$322.87	9%
Multi-family	148	7,034	\$2,039.93	\$2,224.14	\$184.21	9%
<b>Residential</b>	<b>13,700</b>	<b>13,700</b>	<b>\$47.92</b>	<b>\$43.46</b>	<b>-\$4.46</b>	<b>-9%</b>

Values presented are representative of Fiscal Year 2025 rates and Fiscal Year 2024 flows and representative of the Commercial and Other Public Agency customer sample



# Equivalent Residential Unit (ERU) Bill Change S-curve



This graph shows the Commercial and Other Public Agency customer sample bill impacts distributed by total change in the monthly bill. Nearly 75% of the customer sample monthly bills result in a decrease with an Equivalent Residential Unit rate structure. Note: results are based on Fiscal Year 2025 rates and Fiscal Year 2024 flows.

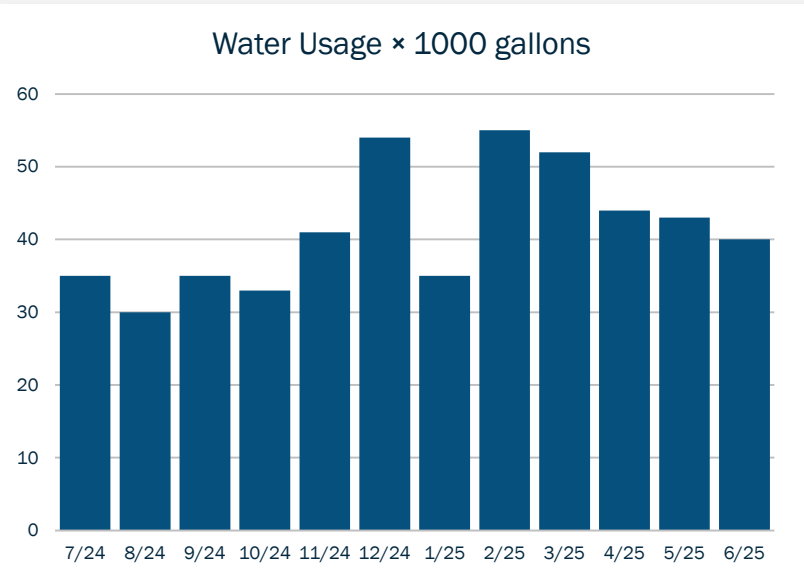
# Volumetric Only Rate Structure

## Example Bill

kgal = 1,000 gallons

Current Charges	Bill Date: 06/25/25
Wastewater Treatment Charge (40 kgals)	\$536.40
Wastewater Treatment Charges cover equipment, buildings and their major repair and replacement, and the water professionals, energy and other resources to treat wastewater	
City Sanitary Sewer System Capital Investment and Maintenance Fee	\$91.20
Current Charges	\$627.60
Find bill details on the back side of your statement	

Account Summary	
Customer Name	LOBLAW APTS
Account Number	1234567891
Service Address	1800 LIMERICK ST
Previous Bill Amount	\$0.00
Payments Received	\$0.00
Late Fee	\$0.00
Total Current Charges	\$627.60
Amount Due	\$627.60
Your current charges are due on 07/15/25	



Values presented are representative of Fiscal Year 2025 rates and Fiscal Year 2024 flows



# Volumetric Only Rate Structure

## Bill Impact Analysis Results

kgal = 1,000 gallons

Cost per kgal for all subcategories = \$13.37

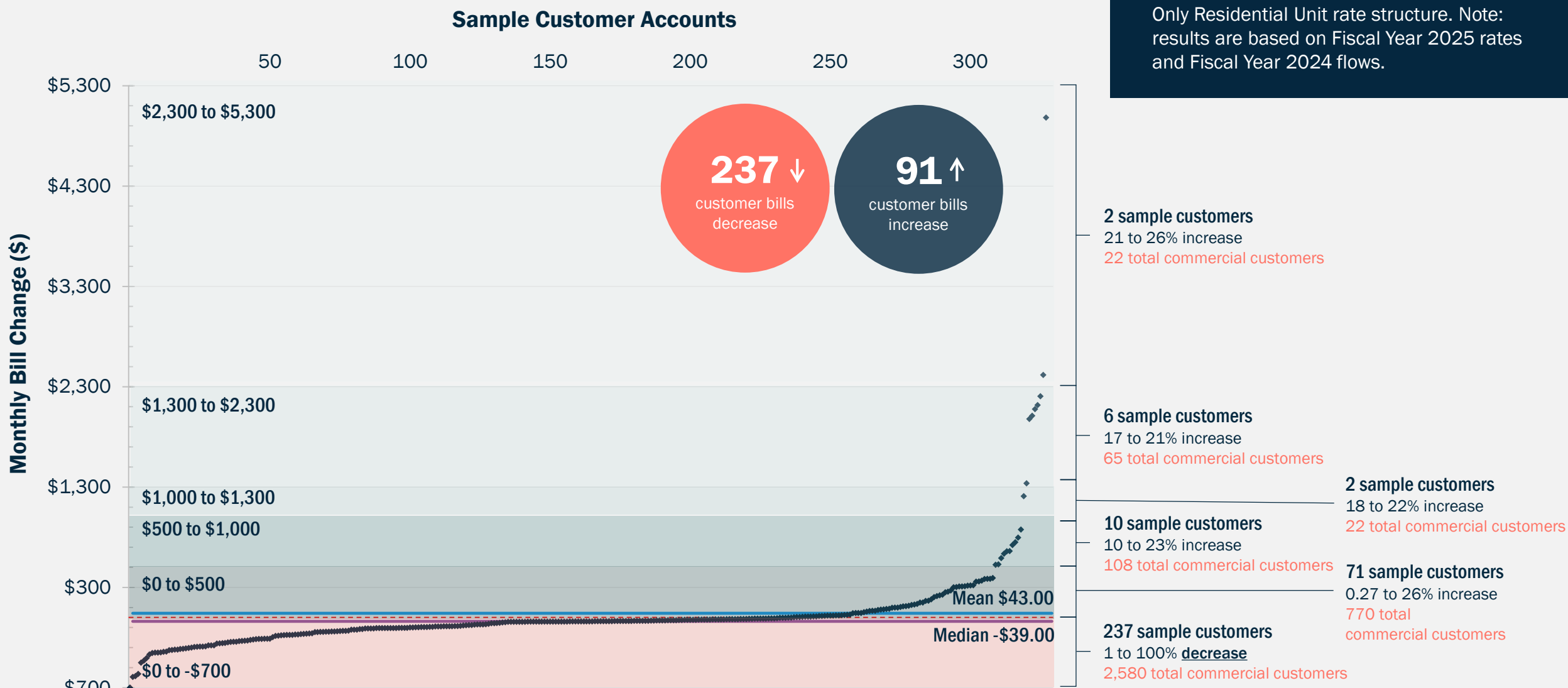
Subcategory	Accounts	ERUs	Average Existing Bill	Average New Bill	\$ Change	% Change
Medical	7	72	\$203.86	\$70.72	-\$133.14	-65%
Warehouse	8	50	\$155.79	\$85.88	-\$69.91	-45%
Religious	7	68	\$338.94	\$259.51	-\$79.43	-23%
Retail	45	408	\$321.25	\$247.36	-\$73.90	-23%
Office	39	647	\$602.22	\$471.67	-\$130.55	-22%
Educational	13	263	\$779.90	\$635.12	-\$144.79	-19%
Mixed Use	29	309	\$459.20	\$397.43	-\$61.77	-13%
Government	9	212	\$1,088.51	\$975.53	-\$112.98	-10%
Restaurant	19	167	\$479.93	\$460.53	-\$19.40	-4%
Hotel	4	168	\$3,692.46	\$4,026.91	\$334.45	9%
Multi-family	148	3,390	\$2,039.93	\$2,230.56	\$190.63	9%
<b>Residential</b>	<b>13,700</b>	<b>13,700</b>	<b>\$47.92</b>	<b>\$43.92</b>	<b>-\$4.33</b>	<b>-9%</b>

Values presented are representative of Fiscal Year 2025 rates and Fiscal Year 2024 flows and representative of the Commercial and Other Public Agency customer sample



# Volumetric Only Rate Structure

## Bill Change S-curve



This graph shows the Commercial and Other Public Agency customer sample bill impacts distributed by total change in the monthly bill. Nearly 75% of the customer sample monthly bills result in a decrease with a Volumetric Only Residential Unit rate structure. Note: results are based on Fiscal Year 2025 rates and Fiscal Year 2024 flows.

# Summary of Bill Impacts













The table below represents bill impacts for the Equivalent Residential Unit and Volumetric Only rate structure alternatives evaluated.

Subcategory	Accounts	Existing Bill	ERU				Volumetric			
			New Bill	\$ Change	% Change	Cost/kgal	New Bill	\$ Change	% Change	Cost/kgal
Medical	7	\$203.86	\$70.52	(\$133.34)	-65%	\$13.41	\$70.72	(\$133.14)	-65%	\$13.37
Warehouse	8	\$155.79	\$85.64	(\$70.16)	-45%	\$13.41	\$85.88	(\$69.91)	-45%	\$13.37
Religious	7	\$338.94	\$258.76	(\$80.18)	-24%	\$13.41	\$259.51	(\$79.43)	-23%	\$13.37
Retail	45	\$321.25	\$246.64	(\$74.61)	-23%	\$13.41	\$247.36	(\$73.90)	-23%	\$13.37
Office	39	\$602.22	\$470.31	(\$131.90)	-22%	\$13.41	\$471.67	(\$130.55)	-22%	\$13.37
Educational	13	\$779.90	\$633.29	(\$146.61)	-19%	\$13.41	\$635.12	(\$144.79)	-19%	\$13.37
Mixed Use	29	\$459.20	\$396.29	(\$62.91)	-14%	\$13.41	\$397.43	(\$61.77)	-13%	\$13.37
Government	9	\$1,088.51	\$972.73	(\$115.79)	-11%	\$13.41	\$975.53	(\$112.98)	-10%	\$13.37
Restaurant	19	\$479.93	\$459.20	(\$20.73)	-4%	\$13.41	\$460.53	(\$19.40)	-4%	\$13.37
Hotel	4	\$3,692.46	\$4,015.33	\$322.87	9%	\$13.41	\$4,026.91	\$334.45	9%	\$13.37
Multi-family	148	\$2,039.93	\$2,224.14	\$184.21	9%	\$13.41	\$2,230.56	\$190.63	9%	\$13.37
<b>Residential</b>	<b>13,700</b>	<b>\$47.92</b>	<b>\$43.46</b>	<b>(\$4.46)</b>	<b>-9%</b>	<b>\$13.41</b>	<b>\$43.58</b>	<b>(\$4.33)</b>	<b>-9%</b>	<b>\$13.37</b>

Values presented are representative of Fiscal Year 2025 rates and Fiscal Year 2024 flows and representative of the Commercial and Other Public Agency customer sample

# Why do some customers see a bill decrease, while others see an increase?

AlexRenew's current rate structure uses a meter equivalency to establish a base rate for its customers. Water meter size is primarily determined by the water utility based on the estimated water demand for a specific property. This involves assessing the size and type of building, the number of water fixtures, and anticipated peak flow rates ([see Virginia American Water recommendations here](#)). Under the ERU and volumetric rate structures evaluated, customers with a large meter and low water use will see an overall bill decrease, while those with a small meter and high water use will see a bill increase. This is because both rate structures rely on volumetric use to set all charges.

Item	Customer 1	Customer 2	Customer 3	Customer 4	Customer 5
Meter size	 Large	 Large	 Medium	 Small	 Small
Water usage	 High	 Low	 Medium	 High	 Low
Cost per kgal under current rate structure	Close to residential	Highest	Close to residential	Lowest	Close to residential
Anticipated bill impact (ERU or volumetric rate structure )	Minimal impact	Bill decrease 	Minimal impact	Bill increase 	Minimal impact



# Commercial ARHA Properties

## Bill Impact Analysis

Based on available data, the table below represents most ARHA buildings under AlexRenew’s/Virginia American Water’s current commercial class. Some properties would see a decrease in monthly bills, while others would see an increase. The total monthly bill increase is estimated to be approximately \$11,000 per month across those ARHA properties that see an increase. If either rate structure is adopted, LEAP assistance and coordination with the City could be leveraged to help manage ARHA properties that are negatively impacted.

ARHA Property	Existing Bill	ERU			Volumetric		
		New Bill	\$ Change	% Change	New Bill	\$ Change	% Change
1	\$15,152.88	\$18,837.37	\$3,684.49	24.30%	\$18,891.71	\$3,738.83	24.70%
2	\$12,717.38	\$15,663.29	\$2,945.91	23.20%	\$15,708.47	\$2,991.09	23.50%
3	\$8,381.28	\$10,467.60	\$2,086.32	24.90%	\$10,497.80	\$2,116.52	25.30%
4	\$9,526.70	\$11,505.00	\$1,978.31	20.80%	\$11,538.19	\$2,011.49	21.10%
5	\$288.17	\$233.26	(\$54.91)	-19.10%	\$233.93	(\$54.24)	-18.80%
6	\$742.67	\$683.28	(\$59.39)	-8.00%	\$685.25	(\$57.42)	-7.70%
7	\$969.29	\$807.86	(\$161.43)	-16.70%	\$810.19	(\$159.10)	-16.40%
8	\$937.03	\$765.82	(\$171.21)	-18.30%	\$768.03	(\$169.00)	-18.00%
9	\$2,399.93	\$2,216.98	(\$182.95)	-7.60%	\$2,223.38	(\$176.55)	-7.40%
10	\$4,629.54	\$4,212.00	(\$417.54)	-9.00%	\$4,224.15	(\$405.39)	-8.80%
Residential	\$47.92	\$43.46	(\$4.46)	-9%	\$43.58	(\$4.33)	-9%

Values presented are representative of Fiscal Year 2025 rates and Fiscal Year 2024 flows and representative of the Commercial and Other Public Agency customer sample











# Key Takeaways

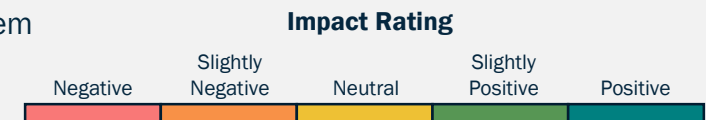
- **Meter size does not matter** in an ERU or volumetric only rate structure – customers are billed based on water usage, improving equitability
- Over **75%** of customer sample monthly bills **decrease** under the ERU and volumetric only rate structure
- The ERU rate structure mimics the volumetric only rate structure in terms of bill impacts and cost per kgal – volumetric only could be considered the most equitable
- Customers that have a meter size that doesn't match the amount of water they use will see the most significant bill impacts
- Residential single-family ARHA customers will see an overall bill decrease
- Certain ARHA customers in the current commercial class will be impacted negatively
  - LEAP assistance and coordination with the City could help manage any impacts

# Recommended Next Steps

- Based on the analyses completed and presented to the Board, an ERU rate structure is recommended (see Slide 28)
- Tiered rates are not recommended at this time:
  - Tiered rates in combination with ERUs is duplicative in addressing base charge inequities
  - Tiered rates would incorporate additional complexity and confusion to a new rate structure
- Adjusting the percentage of costs recovered between the base and volumetric charges is not recommended at this time:
  - The volumetric only rate structure has the same customer bill impacts as the ERU rate structure
  - AlexRenew's cost recovery between the base and volumetric charges is consistent with industry best practices and provides revenue stability

# Review of Pricing Objectives for the ERU Rate Structure

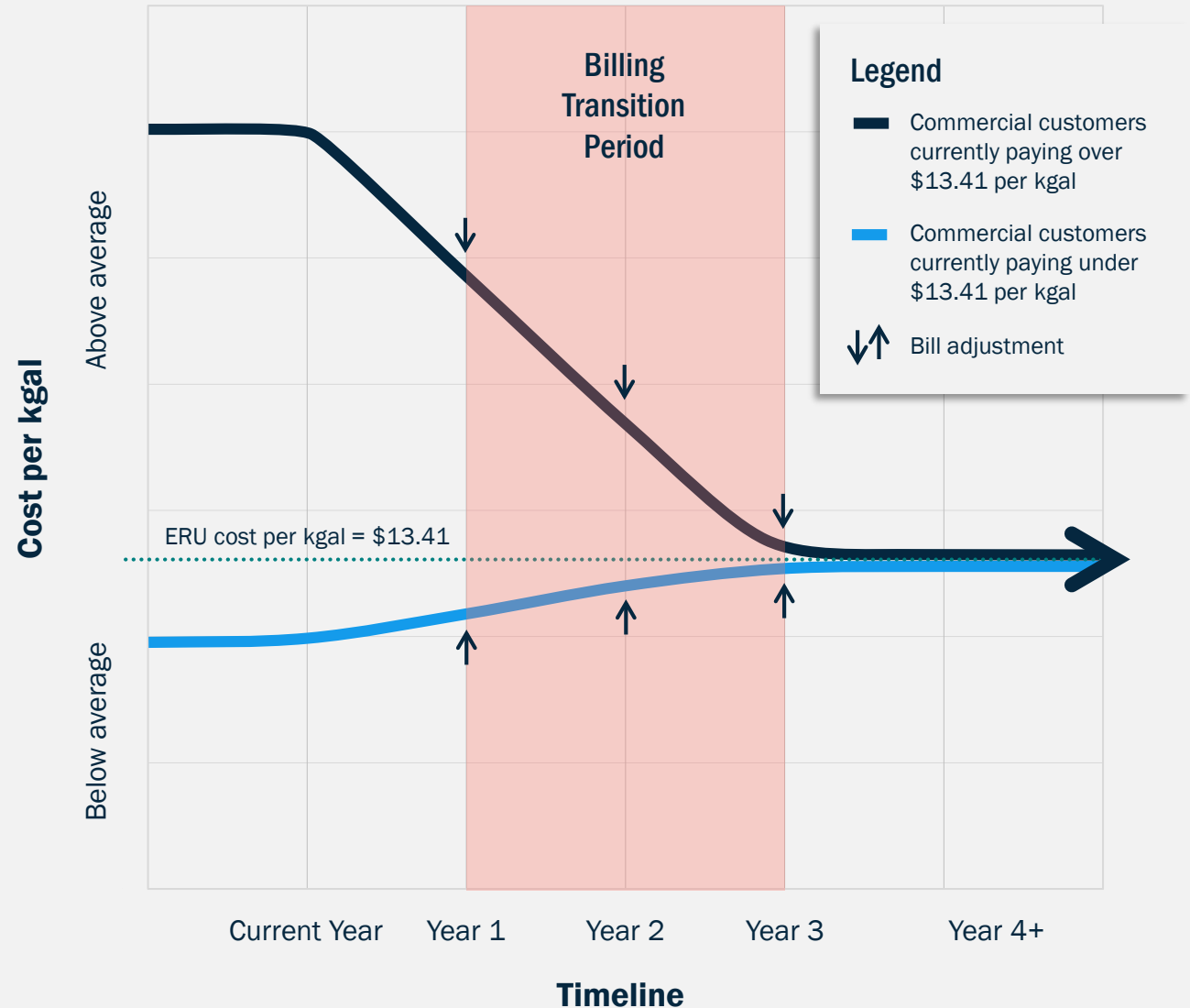
Pricing Objective	Impact	Discussion
Legality		Consistent with state and local code and industry-standard practices
Revenue Sufficiency		Revenue neutral
Revenue Stability		Maintains a base charge cost recovery approach, generating stable and predictable revenues
Rate Stability		Most customers rates will decrease. A small number of commercial and other public agency customers will see increases, which can be mitigated through a multi-year phasing plan
Affordability		Most customers rates will decrease. A small number of commercial and other public agency customers will see increases, which can be mitigated through a multi-year phasing plan, modifications to LEAP, and coordination with the City to support affordability within multi-family properties
Equitable		Addresses base charge inequities caused by use of meter equivalency factors and recovers costs in proportion to the cost of providing services
Customer Impacts		Commercial customers that have a meter size that doesn't match the amount of water they use will see the most significant bill impacts. A bill decrease is anticipated across the entire residential class
Conservation		Improves conservation efforts, since all charges are tied to actual water usage
Simplicity		Explaining a base charge on volumetric usage is clearer than a base charge predicated on meter equivalency/factors
Implementation		Requires additional programming within the customer billing system





# Phasing Plan Considerations

- Maintain revenue sufficiency and stability
- Implement rate adjustments over 3 years to minimize bill impacts for certain customers
- Can be applied to all customers or target customers with large percent changes only
- Inflationary and capital adjustments will continue to be implemented alongside these changes
- Rate adjustments impact base charge only



## MEMORANDUM

TO: AlexRenew Board of Directors

FROM: Justin Carl, General Manager and CEO

DATE: July 15, 2025

SUBJECT: *New Business, Joint Use*  
Review and approve Amendment No. 1 to Contract 24-024 with Ulliman Schutte to support the Headworks Renewal Project

---

### Issue

The Headworks Renewal Project was procured as a construction management at-risk (CMAR) contract and structured as a series of amendments as part of an overall Guaranteed Maximum Price (GMP) to complete the work. To progress construction and procure equipment associated with Contract 24-024, approval of Amendment No. 1 by the Board of Directors (Board) is required.

### Recommendation

Staff respectfully requests the Board authorize the Chief Executive Officer to execute Amendment No. 1 to Contract 24-024 with Ulliman Schutte for ongoing construction associated with the Headworks Renewal Project in an amount of not-to-exceed \$9,895,743, which includes the CEO's delegated change order authority. Justification for this recommendation is provided in the "Discussion" section of this memorandum.

### Budget and Funding

Funding for Amendment No. 1 to Contract 24-024 is included in the approved Fiscal Year 2026 Capital Budgets. The cost for Amendment No. 1 is \$7,916,594 and is anticipated to be expended between July 2025 and October 2028.

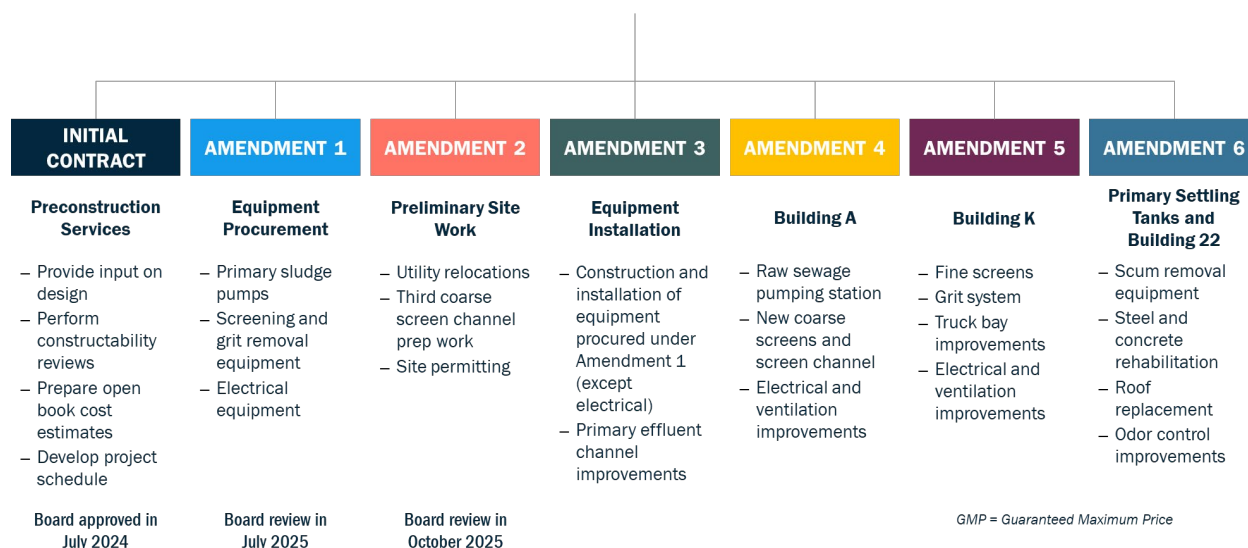
### Discussion

In August 2020, AlexRenew started planning to upgrade its preliminary and primary treatment processes. Several upgrades to enhance the reliability of aging processes and equipment were identified. A professional services contract to support the design of these upgrades was awarded to GHD in March 2024.

The planning and design process resulted in several upgrades to improve the reliability of aging equipment and maintain permit compliance, including a third coarse screen and upgraded screening technology; new raw sewage pumps; new fine screening technology; new grit separation technology; new conveyance and truck loading equipment for screenings and grit; new scum separation technology; replacement of aging primary settling tank equipment, including primary sludge pumps; rehabilitation of the primary weir observation house; and rehabilitation of the primary settling tank effluent channel. These upgrades to the preliminary and primary treatment processes ensure the effectiveness and reliability of AlexRenew's headworks facilities.

In July 2024, AlexRenew entered into an agreement with Ulliman Schutte through a construction CMAR contract to construct elements associated with the Headworks Renewal Project. The CMAR contract is structured as a GMP to allow a phased approach to implement the most critical upgrades first and to improve the overall construction schedule. The GMP consists of a series of amendments aligned with the Headwork Renewal Project's phasing as illustrated in Figure 1.

## HEADWORKS RENEWAL PROJECT GMP



**Figure 1.** Contractual amendments associated with the Headworks Renewal Project GMP

An initial contract with Ulliman Schutte for preconstruction services was approved by the Board in July 2024 for an amount of \$1,484,360. The preconstruction services phase includes a collaborative design development process between AlexRenew, the designer (GHD), and contractor (Ulliman Schutte). This collaborative environment helped structure the proposed GMP amendments outlined in Figure 1. The first of these amendments, Amendment No. 1 includes:

- Procurement of two (2) transformers and one (1) switchgear to upgrade electrical equipment that is undersized for the new coarse screens and raw sewage pumping station;
- Procurement of twenty-five (25) stop logs and forty-two (42) slide gates to improve the operability and reliability of the preliminary and primary treatment processes;
- Procurement of twelve (12) primary sludge pumps to replace equipment that has reached the end of its useful life;

- Procurement of four (4) fine screens and associated equipment to improve the reliability and efficiency of the fine screening process; and
- Procurement of two (2) vortex grit separators to replace equipment that has reached the end of its useful life.

Issuing an amendment for the procurement of equipment mitigates the potential for supply chain delays and improves the overall construction schedule. This helps to more quickly improve the reliability of aging equipment and maintain compliance with AlexRenew's wastewater permit.

Pricing for Amendment No. 1 was done under an open-book model, which is a transparent and collaborative process between AlexRenew, GHD, and Ulliman Schutte. Open-book pricing facilitates sharing and evaluating Ulliman Schutte's information on estimates, equipment quotes, communications with subcontractors, subcontractor costs, labor, and materials. This provides AlexRenew with a detailed and clear view of all costs, how they will be allocated, and how they will be expended. Ulliman Schutte's cost for Amendment No. 1 is \$7,916,594, which is about 35% lower than the Engineer's estimate of \$12,147,000. Table 1 summarizes the details of Amendment No. 1 to Contract 24-024.

**Table 1.** Breakdown of Amendment No. 1 to Contract 24-024

Item	Cost
Electrical Equipment	\$1,842,635
Stop Logs and Slide Gates	\$1,890,100
Primary Sludge Pumps	\$377,637
Fine Screening Equipment	\$2,256,300
Grit Separation Equipment	\$292,656
General Conditions (contractor's indirect costs)	\$241,853
<b>Subtotal</b>	<b>\$6,901,181</b>
Contractor's Fee (5 percent)	\$345,059
Bonds and Insurance	\$237,498
Contractor Contingency	\$99,890
Project Contingency (Owner)	\$332,966
<b>Total</b>	<b>\$7,916,594</b>

For tracking purposes, Table 2 summarizes all Headworks Renewal Project capital costs approved as of the date of this memorandum, plus this Amendment.

**Table 2.** Summary of Headworks Renewal Project capital costs as of the date of this memorandum

Item	Entity	Cost
Planning and Design Services (Aug 2020 – Jun 2026)	GHD	\$13,179,710
Construction Management Services (Nov 2024 – Jun 2026)	Brown & Caldwell	\$1,041,280
Preconstruction Services	Ulliman Schutte	\$1,484,360
Construction Services		
<i>Amendment No. 1 (for consideration under this memo)</i>	<i>Ulliman Schutte</i>	\$7,916,594
<b>Total</b>		<b>\$23,621,944</b>

**This action supports our strategic goal of Operational Excellence.**

**ACTION TAKEN**

Approved:

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Disapproved:

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Approved with Modification:

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Modification(s):

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## MEMORANDUM

TO: AlexRenew Board of Directors

FROM: Justin Carl, General Manager and CEO

DATE: July 15, 2025

SUBJECT: *New Business, Alexandria Only*  
Approve Fiscal Year 2025 customer account write-offs

---

### Issue

In accordance with AlexRenew's Financial Policy, the Board of Directors annually approves write-offs of amounts greater than \$1,500 following the close of the previous fiscal year.

### Recommendation

Staff respectfully requests the Board approve a Fiscal Year (FY) 2025 write-off amount of \$118,938.22 across 26 customer accounts with balances greater than \$1,500. It should be noted that the FY2025 write-off amount includes debt that was discovered in FY2025 that was not previously accounted for in prior fiscal years. The narrative in the "Discussion" section of this memorandum provides additional detail on the previously unaccounted for debt.

### Budget and Funding

Not applicable.

### Discussion

The Government Finance Officers Association's "Best Practices" recommends that management of accounts receivable should include periodic write-offs to ensure that accounts receivable and allowance balances are not overstated. The AlexRenew Financial Policy supports this best practice by outlining write-off criteria for active and inactive customer accounts.

AlexRenew's Financial Policy defines inactive customer accounts using the following criteria:

- The account remains unpaid after 60 days and the amount is under \$200;
- The account remains unpaid after 180 days and the amount is under \$600;
- The account remains unpaid after 365 days and the amount is under \$1,200;
- Regardless of balance, the account remains unpaid after the lesser of 730 days or the applicable period for commencement of a recovery action (statute of limitations is three years);
- The debtor has died and there is no known estate or guarantor;

- The debt is discharged through legal action (bankruptcy or court judgment);
- The debtor is a company which is no longer in business;
- The debtor cannot be located, nor any of the debtor's assets, by the external collection agency after 180 days;
- The external collection agency determines after a period of 365 days that the debtor has no assets and there is no expectation that they will have any in the future; and/or;
- The debt has been forgiven by action of the CEO or designated representative.

Prior to writing off debt of inactive customer accounts, the following collection efforts are performed:

- The customer receives a past due notice on their bill
- The customer receives a phone call notifying them of their past-due account
- The customer receives a letter indicating their account is past due
- The customer receives a second phone call notifying them of their past due account
- If no payment is received, the customer is mailed a certified letter indicating their account is past due

Additionally, prior to AlexRenew's annual write-off process, AlexRenew searches for new customer accounts that were created using customer names found on the delinquency list. If an existing customer has changed addresses, any prior arrearage is moved to the new account.

#### FY2025 Write-offs

As a result of multiple contributing factors, AlexRenew is writing off a higher amount of customer debt than the authority has in prior years. During AlexRenew's customer service transition that took place from November 2023 to June 2024, several accounts were flagged for maintenance, validation, or verification – these accounts were excluded from the FY2024 write-off process.

Following the customer service transition, AlexRenew's new customer service vendor conducted a thorough review of the accounts excluded from the FY2024 write-off process and identified 112 accounts representing \$23,170.92 for future write-off. These accounts and their associated values are proposed to be written off as part of the FY2025 process. Additionally, as part of the verification of accounts, the customer service team identified 244 accounts representing \$170,773.46 that should have previously been written off using the criteria identified in the Financial Policy. These customer accounts date back to 2015 and are also proposed to be written off as part of the FY2025 write-off process.

To clearly present FY2025 debt and debt that was unaccounted for in prior fiscal years, three tables are presented below that depict the following:

- **Table 1.** Debt discovered in FY2025 that was not previously accounted for in the preceding fiscal years
- **Table 2.** Debt incurred in FY2025
- **Table 3.** A complete accounting of all debt proposed to be written off in FY2025, including previously unaccounted for debt. This table is a combination of Tables 1 and 2.

Tables 1-3 organize debt per the customer account write-off criteria outlined in Financial Policy and discussed above. The debt is also tabulated per the values authorized by the Board and CEO.



**Table 1.** Write-offs for customer debt discovered in FY2025 not previously accounted for in prior years

<b>Account Type</b>	<b># of Accounts</b>	<b>Total Value</b>	<b>CEO-Authorized Value</b>	<b>Board-Authorized Value</b>
<b>Active</b>	0	\$0	\$0	\$0
<b>Inactive</b>				
Unpaid after 60 days (under \$200)	0	\$0	\$0	\$0
Unpaid after 180 days (under \$600)	0	\$0	\$0	\$0
Unpaid after 365 days (under \$1,200)	235	\$48,915.49	\$48,915.49	\$0
Unpaid after 730 days	121	\$145,028.89	\$26,090.67	\$118,938.22
Debtor has passed away	0	\$0	\$0	\$0
Debt discharged through legal action	0	\$0	\$0	\$0
Debtor is no longer in business	0	\$0	\$0	\$0
Debtor cannot be located	0	\$0	\$0	\$0
Debtor has no assets	0	\$0	\$0	\$0
Debt forgiven by CEO	0	\$0	\$0	\$0
<b>Totals</b>	<b>356</b>	<b>\$193,944.38</b>	<b>\$75,006.16</b>	<b>\$118,938.22</b>

**Table 2.** Write-offs for FY2025 customer debt

<b>Account Type</b>	<b># of Accounts</b>	<b>Total Value</b>	<b>CEO-Authorized Value</b>	<b>Board-Authorized Value</b>
<b>Active</b>	0	\$0	\$0	\$0
<b>Inactive</b>				
Unpaid after 60 days (under \$200)	31	\$1,213.99	\$1,213.99	\$0
Unpaid after 180 days (under \$600)	104	\$6,887.41	\$6,887.41	\$0
Unpaid after 365 days (under \$1,200)	23	\$7,860.20	\$7,860.20	\$0
Unpaid after 730 days	0	\$0	\$0	\$0
Debtor has passed away	0	\$0	\$0	\$0
Debt discharged through legal action	1	\$1,042.99	\$1,042.99	\$0
Debtor is no longer in business	0	\$0	\$0	\$0
Debtor cannot be located	0	\$0	\$0	\$0
Debtor has no assets	0	\$0	\$0	\$0
Debt forgiven by CEO	0	\$0	\$0	\$0
<b>Totals</b>	<b>159</b>	<b>\$17,004.59</b>	<b>\$17,004.59</b>	<b>\$0</b>

**Table 3.** Write-offs for FY2025 customer debt, including debt not previously accounted for in prior years

Account Type	# of Accounts	Total Value	CEO-Authorized Value	Board-Authorized Value
<b>Active</b>	0	\$0	\$0	\$0
<b>Inactive</b>				
Unpaid after 60 days (under \$200)	31	\$1,213.99	\$1,213.99	\$0
Unpaid after 180 days (under \$600)	104	\$6,887.41	\$6,887.41	\$0
Unpaid after 365 days (under \$1,200)	258	\$56,775.69	\$56,775.69	\$0
Unpaid after 730 days	121	\$145,028.89	\$26,090.67	\$118,938.22
Debtor has passed away	0	\$0	\$0	\$0
Debt discharged through legal action	1	\$1,042.99	\$1,042.99	\$0
Debtor is no longer in business	0	\$0	\$0	\$0
Debtor cannot be located	0	\$0	\$0	\$0
Debtor has no assets	0	\$0	\$0	\$0
Debt forgiven by CEO	0	\$0	\$0	\$0
<b>Totals</b>	<b>515</b>	<b>\$210,948.97</b>	<b>\$92,010.75</b>	<b>\$118,938.22</b>

Based on a review of accounts for FY2025, 515 customer accounts meet the criteria identified for write-off, representing a total amount of \$210,948.97. In accordance with the authority levels outlined in the Financial Policy, the CEO approved \$92,010.75 for accounts with balances up to \$1,500 to be written off. The remaining \$118,938.22 represents balances above \$1,500 from 26 accounts and requires Board approval to be written off.

**This action supports AlexRenew's strategic goal of Commitment to the Community.**

#### **ACTION TAKEN**

Approved:

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Disapproved:

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Approved with Modification:

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Modification(s):

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## MEMORANDUM

TO: AlexRenew Board of Directors

FROM: Justin Carl, General Manager and CEO

DATE: July 15, 2025

SUBJECT: New Business, Alex Only  
Review and adopt revisions to AlexRenew's Payment Assistance Program Policy

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### Issue

Revisions to the Payment Assistance Program Policy are needed to clarify eligible funding sources for AlexRenew's Lifeline Emergency Assistance Program. Review and approval of policy revisions by the Board of Directors are necessary for adoption.

### Recommendation

Staff respectfully requests that the Board of Directors adopt the revisions to the Payment Assistance Program Policy.

### Budget and Funding

Not applicable.

### Discussion

AlexRenew is committed to ensuring that our sewer rates are equitable and affordable. This commitment is reflected in our Strategic Plan, which includes the goal of "strengthening connections with the public and providing affordable service." AlexRenew advances this objective through Board-adopted policies, responsible budgeting, and targeted investment strategies. This Payment Assistance Program Policy (Policy) governs a key mechanism to fulfill AlexRenew's commitment.

For customers having trouble paying their sewer bills, AlexRenew offers interest-free payment plans and has the discretion to waive late fees. Additionally, AlexRenew provides emergency bill assistance for residential customers through the Lifeline Emergency Assistance Program (LEAP). Since launching in July 2024, LEAP has helped over 100 customers, providing more than \$75,000 in relief.

Revisions to the Payment Assistance Program Policy are needed to further clarify that only "non-rate revenue" will be used to fund LEAP. This ensures alignment with the organization's governing legal framework and contractual obligations to bondholders, preserves ratepayer equity, and shields the Authority from legal or reputational risk.

The proposed revisions to the Payment Assistance Program Policy include the following major elements:

- Definitions for “rate revenue” and “non-rate revenue;”
- Narrative of legal and code requirements supporting the definitions;
- A revenue classification flow chart to differentiate “rate revenue” from “non-rate revenue;” and
- A summary of current non-rate revenue funding sources for LEAP.

Classifications for “rate revenue” and “non-rate revenue” were developed based on a legal review of the Articles of Incorporation of the Alexandria Sanitation Authority, as amended through 2018, the Virginia Water and Waste Authorities Act (Authorities Act), and the 1999 Master Indenture of Trust (Indenture). This review is discussed briefly in the revised Payment Assistance Program Policy and the following sections of this memorandum.

#### Authorities Act

AlexRenew was formed under the Authorities Act by the adoption of Articles of Incorporation by Alexandria City Council in 1952 and amended in 1974 and 2018. Taken together, the Authorities Act and the Articles of Incorporation are the foundational legal charter establishing AlexRenew’s powers and responsibilities. AlexRenew’s actions, indentures, agreements, and policies must comply with this charter.

The Articles of Incorporation do not define or distinguish between rate revenue and non-rate revenue. However, they incorporate by reference all powers conferred by the Authorities Act.

With respect to rates, fees, and other charges, the Authorities Act mandates that rates be “just and equitable” and “sufficient to cover the expenses necessary” to furnish sewer service. The Act states that rates, fees, and charges may be used to (1) pay the cost of maintaining, repairing, and operating the system; (2) pay the principal of and the interest on the revenue bonds; or (3) provide a margin of safety for making such payments.

There are additional references in the Authorities Act that state that rates and charges must be sufficient to pay all or any part of the cost of operating and maintaining the system. The defined term “cost” includes capital expenditures, labor, interest, and operational reserves.

The Authorities Act “user fee” standard is in line with the typical utility cost-of-service model, emphasizing cost recovery and fairness. Under this standard, rates must reasonably relate to the cost of providing service and cannot be used to subsidize unrelated activities or programs. Therefore, “rate revenue” under the Authorities Act includes funds derived from sewer service charges to cover the costs of providing service, plus amounts required for debt service and reasonable reserves. In addition to payments from users, AlexRenew receives, among other payments, grants, incentive payments, and payments from third parties that are not users of the system. These payments, to the extent that they are not expense reimbursements for shared services or facilities, can be classified as “non-rate revenue.”

#### Indenture

The 1999 Master Indenture of Trust (Indenture) sets forth requirements for how revenues must be managed once bonds are issued.

The Indenture defines “revenues” as “all revenues, receipts and other income derived or received by the Authority from the ownership or operation of the System,” including availability fees, connection charges, and investment earnings. “Revenues” for purposes of the Indenture must be derived from AlexRenew’s ownership and operations of the sewer system.

The Indenture’s definition of “revenues” limits pledged revenues to income streams that arise directly from system use or ownership. And, by definition, “revenues” do not include gifts, grants, and other funds restricted by their payor/donor or inconsistent with debt service obligations, as well as insurance proceeds and certain intergovernmental transfers. This exclusion ensures that only system operational and ownership revenues are subject to the Indenture’s revenue “flow of funds” obligations. Non-operational funds not derived from the system are not subject to the “flow of funds” and may be classified and applied separately.

Once all Indenture-required allocations are satisfied, any remaining revenues are not pledged and flow into the General Fund. These funds may be used for any lawful purpose within AlexRenew’s statutory powers as defined by the Authorities Act.

### Conclusion and Recommendations

Consistent with the Authorities Act and Indenture and for the purposes of the Payment Assistance Program Policy, “rate revenue” and “non-rate revenue” are defined as:

- Rate Revenue. All funds directly derived from charges imposed on customers for sewer service, including but not limited to rates, fees (including availability and late fees), and other charges. These funds are restricted in the Authorities Act and pledged under the Indenture, which govern their use and application.
- Non-rate Revenue. Revenues that are not derived from the provision of sewer service, including voluntary donations, incentive rebates, or contributions contractually restricted by the payor/grantor from being used to pay debt service. These funds are not commingled with rate revenue and are tracked, segregated, and reported separately in AlexRenew’s financial records and annual audit to ensure transparency and compliance.

For example, payments received by AlexRenew from the City of Alexandria under the 5th Floor Deed of Lease and the Billing Services Agreement are classified as non-rate revenue because the agreements explicitly restrict their use.

By contrast, late fees assessed on delinquent customer accounts are considered rate revenue under this framework because they are tied to the provision of sewer service under the Authorities Act (§ 15.2-5136.A). They must be deposited into the Revenue Fund and are subject to the Indenture’s pledged revenue and flow-of-funds requirements. Even if all Indenture-required allocations were satisfied and late fees flowed into the General Fund, the fees would still be classified as rate revenue and may only be used to pay costs associated with (1) maintaining and operating the system and (2) debt service.

Based on the analysis described herein, staff recommend revising the Payment Assistance Program Policy to clarify that discretionary programs such as LEAP are funded exclusively from revenues that are both unpledged and not derived from customer charges for sewer service. Additionally, a framework for assisting the Board and staff in classifying revenue is included in the revised Payment Assistance Program Policy.

**This action supports AlexRenew's strategic goal of Commitment to the Community.**

**ACTION TAKEN**

Approved:

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Disapproved:

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Approved with Modification:

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Modification(s):

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# City of Alexandria, Virginia Sanitation Authority Board Adopted Policy



Title: Payment Assistance Program Policy

Date of Adoption: October 15, 2024

Date of Revision: [July 15, 2025](#)

Page 1 of 5

## A. Policy Statement

AlexRenew is committed to ensuring that our sewer rates are equitable and affordable. This ~~philosophy commitment~~ is ~~enforced by~~ [reflected in](#) our Strategic Plan, which includes the goal of “strengthening connections with the public and providing affordable service.” AlexRenew ~~achieves advances~~ this ~~goal objective~~ through ~~our~~ Board-adopted policies, ~~budget process~~ [responsible budgeting](#), and [targeted](#) investment strategies. [This Payment Assistance Program Policy \(Policy\) governs a key mechanism to fulfill AlexRenew’s commitment.](#)

## B. Policy Purpose

The purpose of this Policy is to ~~formalize~~:

1. [Formalize](#) AlexRenew’s Payment Assistance Program (Program), which is ~~intended~~ [designed](#) to ~~assist help~~ customers ~~in maintaining~~ [maintain access to essential wastewater](#) service while managing ~~their~~ financial obligations.
2. [Define eligible funding sources for the Program in accordance with applicable legal and contractual requirements, ensuring strict compliance and fiscal accountability.](#)

## C. Payment Assistance Program

The Program offers two options to assist customers with past-due balances: payment plans and the Lifeline Emergency Assistance Program- ~~(LEAP)~~.

~~a.1.~~ **Payment Plans.** [AlexRenew offers interest-free payment plans](#) ~~are designed to spread the customer’s help~~ [customers manage](#) outstanding ~~balance account balances~~ over ~~a longer period time~~.

### [a. Eligibility Criteria](#)

~~b.~~ The ~~duration of payment plans depends on the customer’s outstanding balance, up to a maximum of 24 months.~~

~~c.i.~~ ~~To be eligible, a~~ customer’s account must be [at least 30 days](#) past due ~~by 30 days at a minimum.~~

~~d.~~ ~~Customers may enroll by visiting <http://alexrenew.promise-pay.com/> or calling 703-844-0505.~~

### [b. Terms](#)

~~i.~~ [Payment plans allow past-due balances to be paid in installments over time, up to a maximum of 24 months, based on the total balance due.](#)

~~e.ii.~~ Failure to make a scheduled payment will result in cancellation of ~~a customer’s~~



~~payment~~the plan and reinstatement of the full balance due.

~~f.iii.~~ Customers ~~are no longer eligible following~~with more than three (3) failed payment plans- ~~are no longer eligible to enroll.~~

## ~~2.~~ Lifeline Emergency Assistance Program

### ~~c.~~ The Lifeline Emergency Assistance Program ~~(Enrollment~~

~~i.~~ Customers may enroll online at <http://alexrenew.promise-pay.com> or by calling 703-844-0505.

~~1.2.~~ **LEAP** ~~is designed to provide emergency.~~ AlexRenew offers financial assistance to eligible customers ~~having trouble paying~~who are behind on their sewer bills by ~~providing~~applying a one-time credit to reduce past-due balances.

#### a. Eligibility Criteria

i. The customer's account must be at least 60 days past due; and

~~a.ii.~~ The past-due balance must be at least \$100, or \$50 if the ~~customer's balance.~~ customer is 62 or older.

#### b. Terms

i. Assistance is provided one (1) time per 12-month period.

ii. The credit applied is the lesser of the customer's past-due balance or a maximum of \$1,000. This amount may be adjusted by Board action as more data becomes available, without requiring an update to this Policy.

iii. Assistance is provided on a first-come, first-served basis.

iv. No income verification or means-testing is required.

#### c. Enrollment

~~b.i.~~ LEAP is administered ~~through a~~in partnership with Dollar Energy Fund, a 501(c)(3) nonprofit organization.

~~i.ii.~~ Customers may apply by calling 703-721-3500, emailing [billing@alexrenew.com](mailto:billing@alexrenew.com), or visiting a LEAP community-based partner agency.

#### ~~b.d.~~ Funding

~~e.~~ LEAP is funded ~~by exclusively with~~ non-rate revenue ~~sources, which include, but are not limited to,~~as defined in the following section to ensure compliance with the Virginia Water and Waste Authorities Act (Va. Code § 15.2-5100 et seq.) (Authorities Act) and the 1999 Master Indenture of Trust (Indenture). The following sources of non-rate revenue are used to fund LEAP:

i. Donations, generally;

~~ii.~~ ~~Donations associated with external use of the 6th Floor in AlexRenew's Environmental Center;~~

~~iii.ii.~~ Opt-in contributions from customer billing;

~~iii.~~ ~~Reimbursements~~Donations associated with external use of public spaces within

AlexRenew's Environmental Center;

- iv. Rebates for participation in energy demand reduction programs;
- v. Contributions for the office space use on the 5th Floor in AlexRenew's Environmental Center; and
- vi. Payments resulting from the Billing Services Agreement with the City of Alexandria that are contractually restricted from being used to pay debt service.

**D. To be eligible, a customer's account must be past due by 60 days at a minimum **Rate** and have a balance **Non-rate Revenue****

**1. Definitions.** For purposes of at least \$100 this Policy and supported by the references in Section D.2, rate revenue and non-rate revenue are defined as:

- a. Rate Revenue. All funds directly derived from charges imposed on customers for sewer service, including but not limited to rates, fees (including availability and late fees), and other charges. These funds are restricted in the Authorities Act and pledged under the Indenture, which govern their use and application.
- b. Non-rate Revenue. Revenues that are not derived from the provision of sewer service, including voluntary donations, incentive rebates, or \$50 if the contributions contractually restricted by the payor/grantor from being used to pay debt service. These funds are not commingled with revenue and are tracked, segregated, and reported separately in AlexRenew's financial records and annual audit to ensure transparency and compliance.

**2. Basis for Definitions**

- ~~d.~~ a. The Authorities Act does not explicitly define "rate revenue" but defines a cost-of-service model where customer is 62 or older charges are used to cover costs associated with operating and maintaining the wastewater system — not discretionary programs. Specifically, § 15.2-5136 restricts the use of customer rates, fees, and other charges to paying the cost of maintaining, repairing, and operating the system; paying the principal of and the interest on the revenue bonds; or providing a margin of safety for making such payments.
- ~~e.~~ Customers can enroll by calling (703) 721-3500, emailing [billing@alexrenew.com](mailto:billing@alexrenew.com), or by visiting one of our LEAP local community-based partner agencies to apply.
- ~~f.~~ Eligible customers may receive assistance once per 12-month period, with a credit applied directly to their account to cover past due balances. The maximum value of the credit is the lesser of the customer's past due balance or \$350. As additional data is collected on LEAP, this limit may be modified by a Board action without an update to this Policy.
- ~~b.~~ Assistance is provided on a first come, first served basis with no means testing requirement. The Indenture reinforces the cost-of-service model by defining "revenues" as all income derived from the ownership or operation of the sewer system. These pledged revenues must be deposited into the Revenue Fund and applied in a fixed order: operating expenses, debt service, and capital expenses (§§ 1.1, 7.2). The Indenture also specifically excludes "any gift, grant, payment or contribution to the extent restricted by the donor" from pledged revenues, permitting the use of these funds for discretionary purposes like LEAP.
- i. Payments to AlexRenew from the City of Alexandria for the 5th floor use and third-party

billing services are excluded from the definition of rate revenues by virtue of the payor's (i.e., the City's) restrictive language in the respective agreements. For example, the 5th floor Deed of Lease states "amounts paid by the Tenant under this Agreement may be used by the Landlord for any lawful purpose other than to pay or offset debt service obligations."

### **3. Revenue Classification Flowchart**

The flowchart outlined as Table 1 is provided to assist AlexRenew in determining whether revenue is classified as "rate revenue" or "non-rate revenue" per this Policy.

**Table 1.** Revenue Classification Flowchart

<b><u>Step</u></b>	<b><u>Criteria</u></b>	<b><u>Classification</u></b>
<b><u>1</u></b>	<u>Is the source of funds tied to customer charges for wastewater service?</u>	<u>YES --- Rate revenue</u> <u>NO --- Go to Step 2</u>
<b><u>2</u></b>	<u>Is the source of funds derived from ownership or operation of the sewer system?</u>	<u>YES --- Rate revenue</u> <u>NO --- Go to Step 3</u>
<b><u>3</u></b>	<u>Is the source of funds explicitly restricted from use for debt service?</u>	<u>YES --- Non-rate revenue</u> <u>NO --- Go to Step 4</u>
<b><u>4</u></b>	<u>Is the source a donation or third-party rebate?</u>	<u>YES --- Non-rate revenue</u> <u>NO --- Further legal review required</u>

### **4. Approved LEAP Funding Sources**

Table 2 summarizes LEAP funding sources and their associated revenue classification per the definitions provided herein and the Revenue Classification Flowchart provided as Table 1.

**Table 2.** Approved non-rate revenue funding sources for LEAP

<b><u>LEAP Funding Source</u></b>	<b><u>Description</u></b>	<b><u>Classification</u></b>
<u>Donations, generally</u>	<u>Donations made directly to Dollar Energy in support of LEAP</u>	<u>Non-rate revenue (Step 4)</u>
<u>Environmental Center donations</u>	<u>Donor-specified contributions made directly to Dollar Energy associated with external use of available public spaces within the Environmental Center (e.g. 6th floor)</u>	<u>Non-rate revenue (Step 4)</u>
<u>Customer opt-in donations</u>	<u>Voluntary donations made directly to Dollar Energy added to billing statements</u>	<u>Non-rate revenue (Step 4)</u>
<u>Energy reduction demand rebates</u>	<u>Reimbursements for energy demand reduction during peak use of the electrical grid</u>	<u>Non-rate revenue (Step 4)</u>
<u>5th floor contributions</u>	<u>Contractually restricted payments from the City of Alexandria for shared facility use</u>	<u>Non-rate revenue (Step 3)</u>

<a href="#">LEAP Funding Source</a>	<a href="#">Description</a>	<a href="#">Classification</a>
<a href="#">Billing services payments</a>	<a href="#">Contractually restricted payments from City of Alexandria under Billing Services Agreement</a>	<a href="#">Non-rate revenue (Step 3)</a>

of

## **Payment Assistance Program Policy**

Date of Adoption: October 15, 2024

Date of Revision: July 15, 2025

Page 1 of 4

### **I. Policy Statement**

AlexRenew is committed to ensuring that our sewer rates are equitable and affordable. This commitment is reflected in our Strategic Plan, which includes the goal of “strengthening connections with the public and providing affordable service.” AlexRenew advances this objective through Board-adopted policies, responsible budgeting, and targeted investment strategies. This Payment Assistance Program Policy (Policy) governs a key mechanism to fulfill AlexRenew’s commitment.

### **II. Policy Purpose**

The purpose of this Policy is to:

- A. Formalize AlexRenew’s Payment Assistance Program (Program), which is designed to help customers maintain access to essential wastewater service while managing financial obligations.
- B. Define eligible funding sources for the Program in accordance with applicable legal and contractual requirements, ensuring strict compliance and fiscal accountability.

### **III. Payment Assistance Program**

The Program offers two options to assist customers with past-due balances: payment plans and the Lifeline Emergency Assistance Program (LEAP).

- A. **Payment Plans.** AlexRenew offers interest-free payment plans to help customers manage outstanding account balances over time without reducing the total amount owed.
  - 1. **Eligibility Criteria**
    - a. The customer’s account must be at least 30 days past due.
  - 2. **Terms**
    - a. Payment plans allow past-due balances to be paid in installments over time, up to a maximum of 24 months, based on the total balance due.
    - b. Failure to make a scheduled payment will result in cancellation of the plan and reinstatement of the full balance due.
    - c. Customers with more than three (3) failed payment plans are no longer eligible to enroll.
  - 3. **Enrollment**
    - d. Customers may enroll online at <http://alexrenew.promise-pay.com> or by calling 703-844-0505.
- B. **LEAP.** AlexRenew offers financial assistance to eligible customers who are behind on their sewer

bills by applying a one-time credit to reduce past-due balances.

1. Eligibility Criteria

- a. The customer's account must be at least 60 days past due; and
- b. The past-due balance must be at least \$100, or \$50 if the customer is 62 or older.

2. Terms

- a. Assistance is provided one (1) time per 12-month period.
- b. The credit applied is the lesser of the customer's past-due balance or a maximum of \$1,000. This amount may be adjusted by Board action as more data becomes available, without requiring an update to this Policy.
- c. Assistance is provided on a first-come, first-served basis.
- d. No income verification or means-testing is required.

3. Enrollment

- a. LEAP is administered in partnership with Dollar Energy Fund, a 501(c)(3) nonprofit organization.
- b. Customers may apply by calling 703-721-3500, emailing [billing@alexrenew.com](mailto:billing@alexrenew.com), or visiting a LEAP community-based partner agency.

4. Funding

- a. LEAP is funded exclusively with non-rate revenue as defined in the following section to ensure compliance with the Virginia Water and Waste Authorities Act (Va. Code § 15.2-5100 et seq.) (Authorities Act) and the 1999 Master Indenture of Trust (Indenture). The following sources of non-rate revenue are used to fund LEAP:
  - i. Donations, generally;
  - ii. Opt-in contributions from customer billing;
  - iii. Donations associated with external use of public spaces within AlexRenew's Environmental Center;
  - iv. Rebates for participation in energy demand reduction programs;
  - v. Contributions for office space use on the 5th Floor in AlexRenew's Environmental Center; and
  - vi. Payments from the Billing Services Agreement with the City of Alexandria that are contractually restricted from being used to pay debt service.

## IV. Rate and Non-rate Revenue

A. Definitions. For purposes of this Policy and supported by the references in Section D.2, rate revenue and non-rate revenue are defined as:

- 1. Rate Revenue. All funds directly derived from charges imposed on customers for sewer service, including but not limited to rates, fees (including availability and late fees), and other charges. These funds are restricted in the Authorities Act and pledged under the Indenture, which

govern their use and application.

2. **Non-rate Revenue.** Revenues that are not derived from the provision of sewer service, including voluntary donations, incentive rebates, or contributions contractually restricted by the payor/grantor from being used to pay debt service. These funds are not commingled with revenue and are tracked, segregated, and reported separately in AlexRenew's financial records and annual audit to ensure transparency and compliance.

#### B. Basis for Definitions

1. The Authorities Act does not explicitly define "rate revenue" but defines a cost-of-service model where customer charges are used to cover costs associated with operating and maintaining the wastewater system — not discretionary programs. Specifically, § 15.2-5136 restricts the use of customer rates, fees, and other charges to paying the cost of maintaining, repairing, and operating the system; paying the principal of and the interest on the revenue bonds; or providing a margin of safety for making such payments.
2. The Indenture reinforces the cost-of-service model by defining "Revenues" as all income derived from the ownership or operation of the sewer system. These pledged revenues must be deposited into the Revenue Fund and applied in a fixed order: operating expenses, debt service, and capital expenses (§§ 1.1, 7.2). **Once all Indenture-required allocations are satisfied, any remaining Revenues flow into the General Fund, which may be used for any lawful purpose within AlexRenew's statutory powers as defined by the Authorities Act.** The Indenture also specifically excludes "any gift, grant, payment or contribution to the extent restricted by the donor" from pledged Revenues, permitting the use of these funds for discretionary purposes like LEAP.
  - a. Payments to AlexRenew from the City of Alexandria for the 5th floor use and third-party billing services are excluded from the definition of Revenues by virtue of the payor's (i.e., the City's) restrictive language in the respective agreements. For example, the 5th floor Deed of Lease states "amounts paid by the Tenant under this Agreement may be used by the Landlord for any lawful purpose other than to pay or offset debt service obligations."
- C. **Revenue Classification Flowchart.** The flowchart outlined as Table 1 is provided to assist AlexRenew in determining whether revenue is classified as "rate revenue" or "non-rate revenue" per this Policy.

**Table 1.** Revenue Classification Flowchart

Step	Criteria	Classification
1	Is the source of funds tied to customer charges for wastewater service?	YES -- Rate revenue NO -- Go to Step 2
2	Is the source of funds derived from ownership or operation of the sewer system?	YES -- Rate revenue NO -- Go to Step 3
3	Is the source of funds explicitly restricted from use for debt service?	YES -- Non-rate revenue NO -- Go to Step 4
4	Is the source a donation or third-party rebate?	YES -- Non-rate revenue NO -- Further legal review required



- D. Approved LEAP Funding Sources. Table 2 summarizes LEAP funding sources and their associated revenue classification per the definitions provided herein and the Revenue Classification Flowchart provided as Table 1.

**Table 2.** Approved non-rate revenue funding sources for LEAP

LEAP Funding Source	Description	Classification
Donations, generally	Donations made directly to Dollar Energy in support of LEAP	Non-rate revenue (Step 4)
Environmental Center donations	Donor-specified contributions made directly to Dollar Energy associated with external use of available public spaces within the Environmental Center (e.g. 6th floor)	Non-rate revenue (Step 4)
Customer opt-in donations	Voluntary donations made directly to Dollar Energy added to billing statements	Non-rate revenue (Step 4)
Energy reduction demand rebates	Reimbursements for energy demand reduction during peak use of the electrical grid	Non-rate revenue (Step 4)
5th floor contributions	Contractually restricted payments from the City of Alexandria for shared facility use	Non-rate revenue (Step 3)
Billing services payments	Contractually restricted payments from City of Alexandria under Billing Services Agreement	Non-rate revenue (Step 3)





# BIOSOLIDS DIVERSIFICATION PROJECT

## OVERVIEW OF UPCOMING GUARANTEED MAXIMUM PRICE AMENDMENTS

BOARD OF DIRECTORS | JULY 15, 2025



# PRESENTATION OVERVIEW



**01**

## **Biosolids Diversification Project Overview**

Description of project and major upgrades, selected CMAR, and overall project schedule

**02**

## **Guaranteed Maximum Price**

Refresh on Guaranteed Maximum Price elements

**03**

## **Biosolids Diversification Amendments**

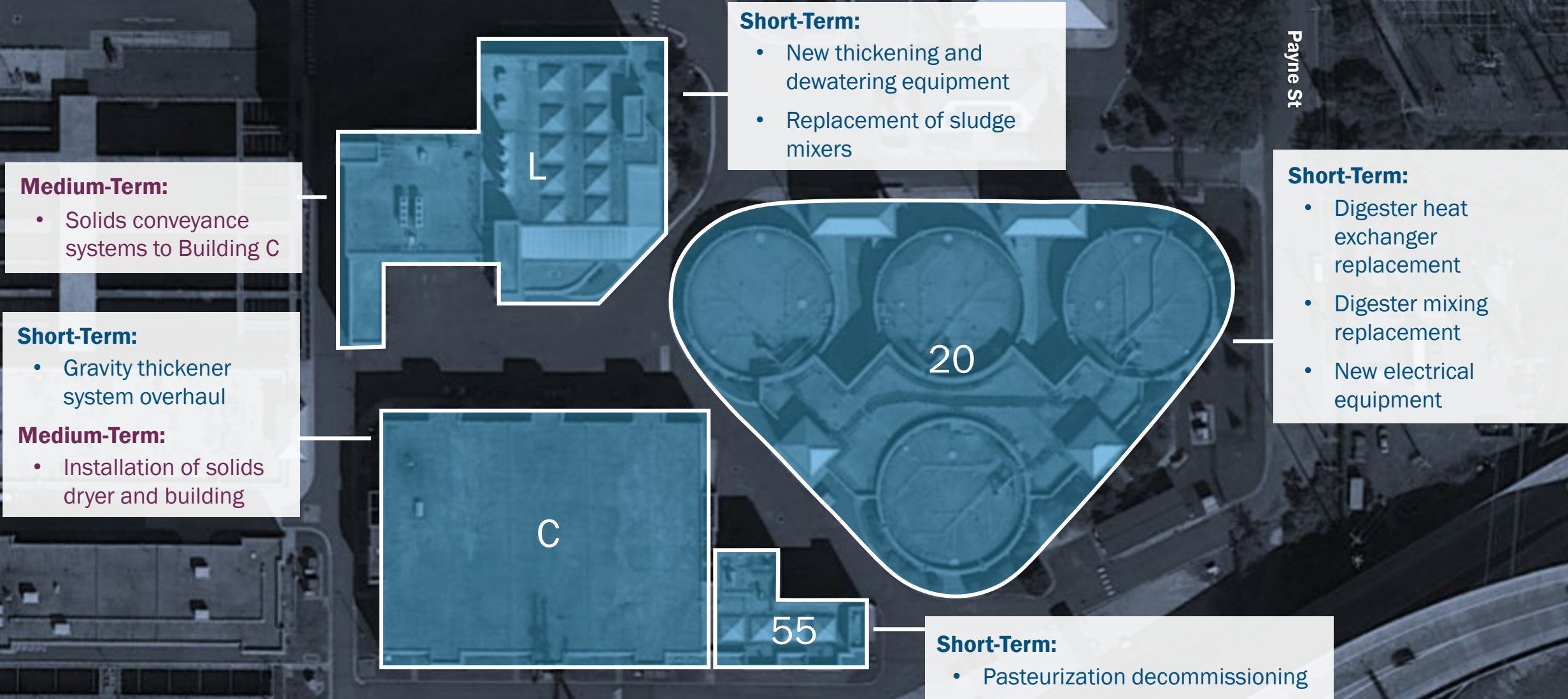
Overview of amendments, cost certainty progression, and capital cost

**04**

## **Next Steps**

Overview of next steps

# BIOSOLIDS DIVERSIFICATION PROJECT





# PC CONSTRUCTION – BIOSOLIDS CMAR



Received Board approval to provide  
Preconstruction Services in May 2024



Over 50 years of executing  
**wastewater construction**  
projects in the DC metro area



Regional office in Baltimore, MD



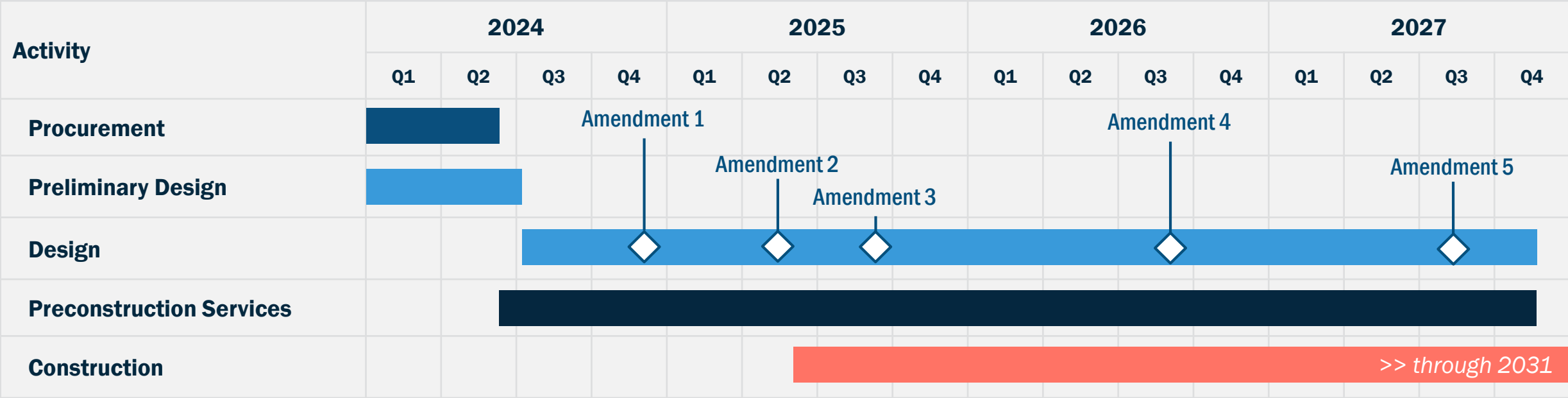
Extensive experience in construction  
of **solids process upgrades** on active  
wastewater plants



Delivering **CMAR projects** for over  
35 years

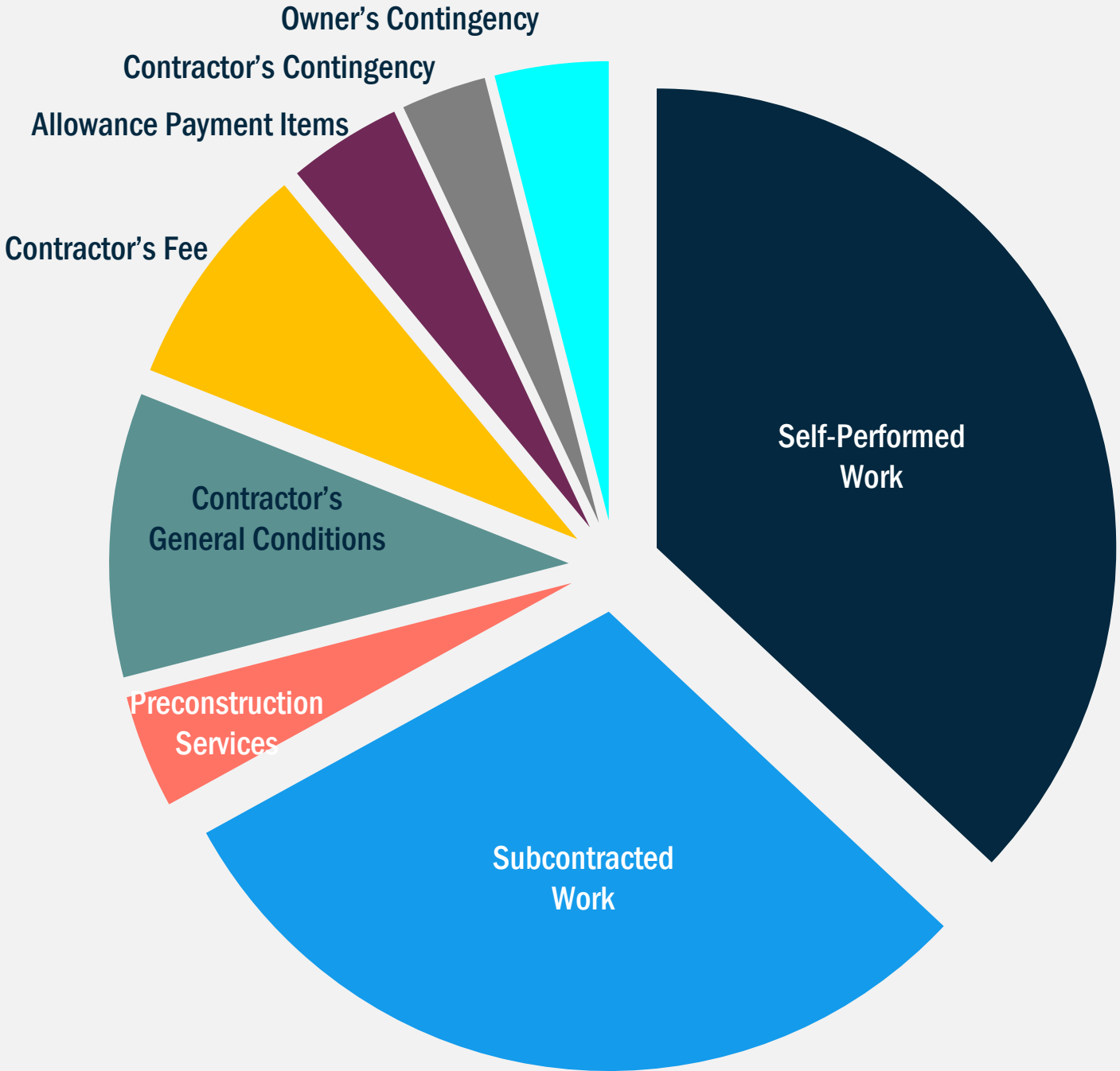


# BIOSOLIDS DIVERSIFICATION PROJECT SCHEDULE



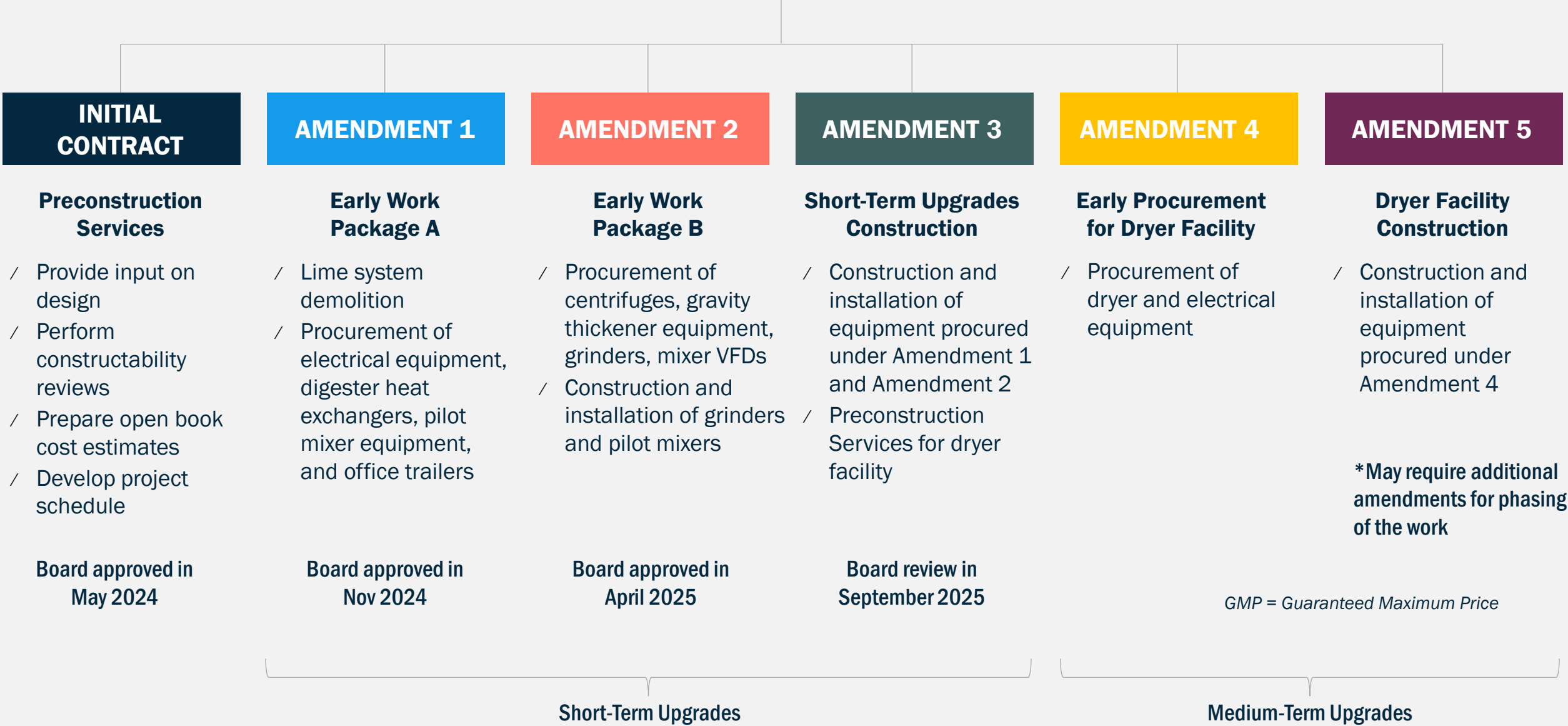
# GUARANTEED MAXIMUM PRICE

A guaranteed maximum price (GMP) sets a not-to-exceed cost for how much an owner will pay a contractor for completing the work outlined in the contract. Typically, a GMP reimburses a contractor for the items shown in the pie chart at the right.





# BIOSOLIDS DIVERSIFICATION PROJECT GMP



\*May require additional amendments for phasing of the work

GMP = Guaranteed Maximum Price

All amendments require Board review and approval

# BIOSOLIDS DIVERSIFICATION PROJECT

## AMENDMENT 3



Replace existing dewatering centrifuges (3) and add fourth dewatering centrifuge



Replace existing thickening centrifuges (4) and add fifth thickening centrifuge along with obsolete drive motors



Full refurbishment of gravity thickeners (3) with new rake drives, piping, scum collection systems, covers, and controls



Install new electrical gear to support new process equipment



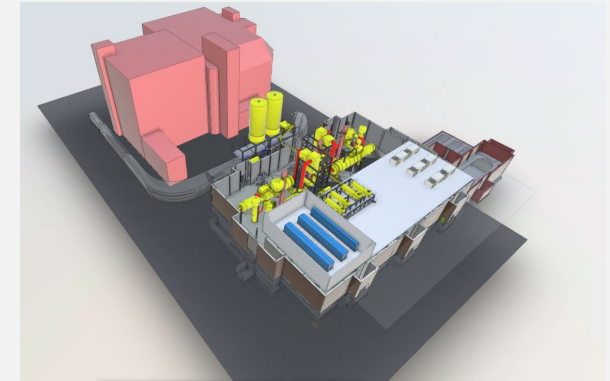
Replace digester heat exchangers (4) with larger units to provide all digester heating



Decommission and demolish the pre-pasteurization system include heat exchangers (3), solids pumps (6), and storage tanks (4)



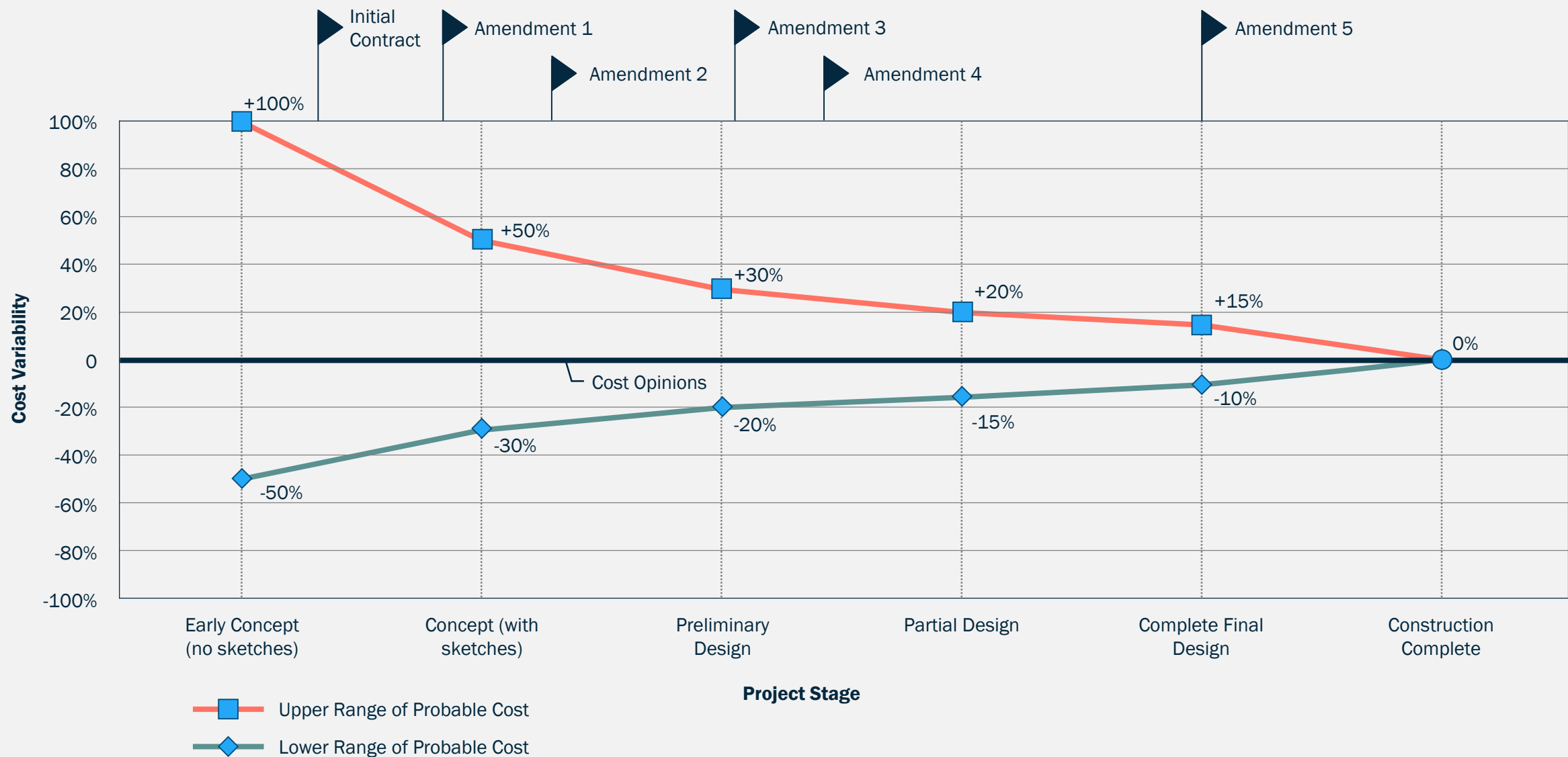
Decommission and demolish the existing gas mixing system and replace with hydraulic jet mixing



Pre-construction services to support design of the dryer facility



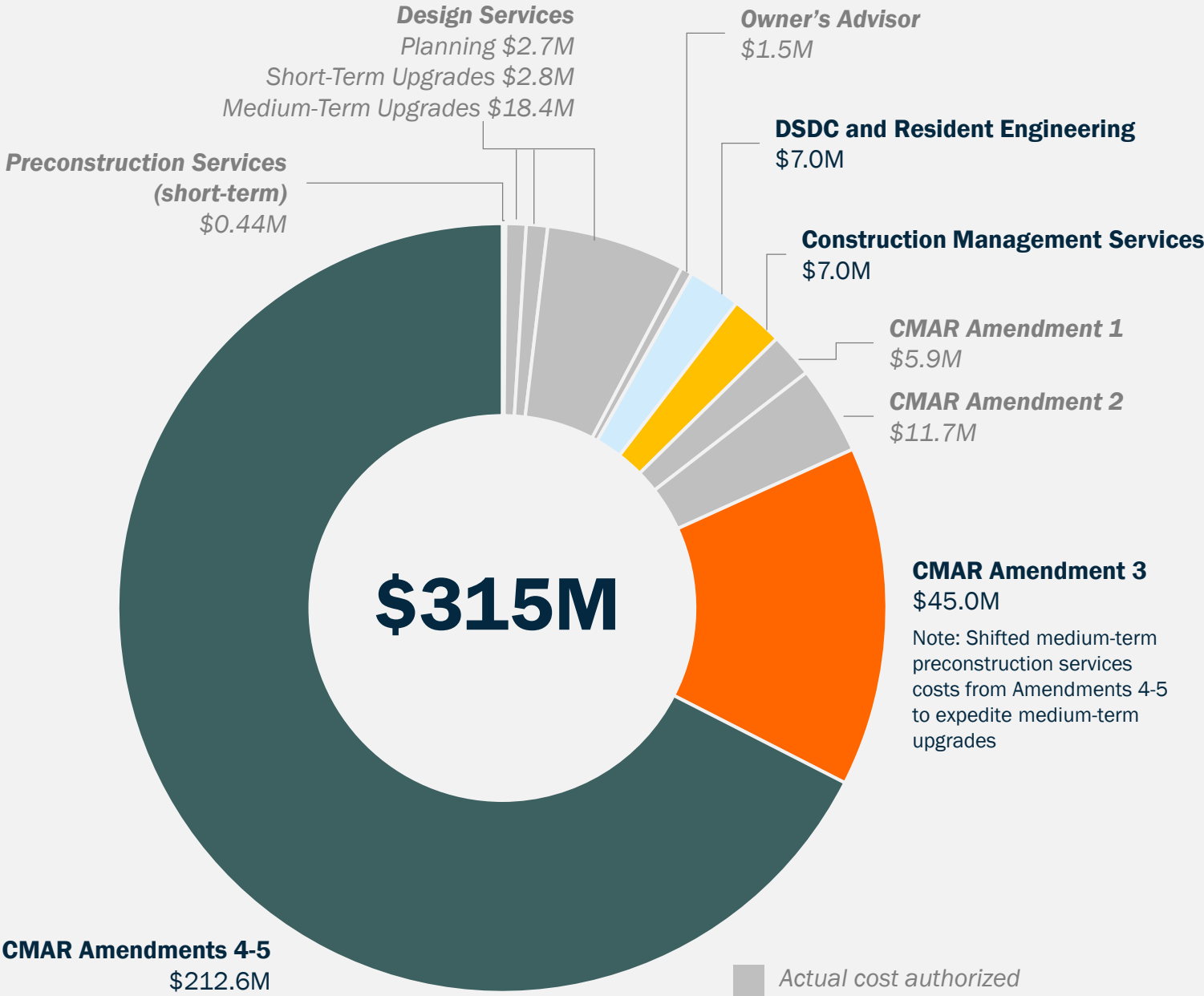
# EVOLUTION OF BIOSOLIDS DIVERSIFICATION CAPITAL COSTS



# BIOSOLIDS DIVERSIFICATION CAPITAL COST

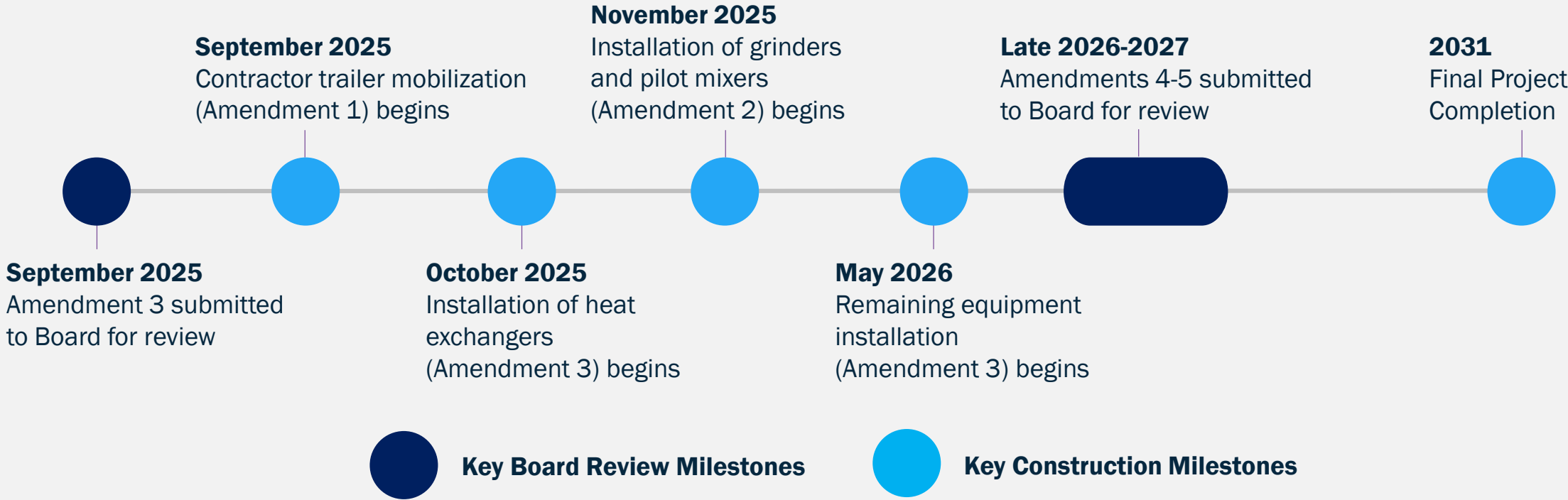
Estimated capital cost as of July 1, 2025, based on the following costs and assumptions:

- Preconstruction Services Short-Term Upgrades: Actual cost
- Design Services Planning: Actual cost
- Design Services Short-Term Upgrades: Actual cost
- Design Services Medium-Term Upgrades: Actual cost
- Owner's Advisor: Actual cost
- Design Services During Construction (DSDC) and Resident Engineering: Rough Order of Magnitude
- Construction Management Services: Rough Order of Magnitude
- Amendments 1, 2: Actual costs
- Amendment 3: Engineer's Estimate
- Amendments 4-5: Contractor's Rough Order of Magnitude





# Next Steps





## Monthly Report

### June 2025

This report represents a summary of AlexRenew's progress toward its strategic goals – Operational Excellence, Thriving Workforce, Strategic Partnerships, Environmental Sustainability, and Commitment to the Community for June 2025.

## 1 Operational Excellence

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

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

Precipitation for June 2025 was 5.48 inches of rain which is more than the monthly average precipitation of 4.20 inches for the month.

AlexRenew met all Virginia Pollutant Discharge Elimination System (VPDES) effluent parameters for June 2025 as outlined in Table 1.1.

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

	Average Flow	Carbonaceous Biochemical Oxygen Demand	Total Suspended Solids	Ammonia (as N)	Total Phosphorus	Dissolved Oxygen	Total Nitrogen	Total Nitrogen Load	Total Phosphorus Load
	MGD	Monthly Average (mg/L)	Monthly Average (mg/L)	Monthly Average (mg/L)	Monthly Average (mg/L)	Minimum (mg/L)	Annual Average (mg/L)	Year-to-Date (lb)	Year-to-Date (lb)
<b>Permit</b>	54.0	5.0	6.0	Seasonal (1)	0.18	6.0	3.0	493,381	29,603
<b>Reported</b>	37.6	<QL	1.9	<QL	0.07	7.8	2.0	107,441	5,785

Notes: (1) Ammonia seasonal limit for April – October: 1.0 mg/L

### 1.2 Capital Improvement Program

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

In July 2023, the Board approved three (3) Job Order Contracts (JOC) to support AlexRenew's ongoing construction and maintenance needs. In June 2025, the JOC was recompeted and four (4) contracts were executed. To date, a total of \$6.6 million of work has been completed under the contracts through individual task orders which are summarized in Table 1.2.

**Table 1.2.** Summary of work completed under job order contracts

Facility	Number of Task Orders	Value
WRRF Headworks Systems	4	\$455,000
WRRF Biological Treatment Systems	3	\$575,000
WRRF Solids Treatment Systems	12	\$2,165,000
WRRF Tertiary Treatment Systems	3	\$830,000
WRRF Disinfection Systems	1	\$70,000
WRRF Miscellaneous – HVAC, Electrical, Building, etc.	5	\$1,400,000
Pumping Stations	3	\$800,000
Interceptors	0	\$ -
Environmental Center	1	\$280,000
<b>Total</b>	<b>32</b>	<b>\$6,575,000</b>

### 1.3 RiverRenew

Updates on RiverRenew are outlined in the RiverRenew Dashboard.

### 1.4 PhaseForward

Updates on PhaseForward are outlined in the PhaseForward Dashboard.

### 1.5 Additional Capital Projects

In April 2025, AlexRenew issued a Request for Qualifications (RFQ) for the Nutrient Reduction Project, which is the first step in the procurement of a design-builder. The Statements of Qualifications (SOQ) in response to the RFQ were submitted to AlexRenew on May 20. In June, staff evaluated the SOQs and shortlisted three (3) respondents that will receive the RFP, which serves as the second step in the procurement of a design-builder. The RFP is currently anticipated to be issued in July 2025. Board review is anticipated for January 2026.

In April 2025, AlexRenew issued an RFP for community outreach and communications services. The successful respondent will provide outreach and communications support across a variety of AlexRenew's needs, including communications and outreach strategy planning; material production such as flyers, exhibits, and annual reports; website and social media content planning and creation; event planning and support; and website redesign and maintenance. The proposals in response to the RFP were received on June 3 and are currently under review. Board review is anticipated for October 2025.

### 1.6 Basic Ordering Agreement Task Orders

In December 2024, the Board approved five (5) basic ordering agreements (BOA) to support AlexRenew's planning, design, and implementation of projects as part of AlexRenew's Capital Improvement (CIP) program. Table 1.3 summarizes the status of BOA task orders issued.



**Table 1.3.** Summary of BOA Task Orders

Type/Facility	Number of Task Orders	Value
WRRF Headworks Systems	0	\$-
WRRF Biological Treatment Systems	0	\$-
WRRF Solids Treatment Systems	0	\$-
WRRF Tertiary Treatment Systems	1	\$750,000
WRRF Disinfection Systems	0	\$-
WRRF Miscellaneous – HVAC, Electrical, Building, etc.	3	\$450,000
Pumping Stations	0	\$-
Interceptors	1	\$100,000
Environmental Center	0	\$-
Plans, Studies, and Training	7	\$1,600,000
Professional Services Support	5	\$1,200,000
<b>Total</b>	<b>17</b>	<b>\$4,100,000</b>

### 1.7 Sole Source and Emergency Contracts

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

## 2 Thriving Workforce

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

Throughout June, AlexRenew recognized both Pride month and Juneteenth with articles and trivia on its digital signage and internal newsletter, training around authentic allyship, and a celebratory Pride breakfast.

The Virginia Section of American Water Works Association (VAWWA) and Virginia Water Environment Association (VWEA) announced AlexRenew as the recipient of the George W. Burke Facility Safety Award. The award will be presented to staff at the 2025 WaterJAM conference in Virginia Beach. This award recognizes a municipal or industrial wastewater facility for establishing and maintaining an active and effective safety program. The award was established in 1981 in honor of George W. Burke, Jr. for his many years of service to both the water environment field.

The National Safety Council announced that AlexRenew's Safety Manager, Alex Rigby, has been selected for its 2025 Rising Stars of Safety Award. This national council recognizes safety professionals under 40 who demonstrate a commitment to safety, influence safety culture, and create safety initiatives that produce measurable results.

On June 26, AlexRenew staff recognized the end of Safety Month with its annual safety team building event. Staff were also recognized on June 30 in celebration of Virginia Drinking Water and Wastewater Professionals Day.

Since May 2025, AlexRenew has logged 26,499 hours without a lost time accident.

## 3 Strategic Partnerships

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

On June 16, AlexRenew presented to Alexandria's Environmental Policy Commission (EPC) and hosted a follow-up tour on July 1.

AlexRenew participated in the City of Alexandria's Pride Fair in Market Square on Saturday, June 28.

## **4 Environmental Sustainability**

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

AlexRenew produced 2,263 wet tons of biosolids that were beneficially reused on farms in the Virginia counties of Caroline, Fauquier, Frederick, and King George. AlexRenew recycled 132 million gallons of water to support its operations. Plant processes used approximately 3,254,000 standard cubic feet of biogas that was produced onsite in the anaerobic digesters.

## **5 Commitment to the Community**

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

### **5.1 Financial Update**

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

#### Preliminary Budget Summary for Fiscal Year 2025

Table 5.1 summarizes AlexRenew FY2025 revenues and expenditures at fiscal year close. Please note that the values presented herein and following narrative are preliminary and subject to change as part of the year-end and audit adjustments.

AlexRenew's overall financial condition, as well as operating and capital plans to meet water quality requirements remained strong and stable during Fiscal Year 2025. AlexRenew met or performed better than the standards established by its financial policies, maintaining a debt service coverage ratio of 1.8 and unrestricted cash of 772 days of operating expenses.

Revenues from billed water consumption and resulting flows to AlexRenew's wastewater treatment plant exceeded the original budgetary estimate by approximately 2.9% or \$1.8 million. The exceedance can primarily be attributed to higher than projected late fee collection and other administrative fees, which accounted for \$1.4 million.

Similar to previous recent fiscal years, flows from Fairfax County to AlexRenew's wastewater treatment plant were lower than originally budgeted, resulting in a decrease of \$0.2 million or 1.6% in actual operating revenues from Fairfax County. This decrease was offset by earned interest income which exceeded budgetary estimates by about \$1.7 million.

Operating expenses are estimated to be slightly higher than budget primarily due to personnel costs and information technology annual licenses and subscriptions. Lower capital execution and spending resulted in \$0.3 million less in debt service expenses and total expenses are estimated to be \$49.5 million lower than budgeted, primarily due to the timing of spending associated with RiverRenew. This

timing also impacts debt proceed revenues, which are estimated to be \$33.9 million lower than budgeted since the majority of capital expenses are funded through debt. The estimated net positive budget variances resulted in no use of cash reserves for capital expenses and the addition of \$8.1 million to cash reserves, which will be used toward future capital spending.

The following are key financial highlights for FY2025:

- The Board of Directors adopted a two-year rate adjustment of 5.0% beginning July 1, 2025, and 5.7% beginning July 1, 2026;
- RiverRenew continued to be funded solely by Water Infrastructure Finance and Innovation Act (WIFIA) loan program with \$123.4 million drawn to date;
- AlexRenew began using proceeds from the PhaseForward Green Bonds with \$3.8 million drawn to date; and
- AlexRenew received the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting for its Fiscal Year 2024 Annual Comprehensive Financial Report, which is the highest form of recognition for excellence in state and local government financial reporting. This is the 18th time AlexRenew has received this award.

**Table 5.1.** Revenues and Expenses through June 2025

Revenues and Expenses	FY2025 Actual (see Note 1)	FY2025 Budget	Preliminary \$ Variance	Preliminary % Variance
<b>Revenues</b>				
Wastewater Treatment Charge	62,193,903	60,420,321	1,773,582	2.9
Fairfax Operating Charge	12,638,293	12,838,293	-200,000	-1.6
Fairfax Capital Contributions	23,644,026	40,753,072	-17,109,046	-42.0
Debt Proceeds and Other Sources	84,865,659	118,784,403	-33,918,744	-28.6
<b>Total Revenues</b>	<b>183,341,881</b>	<b>232,796,090</b>	<b>-49,454,209</b>	<b>-21.2</b>
<b>Expenses</b>				
Operating and Maintenance	36,067,080	35,295,594	771,486	2.2
Parity Debt Service	21,998,235	22,290,196	-291,961	-1.3
IRR (see Note 2)	13,684,852	11,755,900	1,928,952	16.4
Capital	111,591,714	163,454,400	-51,862,686	-31.7
<b>Total Expenses</b>	<b>183,341,881</b>	<b>232,796,090</b>	<b>-49,454,209</b>	<b>-21.2</b>

Notes: (1) The FY2025 actual values and associated variances are based on preliminary estimates at the fiscal year close and are subject to change

(2) Improvement, Renewal, and Replacement with is the program for routine investments to maintain and repair equipment. The IRR program funds capital improvements under \$1 million and not part of major upgrade projects.

#### Cash Reserves and Debt Service Coverage

AlexRenew monitors two metrics to ensure sufficient cash reserves – Operating & Capital Days Cash on Hand and Total Days Cash on Hand. Days cash on hand or “days cash” is calculated by dividing the amount of unrestricted cash by the annual operating expenses, times 365 (total days in any given

fiscal year). Operating & Capital Days Cash includes only a portion of AlexRenew's unrestricted operating cash, while Total Days Cash includes all AlexRenew unrestricted cash and represents the days cash benchmark typically reviewed by rating agencies. Minimums required by the Financial Policy for Operating & Capital and Total Days Cash are 120 and 270 days, respectively.

AlexRenew's Financial Policy also requires a debt service coverage of 1.6 times. Debt service coverage is calculated by dividing net revenue by annual debt service. This metric indicates AlexRenew's ability to pay off its annual debt service payments.

AlexRenew current estimate exceeds its Financial Policy cash reserves and debt service coverage requirements as indicated in Tables 5.2 and 5.3.

**Table 5.2.** Cash Reserves

Days Cash on Hand	Minimum	FY2025 Annualized (Estimated)	Percentage of Goal
Operating and Capital Days Cash on Hand	120	134	112%
Total Days Cash on Hand	270	772	286%

Note: The FY2025 actual annualized values and associated percentages of goal are based on preliminary estimates at the fiscal year close and are subject to change

**Table 5.3.** Debt Service Coverage

Item	FY2025 Budget	FY2025 Annualized (Estimated)
Total Revenues	\$74,158,614	\$76,582,196
Less Operating Expenses	(\$35,295,594)	(\$36,067,080)
<b>Net Revenue</b>	<b>\$38,863,020</b>	<b>\$40,515,116</b>
<b>Annual Debt Service</b>	<b>\$22,290,196</b>	<b>\$21,998,235</b>
<b>Calculated Coverage</b>	<b>1.75 times</b>	<b>1.84 times</b>

Note: The FY2025 actual annualized values and associated percentages of goal are based on preliminary estimates at the fiscal year close and are subject to change

## 5.2 Status of Customer Delinquencies

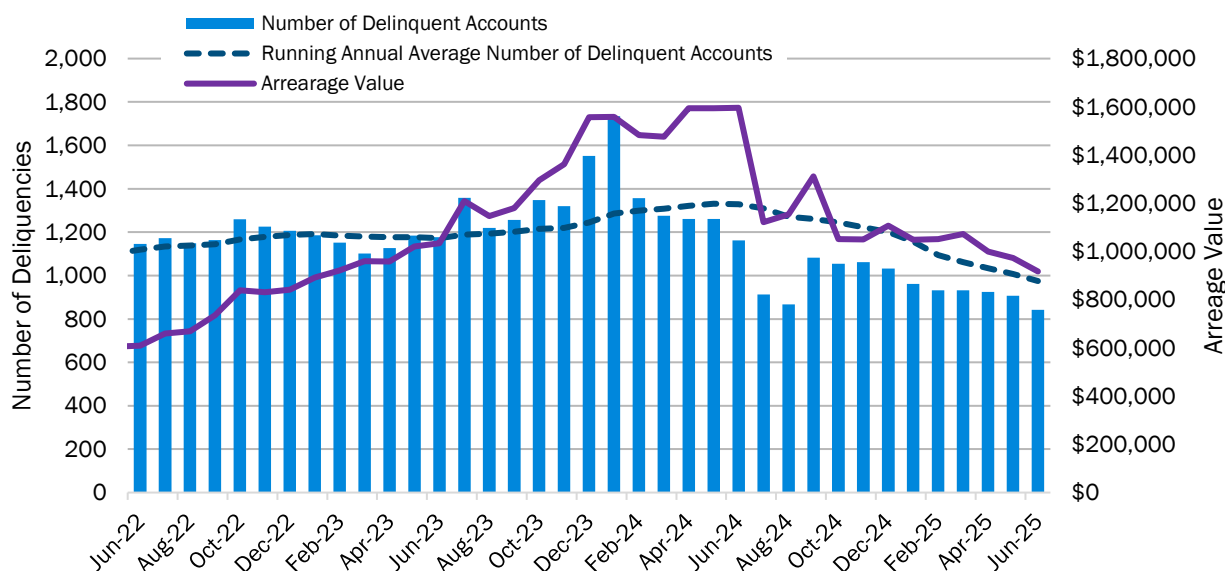
Figure 5.1 illustrates active AlexRenew accounts 60 or more days delinquent and total delinquent dollar amount owed over the last three (3) years. Major takeaways for this period include:

- The number of accounts delinquent by more than 60 days was 842, a decrease of 65 accounts month-over-month;
- The total dollar amount owed to AlexRenew from these accounts was \$917,430, a decrease of \$55,410 month-over-month; and
- Approximately 57 percent of the delinquency value is from residential accounts.

AlexRenew has continued its communications campaign around the Lifeline Emergency Assistance Program (LEAP) and payment plans. As of June 30, 381 accounts were enrolled in payment plans, representing \$584,722 in scheduled payments. This value represents approximately 64 percent of the current (June 2025) arrearage.

On behalf of AlexRenew, Virginia American Water disconnected 20 customers for nonpayment of their sewer bill in June. Of the customers who were disconnected, ten (10) paid their balance in full, five (5) enrolled in a payment plan, four (4) accounts were closed, and one (1) applied for a LEAP disbursement. Since July 2024, there have been 248 disconnections, of these, 24 accounts received a total of \$20,972 in LEAP disbursements.

Additional updates on LEAP are outlined in the LEAP Dashboard.



**Figure 5.1.** Active Accounts 60 or more days Delinquent

### 5.3 Customer Service and Community Engagement

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

AlexRenew was featured in a [Construction Magazine](#) article that highlighted the RiverRenew program and the benefits it will provide to Alexandria.

AlexRenew welcomed an estimated total of 933 visitors from the following organizations that hosted meetings on the 6th floor of the Environmental Center in June: Alexandria City Public Schools (102), Alexandria Soccer Association (386), Alexandria A Capella Collective (300), Jack & Jill of America (50), Alexandria Symphony Orchestra (30), Capital Youth Empowerment (30), Student Support – Financial Literacy Workshop (30), and Alexandria Beautification Commission (5). Additionally, AlexRenew's Environmental Center served as a polling place for (497) voters during the primary election on June 17.

On June 18, AlexRenew hosted 35 children visiting from Old Presbyterian Church in Alexandria, providing a walking tour of the Nutrient Management Facility and the RiverRenew project (from Limerick Field) — staff also read the RiverRenew children's books to the visitors. Additionally, AlexRenew provided a lobby tour for Volunteer Alexandria Youth in Service (15) and on July 2, staff presented to an estimated (50) children at the Beatley Central Library.

AlexRenew customer service received a total of 777 calls. The average wait time before calls were answered was 25 seconds. Call center staff answered 309 emails.



# phaseforward

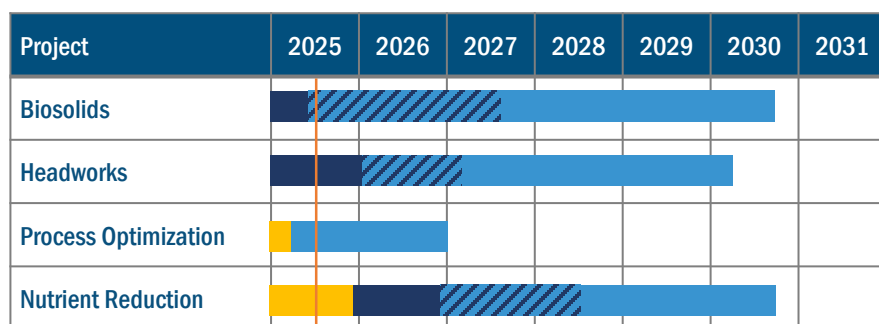
To support our evolving community, AlexRenew is making a significant investments to improve the resiliency of its infrastructure

## DASHBOARD | JUNE 2025

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

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

### PhaseForward schedule



■ Procurement ■ Design ■ Design and Construction ■ Construction

### PhaseForward spending (to date)

Project	Estimate (1)	Design	Construction	Total	% Local (2)
Biosolids	\$315M	\$7.7M	\$1.2M	\$8.9M	84%
Headworks	\$120M	\$5.8M	\$-	\$5.8M	95%
Process Optimization	\$9.4M	\$1.3M	\$-	\$1.3M	100%
Nutrient Reduction	\$120M	\$1.0M	\$-	\$1.0M	100%
Total	\$568M	\$15.8M	\$1.2M	\$17.0M	90%

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



BIOSOLIDS



HEADWORKS



PROCESS OPTIMIZATION



NUTRIENT REDUCTION





# Biosolids Diversification

Crews demolished and removed the electrical and mechanical equipment related to the 7-story lime system in Building L and have started on demolition of the lime storage silos and conveyor systems.



## Headworks Renewal

The contractor is procuring screens, grit removal systems, sludge pumps, and electrical equipment for installation in an upcoming contract amendment.



## Nutrient Reduction

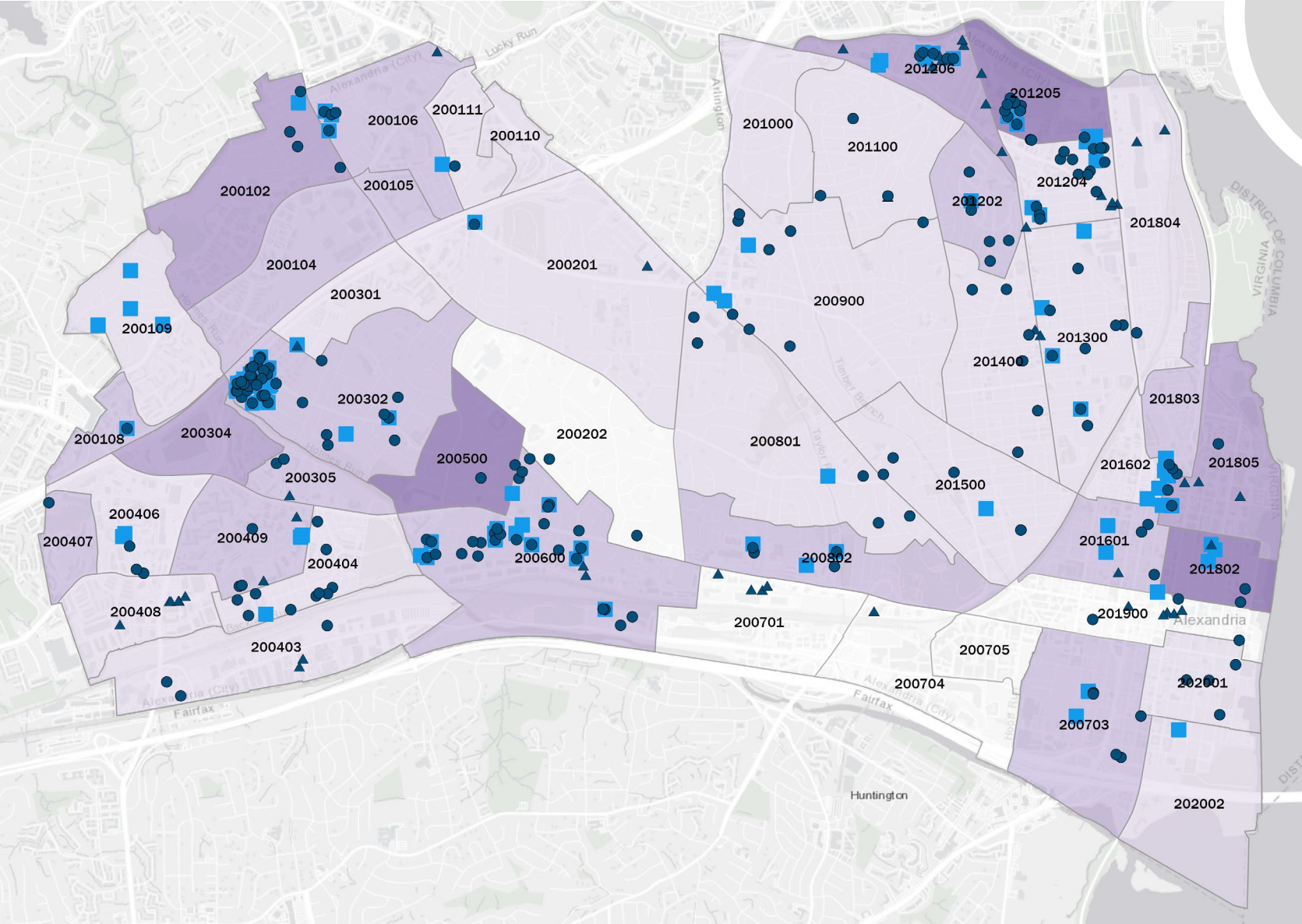
The Request for Proposals was released on July 8 to the three (3) shortlisted design-builders.



## Process Optimization

Crews have completed mobilization and are starting to remove equipment from the existing system.

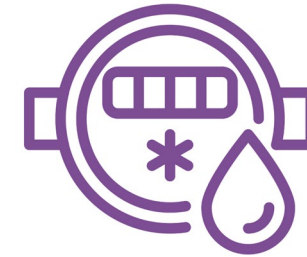




**\$80,762**  
Disbursed To-Date  
\$5,308 disbursed this period



**110 Customers Assisted**  
7 customers assisted this period



**248 Service Disconnections for Nonpayment**  
20 customers disconnected this period

### Legend

#### Percentage of Households Receiving SNAP

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

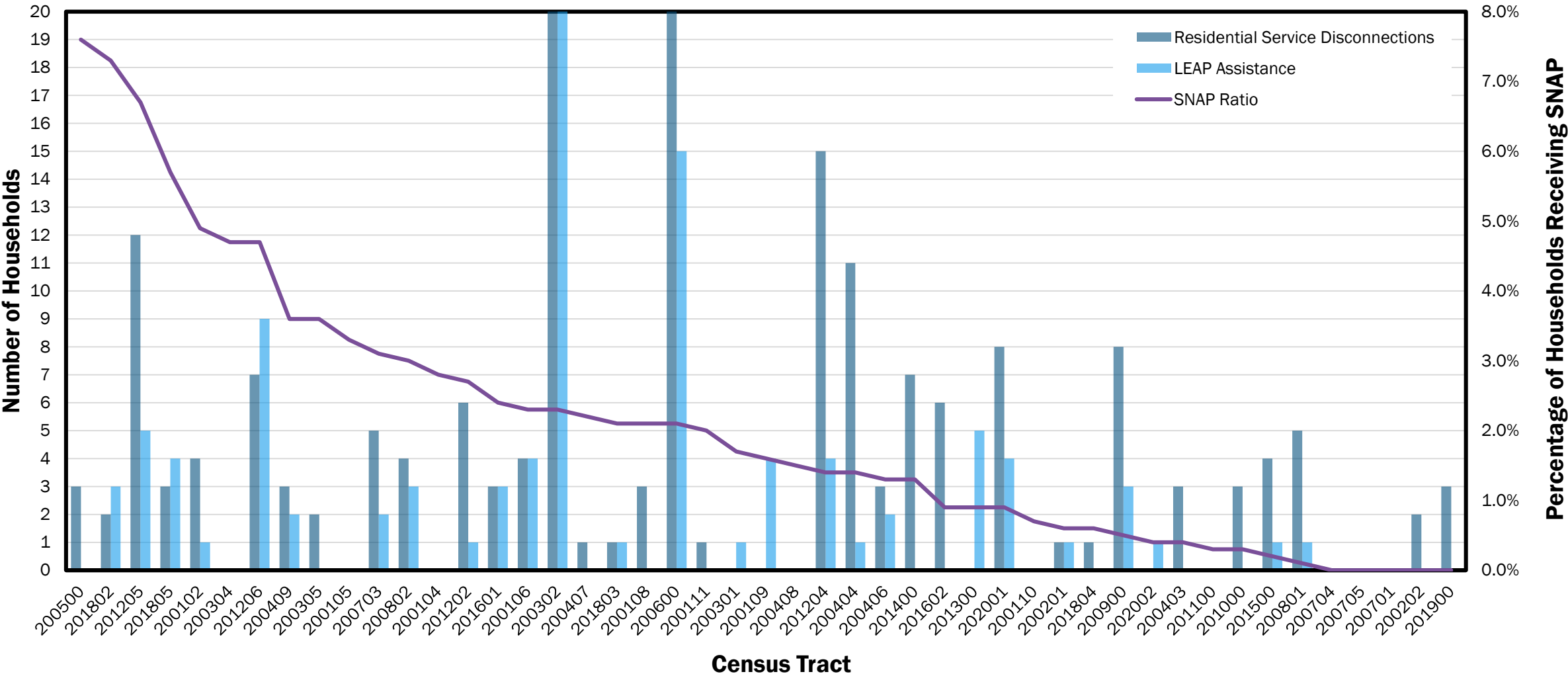
Averages: U.S. (12.5%); Virginia (3.0%); Alexandria (2.2%)

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



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

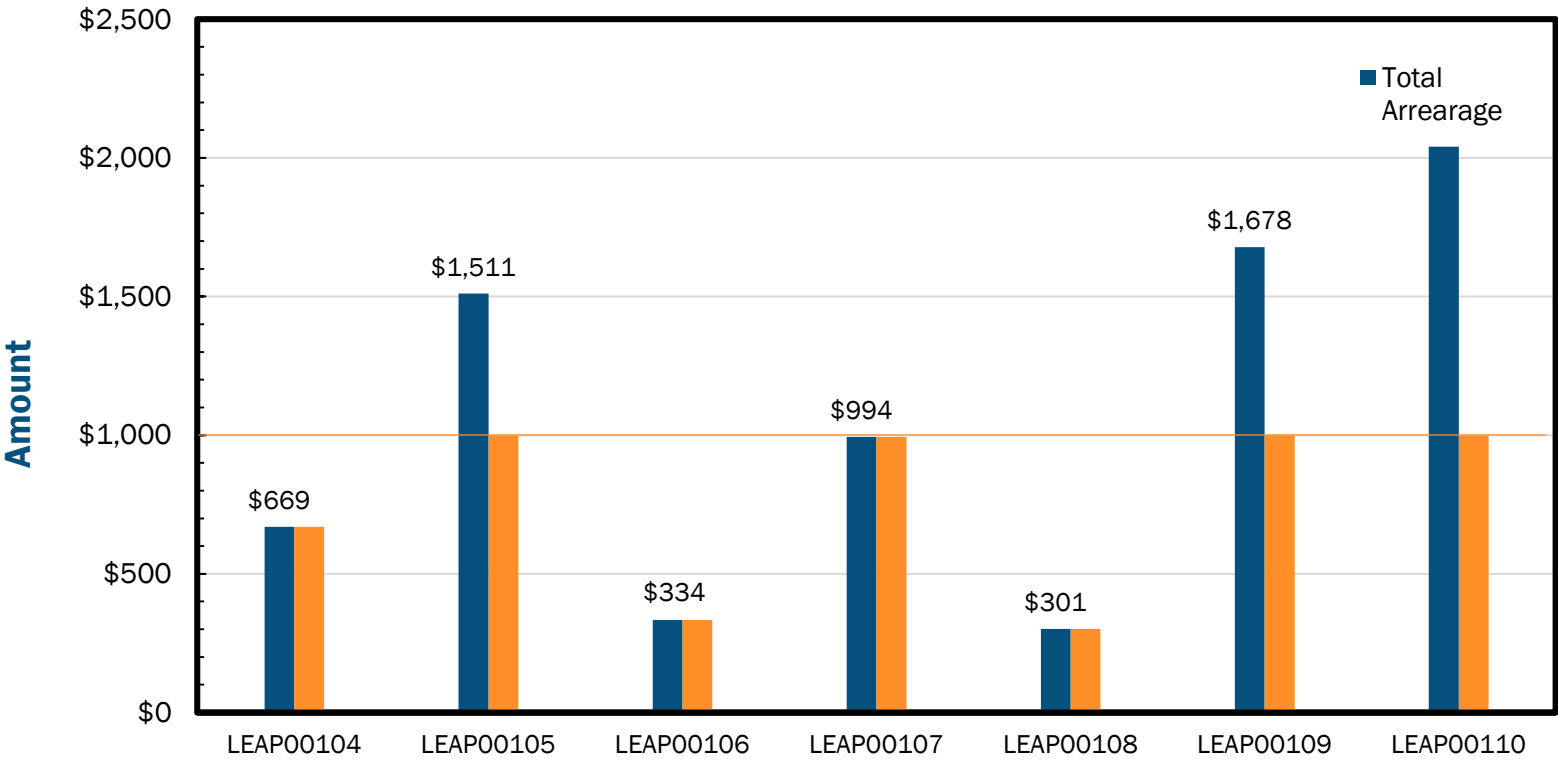
June 30, 2025



# LEAP Disbursements and Remaining Arrearage by Account

June 30, 2025

Disbursements - June 2025



(June 2025)

	Disbursed	Arrearage	% of Arrearage
	\$1,000	\$2,041.00	49%
	\$1,000	\$1,678.00	60%
	\$1,000	\$1,511.00	66%
	\$994	\$994.00	100%
	\$669	\$669.00	100%
	\$334	\$334.00	100%
	\$301	\$301.00	100%
Average:	\$757	\$1,075	82%
Median:	\$994	\$994	80%

# RiverRenew Board of Directors Dashboard



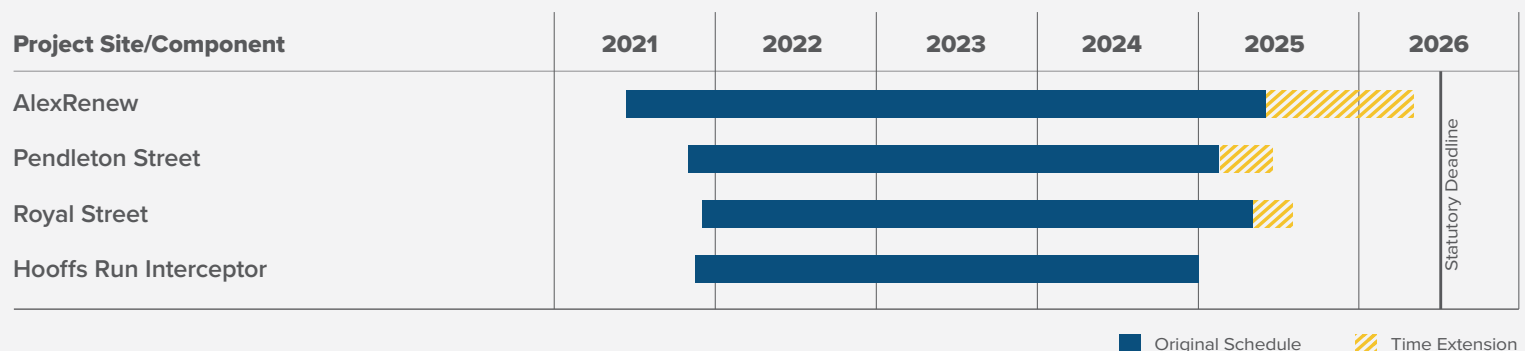
MONTH ENDING: JUNE 30, 2025

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

## RiverRenew Overview

To improve the waterways that connect us, AlexRenew is implementing RiverRenew to prevent millions of gallons of combined sewage from polluting Alexandria's local rivers and streams each year. Three of the four RiverRenew projects are complete. The remaining Tunnel Project includes the construction of a new tunnel to connect AlexRenew's wastewater treatment plant to the four existing combined sewer outfalls, as illustrated on Page 2 of this dashboard. The phases of construction for the four remaining primary construction sites are illustrated in the schedule below.

## RiverRenew Tunnel Project Schedule

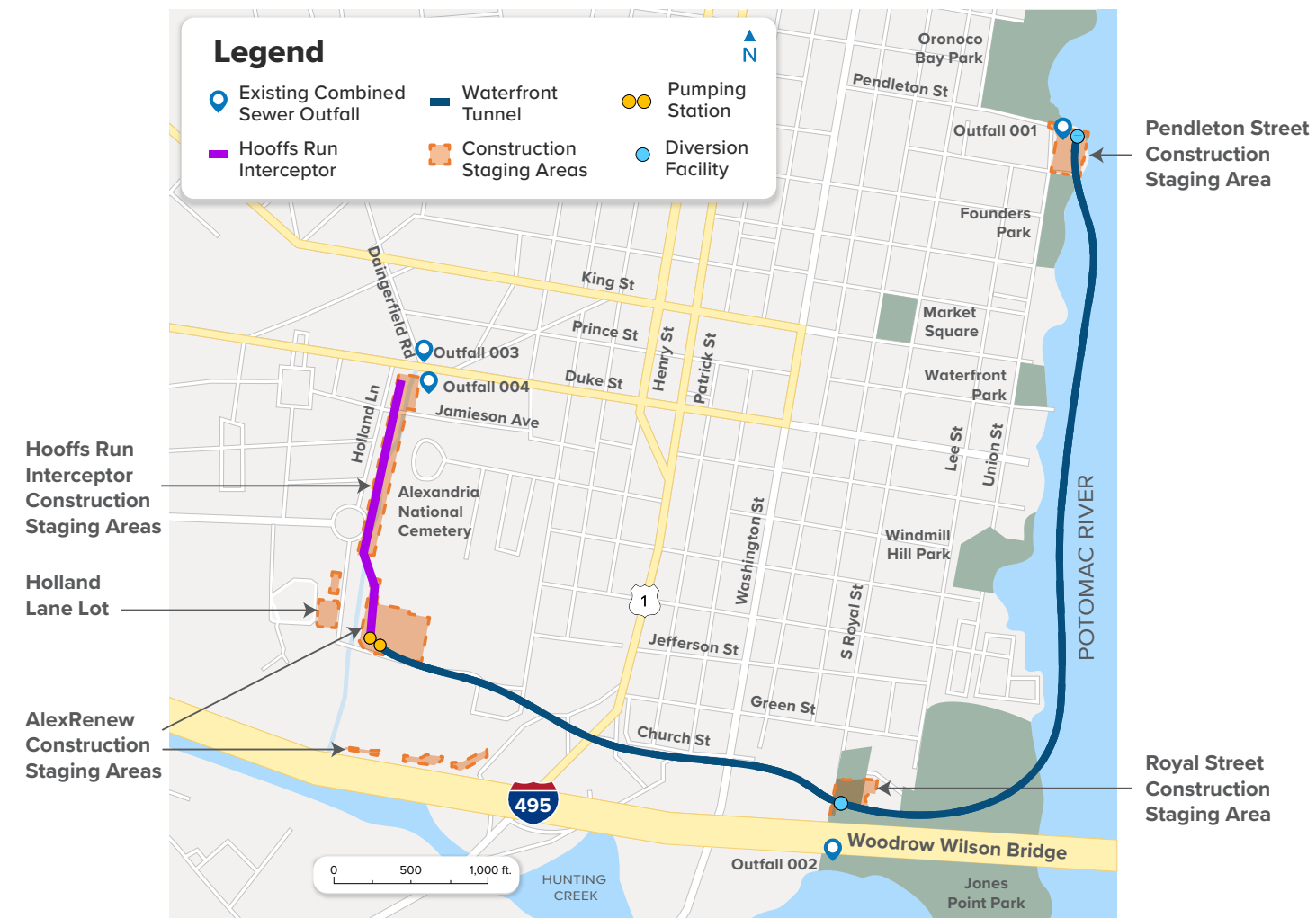


## Summary of Major Tunnel Project Delays

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

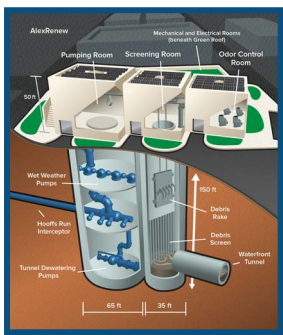
# RiverRenew Tunnel Project Snapshot

The Tunnel Project includes the following major components: a two-mile-long, 12-foot-wide, 100-foot-deep tunnel; a six-foot-wide sanitary sewer interceptor; diversion facilities to capture combined sewer discharges; and two pumping stations.



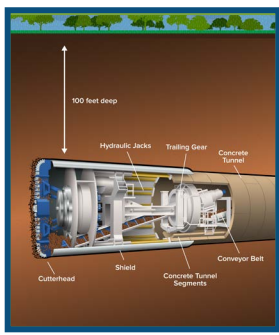
**Hoofts Run Interceptor**

Complete! Click [here](#) for a timelapse of construction.



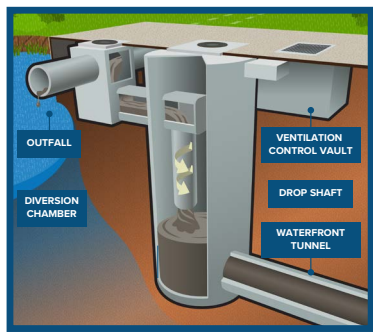
**Pumping Station**

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



**Waterfront Tunnel**

Complete! Click [here](#) to watch Hazel's journey.



**Diversion Facility**

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



# RiverRenew Tunnel Project Highlights

## Overall Project Progress\*

(Design and Construction)

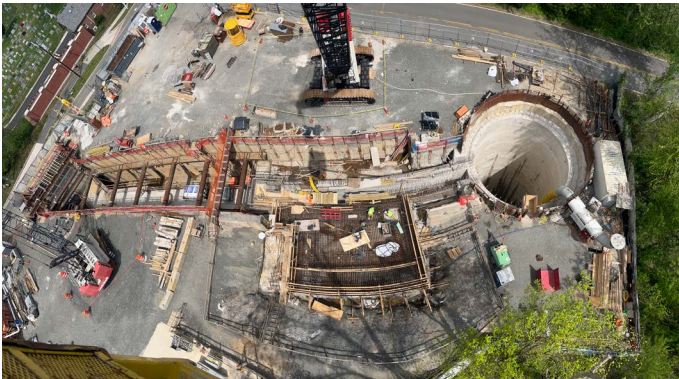
Actual

84%

Planned

85%

### Royal Street Site



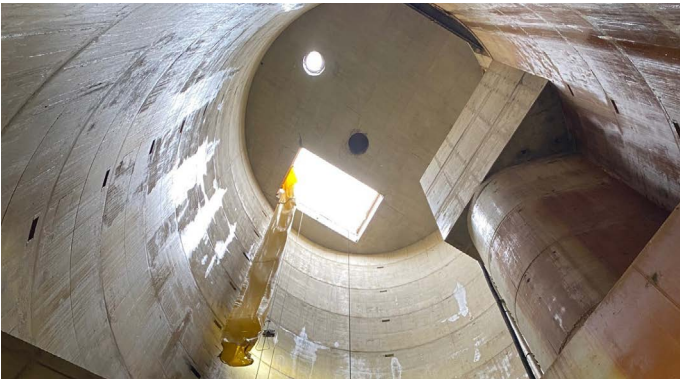
#### Ongoing

- Permanent concrete work for hydraulic and mechanical structures

#### Upcoming

- Concrete shaft cover

### Pendleton Street Site



#### Ongoing

- Permanent concrete for surface structures
- Site backfill
- Miscellaneous utility work

#### Upcoming

- Promenade construction and site restoration

### Hooffs Run Site



#### Ongoing

- Final site restoration

#### Upcoming

- Pocket park re-opening

### AlexRenew Site



#### Ongoing

- Superstructure concrete work
- Pump delivery
- Pumping station mechanical, electrical, and plumbing work

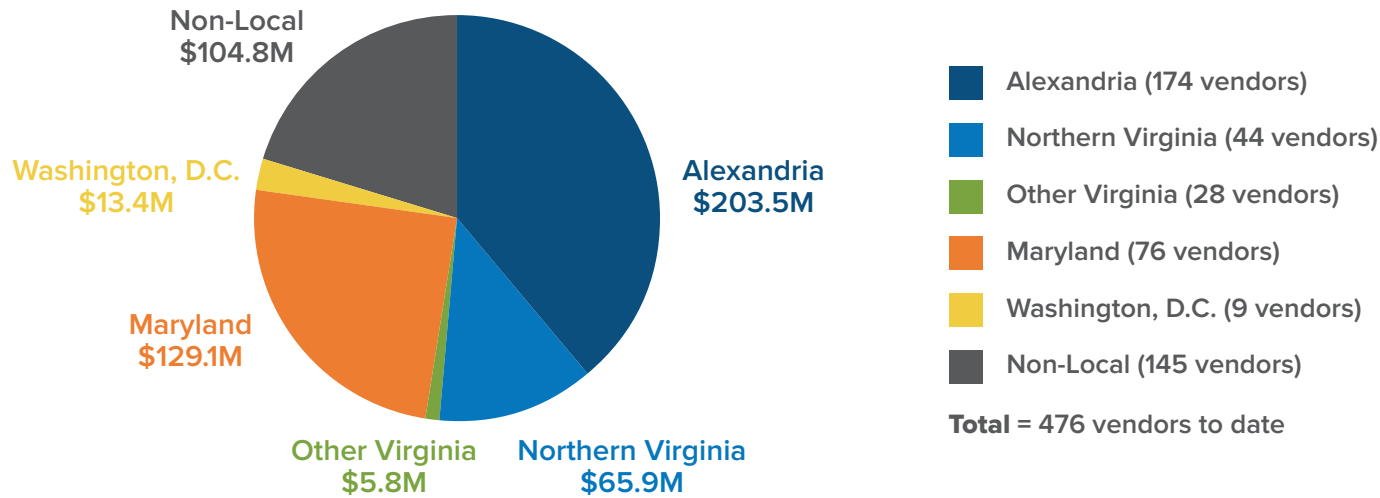
#### Upcoming

- Superstructure build-out
- Pump installation

**\*Note:** Schedule and cash flow are based on Design-Builder's revised schedule and schedule of values, which have been updated to reflect the one-year extension of the Scheduled Substantial Completion date to July 1, 2026.

# RiverRenew Program Costs to Date

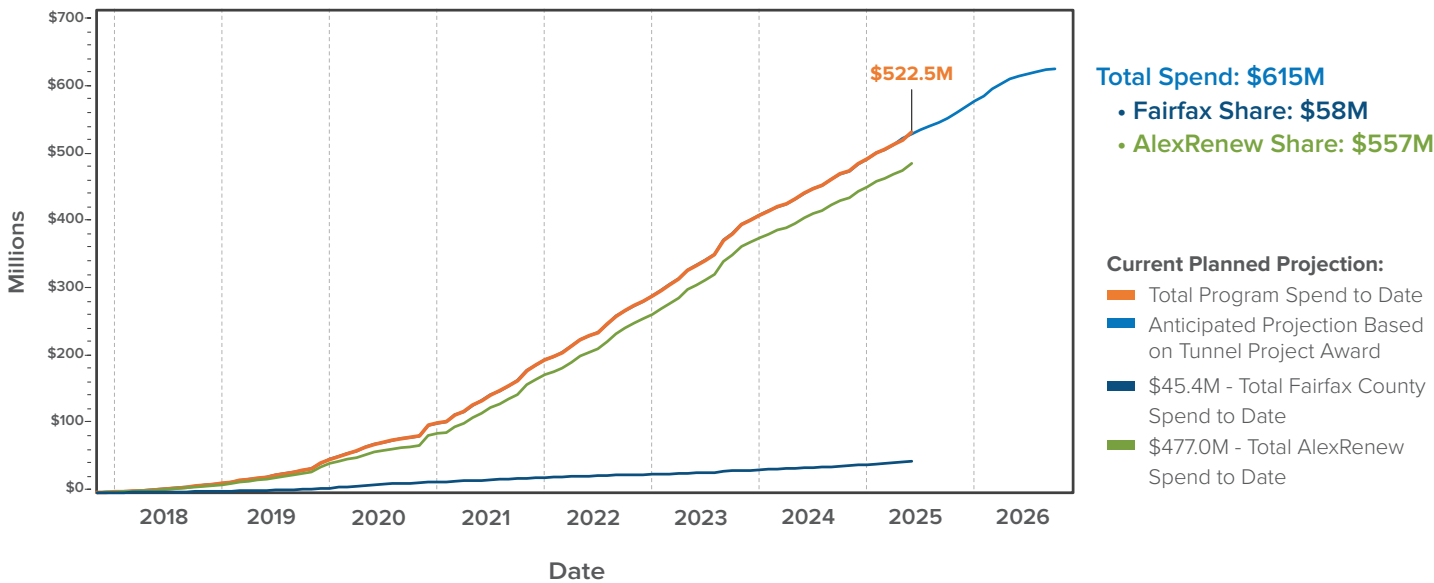
## RiverRenew Spend to Date by Locality



## RiverRenew Tunnel Project Contracts

Vendor	Role	Contract Type	Contract No.	Contract Date	Spent to Date (\$ millions)
Traylor-Shea Joint Venture	Design-Builder Tunnel System Project	Design-Build	19-079	Dec 2020	\$354.6
Brown and Caldwell	Owner's Advisor	Professional Services	17-022	Nov 2017	\$85.5
EPC	Resident Engineering & Inspection Tunnel System Project	Professional Services	20-013	Apr 2020	\$28.8
Completed RiverRenew Wastewater Projects to Pave the Way for the Tunnel Project					\$53.6

## RiverRenew Cash Flow Analysis\*



**Note:** As of June 30, 2025.

**\*Note:** Schedule and cash flow are based on Design-Builder's revised schedule and schedule of values, which have been updated to reflect the one-year extension of the Scheduled Substantial Completion date to July 1, 2026.



# RiverRenew Community Outreach



## Community Days & Events

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

### Highlights:

#### Hooffs Run Dedication Day

On June 7, AlexRenew celebrated the completion of the Hooffs Run Interceptor and the reopening of the African American Heritage Park with the community.



Alexandrians had the opportunity to learn about the RiverRenew project, walk along the newly restored pathway, learn about native plants, and discover Alexandria's rich African American history. Thank you for your support and presence on this RiverRenew milestone!

### Looking Ahead:

- Pendleton Street Ribbon Cutting: **October 18, 2025**



## Education

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

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

### Highlights:

- A **1:13 scale model** of the future RiverRenew superstructure, now on display in the AlexRenew Environmental Center lobby. Check out this visual representation of the facility's future footprint and key design features.
- **Members of Old Presbyterian Church** exploring the wonders of wastewater with us.



## Digital Programming

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

### Highlights:

- Putting the finishing touches on the new **Hooffs Run Walkway**



# Monthly Construction Spotlight



## Tunnel Dewatering and Wet Weather Pumps are Delivered

On June 25 and 26, the tunnel dewatering and wet weather pumps were delivered to AlexRenew, marking an important milestone for RiverRenew. The pumps were manufactured in Emmaboda, Sweden, shipped to Wisconsin for testing, and then made their way to Alexandria. Once on site, the critical pumps were unloaded and lowered directly into the Pump Shaft, where crews will connect them to piping and other essential equipment. Field testing and operational demonstrations of the pumps are planned for the end of 2025 through spring of 2026. Stay tuned as we devote the next year to getting our pump station operational!

**Building for the Future of Alexandria's Waterways**

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





This document outlines AlexRenew's legislative priorities for the 2026 Virginia General Assembly Session which is scheduled from January 14 through March 15 (60 days).

## **PFAS in Biosolids**

AlexRenew is working with its association partners (Virginia Association of Municipal Wastewater Agencies, Virginia Water and Waste Authorities Association, and Virginia Biosolids Council) to introduce reasonable legislation that will allow continued operations of permitted biosolids programs while identifying and addressing areas of per- and polyfluoroalkyl (PFAS) concern.

### **Key points**

1. Develop quarterly monitoring requirements (PFOS and PFOA) for all biosolids that are land applied
2. Two-year phase-in plan for monitoring (based on size of wastewater plant flows)
3. Provide VDEQ with interim updates and final report by 2029
  - a. Present data and define industrially impacted biosolids
  - b. Recommend source control elements through industrial pretreatment programs
  - c. Develop risk-based prioritization approaches (e.g. potential concentration limits)

## **VPPA Apprenticeship Mandates**

Legislation was passed during the 2025 Virginia General Assembly Session requiring that *eight percent of total labor hours* on any public project be performed by apprentices. The bill was vetoed by the Governor. AlexRenew and its member associations opposed the legislation. It is expected that a version of this bill will be introduced during the 2026 session.

### **Key points**

1. AlexRenew supports and leverages its own apprenticeship programs
2. AlexRenew does not support the concept of arbitrary mandatory hiring percentages
3. Water and wastewater projects are highly complex with specialized labor needs
4. Potential negative impacts of legislation:
  - a. Further reduce competition in an already limited labor market
  - b. Impose administratively burdensome waiver conditions on the public body
  - c. Increase overall project costs
  - d. Present safety risks to all workers and staff on-site

## **RiverRenew**

RiverRenew is in its final year of construction with system testing expected to start in early 2026. Since this project is a legislatively driven mandate, staff will provide updates to the General Assembly as needed.

### **Key Points**

1. RiverRenew will be functionally complete by July 1, 2026
2. Major focus of work is the 12-story deep pumping station necessary for system operations
3. Work will continue beyond the compliance deadline, related to building fit-out and site restoration

## Virginia Water and Waste Authorities Act

### **§ 15.2-5100. Title of chapter**

This chapter shall be known and may be cited as the "Virginia Water and Waste Authorities Act." This chapter shall constitute full and complete authority, without regard to the provisions of any other law for the doing of the acts herein authorized, and shall be liberally construed to effect the purposes of the chapter.

Code 1950, § 15-764.1; 1950, p. 1312; 1962, c. 623, § 15.1-1239; 1997, c. 587.

### **§ 15.2-5101. Definitions**

As used in this chapter, unless the context requires a different meaning:

"Authority" means an authority created under the provisions of § 15.2-5102 or Article 6 (§ 15.2-5152 et seq.) of this chapter or, if any such authority has been abolished, the entity succeeding to the principal functions thereof.

"Bonds" and "revenue bonds" include notes, bonds, bond anticipation notes, and other obligations of an authority for the payment of money.

"Cost," as applied to a system, includes the purchase price of the system or the cost of acquiring all of the capital stock of the corporation owning such system and the amount to be paid to discharge all of its obligations in order to vest title to the system or any part thereof in the authority; the cost of improvements; the cost of all land, properties, rights, easements, franchises and permits acquired; the cost of all labor, machinery and equipment; financing and credit enhancement charges; interest prior to and during construction and for one year after completion of construction; any deposit to any bond interest and principal reserve account, start-up costs and reserves and expenditures for operating capital; cost of engineering and legal services, plans, specifications, surveys, estimates of costs and revenues; other expenses necessary or incident to the determining of the feasibility or practicability of any such acquisition, improvement, or construction; administrative expenses and such other expenses as may be necessary or incident to the financing authorized in this chapter and to the acquisition, improvement, or construction of any such system and the placing of the system in operation by the authority. Any obligation or expense incurred by an authority in connection with any of the foregoing items of cost and any obligation or expense incurred by the authority prior to the issuance of revenue bonds under the provisions of this chapter for engineering studies, for estimates of cost and revenues, and for other technical or professional services which may be utilized in the acquisition, improvement or construction of such system is a part of the cost of such system.

"Cost of improvements" means the cost of constructing improvements and includes the cost of all labor and material; the cost of all land, property, rights, easements, franchises, and permits acquired which are deemed necessary for such construction; interest during any period of disuse during such construction; the cost of all machinery and equipment; financing charges; cost of engineering and legal expenses, plans, specifications; and such other expenses as may be necessary or incident to such construction.

"Federal agency" means the United States of America or any department, agency,

instrumentality, or bureau thereof.

"Green roof" means a roof or partially covered roof consisting of plants, soil, or another lightweight growing medium that is installed on top of a waterproof membrane and designed in accordance with the Virginia Stormwater Management Program's standards and specifications for green roofs, as set forth in the Virginia BMP Clearinghouse.

"Improvements" means such repairs, replacements, additions, extensions and betterments of and to a system as an authority deems necessary to place or maintain the system in proper condition for the safe, efficient and economical operation thereof or to provide service in areas not currently receiving such service.

"Owner" includes persons, federal agencies, and units of the Commonwealth having any title or interest in any system, or the services or facilities to be rendered thereby.

"Political subdivision" means a locality or any institution or commission of the Commonwealth of Virginia.

"Refuse" means solid waste, including sludge and other discarded material, such as solid, liquid, semi-solid or contained gaseous material resulting from industrial, commercial, mining, and agricultural operations or from community activities or residences. "Refuse" does not include (i) solid and dissolved materials in domestic sewage, (ii) solid or dissolved material in irrigation return flows or in industrial discharges which are sources subject to a permit from the Department of Environmental Quality, or (iii) source, special nuclear, or by-product material as defined by the Federal Atomic Energy Act of 1954 (42 U.S.C. § 2011, et seq.), as amended.

"Refuse collection and disposal system" means a system, plant or facility designed to collect, manage, dispose of, or recover and use energy from refuse and the land, structures, vehicles and equipment for use in connection therewith.

"Sewage" means the water-carried wastes created in and carried, or to be carried, away from residences, hotels, schools, hospitals, industrial establishments, commercial establishments or any other private or public buildings, together with such surface or ground water and household and industrial wastes as may be present.

"Sewage disposal system" means any system, plant, disposal field, lagoon, pumping station, constructed drainage ditch or surface water intercepting ditch, incinerator, area devoted to sanitary landfills, or other works, installed for the purpose of treating, neutralizing, stabilizing or disposing of sewage, industrial waste or other wastes.

"Sewer system" or "sewage system" means pipelines or conduits, pumping stations, and force mains, and all other constructions, devices, and appliances appurtenant thereto, used for conducting sewage, industrial wastes or other wastes to a plant of ultimate disposal.

"Stormwater control system" means a structural system of any type that is designed to manage the runoff from land development projects or natural systems designated for such purposes, including, without limitation, retention basins, ponds, wetlands, sewers, conduits, pipelines, pumping and ventilating stations, and other plants, structures, and real and personal property used for support of the system.

"System" means any sewage disposal system, sewer system, stormwater control system, water or waste system, and for authorities created under Article 6 (§ [15.2-5152](#) et seq.) of this chapter,

such facilities as may be provided by the authority under § [15.2-5158](#).

"Unit" means any department, institution or commission of the Commonwealth; any public corporate instrumentality thereof; any district; or any locality.

"Water or waste system" means any water system, sewer system, sewage disposal system, or refuse collection and disposal system, or any combination of such systems. "Water system" means all plants, systems, facilities or properties used or useful or having the present capacity for future use in connection with the supply or distribution of water, or facilities incident thereto, and any integral part thereof, including water supply systems, water distribution systems, dams and facilities for the generation or transmission of hydroelectric power, reservoirs, wells, intakes, mains, laterals, pumping stations, standpipes, filtration plants, purification plants, hydrants, meters, valves and equipment, appurtenances, and all properties, rights, easements and franchises relating thereto and deemed necessary or convenient by the authority for the operation thereof but not including dams or facilities for the generation or transmission of hydroelectric power that are not incident to plants, systems, facilities or properties used or useful or having the present capacity for future use in connection with the supply or distribution of water.

Code 1950, § 15-764.2; 1950, p. 1312; 1952, c. 430; 1962, c. 623, § 15.1-1240; 1970, c. 617; 1979, c. 280; 1982, c. 469; 1997, cc. [527](#), [573](#), [587](#); 2006, c. [219](#); 2009, cc. [402](#), [473](#); 2022, c. [356](#).

#### **§ 15.2-5102. One or more localities may create authority**

A. The governing body of a locality may by ordinance or resolution, or the governing bodies of two or more localities may by concurrent ordinances or resolutions or by agreement, create a water authority, a sewer authority, a sewage disposal authority, a stormwater control authority, a refuse collection and disposal authority, or any combination or parts thereof. The name of the authority shall contain the word "authority." The authority shall be a public body politic and corporate and a political subdivision of the Commonwealth. The ordinance, resolution or agreement creating the authority shall not be adopted or approved until a public hearing has been held on the question of its adoption or approval, and after approval at a referendum if one has been ordered pursuant to this chapter.

B. Any authority, or any subsidiary thereof, organized pursuant to this section to operate a refuse collection and disposal system that, pursuant to statute, is specifically authorized to include in the system (i) facilities for processing solid waste as a fuel and (ii) facilities for generating steam and electricity for sale, shall not be subject to regulation under the Utilities Facilities Act (§ [56-265.1](#) et seq.), provided that sales of electricity generated at such facilities are made only to a federal agency whose primary responsibility is national defense and the energy is delivered directly from the generator to the customer's facilities or to a public utility.

Code 1950, § 15-764.3; 1950, p. 1315; 1962, c. 623, § 15.1-1241; 1972, c. 370; 1973, c. 478; 1993, c. 850; 1995, c. [402](#); 1996, c. [897](#); 1997, cc. [527](#), [573](#), 587; 1999, cc. [896](#), [925](#); 2011, c. [199](#).

#### **§ 15.2-5102.1. (For contingent expiration date, see Acts 2009, c. 742, cl. 3) Hampton Roads area refuse collection and disposal system authority**

Any authority, or any subsidiary thereof, organized pursuant to § [15.2-5102](#) to operate a refuse collection and disposal system that has among its members the Cities of Norfolk, Virginia Beach, Portsmouth, Chesapeake, Suffolk, and Franklin and the Counties of Isle of Wight and Southampton shall, notwithstanding any other law to the contrary, comply with the following

requirements:

1. Each locality that is a member of the authority shall nominate individuals to fill one position on the Board of Directors (the Board) by submitting a list of three potential directors, each of whom shall possess general business knowledge and shall not be an elected official, to the Governor. The Governor shall then select and appoint one director from each of the lists of nominees prepared by the member localities. In addition, each member locality shall be authorized to directly appoint, upon a majority vote of the governing body of the member locality, one ex officio member of the Board who shall be an employee of the member locality. The members of the Board shall be appointed for terms of four years each. Vacancies occurring other than by expiration of a term shall be filled for the unexpired term. Vacancies shall be filled in the same manner as the original appointments. No member shall serve for more than two consecutive four-year terms, except that (i) any member appointed to the unexpired term of another shall be eligible to serve two consecutive four-year terms and (ii) a member directly appointed by the governing body of a member locality shall not be subject to a term limit.
2. The authority shall develop and maintain a financial plan that shall cover a period of at least five years forward from the year in which it is submitted and approved by the Board. The plan shall include at a minimum a five-year projection of revenues and expenses, a five-year capital improvement and equipment replacement schedule, and the proposed funding for the plan. The plan shall be reviewed annually to determine whether amendments are needed. Any such amendments shall be submitted to the board of directors for approval.
3. The authority's core purpose shall be defined as "management of the safe and environmentally sound disposal of regional waste." The authority shall devote its time and effort to activities associated with its core purpose. A vote of a majority of the Board shall be required prior to undertaking any activities not associated with the authority's core purpose.
4. The authority shall develop and maintain a strategic operating plan identifying all elements of its core business units and core purpose, how each business and administrative unit will support the overall strategic plan, and how the authority will achieve its stated mission and core purpose. The strategic operating plan shall be subject to review and approval of the Board on an annual basis.
5. The authority shall consider outsourcing any or all functions that may result in reduced costs to the authority and issuing requests for proposals that potentially reduce the costs of any of its programs. In addition, the authority shall, in accordance with the authority's procurement policies, consider any proposals the authority receives under the Public-Private Education Facilities and Infrastructure Act of 2002 (§ 56-575.1 et seq.) that potentially reduce the costs of any of the authority's programs.
6. The authority shall evaluate its landfill capacity annually, taking into consideration and projecting future changes in the quantity of waste disposed of in its landfill, or landfills reasonably situated or contractually obligated to accept its waste.
7. The authority shall keep records of its costs, revenue, debts, and capital expenses by fiscal year for each program and records of costs for each individual capital project. The authority shall not dispose of or destroy such records except pursuant to the Virginia Public Records Act (§ 42.1-76 et seq.).
8. If the authority incurs long-term debt or issues new debt, the authority shall maintain a



detailed financing plan that shall include a plan for the retirement of all debt and a plan for the funding of all planned capital projects. The plan for the funding of all planned capital projects shall specify the amount of debt the authority will issue in furtherance of the projects and the debt repayment plan for any new debt created by the capital projects, including the revenue source that will be used to repay the debt. The detailed financing plan shall be updated by the authority with the advice and assistance of an external certified public accountant or other qualified financial consultant and approved annually by the Board.

9. Prior to issuance of new debt, the authority shall, with the advice and assistance of an external certified public accountant or other qualified financial consultant, perform a due diligence investigation of the appropriateness of issuing the debt, including an analysis of the costs of repaying the debt. Such analysis shall be reviewed by the Board and approved by a vote of a minimum of 75 percent of the Board. The issuance of new debt shall require a vote of a minimum of 75 percent of the Board of Directors of the authority. The authority shall not issue long-term bond indebtedness to fund operational expenses. The provisions of this subdivision shall not apply to the issuance of new debt issued for the purpose of refunding or refinancing debt incurred by the authority prior to September 30, 2009.

10. In the interest of open and transparent government, the authority shall adhere strictly to the requirements of the Freedom of Information Act (§ [2.2-3700](#) et seq.).

11. The executive director of the authority shall not be permitted to execute or commit the authority to any contract, memorandum of agreement, or memorandum of understanding without an informed vote of approval by the Board. This subdivision shall not apply in the case of (i) contracts involving matters with a value of less than \$100,000 that are consistent with the Board-approved annual budget and, if applicable, the authority's approved procurement policy and (ii) sole source and emergency procurements made pursuant to subsections E and F of § [2.2-4303](#).

2009, c. [742](#); 2018, c. [547](#); 2021, Sp. Sess. I, c. [325](#).

#### **§ 15.2-5103. Ordinance, agreement or resolution creating authority to include articles of incorporation**

A. The ordinance, agreement or resolution creating an authority shall include articles of incorporation which shall set forth:

1. The name of the authority and address of its principal office.
2. The name of each participating locality and the names, addresses and terms of office of the first members of the board of the authority.
3. The purposes for which the authority is being created and, to the extent that the governing body of the locality determines to be practicable, preliminary estimates of capital costs, proposals for any specific projects to be undertaken by the authority, and preliminary estimates of initial rates for services of such projects as certified by responsible engineers.
4. If there is more than one participating locality, the number of board members who shall exercise the powers of the authority and the number from each participating locality.

B. Any such ordinance, agreement or resolution that does not set forth the information required in subdivision 3 of subsection A regarding capital cost estimates, project proposals and project



service rate estimates shall set forth a finding by the governing body that inclusion of such information is impracticable.

C. Any ordinance, agreement or resolution adopted pursuant to §§ [15.2-5152](#) through [15.2-5157](#) shall provide that any bonds issued by the community development authority shall be a debt of the authority, not the local government. Unless otherwise provided in the ordinance which establishes the authority, the local government shall not retire any part of the bonds or pay any debt service of an authority out of revenues or funds derived from sources other than those set out in § [15.2-5158](#), except that, where the authority finances improvements not contemplated by the original ordinance, the local government may, by ordinance or resolution, make such provisions for repayment as are otherwise permitted under general law. This subsection shall have no effect upon authorities formed pursuant to § [15.2-5102](#).

Code 1950, § 15-764.4; 1950, p. 1315; 1962, c. 623, § 15.1-1242; 1972, cc. 370, 544; 1984, c. 239; 1997, cc. [363](#), 587.

#### **§ 15.2-5104. Advertisement of ordinance, agreement or resolution and notice of hearing**

The governing body of each participating locality shall cause to be advertised at least one time in a newspaper of general circulation in such locality a copy of the ordinance, agreement or resolution creating an authority, or a descriptive summary of the ordinance, agreement or resolution and a reference to the place within the locality where a copy of the ordinance, agreement or resolution can be obtained, and notice of the day, not less than seven days after publication of the advertisement, on which a public hearing will be held on the ordinance, agreement or resolution.

Code 1950, § 15-764.5; 1950, p. 1315; 1962, c. 623, § 15.1-1243; 1972, c. 370; 1983, c. 80; 1997, c. [587](#); 2023, cc. [506](#), [507](#).

#### **§ 15.2-5105. Hearing; referendum**

If at the hearing, in the judgment of the governing body of the participating locality, substantial opposition is heard, the governing body may at its discretion petition the circuit court to order a referendum on the question of adopting or approving the ordinance, agreement or resolution. The provisions of § [24.2-684](#) shall govern the order for a referendum. When two or more localities are participating in the formation of such authority, the referendum, if ordered, shall be held on the same date in all participating localities. If ten percent of the qualified voters in a locality file a petition with the governing body at the hearing calling for a referendum, such governing body shall petition the circuit court to order a referendum in that locality as provided in this section.

Code 1950, § 15-764.6; 1950, p. 1315; 1962, c. 623, § 15.1-1244; 1970, c. 617; 1972, c. 370; 1973, c. 478; 1975, c. 517; 1997, c. 587.

#### **§ 15.2-5106. Voters' petition requesting agreement and referendum**

The qualified voters of any locality whose governing body has not acted to create an authority under § [15.2-5102](#) may file with the governing body of such locality a petition asking the governing body to effect an agreement in accordance with § [15.2-5102](#) with the localities named in the petition. Such petition shall be signed by at least ten percent of the number of the locality's voters who voted in the last presidential election and in no case be signed by fewer than fifty voters. The petition shall ask the governing body to petition the circuit court for a referendum on the question of the creation of the authority.

If the governing body is unable, or for any reason fails, to perfect such agreement within three months of the day the petition was filed with such governing body, then the circuit court for the locality shall appoint a committee of five representative citizens of the locality to act for and in lieu of the governing body in perfecting the agreement and in petitioning for a referendum. The agreement shall not take effect unless approved in the referendum by a majority of the voters voting in the referendum.

1972, c. 370, § 15.1-1244.1; 1975, c. 517; 1997, c. 587.

#### **§ 15.2-5107. Filing articles of incorporation**

After adoption or approval of an ordinance, resolution or agreement creating an authority, the governing bodies of the participating localities shall file with the State Corporation Commission the authority's articles of incorporation.

Code 1950, § 15-764.7; 1950, p. 1316; 1962, c. 623, § 15.1-1245; 1973, c. 478; 1997, c. 587.

#### **§ 15.2-5108. Issuance of certificate or charter**

The State Corporation Commission shall issue a certificate of incorporation or charter to the authority if it finds that:

1. The articles of incorporation conform to law; and
2. The estimated costs and rates for services of the proposed projects are fair and equitable, and have been advertised under § 15.2-5104 or subsection A of § 15.2-5156, as applicable.

Upon the issuance of the certificate or charter such authority shall be conclusively deemed to have been lawfully and properly created and established and authorized to exercise its powers under this chapter.

Code 1950, § 15-764.8; 1950, p. 1316; 1962, c. 623, § 15.1-1246; 1973, c. 478; 1983, c. 80; 1984, c. 239; 1997, c. 587; 2009, c. 473.

#### **§ 15.2-5109. Dissolution and termination of authority**

Whenever the board of an authority determines that the purposes for which it was created have been completed or are impractical or impossible or that its functions have been taken over by one or more political subdivisions and that all its obligations have been paid or have been assumed by one or more of such political subdivisions or any authority created thereby or that cash or United States government securities have been deposited for their payment, it shall adopt and file with the governing body of each political subdivision which is a member of the authority a resolution declaring such facts. If all the governing bodies adopt resolutions concurring in such declaration and finding that the authority should be dissolved, they shall file appropriate articles of dissolution with the State Corporation Commission. When the affairs of the authority have been wound up and all of its assets have been distributed, the governing bodies shall file appropriate articles of termination of corporate existence with the State Corporation Commission.

If any of the governing bodies refuse to adopt resolutions concurring in such declaration, then the authority may petition the circuit court for any locality which is a member of the authority to order one or more of such governing bodies to create a new authority. The circuit court may order the governing body of the political subdivision requesting dissolution of the existing authority to adopt an ordinance establishing a new authority to which the provisions of §§ 15.2-5102 through

[15.2-5106](#) shall not apply. Thereafter, the court may order that the assets be divided among the authorities and, subject to the approval of any debt holder, require the assumption of a proportionate share of the obligations of the existing authority by the new authority.

Notwithstanding the provisions of subdivision 1 of § [15.2-5114](#), an authority shall continue in existence and shall not be dissolved because the term for which it was created, including any extensions thereof, has expired, unless all of such authority's functions have been taken over and its obligations have been paid or have been assumed by one or more political subdivisions or by an authority created thereby, or cash or United States government securities have been deposited for their payment.

1970, c. 617, § 15.1-1269.1; 1982, c. 662; 1997, c. 587; 2009, c. [216](#).

#### **§ 15.2-5110. Amendment of articles of incorporation**

The articles of incorporation of any authority created under the provisions of this chapter may be amended with respect to the name or powers of such authority or in any other manner not inconsistent with this chapter by following the procedure prescribed by law for the creation of an authority.

Code 1950, § 15-764.12; 1950, p. 1318; 1954, c. 554; 1958, cc. 400, 402; 1960, c. 430; 1962, cc. 130, 623, § 15.1-1250; 1968, cc. 355, 556; 1970, cc. 444, 617; 1972, c. 161; 1979, c. 280; 1980, c. 159; 1981, c. 610; 1983, c. 422; 1984, c. 554; 1994, c. [477](#); 1997, c. 587.

#### **§ 15.2-5111. Specification of projects**

If they have specified the initial purpose or purposes of the authority and insofar as practicable, any project or projects to be undertaken by the authority, the governing bodies of any of the localities organizing an authority may, at any time by ordinance or resolution, after a public hearing, and with or without a referendum, specify further projects to be undertaken by the authority. No other projects shall be undertaken by the authority than those so specified. If the governing bodies of the localities organizing the authority fail to specify any project or projects to be undertaken, then the authority shall be deemed to have all the powers granted by this chapter.

Code 1950, § 15-764.9; 1950, p. 1316; 1962, c. 623, § 15.1-1247; 1984, c. 239; 1997, c. 587.

#### **§ 15.2-5112. Joinder of another locality or authority; withdrawal from authority**

A. Any locality may become a member of any existing authority, and any locality that is a member of an existing authority may withdraw therefrom upon unanimous consent of the remaining members of the authority in accordance with this section. However, no locality may withdraw from any authority that has outstanding bonds without the unanimous consent of all the holders of such bonds unless all such bonds have been paid or cashed or United States government obligations have been deposited for their payment.

B. The governing body of any locality wishing to withdraw from an existing authority shall signify its desire by resolution or ordinance.

C. The governing body of any locality wishing to become a member of an existing authority and the governing bodies of the political subdivisions then members of the authority shall by concurrent resolutions or ordinances or by agreement provide for the joinder of such locality. The resolutions, ordinances, or agreement creating the expanded authority shall specify the number and terms of office of members of the board of the expanded authority which are to be

appointed by each of the participating political subdivisions, and the names, addresses, and terms of office of initial appointments to board membership. Upon the date of issuance of the certificate by the State Corporation Commission as provided in this section, the terms of office of the board members of the existing authority shall terminate and the appointments made in the resolutions, ordinances, or agreement creating the expanded authority shall become effective.

D. If the authority by resolution expresses its consent to withdrawal or joinder of a locality, the governing body of such locality and the governing bodies of the political subdivisions then members of the authority shall advertise the ordinance, resolution, or agreement and hold a public hearing in accordance with § 15.2-5104.

Upon adoption or approval of the ordinance, resolution, or agreement, the governing body seeking to withdraw or join the authority shall file either an application to withdraw from or an application to become a member of the authority, whichever applies, with the State Corporation Commission. A joinder application shall set forth all of the information required in the case of original incorporation and shall be accompanied by certified copies of the resolutions, ordinances, or agreement described in subsection C. Joinder and withdrawal applications shall be executed by the proper officers of the withdrawing or incoming locality under its official seal, and shall be joined in by the proper officers of the governing board of the authority, and in the case of a locality seeking to become a member of the authority also by the proper officers of each of the political subdivisions that are then members of the authority, pursuant to resolutions by the governing bodies of such political subdivisions.

E. If the State Corporation Commission finds that the application conforms to law, it shall approve the application. When all proper fees and charges have been paid, it shall file the approved application and issue to the applicant a certificate of withdrawal or a certificate of joinder, whichever applies, attached to a copy of the approved application. The withdrawal or joinder shall become effective upon the issuing of such certificate.

F. Any authority may join an existing authority if the joinder is approved by concurrent ordinances or resolutions of the localities which created the joining authority, notwithstanding any contrary provisions of § 15.2-5150. However, if the localities, at the time of the creation of an authority, state that the authority is created with the intention of joining an existing authority, such concurrent ordinances or resolutions shall not be necessary. The provisions of this section pertaining to a locality becoming a member or withdrawing from an authority shall also apply, mutatis mutandis, to an authority becoming a member or withdrawing.

Code 1950, § 15-764.10; 1950, p. 1316; 1960, c. 313; 1962, c. 623, § 15.1-1248; 1968, c. 355; 1973, c. 478; 1993, cc. 670, 690; 1995, cc. 414, 415, 634; 1997, c. 587; 2021, Sp. Sess. I, c. 487.

### **§ 15.2-5113. Members of authority board; chief administrative or executive officer**

A. 1. The powers of each authority created by the governing body of a single locality shall be exercised by an authority board of five members, or at the option of the board of supervisors of a county, a number of board members equal to the number of members of the board of supervisors. The powers of each authority created by the governing bodies of two or more localities shall be exercised by the number of authority board members specified in its articles of incorporation, which shall be not less than one member from each participating locality and not less than a total of five members. The board members of an authority shall be selected in the manner and for the terms provided by the agreement or ordinance or resolution or concurrent ordinances or resolutions creating the authority. One or more members of the governing body or one or more

directors of an industrial or economic development authority of a locality may be appointed board members of the authority, the provisions of any other law to the contrary notwithstanding. No board member shall be appointed for a term of more than four years. When one or more additional political subdivisions join an existing authority, each of such joining political subdivisions shall have at least one member on the board. Board members shall hold office until their successors have been appointed and may succeed themselves. The board members of the authority shall elect one of their number chairman, and shall elect a secretary and treasurer who need not be members. The offices of secretary and treasurer may be combined.

2. Notwithstanding the provisions of subdivision A 1, if the City of Virginia Beach forms a community development authority pursuant to the provisions of Article 6 (§ 15.2-5152 et seq.) for the purpose of developing the sports and entertainment district, as defined in § 15.2-5928, the board of such authority may consist of a number of members equal to the number of members of the governing body of the City of Virginia Beach.

B. A majority of board members shall constitute a quorum and the vote of a majority of board members shall be necessary for any action taken by the authority. An authority may, by bylaw, provide a method to resolve tie votes or deadlocked issues.

C. No vacancy in the board membership of the authority shall impair the right of a quorum to exercise all the rights and perform all the duties of the authority. If a vacancy occurs by reason of the death, disqualification or resignation of a board member, the governing body of the political subdivision which appointed the authority board member shall appoint a successor to fill the unexpired term. Whenever a political subdivision withdraws its membership from an authority, the term of any board member appointed to the board of the authority from such political subdivision shall immediately terminate. Board members shall receive such compensation as fixed by resolution of the governing body or bodies which are members of the authority, and shall be reimbursed for any actual expenses necessarily incurred in the performance of their duties.

D. Alternate board members may also be selected. Such alternates shall be selected in the same manner and shall have the same qualifications as the board members except that an alternate for an elected board member need not be an elected official. The term of each alternate shall be the same as the term of the board member for whom each serves as an alternate; however, the alternate's term shall not expire because of the board member's death, disqualification, resignation, or termination of employment with the member's political subdivision. If a board member is not present at a meeting of the authority, the alternate for that board member shall have all the voting and other rights of a board member and shall be counted for purposes of determining a quorum.

E. The board members may appoint a chief administrative or executive officer who shall serve at the pleasure of the board members. He shall execute and enforce the orders and resolutions adopted by the board members and perform such duties as may be delegated to him by the board members.

Code 1950, § 15-764.11; 1950, p. 1317; 1962, c. 623, § 15.1-1249; 1968, c. 355; 1972, c. 544; 1973, cc. 135, 521; 1974, c. 276; 1979, cc. 273, 280; 1980, c. 67; 1995, c. 285; 1997, c. 587; 2009, c. 655; 2020, c. 467.

#### **§ 15.2-5114. Powers of authority**

Each authority is an instrumentality exercising public and essential governmental functions to



provide for the public health and welfare, and each authority may:

1. Exist for a term of 50 years as a corporation, and for such further period or periods as may from time to time be provided by appropriate resolutions of the political subdivisions which are members of the authority; however, the term of an authority shall not be extended beyond a date 50 years from the date of the adoption of such resolutions;
2. Adopt, amend or repeal bylaws, rules and regulations, not inconsistent with this chapter or the general laws of the Commonwealth, for the regulation of its affairs and the conduct of its business and to carry into effect its powers and purposes;
3. Adopt an official seal and alter the same at pleasure;
4. Maintain an office at such place or places as it may designate;
5. Sue and be sued;
6. Acquire, purchase, lease as lessee, construct, reconstruct, improve, extend, operate and maintain any system or any combination of systems within, outside, or partly within and partly outside one or more of the localities which created the authority, or which after February 27, 1962, joined such authority; acquire by gift, purchase or the exercise of the right of eminent domain lands or rights in land or water rights in connection therewith, within, outside, or partly within and partly outside one or more of the localities which created the authority, or which after February 27, 1962, joined such authority; and sell, lease as lessor, transfer or dispose of all or any part of any property, real, personal or mixed, or interest therein, acquired by it; however, in the exercise of the right of eminent domain the provisions of § 25.1-102 shall apply. In addition, the authority in any county or city to which §§ 15.2-1906 and 15.2-2146 are applicable shall have the same power of eminent domain and shall follow the same procedure provided in §§ 15.2-1906 and 15.2-2146. No property or any interest or estate owned by any political subdivision shall be acquired by an authority by the exercise of the power of eminent domain without the consent of the governing body of such political subdivision. Except as otherwise provided in this section, each authority is hereby vested with the same authority to exercise the power of eminent domain as is set out in Chapter 2 (§ 25.1-200 et seq.) or Chapter 3 (§ 25.1-300 et seq.) of Title 25.1. In acquiring personal property or any interest, right, or estate therein by purchase, lease as lessee, or installment purchase contract, an authority may grant security interests in such personal property or any interest, right, or estate therein;
7. Issue revenue bonds of the authority, such bonds to be payable solely from revenues to pay all or a part of the cost of a system;
8. Combine any systems as a single system for the purpose of operation and financing;
9. Borrow at such rates of interest as authorized by the general law for authorities and as the authority may determine and issue its notes, bonds or other obligations therefor. Any political subdivision that is a member of an authority may lend, advance or give money to such authority;
10. Fix, charge and collect rates, fees and charges for the use of, or for the services furnished by, or for the benefit derived from, any facilities or systems owned, operated or financed by the authority. Such rates, fees, rents and charges shall be charged to and collected by such persons and in such manner as the authority may determine from (i) any person contracting for any such services and/or (ii) the owners or tenants who own, use or occupy any real estate or improvements that are served by, or benefit from, any such facilities or systems, and, if



authorized by the authority, customers of facilities within a community development authority district. Water and sewer connection fees established by any authority shall be fair and reasonable, and each authority may establish and offer rate incentives designed to encourage the use of green roofs. If established, the incentives shall be based on the percentage of stormwater runoff reduction the green roof provides. Such fees and incentives shall be reviewed by the authority periodically and shall be adjusted, if necessary, to assure that they continue to be fair and reasonable. Nothing herein shall affect existing contracts with bondholders that are in conflict with any of the foregoing provisions;

11. Enter into contracts with the federal government, the Commonwealth, the District of Columbia or any adjoining state or any agency or instrumentality thereof, any unit or any person. Such contracts may provide for or relate to the furnishing of services and facilities of any system of the authority or in connection with the services and facilities rendered by any like system owned or controlled by the federal government, the Commonwealth, the District of Columbia or any adjoining state or any agency or instrumentality thereof, any unit or any person, and may include contracts providing for or relating to the right of an authority, created for such purpose, to receive and use and dispose of all or any portion of the refuse generated or collected by or within the jurisdiction or under the control of any one or more of them. In the implementation of any such contract, an authority may exercise the powers set forth in §§ [15.2-927](#) and [15.2-928](#). The power granted authorities under this chapter to enter into contracts with private entities includes the authority to enter into public-private partnerships for the establishment and operation of systems, including the authority to contract for, and contract to provide, meter reading, billing and collections, leak detection, meter replacement and any related customer service functions;

12. Contract with the federal government, the Commonwealth, the District of Columbia, any adjoining state, any person, any locality or any public authority or unit thereof, on such terms as the authority deems proper, for the construction, operation or use of any project which is located partly or wholly outside the Commonwealth;

13. Enter upon, use, occupy, and dig up any street, road, highway or private or public lands in connection with the acquisition, construction or improvement, maintenance or operation of a system, or streetlight system in King George County, subject, however, to such reasonable local police regulation as may be established by the governing body of any unit having jurisdiction;

14. Contract with any person, political subdivision, federal agency, or any public authority or unit, on such terms as the authority deems proper, for the purpose of acting as a billing and collecting agent for rates, fees, rents or charges imposed by any such authority;

15. Install, own and lease pipe or conduit for the purpose of carrying fiber optic cable, provided that such pipe or conduit and the rights-of-way in which they are contained are made available on a nondiscriminatory, first-come, first-served basis to retail providers of broadband and other telecommunications services unless the facilities have insufficient capacity for such access and additional capacity cannot reasonably be added to the facilities; and

16. Create, acquire, purchase, own, maintain, use, license, and sell intellectual property rights, including any patent, trademark, or copyright, relating to the business of the authority.

Code 1950, § 15-764.12; 1950, p. 1318; 1954, c. 554; 1958, cc. 400, 402; 1960, c. 430; 1962, cc. 130, 623, § 15.1-1250; 1968, cc. 355, 556; 1970, cc. 444, 617; 1972, c. 161; 1979, c. 280; 1980, c.

159; 1981, c. 610; 1983, c. 422; 1984, c. 554; 1994, c. [477](#); 1997, cc. [12](#), [527](#), [573](#), 587; 2001, c. [120](#); 2002, c. [446](#); 2003, c. [940](#); 2004, c. [545](#); 2005, c. [666](#); 2007, c. [813](#); 2008, c. [542](#); 2009, cc. [402](#), [473](#); 2011, c. [653](#).

#### **§ 15.2-5115. Same; contracts relating to use of systems**

An authority may make and enter into all contracts or agreements, as the authority may determine, which are necessary or incidental to the performance of its duties and to the execution of the powers granted by this chapter, including contracts with any federal agency, the Commonwealth, the District of Columbia or any adjoining state or any unit thereof, on such terms and conditions as the authority may approve, relating to (i) the use of any system, or streetlight system in King George County acquired or constructed by the authority under this chapter, or the services therefrom or the facilities thereof, or (ii) the use by the authority of the services or facilities of any system, or streetlight system in King George County owned or operated by an owner other than the authority.

The contract shall be subject to such provisions, limitations or conditions as may be contained in the resolution of the authority authorizing revenue bonds of the authority or the provisions of any trust agreement securing such bonds. Such contract may provide for the collecting of fees, rates or charges for the services and facilities rendered to a unit or to the inhabitants thereof, by such unit or by its agents or by the agents of the authority, and for the enforcement of delinquent charges for such services and facilities. The provisions of the contract and of any ordinance or resolution of the governing body of a unit enacted pursuant thereto shall not be repealed so long as any of the revenue bonds issued under the authority of this chapter are outstanding and unpaid. The provisions of the contract, and of any ordinance or resolution enacted pursuant thereto, shall be for the benefit of the bondholders. The aggregate of any fees, rates or charges which are required to be collected pursuant to any such contract, ordinance or resolution shall be sufficient to pay all obligations which may be assumed by the other contracting party.

Code 1950, § 15-764.12; 1950, p. 1318; 1954, c. 554; 1958, cc. 400, 402; 1960, c. 430; 1962, cc. 130, 623, § 15.1-1250; 1968, cc. 355, 556; 1970, cc. 444, 617; 1972, c. 161; 1979, c. 280; 1980, c. 159; 1981, c. 610; 1983, c. 422; 1984, c. 554; 1994, c. [477](#); 1997, cc. [527](#), [573](#), 587; 2007, c. [813](#); 2009, c. [473](#).

#### **§ 15.2-5116. Same; effect of annexation**

In the event of any annexation by a municipality not a member of the authority of lands, areas, or territory served by the authority, an authority may continue to do business and exercise its jurisdiction over its properties and facilities in and upon or over such lands, areas or territory as long as any bonds or indebtedness remain outstanding or unpaid, or any contracts or other obligations remain in force.

Code 1950, § 15-764.12; 1950, p. 1318; 1954, c. 554; 1958, cc. 400, 402; 1960, c. 430; 1962, cc. 130, 623, § 15.1-1250; 1968, cc. 355, 556; 1970, cc. 444, 617; 1972, c. 161; 1979, c. 280; 1980, c. 159; 1981, c. 610; 1983, c. 422; 1984, c. 554; 1994, c. [477](#); 1997, c. 587.

#### **§ 15.2-5117. Same; insurance for employees**

An authority may establish retirement, group life insurance, and group accident and sickness insurance plans or systems for its employees in the same manner as localities are permitted under §§ [51.1-801](#) and [51.1-802](#).

Code 1950, § 15-764.12; 1950, p. 1318; 1954, c. 554; 1958, cc. 400, 402; 1960, c. 430; 1962, cc.

130, 623, § 15.1-1250; 1968, cc. 355, 556; 1970, cc. 444, 617; 1972, c. 161; 1979, c. 280; 1980, c. 159; 1981, c. 610; 1983, c. 422; 1984, c. 554; 1994, c. [477](#); 1997, c. 587.

#### **§ 15.2-5118. Powers of Authority; streetlights in King George County**

Notwithstanding any contrary provision of law in this chapter, an authority may lease as lessee or otherwise contract for the provision of, operate, and maintain streetlights in King George County. The lessor or other contractual provider of such streetlights shall be a public service corporation that holds a certificate of public convenience and necessity to provide retail electric service in the territory in which such streetlights are located. King George County may contribute funds to the authority by act of its governing body for use by the authority in carrying out the authority's powers listed in this section. In addition, the authority may fix, charge, and collect fees, rates, and charges for the use of the service described in this section or for such service furnished by the authority. Such fees, rates, and charges shall be charged to and collected from any person contracting for the service, or lessee, or tenant, or any other person who uses or occupies any real estate served by or benefiting from the service.

1997, c. [587](#); 2019, c. [632](#).

#### **§ 15.2-5119. Power to provide and operate electric energy systems**

Notwithstanding any contrary provision of law in this chapter, an authority operating a water supply impoundment facility may, in connection with such facility, generate, produce, transmit, deliver, exchange, purchase or sell electric power and energy at wholesale and enter into contracts for such purposes.

1982, c. 469, § 15.1-1250.2; 1997, c. 587.

#### **§ 15.2-5120. Powers of authority in certain counties and cities**

An authority or authorities created pursuant to the provisions of this chapter by Arlington County and the City of Alexandria, singularly or jointly, may enter into contracts relating to the furnishing of services and facilities for refuse collection and disposal and conversion of same to energy (system) with any person or partnership or corporation (entity). The contract shall not have a term in excess of 30 years from the date on which service is first provided. It may make provisions for:

1. The use by the authority of all or a portion of the disposal capacity of such system for the authority's present or future requirements;
2. The delivery by or for the account of the authority of specified quantities of refuse, whether or not the authority collects such refuse;
3. The making of payments in respect of such quantities of refuse, whether or not the refuse is delivered, including payments in respect of revenues lost if such refuse is not delivered;
4. Adjustments to payments to be made by the authority because of inflation, changes in energy prices or residue disposal costs, taxes imposed upon the system, or other events beyond the control of the entity or in respect of the actual costs of maintaining, repairing, or operating the system, including debt service or capital lease payments, capital costs, or other financing charges relating to the system; and
5. The collection by the entity of fees, rates, or charges from persons using disposal capacity for which the authority has contracted.

The authority may fix, charge, and collect fees, rates, and charges for services furnished or made available by the entity operating the system to provide sufficient funds at all times during the term of the contract, together with other funds available to the authority for such purposes, to pay all amounts due from time to time under such contract and to provide a margin of safety for such payment. The authority may covenant with the entity to establish and maintain fees, rates, and charges at such levels during the term of the contract for such purposes.

Such fees, rates, and charges shall not apply to refuse generated, purchased, or utilized by any enterprise located in the service area and engaged in the business of manufacturing, mining, processing, refining, or conversion that is not disposed at or through such system.

The fees, rates, and charges may be imposed upon the owners, tenants, or occupants of each occupied lot or parcel of land that the authority determines (with the concurrence at the time of such determination of the local government in which such parcel is located) is in the service area, or portion thereof, of the system for which the authority has contracted, whether or not refuse generated from such parcel is actually delivered to such system.

The fees, rates, and charges shall be fixed in accordance with the procedures set forth in subsection D of § 15.2-5136. Such fees, rates, and charges may be allocated among the owners, tenants, or occupants of each lot or parcel of land that the authority determines is in the service area, or portion thereof, of the system for which the authority has contracted. Such allocation may be based upon:

1. Waste generation estimates, the average number of persons residing, working in, or otherwise connected with such premises, the type and character of such premises, or upon any combination of the foregoing factors;
2. The amount of refuse delivered to such system;
3. The assessed value of such parcels; or
4. A combination of the foregoing.

There shall be a lien on real estate for the amount of such fees, rates, and charges as provided in § 15.2-5139. The authority is empowered by resolution or other lawful action to enforce the payment of the lien by means of the actions described in § 15.2-5138.

The power to establish such fees, rates, and charges shall be in addition to any other powers granted hereunder, and such fees, rates, and charges shall not be subject to the jurisdiction of any commission, authority, or other unit of government. The entity contracting with the authority, except to the extent that rights herein given may be restricted by the contract, either at law or in equity, by suit, mandamus, or other proceedings, may protect and enforce any and all rights granted under such contract and may force and compel the performance of all duties required by this chapter or by such contract to be performed by the authority or by any officer thereof, including without limitation the fixing, charging, and collecting of fees, rates, and charges in accordance with this chapter and such contract.

Such contract, with the irrevocable consent of the entity, may be made directly with the trustee for indebtedness issued to finance such system and provide for payment directly to such trustee. The authority may pledge fees, rates, and charges made in respect of the contract with the entity, and such pledge shall be valid and binding from the time it is made. Fees, rates, and charges so

pledged and thereafter received by the authority shall immediately be subject to the lien of such pledge without any physical delivery or further act, and the lien of such pledge shall be valid and binding against all parties having claims of any kind, in tort, contract, or otherwise, irrespective of whether such parties have notice thereof. Neither the contract nor any assignment thereof need be filed or recorded except in the records of the authority.

The requirements and restrictions of § 15.2-5121 shall not apply to any contract of the authority with respect to the system if the entity for such system will not collect refuse from the generators of the same and there are no such facilities located in the area served by the authority.

1997, c. 587;2019, c. 632.

**§ 15.2-5121. Operation of refuse collection systems; displacement of private companies**

A. No authority shall operate or contract for the operation of a refuse collection and disposal system for any political subdivision, or collect service charges therefor, unless the authority, and subsequently the locality's governing body find: (i) that privately owned and operated refuse collection and disposal services are not available on a voluntary basis by contract or otherwise, (ii) that the use of such privately owned services has substantially endangered the public health or has resulted in substantial public nuisance, (iii) that the privately owned refuse collection and disposal service is not able to perform the service in a reasonable and cost-efficient manner, or (iv) that operation by such authority or the contract for such operation, in spite of any potential anti-competitive effect, is important in order to provide for the development and/or operation of a regional system of refuse collection and disposal for two or more units.

B. Notwithstanding the provisions of subsection A, an authority formed under this chapter shall not operate or contract for the operation of a refuse collection and disposal system which displaces a private company engaged in the provision of refuse collection and disposal unless it provides the company with five years' notice of its decision to operate such a system. As an alternative to delaying displacement five years, the governing body or authority may pay a displaced company an amount equal to the company's preceding twelve months' gross receipts for the displaced service in the displacement area. Such five-year period shall lapse as to any private company being displaced when such company ceases to provide service within the displacement area.

C. For purposes of this section, "displace" or "displacement" means an authority's provision of a system which prohibits a private company from providing the same service and which it is providing at the time the decision that will result in the displacement is made. Displace or displacement does not mean: (i) competition between the public sector and private companies for individual contracts; (ii) situations in which an authority, at the end of a contract with a private company, does not renew the contract and either awards the contract to another private company or, following a competitive process conducted in accordance with the Virginia Public Procurement Act, decides for any reason to provide such service itself; (iii) situations in which action is taken against a private company because the company has acted in a manner threatening to the public health and safety or resulting in a substantial public nuisance; (iv) situations in which action is taken against a private company because the company has materially breached its contract with the political subdivision; (v) entering into a contract with a private company to provide refuse collection and disposal so long as such contract is not entered into pursuant to an ordinance which displaces or authorizes the displacement of another private company providing refuse collection and disposal; or (vi) situations in which a private company



refuses to continue operations under the terms and conditions of its existing agreement during the five-year notice period.

D. An authority shall not make the findings required by subsection A or proceed to seek to operate a refuse collection and disposal system for any political subdivision that would displace a private company pursuant to subsection B until it has provided (i) public notice; (ii) a public hearing; and (iii) no less than forty-five days prior to the public hearing, written notice mailed first class to all private companies providing a refuse collection and disposal system in the political subdivision that can be identified through the political subdivision's records.

E. The requirements and restrictions of this section shall not apply in any political subdivision wherein refuse collection and disposal services are being operated or contracted for by any sanitary district located therein, as of July 1, 1983.

F. Notwithstanding the provisions of this section, a political subdivision need not comply with the requirements of this section if:

1. The authority proposes to contract with the private sector for services or systems involving discarded or waste materials removed from the nonhazardous solid waste stream for recycling; or
2. The authority proposes to contract with the private sector for services or systems involving collection and disposal of nonhazardous solid waste and (i) the collected waste will be disposed of in a state-permitted waste management facility; (ii) the authority has a contract for services which shall be paid for through a supporting financial agreement approved by the participating locality's governing body; and (iii) such action will not displace a private company engaged in refuse collection and disposal. For purposes of this section, "recycling" means the process of separating a particular nonhazardous waste material from the waste stream and processing it so that it may be used again as a new material.

1983, c. 155, § 15.1-1250.01; 1992, c. 247; 1993, c. 497; 1994, c. 190; 1995, c. 660; 1997, c. 587.

#### **§ 15.2-5122. Approval for certain water supply impoundment facilities**

No locality or authority shall construct, provide or operate outside its boundaries any water supply impoundment system without first obtaining the consent of the governing body of the locality in which such system is to be located; however, no consent shall be required for the operation of any such water supply impoundment system in existence on July 1, 1976, or in the process of construction or for which the site has been purchased or for the orderly expansion of such water supply system.

In any case in which the approval by such governing body is withheld, the party seeking such approval may petition for the convening of a special court, pursuant to §§ 15.2-2135 through 15.2-2141.

1975, c. 573, § 15.1-1250.1; 1976, c. 69; 1997, c. 587.

#### **§ 15.2-5123. Sewage treatment plants to include certain capability**

Whenever an authority is constructing a new sewage treatment plant, the facility shall be designed and constructed so that it has the capability to treat the sewage from all onsite sewage disposal systems which are not served by another approved disposal site located within the area of the locality or localities which created the authority to be served by such plant.

1986, c. 329, § 15.1-1239.1; 1997, c. 587.

## **§ 15.2-5124. Repealed**

Repealed by Acts 2015, cc. [263](#) and [284](#), cl. 1.

## **§ 15.2-5125. Issuance of revenue bonds**

An authority may provide by resolution for the issuance of revenue bonds of the authority for the purpose of paying the whole or any part of the cost of any system. A community development authority created under Article 6 (§ [15.2-5152](#) et seq.) of this chapter may provide by resolution for the issuance of revenue bonds of the authority for the purpose of paying the whole or any part of the cost of such facilities which may be provided by the authority under § [15.2-5158](#). The principal of and the interest on the bonds shall be payable solely from the funds provided for in this chapter for such payment. The full faith and credit of a political subdivision shall not be pledged to support the bonds. The bonds of each issue may be dated, may mature at any time or times not exceeding forty years from their date or dates, may be subject to redemption or repurchase at such price or prices and under such terms and conditions, and may contain such other provisions, all as determined before their issuance by the authority or in such manner as the authority may provide. The bonds may bear interest payable at such time or times and at such rate or rates as determined by the authority or in such manner as the authority may provide, including the determination by reference to indices or formulas or by agents designated by the authority under guidelines established by it. The authority shall determine the form of the bonds, including any interest coupons to be attached thereto, and the manner of execution of the bonds, and shall fix the denomination or denominations of the bonds and the place or places of payment of principal and interest, which may be at any bank or trust company within or outside the Commonwealth. If any officer whose signature or a facsimile of whose signature appears on any bonds or coupons, ceases to be an officer before the delivery of such bonds, his signature or facsimile shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until delivery. All revenue bonds issued under the provisions of this chapter shall have, as between successive holders, all the qualities and incidents of negotiable instruments under the negotiable instruments law of the Commonwealth. The bonds may be issued in coupon, bearer, registered or book entry form, or any combination of such forms, as the authority may determine. Provision may be made for the registration of any coupon bonds as to principal alone and also as to both principal and interest, and for the reconversion into coupon bonds of any bonds registered as to both principal and interest. The issuance of such bonds shall not be subject to any limitations or conditions contained in any other law, and the authority may sell such bonds in such manner, either at a public or a private sale, and for such price, as it may determine to be for the best interest of the authority and the political subdivisions to be served thereby.

Code 1950, § 15-764.14; 1950, p. 1321; 1958, c. 484; 1962, c. 623, § 15.1-1252; 1970, c. 617; 1993, c. 850; 1997, cc. [527](#), [573](#), 587; 2009, c. [473](#).

## **§ 15.2-5126. Time for contesting validity of proposed bond issue; when bonds presumed valid**

For a period of thirty days after the date of the filing with the circuit court having jurisdiction over any of the political subdivisions which are members of the authority a certified copy of the initial resolution of the authority authorizing the issuance of bonds, any person in interest may contest the validity of the bonds, the rates, fees and other charges for the services and facilities furnished by, for the use of, or in connection with, any water or waste system or, for authorities created under Article 6 (§ [15.2-5152](#) et seq.) of this chapter, such other facilities which may be provided by the authority under § [15.2-5158](#), the pledge of the revenues of any water or waste

system, or any combination of any thereof or, for authorities created under Article 6 of this chapter, such other facilities which may be provided by the authority under § 15.2-5158, any provisions which may be recited in any resolution, trust agreement, indenture or other instrument authorizing the issuance of bonds, or any matter contained in, provided for or done or to be done pursuant to the foregoing. If such contest is not given within the thirty-day period, the authority to issue the bonds, the validity of the pledge of revenues necessary to pay the bonds, the validity of any other provision contained in the resolution, trust agreement, indenture or other instrument, and all proceedings in connection with the authorization and the issuance of the bonds shall be conclusively presumed to have been legally taken and no court shall have authority to inquire into such matters and no such contest shall thereafter be instituted.

Upon the delivery of any bonds reciting that they are issued pursuant to this chapter and a resolution or resolutions adopted under this chapter, the bonds shall be conclusively presumed to be fully authorized by all the laws of the Commonwealth and to have been sold, executed and delivered by the authority in conformity with such laws, and the validity of the bonds shall not be questioned by a party plaintiff, a party defendant, the authority, or any other interested party in any court, anything in this chapter or in any other statutes to the contrary notwithstanding.

1997, c. 587.

#### **§ 15.2-5127. Proceeds of bonds**

The proceeds of bonds issued pursuant to § 15.2-5125 shall be used solely for the payment of the cost of the system or systems for which they were issued and shall be disbursed in such manner and under such restrictions, if any, as the authority may provide in the authorizing resolution or in any trust agreement. If the proceeds of the bonds, by error of estimates or otherwise, are less than such cost, additional bonds may in like manner be issued to provide the amount of such deficit and, unless otherwise provided in the authorizing resolution or in the trust agreement securing them, shall be deemed to be of the same issue and entitled to payment from the same fund without preference or priority of the bonds first issued for the same purpose. If the proceeds of the bonds of any issue exceed the amount required for the purpose for which such bonds were issued, the surplus shall be deposited to the credit of the sinking fund for such bonds.

Code 1950, § 15-764.15; 1950, p. 1322; 1962, c. 623, § 15.1-1253; 1997, c. 587.

#### **§ 15.2-5128. Interim receipts and temporary bonds; bonds mutilated, lost or destroyed**

Prior to the preparation of definitive bonds, the authority may, under like restrictions, issue interim receipts or temporary bonds, with or without coupons, exchangeable for definitive bonds when such bonds have been executed and are available for delivery.

If any bond issued under this chapter is mutilated, lost or destroyed, the authority may cause a new bond of like date, number and tenor to be executed and delivered upon the cancellation in exchange or substitution for a mutilated bond and its interest coupons, or in lieu of and in substitution for a lost or destroyed bond and its unmatured interest coupons. Such new bond or coupon shall not be executed or delivered until the holder of the mutilated, lost or destroyed bond has (i) paid the reasonable expense and charges in connection therewith and, in the case of a lost or destroyed bond, has filed with the authority and its treasurer evidence satisfactory to such authority and its treasurer that such bond was lost or destroyed and that the holder was the owner and (ii) furnished indemnity satisfactory to the treasurer of the authority.

Code 1950, § 15-764.16; 1950, p. 1322; 1962, cc. 206, 623, § 15.1-1254; 1997, c. 587.

**§ 15.2-5129. Provisions of chapter only requirements for issue**

Bonds may be issued under the provisions of this chapter without obtaining the approval or consent of any department, division, commission, board, bureau or agency of the Commonwealth, and without any other proceeding or the happening of any other condition or thing than those proceedings, conditions or things which are specifically required by this chapter.

Code 1950, § 15-764.17; 1950, p. 1322; 1962, c. 623, § 15.1-1255; 1997, c. 587.

**§ 15.2-5130. Limitations in bond resolution or trust agreement**

The resolution providing for the issuance of revenue bonds of the authority, and any trust agreement securing such bonds, may contain such limitations upon the issuance of additional revenue bonds as the authority deems proper. Such additional revenue bonds shall be issued under such limitations.

Code 1950, § 15-764.18; 1950, p. 1323; 1962, c. 623, § 15.1-1256; 1997, c. 587.

**§ 15.2-5131. Bonds not debts of Commonwealth or participating political subdivision**

A. Revenue bonds issued under the provisions of this chapter shall not constitute a pledge of the faith and credit of the Commonwealth or of any political subdivision. All bonds shall contain a statement on their face substantially to the effect that neither the faith and credit of the Commonwealth nor the faith and credit of any political subdivision are pledged to the payment of the principal of or the interest on the bonds. The issuance of revenue bonds under the provisions of this chapter shall not directly or indirectly or contingently obligate the Commonwealth or any political subdivision to levy any taxes or to make any appropriation for their payment except from the funds pledged under the provisions of this chapter.

B. Unless otherwise provided in the ordinance which forms the authority or in a subsequent ordinance or resolution authorizing additional improvements, neither the Commonwealth nor any locality shall pay any part of the principal or interest of any bonds issued by a community development authority formed pursuant to §§ [15.2-5152](#) through [15.2-5157](#), nor shall any locality carry any part of such bonds on its financial statements as a contingent obligation; except that if a community development authority fails to pay such bonds, to the extent that a locality has imposed a real property tax surcharge or a special assessment at the request of a community development authority pursuant to subdivisions A 3 or A 5 of § [15.2-5158](#), funds collected from such sources may be paid against such debt.

C. Debt issued by a community development authority formed pursuant to §§ [15.2-5152](#) through [15.2-5157](#) shall not be considered in determining the debt limit of any locality.

Code 1950, § 15-764.19; 1950, p. 1323; 1962, c. 623, § 15.1-1257; 1997, cc. [363](#), 587.

**§ 15.2-5132. Exemption from taxation**

No authority shall be required to pay any taxes or assessments upon any system acquired or constructed by it under the provisions of this chapter or upon the income therefrom. The bonds issued under the provisions of this chapter, their transfer and the income therefor, including any profit made on their sale, shall be free from taxation within the Commonwealth.

Code 1950, § 15-764.20; 1950, p. 1323; 1962, c. 623, § 15.1-1258; 1997, cc. [527](#), [573](#), 587; 2009, c. [473](#).

### **§ 15.2-5133. Trust agreement; bond resolution**

In the discretion of the authority, any revenue bonds issued under the provisions of this chapter may be secured by a trust agreement by and between the authority and a corporate trustee, which may be any trust company or bank having the powers of a trust company within or outside the Commonwealth. The resolution authorizing the issuance of the bonds or the trust agreement may pledge or assign the revenues to be received. The resolution or trust agreement shall not convey or mortgage any stormwater control system or water or waste system or any part thereof, or any improvement financed pursuant to § 15.2-5158 which is, or will be, dedicated to a public entity other than the authority financing such improvement. However, a bond issued by a community development authority pursuant to subdivision A 2 of § 15.2-5158 may pledge or assign a mortgage in other real property or improvements not otherwise proscribed hereunder and may contain such provisions for protecting and enforcing the rights and remedies of the bondholders as may be reasonable and proper and not in violation of law. Such provisions may include covenants setting forth the duties of the authority in relation to the acquisition, construction, improvement, maintenance, operation, repair and insurance of the system or systems for which such bonds are issued and provisions for the custody, safeguarding and application of all moneys and for the employment of consulting engineers in connection with such construction, reconstruction, or operation. The resolution or trust agreement may set forth the rights and remedies of the bondholders, and may restrict the individual right of action by bondholders as is customary in trust agreements or trust indentures securing bonds or debentures of corporations. The resolution or trust agreement may also contain such other provisions as the authority deems reasonable and proper for the security of the bondholders. Except as otherwise provided in this chapter, the authority may provide for the payment of the proceeds of the sale of the bonds and its revenues to such officer, board or depository as it may designate for the custody thereof, and for the method of disbursement thereof, with such safeguards and restrictions as it may determine. All expenses incurred in carrying out the provisions of the resolution or trust agreement may be treated as part of the cost of operation.

Code 1950, § 15-764.21; 1950, p. 1323; 1962, c. 623, § 15.1-1259; 1993, c. 850; 1997, cc. 527, 573, 587; 2009, c. 473.

### **§ 15.2-5134. Disposition of unclaimed funds due on matured bonds or coupons**

Any authority having bonds outstanding on which principal, premium or interest has matured for a period of more than five years may pay any money being held to pay the matured principal, premium or interest into the general fund of the authority. Thereafter, the owners of the matured bonds may look only to the authority for payment. The authority shall maintain a record of the bonds for which the funds were held.

1997, c. 587.

### **§ 15.2-5135. Contracts concerning interest rates, currency, cash flow and other basis**

A. Any authority may enter into any contract which the authority determines to be necessary or appropriate to place the obligation or investment of the authority, as represented by the bonds or the investment of their proceeds, in whole or in part, on the interest rate, cash flow or other basis desired by the authority. Such contracts may include without limitation contracts commonly known as interest rate swap agreements and futures or contracts providing for payments based on levels of, or changes in, interest rates. Such contracts or arrangements may be entered into by the authority in connection with, or incidental to, entering into or maintaining any (i) agreement



which secures bonds or (ii) investment, or contract providing for investment, otherwise authorized by law. These contracts and arrangements may contain such payment, security, default, remedy, and other terms and conditions as determined by the authority, after giving due consideration to the creditworthiness of the counterparty or other obligated party, including any rating by any nationally recognized rating agency.

B. Any money set aside and pledged to secure payments of bonds or any contracts entered into pursuant to this section, may be invested in accordance with Chapter 45 (§ 2.2-4500 et seq.) of Title 2.2 and may be pledged to and used to service any of the contracts or agreements entered into pursuant to this section, and any other criteria as may be appropriate.

1997, c. 587.

### **§ 15.2-5136. Rates and charges**

A. The authority may fix and revise rates, fees and other charges (which shall include, but not be limited to, a penalty not to exceed 10 percent on delinquent accounts, and interest on the principal), subject to the provisions of this section, for the use of and for the services furnished or to be furnished by any system, or streetlight system in King George County, or refuse collection and disposal system or facilities incident thereto, owned, operated or maintained by the authority, or facilities incident thereto, for which the authority has issued revenue bonds as authorized by this chapter. Such rates, fees and charges shall be so fixed and revised as to provide funds, with other funds available for such purposes, sufficient at all times (i) to pay the cost of maintaining, repairing and operating the system or systems, or facilities incident thereto, for which such bonds were issued, including reserves for such purposes and for replacement and depreciation and necessary extensions, (ii) to pay the principal of and the interest on the revenue bonds as they become due and reserves therefor, and (iii) to provide a margin of safety for making such payments. The authority shall charge and collect the rates, fees and charges so fixed or revised.

B. The rates for water (including fire protection) and sewer service (including disposal) shall be sufficient to cover the expenses necessary or properly attributable to furnishing the class of services for which the charges are made. However, the authority may fix rates and charges for the services and facilities of its water system sufficient to pay all or any part of the cost of operating and maintaining its sewer system (including disposal) and all or any part of the principal of or the interest on the revenue bonds issued for such sewer or sewage disposal system, and may pledge any surplus revenues of its water system, subject to prior pledges thereof, for such purposes.

C. Rates, fees and charges for the services of a sewer or sewage disposal system shall be just and equitable, and may be based upon:

1. The quantity of water used or the number and size of sewer connections;
2. The number and kind of plumbing fixtures in use in the premises connected with the sewer or sewage disposal system;
3. The number or average number of persons residing or working in or otherwise connected with such premises or the type or character of such premises;
4. Any other factor affecting the use of the facilities furnished; or
5. Any combination of the foregoing factors.

However, the authority may fix rates and charges for services of its sewer or sewage disposal system sufficient to pay all or any part of the cost of operating and maintaining its water system, including distribution and disposal, and all or any part of the principal of or the interest on the revenue bonds issued for such water system, and to pledge any surplus revenues of its water system, subject to prior pledges thereof, for such purposes.

D. Water and sewer rates, fees and charges established by any authority shall be fair and reasonable. An authority may charge fair and reasonable rates, fees, and charges to create reserves for expansion of its water and sewer or sewage disposal systems. Such rates, fees, and charges shall be reviewed by the authority periodically and shall be adjusted, if necessary, to assure that they continue to be fair and reasonable. However, any authority may charge and collect rates, fees, and charges to create a reserve fund for reasonable expansion of its water, sewer, or sewage disposal system. Nothing herein shall affect existing contracts with bondholders which are in conflict with any of the foregoing provisions.

E. Rates, fees and charges for the service of a streetlight system shall be just and equitable, and may be based upon:

1. The portion of such system used;
2. The number and size of premises benefiting therefrom;
3. The number or average number of persons residing or working in or otherwise connected with such premises;
4. The type or character of such premises;
5. Any other factor affecting the use of the facilities furnished; or
6. Any combination of the foregoing factors.

However, the authority may fix rates and charges for the service of its streetlight system sufficient to pay all or any part of the cost of operating and maintaining such system.

F. The authority may also fix rates and charges for the services and facilities of a water system or a refuse collection and disposal system sufficient to pay all or any part of the cost of operating and maintaining facilities incident thereto for the generation or transmission of power and all or any part of the principal of or interest upon the revenue bonds issued for any such facilities incident thereto, and to pledge any surplus revenues from any such system, subject to prior pledges thereof, for such purposes. Charges for services to premises, including services to manufacturing and industrial plants, obtaining all or a part of their water supply from sources other than a public water system may be determined by gauging or metering or in any other manner approved by the authority.

G. No rates, fees or charges shall be fixed under subsections A through F of this section or under subdivision 10 of § 15.2-5114 until after a public hearing at which all of the users of the systems or facilities; the owners, tenants or occupants of property served or to be served thereby; and all others interested have had an opportunity to be heard concerning the proposed rates, fees and charges. After the adoption by the authority of a resolution setting forth the preliminary schedule or schedules fixing and classifying such rates, fees and charges, notice of a public hearing in accordance with § 15.2-1427 shall be published. The hearing may be adjourned from time to time. A copy of the notice shall be mailed to the governing bodies of all localities in

which such systems or facilities or any part thereof is located. After the hearing the preliminary schedule or schedules, either as originally adopted or as amended, shall be adopted and put into effect.

H. A copy of the schedule or schedules of the final rates, fees and charges fixed in accordance with subsection G shall be kept on file in the office of the clerk or secretary of the governing body of each locality in which such systems or any part thereof is located, and shall be open to inspection by all interested parties. The rates, fees or charges so fixed for any class of users or property served shall be extended to cover any additional properties thereafter served which fall within the same class, without the necessity of a hearing or notice. Any increase in any rates, fees or charges under this section shall be made in the manner provided in subsection G. Any other change or revision of the rates, fees or charges may be made in the same manner as the rates, fees or charges were originally established as provided in subsection G.

I. No rates, fees or charges established, fixed, changed or revised before January 1, 2013, by any authority pursuant to this section or to subdivision 10 of § 15.2-5114 shall be invalidated because of any defect in or failure to publish or provide any notice required under this section or any predecessor provision.

Code 1950, § 15-764.22; 1950, p. 1324; 1962, c. 623, § 15.1-1260; 1978, cc. 298, 407; 1982, c. 469; 1988, c. 169; 1994, c. 477; 1997, cc. 12, 527, 573, 587; 1998, c. 869; 2001, c. 400; 2007, c. 813; 2009, c. 473; 2013, c. 51; 2023, cc. 506, 507; 2024, cc. 225, 242.

#### **§ 15.2-5137. Water and sewer connections; exceptions**

A. Upon or after the acquisition or construction of any water system or sewer system under the provisions of this chapter, the owner, tenant, or occupant of each lot or parcel of land (i) which abuts a street or other public right of way which contains, or is adjacent to an easement containing, a water main or a water system, or a sanitary sewer which is a part of or which is or may be served by such sewer system and (ii) upon which a building has been constructed for residential, commercial or industrial use, shall, if so required by the rules and regulations or a resolution of the authority, with concurrence of the locality in which the land is located, connect the building with the water main or sanitary sewer, and shall cease to use any other source of water supply for domestic use or any other method for the disposal of sewage, sewage waste or other polluting matter. All such connections shall be made in accordance with rules and regulations adopted by the authority, which may provide for a reasonable charge for making such a connection. A private water company which purchases water from a regional authority for sale or delivery to or within a municipality may impose a charge for connection to the water company's system in the same manner, and subject to the same restrictions, as an authority may impose for connection to its water system, subject to the approval of the State Corporation Commission.

B. Notwithstanding any other provision of this chapter, those persons having a domestic supply or source of potable water shall not be required to discontinue the use of such water. However, persons not served by a water supply system, as defined in § 15.2-2149, producing potable water meeting the standards established by the Virginia Department of Health may be required to pay a connection fee, a front footage fee, and a monthly nonuser service charge, which charge shall not be more than that proportion of the minimum monthly user charge, imposed by the authority, as debt service bears to the total operating and debt service costs, or any combination of such fees and charges. In York County and James City County, the monthly nonuser fee may be as provided

by general law or not more than 85 percent of the minimum monthly user charge imposed by the authority, whichever is greater.

C. Notwithstanding any other provision of this chapter, those persons having a private septic system or domestic sewage system meeting applicable standards established by the Virginia Department of Health shall not be required under this chapter to discontinue the use of such system. However, such persons may be required to pay a connection fee, a front footage fee, and a monthly nonuser service charge, which charge shall not be more than that proportion of the minimum monthly user charge, imposed by the authority, as debt service bears to the total operating and debt service costs, or any combination of such fees and charges.

D. Persons who have obtained exemption from or deferral of taxation pursuant to an ordinance authorized by § 58.1-3210 may be exempted or deferred by the authority from paying any charges and fees authorized by subsection C, to the same extent as the exemption from or deferral of taxation pursuant to such ordinance.

E. Water and sewer connection fees established by any authority shall be fair and reasonable. Such fees shall be reviewed by the authority periodically and shall be adjusted, if necessary, to assure that they continue to be fair and reasonable. Nothing herein shall affect existing contracts with bondholders which are in conflict with any of the foregoing provisions.

Code 1950, § 15-764.23; 1950, p. 1326; 1962, c. 623, § 15.1-1261; 1970, c. 617; 1980, c. 603; 1982, cc. 562, 567; 1984, c. 552; 1987, c. 75; 1997, cc. 12, 587; 2011, c. 642.

### **§ 15.2-5138. Enforcement of charges**

Any resolution or trust agreement providing for the issuance of revenue bonds under the provisions of this chapter may include any of the following provisions, and may require the authority to adopt such resolutions or to take such other lawful action as is necessary to effectuate such provisions. The authority may adopt such resolutions and take such other actions as follows:

1. Require the owner, tenant or occupant of each lot or parcel of land who is obligated to pay rates, fees or charges for the use of or for the services furnished by any system acquired or constructed by the authority under the provisions of this chapter to make a reasonable deposit with the authority in advance to insure the payment of such rates, fees or charges and to be subject to application to the payment thereof if delinquent.
2. If any rates, fees or charges for the use of and for the services furnished by any system acquired or constructed by the authority under the provisions of this chapter are not paid within thirty days after due, the authority may at the expiration of such thirty-day period disconnect the premises from the water or sewer system, or otherwise suspend services and proceed to recover the amount of any such delinquent rates, fees or charges, with interest, in a civil action.
3. If any rates, fees or charges for the use and services of any sewer system acquired or constructed by the authority under the provisions of this chapter are not paid within thirty days after they become due, require that the owner, tenant or occupant of such premises cease disposing of sewage or industrial wastes originating from or on such premises by discharge directly or indirectly into the sewer system until such rates, fees or charges, with interest, are paid. If such owner, tenant or occupant does not cease such disposal at the expiration of the thirty-day period, the authority may require any political subdivision, district, private corporation, board, body or person supplying water to or selling water for use on such premises

to cease supplying water to or selling water for use on such premises within five days after the receipt of notice of such delinquency from the authority. If such political subdivision, district, private corporation, board, body or person does not, at the expiration of such five-day period, cease supplying water to or selling water for use on such premises, then the authority may shut off the supply of water to such premises.

The water supply to or for any person, or for use on real estate of any person, shall not be shut off or stopped under this section if the State Health Commissioner, upon application of the local board of health or health officer of the locality in which such water is supplied or such real estate is located, has found and certifies to the authorities charged with the responsibility of ceasing to supply or sell such water, or to shut off the supply of such water, that ceasing to supply or shutting off such water supply will endanger the health of such person and the health of others in the locality.

Code 1950, § 15-764.24; 1950, p. 1326; 1962, c. 623, § 15.1-1262; 1997, c. 587.

#### **§ 15.2-5138.1. Enforcement of certain charges when authority does not provide water services**

A. This section shall apply only to an authority operating in Planning District 1 or Planning District 2.

B. If any rates, fees or charges for the use and services of any sewer system acquired or constructed by the authority under the provisions of this chapter are not paid within 60 days after they become due, the authority may require that the owner, tenant or occupant of such premises cease disposing of sewage or industrial wastes originating from or on such premises by discharge directly or indirectly into the sewer system until such rates, fees or charges, with interest, are paid. If such owner, tenant or occupant does not cease such disposal at the expiration of the 60-day period, the authority may require any political subdivision, district, private corporation, board, body or person supplying water to or selling water for use on such premises to cease supplying water to or selling water for use on such premises within five days after the receipt of notice of such delinquency from the authority. If such political subdivision, district, private corporation, board, body or person does not, at the expiration of such five-day period, cease supplying water to or selling water for use on such premises, then the authority may shut off the supply of water to such premises.

C. The water supply to or for any person, or for use on real estate of any person, shall not be shut off or stopped under this section if the State Health Commissioner, upon application of the local board of health or health officer of the locality in which such water is supplied or such real estate is located, has found and certifies to the authorities charged with the responsibility of ceasing to supply or sell such water, or to shut off the supply of such water, that ceasing to supply or shutting off such water supply will endanger the health of such person and the health of others in the locality.

2008, c. 452.

#### **§ 15.2-5139. Lien for charges**

An authority may place a lien upon the real property of an owner only in the same manner provided by § 15.2-2119, and such lien may only be processed, recorded, and released in accordance therewith. An authority may only provide services to lessees or tenants of property owners in accordance with § 15.2-2119.4.



An authority may contract with a locality to collect amounts due on properly recorded utility liens in the same manner as unpaid real estate taxes due the locality.

Code 1950, § 15-764.25; 1950, p. 1327; 1958, c. 97; 1962, c. 623, § 15.1-1263; 1976, c. 243; 1983, c. 422; 1987, c. 307; 1993, c. 383; 1994, cc. 599, 602; 1997, c. 587; 2009, c. 420; 2011, cc. 529, 580; 2012, c. 766; 2017, c. 736.

#### **§ 15.2-5140. Trust funds**

All moneys received pursuant to this chapter shall be deemed to be trust funds, to be held and applied solely as provided in this chapter. The resolution or trust agreement providing for the issuance of revenue bonds of the authority shall provide that any officer to whom, or any bank, trust company or other fiscal agent to which, such moneys are paid shall act as trustee of such moneys and shall hold and apply the same for the purposes provided in this chapter, subject to such regulations as such resolution or trust agreement may provide.

Code 1950, § 15-764.26; 1950, p. 1328; 1962, c. 623, § 15.1-1264; 1997, c. 587.

#### **§ 15.2-5141. Bondholder's remedies**

Any holder of revenue bonds issued by an authority under this chapter, or of any of the coupons appertaining thereto, except to the extent the rights given by this chapter may be restricted by the resolution or trust agreement providing for the issuance of such bonds, may, either at law or in equity, by suit, mandamus or other proceeding, enforce all rights under the laws of Virginia or granted by this chapter or under such resolution or trust agreement. Such holder may also compel the performance of all duties required by this chapter or by the resolution or trust agreement to be performed by the authority or by any officer thereof, including the fixing, charging and collecting of rates, fees and charges for the use of or for the services furnished by any system.

Code 1950, § 15-764.27; 1950, p. 1328; 1962, c. 623, § 15.1-1265; 1997, c. 587; 2009, c. 473.

#### **§ 15.2-5142. Refunding bonds**

An authority may provide by resolution for the issuance of revenue refunding bonds of the authority to refund any revenue bonds outstanding and issued under this chapter, whether or not such outstanding bonds have matured or are then subject to redemption. Proceeds of such revenue refunding bonds may be used to discharge the revenue bonds, or such revenue refunding bonds may be exchanged for the revenue bonds. Each such authority may provide by resolution for the issuance of a single issue of revenue bonds of the authority for the combined purposes of (i) paying the cost of any system, or any combination thereof, or the improvement, extension, addition or reconstruction thereof, and (ii) refunding revenue bonds of the authority which have been issued under the provisions of this chapter which are outstanding, whether or not such outstanding bonds have matured or are then subject to redemption. The issuance of such bonds, the maturities and other details thereof, the rights and remedies of the bondholders, and the rights, powers, privileges, duties and obligations of the authority with respect to such bonds, shall be governed by the foregoing provisions of this chapter to the extent that they are applicable.

Code 1950, § 15-764.28; 1950, p. 1328; 1962, c. 623, § 15.1-1266; 1974, c. 226; 1997, c. 587; 2009, c. 473.

#### **§ 15.2-5143. Purchase in open market or otherwise**

Provision may be made in the proceedings authorizing refunding revenue bonds for the purchase of the refunded revenue bonds in the open market or pursuant to tenders made from time to time when there is available in the escrow or sinking fund for the payment of the refunded revenue bonds a surplus in an amount or amounts to be fixed in such proceedings.

1997, c. 587.

#### **§ 15.2-5144. Investment in bonds**

Any bonds issued pursuant to this chapter are hereby made securities in which all public officers, bodies and political subdivisions of the Commonwealth; all insurance companies and associations; and all savings banks and savings institutions, including savings and loan associations, trust companies, beneficial and benevolent associations, administrators, guardians, executors, trustees and other fiduciaries in the Commonwealth, may properly and legally invest funds in their control.

Code 1950, § 15-764.29; 1950, p. 1329; 1962, c. 623, § 15.1-1267; 1997, c. 587.

#### **§ 15.2-5145. Financial report; authority budget; audit**

Any locality may, by resolution, require an authority to:

1. Submit to it an annual financial statement in a form prescribed by the Auditor of Public Accounts; or
2. Have an audit conducted for any fiscal year according to generally accepted auditing and accounting standards or according to the audit specifications and audit program prescribed by the Auditor of Public Accounts.

1978, c. 617, § 15.1-1269.2; 1997, c. 587.

#### **§ 15.2-5146. Use of state land**

A. The Commonwealth hereby consents to the use of all lands above or under water and owned or controlled by it which are necessary for the construction, improvement, operation or maintenance of any stormwater control system or water or waste system; except that the use of any portion between the right-of-way limits of any primary or secondary highway in this Commonwealth shall be subject to the approval of the Commissioner of Highways.

B. In addition to the provisions of subsection A, the Governor is authorized, at the request of an authority created pursuant to § 15.2-5102 and in a form approved by the Attorney General, to disclaim any and all rights, title, and interest of the Commonwealth in and to lands used pursuant to subsection A if he finds (i) there is no greater public need or purpose than such use or (ii) that public use and necessity have been established pursuant to subsection B of § 15.2-1903. Such disclaimer shall be filed with the appropriate court and shall have the legal force and effect of disclaiming, releasing, and renouncing all of the right, title, and interest of the Commonwealth in and to such lands.

Code 1950, § 15-764.12; 1950, p. 1318; 1954, c. 554; 1958, cc. 400, 402; 1960, c. 430; 1962, cc. 130, 623, § 15.1-1250; 1968, cc. 355, 556; 1970, cc. 444, 617; 1972, c. 161; 1979, c. 280; 1980, c. 159; 1981, c. 610; 1983, c. 422; 1984, c. 554; 1994, c. 477; 1997, c. 587; 2009, c. 861.

#### **§ 15.2-5147. Powers of localities, etc., to make grants and conveyances to and contracts with authority**

Each political subdivision may:

1. Convey or lease to any authority, with or without consideration, any system or portion thereof, or any right or interest in such facilities or any property appertaining thereto, upon such terms and conditions as the governing body determines to be in the best interest of such political subdivision;
2. Contract, jointly or severally, with any authority for the collection, treatment or disposal of sewage, industrial waste or refuse; and grant to such authority the right to receive, use and dispose of all or any portion of the refuse generated or collected by or within the jurisdiction or under the control of such unit; and in implementation of such contract or grant, exercise the powers set forth in §§ [15.2-927](#) and [15.2-928](#); and
3. Contract with any authority for shutting off the supply of water furnished by any water system owned or operated by such political subdivision or under its jurisdiction or control to any premises connected with any sewer system of the authority if the owner, tenant or occupant of such premises fails to pay any rates, fees or charges for the use of or for the services furnished by such sewer system within the time or times specified in such contract.

Code 1950, § 15-764.31; 1950, p. 1330; 1962, c. 623, § 15.1-1269; 1979, c. 280; 1997, c. 587; 2009, c. [473](#).

#### **§ 15.2-5148. Units may convey property**

Any unit, notwithstanding any contrary provision of law, may transfer jurisdiction over or lease, lend, grant or convey to an authority, upon the request of the authority and upon such terms and conditions to which the governing body and authority may agree, such real or personal property as may be necessary or desirable in connection with the acquisition, construction, improvement, operation or maintenance of a system by the authority, including public roads and other property already devoted to public use.

Code 1950, § 15-764.12; 1950, p. 1318; 1954, c. 554; 1958, cc. 400, 402; 1960, c. 430; 1962, cc. 130, 623, § 15.1-1250; 1968, cc. 355, 556; 1970, cc. 444, 617; 1972, c. 161; 1979, c. 280; 1980, c. 159; 1981, c. 610; 1983, c. 422; 1984, c. 554; 1994, c. [477](#); 1997, cc. [527](#), [573](#), 587; 2009, c. [473](#).

#### **§ 15.2-5149. Interference with railroad structures**

Whenever any railroad tracks, pipes, poles, wires, conduits or other structures or facilities which are located in, along, across, over or under any public road, street, highway, alley or other public right-of-way become an obstruction to, interfere with or are endangered by the construction, operation or maintenance of any system of the authority, the unit having ownership, control or jurisdiction over such public road, street, highway, alley or other public right-of-way may, as the exercise of an essential governmental function, order the safeguarding, maintaining, relocating, rebuilding, removing or replacing of such railroad tracks, pipes, poles, wires, conduits or other structures or facilities by the owner thereof at the expense of the authority, subject to the provisions of § [25.1-102](#).

Code 1950, § 15-764.12; 1950, p. 1318; 1954, c. 554; 1958, cc. 400, 402; 1960, c. 430; 1962, cc. 130, 623, § 15.1-1250; 1968, cc. 355, 556; 1970, cc. 444, 617; 1972, c. 161; 1979, c. 280; 1980, c. 159; 1981, c. 610; 1983, c. 422; 1984, c. 554; 1994, c. [477](#); 1997, c. 587.

#### **§ 15.2-5150. Creating or joining more than one authority**

No governing body that is a member of an authority, shall create or join with any other governing

body in the creation of another authority or join another authority if the latter authority would duplicate the services being performed in any part of the areas being served by the authority of which the governing body is a member.

Code 1950, § 15-764.13; 1950, p. 1321; 1958, c. 402; 1962, c. 623, § 15.1-1251; 1968, c. 355; 1997, c. 587.

#### **§ 15.2-5151. Water utilities may act as billing agents**

Any public utility supplying water to the owners, lessees or tenants of real estate which is or will be served by any sewer or sewage disposal system of an authority may act as the billing and collecting agent of the authority for any rates, fees, rents or charges imposed by the authority for the service rendered by such sewer or sewage disposal system. Such water utility shall furnish to the authority copies of its regular periodic meter reading and water consumption records and other pertinent data as may be required for the authority to act as its own billing and collecting agent. The authority shall pay to the water utility the reasonable additional cost of clerical services and other expenses incurred by the water utility in rendering such services to the authority. Upon the inability of the authority and the water utility to agree upon the terms and conditions under which the water utility will act as the billing and collecting agent of the authority, either or both may petition the State Corporation Commission for a determination of the terms and conditions under which the water company shall act as the billing and collecting agent of the authority. If the water utility acts as the billing and collecting agent of an authority it shall set forth separately on its bills the rates, fees or charges imposed by the authority. However, both the water and sewage disposal charges shall be payable to and collected by the water utility, and payment of either shall be refused unless both are paid. The authority shall pay to the water utility the cost of shutting off any water service on account of nonpayment of the sewage disposal charge. In the event of such discontinuance of water service the water service shall not be reestablished until the sewage disposal charge has been paid.

Code 1950, § 15-764.12; 1950, p. 1318; 1954, c. 554; 1958, cc. 400, 402; 1960, c. 430; 1962, cc. 130, 623, § 15.1-1250; 1968, cc. 355, 556; 1970, cc. 444, 617; 1972, c. 161; 1979, c. 280; 1980, c. 159; 1981, c. 610; 1983, c. 422; 1984, c. 554; 1994, c. [477](#); 1997, c. 587.

#### **§ 15.2-5152. Localities may consider petitions for creation of authority**

A. Any city may consider petitions for the creation of community development authorities in accordance with this article.

B. Any town may by ordinance elect to assume the power to consider petitions for the creation of community development authorities in accordance with this article. A public hearing shall be held on such ordinance.

C. Any county may by ordinance elect to assume the power to consider petitions for the creation of community development authorities in accordance with this article. A public hearing shall be held on such ordinance.

D. Notwithstanding any other provision of law, community development authorities shall be created pursuant to this Article and the provisions of §§ [15.2-5103](#) and [15.2-5107](#) through [15.2-5111](#).

Code 1950, § 15-764.3; 1950, p. 1315; 1962, c. 623, § 15.1-1241; 1972, c. 370; 1973, c. 478; 1993, c. 850; 1995, c. [402](#); 1996, c. [897](#); 1997, c. 587; 2003, c. [712](#); 2005, c. [547](#); 2009, c. [473](#).

### **§ 15.2-5153. Landowners may petition localities**

The owner or owners of at least 51 percent of the land area or assessed value of land in any tract or tracts of land in any locality or localities may petition the locality or localities in which the tract or tracts are located for the creation of a community development authority, provided that before the creation of a community development authority in any town or county, the town or county has elected to consider petitions to create community development authorities pursuant to the applicable provisions of § 15.2-5152. Any petition for the creation of a community development authority in multiple tracts which are not contiguous shall be signed by the owner or owners of at least 51 percent of the land area or assessed value of land in each such non-contiguous tract.

Code 1950, § 15-764.3; 1950, p. 1315; 1962, c. 623, § 15.1-1241; 1972, c. 370; 1973, c. 478; 1993, c. 850; 1995, c. 402; 1996, c. 897; 1997, c. 587; 2003, c. 443; 2005, c. 547; 2009, c. 473.

### **§ 15.2-5154. Contents of petition**

A petition for the creation of a community development authority shall:

1. Set forth the name and describe the boundaries of the proposed district, including any provisions for adjusting the community development authority district boundaries pursuant to subsection A of § 15.2-5155;
2. Describe the services and facilities proposed to be undertaken by the community development authority within the district;
3. Describe a proposed plan for providing and financing such services and facilities within the district;
4. Describe the benefits which can be expected from the provision of such services and facilities by the community development authority;
5. Provide that the board members of the community development authority shall be selected under the applicable provisions of § 15.2-5113; and
6. Request the local governing body to establish the proposed community development authority for the purposes set forth in the petition.

Such petition may provide that the board members of the community development authority appointed pursuant to § 15.2-5113 shall consist of a majority of the petitioning landowners or their designees or nominees.

Code 1950, § 15-764.3; 1950, p. 1315; 1962, c. 623, § 15.1-1241; 1972, c. 370; 1973, c. 478; 1993, c. 850; 1995, c. 402; 1996, c. 897; 1997, c. 587; 2009, c. 473.

### **§ 15.2-5155. Ordinance or resolution creating authority**

A. Any locality authorized to consider petitions under this article may, by ordinance or resolution not inconsistent with the petition proposing the creation of the authority, create a community development authority, a public body politic and corporate and political subdivision of the Commonwealth. Community development authorities proposed for districts that are within any two or more localities may be formed by concurrent ordinances of each locality, and such localities may contract with one another for administration of the authority. If the boundaries of the proposed community development authority district are located wholly in a town, the owner



or owners shall petition the town and need not petition the county and the town may create the authority without action by the county. If the petition for the creation of a community development authority so provides, the ordinance or resolution creating the community development authority may provide for the locality at any time after the creation of the community development authority to adjust the boundaries of the community development authority district to exclude certain land as long as the owners of at least 51 percent of the land area or assessed value of land remaining in the community development authority district after the adjustment petitioned for the creation of the community development authority.

B. An ordinance or resolution creating a community development authority shall not permit the community development authority to provide services which are provided by, or are obligated to be provided by, any authority already in existence whose charter requires or permits service within the proposed community development district, unless the existing authority first certifies to the governing body that the services provided by the proposed community development authority will not have a negative impact upon the existing authority's operational or financial condition. Such certification shall not be unreasonably withheld by the existing authority.

Code 1950, § 15-764.3; 1950, p. 1315; 1962, c. 623, § 15.1-1241; 1972, c. 370; 1973, c. 478; 1993, c. 850; 1995, c. [402](#); 1996, c. [897](#); 1997, c. 587; 2003, c. [712](#); 2009, c. [473](#).

#### **§ 15.2-5156. Hearing; notice**

A. An ordinance or resolution creating a community development authority shall not be adopted or approved until a public hearing has been held by the governing body on the question of its adoption or approval. Notice of the public hearing shall be published three times in a newspaper of general circulation within the locality, with the first notice appearing no more than 35 days before and the third notice appearing no less than seven days before the hearing. The petitioning landowners shall bear the expense of publishing the notice.

B. After the public hearing and before adoption of the ordinance or resolution, the local governing body shall mail a true copy of its proposed ordinance or resolution creating the development authority to the petitioning landowners or their attorney in fact. Unless waived in writing, any petitioning landowner shall have thirty days from mailing of the proposed ordinance or resolution in which to withdraw his signature from the petition in writing prior to the vote of the local governing body on such ordinance or resolution. If any signatures on the petition are so withdrawn, the local governing body may pass the proposed ordinance or resolution only upon certification by the petitioners that the petition continues to meet the requirements of § [15.2-5152](#). If all petitioning landowners waive the right to withdraw their signatures from the petition, the local governing body may adopt the ordinance or resolution upon compliance with the provisions of subsection A and any other applicable provisions of law.

Code 1950, § 15-764.3; 1950, p. 1315; 1962, c. 623, § 15.1-1241; 1972, c. 370; 1973, c. 478; 1993, c. 850; 1995, c. [402](#); 1996, c. [897](#); 1997, c. [587](#); 1998, c. [188](#); 2023, cc. [506](#), [507](#); 2024, cc. [225](#), [242](#).

#### **§ 15.2-5157. Recording in land records**

The local governing body, upon approving the resolution or ordinance creating the district, shall direct that a copy of the resolution or ordinance be recorded in the land records of the circuit court for the locality in which the district is located for each parcel included in the district and be noted on the land books of the locality. For the purposes of this section, "parcel" is defined as tax map parcel.

Code 1950, § 15-764.3; 1950, p. 1315; 1962, c. 623, § 15.1-1241; 1972, c. 370; 1973, c. 478; 1993, c. 850; 1995, c. [402](#); 1996, c. [897](#); 1997, c. 587.

### **§ 15.2-5158. Additional powers of community development authorities**

A. Each community development authority created under this article, in addition to the powers provided in Article 3 (§ [15.2-5110](#) et seq.) of Chapter 51 of this title, may:

1. Subject to any statutory or regulatory jurisdiction and permitting authority of all applicable governmental bodies and agencies having authority with respect to any area included therein, finance, fund, plan, establish, acquire, construct or reconstruct, enlarge, extend, equip, operate, and maintain the infrastructure improvements enumerated in the ordinance or resolution establishing the district, as necessary or desirable for development or redevelopment within or affecting the district or to meet the increased demands placed upon the locality as a result of development or redevelopment within or affecting the district, including, but not limited to:
  - a. Roads, bridges, parking facilities, curbs, gutters, sidewalks, traffic signals, storm water management and retention systems, gas and electric lines and street lights within or serving the district which meet or exceed the specifications of the locality in which the roads are located.
  - b. Parks and facilities for indoor and outdoor recreational, cultural and educational uses; entrance areas; security facilities; fencing and landscaping improvements throughout the district.
  - c. Fire prevention and control systems, including fire stations, water mains and plugs, fire trucks, rescue vehicles and other vehicles and equipment.
  - d. School buildings and related structures, which may be leased, sold or donated to the school district, for use in the educational system when authorized by the local governing body and the school board.
  - e. Infrastructure and recreational facilities for age-restricted active adult communities, and any other necessary infrastructure improvements as provided above, with a minimum population approved under local zoning laws of 1,000 residents. Such development may include security facilities and systems or measures which control or restrict access to such community and its improvements.
2. Issue revenue bonds of the development authority as provided in § [15.2-5125](#), including but not limited to refunding bonds, subject to such limitation in amount, and terms and conditions regarding capitalized interest, reserve funds, contingent funds, and investment restrictions, as may be established in the ordinance or resolution establishing the district, for all costs associated with the improvements enumerated in subdivision 1 of this subsection. Such revenue bonds shall be payable solely from revenues received by the development authority. The revenue bonds issued by a development authority shall not require the consent of the locality, except where consent is specifically required by the provisions of the resolution authorizing the collection of revenues and/or the trust agreement securing the same, and shall not be deemed to constitute a debt, liability, or obligation of any other political subdivision, and shall not impact upon the debt capacity of any other political subdivision.
3. Request annually that the locality levy and collect a special tax on taxable real property within the development authority's jurisdiction to finance the services and facilities provided by the authority. Notwithstanding the provisions of Article 4 (§ [58.1-3229](#) et seq.) of Chapter 32 of Title

58.1, any such special tax imposed by the locality shall be levied upon the assessed fair market value of the taxable real property. Unless requested by every property owner within the proposed district, the rate of the special tax shall not be more than \$.25 per \$100 of the assessed fair market value of any taxable real estate or the assessable value of taxable leasehold property as specified by § 58.1-3203. The proceeds of the special taxes collected shall be kept in a separate account and be used only for the purposes provided in this chapter. All revenues received by the locality from such special tax shall be paid over to the development authority for its use pursuant to this chapter subject to annual appropriation. No other funds of the locality shall be loaned or paid to the development authority without the prior approval of the local governing body.

4. Provide special services, including: garbage and trash removal and disposal, street cleaning, snow removal, extra security personnel and equipment, recreational management and supervision, and grounds keeping.

5. Finance the services and facilities it provides to abutting property within the district by special assessment thereon imposed by the local governing body. All assessments pursuant to this section shall be subject to the laws pertaining to assessments under Article 2 (§ 15.2-2404 et seq.) of Chapter 24; provided that any other provision of law notwithstanding, (i) the taxes or assessments shall not exceed the full cost of the improvements, including without limitation the legal, financial and other directly attributable costs of creating the district and the planning, designing, operating and financing of the improvements which include administration of the collection and payment of the assessments and reserve funds permitted by applicable law; (ii) the taxes or assessments may be imposed upon abutting land which is later subdivided in accordance with the terms of the ordinance forming the district, in amounts which do not exceed the peculiar benefits of the improvements to the abutting land as subdivided; and (iii) the taxes or assessments may be made subject to installment payments for up to 40 years in an amount calculated to cover principal, interest and administrative costs in connection with any financing by the authority, without a penalty for prepayment. Notwithstanding any other provision of law, any assessments made pursuant to this section may be made effective as a lien upon a specified date, by ordinance, but such assessments may not thereafter be modified in a manner inconsistent with the terms of the debt instruments financing the improvements. All assessments pursuant to this section may also be made subject to installment payments and other provisions allowed for local assessments under this section or under Article 2 of Chapter 24. All revenues received by the locality pursuant to any such special assessments which the locality elects to impose upon request of the development authority shall be paid over to the development authority for its use under this chapter, subject to annual appropriation, and may be used for no other purposes.

6. Fix, charge, and collect rates, fees, and charges for the use of, or the benefit derived from, the services and/or facilities provided, owned, operated, or financed by the authority benefiting property within the district. Such rates, fees, and charges may be charged to and collected by such persons and in such manner as the authority may determine from (i) any person contracting for the services or using the facilities and/or (ii) the owners, tenants, or customers of the real estate and improvements that are served by, or benefit from the use of, any such services or facilities, in such manner as shall be authorized by the authority in connection with the provision of such services or facilities.

7. Purchase development rights that will be dedicated as easements for conservation, open space or other purposes pursuant to the Open-Space Land Act (§ 10.1-1700 et seq.). For purposes of

this subdivision, "development rights" means the level and quantity of development permitted by the zoning ordinance expressed in terms of housing units per acre, floor area ratio or equivalent local measure. An authority shall not use the power of condemnation to acquire development rights.

8. Subject to any statutory or regulatory jurisdiction and permitting authority of all applicable governmental bodies and agencies having authority with respect to any area included therein, finance and fund the acquisition of land within the district. All financing authority and methods provided by subsections 2, 3, 4, 5, 6, and 7 shall be permitted for the acquisition of land as provided herein.

9. Any special tax levied pursuant to subdivision 3 and any special assessment imposed pursuant to subdivision 5, whether previously or hereafter levied or imposed, constitute a lien on real estate ranking on parity with real estate taxes, and any such delinquent special tax or delinquent special assessment may be collected in accordance with the procedures set forth in Article 4 (§ [58.1-3965](#) et seq.) of Chapter 39 of Title 58.1, provided that the enforcement of the lien for any special assessment under subdivision 5 made subject to installment payments shall be limited to the installment payments due or past due at the time the lien is enforced through sale in accordance with Article 4 (§ [58.1-3965](#) et seq.) of Chapter 39 of Title 58.1, and any sale to enforce payment of any delinquent taxes, assessments, or other levies shall not extinguish installment payments that are not yet due.

B. Nothing contained in this chapter shall relieve the local governing body of its general obligations to provide services and facilities to the district to the same extent as would otherwise be provided were the district not formed.

1993, c. 850, § 15.1-1250.03; 1995, c. [402](#); 1997, cc. [363](#), 587; 2000, cc. [724](#), [747](#); 2004, c. [637](#); 2005, c. [547](#); 2009, c. [473](#); 2015, c. [39](#).

#### **§ 15.2-5159. Validation of creation of authorities; bonds issued**

All proceedings heretofore taken with respect to the creation of a community development authority by any locality pursuant to this chapter are hereby presumed to be valid and all such authorities are presumed to be legally created. All proceedings heretofore taken by any community development authority with respect to the authorization, issuance, sale, execution, delivery, and repayment of bonds by any community development authority are presumed to be valid, and any such bonds so issued are presumed valid and legal obligations of such community development authority, enforceable in accordance with law.

2009, c. [473](#).

## VIRGINIA WATER & WASTE AUTHORITIES ACT<sup>1</sup>

Topic/Issue		Description	Code Section(s)
Creation		Outlines process for creation of authorities by resolution of locality's governing body <sup>2</sup>	§ 15.2-5102(A)
Articles of Incorporation	Content	Identifies essential elements	§ 15.2-5103
	Amendment	Follow same procedure as creation	§ 15.2-5110
	Filing Requirement	File with State Corporation Commission (SCC)	§ 15.2-5107
	Charter	SCC issues charter	§ 15.2-5108
Official Name		Must contain the word "authority"	§ 15.2-5102(A)
Official Seal		Authority maintains discretion to adopt & alter	§ 15.2-5114(3)
Corporate Existence		50 years; can be extended by City in 50-year increments	§ 15.2-5114(1)
Local Government Type		Public body politic & corporate; political subdivision of VA; can sue & be sued	§ 15.2-5102(A) § 15.2-5114(5)
Purpose		Instrumentality exercising public & essential governmental functions to provide for the public health & welfare	§ 15.2-5114
Authority Powers	System	Can acquire, purchase, lease, construct, reconstruct, improve, extend, operate & maintain any water or sewer system or combination of systems within, outside, or partly within & partly outside the locality that created the authority	§ 15.2-5114(6)
	Bylaws	Can adopt, amend, or repeal bylaws & rules consistent with state law	§ 15.2-5114(2)
	Property	Can acquire by gift or purchase; can sell, lease, transfer or dispose of all or any part of any property, real, personal or mixed; authority can grant security interests in its personal property	§ 15.2-5114(6)
	Eminent Domain	Can exercise eminent domain subject to procedural requirements & just compensation	§ 15.2-5114(6)
	Intellectual Property	Can create, own, sell & license intellectual property related to operations	§ 15.2-5114(16)
	Bonds	Can issue revenue bonds payable from system revenues to finance projects	§ 15.2-5114(7) § 15.2-5125

<sup>1</sup> AlexRenew's enabling statute is the [Virginia Water and Waste Authorities Act](#), which establishes the framework for the creation, powers, and operations of authorities.

<sup>2</sup> For AlexRenew, the "locality" is the City of Alexandria; the locality's governing body is the City Council. "Locality" and "City" are used interchangeably in this table.



Topic/Issue		Description	Code Section(s)
Powers (continued)	Borrowing	Can borrow money & issue bonds or notes; political subdivisions may lend to authority	§ 15.2-5114(9)
	Contracts & Agreements	Can enter into contracts/agreements with governmental agencies, private entities & individuals to carry out their functions effectively	§ 15.2-5114(11)
	Out-of-state projects	Can contract for projects located out of state	§ 15.2-5114(12)
	Billing Agent	Can act as a billing & collecting agent for other entities	§ 15.2-5114(14)
	Fiber Optics	Can install, own & lease pipes or conduits for fiber optic cables, provided they are available to providers on a nondiscriminatory basis	§ 15.2-5114(15)
Board	Appointment	Each authority is governed by a board of directors appointed by the creating locality	§ 15.2-5103
	Composition	Five (5) members	§ 15.2-5113(A)(1)
	Officers	Board elects a chairman & may appoint a secretary & treasurer, who need not be Board members; offices of secretary & treasurer may be combined	§ 15.2-5113(A)(1)
	Term/ Reappointment	Each term must be four (4) years or less; members can be reappointed	§ 15.2-5113(A)(1)
	Quorum	A majority of board members constitutes a quorum; decisions require a majority vote. Bylaws can provide mechanisms to resolve tie votes or deadlocked issues	§ 15.2-5113(B)
	Vacancy	No vacancy shall impair the right of a quorum. If a vacancy occurs, City Council shall appoint a successor to fill the unexpired term	§ 15.2-5113(C)
	Responsibilities	Manage affairs, including adopting bylaws, approving budgets & overseeing operations	§ 15.2-5114(2)
	Appoint CEO	Appoint a chief administrative/executive officer who shall serve at pleasure of Board; shall execute/enforce Board orders/resolutions & perform delegated duties	§ 15.2-5113(E)
Finance	Means	Authorized to finance operations & capital projects through various means, including revenue bonds, loans, grants & user fees	§ 15.2-5114
	Tax Exempt	Not required to pay taxes or assessments for any system acquired or constructed. Bonds, including any profit made on their sale, is free from taxation	§ 15.2-5132
Finance – Bonds	Purpose	Revenue bonds can be issued to pay all or part of the cost of a system or facility	§ 15.2-5125
	Payment	Bond principal & interest are payable solely from revenue generated by the system or facility; bonds do not involve pledging the full faith & credit of any political subdivision	§ 15.2-5127 § 15.2-5131

Topic/Issue		Description	Code Section(s)
Finance – Bonds (continued)	Rates	Must be sufficient to (i) pay cost of maintaining, repairing & operating systems/facilities funded by bonds, (ii) pay principal & interest on bonds (iii) provide a margin of safety for making such payments	§ 15.2-5136(A)
	Terms	May set terms for bonds, including maturity dates (up to 40 years), interest rates, redemption conditions & other provisions before issuance	§ 15.2-5125
	Form & Execution	Can be issued in various forms (coupon, bearer, registered); must be properly executed by authority's officers; if officer leaves office before delivery, signature valid	§ 15.2-5125
	Sale	Can be sold publicly or privately; sale price based on best interests of authority & political subdivisions involved	§ 15.2-5125
	Investment	Bonds are legal and appropriate investments for a wide range of VA-based entities	§ 15.2-5144
Rate Setting	Overview/Late Fees	May set rates, fees, & penalties (up to 10% on delinquent accounts) for services & facilities. Rates must be sufficient to cover expenses necessary or properly attributable to furnishing the class of services for which the charges are made including operation, maintenance, debt service & reserves for system expansion	§ 15.2-5136(A)(B)(C)(D)
	Just/ Equitable/ Fair/ Reasonable	Rates must be just, equitable, fair & reasonable; must be reviewed periodically; connection fees must be fair & reasonable	§ 15.2-5136(C)(D)
	Factors	Rates may be based on water usage, number of connections, fixtures, population, property type, or combination of these factors	§ 15.2-5136(C) § 15.2-5114(10)
	Public Hearing	Before setting or changing rates, public hearing must be held with proper public notice; rates can be adopted following hearing; new properties within same class as existing ones are charged without public notice/hearing	§ 15.2-5136(G)(H)
	Schedule Filing	Final rate schedules must be filed with local clerk & open for inspection	§ 15.2-5136(H)
	Tenants/Lessees	Can establish fees & charges for services provided to tenants/lessees when authorized by owner, with owner ultimately responsible for payment. Services are provided directly to tenants; may require a security deposit from tenant (3-5 months)	§ 15.2-2119.4
Enforcement of Charges/Collection/Credits	Overview	Can enforce charges for services provided & may pursue collection through legal means if a customer fails to pay; can collect from owner if they occupy the property or if a single meter serves multiple units & from lessee/tenant under certain conditions	§ 15.2-5138
	Disconnection of Water Service	Can disconnect water service to customers who fail to pay their bills after complying with notice & procedural requirements	§ 15.2-5138

Topic/Issue		Description	Code Section(s)
	Placement of Liens	May place a lien on customer's property for amount owed on delinquent account after notice and procedural requirements met	§ 15.2-5139 §15.2-2119 & §15.2-2119.4
	Excessive Water Usage Credit	Can give a partial credit for excessive water/sewer charges when high water usage caused by damaged pipes, leaks, accidents, or other intentional/unintentional causes	§ 15.2-2119.1
Use of State Lands		State consents to use of lands owned or controlled by it which are necessary for construction, improvement, operation or maintenance of any water or waste system; except that use of any portion between the right-of-way limits of any primary or secondary highway is subject to approval of Commissioner of Highways	§ 15.2-5146
Locality Powers		City can (1) transfer or lease any part of their systems or property to authority, with or without compensation; (2) enter into agreements for handling sewage, industrial waste, or refuse & allow authority to manage & dispose of materials; (3) contract with authority to shut off water to premises if occupants fail to pay for sewer services	§ 15.2-5147
Railroads		When railroad tracks or similar structures located on public roads or rights-of-way obstruct, interfere with, or are threatened by construction or maintenance of an authority's system, the government entity in control of the public area can order the owner of structures to safeguard, relocate, rebuild, remove, or replace them. Costs are covered by the authority as part of an essential government function	§ 15.2-5149
Duplication of Services in Overlapping Regions		A governing body that is already part of an authority cannot create/join another if the new authority would provide same service in areas already served by existing authority	§ 15.2-5150
Public Water Utility Billing Agent		Public water utility can act as billing & collection agent for a sewer services authority	§ 15.2-5151
Dissolution		May be dissolved by creating localities upon a finding that their purposes have been fulfilled or are no longer necessary	§ 15.2-5109

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[§15.2-5114\(5\)](#)

Locality Powers - [§15.2-5147](#)

### O

Official Name - [§15.2-5102\(A\)](#)

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Out-of-State Projects - [§15.2-5114\(12\)](#)

### P

Penalties - [§15.2-5136\(A\)](#)

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### R

Railroads - [§15.2-5149](#)

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### T

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### U

Use of State Lands - [§15.2-5146](#)

