

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 in advance of the meeting. If you need an interpreter, translator, materials in alternate format or other accommodation, contact the Board Executive Assistant at least three business days prior to the meeting. A recording of the meeting will be posted on alexrenew.com following its conclusion.

No.	Time	Item	Presenter	Action
1.	6:00 p.m.	Call to Order	Chair	
2.	6:02 p.m.	Approval of Agenda	Chair	Motion
3.	6:05 p.m.	Public Comment Period	Chair	
4.	6:10 p.m.	Consent Agenda	Chair	Motion
		a. Minutes from 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 930th 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:

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	February						
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					March						
																					17: Regular Meeting						
																					24-27: Utility Management Conference						
																					TBD: Finance and Audit Committee						
																					TBD: COG CBPC Meeting						
April 2026							May 2026							June 2026							April						
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	May						
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				June						
							31														16: Regular Meeting						

Legend

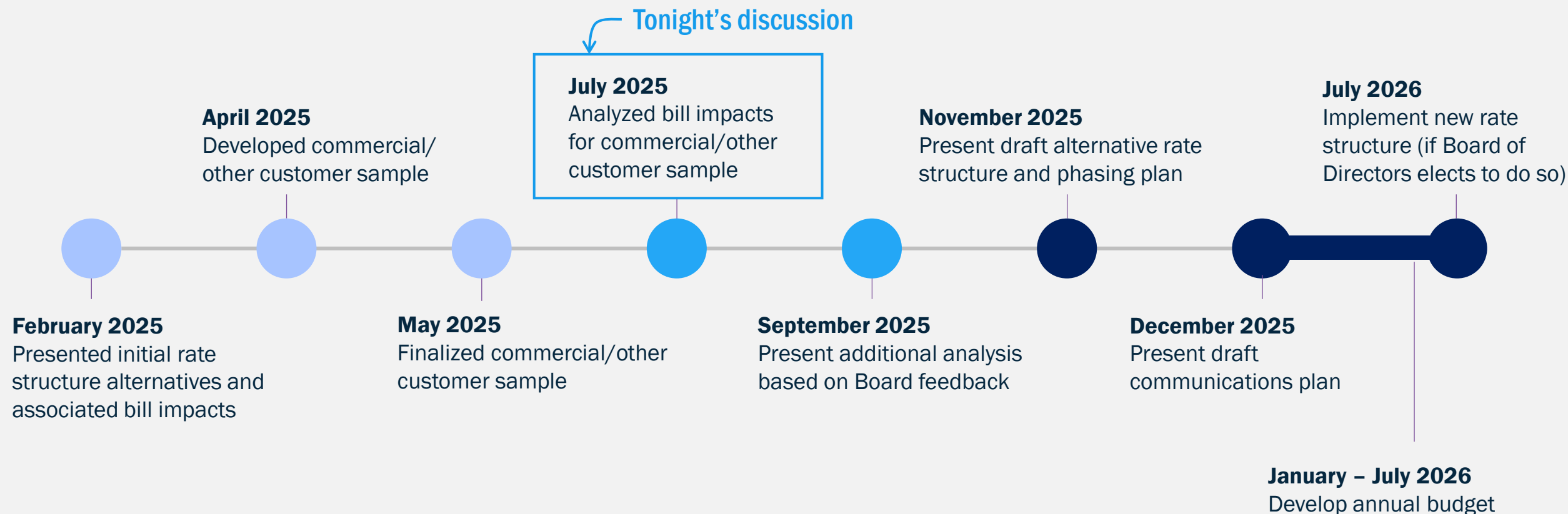
	Board of Directors Meeting
	AlexRenew Observed Holidays
	Finance and Audit Committee
	Governance Committee
	Staff Activities
	Conference



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

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

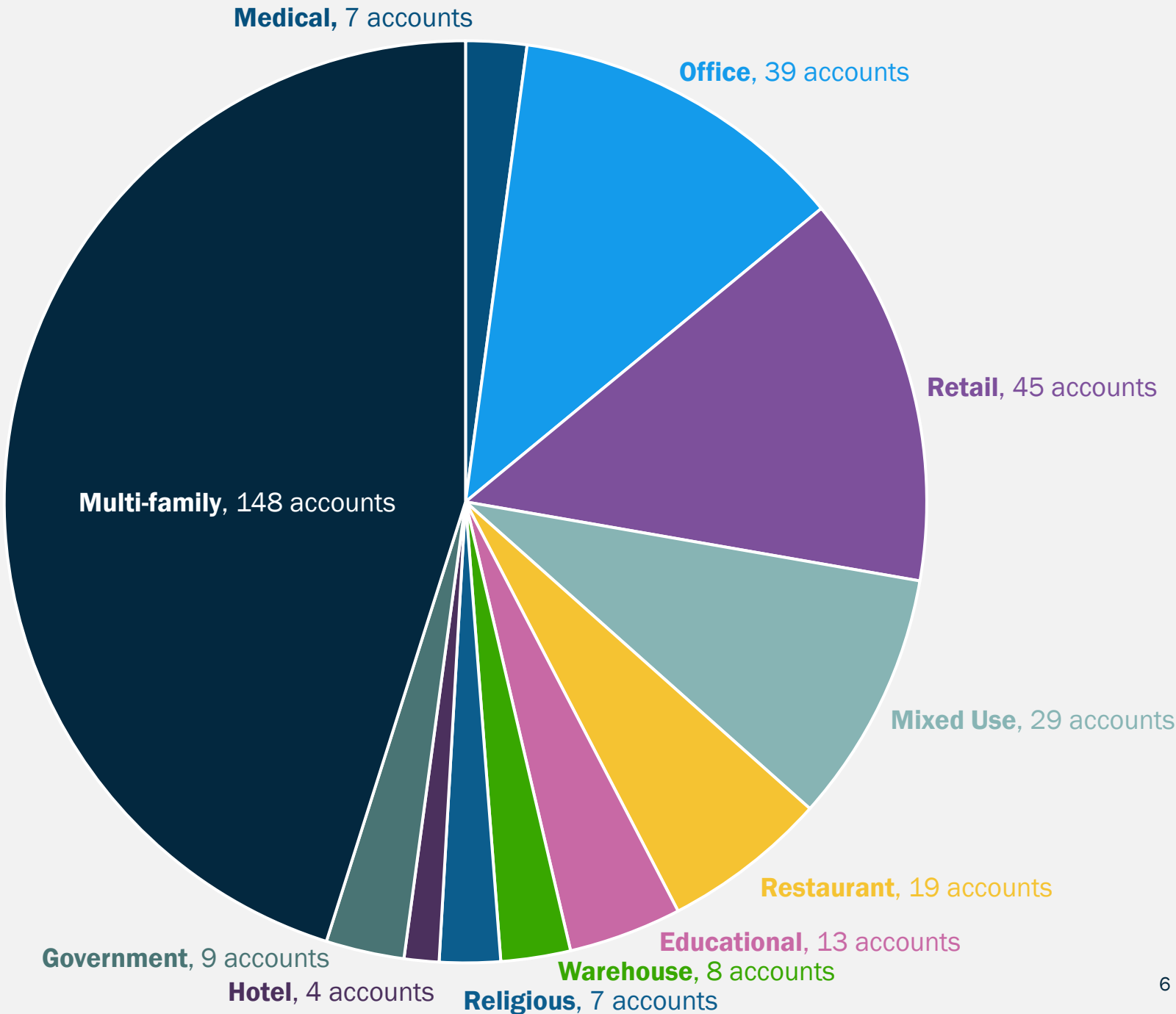
- Commercial and Other Public Agency Customers (3,571)
- Commercial and Other Public Agency Sample (328)

Commercial and Other Public Agency Customer Sample

Commercial and Other Public Agency Sample

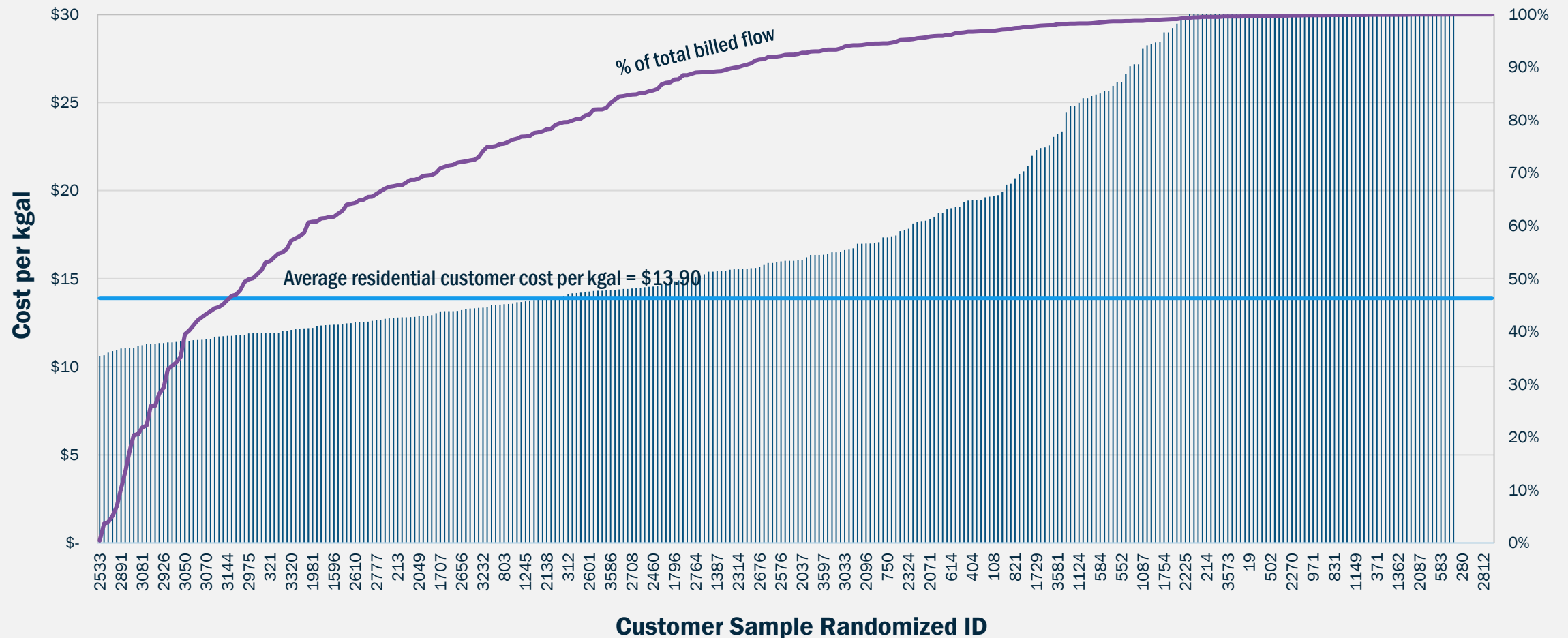
AlexRenew developed a statistically representative sample of the Commercial and Other Public Agency classes to conduct a more detailed bill impact analysis for the proposed alternative rate structures.

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



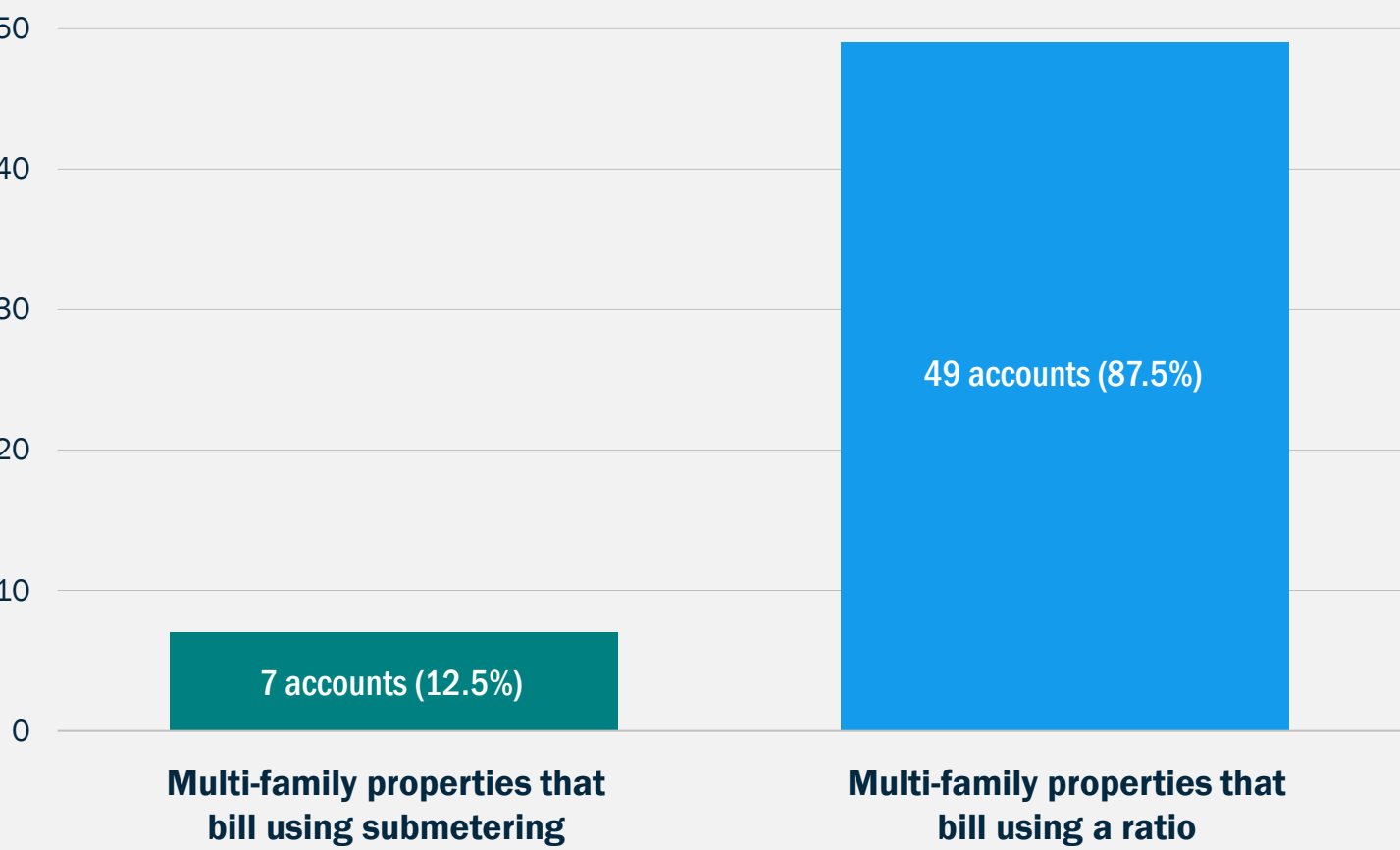
Customer Sample Cost per kgal Distribution

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.



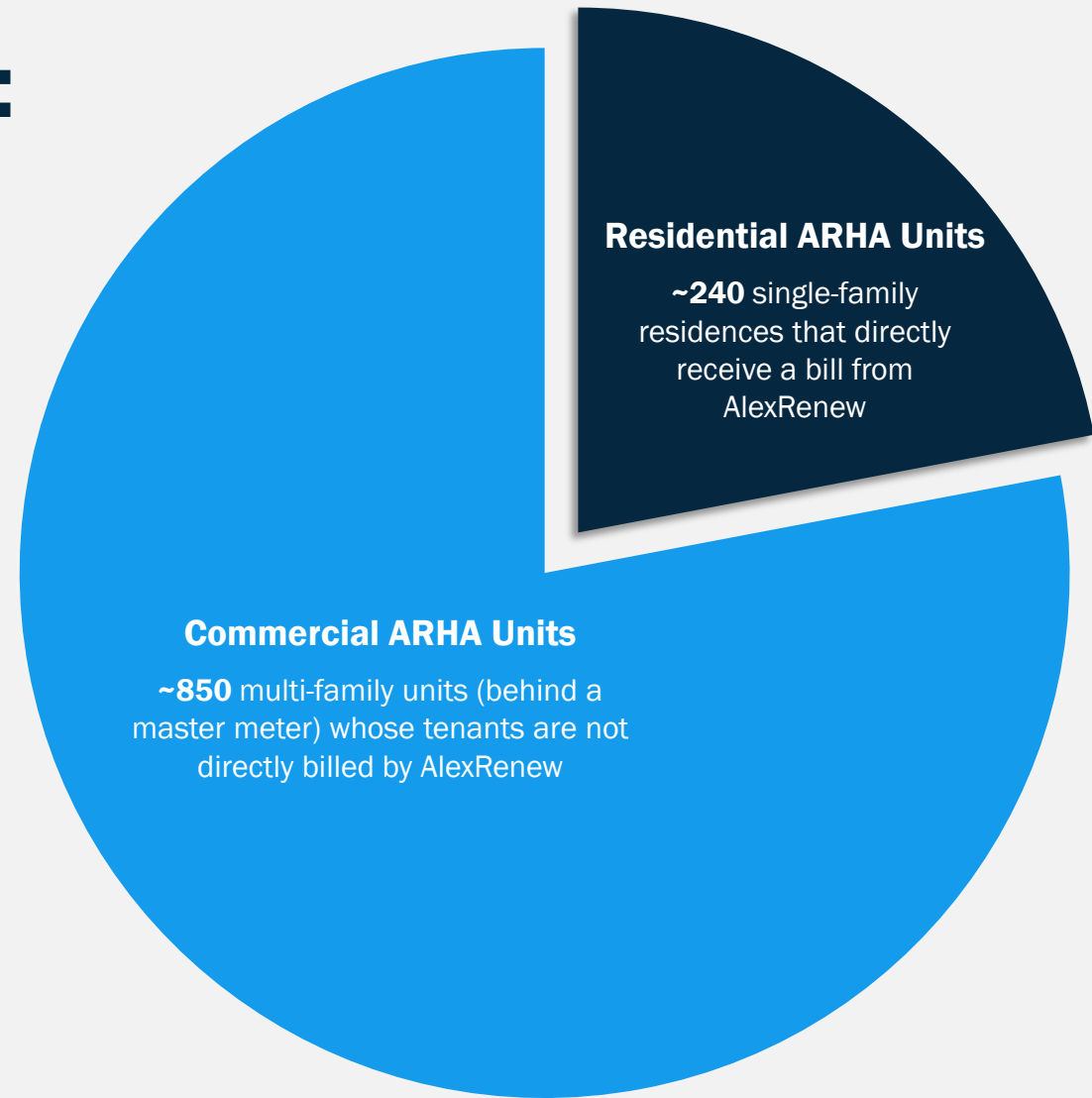
Multi-family billing details based on survey results

- 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 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)

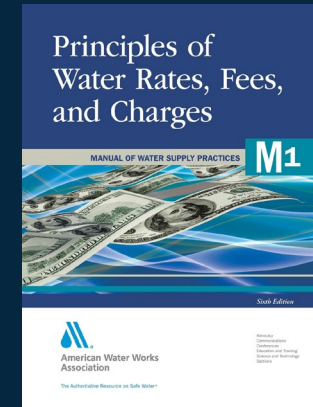
Current Rate Structure

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.

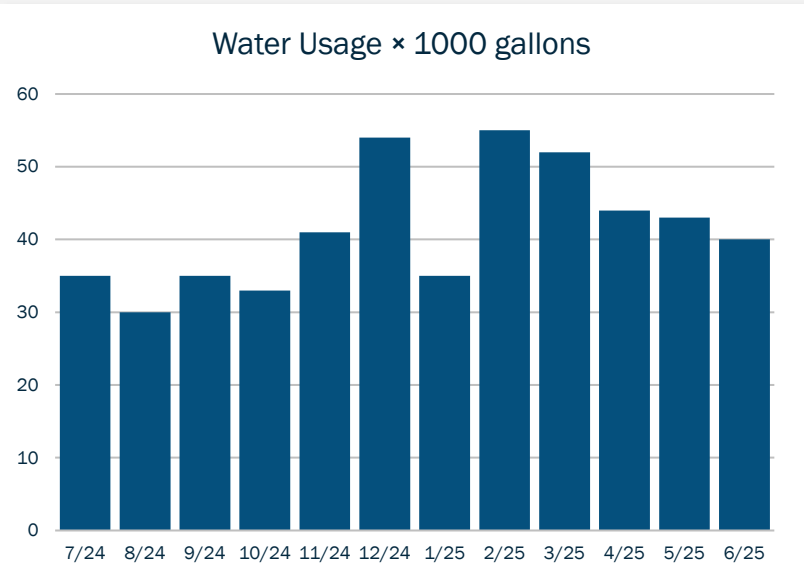
Current Rate Structure

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
Residential	13,700	N/A	\$47.92	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**

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 kgals	41.4 kgals	203.7 kgals
Equivalent Residential Unit	3.5 kgals/ERU	3.5 kgals/ERU	3.5 kgals/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

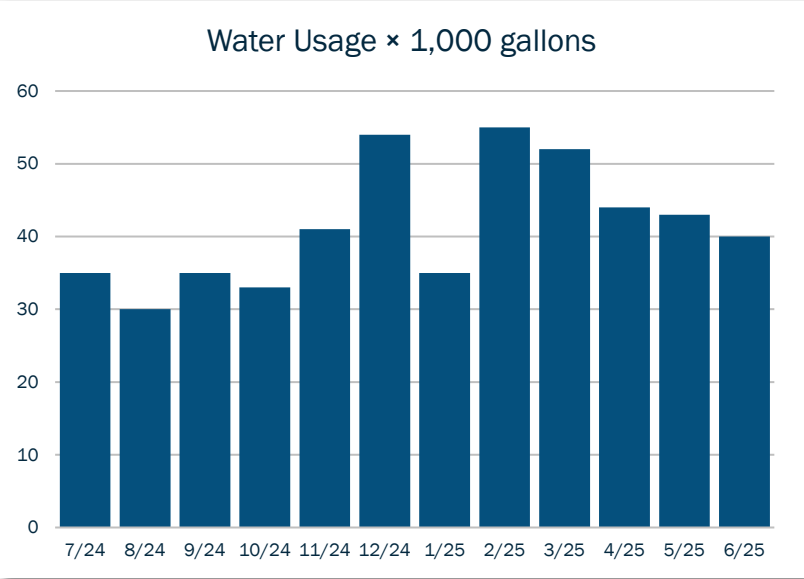
Calculated ERU Base Charge	\$10.89	Monthly Base Charge Revenues divided by Total ERUs
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Equivalent Residential Unit (ERU) Example Bill

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

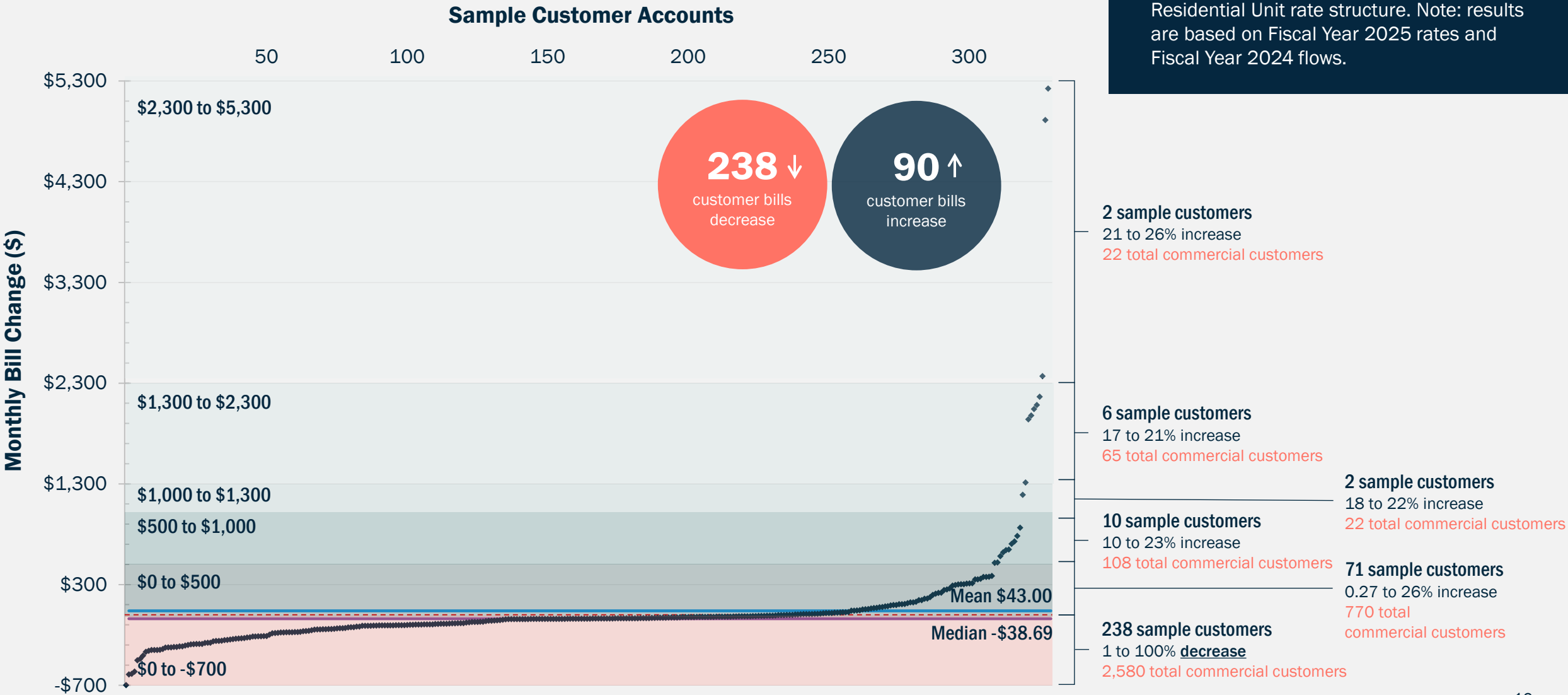
kgal = 1,000 gallons

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%
Residential	13,700	13,700	\$47.92	\$43.46	-\$4.46	-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

Equivalent Residential Unit (ERU) Bill Change S-curve



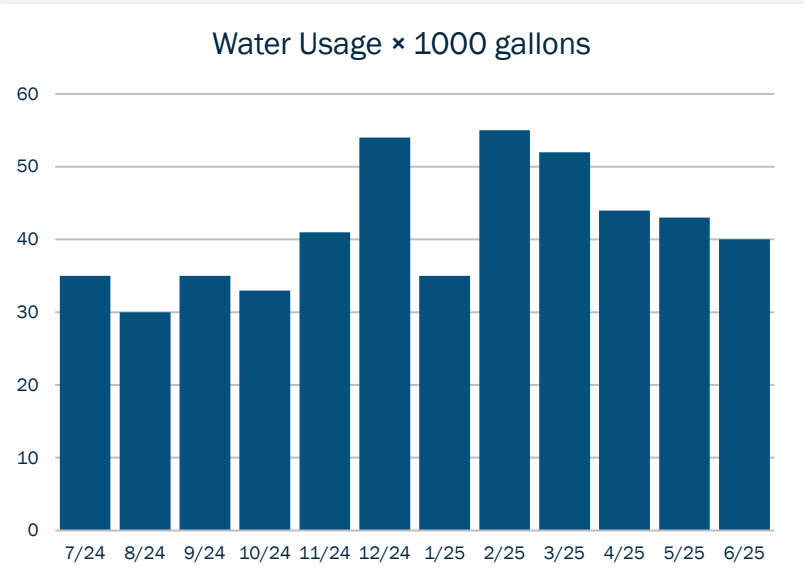
Volumetric Only Rate Structure

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

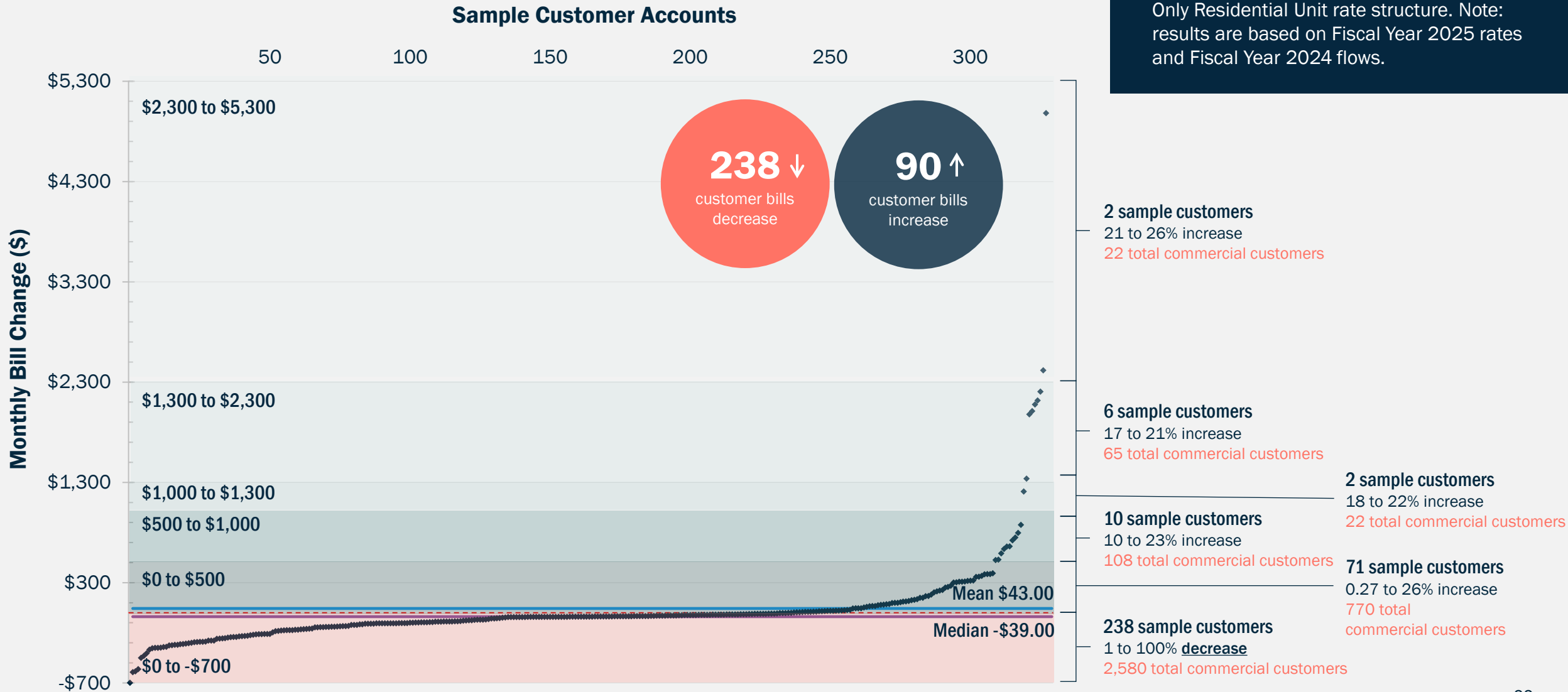
Cost per kgal for all subcategories = \$13.37

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%
Residential	13,700	13,700	\$47.92	\$43.92	-\$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

Volumetric Only Rate Structure

Bill Change S-curve



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
Residential	13,700	\$47.92	\$43.46	(\$4.46)	-9%	\$13.41	\$43.58	(\$4.33)	-9%	\$13.37

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

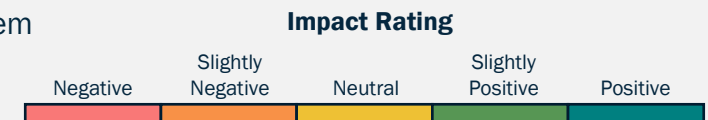
- **Meter size does not matter** in an ERU or volumetric only rate structure – customers are billed based on water usage, improving equitability
- Over **75%** of customer sample monthly bills **decrease** under the ERU and volumetric only rate structure
- The ERU rate structure mimics the volumetric 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





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 \$10,236,572, 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 \$8,189,257 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

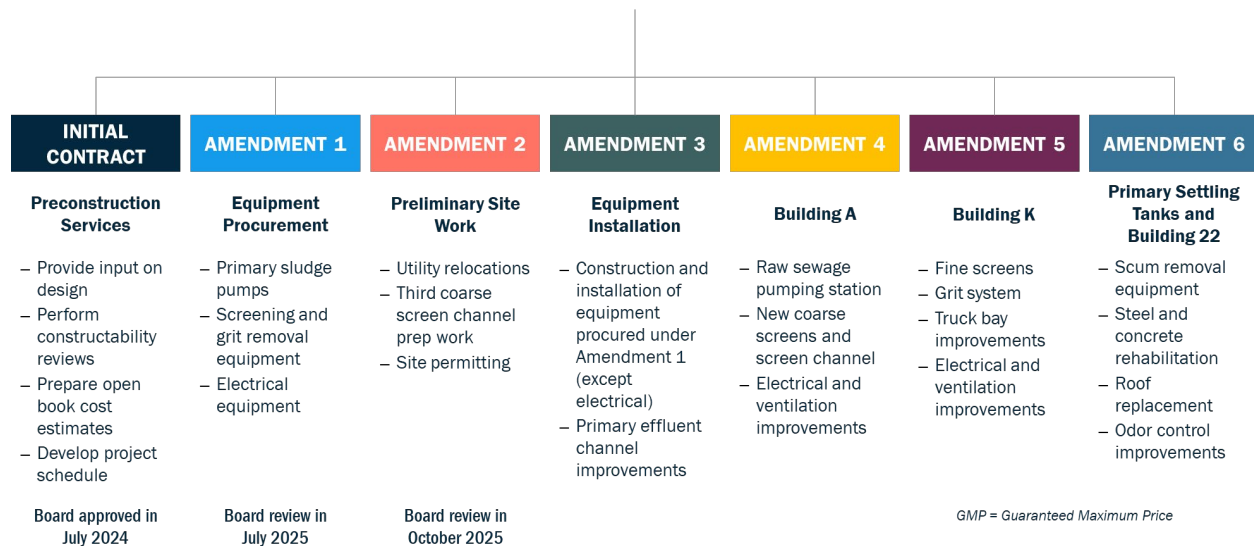


Figure 1. Contractual amendments associated with the Headworks Renewal Project GMP

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 \$8,189,257, which is about 30% 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	\$2,493,504
Grit Separation Equipment	\$292,656
General Conditions (contractor's indirect costs)	\$241,853
Subtotal	\$7,138,385
Contractor's Fee (5 percent)	\$356,919
Bonds and Insurance	\$245,678
Contractor Contingency	\$103,448
Project Contingency (Owner)	\$344,827
Total	\$8,189,257

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>	<i>\$8,189,257</i>
Total		\$23,894,607

This action supports our strategic goal of Operational Excellence.

ACTION TAKEN

Approved:

Disapproved:

Approved with Modification:

Modification(s):

MEMORANDUM

TO: AlexRenew Board of Directors

FROM: Justin Carl, General Manager and CEO

DATE: 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

Account Type	# of Accounts	Total Value	CEO-Authorized Value	Board-Authorized Value
Active	0	\$0	\$0	\$0
Inactive				
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
Totals	356	\$193,944.38	\$75,006.16	\$118,938.22

Table 2. Write-offs for FY2025 customer debt

Account Type	# of Accounts	Total Value	CEO-Authorized Value	Board-Authorized Value
Active	0	\$0	\$0	\$0
Inactive				
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
Totals	159	\$17,004.59	\$17,004.59	\$0

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
Active	0	\$0	\$0	\$0
Inactive				
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
Totals	515	\$210,948.97	\$92,010.75	\$118,938.22

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: _____

Disapproved: _____

Approved with Modification: _____

Modification(s): _____

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

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.

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.

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: _____

Disapproved: _____

Approved with Modification: _____

Modification(s): _____

Modification(s):

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, 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, 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

<u>Step</u>	<u>Criteria</u>	<u>Classification</u>
<u>1</u>	<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>
<u>2</u>	<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>
<u>3</u>	<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>
<u>4</u>	<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

<u>LEAP Funding Source</u>	<u>Description</u>	<u>Classification</u>
<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>

LEAP Funding Source	Description	Classification
Billing services payments	Contractually restricted payments from City of Alexandria under Billing Services Agreement	Non-rate revenue (Step 3)

of

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 4

A. 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.

B. Policy Purpose

The purpose of this Policy is to:

1. Formalize AlexRenew’s Payment Assistance Program (Program), which is designed to help customers maintain access to essential wastewater service while managing 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).

- 1. Payment Plans.** AlexRenew offers interest-free payment plans to help customers manage outstanding account balances over time without reducing the total amount owed.

- a. Eligibility Criteria

- i. The customer’s account must be at least 30 days past due.

- 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.
 - ii. Failure to make a scheduled payment will result in cancellation of the plan and reinstatement of the full balance due.
 - iii. Customers with more than three (3) failed payment plans are no longer eligible to enroll.

- c. Enrollment

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

- 2. 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.

a. Eligibility Criteria

- i. The customer's account must be at least 60 days past due; and
- ii. The past-due balance must be at least \$100, or \$50 if the 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

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

d. Funding

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.

D. Rate and Non-rate Revenue

- 1. Definitions.** For purposes of 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 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

- a. 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.
- b. 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

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

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

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

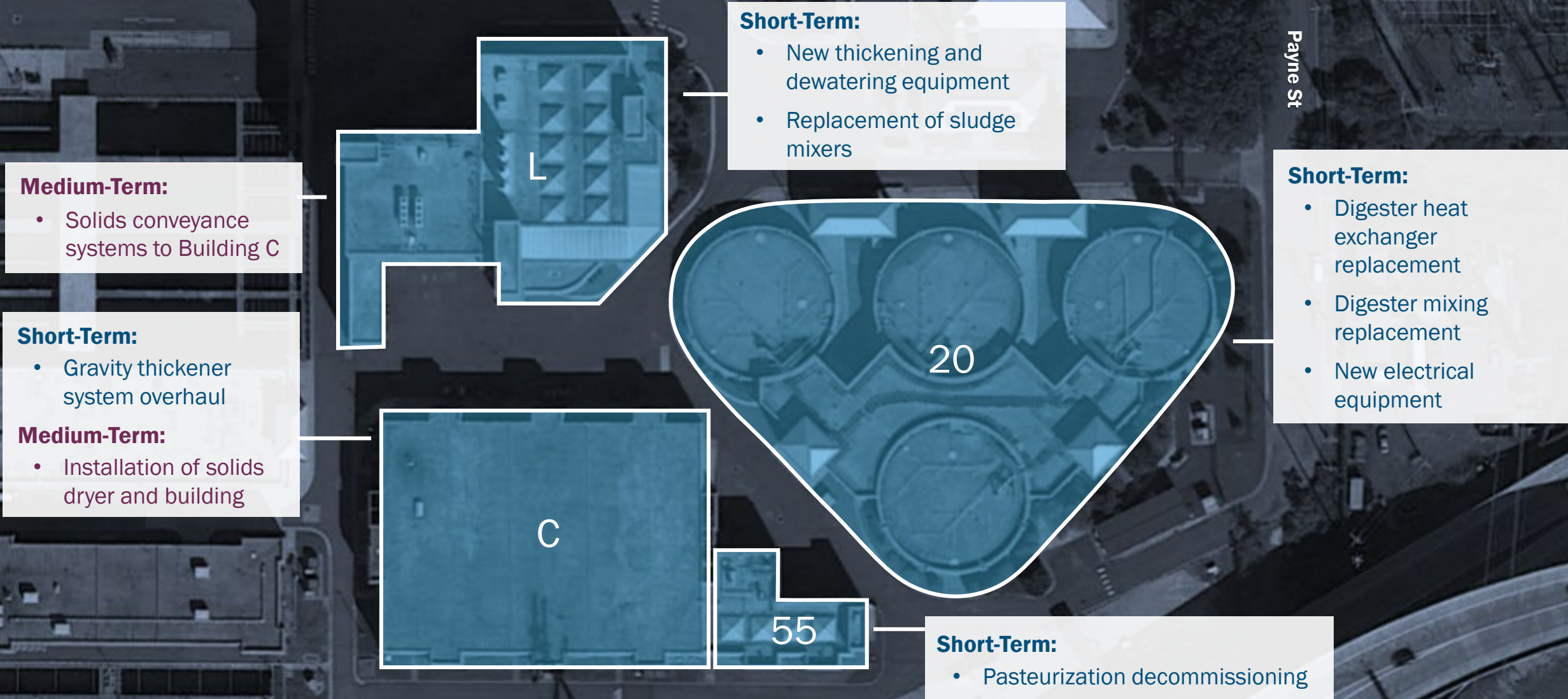
Overview of amendments, cost certainty progression, and capital cost

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

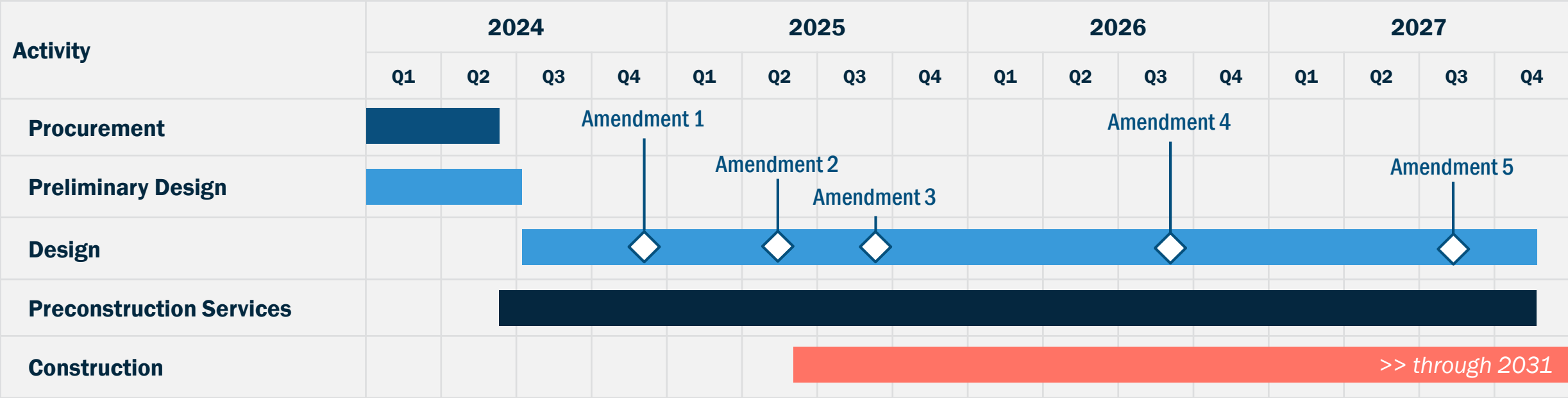


Extensive experience in construction of **solids process upgrades** on active wastewater plants



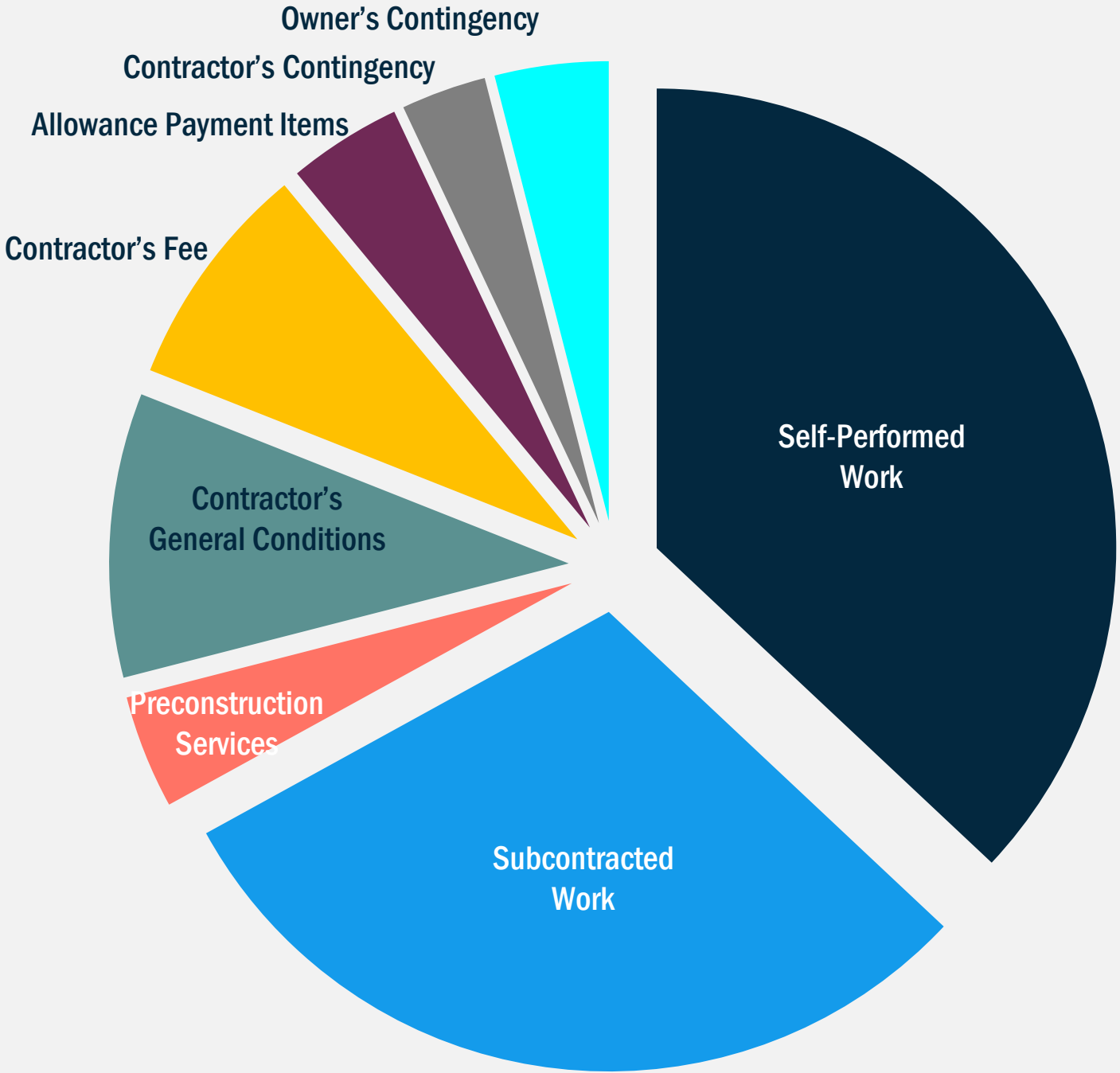
Delivering **CMAR projects** for over 35 years

BIOSOLIDS DIVERSIFICATION PROJECT SCHEDULE

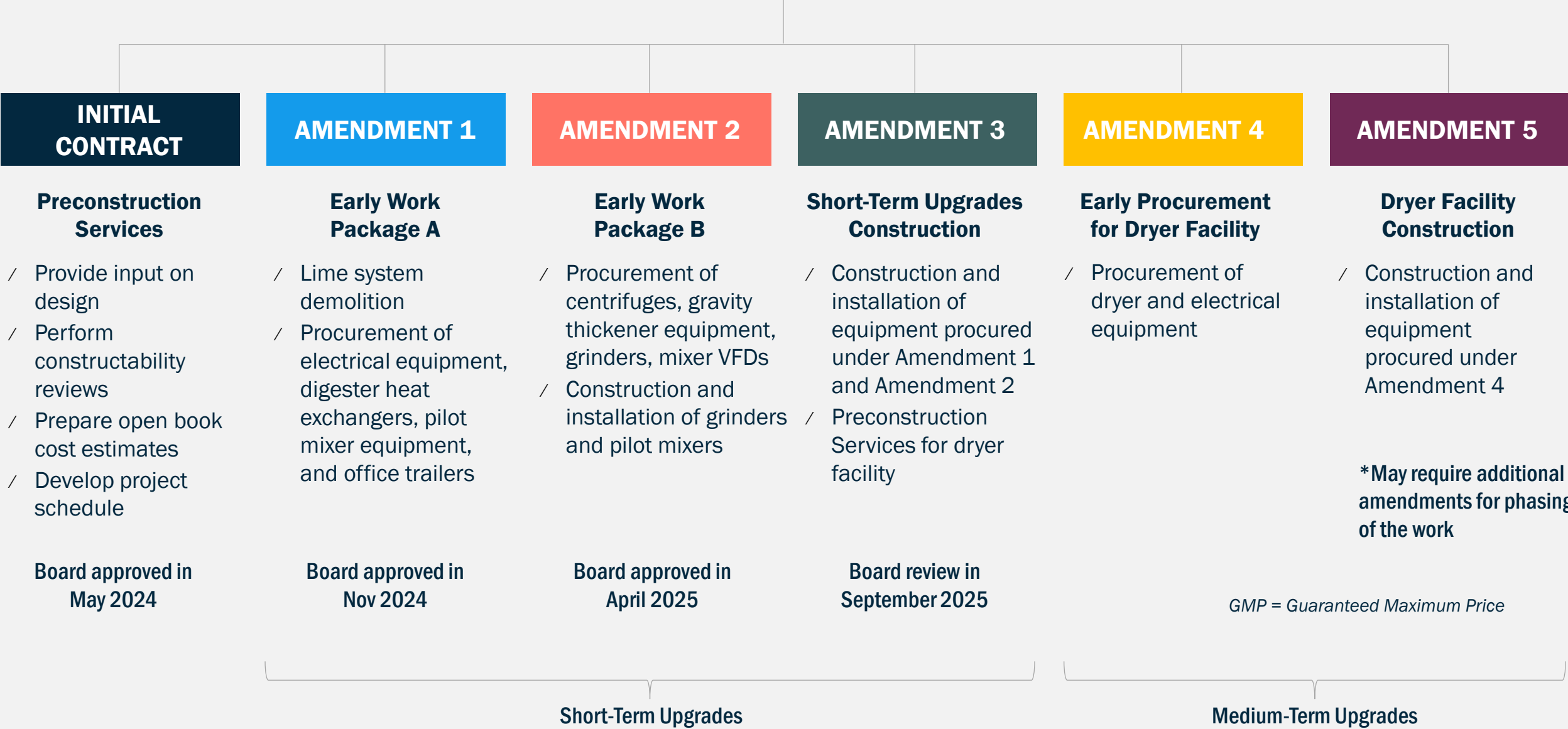


GUARANTEED MAXIMUM PRICE

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 dewatering 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



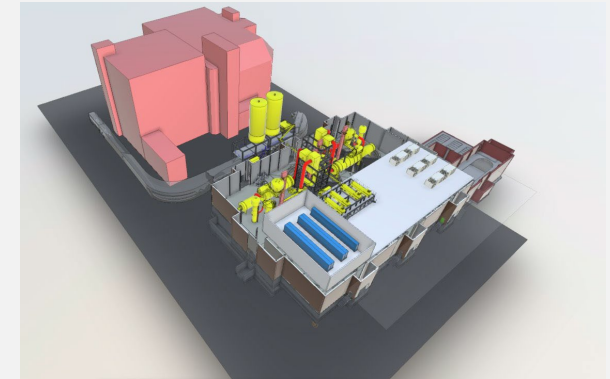
Replace digester heat exchangers (4) with larger units to provide all digester heating



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

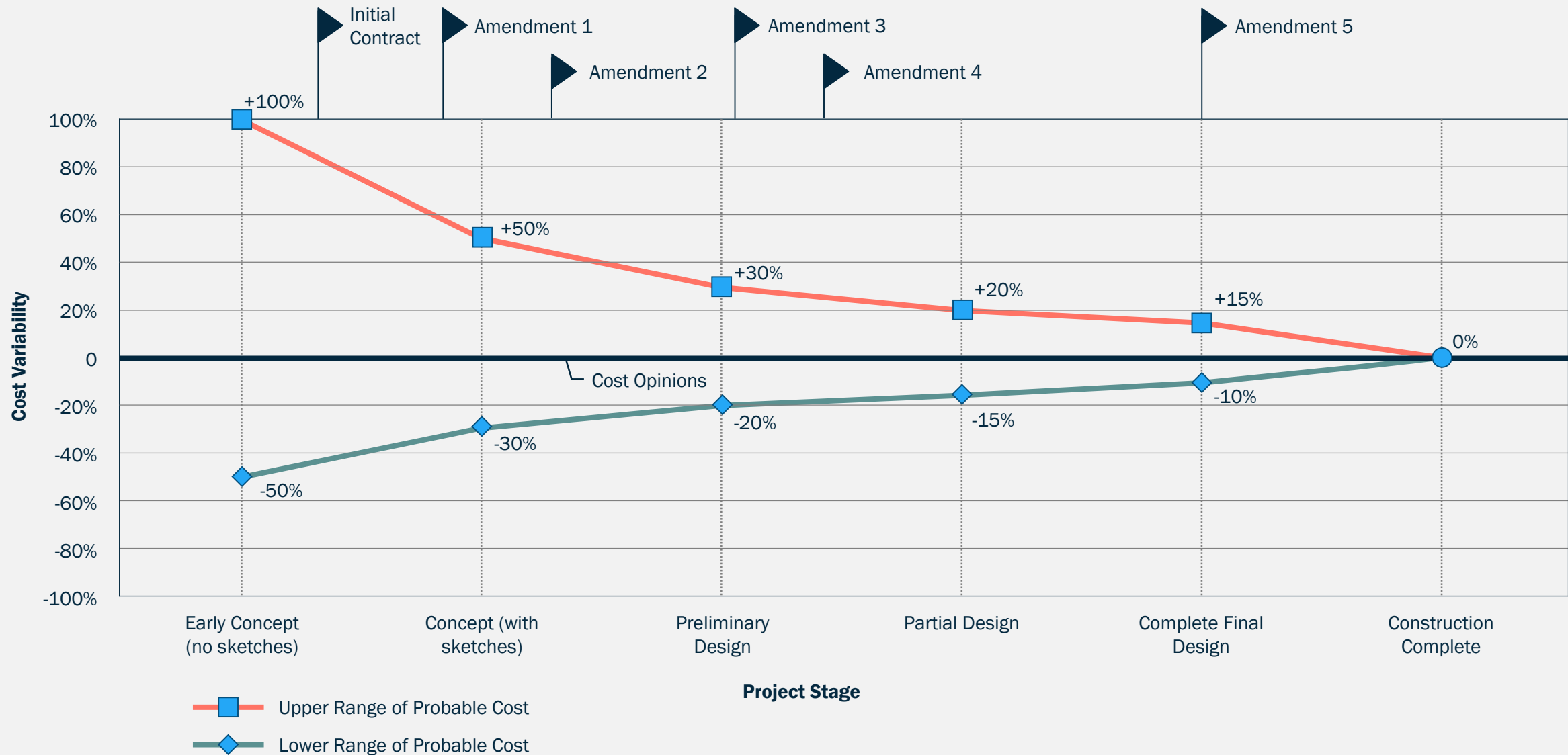


Decommission and demolish the existing gas mixing system and replace with hydraulic jet mixing



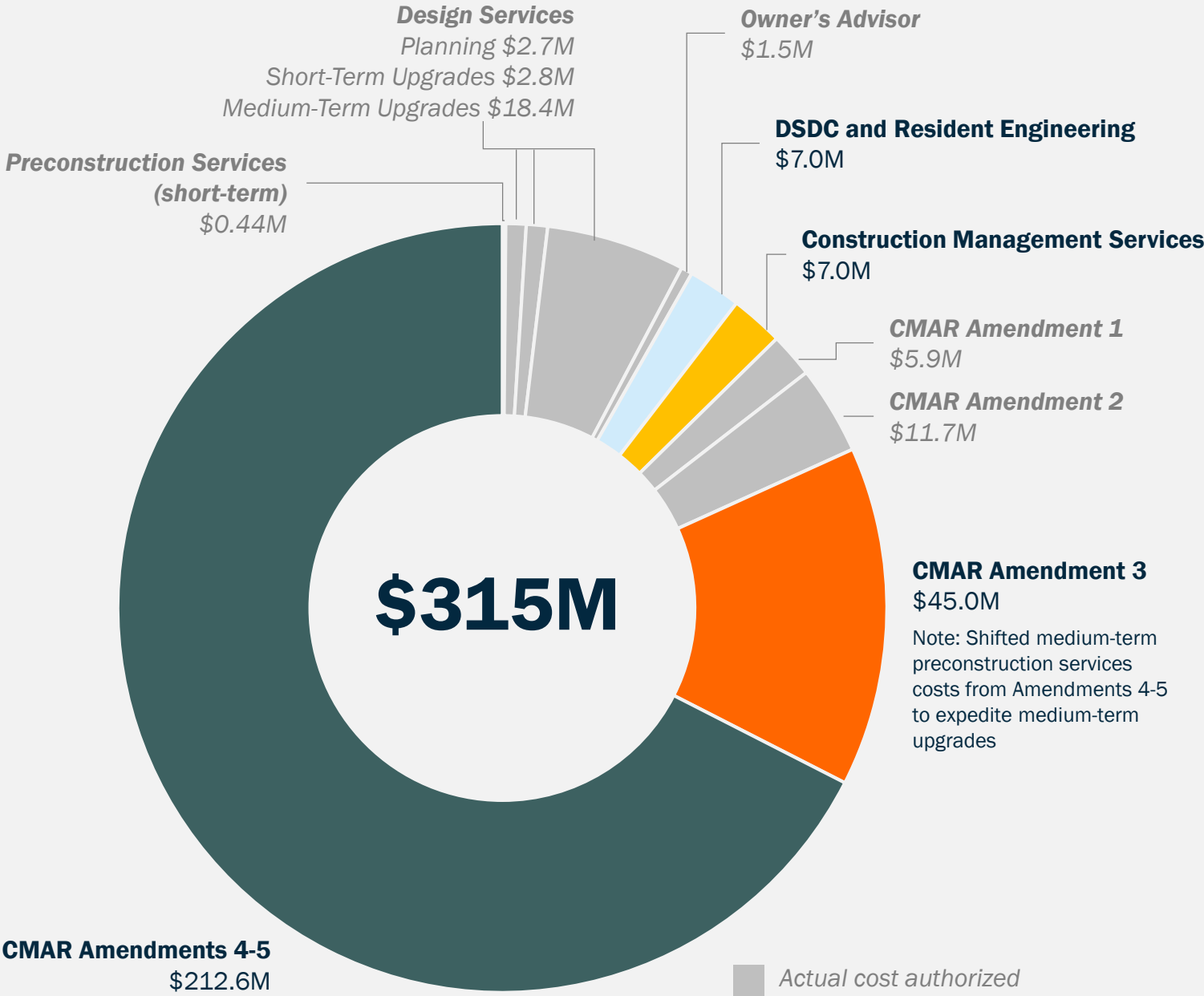
Pre-construction services to support design of the dryer facility

EVOLUTION OF BIOSOLIDS DIVERSIFICATION CAPITAL COSTS

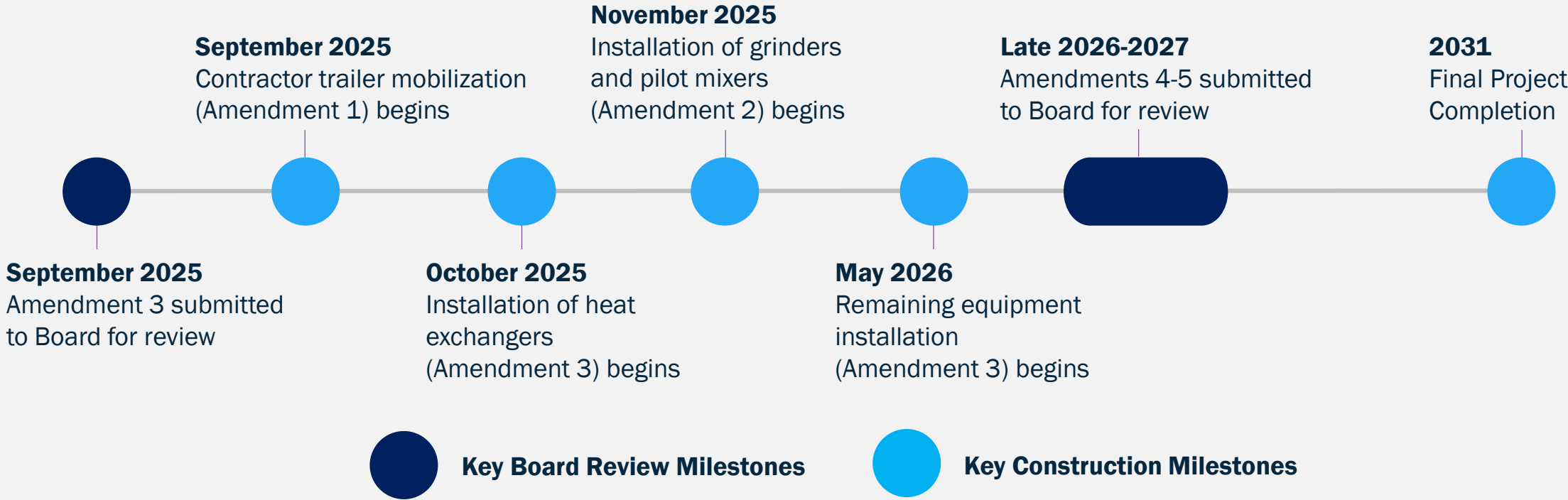


BIOSOLIDS DIVERSIFICATION CAPITAL COST

- 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)
Permit	54.0	5.0	6.0	Seasonal (1)	0.18	6.0	3.0	493,381	29,603
Reported	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
Total	32	\$6,575,000

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
Total	17	\$4,100,000

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
Revenues				
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
Total Revenues	183,341,881	232,796,090	-49,454,209	-21.2
Expenses				
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
Total Expenses	183,341,881	232,796,090	-49,454,209	-21.2

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)
Net Revenue	\$38,863,020	\$40,515,116
Annual Debt Service	\$22,290,196	\$21,998,235
Calculated Coverage	1.75 times	1.84 times

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.

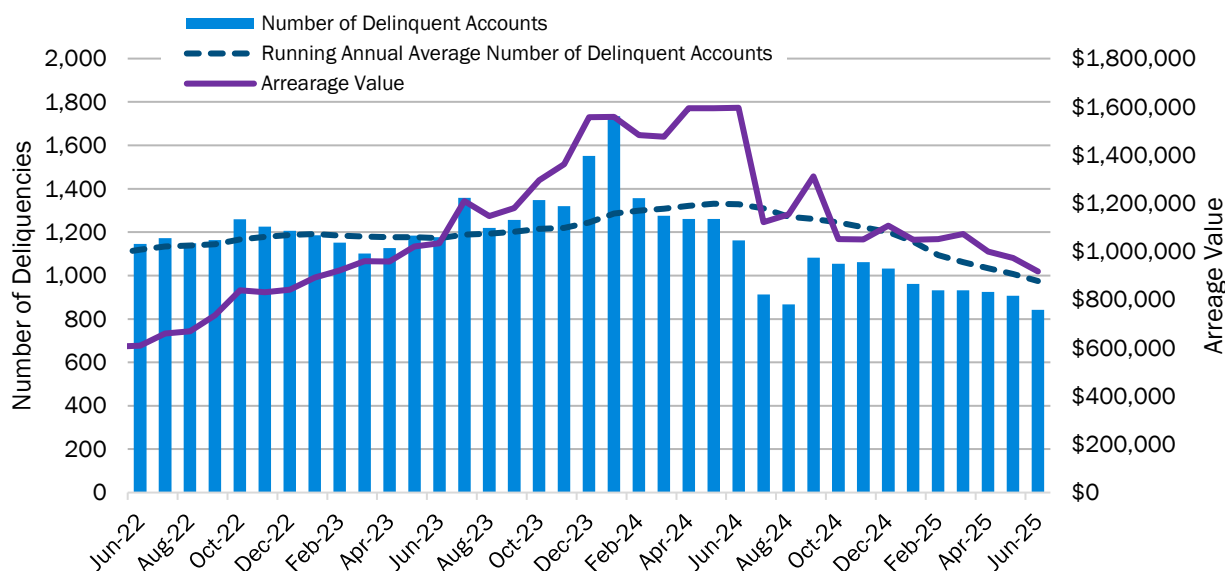


Figure 5.1. Active Accounts 60 or more days Delinquent

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

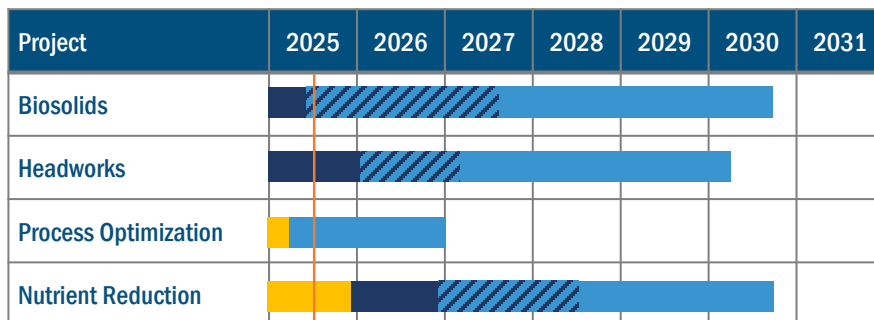
To support our evolving community, AlexRenew is making a significant investments to improve the resiliency of its infrastructure

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.



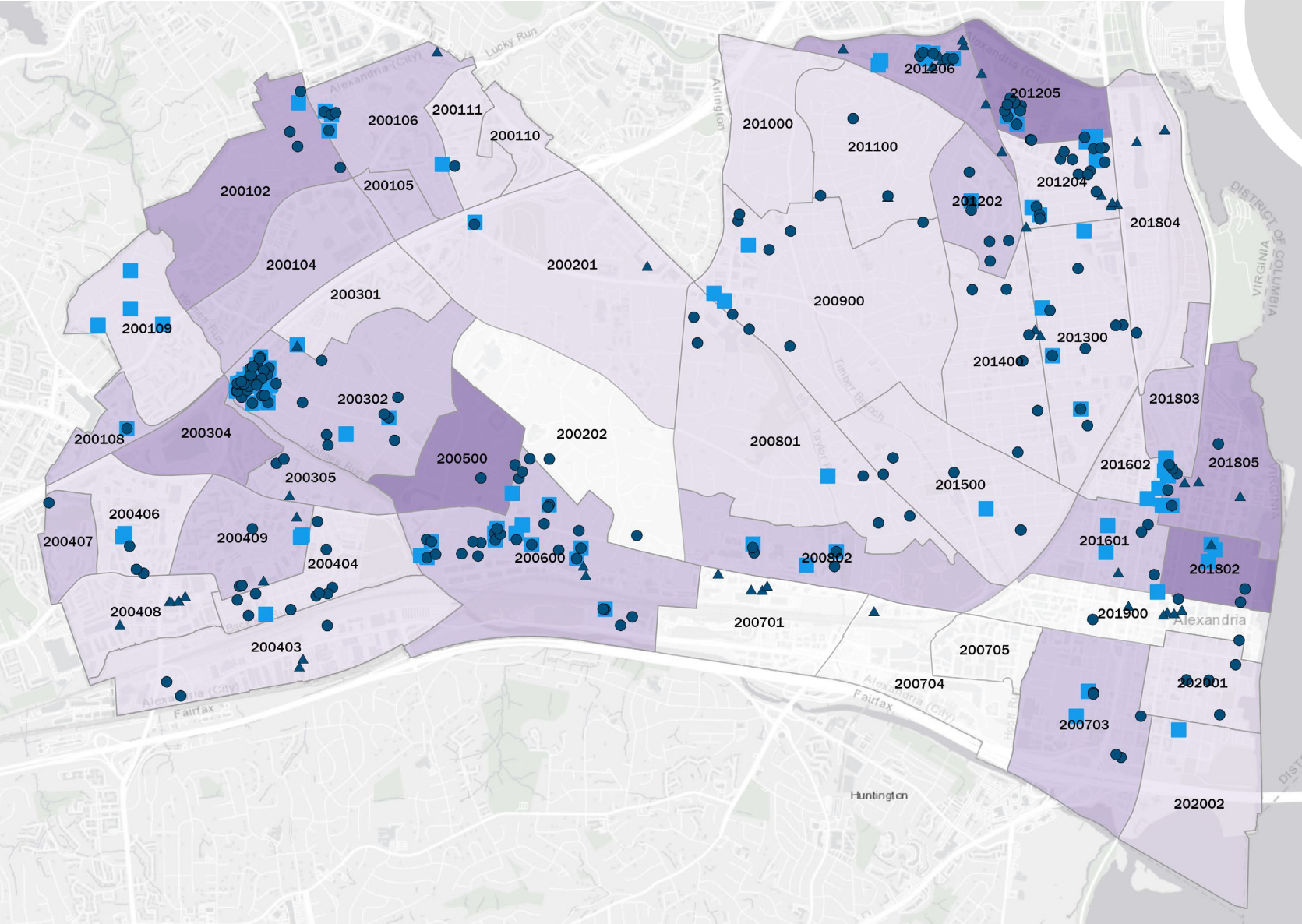
Nutrient Reduction

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

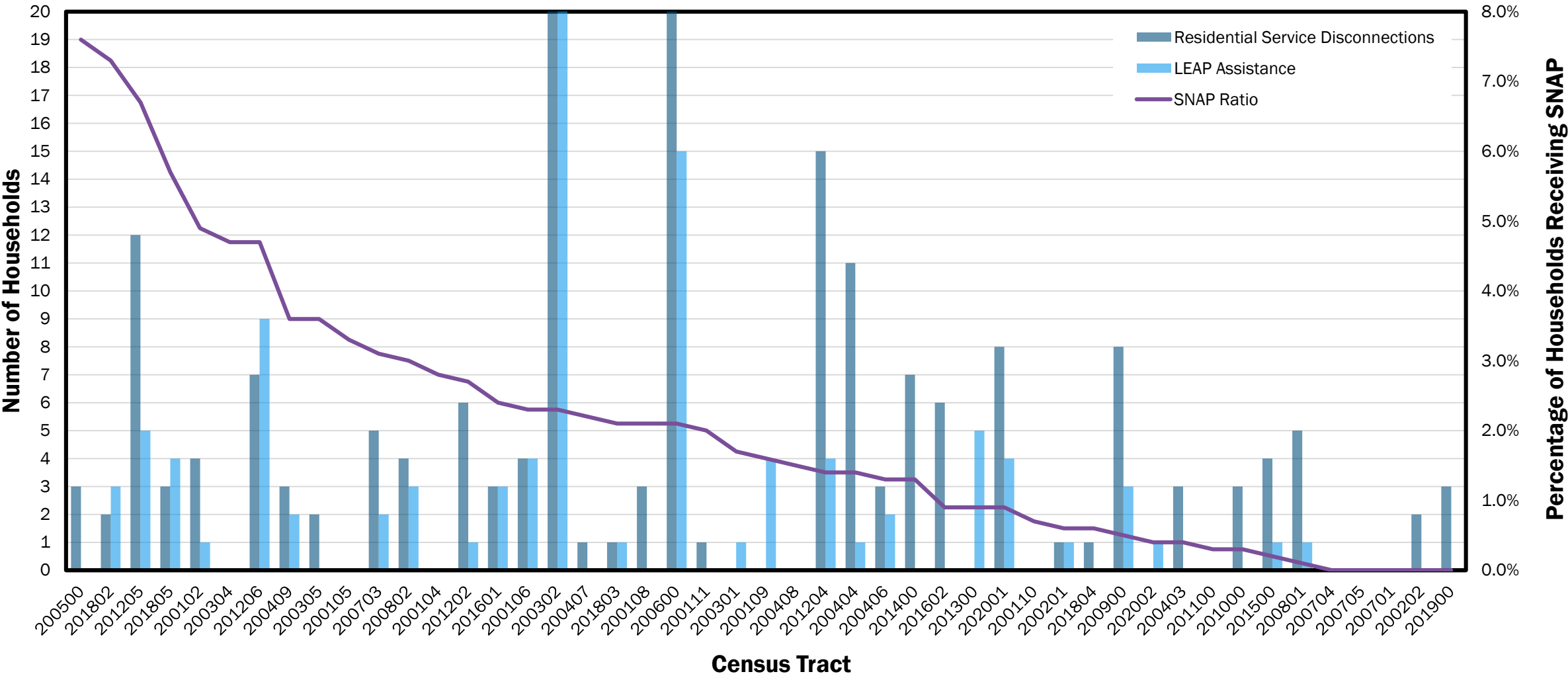
- 0
- 0 - 2.0%
- 2.0 - 4.0%
- 4.0 - 6.0%
- 6.0 - 8.0%

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

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

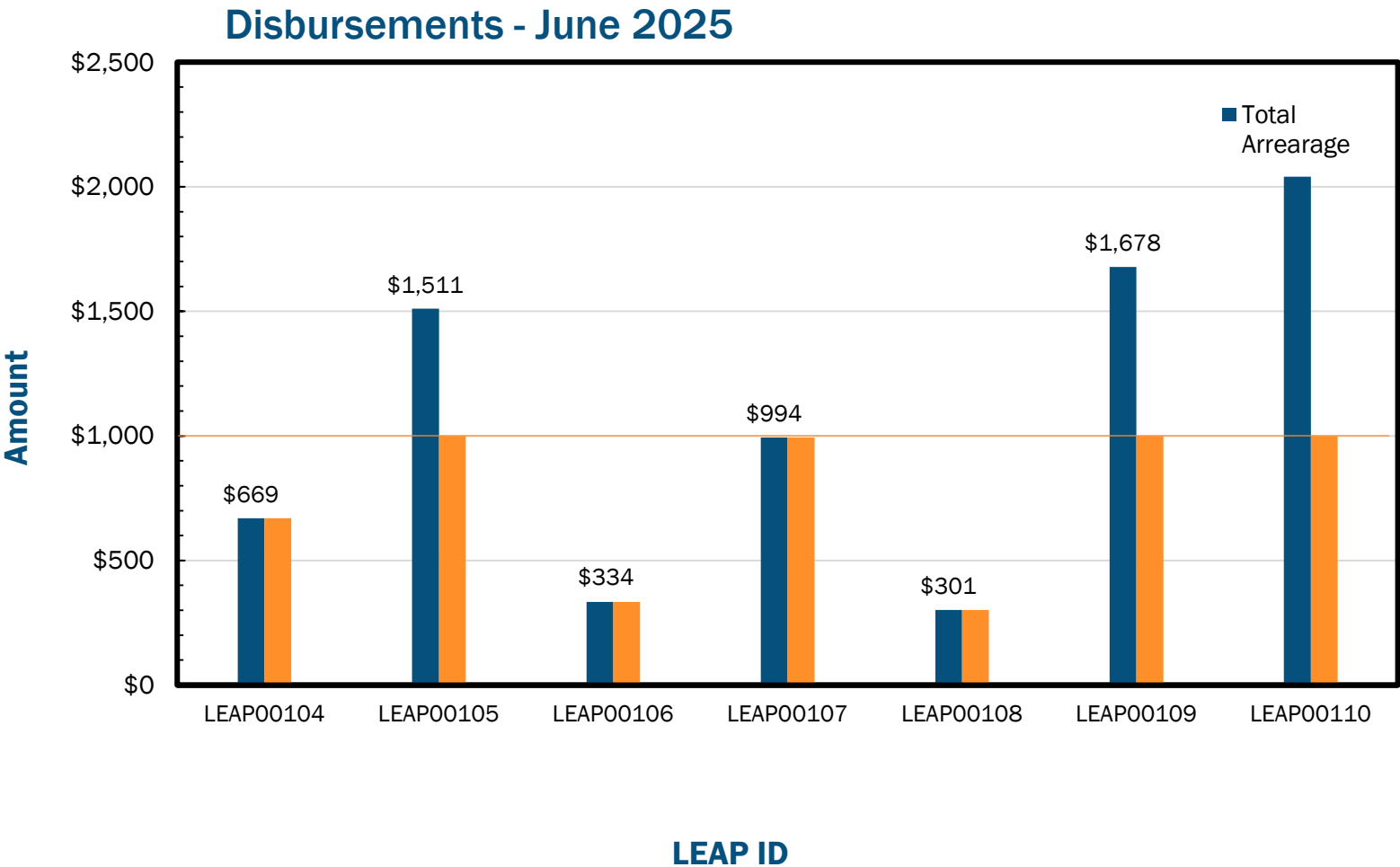
LEAP Assistance, Service Disconnections, and SNAP Ratio by Census Tract

June 30, 2025



LEAP Disbursements and Remaining Arrearage by Account

June 30, 2025



(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



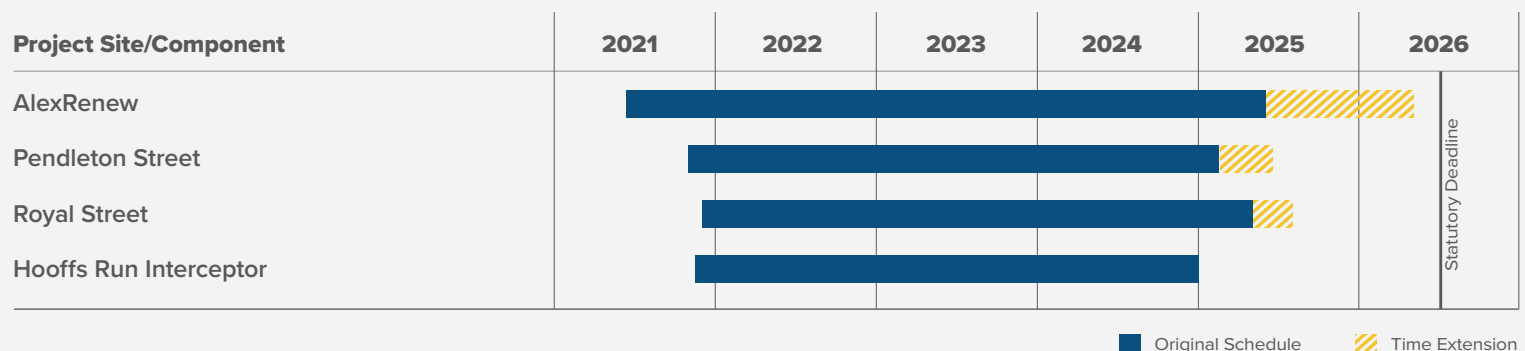
MONTH ENDING: JUNE 30, 2025

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.

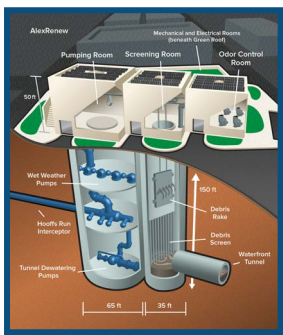
RiverRenew Tunnel Project Snapshot

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.



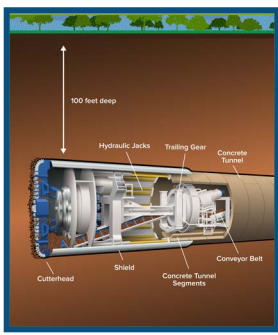
Hoofts Run Interceptor

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



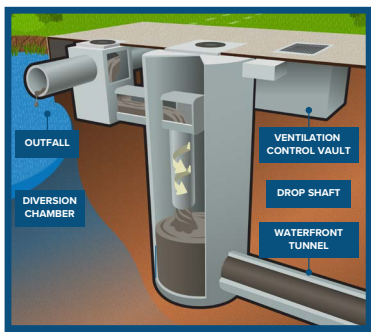
Pumping Station

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)

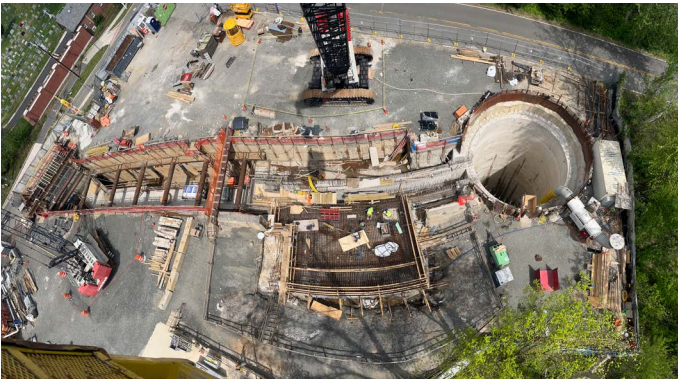
Actual

84%

Planned

85%

Royal Street Site



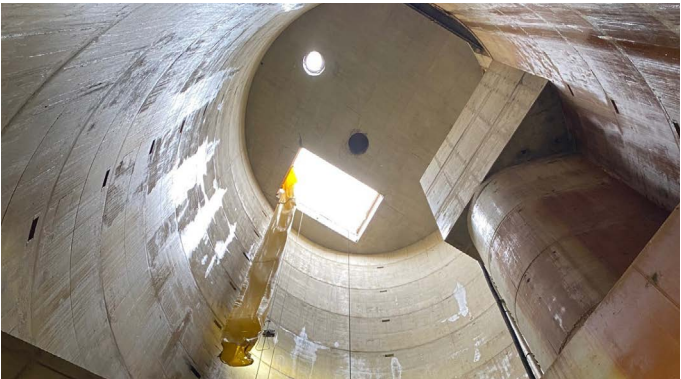
Ongoing

- 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

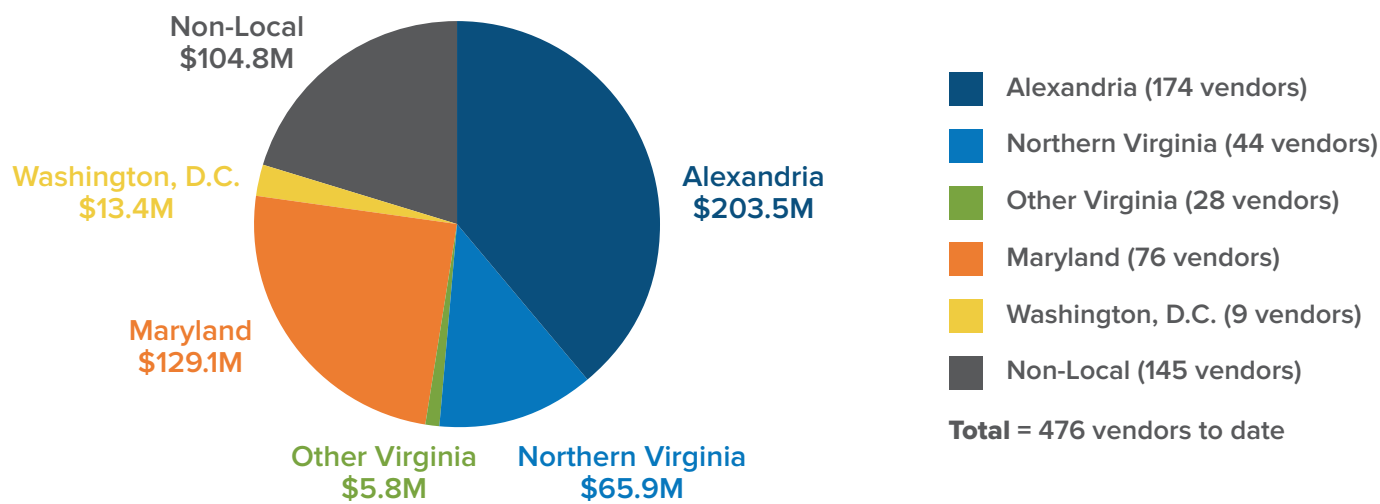
Upcoming

- 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

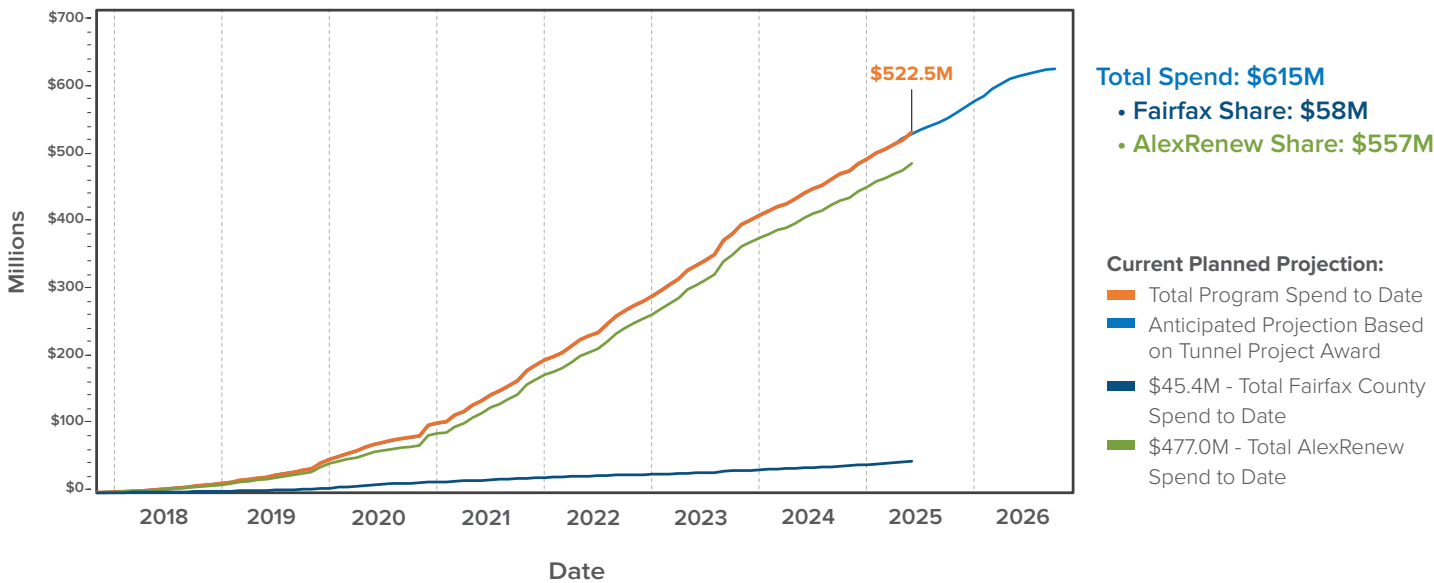
RiverRenew Spend to Date by Locality



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

