



Board of Directors
John Hill, Chair
James Beall, Vice Chair
Rebecca Hammer, Sec'y-Treas
Mark Jinks
Moussa Wone
Chief Executive Officer
Justin Carl, PE
General Counsel
Amanda Waters

August 12, 2025

via electronic mail

Board of Directors
AlexRenew
1800 Limerick Street
Alexandria, VA 22314

Dear Members of the AlexRenew Board of Directors:

Please find enclosed the August 2025 AlexRenew Board of Directors package, which includes:

- Draft meeting minutes from the July 15 Regular Board of Directors Meeting (Tab 1);
- Board of Directors Monthly Report (Tab 2);
- Draft Payment Assistance Program Policy (Tab 3); and
- Draft memorandum summarizing the Guaranteed Maximum Price Amendment No. 3 to Contract 24-001 to support the ongoing Biosolids Diversification Project (Tab 4).

The Payment Assistance Policy and Biosolids Diversification Project amendment will be considered at the September 16 Regular Board of Directors meeting.

Thank you.

Sincerely,

Justin Carl
AlexRenew General Manager and CEO

Cc: Lorna Huff, Board Executive Assistant
Amanda Waters, AlexRenew General Counsel

Minutes of the 931st Meeting
AlexRenew Board of Directors
6:00 p.m., Tuesday, July 15, 2025

On Tuesday, July 15, 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, via Microsoft Teams

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

Fairfax County Representative: Mr. Steve Winesett, Jr.
Wastewater Planning and Monitoring Division

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

Consultants: Ms. Diana Ling, Raftelis
Mr. Thierry Boveri, Raftelis, via Microsoft Teams

1. Call to Order
The Chair called the meeting to order at 6:01 p.m.
2. Approval of Agenda
Motion to approve: Mr. Beall | Second by Ms. Hammer | Unanimously approved.
3. Public Comment Period
No members of the public in attendance. Comment period closed.

Mr. Carl referenced items from the green folder for Board member review and discussion:

- 2026 Key Legislative Priorities
- Payment Assistance Policy as requested by Mr. Jinks
- Virginia Water and Wastewater Authorities Act Cheat Sheet with references, index and live links

4. Consent Agenda
Minutes from the June 17, 2025 – Regular Meeting
Motion to approve: Ms. Hammer | Second: Mr. Beall | Unanimously approved.

5. Board Administrative Items

a. Election of Officers

Chair Hill cited sustainability and continuity as Board priorities. All members should be able to perform all leadership functions. Board Committees are performing well in their roles and responsibilities. He recommended maintaining the current slate to continue Board progress: Mr. Hill as Chair; Mr. Beall as Vice Chair; Ms. Hammer as Secretary-Treasurer. The Vice Chair concurred.

Motion to approve: Mr. Beall | Second: Mr. Jinks | Unanimously approved.

b. Board Calendar – Mr. Carl

August: No Meeting

Next Meeting: Tuesday, September 16, 2025

AlexRenew Open House: Saturday, September 20, 2025

Pendleton Street Dedication Event: Saturday, October 18, 2025

c. Finance and Audit Committee – Mr. Jinks, Chair

Next Meeting: Wednesday, November 12, 2025

Beginning of FY 2025 audit discussion. Completion of CIP and budget.

d. Governance Committee – Mr. Beall, Chair

Next Meeting: Tuesday, October 7, 2025

Pre-meetings in advance of Finance and Governance Committee meetings. Staff will reach out for available dates.

The Board Retreat is scheduled for February 20-21, 2026.

6. Unfinished Business

a. Presentation on Rate Structure Alternatives

Ms. Feehan and Ms. Ling gave a presentation on AlexRenew's analysis of alternative rate structures. AlexRenew is currently evaluating an equivalent residential unit and volumetric only rate structure. The presentation provided an overview of a bill impact analysis looking at the two rate structures.

Members discussed potential increases across ARHA properties. Mr. Jinks suggested assessing other subsidized housing in addition to ARHA properties. Board members requested additional information on AlexRenew's base charge – including an analysis of impacts to revenue sufficiency in comparison to a volumetric only rate structure.

There being no additional discussion, the Chair moved to new business.

7. New Business

a. Review and Approve Amendment No. 1 to Headworks Renewal Project Contract.

Mr. Carl reviewed the Headworks Approval Project. AlexRenew has a Construction Management At-Risk (CMAR) with Ulliman Schutte. This amendment is for the purchase of equipment with long lead times to support the project schedule. The amendment cost came in lower than the original engineer's estimate. There being no additional discussion, the Chair requested a motion to approve.

Motion to approve: Mr. Jinks | Second: Mr. Beall | Approval: Unanimous

Be It Resolved That: The Board authorizes the CEO to execute Amendment No. 1 to Headworks Renewal Project Contract No. 24-024 in the amount of \$9.896 million including the CEO's Approval of Authority.

b. Review and Approve FY2025 Write-off of Customer Accounts

Each year, staff brings Board approval to write-off inactive customer accounts that exceed the CEO's approval authority of \$1,500 per account. Due to the billing transition from GCWW to ECS, several accounts were excluded from the write-off process in FY2024, which delayed the write-off of 112 accounts for FY2025. An additional 244 accounts were identified from 2015.

A Member inquired about using a collection agency or selling debt to an agency. Staff explained that selling delinquent accounts would likely yield only a fraction of the debt's face value and would transfer control of certain customer communications to a third party. This could limit AlexRenew's ability to manage customer relationships, apply hardship programs, or maintain its preferred approach to collections. Mr. Jinks suggested coordinating collection methods with the City's finance director.

Staff has requested that the Board endorse the FY 2025 write-offs with the exclusion of two accounts from Bonchon for \$24,000 and Envoy Alexandria for \$8,000, until all collection efforts are exhausted. Staff will keep the Board apprised of the results. The Chair requested a motion to approve the FY2025 write-off amount of \$118,938.22 subject to the CEO determining amounts owed are not collectible.

Motion to approve: Mr. Jinks | Second: Mr. Beall | Approval: Unanimous

c. Review and Approve Revisions to Payment Assistance Program Policy

The CEO recognized Ms. Waters to discuss proposed revisions to the Payment Assistance Policy to clarify eligible funding sources for AlexRenew's Lifeline Emergency Assistance Program (LEAP). The proposed revisions will define "rate revenue" and "non-rate revenue" and clarify that only "non-rate revenue will be used to fund LEAP".

The Policy will be amended and then brought to the Board for final approval in September.

d. Presentation on Biosolids Diversification Project Amendment

The CEO recognized Mr. Pilon who presented on upcoming amendments to AlexRenew's Biosolids Diversification Project. He provided a project overview which included the project description and major upgrades, and a review of the Guaranteed Maximum Price procurement delivery. Amendments from procurement through project completion in 2031 were also highlighted.

The Chair asked about the changes to the WRRF that would occur through the project. Mr. Pilon reviewed slide 3, noting Buildings L and 20 will remain the same. Building C will house the dryer facility for biosolids.

8. Monthly Outcomes Update

Mr. Carl referenced page 1 noting that staff had executed the four job order contracts from the prior meeting. AlexRenew won the George W. Burke award for facility safety through the Virginia Water Environment Association.

Page 4, Section 5.1 includes an audit preview. Mr. Akinkugbe provided a preliminary year-end report for FY2025. AlexRenew's overall financial condition, as well as operating and capital plans to meet water quality requirements remained strong and stable during FY2025. 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.

Mr. Akinkugbe reported that the FY2025 audit is underway.

Delinquencies and LEAP Dashboard

Mr. Robertson. reported a net decrease of 65 delinquent accounts (\$55,000 reduction). About \$584,000 (64% of arrears) is under active payment plans. Disconnections dropped from 45 to 20; outcomes included 10 paid in full, 5 on payment plans, 4 closed accounts, and 1 LEAP application. LEAP disbursements total \$80,000 to date, with \$32,000 provided to 41 customers in the past three months. The Board will discuss low LEAP participation at a future meeting; staff are developing a web portal to simplify applications.

Community Engagement

AlexRenew was featured in Construction Magazine for RiverRenew. 933 visitors to the 6th floor and lobby spaces, including 497 voters in the June primary on June 17 and 35 children from a local church.

PhaseForward Dashboard

Mr. Carl gave an update on PhaseForward, including that demolition continues on the Biosolids Diversification Project and the Request for Proposals for the Nutrient Reduction Project was issued.

RiverRenew Dashboard

Mr. Carl provided an update on RiverRenew, highlighting the delivery of the tunnel dewatering and wet weather pumps. He referenced that photos on the last page of the dashboard are of six pumps being installed. He noted that two additional pumps which had been damaged in transit, have been replaced, tested, and are scheduled to be shipped from Sweden.

There being no additional business, the Chair requested a motion to adjourn.

Motion to Adjourn: Mr. Jinks | Second: Mr. Beall | Approval: Unanimous

Time: 8:48 p.m.

Approved:

Becky Hammer, Secretary-Treasurer

Monthly Report

July 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 July 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 July 2025 was 3.54 inches of rain which is less than the monthly average precipitation of 4.33 inches for the month.

AlexRenew met all Virginia Pollutant Discharge Elimination System (VPDES) effluent parameters for July 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	34.0	<QL	1.5	<QL	0.08	7.6	2.0	123,753	6,450

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 \$6.8 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.	6	\$1,665,000
Pumping Stations	3	\$800,000
Interceptors	0	\$ -
Environmental Center	1	\$280,000
Total	33	\$6,840,000

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 received the RFP on July 8, which serves as the second step in the procurement of a design-builder. 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.	4	\$600,000
Pumping Stations	0	\$-
Interceptors	1	\$100,000
Environmental Center	0	\$-
Plans, Studies, and Training	8	\$1,700,000
Professional Services Support	9	\$1,650,000
Total	23	\$4,800,000

1.7 Sole Source and Emergency Contracts

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

1.8 Recognition

Tunnel Business Magazine recognized AlexRenew with its annual Tunnel Achievement Award, which honors outstanding projects and individuals in the tunneling industry for their contributions to innovation and excellence. The award will be presented at the Breakthroughs in Tunneling Short Course on September 8 at the University of Denver.

The National Association of Clean Water Agencies recognized AlexRenew in July with a 2024 Peak Performance Award – this is the fourth consecutive year we’ve received the award.

AlexRenew was also recognized as a Utility of the Future for the fourth year in a row. The award is presented jointly by the National Association of Clean Water Agencies, the Water Environment Federation, and the Water Research Foundation.

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.

AlexRenew celebrated 69 years of operation in July with a team lunch. Inventory Control Technician Marsha Gipson and Buyer Marian Butler both celebrated 30-year service anniversaries in July.

On July 17, the Alexandria Chamber of Commerce recognized AlexRenew’s Director of Communications Matt Robertson as a 2025 40 under 40 honoree.

Since May 2025, AlexRenew has logged 43,150 hours without a lost time accident.

3 Strategic Partnerships

AlexRenew continues to foster strategic partnerships that promote watershed-level thinking through

collaboration and advocacy.

AlexRenew staff participated in the Alexandria City Public School's Summer Learning Career Exploration Expo, hosted at Francis C. Hammond Middle School. Additionally, on August 4, staff provided wastewater plant tours to eight (8) interns from the City of Alexandria's Transportation and Environmental Services Department.

2.1 2026 Virginia General Assembly Session

The 2026 Virginia General Assembly Legislative Session is scheduled from January 14 through March 15, 2026. A preview of AlexRenew's legislative priorities for the upcoming session is summarized as follows:

- **PFAS in biosolids.** AlexRenew is working with its association partners to introduce reasonable legislation that will allow continued operations of permitted biosolids programs while identifying and addressing areas of per- and polyfluoroalkyl (PFAS) concern.
- **Apprenticeship mandates on construction projects.** Legislation was introduced during the 2025 Virginia General Assembly Session requiring that eight percent of total labor hours on any public project be performed by apprentices. The bill passed the House and Senate and was vetoed by the Governor. AlexRenew and its member associations opposed the legislation. It is expected that a version of this bill will be introduced during the 2026 session.
- **RiverRenew** is in its final year of construction with system testing expected to start in early 2026. Since this project is a legislatively driven mandate, staff will provide updates to the General Assembly as needed.

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.

In an effort to further reduce waste and support our strategic goal of Environmental Sustainability, this July, AlexRenew replaced all plastic cutlery in the employee cafes with stainless steel options — the initiative was well received by staff.

AlexRenew produced 1,973 wet tons of biosolids that were beneficially reused on farms in the Virginia counties of Culpepper, King George, and Richmond. AlexRenew recycled 159 million gallons of water to support its operations. Plant processes used approximately 4,655,000 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.

AlexRenew's Fiscal Year began on July 1, 2026. Table 5.1 summarizes AlexRenew revenues and expenditures for this period, including the following major takeaways:

- Wastewater Treatment Charge revenues (\$4.7 million) are trending in line with budget;
- Operating and maintenance expenses (\$2.7 million) are trending in line with budget; and
- Total expenses (\$15.6 million) are currently trending slightly lower than the budgeted expenses. This timing also impacts debt proceed revenues (\$5.2 million), which are lower than budgeted since most capital expenses are funded through debt.

Table 5.1. Revenues and Expenses through July 2025

Revenues and Expenses	FY2026 Budget	FY2026 To-Date	% of Budget To-Date	% of FY2026 Completed	Total FY2026 Projected
Revenues					
Wastewater Treatment Charge	64,941,337	4,711,331	7	8	65,000,000
Fairfax Operating Charge	14,662,764	1,221,897	8	8	14,500,000
Fairfax Capital Contributions	59,378,095	4,511,559	8	8	45,000,000
Debt Proceeds and Other Sources	119,336,317	5,165,067	4	8	88,000,000
Total Revenues	258,318,513	15,609,854	6	8	212,500,000
Expenses					
Operating and Maintenance	40,925,755	2,726,667	7	8	39,200,000
Parity Debt Service	20,220,975	1,280,560	6	8	20,300,000
IRR (see Note 1)	12,664,560	1,300,945	10	8	13,000,000
Capital	184,507,223	10,301,682	6	8	140,000,000
Total Expenses	258,318,513	15,609,854	6	8	212,500,000

Notes: (1) Improvement, Renewal, and Replacement 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’s 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	FY2026 Annualized	Percentage of Goal
Operating and Capital Days Cash on Hand	120	129	107%
Total Days Cash on Hand	270	747	276%

Table 5.3. Debt Service Coverage

Item	FY2026 Budget	FY2026 Annualized
Total Revenues	\$81,304,102	81,189,828
Less Operating Expenses	(\$40,925,755)	(\$39,200,000)
Net Revenue	\$40,378,347	\$41,989,828
Annual Debt Service	\$20,220,975	\$20,300,000
Calculated Coverage	2.00 times	2.07 times

5.2 Status of Customer Delinquencies

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

- The number of accounts delinquent by more than 60 days was 813, a decrease of 29 accounts month-over-month;
- The total dollar amount owed to AlexRenew from these accounts was \$895,117, a decrease of \$22,314 month-over-month; and
- Approximately 58 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 July 31, 351 accounts were enrolled in payment plans, representing \$564,680 in scheduled payments. This value represents approximately 63 percent of the current (July 31, 2025) arrearage.

On behalf of AlexRenew, Virginia American Water disconnected 5 customers for nonpayment of their sewer bill in July. Of the customers who were disconnected, zero (0) paid their balance in full, four (4) enrolled in a payment plan, zero (0) accounts were closed, and one (1) applied for a LEAP disbursement. Since July 2024, there have been 253 disconnections. Of these, 25 accounts received a total of \$21,972 in LEAP disbursements.

Additional updates on LEAP are outlined in the LEAP Dashboard.

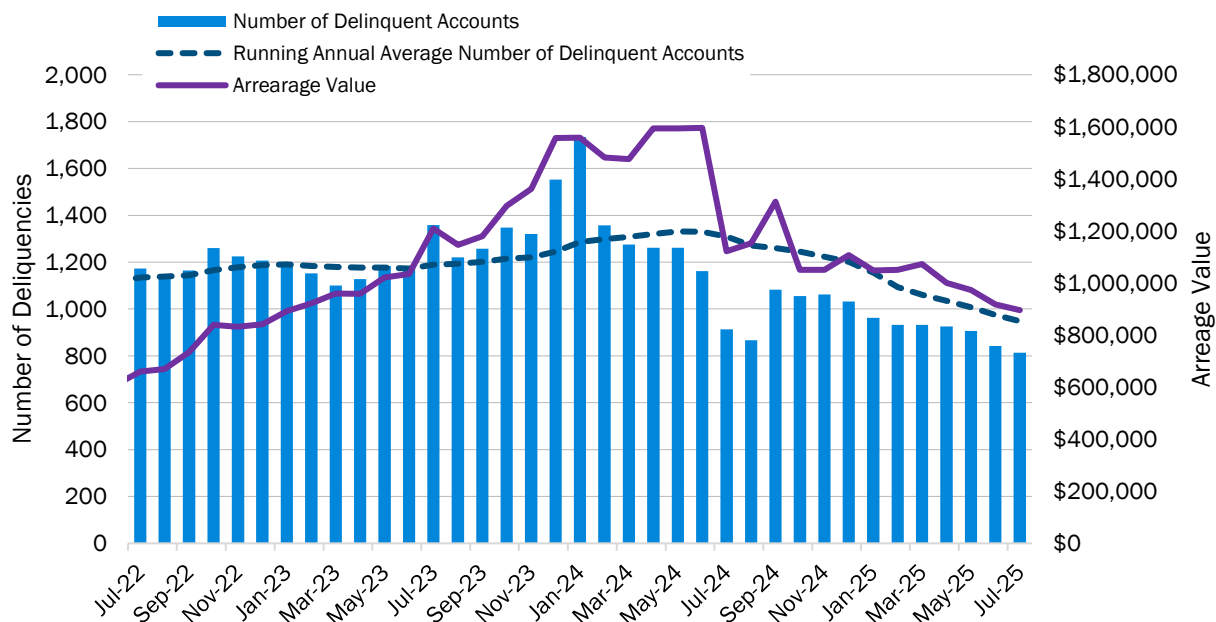


Figure 5.1. Active Accounts 60 or more days Delinquent

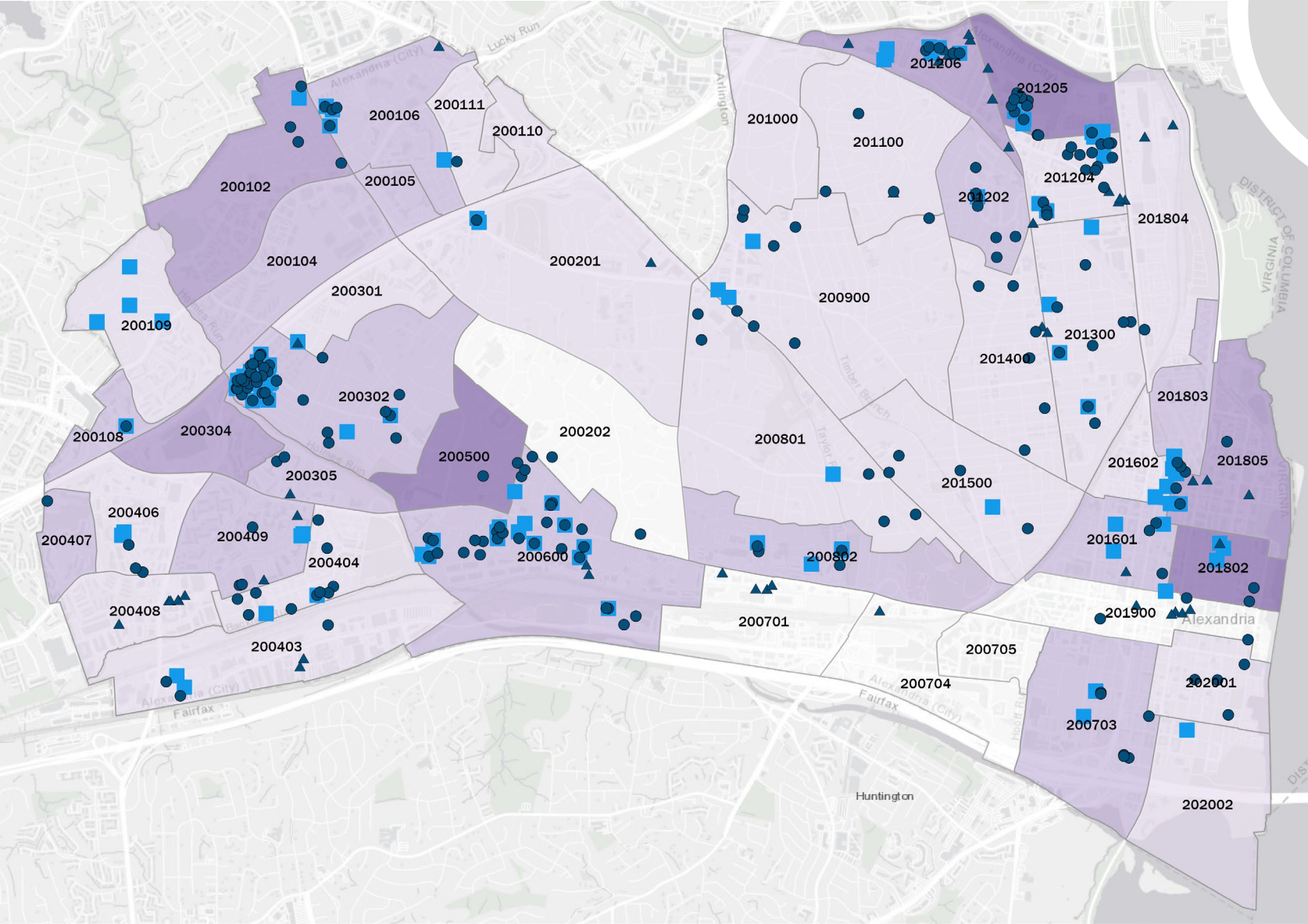
5.3 Customer Service and Community Engagement

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

The City of Alexandria recognized AlexRenew's Environmental Center with a 2025 Beautification Community Award for its exceptional contribution to the City's beauty through design, plantings, and environmentally sustainable practices.

AlexRenew welcomed an estimated total of 400 visitors from the following organizations that hosted meetings on the 6th floor of the Environmental Center in July: Capital Youth Empowerment Program (30), City of Alexandria (15), Alexandria City Public Schools (65), Alexandria A Capella Collective (110), NASPA Scrabble (40), Alexandria Soccer Association (90), GameDNA (10), and Jack and Jill of America (40).

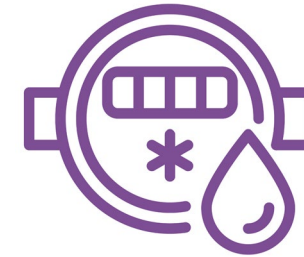
AlexRenew customer service received a total of 781 calls. The average wait time before calls were answered was 31 seconds. Call center staff answered 364 emails.



\$90,569
Disbursed To-Date
\$9,807 disbursed this period



123 Customers Assisted
13 customers assisted this period



253 Service Disconnections for Nonpayment
5 customers disconnected this period

Legend

Percentage of Households Receiving SNAP

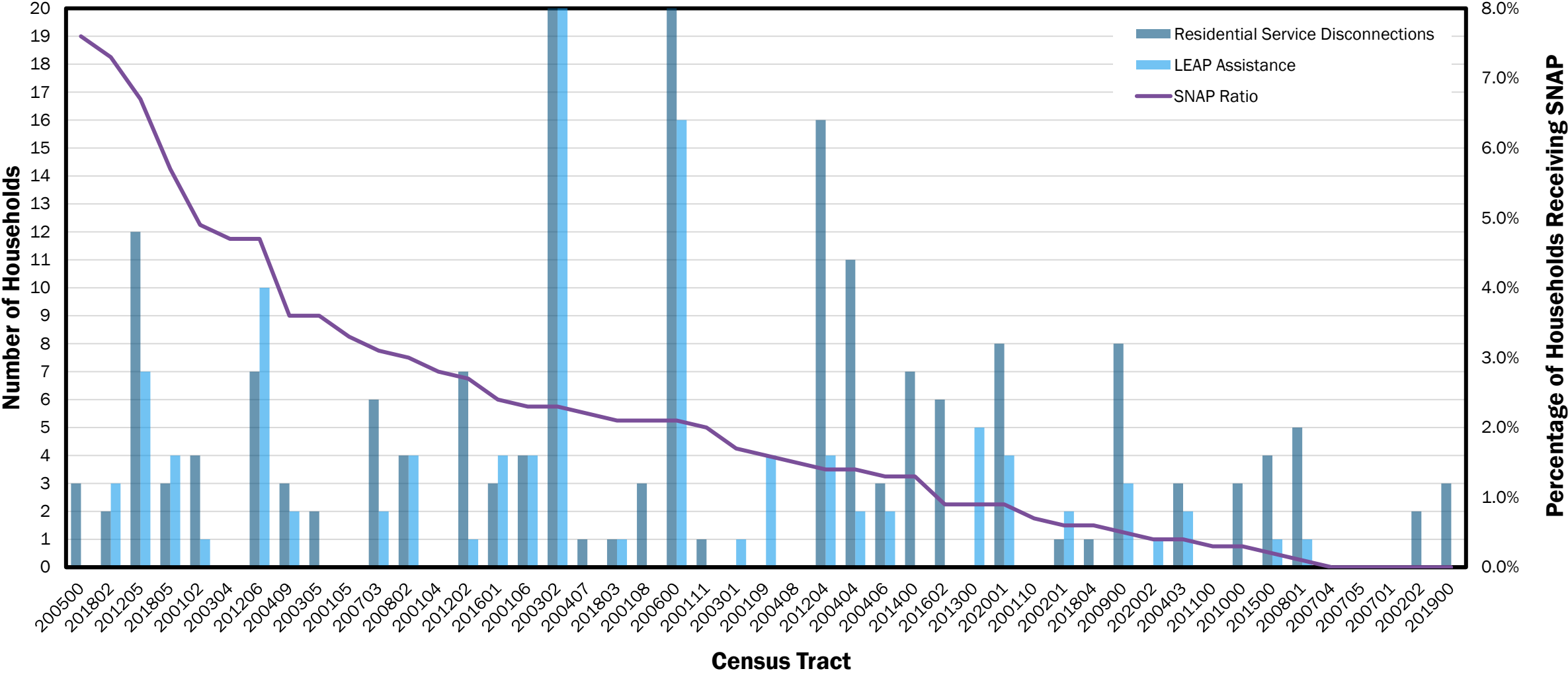
- 0
- 0 - 2.0%
- 2.0 - 4.0%
- 4.0 - 6.0%
- 6.0 - 8.0%

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

July 31, 2025

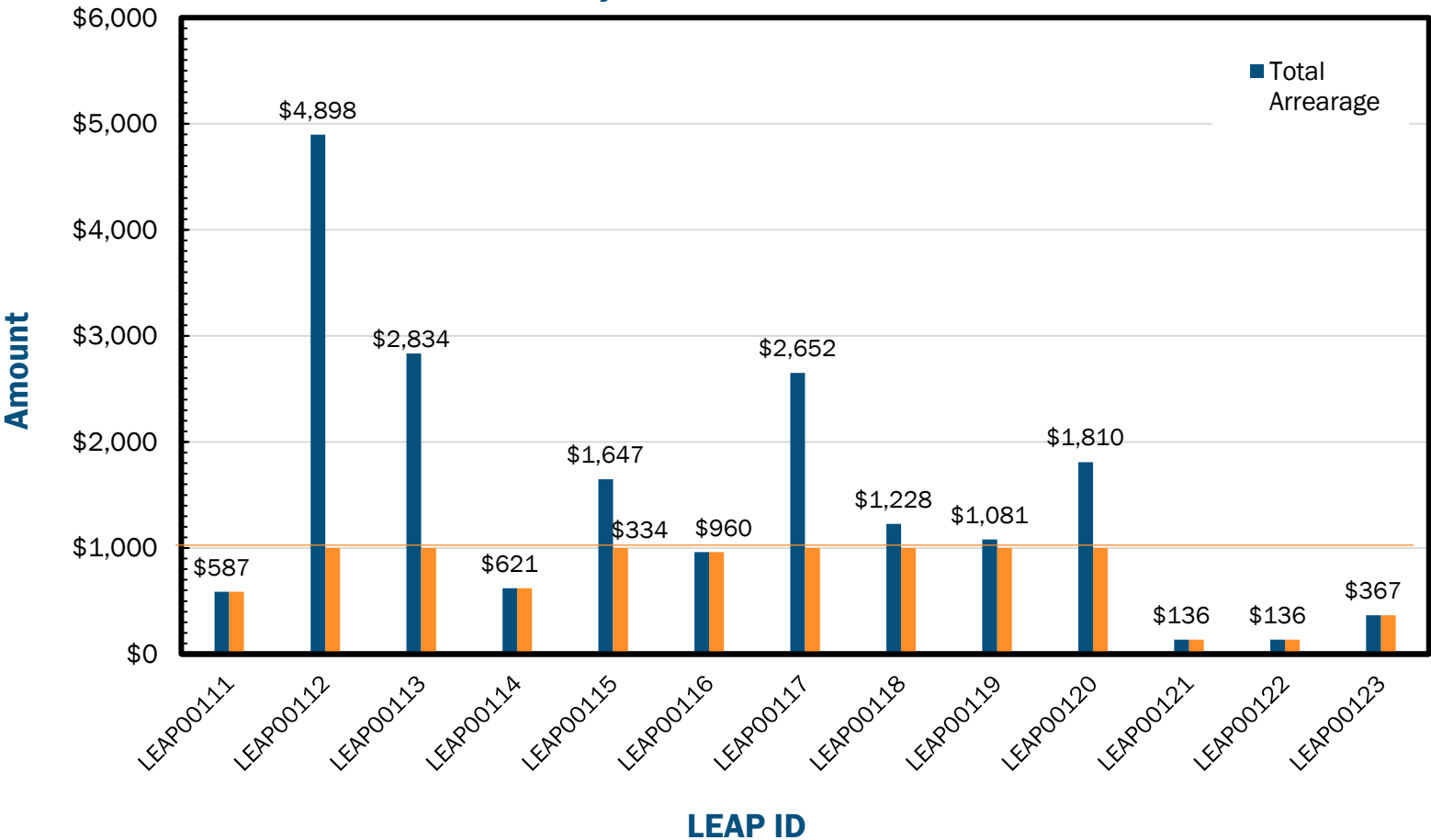


LEAP Disbursements and Remaining Arrearage by Account

July 31, 2025

Disbursements - July 2025

(July 2025)



	Disbursed	Arrearage	% of Arrearage
	Disbursed	Arrearage	% of Arrearage
	\$1,000	\$4,898	20%
	\$1,000	\$2,834	35%
	\$1,000	\$2,652	38%
	\$1,000	\$1,810	55%
	\$1,000	\$1,647	61%
	\$1,000	\$1,228	81%
	\$1,000	\$1,081	93%
	\$960	\$960	100%
	\$621	\$621	100%
	\$587	\$587	100%
	\$367	\$367	100%
	\$136	\$136	100%
	\$136	\$136	100%
Average:	\$754	\$1,458	76%
Median:	\$1,000	\$1,081	93%

phaseforward

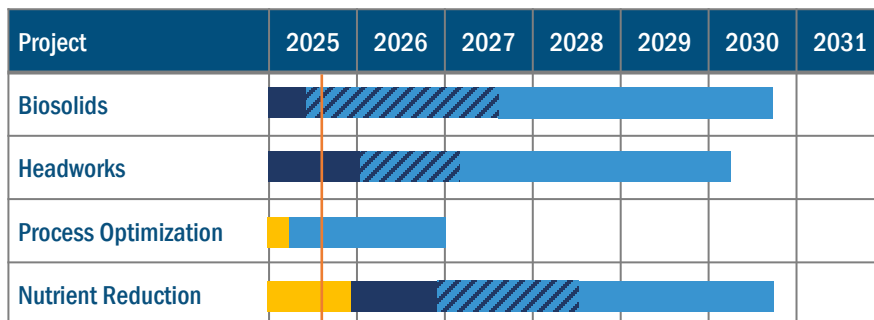
To support our evolving community, AlexRenew is making a significant investments to improve the resiliency of its infrastructure

DASHBOARD | JULY 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	\$7.9M	\$1.2M	\$9.1M	83%
Headworks	\$120M	\$6.2M	\$-	\$6.2M	95%
Process Optimization	\$9.4M	\$1.4M	\$-	\$1.4M	100%
Nutrient Reduction	\$120M	\$1.3M	\$-	\$1.3M	100%
Total	\$564.4M	\$16.8M	\$1.2M	\$18.0M	90%

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



BIOSOLIDS



HEADWORKS



PROCESS OPTIMIZATION



NUTRIENT REDUCTION



Process Optimization

Crews continue to demolish process piping and existing equipment to make way for the installation of new equipment. Heat exchangers and mixers are being carefully removed to be refurbished and reused on the project.



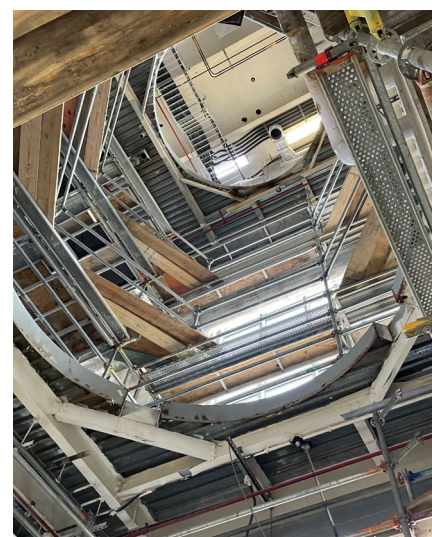
Headworks Renewal

Amendment No. 1 was executed with the contractor for procurement of screens, grit removal systems, sludge pumps, slide gates, and electrical equipment.



Nutrient Reduction

Staff hosted a virtual Request for Proposals Kick-Off Meeting on July 15 to the three (3) shortlisted design-builders.



Biosolids Diversification

Crews demolished the 7-story lime silos in Building L and continue to remove the remaining equipment with work expected to be complete by September 2025.

RiverRenew Board of Directors Dashboard



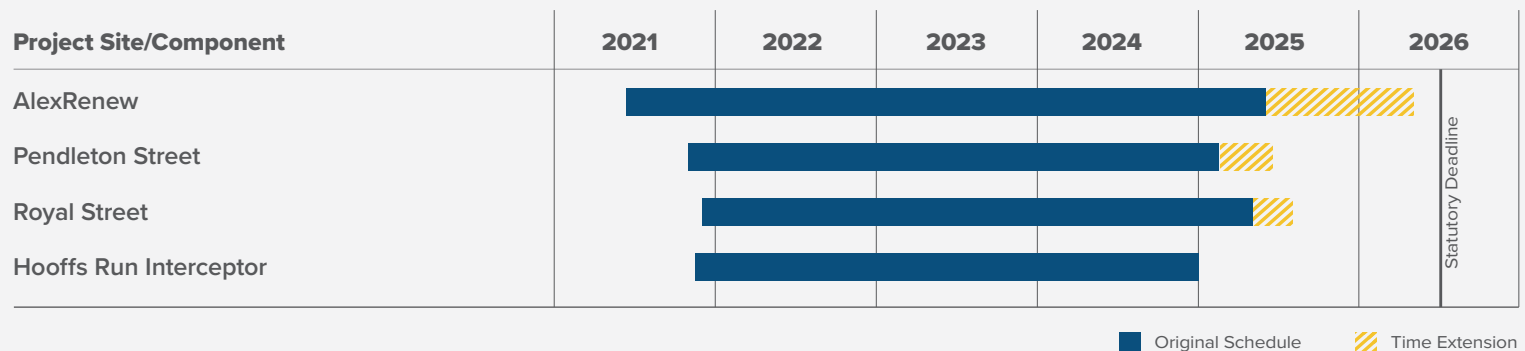
MONTH ENDING: JULY 31, 2025

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

RiverRenew Overview

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

RiverRenew Tunnel Project Schedule

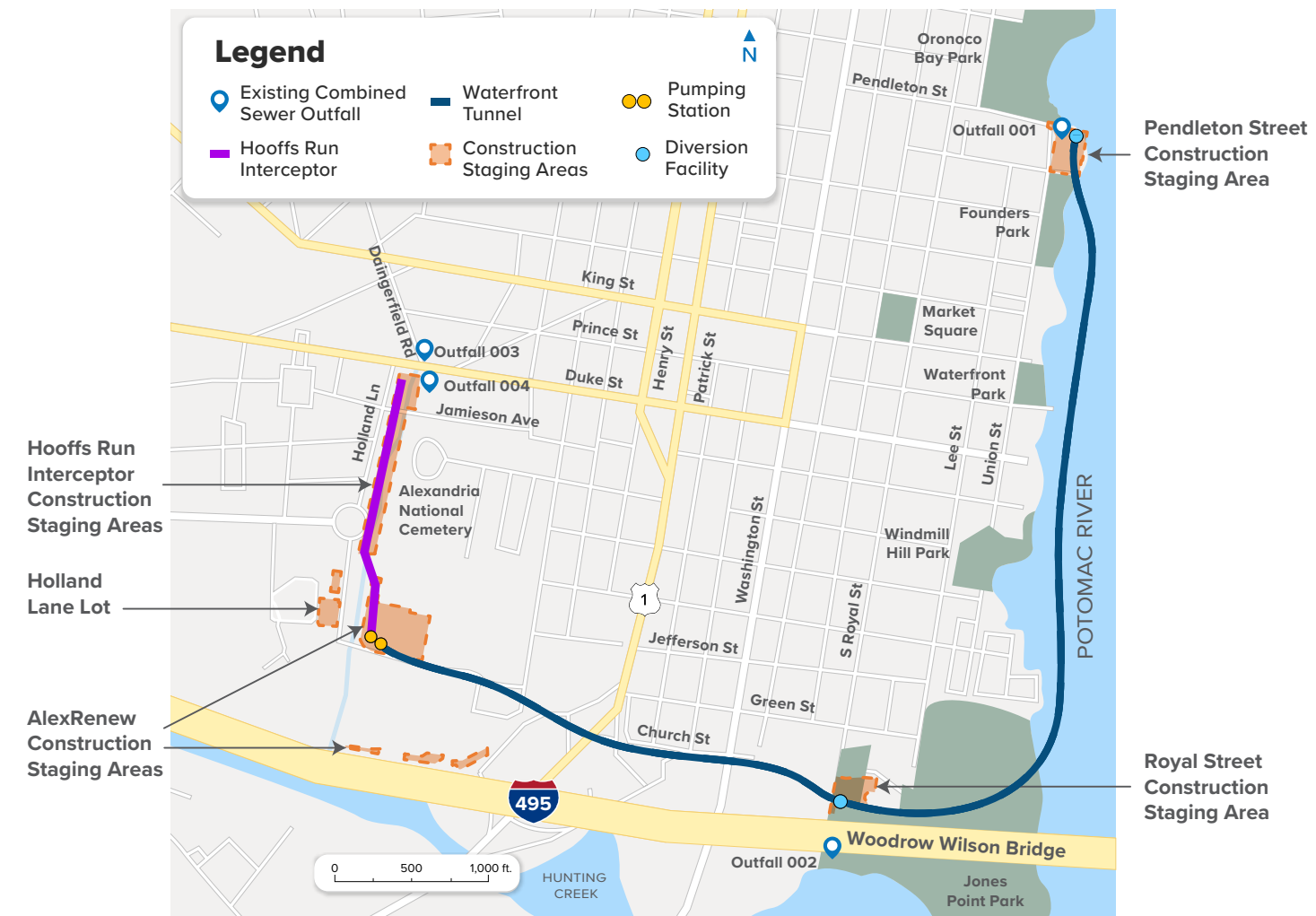


Summary of Major Tunnel Project Delays

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

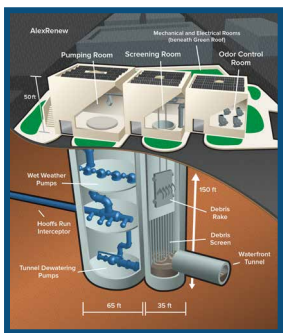
RiverRenew Tunnel Project Snapshot

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.



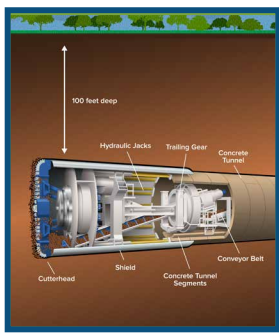
Hooffs Run Interceptor

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



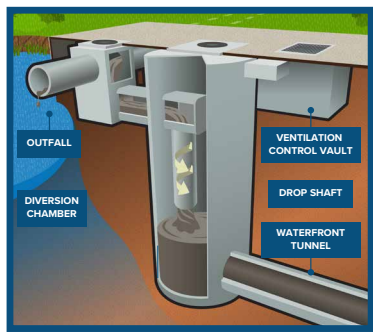
Pumping Station

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

86%

Planned

86%

Royal Street Site



Ongoing

- Permanent concrete work for hydraulic and mechanical structures

Upcoming

- Concrete shaft cover

Pendleton Street Site



Ongoing

- Site final grading
- Promenade construction and restoration
- Miscellaneous utilities

Upcoming

- Promenade landscaping finishes

Hooffs Run Site



Upcoming

- Pocket park restoration

AlexRenew Site



Ongoing

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

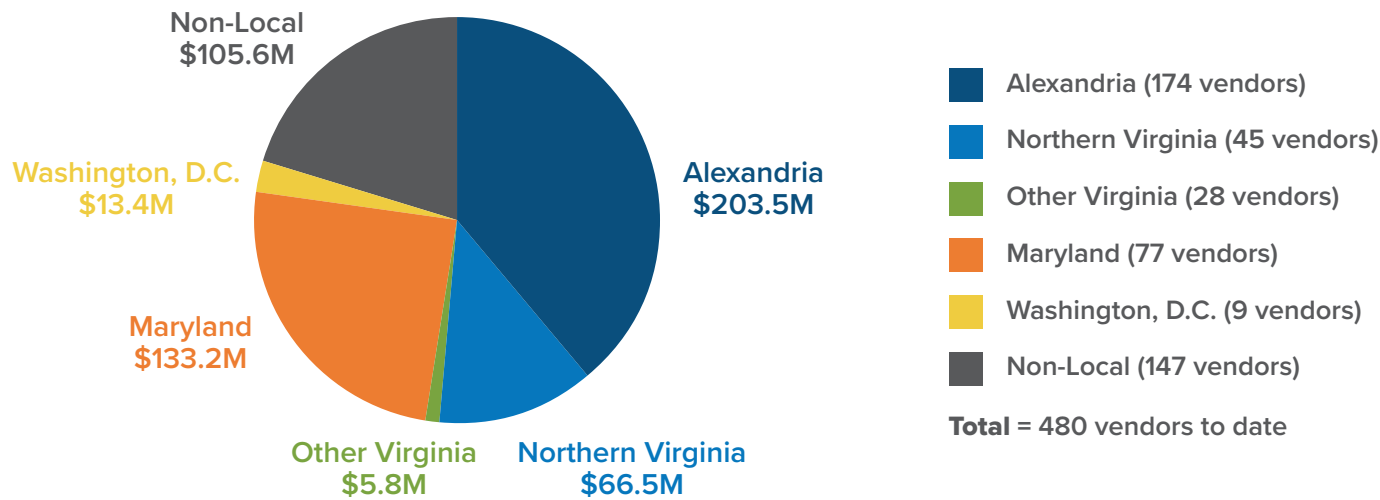
Upcoming

- Superstructure build-out
- Pump plumbing and fit-up
- Operational demonstration and commissioning
- Staff training

**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

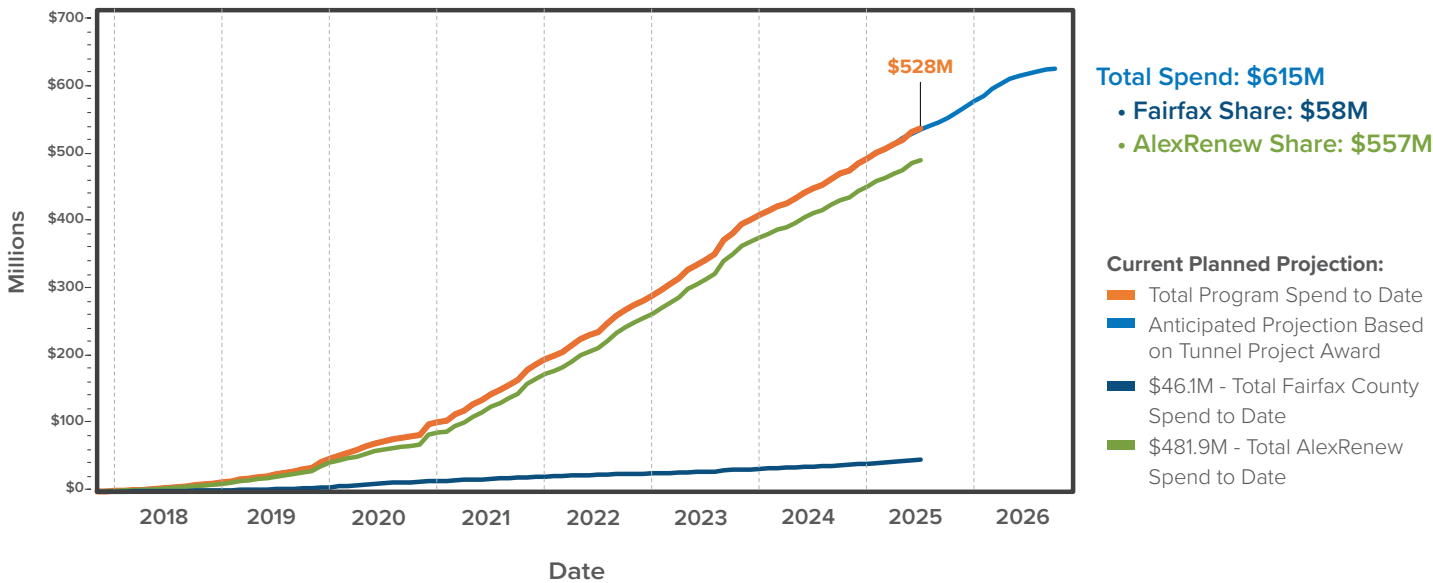
RiverRenew Spend to Date by Locality



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	\$358.8
Brown and Caldwell	Owner's Advisor	Professional Services	17-022	Nov 2017	\$86.2
EPC	Resident Engineering & Inspection Tunnel System Project	Professional Services	20-013	Apr 2020	\$29.4
Completed RiverRenew Wastewater Projects To Pave the Way for the Tunnel Project					\$53.6

RiverRenew Cash Flow Analysis*



Note: As of July 31, 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



Digital Programming

Digital programming keeps the community connected to RiverRenew with regular program updates on RiverRenew.com and through AlexRenew's social media pages.

Highlights:

- A social post on how the **Pump Station Superstructure** continues to take shape at AlexRenew.



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.riverrenew.com/cloes-corner)

Highlights:

- On July 2, AlexRenew staff led an interactive children's summer activity at Charles Beatley Jr. Central Library to explain where water goes after it is used and to provide information about the RiverRenew program.



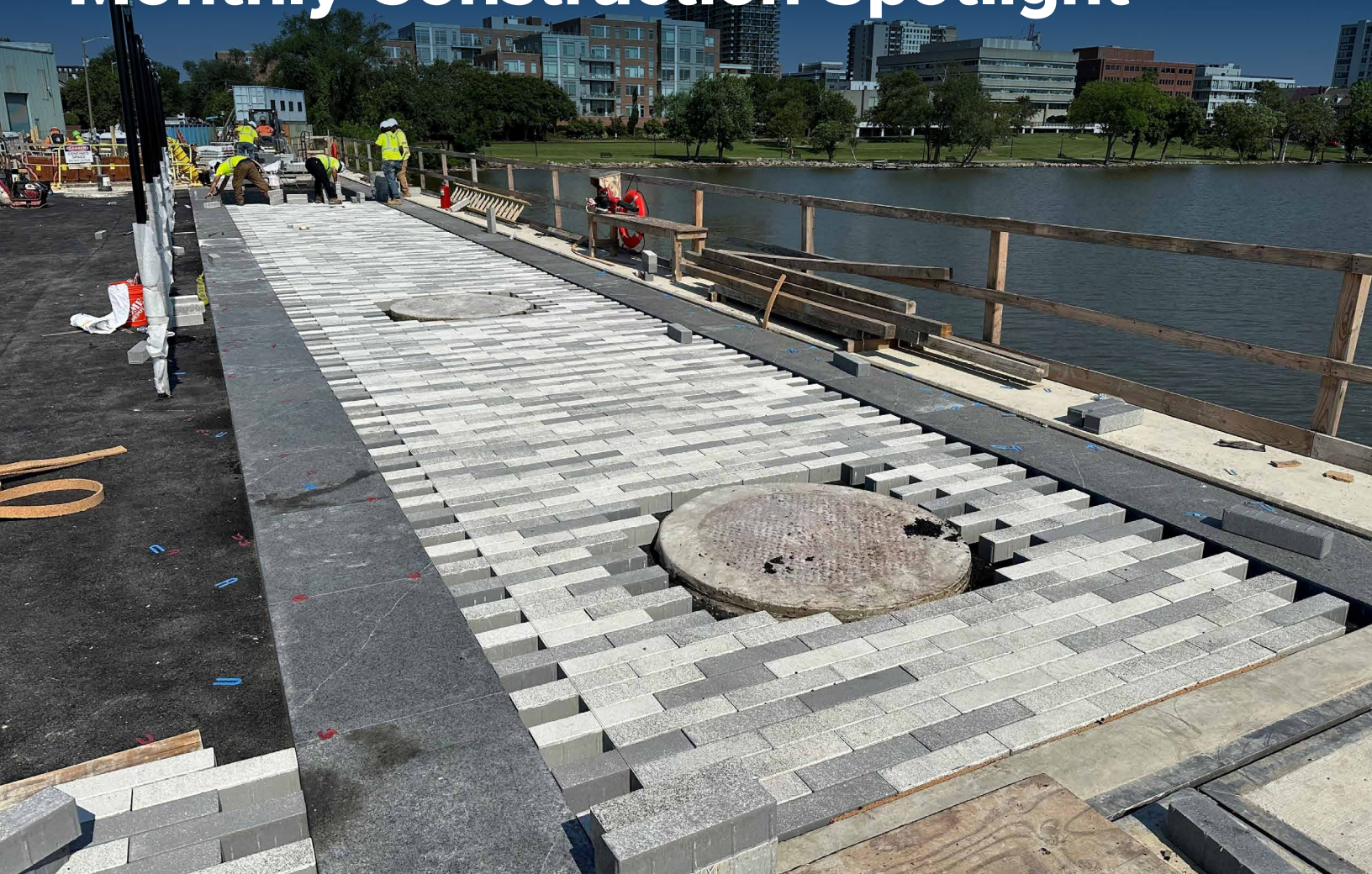
Community Days & Events

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

Looking Ahead:

- AlexRenew Open House: **September 20, 2025**
- Pendleton Street Ribbon Cutting: **October 18, 2025**

Monthly Construction Spotlight



Pendleton Street Promenade

In July, construction crews completed the Pendleton Street site's below-grade concrete structures and began laying the promenade's final surface. Over the next few months, crews will continue to install architectural paving stones and finishes, lighting, native plantings, and seating. The completed promenade will feature sweeping views of the Potomac River and Old Town, Alexandria, and will create a new space for the community to connect with the waterfront. We look forward to celebrating the grand opening of the promenade at our ribbon-cutting event this fall.

Building for the Future of Alexandria's Waterways

To learn more, visit www.RiverRenew.com



Payment Assistance Program Policy

Date of Adoption: October 15, 2024

Date of Revision: September 16, 2025

Page 1 of 4

I. Policy Statement

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

II. Policy Purpose

The purpose of this Policy is to:

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

III. Payment Assistance Program

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

A. Payment Plans

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

B. LEAP

1. 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.
2. Eligibility Criteria
 - a. The customer's account must be at least 60 days past due; and
 - b. The past-due balance must be at least \$100, or \$50 if the customer is 62 or older.
3. Terms
 - a. Assistance is provided one (1) time per 12-month period.
 - b. The credit applied is the lesser of the customer's past-due balance or a maximum of \$1,000. This amount may be adjusted by Board action as more data becomes available, without requiring an update to this Policy.
 - c. Assistance is provided on a first-come, first-served basis.
 - d. No income verification or means-testing is required.
4. Enrollment
 - a. LEAP is administered in partnership with Dollar Energy Fund, a 501(c)(3) nonprofit organization.
 - b. Customers may apply by calling 703-721-3500, emailing billing@alexrenew.com, or visiting a LEAP community-based partner agency.
5. Funding
 - a. LEAP is funded exclusively with non-rate revenue as defined in the following section to ensure compliance with the Virginia Water and Waste Authorities Act (Va. Code § 15.2-5100 et seq.) (Authorities Act) and the 1999 Master Indenture of Trust (Indenture). The following sources of non-rate revenue are used to fund LEAP:
 - i. Donations, generally;
 - ii. Opt-in contributions from customer billing;
 - iii. Donations associated with external use of public spaces within AlexRenew's Environmental Center;
 - iv. Rebates for participation in energy demand reduction programs;
 - v. Contributions for office space use on the 5th Floor in AlexRenew's Environmental Center; and
 - vi. Payments from the Billing Services Agreement with the City of Alexandria that are contractually restricted from being used to pay debt service.

IV. Rate and Non-rate Revenue

A. For purposes of this Policy and supported by the references in Section D.2, AlexRenew's revenue sources are defined as:

1. System Revenue

- a. System Revenue is derived from the ownership and/or operation of the sewer system that is pledged under the Indenture, regardless of whether it is collected directly from customers. These revenues must be deposited into the Revenue Fund and applied in accordance with the Indenture's flow-of-funds provisions.
- b. System Revenue includes all Rate Revenue, which is revenue received directly from charges imposed on customers for sewer service, including but not limited to rates, fees, and other charges. These funds are subject to the cost-of-service requirements set forth in the Authorities Act and pledged under the Indenture, which governs their use and application.
- c. System Revenue also encompasses other pledged income streams not billed directly to customers, such as investment earnings on pledged accounts and certain intergovernmental payments.

2. Discretionary Revenue

- a. Discretionary Revenue is derived neither from sewer customer charges nor from the ownership or operation of the sewer system as defined and pledged under the Master Indenture. This category also includes funds restricted by the payor, grantor, or donor for specific authorized purposes other than debt service. Discretionary Revenues are not pledged under the Indenture, not commingled with System and Rate Revenues, and are tracked and reported separately in AlexRenew's financial system and annual audit to ensure transparency and compliance.

B. Basis for Definitions

1. The Authorities Act defines a cost-of-service model where customer charges are used to cover costs associated with operating and maintaining the wastewater system – not discretionary programs. Specifically, § 15.2-5136 restricts the use of customer rates, fees, and other charges to paying the cost of maintaining, repairing, and operating the system; paying the principal of and the interest on the revenue bonds; or providing a margin of safety for making such payments.
2. The Indenture reinforces the cost-of-service model by defining "Revenues" as all income derived from the ownership or operation of the sewer system. These pledged revenues must be deposited into the Revenue Fund and applied in a fixed order: operating expenses, debt service, and capital expenses (§§ 1.1, 7.2). Once all Indenture-required allocations are satisfied, any remaining Revenues flow into the General Fund, which may be used for any lawful purpose within AlexRenew's statutory powers as defined by the Authorities Act.
3. 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. For example, payments to AlexRenew from the City of Alexandria for the 5th floor lease and third-party billing services are excluded from the

Indenture definition of Revenues by virtue of the City's restrictive language in the respective agreements.

C. Revenue Classification Flowchart

1. The flowchart outlined as Table 1 is provided to assist AlexRenew in classifying revenue per this Policy.

Table 1. Revenue Classification Flowchart

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

D. Approved LEAP Funding Sources

1. 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, non-system revenue funding sources for LEAP

LEAP Funding Source	Description	Classification
Donations, generally	Donations made directly to Dollar Energy in support of LEAP	Discretionary 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)	
Customer opt-in donations	Voluntary donations made directly to Dollar Energy added to billing statements	
Energy reduction demand rebates	Reimbursements for energy demand reduction during peak use of the electrical grid	
5th floor contributions	Contractually restricted payments from the City of Alexandria for shared facility use	Discretionary Revenue (Step 3)
Billing services payments	Contractually restricted payments from the City of Alexandria under Billing Services Agreement	

MEMORANDUM

TO: AlexRenew Board of Directors

FROM: Justin Carl, General Manager and CEO

DATE: September 16, 2025

SUBJECT: *New Business, Joint Use*
Review and approve Amendment No. 3 to Contract 24-001 with PC Construction to support the Biosolids Diversification Project

Issue

The Biosolids Diversification Project was procured as a construction management at-risk (CMAR) contract and structured as a series of amendments as part of an overall Guaranteed Maximum Price (GMP) to complete the work. To advance short-term construction improvements associated with Contract 24-001, approval of Amendment No. 3 by the Board of Directors (Board) is required.

Recommendation

Staff respectfully requests the Board authorize the Chief Executive Officer to execute Amendment No. 3 to Contract 24-001 with PC Construction for ongoing construction associated with the Biosolids Diversification Project in an amount of not-to-exceed \$56,979,000 *[Note: value under negotiation and to be updated as part of the September Board package]*, 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. 3 to Contract 24-001 is included in the approved Fiscal Year 2026 Capital Budgets. The cost for Amendment No. 3 is \$48,700,000 *[Note: value under negotiation and to be updated as part of the September Board package]* and is anticipated to be expended between September 2025 and April 2029.

Discussion

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

The Plan identified several short-term upgrades to improve the reliability of aging equipment and maintain permit compliance; medium-term solutions to reduce the quantity of biosolids, diversify their end use, and minimize regulatory risk; and long-term concepts for adapting to future solids management scenarios. This roadmap for upgrading solids infrastructure ensures a sustainable, resilient future for solids management at AlexRenew. The implementation of the Plan is hereinafter referred to as the Biosolids Diversification Project.

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

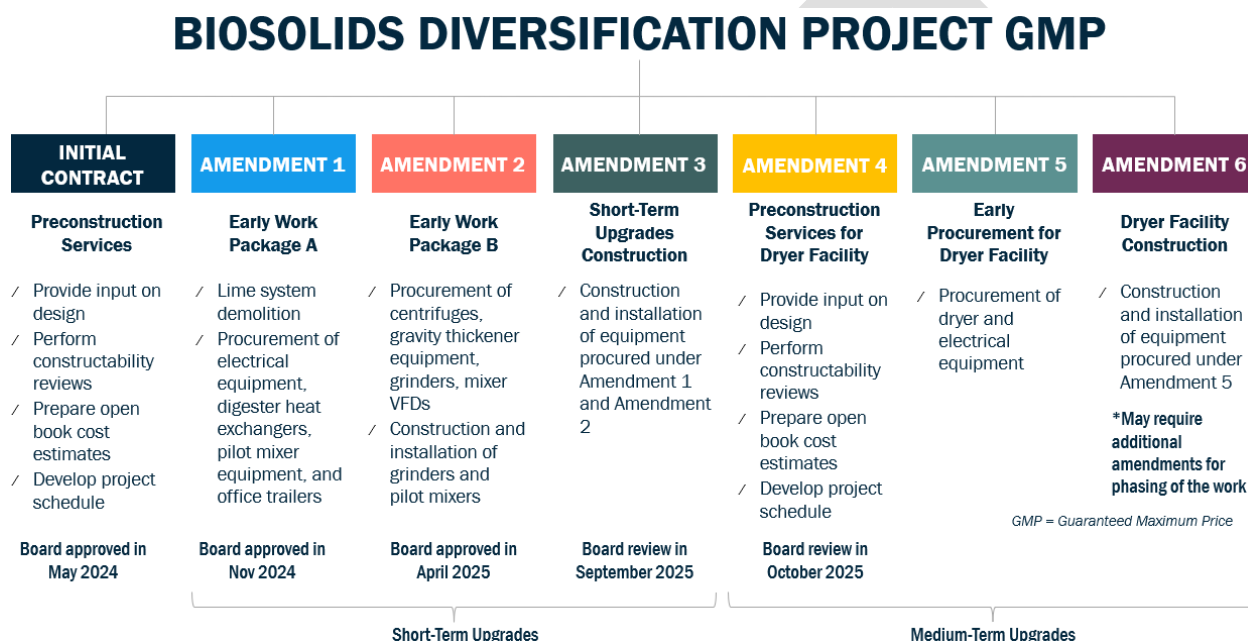


Figure 1. Contractual amendments associated with the Biosolids Diversification Project GMP

The initial contract with PC Construction for preconstruction services to support short-term upgrades was approved by the Board in May 2024 for an amount of \$440,000. The short-term preconstruction services phase includes a collaborative design development process between AlexRenew, the Engineer (Stantec), and CMAR (PC Construction). GMP Amendment No. 1 was approved by the Board in November 2024 for an amount of \$5,877,486 and GMP Amendment No. 2, was approved by the Board in April 2025 for an amount of \$11,713,411. Proposed Amendment No. 3 focuses on the following work elements:

- Replacement of three (3) existing dewatering centrifuges and installation of one (1) new dewatering centrifuge to upgrade equipment that has reached the end of its useful life and provide system redundancy;
- Replacement of four (4) existing thickening centrifuges and installation of one (1) new thickening centrifuge to replace equipment that has reached the end of its useful life and provide system redundancy;

- Full refurbishment of three (3) gravity thickeners with new rake drives, piping, scum collection systems, covers, and controls to improve the reliability and efficiency of the gravity thickening process;
- Installation of two (2) new transformers to upgrade electrical equipment that is undersized for the new digester mixing systems;
- Installation of four (4) digester heat exchangers to replace equipment that has reached the end of its useful life;
- Demolition of the pre-pasteurization system to improve the overall process efficiency and increase available space for future process equipment; and
- Replacement of existing gas mixing systems in four (4) digesters with new hydraulic jet mixing systems to improve the operability and reliability of the digester mixing process.

Pricing for Amendment No. 3 was developed using an open-book model, which is a transparent, collaborative process between AlexRenew, the Engineer, and CMAR. This approach allows full visibility into the CMAR's estimates, vendor quotes, subcontractor pricing, labor rates, and materials costs, giving AlexRenew a detailed understanding of how costs are calculated, allocated, and expended.

PC Construction's current cost proposal for Amendment No. 3 is *\$48.7 million [Note: value under negotiation; to be updated in the September Board package]*, which is approximately 14.8% higher than the Engineer's estimate of \$42.5 million. The primary driver for the cost difference between the Engineer and CMAR is digester cleaning. While the Engineer's estimate assumed \$1 million for this scope, the CMAR obtained hard subcontractor bids in the range of *\$3.6 to \$5 million [Note: values under negotiation; to be updated in the September Board package]*—amounts that reflect the current market rate for this highly specialized, labor-intensive work. The CMAR received competitive proposals from multiple qualified subcontractors, and the limited number of firms with the expertise, equipment, and safety qualifications to perform this work constrains additional competition.

Additionally, based on collaboration with the Engineer and CMAR, AlexRenew adjusted the scope of Amendment No. 3 to address schedule risk associated with the delivery of new electrical transformers. The new electrical transformers have a delivery timeline of 48 months (initial estimates were 36 months), which would delay necessary upgrades to the digesters by one (1) year. Therefore, to mitigate this schedule risk, the team included the procurement of pre-owned temporary transformers to ensure work associated with the digesters would remain on schedule. This cost of approximately *\$0.5 million [Note: value under negotiation; to be updated in the September Board package]* was not included in the Engineer's estimate and resulted in additional deviation from the CMAR's cost.

It should be noted that while Amendment No. 3 costs are higher than the Engineer's estimate, Amendments No. 1 and 2 to Contract 24-001 were executed at a total of \$9.5 million less than the Engineer's estimate, demonstrating that the CMAR process has delivered cost efficiencies where market conditions allow. Since the work under 24-001 is managed as a "cost reimbursement" contract, additional savings (where the cost of the work comes in below the GMP value) between AlexRenew and CMAR are anticipated at the final completion of the project.

In summary, the CMAR's proposal represents the going market rate for the scope of work included in Amendment No. 3. Staff therefore considers the CMAR's cost reasonable and recommends proceeding with Amendment No. 3.

Table 1. Breakdown of Amendment No. 3 to Contract 24-001

Item	Cost
Direct Cost of the Work	\$27,876,000 <i>[Note: value under negotiation and to be updated as part of the September Board package]</i>
General Conditions (contractor's indirect costs)	\$7,400,000 <i>[Note: value under negotiation and to be updated as part of the September Board package]</i>
Subtotal	\$35,276,000
Contractor's Fee (8 percent)	\$2,824,000 <i>[Note: value under negotiation and to be updated as part of the September Board package]</i>
Bonds and Insurance	\$500,000 <i>[Note: value under negotiation and to be updated as part of the September Board package]</i>
Contractor Contingency	\$1,800,000 <i>[Note: value under negotiation and to be updated as part of the September Board package]</i>
Project Contingency (Owner)	\$3,400,000 <i>[Note: value under negotiation and to be updated as part of the September Board package]</i>
Allowance Items (digester cleaning, temporary transformers, contaminated soil disposal, abatement of lead paint and asbestos, concrete repair, and permits)	\$4,900,000 <i>[Note: value under negotiation and to be updated as part of the September Board package]</i>
Total	\$48,700,000

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

Table 2. Summary of Biosolids Diversification Project capital costs as of the date of this memorandum

Item	Entity	Cost
Planning and Design Services (Jul 2022 – Jul 2027)	Stantec	\$31,691,617
Construction Management Services (Nov 2024 – Jun 2026)	Brown & Caldwell	\$1,074,500
Preconstruction Services	PC Construction	\$440,000
Construction Services		
Amendment No. 1	PC Construction	\$5,877,486
Amendment No. 2	PC Construction	\$11,713,411
Amendment No. 3 (for consideration under this memo)	PC Construction	\$48,700,000

Item	Entity	Cost
		<i>[Note: value under negotiation and to be updated as part of the September Board package]</i>
Total		\$99,497,014

This action supports our strategic goal of Operational Excellence.

ACTION TAKEN

Approved:

Disapproved:

Approved with Modification:

Modification(s):