AlexRenew
1800 Limerick Street
Alexandria, VA 22314
alexrenew.com

Tuesday, January 20, 2026 – 6:00 p.m.

Regular Board of Directors Meeting Agenda

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

Virtual: Join virtually on Microsoft 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 a. Minutes from December 16, 2025 meeting (Tab 1)	Chair	Motion
5.	6:15 p.m.	Board Administrative Items a. Board Calendar (Tab 2) b. Utility Management Conference – March 24-27, 2026 c. Finance and Audit Committee – March 3, 2026 d. Governance Committee e. Board Retreat – February 20-21, 2026	Chair	Information
6.	6:20 p.m.	Unfinished Business a. Approval of revisions to Payment Assistance Policy (Tab 3)	CEO	Motion
7.	6:30 p.m.	New Business a. PhaseForward Schedule and Capital Cost Update (Tab 4) b. Approval of Nutrient Reduction Project Contract and Amendment No. 1 (Tab 5) c. Approval of Biosolids Diversification Project Amendment No. 4 (Tab 6) d. Presentation on PFAS Sampling and Thermal Technologies for Biosolids Management (Tab 7)	CEO	Information
8.	7:30 p.m.	AlexRenew Monthly Report (Tab 8)	CEO	Information
9.	7:45 p.m.	Adjourn	Chair	Motion

Times shown are approximate start times and serve as guidelines.

Minutes of the 935th Meeting
AlexRenew Board of Directors
6:00 p.m., Tuesday, December 16, 2025

On Tuesday, December 16, 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. Kevin Pilong, Engineering Manager Mr. Matt Robertson, Director of Communications Mr. Ronald Flowers, Desktop Support Manager Ms. Lorna Huff, Executive Assistant to the Board and CEO
Fairfax County Representative:	Mr. Bill Barrack, Director Wastewater Planning and Monitoring Division
City Representatives:	Ms. Erin Bevis-Carver, Division Chief T&ES/Sanitary Infrastructure Division
Consultants:	Ms. Diana Ling, Senior Consultant, Raftelis via Microsoft Teams

1. Call to Order

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

2. Approval of Agenda

   Motion by Mr. Jinks/Second by Mr. Beall to approve the agenda. Passed unanimously.

3. Public Comment Period

   No public speakers. Comment period closed.

4. Consent Agenda

   Minutes: November 18, 2025
   Motion by Ms. Hammer/Second by Mr. Hill. Passed unanimously

5. Staff Introductions

   The CEO introduced Mr. Flowers from AlexRenew IT Department, and Mr. Pilong, Engineering Manager.

6. Green Folder
   Mr. Carl referenced the draft 2026 Board Retreat Agenda and the draft 2025 Annual Report. He requested Board feedback by Tuesday, December 23. The Annual Comprehensive Financial Report (ACFR) and revisions to the Base Charge Communications Plan were also in the folder. Mr. Jinks and Dr. Wone received the final version of the Fiscal Year 2025 Single Audit Report.

7. Board Administrative Items

   a. Board Calendar
      Added the Board Retreat and Metropolitan Washington Council of Governments (COG) Chesapeake Bay Committee meetings.

   b. Finance and Audit Committee– Mr. Jinks, chair.
      Budget and rate setting begins in March.

   c. Governance Committee – Mr. Beall, Chair
      No updates to report.

   d. Board Retreat – February 20-21, 2026
      Mr. Carl reported that there would be presentations from AlexRenew and DC Water staff on RiverRenew and the Anacostia River projects, respectively.

8. Unfinished Business

   a. Draft Base Charge Communications Plan
      Mr. Robertson reviewed the Communications Plan for informing customers of the proposed base charge changes, which will effectively lower upcoming rate increases for approximately 97 percent of customers. The plan includes multiple channels - meetings, printed material, bill inserts, emails, and digital messages through customer portals - with messaging tailored to each customer class.

      The changes will take effect in July 2026. Communications will begin in February 2026 and continue into FY2027 as the changes are implemented. Staff will provide talking points and briefings to City Council upon request. Members discussed and provided feedback on the language in the sample bills, talking points, and flyers. AlexRenew's website has been updated to reflect the upcoming changes.

   b. Nutrient Reduction Project Update
      The CEO recognized Ms. Glapion, who presented an update on the Nutrient Reduction Project, including project drivers, major components, anticipated scope, and the benefits of utilizing a Progressive Design-Build delivery method. The project, part of the PhaseForward program, replaces the planned tertiary and filter upgrades, and supports a 4-million-gallon-per-day capacity expansion. Board members discussed the rationale for Progressive Design-Build, the proposed denitrification technology, and associated project risks, including those common to PhaseForward projects. Staff anticipate bringing the contract for the design-builder to the Board for contract approval in January.

9. Monthly Outcomes Update

   General Assembly Update.
   Ms. Waters updated the Board on AlexRenew's legislative engagement, including work with the

Virginia Association of Municipal Wastewater Agencies (VAMWA) on draft PFAS biosolids legislation. The proposed legislation takes a proactive, data-driven approach by requiring quarterly sampling of biosolids intended for land application to establish a statewide baseline. This framework is intended to inform future, risk-based regulatory decisions while avoiding premature mandates that could impose significant costs without corresponding public health benefit.

Ms. Waters also reminded the Board about the apprenticeship mandate bill from the 2025 General Assembly session. It would have required eight percent of labor hours on public construction projects to be performed by apprentices. While the bill passed by the General Assembly, it was vetoed by Governor Youngkin due to concerns about workforce availability and cost impacts. Staff noted that the bill's waiver provisions were impractical for public owners and could have increased project costs and procurement risk. Staff will continue to monitor this issue in the next legislative session.

Delinquencies

Mr. Robertson reported a month-over-month decrease of approximately $11,000 in total accounts receivable. While the number of delinquent accounts increased by 60, 31 of those accounts were attributable to a single commercial customer that remitted payment after the Board report deadline following contact by AlexRenew's customer service. The remaining 29 delinquent accounts are largely associated with new customers. Approximately 76 percent of the total delinquent balance is currently under active payment plans.

LEAP

$11,451 was distributed to 11 customers. Staff advised that total monthly arrearages are expected to eventually stabilize in the range of $350,000 to $400,000.

RiverRenew Dashboard

Mr. Carl reported that RiverRenew is 90 percent complete. The Board Retreat will include a tour of the AlexRenew pumping station. The deep raker system that will clean the screening shaft recently completed factory testing in India and will be shipped soon.

PhaseForward Dashboard

No updates to report.

The Chair commended staff and the Board for their work over the past year and noted that AlexRenew is a strong organization supported by a highly effective and strategic Board of Directors. Mr. Jinks thanked the Chair for his leadership, and Dr. Wone recognized staff for their contributions and efforts during the year. There being no further business; the Chair requested a motion to adjourn.

Motion by Mr. Beall/Second by Ms. Hammer. Passed unanimously.

The meeting adjourned at 7:37 p.m.

Approved: _____

Becky Hammer, Secretary-Treasurer

Updated as of January 8, 2026

Board Calendar of Events

January 2026

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

February 2026

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28

March 2026

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

April 2026

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

May 2026

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

June 2026

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

Legend

- Board of Directors Meeting
- AlexRenew Observed Holidays
- Board Committee Meeting
- AlexRenew Events
- Conference
- HOA, Civic Association, & Commission Meetings
- Community/Business Community Events

January
1: New Years Day
16: COG CBPC Meeting
19: Martin Luther King Jr. Day
20: Regular Meeting
28: AFCA Meeting
February
17: Regular Meeting
20-21: Board Retreat
25: AFCA Meeting
March
3: Finance and Audit Committee
17: Regular Meeting
20: COG CBPC Meeting
24-27: Utility Management Conference
25: AFCA Meeting
TBD: City Manager Breakfast
TBD: General Assembly Breakfast
April
21: Regular Meeting
29: AFCA Meeting
TBD: Governance Meeting
May
15: COG CBPC Meeting
16: Public Hearing
19: Regular Meeting
25: Memorial Day
27: AFCA Meeting
TBD: City Council Breakfast
June
16: Regular Meeting
19: Juneteenth
24: AFCA Meeting

Updated as of January 8, 2026

Board Calendar of Events

July 2026

S	M	T	W	T	F	S
			1	2	**3**	4
5	6	7	8	9	10	11
12	13	14	15	16	**17**	18
19	20	**21**	22	23	24	25
26	27	28	29	30	31	

August 2026

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

September 2026

S	M	T	W	T	F	S
		1	2	3	4	5
6	**7**	8	9	10	11	12
13	14	**15**	16	17	**18**	19
20	21	22	23	24	25	26
27	28	29	**30**			

October 2026

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	**19**	20	21	22	23	24
25	26	27	**28**	29	30	31

November 2026

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	**10**	**11**	12	13	14
15	16	**17**	18	19	**20**	21
22	23	24	**25**	**26**	**27**	28
29	30					

December 2026

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	**15**	16	17	18	19
20	21	22	23	**24**	**25**	26
27	28	29	30	31		

Legend

- Board of Directors Meeting
- AlexRenew Observed Holidays
- Board Committee Meeting
- AlexRenew Events
- Conference
- HOA, Civic Association, & Commission Meetings
- Community/Business Events

July
3: July 4 (Observed)
17: COG CBPC Meeting
21: Regular Meeting
August
No meetings
September
7: Labor Day
15: Regular Meeting
18: COG CBPC Meeting
30: AFCA Meeting
TBD: ALX Chamber Legislative Reception
October
19: Regular Meeting
28: AFCA Meeting
TBD: Governance Meeting
November
11: Veterans Day
17: Regular Meeting
20: COG CBPC Meeting
25: AFCA Meeting
26/27: Thanksgiving
TBD: Finance and Audit Committee
December
17: Regular Meeting
23/24: Christmas
TBD: AFCA Meeting

AlexRenew
1800 Limerick Street
Alexandria, VA 22314
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MEMORANDUM

TO: AlexRenew Board of Directors

FROM: Justin Carl, General Manager and CEO

DATE: January 20, 2026

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 expand eligibility for funding under AlexRenew's Lifeline Emergency Assistance Program (LEAP) to certain multi-family properties billed within AlexRenew's commercial customer class. 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's newly designed base charge ensures everyone is billed the same amount per gallon of wastewater generated — delivering savings to 97 percent of our customers. The base charge is being updated to better match how much wastewater each customer sends to the system. For most customers, this change will lead to a lower base charge that is more reflective of use, and a stronger, more reliable wastewater system for the whole community.

The base charge change will be phased in over a five (5) year period from July 1, 2026 through June 30, 2031. All single-family residential and 75 percent of commercial, industrial, and other public agency classes will see a decrease in their monthly bill. About three (3) percent of customers in the commercial, industrial, and other public agency classes will see an increase in their monthly bill due to the base charge change. To minimize this impact, staff are proposing revisions to the Lifeline Emergency Assistance Program (LEAP) to assist certain multi-family properties within the commercial customer class.

AlexRenew's Payment Assistance Program Policy currently restricts LEAP to residential customer class accounts with past-due balances. The proposed revisions to the policy expand LEAP eligibility to multi-family properties that provide affordable dwelling units and have a bill increase associated with the base charge implementation. The policy revisions also require eligible multi-family properties to verify that they pass on AlexRenew wastewater charges to tenants, and attest that any savings resulting from LEAP assistance are passed on directly to eligible units.

The proposed revisions expand the LEAP program to residential-type customers that do not have an account directly with AlexRenew to provide bill assistance associated with increases due to the new base charge implementation.

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

ACTION TAKEN

Approved: _____

Disapproved: _____

Approved with Modification: _____

Modification(s): _____

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: 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. Single-family Residential Customers

   a. 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.

   b. 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.

   c. 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 and is subject to the availability of LEAP funds.

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

2. Multi-family Properties within the Commercial Customer Class

   a. AlexRenew is implementing a change to its base charge from July 1, 2026 through June 30, 2031 that may result in higher increases to some multi-family properties within the Commercial Customer Class. During this transition, LEAP funds will be made available to these customers in accordance with the terms and eligibility criteria within this section.

   b. Eligibility Criteria

      i. The customer must be a property with two (2) or more dwelling units within the Commercial Customer Class.

      ii. The customer must pass on AlexRenew sewer charges to its tenants.

      iii. The customer's overall rate increase (including the base charge change and annual rate increase) must be greater than the most current annual rate increase.

      iv. The customer must have a minimum of one (1) dwelling unit that is considered "affordable" within the property address on file with AlexRenew. "Affordable" dwelling units are defined as one (1) of the following based on published guidance from the City of Alexandria:

         - Committed affordable housing for low- and moderate-income residents through local, state, and/or federal programs;
         - Discounted units through the Affordable Rental Set-Aside Program; or
         - Moderately priced rental units where household income is less than or equal to 60 percent of the area median income.

   c. Terms

      i. Assistance is provided one (1) time per Fiscal Year (July 1 through June 30).

ii. The credit applied will offset up to fifty (50) percent of the bill increase associated with the base charge change and apply only toward affordable units within the property (as defined above). This percentage will be reviewed on an annual basis, at a minimum, and may be adjusted by Board action as more data becomes available, without requiring an update to this Policy. Credits will not be applied to bill increases resulting from annual rate adjustments.

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

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

v. Eligible customers must verify that they pass on AlexRenew sewer charges to tenants and attest that any savings resulting from LEAP assistance will be passed on directly to eligible units.

3. Enrollment

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

b. Customers may apply by calling 703-721-3500, emailing billing@alexrenew.com, or visiting a LEAP community-based partner agency.

4. Funding

a. LEAP is funded exclusively with non-rate revenue as defined in the following section to ensure compliance with the Virginia Water and Waste Authorities Act (Va. Code § 15.2-5100 et seq.) (Authorities Act) and the 1999 Master Indenture of Trust (Indenture). The following sources of non-rate revenue are used to fund LEAP:

i. Donations, generally;

ii. Opt-in contributions from customer billing;

iii. Donations associated with external use of public spaces within AlexRenew's Environmental Center;

iv. Rebates for participation in energy demand reduction programs;

v. Contributions for office space use on the 5th Floor in AlexRenew's Environmental Center; and

vi. Payments from the Billing Services Agreement with the City of Alexandria that are contractually restricted from being used to pay debt service.

IV. Rate and Non-rate Revenue

A. 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	

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B. Define eligible funding sources for the Program in accordance with applicable legal and contractual requirements, ensuring strict compliance and fiscal accountability.

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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.
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3. Terms
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    c. Customers with more than three (3) failed payment plans are no longer eligible to enroll.
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b. 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.

c. 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 and is subject to the availability of LEAP funds.

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

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b. Eligibility Criteria

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ii. The customer must pass on AlexRenew sewer charges to its tenants.

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- Discounted units through the Affordable Rental Set-Aside Program; or
- Moderately priced rental units where household income is less than or equal to 60 percent of the area median income.

c. Terms

i. Assistance is provided one (1) time per Fiscal Year (July 1 through June 30).

ii. The credit applied will offset up to fifty (50) percent of the bill increase associated with the base charge change and apply only toward affordable units within the property (as defined above). This percentage will be reviewed on an annual basis, at a minimum, and may be adjusted by Board action as more data becomes available, without requiring an update to this Policy. Credits will not be applied to bill increases resulting from annual rate adjustments.

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

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

v. Eligible customers must verify that they pass on AlexRenew sewer charges to tenants and attest that any savings resulting from LEAP assistance will be passed on directly to eligible units.

~~1.~~3. Enrollment

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

b. Customers may apply by calling 703-721-3500, emailing billing@alexrenew.com, or visiting a LEAP community-based partner agency.

~~2.~~4. Funding

a. LEAP is funded exclusively with non-rate revenue as defined in the following section to ensure compliance with the Virginia Water and Waste Authorities Act (Va. Code § 15.2-5100 et seq.) (Authorities Act) and the 1999 Master Indenture of Trust (Indenture). The following sources of non-rate revenue are used to fund LEAP:

i. Donations, generally;

ii. Opt-in contributions from customer billing;

iii. Donations associated with external use of public spaces within AlexRenew's Environmental Center;

iv. Rebates for participation in energy demand reduction programs;

v. Contributions for office space use on the 5th Floor in AlexRenew's Environmental Center; and

vi. Payments from the Billing Services Agreement with the City of Alexandria that are contractually restricted from being used to pay debt service.

IV. Rate and Non-rate Revenue

A. 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	

AlexRenew

LEAP SUPPORT OPTIONS FOR MULTI-FAMILY CUSTOMERS

BOARD OF DIRECTORS MEETING | JANUARY 20, 2025

Option 1 – All Multifamily Properties

Assist all multifamily properties with a base charge increase

% of base charge increase covered by LEAP	Total FY2027 LEAP disbursement if all properties with a base charge increase seek assistance	Current LEAP funds	Total LEAP funds available at the end of FY2027	Anticipated FY2027 residential LEAP funds needed	LEAP funds remaining at the end of FY2027
10	$83,463	$183,000	$352,000	$150,000	$118,537
20	$166,925	$183,000	$352,000	$150,000	$35,075
30	$250,388	$183,000	$352,000	$150,000	$(48,388)
40	$333,850	$183,000	$352,000	$150,000	$(131,850)

Notes:

- The analysis assumes that all multi-family properties with a base charge increase seek assistance
- There are not sufficient LEAP funds above 20% to cover the multi-family properties with a base charge increase and residential customers

Option 2 –Multifamily Properties with Affordable Housing

Assist only multi-family properties that provide affordable housing and have a base charge increase

% of base charge increase covered by LEAP	Total LEAP disbursement if all properties with affordable housing (and a base charge increase) seek assistance	Current LEAP funds	Total LEAP funds available at the end of FY2027	Anticipated FY2027 residential LEAP funds needed	LEAP funds remaining at the end of FY2027
10	$9,758	$183,000	$352,000	$150,000	$192,242
30	$29,273	$183,000	$352,000	$150,000	$172,727
50	$48,789	$183,000	$352,000	$150,000	$153,211
70	$68,304	$183,000	$352,000	$150,000	$133,696
100	$97,578	$183,000	$352,000	$150,000	$104,422

Notes for Option 2:

- Affordable units defined by the City's Affordable and Moderately-Priced Rental Housing Options document (attached)
- The proposed revisions to the Payment Assistance Program Policy recommend providing 50% assistance
- There are 192 multi-family properties with affordable units
- Out of the 192 properties, 56 see a rate increase associated with the base charge change
- Total bill increase to the 56 properties is $97,578


AlexRenew

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PHASEFORWARD SCHEDULE AND CAPITAL COST UPDATE

BOARD OF DIRECTORS MEETING | JANUARY 20, 2026

phaseforward

Building a Resilient Wastewater Future

Biosolids Diversification

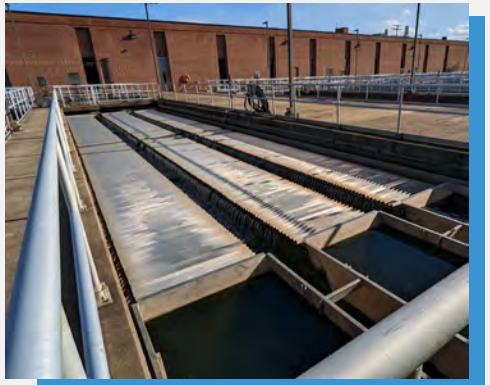
Upgrades to meet emerging regulations, increase bioenergy production, and realize alternative beneficial end uses for biosolids

Headworks Renewal

Improvements to aging equipment that provides initial screening of debris larger than a pea and settling solids as small as a grain of sand

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

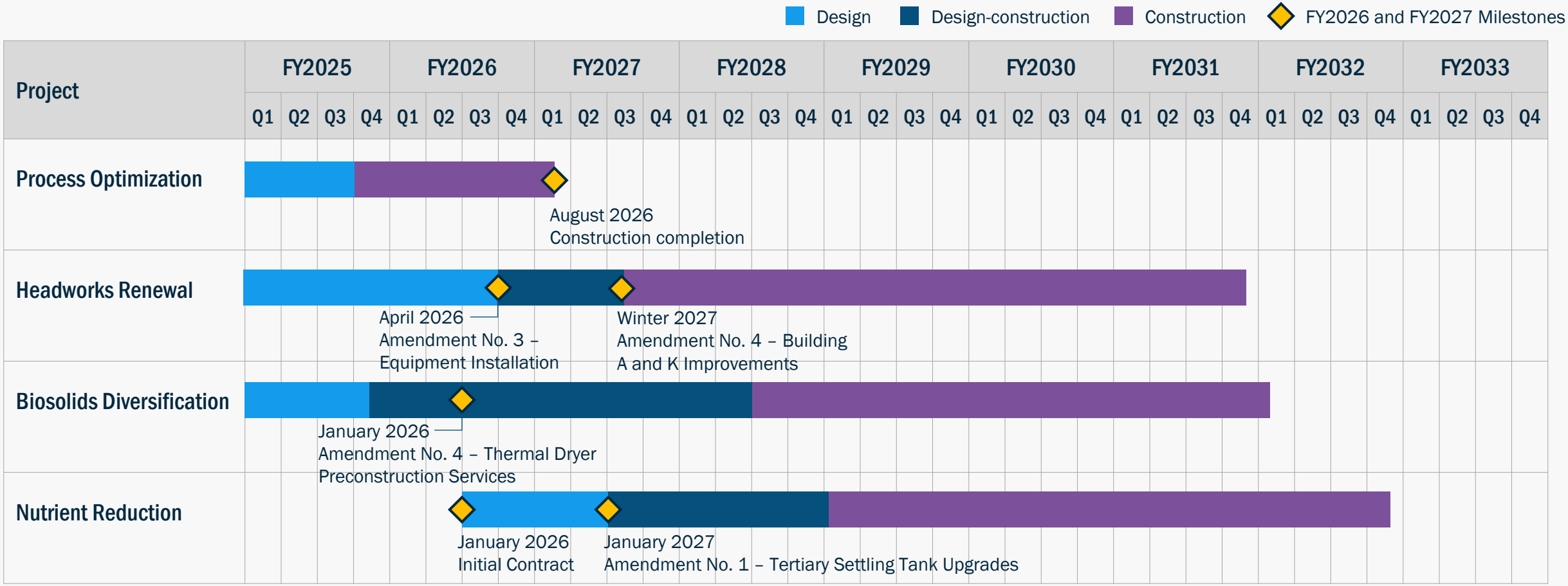


Nutrient Reduction

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

Estimated timing and sequencing of each PhaseForward project, highlighting current and upcoming milestones.



Key Storylines/Project Health Check

Highlights of each project's current status and anticipated upcoming progress

Process Optimization

- 30% construction complete
- On-track for completion in Summer 2026

Headworks Renewal

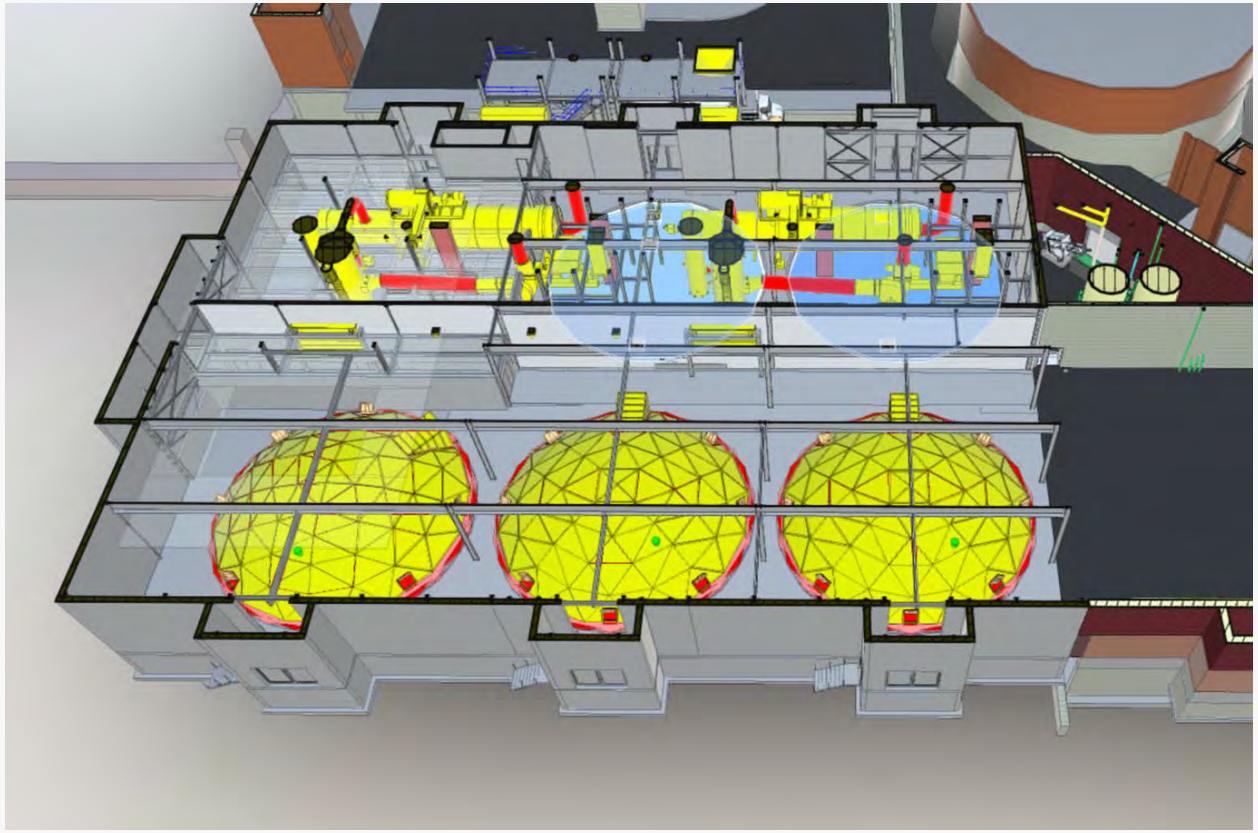
- Evaluated scope and project costs to align with the most critical equipment and system improvements required
- Major construction activities to start in Summer 2027

Biosolids Diversification

- Progressed design, identifying significant Building C upgrades
- New digester heat exchangers operational by Summer 2026
- Thermal dryer construction to start in Winter 2028

Nutrient Reduction

- Preliminary design to start in early 2026



3D sketch of Building C housing rehabilitated gravity thickeners and new solids drying system

Estimated Process Optimization Costs

FY2027 Process Optimization capital budget costs are slightly lower than the FY2026 budget.

- Board approved
- Board pending
- Future action
- Board approval via annual budget

	Contract	Description	FY2026 Budget (millions)	FY2027 Budget (millions)	Notes
○	-	Design Services/DSDC	$1.3	$1.8	Additional final design and commissioning scope
○	-	Resident Engineering/CM Services	$0.8	$0.9	Trending higher for additional inspection services
●	ITB	Construction	$10.9	$7.3	Contractor low bid less than estimate
		Total Capital Cost	**$13**	**$10**	

Estimated Headworks Renewal Costs

FY2027 Headworks Renewal capital budget costs are nearly equivalent to the FY2026 budget.

- Board approved
- Board pending
- Future action
- Board approval via annual budget

	Contract	Description	FY2026 Budget (millions)	FY2027 Budget (millions)	Notes
○	-	Design Services	$10.3	$12.7	Updated estimate, supports added electrical/HVAC
●	-	Resident Engineering Services	$7.5	$8.2	Updated rough order of magnitude based on scope
○	-	Construction Management Services	$1.8	$2.5	Updated rough order of magnitude based on scope
●	Initial CMAR	Preconstruction Services	$1.5	$1.5	No change
●	1	Equipment Procurement	$9.5	$7.9	Actual cost less than estimate
⊗	2	Early Site Work and Utility Relocations	$15.8	-	Re-prioritized the need for third course screen channel
●	3	Early Equipment Installation	$19.7	$19.7	No change
●	4	Building A Improvements	$24.7	$73.9	Prioritized most critical equipment needs, deferring system redundancy scope; added electrical/HVAC upgrades
	5	Building K Improvements	$23.2		
⊗	6	Primary Weir Observation House	$7.1	-	Reprioritizing work through job order contract
		Total Capital Cost	**$121**	**$127**	

Estimated Biosolids Diversification Costs

FY2027 Biosolids Diversification capital budget costs are slightly higher than the FY2026 budget due to the addition of scope to reconstruct Building C to accommodate the solids dryer.

- Board approved
- Board pending
- Future action
- Board approval via annual budget

	Contract	Description	FY2026 Budget (millions)	FY2027 Budget (millions)	Notes
●	-	Design Services (includes Owner's Advisor)	$25.4	$25.4	No change
●	-	Resident Engineering Services	$7.0	$9.0	Trending higher for additional inspections services
○	-	Construction Management Services	$7.0	$5.0	Updated rough order of magnitude based on revised scope
●	Initial CMAR	Preconstruction Services (short-term)	$0.4	$0.4	No change
●	1	Lime Demo/Electrical Equipment Purchase	$5.9	$5.9	No change
●	2	Pilot Mixers/Process Equipment Purchase	$12.1	$11.7	Actual cost less than estimate
●	3	Short-term Upgrades	$42.5	$47.8	Higher digester cleaning costs, electrical risk mitigation
●	4	Preconstruction Services (medium-term)	$2.1	$2.1	No change
●	5	Medium-term Upgrades (thermal dryer) (1)	$212.6	$248	Scope change to reconstruct Building C
		Total Capital Cost	**$315**	**$355**	

(1) May require additional amendments for phasing of the work.

Estimated Nutrient Reduction Costs

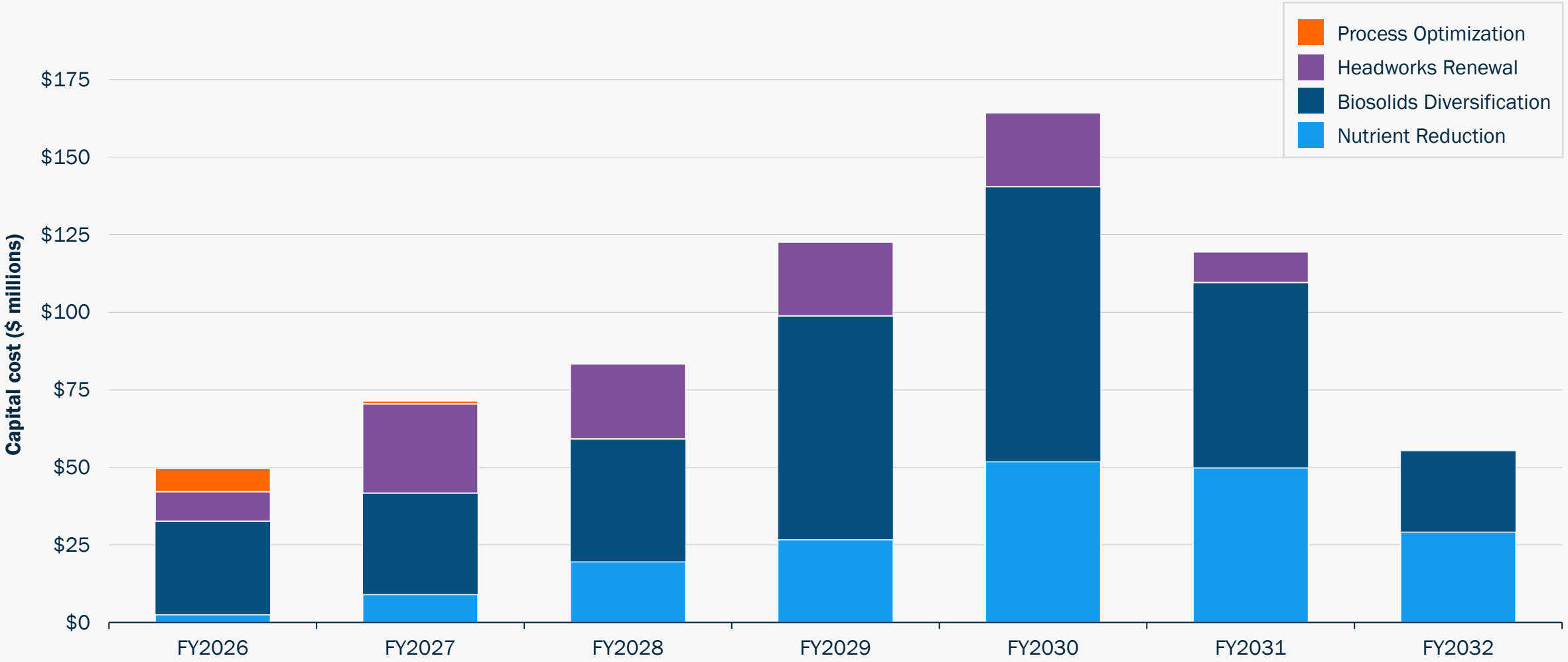
FY2027 Nutrient Reduction capital budget costs are nearly equivalent to the FY2026 budget.

- Board approved
- Board pending
- Future action
- Board approval via annual budget

	Contract	Description	FY2026 Budget (millions)	FY2027 Budget (millions)	Notes
●	-	Owner's Advisor	$6.0	$6.0	No change
○	-	Resident Engineering/CM Services	$10.5	$10.5	No change
●	Initial PDB	Preliminary Design (Phase 1A)	--	$3.5	FY2026 budget was based on a lump sum estimate
●	1	Early Work Package (tertiary settling tanks)	Incl. in Phase 2	$16.0	FY2026 budget was based on a lump sum estimate
●	2	Design Development (Phase 1B)	--	$26.0	FY2026 budget was based on a lump sum estimate
●	3	Construction (Phase 2)	$165.5	$128.0	FY2026 lump sum – further scope refinement
		Total Capital Cost	**$182**	**$190**	

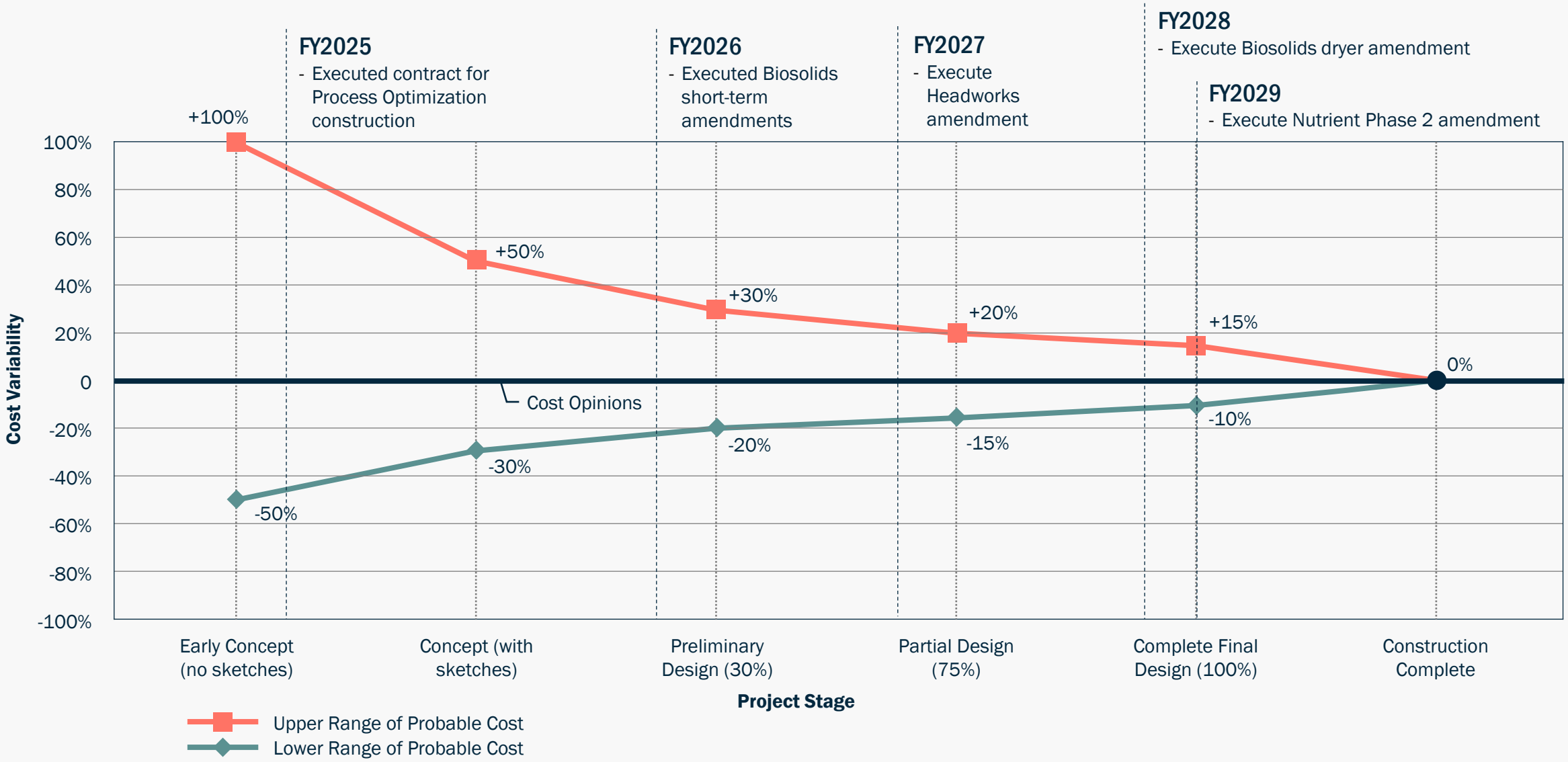
Projected PhaseForward Capital Spending

Anticipated spending for PhaseForward projects over the anticipated project durations



PhaseForward Projects Capital Cost Evolution

The chart below illustrates progress toward cost certainty based on anticipated timing of major program milestones.



Major Takeaways

- Projected PhaseForward capital costs largely align with estimates presented in the Fiscal Year 2026 budget, except for the Biosolids Diversification project
- Biosolids Diversification project capital costs are projected to increase 13% because of the need to reconstruct Building C to accommodate the solids dryer
- Process Optimization remains on budget and on schedule, with anticipated completion in August 2026

AlexRenew's fine screening system


AlexRenew

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1800 Limerick Street
Alexandria, VA 22314
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MEMORANDUM

TO: AlexRenew Board of Directors

FROM: Justin Carl, General Manager and CEO

DATE: January 20, 2026

SUBJECT: *New Business, Joint Use*
Review and approve the award of Contract 25-004 to Kokosing Industrial, Inc. to design and construct the Nutrient Reduction Project (Progressive Design-Build)

Issue

To design and construct the Nutrient Reduction Project, AlexRenew must award a contract resulting from the two-step progressive design-build procurement process associated with Request for Qualifications/Proposals 25-004.

Recommendation

Staff respectfully requests the Board of Directors (Board) authorize the Chief Executive Officer to execute an agreement with Kokosing Industrial, Inc (Kokosing) to provide design and construction services for the Nutrient Reduction Project, including Phase 1A – Preliminary Design Services in the amount of $4,402,848, which includes the CEO's delegated change order authority.

Budget and Funding

Funding for the Nutrient Reduction Project is included in the adopted Fiscal Year 2026 Capital Budget. Capital costs over the lifetime of the project are estimated to be $190 million based on a Class 5 opinion of probable construction costs. A Class 5 estimate is a rough order of magnitude based on zero (0) to two (2) percent project definition and has an accuracy range of -50 percent on the low side and 100 percent on the high side. The anticipated total cost of Phase 1A services is $3,522,278, and expenditures are expected to occur between January 2026 and May 2027. Board approval is required for any subsequent contract amendments to the contract related to design and construction services at a future date.

Discussion

AlexRenew operates a state-of-the-art Water Resource Recovery Facility (WRRF) with strict permit limits for nitrogen, phosphorus, suspended solids, and other pollutants to meet reductions set by the Chesapeake Bay Total Maximum Daily Load. To achieve these reductions, AlexRenew's treatment plant uses primary, secondary, and tertiary treatment systems.

The Nutrient Reduction Project will rehabilitate AlexRenew's tertiary treatment systems to replace equipment that has reached its useful life and expand AlexRenew's biological nutrient removal systems to further reduce nutrient loads to support continued growth in Alexandria. Rehabilitation of the tertiary treatment systems is required to ensure the reliability, functionality, and level of service of the WRRF. Additionally, the expansion of the biological nutrient removal systems will provide future capacity growth for Alexandria by four (4) million gallons per day (MGD). To expand capacity from 54 to 58 MGD, additional nutrient reductions are necessary to comply with load limits established in AlexRenew Virginia Pollution Discharge Elimination Permit.

AlexRenew's tertiary treatment system includes a series of plate settlers, settling tanks, mixed-media filters, valving, pumps, and complex control networks. These processes are crucial to achieving AlexRenew's phosphorus and total suspended solids permit requirements while reducing turbidity prior to UV disinfection. The system was initially constructed in 1975 and received upgrades in 1985 and 2004. The system's equipment is reaching the end of its expected useful life and engineering assessments in recent years have identified several upgrades necessary to maintain its level of service and improve reliability.

Additionally, a series of studies between 2010 and 2015 determined that an additional four (4) MGD of WRRF capacity was necessary to accommodate future growth within Alexandria city limits. Through this contract, AlexRenew will evaluate and compare feasible treatment alternatives to achieve the required nutrient reductions to meet current load limits. One option to achieve the necessary reductions is to convert the existing tertiary filters to denitrification filters, construct an additional six (6) denitrification filters, and modify the nitrification/denitrification process within the existing biological reactor basins.

Progressive Design-Build Project Delivery

Progressive design-build is a collaborative project delivery method in which an owner enters into a contractual relationship with a design-build entity. The design-build entity is comprised of a contractor, designer, suppliers, and other design and construction professionals to support the project. Under a progressive model, the owner and design-builder work together to refine the project scope, manage risk, and develop cost and schedule certainty through an open-book process, culminating in a final guaranteed maximum price (GMP). The GMP sets a not-to-exceed cost for how much an owner will pay a contractor for completing the work outlined in the contract.

Given the complexity of work associated with the Nutrient Reduction Project, progressive design-build offers the following benefits:

- Experience-based selection for highly specialized work;
- Early contractor involvement to develop strategies to reliably maintain plant operations during construction;
- Advancement of needed upgrades while the 4 MGD expansion scope is refined;
- Single ownership of design from concept through construction; and
- A collaborative environment to build culture and camaraderie around project goals and safety.

The Nutrient Reduction Project contract is structured as a GMP which will be established through a series of phased amendments as illustrated in Figure 1 and described in further detail in the following sections. Each amendment will be subject to Board approval.

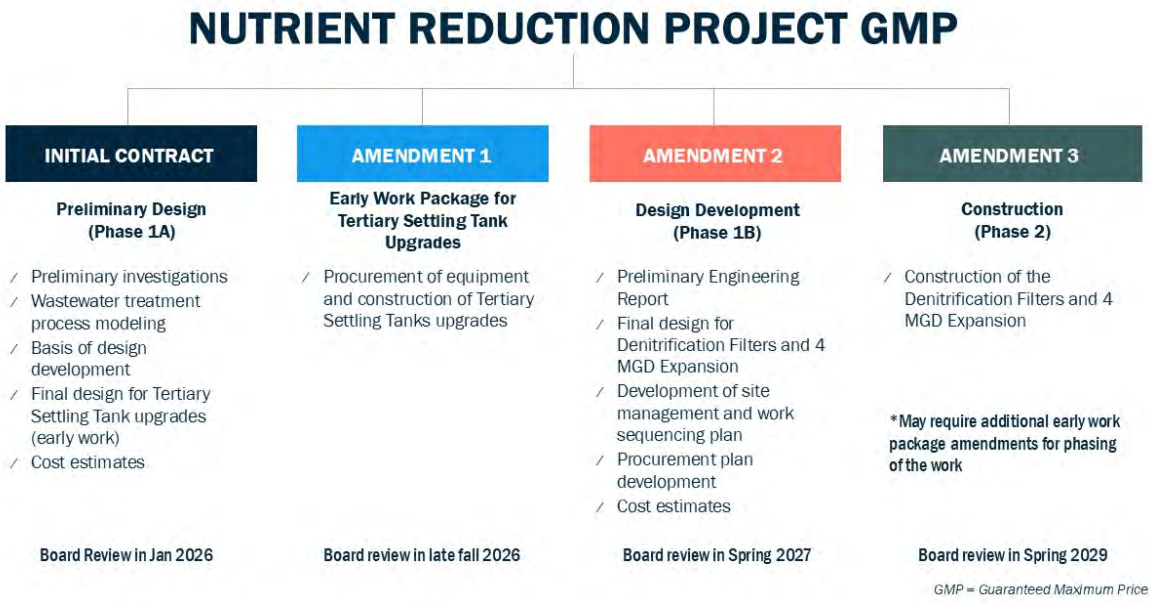


Figure 1. Contractual amendments associated with the Nutrient Reduction Project GMP

Preliminary Design (Phase 1A)

Phase 1 will be split into two phases – Phase 1A to define the scope through preliminary design and modeling and Phase 1B to progress final design. The initial contract with the design-builder commences with Phase 1A which includes the following major scope elements:

- **Preliminary investigations.** Comprehensive site investigations to establish existing conditions. This includes high-resolution 3D LiDAR scanning to support design coordination and constructability planning, geotechnical and utility investigations to confirm subsurface conditions, and structural condition assessments to inform repairs. These investigations will form the technical foundation for informed project scope decision-making and improved cost and schedule certainty.
- **Wastewater treatment process modeling.** The design-builder will develop updated influent flow and load projections and create a calibrated, whole-plant wastewater process model to evaluate current system capacity, predict performance, and assess design alternatives. The model will support scenario testing, optimization of secondary and tertiary processes, and identify opportunities to improve treatment efficiency.
- **Basis of Design Report (BODR).** The BODR will consolidate the site investigation results, process modeling, evaluation of nutrient reduction alternatives, design criteria, preliminary design drawings, cost and schedule information, and regulatory requirements. The BODR will provide a documented foundation for design development conducted under Phase 1B.
- **Final Design for Tertiary Settling Tank Rehabilitation**. Phase 1A includes final design for the rehabilitation of the tertiary settling tanks. Advancing this design early allows AlexRenew to address immediate upgrades to aging infrastructure while the remainder of the project scope is refined.

Amendment No. 1 – Early Work Package for Tertiary Settling Tank Upgrades

This amendment will authorize procurement of equipment and construction of the Tertiary Settling Tank rehabilitation as designed under Phase 1A.

Amendment No. 2 – Design Development (Phase 1B)

Phase 1B services will follow completion of Phase 1A and focus on advancing the final design configuration and treatment upgrades needed to accommodate projected capacity expansion. Key activities include refining assessments and recommendations from Phase 1A, completing final design for improvements to support nutrient reduction, maintenance of plant operation planning, construction sequencing, development of procurement strategies, and updating cost and schedule estimates in preparation for Phase 2.

Amendment No. 3 – Construction (Phase 2)

This amendment will authorize construction of the final design developed during Phase 1B, including tertiary filter upgrades and upgrades to the biological nutrient removal systems to expand the plant capacity from 54 to 58 MGD, and any other associated improvements identified in Phase 1B.

Procurement Process

The design-build procurement process was conducted in accordance with the Virginia Public Procurement Act § 2.2-4382 (effective July 1, 2024) and AlexRenew's adopted *Procedures for the Procurement of Construction Management and Design-Build* (rev. February 18, 2025). Additionally, on September 17, 2024, the AlexRenew Board adopted a resolution in accordance with Virginia Code §2.2-4303 for the use of design-build on the Nutrient Reduction Project. As discussed in the resolution, design-build offers significant advantages over traditional design-bid-build project delivery in the consideration of non-price factors, early contractor engagement, collaborative environment, schedule acceleration, and greater price certainty.

The two-step procurement process included a Request for Qualifications (RFQ) and Request for Proposals (RFP). The RFQ was released on April 8, 2025, and three (3) design-build teams provided Statements of Qualifications in response to the RFQ. On July 1, 2025, AlexRenew shortlisted all three (3) design-build teams, bringing the RFQ period to a close.

On July 8, 2025, AlexRenew issued the RFP to the shortlisted design-build teams. Following a series of meetings with the shortlisted design-build teams in August 2025, Technical/Management and Price Proposals were received by AlexRenew in September 2025. The proposals were evaluated based on the criteria outlined in the RFP and summarized in Table 1.

Table 1. RFP 25-004 evaluation criteria and weighting

Evaluation Criteria	Description	Weighting (percentage)
Design-Builder Qualifications	Illustrates the design-builder's structure for managing all aspects of the project and describes the individuals responsible for delivering the project	45
Design-Build and Construction Manager At-Risk (CMAR) experience	Illustrates the team's experience with collaborative project delivery methods and how this experience benefits the project.	10
Project Approach and Execution	Demonstrates experience in performing similar services by providing innovative approaches and solutions to perform the anticipated contract scope	35
Design-Builder's Fee	Design-builder's compensation for profit and non-reimbursable expenses	10

Following evaluation of the Technical/Management and Price Proposals using the criteria outlined in the RFP, Kokosing with lead designer GHD Inc. was selected as the highest-ranked proposer with 73.5 points. Comparatively, the other teams proposing on this RFP had scores of 62.4 and 57.4 points respectively. This demonstrated sufficient differentiation between the teams.

The highest ranked proposal demonstrated substantial key personnel experience in executing design and construction of nutrient removal and tertiary treatment rehabilitation/expansion projects at active wastewater treatment plants. Kokosing presented a well-defined organizational structure with clearly defined roles and responsibilities, emphasizing communication and coordination among project stakeholders. Their approach to design and construction highlighted strong construction sequencing to minimize process disruptions and the need to establish a sound technical baseline to determine project scope. Kokosing demonstrated relevant experience on similar design-build projects that involved capacity expansion and tertiary filter upgrades. Kokosing also exhibited strong project management by identifying key project challenges and proposing feasible solutions to address them. Additionally, the proposal included a detailed step-by-step approach to design and construction cost development, reflecting a comprehensive understanding of the project and progressive design-build delivery.

The Kokosing team brings value to the project by leveraging personnel with considerable knowledge and experience specific to designing and constructing the Nutrient Reduction Project. Following selection, staff negotiated a satisfactory Phase 1A services contract with Kokosing at a price considered fair and reasonable and pursuant to contractual terms and conditions.

This action enables our strategic goal of Operational Excellence.

ACTION TAKEN

Approved: _____

Disapproved: _____

Approved with Modification: _____

Modification(s): _____

_____

AlexRenew
1800 Limerick Street
Alexandria, VA 22314
alexrenew.com

MEMORANDUM

TO: AlexRenew Board of Directors

FROM: Justin Carl, General Manager and CEO

DATE: January 20, 2026

SUBJECT: *New Business, Joint Use*
Review and approve Amendment No. 4 to Contract 24-001 with PC Construction for preconstruction services associated with the solids thermal dryer as part of the Biosolids Diversification Project

Issue

The Biosolids Diversification Project was procured as a construction management at-risk (CMAR) contract and is being implemented through a series of Board-approved amendments under an overall Guaranteed Maximum Price (GMP) structure. To advance the solids thermal dryer improvements (thermal dryer) associated with Contract 24-001, approval of Amendment No. 4 is required.

Recommendation

Staff respectfully requests the Board of Directors (Board) authorize the Chief Executive Officer (CEO) to execute Amendment No. 4 to Contract 24-001 with PC Construction (PC) to provide Preconstruction Services for the thermal dryer associated with the Biosolids Diversification Project in a not-to-exceed amount of $2,551,846, which includes the CEO's delegated change order authority.

Budget and Funding

Funding for Amendment No. 4 to Contract 24-001 is included in the approved Fiscal Year 2026 Capital Budget. The anticipated total cost of Amendment No. 4 is $2,041,477, and expenditures are expected to occur between January 2026 and December 2027.

Discussion

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

The Plan identified short-term upgrades to improve reliability of aging equipment and maintain permit compliance; medium-term solutions to reduce biosolids volume, diversify end-use options, and minimize regulatory risk; and long-term concepts to adapt future solids management scenarios. This

roadmap provides a structured approach to achieving a sustainable and resilient solids management program at AlexRenew. Implementation of the Plan is hereinafter referred to as the Biosolids Diversification Project.

The short-term upgrades focus on upgrading or replacing equipment and processes at the end of their useful life. The dewatering centrifuges, thickening centrifuges, and digester sludge heat exchangers are being replaced in kind, while the gravity thickeners and digester gas mixing systems are being upgraded to improve process efficiency, operations, and maintenance. In addition, the pre-pasteurization system is being decommissioned to improve process efficiency and increase available space for future improvements. The initial contract with PC and Amendments Nos. 1 through 3 supporting this work were previously approved by the Board.

The medium-term upgrades involve the addition of a thermal dryer, which will be a significant new facility that will change how biosolids are processed daily. The thermal dryer is expected to reduce biosolids volume by more than 60 percent, diversify end-use options, and mitigate regulatory and market risks associated with land application.

A siting assessment completed in 2025 identified the Sludge Thickening Building (Building C) as the optimal location for the thermal dryer. Building C currently houses five (5) gravity thickeners. Two (2) of the gravity thickeners will be decommissioned and demolished to accommodate the thermal dryer, while the remaining three (3) gravity thickeners will be rehabilitated and remain in service. The existing superstructure associated with Building C will be demolished and reconstructed to accommodate the new facility, while maintaining continuous plant operations.

Because construction of the thermal dryer will be highly disruptive to solids processing, engaging the CMAR to provide preconstruction services will support a more reliable and constructable design, strengthen cost and schedule certainty, and proactively manage operational risks. These considerations form the basis for proposed Amendment No. 4.

CMAR Project Delivery

CMAR is a collaborative project delivery method in which an owner contracts with a construction manager who provides preconstruction and construction services and ultimately delivers the project under a Guaranteed Maximum Price (GMP). The owner also enters into a separate contract with an engineer to advance the design. The owner, CMAR, and engineer (Stantec) work collaboratively through an open-book process to refine scope, manage risk, and develop cost and schedule certainty, culminating in a not-to-exceed GMP.

CMAR was selected for the Biosolids Diversification Project because it offers the following benefits:

- Experience-based selection for highly specialized work;
- Early contractor involvement to maintain plant operations during construction and provide input during design;
- Ability to execute construction in discrete phases;
- Open-book cost estimating and enhanced cost certainty prior to design completion; and
- A collaborative environment that supports safety and shared project goals.

In May 2024, AlexRenew entered into a CMAR agreement with PC to construct elements of the Biosolids Diversification Project. The CMAR contract is structured as a GMP delivered through a series of phased amendments, each subject to Board approval as illustrated in Figure 1 and described below.

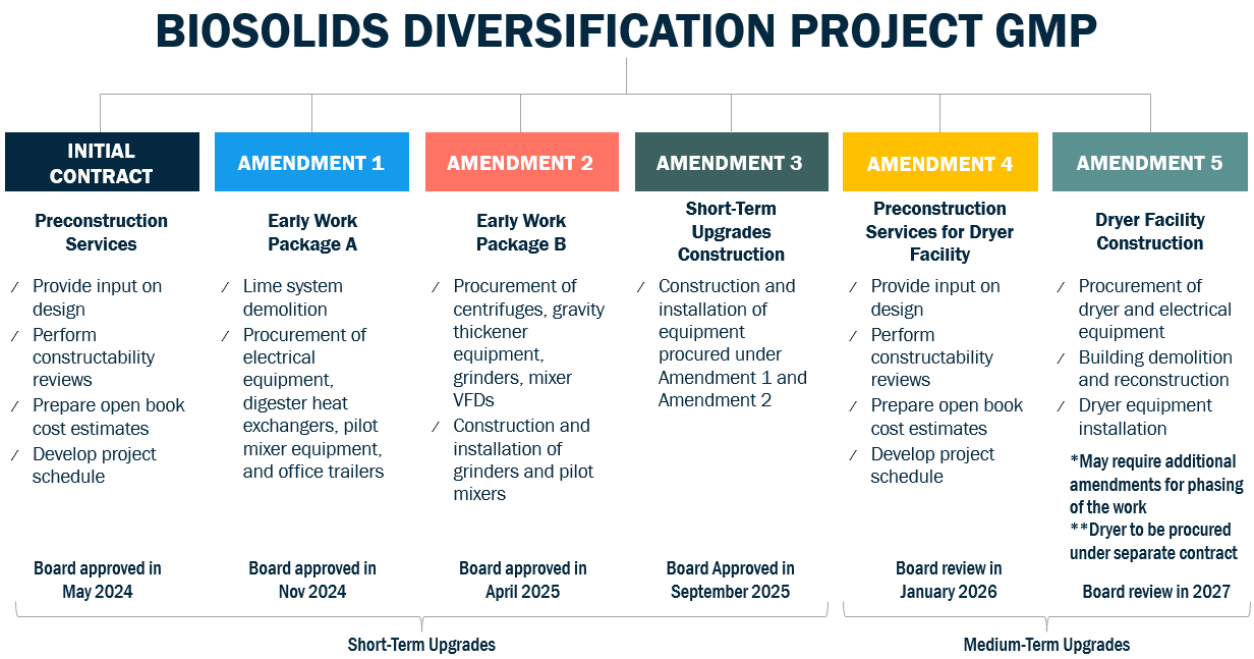


Figure 1. Contractual amendments associated with the Biosolids Diversification Project GMP

Initial Contract and Amendment Nos. 1-3 (Short-Term Upgrades)

The initial contract with PC for preconstruction services supporting the short-term upgrades was approved by the Board in May 2024 in the amount of $440,000. Amendments Nos. 1 through 3 approved in November 2024, April 2025, and September 2025, respectively, authorized construction of the short-term upgrades.

Amendment No. 4 – Preconstruction Services for Thermal Dryer (Medium-Term Upgrades)

The major scope elements associated with Amendment No. 4 include:

- **Design input and constructability reviews.** Evaluate the engineer's designs at key milestones and identify opportunities to improve constructability, reduce cost, and integrate with existing plant systems.
- **Maintaining plant operations during construction.** Develop detailed operational continuity plans addressing sequencing, equipment availability, lead times, and coordination with other AlexRenew projects. These plans will be coordinated with the engineer and incorporated into the contract documents.
- **Schedule and cost management.** Provide and maintain a project schedule showing critical path items. Propose design alternatives and construction phasing to accelerate project completion. Prepare an open-book cost model to track construction cost estimates through each stage of design providing AlexRenew with greater cost certainty as design develops and advances.
- **Work packaging and procurement strategy.** Utilize industry relationships with suppliers and subcontractors to identify availability, price, and lead times for equipment and services. Propose work packaging to procure critical path items early and accelerate construction of

high-priority improvements. Work packages ultimately become amendments subject to Board review.

- **Procure and manage subcontractors.** For each work package, solicit bids from subcontractors and suppliers. Develop bid documents, lead on-site pre-bid conferences, negotiate contracts, and recommend best-value execution.
- **GMP proposal development**. Compile the recommended package into a GMP proposal for each amendment.

Amendment No. 5 – Thermal Dryer Construction

Amendment No. 5 will authorize construction of the thermal dryer. As the design is advanced, additional amendments may be proposed to phase portions of the work (e.g. early procurement of equipment).

Amendment No. 4 Price Negotiation Process

Staff started coordination with PC on preparing the scope of preconstruction services for the thermal dryer in September 2025. This involved identifying a preliminary layout of the dryer facility which served as the basis for scope discussions.

PC's cost proposal for Amendment No. 4 is $2.0 million, which aligns with the engineer's estimate of $1.9 million and is considered fair and reasonable. Table 1 provides a breakdown of costs.

Table 1. Breakdown of Amendment No. 4 to Contract 24-001

Item	Cost
Preconstruction Services Direct Labor Costs	$1,888,974
Other Direct Costs	$152,503
Total	**$2,041,477**

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	$25,168,793
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	PC Construction	$47,795,807

Item	Entity	Cost
Amendment No. 4 (for consideration under this memo)	*PC Construction*	*$2,041,477*
Total		**$94,111,474**

This action supports our strategic goal of Operational Excellence.

ACTION TAKEN

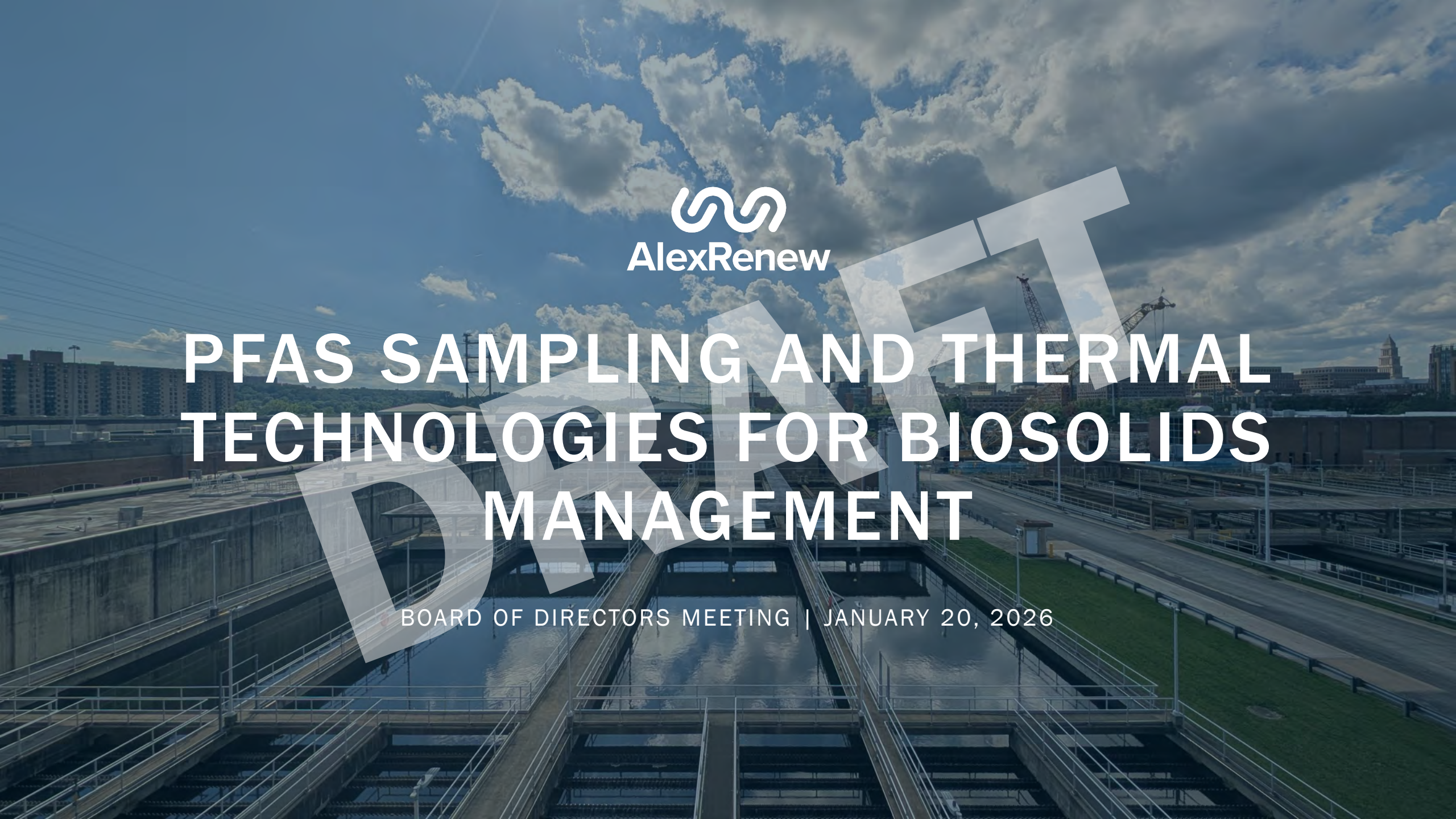
Approved: _____

Disapproved: _____

Approved with Modification: _____

Modification(s): _____

_____



PFAS SAMPLING AND THERMAL TECHNOLOGIES FOR BIOSOLIDS MANAGEMENT

BOARD OF DIRECTORS MEETING | JANUARY 20, 2026

Per- and Poly-fluoroalkyl Substances

Human-made
Naturally-occurring PFAS are extraordinarily rare

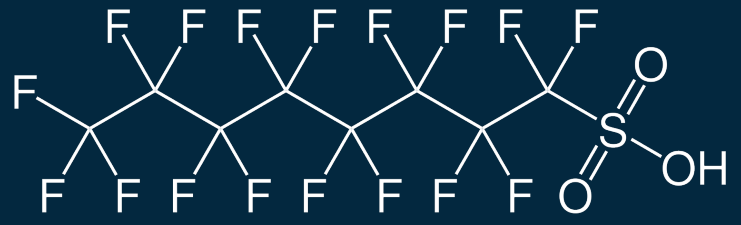
Do not break down naturally
Extremely strong carbon-fluorine bonds

Widely used in commercial applications
More than 5,000 PFAS compounds

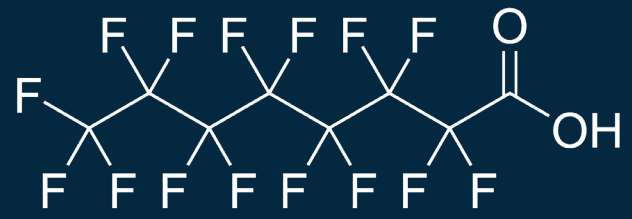
Can have negative human health impacts
PFOA and PFOS have been linked to liver and cardiovascular issues, while the science is evolving on other compounds

PFAS

PFOS perfluorooctanesulfonic acid



PFOA perfluorooctanoic acid



Measuring PFAS

Typical wastewater limits are measured in parts per million (ppm); however, PFAS are measured in parts per billion (ppb) or parts per trillion (ppt), concentrations that are thousands of times smaller than normal. For comparison, 1 ppm would be 14 teaspoons in a swimming pool, 1 ppb would 1/100 of a teaspoon in the same swimming pool, and 1 ppt would be 1/100,000 of a teaspoon in a swimming pool

Illustrative aid; relative magnitude shown, not precise scale

Part

1

Part per thousand

1,000 times smaller than 1 part
0.0001

Parts per million

1,000 times smaller than 1 part per thousand
0.000001

Part per Billion

1,000 times smaller than 1 part per million
0.000000001

Part per Trillion

1,000 times smaller than 1 part per billion
0.000000000001

PFAS compounds are measured at these parts-per notation

PFAS in Everyday Products

PFAS compounds are used commonly in household products because they can repel water and stains, create smooth surfaces, or quickly extinguish fires. These chemical properties also make it very difficult to destroy PFAS compounds.

Firefighting foams

Water-repellent Clothing

Paint

Stain resistant products

Non-stick cookware

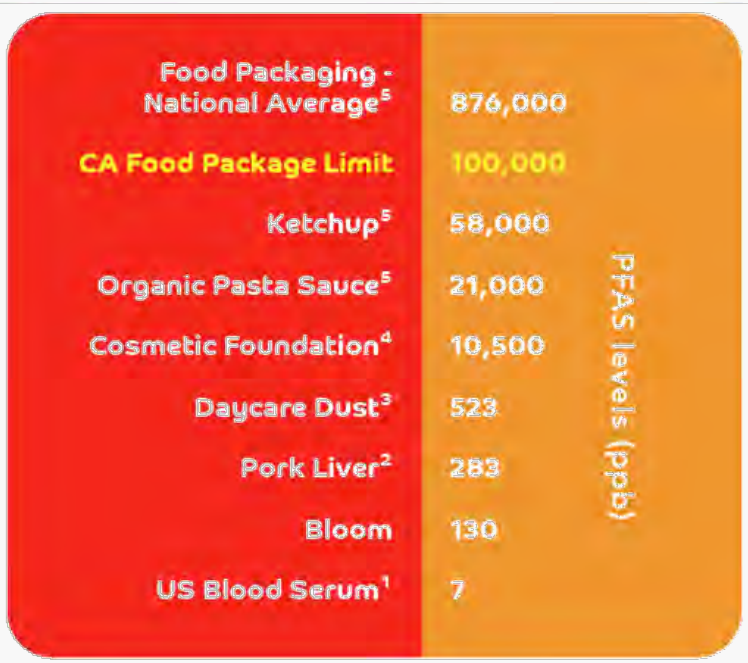
Stain resistant furniture

Food packaging

Cosmetics

PFAS Concentrations for Different Sources

The general population can be exposed to PFAS through a variety of sources, as demonstrated in this study conducted by DC Water in 2023.



[1] PFAS in the US population, ATSDR (cdc.gov)

[2] Concentrations of perfluoroalkyl substances in foods and the dietary exposure among Taiwan general population and pregnant women, ScienceDirect

[3] Per – and polyfluoroalkyl substances in paired dust and carpets from childcare centers, PubMed (nih.gov)

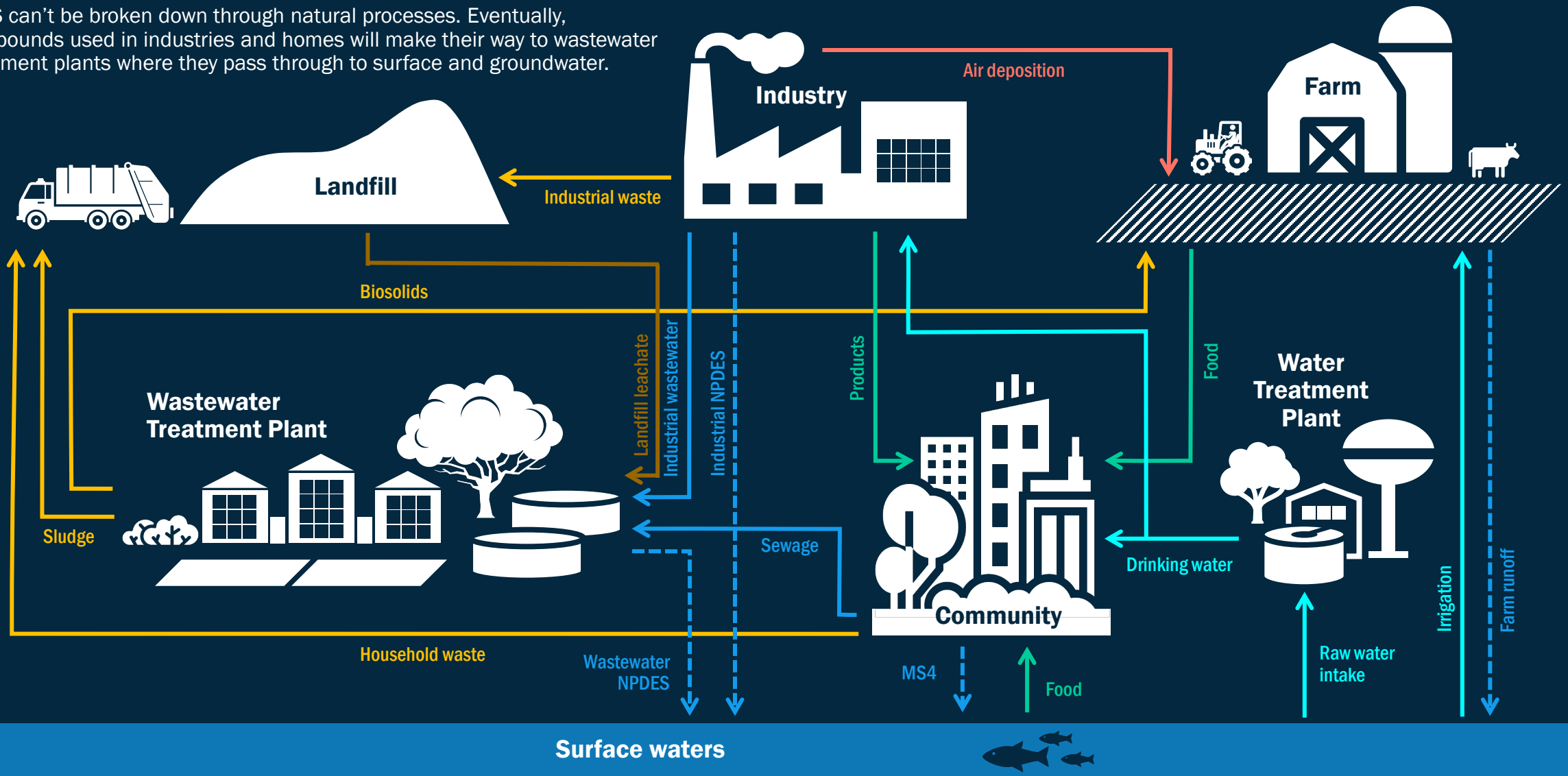
[4] Fluorinated Compounds in North American Cosmetics, Environmental Science & Technology Letters (acs.org)

[5] Toxic PFAS, the "Everywhere Chemicals," Are in Organic Pasta Sauce and Ketchup, Drugs, Pesticides, and Foodware, Sierra Club

Excerpt from DC Water's "PFAS: Understanding the Relative Risks"
https://bloomsoil.com/wp-content/uploads/2023/04/PFAS_biosolids_final.pdf

PFAS in the Water Cycle

PFAS can't be broken down through natural processes. Eventually, compounds used in industries and homes will make their way to wastewater treatment plants where they pass through to surface and groundwater.



AlexRenew's Approach to PFAS in Wastewater

AlexRenew is committed to protecting our waterways and community by taking proactive steps today to meet tomorrow's regulations. This includes identifying and minimizing PFAS entering our system, upgrading our infrastructure to minimize the impacts of PFAS, and establishing partnerships to explore treatment technologies.

Source minimization

- Sampling interceptors to understand PFAS levels in wastewater influent
- Sampling industrial users within the collection system to identify potential "hot spots"

Monitoring

- Monitoring influent, effluent, and biosolids PFAS levels on a quarterly basis
- Reviewing chemicals and equipment used in our processes to determine if we are adding PFAS during treatment

Investing

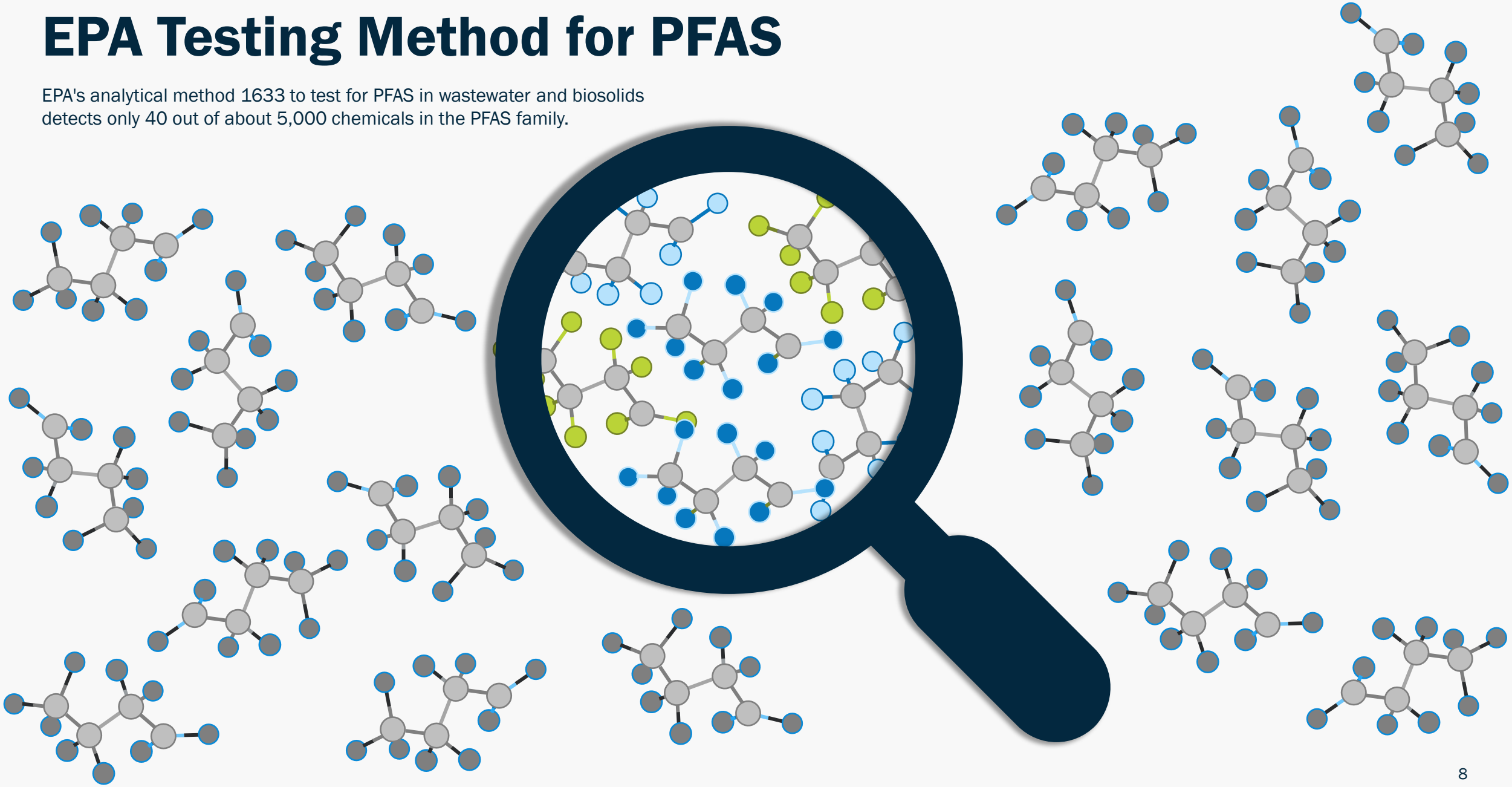
- Investing $355 million in the Biosolids Diversification project to develop alternative recycling options for biosolids at AlexRenew

Partnering

- Developing a regional study to explore alternatives to land application of biosolids
- Working with various stakeholders to establish statewide requirements for biosolids PFAS testing

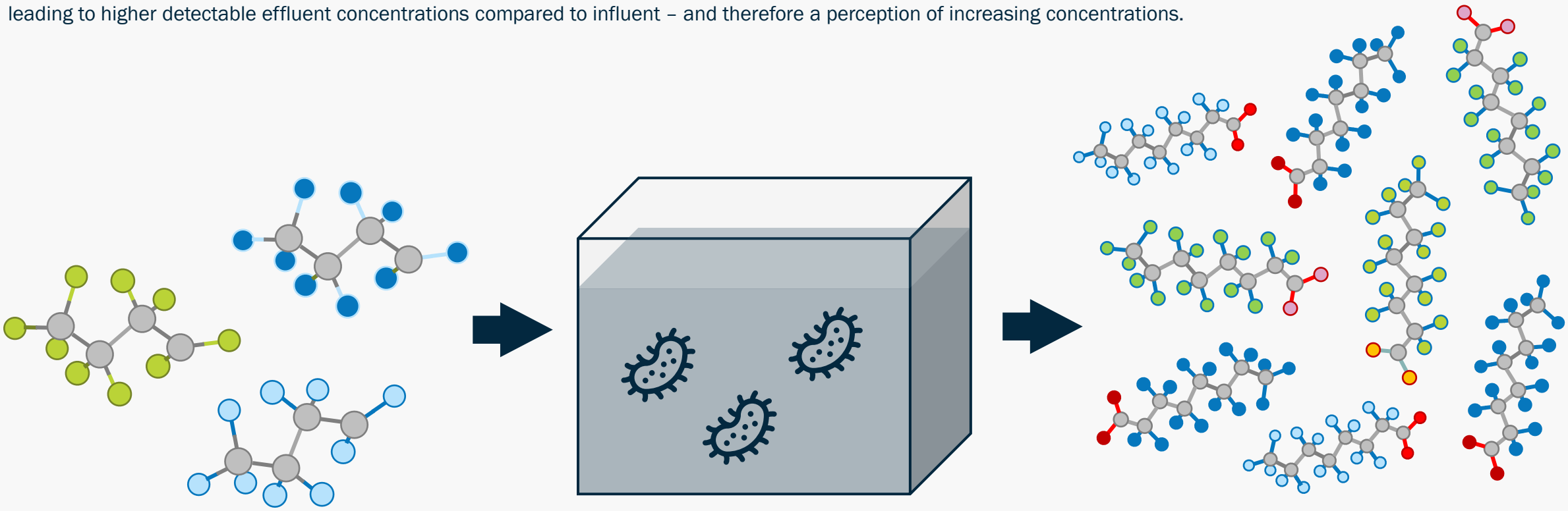
EPA Testing Method for PFAS

EPA's analytical method 1633 to test for PFAS in wastewater and biosolids detects only 40 out of about 5,000 chemicals in the PFAS family.



PFAS Transformation in Wastewater Processes

Biological processes in wastewater treatment plants can transform PFAS into compounds that are detectable by EPA's analytical method, leading to higher detectable effluent concentrations compared to influent – and therefore a perception of increasing concentrations.



Influent

Detectable and **non-detectable** PFAS compounds

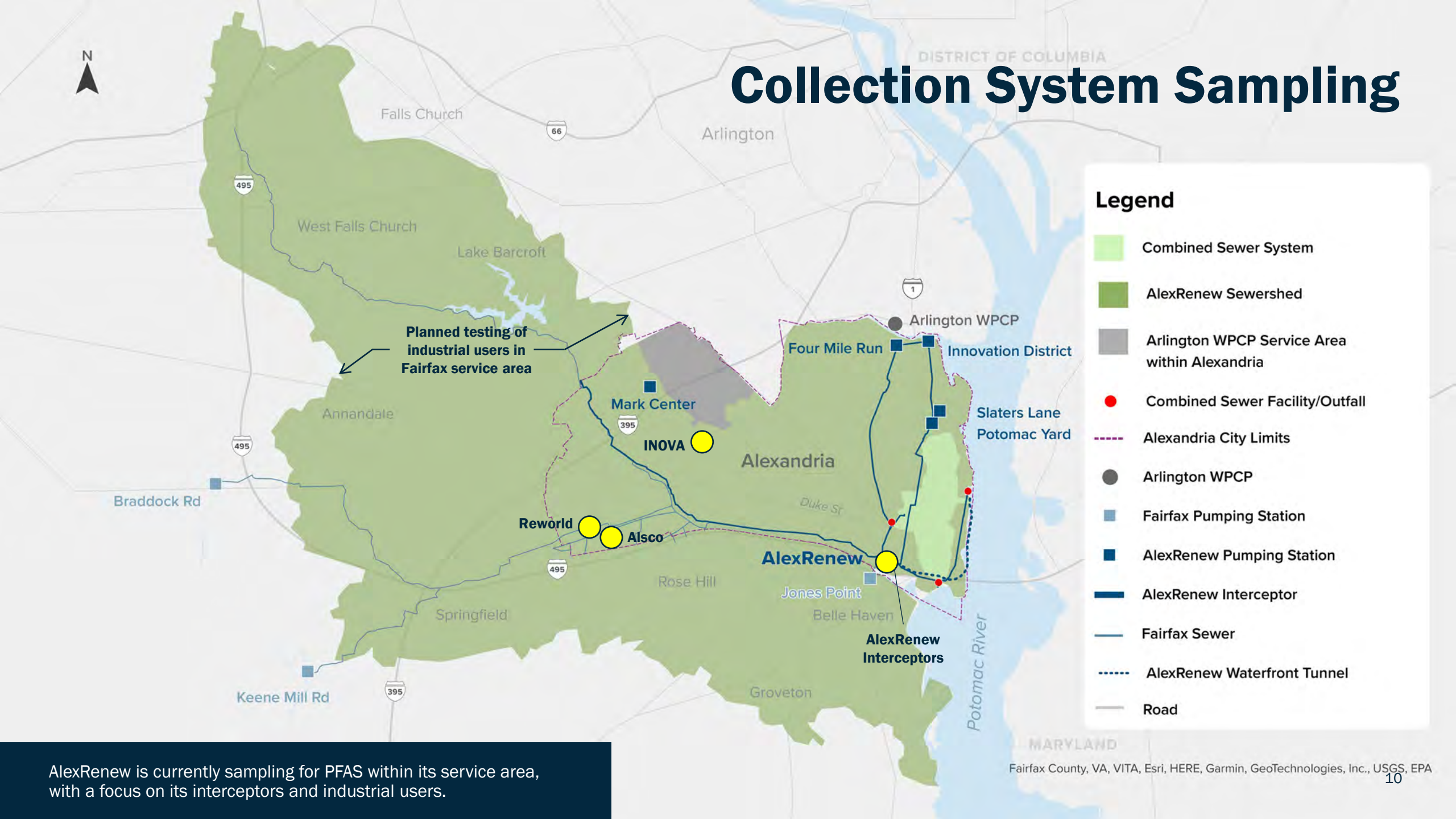
Wastewater biological processes

PFAS compounds can undergo transformations, breaking down from **non-detectable** compounds into detectable PFAS compounds

Effluent

Studies have shown a greater number and concentration of detectable PFAS compounds in wastewater effluent than influent (due to the breakdown of **non-detectable** PFAS compounds)

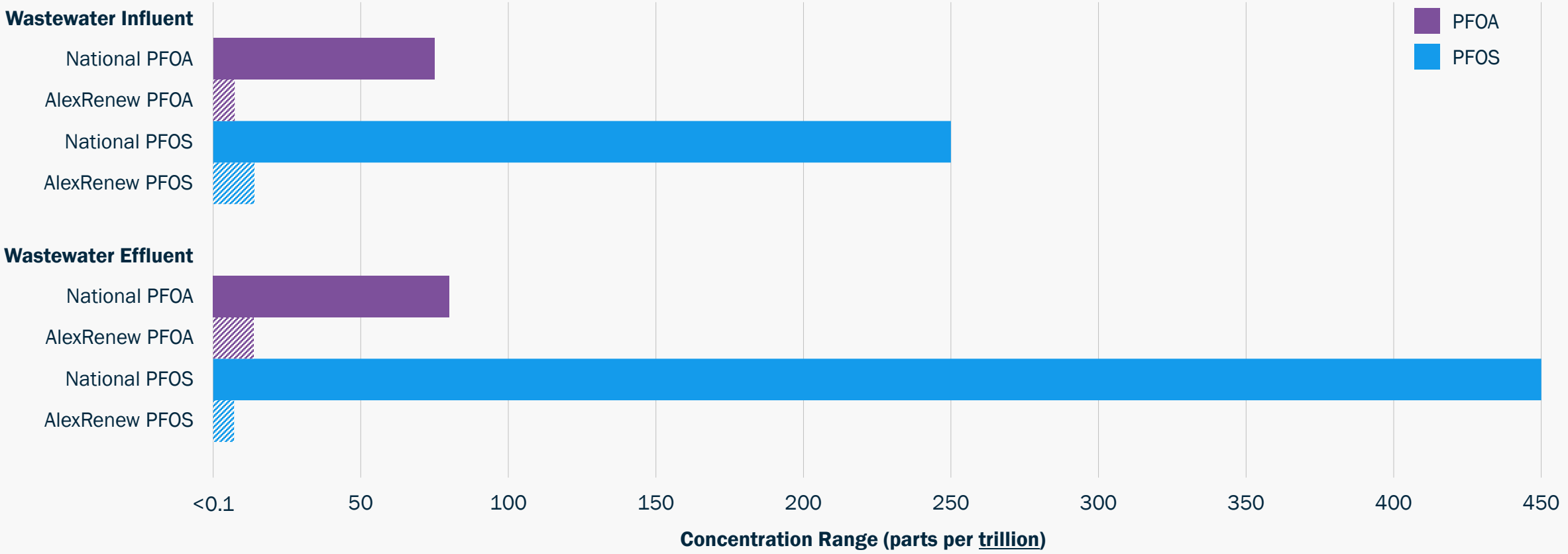
Collection System Sampling



AlexRenew is currently sampling for PFAS within its service area, with a focus on its interceptors and industrial users.

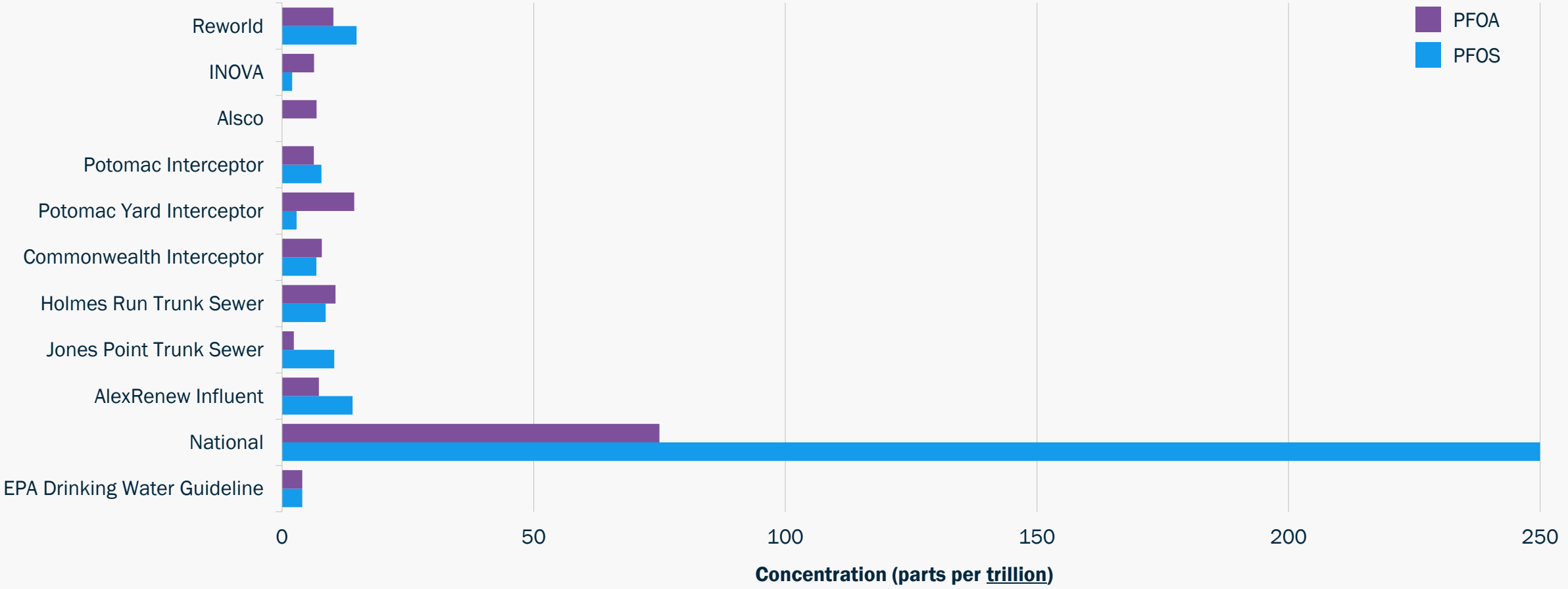
National Influent and Effluent PFAS Concentrations

AlexRenew's influent and effluent concentrations for PFOA and PFOS are lower than national averages. Biological processes in wastewater treatment plants can transform PFAS into compounds that are detectable by EPA's analytical method, leading to a higher detectable effluent and biosolids PFAS concentrations compared to influent – and therefore a perception of increasing concentrations.



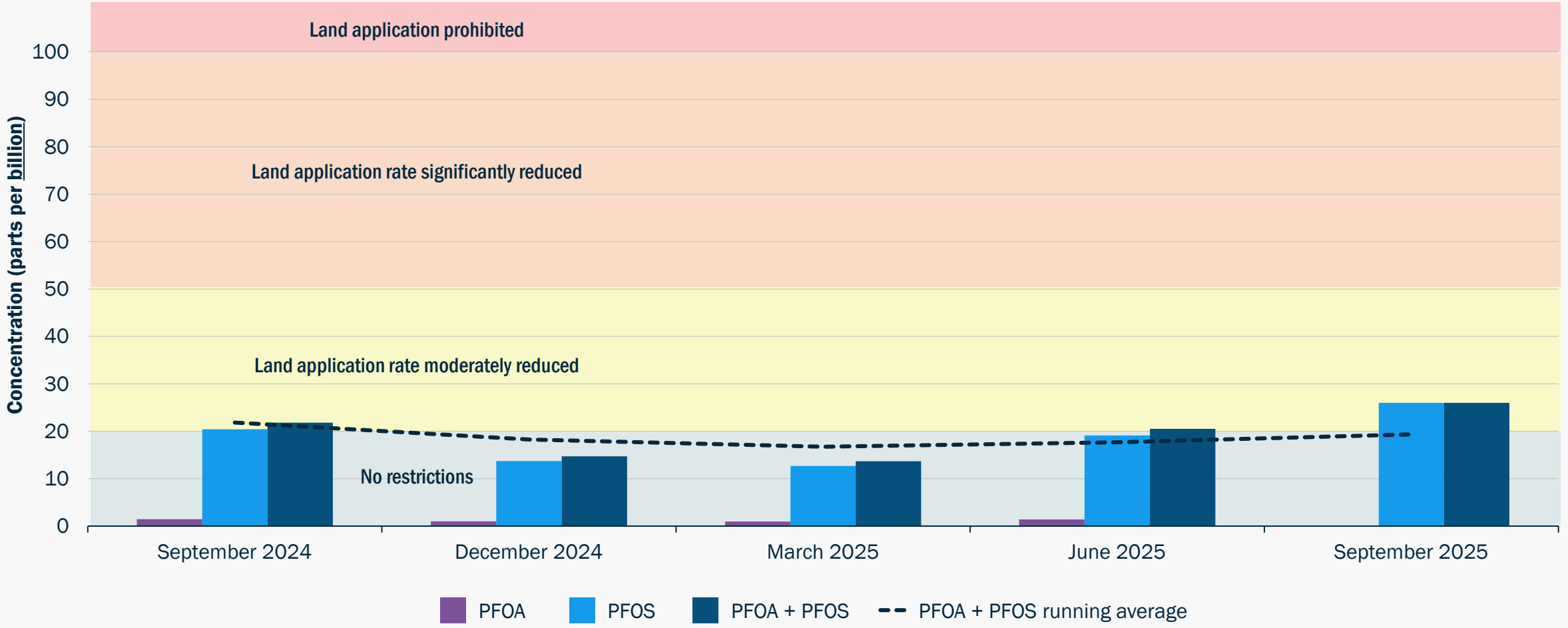
Results of Collection System and Industrial Sampling

AlexRenew is currently sampling for PFAS within its service area, with a focus on its interceptors and industrial users. Sampling results show PFOA and PFOS concentrations within the range typical for primarily residential communities with no outliers identified.



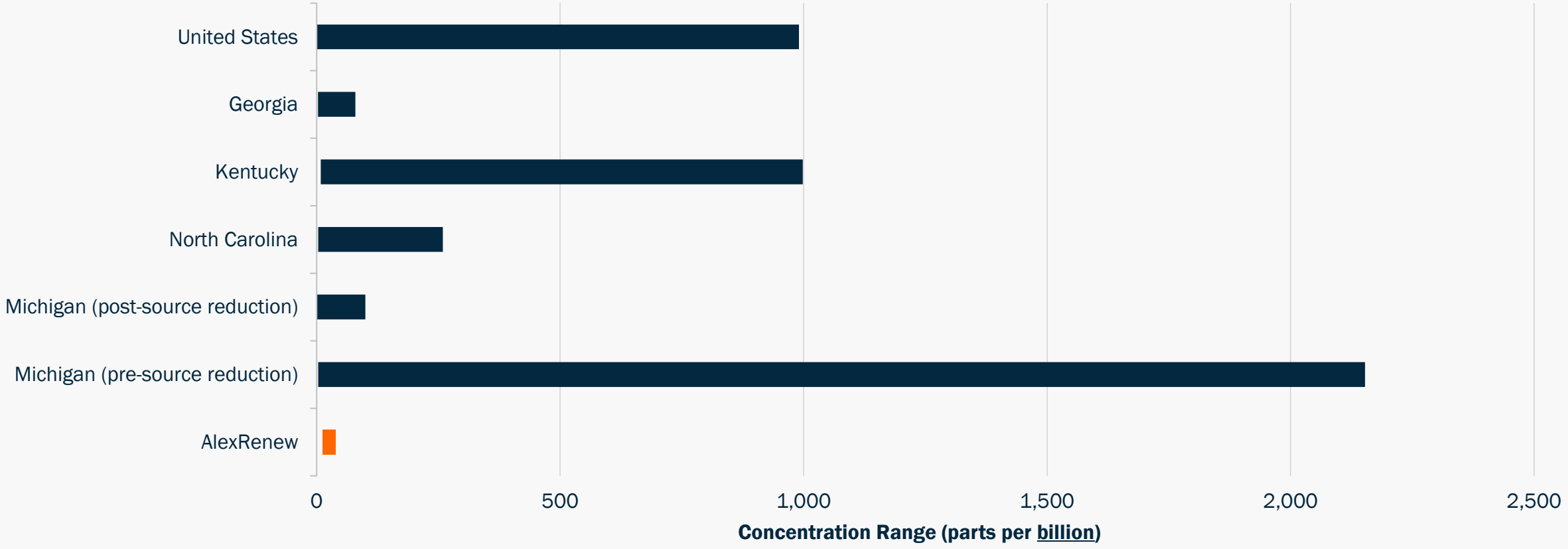
Concentrations of PFAS in AlexRenew Biosolids

Quarterly sampling of AlexRenew's biosolids show concentrations that are typical of residential communities. When compared to tiered regulatory limits, such as those adopted by Maryland and Michigan, these concentrations are at the upper limit for unrestricted land application.



National Biosolids PFOS Concentrations

On January 12, 2026 the North Carolina Department of Environmental Quality (DEQ) released a preliminary study of PFAS in biosolids and wastewater. The study is the agency's first investigation assessing PFAS concentrations in biosolids across the state. The graph below was developed using data provided in the North Carolina DEQ study, which shows AlexRenew PFOS concentrations are at the very lower end of PFAS ranges across the United States (and currently available).

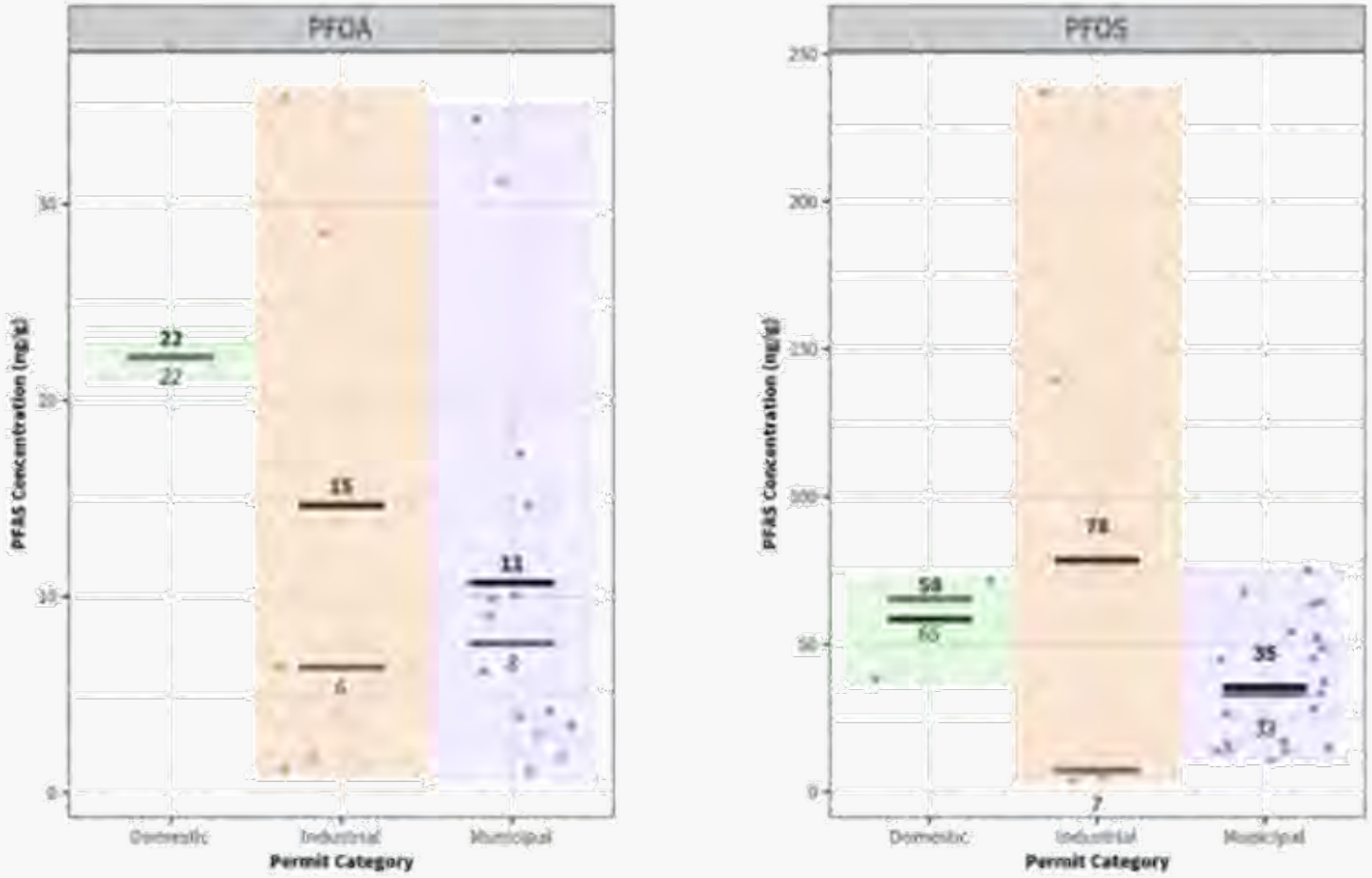


North Carolina Biosolids PFAS Concentrations

On January 12, 2026 the North Carolina Department of Environmental Quality (DEQ) released a preliminary study of PFAS in biosolids and wastewater. The graphs to the right show PFOA and PFOS concentrations in biosolids based on the type of wastewater received at the plant (permit category).

- **Domestic** (3 total) – receive 100% domestic (residential and some commercial facilities) wastewater with no industrial contributions
- **Industrial** (8 total) – receive primarily industrial flows
- **Municipal** (26) – receive a combination of wastewater from significant industrial users, commercial establishments, and residential sources
- Bold value = average, *italicized* value = median

PFOA and PFOS concentrations expressed as **ng/g = ppb = 1,000 ppt**



Excerpt from preliminary North Carolina Department of Environmental Quality study on "PFAS in wastewater and biosolids" https://www.deq.nc.gov/deq-study-pfas-wastewater-and-biosolids?utm_medium=email&utm_source=govdelivery

AlexRenew's Biosolids Diversification Project

AlexRenew is investing $355M to upgrade its biosolids system by replacing aging equipment and adding a thermal drying facility.

Goals

1. Reinvest in equipment that has reached its useful life
2. Replace equipment with reliable, proven technology
3. Reduce the volume of AlexRenew biosolids
4. Diversify the end use of AlexRenew's biosolids
5. Support AlexRenew's sustainability goals
6. Build environmentally-beneficial local partnerships
7. Adapt to future regulatory requirements

Louisville, KY thermal drying system for biosolids

Diversifying the End Use of AlexRenew Biosolids

AlexRenew's Biosolids Diversification Project will result in a system that produces a dried product that can be used in several beneficial applications.

Dewatered biosolids 'cake' is produced in the anaerobic digesters. The cake typically has a 75% moisture content. This is what AlexRenew currently land-applies.

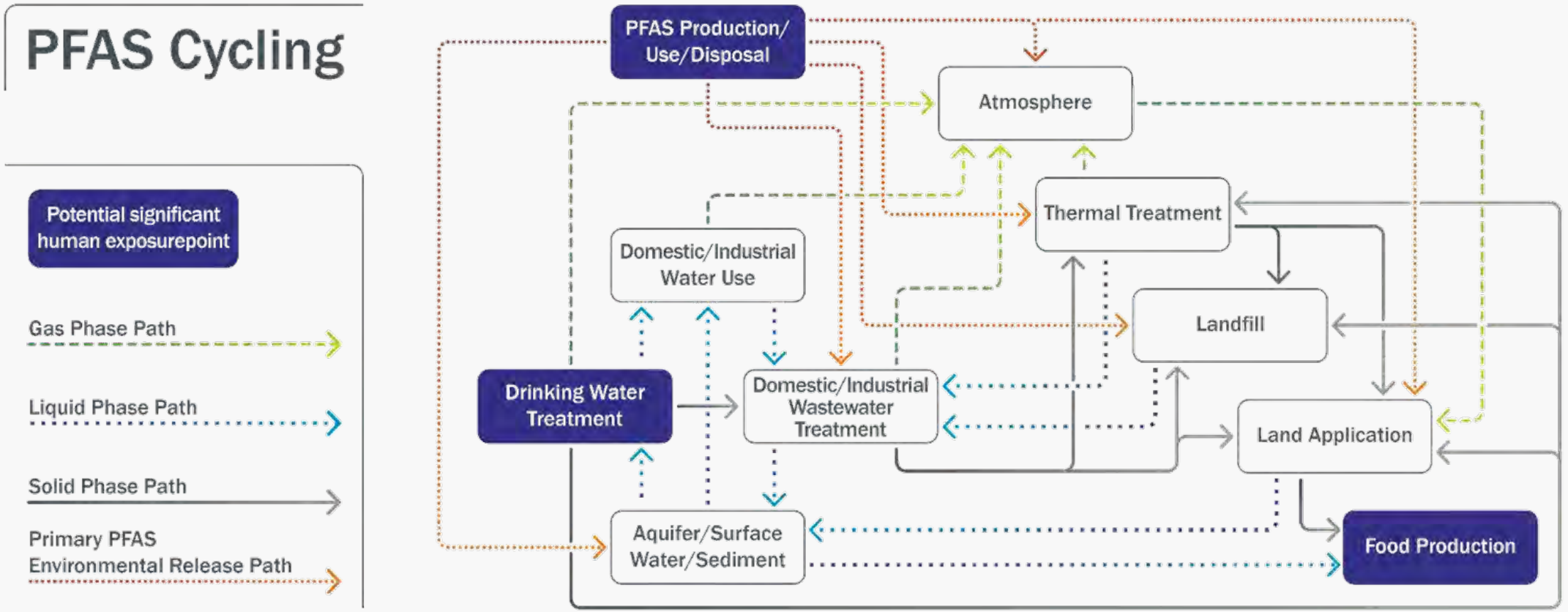
Thermal drying is a proven technology that uses heat and motion to dry and consolidate biosolids cake into dried pellets.

Resulting dried pellets have a 5% moisture content. Going from cake to pellets reduces the produced volume of solids by 60% and expands potential end-uses.

- Land application
- Waste-to-energy
- Regional facility
- Future technologies (e.g. pyrolysis, other)

Interrupting the PFAS Environmental Cycle

Thermal treatment offers the only established PFAS destruction process for biosolids.

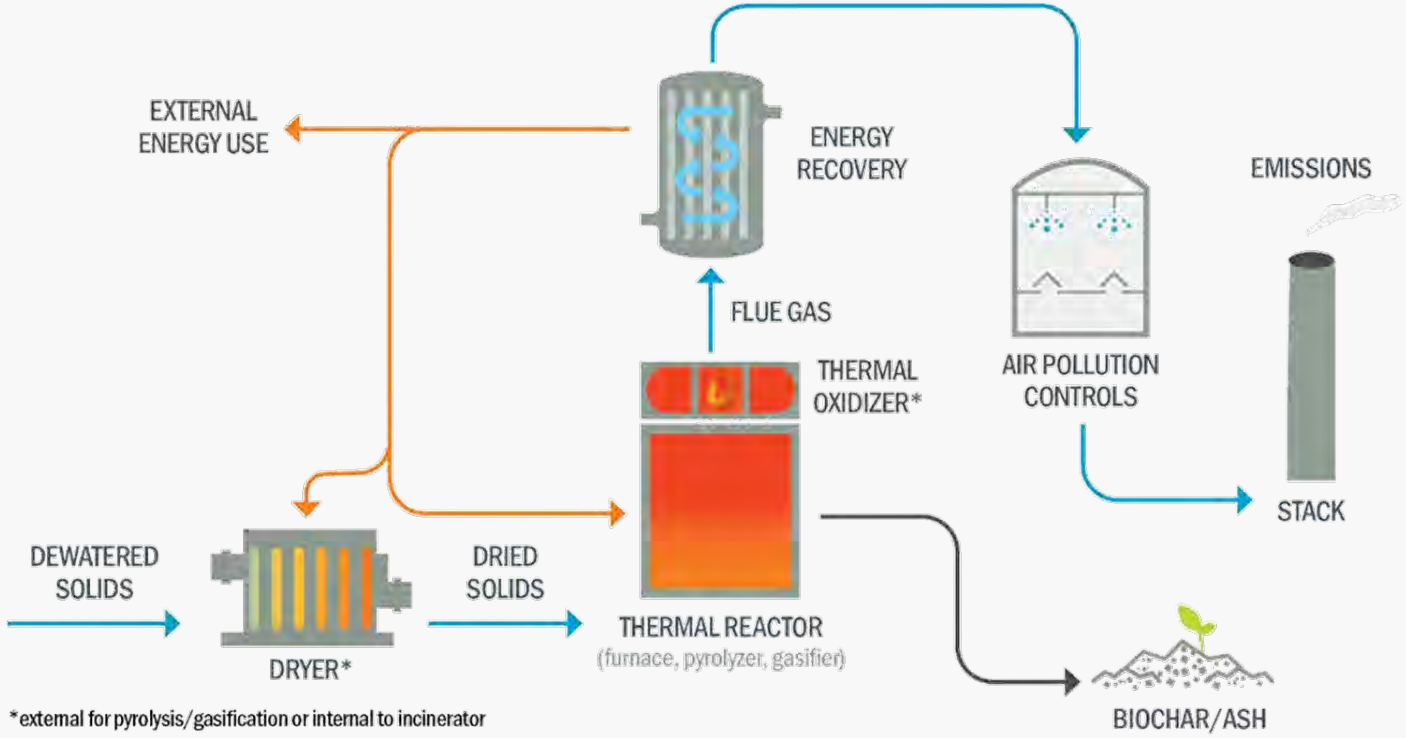


Winchell, L. J., Wells, M. J. M., Ross, J. J., Fonoll, X., Norton, Jr., J. W., Kuplicki, S., Khan, M., and Bell, K. Y. (2021). Per- and Polyfluoroalkyl Substances (PFAS) Presence, Pathways, and Cycling through Drinking Water and Wastewater Treatment: A State-of-the-art Review. Journal of Environmental Engineering. https://doi.org/10.1061/(ASCE)EE.1943-7870.0001943.

Thermal Technologies for Biosolids Management

Incineration is the only proven at-scale (AlexRenew level) thermal process for biosolids processing. Emerging technologies such as pyrolysis, gasification, and others are still being evaluated for scale and broader adoption.

- Incineration (combustion) offers the only thermal process with historical track record
- Pyrolysis and gasification are emerging technologies
  - Only about 5 demonstration units in the U.S.
  - None have been proven at scale
- Other emerging technologies further behind:
  - Hydrothermal liquefaction
  - Hydrothermal carbonization
  - Supercritical water oxidation
  - Smoldering

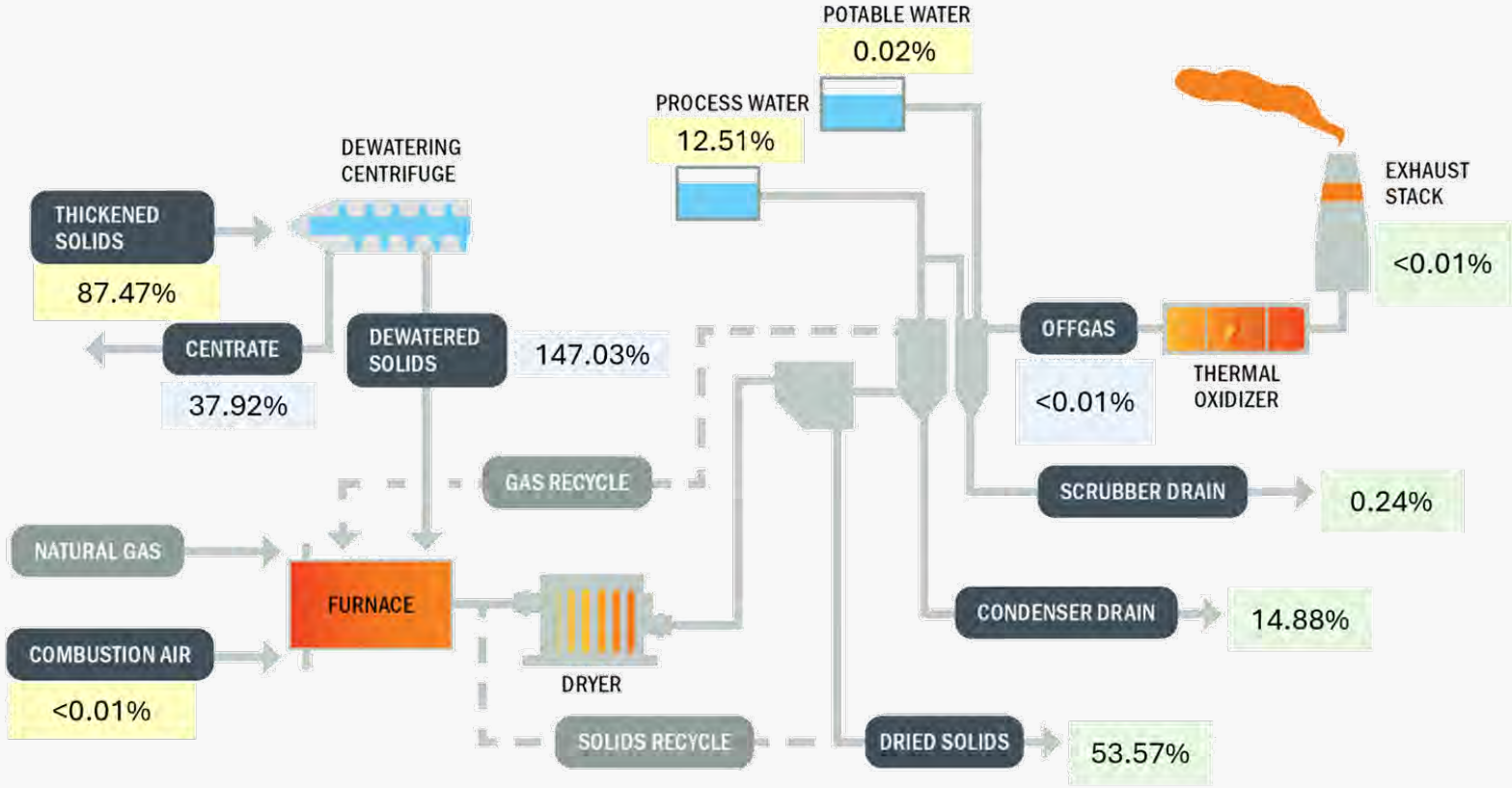


Winchell, L. J., Ross, J. J., Brose, D. A., Pluth, T. B., Fonoll, X., Norton, Jr., J. W., and Bell, K. Y. (2022a). High-temperature Technology Survey and Comparison Among Incineration, Pyrolysis, and Gasification Systems for Water Resource Recovery Facilities. Water Environment Research, 94. https://onlinelibrary.wiley.com/doi/10.1002/wer.10715

Thermal Drying Study on the Fate of PFAS

A joint study of a thermal biosolids drying facility showed that thermal drying reduces the PFAS content of the biosolids and thermal oxidation successfully removes PFAS from emissions.

- Synagro and Brown and Caldwell partnered to evaluate the fate of PFAS through a thermal dryer
- Sampling of solids, liquids, and gas streams for PFAS
- Major takeaways:
  - PFAS in dried pellets was lower compared to thickened solids
  - Thermal dryer exhaust contains very small amounts of PFAS
  - A thermal oxidizer can remove 99.3% of PFAS



= *INLET PFAS, PERCENT OF TOTAL PFAS INLET*

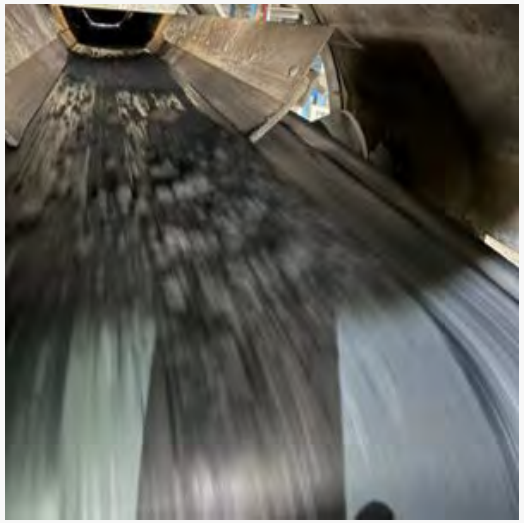
= *INTERMEDIATE PFAS, PERCENT OF TOTAL PFAS INLET*

= *OUTLET PFAS, PERCENT OF TOTAL INLET*

Ross, J. J., Seidel, A., Kakar, F., Wells, M. J. M., Winchell, L. J., Bell, K. Y., Song, D. (2025). Fate of PFAS Through a Biosolids Drum Dryer with Regenerative Thermal Oxidizer Emissions Control. 97:e70149, https://doi.org/10.1002/wer.70149.

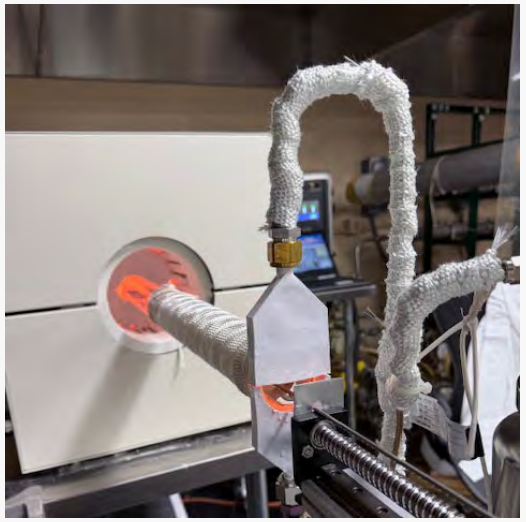
AlexRenew Incineration Study

AlexRenew biosolids are being tested in a laboratory incineration system using current analytical methods to track PFAS under conditions to mimic full-scale solid waste incineration systems.



Sample biosolids

Collect biosolids and then spike with PFAS for experimental assessment

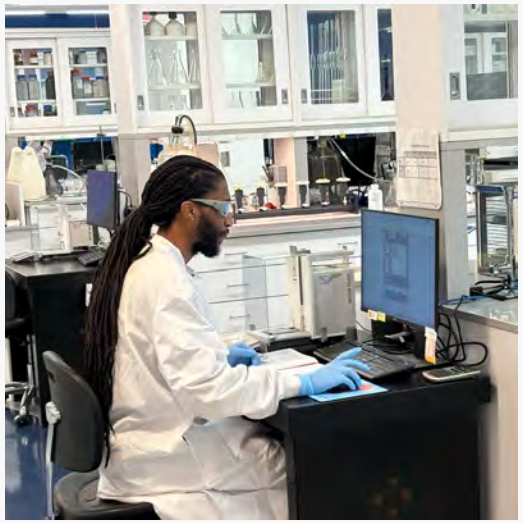


Mimic incinerator

Bench scale system set up to mimic municipal solid waste incineration conditions – University of Dayton Research Institute

Burn samples

Introduction of biosolids into experimental furnace



Analyze samples for PFAS

Use USEPA methods (1633A, OTM-45, and OTM-50) to track PFAS through incineration system

Co-incineration Case Study

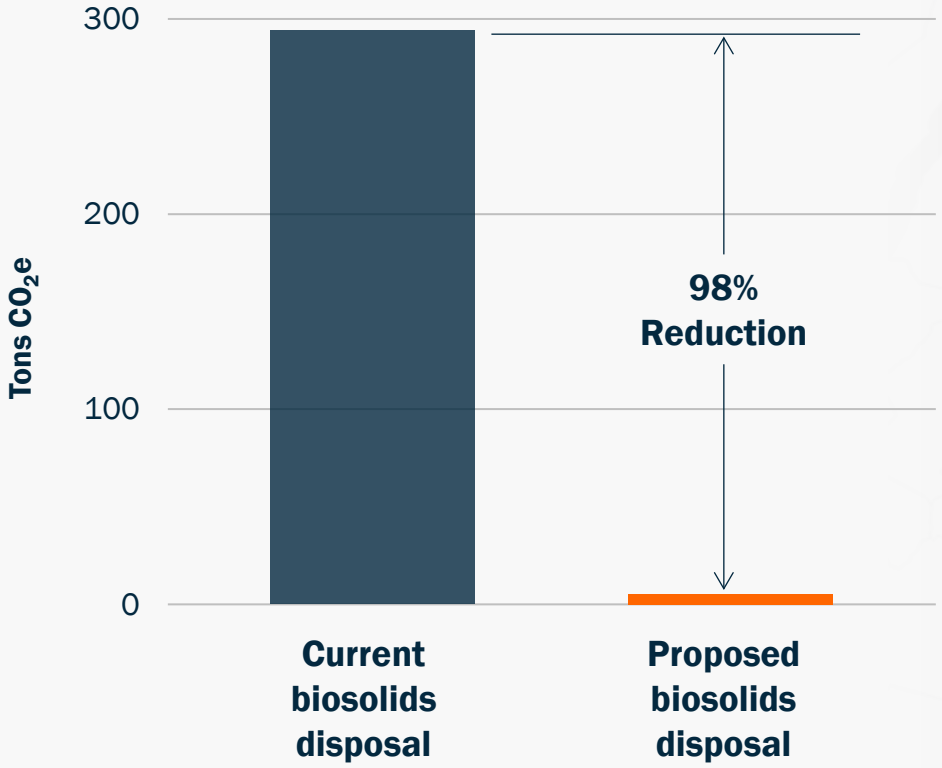
Reworld operates a waste-to-energy facility in Kapolei, HI that co-incinerates municipal waste and biosolids.

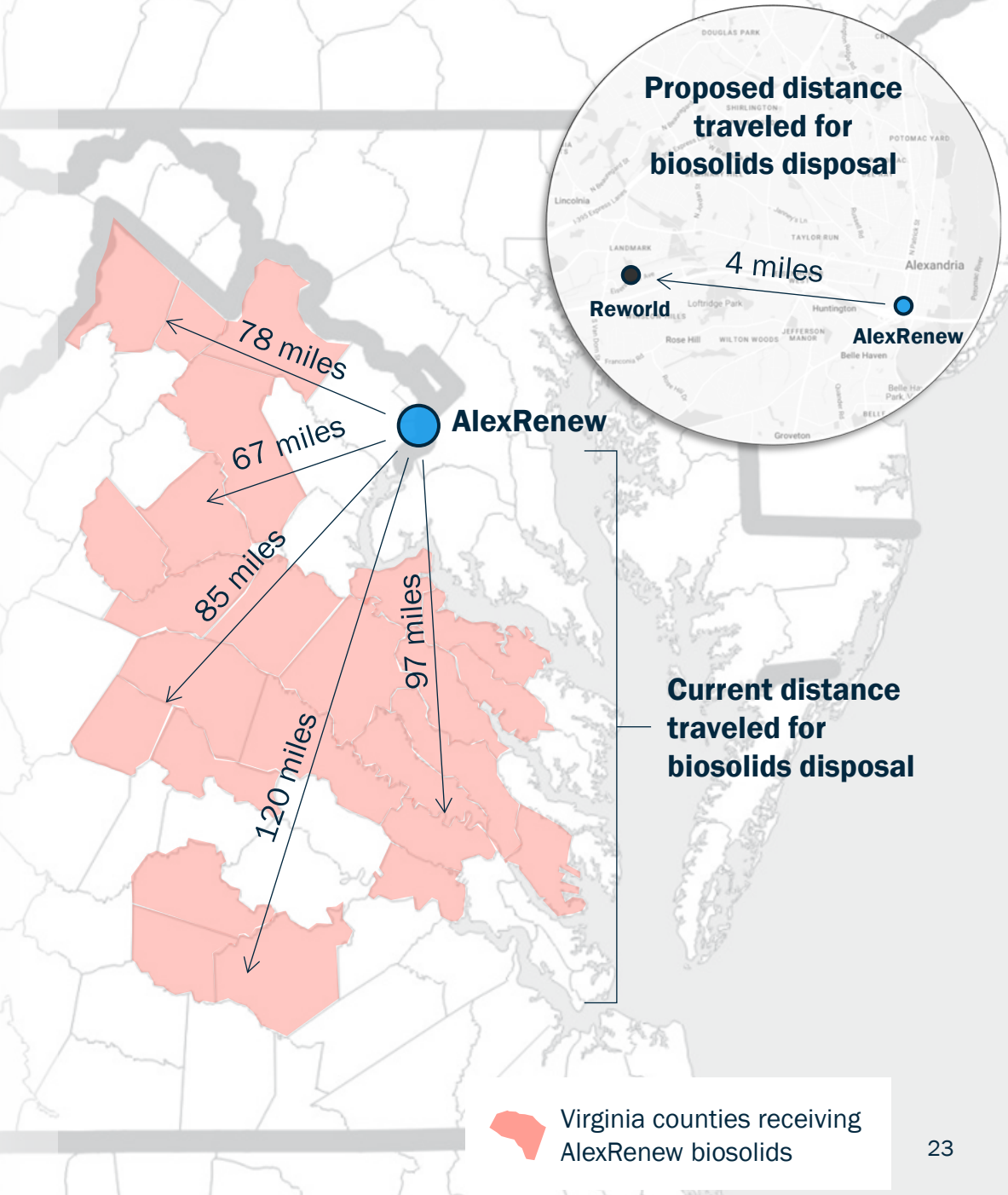
H-POWER co-incineration facility in Kapolei, HI

- H-POWER facility in Kapolei, HI (Honolulu)
- Operated by Reworld
- Opened in 2015
- First-of-its-kind
- Injects biosolids directly into the facility's mass burn unit
- Benefits:
  - Redirects 20,000 tons of biosolids per year from the landfill
  - Equivalent to 20,000 barrels of oil, generating enough electricity to power 1,500 homes

AlexRenew Greenhouse Gas Emission Reductions

Using a local facility for future biosolids pellet incineration is projected to reduce greenhouse gas emissions from AlexRenew's biosolids transportation by 98 percent, providing a local, sustainable option to land-application.





Reductions are equivalent to removing 50 passenger cars from the road, permanently

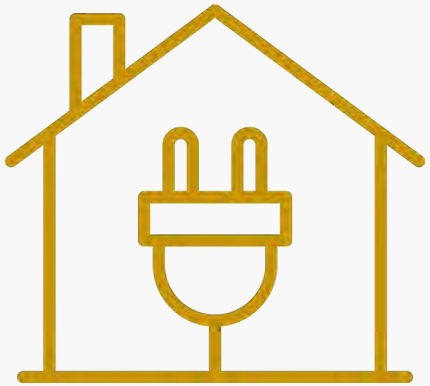
Pivoting from land-application to local processing would reduce GHG emissions from almost 300 tons of CO2e per year to less than 6. This is the yearly equivalent to removing 50 passenger cars from the road permanently.

Local Energy Generation

Drying biosolids releases its embedded energy. AlexRenew's future biosolids pellets will have more than 6,000 British thermal units (BTU) per pound; which, at current production levels can power 2,800 houses for one year.

33,695,705
Total kWh (per year)

92,317
Total kWh (per day)



Enough energy to power 2,800 houses for one year


AlexRenew

AlexRenew
1800 Limerick Street
Alexandria, VA 22314
alexrenew.com

Monthly Report

December 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 December 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 December 2025 was 1.77 inches of rain and 1.50 inches of snow, which is less than the monthly average precipitation of 3.41 inches of rain and 1.7 inches of snow for the month.

AlexRenew met all Virginia Pollutant Discharge Elimination System (VPDES) effluent parameters for December 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	28.6	<QL	2.5	<QL	0.10	8.7	2.0	194,501	9,759

Notes: (1) Ammonia seasonal limit for November – January : 8.4 mg/L

1.2 Capital Improvement Program

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

In June 2025, the Board approved four (4) Job Order Contracts (JOC) to support AlexRenew's ongoing construction and maintenance needs. To date in Fiscal Year 2026, a total of $4.9 million of work has been issued under the contracts through individual task orders. Table 1.2 summarizes the status of JOC task orders issued in Fiscal Year 2026.

Table 1.2. Summary of JOC Task Orders issued in Fiscal Year 2026

Facility	Number of Task Orders	Value
WRRF Headworks Systems	-	$-
WRRF Biological Treatment Systems	1	$640,000
WRRF Solids Treatment Systems	3	$420,000
WRRF Tertiary Treatment Systems	3	$2,480,000
WRRF Disinfection Systems	-	$-
WRRF Miscellaneous – HVAC, Electrical, Building, etc.	7	$1,320,000
Pumping Stations	-	$-
Interceptors	-	$-
Environmental Center	-	$-
Total	**14**	**$4,860,000**

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 shortlisted three (3) respondents that received the RFP on July 8. Proposals were received on September 16. Staff negotiated a contract with the highest-ranked respondent in December. This item is presented for Board approval in this month's Board package.

In September 2025, AlexRenew issued an invitation to apply for prequalification (IPQ) for contractors to upgrade AlexRenew's low pressure steam system through the Low-Pressure Steam System Improvements Project. Three (3) prequalification applications were received on November 4 in response to the IPQ and three (3) contractors were prequalified. The invitation to bid (ITB) was released on January 6 with bids from the prequalified contractors due on February 10. A contract is anticipated for Board review in March 2026.

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 CIP. Table 1.3 summarizes the status of BOA task orders issued in Fiscal Year 2026.

Table 1.3. Summary of BOA Task Orders issued in Fiscal Year 2026

Type/Facility	Number of Task Orders	Value
WRRF Headworks Systems	1	$120,000
WRRF Biological Treatment Systems	0	$-
WRRF Solids Treatment Systems	0	$-
WRRF Tertiary Treatment Systems	1	$350,000
WRRF Disinfection Systems	0	$-
WRRF Miscellaneous – HVAC, Electrical, Building, etc.	2	$300,000
Pumping Stations	0	$-
Interceptors	0	$-
Environmental Center	0	$-
Plans, Studies, and Training	6	$940,000
Professional Services Support	5	$1,030,000
Total	**15**	**$2,740,000**

1.7 Sole Source and Emergency Contracts

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

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 December, staff took time to recognize 2025 accomplishments and scheduled an organization-wide employee appreciation lunch for January 22. Four (4) staff were appointed to the Safety Specialist Program, designed to further strengthen and promote a culture of safety across the organization.

Since November 25, 2025, AlexRenew has logged 16,387 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 hosted the Chesapeake Bay Commission for their quarterly meeting on January 8, which included a tour of our wastewater treatment plant. The Commission includes 15 legislators representing Virginia, Maryland, and Pennsylvania, several federal and state regulatory officials, and members of key associations working to improve the Chesapeake Bay watershed.

Figure 3.1. AlexRenew staff presenting to the Chesapeake Bay Commission on January 8

AlexRenew opened enrollment for the Northern Virginia Wastewater Institute's Winter 2026 Operations Workshop. The four (4) day workshop is designed to help operators from the region better understand wastewater processes, monitoring techniques, and controls — ultimately working to build a regional knowledge base that supports our collective mission of protecting the waterways that connect us.

3.1 2026 Virginia General Assembly Session

Staff coordinated legislative priorities with the City in preparation for the upcoming 2026 Virginia General Assembly session, where key bills on PFAS and procurement are anticipated to be introduced. Key dates for the 2026 session include (even year, so a 60-day session):

- January 14: Session convenes
- January 17: Governor's inauguration
- February 18: Crossover – the General Assembly's deadline for bills to pass out of their chamber. From this point forward, the House may only consider bills passed by the Senate and the Senate can only consider bills passed by the House.
- March 14: Session ends

Staff will monitor, advocate for, and engage on legislation that may affect AlexRenew. Key items include:

- **Biosolids and PFAS.** AlexRenew supports addressing areas of per- and polyfluoroalkyl substances (PFAS) concern through a statewide sampling program to identify and mitigate PFAS at the source, while allowing continued operations of permitted biosolids programs.
- **Public Project Apprenticeship Requirements.** During the 2025 session, legislation was passed, but subsequently vetoed by the Governor, that would have required eight (8) percent of total labor hours on any public project to be performed by apprentices. AlexRenew opposed the legislation. If a similar bill is enacted in 2026, such a requirement could affect AlexRenew's procurement practices, contractor pool, and capital project cost and schedule.

- **RiverRenew.** RiverRenew is in its final year of construction with a regulatory requirement to be operational by July 1, 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.

AlexRenew's use of renewable energy is tracked monthly. This month, plant processes used approximately 393,000 standard cubic feet of biogas that was produced onsite in the anaerobic digesters. 4,690 kilowatt hours of energy were generated from onsite solar panels.

AlexRenew's use of reclaimed water is tracked monthly. This month, AlexRenew recycled 72 million gallons of water to support its operations.

As part of an overall refresh of AlexRenew's Organizational Sustainability Plan, staff are updating specifications and standard operating procedures to align and integrate sustainability across operations and projects.

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.

Mid-Year Budget Summary for Fiscal Year 2026

Table 5.1 summarizes AlexRenew revenues and expenses at the mid-point of Fiscal Year 2026 (FY2026). Values presented and the associated narrative are preliminary and subject to change until the fiscal year ends with the completion of the annual audit.

AlexRenew's overall financial condition remained strong and stable during the first half of FY2026. AlexRenew is meeting or outperforming than the standards established by its financial policies with respect to debt service coverage and cash reserves.

At mid-year, AlexRenew is maintaining a debt service coverage ratio of 2.1 in comparison to the required coverage of 1.6 times as indicated by Table 5.2. Debt service coverage is an indicator of AlexRenew's ability to pay off its annual debt service payments.

AlexRenew monitors two metrics to ensure sufficient cash reserves – Operating & Capital Days Cash and Total Days Cash. Operating & Capital Days Cash includes only a portion of AlexRenew's unrestricted operating cash, while Total Days Cash includes all AlexRenew unrestricted cash. At mid-year, AlexRenew has 124 Operating & Capital Days Cash compared to the policy minimum of 120 days, while Total Days Cash is 823 compared to the policy minimum of 270 days.

Wastewater Treatment Charge revenues are currently slightly above the mid-year budgetary estimate by approximately two (2) percent, while Fairfax County Operating Charges are flat to budget. Operating expenses are below budgetary projections by approximately five (5) percent.

Capital spending, debt proceeds and Fairfax capital contributions remain lower than budget through mid-year due to lower capital execution and spending.

The following are key financial highlights for the first half of FY2026:

- RiverRenew continued to be funded solely by Water Infrastructure Finance and Innovation Act loan program with $20.8 million drawn this fiscal year;
- AlexRenew continued to use proceeds from the PhaseForward Green Bonds with $4.6 million drawn this fiscal year; and
- AlexRenew received a clean, unmodified opinion for its Fiscal Year 2025 audit.

Table 5.1. Revenues and Expenses through the mid-point of FY2026 (December 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	33,700,445	52	50	65,000,000
Fairfax Operating Charge	14,662,764	7,331,382	50	50	14,700,000
Fairfax Capital Contributions	59,378,095	17,010,662	29	50	45,000,000
Debt Proceeds and Other Sources	119,336,317	28,098,035	24	50	89,800,000
Total Revenues	**258,318,513**	**86,140,524**	**33**	**50**	**214,500,000**
Expenses					
Operating and Maintenance	40,925,755	18,248,055	45	50	39,200,000
Parity Debt Service	20,220,975	10,689,333	53	50	20,300,000
IRR (1)	12,664,560	6,503,482	51	50	15,000,000
Capital	184,507,223	50,699,653	27	50	140,000,000
Total Expenses	**258,318,513**	**86,140,524**	**33**	**50**	**214,500,000**

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.

Table 5.2. Cash Reserves

Days Cash on Hand	Minimum	FY2026 Annualized	Percentage of Goal
Operating and Capital Days Cash on Hand	120	124	104%
Total Days Cash on Hand	270	823	305%

Table 5.3. Debt Service Coverage

Item	FY2026 Budget	FY2026 Annualized
Total Revenues	$81,304,102	82,700,000
Less Operating Expenses	($40,925,755)	($39,200,000)
Net Revenue	**$40,378,347**	**$43,500,000**
Annual Debt Service	**$20,220,975**	**$20,300,000**
Calculated Coverage	**2.00 times**	**2.14 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 790, a decrease of 23 accounts month-over-month;
- The total dollar amount owed to AlexRenew from these accounts was $807,584, a decrease of $12,058 month-over-month;
- 386 accounts are enrolled in payment plans, representing $614,722 in the total dollar amount (76 percent) owed to AlexRenew; and
- Approximately 55 percent of the delinquency value is from residential accounts.

AlexRenew has continued its communications campaign around the Lifeline Emergency Assistance Program (LEAP). Over this period, eight (8) accounts received a total of $7,955. Additional updates on LEAP are outlined in the LEAP Dashboard.

On behalf of AlexRenew, Virginia American Water disconnected 30 customers for nonpayment of their sewer bill in December. Of the customers who were disconnected, eleven (11) paid their balance in full, ten (10) enrolled in a payment plan, one (1) account was closed, and eight (8) applied for a LEAP disbursement. Since July 2024, there have been 429 disconnections, of these, 56 accounts received a total of $48,618 in LEAP disbursements.

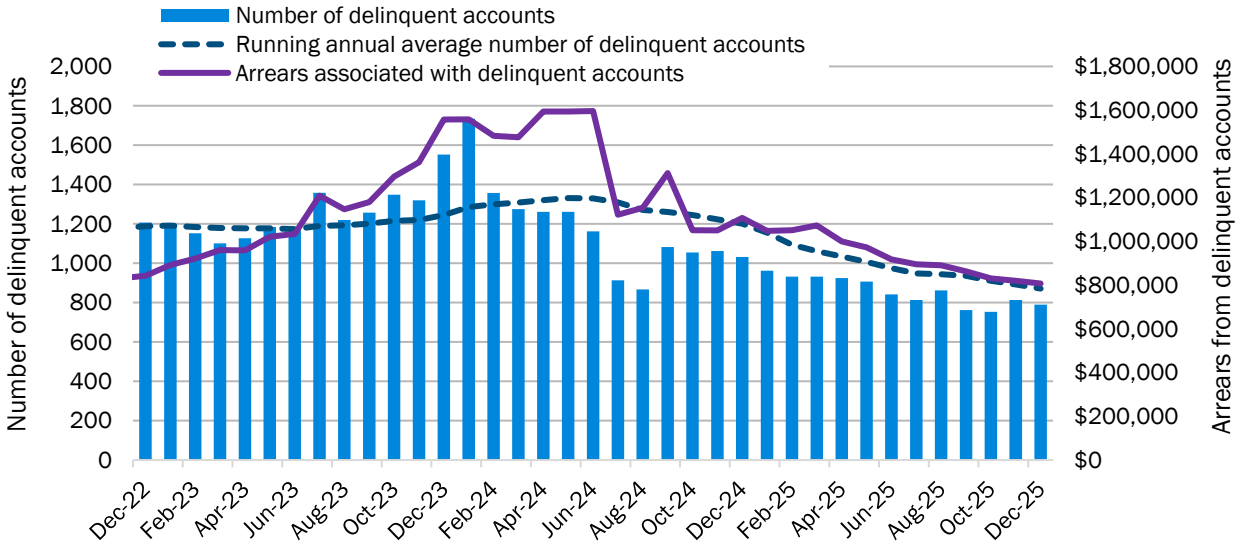


Figure 5.1. Active Accounts 60 or more days Delinquent

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 and City of Alexandria staff coordinated to ensure that RiverRenew Plaza would be ready for the Holiday Boat Parade of Lights and First Night celebrations. RiverRenew Plaza offered community members a new vantage point to experience these Alexandria traditions.

AlexRenew welcomed an estimated total of 449 visitors from the following organizations that hosted meetings on the 6th floor of the Environmental Center in December: City of Alexandria (100), Alexandria A Capella Collective (100), Alexandria City Public Schools (60), Northern Virginia Conservation Trust (22), Kids' First Years (25), Alexandria Symphony Orchestra (20), Ulliman Schutte Construction (20), National Capital Area Garden Clubs (12), Alexandria City Chapter of Top Ladies of Distinction (70), and Alexandria Chamber of Commerce (20).

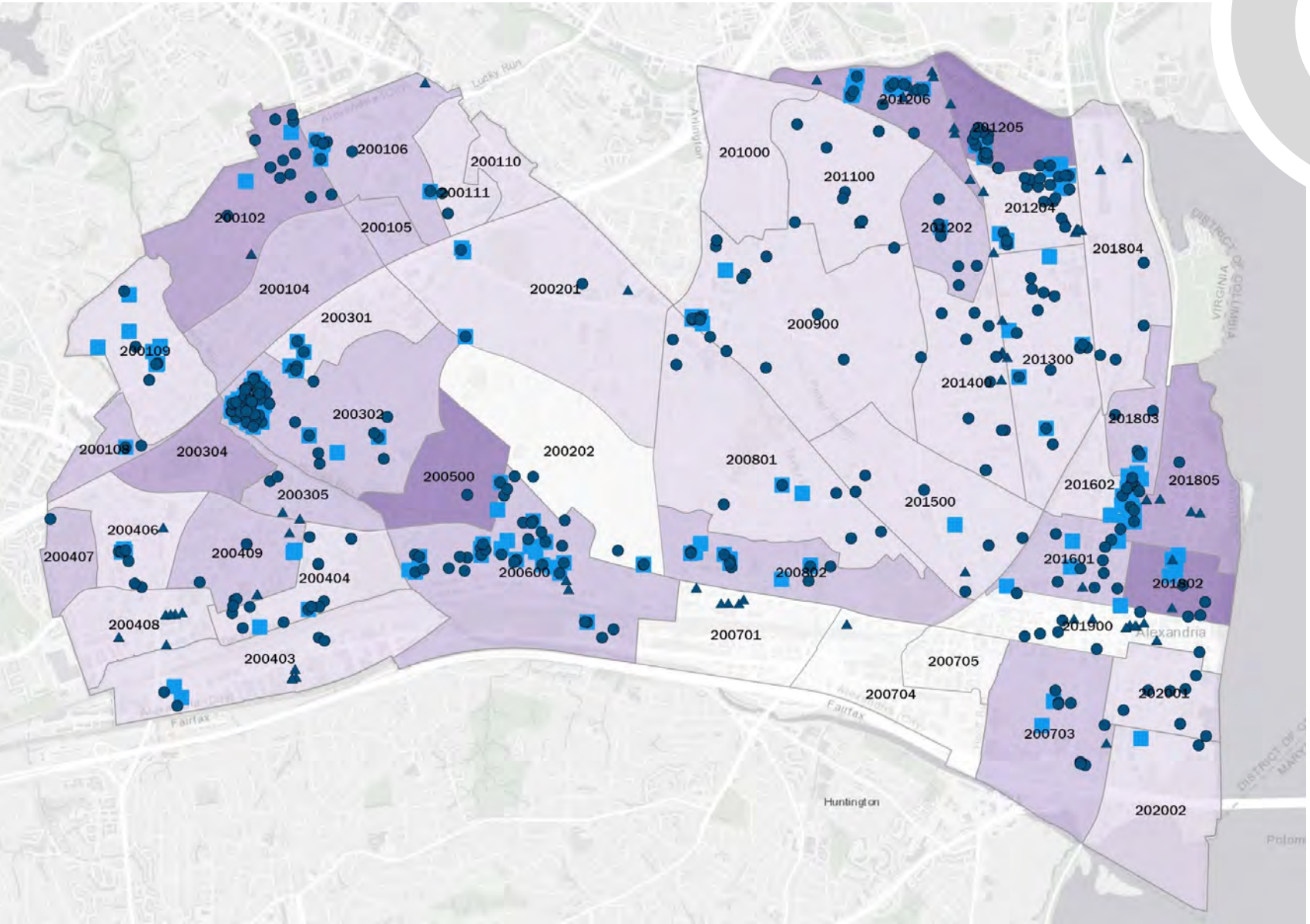
AlexRenew customer service received a total of 585 calls. The average wait time before calls were answered was 1:48 seconds. Call center staff answered 360 emails.

AlexRenew

LEAP
LIFELINE EMERGENCY ASSISTANCE PROGRAM

Dashboard

December 31, 2025



$151,366
Disbursed To-Date
$7,955 disbursed this period

$200,130
Remaining

184 Customers Assisted
8 customers assisted this period

429 Service Disconnections for Nonpayment
30 customers disconnected this period

Legend

Percentage of Households Receiving SNAP

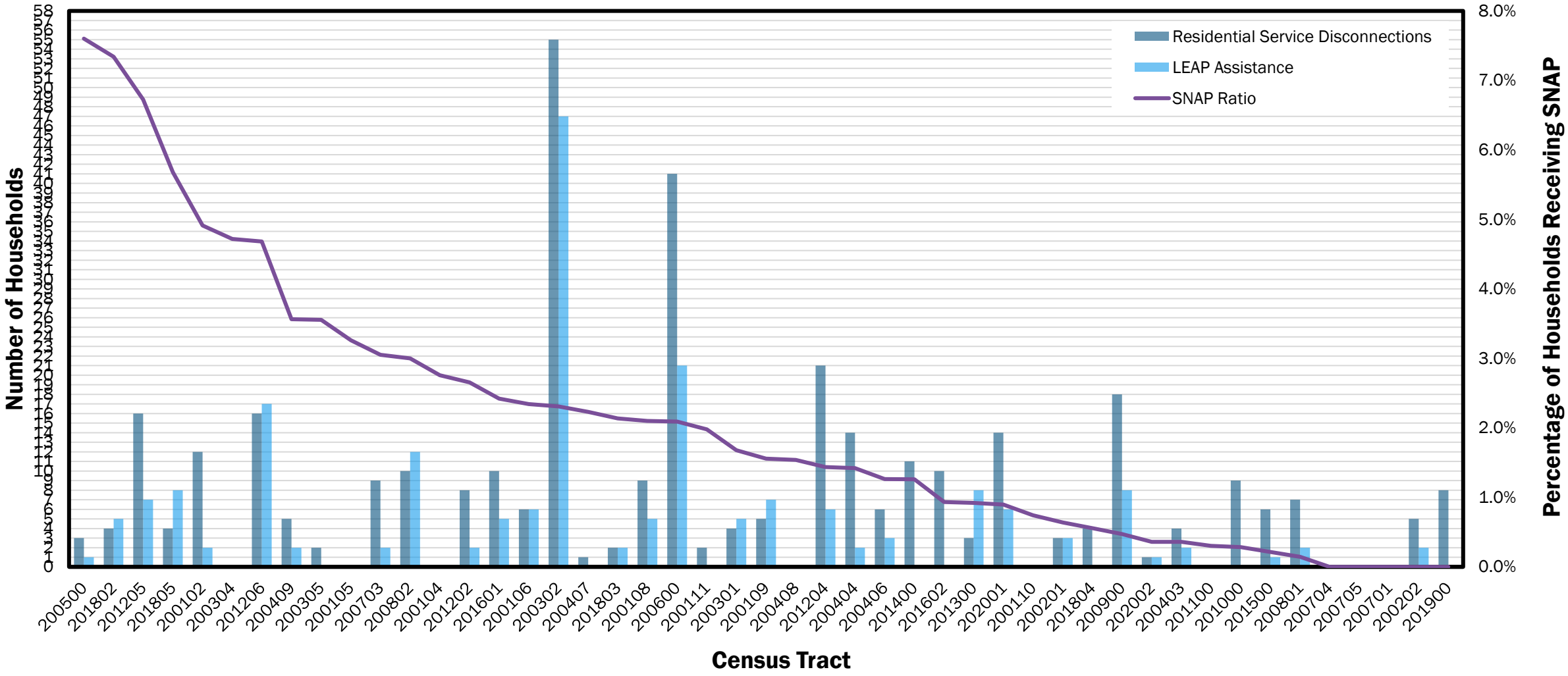
- 0
- 0 - 2.0%
- 2.0 - 4.0%
- 4.0 - 6.0%
- 6.0 - 8.0%

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

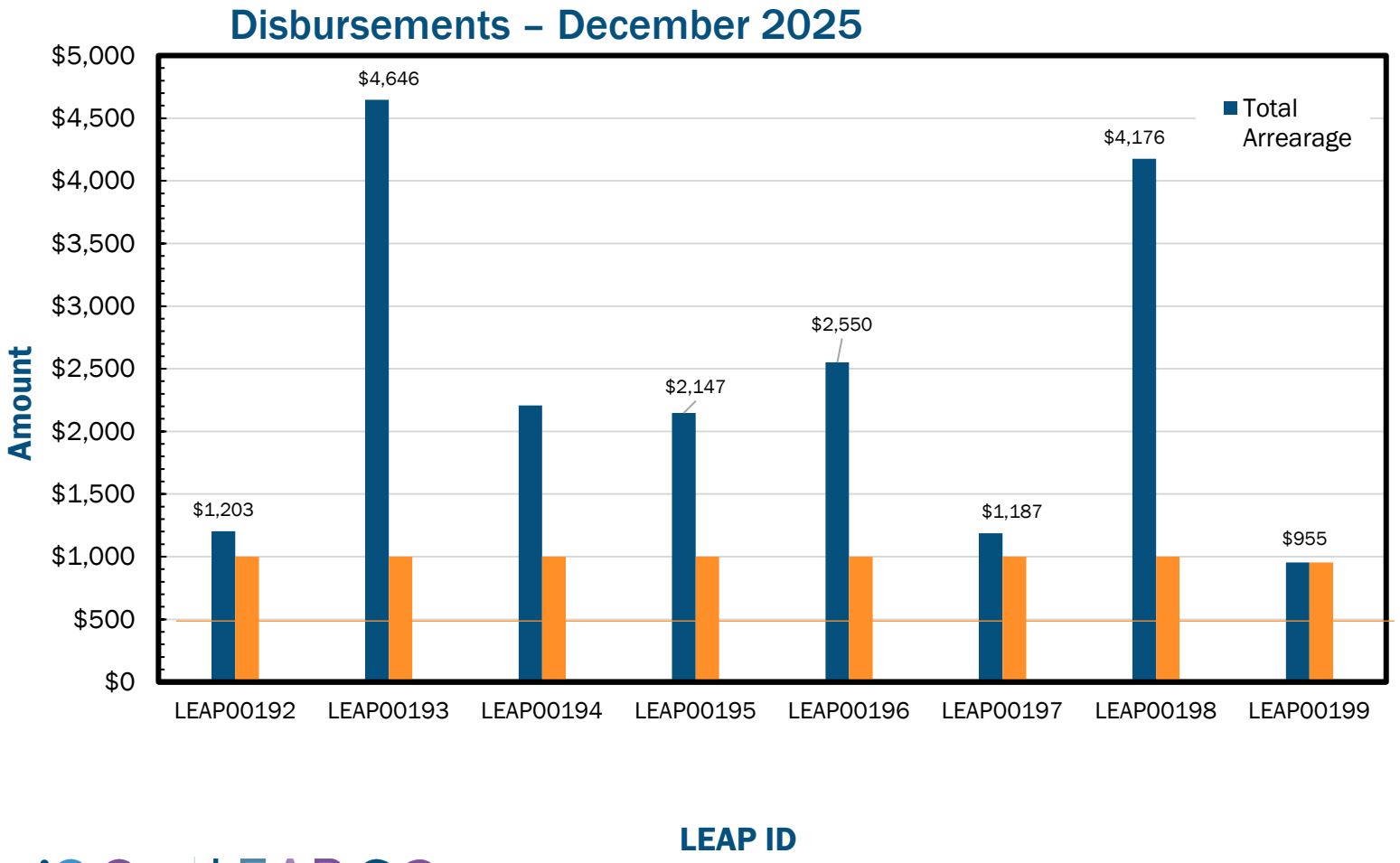
December 31, 2025



AlexRenew | LEAP LIFELINE EMERGENCY ASSISTANCE PROGRAM

LEAP Disbursements and Remaining Arrearage by Account

December 31, 2025



(December 2025)

	Disbursed	Arrearage	% of Arrearage
	$1,000.00	$4,646.33	21.52%
	$1,000.00	$4,175.98	23.95%
	$1,000.00	$2,550.15	39.21%
	$1,000.00	$2,208.30	45.28%
	$1,000.00	$2,147.37	46.57%
	$1,000.00	$1,202.94	83.13%
	$1,000.00	$1,187.00	84.25%
	$955.00	$955.00	100.00%
Average:	$994	$2,384	55.49%
Median:	$1,000	$2,208	46.57%

AlexRenew | LEAP LIFELINE EMERGENCY ASSISTANCE PROGRAM

phaseforward

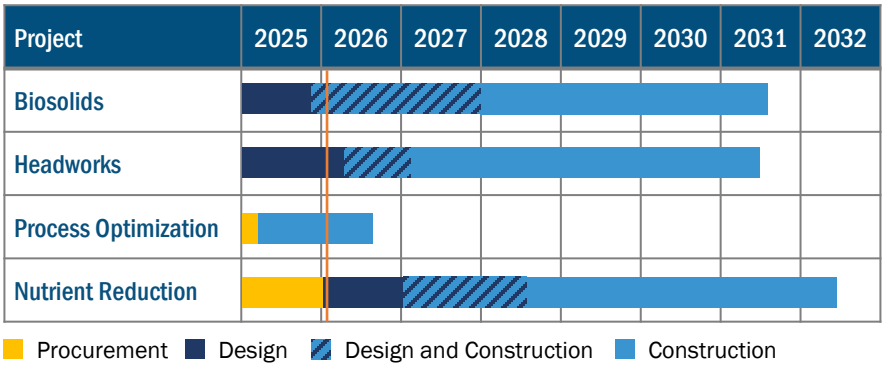
To support our evolving community, AlexRenew is making a significant investments to improve the resiliency of its infrastructure

DASHBOARD | DECEMBER 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



PhaseForward spending (to date)

Project	Estimate (1)	Design	Construction	Total	% Local (2)
Biosolids	$355M	$10.9M	$3.2M	$14.1M	80%
Headworks	$127M	$8.5M	$-	$8.5M	94%
Process Optimization	$10M	$1.8M	$2.4M	$4.2M	89%
Nutrient Reduction	$190M	$1.8M	$-	$1.8M	100%
Total	**$682M**	**$22.9M**	**$5.6M**	**$28.6M**	**87%**

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

BIOSOLIDS

HEADWORKS

PROCESS OPTIMIZATION

NUTRIENT REDUCTION

Establishing the PhaseForward Construction Office Complex

The first construction trailers were delivered, and utilities were installed to establish the office complex for PhaseForward. This complex will serve as the hub for our contractors working on the PhaseForward program. Over the next year, additional trailers will be installed as work starts on other program elements.

Other PhaseForward Projects

Our **Biosolids Diversification** contractor completed installation and startup of temporary hot water lines to support commissioning the new heat exchangers. Our **Headworks Renewal** contractor held a pre-bid site walk for subcontractors to construct improvements to the fine screening system. Staff negotiated a contract with the highest-ranked respondent for the **Nutrient Reduction** project. Equipment installation continued on the **Process Optimization** project.

RiverRenew Board of Directors Dashboard

AlexRenew

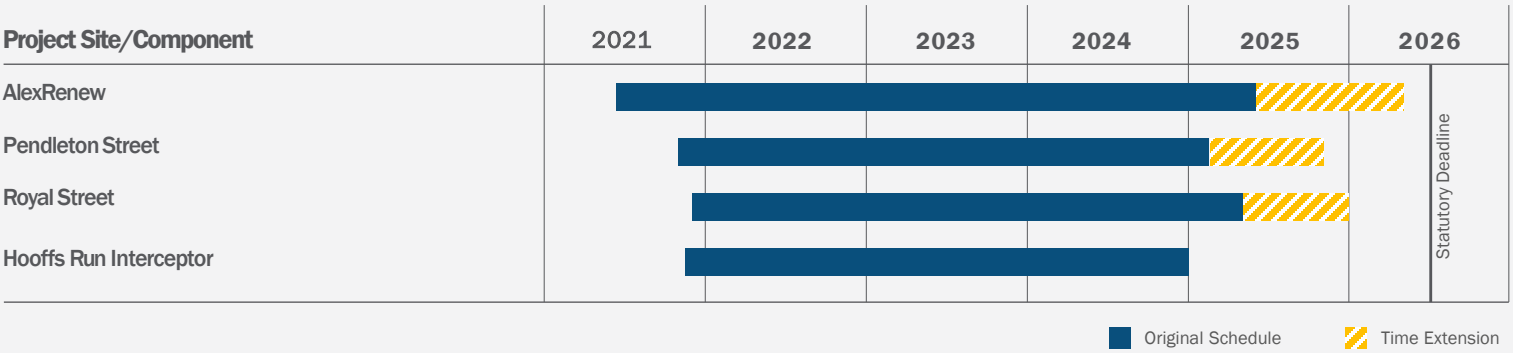
MONTH ENDING: DECEMBER 31, 2025

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

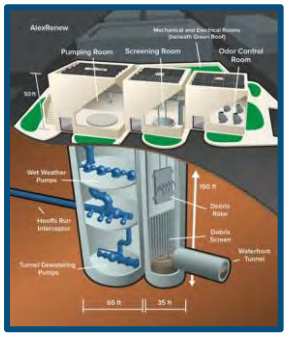
Date:	Activity:
12/2021	Monitoring potential supply chain issues due to ongoing pandemic.
12/2021	COVID outbreak at tunnel segment mold plant in Slovenia. Manufacturing for tunnel segment molds relocated to Turkey. Anticipated one-month delay on tunnel segment molds.
1/2022	Concrete for shaft slurry 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.

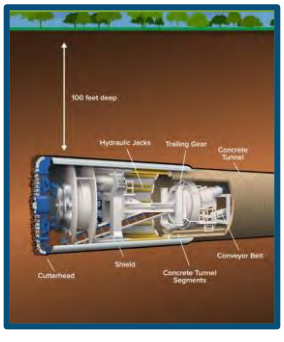
Hooffs Run Interceptor

Complete! Click here for a timelapse of construction.



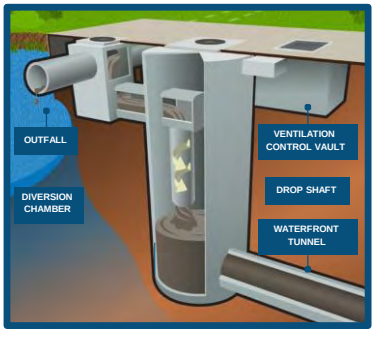
Pumping Station

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)

Royal Street Site

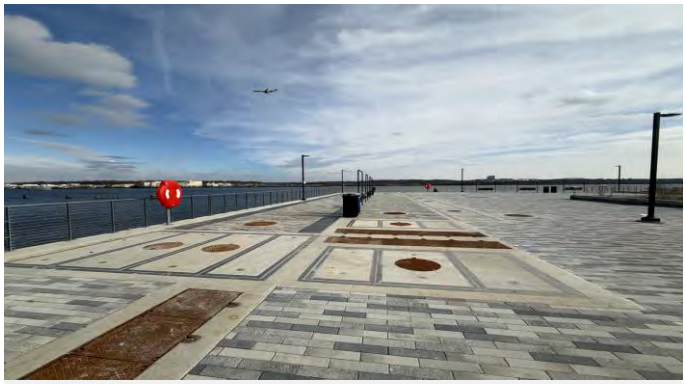
Ongoing

- Concrete shaft cover
- Diversion chamber connection to existing combined sewer

Upcoming

- Electrical duct banks and sanitary sewer installation
- Site grading and restoration

Pendleton Street Site



Ongoing

- Permanent lighting
- Miscellaneous final punch list items

Upcoming

- Turnover of Pendleton Promenade to the City
- Site demobilization

Hooffs Run Site

Ongoing

- Pocket park restoration at Duke Street

Upcoming

- Pocket park turnover to the City

AlexRenew Site

Ongoing

- Superstructure exterior façade
- Pumping station mechanical, electrical, and plumbing work
- Staff training

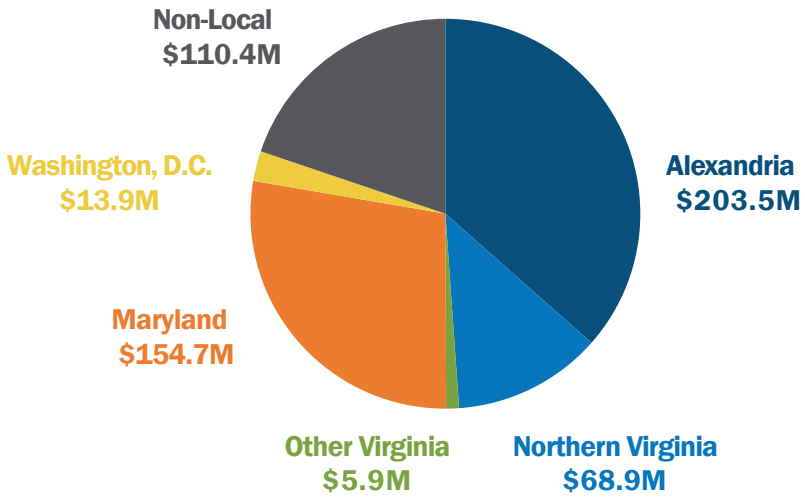
Upcoming

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

**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



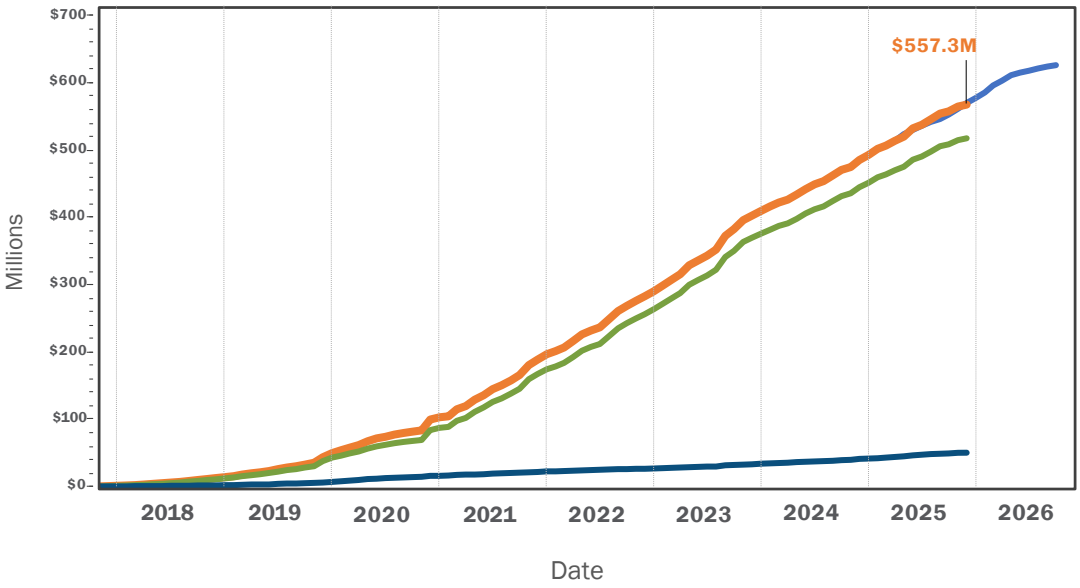
- Alexandria (174 vendors)
- Northern Virginia (48 vendors)
- Other Virginia (29 vendors)
- Maryland (79 vendors)
- Washington, D.C. (10 vendors)
- Non-Local (153 vendors)

Total = 493 vendors to date

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	$382.7
Brown and Caldwell	**Owner's Advisor**	Professional Services	17-022	Nov 2017	$88.9
EPC	**Resident Engineering & Inspection** Tunnel System Project	Professional Services	20-013	Apr 2020	$32.1
Completed RiverRenew Wastewater Projects To Pave the Way for the Tunnel Project					$53.6

RiverRenew Cash Flow Analysis*



Total Spend: $615M

- **Fairfax Share: $58M**
- **AlexRenew Share: $557M**

Current Planned Projection:

- Total Program Spend to Date
- Anticipated Projection Based on Tunnel Project Award
- $49.1M - Total Fairfax County Spend to Date
- $508.2M - Total AlexRenew Spend to Date

Note: As of December 25, 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.*

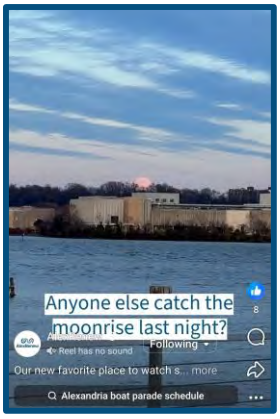
RiverRenew Community Outreach

Digital Programming

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

Highlights:

- A reel showcasing the moonrise from the new Pendleton Promenade! Alexandrians can take advantage of this new viewpoint to enjoy First Night.



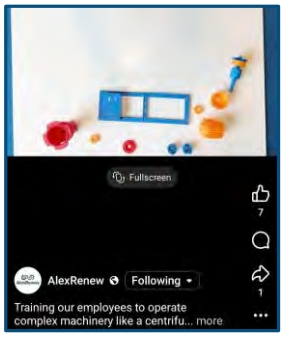
Education

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

Highlights:

- A video showing how we use creative methods and a 3D printer to train staff on new equipment, including pumps in the Wet Weather Pump Station!



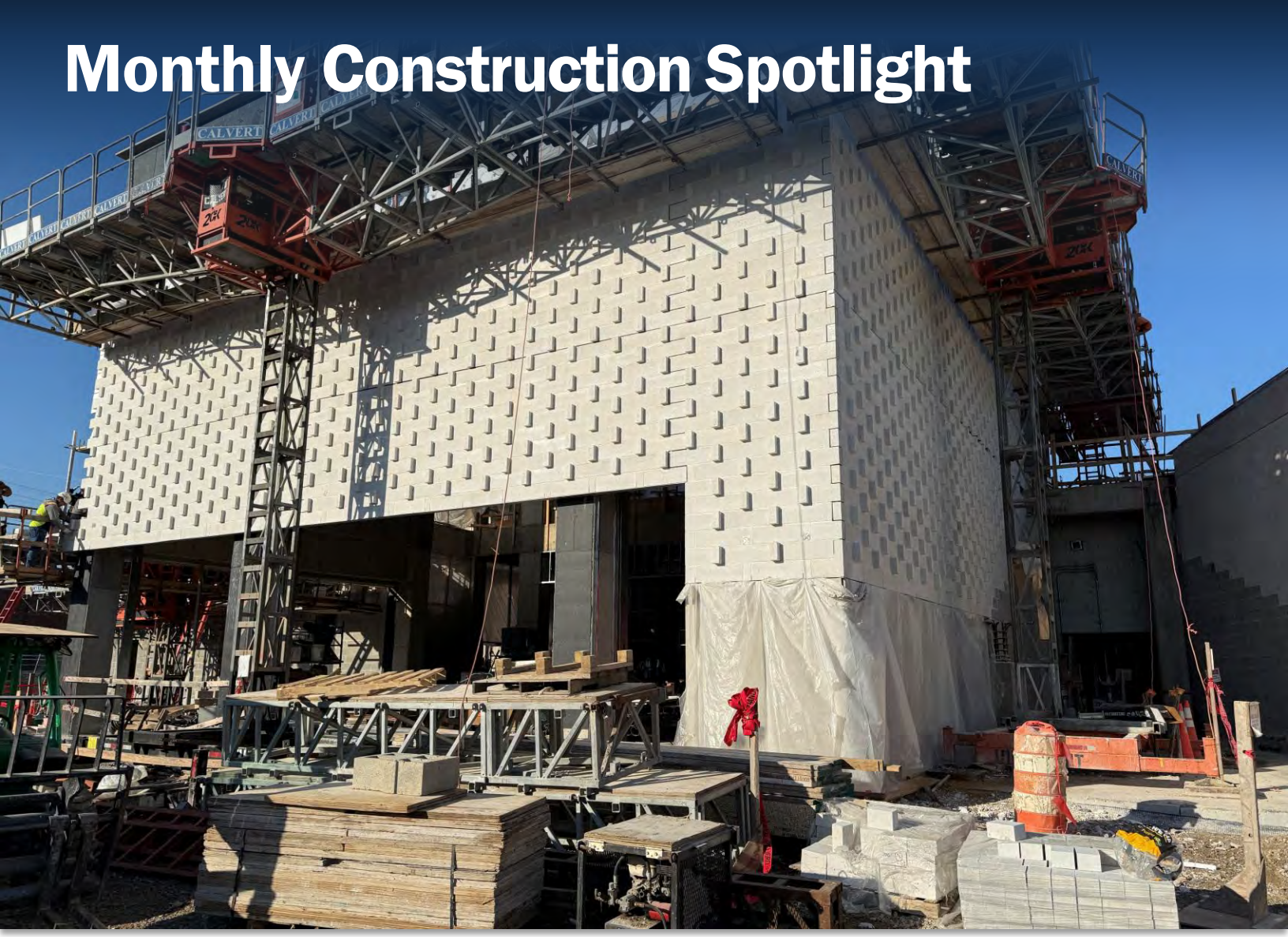
Community Days & Events

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:

- No upcoming events

Monthly Construction Spotlight



Superstructure Tops Out and Finishes Begin

On December 10, crews poured the final roof slab of the crane room for the Superstructure, topping out the building and marking an exciting milestone for the project. With the outside frame of the building complete, work on interior framing and HVAC systems have started. Each room will take shape over the next few months, moving the project steadily towards completion.

While internal work is ongoing, crews have also started construction of the façade. The unique architectural finish of the superstructure is now visible, giving the building its distinct character. Masonry work will continue through the winter.

As the final form of the Superstructure emerges, RiverRenew crews are working hard to get it enclosed, energized, and ready for startup and commissioning of the pump station.

Building for the Future of Alexandria's Waterways

To learn more, visit www.RiverRenew.com

AlexRenew