



Board of Directors
 John Hill, Chair
 James Beall, Vice Chair
 Rebecca Hammer, Sec'y-Treas
 Mark Jinks
 Moussa Wone

Chief Executive Officer
 Justin Carl, PE

General Counsel
 Amanda Waters

Tuesday, March 3, 2026 – 5:30 p.m.

Board of Directors Finance and Audit Committee Meeting Agenda

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

Virtual: [Join virtually on Microsoft Teams](#)

Public comments will be received at the meeting. If you wish to speak during public comment, please contact Lorna Huff, Board Executive Assistant, at (703) 721-3500 ext. 2260 or lorna.huff@alexrenew.com in advance. Submission of written statements is encouraged and may be emailed to the Board Executive Assistant. If you need an interpreter, translator, materials in alternate formats or other accommodations to access this service, activity or program, 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 after the meeting.

No.	Time	Item	Presenter	Action
1.	5:30 p.m.	Call to Order	Chair	
2.	5:32 p.m.	Approval of Agenda	Chair	Motion
3.	5:35 p.m.	Public Comment Period	Chair	
4.	5:40 p.m.	Consent Agenda a. Minutes from November 12, 2025 meeting (Tab 1)	Chair	Motion
5.	5:45 p.m.	New Business a. Presentation on Fiscal Year 2027 Preliminary Draft Operating and Capital Budget and Fiscal Year 2027 Rate Recommendation (Tab 2) b. Fiscal Year 2027 Preliminary Draft Operating and Capital Budget (Tab 3) c. Fiscal Year 2027 Draft Rates, Rules, and Regulations (Tab 4) d. Revised Rate-setting Policy (Tab 5)	CEO	Information
6.	7:00 p.m.	Adjourn	Chair	Motion

Times shown are approximate start times and serve as guidelines.

AlexRenew Board of Directors
Minutes of the Finance and Audit Committee
Wednesday, November 12, 2025

On Wednesday, November 12, 2025, the AlexRenew Board of Directors held a Finance and Audit Committee meeting at 1800 Limerick Street, and broadcast via Microsoft Teams, with the following present:

Members: Mr. Mark Jinks, Finance and Audit Committee Chair (Chair)
Dr. Moussa Wone, Finance and Audit Committee Member
Mr. John Hill, Chair Ex. Officio
Mr. James Beall, Board Vice Chair
Ms. Becky Hammer, Board Secretary-Treasurer

Staff: Mr. Justin Carl, CEO/GM
Ms. Caitlin Feehan, Chief Administrative Officer
Mr. Lake Akinkugbe, Director of Finance
Mr. Jason Moore, Controller
Ms. Shawnette Hurley, Senior Accounting Technician
Ms. Barbara Reeve, Accounting Technician
Mr. Ross Dennis, IT Desktop Support
Ms. Lorna Huff, Executive Assistant to the Board

Consultants: Mr. Brad Tomlinson, YHB
Mr. Jeff Wolf, Forvis Mazars

1. Call to Order

The Chair called the meeting to order at 5:30 p.m.

2. Approval of the Agenda

Motion by Dr. Wone/Second by Mr. Jinks. The Committee unanimously approved.

3. Public Comment Period

No public speakers. Comment period is closed.

4. Consent Agenda

Minutes: March 11, 2025

Motion by Dr. Wone/Second by Mr. Jinks. The Committee unanimously approved.

5. New Business

a. Presentation of the Fiscal Year 2025 Annual Comprehensive Financial Report (ACFR) and Audit

The Chair recognized Ms. Feehan who reviewed the documents that would be discussed, including an updated version of the ACFR with Finance and Audit Committee feedback. Staff introductions included:

Mr. Jason Moore;
Mr. Brad Tomlinson;
Mr. Jeff Wolf;
Ms. Shawnette Hurley; and
Ms. Barbara Reeve.

Mr. Moore reported that the financial audit resulted in a clean/unmodified opinion. Final approval of the Single Audit report is delayed due to the Federal government shutdown; however, a clean/unmodified opinion is anticipated. Auditors' recommendations include enhancing the prepaid expense review process and updates to financial policies to align with new Governmental Accounting Standards Board (GASB) rules.

Mr. Tomlinson reviewed the Independent Auditors Report and related materials. He noted no material weaknesses or significant deficiencies. Members discussed the Internal Controls review and audit process.

Mr. Jinks moved to accept the FY2025 audit of financial statements and FY20205 Single Audit, contingent on its receipt of a clean, unmodified opinion from the auditors. Dr. Wone seconded. The Committee unanimously approved.

b. Fiscal Year 2027 Operating and Capital Budget Preview

Mr. Akinkugbe provided a preview of the upcoming Fiscal Year 2027 Operating and Capital Budget, including the budget development process and the anticipated timeline for Fiscal Year 2027.

Mr. Jinks asked about community engagement related to changes in the rate structure. Mr. Carl reported that a draft communications plan was included in the Board package for the November 18 Board meeting.

There being no additional business; the Chair made a motion to adjourn. Dr. Wone seconded. The Committee unanimously approved. The meeting adjourned at 6:31 p.m. The Chair Ex-Officio thanked the Finance and Audit Committee and Finance staff for their work on the audit.

APPROVED

Finance and Audit Committee Chair



FISCAL YEAR 2027 PRELIMINARY DRAFT BUDGET AND RATE RECOMMENDATION

FINANCE AND AUDIT COMMITTEE MEETING | MARCH 3, 2026

AlexRenew

OVERVIEW

- Purifies 13 billion gallons of wastewater each year
- Serves 300,000 people in Alexandria and portions of Fairfax County
- Established in 1952 as an independent, public authority
- Governed by a 5-member citizen Board
- Sole source of funding is through sewer rates and contributions from Fairfax County, a wholesale customer



AlexRenew's Operating and Capital Budgets

Operating Budget

Includes costs associated with day-to-day operation of wastewater treatment and other facilities. It is funded primarily by rates collected from Alexandria customers and payments from Fairfax County.



Capital Budget

Funds new projects and improvements to AlexRenew infrastructure. It is based on the first year of a 10-year Capital Improvement Program. The Capital Budget is supported through multiple funding sources, including operating revenues, debt (loans and bonds), grants, contributions from Fairfax County, and cash.

Fiscal Year 2027 Budget Priorities

The proposed Fiscal Year 2027 budget strategically invests in critical roles and infrastructure to position the organization to meet future operational, regulatory, and reliance needs

Operating Budget. Invest in people and systems to protect and strengthen reliability, security, safety, and long-term asset performance

Debt Service. Continue payments on critical financing to support the RiverRenew program delivery and PhaseForward investments, ensuring long-term financial stability

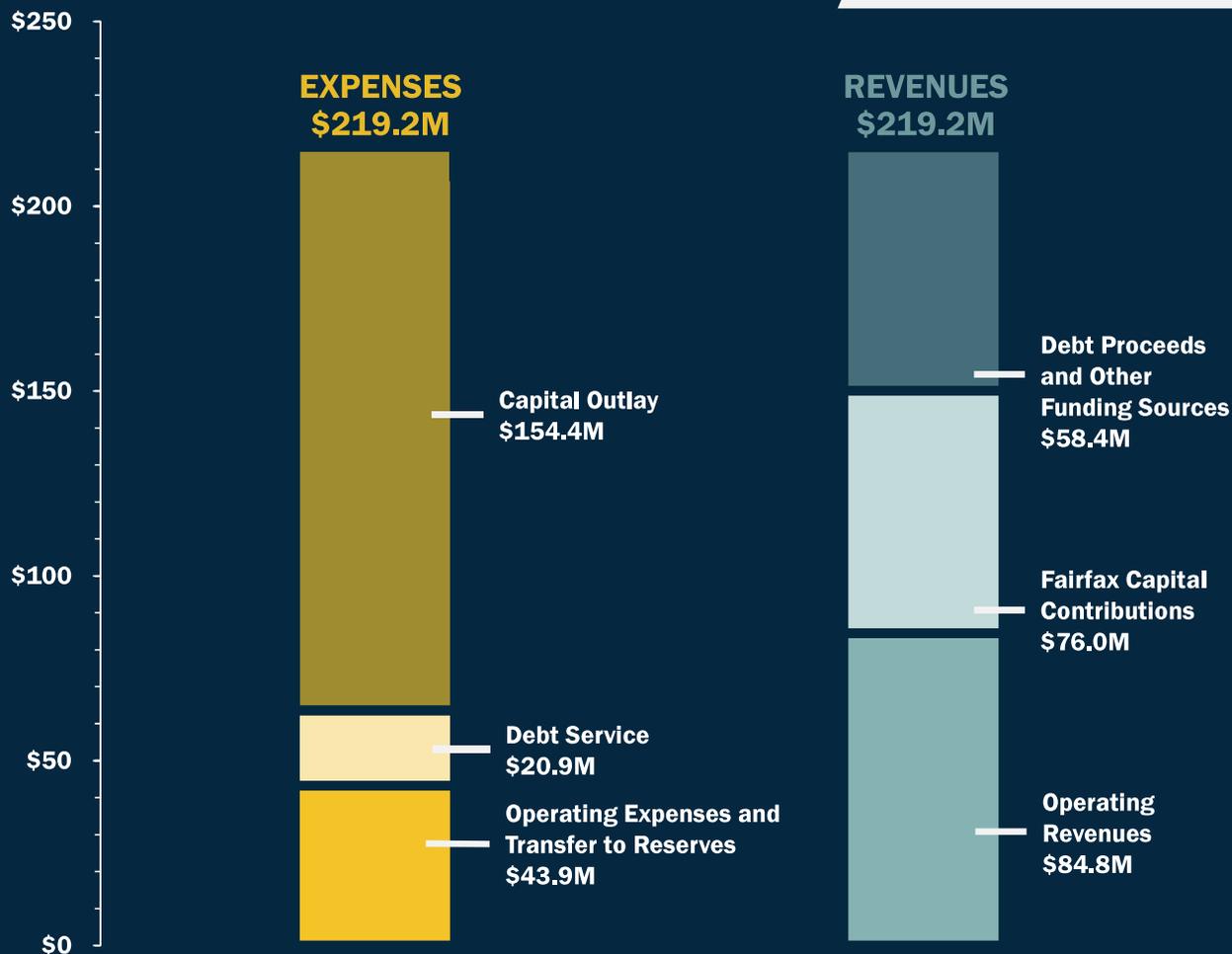
Capital Budget. Deliver the final year of RiverRenew construction while building momentum on PhaseForward projects to sustain system performance and support long-term organizational needs

Rates. Implement the adopted rate increase and the proposed base charge change to better align rates with cost of service, recognizing that impacts will vary across AlexRenew's customer classes

Proposed Fiscal Year 2027 Budget Breakdown

\$219.2 million Operating and Capital Budget

- 70% of the budget is capital spending (infrastructure construction, improvements, and upgrades)
- 15% decrease from the prior year's budget in total capital spending as RiverRenew construction nears completion
- 7% increase from the prior year's budget in operating expense to invest in key staff positions, continue cybersecurity initiatives, and address risks from potential regulations and flooding



\$219.2
MILLION
EXPENDED



FISCAL YEAR 2027
PROPOSED BUDGET

AlexRenew's proposed capital and operating budget is guided by our ongoing investments in Alexandria's future and the health of its waterways.



\$41.9
MILLION

PEOPLE, UTILITIES,
AND CONSUMABLES



- \$ Operating Expenses
- \$ Capital Expenses
- \$ Debt Service



Values reflective of FY2027 budget only.

phaseforward

Fiscal Year 2027 Major Capital Projects

In Fiscal Year 2027, AlexRenew will continue to progress the PhaseForward Program and complete construction of the RiverRenew Tunnel Project. Continued Improvement, Renewal, and Replacement program investments are anticipated through AlexRenew's job order contracts.



Biosolids Diversification Project

- \$32.7 million in FY2027
- Installation of solids thickening and mixing equipment
- Design of solids dryer system



Headworks Renewal Project

- \$28.8 million in FY2027
- Finalize design
- Construction of new screening and grit removal systems



Process Optimization Project

- \$0.9 million in FY2027
- Final completion



Nutrient Reduction Project

- \$9.0 million in FY2027
- Preliminary design



RiverRenew Tunnel Project

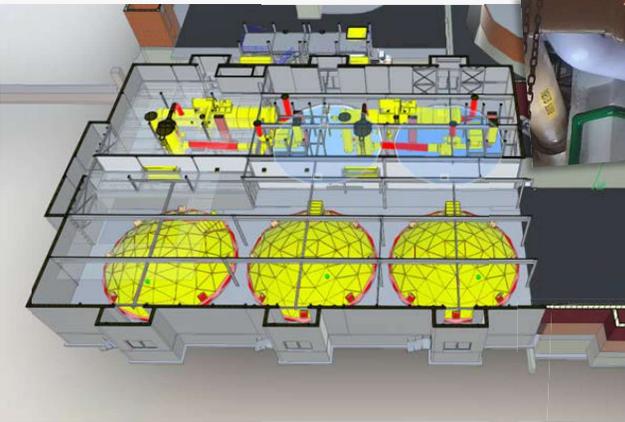
- \$17.5 million
- Final completion
- \$7.5 million service contract (projected September 2026 through September 2027)



Improvement, Renewal, and Replacement Program

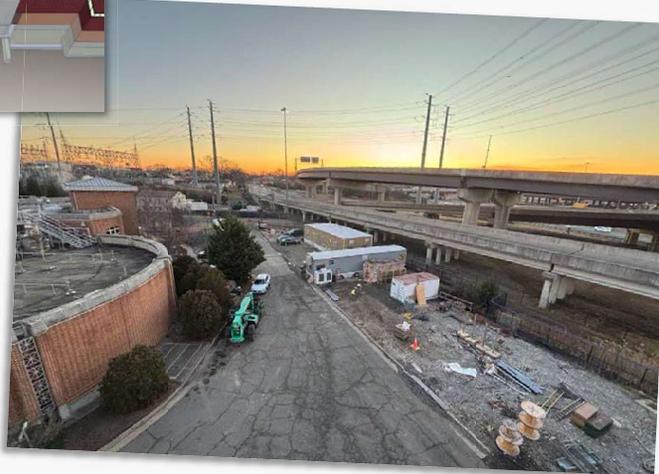
- \$15.3 million in FY2027
- Routine investments to maintain and repair existing equipment

Construction focused on initial site work for the Biosolids Diversification project began



▲ 3D sketch of biosolids drying facility at AlexRenew

PhaseForward's construction office complex was established



Green Bond Update

In June 2024, AlexRenew received **\$50 million** of green bond proceeds to finance its Biosolids Diversification, Headworks Renewal, Process Optimization, and Nutrient Reduction projects. Projected spending of the proceeds by the end of Fiscal Year 2027 is **\$24 million**. Recent updates since June 2025 include:

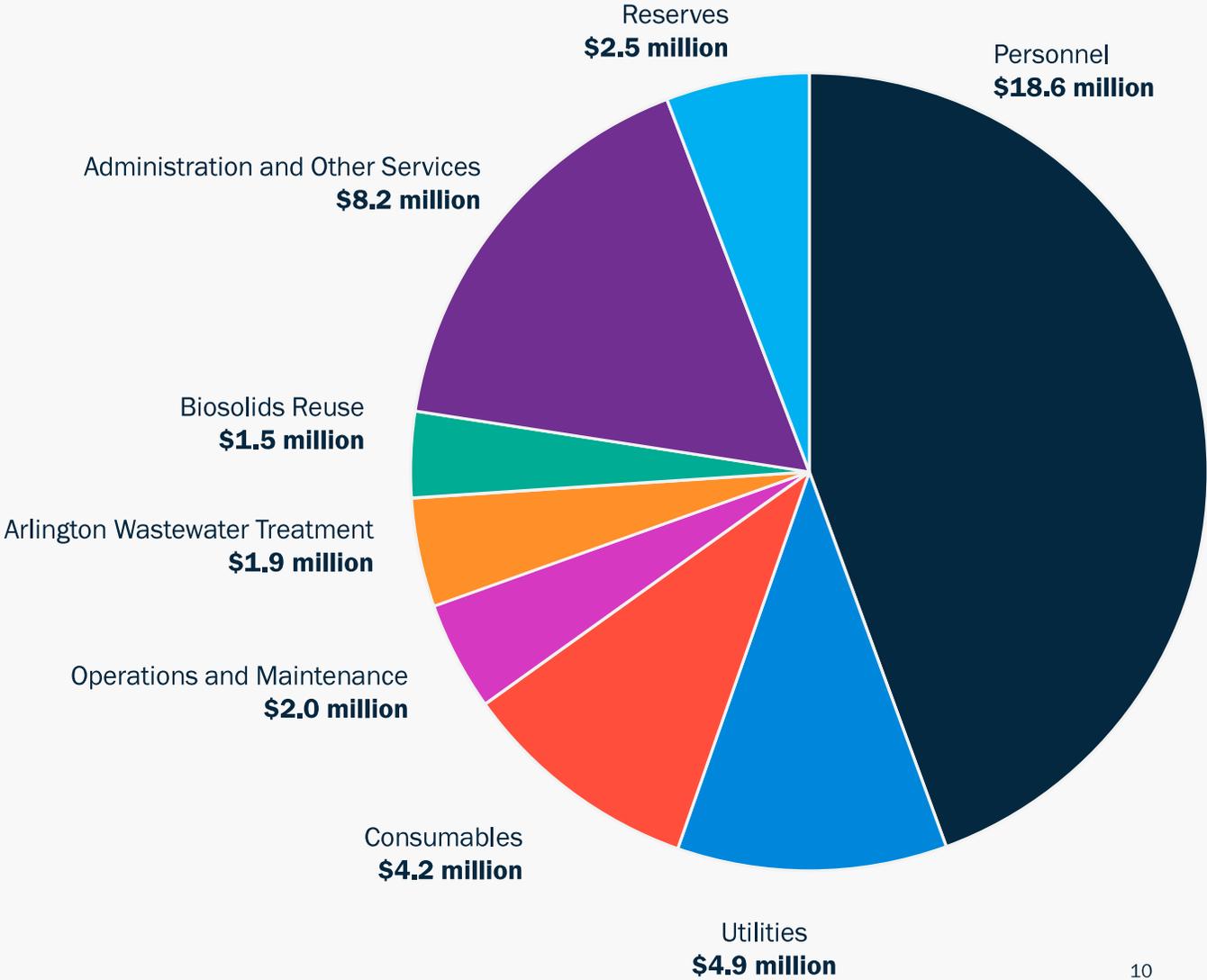
- Progressed design on biosolids drying facility for the Biosolids Diversification project
- Evaluated scope and project costs to align with the most critical equipment and system improvements required for the Headworks Renewal project
- Progressed construction to 30% for the Process Optimization project
- Executed a contract with a design-builder to start preliminary design for the Nutrient Reduction project

Fiscal Year 2027 Operating Expenses

The proposed Fiscal Year 2027 Operating Expenses total **\$43.9 million**.

Major drivers include:

- Increase in software licenses and support to recent capital upgrades that address cybersecurity threats and modernize operations
- Addition of personnel to support workforce development, safety, and long-term asset performance
- Addition of flood insurance to protect AlexRenew from risk exposure
- Addition of anticipated utilities and other expenses for RiverRenew operations
- Transfer to reserves to fund changes in regulations and associated uncertainties



Fiscal Year 2027 Consolidated Budget

The consolidated budget summarizes AlexRenew's budgeted operating, debt service, and capital expenses for Fiscal Year 2027. The table also illustrates the revenues that fund each expense category following the flow of funds in accordance with AlexRenew's Master Indenture of Trust and financial policies.

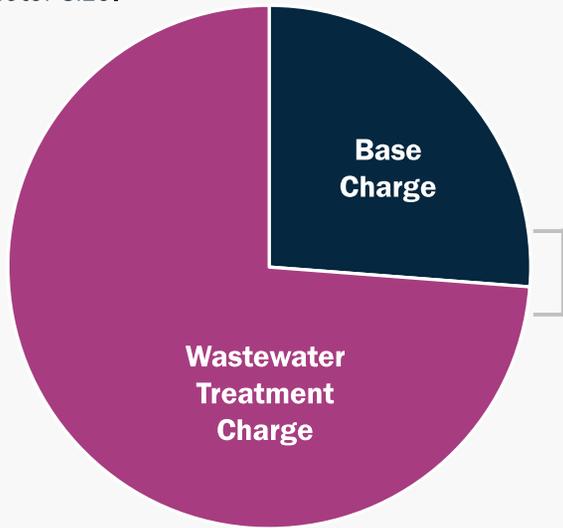
	Adopted FY2026	Proposed FY2027	\$ Variance	% Variance	
Operating	Wastewater Treatment Revenues	64.9	67.9	3.0	
	Fairfax County Operating Charge	14.7	16.9	2.2	
	Interest Income	0.1	0.1	-	
	Total Operating Revenue	79.7	84.9	5.2	6.5%
	Operating Expenses and Transfer to Reserves (2)	40.9	43.9	2.9	
	Transfers to Debt Service and Capital	38.8	41.0	2.2	
Total Operating Expenses and Transfers	78.2	84.9	5.2	6.5%	
Debt Service	Transfer From Operating Fund	19.9	20.5	0.7	
	Interest Income	0.3	0.3	0.0	
	Total Debt Service Revenue	20.2	20.9	0.7	3.2%
	Principal	11.0	11.4	0.4	
	Interest	9.2	9.5	0.2	
Total Debt Service Expense	20.2	20.9	0.7	3.2%	
Capital	Transfer From Operating Fund	18.9	20.5	1.6	
	Fairfax Capital Contributions	59.1	76.0	16.8	
	Interest Income	1.3	1.3	0.0	
	Parity Debt Proceeds	113.4	50.0	(63.4)	
	Cash	4.5	6.8	2.3	
	Total Capital Revenue	197.2	154.4	(42.7)	(21.7)
	Total Capital Expense	197.2	154.4	(42.7)	(21.7)

Notes: (1) Values may vary slightly due to rounding

(2) \$2.5 million transfer to reserves is to account for changes in regulations and associated uncertainties

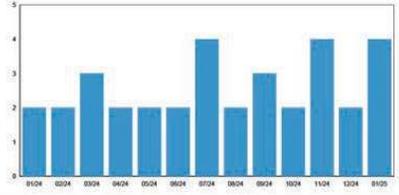
Your Wastewater Bill

Your AlexRenew wastewater bill has two charges – a **wastewater treatment charge** which is calculated based on how much water you use and a **base charge** which is a fixed fee that is currently based on your water meter size.



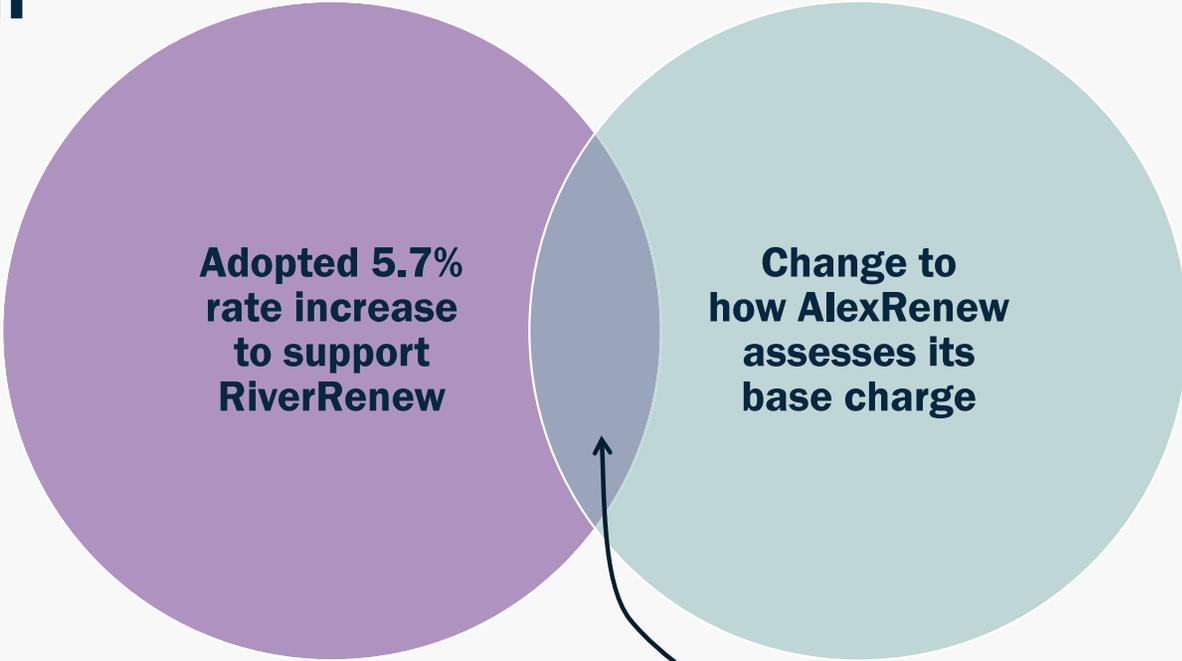
For an average residential customer that uses 4,000 gallons of water per month, the wastewater treatment charge represents approximately 75% of their wastewater bill.


Alexandria's **Wastewater Authority**

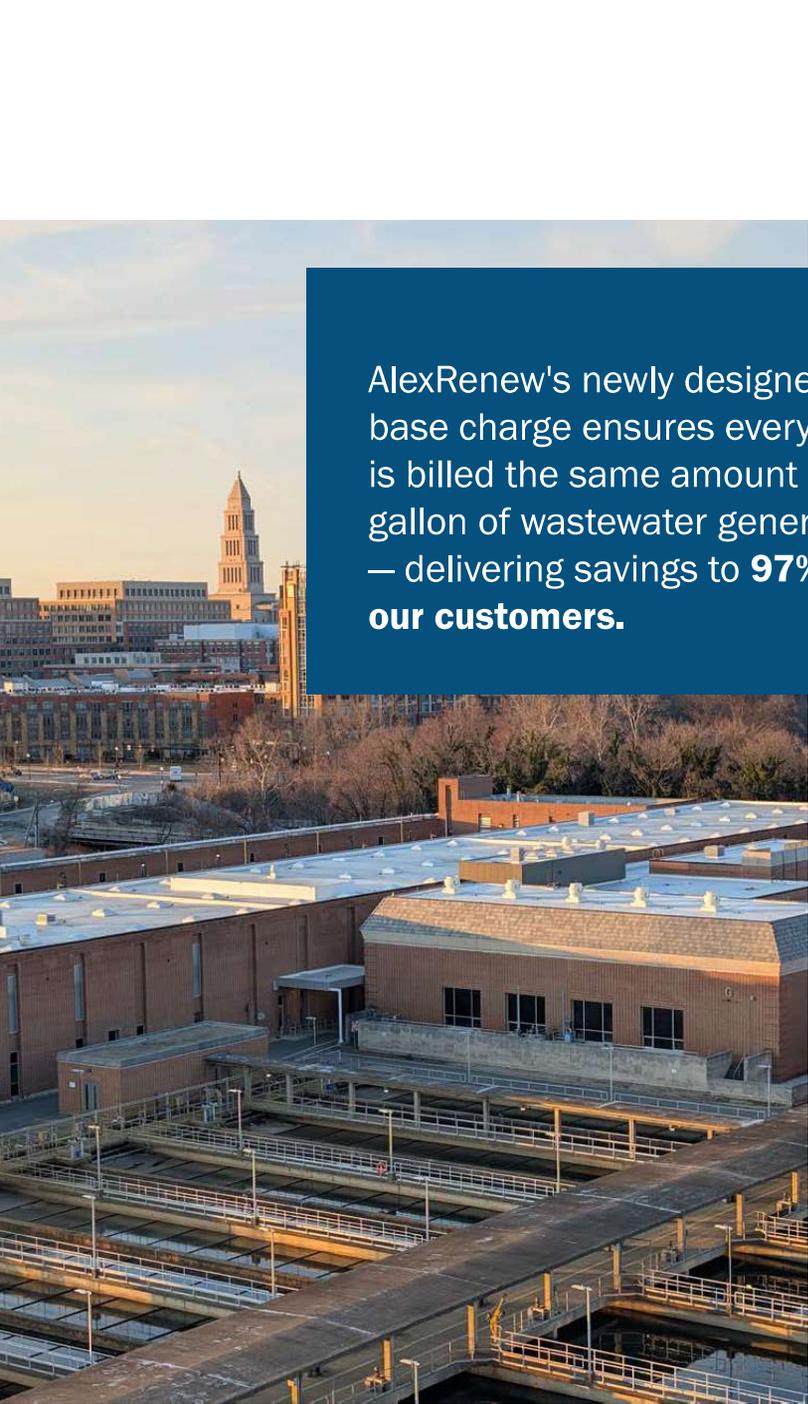
Current Charges		Bill Date: 2/25/26	Account Summary	
Wastewater Treatment Charge	\$43.04		Customer Name	
Base Charge	\$15.29		Account Number	
<small>Wastewater Treatment and Base Charges cover equipment, buildings and their major repair and replacement, and the water professionals, energy and other resources to treat wastewater.</small>				
City Sanitary Sewer System Capital Investment and Maintenance Fee	\$9.12		Service Address	
Current Charges	\$67.49		Previous Bill Amount	\$39.65
<small>Find bill details on the back side of your statement</small>				
Water Usage		X1000 gallons	Payments Received	-\$39.65
				
			Total Current Charges	\$67.49
			Amount Due	\$67.49
Your current charges are due on 3/15/26				
<p>Each year, AlexRenew processes approximately 1.3 billion gallons of wastewater from area homes, schools, and businesses before safely returning it to local waterways.</p>				
<p>Lifetime Emergency Assistance Program (LEAP) Donations</p> <p>With your help, AlexRenew's Lifeline Emergency Assistance Program (LEAP) will distribute financial aid to customers in need of assistance with their wastewater bills. Support your neighbors today by making a tax-deductible contribution, and rest assured that 100% of your donation goes directly to AlexRenew customers in need. To learn more, visit alexrenew.com/LEAP.</p>				
<p>Billing questions? Call 1-703-721-3500 Monday - Friday 6:00am - 6:00pm</p> <p>RETAIN THIS PORTION FOR YOUR RECORDS</p>				

Rate Adjustments from FY2027 through 2031

Rate adjustments from FY2027 through 2031 will be a blend of ongoing rate increases and a phased change to how your base charge is determined.



Your rate is a blend of these changes and your water usage



AlexRenew's newly designed base charge ensures everyone is billed the same amount per gallon of wastewater generated — delivering savings to **97% of our customers.**

Balanced and fair billing

Starting July 1, 2026, AlexRenew is proposing an update to how the base charge is calculated:

- The base charge will be calculated using a customer's average monthly water use compared to the use of a typical household.
- In the past, the base charge was based on water meter size, which showed how much water could be used, but not how much was actually used.
- New metering and billing software now make it possible to calculate this charge more accurately.
- The base charge is a fixed monthly fee that pays for the pipes, pumps, and treatment systems that have to be ready and working all the time — no matter how much wastewater is generated.

What this means for you: For all residential customers and 75% of all other AlexRenew accounts, this change will lead to a lower base charge that is reflective of your use, and a stronger, more reliable wastewater system for the whole community.

Proposed Change to AlexRenew's Base Charge

Instead of using meter size to set base charges, AlexRenew is proposing to use a customer's average amount of water used each month to set the base charge. For a single-family home, this represents 3,500 gallons per month or 1 unit. For commercial and industrial accounts, the customer's average volume used will be converted to units in relation to a single-family home's usage to set the base charge. This helps to ensure that customers are charged more equitably based on how much they use the wastewater system.

AlexRenew is proposing to set its base charge using a customer's average monthly volume used in relation to a single-family home (1 unit = 3,500 gallons)



Residential Single-family



Small Apartment Building



Large Apartment Building/Hotel



Restaurant



School/Public Buildings

Average monthly use	3,500 gallons	35,000 gallons	175,000 gallons	59,500 gallons	91,000 gallons
# of units	1	10	50	17	26
Base charge per unit	\$14.48	\$14.72	\$14.72	\$14.72	\$14.72
New base charge	\$14.48	\$147.20	\$736.00	\$250.24	\$382.72

Bill Insert Sent to Residential Customers

Proposed Rate Increase

Starting July 1, 2026



In 2025, AlexRenew adopted a two-year rate increase, which included a 5.7% rate increase starting on July 1, 2026. The increases support the RiverRenew program, which will prevent millions of gallons of sewage from polluting Alexandria's rivers and streams each year.

Good News for Residential Customers!

For residential customers, the previously proposed 5.7% rate increase will be reduced to 3.0% as a result of the proposed changes to your base charge.

Learn more at [AlexRenew.com/basecharge](https://alexrenew.com/basecharge)

Previous rate increase
starting July 1, 2026

5.7%

New rate increase
starting July 1, 2026

3.0%

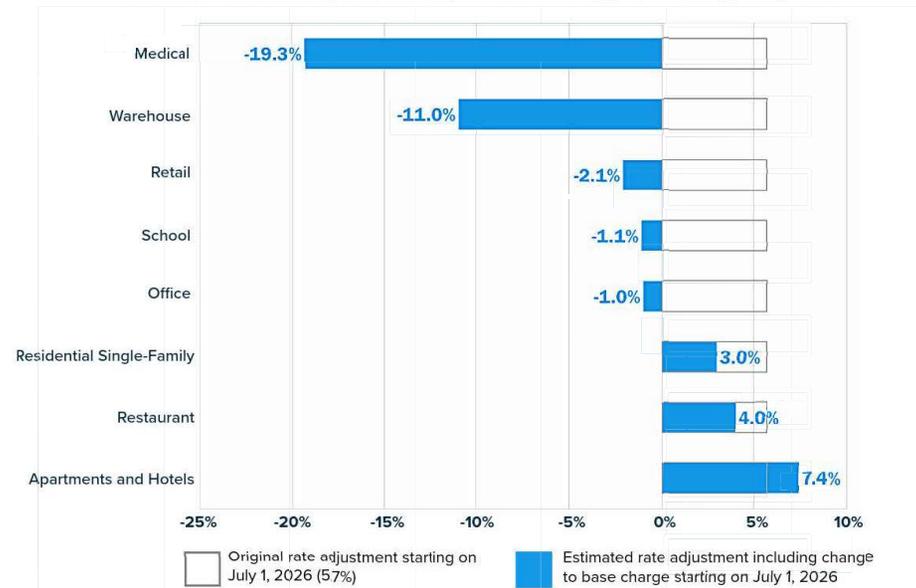
Bill Insert Sent to Commercial Customers

Proposed Rate Adjustment

Over the last several years, AlexRenew has been implementing rate increases in support of the RiverRenew program, which will prevent millions of gallons of sewage from polluting Alexandria's rivers and streams each year.

In 2025, AlexRenew adopted a two-year rate increase that included a 5.7% rate increase starting on July 1, 2026. For most customers, the new base charge change (described on the opposite side of this insert) will result in a lower rate increase or rate decrease. In the graph to the right, the box outlined in gray represents the original 5.7% rate increase, while the light blue box represents the estimated rate adjustment incorporating the base charge change.

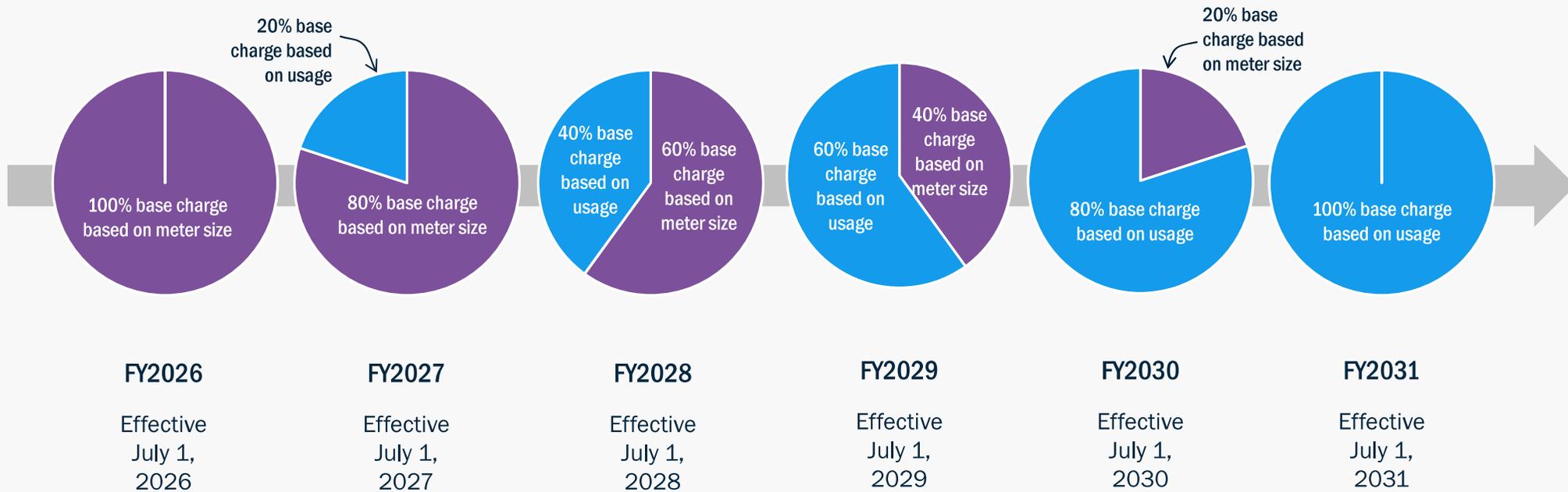
Estimated Rate Adjustment by Customer Type, starting July 1, 2026



Note: Rate adjustments shown are estimated and represent averages by customer type – your rate adjustment may differ based on your actual monthly water use.

Base Charge Phasing Plan

To minimize impacts to **commercial, other public agency, and industrial customers** seeing higher impacts, AlexRenew will phase-in the new base charge over a five-year period. Over the phase-in period, the base charge for these customers will be calculated using the existing meter base charge and the new usage base charge.



Proposed Fiscal Year 2027 Rate Tables

The below rate tables provide the anticipated charges for AlexRenew customers and represent the adopted rate increase as well as the proposed change to how the base charge is assessed.

Base charge based on meter size (Commercial, Industrial, and Other Public Agency Classes Only)

Meter size	Proposed Monthly Cost
5/8 inch	\$48.48
3/4 inch	\$48.48
1 inch	\$121.20
1-1/2 inch	\$242.40
2 inch	\$387.84
3 inch	\$727.20
4 inch	\$1,212.00
6 inch	\$2,424.00
8 inch	\$3,878.40

Charges calculated based on usage

Charge	Unit	Proposed Monthly Cost
Residential Base	per unit	\$14.48
Commercial, Industrial, and Other Public Agency Base	per unit	\$14.72
Wastewater Treatment	per 1,000 gallons	\$11.38

Base Charge Updates for Commercial Customers

AlexRenew is hosting virtual meetings for commercial customers, including multi-family customers in the commercial class, to share information about the upcoming base charge change and answer any questions from account holders impacted by the adjustment.

Virtual Meetings



Base charge customer flyers and bill inserts

Balanced and fair billing
AlexRenew's newly designed base charge ensures everyone is billed equally for the amount of wastewater they generate — delivering savings to 97% of our customers.

Proposed Rate Adjustment
Over the last several years, AlexRenew has been implementing rate increases in support of our wastewater treatment program which will protect millions of gallons of cleaner from polluting Alexandria's rivers and streams each year.

Estimated Rate Adjustment by Customer Type, starting July 1, 2025

Customer Type	Estimated Rate Adjustment
Commercial	+0.8%
Multi-Family	+0.5%
Residential	+0.2%
Industrial	+0.1%
Public Works	+0.1%

Starting **July 1, 2025**, AlexRenew is proposing an update to how the base charge is calculated:

- The base charge will be calculated using a customer's **average monthly water use** compared to the use of a **typical household**.
- In the past, the base charge was based on pipe size, which showed how much water could be used, but not how much was actually used.
- New metering and billing tools now make it possible to calculate this charge more accurately.
- The base charge is a fixed monthly fee that pays for the pipes, pumps, and treatment systems that have to be ready and working all the time — no matter how much wastewater is generated.

What this means for you:
For most customers, this change will lead to a lower and more accurate base charge, and a stronger, more reliable wastewater system for the whole community.

Learn more about AlexRenew's new base charge

Proposed Change to Winter Quarter Average

As part of the draft FY2027 Rates, Rules, and Regulations, AlexRenew is proposed to make minor modifications to the Winter Quarter Average.

Current Policy

- Winter quarter is defined as bills rendered in December, January, and February
- Customer bills are rendered throughout a given month the day after their meters are read — typically for the previous 30-day period.
- Because of this timing, customer bills rendered in early December primarily reflect November water use, when irrigation systems may still be in operation.

Proposed Change

- Staff is recommending to update the winter quarter to be defined as bills rendered in January, February, and March
- The change is intended to reduce the likelihood of including outdoor water use in the winter quarter average calculation

LEAP

LIFELINE EMERGENCY
ASSISTANCE PROGRAM

LEAP is designed to help AlexRenew customers experiencing difficulty paying their sewer bills – offering emergency assistance for eligible AlexRenew customers.

Starting July 1, 2026, LEAP will be available to multi-family buildings in the commercial customer class to assist with changes to the base charge.

Enroll by calling (703) 721-3500 or emailing billing@alexrenew.com



Fiscal Year 2027 Budget Schedule

November 12, 2025

Finance and Audit
(F&A) Committee
Meeting

*Presentation on FY2027
Operating and Capital
Budget Preview and Rate
Recommendation*

March 17, 2026

Board Meeting

*F&A Committee presents
Preliminary Draft
Operating and Capital
Budget and Rate
Recommendation*

April 21, 2026

Board Meeting

*Adopt Draft Operating
and Capital Budget
and Rate
Recommendation for
Public Hearing*

May 5, 2026

Base Charge Change
Public Meeting No. 3

June 16, 2026

Board Meeting

*Approve Operating and
Capital Budget and Rate
Recommendation*



March 3, 2026

F&A Committee
Meeting

*Presentation on
Preliminary Draft
Operating and Capital
Budget and Rate
Recommendation*

March 19, 2026

Base Charge Change
Public Meeting No. 1

April 22, 2026

Base Charge Change
Public Meeting No. 3

May 16, 2026

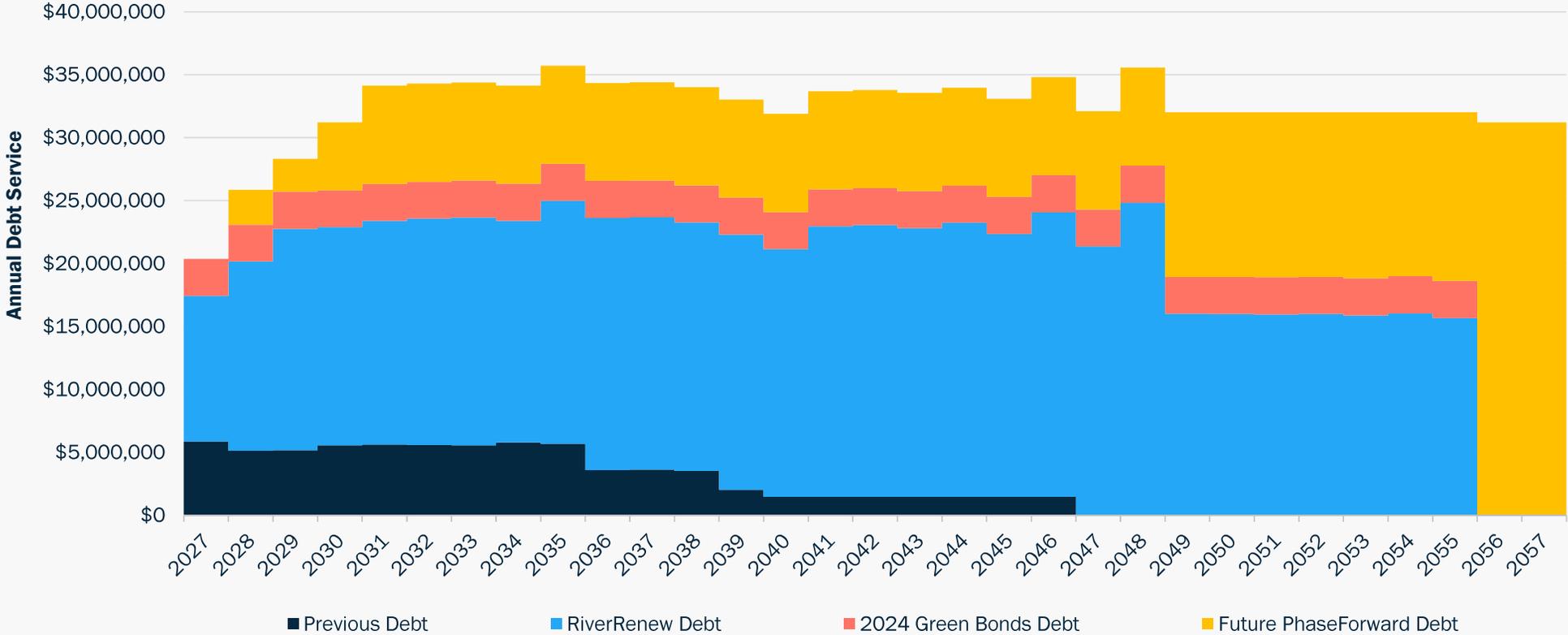
Public Hearing

*Present Draft
Operating and Capital
Budget and Rate
Recommendation for
Public Comment*



Expenses

AlexRenew Projected Debt Service



Notes: (1) Future debt is theoretical and subject to change based on phasing of future bond sales, debt structuring, cost of ongoing capital projects, and future regulatory drivers
 (2) Debt Service does not reflect debt from future yet-to-be-determined capital projects

Fiscal Year 2027 Capital Improvement Program

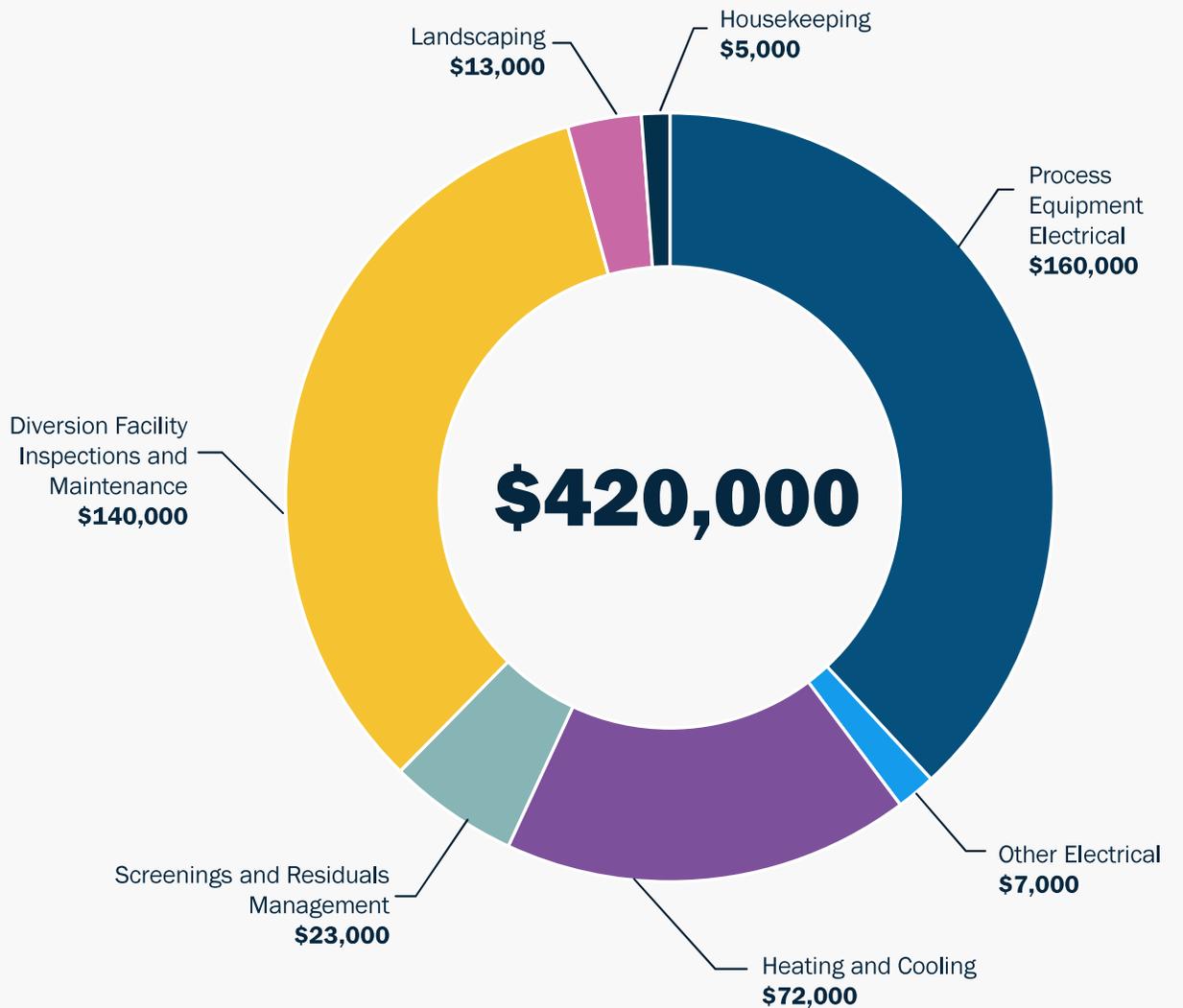
The proposed Fiscal Year 2027 budget projects an estimated \$1 billion 10-year Capital Improvement Program.



Notes: (1) Projected expenses include the Improvement, Renewal, and Replacement (IRR) Program costs

Tunnel System Operating Costs

Once operational, the tunnel system will be maintained by AlexRenew and several contractors. Annual costs to operate the system include monthly diversion facility and equipment inspections, electrical costs, screening and residuals management, and landscaping.



Fiscal Year 2027 Budget Expenses

Estimated expenses in the FY2027 Preliminary Draft Budget are lower than the expenses in the adopted FY2026 Budget primarily due to lower capital expenses – resulting from decreased RiverRenew spending in its final year of construction.

Expenses	FY2026 Budget (millions)	FY2027 Budget (millions)	Variance (millions)	Variance (%)	Primary Expense Drivers
Capital Outlay	\$197.2	\$154.4	(\$42.7)	(21.7%)	Lower RiverRenew spending as the project is completed in FY2027
Debt Service	\$20.2	\$20.9	\$0.7	3.2%	Continuing to pay down existing debt
Operating Expenses and Transfers to Reserves	\$40.9	\$43.9	\$2.9	7.2%	<ul style="list-style-type: none"> - Additional personnel to support infrastructure, safety, and training; - Licenses to continue cybersecurity initiatives; new flood insurance policy coverage; and - Emergency funding for needs resulting from regulatory changes
Total Expenses	\$258.3	\$219.2	(\$39.1)	(15.2%)	

Fiscal Year 2027 Budget Operating Expenses

Estimated operating expenses in the FY2027 Preliminary Draft Budget are higher than the operating expenses in the adopted FY2026 Budget

Operating Expenses	FY2026 Budget (millions)	FY2027 Budget (millions)	Variance (millions)	Variance (%)	Primary Expense Drivers
Personnel	\$18.3	\$18.6	\$0.3	1.7%	Primarily driven by the addition of five personnel to support infrastructure, safety, and training
Utilities	\$4.7	\$4.9	\$0.2	5.0%	Includes estimated utilities for RiverRenew
Chemicals	\$4.1	\$4.2	\$0.0	0.2%	Consistent with prior year's budget
Operation and Maintenance	\$1.9	\$2.0	\$0.0	2.5%	Includes anticipated operations and maintenance for RiverRenew
Arlington Sewage Disposal	\$1.9	\$1.9	\$0.0	1.3%	Consistent with prior year's budget, pending Arlington's budget
Sludge Disposal	\$1.5	\$1.5	\$0.0	1.9%	Consistent with prior year's budget
General, Administration, Customer Service, Other	\$5.9	\$8.2	\$2.3	38.4%	New flood insurance policy coverage; transition of licenses and ongoing support to operations for recent capital investments in cybersecurity initiatives and technology infrastructure
Transfer to Reserves	\$2.5	\$2.5	\$0.0	0.0%	Consistent with prior year's budget – intended to provide emergency funding for potential regulatory changes
Total Operating Expenses	\$40.9	\$43.9	\$2.9	7.2%	

Revenues

Fiscal Year 2027 Budget Revenues

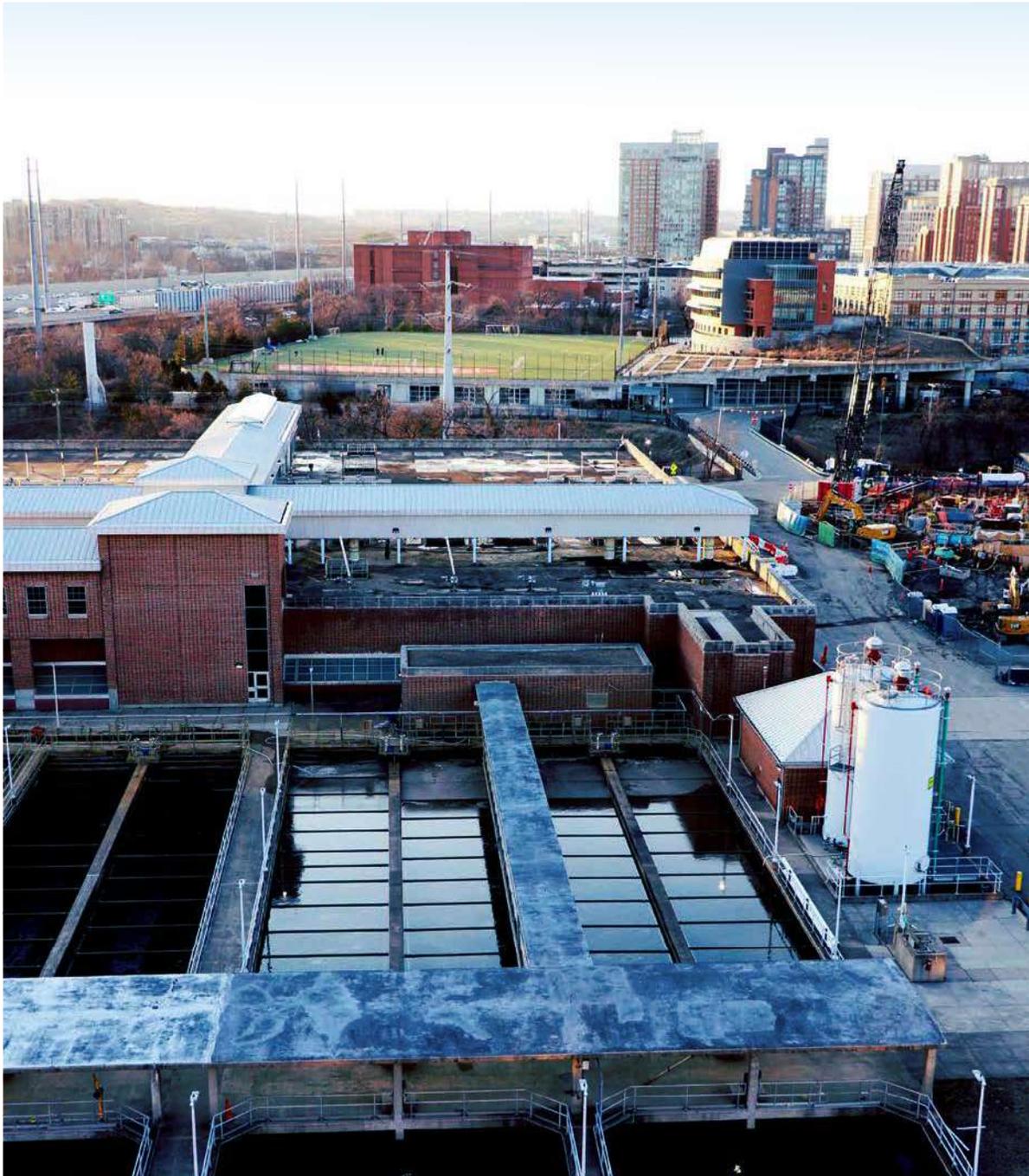
Projected revenues in the FY2027 Preliminary Draft Budget are lower than the revenues in the adopted FY2026 Budget primarily due to lower anticipated funding for capital expenses.

Revenues	FY2026 Budget (millions)	FY2027 Budget (millions)	Variance (millions)	Variance (%)	Primary Revenue Drivers
Operating Revenues	\$79.6	\$84.8	\$5.2M	6.5%	Rate increase and higher anticipated Fairfax operating contributions due to higher joint operating expenses
Fairfax County Capital Contributions	\$59.1	\$76.0	\$16.8	28.4%	Increased investments in joint assets due to ramp up of PhaseForward projects
Debt Proceeds and Other Funding Sources	\$119.6	\$58.4	(\$61.1)	(51.1%)	Lower estimated Capital Outlay compared to the prior year
Total Revenues	\$258.3	\$219.2	(\$39.1)	(15.2%)	



OPERATING AND CAPITAL BUDGET

Fiscal Year 2027 | July 1, 2026 – June 30, 2027 | Alexandria, Virginia



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ALEXRENEW BOARD OF DIRECTORS

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James Beall, Vice Chair
Rebecca Hammer, Secretary-Treasurer
Mark Jinks, Member
Moussa Wone, Member

FAIRFAX COUNTY REPRESENTATIVE TO THE BOARD

Bill Barrack, PE

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Justin Carl, PE, General Manager and Chief Executive Officer
Caitlin Feehan, PE, Chief Administrative Officer
Lake Akinkugbe, Director of Finance

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FY2027 OPERATING AND CAPITAL BUDGET EXECUTIVE SUMMARY

AlexRenew plays a vital role in building a healthier, more resilient community. Investing in wastewater infrastructure, supporting local businesses, and creating jobs each year enables AlexRenew to uphold the highest standards of operations and deliver on its mission to protect public health and the waterways that connect us.

The Preliminary Draft Fiscal Year (FY) 2027 Operating and Capital Budget is \$219.2 million to ensure sufficient resources for daily operations and ongoing investments for AlexRenew’s infrastructure. The budget was developed in alignment AlexRenew’s financial policies, agreements with third parties, and 2024-2029 Strategic Plan, and reflects a high level of service to our stakeholders. Figure ES.1 summarizes the proposed FY2027 expenses and revenues.

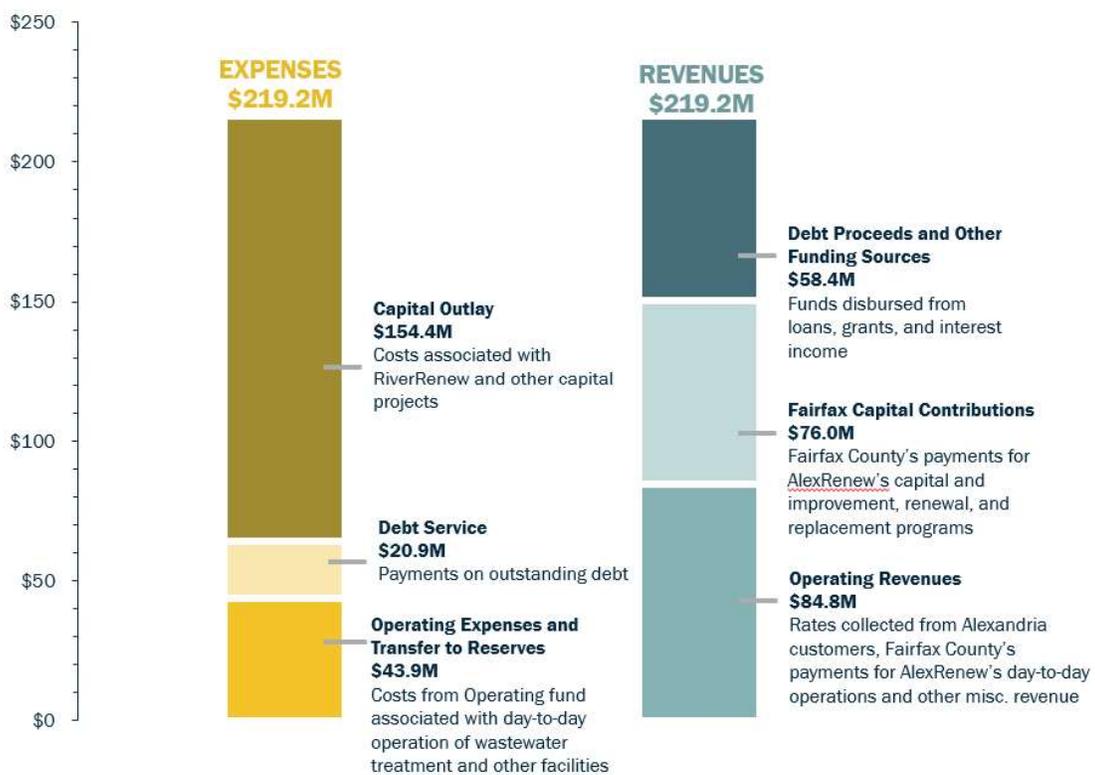


Figure ES.1. FY2027 Expenses and Revenues

ES.2 FY2027 Expenses

Approximately 70 percent of the proposed FY2027 expenses fund the anticipated capital outlay. Capital Outlay is anticipated to be \$154.4 million, of which \$94.9 million will support the ongoing RiverRenew (scheduled to be completed in FY2027) and PhaseForward programs. The PhaseForward program includes a series of significant upgrades to critical wastewater processes that will allow AlexRenew to meet evolving regulatory requirements and continue to improve the resilience of AlexRenew’s infrastructure. PhaseForward includes four (4) major projects:

- **Biosolids Diversification Project.** Upgrades to meet emerging regulations, increase bioenergy

production, and realize alternative beneficial end uses for biosolids. In FY2027, AlexRenew will invest \$32.7 million in continued design and construction.

- **Headworks Renewal Project.** Improvements to ageing equipment that provides initial screening of debris larger than a pea and settling for solids as small as a grain of sand. The project will also construct new pumping systems to ensure that wastewater flows from the community through our wastewater treatment processes. In FY2027, AlexRenew will invest \$28.8 million to complete design and progress construction.
- **Nutrient Reduction.** Rehabilitation of processes providing the final settling and filtration of wastewater to further reduce nutrient loads and allow for continued growth in our community. In FY2027, AlexRenew will invest \$9.0 million in preconstruction services to advance preliminary design.
- **Process Optimization.** Installation of new equipment to enhance our nutrient removal processes and continue to improve water quality in the Chesapeake Bay and its tributaries. In FY2027, AlexRenew will invest \$0.9 million to complete construction and commissioning of the system.

The PhaseForward and RiverRenew programs account for approximately 60 percent of all capital expenses. The funding for these projects and the remaining capital budget is primarily through Fairfax County capital contributions, which is represented in the budget under Fairfax Capital Contributions; and through loans and bonds, which is represented in the budget under Debt Proceeds and Other Funding Sources. For FY2027, AlexRenew will continue to draw on the \$321 million Water Infrastructure Finance and Innovation Act (WIFIA) loan for the RiverRenew Tunnel project and the \$50 million in green bonds that AlexRenew sold in June 2024 for the PhaseForward Program.

AlexRenew anticipates continued use of its three Job Order Contracts for ongoing repairs and improvements to AlexRenew’s assets through the \$15.4 million Improvement, Renewal, and Replacement (IRR) program.

The FY2027 operating expenses are \$43.9 million, representing a 7.2 percent year-over-year increase. The increase is driven by the addition of staff to support workforce training, system reliability and long-term asset performance, and safety. The increase also is driven by expenses to reduce risks from regulatory changes, cybersecurity threats, and flooding.

ES.3 FY2027 Revenues

The anticipated operating revenues for FY2027 are \$84.8 million, up 6.5 percent from the FY2026 budget. As part of the FY2026 budget, the AlexRenew Board of Directors (Board) adopted a two-year rate adjustment for FY 2026 and FY2027 that included a 5.7 percent increase for FY2027. The increase in operating revenues is driven by the adopted rate adjustment for FY2027, which will support the RiverRenew program, and higher anticipated Fairfax operating contributions due to higher joint operating expenses.

1 OVERVIEW OF ALEXRENEW

Established in 1952 by the Alexandria City Council, AlexRenew’s mission is to clean wastewater to protect public health and Alexandria’s waterways. AlexRenew is governed by an Alexandria City Council-appointed five-member citizen Board of Directors (Board) and is a political subdivision of the Commonwealth of Virginia created under the Virginia Water and Waste Authorities Act. AlexRenew is an independent, special-purpose government unit with administrative and fiscal independence from the City of Alexandria.

AlexRenew serves more than 300,000 people in Alexandria and parts of Fairfax County, Virginia. It currently maintains capital assets valued at approximately \$1.4 billion and treats approximately 38 MGD (up to 116 MGD during wet weather) of wastewater at its Water Resource Recovery Facility (WRRF), located in Alexandria, Virginia.

The City of Alexandria owns the majority of the collection system throughout Alexandria. AlexRenew owns and operates approximately 20 miles of large interceptors and trunk sewers to convey wastewater flows from the collection system to AlexRenew’s WRRF. AlexRenew also operates and maintains five pump stations throughout Alexandria.

1.1 AlexRenew’s Structure

AlexRenew is organized into five departments which work together to support the necessary functions of the organization:

- **Information Technology Department.** Responsible for managing and maintaining the Authority's network infrastructure and technology, including monitoring and implementing best practices to maintain the organization's cybersecurity.
- **Administrative Department.** Includes finance, procurement, and communications. Responsible for managing the organization’s finances and ensuring compliance with financial policies; procuring all goods, services, and construction in support of all other departments; and all communications both internally to staff and externally to AlexRenew's customers and other stakeholders in the community and region.
- **Water Quality Department.** Includes wastewater treatment operations, laboratory, and environmental sustainability. Responsible for the day-to-day testing, monitoring, and oversight of all treatment processes and equipment to ensure regulatory compliance and managing the organization’s environmental management system and sustainability program.
- **Engineering Department.** Includes engineering and maintenance. Responsible for the implementation of all capital projects, the day-to-day preventive maintenance and repairs of equipment needed for wastewater treatment operations, and managing the organization’s asset management program.
- **Human Resources Department.** Responsible for employee recruitment, selection, training, benefits, records, classification, and compensation, and ensuring compliance with local, state, and federal regulations governing all phases of personnel activities. This department is also responsible for the safety training for personnel, compliance with safety regulations, and the overall physical security of AlexRenew’s WRRF, administrative building, and infrastructure.

Figure 1.1 illustrates each of these departments within AlexRenew’s organizational structure, highlighting department responsibilities.



Figure 1.1. AlexRenew’s Organizational Structure and Departmental Responsibilities

1.2 AlexRenew’s Strategic Plan

In 2024, AlexRenew created its 2024-2029 Strategic Plan, which sets the framework to guide decision-making throughout AlexRenew, ensuring each choice aligns with a greater vision for the organization. The Strategic Plan 2024-2029 lays out the vision, mission, and strategic goals of the organization, and objectives to achieve those goals. The strategic goals and objectives are integrated into AlexRenew’s daily operations, challenging the team to build a more resilient, sustainable, and equitable organization. The FY2026 Operating and Capital Budget was developed to support AlexRenew in executing on the Strategic Plan 2024-2029.

The strategic goals and identified objectives for 2024 through 2029 are outlined in Table 1.1 below.

Table 1.1. 2024-2029 Strategic Plan – Strategic Goals and Objectives

Strategic Goal	Description	Objectives
Operational Excellence	Taking proactive steps to meet current and future challenges	<ul style="list-style-type: none"> • Be a leader in the sector by innovating to meet stringent permit limits • Adapt to address contaminants of concern and changes in flow trends. • Proactively manage the impacts of climate change. • Maximize equipment availability while reducing the need to replace assets. • Leverage technology to advance efficiency and modernize operations. • Safeguard against current and emerging site and cybersecurity risks.
Thriving Workforce	Investing in our staff and fostering a culture of belonging	<ul style="list-style-type: none"> • Foster a diverse and inclusive work environment. • Upskill staff to meet the demands of a dynamic industry. • Promote a culture of continuous improvement.
Strategic Partnerships	Promoting watershed-level thinking through collaboration and advocacy	<ul style="list-style-type: none"> • Modernize intergovernmental agreements to effectively manage water resources. • Partner with local stakeholders to advance a holistic and resilient one water approach. • Engage with advocacy associations and peer utilities to promote reasonable and effective policies and regulations that are supportive of local needs.
Environmental Sustainability	Being good stewards of our resources to minimize our impact on the environment	<ul style="list-style-type: none"> • Integrate sustainability into infrastructure investments and operations. • Strive toward net carbon zero operations. • Recover and beneficially reuse resources from wastewater.
Commitment to the Community	Strengthening connections with the public and providing affordable service	<ul style="list-style-type: none"> • Provide affordable and equitable rates. • Develop innovative funding and financing strategies to support capital improvements. • Advance a sustainable customer assistance program. • Meaningfully engage the community and grow personal connections to water. • Mitigate disproportionate environmental impacts on the community. • Inspire younger audiences to develop the next generation of water professionals.

2 UNDERSTANDING THE BUDGET

AlexRenew’s budget is a financial instrument to ensure that AlexRenew has the financial resources to efficiently construct, operate, and maintain its assets to comply with state and federal laws. Current operating expenses and capital outlay are estimates based on experience and judgment related to cost trends in labor, materials, and services required to operate and maintain AlexRenew’s facilities.

AlexRenew builds its budget from internal policies, its by-laws, and third-party agreements. These documents are further discussed in the following subsections.

2.1 Master Indenture of Trust

Established in 1999, AlexRenew’s Master Indenture of Trust (Indenture) is a legal agreement that mandates how AlexRenew will collect and use its revenues for operations, maintenance, and capital expenses. It sets requirements for the funds that are used for specific revenues, including requiring that wastewater treatment charges collected from Alexandria customers be deposited in a Revenue Fund. The Indenture also requires operating expense payments that are made by Fairfax County to AlexRenew, for its reserved capacity in the WRRF, are deposited in the Revenue Fund. Table 2.1 serves as a glossary that can be used to better understand the purpose, order of priority, and funding method for each of the Funds and Accounts established in the Indenture.

Table 2.1. Flow of Funds in the Master Indenture of Trust

Funds	Description
Revenue Fund	Revenues are initially deposited to the Revenue Fund and then transferred to other funds in the following order of priority. (1)
Operating Fund	Revenues are then deposited to the Operating Fund to pay operating expenses. At the end of each month, AlexRenew must ensure that 1/6 th (or 60 days) of annual budgeted operating expenses is deposited into the Operating Fund.
Bond Fund	Revenues are then deposited to the Bond Fund to pay debt service payments.
Debt Service Reserve Fund	Any required transfers to the debt service reserve account must be made.
Joint IRR Fund (2)	Revenues are then deposited to the Joint IRR Fund to meet required Joint IRR transfers per Fairfax Agreement.
General IRR Fund (2)	Revenues are then deposited to the General IRR Fund to meet required Alex-only specific IRR needs.
General Fund	Any remaining revenues are deposited within the General Fund.

(1) Revenues means all revenues, receipts, and other income derived or received by AlexRenew from owning and operating its system. This primarily includes AlexRenew Wastewater Treatment Charges and Fairfax County operating expense charges.

(2) Improvement, Renewal, and Replacement

2.2 AlexRenew’s Financial Policies

AlexRenew’s Board-approved Financial Policy guides AlexRenew’s financial management, capital planning, and debt financing. The annual budget is developed to comply with requirements established in the financial policy, including:

- Demonstrating structural balance whereby current budgetary revenues are sufficient to meet current budgetary expenses (those that are ongoing in nature);
- Maintaining an Operating and Capital Days Cash on Hand minimum of 120 days and a Total Days Cash on Hand minimum of 270 days;

- Ensuring that revenues available to pay debt service are at least equal to 1.60 times the amount of debt service due in any fiscal year; and
- Funding the 10-year Capital Improvement Program (CIP) with at least 15 percent cash and reserves.

AlexRenew’s Board-approved Rate-setting Policy sets forth prudent, consistent, and industry generally accepted methodologies for rate-setting. This policy outlines AlexRenew’s rate-setting objectives, administration requirements, process for the establishment of a rate structure, and guidelines for setting rates, fees, and charges.

2.3 Fairfax County Service Agreement

Fairfax County makes payments to AlexRenew under an amended and restated service agreement dated October 1, 1998 (Fairfax County Service Agreement). In accordance with the Fairfax County Service Agreement, Fairfax County pays a percentage of operations and maintenance expenses based upon sewer flow volume to AlexRenew’s WRRF. Fairfax County also contributes to IRR programs and capital projects, at predetermined levels, to allow for the upgrade and replacement of capital assets as they depreciate, and the acquisition of new assets associated with regulatory compliance.

2.4 Arlington County Service Agreement

The Arlington County Service Agreement is similar to the Fairfax County Service Agreement. This legal document, dated July 1, 1977, establishes the amount and timing for monies paid by AlexRenew to Arlington County for agreed-upon capacity at the Arlington County Water Pollution Control Plant that treats wastewater flows from the northwestern quadrant of the city.

2.5 Fairfax County Cost Share Memorandum of Understanding for RiverRenew and Environmental Center Facilities

Fairfax County and AlexRenew established a memorandum of understanding between Fairfax County and AlexRenew, dated October 6, 2020, to define the cost share for RiverRenew facilities. The division of costs is incorporated into the RiverRenew capital funding as shown in the CIP. Additionally, Fairfax County and AlexRenew established a memorandum of understanding between Fairfax County and AlexRenew, dated September 4, 2024, to revise the defined cost share for the Environmental Center to incorporate the buildout of the Environmental Center’s fifth floor. The division of costs is incorporated into capital funding associated with the Environmental Center.

2.6 Memorandum of Understanding for the Regional Biosolids Feasibility Study

Due to growing concerns about biosolids land application and in anticipation of stricter biosolids management regulations, AlexRenew, Fauquier County Water and Sanitation Authority, Loudoun Water, Prince William Water, and Upper Occoquan Service Authority (Authorities) determined the need to explore viable alternatives. In November 2024, the Authorities jointly signed a Memorandum of Understanding (MOU) that outlined the Feasibility Study, including the cost share between the Authorities based on annual biosolids tonnage. The division of costs is incorporated into the Regional Biosolids Feasibility Study capital funding as shown in the CIP.

2.7 Budget Timeline

AlexRenew uses a fiscal year cycle ending June 30. The FY2027 Operating and Capital Budget will encompass the 12-month period from July 1, 2026 – June 30, 2027. The budget is developed following the eight (8) steps identified in Figure 2.1.

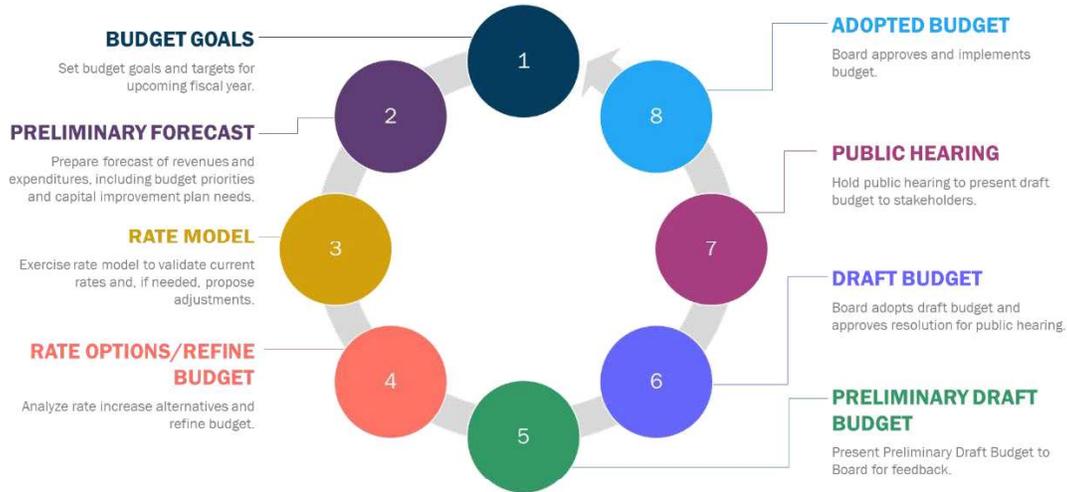


Figure 2.1. Annual Budget Cycle

Staff begin work on the budget in September. Following the establishment of budget goals by the senior leadership, departments develop a preliminary draft forecast for departmental operating budgets. Both the Finance and Engineering Departments review the current CIP and make recommended updates to projects and anticipated financial projections. The Finance Department then consolidates the departmental operating budgets and the updated CIP into a preliminary draft forecast that is used to update AlexRenew’s rate model to identify rate options. Throughout January and February, staff develops the preliminary draft budget to present to the Board. The FY2027 Operating and Capital Budget, beginning with the preliminary draft budget, will follow the timeline for Board review presented in Figure 2.2.

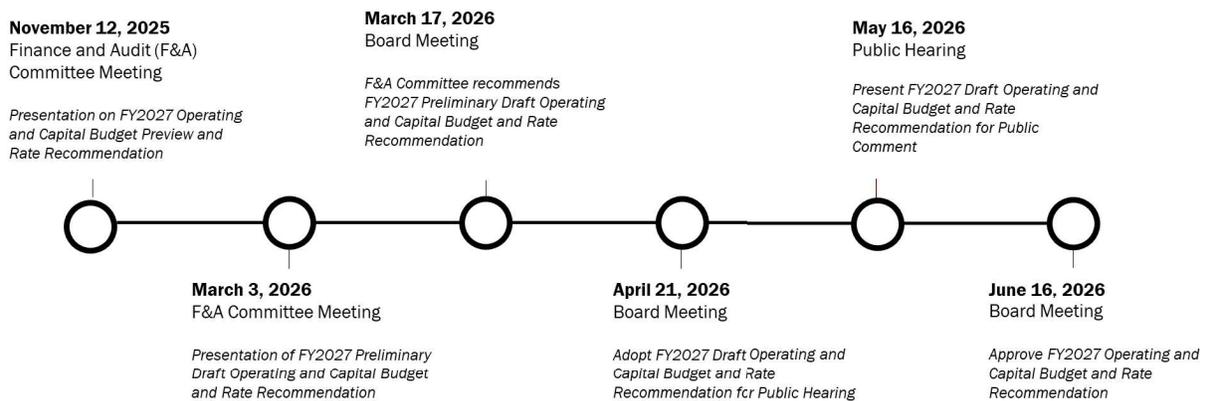


Figure 2.2. FY2027 Operating and Capital Budget Timeline

3 OVERVIEW OF FY2027 OPERATING AND CAPITAL BUDGET

AlexRenew begins its annual budget presentation by preparing a summary that combines all the estimated sources (revenues) and uses of funds (expenses) for the upcoming fiscal year. The primary purpose for this summary is to demonstrate that the overall FY2027 Operating and Capital Budget is in “structural” balance – which means all of the revenues and expenses are consistent with the historical financial performance, all balances that remain in the prescribed funds and accounts meet stated requirements, and if total revenues exceed total expenses, any potential excess funds are deposited in the General Fund to serve as reserves.

Tables 3.1 and 3.2 summarize the revenues and expenses associated with AlexRenew’s FY2027 Operating and Capital Budget, which total \$219.2 million, a 15.2 percent decrease year-over-year primarily due to the RiverRenew Tunnel Project nearing completion.

Table 3.1. Summary of FY2027 Revenues

Category	Detail	Adopted FY2026	Proposed FY2027	Annual Variance (%)
Operating Revenues	Wastewater Treatment Revenues	\$64,941,337	\$67,892,993	4.5%
	Fairfax County Operating Expense Charge	\$14,662,764	\$16,884,053	15.1%
	<i>Subtotal</i>	\$79,604,102	\$84,777,046	6.5%
Fairfax Capital Contributions	Fairfax County IRR Contribution	\$5,064,966	\$8,417,078	66.2%
	Fairfax County Capital Contribution	\$54,313,129	\$67,532,964	24.9%
	<i>Subtotal</i>	\$59,378,095	\$75,950,042	28.4%
Debt Proceeds and Other Funding Sources	WIFIA Loan Proceeds	\$86,393,095	\$21,394,948	-75.2%
	Bond Proceeds	\$27,000,000	\$28,560,200	5.8%
	Interest Income	\$1,700,000	\$1,700,000	0.0%
	Cash	\$4,243,222	\$6,792,188	51.5%
	<i>Subtotal</i>	\$119,336,317	\$58,447,337	-51.1%
Total		\$258,318,513	\$219,174,425	-15.2%

Table 3.2. Summary of FY2027 Expenses

Category	Detail	Adopted FY2026	Proposed FY2027	Annual Variance (%)
Operating Expenses	Personnel	\$18,334,520	\$18,646,266	1.7%
	Utilities	\$4,684,240	\$4,918,500	5.0%
	Chemicals	\$4,145,000	\$4,155,000	0.2%
	Operations and Maintenance	\$1,945,750	\$1,993,750	2.5%
	Arlington Sewage Disposal	\$1,900,000	\$1,925,000	1.3%
	Sludge Disposal	\$1,509,500	\$1,538,500	1.9%
	General, Administration, Customer Service, and Other	\$5,906,745	\$8,177,668	38.4%
	Transfer to Reserves	\$2,500,000	\$2,500,000	0.0%
<i>Subtotal</i>	\$40,925,755	\$43,854,684	7.2%	
Debt Service	Debt Service	\$20,220,975	\$20,874,530	3.2%
Capital Outlay	Joint IRR	\$11,640,800	\$14,218,004	22.1%
	Alex-only IRR	\$1,023,760	\$1,183,280	15.6%
	RiverRenew	\$95,992,223	\$23,454,888	-75.6%
	General CIP (Alex-only)	\$13,900,000	\$6,359,000	-55.5%
	General CIP (Joint)	\$74,615,000	\$109,230,040	47.2%
<i>Subtotal</i>	\$197,171,783	\$154,445,212	-21.7%	
Total		\$258,318,513	\$219,174,425	-15.2%

Tables 3.3, 3.4, and 3.5 summarize the funding sources for the operating expenses, debt service, and capital outlay following the flow of funds set by the Indenture as discussed in Section 2.

Table 3.3. Operating Expenses Funding Sources and Flow of Funds

Item	Adopted FY2026	Proposed FY2027	Annual Variance (%)
Operating Expenses Funding Sources			
Wastewater Treatment Revenues	\$64,941,337	\$67,892,993	4.5%
Fairfax County Operating Charge	\$14,662,764	\$16,884,053	15.1%
Interest Income	\$85,000	\$85,000	0.0%
Total Operating and Maintenance Funding Sources	\$79,689,102	\$84,862,046	6.5%
Operating Expenses and Transfer			
Personnel	\$18,334,520	\$18,646,266	1.7%
Utilities	\$4,684,240	\$4,918,500	5.0%
Chemicals	\$4,145,000	\$4,155,000	0.2%
Operations and Maintenance	\$1,945,750	\$1,993,750	2.5%
Arlington Sewage Disposal	\$1,900,000	\$1,925,000	1.3%
Sludge Disposal	\$1,509,500	\$1,538,500	1.9%
General, Administration, Customer Service, and Other	\$5,906,745	\$8,177,668	38.4%
Transfer to Reserves (1)	\$2,500,000	\$2,500,000	0.0%
<i>Subtotal</i>	<i>\$40,925,755</i>	<i>\$43,854,684</i>	<i>7.2%</i>
Debt Service Transfer			
Transfer to Debt Service	\$19,880,975	\$20,534,530	3.3%
<i>Subtotal</i>	<i>\$19,880,975</i>	<i>\$20,534,530</i>	<i>3.3%</i>
Capital Outlay Transfer			
Transfer to Capital Outlay	\$18,882,372	\$20,472,833	8.4%
<i>Subtotal</i>	<i>\$18,882,372</i>	<i>\$20,472,833</i>	<i>8.4%</i>
Total Operating Expenses and Transfers	\$79,689,102	\$84,862,046	6.5%

(1) Transfer to reserves is to account for unforeseen events and emergencies (i.e. changes in regulations and associated uncertainties)

Table 3.4. Debt Service Funding Sources and Flow of Funds

Item	Adopted FY2026	Proposed FY2027	Annual Variance (%)
Debt Service Funding Sources			
Transfer from Operating Revenue	\$19,880,975	\$20,534,530	3.3%
Interest Income	\$340,000	\$340,000	0.0%
Total Debt Service Funding Sources	\$20,220,975	\$20,874,530	3.2%
Debt Service Expenses			
Principal	\$10,974,262	\$11,420,063	4.1%
Interest	\$9,246,713	\$9,454,467	2.2%
Debt Service Expenses	\$20,220,975	\$20,874,530	3.2%

Table 3.5. Capital Outlay Funding Sources and Flow of Funds

Item	Adopted FY2026	Proposed FY2027	Annual Variance (%)
Capital Outlay Funding Sources			
Transfer from Operating Revenue	\$18,882,372	\$20,472,833	8.4%
Fairfax County IRR Contributions	\$5,064,966	\$8,417,078	66.2%
Fairfax County Capital Contributions	\$54,313,129	\$67,532,964	24.9%
Capital Interest Income	\$1,275,000	\$1,275,000	0.0%
Cash	\$4,243,222	\$6,792,188	51.5%
WIFIA Loan Proceeds	\$86,393,095	\$49,955,148	-55.9%
Bond Proceeds	\$27,000,000	\$20,472,833	8.4%
Total Capital Outlay Funding Sources	\$197,171,783	\$154,445,212	-21.7%
Capital Outlay Expenses			
IRR	\$12,664,560	\$15,401,284	21.6%
Capital	\$184,507,223	\$139,043,928	-24.6%
Total Capital Outlay Expenses	\$197,171,783	\$154,445,212	-21.7%

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

Table 3.6. All Funds Sources and Uses for the Proposed FY2027 Operating and Capital Budget

Sources	Revenue Fund	General Fund	Operating Fund	Debt Service Fund	Joint IRR Fund	General IRR Fund	All Funds
Wastewater Treatment Charges	\$67,892,993.26						\$67,892,993.26
Fairfax County Operating Charge	\$16,884,053.17						\$16,884,053.17
Fairfax County IRR Contributions					\$8,417,078.40		\$8,417,078.40
Fairfax County Capital Contributions		\$67,532,963.92					\$67,532,963.92
Interest Income		\$1,275,000.00	\$85,000.00	\$340,000.00			\$1,700,000.00
Interfund Transfers	\$(84,777,046.43)	\$13,488,627.50	\$43,769,683.56	\$20,534,529.77	\$5,800,925.60	\$1,183,280.00	\$0
WiFiA Proceeds		\$21,394,948.07					\$21,394,948.07
2024 Bond Proceeds		\$28,560,200.00					\$28,560,200.00
Cash		\$6,792,188.50					\$6,792,188.50
Total	\$0	\$139,043,927.99	\$43,854,683.56	\$20,874,529.77	\$14,218,004.00	\$1,183,280.00	\$219,174,425.32
Uses	Revenue Fund	General Fund	Operating Fund	Debt Service Fund	Joint IRR Fund	General IRR Fund	All Funds
Operating Expenses			\$43,854,683.56				\$43,854,683.56
Debt Service				\$20,874,529.77			\$20,874,529.77
Joint IRR Expenses					\$14,218,004.00		\$14,218,004.00
Alex-Only IRR Expenses						\$1,183,280.00	\$1,183,280.00
Alex-Only Capital Expenses		\$6,359,000.00					\$6,359,000.00
Joint Capital Expenses		\$132,684,927.99					\$132,684,927.99
Total	\$0	\$139,043,927.99	\$43,034,683.56	\$20,874,529.77	\$14,218,004.00	\$1,183,280.00	\$219,174,425.32

3.1 Operating Revenues

Operating revenues comprise the rates collected from Alexandria customers (Wastewater Treatment Charges), Fairfax County’s payments for AlexRenew’s day-to-day operations (Fairfax County Operating Expense) and operating interest income. The projected Operating Revenues for FY2027 are \$84.8 million, up 6.6 percent from the prior year budget. The increase includes the adopted rate adjustment for FY2027 of 5.7 percent which primarily supports the ongoing RiverRenew capital investments. In accordance with the Fairfax County Service, Fairfax County contributes to a portion of the operations and maintenance expenses based upon sewer flow volume received at AlexRenew’s WRRF. Because of the anticipated increase in total operating expenses as discussed in Section 3.4, the increase in operating revenues is a result of higher anticipated Fairfax operating contributions. Further detail on AlexRenew’s adopted rate adjustment for FY2027 is in Section 5.

3.2 Fairfax Capital Contributions

In accordance with the Fairfax County Service Agreement, Fairfax County contributes to IRR programs and capital projects, at predetermined levels, to support the upgrade and replacement of capital assets as they depreciate, as well as the acquisition of new assets required for regulatory compliance. In recent years, AlexRenew’s capital budget has largely been driven by RiverRenew, which primarily serves Alexandria, with lower contributions from Fairfax County. As AlexRenew advances the PhaseForward projects – each of which are associated with improvements to jointly-funded facilities – Fairfax County’s Capital Contributions are correspondingly increasing. The projected Fairfax IRR and Capital Contributions for FY2027 is \$76.0 million, up 28.4 percent from the prior year budget.

3.3 Debt Proceeds and Other Funding Sources

Debt Proceeds and Other Funding Sources include funds disbursed from loans, bonds, grants, interest income, miscellaneous revenue, and cash reserves. This component of the budget is primarily comprised of funding from loans, bonds, interest income, and cash reserves as AlexRenew’s capital projects progress. The projected FY2027 Debt Proceeds and Other Funding Sources budget is \$58.4 million, decreasing 51.1 percent from the prior year budget. The decrease is primarily due to lower capital funding needs for the RiverRenew Tunnel Project in its final year of completion. The proceeds in FY2027 are primarily from loans and bonds that support ongoing RiverRenew and PhaseForward capital investments.

3.4 Operating Expenses and Reserves

Operating Expenses reflect the costs required for the day-to-day operation of wastewater treatment and other AlexRenew facilities. The proposed FY2027 Operating Expenses are \$43.9 million, representing a 7.2 percent year-over-year increase. The increase is driven by targeted investments in staffing and systems to strengthen reliability, cybersecurity, safety, and long-term asset performance.

Key drivers of the FY2027 increase include:

- \$310,000 increase in personnel costs to support the addition of five positions focused on safety, workforce development, and infrastructure maintenance. These roles include a Safety Coordinator to expand and formalize the safety program as PhaseForward projects advance; a Technical Trainer and Multimedia Specialist to modernize and tailor training programs to diverse learning styles; and a Maintenance Lubricant Analyst and Maintenance Vibration

Analyst to enhance preventive and predictive maintenance practices and improve asset reliability.

- \$280,000 increase in utilities, screening and residual management, and facility maintenance related to anticipated operations of the RiverRenew system during its first year of operations.
- \$2.3 million increase in general administrative expenses to address evolving cybersecurity and flooding risks. In recent years, AlexRenew has invested in upgrading its information technology systems and applications to modernize operations and strengthen cybersecurity protections. As these upgrades are completed, ongoing maintenance, software licensing, and support costs are incorporated into the operating expenses, contributing to the FY2027 increase. In addition, the ongoing climate resilience study recommended expanding insurance coverage to mitigate identified flood risks. The FY2027 operating expenses reflect the anticipated cost of securing additional flood insurance coverage.
- Continued \$2.5 million transfer to reserves, consistent with the FY2026 budget, to maintain funding for any regulatory changes or other emergencies that impact operating costs.

The additional staff as discussed above is summarized in Table 3.7, which compares the FY2027 headcount to the FY2026 Approved Budget.

Table 3.7. Full Time Equivalent (FTE) Summary

Department	Adopted FY2026	Proposed FY2027	FTE Impact
Executive Team	4.0	4.0	-
Information Technology Department	10.0	10.0	-
Administration Department	16.0	17.0	1.0
Water Quality Department	50.0	50.0	-
Engineering Department	45.0	47.0	2.0
Human Resources Department	7.0	9.0	2.0
Total	133.0	138.0	5.0

3.5 Debt Service

Debt Service is the annual money required to pay the principal and interest on outstanding debt. The FY2027 Debt Service budget is \$20.9 million, consistent with the prior year’s budget.

3.6 Capital Outlay

The FY2027 Capital Outlay is projected to be \$154.4 million. The expenditure primarily includes funding for capital investments to complete the final year of RiverRenew’s construction and to progress design and construction on PhaseForward projects. In March 2024, the Virginia General Assembly extended the mandate for RiverRenew by one year to July 1, 2026 to account for unforeseen delays. As a result of the extension, the FY2027 Capital Outlay includes updates in anticipated spending in FY2027 that shifted costs from prior years to account for such delays. Given the extension in time, AlexRenew is estimating that overhead costs may increase by approximately \$18 million, increasing the overall capital cost of the program. This is based on the assumption that all allowances on the project will be spent.

AlexRenew also anticipates continued use of its Job Order Contracts for ongoing repairs and improvements to AlexRenew’s assets through the \$15.4 million IRR program. Table 3.8 provides a

summary of the CIP program for FY2027.

Table 3.8. Proposed FY2027 Capital Improvement Program Summary (\$M)

Summary of Capital Expenses	Detail	Adopted FY2026	Proposed FY2027	% Change
IRR Program	Alex-only IRR	\$1.0	\$1.2	15.6%
	Joint IRR	\$11.6	\$14.2	22.1%
	<i>Subtotal</i>	\$12.7	\$15.4	21.6%
Capital Projects – General	Alex-only Capital Projects	\$14.3	\$6.4	-55.5%
	Joint Capital Projects	\$74.6	\$109.2	47.2%
	<i>Subtotal</i>	\$88.5	\$115.6	30.6%
Capital Projects – RiverRenew	RiverRenew Capital Projects	\$96.0	\$23.5	-75.6%
	<i>Subtotal</i>	\$96.0	\$23.5	-75.6%
Total CIP Expenses	-	\$197.2	\$154.4	-21.7%

4 THREE (3) YEAR BUDGET FORECAST

Each year, AlexRenew also presents a three (3) year budget forecast of anticipated revenues and expenses to comply with its financial policy. Tables 4.1 and 4.2 below present the budget forecast for the next three years, including FY2027.

Table 4.1. Three (3) Year Budget Forecast – Revenues

Category	Detail	Proposed FY2027	Estimated FY2028	Estimated FY2029
Operating Revenues	Wastewater Treatment Charges	\$67,892,993	\$71,287,643	\$74,495,587
	Fairfax County Operating Charge	\$16,884,053	\$17,680,131	\$18,516,012
	<i>Subtotal</i>	\$84,777,046	\$88,967,774	\$93,011,599
Fairfax Capital Contributions	Fairfax County IRR Contribution	\$8,417,078	\$8,801,886	\$8,522,623
	Fairfax County Capital Contribution	\$67,532,964	\$71,000,834	\$96,081,564
	<i>Subtotal</i>	\$75,950,042	\$79,802,720	\$104,604,187
Debt Proceeds and Other Funding Sources	WIFIA Loan Proceeds	\$21,394,948	\$1,377,750	\$0
	Bond Proceeds	\$28,560,200	\$32,634,238	\$45,000,000
	Interest Income	\$1,700,000	\$1,700,000	\$1,700,000
	Cash	\$6,792,188	\$2,945,819	\$2,158,791
	<i>Subtotal</i>	\$58,447,337	\$38,657,807	\$48,858,791
Total Revenues		\$219,174,425	\$207,428,301	\$246,474,577

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

Category	Detail	Proposed FY2027	Estimated FY2028	Estimated FY2029
Operating and Maintenance Expenses	Personnel	\$18,646,266	\$19,578,579	\$20,557,508
	Utilities	\$4,918,500	\$5,164,425	\$5,422,646
	Chemicals	\$4,155,000	\$4,362,750	\$4,580,888
	Operations and Maintenance	\$1,993,750	\$2,093,438	\$2,198,109
	Arlington Sewage Disposal	\$1,925,000	\$2,021,250	\$2,122,313
	Sludge Disposal	\$1,538,500	\$1,615,425	\$1,696,196
	General, Administration, Customer Service, and Other	\$8,177,668	\$8,586,551	\$9,015,879
	Transfer to Reserves	\$2,500,000	\$2,500,000	\$2,500,000
	<i>Subtotal</i>	\$43,854,684	\$45,922,418	\$48,093,539
Debt Service	Debt Service	\$20,874,530	\$20,695,331	\$21,066,882
Capital Outlay	Joint IRR Programs	\$14,218,004	\$14,878,304	\$14,415,216
	Alex-only IRR Programs	\$1,183,280	\$1,251,608	\$509,000
	Capital Projects – RiverRenew	\$23,454,888	\$1,500,000	\$0
	Capital Projects – General (Alex-only)	\$6,359,000	\$4,963,000	\$2,254,000
	Capital Projects – General (Joint)	\$109,230,040	\$118,217,640	\$160,135,940
	<i>Subtotal</i>	\$154,445,212	\$140,810,552	\$177,314,156
Total Expenses		\$219,174,425	\$207,428,301	\$246,474,577

Tables 4.3 and 4.4 demonstrate AlexRenew’s financial profile according to the budget projections, as measured by its two major financial metrics – days cash and debt service coverage.

As it relates to liquidity, AlexRenew’s Indenture requires it to maintain at least 60 days cash on hand in the Operating Fund. AlexRenew’s Financial Policy requires it to maintain an additional 60 days cash

on hand in the General Reserve Sub-Fund, for a total days cash requirement of at least 120 days of Operating and Capital Days Cash on Hand. The Financial Policy also requires AlexRenew to maintain a Total Days Cash on Hand minimum of 270 days. As it relates to debt service coverage, AlexRenew's Financial Policy requires net revenues cover annual debt service payments by 1.6 times. In both cases, the proposed FY2027 budget forecasts compliance with these policies and indicates a healthy financial profile.

Table 4.3. Summary of Compliance with Indenture and Financial Policy – Cash Reserves

Indenture and Financial Policy Compliance	Adopted FY2026	Proposed FY2027	Estimated FY2028	Estimated FY2029
Operating Fund	\$6,727,521	\$7,208,989	\$7,548,891	\$7,905,787
General Reserve Sub-Fund	\$6,727,521	\$7,208,989	\$7,548,891	\$7,905,787
Total Cash Reserve Requirement	\$13,455,043	\$14,417,978	\$15,097,781	\$15,811,574

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

Indenture and Financial Policy Compliance	Adopted FY2026	Proposed FY2027	Estimated FY2028	Estimated FY2029
Wastewater Treatment Charges	\$64,941,337	\$67,892,993	\$71,287,643	\$74,495,587
Fairfax County Operating Expense Charge	\$14,662,764	\$16,884,053	\$17,680,131	\$18,516,012
Interest Income	\$1,700,000	\$1,700,000	\$1,700,000	\$1,700,000
Gross Revenue Available for Debt Service	\$81,304,102	\$86,477,046	\$90,667,774	\$94,711,599
Operating Expenses	(\$40,925,755)	(\$43,854,684)	(\$45,922,418)	(\$48,093,539)
Net Revenues Available for Debt Service	\$40,378,347	\$42,622,363	\$44,745,356	\$46,618,061
Total Annual Debt Service	\$20,220,975	\$20,874,530	\$20,695,331	\$21,066,882
All-in Debt Service Coverage	2.00x	2.04x	2.16x	2.21x

The following fund statements, organized in accordance with the terms mandated in Article VII of the Indenture, are included as Appendix B to this document and provide additional detail for the three (3) year budget forecast:

- Revenue Fund Statement
- Fairfax County Contributions
- Operating Fund Statement
- Debt Service Fund Statement
- IRR Fund Statement – Joint Use Facilities Account
- IRR Fund Statement – General Account
- General Fund Statement

5 DETERMINING RATES, CHARGES, AND REVENUE ESTIMATES

For more than twenty years, AlexRenew has employed rate modeling to analyze, evaluate, and implement an annual and long-term fee structure to support the financial obligations of the organization. AlexRenew has engaged an independent, third-party consultant to develop and monitor a rate model designed specifically for AlexRenew. This model is used to manage revenue performance in the current year and to forecast revenue requirements, based on anticipated operating and capital costs, each year over a 10-year time horizon.

In addition to rate modeling, the Board has adopted a strong financial policy to guide the approach to setting rates and maintaining a sustainable financial position. These policies targets key financial metrics, represents best practices, and ensures AlexRenew maintains cost-efficient operations while delivering critical public service for AlexRenew’s customers and community.

5.1 Rate Modeling Process

Rate consultants review and update the AlexRenew rate model annually to ensure revenue sufficiency, upon completion and acceptance of AlexRenew’s audited financial statements, and more frequently as necessary. This process, and the model, is heavily data-driven and uses historical and projected data comprised of billing statistics, historical financial data, the current budget, and capital plan forecasts. The rate consultants perform comprehensive due diligence exercises to validate all information provided by AlexRenew and obtained from other relevant sources. Once validation is complete, the rate consultants review their findings with AlexRenew leadership to discuss observed historical trends, comparison with prior forecasts, current projections, and adjustments for known conditions, such as contingency.

The projected revenues, and assumptions of additional debt and capital funding, are evaluated relative to AlexRenew’s annual cash flow requirements and likely financial position at year-end. This iterative process allows AlexRenew and its rate consultants to examine how subtle changes to rates or assumptions today have the potential to materially influence financial position across the forecast. It also allows for sensitivity analysis and the ability to examine AlexRenew’s financial profile under various hypothetical scenarios, which is instructive to management and provides a stronger basis for recommending the timing and magnitude of potential rate adjustments.

As a single, dominant revenue source that accounts for over 80 percent of operating revenues, the Wastewater Treatment Charges are critical to the funding of current operations and long-term financial viability. As a result, it is imperative to combine a thorough understanding of the rate modeling process, strict adherence to the terms of the Indenture, faithfulness to AlexRenew’s financial policies, and the needs of the community when establishing rates and charges.

5.2 Rate Growth Assumptions

AlexRenew has historically modeled growth in Wastewater Treatment Charges of approximately 0.5-2.0 percent and Fairfax County Operating Charges of approximately 1.0-3.0 percent when determining rates and revenues over the forecast period.

5.3 Expenditure Growth Assumptions

AlexRenew has historically used consumer price index (CPI) to evaluate costs over the forecast period and has commonly assumed an inflation range of 2.0-5.0 percent.

5.4 Revenue Forecast Assumptions

Starting in FY2020, AlexRenew began implementing a multi-year phased rate increase initiative, primarily to fund capital expenditures including the RiverRenew program. The revenue assumptions included in this budget include annual rate increase that was adopted for FY2027, as further described in section 5.5.

5.5 Rate and Charges

The following schedule details the monthly rates and charges for all individually-metered residential customers and commercial customers discharging sewage to and/or requiring wastewater treatment service from AlexRenew. Commercial customers include all commercial, industrial, government and other public agencies, master-metered residential, and all other accounts or customers not otherwise classified as individually metered residential customers.

The wastewater customer’s monthly bill for wastewater collection, treatment, and disposal services (sewer service) shall be based upon the sum of: i) the wastewater treatment charge calculated based on water meter readings at the customer premise and ii) the base charge. The base charge shall serve as the minimum monthly bill for sewer service for all customers receiving wastewater service from AlexRenew.

Wastewater Treatment Charge – A charge per 1,000 gallons of water consumption will be billed monthly for wastewater customers at the rates shown below.

Table 5.1. Current FY2026 Rates and Adopted FY2027 Rate Adjustment with Rate Recommendation

Customer	Current Wastewater Treatment Charge (Effective July 1, 2025)	Proposed Wastewater Treatment Charge (Effective July 1, 2026)
Residential Customers (1)	\$10.77 (2)	\$11.38 (2)
Commercial Customers		

(1) The Residential Wastewater Treatment Charges are based upon the lesser of: a) a customer’s actual monthly metered water use; or b) the customer’s determined winter quarter average billing cap as further defined in subsequent sections of the Rates, Rules, and Regulations.

(2) Per 1,000 gallons

Starting July 1, 2026, AlexRenew is proposing an update to how the base charge is calculated. Previously, the base charge was predicated on a customer’s meter size. The base charge is proposed to be calculated using a customer’s average monthly water use compared to the use of a typical household. For Residential Customers, this represents 3,500 gallons per month or 1 unit. For Commercial Customers, the customer’s average volume used will be converted to units in relation to a residential customer’s usage to set the base charge.

It is proposed that the new base charge will be phased in over a five-year period. Over the five years, the base charge for each commercial customer will be calculated using a portion of the meter-based base charge (Meter Base Charge) and the water use-based base charge (Use Base Charge). In the first year, the base charge will be calculated using eighty (80) percent of the Meter Base Charge and twenty (20) percent of the Use Base Charge.

Base Charge – A charge per customer account will be billed monthly for wastewater customers as described in the following paragraphs and shown in the rates below. Starting July 1, 2026, AlexRenew

is proposing an update to how the base charge is calculated. Previously, the base charge was determined by a customer’s meter size. The base charge is proposed to be calculated using a customer’s average monthly water use compared to the use of a typical household. For Residential Customers, this represents 3,500 gallons per month or 1 unit. For Commercial Customers, the customer’s average volume used will be converted to units in relation to a residential customer’s usage to set the base charge.

It is proposed that the new base charge will be phased in over a five-year period. Over this period, the base charge for each Commercial Customer will be calculated using a portion of the meter-based base charge (Meter Base Charge) and the water use-based base charge (Use Base Charge). In the first year, the base charge will be calculated using eighty (80) percent of the Meter Base Charge and twenty (20) percent of the Use Base Charge.

The Base Charges for the year will be billed to all wastewater customers at the rates shown below.

Table 5.2. Current FY2026 Rates and Adopted FY2027 Rate Adjustment with Rate Recommendation

Customer		Meter Size	Current Base Charge (Effective July 1, 2025)	Proposed Base Charge (Effective July 1, 2026)
Residential Customers		All Meters	\$15.29	\$14.48
Commercial Customers (1)	Meter Base Charge	5/8 inch	\$45.87	\$48.48
		3/4 inch	\$45.87	\$48.48
		1 inch	\$114.68	\$121.20
		1-1/2 inch	\$229.35	\$242.40
		2 inch	\$366.96	\$387.84
		3 inch	\$688.05	\$727.20
		4 inch	\$1,146.75	\$1,212.00
		6 inch	\$2,293.50	\$2,424.00
		8 inch	\$3,669.60	\$3,878.40
		Use Base Charge	All meters	-

- (1) For Fiscal Year 2027, Commercial Customers’ base charge will be calculated by 80% of the Meter Base Charge and 20% of the Use Base Charge.
- (2) A Commercial Customers’ units will be determined by dividing a customer’s average monthly water use – determined as a rolling 12-month average – by a typical residential customer’s water use of 3,500 gallons. For new customers, the average monthly water use will be calculated using the number of months of available water-use data until a full 12-month average is established.
- (3) There will be a minimum of 1 unit for all Commercial Customers.

Due to the base charge change in FY2027, the 5.7 percent rate increase will impact customers differently. Residential Customers will see a three percent rate increase on average. For an average residential customer that uses 4,000 gallons of water monthly, the rate for FY2027 is projected to increase the average bill by \$1.63 per month in FY2027.

6 10-YEAR CAPITAL IMPROVEMENT PROGRAM

AlexRenew manages its capital projects through its Capital Improvement Program (CIP) which includes the various capital projects (projects over \$1 million) and its IRR programs (projects under \$1 million). The capital projects and IRR programs are summarized in a 10-year plan, which is a key element in planning for and managing to future regulatory compliance through large-scale capital investments. AlexRenew's 10-year CIP budget for FY2027-2036 is \$1,024.4 million.

The 10-year plan is an important tool used to formulate future project financing plans, maximize federal and state grant opportunities, proactively plan for the replacement or reconstruction of essential assets nearing the end of their service life, and schedule and coordinate the execution of multiple projects to minimize operational impact.

With RiverRenew nearing completion, AlexRenew is now focused on necessary improvements and upgrades to the WRRF through the design and construction of the PhaseForward projects through FY2030. In addition to the RiverRenew and PhaseForward programs, highlights of the FY2027-2036 CIP include:

- **Campus-wide Electrical Upgrades Program.** A program to overhaul AlexRenew's wastewater treatment plant's electrical grid and related infrastructure. The project has been shifted out to later years in the 10-year period as it is expected that portions of the electrical infrastructure will be upgraded through the PhaseForward projects.
- **Secondary Settling Tanks Refurbishment Project.** A project to upgrade the equipment of AlexRenew's secondary settling tanks, which are used in the wastewater treatment process to allow biological solids to settle out of treated water so they can be collected and removed before the clarified effluent moves on for final treatment or discharge.
- **Warehouse and Inventory Upgrade Project.** A project to repurpose an existing facility to serve as AlexRenew's centralized warehouse to provide additional space for storage and coordinate with AlexRenew's ongoing asset management project.
- **HVAC System Upgrade Project.** A project to assess, replace and upgrade the HVAC systems across AlexRenew's campus.

Tables C.1 and C.2 in Appendix C summarize the 10-year CIP expenses. Additionally project sheets for each major capital project and IRR program are provided in Appendix C.

6.1 CIP Funding

Funding sources for the CIP include loans, grants, revenue bond issues, bank lines of credit, capital contributions from Fairfax County, and cash contributions from AlexRenew's operations and reserves. AlexRenew has used loan programs including the Virginia Department of Environmental Quality (VDEQ) Clean Water Revolving Loan Fund (CWRLF), Virginia Pooled Financing Program (VFPF), and Water Infrastructure Finance and Innovation Act (WIFIA) program. Additionally, in 2024, AlexRenew sold green bonds on the municipal bond market to finance the PhaseForward projects.

Additional details on the loans and bonds can be found under the detailed Debt Service Fund statement in Appendix B. Table 6.1 illustrates the anticipated capital funding sources over the 10-year period including the continued significant debt financing to be utilized to fund the high level of ongoing RiverRenew construction and upcoming PhaseForward construction.

Table 6.1. Summary of Anticipated Funding Sources for the 10-year Capital Program

Funding Sources (1)	Prop. FY27	Est. FY28	Est. FY29	Est. FY30	Est. FY31	Est. FY32	Est. FY33	Est. FY34	Est. FY35	Est. FY36	10-year Total
Operating Revenue	\$20.5	\$22.8	\$24.3	\$26.7	\$27.7	\$28.8	\$30.0	\$31.3	\$32.7	\$34.2	\$279.0
Fairfax IRR Contributions	\$8.4	\$8.8	\$8.5	\$7.7	\$7.7	\$7.9	\$8.3	\$8.9	\$9.1	\$8.9	\$84.2
Fairfax Capital Contributions	\$67.5	\$71.0	\$96.1	\$103.8	\$71.3	\$41.3	\$4.5	\$3.9	\$3.9	\$36.2	\$499.6
WIFIA Loan Proceeds	\$21.4	\$1.4	-	-	-	-	-	-	-	-	\$22.8
Bond Proceeds	\$28.6	\$32.6	\$45.0	\$45.0	\$25.0	-	-	-	-	-	\$176.2
Grants	-	-	-	-	-	-	-	-	-	-	-
Interest Income (2)	\$1.3	\$1.3	\$1.3	\$1.3	\$1.3	\$1.3	\$1.3	\$1.3	\$1.3	\$1.3	\$12.8
Cash	\$6.8	\$2.9	\$2.2	\$2.6	\$0.4	\$4.3	(\$20.9)	(\$22.5)	(\$23.7)	(\$2.3)	(\$50.1)
Total Estimated CIP Funding	\$154.4	\$140.8	\$177.3	\$187.0	\$133.5	\$83.7	\$23.3	\$22.9	\$23.2	\$78.3	\$1,024.4

(1) Projected debt proceeds total for FY2027 is rounded for purposes of the table.

(2) Excludes Green Bonds Interest Income. Interest Income from the Green Bonds is maintained in a SNAP account and are included in future years Bond Proceeds.

The CIP and related funding strategies comply with all relevant AlexRenew financial policies including the required 15 percent cash funding requirement and sufficient projected net revenues to produce coverage of debt service requirements in excess of the 1.6x policy minimum.

APPENDIX A

DEFINITIONS

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IRR Program. Improvement, Renewal, and Replacement Program

CIP. Capital Improvement Program

CPI. Consumer Price Index

Operating Revenues. Rates collected from Alexandria customers and Fairfax County’s payments for AlexRenew’s day-to-day operations

Fairfax Capital Contributions. Fairfax County’s payments for AlexRenew’s CIP and IRR program

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

Operating Expenses. Costs associated with day-to-day operation of wastewater treatment and other AlexRenew facilities

Debt Service. Payments on outstanding debt

Capital Outlay. Costs associated with capital projects and IRR projects

Capital Project. A capital project (generally greater than \$1,000,000) that involves expenditures to construct or acquire assets of a relatively permanent nature such as property, plant, and equipment with a useful life that exceeds approximately three years.

IRR Project. A capital project (generally ranging from \$5,000 to \$1,000,000) that involves expenditures to construct or acquire assets of a relatively permanent nature such as property, plant, and equipment with a useful life that exceeds approximately three years.

Alex-Only Capital Projects. Capital projects that are the responsibility of AlexRenew only.

Joint Capital Projects. Capital projects for which AlexRenew and Fairfax County share joint responsibility.

WRRF. Water Resource Recovery Facility.

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APPENDIX B

**THREE (3) YEAR BUDGET FORECAST – FUND
STATEMENTS**

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REVENUE FUND STATEMENT

AlexRenew’s Indenture establishes nine (9) funds into which monies may be deposited to manage operating and maintenance, non-operating, and capital obligations. The collection and deposit of monies typically occurs monthly at specified times and in specified amounts, and in a prescribed order of priority.

AlexRenew is required to collect and deposit Revenues, as defined in the Indenture, in the Revenue Fund and make monthly transfers to each of its actively managed funds. Deposits to the Revenue Fund do not include Fairfax County IRR payments or Capital Contributions. These dollars are deposited by Fairfax County directly into the Joint Use Facilities Account of the IRR Fund or the Project or General Funds for capital outlay reimbursements, as appropriate.

Table B.1 presents adopted and estimated revenues expected to be received by AlexRenew for the period FY2026-2029. In addition, planned revenue transfers to various operating and non-operating funds are provided to highlight the use or purpose of the funds.

Table B.1. Revenue Fund Summary

Revenues and Transfers to Revenue Fund	Adopted FY2026	Proposed FY2027	Var %	Estimated FY2028	Estimated FY2029
Revenues					
Wastewater Treatment Charges	\$64,941,337	\$67,892,993	4.5%	\$71,287,643	\$74,495,587
Fairfax County Operating Charge	\$14,662,764	\$16,884,053	15.1%	\$17,680,896	\$18,516,012
Total Revenues	\$79,604,102	\$84,777,046	6.5%	\$88,967,774	\$93,011,599
Transfers					
Transfer to Operating Fund (1), (2)	\$40,840,755	\$43,769,684	7.2%	\$45,837,418	\$48,008,539
Transfer to Debt Service Fund	\$19,880,975	\$20,534,530	3.3%	\$20,355,331	\$20,726,882
Transfer to IRR Fund - Joint Use Facilities Account	\$6,575,834	\$5,800,926	-11.8%	\$6,076,418	\$5,892,593
Transfer to IRR Fund - General Account	\$1,023,760	\$1,183,280	15.6%	\$1,251,608	\$509,000
Transfer to General Fund	\$11,282,778	\$13,488,628	19.6%	\$15,446,999	\$17,874,585
Total Uses	\$79,604,102	\$84,777,046	6.5%	\$88,967,774	\$93,011,599

(1) Includes entire Fairfax County Operating Charge

(2) Includes the \$2.5 million in FY2027 that will be transferred to reserves to account for unforeseen events and emergencies (i.e. changes in regulations and other associated uncertainties)

FAIRFAX COUNTY CONTRIBUTIONS

Table B.2 presents the summary of Fairfax County Contributions for the period FY2026-2029 and demonstrates the method by which Fairfax County annual payments and contributions are determined based on the capacity rights Fairfax County currently receives under the Fairfax County Service Agreement. Fairfax County currently makes equal monthly Operating Expense charge installments into the Revenue Fund, equal monthly contributions into the Joint Use Facilities Account of the IRR Fund, and variable monthly capital contributions (formulaic reimbursements based actual capital expenditures) into the Project Fund.

Table B.2. Fairfax County Contributions Summary

Fairfax County Contributions	Adopted FY2026	Proposed FY2027	Var %	Estimated FY2028	Estimated FY2029
Total Operating Expense	\$40,925,755	\$43,854,684	7.2%	\$45,922,418	\$48,093,589
% of Joint Expenses (1)	87.5%	87.5%	0.0%	87.5%	87.5%
Total Joint Operating Expenses	\$35,810,036	\$38,372,348	7.2%	\$40,182,116	\$42,081,846
% of Fairfax County Flows (2)	41%	44%		44%	44%
Fairfax Operating Charge	\$14,662,764	\$16,884,053	15.1%	\$17,680,131	\$18,516,012
Joint IRR	\$11,640,800	\$14,218,004	22.1%	\$14,878,304	\$14,415,216
Joint Capital	\$152,594,997	\$132,684,928	-22.0%	\$119,717,640	\$160,135,940
Total Joint IRR and Capital	\$164,235,797	\$146,902,932	-19.2%	\$134,595,944	\$174,551,156
<i>Fairfax IRR Contributions</i>	<i>\$5,064,966</i>	<i>\$8,417,078</i>	<i>66.2%</i>	<i>\$8,801,886</i>	<i>\$8,522,623</i>
<i>Fairfax Capital Contributions</i>	<i>\$54,073,129</i>	<i>\$67,532,964</i>	<i>24.9%</i>	<i>\$71,000,834</i>	<i>\$96,081,564</i>
<i>Fairfax IRR and Capital Contributions</i>	<i>\$59,138,095</i>	<i>\$75,590,042</i>	<i>28.4%</i>	<i>\$79,802,720</i>	<i>\$104,604,187</i>
Total Fairfax Contributions	\$73,800,859	\$92,834,095	25.8%	\$97,482,851	\$123,120,200

(1) Percentage is based on the FY2025 actual joint expenses. Joint Expenses are trued-up at year-end and reported in the Audited Financial Statements

(2) Percentage is based on FY2026 current ratio through mid-year

OPERATING FUND STATEMENT

The Operating Fund is primarily funded with Wastewater Treatment Charges and is used for expenses incurred in the day-to-day operations. These are expected expenses that happen daily, weekly, or monthly. These expenses include personnel, utilities, chemicals, operations and maintenance, Arlington sewage disposal, sludge disposal, and other administrative expenses. The schedule below presents adopted and estimated Operating Fund revenue and expenses expected by AlexRenew for the period FY2026-2029.

The Operating Fund estimates in Table B.3 are in compliance with the financial policy to maintain a combined 120 days cash on hand which includes 60 days in the Operating Fund.

Table B.3. Operating Fund Summary

Operating Expenses Categories	Adopted FY2026	Proposed FY2027	Var %	Estimated FY2028	Estimated FY2029
Revenues					
Transfer from Revenue Fund	\$40,840,755	\$43,769,684	7.2%	\$45,837,418	\$48,008,539
Interest Income	\$85,000	\$85,000	0.0%	\$85,000	\$85,000
Total	\$40,925,755	\$43,854,684	7.2%	\$45,922,418	\$48,093,589
Expenses					
Personnel	\$18,334,520	\$18,646,266	1.7%	\$19,578,579	\$20,557,508
Utilities	\$4,684,240	\$4,918,500	5.0%	\$5,164,425	\$5,422,646
Chemicals	\$4,145,000	\$4,155,000	0.2%	\$4,362,750	\$4,580,888
Operation Maintenance	\$1,945,750	\$1,993,750	2.5%	\$2,093,438	\$2,198,109
Arlington Sewage Disposal	\$1,900,000	\$1,925,000	1.3%	\$2,021,250	\$2,122,313
Sludge Disposal	\$1,509,500	\$1,538,500	1.9%	\$1,615,425	\$1,696,196
General, Admin, Cust. Service and Other	\$5,906,745	\$8,177,668	38.4%	\$8,586,551	\$9,015,879
Transfer to Reserves (2)	\$2,500,000	\$2,500,000	0.0%	\$2,500,000	\$2,500,000
Total	\$40,925,755	\$43,854,684	7.2%	\$45,922,418	\$48,093,589
Excess (Deficiency) (1)	\$846,608	\$481,468		\$821,369	\$356,897
Fund Balance – Beginning	\$5,880,913	\$6,727,521		\$6,727,521	\$7,548,891
Fund Balance – Ending (1)	\$6,727,521	\$7,208,989		\$7,548,891	\$7,905,787

(1) Operating Reserve Requirement of 60 days, per AlexRenew's Financial Policy

(2) Transfer to reserves is to account for unforeseen events and emergencies (i.e. changes in regulations and associated uncertainties)

DEBT SERVICE FUND STATEMENT

The Debt Service Fund includes the amounts due to pay principal and interest on outstanding and projected AlexRenew debt. To date, AlexRenew has borrowed from the Virginia Clean Water Revolving Loan Fund (CWRLF) and Virginia Pooled Financing Program (VPFP) through the Virginia Resources Authority (VRA) as well as through the federal Water Infrastructure Finance and Innovation Act (WIFIA) loan program. In FY2024, AlexRenew issued its own bonds to fund PhaseForward projects. Within the context of the Indenture, capital funding in this manner is deemed parity debt. Table B.4 illustrates the debt service payment schedule for FY2027-2029 which includes repayment on the AlexRenew bonds.

Table B.4. Debt Service Fund Summary

Debt Service Fund	Adopted FY2026	Proposed FY2027	Estimated FY2028	Estimated FY2029
Revenues				
Transfer from Revenue Fund	\$19,880,975	\$19,774,530	\$19,695,331	\$20,066,882
Interest Income	\$340,000	\$600,000	\$400,000	\$300,000
Total Revenue	\$20,220,974	\$20,374,530	\$20,095,331	\$20,366,882
Expenditures				
VRA BOND SERIES 06 INTEREST	\$12,979	\$5,589	\$-	\$-
VRA BOND SERIES 06 PRINCIPAL	\$737,180	\$744,570	\$-	\$-
VRA BOND SERIES 09 INTEREST	\$105,178	\$80,512	\$55,171	\$29,136
VRA BOND SERIES 09 PRINCIPAL	\$900,700	\$925,366	\$950,707	\$976,742
VRA BOND SERIES 11 INTEREST	\$91,227	\$81,063	\$70,659	\$60,009
VRA BOND SERIES 11 PRINCIPAL	\$429,982	\$440,146	\$450,550	\$461,201
VRA BOND SERIES 14A INTEREST	\$88,520	\$80,373	\$72,123	\$63,770
VRA BOND SERIES 14A PRINCIPAL	\$649,751	\$657,899	\$666,148	\$674,501
VRA BOND SERIES 14B INTEREST	\$16,231	\$14,652	\$13,054	\$11,437
VRA BOND SERIES 14B PRINCIPAL	\$131,192	\$132,771	\$134,369	\$135,987
VRA BOND SERIES 14C/24B INTEREST	\$806,675	\$799,116	\$783,356	\$765,034
VRA BOND SERIES 14C/24B PRINCIPAL	\$-	\$295,000	\$320,000	\$395,000
VRA BOND SERIES 17A INTEREST	\$797,319	\$762,084	\$730,334	\$704,775
VRA BOND SERIES 17A PRINCIPAL	\$670,000	\$705,000	\$735,000	\$760,000
VRA BOND SERIES 19 INTEREST	\$53,510	\$51,260	\$50,360	\$49,460
VRA BOND SERIES 19 PRINCIPAL	\$300,000	\$100,000	\$100,000	\$100,000
VRA BOND SERIES 21 INTEREST	\$1,977,657	\$1,902,822	\$1,826,974	\$1,750,098
VRA BOND SERIES 21 PRINCIPAL	6,485,456	\$6,573,305	\$6,662,345	\$6,752,590
WIFIA BOND SERIES 21 INTEREST	3,030,167	\$3,944,121	\$3,537,199	\$3,623,945
WIFIA BOND SERIES 21 PRINCIPAL	-	\$141,005	\$595,356	\$814,698
ALEXRENEW BOND SERIES 24 INTEREST	2,267,250	\$2,232,875	\$2,196,625	\$2,158,500
ALEXRENEW BOND SERIES 24 PRINCIPAL	670,000	\$705,000	\$745,000	\$780,000
Total Expenses	\$20,220,975	\$20,874,530	\$20,695,331	\$21,066,882
Total Interest	\$9,246,713	\$9,454,467	\$9,335,856	\$9,216,165
Total Principal	\$10,974,262	\$11,420,063	\$11,359,475	\$11,850,718

IRR FUND STATEMENT – JOINT USE FACILITIES ACCOUNT

The IRR Fund – Joint Use Facilities Account funds the project costs associated with the upgrade of infrastructure and equipment for the portions of the facility used jointly by Alexandria and Fairfax County.

As noted in the accompanying schedule, contributions to the Joint Use Facilities Account are made annually by both AlexRenew and Fairfax County. Fairfax County’s portion of the total contribution is also based on the allocation percentages detailed on page B-4 and affirmed in the Fairfax County Service Agreement and other cost share memorandums of understanding. Table B.5 illustrates IRR-Joint project expenses for FY2027-2029 that are necessary for ongoing AlexRenew’s asset repairs and improvements.

Table B.5. IRR Fund – Joint Use Facilities Account Summary

IRR Fund - Joint Use Facilities Account	Adopted FY2026	Proposed FY2027	Var %	Estimated FY2028	Estimated FY2029
Revenues					
Revenue Fund Transfer	\$6,575,834	\$5,800,926	-11.8%	\$6,076,418	\$5,892,593
Fairfax County Contribution	\$5,064,966	\$8,417,078	66.2%	\$8,801,886	\$8,522,623
Total Revenues	\$11,640,801	\$14,218,004	22.1%	\$14,878,304	\$14,415,216
Expenses					
Campus-Wide Projects	\$4,600,000	\$7,030,000	52.8%	\$7,083,000	\$7,530,000
Collection System Projects	\$500,000	\$366,640	-26.7%	\$403,304	\$129,750
Information Technology Projects	\$500,000	\$525,000	5.0%	\$500,000	\$500,000
Compliance Laboratory	\$10,800	\$11,664	8.0%	\$12,830	\$12,975
Preliminary / Primary Infrastructure	\$1,000,000	\$500,000	-50.0%	\$500,000	\$500,000
Secondary Infrastructure	\$1,500,000	\$1,620,000	8.0%	\$1,782,000	\$1,802,088
Solids Infrastructure	\$1,000,000	\$1,166,400	16.6%	\$1,283,040	\$1,297,503
Tertiary Infrastructure	\$1,000,000	\$683,500	-31.7%	\$751,850	\$717,292
Safety and Security	\$1,530,000	\$1,200,000	-21.6%	\$1,500,000	\$822,480
Environmental Center Projects	-	\$874,800	0.0%	\$962,280	\$973,128
RiverRenew Tunnel System	-	\$240,000	0.0%	\$100,000	\$130,000
Joint IRR Expenses	\$11,640,800	\$14,218,004	22.1%	\$14,878,304	\$14,415,216
Excess (Deficiency)	-	-	-	-	-
Fund Balance - Beginning	\$(569,878)	-	-	-	-
Fund Balance - Ending	\$(569,878)	-	-	-	-

IRR FUND STATEMENT – GENERAL ACCOUNT

The IRR Fund – General Account funds the project costs associated with the upgrade of infrastructure and equipment for the portions of the facility used for the benefit of the Alexandria only.

Contributions to the General Account are made annually for projects AlexRenew determines are necessary to maintain the safe and effective operation for collection system and Alexandria-only campus needs. Table B.6 illustrates IRR - Alex-Only project expenses for FY2026-2029 necessary for continued improvement, renewal, and replacement associated with Alexandria-only assets.

Table B.6. IRR Fund – General Account Summary

IRR Fund - General Account	Adopted FY2026	Proposed FY2027	Var %	Estimated FY2028	Estimated FY2029
Revenues					
Revenue Fund Transfer	\$1,023,760	\$1,183,280	15.6%	\$1,251,608	\$ 509,000
Total Revenue	\$1,023,760	\$1,183,280	15.6%	\$1,251,608	\$ 509,000
Expenses					
Campus-Wide Projects	\$23,760	\$500,000	2004.4%	\$500,000	\$200,000
Collection System Projects	\$1,000,000	\$683,280	-31.7%	\$751,608	\$309,000
Total Expenses	\$1,023,760	\$1,183,280	15.6%	\$1,251,608	\$ 509,000

GENERAL FUND STATEMENT

The General Fund is the repository of funds remaining after deposits to all other Funds are made and may be used for any lawful purpose of AlexRenew. AlexRenew uses the General Fund to finance Alexandria-only capital improvements, contribute cash funding to the joint capital program, manage unanticipated expenditures, and maintain sufficient reserves to promote ongoing financial strength.

The General Fund balance is projected to decrease \$481,486 through FY2027, with a projected balance of \$62.8 million. Table B.7 illustrates the General Fund balance for the period FY2027-2029 and includes demonstration of financial policy compliance to maintain 60 days of cash reserves in the General Reserve Sub-Fund.

Table B.7. General Fund Summary

General Fund	Adopted FY2026	Proposed FY2027	Var %	Estimated FY2028	Estimated FY2029
Revenues					
Revenue Fund Transfer	\$11,282,778	\$13,488,628	19.6%	\$15,446,999	\$17,874,585
Fairfax Contributions	\$54,073,129	\$67,532,964	24.9%	\$71,000,834	\$96,081,564
WIFIA Loans	\$86,393,095	\$21,394,948	-75.2%	\$1,377,750	-
Green Bonds	\$27,000,000	\$28,560,200	5.8%	\$32,634,238	\$45,000,000
Cash	\$4,483,222	\$6,792,188	51.5%	\$2,945,819	\$2,158,791
Interest Income	\$1,275,000	\$1,275,000	0.0%	\$1,275,000	\$1,275,000
Total Revenues	\$184,507,223	\$139,043,928	-24.6%	\$124,680,640	\$162,389,940
Expenses					
Alex-Only General Capital Expenses	\$14,300,000	\$6,359,000	-55.5%	\$4,963,000	\$2,254,000
Joint General Capital Expenses	\$170,207,223	\$132,684,928	-22.0%	\$119,717,640	\$160,135,940
Total Expenses	\$184,507,223	\$139,043,928	-24.6%	\$124,680,640	\$162,389,940
Fund Balance Increase (Deficiency)	-	-		-	-
Fund Balance - Beginning	\$70,024,180	\$70,024,180		\$70,024,180	\$70,024,180
Fund Balance - Beginning	\$70,024,180	\$70,024,180		\$70,024,180	\$70,024,180
General Reserve sub-Fund (1)	\$(6,727,521)	\$(7,208,989)		\$(7,548,891)	\$(7,905,787)
Fund Balance - Ending	\$63,296,658	\$62,815,190	-0.8%	\$62,415,289	\$62,118,392

(1) Additional Operating Reserve Requirement of 60 days cash per Board-approved financial policy

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**APPENDIX C 10-YEAR CAPITAL IMPROVEMENT PROGRAM – SUMMARY
AND PROJECT SHEETS**

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Table C.1. FY2027-2036 10-year CIP Program – Summary of Expenditures and Funding Sources

Summary of Expenditures	Adopted FY2026	Proposed FY2027	Est. FY2028	Est. FY2029	Est. FY2030	Est. FY2031	Est. FY2032	Est. FY2033	Est. FY2034	Est. FY2035	Est. FY2036	10-year Total
IRR Programs												
Alex-only IRR	\$1.0	\$1.2	\$1.3	\$0.5	\$0.5	\$0.5	\$0.5	\$0.5	\$0.6	\$0.6	\$0.6	\$6.8
Joint IRR	\$11.6	\$14.2	\$14.9	\$14.4	\$13.0	\$13.1	\$13.4	\$14.1	\$15.0	\$15.4	\$15.1	\$142.7
Subtotal	\$12.7	\$15.4	\$16.1	\$14.9	\$13.5	\$13.7	\$14.0	\$14.7	\$15.6	\$15.9	\$15.7	\$149.5
Capital Projects – General												
Alex-only	\$14.3	\$6.4	\$5.0	\$2.3	\$0.5	\$1.0	\$0.9	\$1.1	\$0.8	\$0.8	\$2.3	\$20.8
Joint	\$74.2	\$109.2	\$118.2	\$160.1	\$173.1	\$118.8	\$68.8	\$7.5	\$6.5	\$6.5	\$60.3	\$829.2
Subtotal	\$88.5	\$115.6	\$123.2	\$162.4	\$173.5	\$119.8	\$69.7	\$8.6	\$7.3	\$7.3	\$62.6	\$850.0
Capital Projects – RiverRenew												
RiverRenew	\$96.0	\$23.5	\$1.5	-	-	-	-	-	-	-	-	\$25.0
Subtotal	\$96.0	\$23.5	\$1.5	-	-	-	-	-	-	-	-	\$25.0
Total CIP/IRR Program Expenditures	\$197.2	\$154.4	\$140.8	\$177.3	\$187.0	\$133.5	\$83.7	\$23.3	\$22.9	\$23.2	\$78.3	\$1,024.4
Summary of Funding	Adopted FY2026	Proposed FY2027	Est. FY2028	Est. FY2029	Est. FY2030	Est. FY2031	Est. FY2032	Est. FY2033	Est. FY2034	Est. FY2035	Est. FY2036	10-year Total
Operating Revenues	\$18.9	\$20.5	\$22.8	\$24.3	\$26.7	\$27.7	\$28.8	\$30.0	\$31.3	\$32.7	\$34.2	\$279.0
Fairfax IRR Contributions	\$5.1	\$8.4	\$8.8	\$8.5	\$7.7	\$7.7	\$7.9	\$8.3	\$8.9	\$9.1	\$8.9	\$84.2
Fairfax Capital Contributions	\$54.1	\$67.5	\$71.0	\$96.1	\$103.8	\$71.3	\$41.3	\$4.5	\$3.9	\$3.9	\$36.2	\$499.6
WIFIA Loan Proceeds	\$86.4	\$21.4	\$1.4	-	-	-	-	-	-	-	-	\$22.8
Bond Proceeds	\$27.0	\$28.6	\$32.6	\$45.0	\$45.0	\$25.0	-	-	-	-	-	\$176.2
Grants	-	-	-	-	-	-	-	-	-	-	-	-
Interest Income	\$1.3	\$1.3	\$1.3	\$1.3	\$1.3	\$1.3	\$1.3	\$1.3	\$1.3	\$1.3	\$1.3	\$12.8
Cash	\$4.5	\$6.8	\$2.9	\$2.2	\$2.6	\$0.4	\$4.3	(\$20.9)	(\$22.5)	(\$23.7)	(\$2.3)	(\$50.1)
Total CIP/IRR Program Funding Sources	\$197.2	\$154.4	\$140.8	\$177.3	\$187.0	\$133.5	\$83.7	\$23.3	\$22.9	\$23.2	\$78.3	\$1,024.4



Table C-2. FY2027-2036 10-year CIP Program – Detailed Expenses

Projects	Alex-Only %	Fairfax %	Proposed FY2027	Estimated FY2028	Estimated FY2029	Estimated FY2030	Estimated FY2031	Estimated FY2032	Estimated FY2033	Estimated FY2034	Estimated FY2035	Estimated FY2036	10-year Total
IRR Program													
Alex-only IRR													
IRR: Campus-Wide Projects	0%		\$ 0.5	\$ 0.5	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 2.6
IRR: Collection System Projects	0%		\$ 0.7	\$ 0.8	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.4	\$ 0.4	\$ 0.4	\$ 4.2
Alex-only IRR Subtotal			\$ 1.2	\$ 1.3	\$ 0.5	\$ 0.6	\$ 0.6	\$ 0.6	\$ 6.8				
Joint IRR													
IRR: Campus-Wide Projects	60%		\$ 7.0	\$ 7.1	\$ 7.5	\$ 6.5	\$ 6.5	\$ 6.5	\$ 7.0	\$ 7.8	\$ 7.8	\$ 7.8	\$ 71.6
IRR: Preliminary and Primary Infrastructure	40%		\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 5.0
IRR: Secondary Infrastructure	60%		\$ 1.6	\$ 1.8	\$ 1.8	\$ 1.9	\$ 1.9	\$ 2.0	\$ 2.0	\$ 2.1	\$ 2.2	\$ 2.5	\$ 19.8
IRR: Tertiary Infrastructure	40%		\$ 0.7	\$ 0.8	\$ 0.7	\$ 0.7	\$ 0.8	\$ 0.8	\$ 0.8	\$ 0.8	\$ 0.9	\$ 0.9	\$ 7.8
IRR: Solids Infrastructure	60%		\$ 1.2	\$ 1.3	\$ 1.3	\$ 1.4	\$ 1.4	\$ 1.4	\$ 1.5	\$ 1.5	\$ 1.6	\$ 1.6	\$ 13.4
IRR: WRRF Safety and Security	40%		\$ 1.2	\$ 1.5	\$ 0.8	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 5.3
IRR: Collection System Projects	60%		\$ 0.4	\$ 0.4	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.2	\$ 0.2	\$ 0.2	\$ 1.9
IRR: Compliance Laboratory	40%		\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.1
IRR: Environmental Center Projects	47%		\$ 0.9	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.1	\$ 1.1	\$ 1.1	\$ 1.2	\$ 1.2	\$ 10.5
IRR: RiverRenew	60%		\$ 0.2	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 2.1
IRR: Information Technology Projects	40%		\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 5.1
Joint IRR Subtotal			\$ 14.2	\$ 14.9	\$ 14.4	\$ 13.0	\$ 13.1	\$ 13.4	\$ 14.1	\$ 15.0	\$ 15.4	\$ 15.1	\$ 142.7
IRR Program Total			\$ 15.4	\$ 16.1	\$ 14.9	\$ 13.5	\$ 13.7	\$ 14.0	\$ 14.7	\$ 15.6	\$ 15.9	\$ 15.7	\$ 149.5
CIP - General													
Alex-only Capital Projects													
Commonwealth Interceptor Upgrade Project	0%		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1.5
Arlington County Capital Contributions	100%		\$ 5.9	\$ 4.5	\$ 2.0	\$ 0.2	\$ 0.7	\$ 0.6	\$ 0.8	\$ 0.5	\$ 0.5	\$ 0.5	\$ 16.3
Regional Biosolids Feasibility Study	0%		\$ 0.3	\$ 0.3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.5
Capital Financing Fees	100%		\$ 1.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 2.5
Alex-only Capital Projects Subtotal			\$ 6.4	\$ 5.0	\$ 2.3	\$ 0.5	\$ 1.0	\$ 0.9	\$ 1.1	\$ 0.8	\$ 0.8	\$ 2.3	\$ 20.8



Table C-2. FY2027-2036 10-year CIP Program – Detailed Expenses (continued)

Projects	Fairfax %	Alex-Only %	Total Project	Prior Years	Estimated FY2027	Estimated FY2028	Estimated FY2029	Estimated FY2030	Estimated FY2031	Estimated FY2032	Estimated FY2033	Estimated FY2034	Estimated FY2035	Estimated FY2036	10-year Total
Joint Capital Projects															
Biosolids Diversification	60%	40%	\$ 405.0	\$ 36.4	\$ 32.7	\$ 39.6	\$ 72.1	\$ 88.7	\$ 59.7	\$ 26.2	\$ -	\$ -	\$ -	\$ -	\$ 319.0
Headworks Renewal	60%	40%	\$ 127.0	\$ 16.5	\$ 28.8	\$ 24.2	\$ 23.8	\$ 23.8	\$ 9.9	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 110.6
Nutrient Reduction	60%	40%	\$ 190.0	\$ 2.3	\$ 9.0	\$ 19.6	\$ 26.7	\$ 45.8	\$ 45.8	\$ 40.8	\$ -	\$ -	\$ -	\$ -	\$ 187.7
Information Technology Infrastructure Upgrades	60%	40%	\$ 40.6	\$ 14.2	\$ 6.9	\$ 4.4	\$ 3.0	\$ 1.9	\$ 2.0	\$ 1.8	\$ 1.7	\$ 1.5	\$ 1.5	\$ 1.5	\$ 26.4
Process Optimization	60%	40%	\$ 10.0	\$ 9.1	\$ 0.9	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.9
Campus-wide Electrical Upgrade Program	60%	40%	\$ 74.6	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5.8	\$ 5.0	\$ 5.0	\$ 58.8	\$ 74.6
Warehouse and Inventory Upgrade	60%	40%	\$ 19.4	\$ 0.4	\$ 0.5	\$ 1.4	\$ 10.9	\$ 6.3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19.0
HMI Upgrade	60%	40%	\$ 5.5	\$ 4.5	\$ 0.5	\$ 0.5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1.0
Plant Effluent Water and Reclaimed Water System															
Improvements	60%	40%	\$ 7.2	\$ 0.2	\$ 0.5	\$ 1.5	\$ 2.9	\$ 2.2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7.0
Secondary Settling Tanks Refurbishment	60%	40%	\$ 35.9	\$ 1.5	\$ 5.2	\$ 13.9	\$ 14.0	\$ 1.2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34.4
Security Services During Construction	60%	40%	\$ 9.6	\$ 3.4	\$ 1.1	\$ 1.2	\$ 1.2	\$ 1.3	\$ 1.4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6.1
Security Upgrades	60%	40%	\$ 4.0	\$ -	\$ 2.4	\$ 1.6	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4.0
Reclaimed Water System Expansion	60%	40%	\$ 0.3	\$ 0.1	\$ 0.2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.2
WRRF HVAC System Upgrade	60%	40%	\$ 9.1	\$ 0.2	\$ 0.9	\$ 3.2	\$ 3.0	\$ 1.8	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8.8
North Bridge Structural Upgrades	60%	40%	\$ 0.2	\$ -	\$ 0.2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.2
Climate Change Resiliency Program	60%	40%	\$ 3.9	\$ 1.4	\$ 2.5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2.5
Sustainability Program	60%	40%	\$ 3.6	\$ 0.2	\$ 3.4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3.4
Low-Pressure Steam System Improvements	60%	40%	\$ 15.2	\$ 3.3	\$ 9.6	\$ 2.3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11.9
Enterprise Resource Planning System Upgrade	60%	40%	\$ 10.0	\$ -	\$ 3.0	\$ 4.5	\$ 2.5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10.0
Website Project	60%	40%	\$ 0.7	\$ 0.2	\$ 0.5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.5
Environmental Center Lobby Upgrades	47%	53%	\$ 1.0	\$ 0.1	\$ 0.5	\$ 0.4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.9
Joint Capital Projects Subtotal			\$ 972.6	\$ 93.8	\$ 109.2	\$ 118.2	\$ 160.1	\$ 173.1	\$ 118.8	\$ 68.8	\$ 7.5	\$ 6.5	\$ 6.5	\$ 60.3	\$ 829.2
General Capital Projects Total			\$ 1,010.2	\$ 110.5	\$ 115.6	\$ 125.2	\$ 162.4	\$ 173.5	\$ 119.8	\$ 69.7	\$ 8.6	\$ 7.3	\$ 7.3	\$ 62.6	\$ 850.0
RiverRenew Program															
RiverRenew Tunnel Project - Joint	9.0%	91.0%	\$ 633.0	\$ 615.5	\$ 17.5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17.5
RiverRenew Service Contract - Joint	8.2%	91.9%	\$ 7.5	\$ -	\$ 6.0	\$ 1.5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7.5
RiverRenew Tunnel Project Total			\$ 640.5	\$ 615.5	\$ 23.5	\$ 1.5	\$ 0.0	\$ 25.0							
AlexRenew Capital Total			\$ 1,815.7	\$ 741.7	\$ 154.4	\$ 140.8	\$ 177.3	\$ 187.0	\$ 133.5	\$ 83.7	\$ 23.3	\$ 22.9	\$ 23.2	\$ 78.3	\$ 1,024.4

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Campus-Wide Projects (Alex-only)

Project Location: Various Alex-only assets

Description: Any improvement, rehabilitation, and replacement projects designated as Alexandria-only.
 Justification: Provide funds for improvement, rehabilitation, and replacement projects associated with non-process Alexandria-only infrastructure.
 Program: IRR
 Cost Share: Alex-Only (0% Fairfax County / 100% AlexRenew)
 Category:
 Schedule: Ongoing IRR program
 Status: Replacements or repairs as needed

Project Financials:

Expenditure	Fiscal Year (\$M)											Total
	Prior Years	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	
Total	\$0.02	\$0.50	\$0.50	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20	\$2.60
Financing												
AlexRenew	\$0.02	\$0.50	\$0.50	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20	\$2.60
Fairfax	-	-	-	-	-	-	-	-	-	-	-	-
Lifetime Total:										\$2.62		

Notes:

(1) Prior Years amount represents adopted FY2026 budget.

Collection System (Alex-only)

Project Location: Alex-only Facilities

Description: Continued improvement, rehabilitation, and replacement of Alexandria-only collection system assets such as interceptors and trunk sewers.
 Justification: To maintain the full functionality and reliability of AlexRenew's collection system.
 Program: IRR
 Cost Share: Alex-Only (0% Fairfax County / 100% AlexRenew)
 Category:
 Schedule: Ongoing IRR program
 Status: Replacements or repairs as needed

Project Financials:

Expenditure	Fiscal Year (\$M)											Total	
	Prior Years	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036		
Total	\$1.00	\$0.68	\$0.75	\$0.31	\$0.32	\$0.33	\$0.34	\$0.35	\$0.36	\$0.38	\$0.40	\$4.21	
Financing													
AlexRenew	\$1.00	\$0.68	\$0.75	\$0.31	\$0.32	\$0.33	\$0.34	\$0.35	\$0.36	\$0.38	\$0.40	\$4.21	
Fairfax	-	-	-	-	-	-	-	-	-	-	-	-	
									Lifetime Total:				\$5.21

Notes:

- (1) Prior Years amount represents adopted FY2026 budget.

Campus Wide Projects (Joint)

Project Location: WRRF – Various

Description: All improvement, rehabilitation, and replacement projects on infrastructure, equipment, and systems (i.e. HVAC, electrical, etc.) across campus.
 Justification: To maintain the full functionality and reliability of campus-wide systems.
 Program: IRR
 Cost Share: Joint (60% Fairfax County / 40% AlexRenew)
 Category:
 Schedule: Ongoing IRR program
 Status: Replacements or repairs as needed

Project Financials:

Expenditure	Fiscal Year (\$M)											Total	
	Prior Years	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036		
Total	\$6.50	\$6.50	\$6.50	\$6.50	\$6.50	\$6.50	\$6.50	\$7.00	\$7.00	\$7.00	\$7.00	\$67.00	
Financing													
AlexRenew	\$2.60	\$2.60	\$2.60	\$2.60	\$2.60	\$2.60	\$2.60	\$2.80	\$2.80	\$2.80	\$2.80	\$26.80	
Fairfax	\$3.90	\$3.90	\$3.90	\$3.90	\$3.90	\$3.90	\$3.90	\$4.20	\$4.20	\$4.20	\$4.20	\$40.20	
								Lifetime Total:					\$73.50

Notes:

- (1) Prior Years amount represents adopted FY2026 budget.

Preliminary and Primary Infrastructure

Description: All improvement, rehabilitation, and replacement projects associated with the preliminary and primary treatment systems.

Justification: To maintain the full functionality and reliability of the preliminary and primary treatment processes.

Program: IRR

Cost Share: Joint (60% Fairfax County / 40% AlexRenew)

Category:

Schedule: Ongoing IRR program

Status: Replacements or repairs as needed

Project Financials:

Expenditure	Fiscal Year (\$M)											Total
	Prior Years	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	
Total	\$1.00	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50	\$5.00
Financing												
AlexRenew	\$0.40	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20	\$2.00
Fairfax	\$0.60	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$3.00
Lifetime Total:										\$6.00		

Notes:

(1) Prior Years amount represents adopted FY2026 budget.

Secondary Infrastructure

Project Location: Secondary Systems

Description: All improvement, rehabilitation, and replacement projects associated with the secondary treatment systems.
 Justification: To maintain the full functionality and reliability of the secondary treatment processes.
 Program: IRR
 Cost Share: Joint (60% Fairfax County / 40% AlexRenew)
 Category:
 Schedule: Ongoing IRR program
 Status: Replacements or repairs as needed

Project Financials:

Expenditure	Fiscal Year (\$M)											Total
	Prior Years	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	
Total	\$1.50	\$1.62	\$1.78	\$1.80	\$1.86	\$1.91	\$1.97	\$2.03	\$2.09	\$2.19	\$2.50	\$19.75
Financing												
AlexRenew	\$0.60	\$0.65	\$0.71	\$0.72	\$0.74	\$0.76	\$0.79	\$0.81	\$0.84	\$0.88	\$1.00	\$7.90
Fairfax	\$0.90	\$0.97	\$1.07	\$1.08	\$1.11	\$1.15	\$1.18	\$1.22	\$1.25	\$1.32	\$1.50	\$11.85
Lifetime Total:											\$21.25	

Notes:

- (1) Prior Years amount represents adopted FY2026 budget.

Tertiary Infrastructure

Project Location: Tertiary Systems

Description: All improvement, rehabilitation, and replacement projects associated with the tertiary treatment systems.
 Justification: To maintain the full functionality and reliability of the tertiary treatment processes.
 Program: IRR
 Cost Share: Joint (60% Fairfax County / 40% AlexRenew)
 Category:
 Schedule: Ongoing IRR program
 Status: Replacements or repairs as needed

Project Financials:

Expenditure	Fiscal Year (\$M)											Total
	Prior Years	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	
Total	\$1.38	\$0.68	\$0.75	\$0.72	\$0.74	\$0.76	\$0.78	\$0.81	\$0.83	\$0.87	\$0.90	\$7.85
Financing												
AlexRenew	\$0.55	\$0.27	\$0.30	\$0.29	\$0.30	\$0.30	\$0.31	\$0.32	\$0.33	\$0.35	\$0.36	\$3.14
Fairfax	\$0.83	\$0.41	\$0.45	\$0.43	\$0.44	\$0.46	\$0.47	\$0.48	\$0.50	\$0.52	\$0.54	\$4.71
Lifetime Total:											\$9.23	

Notes:

- (1) Prior Years amount represents adopted FY2026 budget.

Solids Infrastructure

Project Location: Solids Processes

Description: All improvement, rehabilitation, and replacement projects associated with the solids treatment systems.
 Justification: To maintain the full functionality and reliability of the solids treatment processes.
 Program: IRR
 Cost Share: Joint (60% Fairfax County / 40% AlexRenew)
 Category:
 Schedule: Ongoing IRR program
 Status: Replacements or repairs as needed

Project Financials:

Expenditure	Fiscal Year (\$M)											Total
	Prior Years	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	
Total	\$1.00	\$1.17	\$1.28	\$1.30	\$1.34	\$1.38	\$1.42	\$1.46	\$1.50	\$1.58	\$1.00	\$13.42
Financing												
AlexRenew	\$0.40	\$0.47	\$0.51	\$0.52	\$0.53	\$0.55	\$0.57	\$0.58	\$0.60	\$0.63	\$0.40	\$5.37
Fairfax	\$0.60	\$0.70	\$0.77	\$0.78	\$0.80	\$0.83	\$0.85	\$0.88	\$0.90	\$0.95	\$0.60	\$8.05
Lifetime Total:											\$14.42	

Notes:

(1) Prior Years amount represents adopted FY2026 budget.

WRRF Safety and Security

Project Location: WRRF – Various

Description: All improvement, rehabilitation, and replacement projects associated with safety and security systems at the plant.
 Justification: To continuously improve the overall safety and security of AlexRenew employees, vendors, contractors, and visitors at the plant.
 Program: IRR
 Cost Share: Joint (60% Fairfax County / 40% AlexRenew)
 Category:
 Schedule: Ongoing IRR program
 Status: Replacements or repairs as needed

Project Financials:

Expenditure	Fiscal Year (\$M)											Total	
	Prior Years	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036		
Total	\$1.00	\$1.20	\$1.50	\$0.82	\$0.23	\$0.24	\$0.24	\$0.25	\$0.26	\$0.27	\$0.27	\$5.28	
Financing													
AlexRenew	\$0.40	\$0.48	\$0.60	\$0.33	\$0.09	\$0.09	\$0.10	\$0.10	\$0.10	\$0.11	\$0.11	\$2.11	
Fairfax	\$0.60	\$0.72	\$0.90	\$0.49	\$0.14	\$0.14	\$0.15	\$0.15	\$0.15	\$0.16	\$0.16	\$3.17	
									Lifetime Total:				\$6.28

Notes:

- (1) Prior Years amount represents adopted FY2026 budget.

Collection System Projects

Project Location: Joint Collection System

Description: All improvement, rehabilitation, and replacement needs for collection system assets that serve both the City and Fairfax County to maintain their useful life.

Justification: To maintain the full functionality and reliability of collection system.

Program: IRR

Cost Share: Joint (60% Fairfax County / 40% AlexRenew)

Category:

Schedule: Ongoing IRR program

Status: Replacements or repairs as needed

Project Financials:

Expenditure	Fiscal Year (\$M)											Total
	Prior Years	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	
Total	\$0.50	\$0.37	\$0.40	\$0.13	\$0.13	\$0.14	\$0.14	\$0.15	\$0.15	\$0.16	\$0.16	\$1.93
Financing												
AlexRenew	\$0.20	\$0.15	\$0.16	\$0.05	\$0.05	\$0.06	\$0.06	\$0.06	\$0.06	\$0.06	\$0.06	\$0.77
Fairfax	\$0.30	\$0.22	\$0.24	\$0.08	\$0.08	\$0.08	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09	\$1.16
									Lifetime Total:		\$2.43	

Notes:

- (1) Prior Years amount represents adopted FY2026 budget.

Compliance Laboratory

Project Location:

Building G

Description: All improvement, rehabilitation, and replacement projects associated with the compliance laboratory.
 Justification: To maintain the full functionality and reliability of the compliance laboratory.
 Program: IRR
 Cost Share: Joint (60% Fairfax County / 40% AlexRenew)
 Category:
 Schedule: Ongoing IRR program
 Status: Replacements or repairs as needed

Project Financials:

Expenditure	Fiscal Year (\$M)											Total
	Prior Years	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	
Total	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.02	\$0.02	\$0.02	\$0.14
Financing												
AlexRenew	\$0.00	\$0.00	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.06
Fairfax	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.08
									Lifetime Total:		\$0.15	

Notes:

- (1) Prior Years amount represents adopted FY2026 budget.

Environmental Center Projects (Joint)

Project Location: WRRF – Various

Description: All improvement, rehabilitation, and replacement projects associated with the Environmental Center
 Justification: To maintain the full functionality of the Environmental Center
 Program: IRR
 Cost Share: Environmental Center (47% Fairfax County / 53% AlexRenew)
 Category:
 Schedule: Ongoing IRR program
 Status: Replacements or repairs as needed

Project Financials:

Expenditure	Fiscal Year (\$M)											Total
	Prior Years	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	
Total	\$1.00	\$0.87	\$0.96	\$0.97	\$1.00	\$1.03	\$1.06	\$1.10	\$1.13	\$1.18	\$1.18	\$10.50
Financing												
AlexRenew	\$0.53	\$0.46	\$0.51	\$0.52	\$0.53	\$0.55	\$0.56	\$0.58	\$0.60	\$0.63	\$0.63	\$5.57
Fairfax	\$0.47	\$0.41	\$0.45	\$0.46	\$0.47	\$0.49	\$0.50	\$0.51	\$0.53	\$0.56	\$0.56	\$4.94
Lifetime Total:											\$11.50	

Notes:

(1) Prior Years amount represents adopted FY2026 budget.

RiverRenew Tunnel System

Project Location: WRRF – Various

Description: All improvement, rehabilitation, and replacement needs for RiverRenew assets to maintain their useful life.
 Justification: To maintain the full functionality and reliability of AlexRenew’s RiverRenew assets.
 Program: IRR
 Cost Share: Joint (60% Fairfax County / 40% AlexRenew)
 Category:
 Schedule: New IRR program
 Status: Replacements or repairs as needed

Project Financials:

Expenditure	Prior Years	Fiscal Year (\$M)										Total
		2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	
Total	-	\$0.24	\$0.10	\$0.13	\$0.13	\$0.13	\$0.28	\$0.28	\$0.28	\$0.28	\$0.28	\$2.13
Financing												
AlexRenew	-	\$0.10	\$0.04	\$0.05	\$0.05	\$0.05	\$0.11	\$0.11	\$0.11	\$0.11	\$0.11	\$0.85
Fairfax	-	\$0.14	\$0.06	\$0.08	\$0.08	\$0.08	\$0.17	\$0.17	\$0.17	\$0.17	\$0.17	\$1.28
Lifetime Total:											\$2.13	

Notes:

(1) Prior Years amount represents adopted FY2026 budget.

Information Technology Projects

Project Location: WRRF – Various

Description: Ongoing lifecycle replacement and expansion of information technology (IT) assets.
 Justification: To maintain the full functionality and reliability of AlexRenew’s IT assets.
 Program: IRR
 Cost Share: Joint (60% Fairfax County / 40% AlexRenew)
 Category:
 Schedule: Ongoing IRR program
 Status: Replacements or repairs as needed

Project Financials:

Expenditure	Fiscal Year (\$M)											Total
	Prior Years	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	
Total	\$0.50	\$0.53	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50	\$0.53	\$0.53	\$5.08
Financing												
AlexRenew	\$0.20	\$0.21	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20	\$0.21	\$0.21	\$2.03
Fairfax	\$0.30	\$0.32	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.32	\$0.32	\$3.05
Lifetime Total:										\$5.58		

Notes:

- (1) Prior Years amount represents adopted FY2026 budget.

Commonwealth Interceptor Upgrade Project

Project Location: Commonwealth Interceptor

Description: The Commonwealth Interceptor is a separate sanitary sewer that collects flows from the Del Ray, Rosemont, and North Ridge neighborhoods (i.e., the Commonwealth Separate Sewer Area) in Alexandria. The interceptor has sufficient capacity to convey sanitary sewer flows to AlexRenew; however, during periods of intense rain, the Commonwealth Separate Sanitary Sewer Area (owned by the City) is overwhelmed by excess infiltration and inflow (I/I). This excess I/I can cause sewer flooding and basement backups. In coordination with the City, this study will identify and evaluate alternatives to mitigate capacity issues caused by excess I/I.

Justification: Explores ways to mitigate capacity issues from excess I/I to the Commonwealth Interceptor

Program: Capital Improvement Program

Cost Share: Alex-Only (0% Fairfax County / 100% AlexRenew)

Category:

Schedule: Alternative Analysis - FY2025-2026
Design and Construction - FY2036-2041

Status: Alternative analysis is underway. Project has been deferred.

Project Financials:

Expenditure	Fiscal Year (\$M)											
	Prior Years	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	Total
Total	\$5.19	-	-	-	-	-	-	-	-	-	\$1.50	\$1.50
Financing												
AlexRenew	\$5.19	-	-	-	-	-	-	-	-	-	\$1.50	\$1.50
Fairfax	-	-	-	-	-	-	-	-	-	-	-	-
Lifetime Total:												\$72.89

Notes:

(1) Prior Years amount represents actual spend through FY2025 and adopted FY2026 budget.

Arlington County Capital Contributions

Project Location: WRRF – Various

Description: Arlington County treats wastewater flows from the northwestern quadrant of the City of Alexandria at its Water Pollution Control Plant (WPCP). Established in the service agreement between AlexRenew and Arlington County (dated July 1, 1977), AlexRenew makes annual contributions to Arlington County's Capital Improvement Program based on the established capacity share to fund upgrades to the WPCP.

Justification: Ensures AlexRenew meets its obligations under the service agreement with Arlington County.

Program: Capital Improvement Program

Cost Share: Alex-Only (0% Fairfax County / 100% AlexRenew)

Category:

Schedule: Ongoing

Status: Annual contributions support Arlington County's identified project in their CIP.

Project Financials:

Expenditure	Fiscal Year (\$M)											Total
	Prior Years	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	
Total	\$9.73	\$5.86	\$4.46	\$2.00	\$0.22	\$0.73	\$0.61	\$0.80	\$0.54	\$0.54	\$0.54	\$16.30
Financing												
AlexRenew	\$9.73	\$5.86	\$4.46	\$2.00	\$0.22	\$0.73	\$0.61	\$0.80	\$0.54	\$0.54	\$0.54	\$16.30
Fairfax	-	-	-	-	-	-	-	-	-	-	-	-
									Lifetime Total: \$26.02			

Notes:

(1) Prior Years amount represents actual spend through FY2025 and adopted FY2026 budget.

Regional Biosolids Feasibility Study (Alex-only)

Project Location:

N/A

Description: AlexRenew is partnering with seven Northern Virginia wastewater agencies to explore the feasibility of a regional biosolids processing facility. If, upon completion of the study, a regional facility is found to be feasible, the partners anticipate the facility will be operational by 2040. Additional funds may be needed to design and construct the facility. Current costs represent of AlexRenew's portion of the feasibility study.

Justification: The 2026 Virginia General Assembly is considering legislation on PFAS concentrations in biosolids that would limit biosolids land application.

Program: Capital Improvement Program

Cost Share: Biosolids Feasibility Study (57% Other Entities / 43% AlexRenew)

Category:

Schedule: Feasibility Study - FY2026 - FY2028

Status: Phase 1 Study is underway

Project Financials:

Expenditure	Fiscal Year (\$M)											Total
	Prior Years	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	
Total	\$0.49	\$0.25	\$0.25	-	-	-	-	-	-	-	-	\$0.50
Financing												
AlexRenew	\$0.21	\$0.11	\$0.11	-	-	-	-	-	-	-	-	\$0.22
Fairfax	-	-	-	-	-	-	-	-	-	-	-	-
Lifetime Total:											\$0.99	

Notes:

- (1) Prior Years amount represents actual spend through FY2025 and adopted FY2026 budget.

Capital Financing Fees

Project Location:

Various

Description: Capital financing fees are fees associated with the financing of the CIP program. These include but are not limited to financial advisory fees, legal fees, loan application and service fees.

Justification: Ensures payment of financing fees.

Program: Capital Improvement Program

Cost Share: Alex-Only (0% Fairfax County / 100% AlexRenew)

Category:

Schedule: Ongoing to support CIP

Status: AS-needed

Project Financials:

Expenditure	Fiscal Year (\$M)											Total	
	Prior Years	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036		
Total	\$1.33	\$0.25	\$0.25	\$0.25	\$0.25	\$0.25	\$0.25	\$0.25	\$0.25	\$0.25	\$0.25	\$2.50	
Financing													
AlexRenew	\$1.33	\$0.25	\$0.25	\$0.25	\$0.25	\$0.25	\$0.25	\$0.25	\$0.25	\$0.25	\$0.25	\$2.50	
Fairfax	-	-	-	-	-	-	-	-	-	-	-	-	
									Lifetime Total:				\$3.83

Notes:

- (1) Prior Years amount represents actual spend through FY2025 and adopted FY2026 budget.

Biosolids Diversification Project

Project Location:

Solids Processes

Description: The Biosolids Diversification Project will address aging infrastructure concerns, improve the reliability of AlexRenew's solids treatment systems, and build resilience into AlexRenew's long-term solids management approach. Upgrades under this project are in accordance with recommendations from AlexRenew's Solids Master Plan (SMP). The SMP laid out a roadmap containing short-term options to address the reliability of aging infrastructure; medium-term options to reduce biosolids volume, diversify end-use options, and minimize regulatory risk; and long-term options to adapt to future solids management scenarios. This project focuses on the implementation of short- and medium-term options.

In May 2024, AlexRenew executed a Construction Management At-Risk (CMAR) contract to execute the short- and medium-term improvements. The CMAR contract is being executed in phases to allow critical upgrades to occur first and improve the overall construction schedule. AlexRenew expects the CMAR contractor to deliver the upgrades for a Guaranteed Maximum Price.

Justification: Improves the performance and reliability of solids processes while building resilience into AlexRenew's long-term solids management approach.

Program: Capital Improvement Program

Cost Share: Joint (60% Fairfax County / 40% AlexRenew)

Category:

Schedule: Solids Master Plan - FY2023-2025
 Preconstruction Services - FY2025-2027
 Design of short-term improvements - FY2025-2026
 Construction of short-term improvements - FY2026-2030
 Design of medium-term improvements - FY2026-2028
 Construction of medium-term improvements - FY2027-2032

Status: Construction of short-term improvements is underway. Design of medium-term improvements and associated CMAR preconstruction services are underway.

Project Financials:

Expenditure	Fiscal Year (\$M)											Total	
	Prior Years	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036		
Total	\$36.37	\$32.66	\$39.60	\$72.10	\$88.70	\$59.70	\$26.20	-	-	-	-	\$318.96	
Financing													
AlexRenew	\$14.55	\$13.06	\$15.84	\$28.84	\$35.48	\$23.88	\$10.48	-	-	-	-	\$127.58	
Fairfax	\$21.82	\$19.60	\$23.76	\$43.26	\$53.22	\$35.82	\$15.72	-	-	-	-	\$191.38	
								Lifetime Total:					\$355.33

Notes:

(1) Prior Years amount represents actual spend through FY2025 and projected FY2026 spend.

Headworks Renewal

Project Location:

Systems

Description: The Headworks Renewal Project will address aging infrastructure concerns and improve the reliability of AlexRenew's preliminary and primary treatment systems. Upgrades under this project are in accordance with recommendations from previous planning and design efforts and include improvements to pumping; screening; grit and screenings handling; scum separation; and the primary settling tank effluent channel.

In July 2024, AlexRenew executed a Construction Management At-Risk (CMAR) contract to construct elements associated with the Headworks Renewal Project. The CMAR contract is being executed in phases to allow critical upgrades to occur first and improve the overall construction schedule. AlexRenew expects the CMAR contractor to deliver the upgrades for a Guaranteed Maximum Price.

Justification: Improves the reliability and performance of the preliminary and primary systems.

Program: Capital Improvement Program
Cost Share: Joint (60% Fairfax County / 40% AlexRenew)
Category:
Schedule: Preliminary Design - FY2021-2023
 Preconstruction Services - FY2025-2028
 Design - FY2024-2027
 Construction - FY2026-2031

Status: Design and associated CMAR preconstruction services are underway.

Project Financials:

Expenditure	Fiscal Year (\$M)											
	Prior Years	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	Total
Total	\$16.45	\$28.81	\$24.25	\$23.83	\$23.80	\$9.90	-	-	-	-	-	\$110.59
Financing												
AlexRenew	\$6.58	\$11.53	\$9.70	\$9.53	\$9.52	\$3.96	-	-	-	-	-	\$44.24
Fairfax	\$9.87	\$17.29	\$14.55	\$14.30	\$14.28	\$5.94	-	-	-	-	-	\$66.35
												Lifetime Total: \$127.04

Notes:

- (1) Prior Years amount represents actual spend through FY2025 and projected FY2026 spend.

Nutrient Reduction Project

Project Location: Secondary and Tertiary Systems

Description: The Nutrient Reduction Project (NRP) will address aging infrastructure concerns and improve the reliability and efficacy of existing tertiary treatment systems. The NRP will also expand the capacity of AlexRenew’s nutrient removal systems from 54 to 58 MGD to support growth in Alexandria. Upgrades to AlexRenew’s tertiary settling tanks, biological reactor basins, and effluent filters are anticipated.

In January 2026, AlexRenew executed a progressive design-build (PDB) contract for the design and construction of tertiary system improvements. The PDB contract is being executed in phases to allow critical upgrades to occur first and to improve the overall project schedule. AlexRenew expects the PDB contractor to deliver the upgrades for a Guaranteed Maximum Price.

Justification: Ensures the reliability, functionality, and level of service of the WRRF. Provides Alexandria with an additional four (4) million gallons per day (MGD) of capacity to support growth.

Program: Capital Improvement Program
Cost Share: Joint (60% Fairfax County / 40% AlexRenew)

Category:
Schedule: Preconstruction Services and Design - FY2025-2028
 Construction - FY2027-2032

Status: Design and associated preconstruction services are underway.

Project Financials:

Expenditure	Fiscal Year (\$M)											Total	
	Prior Years	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036		
Total	\$2.30	\$9.03	\$19.55	\$26.69	\$45.83	\$45.83	\$40.83	-	-	-	-	\$187.75	
Financing													
AlexRenew	\$0.92	\$3.61	\$7.82	\$10.67	\$18.33	\$18.33	\$16.33	-	-	-	-	\$75.10	
Fairfax	\$1.38	\$5.42	\$11.73	\$16.01	\$27.50	\$27.50	\$24.50	-	-	-	-	\$112.65	
								Lifetime Total:					\$190.05

Notes:

(1) Prior Years amount represents actual spend through FY2025 and projected FY2026 spend.

Information Technology Infrastructure Upgrades

Project Location: **WRRF – Various**

Description: AlexRenew’s information technology (IT) infrastructure and applications are critical to supporting safe, reliable operations across the organization. To address evolving cybersecurity threats and improve system performance, a series of upgrades is underway to modernize and strengthen key IT assets, including communications networks, control systems, and asset management platforms. These improvements are focused on enhancing security, resilience, and operational efficiency while positioning the organization to meet future technology needs.

Justification: Supports the cybersecurity, operability, and management of AlexRenew's digital and physical infrastructure.

Program: Capital Improvement Program
Cost Share: Joint (60% Fairfax County / 40% AlexRenew)
Category:
Schedule: Implementation - FY2027-2029
Status: Implementation in progress.

Project Financials:

Expenditure	Fiscal Year (\$M)											Total
	Prior Years	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	
Total	\$14.16	\$6.87	\$4.45	\$3.00	\$1.95	\$2.05	\$1.80	\$1.75	\$1.55	\$1.50	\$1.50	\$26.41
Financing												
AlexRenew	\$5.66	\$2.75	\$1.78	\$1.20	\$0.78	\$0.82	\$0.72	\$0.70	\$0.62	\$0.60	\$0.60	\$10.56
Fairfax	\$8.50	\$4.12	\$2.67	\$1.80	\$1.17	\$1.23	\$1.08	\$1.05	\$0.93	\$0.90	\$0.90	\$15.84
									Lifetime Total:		\$74.87	

Notes:

(1) Prior Years amount represents actual spend through FY2025 and adopted FY2026 budget.

Process Optimization Project

Project Location: Building 69

Description: The Process Optimization Project will enhance the reliability and sustainability of AlexRenew’s centrate pretreatment (CPT) system. The CPT system is a sidestream wastewater treatment process that reduces the nitrogen load to the biological nutrient removal processes, thereby improving reliability, saving energy, and reducing chemical consumption. Upgrades include new aeration equipment and screening processes.

In March 2025, AlexRenew executed a construction contract for the CPT system upgrades.

Justification: Improves the reliability and efficiency of the CPT process.

Program: Capital Improvement Program

Cost Share: Joint (60% Fairfax County / 40% AlexRenew)

Category:

Schedule: Design - FY2023-2025

Construction in FY2025-2027

Status: Construction underway, expected to finish this FY.

Project Financials:

Expenditure	Fiscal Year (\$M)											Total
	Prior Years	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	
Total	\$9.13	\$0.90	-	-	-	-	-	-	-	-	-	\$0.90
Financing												
AlexRenew	\$3.65	\$0.36	-	-	-	-	-	-	-	-	-	\$0.36
Fairfax	\$5.48	\$0.54	-	-	-	-	-	-	-	-	-	\$0.54
Lifetime Total:											\$10.03	

Notes:

- (1) Prior Years amount represents actual spend through FY2025 and projected FY2026 spend.

Campus-wide Electrical Upgrade Program

Project Location: WRRF – Various

Description: AlexRenew relies on electricity to power and control the WRRF treatment processes. A comprehensive program is needed to assess the reliability of the WRRF electrical grid and related infrastructure. Preliminary planning efforts identified electrical upgrades to be addressed by the Biosolids Diversification, Headworks Renewal, and Nutrient Reduction Projects. The design and construction of additional campus-wide electrical improvements are to be addressed upon the completion of the PhaseForward Program.

Justification: Ensures the reliability, safety, and efficiency of the WRRF’s electrical systems.

Program: Capital Improvement Program

Cost Share: Joint (60% Fairfax County / 40% AlexRenew)

Category:

Schedule: Study/PER- FY2033
 Design - FY2034-2035
 Construction - FY2036-2037

Status: Program to commence in 2033.

Project Financials:

Expenditure	Fiscal Year (\$M)												
	Prior Years	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	Total	
Total	(-)	-	-	-	-	-	-	\$5.80	\$5.00	\$5.00	\$58.80	\$74.60	
Financing													
AlexRenew	-	-	-	-	-	-	-	\$2.32	\$2.00	\$2.00	\$23.52	\$29.84	
Fairfax	-	-	-	-	-	-	-	\$3.48	\$3.00	\$3.00	\$35.28	\$44.76	
								Lifetime Total:					\$133.40

Notes:

- (1) Prior Years amount represents actual spend through FY2025 and projected FY2026 spend.

Warehouse and Inventory Upgrade

Project Location: WRRF – Building G

Description: AlexRenew's warehouse houses spare parts, equipment, and supplies necessary to maintain treatment processes. Existing warehouse space is limited. This project will repurpose an existing facility to serve as AlexRenew's new centralized warehouse. The new warehouse will provide additional storage for equipment related to new assets and integrate new features to support AlexRenew's asset management initiative.

Justification: Improves storage of and access to parts, equipment, and supplies needed to maintain AlexRenew's assets.

Program: Capital Improvement Program
Cost Share: Joint (60% Fairfax County / 40% AlexRenew)

Category:

Schedule: Planning and design in FY2024-2028, Construction in FY2029-2030.

Status: Planning and design underway.

Project Financials:

Expenditure	Fiscal Year (\$M)											Total
	Prior Years	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	
Total	\$0.43	\$0.47	\$1.40	\$10.85	\$6.30	-	-	-	-	-	-	\$19.02
Financing												
AlexRenew	\$0.17	\$0.19	\$0.56	\$4.34	\$2.52	-	-	-	-	-	-	\$7.61
Fairfax	\$0.26	\$0.28	\$0.84	\$6.51	\$3.78	-	-	-	-	-	-	\$11.41
	Lifetime Total: \$19.44											

Notes:

- (1) Prior Years amount represents actual spend through FY2025 and projected FY2026 spend.

Human Machine Interface (HMI) Upgrades

Project Location:

WRRF – Various

Description: AlexRenew uses a Human Machine Interface (HMI) application as part of its supervisory control and data acquisition (SCADA) system to monitor and operate equipment and treatment processes. In 2016, AlexRenew completed a SCADA Master Plan that identified HMI improvements necessary to address stability issues including frequent data outages, mitigate cybersecurity risks from outdated infrastructure, and improve the SCADA system's response and reliability while providing enhanced operational decision making.

In 2018, AlexRenew began replacing the HMI with a new software platform. Each upgrade to the HMI involves testing and validation on individual process areas which must be planned around ongoing operational activities. To ensure no downtime in the continuous operation of the WRRF, this project is a multi-year project to replace the entire HMI. Implementation was temporarily delayed due to COVID-19.

Justification: Improves reliability of the WRRF SCADA system and ensures the HMI application meets current industry standards and best practices.

Program: Capital Improvement Program

Cost Share: Joint (60% Fairfax County / 40% AlexRenew)

Category:

Schedule: Master Plan - FY2016
 Planning - FY2017-2018
 Implementation - FY2019-2028

Status: Implementation underway

Project Financials:

Expenditure	Fiscal Year (\$M)											Total
	Prior Years	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	
Total	\$4.49	\$0.50	\$0.50	-	-	-	-	-	-	-	-	\$1.00
Financing												
AlexRenew	\$1.79	\$0.20	\$0.20	-	-	-	-	-	-	-	-	\$0.40
Fairfax	\$2.69	\$0.30	\$0.30	-	-	-	-	-	-	-	-	\$0.60
Lifetime Total:											\$5.49	

Notes:

(1) Prior Years amount represents actual spend through FY2025 and adopted FY2026 budget.

Plant Effluent and Reclaimed Water Systems Improvements

Project Location:

WRRF – Various

Description: AlexRenew maintains a plant effluent water system that includes a pumping station and distribution system. The system allows staff to use plant effluent water for a variety of process and maintenance activities, reducing the use of potable water at the plan. Additionally, AlexRenew maintains a reclaimed water system that includes distribution piping and a bulk fill station. Both systems require upgrades to various components to ensure reliability and operability for on-site use. Expansion of the reclaimed water system is being assessed under a different capital project.

Justification: Increases reliability and efficiency of AlexRenew's effluent and reclaimed water systems.

Program: Capital Improvement Program

Cost Share: Joint (60% Fairfax County / 40% AlexRenew)

Category:

Schedule: Assessment and Design in FY2026 - FY2028

Construction in FY2028 - FY2030

Status: Assessment to determine necessary upgrades is underway

Project Financials:

Expenditure	Fiscal Year (\$M)											
	Prior Years	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	Total
Total	\$0.15	\$0.49	\$1.47	\$2.88	\$2.20	-	-	-	-	-	-	\$7.04
Financing												
AlexRenew	\$0.06	\$0.20	\$0.59	\$1.15	\$0.88	-	-	-	-	-	-	\$2.82
Fairfax	\$0.09	\$0.30	\$0.88	\$1.73	\$1.32	-	-	-	-	-	-	\$4.23
Lifetime Total:												\$7.19

Notes:

(1) Prior Years amount represents actual spend through FY2025 and projected FY2026 spend.

Secondary Settling Tanks Refurbishment

Project Location: WRRF – SSTs

Description: AlexRenew uses settling tanks (SSTs) as part of its secondary treatment processes. The internal chain and flight systems used in the SSTs as well as associated scum collection systems are reaching the end of their useful lives and require replacement.

Justification: Improves the reliability and performance of the SSTs and associated scum collection system.

Program: Capital Improvement Program

Cost Share: Joint (60% Fairfax County / 40% AlexRenew)

Category:

Schedule: Assessment and Design in FY2026-FY2028, Construction in FY2028 - FY2029.

Status: Design to begin in FY2027

Project Financials:

Expenditure	Prior Years	Fiscal Year (\$M)										Total
		2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	
Total	\$1.50	\$5.19	\$13.93	\$14.03	\$1.20	-	-	-	-	-	-	\$34.35
Financing												
AlexRenew	\$0.60	\$2.08	\$5.57	\$5.61	\$0.48	-	-	-	-	-	-	\$13.74
Fairfax	\$0.90	\$3.11	\$8.36	\$8.42	\$0.72	-	-	-	-	-	-	\$20.61
Lifetime Total:										\$35.85		

Notes:

- (1) Prior Years amount represents actual spend through FY2025 and adopted FY2026 budget.

Security Services During Construction

Project Location: WRRF – Various

Description: AlexRenew uses security guards to monitor access to the WRRF. To support construction vehicle movement around the constrained WRRF during major plant construction (i.e. RiverRenew and PhaseForward), additional guards are required to maintain plant security while allowing trucks to use additional WRRF gates.

Justification: Maintains site security during construction of the RiverRenew Tunnel and PhaseForward projects.

Program: Capital Improvement Program
 Cost Share: Joint (60% Fairfax County / 40% AlexRenew)
 Category:
 Schedule: Schedule aligns with the RiverRenew Tunnel and PhaseForward projects' construction.
 Status: Ongoing, as-needed to support truck routes

Project Financials:

Expenditure	Fiscal Year (\$M)											Total
	Prior Years	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	
Total	\$3.43	\$1.11	\$1.16	\$1.22	\$1.28	\$1.35	-	-	-	-	-	\$6.12
Financing												
AlexRenew	\$1.37	\$0.44	\$0.46	\$0.49	\$0.51	\$0.54	-	-	-	-	-	\$2.45
Fairfax	\$2.06	\$0.67	\$0.70	\$0.73	\$0.77	\$0.81	-	-	-	-	-	\$3.67
Lifetime Total:											\$9.55	

Notes:

(1) Prior Years amount represents actual spend through FY2025 and adopted FY2026 budget.

Security Upgrades

Project Location: Campus-Wide

Description: AlexRenew uses physical and electronic infrastructure (access controls, cameras, etc.) to control access into its facilities. This project will upgrade and modernize security systems across its campus to enhance safety, protect critical infrastructure, and support reliable operations. Improvements include installing updated access control systems to better manage and monitor entry to facilities, as well as expanding and upgrading security cameras to improve site visibility and incident response.

Justification: Improves AlexRenew's security by protecting critical infrastructure from physical security threats.

Program: Capital Improvement Program

Cost Share: Joint (60% Fairfax County / 40% AlexRenew)

Category:

Schedule: Planning and implementation in FY2027-2028

Status: Project has not yet started.

Project Financials:

Expenditure	Fiscal Year (\$M)											Total
	Prior Years	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	
Total	(-)	\$2.44	\$1.56	-	-	-	-	-	-	-	-	\$4.00
Financing												
AlexRenew	-	\$0.98	\$0.62	-	-	-	-	-	-	-	-	\$1.60
Fairfax	-	\$1.47	\$0.93	-	-	-	-	-	-	-	-	\$2.40
Lifetime Total:											\$4.00	

Notes:

- (1) Prior Years amount represents actual spend through FY2025 and adopted FY2026 budget.

Reclaimed Water System Expansion

Project Location: WRRF – Building F

Description: AlexRenew is committed to being good stewards of our resources to minimize our impact on the environment. This project involves supplying reclaimed water (RW) to users outside of the AlexRenew campus for non-potable use. Phase I of this project is a feasibility study. The study will evaluate the technical, economic, legal, and operational factors of supplying reclaimed water to potential users in the Eisenhower corridor, including Reworld. Costs beyond the study phase will be included in future budgets.

Justification: Supports AlexRenew's strategic goal of Environmental Sustainability.

Program: Capital Improvement Program

Cost Share: Joint (60% Fairfax County / 40% AlexRenew)

Category:

Schedule: Assessment for off-site users in FY2027-2028.

Status: Assessment in progress.

Project Financials:

Expenditure	Fiscal Year (\$M)											Total
	Prior Years	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	
Total	\$0.05	\$0.20	-	-	-	-	-	-	-	-	-	\$0.20
Financing												
AlexRenew	\$0.02	\$0.08	-	-	-	-	-	-	-	-	-	\$0.08
Fairfax	\$0.03	\$0.12	-	-	-	-	-	-	-	-	-	\$0.12
Lifetime Total:											\$0.25	

Notes:

- (1) Prior Years amount represents actual spend through FY2025 and projected FY2026 spend.

WRRF HVAC System Upgrade

Project Location: WRRF – Campus Wilde

Description: AlexRenew relies on HVAC Systems for thermal comfort and process equipment protection. This project involves assessment, replacement, and modification of HVAC systems across the AlexRenew campus.

Justification: Increased reliability and performance of campus HVAC systems.

Program: Capital Improvement Program

Cost Share: Joint (60% Fairfax County / 40% AlexRenew)

Category:

Schedule: Design in FY2027 - FY2028, Construction in FY2028 - FY2030

Status: Design to begin in FY2027

Project Financials:

Expenditure	Prior Years	Fiscal Year (\$M)										Total
		2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	
Total	\$0.21	\$0.85	\$3.15	\$3.04	\$1.80	-	-	-	-	-	-	\$8.85
Financing												
AlexRenew	\$0.08	\$0.34	\$1.26	\$1.22	\$0.72	-	-	-	-	-	-	\$3.54
Fairfax	\$0.12	\$0.51	\$1.89	\$1.82	\$1.08	-	-	-	-	-	-	\$5.31
Lifetime Total:										\$9.05		

Notes:

(1) Prior Years amount represents actual spend through FY2025 and adopted FY2026 budget.

North Bridge Structural Assessment

Project Location: WRRF – North Bridge

Description: AlexRenew's North Bridge, built in 1976, serves as a primary access point for WRRF deliveries and hauling operations. This project includes a structural assessment of the bridge to understand its current condition. Recommendations to ensure continued bridge service will be addressed under a future project.

Justification: Maintain the structural integrity of the North Bridge.

Program: Capital Improvement Program

Cost Share: Joint (60% Fairfax County / 40% AlexRenew)

Category:

Schedule: Structural assessment in FY2027

Status: Project has not started

Project Financials:

Expenditure	Fiscal Year (\$M)											Total
	Prior Years	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	
Total	(-	\$0.20	-	-	-	-	-	-	-	-	-	\$0.20
Financing												
AlexRenew	-	\$0.08	-	-	-	-	-	-	-	-	-	\$0.08
Fairfax	-	\$0.12	-	-	-	-	-	-	-	-	-	\$0.12
									Lifetime Total:		\$0.20	

Notes:

- (1) Prior Years amount represents actual spend through FY2025 and adopted FY2026 budget.

Climate Resilience

Project Location: WRRF – Campus-wide

Description: Climate resilience planning has become an industry standard for wastewater utilities. AlexRenew is currently considering current and future flood and heat impacts to staff and infrastructure. Climate planning recommendations, to include impact mitigation, will be integrated into future plant upgrades such as the PhaseForward program. Costs beyond the planning phase study will be included in future budgets.

Justification: Supports AlexRenew's climate resiliency goals.

Program: Capital Improvement Program

Cost Share: Joint (60% Fairfax County / 40% AlexRenew)

Category:

Schedule: Study in FY2025 - FY2027, includes incorporating recommendations into PhaseForward Projects

Status: Study is underway

Project Financials:

Expenditure	Fiscal Year (\$M)											Total
	Prior Years	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	
Total	\$1.36	\$2.50										
Financing												
AlexRenew	\$0.54	\$1.00	-	-	-	-	-	-	-	-	-	-
Fairfax	\$0.82	\$1.50	-	-	-	-	-	-	-	-	-	-
Lifetime Total:											\$3.86	

Notes:

- (1) Prior Years amount represents actual spend through FY2025 and adopted FY2026 budget.

Sustainability Initiatives

Project Location: WRRF – Various

Description: AlexRenew is focused on integrating sustainability into operations, achieving net-zero emissions, and promoting resource recovery. As part of AlexRenew’s current Sustainability Management Plan, sustainability focused standard operating procedures and specifications are being developed to support capital projects and Envision and LEED certifications. Other initiatives under the plan include the installation of EV chargers in the Environmental center and investigating the feasibility of adding solar panels to the AlexRenew campus.

Justification: Supports AlexRenew's strategic goal of Environmental Sustainability.

Program: Capital Improvement Program
Cost Share: Joint (60% Fairfax County / 40% AlexRenew)
Category:
Schedule: FY2025 - FY2027
Status: Ongoing

Project Financials:

Expenditure	Fiscal Year (\$M)											Total	
	Prior Years	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036		
Total	\$0.20	\$3.40											\$3.40
Financing													
AlexRenew	\$0.08	\$1.36	-	-	-	-	-	-	-	-	-	-	\$1.36
Fairfax	\$0.12	\$2.04	-	-	-	-	-	-	-	-	-	-	\$2.04
													Lifetime Total: \$3.60

Notes:

(1) Prior Years amount represents actual spend through FY2025 and projected FY2026 spend.

Low-Pressure Steam System Improvement Project

Project Location: WRRF – Various

Description: AlexRenew’s Low-Pressure Steam (LPS) System, which includes the boilers, condensate and chemical feed systems, and piping is reaching the end of its useful life and requires major upgrades to address maintenance and operational challenges.

Justification: Improves the reliability and performance of the LPS system

Program: Capital Improvement Program

Cost Share: Joint (60% Fairfax County / 40% AlexRenew)

Category:

Schedule: Design - FY2025-2026
Construction - FY2026-2028

Status: Project is anticipated to be awarded in March 2026

Project Financials:

Expenditure	Fiscal Year (\$M)											Total
	Prior Years	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	
Total	\$3.30	\$9.60	\$2.30	-	-	-	-	-	-	-	-	\$11.90
Financing												
AlexRenew	\$1.32	\$3.84	\$0.92	-	-	-	-	-	-	-	-	\$4.76
Fairfax	\$1.98	\$5.76	\$1.38	-	-	-	-	-	-	-	-	\$7.14
Lifetime Total:											\$15.20	

Notes:

(1) Prior Years amount represents actual spend through FY2025 and projected FY2026 spend.

Enterprise Resource Planning System Upgrade

Project Location: Various

Description: AlexRenew currently uses an outdated enterprise resource planning (ERP) software for procurement and financial processes (i.e. purchase orders, invoice processing, and accounting). The project will replace the existing ERP software with a new modern, user-friendly system.

Justification: Improves AlexRenew's financial and procurement processes

Program: Capital Improvement Program
 Cost Share: Joint (60% Fairfax County / 40% AlexRenew)

Category: Procurement in FY2026-2027
 Schedule: Development and roll-out in FY2027-2029

Status: Procurement is anticipated to start in March 2026

Project Financials:

Expenditure	Prior Years	Fiscal Year (\$M)										Total
		2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	
Total	(-)	\$3.00	\$4.50	\$2.50	-	-	-	-	-	-	-	\$10.00
Financing												
AlexRenew	-	\$1.20	\$1.80	\$1.00	-	-	-	-	-	-	-	\$4.00
Fairfax	-	\$1.80	\$2.70	\$1.50	-	-	-	-	-	-	-	\$6.00
Lifetime Total:												\$10.00

Notes:

(1) Prior Years amount represents actual spend through FY2025 and adopted FY2026 budget.

Website Upgrade Project

Project Location: WRRF – Various

Description: AlexRenew is updating its existing website (AlexRenew.com) to be more modern, user- friendly, and accessible for audiences. The updated website will enhance user engagement, support organizational objectives, and integrate necessary third-party services. AlexRenew will sunset its RiverRenew website (RiverRenew.com) and incorporate appropriate content into the updated AlexRenew website.

Justification: Ensures AlexRenew customers and various stakeholders continue to have access to critical information related to AlexRenew through an accessible and user-friendly website.

Program: Capital Improvement Program

Cost Share: Joint (60% Fairfax County / 40% AlexRenew)

Category:

Schedule: Design and Implementation - FY2026-2027

Status: Project is underway

Project Financials:

Expenditure	Prior Years	Fiscal Year (\$M)										Total
		2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	
Total	\$0.20	\$0.50	-	-	-	-	-	-	-	-	-	\$0.50
Financing												
AlexRenew	\$0.08	\$0.20	-	-	-	-	-	-	-	-	-	\$0.20
Fairfax	\$0.12	\$0.30	-	-	-	-	-	-	-	-	-	\$0.30
										Lifetime Total:	\$0.70	

Notes:

(1) Prior Years amount represents actual spend through FY2025 and projected FY2026 spend.

Environmental Center Lobby Upgrades

Project Location: Environmental Center

Description: This Environmental Center Lobby Upgrade Project will refresh the existing educational exhibits related to wastewater treatment.

Justification: Educates visitors and the community about AlexRenew’s work and mission.

Program: Capital Improvement Program

Cost Share: Environmental Center (47% Fairfax County / 53% AlexRenew)

Category:

Schedule: Planning, design, and construction - FY2026-2028

Status: Project is underway

Project Financials:

Expenditure	Fiscal Year (\$M)											Total
	Prior Years	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	
Total	\$0.08	\$0.50	\$0.40	-	-	-	-	-	-	-	-	\$0.90
Financing												
AlexRenew	\$0.04	\$0.27	\$0.21	-	-	-	-	-	-	-	-	\$0.48
Fairfax	\$0.04	\$0.24	\$0.19	-	-	-	-	-	-	-	-	\$0.42
									Lifetime Total:	\$0.98		

Notes:

- (1) Prior Years amount represents actual spend through FY2025 and projected FY2026 spend.

RiverRenew Tunnel Project

Project Location: CSOs and WRRF

Description: AlexRenew is constructing a tunnel, pumping stations, and sewer infrastructure to address combined sewer overflows in Alexandria. Improvements will bring Alexandria’s four existing combined sewer outfalls into compliance. Program includes wastewater projects that were completed at the WRRF in advance of tunnel project construction.

Justification: A 2017 Virginia law required Alexandria’s four existing combined sewer to be brought into compliance.

Program: Capital Improvement Program

Cost Share: Joint - AlexRenew and Fairfax County executed a cost share agreement that includes a cost share across the various components. Estimated Fairfax County contributions are included below.

Category:

Schedule: Planning, initial design, and procurement - FY2018-2021
Design and construction - FY2021-2027

Status: Construction is underway

Project Financials:

Expenditure	Fiscal Year (\$M)											Total	
	Prior Years	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036		
Total	\$615.50	\$17.45	-	-	-	-	-	-	-	-	-	\$17.45	
Financing													
AlexRenew	\$560.11	\$15.88	-	-	-	-	-	-	-	-	-	\$15.88	
Fairfax	\$55.40	\$1.57	-	-	-	-	-	-	-	-	-	\$1.57	
									Lifetime Total:				\$632.95

Notes:

(1) Prior Years amount represents actual spend through FY2025 and projected FY2026 spend.

RiverRenew Service Contract

Project Location: RiverRenew System

Description: The RiverRenew contract anticipated a separate on-call agreement for the Design-Builder to provide AlexRenew with staff-augmentation support after Substantial Completion. AlexRenew is currently working to execute this service agreement through an amendment to the contract.

Under the service agreement, the Design-Builder will support operations and maintenance of the tunnel system during a one-year transition period. The team will also coordinate any necessary warranty work, train AlexRenew staff, refine the tunnel system operations and maintenance manual, and assist with both preventive and corrective maintenance. The team will also coordinate the operational interfaces between the tunnel system and the ultraviolet (UV) system operations during wet weather events.

This transition year will provide AlexRenew with a clear understanding of the system’s operational needs, including appropriate staffing levels and ongoing training requirements. At the completion of the one-year service agreement, the Design-Build team will also plan and perform the required warranty inspection and cleaning of the tunnel system.

Justification: Ensures effective knowledge transfer, reduces operation risk, protects the capital investment, and positions AlexRenew to confidently operate and maintain the tunnel system for the long term.

Program: Capital Improvement Program

Cost Share: RiverRenew - Professional Services

Category:

Schedule: Support - FY2027 - 2028

Status: Services are anticipated to start September 2026

Project Financials:

Expenditure	Prior Years	Fiscal Year (\$M)										Total
		2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	
Total	(-)	\$6.00	\$1.50	-	-	-	-	-	-	-	-	\$7.50
Financing												
AlexRenew	-	\$5.51	\$1.38	-	-	-	-	-	-	-	-	\$6.89
Fairfax	-	\$0.49	\$0.12	-	-	-	-	-	-	-	-	\$0.61
Lifetime Total:										\$7.50		

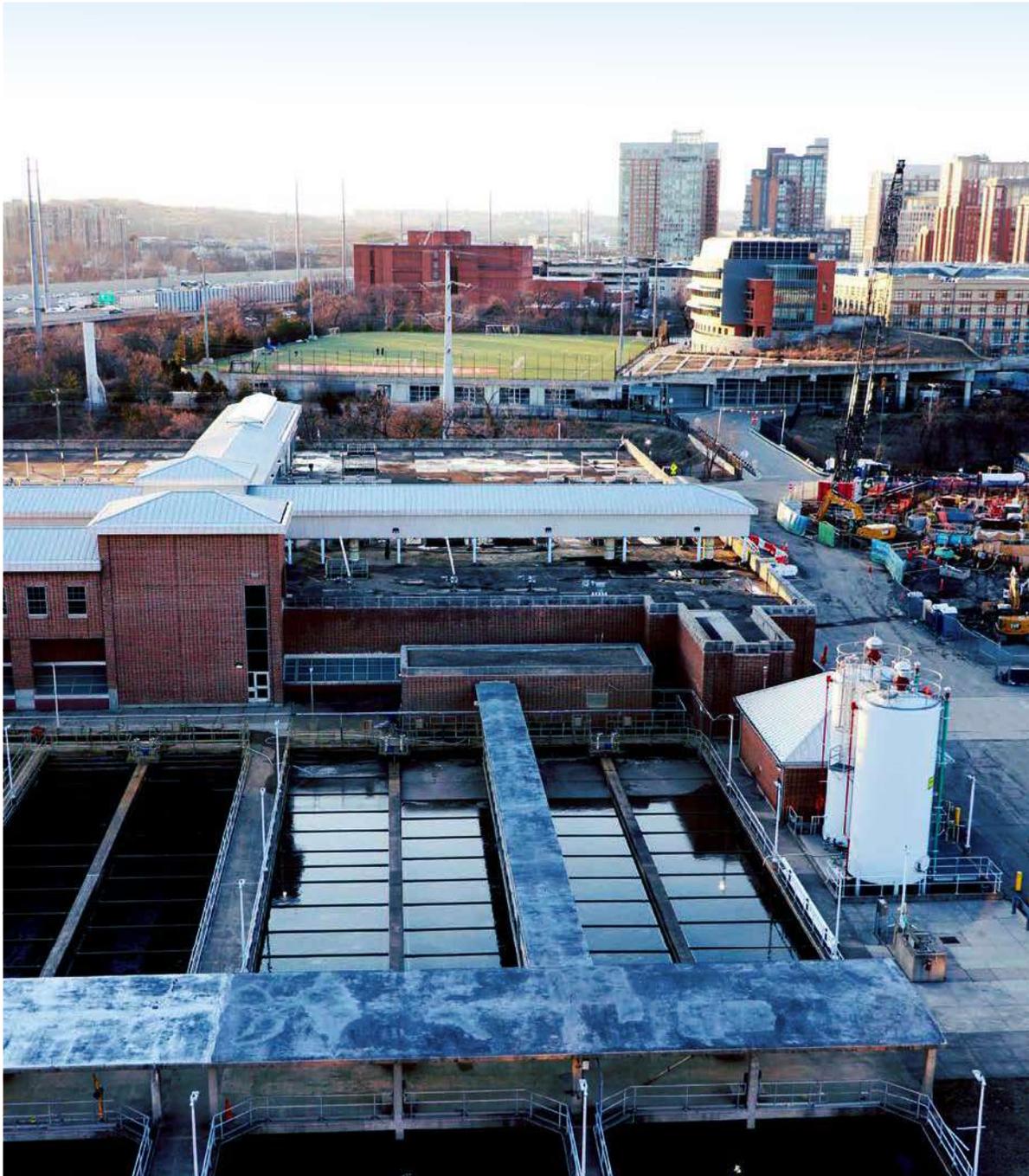
Notes:

- (1) Prior Years amount represents actual spend through FY2025 and adopted FY2026 budget.



RATES, RULES, AND REGULATIONS

Revised and Approved: June 16, 2026



EFFECTIVE: JULY 1, 2026 (PROPOSED)

Jun 18, 2013 | Jul 23, 2013 | Aug 19, 2014 | Dec 16, 2014 | Apr 21, 2015 | Sep 20, 2016
May 21, 2019 | Jul 1, 2019 | Jun 15, 2021 | Jun 20, 2023 | Jun 18, 2024 | Jul 1, 2025

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I. RATES, FEES, AND CHARGES

Rates for Service

Schedule A – Wastewater

This schedule shall apply to all individually-metered residential customers and commercial customers discharging sewage to and/or requiring wastewater treatment service by AlexRenew (Wastewater Customers). Commercial Customers include all commercial, industrial, government and other public agencies, master-metered residential, and all other accounts or customers not classified as individually-metered residential customers. Residential Customers include all individually-metered residential customers.

The wastewater customer’s monthly bill for wastewater collection, treatment, and disposal services (sewer service) shall be based upon the sum of: i) the wastewater treatment charge calculated based on water meter readings at the customer premise and ii) the base charge. The base charge shall serve as the minimum monthly bill for sewer service for all customers receiving wastewater service from AlexRenew.

Wastewater Treatment Charge – A charge per 1,000 gallons of water consumption will be billed monthly for wastewater customers at the rates shown below.

Customer	Current Wastewater Treatment Charge (Effective July 1, 2025)	Proposed Wastewater Treatment Charge (Effective July 1, 2026)
Residential Customers (1)	\$10.77 (2)	\$11.38 (2)
Commercial Customers		

(1) The Residential Wastewater Treatment Charges are based upon the lesser of: a) a customer’s actual monthly metered water use; or b) the customer’s determined winter quarter average billing cap as further defined in subsequent sections of the Rates, Rules, and Regulations.

(2) Per 1,000 gallons

Base Charge – A charge per customer account will be billed monthly for wastewater customers as described in the following paragraphs and shown in the rates below. Starting July 1, 2026, AlexRenew is proposing an update to how the base charge is calculated. Previously, the base charge was determined by a customer’s meter size. The base charge is proposed to be calculated using a customer’s average monthly water use compared to the use of a typical household. For Residential Customers, this represents 3,500 gallons per month or 1 unit. For Commercial Customers, the customer’s average volume used will be converted to units in relation to a residential customer’s usage to set the base charge.

It is proposed that the new base charge will be phased in over a five-year period. Over this period, the base charge for each Commercial Customer will be calculated using a portion of the meter-based base charge (Meter Base Charge) and the water use-based base charge (Use Base Charge). In the first year, the base charge will be calculated using eighty (80) percent of the Meter Base Charge and twenty (20) percent of the Use Base Charge.

The charges for the year will be billed to all wastewater customers at the rates shown below.

Customer		Meter Size	Current Base Charge (Effective July 1, 2025)	Proposed Base Charge (Effective July 1, 2026)
Residential Customers		All Meters	\$15.29	\$14.48
Commercial Customers (1)	Meter Base Charge	5/8 inch	\$45.87	\$48.48
		3/4 inch	\$45.87	\$48.48
		1 inch	\$114.68	\$121.20
		1-1/2 inch	\$229.35	\$242.40
		2 inch	\$366.96	\$387.84
		3 inch	\$688.05	\$727.20
		4 inch	\$1,146.75	\$1,212.00
		6 inch	\$2,293.50	\$2,424.00
		8 inch	\$3,669.60	\$3,878.40
		Use Base Charge	All meters	-
Minimum Deposit Based on Meter Size		-	\$0.00	\$0.00
Residential Customer Activation Fee (4)		-	\$15.00	\$15.00

- (1) For Fiscal Year 2026, Commercial Customers’ base charge will be calculated by 80% of the Meter Base Charge and 20% of the Use Base Charge.
- (2) A Commercial Customers’ units will be determined by dividing a customer’s average monthly water use – determined as a rolling 12-month average – by a typical residential customer’s water use of 3,500 gallons. For new customers, the average monthly water use will be calculated using the number of months of available water-use data until a full 12-month average is established.
- (3) There will be a minimum of 1 unit for all Commercial Customers.
- (4) The Residential Customer Activation fee is waived for customers that enroll in paperless billing and autopay programs.

Winter Quarter Average Billing Cap:

The Winter Quarter Average is a billing cap based on a Residential Customer’s water use history from January through March (Winter Quarter). The cap is used to ensure Residential Customers are billed for indoor water use only – meaning water that is used at a home and makes its way to AlexRenew’s wastewater treatment plant. Qualified customers will be billed from April through December using their actual water use or Winter Quarter Average, whichever is lower.

The Residential Customer’s monthly Wastewater Treatment Charges shall be based on water meter readings at the customer’s premise. Residential Customers shall be billed the Wastewater Treatment Charges utilizing a monthly wastewater treatment billing cap that shall be determined annually. The wastewater treatment billing cap per customer shall be established based on the customer’s average monthly metered water consumption (gallons) recognized on bills rendered

during the winter quarter which is defined as the months of January, February, and March. The monthly wastewater treatment billing cap is not effective for bills rendered during the winter quarter.

A customer using less than 1,000 gallons per month or recording zero (0) water usage during any single month within the winter quarter will not be eligible for the billing cap. These customers will be billed based on their monthly metered water consumption (gallons). If no bills are rendered to the customer for water service during the winter quarter, then the customer will be billed based on their monthly metered water consumption (gallons) up to a maximum of 12,000 gallons per month until a winter quarter average is established.

The Wastewater Treatment Charges billed to commercial customers will be determined based on the total metered water delivered to the premise and shall not be eligible for the monthly winter quarter average billing cap. To the extent a commercial customer has a water-only meter serving the property such metered water consumption would not be charged the Wastewater Treatment Charge. An example of a water-only service would include a meter exclusively used by the customer to measure outdoor water irrigation.

Customers receiving wastewater service only and obtaining water from sources other than Virginia American Water shall install a water meter on their water supply which will be read as the basis for calculating wastewater treatment charges. A charge shall be added to each bill to offset the cost of reading the independent customer's water meter.

Schedule B – Reuse (Reclaimed) Water

Customers which receive reclaimed water service from AlexRenew will pay a charge of \$1.77 per 1,000 gallons of metered reclaimed water delivered to the customer premise. All reclaimed water to be delivered to a customer premise will be metered.

Other Rates, Fees, and Charges

Schedule A – Pretreatment Permit Fee

In accordance with US EPA Regulations (40 CFR 403) and the Code of the City of Alexandria, Virginia, 1981, as amended, AlexRenew maintains and regulates an industrial pretreatment program.

Industrial users are those customers meeting the definition in Section 5-6-102(mm) of the Code of the City of Alexandria, Virginia, 1981, as amended.

Non-significant industrial users are those industrial users meeting the definition in Section 5-6-102(mm)(3) & (4) of the Code of the City of Alexandria, Virginia, 1981, as amended.

The annual Pretreatment Permit Fee for permitted industrial users shall be:

Significant Industrial User - \$1,500 per year.

Non-significant Industrial User - \$500 per year.

Additionally, the permit application fee is \$100 with an additional \$100 charged in the event of a permit revision. A permit includes pretreatment requirements, discharge limits, and special conditions for significant industrial user or categorical sites. The fee covers AlexRenew's costs in administering the permit and the permits are issued for up to five years. Lastly, Letters of Approval are issued for one-time discharges of limited duration for a fee of \$100.

Schedule B – Deduct Meters Charge

AlexRenew commercial and industrial customers that have a portion of their wastewater flow that does not enter the wastewater collection system may apply for a deduct meter. The application for

a deduct meter must be certified by an independently licensed plumber. Customers participating in the deduct meter program shall receive flow adjustments for the billing of the Wastewater Treatment Charges only through the proper operation of the approved deduct meter(s). Residential customers are not eligible for deduct meters.

When a deduct meter permit is issued by AlexRenew to allow for a new connection and/or meter to be installed, a deduct meter permit fee shall be paid by the applicant. The permit fee is designed to defray the cost of the required deduct meter inspection at the time of meter installation and to establish the customer billing and service requirements at the time of installation.

The Deduct Meter Permit fee for users shall be \$500, paid in full at the time of application. This is a one-time application fee.

The charge for reading the Deduct Meter is \$50 per reading per account if all of the deduct meters billed to the account have the same premise address. If an account has different premise addresses associated with its Deduct Meters, there is a \$50 charge per reading at each specific premise address. This charge will be in addition to the payment of Base Charges for those commercial customers that have been approved for and have installed a deduct meter.

The charge for inspecting the Deduct Meter by AlexRenew shall be \$100 per inspection for each inspection performed after the installation of the Deduct Meter. An inspection of the Deduct Meter will be required every 2 years to verify the flow accuracy of the meter, condition, and other aspects associated with providing this service.

Schedule C – New Account Activation Charge

All Customers opening a new account to i) establish wastewater service or ii) re-establish wastewater treatment service will be charged a \$15.00 new account activation fee. This fee will be waived for new customers who enroll in AlexRenew’s Paperless Billing and AutoPay programs.

Schedule D – Service Termination Charge

All customers whose water service has been disconnected for non-payment for wastewater service or for violation of these Rates, Rules, and Regulations will be assessed a non-negotiable service fee of \$50.00 added to the account. Payment of this charge, together with any arrears that may be due AlexRenew, may be required before utility the service is restored.

Customers will be charged a \$35.00 returned check fee per occurrence.

II. RULES AND REGULATIONS

Rule No. 1 – Definitions

Unless the context specifically indicates otherwise, the meaning of terms used in this publication of Rates, Rules, and Regulations shall be as follows:

- a. "AlexRenew" shall mean the City of Alexandria, Virginia Sanitation Authority d/b/a AlexRenew.
- b. "City of Alexandria" shall mean the City of Alexandria, Virginia.
- c. "City Sanitary Sewer Maintenance Fee" shall mean City of Alexandria's sanitary sewer maintenance fee calculated by multiplying the number of thousands of gallons of water consumption (based on water meter readings) by the rate established by the City of Alexandria from time to time and which rate is applied to all customers on a "per 1,000 gallons of billed water consumption" which will also serve as the same basis for billing the Wastewater Treatment Charges by AlexRenew. Amounts collected from this fee will be remitted to the City of Alexandria to fund the operations and maintenance of the City's sanitary sewer system and are not for use or considered as revenue by AlexRenew.
- d. "Customer" shall mean every property owner or tenant whose Premises are connected to the City of Alexandria wastewater collection system and shall be responsible for paying for the cost of receiving wastewater service. Normally, a customer is provided potable water by Virginia American Water. Each customer shall be served by a separate service connection.
 - i. "Residential Customer" shall mean every Customer whose Premises is an individually-metered, single-family dwelling connected to a water meter that serves only that dwelling.
 - ii. "Commercial Customer" shall mean every other Customer whose Premises is not a single-family dwelling individually connected to a water meter that serves only that dwelling. Commercial Customers include, but are not limited to, multi-family dwellings, whether the dwellings are leased or in a condominium form of ownership, other uses such as retail, office, government and other public agencies, and industrial, and all other accounts or customers not classified as (individually metered) residential customers.
- e. "Person" shall mean any individual, firm, company, association, society, corporation, or group.
- f. "Interceptor" shall mean a sewer conveyance line which is owned and controlled by AlexRenew.
- g. "Public Sewer" shall mean a sewer conveyance line that is, owned and maintained by the City of Alexandria.
- h. "Sewer Service Connection" shall mean the fittings through which the building sewer is joined to the public sewer and constitutes the point of service for AlexRenew. A "Cross-Connection" is an actual or potential link between the potable water supply (water safe for human consumption) and a non-potable source (any other type of liquid, gas or substance not fit for consumption and that can affect water quality).
- i. "Sewer Meter" is a device utilized to measure the quantity of sewer discharge into the Public Sewer from a premise.

- j. "Deduct Meter" shall mean the meter that is installed on the Commercial Customer property subsequent or downstream from the primary water meter that measures the amount of water that does not enter the wastewater collection system for such Customer. All water used by the Customer is assumed to be discharged to the wastewater collection system for treatment unless specifically identified through metering pursuant to a Deduct Meter. Water measured by the Deduct Meter is subtracted from the total water measured by the primary water meter to calculate the Wastewater Treatment Charges for the Customer.
- k. "Premises" shall mean:
 - i. Each residential dwelling structure.
 - ii. Each residential dwelling unit in a duplex, triplex, apartment building, or in any other building that is used for residential purposes.
 - iii. Each unit contained in a structure serving more than one tenant, lessee, or owner; and used for any purpose other than residential.
 - iv. Each structure or group of contiguous structures, that is owned, rented, or leased by one person and occupied by that person. The following shall also be considered one premise:
 - 1. Residence used as a rooming house
 - 2. Dwelling or building for transients
 - 3. Apartment building or residential condominium where the water utility bill is included in the rent or condominium fee.
- l. An "Extended Absence" is any absence greater than 60 days.
- m. "Water Company" shall mean Virginia American Water Company, its successors or assignees which provide potable water to customers within the City of Alexandria.
- n. "Water Meter" is a device utilized to measure the quantity of water used by a premise.

Rule No. 2 – General

- a. There shall be no free service rendered by AlexRenew, and, if any local, state, or federal government, or any department, agency or instrumentality thereof, or any other public body shall desire service to be rendered by AlexRenew, it shall apply for and receive such service pursuant to the rules and regulations herein contained and shall pay for the same at the established rates, fees, and other charges.
- b. The service pipes, building sewers, meters, piping and fixtures on the Customer's Premises shall be accessible to AlexRenew for observation or inspection at reasonable hours.
- c. Employees or agents of AlexRenew are expressly forbidden to demand or accept any compensation for any service rendered to its customers except as covered by its Rates, Rules, and Regulations.
- d. No employee or agent of AlexRenew shall have the right or authority to bind it by any promise, agreement, or representation contrary to the letter or intent of these Rules and Regulations.
- e. Any complaint against the service or employees of AlexRenew should be made in writing or electronically to AlexRenew.
- f. AlexRenew receives customer contact and account information from the Water Company for purposes of billing and providing notices related to wastewater service.

Rule No. 3 – Special Contracts

AlexRenew may enter into contracts with any person, firm, or corporation, including municipalities, sanitary districts and other political subdivisions and public bodies, for the rendering of any wastewater service; provided, however, that the rates or charges to be paid thereunder shall not be less than an amount which is fair and equitable, taking into account the cost to AlexRenew for providing such service.

Rule No. 4 – Extension of Public Sewers

Applicants for service to a premises not already having direct access to an adequate existing public sewer must make application to the City of Alexandria to extend and/or upgrade the public sewer system. In addition to City ordinance requirements, applicants must provide, free of charge to AlexRenew, any easement necessary for installation, operation and maintenance of sanitary sewers or other facilities owned by AlexRenew.

Connections to the public sewers shall be regulated and authorized by the City of Alexandria. No private connection shall be permitted to any Interceptor or other facility owned or operated by AlexRenew unless expressly authorized in writing by AlexRenew.

It is the responsibility of the Water Company to establish and maintain cross-connection control programs to detect, prevent, and eliminate cross-connections that may create an imminent and substantial danger to the public health.

Rule No. 5 – Quantity and Quality Determinations for Continuing Service Charge

- a. The quantity of sewage discharged into the public wastewater system shall be assumed to be equal to the quantity of water registered by the water meter or meters measuring the entire flow to the premises; less those flows that are separately metered by AlexRenew through the installation of a Deduct Meter that serves only appliances and/or facilities that are not connected to the public sewer in any manner.
- b. Where discharge to the public sewer from a specific appliance or process is of significantly lesser volume than that registered by the meter, the quantity discharged may be measured as the basis for the quantity of sewer service. AlexRenew reserves the right, at its sole discretion, to estimate the quantity of sewer service required by such specialized appliance or process.
- c. AlexRenew reserves the right to determine the quantity and/or quality of sewage by any accurate method of measurement and/or analysis of discharge from the premises sewer. If the quantity is found to be in excess of the quantity measured by the customer's water meter or meters, the customer shall be back charged not less than six months on the basis of the greater flow and shall be required to install meter or meters in such a manner as may be specified by AlexRenew.
- d. If the quality of wastewater discharge does not comply with the requirements of AlexRenew, immediate steps shall be taken by the customer to comply, and costs of necessary analysis and compliance shall be paid by the customer.

Rule No. 6 – Meters and Meter Installation

- a. All water meters except Deduct Meters are installed, owned, maintained, and read by the Water Company. All customer meters are read monthly by the Water Company and the billed water use measured in thousand gallons and meter size used to service the Customer as provided by the Water Company is provided to and relied upon by AlexRenew for purposes of billing its Customers the monthly Base and Wastewater Treatment Charges. AlexRenew

reserves the right to estimate the amount of wastewater flow if the water meter readings are considered inaccurate and correct billings to its Customers upon the receipt of subsequent corrected information as an adjustment in the subsequent bill for wastewater service or on some other basis as may be determined by AlexRenew .

- b. Deduct Meters will be read monthly by AlexRenew or its designee.
- c. The customer shall promptly notify Water Company and AlexRenew of any calibration failure, defect in, or damage to the meter or its connection.

Rule No. 7 – Sewer Meters

- a. AlexRenew may, at its sole discretion, enter into agreements with Commercial Customers to measure its sewer service through the use of a sewer meter or meters.
- b. The sewer meter shall be installed by the applicant, in a place readily accessible to AlexRenew for reading. If access is deemed unsafe by AlexRenew or its designee, Customer will be responsible for moving the sewer meter to an accessible location. Upon installation of the meter by the applicant, the sewer meter shall be contributed to and become the property of AlexRenew.

Rule No. 8 – Deduct Meters

- a. Where AlexRenew is to issue a permit for the use of a Deduct Meter, an application for Deduct Meter service shall be made by the property owner or their designated agent at the offices of AlexRenew.
- b. All customers with Deduct Meters are responsible for maintaining the Deduct Meter and remote read device in a good working condition. Meter shall be calibrated annually by an appropriate licensed contractor and results submitted to AlexRenew; if a Customer does not provide AlexRenew a copy of the deduct meter calibration results, AlexRenew reserves the right to discontinue the recognition of the deduct meter water flows in the application of Wastewater Treatment Charges.
- c. AlexRenew staff shall review the application fee from time to time and make a recommendation for any changes. All customers with Deduct Meters are responsible for the sub-meter and remote meter device and for readings to be performed.
- d. Should any meter and/or its appurtenances become damaged, including any damage that may result from allowing the meter to become frozen, it shall be the responsibility of the property owner to get the meter repaired. No Deduct Meter credit adjustment will be made for or during the period when the Deduct Meter is out of service for reypair.

Rule No. 9 – Customer's Liability for Charges

- a. A Customer who has made an application for or received service at a Premises shall be held liable for all service furnished to such premises until such time as the Customer has properly notified the Water Company to discontinue the service for the account.

Rule No. 10 – Bills for Service

- a. Customers are responsible for furnishing their correct addresses and corresponding service information to the Water Company.
- b. Failure to receive bills will not be considered an excuse for nonpayment nor permit an extension of the date when the account will be considered delinquent.

- c. If bills are to be sent to an address other than the Premises served, the Water Company shall be notified by the Customer of any change of address.
- d. If requested in writing by the owner-customer, AlexRenew will send bills to and receive payments from agents or tenant-customers. However, this accommodation will in no way relieve the owner-customers of the liability for all charges, in accordance with the Virginia Water and Waste Authorities Act (Chapter 51, Title 15.2, Section 5100 et seq., Code of Virginia, 1950 as amended.)
- e. Payments shall be made by mail to the lockbox provider selected by AlexRenew or such other places or methods as may be designated by AlexRenew.
- f. AlexRenew reserves the right to correct any bills rendered in error.
- g. Each Customer, as defined in Rule No. I, shall be billed separately for service.
- h. Bills will be rendered monthly.
- i. For purposes of providing bills and other utility-related notices, AlexRenew may use any mailing address, email address, and telephone number (including wireless numbers) provided by the Customer, by the Water Company, or by an authorized representative of the Customer in connection with the Customer's account.
- j. AlexRenew may use such contact information to send account and service-related communications, including but not limited to notices of account balances, past due amounts, late fees, payment options, and upcoming water service disconnections. These communications may be delivered by mail, text, email, and live or automated voice call, to the extent permitted by applicable law. Such communications shall not be used for advertising or marketing unrelated to wastewater service.

Automated text messages (SMS) are sent prior to service disconnection for nonpayment unless the Customer opts out of text message notifications in the manner described in AlexRenew's Privacy and Notification Statement or other customer communication policy then in effect.

Nothing in this subsection changes any requirement in these Rates, Rules, and Regulations or applicable law regarding written notice, nor does it limit AlexRenew's right to provide additional or supplemental notice by any lawful means.

Rule No. 11 – Terms of Payment

- a. Bills for sewer service shall be payable on or before stated due date.
- b. If a bill is not paid within twenty-one (21) days after the billing due date, and payable, and after notice has been properly provided by AlexRenew to the Customer of record, water and wastewater service may be discontinued, and the wastewater deposit, if any, may be applied against such bill and any other arrears due by the Customer.
- c. There may be a lien upon the real estate for the amount of any rates, fees, and other charges made by AlexRenew to the owner or lessee or tenant of such real estate for the services rendered by AlexRenew to such real estate from and after the time when such rates, fees, and other charges are due and payable and for the interest which may accrue thereon.
- d. There shall be a handling charge corresponding to bank fees for all returned checks which have been submitted to AlexRenew for payment of any applicable charges.
- e. A late payment charge of ten percent of the unpaid balance on accounts not paid within 21 days of their billing date may be charged and collected by AlexRenew.

- f. AlexRenew may report the failure of a Customer to make payments within 95 days to appropriate credit reporting agencies in accordance with federal and state law.

Rule No. 12 – Abatement

There shall be no abatement of the service charges in whole or in part by reason of an extended absence of the customer, unless service has been discontinued at his request.

Rule No. 13 – Service Termination Fee

If any premise violates these Rates, Rules, and Regulations and it has become necessary to discontinue water service, a non-negotiable service termination fee will be assessed and added to the account. In cases where service disconnection has occurred, this charge, together with any arrears that may be due AlexRenew, shall be paid before the water will be turned on.

Rule No. 14– Discontinuance of Service

- a. Water service may be discontinued by AlexRenew, through the Water Company after ten (10) days' notice for any of the following reasons:
- i. Nonpayment of any account for wastewater service, or for any fee or charge accruing under these Rates, Rules, and Regulations.
 - ii. Violation of any rule or regulation of AlexRenew.
- b. Service may be discontinued by one of the following methods:
- i. Where water is supplied by the Water Company, supply will be cut off and the meter removed.
 - ii. Where water is furnished by the owner, or by other than the Water Company, AlexRenew reserves the right to (a) remove the sewer meter used for measuring the flow to the wastewater facilities, (b) seal the building drain or sewer, or (c) remove the connection to the public sewer.
- c. Discontinuing wastewater service or the supply of water to a premises for any reason shall not prevent AlexRenew from pursuing any lawful remedy by action at law or otherwise, for the collection of monies from the Customer.
- d. When service to a customer has been terminated for any of the above stated reasons, other than temporary vacancy of the premises, it will be renewed only after the conditions, circumstances, or practices which caused the service to be discontinued are corrected to the satisfaction of AlexRenew and may require payment of all charges due and payable by the Customer in accordance with these Rates, Rules, and Regulations.

Rule No. 15 – Restoration of Service

- a. When it becomes necessary to discontinue service to any Customer because of a violation of these Rates, Rules, and Regulations or because of nonpayment of any bill, charges shall be made as follows:
- i. If service was discontinued only by turn-off of water supplying the Premises, the Customer may pay a connection charge as presented in Section 2, Schedule D of these Rates, Rules, and Regulations for turning on the water plus any arrears that may be due to AlexRenew for charges related to turn-off/turn-on and associated administrative costs.
 - ii. If service was discontinued by removal of the meter, or by sealing the building drain,

or by removal of the connection to the public sewer, Customer shall pay as a charge the actual cost of restoring the service, including all labor, materials, and overhead plus 100% of said actual costs including labor, materials and overhead. Said charge shall be estimated by AlexRenew upon application for restoration of service and the Customer shall pay the amount of the estimate prior to restoration of service. Any adjustments in actual cost will be made upon completion of restoration of service.

- b. Restoration of service for nonpayment of wastewater service will only occur during regular business hours for AlexRenew. Same-day water service restoration will not be provided. It is the Customer's responsibility to ensure payment has been received by AlexRenew.
- c. If at the time of such discontinuance of service for nonpayment of bill the customer has not made a deposit, AlexRenew may require a deposit, whether Customer is property owner or not, as a guarantee of payment of future bills. Deposit shall equal the amount of the estimated bill for two regular billing periods and, in no case, be less than the minimum deposit established codified by these Rates, Rules, and Regulations, before the water and the corresponding wastewater service will be turned on. The deposit will be refunded when service has been discontinued, after deducting any charges due on final settlement of the Customer's account.
- d. When a Customer has requested discontinuance of water service because of temporary vacancy, wastewater service is being furnished by AlexRenew, and where all bills have been paid, AlexRenew may charge a turn-on fee as presented in Section 2, Schedule D for the restoration of both water and wastewater service.

Rule No. 16 – Water Leaks and Adjustments

- a. In the event of a water leak, the Customer shall immediately notify the Water Company.
- b. AlexRenew is not responsible for maintaining the public water main and water service connection or individual Customer notifications.
- c. AlexRenew may consider, on a case-by-case basis, whether to adjust wastewater bills based on documented water leaks. Among the factors to be considered will be whether the Water Company accepts responsibility for the leak or potential misread of the meter. If an adjustment is made, the maximum amount will be 50% of the bill and a one-time courtesy adjustment will be allowed per Customer account owner.
- d. If a leak is found not to be the responsibility of AlexRenew, the Customer will be notified and shall have the leak repaired by a registered plumber at his expense.

Rule No. 17 – Refund Policy

Customers that overpay an account in error shall not receive a refund of the over-payment unless the over payment is greater than two (2) times the average billing amount. Overpayments shall be credited to a Customer account and used to offset/pay the next bill due. In a situation where a refund is appropriate, AlexRenew will apply credits to the same credit card accounts rendering the payment. Customers making payments by check may apply for a check refund that may be made after a 30 day clearing period (no exceptions).

Rule No. 18 – Adjustment of Fixed Charges Based on Oversized Meters

Upon request of a Customer, the Chief Executive Officer (CEO) may apply the fixed charge for a smaller meter, if the CEO determines at his/her discretion that:

- a. The Customer's actual water usage over the multiple billing periods is significantly less than the typical consumption for the size of water meter installed; and

- b. The potential for significantly higher water usage in the future is unlikely based on one or more of the following factors:
 - i. Whether the meter combines fire flow and potable water uses;
 - ii. The size and use classification of the structure served limited water usage; and
 - iii. Other legally binding use restrictions limit water usage.

AlexRenew further reserves the right to apply the fixed charge for the actual meter size if any of these factors change in the future.

III.AMENDMENT AND INTERPRETATION

AlexRenew reserves the right to revise and/or amend these Rates, Rules, and Regulations to interpret the meaning of all statements made herein.

IV.EFFECTIVE DATE

The Rates, Fees, and Other Charges; Rules and Regulations herein contained shall become effective as revised on July 1, 2026 and shall remain in effect thereafter until further revised.

Rate-setting Policy

Date of Adoption: April 15, 2025

Date of Revision: ~~June 17, 2025~~; March 17, 2026

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I. Policy Statement

As a public authority in the Commonwealth of Virginia, AlexRenew must fully and equitably recover all costs of operating, maintaining, and expanding our wastewater infrastructure through our customers' wastewater bills. This Rate-setting Policy (policy) provides transparency and accountability to our customers, demonstrating our commitment to sound financial management, compliance, and responsible stewardship of public resources.

II. Policy Purpose

The purpose of this policy is to set forth prudent, consistent, and industry generally accepted methodologies for rate-setting. This policy outlines AlexRenew's rate-setting objectives, administration requirements, process for the establishment of a rate structure, and guidelines for setting rates, fees, and charges.

III. Rate-setting Objectives

This policy is governed by a broad range of rate-setting objectives that reflect the values and goals of the organization. These objectives support AlexRenew's unique positioning, characteristics, and needs as a wastewater authority in Alexandria, Virginia and serve to ensure that the rate-setting process reflects the organization's priorities.

- A. **Legality.** AlexRenew's rates will be consistent with local and state statutes and be within accepted practice and water industry standards.
- B. **Revenue Sufficiency.** AlexRenew's rates will ensure that adequate revenues are generated through rates to cover all operational costs, maintenance, and investments in infrastructure.
- C. **Revenue Stability.** AlexRenew's rates will generate stable and predictable revenues from year to year with a minimum of unexpected changes.
- D. **Rate Stability.** To the extent practicable, AlexRenew will seek to avoid drastic year-to-year rate adjustments.
- E. **Affordability.** AlexRenew aims to set affordable rates for all customers and provide payment assistance programs for those struggling to pay their wastewater bill.
- F. **Equitable, Fair, and Reasonable Rates.** AlexRenew will strive to set rates to recover costs from customers and customer classes in proportion to the costs of providing services to demonstrate that the rates are fair and equitable.
- G. **Minimization of Customer Impacts.** When establishing a new rate structure, AlexRenew will evaluate and work to mitigate potential impacts on different customers and customer classes prior

to implementation.

- H. Conservation. When establishing a rate structure, AlexRenew will consider ratios between fixed and variable cost recovery to encourage conservation of water among its customers.
- I. Simplicity and Ease of Understanding. AlexRenew's rates and associated communications will be presented in a straightforward manner, ensuring complete understanding by customers and stakeholders.
- J. Implementation. When establishing a rate structure, AlexRenew will consider challenges and difficulty associated with its implementation. This could include the availability of data, the ability to modify the customer billing system, changes to procedures and policies, and the additional effort to perform future rate adjustments.

IV. Administration

- A. AlexRenew was created by and operates pursuant to the Virginia Water and Waste Authorities Act (Authorities Act). AlexRenew's rates are governed by the Authorities Act and AlexRenew's 1999 Master Indenture of Trust (Master Indenture). The Authorities Act requires that rates set by AlexRenew be just and equitable, fair, and reasonable and also identifies factors that may be used to set rates in § 15.2-5136 of the Act, which states:
 - 1. *Rates, fees, and charges for the services of a sewer ...system shall be just and equitable, and may be based upon:*
 - a. *The quantity of water used or the number and size of sewer connections;*
 - b. *The number and kind of plumbing fixtures in use in the premises connected with the sewer or sewage disposal system;*
 - c. *The number or average number of persons residing or working in or otherwise connected with such premises or the type or character of such premises;*
 - d. *Any other factor affecting the use of the facilities furnished; or*
 - e. *Any combination of the foregoing factors.*
 - 2. *Water and sewer rates, fees and charges established by any authority shall be fair and reasonable. An authority may charge fair and reasonable rates, fees, and charges to create reserves for expansion of its water and sewer or sewage disposal systems. Such rates, fees, and charges shall be reviewed by the authority periodically and shall be adjusted, if necessary, to assure that they continue to be fair and reasonable...*
- B. AlexRenew's Master Indenture prohibits the provision of free service and requires AlexRenew to charge its customers for furnishing any services associated with the use of its wastewater infrastructure.
- C. The review and adoption of rates, fees, or charges by AlexRenew's Board of Directors will be conducted in accordance with §15.2-5136 of Virginia Code for public notice and public hearing procedures. Any changes in rates, fees, or charges will be reflected in revisions to AlexRenew's Rates, Rules, and Regulations.

V. Establishment of a Rate Structure

A. AlexRenew's rate structure is based on industry recognized generally accepted methodologies (see References section) and includes the following major steps:

1. Forecast Demand Analysis;
2. Revenue Requirements Analysis;
3. Cost of Service Determination; and
4. Rate Structure Design.

B. Forecast Demand Analysis

The first step in establishing a rate structure at AlexRenew is to project customer demand. This includes a historical review of customer data and billed wastewater flows to inform projections of future growth and demand. The analysis identifies trends to determine reasonable forecasts for the future and serves as the basis to estimate revenues.

C. Revenue Requirements Analysis

This second step provides a projection of AlexRenew's net revenue requirements for a defined timeframe. Net revenue requirements are the revenue needed from rates to make up the difference between total costs (operating expenses, debt services, and capital outlay) and non-rate revenue (wholesale customer capital and operating contributions and general capital proceeds). The net revenue requirements must fully consider AlexRenew's Financial Policy obligations, including days cash on hand and debt service coverage.

D. Cost of Service Determination

This third step allocates revenue requirements to customers based on their demands of AlexRenew's wastewater infrastructure and accounts for customer classes and usage characteristics.

E. Rate Structure Design

The development of rate structure designs uses results from the revenue requirements analysis and cost of service determination to establish the target level of revenues for each customer class. This step includes customer bill impact analysis, using a representative sample that illustrates the general impacts to customers for a range of usage levels, including seasonal use.

VI. Rate Adjustment Recommendations

A. During the annual fiscal year budget process and on an emergency basis, if needed, an analysis will be performed to ensure that projected revenues are adequate to meet proposed expenses. If revenues are not sufficient for the proposed expenses, staff will develop a rate adjustment recommendation to increase rates for consideration by the Board.

B. Without amending this policy, the Board may adopt a rate recommendation that covers up to five (5) fiscal years. Any rate recommendation adopted over several years will be reevaluated in parallel with the annual fiscal year budget process.

VII. Miscellaneous Policies, Fees, and Charges

A. Winter Quarter Average (for individually metered residential single-family customers only)

1. Individually metered residential single-family customers may use water for outdoor uses such as irrigation and other landscaping needs during non-winter months. This flow does not typically enter the wastewater collection system; as such, wastewater charges for residential customers are based on water used during the winter quarter. This method is used to obtain a more representative measure of indoor water use that better approximates the true quantity of wastewater entering the wastewater collection system from the individually metered residential single-family customer's premise for treatment and disposal by AlexRenew.
2. AlexRenew's winter quarter average is structured as follows:
 - a. The individually metered residential single-family customer's monthly wastewater treatment charges (variable rate) are based on water meter readings at the customer's premises.
 - b. Individually metered residential single-family customers are billed wastewater treatment charges using a monthly wastewater treatment billing cap, determined annually.
 - c. The wastewater treatment billing cap per customer is based on the customer's average monthly metered water consumption (gallons), recognized on wastewater bills rendered during the winter quarter; defined as the months of December, January, ~~and~~ February, and March.
 - d. The monthly wastewater treatment billing cap is not applied to or applicable for wastewater bills rendered during the winter quarter, since these months are used to calculate the winter quarter average.
 - e. A customer using less than 1,000 gallons per month or recording zero (0) water usage during any single month within the winter quarter will not be eligible for the billing cap. These customers will be billed based on their monthly metered water consumption (gallons).
 - f. If no wastewater bills are rendered to the customer for water service during the winter quarter, then the customer will be billed based on their monthly metered water consumption (gallons) up to a maximum of 12,000 gallons per month until a winter quarter average is established.

B. Reclaimed Water Rate

AlexRenew will set a reclaimed water rate based on the volume of reclaimed water delivered to the customer's premises. All reclaimed water delivered to a customer will be metered.

C. Pretreatment Permit Fees

In accordance with federal and state regulations and the City of Alexandria code, AlexRenew maintains and regulates an industrial pretreatment program. To recover costs associated with administering the pretreatment program, AlexRenew sets fees for permit applications and revisions, as well as annual fees for permitted significant and non-significant industrial users.

D. Deduct Meter Fee and Charges

1. AlexRenew operates a deduct meter program for commercial and industrial customers to account for wastewater flows that do not enter the collection system. These customers receive adjustments on their wastewater bills through the proper operation of the approved deduct meter(s).
2. AlexRenew administers a one-time deduct meter permit fee to cover the cost of an initial inspection and to update the customer's account. Additionally, AlexRenew charges fees to account for the administrative costs of monthly deduct meters readings. Additional charges may be imposed for accounts with deduct meters at different premises.

E. Late Fees

1. AlexRenew assesses late fees to cover the increased administrative costs associated with late payments and to encourage prompt payment of wastewater bills.
2. AlexRenew assesses a 10 percent late payment charge on customer accounts with an unpaid current monthly balance 21 days after their billing date.
3. Late fees apply to the current month's past-due balance only, and are not applied to payment plan balances or previous past-due balances.

F. Other Charges

AlexRenew assesses charges for activation and termination of service. These include an activation fee for all customers opening a new AlexRenew account to establish or re-establish wastewater service. AlexRenew also assesses a fee to customers whose water service has been disconnected for non-payment or for violation of the AlexRenew's Rates, Rules, and Regulations.

VIII. References

American Water Works Association. Principles of Water Rates, Fees, and Charges. 4th ed., American Water Works Association, 2000.

Raftelis, George A. Water and Wastewater Finance and Pricing: The Changing Landscape. CRC Press, 2015.

Water Environment Federation. Financing and Charges for Wastewater Systems. 4th ed., Water Environment Federation, 2018. Manual of Practice No. 27.

IX. Version History

Revision Date	Revision Description
3/17/2026	Changed winter quarter average period from Dec-Feb to Jan-Mar

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