



OPERATING AND CAPITAL BUDGET

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



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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 \$227.2 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.

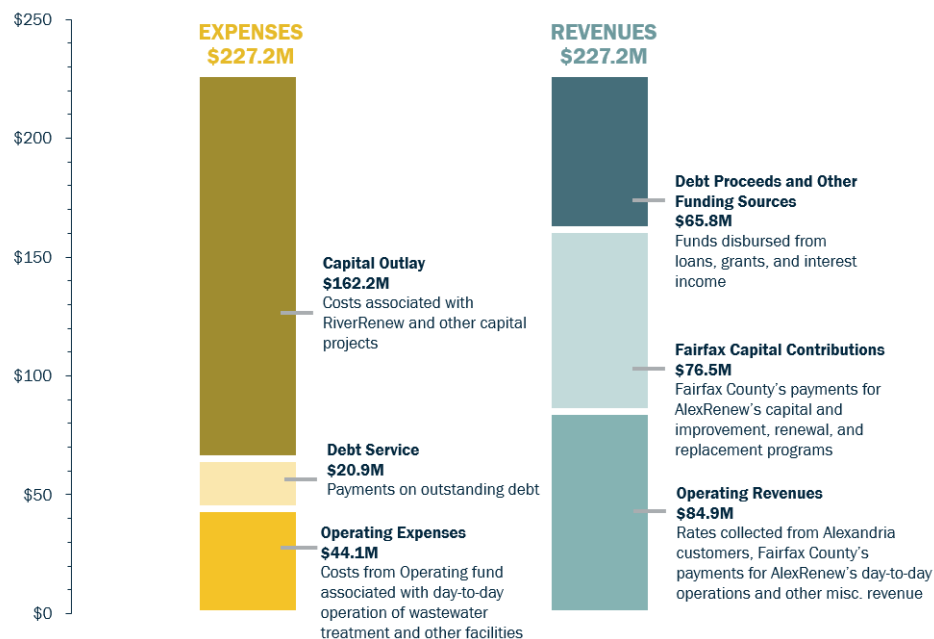


Figure ES.1. FY2027 Expenses and Revenues

ES.2 FY2027 Expenses

Approximately 70 percent of the proposed FY2027 expenses fund the anticipated capital outlay. Capital Outlay is anticipated to be \$162.2 million, of which \$100.1 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 \$15.5 million Improvement, Renewal, and Replacement (IRR) program.

The FY2027 operating expenses are \$44.1 million, representing a 7.6 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 \$84.9 million, up 6.6 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.

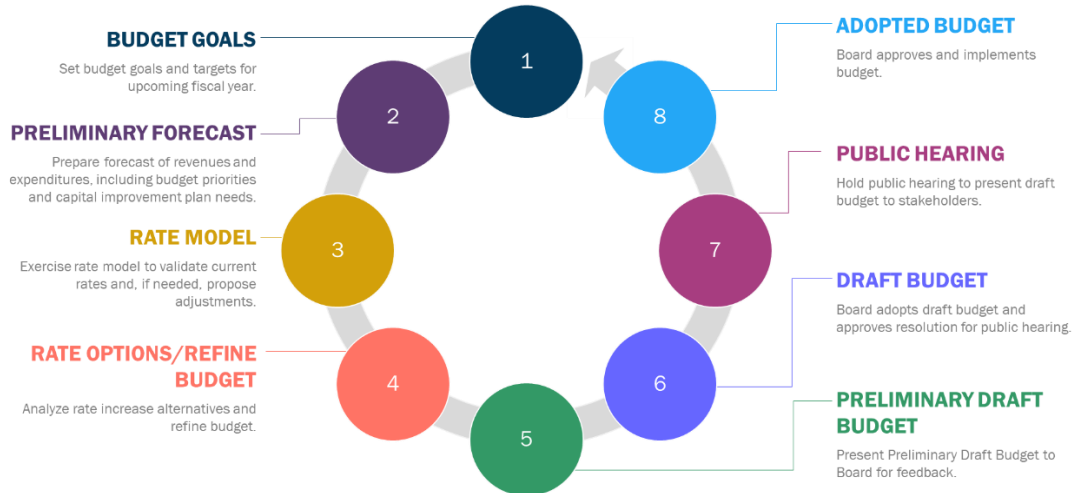


Figure 2.1. Annual Budget Cycle

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.

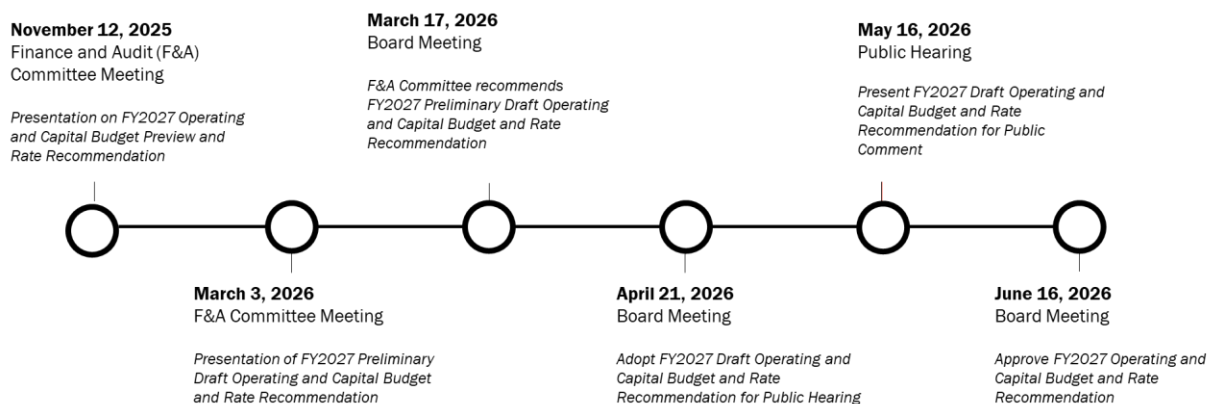


Figure 2.2. FY2027 Operating and Capital Budget Timeline

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 \$227.2 million, a 12.1 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	\$16,961,053	15.7%
	<i>Subtotal</i>	\$79,604,102	\$84,854,046	6.6%
Fairfax Capital Contributions	Fairfax County IRR Contribution	\$5,064,966	\$8,477,078	67.4%
	Fairfax County Capital Contribution	\$54,313,129	\$68,000,964	25.8%
	<i>Subtotal</i>	\$59,378,095	\$76,478,042	29.3%
Debt Proceeds and Other Funding Sources	WIFIA Loan Proceeds	\$86,393,095	\$26,126,948	-69.8%
	Bond Proceeds	\$27,000,000	\$28,560,200	5.8%
	Interest Income	\$1,700,000	\$1,700,000	0.0%
	Cash	\$4,243,222	\$9,455,188	110.8%
	<i>Subtotal</i>	\$119,336,317	\$65,842,337	-44.9%
Total		\$258,318,513	\$227,174,425	-12.1%

Table 3.2. Summary of FY2027 Expenses

Category	Detail	Adopted FY2026	Proposed FY2027	Annual Variance (%)
Operating Expenses	Personnel	\$18,334,520	\$18,846,266	2.8%
	Utilities	\$4,684,240	\$4,918,500	5.0%
	Consumables	\$4,145,000	\$4,155,000	0.2%
	Facility Maintenance	\$1,945,750	\$1,970,750	1.3%
	Arlington Wastewater Treatment	\$1,900,000	\$1,925,000	1.3%
	Biosolids Disposal	\$1,509,500	\$4,061,500	169.1%
	Administration and Other Services	\$5,906,745	\$8,177,668	38.4%
	Transfer to Reserves	\$2,500,000	\$0	-100.0%
	<i>Subtotal</i>	\$40,925,755	\$44,054,684	7.6%
Debt Service	Debt Service	\$20,220,975	\$20,874,530	3.2%
Capital Outlay	Joint IRR	\$11,640,800	\$14,318,004	23.0%
	Alex-only IRR	\$1,023,760	\$1,183,280	15.6%
	RiverRenew	\$95,992,223	\$28,654,888	-70.1%
	General CIP (Alex-only)	\$13,900,000	\$8,859,000	-38.0%
	General CIP (Joint)	\$74,615,000	\$109,230,040	47.2%
	<i>Subtotal</i>	\$197,171,783	\$162,245,212	-17.7%
Total		\$258,318,513	\$227,174,425	-12.1%

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	\$16,961,053	15.7%
Interest Income	\$85,000	\$85,000	0.0%
Total Operating and Maintenance Funding Sources	\$79,689,102	\$84,939,046	6.6%
Operating Expenses and Transfer			
Personnel	\$18,334,520	\$18,846,266	2.8%
Utilities	\$4,684,240	\$4,918,500	5.0%
Consumables	\$4,145,000	\$4,155,000	0.2%
Facility Maintenance	\$1,945,750	\$1,970,750	1.3%
Arlington Wastewater Treatment	\$1,900,000	\$1,925,000	1.3%
Biosolids Disposal	\$1,509,500	\$4,061,500	169.1%
Administration and Other Services	\$5,906,745	\$8,177,668	38.4%
Transfer to Reserves (1)	\$2,500,000	\$0	-100.0%
<i>Subtotal</i>	<i>\$40,925,755</i>	<i>\$44,054,684</i>	<i>7.6%</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	\$20,349,833	7.8%
<i>Subtotal</i>	<i>\$18,882,372</i>	<i>\$20,349,833</i>	<i>7.8%</i>
Total Operating Expenses and Transfers	\$79,689,102	\$84,939,046	6.6%

(1) Transfer to reserves was 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	\$20,349,833	7.8%
Fairfax County IRR Contributions	\$5,064,966	\$8,477,078	67.4%
Fairfax County Capital Contributions	\$54,313,129	\$68,000,964	25.8%
Capital Interest Income	\$1,275,000	\$1,275,000	0.0%
Cash	\$4,243,222	\$9,455,188	110.8%
WIFIA Loan Proceeds	\$86,393,095	\$26,126,948	-69.8%
Bond Proceeds	\$27,000,000	\$28,560,200	5.8%
Total Capital Outlay Funding Sources	\$197,171,783	\$162,245,212	-17.7%
Capital Outlay Expenses			
IRR	\$12,664,560	\$15,501,284	22.4%
Capital	\$184,507,223	\$146,743,928	-20.5%
Total Capital Outlay Expenses	\$197,171,783	\$162,245,212	-17.7%

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	\$16,961,053.17						\$16,961,053.17
Fairfax County IRR Contributions					\$8,477,078.40		\$8,477,078.40
Fairfax County Capital Contributions		\$68,000,963.92					\$68,000,963.92
Interest Income		\$1,275,000.00	\$85,000.00	\$340,000.00			\$1,700,000.00
Interfund Transfers	\$(84,854,046.43)	\$13,325,627.50	\$43,969,683.56	\$20,534,529.77	\$5,840,925.60	\$1,183,280.00	\$0
WIFIA Proceeds		\$26,126,948.07					\$26,126,948.07
2024 Bond Proceeds		\$28,560,200.00					\$28,560,200.00
Cash		\$9,455,188.50					\$9,455,188.50
Total	\$0	\$146,743,927.99	\$44,054,683.56	\$20,874,529.77	\$14,318,004.00	\$1,183,280.00	\$227,174,425.32
Uses	Revenue Fund	General Fund	Operating Fund	Debt Service Fund	Joint IRR Fund	General IRR Fund	All Funds
Operating Expenses			\$44,054,683.56				\$44,054,683.56
Debt Service				\$20,874,529.77			\$20,874,529.77
Joint IRR Expenses					\$14,318,004.00		\$14,318,004.00
Alex-Only IRR Expenses						\$1,183,280.00	\$1,183,280.00
Alex-Only Capital Expenses		\$8,859,000.00					\$8,859,000.00
Joint Capital Expenses		\$137,884,927.99					\$137,684,927.99
Total	\$0	\$146,743,927.99	\$44,054,683.56	\$20,874,529.77	\$14,318,004.00	\$1,183,280.00	\$227,174,425.32

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 \$84.9 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 \$76.5 million, up 29.3 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 \$65.8 million, decreasing 44.9 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 \$44.1 million, representing a 7.6 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:

- \$512,000 increase in personnel costs to support the addition of critical positions focused on safety, workforce development, and infrastructure maintenance. The increase also reflects salary adjustments from the 2026 compensation study. Total headcount increased to 141, which includes operations and maintenance apprentice programs. These positions will take 2-3 years to mature to operations and maintenance technicians, ensuring we are able to backfill

tenured staff retirements. Additional key 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.
- \$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.
- \$2.5 million increase in biosolids disposal for alternative disposal in response to anticipated changes in regulations.

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	9.0	(1.0)
Administration Department (includes Finance, Procurement, and Communications Teams)	16.0	17.0	1.0
Water Quality Department (includes Wastewater Treatment Operations, Laboratory, and Environmental Sustainability Teams)	50.0	52.0	2.0
Engineering Department (includes Maintenance Team)	46.0 (1)	50.0	4.0
Human Resources Department	7.0	9.0	2.0
Total	133.0	141.0	8.0

(1) The FTEs included in the adopted FY2026 Budget for the Engineering Department were listed as 45.0, but should have indicated 46.0 FTEs. The update did not impact the total adopted FTEs.

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 \$162.2 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 \$23 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 \$15.5 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	\$14.3	23.0%
	<i>Subtotal</i>	\$12.7	\$15.5	22.4%
Capital Projects – General	Alex-only Capital Projects	\$14.3	\$8.9	-38.0%
	Joint Capital Projects	\$74.6	\$109.2	47.2%
	<i>Subtotal</i>	\$88.5	\$118.1	33.4%
Capital Projects – RiverRenew	RiverRenew Capital Projects	\$96.0	\$28.7	-70.1%
	<i>Subtotal</i>	\$96.0	\$28.7	-70.1%
Total CIP Expenses	-	\$197.2	\$162.2	-17.7%

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	\$16,961,053	\$17,809,106	\$18,699,561
	<i>Subtotal</i>	\$84,854,046	\$89,096,749	\$93,195,148
Fairfax Capital Contributions	Fairfax County IRR Contribution	\$8,477,078	\$8,801,886	\$8,522,623
	Fairfax County Capital Contribution	\$68,000,964	\$71,000,834	\$96,081,564
	<i>Subtotal</i>	\$76,478,042	\$79,802,720	\$104,604,187
Debt Proceeds and Other Funding Sources	WIFIA Loan Proceeds	\$26,126,948	\$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	\$9,455,188	\$3,151,844	\$2,451,992
	<i>Subtotal</i>	\$65,842,337	\$38,863,832	\$49,151,992
Total Revenues		\$227,174,425	\$207,763,301	\$246,951,327

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

Category	Detail	Proposed FY2027	Estimated FY2028	Estimated FY2029
Operating and Maintenance Expenses	Personnel	\$18,846,266	\$19,788,579	\$20,778,008
	Utilities	\$4,918,500	\$5,164,425	\$5,422,646
	Consumables	\$4,155,000	\$4,362,750	\$4,580,888
	Facility Maintenance	\$1,970,750	\$2,069,288	\$2,172,752
	Arlington Wastewater Treatment	\$1,925,000	\$2,021,250	\$2,122,313
	Biosolids Disposal	\$4,061,500	\$4,264,575	\$4,477,804
	Administration and Other Services	\$8,177,668	\$8,586,551	\$9,015,879
	Transfer to Reserves	\$0	\$0	\$0
	<i>Subtotal</i>	\$44,054,684	\$46,257,418	\$48,570,289
Debt Service	Debt Service	\$20,874,530	\$20,695,331	\$21,066,882
Capital Outlay	Joint IRR Programs	\$14,318,004	\$14,878,304	\$14,415,216
	Alex-only IRR Programs	\$1,183,280	\$1,251,608	\$509,000
	Capital Projects – RiverRenew	\$28,654,888	\$1,500,000	\$0
	Capital Projects – General (Alex-only)	\$8,859,000	\$4,963,000	\$2,254,000
	Capital Projects – General (Joint)	\$109,230,040	\$118,217,640	\$160,135,940
<i>Subtotal</i>	\$162,245,212	\$140,810,552	\$177,314,156	
Total Expenses		\$227,174,425	\$207,763,301	\$246,951,327

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	\$7,241,866	\$7,603,959	\$7,984,157
General Reserve Sub-Fund	\$6,727,521	\$7,241,866	\$7,603,959	\$7,984,157
Total Cash Reserve Requirement	\$13,455,043	\$14,483,732	\$15,207,918	\$15,968,314

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	\$16,961,053	\$17,809,106	\$18,699,561
Interest Income	\$1,700,000	\$1,700,000	\$1,700,000	\$1,700,000
Gross Revenue Available for Debt Service	\$81,304,102	\$86,554,046	\$90,796,749	\$94,895,148
Operating Expenses	(\$40,925,755)	(\$44,054,684)	(\$46,257,418)	(\$48,570,289)
Net Revenues Available for Debt Service	\$40,378,347	\$42,499,363	\$44,539,331	\$46,324,859
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	2.15x	2.20x

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

AlexRenew customer's monthly wastewater bill is based on a sum of two charges:

- i. **Wastewater Treatment Charge.** A use charge calculated from how much water a customer uses; and
- ii. **Base charge.** A fixed fee per customer account which is currently based on a customer's meter size.

Starting July 1, 2026, AlexRenew is proposing an update to how the base charge is calculated. Instead of 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, other public agency, and industrial customers, a customer's average use used will be converted to units in relation to a residential customer's usage to set the base charge.

In June 2025, AlexRenew adopted a two-year rate increase, which included a 5.7% rate increase starting on July 1, 2026. Because of the adopted rate increase and the proposed base charge change, the FY2027 rate adjustment will be a blend of the adopted rate increase and the change to how the base charge is determined. Each customer will be impacted differently.

To minimize impacts to commercial, other public agency, and industrial customers that will have a bill increase associated with the base charge change, AlexRenew will phase-in the new base charge over a five-year period. Over the five-year period, the base charge for the commercial, other public agency, and industrial customers will be calculated using a portion of the existing base charge based on meter size (methodology being phased out) and the new usage base charge (proposed base charge methodology). In FY2027, the base charge will be calculated using eighty (80) percent of the base charge based on meter size and twenty (20) percent of the base charge based on use.

Tables 5.1 and 5.2 detail the monthly rates and charges for all customers discharging sewage to and/or requiring wastewater treatment service from AlexRenew.

Table 5.1. Base charge based on meter size (Commercial, Industrial, and Other Public Agency Classes only)

Meter Size	Current Monthly Cost (Effective July 1, 2025)	Proposed Monthly Cost (1) (Effective July 1, 2026)
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

- (1) For FY2027, commercial, other public agency, and industrial customers’ base charge will be calculated using 80% of the existing base charge based on meter size and 20% of the proposed base charge based on use.

Table 5.2. Charges based on usage

Charge	Unit	Current Monthly Cost (Effective July 1, 2025)	Proposed Monthly Cost (Effective July 1, 2026)
Residential Base	Per unit (1)	\$15.29	\$14.48
Commercial, Industrial, and Other Public Agency Base	Per unit (1), (3)	-	\$14.72 (2)
Wastewater Treatment (4)	Per 1,000 gallons	\$10.77	\$11.38

- (1) There will be a minimum of 1 unit for all customers.
- (2) For FY2027, commercial, other public agency, and industrial customers’ base charge will be calculated using 80% of the existing base charge based on meter size and 20% of the proposed base charge based on use.
- (3) A commercial, other public agency, and industrial customer’s 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.
- (4) The Wastewater Treatment Charge for Residential Customers is 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.

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 \$1,032.2 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	\$20.3	\$22.6	\$24.0	\$26.3	\$27.2	\$28.2	\$29.3	\$30.5	\$31.8	\$33.2	\$273.5
Fairfax IRR Contributions	\$8.5	\$8.8	\$8.5	\$7.7	\$7.7	\$7.9	\$8.3	\$8.9	\$9.1	\$8.9	\$84.3
Fairfax Capital Contributions	\$68.0	\$71.0	\$96.1	\$103.8	\$71.3	\$41.3	\$4.5	\$3.9	\$3.9	\$36.2	\$500.0
WIFIA Loan Proceeds	\$26.1	\$1.4	-	-	-	-	-	-	-	-	\$27.3
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	\$9.5	\$3.2	\$2.5	\$3.0	\$0.9	\$4.9	(\$20.2)	(\$21.7)	(\$22.8)	(\$1.2)	(\$44.5)
Total Estimated CIP Funding	\$162.2	\$140.8	\$177.3	\$187.0	\$133.5	\$83.7	\$23.3	\$22.9	\$23.2	\$78.3	\$1,032.2

(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	\$16,961,053	15.7%	\$17,809,106	\$18,699,561
Total Revenues	\$79,604,102	\$84,854,046	6.6%	\$89,096,749	\$93,195,148
Transfers					
Transfer to Operating Fund (1)	\$40,840,755	\$43,969,684	7.7%	\$45,172,418	\$48,485,289
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	\$5,840,926	-11.2%	\$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	\$13,325,628	18.1%	\$15,240,974	\$17,581,384
Total Uses	\$79,604,102	\$84,854,046	6.6%	\$89,096,749	\$93,195,148

(1) Includes entire Fairfax County Operating Charge

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	\$44,054,684	7.6%	\$46,257,418	\$48,570,289
% of Joint Expenses (1)	87.5%	87.5%	0.0%	87.5%	87.5%
Total Joint Operating Expenses	\$35,810,036	\$38,547,848	7.6%	\$40,475,241	\$42,499,003
% of Fairfax County Flows (2)	41%	44%		44%	44%
Fairfax Operating Charge	\$14,662,764	\$16,961,053	15.7%	\$17,809,106	\$18,699,561
Joint IRR	\$11,640,800	\$14,318,004	23.0%	\$14,878,304	\$14,415,216
Joint Capital	\$152,594,997	\$137,884,928	-19.0%	\$119,717,640	\$160,135,940
Total Joint IRR and Capital	\$164,235,797	\$152,202,932	-16.3%	\$134,595,944	\$174,551,156
<i>Fairfax IRR Contributions</i>	\$5,064,966	\$8,477,078	67.4%	\$8,801,886	\$8,522,623
<i>Fairfax Capital Contributions</i>	\$54,073,129	\$68,000,964	25.8%	\$71,000,834	\$96,081,564
<i>Fairfax IRR and Capital Contributions</i>	\$59,138,095	\$76,478,042	29.3%	\$79,802,720	\$104,604,187
Total Fairfax Contributions	\$73,800,859	\$93,439,095	26.6%	\$97,611,826	\$123,303,748

- (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	\$43,969,684	7.7%	\$46,172,418	\$48,485,239
Interest Income	\$85,000	\$85,000	0.0%	\$85,000	\$85,000
Total	\$40,925,755	\$44,054,684	7.6%	\$46,257,418	\$48,570,289
Expenses					
Personnel	\$18,334,520	\$18,846,266	2.8%	\$19,788,579	\$20,778,508
Utilities	\$4,684,240	\$4,918,500	5.0%	\$5,164,425	\$5,422,646
Consumables	\$4,145,000	\$4,155,000	0.2%	\$4,362,750	\$4,580,888
Facilities Maintenance	\$1,945,750	\$1,970,750	1.3%	\$2,069,288	\$2,172,752
Arlington Wastewater Treatment	\$1,900,000	\$1,925,000	1.3%	\$2,021,250	\$2,122,313
Biosolids Disposal	\$1,509,500	\$4,061,500	169.1%	\$4,264,575	\$4,477,804
Administration and Other Services	\$5,906,745	\$8,177,668	38.4%	\$8,586,551	\$9,015,879
Transfer to Reserves	\$2,500,000	\$0	-100.0%	\$0	\$0
Total	\$40,925,755	\$44,054,684	7.6%	\$46,257,418	\$48,570,289
Excess (Deficiency) (1)	\$846,608	\$514,344		\$876,438	\$380,198
Fund Balance – Beginning	\$5,880,913	\$6,727,521		\$6,727,521	\$7,603,939
Fund Balance – Ending (1)	\$6,727,521	\$7,241,866		\$7,603,959	\$7,984,157

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

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	\$20,534,530	\$20,355,331	\$20,726,882
Interest Income	\$340,000	\$340,000	\$340,000	\$340,000
Total Revenue	\$20,220,974	\$20,874,530	\$20,695,331	\$21,066,882
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	\$3,444,121	\$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	\$6,577,110	\$5,840,926	-11.2%	\$6,076,418	\$5,892,593
Fairfax County Contribution	\$5,063,690	\$8,477,078	67.4%	\$8,801,886	\$8,522,623
Total Revenues	\$11,640,800	\$14,318,004	23.0%	\$14,878,304	\$14,415,216
Expenses					
Campus-Wide Projects	\$3,600,000	\$7,230,000	100.8%	\$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
West Campus	\$1,000,000	-	-100.0%	-	-
Environmental Center Projects	-	\$874,800	0.0%	\$962,280	\$973,128
RiverRenew Tunnel System	-	\$140,000	0.0%	\$100,000	\$130,000
Joint IRR Expenses	\$11,640,800	\$14,318,004	23.0%	\$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 \$514,344 through FY2027, with a projected balance of \$62.3 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	\$11,281,501	\$13,325,628	18.1%	\$15,240,974	\$17,581,384
Fairfax Contributions	\$54,073,129	\$68,000,964	25.8%	\$71,000,834	\$96,081,564
WIFIA Loans	\$86,393,095	\$26,126,948	-69.8%	\$1,377,750	-
Green Bonds	\$27,000,000	\$28,560,200	5.8%	\$32,634,238	\$45,000,000
Cash	\$4,484,499	\$9,455,188	110.8%	\$3,151,844	\$2,451,992
Interest Income	\$1,275,000	\$1,275,000	0.0%	\$1,275,000	\$1,275,000
Total Revenues	\$184,507,223	\$146,743,928	-20.5%	\$124,680,640	\$162,389,940
Expenses					
Alex-Only General Capital Expenses	\$14,300,000	\$8,859,000	-38.0%	\$4,963,000	\$2,254,000
Joint General Capital Expenses	\$170,207,223	\$137,884,928	-19.0%	\$119,717,640	\$160,135,940
Total Expenses	\$184,507,223	\$146,743,928	-20.5%	\$124,680,640	\$162,389,940
Fund Balance Increase (Deficiency)	-	-		-	-
Fund Balance - Beginning	\$69,524,180	\$69,524,180		\$69,524,180	\$69,524,180
Fund Balance - Beginning	\$69,524,180	\$69,524,180		\$69,524,180	\$69,524,180
General Reserve sub-Fund (1)	\$(6,727,521)	\$(7,241,866)		\$(7,603,959)	\$(7,984,157)
Fund Balance - Ending	\$62,796,658	\$62,282,314	-0.8%	\$61,920,220	\$61,540,022

(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	\$14.3	\$14.9	\$14.4	\$13.0	\$13.1	\$13.4	\$14.1	\$15.0	\$15.4	\$15.1	\$142.8
	<i>Subtotal</i>	\$12.7	\$15.5	\$16.1	\$14.9	\$13.5	\$13.7	\$14.0	\$14.7	\$15.6	\$15.9	\$15.7	\$149.6
Capital Projects – General	Alex-only	\$14.3	\$8.9	\$5.0	\$2.3	\$0.5	\$1.0	\$0.9	\$1.1	\$0.8	\$0.8	\$2.3	\$23.3
	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
	<i>Subtotal</i>	\$88.5	\$118.1	\$123.2	\$162.4	\$173.5	\$119.8	\$69.7	\$8.6	\$7.3	\$7.3	\$62.6	\$852.5
Capital Projects – RiverRenew	RiverRenew	\$96.0	\$28.7	\$1.5	-	-	-	-	-	-	-	-	\$30.2
	<i>Subtotal</i>	\$96.0	\$28.7	\$1.5	-	-	-	-	-	-	-	-	\$30.2
Total CIP/IRR Program Expenditures		\$197.2	\$162.2	\$140.8	\$177.3	\$187.0	\$133.5	\$83.7	\$23.3	\$22.9	\$23.2	\$78.3	\$1,032.2
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	\$20.3	\$22.6	\$24.0	\$26.3	\$27.2	\$28.2	\$29.3	\$30.5	\$31.8	\$33.2	\$273.5
Fairfax IRR Contributions		\$5.1	\$8.5	\$8.8	\$8.5	\$7.7	\$7.7	\$7.9	\$8.3	\$8.9	\$9.1	\$8.9	\$84.3
Fairfax Capital Contributions		\$54.1	\$68.0	\$71.0	\$96.1	\$103.8	\$71.3	\$41.3	\$4.5	\$3.9	\$3.9	\$36.2	\$500.0
WIFIA Loan Proceeds		\$86.4	\$26.1	\$1.4	-	-	-	-	-	-	-	-	\$27.5
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	\$9.5	\$3.2	\$2.5	\$3.0	\$0.9	\$4.9	(\$20.2)	(\$21.7)	(\$22.8)	(\$1.2)	(\$42.0)
Total CIP/IRR Program Funding Sources		\$197.2	\$162.2	\$140.8	\$177.3	\$187.0	\$133.5	\$83.7	\$23.3	\$22.9	\$23.2	\$78.3	\$1,032.2



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

Projects	Fairfax %	Alex-Only %	Total Project	Prior Years	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%	100%	\$ 2.6	\$ 0.0	\$ 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%	100%	\$ 5.2	\$ 1.0	\$ 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			\$ 7.8	\$ 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															
IRR: Campus-Wide Projects	60%	40%	\$ 78.9	\$ 7.1	\$ 7.2	\$ 7.1	\$ 7.5	\$ 6.5	\$ 6.5	\$ 6.5	\$ 7.0	\$ 7.8	\$ 7.8	\$ 7.8	\$ 71.8
IRR: Preliminary and Primary Infrastructure	60%	40%	\$ 6.0	\$ 1.0	\$ 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%	40%	\$ 21.3	\$ 1.5	\$ 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	60%	40%	\$ 8.8	\$ 1.0	\$ 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%	40%	\$ 14.4	\$ 1.0	\$ 1.2	\$ 1.3	\$ 1.3	\$ 1.3	\$ 1.4	\$ 1.4	\$ 1.5	\$ 1.5	\$ 1.6	\$ 1.0	\$ 13.4
IRR: WRRF Safety and Security	60%	40%	\$ 6.3	\$ 1.0	\$ 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%	40%	\$ 2.4	\$ 0.5	\$ 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	60%	40%	\$ 0.2	\$ 0.0	\$ 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%	53%	\$ 11.5	\$ 1.0	\$ 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%	40%	\$ 2.0	\$ -	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 2.0
IRR: Information Technology Projects	60%	40%	\$ 5.6	\$ 0.5	\$ 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			\$ 157.4	\$ 14.6	\$ 14.3	\$ 14.9	\$ 14.4	\$ 13.0	\$ 13.1	\$ 13.4	\$ 14.1	\$ 15.0	\$ 15.4	\$ 15.1	\$ 142.8
IRR Program Total			\$ 165.2	\$ 15.6	\$ 15.5	\$ 16.1	\$ 14.9	\$ 13.5	\$ 13.7	\$ 14.0	\$ 14.7	\$ 15.6	\$ 15.9	\$ 15.7	\$ 149.6
CIP - General															
Alex-only Capital Projects															
Commonwealth Interceptor Upgrade Project	0%	100%	\$ 6.7	\$ 5.2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1.5	\$ 1.5
Arlington County Capital Contributions	0%	100%	\$ 26.0	\$ 9.7	\$ 5.9	\$ 4.5	\$ 2.0	\$ 0.2	\$ 0.7	\$ 0.6	\$ 0.8	\$ 0.5	\$ 0.5	\$ 0.5	\$ 16.3
Potomac Interceptor Rehabilitation	0%	100%	\$ 3.5	\$ 1.0	\$ 2.5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2.5
Regional Biosolids Feasibility Study	0%	100%	\$ 1.0	\$ 0.5	\$ 0.3	\$ 0.3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.5
Capital Financing Fees	0%	100%	\$ 3.8	\$ 1.3	\$ 0.3	\$ 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			\$ 41.0	\$ 17.7	\$ 8.9	\$ 5.0	\$ 2.3	\$ 0.5	\$ 1.0	\$ 0.9	\$ 1.1	\$ 0.8	\$ 0.8	\$ 2.3	\$ 23.3



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			\$ 1,013.7	\$ 111.5	\$ 118.1	\$ 123.2	\$ 162.4	\$ 173.5	\$ 119.8	\$ 69.7	\$ 8.6	\$ 7.3	\$ 7.3	\$ 62.6	\$ 852.5
RiverRenew Program															
RiverRenew Tunnel Project - Joint	9.0%	91.0%	\$ 638.2	\$ 615.5	\$ 22.7	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22.7
RiverRenew Service Contract - Joint	8.2%	91.9%	\$ 7.5	\$ -	\$ 6.0	\$ 1.5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7.5
RiverRenew Tunnel Project Total			\$645.7	\$615.5	\$28.7	\$1.5	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$30.2
AlexRenew Capital Total			\$ 1,824.5	\$ 742.7	\$ 162.2	\$ 140.8	\$ 177.3	\$ 187.0	\$ 133.5	\$ 83.7	\$ 23.3	\$ 22.9	\$ 23.2	\$ 78.3	\$ 1,032.2

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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	\$7.10	\$7.23	\$7.08	\$7.53	\$6.53	\$6.53	\$6.53	\$7.03	\$7.75	\$7.79	\$7.79	\$71.79
Financing												
AlexRenew	\$2.84	\$2.89	\$2.83	\$3.01	\$2.61	\$2.61	\$2.61	\$2.81	\$3.10	\$3.12	\$3.12	\$28.72
Fairfax	\$4.26	\$4.34	\$4.25	\$4.52	\$3.92	\$3.92	\$3.92	\$4.22	\$4.65	\$4.67	\$4.67	\$43.07
									Lifetime Total: \$78.89			

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	(-)	\$0.14	\$0.10	\$0.13	\$0.13	\$0.13	\$0.28	\$0.28	\$0.28	\$0.28	\$0.28	\$2.03
Financing												
AlexRenew	-	\$0.06	\$0.04	\$0.05	\$0.05	\$0.05	\$0.11	\$0.11	\$0.11	\$0.11	\$0.11	\$0.81
Fairfax	-	\$0.08	\$0.06	\$0.08	\$0.08	\$0.08	\$0.17	\$0.17	\$0.17	\$0.17	\$0.17	\$1.22
Lifetime Total:											\$2.03	

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)											Total
	Prior Years	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	
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.

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

Category: components. Estimated Fairfax County contributions are included below.

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	\$22.70	-	-	-	-	-	-	-	-	-	\$22.70
Financing												
AlexRenew	\$560.11	\$20.66	-	-	-	-	-	-	-	-	-	\$20.66
Fairfax	\$55.40	\$2.04	-	-	-	-	-	-	-	-	-	\$2.04
Lifetime Total:											\$638.20	

Notes:

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

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	\$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	\$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)											Total	
	Prior Years	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036		
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)											
	Prior Years	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	Total
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	Fiscal Year (\$M)											Total	
	Prior Years	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

Category: components. Estimated Fairfax County contributions are included below.

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	\$22.70	-	-	-	-	-	-	-	-	-	\$22.70	
Financing													
AlexRenew	\$560.11	\$20.66	-	-	-	-	-	-	-	-	-	\$20.66	
Fairfax	\$55.40	\$2.04	-	-	-	-	-	-	-	-	-	\$2.04	
									Lifetime Total:				\$638.20

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	Fiscal Year (\$M)											Total
	Prior Years	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.