

Saturday, May 16, 2026 – 9:30 a.m.

Public Hearing Agenda

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

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

The AlexRenew Board of Directors is holding a public hearing to receive comments on the Proposed Fiscal Year 2027 Operating and Capital Budget and rate recommendation.

If you wish to speak during public comment, please contact Lorna Huff, Board Executive Assistant, at (703) 721-3500 ext. 2260 or lorna.huff@alexrenew.com in advance. Submission of written statements is encouraged and may be emailed to the Board Executive Assistant. If you need an interpreter, translator, materials in alternate formats or other accommodation, contact the Board Executive Assistant at least three business days prior to the meeting. A recording of the meeting will be posted on alexrenew.com following its conclusion.

No.	Time	Item	Presenter	Action
1.	9:30 a.m.	Call to Order	Chair	
2.	9:35 a.m.	Review Process	Chair	
3.	9:37 a.m.	Purpose of Public Hearing	Chair	
4.	9:40 a.m.	Staff Presentation (Tab 1)	Chair	
5.	10:15 a.m.	Public Testimony and Comments on Proposed Fiscal Year 2027 Operating and Capital Budget and Rate Recommendation	Chair	
6.	12:00 p.m.	Adjourn	Chair	

Times shown are approximate start times and serve as guidelines.



PROPOSED FISCAL YEAR 2027 BUDGET AND RATE RECOMMENDATION

PUBLIC HEARING | MAY 16, 2026

AlexRenew

OVERVIEW

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



AlexRenew's Operating and Capital Budgets

Operating Budget

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



Capital Budget

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

Fiscal Year 2027 Budget Priorities

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

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

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

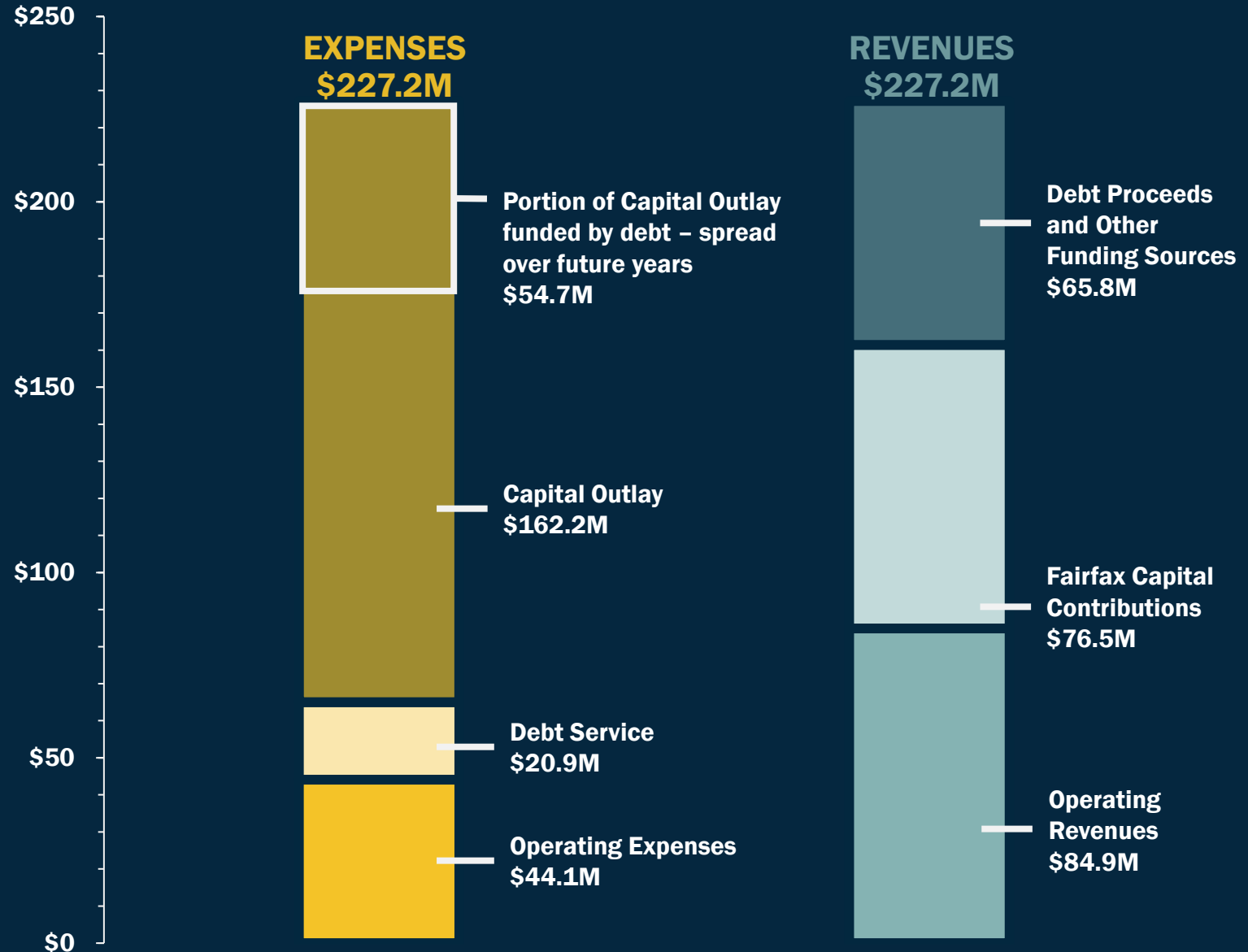
Capital Budget. Deliver the final year of RiverRenew construction while building momentum on PhaseForward projects to sustain system performance and support long-term organizational needs

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

Proposed Fiscal Year 2027 Budget Breakdown

\$227.2 million Operating and Capital Budget

- 71% of the budget is capital spending (infrastructure construction, improvements, and upgrades)
- \$20.9 million in continued annual payments to pay outstanding debt for critical capital upgrades
- 7.6 increase from the prior year's budget in operating expenses to invest in staff, security programs, and insurance coverages



\$227.2
MILLION
EXPENDED



FISCAL YEAR 2027
PROPOSED BUDGET

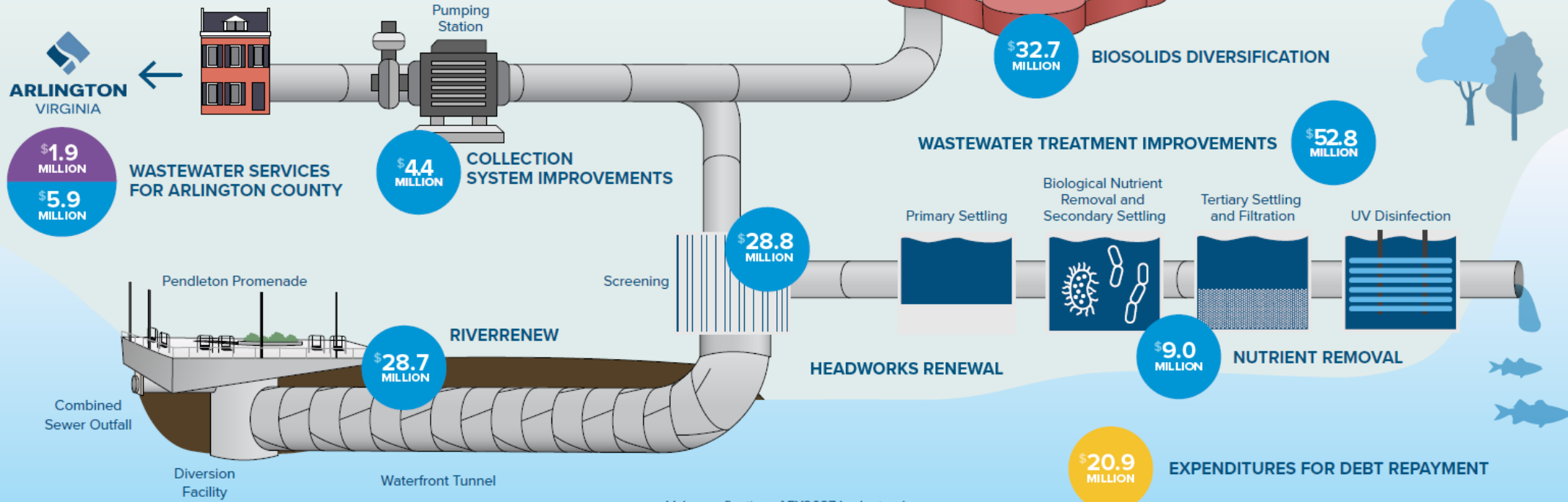
AlexRenew's proposed capital and operating budget is guided by our ongoing investments in Alexandria's future and the health of its waterways.



\$42.1
MILLION

PEOPLE, UTILITIES,
AND CONSUMABLES

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



Values reflective of FY2027 budget only.

phaseforward

Major Fiscal Year 2027 Capital Projects

In Fiscal Year 2027, AlexRenew will continue to progress the PhaseForward Program and complete construction of the RiverRenew Tunnel Project. Additional work will also be completed at AlexRenew's wastewater plant to replace ageing infrastructure and improve reliability.



Biosolids Diversification Project

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



Headworks Renewal Project

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



Process Optimization Project

- \$0.9 million in FY2027
- Final completion



Low-Pressure Steam Improvements Project

- \$9.6 million in FY2027
- Replacement of boilers, condensate systems, piping, and associated equipment



Nutrient Reduction Project

- \$9.0 million in FY2027
- Preliminary design



RiverRenew Tunnel Project

- \$22.7 million
- Final completion
- \$7.5 million service contract (projected September 2026 through September 2027)



Improvement, Renewal, and Replacement Program

- \$15.5 million in FY2027
- Routine investments to maintain and repair existing equipment

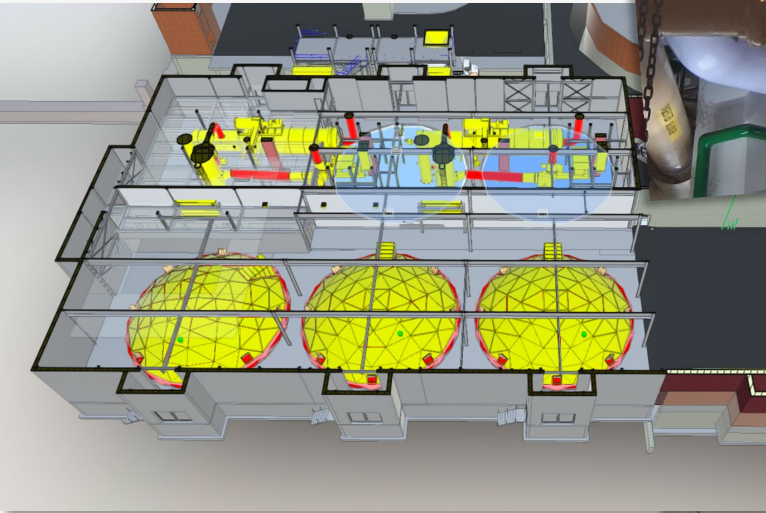
Construction focused on initial site work for the Biosolids Diversification project began



Green Bond Update

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

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



3D sketch of biosolids drying facility at AlexRenew

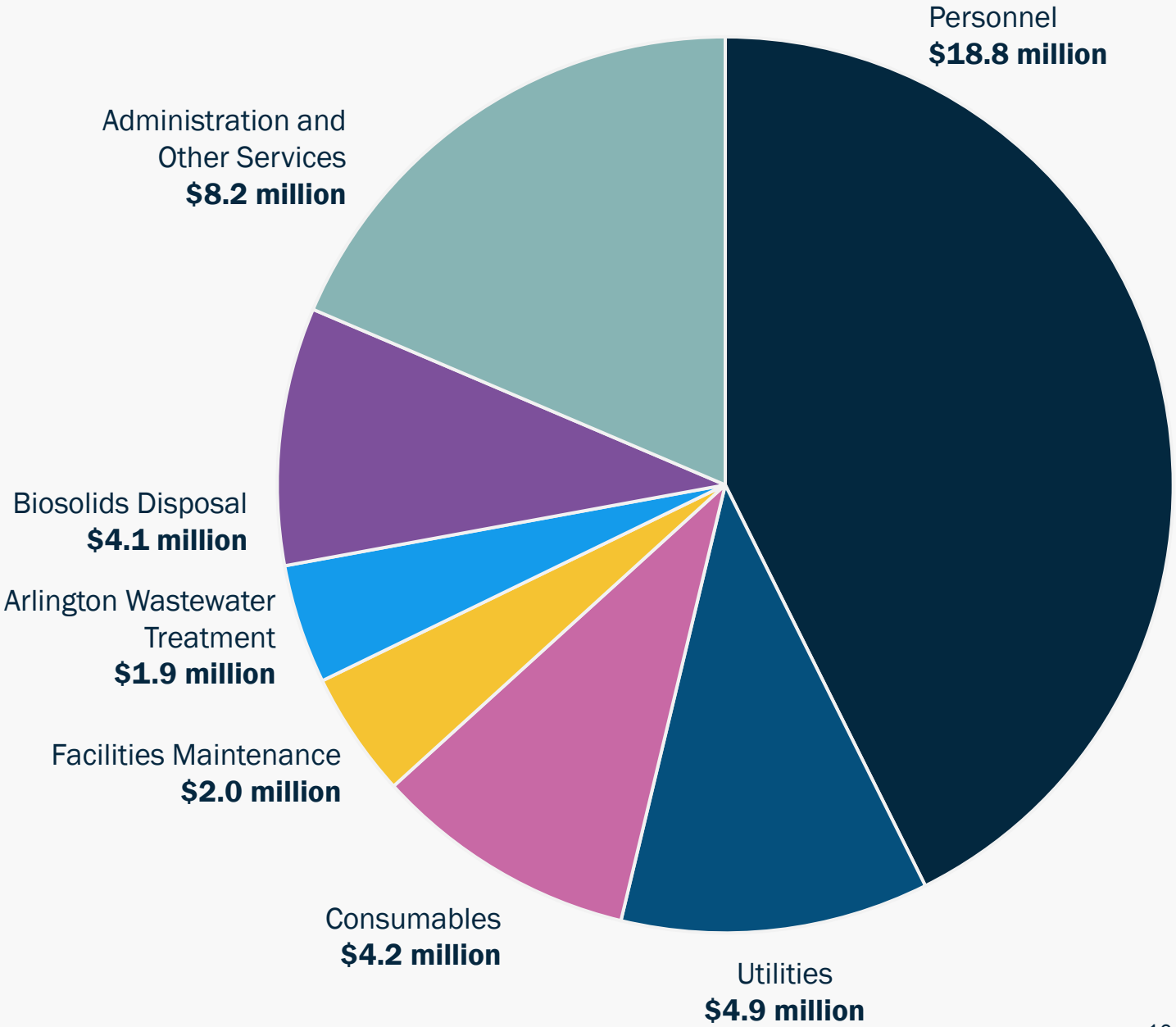


PhaseForward's construction office complex was established

Fiscal Year 2027 Operating Expenses

The proposed Fiscal Year 2027 operating expenses total **\$44.1 million**. Major drivers include:

- Investment in personnel to support workforce development, safety, and long-term asset performance. Headcount increased to 141, which includes eight (8) operations and maintenance apprentices to build the next generation of wastewater professionals
- Addition of RiverRenew operating costs
- Increase in software licenses and support to recent capital upgrades that address cybersecurity threats and modernize operations
- Addition of flood insurance to manage flood risk in a changing climate
- Increase for alternative biosolids disposal in response to changes in regulations



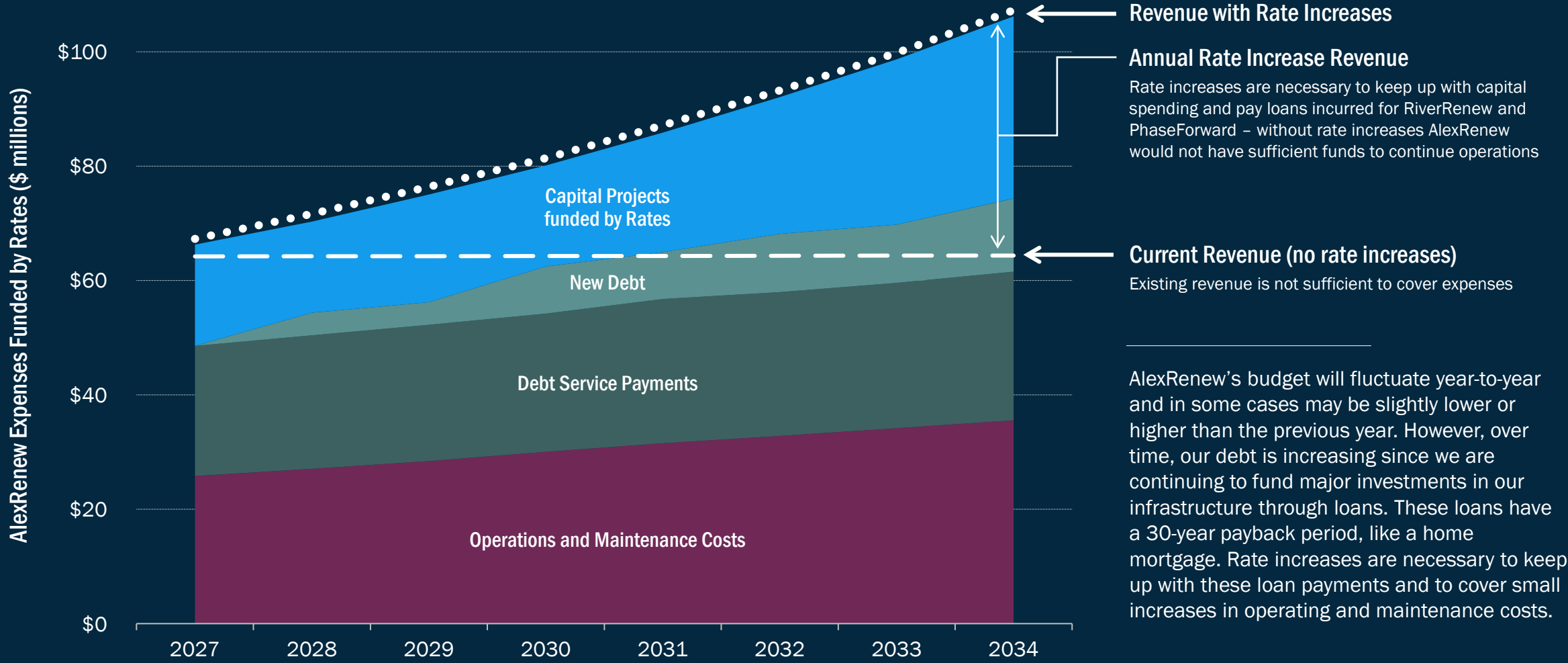
Fiscal Year 2027 Consolidated Budget

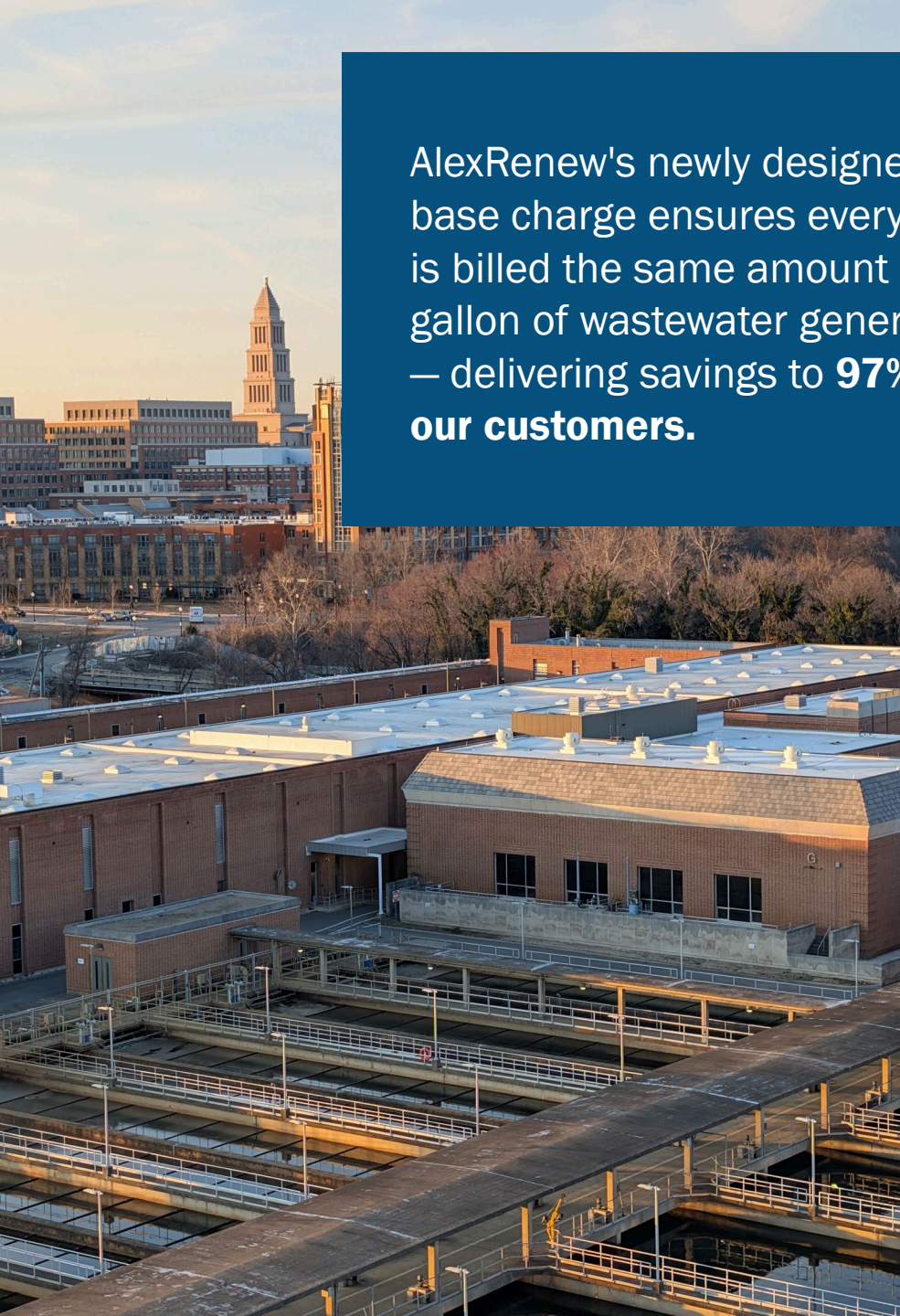
The consolidated budget summarizes AlexRenew's budgeted operating, debt service, and capital expenses for Fiscal Year 2027. The table also illustrates the revenues that fund each expense category following the flow of funds in accordance with AlexRenew's Master Indenture of Trust and financial policies.

	Adopted FY2026	Proposed FY2027	\$ Variance	% Variance	
Operating	Wastewater Treatment Revenues	64.9	67.9	3.0	
	Fairfax County Operating Charge	14.7	17.0	2.3	
	Interest Income	0.1	0.1	-	
	Total Operating Revenue	79.7	84.9	5.3	6.6%
	Operating Expenses	40.9	44.1	3.1	
	Transfers to Debt Service and Capital	38.8	40.9	2.2	
Total Operating Expenses and Transfers	78.2	84.9	5.3	6.6%	
Debt Service	Transfer From Operating Fund	19.9	20.5	0.7	
	Interest Income	0.3	0.3	0.0	
	Total Debt Service Revenue	20.2	20.9	0.7	3.2%
	Principal	11.0	11.4	0.4	
	Interest	9.2	9.5	0.2	
Total Debt Service Expense	20.2	20.9	0.7	3.2%	
Capital	Transfer From Operating Fund	18.9	20.3	1.5	
	Fairfax Capital Contributions	59.1	76.5	17.3	
	Interest Income	1.3	1.3	0.0	
	Parity Debt Proceeds	113.4	54.7	(58.7)	
	Cash	4.5	9.5	5.0	
	Total Capital Revenue	197.2	162.2	(34.9)	(17.7)%
	Total Capital Expense	197.2	162.2	(34.9)	(17.7)%

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

AlexRenew's rate increases pay for long-term debt and capital infrastructure investments





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

Balanced and fair billing

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

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

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

FY2027 Residential Customer Rate Adjustment

Great News for Residential Customers!

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

Learn more at AlexRenew.com/BaseCharge

Previous rate increase starting July 1, 2026

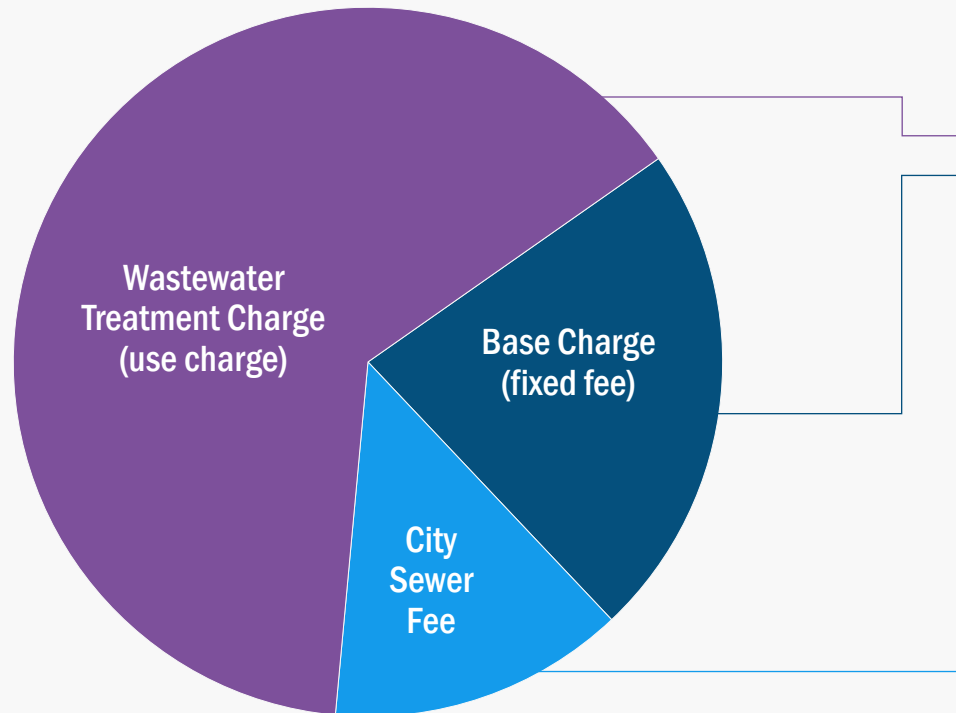
5.7%


New rate increase starting July 1, 2026

3.0%

Example Wastewater Bill (Residential)

Your AlexRenew wastewater bill has three charges – a **wastewater treatment charge** (use charge) which is calculated from how much water you use, a **city sewer fee** that AlexRenew collects on behalf of the City of Alexandria, and a **base charge**. The base charge is a fixed monthly fee that pays for the pipes, pumps, and treatment systems that have to be ready and working all the time – no matter how much wastewater is generated.

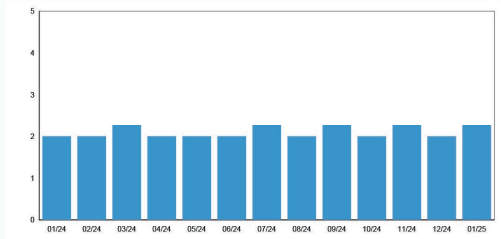



Alexandria's **Wastewater Authority**

Current Charges		Bill Date: 2/25/26
Wastewater Treatment Charge	\$21.54	
Base Charge	\$15.29	
Wastewater Treatment and Base Charges cover equipment, buildings and their major repair and replacement, and the water professionals, energy and other resources to treat wastewater.		
City Sanitary Sewer System Capital Investment and Maintenance Fee	\$4.56	
Current Charges	\$41.39	

Find bill details on the back side of your statement

Water Usage
X1000 gallons



Month	Usage (X1000 gallons)
01/24	2.0
02/24	2.0
03/24	2.3
04/24	2.0
05/24	2.0
06/24	2.0
07/24	2.3
08/24	2.0
09/24	2.3
10/24	2.0
11/24	2.3
12/24	2.0
01/25	2.3

Account Summary

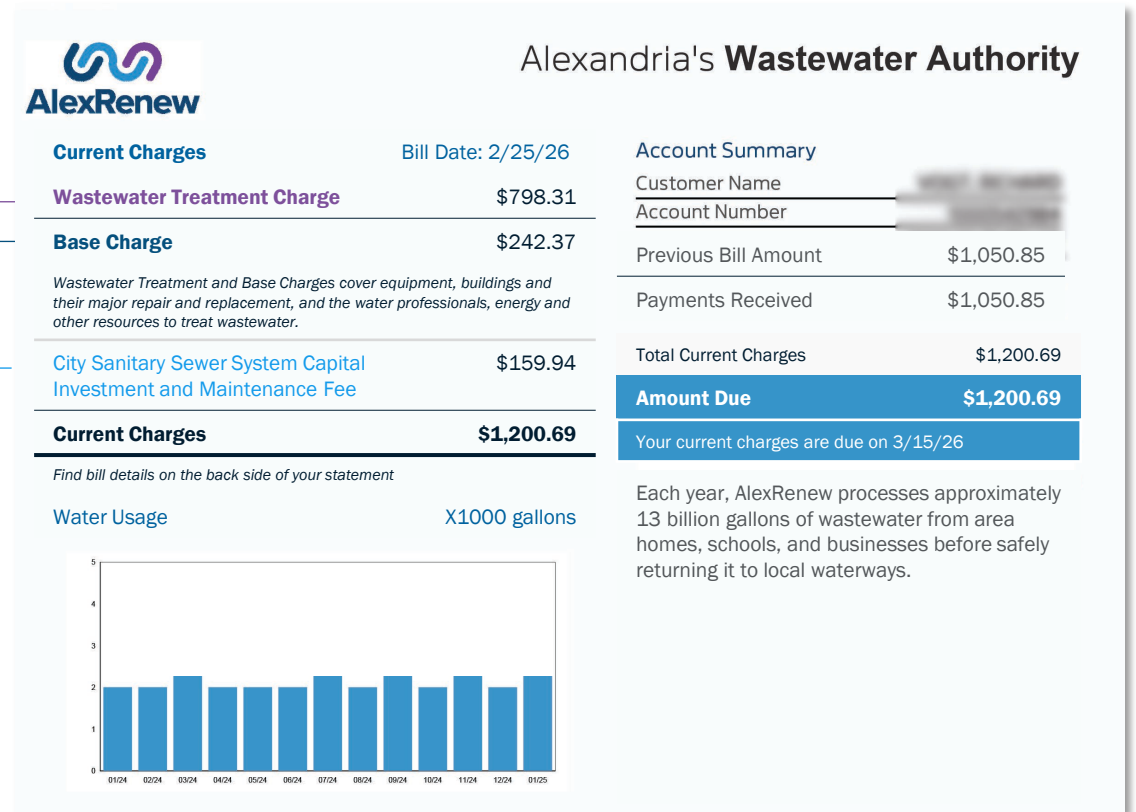
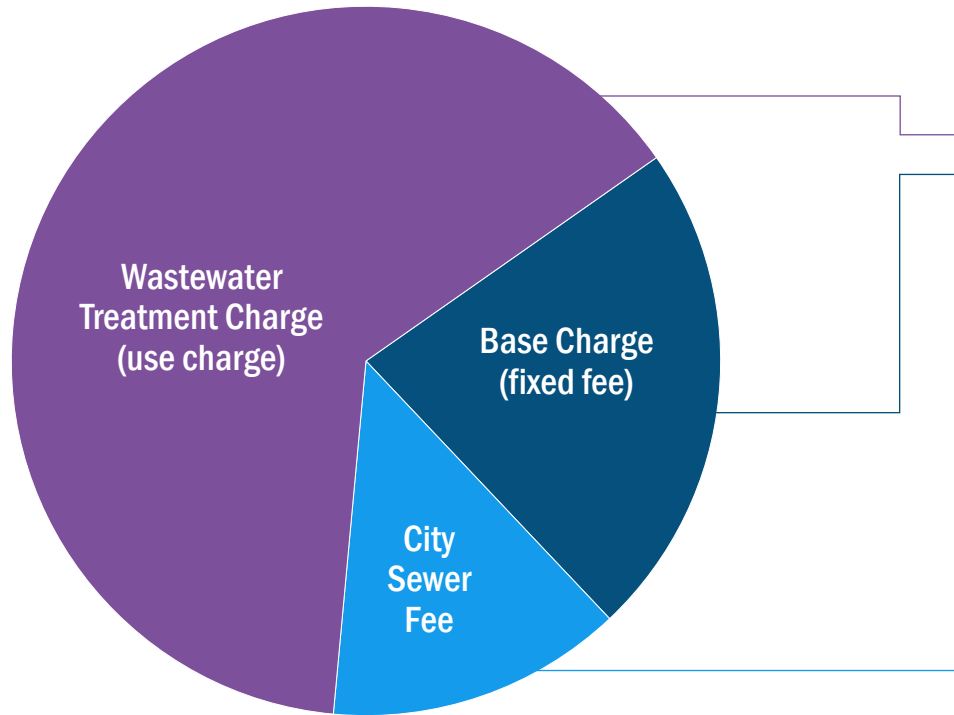
Customer Name	██████████
Account Number	██████████
Service Address	██████████
Previous Bill Amount	\$39.65
Payments Received	-\$39.65
Total Current Charges	\$41.39
Amount Due	\$41.39

Your current charges are due on 3/15/26

Each year, AlexRenew processes approximately 13 billion gallons of wastewater from area homes, schools, and businesses before safely returning it to local waterways.

Example Wastewater Bill (Commercial)

Your AlexRenew wastewater bill has three charges – a **wastewater treatment charge** (use charge) which is calculated from how much water you use, a **city sewer fee** that AlexRenew collects on behalf of the City of Alexandria, and a **base charge**. The base charge is a fixed monthly fee that pays for the pipes, pumps, and treatment systems that have to be ready and working all the time – no matter how much wastewater is generated.

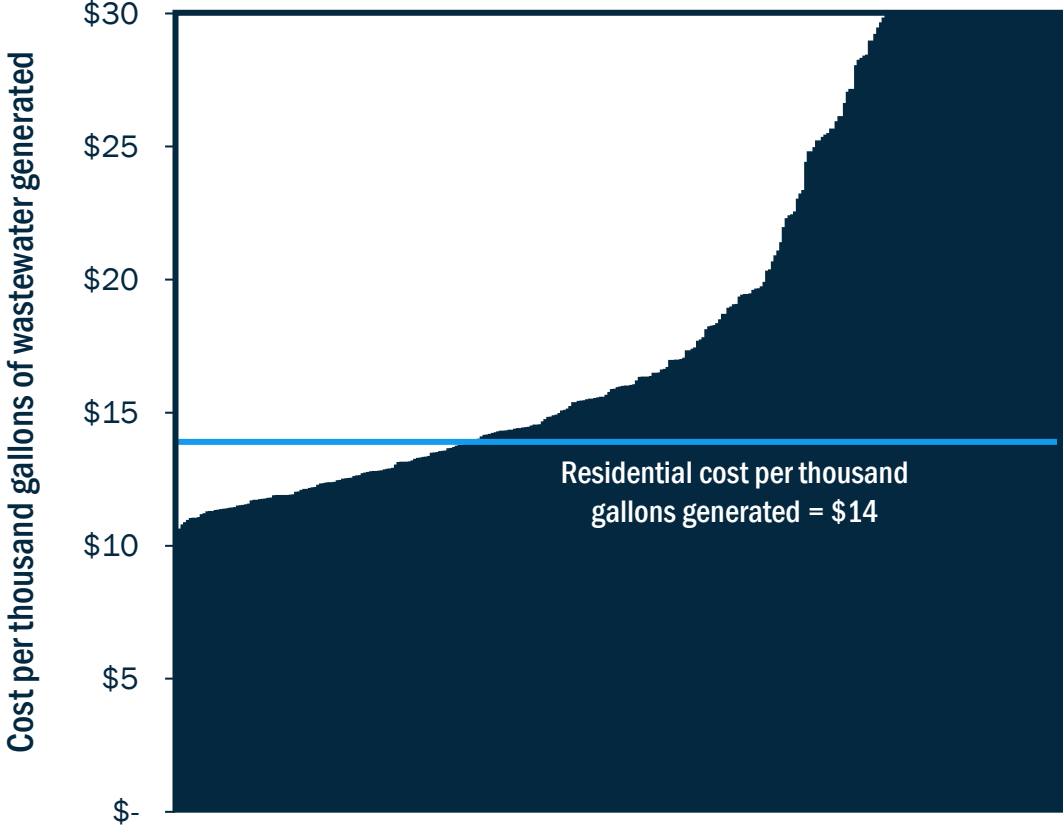


Water usage data is provided to AlexRenew by Virginia American Water

Current Base Charge – Meter Size

Currently, a customer’s base charge is determined by the size of their meter using the table below. This approach is a common method used by utilities to estimate how much water could be used but does not reflect how much was actually used.

Meter size	Monthly Cost
5/8 inch	\$45.87
3/4 inch	\$45.87
1 inch	\$114.68
1-1/2 inch	\$229.35
2 inch	\$366.96
3 inch	\$688.05
4 inch	\$1,146.75
6 inch	\$2,293.50
8 inch	\$3,669.60



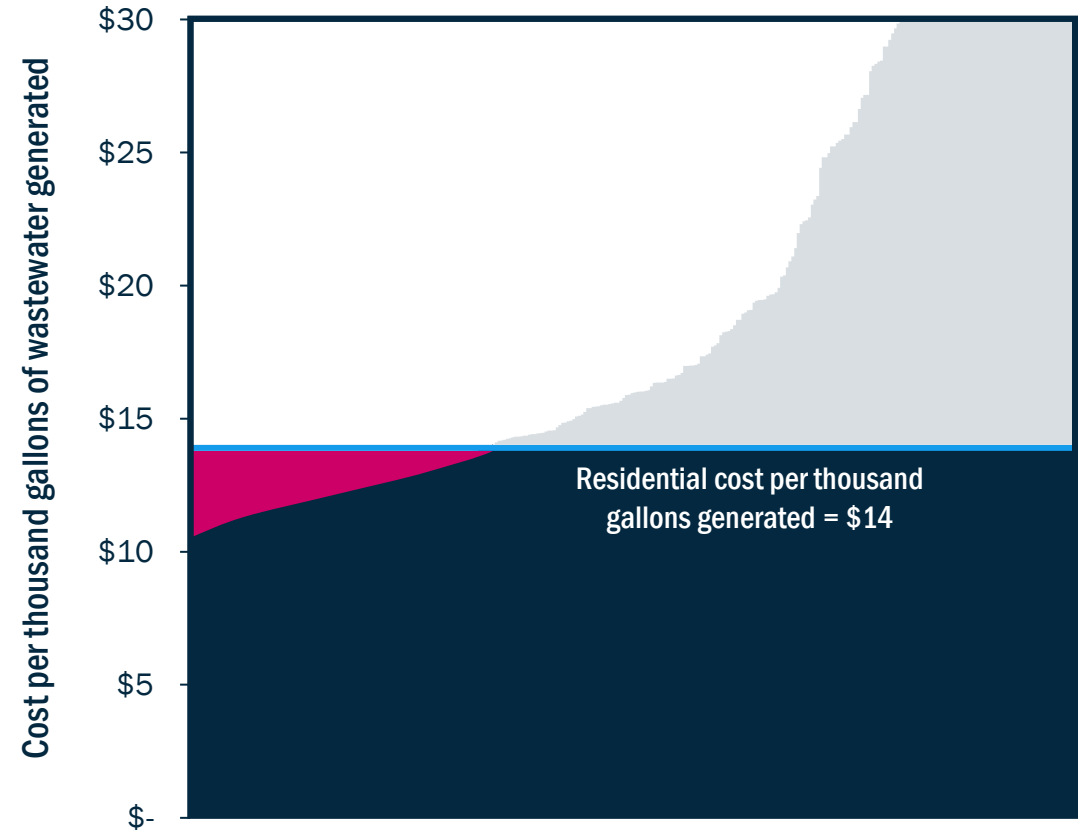
Commercial, industrial, and other public agency accounts

As illustrated by this graph, customers within the commercial, industrial, and other public agency class currently pay between \$10 and \$30 per thousand gallons of wastewater generated.

Proposed Base Charge Change

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

- The base charge will be calculated using a customer's average monthly water use compared to the use of a typical household
- The proposed change helps to ensure that customers are charged more equitably based on how much wastewater they generate
- New metering and billing software make it possible to calculate this charge more accurately
- All single-family residential and 75% of commercial, industrial, and other public agency customers will see a decrease in their base charge
- About 25% of customers (approximately 790) in the commercial, industrial, and other public agency classes will see an increase in their base charge



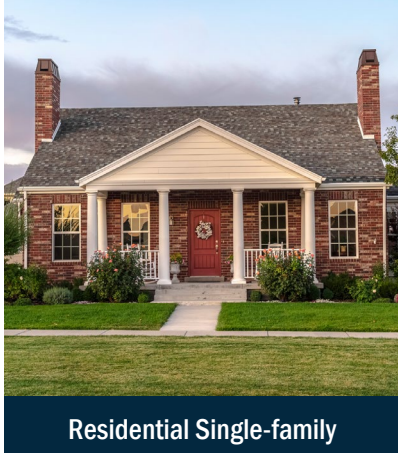
Commercial, industrial, and other public agency accounts

Calculating the base charge based on a customer's water usage will ensure that everyone is billed the same amount per gallon of wastewater generated.

Proposed Base Charge – Water Usage

AlexRenew is proposing to use a customer’s average monthly water usage to set the base charge. For a single-family home, this represents 3,500 gallons per month or 1 unit. For commercial, industrial, and other public agency customers, the average monthly volume used will be converted to units in relation to a single-family home’s usage to set the base charge.

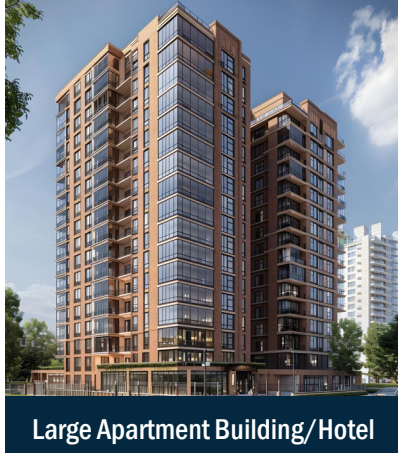
AlexRenew is proposing to set its base charge using a customer’s average monthly volume used in relation to a single-family home (1 unit = 3,500 gallons)



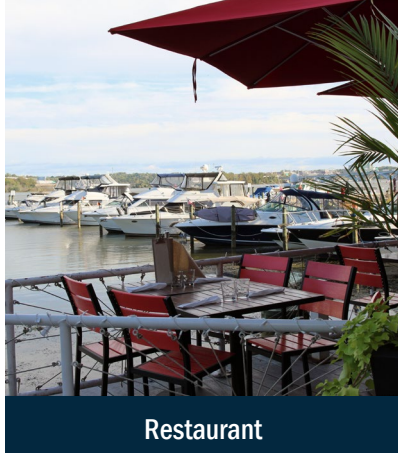
Residential Single-family



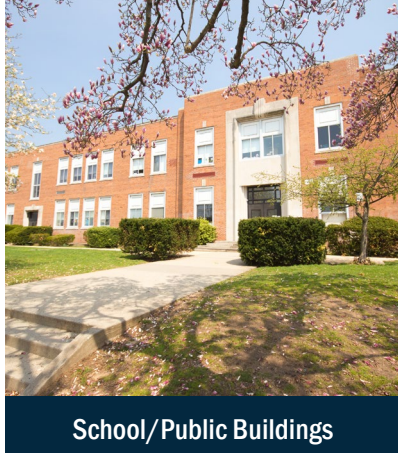
Small Apartment Building



Large Apartment Building/Hotel



Restaurant



School/Public Buildings

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

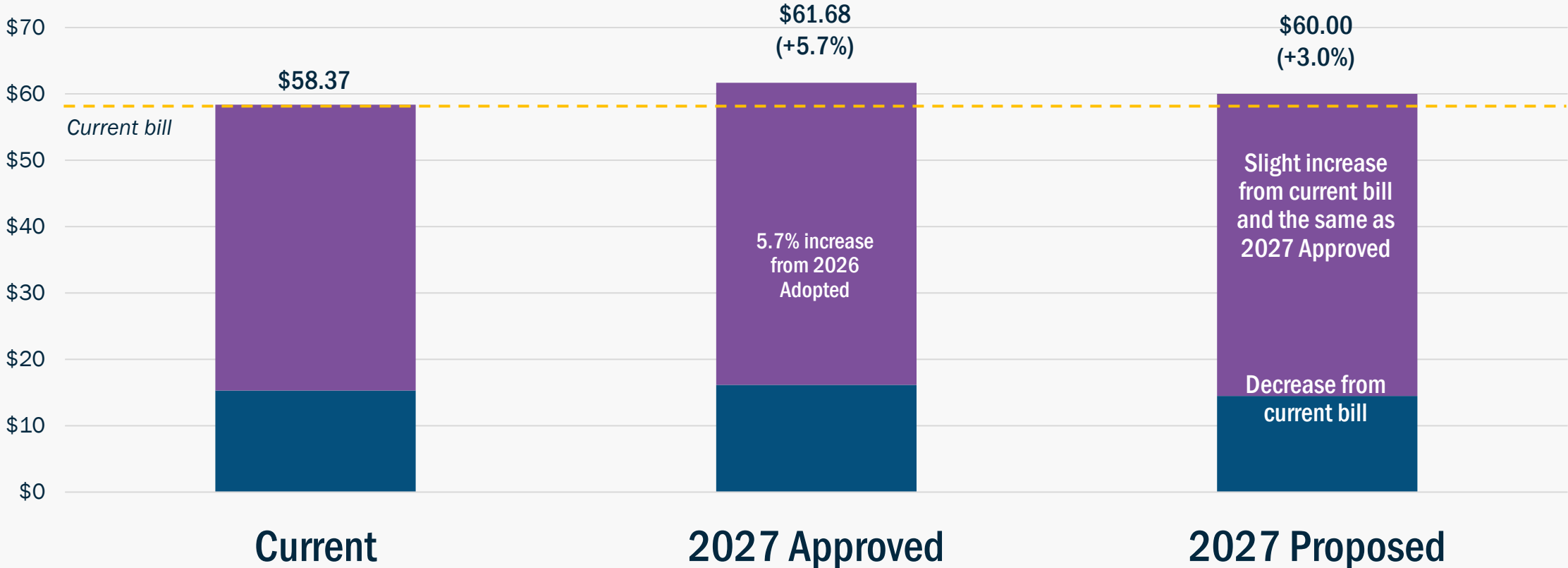
Fiscal Year 2027 Rate Adjustment Overview

AlexRenew approved a 5.7% rate increase for Fiscal Year 2027 to fund ongoing investments in the RiverRenew program. Because we're also proposing an update to the base charge, this rate increase may look a little different on your bill starting July 1, 2026. This chart shows an example of the proposed 2027 rate adjustment in comparison to the previously approved 2027 rate increase and current bill.

- Wastewater Treatment Charge (use charge)
- Base Charge (fixed fee)

Residential customer using 4,000 gallons per month, on average.

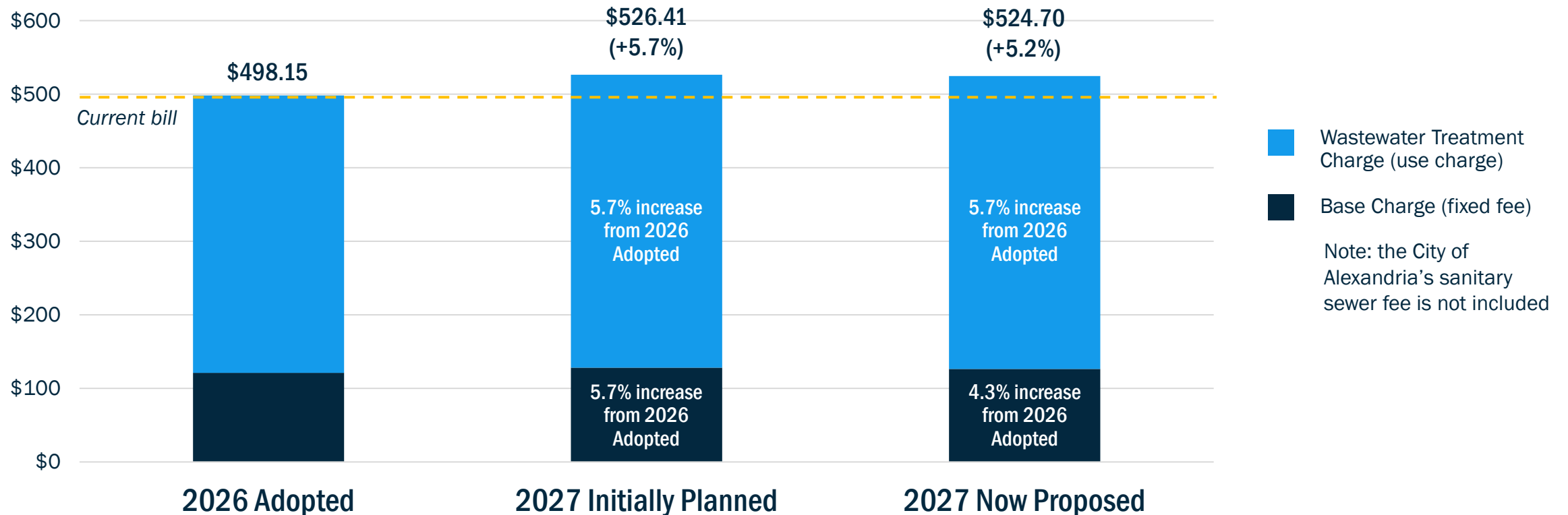
Note: the City of Alexandria's sanitary sewer fee is not included.



Fiscal Year 2027 Rate Adjustment

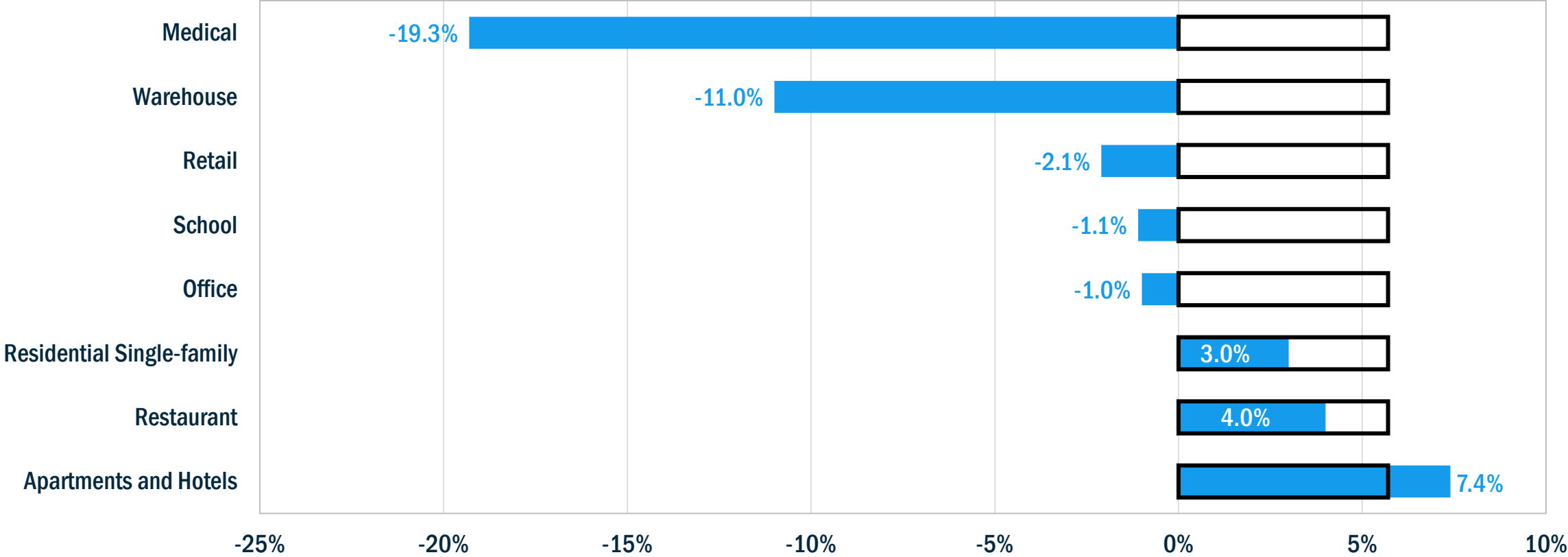
AlexRenew approved a 5.7% rate increase for Fiscal Year 2027 to fund ongoing investments in the RiverRenew program. Because we're also proposing an update to the base charge, this rate increase may look a little different on your bill starting July 1, 2026. This chart shows an example of the proposed 2027 rate adjustment in comparison to the previously approved 2027 rate increase and current bill.

Commercial customer with a 1-inch meter using 35,000 gallons per month, on average



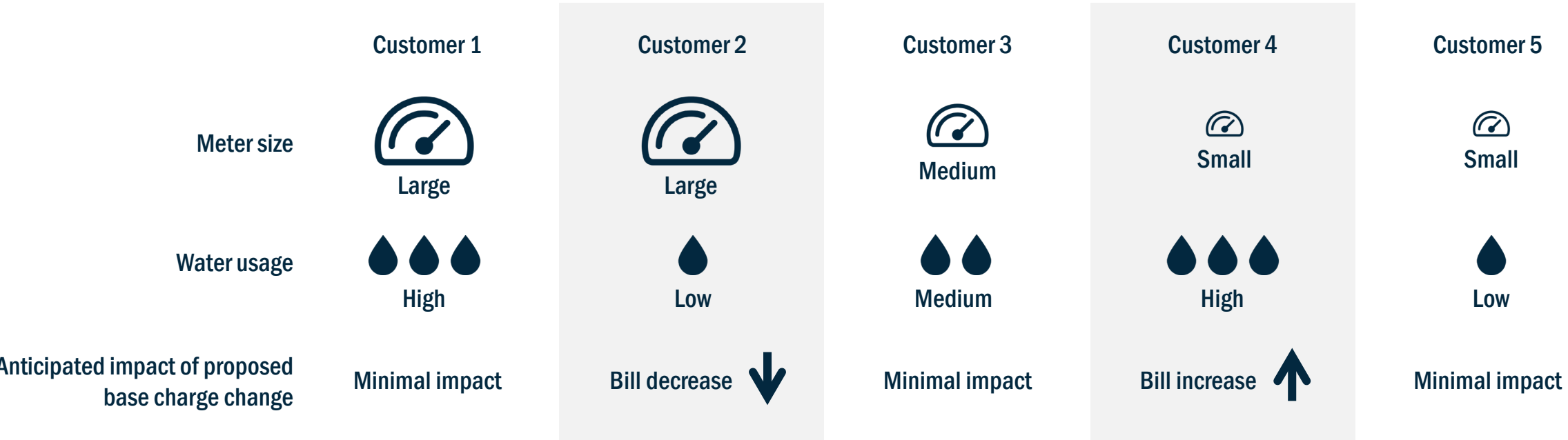
Fiscal Year 2027 Rate Adjustment by Customer Type

For most customers, the new base charge change will result in a lower rate increase or rate decrease. In the graph below, the dark outlined box represents the original 5.7% rate increase, while the solid box represents the estimated rate adjustment incorporating the base charge change.



Why do some customers see a bill decrease, while others see an increase?

AlexRenew currently uses water meter size to establish a base charge. Water meter size is determined by the water utility based on the estimated water demand for a specific property. Under the proposed base charge change, customers with a large meter and low water use will see an overall bill decrease, while those with a small meter and high water use will see a bill increase. This is because a customer's water meter may not be sized appropriately for their actual use.



Fiscal Year 2027 Rate Tables

The rate tables below provide the anticipated charges for AlexRenew customers and represent the adopted 5.7% rate increase as well as the proposed change to how the base charge is assessed.

Current Base Charge Methodology Being Phased Out Over 5-years

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

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

Proposed Base Charge Methodology Being Phased In Over 5-years

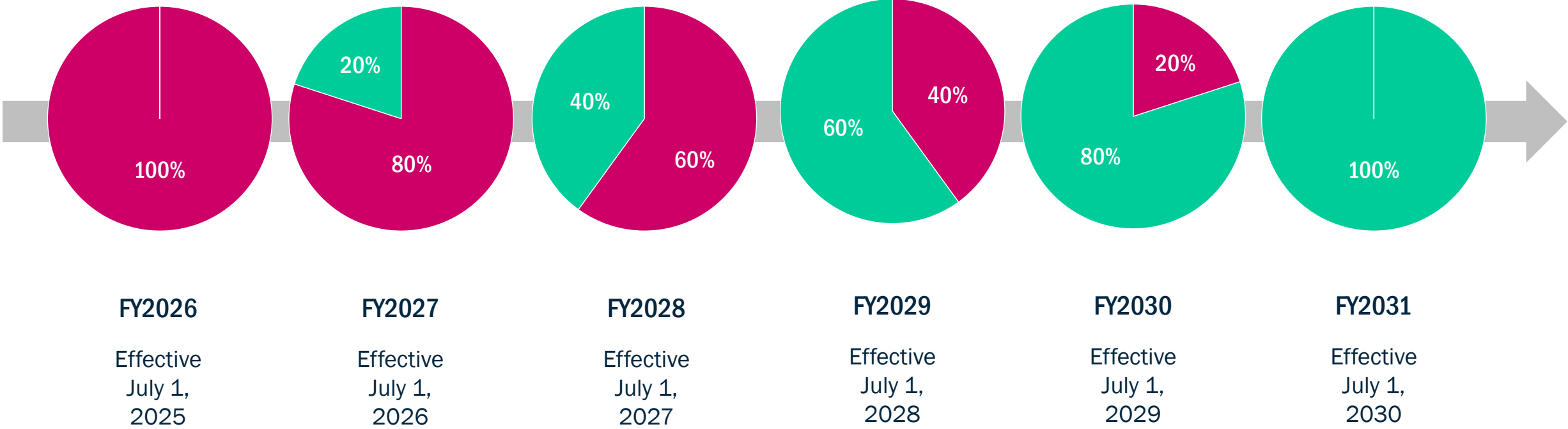
Charges based on usage

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

Base Charge Phasing Plan

To minimize impacts to the **commercial, other public agency, and industrial customers** that have a bill increase associated with the base charge change, AlexRenew will phase-in the new base charge over a five (5) year period. Over the phase-in period, the base charge will be calculated using the existing meter base charge and the new usage base charge.

- Base charge based on use – being phased in
- Base charge based on meter size – being phased out



Example Base Charge Calculation

For commercial, industrial, and other public agency customers, the Fiscal Year 2027 base charge will be calculated based on 20% of your meter base charge plus 80% of your new usage base charge. This example is for a commercial customer using 35,000 gallons per month, on average.

Calculate usage base charge

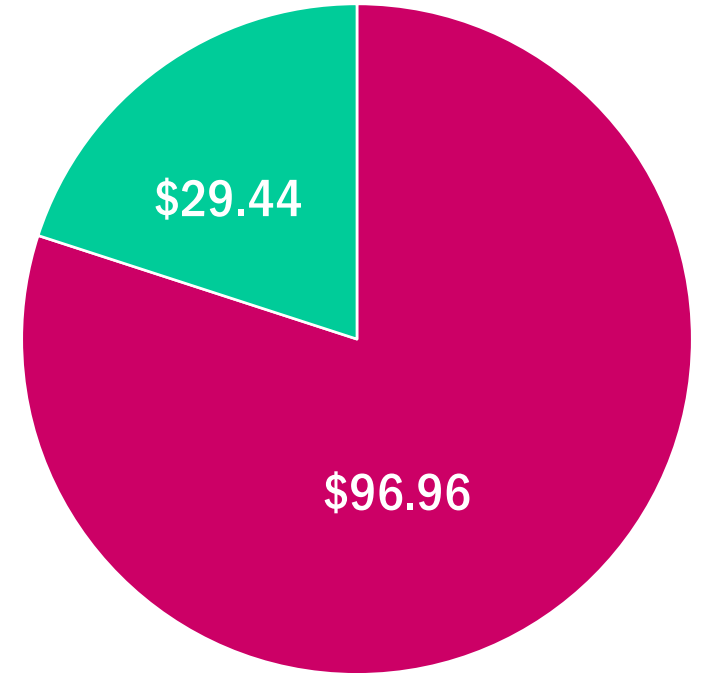
1	Determine 12-month rolling average water use	35,000 gallons	
2	Calculate the number of units	$35,000 \div 3,500$ gallons	10 units
3	Calculate total usage base charge	$\$14.72 \times 10$ units	\$147.20
4	Multiply total usage base charge by 20%	$\$147.20 \times 0.2$	\$29.44

Calculate meter base charge

5	Use meter table to look up charge for 1-inch meter	1-inch meter charge	\$121.20
6	Multiply meter base charge by 80%	$\$121.20 \times 0.8$	\$96.96

Calculate FY2027 base charge

7	Add usage and meter base charges	$\$29.44 + \96.96	\$126.40
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\$126.40 – FY2027 base charge for a commercial customer using 35,000 gallons per month, on average (10 units)

Base Charge Outreach

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

Virtual Meetings



Base charge customer flyers and bill inserts

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

Proposed Rate Adjustment
Over the last several years, AlexRenew has been implementing rate increases in support of the fiveRenew program, which will prevent millions of gallons of sewage from polluting Alexandria's rivers and streams each year. In 2025, AlexRenew adopted a two-year rate increase that included a 57% rate increase starting on July 1, 2026. For most customers, the new base charge change (described on the opposite side of this insert) will result in a lower rate increase or rate decrease. In the graph to the right, the box outlined in blue represents the original 57% rate increase, while the light gray box represents the estimated rate adjustment incorporating the base charge change.

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

Customer Type	Original Rate Increase (57%)	Estimated Rate Adjustment (Incorporating Base Charge Change)
Industrial	57%	10%
Commercial	57%	15%
Public Agency	57%	20%
Other	57%	25%
Multi-Family	57%	30%
Residential	57%	35%

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

Learn more about AlexRenew's new base charge

Proposed Change to Winter Quarter Average

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

Current Policy – Being Phased Out

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

Proposed Change – Being Phased In

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

LEAP



**LIFELINE EMERGENCY
ASSISTANCE PROGRAM**

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

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

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



Fiscal Year 2027 Budget Schedule

November 12, 2025

Finance and Audit
(F&A) Committee
Meeting

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

March 17, 2026

Board Meeting

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

April 21, 2026

Board Meeting

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

May 5, 2026

Base Charge Change
Public Meeting No. 3

June 16, 2026

Board Meeting

*Approve Operating and
Capital Budget and Rate
Recommendation*



March 3, 2026

F&A Committee
Meeting

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

March 19, 2026

Base Charge Change
Public Meeting No. 1

April 22, 2026

Base Charge Change
Public Meeting No. 2

May 16, 2026

Public Hearing

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



AlexRenew