

Tuesday, April 21, 2026 – 6:00 p.m.

Regular Board of Directors Meeting Agenda

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

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

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

No.	Time	Item	Presenter	Action No
1.	6:00 p.m.	Call to Order	Chair	
2.	6:02 p.m.	Approval of Agenda	Chair	Motion
3.	6:05 p.m.	Public Comment Period	Chair	
4.	6:10 p.m.	Consent Agenda	Chair	Motion
		a. Minutes from March 17, 2026 meeting (Tab 1)		
5.	6:15 p.m.	Board Continuing Education	Ms. Killius	Information
		a. Presentation by Ms. Anna Killius, Executive Director, Chesapeake Bay Commission (Tab 2)		
6.	7:25 p.m.	Board Administrative Items	Chair	Information
		a. Board Calendar (Tab 3)		
		b. Finance and Audit Committee		
		c. Recommendations from Governance Committee		
7.	7:30 p.m.	Unfinished Business	CEO	Motion
		a. Consideration of Draft Fiscal Year 2027 Operating and Capital Budget; Consideration of a Resolution of Intent to Adopt and Change Rates, Fees, and Charges and Set Public Hearing for Saturday, May 16 at 9:30 a.m. (Tab 4)		
8.	7:35 p.m.	New Business	CEO	Motion
		a. Presentation on Amendment No. 02 to Contract 24-024 for Headworks Renewal Project (Tab 5)		
		b. Review and approval of Amendment No. 02 to Contract 24-024 for Headworks Renewal Project (Tab 6)		Motion
		c. Presentation on Proposed Changes to Contract 19-079 for RiverRenew Tunnel Project (Tab 7)		Information
		d. Review and approval of change order for Contract 19-079 for Potomac Interceptor (Tab 8)		
9.	8:05 p.m.	AlexRenew Monthly Report (Tab 9)	CEO	Information
10.	8:10 p.m.	Adjourn	Chair	Motion

Times shown are approximate start times and serve as guidelines.

Minutes of the 938th Meeting
AlexRenew Board of Directors
6:00 p.m., Tuesday, March 17, 2026

On Tuesday, March 17, 2026, the AlexRenew Board of Directors held its regular meeting in the Ed Semonian Board Room at 1800 Limerick Street, and broadcast via Microsoft Teams, with the following present:

Members: Mr. James Beall, Vice Chair
Ms. Becky Hammer, Secretary-Treasurer
Mr. Mark Jinks, Member
Dr. Moussa Wone, Member

Absent: Mr. John Hill, Chair

Staff: Mr. Justin Carl, General Manager/CEO
Ms. Amanda Waters, General Counsel/Deputy GM
Ms. Allison Deines, Chief Water Quality Officer
Ms. Caitlin Feehan, Chief Administrative Officer
Mr. Lake Akinkugbe, Director of Finance
Mr. Matt Robertson, Director of Communications
Ms. Mallory Orme, Sustainability and Resilience Manager
Mr. Kevin Pulong, Engineering Manager
Mr. Antwann Holt, Information Systems Security Officer
Ms. Lorna Huff, Executive Assistant to the Board and CEO

Fairfax County
Representative: Mr. Bill Barrack, Director
Wastewater Planning and Monitoring Division

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

Consultants: Mr. Rick Vincent, Schnabel Engineering

1. Call to Order

In the absence of the Chair, the Vice Chair called the meeting to order at 6:00 p.m.

2. Approval of Agenda

Motion by Mr. Jinks. Second by: Dr. Wone. Passed unanimously.

3. Public Comment Period

No public speakers. Comment period is closed.

4. Consent Agenda

Minutes: February 17, 2026

Motion by Dr. Wone. Second, by Ms. Hammer. Passed unanimously.

5. Board Administrative Items

Staff Introductions – Mr. Antwann Holt, Information Systems Security Officer, AlexRenew

a. Board Calendar

Wednesday, March 18 – Eisenhower Partnership’s City Manager’s Breakfast

Thursday, March 19 – Alexandria Chamber General Assembly Breakfast

Thursday, March 19 – City of Alexandria Town Hall on DC Water’s Potomac Interceptor – Staff from AlexRenew and City of Alexandria Health Department will attend.

b. Finance and Audit Committee – March 3, 2026

The Committee reviewed the Fiscal Year 2027 (FY2027) Operating and Capital Budget and Capital Improvement Program (CIP) and Rate Recommendation.

i. Recommend FY2027 Preliminary Draft Budget and Rate Recommendation

Mr. Jinks moved to recommend the FY2027 Preliminary Draft Budget and Rate Recommendation for the Board’s consideration in advance of the anticipated public hearing on May 16, 2026, and adoption on June 16, 2026. Second Dr. Wone. Passed unanimously.

ii. Review and approve updates to the Rate-setting Policy

Mr. Carl reported that the Rate-setting policy was amended to realign with the new winter quarter average months of January, February, and March.

Motion by Mr. Jinks. Second by Dr. Wone. Passed unanimously.

c. Governance Committee – April 13, 2026

6. New Business

a. Review and Approve Contract No. 26-005 for the Low-Pressure Steam System Improvements

Mr. Piong provided an overview of the contract for construction of the Low-Pressure Steam System improvements from the prior meeting. The Low-Pressure Steam System Improvements project is critical for building heating, solids processing, scum collection as well as lab and Building G cooling. The project was procured under a design-bid-build contract with an amount not-to-exceed \$15,781,117 including the CEO’s delegation of authority.

There being no further discussion, Ms. Hammer moved to approve. Mr. Beall seconded. The Board passed unanimously.

b. Presentation of FY2026 Digital Annual Report.

Mr. Robertson provided an overview of the draft digital FY2026 Annual Report. The digital format is being adopted to better engage customers for use on tablets and cell phones. This format is more dynamic and ADA compliant with web and PDFs.

c. Draft Presentation for Upcoming Public Meetings for Rate Structure Change

Mr. Robertson reviewed the presentation on proposed base charge changes for customers who will experience a rate increase. Mr. Robertson discussed the reasons for the increase and how this results in more equitable billing across customer classes. Single-family residential customers and 75% of commercial, industrial, and other public agencies will see a decrease in the base charge. Members provided feedback to improve the presentation and provide clarity.

d. Environmental Sustainability Updates

Ms. Orme provided an overview of AlexRenew sustainability goals included in the capital

improvement program (CIP), and the development of organization wide standards for sustainability.

Major initiatives will be in LEED and Envision Projects and certifications, a solar feasibility study for Buildings C and F during roof replacements. Electric vehicle charging stations have been installed for use at cost by AlexRenew, Board members and City staff, to encourage electric vehicle purchases. Dr. Wone asked about the status of the AlexRenew fleet. Mr. Carl reported that the cars are new but will be replaced with electric vehicles as they age out.

Staff is also working to optimize the use and reliability of reclaimed water on site and with outside customers along the Eisenhower corridor to Reworld.

Next steps through 2028 include a sustainability month for the first time in April 2026.

e. Review and Approve Amendment to Contract 20-013 for RiverRenew Resident Engineering and Inspection

Mr. Carl recognized Ms. Feehan who explained that the contract with EPC for Resident Engineering and Inspection (REI) services was originally executed in April 2020 and extended until March 31, 2026. AlexRenew requires a one-year extension, March 31, 2027, to continue REI support to complete the RiverRenew Project.

Ms. Feehan noted that EPC's scope includes on-site owner representative services, schedule review for contract compliance, review of monthly payment applications, oversight of safety programs, tracking of construction permits, and project closeout support. Ms. Waters added that outside counsel had confirmed the proposed extension process complies with applicable law. Mr. Jinks requested that the memo include the anticipated contract amount of \$4 million.

Motion by Mr. Jinks for the Board to authorize the CEO to execute an amendment to Contract No. 20-013 with EPC, extending the term through March 31, 2027.

Second by Mr. Beall. Passed unanimously.

7. AlexRenew Monthly Report

Mr. Carl referenced page 2 for additional capital projects, re-expansion of the financial and procurement enterprise resource planning (ERP) software. The current system will no longer be available and supported by the vendor. Staff have issued a Request for Information (RFI) and have contacted the City, Prince William Water, and Loudoun Water on their systems.

General Assembly Update.

Ms. Waters reported that the General Assembly has adjourned and will reconvene on April 22 to consider the Governor's amendments. The budget session begins April 23. Eight bills impacting AlexRenew advanced, including three labor and employment bills.

Ms. Waters briefly reviewed the collective bargaining bill, which establishes a statewide framework for public employee unionization and bargaining, with an effective date of July 1, 2028, and noted its applicability to the City and Fairfax County.

Paid family and medical leave and paid sick leave legislation passed and are expected to be signed by the Governor. Apprenticeship mandates were removed from the VPPA bills. The PFAS bill requiring monthly sampling and establishing limits also passed; AlexRenew has no anticipated compliance issues in the near-term.

Finance Update

There was nothing to report

Delinquencies and LEAP Dashboard

Mr. Robertson reported a decrease of 72 delinquent accounts month over month and a decrease of \$13,000.

Twenty-seven accounts were disconnected for non-payment in February. Staff distributed \$6,500 in LEAP disbursements to 9 customers.

Community Engagement

AlexRenew hosted several STEM events over the month. Staff also participated in two family night events and a science fair at Virginia Tech.

RiverRenew Dashboard

Stairs to the green roof were installed. Functional testing should be completed by the end of May.

PhaseForward Dashboard

Mr. Carl reviewed ongoing progress.

AlexRenew staff is holding a stream cleanup on April 2. Members will be invited to participate from 9:00 a.m. to 1:00 p.m. with lunch provided.

For the next board meeting, Ms. Anna Kilius from the Chesapeake Bay Commission will attend and present. Staff will provide an update on the RiverRenew Service Agreement.

Adjourn:

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

The meeting adjourned at 7:35 p.m.

Approved:

Becky Hammer
Secretary-Treasurer

**Presentation by Ms. Anna Killius, Executive Director Chesapeake
Bay Commission - *To be provided at the Board Meeting***

AlexRenew Board of Directors Calendar

April 2026							May 2026							June 2026						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
			1	2	3	4						1	2		1	2	3	4	5	6
5	6	7	8	9	10	11	3	4	5	6	7	8	9	7	8	9	10	11	12	13
12	13	14	15	16	17	18	10	11	12	13	14	15	16	14	15	16	17	18	19	20
19	20	21	22	23	24	25	17	18	19	20	21	22	23	21	22	23	24	25	26	27
26	27	28	29	30			24	25	26	27	28	29	30	28	29	30				
							31													

July 2026							August 2026							September 2026						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
			1	2	3	4							1			1	2	3	4	5
5	6	7	8	9	10	11	2	3	4	5	6	7	8	6	7	8	9	10	11	12
12	13	14	15	16	17	18	9	10	11	12	13	14	15	13	14	15	16	17	18	19
19	20	21	22	23	24	25	16	17	18	19	20	21	22	20	21	22	23	24	25	26
26	27	28	29	30	31		23	24	25	26	27	28	29	27	28	29	30			
							30	31												

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

April
2: Adopt-A-Waterway Clean-up
7: Governance Committee Preparation
13: Governance Committee Spring Meeting
21: Regular Meeting
22: Base Charge Change Public Meeting
26: Del Ray GardenFest
29: AFCA Meeting
May
1: City of Alexandria's Building Safety Month Kick-off
2: ChamberALX CareerCon
5: Base Charge Change Public Meeting
14: City Council Breakfast
15: Bike to Work Day
15: COG CBPC Meeting
16: Public Hearing
19: Regular Meeting
25: Memorial Day
27: AFCA Meeting
June
16: Regular Meeting
17: Alexandria Pride
19: Juneteenth
24: AFCA Meeting
July
1: Beginning of Fiscal Year 2027
3: July 4 (Observed)
17: COG CBPC Meeting
21: Regular Meeting
27: Anniversary of AlexRenew Operations (1956)
August
No meetings
September
7: Labor Day
15: Regular Meeting
18: COG CBPC Meeting
30: AFCA Meeting
TBD: ALX Chamber Legislative Reception

AlexRenew Board of Directors Calendar

October 2026							November 2026							December 2026						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
				1	2	3	1	2	3	4	5	6	7			1	2	3	4	5
4	5	6	7	8	9	10	8	9	10	11	12	13	14	6	7	8	9	10	11	12
11	12	13	14	15	16	17	15	16	17	18	19	20	21	13	14	15	16	17	18	19
18	19	20	21	22	23	24	22	23	24	25	26	27	28	20	21	22	23	24	25	26
25	26	27	28	29	30	31	29	30						27	28	29	30	31		

January 2027							February 2027							March 2027						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
					1	2		1	2	3	4	5	6		1	2	3	4	5	6
3	4	5	6	7	8	9	7	8	9	10	11	12	13	7	8	9	10	11	12	13
10	11	12	13	14	15	16	14	15	16	17	18	19	20	14	15	16	17	18	19	20
17	18	19	20	21	22	23	21	22	23	24	25	26	27	21	22	23	24	25	26	27
24	25	26	27	28	29	30	28							28	29	30	31			
31																				

Legend

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

October
19: Regular Meeting
22: AlexRenew Wellness Fair
24: Eco-City Alexandria
24: Spooky Mad Science
28: AFCA Meeting
TBD: Governance Committee Fall Meeting
November
11: Veterans Day
17: Regular Meeting
20: COG CBPC Meeting
25: AFCA Meeting
26/27: Thanksgiving
TBD: Finance and Audit Committee Meeting
December
15: Regular Meeting
24/25: Christmas
TBD: AFCA Meeting
January
1: New Years Day
18: Martin Luther King Jr. Day
19: Regular Meeting
TBD: AFCA Meeting
TBD: COG CBPC Meeting
February
19: Regular Meeting
TBD: Board Retreat
TBD: AFCA Meeting
March
16: Regular Meeting
TBD: Finance and Audit Committee Meeting
TBD: City Manager's Breakfast
TBD: Chamber ALX General Assembly Breakfast
TBD: Utility Management Conference
TBD: COG CBPC Meeting
TBD: AFCA Meeting

MEMORANDUM

TO: AlexRenew Board of Directors

FROM: Justin Carl, General Manager and CEO

DATE: April 21, 2026

SUBJECT: *New Business, Joint Use*
Consideration of Fiscal Year 2027 Draft Operating and Capital Budget; Consideration of a Resolution of Intent to Adopt and Change Rates, Fees, and Charges and Set Public Hearing

Issue

Each year, staff presents a draft operating and capital budget for the upcoming fiscal year to the Board for consideration. Additionally, from time to time, staff may evaluate AlexRenew's rate structure to ensure alignment with the Rate-setting Policy. If deemed necessary, staff will recommend changes to AlexRenew's rates and/or rate structure for consideration by the Board. Following Board consideration and approval for public notice, the draft operating and capital budget and any proposed rate or rate structure changes will be presented at a public hearing for community input.

Recommendation

Staff respectfully requests the Board authorize the CEO to appropriately post notice of a public hearing to receive comments on the Fiscal Year 2027 Draft Operating and Capital Budget and proposed Fiscal Year 2027 Rate Recommendation for Saturday, May 16, 2026, at 9:30 a.m.

Discussion

Staff is pleased to present the *Fiscal Year 2027 Draft Operating and Capital Budget (Budget)*. The draft Budget ensures sufficient resources to support daily operations and anticipated capital upgrades to AlexRenew's infrastructure. The proposed \$227.2 million Budget includes \$44.1 million in operating expenses to support day-to-day wastewater treatment operations, \$20.9 million in debt service to pay down outstanding loans, and \$162.2 million in capital outlay to support capital investments in AlexRenew's assets through the RiverRenew and PhaseForward programs.

Additionally, staff is proposing an update to a component of its rate structure – its base charge – to better match how much wastewater each customer sends to the sewer system. Currently, a customer's base charge is determined using a customer's water meter size. Instead, AlexRenew is proposing to calculate a customer's base charge using a customer's average monthly water use compared to that of a typical household. The new base charge will ensure customers are billed equally for the amount

of wastewater they generate. For most customers, this change will lead to a lower base charge that is more reflective of their use, and a stronger, more reliable wastewater system for the whole community.

Staff are also proposing a revision to the winter quarter to better align with actual customer billing/meter reads. To reduce the likelihood of including outdoor water use in the winter quarter average, staff recommend defining the winter quarter as bills rendered during the months of January, February, and March.

The Fiscal Year 2027 Draft Budget, base rate charge recommendation, and winter quarter average revision are in alignment with the 2024-2029 Strategic Plan and direction set by the Board, including a series of presentations between February to December 2025 to the Board analyzing AlexRenew's rate structure.

This action supports all AlexRenew's strategic outcomes.

ACTION TAKEN

Approved: _____

Disapproved: _____

Approved with Modification: _____

Modification(s): _____

**RESOLUTION OF INTENT
TO ADOPT AND CHANGE CERTAIN RATES, FEES, AND CHARGES**

BE IT RESOLVED, that the City of Alexandria, Virginia Sanitation Authority d/b/a AlexRenew, hereby signifies its intent to change certain rates, fees, and charges to become effective **July 1, 2026** and hereby sets the date of **Saturday, May 16, 2025 at 9:30 a.m.** at AlexRenew’s administrative office, 1800 Limerick Street, Alexandria, VA 22314 for a public hearing to receive comment regarding same. The meeting will be held in person and broadcast on Microsoft Teams.

BE IT FURTHER RESOLVED, that the Chief Executive Officer is hereby directed to have published in a newspaper having general circulation in the City of Alexandria, for two consecutive weeks, notice of the proposed change in the schedule of rates, fees, and charges, and the day and time of the public hearing.

Effective July 1, 2026, AlexRenew is proposing an update to how the base charge is calculated. Previously, the base charge was determined by a customer’s meter size. The base charge will instead be calculated using a customer’s average monthly water use compared to the use of a typical household. The new base charge methodology will be phased in over a five-year period. Over the five-year period, the base charge for customers in AlexRenew’s Commercial, Industrial, and Other Public Agency classes will be calculated using a portion of the existing base charge based on meter size and the new usage base charge. In the first year, 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 usage. The proposed rates, fees, and charges are:

Table 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 (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

Table 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 (2)	-	\$14.72 (1)
Wastewater Treatment	Per 1,000 gallons	\$10.77	\$11.38

Notes: (1) One (1) unit for all residential customers. (2) Other customers’ units will be determined by dividing a customer’s average monthly water use, based on a rolling 12-month average, by a typical residential customer’s water use. Minimum of one (1) unit.

Comments on AlexRenew’s proposed Fiscal Year 2027 budget will also be received at the public hearing. The proposed Fiscal Year 2027 budget and AlexRenew’s audited financial statements are available for examination by the public online at alexrenew.com. Copies will be made available upon request – phone (703) 721-3500 ext. 2260.

AlexRenew
Rebecca Hammer
Secretary – Treasurer



OPERATING AND CAPITAL BUDGET

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



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Appendix C. 10-Year Capital Improvement Program – Summary and Project Sheets	

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ALEXRENEW BOARD OF DIRECTORS

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

FAIRFAX COUNTY REPRESENTATIVE TO THE BOARD

Bill Barrack, PE

CITY OF ALEXANDRIA REPRESENTATIVE TO THE BOARD

Erin Bevis-Carver, PE

EXECUTIVE AND FINANCIAL STAFF

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

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FY2027 OPERATING AND CAPITAL BUDGET EXECUTIVE SUMMARY

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

The Preliminary Draft Fiscal Year (FY) 2027 Operating and Capital Budget is \$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.

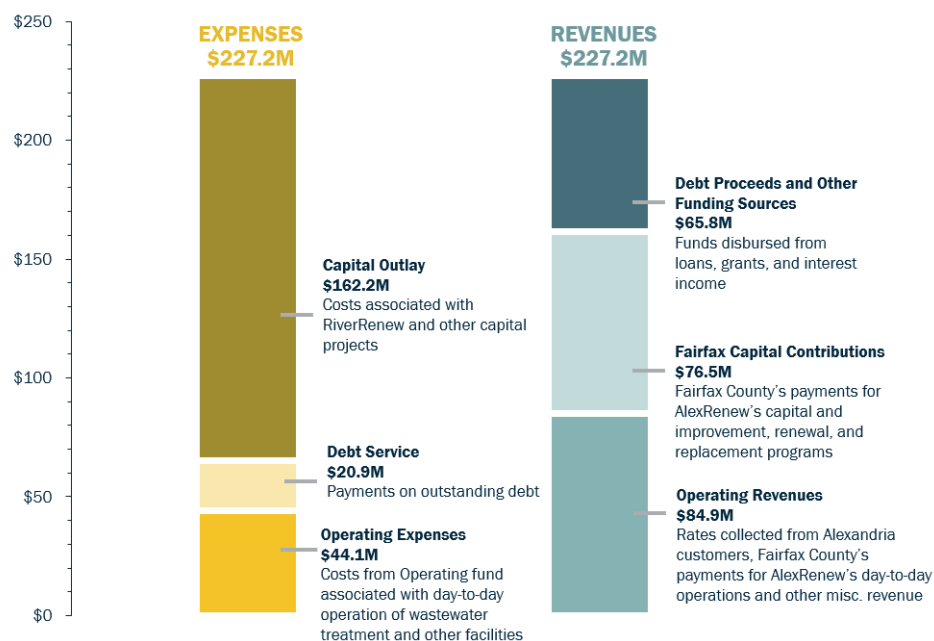


Figure ES.1. FY2027 Expenses and Revenues

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.

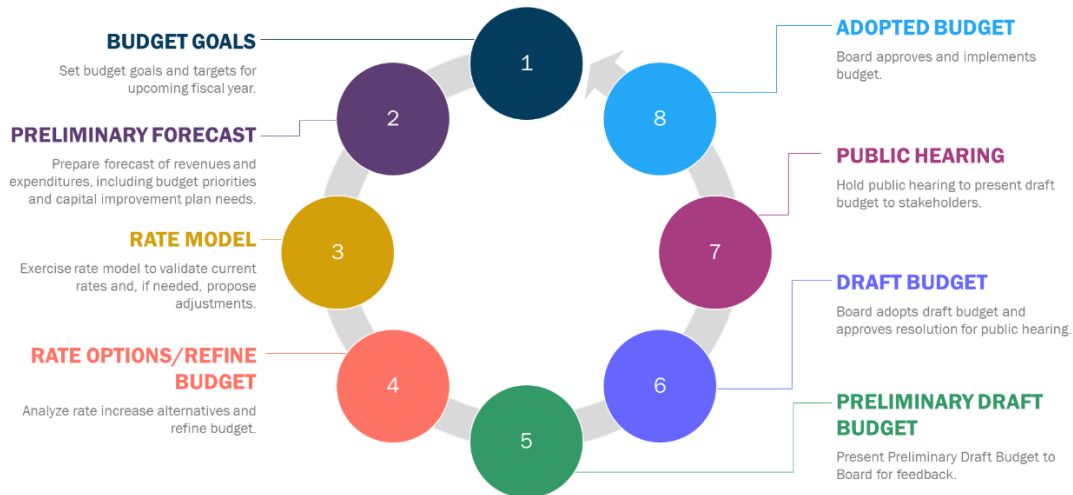


Figure 2.1. Annual Budget Cycle

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.

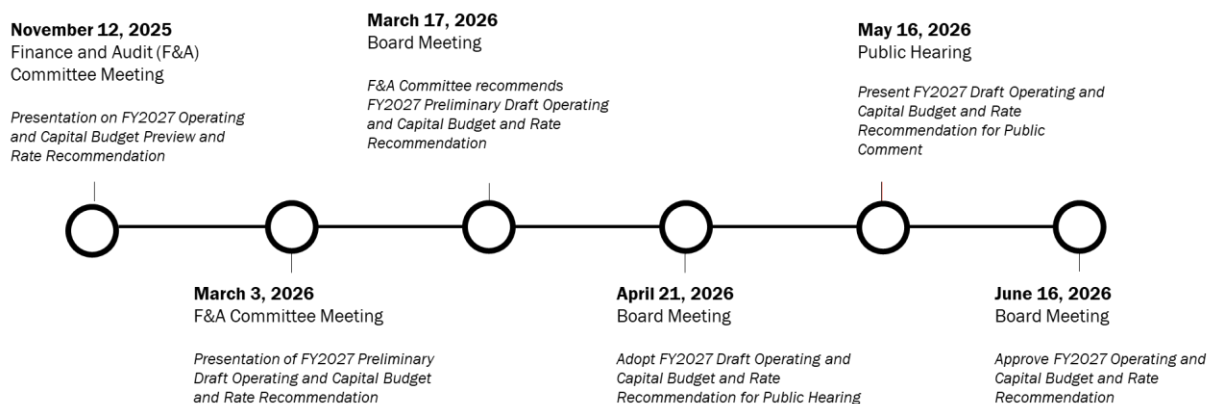


Figure 2.2. FY2027 Operating and Capital Budget Timeline

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.

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	Prior Years	Fiscal Year (\$M)										Total	
		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:
 Schedule: Procurement in FY2026-2027
 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.



RATES, RULES, AND REGULATIONS

Revised and Approved: June 16, 2026



EFFECTIVE: JULY 1, 2026 (PROPOSED)

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

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I. RATES, FEES, AND CHARGES

Rates for Service

Schedule A – Wastewater

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

The wastewater customer's monthly bill for wastewater collection, treatment, and disposal services (sewer service) shall be based upon the sum of:

- i. **Wastewater Treatment Charge.** A use charge calculated from how much water a customer uses based on water meter readings at the customer premise; and
- ii. **Base charge.** A fixed fee per customer account which shall serve as the minimum monthly bill for sewer service for all customers receiving wastewater service from AlexRenew.

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

The new base charge methodology will be phased in over a five-year period. Over the five-year period, the base charge for Commercial Customers will be calculated using a portion of the existing base charge based on meter size (the 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. The charges for the year will be billed to all wastewater customers at the rates shown in Tables A.1, A.2, and A.3 below.

Table A.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 (listed in Table A.1 above) and 20% of the proposed base charge based on use (listed in Table A.2 below).

Table A.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.

Table A.3. Miscellaneous Charges

Charge	Current Cost (Effective July 1, 2025)	Proposed Cost (Effective July 1, 2026)
Minimum Deposit Based on Meter Size	-	-
Residential Customer Activation Fee (1)	\$15.00	\$15.00

(1) The Residential Customer Activation fee is waived for customers that enroll in paperless billing and autopay programs.

Winter Quarter Average Billing Cap:

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

The Residential Customer’s monthly Wastewater Treatment Charges shall be based on water meter readings at the customer’s premise. Residential Customers shall be billed the Wastewater Treatment Charges utilizing a monthly wastewater treatment billing cap that shall be determined annually. The wastewater treatment billing cap per customer shall be established based on the customer’s average monthly metered water consumption (gallons) recognized on bills rendered during the winter quarter which is defined as the months of January, February, and March. The monthly wastewater treatment billing cap is not effective for bills rendered during the winter quarter.

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

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

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

Schedule B – Reuse (Reclaimed) Water

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

Other Rates, Fees, and Charges

Schedule A – Pretreatment Permit Fee

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

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

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

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

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

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

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

Schedule B – Deduct Meters Charge

AlexRenew commercial and industrial customers that have a portion of their wastewater flow that does not enter the wastewater collection system may apply for a deduct meter. The application for a deduct meter must be certified by an independently licensed plumber. Customers participating in the deduct meter program shall receive flow adjustments for the billing of the Wastewater Treatment Charges only through the proper operation of the approved deduct meter(s). Residential customers are not eligible for deduct meters.

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

The Deduct Meter Permit fee for users shall be \$50, paid in full at the time of application. This is a one-time application fee.

The charge for reading the Deduct Meter is \$10 per reading per account if all of the deduct meters billed to the account have the same premise address. If an account has different premise addresses associated with its Deduct Meters, there is a \$50 charge per reading at each specific premise address. This charge will be in addition to the payment of Base Charges for those commercial customers that have been approved for and have installed a deduct meter.

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

Schedule C – New Account Activation Charge

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

Schedule D – Service Termination Charge

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

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

II. RULES AND REGULATIONS

Rule No. 1 – Definitions

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

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

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

Rule No. 2 – General

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

Rule No. 3 – Special Contracts

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

Rule No. 4 – Extension of Public Sewers

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

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

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

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

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

Rule No. 6 – Meters and Meter Installation

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

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

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

Rule No. 7 – Sewer Meters

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

Rule No. 8 – Deduct Meters

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

Rule No. 9 – Customer's Liability for Charges

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

Rule No. 10 – Bills for Service

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

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

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

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

Rule No. 11 – Terms of Payment

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

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

Rule No. 12 – Abatement

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

Rule No. 13 – Service Termination Fee

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

Rule No. 14– Discontinuance of Service

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

Rule No. 15 – Restoration of Service

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

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

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

Rule No. 16 – Water Leaks and Adjustments

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

Rule No. 17 – Refund Policy

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

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

Upon request of a Customer, AlexRenew may apply the fixed charge for a smaller meter, if the authority determines that:

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

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

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

III.AMENDMENT AND INTERPRETATION

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

IV.EFFECTIVE DATE

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

EXIT



AlexRenew

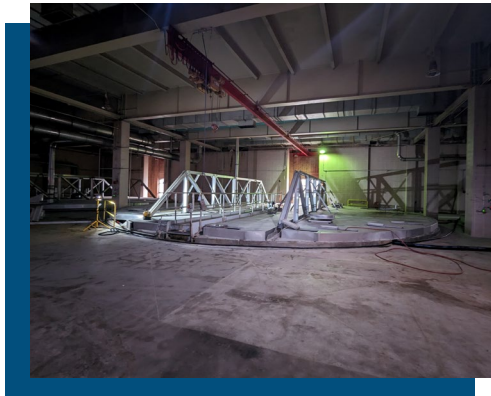
HEADWORKS RENEWAL PROJECT

OVERVIEW OF GUARANTEED MAXIMUM PRICE AMENDMENT NO. 2

BOARD OF DIRECTORS | APRIL 21, 2026

phaseforward

Building a Resilient Wastewater Future



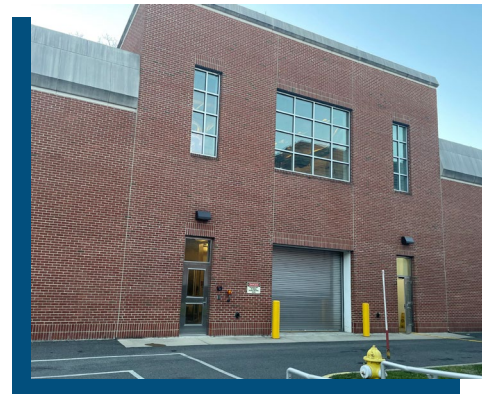
Biosolids Diversification

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



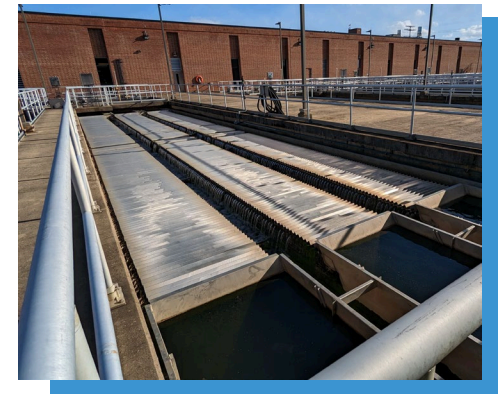
Headworks Renewal

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



Process Optimization

Installation of new equipment to enhance our nutrient removal processes and continue to improve water quality in the Chesapeake Bay and its tributaries

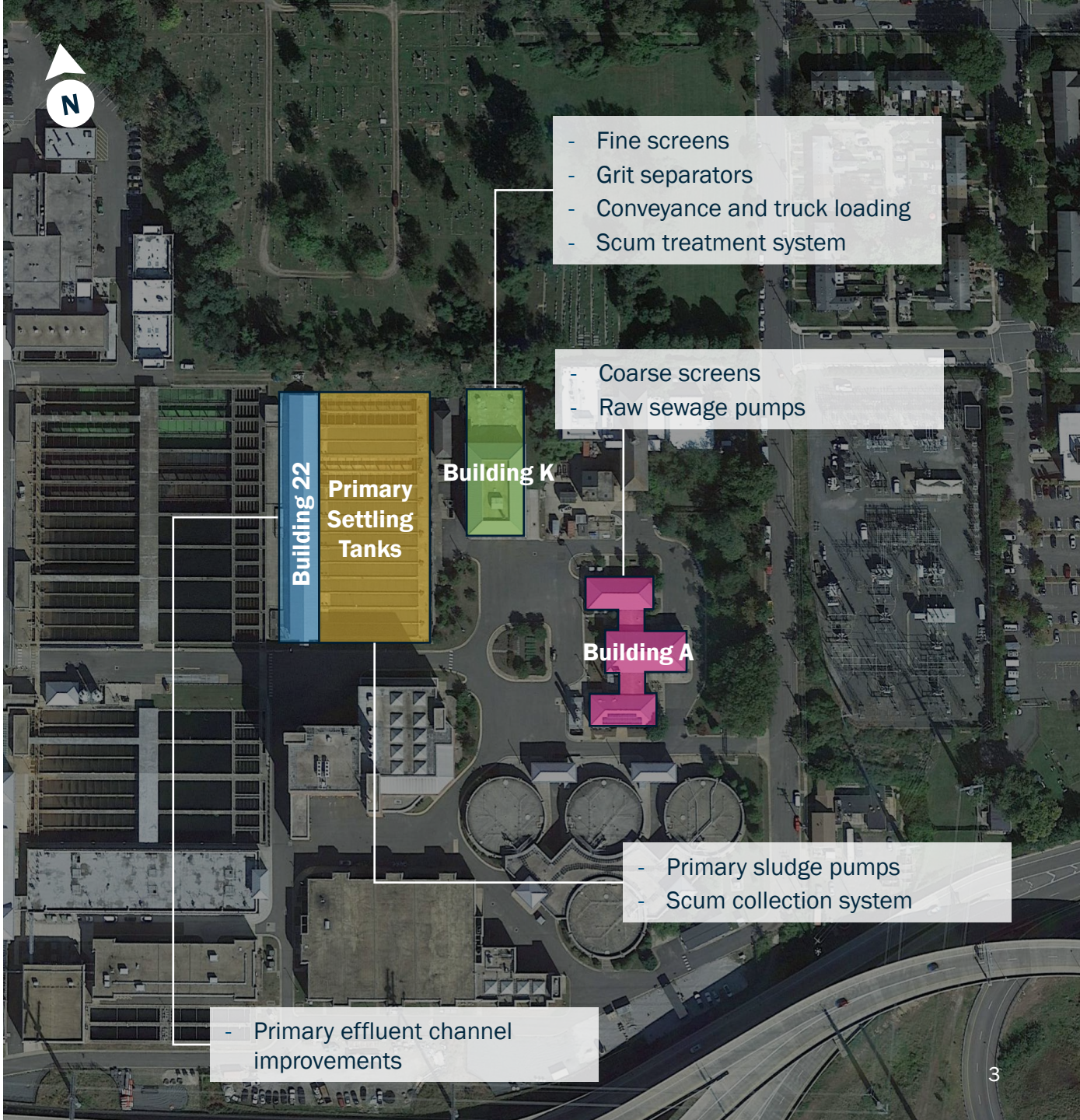


Nutrient Reduction

Rehabilitation of processes providing the final settling and filtration of wastewater to further reduce nutrient loads and allow for continued growth in our community

Headworks Renewal Project Scope

Generally, the Headworks Renewal Project is designed to improve the reliability of AlexRenew's headworks facilities, the primary facilities that receive wastewater flows from the community and date to the 1970s-80s and 2000s. Major scope items include new coarse screens, raw sewage pumps, fine screens, grit separators, conveyance and truck loading equipment, scum separators, and primary sludge pumps.



Headworks Renewal Project Status

To date, the Headworks Renewal project has executed the initial contract and one (1) amendment, which scopes included the following:



Initial Contract Preconstruction Services

July 2024

- Initiated collaborative design development process between AlexRenew, the designer, and contractor
- Contractor providing input on constructability, market conditions, and other technical design aspects



Amendment No. 1 Equipment Procurement

July 2025

- Authorized contractor to purchase critical equipment including pumps, screens, grit removal, and electrical equipment
- Mitigates the potential for supply chain delays and improves the overall construction schedule

Headworks Renewal Project Amendment No. 2

Amendment No. 2 includes the construction and installation of equipment procured under Amendment No. 1, excluding electrical work. Major scope elements include:



Upgrade two (2) fine screens



Replace two (2) vortex grit separators



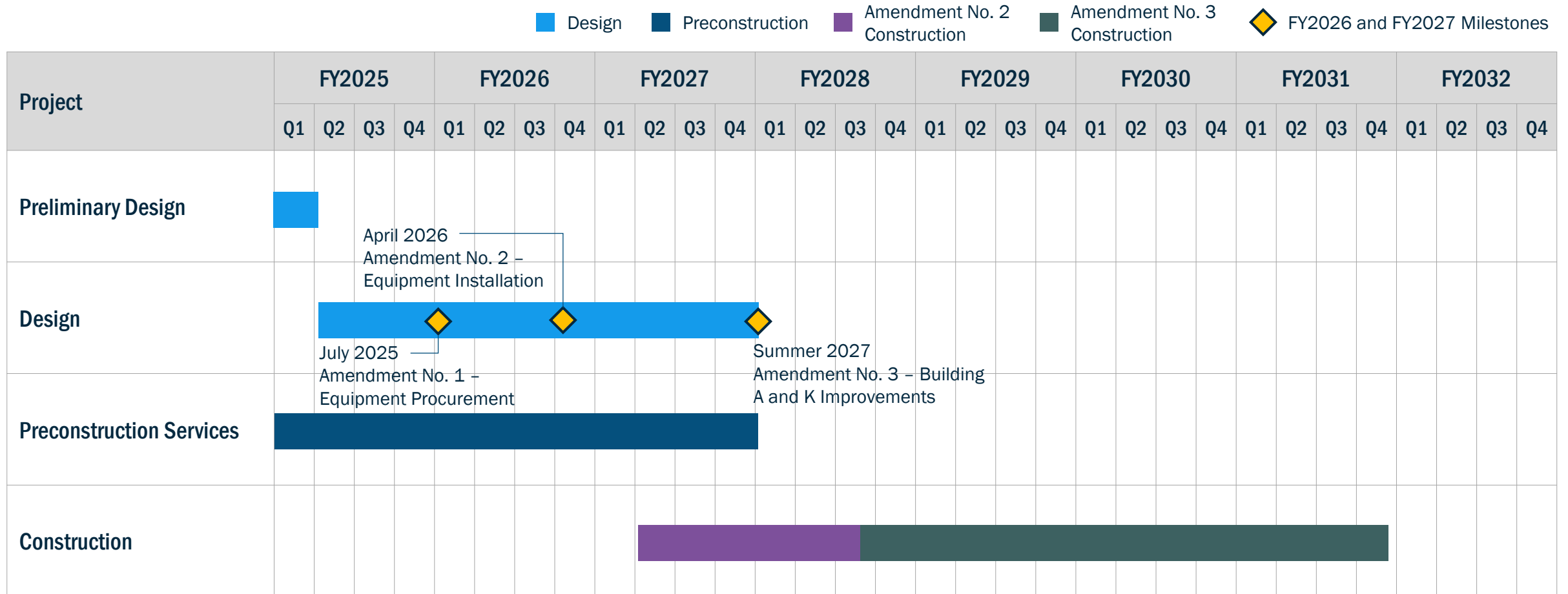
Replace twelve (12) primary sludge pumps



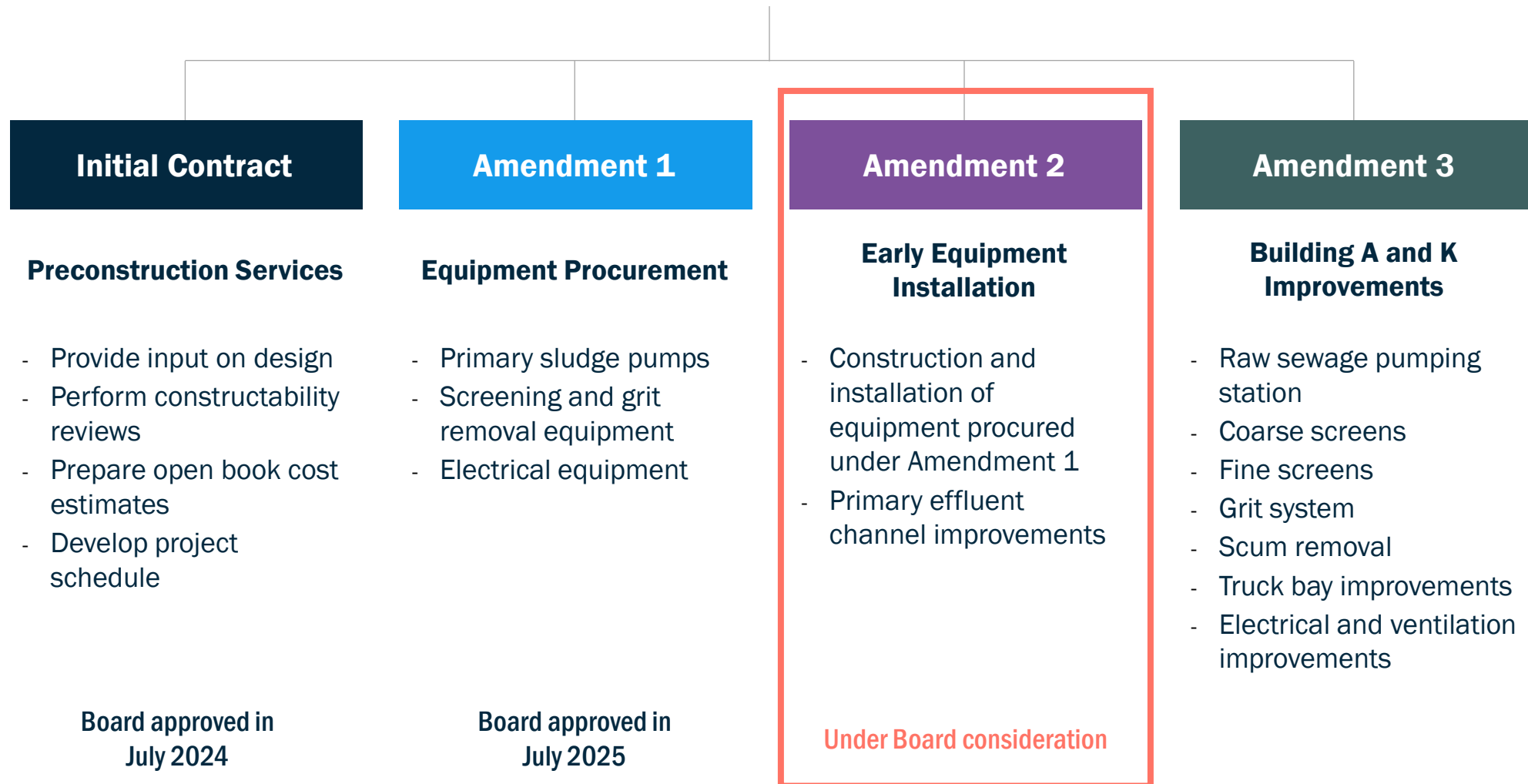
Repair concrete and install new covers over the primary effluent channel

Headworks Renewal Project Schedule

This chart shows the estimated timing and sequencing of each phase of the Headworks Renewal project, highlighting current and upcoming milestones.



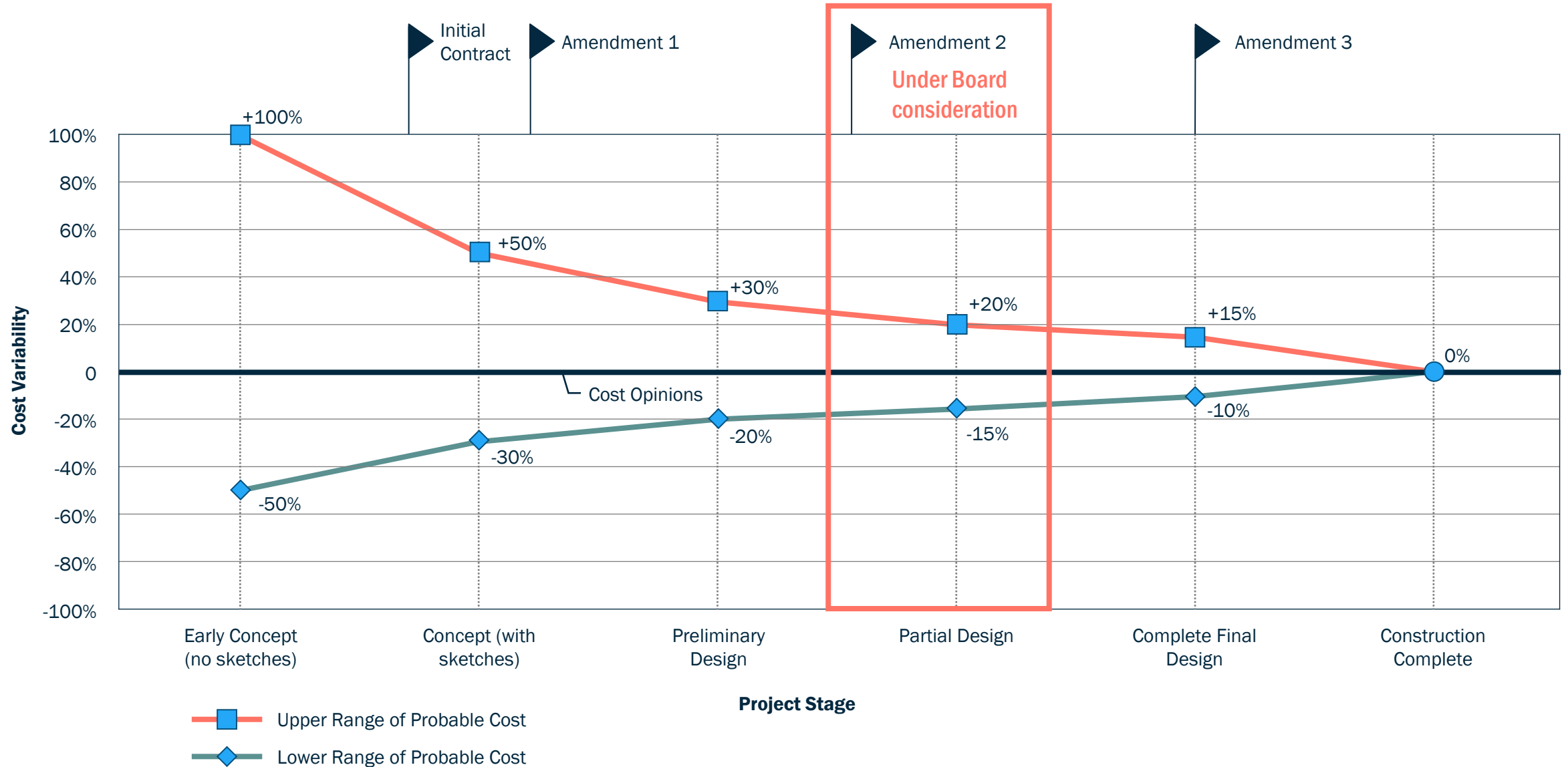
Headworks Renewal Project GMP



GMP: Guaranteed Maximum Price

All amendments require Board review and approval

Headworks Renewal Project Cost Certainty

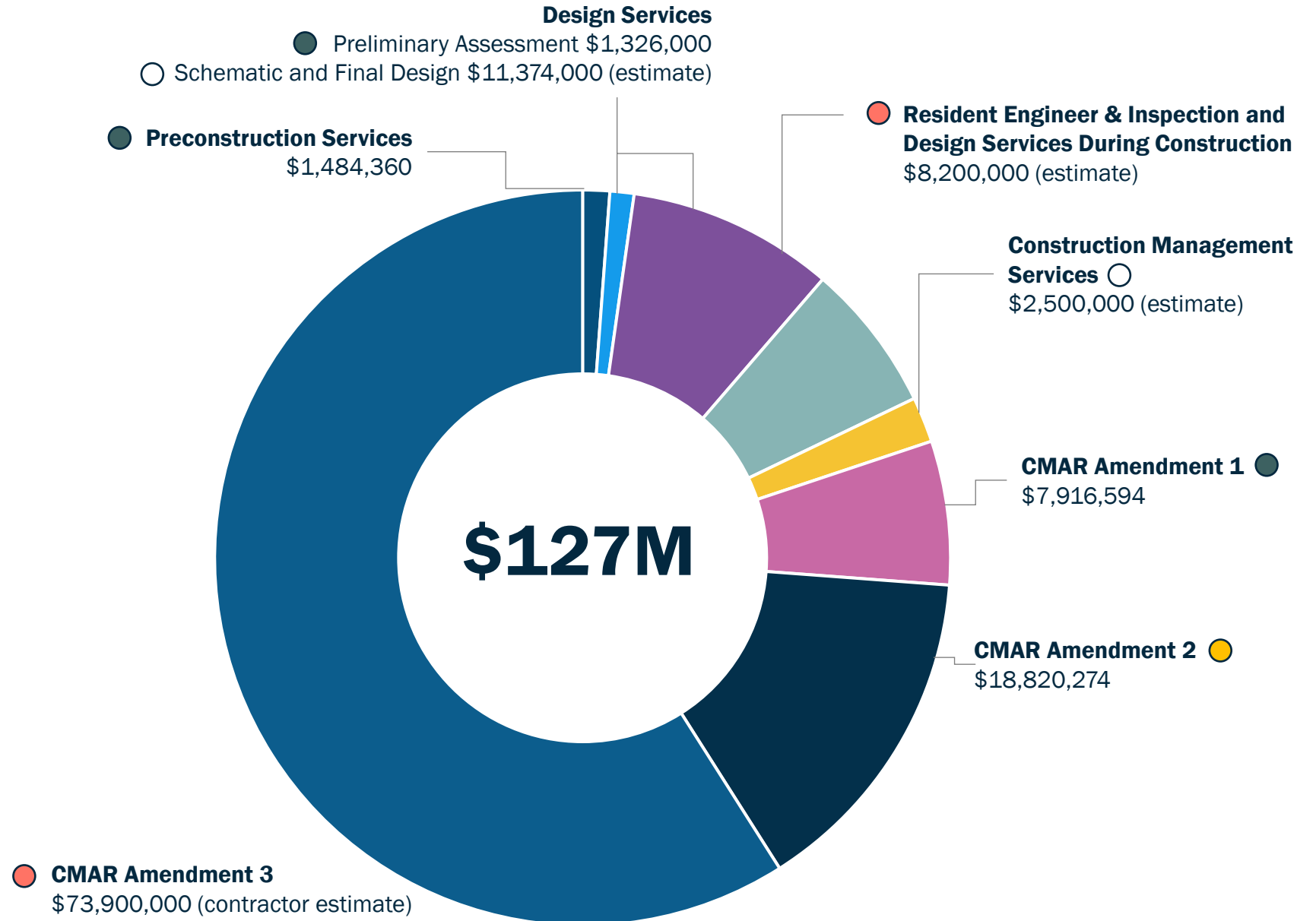


Headworks Renewal Capital Cost

The graph illustrates the Headworks Renewal Project capital cost as of April 1, 2026. The dots next to the various contracts and amendments indicate Board action on each of the items.

Board action legend:

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



Headworks Renewal Project Next Steps

- Amendment No. 2 Board Approval in April 2026
- Begin construction by September 2026
- Amendment No. 3 Board Approval in Summer 2027



AlexRenew's Primary Influent Conduits in Building K



AlexRenew

MEMORANDUM

TO: AlexRenew Board of Directors

FROM: Justin Carl, General Manager and CEO

DATE: April 21, 2026

SUBJECT: *New Business, Joint Use*
Review and approve Amendment No. 2 to Contract 24-024 with Ulliman Schutte Construction, LLC for equipment installation as part of the Headworks Renewal Project

Issue

The Headworks Renewal Project was procured as a construction management at-risk (CMAR) contract and is being implemented through a series of amendments under an overall Guaranteed Maximum Price (GMP) structure. To progress construction associated with the Headworks Renewal Project, approval of Amendment No. 2 by the AlexRenew Board of Directors (Board) is required.

Recommendation

Staff respectfully requests the Board authorize the Chief Executive Officer to execute Amendment No. 2 to Contract 24-024 with Ulliman Schutte Construction, LLC (Ulliman Schutte) for equipment installation associated with the Headworks Renewal Project in an amount of not-to-exceed \$23,525,343, which includes the CEO's delegated change order authority. Justification for this recommendation is provided in the "Discussion" section of this memorandum.

Budget and Funding

Funding for Amendment No. 2 to Contract 24-024 is included in the adopted Fiscal Year 2026 Capital Budget and the proposed Fiscal Year 2027 Capital Budget. The cost for Amendment No. 2 is \$18,820,274 and is anticipated to be expended between May 2026 and February 2028.

Discussion

In August 2020, AlexRenew initiated planning on upgrades to the headworks of the Water Resource Recovery Facility (WRRF), which includes the raw sewage pumping station, coarse screening facility, fine screens and grit removal system, and primary settling tanks. A contract to complete final design for the headworks upgrades was awarded to GHD, Inc. in March 2024. Subsequently, AlexRenew entered into a CMAR agreement with Ulliman Schutte to provide construction services for the headworks upgrades in July 2024. These two teams work collaboratively with AlexRenew to advance

the Headworks Renewal Project under a GMP structure, enabling a phased implementation approach to prioritize the most critical work.

Generally, the Headworks Renewal Project is designed to improve the reliability of AlexRenew’s headworks facilities, the primary facilities that receive wastewater flows from the community and date to the 1970’s-80’s and 2000s. Major scope items include new coarse screens, raw sewage pumps, fine screens, grit separators, conveyance and truck loading equipment, scum separators, and primary sludge pumps.

The GMP consists of a series of amendments aligned with the Headworks Renewal Project’s phasing. The GMP initially included six (6) amendments, which were streamlined in January 2026, better aligning the project with current priorities and budget considerations. This refined approach to project phasing is reflected in Figure 1.

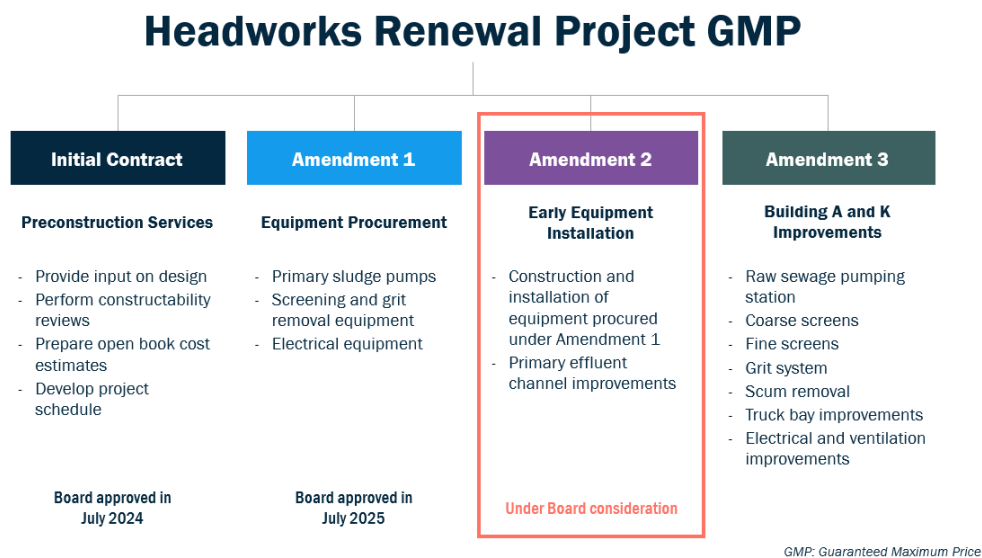


Figure 1. Contractual amendments associated with the Headworks Renewal Project GMP

Initial Contract

The initial contract with Ulliman Schutte for preconstruction services was approved by the Board in July 2024 for an amount of \$1,484,360. The preconstruction services phase of the CMAR contract includes a collaborative design development process between AlexRenew, the designer, and contractor. As an experienced contractor, Ulliman Schutte brings key insights into market conditions and construction methods that guide the design toward a project that is constructable, cost-effective, and meets the technical needs of AlexRenew.

Amendment No. 1

Amendment No. 1 was approved by the Board in July 2025 for an amount of \$7,916,594. This amendment authorized Ulliman Schutte to purchase critical equipment while the remainder of the project is designed. This advanced purchase of equipment mitigates the potential for supply chain delays and improves the overall construction schedule.

Amendment No. 2 – Early Equipment Installation

Amendment No. 2 includes the construction and installation of equipment procured under Amendment No. 1, excluding electrical work. Major scope elements include:

- Removal of 15 existing primary sludge pumps and installation of 12 new pumps and associated appurtenances;
- Demolition and removal of existing fine screen equipment and installation of two (2) new fine screens and associated equipment;
- Demolition and removal of two (2) existing grit separators and installation of two (2) new vortex grit separators;
- Rehabilitation of the primary settling tank effluent channel and associated hydraulic structures, including concrete repair, protective concrete coatings, and new channel covers; and
- Procurement and installation of one (1) double-wide and one (1) triple-wide contractor office trailer including utility routings and connections.

Approval of this amendment prioritizes upgrades that deliver near-term benefits to AlexRenew:

- Enhances safety of these systems;
- Improves reliability of critical equipment to ensure that we process wastewater flow delivered by the community; and
- Improves efficiencies by reducing equipment downtime and enabling early use of the new screening and grit removal technologies.

Pricing for Amendment No. 2 was established using an open-book model, fostering a transparent and collaborative process among AlexRenew, the designer, and contractor. Open-book pricing facilitates sharing and evaluating the contractor’s estimates, equipment quotes, communications with subcontractors, subcontractor costs, labor, and materials. This provides AlexRenew with a detailed and clear view of all costs, how they will be allocated, and how they will be expended. Ulliman Schutte’s cost for Amendment No. 2 is \$18,820,274, which aligns closely with the Engineer’s estimate of \$18,805,482 and associated budget. Table 1 summarizes the details of Amendment No. 2.

Table 1. Breakdown of Amendment No. 2 to Contract 24-024

Item	Cost
Direct Cost of the Work	\$10,877,463
General Conditions (contractor’s indirect costs)	\$3,694,862
Subtotal	\$14,572,325
Contractor’s Fee (5 percent)	\$728,616
Bonds and Insurance	\$564,608
Contractor Contingency	\$1,450,000
Project Contingency (Owner)	\$1,000,000
Allowances (concrete repairs, temporary grit and screenings handling, temporary enclosures during coatings)	\$504,725
Total	\$18,820,274

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

Table 2. Summary of Headworks Renewal Project capital costs as of the date of this memorandum

Item	Entity	Cost
Planning and Design Services (Aug 2020 – Jun 2026)	GHD	\$13,529,710
Construction Management Services (Nov 2024 – Jun 2026)	Brown & Caldwell	\$1,074,500
Preconstruction Services	Ulliman Schutte	\$1,484,360
Construction Services		
Amendment No. 1	Ulliman Schutte	\$7,916,594
Amendment No. 2 (for consideration under this memo)	Ulliman Schutte	\$18,820,274
Total		\$42,825,438

This action supports our strategic goal of Operational Excellence.

ACTION TAKEN

Approved: _____

Disapproved: _____

Approved with Modification: _____

Modification(s): _____

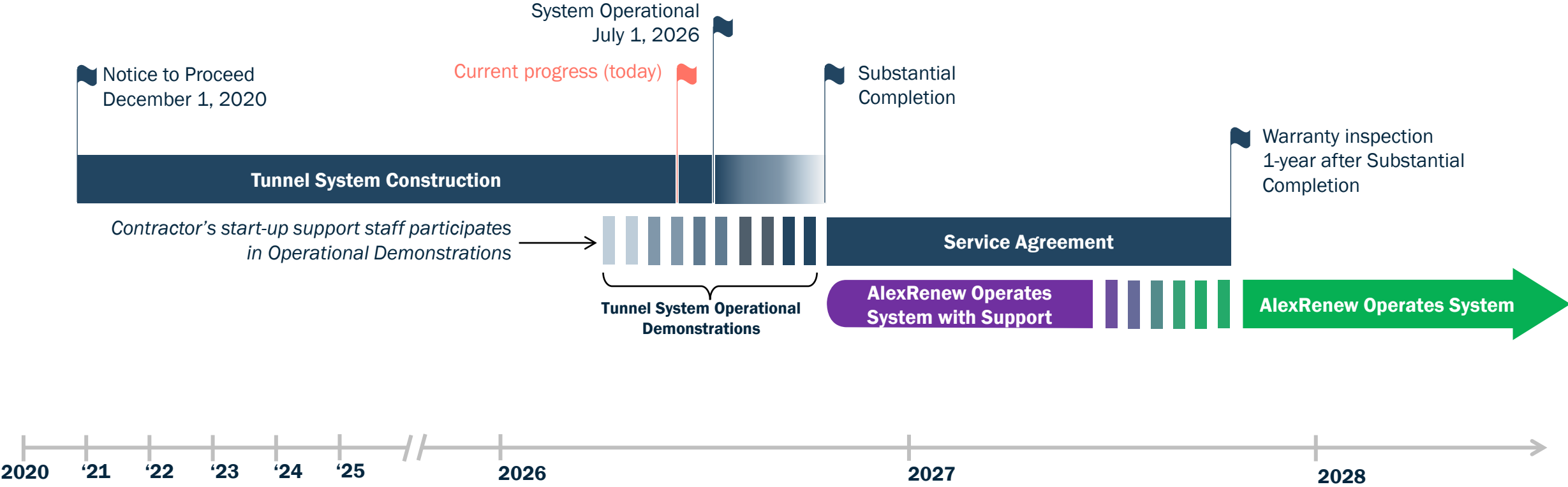


AlexRenew

PROPOSED CHANGES TO RIVERRENEW CONTRACT

BOARD OF DIRECTORS MEETING | APRIL 21, 2026

General RiverRenew Schedule: 2020-2028



Waiting for the storm to achieve Substantial Completion



RiverRenew Approach to Substantial Completion

The Tunnel System contract outlined a service agreement following Substantial Completion because the accelerated state-mandated schedule left no time to wait for actual storm events to achieve operational demonstration. A traditional “wait for the storm” approach would have created risk and uncertainty in the bidding environment (2020), with no defined process to achieve substantial completion. Because of this, operational demonstrations are being performed using plant effluent water. To ensure that AlexRenew has adequate support to manage its first storm event, the concept of a service agreement was also included in the contract documents.

Service Agreement language in RiverRenew contract:

On-Call Services Agreement. Design-Builder shall provide to Owner on-call staff augmentation services after Substantial Completion. The services shall be performed under a separate agreement to be entered into between Owner and Design-Builder. The agreement shall identify, among other things, the scope of and compensation payable to Design-Builder for the services and shall be executed no later than forty-five (45) days before the date of Substantial Completion. The Parties agree that one of the services to be performed by Design-Builder under this agreement will be Design-Builder’s obligation under Paragraph 7.18.D of the General Conditions of Contract to jointly inspect the Work with Owner prior to the expiration of the warranty period. Consequently, the term of the agreement shall be of sufficient duration to encompass such inspection obligations. For the avoidance of doubt, the costs incurred by Design-Builder in fulfilling its warranty obligations are deemed part of the Contract Price and shall not be recoverable under the on-call services agreement.

Benefits of approach:


- ✓ Improved schedule and bid certainty
- ✓ Provides continuity of service
- ✓ Leverages expertise of project team
- ✓ Extends to operations
- ✓ Provides opportunity for additional training
- ✓ Improves responsiveness during shakedown
- ✓ Allows for Operations & Maintenance manual refinement
- ✓ Manages warranty issues
- ✓ Provides contract for warranty inspection – no additional procurement needed

RiverRenew Service Agreement

Roles & Responsibilities

Responsibilities

- Support tunnel system operations
- Support maintenance activities
- Coordinate warranty work
- Train staff
- Update the Operations & Maintenance Manual
- Coordinate interface between tunnel system and UV operations during wet weather event
- Facilitate warranty inspection

 **AlexRenew is responsible for all aspects of permit compliance**

Key Roles



Project Manager

Primary point-of-contact that manages service agreement team



Operations Manager

Coordinates with AlexRenew, directs on-site team, and manages training



Operations Technician(s)

Conduct operation and maintenance services and attend daily AlexRenew meetings



Pumping Station Engineer

Coordinates activity of vendors and specialty contractors and provides expert technical support



Office Engineer

Develops reports and deliverables, training materials, and provides technical support

RiverRenew Service Agreement

Technical Scope

Diversion Facilities



- Operate and maintain odor control systems
- Check diversion sewers and bar racks for debris
- Adjust stop logs and weirs
- Maintain instrumentation

Pumping Station



- Operate and maintain pumps
- Maintain hydraulically controlled valve systems
- Jointly operate wet weather pumping and UV
- Operate and exercise flushing systems

Superstructure



- Operate and maintain screen rake and clamshell system
- Manage screenings disposal
- Manage typical facility maintenance
- Operate overhead cranes

Warranty Inspection



- Plan and execute warranty inspection of tunnel system at the end of the first year of operations
- Isolate system and establish safe access
- Tunnel System cleaning as necessary

RiverRenew Service Agreement

Administrative Scope

Excerpt from Draft RiverRenew O&M Manual

RiverRenew Facilities Operation and Maintenance Manual



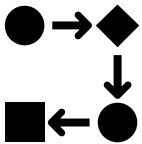
Operations & Maintenance (O&M) Manual



Asset management



Staff training



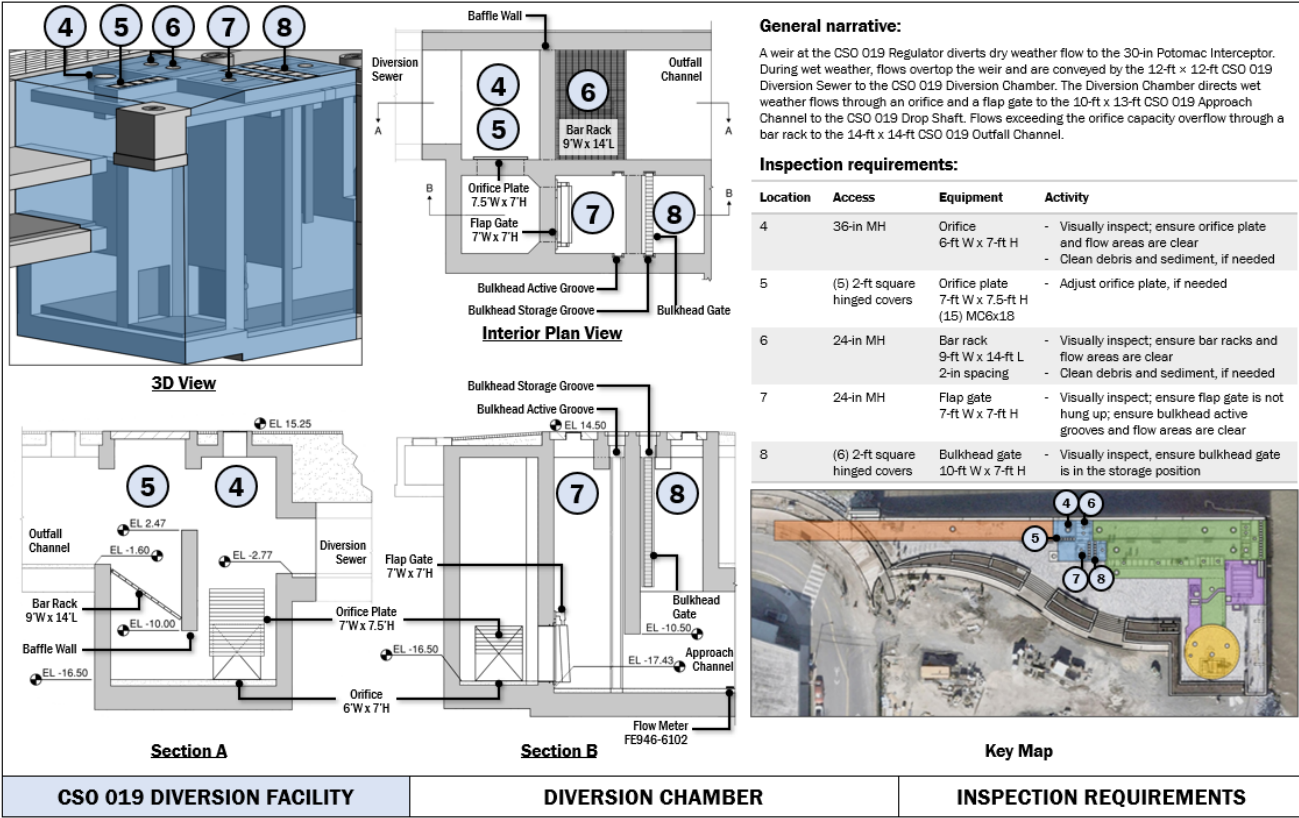
Standard Operating Procedures (SOPs)



"Rounds" sheets



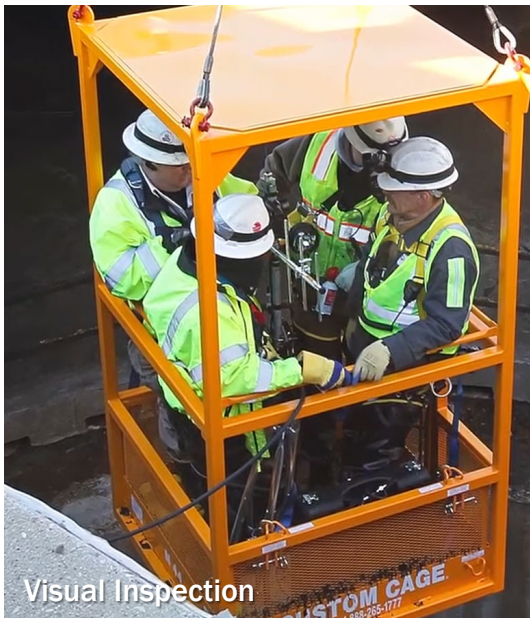
Staffing plan



Sheet No.: X-# Page No.: XX of YY

RiverRenew Service Agreement **Warranty Inspection**

AlexRenew and TSJV will conduct a visual inspection of the work one year after Substantial Completion. This warranty inspection requires isolating the tunnel system from CSO flow and ventilating the area to allow safe staff entry. Additional inspections are expected every 10–25 years, based on experience from similar programs.





Dowden Terrace
Diversion

▲ Mark Center Pumping
Station

▲ Four Mile Run Pumping
Station

▲ Innovation District
Pumping Station

Fairfax Holmes Run Sewer

Separate Sanitary Sewer System
(sewersheds not shown)

Commonwealth
Interceptor

▲ Slaters Lane Pumping
Station

▲ Potomac Yard Pumping
Station

Backlick Sewers

Holmes Run Trunk Sewer

Potomac Yard Trunk Sewer

Combined
Sewer System



Potomac Interceptor

Jones Point
Trunk Sewer

WRRF

AlexRenew's Interceptor System

Legend

-  AlexRenew Interceptor
-  AlexRenew Pumping Station

AlexRenew Interceptor Summary

AlexRenew operates and maintains four (4) large-diameter interceptors conveying wastewater from Alexandria and parts of Fairfax County to AlexRenew’s wastewater treatment plant.

Interceptor	Diameter	Year Built	Material	Total Length	Rehab Work	Last Inspection	Inspection Results
Potomac	36-42-in	1954	Reinforced concrete	11,800-ft	Relocation of 300-ft section in Jones Point Park in 2007	2017 (full length) 2024 and 2025 (Jones Point Park)	Good condition; portion sagging in Jones Point Park; reinspect in 10 years
Potomac Yard	18-30-in	2002, 2007, 2009	CCFRPM	14,200-ft	-	-	-
Commonwealth	24-72-in	1954	Reinforced concrete; CCFRPM	12,400-ft	8,800-ft lined in 1997, 2001, and 2008; 2,500-ft replaced in 2025	2018	Good condition; minor defects to monitor; reinspect in 10 years
Holmes Run	30-72-in	1954, 1975, 1989, 2003, 2008	Reinforced concrete	28,000-ft	10,000-ft lined in 2009	2016 (full length) 2024 (Dora Kelly Park)	Moderate to good condition; minor defects to monitor; reinspect in 10 years

Manholes on all interceptors were inspected in 2025

Potomac Interceptor Inspections

A comprehensive condition assessment of the Potomac Interceptor was completed in 2017 identifying a portion of the pipe holding water, assumed to be associated with settlement of the pipe or “sagging.” While not an emergency, it requires correction to minimize buildup of sediment and debris. Subsequent cleaning and inspections performed in 2024 and 2025 have resulted in a refined replacement scope through Jones Point Park.

2017 Inspection

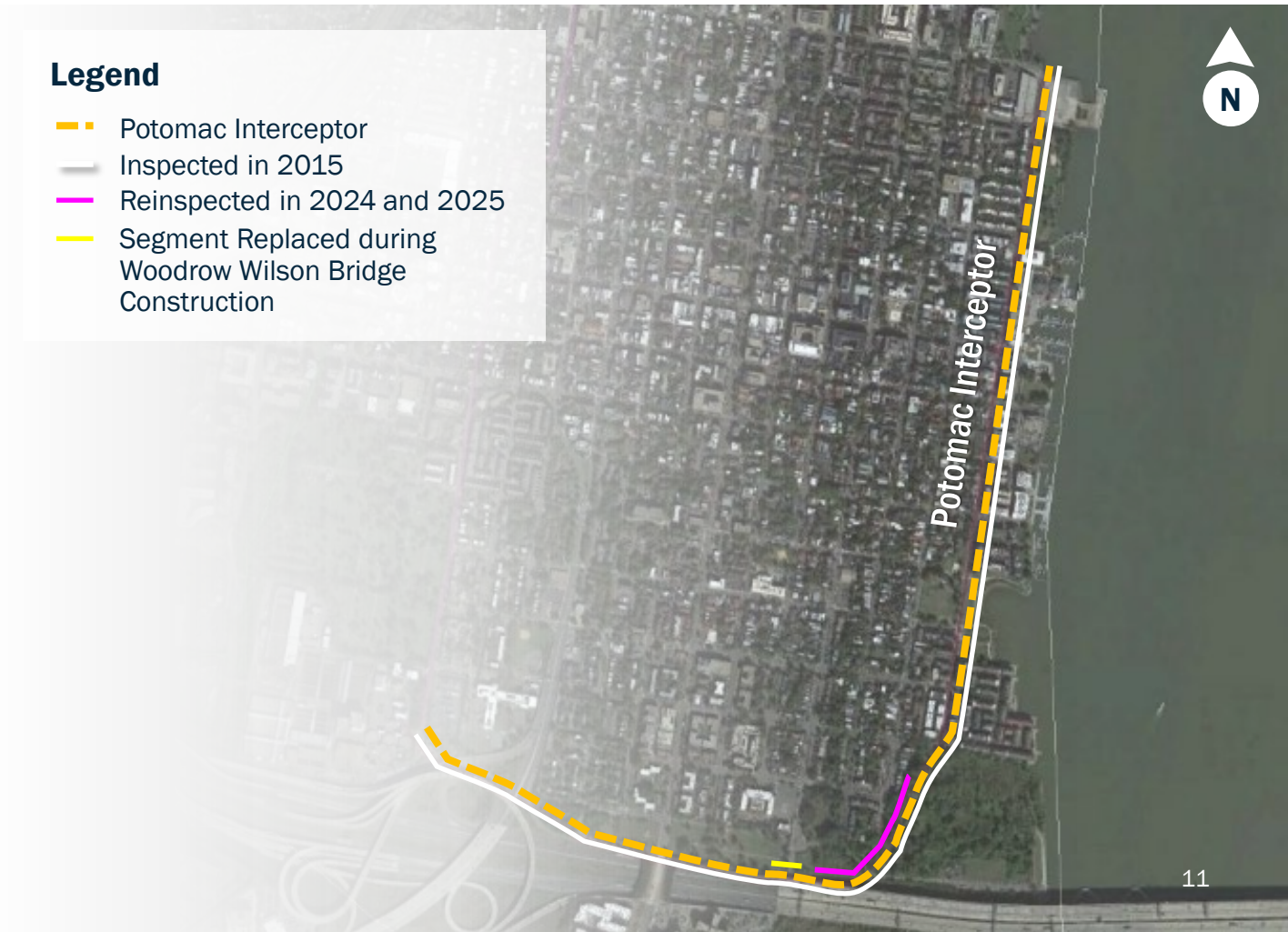
- Identified sag in Jones Point Park – entire sag could not be inspected due to ponded water and debris
- Recommended 1,500-ft replacement in Jones Point Park

2024 Inspection

- Attempted reinspection in Jones Point Park to confirm 2015 recommendation
- Significant debris accumulation limited inspection

2025 Inspection

- Bypass pumped and cleaned 600-ft of pipeline
- Removed significant amounts of rock, grit, and debris
- Confirmed extents of sag
- Updated scope recommendation to replace 150-ft of sagging pipe



Potomac Interceptor Fall 2025 Inspection



Potomac Interceptor Rehab Work in Jones Point Park



SOUTH ROYAL STREET

JONES POINT DRIVE

RIVERRENEW
CONSTRUCTION
SITE

JONES POINT PARK

EXISTING SMALL
DIAMETER SANITARY
SEWER TO REMAIN

COMMUNITY
GARDENS

PROJECT LIMITS OF
DISTURBANCE

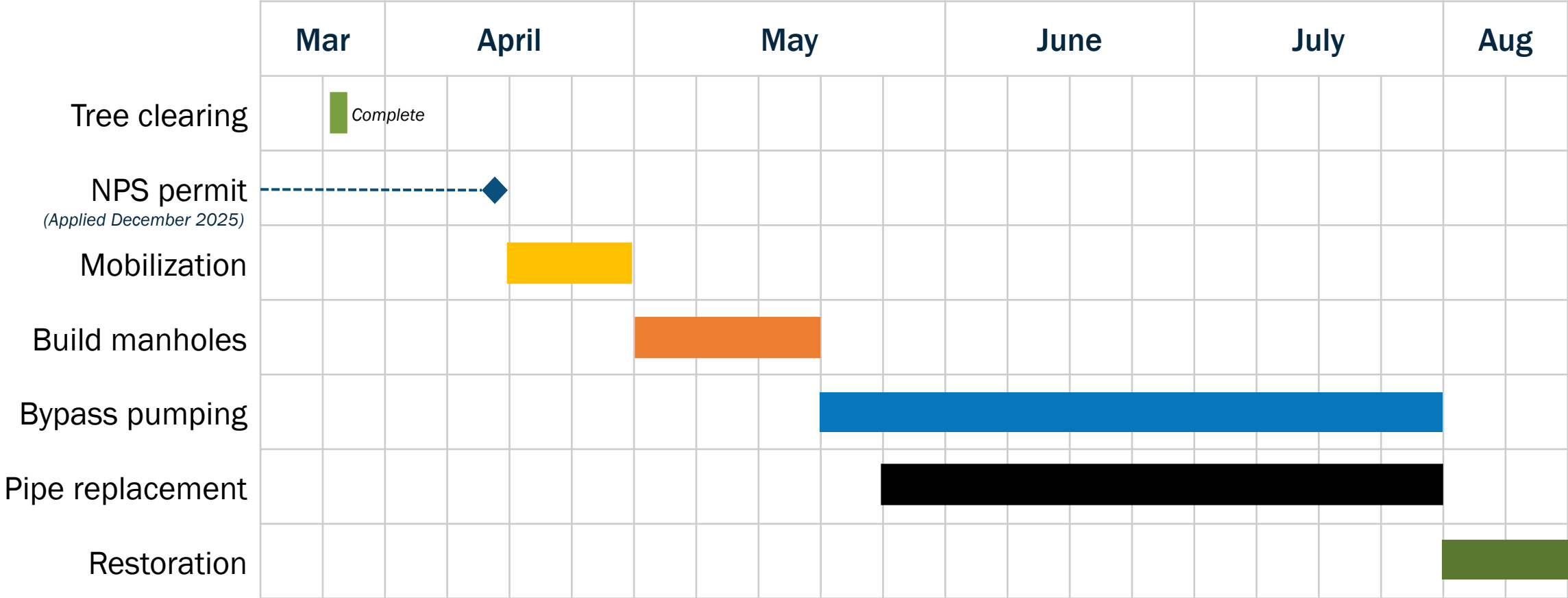
NEW
MANHOLES

42-INCH DIAMETER POTOMAC INTERCEPTOR

PORTION OF POTOMAC
INTERCEPTOR TO BE
REPLACED

Potomac Interceptor Rehab Schedule

Equipment and crews from RiverRenew will mobilize to the repair site upon receipt of the special use permit from National Park Service (NPS). The work to replace the interceptor is expected to take approximately four months from initial mobilization to site restoration.

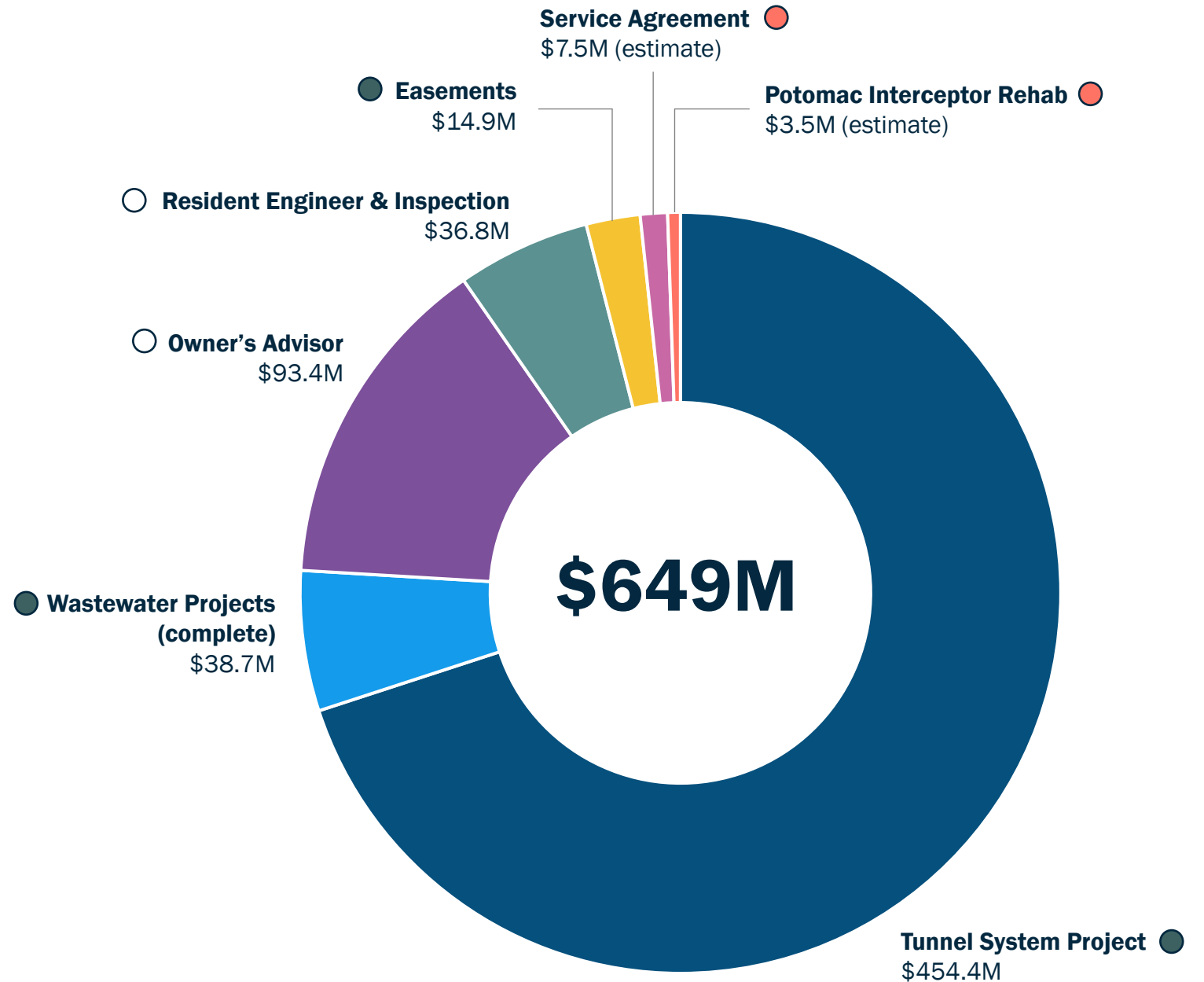


RiverRenew Capital Cost

The graph illustrates the RiverRenew Project capital cost as of April 1, 2026. The dots next to the various contracts and amendments indicate Board action on each of the items.

Board action legend:

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



Next Steps

- Receive National Park Service Special Use Permit
- Conduct community outreach
- Begin Potomac Interceptor construction in May 2026 (time and materials)
- Board approval for Service Agreement by June 2026
- Execute Service Agreement following Tunnel Project Final Completion



Potomac Interceptor Sewer Cleaning – Fall 2025



AlexRenew

MEMORANDUM

TO: AlexRenew Board of Directors

FROM: Justin Carl, General Manager and CEO

DATE: April 21, 2026

SUBJECT: *New Business, Joint Use*
Review and approve Change Order to Contract 19-079 with Traylor-Shea Joint Venture for rehabilitation of a portion of the Potomac Interceptor through Jones Point Park

Issue

A portion of the Potomac Interceptor requires rehabilitation to return hydraulic capacity to a small section of pipe within Jones Point Park. To progress construction, approval of a change order to Contract 19-079 RiverRenew Tunnel System Project (Tunnel Project) by the AlexRenew Board of Directors (Board) is required.

Recommendation

Staff respectfully requests the Board authorize the Chief Executive Officer to execute Change Order No. 1 to Contract 19-079 with Traylor-Shea Joint Venture (Design-Builder), increasing the overall contract value by \$3,500,000 to replace a portion of the Potomac Interceptor. Justification for this recommendation is provided in the "Discussion" section of this memorandum.

Budget and Funding

Funding for rehabilitation to this section of the Potomac Interceptor is included in the adopted Fiscal Year 2026 Capital Budget and the proposed Fiscal Year 2027 Capital Budget. The Potomac Interceptor is budgeted separately from the Tunnel Project but intended to be issued as a change order to the Tunnel Project given the proximity to the ongoing work in Jones Point Park and synergies in permitting with the National Park Service. The cost for the change order is \$3,500,000 and is anticipated to be expended between May 2026 and September 2026.

Discussion

Constructed in 1954, the Potomac Interceptor is one of four large-diameter sewers conveying wastewater from the Alexandria and parts of Fairfax County to AlexRenew's wastewater treatment plant. The interceptor consists of 36- to 42-inch reinforced concrete pipe extending approximately 11,800-feet from the intersection of Pendleton and North Union Streets to AlexRenew. Small sections

of the interceptor within Jones Point Park were relocated in 2007 as part of the Woodrow Wilson Bridge Project.

In 2017, AlexRenew completed a comprehensive condition assessment of the interceptor, which identified a several hundred-foot-long section holding water, which was assumed to be associated with settlement of the pipe or “sagging.” Due to flows in the interceptor and presence of sediment and debris, this segment could not be fully inspected to identify the exact length affected. While the sagging segment is not considered an emergency condition, it requires correction to minimize the buildup of sediment and debris. The condition of the interceptor has been routinely monitored to ensure flows continued to be conveyed effectively to AlexRenew. Based on the inspection, rehabilitation of the Potomac Interceptor as a separate capital project has been included in AlexRenew’s Capital Budget.

In 2024, an additional inspection of the segment within Jones Point Park was attempted; however, due to debris accumulation and high-water levels, the extent of the sag could not accurately be determined. To address this, AlexRenew implemented a bypass pumping system in Fall 2025 to isolate the interceptor and allow access. This effort enabled removal of substantial rock, grit, and debris, allowing crews to confirm the extent and condition of the sagging segment. The information gathered supported development of a design to rehabilitate the pipe based on current conditions.

The location of the sag within Jones Point Park (National Park Service property) is adjacent to the Tunnel Project site at South Royal Street as depicted in Figure 1. Since 2021, the Design-Builder has been mobilized to the Royal Street Site and is currently finalizing construction of a diversion facility to capture and transport combined sewage into the new tunnel system and to AlexRenew for treatment.

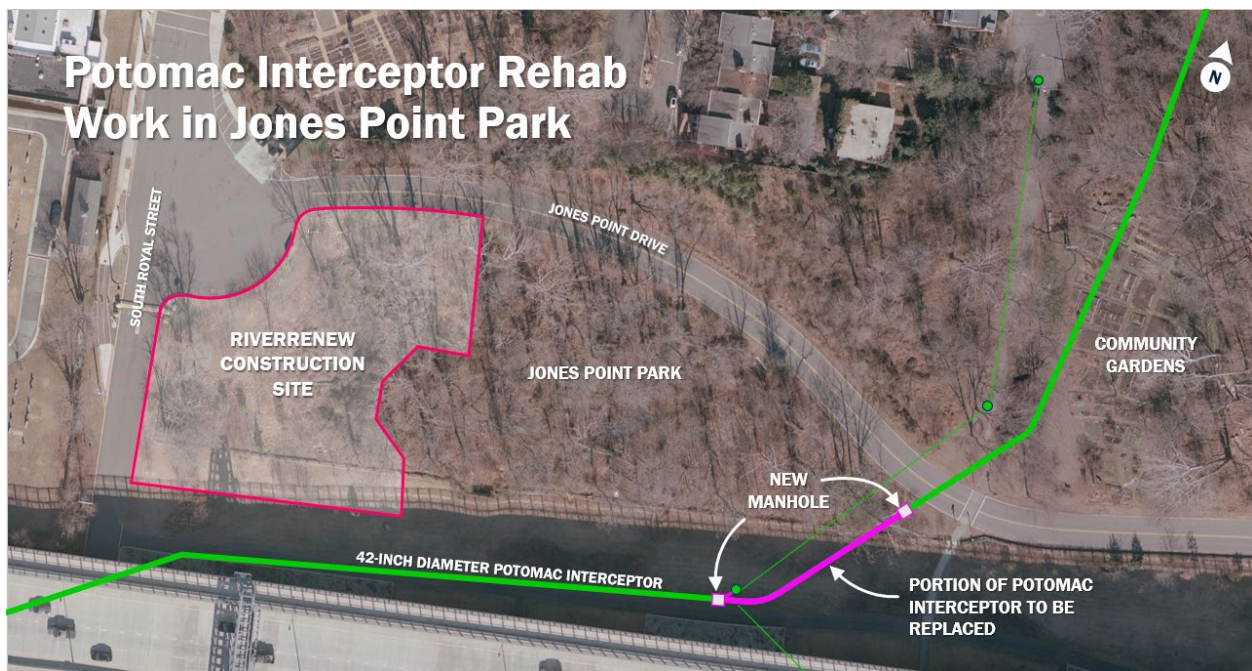


Figure 1. Potomac Interceptor Rehabilitation Work in Jones Point Park

The design-build contract to construct the Tunnel Project was awarded to the Design-Builder in November 2020 in the amount of \$454,400,000. Given the Design-Builder’s proximity to the interceptor and ongoing construction efforts, it is proposed to issue a change order to their contract to complete the rehabilitation. Major scope elements include:

- Bypass pumping;
- Support of excavation;
- Removal of one (1) existing manhole and installation of two (2) manholes;
- Removal and replacement of approximately 150-feet of the 42-inch diameter interceptor;
- Relocating adjacent 12- and 10-inch sanitary sewers;
- Targeted tree and shrub removal and erosion and sediment control;
- Maintenance of traffic for pedestrians and cyclists along Jones Point Park Trail; and
- Site restoration including new trees and shrubs.

Approval of this change order mitigates risk and provides benefits to AlexRenew by:

- Leveraging the Design-Builder’s existing mobilization at the site, which minimizes additional community disruption and impacts within National Park Service property;
- Utilizing the Design-Builder’s experience performing similar large-diameter interceptor rehabilitation, support of excavation, and bypass operations within a park area; and
- Enabling earlier completion of the work and restoration of hydraulic capacity within the interceptor.

Pricing for the Potomac Interceptor change order will increase the Tunnel Project contract value by \$3.5 million to cover the costs associated with the rehabilitation, from \$454.4 to \$457.9 million. Payment to the Design-Builder will be made on a time and materials basis as the work is completed. For tracking purposes, Table 1 summarizes all RiverRenew capital costs approved as of the date of this memorandum, plus this change order.

Table 1. Summary of RiverRenew capital costs as of the date of this memorandum

Item	Entity	Cost
Owner’s Advisor	Brown and Caldwell	\$93,400,000
Resident Engineer & Inspection	EPC	\$36,800,000
Easements (completed)	Various	\$14,900,000
Wastewater projects (completed)	Various	\$38,700,000
Tunnel System Project		
Initial Contract	TSJV	\$454,400,000
Potomac Interceptor Rehabilitation Change Order (for consideration under this memo)	TSJV	\$3,500,000
Total		\$641,700,000

This action supports our strategic goal of Operational Excellence.

ACTION TAKEN

Approved: _____

Disapproved: _____

Approved with Modification: _____

Modification(s): _____

Monthly Report

March 2026

This report represents a summary of AlexRenew’s progress toward its strategic goals – Operational Excellence, Thriving Workforce, Strategic Partnerships, Environmental Sustainability, and Commitment to the Community for March 2026.

1 Operational Excellence

Performance of AlexRenew’s operations is reviewed and evaluated monthly to oversee operational excellence and the proactive steps to meet current and future challenges.

1.1 Water Resource Recovery Facility (WRRF) Performance

Precipitation for March 2026 was 1.90 inches of rain and 1.0 inches of snow, which is less than the monthly average precipitation of 3.50 inches of rain and 2.0 inches of snow for the month.

AlexRenew met all Virginia Pollutant Discharge Elimination System (VPDES) effluent parameters for March 2026 as outlined in Table 1.1.

Table 1.1. Summary of VPDES Permit VA0025160 Effluent Parameters

	Average Flow	Carbonaceous Biochemical Oxygen Demand	Total Suspended Solids	Ammonia (as N)	Total Phosphorus	Dissolved Oxygen	Total Nitrogen	Total Nitrogen Load	Total Phosphorus Load
	MGD	Monthly Average (mg/L)	Monthly Average (mg/L)	Monthly Average (mg/L)	Monthly Average (mg/L)	Minimum (mg/L)	Annual Average (mg/L)	Year-to-Date (lb)	Year-to-Date (lb)
Permit	54.0	5.0	6.0	Seasonal (1)	0.18	6.0	3.0	493,381	29,603
Reported	32.0	<QL	2.7	0.18	0.13	9.1	2.3	57,255	2,078

Notes: (1) Ammonia seasonal limit for February – March: 6.9 mg/L

1.2 Capital Improvement Program

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

In June 2025, the Board approved four (4) Job Order Contracts (JOC) to support AlexRenew’s ongoing construction and maintenance needs. To date in Fiscal Year 2026, a total of \$9.1 million of work has been issued under the contracts through individual task orders. Table 1.2 summarizes the status of JOC task orders issued in Fiscal Year 2026.

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

Facility	Number of Task Orders	Value
WRRF Headworks Systems	-	\$-
WRRF Biological Treatment Systems	3	\$1,010,000
WRRF Solids Treatment Systems	4	\$660,000
WRRF Tertiary Treatment Systems	5	\$3,290,000
WRRF Disinfection Systems	-	\$-
WRRF Miscellaneous – HVAC, Electrical, Building, etc.	11	\$3,880,000
Pumping Stations	-	\$-
Interceptors	1	\$230,000
Environmental Center	-	\$-
Total	24	\$9,070,000

1.3 RiverRenew

Updates on RiverRenew are outlined in the RiverRenew Dashboard.

1.4 PhaseForward

Updates on PhaseForward are outlined in the PhaseForward Dashboard.

1.5 Additional Capital Projects

In February 2026, AlexRenew issued a request for information (RFI) to begin the procurement process for a financial and procurement enterprise resource planning (ERP) software. AlexRenew uses a financial and procurement ERP to manage finance and procurement processes, i.e. accounting, invoicing, purchasing, etc. The purpose of the RFI is to gain an understanding about the state of the market to support the development of a future request for proposal (RFP). The RFP is currently anticipated to be published in June 2026. A contract is anticipated for Board review in October 2026.

In March 2026, AlexRenew issued a request for proposals (RFP) seeking qualified manufacturers of biosolids thermal drying systems to support the Biosolids Diversification project. The successful respondent from the RFP will assist in the design and furnishment of the biosolids thermal drying system to be installed through the Biosolids Diversification project contractor. Proposals are due April 14, with a contract anticipated for Board review in July 2026.

1.6 Basic Ordering Agreement Task Orders

In December 2024, the Board approved five (5) basic ordering agreements (BOA) to support AlexRenew’s planning, design, and implementation of projects as part of AlexRenew’s CIP. Table 1.3 summarizes the status of BOA task orders issued in Fiscal Year 2026.

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

Type/Facility	Number of Task Orders	Value
WRRF Headworks Systems	1	\$120,000
WRRF Biological Treatment Systems	0	\$-
WRRF Solids Treatment Systems	0	\$-
WRRF Tertiary Treatment Systems	2	\$1,270,000
WRRF Disinfection Systems	0	\$-
WRRF Miscellaneous – HVAC, Electrical, Building, etc.	6	\$1,030,000
Pumping Stations	0	\$-
Interceptors	2	\$500,000
Environmental Center	1	\$230,000
Plans, Studies, and Training	6	\$940,000
Professional Services Support	7	\$1,410,000
Total	25	\$5,500,000

1.7 Sole Source and Emergency Contracts

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

2 Thriving Workforce

Efforts toward the thriving workforce strategic goal are highlighted monthly to report progress in investing in our staff and fostering a culture of belonging.

AlexRenew celebrated Women’s History Month throughout March, testing staff knowledge with history trivia, sharing local event information, and highlighting employees on social media. Additionally, on March 14, AlexRenew recognized Pi Day for all staff.

Since March 16, 2026, AlexRenew has logged 9,244 hours without a recordable incident.

3 Strategic Partnerships

AlexRenew continues to foster strategic partnerships that promote watershed-level thinking through collaboration and advocacy.

AlexRenew staff attended the Women’s Leadership Forum on March 13, hosted by the Alexandria Chamber of Commerce. On March 18, the Eisenhower Partnership hosted its annual City Manager’s Breakfast at AlexRenew’s Environmental Center, which was supported and attended by staff.

Staff attended the Alexandria Chamber of Commerce’s Annual Legislative Breakfast on March 19, interfacing with our local General Assembly senators and delegates. Additionally, on March 19, staff attended the Potomac Interceptor Repair and Environmental Rehabilitation Community Meeting, supporting the City and VDEQ.

On March 25, staff attended the Environment Virginia Symposium – the event brings together environmental professionals from government, nonprofits, academia, and various industries to help drive solutions for Virginia and our region.

3.1 2026 Virginia General Assembly Session

The Virginia General Assembly session adjourned on March 14, with a reconvened session scheduled for April 22 to consider the biennial budget and the Governor’s bill amendments and vetoes. The Governor’s action on bills relevant to AlexRenew is outlined in Table 3.1 (SB denotes Senate Bill, HB denotes House Bill).

Table 3.1. 2026 Virginia General Assembly Bill Tracking

Bill(s)	Patron(s)	Topic	Summary	Governor’s Action
HB1263 / SB378	Tran, Lopez, Navir /Surovell	Collective Bargaining	Requires good-faith bargaining with certified public-employee unions; Governor’s amendments add flexibility, preserve local budget-approval guardrails, and delay local-government framework until Jan. 1, 2030	Approved with amendments
HB1207 / SB2	Sewell / Boysko	Paid Family and Medical Leave	Creates state-administered paid leave program funded by employer/employee payroll contributions (12 weeks); Governor’s substitute creates a private-plan approval path, which could allow approval of an equivalent employer plan instead of defaulting into the state program. Contributions begin April 1, 2028; benefits begin December 1, 2028	Approved with amendments
HB5 / SB199	Convirs-Fowler / Favola	Paid Sick Leave	Mandates paid sick leave for Virginia employees – companion to HB1207 and SB2	Approved with amendments
HB1046 / SB324	Carr / McPike	VPPA	Final substitute replaces apprenticeship mandate with labor-compliance requirements for construction contracts: OSHA training, limited recent labor violations, and new independent-contractor notice/ authorization rules for certain contracts over \$5M. Effective July 1, 2027	Approved with amendments
HB1443 / SB386	Lopez / Stuart	PFAS in Biosolids	Testing and land-application limits on biosolids containing PFOS and PFOA – effective January 1, 2027	Approved
SB138 / HB938	McPike / Clark	PFAS Industrial Monitoring	Requires POTWs to mandate quarterly PFAS discharge monitoring from certain categories of industrial users and report results to DEQ	Approved
HB122	Keys-Gamarra	PFAS Consumer-Product Regulation	Prohibits manufacture and sale of cosmetic products containing a list of specified chemicals, including PFAS; violations enforceable under VA Consumer Protection Act	Approved
HB770	Herring	Affordability	Authorizes SCC-regulated water and wastewater utilities to offer discounted	Approved

Bill(s)	Patron(s)	Topic	Summary	Governor's Action
			rates for low-income customers, with cost recovery through rates. No direct impact	
HB422	Cole	Affordability	Bars SCC-regulated water or water-and-sewer utilities from filing general base-rate increases more frequently than once every three years, with carveouts. No direct impact	Approved
HB898	Herring	Affordability / Disconnections	Prohibits certain disconnection/reconnection fees and direct SCC oversight of related fee recovery for SCC-regulated electric, gas, water, and wastewater utilities. No direct impact	Approved

4 Environmental Sustainability

Each month, progress is reported on AlexRenew’s work toward environmental sustainability, with the goal of being good stewards of our resources and minimizing our impact on the environment.

In March, AlexRenew completed the installation of electric vehicle charging stations in the Environmental Center parking garage, which are available for AlexRenew and City staff members.

AlexRenew kicked off our inaugural “sustainability month” on April 1. Like June’s safety month, sustainability month is meant to foster a culture of sustainability and stewardship within our staff, connecting everyone to the importance of our work and how our daily practices support environmental protection.

AlexRenew’s use of renewable energy is tracked monthly. This month, plant processes used approximately 500,000 standard cubic feet of biogas that was produced onsite in the anaerobic digesters. About 8,200 kilowatt hours of energy were generated from onsite solar panels.

AlexRenew’s use of reclaimed water is tracked monthly. This month, AlexRenew recycled 78 million gallons of water to support our operations.

5 Commitment to the Community

Each month, progress is reported on AlexRenew’s work toward strengthening connections with the public and providing affordable service.

5.1 Financial Update

The performance of AlexRenew’s annual approved budget is reviewed and evaluated monthly to ensure overall organizational financial stability.

Table 5.1 summarizes AlexRenew revenues and expenditures for this period, including the following major takeaways:

- Wastewater Treatment Charge revenues (\$48.4 million) are trending in line with budget;
- Operating and maintenance expenses (\$26.9 million) are trending under budget; and
- Total expenses (\$135.7 million) are currently trending lower than the budgeted expenses

primarily due to capital spending. This timing also impacts debt proceed revenues (\$49.5 million), which are lower than budgeted since most capital expenses are funded through debt.

Table 5.1. Revenues and Expenses through March 2026

Revenues and Expenses	FY2026 Budget (\$)	FY2026 To-Date (\$)	% of Budget To-Date	% of FY2026 Completed	Total FY2026 Projected (\$)
Revenues					
Wastewater Treatment Charge	64,941,337	48,438,704	75	75	65,000,000
Fairfax Operating Charge	14,662,764	10,997,073	75	75	14,700,000
Fairfax Capital Contributions	59,378,095	26,824,987	45	75	45,000,000
Debt Proceeds and Other Sources	119,336,317	49,469,236	41	75	89,500,000
Total Revenues	258,318,513	135,730,000	53	75	214,200,000
Expenses					
Operating and Maintenance	40,925,755	26,860,000	67	75	38,900,000
Parity Debt Service	20,220,975	18,040,000	89	75	20,300,000
IRR (1)	12,664,560	12,970,000	102	75	15,000,000
Capital	184,507,223	77,860,000	42	75	140,000,000
Total Expenses	258,318,513	135,730,000	53	75	214,200,000

Notes: (1) Improvement, Renewal, and Replacement is the program for routine investments to maintain and repair equipment. The IRR program funds capital improvements under \$1 million and not part of major upgrade projects.

Table 5.2. Cash Reserves

Days Cash on Hand	Minimum	FY2026 Annualized	Percentage of Goal
Operating and Capital Days Cash on Hand	120	125	104%
Total Days Cash on Hand	270	715	378%

Table 5.3. Debt Service Coverage

Item	FY2026 Budget	FY2026 Annualized
Total Revenues	\$81,304,102	82,700,000
Less Operating Expenses	(\$40,925,755)	(\$38,900,000)
Net Revenue	\$40,378,347	\$43,800,000
Annual Debt Service	\$20,220,975	\$20,300,000
Calculated Coverage	2.00 times	2.16 times

5.2 Status of Customer Delinquencies

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

- The number of accounts delinquent by more than 60 days was 794, a decrease of 33 accounts month-over-month;
- The total dollar amount owed to AlexRenew from these accounts was \$770,078, a decrease of \$11,947 month-over-month;

- 378 accounts are enrolled in payment plans, representing \$579,435 in the total dollar amount (75 percent) owed to AlexRenew; and
- Approximately 57 percent of the delinquency value is from residential accounts.

AlexRenew has continued its communications campaign around the Lifeline Emergency Assistance Program (LEAP). Over this period, twelve (12) accounts received a total of \$8,448. Additional updates on LEAP are outlined in the LEAP Dashboard.

On behalf of AlexRenew, Virginia American Water disconnected 49 customers for nonpayment of their sewer bill in March. Of the customers who were disconnected, nineteen (19) paid their balance in full, twenty (20) enrolled in a payment plan, ten (10) accounts were closed, and one (1) applied for a LEAP disbursement. Since July 2024, there have been 495 disconnections, of these, 62 accounts received a total of \$55,307 in LEAP disbursements.

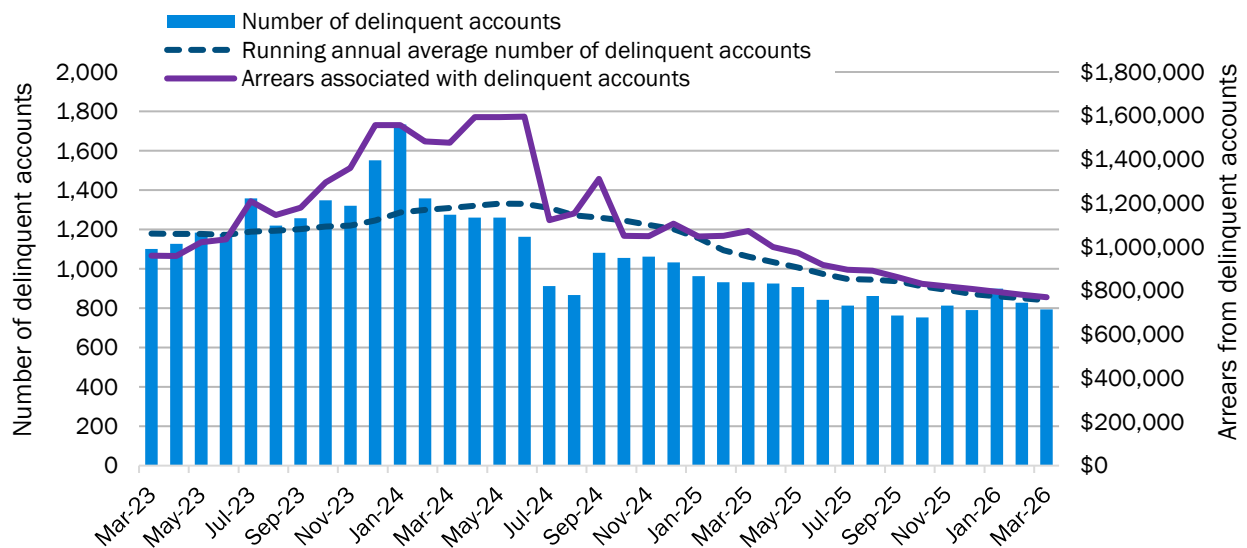


Figure 5.1. Active Accounts 60 or more days Delinquent

5.3 Customer Service and Community Engagement

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

AlexRenew held its first of three (3) virtual meetings for the proposed base charge change on March 19. The event was attended by six (6) commercial customers, representing about 20,000 residential units in Alexandria.

On March 19, several staff members attended Career Day at Jefferson-Houston Elementary and Mount Vernon Community School Science Night. RiverRenew crews completed construction of the pocket park at Duke Street/Hooffs Run and held a small ribbon-cutting celebration on April 1. On April 2, AlexRenew held its annual stream cleanup for Hooffs Run and Hunting Creek.

AlexRenew welcomed an estimated total of 564 visitors from the following organizations that hosted meetings on the 6th floor of the Environmental Center in March: National Science Foundation (60), Alexandria Symphony Orchestra (30), Alexandria City Public Schools (97), North American Scrabble Players Association (60), Arlington Public Schools (20), Alexandria Chamber of Commerce (40), Girl

Scouts (60), Alexandria A Capella Collective (100), and Safer Country (50).

AlexRenew customer service received a total of 872 calls. The average wait time before calls were answered was 15 seconds. Call center staff answered 338 emails.

RiverRenew Board of Directors Dashboard



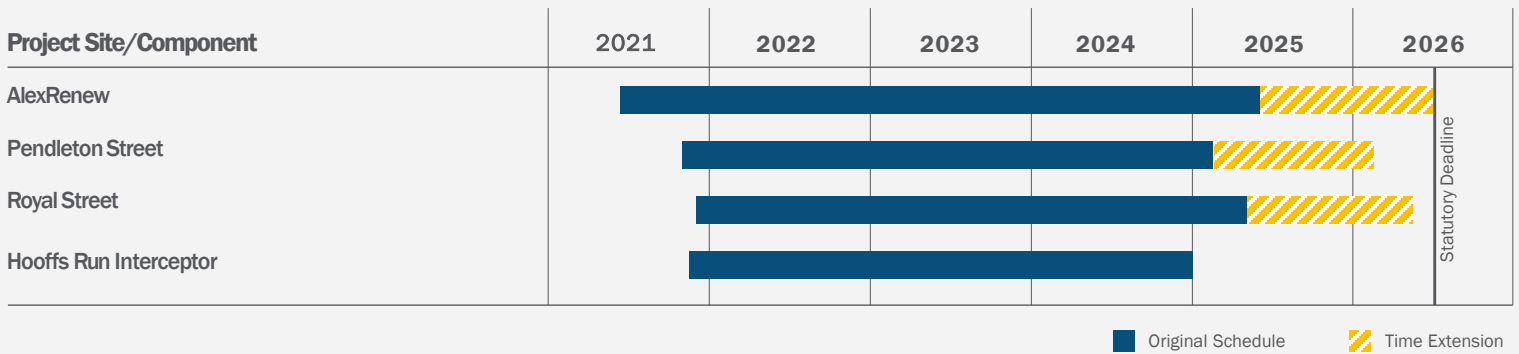
MONTH ENDING: MARCH 31, 2026

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

RiverRenew Overview

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

RiverRenew Tunnel Project Schedule



Summary of Major Tunnel Project Delays

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

RiverRenew Tunnel Project Highlights

Overall Project Progress*

(Design and Construction)

Actual

91%

Planned

91%

Royal Street Site



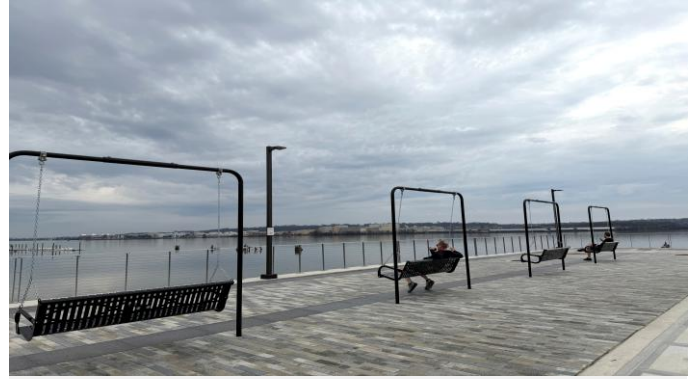
Ongoing

- Diversion chamber connection to existing combined sewer

Upcoming

- Electrical duct banks
- Site grading and restoration

Pendleton Street Site



Ongoing

- Permanent lighting

Upcoming

- Turnover of RiverRenew Plaza to the City

Hooffs Run Site



Ongoing

- Planting at Duke Street pocket park

Upcoming

- No upcoming work – site complete!

AlexRenew Site



Ongoing

- Superstructure build-out and exterior façade
- Pumping station mechanical, electrical, and plumbing work
- Installation of screen rake and clamshell

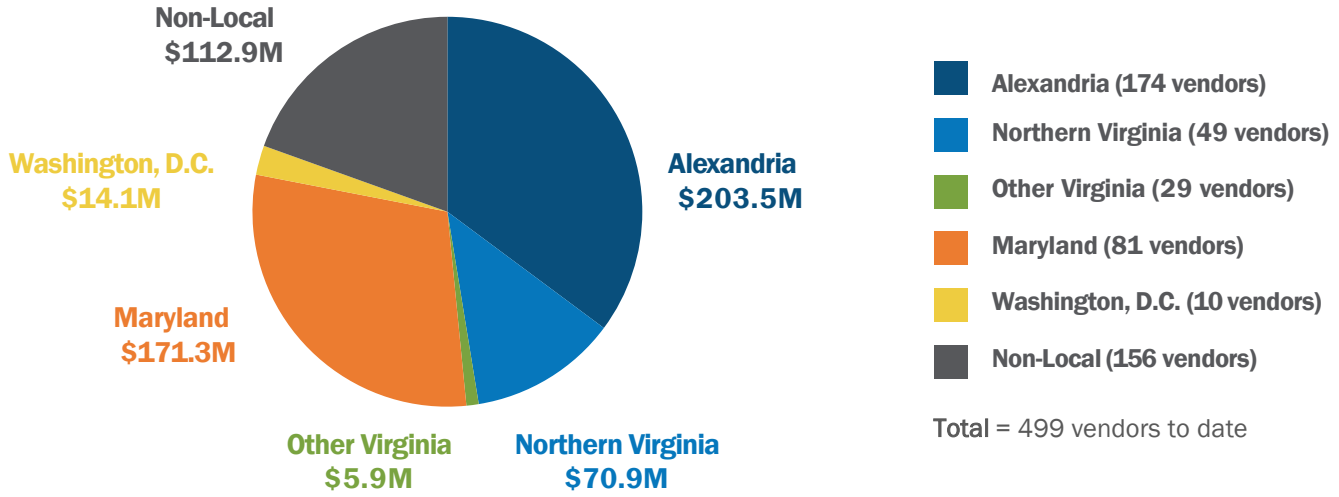
Upcoming

- Leveling and grouting of TD/WWPS pumps
- Crane installation
- Staff training
- Operational demonstration and commissioning

*Note: Schedule and cash flow are based on Design-Builder's revised schedule and schedule of values, which have been updated to reflect the one-year extension of the Scheduled Substantial Completion date to July 1, 2026.

RiverRenew Program Costs to Date

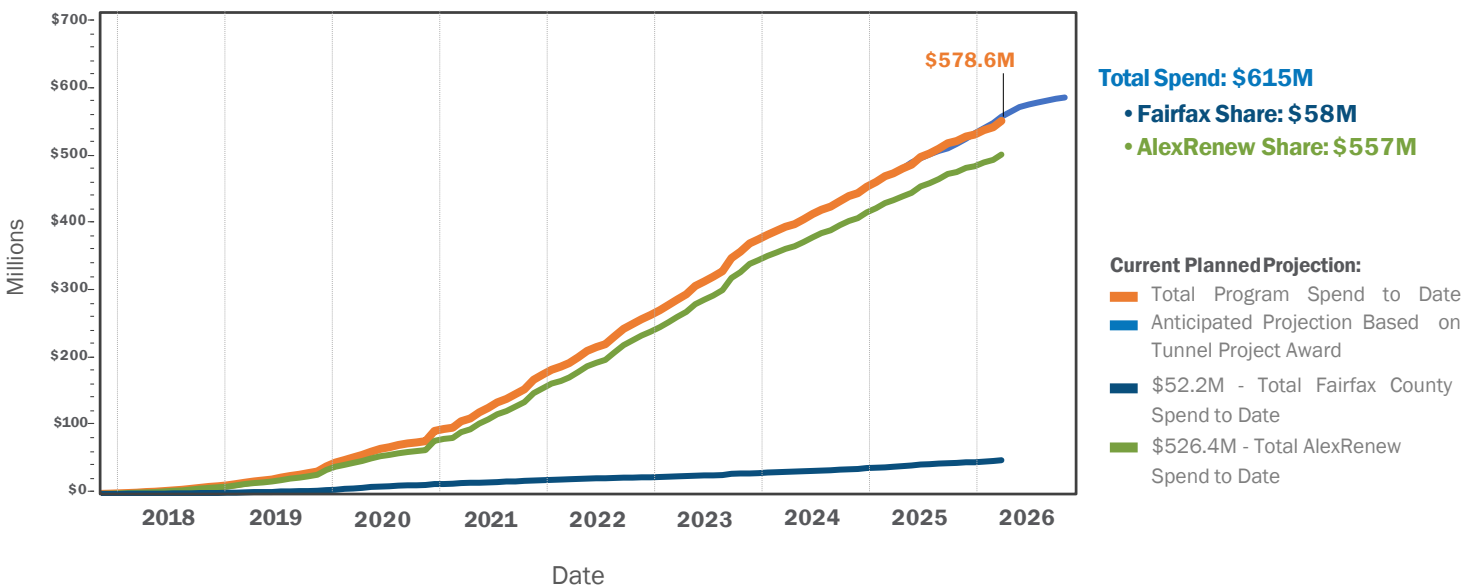
RiverRenew Spend to Date by Locality



RiverRenew Tunnel Project Contracts

Vendor	Role	Contract Type	Contract No.	Contract Date	Spent to Date (\$ millions)
Traylor-Shea Joint Venture	Design-Builder Tunnel System Project	Design-Build	19-079	Dec 2020	\$401.4
Brown and Caldwell	Owner's Advisor	Professional Services	17-022	Nov 2017	\$90.2
EPC	Resident Engineering & Inspection Tunnel System Project	Professional Services	20-013	Apr 2020	\$33.3
Completed RiverRenew Wastewater Projects To Pave the Way for the Tunnel Project					\$53.6

RiverRenew Cash Flow Analysis*



Note: As of March 25, 2026.

*Note: Schedule and cash flow are based on Design-Builder's revised schedule and schedule of values, which have been updated to reflect the one-year extension of the Scheduled Substantial Completion date to July 1, 2026.

RiverRenew Community Outreach

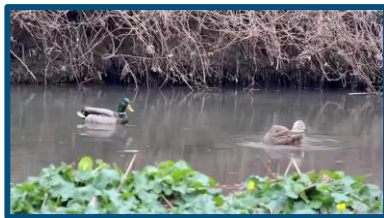


Digital Programming

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

Highlights:

- A [post](#) showcasing a major milestone for Hooffs Run. In 2025, we achieved a 90 percent reduction in combined sewer overflows at the stream thanks to the newly installed Interceptor. Once the pumping station becomes fully operational, we'll reach a 99 percent reduction.



Education

Education initiatives are intended to engage audiences of all ages and help them learn more about RiverRenew and its technical components.

Discover all RiverRenew educational content on Cloe's Corner! [RiverRenew.com/cloes-corner](https://www.alexandriava.gov/riverrenew/cloes-corner)

Highlights:

- A [reel](#) that provides a virtual tour inside the 12-story underground pumping station. RiverRenew Program Manager Ryan Payne takes viewers to each level, explaining the extraordinary equipment housed inside.



Community Days & Events

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

Looking Ahead:

- 14th Annual Building Safety Month Kick-Off Event (Hosted by City of Alexandria, with RiverRenew representatives present): **May 1, 2026**

Monthly Construction Spotlight



Hydraulic Power Unit Installation and Testing

This month, crews installed the hydraulic power unit (HPU) in the crane room of the superstructure. While the wet weather and tunnel dewatering pumps may be the centerpieces of the RiverRenew Pumping Station, the HPU is the gatekeeper. The HPU is a self-contained unit that pressurizes hydraulic fluid, uses it to drive actuators, and then filters and cools the fluid before the process repeats. This unit powers the influent and effluent valves, allowing flows to pass through the pumps and throughout the Pumping Station. In April, RiverRenew crews will begin hydraulic testing to ensure the HPU equipment functions properly as a system. With the HPU's power, the Pumping Station will be able to treat millions of gallons of combined sewage every year!

Building for the Future of Alexandria's Waterways

To learn more, visit www.RiverRenew.com



phaseforward

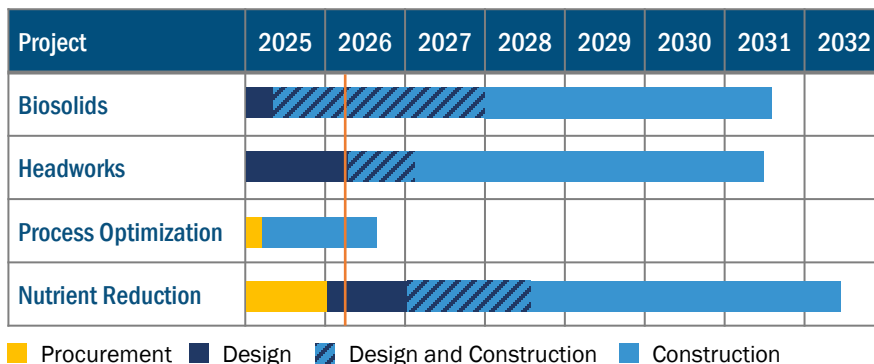
To support our evolving community, AlexRenew is making a significant investments to improve the resiliency of its infrastructure

DASHBOARD | MARCH 2026

The PhaseForward program includes a series of significant upgrades to critical wastewater processes that will allow us to meet evolving regulatory requirements and continue to improve the resilience of our infrastructure. PhaseForward includes four (4) major projects:

- Biosolids Diversification:** Upgrades to meet emerging regulations, increase bioenergy production, and realize alternative beneficial end uses for biosolids
- Headworks Renewal:** Improvements to aging equipment that provides initial screening of debris larger than a pea and settling for solids as small as a grain of sand. New pumping systems to ensure wastewater flows from the community through our wastewater treatment processes
- Process Optimization:** Installation of new equipment to enhance our nutrient removal processes and continue to improve water quality in the Chesapeake Bay and its tributaries
- Nutrient Reduction:** Rehabilitation of processes providing the final settling and filtration of wastewater to further reduce nutrient loads and allow for continued growth in our community

PhaseForward schedule



PhaseForward spending (to date)

Project	Estimate (1)	Design	Construction	Total	% Local (2)
Biosolids	\$355M	\$11.6M	\$4.7M	\$16.3M	76%
Headworks	\$127M	\$9.6M	\$-	\$9.6M	92%
Process Optimization	\$10M	\$2.2M	\$4.1M	\$6.3M	74%
Nutrient Reduction	\$190M	\$2.1M	\$-	\$2.1M	100%
Total	\$682M	\$25.6M	\$8.8M	\$34.4M	82%

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



BIOSOLIDS



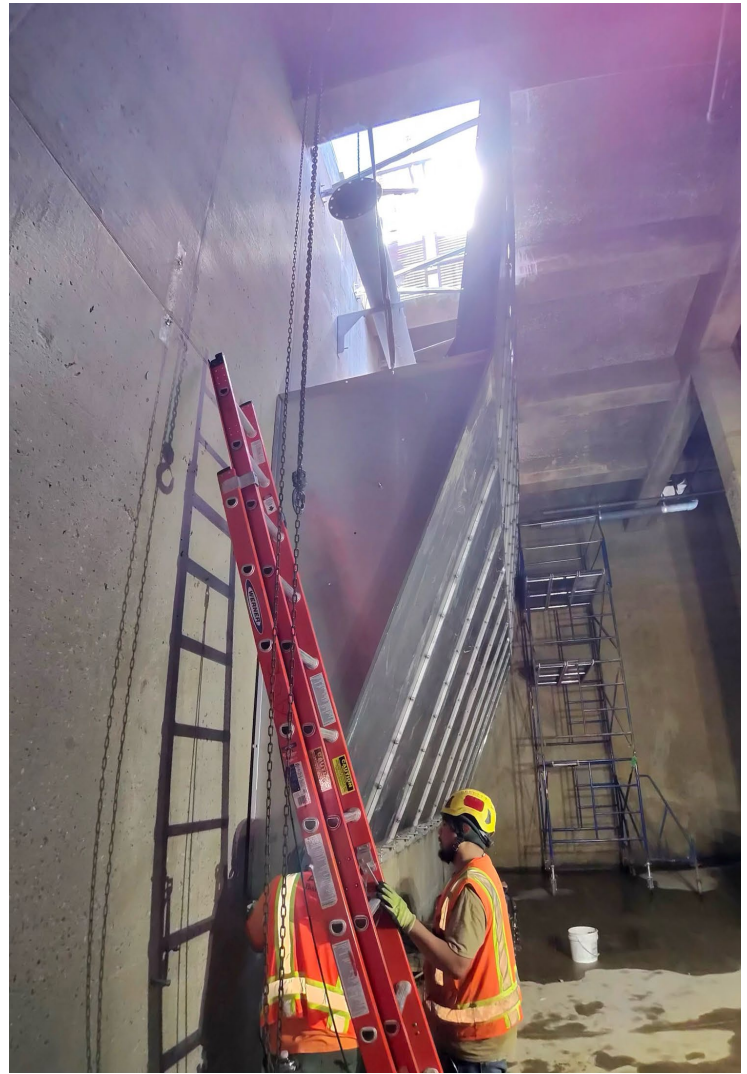
HEADWORKS



PROCESS OPTIMIZATION



NUTRIENT REDUCTION

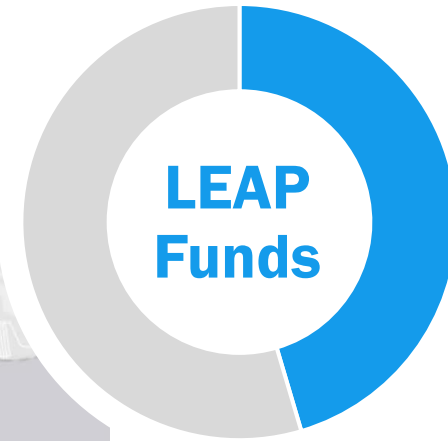


Process Optimization

Over the last month, crews installed eight (8) 16-foot-tall solids settling devices within one of two (2) 400,000-gallon process tanks. This equipment will enhance the removal of suspended solids, optimizing the performance of the biological process within the centrate pretreatment system. The work required scaffold installation and crane-assisted placement of equipment through roof hatches followed by installation within the tank. Crews are now preparing to install the same equipment in the second process tank.

Other PhaseForward Projects

Our **Headworks Renewal** staff negotiated a contract amendment with the contractor to construct improvements to the fine screening system. The design-builder for the **Nutrient Reduction** project continued their design efforts. Our **Biosolids Diversification** contractor continued installation of new permanent hot water piping in preparation for the commissioning of the new heat exchangers.



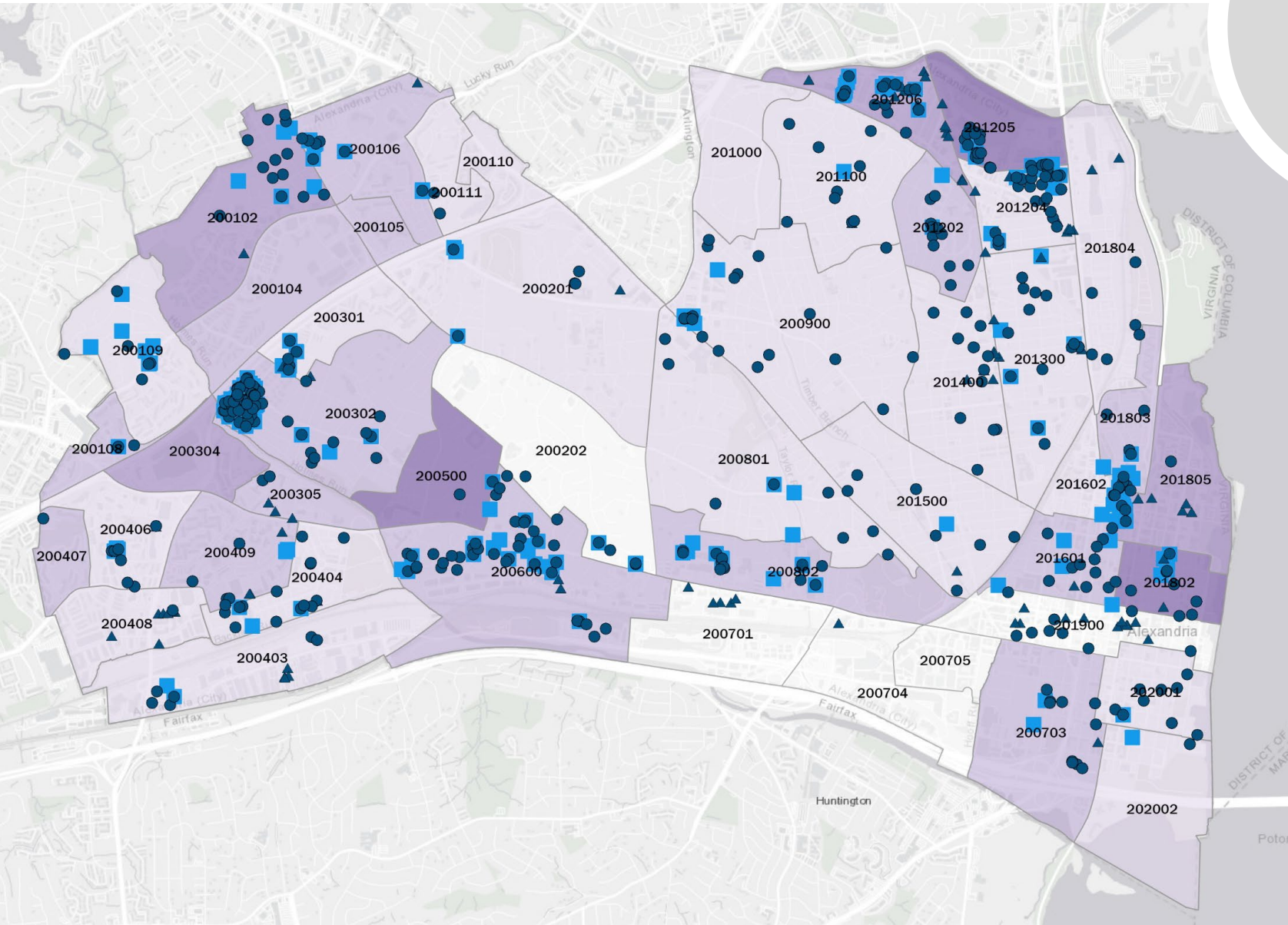
\$172,257
Disbursed To-Date
\$8,448 disbursed this period



214 Customers Assisted
12 customers assisted this period



544 Service Disconnections for Nonpayment
49 customers disconnected this period



Legend

Percentage of Households Receiving SNAP

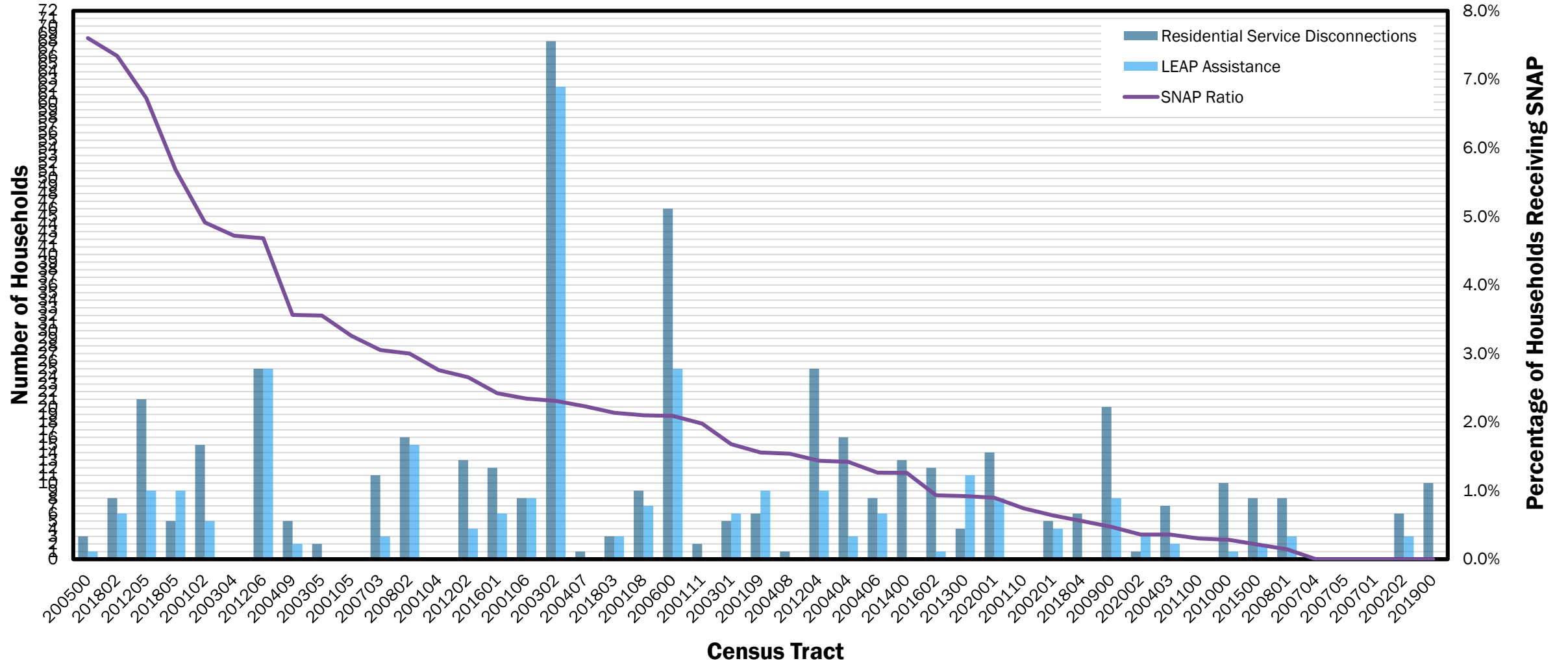
- 0
- 0 - 2.0%
- 2.0 - 4.0%
- 4.0 - 6.0%
- 6.0 - 8.0%

Averages: U.S. (12.5%); Virginia (3.0%); Alexandria (2.2%)

- Residential disconnections
- ▲ Commercial disconnections
- Residential customers receiving LEAP assistance

LEAP Assistance, Service Disconnections, and SNAP Ratio by Census Tract

March 31, 2026

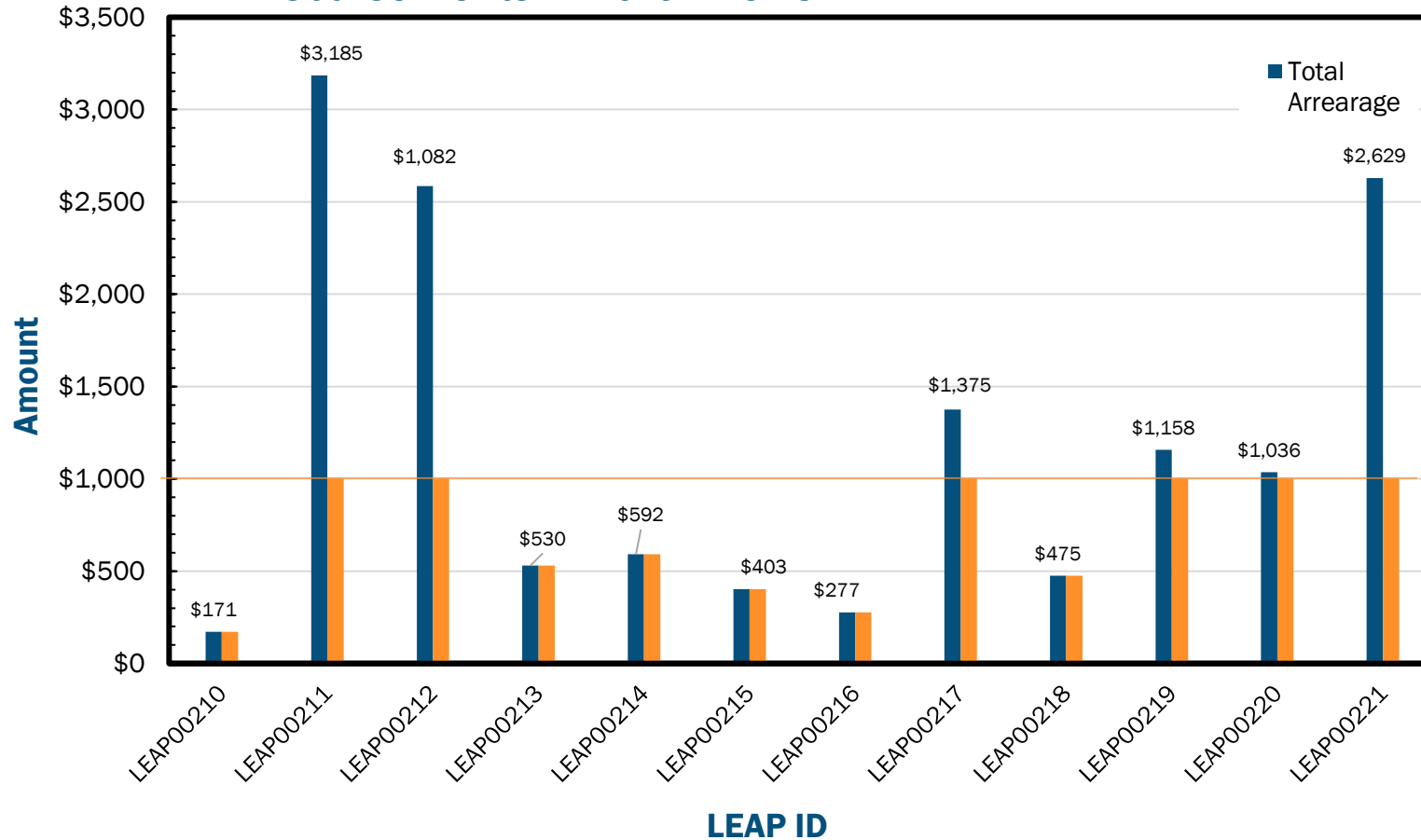


LEAP Disbursements and Remaining Arrearage by Account

March 31, 2026

(March 2026)

Disbursements – March 2026



Disbursed	Arrearage	% of Arrearage
\$1,000.00	\$3,185.00	31.40%
\$1,000.00	\$2,629.00	38.04%
\$1,000.00	\$2,586.00	38.67%
\$1,000.00	\$1,375.00	72.73%
\$1,000.00	\$1,158.00	86.36%
\$1,000.00	\$1,036.00	96.53%
\$592.00	\$592.00	100.00%
\$530.00	\$530.00	100.00%
\$475.00	\$475.00	100.00%
\$403.00	\$403.00	100.00%
\$277.00	\$277.00	100.00%
\$171.00	\$171.00	100.00%
Average:	\$704	80.31%
Median:	\$796	98.26%