



Agenda

Alexandria Renew Enterprises Board of Directors Meeting
Tuesday, March 16, 2021@ 6:00 p.m.
VIRTUAL

No.	Item	Presenter	Action Required
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Due to Covid-19 pandemic emergency, the March 16, 2021 Alexandria Renew Enterprises Board of Directors meeting is being held electronically pursuant to Virginia Code Section 2.2.3708.2(A)(3), the Continuity of Government ordinance adopted by the City Council on June 20, 2020 and/or Section 4.0.00(g) in HB29 and HB30 to undertake essential business.

The Board of Directors and staff are participating from remote locations through a videoconference call on Zoom.

Links:

Topic: Regular Board of Directors Meeting

Register in advance for this webinar:

https://zoom.us/webinar/register/WN_cML84oz-T5quDUNOMvnslg

After registering, you will receive a confirmation email containing information about joining the webinar.

Submission of written statements is encouraged. Written statements may be emailed to the Board Secretary at lorna.huff@alexrenew.com.

Public comment will also be received at this meeting. If you wish to speak during public comment, please email or call the Board Secretary at (703) 721-3500 ext. 2260 in advance so you can be put on the speakers list. A recording of the meeting will be posted on the alexrenew.com website after the meeting.

1	Call To Order (6:00 p.m.)	Chairman	
2.	Approval of Agenda (6:02 p.m.)	Chairman	Approval
3.	Explanation of Required Procedures for an Electronic Meeting (6:05 p.m.)	Mr. Rak	Information
4.	Public Comment Period (6:17 p.m.)	Chairman	
5.	Consent Calendar (6: 20 p.m.)	Chairman	Approval
	A. Minutes (Meeting held February 16, 2021) (Tab 1)		
6.	Unfinished Business (6:21 p.m.)	Chairman	
	A. None		
7.	New Business (7:05 p.m.)	Chairman	
	A. Overview of FY2022 Preliminary Draft Operating & Capital Budget & FY22 and FY23 Wastewater Rate Recommendation	Ms. Pallansch	
	B. Review and Approval of Amendment No. 1 to Professional Services Agreement for RiverRenew Tunnel System Resident Engineering and Inspection Services (Tab 2)	Ms. Pallansch	
8.	AlexRenew Monthly Outcomes Update (7:15 p.m.) (Tab 3)	Ms. Pallansch	Information
9.	Adjourn (7:30 p.m.)	Chairman	

Times shown in parentheses are approximate and serve as guidelines

If you need an interpreter, translator, materials in alternate formats or other accommodations to access this service, activity or program, please call (703) 721-3500 ext. 2260 at least three business days prior to the meeting.

The Finance & Audit Committee is meeting on Thursday, March 25, 2021

The next Board of Directors meeting is scheduled for Tuesday, April 20, 2021

Public Hearing on AlexRenew FY2022 Draft Budget and FY22 – 23 Wastewater Rates is on Saturday, May 22, 2021

**Chairman- John Hill • Vice Chairman- Jim Beall
• Secretary-Treasurer-William Dickinson
• Members- Bruce Johnson, Adriana Caldarelli**

Minutes of the 880th Meeting – Virtual
“Celebrating Over 60 Years of Continuous Environmental Excellence”
Alexandria Renew Enterprises
6:00 p.m., Tuesday, February 16, 2021

On Tuesday, February 16, 2021, the Alexandria Renew Enterprises Board of Directors held a virtual Board of Directors meeting with the following present:

Members: Mr. John Hill, Chairman
Mr. James Beall, Vice Chairman,
Mr. William Dickinson, Secretary-Treasurer
Mr. Bruce Johnson, Member
Ms. Adriana Caldarelli, Member

Staff: Ms. Karen Pallansch, Chief Executive Officer
Ms. Liliana Maldonado, Chief Environmental Performance Officer
Ms. Christine McIntyre, Chief Financial Officer
Mr. Blake Hamilton, Director of Environmental Performance
Ms. Allison Deines, Director of Research & Strategy Engagement
Ms. Caitlin Feehan, RiverRenew Program Director
Ms. Lorna Huff, Secretary to the Board

Counsel: Mr. Jonathan Rak, General Counsel, McGuireWoods LLP

Fairfax County
Representative: Mr. Shahram Mohsenin, Director of Wastewater Planning Division

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

Consultants: Mr. Rob Ori, Principal, Raftelis
Mr. Thierry Boveri, Senior Manager, Raftelis
Mr. Justin Carl, Brown & Caldwell, Owner’s Advisor

Call to Order

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

Approval of Agenda

The Chairman requested that members review the Agenda and inquired if there were changes. There being no changes, the Chairman requested a motion to approve the Agenda. Mr. Johnson moved and Mr. Dickinson seconded. The Chairman called the roll with all members voting Aye.

Explanation of Virtual Meeting Processes

The Chairman recognized Mr. Rak who provided the following statement:

Due to the Covid-19 pandemic emergency, the February 16, 2021, meeting of the Alexandria Renew Enterprises Board of Directors is being held electronically pursuant to Virginia Code Section 2.2-3708.2(A)(3), the Continuity of Government Ordinance adopted by the City Council on June 20, 2020 and/or Section 4-0.00(g) in HB29 and HB30 to undertake essential business. All of the members of the Board and staff are participating from remote locations through a video conference call on Zoom. Public notice of the meeting includes the link for web access and phone numbers for dial-in access. In accordance with the applicable law, this meeting is being recorded and the recording will be posted on the Alexandria Renew website following the meeting.

In compliance with the special procedures for electronic meetings, only items necessary to continue operations of Alexandria Renew and the discharge of its lawful purposes, duties, and responsibilities will be discussed during today's meeting. All votes during this meeting will require a roll call.

Please let me know if you have any questions about the procedures for this meeting.

Public Comment Period

The Chairman inquired if there were any members of the public in attendance and wishing to speak. The Board Secretary reported there were no members of the public in attendance who wished to speak. The Chairman closed the public comment period and moved to the Consent Calendar.

Consent Calendar

The Chairman noted the Minutes of the January 19, 2021 meeting and inquired if Board members had questions or comments. Mr. Dickinson noted that Stakeholder Advisory Group (SAG) members did not attend the City Council/AlexRenew Board Workgroup Update meeting as stated in the Minutes. Ms. Pallansch reported that the Minutes would be amended to reflect that. There were no additional questions or comments on the Minutes and the Chairman requested a motion to approve. Mr. Dickinson moved and Mr. Beall seconded. The Chairman called the roll with all members voting aye.

New Business

A. AlexRenew Customer Rates Update

Discussion

The Chairman recognized Ms. Pallansch who introduced Mr. Rob Ori and Mr. Thierry Boveri of Raftelis, Inc., AlexRenew's rate consultants. Mr. Ori reviewed AlexRenew's Guiding Principles of Operating a Fiscally Stable and Sustainable Utility, Fully Recovering Costs through Rates, Maintaining Compliance with Master Indenture of Trust, and AlexRenew Adopted Financial policies. AlexRenew's rate model is tied to these principles. Rates need to cover AlexRenew's net revenue requirements.

Financial Policies include minimum debt service coverage set at 1.5 times the minimum reserves of 120 days, and cash funding of at least 15% of the total capital program from reserves and

cash flow (Pay-go).

The Rate setting philosophy includes fiscal responsibility, transparency, empathy & planning and projections. Rate planning is done with 10-year projections allowing for monitoring of the economic environment and an advance view of issues to be addressed, keeping the program moving forward. This approach provided a consistent rate trajectory for customers.

Mr. Ori then reviewed AlexRenew's rate adjustment history and noted modest increases with a rate decrease in 2014. He noted AlexRenew's projected increases in operating expenses over various categories including Personnel, Chemicals, and Utilities of 2.5% to 3.0% per year. The major driver for AlexRenew's rates and operational needs is the Capital Plan. Over the next 10 years through 2031, capital needs increase approximately \$852 million, of which 64% is RiverRenew. Other capital needs include General projects and Improvement, Renewal and Replacement (IRR) of approximately 7.5% or \$64 million.

Regarding revenue, AlexRenew's flows over the past 5 years have been stable. Pandemic impacts to rate revenue have been approximately 6%. Mr. Ori reported AlexRenew revenue needs increase 49% over the forecast period driven by RiverRenew funding needs and additional expenses.

Rate recommendations to meet RiverRenew and other financial obligations are coming in at the lower end of the 2018 projections of \$20 to \$70 per month. This is due to factors such as debt financing structures through the WIFIA program and much lower interest rates than modeled in the 2018 projection. For FY2022 and FY2023, annual increase of approximately 5% to 7% bringing the average monthly residential bill to \$57 and \$61 per year, respectively with a monthly increase of \$3 to \$4. With this increase, cash reserves will remain strong.

Board members discussed the actual lower rate adjustments against the past projections and commended staff and consultants for their work. There were no additional questions or comments from the Board, the Chairman recognized Ms. Pallansch who provided AlexRenew's Community Engagement Strategy for Rates including social media, printed materials, bill stuffers, and press releases. She further presented the timeline for FY2022 rate approval and budget.

Mr. Hill inquired if there were any questions or comments from Board members. The Chairman commended staff and Raftelis for their clear and concise presentation.

B. Ellen Pickering Award Selection Committee Participation

Discussion

The Chairman reported that he had discussed Board participation on this Committee with Ms. Caldarelli. She has agreed to participate and looks forward to the opportunity. Ms. Pallansch explained the background of the AlexRenew and Environmental Policy Committee partnership on this award. She reported that the Committee receives about 6-12 nominations for this award

per year on a broad range of environmental activities across the City.

CEO Monthly Outcome Reports

The Chairman recognized Ms. Pallansch who noted her written report and inquired if members had questions or comments. She noted that WIFIA issued a press release on AlexRenew's loan for the RiverRenew project.

The Chairman inquired on the trend in delinquent accounts and the number of account holders taking advantage of AlexRenew's relief programs. Ms. Pallansch noted that the number of delinquent accounts has been steady and the dollar amount fluctuates. Two hundred applicants had requested Cares Act funds. Approximately 15% were commercial accounts and 85% being residential. Updated numbers will be available at the next meeting. AlexRenew continues outreach to customers who may be eligible for funding.

There was no additional business and the Chairman requested a motion to adjourn. Mr. Dickinson moved and Mr. Beall seconded. The Chairman called the roll with all members voting Aye.

The meeting adjourned at 7:17 p.m.

Secretary-Treasurer



Board of Directors
 John Hill, Chair
 James Beall, Vice Chair
 William Dickinson, Sec'y-Treas
 Bruce Johnson
 Adriana Caldarelli

Chief Executive Officer
 Karen L. Pallansch, P.E., BCEE

General Counsel
 McGuireWoods, LLP

INTERNAL MEMORANDUM

TO: AlexRenew Board of Directors
FROM: Karen Pallansch, Chief Executive Officer
DATE: March 9, 2021
SUBJECT: Joint Action Item: Approval of Tunnel Services RE&I Second Year Scope of Services and Budget per Amendment No. 1 to Contract No. 20-013 (April 1, 2021 – June 30, 2022)

Issue:

Professional Services Agreement 20-013 was executed in April 2020 with EPC Consultants, Inc. (EPC) for the Tunnel System Resident Engineering and Inspection (RE&I) Services and included the First Year Scope of Services and Budget for the period from April 1, 2020 to March 31, 2021. The Tunnel System RE&I contract requires an amendment for the Second Year Scope of Services and Budget.

Recommendation:

Staff respectfully recommends that the Board authorize the Chief Executive Officer to execute Amendment No. 1 to Contract 20-013, to cover the Second Year of the Agreement and to align the completion date of the amendment with AlexRenew’s fiscal year calendar. The Second Year will cover the Scope of Services from April 1, 2021 to June 30, 2022 for a not to exceed amount of \$9,885,000; this amount includes a 10% contingency for use by the CEO for changes as needed up to the Board approved contracted amount.

Budget and Funding:

Funding for Amendment No. 1 is included in the approved FY2021 budget and the proposed FY2022 budget.

Discussion:

Contract 20-013 was executed in April 2020 with EPC Consultants, LLC. and included the Scope of Services and Budget for the First Year of the contract. The Design-Build contract with Traylor-Shea Joint Venture was executed in December 2020 and will continue into FY2022. Thus, RE&I services are needed to assist in the continued oversight of final design and construction of the Tunnel Project.

Congruence with AlexRenew Strategic Plan:

This action enables AlexRenew’s strategy of Operational Excellence.

ACTION TAKEN:

APPROVED: _____ DISAPPROVED: _____

APPROVED WITH MODIFICATION: _____

MODIFICATIONS: _____

1800 Limerick Street, Alexandria Virginia 22314 • 703-721-3500 • alexrenew.com

Alexandria's Water Transformers



CEO Board Report February 2021

Dear Members of the Board of Alexandria Renew Enterprises,

The AlexRenew Board of Directors held its monthly board meeting virtually on February 16, 2021.

The Commonwealth of Virginia is still operating under a State of Emergency due to the COVID 19 pandemic. In February, there were no new positive cases of COVID 19 reported by AlexRenew employees. AlexRenew employees continue to volunteer with the Alexandria Health Department to support Phase 1a and 1b COVID 19 vaccine distribution in the City. AlexRenew employees are preparing to receive vaccinations when the City moves into Phase 1c.

The Government Finance Officers Association (GFOA) has issued a new policy as it celebrates the diversity of all people. This policy immediately does away with the four-letter abbreviation previously used as a reference to the Comprehensive Annual Financial Report. I invite you to review the [new policy](#) on the GFOA website if you are interested in more details.

In February, AlexRenew awarded the first round of CARES Act funding to eligible commercial and residential customers who are experiencing financial hardship due to COVID-19. AlexRenew awarded 210 customers a total of \$152,832.50. There remains a total \$286,904.30 available for additional awards through the end of 2021.

Operational Excellence

Precipitation for February at the Reagan National Airport was 4.66 inches of rain and 2.80 inches of snow, which together are above the Washington, D.C. historical average precipitation of 2.62 inches for the month. There were no overflows in the collection system or at the plant during the month.

Biosolids production for February was 1,704 wet tons, all of which was beneficially used through land application in the Virginia counties of Essex, Fauquier, Goochland, King William, and Loudoun.

AlexRenew met all Virginia Pollutant Discharge Elimination System (VPDES) effluent parameters for February 2021.

Treatment	Daily Average Flow MGD	Carbonaceous Biochemical Oxygen Demand (Monthly Average) mg/L	Total Suspended Solids (Monthly Average) mg/L	Ammonia (as N) (Monthly Average) mg/L	Dissolved Oxygen (Minimum) mg/L	Total Nitrogen ¹ (Annual Average) mg/L	Total Nitrogen LOAD (YTD) lb	Total Phosphorus (Monthly Average) mg/L	Total Phosphorus LOAD (YTD) lb
Permit	54.0	5.0	6.0	Seasonal ²	6.0	3.0	493,381	0.18	29,603
Reported	45.2	<QL	2.3	0.41	9.7	4.7	71,479	0.09	1,712

NOTES

1. Total Nitrogen expressed as year-to-date average.
2. Ammonia has seasonal limits: **February - March: 6.9 mg/L**

Public Engagement and Trust

Customer Service

Customer Service received 1,377 calls in November with 56% opting for self-service. Average call answer time was 22 seconds. Customer service also answered 209 emails.

Social Media and Website

Seventy percent of people who engaged with us on Facebook during February were from the City of Alexandria; 66 percent were women and 33 percent were men. We had 155 organic engagements on Facebook. We currently have 3,464 Facebook followers. AlexRenew had 106 organic engagements on Twitter, 14 on LinkedIn, and six on Instagram. We have a total of 3,353 followers on Twitter, 2,330 on LinkedIn, and 195 Instagram followers. Our website had 8,493 sessions and 12,581 page views during February. We had 66 visitors click through to our website from social media. The RiverRenew website had 944 visitors and 2,554 page views.

Watershed Stewardship

See attached RiverRenew Dashboard.

Staff has received a few inquiries from community members about the availability of nutrient credits. A brief overview presentation of the wasteload allocations assigned to AlexRenew and to the CSO system is attached for general information.

Adaptive Culture

From September 20, 2020, AlexRenew has logged 70,450.54 hours without a lost time accident.

Thank you for your ongoing dedicated public service to AlexRenew.

Respectfully Submitted,

Karen Pallansch
General Manager/Chief Executive Officer

ATTACHMENTS

RiverRenew Board of Directors Dashboard



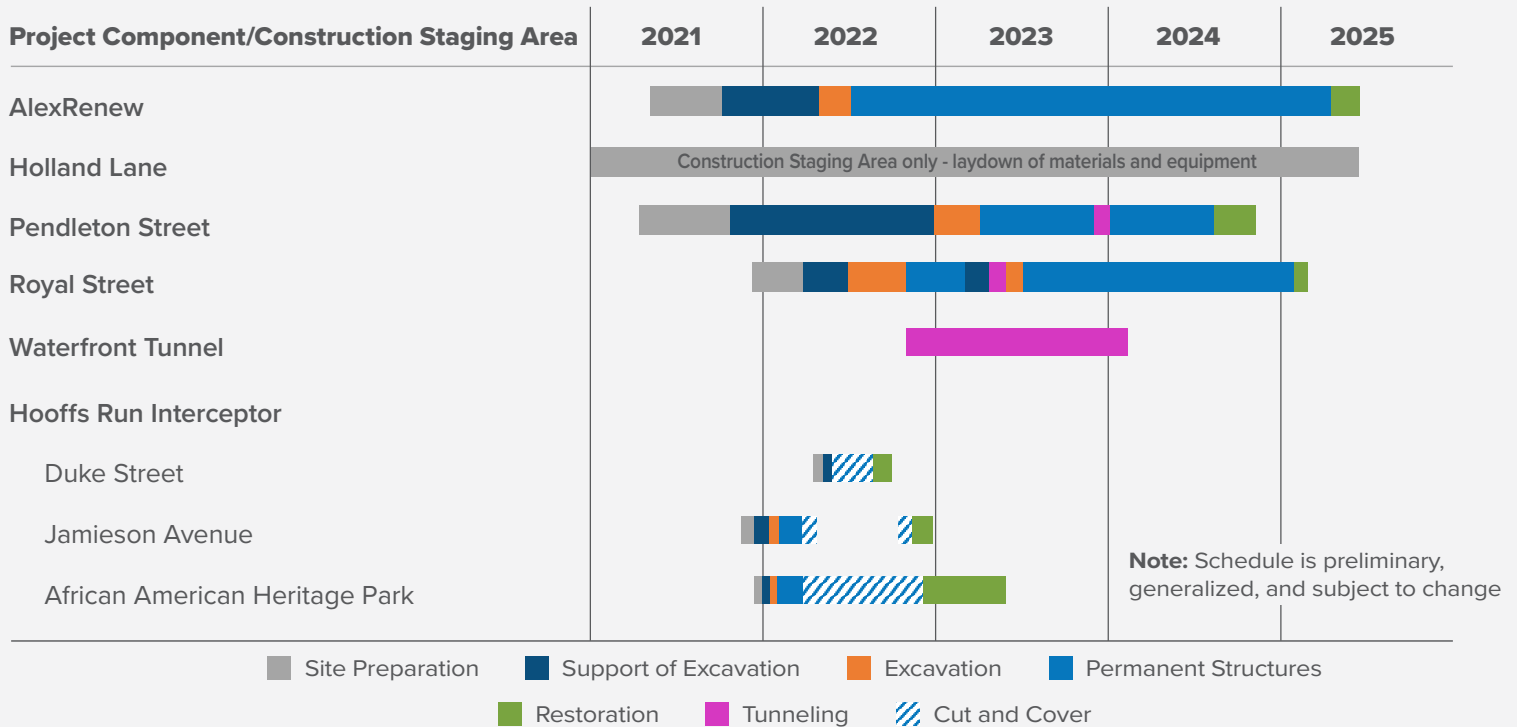
MONTH ENDING: FEBRUARY 28, 2021

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

RiverRenew Overview

To improve the waterways that connect us, AlexRenew is implementing RiverRenew to prevent 130 million gallons of combined sewage from polluting Alexandria's local rivers and streams each year. Three out of four RiverRenew projects were largely completed at AlexRenew's Water Resource Recovery Facility (WRRF) in 2020. The remaining project includes the construction of a new tunnel to connect AlexRenew's WRRF to the four existing combined sewer outfalls in Alexandria.

RiverRenew Tunnel Project Schedule



THREE-MONTH LOOK AHEAD	
Date:	Activity:
April 15	Stakeholder Advisory Group Meeting No. 2
April 2021	City Council/AlexRenew Board CSO Workgroup Meeting No. 11
April 2021	Holland Lane Construction Staging Area Mobilization
April 2021	Field Surveys and Utility Locating
May 2021	Mobilization to AlexRenew Construction Staging Areas
Through May 2021	Ongoing Permitting and Design

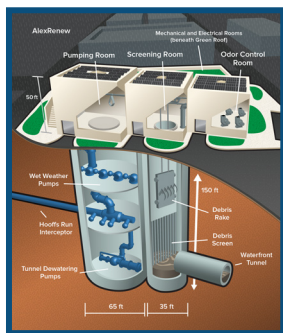
SUMMARY OF MAJOR DELAYS	
Issue:	Impact:

RiverRenew Tunnel Project Snapshot

The Tunnel Project includes the following major components: a two-mile-long, 12-foot-wide, 100-foot-deep tunnel; a six-foot-wide sanitary sewer interceptor; diversion facilities to capture combined sewer discharges; and two pumping stations.

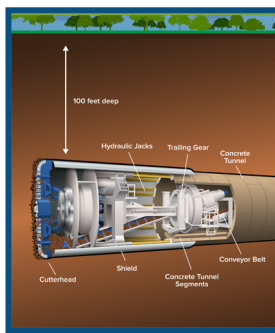


Hooffs Run Interceptor



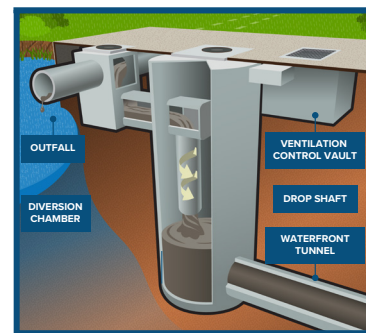
Pumping Station

Click [here](#) to take a 3D tour of RiverRenew's future pumping station.



Waterfront Tunnel

Click [here](#) to watch an animated video about RiverRenew and learn how the Waterfront Tunnel will be constructed.



Diversion Facility

Click [here](#) for an introduction to diversion facilities from two RiverRenew engineers.

Status of RiverRenew Tunnel Project Components

Waterfront Tunnel



0%

Pendleton Street Diversion Facility



0%

Royal Street Diversion Facility



0%

Hooffs Run Interceptor



0%

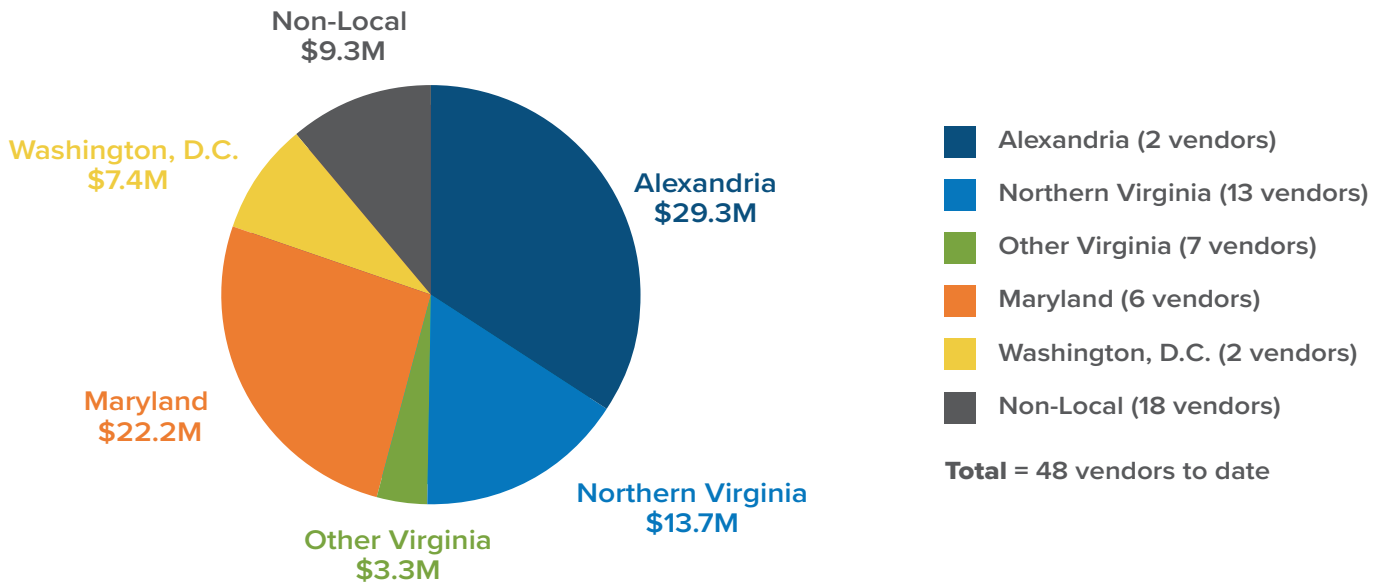
Pumping Station



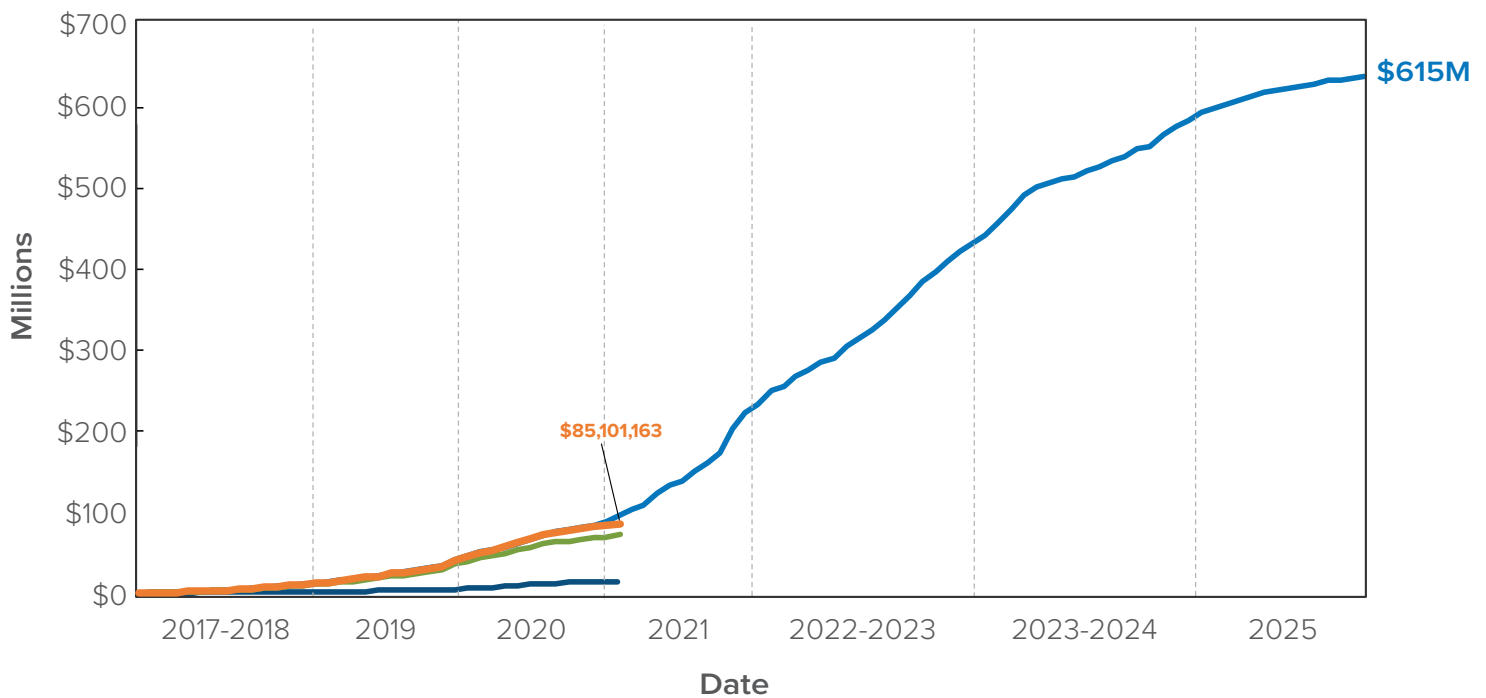
0%

RiverRenew Program Costs to Date

RiverRenew Spend to Date by Locality



RiverRenew Cash Flow Analysis



Current Planned Projection:

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

RiverRenew Community Outreach



Education

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

Highlights:

- A new construction progress highlight celebrating the completion of AlexRenew's [Building J Demolition](#)



Council-Board Workgroup

The **Council-Board Workgroup** comprises two members from AlexRenew's Board of Directors and two members from the Alexandria City Council.

Next Meeting:

- April 2021: Date to be announced



Community Meetings

Community meetings are presentations given to various stakeholder groups, including the SAG, and community listening sessions. These presentations can be delivered in person or virtually.

Highlights:

- 2021-2022 SAG Meeting No. 1: February 18, 2021
Click [here](#) to view the meeting recording
- Community Listening Session – *Building for the Future of Alexandria's Waterways*: February 25, 2021
Click [here](#) to view the meeting recording

Looking Ahead:

- 2021-2022 SAG Meeting No. 2: April 15, 2021
Click [here](#) to register to attend



Community Events

Participating in or co-sponsoring **community events** strengthens AlexRenew's relationship with its water and community partners.



Digital Programming

Digital programming keeps the community connected to RiverRenew with regular program updates on RiverRenew.com, featured content on AlexRenew's social media pages during "Tunnel Takeover Tuesdays," and distribution of *The River Renewer*, a quarterly newsletter promoting updates and milestones to more than 500 contacts.

Highlights:

- The **Winter 2021** edition of *The River Renewer*, distributed on February 16
- Social posts celebrating and explaining the establishment of RiverRenew's **design task force**



Community Days

Community days feature project-specific events to celebrate construction progress on the Tunnel Project and engage the community along the way.



Public Inquiries

The RiverRenew team is committed to keeping the community informed every step of the way, dedicating their time to addressing all **public inquiries** about the project.

Monthly Construction Spotlight



Pumping Station Prep: Fire Hydrant Flow Test

On February 25, AlexRenew completed a flow test of the existing fire hydrants that will serve the future RiverRenew Pumping Station. The future Pumping Station will be built like an “upside-down high-rise,” with four above-ground stories and 12 below-ground stories. Safety is our team’s top priority as Traylor-Shea prepares the Pumping Station design. Engineers will use the flow data from the hydrant tests to help design the water distribution and fire suppression systems in the Pumping Station. This will ensure safe operation for AlexRenew staff in the future.

Check out [this video](#) for an inside look at the hydrant flow test.

Investing in Healthier Waterways for Alexandria

To learn more, visit www.RiverRenew.com



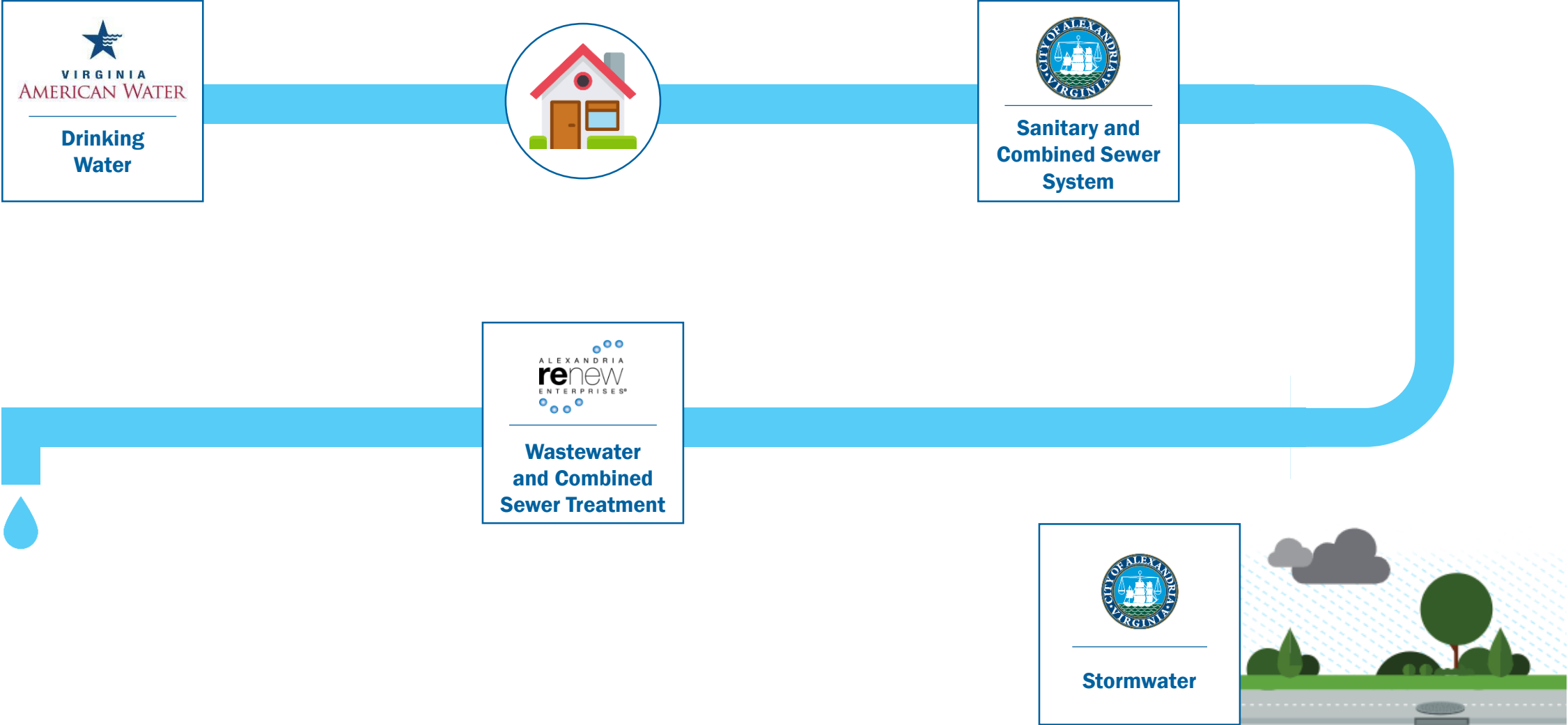


Overview of Waste Load Allocations and Estimated CSO Nutrient Credits

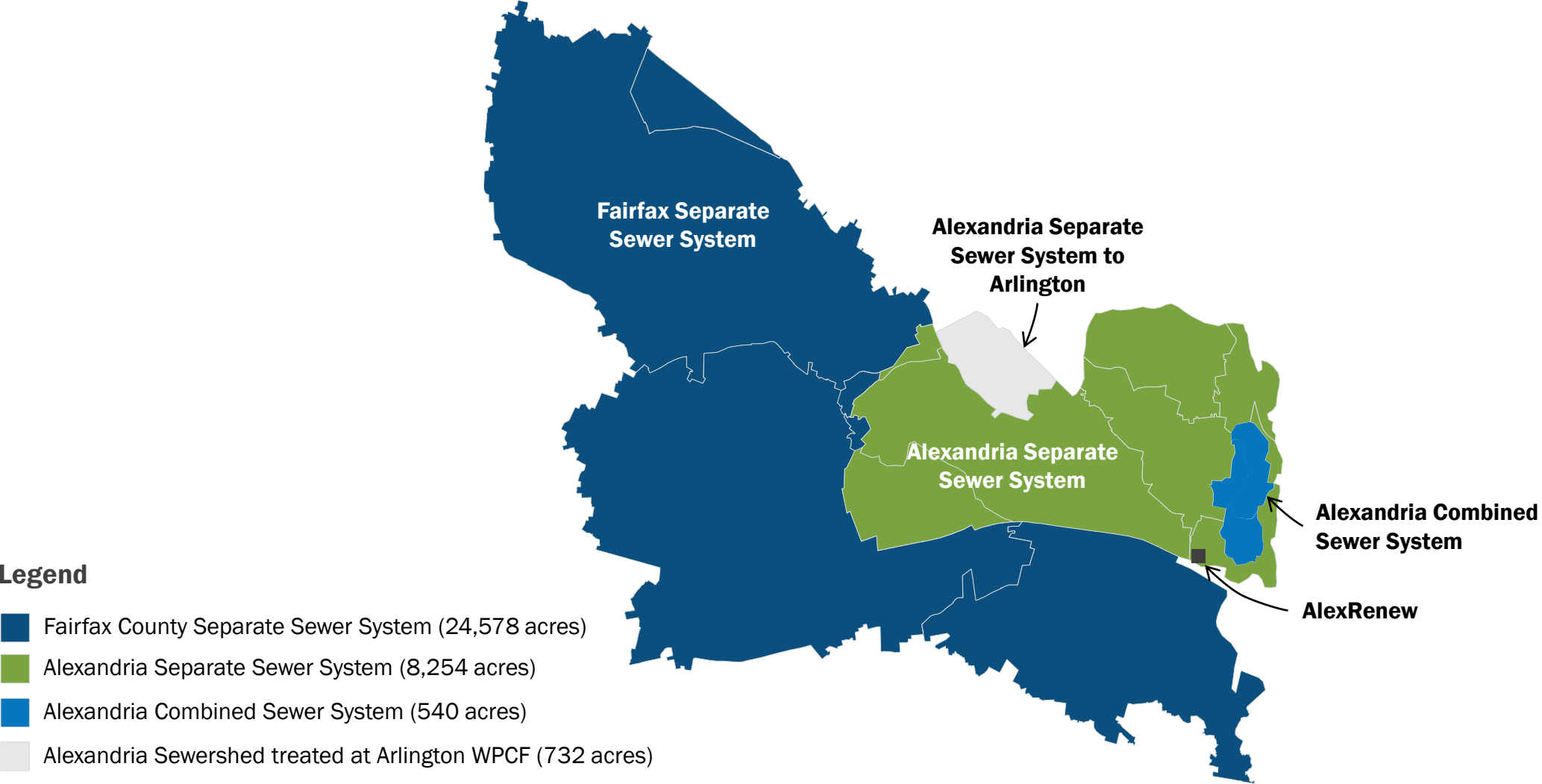
AlexRenew Board of Directors Board Package Supplement

March 16, 2021

How Water Works in the City of Alexandria



Alexandria's Combined Sewer Area is Approximately 6% of the City and 2% of AlexRenew's Service Area



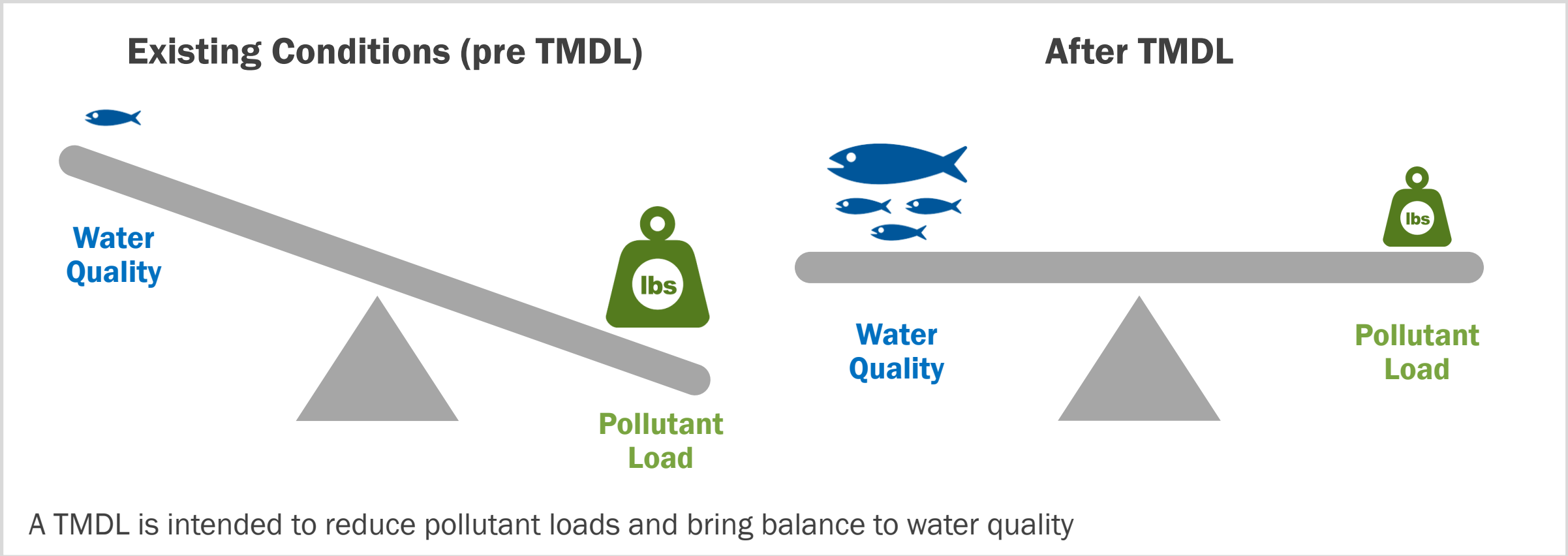
Legend

- Fairfax County Separate Sewer System (24,578 acres)
- Alexandria Separate Sewer System (8,254 acres)
- Alexandria Combined Sewer System (540 acres)
- Alexandria Sewershed treated at Arlington WPCF (732 acres)

In 2010, the USEPA Established the Chesapeake Bay TMDL, which Identified Pollution Reductions from Major Sources of Nitrogen, Phosphorus, and Sediment



A Total Maximum Daily Load (TMDL) is a “Pollution Diet” that Identifies the Maximum Amount of a Pollutant a Waterway Can Receive and Meet Water Quality Standards



A Waste Load Allocation (WLA) is a Limit on the Amount of Pollutants Permitted to be Discharged to a Waterway

Non-Point Sources

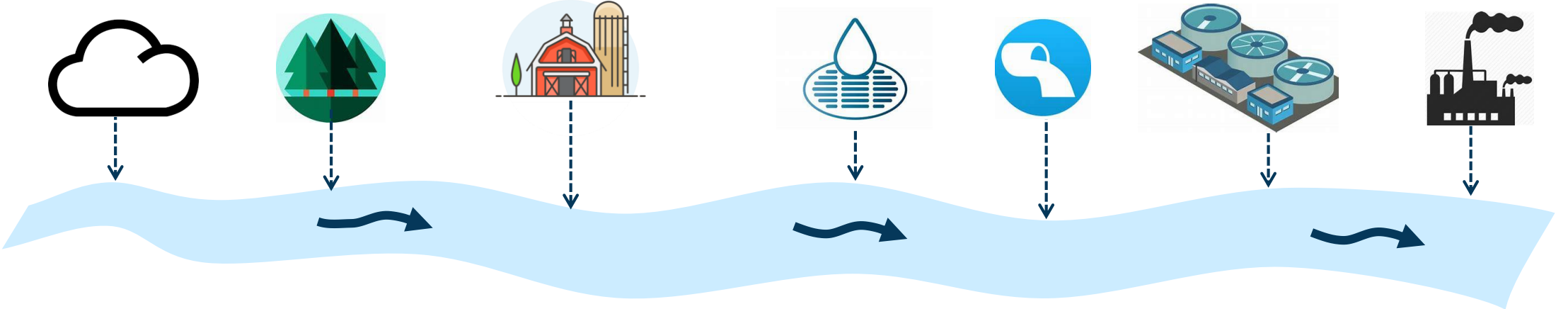
Non-Point Sources are assigned Load Allocations (LA)

- Air Deposition
- Forest
- Agriculture

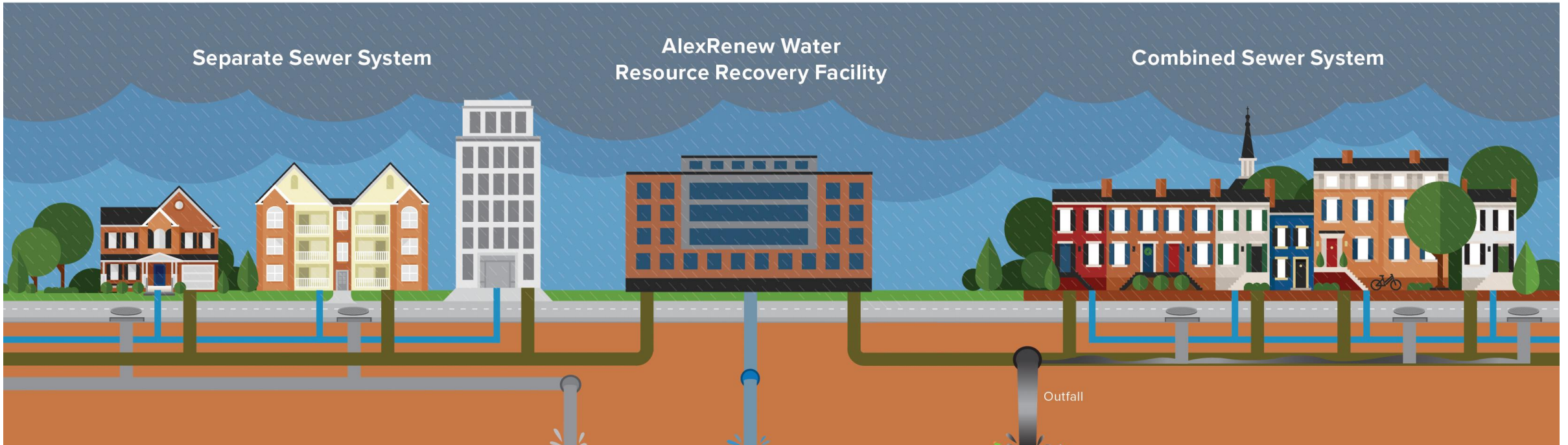
Point Sources

Regulated Point Sources are assigned Waste Load Allocations (WLAs)

- Stormwater
- CSO
- Wastewater
- Industrial



Waste Load Allocations (WLA) Established by the Bay TMDL for AlexRenew, CSO, and Stormwater



Total Nitrogen
Total Phosphorus
Suspended Solids

Stormwater WLA (lbs/yr)
97,810
7,172
4,704,400

AlexRenew WLA (lbs/yr)
493,381
29,603
4,933,807

CSO WLA (lbs/yr)
5,201
690
62,355

Notes:

- (1) WLAs presented herein are baselines established by the Chesapeake Bay TMDL in 2010. City has targeted stormwater reduction goals based on permit cycles.
- (2) CSO WLA transferred from City of Alexandria to AlexRenew as part of 2018 Outfall Transfer Agreement.

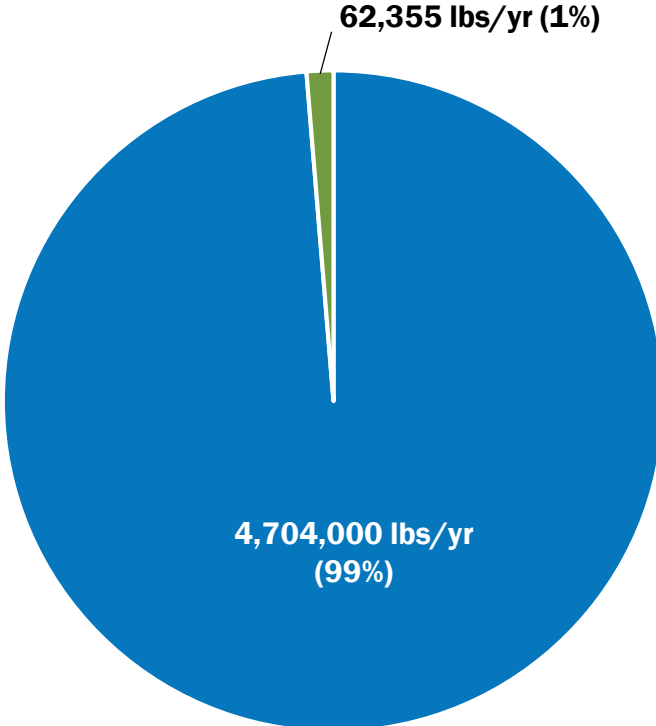
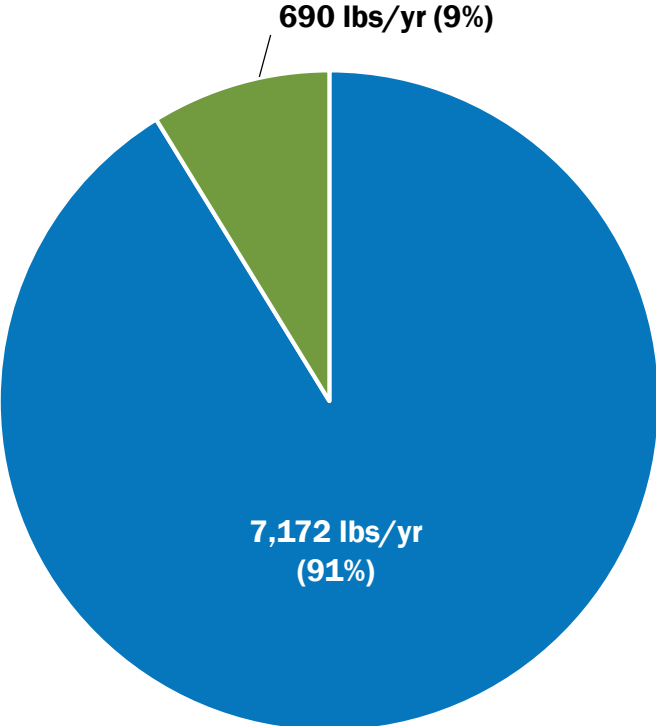
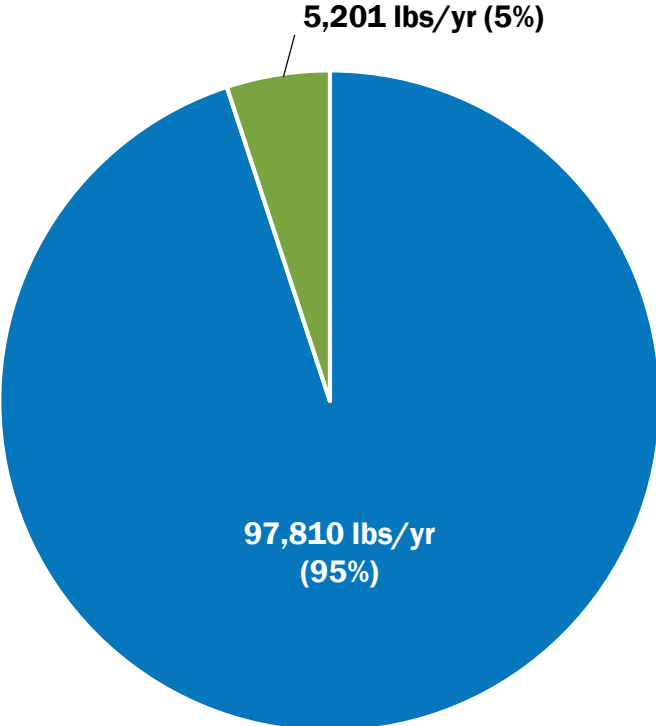


CSOs Make Up A Very Small Percentage of Total CSO and Stormwater Waste Load Allocations

Total Nitrogen

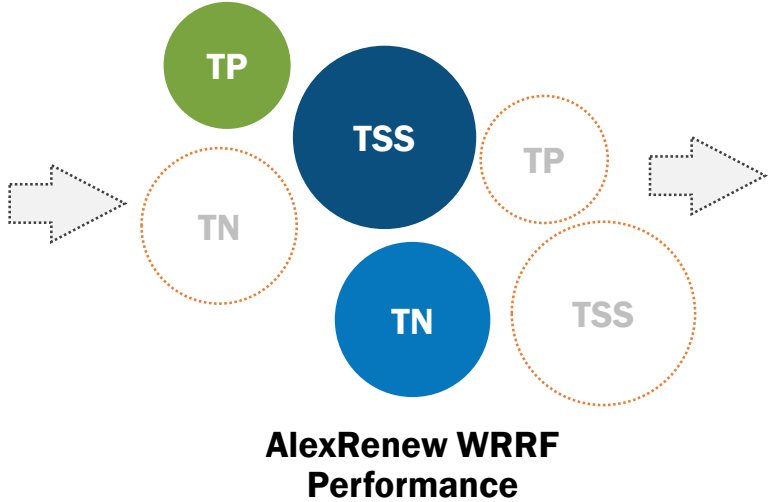
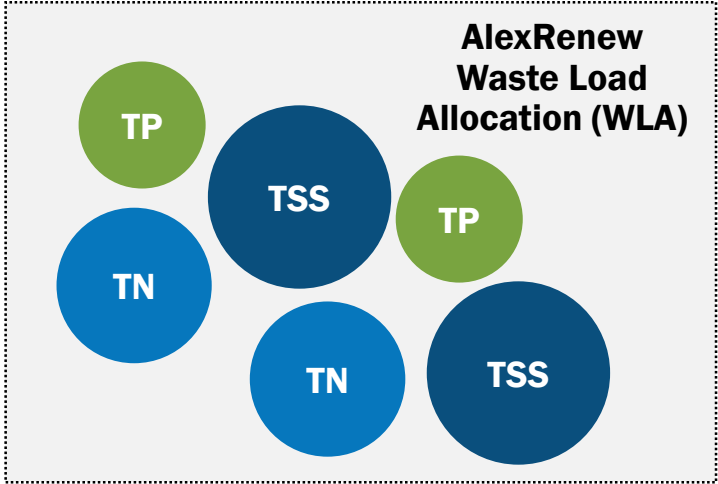
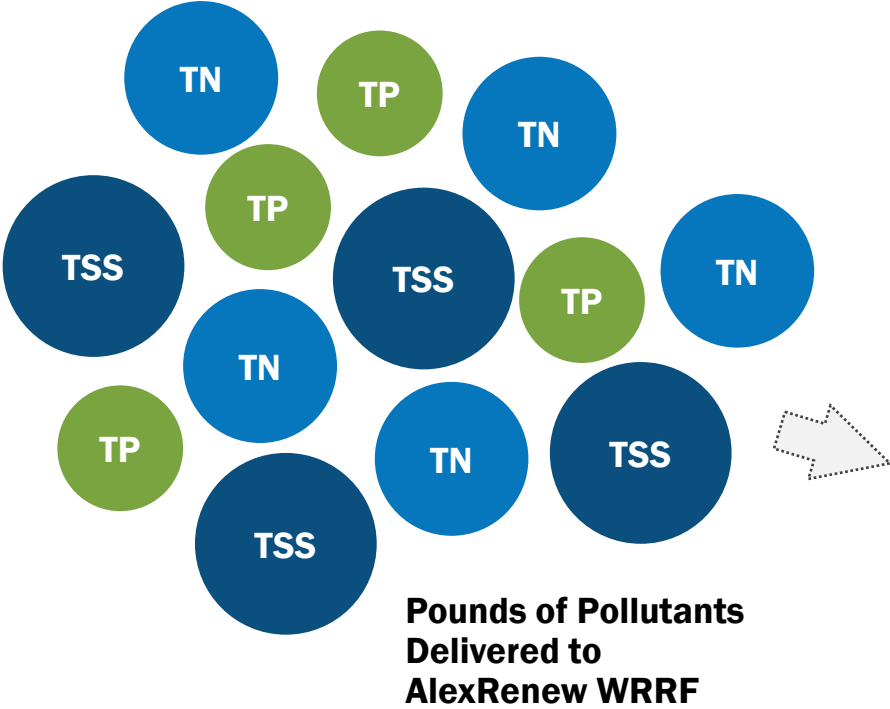
Total Phosphorus

Total Suspended Solids



■ Stormwater Loads ■ Combined Sewer Overflow (CSO) Loads

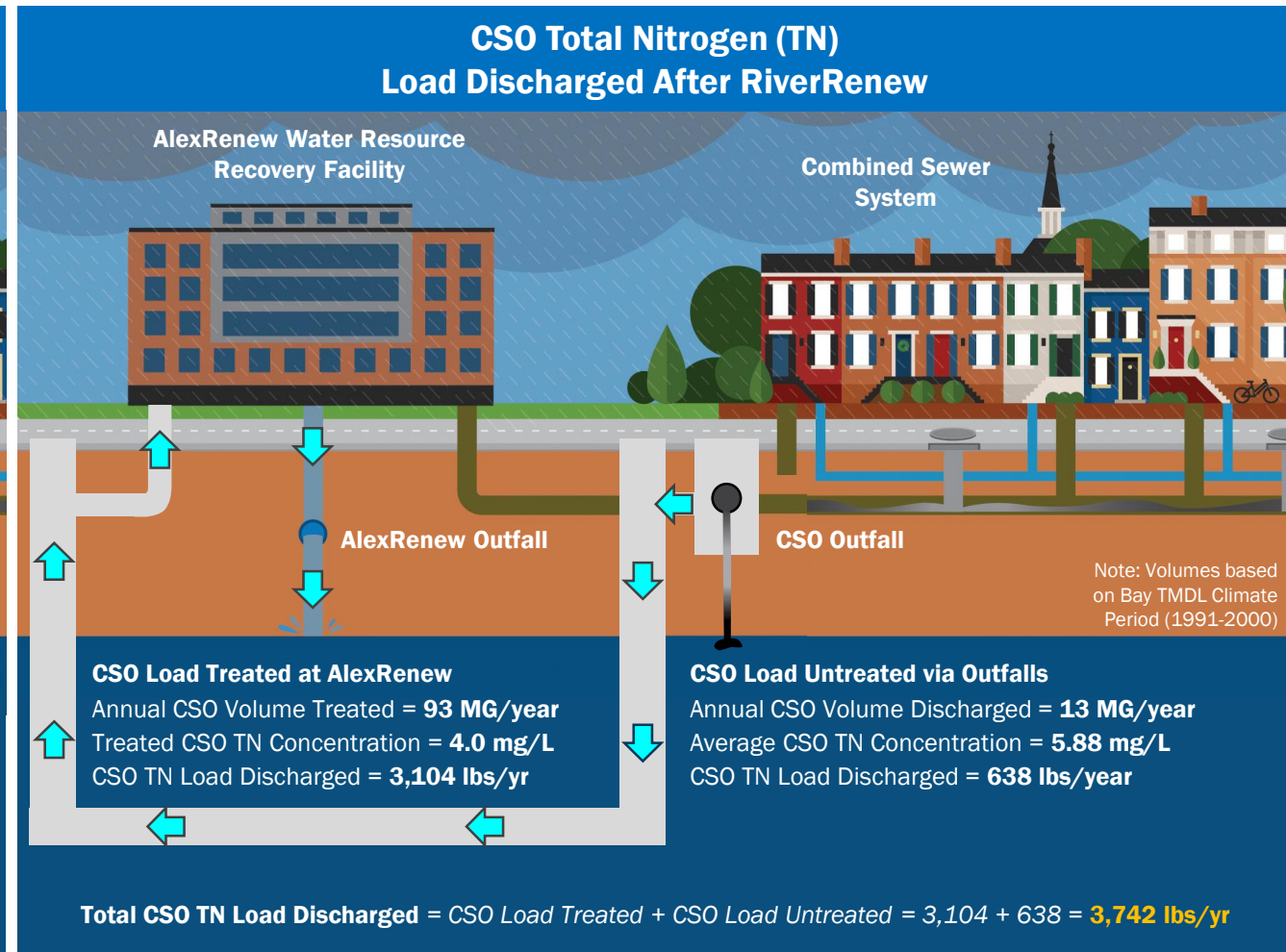
How Are Nutrient Credits Generated?



Credits = WLA minus Performance

1 Pound = 1 Credit

Example CSO Nutrient Credit Calculation for Total Nitrogen (TN)



Example TN Credit (1991-2000) = Bay TMDL CSO TN Waste Load Allocation – Total CSO TN Load Discharged After RiverRenew = 5,201 – 3,742 = 1,459 lbs/yr

CSO Nutrient Credits will be Calculated Annually and Traded to the City based on the 2018 Outfall Transfer Agreement

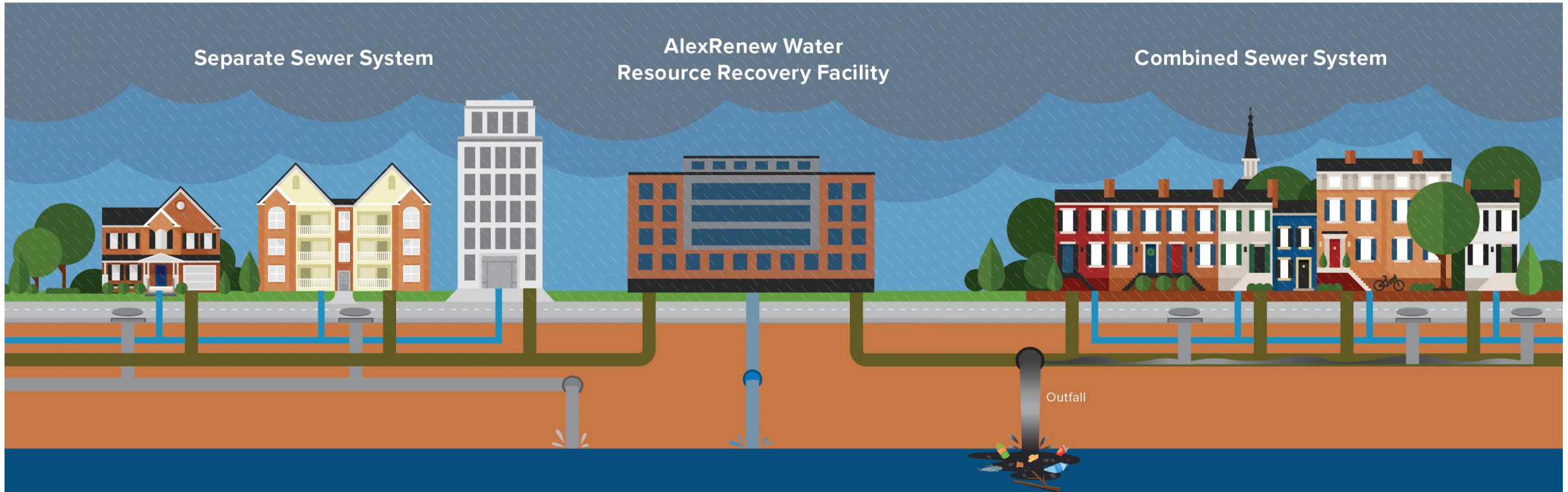
CSO Nutrient Credit Calculation for Wet, Average, and Dry Years within RiverRenew Climate Period (2000-2016) per the 2018 Outfall Transfer Agreement

Nutrient	CSO Waste Load Allocation (lbs/yr)	Wet Year			Average Year			Dry Year		
		2006			2014			2001		
		Discharge Volume (MG)	Load Discharged (lbs)	Credit (lbs)	Discharge Volume (MG)	Load Discharged (lbs)	Credit (lbs)	Discharge Volume (MG)	Load Discharged (lbs)	Credit (lbs)
Total Nitrogen	5,201	267	10,496	(5,295)	142	4,896	305	69	2,303	2,898
Total Phosphorus	690	267	907	(217)	142	263	427	69	104	586
Total Suspended Solids	62,355	267	67,724	(5,369)	142	12,491	49,864	69	3,454	58,901

Notes:

- (1) Parentheses () denote a negative number.
- (2) Per Paragraph 15 of the 2018 Outfall Transfer Agreement, after implementation of RiverRenew, AlexRenew will apply the Bay TMDL CSO WLA to any combined sewer system overflows and to the measured, captured, and treated combined flows through AlexRenew's treatment plant. If, after this analysis, allocation of nitrogen, phosphorus, and sediment (suspended solids) remains unapplied, such credits will be calculated using AlexRenew's actual previous year reported annual nitrogen, phosphorus, and sediment (suspended solids) performance and traded to the City for its use.

2019 Performance for AlexRenew WRRF and City Stormwater System



	Stormwater WLA (lbs/yr)	2019 Performance (lbs/yr)	AlexRenew WLA ⁽¹⁾ (lbs/yr)	2019 Performance (lbs/yr)	CSO WLA (lbs/yr)
Total Nitrogen	97,810	93,496	493,381	315,559	5,201
Total Phosphorus	7,172	6,601	29,603	12,651	690
Suspended Solids	4,704,400	4,206,249	4,933,807	506,770	62,355

Credits Generated by AlexRenew through the Treatment of Wastewater 24/7/365 are Traded on the Virginia Nutrient Exchange



- **The Virginia Nutrient Credit Exchange is a voluntary association comprised of 73 owners in the Bay watershed**
- **Established in 2005 to coordinate and facilitate nutrient credit trading**



To learn more, visit www.alexrenew.com

Monthly Financial Report

Month: February 2021

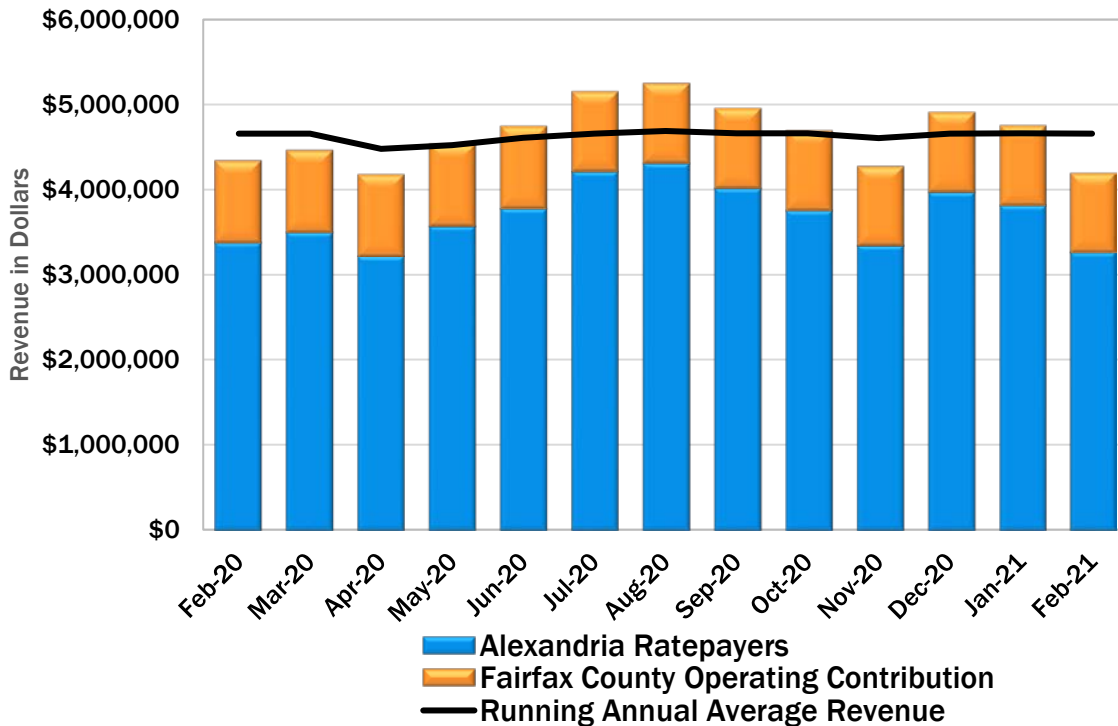
Overview

Monthly performance of AlexRenew’s annual approved budget is reviewed and evaluated against actual to planned spend rates, historical trends, appropriate benchmarks and internal financial policies, to ensure overall organizational financial stability.

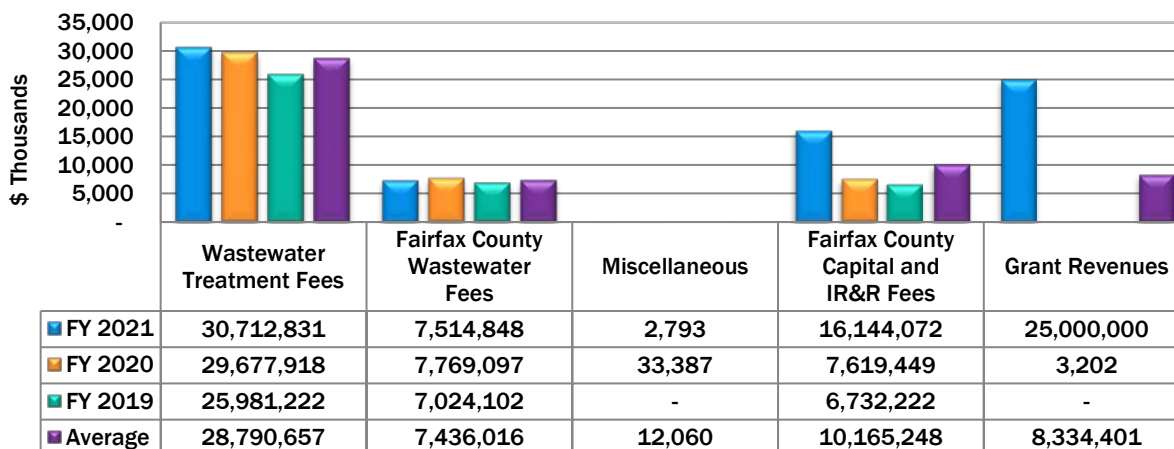
Revenues

- FY21 operating revenues total \$38.2 million through the end of February with approximately \$30.7 million in Wastewater Treatment Charge revenue and \$7.5 million collected from Fairfax County. Wastewater Treatment Charge revenue is approximately \$1.0 million (3.49%) more compared to the same time period in FY20, and \$4.4 million (17%) above the Fiscal 2021 YTD budget. Data indicates a slight decrease month-over-month in customer revenue in February 2021. February revenues are, however, consistent with historical averages. Finance staff will continue to monitor the trend in coming months.
- Revenue performance is primarily driven by billed flows that may be impacted by seasonality and by the Virginia American Water meter reading process, which can vary month-to-month.
- The Fairfax County operating expense charge and IR&R contribution YTD are on budget respectively. Fairfax County capital outlay contributions are also in-line with capital expenditures.

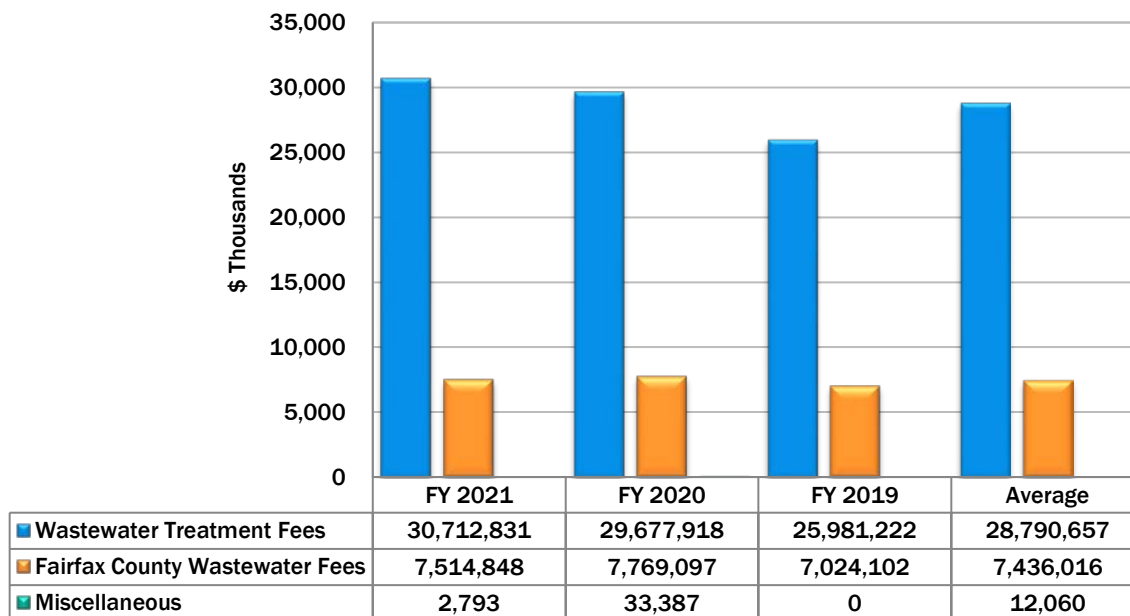
Monthly Wastewater Treatment Fee Revenue



Annual Revenue and Capital Contributions 3 Year Comparison



Annual Operating Fund Revenues 3 Year Comparison



Expenses

FY21 operating and maintenance expenses are approximately 11% or \$2.12 million under the year-to-date budget, representing a spend rate of 59.2%. An overall decrease in Operations and Maintenance costs and Utilities accounts primarily for this variance.

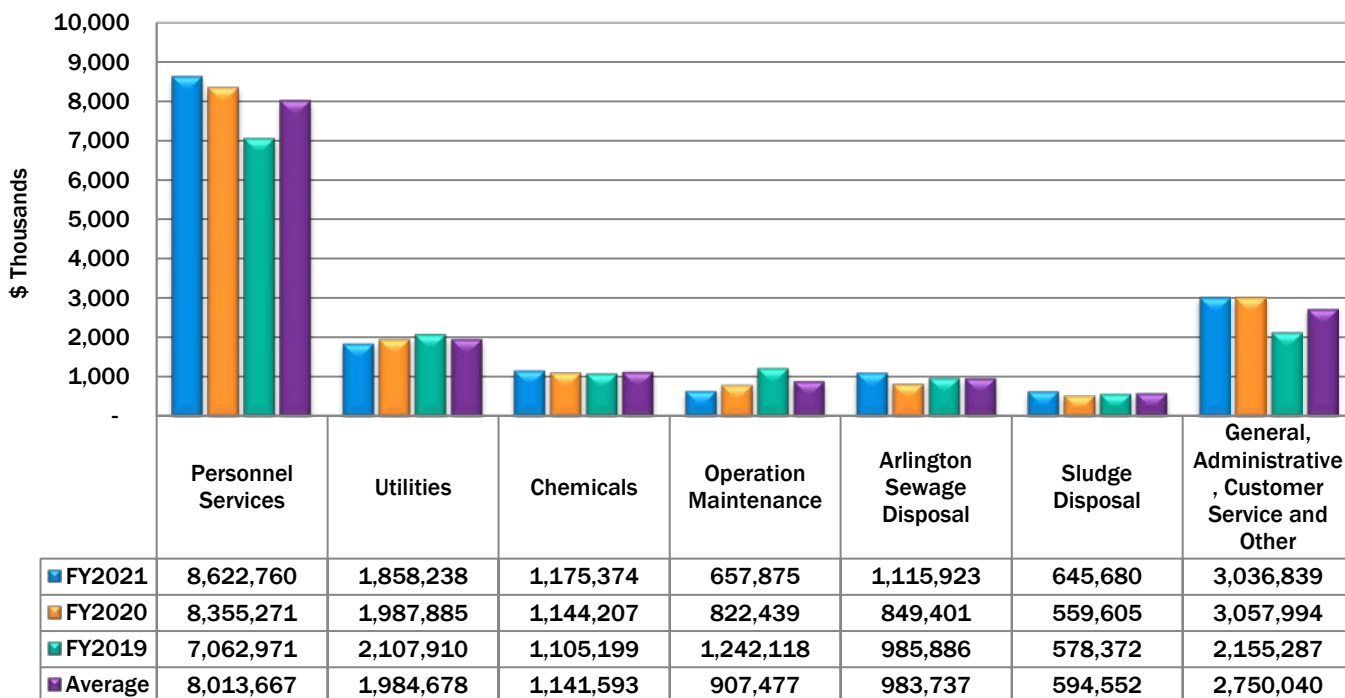
Capital outlay expenses are \$39.26 million year-to-date, representing a spend rate of 64.5%.

At eight (8) months into the fiscal year, the overall spend rate is 61.6% of the total budget.

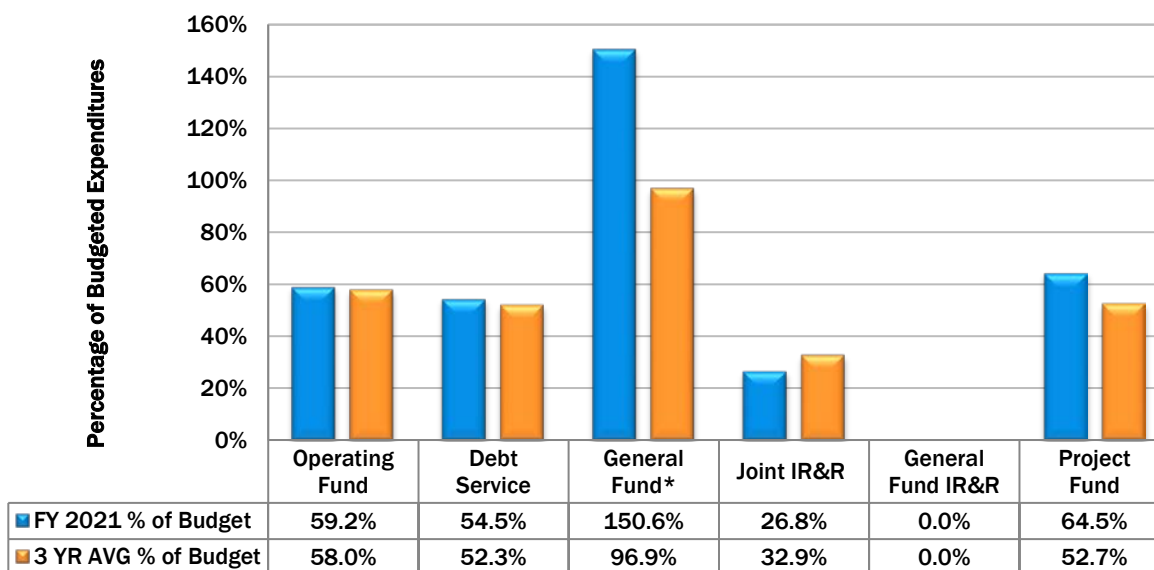
Expenses By Fund

ACTUAL VS. BUDGET Through February 2021					SPEND RATE		
(\$ Millions)	FY 2021	FYTD 2021	3 YR AVG	FYTD 2021	FY 2021	3 YR AVG	Variance FY21
Expenses (By Fund)	BUDGET	ACTUAL	ACTUAL	BUDGET	% of Budget	% of Budget	to 3 YR AVG
Operating Fund	\$ 28.39	\$ 16.80	\$ 16.36	\$ 18.93	59.2%	58.0%	1.2%
Debt Service	14.12	7.70	7.59	9.41	54.5%	52.3%	2.3%
General Fund*	2.28	3.43	3.95	1.52	150.6%	96.9%	53.6%
Joint IR&R	5.63	1.51	1.71	3.75	26.8%	32.9%	-6.1%
General Fund IR&R	0.25	-	-	0.17	0.0%	0.0%	0.0%
Project Fund	60.86	39.26	22.82	40.57	64.5%	52.7%	11.8%
Total	\$ 111.53	\$ 68.70	\$ 52.43	\$ 74.35	61.6%	54.8%	6.8%

Annual Operating Expenses 3 Year Comparison



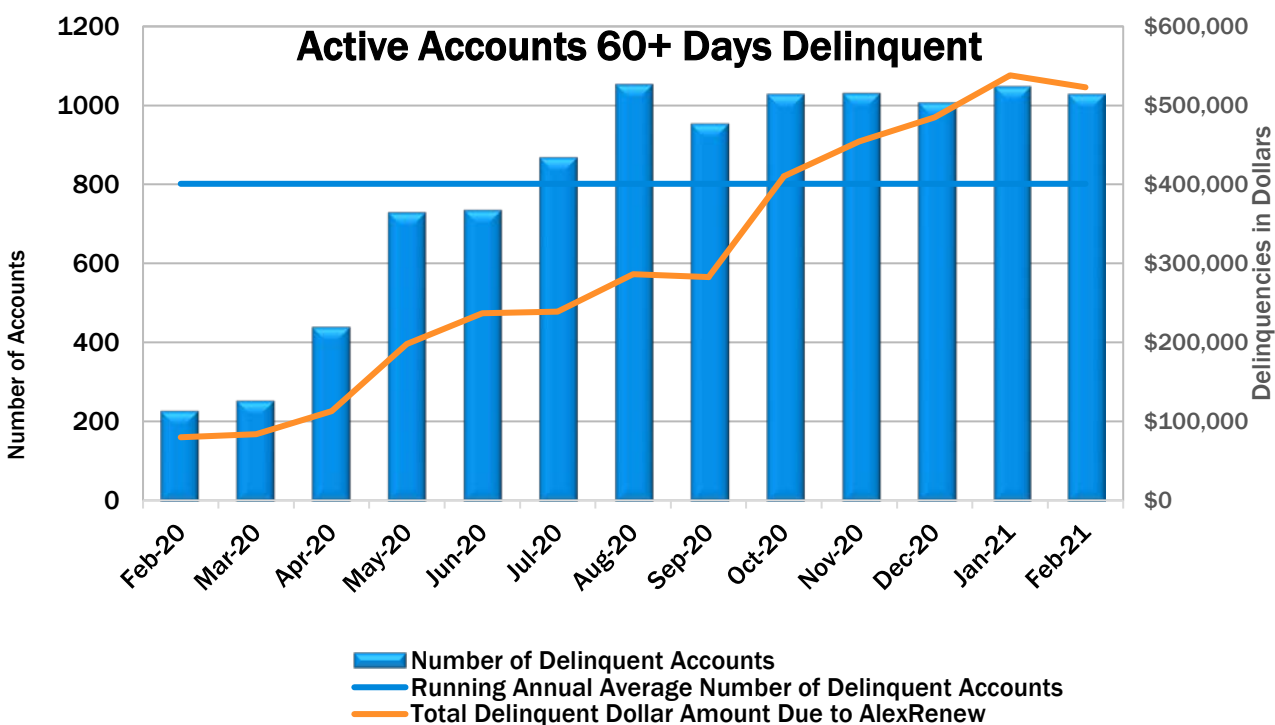
Expenditure Budget Comparison By Fund FY 21 vs. 3 Year Average



* Increase in General Fund expenditures due to Alexandria-only RiverRenew easement payment

Delinquencies

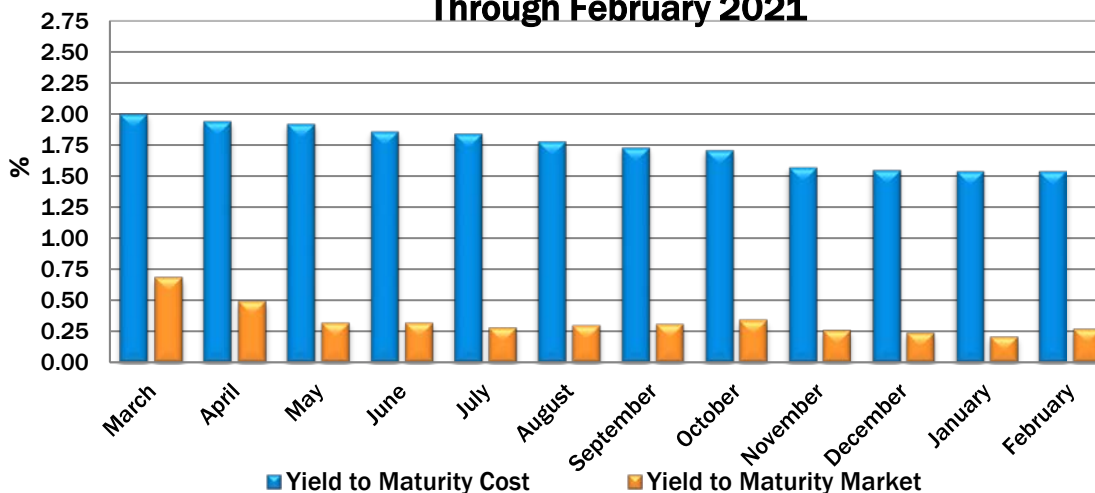
The number of accounts that are delinquent by more than 60 days decreased month-over-month, from 1,048 accounts in January to 1,029 in February. The total dollar amount owed to AlexRenew from these accounts decreased to \$522,821. As with all delinquent customers, AlexRenew’s customer service professionals continue to help customers bring accounts current, initiate a payment plan and/or evaluate eligibility for relief funding.



Investments

PFM Investment Advisors manages approximately \$21 million of AlexRenew's \$28.0 million investment portfolio. The following graph demonstrates current earnings on investments of approximately 1.54%; a level significantly higher than general bank deposit earnings rates.

Investment Yield Percentage to Maturity (Investments managed by PFM) Through February 2021

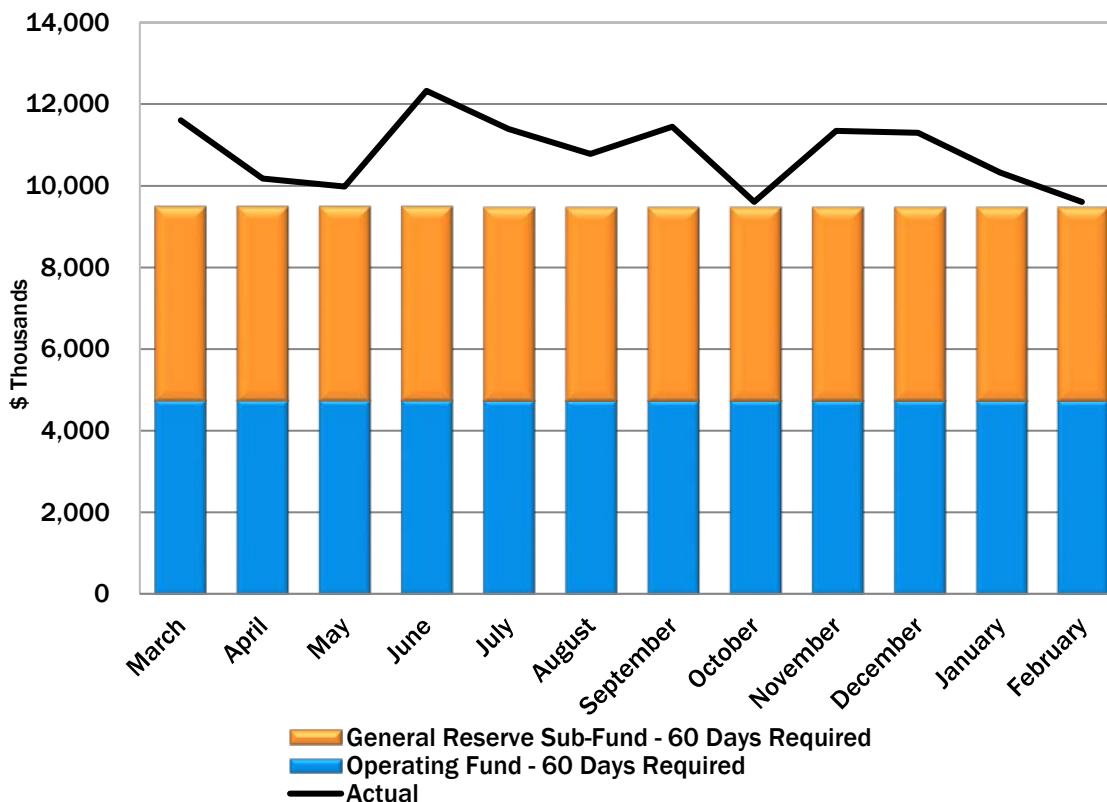


Cash Reserves

The Indenture requires that we maintain a balance on deposit in our Operating Fund equal to not less than 60 days of budgeted operating expenses. AlexRenew's Financial Policy requires a balance on deposit in our General Reserve sub-Fund also equal to not less than 60 days of budgeted operating expenses. In total, these combined compliance conditions require AlexRenew to maintain at least 120 days cash on hand, and for FY21 this equals a minimum of \$9,462,334. The chart and graph below demonstrate that AlexRenew currently exceeds this requirement.

Board Policy 120 Days Cash Reserves	Actual	Percentage of Goal
As of February, 2021		
Total Operating Cash	\$ 2,455,779	
Total Certificates of Deposit (Cash Equivalent)	\$ 2,859,705	
CARE ACT COVID19 Funding Balance	\$ (439,737)	
Total Operating Cash	\$ 4,875,747	
Total General Reserve Sub-Fund Cash	4,731,167	
Total Operating and General Reserve Sub-Fund Cash	9,606,914	102%

Cash Reserve Policy



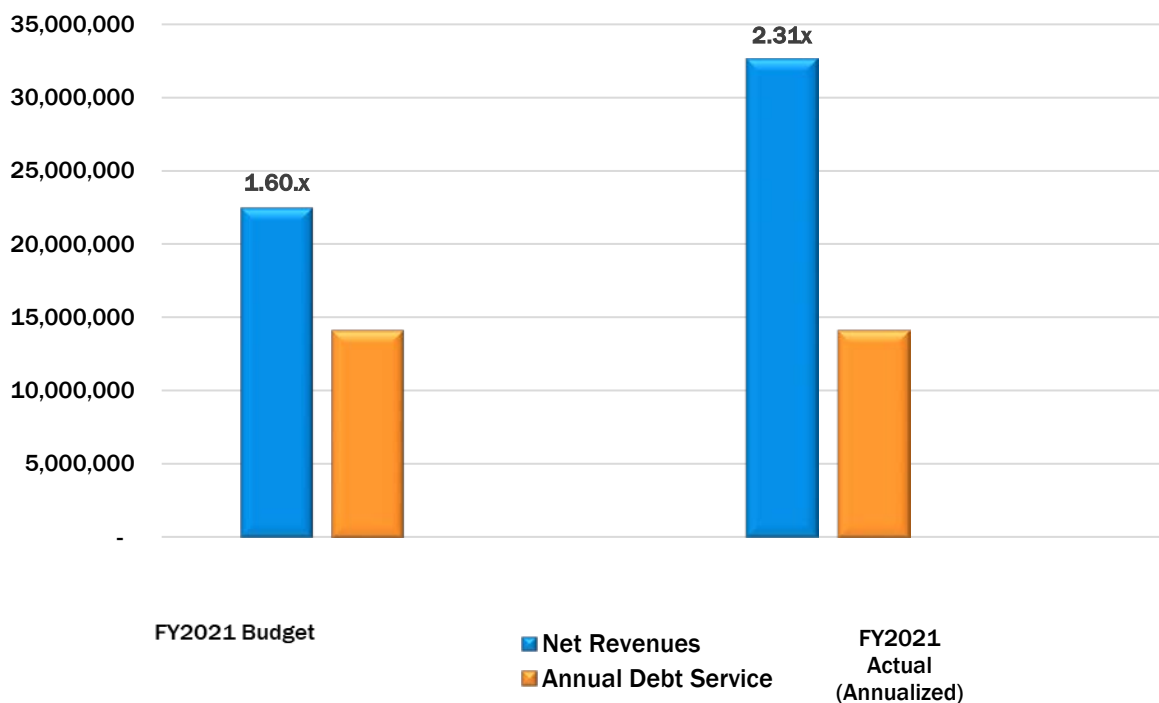
Debt Service Coverage

The Indenture also requires AlexRenew to maintain minimum debt service coverage such that Revenues less Operating Expenses or Net Revenues (each term as defined in the Indenture) is at least 1.10x the parity debt service due in any fiscal year. Compliance with our Board-approved financial policies requires AlexRenew to maintain a higher minimum debt service coverage of at least 1.50x applying the same criteria as defined above.

In both cases, AlexRenew currently exceeds its compliance standard as indicated in the graph below. The 1.6x designated in the graph below represents projected coverage for FY21 based on actual results to date. Note the anticipated coverage of 2.31x based on original FY21 budget expectations. As a result, AlexRenew is currently trending ahead of budgeted projections and minimum coverage policy.

Financial Policy Compliance - All-In Debt Service Coverage	FY 2021 Actual	FY 2021 Budget
Gross Revenues Available for Debt Service Coverage:		
Wastewater Treatment Charges - Alexandria Ratepayers	46,069,247	39,492,000
Fairfax County Operating Expense Charge	11,272,272	11,272,272
Reimbursement from other systems	4,189	-
Investment Income	512,819	115,000
Less Restricted Investment Income	-	-
Total	57,858,527	50,879,272
LESS Operating Expenses	(25,205,530)	(28,386,991)
Net Revenues [a]	32,652,997	22,492,281
Annual Debt Service [b]	14,123,976	14,123,976
Calculated All-In Debt Coverage [a/b]	2.31x	1.60x
Financial Policy Target	≥1.50x	≥1.50x

All-in Debt Service Coverage Net Revenues to Annual Debt Service



Glossary:

Revenue Fund

All revenue receipts of Alexandria Renew are deposited in the Revenue Fund.

The Operating Fund

The Operating Fund accounts for the administration and maintenance of the wastewater treatment system. By Board policy, the Operating Fund shall maintain 120 days of cash in reserve as established by Board Policy.

Parity Debt Service Fund

The Parity Debt Fund shall have deposited in it one-twelfth (1/12th) of the annual required debt payment due within the budget year. Deposits are restricted funds for use to make semiannual payments in accordance with the Alexandria Renew Trust Agreements.

Joint Improvement, Replacement (IRR) Fund

The IR&R Fund receives deposits directly from Fairfax County (60% of IR&R budget) and from AlexRenew customer revenue (40% of IR&R budget) for asset renewal of joint use facilities. The contribution to the IRR Fund is 0.7% of the total amount of capital expenditures made subsequent to October 1, 1997, for the joint portion of the system, as set forth by the service agreement with Fairfax County.

Project Fund

The Project Fund records the cost of each joint use capital project included in the Alexandria Renew Capital Improvement Plans (CIP).

The plans for current and future capital projects, both joint and City only, is summarized in a Ten-Year CIP. City use only CIP are accounted for within the General Fund.

General Fund

The General Fund serves as reserve fund to be used for any lawful purpose of the Authority. Deposits to the General Fund are made from the Revenue Fund after all other fund expenditures and requirements have been satisfied. Alexandria Renew principally uses the General Fund to finance specific capital improvements and to provide sufficient reserves in accordance with policy.