



AlexRenew is an independent public authority that manages Alexandria's wastewater to improve our local waterways.

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1800 Limerick Street, Alexandria, Virginia 22314

**BOARD OF DIRECTORS**

John Hill  
*Chair*

James Beall  
*Vice Chair*

William Dickinson  
*Sec'y-Treas*

Adriana Caldarelli

Mark Jinks

**CHIEF EXECUTIVE OFFICER**

Justin Carl, PE

**GENERAL COUNSEL**

McGuire Woods, LLP

## MEMORANDUM

TO: AlexRenew Board of Directors

FROM: Secretary-Treasurer

DATE: May 9, 2023

SUBJECT: Regular Board of Directors Meeting

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The Regular Meeting of the Board of Directors will be held Tuesday, May 16, 2023, at 6:00 p.m. at Alexandria Renew Enterprises.

There is one new business item for Board approval.





### Agenda

Alexandria Renew Enterprises Board of Directors Meeting  
Tuesday, May 16, 2023, @ 6:00 p.m.  
1800 Limerick Street, & via livestream on YouTube Link  
<http://board.alexrenew.org>

No.	Item	Presenter	Action Required
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The Tuesday, May 16, 2023, Board of Directors Meeting is being held at Alexandria Renew Enterprises (1800 Limerick Street, Ed Semonian Boardroom, Alexandria, VA 22314). Members of the Board and staff are participating in person. The public can access the meeting in the Ed Semonian Boardroom or through the live broadcast on YouTube: <http://board.alexrenew.org>

Public comments will be taken in person at Alexandria Renew Enterprises. Submission of written statements is encouraged. Written statements may be emailed to the Board Secretary at [lorna.huff@alexrenew.com](mailto: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 added to the speakers list. A recording of the meeting will be posted on <http://www.alexrenew.com> after the meeting.

1.	Call to Order (6:00 p.m.)	Chairman	
2.	Approval of Agenda (6:02 p.m.)	Chairman	Approval
3.	Public Comment Period (6:05 p.m.)	Chairman	
4.	Consent Agenda (6:14 p.m.)	Chairman	Approval
	A. Minutes (Meeting April 18, 2023) (Tab 1)		
	B. Review and Approve Contract Award for Construction of the Primary Settling Tank Rehabilitation Project (Joint Use) (Tab 2)		
5.	Unfinished Business (6:15 p.m.)	Chairman	Approval
	A. None		
6.	New Business (6:17 p.m.)	Chairman	
	A. Customer Service Migration Update	Mr. Carl	Information
	B. Review and Approval of a Resolution Authorizing an Increase to the Line of Credit Financing (Alex Only) (Tab 4)	Mr. Carl	Approval
7.	AlexRenew Monthly Outcomes Update (6:35 p.m.) (Tab 3)	Mr. Carl	Information
8.	Adjourn (6:45 p.m.)	Chairman	

*Times shown in parentheses are approximate start times 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.*

***A Public Hearing on AlexRenew FY2024 Proposed Budget and FY2024-2025 Rate Recommendation is scheduled for Saturday, May 20, 2023 at 9:00 a.m.***

***The next Regular Board of Directors meeting is scheduled for Tuesday, June 20, 2023***

***Members of the public may park in the parking lot across the street from AlexRenew at the corner of Limerick and Bartholomew Streets***

Chairman- John Hill • Vice Chairman- Jim Beall  
• Secretary-Treasurer-William Dickins on  
• Members- Adriana Caldarelli, Mark Jinks

Minutes of the 906<sup>th</sup> Meeting  
***“Celebrating Over 60 Years of Continuous Environmental Excellence”***  
Alexandria Renew Enterprises  
6:00 p.m., Tuesday, April 18, 2023

On Tuesday, March 21, 2023, the Alexandria Renew Enterprises Board of Directors held its regular Board of Directors meeting in the Edward Semonian Board Room at 1800 Limerick Street, with the following present:

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

Staff: Mr. Justin Carl, General Manager/Chief Executive Officer  
Ms. Allison Deines, Chief Water Quality Officer  
Ms. Caitlin Feehan, Chief Administrative Officer  
Mr. Lake Akinkugbe, Director of Finance  
Ms. Lorna Huff, Secretary to the Board

Counsel: Ms. Amanda Waters, General Counsel,  
McGuireWoods LLP

Fairfax County  
Representative: Mr. William Barrack,  
Wastewater Planning & Monitoring Division

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

Call to Order

The Chairman called the meeting to order at 6:03 p.m.

Approval of Agenda

The Chairman requested that members review and approve the agenda. Ms. Caldarelli moved and Mr. Dickinson seconded. The Board unanimously approved.

Public Comment Period

There being no members of the public in attendance and wishing to speak, the Chairman closed the public comment period.

Consent Agenda

The Chairman requested members review the Consent Agenda which contained the Minutes of the March 21, 2023, meeting. There being no changes to the Minutes, Mr. Jinks moved approval and Mr. Dickinson seconded. The Board unanimously approved

### Unfinished Business

A. Consideration of FY2024 Draft Operating and Capital Budget for Public Notice and Set Public Hearing for Saturday, May 20, at 9:00 a.m.

Discussion

The Chairman recognized Mr. Carl who reported that staff received comments from the Board and Finance and Audit Committee members. Members requested changes to Table 931, the AlexRenew Org chart, and re-wording of the Commonwealth Interceptor project page which were incorporated into the current version of the Budget. There being no questions or comments from the Board, the Chairman recognized Mr. Jinks, Chairman of the Finance and Audit Committee.

Mr. Jinks reported that staff presented the FY2024 Operating and Capital Budget preliminary draft on March 21. The Operating Budget is 8.5% or \$2.6 million above FY2023. He reported on the impacts to the current budget including inflation, the increased price of chemicals, sludge hauling, debt service and merit increases. He noted the edits requested at the Finance and Audit Committee regarding the work on the Commonwealth Interceptor, noting that the language regarding this program still needs work and wants to ensure that staff has explored alternatives to the project. As a result of the CIP, infrastructure investments, the operating budget and debt service illustrates the need for a rate increase of 5.4% for FY2024 and 5.1% for FY2025 equating to approximately \$2.70 increase per month per year for rate payers. He commended staff for their responsiveness to the Board's requests.

The Chairman commended Mr. Jinks on his summarization and inquired if members had additional questions or comments. After a brief discussion on the Resolution of Intent, the Chairman requested a motion from Mr. Jinks. Mr. Jinks moved that the Board authorize the CEO to issue the appropriate public notices for a public hearing on the FY2024 Operating and Capital Budget on Saturday, May 20, at 9:00 a.m. Mr. Beall seconded. The Board unanimously approved.

B. Consideration of a Resolution of Intent to Adopt and Change Certain Rates, Fees and Charges for Saturday, May 20, at 9:00 a.m.

Discussion

The Chairman recognized Mr. Jinks who reported that a public hearing on the Resolution of Intent to Adopt and Change Certain Rates, Fees and Charges will be held at the same time as the FY2024 Operating and Capital Budget hearing. Mr. Hill inquired whether the Resolution indicates the effective date of the new rates. Ms. Waters reported that the effective date is listed in the Resolution. Mr. Jinks moved and Ms. Caldarelli seconded. The Board unanimously approved.

**Be it Resolved that** the Board authorizes the CEO to public notice the Resolution of Intent and set the public hearing for Saturday, May 20, at 9:00 a.m.

Mr. Carl reported that staff would update the AlexRenew and RiverRenew websites as well as the AlexRenew Facebook page and other social media for public outreach.

There was no additional questions or comments and the Chairman moved to New Business.

### New Business

Update on Administration of RiverRenew Tunnel Project Contract

The Chairman recognized Mr. Carl who updated the Board on the Administration of the RiverRenew

Tunnel Project contract.

Mr. Carl reviewed the components of the RiverRenew tunnel project, noting the 11,500-foot waterfront tunnel, 35- and 37-foot drop shafts, 2,500 foot Hooffs Run Interceptor, a 20 mgd tunnel dewatering pumping station, 180 mgd wet weather pumping station housed in a 65 foot diameter shaft, 35 foot diameter screening shaft and 4-story pumping station superstructure with a construction cost of approximately \$450 million. The construction schedule runs from December 2020 through July 2025.

The Board considered different delivery methods for the project before settling on a Fixed Price Design Build contract with Traylor-Shea Joint Venture (TSJV) due to the project complexity and collaborative method of Fixed Price Design Build. The contract was executed in November 2020 with a notice to proceed on December 1.

Quarterly meetings are held with the owner, owner's advisor, resident engineer and design build team to work through issues and manage risk. Partnership comes from the highest level with the Traylor Shea president, RiverRenew Directors, and a partnering facilitator involved.

In addition to partnering, a Dispute Resolution Board (DRB) made up of industry experts was engaged to manage disputes not resolved at the project level. To date, there have been no issues to raise to the DRB.

Mr. Carl noted a Different Site Condition clause (DSC) in the event a physical site condition differs materially from those indicated in the contract documents. Mr. Carl explained the claims process reporting that accepted claims are paid out of the contingency that was established as part of our risk management process.

He then reviewed the RiverRenew spend as of March of approximately \$300 million. He additionally reported that staff has accessed \$185 million of the clean water revolving loan fund and would be going forward with the WIFIA loan. Staff has not received the \$90 million grant from the State and is working through the process.

There being no additional questions, the Chairman moved to AlexRenew Monthly Outcomes Report and recognized Mr. Carl.

### CEO Monthly Outcome Reports

#### CEO Board Report

Mr. Carl reported that Mr. Dickinson will be stepping down from the Board and his position as Secretary-Treasurer on June 21. Staff will be working with Council seek a new Board member. Mr. Carl suggested postponing the August Board Retreat until early January. Council will appoint a new member in early September allowing the new Board member the opportunity to participate in the Board Retreat and help set Strategic Outcomes.

Mr. Dickinson reported that he has been on the Board for almost 11 years and recounted the many changes that have taken place during this tenure, including this building, the SANUP facility and the first hearing on the Pumping station. The community talked and we listened. They were interested in what we are doing here. He further reported during his years as member of the Alexandria Civic Association reported the organization has complimented AlexRenew. He reported that AlexRenew's community engagement was key to AlexRenew's accomplishments.

Mr. Carl reported on Sunday, April 23, Mr. Dickinson, in conjunction with the City, will be awarding the 2023 Ellen Pickering Award winner.

RiverRenew Dashboard

Mr. Carl reported on a 60-day delay on the job that staff does not anticipate recovering. Twenty-three notification letters were sent to the General Assembly on April 3. Staff has further invited the Northern Virginia delegation and Senator Stewart to visit the facility. A similar letter was shared with DEQ, the Chesapeake Bay Foundation, City Council, the City Manager and the City's Legislative Director. To date, feedback has been positive from the General Assembly. Staff will meet virtually with Senator Surovell on April 22.

Pile driving on Outfall 001 has commenced with no complaints received to date. Mr. Jinks inquired about site restoration. Mr. Carl reported that site restoration begins after work is completed. Work on Outfall 001 will be complete in November 2024.

Mr. Carl reported that the Jamieson Avenue closure is coming up in the Fall. He reported that Hazel is operational and has begun full production mining. Yesterday Hazel mined 110 feet. Eighty feet per day is the average. Staff originally scheduled for 40 feet per day but that progress is not enough to make up the 60-day delay.

He reported on the upcoming Council Board Workgroup and noted that tunnel tours for the community are beginning on May 6. Staff is going to propose a few dates for the Council Board and SAG tunnel tours.

Financial Report

Mr. Carl referred to page 2 of the Financial Report he reviewed attachment A and the map indicating the concentration of delinquent accounts in the City. Staff has sent 500+ letters to delinquent account holders. Since the last Board meeting, the number of delinquent accounts decreased by 51. The current amount overdue is \$959 thousand. Letters will be followed up by customer service calls to delinquent accounts. PromisePay is sending out text messages for payment plan options through LIHWAP. Mr. Carl reported that for outreach for small accounts is GCWW or PromisePay. AlexRenew staff performs outreach on larger accounts.

The Chairman commended Mr. Carl and staff for their work.

Closed Session

At 7:31 p.m., the Chairman, Pursuant to Section 2.2-3711 of the Code of Virginia, moved the Board into a closed session to discuss a personnel matter and to discuss consultation with legal counsel. Mr. Dickinson seconded. The Board unanimously approved.

At 8:06 p.m. the meeting returned to open session, and the following certification was unanimously adopted by the members: "Pursuant to 2.2-3712(D) of the Virginia Freedom of Information Act, it is hereby certified that to the best of each Member's knowledge, (1) only public business matters lawfully exempted from the open meeting requirements of the Act, and (2) only public business matters identified in the motion by which this closed meeting was convened were heard, discussed, or considered by Alexandria Renew Enterprises."

Ms. Caldarelli moved, and Mr. Jinks seconded. All Members present voted via roll call:

Mr. Hill	Aye
Mr. Beall	Aye

Mr. Dickinson	Aye
Mr. Jinks	Aye
Ms. Caldarelli	Aye

There being no additional business, the Chairman moved to adjourn and Mr. Beall seconded. The Board unanimously approved. The meeting adjourned at 8:06 p.m.

**APPROVED:**

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**Secretary-Treasurer**



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#### GENERAL COUNSEL

McGuire Woods, LLP

## MEMORANDUM

TO: AlexRenew Board of Directors

FROM: Justin Carl, CEO

DATE: May 9, 2023

SUBJECT: Action Item, Consent Agenda, Joint Use  
Review and Approve Contract Award to American Contracting & Environmental Services, Inc. for the PST Rehabilitation Project

### Issue

The chain and flight equipment in Primary Settling Tanks (PSTs) 1-5 and 7 has reached its useful life and requires replacement.

### Recommendation

Staff respectfully requests the Board authorize the Chief Executive Officer to execute a contract with American Contracting & Environmental Services, Inc. for the PST Rehabilitation Project.

### Budget and Funding

Funding for this project was included in the approved FY2023 and proposed FY2024 capital budget. The contract amount for the PST Rehabilitation Project is \$848,000 with an approximate ten percent (10%) contingency controlled by the CEO, for a total authorized budget of \$932,800.

### Discussion

AlexRenew conducted solicitations using the Competitive Sealed Bidding procurement process as defined and authorized in the Virginia Public Procurement Act § 2.2-4302.1. AlexRenew issued ITB No. 22-024 on March 28, 2023 and received two (2) bids on April 27, 2023. American Contracting & Environmental Services, Inc. is the apparent lowest responsive and responsible bidder.

### Congruence with AlexRenew Strategic Plan

This action enables our strategy of *Operational Excellence*.





**Action Taken:**

Approved: \_\_\_\_\_

Disapproved: \_\_\_\_\_

Approved with Modification: \_\_\_\_\_

Modification(s): \_\_\_\_\_

# AlexRenew's Customer Care System Upgrade

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Briefing for the AlexRenew Board of Directors

May 16, 2023

# AlexRenew's current customer service solutions

## Greater Cincinnati Water Works (GCWW)

- Billing
- Payment processing
- Online portal
- Call center services

## AlexRenew

- Customer Service Policies & Procedures
- Reporting
- Quality Control

## Virginia American Water (VAW)

- Metering services
- Start/stop water service
- Disconnections for nonpayment
- Customer data transmission

## Promise

- Payment Plans

AlexRenew's billing, payment processing, call center services, and online customer portal are transitioning from Greater Cincinnati Water Works (GCWW) to Enterprise Solutions Consulting (ESC).



Greater Cincinnati Water Works



Enterprise  

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Solutions  
Consulting

## About ESC:

- Provides integrated software and customer care solutions for utilities.
- Oracle-based customer care system
- Customizable products
- Offers a variety of payment options

# Key components

for a successful customer service system migration

- Planning
- Data validation and transfer
- User interface
- System integrations
- Payment & billing processes
- Reports
- Testing and training
- Customer communication

# Customers will enjoy quality service they are used to, with improved features

## Features appearing the same to customers

Bill delivery and inserts



Call center services



Account numbers



## New customer features

Auto-pay credit card option



Chat



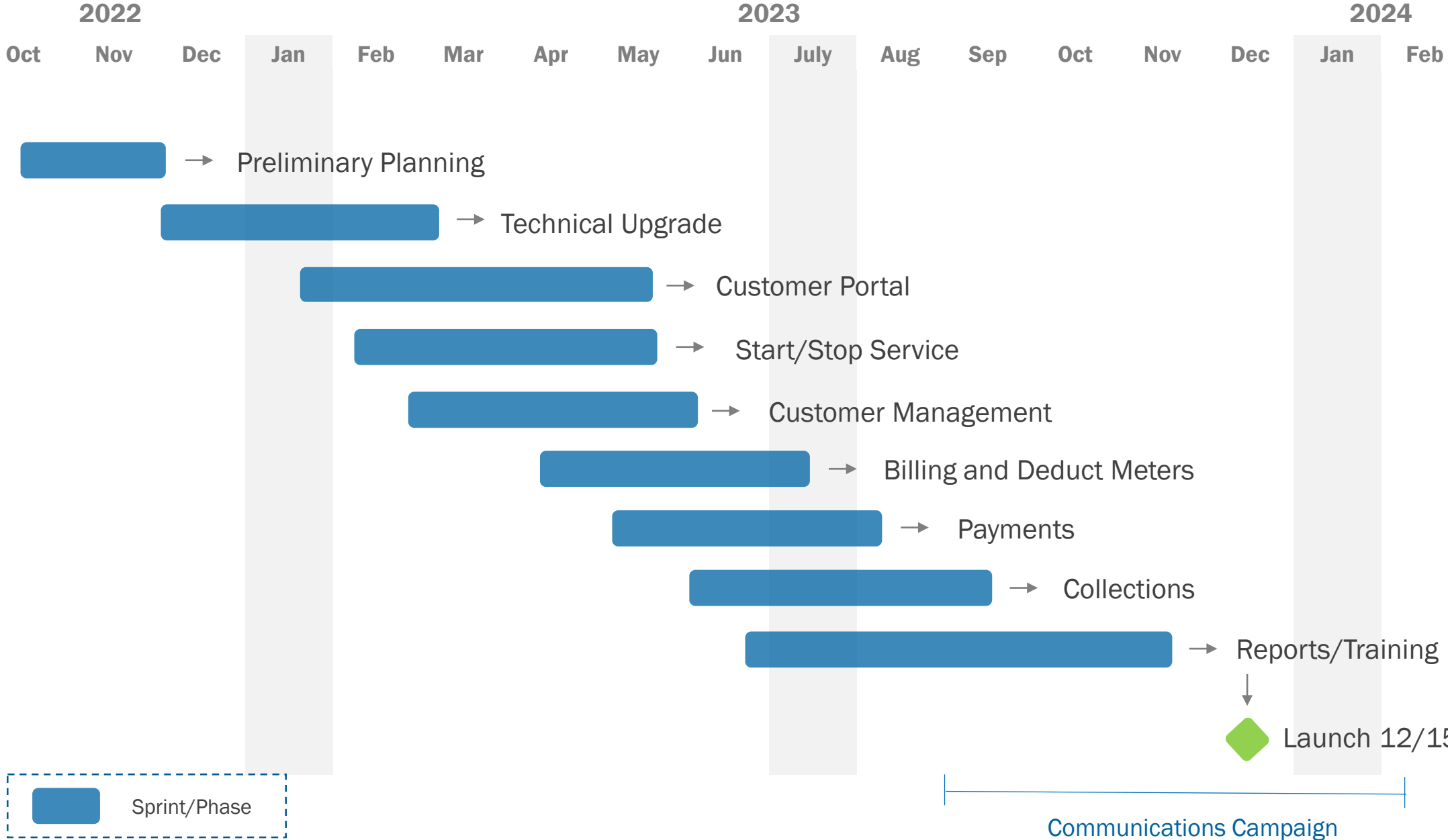
Improved design



New, extended hours



# Customer care system upgrade schedule



# Next steps

- Billing and payments
- Collections and reports
- Training
- Customer communication





To learn more, visit [www.alexrenew.com](http://www.alexrenew.com)



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## MEMORANDUM

TO: AlexRenew Board of Directors

FROM: Justin Carl, CEO

DATE: May 16, 2023

SUBJECT: Action Item (Alexandria Only) – Review and Approval of Resolution Authorizing and Approving the Increase of Line of Credit Financing

### Issue

AlexRenew has an existing \$30 million line of credit (line) through Bank of America, N.A. (Bank of America). Staff is recommending that the line of credit be increased to \$60 million to manage risk as it relates to the U.S. debt ceiling and potential Federal government shutdown.

### Recommendation

Staff respectfully requests that the Board of Directors approve the attached Resolution to authorize an increase in the line agreement with Bank of America from \$30 million to \$60 million.

### Budget and Funding

The RiverRenew Tunnel Project (Project) is primarily funded through clean water loans procured from the Virginia Clean Water Revolving Loan Fund (VCWRLF) and the Water Infrastructure Finance and Innovation Act (WIFIA). The \$185 million VCWRLF funds have largely been expended as of the date of this memorandum, leaving the Federally backed \$321 million WIFIA loan to fund the remainder of the Project. Additionally, AlexRenew continues to coordinate with the Virginia Department of Environmental Quality to receive its \$90 million American Rescue Plan grant.

The purpose of increasing the line is to fund RiverRenew Tunnel Project construction, estimated to be \$162.4 million in FY2024, on an interim/emergency basis in the event that AlexRenew cannot draw on the WIFIA loan due to a Federal government shutdown. Any balance on the line would be repaid with grant and/or WIFIA debt proceeds. The line is structured as subordinate debt under AlexRenew's Master Trust Indenture.

### Discussion

The line was procured by a process of competitive negotiation in January 2020 and was most recently amended in June 2022 to extend the maturity through June 30, 2024. The line is also revolving, meaning that as the outstanding balance (or a portion thereof) is repaid, new funds can be drawn under the line, up to the \$60 million

maximum. The rate on the line is variable and is based upon market conditions. The rate has averaged 0.75 percent since inception.

The proposed amendment would increase the maximum amount outstanding under the line from \$30 million to \$60 million. It would also allow the General Manager to reduce the maximum amount of the line from \$60 million to \$30 million at his discretion (i.e., when the risk related to the U.S. debt ceiling and potential Federal government shutdown subsidies). There are no other substantive changes to the existing terms of the line.

**Congruence with AlexRenew Strategic Plan**

This action supports the strategic outcome of Effective Financial Stewardship.

**Action Taken:**

Approved: \_\_\_\_\_

Disapproved: \_\_\_\_\_

Approved with Modification: \_\_\_\_\_

Modification(s): \_\_\_\_\_

**CITY OF ALEXANDRIA, VIRGINIA, SANITATION AUTHORITY**

**RESOLUTION APPROVING AN INCREASE TO THE LINE OF CREDIT FINANCING**

**WHEREAS**, the City of Alexandria, Virginia, Sanitation Authority d/b/a Alexandria Renew Enterprises ("**Alexandria Renew**") is a public body politic and corporate of the Commonwealth of Virginia (the "**Commonwealth**") created pursuant to the Virginia Water and Waste Authorities Act, Chapter 51, Title 15.2 of the Code of Virginia of 1950, as amended (the "**Act**");

**WHEREAS**, the Board of Directors of Alexandria Renew (the "**Board**") previously authorized and Alexandria Renew previously entered into a \$30 million line of credit financing to finance the costs of capital projects on an interim basis, which expires on June 30, 2024;

**WHEREAS**, the Board desires to increase the amount of the line of credit financing to \$60 million, subject to the terms of this Resolution;

**WHEREAS**, Alexandria Renew's obligations under the line of credit are and will be evidenced by, among other things (i) a Line of Credit Note, Subordinate Series (or an amendment to an existing note, each a "**Note**") and (ii) a financing, credit or other such agreement (or an amendment to the existing financing agreement, each a "**Financing Agreement**") between Alexandria Renew and the line of credit lender; and

**WHEREAS**, each Note is and will be subordinate debt ("**Subordinate Debt**") under the Master Indenture of Trust dated as of March 15, 1999 (as supplemented and amended, the "**Master Indenture**"), between Alexandria Renew and U.S. Bank National Association, as successor trustee (the "**Trustee**"), and a supplemental indenture dated on or about the date of issuance of the Note between Alexandria Renew and the Trustee (each a "**Supplemental Indenture**"), and each Note is and will be secured by a pledge of the net revenues (as more particularly defined in the Master Indenture, the "**Net Revenues**") derived by Alexandria Renew from the ownership and operation of its sewage disposal and sewer systems (as more particularly defined in the Financing Agreement, the "**System**"), subject to the terms of the Master Indenture regarding the status of Subordinate Debt.

**NOW, THEREFORE, IN FURTHERANCE OF THE PUBLIC PURPOSE FOR WHICH THE CITY OF ALEXANDRIA, VIRGINIA, SANITATION AUTHORITY WAS CREATED, BE IT RESOLVED THAT:**

**1. Authorization of Note and Use of Proceeds.** The Board hereby determines that it is in the best interest of Alexandria Renew to authorize an increase in the amount of the line of credit financing, which is and will be evidenced by one or more Notes and Financing Agreements. The Board hereby finds that the line of credit financing will promote the health, safety, welfare, morals and propriety of the citizens served by Alexandria Renew and will promote the governmental purposes of the Act. Accordingly, the Board hereby authorizes the increase in the amount of the line of credit financing in accordance with the terms of this Resolution. Each Note shall be known as the "City of Alexandria, Virginia, Sanitation Authority, Line of Credit Note, Subordinate Series" or such other designation as the Chief Executive Officer may approve. The

Board hereby covenants that the proceeds from each Note shall be used, together with other available funds, if any, to pay the costs of capital projects of Alexandria Renew and the costs of issuing each Note. The Board hereby authorizes Alexandria Renew to borrow, repay and reborrow amounts under each Financing Agreement and each Note on a revolving credit basis subject to the terms thereof and this Resolution. The Board authorizes the Chief Executive Officer to enter into future extensions of and amendments to the line of credit financing and new line of credit financings with other financial institutions from time to time, so long as such extensions and amendments and new lines of credit are not inconsistent with the intent of this Resolution and comply with the parameters in paragraph 2, including extensions and amendments that decrease the amount available under the line of credit financing.

**2. Details of Note.** (a) Each Note shall be issued (or reissued as the case may be) to or at the direction of the lender on terms that the Chief Executive Officer shall determine; provided, however, that the maximum principal amount of all outstanding Notes shall not exceed \$60,000,000 and the maximum term of any Note (including any renewal options) shall not exceed the date previously authorized by the Board.

(b) Subject to the parameters in subsection (a), the Board hereby authorizes the Chief Executive Officer to approve the final terms of each Note, such as the maturity date and amounts, redemption provisions, make-whole provisions, prices, interest rates and interest provisions, and any elections under the Internal Revenue Code of 1986, as amended (the "**Code**").

**3. Authorization of Financing Agreement.** The Board hereby authorizes the Chief Executive Officer to determine the final form of each Financing Agreement; provided that the form is not inconsistent with this Resolution, subject to the parameters in paragraph 2. The Board hereby authorizes the Chief Executive Officer to execute each Financing Agreement.

**4. Pledge of Net Revenues and Subordinate Debt.** (a) Each Note shall be a limited obligation of Alexandria Renew and, except to the extent payable from the proceeds of the issuance of a Note or the income, if any, derived from the investment thereof, is payable exclusively from the Net Revenues of the System. Alexandria Renew hereby renews its pledge of the Net Revenues to pay the principal of and premium, if any, and interest on each Note pursuant to the terms of the Master Indenture and each Financing Agreement. The Board hereby determines that each Note shall be issued as Subordinate Debt under the Master Indenture. The Board hereby acknowledges that as Subordinate Debt each Note will be secured equally and ratably with any outstanding Subordinate Debt and will be secured on a subordinate basis to Alexandria Renew's Bonds (as defined in the Master Indenture) and Parity Indebtedness (as defined in the Master Indenture) and any Bonds or Parity Indebtedness issued in the future, subject to Section 2.1(b) of the Master Indenture.

(b) Neither the Commonwealth of Virginia nor any of its political subdivisions, including Alexandria Renew, shall be obligated to pay the principal of or interest on any Note or other costs incident to it except from the revenues and any other money or property pledged for such purpose, and neither the faith and credit nor the taxing power of the Commonwealth of Virginia or any of its political subdivisions, including Alexandria Renew, is pledged to the payment of the principal of or interest on each Note or other costs incident to it. The issuance of each Note does not directly, indirectly or contingently obligate the Commonwealth of Virginia or

any of its political subdivisions, including Alexandria Renew, to levy any taxes for the payment of any Note.

5. **Form of Note.** The Board hereby authorizes and directs the Chief Executive Officer to determine the final form of each Note; provided that the form is not inconsistent with this Resolution, subject to the parameters in paragraph 2. The Board hereby authorizes the Chairman or the Chief Executive Officer to execute each Note. The Board hereby authorizes and directs the Secretary-Treasurer to affix the seal of Alexandria Renew to the executed Note and to attest the seal and then to deliver each Note to or at the direction of the Lender upon payment of the first principal advance thereunder.

6. **Supplemental Indenture.** The Board hereby authorizes and directs the Chief Executive Officer to determine the final form of each Supplemental Indenture; provided that the form is not inconsistent with this Resolution, subject to the parameters in paragraph 2. The Board hereby authorizes the Chief Executive Officer to execute each Supplemental Indenture.

7. **Tax Compliance Agreement.** Such officers of Alexandria Renew as may be requested are authorized and directed to execute and deliver a non-arbitrage certificate and tax compliance agreement (the "**Tax Compliance Agreement**") in a form to be approved by the officers of Alexandria Renew executing such document, whose approval shall be evidenced conclusively by the execution and delivery thereof.

8. **Arbitrage Covenants.** Alexandria Renew covenants that it shall neither take nor omit to take any action the taking or omission of which will cause each Note to be "arbitrage bonds" within the meaning of Section 148 of the Code, or otherwise cause interest on a Note to be includable in the gross income of the registered owner thereof under existing law, to the extent any advance under the line of credit is intended to be tax-exempt. Without limiting the generality of the foregoing, Alexandria Renew shall comply with any provision of the Tax Certificate that may require Alexandria Renew at any time to rebate to the United States any part of the earnings derived from the investment of the gross proceeds of each Note, unless Alexandria Renew receives an opinion of nationally-recognized bond counsel that such compliance is not required to prevent interest on a Note from being includable in the gross income for federal income tax purposes of the registered owners thereof under existing law. Alexandria Renew shall pay any such required rebate from legally available funds.

9. **Evidence of Approval.** The approval or determination of all of the details and provisions of each Note, each Financing Agreement and all other documents executed under the authority of this Resolution shall be evidenced conclusively by the execution and delivery of each Note, each Financing Agreement and such other document by the officer or officers authorized hereby.

10. **Further Actions; Authorized Representative.** The Board hereby authorizes and directs the Chairman and the Chief Executive Officer and such officers and agents of Alexandria Renew as may be designated by either of them to take such further actions as they deem necessary regarding, the line of credit financing and the execution, delivery and performance of the documents related thereto. All such actions previously taken by such officers and agents are ratified and confirmed. The Board hereby designates the Chairman and the Chief Executive

Officer as Alexandria Renew's authorized representatives for purposes of each Financing Agreement. The authorization granted in this Resolution to the Chairman, Chief Executive Officer, Secretary-Treasurer may be carried out by the Vice Chairman (in the case of the Chairman), the Chief Financial Officer (in the case of the Chief Executive Officer), and the Assistant or Acting Secretary (in the case of the Secretary-Treasurer), or such other officer as any of the named officers may designate in writing. When this Resolution authorizes the Chairman or the Chief Executive Officer to act, it shall be sufficient for either the act.

**11. Filing of Resolution.** The Board hereby directs counsel to Alexandria Renew to file a certified copy of this Resolution with the Circuit Court of the City of Alexandria, Virginia, pursuant to Section 15.2-5126 of the Code of Virginia of 1950, as amended.

**12. Effective Date.** This Resolution shall take effect upon adoption.

Adopted May 16, 2023

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Secretary-Treasurer

## CEO Board Report April 2023

Dear Members of the Board of Alexandria Renew Enterprises,

The Alexandria Renew Enterprises (AlexRenew) Board of Directors met on April 18, 2023. At the meeting, Board members authorized public notification of the Resolution of Intent to Adopt and Change Certain Rates, Fees, and Charges and set a public hearing for Saturday, May 20, at 9:00 a.m.

### Operational Excellence

Precipitation for April at the Reagan National Airport was 3.55 inches, which is above the Washington, D.C. historical average precipitation of 3.21 inches for the month. There were no sanitary sewer overflows in the collection system or at the plant during the month.

Biosolids production for April was 1,645 wet tons, all of which was beneficially used through land application in the Virginia counties of Fauquier, King George, King William, Orange, Louisa, and Spotsylvania.

AlexRenew met all Virginia Pollutant Discharge Elimination System (VPDES) effluent parameters for April 2023.

Treatment	Daily Average Flow	Carbonaceous Biochemical Oxygen Demand	Total Suspended Solids	Ammonia (as N)	Dissolved Oxygen	Total Nitrogen <sup>1</sup>	Total Nitrogen LOAD	Total Phosphorus	Total Phosphorus LOAD
	MGD	(Monthly Average) mg/L	(Monthly Average) mg/L	(Monthly Average) mg/L	(Minimum) mg/L	(Annual Average) mg/L	(YTD) lb.	(Monthly Average) mg/L	(YTD) lb.
Permit	54.0	5.0	6.0	Seasonal <sup>2</sup>	6.0	3.0	493,381	0.18	29,603
Reported	35.849	<QL	2.7	0.39	8.3	2.9	108,009	0.12	4,060

### NOTES

1. Total Nitrogen expressed as year-to-date average.
2. Ammonia has seasonal limits – April - October: 1.0 mg/L

### Finance

See Monthly Financial Report (Attachment 2).

### Public Engagement and Trust

#### **Tours and Events**

AlexRenew welcomed a total of 150 visitors from the following organizations that hosted meetings on the 6th floor of the Environmental Center in April: Alexandria City Public Schools (10), WaterReuse (20), ACT for Alexandria (35), Alexandria Chamber of Commerce (30), US Water Alliance (30), and Jack and Jill of America (25). AlexRenew also hosted 26 visitors from Leadership Alexandria for a tour and visited both the Northern Virginia Juvenile Detention School and the St. Stephen's & St. Agnes School to present an overview of AlexRenew.



**Customer Service**

Customer service received a total of 764 calls with 52 percent opting for self-service. The average call answer time was 30 seconds. The call center staff answered 93 emails.

**Social Media and Website**

During April, we had 22,855 total social media impressions and total 1,807 engagements on our social media posts. We had 1,023 engagements on Facebook and 260 engagements on Twitter. We have 3,664 followers on Facebook, 3,241 on Twitter, 2,651 on LinkedIn, and 306 on Instagram. Alexrenew.com had 4,613 visitors and had 10,150 page views in April. We had 163 visitors click through to AlexRenew.com from social media.

**Watershed Stewardship**

See RiverRenew Dashboard (Attachment 1).

**Adaptive Culture**

Since September 2022, AlexRenew has logged 127,045 hours without a lost time accident.

Thank you for your ongoing dedicated service to AlexRenew.

Regards,

Justin Carl  
Chief Executive Officer

# RiverRenew Board of Directors Dashboard



MONTH ENDING: APRIL 30, 2023

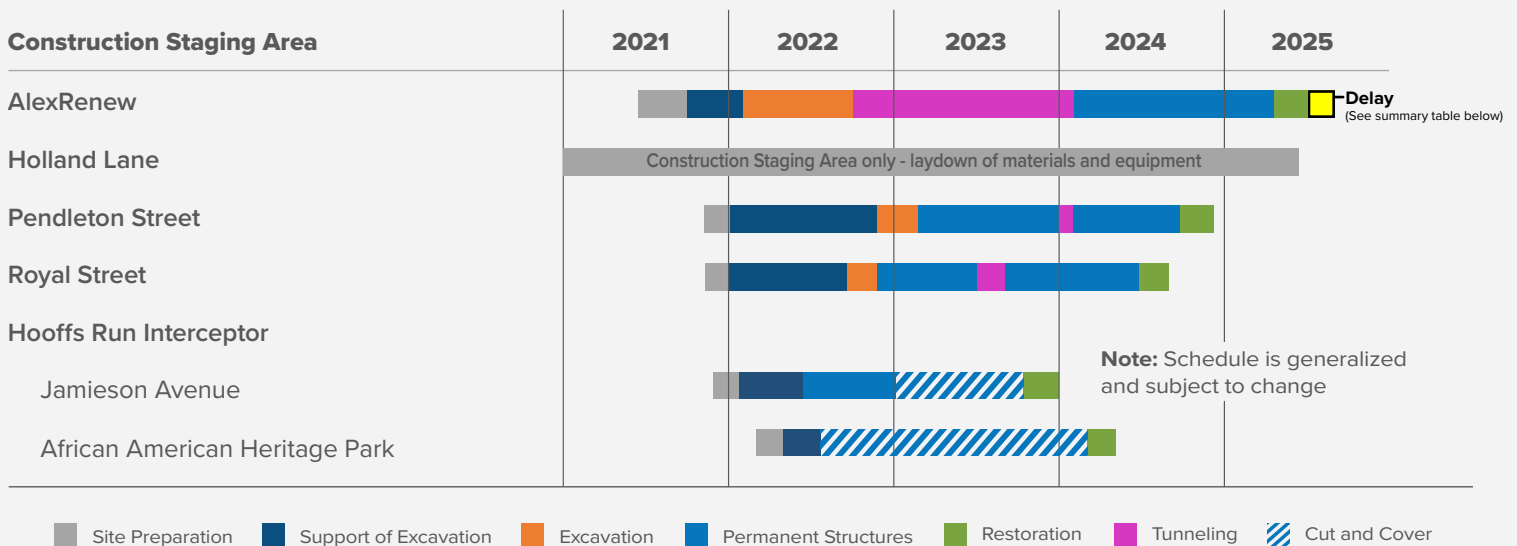
RiverRenew is a program owned and implemented by AlexRenew, Alexandria's public regional wastewater treatment provider.

## 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 RiverRenew projects at AlexRenew's wastewater treatment plant are complete. The remaining project includes the construction of a new tunnel to connect AlexRenew's wastewater treatment plant to the four existing combined sewer outfalls in Alexandria.

The Tunnel Project is illustrated on Page 4 of this dashboard. Construction associated with the Tunnel Project started in early 2021 and will continue through 2025 at five primary locations in Alexandria. The phases of construction at each location are illustrated in the schedule below.

## RiverRenew Tunnel Project Schedule



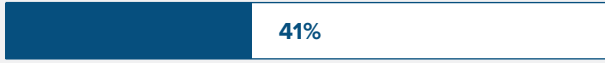
## Summary of Major Tunnel Project Delays

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.

# RiverRenew Tunnel Project Design-Build Progress

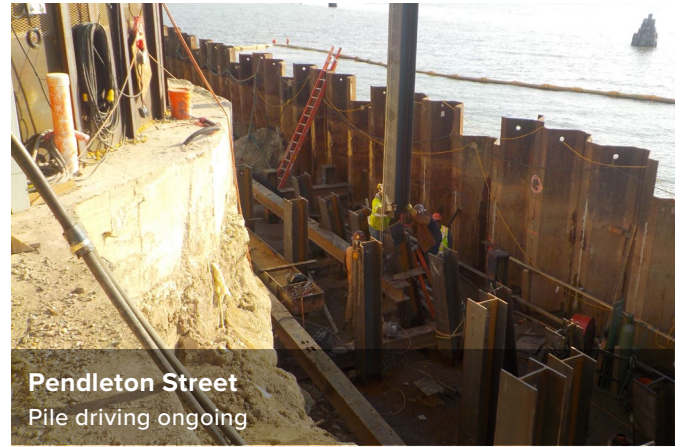
## Overall Project Progress

(Design and Construction)



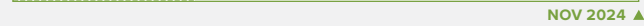
▲ DEC 2020

JUL 2025 ▲

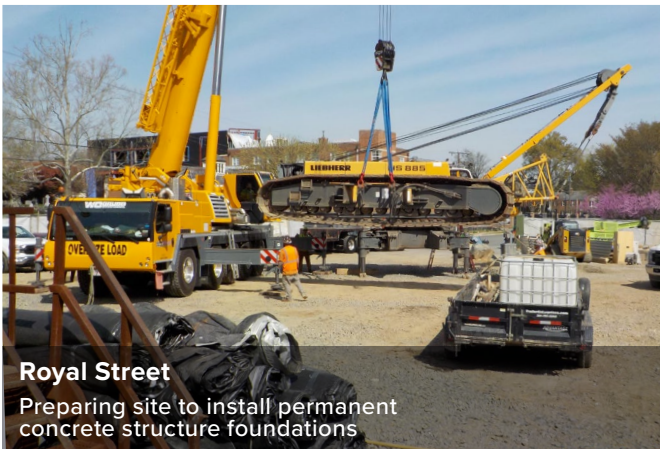


**Pendleton Street**  
Pile driving ongoing

Construction Progress\*

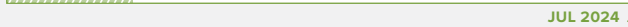
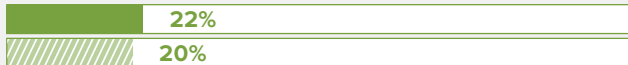


NOV 2024 ▲



**Royal Street**  
Preparing site to install permanent concrete structure foundations

Construction Progress\*

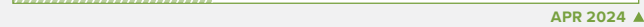
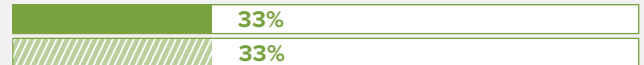


JUL 2024 ▲



**Hooffs Run**  
Outfall 003 Extension Sewer under construction

Construction Progress\*

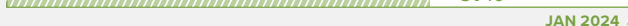


APR 2024 ▲

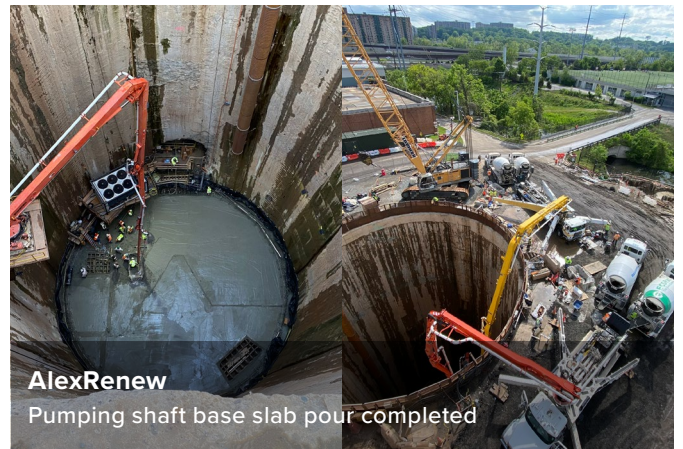


**Waterfront Tunnel**  
Full production mining underway

Construction Progress\*

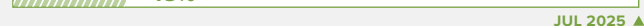
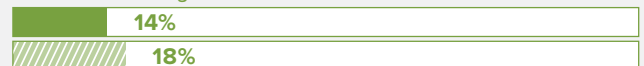


JAN 2024 ▲



**AlexRenew**  
Pumping shaft base slab pour completed

Construction Progress\*



JUL 2025 ▲

**LEGEND:** ■ Actual Progress ■ Planned Progress ▲ Planned Completion Date

Actual Progress as of April 30, 2023. Planned Progress bars are representative of updates to Baseline Schedule.  
\*The planned progress for each construction staging area reflects the Design-Builder's schedule as of April 2023.

# RiverRenew Tunnel Project Six-Month Look-Ahead

## Work Hours

### NORMAL WORK HOURS

Pendleton Street	6 a.m. – 6 p.m.
Royal Street	7 a.m. – 6 p.m.
Hooffs Run	7 a.m. – 6 p.m.
AlexRenew	24/7

## Community Outreach

Event	Date
2023-2024 RiverRenew SAG Meetings	Third Thursday of every other month
Tunnel Tours	May 6, 2023
Community Listening Sessions	Sep 2023
Council-Board Workgroup	July 19

## Pendleton Street

### MAJOR WORK ACTIVITIES

Activity	Date
Permanent concrete structures deep foundations (pile driving)	Ongoing through Summer 2023
Shaft liner and base slab construction	May 2023
Permanent concrete structures construction	Sep 2023

### PERMITS

Permit	Date
Building Permit - Shaft Mechanical, Electrical, and Plumbing	Jul 2023

## Hooffs Run

### MAJOR WORK ACTIVITIES

Activity	Date
North of Jamieson Ave	
Diversion chamber construction	Ongoing through Aug 2023
Open-cut construction	Ongoing through Fall 2023
Junction chamber construction	Ongoing through May 2023
African American Heritage Park	
Sheeting installation	Ongoing intermittently through Fall 2023
Open-cut construction	Ongoing through Fall 2023
Jamieson Avenue full closure	Fall 2023

## Royal Street

### MAJOR WORK ACTIVITIES

Activity	Date
Permanent concrete structures deep foundations	May 2023
Permanent concrete structures construction	Jul 2023

### PERMITS

Permit	Date
Building Permit - Shaft Liner and Base Slab	Jun 2023
Building Permit - Near Surface Structures Permanent Concrete	Jun 2023
Building Permit - Shaft Mechanical, Electrical, and Plumbing	Aug 2023

## AlexRenew

### MAJOR WORK ACTIVITIES

Activity	Date
Pumping Shaft liner construction	May 2023
Permanent concrete structures deep foundations	May 2023
Permanent concrete structures support of excavation	Jun 2023
Permanent concrete structures construction	Jul 2023

### PERMITS

Permit	Date
Building Permit - Shaft Mechanical, Electrical, and Plumbing	Jun 2023
Building Permit - Superstructure Architectural	Aug 2023

## Waterfront Tunnel

### MAJOR WORK ACTIVITIES

Activity	Date
Mining	Ongoing through Jan 2024

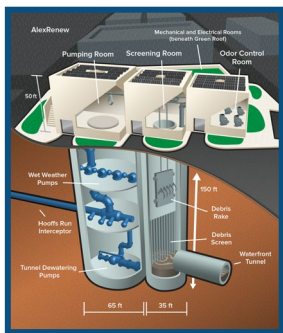
# RiverRenew Tunnel Project Snapshot

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.



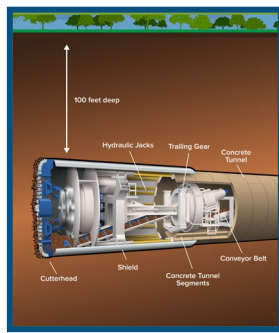
**Hooffs Run Interceptor**

Click [here](#) to learn more about upcoming activity at our Hooffs Run site.



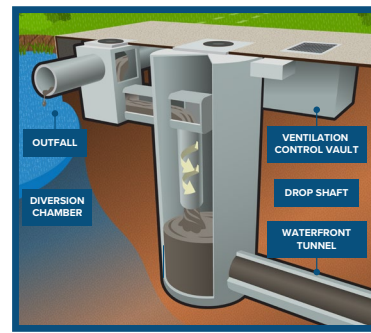
**Pumping Station**

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.

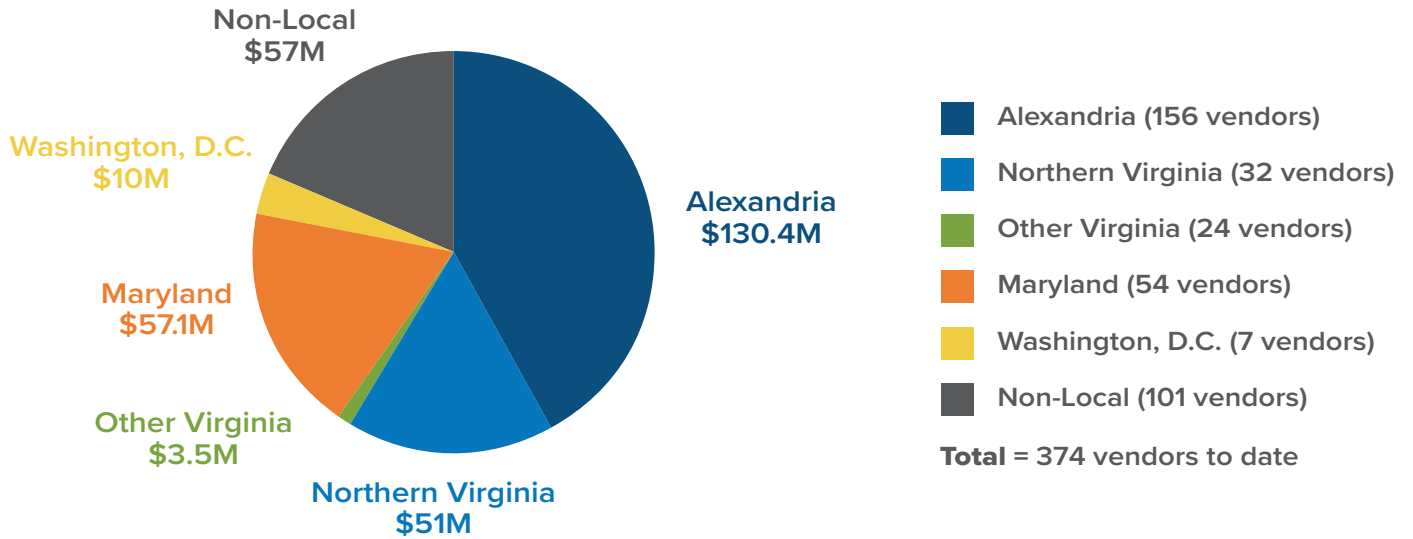


**Diversion Facility**

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

# RiverRenew Program Costs to Date

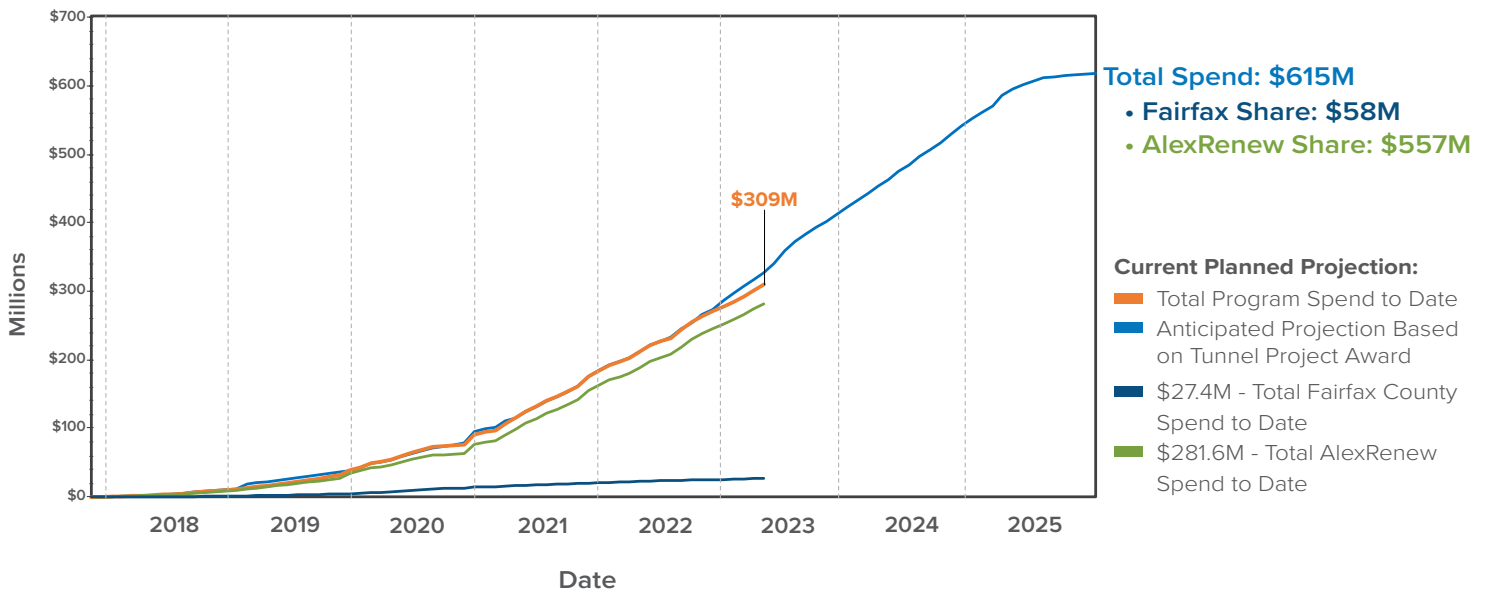
## RiverRenew Spend to Date by Locality



## 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	\$176
Brown and Caldwell	Owner's Advisor	Professional Services	17-022	Nov 2017	\$68.2
EPC	Resident Engineering & Inspection Tunnel System Project	Professional Services	20-013	Apr 2020	\$12.4
Completed RiverRenew Wastewater Projects to Pave the Way for the Tunnel Project					\$52.3

## RiverRenew Cash Flow Analysis



Note: As of April 30, 2023.

# RiverRenew Community Outreach



## Community Meetings

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

**Looking Ahead:**

- 2023-2024 RiverRenew SAG Meeting No. 2: **May 18, 2023**



## Community Events

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

**Looking Ahead:**

- Sip 'n See event at Hooffs Run: Tuesdays between 11 a.m. and 1 p.m.
- Sip 'n See event at Royal Street: Wednesdays from 11 a.m. to 1 p.m.
- Sip 'n See event at Pendleton Street: Thursdays between 11 a.m. and 1 p.m.
- Community Listening Sessions: **September 2023**



## Community Days

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

**Highlights:**

- Oronoco Bay Park Clean-up: **April 15, 2023**

**Looking Ahead:**

- Waterfront Tunnel Tours: **May 6, 2023**



## Digital Programming

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

**Highlights:**

- An **inside** look at Hazel's new muck conveyor system
- An **animated video** explaining how a Tunnel Boring Machine operates
- A **video** of team members celebrating the start of full production mining



## Education

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

**Highlights:**

- A banner detailing TBM operation installed at Limerick Field for community viewing



## Council-Board Workgroup

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

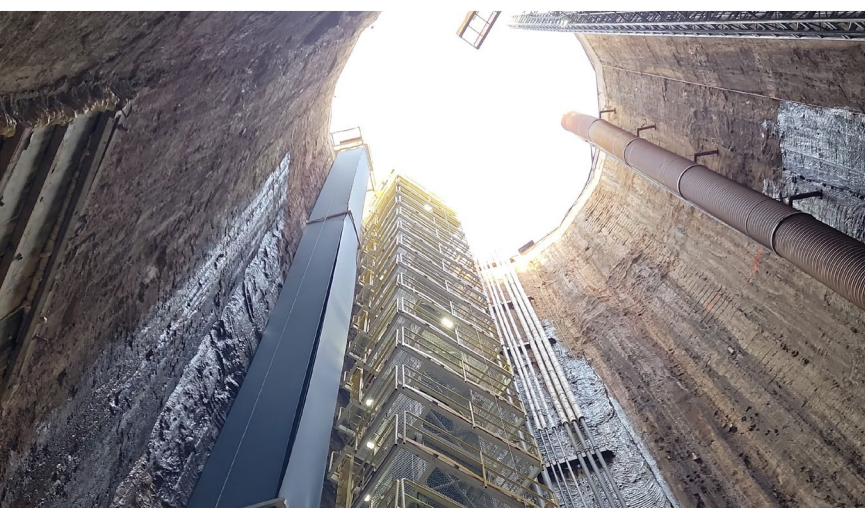
**Highlights:**

- Council-Board Workgroup Meeting No. 18: **April 19, 2023**

**Looking Ahead:**

- Council-Board Workgroup Meeting No. 19: **July 19, 2023**

# Monthly Construction Spotlight



## Hazel the Tunnel Boring Machine enters full production mode!

This spring, RiverRenew crews assembled the horizontal and vertical conveyor belt systems necessary to efficiently remove excavated “muck” from the tunnel to the surface for disposal. Crews achieved a milestone this month as the conveyor systems were commissioned and TBM mining resumed at full production. Supported by this state-of-the-art conveyor equipment, Hazel now has the capability to mine in excess of 100 feet per day.

Follow AlexRenew on social media to keep up with Hazel's progress, or learn more about her journey on [RiverRenew.com](http://RiverRenew.com).

Building for the Future of Alexandria's Waterways

To learn more, visit [www.RiverRenew.com](http://www.RiverRenew.com)



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

Attachment 1



# Monthly Financial Report

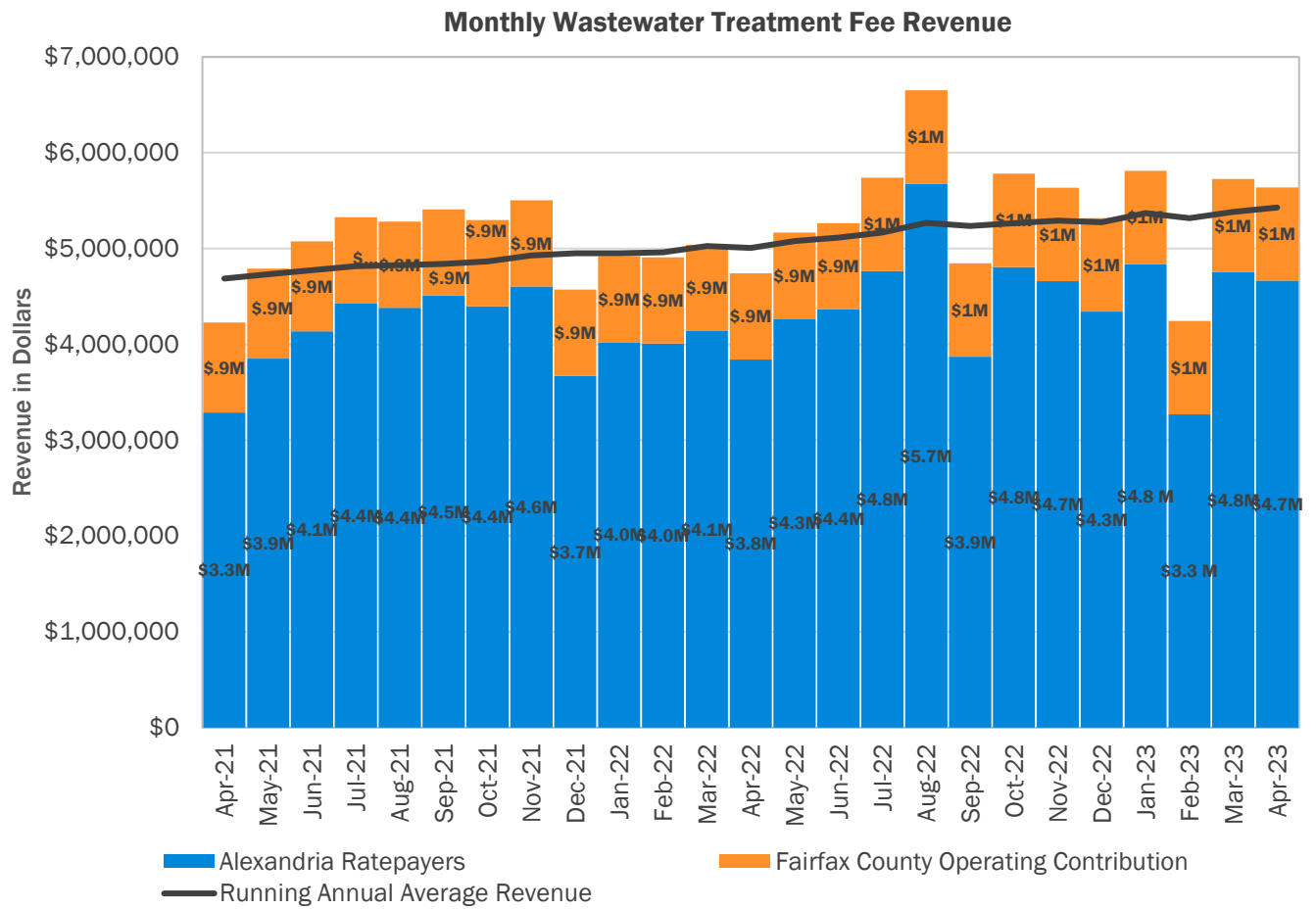
**Month:** April 2023

## Overview

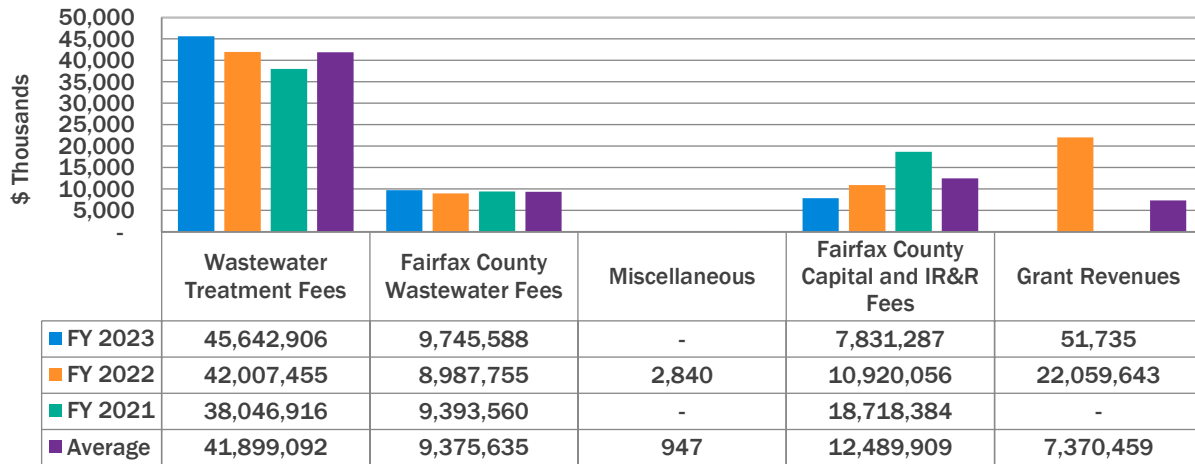
Performance of AlexRenew’s annual approved budget is reviewed and evaluated monthly to ensure overall organizational financial stability.

## Revenues

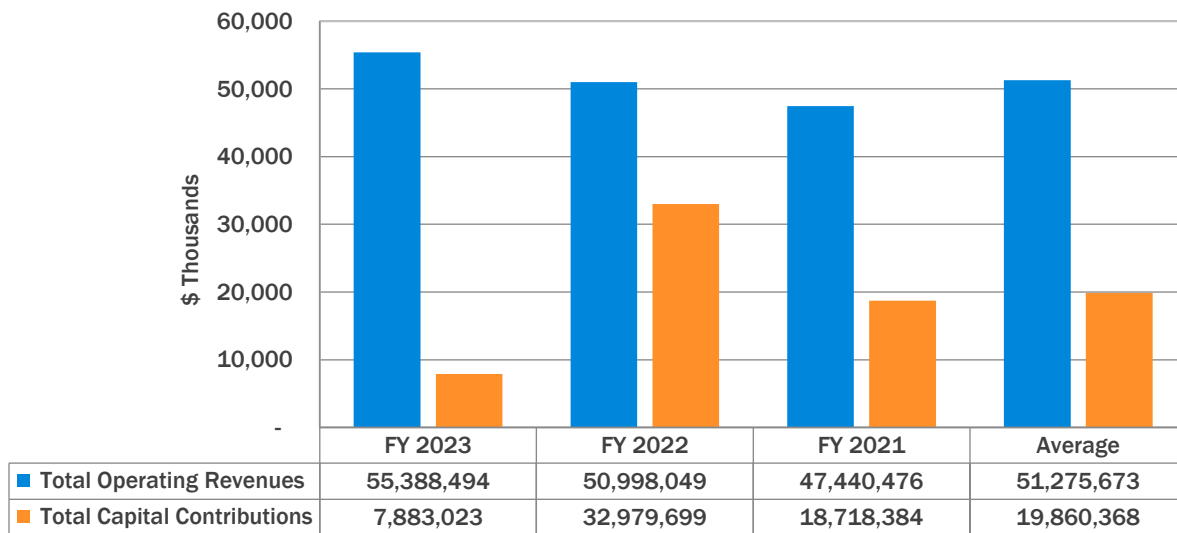
- FY2023 operating revenues totaled \$55.4 million through the end of April with approximately \$45.7 million in Wastewater Treatment Charge revenue and \$9.7 million collected from Fairfax County. Wastewater Treatment Charge revenue is \$3.2 million (7.0%) above the Fiscal 2023 YTD budget.
- Revenue 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.



### Annual Revenue and Capital Contributions 3 Year Comparison



### Operating Revenue vs. Capital Contributions



Total Capital Contributions include Fairfax County Capital and IR&R Fees and Grant Revenues.

### Expenses

To date, actual FY2023 operating expenses align with projected FY2023 budget expenditures. The debt service fund spend rate slightly exceeds projected year-to-date budget. This is mainly a result of timing of debt service payments.

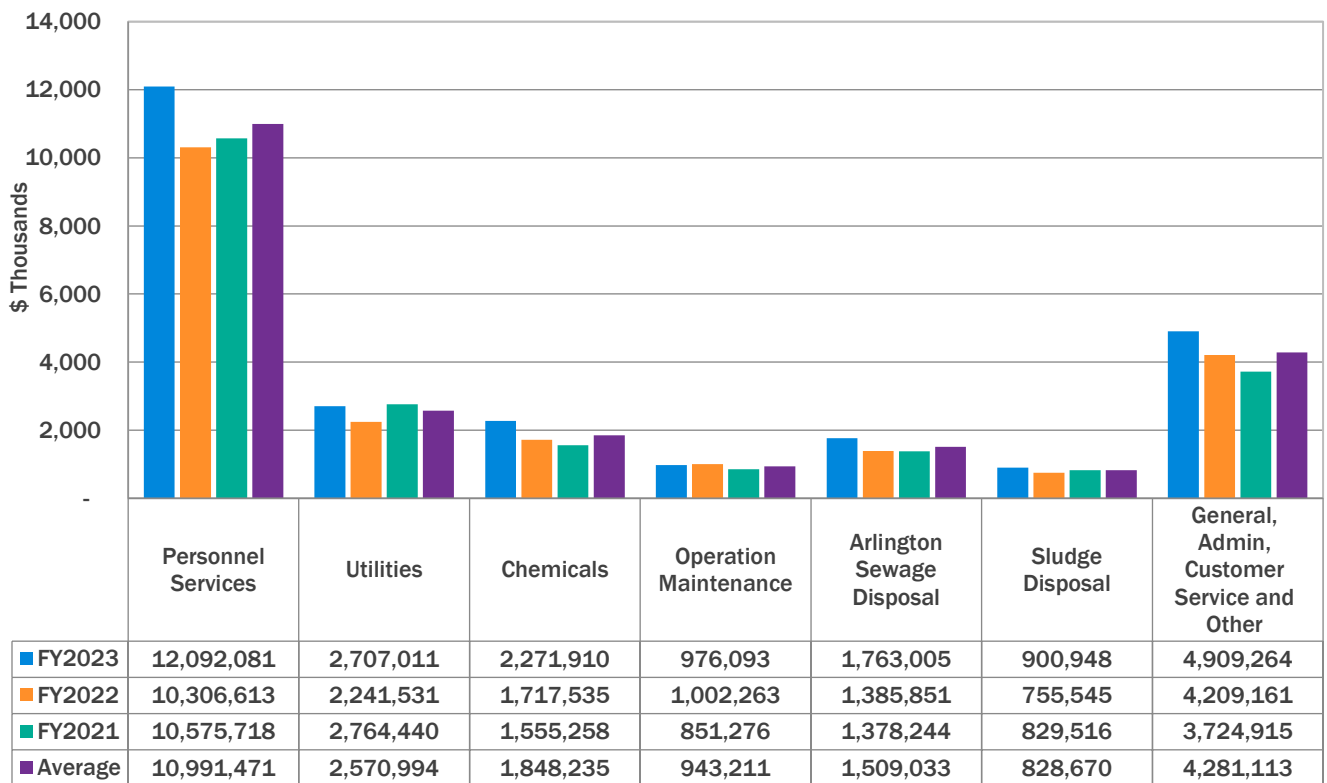
Capital expenses are \$84.03 million year-to-date and are primarily attributed to the RiverRenew Tunnel System Project.

At ten (10) months into the fiscal year, the overall spend rate is 59.7% of the total budget.

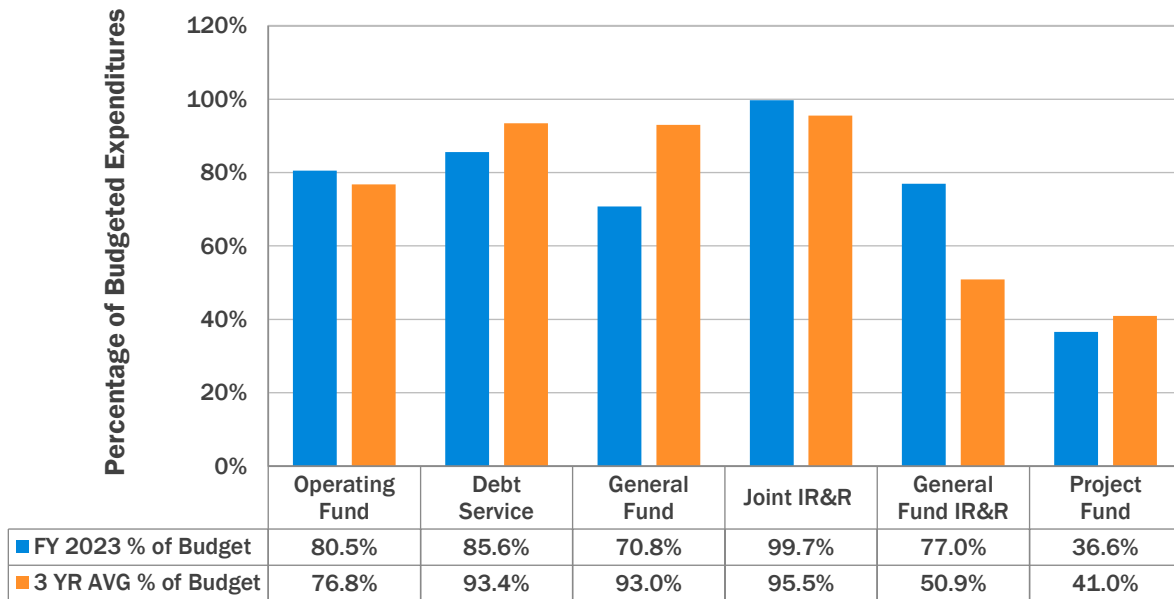
Expenses by Fund

ACTUAL VS. BUDGET Through April 2023					SPEND RATE		
(\$ Millions)	FY 2023	FYTD 2023	3 YR AVG	FYTD 2023	FY 2023	3 YR AVG	Variance FY23
Expenses (By Fund)	BUDGET	ACTUAL	ACTUAL	BUDGET	% of Budget	% of Budget	to 3 YR AVG
Operating Fund	\$ 30.44	\$ 24.51	\$ 22.33	\$ 25.37	80.5%	76.8%	3.7%
Debt Service	14.74	12.62	13.33	12.28	85.6%	93.4%	-7.8%
General Fund	69.28	49.03	27.91	57.73	70.8%	93.0%	-22.2%
Joint IR&R	10.33	10.30	6.89	8.61	99.7%	95.5%	4.2%
General Fund IR&R	0.69	0.53	0.18	0.57	77.0%	50.9%	26.1%
Project Fund	95.60	35.00	43.39	79.67	36.6%	41.0%	-4.3%
<b>Total</b>	<b>\$ 221.08</b>	<b>\$ 131.98</b>	<b>\$ 114.02</b>	<b>\$ 184.23</b>	<b>59.7%</b>	<b>61.0%</b>	<b>-1.3%</b>

Annual Operating Expenses  
3 Year Comparison



**Expenditure Budget Comparison By Fund  
FY 23 vs. 3 Year Average**

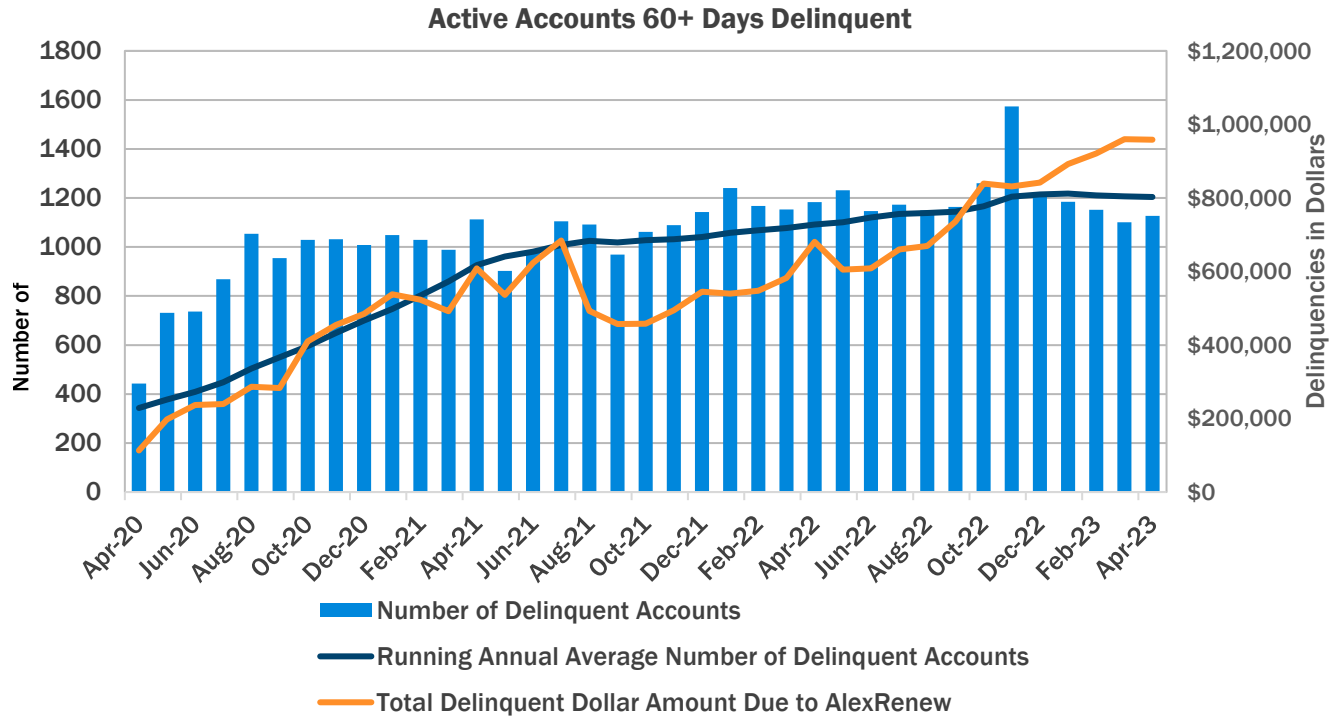


**Delinquencies**

The number of accounts delinquent by more than 60 days was 1,127 in April, an increase of 26 accounts month-over-month. Approximately 86 percent of delinquent accounts are residential, with the remaining attributed to commercial accounts.

The total dollar amount owed to AlexRenew from these accounts totaled \$958,435 at the end of April, a slight decrease of \$1,418 from March, which marked the first decrease in the past 5 months. Approximately 50 percent of the delinquency value is from residential accounts, with the remaining attributed to commercial accounts.

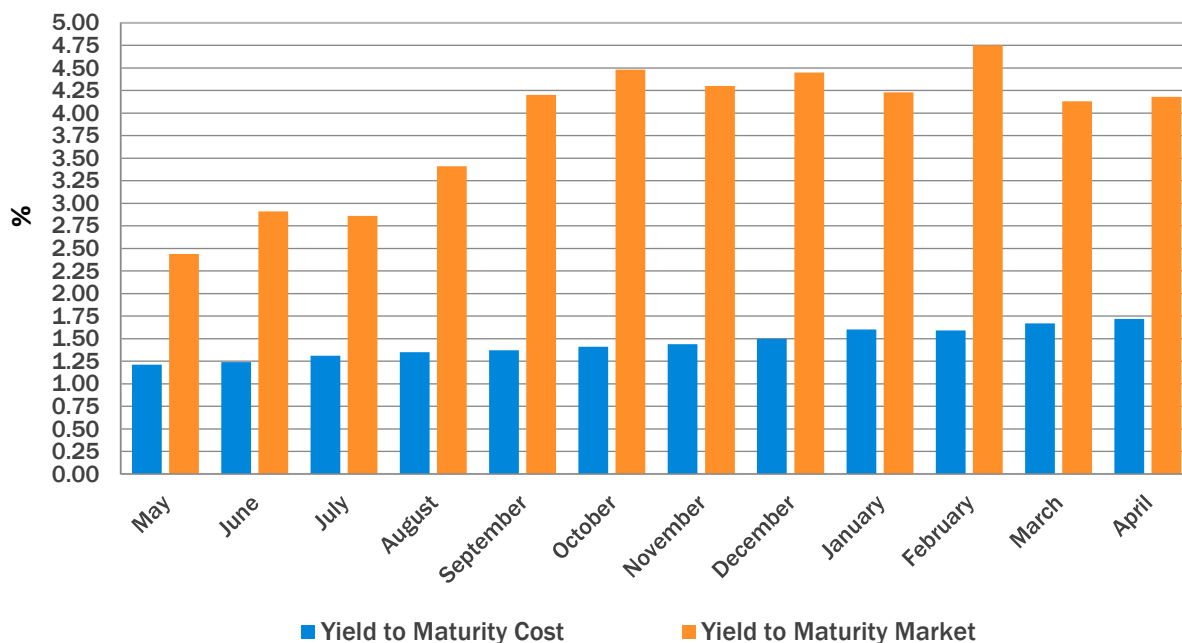
AlexRenew continues to work with customers with unpaid bills to assist them in bringing their accounts current through payment plans. Currently, 80 residential and 11 commercial accounts are on active payment plans.



**Investments**

PFM Investment Advisors manages approximately \$21 million of AlexRenew’s \$25 million investment portfolio. The following graph demonstrates current earnings on investments of approximately 1.72%; a level higher than general bank deposit earnings rates.

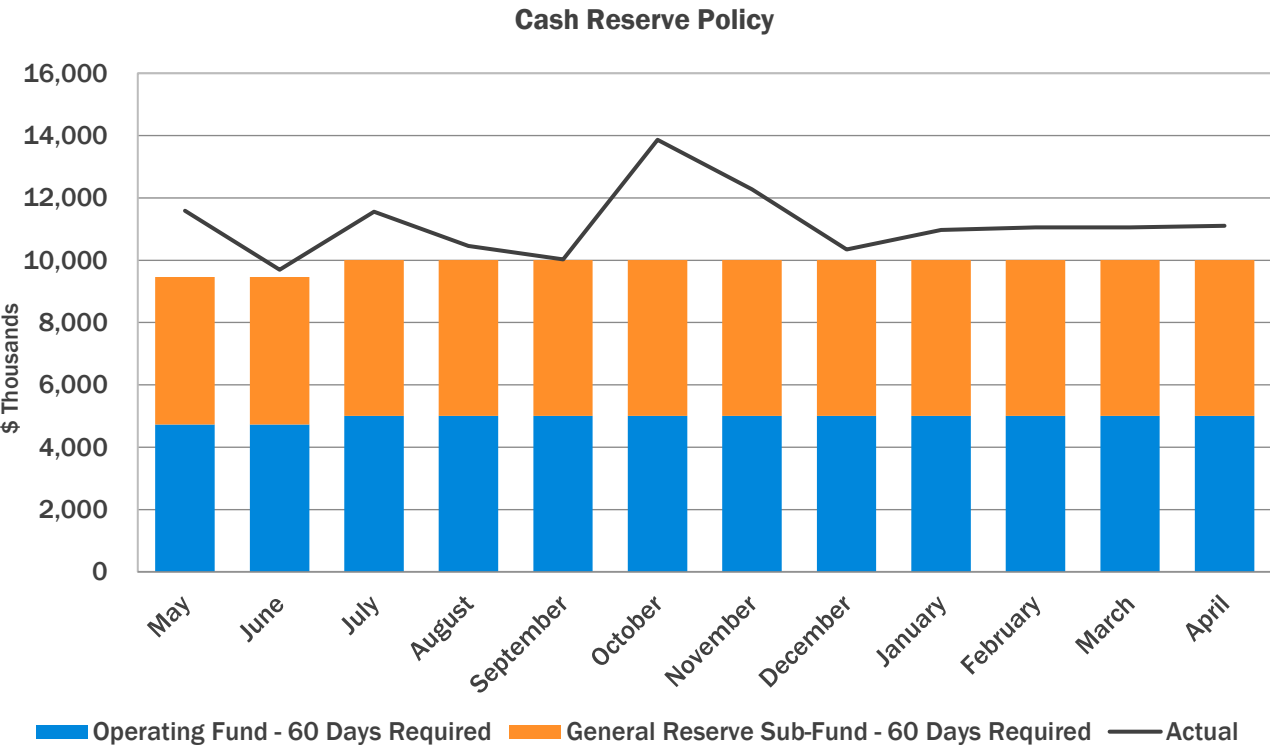
**Investment Yield Percentage to Maturity  
(Investments managed by PFM)  
Through April 2023**



**Cash Reserves**

AlexRenew’s Master Indenture of Trust requires that it maintain a balance on deposit in the Operating Fund equal to not less than 60 days of budgeted operating expenses. AlexRenew’s Financial Policy requires a balance on deposit in the 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 FY2023 this equals a minimum of \$10,008,654. The chart and graph below demonstrate that AlexRenew currently exceeds this requirement and is currently at 133 days cash on hand for these funds.

<b>Board Policy 120 Days Cash Reserves</b>	<b>Actual</b>	<b>Percentage of Goal</b>
<b>As of April 30, 2023</b>		
Total Operating Cash	\$ 3,225,898	
Total Certificates of Deposit (Cash Equivalent)	\$ 2,878,927	
<b>Total Operating Cash</b>	<b>\$ 6,104,825</b>	
<b>Total General Reserve Sub-Fund Cash</b>	<b>5,004,327</b>	
<b>Total Operating and General Reserve Sub-Fund Cash</b>	<b>11,109,152</b>	<b>111%</b>



**Debt Service Coverage**

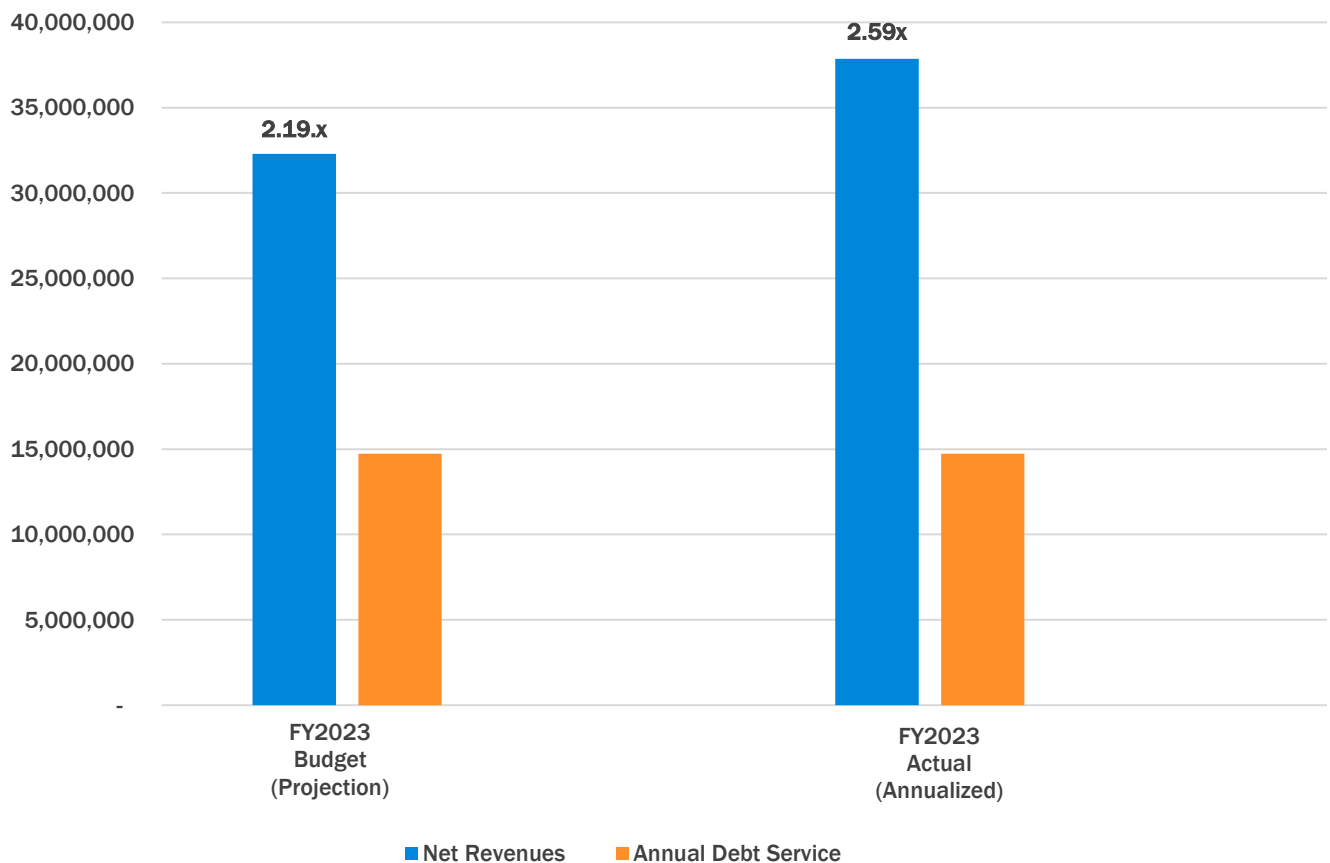
The Indenture also requires AlexRenew to maintain minimum debt service coverage such that Revenues less Operating Expenses or Net Revenues (each term as defined in the Indenture) is at least 1.10x the parity debt service due in any fiscal year. Compliance with Board-approved financial policies require 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 below. The 2.19x designated in the graph below represents projected coverage for FY23 based on original FY23 budget expectations. At ten months into the fiscal year, annualized results would indicate coverage of 2.59x, ahead of the budgeted projection of 2.19x.

## Monthly Financial Report

<b>Financial Policy Compliance - All-In Debt Service Coverage</b>	<b>FY 2023 Actual</b>	<b>FY 2023 Budget</b>
<b>Gross Revenues Available for Debt Service Coverage:</b>		
Wastewater Treatment Charges - Alexandria Ratepayers	54,771,487	50,922,485
Fairfax County Operating Expense Charge	11,694,706	11,694,706
Reimbursement from other systems	-	-
Investment Income	809,134	115,000
Less Restricted Investment Income	-	-
<b>Total</b>	<b>67,275,326</b>	<b>62,732,191</b>
<b>LESS Operating Expenses</b>	<b>(29,411,652)</b>	<b>(30,442,988)</b>
<b>Net Revenues [a]</b>	<b>37,863,674</b>	<b>32,289,203</b>
<b>Annual Debt Service [b]</b>	<b>14,739,509</b>	<b>14,739,509</b>
<b>Calculated All-In Debt Coverage [a/b]</b>	<b>2.57x</b>	<b>2.19x</b>
<b>Financial Policy Target</b>	<b>≥1.50x</b>	<b>≥1.50x</b>

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





## Monthly Financial Report

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### 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.

#### Parity Debt Service Fund

The Parity Debt Service 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, Renewal & Replacement (IR&R) 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 AlexRenew 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.



## PFAS

### Talking Points

May 16, 2023

#### 1. What are PFAS?

- Per- and polyfluoroalkyl substances (PFAS)
- “Forever chemicals” don’t break down in the environment
- Family of compounds that have been widely used since the 1960s
- Commonly used in high temperature firefighting foams and in non-stick, grease repellent or water proofing applications
- Thousands of PFAS compounds are currently in use
- Characterized by a carbon-fluorine bond – one of the most difficult (i.e. energy intensive) bonds to break

#### 2. EPA Maximum Contaminant Level (MCL) for PFAS in Drinking Water

- In March 2023, EPA issued a draft drinking water limit for 6 PFAS in drinking water
- Open for public comment until May 30
- Finalization anticipated by the end of 2023

#### 3. PFAS Impacts on Wastewater

- Municipal wastewater treatment plants are passive receivers of PFAS compounds that come from the community’s everyday activities (e.g. washing clothes, cooking with some non-stick pans, and putting out high-heat fires)
- Wastewater treatment is not designed to remove or destroy PFAS
- EPA has taken steps to designate PFAS as hazardous substances that would trigger clean up under CERCLA (Superfund Law). This could:
  - Require wastewater treatment plants to clean up sites where biosolids have been land applied
  - Prevent the land application of biosolids

#### 4. PFAS Liability Act

- Introduced in the Senate on May 4, 2023
- Bill to codify and clarify the CERCLA liability exemption for wastewater plants who are in compliance with their permits
- Place the burden of clean-up costs on the polluters rather than passive receivers of PFAS
- Coalition of national organizations recently endorsed proposed legislation (see attached letter)



May 2, 2023

The Honorable Cynthia Lummis  
United States Senate  
Washington, DC 20510

Dear Senator Lummis,

The Water Coalition Against PFAS writes to express our strong support for the “Water Systems PFAS Liability Protection Act,” legislation that will preserve the important “polluter pays” principle for cleanups of Per- and Polyfluoroalkyl Substances (PFAS) under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA).

Last year, EPA formally announced plans to designate two of the most common PFAS – Perfluorooctanoic acid (PFOA) and Perfluorooctanesulfonic acid (PFOS) – as hazardous substances under CERCLA. While EPA has stated that this action will help ensure that manufacturers and users of these chemicals are held responsible for the cost of remediating contaminated sites, without congressional action drinking water and clean water utility customers – the same American public that was unwittingly exposed to these chemicals now contaminating their water supplies – will also be at risk of incurring the significant cost of cleaning up sites that are tainted with these chemicals.

This is because drinking water and clean water systems are innocent receivers of PFAS contamination from upstream polluting industries and PFAS-laden products. This causes the water system to possess residuals that contain those PFAS, which are disposed of in accordance with applicable law. However, should disposal be to a landfill or other facility that ever became a Superfund site, then the water system could be treated as a PFAS polluter – and be responsible for a portion or even all the cleanup costs – forcing local ratepayers to cover the cleanup bill after they already paid to remove the contaminants from their source water. This challenge will become even more acute as EPA has proposed a National Primary Drinking Water Regulation for six different PFAS – which if finalized will require communities to remove these substances through treatment processes that will capture and concentrate PFAS in filtration media.

Wastewater and stormwater utilities would face similar liability through no fault of their own because they either receive PFAS chemicals through the raw influent that arrives at the treatment plant or through the municipal stormwater runoff that they manage. These flows can come from domestic, industrial, and commercial sources and may contain PFAS constituents ranging from trace to higher concentrations, depending on the nature of the dischargers to the sewer or stormwater system. These flows are not generated by the utility; rather, the utility provides the critical human health and environmental service of managing and treating this influent to meet all the requirements of the Clean Water Act. Congressional action is necessary to distinguish these utilities from the entities responsible for introducing PFAS into the environment.

The Honorable Cynthia Lummis

May 2, 2023

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We appreciate that EPA is pursuing an “enforcement discretion” policy that intends to concentrate the Agency’s CERCLA enforcement activities related to PFAS on the polluters that have long profited from PFAS and are responsible for the contamination these chemicals have caused. However, any such policy will be wholly insufficient to ensure that drinking water and clean water utility customers will not be faced with potentially catastrophic CERCLA legal defense costs and cleanup liability for PFAS.

Not only could such a policy easily be changed by future administrations, but, more pressingly, industry has already publicly indicated that it will use every legal means available to it to require public agencies to pay for PFAS cleanups. As they have done countless times in the past, corporate polluters will use the extensive means provided to them by CERCLA to defray the costs of the pollution they created directly onto the backs of the communities they have harmed by dragging public agencies into CERCLA litigation. And, unfortunately, these communities are often those that have been the most overburdened with pollution and are therefore the least able to afford such costs. As well-intentioned as EPA is, the Agency simply cannot legally stop this from happening.

Passage of the “Water Systems PFAS Liability Protection Act” is therefore necessary to guarantee drinking water, wastewater and stormwater system ratepayers are entirely protected from incurring the likely billions of dollars of costs of cleaning up environmental PFAS pollution caused by others.

As the Senate debates this issue in the coming months, we will be eager to work with you on any necessary revisions to the scope of the bill, such as to ensure that the bill’s definition of covered PFAS fully captures all PFAS that EPA may choose to designate as hazardous substances under CERCLA.

Removing harmful chemicals like PFAS from drinking water, wastewater and stormwater is central to the public health and environmental protection mission of our members. The “Water Systems PFAS Liability Protection Act” will support this mission of supporting clean and safe water while ensuring that water system ratepayers are not burdened by unwarranted liability through a misapplication of CERCLA’s “polluter pays” principle. We support this legislation, and we thank you for your leadership on this important issue.

Sincerely,

American Water Works Association  
Association of Metropolitan Water Agencies  
National Association of Clean Water Agencies  
National Rural Water Association  
Water Environment Federation