

## CEO Board Report July 2023

Dear Members of the AlexRenew Board of Directors,

The AlexRenew Board of Directors met on July 18, 2023. At the meeting, the Board held elections, re-electing Mr. John Hill as Chair and Mr. James Beall as Vice Chair of the Board and electing Ms. Adriana Caldarelli as Secretary-Treasurer of the Board. The Board also welcomed Ms. Rebecca Hammer as the newest Board member and approved a contract award for Job Order Contracts for on-call construction services.

### Operational Excellence

Precipitation for July at the Reagan National Airport was 6.46 inches, which is above the Washington, D.C. historical average precipitation of 4.33 inches for the month. There were no sanitary sewer overflows in the collection system or at the plant during the month.

Biosolids production for July was 1,855 wet tons, all of which was beneficially used through land application in the Virginia counties of Fauquier, Orange, Louisa, and Madison. AlexRenew met all Virginia Pollutant Discharge Elimination System (VPDES) effluent parameters for July 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 <sup>3</sup>	34.780	0.15	3.3	0.35	7.5	2.7	172,901	0.12	7,499

### NOTES

1. Total Nitrogen expressed as year-to-date average.
2. Ammonia has seasonal limits – April - October: 1.0 mg/L
3. July Data is preliminary and does not include final results.

### Finance

See the Monthly Financial Report (Attachment 1).

### Public Engagement and Trust

#### **Tours and Events**

In July, AlexRenew hosted a tour for staff at the Environmental Protection Agency (EPA). AlexRenew welcomed a total of 70 visitors from the following organizations that hosted meetings on the 6th floor of the Environmental Center in July: Capital Youth Empowerment Program (30) and Virginia Tech (40).

#### **Customer Service**

Customer service received a total of 1,082 calls with 49 percent opting for self-service. The average call answer time was 24 seconds. Call center staff answered 160 emails.

### **Social Media and Website**

During July, we had 50,372 total social media impressions and 2,549 total engagements on our social media posts. We had 592 engagements on Facebook and 278 engagements on Twitter. We have 3,669 followers on Facebook, 3,202 on Twitter, 2,826 on LinkedIn, and 335 on Instagram. Alexrenew.com had 4,844 visitors and had 20,522 page views in July. We had 50 visitors click through to AlexRenew.com from social media.

### **Watershed Stewardship**

See RiverRenew Dashboard (Attachment 2).

### **Adaptive Culture**

Since July 2023, AlexRenew has logged zero hours without a lost time accident.

Thank you for your ongoing dedicated service to AlexRenew.

Regards,

Justin Carl  
Chief Executive Officer

# Monthly Financial Report

**Month:** July 2023

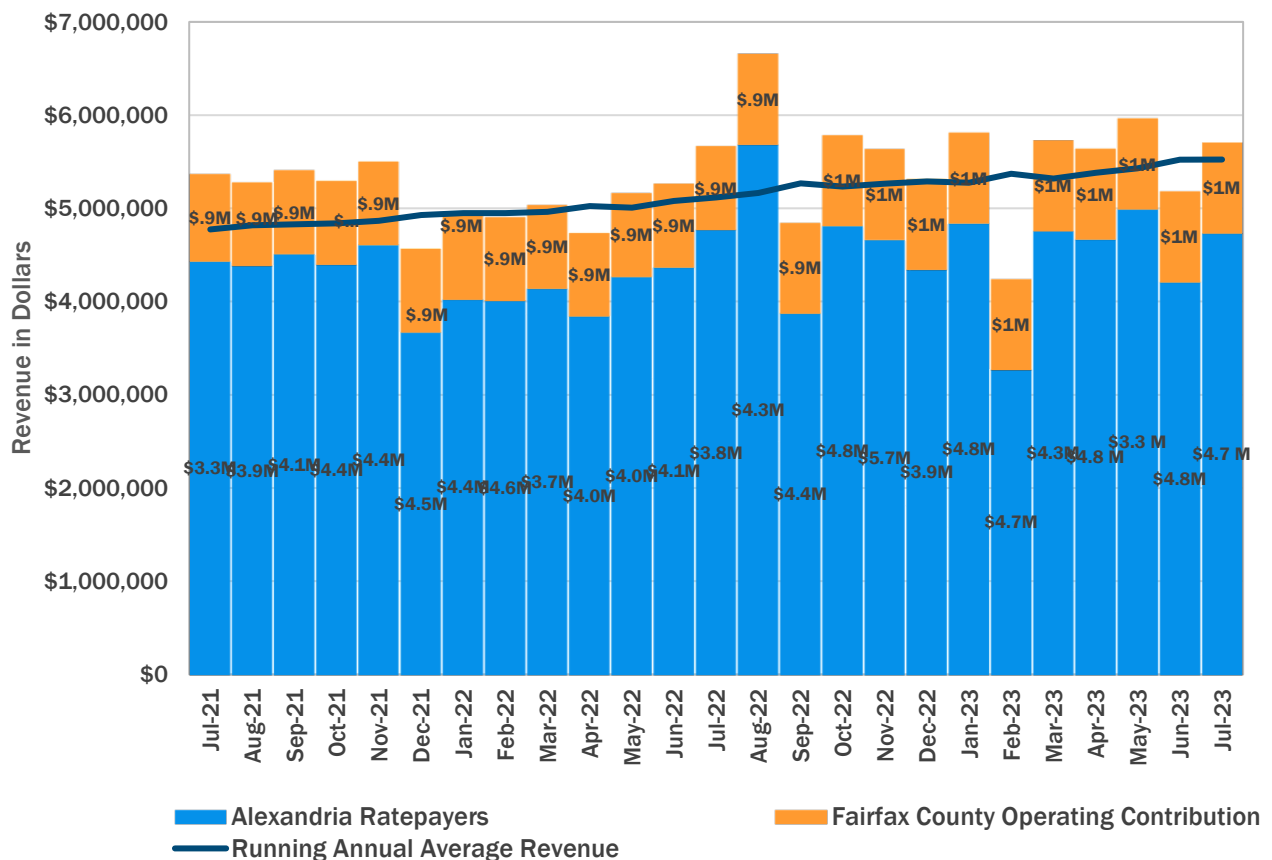
## Overview

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

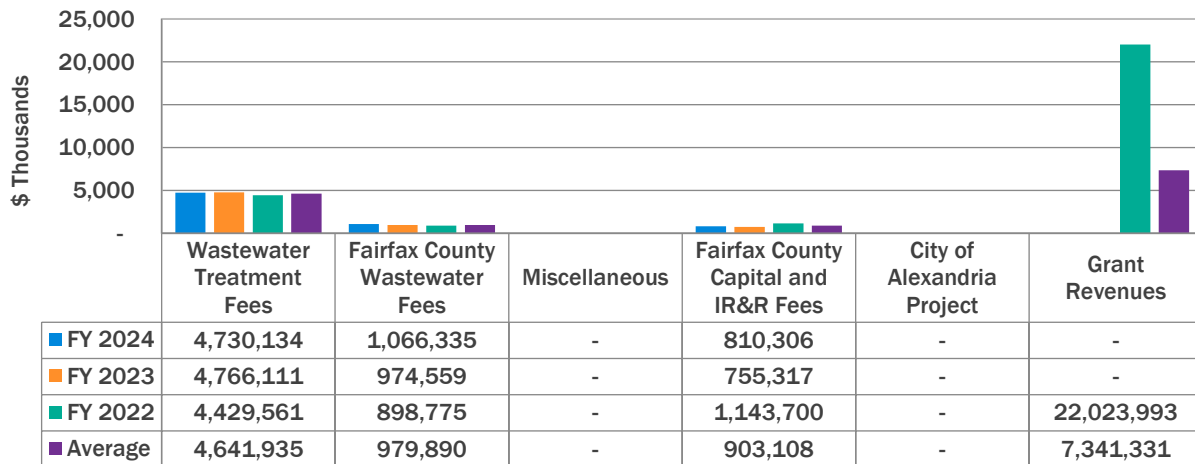
## Revenues

- FY2024 operating revenues totaled \$5.8 million through the end of July with approximately \$4.7 million in Wastewater Treatment Charge revenue and \$1.1 million collected from Fairfax County.
- 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.

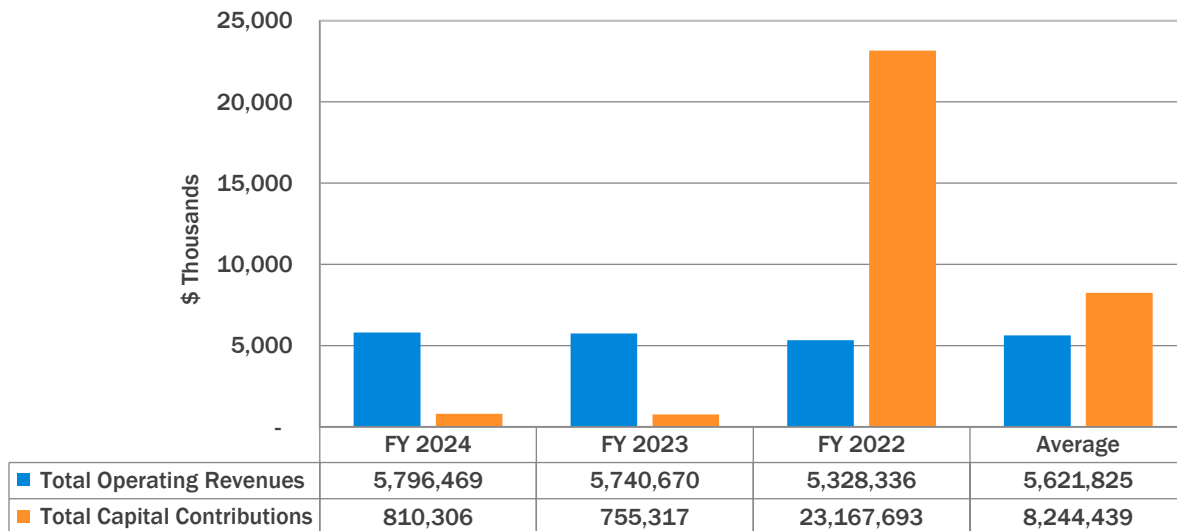
**Monthly Wastewater Treatment Fee Revenue**



### Annual Revenue and Capital Contributions 3 Year Comparison



### Operating Revenue vs. Capital Contributions



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

### Expenses

To date, actual FY2024 operating expenses align with projected FY2024 budget expenditures. The debt service fund spend rate is inline with projected year-to-date budget.

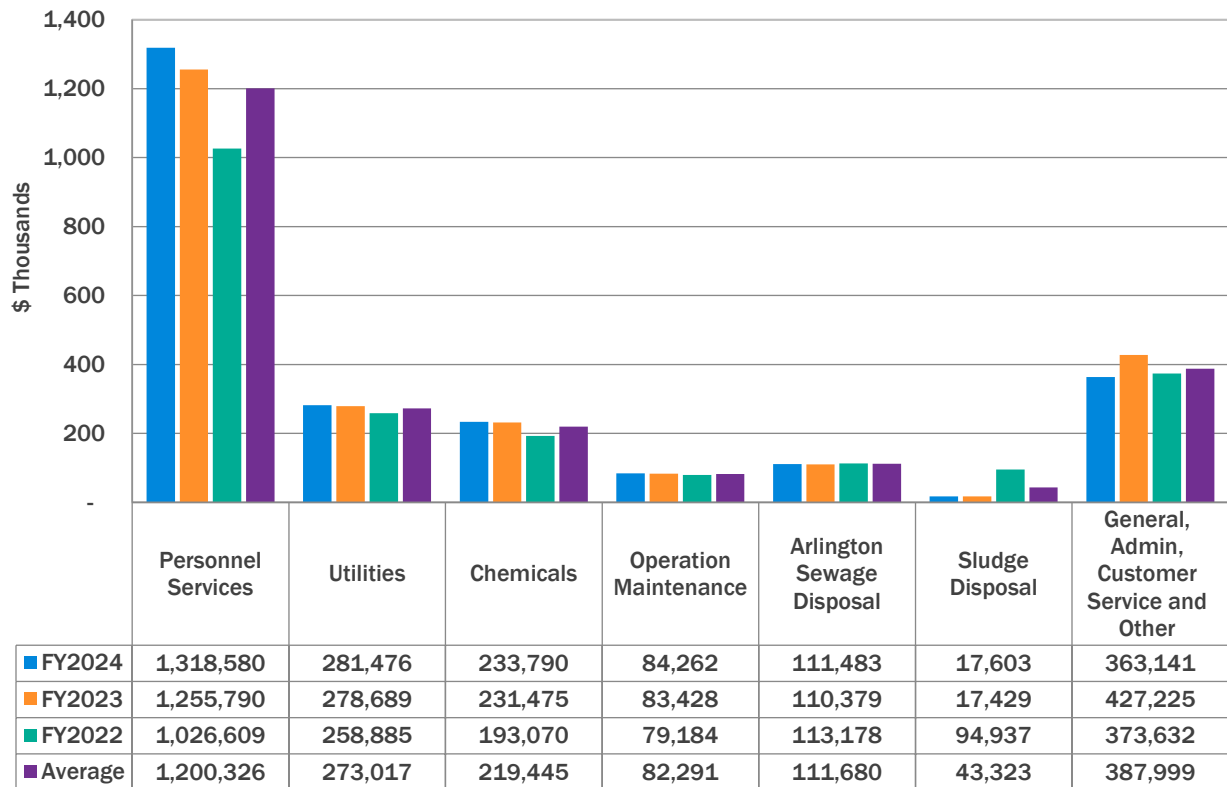
Capital expenses (General and Project Funds) are \$12.35 million year-to-date and are primarily attributed to the RiverRenew Tunnel System Project.

The overall spend rate for the month of July is 6.4% of the total budget.

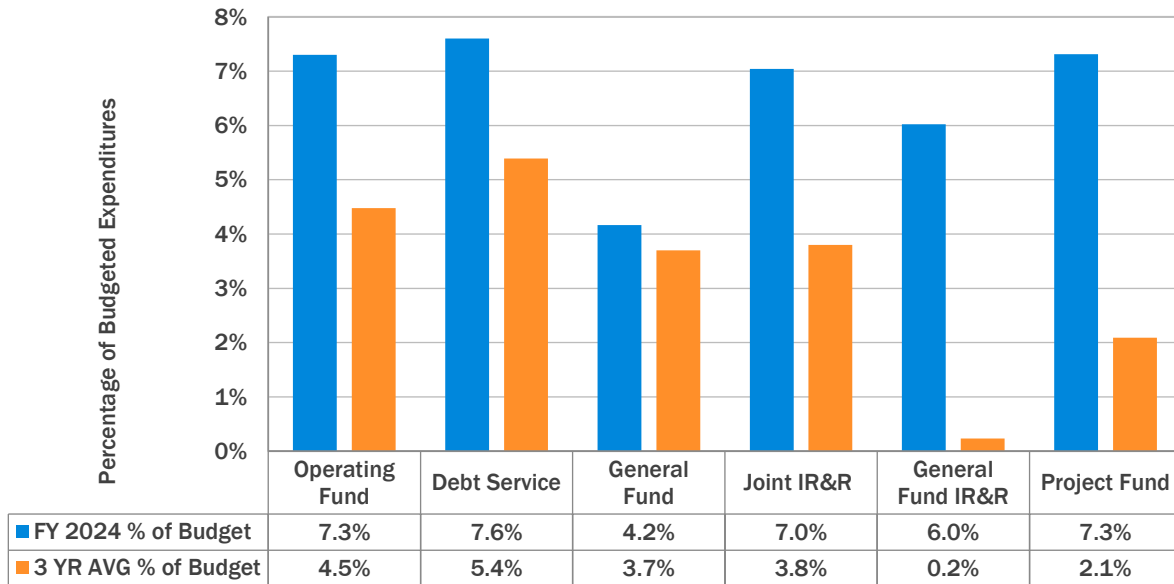
Expenses by Fund

ACTUAL VS. BUDGET Through July 2023					SPEND RATE		
(\$ Millions)	FY 2024	FYTD 2024	3 YR AVG	FYTD 2024	FY 2024	3 YR AVG	Variance FY24
Expenses (By Fund)	BUDGET	ACTUAL	ACTUAL	BUDGET	% of Budget	% of Budget	to 3 YR AVG
Operating Fund	\$ 33.02	\$ 2.41	\$ 1.37	\$ 2.75	7.3%	4.5%	2.8%
Debt Service	16.45	1.25	0.81	1.37	7.6%	5.4%	2.2%
General Fund	78.09	3.25	1.19	6.51	4.2%	3.7%	0.5%
Joint IR&R	10.65	0.75	0.34	0.89	7.0%	3.8%	3.2%
General Fund IR&R	0.17	0.01	0.00	0.01	6.0%	0.2%	5.8%
Project Fund	124.43	9.10	3.14	10.37	7.3%	2.1%	5.2%
<b>Total</b>	<b>\$ 262.81</b>	<b>\$ 16.77</b>	<b>\$ 6.85</b>	<b>\$ 21.90</b>	<b>6.4%</b>	<b>2.9%</b>	<b>3.5%</b>

Annual Operating Expenses  
3 Year Comparison



**Expenditure Budget Comparison By Fund  
FY2024 vs. 3 Year Average**

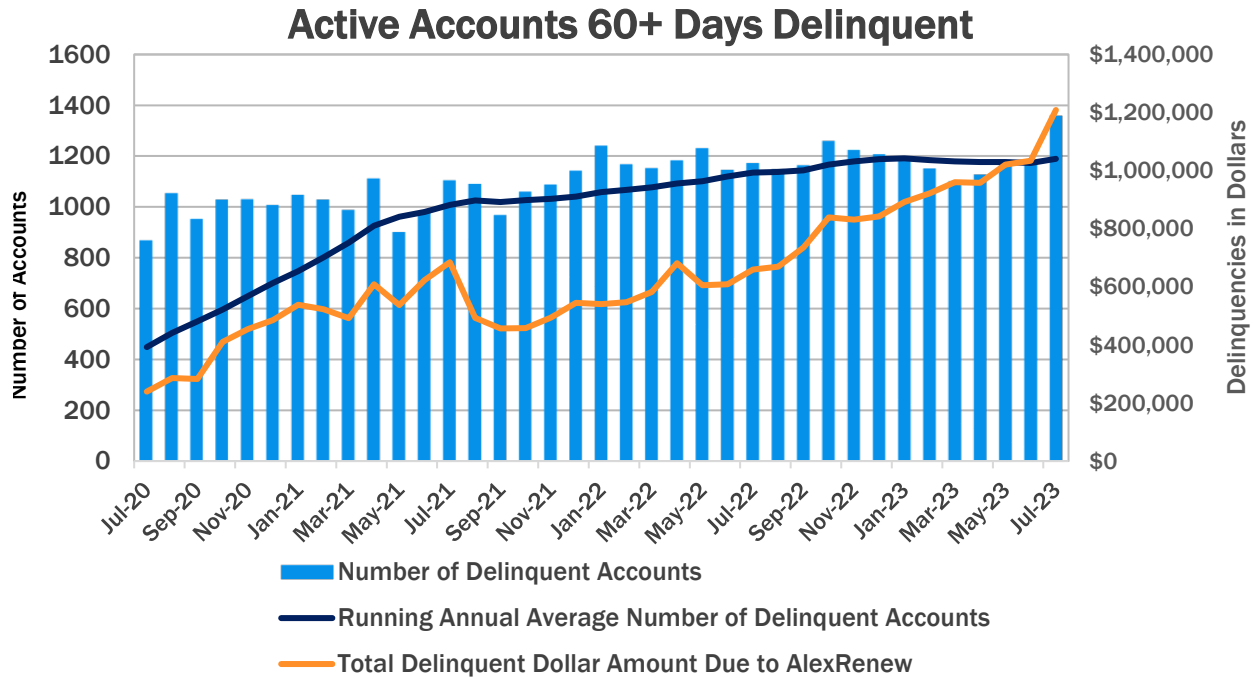


**Delinquencies**

The number of accounts delinquent by more than 60 days was 1,358 in July, an increase of 181 accounts month-over-month. Approximately 87 percent of delinquent accounts are residential, with the remaining attributed to commercial accounts.

The total dollar amount owed to AlexRenew from these accounts totaled \$1,208,656.62 at the end of July, an increase of \$174,429.74 from June. Approximately 57 percent of the delinquency value is from residential accounts, with the remaining attributed to commercial accounts.

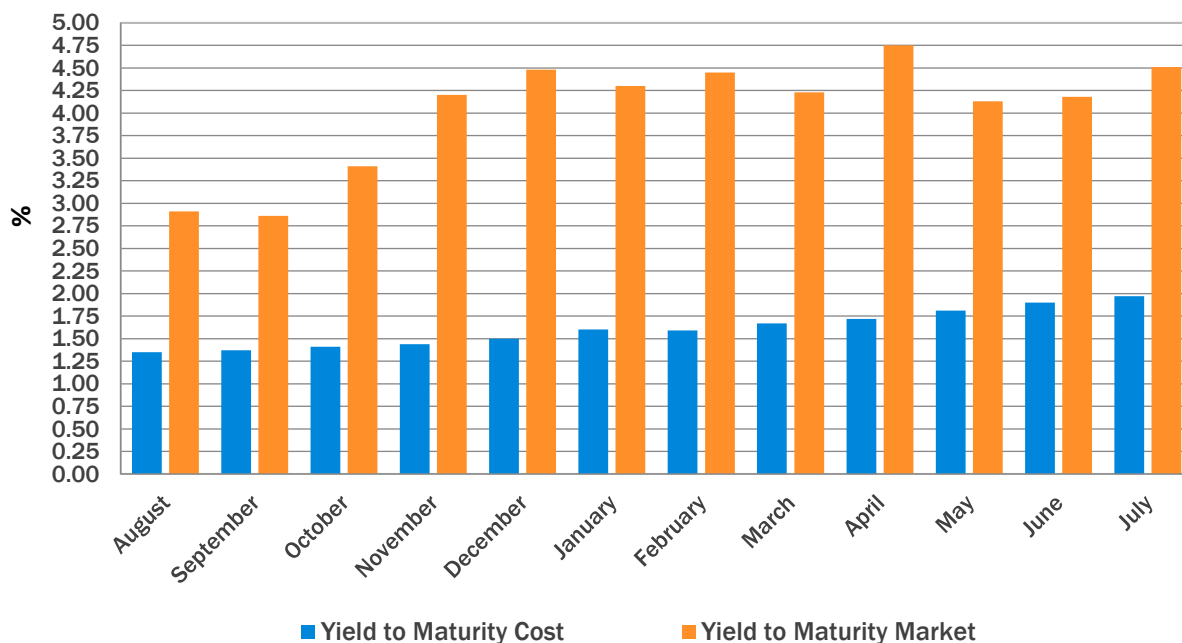
AlexRenew continues to work with customers with unpaid bills to assist them in bringing their accounts current through payment plans. Currently, 104 residential and 11 commercial accounts are on active payment plans. Additionally, in June, AlexRenew began distributing door hangers to customers with past-due accounts and in August, signed an agreement with an email service provider to allow direct emailing to customers with past-due accounts.



**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 1.97%; a level higher than general bank deposit earnings rates.

### Investment Yield Percentage to Maturity (Investments managed by PFM) Through July 2023



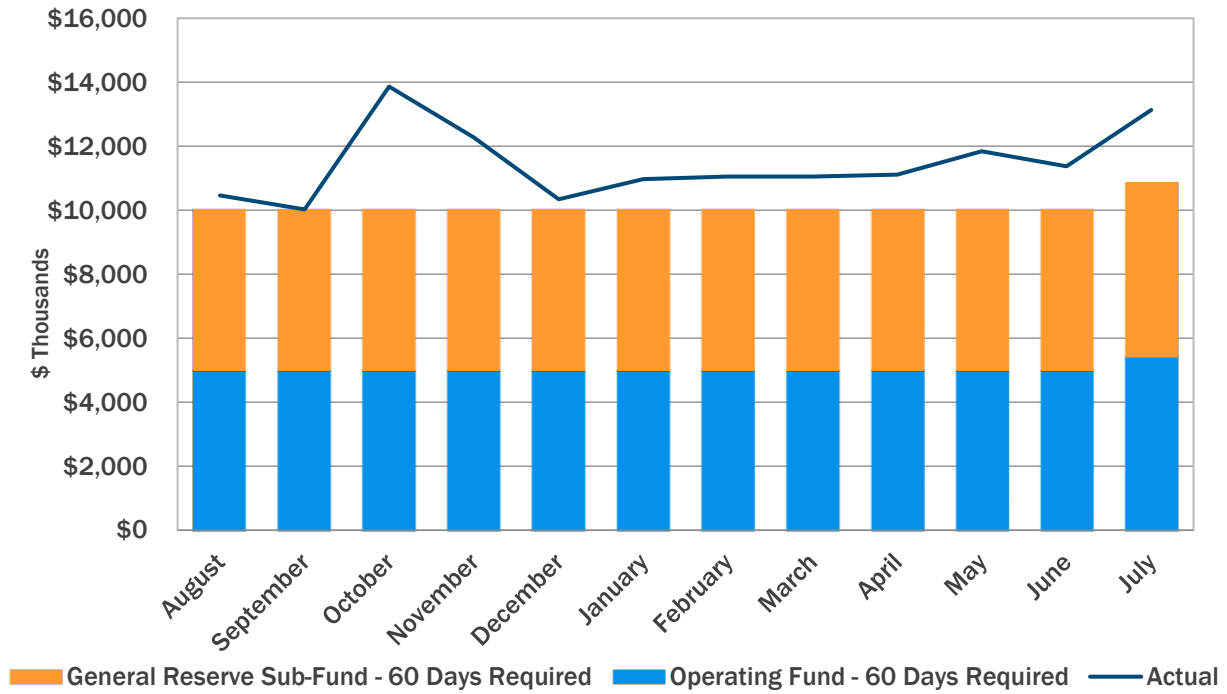
#### Cash Reserves

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 FY2024 this equals a minimum of \$10,857,072. The chart and graph below demonstrate that AlexRenew currently exceeds this requirement and is currently at 145 days cash on hand for these funds.

Board Policy 120 Days Cash Reserves	Actual	Percentage of Goal
<b>As of July 31, 2023</b>		
Total Operating Cash	\$ 4,813,019	
Total Certificates of Deposit (Cash Equivalent)	\$ 2,888,499	
 Total Operating Cash	<b>\$ 7,701,518</b>	
 Total General Reserve Sub-Fund Cash	<b>5,428,536</b>	
 Total Operating and General Reserve Sub-Fund Cash	<b>13,130,054</b>	<b>121%</b>



**Cash Reserve Policy**



**Debt Service Coverage**

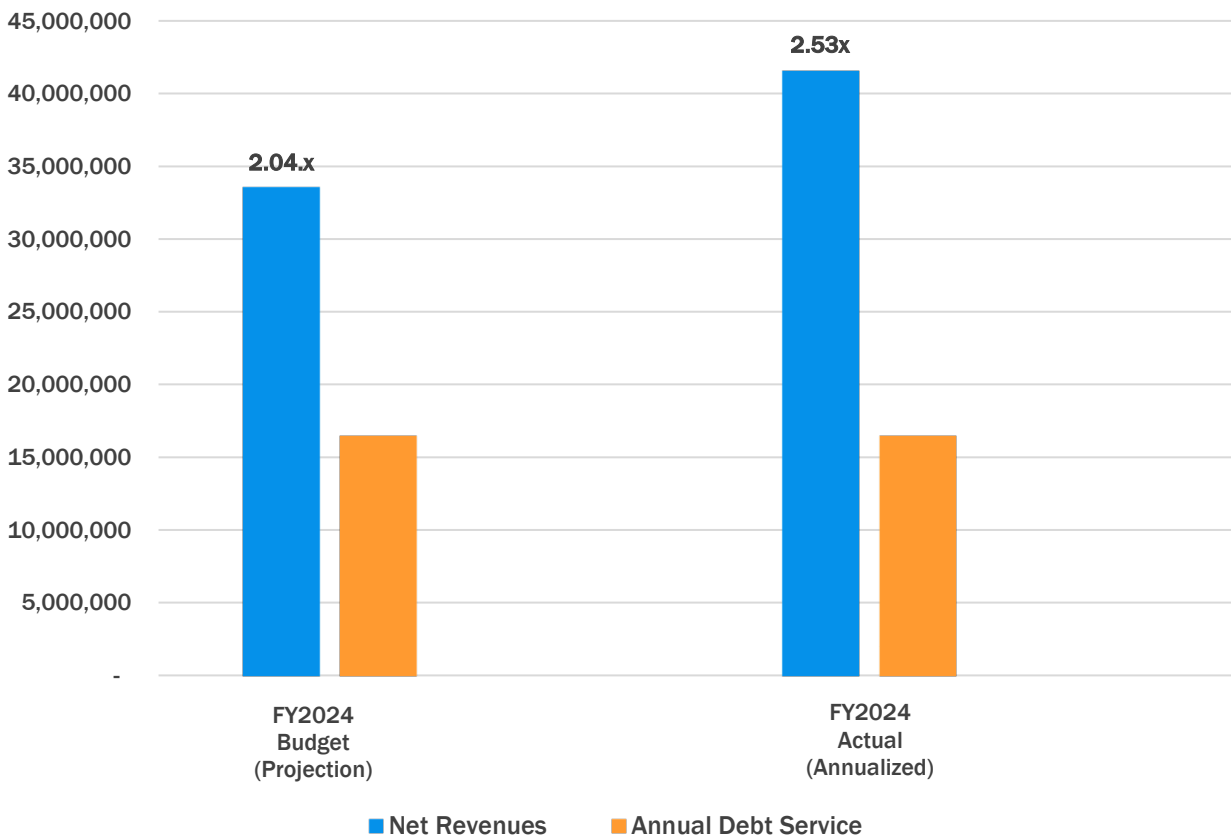
The Indenture also requires AlexRenew to maintain minimum debt service coverage such that Revenues less Operating Expenses or Net Revenues (each term as defined in the Indenture) is at least 1.10x the parity debt service due in any fiscal year. Compliance with Board-approved financial policies require 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 2.04x designated in the graph below represents projected coverage for FY24 based on original FY24 budget expectations. At one month into the fiscal year, annualized results would indicate coverage of 2.53x, ahead of the budgeted projection of 2.04x.

# Monthly Financial Report

Financial Policy Compliance - All-In Debt Service Coverage	FY 2024 Actual	FY 2024 Budget
<b>Gross Revenues Available for Debt Service Coverage:</b>		
Wastewater Treatment Charges - Alexandria Ratepayers	56,761,604	53,672,299
Fairfax County Operating Expense Charge	12,796,021	12,796,021
Reimbursement from other systems	-	-
Investment Income	899,245	115,000
Less Restricted Investment Income	-	-
<b>Total</b>	<b>70,456,870</b>	<b>66,583,320</b>
<b>LESS Operating Expenses</b>	<b>(28,924,032)</b>	<b>(33,023,593)</b>
<b>Net Revenues [a]</b>	<b>41,532,838</b>	<b>33,559,727</b>
<b>Annual Debt Service [b]</b>	<b>16,448,494</b>	<b>16,448,494</b>
<b>Calculated All-In Debt Coverage [a/b]</b>	<b>2.53x</b>	<b>2.04x</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.

# RiverRenew Board of Directors Dashboard



MONTH ENDING: JULY 31, 2023

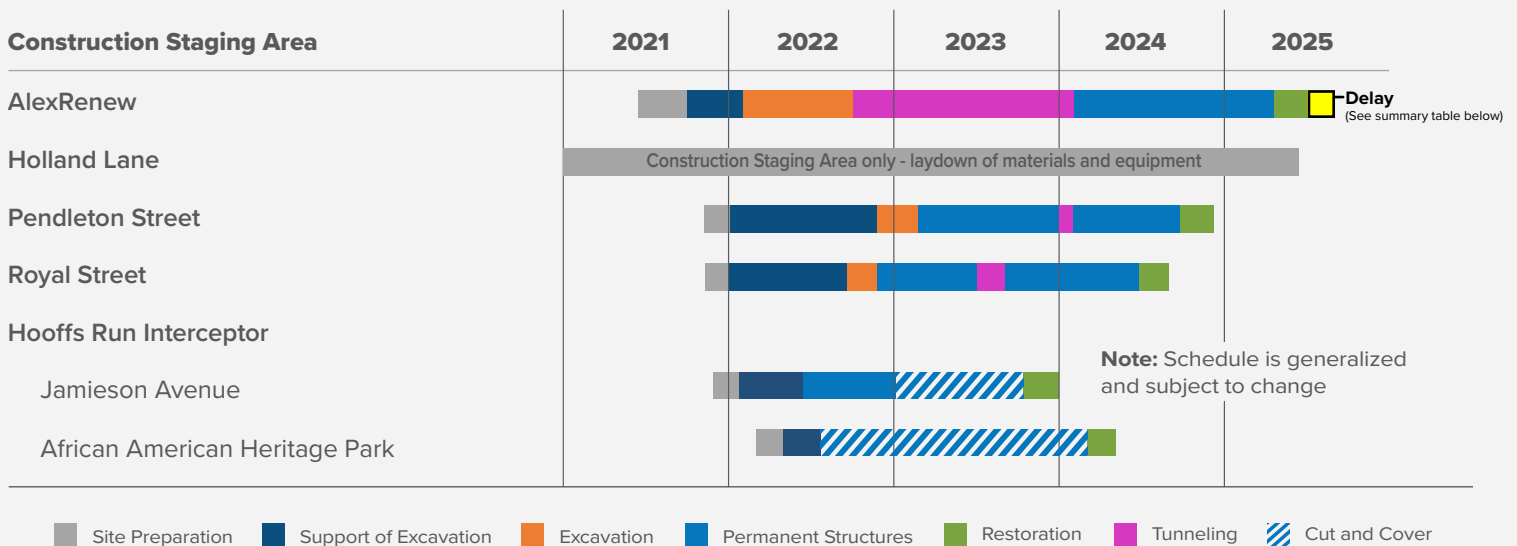
RiverRenew is a program owned and implemented by AlexRenew, Alexandria's public regional wastewater treatment provider.

## 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)



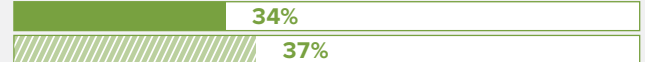
▲ DEC 2020

JUL 2025 ▲



**Pendleton Street**  
Pile driving ongoing

Construction Progress\*



NOV 2024 ▲



**Royal Street**  
Mobilization for near surface structures ongoing

Construction Progress\*

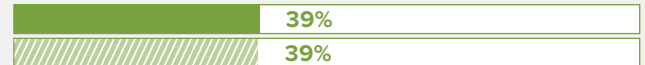


JUL 2024 ▲

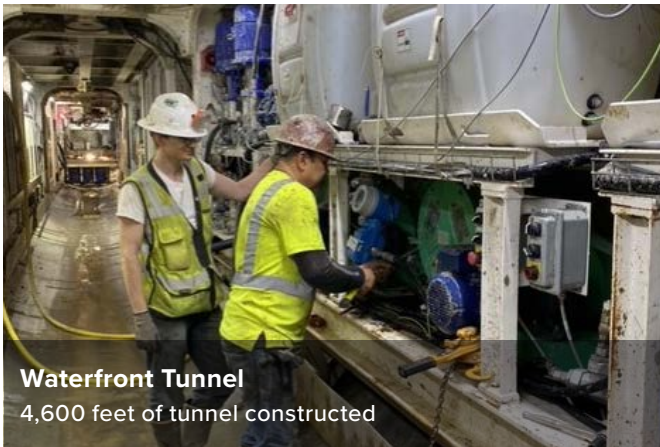


**Hooffs Run**  
Pipe installation ongoing

Construction Progress\*



APR 2024 ▲

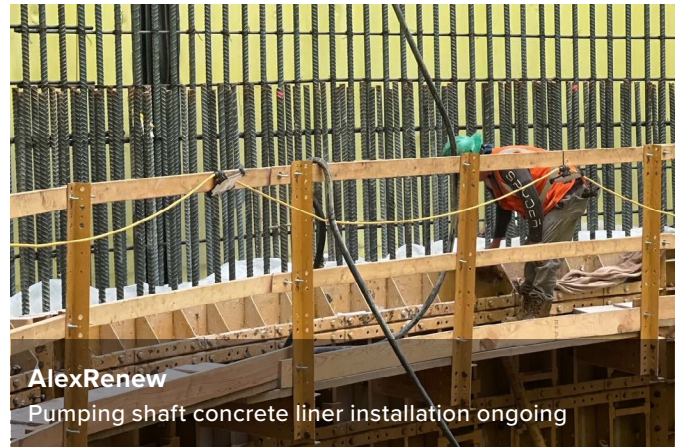


**Waterfront Tunnel**  
4,600 feet of tunnel constructed

Construction Progress\*

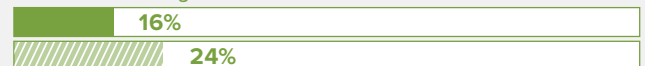


JAN 2024 ▲



**AlexRenew**  
Pumping shaft concrete liner installation ongoing

Construction Progress\*



JUL 2025 ▲

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

Actual Progress as of July 31, 2023. \*The planned progress for each construction staging area reflects the Design-Builder's schedule as of July 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

## Pendleton Street

### MAJOR WORK ACTIVITIES

Activity	Date
Permanent concrete structures deep foundations (pile driving)	Ongoing through Summer 2023
Shaft liner construction	Ongoing through Fall 2023
Permanent concrete structures construction	Fall 2023

### PERMITS

Permit	Date
Building Permit - Permanent Concrete Structures Support of Excavation	Fall 2023
Building Permit - Shaft Mechanical, Electrical, and Plumbing	Fall 2023

## Royal Street

### MAJOR WORK ACTIVITIES

Activity	Date
Permanent concrete structures deep foundations	Aug 2023
Permanent concrete structures construction	Fall 2023

### PERMITS

Permit	Date
Building Permit - Shaft Liner and Base Slab	Fall 2023
Building Permit - Mechanical, Electrical, and Plumbing	Fall 2023

## Waterfront Tunnel

### MAJOR WORK ACTIVITIES

Activity	Date
Mining	Ongoing through Jan 2024

## Community Outreach

Event	Date
2023-2024 RiverRenew SAG Meetings	Third Thursday of every other month
Community Listening Sessions	
Pendleton Street	Sep 12, 2023
Royal Street	Sep 13, 2023
Hooffs Run	Sep 14, 2023
Council-Board Workgroup	Oct 25, 2023

## Hooffs Run

### MAJOR WORK ACTIVITIES

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

## AlexRenew

### MAJOR WORK ACTIVITIES

Activity	Date
Pumping shaft liner construction	Ongoing through Fall 2023
Permanent concrete structures support of excavation	Jul 2023
Permanent concrete structures deep foundations	Aug 2023
Permanent concrete structures construction	Sep 2023

### PERMITS

Permit	Date
Building Permit - Superstructure Architectural	Dec 2023



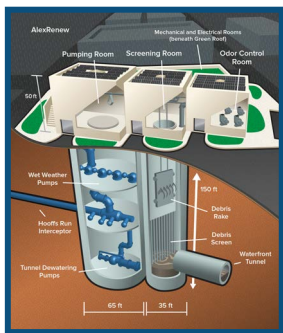
# RiverRenew Tunnel Project Snapshot

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.



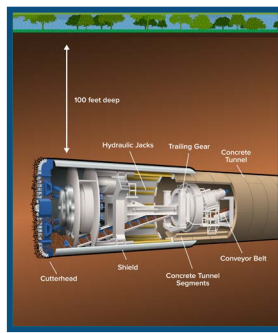
**Hooffs Run Interceptor**

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



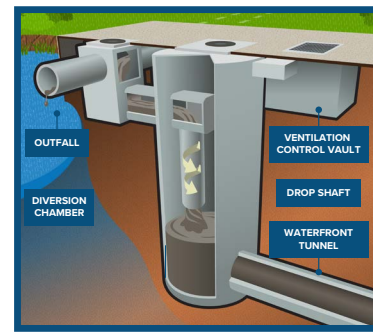
**Pumping Station**

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.

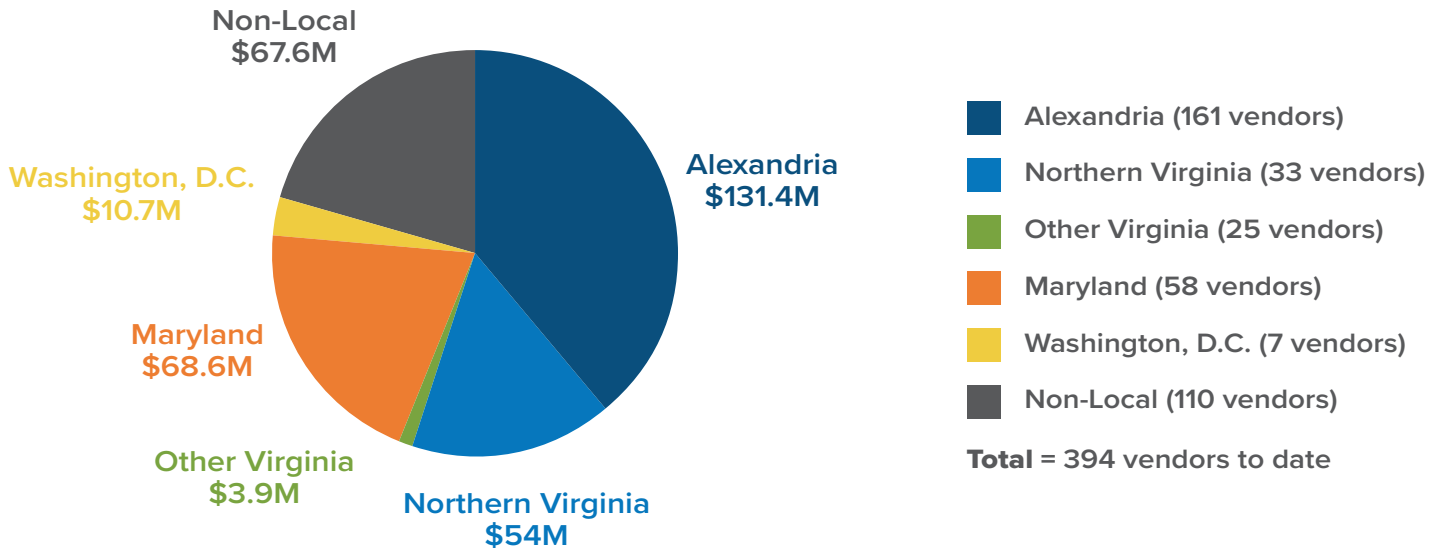


**Diversion Facility**

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

# RiverRenew Program Costs to Date

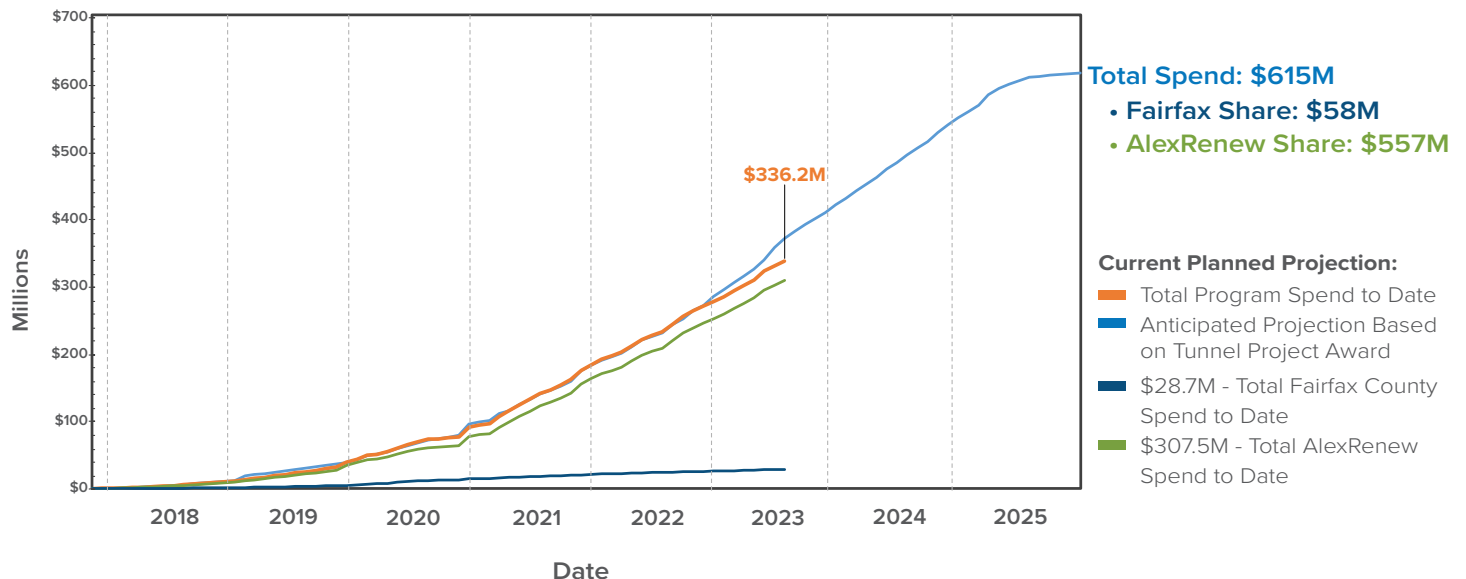
## RiverRenew Spend to Date by Locality



## 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	\$198
Brown and Caldwell	Owner's Advisor	Professional Services	17-022	Nov 2017	\$71.5
EPC	Resident Engineering & Inspection Tunnel System Project	Professional Services	20-013	Apr 2020	\$14.3
Completed RiverRenew Wastewater Projects to Pave the Way for the Tunnel Project					\$52.4

## RiverRenew Cash Flow Analysis



Note: As of July 31, 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.

**Highlights:**

- 2023-2024 RiverRenew SAG Meeting No. 3: **July 20, 2023**

**Looking Ahead:**

- 2023-2024 RiverRenew SAG Meeting No. 4: **September 21, 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 12-14**



## Community Days

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

**Looking Ahead:**

- Tunnel Completion Celebration: Winter 2024
- Hooffs Run Planting Day: Spring 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 600 contacts.

**Highlights:**

- Our latest **craft personnel** video, highlighting heavy equipment operator James Spencer!
- An **inside look** at Hazel the TBM's trailing gear



## Education

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

**Highlights:**

- A **behind-the-scenes video** detailing how concrete segments are added to the Waterfront Tunnel
- A new, collectable RiverRenew **baseball card** featuring Edie the Excavator
- Weekly updates reflecting Hazel's construction progress on the homepage of **RiverRenew.com**



## Council-Board Workgroup

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

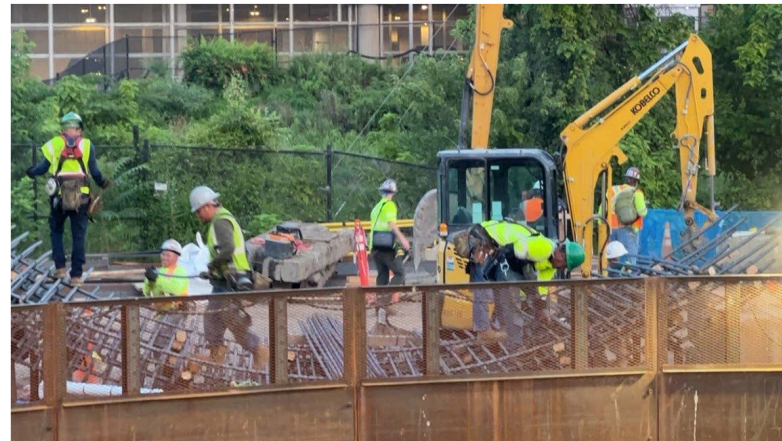
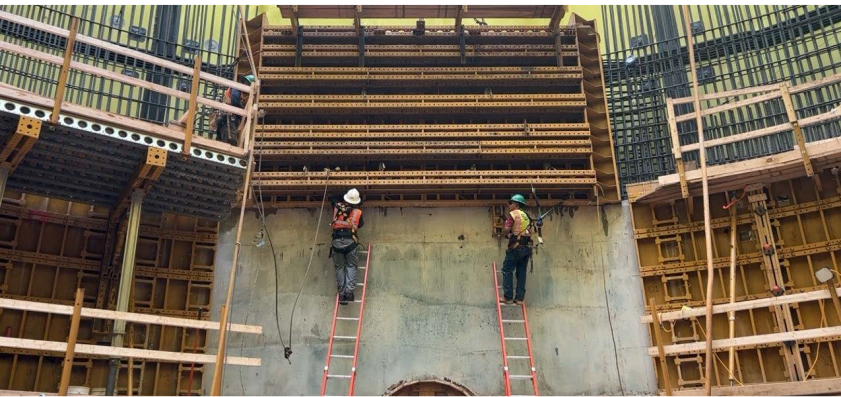
**Highlights:**

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

**Looking Ahead:**

- Council-Board Workgroup Meeting No. 20: **October 25, 2023**

# Monthly Construction Spotlight



## RiverRenew crews begin installing a permanent liner inside our new pumping shaft

While Hazel continues digging the Waterfront Tunnel, crews back at AlexRenew are preparing for its operation. This month, the team began installing a permanent liner inside the 120-foot-deep pumping shaft, where combined sewer flows will be removed from the tunnel and directed through AlexRenew's treatment infrastructure.

The crew will install this liner in sections called lifts, where each lift is reinforced by 300 cubic yards of concrete. Once this phase of work concludes, the completed shaft liner will be approximately three feet thick, making the finished pumping shaft 65 feet in diameter.

As of July 31, 2023, the team has completed two of the 15 lifts needed to line the entire shaft. Keep up to date on their progress and all ongoing construction activity at the AlexRenew site by visiting [RiverRenew.com/construction/alexrenew](https://www.RiverRenew.com/construction/alexrenew).

Building for the Future of Alexandria's Waterways

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



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