

Minutes of the 856th Meeting
"Celebrating Over 60 Years of Continuous Environmental Excellence"
Alexandria Renew Enterprises
6:00 p.m., Tuesday, June 19, 2018

On Tuesday, June 19, at 6:00 p.m., Alexandria Renew Enterprises held its regular Board of Directors meeting at Alexandria Renew Enterprises in the Ed Semonian Board Room at 1800 Limerick Street with the following present:

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

Excused: Ms. Patti Turner, Member

Staff: Ms. Karen Pallansch, Chief Executive Officer
Mr. Charlie Logue, Chief of Production
Mr. Steve Schemmel, Chief of Finance and Administration
Ms. Christine McIntyre, Director of Finance
Ms. Caitlin Feehan, Program Manager, Wet Weather Program
Ms. Lorna Huff, Secretary to the Board

Owner's Advisor: Mr. Justin Carl, Brown & Caldwell

Counsel: Mr. Jonathan Rak
McGuireWoods, LLP

Fairfax County Representative: Mr. Shahram Mohsenin
Fairfax County Wastewater Planning & Monitoring Division

City Representative: Mr. Lalit Sharma
Transportation & Environmental Services

Call to Order

The Chairman called the meeting to order at 6:07 p.m.

Approval of the Agenda

The Chairman requested that members review the revised agenda and inquired if there were changes. There being no changes, the Chairman requested a motion to approve. Mr. Beall moved approval and Mr. Dickinson provided the second, and the Board unanimously approved the revised agenda.

Public Discussion Period

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

Board Strategic Roundtable Reports

Community Updates

The Chairman requested reports from Members HOA visits for the month.

Old Town Civic Association

Mr. Dickinson attended the meeting and reported that the Association was focused on police activity in the area.

Seminary Hill Civic Association

Mr. Dickinson reported that Mayor Silberberg was in attendance. The focus was parking in the West End and traffic.

Federation of Civic Associations

Scheduled for Wednesday, June 20. Mr. Dickinson will attend.

Lynnhaven Home Owners Association

Mr. Beall attended and introduced himself to Association members. The HOA was focused on Potomac Yard Metro issues.

West Old Town Civic Association

Mr. Johnson reported that he attended the meeting along with AlexRenew staff. The meeting was not well-attended but staff was well prepared and very informative on the CSO project.

Rosemont Home Owners Association

Mr. Hill reported the Rosemont HOA will meet on June 21st. City Staff will attend the meeting and discuss the stormwater program.

Chesapeake Bay Citizens Advisory Group

Mr. Dickinson reported that the Group continues to focus on environmental education and is reaching out to communities, public schools, and the broader public.

Finance and Audit Committee

The Chairman recognized Finance and Audit Committee Chairman, Mr. Bruce Johnson, who discussed the prior evening's meeting and the FY19 budget review. Mr. Hill referenced the chart on page 17, noting that it provides a good overview of AlexRenew's budget. Budget increases are primarily due to implementation of the Wet Weather Program. The Committee Chairman and Board members discussed the budget and ensuring that Board members thoroughly understand the AlexRenew budget process, what comprises the budget and how it relates to rates.

The Board further discussed how to present the budget to the citizens in a meaningful way and effectively communicate the relationship of the budget to the Wet Weather Program.

Members discussed and received clarification on AlexRenew's urban wildlife habitat, the Mark Center Pump Station, and current and future staffing. The Board concurred that additional changes to the budget should be made for final review at the July meeting.

Mr. Johnson discussed Brown Edwards request to participate in the bid process for AlexRenew's auditor services RFP. Ms. Pallansch reported that Brown Edwards was originally selected for a three-year contract in 2011 with the option for two, one-year extensions. In 2017, AlexRenew renewed the Brown Edwards contract

for an additional year to provide consistency for administrative changes that were being made in AlexRenew's Finance Department to improve the timing and quality of deliverables. In the past, best practices involved changing auditors when the contract expires.

The Board discussed the pros and cons of the request and questioned this from a legal standpoint. Mr. Rak reported that standard practice is to change auditors every few years and recommended maintaining that practice. He further clarified that AlexRenew did not have a formal policy in this regard, just a standard best practice.

Ms. Pallansch reviewed the budget process noting that a public notice on the FY 19 Preliminary Budget would be posted in the Alexandria Gazette in early July and then early September. AlexRenew is not required to public notice the budget hearings but does so as a standard practice.

Mr. Johnson requested a special section be incorporated on the Wet Weather Program. Ms. Pallansch reported that this could be accomplished in the next budget and thanked the Finance and Audit Committee for their feedback.

Governance Committee

Nothing to Report.

There were no additional questions or comments and the Chairman moved to the CEO's Reports and Recommendations.

CEO's Reports and Recommendations

Ms. Pallansch introduced AlexRenew's new Director of Finance, Christine McIntyre.

A. Consideration of May 2018 Financial Report

Members reviewed the May financial report noting that cash reserves were up. Ms. Pallansch reported that was due to timing of bills.

There were no additional questions or comments and the Chairman moved to the CEO Monthly Report.

B. CEO Monthly Report (May)

Ms. Pallansch submitted her monthly report and inquired whether the Board had questions or comments. Ms. Pallansch commended staff for remaining in compliance with the Permit during the heavy rains experienced in the month. Staff reviews weather and radar reports and follows Standard Operating Procedures (SOPs) to determine the number of operators that may be needed for a heavy weather event.

The Chairman noted that AlexRenew's community engagement is very active and inquired on the usage statistics for the soccer field. Ms. Pallansch reported that the Recreation, Parks and Cultural Activities Commission (RPCA) may keep statistics on the usage of the field and would request that information.

Ms. Pallansch reported that AlexRenew staff met with the Virginia Department of Environmental Quality (DEQ). She reported that they are making good progress on the Permit and will have it complete by the July 1 deadline. Mr. Mohsenin inquired on the number of Permits AlexRenew would receive. Ms. Pallansch reported that AlexRenew would initially receive two Permits that would eventually be incorporated into one Permit.

Ms. Pallansch reviewed the Design Element Rationale and Concepts for the logo and branding options for the RiverRenew program. She reviewed the brand statement with the board and requested feedback. Board members discussed the alternatives presented, and the reasoning behind the color scheme. Ms. Pallansch reported that the brand should “tell a story” and Renew links that back to AlexRenew. There were no additional questions or comments.

Ms. Pallansch then reported on two upcoming City Council meetings surrounding AlexRenew. The Saturday, June 23rd public hearing would be to approve AlexRenew’s charter to 2068 and the CSO transfer. The Tuesday, June 26th meeting will show the appointments to the Working Group. Board members inquired on whether they should attend these meetings. Ms. Pallansch reported that Board support on the Working Group appointment would be the better one for members to attend.

There being no additional questions or comments, the Chairman moved to the Consent Calendar.

Consent Calendar

The Chairman gave Board members a few minutes to review the Minutes of the May 16 meeting. There were no questions or revisions. The Chairman requested a motion to approve. Mr. Dickinson moved approval and Mr. Beall provided the second. The Board unanimously approved. The Consent Calendar contained the following items:

A. Minutes (May)

There were no additional questions or comments, the Chairman moved to Unfinished Business.

Unfinished Business

A. None

There being no Unfinished Business, the Chairman moved to New Business.

New Business

A. Review and Approve a Resolution Recognizing Drinking Water and Wastewater Professionals Day

Discussion

In 2016, the Commonwealth of Virginia designated June 30 as Drinking Water and Wastewater Professionals Day to highlight the importance of this work to the public health of the community. In the past, the Board has recognized the critical role through their own Resolution.

Ms. Pallansch reported that Mr. Barry Suits, President of Virginia American Water, would join City and AlexRenew staff at a breakfast to be held recognizing the Mayor’s proclamation of the event.

There being no additional questions or comments, Mr. Johnson moved approval and Mr. Beall provided the second. The Board unanimously approved the Resolution recognizing Drinking Water and Wastewater Professionals Day.

Ms. Pallansch reported that the Zebra newspaper was working on a cover page article recognizing AlexRenew and recognizing Drinking Water and Wastewater Professionals Day. AlexRenew communications staff is working with the Zebra on the article.

B. Review and Approve Amended and Restated Service Agreement with the City

Discussion

The proposed Agreement is the result of months of careful, cooperative negotiation between Alexandria Renew staff, City staff and their respective legal counsels and consulting engineers. The new Agreement clearly defines the respective obligations of the City and Alexandria Renew and provides processes for cooperation in meeting environmental regulations and accommodating growth. Some of the highlights of the proposed Agreement are:

- i. City Capacity at the Treatment Plant is increased from 18.55 million gallons per day (MGD) to 21.6 MGD.
- ii. The City and Alexandria Renew agree to maximum design flows from the City collection system to each interceptor and pump station and total design loads for phosphorus, nitrogen, suspended solids and biochemical oxygen demand at the Treatment Plant. The Agreement sets forth a process to determine remedial steps should actual flows exceed agreement conditions.
- iii. The City and Alexandria Renew will annually review and update future growth in sanitary sewer demand, allowing both parties to plan ahead for needed infrastructure improvements.
- iv. Alexandria Renew will give the City a right of first offer prior to each future transaction selling or trading Pollutant Credits generated by the Sewage Treatment Plant.
- v. Outdated terms and requirements from 1954 have been eliminated and replaced with references to current regulatory requirements.
- vi. The agreement attaches four exhibits:
 - i. Exhibit A showing the boundaries between the City Collection System and AlexRenew owned system
 - ii. Exhibit B showing the maximum design flows for interceptors and pump stations
 - iii. Exhibit C showing the Treatment Plant Load Design Capacity
 - iv. Exhibit D defining the allocation of CSO compliance responsibilities
 - v. These Exhibits have been incorporated in a manner that allows periodic technical updates without amending the Agreement.

Mr. Rak reviewed the Exhibits with the Board. Mr. Dickinson inquired on the use of the CSOs during dry weather. Ms. Pallansch reported that problems would be experienced if trying to use the CSOs during dry weather. There were no additional questions or comments. Mr. Hill requested a motion from Mr. Johnson to approve the Amended and Restated Service Agreement with the City. Mr. Johnson moved and Mr. Beall provided the second. The Board unanimously approved.

Be It Resolved That: The Board authorizes the CEO to execute the Amended and Restated Service Agreement with the City of Alexandria.

C. Review and Approve a Resolution for Alexandria Renew Enterprises and Virginia Department of Transportation (VDOT)

Discussion

The Chairman recognized Mr. Rak who discussed the Resolution for AlexRenew to obtain land use permits from VDOT to install, construct, maintain and operate certain public works and public utilities projects along across over and upon highway system of the Commonwealth.

Mr. Hill requested clarification on Section 4 regarding contractors needing a surety bond. The

surety bonds provide coverage to VDOT in the event the contractor defaults, so VDOT can file a claim.

There were no additional questions or comments, the Chairman requested a motion to approve. Mr. Johnson moved and Mr. Dickinson provided the second. The Board unanimously approved.

Be It Resolved That: The Board approves the VDOT Land Use Permit Resolution.

D. Review of Wet Weather Delivery Options

The Chairman recognized Ms. Pallansch and Mr. Carl to review and discuss delivery model approaches for AlexRenew's tunneling program. The presentation provided an overview of potential program projects and provided a list of delivery model options. Mr. Carl discussed Design-Bid Build, Progressive Design-Build, Fixed-Price Design-Build and the pros and cons of each.

For the tunnel system projects, Fixed-Price Design-Build was the recommended delivery model. Next steps include development of a procurement plan, industry research, risk assessment and development of contractor qualifications.

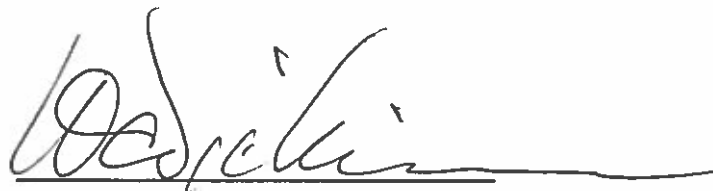
Board members inquired about the risks and risk mitigation, tunnel locations, contractor award and possible contingencies. Mr. Carl noted the high demand for tunnel work. Ms. Pallansch reported that the Board will need to provide authorization during the contracting process and begin rate discussions in February.

There were no additional questions or comments and the Chairman thanked Mr. Carl for his presentations.

There being no additional Board business, the Chairman requested a motion to adjourn. Mr. Dickinson moved approval and Mr. Johnson provided the second. The Board unanimously approved.

The meeting adjourned at 8:33 p.m.

APPROVED:



Secretary-Treasurer