

Minutes of the 864th Meeting
“Celebrating Over 60 Years of Continuous Environmental Excellence”
Alexandria Renew Enterprises
6:00 p.m., Tuesday, March 19, 2019

On Tuesday, March 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
Ms. Patti Turner, Member

Staff: Ms. Karen Pallansch, Chief Executive Officer
Ms. Lisa Van Riper, Director, Enterprise Communications
Ms. Christine McIntyre, Director of Finance
Ms. Caitlin Feehan, Program Manager, RiverRenew
Ms. Lorna Huff, Secretary to the Board

Counsel: Mr. Jonathan Rak
McGuireWoods, LLP

Consultants: Mr. Jeff Theerman, Brown & Caldwell
Mr. Justin Carl, Brown & Caldwell
Ms. Amber Ahles, GEI Consultants, Inc.

Mr. Rob Ori, Principal, PRMG, Inc.
Mr. Thierry Boveri, Senior Analyst, PRMG, Inc.

Fairfax County Representative: Mr. Juan Reyes,
Fairfax County Wastewater Planning & Monitoring Division

City Representative: Mr. Lalit Sharma, Division Chief
Sanitary Sewer Infrastructure Division

Visitor: Ms. Diane Dismukes, Member
RiverRenew Stakeholder Advisory Group

Call to Order

The Chairman called the meeting to order at 6:04 p.m.

Approval of the Agenda

The Chairman requested that members review the agenda and inquired if there were changes. There being none, the Chairman requested a motion to approve. Ms. Turner moved approval and Mr. Beall provided the second. The Board unanimously approved the agenda.

Public Comment Period

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

Closed Session

At 6:04 p.m., the Chairman moved to enter a closed session for discussion of the award of a public contract involving the expenditure of funds, including interviews of bidders or offerors, and discussion of the terms or scope of such contract, were discussion in an open session would adversely affect the bargaining position or negotiating strategy of the public body. Mr. Beall moved and Mr. Dickinson provided the second. The board unanimously approved.

At 6:24 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." Motion was made by Mr. Beall and seconded by Ms. Turner. All Members present voted via roll call:

Mr. Hill	Aye
Mr. Johnson	Aye
Mr. Dickinson	Aye
Mr. Beall	Aye
Ms. Turner	Aye

There were no additional questions or comments and the Chairman moved to the Consent Calendar.

Consent Calendar

A. Review and Approve Minutes from the February 19, 2019 Board Meeting

Mr. Hill requested that members review the Consent Calendar. There were no changes. Mr. Johnson moved approval and Ms. Turner seconded. The Board unanimously approved the Consent Calendar.

There being no additional discussion, the Chairman moved to Unfinished Business.

Unfinished Business

A. Unfinished Business

Proposed Rates Follow-up Discussion

The Chairman recognized Ms. Pallansch. She briefly reviewed the rates presentation from the February 19 Board meeting. She noted that \$25 million was added to legislation for the Alexandria Combined Sewer Overflow (CSO). It was undetermined when and to what extent this would have any effect on AlexRenew rates.

Mr. Theerman and Mr. Ori briefly reviewed AlexRenew's Tenets of Board Rate Policy and the three options presented to the Finance and Audit Committee for AlexRenew's rate increase.

Option #1 recovers 100% of the costs through an increase in AlexRenew's base charge. Impacts include high revenue stability. This Option is preferred by bond rating agencies. It has a greater financial impact on low flow customers. Option #2 recovers 100% of costs through an increase in the flow

High flow customers would be greater impacted financially than low flow customers. Option #3 is a uniform rate adjustment to the base and flow charges. The Option assumes all customers share in proportion of total service needs. Revenue stability improves when compared to Option #2. Option #3 further promotes equity among all customers.

Board members discussed the three options. The Board concurred that Option #3 provided the most equity for customers while maintaining AlexRenew's financial stability.

There were no additional questions or comments. The Chairman moved to new business.

New Business

A. FY20 Budget Presentation

The Chairman recognized Ms. Pallansch who provided highlights on the AlexRenew FY20 Preliminary Budget. Ms. Pallansch referenced page 8, noting the FY20 budget is the first major financial document to reflect the new fiscal year ending June 30.

Highlights include a total FY20 budget of \$91.3 million over \$84.1 million from FY19. There was no net increase in staffing. The budget conforms to all AlexRenew financial policies. The Operating budget increased 2%, within the rate of inflation. Capital expenses increased by 20% due to RiverRenew and the general Capital Improvement Program (CIP). Ms. Pallansch referenced the chart on page 14 showing AlexRenew's proposed rate increase for FY19 and FY20. She requested members review the budget and send her questions or comments.

Ms. Pallansch reported that a meeting of the Finance and Audit Committee needs to be scheduled to review Budget details and requested Tuesday, April 9, at 6:00 p.m. The meeting will be public noticed.

Board Strategic Roundtable – Member and Committee Reports

CSO Workgroup – Mr. Hill

The next meeting is scheduled for Thursday, April 24, at 5:00 p.m. at City Hall.

Alexandria Chamber of Commerce – Ms. Turner

Nothing to report.

Potomac Greens – Ms. Turner

The HOA is focused on the Amazon move to Arlington.

North Ridge Citizens Association – Mr. Johnson

The North Ridge Citizens Association requested a meeting in response to AlexRenew's rate increase. The RiverRenew team will give a presentation on Monday, April 8.

Park Fairfax – Mr. Johnson

Park Fairfax Board elections are upcoming. Mr. Johnson reported he would reach out to the Board after that time. He requested information on how Park Fairfax apportions wastewater fees.

Chesapeake Bay Citizens Advisory Group – Mr. Dickinson

The meeting focused on agriculture with many farm agencies in attendance. He additionally reported that money was allocated in the Farm bill for drinking water.

Conowingo Dam – Separate program for state allocations. The next meeting is in May in Baltimore. The focus is stormwater.

Governance Committee

Nothing to report.

There were no additional questions or comments.

Program Update

Mr. Carl and Ms. Ahle provided a program update for the RiverRenew program. There is ongoing communication with the City of Alexandria. Mr. Jesse Maines will attend a Board meeting to discuss the City's stormwater fee.

Mr. Carl and Ms. Ahle reviewed the major milestones of RiverRenew. They provided an update on recent site investigations on geotechnical, site surveys, natural and cultural resources, environmental and noise studies. They further reviewed the waterfront tunnel routes under consideration and the risks and challenges associated with each. Environmental studies were discussed to provide information on soil samples related to the different outfalls and solutions for reducing the impact.

They discussed construction impacts on the community and steps to minimize disruptions. Mr. Carl and Ms. Ahle requested Board feedback for improving the presentation.

Members provided suggestions on ways to improve the presentation and better communicate with citizens. Ms. Pallansch requested that members email her with additional questions or comments.

Mr. Dickinson inquired about increased Freedom of Information Act (FOIA) activity and requested that AlexRenew monitor inquiries.

CEO's Reports and Recommendations

A. Consideration of February 2019 Financial Reports

Ms. Pallansch recognized Ms. McIntyre, Director of Finance. She reported on revenue and expenditures. There were no additional questions or comments and the Chairman moved to the CEO Monthly Report.

B. CEO Monthly Report (February)

Ms. Pallansch noted her written report and inquired if members had questions.

There were no additional questions or comments and Chairman requested a motion to adjourn. Mr. Beall moved and Ms. Turner seconded. The Board unanimously approved.

The meeting adjourned at 8:28 p.m.

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

APPROVED:

Secretary-Treasurer