

Minutes of the 855th Meeting
“Celebrating Over 60 Years of Continuous Environmental Excellence”
Alexandria Renew Enterprises
6:00 p.m., Tuesday, May 15, 2018

On Tuesday, May 15, 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
Mr. Charlie Logue, Chief of Production
Mr. Steve Schemmel, Chief of Finance and Administration
Ms. Lorna Huff, Secretary to the Board

Counsel: Mr. Jonathan Rak
McGuireWoods, LLP

Fairfax County Representative: Mr. Mike Goodrich, Chief Financial Officer
Fairfax County Wastewater Planning & Monitoring Division

City Representative: Mr. Bill Skrabak, Director
Transportation & Environmental Services

Call to Order

The Chairman called the meeting to order at 6:10 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 Ms. Turner provided the second, and the Board unanimously approved the revised agenda.

The Chairman introduced Mr. Mike Goodrich from Fairfax County and Mr. Bill Skrabak from the City of Alexandria who were substituting for the regular Fairfax County and City of Alexandria representatives.

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

The Chairman recognized Ms. Turner who served on the 2018 Ellen Pickering Award Selection Committee. Ms. Turner reported that the Committee received 10 applications for the 2018 award and all submissions were well-qualified. The Selection Committee unanimously chose Ms. Janet Noritake as the 2018 winner for the

depth and breadth of her environmental contributions. Ms. Turner noted that AlexRenew was well represented for Earth Day activities.

General Member Updates

Community Updates

The Chairman reported that the West Old Town Civic Association meeting on April 19th was cancelled. He requested that members share their HOA contacts for the month.

Northridge Citizens Association – Mr. Johnson reported that the Monday, May 14th meeting was cancelled due to bad weather.

Potomac Greens HOA – Ms. Turner reported that she continues to work with the organization to find a date where Ms. Pallansch can make a presentation to the group.

Chamber of Commerce – Ms. Turner reported that a Mayoral Debate was held on Monday, May 14, at TC Williams High School.

Chesapeake Bay Citizens Advisory Group

Mr. Dickinson reported that the Advisory Group will be meeting in Lancaster, Pennsylvania in the coming week. The group's focus will be water equity, environmental education and stormwater issues.

Finance & Audit Committee

Mr. Johnson reported that the next scheduled Finance and Audit Committee will be held on June 18. The Committee will review the budget in detail and discuss with the full Board on June 19. Ms. Pallansch reported that tunnel alignments for the Wet Weather Project (WWP) are not final. Staff recommends that the Board take no action on rates until WWP costs can be more accurately estimated.

Governance Committee

The Chairman reported that City Council and AlexRenew would be establishing a Wet Weather Working Group. Two members of AlexRenew's Board and two members of City Council will be appointed. The Chairman proposed that he and Ms. Turner represent the AlexRenew Board. Mr. Skrabak reported that City Council appointments would take place before the summer recess. Meetings of the Wet Weather Working Group will begin in the August- September time frame. Mr. Hill and Ms. Turner will provide full briefings to the Board.

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

CEO's Reports and Recommendations

A. Consideration of April 2018 Financial Report

Members reviewed the April financial report noting that revenues were down for the month. Ms. Pallansch reported that was due to seasonality and she expected they would rebound later in the year.

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

B. CEO Monthly Report (April)

Ms. Pallansch noted her written report and asked if members had questions or comments. Mr. Johnson inquired whether City of Alexandria Sanitary Sewer rates had increased. Mr. Skrabak reported that the increase had taken affect and reported on some of the City's outreach programs regarding the sanitary sewer pipes. Mr. Goodrich reported that Fairfax County had recently implemented outreach programs on soils, fats and grease. Additionally, their communications program links their fee increases to the building of new infrastructure to accommodate development.

Ms. Pallansch distributed flyers on AlexRenew's outreach programs on sanitary sewers, stormwater, and Chesapeake Bay Awareness Week. Chesapeake Bay Awareness Week is June 2-9. AlexRenew kicks off the Week with an art event sponsored by AlexRenew and the Chesapeake Bay Foundation.

Ms. Pallansch reported on the new free library that AlexRenew recently installed in the lobby of the Environmental Center. Board members inquired about whether the rainstorms from the previous week effected plant performance. The CEO reported that the plant experienced no overflows or issues.

Ms. Pallansch further reported on a "Meet Moxie" event held on Saturday, May 12. Attendance at the event was sparse but word was getting out on AlexRenew's activities. The Chairman inquired about whether a determination had been made about using AlexRenew as a voting place. Ms. Pallansch reported that decision would be made by City Council in the next few months.

Ms. Pallansch reported that the 2017 Annual Report was available for those members who did not receive theirs in the mail.

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

Consent Calendar

Mr. Hill recognized Ms. Pallansch who reported on the Human Machine Interface (HMI) replacement for the Supervisory Control Data Acquisition (SCADA) System.

A. Review and Approve HMI for SCADA

Discussion

The current HMI application is at the end of its useful life. In 2015, AlexRenew retained the services of HDR to develop a SCADA Master Plan that created a comprehensive guide for all future work associated with the SCADA system. This Master Plan identified a recommended path forward to replace the aging and outdated infrastructure to ensure a modern, scalable solution. In 2017, AlexRenew publicly requested proposals for replacement of the control system, of which four (4) integrators submitted offers.

The selection committee has recommended Emerge due to their experience and design proposal. Having implemented similar solutions in other utilities, they are positioned to successfully complete this undertaking.

Ms. Pallansch reported that the SCADA is a critical part of AlexRenew's infrastructure and must be maintained. In response to Board members' inquiries, Ms. Pallansch noted that the SCADA system is very secure and separate from AlexRenew's business systems. There is no external access and staff with

permissions follow certain protocols for log-ins. She further reported that the contract will be performed as a Task order with a project duration of 3 years. There being no additional questions or comments, the Chairman requested a motion to approve. Mr. Johnson moved approval and Mr. Dickinson provided the second. The Board unanimously approved.

Be It Resolved That: the Board authorizes the CEO to execute a contract with Emerge Systems in an amount not to exceed \$3 million dollars for replacement of the HMI.

The Chairman requested that members review the Minutes from the April 17, 2018 meeting. There being no questions or comments, the Chairman requested a motion to approve the Minutes. Mr. Beall moved approval with Mr. Johnson providing the second. The Board unanimously approved the Minutes of the April meeting.

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 Chesapeake Bay Awareness Week

Discussion

One of our region's greatest success stories are the efforts in the wastewater sector to ensure extensive controls of phosphorous and nitrogen in our wastewater plants. The results have been significant reductions in nutrients sent to the Chesapeake Bay and documented water quality improvements in the Potomac River – all of which help the Bay.

AlexRenew has invested close to \$900 million in capital to insure we are compliant with regulations to reduce nutrients in the Bay and support Bay restoration efforts. We have complied with strict environmental limits for 13 years consecutively and just earned our 13th NACWA Peak Platinum Performance Award. We anticipate additional investments for continued nutrient management and wet weather.

Ms. Pallansch reported that AlexRenew along with the Council of Governments (COG) has supported Chesapeake Bay Awareness Week in the past. COG has used Chesapeake Bay Awareness Week as an outreach tool among the members of the jurisdictions.

There being no additional questions or comments, the Chairman requested a motion to approve. Mr. Dickinson moved and Ms. Turner provided the second. The Board unanimously approved the attached Resolution recognizing Chesapeake Bay Awareness Week.

B. Presentation of FY19 Preliminary Draft Budget

The Chairman recognized Ms. Pallansch who provided highlights of the FY19 Preliminary Draft Budget. She reported that the budget has been tied to AlexRenew's 2040 Vision adopted by the AlexRenew Board of Directors. She further reported on an increase in the price of stainless steel. At

this point, staff did not recommend a rate increase with the FY19 Budget. Factors that must be considered include AlexRenew's cash reserves and spending on the Wet Weather Program. Mr. Hill discussed that not raising rates at this time provides the opportunity to roll out and discuss a communications plan to ensure that citizens are familiar with the differences between AlexRenew's wet weather program and the City's stormwater fee.

Mr. Rak reviewed the rate review process with the Board and how the adoption of a Resolution of Intent that would be sent to City Council. A public notice would be issued and a public hearing held to receive comments. The Board vote on the rate adjustment would take place 30 days prior to being enacted.

Ms. Pallansch requested that members send their questions or comments on the FY19 Budget to her in advance of the Finance and Audit Committee scheduled for Monday, June 18th. The Finance Committee will report out to the full Board and the Board will finalize the budget in July for public hearing and public notice. The budget will then be posted on the AlexRenew website and in BoardEffect.

The Chairman recommended that all Board members attend the Finance and Audit Committee meeting if they were able.

There being no additional questions or comments, the Chairman recognized Mr. Rak.

C. Update on City of Alexandria Service Agreement w/Alexandria Renew Enterprises

Mr. Rak provided an update on the progress of the City Service Agreement. Substantial progress had been made toward updating the AlexRenew City of Alexandria Service Agreement with two minor issues to be resolved. The first was peak flow allowances in trunk sewers and the second was AlexRenew allocated nutrient credits.

Ms. Rak reviewed how the nutrient credit program was tied to waste load allocations (WLA) and that credits were received when AlexRenew discharges were below its allowable limits. Ms. Pallansch reported that AlexRenew uses these credits to make operational and financial decisions and keep AlexRenew rates stable. The City has agreed to transfer their Combined Sewer Overflow (CSO) credits to AlexRenew when they transfer the four CSO Outfalls to AlexRenew. CSO credits beneath the City's WLA will be returned to the City for their use.

The City has requested additional credits from AlexRenew's WLAs. The Board discussed the City's request, how the additional credits would be used by the City, credit adjudication within the program, the availability of credits on the open market, the effect on AlexRenew's ability to remain in compliance and alternatives. Mr. Johnson suggested waiting until significant credits were accumulated before making a decision on their availability.

There being no additional questions or comments, the Chairman requested to motion to move to Closed Session.

At 8:24 p.m. the Chairman requested a motion to enter a closed session for the purposes of discussion, consideration or interviews of prospective candidates for employment, assignment, appointment, promotion, performance, demotion, salaries, disciplining or resignation of specific officers, appointees or employees. Mr. Johnson moved approval and Ms. Turner provided the second. The Board unanimously approved.

At 8:52 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. Johnson and seconded by Mr. Dickinson. All Members present voted via roll call:

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

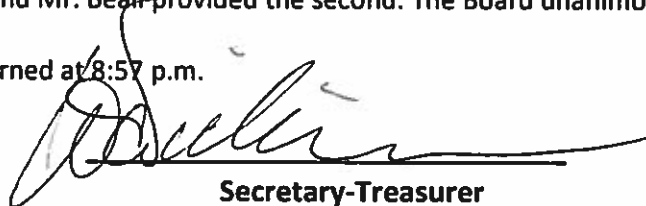
Upon returning to open session, the Chairman requested a motion to award an annual performance bonus to the Chief Executive Officer. Ms. Turner moved and Mr. Dickinson provided the second. The board unanimously approved.

Be it Resolved That: The Board authorizes the Chairman to award an annual performance bonus to the Chief Executive Officer in recognition of her performance during 2017 and commensurate with industry norms.

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

The meeting adjourned at 8:57 p.m.

APPROVED:



Secretary-Treasurer