

Minutes of the 920<sup>th</sup> Meeting  
AlexRenew Board of Directors  
6:00 p.m., Tuesday, July 16, 2024

On Tuesday, July 16, 2024, the AlexRenew Board of Directors held its regular meeting in the Edward Semonian Board Room at 1800 Limerick Street, and broadcast via Microsoft Teams, with the following present:

- Members: Mr. John Hill, Chair  
Mr. James Beall, Vice Chair  
Ms. Adriana Caldarelli, Secretary-Treasurer  
Mr. Mark Jinks, Member  
Ms. Becky Hammer, Member
- Staff: Mr. Justin Carl, General Manager/Chief Executive Officer  
Ms. Amanda Waters, General Counsel/Deputy General Manager  
Ms. Caitlin Feehan, Chief Administrative Officer  
Ms. Felicia Glapion, Chief Engineering Officer  
Mr. Lake Akinkugbe, Director of Finance  
Mr. Matt Robertson, Director of Communications  
Mr. Kevin Pulong, Engineering Manager  
Ms. Lorna Huff, Executive Assistant to the Board
- Fairfax County Representative: Mr. Shahram Mohsenin, Division Chief, Wastewater Planning and Monitoring Division
- City Representative: Mr. Lu Zhang, Sanitary Sewer Infrastructure Division
- Contractors: Mr. Tommy Brennan, Ulliman Schutte  
Mr. Chris Kay, Ulliman Schutte

1. Call to Order

The Chair called the meeting to order at 6:02 p.m..

2. Approval of Agenda

The Chair requested that members review the agenda. There being no changes, Mr. Beall moved approval and Ms. Hammer seconded. The Board unanimously approved.

3. Public Comment Period

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

4. Consent Agenda

Members reviewed the Consent Agenda which contained the Minutes of the June 18, 2024 Board of Directors meeting. Mr. Jinks requested that on page 4, Item b) the word "tabled" replace the word "review" on the second line. There being no additional questions or comments, the Chair requested a motion to approve the Consent Agenda as amended. Mr. Beall moved and Ms. Hammer seconded.

The Board unanimously approved.

## 5. Member and Committee Updates

### a. Community Meetings

Nothing to report.

### b. Finance and Audit Committee

Nothing to report.

### c. Governance Committee

A Governance Committee meeting is scheduled for Monday, October 28. A draft Agenda was provided to the Board. Mr. Carl requested that members review the Agenda and the enclosed 2023 Board self-assessment. Feedback is due to Mr. Beall on both items by September 1. The meeting will review current policies as well as the Board succession plan.

Board members have been enrolled in the Water Environment Federation (WEF). Log-ins were sent via email to provide access to WEF online content.

### d. Board Retreat

Mr. Carl reported that all speakers have been secured for the Board Retreat, including Manny Teodoro, Professor of Public Affairs at the La Follette School of Public Affairs, and Thierry Boveri, Diana Ling, and Rob Ori from Raftelis.

## 6. Unfinished Business

### a. Compensation Philosophy

The Chair reported that the revised policy is much cleaner than the prior versions. The Chair asked about the biennial compensation survey. Mr. Carl indicated that staff uses an outside vendor and the HR team reviews the results. The survey is a 6-month process. The Chair noted the policy had been reviewed and asked if members had additional questions. There being no additional questions, the Chair requested a motion to approve. Mr. Beall moved and Ms. Hammer seconded. The Board unanimously approved.

There were no additional questions or comments and the Chair moved to the revised Delegation of Authority.

### b. Delegation of Authority

The Chair recognized Mr. Jinks who stated that a 25% change order authority for high value construction contracts would result in a large change order authority. Additionally, he requested dollar value caps be placed on sole source determinations and emergency contracts. Mr. Carl suggested a sliding scale change order authority based on value of the construction contract, noting that the 25% authority is founded in Virginia Code. Chair requested that the policy be tabled for additional amendments to address the questions raised by the Board.

There were no additional questions or comments. The Chair moved to discuss the Deed of Lease Agreement with the City.

### c. Ratify Deed of Lease Agreement for Environmental Center 5<sup>th</sup> Floor

Mr. Carl provided an overview of the lease agreement that AlexRenew and the City are executing

for the City to use a portion of the 5th floor of AlexRenew's Environmental Center. The City's Transportation and Environmental Services (T&ES) Infrastructure and Environmental Quality Branch (IEQ) will use 5,599 square feet of the 11,654 square foot 5th floor. AlexRenew's IT department will occupy 3,123 square feet with the remaining 2,932 square feet used as common area. Staff has been working with Fairfax County on cost share implications. City Council approved and sent the proposed Lease Agreement to the City Manager for execution. It was noted that in lieu of rent, the City will provide a \$25,000 donation annually to the Lifeline Emergency Assistance Program (LEAP). Ms. Hammer asked about documenting the commitment to use the Lease payments for LEAP. Ms. Waters reported that the Memorandum of Understanding (MOU) between the City and AlexRenew includes the commitment to use the funds for LEAP. Bond counsel recommended broader language in the Lease allowing the amount paid by the City to be used for any lawful purpose other than to pay or offset debt service. Mr. Carl reported that there will be a small cost for utilities, and City staff is currently deciding whether to use AlexRenew's cleaning service or another contractor.

There being no additional questions or comments, the Chair requested a motion to approve. Ms. Hammer moved and Ms. Caldarelli seconded. The board unanimously approved.

## 7. New Business

### a. Election of Officers

The Chair reported that he has been on the Board since 2011 and applauded AlexRenew's strong position in the community. He said that the Board needs to be looking forward 10-20 years. The Chair reported that he had communicated with each Board member individually and all agreed to maintain the current slate. The Chair voiced his commitment to develop all members to perform the Board's responsibilities, to support the CEO, and to set rates that are fair, transparent, and equitable.

The Chair recognized the Vice Chair who moved that the Board maintain its current slate with Mr. John Hill as Chair, Mr. Jim Beall, as Vice Chair, and Ms. Adriana Caldarelli as Secretary-Treasurer. Committee assignments remain the same. Mr. Jinks seconded. The Board unanimously approved.

### b. FY2024 Write-Off of Customer Accounts

The Chair requested that members review the memo for write-offs of certain customer accounts and asked if the customers on the write-off list are still receiving service. Mr. Carl reported that staff receives the data from Virginia American Water and according to billing records, the accounts are not receiving service. Members requested and Mr. Carl provided clarifications on the criteria for writing off customer accounts, the threshold for customer write-offs, and use of third-party vendors for collections.

There being no additional questions or comments, the Chair requested a motion to approve the FY2024 customer account write-offs. Mr. Jinks moved and Mr. Beall seconded. The Board unanimously approved.

### c. Review and Approve Construction Management At-Risk Agreement for Primary and Preliminary Upgrade Program

The Chair recognized Mr. Carl who discussed the plan for upgrading the Preliminary and Primary Systems Upgrade project. He noted the procurement process began several months ago, and the staff is bringing their recommendation of Ulliman Schutte to provide preconstruction services for the project as part of a two-step procurement process which will be followed by a

guaranteed maximum price (GMP) under the Construction Management at-Risk contract.

The GMP is estimated at \$70 million for the project at this point in the design. The preconstruction services are estimated at \$1,484,360.

There being no questions or comments, the Chair requested a motion to approve. Ms. Caldarelli moved and Mr. Beall seconded. The Board unanimously approved.

**Be It Resolved That:** The Board authorizes the CEO to execute a contract with Ulliman Schutte in the amount of \$1,484,360 for preconstruction services for the Preliminary and Primary Systems Upgrade project.

d. Presentation on Progressive Design-Build Project Delivery

Mr. Carl recognized Ms. Feehan who provided members with a briefing on Progressive Design-Build Project Delivery.

Ms. Feehan reminded the Board of their recent approval of revisions to the Collaborative Delivery Policy in response to changes to the State's public procurement laws that became effective July 1, 2024. The new law does not allow the public body to consider prior design-build or construction management experience as a factor for shortlisting. Further, a local governing body must adopt a resolution or motion on a per project basis prior to issuing a Request for Qualification for a construction management or design-build project.

Ms. Feehan provided an overview of project delivery methods comparing traditional, collaborative, fixed-price design-build, and progressive design build noting the relationships between the owner, contractor, and designer. She reviewed the progressive design-build process from planning through operations and the benefits of this delivery method, which reduces risk, offers faster project schedules, and early contractor engagement.

Staff are preparing a resolution for Board consideration in September for the progressive design-build delivery of the Tertiary Systems Upgrade project.

Members discussed the factors for Board approval of the delivery method, project complexity, and scheduling. Next steps include distribution and review of the resolution in the August Board package.

8. AlexRenew Monthly Outcomes Update

a. Discussion.

The Chair recognized Mr. Carl who noted that in July, AlexRenew marked 68 years since the plant first received wastewater flow. He shared that AlexRenew was recognized by the Water Environment Federation (WEF) as a Utility of the Future. AlexRenew also received its Certificate of Achievement from the Government Finance Officers Association (GFOA) for FY2023.

Mr. Carl referenced the preliminary FY2024 year-end wastewater treatment charge revenue and expenses information noting that Wastewater Treatment Charge revenues (\$57.8 million) are estimated to be higher than budgeted revenue due to higher than anticipated usage; operating and maintenance expenses are estimated to be slightly below budget; and total expenses (\$177.0 million) are estimated to be lower than budgeted expenses primarily due to the timing of capital spending.

Mr. Robertson discussed AlexRenew's delinquencies noting a significant increase in active payment plans and a decrease in the number of delinquent accounts. Members asked about AlexRenew service disconnections and staff reported that Virginia American Water (VAW) cannot perform them until the temperature is lower than 92 degrees. Ms. Hammer asked if there was a way to confirm that customers scheduled for disconnection had received the communications. Mr. Robertson explained that customers are sent certified letters informing them of their impending service disconnection and door hangers are placed at those addresses. The door hanger is issued jointly with VAW. Mr. Robertson reported that by the time a customer has been placed on the list, they have been sent a certified letter, text messages, emails, and other forms of communication. Ms. Caldarelli asked about temperature spikes after a customer has been disconnected. Mr. Robertson responded that prior to disconnection, VAW has to consider the temperature projections 24 hours after the disconnection period; in addition, disconnections are not performed on Fridays.

Ms. Hammer inquired about LEAP and requested information on the amount issued per household and the percentage of the household's outstanding debt to AlexRenew.

Staff is projecting a \$75,000 balance for LEAP and is considering elimination of the income requirement. Many utilities have no income requirement and due to challenges in getting households to sign up, staff would like to follow industry standards. The Chair requested feedback from all members and the sentiment of the Board is that AlexRenew relax or eliminate the income requirement for LEAP.

#### RiverRenew Dashboard

Mr. Carl reported that the last of the pile driving on Pendleton Street is beginning. Sip and Sees have been discontinued on all sites except Pendleton Street. The final Council-Board Workgroup meeting is scheduled for November 20. Staff will provide a quarterly report to City Council on the project. Mr. Carl referenced the last page of the Dashboard and noted the final walkthrough was completed on the tunnel. The Chair noted a Listening Session scheduled for the night before the September board meeting that he encouraged members to attend if possible.

Ms. Hammer reported that issues had surfaced about people who send their checks in the mail being charged late fees. Mr. Robertson said he would investigate.

There being no additional questions or comments, the Chair moved to adjourn. Ms. Hammer seconded. The Board unanimously approved.

The meeting adjourned at 7:40 p.m.

APPROVED:



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Secretary-Treasurer