

Minutes of the 921st Meeting
AlexRenew Board of Directors
6:00 p.m., Tuesday, September 17, 2024

On Tuesday, September 17, 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. Wendy Callahan, Chief Human Resources Officer
Ms. Allison Deines, Chief Water Quality Officer
Ms. Caitlin Feehan, Chief Administrative Officer
Mr. Lake Akinkugbe, Director of Finance
Mr. Matt Robertson, Director of Communications
Ms. Lorna Huff, Executive Assistant to the Board

Fairfax County
Representative: Mr. William Barrack, Branch Chief
Engineering, Planning and Analysis Branch

City Representative: Ms. Erin Bevis-Carver, Division Chief
Sanitary Sewer Infrastructure Division

1. Call to Order

The Chair called the meeting to order at 6:00 p.m..

2. Approval of Agenda

The Chair requested that members review the agenda. There being no changes, Mr. Jinks 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 July 16, 2024 Board of Directors meeting. There being no questions or comments, the Chair requested a motion to approve the Consent Agenda. 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

Ms. Feehan provided the schedule for AlexRenew's FY2024 annual audit. AlexRenew deliverables were due on September 6. Board and CEO calls with the auditor will take place between September 16-20. Audit control, testing, and the auditors ACFR auditors report will be produced in October in advance of the November 12 Finance and Audit Committee Meeting.

For FY2024, staff will produce a Popular Annual Financial Report (PAFR). Similar to the ACFR, this provides a format of charts, and executive summary for an easier to read financial report. Mr. Jinks described the background and history of the PAFR.

Mr. Akinkugbe received the 2024 GFOA Recognition for Outstanding Public Service.

c. Governance Committee

Mr. Carl reported that staff has been working with the Governance Committee on the draft agenda, Board self-assessment and the Board composition survey. A link to the survey was email to members for completion.

6. Unfinished Business

a. Delegation of Authority

Mr. Carl reported that the Delegation of Authority was important to prospective bidders. Staff added the Change Order Authority for Sole Source Contracts and will provide Board monthly updates. The Chair was pleased with the new layout providing clarity and vision. Members agreed with the Chair's comments. There being no additional discussion, the Chair recognized Mr. Beall who moved approval of the new Delegation of Authority. Ms. Caldarelli seconded. The Board unanimously approved.

There were no additional questions or comments. The Chair moved to New Business.

7. New Business

a. Revised Financial Policy

Mr. Carl reported that at the last meeting, staff reviewed the process for write-offs and identified active and inactive accounts. The Chair reported that Section A of the revised Policy is very clear. Mr. Jinks requested that staff correct the reference to Bans in Section 3b to "BANS". There being no additional questions or comments, the Chair requested a motion from Mr. Jinks to approve the revised Financial Policy as amended. Mr. Jinks moved approval and Ms. Caldarelli seconded. The Board unanimously approved.

b. Lifeline Emergency Assistance Program (LEAP) Policy

The LEAP Policy formalizes AlexRenew's current payment assistance options for past due customers. It includes a framework, funding strategies, and guidelines for structuring payment plans. Members asked about policy changes that would not require Board approval, missed payments, and clarification on the \$350 credit. The Chair requested that the Policy be tabled for members to provide additional feedback to the CEO. Ms. Hammer requested a word version of the document to add comments.

c. Per-and Poly-Fluoroalkyl Substances (PFAS) Presentation

Mr. Carl referenced a change in the slide presentation that presented AlexRenew's PFAS

sampling results from June. Ms. Deines, introduced herself and reported on the workgroups that are currently exploring this issue. Ms. Deines is the past Co-chair of the National Association of Clean Water Agencies (NACWA) Water Quality Committee and helped lead the Virginia Biosolids Council Research Committee and serves as Chair of the Virginia Association of Municipal Water Agencies (VAMWA) Biosolids Committee and participates on the Board of the Nutrient Credit Exchange Water Quality Training for Virginia.

Ms. Deines provided an overview of PFAS, including history and their environmental cycle. She reviewed PFAS regulations, their impact on AlexRenew, and how AlexRenew is minimizing potential risks associated with PFAS, AlexRenew's sampling results for PFAS, and biosolids management. PFAS are used for many commercial applications as they do not breakdown easily and can have negative human health impacts.

PFAS regulatory actions will most impact AlexRenew's influent and biosolids. The impact of regulations to AlexRenew would reduce the amount of PFAS in WRRF influent, improve the understanding of PFAS in the water cycle and drive towards new treatment technologies. Ms. Hammer and Mr. Jinks asked about industrial sources and sources from Fairfax County. AlexRenew is 98% residential with three Significant Industrial Users (SIUs) that are permitted through the pretreatment program. Within the Fairfax County pretreatment border there are no SIUs that would be associated with higher levels of PFAS.

Ms. Deines reviewed AlexRenew's treatment process with sampling performed during biosolids treatment. AlexRenew treats approximately 22,000 wet tons of biosolids per year in the form of Class B Cake with the idea of moving to a Class A pellet with the solids upgrade project. Members discussed biosolids usage and classification, monitoring, and state and federal responses to PFAS. Ms. Deines reported that Virginia is taking a science based approach. Risk management occurs by working with local industries to identify sources and develop mitigation measures, continued monitoring, implementation of the solids upgrade program and support of new research and treatment technologies.

The Chair commended Ms. Deines on her presentation and members concurred. There was no additional discussion and the Chair moved to the Wellness Program.

d. Overview of AlexRenew's Wellness Program

AlexRenew's wellness month coincides with Cyber Security month. Mr. Carl introduced Ms. Callahan who provided an overview of AlexRenew's wellness program which focuses on all aspects of employee well-being, including social, mental, financial and physical health. AlexRenew's wellness program encompasses an entire year with monthly initiatives like incentives, wellness month, EAP, webinars and stress free days. Mr. Jinks asked if the incentives were monetized. Ms. Callahan reported on AlexRenew's program where staff receiving 200 wellness points receive a financial reward of \$750 into their health savings accounts.

Wellness month includes a fair on October 24, where staff can receive flu shots, and talk with any of the 20 vendors who will be attending. Board members are invited to participate. Ms. Callahan reported on the benefits of a wellness program including lower healthcare costs, improvement of employee health, improved workplace culture and employee engagement and moral. Additionally, AlexRenew's healthcare provider gives a \$5,000 credit to the organization. The Chair asked measuring staff wellness. Ms. Callahan reported that AlexRenew's biometric screening, and upcoming net promoter survey to gather information on employee engagement and morale. There being no additional discussion, the Chair moved to Item e.

e. Resolution to Approve the Use of Progressive Design-Build for the Tertiary Systems Upgrade Project

The Virginia Code requires a local public body to adopt a resolution for the use of construction management or design-build on a per project basis in advance of issuing a Request for Qualifications. Mr. Carl reviewed the Resolution for the Use of Progressive Design-Build for AlexRenew's Tertiary Upgrade Systems Project. He then reviewed the procurement process by the issuance of the Request for Qualifications (RFQ). The Resolution discusses the advantages of using Progressive Design-Build to mitigate risks associated with the project.

The Chair requested a motion to approve the Resolution to approve the Use of Design-Build for the Tertiary Systems Upgrade. Ms. Hammer moved and Ms. Caldarelli seconded. The Board unanimously approved.

Resolution Approving the Use of Design-Build for the Tertiary Systems Upgrade Project

WHEREAS, Virginia Code Ann. § 2.2-4382 (2024) requires a local public body to adopt a resolution for the use of construction management or design-build on a per project basis in advance of issuing a Request for Qualifications; and

WHEREAS, AlexRenew operates a state-of-the-art wastewater treatment plant with strict permit limits for nitrogen, phosphorus, total suspended solids, and other pollutants to meet reductions set by the Chesapeake Bay Total Maximum Daily Load;

WHEREAS, AlexRenew leverages a third, highly-automated advanced treatment stage, consisting of a series of plate settlers, settling tanks, 22 mixed-media filters, valving, pumps, and complex control networks (the "Tertiary System") to meet its strict permit limits;

WHEREAS, Tertiary System upgrades are required to ensure the reliability, functionality, and level of service of the wastewater plant;

WHEREAS, Tertiary System upgrades must be completed while the wastewater plant remains active and access to the system is constrained, requiring complex siting arrangements for cranes, construction equipment, and plant traffic;

WHEREAS, construction activities and shutdowns associated with Tertiary System upgrades present risk to plant operations, level of service, safety, and permit compliance;

WHEREAS, project delivery through the traditional design-bid-build method presents the following risks to the Tertiary System upgrades:

- The competitive sealed bidding process (low bid) results in the selection of a contractor lacking technical competence to complete the work; causing delays, increased cost, and permit violations;
- The lack of contractor engagement during the design process results in differing expectations in contract requirements leading to increased change orders and cost;
- The linear competitive sealed bidding process presents the longest project schedule, delaying the necessary upgrades and risk of permit compliance;
- Bidding separate design and construction contracts increases cost and burden associated with staff administration;

WHEREAS, design-build project delivery reduces risk to the Tertiary System upgrades by:

- Considering non-price factors in selection, allowing AlexRenew to evaluate the experience and approach of contractors, ensuring a highly qualified contractor performs the work;
- Supporting early contractor engagement during the design process to provide feedback on contract requirements, mitigating the potential for costly change orders;
- Developing a collaborative environment between the owner, designer, and contractor to ensure the work is constructible, safe, and maintains plant level of service and permit compliance;
- Promoting trust and transparency in pricing through open book cost estimating;

- Providing greater price certainty at an early design phase leading to more accurate cash flows and budgets, necessary for reliable and predictable funding;
- Accelerating project schedule through a single procurement process and advancing design and construction activities concurrently;

WHEREAS, for the reasons stated above design-build is more advantageous than design-bid-build for the Tertiary Systems upgrades;

WHEREAS, the Request for Qualifications for the Tertiary Systems Upgrade Project is planned to be issued in February 2025; and

WHEREAS, procurement for the Tertiary Systems upgrades will follow the requirements outlined in Virginia Code Ann. § 2.2-4382 and AlexRenew's 'Procedures for the Procurement of Construction Management At-Risk and Design-Build.'

NOW, THEREFORE, BE IT RESOLVED that the AlexRenew Board of Directors authorizes the use of design-build for the procurement and delivery of the Tertiary Systems upgrades.

Given under my hand on this 17th day of September 2024.

John B. Hill

Chair, AlexRenew Board of Directors

8. AlexRenew Monthly Outcomes Update

a. Discussion.

Mr. Carl reported on payment plan enrollments and reduction in account arrearages. The income requirements for LEAP were removed in July and staff has seen an increase in payment plan participation. The Chair asked about anecdotal information on delinquent accounts and the reasons for-non-payment. Mr. Roberts reported that some disconnected customers were unaware of AlexRenew as a utility. Other customers thought there may be a federal or state grants available. Staff was encouraged by the number of customers that have enrolled in payment plans. Ms. Hammer asked if any disconnected customers had enrolled in LEAP for assistance.

Mr. Roberts reported that the current Dashboard is through August 31, 2024. Nine customers requested assistance. Since the printing of the report, six additional customers have requested assistance.

Mr. Roberts referenced page 3 of the LEAP Dashboard noting the LEAP contribution and the total of customer arrearage. The data represents nine customers tracking may become more difficult as the program expands. Ms. Hammer asked about payment plans for past due accounts. Payment plans last for 12 months. This will be changed to 24 months. The average past due arrearage was 6 months.

RiverRenew Dashboard

Mr. Carl reported that the last Community Listening Session will be tomorrow evening at Outfall 002 and that pile driving at Outfall 001 will be completed in the next two weeks.

The Chair referenced page 2 of the Dashboard and the graphic reference construction progress at AlexRenew at 32%. Mr. Carl reported that to achieve substantial completion, work at Pendleton, Hoofs Run and Royal has to be at or near 100% completion

There being no further discussion, the Chair moved to Board Administrative Items.

9. Board Administrative Items

Discussion

The Chair presented Ms. Caldarelli with a Resolution recognizing her service to the AlexRenew Board of Directors and AlexRenew, a polished cutting tooth from Hazel, the tunnel boring machine, from Outfall 002 and a copy of the Song of the Sewer.

The Chair requested a motion to approve the Resolution. Mr. Beall moved and Ms. Hammer seconded. The Board Unanimously Approved.

AlexRenew **Board of Directors Resolution** **Recognizing Contributions of Ms. Adriana Caldarelli**

WHEREAS, The City of Alexandria, Virginia Sanitation Authority, known as AlexRenew is governed by an Alexandria City Council appointed five-member citizen board to which Ms. Adriana Caldarelli was appointed in 2020.

WHEREAS, Ms. Caldarelli has served as Secretary-Treasurer since July 2023.

WHEREAS, Ms. Caldarelli's 25 years of experience as an environmental professional in the water sector greatly enhanced AlexRenew's ability to serve its local community with agility, empathy, and understanding of customer needs.

WHEREAS, Ms. Caldarelli served during the \$615 million RiverRenew program, the largest capital investment in the history of AlexRenew.

WHEREAS, Ms. Caldarelli was influential in establishing AlexRenew's Lifeline Emergency Assistance Program to assist customers having trouble paying their sewer bills.

WHEREAS, Ms. Caldarelli supported AlexRenew in the search and selection of the CEO, oversaw the organization's rebranding, and helped develop AlexRenew's refreshed vision, mission, and 2024-2029 Strategic Plan.

WHEREAS, as a member of the Finance and Audit Committee, Ms. Caldarelli oversaw AlexRenew's first public bond sale and first green bond sale by an authority in the Commonwealth of Virginia.

WHEREAS, Ms. Caldarelli served as judge of the annual Ellen Pickering Environmental Excellence Award, an award given to a deserving Alexandrian jointly with the City of Alexandria in memory of Ellen Pickering, long-serving AlexRenew board member.

WHEREAS, Ms. Caldarelli's thoughtful questions and level-headed approach proved valuable as AlexRenew reviewed initiatives, policies, and projects.

WHEREAS, Ms. Caldarelli was a strong supporter of AlexRenew and its mission of protecting public health and the waterways that connect us.

NOW, THEREFORE, BE IT RESOLVED that the AlexRenew Board of Directors hereby wishes to acknowledge and thank Ms. Adriana Caldarelli for her many years of dedicated service on behalf of AlexRenew.

Given under my hand on this 17th day of September 2024.

John B. Hill
Chair, AlexRenew Board of Directors

Ms. Caldarelli thanked the Board and staff and noted that it has been an honor and rewarding experience to work on the AlexRenew Board.

The Chair requested a motion to adjourn. Mr. Beall moved and Mr. Jinks seconded. The Board unanimously approved.

The meeting adjourned at 7:57 p.m.

APPROVED:


Secretary-Treasurer