

Minutes of the 860<sup>th</sup> Meeting  
*“Celebrating Over 60 Years of Continuous Environmental Excellence”*  
Alexandria Renew Enterprises  
6:00 p.m., Tuesday, November 20, 2018

On Tuesday, November 20, 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  
Ms. Liliana Maldonado, Chief of Engineering and Planning  
Ms. Lorna Huff, Secretary to the Board

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

Counsel: Mr. Jonathan Rak  
McGuireWoods, LLP

Education Discussion: Mr. Michael Loulakis, President and CEO  
Capital Project Strategies

Consultant: Mr. Dan Lynch, Jacobs Engineering

Fairfax County Representative: Mr. Juan Reyes, Chief  
Chief Environmental Monitoring Branch

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

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. Mr. Dickinson 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.

### Education Discussion – Fixed-Price Design Build Procurement

The Chairman recognized Ms. Pallansch who introduced Mr. Michael Loulakis, President and CEO of Capital Project Strategies. Mr. Loulakis has previous experience in delivery of design build projects in the construction and energy sectors.

Mr. Loulakis provided an overview of fixed-price design build and the procurement process for this construction delivery system. He reviewed procurement concepts within fixed-price design build and next steps. Mr. Loulakis briefly discussed proposed RiverRenew projects and recommended using fixed-price design build for the Combined Sewer Overflow (CSO) tunnel system.

Key benefits of using fixed-price design build include a direct contractual relationship between the contractor and designer. The owner does not manage the design/construction interface. There is also a single point of responsibility with the contractor and designer (Design-Builder) and a shorter project delivery and construction duration. Using this delivery system, the owner also learns the price in earlier phases of the project. The owner also has the flexibility to consider non-price factors in contractor and designer selection.

Mr. Loulakis then reviewed the two-step procurement process from the Request for Qualifications phase to the Request for Proposals phase and discussed the criteria for short listing qualified design build teams. He additionally reviewed the unique fixed-price design build procurement concepts such as Alternative Technical Concepts (ATC), and proposal payments to unsuccessful bidders.

Board Members inquired on the cost differential from other forms of construction procurement, how conflicts are resolved between the contractor and designer team, how is contractor and designer past performance weighted in the selection process, contractor and designer bonds, safety culture, and proposal payments to unsuccessful bidders.

Mr. Loulakis and Mr. Carl reported that the cost differential between the fixed price design build is usually 4.5% to 6% over other types of construction procurement processes. Conflicts that should arise between the teams are rare and handled through negotiation. The relationship between the two is more collaborative. When reviewing qualifications for the design build team, past performance accounts for approximately 40% of the weighting. Proposal payments are used to show the work product value to unsuccessful proposers.

The Chairman thanked Mr. Loulakis for his time. Mr. Johnson inquired on how often updates are provided to the Board. Mr. Loulakis reported that quarterly briefings were the norm.

At 7:27 p.m., the Chairman requested a five-minute recess.

At 7:33 p.m., the meeting reconvened.

The Chairman moved to the Consent Calendar.

### Consent Calendar

The Chairman gave members time to review the Minutes of the October 16 meeting. There being no comments or changes to the Minutes and the Chairman requested a motion to approve. Mr. Beall moved and Mr. Dickinson provided the second. The Board unanimously approved the Consent Calendar, which contained the following items:

#### A. Minutes (October)

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

#### Unfinished Business

A. None

#### New Business

A. None

#### Board Strategic Roundtable Reports

##### CSO Work Group Meeting

Mr. Hill reported that they received a good number of applications for the At-Large Stakeholder Work Group seat and are waiting for responses from the local organizations. Ms. Pallansch reported that they were waiting for two additional candidates from the Environmental Policy Committee and the Parks and Recreation Department.

##### Alexandria Chamber of Commerce (Ms. Turner)

Nothing to report.

##### Chesapeake Bay Citizens Advisory Group (Mr. Dickinson)

Mr. Dickinson reported that the group meets again in Washington DC on November 29 and 30.

Mr. Dickinson additionally discussed his attendance at a water program at the National Building Museum.

##### Northern Virginia Clean Water Stewardship.

This group meets twice weekly at a cost of \$40 per person. Mr. Dickinson inquired about the number of participants from Alexandria. This could be a good core advocacy group.

On behalf of AlexRenew, Mr. Hill received the Partners of the Year award at the Potomac RiverKeeper Group's Annual Meeting.

##### Finance and Audit Committee

Nothing to Report

##### Governance Committee

Ms. Turner was absent but provided her endorsement of the new language for AlexRenew's Board approved 2040 Vision Statement. Ms. Pallansch reported she would email the revised Vision Statement for Board endorsement.

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 October 2018 Financial Reports

Ms. Pallansch noted that the financials were trending well with \$10 million in cash reserves.

CEO Monthly Report (October)

Ms. Pallansch noted her written report and inquired if members had questions. There being none, she reported that she gave a presentation titled, Stronger Together, to become a member of the Leading Utilities of the World (LUOW) network. The network shares successes with local and international utilities.

Additionally, Ms. Pallansch along with the City Manager wrote a letter to the Governor's staff and Ann Jennings, Natural Resource Secretary for grant funding for the CSO program.

Ms. Pallansch reported that the Environmental Center has been selected to be a polling place and requested Board endorsement at the next meeting.

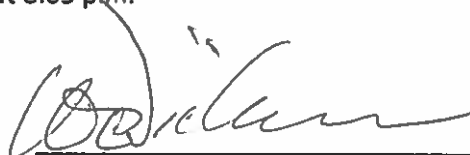
Mr. Dickinson inquired whether Board members would benefit by attending the Water 101 to become citizen water monitors. Ms. Pallansch reported that she would get the syllabus but thought that other classes may better serve the Board.

Ms. Pallansch reviewed the RiverRenew Dashboard through October 31. She reported that at this stage, the most risk is with the permitting agencies.

There were no additional questions or comments. Mr. Rak reported there was no need to hold a closed session this evening. The Chairman requested a motion to adjourn. Mr. Johnson moved and Mr. Beall provided the second. The Board unanimously approved.

The meeting adjourned at 8:05 p.m.

APPROVED:



Secretary-Treasurer